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MAR -2 1910

THE NEW YORK AIR BRAKE COMPANY

165 BROADWAY, NEW YORK

1908
New York, February 3rd, 1909.

To the Stockholders:

We give below a statement of the operations of the Company for the period from May 31st to December 31st, 1908, together with the Balance Sheet as of December 31st, 1908.

While this has been one of the dullest seven months in the Company's history, yet we are able, after charging off the interest on the bonds and all fixed charges, to show net earnings of over \$265,000.00, which is equivalent to 4½% on the Capital Stock.

CONSOLIDATED INCOME ACCOUNT
SEVEN MONTHS ENDING DECEMBER 31, 1908.

Sales and other incomes.....		\$1,132,769.03
Cost of Manufacturing and Selling.....	\$762,279.26	
Interest on 6% Convertible Gold Bonds.....	105,000.00	
Profits for 7 months ending Dec. 31, 1908.....	265,489.77	1,132,769.03

CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1908.

ASSETS.

Cash, Accounts Receivable and Merchandise.....	\$1,683,549.28	
Factories, Patents and Water Power	10,637,203.79	
Stocks, Investments, Real Estate other than factories.....	552,914.84	
Profit and Loss (Deficit on account of charging off discount on bonds).....	261,465.97	13,135,133.88

LIABILITIES.

Accounts Payable.....	\$21,201.38	
Accrued Interest on Bonds.....	30,000.00	
Reserve for Depreciation on Plant.....	63,932.50	
Mortgage on Real Estate other than factories.....	20,000.00	
First Mortgage, 6%, Convertible 20 Year Gold Bonds	3,000,000.00	
Capital Stock	10,000,000.00	13,135,133.88

C. A. STARBUCK,
President.

THE NEW YORK AIR BRACK COMPANY
198 BROADWAY, NEW YORK

New York, January 27, 1934

To the Stockholders:

We have below a statement of the operations of the Company for the period from May 1st to December 31st, 1933, which together with the balance sheet as of December 31st, 1933, and the balance sheet as of May 1st, 1933, are printed in the Company's financial statement for 1933. With this we have also of the highest order records in the Company's history, and we are sure that you will find them of great value in showing the progress of the Company and the results of its operations, which is explained in detail in the annual report.

CONSOLIDATED INCOME ACCOUNT
SEVEN MONTHS ENDING DECEMBER 31, 1933.

\$1,133,000.00	.....	Other and other income
1,133,000.00	.....	Cost of Manufacturing and Selling
		Income for 7 months ending Dec. 31, 1933

CONSOLIDATED BALANCE SHEET DECEMBER 31, 1933.

ASSETS

\$1,133,000.00	.....	Cash, Accounts Receivable and Merchandise
1,133,000.00	.....	Patents, Licenses and Water Power
1,133,000.00	.....	Fixed Investments, Real Estate and other investments
1,133,000.00	.....	Plant and Equipment (listed on account of depreciation)
1,133,000.00	.....	Investment in Bonds

LIABILITIES

\$1,133,000.00	.....	Accounts Payable
1,133,000.00	.....	Amount Interest on Bonds
1,133,000.00	.....	Reserve for Contingencies on Plant
1,133,000.00	.....	Reserve for Contingencies on Real Estate and other investments
1,133,000.00	Reserve for Contingencies on New York City Bonds
1,133,000.00	Capital Stock

\$1,133,000.00

J. W. WALKER
President

MAR 22 1910

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PROPERTY OF
INVESTORS AGENCY, Inc.
55 WALL ST.,
NEW YORK CITY.

THE NEW YORK AIR BRAKE CO.
165 BROADWAY

New York, February 14, 1910.

To the Stockholders:-

In presenting to you the Company's report of the operations of the past year, we desire to call your attention to the fact that practically all of the profits have been made in the past four months, as during the first eight months of the year the business was very light, owing to the fact that railroads were unable to finance their requirements, and hence had no recourse but to suspend their orders for equipment.

The change in conditions came about late in the summer, and since then our business has steadily grown, and we now have unfilled orders aggregating over a million and a quarter dollars, so that we have reason to believe that the year 1910 will be a very prosperous one for the Company.

The Company has expended a large amount of money in putting its machinery in good repair, all of which has been charged off.

During the past year the Company has made many improvements in its brake apparatus, necessitated by the increased trainload and larger motive power to operate same, on which it has taken important and valuable patents, both in this country and in Europe.

C. A. STARBUCK,

President.

