



American Bilrite Inc.



2014 Company  
Information

## Financial Highlights

(dollars in thousands, except per share amounts)

Years ended December 31,	2014	2013	2012
Net sales	<b>\$205,585</b>	\$209,293	\$213,659
Income (loss) from operations	<b>6,055</b>	4,386	(8,401)
Net income (loss)	<b>2,974</b>	3,356	(8,886)
Net income (loss) per share			
Basic	<b>91.57</b>	102.40	(258.49)
Diluted	<b>91.47</b>	102.25	(258.49)

## Company Profile

The **TAPE/IDEAL** division of American Biltrite provides a global customer base with a wide variety of specialized pressure sensitive tapes, films, and protective sheeting. It manufactures these by coating various substrates (paper, film, foil, nylon, polyester films, glass cloth, and others) using adhesive systems formulated with water and solvent-based materials. These products are manufactured in Moorestown, New Jersey and Lowell, Massachusetts, and marketed worldwide with divisional converting facilities in Belgium, Italy and Singapore and sales offices in China and South Korea. Served markets include automotive and transportation; construction (HVAC, Insulation, Electrical); shoe/footwear; graphic arts, print and signage; and various other industrial and consumer applications. The division's products are sold by a dedicated sales organization, distributors, as well as select manufacturers' representatives in North America, Europe, and Asia.

**AMERICAN BILTRITE (CANADA) LTD.** manufactures and distributes commercial and residential flooring as well as Performance Sheet Rubber throughout North America. The commercial flooring business primarily serves the healthcare, educational and institutional sectors, offering resilient products with high aesthetics, great durability, low maintenance and excellent environmental qualities. The Performance Sheet Rubber business supplies companies with materials for a host of industrial applications, in a broad range of elastomers, widths, sizes and gauges. The division has strong capabilities in R&D, technical expertise and product innovation, with an extensive network of distribution centers across North America.

**K&M ASSOCIATES L.P.** is one of the United States' largest suppliers of costume jewelry. Its main office and distribution center are located in Providence, Rhode Island. K&M also has showrooms and offices in New York City and offices in two locations in China for logistics, quality control and product development support. K&M successfully serves all levels of retail trade in the U.S. and Canada from mass market to upper tier department stores. K&M's industry leading department store fashion brands are Guess® and T Tahari®. K&M's recognized marketplace strengths are its quality product and logistical capabilities supported by partnerships with its customers in technology, product development, analysis, and merchandising services.

American Bilrite Inc. and Subsidiaries

Consolidated Statements of Operations

(In thousands of dollars, except share and per share amounts)

	<b>Years Ended December 31</b>	
	<b>2014</b>	<b>2013</b>
<b>Net sales</b>	<b>\$205,585</b>	\$209,293
Cost of products sold	<b>151,161</b>	154,808
Selling, general & administrative expenses	<b>48,369</b>	50,099
<b>Income from operations</b>	<b>6,055</b>	4,386
Other income (expense)		
Interest expense	(723)	(641)
Other (expense) income	(1,841)	371
	<b>(2,564)</b>	(270)
<b>Income before income taxes and other items</b>	<b>3,491</b>	4,116
Provision for income taxes	<b>517</b>	760
<b>Net income</b>	<b>2,974</b>	3,356
Noncontrolling interests	-	-
<b>Net income attributable to controlling interest</b>	<b>\$ 2,974</b>	\$ 3,356
Net income attributable to controlling interest per common share:		
Basic	<b>\$ 91.57</b>	\$ 102.40
Diluted	<b>91.47</b>	102.25
Weighted average shares outstanding:		
Basic	<b>32,477</b>	32,774
Diluted	<b>32,513</b>	32,823

American Bilrite Inc. and Subsidiaries

Consolidated Balance Sheets – Assets  
*(In thousands of dollars)*

	<b>December 31</b>	
	<b>2014</b>	<b>2013</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 245	\$ 905
Short-term investments	2,499	2,499
Accounts receivable, less allowances for doubtful accounts and discounts of \$2,099 in 2014 and \$2,139 in 2013	19,465	18,875
Inventories	39,088	39,212
Income taxes	1,459	1,162
Prepaid expense & other current assets	1,953	1,744
Insurance receivable for asbestos & environmental liabilities	4,658	4,772
<b>Total current assets</b>	<b>69,367</b>	69,169
Property, plant & equipment, net	26,801	26,670
<b>Other assets:</b>		
Insurance receivable for asbestos and environmental liabilities	22,262	20,428
Other assets	3,610	3,608
	<b>25,872</b>	24,036
<b>Total assets</b>	<b>\$122,040</b>	\$119,875

American Bilrite Inc. and Subsidiaries

Consolidated Balance Sheets – Liabilities and Stockholders' Equity  
(In thousands of dollars)

