Hays Sara L
Form 4
January 04, 2011

FORM 4

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

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Hays Sara L

(Last) (First) (Middle)

2131 WEST SHAKESPEARE AVENUE

(Street)

CHICAGO, IL 60647

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
APOGEE ENTERPRISES INC [APOG]

3. Date of Earliest Transaction (Month/Day/Year)
12/31/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director
_____ 10% Owner
_____ Officer (give title below)
_____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities	8. Price of Derivativ

Security (Instr. 3)	or Exercise Price of Derivative Security		any (Month/Day/Year)	Code (Instr. 8)		Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		(Month/Day/Year)		(Instr. 3 and 4)		Security (Instr. 5)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Phantom Stock Units (1)	$ 0 (2)	12/31/2010		A (3)		117		(1)	(1)	Common Stock	117	$ 13.4

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Hays Sara L 2131 WEST SHAKESPEARE AVENUE CHICAGO, IL 60647	X			

Signatures

/s/ Patricia A. Beithon, Attorney-in-Fact for Sara L. Hays	01/03/2011
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The phantom stock units were allocated under the Deferred Compensation Plan for Non-Employee Directors. The units of phantom stock will be settled in shares of common stock following the director's termination from the Board in accordance with the election of the reporting person, or following the occurrence of other events specified in the Plan.

(2) Settled 1-for-1.

(3) Units acquired pursuant to a dividend equivalent reinvestment feature of the Deferred Compensation Plan for Non-Employee Directors.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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Pursuant to the Joint Plan, a claims resolution trust (the “Trust”) was established prior to the Joint Plan Effective Date. As contemplated by the Joint Plan, the Trust was funded with cash contributions by GST LLC and Garrison and by OldCo and by the contribution OldCo of and an option (the “Option”), exercisable one year after the Joint Plan Effective Date, permitting the Trust to purchase for $1 shares of EnPro common stock having a value of $20 million (which included the right of OldCo to call the Option for payment of $20 million), and by the obligations under the Joint Plan of OldCo and of GST LLC and Garrison to make specified deferred contribution in cash no later than one year after the Joint Plan Effective Date.

On November 29, 2017, GST LLC, EnPro Holdings and EnPro entered into an agreement with the Trust to provide for the early settlement of the deferred contributions to the Trust under the Joint Plan and for the call of the Option by EnPro Holdings, as the successor by merger to OldCo. Under that agreement, in full satisfaction of the deferred cash contribution obligations under the Joint Plan and payment of the $20 million call payment under the Option, on December 1, 2017 GST LLC, EnPro Holdings and EnPro paid $78.8 million (the “Early Cash Settlement Amount”) to the Trust and agreed to make a further payment to the Trust to the extent that total interest earned through July 31, 2018, with respect to a fixed income account in which the Early Cash Settlement Amount was invested by the Trust is less than $1.2 million. In a final settlement of amounts owed to the Trust, a further payment of approximately $0.5 million was made in August 2018.

The Consensual Settlement included as a condition to our obligations to proceed with the settlement that EnPro, Coltec, GST and Garlock of Canada Ltd (an indirect subsidiary of GST LLC) enter into a written agreement, to be consummated concurrently with the consummation of the Joint Plan on the Joint Plan Effective Date, with the Provincial Boards resolving remedies the Provincial Boards may possess against Garlock of Canada Ltd, GST, Coltec or any of their affiliates, including releases and covenants not to sue, for any present or future asbestos-related claim, and that the agreement is either approved by the Bankruptcy Court following notice to interested parties or the Bankruptcy Court concludes that its approval is not required. On November 11, 2016, we entered into such an agreement (the “Canadian Settlement”) with the Provincial Boards to resolve current and future claims against EnPro, GST, Garrison, Coltec, and Garlock of Canada Ltd for recovery of a portion of amounts the Provincial Boards have paid and will pay in the future under asbestos-injury recovery statutes in Canada for claims relating to asbestos-containing products. The Canadian Settlement provided for a cash settlement payment to the Provincial Boards on the fourth anniversary of the effective date of the Joint Plan, with the provincial Boards having the option of accelerating the payment discounted rate of 4.5% per annum. Prior to the Joint Plan Effective Date, the Provincial Boards provided notice of their election to accelerate the payment. After application of the discount resulting from such acceleration of payment, the settlement payment of approximately $16.7 million (U.S.) was made to the Provincial Boards on August 11, 2017.

In light of the Consensual Settlement and the Canadian Settlement, in 2016 GST revised its estimate of the ultimate costs to resolve all asbestos claims against it to reflect the amounts to be paid by it under these settlements. Because GST was not a consolidated subsidiary at that time, the accrual to reflect GST’s increased costs to resolve such claims is not included in our consolidated financial results for 2016. OldCo (then still a consolidated subsidiary) had accrued a liability at December 31, 2016 equal to its contributions to be made pursuant to the Joint Plan, with the accrual of an $80.0 million increase in its estimated liability over the amount estimated at December 31, 2015 being reflected in our consolidated financial results for 2016.

The Joint Plan permanently resolves current and future asbestos claims against GST LLC, Garrison and OldCo, as the successor by merger to Coltec, and injunctions issued under the Joint Plan protect all of EnPro and its subsidiaries from those claims, which claims are enjoined under Section 524(g) of the U.S. Bankruptcy Code. Under the Joint Plan, the Trust has assumed responsibility for all present and future asbestos claims arising from the operations or products of GST LLC, Garrison or Coltec/OldCo. Under the Joint Plan, EnPro, through its subsidiaries, retained ownership of OldCo, GST LLC and Garrison. Anchor, which had not conducted business operations for many years and had nominal assets, has been dissolved.

22. Commitments and Contingencies

General

A description of certain environmental and other legal matters relating to certain of our subsidiaries is included in this section. In addition to the matters noted herein, we are from time to time subject to, and are presently involved in, other litigation and legal proceedings arising in the ordinary course of business. We believe the outcome of such other litigation and legal proceedings will not have a material adverse effect on our financial condition, results of operations and cash flows. Expenses for administrative and legal proceedings are recorded when incurred.

