UNI MARTS INC
Form 10-Q
May 22, 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----------------April 5, 2001------------

[ ] 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-----------------------1-11556--------------------

UNI-MARTS, INC.
(Exact name of registrant as specified in its charter)

Delaware	25-1311379
(State or other jurisdiction of incorporation or organization)	(I.R.S.Employer Identification No.)
477 East Beaver Avenue, State College, PA	16801-5690
(Address of principal executive offices)	(Zip Code)

(814) 234-6000
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report.)

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 -----

7,060,502 Common Shares were outstanding at May 11, 2001.

This Document Contains 21 Pages.

UNI-MARTS, INC. AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

UNI-MARTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	April 5, 2001	September 30, 2000
ASSETS		
CURRENT ASSETS:		
Cash	$ 3,749,021	$ 7,881,674
Accounts receivable - less allowances of $217,600 and $226,200	4,554,166	6,106,062
Inventories	17,265,552	16,235,721
Prepaid and current deferred taxes	1,849,418	1,856,208
Property held for sale	1,426,495	1,603,421
Prepaid expenses and other	792,743	1,204,554
Loan due from officer - current portion	60,000	60,000
TOTAL CURRENT ASSETS	29,697,395	34,947,640
PROPERTY, EQUIPMENT AND IMPROVEMENTS - at cost, less accumulated depreciation and amortization of $56,759,700 and $53,681,900	103,806,160	100,701,217
LOAN DUE FROM OFFICER	420,000	420,291
NET INTANGIBLE AND OTHER ASSETS	7,946,329	8,168,366
TOTAL ASSETS	$141,869,884	$144,237,514

(Continued)

UNI-MARTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(CONTINUED)

	April 5, 2001	September 30, 2000
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 12,977,386	$ 18,400,556
Gas taxes payable	3,526,110	3,399,429
Accrued expenses	6,716,286	7,028,709
Current maturities of long-term debt	2,224,035	2,232,728
Current obligations under capital leases	388,484	385,918
TOTAL CURRENT LIABILITIES	25,832,301	31,447,340
LONG-TERM DEBT, less current maturities	79,021,636	74,219,620
OBLIGATIONS UNDER CAPITAL LEASES, less current maturities	543,947	786,205
DEFERRED TAXES	2,592,400	2,956,300
DEFERRED INCOME AND OTHER LIABILITIES	5,551,136	5,859,928
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Common Stock, par value $.10 per share: Authorized 15,000,000 shares Issued 7,386,183 and 7,361,123 shares, respectively	738,618	736,112
Additional paid-in capital	23,838,279	23,816,387
Retained earnings	5,820,864	6,527,095
	30,397,761	31,079,594
Less treasury stock, at cost - 325,681 and 333,714 shares of Common Stock, respectively	(2,069,297)	(2,111,473)
	28,328,464	28,968,121
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$141,869,884	$144,237,514

See notes to consolidated financial statements

UNI-MARTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	QUARTER ENDED		TWO QUARTERS ENDED	
	April 5, 2001	March 30, 2000	April 5, 2001	March 30, 2000
REVENUES:				
Merchandise sales	$47,119,013	$35,406,199	$ 97,600,849	$ 71,898,832
Gasoline sales	49,242,127	32,566,295	107,701,249	66,044,921
Other income	391,676	661,693	1,068,609	931,669
	96,752,816	68,634,187	206,370,707	138,875,422
COSTS AND EXPENSES:				
Cost of sales	76,419,521	53,310,333	162,770,731	107,089,711
Selling	16,375,591	12,347,415	33,070,445	24,422,519
General and administrative	1,735,744	1,608,790	3,606,637	3,161,861
Depreciation and amortization	2,031,302	1,446,614	4,008,663	2,878,718
Interest	2,048,259	984,198	3,984,362	1,912,408
	98,610,417	69,697,350	207,440,838	139,465,217
LOSS BEFORE INCOME TAXES	(1,857,601)	(1,063,163)	(1,070,131)	(589,795)
INCOME TAX BENEFIT	(631,500)	(318,900)	(363,900)	(176,900)
NET LOSS	($ 1,226,101)	($ 744,263)	($ 706,231)	($ 412,895)
NET LOSS PER SHARE	($ 0.17)	($ 0.11)	($ 0.10)	($ 0.06)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	7,049,325	6,982,280	7,042,643	6,962,618

