

ABRAMS INDUSTRIES INC
Form 10-Q
September 14, 2001

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 Quarter Ended
July 31, 2001 0-10146

Commission File No.

ABRAMS INDUSTRIES, INC.

(Exact name of Registrant as specified in its charter)

Georgia

58-0522129

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification No.)

1945 The Exchange, Suite 300, Atlanta, Georgia 30339

(Address of principal executive offices) (Zip Code)
(770) 953-0304

(Registrant's telephone number, including area code)
N/A

(Former name, former address and former fiscal year, if changed since last report)

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

The number of shares of \$1.00 par value Common Stock of the Registrant outstanding as of August 31, 2001, was 2,937,303.

ITEM 1. FINANCIAL STATEMENTS

ABRAMS INDUSTRIES, INC.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	<u>July 31, 2001</u>	<u>April 30, 2001</u>
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ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$5,103,769	\$11,448,750
Receivables (note 2)	23,639,894	15,510,253
Less: Allowance for doubtful accounts	(1,012,397)	(961,461)
Costs and earnings in excess of billings	5,188,879	1,483,195
Property held for sale (note 5)	12,557,737	33,404
Deferred income taxes	786,460	786,460
Other	867,769	785,799

Total current assets	47,132,111	29,086,400
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INCOME-PRODUCING PROPERTIES,
net

	26,536,892	26,712,359
PROPERTY, PLANT AND EQUIPMENT, net	861,501	1,284,689
REAL ESTATE HELD FOR FUTURE SALE OR DEVELOPMENT (note 6)	23,901,303	36,100,308
OTHER ASSETS		

Intangible assets, net (note 10)

	2,316,459	1,220,147
Goodwill (notes 9 & 10)	1,741,831	
Other	3,302,829	3,215,782

\$105,792,926 \$97,619,685

LIABILITIES AND SHAREHOLDERS
EQUITY

CURRENT LIABILITIES

Trade and subcontractors payables
\$18,172,419 \$8,803,760
Billings in excess of costs and earnings
2,541,711 1,506,766
Accrued expenses
1,838,614 3,720,661
Net liabilities of discontinued operations
(note 3)
1,911,567 1,903,375
Current maturities of long-term debt
(note 5)
13,874,482 1,709,490

Total current liabilities
38,338,793 17,644,052

DEFERRED INCOME TAXES

3,372,824 3,372,824

OTHER LIABILITIES

4,052,252 3,916,647

MORTGAGE NOTES PAYABLE, less
current maturities (note 5)

20,532,274 32,915,932

OTHER LONG-TERM DEBT, less
current maturities

17,073,969 17,264,687

Total liabilities

83,370,112 75,114,142

SHAREHOLDERS EQUITY

Common stock, \$1 par value; authorized
5,000,000 shares; 3,047,839 issued and
2,937,903 outstanding in July 2001,
3,041,039 issued and 2,943,303
outstanding in April 2001
3,047,839 3,041,039
Additional paid-in capital
2,115,914 2,097,315
Deferred stock compensation
(70,596) (75,094)
Retained earnings
17,864,863 17,930,914

22,958,020 22,994,174
Less cost of treasury stock
535,206 488,631

Total shareholders equity
22,422,814 22,505,543

\$105,792,926 \$97,619,685

See accompanying notes to consolidated financial statements.

ABRAMS INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

**FIRST QUARTER ENDED
 JULY 31,**

2001	2000
------	------

REVENUES

Construction		
\$35,925,156	\$47,610,725	
Real estate		
3,239,851	3,174,423	
Energy management		
819,312		

39,984,319	50,785,148	
Interest		
84,259	129,305	
Other		
13,914	11,456	

40,082,492	50,925,909	
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COSTS AND EXPENSES

Applicable to REVENUES

Construction		
34,900,197	45,122,539	
Rental property operating expenses, excluding interest		
1,625,316	1,594,865	
Energy management		
415,369		

