ESTERLINE TECHNOLOGIES CORP
Form 10-Q
August 31, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended July 27, 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 1-6357

ESTERLINE TECHNOLOGIES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	13-2595091
(State or other Jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

500 108th Avenue N.E., Bellevue, Washington 98004

(Address of principal executive offices)(Zip Code)

Registrant s telephone number, including area code (425) 453-9400

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 þ No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ 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 definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer þ Accelerated filer ¨ Non-accelerated filer ¨ Smaller reporting company ¨

(Do not check if a 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 þ

As of August 28, 2012, 30,857,658 shares of the issuer s common stock were outstanding.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

ESTERLINE TECHNOLOGIES CORPORATION

CONSOLIDATED BALANCE SHEET

As of July 27, 2012 and October 28, 2011

(In thousands, except share amounts)

ASSETS		July 27, 2012 (Unaudited)		October 28, 2011
Current Assets				
Cash and cash equivalents	$	213,073	$	185,035
Cash in escrow		5,014		5,011
Accounts receivable, net of allowances of $9,397 and $7,063		333,815		369,826
Inventories				
Raw materials and purchased parts		145,446		130,445
Work in process		175,504		187,922
Finished goods		89,565		84,181
		410,515		402,548
Income tax refundable		10,409		2,857
Deferred income tax benefits		46,078		48,251
Prepaid expenses		23,872		19,245
Other current assets		2,651		6,540
Total Current Assets		1,045,427		1,039,313
Property, Plant and Equipment		685,259		669,920
Accumulated depreciation		330,208		301,504
		355,051		368,416
Other Non-Current Assets				
Goodwill		1,076,874		1,163,725
Intangibles, net		608,416		693,915
Debt issuance costs, net of accumulated amortization of $4,108 and $2,700		9,294		10,695
Deferred income tax benefits		88,208		79,605
Other assets		18,756		22,917

$	3,202,026	$	3,378,586

ESTERLINE TECHNOLOGIES CORPORATION

CONSOLIDATED BALANCE SHEET

As of July 27, 2012 and October 28, 2011

(In thousands, except share amounts)

LIABILITIES AND SHAREHOLDERS EQUITY	July 27, 2012 (Unaudited)	October 28, 2011
Current Liabilities		
Accounts payable	$ 109,936	$ 119,888
Accrued liabilities	268,889	270,422
Credit facilities	127	5,000
Current maturities of long-term debt	12,521	11,595
Deferred income tax liabilities	3,503	9,538
Federal and foreign income taxes	13,713	1,918
Total Current Liabilities	408,689	418,361
Long-Term Liabilities		
Credit facilities	300,000	360,000
Long-term debt, net of current maturities	619,753	660,028
Deferred income tax liabilities	208,702	238,709
Pension and post-retirement obligations	89,770	107,877
Other liabilities	34,180	19,693
Shareholders Equity		
Common stock, par value $.20 per share, authorized 60,000,000 shares, issued and outstanding 30,855,583 and 30,613,448 shares	6,171	6,123
Additional paid-in capital	566,893	551,703
Retained earnings	1,058,696	1,007,821
Accumulated other comprehensive loss	(100,496)	(2,812)
Total Esterline shareholders equity	1,531,264	1,562,835
Noncontrolling interests	9,668	11,083
Total Shareholders Equity	1,540,932	1,573,918
	$ 3,202,026	$ 3,378,586

ESTERLINE TECHNOLOGIES CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS

For the Three and Nine Month Periods Ended July 27, 2012 and July 29, 2011

(Unaudited)

(In thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	July 27, 2012	July 29, 2011	July 27, 2012	July 29, 2011
Net Sales	$ 485,949	$ 409,512	$ 1,461,662	$ 1,215,588
Cost of Sales	313,853	265,973	946,962	778,980
	172,096	143,539	514,700	436,608
Expenses				
Selling, general & administrative	91,869	76,418	285,516	214,919
Research, development & engineering	27,198	23,075	83,138	63,945
Gain on settlement of contingency	0	0	(11,891)	0
Goodwill impairment	52,169	0	52,169	0
Other income	(1,263)	(6,366)	(1,263)	(6,366)
Total Expenses	169,973	93,127	407,669	272,498
Operating Earnings from Continuing Operations	2,123	50,412	107,031	164,110
Interest Income	(109)	(658)	(320)	(1,428)
Interest Expense	12,159	10,286	35,171	28,381
Loss on Extinguishment of Debt	0	0	0	831
Income (Loss) from Continuing Operations Before Income Taxes	(9,927)	40,784	72,180	136,326
Income Tax Expense	6,963	2,821	20,677	22,323
Income (Loss) from Continuing Operations Including Noncontrolling Interests	(16,890)	37,963	51,503	114,003
Income Attributable to Noncontrolling Interests	(214)	(222)	(628)	(328)
Income (Loss) from Continuing Operations Attributable to Esterline	(17,104)	37,741	50,875	113,675
Loss from Discontinued Operations Attributable to Esterline, Net of Tax	0	(46)	0	(75)
Net Earnings (Loss) Attributable to Esterline	$ (17,104)	$ 37,695	$ 50,875	$ 113,600

Earnings (Loss) Per Share Attributable to Esterline Basic:								
Continuing operations	$	(.55)	$	1.23	$	1.66	$	3.73
Discontinued operations		.00		.00		.00		.00
Earnings (Loss) Per Share Attributable to Esterline Basic	$	(.55)	$	1.23	$	1.66	$	3.73
Earnings (Loss) Per Share Attributable to Esterline Diluted:								
Continuing operations	$	(.55)	$	1.21	$	1.63	$	3.65
Discontinued operations		.00		.00		.00		.00
Earnings (Loss) Per Share Attributable to Esterline Diluted	$	(.55)	$	1.21	$	1.63	$	3.65

ESTERLINE TECHNOLOGIES CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Nine Month Periods Ended July 27, 2012 and July 29, 2011

(Unaudited)

(In thousands)

