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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

EMILIO E. CARDAMONE and ANTONETTE CARDAMONE, his wife v. BELL ASBESTOS MINES, LTD., ET AL	NO. 78-1117
JOHN MC FADDEN and ELISABETH MC FADDEN, his wife v. BELL ASBESTOS MINES, LTD., ET AL	NO. 78-1041
VICTORIA AMENTO, Administratrix of the Estate of JOSEPH AMENTO, DECEASED v. BELL ASBESTOS MINES, LTD., ET AL	NO. 78-2023
ANTHONY GIRADI and LUCY GIRADI, his wife v. BELL ASBESTOS MINES, LTD., ET AL	NO. 78-1987
LOUIS GRABOWSKI and HELEN GRABOWSKI, his wife v. BELL ASBESTOS MINES, LTD., ET AL	NO. 78-3046

REQUEST FOR ADMISSIONS

Plaintiffs request defendant Asbestos Corporation, Ltd. within the time frame set out in the Federal Rules of Civil Procedure, the following admissions for the purpose of this action only and subject to all pertinent objections to admissibility which may be interposed at trial:

1. That the attached financial statements accurately represent the financial condition and/or earnings of defendant company as of the dates on said statements.

HAMBURG, RUBIN, MULLIN & MAXWELL

By: _____
Edward Rubin, Esquire
Attorney for Plaintiffs

Asbestos Corporation Ltd.

(Controlled by General Dynamics Corp.)

CAPITALIZATION (Dec. 31 '79)

LONG TERM DEBT- $24,492,493 (excl $3,087,934 curr.), incl. $12,888,000 9¼% Ser. A S.F. Debs. due July 15, 1990

STOCK-	Auth. Shs.	Outstg. Shs.
Pfd. $50 par	500,000	None
Common no par	3,600,000	2,837,002

POSSIBLE EXPROPRIATION OF CO'S PROPERTIES- Oct. 21, 1977, Govt. of Quebec intended to acquire control of Co. initially thru purchase of General Dynamics Corp's 54.6% shareholding, and subsequently thru acquisition of all other shares. General Dynamics did not wish to sell its investment in Co., but was willing to negotiate the matter with the Govt. which indicated that it would expropriate the assets of Co., but only if it were unable to negotiate the purchase of General Dynamics' shareholdings. Subsequently, General Dynamics rejected an offer by the Govt. to buy Co's interest at $42 per share. June 22, 1979, a bill was passed by the Quebec National Assembly, enabling the Govt. to expropriate the assets of Co., merely by serving notice. On the same day, Co. filed an action in the Superior Court of Quebec to prevent expropriation on the basis that the bill was unconstitutional, and requested that the Superior Court issue an interlocutory injunction preventing expropriation, pending final determination of the action. Superior Court declined to grant this injunction on the ground that the request was premature. July 25, 1979, an appeal was filed to the Quebec Court of Appeal, in an attempt to overturn the Superior Court's decision. Dec. 13, 1979, the Court of Appeal granted Co's request for an interlocutory injunction, on the basis that issues of sequestration and constitutionality were yet to be determined. Hearings on Co's. main action to prevent expropriation began in Apr., 1980, in the Superior Court of Quebec, which upheld the constitutionality of Quebec's expropriation law. May 27, 1980, Co. appealed this decision, and in Aug., 1980, this appeal was still pending.

CORPORATE BACKGROUND

Company produces asbestos fibre, which is mined, milled, graded and sold to manufacturers in a commercial state. Co. owns in fee or has mineral rights to extensive acreage in the Thetford-Black Lake area of eastern Que., with mines and mills operated locally. Co. also owns a mine in Ungava area of northern Que.; Co. ships this fibre to a finishing mill and warehouses in Nordenham, West Germany.

PROVEN RESERVES at Dec. 31, 1979, were estimated at 220,131,000 tons of ore.

EMPLOYEES- Dec. 31, 1979, 2,331.

SUBSIDIARIES- wholly owned:
Anchor Holdings Ltd.
Asbestos Corp. GmbH
Minores Ltd.

INCORPORATED in Canada Oct. 6 '25 and acquired assets and undertakings of 9 concerns and certain property at Thetford Mines, P.Q.

CHAIRMAN: G.W. Fiske. **VICE CHRM.**: G.E. MacDonald. **PRES. & CHIEF EXEC. OFFICER**: M.E. Taschereau. **EXEC. V.P.**: M.P. Carson. **V.P., SECY. & GEN. COUNSEL**: J.M. Rousseau. **V.Ps.**: W.B.R. Callan, H.C. Julian, J. Gaudry, G.A. McCammon.

DIRECTORS: P.E. Auger, M.P. Carson, G.E. MacDonald, F.R. Kearns, W.G. Sullivan, R.A. Dugre, G.W. Fiske, M.E. Taschereau, M.J. O'Brien.

OFFICE: Sun Life Bldg., 1155 Metcalfe St., Montreal, Que. H3B 2X6 (Tel. 514 861-8201).