See notes to consolidated financial statements

UNI-MARTS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	TWO QUARTERS ENDED April 5, 2001	TWO QUARTERS ENDED March 30, 2000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and others	$207,515,187	$137,299,458
Cash paid to suppliers and employees	(205,050,740)	(136,423,702)
Dividends and interest received	43,443	38,405
Interest paid (net of capitalized interest of $263,800 and $0)	(4,392,017)	(1,790,370)
Income taxes received	6,790	31,693
NET CASH USED IN OPERATING ACTIVITIES	(1,877,337)	(844,516)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Receipts from sale of capital assets	328,804	425,073
Purchase of property, equipment and improvements	(7,001,402)	(3,093,957)
Note receivable from officer	291	0
Cash advanced for intangible and other assets	(72,406)	(61,318)
Cash received for intangible and other assets	31,017	542,384
NET CASH USED IN INVESTING ACTIVITIES	(6,713,696)	(2,187,818)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowing on revolving credit agreement	2,004,651	1,200,000
Additional long-term borrowings	3,999,063	1,333,658
Principal payments on debt	(1,554,397)	(681,039)
Proceeds from issuance of common stock	9,063	2,294
NET CASH PROVIDED BY FINANCING ACTIVITIES	4,458,380	1,854,913
NET DECREASE IN CASH	(4,132,653)	(1,177,421)
CASH:		
Beginning of period	7,881,674	1,944,358
End of period	$ 3,749,021	$ 766,937

UNI-MARTS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(CONTINUED)

	TWO QUARTERS ENDED	
	April 5, 2001	March 30, 2000
RECONCILIATION OF NET LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
NET LOSS	($ 706,231)	($ 412,895)
ADJUSTMENTS TO RECONCILE NET LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Depreciation and amortization	4,008,663	2,878,718
Loss on sale of capital assets and other	161,169	106,109
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	1,551,896	(1,285,043)
Inventories	(1,029,831)	(87,806)
Prepaid expenses	411,811	(130,622)
Increase (decrease) in:		
Accounts payable and accrued expenses	(5,608,912)	(1,356,045)
Deferred income taxes and other liabilities	(665,902)	(556,932)
TOTAL ADJUSTMENTS TO NET LOSS	(1,171,106)	(431,621)
NET CASH USED IN OPERATING ACTIVITIES	($1,877,337)	($ 844,516)

See notes to consolidated financial statements

UNI-MARTS, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

A. FINANCIAL STATEMENTS:

The consolidated balance sheet as of April 5, 2001, the consolidated statements of operations and the consolidated statements of cash flows for the quarter ended and two quarters ended April 5, 2001 and March 30, 2000, respectively, have been prepared by Uni-Marts, Inc. (the "Company") without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position of the Company at April 5, 2001 and the results of operations and cash flows for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2000. Certain reclassifications have been made to the September 30, 2000 financial statements to conform to classifications used in fiscal year 2001. The results of operations for the interim periods are not necessarily indicative of the results to be obtained for the full year.

B. BUSINESS ACQUISITION:

In the Company's fiscal year 2000, pursuant to an asset purchase agreement, the Company purchased the operating assets of Orloski Service Station, Inc. and its owners (collectively "OSSI") for approximately $42.7 million in cash. The transaction was accounted for as a purchase, and accordingly, operations of the acquired OSSI assets are included in the consolidated financial statements from the date of acquisition.

The following table summarizes, on an unaudited pro forma basis, the estimated combined statement of operations for the two quarters ended March 30, 2000 as though the acquisition took place on October 1, 1999. This pro forma information does not purport to be indicative of the results of operations that would actually have been obtained if the acquisition had been effective on the date indicated.

	Two Quarters Ended March 30, 2000
Revenues	$182,727,000
Loss before income taxes	($ 640,000)
Net loss	($ 384,000)
Pro forma loss per share	($ 0.05)

C. INTANGIBLE AND OTHER ASSETS:

Intangible and other assets consist of the following:

	April 5, 2001	September 30, 2000
Goodwill	$8,874,157	$8,874,157
Lease acquisition costs	439,153	439,153
Noncompete agreements	250,000	250,000
Other intangible assets	162,310	175,395
	9,725,620	9,738,705
Less accumulated amortization	2,833,348	2,601,107
	6,892,272	7,137,598
Other assets	1,054,057	1,030,768
	$7,946,329	$8,168,366

Goodwill represents the excess of costs over the fair value of net assets acquired in business combinations and is amortized on a straight-line basis over periods of 13 to 40 years. Lease acquisition costs are the bargain element of acquired leases and are being amortized on a straight-line basis over the related lease terms. It is the Company's policy to periodically review and evaluate the recoverability of the intangible assets by assessing current and future profitability and cash flows and to determine whether the amortization of the balances over their remaining lives can be recovered through expected future results and cash flows.

D. REVOLVING CREDIT AGREEMENT:

On April 20, 2000, the Company executed a 3-year secured $10.0 million revolving loan agreement (the "Agreement") with $3.5 million available for letters of credit. During the second quarter of fiscal year 2001, the Company amended the Agreement to increase the total credit line to $13.0 million, with $3.5 million available for letters of credit, and amend certain financial covenants. Provisions of the Agreement require the maintenance of certain covenants relating to minimum tangible net worth, interest and fixed charge coverage ratios. Under the amended Agreement, the Company was in compliance with these covenants as of April 5, 2001. At April 5, 2001, $6.9 million was available for borrowings under the Agreement. This Agreement expires on April 19, 2003. Borrowings of $3.1 million and letters of credit of $3.0 million were outstanding at April 5, 2001. This facility bears interest at the Company's option based on a rate of either prime plus 1.0% or LIBOR plus 3.0%. The interest rate at April 5, 2001 was 9.0%. The Agreement is collateralized by substantially all of the Company's eligible inventories and eligible receivables and selected properties. The net book value of these selected properties at April 5, 2001 was $2,496,300.

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E. LONG-TERM DEBT:

	April 5, 2001	September 30, 2000
Mortgage Loan. Principal and interest will be paid in 209 monthly installments. At April 5, 2001, the coupon rate was 9.08% and the effective interest rate was 10.25%, net of unamortized fees of $1,394,176 ($1,425,995 in 2000).	$32,614,259	$33,047,242
Mortgage Loan. Principal and interest will be paid in 230 monthly installments. The loan bears interest at LIBOR plus 3.75%. At April 5, 2001, the coupon rate was 9.33% and the effective interest rate was 10.10%, net of unamortized fees of $420,716 ($437,653 in 2000).	21,597,338	21,804,203
Mortgage Loan. Principal and interest will be paid in 230 monthly installments. At April 5, 2001, the coupon rate was 10.39% and the effective interest rate was 11.25%, net of unamortized fees of $130,099 ($135,298 in 2000).	6,670,676	6,729,704
Mortgage Loans. Principal and interest are paid in monthly installments. The loans expire in 2009, 2010, 2020 and 2021. Interest ranges from the prime rate to LIBOR plus 3.75%. At April 5, 2001, the blended coupon rate was 9.36% and the effective interest rate was 10.01%, net of unamortized fees of $118,651 ($0 in 2000).	6,796,482	3,466,311
Revolving Credit Agreement. Interest is paid monthly. The interest rate at April 5, 2001 was 9.00%. (See Note D)	3,148,053	1,143,402
Equipment Loans. Principal and interest will be paid in monthly installments. The loans expire in 2010 and 2011 and bear interest at LIBOR plus 3.75%. At April 5, 2001, the coupon rate was 9.33% and the effective interest rate was 10.16%, net of unamortized fees of $178,444 ($176,414 in 2000).	9,327,103	9,028,276
Equipment Loan. Principal and interest will be paid in 111 monthly installments. The loan expires in 2010. At April 5, 2001, the coupon rate was 10.73% and the effective interest rate was 11.81%, net of unamortized fees of $18,919 ($20,713 in 2000).	1,021,841	1,058,413
Equipment Loans. Principal and interest are paid in monthly installments. The loan expires in 2001 and bears interest at a rate of 10.00%.	69,919	174,797
	81,245,671	76,452,348
Less current maturities	2,224,035	2,232,728
	$79,021,636	$74,219,620

