ATLANTIS PLASTICS INC
Form 10-Q
August 14, 2001

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

FORM 10-Q

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

For the quarterly period ended June 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 | 06-1088270 |
| (State or other jurisdiction of incorporation or organization) | (IRS Employer Identification No.) |

| | |
|---|---|
| 1870 The Exchange, Suite 200, Atlanta, Georgia | 30339 |
| (Address of principal executive offices) | (Zip Code) |

(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 X . 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 August 1, 2001 |
|---|---|
| A, $.10 par value | 4,854,906 |
| B, $.10 par value | 2,676,947 |

ATLANTIS PLASTICS, INC.

FORM 10-Q

For the Quarter Ended June 30, 2001

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Part 1. Financial Information

Item 1. Financial Statements

ATLANTIS PLASTICS, INC.

CONSOLIDATED BALANCE SHEETS
(In thousands, except share information)

ASSETS

| |
|---|
| Cash and cash equivalents |
| Accounts receivable, less allowance for doubtful accounts and returned items of $1,379 in 2001 and $1,472 in 2000 |
| Inventories |
| Other current assets |
| Total current assets |
| Property and equipment, net |
| Goodwill, net of accumulated amortization |
| Other assets |
| Total assets |
| 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 |
| Commitments and contingencies |
| Shareholders' equity: |
| Class A Common Stock, $.10 par value, 20,000,000 shares authorized, 4,855,329 and 4,856,846 shares issued and outstanding in 2001 and 2000 |
| Class B Common Stock, $.10 par value, 7,000,000 shares authorized, 2,676,947 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)/ Unaudited

See accompanying notes.



ATLANTIS PLASTICS, INC.

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

| | Three Months June 30 2001 |
|---|---|

| | | |
|---|---|---|
| Net sales | $62,493 | $6 |
| Cost of sales | 53,240 | 5 |
| Gross profit | 9,253 | |
| Selling, general and administrative expenses | 6,699 | |
| Operating income | 2,554 | |
| Net interest expense | (2,446) | ( |
| Income before provision for income taxes | 108 | |
| Provision for income taxes | (211) | |
| (Loss) income before extraordinary item | (103) | |
| Extraordinary gain on early extinguishment of debt, net of income taxes | 423 | |
| Net income | $ 320 | $ |
| Earnings per share - Basic | | |
| (Loss) income before extraordinary item | $ (0.01) | $ |
| Extraordinary gain on early extinguishment of debt, net of income taxes | 0.05 | |
| Net income | $ 0.04 | $ |
| Weighted average number of shares used in computing earnings per share (in thousands) | 7,532 | |
| Earnings per share - Diluted | | |
| (Loss) income before extraordinary item | $ (0.01) | $ |
| Extraordinary gain on early extinguishment of debt, net of income taxes | 0.05 | |
| Net income | $ 0.04 | $ |
| Weighted average number of shares used in computing earnings per share (in thousands) | 7,533 | |

See accompanying notes.

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ATLANTIS PLASTICS, INC.

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

| |
|---|
| Cash Flows From Operating Activities |
| Net income |
| Adjustments to reconcile net income to net cash provided by operating activities: |
| Depreciation |
| Loss (gain) 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

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 six-month period ended June 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 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) | June 30 2001 | December 31 2000 |
|---|---|---|
| Raw materials | $ 8,396 | $ 9,102 |
| Work in process | 95 | 107 |
| Finished products | 8,718 | 9,137 |
| | $17,209 | $18,346 |

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Segment Information

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

| | Six Months Ended June 30, 2001 | | | |
|---|---|---|---|---|
| (in thousands) | Atlantis Plastics Films | Atlantis Molded Plastics | Corporate | Consolidated |
| Net sales | $89,328 | $37,867 | - | $127,195 |
| Operating income | 4,112 | 1,900 | - | 6,012 |
| Identifiable assets | 104,089 | 62,103 | $ 6,291/(1)/ | 172,483 |
| Capital expenditures | 2,168 | 1,247 | 204 | 3,619 |
| Depreciation and amortization | 2,576 | 2,253 | 1,294 | 6,123 |

