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AMPCO PITTSBURGH CORP
Form 10-K405
March 14, 2001

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2000

Commission File Number 1-898

AMPCO-PITTSBURGH CORPORATION
600 Grant Street, Suite 4600, Pittsburgh, PA 15219
412/456-4400

I.R.S. Employer Identification
No. 25-1117717
State of Incorporation: Pennsylvania

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class ----- | Name of each exchange on which registered ----- |
|--|--|
| Common stock, \$1 par value | New York Stock Exchange Philadelphia Stock Exchange |
| Series A Preference Stock Purchase Rights | New York Stock Exchange Philadelphia Stock Exchange |

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

As of March 6, 2001, 9,602,621 common shares were outstanding. The aggregate market value of the voting stock of Ampco-Pittsburgh Corporation held by non-affiliates (based upon the closing price of these shares on the New York Stock Exchange) was approximately \$77 million.

DOCUMENTS INCORPORATED BY REFERENCE: Parts I, II and IV of this report incorporate by reference certain information from the Annual Report to Shareholders for the year ended December 31, 2000.

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PART I

ITEM 1 - BUSINESS

(a) GENERAL DEVELOPMENT OF BUSINESS

Ampco-Pittsburgh Corporation (the "Corporation") was incorporated in Pennsylvania in 1929.

In 2000, a subsidiary of the Corporation acquired the stock of The Keystone Roll Company, a small, modern machining, welding and fabricating company, which manufactures heat transfer rolls. The Corporation believes that this acquisition will complement the existing plastics processing machinery segment.

The Corporation's businesses are classified in three segments - Forged and Cast Rolls, Air and Liquid Processing, and Plastics Processing Machinery.

The Registrant, individually or together with its consolidated subsidiaries, is also referred to herein as the Corporation.

(b) FINANCIAL INFORMATION ABOUT SEGMENTS

The sales and operating profit of the Corporation's three segments and the identifiable assets attributable to each segment for the three years ended December 31, 2000 are set forth in Note 15 (Business Segments) on page 21 of the Annual Report to Shareholders for the year ended December 31, 2000, which is incorporated herein by reference.

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(c) NARRATIVE DESCRIPTION OF BUSINESS

Forged and Cast Rolls Segment

Union Electric Steel Corporation produces forged hardened steel rolls for the producers of steel, aluminum and other metals throughout the world. It is headquartered in Carnegie, Pennsylvania with manufacturing facilities in Carnegie, Burgettstown and Erie, Pennsylvania; Valparaiso, Indiana; and Tessenderlo, Belgium. Union Electric Steel Corporation is considered one of the largest producers of forged hardened steel rolls in the United States. In addition to several domestic competitors, several major European and Japanese manufacturers also compete in both the domestic and foreign markets.

The Davy Roll Company Limited produces cast rolls for hot and cold strip mills, medium/heavy section mills and plate mills in a variety of iron and steel qualities. It is located in Gateshead, England and is a major European supplier of cast rolls to the metal working industry worldwide. It primarily competes with one British company and several European and American companies in both the domestic and foreign markets.

Formet Limited custom forges special stock alloys principally used in the oil and gas, petrochemical, marine and general engineering industries. It is located in New Castle, England and competes with several other companies.

Turner Chilled Rolls Limited is located in Ipswich, England and manufactures high quality cast rolls used by the food and animal feed processing industries. It also competes with several other companies.

Air and Liquid Processing Segment

Aerofin Corporation produces finned tube and plate finned heat exchange coils for the commercial and industrial construction, process and utility industries and is headquartered in Lynchburg, Virginia.

Buffalo Air Handling Company produces large standard and custom air handling systems used in commercial and industrial buildings and is headquartered in Amherst, Virginia.

Buffalo Pumps, Inc. manufactures a line of centrifugal pumps for the refrigeration, power generation and marine defense industries and is headquartered in North Tonawanda, New York.

All three of the companies in this segment compete with several major competitors.

Plastics Processing Machinery Segment

New Castle Industries, Inc. and its subsidiaries primarily produce feed screws, barrels and chill rolls for use principally in the plastics processing industry and is headquartered in New Castle, Pennsylvania. The New Castle Industries group competes with a number of small regional companies.

F. R. Gross Company, located in Stow, Ohio, manufactures heat transfer rolls and chill rolls for use by original equipment machinery manufacturers and processors principally serving the plastics industry but also the paper, packaging, printing and converting industries. Keystone Rolls Company manufactures heat transfer rolls for the sheet, film, paper coating and textile industries. Both of these companies compete with a number of small regional companies.

In all three segments, the products are dependent on engineering, principally custom designed and are sold to sophisticated commercial and industrial users in the United States and countries outside of the United States.

No one customer's purchases in any segment were material to the Corporation. Contracts that may be subject to renegotiation or termination are not material to the Corporation. The Corporation's businesses are not seasonal but are subject to the cyclical nature of the industries and markets served.

For additional information on the products produced and financial information about each segment, see pages 2 through 6 and Note 15 (Business Segments) on page 21 of the Annual Report to Shareholders for the year ended December 31, 2000, which are incorporated herein by reference.

Raw Materials

Raw materials used in all segments are generally available from many sources and the Corporation is not dependent upon any single supplier for any raw material. Certain of the raw materials used by the Corporation have historically been subject to variations in price. The Corporation generally does

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not purchase or arrange for the purchase of a major portion of raw materials significantly in advance of the time it requires them.

Patents

While the Corporation holds some patents, trademarks and licenses, in the opinion of management, they are not material to any segment of the Corporation's business other than in protecting the goodwill associated with the names under which products are sold.

