

REGAL BELOIT CORP
Form 10-Q
August 02, 2007

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
June 30, 2007

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.)

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 ý NO ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer
Filer

Non-accelerated filer

Accelerated

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

32,093,130 Shares, Common Stock, \$.01 Par Value (as of July 23, 2007)

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 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;
 - 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;

- difficulties in staffing and managing foreign operations;
- 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 28, 2007 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 28, 2007.

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

(In Thousands of Dollars, Except Per Share Data)

ITEM I. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	Three Months Ended		Six Months Ended	
	June 30, 2007	July 1, 2006	June 30, 2007	July 1, 2006
Net Sales	\$ 459,795	\$ 435,269	\$ 878,411	\$ 833,595
Cost of Sales	355,919	331,244	677,338	636,290
Gross Profit	103,876	104,025	201,103	197,305
Operating Expenses	43,821	46,159	93,717	95,821
Income From Operations	60,055	57,866	107,386	101,484
Interest Expense	4,425	5,454	9,491	10,249
Interest Income	241	140	330	260
Income Before Taxes & Minority Interest	55,871	52,552	98,225	91,495
Provision For Income Taxes	18,973	18,847	33,663	33,189
Income Before Minority Interest	36,898	33,705	64,562	58,306
Minority Interest in Income, Net of Tax	645	396	1,496	1,209
Net Income	\$ 36,253	\$ 33,309	\$ 63,066	\$ 57,097
Earnings per Share of Common Stock:				