Eleven-Year Financial Highlights

(dollars in thousands, except per share data)		2002	2001	2000
Operating Results				
Net sales	(1)	$1,583,742	$1,807,896	$1,866,578
Cost of goods sold	(1)	1,072,918	1,192,176	1,228,685
Operating expense	(1)	389,396	425,641	434,136
Interest expense		32,627	50,381	55,079
Restructuring, asset impairment and other special charges	(2)	30,189	21,458	22,412
Income taxes		18,900	37,300	43,700
Accounting changes, net of tax	(3)	250,406	599	–
Net (loss) income	(4)	(211,908)	53,288	51,710
Financial Position				
Net working capital		$ 375,284	$ 386,711	$ 397,403
Inventories		345,076	373,221	410,885
Property, plant and equipment, net		435,116	472,874	498,784
Total assets		1,523,611	1,825,442	1,941,121
Long-term debt, including capital leases		387,887	582,585	637,686
Total debt, including capital leases		411,367	607,115	699,242
Total shareowners' equity	(5)	713,962	796,769	780,254
Per Share Data				
Basic (loss) earnings		$ (6.80)	$ 1.74	$ 1.71
Diluted (loss) earnings	(4)	(6.70)	1.73	1.70
Dividends		0.68	0.68	0.68
Book value (at June 30)		20.51	25.84	25.56
Market price (at June 30)		36.60	36.90	21.44
Other Data				
Capital expenditures		$ 44,040	$ 59,929	$ 50,663
Number of employees (at June 30)		11,660	12,570	13,210
Average sales per employee	(1)	$ 131	$ 139	$ 140
Basic weighted average shares outstanding (000)	(5)	31,169	30,560	30,263
Diluted weighted average shares outstanding (000)	(5)	31,627	30,749	30,364
Key Ratios				
Sales growth	(1)	(12.4)%	(3.1)%	(2.5)%
Gross profit margin	(1)	32.3	34.1	34.2
Operating profit margin	(1)	5.8	8.7	8.5
Return on sales	(1) (4)	(13.4)	2.9	2.8
Return on average shareowners' equity	(4)	(38.3)	6.8	6.9
Total debt to total capital		36.2	42.9	45.6
Inventory turnover	(1)	2.9x	3.1x	2.9x

n.m. – Not meaningful

Notes

[1] Amounts and percentages for 2000, 1999, 1998 and 1997 were adjusted to reclassify shipping and handling fees to net sales and shipping and handling costs to cost of goods sold as required by Emerging Issues Task Force 00-10, "Accounting for Shipping and Handling Fees and Costs." It was not practicable to restate periods prior to 1997.

[2] In 2002, unusual or nonrecurring items primarily reflect restructuring charges incurred related to operational improvement programs and a loss on divestiture. Unusual or nonrecurring items reflect costs associated with restructuring and asset impairment charges related to operational improvement programs, a loss on divestiture and costs primarily associated with the JLK tender offer in 2001; costs associated with environmental remediation, strategic alternatives and restructuring and asset impairment charges related to operational improvement programs initiated in 2000; costs associated with the acquisition of shares of Toshiba Tungaloy and restructuring and asset impairment charges related to operational improvement programs initiated in 1999; deferred financing costs related to a postponed public offering intended to have been offered in connection with the acquisition of Greenfield in 1998; restructuring costs for the relocation of the North America Metalworking Headquarters from Raleigh, N.C. to Latrobe, Pa., and to close a manufacturing facility in 1996; restructuring and integration costs associated with the acquisition of Hertel AG in 1994; and settlement and partial reversal of accrued patent litigation costs in 1993.

[3] Accounting changes in 2002 reflect the non-cash charge related to goodwill impairment recorded as a result of the adoption of SFAS No. 142. In 2001, this charge reflects the change in the method of accounting for derivative financial instruments (SFAS No. 133) and in 1994, the changes in the methods of accounting for postretirement health care and life insurance benefits (SFAS No. 106) and income taxes (SFAS No. 109) are reflected.