36,940,882 46,717,404

Selling, general and administrative

Construction
735,992 1,016,211
Real estate
138,921 416,509
Energy management
310,558
Parent
725,807 627,302

1,911,278 2,060,022

Interest
1,152,464 1,292,864

40,004,624 50,070,290

EARNINGS FROM CONTINUING
OPERATIONS
BEFORE INCOME TAXES
77,868 855,619
INCOME TAX EXPENSE
26,000 333,000

EARNINGS FROM CONTINUING
OPERATIONS

51,868 522,619

DISCONTINUED OPERATIONS (note 3)

Earnings from discontinued operations,
adjusted for applicable income tax expense
of \$0 and \$22,000, respectively

37,481

NET EARNINGS

\$51,868 \$560,100

NET EARNINGS PER SHARE FROM:

Continuing Operations-Basic and Diluted

\$.02 \$.18

Discontinued Operations-Basic and Diluted

.01

NET EARNINGS PER SHARE-BASIC
AND DILUTED

\$.02 \$.19

DIVIDENDS PER SHARE

\$.12 \$.12

WEIGHTED AVERAGE SHARES
OUTSTANDING
2,942,925 2,936,356

See accompanying notes to consolidated financial statements.

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ABRAMS INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

**FIRST QUARTER ENDED
JULY 31,**

2001	2000
------	------

Cash flows from operating activities:

Net income

\$51,868 \$560,100

Adjustments to reconcile net income to
net cash used in operating activities:

Depreciation and amortization

587,700 754,192

Earnings from discontinued operations

(37,481)

Changes in assets and liabilities:

Receivables, net

(8,098,120) (7,643,615)

Costs and earnings in excess of billings

(3,705,684) (1,774,841)

Other current assets

(65,493) (34,604)

Other assets

(99,284) (131,607)

Trade and subcontractors payable

9,368,659 6,751,031

Accrued expenses

(1,882,047) (1,810,173)

Billings in excess of costs and earnings

1,034,945 784,484

Other liabilities

92,351 87,997

Net cash used in continuing operations
(2,715,105) (2,494,517)
Net cash provided by discontinued
operations
8,192 789,687

Net cash used in operating activities
(2,706,913) (1,704,830)

Cash flows from investing activities:

Additions to properties, property, plant
and equipment, net
(63,155) (205,792)
Changes in intangible assets
(22,728)
Acquisition, net of cash acquired
(2,971,663)
Repayments received on notes receivable
21,715 40,679

Net cash used in investing activities
(3,035,831) (165,113)

Cash flows from financing activities:

Debt repayments
(437,750) (301,036)
Repurchase of capital stock
(46,575)
Cash dividends
(117,912) (117,454)

Net cash used in financing activities
(602,237) (418,490)

Net decrease in cash and cash equivalents
(6,344,981) (2,288,433)
Cash and cash equivalents at beginning of
period
11,448,750 7,268,974

Cash and cash equivalents at end of
period
\$5,103,769 \$4,980,541

Supplemental disclosure of noncash
investing activities:

Transfer of Real estate held for future
development or sale to Property held for
sale
\$12,524,333 \$

Transfer of Property to Real estate held
for future development or sale
\$321,710 \$

Supplemental schedule of cash flow
information

Interest paid, net of amounts capitalized
\$1,126,995 \$1,230,476

Income taxes paid, net of refunds
\$61,470 \$6,776

See accompanying notes to consolidated financial statements.

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ABRAMS INDUSTRIES, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JULY 31, 2001, AND APRIL 30, 2001
(UNAUDITED)

NOTE 1. UNAUDITED STATEMENTS

The accompanying unaudited consolidated financial statements have been prepared by the Company in accordance with generally accepted accounting principles, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements have been condensed or omitted pursuant to such rules and regulations, although management believes that the disclosures are adequate to make the information presented not misleading. In the opinion of management, the accompanying financial statements contain all adjustments, which consist solely of normal recurring accruals, necessary for a fair statement of the results for the interim periods presented. These financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Annual Report to Shareholders for the year ended April 30, 2001. Results of operations for interim periods are not necessarily indicative of annual results.

