## statement of consolidated earnings retained in the business

YEARS ENDED DECEMBER 31, 1960 AND 1959
AMERICAN BRAKE SHOE COMPANY

| | 1960 | 1959 |
|---|---|---|
| Beginning of Year | $ 37,910,690 | $ 33,839,259 |
| Net equity, January 1, 1959, in undistributed earnings of subsidiaries not previously consolidated *(note 1)* | — | 266,769 |
| Net earnings for year | 5,666,874 | 7,681,383 |
| TOTAL | 43,577,564 | 41,787,411 |
| Cash dividends on common stock, $2.40 per share | 3,902,972 | 3,876,721 |
| End of Year | $ 39,674,592 | $ 37,910,690 |

## 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, 1960 and 1959, and the related consolidated statements of 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, 1960 and 1959 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 31, 1961

LYBRAND, ROSS BROS. & MONTGOMERY



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