ABRAMS INDUSTRIES INC
Form 10-K
July 18, 2001

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K
ANNUAL REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

For the fiscal year ended April 30, 2001

Commission file number 0-10146

ABRAMS INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Georgia 58-0522129
(State or other jurisdiction of (I.R.S. Employerincorporation or
organization) Identification No.) 1945 The Exchange, Suite 300,
Atlanta, GA 30339-2029(Address of principal executive offices)
(Zip Code)

Registrant s telephone number, including area code: (770) 953-0304

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class:	Name of each exchange on which registered:
None None	

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

Common Stock, $1.00 Par Value Per Share
(Title of Class)

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 by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained to the best of the registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. __

The aggregate market value of the voting stock held by nonaffiliates of the registrant as of June 15, 2001, was $5,042,849. See Part III. The number of shares of Common Stock of the registrant outstanding as of June 15, 2001 was 2,947,303.

DOCUMENTS INCORPORATED BY REFERENCE

The information called for by Part III (Items 10, 11, 12, and 13) is incorporated herein by reference to the registrant s definitive proxy statement for the 2001 Annual Meeting of Shareholders which is to be filed pursuant to Regulation 14A.

PART I

ITEM 1 BUSINESS

Abrams Industries, Inc. engages in (i) construction of retail and commercial projects; (ii) investment in income-producing properties, including acquisition, development, re-development and sale; and (iii) energy management. As used herein, the term Company refers to Abrams Industries, Inc. and its subsidiaries and predecessors, unless the context indicates otherwise. Prior to fiscal year 2001, the Company engaged in the asset and property management of properties in which it had an ownership or leasehold interest.

In May 2001, the Company created a third operating segment by acquiring the operating assets of another company. Abrams Power, Inc., through its affiliate Servidyne Systems, LLC, offers its institutional customers an array of state-of-the-art strategies to reduce energy consumption, labor, equipment maintenance, and capital costs in commercial buildings, using a comprehensive approach that combines its suite of specialized services, sophisticated energy efficiency products and engineering services.

The Company was organized under Delaware law in 1960 to succeed to the business of A. R. Abrams, Inc., which was founded in 1925 by Alfred R. Abrams as a sole proprietorship. In 1984, the Company changed its state of incorporation from Delaware to Georgia.

Financial information for the operating segments is set forth in Note 15 to the Consolidated Financial Statements of the Company.

Construction Segment

The Company, through its wholly owned subsidiary, Abrams Construction, Inc., has engaged in the construction business since 1925. Although the Company does work throughout much of the United States, it concentrates its activities principally in the Southern and Midwestern states. Construction activities consist primarily of new construction, expansion, and remodeling of retail store buildings, banks, shopping centers, warehouses and distribution centers.

Construction contracts are obtained by competitive bid and by negotiation. Generally, the Company purchases materials and services for its construction operations on a project-by-project basis.

Real Estate Segment

The Company, through its wholly owned subsidiary, Abrams Properties, Inc., has engaged in real estate activities since 1960. These activities primarily have involved the development, management and ownership of shopping centers in the Southeast and Midwest. During fiscal 2001, the Company entered into contracts with third parties to assume responsibility for the asset and property management functions related to its real estate portfolio.

The Company currently owns seven shopping centers, five of which the Company developed and two which it acquired. Two of these centers are currently being marketed for sale and are classified as Real estate held for future sale. The remaining centers are held as long-term investments. See ITEM 2. PROPERTIES Owned Shopping Centers. The Company is also lessee and sublessor of nine Company-developed shopping centers which were sold and leased back by the Company. See ITEM 2. PROPERTIES Leaseback Shopping Centers . The Company also owns two office properties. See ITEM 2 PROPERTIES Office Buildings.

Energy Management Segment

In May 2001, the Company began operations of a new segment, Energy Management, through its wholly owned subsidiary, Abrams Power, Inc. On May 9, 2001, the Company purchased substantially all of the assets of Servidyne Systems, Inc., an energy engineering and management company.

The primary focus for the business is the continental United States, although the Company does perform services for some international customers. The Company assists institutional customers in reducing energy consumption and operating costs of existing commercial buildings by providing: (1) engineering services, (2) equipment maintenance and labor productivity management, and (3) utility cost management. Energy engineering contracts are primarily obtained through negotiations, but may also be obtained through competitive bids on larger proposals.

