

APTARGROUP INC
Form 10-Q
July 31, 2015
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UNITED STATES
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 JUNE 30, 2015

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 1-11846

AptarGroup, Inc.

DELAWARE
(State of Incorporation)

36-3853103
(I.R.S. Employer Identification No.)

475 WEST TERRA COTTA AVENUE, SUITE E, CRYSTAL LAKE, ILLINOIS 60014

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815-477-0424

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 27, 2015
Common Stock, \$.01 par value per share	62,795,667 shares

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Form 10-Q

Quarter Ended June 30, 2015

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PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

AptarGroup, Inc.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

In thousands, except per share amounts

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net Sales	\$ 594,275	\$ 670,631	\$ 1,184,086	\$ 1,346,682
Operating Expenses:				
Cost of sales (exclusive of depreciation and amortization shown below)	375,278	451,051	761,257	904,462
Selling, research & development and administrative	89,312	96,486	185,499	203,160
Depreciation and amortization	34,165	38,466	68,225	75,713
	498,755	586,003	1,014,981	1,183,335
Operating Income	95,520	84,628	169,105	163,347
Other (Expense) Income:				
Interest expense	(9,195)	(5,246)	(16,498)	(10,127)
Interest income	1,105	1,047	2,836	2,063
Equity results of affiliates	(407)	(198)	(526)	(1,744)
Miscellaneous, net	(1,268)	(525)	(1,467)	(153)
	(9,765)	(4,922)	(15,655)	(9,961)
Income before Income Taxes	85,755	79,706	153,450	153,386
Provision for Income Taxes	28,214	26,622	50,810	51,894
Net Income	\$ 57,541	\$ 53,084	\$ 102,640	\$ 101,492
Net (Income) Loss Attributable to Noncontrolling Interests	\$ (2)	\$ (8)	\$ 70	\$ (27)
Net Income Attributable to AptarGroup, Inc.	\$ 57,539	\$ 53,076	\$ 102,710	\$ 101,465
Net Income Attributable to AptarGroup, Inc. per Common Share:				
Basic	\$ 0.92	\$ 0.81	\$ 1.64	\$ 1.55
Diluted	\$ 0.90	\$ 0.79	\$ 1.59	\$ 1.49

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Average Number of Shares				
Outstanding:				
Basic	62,697	65,328	62,496	65,397
Diluted	64,276	67,438	64,603	68,042
Dividends per Common Share	\$ 0.28	\$ 0.28	\$ 0.56	\$ 0.53

See accompanying Unaudited Notes to Condensed Consolidated Financial Statements.

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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

In thousands

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Net Income	\$ 57,541	\$ 53,084	\$ 102,640	\$ 101,492
Other Comprehensive Income (Loss):				
Foreign currency translation adjustments	45,099	(5,164)	(94,147)	(4,601)
Changes in treasury locks, net of tax	7	6	13	12
Defined benefit pension plan, net of tax				
Amortization of prior service cost included in net income, net of tax	42	53	85	106
Amortization of net loss included in net income, net of tax	1,131	664	2,257	1,329
Total defined benefit pension plan, net of tax	1,173	717	2,342	1,435
Total other comprehensive income (loss)	46,279	(4,441)	(91,792)	(3,154)
Comprehensive Income	103,820	48,643	10,848	98,338
Comprehensive (Income) Loss Attributable to Noncontrolling Interests	(2)	(9)	70	(18)
Comprehensive Income Attributable to AptarGroup, Inc.	\$ 103,818	\$ 48,634	\$ 10,918	\$ 98,320

See accompanying Unaudited Notes to Condensed Consolidated Financial Statements.

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CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

In thousands

	June 30,		December 31,	
	2015		2014	
Assets				
Current Assets:				
Cash and equivalents	\$	391,810	\$	399,762
Short-term investments		66,897		--
		458,707		399,762
Accounts and notes receivable, less allowance for doubtful accounts of \$4,192 in 2015 and \$4,251 in 2014		435,448		406,976
Inventories		315,178		311,072
Prepaid and other		102,258		96,128
		1,311,591		1,213,938
Property, Plant and Equipment:				
Buildings and improvements		342,879		353,683
Machinery and equipment		1,874,243		1,919,507
		2,217,122		2,273,190
Less: Accumulated depreciation		(1,462,264)		(1,484,546)
		754,858		788,644
Land		21,778		23,011
		776,636		811,655
Other Assets:				
Investments in affiliates		4,965		5,760
Goodwill		316,480		329,741
Intangible assets, net		36,090		40,045
Miscellaneous		32,044		36,051
		389,579		411,597
Total Assets	\$	2,477,806	\$	2,437,190

See accompanying Unaudited Notes to Condensed Consolidated Financial Statements.