	December 31	
	2014	2013
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 9,223	\$ 8,898
Accrued expenses	12,259	13,997
Asbestos & environmental liabilities	6,415	5,969
Notes payable	4,468	1,488
Current portion of long-term debt	1,539	1,432
<b>Total current liabilities</b>	<b>33,904</b>	31,784
Long-term debt, less current portion	5,990	7,577
Asbestos and environmental liabilities	35,443	35,809
Other liabilities	13,440	8,141
<b>Total liabilities</b>	<b>88,777</b>	83,311
Commitments and contingencies (Note 8)		
<b>Stockholders' equity</b>		
Common stock and additional paid in capital (common stock par value \$.01, authorized 150,000 shares, issued 45,985 shares, and 32,477 shares outstanding at December 31, 2014 and 2013)	20,324	20,324
Less cost of common stock in treasury (13,508 shares at December 31, 2014 and 2013)	(15,721)	(15,721)
Retained earnings	35,674	32,700
Accumulated other comprehensive loss	(7,958)	(1,683)
Total stockholders' equity of controlling interests	32,319	35,620
Noncontrolling interests	944	944
Total stockholders' equity	33,263	36,564
<b>Total liabilities and stockholders' equity</b>	<b>\$122,040</b>	\$119,875

American Bilrite Inc. and Subsidiaries

Consolidated Statements of Cash Flows  
(In thousands of dollars)

	<b>Years Ended December 31</b>	
	<b>2014</b>	<b>2013</b>
<b>Operating activities</b>		
Net income	\$ 2,974	\$ 3,356
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,335	3,328
Provision for doubtful accounts and discounts	2,903	2,545
Stock compensation expense	-	42
Deferred taxes	190	400
Gains from insurance settlements	(2,400)	(1,627)
Change in operating assets and liabilities:		
Accounts and notes receivable	(3,822)	(1,679)
Inventories	(1,231)	(4,312)
Prepaid expenses and other assets	(246)	1,332
Accounts payable and accrued expenses	(975)	(1,174)
Asbestos & environmental liabilities	760	1,123
Income taxes	(314)	(869)
Other	(853)	(468)
<b>Net cash provided by operating activities</b>	<b>321</b>	<b>1,997</b>
<b>Investing activities</b>		
Investments in property, plant and equipment	(3,428)	(2,484)
Purchase of short-term investments	(2,499)	(2,499)
Proceeds from sale of short-term investments	2,499	2,500
<b>Net cash used in investing activities</b>	<b>(3,428)</b>	<b>(2,483)</b>
<b>Financing activities</b>		
Net short-term loan borrowings (payments)	3,038	(4,426)
Payments on long-term debt	(1,478)	(3,493)
Proceeds from refinancing and Belgium loan	-	9,371
Refinancing fee	(30)	(240)
Purchase of stock	-	(762)
<b>Net cash provided in financing activities</b>	<b>1,530</b>	<b>450</b>
Effect of foreign exchange rate changes on cash	917	(663)
<b>Net decrease in cash</b>	<b>(660)</b>	<b>(699)</b>
Cash and cash equivalents at beginning of year	905	1,604
<b>Cash and cash equivalents at end of year</b>	<b>\$ 245</b>	<b>\$ 905</b>

## Board of Directors

### Leo R. Breitman

Former Chairman and  
Chief Executive Officer  
Fleet Bank—Massachusetts

### John C. Garrels III

Former Director, Global Banking  
The First National Bank of Boston

### Mark N. Kaplan

Of Counsel  
Skadden, Arps, Slate, Meagher & Flom LLP

### Richard G. Marcus

President and Chief Operating Officer

### Roger S. Marcus

Chairman of the Board and  
Chief Executive Officer

### William M. Marcus

Executive Vice President and Treasurer

### Mark S. Newman

Former Chairman of the Board,  
President and Chief Executive Officer  
DRS Technologies, Inc.

### Kenneth I. Watchmaker

Former Executive Vice President and  
Chief Financial Officer  
Reebok International Ltd.

## Corporate Officers

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President and Chief Operating Officer

### William M. Marcus

Executive Vice President and Treasurer

### Howard N. Feist III

Vice President—Finance and  
Chief Financial Officer

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Vice President and General Manager  
Tape Division

### Jean-Pierre Benoit

Vice President and General Manager  
American Biltrite (Canada) Ltd.

### Diana Lew

Controller

### Adele Muller

Assistant Treasurer

## Corporate Information

### TRANSFER AGENT AND REGISTRAR

Computershare  
480 Washington Boulevard  
Jersey City, New Jersey 07310  
(800) 942-5909

### COUNSEL

Skadden, Arps, Slate, Meagher & Flom LLP  
Boston, Massachusetts

### AUDITORS

McGladrey LLP  
Boston, Massachusetts

### STOCK MARKET LISTING

OTC Market  
Symbol—ABLT



American Biltrite Inc.  
57 River Street  
Wellesley Hills, MA 02481-2097  
[www.ambilt.com](http://www.ambilt.com)