# UNITED STATES

# SECURITIES AND EXCHANGE COMMISSION

**Washington, D.C. 20549**

# FORM 10-Q

**(Mark One)**

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

**For the quarterly period ended: March 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: 1-13429**

# Simpson Manufacturing Co., Inc.

(Exact name of registrant as specified in its charter)

| **Delaware** | **94-3196943** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

**5956 W. Las Positas Blvd., Pleasanton, CA 94588**

(Address of principal executive offices)

(Registrant s telephone number, including area code): **(925) 560-9000**

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 o

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 o No o

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 x | Accelerated filer o |
| Non-accelerated filer o (Do not check if a smaller reporting company) | Smaller reporting company o |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

The number of shares of the registrant s common stock outstanding as of March 31, 2010: 49,391,387

PART I FINANCIAL INFORMATION

**Item 1. Financial Statements.**

**Simpson Manufacturing Co., Inc. and Subsidiaries**

**Condensed Consolidated Balance Sheets**

*(In thousands, unaudited)*

| | March 31, 2010 | March 31, 2009 | December 31, 2009 |
|---|---|---|---|
| **ASSETS** | | | |
| Current assets | | | |
| Cash and cash equivalents | $ 202,843 | $ 158,208 | $ 250,381 |
| Trade accounts receivable, net | 93,030 | 79,383 | 77,317 |
| Inventories | 180,684 | 225,568 | 163,754 |
| Deferred income taxes | 13,657 | 13,672 | 13,970 |
| Assets held for sale | 7,887 | 8,387 | 7,887 |
| Other current assets | 13,054 | 13,236 | 16,766 |
| Total current assets | 511,155 | 498,454 | 530,075 |
| | | | |
| Property, plant and equipment, net | 200,975 | 191,412 | 187,814 |
| Goodwill | 79,608 | 69,160 | 81,626 |
| Intangible assets, net | 26,889 | 22,137 | 28,852 |
| Equity method investment | 604 | 21 | 748 |
| Other noncurrent assets | 16,722 | 18,225 | 14,690 |
| Total assets | $ 835,953 | $ 799,409 | $ 843,805 |
| | | | |
| **LIABILITIES AND STOCKHOLDERS EQUITY** | | | |
| Current liabilities | | | |
| Line of credit | $ | $ 821 | $ |
| Trade accounts payable | 25,606 | 22,232 | 28,462 |
| Accrued liabilities | 29,548 | 28,873 | 29,209 |
| Accrued profit sharing trust contributions | 1,858 | 1,973 | 7,018 |
| Accrued cash profit sharing and commissions | 3,508 | 1,353 | 2,427 |
| Accrued workers compensation | 4,374 | 4,299 | 4,352 |
| Total current liabilities | 64,894 | 59,551 | 71,468 |
| | | | |
| Long-term liabilities | 8,924 | 9,289 | 8,553 |
| Total liabilities | 73,818 | 68,840 | 80,021 |
| | | | |
| Commitments and contingencies (Note 8) | | | |
| | | | |
| Stockholders equity | | | |
| Common stock, at par value | 493 | 490 | 493 |
| Additional paid-in capital | 146,711 | 137,503 | 146,036 |
| Retained earnings | 602,754 | 592,644 | 598,493 |
| Accumulated other comprehensive income (loss) | 12,177 | (68) | 18,762 |
| Total stockholders equity | 762,135 | 730,569 | 763,784 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Total liabilities and stockholders equity | $ | 835,953 | $ | 799,409 | $ | 843,805 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Simpson Manufacturing Co., Inc. and Subsidiaries**

