

SIMPSON MANUFACTURING CO INC /CA/
Form 10-Q
May 08, 2009

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: **March 31, 2009**

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: **1-13429**

Simpson Manufacturing Co., Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation
or organization)

94-3196943
(I.R.S. Employer
Identification No.)

5956 W. Las Positas Blvd., Pleasanton, CA 94588
(Address of principal executive offices)

(Registrant's telephone number, including area code): **(925) 560-9000**

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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 (§232.405 of this chapter) 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 <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>

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

The number of shares of the registrant's common stock outstanding as of March 31, 2009: 48,989,123

PART I FINANCIAL INFORMATION

Item 1. Financial Statements.

Simpson Manufacturing Co., Inc. and Subsidiaries

Condensed Consolidated Balance Sheets

(In thousands, unaudited)

	2009	March 31, 2008	December 31, 2008
ASSETS			
Current assets			
Cash and cash equivalents	\$ 158,208	\$ 164,381	\$ 170,750
Trade accounts receivable, net	79,383	107,634	76,005
Inventories	225,568	227,855	251,878
Deferred income taxes	13,672	11,236	11,995
Assets held for sale	8,387	9,677	8,387
Other current assets	13,236	8,825	8,582
Total current assets	498,454	529,608	527,597
Property, plant and equipment, net	191,412	195,319	193,318
Goodwill	69,160	57,845	68,619
Equity method investment	21		214
Intangible assets, net	22,137	22,142	23,453
Other noncurrent assets	18,225	18,513	16,999
Total assets	\$ 799,409	\$ 823,427	\$ 830,200
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Line of credit	\$ 821	\$ 3,390	\$ 26
Trade accounts payable	22,232	34,745	21,675
Accrued liabilities	28,873	30,357	34,102
Income taxes payable		1,639	
Accrued profit sharing trust contributions	1,973	2,411	9,541
Accrued cash profit sharing and commissions	1,353	4,665	2,264
Accrued workers' compensation	4,299	4,116	4,286
Total current liabilities	59,551	81,323	71,894
Other long-term liabilities	9,289	12,144	9,280
Total liabilities	68,840	93,467	81,174
Commitments and contingencies (Note 7)			
Stockholders' equity			
Common stock, at par value	490	486	490
Additional paid-in capital	137,503	127,573	136,867
Retained earnings	592,644	574,988	605,950
Accumulated other comprehensive income (loss)	(68)	26,913	5,719

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Total stockholders' equity		730,569		729,960		749,026
Total liabilities and stockholders' equity	\$	799,409	\$	823,427	\$	830,200

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

Simpson Manufacturing Co., Inc. and Subsidiaries**Condensed Consolidated Statements of Operations***(In thousands except per-share amounts, unaudited)*

	Three Months Ended	
	March 31,	
	2009	2008
Net sales	\$ 119,323	\$ 167,656
Cost of sales	88,610	111,398
Gross profit	30,713	56,258
Operating expenses:		
Research and development and other engineering	4,864	5,103
Selling	16,025	19,807
General and administrative	20,162	17,874
	41,051	42,784
Income (loss) from operations	(10,338)	13,474
Loss on equity method investment, before tax	(193)	
Interest income, net	102	1,128
Income (loss) before income taxes	(10,429)	14,602
Provision for (benefit from) income taxes	(2,020)	6,250
Net income (loss)	\$ (8,409)	\$ 8,352
Net income (loss) per common share		
Basic	\$ (0.17)	\$ 0.17
Diluted	\$ (0.17)	\$ 0.17
Cash dividends declared per common share	\$ 0.10	\$ 0.10
Number of shares outstanding		
Basic	48,987	48,574
Diluted	48,987	48,931

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

Simpson Manufacturing Co., Inc. and Subsidiaries

Condensed Consolidated Statements of Stockholders' Equity

for the three months ended March 31, 2008 and 2009 and the nine months ended December 31, 2008

(In thousands except per-share amounts, unaudited)

	Common Stock Shares	Common Stock Par Value	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance, January 1, 2008	48,552	\$ 485	\$ 126,119	\$ 571,499	\$ 25,297	\$ 723,400
Comprehensive income:						
Net income				8,352		8,352
Other comprehensive income:						
Translation adjustment, net of tax of \$17					1,616	1,616
Comprehensive income						9,968
Stock options exercised	26	1	507			508
Stock compensation			765			765
Tax benefit of options exercised			(65)			(65)
Cash dividends declared on common stock (\$0.10 per share)				(4,863)		(4,863)
Common stock issued at \$26.59 per share for stock bonus	9		247			247
Balance, March 31, 2008	48,587	486	127,573	574,988	26,913	729,960
Comprehensive income:						
Net income				45,582		45,582
Other comprehensive income:						
Translation adjustment, net of tax of (\$695)					(21,194)	(21,194)
Comprehensive income						24,388
Stock options exercised	384	4	6,369			6,373
Stock compensation			2,484			2,484
Tax benefit of options exercised			441			441
Cash dividends declared on common stock (\$0.30 per share)				(14,620)		(14,620)
Balance, December 31, 2008	48,971	490	136,867	605,950	5,719	749,026
Comprehensive loss:						
Net loss				(8,409)		(8,409)
Other comprehensive income:						
Translation adjustment, net of tax of (\$9)					(5,787)	(5,787)
Comprehensive loss						(14,196)
Stock options exercised	8		128			128
Stock compensation			393			393
Tax benefit of options exercised			(185)			(185)
Cash dividends declared on common stock (\$0.10 per share)				(4,897)		(4,897)
Common stock issued at \$27.76 per share for stock bonus	10		300			300
Balance, March 31, 2009	48,989	\$ 490	\$ 137,503	\$ 592,644	\$ (68)	\$ 730,569

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

Simpson Manufacturing Co., Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows

(In thousands, unaudited)

