

APTARGROUP INC  
Form 10-Q  
May 08, 2012  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549-1004

## FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2012

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

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COMMISSION FILE NUMBER 1-11846

**AptarGroup, Inc.**

**DELAWARE**  
(State of Incorporation)

**36-3853103**  
(I.R.S. Employer Identification No.)

475 WEST TERRA COTTA AVENUE, SUITE E, CRYSTAL LAKE, ILLINOIS 60014

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815-477-0424

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 by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). 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	Outstanding at May 1, 2012
Common Stock, \$.01 par value per share	66,573,047 shares

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AptarGroup, Inc.

**Form 10-Q**

Quarter Ended March 31, 2012

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## PART I FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

**AptarGroup, Inc.**

## CONDENSED CONSOLIDATED STATEMENTS OF NET INCOME

(Unaudited)

In thousands, except per share amounts

Three Months Ended March 31,	2012	2011
<b>Net Sales</b>	\$ 592,498	\$ 576,518
<b>Operating Expenses:</b>		
Cost of sales (exclusive of depreciation and amortization shown below)	401,070	382,670
Selling, research & development and administrative	88,499	90,479
Depreciation and amortization	32,554	33,605
	522,123	506,754
<b>Operating Income</b>	70,375	69,764
<b>Other Income (Expense):</b>		
Interest expense	(5,242)	(4,620)
Interest income	1,028	1,552
Equity in results of affiliates	(131)	
Miscellaneous, net	247	(421)
	(4,098)	(3,489)
<b>Income before Income Taxes</b>	66,277	66,275
<b>Provision for Income Taxes</b>	22,464	21,807
<b>Net Income</b>	43,813	44,468
<b>Net (Income)/Loss Attributable to Noncontrolling Interests</b>	(4)	9
<b>Net Income Attributable to AptarGroup, Inc.</b>	\$ 43,809	\$ 44,477
<b>Net Income Attributable to AptarGroup, Inc. Per Common Share:</b>		
Basic	\$ 0.66	\$ 0.66
Diluted	\$ 0.64	\$ 0.64
<b>Average Number of Shares Outstanding:</b>		
Basic	66,196	66,926
Diluted	68,785	69,914
<b>Dividends per Common Share</b>	\$ 0.22	\$ 0.18

See accompanying unaudited notes to condensed consolidated financial statements.



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**AptarGroup, Inc.**

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

In thousands, except per share amounts

Three Months Ended March 31,	2012	2011
<b>Net Income</b>	<b>\$ 43,813</b>	<b>\$ 44,468</b>
<b>Other Comprehensive Income:</b>		
Foreign currency translation adjustments	41,682	67,744
Changes in treasury locks, net of tax	15	21
Net gain on derivatives, net of tax	(7)	6
Defined benefit pension plan, net of tax		
Amortization of prior service cost included in net income, net of tax	61	80
Amortization of net loss included in net income, net of tax	687	513
Total defined benefit pension plan, net of tax	748	593
Total other comprehensive income	42,438	68,364
<b>Comprehensive Income</b>	<b>86,251</b>	<b>112,832</b>
<b>Comprehensive (Income)/Loss Attributable to Noncontrolling Interests</b>	<b>(3)</b>	<b>6</b>
<b>Comprehensive Income Attributable to AptarGroup, Inc.</b>	<b>\$ 86,248</b>	<b>\$ 112,838</b>

See accompanying unaudited notes to condensed consolidated financial statements.

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## CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

In thousands, except per share amounts

	March 31, 2012	December 31, 2011
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and equivalents	\$ 329,805	\$ 377,616
Accounts and notes receivable, less allowance for doubtful accounts of \$7,577 in 2012 and \$8,257 in 2011	440,820	389,020
Inventories	300,808	285,155
Prepaid and other	105,690	92,159
	<b>1,177,123</b>	<b>1,143,950</b>
<b>Property, Plant and Equipment:</b>		
Buildings and improvements	354,834	342,146
Machinery and equipment	1,758,421	1,687,521
	<b>2,113,255</b>	<b>2,029,667</b>
Less: Accumulated depreciation	(1,346,537)	(1,295,185)
	<b>766,718</b>	<b>734,482</b>
Land	20,921	20,233
	<b>787,639</b>	<b>754,715</b>
<b>Other Assets:</b>		
Investments in affiliates	4,077	3,812
Goodwill	237,915	233,689
Intangible assets, net	5,275	4,374
Miscellaneous	26,028	18,755
	<b>273,295</b>	<b>260,630</b>
<b>Total Assets</b>	<b>\$ 2,238,057</b>	<b>\$ 2,159,295</b>

See accompanying unaudited notes to condensed consolidated financial statements.

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## CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

In thousands, except per share amounts

	March 31, 2012	December 31, 2011
<b>Liabilities and Stockholders Equity</b>		
<b>Current Liabilities:</b>		
Notes payable	\$ 148,430	\$ 179,552
Current maturities of long-term obligations	4,362	4,116
Accounts payable and accrued liabilities	348,786	335,181
	<b>501,578</b>	<b>518,849</b>
<b>Long-Term Obligations</b>	<b>253,765</b>	<b>254,910</b>
<b>Deferred Liabilities and Other:</b>		
Deferred income taxes	28,404	27,390
Retirement and deferred compensation plans	61,040	58,930
Deferred and other non-current liabilities	8,963	8,644
Commitments and contingencies		
	<b>98,407</b>	<b>94,964</b>
<b>Stockholders Equity:</b>		
AptarGroup, Inc. stockholders equity		
Preferred stock, \$.01 par value, 1 million shares authorized, none outstanding		
Common stock, \$.01 par value, 199 million shares authorized; 83.3 and 82.8 million shares issued as of March 31, 2012 and December 31, 2011, respectively	835	827
Capital in excess of par value	396,954	364,855
Retained earnings	1,438,667	1,409,388
Accumulated other comprehensive income	102,757	60,318
Less treasury stock at cost, 16.8 and 16.9 million shares as of March 31, 2012 and December 31, 2011, respectively	(555,705)	(545,612)
Total AptarGroup, Inc. Stockholders Equity	<b>1,383,508</b>	<b>1,289,776</b>
Noncontrolling interests in subsidiaries	799	796
<b>Total Stockholders Equity</b>	<b>1,384,307</b>	<b>1,290,572</b>
<b>Total Liabilities and Stockholders Equity</b>	<b>\$ 2,238,057</b>	<b>\$ 2,159,295</b>

See accompanying unaudited notes to condensed consolidated financial statements.



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**AptarGroup, Inc.**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited)

In thousands, except per share amounts

		AptarGroup, Inc. Stockholders Equity							
		Retained Earnings	AptarGroup, Inc. Accumulated Other Comprehensive Income/(Loss)	Common Stock Par Value	Treasury Stock	Capital in Excess of Par Value	Non-Controlling Interest	Total Equity	
<b>Balance</b>	<b>December 31,</b>								
<b>2010:</b>		\$ 1,279,013	\$ 123,766	\$ 817	\$ (443,019)	\$ 318,346	\$ 851	\$ 1,279,774	