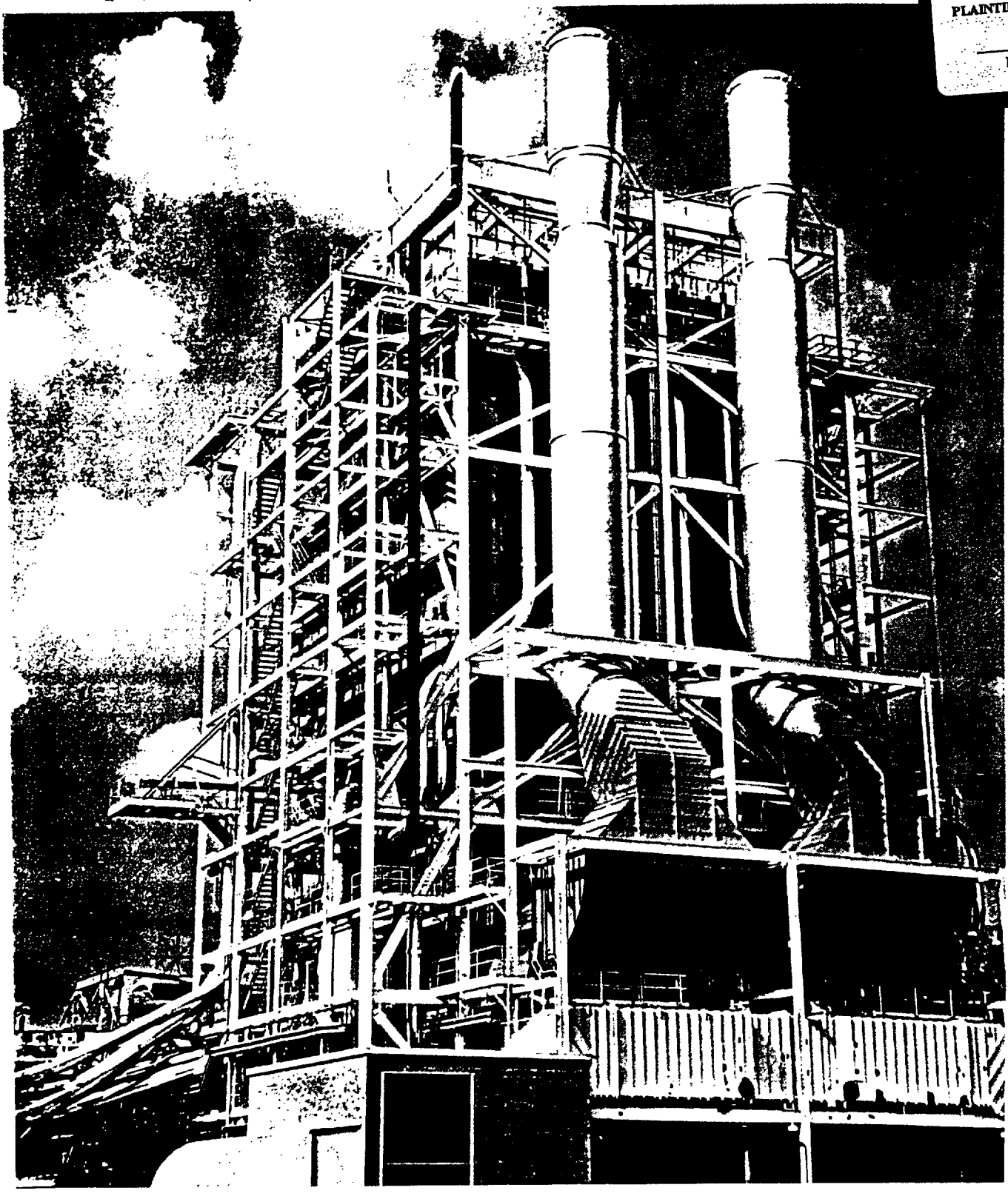
PLAINTIFF'S EXHIBIT
RS-296.