Employees and Employee Relations

At April 30, 2001, the Company employed 81 salaried employees and 7 hourly employees. On its construction jobs, the Company utilizes local labor whenever practicable, paying the prevailing wage scale. The Company believes that its relations with its employees are good. The Company s newly formed Energy Management Segment began operations in May 2001 with 19 salaried and 5 hourly employees, which are not included in the totals above.

Seasonal Nature of Business

The Company s business historically has been somewhat seasonal, with the Construction Segment affected by weather conditions and its retail customers store opening schedules. The Company s exposure to weather conditions is limited to some extent by operating in several regions of the country, with substantial operations in the southern United States where favorable weather conditions prevail for most of the year. Generally, fewer retailers open stores in the winter months, and new store construction usually is scheduled to be completed prior to the winter season. The business of the Real Estate Segment is generally less seasonal.

Competition

The businesses of the Company are highly competitive. In the Construction Segment, the Company competes with a large number of national and local construction companies, many which have greater financial resources than the Company. The Real Estate Segment also operates in a competitive environment, with numerous parties competing for available financing, properties, tenants and investors.

Principal Customers

During fiscal 2001, the Company derived approximately 66% ($101,505,377) of its Consolidated Revenues from Continuing Operations from direct transactions with The Home Depot, Inc. These revenues resulted principally from construction activities. See Note 15 to the Consolidated Financial Statements of the Company. No other single customer accounted for 10% or more of the Company s consolidated revenues during the year.

Backlog

The following table indicates the backlog of contracts, expected rentals and real estate sales for the next twelve months, by industry segment:

	April 30, 2001	April 30, 2000
Construction-contracts	**$55,565,000**	$71,827,000
Real Estate-rental income	**11,346,000**	11,202,000
Real Estate-sales	**195,000**	195,000
Total Backlog	**$67,106,000**	$83,224,000

The Company estimates that most of the backlog at April 30, 2001, will be completed prior to April 30, 2002. No assurance can be given as to future backlog levels or whether the Company will realize earnings from revenues resulting from the backlog at April 30, 2001.

Regulation

The Company is subject to the authority of various federal, state and local regulatory agencies concerned with its construction operations, including among others, the Occupational Health and Safety Administration. The Company is also subject to local zoning regulations and building codes in performing its construction and real estate activities. Management believes that it is in substantial compliance with all such governmental regulations. Management believes that compliance with federal, state and local provisions, which have been enacted or adopted for regulating the discharge of materials into the environment, does not have a material effect upon the capital expenditures, earnings and competitive position of the Company.

Executive Officers of the Registrant

The Executive Officers of the Company as of April 30, 2001, were as follows:

Co-Chairman of the Board since August 1998 and Director of the Company since 1992, he has been Chief Executive Officer since July 1999 and President since May 2000. From May 1998 to July 1999, he was President and Chief Operating Officer. He served as Executive Vice President of the Company from August 1997 to May 1998. From July 1994 to May 1998 he served as President, and from July 1997 to May 1998 as Chief Executive Officer of Abrams Properties, Inc.

Co-Chairman of the Board since August 1998 and Director of the Company since 1992, he has been Vice President-Business Development since May 2000, and served as President and Chief Operating Officer from July 1999 to May 2000. From August 1997 to July 1999, he was Executive Vice President. He also has served as Chief Executive Officer of Abrams Fixture Corporation since July 1997. From September 1994 to July 1997, he served Abrams Fixture Corporation as Vice President.

Director of the Company since February 2000, he has served Abrams Construction, Inc. as Chief Executive Officer since January 2001 and President since June 1995.

Director of the Company since September 1999, she has been Chief Financial Officer since February 1997. She also has served Abrams Properties, Inc. as President since January 2001, Chief Financial Officer from May 1998 to December 2000, and Vice President from June 1993 to December 2000.

Executive Officers of the Company are elected by the Board of Directors of the Company or the Board of Directors of the respective subsidiary to serve at the pleasure of the Board. Alan R. Abrams and J. Andrew Abrams are brothers, and are the sons of Edward M. Abrams, a member of the Board of Directors and Chairman of the Executive Committee of the Board of Directors. David L. Abrams, a member of the Board of Directors, is first cousin of Alan R. Abrams and J. Andrew Abrams, and nephew of Edward M. Abrams. In May 2001, E. Milton Bevington was elected Director of Abrams Power, Inc. and President of Servidyne Systems, LLC, new subsidiaries of the Company. Mr. Bevington is the husband of Paula Lawton Bevington, a member of the Board of Directors. There are no other family relationships between any Executive Officer or Director and any other Executive Officer or Director of the Company.