	Nine Months Ended	
	July 27, 2012	July 29, 2011
Cash Flows Provided (Used) by Operating Activities		
Net earnings including noncontrolling interests	$ 51,503	$ 113,928
Adjustments to reconcile net earnings including noncontrolling interests to net cash provided (used) by operating activities:		
Depreciation and amortization	79,265	56,738
Deferred income taxes	(19,636)	823
Share-based compensation	7,686	5,781
Gain on settlement of contingency	(11,891)	0
Goodwill impairment	52,169	0
Working capital changes, net of effect of acquisitions		
Accounts receivable	20,975	34,625
Inventories	(27,494)	(34,924)
Prepaid expenses	(5,423)	(1,528)
Other current assets	188	(1,565)
Accounts payable	(2,466)	383
Accrued liabilities	16,923	1,773
Federal and foreign income taxes	2,151	3,577
Other liabilities	(15,074)	(20,112)
Other, net	2,371	(1,040)
	151,247	158,459
Cash Flows Provided (Used) by Investing Activities		
Purchases of capital assets	(39,456)	(35,227)
Proceeds from sale of capital assets	1,139	913
Escrow deposit	0	(14,000)
Acquisitions, net of cash acquired	0	(811,914)
	(38,317)	(860,228)

ESTERLINE TECHNOLOGIES CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Nine Month Periods Ended July 27, 2012 and July 29, 2011

(Unaudited)

(In thousands)

	Nine Months Ended	
	July 27, 2012	July 29, 2011
Cash Flows Provided (Used) by Financing Activities		
Proceeds provided by stock issuance under employee stock plans	7,331	13,244
Excess tax benefits from stock options exercised	221	1,830
Dividends paid to noncontrolling interests	0	(238)
Debt and other issuance costs	0	(5,374)
Proceeds from credit facilities	127	395,000
Proceeds from issuance of long-term debt	0	179,975
Repayment of long-term debt and credit facilities	(104,131)	(118,158)
Proceeds from government assistance	17,203	14,950
	(79,249)	481,229
Effect of Foreign Exchange Rates on Cash	(5,643)	6,258
Net Increase (Decrease) in Cash and Cash Equivalents	28,038	(214,282)
Cash and Cash Equivalents Beginning of Period	185,035	422,120
Cash and Cash Equivalents End of Period	$ 213,073	$ 207,838
Supplemental Cash Flow Information		
Cash Paid for Interest	$ 27,039	$ 21,722
Cash Paid for Taxes	37,554	25,407

ESTERLINE TECHNOLOGIES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Three and Nine Month Periods Ended July 27, 2012 and July 29, 2011

1. The consolidated balance sheet as of July 27, 2012, the consolidated statement of operations for the three and nine month periods ended July 27, 2012, and July 29, 2011, and the consolidated statement of cash flows for the nine month periods ended July 27, 2012, and July 29, 2011, are unaudited but, in the opinion of management, all of the necessary adjustments, consisting of normal recurring accruals, have been made to present fairly the financial statements referred to above in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, the above statements do not include all of the footnotes required for complete financial statements. The results of operations and cash flows for the interim periods presented are not necessarily indicative of results that can be expected for the full year.

2. The notes to the consolidated financial statements in the Company s Annual Report on Form 10-K for the fiscal year ended October 28, 2011, provide a summary of significant accounting policies and additional financial information that should be read in conjunction with this Form 10-Q.

3. The timing of the Company s revenues is impacted by the purchasing patterns of customers and, as a result, revenues are not generated evenly throughout the year. Moreover, the Company s first fiscal quarter, November through January, includes significant holiday periods in both Europe and North America.

4. In June 2011 the Financial Accounting Standards Board (FASB) amended requirements for the presentation of other comprehensive income (OCI), requiring presentation of comprehensive income in either a single, continuous statement of comprehensive income or on separate but consecutive statements, the statement of operations and the statement of OCI. The amendment is effective for the Company at the beginning of fiscal year 2013, with early adoption permitted. The adoption of this guidance will not impact the Company s financial position, results of operations or cash flows and will only impact the presentation of OCI on the financial statements.

5. Basic earnings per share is computed on the basis of the weighted average number of shares outstanding during the year. Diluted earnings per share includes the dilutive effect of stock options. Common shares issuable from stock options excluded from the calculation of diluted earnings per share because they were anti-dilutive were 303,100 in the third fiscal quarter of 2011. Shares used for calculating earnings per share are disclosed in the following table.

(In thousands)	Three Months Ended		Nine Months Ended	
	July 27, 2012	July 29, 2011	July 27, 2012	July 29, 2011
Shares Used for Basic Earnings Per Share	30,835	30,579	30,712	30,475
Shares Used for Diluted Earnings Per Share	30,835	31,260	31,266	31,144

6. The Company s comprehensive income (loss) is as follows:

(In thousands)	Three Months Ended		Nine Months Ended	
	July 27, 2012	July 29, 2011	July 27, 2012	July 29, 2011
Net Earnings (Loss)	$ (17,104)	$ 37,695	$ 50,875	$ 113,600
Change in Fair Value of Derivative Financial Instruments, Net of Tax [1]	(5,343)	(5,370)	(4,958)	(325)
Pension and Post-retirement Obligations, Net of Tax [2]	1,760	1,248	4,074	1,940
Foreign Currency Translation Adjustment	(60,938)	(26,247)	(96,800)	47,521
Comprehensive Income (Loss)	$ (81,625)	$ 7,326	$ (46,809)	$ 162,736

(1) Net of tax benefit of $2,296 and $2,201 for the third fiscal quarter of 2012 and 2011, respectively. Net of tax (expense) benefit of $2,388 and $(4) for the first nine months of fiscal 2012 and 2011, respectively.

(2) Net of tax expense of $(929) and $(714) for the third fiscal quarter of 2012 and 2011, respectively. Net of tax expense of $(2,341) and $(1,406) for the first nine months of fiscal 2012 and 2011, respectively.

