

AMERICAN TECHNICAL CERAMICS CORP
Form 10-Q
November 09, 2001

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2001

or

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

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER 1-9125

AMERICAN TECHNICAL CERAMICS CORP.

(Exact name of Registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

17 STEP PAR PLACE, HUNTINGTON STATION, NY

(Address of principal executive offices)

11-211

(I.R.S. Employer Identification Number)

1174

(Zip Code)

(631) 622-4700

(Telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

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As of November 1, 2000, the Registrant had outstanding 8,039,818 shares of Common Stock, par value \$.01 per share.

PART 1 - FINANCIAL INFORMATION

Item 1. Financial Statements

AMERICAN TECHNICAL CERAMICS CORP. AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS
 (in thousands, except per share data)

	SEPT. 30, 2001	JUNE
	-----	-----
ASSETS	(unaudited)	
Current Assets		
Cash (including cash equivalents of \$684 and \$552, respectively)	\$ 2,731	\$ 1
Investments	3,686	3
Accounts receivable, net	7,509	11
Inventories	24,346	24
Deferred income taxes, net	1,722	1
Other current assets	908	1
	-----	-----
TOTAL CURRENT ASSETS	40,902	44
	-----	-----
Property, plant and equipment, net of accumulated depreciation and amortization of \$28,821 and \$27,639, respectively	31,898	32
Other assets, net	180	
	-----	-----
TOTAL ASSETS	\$ 72,980	\$ 76
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Current portion of long-term debt	\$ 950	\$
Accounts payable	1,143	1
Accrued expenses	3,548	6
Income taxes payable, net	926	1
	-----	-----
TOTAL CURRENT LIABILITIES	6,567	10
Long-term debt, net of current portion	6,988	7
Deferred income taxes	2,969	2
	-----	-----
TOTAL LIABILITIES	16,524	20
	-----	-----
Commitments and Contingencies		
Stockholders' Equity		

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Common Stock -- \$.01 par value; authorized 20,000 shares; issued 8,464 and 8,451 shares, respectively	85	11
Capital in excess of par value	11,409	46
Retained earnings	46,712	46
Accumulated other comprehensive income (loss):		
Unrealized gain on investments available-for-sale, net	164	
Cumulative foreign currency translation adjustment	(223)	
	-----	-----
	(59)	
	-----	-----
Less: Treasury stock, at cost (427 and 444 shares, respectively)	1,418	1
Deferred compensation	273	
	-----	-----
	56,456	55
	-----	-----
TOTAL STOCKHOLDERS' EQUITY	56,456	55
	-----	-----
	\$ 72,980	\$ 76
	=====	=====

See accompanying notes to unaudited consolidated financial statements.

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AMERICAN TECHNICAL CERAMICS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS

	For the Three Months E 2001	

	(In thousands, except p (unaudited))	
Net sales	\$ 13,905	\$
Cost of sales	9,544	
	-----	-----
Gross profit	4,361	
	-----	-----
Selling, general and administrative expenses	3,021	
Research and development expenses	852	
	-----	-----
Operating expenses	3,873	
	-----	-----
	-----	-----
Income from operations	488	
	-----	-----
Other expense (income):		

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Interest expense		143	
Interest income		(60)	
Other		(46)	
		-----	-----
		37	
		-----	-----
Income before provision for income taxes		451	
Provision for income taxes		153	
	-	-----	-----
Net income		\$ 298	\$
		=====	=====
Basic net income per common share		\$ 0.04	\$
		=====	=====
Diluted net income per common share		\$ 0.04	\$
		=====	=====
Basic weighted average common shares outstanding		8,030	
		=====	=====
Diluted weighted average common shares outstanding		8,252	
		=====	=====

See accompanying notes to unaudited consolidated financial statements.

