

FRANKLIN ELECTRIC CO INC  
Form 10-Q  
May 08, 2008

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 March 29, 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 number 0-362

FRANKLIN ELECTRIC CO., INC.  
(Exact name of registrant as specified in its charter)

Indiana  
(State or other jurisdiction of incorporation or  
organization)

35-0827455  
(I.R.S. Employer Identification No.)

400 East Spring Street  
Bluffton, Indiana  
(Address of principal executive offices)

46714  
(Zip Code)

(260) 824-2900  
(Registrant's telephone number, including area code)

Not Applicable  
(Former name, former address and former fiscal year, if changed since last report)

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, and (2) has been subject to such filing requirements for the past 90 days.

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 definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large Accelerated Filer  Accelerated Filer  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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class of Common Stock	Outstanding at
\$.10 par value	March 29, 2008
	22,866,325 shares

FRANKLIN ELECTRIC CO., INC.

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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

FRANKLIN ELECTRIC CO., INC.  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(Unaudited)

First Quarter Ended  
March 29,      March 31,  
2008              2007

(In thousands, except per share amounts)

Net sales	\$ 176,010	\$ 130,496
Cost of sales	124,551	91,567
Gross profit	51,459	38,929
Selling, general and administrative expenses	36,311	29,455
Restructuring expenses	82	1,238
Operating income	15,066	8,236
Interest expense	(2,624)	(1,212)
Other income	471	298
Foreign exchange (loss)/income	(327)	247
Income before income taxes	12,586	7,569
Income taxes	4,438	2,672
Net income	\$ 8,148	\$ 4,897
Per share data:		
Basic earnings	\$ 0.35	\$ 0.21
Diluted earnings	\$ 0.35	\$ 0.21
Dividends per common share	\$ 0.12	\$ 0.11

See Notes to Condensed Consolidated Financial Statements.

FRANKLIN ELECTRIC CO., INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(Unaudited)

(In thousands, except per share amounts)	March 29, 2008	December 29, 2007
<b>ASSETS</b>		
Current assets:		
Cash and equivalents	\$ 33,623	\$ 65,252
Receivables, less allowances of \$2,505 and \$2,594, respectively	99,513	64,972
Inventories:		
Raw materials	63,072	57,958
Work-in-process	18,139	17,128
Finished goods	102,690	99,974
LIFO reserve	(19,308)	(18,914)
	164,593	156,146
Deferred income taxes	17,300	17,127
Other current assets	8,925	5,982
Total current assets	323,954	309,479
Property, plant and equipment, at cost:		
Land and buildings	69,244	64,350
Machinery and equipment	171,532	161,280
Furniture and Fixtures	13,968	12,595
Other	20,154	16,909
	274,898	255,134
Allowance for depreciation	(131,322)	(120,203)
	143,576	134,931