FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1999-09-10** | Period of Report: **1999-07-31**
SEC Accession No. 0000950137-99-003366

(HTML Version on secdatabase.com)

FILER

GETTY PETROLEUM MARKETING INC /MD/

CIK:**1025742**| IRS No.: **113339235** | State of Incorp.:**MD** | Fiscal Year End: **0131**
Type: **10-Q** | Act: **34** | File No.: **001-14490** | Film No.: **99709384**
SIC: **5171** Petroleum bulk stations & terminals

Mailing Address
125 JERICHO TURNPIKE
JERICHO NY 11753

Business Address
125 JERICHO TURNPIKE
JERICHO NY 11753
5163386000

==

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES AND EXCHANGE ACT OF 1934

For quarter ended JULY 31, 1999 Commission file number 1-14990

GETTY PETROLEUM MARKETING INC.
(Exact name of registrant as specified in its charter)

MARYLAND	11-3339235
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
125 JERICHO TURNPIKE, JERICHO, NEW YORK	11753
(Address of principal executive offices)	(Zip Code)

(516) 338 - 6000
(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

Registrant has 13,948,046 shares of Common Stock, par value $.01 per share, outstanding as of July 31, 1999.

==

GETTY PETROLEUM MARKETING INC.

INDEX

<TABLE>
<CAPTION>

</TABLE>

GETTY PETROLEUM MARKETING INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

<TABLE>
<CAPTION>

Assets:	July 31, 1999 (unaudited)	January 31, 1999 (unaudited)
<S>	<C>	<C>
Current assets:		
Cash and equivalents	$ 9,886	$ 6,169
Investments	791	1,339
Accounts receivable, net	11,810	9,458
Inventories	24,126	16,475
Deferred income taxes	4,619	7,315
Prepaid expenses and other current assets	5,080	2,886
Total current assets	56,312	43,642
Property and equipment, at cost, less accumulated depreciation and amortization	108,644	101,504
Other assets	4,930	4,275
Total assets	$ 169,886	$ 149,421
Liabilities and Stockholders' Equity:		
Current liabilities:		
Short-term borrowings	$ --	$ 1,900
Accounts payable	32,430	16,781
Accrued expenses	12,830	12,836
Gasoline taxes payable	21,097	13,560
Income taxes payable	--	1,086
Total current liabilities	66,357	46,163
Deferred income taxes	21,727	21,863
Other, principally deposits	21,363	21,175
Total liabilities	109,447	89,201

Stockholders' equity:		
Preferred stock, par value $.01 per share; authorized 10,000,000 shares for issuance in series (none of which is issued)	--	--
Common stock, par value $.01 per share; authorized 30,000,000 shares; issued 13,948,046 at July 31, 1999 and 13,945,156 at January 31, 1999	139	139
Paid-in capital	60,328	60,446
Retained earnings	2,081	1,747
Unearned ESOP stock (358,026 shares at July 31, 1999 and 425,155 shares at January 31, 1999)	(1,719)	(2,041)
Accumulated other comprehensive loss	(390)	(71)
Total stockholders' equity	60,439	60,220
Total liabilities and stockholders' equity	$ 169,886	$ 149,421

</TABLE>

See accompanying notes.

GETTY PETROLEUM MARKETING INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

<TABLE>
<CAPTION>

	Three months ended July 31,		Six months ended July 31,	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
Sales and operating revenues	$ 195,010	$ 172,528	$ 353,980	$ 343,269
Other income	343	702	522	872
	195,353	173,230	354,502	344,141
Cost of sales and operating expenses (excluding depreciation and amortization)	184,880	166,338	333,817	333,593
Selling, general and administrative expenses	5,844	5,383	11,270	10,581
Depreciation and amortization	4,232	3,784	8,322	7,501
Interest expense	236	217	495	428
	195,192	175,722	353,904	352,103
Earnings (loss) before provision (credit) for income taxes	161	(2,492)	598	(7,962)
Provision (credit) for income taxes	71	(996)	264	(3,154)
Net earnings (loss)	$ 90	($ 1,496)	$ 334	($ 4,808)
Net earnings (loss) per share:				
Basic	$ .01	($ .11)	$ .02	($ .36)
Diluted	$ .01	($ .11)	$ .02	($ .36)
Weighted average shares outstanding:				

Basic	13,567	13,409	13,550	13,373
Diluted	13,588	13,409	13,564	13,373

</TABLE>

See accompanying notes.

