

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

## Consolidated Balance Sheets

AS OF JUNE 30, 2002 AND JULY 1, 2001

(in thousands)

ASSETS	<u>2002</u>	<u>2001</u>
CURRENT ASSETS:		
Cash and Cash Equivalents .....	\$ 215,945	\$ 88,743
Receivables, Less Reserves of \$1,703 and \$1,599, Respectively .....	201,910	145,138
Inventories -		
Finished Products and Parts .....	126,152	218,671
Work in Process .....	61,748	99,247
Raw Materials .....	3,059	3,782
Total Inventories .....	<u>190,959</u>	<u>321,700</u>
Future Income Tax Benefits .....	41,383	38,434
Prepaid Expenses and Other Current Assets .....	19,747	19,415
Total Current Assets .....	<u>669,944</u>	<u>613,430</u>
GOODWILL, Net .....	161,030	166,659
INVESTMENTS .....	46,889	46,071
PREPAID PENSION .....	60,343	36,275
DEFERRED LOAN COSTS, Net .....	9,304	10,429
OTHER LONG-TERM ASSETS, Net .....	6,308	6,970
PLANT AND EQUIPMENT:		
Land and Land Improvements .....	16,356	16,308
Buildings .....	153,043	150,396
Machinery and Equipment .....	691,334	694,416
Construction in Progress .....	18,902	29,071
	<u>879,635</u>	<u>890,191</u>
Less - Accumulated Depreciation .....	484,420	473,830
Total Plant and Equipment, Net .....	<u>395,215</u>	<u>416,361</u>
	<u>\$ 1,349,033</u>	<u>\$ 1,296,195</u>

The accompanying notes to consolidated financial statements are an integral part of these statements.

AS OF JUNE 30, 2002 AND JULY 1, 2001

(in thousands, except per share data)

<b>LIABILITIES AND SHAREHOLDERS' INVESTMENT</b>	<u><b>2002</b></u>	<u><b>2001</b></u>
<b>CURRENT LIABILITIES:</b>		
Accounts Payable .....	\$ 103,648	\$ 102,559
Domestic Notes Payable .....	2,625	3,300
Foreign Loans .....	15,270	16,291
Accrued Liabilities -		
Wages and Salaries .....	28,408	21,084
Warranty .....	46,346	47,480
Other .....	56,828	47,161
Total Accrued Liabilities .....	<u>131,582</u>	<u>115,725</u>
Federal and State Income Taxes .....	12,898	4,307
Total Current Liabilities .....	<u>266,023</u>	<u>242,182</u>
DEFERRED REVENUE ON SALE OF PLANT AND EQUIPMENT .....	15,364	15,536
DEFERRED INCOME TAX LIABILITY .....	27,405	18,351
ACCRUED PENSION COST .....	15,750	14,494
ACCRUED EMPLOYEE BENEFITS .....	13,070	12,979
ACCRUED POSTRETIREMENT HEALTH CARE OBLIGATION .....	62,753	61,767
LONG-TERM DEBT .....	499,022	508,134
COMMITMENTS AND CONTINGENCIES .....		
<b>SHAREHOLDERS' INVESTMENT:</b>		
Common Stock -		
Authorized 60,000 Shares \$.01 Par Value,		
Issued 28,927 in 2002 and 2001 .....	289	289
Additional Paid-In Capital .....	35,459	36,043
Retained Earnings .....	769,131	743,230
Accumulated Other Comprehensive Loss .....	(6,626)	(6,182)
Unearned Compensation on Restricted Stock .....	(199)	(305)
Treasury Stock at cost,		
7,288 Shares in 2002 and 7,328 Shares in 2001 .....	<u>(348,408)</u>	<u>(350,323)</u>
Total Shareholders' Investment .....	<u>449,646</u>	<u>422,752</u>
	<u><b>\$ 1,349,033</b></u>	<u><b>\$ 1,296,195</b></u>

The accompanying notes to consolidated financial statements are an integral part of these statements.