E. LONG TERM DEBT (CONTINUED):

The mortgage loans are collateralized by $69,217,900 of property at net book value, and the equipment loans are collateralized by $5,754,600 of equipment, at net book value.

F. CONTINGENCIES:

Litigation -- The Company is involved in litigation and other legal matters which have arisen in the normal course of business. Although the ultimate results of these matters are not currently determinable, management does not expect that they will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

ITEM 2.

UNI-MARTS, INC. AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Set forth below are selected unaudited consolidated financial data of the Company for the periods indicated:

	QUARTER ENDED		TWO QUARTERS ENDED	
	April 5, 2001	March 30, 2000	April 5, 2001	March 30, 2000
Revenues:				
Merchandise sales	48.7%	51.6%	47.3%	51.8%
Gasoline sales	50.9	47.4	52.2	47.5
Other income	0.4	1.0	0.5	0.7
Total revenues	100.0	100.0	100.0	100.0
Cost of sales	79.0	77.7	78.9	77.1
Gross profit:				
Merchandise (as a percentage of merchandise sales)	32.4	33.1	32.8	33.7
Gasoline (as a percentage of gasoline sales)	9.5	9.0	9.8	10.0
Total gross profit	21.0	22.3	21.1	22.9
Costs and expenses:				
Selling	16.9	18.0	16.0	17.6
General and administrative	1.8	2.3	1.7	2.3
Depreciation and amortization	2.1	2.1	2.0	2.0
Interest	2.1	1.4	1.9	1.4
Total expenses	22.9	23.8	21.6	23.3

Loss before income taxes	(1.9)	(1.5)	(0.5)	(0.4)
Income tax benefit	(0.7)	(0.4)	(0.2)	(0.1)
Net loss	(1.2)%	(1.1)%	(0.3)%	(0.3)%

OPERATING DATA (RETAIL LOCATIONS ONLY):				
Average, per store, for stores open two full comparable periods:				
Merchandise sales	$ 148,418	$ 141,810	$ 300,373	$ 293,378
Gasoline sales	$ 179,608	$ 173,335	$ 390,440	$ 358,762
Gallons of gasoline sold	149,325	148,916	314,558	323,697
Total gallons of gasoline sold	41,036,492	27,963,860	86,673,643	59,548,712
Gross profit per gallon of gasoline	$ 0.114	$ 0.105	$ 0.122	$ 0.111
STORE INFORMATION:				
Company-operated stores	292	246	292	246
Franchisee-operated stores	7	8	7	8
Locations with self-service gasoline	237	193	237	193

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RESULTS OF OPERATIONS:

Matters discussed below should be read in conjunction with "Operating Data (Retail Locations Only)" on the preceding page. Certain statements contained in this report are forward looking, such as statements regarding the Company's plans and strategies or future financial performance. Although the Company believes that its expectations are based on reasonable assumptions within the bounds of its knowledge, investors and prospective investors are cautioned that such statements are only projections and that actual events or results may differ materially from those expressed in any such forward-looking statements. In addition to the factors discussed elsewhere in this report, the Company's actual consolidated quarterly or annual operating results have been affected in the past, or could be affected in the future, by additional factors, including, without limitation, general economic, business and market conditions; environmental, tax and tobacco legislation or regulation; volatility of gasoline prices, margins and supplies; merchandising margins; customer traffic; weather conditions; labor costs and the level of capital expenditures.

