



American Bilrite Inc.

Consolidated Financial Statements
Three Months Ended
March 31, 2014

American Biltrite Inc. and Subsidiaries
Consolidated Balance Sheets

(In thousands of dollars)

	March 31, 2014	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$ 114	\$ 905
Short-term investments	2,499	2,499
Accounts receivable	21,859	18,875
Inventories	41,117	39,212
Income taxes	915	1,162
Prepaid expenses & other current assets	2,250	1,744
Insurance receivable for asbestos & environmental liabilities	4,772	4,772
Total current assets	73,526	69,169
Property, plant & equipment, net	26,342	26,670
Other assets:		
Insurance receivable for asbestos & environmental liabilities	20,428	20,428
Other assets	3,574	3,608
	24,002	24,036
Total assets	\$ 123,870	\$ 119,875
Liabilities		
Current liabilities:		
Accounts payable	\$ 10,613	\$ 8,898
Accrued expenses	13,405	13,997
Asbestos & environmental liabilities	6,107	5,969
Notes payable	6,529	1,488
Current portion of long-term debt	1,511	1,432
Total current liabilities	38,165	31,784
Long-term debt, less current portion	7,031	7,577
Asbestos & environmental liabilities	35,809	35,809
Other liabilities	7,225	8,141
	50,065	51,527
Total liabilities	88,230	83,311
Stockholders' equity		
Common stock and additional paid in capital (common stock par value \$.01, 150,000 shares authorized, issued 45,985 shares, and 32,477 shares outstanding at March 31, 2014 & December 31, 2013)	20,324	20,324
Less cost of common stock in treasury (13,508 shares at March 31, 2014 and December 31, 2013)	(15,721)	(15,721)
Retained earnings	32,518	32,700
Accumulated other comprehensive loss	(2,425)	(1,683)
Total stockholders' equity of controlling interests	34,696	35,620
Noncontrolling interests	944	944
Total stockholders' equity	35,640	36,564
Total liabilities and stockholders' equity	\$ 123,870	\$ 119,875

American Biltrite Inc. and Subsidiaries
Consolidated Statement of Operations
(In thousands of dollars, except share and per share amounts)

	Three Months Ended	
	March 31,	
	2014	2013
Net Sales	\$ 47,936	\$ 51,963
Cost of products sold	35,428	38,457
Selling, general & administrative expenses	12,602	13,113
(Loss) income from operations	(94)	393
Other (expense) income		
Interest expense	(112)	(138)
Other expense, net	47	(274)
	(65)	(412)
Loss before income taxes	(159)	(19)
Provision for income taxes	23	78
Net loss attributable to controlling interests	\$ (182)	\$ (97)
Net loss per share attributable to controlling interests		
Basic	\$ (5.60)	\$ (2.82)
Diluted	\$ (5.60)	\$ (2.82)
Weighted average shares outstanding		
Basic	32,477	34,377
Diluted	32,477	34,377

American Biltrite Inc. and Subsidiaries
Consolidated Statement of Cash Flows
(In thousands of dollars)

	Three Months Ended	
	March 31,	
	2014	2013
Operating activities		
Net loss	\$ (182)	\$ (97)
Adjustment to reconcile net loss to net cash used by operating activities		
Depreciation and amortization	860	880
Stock compensation expense	-	41
Change in operating assets and liabilities		
Accounts and notes receivable	(3,118)	(4,007)
Inventories	(2,431)	(4,125)
Prepaid expenses and other assets	(519)	254
Accounts payable and accrued expenses	1,251	2,823
Asbestos & environmental liabilities	138	-
Income taxes	(30)	-
Other	(583)	359
Net cash used by operating activities	(4,614)	(3,872)
Investing activities		
Investments in property, plant and equipment	(879)	(496)
Purchase of short-term investments	(2,500)	-
Proceeds from sale of short-term investments	2,500	-
Net cash used by investing activities	(879)	(496)
Financing activities		
Net payments on short-term debt	5,110	3,565
Payments on long-term debt	(465)	(369)
Purchase of stock	-	(756)
Net cash provided by financing activities	4,645	2,440
Effect of foreign exchange rate changes on cash	57	472
Net decrease in cash	(791)	(1,456)
Cash and cash equivalents at beginning of period	905	1,604
Cash and cash equivalents at end of period	\$ 114	\$ 148