# Consolidated Statements of Earnings

FOR THE FISCAL YEARS ENDED JUNE 30, 2002, JULY 1, 2001 AND JULY 2, 2000

(in thousands, except per share data)

	<u>2002</u>	<u>2001</u>	<u>2000</u>
NET SALES .....	\$ <b>1,529,372</b>	\$ 1,310,173	\$ 1,591,236
COST OF GOODS SOLD .....	<u>1,257,339</u>	<u>1,073,383</u>	<u>1,253,110</u>
Gross Profit on Sales .....	<b>272,033</b>	236,790	338,126
ENGINEERING, SELLING, GENERAL AND ADMINISTRATIVE EXPENSES .....	<u>153,675</u>	<u>137,684</u>	<u>132,897</u>
Income from Operations .....	<b>118,358</b>	99,106	205,229
INTEREST EXPENSE .....	<b>(44,433)</b>	(30,665)	(21,267)
GAIN ON DISPOSITION OF FOUNDRY ASSETS .....	-	-	16,545
OTHER INCOME, Net .....	<u>6,585</u>	<u>3,432</u>	<u>16,116</u>
Income Before Provision for Income Taxes .....	<b>80,510</b>	71,873	216,623
PROVISION FOR INCOME TAXES .....	<u>27,390</u>	<u>23,860</u>	<u>80,150</u>
NET INCOME .....	<u>\$ <b>53,120</b></u>	<u>\$ 48,013</u>	<u>\$ 136,473</u>
Weighted Average Shares Outstanding .....	<b>21,615</b>	21,598	22,788
BASIC EARNINGS PER SHARE .....	<u>\$ <b>2.46</b></u>	<u>\$ 2.22</u>	<u>\$ 5.99</u>
Diluted Average Shares Outstanding .....	<b>24,452</b>	21,966	22,842
DILUTED EARNINGS PER SHARE .....	<u>\$ <b>2.36</b></u>	<u>\$ 2.21</u>	<u>\$ 5.97</u>

The accompanying notes to consolidated financial statements are an integral part of these statements.

# Consolidated Statements of Shareholders' Investment

FOR THE FISCAL YEARS ENDED JUNE 30, 2002, JULY 1, 2001 AND JULY 2, 2000

(in thousands, except per share data)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Com- prehensive Loss	Unearned Compensation on Restricted Stock	Treasury Stock	Comprehensive Income
BALANCES, JUNE 27, 1999	\$ 289	\$ 37,657	\$ 612,807	\$ (1,732)	\$ (235)	\$ (282,876)	
Comprehensive Income -							
Net Income	-	-	136,473	-	-	-	\$ 136,473
Foreign Currency Translation Adjustments	-	-	-	(1,816)	-	-	(1,816)
Unrealized Loss on Marketable Securities, net of tax of \$(247)	-	-	-	(383)	-	-	(383)
Total Comprehensive Income	-	-	-	-	-	-	<u>\$ 134,274</u>
Cash Dividends Paid (\$1.20 per share)	-	-	(27,300)	-	-	-	
Purchase of Common Stock for Treasury	-	-	-	-	-	(69,083)	
Exercise of Stock Options	-	(1,194)	-	-	-	6,755	
Restricted Stock Issued	-	10	-	-	(60)	50	
Amortization of Unearned Compensation	-	-	-	-	69	-	
Shares Issued to Directors	-	5	-	-	-	29	
BALANCES, JULY 2, 2000	\$ 289	\$ 36,478	\$ 721,980	\$ (3,931)	\$ (226)	\$ (345,125)	
Comprehensive Income -							
Net Income	-	-	48,013	-	-	-	\$ 48,013
Foreign Currency Translation Adjustments	-	-	-	(2,530)	-	-	(2,530)
Unrealized Loss on Marketable Securities, net of tax of \$(607)	-	-	-	(947)	-	-	(947)
Unrealized Gain on Derivatives	-	-	-	1,226	-	-	1,226
Total Comprehensive Income	-	-	-	-	-	-	<u>\$ 45,762</u>
Cash Dividends Paid (\$1.24 per share)	-	-	(26,763)	-	-	-	
Purchase of Common Stock for Treasury	-	-	-	-	-	(6,118)	
Exercise of Stock Options	-	(368)	-	-	-	643	
Restricted Stock Issued	-	(58)	-	-	(181)	239	
Amortization of Unearned Compensation	-	-	-	-	102	-	
Shares Issued to Directors	-	(9)	-	-	-	38	
BALANCES, JULY 1, 2001	\$ 289	\$ 36,043	\$ 743,230	\$ (6,182)	\$ (305)	\$ (350,323)	
Comprehensive Income -							
Net Income	-	-	53,120	-	-	-	\$ 53,120
Foreign Currency Translation Adjustments	-	-	-	4,017	-	-	4,017
Unrealized Loss on Marketable Securities, net of tax of \$(95)	-	-	-	(148)	-	-	(148)
Unrealized Loss on Derivatives	-	-	-	(4,313)	-	-	(4,313)
Total Comprehensive Income	-	-	-	-	-	-	<u>\$ 52,676</u>
Cash Dividends Paid (\$1.26 per share)	-	-	(27,219)	-	-	-	
Exercise of Stock Options	-	(576)	-	-	-	1,877	
Amortization of Unearned Compensation	-	-	-	-	106	-	
Shares Issued to Directors	-	(8)	-	-	-	38	
BALANCES, JUNE 30, 2002	\$ 289	\$ 35,459	\$ 769,131	\$ (6,626)	\$ (199)	\$ (348,408)	

