CENTRAL PARKING CORP
Form 10-Q/A
August 31, 2001

CENTRAL PARKING CORPORATION
Condensed Consolidated Balance Sheets

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Amendment No. 1
To
Form 10-Q

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

For the quarter ended June 30, 2001

Commission file number 001-13950

CENTRAL PARKING CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Tennessee	
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Emp
2401 21st Avenue South, Suite 200, Nashville, Tennessee	
(Address of Principal Executive Offices)	

Registrant's Telephone Number, Including Area Code:

Former name, address and 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 ___

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

Class	Outstanding at
Common Stock, $0.01 par value	35,

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CENTRAL PARKING CORPORATION
and SUBSIDIARIES

CENTRAL PARKING CORPORATION
and SUBSIDIARIES
Consolidated Balance Sheets
Amounts in thousands, except share data Unaudited

ASSETS	June 30, 2001	Sept
Current assets:		
Cash and cash equivalents	$ 34,913	$
Management accounts receivable	30,844	
Accounts receivable - other	16,926	
Current portion of notes receivable (including amounts due from related parties of $3,334 at June 30, 2001 and $786 at September 30, 2000)	5,837	
Prepaid rent	6,880	
Prepaid expenses	5,854	
Deferred income taxes	612	
Total current assets	101,866	
Investments, at amortized cost (fair value $6,077 at June 30, 2001 and $5,775 at September 30, 2000)	5,980	
Notes receivable, less current portion	43,279	
Property, equipment, and leasehold improvements, net	422,747	
Contract and lease rights, net	92,462	
Goodwill, net	256,295	
Investment in and advances to partnerships and joint ventures	30,269	
Other assets	41,095	
Total assets	$993,993	$1
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt and capital lease obligations	$ 53,456	$
Accounts payable	69,326	
Accrued payroll and related costs	12,470	
Accrued expenses	12,697	
Management accounts payable	29,509	
Income taxes payable	1,415	
Total current liabilities	178,873	
Long-term debt and capital lease obligations, less current portion	229,461	
Deferred rent	20,728	
Deferred compensation	12,246	
Deferred income taxes	23,441	
Minority interest	30,244	
Other liabilities	5,622	
Total liabilities	500,615	
Company-obligated mandatorily redeemable convertible securities of subsidiary holding solely parent debentures	110,000	
Shareholders' equity:		
Common stock, $.01 par value; 50,000,000 shares authorized, 35,897,481 and 36,330,275 shares issued and outstanding, respectively	359	
Additional paid -in capital	240,035	
Accumulated other comprehensive loss, net	(1,202)	
Retained earnings	144,888	
Shares held in trust	(353)	

Deferred compensation on restricted stock	(349)	--
Total shareholders' equity	383,378	
Total liabilities and shareholders' equity	$993,993	$1

See accompanying notes to consolidated financial statements

CENTRAL PARKING CORPORATION
and SUBSIDIARIES
Consolidated Statements of Earnings
Unaudited
Amounts in thousands, except per share data

	Three Months Ended June 30,		Nine Months End June 30,	
	2001	2000	2001	2000
Revenues:				
Parking	$154,260	$160,405	$454,785	$477,61
Management contract	24,885	25,961	75,959	76,73
Total revenues	179,145	186,366	530,744	554,35
Costs and expenses:				
Cost of parking	128,485	133,339	379,180	400,03
Cost of management contracts	11,193	8,498	31,192	25,13
General and administrative	17,399	16,832	51,086	56,41
Goodwill and non-compete amortization	3,001	2,975	9,003	9,02
Merger costs	--	--	--	3,74
Total costs and expenses	160,078	161,644	470,461	494,36
Property-related gains (losses), net	(3,058)	(918)	(2,577)	2,17
Operating earnings	16,009	23,804	57,706	62,15
Other income (expenses):				
Interest income	1,362	1,808	4,341	5,21
Interest expense	(4,718)	(6,798)	(16,509)	(19,96
Dividends on Company-obligated mandatorily redeemable convertible securities of a subsidiary trust	(1,472)	(1,501)	(4,415)	(4,51
Minority interest	(947)	(652)	(2,411)	(2,51
Equity in partnership and joint venture earnings	1,510	6,440	4,152	9,10
Earnings before income taxes, extraordinary item and cumulative effect of accounting change	11,744	23,101	42,864	49,48
Income tax expense	5,007	8,320	17,711	18,87

Earnings before extraordinary item and cumulative effect of accounting change	6,737	14,781	25,153	30,60
Extraordinary item, net of tax	--	--	--	(19
Cumulative effect of accounting change, net of tax	--	--	(258)	-
Net earnings	$ 6,737	$ 14,781	$ 24,895	$30,41

Basic earnings per share:				
Earnings before extraordinary item and cumulative effect of accounting change	$ 0.19	$ 0.41	$ 0.70	$ 0.
Extraordinary item, net of tax	--	--	--	-
Cumulative effect of accounting change, net of tax	--	--	--	-
Net earnings	$ 0.19	$ 0.41	$ 0.70	$ 0.
Diluted earnings per share:				
Earnings before extraordinary item and cumulative effect of accounting change	$ 0.19	$ 0.40	$ 0.70	$ 0.
Extraordinary item, net of tax	--	--	--	(0.
Cumulative effect of accounting change, net of tax	--	--	(0.01)	-
Net earnings	$ 0.19	$ 0.40	$ 0.69	$ 0.

See accompanying notes to consolidated financial statements.

CENTRAL PARKING CORPORATION
and SUBSIDIARIES
Consolidated Statements of Cash Flows
Unaudited

Amounts in thousands

Cash flows from operating activities:
  Net earnings
  Adjustments to reconcile net earnings to net cash provided by operating activities:
    Depreciation and amortization of property
    Amortization of goodwill and non-compete
    Amortization of contract and lease rights, straight-line rent, deferred financing fees and ot

    Equity in partnership and joint venture earnings
    Distributions from partnerships and joint ventures
    Property-related (gains) losses, net
    Deferred income tax (benefit) expense

Minority interest

Changes in operating assets and liabilities:
Management accounts receivable

Accounts receivable - other

Prepaid rent

Prepaid expenses

Other assets
Accounts payable, accrued expenses and deferred compensation

Management accounts payable
Income taxes payable

Net cash provided by operating activities

Cash flows from investing activities:
Proceeds from disposition of property and equipment
Repayments of notes receivable, net

Purchase of property, equipment, and leasehold improvements
Purchase of contract and lease rights
Repayments of advances to partnerships and joint ventures, net

Proceeds from maturities and calls of investments
Purchase of investments

Net cash used by investing activities

Cash flows from financing activities:
Dividends paid

Net borrowings (repayments) under revolving credit agreement, net of issuance costs
Proceeds from issuance of notes payable, net of issuance costs
Payment to minority interest partners
Principal repayments on notes payable and capital lease obligations

Repurchase of common stock
Proceeds from issuance of common stock and exercise of stock options, net

Net cash used by financing activities

Foreign currency translation

Net decrease in cash and cash equivalents
Cash and cash equivalents at beginning of period

Cash and cash equivalents at end of period

Supplemental cash flow information:
Cash paid for interest

Cash paid for income taxes

See accompanying notes to consolidated financial statements.

CENTRAL PARKING CORPORATION
and SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements of Central Parking Corporation ("Central Parking" or the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, the unaudited consolidated financial statements reflect all adjustments considered necessary for a fair presentation, consisting only of normal and recurring adjustments. All significant inter-company transactions have been eliminated in consolidation. Operating results for the three and nine months ended June 30, 2001 are not necessarily indicative of the results that may be expected for the fiscal year ending September 30, 2001. For further information, refer to the consolidated financial statements and footnotes thereto for the year ended September 30, 2000 (included in the Company's Annual Report on Form 10-K). Certain items have been reclassified to conform to the current year presentation.

BUSINESS COMBINATIONS

Contract and Lease Rights

The Company entered into an agreement effective June 1, 2000 to acquire certain lease and contract rights for approximately $14.3 million. The transaction was financed by the seller with a two-year obligation due in 2002. The lease rights are being amortized over 17 years, the remaining term of the lease, and the contract rights are being amortized over 3.5 years.

Arizona Stadium LLC

In October 1999, the Company paid $1.6 million to purchase the remaining 50% interest in Arizona Stadium LLC, a limited liability company that manages the parking activities for a garage adjacent to a baseball stadium in Phoenix. The Company previously owned 50% of the limited liability company. In accordance with the partnership agreement, the Company was required to repay the outstanding note payable and incurred approximately $195 thousand of expenses, net of tax, related to early extinguishement of debt. This expense has been accounted for as an extraordinary loss in the nine months ended June 30, 2000.

Allright Holdings, Inc.

On March 19, 1999, the Company completed a merger with Allright Holdings, Inc. ("Allright"), pursuant to which approximately 7.0 million shares of Central Parking common stock and approximately 0.5 million options and warrants to purchase common stock of Central Parking, were exchanged for all of the outstanding shares of common stock and options and warrants to purchase common stock of Allright.