Six Months Ended June 30, 2000

| (in thousands) | Atlantis Plastics Films | Atlantis Molded Plastics | Corporate | Consolidated |
|---|---|---|---|---|
| Net sales | $ 89,507 | $40,218 | - | $129,725 |
| Operating income | 3,947 | 3,791 | - | 7,738 |
| Identifiable assets | 109,528 | 60,108 | $3,328/(1)/ | 172,964 |
| Capital expenditures | 5,967 | 1,726 | 394 | 8,087 |
| Depreciation and amortization | 2,343 | 1,907 | 1,344 | 5,594 |

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



Earnings Per Share Data

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

| dollars in thousands, except per share data | Three Months Ended June 30 2001 | 2000 |
|---|---|---|
| (Loss) income before extraordinary item | $ (103) | $ 356 |
| Extraordinary gain on early extinguishment of debt, net of income taxes | 423 | - |
| Net income | $ 320 | $ 356 |
| Earnings per share - basic | | |
| (Loss) income before extraordinary item | $(0.01) | $ 0.05 |
| Extraordinary gain on early extinguishment of debt, net of income taxes | 0.05 | - |
| Net income | $ 0.04 | $ 0.05 |
| Weighted average shares outstanding - basic | 7,532 | 7,520 |
| Earnings per share - diluted | | |
| (Loss) income before extraordinary item | $(0.01) | $ 0.05 |
| Extraordinary gain on early extinguishment of debt, net of income taxes | 0.05 | - |
| Net income | $ 0.04 | $ 0.05 |
| Weighted average shares outstanding | 7,532 | 7,520 |
| Net effect of dilutive stock options-based | | |

| | | |
|---|---|---|
| on treasury stock method | 1 | 101 |
| Weighted average shares outstanding - diluted | 7,533 | 7,621 |

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.

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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 June 30, 2001 are as follows:

| | 2001 | 2 |
|---|---|---|

| ($ in millions) | Q2 | Q1 | Q4 | Q3 |
|---|---|---|---|---|
| NET SALES | | | | |
| Plastic Films | $43.0 | $46.3 | $40.9 | $44.5 |
| Molded Plastics | 19.5 | 18.4 | 16.5 | 18.7 |
| Total | $62.5 | $64.7 | $57.4 | $63.2 |
| GROSS PROFIT | | | | |
| Plastic Films | 14% | 17% | 15% | 11% |
| Molded Plastics | 17% | 15% | 15% | 16% |
| Total | 15% | 16% | 15% | 13% |
| OPERATING INCOME | | | | |
| Plastic Films | 3% | 6% | 4% | 1% |
| Molded Plastics | 6% | 4% | 3% | 6% |
| Total | 4% | 5% | 3% | 3% |
| NET INTEREST EXPENSE | $ 2.4 | $ 2.6 | $ 2.6 | $ 2.6 |

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Results of Operations

Net Sales

The Company's net sales for the quarter and six months ended June 30, 2001 were $62.5 million and $127.2 million, respectively, compared to $65.3 million and $129.7 million, respectively, for the comparable periods ending June 30, 2000. Atlantis Plastics Films' volume (measured in pounds) for the quarter ended June 30, 2001 was 6% below the quarter ended June 30, 2000. Six months films volume for the period ended June 30, 2001 was 2% higher than the comparable period ended June 30, 2000.

The continued economic slowdown and weakness in the automotive, consumer durables, and home building sectors continued to adversely impact the molded products business during the six month period ended June 30, 2001. Net sales during such period declined to $37.9 million, compared to $40.2 million for the comparable six month period ended June 30, 2000. During the quarter ended June 30, 2001 net sales in the molded products business increased to $19.5 million from $19.3 million for the quarter ended June 30, 2000.

