

News Release 1972

Garlock NEWS RELEASE



CIS FILE

12-20-72

BACKGROUND STATEMENT
THIRD QUARTER 1972

Rochester, New York, December 20 - - - "Garlock has broken \$100 million sales (a record) with two weeks to go in its 1972 fiscal year," said Ben H. Cook, Garlock Inc.'s president and chief operating officer, in the company's quarterly background statement from the Rochester, New York, headquarters.

"It would be premature of me to predict the fourth quarter's effect on the full year's earnings at this time," Mr. Cook continued. "We still have some year-end adjustments, which are normal for a multi-national company such as Garlock."

"Based on record sales and earnings for the year-to-date, we hope that Garlock's earnings per share will be an all time high for the 1972 year," Mr. Cook added.

Garlock's overseas sales in the fourth quarter paralleled domestic growth rates. The largest sales outside the United States were in general packing products, gasketing materials, and oil seals. The primary areas of domestic sales improvement for 1972 have been in plastic parts, bearing materials, hydraulic cylinders and heavy truck, wheel bearing oil lubrication systems.

For the first nine months of the 1972 fiscal year, ended September 24, Garlock reported a 17% increase in sales and a 12% increase in net income from the comparable period last year. The 1972 nine-month sales were \$75,695,000 compared to \$64,856,000 in 1971; the net income was \$3,138,000 against \$2,799,000. Earnings per share were \$1.32 and \$1.25 for the respective periods.

In its fiscal year ended December 26, 1971, Garlock sales and net income of \$85.5 million and \$3.7 million grew from \$76.7 million and \$3.4 million in 1970. Earnings per share were \$1.72 in 1971 and \$1.76 in 1970.

During the past 10 years, from 1962 to 1971, the compounded annual rate of growth has been 11% for sales, 16% for net income and 15% for earnings per share. According to FORTUNE magazine, Garlock's growth in earnings per share during the same period ranked 68th in the 1000 largest U.S.-based industrial corporations.

Garlock manufactures industrial seals and other, primarily replaceable, engineered components. The company operates fourteen plants in the United States and eleven in Belgium, France, England, Mexico, Japan and Canada. Products are composed of varying combinations of rubber, metal, textiles, leather, chemicals and plastic.

The major markets are machinery and transportation customers, currently approximating 30% and 25% of Garlock sales. Sales to the automotive market are nearly half of Garlock's transportation business. Distributor sales, which cover a number of markets, approximate a quarter of Garlock's sales total, and have grown noticeably in recent years.

Garlock products are sold in 83 countries through a combination of company salesmen, independent representatives and distributors to over

35,000 customers, representing most of the major industry categories classified by the U. S. Department of Commerce.

Essentially Garlock products stop leakage of liquids or gases -- in consumer and industrial products. Rarely can Garlock products be seen, but Garlock components are used in cars, refrigerators, washing machines, power mowers and thousands of other commonly recognized consumer items. In addition, Garlock parts are used in other equally important industrial applications such as petro-chemical refineries, power plants and bridge construction.

Approximately half of Garlock's sales are to original equipment manufacturers and the other half to maintenance and repair customers, including distributors. Garlock notes that these portions will vary somewhat, depending upon current world economic cycles. The resultant diversification, according to Garlock, is such that sales are less effected by short term swings in specific industries or in the general economy.

Garlock was founded as a partnership in 1887 to manufacture steam packings. The company was incorporated in 1905. And in 1929 the company made its first public offering of common stock. In 1960, the name was changed to Garlock Inc.

#

From: Douglass M. Barnes
716-232-1400

**Garlock
NEWS
RELEASE**Fourth Quarter
Dividend Action

Rochester, New York, October 27 - - - Garlock Inc.'s board of directors increased the usual quarterly dividend from \$.20 per share to \$.21, payable on November 20 to shareholders of record on November 6, with 2,376,000 common shares now outstanding and listed for trading on the New York Stock Exchange.