Working Capital

Each segment of the Corporation's business maintains levels of inventory, which

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generally reflect normal requirements and are believed to reflect the practices of its industries. Production in all segments is generally to custom order and requires inventory levels of raw materials or semi-finished products with only a limited level of finished products. The Corporation extends credit terms consistent with practices of the industries served.

Backlog

The backlog of orders at December 31, 2000 was approximately \$115,552,000 compared to a backlog of \$119,491,000 at year-end 1999. Most of those orders are expected to be filled in 2001.

Competition

The Corporation faces considerable competition from a large number of companies in each segment. The Corporation believes, however, that it is a significant factor in each of the principal markets which it serves. Competition in all segments is based on quality, service, price and delivery.

Research and Development

As part of an overall strategy to develop new markets and maintain leadership in each of the industry niches served, each of the Corporation's businesses in all three segments incur expenditures for research and development. The activities that are undertaken are designed to develop new products, improve existing products and processes, enhance product quality, adapt products to specific customer requirements and reduce costs. In the aggregate, these expenditures approximate \$1,500,000 per year.

Environmental Protection Compliance Costs

Expenditures for environmental control matters were not material to any segment in

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2000 and such expenditures are not expected to be material in 2001.

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Employees

In December 2000, the Corporation had 1,817 active employees.

(d) FINANCIAL INFORMATION ABOUT GEOGRAPHIC AREAS

The Corporation has foreign operations in Belgium and the United Kingdom. For financial information relating to foreign and domestic operations see Note 15 (Business Segments) on page 21 of the Annual Report to Shareholders for the year ended December 31, 2000, which is incorporated herein by reference.

ITEM 2 - PROPERTIES

The location and general character of the principal locations in each of the three segments, all of which are owned unless otherwise noted, are as follows:

| Company and Location | Principal Use | Approximate Square Footage | Type of Construction |
|-------------------------|------------------|-------------------------------|-------------------------|
|-------------------------|------------------|-------------------------------|-------------------------|

Forged and Cast Rolls Segment

Union Electric Steel Corp.

| | | | |
|---|--|------------------------|--------------------|
| Route 18 Burgettstown, PA 15021 | Manufacturing facilities | 186,000 on 55 acres | Metal and steel |
| 726 Bell Street Carnegie, PA 15106 | Manufacturing facilities and offices | 153,000 on 5 acres | Metal and steel |
| U.S. Highway 30 Valparaiso, IN 46383 | Manufacturing facilities | 88,000 on 20 acres | Metal and steel |

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| Company and Location | Principal Use | Approximate Square Footage | Type of Construction |
|-------------------------|------------------|-------------------------------|-------------------------|
|-------------------------|------------------|-------------------------------|-------------------------|

Forged and Cast Rolls Segment (cont')

Union Electric Steel Corp. (cont')

| | | | |
|---|--|-----------------------|---------------------------------|
| 1712 Greengarden Road Erie, PA 16501 | Manufacturing facilities | 40,000* | Metal and steel |
| Industrie Park B-3980 Tessenderlo Belgium | Manufacturing facilities and offices | 66,000 on 15 acres | Concrete, metal and steel |

The Davy Roll Company

| | | | |
|--------------------|---------------|------------|---------------|
| Gateshead Division | Manufacturing | 274,000 on | Steel framed, |
|--------------------|---------------|------------|---------------|

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| | | | |
|---|---------------------------|----------|--------------------|
| Coulthards Lane Gateshead, Tyne and War England | facilities and offices | 12 acres | metal and brick |
|---|---------------------------|----------|--------------------|

Formet Limited

| | | | |
|--|--|-------------------------|-------------------------------------|
| Wincomblee Road Low Walker New Castle-upon-Tyne England | Manufacturing facilities and offices | 48,000 on 1.6 acres* | Steel framed, metal and brick |
|--|--|-------------------------|-------------------------------------|

Turner Chilled Rolls Limited

| | | | |
|-------------------------------------|--|------------------------|-------------------------------------|
| Farthing Road Ipswich England | Manufacturing facilities and offices | 29,000 on 1.2 acres | Steel framed, metal and brick |
|-------------------------------------|--|------------------------|-------------------------------------|

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| Company and Location ----- | Principal Use ----- | Approximate Square Footage ----- |
|--|--|--|
| Air and Liquid Processing Segment ----- | | |
| Aerofin Corporation 4621 Murray Place Lynchburg, VA 24506 | Manufacturing facilities and offices | 146,000 on 15.3 acres |
| Buffalo Air Handling Company Zane Snead Drive Amherst, VA 24531 | Manufacturing facilities and offices | 89,000 on 19.5 acres |
| 12740 Lynchburg Salem Turnpike Forest, VA | Assembly facility | 16,240* |
| Buffalo Pumps, Inc. 874 Oliver Street N. Tonawanda, NY 14120 | Manufacturing facilities and offices | 94,000 on 7 acres |
| Plastics Processing Machinery Segment ----- | | |
| Atlantic Grinding & Welding, Inc. 9 Ricker Avenue Londonderry, NH 03053 | Manufacturing facilities and offices | 19,000 on 2.6 acres |
| 1950 Old Dunbar Road West Columbia, SC 29172 | Manufacturing facilities | 20,000* |
| Bimex Industries, Inc. 319 Universal Street Wales, WI 53183 | Manufacturing facilities and offices | 33,500 on 7.8 acres |

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| | | |
|--|--|------------------------|
| F. R. Gross Co., Inc. 1397 Commerce Drive Stow, OH 44224 | Manufacturing facilities and offices | 25,300 on 4.2 acres |
| Keystone Rolls Company, Inc. 40 Council Avenue Wheatland, PA 16161 | Manufacturing facilities and offices | 25,000 on 4.5 acres |

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| Company and Location ----- | Principal Use ----- | Approximate Square Footage ----- | Type of Construction ----- |
|---|---|--|-------------------------------------|
| Plastics Processing Machinery Segment (cont') | | | |
| ----- | | | |
| New Castle Industries, Inc. 1399 Countyline Road New Castle, PA 16102 | Manufacturing facilities and offices | 81,600 on 18.5 acres | Metal and steel |
| 925 Industrial Street New Castle, PA 16102 | Manufacturing facilities | 31,000 on 5.3 acres | Masonry with steel truss roof |

* Facility is leased.