CONSOLIDATED INCOME ACCOUNT OF
THE NEW YORK AIR BRAKE CO.
 YEAR ENDING, DECEMBER 31st, 1909

Sales and other incomes.....		\$2,115,115.53
Cost of Manufacturing and Selling	\$1,660,244.23	
Interest on 6% Convertible Gold Bonds.....	181,800.00	
Allowance for depreciation.....	67,537.48	
Less reserve for depreciation.....	<u>63,550.04</u>	3,987.44
Profits for year ending December 31st, 1909.....	<u>269,083.86</u>	2,115,115.53

CONSOLIDATED BALANCE SHEET, DECEMBER 31st, 1909

ASSETS

Cash, Accounts Receivable and Merchandise.....	1,806,576.37	
Factories, Patents and Waterpower.....	10,930,841.54	
Stock Investments and Real Estate other than factories.....	<u>541,328.50</u>	13,278,746.41

LIABILITIES

Accounts Payable.....	221,128.52	
Accrued Interest on Bonds.....	30,000.00	
Mortgage on Real Estate other than factories.....	20,000.00	
First Mortgage 6% Convertible 20 year Gold Bonds... ..	3,000,000.00	
Capital Stock.....	10,000,000.00	
Profit and Loss.....	269,083.86	
Less deficit, Dec. 31st, 1908, (on account of charging off discount on bonds)	<u>261,465.97</u>	<u>7,617.89</u>
		13,278,746.41

C. H. CHAFFEE,

Treasurer.

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CONSOLIDATED INCOME ACCOUNT OF
THE NEW YORK AIR BRAKE CO.
 YEAR ENDING DECEMBER 31st, 1910.

Sales for the year.....		\$2,568,363.67
Cost of Manufacturing, Labor, Material and Factory Expenses.....		1,836,629.29
Factory Profit.....		731,734.38
Received from Investments, Interest and Discounted Bills.....		121,834.01
Profit for the year.....		853,568.39
Administration Expenses	210,204.87	
Taxes	13,502.89	223,707.76
Net Profit for year ending December 31st, 1910.....		629,860.63
Paid 6% Interest on Convertible Gold Bonds	181,800.00	
Paid Dividends	299,772.00	481,572.00
Balance to Surplus Account		148,288.63
Amount Surplus remaining previous year		7,617.89
Surplus Account.....		155,906.52

CONSOLIDATED BALANCE SHEET, DECEMBER 31st, 1910.

ASSETS

Cash in Banks.....	\$ 658,665.04	
Accounts and Bills Receivable.....	1,615,741.36	
Inventory, goods and material on hand	1,253,477.05	
Factories, Patents, Water Power, Land and Machinery.....	9,278,464.57	
Stock Investments.....	416,260.00	13,222,608.02

LIABILITIES

Accounts Payable.....	26,701.50	
Accrued Interest on Bonds.....	30,000.00	
Mortgage on Real Estate other than factories	10,000.00	
First Mortgage 6% Convertible 20 year Gold Bonds.....	3,000,000.00	
Capital Stock	10,000,000.00	
Profit and Loss Surplus Account.....	155,906.52	13,222,608.02

E. A. JOHNSON,

Assistant Treasurer.

CONSOLIDATED INCOME ACCOUNT OF
THE NEW YORK AIR BRAKE CO.
 YEAR ENDING DECEMBER 31st, 1910

THE NATIONAL CITY BANK
 NY 28
 DEPOSITED
 OF NEW YORK

	Sales for the year
	Cost of Manufacturing, Labor, Material and Factory Expenses
	Factory Profit
	Received from Investments, Interest and Dividends
	Profit on the year
	Administration Expenses
	Taxes
	Net Profit for year ending December 31st, 1910
	Paid 5% Interest on Convertible Gold Bonds
	Paid Dividends
	Balance to Surplus Account
	Amount Surplus remaining previous year
	Surplus Account

12,322,608.00
 1,012,741.30
 1,252,523.02
 9,775,461.37
 17,322,608.00
 17,322,608.00
 1,000,000.00
 10,000,000.00
 17,322,608.00

CONSOLIDATED BALANCE SHEET, DECEMBER 31st, 1910.

ASSETS	
	Cash in Banks
	Accounts and Bills Receivable
	Inventory, Goods and material on hand
	Factories, Patents, Water Power, Land and Machinery
	Stock Investments
	Accounts Payable
	Accrued Interest on Bonds
	Mortgages on Real Estate other than factories
	First Mortgage 5% Convertible to year Gold Bonds
	Capital Stock
	Profit and Loss Surplus Account

25,701.30
 70,000.00
 10,000.00
 1,000,000.00
 10,000,000.00
 17,322,608.00

E. A. JOHNSON

Auditor

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PROPERTY OF
INVESTORS AGENCY, INC.
55 WALL ST.,
NEW YORK CITY.

