

and military aircraft, of molds used for the production of tires and of signal lights, lamps, reflectors, mirrors and other safety devices for trucks, automobiles and recreational vehicles.

(b) Castings Produces a wide variety of castings in iron, steel, copper, and aluminum alloys in sizes ranging from a few ounces to several tons for use in mining, earthmoving, steel making, petro-chemical, nuclear, rock crushing, dredging, food processing, and other applications, an important supplier of manganese steel castings having high impact-resistant properties as well as of both centrifugally and statically cast products in proprietary heat-resistant ferrous alloys.

(c) Hydraulic Products Manufactured for industrial and aircraft uses. Industrial products include hydraulic pumps, motors, valves, presses and complete hydraulic systems used in many applications, including construction and mobile equipment, industrial and marine machinery and materials-handling equipment. Hydraulic pumps, motors, servo-valves and flight control actuators are manufactured for the aerospace market.

(d) Railroad Products: Leading supplier of iron and composition brake shoes, cast steel wheels, and custom-made trackwork, such as frogs, switches, crossings and turnouts, for United States and Canadian railroads, also supplies bearings for freight cars and remanufactures and upgrades electric traction motors and generators for the railroad industry.

Property: Owns and operates 41 plants in U. S., 5 in Canada, 16 in Europe and 2 in Mexico.

Subsidiaries (wholly-owned unless otherwise noted):

Abex Industrial, S.A. (Mexico)
Abex Industries Ltd. (Canada)
Abex International Finance Corp.
Abex International S.A. (Switzerland)
Amisco Mexicana S.A. (Mexico)
A. L. Hansen Manufacturing Co.
Denison Hydraulics, Japan Ltd. (60%)
Abex International has 11 wholly-owned and two 66.7% owned subsidiaries in eight European countries.

Affiliates:
Denison Hydraulics India Ltd. (26%)
Lloyds-Abex Ltd. (England) (25%)
Lloyds (Burton) Ltd.
Uni-Abex Alloy Products Ltd. (India) (20%)

Officers

N. C. Belury, Pres. & Chief Exec. Officer
H. C. Buschman, Vice-Pres. Sec. & Gen. Counsel
P. H. Clapp, Jr., Vice-President
R. M. Forgie, Jr., Vice-Pres. & Compt.
R. A. Frick, Vice-President
F. B. Herlihy, Vice-President
V. L. Persbacher, Vice-President-Admin.
D. K. Rennie, Vice-President
G. L. Romine, Vice-President
O. B. Cottle, Treasurer

Directors

N. G. Belury F. B. Herlihy
E. P. Berg S. E. C. Hillman
H. W. Biggs W. B. Johnson
T. Cummings W. L. Naumann
C. F. Fioe V. L. Persbacher
R. A. Frick G. L. Romine
A. P. Gagnebin

Auditors: Peat, Marwick, Mitchell & Co.

No. of Employees: Dec. 31, 1974, 15,800

Office: 530 Fifth Ave., New York City, N. Y. 10036.

Consolidated Income Account, years ended Dec. 31 (\$000 omitted)

	1974	1973	1972
Sales	486,204	358,870	297,243
Other income	1,413	1,329	370
Total	487,617	360,199	297,614
Cost of sales	345,387	256,387	210,620
Sell., etc., exp.	55,879	43,411	36,682
Depr. & amort.	12,403	11,157	9,823
Repairs & maint.	15,332	12,214	10,711
General taxes	3,497	3,116	3,187
Interest	1,360	3,756	3,325
Income taxes	22,085	14,050	11,479
Minority int.	crs	207	cr60
Acctg. chge. adj.	1071	446	1187
Net income	27,153	15,905	11,987
Consolidative effect of chge. in acctg. for domestic inventories.	11,987	11,987	11,987

Consolidated Balance Sheet, as of Dec. 31 (\$000 omitted).

	1974	1973	1972
Assets:			
Cash	3,264	7,032	5,153
Sht. tm. inv. cost	1,808	179	4,295
Dep. with par co	14,293	20,250	1,514
Receiv., net	82,952	64,581	49,206
Inventories	123,713	77,018	60,068
Oth. curr. assets	3,634	3,700	2,610
Total current	215,469	166,803	141,782
Inv. prop., etc.	96,178	84,213	77,069
Investments	3,250	2,302	8,298
Notes receiv.	1,733	1,620	1,514
Intangibles	9,941	4,998	7,777
Prepay., etc.	3,022	2,473	2,733
Total	329,593	282,408	226,173