RILEY *Stoker Corporation*

1962
ANNUAL REPORT

RS-001020
1/17/02
NUECES

RILEY *Stoker Corporation*

Our Cover

This 1,650,000 lbs/hr Riley Turbo Furnace Boiler at Louisiana Power & Light Company's Little Gypsy Steam Electric Station was the first completely automated boiler in the world. LP&L Company has installed three Riley Boilers in its system with a total steam generating capacity of 4,210,000 lbs/hr.

Ebasco Services, Inc.
Consulting Engineers



PRODUCTS BY MANUFACTURING DIVISIONS

Cornwells Heights, Pa. — Badenhausen Corporation Division

High Temperature, High Pressure Steam Generators, Reheaters, Superheaters, (Convection, Radiant), Air Heaters, Economizers, Steel Clad Settings, Water-cooled Furnaces, Waste Heat Boilers, CO Boilers.

Detroit, Michigan — Riley Stoker Corporation Division

Coal Pulverizers, Spreader Stokers, Traveling Grate Stokers, Oscillating Grate Stokers, Coal, Oil and Gas Burners, Multiple Retort Stokers, Single Retort Stokers, Refuse Fuel Burning Equipment, Incinerator Stokers, Bagasse Stokers.

Erie, Pa. — Union Iron Works Division

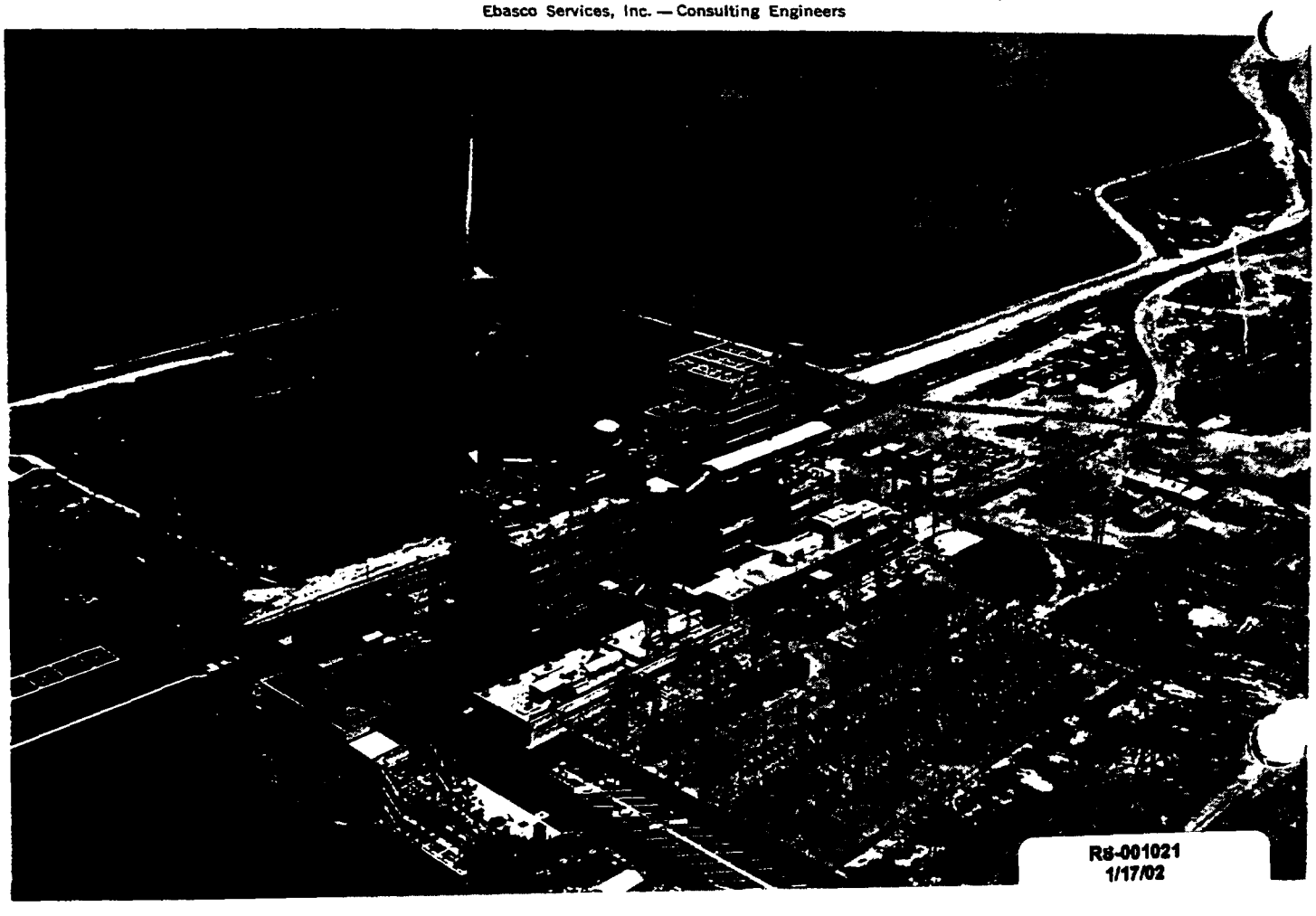
Package Boilers, Low Pressure Boilers, Waste Heat Boilers, High Temperature Hot Water Heaters, Thermal Liquid Heaters, Process Equipment, Vaporizers for Organic Fluids, Forced Circulation Heaters, Welded Fabricated Steel, Autoclaves.

