

LYDALL INC /DE/
Form 10-Q
November 08, 2011

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 September 30, 2011

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: 1-7665

LYDALL, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of Incorporation or Organization)

06-0865505
(I.R.S. Employer Identification No.)

One Colonial Road, Manchester, Connecticut
(Address of principal executive offices)

06042
(zip code)

(860) 646-1233
(Registrant's telephone number, including area code)

None
(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

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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 definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

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

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

Common Stock \$.10 par value per share.

Total Shares outstanding October 19, 2011	17,153,597
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

LYDALL, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (In Thousands Except Per Share Data)

	Quarter Ended September 30,	
	2011	Revised 2010
	(Unaudited)	
Net sales	\$93,741	\$77,746
Cost of sales	79,229	66,345
Gross profit	14,512	11,401
Selling, product development and administrative expenses	12,644	12,090
Gain on sale of product line, net	(404)	(404)
Operating income (loss)	2,272	(285)
Interest expense	103	209
Other (income) expense, net	(15)	193
Income (loss) from continuing operations before income taxes	2,184	(687)
Income tax expense (benefit)	1,053	(1,114)
Income from continuing operations	1,131	427
Income from discontinued operations, net of tax (\$524)	-	919
Net Income	\$1,131	\$1,346
Basic earnings per share:		
Continuing operations	\$0.07	\$0.03
Discontinued operations	\$-	\$0.06
Net income	\$0.07	\$0.08
Diluted earnings per share:		
Continuing operations	\$0.07	\$0.03
Discontinued operations	\$-	\$0.05
Net income	\$0.07	\$0.08
Weighted average number of common shares outstanding:		
Basic	16,757	16,682
Diluted	16,932	16,731

See accompanying Notes to Condensed Consolidated Financial Statements.

LYDALL, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (In Thousands Except Per Share Data)

	Nine Months Ended September 30,	
	Revised 2011	Revised 2010
	(Unaudited)	
Net sales	\$294,245	\$226,259
Cost of sales	243,671	187,030
Gross profit	50,574	39,229
Selling, product development and administrative expenses	39,991	39,672
Gain on sale of product line, net	(1,214)	(2,137)
Operating income	11,797	1,694
Interest expense	786	638
Other expense, net	13	45
Income from continuing operations before income taxes	10,998	1,011
Income tax expense (benefit)	4,619	(638)
Income from continuing operations	6,379	1,649
Income from discontinued operations, net of tax of \$2,728 and (\$324)	4,732	1,309
Net Income	\$11,111	\$2,958
Basic earnings per share:		
Continuing operations	\$0.38	\$0.10
Discontinued operations	\$0.28	\$0.08
Net income	\$0.66	\$0.18
Diluted earnings per share:		
Continuing operations	\$0.38	\$0.10
Discontinued operations	\$0.28	\$0.08
Net income	\$0.66	\$0.18
Weighted average number of common shares outstanding:		
Basic	16,744	16,664
Diluted	16,893	16,701

See accompanying Notes to Condensed Consolidated Financial Statements.

LYDALL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands)