WATTS WATER TECHNOLOGIES INC

FORM 10-Q
(Quarterly Report)

Filed 5/12/1995 For Period Ending 3/31/1995

Address	815 CHESTNUT ST
	NORTH ANDOVER, Massachusetts 01845
Telephone	978-688-1811
CIK	0000795403
Industry	Misc. Fabricated Products
Sector	Basic Materials
Fiscal Year	12/31

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 March 31, 1995 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 0-14787 -

WATTS INDUSTRIES, INC. -
(Exact name of registrant as specified in its charter)

DELAWARE	04-2916536 -
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
815 Chestnut Street, North Andover, MA	01845 -
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (508) 688-1811

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 X No_____

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

Class	Outstanding at April 30, 1995
Class A Common, $.10 par value	18,202,116
Class B Common, $.10 par value	11,413,470

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

WATTS INDUSTRIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands except share information)

	(Unaudited) March 31, 1995	June 30, 1994
CURRENT ASSETS		
Cash and cash equivalents	$ 5,835	$ 6,231
Short-term investments	5,013	58,769
Trade accounts receivable, less allowance for doubtful accounts of $5,920 and $4,488	124,893	79,342
Inventories:		
Finished goods	75,920	60,104
Work in process	43,316	39,671
Raw materials	70,074	53,305
	189,310	153,080
Prepaid expenses and other current assets	19,114	8,484
Deferred tax benefit	18,191	14,973
Total Current Assets	362,356	320,879
OTHER ASSETS		
Intangible assets, net	8,327	6,719
Goodwill	145,854	89,500
Other	9,327	5,503
PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment at cost	270,425	230,375
Less allowance for depreciation	(108,513)	(94,126)
Property, plant and equipment, net	161,912	136,249
TOTAL ASSETS	$ 687,776	$ 558,850

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable	$ 40,153	$ 24,672
Accrued expenses	50,638	36,840
Accrued compensation and related items	9,863	8,355
Income taxes	6,905	3,340
Current portion of long-term debt	15,980	1,141
Total Current Liabilities	123,539	74,348

LONG-TERM DEBT, less current portion	128,791	97,479
DEFERRED INCOME TAXES	19,858	16,357
OTHER LIABILITIES	20,978	9,115
STOCKHOLDER'S EQUITY		
Class A Common Stock, $.10 par value; 80,000,000 shares authorized, 18,191,916 shares issued and outstanding at March 31	1,819	1,801
Class B Common Stock, $.10 par value; 25,000,000 shares authorized, 11,413,470 shares issued and outstanding at March 31	1,141	1,147
Additional paid-in capital	95,214	92,996
Retained earnings	298,892	268,706
Equity adjustment from translation	(2,456)	(3,099)
Total Stockholders' Equity	394,610	361,551
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 687,776	$ 558,850

See accompanying notes to condensed consolidated financial statements.

WATTS INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED STATEMENTS OF CONSOLIDATED EARNINGS
(Amounts in thousands except per share data)

(Unaudited)

	Three Months Ended	
	March 31, 1995	March 31, 1994
Net sales	$ 174,386	$ 133,532
Cost of goods sold	112,540	82,841
GROSS PROFIT	61,846	50,691
Selling, general & administrative expenses	38,644	30,818
OPERATING INCOME	23,202	19,873
Other (income) expense:		
Interest income	(443)	(680)
Interest expense	3,003	2,161
Other - net	(406)	321
	2,154	1,802
EARNINGS BEFORE INCOME TAXES	21,048	18,071
Provision for income taxes	8,317	7,031
NET EARNINGS	$ 12,731	$ 11,040
Primary and fully-diluted earnings per share :	$ .43	$ .37
Cash dividends per share	$ .0625	$ .0550

See accompanying notes to condensed consolidated financial statements.

