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CLARCOR INC  
Form 10-K405  
February 15, 2002

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 10-K

(MARK ONE)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE FISCAL YEAR ENDED DECEMBER 1, 2001

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE TRANSITION PERIOD FROM \_\_\_\_\_  
COMMISSION FILE NUMBER 1-11024

CLARCOR Inc.

-----  
(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of  
incorporation or organization)

36-0922490  
(I.R.S. Employer  
Identification No.)

2323 Sixth Street, P.O. Box 7007, Rockford, Illinois  
(Address of principal executive offices)

61125  
(Zip Code)

Registrant's telephone number, including area code:

815-962-8867

Securities registered pursuant to Section 12(b) of the Act:

TITLE OF EACH CLASS -----	NAME OF EACH EXCHANGE ON WHICH REGISTERED -----
------------------------------	---

Common Stock, par value \$1.00 per share	New York Stock Exchange
Preferred Stock Purchase Rights	

Securities registered pursuant to Section 12(g) of the Act:

None

-----  
(Title of Class)

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 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the

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best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [x]

The aggregate market value (based on the closing price of registrant's Common Stock on February 1, 2002 as reported on the New York Stock Exchange Composite Transactions) of the voting stock held by non-affiliates of the registrant as at January 15, 2002 is \$673,665,916.

The number of outstanding shares of Common Stock as of January 15, 2002 is 24,645,975 shares.

Certain portions of the registrant's 2001 Annual Report to Shareholders are incorporated by reference in Parts I, II and IV. Certain portions of the registrant's Proxy Statement dated February 15, 2002 for the Annual Meeting of Shareholders to be held on March 19, 2002 are incorporated by reference in Part III.

### PART I

#### ITEM 1. DESCRIPTION OF BUSINESS.

##### (a) General Development of Business

CLARCOR Inc. ("CLARCOR") was organized in 1904 as an Illinois corporation and in 1969 was reincorporated in the State of Delaware. As used herein, the "Company" refers to CLARCOR and its subsidiaries unless the context otherwise requires.

The Company's fiscal year ends on the Saturday closest to November 30. For fiscal year 2001 the year ended on December 1, 2001 and included 52 weeks. For fiscal year 2000 the year ended on December 2, 2000 and included 53 weeks. In this Form 10-K, all references to fiscal years are shown to begin on December 1 and end on November 30 for clarity of presentation.

##### (i) Certain Significant Developments.

On June 4, 2001 the Company acquired several filtration management companies for approximately \$33,258,000 in cash. After the acquisition the acquired companies were combined into one company, Total Filtration Services, Inc. ("TFS"). TFS is included in the Industrial/Environmental Filtration segment of the Company's business.

At the time of the acquisition, the acquired companies were engaged in the business of supplying filtration products and equipment and filter maintenance services to large manufacturing facilities including major automobile manufacturing and assembly plants operated in the United States, Canada and Mexico. The acquisition resulted in an increase of approximately \$28,000,000 in the Company's revenues for fiscal 2001.

In addition to the continuation of its existing business, TFS has been made primarily responsible for the operation and development of the Company's "Total Filtration Program." Under the Program, the Company will offer customers the ability to purchase from the Company the filters needed by that customer for its facilities and its manufacturing, transportation and construction equipment. Customers that now purchase a broad range of filter products and services from multiple suppliers will be able, by taking advantage of the Program, to purchase all of their filter requirements through TFS, thereby reducing administrative burdens and uncertainty about filter pricing, availability, delivery, performance and longevity. The Company is confident that it will be able to serve its customers' total filtration needs because it believes that it now

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manufactures and supplies the broadest range of filtration products in the industry. While the Program is in an early stage, several total filtration management contracts were completed late in 2001 and negotiations continue on others. The Company expects that the impact of these contracts will grow over the next several years as these customers' facilities are converted to the Program. In the future, the Total Filtration Program will serve as an added distribution channel for all of the Company's filtration products.

### (ii) Summary of Business Operations.

During 2001, the Company conducted business in three principal industry segments: (1) Engine/Mobile Filtration, (2) Industrial/Environmental Filtration and (3) Packaging.

**Engine/Mobile Filtration.** Engine/Mobile Filtration includes filters for oil, air, fuel, coolants and hydraulic fluids for trucks, automobiles, construction, mining and industrial equipment, locomotives, marine and agricultural equipment.

**Industrial/Environmental Filtration.** Industrial/Environmental Filtration products are used primarily for commercial, residential and industrial applications. The segment's industrial and environmental products include air and antimicrobial treated filters and high efficiency electronic air cleaners for commercial buildings, factories, residential buildings, paint spray booths, gas turbine systems, medical facilities, motor vehicle cabins, clean rooms, compressors and dust collector systems. The segment's process filtration products include specialty filters, industrial process liquid filters, filters for pharmaceutical processes, filtration systems for aircraft refueling, anti-pollution and water recycling, bilge separators and sand control filters for oil and gas drilling.

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**Packaging.** Packaging products include a wide variety of custom styled containers and packaging items used primarily by the food, confectionery, spice, drug, toiletries and chemical specialties industries. The segment's products include lithographed metal containers, flat sheet decorated metal, combination metal and plastic containers, plastic closures and various specialties, such as spools for wire and cable and outer shells for dry cell batteries and film canisters.

