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[21358001]

A decline in Allied-Signal Inc.'s automotive business contributed to flat sales and only slightly higher earnings in the third quarter.

[21358002]

Allied-Signal reported that net rose 1.7% to \$ 121 million, or 81 cents a share, from \$ 119 million, or 80 cents a share, the year earlier.

[21358003]

Sales slipped 1.3% to \$ 2.82 billion from \$ 2.86 billion.

[21358005]

Sales eased 0.2% to \$ 8.88 billion from \$ 8.90 billion.

[21358006]

Chairman Edward L. Hennessy Jr. said that a drop in sales of auto and truck parts contributed to lower earnings in the automotive unit.

[21358007]

He also cited unfavorable foreign-exchange rates and a lower tax rate.

[21358008]

Earnings for the group declined to \$ 11 million from \$ 33 million last year.

[21358009]

Earnings at Allied-Signal's aerospace business rose to \$ 55 million from \$ 41 million a year ago, primarily on higher sales and profit in its engines and auxiliary power units.

[21358010]

In New York Stock Exchange composite trading yesterday, Allied-Signal shares closed at \$ 35.125, off 87.5 cents.