**Condensed Consolidated Statements of Operations**

*(In thousands except per-share amounts, unaudited)*

| | Three Months Ended March 31, 2010 | Three Months Ended March 31, 2009 |
|---|---|---|
| Net sales | $ 133,900 | $ 119,323 |
| Cost of sales | 78,465 | 88,610 |
| Gross profit | 55,435 | 30,713 |
| | | |
| Operating expenses: | | |
| Research and development and other engineering | 5,051 | 4,864 |
| Selling | 16,193 | 16,025 |
| General and administrative | 18,145 | 20,162 |
| | 39,389 | 41,051 |
| | | |
| Income (loss) from operations | 16,046 | (10,338) |
| | | |
| Loss on equity method investment, before tax | (144) | (193) |
| Interest income, net | 10 | 102 |
| | | |
| Income (loss) before income taxes | 15,912 | (10,429) |
| | | |
| Provision for (benefit from) income taxes | 6,713 | (2,020) |
| | | |
| Net income (loss) | $ 9,199 | $ (8,409) |
| | | |
| Net income (loss) per common share | | |
| Basic | $ 0.19 | $ (0.17) |
| Diluted | $ 0.19 | $ (0.17) |
| | | |
| Weighted average number of shares outstanding | | |
| Basic | 49,388 | 48,987 |
| Diluted | 49,520 | 48,987 |
| | | |
| Cash dividends declared per common share | $ 0.10 | $ 0.10 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Simpson Manufacturing Co., Inc. and Subsidiaries**

**Condensed** Consolidated Statements of Stockholders Equity

**for the three months ended March 31, 2009 and 2010, and nine months ended December 31, 2009**

*(In thousands except per-share amounts, unaudited)*

| | Common Stock Shares | Common Stock Par Value | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Total |
|---|---|---|---|---|---|---|
| Balance, January 1, 2009 | 48,971 | $ 490 | $ 136,867 | $ 605,950 | $ 5,719 | $ 749,026 |
| Comprehensive loss: | | | | | | |
| Net loss | | | | (8,409) | | (8,409) |
| Other comprehensive income: | | | | | | |
| Translation adjustment, net of tax of ($9) | | | | | (5,787) | (5,787) |
| Comprehensive loss | | | | | | (14,196) |
| Stock options exercised | 8 | | 128 | | | 128 |
| Stock compensation | | | 393 | | | 393 |
| Tax benefit of options exercised | | | (185) | | | (185) |
| Cash dividends declared on common stock ($0.10 per share) | | | | (4,897) | | (4,897) |
| Common stock issued at $27.76 per share for stock bonus | 10 | | 300 | | | 300 |
| Balance, March 31, 2009 | 48,989 | 490 | 137,503 | 592,644 | (68) | 730,569 |
| Comprehensive income: | | | | | | |
| Net income | | | | 20,626 | | 20,626 |
| Other comprehensive income: | | | | | | |
| Translation adjustment, net of tax of ($28) | | | | | 18,830 | 18,830 |
| Comprehensive income | | | | | | 39,456 |
| Stock options exercised | 388 | 3 | 7,496 | | | 7,499 |
| Stock compensation | | | 1,297 | | | 1,297 |
| Tax benefit of options exercised | | | (260) | | | (260) |
| Cash dividends declared on common stock, $0.30 per share | | | | (14,777) | | (14,777) |
| Balance, December 31, 2009 | 49,377 | 493 | 146,036 | 598,493 | 18,762 | 763,784 |
| Comprehensive income: | | | | | | |
| Net income | | | | 9,199 | | 9,199 |
| Other comprehensive income: | | | | | | |
| Translation adjustment, net of tax of $3 | | | | | (6,585) | (6,585) |
| Comprehensive income | | | | | | 2,614 |
| Stock options exercised | 4 | | 92 | | | 92 |
| Stock compensation | | | 382 | | | 382 |
| Tax benefit of options exercised | | | (76) | | | (76) |
| Cash dividends declared on common stock, $0.10 per share | | | | (4,938) | | (4,938) |
| Common stock issued at $26.89 per share for stock bonus | 10 | | 277 | | | 277 |
| Balance, March 31, 2010 | 49,391 | $ 493 | $ 146,711 | $ 602,754 | $ 12,177 | $ 762,135 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Simpson Manufacturing Co., Inc. and Subsidiaries**