WATTS INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED STATEMENTS OF CONSOLIDATED EARNINGS
(Amounts in thousands except per share data)

(Unaudited)

	Nine Months Ended	
	March 31, 1995	March 31, 1994
Net sales	$ 486,087	$ 391,847
Cost of goods sold	311,029	242,542
GROSS PROFIT	175,058	149,305
Selling, general & administrative expenses	109,712	91,175
OPERATING INCOME	65,346	58,130

Other (income) expense:		
Interest income	(1,573)	(2,205)
Interest expense	7,902	6,729
Other - net	587	1,075
	6,916	5,599
EARNINGS BEFORE INCOME TAXES	58,430	52,531
Provision for income taxes	23,144	20,406
NET EARNINGS ....$	35,286	$ 32,125
Primary and fully-diluted earnings per share :	$ 1.19	$ 1.08
Cash dividends per share.........................	$ .1725	$ .1450

See accompanying notes to condensed consolidated financial statements.

WATTS INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS
(Amounts in thousands except share information)

(Unaudited)

	Nine Months Ended	
	March 31, 1995	March 31, 1994
OPERATING ACTIVITIES		
Net earnings	$ 35,286	$ 32,125
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	18,207	16,621
Provision for deferred income taxes	794	336
(Gain)Loss on disposal of fixed assets	(422)	(23)
Changes in operating assets and liabilities, net of effects from business acquisitions:		
Accounts receivable	(26,579)	(16,857)
Inventories	(2,501)	(8,129)
Prepaid expenses and other assets	(5,671)	(54)
Accounts payable and accrued expenses	11,917	2,593
NET CASH PROVIDED BY OPERATING ACTIVITIES	31,031	26,612
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(20,257)	(12,722)
Proceeds from disposal of equipment	1,229	310
Increase in intangible assets	(482)	(1,068)
Business acquisitions, net of cash acquired	(73,328)	(10,877)
Investment in joint venture	(3,500)	
Repayment of debt of acquired businesses	(13,709)	(2,018)
Net changes in short-term investments	53,756	13,223
NET CASH USED IN INVESTING ACTIVITIES	(56,291)	(13,152)
FINANCING ACTIVITIES		
Purchase and retirement of treasury stock		(12,064)
Proceeds from exercise of stock options	1,775	2,164
Proceeds of short-term borrowing	2,930	526
Net proceeds under revolving credit agreement	28,500	
Payments of long-term debt	(2,797)	(3,434)
Cash dividends	(5,100)	(4,263)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	25,308	(17,071)
Effect of exchange rates on cash and cash equivalents	(444)	41
DECREASE IN CASH AND CASH EQUIVALENTS	(396)	(3,570)
Cash and cash equivalents at beginning of period	6,231	16,937
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 5,835	$ 13,367

See accompanying notes to condensed consolidated financial statements.

WATTS INDUSTRIES, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(Unaudited)

1. In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all necessary adjustments, consisting only of adjustments of a normal recurring nature, to present fairly Watts Industries, Inc.'s Condensed Consolidated Balance Sheet as of March 31, 1995, the Condensed Statements of Consolidated Earnings for the three and nine months ended March 31, 1995 and March 31, 1994, and the Condensed Statements of Consolidated Cash Flows for the nine months ended March 31, 1995 and March 31, 1994.

The balance sheet at June 30, 1994 has been derived from the audited financial statements at that date. The accounting policies followed by the Company are described in the June 30, 1994 financial statements which are contained in the Company's 1994 Annual Report. It is suggested that these financial statements be read in conjunction with the financial statements and notes included in the 1994 Annual Report to Stockholders.

2. On July 28, 1994, a wholly owned subsidiary of the Company purchased Jameco Industries, Inc. ("Jameco") of Wyandanch, New York. Jameco is a manufacturer of metal and plastic water supply products, including valves, tubular products and sink strainers, that are sold primarily to residential construction and home repair and remodeling markets in the United States. Jameco had net sales of approximately $56,000,000 for the twelve months ended June 30, 1994.

In August of 1994, a wholly owned subsidiary of the Company entered into a joint venture with Tanggu Valve Company in Tianjin, Peoples Republic of China. The Company's investment represented a 60% interest in the joint venture.

On November 18, 1994, a wholly owned subsidiary of the Company purchased Pibiviesse S.p.A. ("PBVS") located in Mazzo Di Rho, Italy. PBVS manufactures a complete range of trunnion mounted ball valves with manufacturing capabilities up through 60 inch diameter and inclusive of Class 2500 pressure ratings to meet the demanding requirements of international pipeline projects. PBVS had net sales of approximately $34,000,000 for the twelve months ended June 30, 1994.

