

GROSS PROFIT.....	46.0	43.2	38.2
Selling, general & administrative expenses.....	9.4	9.2	8.5
OPERATING INCOME.....	36.6	34.0	29.7
Interest income.....	(0.4)	(0.5)	(0.2)
Interest expense.....	12.5	13.5	14.7
Amortization of debt issuance costs.....	0.9	0.9	0.9
Other, net.....	(0.3)	0.3	0.2
INCOME BEFORE INCOME TAXES AND EXTRAORDINARY LOSS.....	23.9	19.8	14.1
Income taxes.....	9.0	7.7	5.4
INCOME BEFORE EXTRAORDINARY LOSS.....	14.9	12.1	8.7
Extraordinary loss on refinancing of debt, net of tax benefits of \$0.3 in 1996 and \$1.7 in 1994.....	0.6	-	2.7
NET INCOME.....	\$ 14.3	\$12.1	\$ 6.0
	=====	=====	=====

See Notes to Consolidated Financial Statements

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PNEUMO ABEX CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY (DEFICIT)
(DOLLARS IN MILLIONS)

	COMMON STOCK	ADDITIONAL PAID IN CAPITAL	ACCUM- ULATED DEFICIT	CURRENCY TRANSLATION ADJUSTMENT	TOTAL
Balance December 31, 1993.....	\$ -	\$0.1	\$(58.4)	\$ -	\$(58.3)
Net income			6.0		6.0
Translation adjustment				0.9	0.9
Balance December 31, 1994.....	-	0.1	(52.4)	0.9	(51.4)
Net income			12.1		12.1
Cash dividends paid.....		(0.1)	(8.9)		(9.0)
Translation adjustment.....				1.0	1.0
Balance December 31, 1995.....	-	-	(49.2)	1.9	(47.3)
Effect of Pneumo Abex Merger.....		34.2			34.2
Capital Contribution.....		17.0			17.0
Net income			14.3		14.3
Cash dividends paid.....			(12.5)		(12.5)
Translation adjustment.....				(0.7)	(0.7)
Balance December 31, 1996.....	\$ -	\$51.2	\$(47.4)	\$1.2	\$5.0
	=====	=====	=====	=====	=====

See Notes to Consolidated Financial Statements

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