Environmental

Our facilities and operations are subject to federal, state and local environmental and occupational health and safety requirements of the U.S. and foreign countries. We take a proactive approach in our efforts to comply with environmental, health and safety laws as they relate to our manufacturing operations and in proposing and implementing any remedial plans that may be necessary. We also regularly conduct comprehensive environmental, health and safety audits at our facilities to maintain compliance and improve operational efficiency.

Although we believe past operations were in substantial compliance with the then applicable regulations, we or one or more of our subsidiaries are involved with various remediation activities at 19 sites where the future cost per site for us or our subsidiary is expected to exceed $0.1 million. Of these 19 sites, 15 are sites where we or one or more of our subsidiaries formerly conducted business operations but no longer do, and 4 are sites where we conduct manufacturing operations. Investigations have been completed for 16 sites and are in progress at the other 3 sites. Our costs at 14 of the 19 sites relate to remediation projects for soil and/or groundwater contamination at or near former operating facilities that were sold or closed.

Our policy is to accrue environmental investigation and remediation costs when it is probable that a liability has been incurred and the amount can be reasonably estimated. The measurement of the liability is based on an evaluation of currently available facts with respect to each individual situation and takes into consideration factors such as existing technology, presently enacted laws and regulations and prior experience in remediation of contaminated sites. Liabilities are established for all sites based on these factors. As assessments and remediation progress at individual sites, these liabilities are reviewed periodically and adjusted to reflect additional technical data and legal information. As of December 31, 2018 and 2017, we had accrued liabilities of $31.1 million and $27.3 million, respectively, for estimated future expenditures relating to environmental contingencies. In 2018, in addition to the accruals described below, we accrued $1.1 million in liabilities to reflect our most current estimate of costs for continued remediation at two sites based upon a reassessment of the expected duration of remedial activities at each of those sites. These amounts have been recorded on an undiscounted basis in the Consolidated Balance Sheets. Given the uncertainties regarding the status of laws, regulations, enforcement policies, the impact of other parties potentially being liable, technology and information related to individual sites, we do not believe it is possible to develop an estimate of the range of reasonably possible environmental loss in excess of our recorded liabilities.

Except as described below, we believe that our accruals for specific environmental liabilities are adequate for those liabilities based on currently available information. Actual costs to be incurred in future periods may vary from estimates because of the inherent uncertainties in evaluating environmental exposures due to unknown and changing conditions, changing government regulations and legal standards regarding liability.

Based on our prior ownership of Crucible Steel Corporation a/k/a Crucible, Inc. (“Crucible”), we may have additional contingent liabilities in one or more significant environmental matters. One such matter, which is included in the 19 sites referred to above, is the Lower Passaic River Study Area of the Diamond Alkali Superfund Site in New Jersey. Crucible operated a steel mill abutting the Passaic River in Harrison, New Jersey from the 1930s until 1974, which was one of many industrial operations on the river dating back to the 1800s. Certain contingent environmental liabilities related to this site were retained by Coltec when Coltec sold a majority interest in Crucible Materials Corporation (the successor of Crucible) in 1985, which liabilities and other legacy non-asbestos liabilities were assumed by our subsidiary, EnPro Holdings, as part of the Coltec Restructuring The United States Environmental Protection Agency (the “EPA”) notified Coltec in September 2003 that it is a potentially responsible party (“PRP”) for Superfund response actions in the lower 17-mile stretch of the Passaic River known as the Lower Passaic River Study Area. Coltec and approximately 70 of the numerous other PRPs, known as the Cooperating Parties Group, are parties to a May 2007 Administrative Order on Consent with the EPA to perform a Remedial Investigation/Feasibility Study (“RI/FS”) of the contaminants in the Lower Passaic River Study Area. In September 2018, we withdrew from the Cooperating Parties Group but remain a party to the May 2007 Administrative Order on Consent. The RI/FS was completed and submitted to the EPA at the end of April 2015. The RI/FS recommends a targeted dredge and cap remedy with monitored natural recovery and adaptive management for the Lower Passaic River Study Area. The cost of such remedy is estimated to be $726 million. Previously, on April 11, 2014, the EPA released its Focused Feasibility Study (the “FFS”) with its proposed plan for remediating the lower eight miles of the Lower Passaic River Study Area. The FFS calls for bank-to-bank dredging and capping of the riverbed of that portion of the river and estimates a range of the present value of aggregate remediation costs of approximately $953 million to approximately $1.73 billion, although estimates of the costs and the timing of costs are inherently imprecise. On March 3, 2016, the EPA issued the final Record of Decision (ROD) as to the remedy for the lower eight miles of the Lower Passaic River Study Area, with the maximum estimated cost being reduced by the EPA from $1.73 billion to $1.38 billion, primarily due to a reduction in the amount of cubic yards of material that will be dredged. In October 2016, Occidental Chemical Corporation, the successor to the entity that operated the Diamond Alkali chemical manufacturing facility, reached an agreement with the EPA to develop the design for this proposed remedy at an estimated cost of $165 million. The EPA has estimated that it will take approximately four years to develop this design.

No final allocations of responsibility have been made among the numerous PRPs that have received notices from the EPA, there are numerous identified PRPs that have not yet received PRP notices from the EPA, and there are likely many PRPs that have not yet been identified. In September 2017, EPA hired a third-party allocator to develop an allocation of costs among a large number of the parties identified by EPA as having potential responsibility, including the Company. On June 30, 2018, Occidental Chemical Corporation sued over 120 parties, including the Company, in the United States District Court for New Jersey seeking recovery of response costs under the Federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"). In a proposed pre-trial order, Occidental Chemical Corporation has proposed that any alternative dispute resolution process, including mediation, shall begin no later than September 16, 2019.

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Based on our evaluation of the site, during 2014 we accrued a liability of $3.5 million related to environmental remediation costs associated with the lower eight miles of the Lower Passaic River Study Area, which is our estimate of the low end of a range of reasonably possible total costs, with no estimate within the range being a better estimate than the minimum. During 2017 and 2018, we incurred $0.1 million and $0.4 million, respectively, related to this matter. Our future remediation costs could be significantly greater than the $3.0 million we have accrued at December 31, 2018. With respect to the upper nine miles of the Lower Passaic River Study Area, we are unable to estimate a range of reasonably possible costs.