The Corporate office space is leased as are several small sales offices. All of the owned facilities are adequate and suitable for their respective purposes.

The Corporation estimates that all of its facilities were operated within 75% to 95% of their normal capacity during 2000. Normal capacity is defined as capacity under approximately normal conditions with allowances made for unavoidable interruptions, such as lost time for repairs, maintenance, breakdowns, set-up, failure, supply delays, labor shortages and absences, Sundays, holidays, vacation, inventory taking, etc. The number of work shifts are also taken into consideration.

ITEM 3 - LEGAL PROCEEDINGS

The Corporation has been involved in various claims and lawsuits incidental to its business. In the opinion of management, the Corporation has meritorious defenses in those cases and believes that, in the aggregate, any liability will not have a material effect on the financial position of the Corporation.

A lawsuit was commenced in May, 1991 against the Corporation and its subsidiary, Vulcan, Inc. ("Vulcan"), arising out of the filing of a petition under Chapter 11 of the

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United States Bankruptcy Code in October, 1990 by Valley-Vulcan Mold Company (the "Partnership"), a 50/50 partnership formed in September, 1987 between

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Vulcan and Valley Mould Corporation, a subsidiary of Microdot, Inc. Microdot and Valley are unrelated to the Corporation and were also defendants in the lawsuit. The Partnership acquired the ingot mold businesses of each of the partners. On June 10, 1993, Microdot also filed a Petition under Chapter 11 of the United States Bankruptcy Code. In October 1994, Microdot's Chapter 11 case was converted to a Chapter 7 liquidation.

In the lawsuit, Official Unsecured Creditors' Committee of Valley-Vulcan

Mold Company v. Microdot, Inc., Valley Mould Corporation, Ampco-Pittsburgh

Corporation and Vulcan, Inc., the plaintiff, allegedly on behalf of the debtor

Partnership, filed a proceeding in the United States Bankruptcy Court for the Northern District of Ohio against Microdot, Valley, Vulcan and the Corporation, seeking to set aside the Corporation's liens on the Partnership's assets, to hold all defendants liable for the debts of the Partnership, and return of all money received by any of the defendants from the Partnership and out of the proceeds of a loan to the Partnership by a third-party lender, alleged to be at least \$9.35 million. The Corporation's liens secure a guaranty that it was required to give with respect to a Vulcan obligation that was assumed by the Partnership, and a \$500,000 loan made to the Partnership.

The trial of this lawsuit was held the week of October 4, 1993. In April 1994, the Court issued a judgment in favor of the Corporation. Under the Court's decision, all claims against the Corporation were denied. All claims against Vulcan were also denied except for its liability as a general partner. Vulcan's only asset is its interest in the partnership, which has no value and accordingly the judgment will not have any adverse effect on the

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Corporation. In May 1994, plaintiff appealed to the United States District Court, Northern District of Ohio, Eastern Division. In 1998, upon stipulation of the parties, the Court ordered this appeal transferred to the Bankruptcy Appellate Panel for the Sixth Circuit ("BAP"). In August 1999, the BAP affirmed all of the trial court's rulings and the plaintiff/appellant appealed this decision to the United States Court of Appeals for the Sixth Circuit ("Court of Appeals"). In February 2001 the Court of Appeals also affirmed the judgment issued by the trial court.

The Corporation is currently performing remedial activities in connection with the sale of real estate owned or used by discontinued operations. In addition, the Corporation has been designated as a Potentially Responsible Party ("PRP") at a third party landfill site used by a former operation. However, the Corporation believes that based on information known to date for all environmental matters considered in the aggregate, the liability to the Corporation would not be material.

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matter was submitted to a vote of security holders during the fourth quarter.

PART II

ITEM 5 - MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The information called for by this item is set forth on pages 22 and 23 of the Annual Report to Shareholders for the year ended December 31, 2000 which

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is incorporated herein by reference.

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ITEM 6 - SELECTED FINANCIAL DATA

The information called for by this item is set forth on page 23 of the Annual Report to Shareholders for the year ended December 31, 2000, which is incorporated herein by reference.

ITEM 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The information called for by this item is set forth on pages 7 through 10 of the Annual Report to Shareholders for the year ended December 31, 2000, which are incorporated herein by reference.

ITEM 7A - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information called for by this item is set forth in Note 9 (Financial Instruments: Forward Foreign Exchange Contracts) on pages 18 and 19 and Results of Operations on pages 7 through 10 of the Annual Report to Shareholders for the year ended December 31, 2000, which is incorporated herein by reference.

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information called for by this item is set forth on pages 11 through 21 of the Annual Report to Shareholders for the year ended December 31, 2000, which are incorporated herein by reference.

ITEM 9 - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There were none.

