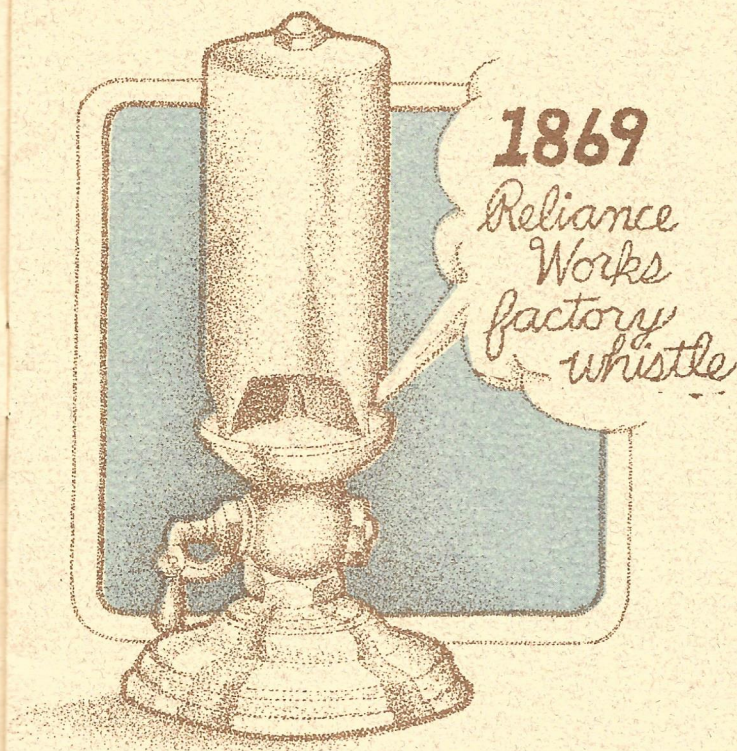


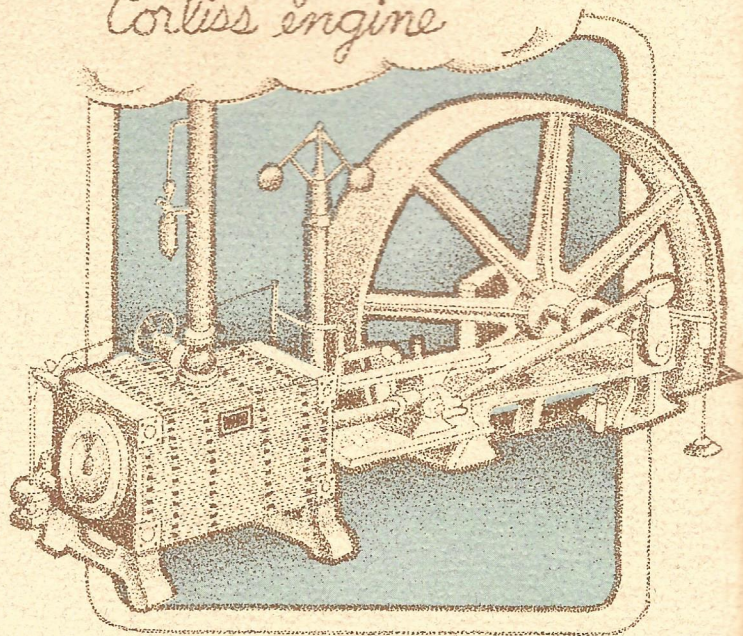
Profile of Progress

ALLIS-CHALMERS CORPORATION



From a small builder of French burr millstones to a diversified, high technology international manufacturer serving the capital goods fields of processing, mining, agricultural, industrial, electrical, and material handling equipment as well as consumer goods, the history of Allis-Chalmers is a story of continued growth, progress and diversification. The Company was founded in 1847 by two Ohio men—James Decker and Charles S. Seville. They noted that Wisconsin, at that time, was the heart of the nation's flour milling industry. In Milwaukee they saw the possibility of manufacturing French burr millstones, grist and flour mill supplies and set up shop there. In 1861, a young man by the name of Edward P. Allis purchased Decker and Seville and changed its name to Edward P. Allis and Company. Allis recognized the importance of steam as a source of power. The shriek of a steam whistle on New Year's Eve, 1869, told everyone in the vicinity of his Reliance Works that the first Allis steam engine was in operation. The largest centrifugal pump in America was built by the firm in 1884, and the first triple-expansion pumping engine was designed two years later.