The Company s accumulated other comprehensive loss is comprised of the following:

(In thousands)	July 27, 2012	October 28, 2011
Net unrealized gain (loss) on derivative contracts	$ (936)	$ 4,022
Pension and post-retirement obligations	(71,397)	(75,471)
Currency translation adjustment	(28,163)	68,637
Total accumulated other comprehensive loss	$ (100,496)	$ (2,812)

7. On July 26, 2011, the Company acquired the Souriau Group (Souriau) for approximately $726.7 million, including cash of $17.8 million. Souriau is a leading global supplier of highly engineered connectors for harsh environments serving aerospace, defense & space, power generation, rail, and industrial equipment markets. Souriau is included in the Sensors & Systems segment.

The following summarizes the allocation of the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition. The fair value adjustment for inventory was $41.7 million, which has been recognized as cost of goods sold over 4.5 months, the estimated inventory turnover. The purchase price includes the value of future development of existing technologies, the introduction of new technologies, and the addition of new customers. These factors resulted in recording goodwill of $376.9 million. The amount allocated to goodwill is not deductible for income tax purposes.

(In thousands)
As of July 26, 2011

Current assets	$	228,694
Property, plant and equipment		91,843
Intangible assets subject to amortization		
Programs (15 year weighted average useful life)		224,296
Trade name (10 year weighted average useful life)		45,709
Goodwill		376,902
Other assets		6,900
Total assets acquired		974,344
Current liabilities assumed		110,596
Long-term liabilities assumed		128,674
Noncontrolling interest		8,369
Net assets acquired	$	726,705

Pro Forma Financial Information

The following pro forma financial information shows the results of continuing operations for the three and nine months ended July 29, 2011, as though the acquisition of Souriau had occurred at the beginning of the fiscal year. The pro forma financial information includes, where applicable, adjustments for: (i) the amortization of acquired intangible assets, (ii) additional interest expense on acquisition-related borrowings and (iii) the income tax effect on the pro forma adjustments. The pro forma financial information below is presented for illustrative purposes only and is not necessarily indicative of the operating results that would have been achieved had the acquisition been completed as of the date indicated above or the results that may be obtained in the future.

(In thousands, except per share amounts)	Three Months Ended July 29, 2011		Nine Months Ended July 29, 2011	
Pro forma net sales	$	504,498	$	1,473,427
Pro forma net income	$	44,498	$	128,222
Basic earnings per share as reported	$	1.23	$	3.73
Pro forma basic earnings per share	$	1.46	$	4.21
Diluted earnings per share as reported	$	1.21	$	3.65
Pro forma diluted earnings per share	$	1.42	$	4.12

On December 30, 2010, the Company acquired Eclipse Electronic Systems, Inc. (Eclipse) for $123.8 million. The purchase price includes cash of $14.0 million in contingent consideration, which was deposited in an escrow account and will be paid to the seller if certain performance objectives are met over the three-year period. The estimated fair value of the contingent consideration was $13.4 million at the date of acquisition. On February 2, 2012, the Company paid the initial $5.0 million of three installments totaling $14.0 million of contingent consideration. As of July 27, 2012, the estimated fair value of the contingent consideration was $8.4 million. Eclipse is a designer and manufacturer of embedded communication intercept receivers for signal intelligence applications. Eclipse is included in the Avionics & Controls segment.

The following summarizes the allocation of the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition. The purchase price includes the value of future development of existing technologies, the introduction of new technologies, and the addition of new customers. These factors resulted in recording goodwill of $67.9 million. The amount allocated to goodwill is not deductible for income tax purposes.

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(In thousands) As of December 30, 2010		
Current assets	$	31,827
Property, plant and equipment		2,154
Intangible assets subject to amortization		
Technology (10 year weighted average useful life)		53,200
Goodwill		67,878
Total assets acquired		155,059
Current liabilities assumed		36,240
Long-term liabilities assumed		8,350
Net assets acquired	$	110,469

8. During the third fiscal quarter of 2012, management performed a Step One impairment test for Racal Acoustics, included in the Avionics & Controls segment, upon identification of an indicator of impairment. Racal Acoustics third quarter forecast projected an operating loss for fiscal 2012. Additionally, management determined that requirements for hearing protection devices for the U.S. Army would not recover in the five-year planning horizon in light of the cancellation of certain programs that include Racal Acoustics products, and the expected decline in demand for Racal Acoustics products from the U.S. armed forces, as well as a global slowdown in defense spending. As required under U.S. GAAP, a Step Two impairment test was required because the current fair value of the business using a discounted cash flow and market approach was less than its carrying amount of the business. Under Step Two, the fair value of all of Racal Acoustics assets and liabilities were estimated, including tangible assets, existing technology, and trade names, for the purpose of deriving an estimate of the implied fair value of goodwill. The implied fair value of the goodwill was then compared to the recorded goodwill to determine the amount of the impairment. Assumptions used in measuring the value of these assets and liabilities included the discount rates, royalty rates, and obsolescence rates used in valuing the intangible assets, and pricing of comparable transactions in the market in valuing the tangible assets. The excess of the carrying amount of goodwill over the implied fair value of goodwill resulted in an impairment charge of $52.2 million. There were no impairments on Racal Acoustics other long-lived assets subject to amortization at July 27, 2012.

9. The income tax rate (before the goodwill impairment charge) was 16.6% and 16.4% for the first nine months of fiscal 2012 and 2011, respectively. The income tax rate for the first nine months of fiscal 2012 (after the goodwill impairment charge) was 28.6%. In the first nine months of fiscal 2012, the Company recognized $7.2 million of discrete tax benefits principally related to three items. The first item was a $2.3 million tax benefit due to a change in French tax laws associated with the holding company structure and the financing of the Souriau acquisition. The second item was a $2.9 million reduction of net deferred tax liabilities as a result of the enactment of tax laws reducing the U.K. statutory income tax rate. The third item was a $1.7 million tax benefit as a result of reconciling the prior year s income tax return to the U.S. income tax provision.

