

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

THOMAS INDUSTRIES INC
Form 10-K
March 15, 2002

FORM 10-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended: December 31, 2001

Commission File Number 1-5426

THOMAS INDUSTRIES INC.

(Exact name of Registrant as specified in its Charter)

DELAWARE

61-0505332

(State of incorporation)

(I.R.S. Employer Identification Number)

4360 BROWNSBORO ROAD, LOUISVILLE, KENTUCKY

40207

(Address of principal executive offices)

(Zip Code)

502/893-4600

(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE
SECURITIES EXCHANGE ACT OF 1934:

Title of Each Class	Name of Each Exchange on which Registered
-----	-----
Common Stock, \$1 Par Value	New York Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange

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. [X]

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 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. []

As of March 11, 2002, 15,251,810 shares of the registrant's Common Stock were outstanding.

The aggregate market value of the voting stock held by non-affiliates of the Registrant at March 11, 2002, was approximately \$427,050,680.

Portions of the Proxy Statement for the Annual Meeting of Shareholders on April 18, 2002, are incorporated by reference in Part III of this report.

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

Portions of the Annual Report to Shareholders for fiscal year ended December 31, 2001, are incorporated by reference in Parts I and II of this report.

PART I.

ITEM 1. BUSINESS

a. General Development of Business.

The company that was eventually to become known as Thomas Industries ("Thomas" or the "Company") was founded in 1928 as the Electric Sprayit Company. Electric Sprayit manufactured paint spraying machines, blowers, and air compressors in Chicago, Illinois. In 1948, Mr. Lee B. Thomas and a group of investors acquired Moe Brothers Manufacturing of Fort Atkinson, Wisconsin, a manufacturer of residential lighting products. In 1953, Moe Lighting and The Electric Sprayit Company merged to become Thomas Industries Inc.

Although its roots are in lighting products and air compressors, Thomas began to diversify further in the 1960's and 1970's, acquiring different types of consumer products along with tools, hardware, and specialty products. A new strategic focus that began in the 1980's was finalized in 1994 and led the Company to divest its non-core businesses and concentrate on Lighting and Pumps and Compressors. Significant additions to these businesses on the Lighting side included the Lumec and Day-Brite Lighting acquisitions in 1987 and 1989 and Pumps and Compressors acquisitions which included ASF, Pneumotive, Brey, WISA, Welch and Oberdorfer, made from 1987 through 1999.

On August 30, 1998, Thomas and The Genlyte Group ("Genlyte") formed a lighting joint venture that combined substantially all of the assets and liabilities of Genlyte and substantially all of the lighting assets and related liabilities of Thomas to create Genlyte Thomas Group LLC, estimated to be the third largest lighting fixture manufacturer in North America. Thomas owns a 32% interest in the joint venture, and Genlyte owns a 68% interest.

b. Financial Information about Segments.

The information required by this item is set forth in Exhibit 13 under the heading "Notes to Consolidated Financial Statements," which information is contained in the Company's Annual Report to Shareholders and incorporated herein by reference.

c. Narrative Description of Business.

Pump and Compressor Segment

With the lighting joint venture in place, Thomas is now focused on its Pump and Compressor business. Thomas is the leading supplier to the original equipment manufacturer (OEM) market in such applications as

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

medical equipment, gasoline vapor and refrigerant recovery, automotive and transportation applications, printing, tape drives, laboratory equipment, and many other applications for consumer, commercial, and industrial uses. The Company designs, manufactures, markets, and sells these products through operations worldwide. Group headquarters are as

2

ITEM 1. (Continued)

follows: North American Group--Sheboygan, Wisconsin; European Group--Puchheim, Germany; and Asia Pacific Group--Hong Kong, China.

The Company has four manufacturing operations in the United States which manufacture rotary vane, linear, piston, and diaphragm pumps and compressors, and various liquid pump technologies. These products are distributed worldwide to OEM's, as well as through industrial distributors.

Three German operations manufacture a complementary line of rotary vane, piston, linear, and diaphragm pumps and compressors, and various liquid pump technologies. These products are distributed worldwide.

The Company also maintains sales offices in England, Italy, Switzerland, Hong Kong, Japan, Taiwan, Mexico, and Australia. The Corporate Office is in Louisville, Kentucky.

The Company offers a wide selection of standard air compressors and vacuum pumps and will modify or design its products to meet exacting OEM applications. For the OEM market, the Company's pump and compressor products are manufactured under the names Thomas in the U.S. and ASF Thomas in Europe. Other products are marketed under the brand names Welch (high vacuum systems for laboratory and chemical markets), Air-Pac (pneumatic construction equipment), Vakuumatic (leakage detection systems), Medi-Pump (respiratory products), and Oberdorfer (liquid pumps).

The medical equipment market, which includes oxygen concentrators, nebulizers, aspirators, and other devices, is important to the Company. Company sales to medical equipment OEM's were approximately \$70 million in 2001, \$65 million in 2000, and \$62 million in 1999. Oxygen concentrator OEM's represent over 50 percent of the Company's sales in the medical equipment market. The Company believes it has the leading market share in the oxygen concentrator OEM market worldwide.

No single customer of the Company accounted for 10 percent or more of the Company's net sales in 2001.

The backlog of unshipped orders was \$38 million at December 31, 2001, and \$42 million at December 31, 2000. The reduction in backlog was due primarily to exchange rate fluctuations regarding our European operations and a shortening of the cycle time for our larger OEM customers between when their orders are received and when the Company ships. The Company believes substantially all of such orders are firm, although some orders are subject to cancellation. Substantially all of these orders are expected to be filled in 2002.

The Company believes that it has adequate sources of materials and supplies for its business.

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

There is no significant seasonal impact on the business of the Company.

3

ITEM 1. (Continued)

Lighting Segment

On August 30, 1998, Thomas and Genlyte formed a lighting joint venture that combined substantially all of the assets and liabilities of Genlyte and substantially all of the lighting assets and related liabilities of Thomas to create Genlyte Thomas Group LLC ("GTG"), estimated to be the third largest lighting fixture manufacturer in North America. Thomas owns a 32% interest in the joint venture, and Genlyte owns a 68% interest.

GTG designs, manufactures, markets, and sells lighting fixtures for a wide variety of applications in the commercial, industrial, and residential markets. GTG operates in these three industry segments through the following divisions: Lightolier, Day-Brite, Crescent, Capri/Omega, Choride Systems, Controls, Hadco, Gardco, Wide-Lite, Stonco and Thomas Residential in the United States and Mexico; and Canlyte, Thomas Lighting Canada, Lumec, and Ledalite in Canada.

GTG's products primarily utilize incandescent, fluorescent, and high-intensity discharge (HID) light sources and are marketed primarily to distributors who resell the products for use in new residential, commercial, and industrial construction as well as in remodeling existing structures. Because GTG does not principally sell directly to the end user of its products, it's management cannot determine precisely the percentage of its revenues derived from the sale of products installed in each type of building or the percentage of its products sold for new construction versus remodeling. GTG's sales, like those of the lighting fixture industry in general, are partly dependent on the level of activity in new construction and remodeling.

GTG designs, manufactures, markets, and sells the following types of products:

Indoor fixtures - Incandescent, fluorescent, and HID lighting fixtures and lighting controls for commercial, industrial, institutional, medical, sports, and residential markets, and task lighting for all markets.

Outdoor fixtures - HID and incandescent lighting fixtures and accessories for commercial, industrial, institutional, sports, and residential markets.

GTG's products are marketed by independent sales representatives and GTG direct sales personnel who sell to distributors, electrical wholesalers, mass merchandisers, and national accounts. In addition, GTG's products are promoted through architects, engineers, contractors, and building owners. GTG's products are principally sold throughout the United States, Canada, and Mexico.

Thomas' investment in GTG is accounted for using the equity method of accounting. At any time on or after January 31, 2002, Thomas has the right (a "put right"), but not the obligation, to require the Joint

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

ITEM 1. (Continued)

Venture (GTG) to purchase all, but not less than all, of Thomas' ownership interest in GTG at the applicable purchase price. The purchase price shall be equal to the "Fair Market Value" of GTG multiplied by Thomas' ownership percentage in GTG. The "Fair Market Value" means the value of the total interest in GTG computed as a going concern, including the control premium.

d. Other

The Company expects to fund working capital requirements from a combination of available cash balances, internally generated funds, and, if necessary, short-term financing arrangements. The Company does not currently have any bank committed lines of credit and management believes, if short-term borrowings were needed to support the sales growth of the business, that competitive financing could be obtained given the current financial position of the Company.

The Company has various patents and trademarks but does not consider its business to be materially dependent upon any individual patent or trademark.

During 2001, the Company spent \$10,369,000 on research activities relating to the development of new products and the improvement of existing products. Substantially all of this amount was Company-sponsored activity. During 2000, the Company spent \$9,721,000 on these activities and during 1999, \$9,370,000.

