

Edgar Filing: ATLANTIS PLASTICS INC - Form 10-Q

ATLANTIS PLASTICS INC
Form 10-Q
November 14, 2001

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2001

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File number 1-9487

ATLANTIS PLASTICS, INC.
(Exact name of registrant as specified in its charter)

FLORIDA

(State or other jurisdiction of incorporation or organization)

06-1088270

(IRS Employer Identification Number)

1870 The Exchange, Suite 200, Atlanta, Georgia

30339

(Address of principal executive offices)

(Registrant's telephone number, including Area Code) (800) 497-7659

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 No .

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of the latest practicable date.

Class Shares -----	Outstanding at October 1, 2001 -----
A, \$.10 par value	4,896,752
B, \$.10 par value	2,635,101

ATLANTIS PLASTICS, INC.

Edgar Filing: ATLANTIS PLASTICS INC - Form 10-Q

FORM 10-Q

For the Quarter Ended September 30, 2001

INDEX

Part I. Financial Information

Item 1. Financial Statements (Unaudited)	Page

Consolidated Balance Sheets as of September 30, 2001 and December 31, 2000.....	1
Consolidated Statements of Income for the three months and nine months ended September 30, 2001 and 2000..	2
Consolidated Statements of Cash Flows for the nine months ended September 30, 2001 and 2000.....	3
Notes to Consolidated Financial Statements for the nine months ended September 30, 2001.....	4
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.....	7
Item 3. Quantitative and Qualitative Disclosure About Market Risk.....	12
Part II. Other Information	
Item 1. Legal Proceedings.....	13
Item 6. Exhibits and Reports on Form 8-K.....	13
Signatures.....	14

Part 1. Financial Information

Item 1. Financial Statements

ATLANTIS PLASTICS, INC.

CONSOLIDATED BALANCE SHEETS
(In thousands)

Sept
200

ASSETS

Cash and cash equivalents \$
Accounts receivable, less allowance for doubtful accounts
and returned items of \$1,499 in 2001 and \$1,472 in 2000

Edgar Filing: ATLANTIS PLASTICS INC - Form 10-Q

Inventories	
Other current assets	

Total current assets	
Property and equipment, net	
Goodwill, net of accumulated amortization	
Other assets	

Total assets	\$1
=====	
LIABILITIES AND SHAREHOLDERS' EQUITY	
Accounts payable and accrued expenses	\$
Current portion of long-term debt	

Total current liabilities	
Long-term debt, less current portion	
Deferred income taxes	
Other liabilities	

Total liabilities	1
Commitments and contingencies	
Shareholders' equity:	
Class A Common Stock, \$.10 par value, 20,000,000 shares authorized, 4,896,752 and 4,856,846 shares issued and outstanding in 2001 and 2000	
Class B Common Stock, \$.10 par value, 7,000,000 shares authorized, 2,635,101 and 2,676,947 shares issued and outstanding in 2001 and 2000	
Additional paid-in capital	
Notes receivable from sale of Common Stock	
Retained earnings	

Total shareholders' equity	

Total liabilities and shareholders' equity	\$1
=====	

/(1)/ Unaudited

See accompanying notes.

1

ATLANTIS PLASTICS, INC.

CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share data) (Unaudited)

Three Months Ended	
September 30,	
2001	2000

Edgar Filing: ATLANTIS PLASTICS INC - Form 10-Q

Net sales	\$ 63,401	\$ 63,226
Cost of sales	53,507	55,288
Gross profit	9,894	7,938
Selling, general and administrative expenses	7,139	6,244
Operating income	2,755	1,694
Net interest expense	(2,331)	(2,588)
Income (loss) before (provision) benefit for income taxes and extraordinary item	424	(894)
(Provision) benefit for income taxes	(307)	213
Income (loss) before extraordinary item	117	(681)
Extraordinary (loss) gain on early extinguishment of debt, net of income taxes	(15)	-
Net income (loss)	\$ 102	\$ (681)
Earnings per share - Basic		
Income (loss) before extraordinary item	\$ 0.02	\$ (0.09)
Extraordinary (loss) gain on early extinguishment of debt, net of income taxes	(0.01)	-
Net income (loss)	\$ 0.01	\$ (0.09)
Weighted average number of shares used in computing basic earnings per share (in thousands)	7,532	7,524
Earnings per share - Diluted		
Income (loss) before extraordinary item	\$ 0.02	\$ (0.09)
Extraordinary (loss) gain on early extinguishment of debt, net of income taxes	(0.01)	-
Net income (loss)	\$ 0.01	\$ (0.09)
Weighted average number of shares used in computing diluted earnings per share (in thousands)	7,532	7,524

See accompanying notes.