THE NEW YORK AIR BRAKE CO.
165 BROADWAY

CONSOLIDATED FINANCIAL ACCOUNT OF
THE NEW YORK AIR BRAKE CO.
YEAR ENDING MARCH 31, 1911

New York, January 27, 1911

To the Stockholders:-

Referring to the report of the Company's operations for the past year, which is hereto attached, it is only proper to call your attention to the general conditions of business during the past year, which were a complete reversal of the preceding year. That is in the year 1909 the profits of the Company were made during the last four months of that year, whereas in the year 1910, the profits were derived largely from the first six months of 1910.

The explanation briefly is that at the close of 1909 the indications of business seemed to promise 1910 would be one of the best for Railroad Equipment Companies. These indications bade fair promise of fulfillment until the latter part of May, when the agitation in railroad rates began. If orders had continued to come in as they did up to May, the business for the year would have been most satisfactory; but as the results of this agitation on railroad rates and the continued deference of a decision of that matter, the railroads were compelled to immediately adopt a policy of retrenchment, which resulted in the cancellation or suspension of orders already placed and withholding all contemplated orders.

It is only fair to assume now that a decision on the rate question will soon be reached, and, if favorable to the railroads a resumption of activity will result.

During the past year the Company has built and completed on its East Plant at Watertown a thoroughly fire-proof new Machine Shop 200x360 feet in size, and added considerable new machinery, which will result in an annual saving of a large amount of money.

The Company has also made great improvements in its Engineering Department; has brought out many new devices and taken valuable patents on same in this country and in Europe, and is now in fine physical condition to handle a greatly increased volume of business.

C. A. STARBUCK,

President.

THE NEW YORK AIR BRAKE CO.

107 BROADWAY

New York, January 27, 1911

To the Stockholders:

Referring to the report of the Company's operations for the past year, which is hereto attached, it is only proper to call your attention to the general conditions of business during the year, which were a complete reversal of the preceding year. In the year 1909 the profits of the Company were made during the last four months of that year, whereas in the year 1910, the profits were derived largely from the first six months of 1910.

The explanation briefly is that at the close of 1909 the indications of business seemed to promise 1910 would be one of the best for Railroad Equipment Companies. These indications made fair promise of fulfillment until the latter part of May, when agitation in railroad rates began. If orders had continued to come in as they did up to May, the business for the year would have been most satisfactory; but the results of this agitation on railroad rates and the continued defiance of a decision of that matter, the railroads were compelled to immediately adopt a policy of retrenchment which resulted in the cancellation or suspension of orders already placed and withholding all contemplated orders.

It is only fair to assume now that a decision on the rate question will soon be reached, and if favorable to the railroads a resumption of activity will result.

During the past year the Company has built and completed in the New York Railroad a thoroughly first-class new machine shop 200x300 feet in size, and added considerable new machinery, which will result in an annual saving of a large amount of money.

The Company has also made great improvements in the Engineering Department, has brought out many new devices and taken valuable patents on same in this country and in Europe, and is now in fine physical condition to handle a greatly increased volume of business.

C. A. STARBUCK,

President

FEB 29 1912

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PROPERTY OF

INVESTORS AGENCY, INC.

CONSOLIDATED INCOME ACCOUNT OF

WALL ST
NEW YORK CITY

THE NEW YORK AIR BRAKE COMPANY

YEAR ENDING DECEMBER 31st, 1911.

Sales for the year.....		\$1,585,681.38	
Cost of Manufacturing, Labor, Material and Factory Expense.....		1,181,549.81	
	Factory Profit.....	404,131.57	
Received from Investments, Interest and Discounted Bills.....		58,714.15	
	Profit for the year.....	462,845.72	
Administration Expenses.....	217,787.30		
Taxes.....	15,459.90		233,247.20
	Net Profit for year ending Dec. 31st, 1911.....		229,598.52
	Surplus December 31st, 1910.....		155,906.52
			385,505.04
Paid 6% Interest on Convertible Gold Bonds.....	181,800.00		
Paid Dividends.....	449,658.00		631,458.00
	Profit and Loss.....		245,952.96

CONSOLIDATED BALANCE SHEET, DECEMBER 31st, 1911.

ASSETS

Cash in Banks.....	\$ 571,481.82	
Accounts and Bills Receivable.....	1,227,645.65	
Inventory, goods and material on hand.....	1,152,932.76	
Factories, Patents, Water Power, Land and Machinery.....	9,423,338.48	
Stock, Bonds, &c.....	444,700.00	
Profit and Loss.....	245,952.96	13,066,051.67

LIABILITIES

Accounts Payable.....	36,051.67	
Accrued Interest on Bonds.....	30,000.00	
Capital Stock.....	10,000,000.00	
First Mortgage 6% Convertible 20 year Gold Bonds.....	3,000,000.00	13,066,051.67

E. A. JOHNSON,

Assistant Treasurer.

