

## To the Shareholders:

Our annual report to shareholders provides an opportunity to review our progress during the year, to convey to you in words and pictures what the company is doing, and to indicate the direction of its future progress.

Last year set new records with the highest sales and earnings in history. Sales rose for the sixth consecutive year and reached \$277,399,000, a gain of 7% over the \$260,168,000 reported in 1965.

Net earnings increased for the fifth straight year and reached \$12,827,000, up 16% from \$11,104,000 in the pre-

ceding year. Net earnings per share rose to a new record of \$3.49, compared with \$3.01 in 1965, after adjusting for the two-for-one stock split which was authorized by the stockholders last year at the Annual Meeting.

Shareholders will recall that Abex sold its forging business late in 1965. If total shipments for 1965 were reduced by the amount of forging sales in that year, the increase in shipments for 1966 would be 16% instead of 7% and the increase in earnings between the two years would remain at 16%.

Dividends paid in 1966 amounted to



KEMPTON DUNN  
Chairman



WILLIAM T. KELLY, JR.  
President