"This new rate brings our annual dividend rate to \$.84 per share which represents a 5% increase," said A. J. McMullen, chairman of Garlock's board of directors. "Because the effect is spread over two years, Garlock's dividend increase will not exceed the limits presently allowed by President Nixon's economic program," he emphasized.

This dividend represents the 173rd consecutive quarterly cash payment of dividends on Garlock's common stock since Garlock became a publicly owned corporation in 1929. From 1905, when Garlock was incorporated, until 1929, 213 consecutive and supplemental cash dividends were paid, mostly on a monthly basis.

"The increase in this 386th unbroken dividend payment exemplifies the growth and stability which Garlock has had since its beginning," Mr. McMullen noted.

Garlock, headquartered in Rochester, New York, manufactures industrial seals and other engineered components with 25 plants in Belgium, Canada, France, Great Britain, Japan, Mexico and the United States. Sales are in 83 countries.

#

From: Douglass M. Barnes
716/232-1400

Page 2 of 2

Garlock NEWS RELEASE

CIS FILE

3rd Quarter Earnings

Rochester, New York, October 16 - - Garlock Inc.'s sales and net income again reached record highs for the first nine months of 1972, the manufacturer of industrial seals and components reported today. The 1972 nine months sales were \$75,695,000 compared to \$64,856,000 in last year, a 17% gain. Net income for the period was \$3,138,000 in 1972 and \$2,799,000 in 1971, a 12% increase.

The nine months earnings per share rose to \$1.32 in 1972 from \$1.25 in 1971, a 6% increase, based on 2,380,695 and 2,241,791 weighted average shares in the 1972 and 1971 periods.

The 1972 third quarter results reflected sales of \$24,989,000 compared to \$20,926,000 in the previous year. Net income for the respective periods was \$913,000 in the current year and \$853,000 in the previous year. Earnings per share for the 13 weeks were \$0.38 in 1972 and \$0.36 in 1971.

All of the above figures reflect the acquisition of Service Spring Company, including the issuance of the additional shares.

"Provided there are no economic surprises, Garlock should reach its \$100 million sales target for the year 1972," said A. J. McMullen, Garlock's

chairman of the board of directors. "The third quarter's improvement indicates that 1972 net income and earnings per share should be higher than the comparable 1971 results."

During the past 10 calendar years, from 1962 to 1971, the compounded annual rate of growth has been 11% for sales, 16% for net income and 15% for earnings per share. According to Fortune magazine, Garlock's growth in earnings per share during the same period ranked 68th in the 1000 largest U. S. - based industrial corporations.

Garlock, headquartered in Rochester, New York, manufactures industrial seals and other, primarily replaceable, engineered components. The company operates fourteen plants in the United States and eleven in Belgium, France, England, Mexico, Japan and Canada. Products are composed of varying combinations of rubber, metal, textiles, leather, chemicals and plastics.

#

From: Douglass M. Barnes
716/232-1400

Page 2 of 3



<u>Third Quarter Ended</u>	<u>Sept. 24 1972</u>	<u>Sept. 26 1971</u>	<u>% Change</u>
Net Sales	\$24,988,607	\$20,925,584	19.4
Income Before Taxes on Income	1,712,586	1,534,405	11.6
Taxes on Income	799,263	681,839	17.2
Net Income	913,323	852,566	7.1
Per Share	.38	.36	5.6
Weighted Average Shares Outstanding *	2,375,528	2,383,946	.4

Nine Months Ended

Net Sales	\$75,695,274	\$64,855,945	16.7
Income Before Taxes on Income	5,712,002	5,126,350	11.4
Taxes on Income	2,574,151	2,326,862	10.6
Net Income	3,137,851	2,799,488	12.1
Per Share	1.32	1.25	5.6
Weighted Average Shares Outstanding *	2,380,695	2,241,791	6.2

* These figures reflect the acquisition of Service Spring Company, including the issuance of the additional shares.



CIS FILE

Third Quarter
Dividend Action

Rochester, N.Y., July 28 - - - Directors of Garlock Inc. today declared the regular \$.20 per share dividend for the third quarter of 1972, payable August 18 to shareholders of record August 7.

