PLAINTIFF'S EXHIBIT
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MAR 17 1971

UNARCO

UNARCO INDUSTRIES, INC. 1970 ANNUAL REPORT

MAR 17 1971

To Our Stockholders:

It is gratifying to report that 1970 was a record year for your company, with earnings increasing 52 per cent on an 8 per cent increase in sales.

Sales in 1970 rose to $75,103,701 from $69,209,878 in 1969. Net income was $2,231,552, equal to $1.23 per share, compared with $1,466,015, or 81 cents per share, a year earlier.

The addition of the Leavitt Tube Division was a major factor that contributed to the increase in 1970 sales and profits. Another important factor was the sale in April, 1970, of the Chembest Division, which had been operating at a loss.

Unarco's other major divisions also made significant contributions to corporate profits during the past year.

The company benefited in 1970 by additions to its management team and board of directors.

Upon the combination with Leavitt Tube Co., in May, 1970, Mr. David S. Leavitt, former president of Leavitt Tube Co., Inc., was elected director and senior vice president in charge of operations. Through his expert knowledge of the metal fabricating business, he has significantly strengthened Unarco's corporate management.

In November, 1970, Mr. Frank E. Bauder, chairman of the board and chief executive officer of The Central National Bank in Chicago, and Mr. Robert D. Judson, vice president of The First National Bank of Chicago, were elected to the board of directors. On January 7, 1971, Mr. Joseph M. Kubart, formerly a partner and vice president of Booz, Allen & Hamilton, Inc., management consultants, and now visiting professor of business planning, University of Chicago Graduate School of Business, was added to the board.

We wish to give special thanks to three retiring directors who have served the