	Three Months Ended March 31,	
	2009	2008
Cash flows from operating activities		
Net income (loss)	\$ (8,409)	\$ 8,352
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
(Gain) loss on sale of assets	(111)	2
Depreciation and amortization	6,848	7,420
Deferred income taxes	(1,497)	172
Noncash compensation related to stock plans	557	936
Loss in equity method investment	193	
Excess tax benefit of options exercised	(8)	(25)
Provision for (recovery of) doubtful accounts	1,760	(727)
Provision for obsolete inventory	1,018	
Changes in operating assets and liabilities, net of effects of acquisitions:		
Trade accounts receivable	(5,946)	(17,788)
Inventories	23,381	(8,514)
Trade accounts payable	835	2,069
Income taxes payable	(2,965)	3,043
Accrued profit sharing trust contributions	(7,556)	(6,228)
Accrued cash profit sharing and commissions	(880)	512
Other current assets	(2,374)	(2,650)
Accrued liabilities	(4,428)	(4,196)
Other long-term liabilities	1	1,474
Accrued workers compensation	13	
Other noncurrent assets	99	(415)
Net cash provided by (used in) operating activities	531	(16,563)
Cash flows from investing activities		
Capital expenditures	(5,895)	(2,849)
Proceeds from sale of capital assets	41	19
Asset acquisitions, net of cash acquired	(1,655)	
Net cash used in investing activities	(7,509)	(2,830)
Cash flows from financing activities		
Line of credit borrowings	817	2,206
Issuance of common stock	128	508
Excess tax benefit of options exercised	8	25
Dividends paid	(4,898)	(4,857)
Net cash used in financing activities	(3,945)	(2,118)
Effect of exchange rate changes on cash	(1,619)	(250)
Net decrease in cash and cash equivalents	(12,542)	(21,761)
Cash and cash equivalents at beginning of period	170,750	186,142
Cash and cash equivalents at end of period	\$ 158,208	\$ 164,381
Noncash activity during the period		
Noncash capital expenditures	\$ 180	\$ 161

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Dividends declared but not paid	\$	4,897	\$	4,863
Issuance of Company's common stock for compensation	\$	300	\$	247

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

Simpson Manufacturing Co., Inc. and Subsidiaries

Notes to Condensed Consolidated Financial Statements

(Unaudited)

1. Basis of Presentation

Principles of Consolidation

The consolidated financial statements include the accounts of Simpson Manufacturing Co., Inc. and its subsidiaries (the Company). Investments in 50% or less owned affiliates are accounted for using either cost or the equity method. All significant intercompany transactions have been eliminated.

Interim Period Reporting

The accompanying unaudited interim condensed consolidated financial statements have been prepared pursuant to the rules and regulations for reporting on Form 10-Q. Accordingly, certain information and footnotes required by accounting principles generally accepted in the United States of America have been condensed or omitted. These interim statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 (the 2008 Annual Report).

The unaudited quarterly condensed consolidated financial statements have been prepared on the same basis as the audited annual consolidated financial statements and, in the opinion of management, contain all adjustments (consisting of only normal recurring adjustments) necessary to state fairly the financial information set forth therein, in accordance with accounting principles generally accepted in the United States of America. The year-end condensed consolidated balance sheet data were derived from audited financial statements, but do not include all disclosures required by accounting principles generally accepted in the United States of America. The Company's quarterly results fluctuate. As a result, the Company believes the results of operations for the interim periods are not necessarily indicative of the results to be expected for any future period.

Revenue Recognition

The Company recognizes revenue when the earnings process is complete, net of applicable provision for discounts, returns and incentives, whether actual or estimated based on the Company's experience. This generally occurs when products are shipped to the customer in accordance with the sales agreement or purchase order, ownership and risk of loss pass to the customer, collectibility is reasonably assured and pricing is fixed or determinable. The Company's general shipping terms are F.O.B. shipping point, where title is transferred and revenue is recognized when the products are shipped to customers. When the Company sells F.O.B. destination point, title is transferred and the Company recognizes revenue on delivery or customer acceptance, depending on terms of the sales agreement. Service sales, representing aftermarket repair and maintenance, engineering activities, and software sales and service, though both significantly less than 1% of net sales and not material to the

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consolidated financial statements, are recognized as the services are completed or the software products and services are delivered. If actual costs of sales returns, incentives, and discounts were to significantly exceed the recorded estimated allowance, the Company's sales would be adversely affected.

Net Income (Loss) Per Common Share

Basic net income (loss) per common share is computed based on the weighted average number of common shares outstanding. Potentially dilutive securities, using the treasury stock method, are included in the diluted per-share calculations for all periods when the effect of their inclusion is dilutive.

The following is a reconciliation of basic earnings per share (EPS), to diluted EPS:

(in thousands, except per-share amounts)	Three Months Ended, March 31, 2009			Three Months Ended, March 31, 2008		
	Income (Loss)	Shares	Per Share	Income (Loss)	Shares	Per Share
Basic EPS						
Income (loss) available to common stockholders	\$ (8,409)	48,987	\$ (0.17)	\$ 8,352	48,574	\$ 0.17
Effect of Dilutive Securities						
Stock options					357	
Diluted EPS						
Income (loss) available to common stockholders	\$ (8,409)	48,987	\$ (0.17)	\$ 8,352	48,931	\$ 0.17

Anti-dilutive shares attributable to outstanding stock options were excluded from the calculation of diluted net income per share. All potentially dilutive securities were excluded from the diluted loss per share calculation for the three months ended March 31, 2009, because the effect of their inclusion would be antidilutive, or would decrease the reported loss per share. For both the three months ended March 31, 2009 and 2008, 1.1 million shares subject to stock options were anti-dilutive.

Accounting for Stock-Based Compensation

The Company maintains two stock option plans under which it may grant incentive stock options and non-qualified stock options, although the Company has granted only non-qualified stock options under these plans. The Simpson Manufacturing Co., Inc. 1994 Stock Option Plan (the 1994 Plan) is principally for the Company's employees, and the Simpson Manufacturing Co., Inc. 1995 Independent Director Stock Option Plan (the 1995 Plan) is for its independent directors. The Company generally grants options under each of the 1994 Plan and the 1995 Plan once each year. The exercise price per share of each option granted in February 2009 and February 2008 under the 1994 Plan equaled the closing market price per share of the Company's common stock as reported by the New York Stock Exchange on the day preceding the day that the Compensation Committee of the Company's Board of Directors met to approve the grant of the options. The exercise price per share under each option granted under the 1995 Plan is at the fair market value on the date specified in the 1995 Plan. Options vest and expire according to terms established at the grant date. There were no options granted under the 1995 Plan in 2009 or 2008.

Under the 1994 Plan, no more than 16 million shares of the Company's common stock may be sold (including shares already sold) pursuant to all options granted under the 1994 Plan. Under the 1995 Plan, no more than 320 thousand shares of common stock may be sold (including shares already sold) pursuant to all options granted under the 1995 Plan. Options granted under the 1994 Plan typically vest evenly over the requisite service period of four years and have a term of seven years. The vesting of options granted under the 1994 Plan will be accelerated if the grantee ceases to be employed by the Company after reaching age 60 or if there is a change in control of the Company. Options granted under the 1995 Plan are fully vested on the date of grant.

