

## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 10-Q

Quarterly Report Under Section 13 or 15(d)  
of the Securities Exchange Act of 1934

For Quarter Ended March 31, 1997

Commission File Number 0-325

DURCO INTERNATIONAL INC.

(Exact name of Registrant as specified in its charter)

New York

(State or other jurisdiction of incorporation or organization)

31-0267900

(I.R.S. Employer Identification Number)

3100 Research Boulevard, Dayton, Ohio

45420

(Address of principal executive offices)

(Zip Code)

(Registrant's telephone number, including area code)

(513) 476-6100

THE DURIRON COMPANY, INC.

(Former name, former address and former fiscal year, if changed since last report)

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  
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Shares of Common Stock, \$1.25 par value, outstanding as of March 31,  
1997.....23,504,949

PART I: Financial Information

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DURCO INTERNATIONAL INC.  
Consolidated Statement of Income  
Quarters Ended March 31, 1997 and 1996  
(dollars in thousands except per share data)

|                                       | 1997      | 1996      |
|---------------------------------------|-----------|-----------|
|                                       | -----     | -----     |
| Net sales                             | \$147,797 | \$149,193 |
| Costs and expenses:                   |           |           |
| Cost of sales                         | 87,751    | 89,279    |
| Selling and administrative            | 35,629    | 36,460    |
| Research, engineering and development | 4,381     | 4,269     |
| Interest                              | 1,475     | 1,394     |
| Other, net                            | 737       | 1,737     |
|                                       | -----     | -----     |
|                                       | 129,973   | 133,139   |
| Earnings before income taxes          | 17,824    | 16,054    |
| Provision for income taxes            | 6,773     | 5,940     |
|                                       | -----     | -----     |
| Net earnings                          | 11,051    | 10,114    |
|                                       | =====     | =====     |
| Earnings per share                    | \$ 0.47   | \$ 0.41   |
|                                       | =====     | =====     |

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DURCO INTERNATIONAL INC.  
Consolidated Balance Sheet  
(dollars in thousands except per share data)

|  | March 31,<br>1997 | December 31,<br>1996 |
|--|-------------------|----------------------|
|  | -----             | -----                |
| ASSETS   |                   |                      |
| Current assets:                                |                   |                      |
| Cash and cash equivalents                      | \$ 20,014         | \$ 29,474            |
| Accounts receivable                            | 112,072           | 112,710              |
| Inventories                                    | 106,089           | 101,070              |
| Prepaid expenses                               | 10,743            | 9,164                |
|  | -----             | -----                |
| Total current assets                           | 248,918           | 252,418              |
| Property, plant and equipment, at cost         | 257,930           | 257,680              |
| Less accumulated depreciation and amortization | 159,958           | 157,768              |
|  | -----             | -----                |
| Net property, plant and equipment              | 97,972            | 99,912               |

|  |            |            |
|--|------------|------------|
| Intangibles and other assets   | 73,225     | 73,160     |
|  | -----      | -----      |
| Total assets   | \$ 420,115 | \$ 425,490 |
|  | =====      | =====      |
| LIABILITIES AND SHAREHOLDERS' EQUITY   |            |            |
| Current liabilities:   |            |            |
| Accounts payable   | \$ 31,980  | \$ 31,256  |
| Notes payable  | 6,636      | 5,784      |
|  |            |            |
| Income taxes   | 8,626      | 3,298      |
| Accrued liabilities  | 35,826     | 50,535     |
| Long-term debt due within one year   | 5,697      | 7,525      |
|  | -----      | -----      |
| Total current liabilities  | 88,765     | 98,398     |
| Long-term debt due after one year  | 61,350     | 63,239     |
| Postretirement benefits and other deferred items                                 | 65,192     | 64,074     |
| Shareholders' equity:  |            |            |
| Serial preferred stock, \$1.00 par value,<br>no shares issued                    | --         | --         |
| Common stock, \$1.25 par value, 24,568,000<br>shares issued (24,568,000 in 1996) | 30,710     | 30,710     |
| Capital in excess of par value   | 8,212      | 8,377      |
| Retained earnings  | 197,151    | 189,390    |
|  | -----      | -----      |
|  | 236,073    | 228,477    |
| Treasury stock, 1,063,000 shares at cost (1,081,000 in 1996)                     | (26,993)   | (27,455)   |
| Foreign currency and other equity adjustments                                    | (4,272)    | (1,243)    |
|  | -----      | -----      |
| Total shareholders' equity   | 204,808    | 199,779    |
|  | -----      | -----      |
| Total liabilities and shareholders' equity                                       | \$ 420,115 | \$ 425,490 |
|  | =====      | =====      |