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AMERICAN TECHNICAL CERAMICS CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

		For the Three Months Ended	
		2001	
		-----	-----
			(In thousands)
			(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	\$	298	\$
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization		1,371	
Loss on disposal of fixed assets		1	
Stock award compensation expense		91	
Changes in operating assets and liabilities:			
Accounts receivable		4,021	
Inventories		222	
Other assets		400	

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Accounts payable and accrued expenses	(3,299)
Income taxes payable	(826)

Net cash provided by operating activities	2,279

CASH FLOWS FROM INVESTING ACTIVITIES:	
Capital expenditures	(1,167)
Purchase of investments	---
Proceeds from sale of fixed assets	---

Net cash used in investing activities	(1,167)

CASH FLOWS FROM FINANCING ACTIVITIES:	
Repayment of debt	(150)
Proceeds from the exercise of stock options	51
Proceeds from issuance of debt	---

Net cash (used in) provided by financing activities	(99)

Effect of exchange rate changes on cash	59

Net increase in cash and cash equivalents	1,072
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,659

CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 2,731
	=====
Supplemental cash flow information:	
Interest paid	154
Taxes paid	994

See accompanying notes to unaudited consolidated financial statements.

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AMERICAN TECHNICAL CERAMICS CORP. AND SUBSIDIARIES
 NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
 (In thousands, except per share data)

(1) BASIS OF PRESENTATION:

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The accompanying unaudited interim consolidated financial statements of American Technical Ceramics Corp. and subsidiaries (the "Registrant") reflect all adjustments (consisting of normal recurring accruals) which are, in the opinion of management, necessary for a fair presentation of its consolidated financial position as of September 30, 2001 and the results of its operations for the three month period ended September 30, 2001 and 2000. These consolidated financial statements should be read in conjunction with the summary of significant accounting policies and notes to consolidated financial statements included in the Registrant's Annual Report to Stockholders for the fiscal year ended June 30, 2001. Results for the three month period ended September 30, 2001 are not necessarily indicative of results which could be expected for the entire year.

(2) IMPACT OF NEW ACCOUNTING STANDARDS:

In July 2001, the Registrant adopted Statement of Financial Accounting Standards No. 141, "Business Combinations" ("SFAS No. 141") for combinations initiated after June 30, 2001. SFAS No. 141 requires all business combinations initiated after June 30, 2001 to be accounted for using the purchase method. The adoption of SFAS No. 141 did not have any effect on the Registrant's consolidated results of operations or financial position.

In July 2001, the Registrant adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS No. 142"). SFAS No. 142 establishes accounting and reporting standards for goodwill and intangible assets. Under SFAS No. 142, amortization of goodwill will be terminated. However, goodwill would be subject to periodic assessments for impairment by applying a fair-value-based test. Intangible assets must be separately recognized and amortized over their useful lives. The adoption of SFAS No. 142 did not have any effect on the Registrant's consolidated results of operations or financial position.

In July 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" ("SFAS No. 143"). SFAS No. 143 addresses financial accounting requirements for retirement obligations associated with retirement of tangible long-lived assets and for the associated asset retirement costs. SFAS No. 143 requires a company to record the fair value of an asset retirement obligation in the period in which it incurred a legal obligation associated with the retirement of tangible long-lived assets that results from the acquisition, construction development and/or normal use of the asset. The company is also to record a corresponding increase to the carrying amount of the related asset and to depreciate that cost over the life of the asset. The amount of the liability is changed at the end of each period to reflect the passage of time and changes in estimated future cash flows. SFAS No. 143 is effective for fiscal years beginning after June 15, 2002. The Registrant has not yet determined the impact of its planned adoption of SFAS No. 143 (anticipated for July 1, 2002).

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AMERICAN TECHNICAL CERAMICS CORP. AND SUBSIDIARIES NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS (In thousands, except per share data)

In August 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144"), which addresses financial accounting and reporting for the impairment or disposal of long-lived assets. SFAS No. 144 establishes accounting guidelines for the impairment of

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long-lived assets to be held and used; to be disposed of other than by sale; and to be disposed of by sale. SFAS No. 144 is effective for fiscal years beginning after December 15, 2001 and interim periods within those fiscal years. The Registrant has not yet determined the impact of its planned adoption of SFAS No. 144 (anticipated for July 1, 2002).

(3) SUPPLEMENTAL CASH FLOW INFORMATION:

During the three months ended September 30, 2001, the Registrant (i) granted \$119 in deferred compensation stock awards, (ii) recognized a \$7 reduction of income taxes payable related to stock options exercised, and (iii) issued treasury stock in connection with stock awards with a cost basis of \$29.