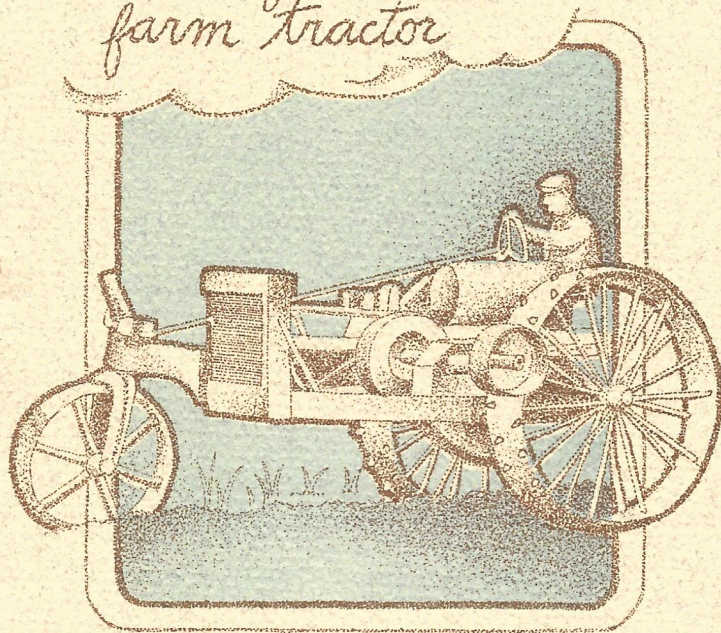
1888 Reynolds Corliss engine



The formation of the Allis-Chalmers Company in 1901 with the merger of E. P. Allis and three other firms (Fraser & Chalmers and the Gates Iron Works, both of Chicago; and the Dickson Mfg. Co. of Scranton and Wilkes Barre, Pa.) added to the firm's line of mining and ore-processing machinery and strengthened other lines. In a move to expand in the electrical field, Allis-Chalmers purchased the Bullock Electrical Manufacturing Company of Cincinnati, Ohio, which subsequently became the Norwood plant in 1904. Spectacular lighting at the St. Louis Fair in 1904 was the result of a combination of a Bullock generator and a huge Reynolds-Corliss engine. Allis-Chalmers went further into the electrical field: its first steam turbine-generator was in operation in 1906; by 1926 its hydraulic turbines had established a number of world records.

Allis-Chalmers had still more ideas about power machinery. In 1914, it introduced its first farm tractor—a machine weighing 4,000 pounds and moving on three wheels. A four-wheel tractor was manufactured in 1920. By 1926, the Company established a Tractor Division with its own sales and distribution system.

1914 first farm tractor



The first step in the expansion of the Tractor Division was the acquisition of the Monarch Tractor Corporation, Springfield, Ill., in 1928. Manufacture of crawler type tractors was continued at the newly-established Springfield plant of Allis-Chalmers; a line of road-building equipment was added later. The following year Allis-Chalmers purchased the LaCrosse Plow Company, LaCrosse, Wis., manufacturer of plows, disc harrows and other farm implements. The purchase of the Advance-Rumely Company of LaPorte, Ind., in 1931 provided facilities for the manufacture of harvesting machinery. In 1938, the Brenneis Manufacturing Company of Oxnard, Calif., came into the Tractor Division as the Oxnard plant, which produces a line of deep tillage tools specially developed for West Coast requirements.

In the meantime, the General Machinery Division was strengthening its line through the purchase of the Nordyke-Marmon Flour Milling Company of Indianapolis in 1926. The purchase of the Pittsburgh Transformer Company was made in 1927, leading to the establishment of the Pittsburgh plant of Allis-Chalmers. In 1931, some of the assets of the American Brown-

Boveri Electric Corporation, which included the Condit Electrical Corporation, of Boston, were purchased. The Boston, Mass., plant came into being as a result.

