THE SCOTT & FETZER COMPANY

Mid-Year Report to Shareholders

5·31·77

For the Six Months Ended May 31, 1977

Highlights

Dollar Amounts in Thousands Except Per Share Data	Six Months Ended May 31		
	1977	1976	Percent Increase
NET SALES	**$197,465**	$166,985	18%
Income before taxes	**26,853**	21,978	22%
Percent to sales	**13.6%**	13.2%	
NET INCOME	**$ 13,054**	$ 11,180	17%
Percent to sales	**6.6%**	6.7%	
Percent to shareholders' equity	**20.8%**	19.2%	
PER SHARE			
Earnings	**$ 1.76**	$ 1.47	20%
Dividends	**.60**	.57	5%
Book value	**17.20**	15.40	12%
Working capital	**$119,116**	$109,094	9%
Total assets	**218,487**	198,344	10%
Shares outstanding (000's)	**7,418**	7,589	
Number of employees	**8,038**	7,489	

Common Stock Market Price and Dividend Information

	Market Price of Common Shares			
	1977		1976	
Fiscal Quarter	High	Low	High	Low
First	$28	$23-7/8	$26-1/4	$17-5/8
Second	27-1/8	22-3/4	29-3/8	23-3/8

	Dividends Per Share	
	1977	1976
First	$.30	$.27
Second	.30	.30
Third	.35*	.30

*Payable August 31, 1977 to shareholders of record August 16, 1977.

THE SCOTT & FETZER COMPANY
Mid-Year Report to Shareholders

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For the Six Months Ended May 31, 1977

To the Shareholders

At the mid-point in my first year as Scott & Fetzer's chief executive officer, it is personally gratifying to report that our sales and earnings in the second quarter and first six months were new record highs. This is in comparison with the similar periods of 1976 which also was a record year. We have enjoyed a strong economy, despite the energy and weather-related problems early in the year, which has provided a favorable climate for most sectors of our business. Our division management teams have been alert to the available business opportunities and have continued to improve their cost and operating control systems.

While enjoying record sales and earnings overall and in many of our market areas, there are some parts of our business that have not been satisfactory, and steps are being taken to correct these situations. As previously reported, the sale of the chain saw product line was completed in January and during the first quarter the intangible assets of one of the lighting divisions were written down. In the second quarter, provisions were made for the revaluation to estimated market value of the assets of other product lines or investments which are discussed in later sections of this report. In addition, some organizational changes are being made to further improve divisional operations. We are working to refine our corporate and financial forecasting programs. At this point in the year, our targeted objectives are being met.

Results of Operations. For the first six months of 1977, consolidated sales were $197.5 million, an increase of 18% above the $167 million for the similar period last year. Income before taxes increased 22% to $26.9 million from $22 million in the first half of 1976. Net income amounted to $13.1 million, 17% above the $11.2 million earned in the comparable period a year ago. Earnings per share of $1.76 were 20% above the $1.47 reported for the first six months last year. The pre-tax profit margin, stated as a percentage of income before taxes to sales, was 13.6%, up from 13.2% a year ago. The net profit margin was down slightly to 6.6% from 6.7% in 1976 due to a higher effective tax rate.

Ralph Schey

Sales in the second quarter were $108.8 million, 18% above the $92.4 million reported for the year-ago quarter. Income before taxes increased 19% to $14.9 million from $12.5 million in last year's second quarter. Net income was $7.4 million compared with $6.3 million in the same period of 1976. Earnings per share amounted to $1.01 and were 22% above the 83 cents earned a year ago.

Earnings per share in 1977 were based on 7,418,000 average common shares outstanding, down from 7,589,000 shares in the 1976 period. The lower number of average shares is due to the company's previously reported purchase of a block of its common shares in January, 1977.