(See accompanying notes)

DURCO INTERNATIONAL INC.  
Consolidated Statement of Cash Flows  
Three Months Ended March 31, 1997 and 1996  
(dollars in thousands)

|  |           |           |
|--|-----------|-----------|
|  | 1997      | 1996      |
|  | -----     | -----     |
| Increase (decrease) in cash and cash equivalents:                                      |           |           |
| Operating activities:  |           |           |
| Net earnings   | \$ 11,051 | \$ 10,114 |
| Adjustments to reconcile net earnings to<br>net cash provided by operating activities: |           |           |
| Depreciation and amortization  | 5,204     | 5,158     |
| Loss on the sale of fixed assets   | 83        | 65        |

|   |           |           |
|---|-----------|-----------|
| Change in assets and liabilities net of effects of acquisitions and divestitures: |           |           |
| Accounts receivable   | (557)     | (6,708)   |
| Inventories   | (7,540)   | (4,987)   |
| Prepaid expenses  | (1,665)   | (2,514)   |
| Accounts payable and accrued liabilities  | (12,928)  | (7,176)   |
| Income taxes  | 5,257     | 4,291     |
| Postretirement benefits and other deferred items                                  | 1,250     | 313       |
| Net deferred taxes  | 295       | 369       |
| Other   | (1,575)   | (350)     |
|   | -----     | -----     |
| Net cash flows from operating activities  | (1,125)   | (1,425)   |
| Investing activities:   |           |           |
| Capital expenditures  | (4,634)   | (4,184)   |
|   | -----     | -----     |
| Net cash flows from investing activities  | (4,634)   | (4,184)   |
| Financing activities:   |           |           |
| Net borrowings under lines-of-credit  | 1,249     | 1,040     |
| Payments on long-term debt  | (3,930)   | (691)     |
| Proceeds from long-term debt  | 2,473     | 1,241     |
| Proceeds from issuance of common stock  | 466       | 509       |
| Dividends paid  | (3,290)   | (3,178)   |
|   | -----     | -----     |
| Net cash flows from financing activities  | (3,032)   | (1,079)   |
| Effect of exchange rate changes   | (669)     | (220)     |
|   | -----     | -----     |
| Net decrease in cash and cash equivalents   | (9,460)   | (6,908)   |
| Cash and cash equivalents at beginning of year                                    | 29,474    | 19,434    |
|   | -----     | -----     |
| Cash and cash equivalents at end of period  | \$ 20,014 | \$ 12,526 |
|   | =====     | =====     |
| Supplemental disclosures of cash flow information:                                |           |           |
| Cash paid during year for:  |           |           |
| Interest  | \$ 993    | \$ 437    |
| Income taxes  | \$ 1,445  | \$ 1,737  |

(See accompanying notes)

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DURCO INTERNATIONAL INC.

Notes to Consolidated Financial Statements

(dollars presented in tables in thousands except per share data)

1. Inventories.

The amount of inventories and the method of determining costs for the quarter ended March 31, 1997 and the year ended December 31, 1996 were as follows:

|                | Domestic<br>inventories<br>(LIFO) | Foreign<br>inventories<br>(FIFO) | Total<br>inventories |
|----------------|-----------------------------------|----------------------------------|----------------------|
|                | -----                             | -----                            | -----                |
| March 31, 1997 |                                   |                                  |                      |
| Raw materials  | \$ 3,828                          | \$ 8,791                         | \$ 12,619            |

|                                    |          |           |           |
|------------------------------------|----------|-----------|-----------|
| Work in process and finished goods | 58,112   | 35,358    | 93,470    |
|                                    | -----    | -----     | -----     |
|                                    | \$61,940 | \$ 44,149 | \$106,089 |
|                                    | =====    | =====     | =====     |
| December 31, 1996                  |          |           |           |
| Raw materials                      | \$ 2,285 | \$ 3,339  | \$ 5,624  |
| Work in process and finished goods | 52,613   | 42,833    | 95,446    |
|                                    | -----    | -----     | -----     |
|                                    | \$54,898 | \$ 46,172 | \$101,070 |
|                                    | =====    | =====     | =====     |

LIFO inventories at current cost are \$38,417,000 and \$38,039,000 higher than reported at March 31, 1997 and December 31, 1996, respectively.