GETTY PETROLEUM MARKETING INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

<TABLE>
<CAPTION>

	Six months ended July 31, 1999	1998
<S>	<C>	<C>
Cash flows from operating activities:		
Net earnings (loss)	$ 334	($ 4,808)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:		
Depreciation and amortization	8,322	7,501
Deferred income taxes	2,789	(1,167)
ESOP charge	195	397
(Gain) loss on dispositions of property and equipment	189	(343)
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	(2,352)	2,938
Inventories	(7,651)	4,373
Prepaid expenses and other current assets	(2,197)	(2,317)
Other assets	(892)	(35)
Accounts payable, accrued expenses and gasoline taxes payable	23,180	(1,578)
Income taxes payable	(1,086)	(307)
Other, principally deposits	188	209
Net cash provided by operating activities	21,019	4,863
Cash flows from investing activities:		
Capital expenditures	(11,746)	(9,021)
Acquisitions	(3,562)	--
Proceeds (payments) related to dispositions of property and equipment	(103)	443
Net cash used in investing activities	(15,411)	(8,578)
Cash flows from financing activities:		
Repayment of short-term borrowings	(1,900)	--
Stock options and common stock	9	318
Net cash provided by (used in) financing activities	(1,891)	318
Net increase (decrease) in cash and equivalents	3,717	(3,397)
Cash and equivalents at beginning of period	6,169	9,798
Cash and equivalents at end of period	$ 9,886	$ 6,401

	========	========
Supplemental disclosures of cash flow information Cash paid during the period for:		
Interest	$ 381	$ 299
Income taxes, net	2,059	1,462

</TABLE>

See accompanying notes.

GETTY PETROLEUM MARKETING INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. General:

The accompanying consolidated financial statements include the accounts of Getty Petroleum Marketing Inc. and its wholly-owned subsidiaries (the "Company"). The consolidated financial statements have been prepared in conformity with generally accepted accounting principles and include amounts that are based on management's best estimates and judgments. While all available information has been considered, actual amounts could differ from those estimates. The consolidated financial statements are unaudited but, in the opinion of management, reflect all adjustments (consisting of normal recurring accruals) necessary for a fair presentation. These statements should be read in conjunction with the consolidated financial statements and related notes which appear in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1999.

2. Earnings (loss) per share:

Basic earnings (loss) per share is computed by dividing net earnings (loss) by the weighted average number of shares of common stock outstanding during the periods presented. Diluted earnings per share reflects the potential dilution from the exercise of stock options in the amounts of 21,000 shares and 14,000 shares for the quarter and six months ended July 31, 1999, respectively. For the quarter and six months ended July 31, 1998, diluted loss per share amounts do not reflect the potential dilution from the exercise of stock options since such inclusion would be anti-dilutive.

3. Stockholders' equity:

A summary of the changes in stockholders' equity for the six months ended July 31, 1999 is as follows (in thousands):

<TABLE>
<CAPTION>

Accumulated
Other

	Common Stock	Paid-in Capital	Retained Earnings	Comprehensive Loss(*)	ESOP	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, January 31, 1999	$139	$ 60,446	$ 1,747	$ (71)	$(2,041)	$60,220
Comprehensive earnings (loss):						
Net earnings			334			334
Net unrealized loss on equity securities				(319)		(319)
Total						15
ESOP stock committed to be released		(127)			322	195
Issuance of common stock		9				9
Balance, July 31, 1999	$139	$ 60,328	$ 2,081	$ (390)	$(1,719)	$60,439

</TABLE>

(*) Represents net unrealized loss on equity securities. For the three months ended July 31, 1999, the Company had a net unrealized gain on equity securities of $70. For the three and six months ended July 31, 1998, the Company had a net unrealized loss on equity securities of $319 and $147, respectively.

