

HUBBELL INC
Form 10-K
February 27, 2007

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**SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
Form 10-K**

- þ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006.**
- o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934.**

**Commission file no. 1-2958
Hubbell Incorporated**

(Exact name of Registrant as specified in its charter)

Connecticut

*(State or other jurisdiction of
incorporation or organization)*

**584 Derby Milford Road
Orange, Connecticut**

(Address of principal executive offices)

06-0397030

*(I.R.S. Employer
Identification Number)*

06477-4024

(Zip Code)

(203) 799-4100

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each Class	Name of Exchange on which Registered
Class A Common \$.01 par value (20 votes per share)	New York Stock Exchange
Class B Common \$.01 par value (1 vote per share)	New York Stock Exchange
Series A Junior Participating Preferred Stock Purchase Rights	New York Stock Exchange
Series B Junior Participating Preferred Stock Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark if 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 report), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large 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

The approximate aggregate market value of the voting stock held by non-affiliates of the registrant as of June 30, 2006 was \$2,644,628,636*. The number of shares outstanding of the Class A Common Stock and Class B Common Stock as of February 20, 2007 was 8,098,932 and 51,866,583, respectively.

Documents Incorporated by Reference

Portions of the definitive proxy statement for the annual meeting of shareholders scheduled to be held on May 7, 2007, to be filed with the Securities and Exchange Commission (the "SEC"), are incorporated by reference in answer to Part III of this Form 10-K.

* Calculated by excluding all shares held by Executive Officers and Directors of registrant and the Louie E. Roche Trust, the Harvey Hubbell Trust, the Harvey Hubbell Foundation and the registrant's pension plans, without conceding that all such persons or entities are affiliates of registrant for purpose of the Federal Securities Laws.

HUBBELL INCORPORATED
ANNUAL REPORT ON FORM 10-K
For the Year Ended December 31, 2006

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PART I

Item 1. *Business*

Hubbell Incorporated (herein referred to as Hubbell, the Company, the registrant, we, our or us, which references include its divisions and subsidiaries as the context may require) was founded as a proprietorship in 1888, and was incorporated in Connecticut in 1905. Hubbell is primarily engaged in the design, manufacture and sale of high quality electrical and electronic products for a broad range of commercial, industrial, telecommunications, utility, and residential applications. Products are either sourced complete or manufactured or assembled by subsidiaries in the United States, Canada, Switzerland, Puerto Rico, Mexico, Italy, the United Kingdom, Brazil and Australia. Hubbell also participates in joint ventures in Taiwan and Hong Kong, and maintains sales offices in Singapore, the People's Republic of China, Mexico, Hong Kong, South Korea, and the Middle East.

For management reporting and control, the businesses are divided into three segments: Electrical, Power and Industrial Technology, as described below. Reference is made to Note 20 Industry Segments and Geographic Area Information under Notes to Consolidated Financial Statements.

The Company's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports are made available free of charge through the Investor Relations section of the Company's website at <http://www.hubbell.com> as soon as practicable after such material is electronically filed with, or furnished to, the SEC.

In June 2006, the Company acquired Strongwell Lenoir City, Inc. for \$117.4 million in cash. Strongwell Lenoir City, Inc., renamed Hubbell Lenoir City, Inc., manufactures precast polymer concrete products to house underground equipment and also has a line of surface drain products. These products are sold to the electrical utility and telecommunications industries. Hubbell Lenoir City, Inc. has been included in the Power segment.

In November 2006, the Company purchased all of the outstanding common stock of Austdac Pty Limited (Austdac) for \$28.1 million, net of \$2.3 million of cash acquired. Austdac is based in New South Wales, Australia and manufactures a wide range of products used in harsh and hazardous applications in a variety of industries. Austdac has been added to the Industrial Technology segment.

ELECTRICAL SEGMENT

The Electrical segment is comprised of businesses that primarily sell through distributors, lighting showrooms, home centers and telephone and telecommunications companies, and represents stock and custom products including standard and special application wiring device products, lighting fixtures and controls, fittings, switches and outlet boxes, enclosures, wire management products and voice and data signal processing components. The products are typically used in and around industrial, commercial, and institutional facilities by electrical contractors, maintenance personnel, electricians, and telecommunications companies. Certain lighting fixtures, wiring devices and electrical products also have residential application.

Electrical Wiring Devices

Hubbell designs, manufactures and sells highly durable and reliable wiring devices which are supplied principally to industrial, commercial, institutional and residential customers. These products, comprising several thousand catalog items, include plugs, dimmers, receptacles (including surge suppressor units), wall outlets, connectors, adapters, floor

boxes, switches, occupancy sensors (including passive infrared and ultrasonic motion sensing devices), lampholders, control switches, outlet strips, pendants, weatherproof enclosures, and wallplates. Pin-and-sleeve devices built to International Electrotechnical Commission (IEC) standards have incorporated improved water and dust-tight construction and impact resistance. Switch and receptacle wall plates feature proprietary thermoplastic materials offering high impact resistance and durability, and are available in a variety of colors and styles. Delivery systems, including metallic and nonmetallic surface raceway systems for power, data and communications distribution, provide efficiency and flexibility in both initial installations and remodeling applications. Hubbell also sells wiring devices for use in certain environments requiring specialized products, such as signal and control connectors and cable assemblies for the connection of sensors in materials processing, modular

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cable protection systems, cable and devices for marine applications and portable power distribution units with ground fault protection for commercial and industrial applications. Circuit Guard® ground fault units protect the user from electrical shock by interrupting the circuit to which they are connected when a fault to ground is detected. Hubbell manufactures TVSS (transient voltage surge suppression) devices, under the Spikesield® trademark, which are used to protect electronic equipment such as personal computers and other supersensitive electronic equipment. Hubbell also manufactures and/or sells components designed for use in local area networks (LANs) and other telecommunications applications supporting high-speed data and voice signals. Primary products include work station modular jacks, faceplates, surface housings, modular furniture plates, cross connect patch panels, connectorized cable assemblies, punch down blocks, free standing racks, enclosures and other products used for installation, testing and distribution of LANs. These products support unshielded, shielded and fiber optic media types and typically service commercial, institutional and industrial applications.