Liabilities			
Notes, etc., pay.	18,770	16,783	5,241
Accts., etc., pay	67,944	34,055	24,417
Divs payable	2,133	2,490	2,339
Income taxes	9,624	6,904	9,880

Total current	98,471	60,232	41,877
Long-term debt	44,535	46,405	47,894
Def. inv. taxes	9,455	7,491	5,401
Oth. liabilities	5,963	11,458	1,473
Minority int.	4,540	3,416	2,061
Com. stk.	48,006	48,006	48,006
Cap paid-in	15,587		
Retain. earn.	102,716	85,400	79,459

Total	329,593	282,408	226,173
Net curr. assets	116,528	106,571	99,505
Deprec.	128,825	117,536	112,151
Inv. in & loans to uncons. affils., at equity			
100 no par shs.			
From SEC report			

Long Term Debt: 1 American Brake Shoe Co. sinking fund debenture 4 1/2%, due 1982.

AUTHORIZED—\$12,000,000, outstanding, Dec. 31, 1974, \$2,353,000.

DATED—Feb. 1, 1957.

MATURITY—Feb. 1, 1982.

INTEREST—F&A 1 at Chemical Bank, New York.

TRUSTEE—Morgan Guaranty Trust Co., New York.

REGISTRAR—Chemical Bank, New York.

DENOMINATION—Coupon, \$1,000; registerable as to principal; fully registered, \$1,000 and multiples C&R and denominations, interchangeable once without charge; thereafter, \$2 service charge, plus exchange.

CALLABLE—As a whole or in part on 30 days' notice at any time to each Aug. 14, incl. as follows:

1975	102.00	1976	101.84	1977	101.67
1978	101.50	1979	101.34	1980	101.17
1981	101.00	1982	100.84	1983	100.67
1984	100.50	1985	100.34	1986	100.17
1987	100.00				

Also callable at 100 for sinking fund (which see).

SINKING FUND—Cash (or debentures) sufficient to redeem \$250,000 debentures each Feb. 1, 1980 to 1986, and \$650,000 debentures each Feb. 1, 1987 to 1981, in addition, optional payments to redeem \$350,000 debentures each Feb. 1, 1987 to 1981. Fixed payments will retire about 95% of issue by maturity.

SECURITY—Not secured. Company or any restricted subsidiary may not create any lien on property (without securing debentures equally and ratably with all other debt secured thereby) other than purchase money or existing mortgages on after-acquired property or liens to construct plants in connection with U. S. Government contracts and refunding thereof, provided total debt does not exceed \$5,000,000, and if secured indebtedness constitutes funded debt, the incurring of such indebtedness is permitted by terms of next following provision.

Company may not effect sale and lease-back arrangements (excluding excepted leases) in respect of real property owned on Feb. 1, 1957, or any subsequently acquired or leased property as to which the company or a restricted subsidiary is to be the original user.

CREATION OF ADDITIONAL DEBT—Company or any restricted subsidiary may not create additional funded debt (except for refunding if thereafter consolidated net tangible assets would be less than 300% of consolidated funded debt. Restricted subsidiaries may not incur funded debt other than to company or secured funded debt referred to in next preceding provision or, in the case of Canadian subsidiaries, not exceeding \$1,000,000 of unsecured funded debt at any one time).

DIVIDEND RESTRICTIONS—Company may not pay cash dividends on or acquire any stock or make payments on subordinated debt (except for interest and fixed sinking fund) in excess of consolidated net income after Dec. 31, 1956, plus \$5,000,000 and cash proceeds of stock sold and unless, on a consolidated basis, net tangible assets are not less than 300% of funded debt. As of Dec. 31, 1974, \$24,000,000 of retained earnings was so restricted.

RIGHTS ON DEFAULT—In event of default (30 day grace period for payment of interest), trustee or 25% of debentures may declare principal due and payable.

INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of 66 2/3% of debentures.

PURPOSE—Proceeds for plant expansion and improvements.

OFFERED—(\$12,000,000) at 100 (proceeds to company, 96%) on Feb. 1, 1957 by First Boston Corp., New York, and associates.

PRICE RANGE—1974 1973 1972 1971 1970
High 81 85 82 78 74
Low 65 77 72 65 66

2 American Brake Shoe Co. sinking fund debenture 4 1/2%, due 1987.

AUTHORIZED—\$12,000,000, outstanding, Dec. 31, 1974, \$4,280,000.

DATED—Aug. 15, 1952.

MATURITY—Aug. 15, 1987.

INTEREST—F&A 15 at Bankers Trust Co., New York.