Another such matter involves the Onondaga Lake Superfund Site (the “Onondaga Site”) located near Syracuse, New York. Crucible operated a steel mill facility adjacent to Onondaga Lake from 1911 to 1983. The New York State Department of Environmental Conservation (“NYSDEC”) has contacted us and Coltec, as well as other parties, demanding reimbursement of unquantified environmental response costs incurred by NYSDEC and the EPA at the Onondaga Site. NYSDEC and EPA have alleged that contamination from the Crucible facility contributed to the need for environmental response actions at the Onondaga Site. We have also received notice from the Natural Resource Trustees for the Onondaga Lake Superfund Site (which are the U.S. Department of Interior, NYSDEC, and the Onondaga Nation) alleging that Coltec is considered to be a potentially responsible party for natural resource damages at the Onondaga Site. In addition, Honeywell International Inc. (“Honeywell”), which has undertaken certain remediation activities at the Onondaga Site under the supervision of NYSDEC and the EPA, has informed us that it has claims against Coltec related to investigation and remediation at the Onondaga Site. We have entered into tolling agreements with NYSDEC, the EPA and Honeywell. On May 4, 2016, we received from Honeywell a summary of its claims, including for a portion of its costs for the remediation of the Onondaga Site in accordance with its settlement with NYSDEC and EPA. Based on limited information available with respect to estimated remediation costs and the respective allocation of responsibility for remediation among potentially responsible parties, we previously were unable to estimate a reasonably possible range of loss associated with Crucible’s activities that may have affected the Onondaga Site. During 2016, we reserved $1.5 million for reimbursement of EPA response costs and certain costs associated with the remedial investigation.

We have engaged and are continuing to engage in discussions with Honeywell with respect to these issues and possible resolution of Honeywell's claim. In light of information made available during the course of those discussions and our continued evaluation of this matter, we determined that we have sufficient information as of the end of the fourth quarter of 2018 to estimate the low end of a reasonably possible range of loss associated with this matter, although we continue to be unable to estimate the upper end of such a range. Accordingly, for the fourth quarter of 2018, we increased our reserve for this matter by $5.0 million, to reflect an aggregate reserve of $6.5 million, which is our estimate of the low end of the reasonably possible range of loss. In light of the uncertainties described above, the costs to resolve this matter may significantly exceed the amount of this reserve.

Except with respect to specific Crucible environmental matters for which we have accrued a portion of the liability set forth above, including the Lower Passaic River Study Area, we are unable to estimate a reasonably possible range of loss related to any other contingent environmental liability based on our prior ownership of Crucible.

See the section entitled “Crucible Steel Corporation a/k/a Crucible, Inc.” in this footnote for additional information.

In addition to the Crucible environmental matters discussed above, Coltec received a notice from the EPA dated February 19, 2014 asserting that Coltec is a potentially responsible party under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") as the successor to a former operator in 1954 and 1955 of two uranium mines in Arizona. On October 15, 2015, Coltec received another notice from the EPA asserting that Coltec is a potentially responsible party as the successor to the former operator of six additional uranium mines in Arizona. In 2015, we reserved $1.1 million for the minimum amount of probable loss associated with the first two mines identified by the EPA, including the cost of the investigative work to be conducted at such mines. During 2016, we reserved an additional $1.1 million for the minimum amount of probable loss associated with the six additional mines, which includes estimated costs of investigative work to be conducted at the eight mines. We entered into an Administrative Settlement Agreement and Order on Consent for Interim Removal Action with the EPA effective November 7, 2017 for the performance of this work. In the third quarter of 2017, we increased the reserve by $1.9 million to perform investigations required by the Settlement Agreement to determine the nature and extent of contamination at each site with the investigations to be completed by the end of 2019. In the fourth quarter of 2018, we increased the reserve by $1.0 million for the estimated reimbursement of the EPA's costs to oversee these investigations. The balance in the reserve as of December 31, 2018 is $2.8 million. We cannot at this time estimate a reasonably possible range of loss associated with remediation or other incremental costs related to these mines.

In connection with the former operation of a division of Colt Industries Inc, located in Water Valley, Mississippi, which Coltec divested to BorgWarner, Inc. ("BorgWarner") in 1996, Coltec and its corporate successors have been managing trichloroethylene soil and groundwater contamination at the site. In February 2016, the Mississippi Department of Environmental Quality (MDEQ) issued an order against EnPro requiring evaluation of potential vapor intrusion into residential

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properties and commercial facilities located over the groundwater plume as well as requiring additional groundwater investigation and remediation. MDEQ performed the initial vapor intrusion investigations at certain residential and commercial sites, with the findings all being below the applicable screening level. In April 2016, the parties entered into a new order including negotiated time frames for groundwater remediation. Pursuant to that order, MDEQ performed a second round of vapor intrusion sampling beginning in August 2016. Results from sampling outside of three residences were above screening levels. Follow-up sampling directly underneath those residences (either sub-slab or in crawl spaces) were all below applicable screening levels. Two separate sampling events at another residence were also below applicable screening levels. Due to an increasing trend in vapor concentrations, MDEQ requested that we develop and implement initial corrective action measures to address vapor intrusion resulting from groundwater contamination in this residential area. These measures were developed and approved by MDEQ. Due to an inability to obtain access to private properties where the corrective action system was to be located, we developed an alternate remedial approach which has been approved by MDEQ. In addition, vapor intrusion sampling at the manufacturing facility owned by BorgWarner was conducted during the first quarter of 2017. The results showed exceedances of screening levels at various areas in the plant and exceedances of levels requiring responsive actions in a limited area of the plant.

Implementation of the immediate responsive actions has been completed and corrective action consisting of a permanent vapor intrusion remediation system became operational in May 2017 with further improvements made to the system in December 2017 and January 2018. Indoor air sampling is conducted at four locations biweekly and has been below levels requiring responsive action at three sampling locations since June 2017 and at all four locations since February 2018. We are also continuing soil and groundwater investigation work in the area inside the plant where the vapor intrusion remediation system is located and around the outside of the plant and implementing corrective action plans for both the contamination remaining at the plant as well as contamination that has migrated off-site. All of the work to be performed at the residential area, the plant and off-site is set forth in an agreed Order that we and MDEQ entered into on September 11, 2017.