Lighting Fixtures and Controls

Hubbell manufactures and sells lighting fixtures for indoor and outdoor applications with four classifications of products: Outdoor, Industrial, Commercial/Institutional, and Residential. Outdoor products include Hubbell outdoor lighting and Sterner® floodlights and poles, Devine® series fixtures, Kim Lighting® architectural fixtures which feature pedestrian zone, path, landscape, building and area lighting products and poles, Security™ outdoor and signage fixtures, Spaulding™ area lighting fixtures and poles, Architectural Area Lighting flood and step and wall mounted lighting fixtures, sconces, bollards in period and contemporary designs, area lighting fixtures and poles and Whiteway™ canopy light fixtures, which are used to illuminate service stations, truck stops, outdoor display signs, parking lots, roadways, pedestrian areas, security areas, automobile dealerships, shopping centers, convenience stores, quick service restaurants, and similar areas, and Sportsliter® fixtures which are used to illuminate athletic and recreational fields. In addition, a line of Lightscape® decorative outdoor fixtures is sold for use in landscaping applications such as pools, gardens and walkways. Industrial products include high and low bay fixtures used to illuminate factories, work spaces, and areas with specialty requirements such as paint rooms, clean rooms and warehouses. Commercial/Institutional products include high intensity discharge (HID) fixtures, Aler architectural and Columbia Lighting® specification grade fluorescent fixtures, Dual-Lite® emergency and exit fixtures, and Prescolite® recessed, surface mounted and track fixtures which are used for offices, schools, hospitals, airports, retail stores, and similar applications. The fixtures use high pressure sodium and metal-halide HID lamps, as well as quartz, fluorescent and incandescent lamps, all of which are purchased from other sources. Hubbell also manufactures a broad range of life safety products, emergency lighting, exit signs and inverter power systems which are used in specialized safety applications under the Dual-Lite® and Corner Stone® life safety trademarks, and a line of IEC lighting fixtures designed for hazardous, hostile and corrosive applications sold under the Chalmit™, Victor™ and Killark® trademarks. The residential products, which are sold under the Progress Lighting® and Thomasville Lighting® trademarks, include chandeliers, hall and foyer sconces, track, recessed, bath and vanity, pendants, close to ceiling, under-cabinet, portable lights, fans, door chimes, dimmers, and outdoor and landscape lighting fixtures.

Outlet Boxes, Enclosures and Fittings

Hubbell manufactures and/or sells: (a) under the Raco® trademark, steel and plastic boxes used at outlets, switch locations and junction points; (b) a broad line of metallic fittings, rigid plastic conduit fittings, EMT (thinwall) fittings and liquid tight conduit fittings; (c) Bell Outdoor® outlet boxes; (d) a variety of electrical boxes, covers, combination devices, lampholders and lever switches manufactured under the Bell® trademark, with an emphasis on weather-resistant products suitable for outdoor applications; and (e) under the Wiegmann® trademark, a full-line of fabricated steel electrical equipment enclosures such as rainproof and dust-tight panels, consoles and cabinets, wireway and electronic enclosures and a line of non-metallic electrical equipment enclosures. Wiegmann® products are designed to enclose and protect electrical conductors, terminations, instruments, power distribution and control equipment.

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Holding Devices

Hubbell manufactures and sells a line of Kellems® and Bryant® mesh grips used to pull, support and create strain relief in elongated items such as cables, electrical cords, hoses and conduits, a line of Gotcha® cord connectors designed to prevent electrical conductors from pulling away from electrical terminals to which the conductors are attached, and wire management products including a non-metallic liquid-tight flexible conduit for OEM applications. The grips are sold under the Kellems® and Dua-Pull® trademarks and range in size and strength to accommodate differing application needs. These products, which are designed to tighten around the gripped items, are sold to industrial, commercial, utility and microwave and cell phone tower markets.

Hazardous and Hostile Location Application Products

Hubbell's special application products, which are sold under the Killar® trademark, include weatherproof and hazardous location products suitable for standard, explosion-proof and other hostile area applications, conduit raceway fittings, Disconex® switches, enclosures, HostileLite® lighting fixtures, electrical distribution equipment, standard and custom electrical motor controls, junction boxes, plugs and receptacles. Hubbell also manufactures and sells, under the Hawke™ trademark, a line of cable glands and cable connectors, enclosures and breathers for the hazardous area and industrial markets. Hazardous locations are those areas where a potential for explosion and fire exists due to the presence of flammable gasses, fibers, vapors, dust or other easily ignitable materials and include such applications as refineries, petro-chemical plants, grain elevators and material processing areas.

