DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

1 BASIS OF PRESENTATION

GenTek Inc. ("GenTek" or the "Company") was spun off from The General Chemical Group Inc. ("GCG") on April 30, 1999 (the "Spinoff"). The Spinoff has been treated as a reverse spinoff for financial statement purposes because a greater proportion of the former assets and operations of GCG are held by GenTek. Accordingly, the results of operations of the industrial chemicals business that remained with GCG have been reflected as discontinued operations.

The Company's recent operating results have been negatively impacted by the weaker economic environment. The Company is in compliance with its financial and other covenants contained in its senior credit facility as of December 31, 2001. However, management anticipates that it will not be in compliance with certain financial covenants contained in its senior credit facility when financial results for the quarter ending March 31, 2002 are finalized. The Company's failure to meet such debt covenant requirements will result in a significant portion of the Company's long-term debt becoming callable by the Company's lenders. The Company has commenced discussions with its lenders towards amending its senior credit facility. If these discussions do not result in an acceptable amendment to the senior credit facility, the Company will explore alternative sources of financing. However, there can be no assurance that alternative sources of financing will be available or on terms which are favorable to the Company. The consolidated financial statements have been prepared assuming that the Company will continue as a going concern and do not include any adjustments that might result from the outcome of this uncertainty.

On August 25, 2000, the Company acquired the Digital Communications Group ("Digital") of Prestolite Wire Corporation ("Prestolite") for $90,000 and reflected such payment as a reduction to paid in capital. As Prestolite is controlled by the controlling stockholder of GenTek, the transaction has been accounted for in a manner similar to a pooling of interests, and accordingly, the accompanying financial information has been restated to include the accounts of Digital for all periods presented. Digital manufactures voice- and data-quality copper and fiber-optic cable for the telecommunications industry. Separate and combined results of GenTek and Digital are as follows:

	GENTEK	DIGITAL	ADJUSTMENTS	COMBINED
Six months ended June 30, 2000 (unaudited):				
Net revenues	$657,997	$53,402	$(3,696)	$ 707,703
Net income	28,749	2,033	–	30,782
Year ended December 31, 1999:				
Net revenues	$964,354	$69,043	$ (472)	$1,032,925
Extraordinary item	4,939	–	–	4,939
Net income	32,895	(1,795)	–	31,100

Adjustments represent elimination of intercompany sales. There were no material adjustments to conform accounting policies.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The consolidated financial statements include the accounts of the Company and all of its majority owned subsidiaries. Investments in affiliates in which ownership is at least 20 percent, but less than a majority voting interest, are accounted for using the equity method. Investments in less than 20 percent owned affiliates are accounted for using the cost method. Intercompany balances and transactions are eliminated in consolidation.

All highly liquid instruments purchased with a maturity of three months or less are considered to be cash equivalents.

Inventories are valued at the lower of cost or market, using the last-in, first-out ("LIFO") method for certain domestic production inventories and the first-in, first-out ("FIFO") or average-cost method for all other inventories. Production inventory costs include material, labor and factory overhead.

DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

Property, plant and equipment are carried at cost and are depreciated principally using the straight-line method. Estimated lives range from five to 35 years for buildings and leasehold improvements and three to 15 years for machinery and equipment.

The Company reviews long-lived assets for impairment whenever events and circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by comparing the carrying amount of these assets against the estimated future cash flows to be generated by the assets. At the time such evaluations indicate that the future cash flows are not sufficient to recover the carrying value of such assets, the carrying values are adjusted to their fair values, which have been determined on a discounted cash flow basis. Assets to be disposed of are reported at the lower of their carrying amount or fair value less costs to sell.

Goodwill, which represents the excess of purchase price over fair value of net assets acquired, is amortized on a straight-line basis over a period which ranges from five to 35 years. The Company assesses the recoverability of this intangible asset by determining whether the amortization of the goodwill balance over its remaining life can be recovered through undiscounted future operating cash flows of the acquired operation. As of December 31, 2001 and 2000, goodwill is reflected net of accumulated amortization of $35,046 and $24,893, respectively.

Accruals for environmental liabilities are recorded based on current interpretations of environmental laws and regulations when it is probable that a liability has been incurred and the amount of such a liability can be reasonably estimated.

Revenue is recognized from product sales consistent with the related shipping terms, generally at the time products are shipped.

Research and development costs are expensed as incurred and are included in selling, general and administrative expenses. Research and development costs for the years ended December 31, 2001, 2000 and 1999, were $12,778, $12,892 and $3,913, respectively.

The Company does not hold or issue financial instruments for trading purposes. The Company uses derivative financial instruments primarily for purposes of hedging exposures to fluctuations in interest rates and foreign currency exchange rates. The differential to be paid or received on interest rate swaps is recognized as an adjustment to interest expense. Gains and losses on hedges of existing assets or liabilities are included in the carrying amounts of those assets or liabilities and ultimately recognized in earnings. Gains and losses related to qualifying hedges of firm commitments or anticipated transactions are deferred and are recognized in earnings or as adjustments of carrying amounts when the hedged transaction occurs.

The components of accumulated other comprehensive loss are as follows:

DECEMBER 31,	2001	2000
Foreign currency translation	$16,545	$9,078
Net unrealized loss on securities	226	97
Minimum pension liability adjustments	1,144	–
Net unrealized loss on derivative instruments	6,387	–
Other comprehensive loss	$24,302	$9,175

In June 2000, the Financial Accounting Standards Board ("FASB") issued SFAS No. 138, "Accounting for Certain Derivative Financial Instruments and Certain Hedging Activities – an amendment of FASB Statement No. 133." This statement amends the accounting and reporting standards of SFAS 133 for certain derivative instruments and for certain hedging activities. The Company adopted SFAS 133 and SFAS 138 on January 1, 2001. The effect of the adoption of these pronouncements was a reduction of approximately $2,966 ($4,907 pre-tax) to other comprehensive income attributable to the net liability to be recorded for cash flow hedges.

In July 2001, the FASB issued SFAS No. 141 "Business Combinations" and SFAS No. 142 "Goodwill and Other Intangible Assets." SFAS No. 141 requires business combinations initiated after June 30, 2001 to be accounted for using the purchase method of accounting, and broadens the criteria for recording intangible assets separate from goodwill. SFAS No. 142 requires the use of a non-amortization approach to account for purchased goodwill and certain intangibles. Under a non-amortization approach, goodwill and certain intangibles will not be amortized into results of operations, but instead would be reviewed for impairment and written down and charged to results of operations only in the periods in which the recorded value of goodwill and certain intangibles is more than its fair value. The provisions of each statement which apply to goodwill and intangible assets acquired prior to June 30, 2001 will be adopted by the Company on January 1, 2002. The Company expects the adoption of these accounting standards will have the impact of reducing amortization of goodwill and intangibles commencing January 1, 2002; however, impairment reviews may result in future periodic write-downs. Goodwill amortization for the years ended December 31, 2001, 2000 and 1999 was $13,519, $12,914 and $9,364, respectively.

DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

In July 2001, the FASB issued SFAS No. 143 "Accounting for Asset Retirement Obligations," which requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred and the associated asset retirement to be capitalized as part of the carrying amount of the long-lived asset. SFAS 143 is effective for years beginning after June 15, 2002. In August 2001, the FASB issued SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets," which requires all long-lived assets classified as held for sale to be valued at the lower of their carrying amount or fair value less cost to sell and which broadens the presentation of discontinued operations to include more disposal transactions. SFAS 144 is effective for years beginning after December 15, 2001. The Company is currently evaluating the effect, if any, that the adoption of SFAS 143 and SFAS 144 will have on the Company's consolidated financial position, results of operations and cash flows.