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CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

In thousands, except per share amounts

	June 30, 2015	December 31, 2014
Liabilities and Stockholders Equity		
Current Liabilities:		
Notes payable	\$ 5,766	\$ 233,284
Current maturities of long-term obligations	18,122	18,692
Accounts payable and accrued liabilities	377,569	352,762
	401,457	604,738
Long-Term Obligations	813,007	588,892
Deferred Liabilities and Other:		
Deferred income taxes	21,297	25,521
Retirement and deferred compensation plans	110,631	109,517
Deferred and other non-current liabilities	3,724	4,606
Commitments and contingencies (Note 10)	--	--
	135,652	139,644
Stockholders Equity:		
AptarGroup, Inc. stockholders equity		
Common stock, \$.01 par value, 199 million shares authorized; 87.0 and 86.3 million shares issued as of June 30, 2015 and December 31, 2014, respectively	869	862
Capital in excess of par value	555,307	507,313
Retained earnings	1,807,786	1,740,005
Accumulated other comprehensive (loss)	(201,837)	(110,045)
Less treasury stock at cost, 24.2 and 24.3 million shares as of June 30, 2015 and December 31, 2014, respectively	(1,034,726)	(1,034,728)
Total AptarGroup, Inc. Stockholders Equity	1,127,399	1,103,407
Noncontrolling interests in subsidiaries	291	509
Total Stockholders Equity	1,127,690	1,103,916
Total Liabilities and Stockholders Equity	\$ 2,477,806	\$ 2,437,190

See accompanying Unaudited Notes to Condensed Consolidated Financial Statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited)

In thousands

		AptarGroup, Inc. Stockholders Equity						
		Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Common Stock Par Value	Treasury Stock	Capital in Excess of Par Value	Non-Controlling Interest	Total Equity
Balance	December 31, 2013:	\$ 1,619,419	\$ 109,751	\$ 853	\$ (744,213)	\$ 493,947	\$ 551	\$ 1,480,308
	Net income	101,465					27	101,492
	Foreign currency translation adjustments		(4,592)				(9)	(4,601)
	Changes in unrecognized pension losses and related amortization, net of tax		1,435					1,435
	Changes in treasury locks, net of tax		12					12
	Stock option exercises & restricted stock vestings			5	1	35,737		35,743
	Cash dividends declared on common stock	(34,693)						(34,693)
	Treasury stock purchased				(52,884)			(52,884)
Balance	June 30, 2014:	\$ 1,686,191	\$ 106,606	\$ 858	\$ (797,096)	\$ 529,684	\$ 569	\$ 1,526,812
Balance	December 31, 2014:	\$ 1,740,005	\$ (110,045)	\$ 862	\$ (1,034,728)	\$ 507,313	\$ 509	\$ 1,103,916
	Net income	102,710					(70)	102,640
	Foreign currency translation adjustments		(94,147)					(94,147)
	Changes in unrecognized pension losses and related amortization, net of tax		2,342					2,342
	Changes in treasury locks, net of tax		13					13
	Stock option exercises & restricted stock vestings			7	2	48,470		48,479
	Cash dividends declared on common stock	(34,929)						(34,929)
	Non Controlling Interest Repurchased					(476)	(148)	(624)
Balance	June 30, 2015:	\$ 1,807,786	\$ (201,837)	\$ 869	\$ (1,034,726)	\$ 555,307	\$ 291	\$ 1,127,690

See accompanying Unaudited Notes to Condensed Consolidated Financial Statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