Garlock has paid dividends continuously since its incorporation in 1905. The company now has 2,244,395 common shares outstanding and listed for trading on the New York Stock Exchange.

Garlock manufactures and sells engineered industrial components, including mechanical packings for pumps, rubber belts and rollers for office copying equipment, hub seals for trucks and truck trailers, and valves for waste treatment systems. The company is headquartered in Rochester, New York, with plants, distributors and sales offices located internationally.

#

From: Douglass M. Barnes
Director, Investor Relations

2nd Quarter Earnings

Rochester, New York, July 28 - - - Garlock Inc. (NYSE) sales and net income for the second quarter ended June 25 were \$26,008,000 and \$1,163,000, compared to \$22,618,000 and \$1,004,000 for the same thirteen week period a year ago. Earnings per common share were \$.52 and \$.49 in the 1972 and 1971 respective periods.

For the first half of 1972, Garlock's sales were \$49,286,000, against \$42,740,000 in 1971. Net income for the 1972 six month period was \$2,084,000, or \$.93 per common share, versus \$1,833,000, or \$.90 a share, for the same period last year.

Pretax income for the 1972 second quarter was \$2,012,000, against \$1,997,000 in the similar 1971 quarter. Second quarter income taxes were \$849,000 in 1972 and \$993,000 in 1971.

"The improvement in profit margins as a result of price increases has not been achieved as rapidly as we earlier had hoped, but further improvement is expected. With our current mix of foreign and domestic business showing increased amounts of non-domestic business in 1972 we are experiencing a smaller average income tax than in the prior year. We are continuing our efforts to increase efficiency with the objective of further improving profit margins," said A. J. McMullen, chairman of the board.

"Our domestic orders are increasing, reflecting the improved U. S. economy, but our International Groups' operations in the second quarter again represented the largest portion of our growth," B. H. Cook president, observed. "Our management expects these trends to continue during the balance of the year."

Garlock Inc., headquartered in Rochester, New York, is a manufacturer of industrial sealing devices - - oil seals and mechanical packings primarily for machinery and transportation applications - - and other engineering industrial components, such as hydraulic cylinders, compressor valves, and plastic-based bearings.

From: Douglass M. Barnes
716/232-1400



<u>Second Quarter Ended</u>	<u>June 25</u> <u>1972</u>	<u>June 27</u> <u>1971</u>	<u>% Change</u>
Net Sales	\$26,008,063	\$22,618,160	+15.0
Income Before Taxes on Income	2,011,778	1,996,948	+ .7
Taxes on Income	849,182	993,070	-14.5
Net Income	1,162,596	1,003,878	+15.8
Per Share	\$.52	\$.49	+ 6.1
Weighted Average Shares Outstanding *	2,251,746	2,068,805	+ 8.8

Six Months Ended

Net Sales	\$49,286,158	\$42,739,532	+15.3
Income Before Taxes on Income	3,737,748	3,385,665	+10.4
Taxes on Income	1,653,356	1,552,509	+ 6.5
Net Income	2,084,392	1,833,156	+13.7
Per Share	\$.93	\$.90	+ 3.3
Weighted Average Shares Outstanding *	2,252,414	2,039,850	+10.4

* Including effect of 250,000 common share public offering on May 26, 1971.

**COOK ELECTED
PRESIDENT**

Rochester, New York, April 26 - - - At the organizational meeting of the Board of Directors following today's Annual Meeting of Shareholders, Ben H. Cook was elected president and chief operating officer. He had been vice president - Oil Seal Group.

A. J. McMullen, the former president, was elected Chairman of the Board of Directors, and he will continue as chief executive officer. Prior to Mr. McMullen's election, the chairmanship has been vacant.

Mr. Cook joined Garlock in 1964 when his company, the Stemco Manufacturing Company, was acquired by Garlock. In 1969 he was elected vice president.

Prior to founding Stemco with others in 1951, Mr. Cook was a manager at the Free Flow Muffler Co. in Toronto, Ohio. He graduated from Louisiana State University in 1948 with a B.S. degree in business administration and served in WWII with the U.S. Army Air Corps.