ITEM 2 PROPERTIES

The Company, through its Real Estate Segment, owns its corporate headquarters building, which contains approximately 66,000 square feet of office space. The building is located in the North X Northwest Office Park, 1945 The Exchange, in suburban Atlanta, Georgia. The Parent Company and the Construction and Real Estate Segments are located in this building. In addition to the 29,200 square feet of offices occupied by the Abrams entities, another 34,800 square feet is leased to unrelated tenants, and the remaining 2,000 square feet is available for lease.

In May 1999, the Company sold its shopping center located in Newnan, Georgia. The sale was structured as a tax-deferred, like-kind exchange pursuant to Internal Revenue Code Section 1031, which allows a deferral of the tax gain if the Company utilizes the proceeds of the sale to purchase other real estate within 180 days of the sale. In July 1999, the Company acquired a shopping center in Jacksonville, Florida, as the replacement property. See ITEM 7. LIQUIDITY AND CAPITAL RESOURCES for discussion regarding the transactions.

In June 1999, the Company received notice from the Georgia State Properties Commission that the Georgia World Congress Center Authority had made the determination to acquire the Company s former wood manufacturing facility in Atlanta, Georgia. In October 1999, a Special Master appointed by the court awarded the Company $4.5 million for the property. Both the State and the Company have appealed the award amount, and at April 30, 2001, the ultimate outcome remains unknown. Pending resolution of the appeals, the Company has included the deferred gain of approximately $2.76 million from this transaction in Net liabilities of discontinued operations at April 30, 2001.

In April 2000, the Company sold its former manufacturing plant located in Lithia Springs, Georgia, which was developed and owned by the Real Estate Segment. The Company continues to own its vacant former metal manufacturing facility located in Atlanta, Georgia.

In May 2001, the Company, through its Energy Management Segment, assumed a lease for 7,418 square feet of office space located at 1350 Spring Street, NW, in midtown Atlanta, Georgia, as part of its acquisition of the assets of Servidyne Systems, Inc.

The Company owns, or has an interest in, the following properties:

Owned Shopping Centers

As of April 30, 2001, the Company s Real Estate Segment owned five shopping centers which it developed and two which it acquired. The following chart provides relevant information relating to the owned shopping centers:

Location	Acres	Leasable Square Feet in Building(s)	Calendar Year(s) Placed in Service by Company	Rental Income 2001	Cash Flow 2001 (1)	Debt Service Payments 2001 (2)	Principal Amount of Debt Outstanding as of April 30, 2001 (3)
1100 W. Argyle Street Jackson, MI	10.5	110,046	1972, 1996	$531,961	$372,325	$397,102	$3,045,795
1075 W. Jackson Street 7.392,1201980, 1992520,297459,669405,5862,837,091 Morton, IL (4)							
2500 Airport Thruway 8.087,5431980, 1988441,286397,087391,6872,172,393 Columbus, GA (4) (5)							
1500 Placida Road 28.7213,73919901,965,2761,587,3591,352,16512,389,392 Englewood, FL(6)							
15201 N. Cleveland 72.3293,8011993, 19962,774,5691,983,4951,558,10513,088,560 North Fort Myers, FL(6)							
5700 Harrison Avenue 10.886,3961998540,029334,266 Cincinnati, OH (7)							
8106 Blanding Blvd 18.8174,22019991,387,9511,281,5211,181,6989,110,762 Jacksonville, FL (8)							

(1) Cash flow is defined as net operating income before the following: depreciation, amortization of loan and lease costs, interest and principal payments on mortgage notes or other debt.

(2) Includes principal and interest.

(3) Exculpatory provisions limit the Company s liability to the respective mortgaged properties, except for the loan in North Fort Myers, Florida, which has been guaranteed by Abrams Properties, Inc. See Notes 9 and 10 to the Consolidated Financial Statements of the Company.

(4) Land is leased, not owned.

(5) The center in Columbus, Georgia, is owned by Abrams-Columbus Limited Partnership, in which Abrams Properties, Inc. serves as general partner and owns an 80% interest.

(6) Property is currently being marketed for sale.

(7) Construction originally completed by others in 1982.

(8) Construction originally completed by others in 1985.