The substantial growth this year in sales and earnings has been broadly based. The higher sales volume has come from all market classifications except lighting. The leisure time, commercial/industrial and floor care markets have been particularly strong. Net income has grown as a result of the higher sales volume and resulting improved operating margins in many divisions; the significant growth and operating recovery of the Campbell-Hausfeld division; and the absence of the operating loss in 1976 of the chain saw product line which was sold in January, 1977. These earnings gains were partially offset by various asset revaluations which are discussed in the financial review section of this report.

Financial Position. Scott & Fetzer's financial position remains very strong with cash and securities of approximately $50 million compared with $47.4 million at year end and $43.4 million a year ago. Our working capital currently totals $119.1 million up from $109.1 million at this point in 1976. Total assets are now $218.5 million versus $198.3 million last year. Total long-term debt amounts to $34.1 million slightly below the year-ago level. Considering the sharply higher sales volume in 1977 compared with the

(Continued on Page 2)

first half of 1976, our divisions have done a good job controlling the level of receivables and inventories. Receivables are up 16% over the first half 1976 level versus a sales gain of 18%, while inventories have increased only 9% and are at the same level as at year end. Our cash flow from operations has been more than sufficient to finance working capital requirements, capital expenditures and dividends. For the first half of 1977, $4.1 million was spent on new capital additions and total expenditures of about $10-$12 million for the year are projected.

Organization and Management Changes. A program has been undertaken to combine some divisions whose operations or markets are compatible to produce what we believe will be more viable, productive and efficient operating units. Earlier this year, the former Metalsmiths division, with plants in Wooster, Ohio and Council Grove, Kansas, was consolidated into the Stahl Metal Products division. Mr. Kenneth J. Semelsberger is president of the combined division. Subsequently, the Adalet and PLM Products divisions were merged into a new division, the Adalet-PLM division with Mr. Wayne E. Helfrich as president. In order to give greater emphasis to certain product lines and improve operating efficiencies we are currently reorganizing the Kingston and Douglas divisions. The Kokomo, Indiana plant of the Kingston division will be combined with the Bronson, Michigan plant of the Douglas division to form a new Douglas division with Mr. H. Vincent Kornstien as president. The products, manufacturing processes and marketing of these two plants are similar and the operating future should be enhanced under one division management. The Smithville, Tennessee plant of the Kingston division, which manufactures electrical timers, will be constituted as the Kingston division with Mr. James A. Nesbit as president. The Walnut Ridge, Arkansas plant of the Douglas division, which manufactures vacuum cleaners, will be separated from Douglas and combined with the Cardinal Plastics division with Mr. Kearney K. Kier as president.

We will continue to review and assess our organizational structure, product lines and markets to insure that Scott & Fetzer is properly prepared to take full advantage of its future business opportunities.

Dividends. On June 21, 1977 the Board of Directors voted to raise the regular quarterly dividend to 35 cents from the 30 cents per share paid since May 29, 1976. The new quarterly rate of 35 cents is an increase of 17% over the previous 30 cents rate, and will be paid to shareholders August 31, 1977, with a record date of August 16, 1977. The increased dividend payout reflects the earnings growth achieved this year and the directors' policy of regularly improving dividend payments to shareholders consistent with the company's growth.

Outlook. Considerable time is being devoted this year to refining our organizational structure, reviewing the operating divisions' performance against plans, appraising future market opportunities and developing Scott & Fetzer's corporate strategic plan. As part of this long-range strategic analysis, some divestiture candidates have been identified, of which two have been accomplished and another is near consummation. We are also actively investigating a number of acquisition candidates in non-consumer markets which is consistent with our announced goal of increasing Scott & Fetzer's commercial and industrial business.

Based on the first six months' results, which met budgeted projections, we are reasonably confident that Scott & Fetzer will achieve another record year in sales and earnings for 1977. The economy should remain strong over the balance of the year. Material cost increases and excessive wage settlements are negative factors to be faced. After a two-week strike, a new three-year contract was signed at our Campbell-Hausfeld division. Also, a new three-year agreement has been reached at the American-Lincoln division. These labor contracts have removed possible negative factors that could have affected the third quarter. If inflation can be kept at current levels, the general outlook over the foreseeable future is good.