Born in Shreveport, Louisiana, on April 7, 1926, Mr. Cook is married to the former Irene Owen of Baton Rouge, Louisiana. The Cooks have three children: Lura (21), Terry Ellen (19), and Paul (18). All of whom attend college in Texas.

Mr Cook currently resides in Longview, Texas, but plans to move to Rochester, New York, in the near future to be near the corporate headquarters.

Active in several community service organizations, Mr. Cook is now on the Board of Directors of the Longview National Bank and is a member of the Society of Automotive Engineers.

Garlock consists of five operating groups: Oil Seal, Mechanical Products, Mechanical Power, Fluid Power, and International. No successor has been appointed to manage the Oil Seal Group.

The Oil Seal Group, which Mr. Cook formerly managed, primarily sells oil seals to the heavy trucking and automobile industries -- both to the aftermarket and to all major domestic, as well as some foreign, manufacturers. This Group is composed of the Precision Seal Division in Gastonia, North Carolina; the Spring Division in Bristol, Connecticut; and Stemco.

Garlock Inc., headquartered in Rochester, New York, has its principal manufacturing operations in the United States, Canada, France, Great Britain, Mexico and Japan. Sales offices and distributors are located in more than 70 countries around the world.

#

From: Douglass M. Barnes
716/232-1400

page 2 of 2

1st Quarter Earnings
Annual Meeting Summary

Rochester, N.Y., April 26 - - - Garlock Inc.'s 1972 first quarter sales and net income increased to an all-time first quarter high, while earnings per share remained the same as the 1971 first quarter, president A.J. McMullen told his audience at the company's 1972 annual meeting, held at the Marine Midland Bank - Rochester this afternoon.

For the 1972 quarter ended March 26, sales increased 16%, to \$23,278,000 from \$20,121,000 in the 1971 first quarter. Net income increased 11% to \$922,000 from \$829,000 a year ago.

Earnings per share were \$.41 in both the 1972 and 1971 first quarters primarily because of the 12% increase in weighted average shares outstanding to 2,253,000 from 2,012,000 in 1971.

Mr. McMullen noted that the dilutive effect of the May 1971 offering of new common shares to the public would have a decreasing influence on Garlock's per share earnings in the future.

"Garlock's profit margins should improve noticeably in the second quarter and hopefully throughout 1972," Mr. McMullen continued. Price increases were initiated in late February in accordance with the Nixon Administration's Phase II Program. These increases had little effect on the first quarter, but should result in some margin improvement in the second quarter."

At the meeting Mr. McMullen showed slides of new Garlock facilities, built or acquired in 1971. He also emphasized some of Garlock's new tape controlled machinery which should speed production, lower inventories, improve quality and increase profit margins.

Garlock Inc., headquartered in Rochester, New York, has its principal manufacturing operations in the United States, Canada, France, Great Britain, Mexico and Japan. Sales offices and distributors are located in more than 70 countries around the world.

#

From: Douglass M. Barnes
716/232-1400

page 2 of 3



<u>First Quarter Ended</u>	<u>March 26</u> <u>1972</u>	<u>March 28</u> <u>1971</u>	<u>Change</u>
Sales	\$23,278,095	\$20,121,372	+15.7
Pre-tax Income	1,725,970	1,388,717	+24.3
Income Taxes	804,174	559,439	+43.7
Net Income	921,796	829,278	+11.2
Per Share	\$.41	\$.41	-
Weighted Average Common Shares Outstanding*	2,253,082	2,011,787	+12.0

*Including effect of 250,000 common share public offering
on May 26, 1971.

Liard Acquisition

Rochester, N.Y., March 6 - - - Garlock Inc. announced the completion of its acquisition of Etablissements G. Liard S.A., a compressor components manufacturer located near Brussels, Belgium, and of its French subsidiary, Societe Francaise de Etablissements G. Liard, with two locations in France. D. J. Camille - vice president International Group, reported from Europe late Friday that the French government had approved the transaction.