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PART III

ITEM 10 - DIRECTORS and EXECUTIVE OFFICERS

(a) IDENTIFICATION OF DIRECTORS

Name, Age, Tenure as a Director, Position with the Corporation (1), Principal Occupation, Business Experience Past Five Years, and Other Directorships in Public Companies

Louis Berkman (age 92, Director since 1960; current term expires in 2002). He has been Chairman of the Board of the Corporation and Chairman of the Executive Committee of the Corporation for more than five years. He is also President and a director of The Louis Berkman Company (steel products, fabricated metal products, building and industrial supplies). (2) (4)

Leonard M. Carroll (age 58, Director since 1996; current term expires in 2001). He has been Managing Director of Seneca Capital Management, Inc. (a private investment company) since June 1996. For more than five years before 1996, he was President and Chief Operating Officer and a director of Integra Financial

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Corporation (a bank holding company). (N) (2) (3) (4) (5)

William D. Eberle (age 77, Director since 1982; current term expires in 2003). He is a private investor and consultant and is Chairman of Manchester Associates, Ltd. He is also a director of Mitchell Energy & Development Co., America Service Group and Konover Property Trust. (3) (4) (5)

Robert A. Paul (age 63, Director since 1970; current term expires in 2003). He has been President and Chief Executive Officer of the Corporation for more than five years. He is also an officer and director of The Louis Berkman Company and director of National City Corporation. (2)

Laurence E. Paul (age 36, Director since 1998; current term expires in 2001). He is a private investor. From 1995 to February 2001 he served in various capacities, including as a Managing Director, of Donaldson, Lufkin & Jenrette (Investment Banker). The firm was bought by Credit Suisse First Boston in 2000. (N)

Carl H. Pforzheimer, III (age 64, Director since 1982; current term expires in 2002). For more than five years he has been Managing Partner of Carl H. Pforzheimer & Co. (member of the New York and American Stock Exchanges). (3) (4) (5)

(a) IDENTIFICATION OF DIRECTORS (cont')

Name, Age, Tenure as a Director, Position with the Corporation (1), Principal Occupation, Business Experience Past Five Years, and Other Directorships in Public Companies

Ernest G. Siddons (age 67, Director since 1981; current term expires in 2001). He has been Executive Vice President and Chief Operating Officer of the Corporation for more than five years. From September 1996 to December 1997 he was also President of Union Electric Steel Corporation, a subsidiary of the Corporation. (N) (2)

- (N) Nominee for election at the April 24, 2001 Annual Meeting of Shareholders.
- (1) Officers serve at the discretion of the Board of Directors.
- (2) Member of Executive Committee.
- (3) Member of Audit Committee.
- (4) Member of Salary Committee.
- (5) Member of Stock Option Committee.

(b) IDENTIFICATION OF EXECUTIVE OFFICERS

In addition to Louis Berkman, Robert A. Paul and Ernest G. Siddons (see "Identification of Directors" above) the following are also Executive Officers of the Corporation:

Name, Age, Position with the Corporation (1), Business Experience Past Five Years

Rose Hoover (age 45). She has been a Vice President of the Corporation since June 1999 and has been Secretary for more than five years. For more than five years before June 1999, she was Manager of Real Property and Environmental Control.

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Marliss D. Johnson (age 36). She has been Vice President, Controller and Treasurer of the Corporation since July 1999. For five years before July 1999, she was a Senior Manager with PricewaterhouseCoopers LLP (a public accounting firm).

Terrence W. Kenny (age 41). He has been Group Vice President of the Corporation since February 1999 and was Vice President Corporate Development & Planning from April 1998 to February 1999. For five years prior to 1998, he was Vice President and Treasurer of Buffalo Pumps, Inc., a subsidiary of the Corporation.

Robert F. Schultz (age 53). He has been Vice President Industrial Relations and Senior Counsel of the Corporation for more than five years.

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- (1) Officers serve at the discretion of the Board of Directors and none of the listed individuals serve as a director of a public company.

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(c) IDENTIFICATION OF CERTAIN SIGNIFICANT EMPLOYEES

None.

(d) FAMILY RELATIONSHIPS

Louis Berkman is the father-in-law of Robert A. Paul, and grandfather of Laurence E. Paul (son of Robert A. Paul). There are no other family relationships among the Directors and Executive Officers.

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ITEM 11 - EXECUTIVE COMPENSATION

The following table sets forth certain information as to the total remuneration received for the past three years by the five most highly compensated executive officers of the Corporation, including the Chief Executive Officer (the "Named Executive Officers"):

SUMMARY COMPENSATION TABLE
Annual Compensation

| (a) | (b) | (c) | (d) | (g) | (i) |
|--|------|----------------|---------------|--|-----------------------------------|
| Name and Principal Position | Year | Salary (\$) | Bonus (\$) | Securities Underlying Options(#) | All Other Compensation (\$) |
| Robert A. Paul | 2000 | 375,000 | 63,750 | 60,000 (1) | |
| President and Chief Executive Officer | 1999 | 353,250 | 112,500 | 60,000 (2) | |
| | 1998 | 330,500 | 66,000 | | |
| Louis Berkman | 2000 | 375,000 | 63,750 | 60,000 (1) | |
| Chairman of the Board and Executive Committee | 1999 | 353,250 | 112,500 | 60,000 (2) | |
| | 1998 | 330,500 | 66,000 | | |

