VULCAN INTERNATIONAL CORP
Form 10-K
March 28, 2003

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

FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]
For the fiscal year ended December 31, 2002

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]
For the transition period from to

Commission file number 1-10219

VULCAN INTERNATIONAL CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	31-0810265
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

300 Delaware Avenue, Suite 1704, Wilmington, Delaware	19801
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (302) 427-5804

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

Title of each class	Name of each exchange on which registered
Common stock-no par value	American Stock Exchange

Securities registered pursuant to 12(g) of the Act:

NONE
(Title of class)

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 X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of the 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. [X]

As of January 31, 2003, 1,004,707 common shares were outstanding, and the aggregate market value of the common shares (based upon the closing price of these shares on the American Stock Exchange) of Vulcan International Corporation held by nonaffiliates was approximately $36,671,806.

DOCUMENTS INCORPORATED BY REFERENCE

Documents Incorporated by Reference	Applicable Part of Form 10-K
Annual Report to Shareholders for the Year Ended December 31, 2002	Part I and II
Proxy Statement Dated April 4, 2003 Furnished to Shareholders in Connection with Registrant's Annual Meeting of Shareholders	Part I and III
Articles of Incorporation and By-laws filed on Form 8, file number 1-10219, filed during 1992	Part IV

PART I

Item 1. Business.

(a) General Development of Business-

Vulcan International Corporation ("Vulcan", the "Company" or the "Registant") is a Delaware holding company which is the owner of 100% of the common stock of Vulcan Corporation, a manufacturer of the products described below.

(b) Financial Information About Industry Segments-

The sales, operating profit and identifiable assets attributable to each of the Registrant's industry segments for the three years ended December 31, 2002, are set forth in Note 11 of the Notes to Consolidated Financial Statements included under Part IV, Item 14(a)1 of this Form 10-K.

(c) Narrative Description of Business-

RUBBER AND PLASTICS:

RUBBER AND FOAM PRODUCTS-

Vulcan manufactures rubber and foam products in a 272,000 sq. ft. building located in Clarksville, Tennessee. Approximately 57% of sales of those products in 2002 were for use by shoe manufacturers in the United States. The Company is concentrating on the manufacture of rubber sheet stock and custom-mix materials for those manufacturers. The majority of the non-footwear sales of products manufactured in Clarksville were for use as sports flooring and automobile mats. The Rubber Division also manufactures foam products for sale to manufacturers for diverse uses.

PLASTICS-

Vulcan sold its plastics manufacturing assets in August 1999. Vulcan had produced plastic products and shoe lasts in Walnut Ridge, Arkansas. A shoe last is the form over which non-rubber shoes are manufactured and which determines the shoe style, fit and shape.

BOWLING PINS-

In 1990, the Company entered into an agreement with Brunswick Bowling and Billiards Corporation by the terms of which Vulcan and Brunswick formed a joint venture for the manufacture of bowling pins using Vulcan's Surlyn coating process. The Joint Venture, which is equally owned by Brunswick and Vulcan Bowling Pin Company, a wholly owned subsidiary of Vulcan, is located at the site of the Company's former Antigo, Wisconsin, bowling pin manufacturing facility. This manufacturing Joint Venture is named the Vulcan-Brunswick Bowling Pin Company. The Company accounts for its investment in the Joint Venture under the equity method of accounting.

Item 1. Business. (Continued)

Vulcan Bowling Pin Company sells and services its bowling pins through its own sales force as well as manufacturers' representatives in the United States and through distributors in foreign countries under the name of Vultex II and Vultuf, as well as various private label names.

Raw materials used in shoe products and bowling products consist of the following: hard maple, which is commercially available from countless sawmills; Surlyn is available from Dupont; high density polyethylene plastic resin is available from Phillips, Quantum, Gulf, A. Schulman, Inc. and numerous other producers; nylon is available from Allied; synthetic rubbers are available from Ameripol Synpol, Goodyear, Polysar, Goldsmith & Eggleston, Inc. and a number of other concerns; fillers for rubber products such as clay are available from W.R. Grace & Co., J.M. Huber and others; and pigments are available from Uniroyal Chemical, Akrochem Corp., Monsanto and others.

Vulcan's products are sold through its own sales force, manufacturers' agents and distributors.

REAL ESTATE-
Vulcan has a majority interest in the upper seven floors of the ten-story Cincinnati Club Building in downtown Cincinnati, Ohio. These floors contain approximately 56,000 square feet of finished office space and approximately 32,000 square feet of unfinished and common area space. Vulcan occupies a substantial portion of the tenth floor of the building and manages the seven floors of office space. The first three floors consist of public rooms owned by a company which uses the space for public functions and a catering service. There is direct access into the building from an eight-story parking garage immediately adjacent to the Cincinnati Club Building owned and operated by the City of Cincinnati. Vulcan Corporation also owns undeveloped lands in Michigan from which it sells timber.

Patents, trademarks, licenses, franchises and concessions are not material factors in the business. Vulcan Bowling Pin Company owns an American Bowling Congress permit to label its Surlyn plastic-coated bowling pins as "ABC approved".

No major expenditures for pollution controls are anticipated in 2003. Expenditures thereafter should not be in excess of 5% of normal capital expenditures in any one year. This rate of expenditure should not have a significant effect on either the earnings or the competitive position of the Registrant or any of its subsidiaries. See Item 3 - Legal Proceedings.

PART I
(Continued)

Item 1. Business. (Continued)

The Company has commitments for capital expenditures of approximately $47,000 at December 31, 2002.

The Company had 67 employees at December 31, 2002.

(d) Financial Information About Foreign and Domestic Operations and Export Sales

The Registrant's entire operations are within the United States. Export sales of all products are handled by ACI International, Inc., a domestic international sales corporation (DISC) which during 2002, had sales of $203,000; net income of $24,000; and assets of $1,082,000.

Item 2. Properties.

The following schedule summarizes certain information regarding buildings owned or leased by the Registrant:

Location	Type of Ownership	Square Footage	
Clarksville, Tennessee	Owned	272,000	Administrative offices and manufacturing of rubber soling and other rubber products.
Cincinnati, Ohio	Owned	88,000	Corporate offices and leasing of office space.

The age of the buildings ranges from approximately 38 to 77 years. The structures are of steel, brick and concrete construction and are generally in good condition. The plant is sprinklered. Excellent transportation facilities are available for the factory and it is located on a rail siding.

Item 3. Legal Proceedings.

On March 1, 1990 the United States of America filed a Complaint against the Company and others in the United States District Court for the District of Massachusetts claiming that the Company was a potentially responsible party with respect to the Re-Solve Superfund Site in North

Dartmouth, Massachusetts seeking to recover response costs incurred and to be incurred in the future in connection with this Site.

PART I
(Continued)

Although the Company had engaged counsel to represent it in that action, the Company was first informed on March 28, 2001 that the Court had entered, pursuant to prior rulings, an unopposed "Final Judgment" against the Company on September 22, 1999. The "Final Judgment" awarded damages against the Company in favor of the United States in the amount of $3,465,438, plus interest, for unreimbursed response costs, plus any additional past unreimbursed response costs, interest and certain future costs the United States incurs at the Site. The United States filed a notice of lien in certain jurisdictions on real property of the Company and its subsidiary Vulcan Corporation in the dollar amount of the judgment, plus interest.

In 1999, the Company recorded an estimated liability of $3,495,000, net of $1,800,000 tax, for the judgment, accrued interest for past costs and a discounted present value for estimated future costs in connection with the site. This estimated liability was calculated based on the "Final Judgment" and using other information provided by the U.S. EPA. The Company expensed $91,000, $151,000 and $140,000 after tax, for the years ended December 31, 2002, 2001 and 2000, respectively for accrued interest and amortization of estimated future costs related to this matter.

On March 10, 2003 the U.S. Department of Justice announced a tentative settlement of this matter for $3,800,000 plus interest from November 2002. This proposed settlement is subject to various approvals concerning which no prediction can be made.

The Company is presently continuing an investigation into this matter and intends to vigorously pursue all available legal remedies to set aside all orders and liens relating to the asserted liability and to defend itself against the underlying allegations. Counsel for the Company is also vigorously pursuing settlement negotiations with Counsel for the United States. To the extent that the Company is able to settle this liability, or obtain judicial relief, for an amount less than it has accrued, the difference will be recorded as income in the year the obligation is settled.

There may be other potential clean-up liability at other sites of which the Company has no specific knowledge.

PART I
(Continued)

The Company has an interest in a partnership which owns certain real estate. On August 13, 1999 a Complaint for money damages, in excess of $25,000, based upon breach of fiduciary duty was filed by the other partner in the Court of Common Pleas in Hamilton County, Ohio.

Essentially, the plaintiff is seeking an adjustment of the capital account balances which would result in a higher distribution of cash flow. On March 27, 2001, the plaintiff threatened to file an Amended Complaint that alleges damages of $1,062,000 and costs, plus punitive damages of $2,000,000 on various grounds. The Company believes that the suit is without merit and has been defending itself vigorously against the issues raised.

The Company appealed a real estate tax assessment from 1999 that had increased the annual real estate tax by approximately $96,000. The local school board has appealed the revision and reduced its initial appraised value of the property. During 2001, the Company received a $96,000 refund of the additional tax paid in 1999. The Company has recorded a liability of approximately $123,000 related to this issue based on the revised value asserted by the local school board. If the Company is successful, this liability will be recognized as income when the final valuation is determined.

The Company and its subsidiaries may be involved in other litigation matters and claims during the year that are normal in the course of operations. Management believes that the resolution of any such matters would not have a material impact on the Company's business or financial condition.

Item 4. Submission of Matters to a Vote of Security Holders.

There were no matters submitted to a vote of security holders through the solicitation of proxies or otherwise during the fourth quarter of the year ended December 31, 2002, that require disclosure under this item.

Part II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters.

The common stock of Vulcan International Corporation is listed and traded on the American Stock Exchange. There were approximately 304 shareholders of record as of December 31, 2002. The high and low sales price and the dividends paid for each quarterly period within the two most recent years were as follows:

PART I
(Continued)

	2002			2001		
QUARTER	HIGH	LOW	DIVIDEND	HIGH	LOW	DIVIDEND
First	44.00	39.25	$.20	42.75	34.25	$.20
Second	42.75	41.00	$.20	40.50	38.00	$.20
Third	42.00	36.75	$.20	40.00	38.75	$.20
Fourth	35.30	34.30	$.20	40.25	37.24	$.20

Item 6. Selected Financial Data.