In thousands, brackets denote cash outflows

Six Months Ended June 30,	2015	2014
Cash Flows from Operating Activities:		
Net income	\$ 102,640	\$ 101,492
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation	66,059	72,946
Amortization	2,166	2,767
Stock based compensation	13,983	13,130
Provision for (recovery of) doubtful accounts	362	(69)
Deferred income taxes	(2,465)	(3,808)
Defined benefit plan expense	10,294	8,452
Equity in results of affiliates in excess of cash distributions received	526	1,744
Changes in balance sheet items, excluding effects from foreign currency adjustments:		
Accounts receivable	(50,289)	(71,208)
Inventories	(23,058)	(19,565)
Prepaid and other current assets	(16,381)	(5,868)
Accounts payable and accrued liabilities	38,885	17,898
Income taxes payable	(3,222)	(21,572)
Retirement and deferred compensation plans	(3,832)	(6,559)
Other changes, net	4,509	20,920
Net Cash Provided by Operations	140,177	110,700
Cash Flows from Investing Activities:		
Capital expenditures	(60,306)	(87,068)
Proceeds from sale of property and equipment	83	2,287
Insurance proceeds	1,900	--
Purchase of short-term investments	(66,897)	--
Notes receivable, net	(701)	(163)
Net Cash Used by Investing Activities	(125,921)	(84,944)
Cash Flows from Financing Activities:		
(Repayments of) Proceeds from notes payable	(227,512)	77,019
Proceeds from long-term obligations	225,887	--
Repayments of long-term obligations	(1,539)	(308)
Dividends paid	(34,929)	(34,693)
Credit facility costs	(1,216)	(299)
Proceeds from stock option exercises	28,810	18,319
Purchase of treasury stock	--	(52,884)
Excess tax benefit from exercise of stock options	4,575	3,802
Net Cash (Used) Provided by Financing Activities	(5,924)	10,956
Effect of Exchange Rate Changes on Cash	(16,284)	(5,285)
Net (Decrease) Increase in Cash and Equivalents	(7,952)	31,427
Cash and Equivalents at Beginning of Period	399,762	309,861
Cash and Equivalents at End of Period	\$ 391,810	\$ 341,288

See accompanying Unaudited Notes to Condensed Consolidated Financial Statements.

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AptarGroup, Inc.

Notes to Condensed Consolidated Financial Statements

(Amounts in Thousands, Except per Share Amounts, or as Otherwise Indicated)

(Unaudited)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying Unaudited Condensed Consolidated Financial Statements include the accounts of AptarGroup, Inc. and our subsidiaries. The terms "AptarGroup" or "Company" as used herein refer to AptarGroup, Inc. and our subsidiaries. All significant intercompany accounts and transactions have been eliminated. Certain previously reported amounts have been reclassified to conform to the current period presentation.

In the opinion of management, the Unaudited Condensed Consolidated Financial Statements include all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of consolidated financial position, results of operations, comprehensive income, changes in equity and cash flows for the interim periods presented. The accompanying Unaudited Condensed Consolidated Financial Statements have been prepared by the Company, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures made are adequate to make the information presented not misleading. Also, certain financial position data included herein was derived from the Audited Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 but does not include all disclosures required by GAAP. Accordingly, these Unaudited Condensed Consolidated Financial Statements and related notes should be read in conjunction with the Audited Consolidated Financial Statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014. The results of operations of any interim period are not necessarily indicative of the results that may be expected for the year.

CHANGE IN ACCOUNTING PRINCIPLE

During the quarter, the Company changed its inventory valuation method for certain operating entities in its North American business to the first-in first-out (FIFO) method from the last-in first-out (LIFO) method. Prior to the change, the Company utilized two methods of inventory costing: LIFO for inventories in these operating entities and FIFO for inventories in other operating entities. The Company believes that the FIFO method is preferable as it better reflects the current value of inventory on the Company's Condensed Consolidated Balance Sheet, provides better matching of revenues and expenses, results in uniformity across the Company's global operations with respect to the method of inventory accounting and improves comparability with the Company's peers. The cumulative pre-tax effect of this change is \$7.4 million. We have determined that this change is not material to the Company's previously issued financial statements and that the cumulative effect of the change is not material to current operations or to the trend of reported results of operations. Therefore, we conclude it was appropriate to recognize the cumulative effect of the change as an operating item in the current period's Condensed Consolidated Statement of Income and not to adopt the change by retrospective application.