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The following table represents the Company's stock option activity for the three months ended March 31, 2009 and 2008:

(in thousands)	Three Months Ended March 31,	
	2009	2008
Stock option expense recognized in operating expenses	\$ 448	\$ 900
Tax benefit of stock option expense in provision for (benefit from) income taxes	148	355
Stock option expense, net of tax	\$ 300	\$ 545
Fair value of shares vested	\$ 393	\$ 765
Proceeds to the Company from the exercise of stock options	\$ 128	\$ 508
Tax benefit from exercise of stock options, including windfall (shortfall) tax benefits, net	\$ (185)	\$ (65)

	At March 31,	
	2009	2008
Stock option cost capitalized in inventory	\$ 46	\$ 117

The amounts included in cost of sales, research and development and other engineering, selling, or general and administrative expense depend on the job functions performed by the employees to whom the stock options were granted. Shares of common stock issued on exercise of stock options under the plans are registered under the Securities Act of 1933.

The assumptions used to calculate the fair value of options granted are evaluated and revised, as necessary, to reflect market conditions and the Company's experience.

Fair Value of Financial Instruments

As of March 31, 2009, the Company's investments consisted of only United States Treasury securities and money market funds aggregating \$59.5 million, which are maintained in cash equivalents and are carried at cost, approximating fair value, based on Level 1 inputs. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities, as defined in Statement of Financial Accounting Standards (SFAS) No. 157.

Income Taxes

In general, the Company is required to use an estimated annual effective tax rate to measure the tax benefit or tax expense recognized in an interim period. The income tax benefit for the three months ended March 31, 2009, however, has been computed based on the first three months of 2009 as a discrete period due to the uncertainty regarding the Company's ability to reliably estimate pre-tax income for the remainder of the year. The Company cannot reliably estimate pre-tax income for the remainder of 2009 or for the full year, primarily due to the continued uncertainty in the construction markets in which the Company operates. The income tax provision for the three months ended March 31, 2008, was calculated using estimated annual effective tax rates.

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The effective tax rate was 19.4% in the first quarter of 2009, which resulted in income tax benefit of \$2.0 million, versus an effective tax rate of 42.8% in the first quarter of 2008, which resulted in income tax expense of \$6.3 million. The effective tax rate of 19.4% is lower than the statutory rate primarily due to the valuation allowances taken on foreign losses and a reduced benefit from the reduction or loss of enterprise zone tax credits at two of the Company's facilities in California. As a result of the loss before taxes in the first quarter of 2009, the lower effective tax rate resulted in a smaller benefit than if the Company had a higher effective tax rate.

Acquisitions

Effective January 1, 2009, the Company adopted the provisions of SFAS No. 141(R), Business Combinations. SFAS No. 141(R) requires the acquiring entity in a business combination to recognize the full fair value of assets acquired and liabilities assumed in the transaction (whether a full or partial acquisition); establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed; requires expensing of most transaction and restructuring costs; and requires the acquirer to disclose to investors and other users the information needed to evaluate and understand the nature and financial effect of the business combination. SFAS No. 141(R) applies to all transactions or other events in which the Company obtains control of one or more businesses, including combinations achieved without the transfer of consideration, such as by contract alone or through the lapse of minority veto rights. SFAS No. 141(R) applies prospectively to business combinations for which the acquisition date is on or after January 1, 2009, except that resolution of certain tax contingencies and adjustments to valuation allowances related to business combinations, which previously were adjusted to goodwill, will be adjusted to income tax expense for all such adjustments after January 1, 2009, regardless of the date of the original business combination. While this statement did not have a material effect on the company's consolidated financial statements upon adoption, the effects on future periods will depend upon the nature and significance of future business combinations subject to this statement.

In January 2009, the Company acquired the business of RO Design Corp, a Florida corporation doing business as DeckTools, which licenses deck design and estimation software. The software provides professional deck builders, home centers and lumber yards a simple, graphics-driven solution for designing decks and estimating material and labor costs for the project. Payments under this agreement total \$4.0 million in cash, including \$2.5 million to be paid in the future, which will be treated as compensation expense to the principal officer of RO Design Corp, who is now employed by the Company. The Company recorded goodwill of \$1.5 million in the connector products segment as a result of the acquisition. The Company has not finalized the purchase price allocation for the RO Design Corp acquisition, as the Company is still obtaining information and analyzing the fair value of certain acquired assets and liabilities. The results of operations of the business acquired in 2009 are included in the Company's consolidated results of operations since the date of the acquisition and, for periods prior to 2009, were not material to the Company. Accordingly, pro forma results of operations have not been presented.

Recently Issued Accounting Standards

In April 2009, the Financial Accounting Standards Board (FASB) issued FASB Staff Position (FSP) Financial Accounting Standard (FAS) 141(R)-1, Accounting for Assets Acquired and Liabilities Assumed in a Business Combination That Arise from Contingencies. FSP FAS 141(R)-1 applies to all assets and liabilities assumed in a business combination that would be within the scope of SFAS No. 5, Accounting for Contingencies, if not acquired in a business combination, except for assets or liabilities arising from contingencies that are subject to specific guidance in SFAS No. 141(R). An acquirer shall recognize at fair value, at the acquisition date, an asset or liability assumed in a business combination that arises from a contingency if the acquisition-date fair value of that asset or liability can be determined during the measurement period. If the acquisition-date fair value of an asset acquired or liability assumed in a business combination that arises from a contingency cannot be determined during the measurement period, an asset or liability shall be recognized at the acquisition date if both information is available before the end of the measurement period indicates that it is probable that an asset existed or that a liability had been incurred at the acquisition date and the amount of the assets or liability can be reasonably estimated. FSP FAS 141(R)-1 became effective for the Company for business combinations for which the acquisition date was on or after January 1, 2009, and is not expected to have a material effect on the Company's consolidated financial statements.