**Condensed Consolidated Statements of Cash Flows**

*(In thousands, unaudited)*

| | Three Months Ended March 31, 2010 | 2009 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net income (loss) | $ 9,199 | $ (8,409) |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: | | |
| (Gain) loss on sale of assets | 389 | (111) |
| Depreciation and amortization | 6,276 | 6,848 |
| Deferred income taxes | 225 | (1,497) |
| Noncash compensation related to stock plans | 469 | 557 |
| Loss in equity method investment | 144 | 193 |
| Excess tax benefit of options exercised | | (8) |
| Provision for (recovery of) doubtful accounts | (406) | 1,760 |
| Provision for obsolete inventory | 477 | 1,018 |
| Changes in operating assets and liabilities, net of effects of acquisitions: | | |
| Trade accounts receivable | (16,286) | (5,946) |
| Inventories | (18,922) | 23,381 |
| Trade accounts payable | (2,194) | 835 |
| Income taxes payable | 5,341 | (2,965) |
| Accrued profit sharing trust contributions | (5,165) | (7,556) |
| Accrued cash profit sharing and commissions | 1,126 | (880) |
| Other current assets | (1,339) | (2,374) |
| Accrued liabilities | 936 | (4,428) |
| Long-term liabilities | 108 | 1 |
| Accrued workers compensation | 21 | 13 |
| Other noncurrent assets | 95 | 99 |
| Net cash provided by (used in) operating activities | (19,506) | 531 |
| | | |
| **Cash flows from investing activities** | | |
| Capital expenditures | (20,293) | (5,895) |
| Proceeds from sale of capital assets | 46 | 41 |
| Asset acquisitions, net of cash acquired | | (1,655) |
| Loans made to related parties | (1,798) | |
| Loans repaid by related parties | 50 | |
| Net cash used in investing activities | (21,995) | (7,509) |
| | | |
| **Cash flows from financing activities** | | |
| Line of credit borrowings | | 817 |
| Issuance of common stock | 92 | 128 |
| Excess tax benefit of options exercised | | 8 |
| Dividends paid | (4,939) | (4,898) |
| Net cash used in financing activities | (4,847) | (3,945) |
| | | |
| Effect of exchange rate changes on cash | (1,190) | (1,619) |
| | | |
| Net decrease in cash and cash equivalents | (47,538) | (12,542) |
| Cash and cash equivalents at beginning of period | 250,381 | 170,750 |
| Cash and cash equivalents at end of period | $ 202,843 | $ 158,208 |

| | | | | |
|---|---|---|---|---|
| **Noncash activity during the period** | | | | |
| Noncash capital expenditures | $ | | $ | 180 |
| Dividends declared but not paid | $ | 4,938 | $ | 4,897 |
| Issuance of Company s common stock for compensation | $ | 277 | $ | 300 |

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Simpson Manufacturing Co., Inc. and Subsidiaries**

**Notes to Condensed Consolidated Financial Statements**

**(Unaudited)**

1. Basis of Presentation

***Principles of Consolidation***

The consolidated financial statements include the accounts of Simpson Manufacturing Co., Inc. and its subsidiaries (the Company ). Investments in 50% or less owned affiliates are accounted for using either cost or the equity method. All significant intercompany transactions have been eliminated.

*Interim Period Reporting*

The accompanying unaudited interim condensed consolidated financial statements have been prepared pursuant to the rules and regulations for reporting on Form 10-Q. Accordingly, certain information and footnotes required by accounting principles generally accepted in the United States of America ( GAAP ) have been condensed or omitted. These interim statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2009 (the 2009 Annual Report ).

The unaudited quarterly condensed consolidated financial statements have been prepared on the same basis as the audited annual consolidated financial statements and, in the opinion of management, contain all adjustments (consisting of only normal recurring adjustments) necessary to state fairly the financial information set forth therein, in accordance with GAAP. The year-end condensed consolidated balance sheet data were derived from audited financial statements, but do not include all disclosures required by GAAP. The Company s quarterly results fluctuate. As a result, the Company believes the results of operations for the interim periods are not necessarily indicative of the results to be expected for any future period.

*Revenue Recognition*

The Company recognizes revenue when the earnings process is complete, net of applicable provision for discounts, returns and incentives, whether actual or estimated, based on the Company s experience. This generally occurs when products are shipped to the customer in accordance with the sales agreement or purchase order, ownership and risk of loss pass to the customer, collectibility is reasonably assured and pricing is fixed or determinable. The Company s general shipping terms are F.O.B. shipping point, where title is transferred and revenue is recognized when the products are shipped to customers. When the Company sells F.O.B. destination point, title is transferred and the Company recognizes revenue on delivery or customer acceptance, depending on terms of the sales agreement. Service sales, representing after-market repair and maintenance, engineering activities and software license sales and service, though significantly less than 1% of net sales and not material to the consolidated financial statements, are recognized as the services are completed or the software products and services are delivered. If actual costs of sales returns, incentives and discounts were to significantly exceed the recorded estimated allowance, the Company s sales would be adversely affected.

