[illegible] the business

YEARS ENDED DECEMBER 31 1961 AND 1960

	1961	1960
Beginning of Year	$ 39,674,592	$ 37,910,690
Net earnings and (in 1961) special item	6,364,705	5,666,874
TOTAL	46,039,297	43,577,564
Cash dividends on common stock, $2.40 per share	3,914,920	3,902,972
End of Year	$ 42,124,377	$ 39,674,592

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, 1961 and 1960 and the related statements of consolidated earnings, earnings retained in the business and source and disposition of funds for the respective years then ended. Our examinations were 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.

In our opinion, the accompanying consolidated financial statements present fairly the financial position of the Company and its subsidiaries at December 31, 1961 and 1960, and the results of their operations for the respective years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

New York, February 14, 1962

LYBRAND, ROSS BROS. & MONTGOMERY

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