Telecommunications Products

Hubbell designs, manufactures and sells, under the Pulsecom® trademark, voice and data signal processing components primarily used by telephone and telecommunications companies, consisting of channel cards and banks for loop and trunk carriers, racks and cabinets. These products provide a broad range of communications access solutions for use by the telephone and telecommunications industry including: (a) digital loop carrier solutions to multiplex traffic from many users over a single link using existing copper or fiber facilities and providing easier and more cost-effective service to new users, since fewer and smaller cables are required for providing expanded service; and (b) D4 solutions to provide delivery of integrated voice and data services. Customers of these product lines include various telecommunications companies, the Regional Bell Operating Companies (RBOCs), independent telephone companies, competitive local exchange carriers, companies with private networks, and internet service providers.

Sales and Distribution of Electrical Segment Products

A majority of Hubbell's Electrical segment products are stock items and are sold through electrical and industrial distributors, home centers, some retail and hardware outlets, and lighting showrooms. Special application products are sold primarily through wholesale distributors to contractors, industrial customers and original equipment manufacturers. Voice and data signal processing equipment products are represented worldwide through a direct sales organization and by selected independent telecommunications representatives, primarily sold through datacom, electrical and catalogue distribution channels. Telecommunications products are sold primarily by direct sales to customers in the United States and internationally through sales personnel and sales representatives. Hubbell maintains a sales and marketing organization to assist potential users with the application of certain products to their specific requirements, and with architects, engineers, industrial designers, original equipment manufacturers and electrical contractors for the design of electrical systems to meet the specific requirements of industrial, institutional, commercial and residential users. Hubbell is also represented by sales agents for its lighting fixtures, electrical wiring devices, boxes, enclosures, and fittings product lines. The sales of Electrical Segment products accounted for

approximately 67% of Hubbell's revenue in 2006 and 71% in 2005 and 74% in 2004.

POWER SEGMENT

Power segment operations design and manufacture a wide variety of construction, switching and protection products, hot line tools, grounding equipment, cover ups, fittings and fasteners, cable accessories, insulators, arresters, cutouts, sectionalizers, connectors and compression tools for the building and maintenance of overhead

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and underground power and telephone lines, as well as applications in the industrial, construction and pipeline industries.

Electrical Transmission and Distribution Products

Hubbell manufactures and sells, under the Ohio Brass® registered trademark, a complete line of polymer insulators and high-voltage surge arresters used in the construction of electrical transmission and distribution lines and substations. The primary focus in this product area are the Hi*Lite®, Hi*Lite®XL and Veri*Lite™ polymer insulator lines and the polymer housed metal-oxide varistor surge arrester lines. Electrical transmission products and post insulators are used in the expansion and upgrading of electrical transmission capability.

Hubbell manufactures and sells, under the Chance® trademark, products used in the electrical transmission and distribution and telecommunications industries, including overhead and underground electrical apparatus such as (a) distribution switches (to control and route the flow of power through electrical lines); (b) cutouts, sectionalizers, and fuses (to protect against faults and over-current conditions on power distribution systems); and (c) fiberglass insulation systems (pole framing and conductor insulation).

Hubbell manufactures and sells, under the Anderson® trademark, electrical connectors and associated hardware including pole line, line and tower hardware, compression crimping tools and accessories, mechanical and compression connectors, suspension clamps, terminals, supports, couplers, and tees for utility distribution and transmission systems, substations, and utility industry.

Hubbell manufactures and sells, under the Fargo® trademark, electrical power distribution and transmission products, principally for the utility industry. Distribution products include electrical connectors, automatic line splices, dead ends, hot line taps, wildlife protectors, and various associated products. Transmission products include splices, sleeves, connectors, dead ends, spacers and dampers. Products also consist of original equipment and resale products including substation fittings for cable, tube and bus as well as underground enclosures, wrenches, hydraulic pumps and presses, and coatings.

Hubbell manufactures and sells, under the Hubbell® trademark, cable accessories including loadbreak switching technology, deadbreak products, surge protection, cable splicing and cable termination products, as well as automation-ready overhead switches and aluminum transformer equipment mounts for transformers and equipment.

Hubbell manufactures and sells under the Quazite® brand name a complete line of polymer concrete in-ground enclosures, equipment pads, and special drain products that are sold to the electric utility, telecommunications industry, and a variety of other industries.

Construction Materials/Tools

Hubbell manufactures and sells, under the Chance® trademark, (a) line construction materials including power-installed foundation systems and earth anchors to secure overhead power and communications line poles, guyed and self-supporting towers, streetlight poles and pipelines (helical pier foundation systems are used to support homes and buildings, and earth anchors are used in a variety of farm, home and construction projects including tie-back applications) (b) pole line hardware, including galvanized steel fixtures and extruded plastic materials used in overhead and underground line construction, connectors, fasteners, pole and crossarm accessories, insulator pins, mounting brackets and related components, and other accessories for making high voltage connections and linkages; (c) construction tools and accessories for building overhead and underground power and telephone lines; and (d) hot-line tools (all types of tools mounted on insulated poles used to construct and maintain energized high voltage lines) and other safety equipment. Hubbell also manufactures and sells, under the Atlas Systems, Inc.® trademark,

helical and resistance piercing products used in a variety of civil engineering applications.

Sales and Distribution of Power Segment Products

Sales of Power segment products are made through a Hubbell sales and marketing organization to distributors and directly to users such as electric utilities, mining operations, industrial firms, and engineering and construction

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firms. While Hubbell believes its sales in this area are not materially dependent upon any customer or group of customers, a decrease in purchases by public utilities does affect this category. The sale of Power Segment products accounted for approximately 24% of Hubbell's total revenue in 2006 and 22% in 2005 and 19% in 2004.