Since World War II, the Company has strengthened its products in major lines and added new ones. Feeder voltage regulators are built at the Gadsden, Ala., plant, which was purchased in 1948. To better equip the Tractor Division for sales in the European market, Allis-Chalmers Great Britain Ltd. was formed, and a plant purchased in 1950 in Essendine, England, for production of harvesters. In 1951, the subsidiary named Canadian Allis-Chalmers Ltd. was formed and now as Allis-Chalmers Canada Ltd. operates a plant in Lachine, Quebec, to better reach the Canadian capital goods market. The LaPlant-Choate Mfg. Co. of Cedar Rapids, Iowa, joined the Company in 1952, adding tractor scrapers and wagons and pull-type scrapers. The Buda Company of Harvey, Ill., became the Harvey plant in 1953, adding diesel engines and lift truck products to the Allis-Chalmers line.

The Gleaner Harvester Corporation of Independence, Mo., became the Independence plant in February, 1955, adding the well-known "Gleaner" line of harvesters. The Baker Company of Springfield and Beardstown, Ill., became a part of the Company's Springfield plant in April, 1955. The Baker Company had for many years been manufacturing bulldozers and snow plows for Allis-Chalmers crawler tractors. In April, 1957, Allis-Chalmers purchased the assets of

Thomas C. Pollard Pty. Limited of Newcastle, Australia, which had produced motor graders under license from Allis-Chalmers. The new plant, Allis-Chalmers Australia Limited, continues to manufacture a growing line of capital goods.

In January, 1958, Allis-Chalmers purchased its Mexican subsidiary, Industrial Dufermex, S.A., in Mexico City to manufacture transformers there. In March of that year, certain assets relating to the diesel engine operation of Micromatic Hone Corporation of Detroit were purchased by Allis-Chalmers and transferred to the Company's Harvey, Ill., plant.

The S. Morgan Smith Co. of York, Pa., became the York plant in January, 1959, bringing to Allis-Chalmers its line of hydraulic turbines, valves, water handling equipment and other specialized machinery. In June, 1959, the Tractomotive Corporation of Deerfield, Ill., became the Deerfield plant, manufacturing tractor loaders and accessory equipment. In October, 1959, two more members were added to the Allis-Chalmers family: Allis-Chalmers Italiana, S.p.A., in Cusano, Italy, which produces crawler tractors; and the Valley Iron Works Corporation of Appleton, Wis., a wholly-owned subsidiary manufacturing papermaking machinery, which became the Appleton plant in 1965.

In September, 1960, the Company acquired the controlling interest in Etablissements de Constructions Mecaniques de Vendeuvre, S.A., French manufacturer