2. Shareholders' equity. There are authorized 60,000,000 shares of \$1.25 par value common stock and 1,000,000 shares of \$1.00 par value preferred stock. Changes in the three months ended March 31, 1997 and 1996 were as follows:

|  | Common<br>stock | Capital in<br>excess of<br>par value | Retained<br>earnings | Foreign currency<br>& other equity<br>adjustments | Treasury<br>stock | Total<br>shareholders'<br>equity |
|--|-----------------|--------------------------------------|----------------------|---|-------------------|----------------------------------|
| Balance at December 31, 1995                 | \$ 30,506       | \$ 6,022                             | \$ 158,754           | \$ 700  | \$ (210)          | \$195,772                        |
| Net earnings                                 |                 |                                      | 10,114               |   |                   | 10,114                           |
| Cash dividends                               |                 |                                      | (3,178)              |   |                   | (3,178)                          |
| Net shares issued (78,859) under stock plans | 99              | 877                                  |                      | (405)   |                   | 571                              |
| Foreign currency translation adjustment      |                 |                                      |                      | (607)   |                   | (607)                            |
| Balance at March 31, 1996                    | \$ 30,605       | \$ 6,899                             | \$ 165,690           | \$ (312)  | \$ (210)          | \$202,672                        |
| Balance at December 31, 1996                 | \$ 30,710       | \$ 8,377                             | \$ 189,390           | \$ (1,243)  | (27,455)          | \$199,779                        |
| Net earnings                                 |                 |                                      | 11,051               |   |                   | 11,051                           |
| Cash dividends                               |                 |                                      | (3,290)              |   |                   | (3,290)                          |
| Net shares issued (18,231) under stock plans |                 | (165)                                |                      | 169   | 462               | 466                              |
| Foreign currency translation adjustment      |                 |                                      |                      | (3,198)   |                   | (3,198)                          |
| Balance at March 31, 1997                    | \$ 30,710       | \$ 8,212                             | \$ 197,151           | \$ (4,272)  | \$ (26,993)       | \$204,808                        |

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As of March 31, 1997, 1,183,795 shares of common stock were reserved for exercise of stock options and grants of restricted shares.

3. Dividends.

Dividends paid during the quarters ended March 31, 1997 and 1996 were based on 23,504,850 and 24,445,392 respectively, common shares outstanding on the applicable dates of record.

4. Earnings per share.

Earnings per share for the quarters ended March 31, 1997 and 1996 were based on average common shares and common share equivalents outstanding of 23,766,368 and 24,792,964, respectively.

5. Contingencies.

The Company is involved as a "potentially responsible party" at five former public waste disposal sites which may be subject to remediation under pending government procedures. The sites are in various stages of evaluation by federal and state environmental authorities. The projected cost of remediating these sites, as well as the Company's

alleged "fair share" allocation, is uncertain and speculative until all studies have been completed and the parties have either negotiated an amicable resolution or the matter has been judicially resolved. At each site, there are many other parties who have similarly been identified, and the identification and location of additional parties is continuing under applicable federal or state law. Many of the other parties identified are financially strong and solvent companies which appear able to pay their share of the remediation costs. Based on the Company's preliminary information about the waste disposal practices at these sites and the environmental regulatory process in general, the Company believes that it is likely that ultimate remediation liability costs for each site will be apportioned among all liable parties, including site owners and waste transporters, according to the volumes and/or toxicity of the wastes shown to have been disposed of at the sites.

The Company is a defendant in numerous pending lawsuits (which include, in many cases, multiple claimants) which seek to recover damages for alleged personal injury allegedly resulting from exposure to asbestos containing products formerly manufactured and distributed by the Company. All such products were used within self-contained process equipment, and management does not believe that there was any emission of ambient asbestos fiber during the use of this equipment. The Company has resolved numerous claims at an average of about \$106 per claim, the cost of which was fully paid by insurance. The Company continues to have a substantial amount of available insurance from financially solvent carriers to cover the cost of both defending and resolving the claims.

The Company is also a defendant in several other products liability lawsuits which are insured, subject to the applicable deductibles, and certain other non-insured lawsuits received in the ordinary course of business. The Company has fully accrued the estimated loss reserve for each such lawsuit. No insurance recovery has been projected for any of the insured claims because management currently believes that all will be resolved within applicable deductibles.

Although none of the aforementioned gives rise to any additional liability that can now be reasonably estimated, it is possible that the Company could incur additional costs in the range of \$250,000 to \$1,000,000 over the upcoming five years to fully resolve these matters. Although the Company has accrued the minimum end of this range as a precaution, management has no current reason to believe that any such additional costs are probable or quantifiable. The Company will continue to evaluate these contingent loss exposures and, if they develop, recognize expense as soon as such losses can be reasonably estimated.