INDUSTRIAL TECHNOLOGY SEGMENT

The Industrial Technology segment consists of operations that design and manufacture test and measurement equipment, high voltage power supplies and variable transformers, industrial controls including motor speed controls, pendant-type push-button stations, overhead crane controls, control and pressure switches, DC devices, Gleason Reel® electric cable and hose reels, and specialized communications systems such as intra-facility communications systems, telephone systems, and land mobile radio peripherals. Products are sold primarily to steel mills, industrial complexes, oil, gas and petrochemical industries, seaports, transportation authorities, the security industry (malls and colleges), cable and electronic equipment manufacturers, and mining industry.

High Voltage Test and Measurement Equipment

Hubbell manufactures and sells, under the Hipotronics®, Haefely Test™ and Tettex® trademarks, a broad line of high voltage test and measurement systems to test materials and equipment used in the generation, transmission and distribution of electricity, and high voltage power supplies and electromagnetic compliance equipment for use in the electrical and electronic industries. Principal products include AC/DC hipot testers and megohmmeters, cable fault location systems, oil testers and DC hipots, impulse generators, digital measurement systems and tan-delta bridges, AC series resonant and corona detection systems, DC test sets and power supplies, variable transformers, voltage regulators, and motor and transformer test sets.

Industrial Controls and Communication Systems

Hubbell manufactures and sells a variety of heavy-duty electrical and radio control products which have broad application in the control of industrial equipment and processes. These products range from standard and specialized industrial control components to combinations of components that control industrial manufacturing processes. Standard products include motor speed controls, pendant-type push-button stations, pressure switches (used in air compressor and water pump systems), DC devices (used in locomotive and heavy industrial control systems), power and grounding resistors and overhead crane controls. Also manufactured and sold are a line of transfer switches used to direct electrical supply from alternate sources, and a line of fire pump control products used in fire control systems.

Hubbell manufactures, under the Gleason Reel® trademark, industrial-quality cable management products including electric cable and hose reels, protective steel and nylon cable tracks (cable and hose carriers), cable festooning hardware, highly engineered container crane reels and festoons for the international market, slip rings, and a line of ergonomic tool support systems (workstation accessories and components such as balancers, retractors, torque reels, tool supports, boom and jib kits).

Hubbell manufactures and sells under the GAI-Tronics® trademark, specialized communications systems designed to withstand indoor and outdoor hazardous environments. Products include intra-facility communication systems, telephone systems, and land mobile radio peripherals. These products are sold to oil, gas and petrochemical industries, transportation authorities (for use on public highways and in trains and on train platforms), and the security industry (for use in malls and on college campuses).

Hubbell manufactures and sells under the Austdac name a line of harsh and hazardous application products including communication systems, gas monitoring equipment, intrinsically safe lighting and conveyer control equipment. Austdac distributes to various industries, but primarily to the coal mining industries.

Sales and Distribution of Industrial Technology Segment Products

Hubbell's Industrial Technology segment products are sold primarily through direct sales and sales representatives to contractors, industrial customers and original equipment manufacturers, with the exception of high

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voltage test and measurement equipment which is sold primarily by direct sales to customers in the United States and in foreign countries through its sales engineers and independent sales representatives.

The sale of products in the Industrial Technology Segment accounted for approximately 9% of Hubbell's total revenue in 2006, and 7% in 2005 and 2004.

INFORMATION APPLICABLE TO ALL GENERAL CATEGORIES

International Operations

The Company has several operations located in the United Kingdom. Hubbell Limited manufactures and/or markets fuse switches, contactors, selected wiring device products and premise wiring products, industrial control products used in motor control applications such as fuse switches and contactors. Chalmers Lighting manufactures and/or markets lighting fixtures designed for hazardous, hostile and corrosive applications. Hawke Cable Glands (Hawke) manufactures and/or markets a range of products used in hazardous locations including brass cable glands and cable connectors used in watertight terminations, cable transition devices, utility transformer breathers and enclosures. GAI-Tronics manufactures and/or markets specialized communication systems designed to withstand indoor and outdoor hazardous environments.

Hubbell Canada LP and Hubbell de Mexico, S.A. de C.V. market and sell wiring devices, premise wiring products, lighting fixtures and controls, grips, fittings, switches and outlet boxes, hazardous location products, electrical transmission and distribution products and earth anchoring systems. Industrial control products are sold in Canada through an independent sales agent. Hubbell Canada LP also designs and manufactures electrical outlet boxes, metallic wall plates, and related accessories.

Hawke Asia Pacific Ltd. in Singapore markets wiring devices, lighting fixtures, hazardous location products and electrical transmission and distribution products.

Haefely Test, AG in Switzerland designs and manufactures high voltage test and instrumentation systems, and GAI-Tronics S.r.l. in Italy designs and manufactures specialized communications systems.

Hubbell manufactures, markets and sells, under the Delmar® trademark, products used in the electric utility transmission and distribution industries, including cutouts, fuselinks, arresters and overhead and substation switches. These products are manufactured at the Company's facility in Tatui, Brazil, for sale primarily in Latin America.

Austdac manufactures a variety of products used in harsh and hazardous applications including material handling, conveyer control and monitoring equipment, gas detection equipment, voice communications systems and emergency warning lights and sounders. Austdac Pty Limited is based in New South Wales, Australia.

Hubbell also manufactures lighting products, weatherproof outlet boxes, fittings, and power products in Juarez and Tijuana, Mexico.

As a percentage of total sales, international shipments from foreign subsidiaries directly to third parties were 13% in 2006, 11% in 2005 and 10% in 2004 with the Canadian and United Kingdom markets representing approximately 38% and 32%, respectively, of the 2006 total.