During 2016, we established an additional $1.3 million reserve with respect to this matter. During the year ended December 31, 2017, we reserved an additional $5.7 million for further investigation, additional remediation, long-term monitoring costs, and legal fees to support regulatory compliance for the above noted actions. In the fourth quarter of 2018, we reserved an additional $3.5 million for additional remediation, long-term monitoring costs and legal fees to support regulatory compliance for the above noted activities. The remaining reserve at December 31, 2018 is $4.5 million. As the corrective actions are implemented and their performance monitored, further modifications to the remediation system at the site may be required which may result in additional costs beyond the current reserve.

On April 7, 2017, the State of Mississippi through its Attorney General filed suit against EnPro, OldCo and Goodrich Corporation in Mississippi Circuit Court in Yalobusha County seeking recovery of all costs and expenses to be incurred by the State in remediating the groundwater contamination, punitive damages and attorney’s fees. We plan to aggressively defend this case. The additional reserve established in the quarter ended December 31, 2017, noted above, did not include any estimate of contingent loss associated with this lawsuit other than due to remediation and other actions with respect to this site based on the MDEQ orders described above. On January 31, 2019, some of these property owners (representing ownership of 34 residential or commercial properties), Yalobusha County, and the Board of Trustees of the Yalobusha General Hospital filed suit against EnPro and Goodrich in Mississippi Circuit Court and Yalobusha County seeking recovery for alleged damage to their properties, including diminution in value, from groundwater contamination that has come onto their properties. In addition, it is our understanding that other area homeowners, owners of commercial facilities and possibly other private parties and individuals may be separately evaluating possible legal action relating to potential vapor intrusion and groundwater contamination.

We cannot estimate a reasonably possible range of loss from these lawsuits or any potential additional legal actions at this time. Based upon limited information regarding any incremental remediation or other actions that may be required at the site, we cannot estimate a minimum loss estimate or a reasonably possible range of loss related to this matter.

Crucible Steel Corporation a/k/a Crucible, Inc.

Crucible, which was engaged primarily in the manufacture and distribution of high technology specialty metal products, was a wholly owned subsidiary of Coltec until 1983 when its assets and liabilities were distributed to a new Coltec subsidiary, Crucible Materials Corporation. Coltec sold a majority of the outstanding shares of Crucible

Materials Corporation in 1985 and divested its remaining minority interest in 2004. Crucible Materials Corporation filed for Chapter 11 bankruptcy protection in May 2009 and is no longer conducting operations.
We have certain ongoing obligations, which are included in other liabilities in our Consolidated Balance Sheets, including workers' compensation, retiree medical and other retiree benefit matters, in addition to those mentioned previously related to Coltec's period of ownership of Crucible. Based on Coltec's prior ownership of Crucible, we may have certain additional

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contingent liabilities, including liabilities in one or more significant environmental matters included in the matters discussed in “Environmental” above. We are investigating these matters. Except with respect to those matters for which we have an accrued liability as discussed in "Environmental" above, we are unable to estimate a reasonably possible range of loss related to these contingent liabilities.

Warranties

We provide warranties on many of our products. The specific terms and conditions of these warranties vary depending on the product and the market in which the product is sold. We record a liability based upon estimates of the costs we may incur under our warranties after a review of historical warranty experience and information about specific warranty claims. Adjustments are made to the liability as claims data and historical experience necessitate.

Changes in the carrying amount of the product warranty liability for the years ended December 31, 2018, 2017 and 2016 are as follows:

	2018	2017	2016
	(in millions)		
Balance at beginning of year	$5.3	$5.0	$4.8
Charges to expense	10.8	2.6	4.4
Settlements made	(4.4)	(2.3)	(4.2)
Balance at end of year	$11.7	$5.3	$5.0

BorgWarner

A subsidiary of BorgWarner has asserted claims against our subsidiary, GGB France E.U.R.L. (“GGB France”), regarding certain bearings supplied by GGB France to BorgWarner and used by BorgWarner in manufacturing hydraulic control units included in motor vehicle automatic transmission units, mainly that the bearings caused performance problems with and/or damage to the transmission units, leading to associated repairs and replacements. BorgWarner and GGB France participated in a technical review before a panel of experts to determine, among other things, whether there were any defects in such bearings that were a cause of the damages claimed by BorgWarner, including whether GGB France was required to notify BorgWarner of a change in the source of a raw material used in the manufacture of such bearings. This technical review was a required predicate to the commencement of a legal proceeding for damages. The expert panel issued a final report on technical and financial matters on April 6, 2017. In the final report, the expert panel concluded that GGB France had a duty to notify BorgWarner regarding the change of source of raw material used in the bearings, but that the failure of the hydraulic control units was attributable to both the raw material supplier change and the insufficient design of the units by BorgWarner. The expert panel provided detail on a possible allocation of damages alleged to have been incurred by BorgWarner and its customer. Although the language of the report is not clear, the report appears to note a potential allocation of recoverable damages 65% to GGB and 35% to BorgWarner. It also indicates that, though it is for a court to ultimately determine, the aggregate damages to BorgWarner and its customer was in the range of 7.9 million EUR to 10.2 million EUR, with 1.8 million EUR to 2.1 million EUR of this range being for damages to BorgWarner and the remainder being for damages to its customer. The experts noted the lower end of the range as being more likely and noted a lack of sufficient evidence provided substantiating the customer's damages. Applying a 65% liability allocation to GGB to the total aggregate range yields a range of 5.1 million EUR to 6.6 million EUR. In the final report, the expert panel deferred to a court the determination of whether GGB France had breached its contractual obligations to BorgWarner. On October 25, 2017, BorgWarner initiated a legal proceeding against GGB with respect to this matter by filing a writ of claim with the Commercial Court of Brive, France. The parties have begun briefing their legal positions, and we expect court hearings to begin in the first half of 2019.