The information required by this item is set forth below:

	2002	2001	2000	1999(1)	1998
Net revenues - continuing operations	$11,304,808	10,660,422	11,246,242	10,919,627	10,582,060
Income (loss)from continuing operations before taxes	2,595,781	3,615,612	1,874,729	(2,718,674)	1,664,416
Income tax (benefit)	348,554	719,414	113,165	(1,317,658)	279,537
Net income (loss) from continuing operations	2,247,227	2,896,198	1,761,564	(1,401,016)	1,384,879
Income (loss) from disposed operations, net of tax	-	-	-	(63,056)	69,637
Gain on sale of disposed operations, net of tax	-	-	-	988,845	-
Net income (loss)	2,247,227	2,896,198	1,761,564)	(475,227)	1,454,516

PART I
(Continued)

	2002	2001	2000	1999(1)	1998
Income (loss) per common share:					
Continuing operations	2.07	2.59	1.59	(1.25)	1.17
Discontinued operations	-	-	-	(0.06)	0.06
Gain on disposal of discontinued operations	-	-	-	0.88	-
Net income (loss)	2.07	2.59	1.59	(0.43)	1.23
Property, plant and equipment (net)	2,102,781	2,117,476	2,369,216	2,618,649	2,798,825
Depreciation	395,258	381,079	447,401	488,591	513,045
Current assets	34,104,485	44,333,695	55,493,494	53,278,872	53,506,019
Ratio current assets to current liabilities	2.16 to 1	2.60 to 1	2.54 to 1	2.48 to 1	2.99 to 1

Total assets	69,615,705	89,097,487	111,143,958	89,536,796	95,011,738
Long-term debt	-	-	-	-	-
Accumulated other comprehensive income	34,013,394	46,599,325	60,846,586	47,852,421	52,506,224
Total shareholders' equity	44,160,910	59,220,189	72,959,140	58,137,015	65,295,924
Dividends per common share	.80	.80	.80	.80	.80
Book value per common share	44.04	53.75	64.03	52.54	57.46

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The information required by this item is incorporated by reference to the 2002 Annual Report to Shareholders.

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PART II
(Continued)

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The Company's market risk primarily is represented by the risk of changes in the value of marketable equity securities caused by fluctuations in equity prices. Marketable securities, at December 31, 2002, are recorded at a fair value of approximately $57,854,000, including net unrealized gains of $51,535,000. Marketable securities have exposure to price risk. The Company's available for sale marketable securities, at fair value, are invested as follows; 76% in two financial institutions, 23% in twelve communication and utility companies and 1% in other industries. The estimated potential loss in fair value resulting from a hypothetical 10% decrease in prices quoted by the stock exchange is $5,785,400.

Item 8. Financial Statements and Supplementary Data.

The consolidated financial statements required by this item are included under Part IV, Item 14(a)1 of this Form 10-K.

Other information required by this item is set forth below:

	2002				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Total revenues	$2,938,337	2,788,179	2,870,541	2,707,751	11,304,808
Gross profit (loss)	226,782	193,380	142,587	(116,509)	446,240
Net income	641,303	434,633	412,802	758,489	2,247,227

Net income per share	0.58	0.40	0.38	0.71	2.07

	2001				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Total revenues	$2,726,171	2,740,765	2,411,550	2,781,936	10,660,422
Gross profit (loss)	(62,787)	237,548	44,538	197,435	416,734
Net income	699,137	1,021,566	274,589	900,906	2,896,198
Net income per share	0.62	0.90	0.25	0.82	2.59

PART II
(Continued)

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

PART III

Item 10. Directors and Executive Officers of the Registrant.

(a) Identification of Directors-

The information required by this item is incorporated herein by reference to the Registrant's Proxy Statement dated April 4, 2003, in connection with its Annual Meeting to be held May 8, 2003.

(b) Identification of Executive Officers-

NAME	AGE	POSITION AND TIME IN OFFICE
Benjamin Gettler	77	President since November 1988; Chairman of The Board since June 1990; Director since 1960.
Vernon E. Bachman	65	Vice President and Treasurer since November 1991; Secretary since 1973.

There are no family relationships among the officers listed and there are no arrangements or understandings pursuant to which any of them were elected as officers.

The officers are elected annually and serve at the pleasure of the Board of Directors. There have been no events under any bankruptcy act, no criminal proceedings and no judgments or injunctions material to the evaluation of the ability and integrity of any director or executive officer during the past five years.

Item 11. Executive Compensation.

The information required by this Item is incorporated herein by reference to the Registrant's proxy statement dated April 4, 2003, in connection with its annual meeting to be held May 8, 2003.

PART III
(Continued)

Item 12. Security Ownership of Certain Beneficial Owners and Management.

Any person after acquiring directly or indirectly the beneficial ownership of more than 5 percent of the Registrant's common stock is required to send to the Registrant at its principal executive office, by registered or certified mail, and to each exchange where the stock is traded and filed with the SEC, a statement containing information required by Schedule 13D or 13G, as appropriate. If any material change occurs in the facts set forth in the statement filed, the shareholder is required to file an appropriate amendment with each party with whom the original schedules were filed.

Other information required by this item is incorporated herein by reference to the Registrant's proxy statement dated April 4, 2003, in connection with its annual meeting to be held May 8, 2003.

Item 13. Certain Relationships and Related Transactions.

There were no significant items to report under this caption other than those reported in the Registrant's Proxy Statement dated April 4, 2003, in connection with its Annual Meeting to be held May 8, 2003, which is incorporated herein by reference.

Item 14. Controls and Procedures

The Chief Executive Officer and the Principal Financial Officer have reviewed, as of a date within 90 days of this filing, the disclosure controls and procedures that ensure that information relating to the Company required to be disclosed by the Company in the reports that it files or submits under the Securities and Exchange Act of 1934, as amended, is recorded, processed, summarized and reported in a timely and proper manner. Based upon this review, the Company believes that there are adequate controls and procedures in place. There are no significant changes in the controls or other factors that could affect the controls after the date of evaluation.

PART IV

Item 15. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

(a) 1. Financial Statements.

The following Consolidated Financial Statements of Vulcan International Corporation and subsidiaries are included under this item (see attached shareholders report and proxy statement):

2. Financial Statement Schedule.

All other schedules are omitted because they are not applicable, not required, or because the required information is included in the Consolidated Financial Statements or notes thereto.

Separate financial statements of the Registrant or summarized financial information concerning subsidiaries are not required.

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PART IV
(Continued)

Item 15. Exhibits, Financial Statement Schedules, and Reports on Form 8-K. (Continued)

3. Financial Statements.

The following financial statements of Vulcan International Corporation's 50% owned Joint Venture, Vulcan-Brunswick

Bowling Pin Company, are included under this item:

4. Exhibits.

(b) Reports on Form 8-K.

There were no reports on Form 8-K for the three months ended December 31, 2002.

VULCAN INTERNATIONAL CORPORATION

EXECUTIVE OFFICERS

BENJAMIN GETTLER Chairman of the Board and President	VERNON E. BACHMAN Vice President and Secretary-Treasurer

SUBSIDIARY COMPANIES

VULCAN CORPORATION

Benjamin Gettler
President

Edward Ritter
Vice President/Operating Manager

Vernon E. Bachman
Vice President/Controller

Connie F. Armstrong
Secretary

VULCAN BOWLING PIN COMPANY

Ricardo DeFelice
Executive Vice President

John F. Gabriel
Vice President

VULCAN BLANCHESTER REALTY CO.

Benjamin Gettler
President

John F. Gabriel
Vice President

Vernon E. Bachman
Secretary/Treasurer

TO OUR SHAREHOLDERS:

During the Year 2002, the Company's net income after taxes was $2,247,227 compared to $2,896,198 in the Year 2001. Operating income after taxes, however, increased from $955,535 in 2001 to $1,137,241 in 2002. The reduction in 2002 total net income was due to the fact that there was a net gain on sale of property, equipment and investment in 2001 of $1,940,663 compared to $1,109,986 in 2002. A substantial part of those 2001 gains was due to the Company's actions in the Year 2001 to carry out a policy of gradually reducing its holdings of non-dividend-paying securities. Although this policy continued to be followed in 2002, there was a lesser amount of such gains.

In the Clarksville rubber operation, the number of foam customers and new foam products developed by our subsidiary, Vulcan Corporation, continued to increase, as did the volume of its sales of uncured rubber. Sales of cured rubber products to the shoe industry, however, continued to decline. This change in product mix was the main reason for a reduction of 26% in the loss in that operation in 2002. Our goal continues to be to turn that Company into a profit center.

The Company continues to monitor closely the situation in the Cincinnati real estate market. It is our opinion that that market is still in a state of flux and that office building properties offered for sale have not come down in price commensurate with the continued high rate of vacancy in the market.

A major concern for the past two years has been the claim of the United States that the Company is a potentially responsible party with respect to the Re-Solve, Inc. Super Fund site in North Dartmouth, Massachusetts. That claim is based on an allegation by the U.S. Environmental Protection Agency that a manufacturing facility of Vulcan sent waste solvents to the site in the 1970's. That manufacturing facility had been closed by Vulcan prior to enactment by the U.S. Congress in 1980 of the legislation on which the claim is based. As of September 22, 1999, the amount of the U.S. claim was $3,465,438 plus additional clean-up, response costs and interest from September 22, 1999 and for an indefinite number of years in the future. On March 10, 2003, the Company reached a proposed settlement with the government providing for a payment by the Company of $3.8 million plus interest from November 1, 2002 to settle all present and future government claims in the Re-Solve case. That proposed settlement is subject to publication, public comment and final approval by the United States District Court for the District of Massachusetts. We are hopeful that the foregoing will be concluded in 2003 and finally put this distressing situation to rest. Such conclusion would remove a major uncertainty which has been clouding the future of the Company.

BENJAMIN GETTLER
Chairman of the Board
and President

DESCRIPTION OF BUSINESS

Vulcan International Corporation is a Delaware holding company which is the owner of 100% of the common stock of Vulcan Corporation and 100% of the common stock of Vulcan Bowling Pin Company as well as Vulcan Blanchester Realty Co. Descriptions of each company's operations are set forth below.

RUBBER AND FOAM PRODUCTS

Vulcan manufactures rubber and foam products in a 272,000 sq. ft. building located in Clarksville, Tennessee. Over 50% of sales of products manufactured in Clarksville in 2002 were for use by shoe manufacturers in the United States. The majority of such sales were non-cured custom-mixed materials for use in military footwear. Non-footwear products manufactured in Clarksville were primarily for use by various prime manufacturers, including sports flooring, novelty items, recreational land and water vehicles and foam and custom-mix rubber for various non-footwear manufacturers.

BOWLING PINS

Vulcan Bowing Pin Company is a 50% owner of a Joint Venture with Brunswick Bowling and Billiards Corporation which manufactures bowling pins in Antigo, Wisconsin. The pins are manufactured from hard maple and coated with Surlyn. Vulcan sells pins in the United States and worldwide under the name of Vultex II and Vultuf, as well as various private label names.

REAL ESTATE OPERATIONS

The Company's wholly owned subsidiary, Vulcan Blanchester Realty Company owns a majority interest in the upper seven floors of the ten-story Cincinnati Club Building in downtown Cincinnati, Ohio, and manages that space. These floors contain approximately 56,000 square feet of finished office space and approximately 32,000 square feet of unfinished and common area space. Vulcan occupies a substantial portion of the tenth floor of the building. The first three floors consist of public rooms owned by a company which uses the space for public functions and a catering service. There is direct access into the building from an eight-story parking garage immediately adjacent to the Cincinnati Club Building owned and operated by the City of Cincinnati. A picture of the building appears below. In addition, the Company owns approximately 14,000 acres of undeveloped land in the Upper Peninsula of Michigan. Timber is harvested from that land and sold both in domestic and foreign markets.