Under the agreement an undisclosed amount of cash will be paid by Garlock to the shareholders of both the Belgian parent and its French subsidiary for 100% of the shares outstanding in Belgian Liard and 85% of the shares outstanding of French Liard, with an option to purchase the minority shares in 1973 for a fixed cash payment.

Liard was initially established in Roux, Belgium, in 1912 to make special steam packings for railroad and other industrial engines. The company subsequently and for many years has been a major manufacturer of European compressor valves, packings, and other components. The French subsidiary was formed in 1936, and now has two locations, one in Jeumont in northeastern France and the other in Mourenx in southwestern France near France's natural gas fields.

"The acquisition of Liard will provide Garlock with additional European manufacturing capabilities for compressor components. At the same time, it will expand Liard's markets through imports from Garlock's France Products Division, which also manufactures compressor parts," Mr. Camille explained.

The current managing director, Jacques Francotte, will continue in this capacity to manage the Liard operations from his Roux offices and will report directly to Mr. Camille.

"This acquisition is part of the 1972 international program of acquisitions announced earlier by the company. Additional acquisitions in Italy and Spain are expected to be accomplished later in the year," Mr. Camille added.

Garlock Inc., headquartered in Rochester, N.Y., is a manufacturer of industrial sealing devices -- oil seals and mechanical packings for pumps and steam turbines -- and other engineered industrial components, such as hydraulic cylinders, gasketing materials, and plastic-based bearings.

#

From: Douglass M. Barnes
716/232-1400

1971 FISCAL YEAR
SALES AND EARNINGS

Los Angeles, Calif., February 24, 1972 - - - Record earnings for the fiscal year ended December 26, 1971 and for the eleventh consecutive year were announced today by Garlock Inc.'s president, A. J. McMullen, at a luncheon meeting of the Los Angeles Society of Financial Analysts. Sales also reached a new all time high for Garlock in 1971.

Compared to fiscal 1970, net income increased 7.4% to \$3,694,000 from \$3,440,000 on a sales rise of 11.5% to \$85,514,000 from \$76,673,000.

Because of the dilutive effect of an additional 250,000 common shares sold to the public in May 1971, earnings per share declined 2.3% to \$1.72 from \$1.76. The weighted average shares outstanding were 2,146,000 in 1971 as opposed to 1,953,000 in 1970.

Garlock's 1971 income taxes declined 10.5% to \$2,679,000 from \$2,993,000. The lower taxes in 1971 were due to several factors: the resolution of tax audits, the mix of foreign and domestic tax rates, the investment tax credit, and the complete elimination in 1971 of the federal income tax surcharge.

In the fourth quarter ended December 26, 1971, Garlock's sales increased 21.6% to \$22,519,000 from \$18,517,000 in the same period a year ago. Net income increased only 6.4% to \$1,072,000 from \$1,007,000 partially resulting from Garlock's inability to raise prices during Phase I in order to offset rising costs.

Garlock Inc., headquartered in Rochester, N.Y., is a manufacturer of industrial sealing devices -- oil seals and mechanical packings for pumps and steam turbines -- and other engineered industrial components, such as hydraulic cylinders, gasketing materials, and plastic-based bearings.

#

From: Douglass M. Barnes or John E. Brennan
716/232-1400

page 2 of 3



<u>Fiscal Year Ended:</u>	December 26 <u>1971</u>	December 27 <u>1970</u>
Net Sales	\$85,513,887	\$76,673,309
Income Before Taxes on Income	6,373,106	6,432,364
Taxes on Income	2,679,102	2,992,688
Net Income	3,694,004	3,439,676
Per Share	\$1.72	\$1.76
Weighted Average Shares Outstanding*	2,146,466	1,952,628

<u>Fourth Quarter Ended:</u>	December 26 <u>1971</u>	December 27 <u>1970</u>
Net Sales	\$22,518,771	\$18,516,869
Income Before Taxes on Income	1,581,660	1,748,317
Taxes on Income	509,879	741,303
Net Income	1,071,781	1,007,014
Per Share	\$.48	\$.51
Weighted Average Shares Outstanding*	2,253,082	1,976,355

*Including effect of 250,000 common share public offering on May 26, 1971.