In August and December of 1994, a subsidiary of the Company acquired two product lines. One product line is a line of cryogenic valves used in industrial applications. The other product line is check and relief valves used in aerospace and military applications.

On March 1, 1995, a subsidiary of the Company purchased Anderson- Barrows Metals Corporation of Palmdale, California. Anderson-Barrows is a manufacturer of compression and flare fittings, plastic tubing and braided metal hose connectors which are sold primarily to the domestic residential construction and home repair and remodeling markets. Anderson-Barrows had net sales of approximately $21,000,000 for the twelve months ended December 31, 1994.

The aggregate purchase price for these acquisitions and the establishment of the joint venture totaled $84,600,000.

3. Certain of the Company's operations generate solid and hazardous wastes, which are disposed of elsewhere by arrangement with the owners or operators of disposal sites or with transporters of such waste. The Company's foundry and other operations are subject to various federal, state and local laws and regulations relating to environmental quality. Compliance with these laws and regulations requires the Company to incur expenses and monitor its operations on an ongoing basis. The Company cannot predict the effect of future requirements on its capital expenditures, earnings or competitive position due to any changes in either federal, state or local environmental laws, regulations or ordinances.

The Company is currently a party to or otherwise involved with various administrative or legal proceedings under federal, state or local environmental laws or regulations involving a number of sites, in some cases as a participant in a group of potentially responsible parties. Four of these sites, the Sharkey and Combe Landfills in New Jersey, the San Gabriel Valley/El Monte, California water basin matter, and the Jack's Creek/Sitkin Smelting Superfund site in Pennsylvania, are listed on the National Priorities List. With respect to the Sharkey Landfill, the Company has been allocated .75% of the remediation costs, an amount which is not material to the Company. Based on certain developments, the Company elected not to enter into the de minimis settlement proposal and instead decided to participate in the remediation as a participating party. No allocations have been made to date with respect to the Combe Landfill or San Gabriel Valley sites. Recently, the EPA has formally notified several entities that they have been identified as being potentially responsible parties with respect to the San Gabriel Valley site. As the Company was not included in this group, its potential involvement in this matter is uncertain at this time. Whether, and to what extent, either the PRPs named to date or the EPA will seek to expand the list of potentially responsible parties is also uncertain at this point. With respect to the Jack's Creek site, a de minimis settlement proposal has recently been published for public comment. If adopted by the EPA as proposed, the Company will be entitled to participate in this settlement as a de minimis party. In addition to the foregoing, the Solvent Recovery Service of New England site and the Old Southington landfill site, both in Connecticut, are on the National Priorities List but, with respect thereto, the Company has resort to indemnification from third parties and based on currently available information, the Company believes it will be entitled to participate in a de minimis capacity.

With respect to the Combe Landfill, the Company is one of approximately 30 potentially responsible parties. The Company and all other PRP's have received a Supplemental Directive from the New Jersey Department of Environmental Protection & Energy seeking to recover approximately $9 million in the aggregate for the operation, maintenance, and monitoring of the implemented remedial action taken to date in connection with the Combe Landfill North site.

Given the number of parties involved in most environmental sites, the multiplicity of possible solutions, the evolving technology and the years of remedial activity required, it is difficult to estimate with certainty the total cost of remediation, the timing and extent of remedial actions which may be required, and the amount of liability, if any, of the Company alone or in relation to that of other responsible parties. Based on facts presently known to it, the Company does not believe that the outcome of these proceedings will have a material adverse effect on its financial condition, results of operations, or its liquidity. However, with respect to the San Gabriel Valley/El Monte, California site, the Company is currently unable to estimate the potential exposure, if any, because the process of determining the causes and extent of contamination, the cost of remediation and the method to allocate the cost among those ultimately determined to be responsible is in a very early stage.