Ralph Schey

Ralph Schey
President and
Chief Executive Officer

Lakewood, Ohio
July 5, 1977

Business and Financial Review

The income statement for the second quarter and first six months, the balance sheet showing the company's current financial position, the results by market classifications, and the flow of funds statement are shown on pages 5-8 of the report.

Sales and earnings for the second quarter and first six months were well ahead of the year earlier periods. Twenty-one divisions recorded increased earnings compared with the similar periods of 1976. Sales were higher in all market classifications except lighting for both the second quarter and six months. The earnings growth came from the leisure time, floor care and commercial/industrial categories. Income before tax in the electrical area, prior to reflecting the asset revaluations, was about equal to the 1976 level while lighting was lower.

Floor Care. Sales in the first six months were $49 million, up 21%, and income before taxes increased 35% to $12.9 million. In the second quarter, sales were 20% higher, with a growth in earnings of 29%. The Kirby division, which is the largest product line in this category, had a record second quarter and six months, substantially above the 1976 levels. Since introduction of the Kirby Classic III model a year ago, Kirby has achieved continuing growth in unit volume, sales and earnings, and has a record number of direct factory and area distributors. The American-Lincoln division, which manufactures industrial and commercial floor care equipment, and the Douglas division's vacuum cleaner product line also achieved good growth this year. The outlook for all the floor care product lines continues to be favorable.

Commercial/Industrial. The first six months' results showed sales up 21% to $52.6 million, with income before taxes of $4 million, 33% higher. For the second quarter, sales had a growth of 25% with earnings up 39%. There are 14 divisions with all or part of their business in this category, and every product line showed a sales increase versus the comparable period in 1976. The most significant gains were achieved by the Streamway, Douglas, Campbell-Hausfeld, Kingston, Stahl, Quikut and Western Enterprises divisions. The improved earnings reflected the higher sales volume, the operating improvement achieved at the Campbell-Hausfeld division, and the elimination of the chain saw operating loss incurred in 1976. Other divisions showing significant earnings improvements were: Streamway, Douglas, Kingston, Meriam, Quikut, Stahl and Western Enterprises. These gains were partially offset by lower results in the Dek/Electro division due to heavy introductory costs associated with two new drivers' license contracts.

Leisure Time. The most significant sales and earnings growth in the six months came in this classification. Sales were $57.8 million, up 25% and income before taxes advanced 91% to $7.7 million. In the second quarter, sales were 17% higher while earnings increased 92%. All product lines had record sales, reflecting the strong consumer demand, with the largest gains recorded by the Campbell-Hausfeld division. The Carefree of Colorado, Powerwinch /Ja-Son, and Valley Tow-Rite divisions also enjoyed good growth. The major earnings improvement reflected the overall higher volume and substantial operating improvements at the Campbell-Hausfeld and Valley Tow-Rite divisions. The Carefree of Colorado division achieved higher results in comparison with 1976, which was the previous record year. Consumer demand in product lines associated with the recreational vehicle markets has been very strong in the first six months this year.

Electrical. Sales in the electrical product lines were up moderately to $25.2 million from $23.2 million last year. Operating earnings were approximately level with the first six months of 1976. Included in second quarter earnings this year was a provision of $300,000 for the revaluation to the estimated realizable market value of the assets of one of the electrical product lines, which is in the process of being sold. Sales of all divisions in this category for the second quarter and first six months were above last year's level. The largest sales increase came in the Northland division while the PLM division achieved the best earnings improvement. Results of several of the electrical divisions were affected by weather and energy problems in the first quarter. Also, customer demand has moderated in several energy-related markets as a result of the uncertain national energy policy.

