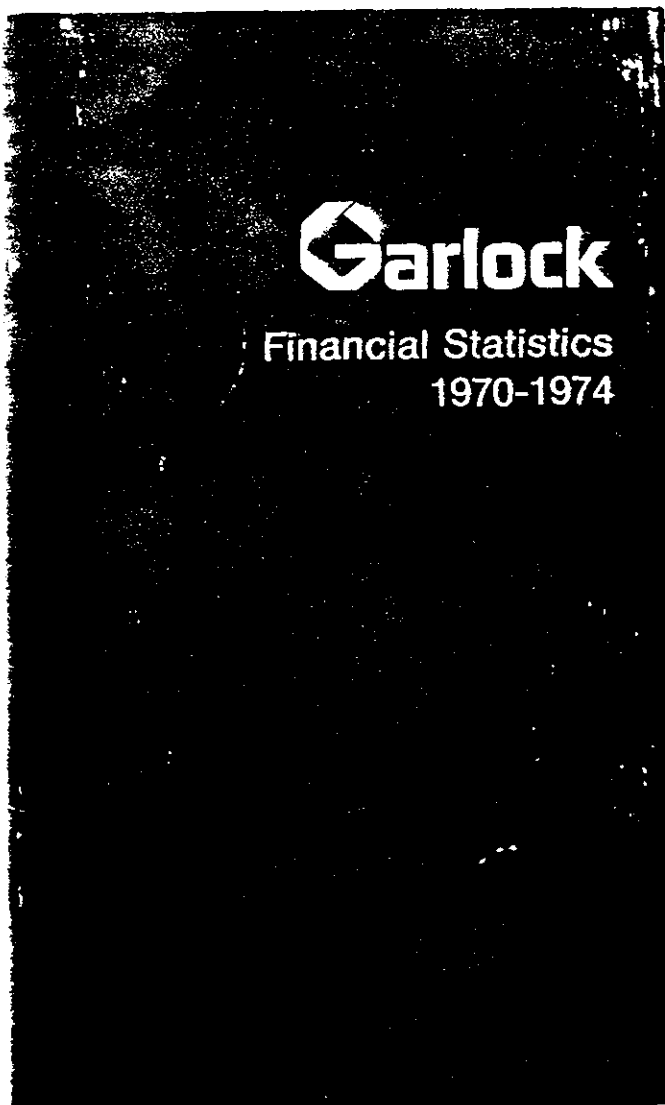
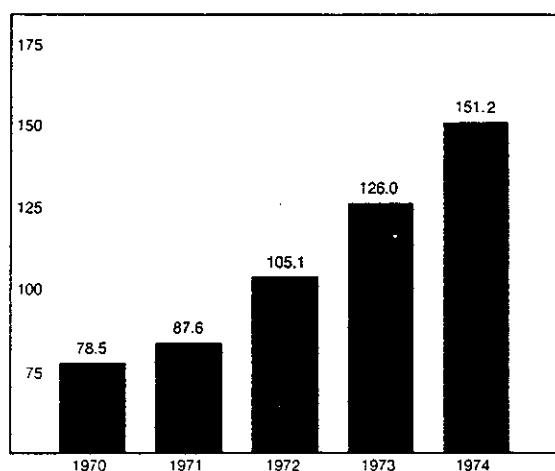