BUSINESS ACQUISITION

On April 21, 2000, the Company acquired the operating assets and business of Orloski Service Station, Inc. and its affiliates (collectively "OSSI"). OSSI operated a chain of 43 convenience stores in northeastern Pennsylvania. The acquisition has had a significant impact on levels of revenues and expenses in the quarter ended April 5, 2001 in comparison to the quarter ended March 30, 2000 and the two-quarter periods ending on the same dates. Total revenues generated by these locations were $20.2 million and $45.3 million for the quarter ended April 5, 2001 and two quarters ended April, 5, 2001, respectively. Gross profits were $4.7 million for the second fiscal quarter and $10.1 million for the six months ended April 5, 2001.

QUARTERS ENDED APRIL 5, 2001 AND MARCH 30, 2000

Total revenues in the Company's second fiscal quarter ended April 5, 2001 were $96.8 million compared to total revenues of $68.6 million in the quarter ended March 30, 2000, an increase of $28.1 million, or 41.0%. Merchandise sales increased $11.7 million, or 33.1%, to $47.1 million, compared to merchandise sales of $35.4 million in the second quarter of fiscal year 2000. Additional stores in operation as a result of the Company's April 21, 2000 acquisition of 43 convenience stores, and a 4.7% increase in merchandise sales at stores open during both periods, contributed to the merchandise sales growth. For the second quarter of fiscal year 2001, gasoline sales increased $16.7 million, or 51.2%, to $49.2 million, compared to $32.6 million in the second quarter of fiscal year 2000. While gasoline gallons sold at stores open during both periods were unchanged, total gasoline gallons sold increased by 13.1 million during the quarter. These sales increases were primarily the result of the operation of a larger store base, and a $0.04 increase in the average retail price of gasoline sold during the second quarter of fiscal year 2001. Sales of gasoline and merchandise during the second fiscal quarter were also affected by the harsher than normal weather conditions in the Northeast and the slower economy.

Gross profits on merchandise sales in the quarter ended April 5, 2001 were $15.2 million, an increase of $3.5 million, or 30.0%, over gross profits of $11.7 million in the quarter ended March 30, 2000. This resulted from increased merchandise sales. Gross profit on merchandise sales as a percentage of merchandise sales, however, decreased from 33.1% to 32.4% due to competitive pressures on margins. Gross profits from gasoline sales

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grew by $1.8 million, or 59.8%, to $4.7 million in the second quarter of fiscal year 2001 from $2.9 million for the same period of fiscal 2000. The gross profit increase is primarily due to an additional 13.1 million gallons of gasoline sold and a slightly higher gross profit rate per gallon.

Selling expenses were $16.4 million in the quarter ended April 5, 2001 compared to $12.3 million in the quarter ended March 30, 2000, an increase of$4.0 million, or 32.6%, due primarily to the additional stores in operation. General and administrative expense increased by $127,000, or 7.9%, due to higher staffing levels as well as pay increases granted at the beginning of fiscal year 2001. Depreciation and amortization increased by $585,000, or 40.4%, due to an additional 45 stores in operation, store remodels and gasoline facility upgrades. Interest expense increased by $1.1 million due to higher borrowing levels from financing the April 2000 acquisition and new store construction.

The loss before income tax benefit in the quarter ended April 5, 2001 was $1.9 million compared to a loss before income tax benefit of $1.1 million for the quarter ended March 30, 2000. The income tax benefit of these losses was $632,000 in fiscal year 2001 and $319,000 in fiscal year 2000. The net loss for the second quarter of fiscal year 2001 was $1.2 million, or $0.17 per share, compared to a net loss of $744,000, or $0.11 per share, for the second quarter of fiscal year 2000.

TWO QUARTERS ENDED APRIL 5, 2001 AND MARCH 30, 2000

Total revenues in the first two quarters of fiscal year 2001 were $206.4 million compared to total revenues of $138.9 million in the first two quarters of fiscal year 2000, an increase of $67.5 million, or 48.6%.