The accompanying notes to consolidated financial statements are an integral part of these statements.

# Consolidated Statements of Cash Flows

FOR THE FISCAL YEARS ENDED JUNE 30, 2002, JULY 1, 2001 AND JULY 2, 2000

(in thousands)

	<u>2002</u>	<u>2001</u>	<u>2000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net Income	\$ 53,120	\$ 48,013	\$ 136,473
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities -			
Depreciation and Amortization	65,968	59,711	53,277
Equity in Earnings of Unconsolidated Affiliates	(6,181)	(5,041)	(13,333)
(Gain) Loss on Disposition of Plant and Equipment	3,192	1,493	(14,167)
Provision for Deferred Income Taxes	20,286	17,973	1,542
Change in Operating Assets and Liabilities, Net of Effects of Acquisition -			
(Increase) Decrease in Receivables	(56,772)	34,686	51,837
(Increase) Decrease in Inventories	120,719	(7,307)	(121,685)
Increase in Prepaid Expenses and Other Current Assets	(2,996)	(50)	(2,488)
Increase (Decrease) in Accounts Payable, Accrued Liabilities and Income Taxes	26,061	(46,740)	1,519
(Increase) Decrease in Prepaid Pension	(22,812)	(28,378)	(10,509)
Other, Net	(768)	(6,392)	(4,984)
Net Cash Provided by Operating Activities	<u>199,817</u>	<u>67,968</u>	<u>77,482</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Additions to Plant and Equipment	(43,928)	(61,322)	(71,441)
Proceeds Received on Disposition of Plant and Equipment	406	4,152	23,511
Cash Paid for Acquisition, Net of Cash Acquired	-	(267,174)	-
Other, Net	5,120	6,296	5,142
Net Cash Used by Investing Activities	<u>(38,402)</u>	<u>(318,048)</u>	<u>(42,788)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Net Borrowings (Repayments) on Loans and Notes Payable	(1,696)	(42,574)	44,005
Borrowings (Repayments) on Long-Term Debt	(10,393)	399,415	(30,000)
Cash Dividends Paid	(27,219)	(26,763)	(27,300)
Purchase of Common Stock for Treasury	-	(6,118)	(69,083)
Proceeds from Exercise of Stock Options	1,078	275	5,561
Net Cash Provided by (Used by) Financing Activities	<u>(38,230)</u>	<u>324,235</u>	<u>(76,817)</u>
<b>EFFECT OF FOREIGN CURRENCY EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>			
	4,017	(2,401)	(1,694)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
	127,202	71,754	(43,817)
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of Year	88,743	16,989	60,806
End of Year	<u>\$ 215,945</u>	<u>\$ 88,743</u>	<u>\$ 16,989</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>			
Interest Paid	\$ 39,669	\$ 26,339	\$ 21,202
Income Taxes Paid	<u>\$ 2,904</u>	<u>\$ 7,831</u>	<u>\$ 84,535</u>

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