Lighting. For the six months, sales were $12.9 million, down about 4%, while in the second quarter sales approximated the year-earlier level. Operating earnings, before asset adjustments, were below the comparable 1976 periods for both the first and second quarters. First quarter earnings for this category included an $852,000 write-down of the intangible assets associated with the original purchase of one of the lighting divisions. In the second quarter, a $1 million provision was included for the revaluation of this group's assets to their estimated realizable market value. In addition, another provision of $500,000 was made for the loss on the sale of an investment in an associated 50%-owned company with operations in Canada and the U.S. This transaction was completed on June 23, 1977. As has been pointed out in previous reports, the lighting group results have been unsatisfactory, due to earlier internal operating problems as well as the depressed U.S. and Canadian housing markets. While the U.S. rate of

(Continued on Page 4)

new home construction has improved from earlier levels, the Canadian market for lighting products remains depressed. The company has continued to explore various alternative courses of action to improve results in this classification.

Analysis of Earnings. Income before taxes for the first six months was up 22% to $26.9 million compared with $22 million in the first half of 1976. The pre-tax profit margin, stated as a percentage of income before taxes to sales, improved to 13.6% from 13.2% last year. The record earnings reflected the higher sales volume, elimination of the operating loss on the chain saw product line in 1976, and improved operating profits in a number of divisions — particularly the Campbell-Hausfeld division. These gains were partially reduced by the asset revaluations previously discussed.

The net interest costs (interest expense less interest income) were $281,000 this year compared with $255,000 in the first half of 1976. The provision for state, local, federal and Canadian income taxes in the first six months of 1977 was $13.8 million or 51.4% of income before taxes, up from 49.1% last year. The principal factors affecting the tax provision computation are shown in the following table:

	First Six Months (000's)	
	1977	1976
Income before taxes	$26,853	$21,978
Less state and local	1,353	1,021
Income before federal and Canadian taxes	25,500	20,957
Income taxes at 48% statutory rate	12,240	10,059
Deduct tax credits for:		
• Investment tax credit for new machinery and equipment	(380)	(200)
• Export operations thru "DISC"	(119)	(151)
• Effect of Canadian tax rates	146	(31)
Effect of intangible write-off	409	—
All other	150	100
Provision for federal and Canadian taxes	12,446	9,777
Net income	$13,054	$11,180

With an effective tax rate of 51.4% in 1977 versus 49.1% last year, net income rose 17% to $13.1 million from $11.2 million for the first six months a year ago. The net profit margin was 6.6%, slightly below the 6.7% in 1976 due to the higher tax rate. Earnings per share increased 20% to $1.76 from $1.47 last year. The rate of growth in earnings per share was higher than for net income due to a lower number of shares outstanding, reflecting the company's purchase of its common shares in January, 1977. The table below shows the major elements affecting earnings per share for the second quarter and first six months:

	Second Quarter	Six Months
Earnings per share — 1976	$ .83	$1.47
Increase (Decrease) in 1977 from:		
• Operations	.28	.49
• Intangibles write-off	—	(.11)
• Provisions for asset revaluations	(.12)	(.12)
• Tax credits	(.01)	(.01)
• Reduced number of common shares	.03	.04
Earnings per share — 1977	$1.01	$1.76

Financial Position. The balance sheet on page 5 shows the company's current financial position. Compared with a year ago, total assets have increased $20.1 million, or 10%, to $218.5 million. Current assets are $20.9 million higher and other assets slightly lower. Shareholders' equity at May 31, 1977 was $125.8 million, or $17.20 per share, $9.1 million above the year earlier level of $116.7 million and $15.40 per share.

The company's cash flow for the first six months of 1977 compared with the first half of 1976 is shown on page 8. Scott & Fetzer's operating cash flow continues to be more than adequate to finance working capital requirements, capital expenditures and dividends. This year, cash flow from operations totaled $17 million, up from $14.4 million in the first six months last year. Other funds generated were $1.5 million, of which $1.1 million was the sale of fixed assets, primarily those associated with the chain saw product line. The use of funds in the first six months this year totaled $15.5 million of which $6.8 million was used to purchase a block of Scott & Fetzer's common shares, $4.4 million was expended for cash dividends and $4.1 million for new capital expenditures. The balance of the funds generated, $2.9 million, was added to working capital.