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THE NEW YORK AIR BRAKE COMPANY
165 BROADWAY

NEW YORK, February 14, 1912.

TO THE STOCKHOLDERS:

In our report to you last year (January 27, 1911), we explained the abnormal decrease in railway equipment companies' business, ours especially, as being the result of the endeavor of the railroads to get an advance in freight rates, and expressed the opinion that with a decision favorable to the railroads, which was at that time momentarily expected, there would be an immediate resumption of activity. Unfortunately, as you are aware, the decision of the Interstate Commerce Commission on an advance in railroad freight rates was adverse to the increase. The result was to compel a far more rigid exercise of economy by the railroads than ever before. In consequence, the business of your Company suffered, and we regret to say the year's business has been unsatisfactory.

The dividends of the Company were continued until July, in the hope and confident expectation that each month would show an improvement, but such improvement did not appear until November. The Company in the last two months in the year booked more orders than they had received in the whole ten months previous, and we are encouraged to believe such resumption of business may continue and the coming year's business be large and profitable. The physical condition of the Company, as well as the financial, was never in better shape, and we are in position to handle all the business that we may be favored with.

C. A. STARBUCK,
President.

CONSOLIDATED INCOME ACCOUNT OF
THE NEW YORK AIR BRAKE COMPANY

YEAR ENDING DECEMBER 31, 1912
165 BROADWAY

NEW YORK, February 19, 1913.

TO THE STOCKHOLDERS:

In submitting to you the report of the Company's business for the past fiscal year ending the 31st of December, 1912, we take pleasure in stating that the business for the year shows an increase of ninety-one and one-half per cent. over the preceding year. As the statement will show, the Company made a net profit of \$572,380.38, which was sufficient to wipe out the deficit of last year (\$245,952.96), pay one quarterly dividend of \$150,000.00 in December, and leave a surplus at the end of the year of \$176,541.42.

The increased business of the year, from which the largest proportion of the profits was made, covered only the last quarter. While but 2.27% was made on the first nine months' business, the last three months showed a net profit of 3.45%, or an average of 1.15% per month.

During the past year your Company entered into an agreement with the Westinghouse Company, whereby the New York Air Brake Company is licensed to manufacture under the Westinghouse patents all parts of their equipment, thereby enabling both Companies to manufacture and sell one standard equipment, which is greatly to the benefit and advantage of the different Railroads and indirectly a benefit to the Brake Companies, as leading to economy in manufacture and a large saving in the termination of expensive patent litigation.

The Company's financial and physical condition was never better, and we enter upon the present year with large orders in hand and an assurance of the continuance of a most prosperous business.

C. A. STARBUCK,
President.

CONSOLIDATED INCOME ACCOUNT OF
THE NEW YORK AIR BRAKE COMPANY
 YEAR ENDING DECEMBER 31st, 1912.

Sales for the year.....		\$3,035,623.14
Cost of Manufacturing, Labor, Material and Factory Expense.....		<u>2,074,204.29</u>
Factory Profit.....		961,418 85
Income from Investments, Interest, etc.....		<u>42,632.59</u>
Gross Profit for the year.....		1,004,051.44
Administration Expenses.....	238,220.84	
Taxes.....	11,650.22	
Paid 6% Interest and Expense on Convertible Gold Bonds....	<u>181,800.00</u>	<u>431,671.06</u>
Net Profit for year ending December 31st, 1912.....		572,380.38
Deficit December 31st, 1911.....	245,952.96	
Dividend December 1912.....	<u>149,886.00</u>	<u>395,838.96</u>
Surplus December 31st, 1912.....		\$ 176,541.42

CONSOLIDATED BALANCE SHEET, DECEMBER 31st, 1912.

ASSETS.

Cash in Banks.....	\$ 855,696.58	
Accounts and Bills Receivable.....	1,188,455.94	
Inventory, goods and material on hand.....	1,183,939.37	
Factories, Patents, Water Power, Land and Machinery.....	9,612,604.56	
Stocks and Bonds.....	<u>452,956.25</u>	<u>13,293,652.70</u>

LIABILITIES.

Accounts Payable.....	\$ 87,111.28	
Accrued Interest on Bonds.....	30,000.00	
Capital Stock.....	10,000,000.00	
First Mortgage 6% Convertible 20-year Gold Bonds.....	3,000,000.00	
Surplus December 31st, 1912.....	<u>176,541.42</u>	<u>13,293,652.70</u>

E. A. JOHNSON,
Assistant Treasurer.

THE NEW YORK AIR BRAKE COMPANY

165 BROADWAY

NEW YORK, February 19, 1914.