4. Segment information:

The Company has two reportable segments: Petroleum Marketing and Heating Oil. The Petroleum Marketing segment distributes, markets and sells gasoline and diesel fuel to consumers through a network of 1,267 Getty and other branded retail outlets. The Heating Oil segment is involved in the sale of fuel oil, kerosene and propane, and oil burner and related services to residential and commercial customers in the New York Mid-Hudson Valley region.

The financial results of the Petroleum Marketing and Heating Oil segments for the quarters and six month periods ended July 31, 1999 and 1998 are set forth below (in thousands):

<TABLE>
<CAPTION>

	Quarter ended July 31, 1999			Quarter ended July 31, 1998		
	Petroleum Marketing	Heating Oil	Total	Petroleum Marketing	Heating Oil	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Sales and operating revenues	$ 191,792	$ 3,218	$ 195,010	$ 169,589	$ 2,939	$ 172,528
Other income	331	12	343	685	17	702
	192,123	3,230	195,353	170,274	2,956	173,230

Cost of sales and operating expenses (excluding depreciation and amortization)	181,749	3,131	184,880	163,392	2,946	166,338
Selling, general and administrative expenses	5,255	589	5,844	4,813	570	5,383
Depreciation and amortization	4,038	194	4,232	3,713	71	3,784
Interest expense	236	--	236	216	1	217
	191,278	3,914	195,192	172,134	3,588	175,722
Earnings (loss) before provision (credit) for income taxes	845	(684)	161	(1,860)	(632)	(2,492)
Provision (credit) for income taxes	373	(302)	71	(747)	(249)	(996)
Net earnings (loss)	$ 472	$ (382)	$ 90	$ (1,113)	$ (383)	$ (1,496)
Total assets	$ 162,532	$ 7,354	$ 169,886	$ 135,003	$ 5,697	$ 140,700
Capital expenditures	4,893	65	4,958	4,798	133	4,931

</TABLE>

<TABLE>
<CAPTION>

<S>	Six months ended July 31, 1999			Six months ended July 31, 1998		
	Petroleum Marketing <C>	Heating Oil <C>	Total <C>	Petroleum Marketing <C>	Heating Oil <C>	Total <C>
Sales and operating revenues	$ 342,987	$ 10,993	$ 353,980	$ 333,081	$ 10,188	$ 343,269
Other income	496	26	522	843	29	872
	343,483	11,019	354,502	333,924	10,217	344,141
Cost of sales and operating expenses (excluding depreciation and amortization)	325,320	8,497	333,817	324,841	8,752	333,593
Selling, general and administrative expenses	10,004	1,266	11,270	9,392	1,189	10,581
Depreciation and amortization	7,936	386	8,322	7,360	141	7,501
Interest expense	495	--	495	427	1	428
	343,755	10,149	353,904	342,020	10,083	352,103
Earnings (loss) before provision (credit) for income taxes	(272)	870	598	(8,096)	134	(7,962)

Provision (credit) for income taxes	(120)	384	264	(3,207)	53	(3,154)
Net earnings (loss)	$ (152)	$ 486	$ 334	$ (4,889)	$ 81	$ (4,808)
Total assets	$ 162,532	$ 7,354	$ 169,886	$ 135,003	$ 5,697	$ 140,700
Capital expenditures	11,645	101	11,746	8,765	256	9,021

</TABLE>

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations - Quarter ended July 31, 1999 compared with quarter ended July 31, 1998

Sales and operating revenues for the second fiscal quarter ended July 31, 1999 were $195.0 million as compared with $172.5 million for the same quarter last year, an increase of 13.0%. The increase in sales and operating revenues was due primarily to a 10.4% increase in average selling prices and a 2.5% increase in volume. Gallonage sold increased by 6.2 million gallons to 256.2 million gallons.

