

STARRETT L S CO  
Form 10-Q  
May 08, 2012

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, 2012

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 1-367

THE L. S. STARRETT COMPANY  
(Exact name of registrant as specified in its charter)

MASSACHUSETTS  
(State or other jurisdiction of incorporation or organization)

04-1866480  
(I.R.S. Employer Identification No.)

121 CRESCENT STREET, ATHOL, MASSACHUSETTS  
(Address of principal executive offices)

01331-1915  
(Zip Code)

Registrant's telephone number, including area code 978-249-3551

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 definition of "accelerated filer," "large 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

Common  
Shares            April 30,  
outstanding as 2012  
of

Class A  
Common        6,012,589  
Share

Class B  
Common        757,945  
Shares

THE L. S. STARRETT COMPANY

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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

THE L. S. STARRETT COMPANY  
Condensed Consolidated Balance Sheets  
(in thousands except share data)

	March 31, 2012 (unaudited)	June 30, 2011 (audited)
<b>ASSETS</b>		
Current assets:		
Cash	\$14,358	\$21,572
Investments	6,405	6,421
Accounts receivable (less allowance for doubtful accounts of \$1,189 and \$416, respectively)	40,097	45,567
Inventories	74,530	58,789
Current deferred income tax asset	6,197	6,100
Prepaid expenses and other current assets	7,340	5,494
Total current assets	148,927	143,943
Property, plant and equipment, net	55,081	56,265
Intangible assets, net	8,974	231
Taxes receivable	3,636	3,594
Deferred tax asset, net	20,762	21,407
Goodwill	3,034	-
Other assets	1,777	1,739
Total assets	\$242,191	\$227,179
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Notes payable and current maturities of long-term debt	\$2,390	\$8,238
Accounts payable and accrued expenses	20,320	22,030
Accrued salaries and wages	6,013	7,129
Total current liabilities	28,723	37,397
Deferred tax liabilities	2,699	2,806
Other tax obligations	9,837	10,450
Long-term debt	29,453	721
Postretirement benefit and pension liabilities	22,988	22,467
Total liabilities	93,700	73,841
Stockholders' equity:		
Class A Common stock \$1 par (20,000,000 shares authorized); 6,006,516 outstanding on 3/31/2012 and 5,933,059 outstanding on 6/30/2011	6,007	5,933
Class B Common stock \$1 par (10,000,000 shares authorized); 758,696 outstanding on 3/31/2012 and 800,868 outstanding on 6/30/2011	759	801
Additional paid-in capital, as adjusted (Note 11)	51,827	51,411

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Retained earnings, as adjusted (Note 11)	100,661	97,154
Accumulated other comprehensive loss	(10,763 )	(1,961 )
Total stockholders' equity	148,491	153,338
Total liabilities and stockholders' equity	\$242,191	\$227,179

See Notes to Unaudited Condensed Consolidated Financial Statements

THE L. S. STARRETT COMPANY  
Condensed Consolidated Statements of Operations  
(in thousands except per share data) (unaudited)

	3 Months Ended		9 Months Ended	
	3/31/2012	3/26/2011	3/31/2012	3/26/2011
Net sales	\$64,540	\$58,763	\$190,143	\$173,592
Cost of goods sold	43,085	39,210	124,991	115,467
Gross margin	21,455	19,553	65,152	58,125
% of Net sales	33.2	% 33.3	% 34.3	% 33.5
Selling, general and administrative expenses	18,674	17,868	57,244	51,258
Gain on sale of building	-	(1,350 )	-	(1,350 )
Operating income	2,781	3,035	7,908	8,217
Other (expense) / income	(550 )	(44 )	1,308	493
Earnings before income taxes	2,231	2,991		