Continued compliance with present and reasonably expected federal, state, and local environmental regulations is not expected to have any material effect upon capital expenditures, earnings, or the competitive position of the Company and its subsidiaries.

The Company employed approximately 1,070 people at December 31, 2001.

e. Financial Information about Geographic Areas.

See Notes to Consolidated Financial Statements, as set forth in Exhibit 13, which information is contained in the Company's 2001 Annual Report to Shareholders, and incorporated herein by reference, for financial information about foreign and domestic operations.

f. Executive Officers of the Registrant.

Name	Office or Position with Company	Age	Year First Elected as an Officer
----	-----	---	-----
Timothy C. Brown (A)	Chairman of the Board, President, Chief Executive Officer, and Director	51	1984

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

ITEM 1. (Continued)

Name -----	Office or Position with Company -----	Age ---	Year First Elected as an Officer -----
Phillip J. Stuecker (B)	Vice President of Finance, Chief Financial Officer, and Secretary	50	1984
Bernard R. Berntson (C)	Vice President; General Manager, North American Pump and Compressor Group	62	1992
Peter H. Bissinger (D)	Vice President; General Manager, European Pump and Compressor Group	56	1992

(A) Timothy C. Brown was elected Chairman of the Board on April 20, 1995, in addition to his other duties of President and Chief Executive Officer. Prior to this, Mr. Brown held various management positions in the Company including Chief Operating Officer, Executive Vice President, and Vice President and Group Manager of the Specialty Products Group.

(B) Phillip J. Stuecker was elected Vice President of Finance, Chief Financial Officer, and Secretary on October 23, 1989. Prior to this, Mr. Stuecker held various management positions in the Company including Vice President and Treasurer.

(C) Bernard R. Berntson was elected an officer effective December 14, 1992. Mr. Berntson had held the position of General Manager of the North American Pump and Compressor Group since 1987.

(D) Peter H. Bissinger was elected an officer effective December 14, 1992, in addition to his position of President of ASF Thomas GmbH, a wholly owned subsidiary of the Company. Mr. Bissinger had held the position of President of ASF Thomas GmbH since 1979.

ITEM 2. PROPERTIES

The Corporate offices of the Company are located in Louisville, Kentucky. Due to the large number of individual locations and the diverse nature of the operating facilities, specific description of the properties owned and leased by the Company is not necessary to an understanding of the Company's business. All of the buildings are of steel, masonry, and concrete construction, are in generally good condition, provide adequate and suitable space for the operations at each location, and are of sufficient capacity for present and foreseeable future needs.

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

ITEM 2. (Continued)

The following listing summarizes the Company's properties.

Segment	Number of Facilities		Combined Square Feet	Nature of Facilities
	Owned	Leased		
-----	-----	-----	-----	-----
Pump and Compressor	4	4	707,000	Manufacturing plants
	1	5	30,000	Distribution centers
Corporate	--	1	5,300	Corporate headquarters
	2	--	160,000	Leased to third parties

ITEM 3. LEGAL PROCEEDINGS

In the normal course of business, the Company is a party to legal proceedings and claims. When costs can be reasonably estimated, appropriate liabilities for such matters are recorded. While management currently believes the amount of ultimate liability, if any, with respect to these actions will not materially affect the financial position, results of operations, or liquidity of the Company, the ultimate outcome of any litigation is uncertain. Were an unfavorable outcome to occur, the impact could be material to the Company.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

PART II.

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

The information required by this item is set forth in Exhibit 13 under the headings "Common Stock Market Prices and Dividends," and "Notes to Consolidated Financial Statements," which information is contained in the Company's 2001 Annual Report to Shareholders and incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

The information required by this item is set forth in Exhibit 13 under the heading "Five-Year Summary of Operations and Statistics," which information is contained in the Company's 2001 Annual Report to Shareholders and incorporated herein by reference.

7

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information required by this item is set forth in Exhibit 13 under the heading "Management's Discussion and Analysis of Financial Condition and

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

Results of Operations," which information is contained in the Company's 2001 Annual Report to Shareholders and incorporated herein by reference.

ITEM 7a. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's long-term debt bears interest at fixed rates, with the exception of the \$1.25 million Industrial Revenue Bond that accrues interest at a variable rate. Short-term borrowings are priced at variable interest rates. The Company's results of operations and cash flows, therefore, would only be affected by interest rate changes to the extent of variable rate debt. At December 31, 2001, only the \$1.25 million Industrial Revenue Bond was outstanding. A 100 basis point movement in the interest rate on the \$1.25 million bond would result in an \$12,500 annualized effect on interest expense and cash flows.

The Company also has short-term investments of \$28.8 million as of December 31, 2001 that bear interest at variable rates. Therefore, a 100 basis point movement in the interest rate would result in an approximate \$288,000 annualized effect on interest income and cash flows.

The fair value of the Company's long-term debt is estimated based on current interest rates offered to the Company for similar instruments. A 100 basis point movement in the interest rate would result in an approximate \$490,000 annualized effect on the fair value of long-term debt.

The Company has significant operations consisting of sales and manufacturing activities in foreign countries. As a result, the Company's financial results could be significantly affected by factors such as changes in currency exchange rates or changing economic conditions in the foreign markets in which the Company manufactures or distributes its products. Currency exposures for our Pump and Compressor Segment are concentrated in Germany but exist to a lesser extent in other parts of Europe and Asia. Our Lighting Segment currency exposure is primarily in Canada.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements and notes to consolidated financial statements of the registrant and its subsidiaries are set forth in Exhibit 13 under the headings "Consolidated Financial Statements" and "Notes to Consolidated Financial Statements," which information is contained in the Company's 2001 Annual Report to Shareholders and incorporated herein by reference. The Report of Independent Auditors is also set forth in Exhibit 13 and hereby incorporated herein by reference. In addition, financial statements of GTG are included in this Form 10-K on pages F-1 to F-23.

8

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On April 19, 2001, on the recommendation of the Audit Committee, the Board of Directors appointed Arthur Andersen LLP as the Corporation's independent auditors for the 2001 fiscal year, replacing Ernst & Young LLP ("Ernst & Young") which was dismissed from that role.

Ernst & Young's reports on the financial statements for the two fiscal

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

years preceding dismissal contained no adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles. During the two fiscal years and interim period preceding the dismissal, there were no disagreements with Ernst & Young on any matter of accounting principles or practices, financial statement disclosure, or audit scope or procedure.

PART III.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

a. Directors of the Company

The information required by this item is set forth in registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on April 18, 2002, under the headings "Election of Directors" and "Section 16(a), Beneficial Ownership Reporting Compliance," which information is incorporated herein by reference.

b. Executive Officers of the Company

Reference is made to "Executive Officers of the Registrant" in Part I, Item 1.f.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is set forth in registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on April 18, 2002, under the headings "Executive Compensation," "Compensation Committee Interlocks and Insider Participation," and "Board of Directors," which information is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this item is set forth in registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on April 18, 2002, under the heading "Securities Beneficially Owned by Principal Shareholders and Management," which information is incorporated herein by reference.

9

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this item is set forth in registrant's Proxy Statement for the Annual Meeting of Shareholders to be held on April 18, 2002, under the headings "Board of Directors" and "Compensation Committee Interlocks and Insider Participation," which information is incorporated herein by reference.

PART IV.

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

a. (1) Financial Statements

The following consolidated financial statements of Thomas Industries Inc., included in the Company's 2001 Annual Report to Shareholders, are included in Part II, Item 8:

Consolidated Balance Sheets -- December 31, 2001 and 2000
Consolidated Statements of Income -- Years ended December 31, 2001, 2000, and 1999
Consolidated Statements of Shareholders' Equity -- Years ended December 31, 2001, 2000, and 1999
Consolidated Statements of Cash Flows -- Years ended December 31, 2001, 2000, and 1999
Notes to Consolidated Financial Statements -- December 31, 2001

(2) Financial Statement Schedule

Schedule II -- Valuation and Qualifying Accounts

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and, therefore, have been omitted.

(3) Listing of Exhibits

Exhibit No. -----	Exhibit -----
3(a)	Restated Certificate of Incorporation, as amended, filed as Exhibit 3(a) to registrant's report on Form 10-Q dated August 11, 1998, hereby incorporated by reference.
3(b)	Bylaws, as amended April 15, 1999, filed as Exhibit 3(b) to registrant's report on Form 10-K dated March 29, 1999, hereby incorporated by reference.
4(a)	Note Agreement dated January 19, 1990, by and among the Company and Day-Brite Lighting, Inc., Allstate Life Insurance Company, and other investors

10

ITEM 14. (Continued)

Exhibit No. -----	Exhibit -----
	filed as Exhibit 4 to registrant's report on Form 10-K dated March 22,

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

1990, hereby incorporated by reference. First Amendment to Note Agreement dated April 8, 1992, and Second Amendment to Note Agreement dated July 31, 1992, filed as Exhibit 4 to Form 10-Q filed August 12, 1992, herein incorporated by reference. Third Amendment to Note Agreement dated July 7, 1998, filed as Exhibit 4 to Form 10-Q filed November 16, 1998, herein incorporated by reference.