The Company incurred $3.7 million of merger related expenses on a pretax basis during the nine months ended June 30, 2000 that were reported as operating expenses. These costs included $1.3 million of legal, accounting, and consulting fees; $1.1 million related to employment agreements and severance; and $1.3 million in travel, supplies, printing and other out-of-pocket expenses. Those costs which were directly attributable to the merger and were incremental to the combined companies were recognized when incurred. No such costs have been incurred in fiscal 2001.

EARNINGS PER SHARE

Basic earnings per share excludes dilution and is computed by dividing income available to common shareholders by the weighted-average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock, or if restricted shares of common stock were to become fully vested, that then shared in the earnings of the entity.

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended June 30,					
	2001			2000		
	Income Available ($000's)	Common Shares (000's)	Per Share Amount	Income Available ($000's)	Common Shares (000's)	Per Share Amount
Basic earnings per share:						
Earnings before extraordinary item and cumulative effect of accounting change.	$ 6,737	35,740	$ 0.19	$ 14,781	36,260	$ 0.41
Effect of dilutive stock and options:						
Stock option plan and warrants.......	--	91	--	--	201	(0.01)
Restricted stock plan	--	69	--	--	192	--
Diluted earnings per share:						
Earnings before extraordinary item and cumulative effect of accounting change.	$ 6,737	35,900	$ 0.19	$ 14,781	36,653	$ 0.40

	Nine Months Ended June 30,					
	2001			2000		
	Income	Common	Per	Income	Common	Per

	Available ($000's)	Shares (000's)	Share Amount	Available ($000's)	Shares (000's)	Share Amount
Basic earnings per share:						
Earnings before extraordinary item and cumulative effect of accounting change.	$ 25,153	35,818	$ 0.70	$ 30,607	36,418	$ 0.84
Effect of dilutive stock and options:						
Stock option plan and warrants.......	--	106	--	--	204	(0.01)
Restricted stock plan	--	122	--	--	184	--
Diluted earnings per share:						
Earnings before extraordinary item and cumulative effect of accounting change.	$ 25,153	36,046	$ 0.70	$ 30,607	36,806	$ 0.83

Weighted average common shares used for the computation of basic earnings per share excludes certain common shares issued pursuant to the Company's restricted stock plan and deferred compensation agreement, because under the related agreements the holder of such restricted stock may forfeit the shares if certain employment or service requirements are not met.

The effect of the conversion of the company-obligated mandatorily redeemable securities of the subsidiary trust has not been included in the diluted earnings per share calculation since such securities are anti-dilutive. At June 30, 2001 and 2000, such securities were convertible into 2,000,000 shares of common stock. For the three and nine months ended June 30, 2001, options to purchase 2,005,406 and 1,866,682 shares are excluded from the diluted common shares since they are anti-dilutive.

PROPERTY-RELATED GAINS (LOSSES), NET

The Company routinely disposes of owned properties due to various factors, including economic considerations, unsolicited offers from third parties and condemnation proceedings initiated by local government authorities. Leased properties are also periodically evaluated and determinations may be made to sell or exit a lease obligation. A summary of property-related gains and losses for the three and nine months ended June 30, 2001 and 2000 is as follows (in thousands):

	Three months ended June 30,		Nine months ended June 30,	
	2001	2000	2001	2000
Net gains (losses) on sale of property	$ 1,131	$(918)	$ 6,650	$ 2,666
Impairment charges for property, equipment and leasehold improvements	(200)	--	(3,545)	--
Impairment charges for contract rights, lease rights and other intangible assets	--	--	(492)	(495)
Lease termination costs	(3,989)	--	(5,190)	--
Total property-related gains (losses), net	$(3,058)	$(918)	$(2,577)	$ 2,171

Included in net gains on sale of property for the three and nine months ended June 30, 2001 is a $250 thousand loss for environmental liability costs relating to a property previously owned by the Company. The Company recorded impairment charges totaling $4.0 million during the nine months ended June 30, 2001, of which $3.5 million was attributable to properties where the operating lease agreement was amended such that the carrying value of the leasehold improvements was no longer supportable by projected future cash flows. The remaining $0.5 million of the charge reflects a reduction in certain Allright-related intangible assets which are no longer of any value to the Company. The Company recorded impairment charges of $0.5 million during the nine months ended June 30, 2000. Lease termination costs for the three and nine months ended June 30, 2001 represent charges incurred to terminate existing lease agreements related to unfavorable locations.

LONG-TERM DEBT

On March 19, 1999, the Company established a credit facility (the "Credit Facility") providing for an aggregate availability of up to $400 million consisting of a five-year $200 million revolving credit facility including a sub-limit of $25 million for standby letters of credit, and a $200 million five-year term loan. The Credit Facility bears interest at LIBOR plus a grid based margin dependent upon Central Parking achieving certain financial ratios. The amount outstanding under the Company's Credit Facility as of June 30, 2001 was $244.0 million with a weighted average interest rate of 4.9% including the principal amount of the term loan of $137.5 million which is being repaid in quarterly payments of $12.5 million through March 2004. The Credit Facility contains covenants including those that require the Company to maintain certain financial ratios, restrict further indebtedness and limit the amount of dividends paid. The aggregate availability under the Credit Facility was $68.5 million at June 30, 2001.

The Company is required under the Credit Facility to enter into certain interest rate protection agreements designed to fix interest rates on variable rate debt and reduce exposure to fluctuations in interest rates. On October 27, 1999 the Company entered into a $25 million interest rate swap for a term of four years, cancelable after two years at the option of the counterparty, under which the Company will pay to the counterparty a fixed rate of 6.16%, and the counterparty will pay to the Company a variable rate equal to LIBOR. The transaction involved an exchange of fixed rate payments for variable rate payments and does not involve the exchange of the underlying notional value. On June 30, 2000, June 29, 2000, and again on September 29, 2000, the Company entered into $25 million interest rate cap agreements. The rate is 8.0% for the first two cap agreements and 8.5% for the last cap agreement and each has a term consistent with the Credit Facility's. The Company paid a total of $646 thousand for the three $25 million cap agreements.

The Company entered into an agreement effective June 1, 2000, to acquire certain contract and lease rights for approximately $14.3 million. The transaction was financed by the seller with a two-year obligation due June 2002 at an interest rate of 7.32% and is backed by a letter of credit in the amount of $15.0 million.

NEW ACCOUNTING PRONOUNCEMENTS

Derivative financial instruments

In June 1998, the Financial Accounting Standards Board ("FASB") issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 established reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts. Under SFAS No. 133, the Company recognizes all derivatives as either assets or liabilities, measured at fair value, in the statement of financial position. In June 2000, SFAS No. 138 "Accounting for Certain Derivative Instruments and Certain Hedging Activities, an Amendment of FASB Statement No. 133" was issued clarifying the accounting for derivatives under the new standard.

At June 30, 2001, the Company's derivative financial instruments consist of interest rate caps with a combined notional amount of $75 million and interest rate swaps with a combined notional amount of $38 million that effectively convert an equal portion of its debt from a floating rate to a fixed rate. The Company's purpose for holding such instruments is to hedge its exposure to cash flow fluctuations due to changes in market interest rates.

On October 1, 2000, the Company prospectively adopted the provisions of SFAS No. 133 and SFAS No. 138, which resulted in the recording of a net transition loss of $380 thousand, net of related income taxes of $253 thousand, in accumulated other comprehensive loss. Further, the adoption of SFAS No. 133 and SFAS No. 138 resulted in the Company reducing derivative instrument assets by $281 thousand and recording $353 thousand of derivative instrument liabilities.

At June 30, 2001, the Company adjusted the value of its derivative financial instruments to their fair values. These instruments comprised derivative instrument assets of $111 thousand and derivative instrument liabilities of $1.7 million, which are included as other assets and other liabilities, respectively, on the face of the balance sheet. This adjustment resulted in the recognition of unrealized gains of $125 thousand and unrealized losses of $929 thousand, net of related income tax expense of $83 thousand and benefit of $619 thousand in accumulated other comprehensive loss for the three and nine months ended June 30, 2001, respectively. Additionally, the Company increased derivative instrument assets by $19 thousand and decreased derivative instruments assets by $218 thousand and decreased derivative instrument liabilities by $190 thousand and increased derivative instrument liabilities by $1.3 million for the three and nine months ended June 30, 2001, respectively.

Revenue recognition

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" (SAB 101). The Company adopted SAB 101 during the quarter ended March 31, 2001 as a change in accounting principle retroactive to October 1, 2000. Adoption of SAB 101 required the Company to change the timing of recognition of performance-based revenues on certain management contracts. The cumulative effect of this accounting change was a loss of $429 thousand ($258 thousand, net of tax) as of October 1, 2000. Adoption of SAB 101 resulted in an increase in management contract revenues of $2 thousand and $58 thousand for the three and nine months ended June 30, 2001, respectively.

