

AVM Reports \$907,000 Loss

3/23/83

AVM Corp. of Jamestown reported a 1982 loss of \$907,000 (61 cents a share) on continuing operations, compared to a loss of \$700,000 (47 cents a share) for such operations the previous year.

Looking ahead, however, the company said it has had an improvement in some of its lines of business, and expects a profitable first quarter this year.

The company's annual report said it had higher interest costs last year due to an increased level of borrowing, higher depreciation expense, and greater charges for doubtful accounts and obsolete inventory.

AVM reported benefitting in 1981 from favorable insurance credits totaling \$923,000 from retrospective rating credits and dividends. These credits totaled only \$289,000 last year.

The company's net loss last year was reported as \$514,000 (34 cents a share) after consideration of net income from the discontinued display-fixtures business. The figure compares to a net loss of \$491,000 (33 cents a share) in 1981.

Net proceeds from the sale of the discontinued business were about \$1,634,000. The amount was received in January of this year. It was used to eliminate bank borrowing and to supplement working capital.

Sales from continuing operations last year were reported as \$34,816,000 — up from 1981 sales of \$29,851,000 — and restated to exclude sale of the display fixtures business as of Dec. 30, 1982.

The report said sales of fabricated metal products to automotive customers and of lockers and locks increased last year. This was attributed to the introduction of new products and con-

version of locker installations to a higher locker fee.

These returns were partially offset by a decline in sale of roll-formed fabricated metal products and office furniture due to the depressed business level last year.

The fourth quarter of 1982 showed sales from continuing operations of \$9,741,000 — up from \$6,788,000 during the same quarter a year earlier.

Financial results for fourth quarter 1982 showed a net loss of \$144,000 (10 cents a share). This compares to a net loss of \$602,000 (41 cents a share) in the same quarter of 1981.

The report said the improvement last quarter was due primarily to the substantial sales increase and favorable income tax credits.

AVM's annual report will be mailed to stockholders early next month.