Consolidated Balance Sheet

THE SCOTT & FETZER COMPANY and SUBSIDIARY COMPANIES
Amounts in thousands
(Unaudited)

	May 31	
	1977	1976
ASSETS		
Current assets:		
Cash and short-term investments	**$ 50,051**	$ 43,382
Receivables, net	**56,231**	48,389
Inventories	**61,857**	56,737
Other	**4,794**	3,473
Total current assets	**172,933**	151,981
Property, plant and equipment, net	**43,537**	43,236
Intangible assets arising from acquisitions	**1,260**	2,135
Construction trust funds	**54**	182
Other assets	**703**	810
Total assets	**$218,487**	$198,344
LIABILITIES		
Current liabilities:		
Notes payable and current portion of long-term debt	**$ 422**	$ 548
Accounts payable	**28,174**	22,935
Accrued expenses and other	**25,221**	19,404
Total current liabilities	**53,817**	42,887
9% notes, due 1985	**30,000**	30,000
Other long-term debt	**4,063**	4,485
Deferred income taxes	**4,813**	4,316
Total liabilities	**92,693**	81,688
SHAREHOLDERS' EQUITY		
Common stock	**9,144**	9,470
Additional capital	**5,849**	5,981
Retained earnings	**110,801**	101,205
Total shareholders' equity	**125,794**	116,656
	$218,487	$198,344

Note Regarding Inventories.
If current costs had been used for valuation of those inventories valued using the last-in, first-out (LIFO) method, inventories would have been $10,138,000 and $8,656,000 higher at May 31, 1977 and 1976, respectively.

Statement of Income and Retained Earnings

THE SCOTT & FETZER COMPANY and SUBSIDIARY COMPANIES
Amounts in thousands except per share data
(Unaudited)

	Three Months Ended May 31		Six Months Ended May 31	
	1977	1976	**1977**	1976
NET SALES	**$108,780**	$ 92,393	**$197,465**	$166,985
Cost of goods sold	**80,463**	68,765	**144,673**	124,101
Gross profit	**28,317**	23,628	**52,792**	42,884
Selling, general and administrative expenses	**13,218**	10,868	**24,774**	20,547
Operating profit	**15,099**	12,760	**28,018**	22,337
Other income (deductions)				
Interest expense	**(782)**	(739)	**(1,567)**	(1,538)
Interest income	**604**	608	**1,286**	1,283
Write-down of intangible assets	**—**	—	**(852)**	—
Other expense, net	**(13)**	(121)	**(32)**	(104)
	(191)	(252)	**(1,165)**	(359)
Income before provision for income taxes	**14,908**	12,508	**26,853**	21,978
Provision for income taxes				
State and local	**734**	571	**1,353**	1,021
Federal and Canadian (current and deferred)	**6,736**	5,590	**12,446**	9,777
	7,470	6,161	**13,799**	10,798
NET INCOME	**7,438**	6,347	**13,054**	11,180
Retained earnings, beginning of period	**105,559**	97,132	**108,341**	94,344
	112,997	103,479	**121,395**	105,524
Purchase of treasury shares	**—**	—	**6,204**	—
Cash dividends	**2,196**	2,274	**4,390**	4,319
Retained earnings, end of period	**$110,801**	$101,205	**$110,801**	$101,205
PER SHARE				
Earnings per common and common equivalent share	**$ 1.01**	$ .83	**$ 1.76**	$ 1.47
Dividends	**$ .30**	$ .30	**$ .60**	$ .57
Average number of common and common equivalent shares (000's)			**7,418**	7,589

