

AMERON INTERNATIONAL CORP  
Form 10-Q  
April 06, 2007

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**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 February 25, 2007**

**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 1-9102**

**AMERON INTERNATIONAL CORPORATION**  
(Exact name of registrant as specified in its charter)

**Delaware**

**77-0100596**

(State or other jurisdiction of (I.R.S. Employer Identification  
incorporation or organization) No.)

**245 South Los Robles Avenue  
Pasadena, CA 91101-3638**  
(Address of principal executive offices)

**(626) 683-4000**

(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 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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer

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(as defined in Rule 12b-2 of the Exchange Act).

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 Act). Yes  No

The number of outstanding shares of Common Stock, \$2.50 par value, was 9,109,678 on February 25, 2007. No other class of Common Stock exists.

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AMERON INTERNATIONAL CORPORATION AND SUBSIDIARIES

**FORM 10-Q**

**For the Quarter Ended February 25, 2007**

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## AMERON INTERNATIONAL CORPORATION AND SUBSIDIARIES

## PART I - FINANCIAL INFORMATION

## ITEM 1 - FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(Dollars in thousands, except per share data)	Three Months Ended	
	February 25, 2007	March 5, 2006
Sales	\$ 120,355	\$ 125,972
Cost of sales	(95,035)	(97,390)
Gross profit	25,320	28,582
Selling, general and administrative expenses	(21,500)	(22,964)
Other income, net	1,018	12
Income from continuing operations before interest, income taxes and equity in earnings of joint venture	4,838	5,630
Interest income/(expense), net	366	(950)
Income from continuing operations before income taxes and equity in earnings of joint venture	5,204	4,680
Provision for income taxes	(1,920)	(1,685)
Income from continuing operations before equity in earnings of joint venture	3,284	2,995
Equity in earnings of joint venture, net of taxes	5,028	780
Income from continuing operations	8,312	3,775
Income/(loss) from discontinued operations, net of taxes	156	(164)
Net income	\$ 8,468	\$ 3,611
Basic earnings per share:		
Income from continuing operations	\$ .92	\$ .44
Income/(loss) from discontinued operations, net of taxes	.02	(.02)
Net income	\$ .94	\$ .42
Diluted earnings per share:		
Income from continuing operations	\$ .92	\$ .43
Income/(loss) from discontinued operations, net of taxes	.02	(.02)
Net income	\$ .94	\$ .41
Weighted-average shares (basic)	8,994,075	8,614,269
Weighted-average shares (diluted)	9,050,525	8,786,041
Cash dividends per share	\$ .20	\$ .20

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

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## AMERON INTERNATIONAL CORPORATION AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS - ASSETS (UNAUDITED)

(Dollars in thousands)	February 25, 2007	November 30, 2006
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 127,720	\$ 139,479
Receivables, less allowances of \$5,139 in 2007 and \$4,912 in 2006	150,627	160,173
Inventories	104,323	77,134
Deferred income taxes	23,861	23,861
Prepaid expenses and other current assets	9,485	15,921
<b>Total current assets</b>	<b>416,016</b>	<b>416,568</b>
Investments in joint ventures		
Equity method	20,169	14,501
Cost method	3,784	3,784
Property, plant and equipment		
Land	33,122	33,327
Buildings	58,515	57,434
Machinery and equipment	264,503	261,538
Construction in progress	26,910	20,657
<b>Total property, plant and equipment at cost</b>	<b>383,050</b>	<b>372,956</b>
Accumulated depreciation	(242,258)	(238,486)
<b>Total property, plant and equipment, net</b>	<b>140,792</b>	<b>134,470</b>
Goodwill and intangible assets, net of accumulated amortization of \$3,023 in 2007 and \$3,017 in 2006	2,137	2,143
Other assets	63,315	63,198
<b>Total assets</b>	<b>\$ 646,213</b>	<b>\$ 634,664</b>

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

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**AMERON INTERNATIONAL CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS - LIABILITIES AND STOCKHOLDERS' EQUITY (UNAUDITED)**