BOND DESCRIPTIONS

9¼% S.F. DEBS., SERIES A, Due July 15, 1990

Authorized	Unlimited
Issued	$20,000,000
Outstanding (Dec. 31, 1979)	$12,888,000
Held for S.F.	1,112,000
Retired	6,000,000

Additional Debs. or other funded obligations may not be issued, except for refunding Ser. A Debs., unless consolidated net tangible assets are at least 2 times all funded obligations to be outstanding, and consolidated net earnings for 12 out of 18 months next preceding are at least 3 times annual interest requirements on all funded obligations- all as defined.

DATED July 15, 1970. **INTEREST PAYABLE** Jan. & July 15. **PRINCIPAL & INTEREST PAYABLE** in Canadian funds at any branch in Canada of Royal Bank of Canada.

TRUSTEE & REGISTRAR- Montreal Trust Co.

DENOMINATIONS- Coupon, $1,000, $5,000, $25,000, and $100,000, principal registerable, fully registered, $1,000 and multiples thereof.

SINKING FUND requires retirement at 100 & int. each July 15, to 1989, of $1,000,000 Debs.

REDEEMABLE OTHERWISE on 30 days' notice at 102½% thru July 15, 1974, premium declining ½ of 1% each year thru July 15, 1989, and 100 after.

SECURITY- A direct unsecured obligation. Neither Co. nor any subsidiary may mortgage assets (except purchase money obligations and certain permitted liens) without securing Debs. equally and ratably therewith.

STOCK DATA

CONTROL- Sept. 10, 1980, General Dynamics Corp. (Canada), wholly owned by General Dynamics Corp., owned 1,550,010 Com. shs. (54.6%).

STOCKHOLDERS- Dec. 31, 1979, 2,092.

TRANSFER AGENT & REGISTRAR- Royal Trust Co., Montreal, Toronto and Calgary.

LISTED- Com., Montreal & Toronto SEs.

1979	49	35¼	1978	54	38¼
1977	42½	19¼	*1976	33	21⅛
1975	22	13⅞	1974	20½	11⅛
1973	22	14¼	1972	29	15¼
1971	36¼	24¼	1970	33	23

*Mean Price Dec. 31, 1976, 22¾.

RECENT DIVIDENDS Com. no par- Can. $

1980 (To June 30)			1 20	1979-78	2 40
1977	1 60	1976	1 25	1975-73	Nil
1972	0 45	1971-70	1 00		

Cash dividends have been paid on Com. each year since 1936, except in 1973-75.

DIVIDEND RESTRICTIONS- Under terms of debenture agreement, $35,436,436 of retained earnings at Dec. 31, 1979, was not available for cash divds. on Com.

EARNINGS AND FINANCES

AUDITORS: Price Waterhouse & Co., Montreal.

CONSOL. EARNS. Y.E. Dec. 31 Thou. Can. $

	Net Sales	Inc. Taxes	*Net Inc.	*Sh. Earns.
1979	171,788	5,314	17,882	6 22
1978	147,087	3,395	15,651	5 51
1977	145,344	17,392	21,021	7 40
1976	151,368	19,788	20,422	7 19
1975	84,834	8,730	7,914	2 66
1974	108,475	9,838	11,507	4 05
1973	88,209	880	731	0 26
1972	48,521	741	1,378	0 44
1971	52,320	3,832	6,015	2 12
1970	53,583	4,180	6,415	2 26

*Bef. extraord. items (Thou. Can. $): 1973, cr975 or $0.34; 1974, cr343 or $0.12; 1976, cr6,825 or $2.33.

Sh. earns. are as reported by Co.

Annual Report- Consol. Inc. Acct., Yrs. End Dec. 31 Thou. Can. $

	1979	1978
Net sales	171,788	147,087
Cost & exps.	136,148	115,689
Oper. income	35,642	31,398
Other income	1,423	2,431
Total income	37,065	33,829
Depr. & depl.	10,306	11,718
Income tax	5,314	3,395
Interest exp. net	3,784	2,865
Net income	17,862	15,651
Dividends	6,809	6,809
Bal. eff. divds.	10,853	8,842
*Sh. earns.	$6 22	$5 51
*As reported		

Consol. Bal. Sheet, Dec. 31: Thou. Can. $

Assets—	1979	1978
Cash & equiv.	177	1,141
Receivables, net	39,923	48,876
Inventories	72,048	63,831
Prepayments	4,477	2,732
Tot. curr. assets	116,623	116,580
*Net property	130,182	121,726
Oth. defr. develmt. expends.	24,253	20,057
Other assets	900	971
Total assets	271,958	259,334
Liabilities—		
Bank debt	15,906	14,208
Accts. pay. & accrd. liabs.	22,922	26,927
Curr. debt mat.	3,997	1,918
Due to affil. cos.	126	4,228
Income and oth. taxes	3,668	883
Tot. curr. liabs.	46,616	47,844
Long term debt	24,492	23,854
Defr. inc. taxes	43,744	41,681
†Com. stk. n.p.	33,312	33,312
Retain. earns.	123,994	113,143
Total liabs.	271,958	259,334
Net wkg. cap.	70,208	68,736
Equity com. sh.	868.48	851.67
*Depr. & depl.	87,448	68,330
†Shs.: 2,837,002		