

LINCOLN ELECTRIC HOLDINGS INC

Form 10-Q

July 31, 2012

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended **June 30, 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: 0-1402

LINCOLN ELECTRIC HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

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Ohio

(State or other jurisdiction of incorporation or organization)

34-1860551

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

22801 St. Clair Avenue, Cleveland, Ohio

(Address of principal executive offices)

44117

(Zip Code)

(216) 481-8100

(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 (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 small reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company)

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 ☒

The number of shares outstanding of the registrant's common shares as of June 30, 2012 was 83,527,825.

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EX-31.2 Certification of the Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer) pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.	
EX-32.1 Certification of the Chairman, President and Chief Executive Officer (Principal Executive Officer) and Senior Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer) pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	
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LINCOLN ELECTRIC HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

(In thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net sales	\$ 744,045	\$ 699,293	\$ 1,471,167	\$ 1,298,472
Cost of goods sold	519,048	503,789	1,030,905	941,530
Gross profit	224,997	195,504	440,262	356,942
Selling, general & administrative expenses	127,714	115,546	251,329	217,165
Rationalization and asset impairment charges (gains)	1,258	(75)	1,258	282
Operating income	96,025	80,033	187,675	139,495
Other income (expense):				
Interest income	849	661	1,732	1,269
Equity earnings in affiliates	2,006	1,715	2,698	2,545
Other income	403	712	1,269	2,007
Interest expense	(1,126)	(1,627)	(2,298)	(3,285)
Total other income (expense)	2,132	1,461	3,401	2,536
Income before income taxes	98,157	81,494	191,076	142,031
Income taxes	31,792	24,472	60,562	38,067
Net income including noncontrolling interests	66,365	57,022	130,514	103,964
Noncontrolling interests in subsidiaries (loss) earnings	46	9	(48)	41
Net income	\$ 66,319	\$ 57,013	\$ 130,562	\$ 103,923
Basic earnings per share	\$ 0.80	\$ 0.69	\$ 1.57	\$ 1.25
Diluted earnings per share	\$ 0.79	\$ 0.68	\$ 1.54	\$ 1.23
Cash dividends declared per share	\$ 0.17	\$ 0.155	\$ 0.34	\$ 0.31

See notes to these consolidated financial statements.

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LINCOLN ELECTRIC HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(UNAUDITED)

(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net income including noncontrolling interests	\$ 66,365	\$ 57,022	\$ 130,514	\$ 103,964
Other comprehensive income, net of tax:				
Unrealized (loss) gain on derivatives designated and qualifying as cash flow hedges, net of tax	(61)	124	(559)	(104)
Defined benefit pension plan activity, net of tax	4,369	3,397	9,215	6,716
Currency translation adjustment	(30,533)	14,289	(4,970)	35,067
Other comprehensive (loss) income, net of tax:	(26,225)			