

REGAL BELOIT CORP
Form 10-Q
May 07, 2009

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

FORM 10-Q

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

for the
quarterly
period ended
March 28,
2009

or

..

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

Commission file number
001-07283

REGAL BELOIT CORPORATION
(Exact name of registrant as specified in its charter)

Wisconsin
(State of other jurisdiction of
incorporation)

39-0875718
(IRS Employer Identification
No.)

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200 State Street, Beloit, Wisconsin 53511
(Address of principal executive office)

(608) 364-8800
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 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES 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 the definitions of "large accelerated filer" "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer Accelerated Filer Non-accelerated filer Smaller Reporting Company
(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

31,503,031 Shares, Common Stock, \$.01 Par Value (as of May 1, 2009)

REGAL BELOIT CORPORATION

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CAUTIONARY STATEMENT

This Quarterly Report contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements represent our management’s judgment regarding future events. In many cases, you can identify forward-looking statements by terminology such as “may,” “will,” “plan,” “expect,” “anticipate,” “estimate,” “believe,” or “continue” or the negative of these terms or other similar words. Actual results and events could differ materially and adversely from those contained in the forward-looking statements due to a number of factors, including:

- economic changes in global markets where we do business, such as reduced demand for products we sell, weakness in the housing and commercial real estate markets, currency exchange rates, inflation rates, interest rates, recession, foreign government policies and other external factors that we cannot control;
 - unanticipated fluctuations in commodity prices and raw material costs;
 - cyclical downturns affecting the global market for capital goods;
 - unexpected issues and costs arising from the integration of acquired companies and businesses;
- marketplace acceptance of new and existing products including the loss of, or a decline in business from, any significant customers;

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- the impact of capital market transactions that we may effect;
- the availability and effectiveness of our information technology systems;
 - unanticipated costs associated with litigation matters;
- actions taken by our competitors, including new product introductions or technological advances, and other events affecting our industry and competitors;
- difficulties in staffing and managing foreign operations; and other domestic and international economic and political factors unrelated to our performance, such as the current substantial weakness in economic and business conditions and the stock markets as a whole; and
- other risks and uncertainties including but not limited to those described in Item 1A-Risk Factors of the Company's Annual Report on Form 10-K filed on February 25, 2009 and from time to time in our reports filed with U.S. Securities and Exchange Commission.

All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the applicable cautionary statements. The forward-looking statements included in this Form 10-Q are made only as of their respective dates, and we undertake no obligation to update these statements to reflect subsequent events or circumstances. See also Item 1A - Risk Factors in the Company's Annual Report on Form 10-K filed on February 25, 2009.

PART I - FINANCIAL INFORMATION
REGAL BELOIT CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)

(In Thousands of Dollars, Except Shares Outstanding, Dividends Declared and Per Share Data)

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	Three Months Ended	
	March 28, 2009	(As Adjusted, See Note 2) March 29, 2008
Net Sales	\$ 443,274	\$ 536,343
Cost of Sales	352,704	414,244
Gross Profit	90,570	122,099
Operating Expenses	62,378	64,487
Income From Operations	28,192	57,612
Interest Expense	7,119	8,413
Interest Income	133	384
Income Before Taxes & Noncontrolling Interests	21,206	49,583
Provision For Income Taxes	7,230	17,558
Net Income	13,976	32,025
Less: Net Income Attributable to Noncontrolling Interests, net of tax	1,189	598
Net Income Attributable to Regal Beloit Corporation	\$ 12,787	\$ 31,427
Earnings Per Share of Common Stock:		
Basic	\$ 0.41	\$ 1.00
Assuming Dilution	\$ 0.39	\$ 0.95

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Cash Dividends Declared	\$	0.16	\$	0.15
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Weighted Average Number of Shares
Outstanding:

Basic	31,457,282	31,316,878
Assuming Dilution	32,594,802	33,117,034

See accompanying Notes to Condensed Consolidated Financial Statements.

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REGAL BELOIT CORPORATION
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (In Thousands of Dollars, Except Share Data)

	(Unaudited)	(As Adjusted, From Audited Statements, See Note 2) December 27,
ASSETS	March 28, 2009	2008
Current Assets:		
Cash and Cash Equivalents	\$ 82,078	\$ 65,250
Trade Receivables, less Allowances of \$11,593 in 2009, and \$11,145 in 2008	272,661	294,326
Inventories	327,324	359,918
Prepaid Expenses and Other Current Assets	79,643	66,594