We continue to believe that GGB France has valid factual and legal defenses to these claims and we are vigorously defending these claims. Among GGB France’s legal defenses are a contractual disclaimer of consequential damages, which, if controlling, would limit liability for consequential damages and provide for the replacement of the bearings at issue, at an aggregate replacement value we estimate to be approximately 0.4 million EUR; that the determination of any duty to notify of the change in the source of the raw material is a legal matter to be determined by the presiding court; and the insufficiency of evidence of damage to BorgWarner's customer provided to the expert panel. Based on the final report from the expert panel and GGB France's legal defenses described above, we estimate GGB France’s reasonably possible range of loss associated with this matter to be approximately 0.4 million EUR to 6.6 million EUR plus a potential undetermined amount of apportioned proceeding expenses, with no amount within the range being a better estimate than the minimum of the range. Accordingly, GGB France has retained the accrual of 0.4 million EUR associated with this matter, which was established in 2016.

Asbestos Insurance Matters

Under the Consensual Settlement and Joint Plan described above in Note 21, “Subsidiary Asbestos Bankruptcies,” GST and OldCo retained their rights to seek reimbursement under insurance policies for any amounts they have paid in the past to resolve asbestos claims, including contributions made to the Trust under the Joint Plan. These policies include a number of primary and excess general liability insurance policies that were purchased by Coltec and were in effect prior to January 1, 1976 (the “Pre-Garlock Coverage Block”). The policies provide coverage for “occurrences” happening during the policy periods and cover losses associated with product liability claims against Coltec and certain of its subsidiaries. Asbestos claims against GST are not covered under these policies because GST was not a Coltec subsidiary prior to 1976. The Joint Plan provides that OldCo may retain the first $25 million of any settlements and judgments related to insurance policies in the Pre-Garlock Coverage Block and OldCo and the Trust will share equally in any settlements and judgments OldCo may collect in excess of $25 million.

At December 31, 2018, approximately $12.6 million of available products hazard limits or insurance receivables existed under primary and excess general liability insurance policies other than the Pre-Garlock Coverage Block (the "Garlock Coverage Block") from solvent carriers with investment grade ratings, which we believe is available to cover GST asbestos claims payments and certain expense payments, including contributions to the Trust. We consider such amount of available insurance coverage under the Garlock Coverage Block to be of high quality because the insurance policies are written or guaranteed by U.S.-based carriers whose credit rating by S&P is investment grade (BBB-) or better, and whose AM Best rating is excellent (A-) or better. The remaining $12.6 million of solvent insurance coverage is available to pending and estimated future claims. There are specific agreements in place with carriers regarding the remaining available coverage. Based on those agreements and the terms of the policies in place and prior decisions concerning coverage, we believe that all of the $12.6 million of insurance proceeds will ultimately be collected, although there can be no assurance that the insurance companies will make the payments as and when due. Assuming the insurers pay according to the agreements and policies, we anticipate that the following amounts should be collected in the years set out below:

2019 – $10.1 million

2020 – $2.5 million

GST LLC has received $8.8 million of insurance recoveries from insolvent carriers since 2007, and may receive additional payments from insolvent carriers in the future. No anticipated insolvent carrier collections are included in the $12.6 million of anticipated collections. The insurance available to cover current and future asbestos claims is from comprehensive general liability policies that cover OldCo, as the successor to Coltec, and certain of its other subsidiaries in addition to GST LLC for periods prior to 1985 and therefore could be subject to potential competing claims of other covered subsidiaries and their assignees.

Other Commitments

We have a number of operating leases primarily for real estate, equipment and vehicles. Operating lease arrangements are generally utilized to secure the use of assets if the terms and conditions of the lease or the nature of the asset makes the lease arrangement more favorable than a purchase. Future minimum lease payments by year and in the aggregate, under noncancelable operating leases with initial or remaining noncancelable lease terms in excess of one year, consisted of the following at December 31, 2018 (in millions):

2019	$11.5
2020	9.0
2021	6.2
2022	4.4
2023	3.4
Thereafter	2.7
Total minimum payments	$37.2

Net rent expense was $13.5 million, $12.2 million and $12.6 million for the years ended December 31, 2018, 2017 and 2016, respectively.

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23. Supplemental Guarantor Financial Information

On October 17, 2018, we completed the offering of the New Notes and applied the net proceeds of that offering, together with borrowings under the Revolving Credit Facility, to redeem all of the Initial Senior Notes and the Additional Notes on October 31, 2018. The New Notes are fully and unconditionally guaranteed on an unsecured, unsubordinated, joint and several basis by our existing and future wholly owned direct and indirect domestic subsidiaries, that are each guarantors of our Revolving Credit Facility (collectively, the "Guarantor Subsidiaries"). Our subsidiaries organized outside of the United States, (collectively, the "Non-Guarantor Subsidiaries") did not guarantee the Initial Senior Notes or the Additional Notes and do not guarantee the New Notes. A Guarantor Subsidiary's guarantee of the New Notes is subject to release in certain circumstances, including (i) the sale, disposition, exchange or other transfer (including through merger, consolidation, amalgamation or otherwise) of the capital stock of the subsidiary made in a manner not in violation of the indenture governing the New Notes; (ii) the designation of the subsidiary as an "Unrestricted Subsidiary" under the indenture governing the New Notes; (iii) the legal defeasance or covenant defeasance of the New Notes in accordance with the terms of the indenture; or (iv) the subsidiary ceasing to be our subsidiary as a result of any foreclosure of any pledge or security interest securing our Revolving Credit Facility or other exercise of remedies in respect thereof.

The following tables present condensed consolidating financial information for EnPro Industries, Inc. (the "Parent"), the Guarantor Subsidiaries on a combined basis, the Non-Guarantor Subsidiaries on a combined basis and the eliminations necessary to arrive at our consolidated results. The consolidating financial information reflects our investments in subsidiaries using the equity method of accounting. These tables are not intended to present our results of operations, cash flows or financial condition for any purpose other than to comply with the specific requirements for subsidiary guarantor reporting.