6. Impact of Recently Issued Accounting Standard

In February 1997, the Financial Accounting Standards Board issued Statement No. 128, Earnings Per Share, which is required to be adopted on December 31, 1997. At that time, the Company will be required to change the method currently used to compute earnings per share and to restate all prior periods. Under the new requirements for calculating primary earnings per share, the dilutive effect of stock options would be excluded. The impact of Statement 128 on the calculation of primary and fully diluted earnings per share is not material for the periods presented.

7. Merger

On May 6, 1997, the Company announced that it had reached a definitive agreement to merge with BW/IP, Inc. in a stock-for-stock merger of equals that will be accounted for as a pooling of interests transaction. Post-merger, the Company will operate under a new name, which will be announced before the transaction closes. BW/IP and Durco are two of the largest manufacturers and distributors of pumps, seals,

valves and control valves in the U.S., and the strategic combination will create a leading global supplier of fluid handling and control equipment.

The agreement calls for Durco shareholders to retain their present shares, and for BW/IP shareholders to receive .6968 shares of Durco common stock. The exchange ratio was based on the average ratio of closing share prices for the 15 consecutive trading days ended May 2, 1997. Completion of the merger is subject to approval by the shareholders of both Durco and BW/IP at meetings that are expected to be held over the summer, and the expiration of all applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvement Act of 1976. Durco and BW/IP have agreed to pay each other termination fees and to reimburse certain expenses in the event the merger is not consummated because of a competing transaction. The companies have also granted each other options for 19.9% of each other's common stock exercisable under certain circumstances.

BW/IP is a worldwide supplier of advanced-technology fluid transfer and control equipment, systems and services. Its principal products are pumps, mechanical seals and valves. In 1996, BW/IP reported sales of \$492.2 million and generated net earnings of \$27.8 million.

#### 8. Name Change

On April 23, 1997 the Company announced it has legally changed its corporate name to Durco International Inc., following approval by its Board of Directors and shareholders.

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The financial information contained in this report is unaudited, but, in the opinion of the Company, all adjustments (consisting of normal recurring accruals) which are necessary for a fair presentation of the operating results for the period have been made.

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### Management's Discussion and Analysis

#### of Financial Condition and Results of Operations

##### Capital Resources and Liquidity - Three Months Ended March 31, 1997

The Company's capital structure, consisting of long-term debt, deferred items and shareholders' equity, continues to enable the Company to finance short and long-range business objectives. At March 31, 1997, long-term debt was 18.5% of the Company's capital structure, compared to 19.3% at December 31, 1996. Based upon annualized 1997 results, the interest coverage ratio of the Company's indebtedness was 13.1 at March 31, 1997, compared with 14.0 for the twelve months ended December 31, 1996.

The return on average net assets at March 31, 1997 was 14.2% based upon 1997 annualized results, compared to 14.3% at December 31, 1996. Annualized return on average shareholders' equity was 21.9% at March 31, 1997, compared to 21.7% at December 31, 1996. Management continues to focus on improving its performance in these areas as many of the Company's incentive compensation plans are linked to return on net assets and economic value added measurements.

Capital spending in 1997 is expected to be over \$20.0 million, compared with \$16.9 million in 1996. The 1997 expenditures will be invested in low cost manufacturing facilities in India, new product development and machine replacement and upgrades.

The Company's liquidity position is reflected in a current ratio of 2.8 to 1 at March 31, 1997. This compares to 2.6 to 1 at December 31, 1996. Cash in excess of current requirements was invested in high-grade, short-term securities. Cash and amounts available under borrowing arrangements will be adequate to fund operating needs and capital expenditures through the remainder of the year.

On May 6, 1997, the Company announced that it had reached a definitive agreement to merge with BW/IP, Inc. in a stock-for-stock merger of equals that will be accounted for as a pooling of interests transaction. Post-merger, the company will operate under a new name, which will be announced before the transaction closes. BW/IP and Durco are two of the largest manufacturers and distributors of pumps, seals, valves and control valves in the U.S., and the strategic combination will create a leading global supplier of fluid handling and control equipment.

