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M. H. DETRICK COMPANY
ASBESTOS TRUST

Financial Statements

December 31, 2008 and 2007

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INDEPENDENT AUDITORS' REPORT

To the Trustee and Trust Advisory Committee
M. H. Detrick Company Asbestos Trust
Leeds, Alabama

We have audited the special-purpose statements of net claimants' equity of the M. H. Detrick Company Asbestos Trust (A Delaware Business Trust) as of December 31, 2008 and 2007, and the related special-purpose statements of changes in net claimants' equity and of cash flows for the years then ended. These financial statements are the responsibility of the Trustee. Our responsibility is to express an opinion on these financial statements based on our audits.

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

The accompanying special-purpose financial statements were prepared to comply with the Trust agreement as discussed in Note 2, and are not intended to be a presentation of financial statements in conformity with accounting principles generally accepted in the United States of America. The special-purpose methods discussed in Note 2 include significant interpretations made by the Trustee based on court orders, bankruptcy filings, Trust Advisory Committee decisions and bankruptcy attorney opinions.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the net claimants' equity of the M. H. Detrick Company Asbestos Trust as of December 31, 2008 and 2007, and the changes in net claimants' equity and cash flows for the years then ended, on the basis of accounting described in Note 2.

This report is intended solely for the Trustee, the Court, the Trust Advisory Committee and M. H. Detrick Company and is not intended to be and should not be used by anyone other than these specified parties.

Barfield, Murphy, Shank & Smith, P.C.

Birmingham, Alabama
March 20, 2009

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M. H. DETRICK COMPANY ASBESTOS TRUST

Special-Purpose Statements of Net Claimants' Equity
December 31, 2008 and 2007

	2008	2007
Assets		
Cash and cash equivalents	$ 1,444,523	$ 1,822,640
Investments	1,232,654	-
Investment - M. H. Detrick Company	1	1
Prepaid expenses	-	833
Prepaid federal income tax	7,584	4,884
	$ 2,684,762	$ 1,828,358
Liabilities		
Uncashed check fund	$ 106,048	$ -
Net Claimants' Equity	$ 2,578,714	$ 1,828,358

See notes to financial statements.

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M. H. DETRICK COMPANY ASBESTOS TRUST
Special-Purpose Statements of Changes in Net Claimants' Equity
Years ended December 31, 2008 and 2007

	2008	2007
Net claimants' equity - beginning of year	$ 1,828,358	$ 2,117,054
Additions to net claimants' equity		
MHDC 468B Distributions	925,000	-
M. H. Detrick Company note receivable interest	-	14,995
Investment income	53,432	96,698
Unrealized loss	(137,149)	-
Loss on sale of investments	(22,893)	(20,842)
	818,390	90,851
Deductions from net claimants' equity		
Claims	112	294,312
Operating and claims resolution expenses	67,922	77,698
Federal income tax expense	-	7,537
	68,034	379,547
Net claimants' equity - end of year	$ 2,578,714	$ 1,828,358

See notes to financial statements.

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M. H. DETRICK COMPANY ASBESTOS TRUST
Special-Purpose Statements of Cash Flows
Years ended December 31, 2008 and 2007

	2008	2007
Operating activities		
Net addition (reduction) in net claimants' equity	$ 750,356	$ (288,696)
Adjustments to reconcile net addition (reduction) to net cash provided by (used in) operating activities		
Loss on sale of assets	300	20,842
Unrealized loss	137,149	-
Changes in operating assets and liabilities		
Prepaid expenses	833	1,250
Prepaid federal income tax	(2,700)	(4,884)
Accrued interest receivable	-	41,811
Accrued expenses	-	(11,747)
Uncashed check fund	106,048	-
Net cash provided by (used in) operating activities	991,986	(241,424)
Investing activities		
Proceeds from sale of investments	329,332	3,376,360
Net redemption of commercial paper	-	16,141,276
Purchase of investments	(1,699,435)	(17,804,962)
Net cash (used in) provided by investing activities	(1,370,103)	1,712,674
Financing activities		
Payment received - M. H. Detrick note receivable	-	270,000
Net cash provided by financing activities	-	270,000
Net (decrease) increase in cash and cash equivalents	(378,117)	1,741,250
Cash and cash equivalents - beginning of year	1,822,640	81,390
Cash and cash equivalents - end of year	$ 1,444,523	$ 1,822,640

See notes to financial statements.