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MANAGEMENT ANALYSIS OF RECENT YEARS

2002 COMPARED TO 2001

Sales of the Rubber Division increased from $6,129,434 in 2001 to $6,522,678 in 2002. The decrease in sales in cured rubber shoe products and flooring was offset by a greater increase in the custom mix sales. The operating loss (before taxes) decreased from $892,131 in 2001 to $657,039 in 2002. The decrease in the operating loss was primarily a result of a change in the product mix and the increase in sales volume.

Sales of the Bowling Pin Division increased from $1,783,318 in 2001 to $1,995,694 in 2002. The operating profit of the division increased from $140,009 in 2001 to $347,330 in 2002. The increased production of the Joint Venture, which manufactures bowling pins, resulted in higher profits for the year and was largely responsible for the increase in operating profit.

Operating profit (before taxes) in the real estate operations decreased from $516,824 in 2001 to $324,794 in 2002. The profits for 2001 included a credit adjustment of real estate tax expense. The amount of real estate taxes for the years 1999, 2000 and 2001 is currently being appealed by the Cincinnati School Board which is seeing an increase in the amount of real estate taxes reflected in the financial statements of the Company.

Net gains on the disposal of assets were $849,092 in 2002 compared to $2,011,978 in 2001. In both years gains were mainly from the sale of marketable securities. Dividends and interest (before tax) were $2,298,876 in 2002 compared to $2,287,609 in 2001.

2001 COMPARED TO 2000

Sales of the Rubber Division decreased from $6,844,877 in 2000 to $6,129,434 in 2001. The decreased sales in low margin custom mix and flooring sales was offset by the increase in foam product sales. As a result the operating loss (before taxes) decreased from $1,292,120 in 2000 to $892,131 in 2001.

Sales of the Bowling Pin Division increased from $1,716,428 in 2000 to

$1,783,318 in 2001. The operating profit of the division decreased from $286,521 in 2000 to $140,009 in 2001. The decreased production of the Joint Venture, which manufactures bowling pins, resulted in lower profit for the year and was largely responsible for the decreased operating profit.

Operating profit (before taxes) in the real estate operations increased from $287,927 in 2000 to $516,824 in 2001. The increase in profit reflects an adjustment of the liability recorded in 2000 and 1999 for real estate taxes based on management's judgment as to the limits of such liability based on an appraisal filed by the Cincinnati School Board which has been seeking an increase in the real estate taxes paid by the Company.

MANAGEMENT ANALYSIS OF RECENT YEARS
(Continued)

Net gains on the disposal of assets were $2,011,978 in 2001 compared to $607,284 in 2000. In both years the gains were mainly from the sale of marketable securities and net gains from call option contracts. Dividends and interest (before tax) were $2,287,609 in 2001 compared to $2,180,839 in 2000.

2000 COMPARED TO 1999

Sales in the Rubber Division decreased from $6,880,103 in 1999 to $6,844,877 in 2000. The increased sales in custom mix which is a low margin item and foam products was offset by the decrease in flooring sales. As a result, the operating loss (before taxes) increased from $1,179,291 in 1999 to $1,292,120 in 2000.

Sales of the Bowling Pin Division increased from $1,686,027 in 1999 to $1,716,428 in 2000. The operating profit of the division decreased from $733,963 in 1999 to $286,521 in 2000 due to an increase in the production cost of bowling pins. In 1999 cash distributions in excess of basis was included in the division operating profit in the amount of $410,123.

Operating profit (before taxes) in the real estate operations decreased from $321,011 in 1999 to $287,927 in 2000 due to a reduction in income from timber harvesting.

Net gains on the disposal of equipment and investments were $607,284 in 2000 compared to $89,429 in 1999. The gains were mainly from the sale of marketable securities as the result of a decision to reduce gradually the Company's holdings of non-dividend paying securities. Dividends and interest (before tax) were $2,180,839 compared to $1,907,509 in 1999.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL COMMITMENTS

The Company's cash requirements in 2002 were funded by its cash flow and short term borrowing. The working capital decreased $8,958,279 during the current year. The decreased working capital was mainly a result of the decreased value of marketable securities. Capital expenditures were $404,602 compared to total depreciation and amortization of $398,576.

COMMON STOCK PRICES

QUARTER	2002 HIGH	2002 LOW	2002 DIVIDEND	2001 HIGH	2001 LOW	2001 DIVIDEND
First	44.00	39.25	.20	42.75	34.25	.20
Second	42.75	41.00	.20	40.50	38.00	.20
Third	42.00	36.75	.20	40.00	38.75	.20
Fourth	35.30	34.30	.20	40.25	37.24	.20

The common stock of Vulcan International Corporation is listed on the American Stock Exchange. The high and low sale prices and the dividends paid for each quarterly period within the two most recent years are as shown.

The Company reached a proposed settlement with the government providing for a payment of $3.8 million plus interest from November 1, 2002 to settle all government claims in the Re-Solve cased discussed in Note 8 to the financial statements. The proposed settlement is subject to publication, public comment and final approval by the United States District Court for the District of Massachusetts. If the proposed settlement is accepted, the Company would be required to pay the settlement amount within thirty days of approval by the Court. The Company expects to fund this liability and other cash needs in 2003 by accessing its existing line of credit, the possible sale of securities and from its anticipated operating cash flow.

FORM 10-K

A copy of the 2002 Vulcan International Corporation 10-K report filed with the Securities and Exchange Commission will be furnished without charge upon request by a shareholder or beneficial owner as of the record date, March 14, 2003, of securities entitled to vote at the annual meeting of shareholders. Requests should be addressed to:

Vernon E. Bachman
Vice President
Secretary/Treasurer
Vulcan International Corporation
30 Garfield Place
Cincinnati, OH 45202

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EXHIBIT 13

VULCAN INTERNATIONAL CORPORATION
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2002

J.D. CLOUD & CO. L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
CINCINNATI, OHIO

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Vulcan International Corporation
Wilmington, Delaware

We have audited the accompanying consolidated balance sheets of Vulcan International Corporation (a Delaware Corporation) and subsidiaries as of December 31, 2002 and 2001, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2002. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Vulcan International Corporation and subsidiaries at December 31, 2002 and 2001, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2002, in conformity with U.S. generally accepted accounting principles.

/s/ J.D. CLOUD & CO. L.L.P.

Certified Public Accountants

Cincinnati, Ohio
February 11, 2003

VULCAN INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

At December 31, 2002 and 2001

-ASSETS-	2002	2001
CURRENT ASSETS:		
Cash	$ 1,682,049	2,493,733
Marketable securities	30,237,923	39,981,369
Accounts receivable (less-allowance for doubtful accounts-$127,400 in 2002; $91,400 in 2001)	1,437,170	1,428,693
Inventories	702,518	356,290
Prepaid expense	44,825	14,384
Refundable federal income tax	-	59,226
TOTAL CURRENT ASSETS	34,104,485	44,333,695
PROPERTY, PLANT AND EQUIPMENT:		
Land	84,272	88,581
Timberlands and timber cutting rights	700,393	700,393
Buildings and improvements	4,233,376	4,225,627
Machinery and equipment	6,661,937	6,674,350
Total	11,679,978	11,688,951
Less-Accumulated depreciation and depletion	9,577,197	9,571,475
PROPERTY, PLANT AND EQUIPMENT-NET	2,102,781	2,117,476
MODELS AND PATTERNS-at nominal value	1	1
INVESTMENT IN JOINT VENTURE	20,805	69,010
DEFERRED CHARGES AND OTHER ASSETS:		
Marketable securities	27,615,871	37,040,858
Note receivable	90,744	220,248
Other	5,681,018	5,316,199
TOTAL DEFERRED CHARGES AND OTHER ASSETS	33,387,633	42,577,305
TOTAL ASSETS	$69,615,705	89,097,487

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-LIABILITIES AND SHAREHOLDERS' EQUITY-	2002	2001
CURRENT LIABILITIES:		
Notes payable - bank	$ 1,861,711	-
Accounts payable-		
Trade	711,971	872,717
Other	30,739	4,696
Accrued salaries, wages and commissions	197,473	120,261
Accrued other expenses	5,826,407	5,554,500
Deferred income tax	7,133,396	10,480,454

TOTAL CURRENT LIABILITIES	15,761,697	17,032,628
OTHER LIABILITIES:		
Deferred income tax	9,641,263	12,791,949
Other	34,531	37,470
TOTAL OTHER LIABILITIES	9,675,794	12,829,419
COMMITMENTS AND CONTINGENCIES (Notes 8)	-	-
MINORITY INTEREST IN PARTNERSHIP	17,304	15,251
SHAREHOLDERS' EQUITY:		
Common stock-no par value; Authorized 2,000,000 shares; issued 1,999,512 shares	249,939	249,939
Additional paid-in capital	8,205,825	8,191,065
Retained earnings	27,952,115	26,562,597
Accumulated other comprehensive income	34,013,394	46,599,325
	70,421,273	81,602,926
Less-Common stock in treasury-at cost, 996,805 shares in 2002; 897,793 shares in 2001	26,260,363	22,382,737
TOTAL SHAREHOLDERS' EQUITY	44,160,910	59,220,189
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$69,615,705	89,097,487

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

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VULCAN INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
Three years ended December 31, 2002

	2002	2001	2000
REVENUES:			
Net sales	$ 9,005,932	8,372,813	9,065,403
Dividends and interest	2,298,876	2,287,609	2,180,839
TOTAL REVENUES	11,304,808	10,660,422	11,246,242
COST AND EXPENSES:			
Cost of sales	8,559,692	7,956,079	9,290,074
General and administrative	1,481,493	1,053,077	1,127,114
Environmental remediation costs	141,888	297,374	21,196
Interest expense	157,846	255,298	362,323
TOTAL COST AND EXPENSES	10,340,919	9,561,828	10,800,707
EQUITY IN JOINT VENTURE INCOME AND MINORITY INTEREST, NET	349,743	94,295	488,391

INCOME BEFORE GAIN ON DISPOSAL OF ASSETS	1,313,632	1,192,889	933,926
NET GAIN ON SALE OF PROPERTY, EQUIPMENT AND INVESTMENTS	1,282,149	2,422,723	940,803
INCOME BEFORE INCOME TAXES	2,595,781	3,615,612	1,874,729
INCOME TAX PROVISION	348,554	719,414	113,165
NET INCOME	2,247,227	2,896,198	1,761,564
Net Income Per Common Share Outstanding	$ 2.07	2.59	1.59

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

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VULCAN INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
Three years ended December 31, 2002

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income
Balance at January 1, 2000	$249,939	6,146,698	23,694,388	47,852,421
Add - Net income for the year			1,761,564	
Net unrealized gain on available-for-sale securities (net of taxes of $6,864,059)				13,324,327
Sale of treasury shares		1,598,404		
Deduct-Dividends declared $.80 per share			890,577	
Reclassification adjustment for gains included in net income (net of tax of $170,084)				330,162
Purchase of treasury shares				
Balance at December 31, 2000	249,939	7,745,102	24,565,375	60,846,586
Add-Net income for the year			2,896,198	
Net unrealized loss on available-for-sale securities (net of tax benefit of $6,832,881)				(13,261,183)
Sale of treasury shares		445,963		