Business combinations, goodwill and intangible assets

In July 2001, the FASB issued SFAS No. 141, Business Combinations, and SFAS No. 142, Goodwill and Other Intangible Assets. SFAS No. 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. SFAS No. 141 also specifies criteria which intangible assets acquired in a purchase method business combination must meet to be recognized and reported apart from goodwill. SFAS No. 142 requires that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead tested for impairment at least annually in accordance with the provisions of SFAS No. 142. SFAS No. 142 also requires that intangible assets with definite useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with SFAS No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of.

The Company is required to adopt the provisions of SFAS No. 141 immediately, except with regard to business combinations initiated prior to July 1, 2001. SFAS No. 142 must be adopted by October 1, 2002, but may be adopted as of October 1, 2001. The Company intends to elect this early adoption. Furthermore, any goodwill and any intangible asset determined to have an indefinite useful life that are acquired in a purchase business combination completed after June 30, 2001 will not be amortized, but will continue to be evaluated for impairment in accordance with the appropriate pre-SFAS No. 142 accounting literature. Goodwill and intangible assets acquired in business combinations completed before July 1, 2001 will continue to be amortized prior to the adoption of SFAS No. 142.

SFAS No. 141 will require, upon adoption of SFAS No. 142, that the Company evaluate its existing intangible assets and goodwill that were acquired in a prior purchase business combination, and to make any necessary reclassifications in order to conform with the new criteria in SFAS No. 141 for recognition apart from goodwill. Upon adoption of SFAS No. 142, the Company will be required to reassess the useful lives and residual values of all intangible assets acquired in purchase business combinations, and make any necessary amortization period adjustments by the end of the first interim period after adoption. In addition, to the extent an intangible asset is identified as having an indefinite useful life, the Company will be required to test the intangible asset for impairment in accordance with the provisions of SFAS No. 142 within the first interim period. Any impairment loss will be measured as of the date of adoption and recognized as the cumulative effect of a change in accounting principle in the first interim period.

In connection with the transitional goodwill impairment evaluation, SFAS No. 142 will require the Company to perform an assessment of whether there is an indication that goodwill is impaired as of the date of adoption. To accomplish this the Company must identify its reporting units and determine the carrying value of each reporting unit by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units as of the date of adoption. The Company will then have up to six months from the date of adoption to determine the fair value of each reporting unit and compare it to the reporting unit's carrying amount. To the extent a reporting unit's carrying amount exceeds its fair value, an indication exists that the reporting unit's goodwill may be impaired and the Company must perform the second step of the transitional impairment test. In the second step, the Company must compare the implied fair value of the reporting unit's goodwill, determined by allocating the reporting unit's fair value to all of it assets (recognized and unrecognized) and liabilities in a manner similar to a purchase price allocation in accordance with SFAS No. 141, to its carrying amount, both of which would be measured as of the date of adoption. This second step is required to be completed as soon as possible, but no later than the end of the year of adoption. Any transitional impairment loss will be recognized as the cumulative effect of a change in accounting principle in the Company's statement of earnings.

As of the date of adoption, the Company expects to have unamortized goodwill in the amount of $253.3 million and unamortized identifiable intangible assets in the amount of $96.0 million, all of which will be subject to the transition provisions of SFAS No. 141 and 142. Amortization expense related to goodwill was $9.0 million for the nine months ended June 30, 2001 and $12.0 million for the year ended September 30, 2000. Because of the extensive effort needed to comply with adopting SFAS No. 141 and 142, it is not practicable to reasonably estimate the impact of adopting these Statements on the Company's financial statements at the date of this report, including whether any transitional impairment losses will be required to be recognized as the cumulative effect of a change in accounting principle.

STOCK OPTION CANCELLATION PROGRAM

During the third quarter of fiscal 2001 the Company initiated and completed a stock option buyback and cancellation program. The Company repurchased 244,375 existing options from non-executive employees with exercise prices at or above $29.25 per share. The Company recognized $100 thousand as compensation expense for the three and nine months ended June 30, 2001, related to the option repurchases.

SHARES HELD IN TRUST

During the third quarter of fiscal 2001 the Company amended an employment agreement with the Company's President and transferred 133,875 shares of restricted common stock previously issued under a restricted stock plan, into a Rabbi Trust. The President has no authority over the administration of the Rabbi Trust. Transfer of these shares resulted in an increase in liabilities and a decrease in equity of $353 thousand.

COMPREHENSIVE INCOME

Comprehensive income, which is comprised of net earnings, changes in unrealized gains and losses on derivative financial instruments and changes in foreign currency translation adjustments, was $6.9 million and $23.8 million for the three and nine months ended June 30, 2001, respectively. Comprehensive income was $14.6 million and $30.4 million for the three and nine months ended June 30, 2000, respectively.

SUBSEQUENT EVENT

In July 2001, the Company agreed to purchase approximately 62 management contracts, as well as substantially all of the operating assets, of USA Parking Systems. The management contracts acquired are primarily in south Florida and Puerto Rico.

BUSINESS SEGMENTS

The Company is managed based on segments administered by senior vice presidents. These segments are generally organized geographically, with exceptions depending on the needs of specific regions. The following are summaries of revenues, costs, and other expenses by segment for the three and nine months ended June 30, 2001 and 2000, respectively. During fiscal year 2001, the Company realigned certain locations among segments. All prior year segment data has been reclassified to conform to the new segment alignment.

					Three Months Ended June 30,	
	ONE	TWO	THREE	FOUR	FIVE	SIX
Revenues:						
Parking	$10,743	$ 67,449	$ 7,899	$18,000	$ 9,488	$14,240
Management contract	2,584	6,171	2,263	3,495	2,768	1,863
Total revenues	13,327	73,620	10,162	21,495	12,256	16,103
Costs and expenses:						
Cost of parking	9,593	57,290	7,252	16,334	7,918	12,215
Cost of management contracts	1,487	2,488	1,131	1,297	1,021	705
General and administrative	1,333	5,902	682	1,137	936	1,267

Goodwill and non-compete amortization	56	2,071	112	123	96	258
Total costs and expenses	12,469	67,751	9,177	18,891	9,971	14,445
Property-related gains (losses), net	(8)	(4,227)	--	(5)	(9)	(1)
Operating earnings	850	1,642	985	2,599	2,276	1,657
Other income (expense):						
Interest income	(38)	(4,609)	(70)	(1)	(13)	(555)
Interest expense	(9)	(242)	(28)	(63)	(46)	(35)
Dividends - convertible securities	--	--	--	--	--	--
Minority interest	--	(282)	(5)	--	--	22
Equity in partnership and joint venture earnings	--	--	--	--	--	1
Earnings (loss) before income tax	$ 803	$ (3,491)	$ 882	$ 2,535	$ 2,217	$ 1,090
Income tax expense						
Net earnings						
Identifiable assets	$23,418	$470,290	$21,119	$47,706	$12,569	$33,609

	TOTAL
Revenues:	
Parking	$154,260
Management contract	24,885
Total revenues	179,145
Costs and expenses:	
Cost of parking	128,485
Cost of management contracts	11,193
General and administrative	17,399
Goodwill and non-compete amortization	3,001
Total costs and expenses	160,078
Property-related gains (losses), net	(3,058)
Operating earnings	16,009
Other income (expense):	
Interest income	1,362
Interest expense	(4,718)
Dividends - convertible securities	(1,472)
Minority interest	(947)
Equity in partnership and joint venture earnings	1,510
Earnings (loss) before income tax	11,744
Income tax expense	5,007
Net earnings	$ 6,737

Identifiable assets	$993,993

Three Months Ended June 30,

	ONE	TWO	THREE	FOUR	FIVE	SIX
Revenues:						
Parking	$12,157	$ 67,251	$ 9,389	$21,359	$ 9,493	$14,693
Management contract	2,841	6,409	2,246	3,572	2,961	2,166
Total revenues	14,998	73,660	11,635	24,931	12,454	16,859
Costs and expenses:						
Cost of parking	10,672	57,337	9,005	19,087	8,092	12,918
Cost of management contracts	1,039	2,014	840	1,431	1,186	905
General and administrative	1,412	5,098	647	1,307	1,163	1,373
Goodwill and non-compete amortization	50	2,071	112	123	96	259
Total costs and expenses	13,173	66,520	10,604	21,948	10,537	15,455
Property-related gains (losses), net	(2)	(33)	28	(442)	(2,576)	1
Operating earnings	1,823	7,107	1,059	2,541	(659)	1,405
Other income (expense):						
Interest income	(42)	(4,600)	(81)	(1)	(23)	(575)
Interest expense	7	(397)	(41)	(24)	(62)	(131)
Dividends - convertible securities	--	--	--	--	--	--
Minority interest	--	87	1	--	--	--
Equity in partnership and joint venture earnings	--	--	--	--	--	--
Earnings (loss) before income tax	$ 1,788	$ 2,197	$ 938	$ 2,516	$ (744)	$ 699
Income tax expense						
Net earnings						
Identifiable assets	$43,410	$504,963	$49,607	$70,630	$40,875	$83,415

	TOTAL
Revenues:	
Parking	$ 160,405
Management contract	25,961
Total revenues	186,366
Costs and expenses:	