Decatur, Illinois — A. W. Cash Company Division

Pressure and Temperature Regulating Valves, Combustion Control Equipment, Missile Loading Valves.

The world's first completely automated coal fired boiler is the large 1,620,000 lb/hr Riley Boiler at Carolina Power & Light Company's Harry Fitzhugh Lee Plant at Goldsboro, N.C. A second large boiler is under construction at Carolina Power & Light Company's new Skyland Plant.

Ebasco Services, Inc. — Consulting Engineers



R8-001021
1/17/02

RILEY *Stoker Corporation*

and SUBSIDIARY COMPANIES

FINANCIAL HIGHLIGHTS

	1962	1961	1960	1959	1958
Sales (Billings)	$37,183,878	$43,286,888	$33,701,172	$37,829,374	$44,443,492
Net Earnings before Federal Taxes	682,873	3,184,800	2,575,711	3,700,986	4,625,826
Net Earnings after Federal Taxes	469,633	1,521,689	1,339,513	1,789,959	2,231,809
Net Earnings Per Share before Federal Taxes	1.75	8.14	6.59	10.38	13.22
Net Earnings Per Share after Federal Taxes	1.20	3.89	3.43	5.02	6.38
Cash Dividends Per Share	1.60	1.60	1.60	1.60	1.30
Net Worth	17,638,393	17,795,032	16,894,397	14,657,011	13,404,720
Net Worth Per Share	45.11	45.51	43.21	41.09	38.29
Shares Outstanding	391,014	391,014	391,014	356,719	350,000
Expenditures for Plant and Equipment	443,660	1,049,163	250,227	409,999	681,893
Working Capital	13,920,809	14,004,035	13,472,644	11,354,725	9,924,118

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RILEY *Stoker Corporation*

and SUBSIDIARY COMPANIES

ASSETS

CURRENT ASSETS		
Cash		$ 1,071,583.47
Marketable Securities (Market Value $1,531.413.00)		1,489,632.81
Notes and Accounts Receivable		
Trade, Less: Allowance of $37,647.33 for Doubtful Accounts	$ 9,565,049.00	
Other	178,692.18	9,743,741.18
Inventories of Materials and Supplies (At Lower of Cost or Market)		5,188,594.95
Costs of Uncompleted Contracts in Excess of Related Billings		71,321.12
Engineering in Process		326,607.74
Advances to Salesmen, Erectors and Others		174,758.03
Prepaid Expenses		546,391.35
Total Current Assets		$18,612,630.65
OTHER ASSETS		
Stock of Other Corporations at Cost		13,943.13
EMPLOYEES' CASH - SAVINGS BOND ACCOUNT (Contra)		453.92
FIXED ASSETS		
Land	$ 329,313.43	
Buildings	4,712,616.38	
Machinery and Equipment	6,230,547.72	
	$11,272,477.53	
Less: Accumulated Depreciation and Amortization	6,654,502.23	
	$ 4,617,975.30	
Buildings and Machinery Under Construction	73,427.47	4,691,402.77
PATENTS - At Cost Less Amortization		1.00
		$23,318,431.47