(4) INVENTORIES:

Inventories included in the accompanying consolidated financial statements consist of the following:

	Sept. 30, 2001	June 30, 2001	
	-----	-----	
	(unaudited)		
Raw materials	\$ 13,730	\$ 13,388	
Work-in-process	4,326	4,717	
Finished goods	6,290	6,463	
	-----	-----	
	\$ 24,346	\$ 24,568	
	=====	=====	

(5) EARNINGS PER SHARE:

The following represents a reconciliation of the numerators and denominators of the basic and diluted earnings per share computation.

	For the Quarter Ended September 30, 2001			
	Income (Numerator)	Shares (Denominator)	Per-Share Amount	Income (Numerator)
	-----	-----	-----	-----
Basic EPS	\$ 298	8,030	\$.04	\$ 2,595
			=====	
Effect of Dilutive Securities:				
Stock options		204		
Deferred compensation stock awards		18		
	-----	-----	-----	-----
Diluted EPS	\$ 298	8,252	\$.04	\$ 2,595
	=====	=====	=====	=====

Options covering 867 and 728 shares, respectively, have been omitted from the calculation of dilutive EPS for the three months ended September 30,

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2001 and 2000, respectively, because their inclusion would have been antidilutive.

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AMERICAN TECHNICAL CERAMICS CORP. AND SUBSIDIARIES
 NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
 (In thousands, except per share data)

(6) COMPREHENSIVE INCOME:

The Registrant's total comprehensive income is as follows:

	For The Three Months Ended September 30,	
	2001	2000
	----	----
Net income	\$ 298	\$ 2,595
	-----	-----
Other comprehensive income, net of tax:		
Foreign currency translation adjustments	71	(42)
Unrealized gains on investments	108	33
	-----	-----
Other comprehensive income (loss)	179	(9)
	-----	-----
Comprehensive income	\$ 477	\$ 2,586
	=====	=====

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
 CONDITION AND RESULTS OF OPERATIONS
 (In thousands, except per share data)

The following discussion and analysis should be read in conjunction with the consolidated financial statements, related notes and other information included in this Quarterly Report on Form 10-Q.

Statements in this Quarterly Report on Form 10-Q that are not historical fact may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All such forward-looking statements are subject to risks and uncertainties, including, but not limited to, market and economic conditions, the impact of competitive products, product demand and market acceptance risks, changes in product mix, costs and availability of raw materials, fluctuations in operating results, delays in development of highly-complex products, risks associated with international sales and sales to the U.S. military, risk of customer contract or sales order cancellations and other risks detailed from time to time in American Technical Ceramics Corp.'s filings with the Securities and Exchange Commission,

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including, without limitation, those contained under the caption "Item 1. BUSINESS - CAUTIONARY STATEMENTS REGARDING FORWARD - LOOKING STATEMENTS" in the Registrant's Annual Report on Form 10-K. These risks could cause the Registrant's actual results for future periods to differ materially from those expressed in any forward-looking statements made by, or on behalf of, the Registrant. Any forward-looking statement represents the Registrant's expectations or forecasts only as of the date it was made and should not be relied upon as representing its expectations or forecasts as of any subsequent date. The Registrant undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, even if its expectations or forecasts change.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED) (In thousands, except per share data)

RESULTS OF OPERATIONS

Three Months Ended September 30, 2001 Compared with Three Months Ended September 30, 2000

Net sales for the three months ended September 30, 2001 decreased 33% to \$13,905, compared to \$20,897 in the comparable period in the prior fiscal year. The decrease in net sales was primarily the result of decreased sales volume across all major product lines. The decline in sales is due to the economic downturn affecting the entire electronic component industry. Sales were down in all market sectors except the medical equipment sector, in which the Registrant has experienced increased sales.

The backlog of unfilled orders was \$12,545 at September 30, 2001 compared to \$28,803 at September 30, 2000 and \$16,153 at June 30, 2001. The decrease in backlog compared to the prior year was primarily the result of bookings cancellations incurred during the latter half of fiscal year 2001 caused by the economic weakness in the electronic component industry. The decrease in backlog compared to the preceding quarter was primarily due to shipments in excess of order bookings as the Registrant continued to ship orders out of backlog scheduled for delivery during the first quarter.