The Company has established balance sheet accruals which it currently believes are adequate in light of the potential exposure of pending and threatened environmental litigation and proceedings of which it has knowledge. In this regard, with respect to certain of these matters, the Company has resort either to some degree of insurance coverage or indemnifications from third parties which are expected to defray to some extent the effect thereof. With respect to insurance, coverage of some of these claims has been disputed by the carriers based on standard reservations and, therefore, recovery is questionable, a factor which has been considered in the Company's evaluation of these matters. Although difficult to quantify based on the complexity of the issues and the limitation on available information, the Company believes that its accruals for the estimated costs associated with such matters adequately provide for the Company's estimated foreseeable liability for these sites, however, given the nature and scope of the Company's manufacturing operations, there can be no assurance that the Company will not become subject to other environmental proceedings and liabilities in the future which may be material to the Company.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations
Quarter Ended March 31, 1995 Compared to Quarter Ended March 31, 1994

Net sales increased $40,854,000 (30.6%) to $174,386,000. Of this increase, $10,991,000 (8%) was attributable to internal growth while the remainder was due to the inclusion of the net sales of acquired companies and the Company's Chinese joint venture. These acquisitions principally included Jameco Industries, Inc. ("Jameco") acquired in July 1994, located in New York, Pibiviesse S.p.A. ("PBVS") acquired in November 1994, located in Italy, and Anderson-Barrows Metals Corporation ("Anderson-Barrows") acquired in March 1995, located in California. The Company established a joint venture in China in August of 1994. The Company had increased unit shipments of steam valves, municipal water valves, and industrial valves. The Company had increased sales in Europe of $4,500,000 of which approximately two thirds of the increase was due to the strength of the foreign currencies versus the U.S. dollar. The Company intends to maintain its strategy of seeking acquisition opportunities as well as expanding its existing market position to achieve sales growth.

Gross profit increased $11,155,000 (22%) to $61,846,000 and decreased as a percentage of net sales from 38% to 35.5%. This decreased percentage was primarily attributable to the inclusion of acquired companies, which currently operate at a lower gross margin than the rest of the Company. Gross profit was also adversely affected by increased raw materials costs primarily in bronze ingot and brass rod.

Selling, general and administrative expenses increased $7,826,000 (25.4%) to $38,644,000. This increase is primarily attributable to the inclusion of the expenses of acquired companies discussed in Note 2 above, increased selling expenses associated with international sales, and commissions associated with the increased sales volumes.

Interest income decreased $237,000 (38.4%) to $443,000 due to decreased levels of cash and short-term investments which were partially offset by higher rates of return experienced on short term investments.

Interest expense increased $842,000 (39%) to $3,003,000. This increase is attributable to the increased levels of debt incurred in association with the acquisitions discussed in Note 2 above.

Net earnings increased $1,691,000 (15.3%) to $12,731,000.

The change in foreign exchange rates had an immaterial impact on the net results of operations.

The weighted average number of common shares outstanding on March 31, 1995, decreased to 29,695,621 from 29,756,414 for primary earnings per share. Primary and fully diluted earnings per share were $ .43 for the quarter ended March 31, 1995 compared to $ .37 for the quarter ended March 31, 1994.

Nine Months Ended March 31, 1995 Compared to Nine Months Ended March 31, 1994

Net sales increased $94,240,000 (24.1%) to $486,087,000. Of this increase, $30,335,000 (8%) was attributable to internal growth while the remainder was due to the inclusion of the net sales of acquired companies and the Company's Chinese joint venture. These acquisitions principally included Jameco Industries, Inc. ("Jameco") acquired in July 1994, located in New York, Pibiviesse S.p.A. ("PBVS") acquired in November 1994, located in Italy, and Anderson-Barrows Metals Corporation ("Anderson-Barrows") acquired in March 1995, located in California. The Company established a joint venture in China in August of 1994. The Company had increased unit shipments of plumbing and heating valves, industrial valves, steam valves and municipal water valves. The Company had increased net sales in Europe of $8,900,000 of which approximately two thirds of the increase was due to the strength of the foreign currencies versus the U.S. dollar. The Company intends to maintain its strategy of seeking acquisition opportunities as well as expanding its existing market position to achieve sales growth.

Gross profit increased $25,753,000 (17.3%) to $175,058,000 and decreased as a percentage of net sales from 38.1% to 36%. This decreased percentage was primarily attributable to the inclusion of acquired companies, which currently operate at a lower gross margin than the rest of the Company. Gross profit was also adversely affected by increased raw materials costs primarily in bronze ingot and brass rod.

Selling, general and administrative expenses increased $18,537,000 (20.3%) to $109,712,000. This increase is primarily attributable to the inclusion of the expenses of acquired companies discussed in Note 2 above, increased selling expenses associated with international sales, and commissions associated with the increased sales volumes.