Consolidated Balance Sheet

DECEMBER 31, 1962

LIABILITIES

CURRENT LIABILITIES		
Accounts Payable		$ 2,132,851.27
Customers' Advances		1,486,292.36
Accrued Liabilities		
Payrolls	$ 140,617.97	
Commissions	281,943.25	
State and Other Taxes	380,727.33	
Federal Taxes on Income	202,886.67	
Other	66,502.47	1,072,677.69
Total Current Liabilities		$ 4,691,821.32
EMPLOYEES' SAVINGS BOND COLLECTIONS (Contra)		453.92
RESERVES		
Expenses	$ 831,098.88	
Contingencies	150,000.00	
Building Fund	200,000.00	
Other	6,664.84	1,187,763.72
CAPITAL AND RETAINED EARNINGS		
Capital Stock, Common - Par Value $3.00 Per Share		
Authorized - 1,050,000 Shares		
Issued and Outstanding - 391,014 Shares	$ 1,173,042.00	
Capital Surplus (No Change During the Year)	1,444,497.05	
Retained Earnings - Per Attached Statement	14,820,853.46	
Total Capital and Retained Earnings		17,438,392.51
		$23,318,431.47

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RILEY STOKER CORPORATION
AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF RETAINED EARNINGS
For The Year Ended December 31, 1962

Balance at Beginning of the Year		$14,977,493.45
Add: Net Earnings for the Year		469,633.16
		$15,447,126.61
Less: Dividends Paid	$625,622.40	
Adjustment of Prior Year's Taxes	650.75	626,273.15
Balance at End of the Year		$14,820,853.46

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RILEY STOKER CORPORATION
AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF EARNINGS
For The Year Ended December 31, 1962

Sales		$37,183,878.25
Cost of Sales		32,989,273.17
Gross Income		$ 4,194,605.08
Selling Expenses	$1,806,057.04	
Administrative Expenses	2,005,440.46	3,811,497.50
Income from Operations		$ 383,107.58
Other Income		409,603.88
Total		$ 792,711.46
Other Deductions		109,838.31
Earnings before Federal Income Tax		$ 682,873.15
Provision for Federal Income Tax		213,239.99
Net Earnings for the Year		$ 469,633.16

Costs and expenses include provision for depreciation in the amount of $630,338.75.

In addition to the normal depreciation, the net earnings reported above have been charged with additional depreciation in an amount equivalent to the investment credit of $12,816.98. The provision for Federal income tax has been reduced by $12,816.98 in 1962 for the investment credit authorized by the Revenue Act of 1962. The tax expense has been reduced by $6,152.14, representing 48% of the investment credit, and the balance of $6,664.84, or 52%, has been reflected as a deferred credit.

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RILEY STOKER CORPORATION
AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF APPLICATION OF FUNDS
For The Year Ended December 31, 1962

Funds Expended			
Dividends Paid			$ 625,622.40
Capital Expenditures for Buildings, Machinery and Equipment			443,659.58
Adjustment of Prior Year's Taxes			650.75
Decrease in Reserves			116,686.85
Total Funds Expended			$1,186,619.58
Funds Provided			
Net Earnings for the Year		$ 469,633.16	
Provision for Depreciation of Buildings, Machinery and Equipment	$ 630,338.75		
Less: Gain on Sale of Assets	1,918.89	628,419.86	
Proceeds from Sale of Assets		4,840.86	
Liquidating Dividends on Stock of Other Corporations		500.00	
Total Funds Provided			1,103,393.88
Decrease in Working Capital			$ 83,225.70
Changes in Working Capital for the Year			
Increase In			
Customers' Advances			$1,143,012.69
Decrease In			
Marketable Securities		$1,211,867.31	
Inventories		2,062,571.94	3,274,439.25
			$4,417,451.94
Deduct: Increase In			
Accounts Receivable	$1,232,782.93		
Other Assets	214,621.32	$1,447,404.25	
Decrease In			
Notes Payable	$1,100,000.00		
Accounts Payable	649,078.16		
Federal Taxes on Income	999,546.95		
Other Liabilities	138,196.88	2,886,821.99	4,334,226.24
Decrease in Working Capital			$ 83,225.70