*Net Income (Loss) Per Common Share*

Basic net income (loss) per common share is computed based on the weighted average number of common shares outstanding. Potentially dilutive securities, using the treasury stock method, are included in the diluted per-share calculations for all periods when the effect of their inclusion is dilutive.

The following is a reconciliation of basic earnings per share ( EPS ) to diluted EPS:

*(in thousands, except*

*per-share amounts)*

| | Three Months Ended, March 31, 2010 | | | Three Months Ended, March 31, 2009 | | |
|---|---|---|---|---|---|---|
| | **Income (Loss)** | **Shares** | **Per Share** | **Income (Loss)** | **Shares** | **Per Share** |
| **Basic EPS** | | | | | | |
| Income (loss) available to common stockholders | $ 9,199 | 49,388 | $ 0.19 | $ (8,409) | 48,987 | $ (0.17) |
| | | | | | | |
| **Effect of Dilutive Securities** | | | | | | |
| Stock options | | 132 | | | | |
| | | | | | | |
| **Diluted EPS** | | | | | | |
| Income (loss) available to common stockholders | $ 9,199 | 49,520 | $ 0.19 | $ (8,409) | 48,987 | $ (0.17) |

Anti-dilutive shares attributable to outstanding stock options were excluded from the calculation of diluted net income per share. All potentially dilutive securities were excluded from the diluted loss per share calculation for the three months ended March 31, 2009, because the effect of their inclusion would be antidilutive, or would decrease the reported loss per share. For both the three months ended March 31, 2010 and 2009, 1.1 million shares subject to stock options were anti-dilutive.

*Accounting for Stock-Based Compensation*

The Company maintains two stock option plans under which it may grant incentive stock options and non-qualified stock options, although the Company has granted only non-qualified stock options under these plans. The Simpson Manufacturing Co., Inc. 1994 Stock Option Plan (the 1994 Plan ) is principally for the Company s employees, and the Simpson Manufacturing Co., Inc. 1995 Independent Director Stock Option Plan (the 1995 Plan ) is for its independent directors. The Company generally grants options under each of the 1994 Plan and the 1995 Plan once each year. The exercise price per share of each option granted in February 2010 and February 2009 under the 1994 Plan equaled the closing market price per share of the Company s common stock as reported by the New York Stock Exchange on the day preceding the day that the Compensation Committee of the Company s Board of Directors met to approve the grant of the options. The exercise price per share under each option granted under the 1995 Plan is at the fair market value on the date specified in the 1995 Plan. Options vest and expire according to terms established at the grant date. There were no options granted under the 1995 Plan in 2010 or 2009.

Under the 1994 Plan, no more than 16 million shares of the Company s common stock may be sold (including shares already sold) pursuant to all options granted under the 1994 Plan. Under the 1995 Plan, no more than 320 thousand shares of common stock may be sold (including shares already sold) pursuant to all options granted under the 1995 Plan. Shares of common stock issued on exercise of stock options under both of the plans are registered under the Securities Act of 1933. Options granted under the 1994 Plan typically vest evenly over the requisite service period of four years and have a term of seven years. The vesting of options granted under the 1994 Plan will be accelerated if the grantee ceases to be employed by the Company after reaching age 60 or if there is a change in control of the Company. Options granted under the 1995 Plan are fully vested on the date of grant.

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The following table represents the Company s stock option activity for the three months ended March 31, 2010 and 2009:

*(in thousands)*

| | Three Months Ended March 31, 2010 | Three Months Ended March 31, 2009 |
|---|---|---|
| Stock option expense recognized in operating expenses | $ 366 | $ 448 |
| Tax benefit of stock option expense in provision for (benefit from) income taxes | 110 | 148 |
| Stock option expense, net of tax | $ 256 | $ 300 |
| Fair value of shares vested | $ 382 | $ 393 |
| Proceeds to the Company from the exercise of stock options | $ 92 | $ 128 |
| Tax benefit from exercise of stock options, including windfall (shortfall) tax benefits, net | $ (76) | $ (185) |

| | At March 31, 2010 | At March 31, 2009 |
|---|---|---|
| Stock option cost capitalized in inventory | $ 61 | $ 46 |

The amounts included in cost of sales, research and development and other engineering, selling, or general and administrative expense depend on the job functions performed by the employees to whom the stock options were granted.