Sales and Income Before Taxes by Market Classifications

THE SCOTT & FETZER COMPANY and SUBSIDIARY COMPANIES
Dollar amounts in thousands

	Floor Care		Commercial/ Industrial		Leisure Time		Electrical		Lighting	
	Amount	Per Cent	Amount	Per Cent	Amount	Per Cent	Amount	Per Cent	Amount	Per Cent
FIRST QUARTER										
SALES										
1977	$22,898	26%	$23,417	26%	$24,851	28%	$11,560	13%	$ 5,959	7%
1976	18,707	25%	20,235	27%	18,220	24%	11,007	15%	6,423	9%
Change	22%		16%		36%		5%		(7%)	
INCOME BEFORE TAXES										
1977	$ 6,139	51%	$ 2,005	17%	$ 2,573	21%	$ 2,113	18%	$ (885)	(7%)
1976	4,308	46%	1,572	17%	1,368	14%	2,108	22%	114	1%
Change	43%		28%		88%		—		(876%)	
SECOND QUARTER										
SALES										
1977	$26,087	24%	$29,213	27%	$32,933	30%	$13,641	13%	$ 6,906	6%
1976	21,659	23%	23,433	25%	28,160	31%	12,152	13%	6,989	8%
Change	20%		25%		17%		12%		(1%)	
INCOME BEFORE TAXES										
1977	$ 6,809	46%	$ 1,990	13%	$ 5,086	34%	$ 2,409	16%	$(1,386)	(9%)
1976	5,288	42%	1,428	11%	2,652	21%	2,699	22%	441	4%
Change	29%		39%		92%		(11%)		(414%)	
FIRST SIX MONTHS										
SALES										
1977	$48,985	25%	$52,630	27%	$57,784	29%	$25,201	13%	$12,865	6%
1976	40,366	24%	43,668	26%	46,380	28%	23,159	14%	13,412	8%
Change	21%		21%		25%		9%		(4%)	
INCOME BEFORE TAXES										
1977	$12,948	48%	$ 3,995	15%	$ 7,659	28%	$ 4,522	17%	$(2,271)	(8%)
1976	9,596	44%	3,000	14%	4,020	18%	4,807	22%	555	2%
Change	35%		33%		91%		(6%)		(509%)	

Five Market Classifications

Floor Care Products
Vacuum cleaners and other floor maintenance equipment and supplies for residential, industrial and institutional use.

Commercial/Industrial Products
Water system fixtures for mobile homes and other plumbing applications; compressed gas connectors and fittings; utility truck bodies; truck bumpers; hydraulic valves; steering column components for trucks and off-the-road equipment; telephone exchange metal mounting frames; air compressors, paint spray equipment, and foundry products; household cutlery; plastic food containers; color photo identification systems; manometric measuring instruments; leather belts and accessory products; cold forged scissors for the home, school and office.

Leisure Time Products
Air compressors and paint spray equipment for the home and farm; hitching and towing equipment, accessories and awnings for recreational vehicles; mechanical winches, electric power winches and hoists for boats and trailers.

Electrical Products
Fractional horsepower motors; fittings, transformers, ballasts, furnace ignition systems; timers for automatic laundry equipment; high voltage cable fittings and couplers; explosion-proof housings; conduit fittings; television and CB antennas.

Lighting Products
Residential and commercial ceiling and wall fixtures; table, floor and swag lamps; crystal chandeliers.

Statement of Changes in Financial Position

THE SCOTT & FETZER COMPANY and SUBSIDIARY COMPANIES
Amounts in thousands
(Unaudited)

	Six Months Ended May 31	
	1977	1976
SOURCE OF FUNDS		
From operations:		
Net income	$13,054	$11,180
Write-down of intangible assets	852	—
Depreciation and amortization	2,732	2,572
Deferred federal income taxes	380	659
Total from operations	17,018	14,411
Sale of common stock under stock options	75	300
Disposal of fixed assets	1,118	326
Decrease in construction trust funds	144	114
Other	126	—
	$18,481	$15,151
APPLICATION OF FUNDS		
Cash dividends	$ 4,390	$ 4,319
Additions to property, plant and equipment	4,118	1,983
Decrease in long-term debt	287	287
Purchase of treasury shares, at cost	6,750	—
Other	—	70
	15,545	6,659
INCREASE IN WORKING CAPITAL	$ 2,936	$ 8,492