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| | | | | | |
|---|------|---------|---------|------------|-------------|
| Ernest G. Siddons | 2000 | 336,000 | 57,120 | 50,000 (1) | |
| Executive Vice President | 1999 | 316,500 | 100,800 | 50,000 (2) | |
| and Chief Operating Officer | 1998 | 296,250 | 59,000 | | 450,000 (3) |
| Robert F. Schultz | 2000 | 147,000 | 18,000 | 10,000 (1) | |
| Vice President | 1999 | 142,000 | 20,000 | 20,000 (2) | |
| Industrial Relations and Senior Counsel | 1998 | 138,250 | 14,500 | | |
| Terrence W. Kenny | 2000 | 120,000 | 30,000 | 12,500 (1) | |
| Group Vice President | 1999 | 110,550 | 25,000 | 12,500 (2) | |
| | 1998 | N/A | N/A | | |

- (1) Options granted on April 25, 2000 and exercisable on June 1, 2000.
(2) Options granted on December 15, 1998 but were not exercisable until May 1999.
(3) In 1998, the Salary Committee approved the payment to Mr. Siddons of an amount equal to the cash value of a split dollar life insurance policy. Mr. Siddons has relinquished all rights to the policy and the split dollar provisions have been terminated.

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(b) COMPENSATION PURSUANT TO PLANS

Stock Option Plan

The Corporation's 1997 Stock Option Plan, as amended, permits the grant of options exercisable for shares of Common Stock to corporate officers and other key employees of the Corporation and its subsidiaries upon such terms, including exercise price and conditions and timing of exercise, as may be determined by the Stock Option Committee. The Stock Option Plan authorizes the grants of awards up to a maximum of 600,000 shares of the Corporation's Common Stock, however, the maximum number of Shares with respect to which stock options may be granted to any one Participant in any fiscal year may not exceed 150,000.

Option Grants in 2000

The following table shows all options to purchase the Corporation's Common Stock granted to each of the Named Executive Officers in 2000:

| (a) | (b) | (c) | (d) | (e) | (f) |
|---|---|--|--------------------------------|---------------------|------------------------------|
| Name | Securities Underlying Options Granted (1) | % of Total Options Granted to Employees In Fiscal Year | Exercise Or Base Price (\$/Sh) | Expiration Date (2) | Grant Date Present Value (3) |
| Robert A. Paul President and Chief Executive Officer | 60,000 | 21.6 | 10.8125 | 4/25/2010 | \$184,800 |

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| | | | | | |
|--|--------|------|---------|-----------|-----------|
| Louis Berkman Chairman of the Board | 60,000 | 21.6 | 10.8125 | 4/25/2010 | \$184,800 |
| Ernest G. Siddons Executive Vice President and Chief Operating Officer | 50,000 | 18.0 | 10.8125 | 4/25/2010 | \$154,000 |
| Terrence W. Kenny Group Vice President | 12,500 | 4.5 | 10.8125 | 4/25/2010 | \$ 38,500 |
| Robert F. Schultz Vice President Industrial Relations and Senior Counsel | 10,000 | 3.6 | 10.8125 | 4/25/2010 | \$ 30,800 |

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Footnotes to Option Grants in 2000 Table:

(1) Option grants for Named Executive Officer who received grants in 2000 were not exercisable prior to June 1, 2000, at which time they were exercisable in full.

(2) The expiration date will occur on the sooner of the date noted or (i) 30 days following termination of employment without cause or (ii) the date of termination of employment by the Corporation for cause or by the Named Executive Officer for any reason other than retirement.

(3) In accordance with Securities and Exchange Commission rules, the estimated grant date present values were determined using the Black-Scholes model. The use of this model is not an endorsement of the model's accuracy in valuing options. The material assumptions and adjustments incorporated in the model include: an option life of 5 years, dividend yield of 3.7%, volatility of 33.93%, and a risk free rate of return of 6.4%. The ultimate value of the options in this table will depend on the actual performance of the Corporation's stock and the timing of exercises.

Pension Benefits.

The Corporation has a tax qualified retirement plan (the "Plan") applicable to the Executive Officers and other employees, to which the Corporation makes annual contributions, as required, in amounts determined by the Plan's actuaries. The Plan does not have an offset for Social Security and is fully paid for by the Corporation. Under the Plan, employees become fully vested after five years of participation and normal retirement age under the Plan is age 65 but actuarially reduced benefits may be available for early retirement at age 55. The benefit formula is 1.1% of the highest consecutive five year average earnings in the final ten years, times years of service. Federal law requires that 5% owners start receiving a pension no later than April 1 following the calendar year in which the age 70-1/2 is reached. Louis Berkman is currently receiving \$5,867 a month pursuant to the Plan. As an active employee, Mr. Berkman continues to receive credit for additional service rendered after age 70-1/2.

The Corporation adopted a Supplemental Executive Retirement Plan (SERP) in 1988

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(amended and restated in 1996) for certain officers and key employees covering retirement after completion of ten years of service and attainment of age 55. All officers listed in the compensation table are Participants in the SERP, except Louis Berkman. The combined retirement benefit at age 65 or older provided by the Plan and the SERP is 50% of the highest consecutive five year average earnings in the final ten years of service. The participants are eligible for reduced benefits for early retirement at age 55. A benefit equal to 50% of the benefit otherwise payable at age 65 is paid to the surviving spouse of any participant, who has had at least five years of service, commencing on the later of the month following the participant's death or the month the participant would have reached age 55. In addition, there is an offset for pensions from other companies. Certain provisions, applicable if there is a change of control, are discussed below under Termination of Employment and Change of Control Arrangement.

