

New York, New York
February 11, 1997

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PNEUMO ABEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(DOLLARS IN MILLIONS, EXCEPT SHARE DATA)

	DECEMBER 31,	
	1996	1995
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3 5	\$ 8 5
Trade accounts receivable, net	11 3	10 4
Inventories	46 3	45 5
Prepaid expenses and other	2 2	3 5
Total current assets	63 3	67 9
Property, plant and equipment, net	10 4	10 6
Pension asset	14 1	-
Deferred tax asset	34 8	1 0
Intangibles and other assets	4 0	5 8
TOTAL ASSETS	\$126 6	\$95 3
LIABILITIES & STOCKHOLDER'S EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Current portion of long-term debt	\$ -	\$ 10 2
Foreign borrowings	-	0 7
Accounts payable	5 2	5 6
Accrued interest	1 3	1 3
Accrued compensation and benefits	3 1	2 4
Income taxes payable	1 4	0 6
Payable to parent	7 1	-
Accrued expenses and other	4 7	0 6
Total current liabilities	22 8	21 4
Long-term debt	91 9	108 1
Other liabilities	6 9	3 1
Commitments and contingencies	-	-
STOCKHOLDER'S EQUITY (DEFICIT)		
Common stock, par value \$1 00 per share, 1,000 shares authorized, issued and outstanding	-	-
Additional paid-in-capital	51 2	-
Accumulated deficit	(47 4)	(49 2)
Currency translation adjustment	1 2	1 9
TOTAL STOCKHOLDER'S EQUITY (DEFICIT)	5 0	(47 3)
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY (DEFICIT)	\$126 6	\$ 85 3

See Notes to Consolidated Financial Statements

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PNEUMO ABEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(DOLLARS IN MILLIONS)

	YEAR ENDED DECEMBER		
	1996	1995	1994
NET SALES	\$103 4	\$103 2	\$95 6
Cost of sales	57 4	60 0	57 4