

FRANKLIN ELECTRIC CO INC  
Form 10-Q  
November 06, 2007

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 September 29, 2007

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, 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

Accelerated Filer

Non-Accelerated Filer

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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 the latest practicable date.

<u>Class of Common Stock</u>	<u>Outstanding at</u>
<b>\$.10 par value</b>	<b>September 29, 2007</b>
	<b>22,997,242 shares</b>

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## PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	Third Quarter Ended		Nine Months Ended	
	Sept. 29, 2007	Sept. 30, 2006	Sept. 29, 2007	Sept. 30, 2006
(In thousands, except per share amounts)				
Net sales	\$ 165,264	\$ 156,172	\$ 448,289	\$ 410,097
Cost of sales	117,307	102,806	318,090	268,580
Gross profit	47,957	53,366	130,199	141,517
Selling and administrative expenses	28,185	27,792	89,446	74,699
Restructuring expense	342	-	1,949	-
Operating income	19,430	25,574	38,804	66,818
Interest expense	(2,286)	(1,093)	(5,694)	(2,362)
Other income	699	329	1,918	1,389
Foreign exchange income/(loss)	(203)	173	443	47
Income before income taxes	17,640	24,983	35,471	65,892
Income taxes	5,956	8,751	12,250	23,440
Income from continuing operations	11,684	16,232	23,221	42,452
Income from discontinued operations	-	551	-	472
Net income	\$ 11,684	\$ 16,783	\$ 23,221	\$ 42,924
Income per share:				
Basic continuing operations	\$ 0.51	\$ 0.71	\$ 1.01	\$ 1.86
Basic discontinued operations	-	0.02	-	0.02
	\$ 0.51	\$ 0.73	\$ 1.01	\$ 1.88
Diluted continuing operations	\$ 0.50	\$ 0.70	\$ 0.99	\$ 1.82
Diluted discontinued operations	-	0.02	-	0.02
	\$ 0.50	\$ 0.72	\$ 0.99	\$ 1.84
Dividends per common share	\$ 0.12	\$ 0.11	\$ 0.35	\$ 0.32

See Notes to Condensed Consolidated Financial Statements.

FRANKLIN ELECTRIC CO., INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except per share amounts)

Sept. 29,

December  
30,