

HELEN OF TROY LTD
Form 10-Q
October 06, 2010
[Table of Contents](#)

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

FORM 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended August 31, 2010

or

O 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: 001-14669

HELEN OF TROY LIMITED

(Exact name of registrant as specified in its charter)

Bermuda
(State or other jurisdiction of
incorporation or organization)

Clarendon House

74-2692550
(I.R.S. Employer
Identification No.)

Edgar Filing: HELEN OF TROY LTD - Form 10-Q

Church Street

Hamilton, Bermuda

(Address of principal executive offices)

1 Helen of Troy Plaza

El Paso, Texas

(Registrant's United States Mailing Address)

79912

(Zip Code)

(915) 225-8000

(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 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 the 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 (Do not check if a smaller reporting company)

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.

Class
Common Shares, \$0.10 par value, per share

Outstanding at October 4, 2010
30,635,477 shares

Table of Contents

HELEN OF TROY LIMITED AND SUBSIDIARIES

INDEX FORM 10-Q

	Page
<u>PART I. FINANCIAL INFORMATION</u>	
<u>Item 1.</u>	
<u>Financial Statements</u>	
<u>Consolidated Condensed Balance Sheets (unaudited)</u> <u>as of August 31, 2010 and February 28, 2010</u>	3
<u>Consolidated Condensed Statements of Income (unaudited)</u> <u>for the Three- and Six-Months Ended</u> <u>August 31, 2010 and August 31, 2009</u>	4
<u>Consolidated Condensed Statements of Cash Flows (unaudited)</u> <u>for the Six Months Ended</u> <u>August 31, 2010 and August 31, 2009</u>	5
<u>Notes to Consolidated Condensed Financial Statements (unaudited)</u>	6
<u>Item 2.</u>	
<u>Management's Discussion and Analysis of Financial Condition</u> <u>and Results of Operations</u>	22
<u>Item 3.</u>	
<u>Quantitative and Qualitative Disclosures about Market Risk</u>	35
<u>Item 4.</u>	
<u>Controls and Procedures</u>	40
<u>PART II. OTHER INFORMATION</u>	
<u>Item 1.</u>	
<u>Legal Proceedings</u>	41
<u>Item 1A.</u>	
<u>Risk Factors</u>	41
<u>Item 2.</u>	
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	41
<u>Item 6.</u>	
<u>Exhibits</u>	41
<u>Signatures</u>	42

Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****HELEN OF TROY LIMITED AND SUBSIDIARIES****Consolidated Condensed Balance Sheets (unaudited)***(in thousands, except shares and par value)*

	August 31, 2010		February 28, 2010
Assets			
Asset, current:			
Cash and cash equivalents	\$ 49,069	\$	110,208
Derivative assets, current	1,071		795
Receivables - principally trade, less allowances of \$3,723 and \$3,346	122,313		109,722
Inventory, net	167,500		124,021
Prepaid expenses	4,577		2,485
Income taxes receivable	-		597
Deferred tax assets, net	12,093		11,526
Total assets, current	356,623		359,354
Property and equipment, net of accumulated depreciation of \$61,607 and \$58,464	80,233		82,113
Goodwill	201,542		185,937
Other intangible assets, net of accumulated amortization of \$30,698 and \$33,449	220,356		177,124
Other assets, net of accumulated amortization of \$3,940 and \$3,825	30,949		30,205
Total assets	\$ 889,703	\$	834,733
Liabilities and Stockholders Equity			
Liabilities, current:			
Accounts payable, principally trade	\$ 48,227	\$	35,005
Accrued expenses and other current liabilities	67,621		67,289
Income taxes payable	145		-
Long-term debt, current maturities	53,000		3,000
Total liabilities, current	168,993		105,294
Deferred compensation liability	3,473		3,758
Other liabilities, noncurrent	739		75
Deferred tax liabilities, net	1,006		1,202
Long-term debt, excluding current maturities	78,000		131,000
Liability for uncertain tax positions	1,829		2,562
Derivative liabilities, noncurrent	8,272		7,070
Total liabilities	262,312		250,961
Commitments and contingencies			
Stockholders equity:			
Cumulative preferred stock, non-voting, \$1.00 par. Authorized 2,000,000 shares; none issued	-		-

Edgar Filing: HELEN OF TROY LTD - Form 10-Q

Common stock, \$0.10 par. Authorized 50,000,000 shares;
30,623,427 and 30,571,813 shares issued and outstanding
Additional paid in capital

3,062
124,351

3,057