The two centers located in Morton, Illinois, and Columbus, Georgia, are leased exclusively to Kmart. The Kmart lease in Columbus, Georgia, expires in 2008 and has ten five-year renewal options, and the Kmart lease in Morton, Illinois, expires in 2016 and has eight five-year renewal options. Anchor lease terms for other centers are shown in the table below:

Location	Anchor Tenant	Square Footage	Lease Expiration Date	Options to Renew
Jackson, MI	Big Lots	26,022	2007	2 for 5 years each

	Kroger	63,024	2021	6 for 5 years each

Englewood, FL Beall s31,25520064 for 5 years each Kmart86,479201510 for 5 years each Publix48,55520104 for 5 years each Walgreens13,5002040 (1)None

North Fort Myers, FL AMC54,80520164 for 5 years each Beall s35,60020099 for 5 years each Kash n Karry33,00020134 for 5 years each Jo-Ann Fabrics16,00020043 for 5 years each Kmart107,806201810 for 5 years each

Cincinnati, OH Kroger (2)42,45620053 for 5 years each

Jacksonville, FL Publix (2)85,56020106 for 5 years each Office Depot22,69220033 for 5 years each

(1) Tenant may terminate its lease with six months notice at five year intervals beginning in 2010.

(2) Tenant has vacated the premises, but remains responsible for lease payments until the expiration date.

With the exception of the Kmart lease in Columbus, Georgia, all of the anchor tenant leases and most of the small shop leases provide for contingent rentals if sales exceed specified amounts. In 2001, the Company received $82,655 in contingent rentals, net of offsets, which amounts are included in the aggregate rentals set forth above.

Typically, tenants are responsible for their pro rata share of ad valorem taxes, insurance and common area maintenance (subject to the right of offset mentioned above). Kmart has total maintenance responsibility for the centers in Morton, Illinois, and Columbus, Georgia.

Leaseback Shopping Centers

The Company, through its Real Estate Segment, is lessee of nine shopping centers that it developed, sold, and leased back under leases expiring from years 2002 to 2014. The nine centers are subleased by the Company to Kmart Corporation for periods corresponding with the Company s leases. The Kmart subleases provide for contingent rentals if sales exceed specified amounts, and contain ten five-year renewal options, except Jacksonville, Florida, which has eight five-year renewal options. The Company s leases with the fee owners contain renewal options coextensive with Kmart s renewal options. Kmart is responsible for insurance and ad valorem taxes, but has the right to offset against contingent rentals any such taxes paid in excess of specified amounts. In 2001, the Company received $78,289 in contingent rentals, net of offsets, which amounts are included in the aggregate annual rentals set forth below. The Company has responsibility for structural and roof maintenance of the buildings. The Company also has responsibility for parking lots and driveways, except routine upkeep, which is the responsibility of the subtenant, Kmart. The Company s leases contain exculpatory provisions, which limit the Company s liability to its interest in the respective subleases.

The following chart provides certain information relating to the leaseback shopping centers:

Location	Acres	Square Feet in Building(s)	Calendar Years Placed in Service by Company	Rental Income 2001	Rent Expense 2001
Bayonet Point, FL	10.8	109,340	1976, 1994	$379,721	$269,564
Orange Park, FL 9.484,1801976264,000226,796					
Davenport, IA 10.084,1801977263,876213,787					
Minneapolis, MN 7.184,1801978342,920230,570					
West St. Paul, MN 10.084,1801978298,465229,630					
Ft. Smith, AR 9.2106,1411979, 1994255,350223,195					
Jacksonville, FL 11.697,0321979303,419258,858					
Louisville, KY 9.372,8971979290,000251,279					
Richfield, MN 5.774,2171979300,274241,904					

Office Buildings

The Company, through its Real Estate Segment, owns two office properties: the corporate headquarters building located at 1945 The Exchange, Atlanta, Georgia, and an office park located in northwest suburban Atlanta, Georgia. The following chart provides pertinent information relating to the office buildings:

Location	Acres	Leasable Square Feet in Building(s)	Calendar Year Placed in Service by Company	Rental Income 2001	Cash Flow 2001(1)	Debt Service Payments 2001(2)	Principal Amount of Debt Outstanding as of April 30, 2001
1945 The Exchange Atlanta, GA (3)	3.12	65,880	1997	$1,085,366	$729,872	$513,498	$4,852,919
1501-1523 Johnson Ferry Rd 8.82121,47619971,764,8951,114,859538,9256,282,335 Marietta, GA (4)							

(1) Cash flow is defined as net operating income before the following: depreciation, amortization of loan and lease costs, interest and principal payments on mortgage notes and other debt.

(2) Includes principal and interest.