Cost of parking	133,339
Cost of management contracts	8,498
General and administrative	16,832
Goodwill and non-compete amortization	2,975
Total costs and expenses	161,644
Property-related gains (losses), net	(918)
Operating earnings	23,804
Other income (expense):	
Interest income	1,808
Interest expense	(6,798)
Dividends - convertible securities	(1,501)
Minority interest	(652)
Equity in partnership and joint venture earnings	6,440
Earnings (loss) before income tax	23,101
Income tax expense	8,320
Net earnings	$ 14,781
Identifiable assets	$1,061,178

	Nine Months Ended June 30,					
	ONE	TWO	THREE	FOUR	FIVE	SIX
Revenues:						
Parking	$31,914	$201,320	$24,315	$53,975	$27,840	$42,352
Management contract	7,756	18,627	7,012	10,871	8,257	5,733
Total revenues	39,670	219,947	31,327	64,846	36,097	48,085
Costs and expenses:						
Cost of parking	28,742	170,395	22,355	49,119	23,346	36,957
Cost of management contracts	4,040	7,226	3,172	4,466	3,290	2,490
General and administrative	3,853	16,942	2,176	3,594	3,002	4,050
Goodwill and non-compete amortization	168	6,215	337	370	288	776
Total costs and expenses	36,803	200,778	28,040	57,549	29,926	44,273
Property-related gains (losses), net	(5)	(8,827)	(7)	704	179	(1)
Operating earnings	2,862	10,342	3,280	8,001	6,350	3,811
Other income (expense):						
Interest income	(116)	(13,806)	(215)	(3)	(39)	(1,693)
Interest expense	(85)	(830)	(105)	(199)	(162)	(119)
Dividends - convertible securities	--	--	--	--	--	--

Minority interest	--	(356)	(11)	--	--	22
Equity in partnership and joint venture earnings	--	--	--	--	--	--
Earnings (loss) before income tax and cumulative effect of accounting change	$ 2,661	$ (4,650)	$ 2,949	$ 7,799	$ 6,149	$ 2,021
Income tax expense						
Earnings before cumulative effect of accounting change						
Cumulative effect of accounting change, net of tax						
Net earnings						
Identifiable assets	$23,418	$470,290	$21,119	$47,706	$12,569	$33,609

	TOTAL
Revenues:	
Parking	$454,785
Management contract	75,959
Total revenues	530,744
Costs and expenses:	
Cost of parking	379,180
Cost of management contracts	31,192
General and administrative	51,086
Goodwill and non-compete amortization	9,003
Total costs and expenses	470,461
Property-related gains (losses), net	(2,577)
Operating earnings	57,706
Other income (expense):	
Interest income	4,341
Interest expense	(16,509)
Dividends - convertible securities	(4,415)
Minority interest	(2,411)
Equity in partnership and joint venture earnings	4,152
Earnings (loss) before income tax and cumulative effect of accounting change	42,864
Income tax expense	17,711
Earnings before cumulative effect of accounting change	25,153
Cumulative effect of accounting change, net of tax	(258)
Net earnings	$ 24,895

Identifiable assets	$993,993

	Nine Months Ended June 30,					
	ONE	TWO	THREE	FOUR	FIVE	SIX
Revenues:						
Parking	$35,106	$205,243	$28,908	$64,526	$28,707	$42,065
Management contract	8,601	18,908	6,716	11,047	8,985	6,268
Total revenues	43,707	224,151	35,624	75,573	37,692	48,333
Costs and expenses:						
Cost of parking	31,650	172,595	27,277	57,897	24,473	38,253
Cost of management contracts	2,918	5,906	2,437	4,394	3,370	2,482
General and administrative	4,123	15,402	2,025	3,987	3,978	3,720
Goodwill and non-compete amortization	137	6,416	337	370	294	783
Merger costs	--	--	--	--	--	--
Total costs and expenses	38,828	200,319	32,076	66,648	32,115	45,238
Property-related gains (losses), net	150	(10)	25	(371)	(2,574)	1
Operating earnings	5,029	23,822	3,573	8,554	3,003	3,096
Other income (expense):						
Interest income	(110)	(13,807)	(248)	(1)	(70)	(1,716)
Interest expense	(32)	(1,197)	(117)	(71)	(179)	(224)
Dividends - convertible securities	--	--	--	--	--	--
Minority interest	--	(243)	(7)	--	--	--
Equity in partnership and joint venture earnings	--	--	--	--	--	--
Earnings (loss) before income tax and extraordinary item	$ 4,887	$ 8,575	$ 3,201	$ 8,482	$ 2,754	$ 1,156
Income tax expense						
Earnings before extraordinary item						
Extraordinary item, net of tax						
Net earnings						
Identifiable assets	$43,410	$504,963	$49,607	$70,630	$40,875	$83,415

	TOTAL
Revenues:	
Parking	$ 477,617
Management contract	76,733

Total revenues	554,350
Costs and expenses:	
Cost of parking	400,038
Cost of management contracts	25,139
General and administrative	56,414
Goodwill and non-compete amortization	9,026
Merger costs	3,747
Total costs and expenses	494,364
Property-related gains (losses), net	2,171
Operating earnings	62,157
Other income (expense):	
Interest income	5,212
Interest expense	(19,966)
Dividends - convertible securities	(4,511)
Minority interest	(2,512)
Equity in partnership and joint venture earnings	9,105
Earnings (loss) before income tax and extraordinary item	49,485
Income tax expense	18,878
Earnings before extraordinary item	30,607
Extraordinary item, net of tax	(195)
Net earnings	$ 30,412
Identifiable assets	$1,061,178

Segment One encompasses the western region of the United States.

Segment Two encompasses the northeastern region of the United States, including New York City, New Jersey, Eastern Pennsylvania, and New England.

Segment Three encompasses the southeastern region of the United States.

Segment Four encompasses parts of the midwestern and southern region of the United States, including parts of Kentucky, Tennessee, Louisiana, and Southern Texas.

Segment Five encompasses the inter-mountain region of the United States, including Northern Texas and parts of the Mid-west.

Segment Six encompasses the southern region of the United States, as well as Washington, D.C. and Puerto Rico.

Segment Seven encompasses the central region of the United States.

International encompasses all non-U.S. locations.

All others and general corporate encompasses home office, eliminations, certain owned real estate and certain partnerships.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

FORWARD-LOOKING STATEMENTS MAY PROVE INACCURATE

This report includes various forward-looking statements regarding the Company that are subject to risks and uncertainties, including, without limitation, the factors set forth below and under the caption "Risk Factors" in the Management's Discussion and Analysis of Financial Condition and Results of Operations section of the Company's Report on Form 10-K for the year ended September 30, 2000. Forward-looking statements include, but are not limited to, discussions regarding the Company's operating strategy, growth strategy, acquisition strategy, cost savings initiatives, industry, economic conditions, financial condition, liquidity and capital resources and results of operations. Such statements include, but are not limited to, statements preceded by, followed by or that otherwise include the words "believes," "expects," "anticipates," "intends," "estimates" or similar expressions. For those statements, the Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

The following important factors, in addition to those discussed elsewhere in this report, and the Company's report on Form 10-K for the year ended September 30, 2000 could affect the future financial results of the Company and could cause actual results to differ materially from those expressed in forward-looking statements contained or incorporated by reference in this document:

- ongoing integration of past and future acquisitions in light of challenges in retaining key employees, synchronizing business processes and efficiently integrating facilities, marketing, and operations;

- successful implementation of the Company's operating and growth strategy, including possible strategic acquisitions;

- fluctuations in quarterly operating results caused by a variety of factors including the timing of gains on sales of owned facilities, preopening costs, changes in the Company's cost of borrowing, effect of weather on travel and transportation patterns, player strikes or other events affecting major league sports and local, national and international economic conditions;

- the ability of the Company to form and maintain its strategic relationships with certain large real estate owners and operators;

- global and/or regional economic factors;

- compliance with laws and regulations, including, without limitation, environmental, antitrust and consumer protection laws and regulations at the federal, state, local and international levels.

OVERVIEW

The Company operates parking facilities under three types of arrangements: leases, fee ownership, and management contracts. Parking revenues from owned properties amounted to $18.1 million and $19.5 million for the three months ended June 30, 2001 and 2000, respectively, representing 11.8% and 12.1% of total parking revenues for the respective periods. For the nine months ended June 30, 2001 and 2000, parking revenues from owned properties were $54.6 million and $56.9 million, respectively, representing 12.0% and 11.9% of total parking revenues for the respective periods. Ownership of parking facilities, either independently or through joint ventures, typically requires a larger capital investment than managed or leased facilities but provides maximum control over the operation of the parking facility and the greatest profit potential of the three types of operating arrangements. As the owner, all changes in owned facility revenue and expense flow directly to the Company. Additionally, the Company has the potential to realize benefits of appreciation in the value of the underlying real estate if the property is sold. Central Parking assumes complete responsibility for all aspects of the property, including all structural, mechanical, or electrical maintenance or repairs and property taxes.