Certain prior-period amounts have been reclassified to conform with the current presentation.

3 DISCONTINUED OPERATIONS

Discontinued operations represent the industrial chemicals business of GCG (see Note 1). An allocation of certain expenses has been made related to discontinued operations. In the opinion of management, expenses have been allocated to the discontinued operations on a reasonable and consistent basis using management's estimate of services provided to the discontinued business by GCG. General corporate overhead expenses have not been allocated to discontinued operations. However, such allocations are not necessarily indicative of the level of expenses which might have been incurred had the industrial chemicals business been operating as a stand-alone entity during the periods presented or expected to be incurred after the Spinoff.

The results from operations of the industrial chemicals business are reflected in the Statements of Operations as "Income from discontinued operations" and are summarized as follows:

YEAR ENDED DECEMBER 31,	1999
Net revenues	$98,893
Cost of sales	86,542
Selling, general and administrative expense	5,071
Operating profit	7,280
Interest expense	3,521
Interest income	384
Other (income) expense, net	(313)
Income before minority interest and income taxes	4,456
Minority interest	2,932
Income before income taxes	1,524
Income tax provision	518
Net income	$ 1,006

4 FISCAL 2001 CHARGES

During 2001, the Company recorded pre-tax charges to income totaling $247,430 which includes restructuring and impairment charges of $187,417 and other charges of $60,013.

RESTRUCTURING CHARGES

During 2001, the Company initiated a restructuring program, consisting of a workforce reduction, several plant closings and the discontinuation of certain product lines. During the year ended December 31, 2001, the Company recorded restructuring charges of $37,384 consisting of: $20,160 related to employee termination costs for approximately 2,000 employees; $11,920 associated with the write-down of assets resulting from plant closings and product line discontinuance; and $5,304 related primarily to lease obligations and other closure costs at facilities that will no longer be used. The Company expects to substantially complete implementation of its restructuring program by the end of 2002. Management does not expect that the restructuring program will have a material impact on the Company's revenues. The employee terminations impacted all of the Company's business segments, with the majority in the manufacturing and communications segments. As of December 31, 2001, approximately 1,200 employees had been terminated pursuant to the restructuring program.

DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

The following tables summarize the Company's accruals for restructuring costs:

	EMPLOYEE TERMINATION COSTS	FACILITY EXIT COSTS
Provisions	$20,160	$5,304
Amounts utilized	8,539	676
Balance at December 31, 2001	$11,621	$4,628

IMPAIRMENT CHARGES

In the early part of 2001, operating losses were experienced in certain of the Company's operations. Additionally, forecasts updated at that time indicated significantly diminished prospects for these operations. As a result of these circumstances, management determined that the long-lived assets of these operations should be assessed for impairment. Based on the outcome of this assessment, the Company recorded a non-cash asset impairment charge of $83,623 in the second quarter of 2001. This charge includes write-downs of fixed assets of $57,298, goodwill and intangible assets of $23,905 and an investment and other long-term assets of $2,420. The second-quarter charge primarily related to nine facilities in the performance products segment totaling $59,185 and certain intangible assets in the communications segment totaling $21,956. The charge for eight of the nine performance products facilities was due to changes in the principal markets served by these units. The fair values of the assets of these facilities were determined based upon a calculation of the present value of the expected future cash flows to be generated by these facilities. The charge for one performance products facility resulted from the facility's principal customer's decision to close its plant. The fair value of the assets at this facility was based upon a third-party appraisal. The impairment charge for the Company's communications segment is related to certain purchased technologies acquired in 2000 for the purpose of developing new products and services and expanding existing product offerings, and was due to the significant downturn in the telecommunications market to be served by these acquisitions. The Company determined the fair values of the related goodwill and intangible assets using a calculation of the present value of the expected future cash flows. During 2001, development of new products and service offerings based upon these purchased technologies was ultimately discontinued.

As the year progressed, the Company experienced a significant decline in certain other businesses resulting in operating losses for these business units. The Company's revised forecast prepared in the fourth quarter indicated that, based upon diminished prospects in the markets served by certain operations, the cash flows to be generated by these businesses would not be sufficient to recover the carrying value of the long-lived assets at these operations. In the fourth quarter, the Company recorded additional non-cash impairment charges for long-lived assets totaling $66,410, of which $54,728 related to fixed assets, $8,795 to goodwill and intangibles and $2,887 to an equity investment. The charge primarily related to two facilities in the communications segment totaling $45,753 and two facilities and an equity investment in the manufacturing segment totaling $20,538. The charge for one facility in the manufacturing segment relates to notification by its largest customer in the fourth quarter that the customer was terminating its contract. As a result, management re-evaluated the forecast for this business and deemed it appropriate to test the carrying value of long-lived assets for impairment. The charge was recorded to reduce the carrying value to fair value, as determined using the present value of expected future cash flows. The charge for the other facilities was due to changes in the principal markets served by these units. The fair values of the assets were determined based upon a calculation of the present value of the expected future cash flows.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSE

Included in selling, general and administrative expense for the year ended December 31, 2001 is a $28,646 charge principally related to a loss provision for accounts receivable for certain customers who have recently filed for bankruptcy or whose current financial condition and payment history indicate payment is doubtful. The Company will continue to monitor the status of these accounts and further adjustments may be necessary.

COST OF SALES

Included in cost of sales for the year ended December 31, 2001 is a $31,367 charge principally related to a loss provision for obsolete and excess inventory due to a significant decline in actual and forecasted revenue for certain of the Company's product lines as well as the discontinuation of certain of the Company's product lines.

5 EARNINGS PER SHARE

The computation of basic earnings per share is based on the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share assumes the foregoing and, in addition, the exercise of all stock options and restricted units, using the treasury stock method.

DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

The components of the denominator for basic earnings per common share and diluted earnings per common share are reconciled as follows:

YEARS ENDED DECEMBER 31,	2001	2000	1999
Basic earnings per common share:			
Weighted average common shares outstanding	25,434,802	24,670,854	20,952,915
Diluted earnings per common share:			
Weighted average common shares outstanding	25,434,802	24,670,854	20,952,915
Options and restricted units	–	542,117	454,102
Total	25,434,802	25,212,971	21,407,017

During 2001, options and restricted units were not included in the computation of diluted earnings per common share due to their antidilutive effect. Options to purchase 748,625 and 1,653,800 shares of common stock were outstanding during 2000 and 1999, respectively, but were not included in the computation of diluted earnings per common share because the exercise price was greater than the average market price of the common shares.

6 ACQUISITIONS – PURCHASE METHOD

GenTek has made a number of acquisitions which have been recorded using the purchase method of accounting. Accordingly, the net assets and results of operations of the acquisitions have been included in the financial statements from their respective acquisition date. Goodwill is amortized on a straight-line basis over periods ranging from five to 35 years.

On February 23, 1999, the Company acquired for $58,020 through a cash tender offer, Defiance Inc. ("Defiance"), a manufacturer of specialty antifriction bearings for the transportation industry and a provider of vehicle testing services, tooling design and preproduction dies and components primarily for the automotive industry. On April 6, 1999, the Company acquired for approximately $220,000 Noma Industries Limited ("Noma"), a leading North American producer of insulated wire and wire-related products for the automotive, appliance and electronic industries. On August 20, 1999, the Company acquired for approximately $222,000, including approximately $63,000 in assumed debt, Berlin-based Krone AG ("Krone") from Jenoptik AG. Krone is a leading global supplier of connector and distribution technology for telecommunications and data networks.

