

TECHNITROL, INC.
Form 10-Q
August 03, 2010

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 June 25, 2010, 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 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 or a non-accelerated filer (as defined in Rule 12b-2 of the Act).
Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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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 August 3, 2010:
41,480,071

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PART I. FINANCIAL INFORMATION

Item 1: Financial Statements

Technitrol, Inc. and Subsidiaries
Consolidated Balance Sheets

In thousands

Assets	June 25, 2010 (unaudited)	December 25, 2009
Current assets:		
Cash and cash equivalents	\$31,850	\$ 39,707
Accounts receivable, net	76,854	70,237
Inventory	39,449	39,677
Prepaid expenses and other current assets	27,003	19,832
Assets of discontinued operations held for sale	65,234	84,672
Total current assets	240,390	254,125
Long-term assets:		
Property, plant and equipment	113,776	134,660
Less accumulated depreciation	79,605	94,256
Net property, plant and equipment	34,171	40,404
Deferred income taxes	35,399	34,700
Goodwill	--	15,857
Other intangibles, net	6,973	23,308
Other assets	9,669	11,517
	\$326,602	\$ 379,911
Liabilities and Equity		
Current liabilities:		
Accounts payable	\$58,701	\$ 49,614
Accrued expenses and other current liabilities	60,664	58,333
Liabilities of discontinued operations held for sale	26,121	24,905
Total current liabilities	145,486	132,852
Long-term liabilities:		
Long-term debt	76,650	81,000
Convertible senior notes	50,000	50,000
Deferred income taxes	8,937	12,288
Other long-term liabilities	35,942	36,524
Equity:		
Technitrol, Inc. shareholders' (deficiency) equity:		
Common stock and additional paid-in capital	220,932	222,139
Retained loss	(248,048)	(194,257)
Accumulated other comprehensive earnings	25,045	28,304
Total Technitrol, Inc. shareholders' (deficiency) equity	(2,071)	56,186

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Non-controlling interest	11,658	11,061
Total equity	9,587	67,247
	\$326,602	\$ 379,911

See accompanying Notes to Unaudited Consolidated Financial Statements.

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Technitrol, Inc. and Subsidiaries
Consolidated Statements of Operations

(Unaudited)

In thousands, except per share data

	Three Months Ended		Six Months Ended	
	June 25, 2010	June 26, 2009	June 25, 2010	June 26, 2009
Net sales	\$ 116,473	\$ 92,071	\$ 209,333	\$ 192,044
Cost of sales	85,605	68,647	158,873	146,151
Gross profit	30,868	23,424	50,460	45,893
Selling, general and administrative expenses	24,689	20,894	47,387	43,104
Severance, impairment and other associated costs	3,767	3,193	31,094	80,248
Operating profit (loss)	2,412	(663)	(28,021)	(77,459)