The agreement calls for Durco shareholders to retain their present shares, and for BW/IP shareholders to receive .6968 shares of Durco common stock. The exchange ratio was based on the average ratio of closing share prices for the 15 consecutive trading days ended May 2, 1997. Completion of the merger is subject to approval by the shareholders of both Durco and BW/IP at meetings that are expected to be held over the summer, and the expiration of all applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvement Act of 1976. Durco and BW/IP have agreed to pay each other termination fees and to reimburse certain expenses in the event the merger is not consummated because of a competing transaction. The companies have

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also granted each other options for 19.9% of each other's common stock exercisable under certain circumstances.

BW/IP is a worldwide supplier of advanced-technology fluid transfer and control equipment, systems and services. Its principal products are pumps, mechanical seals and valves. In 1996, BW/IP reported sales of \$492.2 million and generated net earnings of \$27.8 million.

#### Results of Operations - Three Months Ended March 31, 1997

Net sales for the three months ended March 31, 1997 were \$147.8 million, compared to net sales of \$149.2 million for the same period in 1996. The decrease in net sales reflects customer delayed project shipments of flow control equipment and strengthening of the U.S. dollar against European currencies. Foreign contributions to consolidated net sales were 33.3% and 33.6% for the three month periods ended March 31, 1997 and 1996, respectively. The slight decline reflects the impact of currencies. Total net sales to foreign customers including export sales from the U.S. were 41.6% and 40.3%, respectively. The increase in foreign contributions reflects higher levels of shipments into the Asia-Pacific markets.

Incoming business was \$153.6 million for the first three months of 1997. This compares to an unusually high \$157.0 million in 1996's first quarter when several large projects were booked. Backlog at March 31, 1997 was \$114.9 million, compared with a backlog of \$111.9 million at December 31, 1996. The Company remains committed to its program of reducing throughput time and meeting customer request dates for deliveries.

The gross profit margin was 40.6% for the three months ended March 31, 1997. This compares to 40.2% for the same period in 1996. The margin reflects a normal quarterly product mix and the favorable impact of continued emphasis on cost control.

Selling and administrative expenses as a percentage of net sales for the three months ended March 31, 1997 were 24.1%, compared to 24.4% for the same period in 1996. The decrease in expense as a percentage of net sales is consistent with the Company's plan to further leverage expense and control costs in 1997 while continuing to invest in the development and growth of international operations.

Research, engineering and development expense as a percentage of net sales for the three months ended March 31, 1997 was 3.0%, compared with 2.9% for the same period in 1996. The expense level during the first quarter of 1997 reflects the Company's continued investment in new products and production processes.

Other expense was \$0.7 million for the three month period ended March 31, 1997, compared to \$1.7 million for the same period in 1996. The decrease in expense reflects lower levels of long and short term incentive



compensation expense as the Company's results were below plan. The decrease also reflects foreign currency transaction losses in 1997 compared with slight gains in 1996.

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The effective tax rate for the first three months of 1997 was 38.0%, compared with 37.0% in 1996. The 1996 effective tax rate included significant benefits associated with utilization of tax loss carryforwards which are not expected to occur in 1997.

Record first quarter 1997 net earnings were \$11.1 million, or \$.47 per share, compared with \$10.1 million, or \$.41 per share, for the same period in 1996. The 9.3% increase in profits reflects the Company's efforts to control costs as both cost of sales and selling and administrative expenses declined. Net earnings for future quarters of 1997 and thereafter are uncertain and dependent on general worldwide economic conditions in the Company's major markets and their strong impact on the level of incoming business activity.

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PART II  
OTHER INFORMATION

- |        |  |
|--------|--|
| ITEM 1 | Not Applicable During Reporting Period |
| ITEM 2 | Not Applicable During Reporting Period |
| ITEM 3 | Not Applicable During Reporting Period |
| ITEM 4 | Not Applicable During Reporting Period |
| ITEM 5 | Not Applicable During Reporting Period |
| ITEM 6 | Exhibits and Reports on Form 10-K      |
- (a) The following Exhibits are attached hereto:
- |      |   |
|------|---|
| 3.6  | 1997 Certificate of Amendment of Certificate of Incorporation |
| 27.1 | Financial Data Schedule                                       |
|      | All other Exhibits are incorporated by reference              |
- (b) Not applicable during reporting period

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SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DURCO INTERNATIONAL INC.  
(Registrant)

/s/ Bruce E. Hines

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Bruce E. Hines  
Senior Vice President  
Chief Administrative Officer

Date: May 8, 1997  
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INDEX TO EXHIBITS

