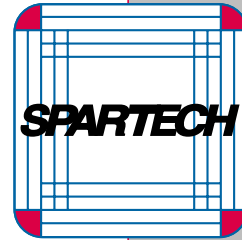
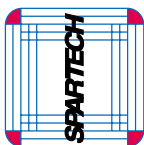


SPARTECH Corporation
 120 S. Central • Suite 1700 • Clayton, Missouri 63105-1705



1st Quarter 2001 Report

Committed to Generating Value

Dear Fellow Shareholder:

While we were certainly disappointed to see SPARTECH's string of thirty-six (36) consecutive quarters of year-over-year earnings improvements halted in the three month period ended February 3, 2001, we did get some satisfaction from the fact that we again saw our sales in several key markets grow during the quarter. This sales growth was primarily due to new volume from our two fiscal 2000 acquisitions coupled with the benefit of an additional week in this year's first quarter. Our earnings decline—for the first time in over nine years—primarily resulted from the slowing U.S. economy and a significant increase in our financing costs as compared to last year. Highlights of SPARTECH's first quarter results are summarized below and presented in more detail in the financial statement section of this report.

- ▣ Sales increased by 18% to \$234.7 million.
- ▣ Operating Earnings rose by 2% to \$23.5 million.
- ▣ Financing Costs grew by 114% to \$9.7 million.
- ▣ Net Earnings declined by 23% to \$8.6 million.
- ▣ Earnings Per Share decreased to \$.32 or 18%.

Review of Operations

Our Custom Sheet & Rollstock group performed reasonably well in the quarter despite the current sluggish economic environment and certain West Coast production problems related to the California energy situation. Strong packaging volume, along with new business from recent acquisitions, more than offset slowdowns in the transportation and building & construction markets serviced by this group. Through focused cost reduction efforts and several creative marketing & supply chain management initiatives, we were able to hold operating margins in the area of 11% for this segment.

The Color & Specialty Compounds division was hit a little harder by the slowdown, principally due to its greater level of business with the automotive market. Sales for the group approximated last year's volumes, despite an additional week's activity, while operating margin dropped to slightly above 11% from recent historical levels of 12-13%.

Our Molded & Profile Products segment generated increases in both sales and operating earnings during the quarter, as the recent acquisitions of Alshin Corporation and Townsend recorded solid performances during the period.

Outlook

As we look ahead to the balance of 2001, we continue to see a few challenges in the economic landscape—fluctuating energy & resin costs along with slow demand in the U.S. economy—and believe these will likely effect our earnings for the next quarter. However, we currently believe that the recent Federal Reserve Board interest rate reductions will begin to produce a positive impact on the economy by late spring and this should rekindle overall economic demand, as well as our earnings in the second half of fiscal 2001.

Finally, we would like to personally extend an invitation for you to attend our Annual Shareholders' Meeting to be held in St. Louis on March 14, 2001. We look forward to seeing each of you at the meeting.

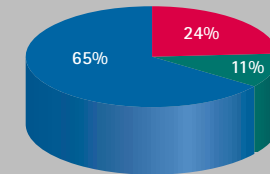
Bradley B. Buechler
Chairman, President & CEO

March 1, 2001

Segment & Major Market Data

Sales By Segment

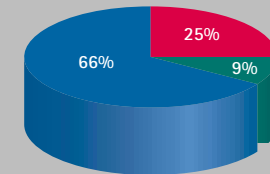
In Millions of Dollars



- Custom Sheet & Rollstock - \$152.7
- Color & Specialty Compounds - \$55.9
- Molded & Profile Products - \$26.1

Operating Earnings By Segment

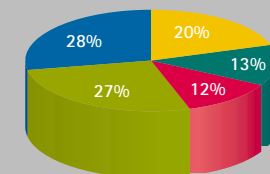
In Millions of Dollars



- Custom Sheet & Rollstock - \$16.7
- Color & Specialty Compounds - \$6.2
- Molded & Profile Products - \$2.4

Sales By Major Market

Percent of Total Sales



- Packaging
- Transportation
- Recreation & Leisure
- Building & Construction
- Other

Spartech Corporation

Consolidated Balance Sheet & Select Cash Flow Information

Consolidated Balance Sheet

(Dollars in thousands)

Assets	February 3, 2001 (Unaudited)	October 28, 2000
Current Assets		
Cash	\$ 11,727	\$ 10,495
Receivables, net	127,679	143,733
Inventories	100,657	95,130
Prepayments & other	9,146	8,443
Total Current Assets	249,209	257,801
Property, Plant & Equipment, net	310,920	311,621
Goodwill	303,096	305,153
Other Assets	15,257	14,394
	\$ 878,482	\$ 888,969
Liabilities and Shareholders' Equity		
Current Liabilities		
Current maturities of long-term debt	\$ 18,548	\$ 18,667
Accounts payable	85,676	90,077
Accrued liabilities	30,180	38,016
Total Current Liabilities	134,404	146,760
Long-Term Debt, Less Current Maturities	334,212	334,178
Other Liabilities	48,338	47,009
Total Long-Term Liabilities	382,550	381,187
Mandatorily Redeemable Convertible Preferred Stock	150,000	150,000
Shareholders' Equity	211,528	211,022
	\$ 878,482	\$ 888,969

Select Cash Flow Information

Periods Ended February 3, 2001 and January 29, 2000
(Unaudited and dollars in thousands)

	Three Months	
	2001	2000
Cash Flow From (To) Operations	\$ 13,954	\$ (988)
Capital Expenditures	\$ 5,411	\$ 6,489
Depreciation & Amortization	\$ 9,065	\$ 6,673
Debt Repayments (Borrowings)	\$ 463	\$ (9,791)
Dividends on Common Stock	\$ 2,530	\$ 2,346
Treasury Stock Acquired, Net of Option Proceeds	\$ 4,466	\$ 2,816

Spartech Corporation

Consolidated Statement of Operations & Segment Information

Statement of Operations

Periods Ended February 3, 2001 and January 29, 2000
(Unaudited and dollars in thousands, except per share amounts)

	Three Months	
	2001	2000
Net Sales	\$ 234,685	\$ 198,455
Costs and Expenses		
Cost of sales	195,031	162,335
Selling & administrative	14,103	11,991
Amortization of intangibles	2,050	1,139
	211,184	175,465
Operating Earnings	23,501	22,990
Interest	7,141	3,714
Distributions on Preferred Securities	2,562	813
Earnings Before Income Taxes	13,798	18,463
Income Taxes	5,243	7,296
Net Earnings	\$ 8,555	\$ 11,167
Earnings Per Common Share:		
Basic	\$.32	\$.41
Diluted	\$.32	\$.39

Segment Information

Net Sales*

Custom Sheet & Rollstock	\$ 152,660	\$ 124,039
Color & Specialty Compounds	55,944	55,723
Molded & Profile Products	26,081	18,693
Total Net Sales	\$ 234,685	\$ 198,455

Operating Earnings

Custom Sheet & Rollstock	\$ 16,668	\$ 14,655
Color & Specialty Compounds	6,187	6,923
Molded & Profile Products	2,372	2,090
Corporate/Other	(1,726)	(678)
Total Operating Earnings	\$ 23,501	\$ 22,990

* Excludes intersegment sales of \$8,541 in 2001 and \$6,138 in 2000, primarily from the Color & Specialty Compounds Segment.