### (b) Financial Information About Industry Segments

Business segment information for the fiscal years 1999 through 2001 is included on pages 23 and 24 of the Company's 2001 Annual Report to Shareholders (the "Annual Report"), is incorporated herein by reference and is filed as part of Exhibit 13(a) (vi) to this 2001 Annual Report on Form 10-K ("2001 Form 10-K").

### (c) Narrative Description of the Business

#### ENGINE/MOBILE FILTRATION

The Company's engine/mobile filtration products business is conducted by the following wholly-owned subsidiaries: Baldwin Filters, Inc.; Clark Filter, Inc.; Hastings Filters, Inc.; Baldwin Filters (Aust.) Pty. Ltd.; Baldwin Filters N.V.; and Baldwin Filters Limited. In addition, the Company owns (i) 90% of Filtros Baldwin de Mexico ("FIBAMEX"), (ii) 75% of Baldwin-Weifang Filters Ltd., and (iii) 80% of Baldwin-Unifil S.A.

The companies market a full line of oil, air, fuel, coolant and hydraulic fluid filters. The filters are used in a wide variety of applications and in

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processes where filter efficiency, reliability and durability are essential. Impure air or fluid flow through semi-porous paper, cotton, synthetic, chemical or membrane filter media with varying efficiency filtration characteristics. The impurities on the media are disposed of when the filter is changed. The segment's filters are sold throughout the world, primarily in the replacement market for trucks, automobiles, locomotives, marine, construction, industrial, mining and agricultural equipment. In addition, some first-fit filters are sold to the original equipment market.

### INDUSTRIAL/ENVIRONMENTAL FILTRATION

The Company's industrial/environmental filtration products business is conducted by the following wholly-owned subsidiaries: Airguard Industries, Inc. ("Airguard"); Airklean Engineering Pte. Ltd.; Airguard Asia Sdn. Bhd.; Facet USA, Inc. and related Facet companies in Italy, Spain, the United Kingdom and other European locations ("Facet"); Filter Products, Inc.; Purolator Facet, Inc. ("PFI"); Purolator Products Air Filtration Company ("Purolator"); Total Filtration Services, Inc. ("TFS"); United Air Specialists, Inc.; and United Air Specialists (U.K.) Ltd. The segment's products are sold throughout the world.

The companies market commercial and industrial air filters and systems, electrostatic contamination control equipment and electrostatic high precision spraying equipment. The air filters and systems remove contaminants from recirculated indoor air and from process air which is exhausted outdoors. The products represent a complete line of air cleaners with a wide range of uses for maintaining high quality standards in interior air and exterior pollution control.

Additional products include specialty filters, filtration systems for aircraft refueling, anti-pollution and water recycling, and bilge separators. These products are used in a wide range of applications including commercial, military and general aviation, marine, oil and gas drilling and refining, chemical and pharmaceutical processes, utilities, paper mills and general industry. The filters are used for the process filtration of liquids using a variety of porous and sintered and non-sintered metal media filters, strainers, separators, coalescers and absorbent media. Many of these filter products and systems require special technical approvals and product certification in order to meet commercial and military requirements.

TFS does not manufacture filtration products or equipment. It is engaged in the business of supplying a full range of filtration products and equipment acquired from the Company's subsidiaries and non-affiliated manufacturers to manufacturers as well as providing filter maintenance and cleaning services for the customer's filtration equipment. In addition, TFS is promoting and developing the Company's Total Filtration Program. See Item 1. (a) (i) above for a description of that Program.

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### PACKAGING

The Company's consumer and industrial packaging products business is conducted by a wholly-owned subsidiary, J. L. Clark, Inc. ("J. L. Clark").

J.L. Clark manufactures a wide variety of different types and sizes of containers and packaging specialties. Metal, plastic and combination metal/plastic containers and closures manufactured by the Company are used in packaging a wide variety of dry and paste form products, such as food specialties (tea, spices, cookies, potato chips, pretzels, candy and other confections); beverages and juices; cosmetics and toiletries; drugs and pharmaceuticals; and chemical specialties (hand cleaners, soaps and special

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cleaning compounds). Other packaging products include shells for dry batteries, film canisters, candles, spools for insulated and fine wire, and custom decorated flat steel sheets.

Containers and packaging specialties are manufactured only upon orders received from customers, and individualized containers and packaging specialties are designed and manufactured, usually with distinctive decoration, to meet each customer's marketing and packaging requirements and specifications.

### DISTRIBUTION

Engine/Mobile Filtration and Industrial/Environmental Filtration products are sold primarily through a combination of independent distributors, dealers for original equipment manufacturers and directly to end-use customers such as truck and equipment fleet users.

The engine/mobile segment also distributes filtration products worldwide through each of its subsidiaries. Baldwin Filters N.V. and Baldwin Filters Limited primarily serve the European markets. Baldwin Filters (Aust.) Pty. Ltd., markets heavy duty liquid and air filters in Australia and New Zealand. FIBAMEX manufactures filters in Mexico with distribution in Mexico and Central and South America. Through the Company's investment in Baldwin-Weifang Filters Ltd., heavy duty filters and electrostatic air pollution control systems are manufactured in China for distribution in China. Additionally, through Baldwin-Unifil S.A., air filtration products are manufactured in South Africa with distribution throughout Africa, Great Britain, Europe and the Middle East.