Deduct-Dividends declared				
$.80 per share			898,976	
Reclassification adjustment for gains included in net income (net of tax of $507,980)				986,078
Purchase of treasury shares				
Balance at December 31, 2001	249,939	8,191,065	26,562,597	46,599,325
Add-Net income for the year			2,247,227	
Net unrealized loss on available-for-sale securities (net of tax benefit of $6,330,632)				(12,288,874)
Sale of treasury shares		14,760		
Deduct-Dividends declared				
$.80 per share			857,709	
Reclassification adjustment for gains included in net income (net of tax of $153,029)				297,057
Purchase of treasury shares				
Balance at December 31, 2002	$249,939	8,205,825	27,952,115	34,013,394

	Comprehensive Income (Loss)	Common Treasury Shares		Total Shareholders' Equity
		Shares	Amount	
Balance at January 1, 2000		892,907	19,806,431	58,137,015
Add-Net income for the year	1,761,564			1,761,564
Net unrealized gain on available-for-sale securities (net of taxes of $6,864,059)	13,324,327			13,324,327
Sale of treasury shares		(65,000)	(418,471)	2,016,875
Deduct-Dividends declared				
$.80 per share				890,577
Reclassification adjustment for gains included in net income (net of tax of $170,084)	330,162			330,162
Purchase of treasury shares		32,081	1,059,902	1,059,902
Balance at December 31, 2000	14,755,729	859,988	20,447,862	72,959,140

Add-Net income for the year	2,896,198			2,896,198
Net unrealized loss on available-for-sale securities (net of tax benefit of $6,832,881)	(13,261,183)			(13,261,183)
Sale of treasury shares		(16,500)	(169,006)	614,969
Deduct-Dividends declared $.80 per share				898,976
Reclassification adjustment for gains included in net income (net of tax of $507,980)	986,078			986,078
Purchase of treasury shares		54,305	2,103,881	2,103,881
Balance at December 31, 2001	(11,351,063)	897,793	22,382,737	59,220,189
Add-Net income for the year	2,247,227			2,247,227
Net unrealized loss on available-for-sale securities (net of tax benefit of $6,330,632)	(12,288,874)			(12,288,874)
Sale of treasury shares		(500)	(5,125)	19,885
Deduct-Dividends declared $.80 per share				857,709
Reclassification adjustment for gains included in net income (net of tax of $153,029)	297,057			297,057
Purchase of treasury shares		99,512	3,882,751	3,882,751
Balance at December 31, 2002	(10,338,704)	996,805	26,260,363	44,160,910

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

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VULCAN INTERNATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Three years ended December 31, 2002

	2002	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	$ 8,947,139	8,450,305	8,774,935
Cash paid to suppliers and employees	(10,352,525)	(8,621,019)	(10,545,516)
Dividends and interest received	2,298,876	2,287,609	2,180,839

Interest paid	(15,298)	(55,184)	(169,144)
Income taxes paid	(264,161)	(486,083)	(104,775)
NET CASH FLOWS FROM OPERATING ACTIVITIES	614,031	1,575,628	136,339
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of property and equipment	538,383	513,245	335,173
Proceeds from sale of marketable securities	767,548	1,896,981	811,106
Purchase of marketable securities	-	(152)	(69,838)
Purchase of property, plant and equipment	(404,602)	(139,259)	(224,878)
Cash distribution from joint venture	400,000	100,000	418,000
Collection on notes receivable	131,820	114,279	107,725
NET CASH FLOWS FROM INVESTING ACTIVITIES	1,433,149	2,485,094	1,377,288
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings under credit agreements	1,861,711	565,000	1,085,000
Principal payments under credit agreements	-	(2,265,000)	(1,195,000)
Proceeds from sale of treasury shares	19,885	2,127,220	466,875
Purchase of common shares	(3,882,751)	(2,103,882)	(1,059,902)
Cash dividends paid	(857,709)	(898,976)	(890,577)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(2,858,864)	(2,575,638)	(1,593,604)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(811,684)	1,485,084	(79,977)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,493,733	1,008,649	1,088,626
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,682,049	2,493,733	1,008,649

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	2002	2001	2000
RECONCILIATION OF NET INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 2,247,227	2,896,198	1,761,564
Adjustments:			
Depreciation and amortization	398,576	383,260	452,550
Deferred income tax	(14,082)	208,860	(11,435)
Equity in joint venture income and minority interest	(349,743)	(94,296)	(488,391)
Gain on sale of property, equipment and investments	(1,282,149)	(2,422,723)	(940,803)
Stock compensation programs	68,600	37,750	-
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(10,793)	101,494	(105,543)
(Increase) decrease in inventories	(346,228)	584,800	182,313

Increase in prepaid pension asset		(368,137)	(602,961)	(863,595)
Increase in accounts payable, accrued expenses and other assets, net		270,760	483,246	149,679
NET CASH FLOWS FROM OPERATING ACTIVITIES	$	614,031	1,575,628	136,339

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

VULCAN INTERNATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Three years ended December 31, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

It is the policy of the Company to employ U.S. generally accepted accounting principles in the preparation of its financial statements. A summary of the Company's significant accounting policies follows:

ACCOUNTING ESTIMATES-
The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

BASIS OF CONSOLIDATION-
The consolidated financial statements include the accounts of Vulcan International Corporation, its wholly-owned subsidiary companies and its majority-owned partnership. Intercompany accounts and transactions have been eliminated in consolidation.

MINORITY INTEREST-
Cincinnati Club Building Associates ("CCBA") was formed in 1993 for the purchase of certain commercial property in Cincinnati, Ohio. The Company's offices are located in a portion of the property with the remainder available for leasing. The Company's consolidated financial statements include 100% of the assets, liabilities and income, or loss, of CCBA. The minority owner's 2.5% interest in CCBA is reflected as a minority interest in partnership and a minority interest in (income) of partnership in the respective consolidated balance sheets and consolidated statements of income.

INVESTMENT IN JOINT VENTURE-
In June 1990, the Company formed a Joint Venture (the Vulcan Brunswick Bowling Pin Company) with Brunswick Bowling and Billiards Corporation to manufacture bowling pins. The Company, through a wholly-owned subsidiary, has an undivided 50% interest in the Joint Venture which is accounted for under the equity method of accounting. Under this method, the Company records the investment at its original cost adjusted for 50% of the Joint Venture's income or loss since formation less any distributions received from the Joint Venture.

MARKETABLE SECURITIES-
Marketable securities are classified as securities available-for-sale and, accordingly, are recorded at fair market value. Marketable securities available for current operations are classified as current assets while securities held for non-current uses are classified as long-term assets. Dividends and interest are recorded in income when earned. Unrealized holding gains and losses, net of deferred tax, are included as a component of shareholders' equity until realized. In computing realized gain or loss on the sale of marketable securities, the cost of securities sold is determined by the specific identification method.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

RECEIVABLES AND CREDIT POLICIES-
Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 to 90 days from the invoice date depending on the product purchased and the customer's creditworthiness. Certain customers purchasing bowling pins are granted, at the Company's discretion, fall dating terms. Fall dating is a standard industry practice in bowling pin sales whereby customers can purchase pins in the beginning of a calendar year and payment is required in three equal installments in October, November and December of that year.

Accounts receivable are stated at the amount billed to the customer plus any accrued and unpaid interest. Customer account balances with invoices dated over 90 days old are considered delinquent. The Company has the option of charging interest monthly on past due unpaid accounts receivable. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied as credits to the customer's accounts.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all accounts receivable balances that exceed 90 days from the invoice due date and, based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Additionally, management reviews the remaining accounts receivable and judgmentally estimates a general allowance covering those amounts, based on past experience and expected future economic conditions that might give rise to results that differ from past experience.

INVENTORIES-
Substantially all inventories are stated at cost under the last-in, first-out (LIFO) method, which is not in excess of market.

PROPERTY, PLANT AND EQUIPMENT-
Property, plant and equipment are stated at cost. The Company provides for depreciation over the estimated useful lives of the respective assets using both straight line and accelerated methods. Buildings and improvements are depreciated over 10 to 45 years, machinery and equipment over 3 to 11 years, and leasehold improvements are amortized over the lives of the leases. Timber depletion charges are based on the cost of timber cut.

DERIVIATIVE INSTRUMENTS-
The Company sold short-term option contracts on certain non-dividend paying securities owned by the Company in order to reduce the amount of investment in these securities. Option contracts are reported at their fair value as determined by quoted market prices. Gains and losses on the contracts are recorded in net gain on sale of property, equipment and investments in the statements of income.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INCOME TAXES-
Income tax provision (benefit) includes the tax effects of all revenue and expense transactions included in the determination of pretax accounting income. Deferred income tax results from temporary differences in the financial statement basis and tax basis of assets and liabilities. These temporary differences apply principally to depreciation expense, allowance for doubtful accounts, compensated absences and prepaid pension expense. Tax credits are recognized by a reduction of income tax expense in the periods the credits arise for tax purposes.

COMPREHENSIVE INCOME-
Other comprehensive income is reported in the statement of shareholders' equity. The Company includes unrealized gains, or losses, on its available-for-sale securities in comprehensive income and accumulated other comprehensive income.

RETIREMENT PLANS-
The Company maintains a noncontributory defined benefit pension plan for certain eligible salaried and hourly employees. Pension benefits are determined annually by consulting actuaries and are based on average compensation and years of service. Past service cost is amortized over periods not exceeding 30 years.

The Company also maintains a noncontributory defined contribution pension plan for certain eligible union employees. Contributions to the plan are based upon a participant's hours of service.

The qualified plans are funded annually to meet the minimum funding requirements of the Internal Revenue Code and the Employee Retirement Income Security Act of 1974.

SHIPPING AND HANDLING COSTS-
Shipping and handling costs are included in cost of sales.

ADVERTISING COSTS-
Advertising costs are generally expensed as incurred.

CASH EQUIVALENTS-
For purposes of the statement of cash flows, the Company considers all time deposits, certificates of deposit and other highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

NET INCOME PER SHARE-
Net income per share of common stock outstanding is computed on the basis of the weighted average number of common shares outstanding during each year.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

EFFECT OF RECENT ACCOUNTING STANDARDS-
Effective January 1, 2002 the Company adopted Statement of Financial Accounting Standards (SFAS) No. 142, Goodwill and Other Intangible Assets. SFAS No. 142 requires an entity to discontinue amortization of goodwill and evaluate goodwill for potential impairment annually. The adoption of this standard was not significant.