Gross profit before depreciation and amortization was $10.1 million for the three months ended July 31, 1999 as compared with $6.2 million for the three months ended July 31, 1998. The improvement of $3.9 million was principally due to higher product margins, which resulted in an additional $2.6 million of gross profit, and increased volume, which resulted in an additional $.6 million of gross profit.

The Company's financial results are largely dependent on retail marketing margins and rental income from its dealers. The petroleum marketing industry has been and continues to be volatile and highly competitive. The cost of petroleum products purchased as well as the price of petroleum products sold have fluctuated widely. As a result of the historic volatility of product margins and the fact that they are affected by numerous diverse factors, it is not possible to predict with any degree of accuracy future product margin levels. However, the Company believes that it has only been modestly affected by inflation since increased costs are passed along to its customers to the extent permitted by competition.

Other income was $.3 million for the three months ended July 31, 1999 as compared with $.7 million for the three months ended July 31, 1998. The quarter ended July 31, 1999 included a charge of $37,000 related to the early termination of two leases under a master lease agreement with Getty Realty Corp. ("Realty") whereas the prior year quarter included a gain of $387,000 related to the termination of two leases under such master lease agreement with Realty. Also included in other income for the three months ended July 31, 1999 and 1998 were $205,000 and $240,000 of net fees charged to Realty for certain administrative and technical services the Company has provided under a services agreement since the spin-off.

Selling, general and administrative expenses were $5.8 million for the three months ended July 31, 1999, an increase of $.5 million or 8.6% as compared with the three months ended July 31, 1998. The increase was primarily due to higher employee related expenses and advertising costs.

Depreciation and amortization was $4.2 million for the three month period ended July 31, 1999 as compared with $3.8 million for the three months ended July 31, 1998. The increase was primarily due to higher depreciation as a result of capital expenditures and acquisitions.

Results of Operations - Six months ended July 31, 1999 compared with six months ended July 31, 1998

Sales and operating revenues for the six months ended July 31, 1999 were $354.0 million as compared with $343.3 million for the six months ended July 31, 1998, an increase of 3.1%. The increase in sales and operating revenues was due primarily to a 1.9% increase in sales volume and a 0.9% increase in average selling prices. Gallonage sold increased by 9.2 million gallons to 497.7 million gallons.

Gross profit before depreciation and amortization was $20.2 million for the six months ended July 31, 1999 as compared with $9.7 million for the six months ended July 31, 1998. The improvement of $10.5 million was principally due to higher product margins, which resulted in an additional $8.5 million of gross profit, and increased volume, which resulted in an additional $1.2 million of gross profit.

Other income was $.5 million for the six months ended July 31, 1999 as compared with $.9 million for the six months ended July 31, 1998. The six months ended July 31, 1999 included a charge of $218,000 related to the early termination of four leases under a master lease agreement with Realty whereas the prior year period included a gain of $387,000 related to the early termination of two leases under such master lease agreement with Realty. The prior year period also included a $.2 million legal charge related to the Company's Mt. Vernon terminal. Also included in other income for the six months ended July 31, 1999 and 1998 were $432,000 and $480,000, respectively, of net fees charged to Realty for certain administrative and technical services the Company has provided under a services agreement since the spin-off.

Selling, general and administrative expenses were $11.3 million for the six months ended July 31, 1999 as compared with $10.6 million for the six months ended July 31, 1998. The increase was primarily due to higher employee related expenses and advertising costs.

Depreciation and amortization was $8.3 million for the six month period ended July 31, 1999 as compared with $7.5 million for the six months ended July 31, 1998. The increase was primarily due to higher depreciation as a result of capital expenditures and acquisitions.