The industrial/environmental segment also distributes and services filtration products and equipment through company-owned branches and subsidiaries located throughout the United States, Europe, Singapore, Malaysia and China.

The Total Filtration Program is expected to become a significant distribution channel for all of the filtration products and equipment manufactured by the Company's subsidiaries.

Packaging salespersons call directly on customers and prospective customers for containers and packaging specialties. Each salesperson is trained in all aspects of J.L. Clark's manufacturing processes with respect to the products sold and is qualified to consult with customers and prospective customers concerning the details of their particular requirements. In addition, salespersons with expertise in specific areas, such as flat-sheet decorating, are focused on specific customers and markets.

### CLASS OF PRODUCTS

No class of products accounted for as much as 10% of the total sales of the Company.

### RAW MATERIAL

Steel, filter media, cartons, aluminum sheet and coil, stainless steel, chrome vanadium, chrome silicon, resins, gaskets, roll paper, bulk and roll plastic materials and cotton, wood and synthetic fibers and adhesives are the most important raw materials used in the manufacture of the Company's products. All of these are purchased or are available from a variety of sources. The Company has no long-term purchase commitments. The Company did not experience shortages in the supply of raw materials during 2001.

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### PATENTS, TRADEMARKS AND TRADENAMES

Certain features of some of the Company's products are covered by domestic and, in some cases, foreign patents or patent applications. While these patents are valuable and important for certain products, the Company does not believe that its competitive position is dependent upon patent protection. The Company believes, however, that its trademarks and tradenames used in connection with certain products are significant to its business.

### CUSTOMERS

The largest 10 customers of the Engine/Mobile Filtration segment accounted for 21.1% of the \$250,960,000 of fiscal year 2001 sales of such segment.

The largest 10 customers of the Industrial/Environmental Filtration segment accounted for 19.8% of the \$346,394,000 of fiscal year 2001 sales of such segment.

The largest 10 customers of the Packaging segment accounted for 71.0% of the \$69,610,000 of fiscal year 2001 sales of such segment.

No single customer accounted for 10% or more of the Company's consolidated 2001 sales.

### BACKLOG

At November 30, 2001, the Company had a backlog of firm orders for products amounting to approximately \$65,500,000. The backlog figure for 2000 was approximately \$74,300,000. Substantially all of the orders on hand at November 30, 2001 are expected to be filled during fiscal 2002.

### COMPETITION

The Company encounters strong competition in the sale of all of its products. The Company competes in a number of filtration markets against a variety of competitors. The Company is unable to state its relative competitive position in all of these markets due to a lack of reliable industry-wide data. However, in the replacement market for heavy duty liquid and air filters used in internal combustion engines, the Company believes that it is among the top five measured by annual sales. In addition, the Company believes that it is a leading manufacturer of liquid and air filters for diesel locomotives. The Company believes that for industrial and environmental filtration products, it is among the top five competitors measured by annual sales.

In the Packaging segment, its principal competitors include several manufacturers whose specialty packaging segments are smaller than the Company's and who often compete on a regional basis only. Strong competition is also presented by manufacturers of paper, plastic and glass containers. The Company's competitors generally manufacture and sell a wide variety of products in addition to packaging products of the type produced by the Company and do not publish separate sales figures relative to these competitive products. Consequently, the Company is unable to state its relative competitive position in those markets.

The Company believes that it is able to maintain its competitive position because of the quality and breadth of its products and services and the broad geographic scope of its operations.

### PRODUCT DEVELOPMENT

The Company's Technical Centers and laboratories test product components and completed products to insure high quality manufacturing results, evaluate

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competitive products, aid suppliers in the development of product components, and conduct controlled tests of newly designed filters, filtration systems and containers for particular uses. Product development departments are concerned with the improvement and creation of new filters, filtration systems, containers and packaging products in order to broaden the uses of these items, counteract obsolescence and evaluate other products available in the marketplace.

In fiscal 2001, the Company employed 75 professional employees on either a full-time or part-time basis on research activities relating to the development of new products or the improvement or redesign of its

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existing products. During this period the Company spent approximately \$5,365,000 on such activities as compared with \$6,942,000 for 2000 and \$5,562,000 for 1999.

### ENVIRONMENTAL FACTORS

The Company is not aware of any facts which would cause it to believe that it is in material violation of existing applicable standards respecting emissions to the atmosphere, discharges to waters, or treatment, storage and disposal of solid or hazardous wastes.

The Company is party to various proceedings relating to environmental issues. The U.S. Environmental Protection Agency (EPA) and/or other responsible state agencies have designated the Company as a potentially responsible party (PRP), along with other companies, in remedial activities for the cleanup of waste sites under the federal Superfund statute.

Environmental and related remediation costs are difficult to quantify for a number of reasons including the number of parties involved, the difficulty in determining the extent of the contamination, the length of time remediation may require, the complexity of environmental regulation and the continuing advancement of remediation technology. Applicable federal law may impose joint and several liability on each PRP for the cleanup. It is the opinion of management that additional liabilities, if any, resulting from these matters are not expected to have a material adverse effect on the Company's financial condition or consolidated results of operations.

The Company does anticipate, however, that it may be required to install additional pollution control equipment to augment existing equipment in the future in order to meet applicable environmental standards. The Company is presently unable to predict the timing or the cost of such equipment and cannot give any assurance that the cost of such equipment may not have an adverse effect on earnings. However, the Company is not aware, at this time, of any current or pending requirement to install such equipment at any of its facilities.