In the first nine months of fiscal 2011, the Company recognized $11.0 million of discrete tax benefits principally related to three items. The first item was approximately $3.3 million of tax benefits due to the retroactive extension of the U.S. federal research and experimentation credits and the release of a valuation allowance related to a net operating loss of an acquired subsidiary. The second item was approximately $5.6 million of tax benefits associated with net operating losses of an acquired subsidiary as a result of concluding a tax examination. The third item was approximately $3.2 million of net reduction of deferred tax liabilities as a result of the enactment of tax laws reducing the U.K. statutory income tax rate.

The income tax rate differed from the statutory rate in the first nine months of fiscal 2012 and 2011, as both years benefited from various tax credits and certain foreign interest expense deductions.

It is reasonably possible that within the next twelve months approximately $5.6 million of tax benefits associated with research and development tax credits, capital and operating losses that are currently unrecognized could be recognized as a result of settlement of examinations and/or the expiration of a statute of limitations.

10. As of July 27, 2012, the Company had three share-based compensation plans, which are described below. The compensation cost that has been charged against income for those plans for the first nine months of fiscal 2012 and 2011 was $7.7 million and $5.8 million, respectively. During the first nine months of fiscal 2012 and 2011, the Company issued 242,135 and 333,128 shares, respectively, under its employee stock plans.

Employee Stock Purchase Plan (ESPP)

The ESPP is a safe-harbor designed plan whereby shares are purchased by participants at a discount of 5% of the market value on the purchase date and, therefore, compensation cost is not recorded under the ESPP.

Equity Incentive Plan

Under the equity incentive plan, option exercise prices are equal to the fair market value of the Company s common stock on the date of grant. The Company granted 343,400 and 316,300 options to purchase shares in the nine month periods ended July 27, 2012, and July 29, 2011, respectively. The weighted-average grant date fair value of options granted during the nine month periods ended July 27, 2012, and July 29, 2011, was $24.33 and $32.58 per share, respectively.

The fair value of each option granted by the Company was estimated using a Black-Scholes pricing model which uses the assumptions noted in the following table. The Company uses historical data to estimate volatility of the Company s common stock and option exercise and employee termination assumptions. The risk-free rate for the contractual life of the option is based on the U.S. Treasury zero coupon issues in effect at the time of the grant.

	Nine Months Ended	
	July 27, 2012	July 29, 2011
Volatility	41.62 44.29%	40.80 42.78%
Risk-free interest rate	0.91 2.11%	2.02 3.64%
Expected life (years)	4.5 9.5	4.5 9.5
Dividends	0	0

Employee Sharesave Scheme

The Company offers shares under its employee sharesave scheme for U.K. employees. This plan allows participants the option to purchase shares at a 5% discount of the market price of the stock as of the beginning of the offering period. The term of these options is three years. The sharesave scheme is not a safe-harbor design, and therefore, compensation cost is recognized on this plan. Under the sharesave scheme, option exercise prices are equal to the fair market value of the Company s common stock on the date of grant. The Company granted 45,063 and 9,956 options in the first nine month periods ended July 27, 2012, and July 29, 2011, respectively. The weighted-average grant date fair value of options granted during the nine month periods ended July 27, 2012, and July 29, 2011, were $19.85 and $26.14 per share, respectively.

The fair value of the awards under the employee sharesave scheme was estimated using a Black-Scholes pricing model which uses the assumptions noted in the following table. The risk-free rate for the contractual life of the option is based on the U.S. Treasury zero coupon issues in effect at the time of grant.

	Nine Months Ended	
	July 27, 2012	July 29, 2011
Volatility	38.96%	51.10%
Risk-free interest rate	0.38%	0.98%
Expected life (years)	3	3
Dividends	0	0

11. The Company s pension plans principally include a U.S. pension plan maintained by Esterline and a non-U.S. plan maintained by CMC Electronics, Inc. (CMC). Components of periodic pension cost consisted of the following:

(In thousands)	Three Months Ended		Nine Months Ended	
	July 27, 2012	July 29, 2011	July 27, 2012	July 29, 2011
Components of Net Periodic Pension Cost				
Service cost	$ 2,372	$ 2,359	$ 7,198	$ 6,913
Interest cost	4,669	4,705	14,001	13,945
Expected return on plan assets	(5,338)	(5,096)	(16,035)	(15,207)
Amortization of prior service cost	10	4	31	14
Amortization of actuarial loss	2,527	2,091	7,691	6,097
Net Periodic Cost	$ 4,240	$ 4,063	$ 12,886	$ 11,762

The Company s principal post-retirement plans include non-U.S. plans, which are non-contributory healthcare and life insurance plans. The components of expense of these other retirement benefits consisted of the following:

(In thousands)	Three Months Ended		Nine Months Ended	
	July 27, 2012	July 29, 2011	July 27, 2012	July 29, 2011
Components of Net Periodic Post-Retirement Plans Cost				
Service cost	$ 102	$ 141	$ 309	$ 416
Interest cost	163	178	492	524
Amortization of actuarial gain	(7)	(4)	(21)	(12)
Net Periodic Cost	$ 258	$ 315	$ 780	$ 928

12. In March 2011, the Company entered into a secured credit facility for $460 million made available through a group of banks. The credit facility is secured by substantially all of the Company s assets and interest is based on standard inter-bank offering rates. The credit facility expires in March 2016. The spread ranges from LIBOR plus 1.5% to LIBOR plus 2.25% depending on the leverage ratios at the time the funds are drawn. At the same time as the Company entered into the $460 million secured credit facility, the Company repaid its U.S. Term Loan for $118.8 million. At July 27, 2012, the Company had $300.0 million outstanding under the secured credit facility at an initial interest rate of LIBOR plus 2.0% or currently 2.25%.

In July 2011, the Company amended the secured credit facility to provide for a 125.0 million term loan (Euro Term Loan) to Esterline Technologies Europe Limited. The interest rate spread on the Euro Term Loan will range from Euro LIBOR plus 1.5% to Euro LIBOR plus 2.25% depending on the leverage ratios at the time the funds are drawn. At July 27, 2012, the Company had 83.0 million outstanding or $102.3 million under the Euro Term Loan at an interest rate of Euro LIBOR plus 2.0% or currently 2.33%. The loan amortizes at 1.25% of the outstanding balance quarterly through March 2016, with the remaining balance due in July 2016.

