

CSS INDUSTRIES INC
Form 10-Q
November 01, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2006
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 1-2661

CSS INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

13-1920657
(I.R.S. Employer Identification No.)

1845 Walnut Street, Philadelphia, PA
(Address of principal executive offices)

19103
(Zip Code)

(215) 569-9900

(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

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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

As of October 30, 2006, there were 10,623,105 shares of common stock outstanding which excludes shares which may still be issued upon exercise of stock options.

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CSS INDUSTRIES, INC. AND SUBSIDIARIES

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(Unaudited)

(In thousands, except per share data)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2006	2005	2006	2005
SALES	\$ 173,830	\$ 164,043	\$ 221,363	\$ 221,537
COSTS AND EXPENSES				
Cost of sales	129,003	125,676	163,066	168,441
Selling, general and administrative expenses	25,289	23,050	47,493	43,035
Interest expense, net	1,083	1,057	1,217	1,499
Other income, net	(66)	(130)	(228)	(135)
	155,309	149,653	211,548	212,840
INCOME BEFORE INCOME TAXES	18,521	14,390	9,815	8,697
INCOME TAX PROVISION	6,818	5,151	3,619	3,113
NET INCOME	\$ 11,703	\$ 9,239	\$ 6,196	\$ 5,584
NET INCOME PER COMMON SHARE				
Basic	\$ 1.11	\$.88	\$.59	\$.53
Diluted	\$ 1.08	\$.84	\$.57	\$.51
WEIGHTED AVERAGE SHARES OUTSTANDING				
Basic	10,559	10,496	10,528	10,455
Diluted	10,838	11,017	10,831	10,966
CASH DIVIDENDS PER SHARE OF COMMON STOCK	\$.12	\$.12	\$.24	\$.24
COMPREHENSIVE INCOME				
Net income	\$ 11,703	\$ 9,239	\$ 6,196	\$ 5,584
Foreign currency translation adjustment	3	3	3	-
Comprehensive income	\$ 11,706	\$ 9,242	\$ 6,199	\$ 5,584

See notes to consolidated financial statements.

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CSS INDUSTRIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands)

	September 30, 2006	March 31, 2006
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 11,182	\$ 57,656
Accounts receivable, net	140,450	35,582
Inventories		