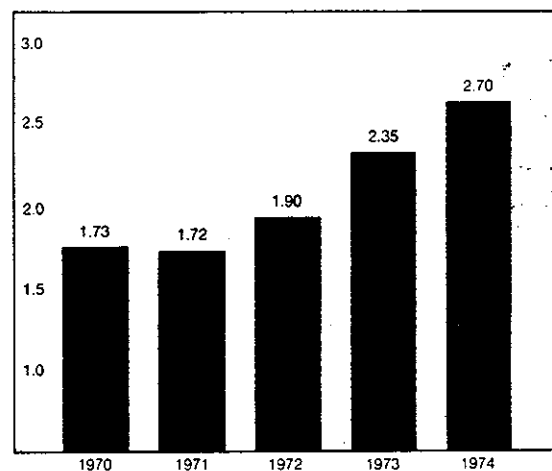
Highlights

	1974	1973	1972	1971	1970
Sales (Thousands of Dollars)	151,168	126,022	105,159	87,650	78,533
Net Income (Thousands of Dollars)	6,430	5,592	4,513	3,925	3,597
Earnings Per Share (Dollars)	2.70	2.35	1.90	1.72	1.73
Dividends Per Share (Dollars)	.86	.84	.81	.80	.80
Garlock Shareholders' Equity Per Share (Dollars)	21.05	19.20	17.69	16.65	15.72
Average Shares Outstanding (Thousands)	2,377	2,377	2,380	2,277	2,083

Sales



Earnings Per Share



Income and Retained Earnings

(Thousands of Dollars)

INCOME

Net Sales and Operating Revenues
Operating Costs
Cost of Goods Sold
Selling and Administrative Expenses
Total Operating Costs
Income from Operations
Sundry Charges—Net
Income Before Taxes on Income
Taxes on Income
Net income for the Year
Average Shares Outstanding (Thousands)
Earnings Per Share (Dollars)

RETAINED EARNINGS

Balance at beginning of year
Net income for the year
Cash dividends:
Garlock Inc.
Pooled company ¹ prior to acquisition
Other
Balance at end of year
Dividends per share (Dollars)

¹ Service Spring Company

Garlock Inc. and Consolidated Subsidiaries

1974	1973	1972	1971	1970
\$151,168	\$126,022	\$105,159	\$87,650	\$78,533
101,557	84,237	70,899	59,030	51,481
32,877	28,150	24,737	21,032	19,138
134,434	112,387	95,636	80,062	70,619
16,733	13,635	9,523	7,588	7,913
3,390	2,576	1,447	786	1,184
13,343	11,059	8,076	6,802	6,729
6,913	5,467	3,563	2,877	3,132
\$ 6,430	\$ 5,592	\$ 4,513	\$ 3,925	\$ 3,597
2,377	2,377	2,380	2,277	2,083
\$ 2.70	\$ 2.35	\$ 1.90	\$ 1.72	\$ 1.73
\$ 37,438	\$ 33,843	\$ 31,283	\$29,175	\$27,184
6,430	5,592	4,513	3,925	3,596
(2,044)	(1,997)	(1,849)	(1,706)	(1,572)
—	—	(42)	(53)	(33)
—	—	(62)	(58)	—
41,824	37,438	33,843	31,283	29,175
\$.86	\$.84	\$.81	\$.80	\$.80

Financial Position

(Thousands of Dollars)

CURRENT ASSETS:

Cash and marketable securities	
Accounts receivable	
Inventories	
Prepaid expenses	
Total Current Assets	

LESS CURRENT LIABILITIES:

Notes payable and current portion of long-term debt ..	
Accounts payable and accrued expenses	
U.S. and foreign taxes on income	
Total Current Liabilities	

WORKING CAPITAL

OTHER ASSETS:

Property, plant and equipment	
Deferred charges, sundry investments	
Excess of investment in subsidiaries over book value of net assets	
Total of Other Assets	

ASSETS LESS CURRENT LIABILITIES

LESS OTHER LIABILITIES:

Long-term debt	
Deferred taxes on income and other liabilities	
Total Other Liabilities	