ADOPTION OF RECENT ACCOUNTING PRONOUNCEMENTS

Changes to GAAP are established by the Financial Accounting Standards Board ("FASB") in the form of accounting standards updates to the FASB's Accounting Standards Codification. During the first six months of 2015, there have been no developments to the recently adopted accounting pronouncements from those disclosed in the Company's 2014 Annual Report on Form 10-K that are considered to have a material impact on our Unaudited Condensed Consolidated Financial Statements. Other accounting standards that have been issued by the FASB or other standards-setting bodies but are not yet effective are discussed in Management's Discussion and Analysis of Financial Condition and Results of Operations.

SHORT TERM INVESTMENTS

Short term investments reflect funds invested in a time deposit instrument with a two-year maturity. However, during the life of the investment the funds can be redeemed at any time with a 35-90 day notice. There are no penalties for early redemption. We do not consider this investment a marketable security as there is no active market for this type of product.

INCOME TAXES

The Company computes taxes on income in accordance with the tax rules and regulations of the many taxing authorities where income is earned. The income tax rates imposed by these taxing authorities may vary substantially. Taxable income may differ from pre-tax income for financial accounting purposes. To the extent that these differences create differences between the tax basis of an asset or liability and our reported amount in the financial statements, an appropriate provision for deferred income taxes is made.

In our determination of which foreign earnings are permanently reinvested in foreign operations, the Company considers numerous factors, including the financial requirements of the U.S. parent company and those of our foreign subsidiaries, the U.S. funding needs for dividend payments and stock repurchases, and the tax consequences of remitting earnings to the U.S. From this analysis, current year repatriation decisions are made in an attempt to provide a proper mix of debt and shareholder capital both within the U.S. and for non-U.S. operations. The Company's policy is to permanently reinvest our accumulated foreign earnings and the Company will only make a distribution out of current year earnings to meet the cash needs at the parent company. As such, the Company does not provide for taxes on earnings that are deemed to be permanently reinvested. Since no distribution to the U.S. of foreign earnings is expected in 2015, the effective tax rate for 2015 includes no tax cost of repatriation.

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The Company provides a liability for the amount of tax benefits realized from uncertain tax positions. This liability is provided whenever the Company determines that a tax benefit will not meet a more-likely-than-not threshold for recognition. See Note 4 of the Unaudited Notes to the Condensed Consolidated Financial Statements for more information.

NOTE 2 - INVENTORIES

At December 31, 2014, approximately 19% of the total inventories were accounted for by the LIFO method. Inventories, by component, consisted of:

	June 30, 2015	December 31, 2014
Raw materials	\$ 100,872	\$ 108,618
Work in process	97,426	94,414
Finished goods	116,880	115,809
Total	315,178	318,841
Less LIFO reserve	--	(7,769)
Total	\$ 315,178	\$ 311,072

As discussed in Note 1 above, the Company changed its inventory valuation method for certain operating entities in its North American business to the first-in first-out (FIFO) method from the last-in first-out (LIFO) method during the current quarter. Had this change not been implemented, the Company would have reported a LIFO reserve for the current quarter ended June 30, 2015 of \$6,879 as compared to \$7,427 for the quarter ended March 31, 2015 and \$7,769 for the fiscal year ended December 31, 2014.

NOTE 3 - GOODWILL AND OTHER INTANGIBLE ASSETS

The changes in the carrying amount of goodwill since December 31, 2014 are as follows by reporting segment:

	Beauty + Home	Pharma	Food + Beverage	Corporate & Other	Total
Balance as of December 31, 2014					
Goodwill	\$ 171,149	\$ 141,592	\$ 17,000	\$ 1,615	\$ 331,356
Accumulated impairment losses	--	--	--	(1,615)	(1,615)
	\$ 171,149	\$ 141,592	\$ 17,000	\$ --	\$ 329,741
Foreign currency exchange effects	(3,947)	(8,799)	(515)	--	(13,261)
Balance as of June 30, 2015					
Goodwill	\$ 167,202	\$ 132,793	\$ 16,485	\$ 1,615	\$ 318,095

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Accumulated impairment losses	--	--	--	(1,615)	(1,615)
	\$ 167,202	\$ 132,793	\$ 16,485	\$ --	\$ 316,480

The table below shows a summary of intangible assets as of June 30, 2015 and December 31, 2014.