FOOTNOTE  
REFERENCE  
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|     |  |                |
|-----|--|----------------|
| (3) | ARTICLES OF INCORPORATION AND BY-LAWS:   |                |
| 3.1 | 1988 Restated Certificate of Incorporation of The Duriron Company, Inc. was filed as Exhibit 3.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 1988..... | *              |
| 3.2 | 1989 Amendment to Certificate of Incorporation was filed as Exhibit 3.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 1989.....                          | *              |
| 3.3 | By-Laws of The Duriron Company, Inc. (as restated) were filed with the Commission as Exhibit 3.2 to The Company's Annual Report on Form 10-K for the year ended December 31, 1987..... | *              |
| 3.4 | 1996 Certificate of Amendment of Certificate of Incorporation was filed as Exhibit 3.4 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.....           | *              |
| 3.5 | Amendment No. 1 to Restated Bylaws was filed as Exhibit 3.5 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.....                                      | *              |
| 3.6 | 1997 Certificate of Amendment of Certificate of Incorporation.....   | Filed Herewith |

FOOTNOTE  
REFERENCE  
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(4) INSTRUMENTS DEFINING THE RIGHTS OF  
SECURITY HOLDERS, INCLUDING INDENTURES:

- |     |   |   |
|-----|---|---|
| 4.1 | Lease agreement, indenture of mortgage and deed of trust, and guarantee agreement, all executed on June 1, 1978 in connection with 9-1/8% Industrial Development Revenue Bonds, Series A, City of Cookeville, Tennessee.....                      | + |
| 4.2 | Lease agreement, indenture of trust, and guaranty agreement, all executed on June 1, 1978 in connection with 7-3/8% Industrial Development Revenue Bonds, Series B, City of Cookeville, Tennessee.....  | + |
| 4.3 | Form of Rights Agreement dated as of August 1, 1986 was filed as an Exhibit to the Company's Form 8-A dated August 13, 1986.....  | * |
| 4.4 | Amendment to Rights Agreement dated August 1, 1996 was filed as Exhibit 4.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1996.....   | * |
| 4.5 | Interest Rate and Currency Exchange Agreement between the Company and Barclays Bank dated November 17, 1992 PLC in the amount of \$25,000,000 was filed as Exhibit 4.9 to the Company's Report of Form 10-K for year ended December 31, 1992..... | * |
| 4.6 | Loan Agreement in the amount of \$25,000,000 between the Company and Metropolitan Life Insurance Company dated November 12, 1992 was filed as Exhibit 4.10 to the Company's Annual Report on Form 10-K for the year ended December 31, 1992 ..... | * |
| 4.7 | Revolving Credit Agreement between the Company and First of America Bank - Michigan, N.A. in the amount of \$20,000,000 and dated August 22, 1995.....  | + |

FOOTNOTE  
REFERENCE  
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- |     |   |   |
|-----|---|---|
| 4.8 | Credit Facility between the Company in the amount of \$100,000,000 and National City Bank, as Agent, dated December 3, 1996 was filed as Exhibit 4.8 to the Company's Report on Form 10-K for the year ended December 31, 1996..... | * |
| 4.9 | Rate Swap Agreement in the amount of \$25,000,000 between the Company and National City Bank dated November 14, 1996 was filed as Exhibit 4.9 to the Company's Report on Form 10-K for the year ended December 31, 1996.....        | * |

- 4.10 Rate Swap Agreement in the amount of \$25,000,000 between the Company and Key Bank National Association dated October 28, 1996 was filed as Exhibit 4.10 to the Company's Report on Form 10-K for the year ended December 31, 1996..... \*

(10) MATERIAL CONTRACTS: (See Footnote "a")

- 10.1 The Duriron Company, Inc. Incentive Compensation Plan (the "Incentive Plan") for Senior Executives, as amended and restated effective January 1, 1994, was filed as Exhibit 10.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 1993..... \*
- 10.2 Amendment No. 1 to the Incentive Plan was filed as Exhibit 10.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995..... \*
- 10.3 The Duriron Company, Inc. Supplemental Pension Plan for Salaried Employees was filed with the Commission as Exhibit 10.4 to the Company's Annual Report on Form 10-K for the year ended December 31, 1987..... \*
- 10.4 The Duriron Company, Inc. amended and restated Director Deferral Plan was filed as Attachment A to the Company's definitive 1996 Proxy Statement filed with the Commission on March 10, 1996..... \*

