

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1994-03-01** | Period of Report: **1994-01-29**
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FILER

DUPLEX PRODUCTS INC

CIK: **30547** | IRS No.: **362109817** | State of Incorporation: **DE** | Fiscal Year End: **1025**
Type: **10-Q** | Act: **34** | File No.: **001-07208** | Film No.: **94513853**
SIC: **2761** Manifold business forms

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SYCAMORE IL 60178*

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SYCAMORE IL 60178
8158952101*

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT

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

For the quarterly period ended: January 29, 1994

Commission file number: 1-7208

DUPLEX PRODUCTS INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of Incorporation or Organization)

I.R.S. Employer Identification Number: 36-2109817
1947 Bethany Road, Sycamore, IL 60178
(Address of principal executive offices) (Zip code)

(815) 895-2101
(Registrant's 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

Item 1. FINANCIAL STATEMENTS

DUPLEX PRODUCTS INC.

CONSOLIDATED CONDENSED BALANCE SHEET

(Amounts in Thousands)

<TABLE>
<CAPTION>

Jan. 29, 1994 Oct. 30, 1993
(Unaudited) (Audited)

<C> <C>

<S>
ASSETS

Current assets:

Cash and cash equivalents	\$14,745	\$18,419
Receivables	77,152	76,021
Inventories	8,838	9,107
Income tax refund receivable	1,051	1,537
Deferred income tax benefits	3,500	3,500
	-----	-----
Total current assets	105,286	108,584
Property, plant, and equipment-net	43,396	44,511
Other assets	2,249	2,964
	-----	-----
Total Assets	\$150,931	\$156,059
	-----	-----

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Current portion of long-term debt	\$ 1,212	\$ 1,562
Accounts payable	7,288	10,505
Accrued liabilities	12,651	13,145
	-----	-----
Total current liabilities	21,151	25,212
Long term debt	6,994	7,150
Deferred liabilities	6,409	6,434
Stockholder's equity	116,377	117,263
	-----	-----
Total Liabilities & Equity	\$150,931	\$156,059
	-----	-----

</TABLE>

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

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DUPLEX PRODUCTS INC.
CONSOLIDATED CONDENSED INCOME STATEMENT
(Amounts in Thousands-Except Per Share)
Unaudited

<TABLE>
<CAPTION>

First Quarter	Jan. 29, 1994	Jan. 30, 1993
	-----	-----
<S>	<C>	<C>
Net sales	\$66,482	\$64,788
Cost of goods sold	50,425	48,456
	-----	-----
Gross profit	16,057	16,332
Selling and administrative expenses	15,853	15,746

Operating profit	204	586
Other income (expense):		
Interest expense	(147)	(150)
Other income	152	211
	5	61
Earnings before income taxes	209	647
Income taxes	71	246
Earnings before cumulative effect of a change in accounting for income taxes	138	401
Cumulative effect of a change in accounting for income taxes	---	1,000
NET EARNINGS	\$ 138	\$ 1,401
Earnings per share before cumulative effect of a change in accounting for income taxes	\$.02	\$.05
Cumulative effect of a change in accounting for income taxes	---	.13
Earnings per share	\$.02	\$.18
Average common shares outstanding	7,647,000	7,757,000

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

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DUPLEX PRODUCTS INC.

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS
(Amounts in Thousands-Except Per Share)

Unaudited

<TABLE>
<CAPTION>

	First Quarter	
	Jan. 29, 1994	Jan. 30, 1993
	-----	-----
<S>	<C>	<C>
Cash flows from operating activities:		
Net earnings	\$ 138	\$ 1,401
Depreciation and amortization	1,691	1,750
Other items	(4,421)	(4,855)
Net cash flows from operating activities	(2,592)	(1,704)
Cash flows from investing activities:		
Property, plant, & equipment (additions) net of disposals	(576)	268

Net cash used in investing activities	(576)	268
Cash flows from financing activities:		
Payments on long-term obligations	(506)	(426)
Net cash used in financing activities	(506)	(426)
Net (decrease) in cash and cash equivalents	(3,674)	(1,862)
Cash and cash equivalents at beginning of period	18,419	22,326
Cash and cash equivalents at end of period	\$ 14,745	\$ 20,464

</TABLE>

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

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DUPLEX PRODUCTS INC.

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Note 1.

The Consolidated condensed financial statements included herein have been prepared by the Corporation, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Corporation believes that the disclosures are adequate to make the information presented not misleading.

Note 2.

These statements reflect all adjustments (which include only normal recurring accruals) necessary, in the opinion of management, for a fair presentation of the information contained therein. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Corporation's annual report on Form 10-K for the year ended October 30, 1993.

Note 3.

Operating results for interim periods are not necessarily indicative of annual results.

Note 4.

Earnings per share are based on the weighted average number of common shares outstanding.

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DUPLEX PRODUCTS INC.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The Company's 1993 Annual Report to Stockholders contains management's discussion and analysis of financial condition and results of operations at, and for the year ended, October 30,

1993. The following discussion and analysis covers material changes in the Company's financial condition from October 30, 1993, and the end of the first quarter of 1993, to the end of the first quarter of 1994, while the analysis of results of operations compares the results for the quarter ended January 29, 1994, with the first quarter of fiscal 1993.

Liquidity and Capital Resources

No significant changes occurred relative to liquidity or capital during the first quarter of 1994 or from the end of the first quarter of 1993 to the end of the first quarter of 1994.

Results of Operations

For the first quarter ended January 29, 1994, net income was \$138,000, or 2 cents per share, down from \$1,401,000, or 18 cents per share in the first quarter of 1993. The cumulative effect of a change in accounting for income taxes increased earnings in last year's quarter by \$1,000,000, or 13 cents per share. Sales were \$66,482,000, up 3% from \$64,788,000 in the first quarter of 1993.

It is encouraging to report higher sales. Excluding the fourth quarter of 1992 which had an extra week, the last time the company reported higher revenues was the fourth quarter of 1989.

Gross margins declined, however, as lower-realized selling prices offset the higher revenues and the benefits of our reduced cost structure. Earnings for the quarter were below our expectations. The business forms industry continues to be affected by weak demand, over-capacity, and strong pricing pressures.

Higher revenues in the quarter are an indication of the progress we have made in focusing our sales organization to provide customer solutions using our forms management capabilities. This consultative selling approach in combination with current initiatives to reduce costs should lead to improved results over the balance of the year.

Item 6. Reports on Form 8-K

No report on Form 8-K was filed for the quarter ended January 29, 1994.

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DUPLEX PRODUCTS INC.

FORM 10-Q

For the Quarterly Period Ended January 29, 1994

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DUPLEX PRODUCTS INC

February 25, 1994

Date

Ben L. McSwiney
President & Chief Executive Officer

February 25, 1994

Date

Andrew N. Peterson
Vice President-Finance & C.F.O.