ENPRO INDUSTRIES, INC.
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
Year Ended December 31, 2018
(in millions)

	Parent	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$—	$ 1,091.2	$ 602.7	$ (161.9)	$ 1,532.0
Cost of sales	—	812.9	402.0	(161.9)	1,053.0
Gross profit	—	278.3	200.7	—	479.0
Operating expenses:					
Selling, general and administrative	31.0	201.4	108.0	—	340.4
Other	—	20.3	1.0	—	21.3
Total operating expenses	31.0	221.7	109.0	—	361.7
Operating income (loss)	(31.0)	56.6	91.7	—	117.3
Interest income (expense), net	(22.7)	(5.1)	0.5	—	(27.3)
Other expense, net	(18.1)	(25.0)	(0.3)	—	(43.4)
Income (loss) before income taxes	(71.8)	26.5	91.9	—	46.6
Income tax benefit (expense)	(42.9)	36.6	(15.7)	—	(22.0)
Income (loss) before equity in earnings of subsidiaries	(114.7)	63.1	76.2	—	24.6
Equity in earnings of subsidiaries, net of tax	139.3	76.2	—	(215.5)	—
Net income	$24.6	$ 139.3	$ 76.2	$ (215.5)	$ 24.6

ENPRO INDUSTRIES, INC.
CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME
Year Ended December 31, 2018
(in millions)

	Parent	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
Net income	$24.6	$ 139.3	$ 76.2	$ (215.5)	$ 24.6
Other comprehensive income:					
Foreign currency translation adjustments	(0.3)	(13.0)	(13.0)	26.0	(0.3)
Pension and post-retirement benefits adjustment (excluding amortization)	(12.7)	(12.7)	0.4	12.3	(12.7)
Pension settlement loss	12.7	12.7	(0.1)	(12.6)	12.7
Amortization of pension and post-retirement benefits included in net income	5.5	5.5	—	(5.5)	5.5
Other comprehensive income (loss), before tax	5.2	(7.5)	(12.7)	20.2	5.2
Income tax expense related to items of other comprehensive income	(2.3)	(2.3)	(0.1)	2.4	(2.3)
Other comprehensive income (loss), net of tax	2.9	(9.8)	(12.8)	22.6	2.9
Comprehensive income	$27.5	$ 129.5	$ 63.4	$ (192.9)	$ 27.5

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ENPRO INDUSTRIES, INC.
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
Year Ended December 31, 2017
(in millions)

	Parent	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$—	$ 921.9	$ 497.3	$ (109.6)	$ 1,309.6
Cost of sales	—	644.7	330.2	(109.6)	865.3
Gross profit	—	277.2	167.1	—	444.3
Operating expenses:					
Selling, general and administrative	33.0	182.6	110.1	—	325.7
Other	1.1	12.1	3.7	—	16.9
Total operating expenses	34.1	194.7	113.8	—	342.6
Operating income (loss)	(34.1)	82.5	53.3	—	101.7
Interest income (expense), net	(25.4)	(24.1)	0.1	—	(49.4)
Gain on reconsolidation of GST and OldCo	—	534.4	—	—	534.4
Other expense, net	(0.1)	(9.0)	(0.1)	—	(9.2)
Income (loss) before income taxes	(59.6)	583.8	53.3	—	577.5
Income tax benefit (expense)	17.6	(20.7)	(34.6)	—	(37.7)
Income (loss) before equity in earnings of subsidiaries	(42.0)	563.1	18.7	—	539.8
Equity in earnings of subsidiaries, net of tax	581.8	18.7	—	(600.5)	—
Net income	$539.8	$ 581.8	$ 18.7	$ (600.5)	$ 539.8

ENPRO INDUSTRIES, INC.
CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME
Year Ended December 31, 2017
(in millions)

	Parent	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
Net income	$539.8	$ 581.8	$ 18.7	$ (600.5)	$ 539.8
Other comprehensive income:					
Foreign currency translation adjustments	14.4	14.4	14.4	(28.8)	14.4
Pension and post-retirement benefits adjustment (excluding amortization)	5.2	5.2	1.3	(6.5)	5.2
Amortization of pension and post-retirement benefits included in net income	7.7	7.7	0.1	(7.8)	7.7
Other comprehensive income, before tax	27.3	27.3	15.8	(43.1)	27.3
Income tax expense related to items of other comprehensive income	(4.8)	(4.8)	(0.4)	5.2	(4.8)
Other comprehensive income, net of tax	22.5	22.5	15.4	(37.9)	22.5
Comprehensive income	$562.3	$ 604.3	$ 34.1	$ (638.4)	$ 562.3

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Explanation of Responses:

ENPRO INDUSTRIES, INC.
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
Year Ended December 31, 2016
(in millions)

	Parent	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$—	$ 829.0	$ 439.7	$ (81.0)	$ 1,187.7
Cost of sales	—	581.5	291.4	(81.0)	791.9
Gross profit	—	247.5	148.3	—	395.8
Operating expenses:					
Selling, general and administrative	27.4	163.3	112.0	—	302.7
Asbestos settlement	—	80.0	—	—	80.0
Other	4.8	3.3	7.5	—	15.6
Total operating expenses	32.2	246.6	119.5	—	398.3
Operating income (loss)	(32.2)	0.9	28.8	—	(2.5)
Interest expense, net	(18.5)	(36.2)	(0.4)	—	(55.1)
Other expense, net	(0.3)	(10.0)	(0.8)	—	(11.1)
Income (loss) before income taxes	(51.0)	(45.3)	27.6	—	(68.7)
Income tax benefit (expense)	17.6	21.7	(10.7)	—	28.6
Income (loss) before equity in earnings of subsidiaries	(33.4)	(23.6)	16.9	—	(40.1)
Equity in earnings of subsidiaries, net of tax	(6.7)	16.9	—	(10.2)	—
Net income (loss)	$(40.1)	$ (6.7)	$ 16.9	$ (10.2)	$ (40.1)

ENPRO INDUSTRIES, INC.
CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME
Year Ended December 31, 2016
(in millions)

	Parent	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
Net income	$(40.1)	$ (6.7)	$ 16.9	$ (10.2)	$ (40.1)
Other comprehensive income (loss):					
Foreign currency translation adjustments	(16.3)	(16.3)	(16.3)	32.6	(16.3)
Pension and post-retirement benefits adjustment (excluding amortization)	(7.8)	(8.3)	0.6	7.7	(7.8)
Amortization of pension and post-retirement benefits included in net income (loss)	6.9	6.6	0.2	(6.8)	6.9
Other comprehensive loss, before tax	(17.2)	(18.0)	(15.5)	33.5	(17.2)
Income tax benefit (expense) related to items of other comprehensive loss	0.4	0.5	(0.2)	(0.3)	0.4
Other comprehensive loss, net of tax	(16.8)	(17.5)	(15.7)	33.2	(16.8)
Comprehensive income (loss)	$(56.9)	$ (24.2)	$ 1.2	$ 23.0	$ (56.9)