Interest income decreased $632,000 (28.7%) to $1,573,000 due to decreased levels of cash and short-term investments which were partially offset by higher rates of return experienced on short term investments.

Interest expense increased $1,173,000 (17.4%) to $7,902,000. This increase is attributable to the increased levels of debt incurred in association with the acquisitions discussed in Note 2 above.

Net earnings increased $3,161,000 (9.8%) to $35,286,000.

The change in foreign exchange rates had an immaterial impact on the net results of operations.

The weighted average number of common shares outstanding on March 31, 1995, increased to 29,696,511 from 29,676,036 for primary earnings per share. Primary and fully diluted earnings per share were $ 1.19 for the nine months ended March 31, 1995 compared to $ 1.08 for the nine months ended March 31, 1994.

Liquidity and Capital Resources

During the nine months ended March 31, 1995, the Company invested in six acquisitions. In July, 1994, a subsidiary of the Company purchased Jameco Industries, Inc. located in Wyandanch, New York. Jameco is a manufacturer of metal and plastic water supply products, including valves, tubular products and sink strainers that are sold primarily to residential construction and home repair and remodeling markets in the United States. Jameco had net sales of approximately $56,000,000 for the twelve months ended June 30, 1994. In August of 1994, a wholly owned subsidiary of the Company entered into a joint venture with a valve company in Tianjin, Peoples Republic of China. The Company's investment of $8,500,000 represented a 60% interest in the joint venture. The joint venture immediately purchased $3,500,000 of inventory from the minority partner in accordance with the joint venture agreement. The remainder of the joint venture investment of $5,000,000 will be utilized for working capital and fixed asset purchases. In November, 1994, a subsidiary of the Company purchased Pibiviesse S.p.A. located in Mazzo Di Rho, Italy. PBVS is a manufacturer of oil and gas valves. PBVS had net sales of approximately $34,000,000 for the twelve months ended June 30, 1994. In August and December of 1994, a subsidiary of the Company acquired two product lines. One product line is a line of cryogenic valves used in industrial applications. The other product line is check and relief valves used in aerospace and military applications. In March of 1995, a subsidiary of the Company purchased Anderson-Barrows Metals Corporation located in Palmdale, California. Anderson Barrows is a manufacturer of compression and flare fittings, plastic tubing and braided metal hose connectors which are sold primarily to the domestic residential construction and home repair and remodeling markets. Anderson-Barrows had net sales of approximately $21,000,000 for the twelve months ended December 31, 1994.

The aggregate purchase price for these investments was $84,600,000 plus acquired debt of $31,200,000. The Company also repaid $13,709,000 of debt acquired with two of the companies.

During the nine months ended March 31, 1995, the Company spent $20,257,000 on capital expenditures, primarily manufacturing machinery and equipment, as part of its commitment to continuously improve its manufacturing capabilities.

Working capital at March 31, 1995 was $238,817,000 compared to $246,531,000 at June 30, 1994. Cash and short-term investments were $10,848,000 at March 31, 1995 compared to $65,000,000 at June 30, 1994. The ratio of current assets to current liabilities was 2.9 to 1 at March 31, 1995 compared to 4.3 to 1 at June 30, 1994. Debt as a percentage of total capital employed was 26.8% at March 31, 1994 compared to 21.4% at June 30, 1994.

Other Long Term Liabilities increased $11,863,000 (130%) to $20,978,000. This increase is primarily due to the inclusion of the minority interest component of the Chinese joint venture and liabilities associated with the Anderson- Barrows acquisition.

In order to support the Company's acquisition program, working capital requirements, and for general corporate purposes, the Company entered into a five-year commitment for an unsecured line of credit for $125,000,000. Borrowings under this credit line have been, and will be utilized to fund acquisitions, support future working capital requirements and general corporate purposes. During the nine months ended March 31, 1995, the Company had net borrowings of $28,500,000 under this credit facility.

The Company from time to time is involved with environmental proceedings and incurs costs on an ongoing basis related to environmental matters. The Company has been or expects to be named a potentially responsible party with respect to currently identified contaminated sites, which are in various stages of the remediation process. The Company has evaluated its potential exposure based on all currently available information and has recorded its estimate of its liability for environmental matters. The ultimate outcome of these environmental matters cannot be determined. The Company currently anticipates that it will not incur significant expenditures in fiscal 1995 in connection with any of these environmentally contaminated sites. Please see Note 3 to the accompanying consolidated financial statements.