Merchandise sales were $97.6 million and $71.9 million for the same respective periods, an increase of $25.7 million, or 35.7%. This increase is primarily due to the addition of 43 acquired and 2 newly constructed stores. A 2.4% increase in merchandise sales at stores open during both periods also contributed to the merchandise sales growth. Gasoline sales grew by $41.7 million, or 63.1%, to $107.7 million in the two quarters ended April 5, 2001 compared to gasoline sales of $66.0 million in the two quarters ended March 30, 2000. This increase is also largely due to sales from a higher number of stores in operation as well as a $0.13 increase in the average retail selling price per gallon of gasoline. For the first two quarters of fiscal year 2001, total gasoline gallons sold increased by 27.1 million, while gasoline gallons sold at stores open both periods declined by 2.8%.

Gross profits on merchandise sales grew by $7.7 million, or 31.9%, reflecting profits on the additional merchandise sales, offset by a lower gross profit percentage. Gross profits on gasoline sales increased by $3.9 million, or 59.7%, due to the sale of an additional 27.1 million gallons of gasoline as well as a $0.01 per gallon increase in the gross profit rate.

Selling expenses increased by $8.6 million, or 35.4%, in the first two quarters of fiscal year 2001 compared to the same period of fiscal year 2000 due to the increased number of stores in operation. General and administrative expense increased by $445,000, or 14.1%, due to additional staffing, higher salary levels and incentive programs. Depreciation and amortization increased by $1.1 million, or 39.3%, due to the additional stores acquired and constructed in the prior 12-month period. Interest expense increased by $2.1 million due primarily to higher borrowing levels from acquisition and construction financing.

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The Company incurred a loss before income tax benefit of $1.1 million in the first two quarters of fiscal year 2001 compared to a loss before income tax benefit of $590,000 in the first two quarters of fiscal year 2000. The income tax benefit of those losses was $364,000 and $177,000, respectively. The net loss for the two quarters ended April 5, 2001 was $706,000, or $0.10 per share, compared to a net loss of $413,000, or $0.06 per share, for the two quarters ended March 30, 2000. Poor weather conditions throughout the Northeast combined with a declining economy during the second fiscal quarter, adversely affected the Company's financial performance for the first six months of fiscal year 2001.

LIQUIDITY AND CAPITAL RESOURCES:

Most of the Company's sales are for cash and its inventory turns over rapidly. As a result, the Company's daily operations do not generally require large amounts of working capital. From time to time, the Company utilizes substantial portions of its cash to acquire and construct new stores and renovate existing locations.

In the first two quarters of fiscal year 2001, the Company had capital expenditures of $7.0 million, including $5.3 million for new store construction and $1.7 million for remodeling and equipping store locations. These expenditures were financed with $4.0 million of secured mortgage and equipment loans and $3.0 million from existing cash balances. Capital requirements for debt service and capital leases for the remaining two quarters of fiscal year 2001 are approximately $1.1 million. The Company also anticipates capital expenditures of $2.0 million during this period for store remodeling and modernization and new store construction. During the second quarter, the Company amended its revolving credit agreement to increase the total credit line to $13.0 million. Management believes that cash from operations and the available credit facilities will be sufficient to meet the Company's obligations for the foreseeable future.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company uses its revolving credit facility and its mortgage and equipment loans to finance a significant portion of its operations and capital expenditures. These on-balance sheet financial instruments, to the extent they provide for variable rates of interest, expose the Company to interest rate risk resulting from changes in the LIBOR or prime rate.

To the extent that the Company's financial instruments expose the Company to interest rate risk, they are presented in the table below. The table presents principal cash flows and related interest rates by year of maturity for the Company's revolving credit facility, mortgage loans and equipment loans at April 5, 2001.