2. Trade Accounts Receivable, Net

Trade accounts receivable consist of the following:

(in thousands)	At March 31,		At December 31,	
	2009	2008	2008	2008
Trade accounts receivable	\$ 87,154	\$ 112,019	\$	81,929
Allowance for doubtful accounts	(5,924)	(1,968)	(4,368)	(1,556)
Allowance for sales discounts and returns	(1,847)	(2,417)	(1,556)	(1,556)
	\$ 79,383	\$ 107,634	\$	76,005

3. Inventories

Inventories consist of the following:

(in thousands)	At March 31,		At December 31,	
	2009	2008	2008	2008
Raw materials	\$ 86,411	\$ 85,756	\$	92,638
In-process products	24,890	25,592	26,371	26,371
Finished products	114,267	116,507	132,869	132,869
	\$ 225,568	\$ 227,855	\$	251,878

4. Property, Plant and Equipment, Net

Property, plant and equipment, net, consist of the following:

(in thousands)	At March 31,		At December 31,	
	2009	2008	2008	2008
Land	\$ 22,654	\$ 19,783	\$	23,989
Buildings and site improvements	137,589	131,907	135,992	135,992
Leasehold improvements	4,261	4,005	4,287	4,287
Machinery and equipment	219,372	214,232	219,641	219,641
	383,876	369,927	383,909	383,909
Less accumulated depreciation and amortization	(197,788)	(182,262)	(193,639)	(193,639)
	186,088	187,665	190,270	190,270
Capital projects in progress	5,324	7,654	3,048	3,048
	\$ 191,412	\$ 195,319	\$	193,318

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The Company's vacant facility in San Leandro, California, remained classified as an asset held for sale as of March 31, 2009, consistent with the classification at December 31, 2008. This facility is associated with the connector segment. In 2007 and 2008, environmental analyses of the San Leandro property indicated that it had contamination related to spilled fuel that would require an estimated \$0.7 million to remediate. The clean-up is expected to be completed in 2009. The Company expects to sell the San Leandro property after the remediation is completed.

5. Investments

Equity Method Investment

The Company has a 35% equity interest in Keymark Enterprises, LLC (Keymark), for which the Company accounts using the equity method. Keymark develops software that assists in designing and engineering residential structures. The Company's relationship with Keymark includes the specification of the Company's products in the Keymark software. The Company has no obligation to make any additional capital contributions to Keymark.

6. Debt

Outstanding debt at March 31, 2009 and 2008, and December 31, 2008, and the available lines of credit at March 31, 2009, consisted of the following:

(dollar amounts in thousands)	Available Credit at March 31, 2009	Debt Outstanding		at December 31, 2008
		2009	at March 31, 2008	
Revolving line of credit, interest at LIBOR plus 0.27% (at March 31, 2009, LIBOR plus 0.27% was 0.79%), expires October 2012, commitment fees payable at the annual rate of 0.08% on the unused portion of the facility	\$ 200,000	\$	\$	\$
Revolving line of credit, interest at the bank's base rate plus 3% (at March 31, 2009, the bank's base rate plus 3% was 3.50%), expires October 2009	358			
Revolving lines of credit, interest rates between 1.86% and 3.82%	4,331	821	3,390	26
Line of credit		\$ 821	\$ 3,390	\$ 26
Available credit	\$ 204,689			

7. Commitments and Contingencies

Note 9 to the consolidated financial statements in the 2008 Annual Report provides information concerning commitments and contingencies. From time to time, the Company is involved in various legal proceedings and other matters arising in the normal course of business. The resolution of claims and litigation is subject to inherent uncertainty and could have a material adverse effect on the Company's financial condition, cash flows and results of operations.

The Company's policy with regard to environmental liabilities is to accrue for future environmental assessments and remediation costs when information becomes available that indicates that it is probable that the Company is liable for any related claims and assessments and the amount of the liability is reasonably estimable. The Company does not believe that these matters will have a material adverse effect on the Company's financial condition, cash flows or results of operations. See Note 4 Property, Plant and Equipment, Net.

Corrosion, hydrogen embrittlement, cracking, material hardness, wood pressure-treating chemicals, misinstallations, misuse, environmental conditions or other factors can contribute to failure of fasteners, connectors, tools and venting products. On occasion, some of the fasteners and connectors that the Company sells have failed, although the Company has not incurred any material liability resulting from those failures. The Company attempts to avoid such failures by establishing and monitoring appropriate product specifications, manufacturing quality control procedures, inspection procedures and information on appropriate installation methods and conditions. The Company subjects its products to extensive testing, with results and conclusions published in Company catalogues and on its websites. Based on test results to date, the Company believes that, generally, if its products are appropriately selected, installed and used in accordance with the Company's guidance, they may be reliably used in appropriate applications.

8. Stock Option Plans

The Company currently has two stock option plans (see Note 1 Basis of Presentation *Accounting for Stock-Based Compensation*). Participants are granted stock options only if the applicable Company-wide or profit-center operating goals, or both, established by the Compensation Committee of the Board of Directors at the beginning of the year, are met.

The fair value of each option award was estimated on the date of grant using the Black-Scholes option pricing model. Expected volatility is based on historical volatilities of the Company's common stock measured monthly over a term that is equivalent to the expected life of the option. The expected term of options granted is estimated based on the Company's prior exercise experience and future expectations of the exercise and termination behavior of the grantees. The risk-free rate is based on the yield of United States Treasury zero-coupon bonds with maturities comparable to the expected life in effect at the time of grant. The dividend yield is based on the expected dividend yield on the grant date.

Black-Scholes option pricing model assumptions for options granted in 2009 and 2008 are as follows:

Number of Options Granted (in thousands)	Grant Date	Risk Free Interest Rate	Dividend Yield	Expected Life	Volatility	Exercise Price	Weighted Average Fair Value
1994 Plan							
24	02/23/09	2.08%	2.48%	6.5 years	30.9%	\$ 16.10	\$ 4.06
29	02/04/09	2.17%	1.88%	6.5 years	30.9%	\$ 21.25	\$ 5.86
14	04/23/08	3.15%	1.55%	6.0 years	27.1%	\$ 25.74	\$ 6.92
40	02/13/08	2.90%	1.68%	6.0 years	27.1%	\$ 23.78	\$ 6.16

There were no options granted under the 1995 Plan in 2009 or 2008.

The following table summarizes the Company's stock option activity for the three months ended March 31, 2009:

Non-Qualified Stock Options	Shares (in thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value * (in thousands)
Outstanding at January 1, 2009	2,250	\$ 29.70		
Granted	53	18.92		
Exercised	(8)	16.45		
Forfeited	(38)	38.84		
Outstanding at March 31, 2009	2,257	\$ 29.34	2.6	\$ 467
Outstanding and expected to vest at March 31, 2009	2,245	\$ 29.34	2.6	\$ 463
Exercisable at March 31, 2009	2,006	\$ 29.03	2.3	\$ 422

* The intrinsic value represents the amount, if any, by which the fair market value of the underlying common stock exceeds the exercise price of the option, using the closing price per share of \$18.02 on March 31, 2009.