Gross Profit and Operating Profit

Atlantis' gross margin for both the quarter and six months ended June 30, 2001 was 15%, compared with 15% and 16%, respectively, for the quarter and six month period ended June 30, 2000. Operating margin decreased to 4% and 5%, respectively, for the quarter and six month period ended June 30, 2001, compared to 5% and 6%, respectively, for the comparable period ended June 30, 2000. In the plastic films segment, gross margins and operating margins were 14% and 3%, respectively, for the quarter ended June 30, 2001, compared with 13% and 4%, respectively, for the quarter ended June 30, 2000. For the six month period ended June 30, 2001 gross margins and operating margins were 15% and 5%, respectively, compared to 14% and 4%, respectively, for the six month period ended June 30, 2000.

In Atlantis' Molded Products segment, the economic slowdown and resulting decline in volume caused gross margins and operating margins to decline to 17% and 6%, respectively, for the quarter ended June 30, 2001, compared to 18% and 9%, respectively, for the quarter ended June 30, 2000. For the six month period ended June 30, 2001 gross margins and operating margins were 16% and 5%, respectively, compared to 20% and 9%, respectively, for the six month period ended June 30, 2000.

Selling, General, and Administrative Expense

The Company's selling, general, and administrative ("SG&A") expense increased to $6.7 million and $13.6 million, respectively, for the quarter and six month period ended June 30, 2001 from $6.1 million and $12.8 million for the quarter and six month period ended June 30, 2000. The increase is primarily the result of increased incentives for sales personnel in the plastic films segment for the sales volume increase experienced during the first six months of 2001.

Net Interest Expense and Income Taxes

Net interest expense for the quarter and six month period ended June 30, 2001 decreased to $2.4 million and $5.0 million, respectively, compared to $2.6 million and $5.1 million, respectively, for the comparable period ended June 30, 2000. Total debt decreased to $93.6 million at June 30, 2001 from $98.6 million at December 31, 2000 and $95.3 million at June 30, 2000. Interest rate declines in the six month period ended June 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 six month period ended June 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 decreased to $2.6 million (4% of net sales) during the quarter ended June 30, 2001, compared to $3.3 million (5% of net sales) for the quarter ended June 30, 2000. Operating income decreased to $6.0 million (5% of net sales) for the six month period ended June 30, 2001, compared to $7.7 million (6% of net sales) for the six month period ended June 30, 2000. During the quarter ended June 30, 2001 the Company benefited from an extraordinary gain of $423,000, net of income taxes, or $0.05 per diluted share associated with the buyback of $6.1 million of the Company's Senior Notes.

Net income and basic and diluted earnings per share for the quarter and six months ended June 30, 2001 and 2000 were as follows:

| | Three Months Ended June 30 | |
|---|---|---|
| dollars in thousands, except per share data | 2001 | 2000 |

| | | |
|---|---|---|
| (Loss) income before extraordinary item | $ (103) | $ 356 |
| Extraordinary gain on early extinguishment of debt, net of income taxes | 423 | - |
| Net income | $ 320 | $ 356 |
| Earnings per share - basic | | |
| (Loss) income before extraordinary item | $(0.01) | $0.05 |
| Extraordinary gain on early extinguishment of debt, net of income taxes | 0.05 | - |
| Net income | $ 0.04 | $0.05 |
| Earnings per share - diluted | | |
| (Loss) income before extraordinary item | $(0.01) | $0.05 |
| Extraordinary gain on early extinguishment of debt, net of income taxes | 0.05 | - |
| Net income | $ 0.04 | $0.05 |



Liquidity and Capital Resources

At June 30, 2001, the Company had approximately $93.6 million of outstanding indebtedness, approximately $0.4 million in cash and cash equivalents, and an additional $9.7 million unused availability under its revolving credit facility, net of outstanding letters of credit of approximately $1.3 million. The revolving credit facility expires November 12, 2001, and there can be no assurance that the commitment will be renewed or extended, or that another source of financing will be available to the Company on satisfactory terms. As of August 8, 2001 borrowings on this facility totaled $17.5 million and unused availability, net of outstanding letters of credit of approximately $1.3 million, equaled $11.2 million. 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 June 30, 2001 the Company's current portion of long-term debt increased by $22.7 million to $41.7 million from the balance of $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 $18.6 million remaining sinking fund payment due February 2002 on its 11% Senior Notes. In the quarter ended June 30, 2001, Atlantis repurchased $6.2 million in principal amount, of its 11% Senior Notes, which reduced the February 2002 sinking fund requirement by the same amount. In addition, Atlantis is exploring alternatives to refinance its long-term debt, including its 11% Senior Notes due February 2003 and the remaining sinking fund payment of $18.6 million due February 2002.