Copies of debt instruments for which the related debt is less than 10% of consolidated total assets will be furnished to the Commission upon request.

- 4 (b) Amended and Restated Rights Agreement filed as Exhibit 4(b) to registrant's report on Form 10-Q dated August 14, 2000, hereby incorporated by reference.
- 4 (c) First Amendment to Rights Agreement filed as Exhibit 4(c) to registrant's report on Form 10-K dated March 26, 2001, hereby incorporated by reference.
- 10 (a) Employment Agreements with Timothy C. Brown and Phillip J. Stuecker filed as Exhibit 3(j) to registrant's report on Form 10-Q dated November 11, 1988, hereby incorporated by reference.
- 10 (b) Trust Agreement, filed as Exhibit 10(1) to registrant's report on Form 10-Q dated November 11, 1988, hereby incorporated by reference.
- 10 (c) Form of Indemnity Agreement and Amendment thereto entered into by the Company and each of its Executive Officers filed as Exhibits 10 (g) and (h) to registrant's report on Form 10-K dated March 23, 1988, hereby incorporated by reference.
- 10 (d) Severance pay policy of the Company, effective October 1, 1988, covering all Executive Officers, filed as Exhibit 10(d) to registrant's report on Form 10-K dated March 23, 1989, hereby incorporated by reference.
- 10 (e) Nonemployee Director Stock Option Plan as Amended and Restated as of February 5, 1997, filed as

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

ITEM 14. (Continued)

Exhibit No. -----	Exhibit -----
	Exhibit 10(h) to registrant's report on Form 10-K dated March 20, 1997, hereby incorporated by reference.
10(f)	1995 Incentive Stock Plan as Amended and Restated as of April 15, 1999, filed as Exhibit 10(h) to registrant's report on Form 10-Q dated November 12, 1999, hereby incorporated by reference.
10(g)	Employment Agreement with Timothy C. Brown dated January 29, 1997, filed as Exhibit 10(j) to registrant's report on Form 10-K dated March 20, 1997, hereby incorporated by reference.
10(h)	Master Transaction Agreement by and between Thomas Industries Inc. and The Genlyte Group Incorporated dated April 28, 1998, filed as Exhibit 2.1 to registrant's report on Form 8-K dated July 24, 1998, hereby incorporated by reference.
10(i)	Limited Liability Company Agreement of GT Lighting, LLC, dated April 28, 1998, filed as Exhibit 2.2 to registrant's report on Form 8-K dated July 24, 1998, hereby incorporated by reference.
10(j)	Capitalization Agreement among GT Lighting, LLC, and Thomas Industries Inc., Tupelo Holdings Inc., Thomas Industries Holdings Inc., Gardco Manufacturing, Inc., Capri Lighting, inc., Thomas Imports, Inc., and TI Industries Corporation dated April 28, 1998, filed as Exhibit 2.3 to registrant's report on Form 8-K dated July 24, 1998, hereby incorporated by reference.
10(k)	Capitalization Agreement between GT Lighting, LLC, and The Genlyte Group Incorporated dated April 28, 1998, filed as Exhibit 2.4 to registrant's Form 8-K dated July 24, 1998, hereby incorporated by reference.
13	Certain portions of the Company's 2001 Annual Report to Shareholders as specified in Parts I and II, hereby incorporated by reference in this Annual Report on Form 10-K.
21	Subsidiaries of the Registrant.

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

23(a) Consent of Arthur Andersen LLP.

23(b) Consent of Ernst & Young LLP.

12

ITEM 14. (Continued)

23(c) Consent of Arthur Andersen LLP.

b. Reports on Form 8-K

There were no reports on Form 8-K for the three months ended December 31, 2001.

c. Exhibits

The exhibits filed as part of this Annual Report on Form 10-K are as specified in Item 14(a)(3) herein.

13

S I G N A T U R E S

Pursuant to the requirements of Section 13 or 15(d) 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.

THOMAS INDUSTRIES INC.

Date: March 15, 2002

By /s/ Timothy C. Brown

Timothy C. Brown, Chairman of the Board

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature -----	Title -----	Date ----
/s/ Timothy C. Brown Timothy C. Brown	Chairman of the Board; President; Chief Executive Officer; Director (Principal Executive Officer)	3/15/02
/s/ Phillip J. Stuecker	Vice President of Finance;	3/15/02

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

Phillip J. Stuecker	Chief Financial Officer; Secretary (Principal Financial Officer)	
/s/ Roger P. Whitton Roger P. Whitton	Controller (Principal Accounting Officer)	3/15/02
/s/ Wallace H. Dunbar Wallace H. Dunbar	Director	3/15/02
/s/ H. Joseph Ferguson H. Joseph Ferguson	Director	3/15/02
/s/ Gene P. Gardner Gene P. Gardner	Director	3/15/02
/s/ Director Lawrence E. Gloyd	Director	3/15/02

14

Signatures (Continued)

Signature -----	Title -----	Date ----
/s/ William M. Jordan William M. Jordan	Director	3/15/02
/s/ Franklin J. Lunding, Jr. Franklin J. Lunding, Jr.	Director	3/15/02
/s/ Anthony A. Massaro Anthony A. Massaro	Director	3/15/02

15

Report of Independent Public Accountants

To the Board of Directors and
Shareholders of Thomas Industries Inc.:

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

We have audited the accompanying consolidated balance sheet of Thomas Industries Inc. (a Delaware corporation) as of December 31, 2001, and the related consolidated statements of income, shareholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Thomas Industries Inc. as of December 31, 2001, and the consolidated results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen LLP

Louisville, Kentucky
January 25, 2002

16

Report of Independent Auditors

The Board of Directors and Shareholders
Thomas Industries Inc.

We have audited the consolidated balance sheet of Thomas Industries Inc. as of December 31, 2000, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the two years in the period ended December 31, 2000. Our audits also included the information for each of the two years in the period ended December 31, 2000 included in the financial statement schedule listed in the Index at Item 14(a). These financial statements and information included in the schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and information included in the schedule based on our audits. The financial statements of Genlyte Thomas Group LLC (GTG), a partnership formed on August 30, 1998, in which the Company has a 32% interest, have been audited by other auditors whose report has been furnished to us; insofar as our opinion on the consolidated financial statements relates to data included for GTG, it is based solely on their report.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Thomas Industries Inc. at December 31, 2000, and the consolidated results of its operations and its cash flows for each of the two years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States. Also, in our opinion, the information for each of the two years in the period ended December 31, 2000 included in the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Ernst & Young LLP

Louisville, Kentucky
February 7, 2001

17

VALUATION AND QUALIFYING ACCOUNTS
THOMAS INDUSTRIES INC. AND SUBSIDIARIES
DECEMBER 31, 2001

Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Account Describe
Year ended December 31, 2001			
Allowance for doubtful accounts	\$752,000	\$514,000	
Allowance for obsolete and slow moving inventory	1,999,000	880,000	
	----- \$2,751,000	----- \$1,394,000	
=====			
Year ended December 31, 2000			
Allowance for doubtful accounts	\$698,000	\$206,000	
Allowance for obsolete and slow moving inventory	1,861,000	624,000	
	----- \$2,559,000	----- \$830,000	
=====			

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

Year ended December 31, 1999

Allowance for doubtful accounts	\$656,000	\$192,000
Allowance for obsolete and slow moving inventory	1,932,000	174,000
	-----	-----
	\$2,588,000	\$366,000
	=====	=====

(1) Uncollectible accounts written off, less recoveries on accounts previously written off and effect of translation in accordance with SFAS No. 52.

(2) Disposal of obsolete inventory and effect of translation in accordance with SFAS No. 52.

18

On August 30, 1998, Thomas and Genlyte formed a lighting joint venture that combined substantially all of the assets and liabilities of Genlyte and substantially all of the lighting assets and related liabilities of Thomas to create Genlyte Thomas Group LLC ("GTG"), estimated to be the third largest lighting fixture manufacturer in North America. Thomas owns a 32% interest in the joint venture, and Genlyte owns a 68% interest.

Following are audited financial statements of GTG for the years ended December 31, 2001, 2000, and 1999.