Liquidity and Capital Resources

As of July 31, 1999, the Company had a working capital deficit of $10.0 million as compared with a deficit of $2.5 million as of January 31, 1999. The decrease in working capital was primarily due to $11.7 million of capital expenditures and $3.6 million of capital expended for acquisitions, partially offset by working capital generated during the period from operations. The Company is able to operate its business with negative working capital, principally because most sales are for cash and payment terms are received for motor fuel taxes and from vendors.

The Company's principal source of liquidity is its cash flows from operations, which amounted to $21.0 million during the six months ended July 31, 1999. Management believes that cash requirements for operations, including rental payments and capital expenditures, can be met by cash flows from operations, cash and equivalents and credit lines. The Company has uncommitted lines of credit with three banks in the aggregate amount of $50 million, which may be utilized for working capital borrowings and letters of credit. As of July 31, 1999, $2.0 million of the lines of credit were utilized in connection with outstanding letters of credit to support the Company's insurance programs. Borrowings under the lines of credit are unsecured and principally bear interest at the applicable bank's prime rate or, at the Company's option, 1.1% above LIBOR. The lines of credit are subject to renewal at the discretion of the banks.

As of July 31, 1999, the Company leased 1,016 retail outlets and 10 terminal facilities from Realty under three master lease agreements. Rent expense aggregated $29.2 million for the six months ended July 31, 1999, including $28.2 million under such master leases with Realty.

During the six months ended July 31, 1999, the Company expended $11.7 million for capital expenditures and $3.6 million of capital was expended for newly leased locations. The Company's capital expenditures include discretionary expenditures to improve the image of the retail outlets, to improve the terminal facilities and for replacement of service station equipment at existing and newly leased locations.

Year 2000

The Year 2000 issue has arisen because, for many years, some computer software programs and systems have utilized only two digits to specify the year. As a result, these programs and systems may not be able to recognize and process dates beyond 1999, which may cause these programs to malfunction or not be able to accurately process information.

The Company has implemented a Year 2000 program for its internal systems and equipment relating to its information technology systems and non-information technology systems which has four phases: (1) identification; (2) assessment; (3) remediation (including modification, upgrading and replacement); and (4) testing. The identification, assessment and remediation phases for all of the Company's significant internal business systems and equipment has been completed. Testing of systems and programs following remediation was approximately 90% complete as of July 31, 1999 and is expected to be completed during the Company's third fiscal quarter.

The Company is also reviewing the Year 2000 readiness of third parties who provide goods or services which are essential to the Company's operations, such as the parties who provide banking services, credit card processing, environmental services and product suppliers. The Company has initiated formal communications with significant third parties in order to determine the extent to which the Company is vulnerable to any failure by such third parties to remediate their respective Year 2000 problems and resolve such problems to the extent practicable.

The Company is developing a contingency plan to address issues specific to the Year 2000 problem. The Plan is expected to include performing certain processes manually, obtaining replacement systems, changing suppliers where necessary as well as other appropriate measures.

The Company's senior management and the Board of Directors receive regular updates on the status of the Company's Year 2000 program. The cost of these Year 2000 efforts has not been, nor is expected to be, material since substantially all of the compliance costs have been, and will continue to be, funded by reallocating existing internal resources rather than incurring incremental costs.

The Year 2000 issue presents a number of risks and uncertainties that could affect the Company, which include, but are not limited to, the availability of qualified personnel and other information technology resources; the ability to identify and remediate all date sensitive lines of computer code or to replace embedded computer chips in affected systems or equipment; and the ability of third parties to remediate their respective systems. The failure to correct a material Year 2000 problem could result in an interruption in, or a failure of, certain normal business activities or operations. Such failures could materially and adversely affect the Company's results of operations, liquidity and financial condition. Due to the general uncertainty inherent in the Year 2000 problem, resulting in part from the uncertainty of the Year 2000 readiness of third-party suppliers and customers, the Company is unable to determine at this time whether the consequences of Year 2000 failures will have a material impact on the Company's results of operations, liquidity or financial condition.