Fiscal Year of Maturity
(dollar amounts in thousands)

	2001	2002	2003	2004	2005	Thereafter	Total Due At Maturit
Interest-rate sensitive assets:							
Noninterest-bearing checking accounts	$3,419	$ 0	$ 0	$ 0	$ 0	$ 0	$ 3,41
Interest-bearing checking accounts	$ 330	$ 0	$ 0	$ 0	$ 0	$ 0	$ 33
Average interest rate	4.45%						4.45
	$3,749						$ 3,74
	0.39%						0.39
Interest-rate sensitive liabilities:							
Variable-rate borrowings	$ 525	$1,457	$4,449	$1,448	$1,612	$29,726	$39,21
Average interest rate	8.82%	8.81%	8.82%	8.80%	8.80%	8.80%	8.80
Fixed-rate borrowings	$ 489	$1,068	$1,123	$1,248	$1,385	$36,716	$42,02
Average interest rate	9.35%	9.35%	9.35%	9.35%	9.35%	9.35%	9.35
	$1,014	$2,525	$5,572	$2,696	$2,997	$66,442	$81,24
	9.09%	9.09%	9.10%	9.10%	9.10%	9.11%	9.11

PART II. OTHER INFORMATION

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

The Annual Meeting of Stockholders of Uni-Marts, Inc. was held on February 22, 2001 at which the following matters were voted upon:

(1) Election of three Class II directors to serve until the Annual Meeting of Stockholders in 2004.

(2) Ratification of the appointment of independent auditors.

The results of the votes on the matters considered at the Annual Meeting of Stockholders are set forth below:

Election of Directors:

	Votes "For"	Votes "Withheld"	Broker Non-Votes
Stephen B. Krumholz	5,386,605	8,116	0
Jack G. Najarian	5,381,150	13,571	0
Anthony S. Regensburg	5,385,940	8,781	0

Class I and Class III directors whose terms of office expire in 2003 and 2002, respectively:

Class I	Class III
Henry D. Sahakian	M. Michael Arjmand
Herbert C. Graves	Frank R. Orloski, Sr.
Gerold C. Shea	Daniel D. Sahakian

Ratification of appointment of independent auditors:

Votes "For"	Votes "Against"	Votes "Abstain"	Broker Non-Votes
5,388,841	4,203	1,677	0

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) EXHIBITS

3.1 Amended and Restated Certificate of Incorporation of the Company (Filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 30, 1995 and incorporated herein by reference thereto).

3.2 By-Laws of the Company (Filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the period ended March 30, 1995 and incorporated herein by reference thereto).

4.1 Form of the Company's Common Stock Certificate (Filed as Exhibit 4.3 to the Company's Quarterly Report on Form 10-Q for the period ended April 1, 1993, File No. 1-11556, and incorporated herein by reference thereto).

10.1 Uni-Marts, Inc. Amended and Restated Equity Compensation Plan (Filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the period ended March 30, 1995 and incorporated herein by reference hereto).

10.2 Uni-Marts, Inc. Retirement Savings & Incentive Plan (Filed as Exhibit 4.2 to the Company's Registration Statement on Form S-8, File No. 33-9807, filed on July 10, 1991, and incorporated herein by reference thereto).

10.3 Form of Indemnification Agreement between Uni-Marts, Inc. and each of its Directors (Filed as Exhibit A to the Company's Definitive Proxy Statement for the February 25, 1988 Annual Meeting of Stockholders, File No. 0-15164, and incorporated herein by reference thereto).

10.4 Uni-Marts, Inc. Deferred Compensation Plan (Filed as Exhibit 10.8 to the Annual Report of Uni-Marts, Inc. on Form 10-K for the year ended September 30, 1990, File No. 0-15164, and incorporated herein by reference thereto).

10.5 Uni-Marts, Inc. Performance Unit Plan (Filed as Exhibit 10.9 to the Annual Report of Uni-Marts, Inc. on Form 10-K for year ended September 30, 1994 and incorporated herein by reference thereto).

10.6 Composite copy of Change in Control Agreements between Uni-Marts, Inc. and its executive officers (Filed as Exhibit 10.10 to the Annual Report of Uni-Marts, Inc. on Form 10-K for the year ended September 30, 1994 and incorporated herein by reference thereto).