Raw Materials

Raw materials used in the manufacture of Hubbell products primarily include steel, brass, copper, aluminum, bronze, plastics, phenolics, zinc, nickel, elastomers and petrochemicals. Hubbell also purchases certain electrical and electronic components, including solenoids, lighting ballasts, printed circuit boards, integrated circuit chips and cord sets, from a number of suppliers. Hubbell is not materially dependent upon any one supplier for raw materials used in the manufacture of its products and equipment, and at the present time, raw materials and components essential to its operation are in adequate supply. However, certain of these principal raw materials are sourced from a limited number of suppliers. Also see Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

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Patents

Hubbell has approximately 1,200 active United States and foreign patents covering many of its products, which expire at various times. While Hubbell deems these patents to be of value, it does not consider its business to be dependent upon patent protection. Hubbell licenses under patents owned by others, as may be needed, and grants licenses under certain of its patents.

Working Capital

Inventory, accounts receivable and accounts payable levels, payment terms and, where applicable, return policies are in accordance with the general practices of the electrical products industry and standard business procedures. See also Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations.

Backlog

Backlog of orders believed to be firm at December 31, 2006 were approximately \$211.3 million compared to \$174.0 million at December 31, 2005. The increase in the backlog in 2006 is attributable to increased order levels in the Power and Industrial Technology segments. A majority of the backlog is expected to be shipped in the current year. Although this backlog is important, the majority of Hubbell's revenues result from sales of inventoried products or products that have short periods of manufacture.

Competition

Hubbell experiences substantial competition in all categories of its business, but does not compete with the same companies in all of its product categories. The number and size of competitors vary considerably depending on the product line. Hubbell cannot specify with precision the number of competitors in each product category or their relative market position. However, some of its competitors are larger companies with substantial financial and other resources. Hubbell considers product performance, reliability, quality and technological innovation as important factors relevant to all areas of its business, and considers its reputation as a manufacturer of quality products to be an important factor in its business. In addition, product price, service levels and other factors can affect Hubbell's ability to compete.

Research, Development & Engineering

Research, development and engineering expenditures represent costs incurred in the experimental or laboratory sense aimed at discovery and/or application of new knowledge in developing a new product, process, or in bringing about a significant improvement in an existing product or process. Research, development and engineering expenses are recorded as a component of Cost of goods sold. Expenses for research, development and engineering were less than 1% of Cost of goods sold for each of the years 2004, 2005 and 2006.

Environment

The Company is subject to various federal, state and local government requirements relating to the protection of employee health and safety and the environment. The Company believes that, as a general matter, its policies, practices and procedures are properly designed to prevent unreasonable risk of environmental damage and personal injury to employees and employees of our customers and that the handling, manufacture, use and disposal of hazardous or toxic substances are in accord with environmental laws and regulations.

Like other companies engaged in similar businesses, the Company has incurred remedial response and voluntary cleanup costs for site contamination and is a party to product liability and other lawsuits and claims associated with environmental matters, including past production of product containing toxic substances. Additional lawsuits, claims and costs involving environmental matters are likely to continue to arise in the future. However, considering past experience, insurance coverage and reserves, the Company does not anticipate that these matters will have a material impact on earnings, capital expenditures, or competitive position. See also Note 15 – Commitments and Contingencies in the Notes to Consolidated Financial Statements.

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Employees

As of December 31, 2006, Hubbell had approximately 12,000 salaried and hourly employees of which approximately 8,000 of these employees or 67% are located in the United States. Approximately 3,500 of these U.S. employees are represented by nineteen labor unions. Hubbell considers its labor relations to be satisfactory.

Item 1A. Risk Factors

Our business, operating results, financial condition, and cash flows may be impacted by a number of factors including, but not limited to those set forth below. Any one of these factors could cause our actual results to vary materially from recent results or future anticipated results.

We operate in markets that are subject to competitive pressures that could affect selling prices or demand for our products.

We compete on the basis of product performance, quality, service and/or price. Our competitive strategy is to design and manufacture high quality products at the lowest possible cost. Our competitors include companies that have greater sales and financial resources than our Company. Competition could affect future selling prices or demand for our products.

Lower levels of economic activity in our end markets could adversely affect our operating results.

Our businesses operate in several market segments including commercial, industrial, residential, utility and telecommunications. Operating results can be negatively impacted by volatility in these markets. Future downturns in any of the markets we serve could adversely affect our overall sales and profitability.

We source products and product materials from various suppliers located in countries throughout the world. A disruption in the availability or price of these products could impact our operating results.

We use a variety of raw materials in the production of our products including steel, brass, copper, aluminum, bronze, zinc, nickel and plastics. We have multiple sources of supply for these products and are not dependent on any single supplier. However, significant shortages of these materials or price increases could increase our operating costs and adversely impact the competitive positions of our products which would directly impact our results of operations.

We continue to increase the amount of product materials, components and finished goods which are sourced from low cost countries including Mexico, China, and other countries in Asia. A political disruption or significant changes related to transportation from one of these countries could affect the availability of these materials and components which would directly impact our results of operations.

We engage in acquisitions and strategic investments and may encounter difficulty in integrating these businesses.

We have pursued and will continue to seek potential acquisitions and other strategic investments to complement and expand our existing businesses within our core markets. In 2006 we completed two acquisitions. The success of these transactions will depend on our ability to integrate these businesses into our operations. We may encounter difficulties in integrating acquisitions into our operations and in managing strategic investments. Therefore, we may not realize the degree or timing of the benefits anticipated when we first enter into a transaction.