ATLANTIS PLASTICS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands) (Unaudited)

Edgar Filing: ATLANTIS PLASTICS INC - Form 10-Q

Cash Flows From Operating Activities

Net income

Adjustments to reconcile net income to net cash provided by operating activities:

Depreciation

Loss on disposal of assets

Gain on early extinguishment of debt

Amortization of goodwill

Loan fee and other amortization

Interest receivable from shareholder loans

Deferred income taxes

Change in operating assets and liabilities

Total adjustments

Net cash provided by operating activities

Cash Flows From Investing Activities

Capital expenditures

Purchase of business

Proceeds from asset dispositions

Net cash used in investing activities

Cash Flows From Financing Activities

Net borrowings under revolving credit agreements

Payments on long-term debt

Payments on notes receivable from shareholders

Purchase of common stock

Proceeds from exercise of stock options

Net cash (used in) provided by financing activities

Net decrease in cash and cash equivalents

Cash and cash equivalents at beginning of period

Cash and cash equivalents at end of period

See accompanying notes.

ATLANTIS PLASTICS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Basis of Presentation

Edgar Filing: ATLANTIS PLASTICS INC - Form 10-Q

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine-month period ended September 30, 2001 are not necessarily indicative of the results that may be expected for the year ended December 31, 2001.

The balance sheet at December 31, 2000 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

The information included in this Form 10-Q should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and financial statements and footnotes thereto included in the Atlantis Plastics, Inc. Form 10-K for the year ended December 31, 2000.

Inventories

The components of inventory consist of the following:

(in thousands)	September 30 2001	December 31 2000
Raw materials	\$ 8,741	\$ 9,102
Work in process	117	107
Finished products	6,765	9,137
	\$ 15,623	\$ 18,346

4

Segment Information

The Company has two operating segments: Atlantis Plastic Films and Atlantis Molded Plastics. Information related to such segments is as follows:

(in thousands)	Nine Months Ended September 30, 2001		
	Atlantis Plastics Films	Atlantis Molded Plastics	Corporate
Net sales	\$132,247	\$58,349	-
Operating income	5,547	3,220	-
Identifiable assets	103,204	62,358	\$5,029/(1
Capital expenditures	2,886	2,001	354
Depreciation and amortization	4,004	3,411	1,924

Edgar Filing: ATLANTIS PLASTICS INC - Form 10-Q

Nine Months Ended September 30, 2000

(in thousands)	Atlantis Plastics Films	Atlantis Molded Plastics	Corporate
Net sales	\$134,038	\$58,913	-
Operating income	4,587	4,845	-
Identifiable assets	108,720	61,116	\$2,569/ (1
Capital expenditures	7,838	2,734	587
Depreciation and amortization	3,543	2,880	2,007

/(1)/ Corporate identifiable assets are primarily intercompany balances.

5

Earnings Per Share Data

The following table sets forth the computation of basic and diluted earnings per share for the periods indicated.

in thousands, except per share data	Three Months Ended September 30	
	2001	2000
Income (loss) before extraordinary item	\$ 117	\$ (681)
Extraordinary (loss) gain on early extinguishment of debt, net of income taxes	(15)	-
Net income (loss)	\$ 102	\$ (681)
Earnings per share - basic		
Income (loss) before extraordinary item	\$ 0.02	\$ (0.09)
Extraordinary (loss) gain on early extinguishment of debt, net of income taxes	(0.01)	-
Net income (loss)	\$ 0.01	\$ (0.09)
Weighted average shares outstanding - basic	7,532	7,524
Earnings per share - diluted		
Income (loss) before extraordinary item	\$ 0.02	\$ (0.09)
Extraordinary (loss) gain on early extinguishment of debt, net of income taxes	(0.01)	-
Net income (loss)	\$ 0.01	\$ (0.09)
Weighted average shares outstanding	7,532	7,524
Net effect of dilutive stock options-based on treasury stock method	-	-
Weighted average shares outstanding - diluted	7,532	7,524

Edgar Filing: ATLANTIS PLASTICS INC - Form 10-Q

Recently Issued Accounting Standards

In June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 142, Goodwill and Other Intangible Assets, effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized but will be subject to annual impairment tests in accordance with the Statement. Other intangible assets will continue to be amortized over their useful lives.