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FOOTNOTE  
REFERENCE  
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- 10.5 Change in Control Agreement ("CIC") between The Duriron Company, Inc. and William M. Jordan, Chairman, President and CEO was filed as Exhibit 10.5 to the Company's Report on Form 10-K for the year ended December 31, 1996..... \*
- 10.6 Form of CIC Agreement between all other executive officers of the Company was filed as Exhibit 10.6 to the Company's Report on Form 10-K for the year ended December 31, 1996..... \*
- 10.7 The Duriron Company, Inc. First Master Benefit Trust Agreement dated October 1, 1987 was filed as Exhibit 10.24 to the Company's Annual Report on Form 10-K for the year ended December 31, 1987..... \*
- 10.8 Amendment #1 to the first Master Benefit Trust Agreement dated October 1, 1987 was filed as Exhibit 10.24 to the Company's Annual Report on Form 10-K for the year ended December 31, 1993..... \*
- 10.9 Amendment #2 to First Master Benefit Trust Agreement was filed as Exhibit 10.25 to the Company's Annual Report on Form 10-K for the year ended December 31, 1993..... \*
- 10.10 The Duriron Company, Inc. Second Master Benefit Trust Agreement dated October 1, 1987 was filed as Exhibit 10.12 to the Company's Annual Report on Form 10-K for the year ended December 31, 1987..... \*
- 10.11 First Amendment to Second Master Benefit Trust Agreement was filed as Exhibit 10.26 to the Company's Annual Report on Form 10-K for the year ended December 31, 1993..... \*

- 10.12 The Duriron Company, Inc. Long-Term Incentive Plan (the "Long-Term Plan"), as amended and restated effective November 1, 1993 was filed as Exhibit 10.8 to the Company's Annual Report on Form 10-K for the year ended December 31, 1993..... \*

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FOOTNOTE  
REFERENCE  
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- 10.13 Amendment No. 1 to the Long-Term Plan was filed as Exhibit 10.13 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995..... \*
- 10.14 The Duriron Company, Inc. 1989 Stock Option Plan as amended and restated effective January 1, 1997 was filed as Exhibit 10.14 to the Company's Report on Form 10-K for the year ended December 31, 1996..... \*
- 10.15 The Duriron Company, Inc. 1989 Restricted Stock Plan (the "Restricted Stock Plan") as amended and restated effective January 1, 1997 was filed as Exhibit 10.15 to the Company's Report on Form 10-K for the year ended December 31, 1996..... \*
- 10.16 The Duriron Company, Inc. Retirement Compensation Plan for Directors ("Director Retirement Plan") was filed as Exhibit 10.15 on the Company's Annual Report to Form 10-K for the year ended December 31, 1988..... \*
- 10.17 Amendment No. 1 to Director Retirement Plan was filed as Exhibit 10.21 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995..... \*
- 10.18 The Company's Benefit Equalization Pension Plan ("Equalization Plan") was filed as Exhibit 10.16 to the Company's Annual Report on Form 10-K for the year ended December 31, 1989..... \*
- 10.19 Amendment #1 dated December 15, 1992 to the Equalization Plan was filed as Exhibit 10.18 to the Company's Annual Report on Form 10-K for the year ended December 31, 1992..... \*
- 10.20 The Company's Equity Incentive Plan as amended and restated effective July 21, 1995 was filed as Exhibit 10.25 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995..... \*

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FOOTNOTE  
REFERENCE  
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- 10.21 Supplemental Pension Agreement between the Company and William M. Jordan dated

|       |   |   |
|-------|---|---|
|       | January 18, 1993 was filed as Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended December 31, 1992.....   | * |
| 10.22 | 1979 Stock Option Plan, as amended and restated April 23, 1991, and Amendment #1 thereto dated December 15, 1992, was filed as Exhibit 10.17 to the Company's Annual Report on Form 10-K for the year ended December 31, 1992 ..... | * |
| 10.23 | Deferred Compensation Plan for Executives was filed as Exhibit 10.19 to the Company's Annual Report on Form 10-K for the year ended December 31, 1992 .....   | * |
| 10.24 | Executive Life Insurance Plan of The Duriron Company, Inc. was filed as Exhibit 10.29 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.....   | * |
| 10.25 | Executive Long-Term Disability Plan of The Duriron Company, Inc. was filed as Exhibit 10.30 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.....   | * |
| 10.26 | Consulting Agreement between James S. Ware and Durametallic Corporation dated April 21, 1991 was filed as Exhibit 10.31 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.....                       | * |
| 10.27 | Senior Executive Death Benefit Agreement between James S. Ware and Durametallic dated April 12, 1991 was filed as Exhibit 10.32 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.....               | * |

