# Statement of Consolidated Earnings Reinvested in the Business

Years Ended December 31, 1964 and 1963

| | 1964 | 1963 |
|---|---|---|
| Beginning of year | $ 54,099,421 | $ 51,112,067 |
| Net earnings | 9,762,039 | 7,440,744 |
| Total | 63,861,460 | 58,552,811 |
| Cash dividends on common stock, $2.50 per share in 1964 and $2.40 per share in 1963 | 4,642,289 | 4,453,390 |
| End of year | $ 59,219,171 | $ 54,099,421 |

# Accountants' Opinion

THE BOARD OF DIRECTORS AND STOCKHOLDERS OF AMERICAN BRAKE SHOE COMPANY:

We have examined the consolidated balance sheet of AMERICAN BRAKE SHOE COMPANY and its subsidiaries as of December 31, 1964, and the related statements of consolidated earnings and earnings reinvested in the business for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We previously examined and reported upon the consolidated financial statements of the Company and its subsidiaries for the year 1963.

In our opinion, the accompanying consolidated financial statements present fairly the financial position of the Company and its subsidiaries at December 31, 1964 and 1963 and the consolidated results of their operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

We have also examined the consolidated statement of source and disposition of funds of the Company and its subsidiaries for the years ended December 31, 1964 and 1963, which statement, in our opinion, is fairly presented.

LYBRAND, ROSS BROS. & MONTGOMERY

New York, January 25, 1965