Our operating results may be impacted by actions related to our lighting integration and rationalization program.

We continue to execute a multi-year program to integrate and rationalize our lighting businesses through facility consolidations, workforce reductions and product rationalizations. These activities consist of complex relocations of critical personnel and machinery and equipment, as well as hiring and training of new personnel and, in some cases, expansion or other modification to facilities. All of these activities are thoroughly planned and under the direction of experienced management personnel. However, the actions are occurring simultaneous with normal

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business operations and other initiatives. Therefore, there is a risk that (1) we may not complete the activities on a timely basis and incur duplicate or higher costs, (2) we may lose essential personnel and knowledge in transition and have to reestablish processes and procedures, and (3) our normal operations could be disrupted and interfere with our ability to manufacture and ship our products to satisfy the demands of our customers.

Our operating results may be impacted by actions related to our enterprise-wide business system initiative.

We have substantially completed the implementation of SAP software throughout most of our domestic businesses. This activity involved the migration of multiple legacy systems and users to a common SAP information platform. Throughout this process, we changed the way we conduct business and employees' roles in processing and utilizing information. In addition, certain interfaces with our customers and suppliers have been impacted which resulted in changes to the tools we use to take orders, procure material, schedule production, remit billings, make payments and perform other business functions. Based upon the complexity of this initiative, there is risk that (1) we will incur additional costs to continue to enhance the system and perform process reengineering, and (2) the use of the new system or future implementations could result in operating inefficiencies which could impact operating results or our ability to perform necessary business transactions. All of these risks could adversely impact our results of operations, financial condition and cash flows.

We are subject to litigation and environmental regulations that may adversely impact our operating results.

We are, and may in the future be, a party to a number of legal proceedings and claims, including those involving product liability and environmental matters, which could be significant. Given the inherent uncertainty of litigation, we can offer no assurance that a future adverse development related to existing litigation or any future litigation will not have a material adverse impact. We are also subject to various laws and regulations relating to environmental protection and the discharge of materials into the environment, and we could incur substantial costs as a result of the noncompliance with or liability for clean up or other costs or damages under environmental laws.

Item 1B. *Unresolved Staff Comments*

None

Table of Contents**Item 2. Properties**

Hubbell's manufacturing and warehousing facilities, classified by segment are located in the following areas. The Company believes its manufacturing and warehousing facilities are adequate to carry on its business activities.

Segment	Location	Number of Facilities		Total Approximate Floor Area in Square Feet	
		Warehouses	Manufacturing	Owned	Leased
Electrical segment	Arkansas	1	1	80,500	
	California	2	4	96,000	570,000
	Canada	1	1	178,700	
	Connecticut		1	144,500	
	Georgia		1	57,100	
	Illinois	3	2	255,000	366,600
	Indiana		1	314,800	
	Mexico	1	2	547,300(1)	35,000
	Missouri	1	1	154,500	44,000
	North Carolina	1		424,800	
	Ohio		1	278,200	
	Pennsylvania	1	1	410,000	135,000
	Puerto Rico		2	162,400	34,400
	South Carolina	3		327,200	314,500
	Singapore	1			6,700
	Texas	2	1	81,200	26,000
	United Kingdom		2	133,600	
	Virginia		2	328,000	78,200
	Washington		1		284,100
	Power segment	Alabama		2	288,000
Brazil			1	110,000	
California			1	75,000	
Mexico			1	170,700(1)	
Missouri		1	2	1,071,600	46,400
Ohio			1	89,000	
South Carolina			1	360,000	
Tennessee			2	152,100	
Industrial Technology segment	Australia		3		35,100
	Italy		1		8,100
	New York		1	92,200	
	North Carolina		1		80,800
	Pennsylvania		1		105,000
	Switzerland		1		73,800
	United Kingdom		1		40,000
	Wisconsin		2	74,200	22,500

(1) Shared between Electrical and Power segments.

Table of Contents**Item 3. *Legal Proceedings***

As described in Note 15 Commitments and Contingencies in the Notes to Consolidated Financial Statements, the Company is involved in various legal proceedings, including workers' compensation, product liability and environmental matters, including, for each, past production of product containing toxic substances, which have arisen in the normal course of its operations and with respect to which the Company is self-insured for certain incidents at various amounts. Management believes, considering its past experience, insurance coverage and reserves, that the final outcome of such matters will not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

Item 4. *Submission of Matters to a Vote of Security Holders*

No matters were submitted to a vote of security holders during the fourth quarter of 2006.

Executive Officers of the Registrant

Name.	Age(1)	Present Position	Business Experience
Timothy H. Powers	58	Chairman of the Board, President and Chief Executive Officer	Chairman of the Board since September 15, 2004; President and Chief Executive Officer since July 1, 2001; Senior Vice President and Chief Financial Officer September 21, 1998 to June 30, 2001; previously Executive Vice President, Finance & Business Development, Americas Region, Asea Brown Boveri.
David G. Nord	49	Senior Vice President and Chief Financial Officer	Present position since September 19, 2005; previously Chief Financial Officer of Hamilton Sundstrand Corporation, a United Technologies company, from April 2003 to September 2005, and Vice President, Controller of United Technologies Corporation from October 2000 to March 2003.
Richard W. Davies	60	Vice President, General Counsel and Secretary	Present position since January 1, 1996; General Counsel since 1987; Secretary since 1982; Assistant Secretary 1980-1982; Assistant General Counsel 1974-1987.
James H. Biggart, Jr	54		

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		Vice President and Treasurer	Present position since January 1, 1996; Treasurer since 1987; Assistant Treasurer 1986-1987; Director of Taxes 1984-1986.
Gregory F. Covino	41	Vice President, Controller	Vice President since December 6, 2005; Interim Chief Financial Officer from November 5, 2004 to September 19, 2005; Corporate Controller since June 6, 2002; Director, Corporate Accounting 1999-2002; previously Assistant Controller, Otis Elevator Company, a subsidiary of United Technologies Corp.