### EMPLOYEES

As of November 30, 2001, the Company had approximately 4,545 employees.

(d) Financial Information About Foreign and Domestic Operations and Export Sales

Financial information relating to export sales and the Company's operations in the United States and other countries is set forth on page 24 of the Annual Report and is incorporated herein by reference and filed as Exhibit 13(a) (vi) to this 2001 Form 10-K. The Company is not aware of any unusual risks attendant to the conduct of its operations in other countries.

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### ITEM 2. PROPERTIES.

#### (i) Location

An office building owned by the Company located in Rockford, Illinois houses the Corporate offices in 22,000 square feet of office space.

Engine/Mobile Filtration. The following is a description of the principal properties utilized by the Company in conducting its Engine/Mobile Filtration business:

The Baldwin Filters' Kearney, Nebraska plant contains 516,000 square feet of manufacturing and warehousing space, 25,000 square feet of research and development space, and 40,000 square feet of office space. The Kearney facility is located on a site of approximately 40 acres. A manufacturing facility located in Yankton, South Dakota has approximately 170,000 square feet of floor space on a 21 acre tract. Both facilities are owned by the Company. In addition, Baldwin has a capital lease for a 100,000 square foot manufacturing facility on a site of 20 acres in Gothenburg, Nebraska.

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The Company also manufactures filters in Lancaster, Pennsylvania at its Clark Filter plant. The building, constructed about 1968 on an 11.4 acre tract of land, contains 168,000 square feet of manufacturing and office space and is owned by the Company.

The Company leases various facilities in Australia, Belgium, Mexico, South Africa and the United Kingdom for the manufacture and distribution of filtration products.

Industrial/Environmental Filtration. The following is a description of the principal properties utilized by the Company in conducting its Industrial/Environmental Filtration business:

Airguard has eight manufacturing and warehousing locations. It leases 318,000 square feet in New Albany, Indiana, 84,000 square feet in Corona, California, 44,500 square feet in Dallas, Texas and 83,000 square feet in Rockford, Illinois and a smaller facility in North Carolina. The Company owns the following three facilities. The Airguard High Efficiency Filter plant, located in Jeffersontown, Kentucky on a 7.5 acre tract of land, contains 100,000 square feet of manufacturing and office facilities. During December, 2000 Airguard began production of air filtration products in a 290,000 square foot manufacturing facility in Campbellsville, Kentucky. Airguard's ATI manufacturing and office facility in Ottawa, Kansas, contains 31,000 square feet.

Airguard administrative and sales offices and distribution facilities are located in leased facilities in Louisville, Kentucky; Cincinnati, Ohio; Toledo, Ohio; Nashville, Tennessee; Atlanta, Georgia; Columbus, Ohio; Birmingham, Alabama; Portland, Oregon; Commerce City, Colorado; Kansas City, Missouri; Dallas, Texas; Corona, California and New Albany, Indiana. Airguard leases facilities in Malaysia and Singapore.

Facet owns manufacturing and distribution facilities in Tulsa, Oklahoma and La Coruna, Spain. The Tulsa facilities contain approximately 142,000 square feet on a 16 acre site. The La Coruna facility is on an approximately 17,000 square meter site and the building contains 5,700 square meters. Facet also leases facilities in Stillwell, Oklahoma; Tulsa, Oklahoma; Italy; Germany; France; United Kingdom and The Netherlands.

Purolator owns a 228,500 square-foot manufacturing and office facility in



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Henderson, North Carolina on a site of approximately 25 acres. Purolator also owns a 42,500 square foot manufacturing and office facility in Kenly, North Carolina. Purolator leases sales, manufacturing and distribution facilities in Fresno, California; Hayward, California; Sacramento, California; Davenport, Iowa; Wichita, Kansas; Metuchen, New Jersey; Henderson, North Carolina; Sparks, Nevada; Fairfax, Virginia and Auburn, Washington.

Purolator Facet, Inc. ("PFI") owns a manufacturing and distribution facility in Greensboro, North Carolina. This facility contains approximately 88,000 square feet on a 21 acre site. PFI also leases facilities in Greensboro, North Carolina; Hebron, Connecticut and Middletown, Rhode Island.

TFS leases 85,000 square feet of headquarters space in Rochester Hills, Michigan. In addition, it leases office or warehouse space in Cincinnati, Ohio; Toledo, Ohio; Fort Wayne, Indiana; Indianapolis, Indiana; Tonawanda, New York; Saginaw, Michigan; and several locations in Mexico and Canada. It also owns an office and warehouse facility consisting of a total of 33,000 square feet in Goodlettsville, Tennessee.

United Air Specialists ("UAS") has three owned facilities. The offices and primary manufacturing facility of UAS are located in Blue Ash, Ohio (a suburb of Cincinnati), on approximately 17 acres of land. This facility was built in 1978 and was expanded in 1991 and 1993 to a total of approximately 157,000 square feet. UAS also has sales offices and a manufacturing facility in Warwick, England which total approximately 13,200 square feet. In addition, UAS leases sales and service facilities in Bad Camberg, Germany; Phoenix, Arizona; Hayward, California; Anaheim, California; Louisville, Kentucky; Troy, Michigan; Jackson, Mississippi and Houston, Texas.

