

TECHNITROL INC
Form 10-Q
May 07, 2008

UNITED STATES
SECURITIES & EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

The Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the three months ended March 28, 2008, or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____.

Commission File No. 1-5375

TECHNITROL, INC.

(Exact name of registrant as specified in its Charter)

PENNSYLVANIA
(State or other jurisdiction of incorporation or
organization)

23-1292472
(IRS Employer Identification Number)

1210 Northbrook Drive, Suite 470
Trevose, Pennsylvania
(Address of principal executive offices)

19053
(Zip Code)

Registrant's telephone number, including area code:

215-355-2900

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 the filing requirements for at least the past 90 days.

YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer (as defined in Rule 12b-2 of the Act)

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of May 2, 2008:

40,924,768

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PART I. FINANCIAL INFORMATION

Item 1: Financial Statements

Technitrol, Inc. and Subsidiaries
Consolidated Balance Sheets*In thousands*

	March 28, 2008	December 28, 2007
	<u> </u>	<u> </u>
	(unaudited)	
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 54,439	\$ 116,289
Trade receivables, net	202,264	164,859
Inventories	173,290	122,115
Prepaid expenses and other current assets	34,007	24,864
	<u> </u>	<u> </u>
Total current assets	464,000	428,127
Long-term assets:		
Property, plant and equipment	375,005	261,171
Less accumulated depreciation	174,226	163,404
	<u> </u>	<u> </u>
Net property, plant and equipment	200,779	97,767
Deferred income taxes	23,423	22,753
Goodwill, net	533,752	224,656
Other intangibles, net	34,132	34,794
Other assets	16,589	13,256
	<u> </u>	<u> </u>
	\$ 1,272,675	\$ 821,353
	<u> </u>	<u> </u>
<u>Liabilities and Shareholders' Equity</u>		
Current liabilities:		
Accounts payable	\$ 129,187	\$ 104,214
Accrued expenses and other current liabilities	116,522	92,096
	<u> </u>	<u> </u>
Total current liabilities	245,709	196,310
Long-term liabilities:		
Long-term debt, excluding current installments	364,080	10,467
Deferred income taxes	11,677	12,528
Other long-term liabilities	31,917	31,022
Minority interest	10,029	9,947

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Shareholders' equity:		
Common stock and additional paid-in capital	223,141	222,593
Retained earnings	300,206	289,048
Other comprehensive income	85,916	49,438
	<hr/>	<hr/>
Total shareholders' equity	609,263	561,079
	<hr/>	<hr/>
	\$ 1,272,675	\$ 821,353
	<hr/>	<hr/>

See accompanying Notes to Unaudited Consolidated Financial Statements.

Technitrol, Inc. and Subsidiaries
Consolidated Statements of Operations

(Unaudited)

In thousands, except per share data

	Three Months Ended	
	March 28, 2008	March 30, 2007
	<u> </u>	<u> </u>
Net sales	\$ 274,858	\$ 254,432
Cost of sales	<u>218,716</u>	<u>199,690</u>
Gross profit	56,142	54,742
Selling, general and administrative expenses	40,812	36,736
Severance and asset impairment expense	<u>1,965</u>	<u>9,915</u>
Operating profit	13,365	8,091
Other income (expense):		
Interest expense, net	(2,086)	(1,252)
Other income, net	<u>3,910</u>	<u>251</u>
Total other income (expense)	<u>1,824</u>	<u>(1,001)</u>
Earnings before income taxes and minority interest	15,189	7,090
Income taxes	371	2,189
Minority interest expense	<u>81</u>	<u>190</u>
Net earnings	<u>\$ 14,737</u>	<u>\$ 4,711</u>