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Name.	Age(1)	Present Position	Business Experience
Scott H. Muse	49	Group Vice President	Present position since April 27, 2002 (elected as an officer of the Company on December 3, 2002); previously President and Chief Executive Officer of Lighting Corporation of America, Inc. (LCA) 1998-2002, and President of Progress Lighting, Inc. 1993-1998.
W. Robert Murphy	57	Senior Group Vice President	Present position since May 7, 2001; Group Vice President 2000-2001; Senior Vice President Marketing and Sales (Wiring Systems) 1985-1999; and various sales positions (Wiring Systems) 1975-1985.
Thomas P. Smith	47	Group Vice President	Present position since May 7, 2001; Vice President, Marketing and Sales (Power Systems) 1998-2001; Vice President Sales, 1991-1998 of various Company operations.
Gary N. Amato	55	Group Vice President	Present position since October 2006; Vice President October 1997-September 2006; Vice President and General Manager of the Company's Industrial Controls Divisions (ICD) 1989-1997; Marketing Manager, ICD, April 1988-March 1989.

There are no family relationships between any of the above-named executive officers.

(1) As of February 20, 2007.

Table of Contents**PART II****Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

The Company's Class A and Class B common stocks are principally traded on the New York Stock Exchange under the symbols HUBA and HUBB. The following tables provide information on market prices, dividends declared, number of common shareholders, and repurchases by the Company of shares of its Class A and Class B common stock.

Market Prices (Dollars Per Share) Years Ended December 31,		Common A		Common B	
		High	Low	High	Low
2006	First quarter	47.30	40.10	51.52	43.78
2006	Second quarter	49.08	41.80	53.24	45.50
2006	Third quarter	45.68	42.17	49.50	45.62
2006	Fourth quarter	50.82	43.24	53.28	43.88
2005	First quarter	49.65	45.15	54.00	47.89
2005	Second quarter	46.54	39.25	50.79	42.67
2005	Third quarter	44.06	40.45	47.90	43.59
2005	Fourth quarter	45.95	41.32	50.00	45.12

Dividends Declared (Cents Per Share) Years Ended December 31,		Common A		Common B	
		2006	2005	2006	2005
	First quarter	33	33	33	33
	Second quarter	33	33	33	33
	Third quarter	33	33	33	33
	Fourth quarter	33	33	33	33

Number of Common Shareholders of Record At December 31,		2006	2005	2004	2003	2002
		Class A	617	665	717	771
Class B	3,243	3,319	3,515	3,687	3,950	

Table of Contents**Purchases of Equity Securities**

In February 2006, the Board of Directors approved a stock repurchase program and authorized the repurchase of up to \$100 million of the Company's Class A and Class B Common Stock to be completed over a three year period. The repurchase program commenced in August 2006 upon completion of the previous 2005 program. Stock repurchases are being implemented through open market and privately negotiated transactions.

On August 3, 2006, in connection with the previously announced stock repurchase program, the Company established a prearranged repurchase plan (the 10b5-1 Plan) intended to comply with the requirements of Rule 10b5-1 and Rule 10b-18 under the Securities Exchange Act of 1934, as amended (the Act).

The 10b5-1 Plan facilitates the ongoing repurchase of the Company's Class A and Class B Common Stock under its repurchase program during times when it otherwise might be prevented from doing so under insider trading laws or because of self-imposed trading blackout periods. Pursuant to the 10b5-1 Plan, a broker appointed by the Company has the authority to repurchase, without further direction from the Company, up to 750,000 shares of Class A Common Stock and up to 750,000 shares of Class B Common Stock during the period commencing on August 4, 2006 and expiring on August 3, 2007, subject to conditions specified in the 10b5-1 Plan and unless earlier terminated. All the 750,000 shares of the Class B Common Stock have been repurchased under the 10b5-1 Plan. There is no guarantee as to the number of Class A Common Stock that will be repurchased under this plan, and the Company may terminate this plan at any time. Depending upon market conditions, the Company also expects to continue to conduct discretionary repurchases in privately negotiated transactions during its normal trading windows.

The following table summarizes the Company's repurchase activity during the quarter ended December 31, 2006:

Period	Total Number of Class A Shares Purchased (000 s)	Average Price Paid per Class A Share	Total Number of Class B Shares Purchased (000 s)	Average Price Paid per Class B Share	Total Number of Shares Purchased as Part of Publicly Announced Program (000 s)	Approximate Dollar Value of Shares That May Yet Be Purchased Under the 2006 Program (000 s)
Balance as of September 30, 2006						\$ 71,400
October 2006	37	\$ 46.82	107	\$ 49.12	144	64,400
November 2006	42	47.31	78	49.91	120	58,500
December 2006	36	45.16	133	46.14	169	50,700
Total for the quarter ended December 31,	115	\$ 46.48	318	\$ 48.07	433	\$ 50,700

2006

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Corporate Performance Graph

The following graph compares the total return to shareholders on the Company's Class B Common Stock during the five years ended December 31, 2006, with a cumulative total return on the (i) Standard & Poor's MidCap 400 (S&P MidCap 400), (ii) Hubbell Self-Constructed Peer Group Index (Peer Group), and (iii) Standard & Poor's Super Composite 1500. The comparison assumes \$100 was invested on December 31, 2001 in the Company's Class B Common Stock and in each of the foregoing indices and assumes reinvestment of dividends.