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FOOTNOTE  
REFERENCE  
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|       |  |   |
|-------|--|---|
| 10.28 | Executive Severance Agreement between James S. Ware and Durametallic Corporation dated January 6, 1994 was filed as Exhibit 10.33 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.....  | * |
| 10.29 | Agreement between James S. Ware and the Company dated September 11, 1995 was filed as Exhibit 10.34 to the Company's Annual Report on Form 10-K for the year ended December 31, 1995.....  | * |
| 10.30 | Agreement and Plan of Merger Among The Duriron Company, Inc., Wolverine Acquisition Corporation and Durametallic Corporation, dated as of September 11, 1995 was filed as Annex A on the Form S-4 Registration Statement filed by the Company on September 11, 1995..... | * |
| 10.31 | Split-Dollar Life Insurance Agreement between the Company and James S. and Sheila D. Ware Irrevocable Trust II signed March 6, 1996 was filed as Exhibit 10.36 to the Company's quarterly report on Form 10-Q for the quarter ended March 31, 1996.....                  | * |
| 10.32 | Employee Protection Plan, as revised effective March 1, 1997 (which provides certain severance benefits to employees upon a change of control of the Company) was filed as Exhibit 10.32 to the Company's Report on Form 10-K for the year ended December 31, 1996.....  | * |
| 10.33 | 1997 Stock Option Plan was included as Exhibit A to the Company's 1997 Proxy Statement which was filed with the Commission on March 17, 1997.....  | * |

(27) FINANCIAL DATA SCHEDULE

27.1 Financial Data Schedule (submitted for the SEC's  
information).....

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FOOTNOTE  
REFERENCE  
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"\*" Indicates that the exhibit is incorporated by reference into this Annual Report on Form 10-K from a previous filing with the Commission. The Company's file number with the Commission is "0-325".

"+" Indicates that the document relates to a class of indebtedness that does not exceed 10% of the total assets of the Company and subsidiaries and that the Company will furnish a copy of the document to the Commission upon request.

"a" The documents identified under Item 10 include all management contracts and compensatory plans and arrangements required to be filed as exhibits.

4/24/97

CERTIFICATE OF AMENDMENT  
of  
CERTIFICATE OF INCORPORATION  
of  
THE DURIRON COMPANY, INC.

Under Section 805 of the Business Corporation Law

Pursuant to the provisions of Section 805 of the Business Corporation Law, the undersigned, Bruce E. Hines and Ronald F. Shuff, being respectively the Senior Vice President and Secretary of The Duriron Company, Inc., a New York corporation (the "Corporation") hereby certify:

FIRST: The name of the Corporation is The Duriron Company, Inc. The name under which the corporation was formed was: Duriron Castings Company.

SECOND: The Certificate of Incorporation of the Corporation was filed by the Department of State on May 1, 1912.

THIRD: The amendment to the Certificate of Incorporation effected by this Certificate is as follows:

ARTICLE FIRST is hereby amended and restated in its entirety to read as follows:

"FIRST: The name of the Corporation is: Durco International Inc.

FOURTH: The foregoing amendment to the Certificate of Incorporation was authorized by the unanimous vote of the directors present at a meeting of the Board of Directors duly held and convened on February 17, 1997, and such amendment was thereafter approved by an affirmative vote of a majority of all the outstanding shares of the Common Stock of the Corporation at the Annual Meeting of Shareholders of the Corporation held on April 24, 1997.

Page 1

IN WITNESS WHEREOF, we hereunto sign our respective names and affirm that the statements made herein are true under penalties of perjury, this 24th day of April, 1997.

-----  
Bruce E. Hines  
Senior Vice President

-----  
Ronald F. Shuff  
Secretary

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CERTIFICATE OF SECRETARY



The undersigned, being the duly elected Secretary of The Duriron Company, Inc., a New York Corporation (the "Company"), hereby certifies that the Board of Directors of the Company adopted the following resolution upon motion duly made, seconded and vote taken at a regularly scheduled meeting held on February 17, 1997, and that such resolution remains in full force and effect:

RESOLVED, That Article First of the Certificate of Incorporation of the Company be amended to read as follows:

FIRST: The name of the Corporation is Durco International Inc. The name under which the Corporation was formed is: Duriron Castings Company. The name of the Corporation prior to this amendment was: THE DURIRON COMPANY, INC.

FURTHER RESOLVED, that such amendment be subject to approval by the shareholders of the Company and other applicable requirements of the Business Corporation Law of the State of New York, with the officers of the Company being authorized and instructed to take such action as they, or any one of them, deem necessary of desirable, in their discretion, to implement such amendment.

-----  
Ronald F. Shuff  
Secretary  
April 23, 1997

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