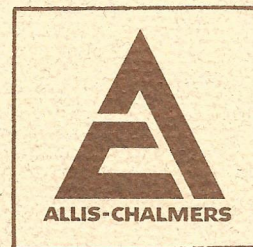
1887

1901



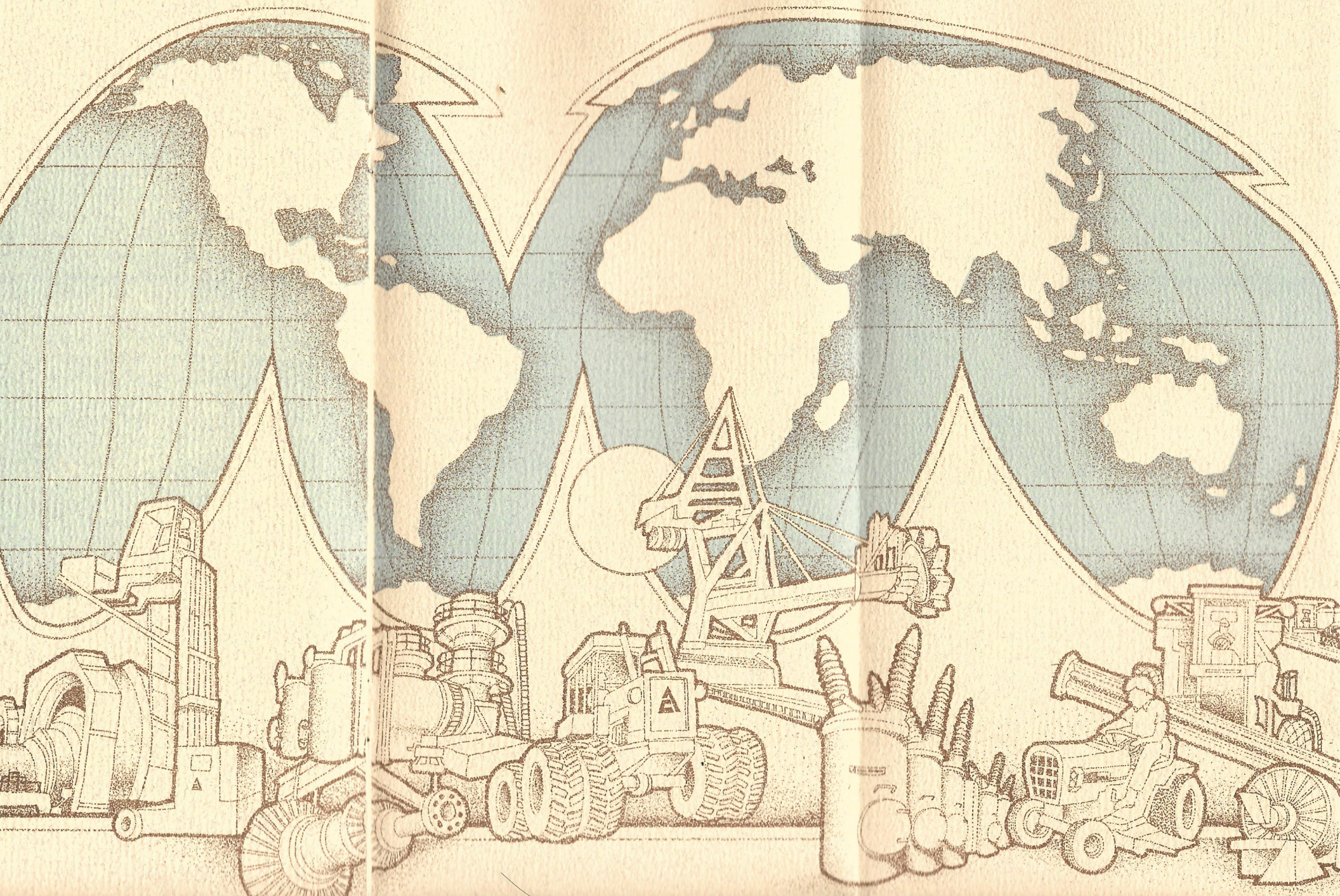
1919

1949



1965

WELCOME TO THE WORLD OF **ALLIS-CHALMERS**

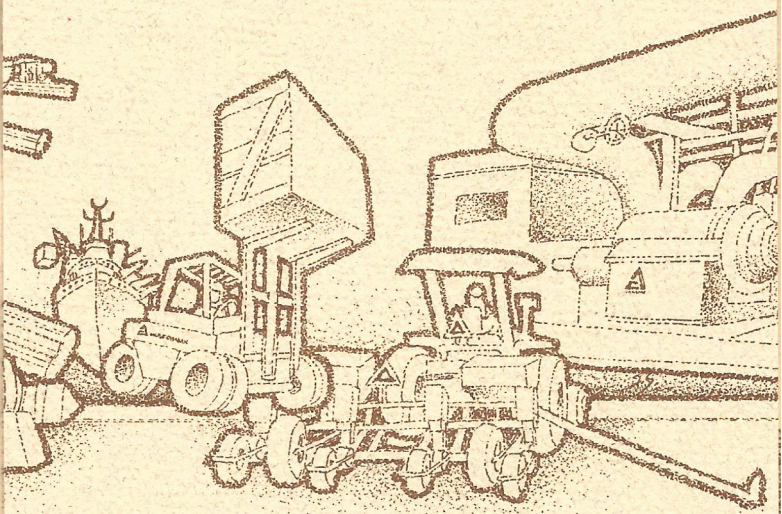


of air-cooled diesel industrial engines, engine-generator sets and lift trucks at a plant in Dieppe. Now a wholly-owned subsidiary, it is called Allis-Chalmers Material Handling Europe.