TRUSTEE—Morgan Guaranty Trust Co., New York.

DENOMINATION—Coupon, \$1,000, registerable as to principal; fully registered, \$1,000 and multiples C&R interchangeable once without charge; thereafter, \$2 service charge, plus exchange.

CALLABLE—As a whole or in part on 30 days' notice at any time to each Aug. 14, incl. as follows:

1975	102.00	1976	101.84	1977	101.67
1978	101.50	1979	101.34	1980	101.17
1981	101.00	1982	100.84	1983	100.67
1984	100.50	1985	100.34	1986	100.17
1987	100.00				

Also callable at 100 for sinking fund (which see).

SINKING FUND—Cash (or debentures) to redeem at par not less than \$250,000 nor more than \$300,000 debentures each Aug. 15, 1955-71 and not less than \$650,000 nor more than \$1,300,000 debentures each Aug. 15, 1972-86. Fixed minimum payments will retire 95.8% of issue before maturity.

SECURITY—Not secured. Company or any restricted subsidiary may not create any lien on property (without securing debentures equally and ratably with all other debt secured thereby) other than existing mortgages or existing mortgages on after-acquired property or liens to construct plants in connection with U. S. Government contracts and refunding thereof, provided total debt does not exceed \$5,000,000, and if secured indebtedness constitutes funded debt, the incurring of such indebtedness is permitted by terms of provision headed "Creation of Additional Debt" below.

Company may not effect sale and lease-back arrangements (excluding excepted leases) in respect of real property owned on Aug. 15, 1952, or any subsequently acquired or leased property as to which the company or a restricted subsidiary is to be the original user.

CREATION OF ADDITIONAL DEBT—Same as above.

DIVIDEND RESTRICTIONS—Company may not pay cash dividends on or acquire any stock or make payments on subordinated debt (except for interest and fixed sinking fund) in excess of consolidated net income after Dec. 31, 1951, plus \$5,000,000 and cash proceeds of stock sold and unless, on a consolidated basis, net tangible assets are not less than 300% of funded debt.

RIGHTS ON DEFAULT—INDENTURE MODIFICATION—Same as for debenture 4 1/2% due 1982.

PURPOSE—Proceeds for additional working capital, to retire \$2,500,000 of a subsidiary's debt for capital improvements.

OFFERED—(\$12,000,000) at 99 1/2 (proceeds to company, 98.35) on Aug. 22, 1952 by First Boston Corp., New York, and associates.

PRICE RANGE—1974 1973 1972 1971 1970

High	79	75	75 1/2	75	69
Low	58 1/2	68	73	64	63

1 Abex Corp. debenture 5 1/4% due 1977.

AUTH.—\$25,000,000, outstg., Dec. 31, 1974, \$25,000,000.

DATED—Dec. 1, 1970 DUE—Dec. 1, 1977

INTEREST—J&D1 by mail to holders registered on 15th day prior to interest date.

TRUSTEE—Morgan Guaranty Trust Co., NYC.

DENOMINATION—Fully registered, \$1,000 and authorized multiples thereof. Transferable or exchangeable without service charge.

CALLABLE—As a whole or in part on or after Dec. 1, 1976, on at least 30 days' notice at par.

SECURITY—Co. or any restricted subsidiary may not incur liens on property except for (a) existing liens debt not in excess of \$750,000, (b) ordinary course of business liens, (c) purchase money mtgs. and liens placed on property acquired after Dec. 1, 1970 or mtgs. or liens existing on such property at time of acquisition not in excess of 75% of cost of such property, (d) liens existing on property of a corporation at time it becomes a restricted subsidiary not in excess of 75% of tangible assets of such corporation at such time, and (e) liens for purpose of constructing or acquiring plants, equipment or other property in connection with contracts made with or at request of U. S. or any department or agency thereof and any renewals or refinancings thereof.

DIVIDEND RESTRICTION—Co. may not pay cash divs. on or acquire capital stock or make payments on subord. debt in excess of consolidated net income after Sept. 30, 1970 plus net proceeds from sale of stock after such date plus \$12,000,000 and, unless thereafter consolidated net tangible assets are not less than 200% of consolidated funded debt.

CREATION OF ADDITIONAL DEBT—Co. or any restricted subsidiary may not incur additional debt if thereafter consolidated net tangible assets plus consolidated current debt would be less than 175% of consolidated debt.

RIGHTS ON DEFAULT—Trustee or 25% of debt outstg. may declare principal due and payable (30 days' grace for payment of interest, 90 days' for sinking fund installments).