The total intrinsic value of options exercised during the three months ended March 31, 2009 and 2008, was \$60 thousand and \$179 thousand, respectively.

A summary of the status of unvested options as of March 31, 2009, and changes during the three months ended March 31, 2009, are presented below:

Unvested Options	Shares (in thousands)		Weighted- Average Grant-Date Fair Value
Unvested at January 1, 2009	258	\$	11.58
Granted	53		5.04
Vested	(59)		12.24
Forfeited	(1)		13.68
Unvested at March 31, 2009	251	\$	10.05

As of March 31, 2009, \$2.2 million of total unrecognized compensation cost was related to unvested share-based compensation arrangements under the 1994 Plan. This cost is expected to be recognized over a weighted-average period of 1.47 years. Options granted under the 1995 Plan are fully vested and are expensed on the date of grant.

9. Segment Information

The Company is organized into two primary operating segments. The segments are defined by types of products manufactured, marketed and distributed to the Company's customers. The two product segments are connector products and venting products. These segments are differentiated in several ways, including the types of materials, the production processes, the distribution channels and the product applications. Transactions between the two segments were immaterial for each of the periods presented.

The following table illustrates certain measurements used by management to assess the performance of the segments described above as of or for the following periods:

(in thousands)	Three Months Ended March 31,		
	2009		2008
<i>Net Sales</i>			
Connector products	\$	109,144	\$ 154,168
Venting products		10,179	13,488
Total	\$	119,323	\$ 167,656
<i>Income (Loss) from Operations</i>			
Connector products	\$	(7,088)	\$ 16,519
Venting products		(3,260)	(2,847)
Administrative and all other		10	(198)
Total	\$	(10,338)	\$ 13,474

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(in thousands)	At March 31,		December 31,
	2009	2008	2008
<i>Total Assets</i>			
Connector products	\$ 596,575	\$ 573,651	\$ 612,733
Venting products	72,804	73,418	77,218
Administrative and all other	130,030	176,358	140,249
Total	\$ 799,409	\$ 823,427	\$ 830,200

Cash collected by the Company's subsidiaries is routinely transferred into the Company's cash management accounts and, therefore, has been included in the total assets of Administrative and all other. Cash and cash equivalent balances in the Administrative and all other segment were \$107.2 million, \$145.6 million, and \$136.2 million, as of March 31, 2009 and 2008, and December 31, 2008, respectively.

10. Subsequent Events

In April 2009, the Company's subsidiary, Simpson Strong-Tie Europe EURL, purchased the equity of Agence Internationale Commerciale et Industrielle, S.A.S. (Aginco). Aginco manufactures a line of high quality builder products and distributes them in France. The purchase price (subject to post-closing adjustments) was \$21.9 million in cash.

In April 2009, the Company's Board of Directors declared a cash dividend of \$0.10 per share, a total currently estimated at \$4.9 million, to be paid on July 23, 2009, to stockholders of record on July 2, 2009.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This document contains forward-looking statements, based on numerous assumptions and subject to risks and uncertainties. Although the Company believes that the forward-looking statements are reasonable, it does not and cannot give any assurance that its beliefs and expectations will prove to be correct. Many factors could significantly affect the Company's operations and cause the Company's actual results to be substantially different from the Company's expectations. See Part II, Item 1A - Risk Factors. Actual results might differ materially from results suggested by any forward-looking statements in this report. The Company does not have an obligation to publicly update any forward-looking statements, whether as a result of the receipt of new information, the occurrence of future events or otherwise.

The following is a discussion and analysis of the consolidated financial condition and results of operations for the Company for the three months ended March 31, 2009 and 2008. The following should be read in conjunction with the interim Condensed Consolidated Financial Statements and related Notes appearing elsewhere herein.

Results of Operations for the Three Months Ended March 31, 2009, Compared with the Three Months Ended March 31, 2008

Net sales decreased 28.8% from \$167.7 for the first quarter of 2008 to \$119.3 million in the first quarter of 2009. The Company had a net loss of \$8.4 million for the first quarter of 2009 compared to net income of \$8.4 million for the first quarter of 2008. Diluted net loss per common share was \$0.17 for the first quarter of 2009 compared to diluted net income per common share of \$0.17 for the first quarter of 2008.

In the first quarter of 2009, sales declined throughout the United States. California, the western states and the south/southeastern states had the largest decrease in sales. Sales during the quarter also decreased throughout Europe, the United Kingdom and Canada. Sales in Asia, although relatively small, have increased as Simpson Strong-Tie has recently expanded its presence in the region. Simpson Strong-Tie's first quarter sales decreased 29.2% from the same quarter last year, while Simpson Dura-Vent's sales decreased 24.5%. Simpson Strong-Tie's sales to dealer distributors and contractor distributors decreased significantly as homebuilding continued to decline and general economic conditions continued to worsen. In response to changing conditions, the Company recomposed the group of customers that it classifies as home centers by removing those customers that serve professional users rather than retail customers and classifying them as dealer distributors. Under the new classification, sales to home centers decreased slightly whereas under the old composition, the decrease would have been larger. Sales decreased across all of Simpson Strong-Tie's major product lines, particularly those used in new home construction. Sales of most of Simpson Dura-Vent's product lines also decreased, with the exception of special gas vent and relining products, which increased as a result of the acquisition of ProTech Systems, Inc. in June 2008.

Income from operations decreased 176.7% from \$13.5 million in income in the first quarter of 2008 to a loss of \$10.3 million in the first quarter of 2009. Gross margins decreased from 33.6% in the first quarter of 2008 to 25.7% in the first quarter of 2009. The decrease in gross margins was primarily due to reduced absorption of fixed overhead, as a result of lower production volumes, as well as higher manufacturing costs, including higher cost of material, labor and distribution. Steel prices continued to decline from their peak in July 2008, as a result of weak demand. The Company has focused on reducing its inventories, which have come down by 10.4% since December 31, 2008, but, with lower sales volumes, it may take several quarters to sell excess inventory.