The Company will apply the new rules on accounting for goodwill and other intangible assets beginning in the first quarter of 2002. During 2002, the Company will apply the non-amortization provisions and perform the first of the required impairment tests of goodwill and indefinite lived intangible assets as of January 1, 2002. The Company has not yet determined what effect, if any, the Statement will have on the financial statements of the Company.

6

Item 2. Management's Discussion And Analysis of Financial Condition And Results of Operations

Overview

Atlantis Plastics, Inc. ("Atlantis" or the "Company") is a leading U.S. plastics manufacturer consisting of two operating segments: (i) Atlantis Plastic Films, which produces polyethylene stretch and custom films used in a variety of industrial and consumer applications, and (ii) Atlantis Molded Plastics, which produces molded plastic products for a variety of applications, including products and components for the appliance, automotive, building supply, and recreational vehicle industries.

Atlantis Plastic Films, which accounts for approximately 70% of the Company's net sales, produces (i) stretch films, which are multilayer plastic films that are used principally to wrap pallets of materials for shipping or storage; (ii) custom film products, such as high-grade laminating films, embossed films, and specialty film products targeted primarily to industrial and packaging markets; and (iii) institutional products such as aprons, gloves, and tablecloths that are converted from polyethylene films.

Atlantis Molded Plastics, which accounts for approximately 30% of the Company's net sales, consists of two principal technologies serving a variety of specific market segments described as follows: (i) injection molded thermoplastic parts that are sold primarily to original equipment manufacturers and used in major household goods and appliances, power tools, agricultural and automotive products, and (ii) a variety of custom and proprietary extruded plastic parts for both trim and functional applications (profile extrusion) that are incorporated into a broad range of consumer and commercial products such as recreational vehicles, residential windows and doors, office furniture, building supplies, and retail store fixtures.

Selected income statement data for the quarterly periods ended March 31, 2000 through September 30, 2001 are as follows:

(\$ in millions)	2001			
	Q3	Q2	Q1	Q4

Edgar Filing: ATLANTIS PLASTICS INC - Form 10-Q

NET SALES					
Plastic Films	\$42.9	\$43.0	\$46.3	\$40.9	\$44.1
Molded Plastics	20.5	19.5	18.4	16.5	17.1

Total	\$63.4	\$62.5	\$64.7	\$57.4	\$61.2
GROSS PROFIT					
Plastic Films	15%	14%	17%	15%	13%
Molded Plastics	17%	17%	15%	15%	13%

Total	16%	15%	16%	15%	13%
OPERATING INCOME					
Plastic Films	3%	3%	6%	4%	3%
Molded Plastics	6%	6%	4%	3%	3%

Total	4%	4%	5%	3%	3%
NET INTEREST EXPENSE					
	\$ 2.3	\$2.4	\$ 2.6	\$ 2.6	\$ 2.6

7

Results of Operations

Net Sales

The Company's net sales for the quarter and nine months ended September 30, 2001 were \$63.4 million and \$190.6 million, respectively, compared to \$63.2 million and \$193.0 million, respectively, for the comparable periods ending September 30, 2000. Atlantis Plastics Films' volume (measured in pounds) for the quarter ended September 30, 2001 was 6% above the quarter ended September 30, 2000. Nine months films volume (measured in pounds) for the period ended September 30, 2001 was 3% higher than the comparable period ended September 30, 2000. Atlantis Plastics Films' sales (measured in dollars) for the quarter and nine months ended September 30, 2001 decreased 3.6% and 1.3%, respectively, from the prior year.

The continued economic slowdown and weakness in the automotive, consumer durables, and home building sectors adversely impacted the molded products business during the nine month period ended September 30, 2001. Net sales during such period declined to \$58.4 million, compared to \$58.9 million for the comparable nine month period ended September 30, 2000. During the quarter ended September 30, 2001 net sales in the molded products business increased to \$20.5 million from \$18.7 million for the quarter ended September 30, 2000.

Gross Profit and Operating Profit

Atlantis' gross margin for both the quarter and nine months ended September 30, 2001 was 16%, compared with 13% and 15%, respectively, for the quarter and nine month period ended September 30, 2000. Operating margin was 4% and 5%, respectively, for the quarter and nine month period ended September 30, 2001, compared to 3% and 5%, respectively, for the comparable period ended September 30, 2000. In the plastic films segment, gross margins and operating margins were 15% and 3%, respectively, for the quarter ended September 30, 2001, compared with 11% and 1%, respectively, for the quarter ended September 30, 2000. For the nine month period ended September 30, 2001 gross margins and operating margins were 15% and 4%, respectively, compared to 13% and 3%, respectively, for the nine month period ended September 30, 2000.

