

## Ten Year Review

*In 1961 there was a special item of income from an excess profits tax refund for the years 1950-1953 amounting to \$995,000.*

*The year 1963 includes the operations of The S. K. Wellman Company acquired in that year in a transaction which for accounting purposes was treated as a pooling of interests.*

*In 1965 there was a special item of loss amounting to \$644,012 after related taxes on income resulting from the sale of forging facilities.*

## EARNINGS AND DIVIDENDS

|                                                  | 1965    |
|--------------------------------------------------|---------|
| Shipments .....                                  | 260,168 |
| Earnings before taxes .....                      | 21,704  |
| Per cent of shipments .....                      | 8.3     |
| Per cent of capital employed .....               | 14.9    |
| Net earnings .....                               | 11,104  |
| Per cent of shipments .....                      | 4.3     |
| Per cent of common stock equity .....            | 9.8     |
| Per common share .....                           | 6.02    |
| Dividends paid .....                             | 5,272   |
| Per cent of net earnings .....                   | 47.5    |
| Employees — end of year .....                    | 13,624  |
| Payrolls                                         |         |
| Wages and salaries .....                         | 83,725  |
| Cost of employee security .....                  | 11,910  |
| Total .....                                      | 95,635  |
| Employee security as a per cent of payroll ..... | 14.2    |
| Shipments per employee .....                     | 19,158  |
| Capital employed per employee .....              | 10,736  |
| Dividends per share                              |         |
| Preferred .....                                  | —       |
| Common .....                                     | 2.85    |

## FINANCIAL POSITION

|                                                       |         |
|-------------------------------------------------------|---------|
| Capital employed                                      |         |
| Cash and equivalent .....                             | 22,152  |
| Accounts receivable .....                             | 34,468  |
| Inventories .....                                     | 43,161  |
| Total current assets .....                            | 99,781  |
| Current liabilities .....                             | 25,830  |
| Working capital .....                                 | 73,951  |
| Property, plant, and equipment .....                  | 63,642  |
| Other assets .....                                    | 10,288  |
| Total capital employed .....                          | 147,881 |
| Financed by                                           |         |
| Long term liabilities .....                           | 32,912  |
| Preferred stock .....                                 | —       |
| Common stock equity .....                             | 114,969 |
| Total capital employed .....                          | 147,881 |
| Shareholders' equity per common share .....           | 62.36   |
| Thousands of common shares outstanding .....          | 1,844   |
| Number of common shareholders .....                   | 17,120  |
| Current ratio .....                                   | 3.9     |
| Expenditures for property, plant, and equipment ..... | 11,364  |
| Depreciation and amortization of intangibles .....    | 10,533  |