Research and development expenses decreased 4.7% from \$5.1 million in the first quarter of 2008 to \$4.9 million in the first quarter of 2009. This decrease was primarily due to a \$0.4 million decrease in professional service fees, partly offset by \$0.2 million increase in expenses related to additional personnel, including those at businesses acquired in 2008. Selling expenses decreased 19.1% from \$19.8 million in the first quarter

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of 2008 to \$16.0 million in the first quarter of 2009. The decrease resulted from a \$2.0 million decrease in expenses associated with sales and marketing personnel, most of which was related to cost-cutting measures, and a \$1.1 million decrease in promotional expenditures. General and administrative expenses increased 12.8% to \$20.2 million in the first quarter of 2009 from \$17.9 million in the first quarter of 2008. The increase was the result of several factors, including higher bad debt expense of \$2.5 million, primarily related to one customer, increased legal and professional service expenses of \$0.8 million and higher administrative personnel expenses of \$0.7 million, including those at businesses acquired in 2008. This increase was partly offset by a decrease in cash profit sharing of \$1.5 million, primarily due to the operating loss. Interest income decreased 91.0% from \$1.1 million in the first quarter of 2008 to \$0.1 million in the first quarter of 2009, primarily as a result of lower interest rates. The effective tax rate was 19.4% in the first quarter of 2009, which resulted in income tax benefit of \$2.0 million, versus an effective tax rate of 42.8% in the first quarter of 2008, which resulted in income tax expense of \$6.3 million. The effective tax rate of 19.4% is lower than the

statutory rate primarily due to the valuation allowances taken on foreign losses and a reduced benefit from the reduction or loss of enterprise zone tax credits at two of the Company's facilities in California. As a result of the loss before taxes in the first quarter of 2009, the lower effective tax rate resulted in a smaller benefit than if the Company had a higher effective tax rate. In general, the Company is required to use an estimated annual effective tax rate to measure the tax benefit or tax expense recognized in an interim period. The income tax benefit for the three months ended March 31, 2009, however, has been computed based on the first three months of 2009 as a discrete period due to the uncertainty regarding the Company's ability to reliably estimate pre-tax income for the remainder of the year. The Company cannot reliably estimate pre-tax income for the remainder of 2009 or for the full year, primarily due to the continued uncertainty in the construction markets in which the Company operates. The income tax provision for the three months ended March 31, 2008, was calculated using estimated annual effective tax rates.

Connector Products Simpson Strong-Tie

In the first quarter of 2009, Simpson Strong-Tie's net sales decreased 29.2% to \$109.1 million from \$154.2 million in the first quarter of 2008. Simpson Strong-Tie accounted for 91.5% of the Company's total net sales in the first quarter of 2009, a decrease from 92.0% in the first quarter of 2008. The decrease in net sales at Simpson Strong-Tie resulted primarily from a decrease in sales volume, although average prices increased 22.1% as compared to the first quarter of 2008. In the first quarter of 2009, Simpson Strong-Tie's sales declined throughout the United States. California, the western states and the south/southeastern states had the largest decrease in sales. Simpson Strong-Tie's sales during the quarter also decreased throughout Europe, the United Kingdom and Canada. Sales in Asia, although relatively small, have increased as Simpson Strong-Tie has recently expanded its presence in the region. Simpson Strong-Tie's sales to dealer distributors and contractor distributors decreased significantly as homebuilding continued to decline and general economic conditions continued to worsen. In response to changing conditions, the Company reclassified the group of customers which it classifies as home centers by removing those customers that serve professional users rather than retail customers and classifying them as dealer distributors. Under the new classification, sales to home centers decreased slightly whereas under the old composition, the decrease would have been larger. Sales decreased across all of Simpson Strong-Tie's major product lines, particularly those used in new home construction.

Simpson Strong-Tie's gross profit decreased 45.2% from \$56.0 million in the first quarter of 2008 to \$30.7 million in the first quarter of 2009. As a percentage of net sales, gross profit decreased from 36.3% in the first quarter of 2008 to 28.1% in the first quarter of 2009. This decrease was primarily due to reduced absorption of fixed overhead, as a result of lower production volumes, as well as higher manufacturing costs, including higher costs of material, labor and distribution.

Simpson Strong-Tie's research and development expenses decreased 6.7% from \$4.8 million in the first quarter of 2008 to \$4.5 million in the first quarter of 2009. This decrease was primarily due to a \$0.5 million decrease in professional services partly offset by increases in expenses related to additional personnel, including those associated with the acquisitions made during 2008. Simpson Strong-Tie's selling expenses decreased 18.9% from \$18.1 million in the first quarter of 2008 to \$14.7 million in the first quarter of 2009. The decrease resulted primarily from a \$1.9 million decrease in expenses associated with sales and marketing personnel, most of which was related to cost cutting measures, a decrease of \$1.0 million in promotional expenditures, and a \$0.5 million decrease in professional services. Simpson Strong-Tie's general and administrative expenses increased 12.2% to \$18.5 million in the first quarter of 2009 from \$16.5 million in the first quarter of 2008. The increase was primarily due to an increase in the provision for bad debt of \$2.5 million, primarily related to one customer, higher administrative personnel expenses of \$0.3 million, including those at businesses acquired in 2008, and increased home office administrative allocations of \$1.3 million. The increase was partly offset by decreases in cash profit sharing of \$1.5 million, as a result of the operating loss, and in information technology expenditures of \$0.2 million.

Simpson Strong-Tie recorded a loss from operations of \$7.1 million in the first quarter of 2009 as compared to income from operations of \$16.5 million in the first quarter of 2008.

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For its European operations, Simpson Strong-Tie recorded losses from operations of \$4.2 million in the first quarter of 2009 compared to losses from operations of \$1.0 million in the first quarter of 2008.

Simpson Strong-Tie has continued to adjust production levels downward at various facilities in the United States, and as a result, has reduced its labor force at these facilities.

Venting Products Simpson Dura-Vent

In the first quarter of 2009, Simpson Dura-Vent's net sales decreased 24.5% to \$10.2 million from \$13.5 million in the first quarter of 2008. Simpson Dura-Vent accounted for 8.5% of the Company's total net sales in the first quarter of 2009, an increase from 8.0% in the first quarter of 2008. The decrease in net sales at Simpson Dura-Vent resulted primarily from a decrease in sales volume, although average prices increased 10.0% as compared to the first quarter of 2008. In the first quarter of 2009, Simpson Dura-Vent's sales decreased throughout the United States, with significant decreases in the western region resulting from the weakness in new home construction. Sales of most of Simpson Dura-Vent's product lines also decreased, with the exception of special gas vent and relining products, which increased as a result of the acquisition of ProTech Systems, Inc. in June 2008.