Edgar Filing: ATLANTIS PLASTICS INC - Form 10-Q

In Atlantis' Molded Products segment, gross margins and operating margins were 16% and 6%, respectively, for both quarters ended September 30, 2001 and September 30, 2000. For the nine month period ended September 30, 2001 gross margins and operating margins declined to 16% and 6%, respectively, compared to 19% and 8%, respectively, for the nine month period ended September 30, 2000.

Selling, General, and Administrative Expense

The Company's selling, general, and administrative ("SG&A") expense increased to \$7.1 million and \$20.8 million, respectively, for the quarter and nine month period ended September 30, 2001 from \$6.2 million and \$19.0 million for the quarter and nine month period ended September 30, 2000. The increase is primarily the result of increased incentives for sales personnel in the plastic films segment for the volume increase experienced during the first nine months of 2001.

Net Interest Expense and Income Taxes

Net interest expense for the quarter and nine month period ended September 30, 2001 decreased to \$2.3 million and \$7.3 million, respectively, compared to \$2.6 million and \$7.6 million, respectively, for the comparable period ended September 30, 2000. Total debt decreased to \$92.8 million at September 30, 2001 from \$98.6 million at December 31, 2000 and \$95.7 million at September 30, 2000. Interest rate declines in the

8

nine month period ended September 30, 2001 resulted in a lower average interest rate on the variable portion of debt, primarily the debt associated with the revolving credit agreement, compared to the average variable interest rate for the nine month period ended September 30, 2000.

The Company's effective income tax rate in both 2001 and 2000 differed from the applicable statutory rate primarily due to nondeductible goodwill amortization and the effect of state income taxes.

Income

As a result of the factors described above, operating income increased to \$2.8 million (4% of net sales) during the quarter ended September 30, 2001, compared to \$1.7 million (3% of net sales) for the quarter ended September 30, 2000. Operating income decreased to \$8.8 million (5% of net sales) for the nine month period ended September 30, 2001, compared to \$9.4 million (5% of net sales) for the nine month period ended September 30, 2000. During the nine months ended September 30, 2001 the Company benefited from an extraordinary gain of \$408,000, net of income taxes, or \$0.05 per diluted share associated with the buyback of \$13.2 million principal amount of the Company's Senior Notes.

Liquidity and Capital Resources

At September 30, 2001, the Company had approximately \$92.8 million of outstanding indebtedness, approximately \$0.2 million in cash and cash equivalents, and an additional \$2.8 million unused availability under its revolving credit facility, net of outstanding letters of credit of approximately \$1.3 million. The current credit agreement was renewed November 12, 2001 and expires January 31, 2003. As of November 13, 2001 borrowings on this facility totaled \$10 million and unused availability, net of outstanding letters of credit of approximately \$1.3 million and 11% Senior Note sinking fund reserve of \$10.3 million, equaled \$8.4 million.

Edgar Filing: ATLANTIS PLASTICS INC - Form 10-Q

On November 7, 2001, the Company borrowed approximately \$15 million from General Electric Capital Corporation. The proceeds will be used to satisfy the 11% Senior Note sinking fund requirement and repayment of other debt. The Company's principal needs for liquidity, on both a short and long-term basis, relate to working capital (principally accounts receivable and inventories), debt service, and capital expenditures. The Company presently does not have any material commitments for future capital expenditures

At September 30, 2001 the Company's current portion of long-term debt increased by \$22.0 million to \$41.0 million from \$19.0 million at December 31, 2000. This increase was primarily the result of the reclassification from long-term debt to current debt of the \$11.6 million remaining sinking fund payment due February 2002 on its 11% Senior Notes. In the quarter and nine months ended September 30, 2001, Atlantis repurchased \$7.0 and \$13.2 million, respectively, in principal amount, of its 11% Senior Notes, which reduced the February 2002 sinking fund requirement by the same amount. At November 13, 2001 repurchases totaled \$14.5 million. The balance due on the February 2002 sinking fund requirement is \$10.3 million. In addition, Atlantis is exploring alternatives to refinance its long-term debt, including its 11% Senior Notes due February 2003

The Company's high debt level presents substantial risks and could have negative consequences. For example, it could (1) require the Company to dedicate a substantial portion of its cash flow from operations to repayment of debt, limiting the availability of cash for other purposes; (2) increase the Company's vulnerability to adverse general economic conditions by making it more difficult to borrow additional funds to maintain its operations if the Company suffers shortfalls in net sales; (3) hinder the Company's flexibility in planning for, or reacting to, changes in its business and industry by preventing the Company from borrowing money to upgrade

9

its equipment or facilities; and (4) limit or impair the Company's ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, or general corporate purposes.