Filter Products Inc. owns a 40,000 square foot manufacturing and office facility in Sacramento, California.

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Packaging. The following is a description of the principal properties utilized by the Company in conducting its Packaging business:

The Company's J. L. Clark, Rockford, Illinois plant, located on 34 acres, consists of one-story manufacturing buildings, the first of which was constructed in 1910. Since then a number of major additions have been constructed and an injection molding plant was constructed in 1972. Approximately 450,000 square feet of floor area are devoted to manufacturing, warehouse and office use. Of the 34 acres, approximately 12 are vacant.

A J. L. Clark plant is located in Lancaster, Pennsylvania on approximately 11 acres. It consists of a two-story office building containing approximately 7,500 square feet of floor space and a manufacturing plant and warehouse containing 236,000 square feet of floor space, most of which is on one level. These buildings were constructed between 1924 and 1964.

J. L. Clark also leases a manufacturing facility in Lathrop, California.

The various properties owned by the Company are considered by it to be in good repair and well maintained. Plant asset additions in 2002 are estimated at \$21,000,000 to \$23,000,000 for land, buildings, equipment and machinery and cost reduction projects.

### (ii) Function

Engine/Mobile Filtration. Oil, air, fuel, hydraulic fluid and coolant filters are produced at the Baldwin and Hastings facilities in Kearney, and

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Gothenburg, Nebraska and Yankton, South Dakota. The various processes of pleating paper, winding cotton and synthetic fibers, placing the filter element in a metal or fiber container and painting the containers are highly mechanized, but require some manual assistance. The plants also maintain an inventory of special dies and molds for filter manufacture.

Oil, air and fuel filters, primarily for use in the railroad industry, are produced at Clark Filter in Lancaster, Pennsylvania.

Industrial/Environmental Filtration. Air filters for the commercial, residential and industrial markets are produced in the Airguard and Purolator facilities. Dust collection systems, high efficiency electronic air cleaning systems and electrostatic precision spraying systems are designed and manufactured at the UAS facility in Cincinnati, Ohio.

Specialty filter products for aviation, oil and gas drilling, military, marine and paper and chemical processes are manufactured and assembled at the PFI facilities in Greensboro, North Carolina. The manufacturing processes include bonding and sintering metal, tungsten inert gas and electron beam welding and diffusion-bonding of wire. Facet designs, manufactures and assembles filters and filtration systems for aircraft refueling, power generation, water treatment and general industrial applications at its United States and European facilities. The company also uses outside contractors for assembly and manufacturing of some of its products. Many of these products require special commercial or military technical approvals or product certification.

Depth media filters for the pharmaceutical, biotech and food and beverage industries and other critical process filtration applications are manufactured at the Filter Products Inc. facility in Sacramento, California.

Packaging. The Company's metal and combination metal and plastic packaging products are produced at J. L. Clark plants located in Rockford, Illinois, Lancaster, Pennsylvania, and Lathrop, California. The Rockford and Lancaster plants are completely integrated facilities which include creative and mechanical art departments and photographic facilities for color separation, preparation of multiple-design negatives and lithographing plates. Metal sheets are decorated on coating machines and lithographing presses connected with conveyor ovens. Decorated sheets are then cut to working sizes on shearing equipment, following which fabrication is completed by punch presses, can-forming and can-closing equipment and other specialized machinery for supplementary operations.

Plastic packaging capabilities include molding and labeling of irregular shaped plastic containers and customized plastic closures which have tamper-evidence as well as convenience features.

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### ITEM 3. LEGAL PROCEEDINGS.

The Company is involved in legal actions arising in the normal course of business. Management is of the opinion that the outcome of these actions will not have a material adverse effect on the Company's consolidated results of operations or financial position.

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

None.

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### ADDITIONAL ITEM: EXECUTIVE OFFICERS OF THE REGISTRANT

NAME -----	AGE AT 11/30/01 -----	YEAR ELECTED TO OFFICE -----
Norman E. Johnson..... Chairman of the Board, President and Chief Executive Officer. Mr. Johnson has been employed by the Company since 1990. He was elected President-Baldwin Filters, Inc. in 1990, Vice President-CLARCOR in 1992, Group Vice President-Filtration Products Group in 1993, President and Chief Operating Officer in 1995 and Chairman, President and Chief Executive Officer in 2000. Mr. Johnson has been a Director of the Company since June 1996.	53	2000
William B. Walker..... President, Environmental Filtration. Mr. Walker has been employed by Airguard, a subsidiary of the Company since 1966. He was elected President of Airguard in 1994, Executive Vice President-Industrial/Environmental Filtration in 1999 and President, Environmental Filtration in 2000.	61	2000
Bruce A. Klein..... Vice President-Finance and Chief Financial Officer. Mr. Klein was employed by the Company and elected Vice President-Finance and Chief Financial Officer on January 3, 1995.	54	1995
David J. Anderson..... Vice President-Corporate Development. Mr. Anderson has been employed by the Company since 1990. He was elected Vice President Marketing & Business Development for the CLARCOR Filtration Products subsidiary in 1991, Vice President-Corporate Development in 1993, Vice President-International/Corporate Development in 1994 and Vice President-Corporate Development in 1999.	63	1999
David J. Lindsay..... Vice President-Administration and Chief Administrative Officer. Mr. Lindsay has been employed by the Company in various administrative positions since 1987. He was elected Vice President-Group Services in 1991, Vice President-Administration in 1994 and Vice President-Administration and Chief Administrative Officer in 1995.	46	1995
Peter F. Nangle..... Vice President-Information Services and Chief Information Officer. Mr. Nangle has been employed by the Company since 1993. He was elected Vice President-Information Services in 1994, Vice President-Information Services and Operations Analysis, Chief Information Officer in 1997 and Vice President-Information Services and Chief Information Officer in 1999.	40	1999
Marcia S. Blaylock..... Vice President, Controller. Ms. Blaylock has been an employee of the Company since 1974. She was elected Assistant Secretary in 1994, Corporate Secretary in 1995, Vice President and Corporate Secretary in 1996, Vice President, Controller and Corporate Secretary in 1997 and Vice President, Controller in 2000.	45	2000
David J. Boyd..... Vice President, General Counsel and Corporate Secretary. Mr. Boyd became an officer of the Company in May 2000. Prior	61	2000