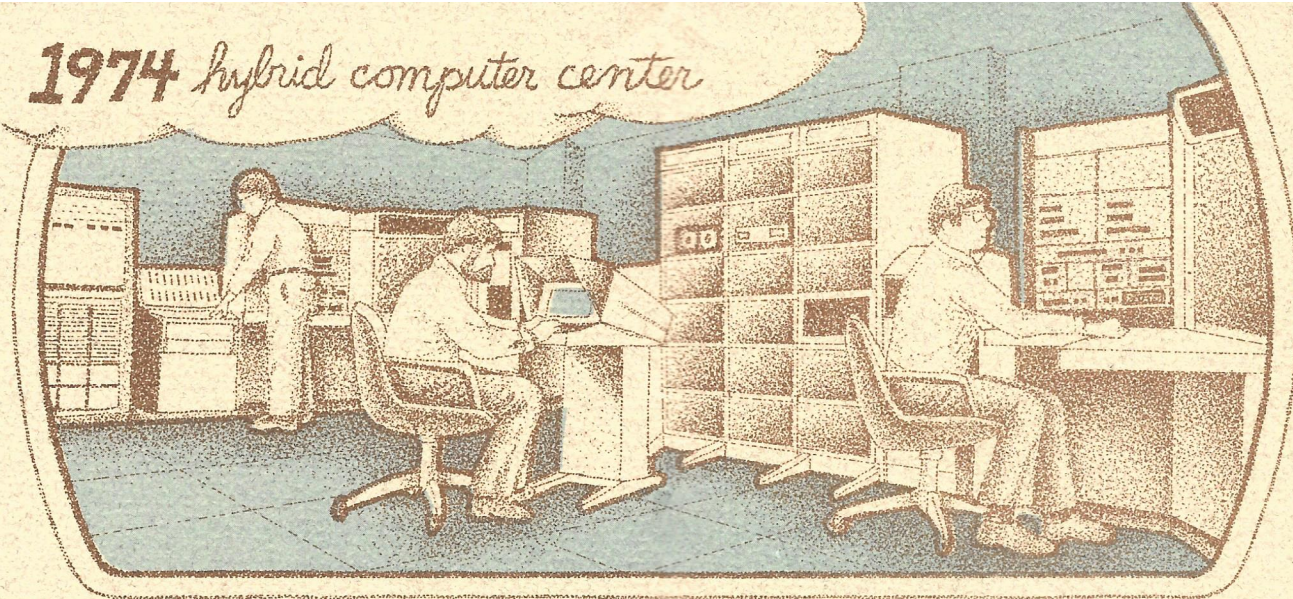
Allis-Chalmers helped pioneer a brand new power source: the Company, with Radio Corporation of America, was selected by Princeton University, in September, 1957, to design and build a facility for advanced research into controlled thermonuclear reactions.

Acquisition of Schwager-Wood Co., of Portland, Ore., an electrical switching equipment manufacturer, took place in June, 1963, and in 1966 the operation moved into new quarters and became the Portland plant. In July of 1963 the Company's Canadian subsidiary, Allis-Chalmers Rumely, Ltd., opened a manufacturing facility in Guelph, Ont., to build lift trucks and tractor loaders. The same year the Company opened new, larger quarters in San Luis Potosi, Mexico, and closed its Mexico City plant. Here lift trucks are produced.

In October, 1965, Allis-Chalmers bought the assets of Simplicity Mfg. Co., Port Washington, Wis., a lawn and garden equipment producer. The wholly-owned subsidiary known as Simplicity Manufacturing Company, Inc., builds its own brand lines there as well as for Allis-Chalmers and private brands.



1974 hybrid computer center



Late in 1968, the Company acquired the assets of Henry Manufacturing Company, Topeka, Kan. Now operated as the Company's industrial tractor division, it manufactures industrial tractor equipment.

In January, 1969, Allis-Chalmers completed acquisition of Standard Steel Corporation and its manufacturing facilities in Los Angeles, Calif., and Decatur, Ill., where asphalt plants, fish meal plants, small kilns and rotary driers and coolers are manufactured.

