

PALL CORP
Form 10-Q
June 09, 2006
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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 April 30, 2006

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- 4311

PALL CORPORATION

(Exact name of registrant as specified in its charter)

New York

(State or other jurisdiction of
incorporation or organization)

11-1541330

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

2200 Northern Boulevard, East Hills, NY

(Address of principal executive offices)

11548

(Zip Code)

(516) 484-5400

(Registrant's telephone number, including area code)

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 registrant was required to file such reports), and (2) has been subject to such filing requirement 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 Exchange Act). Yes No

The number of shares of the registrant's common stock outstanding as of June 5, 2006 was 124,833,255.

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	<u>Apr. 30, 2006</u>	<u>July 31, 2005</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 207,359	\$ 164,928
Accounts receivable	464,731	493,650
Inventories	438,848	365,929
Prepaid expenses	30,120	21,858
Other current assets	117,316	114,027
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Total current assets	1,258,374	1,160,392
Property, plant and equipment	619,898	608,758
Goodwill	246,559	252,904
Intangible assets	52,683	50,004
Other non-current assets	209,815	193,243
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Total assets	\$ 2,387,329	\$ 2,265,301
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LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Accounts payable and other current liabilities	\$ 387,466	\$ 372,553
Income taxes	59,045	58,928
Current portion of long-term debt	1,463	1,359
Notes payable	27,636	24,299
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Total current liabilities	475,610	457,139
Long-term debt, net of current portion	488,807	510,161
Deferred taxes and other non-current liabilities	182,611	158,024
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Total liabilities	1,147,028	1,125,324
	<hr/>	<hr/>
Stockholders' equity:		
Common stock, par value \$.10 per share	12,796	12,796
Capital in excess of par value	132,759	121,934
Retained earnings	1,102,089	1,066,848
Treasury stock, at cost	(64,292)	(90,878)

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Stock option loans	(1,502)	(1,808)
Accumulated other comprehensive income:		
Foreign currency translation	106,011	80,412
Minimum pension liability	(49,353)	(49,353)
Unrealized investment gains	2,132	33
Unrealized loss on derivatives	(339)	(7)
	<u>58,451</u>	<u>31,085</u>
Total stockholders' equity	<u>1,240,301</u>	<u>1,139,977</u>
Total liabilities and stockholders' equity	\$ <u>2,387,329</u>	\$ <u>2,265,301</u>

See accompanying notes to condensed consolidated financial statements.

[Back to Contents](#)**PALL CORPORATION AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS****(In thousands, except per share data)****(Unaudited)**

	Three Months Ended		Nine Months Ended	
	Apr. 30, 2006	Apr. 30, 2005	Apr. 30, 2006	Apr. 30, 2005
Net sales	\$ 509,981	\$ 493,543	\$ 1,419,579	\$ 1,377,748
Cost of sales	271,388	248,554	753,491	707,955
Gross profit	238,593	244,989	666,088	669,793
Selling, general and administrative expenses	157,407	161,461	466,250	464,906
Research and development	14,511	15,498	41,975	43,118
Restructuring and other charges, net	7,313	4,292	10,999	15,253
Interest expense, net	5,091	7,084	16,472	18,937
Earnings before income taxes	54,271	56,654	130,392	127,579
Income taxes	29,082	12,976	47,657	30,157
Net earnings	\$ 25,189	\$ 43,678	\$ 82,735	\$ 97,422
Earnings per share:				