(3) Corporate headquarters building of which the Parent Company and the Construction and Real Estate Segments occupy approximately 29,200 square feet. Rental income and cash flow includes intercompany rent at market rates of $485,750 paid by the Parent Company and the Construction and Real Estate Segments. The debt is guaranteed by Abrams Properties, Inc. Originally constructed in 1974 by others and acquired and re-developed by the Company in 1997.

(4) The Company, through a subsidiary of its Real Estate Segment, is the lessee of 16,859 square feet of space under a master lease agreement to satisfy a condition required by the lender. Rental

income and cash flow include intercompany rent at market rates of $267,825 paid by the Real Estate Segment. Construction originally completed by others in 1980 and 1985. Exculpatory provisions of the loan limit the Company s liability to the mortgaged property.

Land Leased or Held for Future Development or Sale

The Company, through its Real Estate Segment, owns or has an interest in the following land leased or held for future development or sale:

Location	Acres	Calendar Year Development Completed	Intended Use (1)
W. Argyle Street Jackson, MI	0.9	1972	One outlot or retail shops
Kimberly Road & Fairmont Street Davenport, IA (2)	6.0	1977	Food store and/or retail shops and outlot
Dixie Highway Louisville, KY	4.7	1979	Food store and/or retail shops
West 15th Street Washington, NC (3)	1.4	1979	Two outlots
Mundy Mill Road Oakwood, GA	5.3	1987	Retail shops and/or four outlots
North Cleveland Avenue North Fort Myers, FL (4)	12.4	1993	Six outlots, anchor pads and retail shops

(1) Outlot as used herein refers to a small parcel of land reserved from the shopping center parcel and is generally sold for, leased for, or developed as, a fastfood operation, bank or similar use.

(2) Includes 1.1 acre

outlot currently under contract to be sold at a gain.(3) Leased by the Company under leases terminating in years 2005 and 2010, with a right to extend for three additional five-year periods. Both outlots are subleased to others for terms coextensive with the Company s lease.(4) Property is currently being marketed for sale.

There is no debt on any of the above properties, except for the anchor pad and retail shop land in North Fort Myers, Florida. See Note 10 to the Consolidated Financial Statements of the Company. The Company will either develop the properties described above or will hold them for sale or lease to others.

ITEM 3 LEGAL PROCEEDINGS

The Company is not a party to, nor is any of its property the subject of, any pending legal proceedings which are likely, in the opinion of management, to have a material, adverse effect on the Company s operations or financial condition.

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

PART II

ITEM 5 MARKET FOR REGISTRANT S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

	CLOSING MARKET PRICES		DIVIDENDS PAID PER SHARE	
	FISCAL 2001	FISCAL 2000	**FISCAL 2001**	FISCAL 2000

	HIGH TRADE	**LOW TRADE**	HIGH TRADE	LOW TRADE		
First Quarter	**$4.313**	**$3.125**	$5.375	$3.875	**$.040**	$ .040
Second Quarter	**4.000**	**3.438**	5.938	3.750	**.040**	.040
Third Quarter	**4.469**	**3.625**	4.500	2.940	**.040**	.040
Fourth Quarter	**4.125**	**3.438**	4.000	3.375	**.040**	.040

The common stock of Abrams Industries, Inc. is traded on the NASDAQ National Market System (Symbol: ABRI). The approximate number of holders of common stock was 466 (including shareholders of record and shares held in street name) at May 31, 2001.

ITEM 6 SELECTED FINANCIAL DATA

The following table sets forth selected financial data for the Company and should be read in conjunction with the consolidated financial statements and the notes thereto:

	2001	2000	1999	1998	1997
Net Earnings (Loss) (1)	**$676,172**	$(456,605)	$(676,031)	$2,999,478	$2,391,398
Net Earnings (Loss) Per Share (1)	**$.23**	$(.16)	$(.23)	$1.02	$ .81
Consolidated Revenues - Continuing Operations	**$154,606,987**	$174,579,492	$172,201,090	$163,586,356	$119,420,343
Net Earnings (Loss) - Continuing Operations	**$376,325**	$2,367,190	$(39,599)	$2,694,211	$1,274,545
Net Earnings (Loss) Per Share - Continuing Operations	**$ .13**	$ .80	$(.01)	$ .92	$ .43
Shares Outstanding at Year-End	**2,943,303**	2,936,356	2,936,356	2,936,356	2,938,356
Cash Dividends Paid Per Share	**$ .16**	$ .16	$ .20	$ .19	$ .07
Shareholders Equity	**$22,505,543**	$22,346,138	$23,272,560	$24,535,863	$22,125,214
Shareholders Equity Per Share	$**7.65**	$7.61	$7.93	$8.36	$7.53
Working Capital	**$11,442,348**	$10,820,179	$9,885,902	$15,283,031	$13,075,119