Based on quoted market prices, the fair value of the Company s $250.0 million 7.0% Senior Notes due August 2020 was $276.6 million and $263.1 million as of July 27, 2012, and October 28, 2011, respectively. The fair value of the Company s $175.0 million 6.625% Senior Notes due March 2017 was $181.3 million and $175.0 million as of July 27, 2012, and October 28, 2011, respectively. The carrying amounts of the secured credit facility and Euro Term Loan due 2016 approximate fair value. Estimates of fair value for the Senior Notes are based on Level 2 inputs as defined in the fair value hierarchy.

13. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value hierarchy has been established that prioritizes the inputs to valuation techniques used to measure fair value. An asset s or liability s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The hierarchy of fair value measurements is described below:

Level 1 Valuations are based on quoted prices that the Company has the ability to obtain in actively traded markets for identical assets and liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market or exchange traded market, a valuation of these instruments does not require a significant degree of judgment.

Level 2 Valuations are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3 Valuations are based on model-based techniques for which some or all of the assumptions are obtained from indirect market information that is significant to the overall fair value measurement and which require a significant degree of management judgment.

The following table sets forth the Company s financial assets and liabilities that were measured at fair value on a recurring basis by level within the fair value hierarchy at July 27, 2012, and October 28, 2011.

(In thousands)	Level 2	
	July 27, 2012	October 28, 2011
Assets:		
Derivative contracts designated as hedging instruments	$ 6,607	$ 7,553
Derivative contracts not designated as hedging instruments	$ 350	$ 2,214
Embedded derivatives	$ 569	$ 38
Liabilities:		
Derivative contracts designated as hedging instruments	$ 5,293	$ 1,632
Derivative contracts not designated as hedging instruments	$ 2,422	$ 1,070
Embedded derivatives	$ 39	$ 895

(In thousands)	Level 3	
	July 27, 2012	October 28, 2011
Liabilities:		
Contingent purchase obligation	$ 8,350	$ 13,350

The Company s embedded derivatives are the result of entering into sales or purchase contracts that are denominated in a currency other than the Company s functional currency or the supplier s or customer s functional currency. The fair value is determined by calculating the difference between quoted exchange rates at the time the contract was entered into and the period end exchange rate. These contracts are categorized as Level 2 in the fair value hierarchy.

The Company s derivative contracts consist of foreign currency exchange contracts and interest rate swap agreements. These derivative contracts are over the counter and their fair value is determined using modeling techniques that include market inputs such as interest rates, yield curves, and currency exchange rates. These contracts are categorized as Level 2 in the fair value hierarchy.

The Company s contingent purchase obligation consists of additional consideration in connection with the acquisition of Eclipse. The contingent consideration will be paid to the seller if certain performance objectives are met over the three-year period. The value recorded on the balance sheet was derived from the estimated probability that the performance objectives will be met by the end of the three-year period. The contingent purchase obligation is categorized as Level 3 in the fair value hierarchy. The Company paid $5.0 million of the contingent purchase consideration in the second fiscal quarter of 2012.

14. The Company uses derivative financial instruments in the form of foreign currency forward exchange contracts and interest rate swap contracts for the purpose of minimizing exposure to changes in foreign currency exchange rates on business transactions and interest rates, respectively. The Company s policy is to execute such instruments with banks the Company believes to be creditworthy and not to enter into derivative financial instruments for speculative purposes. These derivative financial instruments do not subject the Company to undue risk, as gains and losses on these instruments generally offset gains and losses on the underlying assets, liabilities, or anticipated transactions that are being hedged.

All derivative financial instruments are recorded at fair value in the Consolidated Balance Sheet. For a derivative that has not been designated as an accounting hedge, the change in the fair value is recognized immediately through earnings. For a derivative that has been designated as an accounting hedge of an existing asset or liability (a fair value hedge), the change in the fair value of both the derivative and underlying asset or liability is recognized immediately through earnings. For a derivative designated as an accounting hedge of an anticipated transaction (a cash flow hedge), the change in the fair value is recorded on the Consolidated Balance Sheet in Accumulated Other Comprehensive Income (AOCI) to the extent the derivative is effective in mitigating the exposure related to the anticipated transaction. The change in the fair value related to the ineffective portion of the hedge, if any, is immediately recognized in earnings. The amount recorded within AOCI is reclassified into earnings in the same period during which the underlying hedged transaction affects earnings.

The fair values of derivative instruments are presented on a gross basis, as the Company does not have any derivative contracts which are subject to master netting arrangements. At July 27, 2012, the Company does not have any hedges with credit-risk-related contingent features or that required the posting of collateral. The cash flows from derivative contracts are recorded in operating activities in the Consolidated Statement of Cash Flows.

Foreign Currency Forward Exchange Contracts

The Company transacts business in various foreign currencies which subjects the Company s cash flows and earnings to exposure related to changes in foreign currency exchange rates. These exposures arise primarily from purchases or sales of products and services from third parties. Foreign currency forward exchange contracts provide for the purchase or sale of foreign currencies at specified future dates at specified exchange rates and are used to offset changes in the fair value of certain assets or liabilities or forecasted cash flows resulting from transactions denominated in foreign currencies. At July 27, 2012, and October 28, 2011, the Company had outstanding foreign currency forward exchange contracts principally to sell U.S. dollars with notional amounts of $414.0 million and $431.2 million, respectively. These notional values consist primarily of contracts for the European euro, British pound sterling and Canadian dollar, and are stated in U.S. dollar equivalents at spot exchange rates at the respective dates.