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to that date he served as a partner in the law firm of  
Sidley Austin Brown & Wood since 1972.

Mr. James M. Suchomel was President of the Company's Process Filtration  
Group until his death on October 24, 2001.

Each executive officer of the Company is elected for a term of one year  
which begins at the Board of Directors Meeting at which he or she is elected,  
held at the time of the Annual Meeting of Shareholders, and ends on the date of  
the next Annual Meeting of Shareholders or upon the due election and  
qualification of his or her successor.

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### PART II

#### ITEM 5. MARKET FOR THE REGISTRANT'S COMMON STOCK AND RELATED SHAREHOLDER MATTERS.

The Company's Common Stock is listed on the New York Stock Exchange; it is  
traded under the symbol CLC. The following table sets forth the high and low  
market prices as quoted during the relevant periods on the New York Stock  
Exchange and dividends paid for each quarter of the last two fiscal years.

QUARTER ENDED -----	MARKET PRICE		DIVIDENDS -----
	HIGH ----	LOW ---	
March 3, 2001.....	\$25.375	\$16.875	\$.1175
June 2, 2001.....	26.844	22.500	.1175
September 1, 2001.....	27.547	24.656	.1175
December 1, 2001.....	27.594	21.906	.1200
Total Dividends.....			\$.4725 =====

QUARTER ENDED -----	MARKET PRICE		DIVIDENDS -----
	HIGH ----	LOW ---	
February 26, 2000.....	\$19.500	\$16.063	\$.1150
May 27, 2000.....	19.750	17.000	.1150
August 26, 2000.....	21.375	17.375	.1150
December 2, 2000.....	21.438	16.938	.1175
Total Dividends.....			\$.4625 =====

The approximate number of holders of record of the Company's Common Stock  
at January 15, 2002 is 1,500. In addition, the Company believes that there are  
approximately 6,000 beneficial owners whose shares are held in street names.

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### ITEM 6. SELECTED FINANCIAL DATA.

The information required hereunder is set forth on pages 26 and 27 of the Annual Report under the caption "11-Year Financial Review," is incorporated herein by reference and is filed as Exhibit 13(a)(ix) to this 2001 Form 10-K.

### ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION.

The information required hereunder is set forth on pages 7 through 11 of the Annual Report under the caption "Financial Review," is incorporated herein by reference and is filed as Exhibit 13(a)(x) to this 2001 Form 10-K.

### ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The information required hereunder is set forth on page 10 of the Annual Report under the caption "Financial Review -- Market Risk," is incorporated herein by reference and is filed as Exhibit 13(a)(x) to this 2001 Form 10-K.

### ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The Consolidated Financial Statements, the Notes thereto and the report thereon of PricewaterhouseCoopers LLP, independent accountants, required hereunder with respect to the Company and its consolidated subsidiaries are set forth on pages 12 through 25, inclusive, of the Annual Report, are incorporated herein by reference and are filed as Exhibits 13(a)(ii) through 13(a)(vii) to this 2001 Form 10-K.

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### ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

## PART III

### ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Certain information required hereunder is set forth on pages 1 and 2 of the Company's Proxy Statement dated February 15, 2002 (the "Proxy Statement") for the Annual Meeting of Shareholders to be held on March 19, 2002 under the caption "Election of Directors -- Nominees for Election to the Board" and is incorporated herein by reference.

### ITEM 11. EXECUTIVE COMPENSATION.

The information required hereunder is set forth on pages 6 through 13 inclusive, of the Proxy Statement under the caption "Compensation of Executive Officers and Other Information" and is incorporated herein by reference.

### ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The information required hereunder is set forth on pages 4 and 5 of the Proxy Statement under the caption "Beneficial Ownership of the Company's Common Stock" and is incorporated herein by reference.

### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The information required hereunder is set forth on page 4 of the Proxy Statement under the caption "Certain Relationships and Related Transactions" and

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is incorporated herein by reference.

