



2016 COMPANY INFORMATION



FINANCIAL HIGHLIGHTS

(dollars in thousands, except per share amounts)

Years Ended December 31	2016	2015	2014
Net sales	\$184,267	\$194,873	\$205,585
Income from operations	2,656	709	6,055
Net income (loss)	1,265	(721)	2,974
Net income (loss) per share			
Basic	38.95	(22.20)	91.57
Diluted	38.93	(22.20)	91.47

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 North America's largest suppliers of costume jewelry and accessories. Its main office and distribution center are located in Providence, Rhode Island. K&M also has showrooms and offices in New York City and two office 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 licensed brands include Guess®, T Tahari®, V19.69 Italia®, and Jessica McClintock™. K&M's recognized marketplace strengths are its quality product and logistical capabilities, supported by partnerships with its customers in technology, product development, sales analysis, and merchandising services.

AMERICAN BILTRITE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Years Ended December 31	
	2016	2015
Net sales	\$ 184,267	\$ 194,873
Cost of products sold	134,284	145,514
Selling, general & administrative expenses	47,327	48,650
Income from operations	2,656	709
Other expenses		
Interest	(488)	(695)
Other	(96)	(618)
Income (loss) before income taxes	2,072	(604)
Provision for income taxes	807	117
Net income (loss)	\$ 1,265	\$ (721)
Net income (loss) per common share:		
Basic	\$ 38.95	\$ (22.20)
Diluted	38.93	(22.20)
Weighted average shares outstanding:		
Basic	32,477	32,477
Diluted	32,491	32,477

AMERICAN BILTRITE INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS - ASSETS

(In thousands of dollars)

	December 31	
	2016	2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 719	\$ 250
Accounts receivable, less allowances for doubtful accounts and discounts of \$1,661 in 2016 and \$1,467 in 2015	18,812	17,968
Inventories	31,341	36,536
Income taxes receivable	77	742
Prepaid expenses & other current assets	1,595	2,193
Insurance receivable for asbestos and environmental liabilities	4,092	5,050
Total current assets	56,636	62,739
Property, plant & equipment, net	24,790	25,002
Other assets:		
Insurance receivable for asbestos and environmental liabilities	20,182	20,884
Investments	2,543	2,488
Other assets	2,894	3,723
	25,619	27,095
Total assets	\$ 107,045	\$ 114,836

AMERICAN BILTRITE INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS - LIABILITIES & STOCKHOLDERS' EQUITY

(In thousands of dollars)

	December 31	
	2016	2015
Liabilities		
Current liabilities:		
Accounts payable	\$ 8,841	\$ 9,963
Accrued expenses	12,180	12,328
Asbestos and environmental liabilities	5,633	6,813
Notes payable	1,773	2,788
Current portion of long-term debt	174	1,526
Total current liabilities	28,601	33,418
Long-term debt, less current portion	122	4,421
Asbestos and environmental liabilities	32,607	33,777
Other liabilities	12,410	12,919
Total liabilities	73,740	84,535
Stockholders' equity		
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, 2016 and 2015)	20,324	20,324
Less cost of common stock in treasury (13,508 shares at December 31, 2016 and 2015)	(15,721)	(15,721)
Retained earnings	36,218	34,953
Accumulated other comprehensive loss	(8,460)	(10,199)
Total stockholders' equity of controlling interests	32,361	29,357
Noncontrolling interests	944	944
Total stockholders' equity	33,305	30,301
Total liabilities and stockholders' equity	\$ 107,045	\$ 114,836

AMERICAN BILTRITE INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of dollars)

	Years Ended December 31	
	2016	2015
Operating activities		
Net income (loss)	\$ 1,265	\$ (721)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	3,077	3,326
Provision for doubtful accounts and discounts	2,323	2,253
Deferred taxes	492	93
Pension settlement	411	-
Bond interest	-	11
Vinyl composition tile line write off	-	1,815
Change in operating assets and liabilities:		
Accounts and notes receivable	(3,177)	(1,669)
Inventories	5,493	(1,385)
Prepaid expenses and other assets	615	(347)
Accounts payable and accrued expenses	(1,403)	1,780
Asbestos and environmental liabilities	(690)	(282)
Income taxes	371	(268)
Other	936	(146)
Net cash provided by operating activities	9,713	4,460
Investing activities		
Investments in property, plant and equipment	(2,503)	(2,168)
Purchase of investments	(1,051)	(2,499)
Proceeds from sale of investments	996	2,499
Net cash used in investing activities	(2,558)	(2,168)
Financing activities		
Net short-term loan payments	(1,042)	(1,483)
Payments on long-term debt	(5,651)	(1,565)
Net cash used in financing activities	(6,693)	(3,048)
Effect of foreign exchange rate changes on cash	7	761
Net increase in cash	469	5
Cash and cash equivalents at beginning of year	250	245
Cash and cash equivalents at end of year	\$ 719	\$ 250

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

TODD S. MARCUS

President
K&M Associates L.P.

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

ROGER S. MARCUS

Chairman of the Board and Chief Executive Officer

RICHARD G. MARCUS

President and Chief Operating Officer

WILLIAM M. MARCUS

Executive Vice President and Treasurer

HOWARD N. FEIST III

Vice President - Finance and Chief Financial Officer

DIANA LEW

Controller

MICHAEL J. MERKX

Vice President and General Manager
Tape Division

JEAN-PIERRE BENOIT

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

TODD S. MARCUS

President
K&M Associates L.P.

CORPORATE INFORMATION

TRANSFER AGENT AND REGISTRAR

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COUNSEL

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Boston, Massachusetts

AUDITORS

RSM US LLP
Boston, Massachusetts

STOCK MARKET LISTING

OTC Market
Symbol - ABLT



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