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M. H. DETRICK COMPANY ASBESTOS TRUST
Notes to Financial Statements
December 31, 2008 and 2007

NOTE 1 - DESCRIPTION OF THE TRUST

Nature of Organization

The M. H. Detrick Company Asbestos Trust (the Trust), organized pursuant to the laws of the state of Delaware (Delaware Business Trust), was established pursuant to the M. H. Detrick Company Third Amended Joint Plan of Reorganization (the Plan). The Trust was formed to assume Detrick's liabilities with respect to any and all Asbestos Bodily Injury Claims and Demands and Asbestos Property Damage Claims and Demands (cumulatively Claims and Demands) in such a way that all holders of Claims and Demands are treated in a substantially equivalent manner. Upon establishment of the Plan, the Trust assumed liability for existing and future asbestos health and property damage claims. The Trust had initial funding and will receive ongoing fixed and contingent funding as described below. The Trust's funding is dedicated solely to the settlement of asbestos health and property damage claims and the related costs thereto, as defined in the Plan. The Trust was established on August 21, 2002.

Funding of the Trust

Initial sources of funds as described in the Plan are as follows:

i. All outstanding shares of Detrick common stock.
ii. Detrick's asbestos related insurance coverage with a value of approximately $2,479,000.
iii. Detrick shall pay all of its income in to the Trust less a sufficient amount of operating capital to maintain successful business operations.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Trust's special-purpose financial statements are prepared using accounting methods that differ from accounting principles generally accepted in the United States of America (GAAP). The special-purpose accounting methods were adopted in order to better communicate to the beneficiaries of the Trust the amount of equity available for payment of current and future claims. This basis of presentation is based on the Trust agreement and significant interpretations made by the Trustee based on court orders, bankruptcy filings, Trust Advisory Committee decisions and bankruptcy attorney opinions. These special-purpose accounting methods are enumerated as follows:

i. The financial statements are prepared using the accrual basis of accounting, except as noted in the following items.
ii. Distributions received from Detrick and any insurance proceeds will be recorded directly to Net Claimants' Equity when received. Settlement payments to settle asbestos health claims will be recorded as reductions of Net Claimants' Equity.

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M. H. DETRICK COMPANY ASBESTOS TRUST
Notes to Financial Statements
December 31, 2008 and 2007
(Continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Presentation - Continued

iii. The cost of any non-income producing assets (if any), which will be exhausted during the life of the trust, will be expensed as incurred. This includes fixed assets and software development.
iv. The liability for unpaid claims will only be recorded if the claim has been approved for payment but not yet paid. No liability will be recorded for any un-filed claims or filed claims that have not been approved for payment. Net Claimants' Equity represents funding available to pay present and future claims on which no fixed liability has been recorded.
v. The recorded value of the closely held manufacturing company has not been determined; therefore a nominal value of $1 has been presented. The value will not be changed due to the lack of any objective means to measure changes in value. This investment is seen as temporary and available to satisfy claims so the accounts of the company will not be consolidated. Distributions from the company will be recorded as additions to Net Claimants' Equity.

Use of Estimates

The preparation of financial statements in conformity with the special-purpose accounting methods described above requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions to net claimants' equity during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Trust considers all instruments with an original maturity of three months or less to be cash and cash equivalents for purposes of classification in the statement of net claimants' equity and the statement of cash flows.

The Trust maintains cash depository accounts which, at times, may exceed federally insured limits. These amounts represent actual account balances held by financial institutions at the end of the period, and unlike the balance reported in the financial statements, the account balances do not reflect timing delays inherent in reconciling items such as outstanding checks and deposits in transit. The Trust has not experienced losses in such accounts.

M. H. Detrick Distributions

M. H. Detrick makes annual distributions (as described in IRS Code section 468B) to the Trust out of current earnings and profits, when available. These annual distributions are reported as additions to net claimants' equity. During the years ended December 31, 2008 and 2007 distributions received totaled $925,000 and $0, respectively.

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M. H. DETRICK COMPANY ASBESTOS TRUST
Notes to Financial Statements
December 31, 2008 and 2007
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NOTE 3 - INVESTMENTS

Investments consist of the following at December 31, 2008:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Mutual funds	$ 173,567	$ -	$ 27,876	$ 145,691
Corporate debt securities	921,327	1,532	51,667	871,192
State and municipal securities	78,614	2,147	-	80,761
Equity securities	196,295	-	61,285	135,010
	$ 1,369,803	$ 3,679	$ 140,828	$ 1,232,654

Proceeds from sales of debt securities for the years ended December 31, 2008 and 2007 totaled $329,332 and $3,376,360, respectively. Gross gains and losses totaling $0 and $22,893, respectively, were realized on those sales in 2008. Gross gains and losses totaling $6,822 and $27,664, respectively, were realized on those sales in 2007.