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 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, including the $18.6 million sinking fund payment, 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 six months ended June 30, 2001, net cash provided by operating activities was approximately $5.7 million, compared to $3.2 million for the six months ended June 30, 2000. The difference between the Company's net income of $746,000 and its $5.7 million operating cash flow for the six months ended June 30, 2001 was primarily attributable to approximately $6.0 million of depreciation and amortization expense, a $2.4 million decrease in other assets resulting primarily from the receipt of resin rebates and tax refunds, an approximately $1.1 million decrease in inventories, an approximately $781,000 increase in accounts payable and accrued expenses and an approximately $215,000 increase in deferred income taxes. These items were partially offset by an approximately $5.1 million increase in accounts receivable due to increased net sales.



Cash Flows from Investing Activities

Net cash used in investing activities decreased to $3.7 million for the six months ended June 30, 2001, compared to $8.0 million for the six months ended June 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 six months ended June 30, 2001 was $4.1 million, compared with net cash provided by financing activities of $3.6 million for the six months ended June 30, 2000. The Company's financing cash flow for the six months ended June 30, 2001 reflects the repurchase of approximately $6.2 million of the Company's 11% Senior Notes and approximately $545,000 in payments on other long-term debt. This was partially offset by net borrowings of $2.5 million under the revolving credit agreements and by the receipt of approximately $140,000 in interest due from shareholder notes.



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 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.



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 July 31, 2001. The fair market value of the Senior Notes is based on quoted market price as of July 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 | Tota |
|---|---|---|---|---|---|---|---|
| Senior Notes | | | | | | | |
| - Maturity | $ - | $18,605 | $50,000 | $ - | $ - | $ - | $68,6 |
| - Average Interest Rate | 11% | 11% | 11% | | | | |
| Other Long-Term Debt - Fixed Rate | | | | | | | |
| - Maturity | $ 87 | $ 179 | $ 126 | $ 124 | $ 143 | $ 212 | $ 8 |
| - Average Interest Rate | 6.51% | 6.53% | 6.58% | 6.58% | 6.58% | 6.58% | |
| Other Long-Term Debt - Variable Rate* | | | | | | | |
| - Maturity | $21,046 | $ 2,854 | $ 336 | $ 125 | $ 660 | $ - | $25,0 |
| - Average Interest Rate | 6.40% | 5.97% | 5.59% | 5.50% | 5.50% | | |

*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 July 31, 2001)



## 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 4. Submission of Matters to a Vote of Security-Holders

(A) The Registrant held its Annual Meeting of Shareholders on May 24, 2001.
(B) Not required
(C) The matter voted on at the Annual Meeting of Shareholders, and the tabulation of votes on such matter are as follows.

Election of Directors

| Name | For | Withheld |
|---|---|---|

| | | |
|---|---|---|
| CLASS A | | |
| Charles D. Murphy, III | 4,436,180 | 2,829 |
| Chester B. Vanatta | 4,436,180 | 2,829 |
| CLASS B | | |
| Cesar L. Alvarez | 1,746,937 | -0- |
| Anthony F. Bova | 1,746,937 | -0- |
| Phillip T. George, M.D. | 1,746,937 | -0- |
| Larry D, Horner | 1,746,937 | -0- |
| Earl W. Powell | 1,746,937 | -0- |
| Jay Shuster | 1,746,937 | -0- |

(D) Not applicable

Item 6. Exhibits and Reports on Form 8-K

(A) EXHIBITS

(B) REPORTS ON FORM 8-K

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

Items 3 and 5 are not applicable and have been omitted.



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.

Date: August 14, 2001

By: /s/ Anthony F. Bova
ANTHONY F. BOVA
President and Chief Executive Officer

Date: August 14, 2001

By: /s/ Paul G. Saari
PAUL G. SAARI
Senior Vice President, Finance and
Chief Financial Officer