Simpson Dura-Vent's gross profit decreased slightly from \$115 thousand in the first quarter of 2008 to \$92 thousand in the first quarter of 2009. This decrease was primarily due to higher manufacturing costs, including higher cost of material and distribution costs, partly offset by lower fixed overhead costs.

Simpson Dura-Vent's selling expenses decreased 21.5% from \$1.7 million in the first quarter of 2008 to \$1.3 million in the first quarter of 2009. The decrease resulted primarily from decreases of \$0.2 million in promotional activities, \$0.2 million in agent commissions and \$0.1 million in expenses associated with sales and marketing personnel. Simpson Dura-Vent's general and administrative expenses increased 65.7% to \$1.7 million in the first quarter of 2009 from \$1.0 million in the first quarter of 2008. This increase was primarily due to increased expenses associated with administrative personnel of \$0.1 million, including those at businesses acquired in 2008, and higher intangible asset amortization expense of \$0.2 million.

Simpson Dura-Vent's loss from operations increased to \$3.3 million in the first quarter of 2009 from \$2.9 million in the first quarter of 2008.

Administrative and All Other (Company)

Interest income is generated on the Company's cash and cash equivalents balances. Interest income decreased primarily as a result of lower interest rates. Interest expense includes interest, account maintenance fees and bank charges.

Critical Accounting Policies and Estimates

The Company did not make any significant changes to its critical accounting policies and estimates during the three months ended March 31, 2009, from those disclosed in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008.

Recently Issued Accounting Standards

See Note 1, Basis of Presentation *Recently Issued Accounting Standards*, to the Company's Condensed Consolidated Financial Statements for a discussion of recently issued accounting standards.

Liquidity and Sources of Capital

As of March 31, 2009, working capital was \$438.9 million as compared to \$448.3 million at March 31, 2008, and \$455.7 million at December 31, 2008. The decrease in working capital from December 31, 2008, was primarily due to decreases in inventories and cash and cash equivalents of \$26.3 million and \$12.5 million, respectively. Raw material inventories decreased 6.7% from December 31, 2008, while in-progress and finished goods inventories decreased 12.6% over the same period. The decrease in raw material inventories resulted from lower purchasing activity during the quarter, and the decreases in in-progress and finished goods inventories resulted from lower production volumes at the Company's manufacturing facilities. Partly offsetting the decreases in working capital were decreases in accrued profit sharing contributions and accrued liabilities of \$7.6 million and \$5.2 million, respectively, and increases in net trade accounts receivable and other current assets of \$3.4 million and \$4.7 million, respectively. The balance of the change in working capital was due to the fluctuation of various other asset and liability accounts, none of which was individually material. The working capital change and changes in noncurrent

assets and liabilities, combined with a net loss of \$8.4 million and noncash expenses, primarily depreciation, amortization and stock-based compensation charges totaling \$7.4 million, resulted in net cash provided by operating activities of \$0.5 million. As of March 31, 2009, the Company had unused credit facilities available of \$204.7 million.

The Company used \$7.5 million in its investing activities, primarily for the acquisition of the DeckTools business and capital expenditures mainly at its facilities in Europe and Asia. The Company estimates that its full-year capital spending will total \$15.0 million for 2009.

In January 2009, the Company acquired the business of RO Design Corp, a Florida corporation doing business as DeckTools, which licenses deck design and estimation software. The software provides professional deck builders, home centers and lumber yards a simple, graphics-driven solution for designing decks and estimating material and labor costs for the project. Payments under this agreement total \$4.0 million in cash, including \$2.5 million to be paid in the future, which will be treated as compensation expense to the principal officer of RO Design Corp, who is now employed by the Company. The Company recorded goodwill of \$1.5 million as a result of the acquisition, but the purchase price allocation has not been finalized.

In April 2009, the Company's subsidiary, Simpson Strong-Tie Europe EURL, purchased the equity of Agence Internationale Commerciale et Industrielle, S.A.S. (Aginco). Aginco manufactures a line of high quality builder products and distributes them in France. The purchase price (subject to post-closing adjustments) was \$21.9 million in cash.

The Company has classified its vacant facility in San Leandro, California, as an asset held for sale. In 2007 and 2008, environmental analyses of the San Leandro property indicated that it had contamination related to spilled fuel that would require an estimated \$0.7 million to remediate. The clean-up is expected to be completed in 2009. The Company expects to sell the San Leandro property after the remediation is completed.

The Company's financing activities used net cash of \$3.9 million. The payment of cash dividends in the amount of \$4.9 million was the primary financing activity use of cash. Cash provided by financing activities was primarily from borrowings of \$0.8 million on credit lines of the Company's European subsidiaries. In April 2009, the Company's Board of Directors declared a cash dividend of \$0.10 per share, a total currently estimated at \$4.9 million, to be paid on July 23, 2009, to stockholders of record on July 2, 2009.

The Company believes that cash generated by operations and borrowings available under its credit facility will be sufficient for the Company's working capital needs and planned capital expenditures for the next 12 months. Depending, however, on the Company's future growth and possible acquisitions, it may become necessary to secure additional sources of financing, which may not be available on reasonable terms, or at all.

The Company believes that the effect of inflation on the Company has not been material in recent years, as general inflation rates have remained relatively low. Because, however, the Company's main raw material is steel, increases in steel prices may adversely affect the Company's gross margins if it cannot recover the higher costs through price increases.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

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The Company has foreign exchange rate risk in its international operations, primarily Europe and Canada, and through purchases from foreign vendors. The Company does not currently hedge this risk. If the exchange rate were to change by 10% in any one country where the Company has operations, the change in net income would not be material to the Company's operations as a whole. The translation adjustment resulted in a decrease in accumulated other comprehensive income of \$5.8 million for the three months ended March 31, 2009, primarily due to the effect of the strengthening of the United States dollar in relation to the Canadian dollar and most European currencies.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures. As of March 31, 2009, an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures was performed under the supervision and with the participation of the Company's management, including the chief executive officer (CEO) and the chief financial officer (CFO). Based on that evaluation, the CEO and the CFO concluded that the Company's disclosure controls and procedures were effective as of that date.

Changes in Internal Control over Financial Reporting. During the three months ended March 31, 2009, the Company made no changes to its internal control over financial reporting (as defined in Securities Exchange Act of 1934 Rules 13a-15(f) and 15d-15(f)) that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, the Company is involved in various legal proceedings and other matters arising in the normal course of business. The Company is not engaged in any legal proceedings as of the date hereof, which the Company expects individually or in the aggregate to have a material adverse effect on the Company's financial condition, cash flows or results of operations. The resolution of claims and litigation is, however, subject to inherent uncertainty and could have a material adverse effect on the Company's financial condition, cash flows or results of operations.