Allis-Chalmers, in 1969, completed construction of an electric motor plant near Little Rock, Ark., and in 1970 another plant in Matteson, Ill., to manufacture fork lift trucks and other material handling equipment. Access to continually advancing technology and a broad spectrum of existing and new electrical products and systems for the utility and industrial markets was acquired by Allis-Chalmers in 1970 through licensing agreements with Siemens AG and Transformatoren Union AG, both of West Germany. These agreements gave Allis-Chalmers the opportunity to compete in many new areas of electrical products. In addition, the Company and Kraftwerk Union AG of West Germany formed an affiliate, Allis-Chalmers Power Systems, Inc., to market steam turbine generators for both conventional and nuclear power plants.

In 1972 Allis-Chalmers constructed an industrial controls plant in Wichita Falls, Texas. The assets of Pennsylvania Electric Coil Corp., Pittsburgh, were pur-

chased in June, 1972; and the firm is now operated as a wholly-owned subsidiary, serving as a motor and generator service and repair facility. In October, 1972, a Brazilian manufacturer of crushing and screening machinery, Fabrica de ACO Paulista, was purchased by Allis-Chalmers. Headquartered in Sao Paulo, it also has another manufacturing plant in Sorocaba. Earlier in the year, approval was received for purchase of a minority interest in the Swedish firm, Svedala-Arbra AB of Svedala, Sweden, that included an agreement covering manufacturing of mining and screening equipment; subsequently a majority interest was obtained.

Electrical product facilities were built at Jackson, Miss., Sanford, N.C., and New Orleans, La.

In January, 1974, a joint venture enterprise of Allis-Chalmers with Fiat S.p.A. of Italy with respect to the construction machinery product lines of both companies went into operation. This new worldwide operation, with Fiat owning 65 per cent and Allis-Chalmers 35 per cent, has two holding companies: Fiat-Allis B.V., a Netherlands corporation, and Fiat-Allis Inc., a U.S. corporation. The operating company in the U.S. is called Fiat-Allis Construction Machinery, Inc., with headquarters at Carol Stream, Ill., and includes the Springfield and Deerfield, Ill., plants formerly part of Allis-Chalmers. The counterpart European operation is Fiat-Allis Macchine Movimento, S.p.A., at Lecce, Italy.

Also during the first quarter of 1974, Stephens-Adamson, Inc., an experienced producer of bulk material handling equipment and systems, became a wholly-owned subsidiary of Allis-Chalmers through acquisition of this operation from Borg-Warner Corporation. Headquartered in Aurora, Ill., the new subsidiary also has facilities in Clarksdale, Miss., and in Canada and Australia abroad.

Late in 1975, Allis-Chalmers Canada Limited and National Steel Corporation of Canada Limited entered into a partnership under the name of Sudbury Metals Company and leased a major portion of the Falcon-bridge nickel-iron pellet refinery which has been modified to the Allis-Chalmers direct reduction process for converting iron oxide pellets into metalized iron pellets. The Sudbury Metals Co. plant, Sudbury, Ontario, Canada, will process about 1,200 tons of oxide pellets per day and is expected to begin commercial operations in 1976.

Allis-Chalmers acquired a completely new capability in the processing of gases through acquisition, in October, 1978, of American Air Filter, Inc., Louisville, Kentucky. Its broad line of precipitators, scrubbers, air filters and dust control systems have all been designed, manufactured and marketed for environmental air quality control.

In June, 1979, Allis-Chalmers announced the acquisition of Barron Industries, Inc. of Birmingham and Leeds, Alabama. The company manufactures heavy-duty fans, mechanical dust collectors, hot gas dampers, expansion joints and heat recovery and recycling equipment.

A major factor in automatic storage and retrieval systems, Hartman Metal Fabricators, Inc., Victor, New York, became a member of the Allis-Chalmers Corporation in January, 1980. Hartman has the capability to design, manufacture and install the special requirements of any computer-oriented automated storage and retrieval system. Products offered include computer-controlled storage cranes, high rise rack structures, conveyor systems, electronic controls and supporting equipment.

Today, Allis-Chalmers Corporation is a company of approximately 29,000 employees. The Company has 71 plants worldwide and sales of \$1.973 billion in 1979. It has more than 100 sales offices, branches and warehouses in the principal cities of the world. Nearly 5,000 dealers sell and service its products, which serve the processing, minerals, coal, material handling, outdoor products, agricultural and environmental air markets.

March, 1980

*A diversified,
high technology
international company
serving the
vital areas of
food...
water...
energy...
minerals...*