In prior years, the Company's Corporate Performance graph compared the Company's Class B Common Stock performance with the performance of (i) the S&P MidCap 400 and (ii) the Peer Group. Beginning next year, the Company will substitute the S&P Super Composite 1500 for the Peer Group. The S&P MidCap 400 has and will continue to be used because the Company is a member of this group. The S&P Super Composite 1500 has been chosen to replace the Peer Group as the MidCap 400 forms a part of the Super Composite 1500 and the Company is also in this group. We believe the S&P Super Composite 1500 is a more representative comparison than the Peer Group, which has become relatively narrow in recent years.

The Peer Group consists of corporations whose businesses are representative of the Company's business segments and, therefore, served as a base for comparing total return to shareholders. The corporations that comprise the original Peer Group are (a) Cooper Industries, Inc. (b) Emerson Electric Co., (c) Thomas & Betts Corporation, (d) Acuity Brands, Inc. and (e) Woodhead Industries, Inc. (Woodhead). The Peer Group has been weighted in accordance with each corporation's market capitalization (closing stock price multiplied by the number of shares outstanding) as of the beginning of each of the years covered by the performance graph. As a result of Woodhead being acquired during 2006, Woodhead has been dropped from the 2006 period. For the December 2006 data points, the Woodhead portion has been distributed among the remaining four members of the Peer Group, weighted according to their market capitalization. The weighted return for each year was calculated by assuming the products obtained by multiplying (a) the percentage that each corporation's market capitalization represents of the total market capitalization of all corporations in the index for each such year by (b) the total shareholder return for that corporation for such year.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Hubbell Incorporated, The S&P Midcap 400 Index,
The S&P 1500 Super Composite Index And A Peer Group

* \$100 invested on 12/31/01 in stock or index-including reinvestment of dividends. Year ending December 31.

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www.researchdatagroup.com/S&P.htm

Table of Contents**Item 6. Selected Financial Data**

The following summary should be read in conjunction with the consolidated financial statements and notes contained herein (dollars and shares in millions, except per share amounts).

	2006	2005	2004	2003	2002
OPERATIONS, years ended					
December 31,					
Net sales	\$ 2,414.3	\$ 2,104.9	\$ 1,993.0	\$ 1,770.7	\$ 1,587.8
Gross profit ⁽¹⁾	\$ 656.8	\$ 595.0	\$ 561.9	\$ 481.5	\$ 409.1
Special charges, net ⁽¹⁾	\$ 7.3	\$ 10.3	\$ 15.4	\$ 5.7	\$ 8.3
Gain on sale of business	\$	\$	\$	\$	\$ 3.0
Operating income	\$ 233.9 ⁽³⁾	\$ 226.8 ⁽³⁾	\$ 212.6	\$ 171.9	\$ 138.5
Operating income as % of sales	9.7%	10.8%	10.7%	9.7%	8.7%
Cumulative effect of accounting change, net of tax	\$	\$	\$	\$	\$ 25.4 ⁽⁶⁾
Net income	\$ 158.1	\$ 165.1 ⁽⁴⁾	\$ 154.7 ⁽⁴⁾	\$ 115.1	\$ 83.2 ⁽⁵⁾⁽⁶⁾
Net income as a % of sales	6.5%	7.8%	7.8%	6.5%	5.2%
Net income to common shareholders average equity	15.7%	17.0%	17.4%	14.6%	11.2%
Earnings per share Diluted:					
Before cumulative effect of accounting change	\$ 2.59	\$ 2.67	\$ 2.51	\$ 1.91	\$ 1.81
After cumulative effect of accounting change	\$ 2.59	\$ 2.67	\$ 2.51	\$ 1.91	\$ 1.38 ⁽⁶⁾
Cash dividends declared per common share	\$ 1.32	\$ 1.32	\$ 1.32	\$ 1.32	\$ 1.32
Average number of common shares outstanding diluted	61.1	61.8	61.6	60.1	59.7
Cost of acquisitions, net of cash acquired	\$ 145.7	\$ 54.3	\$	\$	\$ 270.2
FINANCIAL POSITION, at year-end					
Working capital	\$ 432.1	\$ 459.6	\$ 483.1	\$ 420.9	\$ 341.6
Total assets	\$ 1,751.5	\$ 1,667.0	\$ 1,656.4	\$ 1,514.3	\$ 1,418.6
Total debt	\$ 220.2	\$ 228.8	\$ 299.0	\$ 298.8	\$ 298.7
Debt to total capitalization ⁽⁷⁾	18%	19%	24%	26%	29%
Common shareholders equity:					
Total	\$ 1,015.5 ⁽²⁾	\$ 998.1	\$ 944.3	\$ 829.7	\$ 744.2
Per share	\$ 16.62	\$ 16.15	\$ 15.33	\$ 13.80	\$ 12.47
NUMBER OF EMPLOYEES, at year-end					
	12,000	11,300	11,400	10,862	11,476

(1)

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The Company recorded pretax special charges in each of the years presented. Below is a breakdown of special charges representing the total of amounts recorded in Special charges, net, and Cost of goods sold, the latter of which impacts Gross profit.

		Special Charges by Program			
	2006	2005	2004	2003	2002
Lighting business integration and rationalization program	\$ 7.5	\$ 10.0	\$ 9.5	\$ 8.1	\$ 10.3
Wiring Device factory closure		&			