### PART IV

#### ITEM 14. EXHIBITS, FINANCIAL STATEMENTS, SCHEDULES AND REPORTS ON FORM 8-K.

##### (a) Financial Statements

The following financial information is incorporated herein by reference to the Company's Annual Report to Shareholders for the fiscal year ended November 30, 2001:

\*Consolidated Balance Sheets at November 30, 2001 and 2000

\*Consolidated Statements of Earnings for the years ended November 30, 2001, 2000 and 1999

\*Consolidated Statements of Shareholders' Equity for the years ended November 30, 2001, 2000 and 1999

\*Consolidated Statements of Cash Flows for the years ended November 30, 2001, 2000 and 1999

\*Notes to Consolidated Financial Statements

\*Report of Independent Accountants

\*Management's Report on Responsibility for Financial Reporting

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\*Filed herewith as part of Exhibit 13(a) to this 2001 Form 10-K

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The following items are set forth herein on the pages indicated:

Report of Independent Accountants..... F-1

Financial Statement Schedules:

II. Valuation and Qualifying Accounts..... F-2

Financial statements and schedules other than those listed above are omitted for the reason that they are not applicable, are not required, or the information is included in the financial statements or the footnotes therein.

(b) None

(c) Exhibits

3.1 The registrant's Second Restated Certificate of Incorporation. Incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 1998.

3.1(a) Amendment to ARTICLE FOURTH of the Second Restated Certificate of Incorporation. Incorporated by reference to the Company's Proxy Statement dated February 18, 1999 for the Annual Meeting of Shareholders held on March 23, 1999.

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- 3.2 The registrant's By-laws, as amended. Incorporated by reference to Exhibit 3.2 to the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 1995.
- 3.3 Certificate of Designation of Series B Junior Participating Preferred Stock of CLARCOR as filed with the Secretary of State of the State of Delaware on April 2, 1996. Incorporated by reference to Exhibit 4.5 to the Registration Statement on Form 8-A filed April 3, 1996.
- 4.1 Stockholder Rights Agreement dated as of March 28, 1996 between the registrant and the First Chicago Trust Company of New York. Incorporated by reference to Exhibit 4 to the Company's Current Report on Form 8-K filed April 3, 1996.
- 4.1(a) First Amendment to Stockholders Rights Agreement dated as of March 23, 1999. Incorporated by reference to Exhibit 4 to the Company's Form 8-A/A filed March 29, 1999.
- 4.2 Certain instruments defining the rights of holders of long-term debt securities of CLARCOR and its subsidiaries are omitted pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K. CLARCOR hereby agrees to furnish copies of these instruments to the SEC upon request.
- 4.2(a) Multicurrency Credit Agreement dated as of September 9, 1999. Incorporated by reference to Exhibit 4 to the Company's Current Report on Form 8-K filed September 17, 1999.
- 10.1 The registrant's Deferred Compensation Plan for Directors. Incorporated by reference to Exhibit 10.1 to the Company's Annual Report on Form 10-K for the fiscal year ended November 30, 1984 (the "1984 10-K").
- 10.2 The registrant's Supplemental Retirement Plan. Incorporated by reference to Exhibit 10.2 to the 1984 10-K.
- 10.2(a) The registrant's 1994 Executive Retirement Plan. Incorporated by reference to Exhibit 10.2(a) to the Company's Annual Report on Form 10-K for the fiscal year ended December 3, 1994 ("1994 10-K").
- 10.2(b) The registrant's 1994 Supplemental Pension Plan. Incorporated by reference to Exhibit 10.2(b) to the 1994 10-K.
- 10.2(c) The registrant's Supplemental Retirement Plan (as amended and restated effective December 1, 1994). Incorporated by reference to Exhibit 10.2(c) to the 1994 10-K.
- 10.3 The registrant's 1984 Stock Option Plan. Incorporated by reference to Exhibit A to the Company's Proxy Statement dated March 2, 1984 for the Annual Meeting of Shareholders held on March 31, 1984.

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- 10.4 Employment Agreements with certain officers. Incorporated by reference to Exhibit Company's Current Report on Form 8-K filed July 25, 1989.
- 10.4(a)(1) Form of Amended and Restated Employment Agreement with each of David J. Anderson, Blaylock, David J. Boyd, Bruce A. Klein, David J. Lindsay, Norman E. Johnson, Pet William B. Walker. Incorporated by Reference to Exhibit 10.4(a)(1) to the Company on Form 10-K for the fiscal year ended December 2, 2000 (the "2000 10-K").
- 10.4(b) Employment Agreement with Lawrence E. Gloyd dated July 1, 1997. Incorporated by r Exhibit 10.4(b) to the Company's Annual Report on Form 10-K for the fiscal year e 1997 ("1997 10-K").
- 10.4(c) Employment Agreement with Norman E. Johnson dated July 1, 1997. Incorporated by r Exhibit 10.4(c) to the 1997 10-K.
- 10.4(c)(1) Amended and Restated Employment Agreement with Norman E. Johnson dated as of Dece Incorporated by Reference to Exhibit 10.4(c)(1) to the 2000 10-K.
- 10.4(d) Trust Agreement dated December 1, 1997. Incorporated by reference to Exhibit 10.4 10-K.
- 10.4(e) Executive Benefit Trust Agreement dated December 22, 1997. Incorporated by refere 10.4(e) to the 1997 10-K.
- 10.5 The registrant's 1994 Incentive Plan (the "Plan") as amended through June 30, 200 by Reference to Exhibit 10.5 to the 2000 10-K.
- 10.5(a) Amendment to the Plan adopted December 18, 2000. Incorporated by Reference to Exh the 2000 10-K.
- \*13 (a) The following items incorporated by reference herein from the Company's 2001 Annu Shareholders ("2001 Annual Report"), are filed as Exhibits to this Annual Report
- (i) Business segment information for the fiscal years 1999 through 2001 set forth on pages 23 and 24 of the 2001 Annual Report (included in Exhibit 13(a)(vi) -- Note Q of Notes to Consolidated Financial Statements);
  - (ii) Consolidated Balance Sheets of the Company and its Subsidiaries at November 30, 2001 and 2000 set forth on page 12 of the 2001 Annual Report;
  - (iii) Consolidated Statements of Earnings of the Company and its Subsidiaries for the years ended November 30, 2001, 2000 and 1999 set forth on page 13 of the 2001 Annual Report;
  - (iv) Consolidated Statements of Shareholders' Equity for the Company and its Subsidiaries for the years ended November 30, 2001, 2000 and 1999 set forth on page 14 of the 2001 Annual Report;
  - (v) Consolidated Statements of Cash Flows of the Company and its Subsidiaries for the years ended November 30, 2001, 2000 and 1999 set forth on page 15 of the 2001 Annual Report;
  - (vi) Notes to Consolidated Financial Statements set forth on pages 16 through 24 of the 2001 Annual Report;
  - (vii) Report of Independent Accountants set forth on page 25 of the 2001 Annual Report;
  - (viii) Management's Report on Responsibility for Financial Reporting set forth on page 25 of the 2001 Annual