Special Factors Regarding Forward-Looking Statements

Certain statements in this Quarterly Report on Form 10-Q may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. When we use the words "believes", "expects", "plans", "estimates" and similar expressions, we intend to identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. These factors include, but are not limited to: volatility of petroleum marketing margins; maturity of the petroleum marketing industry; the impact of economic growth, energy efficiency and technology on demand for petroleum products; natural and political events that may affect the supply of petroleum products; competition; the effects of regulation; the Company's expectations as to when it will complete the testing phases of its Year 2000 program as well as its Year 2000 contingency plan; the estimated cost of achieving Year 2000 readiness; and the Company's belief that its internal systems and equipment will be Year 2000 compliant in a timely manner.

As a result of these and other factors, the Company may experience material fluctuations in future operating results on a quarterly or annual basis, which could materially and adversely affect its business, financial condition, operating results and stock price. An investment in the Company

involves various risks, including those mentioned above and elsewhere in this report and those which are detailed from time to time in the Company's other filings with the Securities and Exchange Commission.

Readers should not place undue reliance on forward-looking statements, which reflect the Company's view only as of the date hereof. The Company undertakes no obligation to publicly release revisions to these forward-looking statements that reflect events or circumstances after the date hereof or reflect the occurrence of unanticipated events.

PART II. OTHER INFORMATION

Item 5. Other Information

The date by which proposals of security holders intended to be presented at the next annual meeting, currently scheduled for June 15, 2000, must be received by the Company for inclusion in the proxy statement for such meeting is December 31, 1999.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Designation of Exhibit in this Quarterly Report on Form 10-Q	Description of Exhibit
27	Financial Data Schedule

(b) Reports on Form 8-K:

None

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.

GETTY PETROLEUM MARKETING INC.
(Registrant)

Dated: September 10, 1999 BY: /S/ MICHAEL K. HANTMAN
(Signature)
MICHAEL K. HANTMAN
Vice President and
Corporate Controller
(Principal Financial and
Accounting Officer)

Dated: September 10, 1999 BY: /S/ LEO LIEBOWITZ
(Signature)
LEO LIEBOWITZ
Chairman and Chief Executive Officer

<TABLE> <S> <C>

<ARTICLE> 5
<LEGEND>
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS OF GETTY PETROLEUM MARKETING INC. AND SUBSIDIARIES AS OF JULY 31, 1999 AND FOR THE SIX MONTHS THEN ENDED AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH CONSOLIDATED FINANCIAL STATEMENTS.
</LEGEND>
<MULTIPLIER> 1,000

<S>	<C>
<PERIOD-TYPE>	6-MOS
<FISCAL-YEAR-END>	JAN-31-2000
<PERIOD-END>	JUL-31-1999
<CASH>	9,886
<SECURITIES>	791
<RECEIVABLES>	12,801
<ALLOWANCES>	991
<INVENTORY>	24,126
<CURRENT-ASSETS>	56,312
<PP&E>	227,240
<DEPRECIATION>	118,596
<TOTAL-ASSETS>	169,886
<CURRENT-LIABILITIES>	66,357
<BONDS>	0
<PREFERRED-MANDATORY>	139
<PREFERRED>	0
<COMMON>	0
<OTHER-SE>	60,300
<TOTAL-LIABILITY-AND-EQUITY>	169,886
<SALES>	353,980
<TOTAL-REVENUES>	354,502
<CGS>	333,817
<TOTAL-COSTS>	342,139
<OTHER-EXPENSES>	0
<LOSS-PROVISION>	88
<INTEREST-EXPENSE>	495
<INCOME-PRETAX>	598
<INCOME-TAX>	264
<INCOME-CONTINUING>	334
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	334
<EPS-BASIC>	.02
<EPS-DILUTED>	.02

</TABLE>