RECENT ACCOUNTING PRONOUNCEMENTS-
The Financial Accounting Standards Board has issued the following standards that the Company will adopt, if applicable, upon the effective dates; Statement No. 145, Rescission of FASB Statements 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections, effective May 15, 2002; Statement No. 146, Accounting for Costs Associated with Exit or Disposal Activities, effective January 1, 2003; Statement No. 147, Acquisitions of Certain Financial Institutions - an amendment of FASB Statements 72 and 144 and FASB Interpretation No. 9, effective October 1, 2002; Statement No. 148, Accounting for Stock-Based Compensation - Transition and Disclosure - an amendment of FASB Statement No. 123, effective January 1, 2004. The standards adopted during the current year have not had a significant impact and those to be adopted are not expected to have a significant impact on the Company's financial condition or results of operations.

NOTE 2 - MARKETABLE SECURITIES

The Company's investments in marketable securities have been classified as available-for-sale securities and reported at their fair value as determined by quoted market prices as follows:

	Cost	Unrealized Gains	Fair Value
2002			
Current	$ 3,695,066	26,542,857	30,237,923
Long-term	2,623,283	24,992,588	27,615,871
	$ 6,318,349	51,535,445	57,853,794
2001			
Current	$ 3,793,906	36,187,463	39,981,369
Long-term	2,623,283	34,417,575	37,040,858
	$ 6,417,189	70,605,038	77,022,227

VULCAN INTERNATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Three years ended December 31, 2002
(Continued)

NOTE 2 - MARKETABLE SECURITIES (Continued)

The unrealized holding gains are included, net of deferred income tax of $17,522,051 and $24,005,714 at December 31, 2002 and 2001, respectively, as a component of shareholders' equity.

	2002	2001
Realized gains from available-for-sale securities	$442,252	1,448,941
Gross proceeds from sale of available-for-sale securities	543,834	1,566,217
Net realized and unrealized gains from call option contracts	317,719	326,505
Gross proceeds from realized and unrealized gains from call option contracts	223,714	330,764

The Company's available-for-sale marketable securities, at fair market value, are invested as follows: 76% in two financial institutions, 23% in twelve communication and utility companies and 1% in other industries. The Company is subject to the risk that the value of these securities may decline from the recorded fair market values.

As of February 11, 2003, the fair value of marketable securities was approximately $55,442,000 and the net unrealized holding gain was approximately $32,495,000 net of deferred taxes of approximately $16,740,000. Realized gains on marketable securities through February 11, 2003, were $369,100 and gross proceeds on the sale of those securities were $480,000.

NOTE 3 - INVENTORIES

Inventories at December 31, 2002 and 2001, were classified as follows:

	2002	2001
Finished goods	$506,240	142,846
Work in process	33,983	64,853
Raw materials	162,295	148,591
Total	$702,518	356,290

VULCAN INTERNATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Three years ended December 31, 2002
(Continued)

NOTE 3 - INVENTORIES (Continued)

As indicated in Note 1, substantially all inventories are stated at cost determined under the last-in, first-out (LIFO) method. If valued at current replacement cost, inventories would have been approximately $853,000 and $917,000 greater than reported at December 31, 2002 and 2001, respectively.

In the years ended December 31, 2001 and 2000, inventory quantities were reduced. These reductions resulted in liquidations of LIFO inventory quantities carried at lower costs prevailing in prior years as compared with the cost of current purchases. The inventory reductions increased 2001 and 2000 net income by approximately $212,000 and $49,000, respectively, or $.19 and $.04 per weighted-average common share outstanding, respectively.

NOTE 4 - JOINT VENTURE

The Company, through a wholly-owned subsidiary, owns a 50% interest in a Joint Venture, Vulcan Brunswick Bowling Pin Company ("VBBPC") which manufactures bowling pins in Antigo, Wisconsin, for Brunswick and the Company.

Summarized financial information for VBBPC consists of the following:

	2002	2001
Assets:		
Current assets	$1,604,911	1,640,465
Property, plant and equipment	2,541,111	2,753,814
Other	2,800,851	2,832,384
Total	$6,946,873	7,226,663
Liabilities and Partners' Capital:		
Current liabilities	$ 225,174	248,750
Partners' capital	6,721,699	6,977,913
Total	$6,946,873	7,226,663

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Vulcan INTERNATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Three years ended December 31, 2002
(Continued)

NOTE 4 - JOINT VENTURE (Continued)

	2002	2001	2000

Statements of Operations:			
Net sales	$6,073,150	4,177,916	9,261,854
Costs and expenses	5,535,350	4,061,802	8,464,507
Other income-net	5,986	17,402	24,025
Net income	$ 543,786	133,516	821,372
Company's equity in net income of VBBPC	$ 271,893	66,758	410,686
Adjustments	79,902	31,724	77,842
Company's equity in net income	$ 351,795	98,482	488,528

The Company, under the equity method of accounting, increases its investment in VBBPC for its share of VBBPC's income and decreases its investment for any distributions received. Distributions in excess of the Company's recorded investment are included in current income.

The Company's 50% interest in the net assets of VBBPC amounted to $3,360,850 at December 31, 2002. There were no undistributed earnings from the Joint Venture included in the Company's retained earnings at December 31, 2002. The Company is also jointly and severally liable under VBBPC's revolving loan agreement. There were no borrowings under the loan agreement at December 31, 2002 or 2001. The Company adjusts its investment in VBBPC through its equity in VBBPC's net income which is further adjusted to reflect inventories on the last-in, first-out method of accounting.

Transactions between VBBPC and the Company consist of the following at December 31:

	2002	2001	2000
Purchases from VBBPC	$1,783,000	905,000	1,743,000
Administrative fees received from VBBPC	30,000	110,000	30,000
Net amount due to VBBPC	184,000	517,000	266,000
Cash distributions from VBBPC	400,000	100,000	418,000

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Vulcan INTERNATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Three years ended December 31, 2002
(Continued)

NOTE 5 - NOTES PAYABLE

The Company maintains a revolving credit agreement with its bank that provides for borrowings of up to $6,000,000 through November 1, 2003. Interest is payable monthly at the lesser of the federal funds rate plus 1.75% or a rate based on the Euro-Rate as determined by the bank in accordance with its usual procedures. Borrowings under the agreement were $1,861,711 at December 31, 2002 and were secured by certain marketable equity securities.

The weighted average interest rate was 3.14% and 6.73% for the respective years ended December 31, 2002 and 2001. The interest rate at December 31, 2002 was 2.67%. Marketable securities pledged as collateral under the agreement had a market value of approximately $20,466,000 at December 31, 2002.

The Company also maintains a revolving credit agreement, expiring October 31, 2003, with its bank that provides for additional short-term borrowings of up to $5,000,000 at the prime rate secured by certain real and personal property of the Company.

NOTE 6 - LEASES

The Company leases office space to various tenants under operating leases expiring from 2003 to 2008. The Company's basis in the property held for lease at December 31, 2002 and 2001 is as follows:

	2002	2001
Land	$ 37,803	37,803
Building and tenant improvements	770,249	770,249
	-------	-------
	808,052	808,052
Less accumulated depreciation and amortization	412,517	344,360
	-------	-------
	$395,535	463,692
	=======	=======

Vulcan INTERNATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Three years ended December 31, 2002
(Continued)

NOTE 6 - LEASES (Continued)

Minimum future rental income under noncancelable leases as of December 31, 2002, is as follows:

Year ending December 31,	
2003	$ 368,600
2004	227,600
2005	184,800
2006	190,400
2007	144,800
Thereafter	56,500

Total	$1,172,700
	=========

NOTE 7 - EMPLOYEE BENEFIT PLANS

The Company maintains a noncontributory defined benefit pension plan for certain eligible salaried and hourly employees. The funded status and net pension credit recognized in the accompanying consolidated financial statements consisted of:

NOTE 7 - EMPLOYEE BENEFITS PLANS (Continued)

	2002	2001
Change in projected benefit obligations:		
Benefit obligation - January 1,	$ 8,420,138	8,280,133
Service cost	37,417	39,933
Interest cost	520,407	531,402
Actuarial (gain) loss	(78,553)	221,892
Benefits paid	(670,651)	(653,222)
Projected benefit obligation - December 31,	8,228,758	8,420,138
Change in plan assets:		
Fair value of plan assets - January 1,	12,268,171	13,943,244
Actual return on plan assets	(1,465,489)	(1,021,851)
Benefits paid	(670,651)	(653,222)
Fair value of plan assets - December 31,	10,132,031	12,268,171
Funded status	1,903,273	3,848,033
Unrecognized prior service cost	20,597	41,193
Unrecognized net gain from actual experience different from that assumed	3,726,627	1,393,134
Prepaid pension expense - December 31,	$ 5,650,497	5,282,360

	2002	2001	2000
Components of net periodic benefit costs:			
Service cost	$ 37,417	39,933	48,600
Interest cost	519,854	530,243	520,756
Return on plan assets:			
Actual	1,465,489	1,021,851	1,068,086
Deferred	(2,411,494)	(2,109,756)	(2,460,752)
Amortization of prior service cost	20,597	45,767	90,716
Amortization of net transition asset	-	(130,998)	(131,001)

Periodic pension benefit	$ (368,137)	(602,960)	(863,595)
	=========	=========	=========

NOTE 7 - EMPLOYEE BENEFIT PLANS (Continued)

Significant actuarial assumptions used in the above computations include the following:

	2002	2001
Assumed discount rate	6.5%	6.5%
Expected long-term rate of return on plan assets	8.0%	8.0%
Rate of increase in future compensation levels	5.0%	5.0%
Average remaining service period	11 years	11 years

Pension plan assets are invested primarily in U.S. Government guaranteed debt securities and publicly-traded stocks and bonds. The vested actuarial present value of benefit obligations is based upon the participant's expected date of separation or retirement.

Company contributions to its defined contribution plan were $15,000 in 2002, $16,000 in 2001 and $20,000 in 2000.

The Company maintains a stock option plan that provides for the granting of options to certain key employees to purchase shares of treasury stock at such price as may be determined by the Board of Directors. If the employee voluntarily leaves the Company within two years of exercising a stock option, for reasons other than death or disability, the Company may, at its option, reacquire the employee's stock at the original exercise price within three months of the employee's termination.

In November 2001, the Company's Board of Directors ratified a December 1999 resolution of its executive committee making treasury shares available for purchase by directors, including directors of wholly-owned subsidiaries, at the lowest price for which a sale is made on the date of exercise up to a maximum of 25,000 shares per year. Shares purchased under this policy may not be transferred for a period of six months to anyone other than the Company, another director, or in the event of the death of the director, to the director's estate. The resolution provided for said policy to continue until rescinded by the Board of Directors. In 2002, one director purchased 500 shares and in 2001, two directors purchased a total of 16,500 shares, under this resolution.

In 1999, the Company's Stock Option Committee granted options, expiring in 2002, to purchase not more than 50,000 shares of treasury stock at $31 per share to the President of the Company. During 2000, the option to purchase all 50,000 shares was exercised.

NOTE 7 - EMPLOYEE BENEFIT PLANS (Continued)

In 2001, the Company's Stock Option Committee granted options, expiring in 2008 to purchase not more than 50,000 shares of treasury stock at $37.24 per share to the President of the Company. No options were exercised under this grant during 2001 or 2002.