Interest Rate Swaps

The Company manages its exposure to interest rate risk by maintaining an appropriate mix of fixed and variable rate debt, which over time should moderate the costs of debt financing. When considered necessary, the Company may use financial instruments in the form of interest rate swaps to help meet this objective. In November 2010, the Company entered into an interest rate swap agreement for $100.0 million of the $175.0 million Senior Notes due in 2017. The swap agreement exchanged the fixed interest rate of 6.625% for a variable interest rate on the $100.0 million of the principal amount outstanding. The variable interest rate is based upon LIBOR plus 4.865% and was 5.312% at July 27, 2012. The fair value of the Company s interest rate swap was a $2.1 million asset at July 27, 2012, and was estimated by discounting expected cash flows using market interest rates. The Company records interest receivable and interest payable on interest rate swaps on a net basis. In December 2010, the Company entered into an interest rate swap agreement for $75.0 million of the $175.0 million Senior Notes due in 2017. The swap agreement exchanged the fixed interest rate of 6.625% for a variable interest rate on the $75.0 million of the principal amount outstanding. The variable interest rate is based upon LIBOR plus 4.47% and was 4.917% at July 27, 2012. The fair value of the Company s interest rate swap was a $2.1 million asset at July 27, 2012, and was estimated by discounting expected cash flows using market interest rates. The Company recognized a net interest receivable of $1.1 million at July 27, 2012.

Embedded Derivative Instruments

The Company s embedded derivatives are the result of entering into sales or purchase contracts that are denominated in a currency other than the Company s functional currency or the supplier s or customer s functional currency.

Net Investment Hedge

In July 2011, the Company entered into a Euro Term Loan for 125.0 million under the secured credit facility. The Company designated the Euro Term Loan a hedge of the investment in a certain French business unit. The foreign currency gain or loss that is effective as a hedge is reported as a component of other comprehensive income in shareholders equity. To the extent that this hedge is ineffective, the foreign currency gain or loss is recorded in earnings. There was no ineffectiveness since inception of the hedge.

Fair Value of Derivative Instruments

Fair values of derivative instruments in the Consolidated Balance Sheet at July 27, 2012, and October 28, 2011, consisted of:

(In thousands)	Classification	Fair Value July 27, 2012	Fair Value October 28, 2011
Foreign currency forward exchange contracts:	Other current assets	$ 1,512	$ 7,092
	Other assets	1,263	1,321
	Accrued liabilities	6,797	1,606
	Other liabilities	918	1,096
Embedded derivative instruments:	Other current assets	$ 569	$ 38
	Accrued liabilities	16	82
	Other liabilities	23	813
Interest rate swap:	Long-term debt, net of current maturities	$ 4,182	$ 1,354

The effect of derivative instruments on the Consolidated Statement of Operations for the three and nine month periods ended July 27, 2012, and July 29, 2011, consisted of:

(In thousands)	Location of Gain (Loss)	Three Months Ended July 27, 2012	Three Months Ended July 29, 2011	Nine Months Ended July 27, 2012	Nine Months Ended July 29, 2011
Fair Value Hedges:					
Interest rate swap contracts	Interest Expense	$ 654	$ 737	$ 1,905	$ 1,934
Embedded derivatives	Sales	$ 1,304	$ 1,413	$ 1,046	$ 533
Cash Flow Hedges:					
Foreign currency forward exchange contracts:					
Amount of gain (loss) recognized in AOCI (effective portion)	AOCI	$ (7,434)	$ (10,285)	$ (7,553)	$ (8,652)

Amount of gain (loss) reclassified from AOCI into income	Sales	$ (205)	$ 2,716	$ 207	$ 8,331
Net Investment Hedges:					
Euro term loan	AOCI	$ 9,453	$ (1,413)	$ 19,801	$ 0

15

During the first nine months of fiscal 2012 and 2011, the Company recorded a loss of $9.2 million and a gain of $3.1 million, respectively, on foreign currency forward exchange contracts that have not been designated as an accounting hedge. These foreign currency exchange gains are included in selling, general and administrative expense.

There was no significant impact to the Company s earnings related to the ineffective portion of any hedging instruments during the first nine months of fiscal 2012 and 2011. In addition, there was no significant impact to the Company s earnings when a hedged firm commitment no longer qualified as a fair value hedge or when a hedged forecasted transaction no longer qualified as a cash flow hedge during the first nine months of fiscal 2012 and 2011.

Amounts included in AOCI are reclassified into earnings when the hedged transaction settles. The Company expects to reclassify approximately $3.6 million of net loss into earnings over the next 12 months. The maximum duration of the Company s foreign currency cash flow hedge contracts at July 27, 2012, is 23 months.

15. Segment information:
Business segment information for continuing operations includes the segments of Avionics & Controls, Sensors & Systems and Advanced Materials.

(In thousands)	Three Months Ended		Nine Months Ended	
	July 27, 2012	July 29, 2011	July 27, 2012	July 29, 2011
Sales				
Avionics & Controls	$ 195,059	$ 208,021	$ 569,656	$ 632,020
Sensors & Systems	171,603	88,605	527,958	250,841
Advanced Materials	119,287	112,886	364,048	332,727
Total Sales	$ 485,949	$ 409,512	$ 1,461,662	$ 1,215,588
Income (Loss) from Continuing Operations				
Avionics & Controls	(25,611) (1)	28,604	$ 12,703 (1)	$ 104,523
Sensors & Systems	18,305	10,764	49,830	33,403
Advanced Materials	17,293	18,797	66,526	57,044
Segment Earnings	9,987	58,165	129,059	194,970
Corporate expense	(9,127)	(14,119)	(35,182)	(37,226)
Gain on settlement of contingency	0	0	11,891	0
Other income	1,263	6,366	1,263	6,366
Interest income	109	658	320	1,428
Interest expense	(12,159)	(10,286)	(35,171)	(28,381)
Loss on extinguishment of debt	0	0	0	(831)
	$ (9,927)	$ 40,784	$ 72,180	$ 136,326

(1) Includes a $52.2 million impairment charge against Racal Acoustics goodwill.

16.

