

AVM Corp. Reports 3rd Quarter Loss

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AVM Corp. of Jamestown reported a net loss during the third quarter and a modest net income of \$59,359 or 4 cents a share during the first nine months of the year.

The firm reported a net loss of \$97,593 or 7 cents a share on sales of \$8,936,545 during the three months ended Sept. 30, compared to a loss of \$471,853 or 30 cents a share on sales of \$7,888,271 during the comparable period a year ago.

The nearly \$60,000 net income during the first nine months represents a return of 4 cents a common share on net sales of \$26,279,969. It compares to a return of \$84,688 or 5 cents a share on sales of \$25,547,758 during the same period of 1980.

AVM's third quarter sales were up 13 percent compared to a year ago with locker revenues up 4 percent and sales

of fabricated metal products by its Automotive Products Division increased by 39 percent from a year earlier when shipments were the lowest in several years. Office furniture sales were up 2 percent while store display fixture sales declined 3 percent.

The third quarter financial result is seen as due to higher interest costs from increased long term borrowings to finance capital expenditures, new product start-up costs, higher depreciation, labor and material cost increases and plant use below optimum levels.

Overall sales for the first nine months this year were up 3 percent from a year ago, with fabricated metal products up 27 percent but store display fixtures and office furniture sales declining 18 and 15 percent, respectively.

The financial report said operating results to date must be viewed in light

of unusually poor economic conditions, especially as they affect the automotive industry. The company has been successful in developing the gas spring as a new product and has increased the market for existing products.

Its Automotive Division has been unable to increase the selling price of its products to offset costs fully, however, and experienced substantial start-up costs in connection with expanded gas spring production. No increases in shipments from the division are foreseen for the fourth quarter unless car sales improve above present depressed levels.

The report said additional factors contributing to lower earnings during the first nine months this year include higher interest and depreciation costs and lower profit from the office furniture and store display fixture lines as result of reduced sales.