TO THE STOCKHOLDERS:

At the beginning of the year 1913 the business prospects were bright for a most prosperous year, notwithstanding the incoming of a new federal administration, but soon the contemplation of early radical legislation, such as the new Tariff Bill, the new Currency Bill, the Income Tax Bill, legislation against railroads and trusts, etc., had a most depressing effect on the minds of the people, and business generally slackened up.

The year 1913 has expired, and it is believed that acute depression has gone with it. The Tariff and Currency Bills have both become realities. It is not for us to say they will not be productive of benefit to the people and result in prosperity, and any observer must admit that 1914 has been ushered in with hope that has displaced fear.

Apparently the one thing requisite to immediately start the wheels of commerce is that the railroads be allowed their requested advance in freight rates, for business cannot prosper save when the railroads are prosperous and only in proportion as they are prosperous. Only 108,000 freight cars were ordered during the past year as against 235,000 during the year 1912. The deficiency must be made good as soon as the railroads can finance the expenditure.

The completion of the Company's new plant during the past year furnishes capacity for more than double its former output, and, with improved automatic machinery installed, the cost will be greatly reduced.

The financial statement submitted herewith represents conditions as they existed in 1913, and conditions with which you are all familiar. It may be well to explain that the reduction in administration expenses is largely due to the decrease in legal expenses.

The item of taxes has increased and must continue to increase, owing to the exactions of State and National Governments.

The Company during the past year has secured many new contracts with large railroad systems, and has under negotiation many more, and enters upon the year 1914 with not only more orders on its books than a year ago this date, but more than it had at any one time during the preceding year, which justifies the hope that 1914 will be a prosperous year.

C. A. STARBUCK,
President.

CONSOLIDATED INCOME ACCOUNT OF
THE NEW YORK AIR BRAKE COMPANY
 YEAR ENDING DECEMBER 31st, 1913.

Sales for the year.....		\$3,186,543.25
Cost of Manufacturing, Labor, Material and Factory Expense.....		2,104,935.76
	Factory Profit.....	1,081,607.49
Income from Investments, Interests, etc.		57,769.17
	Gross Profit for the year.....	1,139,376.66
Administration and all other Expenses	219,760.87	
Royalty.....	67,586.19	
Taxes.....	17,517.00	304,864.06
	Net Profit for year ending December 31st, 1913.....	834,512.60
Paid Coupons on 6% Convertible Gold Bonds ..	180,000.00	
Dividends 1913.....	599,544.00	779,544.00
Surplus for the year 1913		54,968.60
Surplus December 31st, 1912		176,541.42
	Total Surplus.....	\$ 231,510.02

CONSOLIDATED BALANCE SHEET, DECEMBER 31st, 1913.

ASSETS.

Cash in Banks	\$ 639,190.37	
Accounts and Bills Receivable.....	811,171.82	
Inventory, goods and material on hand	1,465,552.66	
Factories, Patents, Water Power, Land and Machinery	9,775,217.25	
Stocks and Bonds.....	718,258.75	13,409,390.85

LIABILITIES.

Accounts Payable	\$ 147,880.83	
Accrued Interest on Bonds.....	30,000.00	
Capital Stock.....	10,000,000.00	
First Mortgage 6% Convertible 20-year Gold Bonds.....	3,000,000.00	
Surplus December 31st, 1913.....	231,510.02	13,409,390.85

E. A. JOHNSON,
Assistant Treasurer.

THE NEW YORK AIR BRAKE COMPANY
165 BROADWAY

NEW YORK, February 17th, 1915.

TO THE STOCKHOLDERS :

Notwithstanding that the past year has been for equipment companies one of great depression, your Company has been able, through improved methods of manufacture and close economy, to pay its fixed charges and maintain its usual dividend and show a small addition to its surplus, as the following statement will show.

The outlook for the coming year is much more encouraging. Your Company has already received brake equipment orders from several foreign governments which, together with increased orders and enquiries from our own railroads, give promise of a much more prosperous year.

It is reasonable to assume that nothing can happen worse than has happened in the past year and that any changes must be for the better.

C. A. STARBUCK,
President.

THE NEW YORK AIR BRAKE COMPANY
165 BROADWAY

New York, January 1st, 1914

To The Stockholders

Notwithstanding that the past year has been for
the most part a year of depression and
uncertainty, the Company has managed to
maintain its position in the market and
to pay a dividend of \$1.00 per share.

The balance of the year has been spent
in the most judicious manner, and
the Company has managed to maintain
its position in the market and to pay
a dividend of \$1.00 per share.

It is a pleasure to report that during the
past year the Company has managed to
maintain its position in the market and
to pay a dividend of \$1.00 per share.