On May 31, 2000, the Company acquired approximately 85 percent (81 percent on a fully diluted basis) of the outstanding stock of CON-X Corporation for approximately $18,000. During the third quarter of 2000 the Company received a definitive appraisal of the tangible and intangible assets acquired, including in-process research and development. Accordingly, the Company recorded a non-cash charge of $5,800 as this technology had not yet reached technological feasibility and had no alternative future use. The value assigned to purchased in-process research and development was determined by employment of a discounted cash flow model. The estimated cash flows span a 12-year period. These net cash flows were discounted back to their present value using a risk adjusted discount rate of 60 percent. The remaining purchase price was allocated to tangible and intangible assets, including goodwill and existing technology, less liabilities assumed. During 2001, development of new CON-X products was discontinued and all of the remaining acquired intangible assets were written off. The pro forma impact of acquisitions made in 2000 in the aggregate is not material.

7 INCOME TAXES

Income from continuing operations before income taxes is as follows:

YEARS ENDED DECEMBER 31,	2001	2000	1999
United States	$(260,549)	$28,759	$42,149
Foreign	14,806	60,068	27,047
Total	$(245,743)	$88,827	$69,196

The components of the income tax provision are as follows:

YEARS ENDED DECEMBER 31,	2001	2000	1999
United States:			
Current	$(20,025)	$13,203	$23,128
Deferred	(43,732)	4,515	(5,223)
Foreign:			
Current	6,968	9,391	11,911
Deferred	(2,120)	9,453	960
State:			
Current	(7,264)	886	4,133
Deferred	(8,726)	1,138	(746)
Total	$(74,899)	$38,586	$34,163

DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

A summary of the components of deferred tax assets and liabilities is as follows:

DECEMBER 31,	2001	2000
Net operating loss carry forwards	$ 16,398	$ 16,523
Postretirement benefits	35,465	30,299
Nondeductible accruals	82,670	59,404
Foreign operations	12,405	1,342
Deferred tax on comprehensive income	15,899	6,003
Other	11,994	13,681
Deferred tax assets	174,831	127,252
Property, plant and equipment	47,113	75,486
Other	–	1,258
Deferred tax liabilities	47,113	76,744
Valuation allowance	12,405	1,342
Net deferred tax assets	$115,313	$ 49,166

The Company has deferred tax assets of $12,405 and $1,342 related to foreign tax credits, for which a full valuation allowance has been provided at December 31, 2001 and 2000, respectively. Net operating loss carry forwards in the United States expire through 2012. Net operating loss carry fowards in Germany do not expire.

Based on the Company's historical taxable income, its expectations under its current business strategy that it will be able to generate taxable income over the long term and available tax-planning strategies, the Company believes that it is more likely than not that its net deferred tax assets will be realized. Uncertainties that affect the realization of these assets include tax law changes and the timing and amount of future taxable income generated by the Company. The Company will continue to monitor the likelihood of realizing its net deferred tax assets and future adjustments to the deferred tax asset valuation allowance may be necessary.

The difference between the Company's effective income tax rate and the United States statutory rate is reconciled below:

YEARS ENDED DECEMBER 31,	2001	2000	1999
U.S. federal statutory rate	(35.0)%	35.0%	35.0%
State income taxes, net of federal benefit	(4.2)	1.8	3.2
Tax effect of foreign operations	5.8	3.8	8.1
Income from S-Corporations not subject to income tax	–	(3.0)	.9
Non-deductible goodwill	3.5	1.9	2.1
Revaluation of deferred taxes	–	3.2	–
Other	(.6)	.7	.1
Total	(30.5)%	43.4%	49.4%

Prior to its acquisition, Digital was a division of Prestolite, which is an S-Corporation and, consequently, is not subject to federal income taxes. The pro forma income tax provision that would have been reported by the Company had Prestolite not been an S-Corporation prior to the acquisition was $40,759 and $33,445 for the years ended December 31, 2000 and 1999, respectively.

On July 14, 2000, legislation was enacted in Germany reducing income tax rates beginning January 1, 2001. Accordingly, the Company recorded a charge of $2,800 to income tax expense reflecting the revaluation of deferred tax assets at the new, lower effective tax rates.

In connection with the Spinoff, GenTek entered into a tax sharing agreement with GCG which requires GenTek to indemnify and hold harmless GCG for consolidated tax liabilities attributable to periods before the Spinoff.

8 PENSION PLANS AND OTHER POSTRETIREMENT BENEFITS

The Company maintains several defined benefit pension plans covering certain employees in Canada, Germany, Ireland and the United States. A participating employee's annual postretirement pension benefit is determined by the employee's credited service and, in most plans, final average annual earnings with the Company. Vesting requirements are from two to five years. The Company's funding policy is to annually contribute the statutorily required minimum amount as actuarially determined.

The Company also sponsors several defined contribution pension plans covering certain employees in Canada and the United States. The Company's contributions are based upon a formula utilizing an employee's credited service and average annual salary. Vesting requirements are from two to five years. The Company's cost to provide this benefit was $1,217, $1,013 and $1,104 for the years ended December 31, 2001, 2000 and 1999, respectively.

The Company also maintains several plans providing postretirement benefits other than pensions covering certain hourly and salaried employees. The Company funds these benefits on a pay-as-you-go basis.

DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

Following the Spinoff, GCG and GenTek assumed responsibility for pension and other postretirement benefits for retirees whose last work assignment was with each of their respective businesses and the active employees of each of their respective businesses. GenTek's net periodic benefit cost for pension and other postretirement benefits disclosed below includes $1,948 for 1999 that has been allocated to the industrial chemicals business that remained with GCG and is included in "Income from discontinued operations" in the Statement of Operations.

UNITED STATES:

	PENSION BENEFITS			OTHER POSTRETIREMENT BENEFITS		
YEARS ENDED DECEMBER 31,	2001	2000	1999	2001	2000	1999
Components of net periodic benefit cost:						
Service cost	$ 3,848	$ 4,179	$ 4,942	$1,006	$ 908	$ 1,248
Interest cost	11,514	11,355	12,489	3,159	3,047	3,265
Expected return on plan assets	(13,939)	(12,926)	(14,013)	–	–	–
Amortization of net:						
Prior service cost	346	263	379	(739)	(739)	(1,046)
(Gain)/loss	(778)	(258)	16	(428)	(640)	(392)
Net periodic benefit cost	$ 991	$ 2,613	$ 3,813	$2,998	$2,576	$ 3,075

	PENSION BENEFITS		OTHER POSTRETIREMENT BENEFITS	
DECEMBER 31,	2001	2000	2001	2000
Change in benefit obligation:				
Benefit obligation at prior measurement date	$164,189	$156,186	$ 43,365	$ 41,702
Service cost	3,848	4,179	1,006	908
Interest cost	11,514	11,355	3,159	3,047
Actuarial loss	345	2,028	6,880	461
Benefits paid	(9,484)	(9,887)	(3,234)	(2,753)
Plan amendments	1,377	328	–	–
Benefit obligation at measurement date	$171,789	$164,189	$ 51,176	$ 43,365
Change in plan assets:				
Fair value of assets at prior measurement date	$169,462	$162,003	$ –	$ –
Actual return on plan assets	(15,677)	15,959	–	–
Employer contributions	961	1,387	3,234	2,753
Benefits paid	(9,484)	(9,887)	(3,234)	(2,753)
Fair value of assets at measurement date	$145,262	$169,462	$ –	$ –
Reconciliation of funded status:				
Funded status	$ (26,527)	$ 5,273	$(51,176)	$(43,365)
Unrecognized net:				
Prior service cost	1,918	887	(2,126)	(2,865)
(Gain)/loss	3,475	(27,234)	(808)	(8,116)
Net amount recognized	$ (21,134)	$ (21,074)	$(54,110)	$(54,346)

For pension plans included above with accumulated benefit obligations in excess of plan assets, for 2001 and 2000, the projected benefit obligations were $159,275 and $5,869, respectively, the accumulated benefit obligations were $139,649 and $5,869, respectively, and the fair values of plan assets for those plans were $133,119 and $5,435, respectively.

