

KAMAN CORP
Form 10-Q
August 04, 2011

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

FORM 10-Q

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

For the quarterly period ended July 1, 2011

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 Number: 0-1093

KAMAN CORPORATION

(Exact name of registrant as specified in its charter)

Connecticut
(State or other jurisdiction of incorporation or organization)

06-0613548
(I.R.S. Employer Identification No.)

1332 Blue Hills Avenue
Bloomfield, Connecticut 06002
(Address of principal executive offices) (Zip Code)
(860) 243-7100
(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.

Large accelerated filer “ Accelerated filer x Non-accelerated filer “ 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 x

At July 29, 2011, there were 26,353,300 shares of Common Stock outstanding.

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Item 1. Financial Statements

CONDENSED CONSOLIDATED BALANCE SHEETS

KAMAN CORPORATION AND SUBSIDIARIES

(In thousands, except share and per share amounts) (Unaudited)

	July 1, 2011	December 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	\$19,738	\$32,232
Accounts receivable, net	186,812	173,620
Inventories	318,541	316,899
Deferred income taxes	25,308	26,357
Income tax receivable	2,562	2,420
Other current assets	22,759	33,425
Total current assets	575,720	584,953
Property, plant and equipment, net of accumulated depreciation of \$136,644 and \$130,685, respectively	95,190	89,719
Goodwill	117,626	114,818
Other intangibles assets, net	49,474	49,428
Deferred income taxes	29,670	33,740
Other assets	19,480	23,099
Total assets	\$887,160	\$895,757
Liabilities and Shareholders' Equity		
Current liabilities:		
Notes payable	\$2,412	\$2,980
Current portion of long-term debt	5,000	5,000
Accounts payable – trade	97,724	95,416
Accrued salaries and wages	27,940	31,730
Current portion of amount due to Commonwealth of Australia	6,825	24,399
Other accruals and payables	60,133	61,676
Income taxes payable	375	644
Total current liabilities	200,409	221,845
Long-term debt, excluding current portion	135,158	140,443
Deferred income taxes	7,570	7,556
Underfunded pension	91,868	98,624
Due to Commonwealth of Australia, excluding current portion	6,908	13,102
Other long-term liabilities	48,206	51,517
Commitments and contingencies	—	—
Shareholders' equity:		
Preferred stock, \$1 par value, 200,000 shares authorized; none outstanding	—	—
Common stock, \$1 par value, 50,000,000 shares authorized, voting, 26,438,107 and 26,091,067 shares issued, respectively	26,438	26,091
Additional paid-in capital	106,033	97,903
Retained earnings	345,498	325,844
Accumulated other comprehensive income (loss)	(79,201) (86,300
Less 92,579 and 64,949 shares of common stock, respectively, held in treasury, at cost	(1,727) (868
Total shareholders' equity	397,041	362,670

Total liabilities and shareholders' equity	\$887,160	\$895,757
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See accompanying notes to the condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

KAMAN CORPORATION AND SUBSIDIARIES

(In thousands, except per share amounts) (Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	July 1, 2011	July 2, 2010	July 1, 2011	July 2, 2010
Net sales	\$385,086	\$317,087	\$762,909	\$593,859
Cost of sales	278,917	233,827	552,462	437,844
Gross profit	106,169	83,260	210,447	156,015
Selling, general and administrative expenses	83,033	72,014	163,727	140,852
Net (gain)/loss on sale of assets	34	56	36	(520)
Operating income	23,102	11,190	46,684	15,683
Interest expense, net	2,821	2,337	5,891	4,391
Other (income) expense, net	(25)	(451)	(414)	(667)
Earnings before income taxes	20,306	9,304	41,207	11,959
Income tax expense	6,885	3,227	14,200	4,156
Net earnings	\$13,421	\$6,077	\$27,007	\$7,803
Net earnings per share:				
Basic net earnings per share	\$0.51	\$0.23	\$1.03	\$0.30
Diluted net earnings per share	\$0.50	\$0.23	\$1.02	\$0.30
Average shares outstanding:				
Basic	26,286	25,926	26,206	25,877
Diluted	26,673	26,093	26,514	26,055
Dividends declared per share	\$0.14	\$		