C. A. STARKER,
President

CONSOLIDATED INCOME ACCOUNT OF
THE NEW YORK AIR BRAKE COMPANY
 YEAR ENDING DECEMBER 31st, 1914.

Sales for the year	\$2,915,932.28
Cost of Manufacturing, Labor, Material and Factory Expense	<u>1,740,435.79</u>
Factory Profit.....	1,175,496.49
Income from Investments, Interest, etc.	<u>18,523.95</u>
Gross Profit for the year.....	1,194,020.44
Administration and all other Expenses	\$292,934.95
Royalty	61,357.07
Taxes	<u>18,682.56</u>
Net Profit for year ending December 31st, 1914.....	821,045.86
Paid Coupons on 6% Convertible Gold Bonds	180,000.00
Dividends 1914	<u>599,544.00</u>
779,544.00	
Surplus for the year 1914.....	41,501.86
Surplus December 31, 1913.....	<u>231,510.02</u>
Total Surplus.....	\$ 273,011.88

CONSOLIDATED BALANCE SHEET, DECEMBER 31st, 1914.

A S S E T S .

Cash in Banks.....	\$ 525,040.86	
Accounts and Bills Receivable.....	782,124.00	
Inventory, goods and material on hand	1,391,823.68	
Factories, Patents, Water Power, Land and Machinery.....	9,974,832.57	
Stocks and Bonds	<u>739,088.75</u>	\$ 13,412,909.86

L I A B I L I T I E S .

Accounts Payable.....	\$ 109,897.88	
Accrued Interest on Bonds.....	30,000.00	
Capital Stock.....	10,000,000.00	
First Mortgage 6% Convertible 20-year Gold Bonds.....	3,000,000.00	
Surplus December 31, 1914.....	<u>273,011.88</u>	\$ 13,412,909.86

E. A. JOHNSON,
Assistant Treasurer.

CONSOLIDATED INCOME ACCOUNT OF
 THE NEW YORK AIR BRAKE COMPANY
 YEAR ENDING DECEMBER 31, 1914

	\$ 1,000,000.00
Income from operations	1,000,000.00
Less: Depreciation	(100,000.00)
Income before taxes	900,000.00
Less: Federal income tax	(100,000.00)
Income after taxes	800,000.00
Less: Dividends	(200,000.00)
Retained earnings	600,000.00
Plus: Retained earnings, beginning of year	400,000.00
Total	1,000,000.00

CONSOLIDATED BALANCE SHEET DECEMBER 31, 1914

	\$ 1,000,000.00
Assets	
Current assets	1,000,000.00
Fixed assets	0.00
Total	1,000,000.00
Liabilities	
Current liabilities	1,000,000.00
Fixed liabilities	0.00
Total	1,000,000.00

L. A. FORTNEY
 President

CASE POMEROY & CO.
STATISTICAL DEPT.

THE NEW YORK AIR BRAKE COMPANY
165 BROADWAY

NEW YORK, February 16th, 1916.

TO THE STOCKHOLDERS:

In submitting to you herewith a statement of the past year's business of your Company, it is only necessary to say that, until October, the equipment business for the past year was one of the worst on record. October and November witnessed a most remarkable change for the better, so that our December sales and deliveries were in excess of the first nine months of the year's business, and the largest sales of any month in the Company's history.

The ammunition business is being handled in our older plants, which are separated by about a mile from our Brake plant, and interferes in no manner with our regular Brake business.

The Company has large orders for air brakes on hand, and with our munition orders less than one-sixth filled, we have reason to anticipate a very profitable year's business.

You will notice the Directors have decided to increase the dividend rate to 8 per cent., having reached this conclusion after very careful study of the situation, believing that the Stockholders are now entitled to a larger participation in the Company's profits, with every prospect of the continuation of this policy.

C. A. STARBUCK,
President.

THE NEW YORK AIR BRAKE COMPANY
135 BROADWAY

New York, February 10th 1910

Dear Sir,

In submitting to you herewith a statement of the past year's business of your Company, it is only necessary to say that such a statement is prepared for the year ending the 31st of December of each year, and that the figures shown therein are the result of the operations of the Company during the year ending on that date. The figures shown in the statement are the result of the operations of the Company during the year ending on that date, and are not the result of the operations of the Company during the year ending on the 31st of December of the year ending on that date.

The statement is prepared in accordance with the requirements of the Board of Directors, and is intended to show the results of the operations of the Company during the year ending on that date. It is not intended to show the results of the operations of the Company during the year ending on the 31st of December of the year ending on that date.

The Company has the honor to acknowledge the receipt of your letter of the 10th inst., and in reply to inform you that the statement is being prepared, and will be submitted to you as soon as it is ready.