Accountants' Report on Limited Interim Review

To the Board of Directors and Stockholders
THE SCOTT & FETZER COMPANY

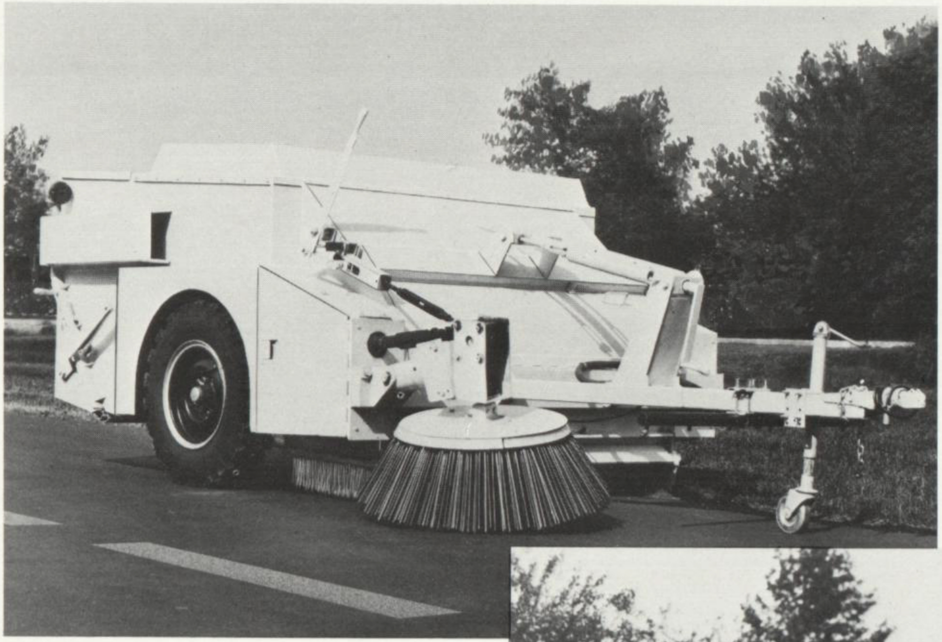
We have performed a limited review, in accordance with standards established by the American Institute of Certified Public Accountants, of the unaudited consolidated balance sheets of The Scott & Fetzer Company and Subsidiaries as of May 31, 1977 and 1976, and the related statements of income and retained earnings for the three and six-month periods then ended and the statements of changes in financial position for the six-month periods then ended.

Because our limited review did not constitute an audit, we express no opinion on the unaudited consolidated financial statements referred to above.