In December 2002 and November 2001, the Compensation Committee awarded the President of the Company 2,000 shares and 1,000 shares of common stock, respectively, valued at $68,600 and $37,750, respectively, as additional compensation for his services.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

The Company has an interest in a partnership, CCBA, which owns certain real estate. On August 13, 1999 a complaint for money damages, in excess of $25,000, based upon breach of fiduciary duty was filed by the other partner in the Court of Common Pleas in Hamilton County, Ohio. Essentially, the plaintiff is seeking an adjustment of the capital account balances which would result in a higher distribution of cash flow to the plaintiff. On March 27, 2001, the plaintiff threatened to file an amended complaint that alleges damages of $1,062,000 and costs, plus punitive damages of $2,000,000 on various grounds. The Company believes that the suit is without merit and has been defending itself vigorously against the issues raised.

CCBA appealed a real estate tax assessment from 1999 that had increased the annual real estate tax by approximately $96,000 and was granted a revision. During 2001, the local school board appealed the revision and reduced its initial appraised value of the property. CCBA received a $96,000 refund of the additional tax paid in 1999. CCBA has recorded a liability of approximately $123,000 related to this issue based on the revised value asserted by the local school board. If CCBA is successful, this liability will be recognized as income when the final valuation is determined.

On March 1, 1990 the United States of America filed a complaint against the Company and others in the United States District Court for the District of Massachusetts claiming that the Company was a potentially responsible party with respect to the Re-Solve, Inc. Superfund Site in North Dartmouth, Massachusetts seeking to recover response costs incurred and to be incurred in the future in connection with this site.

Although the Company had engaged counsel to represent it in that action, the Company was first informed on March 28, 2001 that the Court had entered, pursuant to prior rulings, an unopposed "Final Judgment" against the Company on September 22, 1999. The "Final Judgment" awarded damages against the Company in favor of the United States in the amount of $3,465,438, plus interest, for unreimbursed response costs, plus any additional past unreimbursed response costs, interest and certain future costs the United States incurs at the site.

(Continued)

NOTE 8 - COMMITMENTS AND CONTINGENCIES (Continued)

The Company is presently continuing an investigation into this matter and is vigorously pursuing all available legal remedies to set aside all orders and liens relating to the asserted liability and to defend itself against the underlying allegations. Counsel for the Company is also vigorously pursuing settlement negotiations with counsel for the United States. Counsel for the Company and counsel for the United States have proposed a settlement for approximately $3,800,000 plus interest from November 1, 2002. This tentative settlement is subject to various approvals concerning which no prediction can be made. To the extent that the Company is able to settle this liability, or to obtain judicial relief, for an amount less than it has accrued, the difference will be recorded as income in the year the obligation is settled.

The Company has recorded an estimated liability of $3,495,000, net of $1,800,000 tax, for the judgment, accrued interest for past costs and a discounted present value for estimated future costs in connection with the site. This estimated liability was calculated based on the "Final Judgment" and using other information provided by the U.S. Environmental Protection Agency ("EPA"). The Company expensed $91,000, $151,000 and $140,000 after tax, for the years ended December 31, 2002, 2001 and 2000 respectively for accrued interest and amortization of estimated future costs related to this matter.

The liability for future costs is a significant estimate of the future costs and it is subject to change as actual costs are incurred and reported by the EPA.

There may be other potential clean-up liabilities at other sites of which the Company has no specific knowledge.

The Company is involved in other litigation matters and claims which are normal in the course of operations. Management believes that the resolution of these matters will not have a material effect on the Company's business or financial condition.

At December 31, 2002 approximately 45% of the Company's labor force was subject to collective bargaining agreements which expire in October 2005.

NOTE 9 - INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Alternative minimum tax credits may be carried forward indefinitely. In accordance with SFAS No. 109, a deferred tax liability of $158,000 is not recognized for undistributed earnings of a subsidiary arising before 1993. These earnings will be subject to tax when distributed. During 2001, the Company used a net operating loss carryforward of approximately $389,000.

Significant components of the Company's deferred tax liabilities and assets as of December 31 are as follows:

	2002	2001
Deferred tax liabilities:		
Excess tax depreciation	$ 82,741	57,023
Undistributed earnings of domestic subsidiary	201,949	195,943
Other	68,634	33,604
Prepaid pension expense	1,942,624	1,822,818
Unrealized holding gains	17,522,051	24,005,714
Total deferred tax liabilities	19,817,999	26,115,102
Deferred tax assets:		
Vacation accruals	34,303	33,677
Allowance for doubtful accounts	43,329	31,066
Investment in joint venture	42,563	42,563
Accrued other expenses	81,894	38,638
Environmental remediation liability	1,800,283	1,753,507
Alternative minimum tax credit and general business credit carryforward	1,040,968	943,248
Total deferred tax assets	3,043,340	2,842,699
Net deferred tax liabilities	$16,774,659	23,272,403

NOTE 9 - INCOME TAXES (Continued)

Significant components of the income tax provision are as follows:

	2002	2001	2000
Current	$362,636	510,554	124,600
Deferred	(14,082)	208,860	(11,435)
Income tax expense	$348,554	719,414	113,165

A reconciliation of income tax at the federal statutory rate of 34% to the income tax provision follows:

	2002	2001	2000
Income taxes from continuing operations at federal statutory rate	$882,566	1,229,308	637,408
Increase (reduction) in taxes resulting from:			
Domestic corporation dividend received deduction	(531,650)	(520,603)	(495,751)
Amortization	-	-	16,386
Stock options	-	-	(42,500)
Other-net	(2,362)	10,709	(2,378)
Income tax	$348,554	719,414	113,165

NOTE 10 - FINANCIAL INSTRUMENTS

The carrying amounts of cash, accounts receivable, notes receivable and current liabilities approximate fair value. The fair value of marketable securities and unexpired option contracts was determined based on quoted market prices. The Company's trade account receivables that were ninety days or more past due amounted to $86,000 and $96,000 at December 31, 2002 and 2001, respectively.

Financial instruments which potentially subject the Company to concentrations of credit risk are cash investments which may, at times, exceed federally insured limits, notes receivable and marketable securities. The Company places its cash investments with high-credit-quality financial institutions. The borrower's credit worthiness has been evaluated in connection with the note receivable. The Company does not believe significant concentration of credit risk exists with respect to these financial instruments. Concentrations in marketable securities are as disclosed in Note 2.

NOTE 11 - BUSINESS SEGMENTS

The Company's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. The Company has three reportable segments: rubber and foam, bowling pins, and real estate operations. The rubber and foam segment produces foam products, uncured rubber and other rubber products. Operations in the bowling pin segment involve the sale of bowling pins and production of bowling pins through its 50% owned joint venture. The real estate operations segment consists of rental real estate and undeveloped real estate from which income is currently derived from the sale of timber. Total revenue by segment includes both sales to unaffiliated customers, as reported in the Company's consolidated income statement, and intersegment sales which are accounted for generally at current market prices.

The Company sells its products principally within the United States. Sales in various foreign countries totaled $203,345 in 2002, $376,266 in 2001 and $544,365 in 2000. The Company does not have assets located outside the United States.

Operating profit is total revenue less operating expenses. In computing operating profit, the following items have not been added or deducted: general corporate expenses, interest expense, federal and state income taxes, dividend and interest income and nonrecurring gains or losses realized on the sale of property, equipment and marketable securities. Revenue from timber sales is reported in the consolidated statement of income under gains on sale of property, equipment and investments.

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VULCAN INTERNATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Three years ended December 31, 2002
(Continued)

NOTE 11 - BUSINESS SEGMENTS (Continued)

Identifiable assets are reported for the Company's operations in each segment. Corporate assets consist principally of cash, marketable securities, notes receivable and prepaid pension expense. To reconcile industry information with consolidated amounts, intersegment sales of $192,114 in 2002, $354,631 in 2001 and $523,734 in 2000 have been eliminated.

More than ten percent of aggregate revenues were derived from certain customers. The rubber and foam segment had sales to one customer amounting to $914,000 and $841,000 in 2002 and 2001, respectively and sales to a second customer amounting to $1,010,000 in 2002.

Information relative to the major segments of the Company's operations follows:

	2002	2001	2000
SALES TO UNAFFILIATED CUSTOMERS:			
Rubber and Foam	$ 6,522,678	6,129,434	6,844,877
Bowling Pins	1,995,694	1,783,318	1,716,428
Real Estate Operations	920,617	870,806	837,617
	$ 9,438,989	8,783,558	9,398,922
INTERSEGMENT SALES:			
Rubber and Foam	$ 65,423	144,422	108,826
Bowling Pins	126,691	210,208	414,908
	$ 192,114	354,630	523,734
INTEREST INCOME:			
Bowling Pins	$ 10,747	25,641	38,267
Bowling Pins - Intercompany	4,959	4,959	4,959
Real Estate Operations	18,594	18,162	11,096
Corporate	35,711	51,157	42,231
	$ 70,011	99,919	96,553
OPERATING PROFIT(LOSS):			

	2002	2001	2000
Rubber and Foam	$ (657,039)	(892,131)	(1,292,120)
Bowling Pins	347,330	140,009	286,521
Real Estate Operations	324,794	516,824	287,927
SUBTOTAL	15,085	(235,298)	(717,672)
GENERAL CORPORATE INCOME	2,743,501	4,111,167	2,959,683
INTEREST EXPENSE - INTERCOMPANY	(4,959)	(4,959)	(4,959)
INTEREST EXPENSE - OTHER	(157,846)	(255,298)	(362,323)
INCOME BEFORE INCOME TAXES	2,595,781	3,615,612	1,874,729

NOTE 11 - BUSINESS SEGMENTS (Continued)

	2002	2001	2000
INCOME TAX PROVISION	348,554	719,414	113,165
NET INCOME	$ 2,247,227	2,896,198	1,761,564
DEPRECIATION AND AMORTIZATION:			
Rubber and Foam	$ 250,270	260,164	304,683
Bowling Pins	302	424	594
Real Estate Operations	78,986	80,564	96,804
Corporate and Other	69,018	42,108	50,469
	$ 398,576	383,260	452,550
IDENTIFIABLE ASSETS:			
Rubber and Foam	$ 2,335,395	2,395,488	4,371,872
Bowling Pins	1,619,351	1,441,660	1,929,508
Real Estate Operations	1,247,906	1,197,515	1,015,855
Corporate and Other	64,413,053	84,062,824	103,826,723
	$ 69,615,705	89,097,487	111,143,958
CAPITAL EXPENDITURES:			
Rubber and Foam	$ 229,322	112,767	126,936
Real Estate Operations	7,749	19,775	92,922
	$ 237,071	132,542	219,858
EQUITY IN JOINT VENTURE INCOME INCLUDED IN BOWLING PIN SEGMENT OPERATING INCOME	$ 351,795	98,481	488,528
INVESTMENT IN JOINT VENTURE INCLUDED IN BOWLING PIN SEGMENT ASSETS	$ 20,805	69,010	70,528
REVENUES:			
Total revenues for reportable segments	$ 9,438,989	8,783,558	9,398,922
Timber sales included in gain			

on disposal of assets on consolidated income statement	(433,057)	(410,745)	(333,519)
TOTAL CONSOLIDATED REVENUES	$ 9,005,932	8,372,813	9,065,403