The Company anticipates that available funds and those funds provided from current operations will be sufficient to meet current operating requirements and anticipated capital expenditures for at least the next 24 months.

Part II. Other Information

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits. The Exhibits are furnished elsewhere in this report.

(b) Reports on Form 8-K. A report on Form 8-K/A was filed with the Securities and Exchange Commission on February 2, 1995, amending the Form 8-K filed on December 5, 1994. "Item 7. Financial Statements, Pro Forma Financial Information and Exhibits" was reported in the Form 8-K/A, and included the following Pro Forma Condensed Consolidated Financial Statements (unaudited):

(i) Pro Forma Condensed Consolidated Balance Sheet as of September 30, 1994 (unaudited).

(ii) Pro Forma Condensed Consolidated Statement of Earnings, Year Ended June 30, 1994 (unaudited).

(iii) Pro Forma Condensed Consolidated Statement of Earnings, Three Months ended September 30, 1994 (unaudited).

SIGNATURES

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, thereunto duly authorized.

WATTS INDUSTRIES, INC.

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Date:     May 12, 1995            By: __________________
                                       Timothy P. Horne
                                       President


Date:     May 12, 1995            By:  __________________
                                       Kenneth J. McAvoy
                                       Chief Financial Officer
                                       and Treasurer
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EXHIBIT INDEX

Listed and indexed below are all Exhibits filed as part of this report.

Exhibit No.	Description
11	Statement re computation of per share earnings
27	Financial Data Schedule

EXHIBIT 11

WATTS INDUSTRIES , INC. AND SUBSIDIARIES

COMPUTATION OF EARNINGS PER SHARE

(Unaudited)

	Three Months Ended March 31		Nine Months Ended March 31	
	1995	1994	1995	1994
PRIMARY				
Average shares outstanding	29,600,853	29,447,848	29,549,100	29,450,991
Net effect of dilutive stock options - based on the treasury stock method using average market price	94,768	308,566	147,411	225,045
Total	29,695,621	29,756,414	29,696,511	29,676,036
Net earnings	$12,731,481	$11,039,920	$35,286,133	$32,125,370
Earnings per share	$ .43	$ .37	$ 1.19	$ 1.08
FULLY-DILUTED				
Average shares outstanding	29,600,853	29,447,848	29,549,100	29,450,991
Net effect of dilutive stock options - based on the treasury stock method using the quarter-end market price, if higher than average market price	100,468	337,903	154,457	337,903
Total	29,701,321	29,785,751	29,703,557	29,788,894
Net earnings	$12,731,481	$11,039,920	$35,286,133	$32,125,370
Earnings per share	$ .43	$ .37	$ 1.19	$ 1.08

ARTICLE 5

MULTIPLIER: 1,000

PERIOD TYPE	9 MOS
FISCAL YEAR END	JUN 30 1995
PERIOD END	MAR 31 1995
CASH	5,835
SECURITIES	5,013
RECEIVABLES	130,813
ALLOWANCES	5,920
INVENTORY	189,310
CURRENT ASSETS	362,356
PP&E	270,425
DEPRECIATION	108,513
TOTAL ASSETS	687,776
CURRENT LIABILITIES	123,539
BONDS	144,771
COMMON	2,960
PREFERRED MANDATORY	0
PREFERRED	0
OTHER SE	391,650
TOTAL LIABILITY AND EQUITY	687,776
SALES	486,087
TOTAL REVENUES	486,087
CGS	311,029
TOTAL COSTS	420,741 [1]
OTHER EXPENSES	6,916 [2]
LOSS PROVISION	722
INTEREST EXPENSE	7,902
INCOME PRETAX	58,430
INCOME TAX	23,144
INCOME CONTINUING	35,286
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	35,286
EPS PRIMARY	$1.19
EPS DILUTED	$1.19

[1] INCLUDES ONLY COST OF GOODS SOLD AND OPERATING EXPENSES.

[2] INCLUDES INTEREST EXPENSE AND LOSS PROVISION SHOWN BELOW.