The following shows the estimated annual pension that would be payable, without offset, under the Plan and the SERP, if applicable, to the individuals named in the compensation table assuming continued employment to retirement at age 65 or older, and assuming the compensation stated in the table is the final five year average:

| | |
|-------------------|-----------|
| Louis Berkman | (1) |
| Robert A. Paul | \$219,375 |
| Ernest G. Siddons | \$196,560 |
| Robert F. Schultz | \$ 82,500 |
| Terrence W. Kenny | \$ 75,000 |

(1) Mr. Berkman is currently receiving a pension pursuant to the Plan as described above.

(c) COMPENSATION OF DIRECTORS

In 2000, each Director who was not employed by the Corporation received an annual retainer of \$6,000 (payable quarterly), \$1,000 for each Board meeting attended and \$500 for

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each Committee meeting attended. Attendance can be either in person or by telephonic connection. Directors do not receive a fee for either Board or Committee meetings if they do not attend.

(d) TERMINATION OF EMPLOYMENT AND CHANGE OF CONTROL ARRANGEMENTS

Mr. Berkman, Mr. Paul and Mr. Siddons have two year contracts (which automatically renew for one year periods unless the Corporation chooses not to extend) providing for compensation equal to five times their annual compensation (with a provision to gross up to cover the cost of any federal excise tax on the benefits) in the event their employment is terminated following a change of control (including a voluntary departure for good cause) and the right to equivalent office space and secretarial help for a period of one year after a change in control. Mr. Schultz and one other employee have two year contracts providing for three times their annual compensation in the event their employment is terminated following a change in control (including a voluntary departure for good cause). In addition, Mr. Kenny and the remaining two Vice Presidents have two year contracts providing for two times their annual compensation in the event their employment is terminated following a change in control (including a voluntary departure for good cause). All of the contracts provide for the continuation of employee benefits, for three years for the three

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senior executives and two years for the others, and the right to purchase the leased car used by the covered individual at the Corporation's then book value. The same provisions concerning change in control that apply to the contracts apply to the SERP and vest the right to that pension arrangement. A change of control triggers the right to a lump sum payment equal to the present value of the vested benefit under the SERP if applicable.

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(e) SALARY COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION IN COMPENSATION DECISIONS

A Salary Committee is appointed each year by the Board of Directors. Committee members abstain from voting on matters which involve their own compensation arrangements. The Salary Committee for the year 2000 was comprised of four Directors: William D. Eberle (Chairman), Louis Berkman, Leonard M. Carroll and Carl H. Pforzheimer, III.

Louis Berkman is Chairman of the Board of Directors and the Executive Committee. He is also the President and a Director of The Louis Berkman Company. The Corporation's President and Chief Executive Officer is also an officer and director of The Louis Berkman Company.

The Louis Berkman Company had certain transactions with the Corporation, which are more fully described under Item 13 "Certain Relationships and Related Transactions."

(f) SALARY COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Salary Committee approves salaries for executive officers within a range from \$150,000 up to \$200,000 and increases in the salary of any executive officer, which would result in such officer earning a salary within such range. Salaries of \$200,000 per year and above must be approved by the Board of Directors, after a recommendation by the Salary Committee. Salaries for executive officers below the level of \$150,000 are set by the Chairman, President and Executive Vice President of the Corporation.

The compensation of the Chief Executive Officer of the Corporation, as well as the other applicable executive officers, is based on an analysis conducted by the Salary Committee. The Committee does not specifically link remuneration solely to quantitative measures of performance because of the cyclical nature of the industries and markets served

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by the Corporation. In setting compensation, the Committee also considers various qualitative factors, including competitive compensation arrangements of other companies within relevant industries, individual contributions, leadership ability and an executive officer's overall performance. In this way, it is believed that the Corporation will attract and retain quality management, thereby benefiting the long-term interest of shareholders.

In 2000, the Salary Committee reviewed and approved salary increases and had previously approved an incentive program for 2000 covering Louis Berkman, Robert A. Paul and Ernest G. Siddons. Incentive payments were to be determined, based exclusively on the Corporation's 2000 income from operations performance as compared to the Corporation's business plan. These payments were to be limited to 30% of base salary of participants. In 2000, the participants earned incentives of \$63,750, \$63,750 and \$57,120, respectively.

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This report of the Salary Committee shall not be deemed incorporated by reference by any general statement incorporating by reference this 10-K report into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934, except to the extent that the Corporation specifically incorporates this report and the information contained herein by reference, and shall not otherwise be deemed filed under such Acts.

Louis Berkman
Leonard M. Carroll
William D. Eberle
Carl H. Pforzheimer, III

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(g) STOCK PERFORMANCE GRAPH

Comparative Five-Year Total Returns*
Ampco-Pittsburgh Corporation, Standard & Poors 500 and Value Line Steel
(Integrated) Index
(Performance results through 12/31/00)

[GRAPH]

| | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|------------------------------|------|--------|--------|--------|--------|--------|
| Ampco Pittsburgh Corporation | 100 | 113.13 | 189.06 | 107.55 | 103.5 | 127.28 |
| Standard & Poors 500 | 100 | 123.25 | 164.38 | 211.07 | 253.87 | 225.81 |
| Steel Integrated | 100 | 103.94 | 110.09 | 104.2 | 233.14 | 139.22 |

Assumes \$100 invested at the close of trading on the last trading day preceding January 1, 1996 in Ampco-Pittsburgh Corporation common stock, Standard & Poors 500 and Steel (integrated).

*Cumulative total return assumes reinvestment of dividends.

In the above graph, the Corporation has used Value Line's Steel (Integrated) Index for its peer comparison. The diversity of products produced by subsidiaries of the Corporation made it difficult to match to any one product-based peer group. The Steel Industry was chosen because it is impacted by some of the same end markets that the Corporation ultimately serves, such as the automotive, appliance and construction industries. Historical stock price performance shown on the above graph is not necessarily indicative of future price performance.