Gross margin for the three months ended September 30, 2001 was 31% of net sales, compared to 44% for the comparable period in the prior fiscal year. The decrease in gross margin was principally due to lower sales volume. Cost of sales for the three months ended September 30, 2001 was also negatively impacted by a charge of \$597 for inventory that the Registrant believes may have to be scrapped in the future as a result of excess quantities, expected fail rates and other causes. Potential similar charges in future periods are expected to occur which will be dependent upon various factors, including anticipated demand for the Registrant's products and the efficiency of its production process. Cost reduction measures put in place during the fourth quarter of fiscal year 2001 and further measures taken in the first quarter of fiscal year 2002 have helped to partially offset the impact of the lower sales. Cost reduction measures consisted of reduced headcount, reduced capital spending and general cost controls on discretionary spending.

Selling, general and administrative expenses for the three months ended

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September 30, 2001 decreased 26% to \$3,021, compared to \$4,090 in the comparable period in the prior fiscal year. The decrease was due to decreased commission expense as a result of the decrease in net sales, lower bonus accruals due to decreased profitability and decreased payroll related expenses due to cost reduction measures instituted in the fourth quarter of fiscal year 2001 and the first quarter of fiscal year 2002, partially offset by severance costs of \$151.

Research and development expenses for the three months ended September 30, 2001 decreased 18% to \$852, compared to \$1,041 in the comparable period in the prior fiscal year. This decrease was primarily the result of the fact that a reduction in research and development spending was among the cost reduction measures referred to above.

Net sales and net income for the quarter decreased 27% and 87%, respectively, compared to the immediately preceding quarter primarily due to further weakening in the electronic components industry. Net income declined by a higher percentage than sales as the Registrant's cost reduction measures were not able to fully compensate for the decline in revenue.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED) (In thousands, except per share data)

Bookings for the quarter ended September 30, 2001 were \$10,157, compared to \$6,493 for the quarter ended June 30, 2001. Cancellations have returned to historical levels, but bookings remain low, particularly in the wireless infrastructure, fiber optic and semiconductor manufacturing equipment sectors. Bookings for the first quarter of fiscal year 2002 have rebounded from the levels attained in the fourth quarter of fiscal year 2001. However, they remain well below peak levels achieved early in fiscal year 2001. Although there are some recent signs of strengthening in the market, the Registrant expects bookings to continue at low levels for at least the next quarter.

As a result of the foregoing, net income for the three months ended September 30, 2001 was \$298, or \$.04 per common share (\$.04 per common share assuming dilution), compared to net income of \$2,595, or \$.33 per common share (\$.31 per common share assuming dilution), for the comparable period in the prior fiscal year.

LIQUIDITY AND CAPITAL RESOURCES

The Registrant's financial position at September 30, 2001 remains strong as evidenced by working capital of \$34,335 and stockholders' equity of \$56,456. The Registrant's current ratio at September 30, 2001 was 6.2, compared to a current ratio of 4.2 at June 30, 2001. The Registrant's quick ratio (current assets minus inventory divided by current liabilities) at September 30, 2001 was 2.5 as compared to 1.9 at June 30, 2001. The improvements in the Registrant's current ratio and quick ratio were primarily due to a reduction in current liabilities as a result of lower raw material purchases, lower bonus and commission accruals due to the lower sales and profitability and reduced capital spending, partially offset by a reduction in accounts receivable.

Cash, cash equivalents and investments increased by \$1,238 to \$6,417 at September 30, 2001 from \$5,179 at June 30, 2001, primarily as a result of collection of accounts receivable, reduced purchasing of raw material and reduced discretionary spending, partially offset by payment of year end bonus

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and commission accruals and investment in property, plant and equipment. Accounts receivable decreased by \$4,021 to \$7,509 at September 30, 2001 from \$11,530 at June 30, 2001, primarily due to lower sales volumes and collection of balances due at June 30, 2001. Inventories decreased by \$222 to \$24,346 at September 30, 2001 from \$24,568 at June 30, 2001. Accounts payable and accrued expenses decreased by \$3,299 to \$4,691 at September 30, 2001 from \$7,990 at June 30, 2001, primarily due to payment of fiscal year end bonus accruals, lower capital spending due to cost reduction measures and lower purchasing levels of raw materials due to the lower production volume commensurate with lower sales volumes.