The assumptions used to calculate the fair value of options granted are evaluated and revised, as necessary, to reflect market conditions and the Company s experience.

*Fair Value of Financial Instruments*

As of March 31, 2010, the Company s investments consisted of only United States Treasury securities and money market funds aggregating $127.5 million, which are maintained in cash equivalents and are carried at cost, approximating fair value, based on Level 1 inputs. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities, as defined in the Fair Value Measurements and Disclosures topic of the Financial Accounting Standards Board ( FASB ) Accounting Standards CodificationTM ( ASC ).

*Income Taxes*

In general, the Company is required to use an estimated annual effective tax rate to measure the tax benefit or tax expense recognized in an interim period. The income tax expense for the first quarters of both 2010 and 2009, however, has been computed based on those quarters as discrete periods due to the uncertainty regarding the Company s ability to reliably estimate pre-tax income for the remainder of those years, primarily as a result of the continued uncertainty in the construction markets in which the Company operates. The effective tax rate was 42.2% in the first quarter of 2010, which resulted in income tax expense of $6.7 million. The effective tax rate was 19.4% in the first quarter of 2009, which, as a result of the loss before taxes in the first quarter of 2009, resulted in income tax benefit of $2.0 million.

*Recently Issued Accounting Standards*

In May 2009, the FASB issued guidance codified in the Subsequent Events topic of the FASB ASC, which establishes general standards of accounting for, and disclosure of, events that occur after the balance sheet date but before the financial statements are issued or are available to be issued. In February 2010, the FASB amended this guidance to remove the requirement for companies that file or furnish financial statements with the Securities and Exchange Commission to disclose the date through which subsequent events have been evaluated.

2. Trade Accounts Receivable, Net

Trade accounts receivable consist of the following:

*(in thousands)*

| | At March 31, 2010 | At March 31, 2009 | At December 31, 2009 |
|---|---|---|---|
| Trade accounts receivable | $ 100,051 | $ 87,154 | $ 83,892 |
| Allowance for doubtful accounts | (4,198) | (5,924) | (4,667) |
| Allowance for sales discounts and returns | (2,823) | (1,847) | (1,908) |
| | $ 93,030 | $ 79,383 | $ 77,317 |

3. Inventories

Inventories consist of the following:

*(in thousands)*

| | At March 31, 2010 | At March 31, 2009 | At December 31, 2009 |
|---|---|---|---|
| Raw materials | $ 75,953 | $ 86,411 | $ 61,408 |
| In-process products | 20,267 | 24,890 | 21,113 |
| Finished products | 84,464 | 114,267 | 81,233 |
| | $ 180,684 | $ 225,568 | $ 163,754 |

4. Property, Plant and Equipment, Net

Property, plant and equipment, net, consist of the following:

*(in thousands)*

| | | At March 31, 2010 | | At March 31, 2009 | | At December 31, 2009 |
|---|---|---|---|---|---|---|
| Land | $ | 23,543 | $ | 22,654 | $ | 23,729 |
| Buildings and site improvements | | 147,446 | | 137,589 | | 148,381 |
| Leasehold improvements | | 3,819 | | 4,261 | | 3,893 |
| Machinery and equipment | | 225,594 | | 219,372 | | 226,436 |
| | | 400,402 | | 383,876 | | 402,439 |
| Less accumulated depreciation and amortization | | (220,303) | | (197,788) | | (216,157) |
| | | 180,099 | | 186,088 | | 186,282 |
| Capital projects in progress | | 20,876 | | 5,324 | | 1,532 |
| | $ | 200,975 | $ | 191,412 | $ | 187,814 |

The Company s vacant facility in San Leandro, California, remained classified as an asset held for sale as of March 31, 2010, consistent with the classification at December 31, 2009, and is being actively marketed. The Company, in March 2010, acquired a facility in San Bernadino, California, for $19.2 million, in which it will consolidate its owned manufacturing and warehouse facilities in Brea, California, and its former leased warehouse in Ontario, California. The Company intends to sell the Brea facilities. These facilities are associated with the connector segment.

5. Investments

*Equity Method Investment*

At March 31, 2010, the Company had a 40.6% equity interest in Keymark Enterprises, LLC ( Keymark ), for which the Company accounts using the equity method. Keymark develops software that assists in designing and engineering residential structures. The Company s relationship with Keymark includes the specification of the

Company s products in the Keymark software. The Company has no obligation to make any additional capital contributions to Keymark.

