

Measurement Specialties Inc  
Form 10-Q  
February 07, 2007

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-Q**

**(MARK ONE)**

**x QUARTERLY REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE  
ACT OF 1934  
FOR THE QUARTERLY PERIOD ENDED DECEMBER 31, 2006**

**OR**

**o TRANSITION REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE  
ACT OF 1934  
COMMISSION FILE NUMBER: 1-11906**

**MEASUREMENT SPECIALTIES, INC.  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)**

**New Jersey  
(STATE OR OTHER JURISDICTION OF  
INCORPORATION OR ORGANIZATION)**

**22-2378738  
(I.R.S. EMPLOYER  
IDENTIFICATION NO. )**

**1000 LUCAS WAY, HAMPTON, VA 23666  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)**

**(757) 766-1500  
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)**

**(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 is a larger accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and larger 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

Edgar Filing: Measurement Specialties Inc - Form 10-Q

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 14,266,480 shares of common stock, no par value per share, as of February 1, 2007.

---

<b>PART I.</b>	<b>FINANCIAL INFORMATION</b>	<b>3</b>
<b>ITEM 1.</b>	<b>FINANCIAL STATEMENTS</b>	<b>3</b>
	<b>CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)</b>	<b>3</b>
	<b>CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)</b>	<b>4</b>
	<b>CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY AND COMPREHENSIVE INCOME (UNAUDITED)</b>	<b>6</b>
	<b>CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)</b>	<b>7</b>
	<b>NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)</b>	<b>8</b>
<b>ITEM 2.</b>	<b>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</b>	<b>21</b>
<b>ITEM 3.</b>	<b>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</b>	<b>31</b>
<b>ITEM 4.</b>	<b>CONTROLS AND PROCEDURES</b>	<b>32</b>
<b>PART II.</b>	<b>OTHER INFORMATION</b>	<b>32</b>
<b>ITEM 1.</b>	<b>LEGAL PROCEEDINGS</b>	<b>32</b>
<b>ITEM 1A.</b>	<b>RISK FACTORS</b>	<b>33</b>
<b>ITEM 6.</b>	<b>EXHIBITS</b>	<b>33</b>
<b>SIGNATURES</b>		<b>34</b>

## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

MEASUREMENT SPECIALTIES, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(UNAUDITED)

(Dollars in thousands, except per share amounts )	Three months ended December 31,		Nine months ended December 31,	
	2006	2005	2006	2005
<b>Net sales</b>	\$ 49,766	\$ 31,006	\$ 145,867	\$ 85,854
Cost of goods sold	28,113	16,450	82,396	44,994
Gross profit	21,653	14,556	63,471	40,860
Total operating expenses	15,935	9,459	46,666	28,850
Operating income	5,718	5,097	16,805	12,010
Interest expense, net	1,518	541	4,749	1,499
Other expense (income)	(12)	125	436	130
Income from continuing operations before minority interest and income taxes	4,212	4,431	11,620	10,381
Minority interest, net of income taxes	230	—	460	—
Income tax expense from continuing operations	648	697	2,019	2,942
<b>Income from continuing operations</b>	\$ 3,334	\$ 3,734	\$ 9,141	\$ 7,439
Discontinued operations (Note 1):				
Income (loss) from discontinued operations before income taxes	(5)	1,913	(37)	6,716
Income tax expense (benefit) from discontinued operations	(1)	348	(7)	1,574
Income from discontinued operations, before gain	(4)	1,565	(30)	5,142
Gain on disposition of discontinued operations (net of income tax)	2,156	9,113	2,156	9,113
Income from discontinued operations	2,152	10,678	2,126	14,255
<b>Net income</b>	\$ 5,486	\$ 14,412	\$ 11,267	\$ 21,694
Net income per common share - Basic				
Income from continuing operations	\$ 0.24	\$ 0.27	\$ 0.65	\$ 0.54
Income from discontinued operations	—	0.11	—	0.38
Gain from disposition	0.15	0.67	0.15	0.67
Net income per common share - Basic	\$ 0.39	\$ 1.05	\$ 0.80	\$ 1.59
Net income per common share - Diluted				
Income from continuing operations	\$ 0.23	\$ 0.26	\$ 0.63	\$ 0.52
Income from discontinued operations	—	0.11	—	0.36
Gain from disposition				