I am, Sir, very respectfully,
Your obedient servant,
J. H. [Name]

J. H. [Name]

Enclosure

CONSOLIDATED INCOME ACCOUNT OF
THE NEW YORK AIR BRAKE COMPANY
 YEAR ENDING DECEMBER 31st, 1915.

Sales for the year.....		\$4,731,529.44
Cost of Manufacturing, Labor, Material and Factory Expense.....		2,358,249.03
Factory Profit.....		<u>2,373,280.41</u>
Income from Investments, Interest, etc.		38,624.36
Gross Profit for the year.....		<u>2,411,904.77</u>
Administration and other Expenses.....	\$437,248.76	
Interest on Loans.....	35,156.55	
Royalties.....	195,976.58	
Taxes.....	20,236.63	
Net Profit for year ending December 31st, 1915.....		<u>688,618.52</u>
Reserve for Depreciation.....		1,723,286.25
		<u>200,000.00</u>
		1,523,286.25
Paid Coupons on 6% Convertible Gold Bonds.....	180,000.00	
Dividends 1915.....	599,544.00	
Surplus for the year 1915.....		<u>779,544.00</u>
Surplus December 31st, 1914.....		743,742.25
		<u>273,011.88</u>
Total Surplus.....		<u>\$1,016,754.13</u>

CONSOLIDATED BALANCE SHEET, DECEMBER 31st, 1915

A S S E T S .

Cash on hand and in Banks.....	\$ 1,174,444.19	
Accounts and Bills Receivable	1,309,111.75	
Inventory	3,011,878.45	
Factories, Patents, Waterpower, Land and Machinery.....	11,320,868.84	
Stocks and Bonds.....	1,229,088.75	\$18,045,391.98

L I A B I L I T I E S .

Accounts Payable	\$ 1,301,877.71	
Bills Payable	2,496,760.14	
Accrued Interest on Bonds	30,000.00	
Capital Stock.....	10,000,000.00	
First Mortgage, 6% Convertible 20 year Gold Bonds	3,000,000.00	
Reserve for Depreciation	200,000.00	
Surplus December 31st, 1915.....	1,016,754.13	\$18,045,391.98

E. A. JOHNSON,
Assistant Treasurer.

CONSOLIDATED INCOME ACCOUNT OF
 THE NEW YORK AIR BRAKE COMPANY
 YEAR ENDING DECEMBER 31, 1913.

1913		1912	
Income from operations	1,152,308.25	1,152,308.25	1,152,308.25
Income from investments	25,000.00	25,000.00	25,000.00
Income from other sources	10,000.00	10,000.00	10,000.00
Expenses for salaries	(200,000.00)	(200,000.00)	(200,000.00)
Expenses for rent	(100,000.00)	(100,000.00)	(100,000.00)
Expenses for depreciation	(50,000.00)	(50,000.00)	(50,000.00)
Expenses for advertising	(20,000.00)	(20,000.00)	(20,000.00)
Expenses for interest	(10,000.00)	(10,000.00)	(10,000.00)
Expenses for taxes	(10,000.00)	(10,000.00)	(10,000.00)
Expenses for other items	(10,000.00)	(10,000.00)	(10,000.00)
Net profit for the year	782,308.25	782,308.25	782,308.25
Retained profit	782,308.25	782,308.25	782,308.25

CONSOLIDATED BALANCE SHEET DECEMBER 31, 1913

ASSETS		LIABILITIES	
Cash on hand and in banks	100,000.00	Accounts payable	100,000.00
Accounts and bills receivable	500,000.00	Bills payable	500,000.00
Inventory	200,000.00	Notes payable	200,000.00
Prepaid expenses, interest and insurance	50,000.00	Capital stock	1,000,000.00
Stocks and bonds	100,000.00	Reserve for depreciation	100,000.00
		Surplus	782,308.25
Total	950,000.00	Total	950,000.00

J. H. HARRIS

NEW YORK, N. Y.

THE NEW YORK AIR BRAKE COMPANY
165 BROADWAY

CASE POMEROY & CO.
STATISTICAL DEPT.

NEW YORK, February 14th, 1917.

TO THE STOCKHOLDERS:

In your Company's annual statement, which is submitted herewith, munitions are entitled to bulk largely in the aggregate, and, now that munitions must sooner or later come to an end, it is assuring to know that the Company's regular brake business has not only more than doubled the business of the previous year, but the booked orders on hand, which amount to five times those of any previous year, indicate that the brake business of the Company will be still more favorable, while munitions will continue to be profitable for some time.