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Riley Boiler Users

(Partial List)

PUBLIC UTILITIES

na Public Service Co.
.ina Power & Light Co.*
tral Power & Light Co.
ısas Gas & Electric Co.
Holyoke Water Power Co.*
Minnesota Power & Light Co.*
Eastern Iowa Light & Power Co.
Philadelphia Electric Co.*
Louisiana Power & Light Co.*
Texas Electric Service Co.*
Public Service Company of Indiana, Inc.*
Arkansas Power & Light Co.
Utah Power & Light Co.*
Columbus & Southern Ohio Electric Co.*
Central Illinois Light Co.*
Houston Lighting & Power Co.*
South Carolina Electric & Gas Co.*
Union Electric Co. of Missouri*
Nevada Power Co.
Commonwealth Edison Co.
Florida Power Corporation*
Dallas Power & Light Co.*
Monogahela Power Co.
The Potomac Edison Co.*
Delaware Power & Light Co.
Massachusetts Electric Co.
Southwestern Gas & Electric Co.
Northern States Power Co.
Central Louisiana Electric Co.*
Gulf Power Co.*
Sierra Pacific Power Co.*
Pennsylvania Electric Co.
Iowa Electric Light & Power Co.*
Montana-Dakota Utilities Co.*
Mississippi Power Co.*
Ohio Edison Co.*
Iowa Public Service Co.*
Interstate Power Co.*
Pacific Gas & Electric Co.*
Southern Indiana Gas & Electric Co.*
Upper Peninsula Power Co.
New Orleans Public Service Inc.*
Northern Virginia Power Co.
Iowa-Illinois Gas & Electric Co.*
West Penn Power Co.
Upper Michigan Power & Light Co.*
Superior Water, Light & Power Co.
The Cliffs Power & Light Co.
Otter Tail Power Co.*
North Dakota Power & Light Co.
The Hartford Electric Light Co.
Manila Electric Co.*
Tampa Electric Co.
San Diego Gas & Electric Co.
Southwestern Power Co.
Salt River Power District *