EXCESS OF ASSETS OVER LIABILITIES

SHAREHOLDERS' OWNERSHIP

Minority interest in subsidiaries	
Garlock Inc. shareholders (net)	
TOTAL	

Garlock Inc. and Consolidated Subsidiaries

Dec. 29 1974	Dec. 30 1973	Dec. 31 1972	Dec. 26 1971	Dec. 27 1970
\$ 1,811	\$ 1,880	\$ 1,321	\$ 3,186	\$ 1,894
28,893	21,745	18,001	14,545	12,735
40,872	31,510	26,028	21,080	19,858
777	915	908	882	671
72,353	56,050	46,258	39,693	35,158
10,809	6,223	5,873	6,030	4,101
19,214	11,818	9,383	8,196	6,664
2,567	2,658	1,350	846	2,110
32,590	20,699	16,606	15,072	12,875
39,763	35,352	29,652	24,621	22,283
33,501	28,224	27,041	24,701	21,324
1,333	2,079	946	1,400	890
5,790	5,762	5,769	5,505	5,284
40,624	36,065	33,756	31,606	27,498
80,387	71,417	63,408	56,227	49,781
23,001	19,924	16,989	12,996	13,074
4,808	3,541	2,562	1,884	1,237
27,809	23,465	19,551	14,880	14,311
52,578	47,952	43,857	41,347	49,781
2,546	2,306	1,814	1,659	1,844
50,032	45,646	42,043	39,688	33,625
\$52,578	\$47,952	\$43,857	\$41,347	\$35,469

Operating Statistics

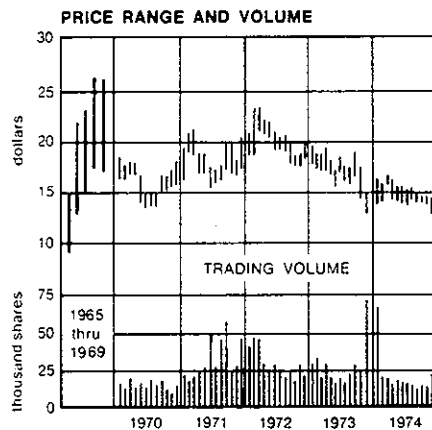
Garlock Inc. and Consolidated Subsidiaries

	1974	1973	1972	1971	1970
Sales (Thousands of Dollars)	151,168	126,022	105,159	87,650	78,533
Inventories (Thousands of Dollars)	40,872	31,510	26,028	21,080	19,858
Accounts Receivable (Thousands of Dollars)	28,893	21,746	18,001	14,545	12,735
Equity (Thousands of Dollars)	50,032	45,646	42,043	39,688	33,625
Net Income (Thousands of Dollars)	6,430	5,592	4,513	3,925	3,597
Number of Employees	5,868	5,915	5,397	5,031	4,782
Sales Per Share (Dollars)	64	53	44	39	38
Sales Per Employee (Dollars)	25,759	21,305	19,485	17,422	16,423
Payroll and Benefits Per Employee (Dollars)	9,031	7,912	7,451	7,054	6,848
Sales/Average Equity (Ratio)	3.16	2.87	2.57	2.39	2.44
Income/Sales (Percentage)	4.25	4.44	4.29	4.48	4.58
Income/Beginning Equity (Percentage)	14.09	13.3	11.37	11.67	11.67
Inventory Turnover (Ratio)	3.70	4.00	4.04	4.16	3.96
Accounts Receivable Turnover (Ratio)	5.23	5.80	5.84	6.03	6.17
Expenditures on new plant (Thousands of Dollars)	8,844	4,545	5,162	5,025	3,721
Depreciation (Thousands of Dollars)	3,337	2,918	2,713	2,207	1,824
Long-Term Debt (Thousands of Dollars)	23,001	19,924	16,989	12,996	13,074
Total Borrowed Capital (Thousands of Dollars)	33,809	26,147	22,862	19,027	17,175

Common Stock Review

	1974	1973	1972	1971	1970
Market Price¹					
High	19%	19%	23¾	21%	18¾
Low	12½	12½	17	16	13½
Earnings Per Share¹ ...					
	2.70	2.35	1.90	1.72	1.73
Price Earnings Ratio					
High	7.3	8.4	12.5	12.4	10.8
Low	4.6	5.3	8.9	9.3	7.8
Dividend Per Share¹ ...					
	.86	.84	.81	.80	.80
Dividend Yield (%)					
High	6.9	6.7	4.8	5.0	6.0
Low	4.3	4.3	3.4	3.7	4.3

¹ Dollars



Sales by Markets Served

Garlock sells annually to over 35,000 domestic and foreign customers which represent almost every industry. The following breakdown of sales for the past five fiscal years is according to industry classifications of the U.S. Department of Commerce:

	1974	1973	1972	1971	1970
Distributors ¹	26%	24%	23%	25%	23%
Machinery	15%	18%	16%	19%	22%
(Other than categories below)					
Transportation					
Equipment	19%	16%	18%	13%	11%
(Other than categories below)					
Passenger Cars	8%	11%	14%	13%	10%
Pumps & Compressors ..	11%	10%	10%	10%	10%
Stone, Clay, and Glass ..	4%	4%	4%	4%	5%
Instruments	2%	2%	2%	2%	3%
Material Handling					
Equipment	1%	1%	1%	2%	2%
Primary Metals	1%	2%	2%	2%	2%
Fabricated					
Metal Products	1%	2%	2%	2%	2%
Chemicals &					
Petrochemicals	3%	2%	2%	2%	2%
Government & Defense ..	1%	1%	1%	1%	2%
All other	8%	7%	5%	5%	6%
TOTAL	100%	100%	100%	100%	100%

¹ Resold to many industry classifications.



Garlock Inc.
1250 Midtown Tower
Rochester, New York 14604

[illegible]



Garlock Inc.
1250 Midtown Tower
Rochester, New York 14604

FACT SHEET

April 19, 1974

HEADQUARTERS 1250 Midtown Tower, Rochester, N.Y. 14604
FOUNDED 1887. Incorporated 1905
LISTED New York Stock Exchange - Symbol: GAK
FINANCIAL INFORMATION (Fiscal year ends on last Sunday of the calendar year)

	<u>1973</u>	<u>1972</u>	<u>1971</u>	<u>1970</u>	<u>1969</u>
Net Sales*	\$126,022	\$105,159	\$87,650	\$78,533	\$76,561
Net Income*	5,592	4,513	3,925	3,597	3,505
Earnings per share	2.35	1.90	1.72	1.73	1.68
Dividends paid per share	.84	.81	.80	.80	.80
Shareholders' equity per share	19.20	17.69	16.65	15.72	14.79

* Thousands of dollars

ORGANIZATION

Operating Groups

Mechanical Products
Mechanical Power
Fluid Power
Oil Seal
International

Staff Groups

Finance
Law
Corporate Development
Administrative Services

CURRENT DATA (as of December 30, 1973)

Shareholders: 5,242 Employees: 5,915
Common Stock: 5,000,000 shares authorized.
2,377,000 shares outstanding.
Present Dividend Rate: 84¢ annually. (Dividend Payments have been uninterrupted since incorporation in 1905.)

PRINCIPAL OFFICERS

A. J. McMullen	Chairman and Chief Executive Officer
B. H. Cook	President and Chief Operating Officer
J. J. Grady	Vice President - Finance
D. J. Camille	Vice President - International Group
J. E. Brennan	Vice President - Mechanical Power Group
G. P. Wiess	Vice President - Mechanical Products Group
P. S. Hanke	Secretary and General Counsel
K. W. Smith	Treasurer
R. E. Jeffery	Controller

SALES BY MARKETS SERVED

Garlock sells annually to over 35,000 domestic and foreign customers which represent almost every industry. The following breakdown of sales, for the past two fiscal years, is according to industry classifications of the U. S. Department of Commerce:

	1973 ¹		1972 ¹	
Distributors ²	\$ 30.2	24%	\$ 24.2	23%
Other Machinery.....	22.7	18%	16.8	16%
Other Transportation Equipment.....	20.2	16%	18.9	18%
Passenger Cars.....	13.9	11%	14.7	14%
Pumps & Compressors.....	12.6	10%	10.5	10%
Stone, Clay, and Glass.....	5.0	4%	4.2	4%
Instruments.....	2.5	2%	2.1	2%
Material Handling Equipment.....	1.3	1%	1.1	1%
Primary Metals.....	2.5	2%	2.1	2%
Fabricated Metal Products.....	2.5	2%	2.1	2%
Chemicals & Petrochemicals.....	2.5	2%	2.1	2%
Government & Defense.....	1.3	1%	1.1	1%
All other.....	8.8	7%	5.3	5%
TOTAL.....	\$126.0	100%	\$105.2	100%

¹Dollar amounts in millions
²Resold to many industry classifications

Typical users of Garlock components are the following industries:

Aircraft	Farm equipment	Missiles
Appliances	Food processing	Paper
Automobile	Government	Petroleum
Chemical	Marine	Railroad
Construction equipment	Machinery	Steel
Electronics	Metal working	Trucking

MAJOR PRODUCTS

Garlock has technological and manufacturing ability in rubber, metal, textiles, leather and plastics with the following components engineered to specification:

Oil Seal Group:

Hub seals for heavy-duty trucks and trailers
Noise-abating mufflers for diesel engines
Custom and universal oil seals for automotive,
railroad, mining and other industrial equipment
Leaf springs for trucks

Mechanical Power Group:

Power transmission components
Plastic-based bearings
Fluorocarbon butterfly valves
Compressor and engine valves
Piston rings
Metal packings
Specialized seals
Gears and sprockets
Speed reducers
TFE resins

Fluid Power Group:

Hydraulic-pneumatic cylinders
Boosters and tandem cylinders
Fluid power systems
Hydraulic presses

Mechanical Products Group:

Industrial coatings
Mechanical packings
Gasketing
Engineered molded/extruded rubber goods
Mechanical seals
Rubber covered rolls
Rubber belts
Flexible expansion joints
Friction materials

MANUFACTURING FACILITIES IN THE UNITED STATES

	<u>Square Feet</u>		<u>Square Feet</u>
Mechanical Rubber Division Palmyra, New York	700,000	Stemco Manufacturing Co. Inc. Longview, Texas	170,000
Precision Seal Division Gastonia, N. C.	100,000	Ortman-Miller Machine Co., Inc. Hammond, Ind.	68,000
Plastics Division Camden, N.J.	63,000	Alling-Lander Division Sodus, N. Y.	42,000
France Products Division Philadelphia, Pa.	48,000	Bearings Division Cherry Hill, N. J.	16,000
Odessa, Texas	24,000	Spring Division Bristol, Conn.	5,000
Newtown, Pa.	51,000	Mechanical Seal Division Houston, Texas	6,000
Coast-Winslow Filter Corp. Hayward, Calif.	24,000	Service Spring Company Indianapolis, Indiana	52,000
Coatings Division Austin, Texas	15,000		

MANUFACTURING FACILITIES IN OTHER COUNTRIES

		<u>Square Feet</u>
Australia	Victor Engineering Pty. Ltd. Sydney	18,000
Belgium	Etablissements G. Liard, S. A. Roux	16,000
Canada	Garlock of Canada Ltd. Toronto, Ontario	110,000
	France Packing of Canada Ltd. Brantford, Ontario	15,000
	Fluid Power Ltd. Toronto, Ontario	48,000
England	Woodville Rubber Co. Ltd. Ross-on-Wye	85,000
	Burton-on-Wye	16,000
France	Chromex, S.A. Lardy	57,000
	Societe Francaise d'Etablissements G. Liard, S.A. Jeumont	4,000
	Mourenx	5,000
Mexico	Garlock de Mexico, S.A. Mexico City	130,000
Japan	Arai Seisakusho Company, Ltd. (affiliate) Tokyo	41,000
	Tsukuba	53,000

PRINCIPAL INTERNATIONAL MARKETING FACILITIES *

Japan	Garlock, S.A., Tokyo
Switzerland	Garlock A.G., Winterthur Garlock, S.A., Zurich
West Germany	Garlock GmbH, Dusseldorf
United States	Garlock International Inc., Palmyra, N.Y.
Spain	Garlock, S.A., Barcelona
Mexico	Louis Mulas, Sucs., S.A., Mexico City
Australia	Victor Engineering Pty. Ltd., Sydney
Great Britain	Garlock (Great Britain) Ltd., Newbury
Holland	Garlock Benelux B.V., Sliedrecht

*Through exports from factories in the United States and through manufacturing operations in seven countries outside the U.S., Garlock sells engineered components and products in more than 80 countries. Primary marketing facilities are in eight countries, and these facilities are supplemented by independent distributors around the world.

S T A R T C O P Y	INITIALS	DATE		
BOX NO./FILE DRAWER NO. S 500	SEGMENT NO.			
SIGNIFICANT	N O T E S			
Garlock Financial				