Item 1A. Risk Factors

We are affected by risks specific to us, as well as risks that affect all businesses operating in global markets. Some of the significant factors that could materially adversely affect our business, financial condition and operating results appear in Item 1A. Risk Factors of our most recent Annual Report on Form 10-K (available at www.simpsonmfg.com/docs/10K-2008.pdf or www.sec.gov), but we have changed the risk factor titled Impairment charges on goodwill or other intangible assets would adversely affect our financial position and results of operations, to read as follows:

Impairment charges on goodwill or other intangible assets would adversely affect our financial position and results of operations.

We are required to perform impairment tests on our goodwill and other intangible assets annually or at any time when events occur that could affect the value of our business segments. To determine whether a goodwill impairment has occurred, we compare fair value of each of our reporting units with its carrying value. Significant and unanticipated changes in circumstances, such as significant adverse changes in business climate, adverse actions by regulatory authorities, unanticipated competition, loss of key customers or changes in technology or markets, can require a charge for impairment that can materially and adversely affect our reported net income and our stockholders' equity. For example, in 2008, our annual impairment test resulted in goodwill impairment charge of \$3.0 million associated with assets acquired in England in 1999 as part of our U.K. reporting unit. Our U.K. reporting unit's carrying value exceeded its fair value, primarily due to reduced future expected net cash flows. If current adverse conditions in the home-building industry, the financial markets or the economy generally should continue longer than we anticipate, we may need to take further charges for impairment, which we are not now able to estimate, but which may be substantial.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

In December 2008, the Board of Directors authorized the Company to repurchase up to \$50.0 million of the Company's common stock. This replaced the \$50.0 million repurchase authorization from December 2007. The authorization will remain in effect through the end of 2009. There were no repurchases of the Company's common stock in the first quarter of 2009.

Item 6. Exhibits.

The following exhibits are either incorporated by reference into this report or filed with this report, as indicated below. Any representation, warranty or other statement of purported fact in any such exhibit that is a contract, agreement or similar instrument may not be true or complete, either at the date of such instrument or at any later time. Even if such statements were accurate when made, they may not be accurate now. The parties to such instruments did not intend such statements to establish any facts, but intended such statements to allocate contractual risk between the parties. Such instruments may be subject to standards of materiality that differ from the standards applicable to this report. No one other than the parties to the instrument is entitled to rely or should rely on any statement in such instrument for any purpose. Such statements were provided for the private purposes of the parties to the instruments and may have been qualified by schedules and other disclosures that have not been filed with (or incorporated by reference into) this or any other report or document. Only the parties to any such instrument are entitled to enforce it.

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- 3.1 Certificate of Incorporation of Simpson Manufacturing Co., Inc., as amended, is incorporated by reference to Exhibit 3.1 of its Quarterly Report on Form 10-Q for the quarter ended September 30, 2007.
- 3.2 Bylaws of Simpson Manufacturing Co., Inc., as amended through August 1, 2008, are incorporated by reference to Exhibit 3.2 of its Current Report on Form 8-K dated August 4, 2008.
- 4.1 Rights Agreement dated as of July 30, 1999, between Simpson Manufacturing Co., Inc. and BankBoston, N.A., which includes as Exhibit B the form of Rights Certificate, is incorporated by reference to Exhibit 4.1 of Simpson Manufacturing Co., Inc.'s Registration Statement on Form 8-A dated August 4, 1999.
- 4.2 Certificate of Designation, Preferences and Rights of Series A Participating Preferred Stock of Simpson Manufacturing Co., Inc., dated July 30, 1999, is incorporated by reference to Exhibit 4.2 of its Registration Statement on Form 8-A dated August 4, 1999.
- 10.1 Simpson Manufacturing Co., Inc. 1994 Stock Option Plan, as amended through February 13, 2008, is incorporated by reference to exhibit 10.1 of Simpson Manufacturing Co., Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2008.
- 10.2 Simpson Manufacturing Co., Inc. 1995 Independent Director Stock Option Plan, as amended through November 18, 2004, is incorporated by reference to exhibit 10.2 of Simpson Manufacturing Co., Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2008.
- 10.3 Simpson Manufacturing Co., Inc. Executive Officer Cash Profit Sharing Plan, as amended through February 25, 2008, is incorporated by reference to exhibit 10.3 of Simpson Manufacturing Co., Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2008.
- 10.4 Credit Agreement dated as of October 10, 2007, among Simpson Manufacturing Co., Inc. as Borrower, the Lenders party thereto, Wells Fargo Bank as Agent, and Simpson Dura-Vent Company, Inc., Simpson Strong Tie Company Inc., and Simpson Strong-Tie International, Inc. as Guarantors, is incorporated by reference to Exhibit 10.1 of Simpson Manufacturing Co., Inc.'s Current Report on Form 8-K dated October 15, 2007.
- 10.5 Form of Indemnification Agreement between Simpson Manufacturing Co., Inc. and its directors and executive officers, as well as the officers of Simpson Strong-Tie Company Inc. and Simpson Dura-Vent Company, Inc., is incorporated by reference to Exhibit 10.2 of Simpson Manufacturing Co., Inc.'s Annual Report on Form 10-K for the year ended December 31, 2004.
- 10.6 Stock Purchase Agreement dated as of July 23, 2007, between Hobart K. Swan and Reliance Trust Company, solely in its capacity as independent trustee of the Swan Secure Products, Inc. Employee Stock Ownership Plan and Trust, on the one hand, and Simpson Strong-Tie Company Inc. and Simpson Manufacturing Co., Inc., on the other hand, is incorporated by reference to Exhibit 10.1 of Simpson Manufacturing Co., Inc.'s Current Report on Form 8-K dated July 24, 2007.
- 31 Rule 13a-14(a)/15d-14(a) Certifications are filed herewith.
- 32 Section 1350 Certifications are filed herewith.
- 99.1 Simpson Manufacturing Co., Inc. 1994 Employee Stock Bonus Plan, as amended through November 18, 2004, is incorporated by reference to Exhibit 99.1 of Simpson Manufacturing Co., Inc.'s Annual Report on Form 10-K for the year ended December 31, 2007.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Simpson Manufacturing Co., Inc.
(Registrant)

DATE: May 8, 2009

By /s/Michael J. Herbert
Michael J. Herbert
Chief Financial Officer
(principal accounting and financial officer)