GROSS PROFIT	46 0	43 2	38 2
Selling general & administrative expenses	9 4	9 2	8 5
OPERATING INCOME	36 6	34 0	29 [illegible]
Interest income	(0 4)	(0 5)	(0 2)
Interest expense	12 5	13 5	14 [illegible]
Amortization of debt issuance costs	0 9	0 9	0 9
Other net	(0 [illegible]	0 3	0 [illegible]
INCOME BEFORE INCOME TAXES AND EXTRAORDINARY LOSS	23 9	19 6	[illegible]
Income taxes	9 0	[illegible]	5 4
INCOME BEFORE EXTRAORDINARY LOSS	14 9	12 [illegible]	8 [illegible]
Extraordinary loss on refinancing of debt, net of tax benefits of $0 [illegible] in 1996 and $[illegible] in 1994	0 6	-	[illegible]
NET INCOME	$ 14 3	$12 1	$ 6 0

See Notes to Consolidated Financial Statements

PNEUMO ABEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY (DEFICIT)
(DOLLARS IN MILLIONS)

	COMMON STOCK	ADDITIONAL PAID IN CAPITAL	ACCUMULATED DEFICIT	CURRENCY TRANSLATION ADJUSTMENT	TOTAL
Balance December 31 1993	$ -	$0 1	$(58 4)	$ -	$(58 3)
Net income			6 0		6 0
Translation adjustment				0 9	0 9
Balance December 31, 1994	-	0 1	(52 4)	0 9	(51 4)
Net income			12 1		12 1
Cash dividends paid		(0 1)	(8 9)		(9 0)
Translation adjustment				1 0	1 0
Balance December 31, 1995	-	-	(49 2)	1 9	(47 3)
Effect of Pneumo Abex Merger		34 2			34 2
Capital Contribution		17 0			17 0
Net income			14 3		14 3
Cash dividends paid			(12 5)		(12 5)
Translation adjustment				(0 7)	(0 7)
Balance December 31, 1996	$ -	$51 2	$(47 4)	$1 2	$5 0

See Notes to Consolidated Financial Statements