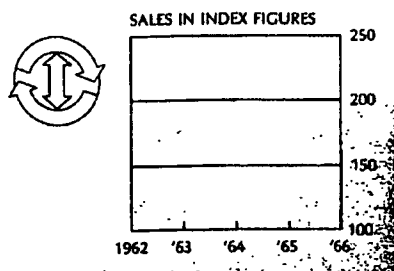


Friction Products



Sales of friction products in 1966 amounted to \$44,300,000, an 11% gain over 1965. Sales increases were achieved by all divisions in the group.

Friction products of the type manufactured by the company are sold for three major applications—automotive, aircraft and industrial.

The automotive industry experienced another year of high production in the United States, Canada and in Europe with the exception of the

United Kingdom. Consequently, our sales to vehicle manufacturers increased, particularly the sales of disc brake lining in Europe and strips and blocks for trucks and buses in the United States. Disc brakes for the front wheels of passenger cars have become very popular on European cars, creating a strong demand for disc lining, and our French company has enjoyed a large share of this market. There is a significant trend toward disc brakes in