The cost and estimated fair values of investments by contractual maturity at December 31, 2008 are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Cost	Estimated Fair Value
Due in one year or less	$ 472,214	$ 381,346
Due from one to five years	617,200	575,665
Due from five to ten years	201,775	194,882
Due in greater than ten years	78,614	80,761
	$ 1,369,803	$ 1,232,654

NOTE 4 - LITIGATION

The Trustee is not aware of any non-asbestos related litigation, claims or assessments against the Trust.

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M. H. DETRICK COMPANY ASBESTOS TRUST
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December 31, 2008 and 2007
(Continued)

NOTE 5 - CLAIMS

As of December 31, 2007, the Trust had completed the first open claim filing period. There was no open claim filing period during the year ended December 31, 2008. The Trust received approximately 36,800 claims during the open claim filing period from February 25, 2007 to April 26, 2007. Checks in the amount of $8 each were issued to approximately 36,780 claimants on a first-in first-out basis, in settlement of claims. The payment of claims was limited due to the availability of funds; therefore, no other claims were approved for payment in 2007 or 2008. Claim checks that were not cashed will be forwarded to a pre-determined charity. It is believed that all existing and future bodily injury claims will greatly exceed current and expected future available funds from all sources. It is currently anticipated that all future bodily injury claims will receive a payment of $8 on a first-in first-out basis, to the extent of available funds, in settlement of the claims.

Claims and demands are handled based on procedures implemented by the Trust. These procedures are collectively referred to as the Asbestos-Related Claims Resolution and Distribution Procedures. When sufficient funds become available to pay claims, the Trust pays claimants a fixed payment amount as determined by the Trustee and approved by the Trust Advisory Committee.

The Distribution Procedures contain procedures for the distribution of the Trust's limited assets. Under the Distribution Procedures, the Trust may periodically re-evaluate its anticipated annual sources and uses of cash until the last projected future claim has been paid. Due to the limited assets of the Trust, these procedures are currently restricted to a fixed payment amount per claim in full satisfaction of each claim.

NOTE 6 - RELATED PARTY TRANSACTIONS

The Trust pays quarterly fees to M. H. Detrick Company for administrative services. The amounts paid for the years ended December 31, 2008 and 2007 totaled $8,000 and $7,000, respectively.

NOTE 7 - INCOME TAXES

For Federal income tax purposes, M. H. Detrick Company has elected for the assets of the Trust to be taxed as a *Designated Settlement Fund*. Income and expenses associated with these assets of the Trust are taxed in accordance with Section 468B of the Internal Revenue Code. Under this Code section, all transfers from Detrick and all insurance proceeds to be utilized in the settlement of asbestos related claims are not considered taxable income, and all claim settlement payments are non-deductible. The Trust incurred a federal tax liability of $0 and $7,537 for the years ended December 31, 2008 and 2007, respectively.

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M. H. DETRICK COMPANY ASBESTOS TRUST
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December 31, 2008 and 2007
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NOTE 8 - SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

During the years ended December 31, 2008 and 2007, cash paid for income taxes totaled $7,584 and $12,421, respectively.

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SUPPLEMENTAL INFORMATION

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

To the Trustee and Trust Advisory Committee
M. H. Detrick Company Asbestos Trust
Leeds, Alabama

Our report on our audits of the basic special-purpose financial statements of the M. H. Detrick Company Asbestos Trust (A Delaware Business Trust) for 2008 and 2007 appears on page 3. Those audits were conducted for the purpose of forming an opinion on the basic special-purpose financial statements taken as a whole. The schedules of operating and claim resolution expenses are presented for purposes of additional analysis and are not a required part of the basic special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic special-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic special-purpose financial statements taken as a whole.

Barfield, Murphy, Shank & Smith, P.C.

Birmingham, Alabama
March 20, 2009

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M. H. DETRICK COMPANY ASBESTOS TRUST
Schedules of Operating and Claims Resolution Expenses
Years ended December 31, 2008 and 2007

	2008	2007
Accounting	$ 18,151	$ 5,695
Administrative	8,000	7,000
Advertising	-	6,665
Amortization	29	-
Co-Trustee fees	2,500	3,750
Fulfillment Systems	25	-
Insurance	10,600	-
Investment broker	4,966	9,413
Legal and professional	5,628	23,549
Meals and entertainment	70	74
Miscellaneous	79	170
Postage	41	250
Telephone and internet	720	1,174
Travel	688	533
Trustee fees	15,000	15,000
Website development	1,425	4,425
	$ 67,922	$ 77,698

See independent auditors' report on supplemental information.

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