Depreciation and Amortization Expense - Continuing Operations	**$2,761,764**	$3,067,959	$2,702,555	$2,338,854	$2,811,472
Total Assets	**$97,619,685**	$102,845,867	$126,132,540	$121,309,444	$91,499,438
Income-Producing Properties and Property and Equipment, net (2)	**$28,134,764**	$61,456,455	$64,680,003	$67,119,159	$45,028,355
Long-Term Debt	**$50,180,619**	$51,929,637	$56,554,488	$62,938,807	$41,118,885
Return on Average Shareholders Equity(1)	**3.0%**	(2.0)%	(2.8)%	12.9%	11.3%
Return on Average Shareholders Equity - Continuing Operations	**1.7%**	10.4%	(0.2)%	11.5%	6.0%

(1) Includes continuing operations, discontinued operations, and extraordinary item.

(2) Does not include Real estate held for future development or sale.

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ITEM 7 MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR FISCAL YEARS ENDED APRIL 30, 2001, 2000, AND 1999

Results of Operations

Revenues

Revenues from continuing operations for 2001 were $154,606,987, compared to $174,579,492 in 2000, and $172,201,090 in 1999. This represents a decrease in Revenues of 11% in 2001, and an increase in Revenues of 1% in 2000. Revenues include Interest income of $480,771, $372,524, and $421,315, for 2001, 2000, and 1999, respectively, and Other income of $51,030, $73,882, and $56,532, for 2001, 2000, and 1999, respectively. The figures in Chart A below do not include Interest income, Other income, or Intersegment revenues. When more than one segment is involved, Revenues are reported by the segment that sells the product or service to an unaffiliated purchaser.

Revenues from Continuing Operations Summary by Segment

CHART A
(Dollars in Thousands)

	Years Ended April 30,		Increase (Decrease)		Years Ended April 30,		Increase (Decrease)	
	2001	2000	Amount	Percent	2000	1999	Amount	Percent
Construction (1)	**$141,118**	$143,916	$(2,798)	(2)	$143,916	$159,273	$(15,357)	(10)

Real Estate (2)	**12,957**	30,217	(17,260)	(57)	30,217	12,450	17,767	143
Total	**$154,075**	$174,133	$(20,058)	(12)	$174,133	$171,723	$2,410	1

NOTES:

(1) The decrease in 2000 from that in 1999 was primarily attributable to a temporary decrease in business from an existing customer. While volume from that existing customer in 2001 exceeded the 2000 and 1999 levels, business from certain other existing customers decreased in 2001 compared to 2000. The volatility with respect to the levels of capital spending of the Company s customers, and the competitive bidding process the Company must go through on most projects before they are awarded, limit the Company s ability to project future revenue trends.

(2) Rental revenues for 2001 were $12,956,875, compared to $12,551,729 in 2000, and $12,449,850 in 1999. Rental revenues exclude $388,960 in 2001, $1,527,856 in 2000, and $1,485,038 in 1999, received from the Company s other segments. Revenues from sales of real estate were $17,665,456 in 2000. There were no sales of real estate in 2001 or 1999. The real estate sales in 2000 consisted of the sale of the

Company s shopping center in Newnan, Georgia, and the sale of the Company s manufacturing facility in Lithia Springs, Georgia. The Company reviews its real estate portfolio on an ongoing basis, and places a property on the market for sale when it believes it is in its best interests to do so. In addition, a property may be marketed in one fiscal year, but the sale may not close until a subsequent year, due to individually negotiated contract terms and market conditions. Real estate sales, which may have a material impact on the Company s results of operations, do not occur every year, and the Company cannot predict the timing of any such sales.

Costs and Expenses: Applicable to Segment Revenues

As a percentage of total Segment Revenues (See Chart A), the applicable total Segment Costs and Expenses (See Chart B on page 12) of $139,075,402 for 2001, $155,731,989 for 2000, and $157,525,283 for 1999, were 90%, 89%, and 92%, respectively.

Costs and Expenses: Applicable to Revenues from Continuing Operations Summary by Segment

CHART B
(Dollars in Thousands)