



6. Goodwill and Other Intangible Assets

Goodwill: The following table sets forth the change in the carrying amount of goodwill for each reportable segment:

	Associated Spring	Barnes Aerospace	Barnes Distribution	Total BGI
January 1, 2001	\$ 71,416	\$ 26,127	\$ 58,124	\$155,667
Goodwill acquired	(1,120)	6,275	3,230	8,385
Goodwill amortization	(1,791)	(987)	(1,438)	(4,216)
December 31, 2001	68,505	31,415	59,916	159,836
Goodwill acquired	7,872	(515)	(2,599)	4,758
December 31, 2002	\$ 76,377	\$ 30,900	\$ 57,317	\$164,594

During 2002, an additional \$1,035 of goodwill was recognized related to Associated Spring's November 2001 acquisition of Forward Industries assets, related primarily to an adjustment to the fair value of the equipment acquired, and \$6,837 million for the April 2002 acquisition of Spectrum. No goodwill resulted in connection with the acquisition of Seeger-Orbis. Goodwill related to the Barnes Aerospace 2000 acquisition of Kratz-Wilde/Apex decreased \$515 in 2002, the result of the reduction of accrued acquisition costs. Also in 2002, goodwill was reduced by \$2,599 related to Barnes Distribution's Curtis acquisition. This reduction relates primarily to an adjustment to the reorganization accrual and inventory valuation.

In 2001, Associated Spring's goodwill related to the acquisition of the nitrogen gas spring business was reduced by \$1,272, reflecting the adjustment to accrued acquisition costs. Initial goodwill of \$152 was recorded for the acquisition of certain assets of Forward Industries. The \$6,275 increase in goodwill resulted from the completion of the purchase price allocation to the Barnes Aerospace segment valuation of inventories, backlog and fixed assets, offset by a \$700 purchase price adjustment. Barnes Distribution's business reorganization of Curtis, acquired in 2000, and the completion of the purchase price allocation resulted in \$2,332 of additional goodwill being recognized. In addition, \$898 of goodwill was recorded in Barnes Distribution related to the acquisition of Euro Stock.

At December 31, 2002, \$80,524 of goodwill is tax deductible.

Acquired Intangible Assets: Intangible assets, other than goodwill, consist of registered trademarks, purchased in the acquisition of the nitrogen gas spring business in 1999, and registered trademarks and patents purchased in the 2002 acquisitions of Seeger-Orbis and Spectrum. The amounts attributable to these intangible assets are included in the purchase price allocations.

Trademarks acquired with the purchase of the nitrogen gas spring business are being amortized over their estimated useful lives of 30 years. At December 31, 2002, the gross carrying amount of trademarks was \$4,395 and accumulated amortization was \$488. The aggregate amortization expense is approximately \$146 in each of the years 2003 through 2007.

Intangible assets that were acquired with Seeger-Orbis were \$3,047 and consist of trademarks and patents with estimated useful lives of 30 and 15 years, respectively. The accumulated amortization at the end of 2002 was \$197. The aggregate amortization expense is approximately \$236 in each of the years 2003 through 2007.

Intangible assets that were acquired with Spectrum were \$2,400 and consist primarily of trademarks with estimated useful lives of 30 years. The accumulated amortization at the end of 2002 was \$57. The aggregate amortization expense is \$87 in each of the years 2003 through 2007.

7. Accrued Liabilities

Accrued liabilities at December 31 consisted of:

	2002	2001
Payroll and other compensation	\$ 16,063	\$ 13,503
Postretirement/postemployment benefits	9,315	9,283
Other	36,475	36,332
	\$ 61,853	\$ 59,118