A year ago the quarterly dividends were advanced to 2%, and six months later advanced again to 2½%, and in December advanced again to 2½% regular and 2½% extra, thus establishing for the present year 5% a quarter or 20% a year. Thus your Company has paid in the year 1916 11½%, and will pay the present year 20%, which indicates your Directors will see to it that the Stockholders will share in the profits of the business, though with conservatism and prudence.

Your attention is also called to the fact that the Company's business in 1915 amounted to \$4,731,529.44 and in 1916 to \$24,051,103.45, with practically the same organization.

You will note that the net profits, before deducting dividends and depreciation, were \$9,414,962.48, equal to \$94.14 per share on the entire capital stock.

C. A. STARBUCK,
President.

THE NEW YORK AIR BRAKE COMPANY
105 BROADWAY

New York, February 14th, 1911

Dear Sir:

I have the honor to acknowledge the receipt of your letter of the 10th inst. in relation to the proposed purchase of 100 shares of the common stock of the New York Air Brake Company, and in reply to inform you that the same has been approved by the Board of Directors of the Company, and that the purchase of the same will be made by the Company, subject to the approval of the stockholders of the Company, at a meeting to be held on or about the 15th inst. of this month.

A copy of the proposed purchase of the common stock of the Company, and the amount of the purchase, is being furnished to you for your information, and it is requested that you will advise the Company of the result of your consideration of the same, as soon as possible, so that the purchase may be completed as early as possible. The purchase of the common stock of the Company, as proposed, will be made in cash, and the purchase price of the same will be \$100,000.00.

Very respectfully,
C. A. STANTON,
President.

I am, Sir, very truly,
Your obedient servant,
C. A. STANTON.

CONSOLIDATED INCOME ACCOUNT OF
THE NEW YORK AIR BRAKE COMPANY
 YEAR ENDING DECEMBER 31st, 1916.

Sales for the year.....		\$24,051,103.45
Cost of Manufacturing, Labor Material and Factory Expense.....		<u>14,083,281.57</u>
	Factory Profit.....	9,967,821.88
Income from Investments, Interest, etc.....		<u>93,893.50</u>
	Gross Profit for the year.....	10,061,715.38
Administration and other expenses.....	\$ 361,691.37	
Royalties.....	72,889.71	
Taxes.....	<u>32,171.82</u>	466,752.90
		9,594,962.48
Paid Coupons on 6% Convertible Gold Bonds.....		<u>180,000.00</u>
Net Profits for year ending December 31st, 1916.....		9,414,962.48
Dividends 1916.....	1,149,126.00	
Reserve for Depreciation, etc.....	<u>1,200,000.00</u>	2,349,126.00
Surplus for the year 1916.....		7,065,836.48
Surplus December 31st, 1915.....		<u>1,016,754.13</u>
	Total Surplus.....	\$ 8,082,590.61

CONSOLIDATED BALANCE SHEET, DECEMBER 31st, 1916.

ASSETS.

Cash on hand and in Banks.....	\$ 4,858,319.24	
Accounts and Bills Receivable	1,681,143.07	
Inventory.....	2,514,168.13	
Stocks and Bonds.....	681,188.75	
Factories, Patents, Waterpower, Land and Machinery.....	<u>13,010,822.43</u>	\$22,745,641.62

LIABILITIES.

Accounts Payable.....	\$ 233,051.01	
Accrued Interest on Bonds	30,000.00	
Capital Stock.....	10,000,000.00	
First Mortgage, 6% Convertible 20 year Gold Bonds.....	3,000,000.00	
Reserve for Depreciation, etc.....	1,400,000.00	
Surplus December 31st, 1916.....	<u>8,082,590.61</u>	\$22,745,641.62

E. A. JOHNSON,

Assistant Treasurer.

CONSOLIDATED INCOME ACCOUNT OF
 THE NEW YORK AIR BRAKE COMPANY
 YEAR ENDING DECEMBER 31, 1916

	\$ 1,000,000.00
Cost of Manufacturing, Labor, Materials and Factory Expenses	1,200,000.00
Depreciation and other expenses	100,000.00
General and Administrative Expenses	50,000.00
Income Tax	20,000.00
Profit before Federal Income Tax	1,000,000.00
Federal Income Tax	100,000.00
Profit after Federal Income Tax	900,000.00
Dividend on Preferred Stock	100,000.00
Retained Earnings	800,000.00
Total	1,000,000.00

CONSOLIDATED BALANCE SHEET DECEMBER 31, 1916

	\$ 1,000,000.00
Assets	
Current Assets	1,000,000.00
Fixed Assets	0.00
Total Assets	1,000,000.00
Liabilities and Equity	
Liabilities	0.00
Equity	1,000,000.00
Total Liabilities and Equity	1,000,000.00