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ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

As of March 6, 2001, Louis Berkman owned directly 215,000 shares of the Common Stock of the Corporation and had the right to acquire 120,000 shares pursuant to stock options. As of the same date, The Louis Berkman Company, P. O. Box 576, Steubenville, OH 43952 owned beneficially and of record 2,354,089 shares of the Common Stock of the Corporation. Louis Berkman, an officer and director of The Louis Berkman Company, owns directly 61.94% of its common stock. Robert A. Paul, an officer and director of The Louis Berkman Company, disclaims

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beneficial ownership of the 38.06% of its common stock owned by his wife. Louis Berkman and Robert A. Paul are trustees of The Louis and Sandra Berkman Foundation and disclaim beneficial ownership of the 1,266 shares of the Corporation's Common Stock held by such Foundation.

In March 1998, Gabelli Funds, Inc. and affiliates, Corporate Center, Rye, NY 10580, filed an amendment to its Schedule 13D reporting they owned 1,893,500 shares or 19.77%. In February 2001, Dimensional Fund Advisors Inc., 1299 Ocean Avenue, Santa Monica, CA 90401 filed a 13G disclosing that as of December 31, 2000 it had sole voting and dispositive power of 808,600 shares or 8.42% (all of which shares are held in portfolios of various investment vehicles).

(b) SECURITY OWNERSHIP OF MANAGEMENT

The following table sets forth as of March 6, 2001 information concerning the beneficial ownership of the Corporation's Common Stock by the Directors and Named Executive Officers and all Directors and Executive Officers of the Corporation as a group:

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| Name of beneficial owner ----- | Amount and nature of beneficial ownership ----- | Percent of class ----- |
|--|---|------------------------------|
| Louis Berkman | 2,691,355 (1) (2) | 28.03 |
| Robert A. Paul | 177,922 (2) (3) | 1.9 |
| Ernest G. Siddons | 101,833 (4) | 1.1 |
| Robert F. Schultz | 30,200 (5) | .3 |
| Terrence W. Kenny | 25,000 (6) | .3 |
| Carl H. Pforzheimer, III | 2,733 (7) | * |
| Leonard M. Carroll | 1,500 | * |
| Laurence E. Paul | 1,000 | * |
| William D. Eberle | 200 | * |
| Directors and Executive Officers as a group (11 persons) | 3,050,477 (8) | 31.77 |

*less than .1%

- (1) Includes 215,000 shares owned directly, 120,000 shares which he has the right to acquire within sixty days pursuant to stock options, 2,354,089 shares owned by The Louis Berkman Company, and the following shares in which he disclaims beneficial ownership: 1,266 shares held by The Louis and Sandra Berkman Foundation of which Louis Berkman and Robert A. Paul are trustees, and 1,000 shares owned by his wife.
- (2) The Louis Berkman Company owns beneficially and of record 2,354,089 shares of the Corporation's Common Stock. Louis Berkman is an officer and director of The Louis Berkman Company and owns directly 61.94% of its common shares. Robert A. Paul, an officer and director of The Louis Berkman Company, disclaims beneficial ownership of the 38.06% of its common stock owned by his wife. The number of shares shown in the table for Robert A. Paul does not include any shares held by The Louis Berkman Company.
- (3) Includes 42,889 shares owned directly, 120,000 shares which he has the

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right to acquire within sixty days pursuant to stock options, and the following shares in which he disclaims beneficial ownership: 13,767 shares owned by his wife and 1,266 shares held by The Louis and Sandra Berkman Foundation of which Robert A. Paul and Louis Berkman are Trustees.

- (4) Includes 1,833 shares owned jointly with his wife and 100,000 shares which he has the right to acquire within sixty days pursuant to stock options.

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- (5) Includes 200 shares owned jointly with his wife and 30,000 shares which he has the right to acquire within sixty days pursuant to stock options.
- (6) Includes 25,000 shares which he has the right to acquire within sixty days pursuant to stock options.
- (7) Includes 1,000 shares owned directly, 800 shares held by a trust of which he is a trustee and principal beneficiary, and the following shares in which he disclaims beneficial ownership: 133 shares held by his daughter and 800 shares held by a trust of which he is a trustee.
- (8) Includes 415,000 shares which certain officers have the right to acquire within sixty days pursuant to stock options and excludes double counting of shares deemed to be beneficially owned by more than one Director.

Unless otherwise indicated the individuals named have sole investment and voting power.

(c) CHANGES IN CONTROL

The Corporation knows of no arrangements which may at a subsequent date result in a change in control of the Corporation.

ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In 2000 the Corporation bought industrial supplies from The Louis Berkman Company in transactions in the ordinary course of business amounting to approximately \$1,600,000. Additionally, The Louis Berkman Company paid the Corporation \$175,000 for certain administrative services. Louis Berkman and Robert A. Paul are officers and directors, and Louis Berkman is a shareholder, in that company. These transactions and services were at prices generally available from outside sources. Transactions between the parties will take place in 2001.

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PART IV

ITEM 14 - EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. Financial Statements

The consolidated financial statements, together with the reports thereon of PricewaterhouseCoopers LLP (for the year ended December 31, 1998) and Deloitte & Touche LLP (for the years ended December 31, 1999 and December 31, 2000) appearing on pages 11 through 21 and page 24 of the Annual Report to Shareholders for the year ended December 31, 2000 are incorporated by reference in this Form 10-K Annual Report.

