In addition, various legal proceedings, claims and investigations are pending against the Company and PCT, including those relating to commercial transactions, product liability, safety and health matters and other matters PCT and Pneumo Abex are involved in various stages of legal proceedings, claims, investigations and cleanup relating to environmental natural resource matters, some of which relate to waste disposal sites Most of these matters are covered by insurance, subject to deductibles and maximum limits, and by third-party indemnities

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(DOLLARS IN MILLIONS)

In the opinion of management, based upon the information available at this time, the outcome of the outstanding defective pricing and other matters referred to above will not have a material adverse effect on the Company's financial position or result of operations

The Company believes that it facilities are well maintained and are in substantial compliance with environmental laws and regulations.

11. SIGNIFICANT CUSTOMER

The Company has a significant customer in the tobacco industry , Philip Morris Companies, Inc., who accounted for approximately 26%, 25% and 26% of net sales in 1996, 1995 and 1994, respectively

12 GEOGRAPHIC SEGMENTS

The Company operates in one business segment Information related to the Company's geographic segments are presented below with the following definitions·

Operating profit, as indicated below, represents net sales less operating expenses, foreign currency transaction income (loss) and other income (expense).

Identifiable assets are those used by each geographic segment Goodwill pertains to foreign operations and have been included in foreign identifiable assets Corporate assets are principally domestic cash and cash equivalents, a pension asset and deferred charges.

	YEAR ENDED DECEMBER 31		
	1996	1995	1994
Net Sales			
Domestic - U S	$ 63 3	$62 7	$59 7
- Export	27 0	25 4	24 9
Foreign	13 1	15 1	11 0
	$103 4	$103 2	$95 6
Operating profit			
Domestic	$33 5	$30 6	$26 9
Foreign	3 6	3 0	2 8
Equity in unconsolidated subsidiaries	-	0 4	0 1
	37 1	34 0	29 8
Net interest expense and financing charges	(13 2)	(14 2)	(15 7)
Income before income taxes and extraordinary loss	$23.9	$19 8	$14.1