6. Goodwill and Intangible Assets, Net

Goodwill by segment was as follows:

*(in thousands)*

| | At March 31, 2010 | At March 31, 2009 | At December 31, 2009 |
|---|---|---|---|
| Connector products | $ 75,173 | $ 64,749 | $ 77,191 |
| Venting products | 4,435 | 4,411 | 4,435 |
| Total | $ 79,608 | $ 69,160 | $ 81,626 |

Intangible assets, net, by segment were as follows:

*(in thousands)*

| At March 31, 2010 | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount |
|---|---|---|---|
| Connector products | $ 36,410 | $ (11,366) | $ 25,044 |
| Venting products | 3,291 | (1,446) | 1,845 |
| Total | $ 39,701 | $ (12,812) | $ 26,889 |

| At March 31, 2009 | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount |
|---|---|---|---|
| Connector products | $ 32,546 | $ (12,789) | $ 19,757 |
| Venting products | 2,962 | (582) | 2,380 |
| Total | $ 35,508 | $ (13,371) | $ 22,137 |

| At December 31, 2009 | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount |
|---|---|---|---|
| Connector products | $ 37,987 | $ (11,182) | $ 26,805 |
| Venting products | 3,291 | (1,244) | 2,047 |
| Total | $ 41,278 | $ (12,426) | $ 28,852 |

Intangible assets consist primarily of customer relationships, patents, unpatented technology and non-compete agreements. Amortization expense for intangible assets during the three months ended March 31, 2010 and 2009, was $1.3 million and $1.2 million, respectively.

At March 31, 2010, estimated future amortization of intangible assets was as follows:

*(in thousands)*

| | | |
|---|---|---|
| Final nine months of 2010 | $ | 3,716 |
| 2011 | | 4,907 |
| 2012 | | 4,023 |
| 2013 | | 3,085 |
| 2014 | | 2,849 |
| 2015 | | 2,111 |
| Thereafter | | 6,198 |
| | $ | 26,889 |

The changes in the carrying amount of goodwill and intangible assets from December 31, 2009, to March 31, 2010, were as follows:

*(in thousands)*

| | | **Goodwill** | | **Intangible Assets** |
|---|---|---|---|---|
| Balance at December 31, 2009 | $ | 81,626 | $ | 28,852 |
| Amortization | | | | (1,276) |
| Foreign exchange | | (2,018) | | (687) |
| Balance at March 31, 2010 | $ | 79,608 | $ | 26,889 |

7. Debt

Outstanding debt at March 31, 2010 and 2009, and December 31, 2009, and the available lines of credit at March 31, 2010, consisted of the following:

***(dollar amounts in thousands)***

| | Available Credit at March 31, 2010 | Debt Outstanding at March 31, 2010 | Debt Outstanding at March 31, 2009 | Debt Outstanding at December 31, 2009 |
|---|---|---|---|---|
| Revolving line of credit, interest at LIBOR plus 0.27% (at March 31, 2010, LIBOR plus 0.27% was 0.52%), expires October 2012, commitment fees payable at the annual rate of 0.08% on the unused portion of the facility | $ 200,000 | $ | $ | $ |
| Revolving line of credit, interest at the bank s base rate plus 3% (at March 31, 2010, the bank s base rate plus 3% was 3.50%), expires December 2010 | 379 | | | |
| Revolving lines of credit, interest rates between 1.14% and 3.13% | 4,293 | | 821 | |
| Line of credit | | $ | $ 821 | $ |
| Available credit | $ 204,672 | | | |

8. Commitments and Contingencies

Note 9 to the consolidated financial statements in the 2009 Annual Report provides information concerning commitments and contingencies. From time to time, the Company is involved in various legal proceedings and other matters arising in the normal course of business. The resolution of claims and litigation is subject to inherent uncertainty and could have a material adverse effect on the Company s financial condition, cash flows and results of operations.

The Company s policy with regard to environmental liabilities is to accrue for future environmental assessments and remediation costs when information becomes available that indicates that it is probable that the Company is liable for any related claims and assessments and the amount of the liability is reasonably estimable. The Company does not believe that these matters will have a material adverse ef