

MODINE MANUFACTURING CO
Form 10-Q
August 01, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 26, 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 1-1373

MODINE MANUFACTURING COMPANY

(Exact name of registrant as specified in its charter)

WISCONSIN

(State or other jurisdiction of incorporation or organization)

39-0482000

(I.R.S. Employer Identification No.)

1500 DeKoven Avenue, Racine,
Wisconsin

(Address of principal executive offices)

53403

(Zip Code)

Registrant's telephone number, including area code (262) 636-1200

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 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 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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes [] No [P]

The number of shares outstanding of the registrant's common stock, \$0.625 par value, was 32,897,352 at July 27, 2007.

**MODINE MANUFACTURING COMPANY
INDEX**

| | |
|---|-----------|
| PART I. FINANCIAL INFORMATION | 1 |
| Item 1. Financial Statements | 1 |
| Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations | 19 |
| Item 3. Quantitative and Qualitative Disclosures About Market Risk | 27 |
| Item 4. Controls and Procedures | 30 |
| PART II. OTHER INFORMATION | 30 |
| Item 1. Legal Proceedings | 30 |
| Item 2. Unregistered Sales of Equity Securities and Use of Proceeds | 31 |
| Item 4. Submission of Matters to a Vote of Security Holders | 32 |
| Item 6. Exhibits | 33 |
| SIGNATURE | 34 |

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

MODINE MANUFACTURING COMPANY
CONSOLIDATED STATEMENTS OF EARNINGS
For the three months ended June 26, 2007 and 2006
(In thousands, except per share amounts)
(Unaudited)

| | Three months ended June 26 | |
|--|---------------------------------------|------------------|
| | 2007 | 2006 |
| Net sales | \$ 444,073 | \$ 421,918 |
| Cost of sales | 373,103 | 343,884 |
| Gross profit | 70,970 | 78,034 |
| Selling, general, and administrative expenses | 54,962 | 53,059 |
| Restructuring (income) charges | (240) | 90 |
| Income from operations | 16,248 | 24,885 |
| Interest expense | (2,789) | (2,010) |
| Other income – net | 4,129 | 1,539 |
| Earnings from continuing operations before income taxes | 17,588 | 24,414 |
| Provision for income taxes | 5,192 | 3,513 |
| Earnings from continuing operations | 12,396 | 20,901 |
| Earnings (loss) from discontinued operations (net of income taxes) | 254 | (4,604) |
| Cumulative effect of accounting change (net of income taxes) | - | 70 |
| Net earnings | \$ 12,650 | \$ 16,367 |
| Earnings per share of common stock – basic: | | |
| Continuing operations | \$ 0.39 | \$ 0.65 |
| Earnings (loss) from discontinued operations | - | (0.14) |
| Cumulative effect of accounting change | - | - |
| Net earnings – basic | \$ 0.39 | \$ 0.51 |
| Earnings per share of common stock – diluted: | | |
| Continuing operations | \$ 0.39 | \$ 0.65 |
| Earnings (loss) from discontinued operations | - | (0.14) |
| Cumulative effect of accounting change | - | - |
| Net earnings – diluted | \$ 0.39 | \$ 0.51 |
| Dividends per share | \$ 0.175 | \$ 0.175 |

The notes to unaudited condensed consolidated financial statements are an integral part of these statements.

MODINE MANUFACTURING COMPANY
CONSOLIDATED BALANCE SHEETS
June 26, 2007 and March 31, 2007
(In thousands, except per share amounts)
(Unaudited)

| | June 26, 2007 | March 31, 2007 |
|--|--------------------------|---------------------------|
| <u>ASSETS</u> | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 22,636 | \$ 21,227 |
| Short term investments | 3,050 | 3,001 |
| Trade receivables, less allowance for doubtful accounts of \$1,585 and \$1,512 | 269,808 | 248,493 |
| Inventories | 116,647 | 108,217 |
| Assets held for sale | 8,661 | 9,256 |
| Deferred income taxes and other current assets | 80,397 | 66,663 |
| Total current assets | 501,199 | 456,857 |
| Noncurrent assets: | | |
| Property, plant, and equipment – net | 514,097 | 514,949 |
| Investment in affiliates | 19,352 | 18,794 |
| Goodwill | 65,762 | 64,284 |
| Intangible assets – net | 11,169 | 11,137 |
| Assets held for sale | 5,935 | 9,281 |
| Other noncurrent assets | 29,740 | 26,271 |
| Total noncurrent assets | 646,055 | 644,716 |
| Total assets | \$ 1,147,254 | \$ |