	Weighted Average Amortization Period (Years)	June 30, 2015			December 31, 2014		
		Gross Carrying Amount	Accumulated Amortization	Net Value	Gross Carrying Amount	Accumulated Amortization	Net Value
Amortized intangible assets:							
Patents	7	\$ 15,743	\$ (15,711)	\$ 32	\$ 17,001	\$ (16,852)	\$ 149
Acquired Technology	15	32,891	(7,675)	25,216	35,701	(5,950)	29,751
License agreements and other	5	31,056	(20,214)	10,842	32,804	(22,659)	10,145
Total intangible assets	9	\$ 79,690	\$ (43,600)	\$ 36,090	\$ 85,506	\$ (45,461)	\$ 40,045

Aggregate amortization expense for the intangible assets above for the quarters ended June 30, 2015 and 2014 was \$1,085 and \$1,369, respectively. Aggregate amortization expense for the intangible assets above for the six months ended June 30, 2015 and 2014 was \$2,166 and \$2,767, respectively.

Future estimated amortization expense for the years ending December 31 is as follows:

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2015	\$	2,055	(remaining estimated amortization for 2015)
2016		3,743	
2017		3,317	
2018		3,317	
2019 and thereafter		23,658	

Future amortization expense may fluctuate depending on changes in foreign currency rates. The estimates for amortization expense noted above are based upon foreign exchange rates as of June 30, 2015.

NOTE 4 INCOME TAX UNCERTAINTIES

The Company had approximately \$5.7 and \$6.4 million recorded for income tax uncertainties as of June 30, 2015 and December 31, 2014, respectively. The \$0.7 million decrease in income tax uncertainties was primarily due to the settlement of a tax audit in Italy as well as changes in foreign currency rates. The amount, if recognized, that would impact the effective tax rate is \$5.5 and \$6.3 million, respectively. The Company estimates that it is reasonably possible that the liability for uncertain tax positions will decrease by no more than \$5.1 million in the next twelve months from the resolution of various uncertain positions as a result of the completion of tax audits, litigation and the expiration of the statute of limitations in various jurisdictions.

NOTE 5 LONG TERM OBLIGATIONS

In December 2014, we executed a \$475 million private placement to take advantage of low long-term interest rates. At that time, we closed on \$250 million of the private placement to fund our ASR program (see Note 11). This closing consisted of two maturity tranches, with \$125 million of 9 year notes at an interest rate of 3.49% and \$125 million of 11 year notes at an interest rate of 3.61%. We closed on the remaining \$225 million of the private placement in February, 2015, consisting of \$100 million of 9 year notes at an interest rate of 3.49% and \$125 million of 11 year notes at an interest rate of 3.61%. The proceeds from this closing were used to pay down the existing revolving line of credit.

The Company's long-term obligations consisted of the following:

	June 30, 2015	December 31, 2014
Notes payable 0.61% - 27.26%, due in monthly and annual installments through 2027	\$ 4,244	\$ 5,160
Senior unsecured notes 2.3%, due in 2015	16,000	16,000
Senior unsecured notes 6.0%, due in 2016	50,000	50,000
Senior unsecured notes 6.0%, due in 2018	75,000	75,000
Senior unsecured notes 3.8%, due in 2020	84,000	84,000
Senior unsecured notes 3.2%, due in 2022	75,000	75,000
Senior unsecured notes 3.5%, due in 2023	125,000	125,000
Senior unsecured notes 3.4%, due in 2024	50,000	50,000
Senior unsecured notes 3.5%, due in 2024	100,000	--
Senior unsecured notes 3.6%, due in 2025	125,000	125,000
Senior unsecured notes 3.6%, due in 2026	125,000	--

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Capital lease obligations		1,885		2,424
		831,129		607,584
Current maturities of long-term obligations		(18,122)		(18,692)
Total long-term obligations	\$	813,007	\$	588,892

Aggregate long-term maturities, excluding capital lease obligations, due annually for the five years beginning in 2015 are \$17,769, \$50,391, \$392, \$75,342, \$189 and \$685,161 thereafter.