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- Report;
- (ix) Information under the caption "11-Year Financial Review" set forth on pages 26 and 27 of the 2001 Annual Report; and
- (x) Management's Discussion and Analysis of Financial Condition and Results of Operation set forth under the caption "Financial Review" on pages 7 through 11 of the 2001 Annual Report.

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- \*21 Subsidiaries of the Registrant.
- \*23 Consent of Independent Accountants.

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\* Filed herewith.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Date: February 15, 2002

CLARCOR Inc.  
(Registrant)

By: /s/ NORMAN E. JOHNSON

-----  
Norman E. Johnson  
Chairman of the Board, President  
& Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: February 15, 2002 By:

/s/ NORMAN E. JOHNSON

-----  
Norman E. Johnson  
Chairman of the Board, President &  
Chief Executive Officer and Director

Date: February 15, 2002 By:

/s/ BRUCE A. KLEIN

-----  
Bruce A. Klein  
Vice President -- Finance &  
Chief Financial Officer

Date: February 15, 2002 By:

/s/ MARCIA S. BLAYLOCK

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Marcia S. Blaylock  
Vice President, Controller & Chief Accounting  
Officer

Date: February 15, 2002 By:

-----  
J. Marc Adam  
Director

Date: February 15, 2002 By:

/s/ MILTON R. BROWN

-----  
Milton R. Brown  
Director

Date: February 15, 2002 By:

-----  
Robert J. Burgstahler  
Director

Date: February 15, 2002 By:

/s/ LAWRENCE E. GLOYD

-----  
Lawrence E. Gloyd  
Director

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Date: February 15, 2002 By:

/s/ ROBERT H. JENKINS

-----  
Robert H. Jenkins  
Director

Date: February 15, 2002 By:

/s/ PHILIP R. LOCHNER, JR.

-----  
Philip R. Lochner, Jr.  
Director

Date: February 15, 2002 By:

/s/ JAMES L. PACKARD

-----  
James L. Packard  
Director

Date: February 15, 2002 By:

/s/ KEITH E. WANDELL

-----  
Keith E. Wandell  
Director

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REPORT OF INDEPENDENT ACCOUNTANTS  
ON FINANCIAL STATEMENT SCHEDULE

To the Board of Directors and Shareholders  
CLARCOR Inc.  
Rockford, Illinois

Our audits of the consolidated financial statements referred to in our report dated January 8, 2002 appearing on page 25 in the 2001 Annual Report to

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Shareholders of CLARCOR Inc. and Subsidiaries (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedule listed in Item 14(a) of this Form 10-K (page 13, index of exhibits). In our opinion, the financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PricewaterhouseCoopers LLP

Chicago, Illinois  
January 8, 2002

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CLARCOR INC.

SCHEDULE II -- VALUATION AND QUALIFYING ACCOUNTS

FOR THE YEARS ENDED NOVEMBER 30, 2001, 2000 AND 1999  
(DOLLARS IN THOUSANDS)

COLUMN A	COLUMN B	COLUMN C		COLUMN D
-----	-----	-----		-----
DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	(1) CHARGED TO COSTS AND EXPENSES	(2) CHARGED TO OTHER ACCOUNTS	DEDUCTIONS
-----	-----	-----	-----	-----
2001:				
Allowance for losses on accounts receivable.....	\$5,027 =====	\$1,628 =====	\$2,286 (A) =====	\$1,021 (B) =====
2000:				
Allowance for losses on accounts receivable.....	\$5,155 =====	\$1,167 =====	\$ 17 (A) =====	\$1,312 (B) =====
1999:				
Allowance for losses on accounts receivable.....	\$2,711 =====	\$ 975 =====	\$2,255 (A) =====	\$ 786 (B) =====

NOTES:

(A) Due to business acquisitions.

(B) Bad debts written off during year, net of recoveries.

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