Statement of Consolidated Earnings Retained in the Business

	1962	1961
Beginning of Year	$ 42,124,377	$ 39,674,592
Net earnings and (in 1961) special item	6,953,737	6,364,705
TOTAL	49,078,114	46,039,297
Cash dividends on common stock, $2.40 per share	3,912,562	3,914,920
End of Year	$ 45,165,552	$ 42,124,377

Accountants' Opinion

THE BOARD OF DIRECTORS AND STOCKHOLDERS OF AMERICAN BRAKE SHOE COMPANY:

We have examined the consolidated balance sheet of AMERICAN BRAKE SHOE COMPANY and its subsidiaries as of December 31, 1962 and 1961 and the related statements of consolidated earnings, earnings retained in the business and source and disposition of funds for the respective years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated financial statements present fairly the financial position of the Company and its subsidiaries at December 31, 1962 and 1961, and the results of their operations for the respective years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

New York, January 28, 1963

LYBRAND, ROSS BROS. & MONTGOMERY

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