Prior to the March 2007 acquisition of CMC, CMC was involved in a transaction in which CMC shareholders had a limited amount of time in which to tender their shares in exchange for cash. In May 2008, after the prescribed time period had expired, CAD $11.8 million remained unclaimed. As a result, the paying agent returned the unclaimed amount to CMC in accordance with Canadian law. In December 2008, CMC s former parent company instituted a legal action against the paying agent, alleging negligence and breached contract terms by returning the funds to CMC. The plaintiff lost at trial and appealed. In the second quarter of fiscal 2012, CMC received notice that the plaintiff abandoned its appeal. In addition, CMC and the paying agent settled all remaining issues. Management concluded that all contingencies relating to this matter were resolved, and accordingly, the Company recorded a gain of approximately CAD $11.8 million or $11.9 million, or $9.5 million after tax, in the second fiscal quarter of 2012.

17. The following schedules set forth condensed consolidating financial information as required by Rule 3-10 of Securities and Exchange Commission Regulation S-X as of July 27, 2012, and October 28, 2011, and for the applicable periods ended July 27, 2012, and July 29, 2011, for (a) Esterline Technologies Corporation (the Parent); (b) on a combined basis, the current subsidiary guarantors (Guarantor Subsidiaries) of the secured credit facility, Senior Notes due 2017, and Senior Notes due 2020; and (c) on a combined basis, the subsidiaries that are not guarantors of the secured credit facility, Senior Notes due 2017, and Senior Notes due 2020 (Non-Guarantor Subsidiaries). The Guarantor Subsidiaries previously guaranteed the Senior Subordinated Notes due 2013 that were repurchased or otherwise redeemed in August 2010. The Guarantor Subsidiaries are direct and indirect wholly-owned subsidiaries of Esterline Technologies Corporation and have fully and unconditionally, jointly and severally, guaranteed the secured credit facility, the Senior Notes due 2017 and the Senior Notes due 2020.

Condensed Consolidating Balance Sheet as of July 27, 2012.

(In thousands)	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Assets					
Current Assets					
Cash and cash equivalents	$ 33,326	$ 11,010	$ 168,737	$ 0	$ 213,073
Cash in escrow	5,014	0	0	0	5,014
Accounts receivable, net	146	121,839	211,830	0	333,815
Inventories	0	160,973	249,542	0	410,515
Income tax refundable	0	10,409	0	0	10,409
Deferred income tax benefits	23,342	714	22,022	0	46,078
Prepaid expenses	95	5,399	18,378	0	23,872
Other current assets	131	439	2,081	0	2,651
Total Current Assets	62,054	310,783	672,590	0	1,045,427
Property, Plant & Equipment, Net	3,026	162,959	189,066	0	355,051
Goodwill	0	315,127	761,747	0	1,076,874
Intangibles, Net	0	129,742	478,674	0	608,416
Debt Issuance Costs, Net	7,895	0	1,399	0	9,294
Deferred Income Tax Benefits	28,051	(150)	60,307	0	88,208
Other Assets	8,209	1,616	8,931	0	18,756
Amounts Due From (To) Subsidiaries	0	509,512	0	(509,512)	0
Investment in Subsidiaries	2,411,673	1,134,042	248,315	(3,794,030)	0
Total Assets	$ 2,520,908	$ 2,563,631	$ 2,421,029	$ (4,303,542)	$ 3,202,026

(In thousands)

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Liabilities and Shareholders Equity					
Current Liabilities					
Accounts payable	$ 863	$ 26,116	$ 82,957	$ 0	$ 109,936
Accrued liabilities	26,557	77,588	164,744	0	268,889
Credit facilities	0	0	127	0	127
Current maturities of long-term debt	0	184	12,337	0	12,521
Deferred income tax liabilities	200	(1)	3,304	0	3,503
Federal and foreign income taxes	9,075	(16,067)	20,705	0	13,713
Total Current Liabilities	36,695	87,820	284,174	0	408,689
Credit Facilities	300,000	0	0	0	300,000
Long-Term Debt, Net	429,182	44,152	146,419	0	619,753
Deferred Income Tax Liabilities	50,056	(8)	158,654	0	208,702
Pension and Post-Retirement Obligations	17,246	25,392	47,132	0	89,770
Other Liabilities	4,655	3,794	25,731	0	34,180
Amounts Due To (From) Subsidiaries	142,142	0	475,782	(617,924)	0
Shareholders Equity	1,540,932	2,402,481	1,283,137	(3,685,618)	1,540,932
Total Liabilities and Shareholders Equity	$ 2,520,908	$ 2,563,631	$ 2,421,029	$ (4,303,542)	$ 3,202,026

Condensed Consolidating Statement of Operations for the three month period ended July 27, 2012.

(In thousands)

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net Sales	$ 0	$ 227,022	$ 260,229	$ (1,302)	$ 485,949
Cost of Sales	0	144,787	170,368	(1,302)	313,853
	0	82,235	89,861	0	172,096
Expenses					
Selling, general and administrative	0	35,862	56,007	0	91,869
Research, development and engineering	0	13,062	14,136	0	27,198
Gain on settlement of contingency	0	0	0	0	0
Goodwill impairment	0	0	52,169	0	52,169
Other income	0	0	(1,263)	0	(1,263)
Total Expenses	0	48,924	121,049	0	169,973
Operating Earnings from Continuing Operations	0	33,311	(31,188)	0	2,123
Interest Income	(3,574)	(5,090)	(14,319)	22,874	(109)
Interest Expense	8,648	7,396	18,989	(22,874)	12,159
Loss on Extinguishment of Debt	0	0	0	0	0
Income (Loss) from Continuing Operations Before Taxes	(5,074)	31,005	(35,858)	0	(9,927)
Income Tax Expense (Benefit)	(4,058)	22,476	(11,455)	0	6,963
Income (Loss) from Continuing Operations Including Noncontrolling Interests	(1,016)	8,529	(24,403)	0	(16,890)
Income Attributable to Noncontrolling Interests	0	0	(214)	0	(214)
Income (Loss) from Continuing Operations Attributable to Esterline	(1,016)	8,529	(24,617)	0	(17,104)
Loss from Discontinued Operations Attributable to Esterline, Net of Tax	0	0	0	0	0
Equity in Net Income of Consolidated Subsidiaries	(16,088)	2,080	(50)	14,058	0

Net Earnings (Loss) Attributable to Esterline	$	(17,104)	$	10,609	$	(24,667)	$	14,058	$	(17,104)

Condensed Consolidating Statement of Operations for the nine month period ended July 27, 2012.