F - 1

Report of Independent Public Accountants

To the Members of Genlyte Thomas Group LLC:

We have audited the accompanying consolidated balance sheets of Genlyte Thomas Group LLC (a Delaware limited liability company) and Subsidiaries (the Company) as of December 31, 2001 and 2000, and the related consolidated statements of income, members' equity, and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Genlyte Thomas Group LLC and Subsidiaries as of December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

/s/ ARTHUR ANDERSEN LLP

Louisville, Kentucky
January 18, 2002

F - 2

CONSOLIDATED STATEMENTS OF INCOME
GENLYTE THOMAS GROUP LLC AND SUBSIDIARIES
FOR THE YEARS ENDED DECEMBER 31, 2001, 2000, AND 1999
(DOLLARS IN THOUSANDS)

	2001	2000	
Net sales	\$985,176	\$ 1,007,706	\$9
Cost of sales	636,582	651,304	6
Gross profit	348,594	356,402	\$3
Selling and administrative expenses	248,005	257,583	2
Amortization of goodwill and other intangible assets	6,007	4,616	
Operating profit	94,582	94,203	\$
Interest expense, net of interest income	3,699	4,184	
Minority interest	(54)	(140)	

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

Income before income taxes	90,937	90,159	\$
Income tax provision	6,064	6,622	

Net income	\$ 84,873	\$ 83,537	\$
	=====		

The accompanying notes are an integral part of these consolidated financial statements.

F - 3

CONSOLIDATED BALANCE SHEETS
 GENLYTE THOMAS GROUP LLC AND SUBSIDIARIES
 AS OF DECEMBER 31, 2001 AND 2000
 (DOLLARS IN THOUSANDS)

	2001	2000

ASSETS:		
Current Assets:		
Cash and cash equivalents	\$ 59,691	\$ 23,817
Accounts receivable, less allowances for doubtful accounts of \$10,111 and \$11,014, respectively	141,658	142,784
Related-party receivables	-	1,204
Inventories	132,932	151,257
Other current assets	8,763	7,564

Total current assets	343,044	326,626
Property, plant and equipment, at cost:		
Land and land improvements	6,490	6,506
Buildings and leasehold improvements	83,318	83,594
Machinery and equipment	273,154	258,892

Total property, plant and equipment	362,962	348,992
Less: Accumulated depreciation and amortization	252,515	235,991

Net property, plant and equipment	110,447	113,001
Goodwill, net of accumulated amortization	135,417	140,312
Other assets	30,213	34,453

TOTAL ASSETS	\$ 619,121	\$ 614,392
	=====	
LIABILITIES & MEMBERS' EQUITY:		
Current Liabilities:		
Current maturities of long-term debt	\$ 3,284	\$ 2,661
Accounts payable	82,150	96,794
Related-party payables	19,705	7,022

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

Accrued expenses	65,406	70,977

Total current liabilities	170,545	177,454
Long-term debt	36,989	66,652
Deferred income taxes	3,991	4,271
Accrued pension	15,666	12,728
Minority interest	(194)	(140)
Other long-term liabilities	6,121	6,121

Total liabilities	233,118	267,086
Commitments and contingencies (See notes (12) and (13))		
Members' Equity:		
Accumulated other comprehensive income	(9,076)	875
Other members' equity	395,079	346,431

Total members' equity	386,003	347,306

TOTAL LIABILITIES & MEMBERS' EQUITY	\$ 619,121	\$ 614,392
=====		

The accompanying notes are an integral part of these consolidated financial statements.

F - 4

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY
 GENLYTE THOMAS GROUP LLC AND SUBSIDIARIES
 FOR THE YEARS ENDED DECEMBER 31, 2001, 2000, AND 1999
 (DOLLARS IN THOUSANDS)

	Accumulated Other Comprehensive Income	Other Members' Equity	Total Members' Equity

Members' equity, December 31, 1998	\$ (1,075)	\$ 265,603	\$ 264,528
Net income	-	78,963	78,963
Decrease in minimum pension liability	1,793	-	1,793
Foreign currency translation adjustments	2,440	-	2,440

Total comprehensive income	4,233	78,963	83,196
Adjustment to contribution by Thomas	-	(1,014)	(1,014)

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

Distributions to members	-	(37,542)	(37,542)
Members' equity, December 31, 1999	\$ 3,158	\$ 306,010	\$ 309,168
Net income	-	83,537	83,537
Increase in minimum pension liability	(277)	-	(277)
Foreign currency translation adjustments	(2,006)	-	(2,006)
Total comprehensive income	(2,283)	83,537	81,254
Distributions to members	-	(43,116)	(43,116)
Members' equity, December 31, 2000	\$ 875	\$ 346,431	\$ 347,306
Net income	-	84,873	84,873
Increase in minimum pension liability	(6,424)	-	(6,424)
Foreign currency translation adjustments	(3,527)	-	(3,527)
Total comprehensive income	(9,951)	84,873	74,922
Distributions to members	-	(36,225)	(36,225)
Members' equity, December 31, 2001	\$ (9,076)	\$ 395,079	\$ 386,003

The accompanying notes are an integral part of these consolidated financial statements.

F - 5

CONSOLIDATED STATEMENTS OF CASH FLOWS
 GENLYTE THOMAS GROUP LLC AND SUBSIDIARIES
 FOR THE YEARS ENDED DECEMBER 31, 2001, 2000 AND 1999
 (DOLLARS IN THOUSANDS)

	2001	

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 84,873	\$
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	28,172	
Net (gain) loss from disposals of plant and equipment	(807)	

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

Provision for doubtful accounts receivable	424	
Provision (benefit) for deferred income taxes	(150)	
Changes in assets and liabilities, net of effect of acquisitions:		
Accounts receivable	1,520	
Related-party receivables	1,204	
Inventories	19,419	(
Other current assets	(1,199)	
Other assets	5,017	
Accounts payable and accrued expenses	(21,188)	
Related-party payables	12,683	
Deferred income taxes	(130)	
Minority interest	(54)	
Accrued pension and other long-term liabilities	2,938	
Minimum pension liability	(6,424)	
All other, net	(79)	
Net cash provided by operating activities	126,219	1
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of businesses, net of cash received	(2,900)	(
Purchases of property, plant and equipment	(20,250)	(
Proceeds from sales of property, plant and equipment	1,597	
Net cash used in investing activities	(21,553)	(
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase (decrease) in short-term borrowings	-	
Proceeds from long-term debt	14,000	
Reduction of long-term debt	(43,040)	(
Distributions to members	(36,225)	(
Net cash used in financing activities	(65,265)	(
Effect of exchange rate changes on cash and cash equivalents	(3,527)	
Net increase in cash and cash equivalents	35,874	
Cash and cash equivalents at beginning of year	23,817	
Cash and cash equivalents at end of year	\$ 59,691	\$

The accompanying notes are an integral part of these consolidated financial statements.

F - 6

Genlyte Thomas Group LLC and Subsidiaries
Notes to Consolidated Financial Statements
(Dollar Amounts in Thousands)

(1) DESCRIPTION OF BUSINESS

Genlyte Thomas Group LLC ("GTG" or "the Company") is a Delaware limited

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

liability company. The Company designs, manufactures, and sells lighting fixtures and controls for a wide variety of applications in the commercial, residential, and industrial markets in North America. The Company's products are marketed primarily to distributors who resell the products for use in commercial, residential, and industrial construction and remodeling. The Company is the result of the business combination discussed in note (3) "Formation of Genlyte Thomas Group LLC."

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION: The accompanying consolidated financial statements include the accounts of GTG and all majority-owned subsidiaries, and also include other entities that are jointly owned by The Genlyte Group Incorporated and Thomas Industries Inc., all of which entities in total operationally comprise GTG. Intercompany accounts and transactions have been eliminated. Investments in affiliates owned less than 50%, and over which the Company does not exercise significant influence, are accounted for using the equity method, under which the Company's share of these affiliates' earnings is included in income as earned.

USE OF ESTIMATES: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from the estimates.

REVENUE RECOGNITION: In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" ("SAB 101"), which provides the staff's views in applying generally accepted accounting principles to selected revenue recognition issues. The effective date of SAB 101 for the Company was the fourth quarter of 2000. SAB 101 had no impact on the Company's financial position or results of operations in 2000 because the Company had been in compliance with the guidance of SAB 101. The Company records sales revenue when products are shipped because that is the point when the customer accepts title and the risks and rewards of ownership. A provision for estimated returns and allowances is recorded as a sales deduction.

CUSTOMER REBATES: Whereas the Company had been classifying most rebates paid to customers as sales deductions, certain rebates were classified as selling and administrative expenses. In 2001, the Company began classifying all customer rebates as sales deductions. The effect in 2001 was to reclassify \$3,007 to net sales (decrease) from selling and administrative expenses (decrease). Prior year statements of income have not been reclassified to conform to the 2001 classification, because the amounts, \$3,125 in 2000 and \$2,965 in 1999, are not considered material.