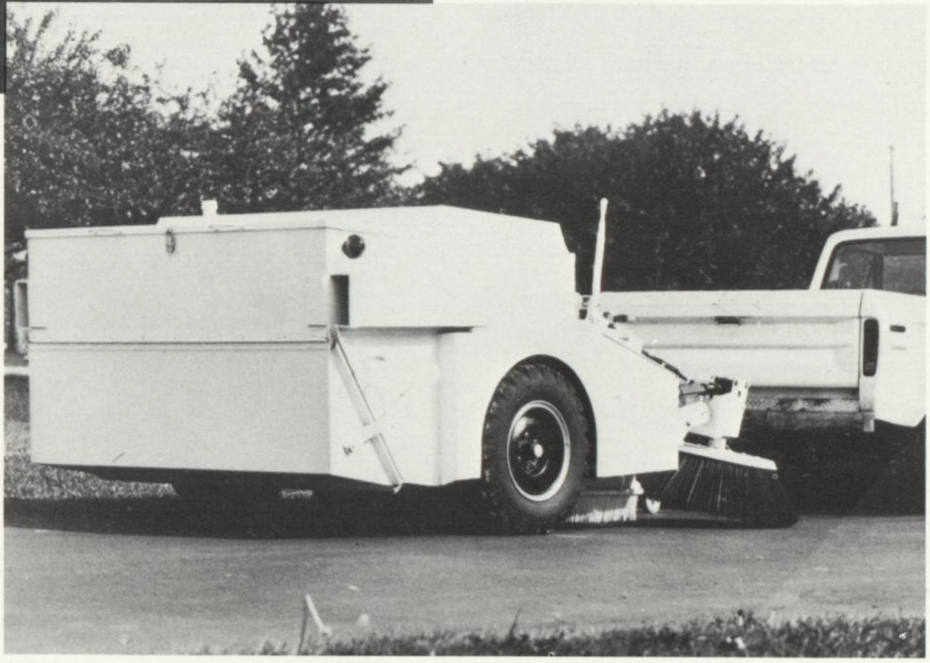
Coopers & Lybrand

Cleveland, Ohio
June 21, 1977

Divisions Introduce New Products



Stahl Metal Products Division



The TOWSWEEPER, a large sweeping machine that is towed by a pickup truck, represents Stahl Metal Products division's entrance into the market for commercial cleaning equipment.

Capable of doing sweeping jobs usually done by machines in the \$20-60,000 range, the TOWSWEEPER offers the advantages of low-cost operation and minimal maintenance. Normally, maintenance is a major expense for sweeping machines.

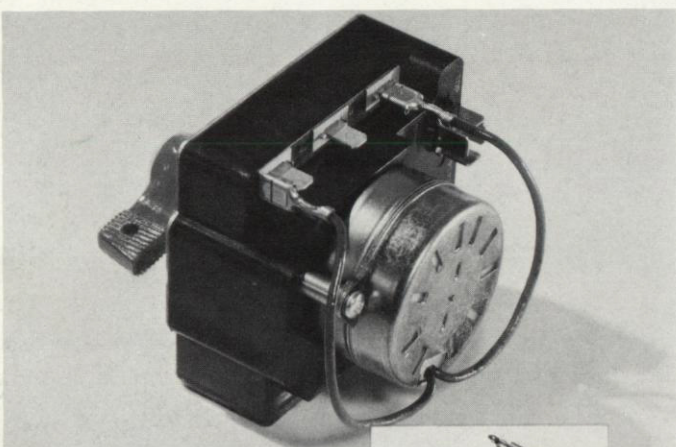
The TOWSWEEPER is priced well below machines that can do comparable work. Sweeping parking lots, shopping centers, city streets, airports, and cement plants are typical tasks ideal for the TOWSWEEPER. By using the power plant of a pickup, the owner can reduce his investment in sweeping equipment, yet accomplish the same results. No operator is required for the TOWSWEEPER. The pickup truck driver makes the hookup and sets the controls — one control for the main and curb brushes, another for the water spray unit.

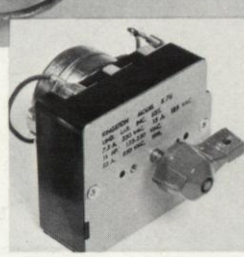
Stahl division, with its main plant in Cleveland, Ohio, will produce the TOWSWEEPER at its Wooster, Ohio plant, and market the unit through distributors in the United States and Canada.

France Division

The France division has introduced a new lightweight moisture resistant transformer for use in oil-fired heaters. This new miniaturized unit supplies 5000 volts for oil ignition spark. Its principal advantages over previous models are improved operating efficiency, reduced size, and a plug-in feature that results in assembly cost savings to the customer.

France manufactures a wide range of oil burner transformers as well as a line of solid state oil burner controls for the residential, commercial and industrial heating equipment markets, and also designs and produces transformers and ballasts for neon, fluorescent, and high-efficiency sign lighting applications.





Kingston Division

Repair service calls attributable to timer failure on automatic home laundry equipment will be greatly reduced as a result of a new control timer for clothes dryers, introduced by the Kingston division. The new timer is engineered and built to resist corrosion and wear, the two chief enemies of home laundry appliances.

Kingston's leadership in the timer market for these appliances has progressed from its capability in designing and manufacturing dependable timers and controls. Kingston also produces timing devices and subfractional horsepower motors for a variety of consumer, commercial and industrial applications.

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