(In thousands)

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Net Sales	$ 0	$ 670,767	$ 793,626	$ (2,731)	$ 1,461,662
Cost of Sales	0	419,969	529,724	(2,731)	946,962
	0	250,798	263,902	0	514,700
Expenses					
Selling, general and administrative	0	107,639	177,877	0	285,516
Research, development and engineering	0	38,080	45,058	0	83,138
Gain on settlement of contingency	0	0	(11,891)	0	(11,891)
Goodwill impairment	0	0	52,169	0	52,169
Other income	0	0	(1,263)	0	(1,263)
Total Expenses	0	145,719	261,950	0	407,669
Operating Earnings from Continuing Operations	0	105,079	1,952	0	107,031
Interest Income	(10,559)	(12,468)	(47,717)	70,424	(320)
Interest Expense	26,311	20,613	58,671	(70,424)	35,171
Loss on Extinguishment of Debt	0	0	0	0	0
Income (Loss) from Continuing Operations Before Taxes	(15,752)	96,934	(9,002)	0	72,180
Income Tax Expense (Benefit)	(6,087)	32,840	(6,076)	0	20,677
Income (Loss) from Continuing Operations Including Noncontrolling Interests	(9,665)	64,094	(2,926)	0	51,503
Income Attributable to Noncontrolling Interests	0	0	(628)	0	(628)
Income (Loss) from Continuing Operations Attributable to Esterline	(9,665)	64,094	(3,554)	0	50,875
Loss from Discontinued Operations Attributable to Esterline, Net of Tax	0	0	0	0	0
	60,540	10,791	(140)	(71,191)	0

Equity in Net Income of Consolidated Subsidiaries										
Net Earnings (Loss) Attributable to Esterline	$	50,875	$	74,885	$	(3,694)	$	(71,191)	$	50,875

Condensed Consolidating Statement of Cash Flows for the nine month period ended July 27, 2012.

(In thousands)

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Cash Flows Provided (Used) by Operating Activities					
Net earnings (loss) including noncontrolling interests	$ 51,503	$ 74,885	$ (3,694)	$ (71,191)	$ 51,503
Depreciation & amortization	0	28,556	50,709	0	79,265
Deferred income taxes	19,199	(20,844)	(17,991)	0	(19,636)
Share-based compensation	0	3,344	4,342	0	7,686
Gain on settlement of contingency	0	0	(11,891)	0	(11,891)
Goodwill impairment	0	0	52,169	0	52,169
Working capital changes, net of effect of acquisitions					
Accounts receivable	12	16,088	4,875	0	20,975
Inventories	0	(17,107)	(10,387)	0	(27,494)
Prepaid expenses	(36)	(393)	(4,994)	0	(5,423)
Other current assets	9	(95)	274	0	188
Accounts payable	51	(409)	(2,108)	0	(2,466)
Accrued liabilities	7,489	(2,201)	11,635	0	16,923
Federal & foreign income taxes	8,148	(1,745)	(4,252)	0	2,151
Other liabilities	5,718	(17,698)	(3,094)	0	(15,074)
Other, net	(83)	494	1,960	0	2,371
	91,010	62,875	67,553	(71,191)	151,247
Cash Flows Provided (Used) by Investing Activities					
Purchases of capital assets	(1,466)	(18,728)	(19,262)	0	(39,456)
Proceeds from sale of capital assets	0	464	675	0	1,139
Escrow deposit	0	0	0	0	0
Acquisitions, net of cash acquired	0	0	0	0	0
	(1,466)	(18,264)	(18,587)	0	(38,317)

(In thousands)

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Cash Flows Provided (Used) by Financing Activities					
Proceeds provided by stock issuance under employee stock plans	7,331	0	0	0	7,331
Excess tax benefits from stock options exercised	221	0	0	0	221
Dividends paid to non-controlling interests	0	0	0	0	0
Debt and other issuance costs	0	0	0	0	0
Proceeds from credit facilities	0	0	127	0	127
Proceeds from issuance of long-term debt	0	0	0	0	0
Repayment of long-term debt and credit facilities	(60,000)	(306)	(43,825)	0	(104,131)
Proceeds from government assistance	0	0	17,203	0	17,203
Net change in intercompany financing	(54,603)	(46,752)	30,164	71,191	0
	(107,051)	(47,058)	3,669	71,191	(79,249)
Effect of foreign exchange rates on cash	(4)	7	(5,646)	0	(5,643)
Net increase (decrease) in cash and cash equivalents	(16,511)	(2,440)	46,989	0	28,038
Cash and cash equivalents beginning of year	49,837	13,450	121,748	0	185,035
Cash and cash equivalents end of year	$ 33,326	$ 11,010	$ 168,737	$ 0	$ 213,073

Condensed Consolidating Balance Sheet as of October 28, 2011.

(In thousands)	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total
Assets					
Current Assets					
Cash and cash equivalents	$ 49,837	$ 13,450	$ 121,748	$ 0	$ 185,035
Cash in escrow	5,011	0	0	0	5,011
Accounts receivable, net	158	137,927	231,741	0	369,826
Inventories	0	143,866	258,682	0	402,548
Income tax refundable	0	0	2,857	0	2,857
Deferred income tax benefits	25,585	1,574	21,092	0	48,251
Prepaid expenses	59	5,006	14,180	0	19,245
Other current assets	140	344	6,056	0	6,540
Total Current Assets	80,790	302,167	656,356	0	1,039,313
Property, Plant & Equipment, Net	1,109	161,297	206,010	0	368,416
Goodwill	0	313,788	849,937	0	1,163,725
Intangibles, Net	0	140,590	553,325	0	693,915
Debt Issuance Costs, Net	9,033	0	1,662	0	10,695
Deferred Income Tax Benefits	27,925	125	51,555	0	79,605
Other Assets					