NOTE 2. RECEIVABLES

All net contract and trade receivables are expected to be collected within one year.

NOTE 3. DISCONTINUED OPERATIONS

During the quarter ended January 31, 2000, the Board of Directors of the Company decided to discontinue the operations of the Manufacturing Segment. The remaining assets and liabilities of the Manufacturing Segment have been consolidated and presented as Net liabilities of discontinued operations on the Consolidated Balance Sheets at July 31, 2001, and April 30, 2001. The amounts in both periods include a \$2.76 million deferred gain, a current liability, related to the amount awarded to the Company in connection with the Georgia World Congress Center Authority's condemnation of the Company's former manufacturing facility. The award is currently under appeal by both parties.

NOTE 4. OPERATING SEGMENTS

In May 2001, the Company formed a third operating segment, Energy Management, and subsequently acquired substantially all of the assets of Servidyne Systems, Inc., an energy management and engineering services company. Through this new segment, the Company offers its institutional customers energy efficiency products and engineering services that reduce energy consumption, labor, equipment maintenance, and capital costs in commercial buildings.

The table below exhibits selected financial data on a segment basis. Earnings (loss) from continuing operations before income taxes is total revenue less operating expenses of continuing operations, including depreciation and interest. Parent expenses have not been allocated to the subsidiaries.

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**FOR THE QUARTER ENDED
JULY 31, 2001**

**ENERGY
REAL
CONSTRUCTION
ESTATE
GENERAL INVESTMENTS
CONSOLIDATED**

Revenues from unaffiliated

customers

\$35,925,156 \$3,239,851 \$819,312 \$ \$ \$39,984,319

Interest and other income

42,506 45,599 57,454 (47,386) 98,173

Intersegment revenue

120,303 (120,303)

Total revenues from

continuing operations

\$35,967,662 \$3,405,753 \$819,312 \$57,454 \$(167,689) \$40,082,492

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Earnings (loss) from
 continuing operations

before income taxes
 \$267,674 \$488,308 \$91,269 \$(811,220) \$41,837 \$77,868

FOR THE QUARTER ENDED **JULY 31,**
2000 **ENERGY** **CONSTRUCTION REAL**
ESTATE MANAGEMENT PARENT ELIMINATIONS CONSOLIDATED

Revenues from unaffiliated

customers
 \$47,610,725 \$3,174,423 \$ \$ \$ \$50,785,148
 Interest and other income
 69,511 68,456 2,794 140,761
 Intersegment revenue
 84,890 (84,890)

Total revenues from

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continuing operations
 \$47,680,236 \$3,327,769 \$ 2,794 \$(84,890) \$50,925,909

Earnings (loss) from
 continuing operations
 before income taxes
 \$1,469,039 \$28,488 \$ \$(652,971) \$11,063 \$855,619

NOTE 5. PROPERTY HELD FOR SALE

In August 2001, the Company entered into an agreement to sell, at a gain, its shopping center in Englewood, Florida. The Company currently anticipates completing the sale during this fiscal year. As of July 31, 2001, the book basis of the property, \$12.5 million, has been reclassified as a current asset in Property held for sale; the related mortgage debt, \$12.3 million, has been reclassified as a current liability in Current maturities of long-term debt. The results of operations for the property are summarized below:

	FIRST QUARTER ENDED JULY 31,	
	2001	2000
Revenues	\$466,338	\$465,240
Operating expenses, including depreciation for the quarter ended July 31, 2000, and interest	402,828	445,297

Results of operations	
\$63,510	\$19,943

NOTE 6. REAL ESTATE HELD FOR FUTURE SALE OR DEVELOPMENT

As of July 31, 2001, the Company's shopping center, six outlots and expansion land in North Ft. Myers, Florida, were held for sale. The net book value of the center, outlots and expansion land was \$22.5 million. The results of operations for the property are summarized below:

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	FIRST QUARTER ENDED JULY 31,	
	2001	2000
Revenues	\$651,815	\$646,382
Operating expenses, including depreciation for the quarter ended July 31, 2000, and interest		
407,287		589,383

Results of operations	
\$244,528	\$56,999

NOTE 7. EARNINGS PER SHARE

Basic earnings per share are computed by dividing net earnings by the weighted average shares outstanding during the reporting period. In May 2001, the Company issued 150,616 stock options with an exercise price of \$4.00 per share. The options issued were not dilutive.

