

Intangible assets, representing goodwill is amortized on a straight-line basis over 40 years. Accumulated amortization aggregated \$0.5 and \$0.4 at December 31, 1996 and 1995, respectively. The Company's accounting policy regarding the assessment of the recoverability of the carrying value of goodwill is to review the carrying value of goodwill if the facts and circumstances suggest that they may be impaired. If this review indicates that goodwill will not be recoverable, as determined based on the undiscounted future cash flows of the Company, the carrying value of goodwill will be reduced to their estimated fair value.

3 INVENTORIES

Inventories consisted of the following

	DECEMBER 31,	
	1996	1995
Raw materials and supplies	\$34.0	\$32.8
Work-in-process	0.4	0.3
Finished goods	11.9	12.4
	\$46.3	\$45.5
	=====	=====

4 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following

	DECEMBER 31,	
	1996	1995
Land	\$ 0.4	\$ 0.4
Buildings	7.0	6.6
Machinery and equipment.....	20.8	19.3
Furniture and fixtures.	0.6	0.6
Construction-in-progress.	0.2	0.6
	29.0	27.5
Accumulated depreciation.. . . .	(18.6)	(16.9)
	\$10.4	\$10.6
	=====	=====

Depreciation expense was \$2.0, \$1.8 and \$1.8 in 1996, 1995 and 1994, respectively.

F-10

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (DOLLARS IN MILLIONS)

5 INCOME TAXES