10.7 Uni-Marts, Inc. 1996 Equity Compensation Plan (Filed as Exhibit A to the Company's Definitive Proxy Statement for the February 22, 1996 Annual Meeting of Stockholders and incorporated herein by reference thereto).

10.8 Amendment 1998-1 to the Uni-Marts, Inc. Equity Compensation Plan (Filed as Exhibit 10.10 to the Annual Report of Uni-Marts, Inc. on Form 10-K for the year ended September 30, 1998 and incorporated herein by reference thereto).

10.9 Amended and Restated Note between Henry D. Sahakian and Uni-Marts, Inc. dated January 25, 1999 (Filed as Exhibit 10.10 to the Company's Quarterly Report on Form 10-Q for the period ended April 1, 1999 and incorporated herein by reference thereto).

10.10 Loan Agreement between FFCA Acquisition Corporation and Uni-Marts, Inc. dated June 30, 1998 (filed as Exhibit 10.10 to the Company's Quarterly Report on Form 10-Q for the period ended on July 2, 1998 and incorporated herein by reference thereto).

10.11 Uni-Marts, Inc. Employee Stock Purchase Plan (Filed as Exhibit A to the Company's Definitive Proxy Statement for the February 25, 1999 Annual Meeting of Stockholders and incorporated herein by reference thereto).

10.12 Loan Agreement between FFCA Acquisition Corporation and Uni Realty of Wilkes-Barre, L.P. dated April 21, 2000 (Filed as Exhibit 20.1 to the Company's Form 8-K filed on May 8, 2000 and incorporated herein by reference thereto).

10.13 Loan Agreement between FFCA Funding Corporation and Uni Realty of Luzerne, L.P. dated April 21, 2000 (Filed as Exhibit 20.2 to the Company's Form 8-K filed on May 8, 2000 and incorporated herein by reference thereto).

10.14 Equipment Loan Agreement between FFCA Acquisiton Corporation and Uni-Marts, Inc. dated April 21, 2000 (Filed as Exhibit 20.3 to the Company's Form 8-K filed on May 8, 2000 and incorporated herein by reference thereto).

10.15 Equipment Loan Agreement between FFCA Funding Corporation and Uni-Marts, Inc. dated April 21, 2000 (Filed as Exhibit 20.4 to the Company's Form 8-K filed on May 8, 2000 and incorporated herein by reference thereto).

10.16 Revolving Credit Loan Agreement between Provident Bank and Uni-Marts, Inc. dated April 20, 2000 (Filed as Exhibit 10.15 to the Company's Quarterly Report on Form 10-Q for the period ended June 29, 2000 and incorporated herein by reference thereto).

10.17 Amendment to the Revolving Credit Loan Agreement between Provident Bank and the Company dated January 16, 2001.

10.18 Amendment to the Revolving Credit Loan Agreement between Provident Bank and the Company dated March 31, 2001.

11 Statement regarding computation of per share loss.

(b) REPORTS ON FORM 8-K

The Company did not file any reports on Form 8-K during the quarter ended April 5, 2001.

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.

Uni-Marts, Inc

(Registrant)

Date May 21, 2001

/s/ Henry D. Sahakian

Henry D. Sahakian

Chairman of the Board
(Principal Executive Officer)

Date May 21, 2001

/s/ N. Gregory Petrick

N. Gregory Petrick
Executive Vice President and
Chief Financial Officer
(Principal Accounting Officer)
(Principal Financial Officer)

UNI-MARTS, INC. AND SUBSIDIARIES
EXHIBIT INDEX

Number	Description
10.17	Amendment to the Revolving Credit Loan Agreement between Provident Bank and Uni-Marts, Inc. dated January 16, 2001.
10.18	Amendment to the Revolving Credit Loan Agreement between Provident Bank and Uni-Marts, Inc. dated March 31, 2001.
11	Statement regarding computation of per share loss.