NOTE 8. NEW ACCOUNTING PRONOUNCEMENTS

During June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 141, Business Combinations (SFAS 141). Under the provisions of SFAS 141, all business combinations initiated after June 30, 2001, must be accounted for using the purchase method of accounting. The adoption of SFAS 141 is not expected to have a material impact on the financial statements.

Also during June 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets (SFAS 142). Under the provisions of SFAS 142, there will be no amortization of goodwill and other intangible assets that have indefinite useful lives. Instead, these assets must be tested for impairment annually and when events or changes in circumstances indicate that impairment may have occurred. The Company has elected to adopt SFAS 142 as of May 1, 2001, and therefore goodwill and a trademark with an indefinite useful life acquired in the transaction described below have not been amortized.

NOTE 9. ACQUISITION

In May 2001, the Company acquired substantially all of the assets and employed all of the personnel of an energy management and engineering services company, Servidyne Systems, Inc., and acquired certain intellectual property from an affiliated company, Servidyne, Incorporated, for approximately \$3.1 million, including the costs associated with completing the acquisition, in an all cash transaction (the Servidyne transaction). This acquisition was accounted for as a purchase, and accordingly, the purchase price was allocated to the underlying assets acquired and liabilities assumed, based upon their estimated fair market values as of the date of acquisition. The results of operations related to the acquired assets have been included in the Company's financial statements since May 2001. Servidyne has offered its expertise, products and services to its institutional customers for more than 27 years. In pursuit of growth and improved shareholder returns, the Company will seek opportunities to leverage Servidyne's reservoir of knowledge in order to assist the now combined customer base in making building infrastructures more efficient.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition:

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Current assets	\$ 149,163
Furniture, fixtures and equipment	13,321
Intangible assets	1,200,034
Goodwill	1,741,831
<hr/>	
Total assets acquired	3,104,349
<hr/>	
Current liabilities	(132,686)

Unamortized intangible
assets

Goodwill
\$1,741,831
Trademark
315,261

\$2,057,092

The gross carrying amounts and accumulated amortization for all of the Company's intangible assets are as follows:

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	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>
Amortized intangible assets		
Computer-based work management products	\$856,114	\$47,519
Computer software	307,581	192,607
Real estate lease costs	1,220,062	590,918
Deferred loan costs	819,875	399,333
Other	28,660	717
	\$3,232,292	\$1,231,094

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Unamortized intangible assets

Goodwill
\$1,741,831
Trademark
315,261

\$2,057,092

Aggregate amortization expense for all amortized intangible assets:

For the quarter
ended July 31,
2001
\$134,989
Estimated
amortization
expense for all
amortized
intangible assets:

For the year
ended April 30,
2003

\$460,959

For the year
ended April 30,
2004

\$356,959

For the year
ended April 30,
2005

\$283,850

For the year
ended April 30,
2006

\$187,297

For the year
ended April 30,
2007

\$84,922

As the acquisition which resulted in the recording of goodwill occurred during the current quarter ended July 31, 2001, no goodwill or resulting amortization was recorded in the previous quarter ended July 31, 2000, and therefore no proforma amounts are required to provide comparability.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.Changes in CONSOLIDATED BALANCE SHEETS between April 30, 2001, and July 31, 2001.

Accounts receivable increased by \$8,129,641, Costs and earnings in excess of billings increased by \$3,705,684, Billings in excess of costs and earnings increased by \$1,034,945, and Trade and subcontractors payable increased by \$9,368,659, primarily because of the timing of the submission and payment of invoices for construction work performed.