INDUSTRIALS

General Motors Corp.*
Ford Motor Co.
Celanese Corporation*
The Dow Chemical Co.*
Deere & Company
Esso Standard Oil Co.*
Standard Oil of Calif.*
Bethlehem Steel Corp.
U. S. Steel Corp.*
Republic Steel Corp.*
Marathon Southern Corp.
The Texas Co.
Shell Oil Co.*
Tidewater Oil Co.
The Champion Paper & Fibre Co.*
W. Va. Pulp & Paper Co.*
Gaylord Container Corp.*
Olin-Mathieson Chemical Corp.*
B. F. Goodrich Company*
Union Carbide Chemical Co.*
Continental Can Co.*
Kennecott Copper Corp.*
Hooker Chemical Corp.*
Swift & Co.*
Western Electric Co.*
E. I. duPont de Nemours & Co.*
U. S. Rubber Co.*
A. E. Staley Mfg. Co.*
Crocker Burbank & Co., Ass'cn.
St. Regis Paper Co.
Masonite Corp.*
·ble Oil and Refining Co.*
ican Enka Corp.*
Commercial Solvents Corp.
American Viscose Corp.*
Monsanto Chemical Co.*
Rayonier, Inc.*
Westinghouse Electric Co.*
General Electric Co.*
Pennsylvania Railroad*
St. Croix Paper Co.*
Glidden Co.*
International Harvester Co.*
Allis Chalmers Mfg. Co.*
Norton Co.*
Pratt & Whitney Div.
of United Aircraft*
Publicker Industries, Inc.*
McDonnell Aircraft Corp.*
Mead Corporation*
Great Lakes Steel Corp.*
General Foods Corp.*
American Brass Co.*
American Smelting & Refining Corp.*
Freeport Sulphur Co.
Kaiser Aluminum & Chemical Co.
Celotex Corp.
The Charmin Paper Products Co.
Bryant Sugar House
Alton Boxboard Co.*
Marathon Oil Co.
Shell Chemical Co.
Diamond National Corp.*
Emery Industries, Inc.
Strathmore Paper Co.
Koppers Co., Inc.*
Upjohn Company*
C. H. Dexter & Sons, Inc.
American Oil Co.
Barber Colman Co.
Standard Brands, Inc.
Remington Rand Co.*
Archer-Daniels-Midland Co.*
Penn Station Housing Project
Copperweld Steel Co.
Libby, McNeill & Libby*
Naugatuck Chemical Co.
Morgan Packing Co.
Toledo Edison Co.
Holy Cross College
Suntide Refining Co.
Tobin Packing Co.
R. J. Reynolds Tobacco Co.*
Carnation Company*
Chrysler Corporation*
Firestone Tire & Rubber Co.*
Chevrolet Motor Division*
American Chemical Co.*
Wyckoff Steel Co.*
Corning Glass Co.
U. S. Plywood Corporation
Shell Oil Co.*
E. I. duPont de Nemours & Co.*
General Electric Co.
United Rubber & Chemical Co.
Utah-Idaho Sugar Co.
Indiana State College
Knox College
Southampton Penitentiary Farms
Norwich University
Rikers Island Penitentiary
Miles Chemical Co.
National Bureau of Standards
Pond Lily Co.
Nicholson File Co.
Great Lakes Steel Div.
National Steel Corp.
Hercules Powder Co.
Buckeye Sugars, Inc.
Hudson Pulp & Paper Co.
Antilles Chemical Co.*
Rochdale Village, Inc.
Bucyrus-Erie Co.
Johns-Manville Products Co.*
Reynolds Metals Co.
Torrington Company*
The Budd Company
Ingersoll Rand Co.
Thomas J. Lipton Co., Inc.
Holly Sugar Co.*
Ford Motor Co.*
American Smelting & Refining Co.*
Swift & Co.
Mohawk Paper Mill, Inc.
Container Corporation of America
Florida Sugar Corp.
Kohler Company
General Aniline & Film Corp.
Princeton University
Sugar Cane Growers Coop*

* Repeat Orders

This prominent generating station, R. A. Gallagher Station of Public Service Company of Indiana, Inc. generates electricity from the steam of four 1,000,000 lbs/hr Riley Boilers fired by Riley Ball Tube Mills and Burners. A total of thirteen Riley Boilers have been purchased by this public utility.

Sargent and Lundy — Consulting Engineers



RILEY STOKER CORPORATION

GENERAL OFFICES
WORCESTER, MASSACHUSETTS

MANUFACTURING PLANTS IN THE UNITED STATES

Detroit, Michigan
Riley Stoker Corporation Division

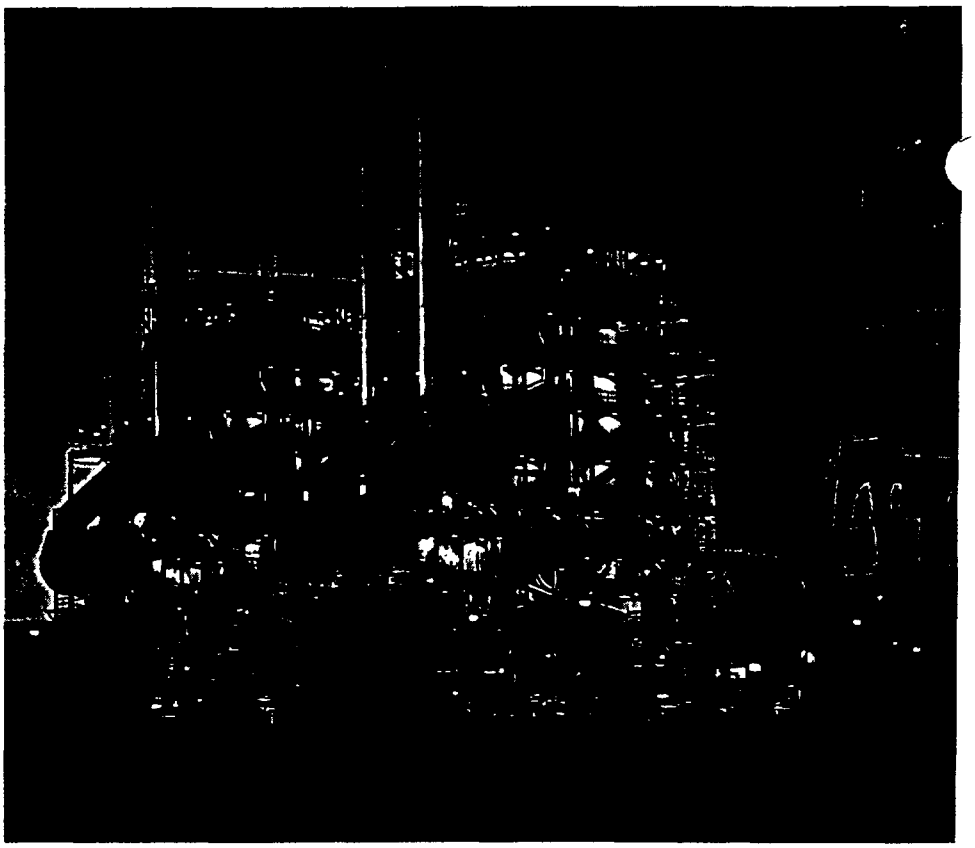
Cornwells Heights, Pa.
Badenhausen Corporation Division