VULCAN INTERNATIONAL CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Three years ended December 31, 2002
(Continued)

NOTE 12 - COMPUTATION OF NET INCOME AND CASH DIVIDENDS PER COMMON SHARE OUTSTANDING:

	2002	2001	2000
a) Net income	$2,247,227	2,896,198	1,761,564
b) Dividends on common shares	$ 857,709	898,976	890,577
Weighted average shares:			
c) Common shares issued	1,999,512	1,999,512	1,999,512
d) Common treasury shares	915,370	879,934	888,213
e) Common shares outstanding	1,084,142	1,119,578	1,111,299
f) Net income per common share outstanding (a/e)	$ 2.07	2.59	1.59
g) Dividends paid per common share	$ .80	.80	.80

VULCAN INTERNATIONAL CORPORATION
Five-Year Record
Selected Financial Data

	2002	2001	2000	1999	1998
Net revenues - continuing operations	$11,304,808	10,660,422	11,246,242	10,919,627	10,582,060
Income (loss)from continuing operations before taxes	2,595,781	3,615,612	1,874,729	(2,718,674)	1,664,416
Income taxes					

(benefit)	348,554	719,414	113,165	(1,317,658)	279,537
Net income (loss) from continuing operations	2,247,227	2,896,198	1,761,564	(1,401,016)	1,384,879
Income (loss) from disposed operations, net of tax	-	-	-	(63,056)	69,637
Gain on sale of disposed operations, net of tax	-	-	-	988,845	-
Net income (loss)	2,247,227	2,896,198	1,761,564	(475,227)	1,454,516
Income (loss) per common share:					
Continuing operations	2.07	2.59	1.59	(1.25)	1.17
Discontinued operations	-	-	-	(0.06)	0.06
Gain on disposal of discontinued operations	-	-	-	0.88	-
Net income (loss)	2.07	2.59	1.59	(0.43)	1.23
Dividends per common share	.80	.80	.80	.80	.80
Property, plant and equipment (net)	2,102,781	2,117,476	2,369,216	2,618,649	2,798,825
Depreciation	395,258	381,079	447,401	488,591	513,045
Current assets	34,104,485	44,333,695	55,493,494	53,278,872	53,506,019
Ratio current assets to current liabilities	2.16 to 1	2.60 to 1	2.54 to 1	2.48 to 1	2.99 to 1

VULCAN INTERNATIONAL CORPORATION
Five-Year Record
Selected Financial Data
(Continued)

	2002	2001	2000	1999	1998
Total assets	69,615,705	89,097,487	111,143,958	89,536,796	95,011,738
Long-term debt	-	-	-	-	-
Accumulated other comprehensive income	34,013,394	46,599,325	60,846,586	47,852,421	52,506,224
Total share-holders' equity	44,160,910	59,220,189	72,959,140	58,137,015	65,295,924
Book value per common share	44.04	53.75	64.03	52.54	57.46

Selected Quarterly Financial Data

	TOTAL REVENUES	GROSS PROFIT LOSS	NET INCOME	NET INCOME PER SHARE
2002				
First Quarter	$ 2,938,337	226,782	641,303	0.58
Second Quarter	2,788,179	193,380	434,633	0.40
Third Quarter	2,870,541	142,587	412,802	0.38
Fourth Quarter	2,707,751	(116,509)	758,489	0.71
Total	$11,304,808	446,240	2,247,227	2.07
2001				
First Quarter	$ 2,726,171	(62,787)	699,137	0.62
Second Quarter	2,740,765	237,548	1,021,566	0.90
Third Quarter	2,411,550	44,538	274,589	0.25
Fourth Quarter	2,781,936	197,435	900,906	0.82
Total	$10,660,422	416,734	2,896,198	2.59

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Directors

Ricardo DeFelice	Leonard Aconsky
John Gabriel	Vernon E. Bachman
Benjamin Gettler	John Gabriel
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AUDITORS
J.D. Cloud & Co. L.L.P.
Cincinnati, Ohio

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Exhibit 21

VULCAN INTERNATIONAL CORPORATION

SUBSIDIARIES OF THE REGISTRANT

At December 31, 2001

NAME OF CORPORATION	STATE OF INCORPORATION	PERCENTAGE OF OWNERSHIP
Vulcan International Corporation	Delaware	Parent
Vulcan Corporation	Tennessee	100%
Vulcan Blanchester Realty Co.	Ohio	100%
Southern Heel Company	Tennessee	100%
ACI International, Inc.	Delaware	100%
Vulcan Bowling Pin Company	Tennessee	100%
Cincinnati Club Building Associates (Partnership)	Ohio	97.51%

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EXHIBIT 99.1

INDEPENDENT AUDITORS' REPORT ON SCHEDULE

To the Board of Directors
Vulcan International Corporation
Wilmington, Delaware

We have audited the consolidated financial statements of Vulcan International Corporation and subsidiaries as of December 31, 2002 and 2001, and for each of the three years in the period ended December 31, 2002, and have issued our report thereon dated February 11, 2003, such consolidated financial statements and report are included in Part IV, Item 14(a)1 of this Form 10-K and the 2002 Annual Report to Shareholders and are incorporated herein by reference. Our audit also included the financial statement schedule of Vulcan International Corporation and subsidiaries listed in Part IV, Item 14(a)2. The financial statement schedule is the responsibility of the Company'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 therein set forth.

/s/ J.D. CLOUD & CO. L.L.P.

Certified Public Accountants

Cincinnati, Ohio
February 11, 2003

EXHIBIT 99.2

Schedule II

VULCAN INTERNATIONAL CORPORATION AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS

	2002	2001	2000
The following reserve is deducted in the balance sheet from the asset to which it applies			
Reserve for Doubtful Accounts Receivable:			
Balance at Beginning of Period	$ 91,367	152,974	158,844

Additions:			
(1) Charged to costs and expenses	48,000	24,000	188,829
(2) Charged to Other Accounts	-	-	-
Deductions:			
Write off of bad debts	11,932	85,607	194,699
Balance at End of Period	$127,435	91,367	152,974

EXHIBIT 99.3

VULCAN-BRUNSWICK BOWLING PIN COMPANY

FINANCIAL STATEMENTS

For the year ended December 31, 2002

J.D. CLOUD & CO. L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
CINCINNATI, OHIO

INDEPENDENT AUDITORS' REPORT

To the Partners
Vulcan-Brunswick Bowling Pin Company
Antigo, Wisconsin

We have audited the accompanying balance sheets of Vulcan-Brunswick Bowling Pin Company as of December 31, 2002 and 2001, and the related statements of income, partners' capital, and cash flows for the years and periods then ended. These financial statements are the responsibility of the Joint Venture's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Vulcan-Brunswick Bowling Pin Company at December 31, 2002 and 2001, and the results of its operations and its cash flows for the years and periods then ended, in conformity with U.S. generally accepted accounting principles.

/s/ J.D. CLOUD & CO. L.L.P.

Certified Public Accountants

Cincinnati, Ohio
February 1, 2003

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VULCAN-BRUNSWICK BOWLING PIN COMPANY
BALANCE SHEETS
At December 31, 2002 and 2001

- ASSETS -	2002	2001
CURRENT ASSETS:		
Cash	$ 828,541	174,004
Accounts receivable	224,775	870,982
Inventories	506,351	595,479
Prepaid expense	45,244	-
TOTAL CURRENT ASSETS	1,604,911	1,640,465
PROPERTY, PLANT AND EQUIPMENT:		
Land	72,251	72,251
Buildings and improvements	4,052,569	4,041,403
Machinery and equipment	5,027,060	4,985,292

Total	9,151,880	9,098,946
Less - Accumulated depreciation	6,610,769	6,345,132
NET PROPERTY, PLANT AND EQUIPMENT	2,541,111	2,753,814
OTHER ASSETS:		
Product development costs and other intangibles	2,674,640	2,674,640
Prepaid pension expense	126,211	157,744
TOTAL OTHER ASSETS	2,800,851	2,832,384
TOTAL ASSETS	$6,946,873	7,226,663
- LIABILITIES AND PARTNERS' CAPITAL -		
CURRENT LIABILITIES:		
Accounts payable	$ 21,302	86,012
Accrued expenses -		
Salaries and wages	91,634	72,374
Taxes and other	112,238	90,364
TOTAL CURRENT LIABILITIES	225,174	248,750
PARTNERS' CAPITAL	6,721,699	6,977,913
TOTAL LIABILITIES AND PARTNERS' CAPITAL	$6,946,873	7,226,663

The accompanying notes to financial statements are an integral part of this statement.

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VULCAN-BRUNSWICK BOWLING PIN COMPANY
STATEMENTS OF INCOME
For the years ended December 31, 2002 and 2001

	2002	Four months Ended April 27, 2001	Eight Months Ended December 31, 2001	Total 2001
NET SALES	$6,073,150	1,704,530	2,473,386	4,177,916
COST AND EXPENSES:				
Cost of sales	5,505,350	1,566,553	2,385,249	3,951,802
Administrative	30,000	10,000	100,000	110,000
TOTAL COST AND EXPENSES	5,535,350	1,576,553	2,485,249	4,061,802
INCOME FROM OPERATIONS	537,800	127,977	(11,863)	116,114
OTHER INCOME - NET	5,986	5,539	11,863	17,402

NET INCOME	$ 543,786	133,516	-	133,516

The accompanying notes to financial statements are an integral part of this statement.

VULCAN-BRUNSWICK BOWLING PIN COMPANY
STATEMENTS OF PARTNERS' CAPITAL
For the years ended December 31, 2002 and 2001

	VULCAN BOWLING PIN COMPANY	BRUNSWICK BOWLING PIN CORPORATION	TOTAL PARTNERS' CAPITAL
BALANCE - JANUARY 1, 2001	$3,522,198	3,522,199	7,044,397
Add - Net income	66,758	66,758	133,516
Less - Distributions	(100,000)	(100,000)	(200,000)
BALANCE - DECEMBER 31, 2001	3,488,956	3,488,957	6,977,913
Add - Net income	271,893	271,893	543,786
Less - Distributions	(400,000)	(400,000)	(800,000)
BALANCE - DECEMBER 31, 2002	$3,360,849	3,360,850	6,721,699

The accompanying notes to financial statements are an integral part of this statement.

VULCAN-BRUNSWICK BOWLING PIN COMPANY
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2002 and 2001

	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 6,719,357	3,842,505
Cash paid to suppliers and employees	(5,217,872)	(3,577,741)
Interest received	5,986	17,402
NET CASH FLOWS FROM OPERATING ACTIVITIES	1,507,471	282,166

CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(52,934)	(24,281)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash distribution to partners	(800,000)	(200,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	654,537	57,885
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	174,004	116,119
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 828,541	174,004
RECONCILIATION OF NET INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 543,786	133,516
Depreciation	265,638	306,623
Amortization	-	93,888
(Increase) decrease in accounts receivable	646,207	(335,411)
Decrease in inventories	89,128	90,190
(Increase) decrease in prepaid expenses and other	(13,711)	24,493
(Decrease) in accounts payable and accrued expenses	(23,577)	(31,133)
NET CASH FLOWS FROM OPERATING ACTIVITIES	$1,507,471	282,166

The accompanying notes to financial statements are an integral part of this statement.