The assumptions used in accounting for the plans were:

	2001	2000	1999
Discount rate	$7^1/_4$%	$7^1/_2$%	$7^1/_2$%
Long-term rate of return on assets	9%	9%	9%
Average rate of increase in employee compensation	5%	5%	5%

DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

The healthcare cost trend rate used in accounting for the medical plans was 11 percent (decreasing to 6 percent in the year 2007 and beyond) in 2001 and 7½ percent in 2000. A one percent increase in the health care trend rate would increase the accumulated postretirement benefit obligation by $3,885 at year-end 2001 and the net periodic cost by $358 for the year. A one percent decrease in the health care trend rate would decrease the accumulated postretirement benefit obligation by $4,182 at year-end 2001 and the net periodic cost by $385 for the year.

The dates used to measure plan assets and liabilities were October 31, 2001 and 2000 for all plans. Pension plan assets are invested primarily in stocks, bonds, short-term securities and cash equivalents.

FOREIGN:

	PENSION BENEFITS			OTHER POSTRETIREMENT BENEFITS		
YEARS ENDED DECEMBER 31,	2001	2000	1999	2001	2000	1999
Components of net periodic benefit cost:						
Service cost	$ 590	$ 587	$ 903	$14	$13	$118
Interest cost	2,774	2,817	2,410	64	66	345
Expected return on plan assets	(786)	(1,087)	(2,064)	–	–	–
Amortization of net:						
Prior service cost	6	6	32	–	–	–
(Gain)/loss	–	355	157	–	–	–
Net periodic benefit cost	$2,584	$ 2,678	$ 1,438	$78	$79	$463

	PENSION BENEFITS		OTHER POSTRETIREMENT BENEFITS	
DECEMBER 31,	2001	2000	2001	2000
Change in benefit obligation:				
Benefit obligation at prior measurement date	$ 49,553	$ 49,337	$ 884	$ 863
Service cost	590	587	14	13
Employee contributions	29	54	–	–
Interest cost	2,774	2,817	64	66
Actuarial (gain)/loss	1,517	698	37	(3)
Foreign currency translation	(2,796)	(1,481)	(51)	(28)
Benefits paid	(2,492)	(2,420)	(39)	(27)
Divestitures	–	(39)	–	–
Benefit obligation at measurement date	$ 49,175	$ 49,553	$ 909	$ 884
Change in plan assets:				
Fair value of assets at prior measurement date	$ 9,663	$ 7,192	$ –	$ –
Actual return on plan assets	(997)	1,388	–	–
Employer contributions	2,519	2,193	39	27
Employee contributions	29	54	–	–
Foreign currency translation	(524)	1,256	–	–
Benefits paid	(2,492)	(2,420)	(39)	(27)
Fair value of assets at measurement date	$ 8,198	$ 9,663	$ –	$ –
Reconciliation of funded status:				
Funded status	$(40,977)	$(39,890)	$(909)	$(884)
Unrecognized net:				
Prior service cost	26	34	–	–
(Gain)/loss	2,984	391	11	(27)
Net amount recognized	$(37,967)	$(39,465)	$(898)	$(911)

DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

For pension plans included above with accumulated benefit obligations in excess of plan assets, for 2001 and 2000, the projected benefit obligations were $45,086 and $45,485, respectively, the accumulated benefit obligations were $43,599 and $44,188, respectively, and the fair values of plan assets for those plans were $4,102 and $4,768, respectively.

The assumptions used in accounting for the plans were:

	2001	2000	1999
Discount rate	5 3/4–7 1/4%	5 3/4–7 1/2%	5 3/4–7 1/2%
Long-term rate of return on assets	8–9%	9%	9%
Average rate of increase in employee compensation	5–5 1/4%	5–5 1/4%	5–5 1/4%

The healthcare cost trend rate used in accounting for the medical plan was 7.2 percent in 2001 and 7.8 percent in 2000 (decreasing to 6 percent in the year 2003 and beyond). A one percent increase in the health care trend rate would increase the accumulated postretirement benefit obligation by $203 at year-end 2001 and the net periodic cost by $27 for the year. A one percent decrease in the health care trend rate would decrease the accumulated postretirement benefit obligation by $246 at year-end 2001 and the net periodic cost by $20 for the year.

The dates used to measure plan assets and liabilities were October 31, 2001 and 2000 for all plans. Pension plan assets are invested primarily in stocks, bonds, short-term securities and cash equivalents.

9 COMMITMENTS AND CONTINGENCIES

Future minimum rental payments for operating leases (primarily for transportation equipment, offices and warehouses) having initial or remaining noncancellable lease terms in excess of one year as of December 31, 2001 are as follows:

YEARS ENDING DECEMBER 31,	
2002	$12,939
2003	7,676
2004	5,389
2005	3,610
2006	3,278
thereafter	11,678
	$44,570

Rental expense for the years ended December 31, 2001, 2000 and 1999 was $20,355, $18,938 and $19,431, respectively.

ENVIRONMENTAL MATTERS

Accruals for environmental liabilities are recorded based on current interpretations of applicable environmental laws and regulations when it is probable that a liability has been incurred and the amount of such liability can be reasonably estimated. Estimates are established based upon information available to management to date, the nature and extent of the environmental liability, the Company's experience with similar activities undertaken, estimates obtained from outside consultants and the legal and regulatory framework in the jurisdiction in which the liability arose. The potential costs related to environmental matters and their estimated impact on future operations are difficult to predict due to the uncertainties regarding the extent of any required remediation, the complexity and interpretation of applicable laws and regulations, possible modification of existing laws and regulations or the adoption of new laws or regulations in the future, and the numerous alternative remediation methods and their related varying costs. The material components of the Company's environmental accruals include potential costs, as applicable, for investigation, monitoring, remediation and ongoing maintenance activities at any affected site. Accrued liabilities for environmental matters were $24,657 and $29,277 at December 31, 2001 and 2000, respectively. These amounts do not include third-party recoveries nor have they been discounted.

CONTINGENCIES

The Company is involved in various claims, litigation, administrative proceedings and investigations. Although the amount of any ultimate liability which could arise with respect to these matters cannot be accurately predicted, it is the opinion of management, based upon currently available information, that any such liability will have no material adverse effect on the Company's financial condition, results of operations or cash flows.

DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

10 RELATED PARTY TRANSACTIONS

ALLOCATIONS

Prior to its acquisition, Digital was a division of Prestolite Wire Corporation. Prestolite provided certain services to Digital such as accounting, legal, human resources, information technology and other corporate services. The accompanying statements of operations include allocations of $2,292 and $4,111 for the years 2000 and 1999, respectively. Interest expense of $3,518 and $4,476 for the years 2000 and 1999, respectively, has been charged to Digital based on a net assets basis utilizing Prestolite's effective interest rate and the cash flows of Digital. These allocations were made consistently in each period, and management believes the allocations are reasonable. However, such allocations are not necessarily indicative of the level of expenses that might have been incurred had Digital been operating as a stand-alone entity or which might be expected to be incurred as part of GenTek.