Property held for sale increased by \$12,524,333 and Real estate held for future development or sale decreased by \$12,199,005, primarily the result of the reclassification of the shopping center in Englewood, Florida, as a contract has been executed for its sale.

Accrued expenses decreased by \$1,882,047, primarily due to the payment of year-end accruals.

Current maturities of long-term debt increased by \$12,164,992 and Mortgage notes payable decreased by \$12,383,658, primarily due to the reclassification of the mortgage debt related to the shopping center in Englewood, Florida, in connection with its planned sale, as discussed above.

Results of operations of first quarter of fiscal 2002 compared to first quarter of fiscal 2001.

REVENUES from Continuing Operations

For the first quarter 2002, Consolidated REVENUES from continuing operations, including Interest income and Other income, and net of intersegment eliminations, were \$40,082,492, compared to \$50,925,909 for the first quarter 2001, a decrease of 21%.

The figures in Chart A are Segment revenues from continuing operations, net of Intersegment eliminations, and do not include Interest income or Other income.

CHART A

REVENUE FROM CONTINUING OPERATIONS SUMMARY BY SEGMENT

(Dollars in Thousands)

	First Quarter Ended July 31,		Amount Increase (Decrease)	Percent Increase (Decrease)
	2001	2000		
Construction(1)	\$35,925	\$47,611	\$(11,686)	(25)
Real Estate	3,240	3,174	66	2
Energy Management(2)	819	819		

\$39,984 \$50,785 \$(10,801) (21)

NOTES TO CHART A

- (1) REVENUES for the first quarter 2002 were lower than those of the first quarter 2001, primarily due to a reduction in the number of construction jobs available, the result of a decrease or elimination of the capital spending by most of the Construction Segment's existing customers. The Company anticipates this trend will continue in the short-term; however, since July 31, 2001, several new institutional customers have awarded jobs to the Company, as it works to increase and diversify its customer base.
- (2) The Energy Management Segment was formed in May 2001. See Note 9 to the Consolidated Financial Statements.

The following table indicates the backlog of contracts and rental income for the next twelve months by industry segment.

	<u>July 31,</u>	
	<u>2001</u>	<u>2000</u>
Construction (1)	\$33,263,000	\$63,005,000
Real Estate-rental income		
11,307,000	11,459,000	
Energy Management (2)		
255,000		
<hr/>		
<hr/>		
Total Backlog	\$44,825,000	\$74,464,000

- (1) See Note 1 to Chart A above.
- (2) Energy Management contracts, which can be cancelled with less than one year's notice, are not included in the backlog above. As of July 31, 2001, such contracts total \$1.528 million in revenue over the next twelve months, assuming cancellation provisions are not invoked.

COSTS AND EXPENSES: Applicable to REVENUES from Continuing Operations

As a percentage of total Segment REVENUES from Continuing Operations (See Chart A) for the first quarter 2002 and 2001, the total applicable COSTS AND EXPENSES (See Chart B) were 92% for both periods.

The figures in Chart B are net of Intersegment eliminations.

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CHART B

COSTS AND EXPENSES APPLICABLE TO REVENUES

FROM CONTINUING OPERATIONS SUMMARY BY SEGMENT

(Dollars in Thousands)

	First Quarter Ended July 31,		Percent of Segment Revenues For First Quarter Ended July 31,	
	2001	2000	2001	2000
Construction(1)	\$34,900	\$45,122	97	95
Real Estate	1,625	1,595	50	50
Energy Management(2)	416	51		
<hr/>				
<hr/>				
	\$36,941	\$46,717	92	92

NOTES TO CHART B

- (1) The increase in the percentage of COSTS AND EXPENSES: Applicable to REVENUES for first quarter 2002 compared to first quarter 2001 was primarily attributable to downward competitive pressure on margins, which is a result of the decrease in the number of potentially available construction jobs due to the decline or absence of capital spending by the Company's customers.
- (2) The Energy Management Segment was formed in May 2001. See Note 9 to the Consolidated Financial Statements.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES
FROM CONTINUING OPERATIONS