The Registrant has available two credit facilities with Bank of America, N.A.; a revolving line of credit of \$4,000 and an equipment line of credit of \$8,500. The outstanding principal balance under both lines bears interest at 1.5% above the one month rate for U.S. Dollar deposits on the London Interbank Market ("LIBOR") and is subject to certain financial covenants, including maintenance of asset and liability percentage ratios. The outstanding principal balance of the equipment line rolls over periodically into a self-amortizing term note of not less than four nor more than seven years. Borrowings under the equipment line are secured by the related equipment purchases.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED) (In thousands, except per share data)

During the quarter ended September 30, 2001, the Registrant rolled \$2,505 over into a seven-year term note bearing interest at 1.5% above the one-month LIBOR rate. Principal on this note is payable in quarterly installments of \$89, commencing October 1, 2001. The Registrant did not incur any borrowings under the revolving line of credit or the equipment line during the quarter ended September 30, 2001. As of September 30, 2001, the Registrant had borrowed an aggregate of \$4,768 under the equipment line.

The Registrant has available credit facilities with Citibank N.A., (as successor to European American Bank, N.A.), which makes available a \$5,000 line for equipment purchases and an additional \$2,000 under an unsecured term loan line. The lines bear interest at either the Citibank prime rate or 1.5% above the Reserve Adjusted LIBOR rate (as defined) and are subject to certain financial covenants. Borrowings under the equipment line will be secured by the related equipment purchases. The outstanding balance six months after the term loan line is made available and at expiration of the line (January 2002) will roll into fully amortizing term loans with a maturity of five years. The Registrant did not incur any borrowings under either of these facilities during the quarter ended September 30, 2001.

Capital expenditures for the three months ended September 30, 2001 totaled \$1,167 including amounts for machinery and equipment and planned leasehold improvements. The Registrant intends to use cash on hand and available lines of credit to finance budgeted capital expenditures, primarily for equipment acquisition and facility expansion, of approximately \$3,000 for the remainder of fiscal year 2002.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Registrant has identified four market risks relative to its

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business: interest rate risk, foreign currency exchange rate risk, commodity price risk and security price risk. There has been no material changes in the way the Registrant conducts its worldwide business, foreign exchange risk management, investments in marketable securities or raw material commodity purchasing from the descriptions thereof in the Registrant's Form 10-K for the fiscal year ended June 30, 2001.

PART II - OTHER INFORMATION

ITEMS 1. THROUGH 5. Not Applicable

ITEM 6. Exhibits and Reports on Form 8-K

(a) EXHIBITS

Unless otherwise indicated, the following exhibits were filed as part of the Registrant's Registration Statement on Form S-18 (No. 2-96925-NY) (the "Registration Statement") and are incorporated herein by reference to the same exhibit thereto:

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EXHIBIT NO.	DESCRIPTION
-----	-----
3(a) (i)	- Certificate of Incorporation of the Registrant.
3(a) (ii)	- Amendment to Certificate of Incorporation. (4)
3(b) (i)	- By-laws of the Registrant.
9(a) (i)	- Restated Shareholders' Agreement, dated April 15, 1985, among Victor Insetta, Joseph Colandrea and the Registrant.
10(b) (i)	- Amended and Restated Lease, dated September 25, 1998, between Victor Insetta, d/b/a Stepar Leasing Company, and the Registrant for premises at 15 Stepar Place, Huntington Station, N.Y. (9)
10(c) (i)	- Form of 1985 Employee Stock Sale Agreement between the Registrant and various employees.
10(c) (ii)	- Form of Employee Stock Bonus Agreement, dated as of July 1, 1993, between the Registrant and various employees. (3)
10(c) (iii)	- Form of Employee Stock Bonus Agreement, dated as of April 19, 1994, between the Registrant and various employees. (3)
10(c) (iv)	- Form of Employee Stock Bonus Agreement, dated as of April 20, 1995, between the Registrant and various employees. (4)
10(e) (i)	- Second Amended and Restated Lease, dated as of May 16, 2000, between V.P.I. Properties Associates, d/b/a V.P.I. Properties Associates, Ltd., and American Technical Ceramics Corp.