MANAGEMENT AGREEMENT

The Company is party to a management agreement with Latona Associates Inc. ("Latona Associates"), which is controlled by a stockholder of the Company, under which the Company receives corporate supervisory and administrative services and strategic guidance. Prior to the Spinoff, Latona Associates provided these services to GenTek's businesses pursuant to a substantially similar agreement with GCG. The Company was charged $4,864, $4,655, and $4,743 for the years 2001, 2000 and 1999, respectively. In addition, the Company paid $600 and $3,600 in connection with acquisitions during 2000 and 1999, respectively.

OTHER TRANSACTIONS

GenTek provides GCG with certain administrative services pursuant to a transition support agreement entered into in connection with the Spinoff. For the years ended December 31, 2001, 2000 and 1999, GenTek charged GCG $1,355, $1,692 and $2,474, respectively, related to this agreement.

GCG supplies soda ash and calcium chloride to GenTek. For the years ended December 31, 2001, 2000 and 1999, purchases from GCG amounted to $4,036, $4,389 and $14,696, respectively.

In connection with the acquisition of Digital, Prestolite provided GenTek with various corporate and administrative transition services in respect of the digital business. The Company was charged $833 and $250 for the years 2001 and 2000, respectively. Effective September 30, 2001, all transition services terminated.

GenTek provides Prestolite with corporate and administrative services, pursuant to a management agreement. For the year ended December 31, 2001, GenTek charged Prestolite $2,529.

GenTek and Prestolite buy and sell certain wire and cable products from each other. Purchases from Prestolite for the years ended December 31, 2001, 2000 and 1999 were $9,805, $22,324 and $7,150, respectively. Sales to Prestolite for the years ended December 31, 2001, 2000 and 1999 were $2,613, $2,707 and $0, respectively.

11 ADDITIONAL FINANCIAL INFORMATION

RECEIVABLES

DECEMBER 31,	2001	2000
Trade	$199,718	$231,625
Other	16,306	7,708
Allowance for doubtful accounts	(32,062)	(8,350)
	$183,962	$230,983

INVENTORIES

DECEMBER 31,	2001	2000
Raw materials	$ 47,112	$ 62,151
Work in process	15,156	23,654
Finished products	40,795	56,632
Supplies and containers	4,611	4,723
	$107,674	$147,160

Inventories valued at LIFO amounted to $25,401 and $28,888 at December 31, 2001 and 2000, respectively, which were below estimated replacement cost by $913 and $141, respectively. The impact of LIFO liquidations in 2001, 2000 and 1999 was not significant.

PROPERTY, PLANT AND EQUIPMENT

DECEMBER 31,	2001	2000
Land and improvements	$ 37,402	$ 39,923
Machinery and equipment	508,995	469,618
Buildings and leasehold improvements	90,583	83,231
Construction in progress	52,659	51,247
	689,639	644,019
Less accumulated depreciation and amortization	(331,113)	(184,413)
	$ 358,526	$ 459,606

DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

ACCRUED LIABILITIES

DECEMBER 31,	2001	2000
Wages, salaries and benefits	$ 36,547	$ 38,016
Interest	12,166	13,728
Income taxes	5,908	6,455
Taxes, other than income taxes	7,109	5,956
Other	73,364	70,817
	$135,094	$134,972

12 LONG-TERM DEBT

DECEMBER 31,	MATURITIES	2001	2000
Bank term loans – floating rates	2002-2007	$486,250	$495,375
Revolving credit facility – floating rate	2005	115,000	94,000
Senior Subordinated Notes – 11%	2009	200,000	200,000
Other debt – floating rate	2002-2018	31,176	29,437
Total debt		832,426	818,812
Less: current portion		32,674	25,562
Net long-term debt		$799,752	$793,250

Aggregate maturities of long-term debt for each of the years in the five-year period ending December 31, 2006 are $32,674, $38,737, $63,802, $166,376 and $72,670, respectively.

On April 30, 1999, the Company entered into a new credit facility with a syndicate of banks and other financial institutions. The proceeds were used to repay outstanding borrowings of GCG under its existing credit facilities prior to the Spinoff, resulting in an extraordinary loss from the extinguishment of debt of $4,939, net of a tax benefit of $3,231. On August 9, 2000, the Company entered into a restated and amended credit agreement, which provides for $500,000 in term loans and a $300,000 revolving credit facility, which includes letters of credit up to $50,000. On August 1, 2001, the Company entered into an amendment of its credit facility which made certain modifications to the financial covenants and other terms of the credit facility. The unused letter of credit balance was $20,253 and $21,758 at December 31, 2001 and 2000, respectively. The term loans and revolving credit facility bear interest at a rate equal to a spread over a reference rate. The rate in effect for the revolving credit facility at December 31, 2001 and 2000 was 5.0 percent and 8.4 percent, respectively. The weighted average rate in effect for the term loans at December 31, 2001 and 2000 was 5.3 percent and 8.9 percent, respectively.

The facility is secured by a first priority security interest in all of the capital stock of the Company's domestic subsidiaries, 65 percent of the capital stock of the Company's foreign subsidiaries and a security interest in certain real property, intellectual property and other assets of the Company in the United States and Canada.

Management anticipates that it will not be in compliance with certain financial covenants contained in its senior credit facility when financial results for the quarter ending March 31, 2002 are finalized. The Company's failure to meet such covenant requirements will result in borrowings under the senior credit facility and a $25 million (Canadian) facility becoming callable by the Company's lenders. Should the lenders under the senior credit facility call these borrowings, the 11% Senior Subordinated Notes would become callable as well. If the Company fails to be in compliance with its financial or other covenants under the senior credit facility or if the borrowings under that facility are called by the lenders, counterparties to the Company's interest rate swap agreements will have the right to require the Company to cash settle these agreements by paying fair value (approximately $10,566 at December 31, 2001) to the counterparties. The Company has commenced discussions with its lenders towards amending its senior credit facility. If these discussions do not result in an acceptable amendment to the senior credit facility, the Company will explore alternative sources of financing. However, there can be no assurance that alternative sources of financing will be available or at terms which are favorable to the Company.

On August 9, 1999, the Company issued $200,000 of 11% Senior Subordinated Notes due 2009. Net proceeds of the offering of $193,000 were used to repay a portion of the borrowings outstanding under the Company's revolving credit facility. On November 17, 1999, the Company filed a Registration Statement on Form S-4 with the Securities and Exchange Commission to exchange these notes for new notes, which have terms that are identical to the terms of the old notes except that the new notes are registered under the Securities Act of 1933 and therefore do not contain restrictions on transfer and do not contain provisions relating to additional interest. The exchange was completed on January 19, 2000.

Commitment fees paid for the Company's credit facilities were $624, $556 and $231 for 2001, 2000 and 1999, respectively.

DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

13 CAPITAL STOCK

The Company's authorized capital stock consists of 100,000,000 shares of Common Stock, par value $.01 per share, of which 20,567,403 and 20,298,711 were outstanding at December 31, 2001 and 2000, respectively, and 40,000,000 shares of Class B Common Stock, par value $.01 per share, which has ten votes per share, is subject to significant restrictions on transfer and is convertible at any time into Common Stock on a share-for-share basis, of which 4,750,107 shares were outstanding at December 31, 2001 and 2000. The Common Stock and Class B Common Stock are substantially identical, except for the disparity in voting power, restriction on transfer and conversion provisions.

Prior to the Spinoff, a stockholder converted 5.8 million shares of GCG Class B Common Stock into an identical number of shares of GCG Common Stock. To effect the Spinoff, GCG issued shares of Common Stock and Class B Stock of GenTek and distributed them to the holders of GCG's stock on a one-for-one basis. Accordingly, the equity accounts have been reclassified to reflect the formation of GenTek and the issuance of its stock by recording the par value of the stock issued and reclassifying all other equity to paid in capital. The distribution of net liabilities of the industrial chemicals business has been recorded as a capital contribution of $50,150 to the Company.