Parking revenues from leased facilities amounted to $136.2 million and $140.9 million for the three months ended June 30, 2001 and 2000 respectively, and $400.2 million and $420.7 million for the nine months ended June 30, 2001 and 2000, respectively. Parking revenues from leased facilities accounted for 88.2% and 87.9% of total parking revenues in the three months ended June 30, 2001 and 2000, respectively, and 88.0% and 88.1% of total parking revenues for the nine months ended June 30, 2001 and 2000, respectively. Leases generally provide for a contractually established payment to the facility owner, which is a fixed annual amount, a percentage of gross revenues, or a combination. As a result, Central Parking's revenues and profits in its lease arrangements are dependent upon the performance of the facility. Leased facilities require a longer commitment and a larger capital investment by Central Parking than managed facilities but generally provide a more stable source of revenue and a greater opportunity for long-term revenue growth. Under its leases, the Company is typically responsible for all facets of the parking operations, except for structural, mechanical, or electrical maintenance or repairs. Lease arrangements are typically for terms of three to ten years, with renewal options.

Management contract revenues amounted to $24.9 million and $26.0 million for the three months ended June 30, 2001 and 2000, respectively and $76.0 million and $76.7 million for the nine months ended June 30, 2001 and 2000, respectively. Management contract revenues consist of management fees (both fixed and percentage of revenues) and fees for ancillary services such as insurance, accounting, equipment leasing and consulting. The cost of management contracts includes insurance premiums and claims and other indirect overhead. The Company's responsibilities under a management contract as a facility manager include hiring, training and staffing parking personnel, and providing collections, accounting, record keeping, insurance and facility marketing services. Generally, Central Parking is not responsible under its management contracts for structural, mechanical, or electrical maintenance or repairs, or for providing security or guard services or for paying property taxes. The typical management contract is for a term of one to three years and generally is renewable for successive one-year terms, but is cancelable by the property owner on short notice.

The Company's clients have the option of obtaining insurance on their own or having Central Parking provide insurance as part of the services provided under the management contract. Because of its size and claims experience, the Company can purchase such insurance at discounts to comparable market rates and, management believes, at lower rates than the Company's clients can generally obtain on their own.

As of June 30, 2001, Central Parking operated 1,870 parking facilities through management contracts, leased 1,992 parking facilities, and owned 221 parking facilities, either independently or in joint ventures with third parties.

THREE MONTHS ENDED JUNE 30, 2001 COMPARED TO THREE MONTHS ENDED JUNE 30, 2000

Parking revenues for the third quarter of fiscal 2001 decreased to $154.3 million from $160.4 million in the third quarter of fiscal 2000, a decrease of $6.1 million, or 3.8%. The decrease is primarily a result of the Company experiencing a net decline of 369 leased and owned locations since June 30, 2000 (245 locations added, offset by 614 locations lost). The decline in locations is due to a variety of factors including the sale or closure of underperforming locations and the loss of locations in the ordinary course of business. Revenues from foreign operations amounted to approximately $9.5 million and $9.0 million for the quarters ended June 30, 2001 and 2000, respectively.

Management contract revenues for the third quarter of fiscal 2001 decreased to $24.9 million from $26.0 million in the same period of fiscal 2000, a decrease of $1.1 million or 4.1%. The slight decrease resulted from loss of locations in the ordinary course of business.

Cost of parking in the third quarter of 2001 decreased to $128.5 million from $133.3 million in the third quarter of 2000, a decrease of $4.8 million or 3.6%. This decrease was due primarily to a reduction in rent and property taxes of $2.5 million compared against the prior year period. The reduction in rent and property taxes is a result of fewer locations as well as an increased focus on expense control throughout the Company. Rent expense as a percentage of parking revenues increased to 48.9% for the three months ended June 30, 2001 from 48.3% in the comparable prior year period. Cost of parking as a percentage of parking revenues increased to 83.3% in the third quarter of fiscal 2001 from 83.1% in the third quarter of fiscal 2000.

Cost of management contracts in the third quarter of fiscal 2001 increased to $11.2 million from $8.5 million in the comparable period in 2000, an increase of $2.7 million or 31.7%. The increase in cost reflects higher medical and workers' compensation claims by employees. Cost of management contracts as a percentage of management contract revenue increased to 45.0% for the third quarter of 2001 from 32.7% for the same period in 2000, due to the increase in the aforementioned items.

General and administrative expenses increased to $17.4 million for the third quarter of fiscal 2001 from $16.8 million in the third quarter of fiscal 2000, an increase of $0.6 million or 3.4%. This increase is due to additional depreciation from certain computer systems which began in the fourth quarter of fiscal 2000. General and administrative expenses as a percentage of total revenues increased to 9.7% for the third quarter of fiscal 2001 compared to 9.0% for the third quarter of fiscal 2000.

Goodwill and non-compete amortization remained constant at $3.0 million for the third quarter of fiscal 2001 and the third quarter of fiscal 2000.

Net property-related losses for the three months ended June 30, 2001 were $3.1 million, including a $4.0 million charge for early termination of an unfavorable lease and a $0.2 million charge for impairment of leasehold improvements, offset by $1.1 million of routine gains on disposals of property and equipment. Net property-related losses for the three months ended June 30, 2000 were $0.9 million and comprised losses on routine disposals of property and equipment.

Interest income decreased to $1.4 million for the third quarter of fiscal 2001 from $1.8 million in the third quarter of fiscal 2000, a decrease of $0.4 million, or 24.7%. The decrease in interest income is a result of the retirement of a $10.3 million note during the fourth quarter of fiscal 2000.

Interest expense and dividends on Company-obligated mandatorily redeemable convertible securities of a subsidiary trust decreased to $6.2 million for the third quarter of fiscal 2001 from $8.3 million in the third quarter of fiscal 2000, a decrease of $2.1 million or 25.4%. This decrease in interest expense was primarily attributable to the lower amount of overall debt outstanding during the current quarter. The weighted average balance outstanding under such credit facilities and convertible securities was $394.6 million during the quarter ended June 30, 2001, at a weighted average interest rate of 5.8% compared to $454.9 million during the quarter ended June 30, 2000 at an average interest rate of 6.9%.

Equity in partnership and joint venture earnings decreased in the third quarter of fiscal 2001 to $1.5 million from $6.4 million for the same period in the prior year, a decrease of $4.9 million, or 76.6%. The decrease was primarily due to a $5.0 million gain recognized in the third quarter of fiscal 2000 resulting from the liquidation of property held by one of the Company's unconsolidated partnerships.

Income taxes decreased to $5.0 million for the third quarter of fiscal 2001 from $8.3 million in the third quarter of fiscal 2000, a decrease of $3.3 million or 39.8%. The effective tax rate for the third quarter of fiscal 2001 was 42.6% compared to 36.0% for the third quarter of fiscal 2000. The increase in the effective tax rate is attributable to an increase in nondeductible goodwill as a percentage of income before taxes.

NINE MONTHS ENDED JUNE 30, 2001 COMPARED TO NINE MONTHS ENDED JUNE 30, 2000

Parking revenues for the first nine months of fiscal 2001 decreased to $454.8 million from $477.6 million in the first nine months of fiscal 2000, a decrease of $22.8 million, or 4.8%. The decrease primarily results from a decline in the number of leased locations, including certain facilities that are now operated as management locations. Revenues from foreign operations amounted to approximately $25.7 million and $24.9 million for the nine-month periods ended June 30, 2001 and 2000, respectively.

Management contract revenues for the first nine months of fiscal 2001 were largely unchanged at $76.0 million, decreasing from $76.7 million in the same period of fiscal 2000, a decrease of $0.7 million or 1.0%.

Cost of parking in the first nine months of 2001 decreased to $379.2 million from $400.0 million in the first nine months of 2000, a decrease of $20.8 million or 5.2%. This decrease was due primarily to decreases in rent and payroll expense resulting from fewer locations. Rent expense decreased $14.6 million to $218.4 million in the first nine months of 2001 compared to $233.0 million in the first nine months of 2000. Rent as a percentage of parking revenues decreased to 48.0% in the first nine months of 2001 from 48.8% in the same period of 2000. Payroll decreased $7.6 million in the nine-month period ended June 30, 2001 over the same period in 2000. Cost of parking as a percentage of parking revenues decreased to 83.4% in the first nine months of fiscal 2001 from 83.8% in the first nine months of fiscal 2000.

Cost of management contracts in the first nine months of fiscal 2001 increased to $31.2 million from $25.1 million in the comparable period in 2000, an increase of $6.1 million or 24.1%. The increase in cost reflects higher medical and workers' compensation claims by employees, both in total and as a percentage of management contract revenue. Cost of management contracts as a percentage of management contract revenue increased to 41.1% for the first nine months of fiscal 2001 from 32.8% for the same period in 2000, primarily due to the aforementioned items.

General and administrative expenses, excluding amortization of goodwill and non-compete agreements, decreased to $51.1 million for the first nine months of fiscal 2001 from $56.4 million in the first nine months of 2000, a decrease of $5.3 million or 9.4%. This decrease is due primarily to $3.1 million of additional depreciation in the prior year resulting from the adoption of a shorter life on certain Allright related computer assets. General and administrative expenses, as a percentage of total revenues decreased to 9.6% for the first nine months of fiscal 2001 compared to 10.2% for the first nine months of fiscal 2000.