NOTE 6 - RETIREMENT AND DEFERRED COMPENSATION PLANS

Components of Net Periodic Benefit Cost:

Three months ended June 30,	Domestic Plans		Foreign Plans	
	2015	2014	2015	2014
Service cost	\$ 2,504	\$ 2,010	\$ 1,139	\$ 1,081
Interest cost	1,589	1,482	412	699
Expected return on plan assets	(1,897)	(1,646)	(447)	(510)
Amortization of net loss	1,351	717	418	313
Amortization of prior service cost	--	--	64	80
Net periodic benefit cost	\$ 3,547	\$ 2,563	\$ 1,586	\$ 1,663

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Six months ended June 30,	Domestic Plans		Foreign Plans	
	2015	2014	2015	2014
Service cost	\$ 5,008	\$ 4,021	\$ 2,299	\$ 2,160
Interest cost	3,178	2,964	832	1,398
Expected return on plan assets	(3,795)	(3,292)	(902)	(1,020)
Amortization of net loss	2,702	1,434	843	626
Amortization of prior service cost	--	--	129	161
Net periodic benefit cost	\$ 7,093	\$ 5,127	\$ 3,201	\$ 3,325

EMPLOYER CONTRIBUTIONS

Although the Company has no minimum funding requirement, we plan to contribute approximately \$10 million to our domestic defined benefit plans in 2015. No 2015 contributions were made as of June 30, 2015. The Company also expects to contribute approximately \$12.6 million to our foreign defined benefit plans in 2015, and as of June 30, 2015, we have contributed approximately \$1.0 million.

NOTE 7 ACCUMULATED OTHER COMPREHENSIVE INCOME**Changes in Accumulated Other Comprehensive Income by Component:**

	Foreign Currency	Defined Benefit Pension Plans	Other	Total
Balance December 31, 2013	\$ 149,965	\$ (40,093)	\$ (121)	\$ 109,751
Other comprehensive loss before reclassifications	(4,252)	--	--	(4,252)
Amounts reclassified from accumulated other comprehensive income	(340)	1,435	12	1,107
Net current-period other comprehensive (loss) income	(4,592)	1,435	12	(3,145)
Balance - June 30, 2014	\$ 145,373	\$ (38,658)	\$ (109)	\$ 106,606
Balance December 31, 2014	\$ (42,851)	\$ (67,097)	\$ (97)	\$ (110,045)
Other comprehensive loss before reclassifications	(94,147)	--	--	(94,147)
Amounts reclassified from accumulated other comprehensive income	--	2,342	13	2,355
Net current-period other comprehensive (loss) income	(94,147)	2,342	13	(91,792)
Balance - June 30, 2015	\$ (136,998)	\$ (64,755)	\$ (84)	\$ (201,837)

Reclassifications Out of Accumulated Other Comprehensive Income:

Details about Accumulated Other Comprehensive Income Components	Amount Reclassified from Accumulated Other Comprehensive Income		Affected Line in the Statement Where Net Income is Presented
	2015	2014	
Defined Benefit Pension Plans			
Amortization of net loss	\$ 1,769	\$ 1,030	(a)
Amortization of prior service cost	64	80	(a)
	1,833	1,110	Total before tax
	(660)	(393)	Tax benefit
	\$ 1,173	\$ 717	Net of tax

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Other				
Changes in treasury locks		9		10 Interest Expense
		9		10 Total before tax
		(2)		(4) Tax benefit
	\$	7	\$	6 Net of tax
Total reclassifications for the period	\$	1,180	\$	723

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(a) These accumulated other comprehensive income components are included in the computation of net periodic benefit costs, net of tax (see Note 6 Retirement and Deferred Compensation Plans for additional details).

Details about Accumulated Other Comprehensive Income Components Six months ended June 30,	Amount Reclassified from Accumulated Other Comprehensive Income		Affected Line in the Statement Where Net Income is Presented
	2015	2014	
Defined Benefit Pension Plans			
Amortization of net loss	\$ 3,545	\$ 2,060	(b)
Amortization of prior service cost	129	161	(b)
	3,674	2,221	Total before tax
	(1,332)	(786)	Tax benefit
	\$ 2,342	\$ 1,435	Net of tax
Foreign Currency			