For the first quarter 2002 and 2001, Selling, general and administrative expenses from continuing operations, net of intersegment eliminations, were \$1,911,278 and \$2,060,022, respectively. As a percentage of Consolidated REVENUES from Continuing Operations, these expenses were 5% and 4%, respectively. In reviewing Chart C, the reader should recognize that the volume of revenues generally will affect the amounts and percentages. The percentages in Chart C are based upon expenses as they relate to Segment REVENUES from Continuing Operations (Chart A), except that Parent and Total expenses relate to Consolidated REVENUES from Continuing Operations.

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CHART C

SELLING, SHIPPING, GENERAL AND ADMINISTRATIVE EXPENSES
FROM CONTINUING OPERATIONS BY SEGMENT

(Dollars in Thousands)

	First Quarter Ended July 31,		Percent of Segment Revenues For First Quarter Ended July 31,	
	2001	2000	2001	2000
Construction(1)	\$736	\$1,016	2	2
Real Estate(2)				
139 417 4 13				
Energy Management(3)				
311 38				
Parent(4)				
725 627 2 1				

\$1,911 \$2,060 5 4

NOTES TO CHART C

- (1) On a dollar basis, Selling, general and administrative expenses were lower for first quarter 2002 compared to first quarter 2001 primarily because of a decrease in personnel and incentive compensation costs.

Liquidity and capital resources.

Between April 30, 2001, and July 31, 2001, working capital decreased by \$2,649,030. Operating activities from continuing operations used cash of \$2,715,105, and discontinued operations provided cash of \$8,192. Investing activities used cash of \$3,035,831. Financing activities used cash of \$602,237.

At July 31, 2001, the Company and its subsidiaries had available unsecured committed lines of credit totaling \$13,000,000, of which none was outstanding, \$12,500,000 was available, and \$500,000 was reserved for a letter of credit issued as security for a mortgage loan on an Income-producing property. The letter of credit has been extended until November 2002, at which time it may be used to pay down the mortgage loan if certain leasing requirements are not attained.

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Cautionary statement regarding forward-looking statements.

Certain statements contained or incorporated by reference in this Quarterly Report on Form 10-Q, including without limitation statements containing the words believes, anticipates, expects, and words of similar import, are forward-looking statements within the meaning of the federal securities laws. Such forward-looking statements involve known and unknown risks, uncertainties and other matters which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or uncertainties expressed or implied by such forward-looking statements. Many such risks, uncertainties and other matters are beyond the Company's control. They include, but are not limited to, the possibility of not achieving projected backlog revenues or not realizing earnings from such revenues, the potential impact of factors beyond the control of the Company on future revenues and costs related to the Construction Segment, the timing and amount of earnings recognition related to the possible sale of real estate properties held for sale, the timing and amount of possible refinancings related to real estate properties, the level and volatility of interest rates, the potential loss of a significant customer, and the deterioration in the financial stability of an anchor tenant or significant customer.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

As of July 31, 2001, in connection with the contract to sell the Company's shopping center in Englewood, Florida (See Note 5 to the Company's Consolidated Financial Statements), approximately \$12.3 million of related fixed rate debt would be repaid in the current fiscal year upon the completion of the sale. As of April 30, 2001, approximately \$12.2 million of this debt was expected to mature in 2003.

There have been no other material changes since April 30, 2001.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) The Registrant has not filed any reports on Form 8-K during the quarter ended July 31, 2001.

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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.

ABRAMS INDUSTRIES, INC.

(Registrant)

Date:

September 13,

2001 /s/ Alan

R. Abrams

Alan R.

Abrams Chief
Executive
Officer

Date:

September 13,

2001 /s/

Melinda S.

Garrett

Melinda S.

Garrett Chief
Financial
Officer

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