In the event that the Company's cash flow from operations is not sufficient to fund the Company's expenditures or to service its indebtedness, the Company would be required to raise additional funds from possible additional borrowings or through the sale of assets or subsidiaries. There can be no assurance that any of these sources of funds would be available in amounts sufficient for the Company to meet its obligations. Moreover, even if the Company were able to meet its obligations, its highly leveraged capital structure could significantly limit its ability to finance its expansion program and other capital expenditures, to compete effectively, or to operate successfully under adverse economic conditions.

Cash Flows from Operating Activities

For the nine months ended September 30, 2001, net cash provided by operating activities was approximately \$7.9 million, compared to \$6.4 million for the nine months ended September 30, 2000. The difference between the Company's net income of \$848,000 and its \$7.9 million operating cash flow for the nine months ended September 30, 2001 was primarily attributable to approximately \$9.3 million of depreciation and amortization expense, a \$1.4 million decrease in other assets resulting primarily from the receipt of resin rebates and tax refunds, a \$2.7 million decrease in inventories, a \$594,000

Edgar Filing: ATLANTIS PLASTICS INC - Form 10-Q

increase in accounts payable and accrued liabilities and a \$152,000 increase in deferred income taxes. These items were partially offset by an approximately \$6.8 million increase in accounts receivable due to increased net sales and a gain on early extinguishment of debt of \$408,000.

Cash Flows from Investing Activities

Net cash used in investing activities decreased to \$5.3 million for the nine months ended September 30, 2001, compared to \$11.1 million for the nine months ended September 30, 2000. This decrease was primarily the result of reduced capital expenditures (net of dispositions).

Cash Flows from Financing Activities

Net cash used in financing activities for the nine months ended September 30, 2001 was \$4.9 million, compared with net cash provided by financing activities of \$4.0 million for the nine months ended September 30, 2000. The Company's financing cash flow for the nine months ended September 30, 2001 reflects the repurchase of approximately \$13.2 million of the Company's 11% Senior Notes and approximately \$1.1 in payments on other long-term debt. This was partially offset by net borrowings of \$9.4 million under the revolving credit agreements and by the receipt of approximately \$140,000 in interest due from shareholder notes.

10

Recent Accounting Pronouncements

In June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 142, Goodwill and Other Intangible Assets, effective for fiscal years beginning after December 15, 2001. Under the new rules, goodwill and intangible assets deemed to have indefinite lives will no longer be amortized but will be subject to annual impairment tests in accordance with the Statement. Other intangible assets will continue to be amortized over their useful lives.

The Company will apply the new rules on accounting for goodwill and other intangible assets beginning in the first quarter of 2002. During 2002, the Company will apply the non-amortization provisions and perform the first of the required impairment tests of goodwill and indefinite lived intangible assets as of January 1, 2002. The Company has not yet determined what effect, if any, the Statement will have on the financial statements of the Company.

Note Regarding Forward Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of that term in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Additional written or oral forward-looking statements may be made by the Company from time to time, in press releases, annual or quarterly reports to shareholders, filings with the Securities Exchange Commission, presentations or otherwise. Statements contained herein that are not historical facts are forward-looking statements made pursuant to the safe harbor provisions referenced above.

Forward-looking statements may include, but are not limited to, projections of net sales, income or losses, or capital expenditures; plans for future operations; financing needs or plans; compliance with financial covenants in loan agreements; plans for liquidation or sale of assets or businesses; plans relating to products or services of the Company; assessments of materiality; predictions of future events; the ability to obtain additional financing; the Company's ability to meet obligations as they become due; the impact of pending

Edgar Filing: ATLANTIS PLASTICS INC - Form 10-Q

and possible litigation; as well as assumptions relating to the foregoing. In addition, when used in this discussion, the words "anticipates," "believes," "estimates," "expects," "intends," "plans" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are inherently subject to risks and uncertainties, including, but not limited to, the impact of leverage, dependence on major customers, fluctuating demand for the Company's products, risks in product and technology development, fluctuating resin prices, competition, litigation, labor disputes, capital requirements, and other risk factors detailed in the Company's Securities and Exchange Commission filings, some of which cannot be predicted or quantified based on current expectations.