Goodwill and non-compete amortization for the nine-month period ended June 30, 2001 remained constant at $9.0 million compared to the same period in 2000.

The Company incurred $3.7 million of merger related expenses on a pretax basis during the nine months ended June 30, 2000 that were reported as operating expenses. Included in these costs are approximately $1.3 million of legal, accounting, and consulting fees; $1.1 million related to employment agreements and severance; and the balance of $1.3 million in travel, supplies, printing and other out of pocket expenses. The costs which were directly attributable to the merger and are incremental to the combined companies were recognized when incurred. No such expenses have been incurred in the current fiscal year.

Net property-related losses for the nine months ended June 30, 2001 amounted to $2.6 million compared to net gains of $2.2 million for the comparable period in fiscal 2000. Gains on sale of property of $6.6 million were offset by impairment charges for leasehold improvements and intangible assets totaling $4.0 million and lease termination charges of $5.2 million during the nine months ended June 30, 2001. For the same period in fiscal 2000, gains on sale of property of $2.7 million were offset by impairment charges for contract rights of $0.5 million.

Interest income decreased to $4.3 million for the first nine months of fiscal 2001 from $5.2 million in the first nine months of fiscal 2000, a decrease of $0.9 million, or 16.7%. The decrease in interest income is a result of the retirement of a $10.3 million note during the fourth quarter of fiscal 2000.

Interest expense and dividends on Company-obligated mandatorily redeemable convertible securities of a subsidiary trust decreased to $20.9 million for the first nine months of fiscal 2001 from $24.5 million in the first nine months of fiscal 2000, a decrease of $3.6 million or 14.5%. This decrease in interest expense was primarily attributable to lower overall outstanding debt balances during the period. The weighted average balance outstanding under such credit facilities and convertible securities was $400.5 million during the nine-month period ended June 30, 2001, at a weighted average interest rate of 6.5% compared to $463.2 million during the same period ended June 30, 2000 at an average interest rate of 6.8%.

Equity in partnership and joint venture earnings decreased in the first nine months of fiscal 2001 to $4.2 million from $9.1 million for the same period in the prior year, a decrease of $4.9 million, or 54.4%. The decrease was primarily due to a $5.0 million gain recognized in the third quarter of fiscal 2000 resulting from the liquidation of property held by one of the Company's unconsolidated partnerships.

Income taxes excluding the extraordinary item and cumulative effect of accounting change, decreased to $17.7 million for the first nine months of fiscal 2001 from $18.9 million in the first nine months of 2000, a decrease of $1.2 million or 6.2%. The effective tax rate for the first nine months of fiscal 2001 was 41.3%, compared to 38.1% for the first nine months of fiscal 2000. The increase in the effective tax rate is attributable to an increase in nondeductible goodwill as a percentage of income before taxes.

LIQUIDITY AND CAPITAL RESOURCES

Operating activities for the nine months ended June 30, 2001 provided net cash of $32.3 million, compared to $62.4 million of cash provided by operating activities for the nine months ended June 30, 2000. Net earnings of $24.9 million and depreciation and amortization of $35.7 million, offset by decreases in accounts payable and accrued expenses of $13.7 million and income taxes payable of $6.9 million and increases in other assets of $7.1 million, account for the majority of the cash provided by operating activities during the first nine months of fiscal 2001.

Investing activities for the nine months ended June 30, 2001 used net cash of $0.8 million, compared to $23.2 million of net cash used for investing activities for the same period in 2000. Proceeds of $21.3 million from the disposition of property and equipment, offset by the purchase of property, equipment, leasehold improvements, and contract rights of $24.6 million account for the majority of the cash used by investing activities in the first nine months of fiscal 2001. Purchase of property, equipment, leasehold improvements and contract rights of $50.6 million, partially offset by proceeds from sales of property of $20.8 million and repayments of advances to partnerships and joint ventures of $5.9 million accounted for the majority of cash used by investing activities during the first nine months of fiscal 2000.

Financing activities for the nine months ended June 30, 2001 used net cash of $39.9 million, compared to $46.7 million in the same period in 2000. Principal repayments on notes payable and capital lease obligations of $42.5 million and the repurchase of $10.9 million of common stock, offset by net borrowings under the revolving credit facility of $16.1 million account for the majority of the cash used by financing activities during the nine months ended June 30, 2001. Net payments under the revolving credit agreement of $34.5 million and repurchase of common stock of $10.3 million, partially offset by proceeds from the issuance of notes payable of $13.3 million account for the majority of the cash used by financing activities during the nine months ended June 30, 2000.

Depending on the timing and magnitude of the Company's future investments (either in the form of leased or purchased properties, joint ventures, or acquisitions), the working capital necessary to satisfy current obligations is anticipated to be generated from operations and from Central Parking's credit facility over the next twelve months. In the ordinary course of business, Central Parking is required to maintain and, in some cases, make capital improvements to the parking facilities it operates.

The Allright Registration Rights Agreement, as noted under the caption "Risk Factors" in the Management's Discussion and Analysis of Financial Condition and Results of Operations section of the Company's Report on Form 10-K for the year ended September 30, 2000, provides certain limitations and restrictions upon Central Parking's ability to issue new shares of Central Parking common stock. Until certain shareholders of Central Parking have received at least $350 million from the sale of Central Parking common stock in either registered offerings or otherwise, Central Parking cannot sell any shares of its common stock on its own behalf, subject to certain exceptions. While Central Parking does not expect this limitation to affect its working capital needs, it could have an impact on Central Parking's ability to complete significant acquisitions. The decreased market value of Central Parking's common stock also could have an impact on Central Parking's ability to complete significant acquisitions or raise additional capital.

Future Cash Commitments

On January 18, 2000, the Company's board of directors authorized the repurchase of up to $50 million in outstanding shares of the Company's common stock. The Company's bank lenders subsequently approved the repurchase on February 14, 2000. Subject to availability, the repurchases may be made from time to time in open market transactions or in privately negotiated off-market transactions at prevailing market prices that the Company deems appropriate. As of June 30, 2001 the Company had repurchased 1.4 million shares at a total cost of $25.5 million.

The Company routinely makes capital expenditures to maintain and enhance customer service at parking facilities under its control. Capital expenditures for the nine months ended June 30, 2001 were $22.6 million.

Credit Facility

On March 19, 1999, the Company established a new credit facility (the "Credit Facility") providing for an aggregate availability of up to $400 million consisting of a five-year $200 million revolving credit facility including a sub-limit of $25 million for standby letters of credit, and a $200 million five-year term loan. The Credit Facility bears interest at LIBOR plus a grid based margin dependent upon Central Parking achieving certain financial ratios. The amount outstanding under the Company's Credit Facility as of June 30, 2001 was $244.0 million with a weighted average interest rate of 4.9%, including the principal amount of the term loan of $137.5 million which is being repaid in quarterly payments of $12.5 million through March 2004. The Credit Facility contains covenants including those that require the Company to maintain certain financial ratios, restrict further indebtedness and limit the amount of dividends paid. The aggregate availability under the Credit facility was $68.5 million at June 30, 2001.

Convertible Trust Issued Preferred Securities and Equity Offerings

On March 18, 1998, the Company completed an offering of 2,137,500 shares of common stock. The Company received net proceeds from the offering of $89.1 million. Concurrent with the common stock offering, the Company created the Trust which completed a private placement of 4,400,000 shares at $25.00 per share of 5.25% convertible trust issued preferred securities pursuant to an exemption from registration under the Securities Act of 1933, as amended. The Preferred Securities represent preferred undivided beneficial interests in the assets of Central Parking Finance Trust, a statutory business trust formed under the laws of the State of Delaware. The Company owns all of the common securities of the Trust. The Trust exists for the sole purpose of issuing the Preferred Securities and investing the proceeds thereof in an equivalent amount of 5.25% Convertible Subordinated Debentures ("Convertible Debentures") of the Company due 2028. The net proceeds to the Company from the Preferred Securities private placement were $106.0 million. Each Preferred Security is entitled to receive cumulative cash distributions at an annual rate of 5.25% (or $1.312 per share) and will be convertible at the option of the holder thereof into shares of Company common stock at a conversion rate of 0.4545 shares of Company common stock for each Preferred Security (equivalent to $55.00 per share of Company common stock), subject to adjustment in certain circumstances. The Preferred Securities do not have a stated maturity date but are subject to mandatory redemption upon the repayment of the Convertible Debentures at their stated maturity (April 1, 2028) or upon acceleration or earlier repayment of the Convertible Debentures. The proceeds of the equity and preferred security offerings were used to repay indebtedness.