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(Florida), Inc. (13)

- 10(f) - Purchase Agreement, dated May 31, 1989, by and among Diane LaFond Insetta and/or Insetta, as custodians for Danielle and Jonathan Insetta, and American Technical Corp., and amendment thereto, dated July 31, 1989. (4)
- 10(g) (iii) - Profit Bonus Plan, dated April 19, 1995, and effective for the fiscal years beginning 1994. (4)
- 10(g) (iv) - Employment Agreement, dated April 3, 1985, between Victor Insetta and the Registrant. Amendments No. 1 through 4 thereto. (2)
- 10(g) (v) - Amendment No. 5, dated as of September 11, 1998, to Employment Agreement between Victor Insetta and the Registrant. (8)
- 10(g) (vi) - Managers Profit Bonus Plan, dated December 7, 1999, and effective January 1, 2000. (4)
- 10(h) - Employment Agreement, dated September 1, 2000, between the Registrant and Richard Monsorno. (14)

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- 10(k) - Consulting Agreement, dated October 2000, between the Registrant and Stuart P. Lippman. (1)
- 10(m) (i) - American Technical Ceramics Corp. 1997 Stock Option Plan. (7)
- 10(m) (ii) - American Technical Ceramics Corp. 2000 Incentive Stock Plan. (12)
- 10(o) (i) - Loan Agreement, dated November 25, 1998, between the Registrant and NationsBank, N.A. (12)
- 10(o) (ii) - Amendment to Loan Agreement, dated February 4, 1999, between the Registrant and NationsBank, N.A. (12)
- 10(o) (iii) - Second Amendment to Loan Agreement, dated April 13, 2000, between the Registrant and NationsBank, N.A., as successor to NationsBank, N.A. (12)
- 10(o) (iv) - Third Amendment to Loan Agreement, dated October 26, 2000, between the Registrant and NationsBank, N.A., as successor to NationsBank, N.A. (15)
- 10(o) (v) - Fourth Amendment to Loan Agreement, dated March 30, 2001, between the Registrant and NationsBank, N.A., as successor to NationsBank, N.A. (15)
- 10(p) - Amended and Restated Employment Agreement, dated as of January 1, 1998, between the Registrant and the Registrant. (11)
- 10(q) - Mortgage Note between American Technical Ceramics Corp. and European American Bank, N.A., as of August 17, 2000. (13)
- 10(r) - Employment Agreement, dated April 10, 2001, between the Registrant and David Ott. (1)
- 10(s) - Loan Agreement, dated May 8, 2001, between the Registrant and European American Bank, N.A. (1)
- 21 - Subsidiaries of the Registrant. (2)

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1. Incorporated by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1989.
2. Incorporated by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1993.
3. Incorporated by reference to the Registrant's Annual Report on Form 10-KSB for the fiscal year ended June 30, 1994.
4. Incorporated by reference to the Registrant's Annual Report on Form 10-KSB for the fiscal year ended June 30, 1995.

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5. Incorporated by reference to the Registrant's Annual Report on Form 10-KSB for the fiscal year ended June 30, 1996.
6. Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1997.
7. Incorporated by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1997.
8. Incorporated by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1998.
9. Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1998.
10. Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 1998.
11. Incorporated by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1999.
12. Incorporated by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 2000.
13. Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2000.
14. Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2000.
15. Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2001.
16. Incorporated by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 2001.

(b) REPORTS ON FORM 8-K

The Registrant did not file any reports on Form 8-K during the quarter ended September 30, 2001.

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SIGNATURES

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 in the capacities and on the dates indicated:

AMERICAN TECHNICAL CERAMICS CORP.
(Registrant)

DATE: November 8, 2001

BY: /s/ VICTOR INSETTA

Victor Insetta
President and Director
(Principal Executive Officer)

DATE: November 8, 2001

BY: /s/ ANDREW R. PERZ

Andrew R. Perz
Vice President, Controller
(Principal Accounting Officer)

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