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ENPRO INDUSTRIES, INC.
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
Year Ended December 31, 2018
(in millions)

	Parent	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
NET CASH PROVIDED BY OPERATING ACTIVITIES	$156.6	$ 114.2	$ 81.3	$ (125.7)	$ 226.4
INVESTING ACTIVITIES					
Purchases of property, plant and equipment	—	(49.8)	(12.8)	—	(62.6)
Payments for capitalized internal-use software	—	(2.9)	(0.5)	—	(3.4)
Receipts from settlements of derivative contracts	9.3	—	—	—	9.3
Proceeds from sale of property, plant and equipment	—	30.1	0.6	—	30.7
Net cash provided by (used in) investing activities	9.3	(22.6)	(12.7)	—	(26.0)
FINANCING ACTIVITIES					
Net payments between subsidiaries	28.2	(31.0)	2.8	—	—
Intercompany dividends	—	—	(125.7)	125.7	—
Proceeds from debt	350.0	664.7	—	—	1,014.7
Repayments of debt	(463.2)	(721.7)	—	—	(1,184.9)
Repurchase of common stock	(50.0)	—	—	—	(50.0)
Dividends paid	(20.3)	—	—	—	(20.3)
Other	(10.6)	(1.3)	—	—	(11.9)
Net cash used in financing activities	(165.9)	(89.3)	(122.9)	125.7	(252.4)
Effect of exchange rate changes on cash and cash equivalents	—	—	(7.7)	—	(7.7)
Net increase (decrease) in cash and cash equivalents	—	2.3	(62.0)	—	(59.7)
Cash and cash equivalents at beginning of year	—	—	189.3	—	189.3
Cash and cash equivalents at end of year	$—	$ 2.3	$ 127.3	$ —	$ 129.6

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ENPRO INDUSTRIES, INC.
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
Year Ended December 31, 2017
(in millions)

	Parent	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$(106.5)	$ 61.9	$ 91.3	$ (0.1)	$ 46.6
INVESTING ACTIVITIES					
Purchases of property, plant and equipment	—	(28.2)	(12.8)	—	(41.0)
Payments for capitalized internal-use software	—	(3.6)	(0.1)	—	(3.7)
Payments for acquisitions	—	(39.5)	(5.1)	—	(44.6)
Reconsolidation of GST and OldCo	—	41.1	—	—	41.1
Deconsolidation of OldCo	—	(4.8)	—	—	(4.8)
Capital contribution to OldCo	—	(45.2)	—	—	(45.2)
Proceeds from sale of property, plant and equipment	—	—	0.5	—	0.5
Net cash used in investing activities	—	(80.2)	(17.5)	—	(97.7)
FINANCING ACTIVITIES					
Net payments between subsidiaries	(12.1)	19.3	(7.2)	—	—
Intercompany dividends	—	—	(0.1)	0.1	—
Proceeds from debt	151.5	480.7	3.5	—	635.7
Repayments of debt	—	(482.5)	(1.8)	—	(484.3)
Repurchase of common stock	(11.5)	—	—	—	(11.5)
Dividends paid	(19.0)	—	—	—	(19.0)
Other	(2.4)	—	—	—	(2.4)
Net cash provided by (used in) financing activities	106.5	17.5	(5.6)	0.1	118.5
Effect of exchange rate changes on cash and cash equivalents	—	—	10.4	—	10.4
Net increase (decrease) in cash and cash equivalents	—	(0.8)	78.6	—	77.8
Cash and cash equivalents at beginning of year	—	0.8	110.7	—	111.5
Cash and cash equivalents at end of year	$—	$ —	$ 189.3	$ —	$ 189.3

ENPRO INDUSTRIES, INC.
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
Year Ended December 31, 2016
(in millions)

	Parent	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$(45.9)	$ 82.9	$ 39.7	$ (12.2)	$ 64.5
INVESTING ACTIVITIES					
Purchases of property, plant and equipment	—	(28.4)	(7.4)	—	(35.8)
Payments for capitalized internal-use software	—	(3.8)	(0.3)	—	(4.1)
Proceeds from sale of business	—	2.9	3.7	—	6.6
Payments for acquisitions	—	(25.5)	(3.0)	—	(28.5)
Proceeds from sale of property, plant and equipment	—	—	0.4	—	0.4
Net cash used in investing activities	—	(54.8)	(6.6)	—	(61.4)
FINANCING ACTIVITIES					
Net payments between subsidiaries	96.6	(95.6)	(1.0)	—	—
Intercompany dividends	—	—	(12.2)	12.2	—
Proceeds from debt	—	344.7	6.1	—	350.8
Repayments of debt	—	(277.1)	(1.0)	—	(278.1)
Repurchase of common stock	(30.4)	—	—	—	(30.4)
Dividends paid	(18.1)	—	—	—	(18.1)
Other	(2.2)	—	—	—	(2.2)
Net cash provided by (used in) financing activities	45.9	(28.0)	(8.1)	12.2	22.0
Effect of exchange rate changes on cash and cash equivalents	—	—	(17.0)	—	(17.0)
Net increase in cash and cash equivalents	—	0.1	8.0	—	8.1
Cash and cash equivalents at beginning of year	—	0.7	102.7	—	103.4
Cash and cash equivalents at end of year	$—	$ 0.8	$ 110.7	$ —	$ 111.5

ENPRO INDUSTRIES, INC.
CONDENSED CONSOLIDATING BALANCE SHEETS
December 31, 2018
(in millions)

