

PIONEER POWER SOLUTIONS, INC.  
Form 10-Q  
August 14, 2012

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: June 30, 2012

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 333-155375

PIONEER POWER SOLUTIONS, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State of incorporation)

27-1347616  
(I.R.S. Employer Identification No.)

400 Kelby Street, 9th Floor  
Fort Lee, New Jersey 07024  
(Address of principal executive offices)

(212) 867-0700  
(Registrant's telephone number, including area code)

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 R No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes Q No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting

company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company Q

(Do not check if a smaller reporting company)

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

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 August 13, 2012
Common Stock, \$0.001 par value	5,907,255

PIONEER POWER SOLUTIONS, INC.  
TABLE OF CONTENTS

	Page
<b>PART I. FINANCIAL INFORMATION</b>	
<b>Item 1. Financial Statements</b>	
Consolidated Statements of Earnings for the Three and Six Months Ended June 30, 2012 and 2011	1
Consolidated Statements of Comprehensive Income for the Three and Six Months Ended June 30, 2012 and 2011	2
Consolidated Balance Sheets at June 30, 2012 and December 31, 2011	3
Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2012 and 2011	4
Notes to Consolidated Financial Statements	5
<b>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</b>	<b>12</b>
<b>Item 4. Controls and Procedures</b>	<b>18</b>
<b>PART II. OTHER INFORMATION</b>	
<b>Item 6. Exhibits</b>	<b>18</b>

---

## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements

PIONEER POWER SOLUTIONS, INC.  
Consolidated Statements of Earnings  
(In thousands, except per share data)  
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Revenues	\$21,820	\$16,412	\$42,137	\$32,138
Cost of goods sold	17,056	12,860	32,783	24,265
Gross profit	4,764	3,552	9,354	7,873
Operating expenses				
Selling, general and administrative	3,310	2,507	6,551	5,095
Foreign exchange (gain) loss	(14 )	5	(86 )	(12 )
Total operating expenses	3,296	2,512	6,465	5,083
Operating income	1,468	1,040	2,889	2,790
Interest and bank charges	249	99	443	221
Other expense (income)	1	441	30	441
Earnings from continuing operations before income taxes	1,218	500	2,416	2,128
Provision for income taxes	358	65	697	528
Earnings from continuing operations	860	435	1,719	1,600
Earnings (loss) from discontinued operations, net of income taxes	(78 )	(210 )	(161 )	(412 )
Net earnings	\$782	\$225	\$1,558	\$1,188
Earnings from continuing operations per share:				
Basic	\$0.15	\$0.07	\$0.29	\$0.27
Diluted	\$0.15	\$0.07	\$0.29	\$0.27
Earnings per common share:				
Basic	\$0.13	\$0.04	\$0.26	\$0.20
Diluted	\$0.13	\$0.04	\$0.26	\$0.20
Weighted average common shares outstanding:				
Basic	5,907	5,907	5,907	5,907
Diluted	5,908	5,985	5,907	5,969

The accompanying notes are an integral part of these consolidated financial statements

PIONEER POWER SOLUTIONS, INC.  
 Consolidated Statements of Comprehensive Income  
 (In thousands)  
 (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Net earnings	\$782	\$225	\$1,558	\$1,188
Other comprehensive income, net of tax:				
Foreign currency translation adjustments	(231 )	43	(103 )	253
Amortization of net prior service costs and net actuarial losses	(65 )	(45 )	(9 )	(26 )
Other comprehensive income	(296 )	(2 )	(112 )	227