Erie, Pa.
Union Iron Works Division

Decatur, Illinois
A. W. Cash Co. Division

SALES OFFICES IN THE UNITED STATES

Boston, Charlotte, Chicago, Cincinnati, Cleveland, Detroit, Denver, Honolulu, Houston, Jacksonville, Kansas City, Los Angeles, New Orleans, New York, Philadelphia, Pittsburgh, Portland, Salt Lake City, San Francisco, Seattle, St. Louis, St. Paul, Syracuse.



These two Riley Turbo Furnace Boilers generate together 2,400,000 lbs of steam. They are installed at the North Lake Steam Electric Station of Dallas Power & Light Company. A third Turbo Furnace unit with a maximum steam generating capacity of 2,630,000 lbs/hr will soon be added.

Ebasco Services, Inc. — Consulting Engineers

LICENSED MANUFACTURING ASSOCIATES

JOHN BROWN LAND BOILERS, LTD.
Steam Generating and Fuel Burning Equipment
British Commonwealth of Nations
(Except Australia, New Zealand, Canada, India, Pakistan)

Steam Generating Equipment
Europe (Except Belgium, Luxembourg, France, Spain, Portugal and their possessions)

FOSTER WHEELER LIMITED
Steam Generating and Fuel Burning Equipment
Canada

RILEY DODDS AUSTRALIA, PTY, LIMITED
Steam Generating and Fuel Burning Equipment
Australia and New Zealand

FAMA, France
Stokers—Europe

CHAUDRONNERIES PIERRE BROUHON
Steam Generating Equipment
Belgium, Congo, Grand Duchy of Luxembourg

SOCIETE D'EXPLOITATION D'USINES METALLURGIQUES
Steam Generating Equipment and Gas, Oil, Coal Burners
France, Spain, Portugal and their possessions

OVERSEAS AGENTS

COLOMBIA
C. E. Halaby & Co., Ltd.

URUGUAY
J. Felix Castillo, Jr.

VENEZUELA
Ortiz & Mejia C. A.

MEXICO and CENTRAL AMERICA
Representaciones Industriales Mexicanas, S.A.

INDIA
G. S. Atwal & Co.

VIET NAM and CAMBODIA
Brownell, Lane Intl. Ltd.

PAKISTAN
Interholm Trades & Constructions Ltd.

KINGDOM OF DENMARK
Thomas Schmidt

TAIWAN
The Suiki Enterprise Co., Ltd.

PHILIPPINES
Atlantic Gulf and Pacific Co. of Manila, Inc.

ARGENTINA
Sociedad Argentina Tecnica Industrial y Comercial, S.A.

PUERTO RICO and DOMINICAN REPUBLIC
Abarca Warehouse, Inc.

ISLAND of MAURITIUS
Rey & Lenferna, Ltd.

CHILE — Racontec Ltda.

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