F - 7

SHIPPING AND HANDLING COSTS: In compliance with Emerging Issues Task Force issue 00-10, "Accounting for Shipping and Handling Fees and Costs," the Company began in 2000 to include in net sales all amounts billed to customers that relate to shipping and handling. Previously, such revenue was netted against the related costs. The effect in 2001 and 2000 was to reclassify \$7,502 and \$7,664, respectively, to net sales (increase) from selling and administrative expenses (increase). The 1999 statement of income has not been reclassified to conform to the 2001 and 2000 classification, because the amount, \$6,016, is not considered material. The amounts of shipping and handling costs included in selling and

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

administrative expenses were \$50,552 in 2001, \$52,805 in 2000, and \$40,814 in 1999.

ADVERTISING COSTS: The Company expenses advertising costs principally as incurred. Certain catalog, literature, and display costs are amortized over their useful lives, from 6 to 36 months. Total advertising expenses, classified as selling and administrative expenses, were \$10,373 in 2001, \$12,221 in 2000, and \$13,416 in 1999.

RESEARCH AND DEVELOPMENT COSTS: Research and development costs are expensed as incurred. These expenses, classified as selling and administrative expenses, were \$9,359 in 2001, \$8,510 in 2000, and \$8,086 in 1999.

CASH EQUIVALENTS: The Company considers all highly liquid investments with a maturity of three months or less from the date of purchase to be cash equivalents.

CONCENTRATION OF CREDIT RISK: Assets that potentially subject the Company to concentration of credit risk are cash and cash equivalents and accounts receivable. The Company invests its cash primarily in high-quality institutional money market funds with maturities of less than three months and limits the amount of credit exposure to any one financial institution. The Company provides credit to most of its customers in the ordinary course of business, and generally collateral or other security is not required. The Company conducts ongoing credit evaluations of its customers and maintains allowances for potential credit losses. Concentration of credit risk with respect to accounts receivable is limited due to the wide variety of customers and markets to which the Company sells. As of December 31, 2001, management does not consider the Company to have any significant concentration of credit risk.

INVENTORIES: Inventories are stated at the lower of cost or market and include materials, labor, and overhead. Inventories at December 31 consisted of the following:

	2001	2000
Raw materials	\$ 51,595	\$55,651
Work in process	13,582	13,484
Finished goods	67,755	82,122
Total inventories	\$132,932	\$ 151,257

Inventories valued using the last-in, first-out ("LIFO") method represented approximately 83% of total inventories at December 31, 2001 and 2000. Inventories not valued at LIFO (primarily inventories of Canadian operations) are valued using the first-in, first-out ("FIFO") method. On a FIFO basis, which approximates current cost, inventories would have been \$2,616 and \$1,403 lower than reported at December 31, 2001 and 2000, respectively.

F - 8

During each of the last three years, certain inventory quantity reductions caused partial liquidations of LIFO inventory layers (in some cases including the base), the effects of which increased 2001 pre-tax income by \$1,047, decreased 2000 pre-tax income by \$591, and decreased 1999 net pre-tax income by \$248.

PROPERTY, PLANT AND EQUIPMENT: The Company provides for depreciation of property, plant and equipment, which also includes amortization of assets

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

recorded under capital leases, on a straight-line basis over the estimated useful lives of the assets. Useful lives vary among the items in each classification, but generally fall within the following ranges:

Land improvements	10 - 25 years
Buildings and leasehold improvements	10 - 40 years
Machinery and equipment	3 - 10 years

Leasehold improvements are amortized over the terms of the respective leases, or over their estimated useful lives, whichever is shorter. Depreciation and amortization of property, plant and equipment was \$22,165 in 2001, \$21,048 in 2000, and \$20,131 in 1999. Accelerated methods of depreciation are used for income tax purposes, and appropriate provisions are made for the related deferred income taxes for the foreign subsidiaries.

When the Company sells or otherwise disposes of property, plant and equipment, the asset cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is recorded in selling and administrative expenses in the consolidated statements of income.

Maintenance and repairs are expensed as incurred. Renewals and improvements are capitalized and depreciated or amortized over the remaining useful lives of the respective assets.

GOODWILL AND OTHER INTANGIBLE ASSETS: Cost in excess of net assets of businesses acquired (goodwill) prior to 1971 of \$4,922 is not amortized since, in the opinion of management, there has been no diminution in value. For businesses acquired subsequent to 1970, the cost in excess of net assets, aggregating \$165,928 as of December 31, 2001 and \$165,884 as of December 31, 2000, is being amortized on a straight-line basis over periods ranging from 10 to 40 years. Accumulated amortization was \$35,433 and \$30,494 as of December 31, 2001 and 2000, respectively.

Other intangible assets, which consist primarily of license and non-competition agreements, aggregating \$23,317 as of December 31, 2001 and \$23,096 as of December 31, 2000, are being amortized on a straight-line basis, primarily over 30 years. Accumulated amortization was \$1,029 and \$234 as of December 31, 2001 and 2000, respectively.

The Company periodically evaluates goodwill and other intangible assets for permanent impairment by assessing recoverability from future operating cash flows. An impairment would be recognized as expense if a permanent diminution in value occurred. In the opinion of management, no material diminution in value has occurred during the periods presented in these consolidated financial statements.

F - 9

TRANSLATION OF FOREIGN CURRENCIES: Balance sheet accounts of foreign subsidiaries are translated into U.S. dollars at the rates of exchange in effect as of the balance sheet date. The cumulative effects of such adjustments were a charge of \$2,375 at December 31, 2001 and a credit of \$1,152 at December 31, 2000, and have been recorded in the foreign currency translation adjustment component of accumulated other comprehensive income in members' equity. Income and expenses are translated at the average exchange rates prevailing during the year. Gains or losses resulting from foreign currency transactions, netting to a gain of \$88 in 2001, a loss of \$80 in 2000, and a loss of \$241 in 1999, are

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

included in selling and administrative expenses.

FAIR VALUE OF FINANCIAL INSTRUMENTS: The carrying amounts of cash equivalents and long-term debt approximate fair value because of their short-term maturity and/or variable market-driven interest rates.

COLLECTIVE BARGAINING AGREEMENTS: As of December 31, 2001, the Company had 2,712 employees, or 51.0% of the total employees, who were members of various collective bargaining agreements. Several of these collective bargaining agreements, covering 294 employees, which is 10.8% of the collective bargaining employees and 5.5% of the total employees, will expire in 2002. Management does not expect the expiration and renegotiation of these agreements to have a significant impact on 2002 production.

NEW ACCOUNTING STANDARDS: Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"), was issued by the Financial Accounting Standards Board in June 1998 and was effective for the Company beginning in 2001. Statement of Financial Accounting Standards No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities - an Amendment of FASB Statement No. 133" was issued in June 2000 and is to be adopted concurrently with SFAS No. 133. The Company did not use any significant derivative financial instruments or participate in any significant hedging activities during 2001.

Statements of Financial Accounting Standards No. 141, "Business Combinations" ("SFAS No. 141"), and No. 142, "Goodwill and Other Intangible Assets" ("SFAS No. 142"), were issued in July 2001. SFAS No. 141 eliminates the pooling-of-interests method and requires all business combinations initiated after June 30, 2001 to be accounted for using the purchase method. It also requires intangible assets acquired in a business combination to be recognized separately from goodwill. SFAS No. 141 has had no impact on the Company's financial position or results of operations with respect to business combination transactions that have occurred prior to June 30, 2001. Accounting for the acquisition of Entertainment Technology has been in compliance with SFAS No. 141. The impact to the Company was in the allocation of the purchase price between goodwill and other intangible assets. See note (6) "Acquisition of Entertainment Technology."

SFAS No. 142 addresses how goodwill and other intangible assets should be accounted for upon their acquisition and afterwards. Management of the Company is currently analyzing the impact of this statement, which is effective January 1, 2002. The primary impact of SFAS No. 142 on the Company is that existing goodwill and intangible assets with indefinite lives will no longer be amortized beginning in 2002. The Company has no intangible assets with indefinite lives, but has been amortizing goodwill with a gross book value of \$165,928 as of December 31, 2001.

F -10

Intangible assets with finite lives will continue to be amortized, and the Company has \$23,317 of such assets as of December 31, 2001, consisting primarily of license and non-competition agreements. Instead of amortization, goodwill will be subject to an assessment for impairment on a reporting unit basis by applying a fair-value-based test annually, and more frequently if circumstances indicate a possible impairment. If a reporting unit's net book value is more than its fair value and the reporting unit's net book value of its goodwill exceeds the fair value of that goodwill, an impairment loss is recognized in an amount equal to the excess goodwill value.

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

Management estimates that, based on December 31, 2001 goodwill balances, the Company will report lower amortization of goodwill and higher operating profit of approximately \$5,200 annually. Although management does not expect to record a material loss for goodwill impairment upon the adoption of SFAS No. 142 on January 1, 2002, the evaluation is still in process.

Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144"), was issued in October 2001 and is effective for the Company beginning in 2002. SFAS No. 144 requires that long-lived assets to be disposed of by sale be measured at the lower of net book value or fair value less cost to sell, whether reported in continuing operations or in discontinued operations. SFAS No. 144 also expands the reporting of discontinued operations to include components of an entity that have been or will be disposed of rather than limiting such reporting to discontinued segments of a business. Management is currently analyzing the provisions of SFAS No. 144, but does not expect its adoption to have a significant impact on the Company's financial position or results of operations. However, future plans to dispose of long-lived assets could result in charges against operations to write down long-lived asset values.

RECLASSIFICATIONS: Certain prior year amounts have been reclassified to conform to the current year presentation. These changes had no impact on previously reported net income or members' equity.

(3) FORMATION OF GENLYTE THOMAS GROUP LLC

On August 30, 1998, the Genlyte Group Incorporated ("Genlyte") and Thomas Industries Inc. ("Thomas") completed the combination of the business of Genlyte with the lighting business of Thomas ("Thomas Lighting"), in the form of a limited liability company named Genlyte Thomas Group LLC. Genlyte contributed substantially all of its assets and liabilities to GTG and received a 68% interest in GTG. Thomas contributed substantially all of the assets and certain related liabilities of Thomas Lighting and received a 32% interest in GTG. The percentage interests in GTG issued to Genlyte and Thomas were based on arms-length negotiations between the parties with the assistance of their financial advisers.

Under the purchase method of accounting, Genlyte's majority ownership of GTG required the assets and liabilities contributed by Thomas Lighting to GTG to be valued at their fair values, as of the acquisition date, in the consolidated financial statements of GTG. The resulting cost in excess of the fair market value of net assets contributed by Thomas Lighting (goodwill) of \$32,412 is being amortized on a straight-line basis over 30 years. The assets contributed by Genlyte to GTG are reflected at their historical cost.

F - 11

To the extent the actual net working capital contributed by Thomas Lighting exceeded the target net working capital, GTG paid Thomas the difference of \$35,189. Of this amount, \$34,175 was paid in 1998 and \$1,014 was paid in 1999, based on an adjustment to the Thomas Lighting net working capital. The target net working capital was determined by a formula that considered Genlyte's adjusted net working capital, Thomas Lighting's net working capital, and Genlyte's net working capital as a percentage of net sales as of August 30, 1998.

Subject to the provisions in the Genlyte Thomas Group LLC Agreement (the "LLC Agreement") regarding mandatory distributions described below, and the

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

requirement of special approval in certain instances, distributions to Genlyte and Thomas (the "Members"), respectively, will be made at such time and in such amounts as determined by the Company's Management Board and shall be made in cash or other property in proportion to the Members' respective percentage interests. Notwithstanding anything to the contrary provided in the LLC Agreement, no distribution under the LLC Agreement shall be permitted to the extent prohibited by Delaware law.

The LLC Agreement requires that GTG make the following distributions to the Members:

(i) a distribution to each Member, based on its percentage interest, for tax liabilities attributable to its participation as a Member of GTG based upon the effective tax rate of the Member having the highest tax rate; and

(ii) subject to the provisions of Delaware law and the terms of the primary GTG credit facility, distributions (exclusive of the tax distributions set forth above) to each of the Members so that Thomas receives at least an aggregate of \$3,000 and Genlyte receives at least an aggregate of \$6,375 per year.

Also under the terms of the LLC Agreement, at any time on or after January 31, 2002, Thomas has the right (a "Put Right"), but not the obligation, to require GTG to purchase all, but not less than all, of Thomas's 32% interest at the appraised value of such interest. The appraised value shall be the fair market value of GTG as a going concern, taking into account a control premium, and determined by an appraisal process to be undertaken by recognized investment banking firms chosen initially by Genlyte and Thomas. If GTG cannot secure the necessary financing with respect to Thomas's exercise of its Put Right, then Thomas has the right to cause GTG to be sold. Also, at any time after Thomas exercises its Put Right, Genlyte has the right to cause GTG to be sold.

Also under the terms of the LLC Agreement, on or after the later to occur of (1) the final settlement or disposition of the litigation described in note (13) "Contingencies" or (2) January 31, 2002, either Member has the right, but not the obligation, to offer to buy the other Member's interest (the "Offer Right"). If the Members cannot agree on the terms, then GTG shall be sold to the highest bidder. Either Member may participate in the bidding for the purchase of GTG.

Complete details of the Put Right, Offer Right, and appraisal process can be found in the proxy statement pertaining to the formation of GTG, filed with the Securities and Exchange Commission by Genlyte on July 23, 1998.

F - 12

(4) INVESTMENT IN FIBRE LIGHT AND ACQUISITION OF LEDALITE

On May 10, 1999, GTG acquired a 2% interest (with rights to acquire an additional 6%) in Fibre Light International, based in Australia. Fibre Light International is in the business of commercializing fiber optic lighting technology. The two companies then formed a jointly owned limited liability company named Fibre Light U.S. LLC ("Fibre Light"), of which GTG owns 80%. Fibre Light manufactures, markets, and sells fiber optic lighting systems in the U.S. On July 5, 2000, GTG acquired an additional 2% interest in Fibre Light International. The investment in Fibre Light is accounted for using the cost method.

On June 30, 1999, GTG acquired the assets and liabilities of privately held Ledalite Architectural Products Inc. ("Ledalite"), located in Vancouver, Canada.

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

Ledalite designs, manufactures, and sells architectural linear lighting systems for offices, schools, transportation facilities, and other commercial buildings.

The original purchase prices of these acquisitions totaled \$31,469 in 1999 (including costs of acquisition), consisting of approximately \$8,500 in cash payments and approximately \$23,000 in borrowings. In 2000, an additional \$424 was paid to Ledalite's owners based on Ledalite's 1999 earnings performance.

The Ledalite acquisition has been accounted for using the purchase method of accounting. The excess of the total purchase price over the fair market value of net assets acquired (goodwill) of \$26,463 is being amortized on a straight-line basis over 30 years.

The operating results of Fibre Light and Ledalite have been included in the Company's consolidated financial statements since the respective dates of acquisition. On an unaudited pro forma basis, assuming these acquisitions had occurred at the beginning of 1999, the Company's results would have been:

	Actual 1999	Pro Forma 1999
Net sales	\$978,302	\$990,326
Net income	78,963	78,432

The pro forma results do not purport to state exactly what the Company's results of operations would have been had the acquisitions in fact been consummated as of the assumed dates and for the periods presented.

(5) ACQUISITIONS OF TRANSLITE SONOMA AND CHLORIDE SYSTEMS

On September 14, 2000, the Company acquired Translite Limited ("Translite Sonoma"), a San Carlos, California based manufacturer of low-voltage cable and track lighting systems and decorative architectural glass lighting. Earlier in 2000, Translite Limited had expanded its operations by merging with Sonoma Lighting Limited, which had been a manufacturer of decorative architectural glass lighting. The Company purchased all of the outstanding capital stock of Translite Limited for \$6,427 (including costs of acquisition), borrowing \$5,000 from the revolving credit facility and funding the remainder from cash on hand.

F - 13

On October 1, 2000, the Company acquired the assets of the emergency lighting business of Chloride Power Electronics Incorporated ("Chloride Systems") from the Chloride Group, PLC, in London, England. The purchase included the U.S. Chloride Systems and LightGuard emergency lighting brands. The purchase price was \$52,324 in cash plus the assumption of approximately \$2,800 in liabilities. The revolving credit facility was used to borrow \$35,000 and cash on hand was used to pay the remaining \$17,324.

The Translite Sonoma and Chloride Systems acquisitions have been accounted for using the purchase method of accounting. The excess of the purchase price over the fair market value of net assets acquired (goodwill) of \$6,952 for Translite Sonoma and \$23,365 for Chloride Systems is being amortized on a straight-line basis over 30 years. The fair market value of net assets acquired from Chloride Systems included \$23,000 in intangible assets for license and non-competition agreements, which are being amortized over 30 years.

The operating results of Translite Sonoma and Chloride Systems have been included in the Company's consolidated financial statements since the respective dates of acquisition. On an unaudited pro forma basis, assuming these

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

acquisitions had occurred at the beginning of 2000 and 1999, the Company's results would have been:

	Actual 2000	Pro Forma 2000	Actual 1999	Pro Forma 1999
Net sales	\$1,007,706	\$1,035,139	\$ 978,302	\$1,011,778
Net income	83,537	83,349	78,963	79,773

The pro forma results do not purport to state exactly what the Company's results of operations would have been had the acquisitions in fact been consummated as of the assumed dates and for the periods presented.

(6) ACQUISITION OF ENTERTAINMENT TECHNOLOGY

On August 31, 2001, the Company acquired the assets of Entertainment Technology, Incorporated ("ET"), a subsidiary of privately held Rosco Laboratories, Inc. of Stamford CT. ET is a manufacturer of entertainment lighting equipment and controls. Products include the Intelligent Power System line of theatrical dimming equipment and the family of Horizon lighting controls. The purchase price of \$3,000, minus a holdback of \$100 to cover potentially unrealizable inventory, plus the assumption of \$622 of liabilities, was funded from cash on hand.