	Parent	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
Current assets					
Cash and cash equivalents	$—	$ 2.3	$ 127.3	$ —	$ 129.6
Accounts receivable, net	—	210.3	76.3	—	286.6
Intercompany receivables	—	19.0	8.9	(27.9)	—
Inventories	—	155.3	77.8	—	233.1
Income tax receivable	42.9	0.2	6.4	—	49.5
Prepaid expenses and other current assets	4.9	20.3	8.0	—	33.2
Total current assets	47.8	407.4	304.7	(27.9)	732.0
Property, plant and equipment, net	2.2	209.7	89.3	—	301.2
Goodwill	—	261.0	72.7	—	333.7
Other intangible assets, net	—	242.2	55.1	—	297.3
Intercompany receivables	—	53.9	—	(53.9)	—
Investment in subsidiaries	1,251.4	396.4	—	(1,647.8)	—
Other assets	13.6	24.9	16.4	—	54.9
Total assets	$1,315.0	$ 1,595.5	$ 538.2	$ (1,729.6)	$ 1,719.1
LIABILITIES AND EQUITY					
Current liabilities					
Current maturities of long-term debt	$2.1	$ 0.3	$ —	$ —	$ 2.4
Accounts payable	2.1	99.0	38.1	—	139.2
Intercompany payables	—	8.9	19.0	(27.9)	—
Accrued expenses	13.9	82.8	48.8	—	145.5
Total current liabilities	18.1	191.0	105.9	(27.9)	287.1
Long-term debt	345.0	117.5	—	—	462.5
Intercompany payables	51.1	—	2.8	(53.9)	—
Other liabilities	38.1	35.6	33.1	—	106.8
Total liabilities	452.3	344.1	141.8	(81.8)	856.4
Shareholders’ equity	862.7	1,251.4	396.4	(1,647.8)	862.7
Total liabilities and equity	$1,315.0	$ 1,595.5	$ 538.2	$ (1,729.6)	$ 1,719.1

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ENPRO INDUSTRIES, INC.
CONDENSED CONSOLIDATING BALANCE SHEETS
As of December 31, 2017
(in millions)

	Parent	Guarantor Subsidiaries	Non-guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
Current assets					
Cash and cash equivalents	$—	$ —	$ 189.3	$ —	$ 189.3
Accounts receivable, net	—	180.1	81.6	—	261.7
Intercompany receivables	—	24.0	6.7	(30.7)	—
Inventories	—	135.4	68.7	—	204.1
Income tax receivable	132.3	1.3	2.0	(22.4)	113.2
Prepaid expenses and other current assets	4.3	26.5	20.5	—	51.3
Total current assets	136.6	367.3	368.8	(53.1)	819.6
Property, plant and equipment, net	—	206.8	90.1	—	296.9
Goodwill	—	261.0	75.1	—	336.1
Other intangible assets, net	—	284.2	62.8	—	347.0
Intercompany receivables	—	22.9	—	(22.9)	—
Investment in subsidiaries	1,261.3	460.1	—	(1,721.4)	—
Other assets	12.8	59.3	14.4	—	86.5
Total assets	$1,410.7	$ 1,661.6	$ 611.2	$ (1,797.4)	$ 1,886.1
LIABILITIES AND EQUITY					
Current liabilities					
Current maturities of long-term debt	$—	$ 0.2	$ —	$ —	$ 0.2
Accounts payable	2.3	82.5	45.9	—	130.7
Intercompany payables	—	6.7	24.0	(30.7)	—
Accrued expenses	22.8	90.1	46.7	(22.4)	137.2
Total current liabilities	25.1	179.5	116.6	(53.1)	268.1
Long-term debt	444.2	174.1	—	—	618.3
Intercompany payables	22.9	—	—	(22.9)	—
Other liabilities	15.7	46.7	34.5	—	96.9
Total liabilities	507.9	400.3	151.1	(76.0)	983.3
Shareholders' equity	902.8	1,261.3	460.1	(1,721.4)	902.8
Total liabilities and equity	$1,410.7	$ 1,661.6	$ 611.2	$ (1,797.4)	$ 1,886.1

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24. Selected Quarterly Financial Data (Unaudited)

	First Quarter (1)		Second Quarter (1)		Third Quarter (1)		Fourth Quarter (1)	
(in millions, except per share data)	2018	2017	2018	2017	2018	2017	2018	2017
Net sales	$368.8	$295.8	$393.6	$307.6	$388.2	$343.7	$381.4	$362.5
Gross profit	$125.1	$101.7	$115.8	$104.6	$124.1	$115.1	$114.0	$122.9
Net income (loss)	$12.6	$6.4	$9.9	$9.0	$24.2	$490.2	$(22.1)	$34.2
Basic earnings (loss) per share	$0.59	$0.30	$0.47	$0.42	$1.17	$22.98	$(1.07)	$1.60
Diluted earnings (loss) per share	$0.58	$0.30	$0.47	$0.41	$1.16	$22.49	$(1.07)	$1.57

(1) Items impacting comparability of net income and earnings (loss) per share in these quarters included:

- The reconsolidation of GST and OldCo including the $534.4 million gain recorded on the reconsolidation in the third quarter of 2017 (See Note 2, "Garlock Sealing Technologies LLC, Garrison Litigation Management Group, Ltd., and OldCo, LLC"), and the tax impacts of the reconsolidation recorded in that quarter (See Note 7, "Income Taxes")
- The impacts of the Tax Act recorded in the fourth quarter of 2017 (See Note 7, "Income Taxes")

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SCHEDULE II
Valuation and Qualifying Accounts
For the Years Ended December 31, 2018, 2017 and 2016
(in millions)
Allowance for Doubtful Accounts

	Balance, Beginning of Year	Charge (credit) to Expense	Write-off of Receivables	Other (1)	Balance, End of Year
2018	$ 4.7	$ (0.3)	$ (0.4)	$ 0.1	$ 4.1
2017	$ 4.9	$ 1.2	$ (1.6)	$ 0.2	$ 4.7
2016	$ 5.4	$ 1.1	$ (1.6)	$ —	$ 4.9

(1) Consists primarily of the effect of changes in currency rates.
Deferred Income Tax Valuation Allowance

	Balance, Beginning of Year	Charge (credit) to Expense	Expiration of Net Operating Losses	Other (2)	Balance, End of Year
2018	$ 25.7	$ (1.4)	$ —	$ (0.6)	$ 23.7
2017	$ 20.2	$ 1.2	$ (0.1)	$ 4.4	$ 25.7
2016	$ 17.6	$ 4.6	$ (0.1)	$ (1.9)	$ 20.2

(2) Consists primarily of the effects of changes in currency rates and statutory changes in tax rates.

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