VULCAN-BRUNSWICK BOWLING PIN COMPANY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Joint Venture is a Delaware general partnership formed for the purpose of manufacturing bowling pins for its partners.

It is the policy of the Joint Venture to employ U.S. generally accepted accounting principles in the preparation of its financial statements. A summary of the Joint Venture's significant accounting policies follows:

ACCOUNTING ESTIMATES-
The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

JOINT VENTURE-
Vulcan Bowling Pin Company (Vulcan) and Brunswick Bowling and Billiards

Corporation (Brunswick) have an agreement to manufacture all the bowling pins sold by each of the partners. Under the agreement, Vulcan contributed bowling pin manufacturing assets and Brunswick contributed cash and certain of its bowling pin manufacturing assets to the Joint Venture. Each partner received an undivided 50% interest in the Joint Venture's assets, liabilities, revenues and expenses in exchange for their capital contribution.

RECEIVABLES AND CREDIT POLICIES-
Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. As substantially all sales are to the Joint Venture partners and are generally paid within 30 days of the invoice date, management does not believe an allowance for uncollectible accounts is necessary.

Accounts receivable are stated at the amount billed to the customer. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are credited to the customer's account.

INVENTORIES-
Inventories are stated at the lower of cost (first-in, first-out) or market.

PROPERTY, PLANT AND EQUIPMENT-
Property, plant and equipment are stated at cost. Depreciation is provided in amounts to relate the cost of depreciable assets to operations over their estimated useful lives using straight-line and accelerated methods over 15 to 39 years for buildings and improvements and 3 to 7 years for machinery and equipment.

VULCAN-BRUNSWICK BOWLING PIN COMPANY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INTANGIBLES-
Product development costs and other intangible assets consist principally of manufacturing technology and represent the fair market value assigned to such assets net of accumulated amortization through December 31, 2001 of $1,075,732.

Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 142, Goodwill and Other Intangible Assets. In accordance with this statement, amortization of the existing intangible assets was discontinued. The Company evaluates the product development costs for potential impairment annually. There was no impairment of intangibles for the year ended December 31, 2002. Amortization expense was $93,888 for the year ended December 31, 2001.

INCOME TAXES-
No provision for federal or state income tax is provided in the accompanying financial statements since the partners are required to report their proportionate share of the Joint Venture's income or loss on their respective tax returns in accordance with the Internal Revenue Code and applicable state law.

RETIREMENT PLAN-
The Joint Venture maintains a defined benefit pension plan covering substantially all union employees. Pension benefits are determined annually by consulting actuaries and are generally based on a fixed amount for each year of service. The qualified plan is funded in accordance with the collective bargaining agreement and to meet the funding requirements of the Internal Revenue Code and the Employee Retirement Income Security Act of 1974.

CASH EQUIVALENTS-
For purposes of the statement of cash flows, the Joint Venture considers all time deposits, certificates of deposit and other highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

NOTE 2 - INVENTORIES

Inventories at December 31, 2002 and 2001 consisted of:

	2002	2001
Finished goods	$ 70,588	138,209
Raw materials	158,344	206,032
Work in process	248,563	237,014
Supplies	28,856	14,224
Total	$506,351	595,479

VULCAN-BRUNSWICK BOWLING PIN COMPANY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002
(Continued)

NOTE 3 - NOTE PAYABLE

The Joint Venture maintains a revolving credit agreement with its bank that provides for borrowings of up to $500,000 at the prime rate. Borrowings under the credit agreement are guaranteed by the Joint Venture's partners and are secured by a pledge of the general assets of the Joint Venture. There were no borrowings at December 31, 2002 and 2001.

NOTE 4 - RETIREMENT PLAN

The Joint Venture maintains a defined benefit pension plan covering substantially all union employees. The funded status and net periodic benefit cost recognized in the accompanying financial statements consisted of:

	2002	2001
Change in benefit obligations:		
Benefit obligation - January 1,	$ 288,768	380,438
Service cost	10,393	12,822
Interest cost	22,106	29,261
Actuarial (gain) loss	56,049	34,836

Settlements paid	(31,429)	(168,589)
Benefits paid	(4,726)	-
Benefit obligation December 31,	341,161	288,768
Change in plan assets:		
Fair value of plan assets - January 1,	320,721	458,384
Actual return on plan assets	16,096	20,343
Employer contributions	16,013	10,583
Settlements paid	(31,429)	(168,589)
Benefits paid	(4,726)	-
Fair value of plan assets - December 31,	316,675	320,721
Funded status	(24,486)	31,953
Unrecognized net loss	125,363	97,524
Unrecognized prior service cost	22,395	24,860
Unrecognized net transition obligation	2,939	3,407
Prepaid pension expense - December 31,	$ 126,211	157,744

VULCAN-BRUNSWICK BOWLING PIN COMPANY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002
(Continued)

NOTE 4 - RETIREMENT PLAN (Continued)

	2002	2001
Components of net periodic benefit costs:		
Service cost	$ 35,514	12,822
Interest cost	22,106	29,261
Return on plan assets:		
Actual	(16,096)	(20,343)
Deferred	(8,823)	(15,599)
Recognition of previously unrecognized gain	8,691	17,146
Amortization of unrecognized net transition obligation	468	468
Amortization of prior service cost	2,465	2,465
Amortization of unrecognized net loss	3,222	2,556
Periodic benefit cost	$ 47,547	28,776

Pension plan assets are invested primarily in group annuity contracts valued at contract value. Significant actuarial assumptions used in the above computations include the following:

	2002	2001

Assumed discount rate	6.75%	7.50%
Expected long-term rate of return on plan assets	7.75%	7.75%
Average remaining service period	18 years	18 years

NOTE 5 - RELATED PARTY TRANSACTIONS

The Joint Venture had 2002 and 2001 sales to Vulcan of approximately $1,783,000 and $905,000, respectively, and 2002 and 2001 sales to Brunswick of approximately $4,109,000 and $3,016,000, respectively. For the period from April 30, 2001 through December 31, 2001, Vulcan was solely responsible for the operations of the Joint Venture.

By agreement, the Joint Venture produced pins for Brunswick at an agreed-upon selling price in 2001. In addition, in 2001 Brunswick contributed $256,900, included in sales in the statement of income, for its agreed portion of the 2001 operating expenses. The price paid for pins by Vulcan in 2001 was based on the remaining operating costs and expenses, resulting in no income or loss for the period April 30 through December 31, 2001.

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VULCAN-BRUNSWICK BOWLING PIN COMPANY
NOTES TO FINANCIAL STATEMENTS
December 31, 2002
(Continued)

NOTE 5 - RELATED PARTY TRANSACTIONS (Continued)

As indicated by the statement of income, the Joint Venture had net income of $133,516 for the period January 1 through April 30, 2001. As a result of the agreement, there was no income for the period April 30 through December 31, 2001.

The Joint Venture paid accounting and administrative fees of $30,000 and $110,000 to Vulcan in 2002 and 2001, respectively.

Accounts receivable from Brunswick amounted to $26,000 and $324,000 at December 31, 2002 and 2001, respectively. Accounts receivable from Vulcan amounted to $184,000 and $517,000 at December 31, 2002 and 2001, respectively.

NOTE 6 - RISKS AND UNCERTAINTIES

The Joint Venture is involved in various claims and legal proceedings involving matters incidental to its business. Management believes that the resolution of these matters will not have a material effect on the Joint Venture's business or financial condition.

The Joint Venture currently purchases all its bowling pin bases from one manufacturer. Any disruption in the supply of the bowling pin bases could cause a delay in manufacturing which could negatively affect operating results.

At December 31, 2002 approximately 80% of the Joint Venture's workforce was subject to a collective bargaining agreement that expires in 2006.

Financial instruments which potentially subject the Joint Venture to concentrations of credit risk are cash investments which may, at times, exceed federally-insured limits. Management places the Joint Venture's cash investments with high-quality financial institutions. Management believes no significant concentration of credit risk exists with respect to these cash investments.

Exhibit 99.4

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Vulcan International Corporation (the "Company") on Form 10-K for the period ending December 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), ,I, Benjamin Gettler, Chairman of the Board and Chief Executive Office of the Company and Vernon E. Bachman, Principal Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) and 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Benjamin Gettler	/s/ Vernon E. Bachman
Benjamin Gettler	Vernon E. Bachman
Chairman of the Board and	Prinicpal Financial Officer
Chief Executive Officer	March 28, 2003
March 28,2003	

SIGNATURES

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

VULCAN INTERNATIONAL CORPORATION

/s/ Benjamin Gettler

By: Benjamin Gettler
Chairman of the Board,
President and Chief Executive Officer

/s/ Vernon E. Bachman

By: Vernon E. Bachman
Vice President, Secretary-Treasurer
Principal Accounting Officer

Date: March 28, 2003

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 and in the capacities and on the dates indicated:

/s/ Benjamin Gettler

By: Benjamin Gettler
(Director)

/s/ Leonard Aconsky

By: Leonard Aconsky
(Director)

/s/ Stanley I. Rafalo

By: Stanley I. Rafalo
(Director)

CERTIFICATIONS

In connection with the Annual Report of Vulcan International Corporation on Form 10-K for the period ending December 31, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Benjamin Gettler, Chairman of the Board and Chief Executive Officer of Vulcan International Corporation, certify, that:

(1) I have reviewed this annual report on Form 10-K of Vulcan International Corporation;

(2) Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

(3) Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all

material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this annual report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures, as defined in Exchange Act Rules 13a-14 and 15d-14, for the registrant and have:

a. Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the annual report is being prepared;

b. Evaluated the effectiveness of the registrant's disclosure control and procedures as of a date within 90 days prior to the filing date of this annual report (the Evaluation Date); and

c. Presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date.

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors:

a. All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize, and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

(6)
The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ Benjamin Gettler

Benjamin Gettler
Chairman of the Board and
Chief Executive Officer
March 28,2003

CERTIFICATIONS

In connection with the Annual Report of Vulcan International Corporation on Form 10-K for the period ending December 31, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Vernon E. Bachman, Vice President and Secretary-Treasurer of Vulcan International Corporation, certify, that:

(1) I have reviewed this annual report on Form 10-K of Vulcan International Corporation;

(2) Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

(3) Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this annual report;

(4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures, as defined in Exchange Act Rules 13a-14 and 15d-14, for the registrant and have:

a. Designed such disclosure controls and procedures to ensure that material information relating to the registrant, including consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the annual report is being prepared;

b. Evaluated the effectiveness of the registrant's disclosure control and procedures as of a date within 90 days prior to the filing date of this annual report (the Evaluation Date); and

c. Presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date.

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors:

a. All significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize, and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

(6)
The registrant's other certifying officer and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ Vernon E. Bachman

Vernon E. Bachman
Vice President and
Secretary-Treasurer
March 28,2003