Consequently, future events and actual results could differ materially from those set forth in, contemplated by, or underlying the forward-looking statements. Readers are cautioned not to place undue reliance on any forward-looking statements contained herein, which speak only as of the date hereof. The Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

11

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to market risk from changes in interest rates, primarily as a result of its floating interest rate debt.

The following table summarizes information on debt instruments. The table presents expected maturity of debt instruments and projected annual average interest rates. For variable rate debt instruments, average interest rates are based on one month London Inter-Bank Offered (LIBOR), prime, and commercial paper rates as of October 31, 2001. The fair market value of the Senior Notes is based on quoted market price as of October 31, 2001. The carrying value of the Company's other long-term debt approximates its fair market value.

Interest Rate Sensitivity
Principal (Notional) Amount by Expected Maturity
Average Interest Rate
(\$ 000)

	2001	2002	2003	2004	2005	Thereafter

Senior Notes						
- Maturity	\$ -	\$11,605	\$50,000	\$ -	\$ -	\$ -
- Average Interest Rate	11%	11%	11%			
Other Long-Term Debt -						
Fixed Rate						
- Maturity	\$ 43	\$ 179	\$ 126	\$ 124	\$ 143	\$ 212
- Average Interest Rate	6.51%	6.53%	6.58%	6.58%	6.58%	6.58%
Other Long-Term Debt -						

Edgar Filing: ATLANTIS PLASTICS INC - Form 10-Q

Variable Rate*

- Maturity	\$26,438	\$ 2,854	\$ 336	\$ 125	\$ 660	\$ -
- Average Interest Rate	6.34%	5.79%	5.54%	5.46%	5.46%	

*Based on LIBOR plus spreads of 1.75% to 2.75%, prime plus spreads of 1.0% and commercial paper plus 2.7% (all rates as of October 31, 2001)

12

Part II. Other Information

Item 1. Legal Proceedings

The Company is not a party to any legal proceeding other than routine litigation incidental to its business, none of which is material.

Item 6. Exhibits and Reports on Form 8-K

(A) EXHIBITS

- 10.1 Consent and Twentieth Amendment to Heller Credit Agreement, dated as of November 12, 2001.
- 10.2 Promissory Note between Atlantis Plastics Inc. and Atlantis Plastics Films Inc., as debtor and General Electric Capital Corporation, as secured party, dated as of November 7, 2001.
- 10.3 Master Security Agreement between Atlantis Plastics, Inc. and Atlantis Plastics Films Inc., as debtor and General Electric Capital Corporation, as secured party, dated as of November 7, 2001.
- 10.4 Amendment to Master Security Agreement between Atlantis Plastics Inc. and Atlantis Plastics Films Inc., as debtor and General Electric Capital Corporation, as secured party, dated as of November 7, 2001.

(B) REPORTS ON FORM 8-K

The Company filed no reports on Form 8-K during the quarter ended September 30, 2001.

Items 2, 3, 4, and 5 are not applicable and have been omitted.

13

SIGNATURES

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

ATLANTIS PLASTICS, INC.

Edgar Filing: ATLANTIS PLASTICS INC - Form 10-Q

Date: November 14, 2001

By: /s/ Anthony F. Bova

ANTHONY F. BOVA
President and Chief Executive Officer

Date: November 14, 2001

By: /s/ Paul G. Saari

PAUL G. SAARI
Senior Vice President, Finance and
Chief Financial Officer

14

Exhibit Index

Exhibit No. -----	Exhibit Description -----
10.1	Consent and Twentieth Amendment to Heller Credit Agreement, dated as of November 12, 2001.
10.2	Promissory Note between Atlantis Plastics Inc. and Atlantis Plantics Films Inc., as debtor and General Electric Capital Corporation, as secured party, dated as of November 7, 2001.
10.3	Master Security Agreement between Atlantis Plastics, Inc. and Atlantis Plastics Films Inc., as debtor and General Electric Capital Corporation, as secured party, dated as of November 7, 2001.
10.4	Ammendment to Master Security Agreement between Atlantis Plastics Inc. and Atlantis Plastics Films Inc., as debtor and General Electric Capital Corporation, as secured party, dated as of November 7, 2001.