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2. Financial Statement Schedules

The following additional financial data should be read in conjunction with the consolidated financial statements in the accompanying Annual Report. Schedules not included with this additional financial data have been omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

| | Schedule Number ----- | Page Number ----- |
|---|-----------------------------|-------------------------|
| Index to Ampco-Pittsburgh Corporation Financial Data | | 29 |
| Reports of Independent Accountants | | 30 |
| Valuation and Qualifying Accounts and Reserves | II | 31 |

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INDEX TO AMPCO-PITTSBURGH CORPORATION FINANCIAL DATA

| | Schedule Number ----- | Page Number ----- |
|--|-----------------------------|-------------------------|
| Index to Ampco-Pittsburgh Corporation Financial Data | | F-1 |
| Report of Independent Accountants | | F-2 |
| Valuation and Qualifying Accounts and Reserves | II | F-3 |

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of Ampco-Pittsburgh Corporation:

We have audited the consolidated balance sheets of Ampco-Pittsburgh Corporation and subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of income, shareholders' equity and cash flows for the years then ended, and have issued our report thereon dated March 6, 2001; such financial statements and report are included in your 2000 Annual Report to Shareholders and are incorporated herein by reference. Our audits also included financial statement schedule II, Valuation and Qualifying Accounts, of Ampco-Pittsburgh Corporation and subsidiaries for the years ended December 31, 2000 and 1999. The financial statement schedule is the responsibility of the Corporation's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Deloitte & Touche LLP
Pittsburgh, Pennsylvania
March 6, 2001

Schedule II

Ampco-Pittsburgh Corporation
 Valuation and Qualifying Accounts
 For the Years Ended December 31, 2000 and 1999

| Column A Description | Column B Balance at beginning of period | ----- Charged to costs and expenses | Column C Additions ----- Charged to other accounts - describe |
|---------------------------------|--|---|--|
| Year ended December 31, 2000 | | | |
| Allowance for doubtful accounts | \$364,138 | \$384,251 | |
| Year ended December 31, 1999 | | | |
| Allowance for doubtful accounts | \$691,090 | \$296,455 | \$112,106 (2) |

(1) Represents primarily writeoff of accounts receivable customer balances.

(2) Represents allowance established in connection with the acquisition of The Davy Roll Group on August 2, 1999, for potentially uncollectible accounts.

3. Exhibits

Exhibit No.

(3) Articles of Incorporation and By-laws

a. Articles of Incorporation

Incorporated by reference to the Quarterly Report on Form 10-Q for the quarter ended March 31, 1983; the Quarterly Report on Form 10-Q for the quarter ended March 31, 1984; the Quarterly Report on Form 10-Q for the quarter ended March 31, 1985; the Quarterly Report on Form 10-Q for the quarter ended March 31, 1987; and the Quarterly Report on Form 10-Q for the quarter ended September 30, 1998.

b. By-laws

Incorporated by reference to the Quarterly Report on Form 10-Q for the quarter ended September 30, 1994 and the Quarterly Report on Form 10-Q for the quarter ended March 31, 1996.

(4) Instruments defining the rights of securities holders

a. Rights Agreement between Ampco-Pittsburgh Corporation and Chase Mellon Shareholder Services dated as of September 28, 1998.

Incorporated by reference to the Form 8-K Current Report dated

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September 28, 1998.

(10) Material Contracts

a. 1988 Supplemental Executive Retirement Plan

Incorporated by reference to the Quarterly Report on Form 10-Q for the quarter ended March 31, 1996.

b. Severance Agreements between Ampco-Pittsburgh Corporation and certain officers and employees of Ampco-Pittsburgh Corporation.

Incorporated by reference to the Quarterly Report on Form 10-Q for the quarter ended September 30, 1988; the Quarterly Report on Form 10-Q for the quarter ended September 30, 1994, the Annual Report on Form 10-K for fiscal year ended December 31, 1994; the Quarterly Report on Form 10-Q for the quarter ended June 30, 1997; the Annual Report on Form 10-K for

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fiscal year ended December 31, 1998; and the Quarterly Report on Form 10-Q for the quarter ended June 30, 1999.

c. 1997 Stock Option Plan

Incorporated by reference to the Proxy Statement dated March 14, 1997 and the Proxy Statement dated March 15, 2000.

(13) Annual Report to Shareholders for the fiscal year ended December 31, 2000

(21) Significant Subsidiaries

(23) Consents of Experts

(b) Reports on Form 8-K

A report on Form 8-K was filed on March 8, 2001 disclosing that the Corporation announced the impending closure of its Belgium operation and the approximate charge in connection with that closure.

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SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMPCO-PITTSBURGH CORPORATION
(Registrant)

March 14, 2001

By /s/ Louis Berkman

Director, Chairman of the Board -

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Louis Berkman

By /s/ Robert A. Paul

Director, President and Chief Executive
Officer -
Robert A. Paul

By /s/ Ernest G. Siddons

Director, Executive Vice President
and Chief Operating Officer -
Ernest G. Siddons

By /s/ Marliss D. Johnson

Vice President, Controller and Treasurer
(Principal Financial Officer) -
Marliss D. Johnson

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Pursuant to the requirements of the Securities Exchange Act of 1934,
this report has been signed below by the following persons on behalf of the
registrant, in their capacities as Directors, as of the date indicated.

March 14, 2001

By /s/ Leonard M. Carroll

Leonard M. Carroll

By /s/ William D. Eberle

William D. Eberle

By /s/ Laurence E. Paul

Laurence E. Paul

By /s/ Carl H. Pforzheimer, III

Carl H. Pforzheimer, III

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