The Company's consolidated balance sheets reflect the Preferred Securities of the Trust as company-obligated mandatorily redeemable convertible securities of subsidiary whose sole assets are convertible subordinated debentures of the Parent.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Interest Rates

The Company's primary exposure to market risk consists of changes in interest rates on variable rate borrowings. As of June 30, 2001, the Company had $244.0 million of variable rate debt outstanding under the Credit Facility priced at LIBOR plus 87.5 basis points. The Company is required under the Credit Facility to enter into interest rate protection agreements designed to limit the Company's exposure to increase in interest rates. As of June 30, 2001, interest rate protection agreements had been purchased to hedge $100 million of the Company's variable rate debt. Please refer to the paragraph entitled Long-Term Debt in the Notes to the Financial Statements for a description of the individual interest rate protection agreements. With such agreements in place, a 1% increase in market interest rates would result in an increase of approximately $2.2 million in annual interest expense.

$137.5 million of the Credit Facility is payable in quarterly installments of $12.5 million and $106.5 million in revolving credit loans are due in March 2004. The Company anticipates paying the scheduled quarterly payments out of operating cash flow and, if necessary, will renew the revolving credit facility.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The ownership of property and provision of services to the public entails an inherent risk of liability. Although the Company is engaged in routine litigation incidental to its business, there is no legal proceeding to which the Company is a party, which, in the opinion of management, will have a material adverse effect upon the Company's financial condition, results of operations, or liquidity. The Company carries liability insurance against certain types of claims that management believes meets industry standards; however, there can be no assurance that any future legal proceedings (including any judgments, settlements or costs) will not have a material adverse effect on the Company's financial condition, liquidity or results of operations.

In connection with the merger of Allright Holdings, Inc. with a subsidiary of the Company, the Antitrust Division of the United States Department of Justice (the "Antitrust Division") filed a complaint in U.S. District Court for the District of Columbia seeking to enjoin the merger on antitrust grounds. In addition, the Company received notices from several states, including Tennessee, Ohio, Texas, Illinois, and Maryland, that the attorneys general of those states were reviewing the merger from an antitrust perspective. Several of these states also requested certain information relating to the merger and the operations of Central and Allright in the form of civil investigative demands.

Central and Allright entered into a settlement agreement with the Antitrust Division on March 16, 1999, under which the two companies agreed to divest a total of 74 parking facilities in 18 cities, representing approximately 18,000 parking spaces. None of the states that reviewed the transaction from an antitrust perspective became a party to the settlement agreement with the Antitrust Division, and the Company believes that at least one of these states, Tennessee, is still conducting a review of the operations of Central and Allright. The Company has completed the divestiture of all of the facilities required to be divested by the settlement agreement. The settlement agreement provides that Central and Allright may not operate any of the divested facilities for a period of two years following the divestiture of such facility.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

2 Plan of Recapitalization, effective October 9, 1997 (Incorporated by reference to Exhibit 2 to the Company's Registration Statement No. 33-95640 on Form S-1).

2.1 Agreement and Plan of Merger dated September 21, 1998, by and among the Registrant, Central Merger Sub, Inc., Allright Holdings, Inc., Apollo Real Estate Investment Fund II, L.P. and AEW Partners, L.P. (Incorporated by reference to Exhibit 2.1 to the Company's Registration Statement No. 333-66081 on Form S-4 filed on October 21, 1998).

2.2 Amendment dated as of January 5, 1999, to the Agreement and Plan of Merger dated September 21, 1998 by and among the Registrant, Central Merger Sub, Inc., Allright Holdings, Inc., Apollo Real Estate Investment Fund II, L.P. and AEW Partners, L.P. (Incorporated by reference to Exhibit 2.1 to the Company's Registration Statement No. 333-66081 on Form S-4 filed on October 21, 1998, as amended).

2.3 Acquisition Agreement and Plan of Merger dated as of November 7, 1997, by and between the Registrant and Kinney System Holding Corp and a subsidiary of the Registrant (Incorporated by reference to the Company's Current Report on Form 8-K filed on February 17, 1998).

3.1 (a) Amended and Restated Charter of the Registrant (Incorporated by reference to Exhibit 4.1 to the Company's Registration Statement No. 333-23869 on Form S-3).

(b) Articles of Amendment to the Charter of Central Parking Corporation increasing the authorized number of shares of common stock, par value $0.01 per share, to one hundred million (Incorporated by reference to Exhibit 2 to the Company's 10-Q for the quarter ended June 30, 1999).

3.2 Amended and Restated Bylaws of the Registrant (Incorporated by reference to Exhibit 4.1 to the Company's Registration Statement No. 333-23869 on Form S-3).

4.1 Form of Common Stock Certificate (Incorporated by reference to Exhibit 4.1 to the Company's Registration Statement No. 33-95640 on Form S-1).

4.4 (a) Registration Rights Agreement (the "Allright Registration Rights Agreement") dated as of September 21, 1998 by and between the Registrant, Apollo Real Estate Investment Fund II, L.P., AEW Partners, L.P. and Monroe J. Carell, Jr., The Monroe Carell Jr.Foundation, Monroe Carell Jr. 1995 Grantor Retained Annuity Trust, Monroe Carell Jr. 1994 Grantor Retained Annuity Trust, The Carell Children's Trust, The 1996 Carell Grandchildren's Trust, The Carell Family Grandchildren 1990 Trust, The Kathryn Carell Brown Foundation, The Edith Carell Johnson Foundation, The Julie Carell Stadler Foundation, 1997 Carell Elizabeth Brown Trust, 1997 Ann Scott Johnson Trust, 1997 Julia Claire Stadler Trust, 1997 William Carell Johnson Trust, 1997 David Nicholas Brown Trust and 1997 George Monroe Stadler Trust (Incorporated by reference to Exhibit 4.4 to the Company's Registration Statement No. 333-66081 filed on October 21, 1998).

4.4 (b) Amendment dated January 5, 1999 to the Allright Registration Rights Agreement (Incorporated by reference to Exhibit 4.4.1 to the Company's Registration Statement No. 333-66081 filed on October 21, 1998, as amended).

4.4 (c) Second Amendment dated February 1, 2001 to the Allright Registration Rights Agreement. (Incorporated by reference to Exhibit 4.6 to the Company's Registration Statement No. 333-54914 on Form S-3 filed on

February 2, 2001)

4.5 Indenture dated March 18, 1998 between the registrant and Chase Bank of Texas, National Association, as Trustee regarding up to $113,402,050 of 5-1/4 % Convertible Subordinated Debentures due 2028. (Incorporated by reference to Exhibit 4.5 to the Registrant's Registration Statement No. 333-52497 on Form S-3).

4.6 Amended and Restated Declaration of Trust of Central Parking Finance Trust dated as of March 18, 1998. (Incorporated by reference to Exhibit 4.5 to the Registrant's Registration Statement No. 333-52497 on Form S-3).

4.7 Preferred Securities Guarantee Agreement dated as of March 18, 1998 by and between the Registrant and Chase Bank of Texas, national Association as Trustee (Incorporated by reference to Exhibit 4.7 to the Registrant's Registration Statement No. 333-52497 on Form S-3).

4.8 Common Securities Guarantee Agreement dated March 18, 1998 by the Registrant. (Incorporated by reference to Exhibit 4.9 to 333-52497 on Form S-3).

10.1 Executive Compensation Plans and Arrangements

(a) 1995 Incentive and Nonqualified Stock Option Plan for Key Personnel (Incorporated by reference to Exhibit 10.1 to the Company's Registration Statement No. 33-95640 on Form S-1).

(b) Amendment to the 1995 Incentive and Nonqualified Stock Option Plan for Key Personnel increasing the number of shares licensed for issuance under the plan to 3,817,500. (Incorporated by reference to Exhibit 10.1 to the Company's Annual Report of Form 10-K for the period ended September 30, 2000)

(c) Form of Option Agreement under Key Personnel Plan (Incorporated by reference to Exhibit 10.2 to the Company's Registration Statement No. 33-95640 on Form S-1).

(d) 1995 Restricted Stock Plan (Incorporated by reference to Exhibit 10.5.1 to the Company's Registration Statement No. 33-95640 on Form S-1.)

(e) Form of Restricted Stock Agreement (Incorporated by reference to Exhibit 10.5.2 to the Company's Registration Statement No.33-95640 on Form S-1.)

(f) Form of Employment Agreements with Executive Officers (Incorporated by reference to Exhibit 10.7 to the Company's Registration Statement No. 33-95640 on Form S-1.)

(g) Monroe J. Carell, Jr. Employment Agreement (Incorporated by reference to Exhibit 10.8 to the Company's Registration Statement No. 33-95640 on Form S-1.)

(h) Monroe J. Carell, Jr. Revised Deferred Compensation Agreement, as amended (Incorporated by reference to Exhibit 10.9 to the Company's Registration Statement No.33-95640 on Form S-1.)

(i) Performance Unit Agreement between Central Parking Corporation and James H. Bond (Incorporated by reference to Exhibit 10.11.1 to the Company's Registration Statement No. 33-95640 on Form S-1.)

(j) Modification of Performance Unit Agreement of James H. Bond

(Incorporated by reference to Exhibit 10.1 (j) to the Company's Annual Report on Form 10-K filed on December 27, 1997).

(k) Second modification of Performance Unit Agreement of James H. Bond. (Filed herewith).

(l) James J. Hagan Employment Agreement, dated June 12, 2000. (Incorporated by reference to Exhibit 10.1 to the Company's Report on Form 10-K for the period ended September 30, 2000.)

