

ESTERLINE TECHNOLOGIES CORP
Form 8-K
September 26, 2002

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

July 25, 2002

Date of Report
(Date of earliest event reported)

ESTERLINE TECHNOLOGIES CORPORATION

(Exact Name of Registrant as Specified in Charter)

| | | |
|---|-----------------------|---|
| Delaware | 001-06357 | 13-2595091 |
| (State or Other Jurisdiction of Incorporation) | (Commission File No.) | (I.R.S. Employer Identification No.) |

10800 NE 8th Street, Bellevue, Washington 98004

(Address of principal executive offices, including Zip Code)

425/453-9400

(Registrant's telephone number, including area code)

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Item 5. Other Events

As previously reported in a Current Report on Form 8-K dated July 25, 2002 filed by Esterline Technologies Corporation, a Delaware corporation (the "Registrant"), with the Securities and Exchange Commission, on July 25, 2002 the Board of Directors of the Registrant determined to discontinue the operations of the Registrant's Automation segment.

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Set forth below are selected financial data for fiscal years 2000 and 2001, and the quarterly financial data for fiscal 2001 and the first three quarters of fiscal 2002, which reflect the impact of accounting for the discontinuance of operations of the Automation segment in a manner consistent with generally applied accounting principles. All affected prior year and quarterly amounts have been adjusted accordingly.

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Selected Financial Data*

In thousands, except per share amounts

| for fiscal years | 2001 | 2000 |
|---|------------|------------|
| Operating Results | | |
| Net sales | \$ 430,923 | \$ 372,551 |
| Cost of sales | 266,519 | 229,413 |
| Selling, general and administrative | 84,166 | 82,071 |
| Research, development and engineering | 14,232 | 12,431 |
| Gain on sale of business | - | (2,591) |
| Insurance settlement | (4,631) | - |
| Gain on derivative financial instruments | (786) | - |
| Interest income | (3,307) | (2,205) |
| Interest expense | 7,663 | 8,124 |
| Income tax expense | 24,428 | 15,764 |
| Income from continuing operations | 42,639 | 29,544 |
| Income (loss) from discontinued operations, net of tax | (9,780) | 3,043 |
| Cumulative effect of change in accounting principle (loss) | (403) | - |
| Net earnings per share - diluted: | | |
| Continuing operations | \$ 2.13 | \$ 1.68 |
| Discontinued operations | (.49) | ..17 |
| Cumulative effect of change in accounting principle | (.02) | - |

* **DISCLAIMER:** This historical financial data is provided as a convenience and is for informational purposes only. It is not subject to update. More detailed information is provided in our annual report on Form 10-K for the fiscal year ended October 26, 2001, quarterly reports on Form 10-Q for the quarters ended January 25, 2002, April 26, 2002 and July 26, 2002, and current reports on Form 8-K dated April 29, 2002, July 12, 2002, July 25, 2002 and August 29, 2002 filed with the Securities and Exchange Commission, which are accessible through the SEC's website at <http://www.sec.gov>.

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Quarterly Financial Data*

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In thousands, except per share amounts

| Fiscal year 2001 | Fourth | Third | Second | First |
|---|------------|------------|------------|-----------|
| Operating Results | | | | |
| | \$ 113,360 | \$ 111,915 | \$ 110,316 | \$ 95,332 |
| | 69,649 | 68,669 | 68,213 | 59,988 |
| Net sales | | | | |
| Cost of sales | 22,836 | 20,341 | 20,536 | 20,453 |
| Selling, general and administrative | 3,733 | 4,030 | 3,727 | 2,742 |
| Research, development and engineering | - | (1,651) | (2,980) | - |
| Insurance settlement | (228) | 92 | 137 | (787) |
| Loss (gain) on derivative financial instruments | (810) | (985) | (1,046) | (466) |
| Interest income | 1,843 | 1,925 | 1,935 | 1,960 |
| Interest expense | 5,726 | 7,210 | 7,298 | 4,194 |
| Income tax expense | 10,611 | 12,284 | 12,496 | 7,248 |
| Income from continuing operations | (3,227) | (3,055) | (2,919) | (579) |
| Loss from discontinued operations, net of tax | - | - | - | (403) |
| Cumulative effect of change in accounting principle (loss) | | | | |
| Net earnings per share - diluted ¹ : | | | | |
| Continuing operations | \$.50 | \$.58 | \$.62 | \$.40 |
| Discontinued operations | (.15) | (.14) | (.14) | (.03) |
| Cumulative effect of change in accounting principle | - | - | - | (.02) |

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1 The sum of quarterly per share amounts may not equal per share amounts reported for year-to-date periods. This is due to changes in the number of weighted average shares outstanding and the effects of rounding for each period.

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Quarterly Financial Data*

In thousands, except per share amounts

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| Fiscal year 2002 | Third | Second | First |
|---|------------|------------|-----------|
| Operating Results | | | |
| Net sales | \$ 112,423 | \$ 100,681 | \$ 96,818 |
| Cost of sales | 76,070 | 68,367 | 64,351 |
| Selling, general and administrative | 19,849 | 17,384 | 18,317 |
| Research, development and engineering | 4,440 | 3,238 | 3,042 |
| Loss on derivative financial instruments | - | - | 1 |
| Interest income | (245) | (514) | (609) |
| Interest expense | 1,806 | 1,811 | 1,789 |
| Income tax expense | 3,577 | 3,180 | 3,289 |
| Income from continuing operations | 6,926 | 7,215 | 6,638 |
| Loss from discontinued operations, net of tax | (17,529) | (2,292) | (2,293) |
| Cumulative effect of change in accounting principle (loss) | - | - | (7,574) |
| Net earnings per share - diluted¹: | | | |
| Continuing operations | | | |
| Discontinued operations | \$.33 | \$.34 | \$.32 |
| Cumulative effect of change in accounting principle | (.84) | (.11) | (.11) |
| | - | - | (.37) |

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ESTERLINE TECHNOLOGIES CORPORATION
(Registrant)

Dated: September 26, 2002

By: /s/ Robert D. George

Robert D. George
*Vice President,
Chief Financial Officer,
Secretary and Treasurer
(Principal Financial and
Accounting Officer)*

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