

AMERICAN BILTRITE INC
Form 10-Q
August 13, 2009

FORM 10-Q

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

For Quarter Ended June 30, 2009

Commission File Number 1-4773

AMERICAN BILTRITE INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or
organization)

04-1701350
(I.R.S. Employer Identification No.)

57 River Street
Wellesley Hills, Massachusetts 02481-2097
(Address of Principal Executive Offices)
(781) 237-6655
(Registrant's telephone number, including area code)

Not Applicable
(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

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 (§232.405 of this chapter) 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

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.

Edgar Filing: AMERICAN BILTRITE INC - Form 10-Q

Class	Outstanding at August 13, 2009
Common Stock	3,441,551 shares

FORWARD LOOKING STATEMENTS

Some of the information presented in or incorporated by reference in this report constitutes "forward-looking statements," within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks, uncertainties and assumptions. These statements can be identified by the use of words such as "anticipate," "believe," "estimate," "expect," "intend," "plan," "project" and other words of similar meaning. In particular, these include statements relating to intentions, beliefs or current expectations concerning, among other things, future performance, results of operations, the outcome of contingencies, such as bankruptcy and other legal proceedings, and financial conditions. These statements do not relate strictly to historical or current facts. These forward-looking statements are based on American Biltrite Inc.'s expectations and American Biltrite Inc.'s understanding of its majority-owned subsidiary Congoleum Corporation's expectations, as of the date of this report, of future events, and American Biltrite Inc. undertakes no obligation to update any of these forward-looking statements, except as required by federal securities laws. Although American Biltrite Inc. believes that these expectations are based on reasonable assumptions, within the bounds of its knowledge of its business and operations, there can be no assurance that actual results will not differ materially from its expectations. Readers are cautioned not to place undue reliance on any forward-looking statements. Any or all of these statements may turn out to be incorrect. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Any forward-looking statements made in this report speak only as of the date of this report unless the statement indicates that another date applies. It is not possible to predict or identify all factors that could potentially cause actual results to differ materially from expected and historical results. Factors that could cause or contribute to American Biltrite Inc.'s actual results differing from its expectations include those factors discussed in Item 1A of Part II of this Quarterly Report on Form 10-Q and in American Biltrite Inc.'s other filings with the Securities and Exchange Commission.

AMERICAN BILTRITE INC.

INDEX

PART I.FINANCIAL INFORMATION

Item 1.	Financial Statements:	
	Consolidating Condensed Balance Sheets – Assets as of June 30, 2009 (Unaudited) and December 31, 2008	1
	Consolidating Condensed Balance Sheets – Liabilities and Stockholders’ Equity as of June 30, 2009 (Unaudited) and December 31, 2008	2
	Consolidating Condensed Statements of Operations (Unaudited) For the Three Months Ended June 30, 2009 and 2008	3
	Consolidating Condensed Statements of Operations (Unaudited) For the Six Months Ended June 30, 2009 and 2008	4
	Consolidating Condensed Statements of Cash Flows – Operating Activities (Unaudited) For the Six Months Ended June 30, 2009 and 2008	5
	Consolidating Condensed Statements of Cash Flows – Investing & Financing Activities (Unaudited) For the Six Months Ended June 30, 2009 and 2008	6
	Notes to Unaudited Consolidating Condensed Financial Statements	7
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	31
Item 4T.	Controls and Procedures	45

PART OTHER INFORMATION
II.

Item 1.	Legal Proceedings	46
Item 1A.	Risk Factors	46
Item 3.	Defaults Upon Senior Securities	57
Item 4.	Submission of Matters to a Vote of Security Holders	57
Item 5.	Other Information	57

Item 6.	Exhibits	58
Signature		60

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

AMERICAN BILTRITE INC. AND SUBSIDIARIES
 CONSOLIDATING CONDENSED BALANCE SHEETS – ASSETS
 (In thousands of dollars)

	ABI Consolidated		Eliminations		Congoleum		American Biltrite	
	June 30, 2009 (Unaudited)	December 31, 2008	June 30, 2009 (Unaudited)	December 31, 2008	June 30, 2009 (Unaudited)	December 31, 2008	June 30, 2009 (Unaudited)	December 31, 2008
Assets								
Current Assets:								
Cash and cash equivalents	\$18,193	\$ 18,072			\$13,803	\$ 15,077	\$4,390	\$ 2,995
Restricted cash	30,767	29,680			30,767	29,680		
Short-term investments	1,000	-					1,000	-
Accounts receivable, net	37,507	36,627	\$(274)	\$(367)	15,036	13,789	22,745	23,205
Inventories	67,285	79,082	(60)	(89)	31,101	35,814	36,244	43,357
Taxes receivable	928	1,334					928	1,334
Prepaid expense & other current assets	7,013	6,406			2,883	3,922	4,130	2,484
Total current assets	162,693	171,201	(334)	(456)	93,590	98,282	69,437	73,375
Property, plant & equipment, net	85,016	88,466			53,205	56,520	31,811	31,946
Other assets:								