The Company's Preferred Stock, par value $.01 per share, consists of 10,000,000 authorized shares, none of which were outstanding at December 31, 2001 and 2000.

On February 22, 2000, the Company issued 3,371,340 shares of Common Stock and 791,685 shares of Class B Common Stock in connection with the Company's rights offering. Pursuant to the rights offering, the holders of record of the Company's Common Stock and Class B Common Stock as of January 24, 2000 received, at no cost, 0.20 rights to purchase one share of Common Stock or Class B Common stock of the Company, as appropriate, for each share of such stock they held as of the record date. Each whole right entitled the holder to purchase one share of Common Stock or Class B Stock, as the case may be, at the price of $9.43 per share. The net proceeds to the Company from this issuance of Common Stock and Class B Common Stock were approximately $38,000.

14 STOCK INCENTIVE PLANS

The Company has several long-term incentive plans pursuant to which stock options and other equity-related incentive awards may be granted to officers, non-employee directors and other key people. Stock options generally are granted with an exercise price equal to the market price on the day the option is granted, vest over three years and have a maximum term of 10 years. Restricted units, which represent common stock to be issued to the participant upon vesting, vest over five years for employees and four years for non-employee directors. Compensation cost recorded for stock-based compensation under those plans was $(86), $1,392, and $790 for the years ended December 2001, 2000 and 1999, respectively. As of December 31, 2001, the total number of shares authorized for grants under these plans was approximately 4,900,000, with approximately 1,200,00 shares available for grant.

Effective as of the date of the Spinoff, holders of outstanding GCG equity-related awards received similar awards with respect to GenTek stock. The awards were adjusted to preserve the total economic value of the awards that existed prior to the Spinoff.

Information with respect to all stock options is summarized below:

	2001		2000		1999	
	SHARES	WEIGHTED AVERAGE EXERCISE PRICE	SHARES	WEIGHTED AVERAGE EXERCISE PRICE	SHARES	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at beginning of year	3,100,700	$12.32	1,933,800	$13.66	1,679,500	$14.51
Options granted	313,000	2.62	1,221,000	10.27	310,000	9.96
Options exercised	21,900	9.43	22,000	13.29	–	–
Options cancelled	387,800	10.26	32,100	14.18	55,700	18.84
Outstanding at end of year	3,004,000	$11.60	3,100,700	$12.32	1,933,800	$13.66
Exercisable at end of year	1,387,400	$13.26	739,400	$14.20	430,650	$14.74

DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

The following table summarizes information about stock options outstanding at December 31, 2001:

	OUTSTANDING			EXERCISABLE	
RANGE OF EXERCISE PRICES	NUMBER OF OPTIONS	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
$ 1.11 – $ 5.00	210,000	9.8	$ 1.33	–	–
$ 5.00 – $ 10.00	980,000	8.0	$ 9.43	368,900	$ 9.55
$10.00 – $15.00	1,454,000	5.3	$12.96	686,500	$12.91
$15.00 – $18.73	360,000	6.0	$18.00	332,000	$18.12
	3,004,000			1,387,400	

The Company applies APB 25 in accounting for its stock plans. The following table reflects pro forma net income and earnings per share had the Company elected to adopt the fair value approach of SFAS 123:

	2001	2000	1999
Net income (loss)	$(172,581)	$47,681	$29,969
Earnings (loss) per share – basic	(6.79)	1.93	1.43
Earnings (loss) per share – diluted	(6.79)	1.89	1.40

For purposes of this calculation, the fair value of each option grant was estimated on the grant date using the Black-Scholes option-pricing model with the following assumptions:

	2001	2000	1999
Dividend yield	2.8%	2.0%	1.5%
Expected volatility	87%	57%	46%
Risk-free interest rate	4.0%	6.4%	6.6%
Expected holding period (in years)	6	6	6
Weighted average fair value	$1.15	$5.29	$6.42

15 FINANCIAL INSTRUMENTS

INVESTMENTS

All marketable equity securities are classified as available-for-sale, with net unrealized gains and losses shown as a component of accumulated other comprehensive income (loss). At December 31, 2001, gross unrealized losses were $375. At December 31, 2000, gross unrealized gains and losses were $254 and $415, respectively. Realized gains and losses are determined on the average cost method. Sales of investments were as follows:

DECEMBER 31,	2001	2000	1999
Proceeds	$4,582	$4,140	–
Gross realized gains	$1,123	$1,893	–
Gross realized losses	$ 564	–	–

SWAP AGREEMENTS

The Company periodically enters into interest rate swap agreements to effectively convert a portion of its floating-rate to fixed-rate debt in order to reduce the Company's exposure to movements in interest rates and achieve a desired proportion of variable versus fixed rate debt, in accordance with the Company's policy. Such agreements involve the exchange of fixed and floating interest rate payments over the life of the agreement without the exchange of the underlying principal amounts. Accordingly, the impact of fluctuations in interest rates on these interest rate swap agreements is fully offset by the opposite impact on the related debt. Swap agreements are only entered into with strong credit-worthy counterparties. All swap agreements have been designated as cash flow hedges, and all are 100 percent effective. As a result, there is no impact to earnings due to hedge ineffectiveness. The swap agreements in effect were as follows:

DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

			INTEREST RATE	
DECEMBER 31,	NOTIONAL AMOUNT	MATURITIES	RECEIVE (1)	PAY (2)
2001	$175,000	2002-2006	2.0%	6.8%
2000	$178,750	2002-2006	6.5%	6.8%

(1) Three-month LIBOR.
(2) Represents the weighted average rate.

FAIR VALUE OF FINANCIAL INSTRUMENTS

	2001		2000	
DECEMBER 31,	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Marketable equity securities	$ 572	$ 572	$ 4,207	$ 4,207
Long-term debt	$832,426	$748,426	$818,812	$818,812
Unrealized gain (loss) on swap agreements	$ (10,566)	$(10,566)	–	$ (4,907)

The fair values of cash and cash equivalents, receivables and payables approximate their carrying values due to the short-term nature of the instruments. The fair value of the Company's investments in marketable equity securities is based on quoted market prices. The fair value of the Company's long-term debt was based on quoted market prices for publicly traded notes and discounted cash flow analyses on its nontraded debt. The fair value of the Company's interest rate swap agreements is the estimated amount the Company would have to pay or receive to terminate the swap agreements based upon quoted market prices as provided by financial institutions which are counterparties to the swap agreements.