The ET acquisition is accounted for using the purchase method of accounting. The preliminary determination of the excess of the purchase price over the fair market value of net assets acquired (goodwill) of \$1,849 is not being amortized, in accordance with Statement of Financial Accounting Standards No. 141, "Business Combinations." See note (2) "Summary of Significant Accounting Policies - New Accounting Standards." The determination of the fair market value as reflected in the balance sheet is subject to change, with a final determination no later than one year after the acquisition date. The operating results of ET have been included in the Company's consolidated financial statements since the date of acquisition. The pro forma results and other disclosures required by SFAS No. 141 have not been presented because the acquisition of ET is not considered a material acquisition.

F - 14

(7) INCOME TAXES

The results of operations are included in the tax returns of the Members, and, accordingly, no provision has been recognized by the Company for U.S. federal income taxes payable by the Members. The Company's foreign subsidiaries are taxable corporations, and current and deferred taxes are provided on their income. The income tax provision also includes U.S income taxes (primarily state income taxes) of \$710 in 2001, \$984 in 2000, and \$360 in 1999. Cash paid for income taxes was \$6,003 in 2001, \$6,964 in 2000, and \$2,994 in 1999.

(8) LONG-TERM DEBT

Long-term debt at December 31 consisted of the following:

	2001	2000
Revolving credit notes	\$ -	\$ 8,000
Canadian dollar notes	16,009	19,015
Industrial revenue bonds	23,100	18,100
Loan payable to Thomas	-	22,287
Capital leases and other	1,164	1,911

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

	40,273	69,313
Less: current maturities	3,284	2,661
	-----	-----
Total long-term debt	\$ 36,989	\$ 66,652
	=====	=====

GTG has a \$150,000 revolving credit agreement (the "Facility") with various banks that matures in 2003. Under the most restrictive borrowing covenant, which is the fixed charge coverage ratio, GTG could incur approximately \$28,000 in additional interest charges and still comply with the covenant.

Total borrowings under the Facility as of December 31, 2001 and 2000, were \$0 and \$8,000, respectively. In addition, at December 31, 2001, GTG had outstanding \$42,880 of letters of credit, which reduce the amount available to borrow under the Facility. Outstanding borrowings bear interest at the option of GTG based on the bank's base rate or the LIBOR rate plus a spread as determined by total indebtedness. Based upon December 31, 2001 indebtedness, the spread was 0.375% and the interest rate was 2.3%. The commitment fee on the unused portion of the Facility was 0.125%.

The amount outstanding under the Facility is secured, if requested by the banking group, by liens on domestic accounts receivable, inventories, and machinery and equipment, as well as the investments in certain subsidiaries of GTG. The net book value of assets subject to lien at December 31, 2001 was \$325,767.

GTG has \$16,009 of borrowings through its Canadian subsidiary Genlyte Thomas Group Nova Scotia ULC. These borrowings will be repaid in installments in each of the next three years. Interest rates on these borrowings can be either the Canadian prime rate or the Canadian LIBOR rate plus a spread of 0.5%. As of December 31, 2001, the weighted average interest rate was 2.6%. These borrowings are backed by the letters of credit mentioned above.

F - 15

GTG has \$23,100 of variable rate demand Industrial Revenue Bonds that mature during 2009 to 2020. As of December 31, 2001, the weighted average interest rate on these bonds was 1.7%. These bonds are backed by the letters of credit mentioned above.

The unsecured loan payable to Thomas accrued interest quarterly based on the 90 day LIBOR rate plus a spread as determined by the Facility. This loan, which would have matured in 2003, was prepaid in whole in November 2001.

Interest expense totaled \$4,192 in 2001, \$5,146 in 2000, and \$4,879 in 1999. Offsetting these amounts in the consolidated statements of income were interest income of \$493 in 2001, \$962 in 2000, and \$246 in 1999.

Cash paid for interest on debt was \$4,158 in 2001, \$3,596 in 2000, and \$4,566 in 1999.

The annual maturities of long-term debt are summarized as follows:

Year ending December 31	

2002	\$ 3,284
2003	4,062
2004	9,670

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

2005	157
2006	-
Thereafter	23,100

Total long-term debt	\$ 40,273
	=====

(9) RETIREMENT PLANS

The Company has defined benefit plans that cover certain of its full-time employees. The Company uses September 30 as the measurement date for the retirement plan disclosure. The Company's policy for funded plans is to make contributions equal to or greater than the requirements prescribed by the Employee Retirement Income Security Act. The plans' assets consist primarily of stocks and bonds. Pension costs for all Company defined benefit plans are actuarially computed. The Company also has other defined contribution plans, including those covering certain former Genlyte and Thomas employees.

The amounts included in the accompanying consolidated balance sheets for the U.S. and Canadian defined benefit plans, based on the funded status at September 30 of each year, follow:

F - 16

	U.S. Plans		
	2001	2000	2000

CHANGE IN BENEFIT OBLIGATIONS			
Benefit obligations, beginning	\$ 78,626	\$ 73,927	\$
Service cost	1,782	1,348	
Interest cost	5,893	5,412	
Benefits paid	(4,990)	(5,179)	
Member contributions	-	-	
Plan amendments	505	1,426	
Curtailment gain	-	(1,146)	
Actuarial loss	4,205	2,838	
Foreign currency exchange rate change	-	-	
	-----	-----	
Benefit obligations, ending	\$ 86,021	\$ 78,626	\$
=====			
CHANGE IN PLAN ASSETS			
Plan assets at fair value, beginning	\$ 79,084	\$ 73,377	\$
Actual return (loss) on plan assets	(6,734)	7,837	
Employer contributions	3,729	3,049	
Member contributions	-	-	
Benefits paid	(4,990)	(5,179)	
Foreign currency exchange rate change	-	-	
	-----	-----	
Plan assets at fair value, ending	\$ 71,089	\$ 79,084	\$
=====			
FUNDED STATUS OF THE PLANS			
Plan assets in excess of (less than) benefit obligations	\$ (14,932)	\$ 458	

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

Unrecognized transition obligation	(4)	-
Unrecognized actuarial (gain) loss	7,351	(10,371)
Unrecognized prior service cost	2,923	2,759
Contributions subsequent to measurement date		
	222	862

Net pension asset (liability)	\$ (4,440)	\$ (6,292)
-------------------------------	------------	------------

BALANCE SHEET ASSET (LIABILITY)

Accrued pension (liability)	\$ (15,925)	\$ (12,728)
Prepaid pension cost	2,019	4,242

Intangible asset	2,765	1,917
Accumulated other comprehensive income		
	6,701	277

Net asset (liability) recognized	\$ (4,440)	\$ (6,292)
----------------------------------	------------	------------

WEIGHTED AVERAGE ASSUMPTIONS

Discount rate	7.30%	7.75%
Rate of compensation increase	4.00%	4.00%
Expected return on plan assets	9.00%	9.00%

F - 17

U.S. Plan
2001

COMPONENTS OF NET PERIODIC BENEFIT COSTS

Service cost	\$ 1,782
Interest cost	5,893
Expected return on plan assets	(6,585)
Amortization of transition amounts	10
Amortization of prior service cost	342
Recognized actuarial (gain) loss	(197)
Net gain due to curtailment and settlement	-

Net pension expense of defined benefit plans	1,245
Defined contribution plans	3,185
Multi-employer plans for certain union employees	289

Total benefit costs	\$ 4,719
---------------------	----------

Canada

2001

COMPONENTS OF NET PERIODIC BENEFIT COSTS

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

Service cost	\$ 159
Interest cost	377
Expected return on plan assets	(484)
Amortization of transition amounts	(3)
Amortization of prior service cost	13
Recognized actuarial (gain) loss	(14)

Net pension expense of defined benefit plans	48
Defined contribution plans	284

Total benefit costs	\$ 332
=====	

A summary of the plans in which benefit obligations and accumulated benefit obligations exceed fair value of assets follows:

	2001	2000

Benefit obligation	\$79,594	\$13,230
Accumulated benefit obligation	76,677	13,230
Plan assets at fair value	63,687	9,929

Effective January 1, 2000 the Company froze the defined benefit plan of certain U.S. salaried employees. This resulted in a curtailment credit of \$603, which was a reduction of net pension expense in 2000. These employees are eligible for Company matching on their 401(k) contributions as well as being participants in the GTG Retirement Savings and Investment defined contribution plan.