(m) Deferred Stock Unit Plan (Incorporated by reference to Exhibit 10.1 to the Company's Annual Report on Form 10-K for the period ended September 30, 1998).

(n) EPS Compensation Program for Senior Executives. (Incorporated by reference to Exhibit 10.1 (m) of the Company's Report on Form 10-K for the period ended September 30, 1999).

(o) William J. Vareschi Employment Agreement dated as of February 28, 2001. (Filed herewith)

(p) James H. Bond Employment Agreement dated as of may 31, 2001. (Filed herewith)

(q) Emanuel J. Eads Employment Agreement dated as of October 1, 2000. (Filed herewith)

(r) Gregory A. Susick Employment Agreement dated as of October 1, 2000. (Filed herewith)

(s) Jeff L. Wolfe Employment Agreement dated as of October 1, 2000. (Filed herewith)

10.2 (a) 1995 Nonqualified Stock Option Plan for Directors (Incorporated by reference to Exhibit 10.3 to the Company's Registration Statement No. 33-95640 on Form S-1.)

(b) Amendment to the 1995 Nonqualified Stock Option Plan for Directors increasing the number of shares reserved for issuance under the plan to 475,000. (Incorporated by reference to Exhibit 10.2 to the Company's Annual Report on Form 10-K for the period ended September 30, 2000.)

10.3 Form of Option Agreement under Directors plan (Incorporated by reference to Exhibit 10.4 to the Company's Registration Statement No. 33-95640 on Form S-1.)

10.4 Form of Indemnification Agreement for Directors (Incorporated by reference to Exhibit 10.12 to the Company's Registration Statement No. 33-95640 on Form S-1.)

10.5 Indemnification Agreement for Monroe J. Carell, Jr. (Incorporated by reference to Exhibit 10.13 to the Company's Registration Statement No. 33-95640 on Form S-1.)

10.6 Form of Management Contract (Incorporated by eference to Exhibit 10.14 to the Company's Registration Statement No. 33-95640 on Form S-1.)

10.7 Form of Lease (Incorporated by reference to Exhibit 10.15 to the Company's Registration Statement No. 33-95640 on Form S-1.)

10.8 1998 Employee Stock Purchase Plan (Incorporated by reference to Exhibit 10.16 to the Company's Registration Statement No. 33-95640 on Form S-1.)

10.9 Exchange Agreement between the Company and Monroe J. Carell, Jr. (Incorporated by reference to Exhibit 10.18 to the Company's Registration Statement No. 33-95640 on Form S-1.)

10.10 $400 Million Credit Agreement dated as of March 19, 1999 by and among various banks with Bank of America, N.A., as Agent, and Central Parking Corporation and certain affiliates. (Incorporated by reference to Exhibit 10.11 of the Company's Report on Form 10-K for the period ended September 30, 1999.)

10.11 Letter Amendment dated as of June 25, 1999 to Credit Agreement dated as of March 19, 1999, by and among various banks with Bank of America, N.A., as Agent, and Central Parking Corporation and certain affiliates. (Incorporated by reference to Exhibit 10.11 of the Company's Report on Form 10-K for the period ended September 30, 1999.)

10.12 Letter Amendment dated as of October 27, 1999 to Credit Agreement dated as of March 19, 1999, by and among various banks with Bank of America, N.A., as Agent, and Central Parking Corporation and certain affiliates. (Incorporated by reference to Exhibit 10.11 of the Company's Report on Form 10-K for the period ended September 30, 1999.)

10.13 Form of Amendment dated as of December 28, 1999 to $400 million Credit Agreement dated as of March 19, 1999, by and among various banks with Bank of America, N.A., as Agent, and Central Parking Corporation and certain affiliates. (Incorporated by reference to Exhibit 10.11 of the Company's Report on Form 10-K for the period ended September 30, 1999.)

10.14 Amended and Restricted Credit Agreement dated as of February 14, 2000, by and among various banks, with Bank of America, N.A., as Agent and Central Parking Corporation and certain affiliates. (Incorporated by reference to the Company's Report of Form 10-Q for the quarter ended June 30, 2000.)

10.15 Amended and Restated Credit Agreement dated as of June 16, 2000, by and among various banks, with Bank F America, N.A. as Agent and Central Parking Corporation and certain affiliates. (Incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K for the period ended September 30, 2000.)

10.16 Consultancy Agreement dated as of January 21, 1997 between Central Parking System, Inc. and Lowell Harwood (Incorporated by reference to Exhibit (c)(4) to the Company's Tender Offer Statement on Schedule 14D-1 filed December 13, 1996).

10.17 Consulting Agreement dated as of February 12, 1998, by and between Central Parking Corporation and Lewis Katz. (Incorporated by reference to Exhibit 10.20 of the Company's Report on Form 10-K for the period ended September 30, 1999.)

10.18 Limited Partnership Agreement dated as of August 11, 1999, by and between CPS of the Northeast, Inc. and Arizin Ventures, L.L.C. (Incorporated by reference to Exhibit 10.21 of the Company's Report on Form 10-K for the period ended September 30, 1999.)

10.19 Registration Rights Agreement dated as of February 12, 1998, by and among Central Parking Corporation, Lewis Katz and Saul Schwartz. (Incorporated by reference to Exhibit 10.22 of the Company's Report on Form 10-K for the period ended September 30, 1999.)

10.20 Shareholders' Agreement and Agreement Not to Compete by and among Central Parking Corporation, Monroe J. Carell, Jr., Lewis Katz and Saul Schwartz dated as of February 12, 1998. (Incorporated by reference to Exhibit 10.23 of the Company's Report on Form 10-K for the period ended September 30, 1999.)

10.21 Lease Agreement dated as of October 6, 1995, by and between The Carell Family LLC and Central Parking System of Tennessee, Inc. (Alloway Parking Lot). (Incorporated by reference to Exhibit 10.24 of the Company's Report on Form 10-K for the period ended September 30, 1999.)

10.22 First Amendment to Lease Agreement dated as of July 29, 1997, by and between The Carell Family LLC and Central Parking System of Tennessee, Inc. (Alloway Parking Lot). (Incorporated by reference to Exhibit 10.25 of the Company's Report on Form 10-K for the period ended September 30, 1999.)

10.23 Lease Agreement dated as of October 6, 1995 by and between The Carell Family LLC and Central Parking System of Tennessee, Inc. (Second and Church Parking Lot). (Incorporated by reference to Exhibit 10.26 of the Company's Report on Form 10-K for the period ended September 30, 1999.)

10.24 First Amendment to Lease Agreement dated as of October 6, 1995, by and between The Carell Family LLC and Central Parking System of Tennessee, Inc. (Second and Church Parking Lot). (Incorporated by reference to Exhibit 10.27 of the Company's Report on Form 10-K for the period ended September 30, 1999.)

10.25 Prospectus and offering document for 2,625,000 shares of Common Stock dated February 17, 1998. (Incorporated by reference to the Company's Registration Statement No. 233-23869 on Form S-3).

10.26 Transaction Support Agreement by Monroe J. Carell, Jr., the Registrant, Kathryn Carell Brown, Julia Carell Stadler and Edith Carell Johnson to Allright Holdings, Inc., Apollo Real Estate Investment Fund II, L.P. and AEW Partners, L.P. dated September 21, 1998. (Incorporated by reference to Exhibit 2.1 to the Company's Registration Statement No. 333-66081 filed on October 23, 1998).

10.30 Form of Transaction Support Agreement by certain shareholders of the Registrant to Allright Holdings, Inc., Apollo Real Estate Investment Fund II, L.P., and AEW Partners, L.P., dated September 21, 1998. (Incorporated by reference to Exhibit 2.1 to the Company's Registration Statement No. 333-66081 filed on October 23, 1998).

10.31 Form of Transaction Support Agreement by certain shareholders of Allright Holdings, Inc. to the Registrant and Central Merger Sub, Inc. dated September 21, 1998. (Incorporated by reference to Exhibit 2.1 to the Company's Registration Statement No. 333-66081 filed on October 23, 1998).

(b) Reports on Form 8-K

On May 29, 2001, the Company filed a current report on form 8-K announcing the hiring of Mr. Hiram A. Cox as Chief Financial Officer, incorporating the text of a press release on that date.

On July 18, 2001, the Company filed a current report on form 8-K announcing its forecasted operating results for the third quarter of fiscal 2001, incorporating the text of a press release dated July 17, 2001.

On August 13, 2001, the Company filed a current report on form 8-K announcing the acquisition of USA Parking Systems, incorporating the text of a press release dated August 8, 2001.

On August 13, 2001, the Company filed a current report on form 8-K announcing the results for the third quarter of fiscal 2001, incorporating the text of a press release dated August 9, 2001.

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.

CENTRAL PARKING CORPORATION

Date: August 31, 2001

By: /s/ Hiram A. Cox

Hiram A. Cox

Senior Vice President and
Chief Financial 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 in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Hiram A. Cox Hiram A. Cox	Senior Vice President and Chief Financial Officer	August 31, 2001

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