16 GEOGRAPHIC AND INDUSTRY SEGMENT INFORMATION

GenTek operates through three primary business segments: communications, manufacturing and performance products. The business segments were determined based on several factors including products and services provided and markets served. Each segment is managed separately. The communications segment is a global provider of products, systems and services, including copper and fiber-optic cabling and connection products, for local and wide area data and communications networks. The manufacturing segment provides a broad range of engineered components and services to the automotive, appliance and electronic and industrial markets. The performance products segment manufactures a broad range of products and services to four principal markets: environmental services, pharmaceutical and personal care, chemical processing and technology. The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

Industry segment information for continuing operations is summarized as follows:

	NET REVENUES			OPERATING PROFIT (LOSS)		
YEARS ENDED DECEMBER 31,	2001	2000	1999	2001	2000	1999
Performance Products	$ 360,927	$ 353,125	$ 341,899	$ (30,444)	$ 40,024	$ 32,138
Manufacturing	478,488	553,262	450,625	(10,831)	64,206	67,831
Communications	405,005	507,800	240,401	(119,108)	59,851	27,425
Total segments	1,244,420	1,414,187	1,032,925	(160,383)	164,081	127,394
Eliminations and other corporate expenses	–	–	–	(12,363)	(4,790)	(12,307)
Consolidated	$1,244,420	$1,414,187	$1,032,925	$ (172,746)	$159,291	$115,087
Interest expense				74,980	74,948	45,979
Other income, net				(1,983)	(4,484)	(88)
Consolidated income (loss) from continuing operations before income taxes and extraordinary item				$(245,743)	$ 88,827	$ 69,196

DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

	CAPITAL EXPENDITURES			DEPRECIATION AND AMORTIZATION		
YEARS ENDED DECEMBER 31,	2001	2000	1999	2001	2000	1999
Performance Products	$20,554	$20,023	$19,519	$21,203	$23,346	$20,395
Manufacturing	12,383	16,376	12,458	23,043	23,115	19,088
Communications	44,841	44,899	15,346	24,071	22,512	14,739
Consolidated	$77,778	$81,298	$47,323	$68,317	$68,973	$54,222

	IDENTIFIABLE ASSETS	
DECEMBER 31,	2001	2000
Performance Products	$ 303,788	$ 338,845
Manufacturing [1]	409,006	475,103
Communications	426,767	511,222
Corporate	25,282	25,552
Consolidated	$1,164,843	$1,350,722

[1] Includes equity method investments of $21,608 and $22,136, respectively.

Geographic area information for continuing operations is summarized as follows:

	EXTERNAL REVENUES [1] YEARS ENDED DECEMBER 31,			LONG-LIVED ASSETS [2] DECEMBER 31,	
	2001	2000	1999	2001	2000
United States	$ 811,788	$ 951,608	$ 776,832	$381,036	$501,893
Foreign	432,632	462,579	256,093	350,703	395,673
Consolidated	$1,244,420	$1,414,187	$1,032,925	$731,739	$897,566

[1] Revenues are attributed to geographic areas based on the locations of customers.
[2] Represents all non-current assets except deferred tax assets and financial instruments.

17 SUMMARIZED FINANCIAL INFORMATION

The Company's Senior Subordinated Notes due 2009 are fully and unconditionally guaranteed, on a joint and several basis, by all of the Company's wholly owned, domestic subsidiaries ("Subsidiary Guarantors"). The non-guarantor subsidiaries are foreign or are part of the industrial chemicals business, which is no longer part of GenTek as a result of the Spinoff.

The following condensed consolidating financial information illustrates the composition of the combined Subsidiary Guarantors. The Company believes that the separate complete financial statements of the respective guarantors would not provide additional material information which would be useful in assessing the financial composition of the Subsidiary Guarantors.

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2001	PARENT	SUBSIDIARY GUARANTORS	NON-GUARANTOR SUBSIDIARIES	ELIMINATIONS	CONSOLIDATED
Net revenues	$ –	$ 766,783	$517,181	$ (39,544)	$1,244,420
Cost of sales	–	643,812	389,678	(39,544)	993,946
Selling, general and administrative expense	2,801	149,322	83,680	–	235,803
Restructuring and impairment charges	–	161,150	26,267	–	187,417
Operating profit (loss)	(2,801)	(187,501)	17,556	–	(172,746)
Interest expense	60,123	69,567	17,005	(71,715)	74,980
Other (income) expense, net	(56,318)	(10,094)	(7,286)	71,715	(1,983)
Income (loss) before income taxes	(6,606)	(246,974)	7,837	–	(245,743)
Income tax provision (benefit)	(2,008)	(75,273)	2,382	–	(74,899)
Equity in income (loss) from subsidiaries	(166,246)	5,455	–	160,791	–
Net income (loss)	$(170,844)	$(166,246)	$ 5,455	$160,791	$ (170,844)

DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2000	PARENT	SUBSIDIARY GUARANTORS	NON-GUARANTOR SUBSIDIARIES	ELIMINATIONS	CONSOLIDATED
Net revenues	$ –	$901,743	$554,593	$(42,149)	$1,414,187
Cost of sales	–	687,025	391,487	(42,149)	1,036,363
Selling, general and administrative expense	2,298	127,891	88,344	–	218,533
Operating profit (loss)	(2,298)	86,827	74,762	–	159,291
Interest expense	53,278	58,678	19,574	(56,582)	74,948
Other (income) expense, net	(52,896)	(8,801)	631	56,582	(4,484)
Income (loss) before income taxes	(2,680)	36,950	54,557	–	88,827
Income tax provision (benefit)	(1,072)	20,662	18,996	–	38,586
Equity in income from subsidiaries	51,849	35,561	–	(87,410)	–
Net income	$ 50,241	$ 51,849	$ 35,561	$(87,410)	$ 50,241

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 1999	PARENT	SUBSIDIARY GUARANTORS	NON-GUARANTOR SUBSIDIARIES	ELIMINATIONS	CONSOLIDATED
Net revenues	$ –	$722,681	$332,737	$(22,493)	$1,032,925
Cost of sales	–	555,237	241,129	(22,493)	773,873
Selling, general and administrative expense	8,139	89,756	46,070	–	143,965
Operating profit (loss)	(8,139)	77,688	45,538	–	115,087
Interest expense	32,276	23,221	14,412	(23,930)	45,979
Other (income) expense, net	(31,744)	5,030	2,696	23,930	(88)
Income (loss) from continuing operations before income taxes and extraordinary item	(8,671)	49,437	28,430	–	69,196
Income tax provision (benefit)	(3,463)	24,092	13,534	–	34,163
Equity in income from subsidiaries	41,247	15,902	–	(57,149)	–
Income from continuing operations before extraordinary item	36,039	41,247	14,896	(57,149)	35,033
Income from discontinued operations (net of tax)	–	–	1,006	–	1,006
Income before extraordinary item	36,039	41,247	15,902	(57,149)	36,039
Extraordinary item (net of tax)	4,939	–	–	–	4,939
Net income	$ 31,100	$ 41,247	$ 15,902	$(57,149)	$ 31,100

DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

CONDENSED CONSOLIDATING BALANCE SHEET

DECEMBER 31, 2001	PARENT	SUBSIDIARY GUARANTORS	NON-GUARANTOR SUBSIDIARIES	ELIMINATIONS	CONSOLIDATED
Current assets:					
Cash and cash equivalents	$ –	$ 443	$ 8,762	$ –	$ 9,205
Receivables, net	–	105,246	78,716	–	183,962
Inventories	–	55,205	52,469	–	107,674
Other current assets	1,488	43,633	7,695	–	52,816
Total current assets	1,488	204,527	147,642	–	353,657
Property, plant and equipment, net	–	270,780	87,746	–	358,526
Goodwill, net of amortization	–	161,664	167,311	–	328,975
Intercompany receivable (payable)	643,909	(742,123)	98,214	–	–
Investment in subsidiaries	(88,541)	203,931	–	(115,390)	–
Other assets	3,995	110,242	9,448	–	123,685
Total assets	$ 560,851	$ 209,021	$510,361	$(115,390)	$1,164,843
Current liabilities:					
Accounts payable	$ 274	$ 73,292	$ 33,816	$ –	$ 107,382
Accrued liabilities	37,211	53,013	44,870	–	135,094
Current portion of long-term debt	15,125	110	17,439	–	32,674
Total current liabilities	52,610	126,415	96,125	–	275,150
Long-term debt	639,875	678	159,199	–	799,752
Other liabilities	10,703	170,469	51,106	–	232,278
Total liabilities	703,188	297,562	306,430	–	1,307,180
Equity (deficit)	(142,337)	(88,541)	203,931	(115,390)	(142,337)
Total liabilities and equity (deficit)	$ 560,851	$ 209,021	$510,361	$(115,390)	$1,164,843