F - 18

(10) POST-RETIREMENT BENEFIT PLANS

The Company provides post-retirement medical and life insurance benefits for certain retirees and employees, and accrues the cost of such benefits during the service lives of such employees. The amounts included in the accompanying consolidated balance sheets for the post-retirement benefit plans, based on the funded status at September 30 of each year, follow:

	2001	2000

CHANGE IN BENEFIT OBLIGATIONS		
Benefit obligations, beginning	\$ 4,019	\$ 4,151
Service cost	46	36
Interest cost	358	303
Benefits paid	(403)	(472)
Actuarial loss	1,010	1

Benefit obligations, ending	\$ 5,030	\$ 4,019
=====		
FUNDED STATUS OF THE PLANS		
Plan assets less than benefit obligations	\$ (5,030)	\$ (4,019)
Unrecognized actuarial loss	1,512	564

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

Accrued liability	\$ (3,518)	\$ (3,455)	
Employer contributions	\$ 403	\$ 472	
Benefits paid	\$ (403)	\$ (472)	
	2001	2000	1999

COMPONENTS OF NET PERIODIC BENEFIT COSTS			
Service costs	\$ 46	\$ 36	\$ 39
Interest costs	358	303	294
Recognized actuarial loss	62	10	-
Net expense of post-retirement plans	\$ 466	\$ 349	\$ 333
	=====		

The assumed discount rate used in measuring the obligations was 7.30% as of September 30, 2001 and 7.75% as of September 30, 2000. The assumed health care cost trend rate for 2001 was 10%, declining to 5.5% in 2006. A one-percentage-point increase or decrease in the assumed health care cost trend rate for each year would increase or decrease the obligation at September 30, 2001 by approximately \$360, and the 2001 post-retirement benefit expense by approximately \$33.

(11) ACCRUED EXPENSES

Accrued expenses at December 31 consisted of the following:

	2001	2000
-----	-----	-----
Employee related costs and benefits	\$27,881	\$30,038
Advertising and sales promotion	8,635	10,018
Income and other taxes payable	4,144	4,448
Other accrued expenses	24,746	26,473
Total accrued expenses	\$65,406	\$70,977
	=====	

F - 19

(12) LEASE COMMITMENTS

The Company rents office space, equipment, and computers under non-cancelable operating leases. Rental expenses for operating leases amounted to \$9,128 in 2001, \$7,764 in 2000, and \$6,184 in 1999. Offsetting the rental expenses were sublease rentals of \$303 in 2001, \$139 in 2000, and \$233 in 1999. Two divisions of the Company also rent manufacturing and computer equipment and software under agreements that are classified as capital leases. Future required minimum lease payments as of December 31, 2001 were as follows:

	Operating Leases	Capital Leases

2002	\$ 6,690	\$ 400
2003	4,638	204
2004	3,092	149
2005	2,136	127

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

2006	1,496	-
Thereafter	7,102	-

Total minimum lease payments	\$25,154	\$ 880
	=====	
Less amount representing interest		99

Present value of minimum lease payments		\$ 781
		=====

Total minimum lease payments on operating leases have not been reduced by minimum sublease rentals of \$1,063 due in the future under non-cancelable subleases.

In 2000, GTG entered into a \$1.3 million bridge synthetic lease agreement to finance the land for a manufacturing facility in San Marcos, Texas. GTG is currently negotiating a new synthetic lease agreement for \$20 million to finance construction of a 300,000 square foot facility. As of December 31, 2001, approximately \$1.2 million had been advanced under the bridge agreement. However, construction is being delayed at the election of management, pending improvement in the economic outlook and forecast sales volume. In the event that the synthetic lease agreement is not completed and entered into, the bridge lease shall expire and GTG shall, at its option, either purchase the land and reimburse the lessor for its costs associated with the land's purchase, or just reimburse the lessor for its costs. A synthetic lease is accounted for as an operating lease.

(13) CONTINGENCIES

In the normal course of business, the Company is a party to legal proceedings and claims. When costs can be reasonably estimated, appropriate liabilities or reserves for such matters are recorded. While management currently believes the amount of ultimate liability, if any, with respect to these actions will not materially affect the financial condition, results of operations, or liquidity of the Company, the ultimate outcome of any litigation is uncertain. Were an unfavorable outcome to occur, the impact could be material to the Company.

Additionally, the Company is a defendant and/or potentially responsible party, with other companies, in actions and proceedings under state and Federal environmental laws, including the Federal Comprehensive Environmental Response Compensation and Liability Act, as amended. Management does not believe that the disposition of the lawsuits and/or proceedings will have a material effect on the Company's financial condition, results of operations, or liquidity.

F - 20

(14) ACCUMULATED OTHER COMPREHENSIVE INCOME

Accumulated other comprehensive income at December 31 consisted of the following:

	2001	2000
	-----	-----
Minimum pension liability	\$ (6,701)	\$ (277)
Foreign currency translation adjustments	(2,375)	1,152
	-----	-----
Total accumulated other comprehensive income	\$ (9,076)	\$ 875
	=====	=====

(15) RELATED-PARTY TRANSACTIONS

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

The Company in the normal course of business has transactions with Genlyte and Thomas. These transactions consist primarily of interest payments to Thomas under the loan discussed in note (8) "Long-term Debt" and reimbursement for shared corporate expenses such as rent, office services, professional services, and shared personnel. In addition, while the distributions to Members discussed in note (3) "Formation of Genlyte Thomas Group LLC" are paid to Thomas entirely in cash, such distributions are not paid to Genlyte entirely in cash. Portions are still owed and have been recorded as related-party payables to Genlyte or Genlyte Canadian Holdings, LLC, a wholly-owned subsidiary of Genlyte. These payables bear interest at a rate of 2.0% at December 31, 2001.

Related-party receivables and payables at December 31 consisted of the following:

	2001	2000

Receivable from Genlyte	\$ -	\$ 1,204

Payable to Genlyte	\$ 4,628	\$ -
Payable to Genlyte Canadian Holdings, LLC	15,040	6,823
Payable to Thomas	37	199

Total related-party payables	\$ 19,705	\$ 7,022
	=====	

For the years ended December 31 the Company had the following related-party transactions:

	2001	2000	1999

Payments to Thomas for:			
Interest under the loan agreement	\$1,012	\$1,543	\$1,281
Reimbursement of corporate expenses	387	515	496
Payments from Genlyte for:			
Reimbursement of corporate expenses	111	103	36

F - 21

(16) SEGMENT REPORTING

The Company's reportable operating segments include the Commercial Segment, the Residential Segment, and the Industrial and Other Segment. Intersegment sales are eliminated in consolidation and therefore are not presented in the table below. Corporate assets and expenses are allocated to the segments. Information about the Company's segments as of and for the years ended December 31 follows:

	Commercial	Residential	Industrial and Other
2001			

Net sales	\$712,662	\$134,269	\$138,

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

Operating profit	69,405	13,219	11,
Assets	454,569	89,605	74,
Depreciation and amortization	20,564	3,692	3,
Expenditures for plant & equipment	15,634	1,663	2,

2000	Commercial	Residential	Industrial and Other
Net sales	\$724,350	\$137,838	\$145,
Operating profit	69,114	11,083	14,
Assets	437,678	89,419	87,
Depreciation and amortization	18,197	3,739	3,
Expenditures for plant & equipment	20,389	3,424	4,

1999	Commercial	Residential	Industrial and Other
Net sales	\$689,167	\$145,040	\$144,
Operating profit	67,134	8,042	13,
Assets	376,343	92,291	84,
Depreciation and amortization	16,595	3,532	3,
Expenditures for plant & equipment	14,399	3,023	3,

F - 22

(17) GEOGRAPHICAL INFORMATION

The Company has operations throughout North America. Foreign amounts represent primarily Canada and some Mexico. Information about the Company's operations by geographical area as of and for the years ended December 31 follows:

2001	U.S.	Foreign
Net sales	\$836,754	\$148,422
Operating profit	77,740	16,842
Assets	485,276	133,845
Depreciation and amortization	22,019	6,153
Expenditures for plant & equipment	14,451	5,799

2000	U.S.	Foreign
Net sales	\$870,209	\$137,497
Operating profit	78,011	16,192
Assets	482,812	131,580
Depreciation and amortization	19,749	5,915
Expenditures for plant & equipment	19,923	8,500

1999	U.S.	Foreign
Net sales	\$855,199	\$123,103
Operating profit	75,295	13,142

Edgar Filing: THOMAS INDUSTRIES INC - Form 10-K

Assets	418,729	134,702
Depreciation and amortization	19,178	4,657
Expenditures for plant & equipment	16,506	4,008

F - 23

EXHIBIT INDEX

Exhibit No. -----	Exhibit -----	Page -----
13	Certain portions of the Company's 2001 Annual Report to Shareholders as specified in Parts I and II hereof to be incorporated by reference in this Annual Report on Form 10-K	43
21	Subsidiaries of the Registrant	87
23(a)	Consent of Arthur Andersen LLP	88
23(b)	Consent of Ernst & Young LLP	89
23(c)	Consent of Arthur Andersen LLP	90

42