CONDENSED CONSOLIDATING BALANCE SHEET

DECEMBER 31, 2000	PARENT	SUBSIDIARY GUARANTORS	NON-GUARANTOR SUBSIDIARIES	ELIMINATIONS	CONSOLIDATED
Current assets:					
Cash and cash equivalents	$ –	$ (4,889)	$ 9,348	$ –	$ 4,459
Receivables, net	–	131,775	99,208	–	230,983
Inventories	–	89,471	57,689	–	147,160
Other current assets	186	21,630	18,217	–	40,033
Total current assets	186	237,987	184,462	–	422,635
Property, plant and equipment, net	–	319,374	140,232	–	459,606
Goodwill, net of amortization	–	126,505	250,000	–	376,505
Intercompany receivable (payable)	643,282	(641,391)	(1,891)	–	–
Investment in subsidiaries	72,602	227,334	–	(299,936)	–
Other assets	245	81,424	10,307	–	91,976
Total assets	$716,315	$ 351,233	$583,110	$(299,936)	$1,350,722
Current liabilities:					
Accounts payable	$ 29	$ 72,132	$ 47,973	$ –	$ 120,134
Accrued liabilities	26,120	59,988	48,864	–	134,972
Current portion of long-term debt	7,625	154	17,783	–	25,562
Total current liabilities	33,774	132,274	114,620	–	280,668
Long-term debt	634,000	799	158,451	–	793,250
Other liabilities	883	145,558	82,705	–	229,146
Total liabilities	668,657	278,631	355,776	–	1,303,064
Equity	47,658	72,602	227,334	(299,936)	47,658
Total liabilities and equity	$716,315	$ 351,233	$583,110	$(299,936)	$1,350,722

DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2001	PARENT	SUBSIDIARY GUARANTORS	NON-GUARANTOR SUBSIDIARIES	CONSOLIDATED
Net cash provided by operating activities	$ 11,506	$ 14,629	$ 42,272	$ 68,407
Net cash (used in) investing activities	–	(53,154)	(17,725)	(70,879)
Cash flows from financing activities:				
Intercompany cash transfers	(20,943)	42,262	(21,319)	–
Other	9,437	2,541	(3,880)	8,098
Net cash provided by (used in) financing activities	(11,506)	44,803	(25,199)	8,098
Effect of exchange rates on cash	–	–	(880)	(880)
Increase (decrease) in cash and cash equivalents	–	6,278	(1,532)	4,746
Cash and cash equivalents at beginning of year	–	(4,889)	9,348	4,459
Cash and cash equivalents at end of year	$ –	$ 1,389	$ 7,816	$ 9,205

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2000	PARENT	SUBSIDIARY GUARANTORS	NON-GUARANTOR SUBSIDIARIES	CONSOLIDATED
Net cash provided by (used in) operating activities	$ 18,971	$ 132,721	$(64,422)	$ 87,270
Cash flows from investing activities:				
Acquisition of businesses net of cash acquired	–	(138,380)	–	(138,380)
Other	–	(77,035)	(16,034)	(93,069)
Net cash (used in) investing activities	–	(215,415)	(16,034)	(231,449)
Cash flows from financing activities:				
Proceeds from sale of stock	37,957	–	–	37,957
Intercompany cash transfers	300,883	(400,106)	99,223	–
Other	(357,862)	471,736	(22,212)	91,662
Net cash provided by (used in) financing activities	(19,022)	71,630	77,011	129,619
Effect of exchange rates on cash	–	–	(1,668)	(1,668)
(Decrease) in cash and cash equivalents	(51)	(11,064)	(5,113)	(16,228)
Cash and cash equivalents at beginning of year	51	6,175	14,461	20,687
Cash and cash equivalents at end of year	$ –	$ (4,889)	$ 9,348	$ 4,459

DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 1999	PARENT	SUBSIDIARY GUARANTORS	NON-GUARANTOR SUBSIDIARIES	CONSOLIDATED
Net cash provided by (used in) operating activities	$ (3,773)	$ 34,776	$ 39,180	$ 70,183
Cash flows from investing activities:				
Acquisition of businesses net of cash acquired	–	(444,782)	–	(444,782)
Cash provided by discontinued operations	–	–	127,571	127,571
Other	–	(37,869)	(7,973)	(45,842)
Net cash provided by (used in) investing activities	–	(482,651)	119,598	(363,053)
Cash flows from financing activities:				
Intercompany cash transfers	(215,513)	327,153	(111,640)	–
Other	216,190	69,450	(33,358)	252,282
Net cash provided by (used in) financing activities	677	396,603	(144,998)	252,282
Effect of exchange rates on cash	–	–	(323)	(323)
Increase (decrease) in cash and cash equivalents	(3,096)	(51,272)	13,457	(40,911)
Cash and cash equivalents at beginning of year	3,147	57,447	1,004	61,598
Cash and cash equivalents at end of year	$ 51	$ 6,175	$ 14,461	$ 20,687

DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA

18 UNAUDITED QUARTERLY INFORMATION

	2001				
	FIRST	SECOND	THIRD	FOURTH	YEAR
Net revenues	$ 339,962	$319,474	$299,698	$285,286	$1,244,420
Gross profit	76,395	55,493[(1)]	66,889	51,697[(3)]	250,474
Net income (loss)	2,475	(102,429)[(1)]	190[(2)]	(71,080)[(3)]	(170,844)
Earnings (loss) per common share – basic:	$ .10	$ (4.03)	$ .01	$ (2.79)	$ (6.72)
Earnings (loss) per common share – assuming dilution:	$ .10	$ (4.03)	$ .01	$ (2.79)	$ (6.72)
Stock price – high	$ 16.60	$ 13.00	$ 7.75	$ 4.00	
Stock price – low	$ 10.40	$ 5.26	$ 3.25	$ 1.11	

(1) Includes charges to income totaling $150,769 ($99,333 after tax or $3.91 per share), which includes restructuring and impairment charges of $108,018, charges included in cost of sales of $16,431, principally related to loss provisions for obsolete and excess inventory, and charges included in selling, general administrative expenses of $26,320, principally related to loss provisions for accounts receivable.

(2) Includes restructuring charges of $2,910 ($1,759 after tax or $.07 per share).

(3) Includes charges to income totaling $93,751 ($66,005 after tax or $2.59 per share), which includes restructuring and impairment charges of $76,489, charges included in cost of sales of $14,936, principally related to loss provisions for obsolete and excess inventory, and charges included in selling, general and administrative expenses of $2,326, principally related to loss provisions for accounts receivable.

	2000				
	FIRST	SECOND	THIRD	FOURTH	YEAR
Net revenues	$342,845	$364,858	$362,421	$344,063	$1,414,187
Gross profit	90,381	101,780	98,737	86,926	377,824
Net income	9,641	21,141	11,002[(1)]	8,457	50,241
Earnings per common share – basic:	$ .42	$ .84	$ .44	$ .33	$ 2.04
Earnings per common share – assuming dilution:	$ .41	$ .82	$ .43	$ .33	$ 1.99
Stock price – high	$ 15.75	$ 15.50	$ 16.94	$ 17.63	
Stock price – low	$ 9.56	$ 11.00	$ 11.50	$ 13.19	

(1) During the third quarter of 2000, the Company recorded a one-time charge of $5,800 ($3,500 after tax or $.14 per share) for purchased in-process research and development.