

FORM 10Q

/ X / QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended JUNE 30, 1994

-- 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 1-2958

HUBBELL INCORPORATED

(Exact name of registrant as specified in its charter)

STATE OF CONNECTICUT 06-0397030

(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

584 DERBY MILFORD ROAD, ORANGE, CT 06477

(Address of principal executive offices) (Zip Code)

(203) 799-4100

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since
last report.)

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

The number of shares of registrant's classes of common stock outstanding as of
August 8, 1994 were:

Class A (\$.01 par value) 5,886,000

Class B (\$.01 par value) 25,458,000

HUBBELL INCORPORATED
PART I -- FINANCIAL INFORMATION

ITEM 1 FINANCIAL STATEMENTS

Consolidated Balance Sheet
(unaudited)
(in thousands)

	June 30, 1994	December 31, 1993
	-----	-----
Assets		
- - - - -		
Current Assets:		
Cash and temporary cash investments	\$ 21,358	\$ 44,231
Accounts receivable (net)	142,859	109,987
Inventories	216,996	181,699
Prepaid taxes	24,766	15,875
Other	6,679	10,289
	-----	-----
TOTAL CURRENT ASSETS	412,658	362,081
Property, Plant and Equipment (net)	191,587	154,621
Other Assets:		
Investments	200,930	245,081
Purchase price in excess of net assets of companies acquired (net)	140,669	66,522
Property held as investment	10,767	7,794
Other	35,961	38,199
	-----	-----
	\$ 992,572	\$ 874,298
	=====	=====
Liabilities and Shareholders' Equity		
- - - - -		
Current Liabilities		
Notes payable	\$ 131,900	\$ 91,100
Accounts payable	30,686	20,964
Accrued salaries, wages and employee benefits	26,280	20,215
Accrued income taxes	27,006	35,617
Dividends payable	13,476	12,816
Accrued restructuring charge	14,000	14,000
Other accrued liabilities	70,362	35,494
	-----	-----
TOTAL CURRENT LIABILITIES	313,710	230,206
Long-Term Debt	2,700	2,700
Other Non-Current Liabilities	89,871	79,160
Deferred Income Taxes	5,632	4,572
Shareholders' Equity	580,659	557,660
	-----	-----
	\$ 992,572	\$ 874,298
	=====	=====

See notes to consolidated financial statements.

HUBBELL INCORPORATED
Consolidated Statement of Income
(unaudited)
(in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1994	1993	1994	1993
Net Sales	\$261,935	\$211,261	\$468,979	\$409,279
Cost of goods sold	184,198	145,051	326,701	279,341
Gross Profit	77,737	66,210	142,278	129,938
Selling & administrative expenses	42,546	35,408	76,647	69,249
Operating Income	35,191	30,802	65,631	60,689
Other Income (Expense):				
Investment income	3,553	3,817	7,420	7,715
Interest expense	(1,423)	(916)	(2,290)	(1,728)
Other income (expense), net	(625)	94	(1,188)	(411)
TOTAL OTHER INCOME, NET	1,505	2,995	3,942	5,576
Income Before Income Taxes	36,696	33,797	69,573	66,265
Provision for income taxes	10,237	8,787	18,785	17,229
Net Income	\$26,459	\$25,010	\$50,788	\$49,036
Earnings Per Share:	\$0.83	\$0.79	\$1.60	\$1.55

See notes to consolidated financial statements.

HUBBELL INCORPORATED
Consolidated Statement of Cash Flows
(unaudited)
(in thousands)

	Six Months Ended June 30	
	1994	1993
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$50,788	\$49,036
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	18,688	15,843
Restructuring charge	(4,614)	--
Deferred income taxes	1,993	465
Changes in assets and liabilities, net of the effect of business acquisitions:		
(Increase)/Decrease in Accounts receivable	(11,329)	(4,456)
(Increase)/Decrease in Inventories	(10,158)	(2,132)
(Increase)/Decrease in Other current assets	6,022	(1,089)
Increase/(Decrease) in Current liabilities (excluding dividends payable)	619	(10,407)
(Increase)/Decrease in Other, net	1,054	(177)
Net cash provided by operating activities	53,063	47,083
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of businesses	(110,000)	(16,245)
Additions to property, plant and equipment	(26,445)	(12,230)
Purchase of non-current investments	(6,455)	--
Sale of non-current investments	50,606	10,606
Other, net	(312)	1,101
Net cash used in investing activities	(92,606)	(16,768)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of dividends	(25,658)	(24,953)
Short-term borrowing	40,800	11,400
Exercise of stock options	1,528	863
Net cash provided (used) in financing activities	16,670	(12,690)
Increase (Decrease) in cash and temporary cash investments	(22,873)	17,625
CASH AND TEMPORARY CASH INVESTMENTS		
Beginning of period	44,231	28,255
End of period	\$ 21,358	\$ 45,880
	=====	=====

See notes to consolidated financial statements.

HUBBELL INCORPORATED
Notes to Consolidated Financial Statements
June 30, 1994
(unaudited)

1. Inventories are classified as follows: (in thousands)

	June 30, 1994	December 31, 1993
	-----	-----
Raw Material	\$ 70,937	\$ 58,359
Work-in-Process	57,333	49,653
Finished Goods	129,218	113,312
	-----	-----
	257,488	221,324
Excess of current Production costs over LIFO cost basis	40,492	39,625
	-----	-----
	\$216,996	\$181,699
	=====	=====

2. Shareholders' Equity comprises: (in thousands)

	June 30, 1994	December 31, 1993
	-----	-----
Common Stock, \$.01 par value:		

Class A--authorized 50,000,000 shares, outstanding 5,890,861 and 5,875,748 shares	\$ 59	\$ 59
Class B--authorized 150,000,000 shares, outstanding 25,449,416 and 25,382,793 shares	254	254
Additional paid-in capital	359,478	358,219
Retained earnings	228,257	203,787
Unrealized holding gains (losses) on securities	(2,100)	
Cumulative translation adjustments	(5,289)	(4,659)
	-----	-----
	\$580,659	\$557,660
	=====	=====

3. In the opinion of management, the information furnished in Part I--Financial Information on Form 10-Q reflects all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial statements for the periods indicated.
4. The results of operations for the three and six month periods ended June 30, 1994 and 1993 are not necessarily indicative of the results to be expected for the full year.
5. On April 19, 1994 the Company completed its acquisition of A. B. Chance Industries Inc., a manufacturer of electrical apparatus, anchors, hardware, insulators, hot-line tools, and other safety equipment. The acquisition was for \$110 million in cash, of which the company borrowed \$45 million on a short-term basis, and will be recorded under the purchase method of accounting.

HUBBELL INCORPORATED
Notes to Consolidated Financial Statements
June 30, 1994
(unaudited)

Presented below is the unaudited pro forma combined balance sheet of Hubbell Incorporated and A. B. Chance Industries, Inc. as of March 31, 1994 and combined summary of operations as if the transaction had occurred as of the beginning of 1993 (in 000's except per share):

	HUBBELL INCORPORATED	A.B.CHANCE INDUSTRIES INC.	ADJUSTMENTS	PRO FORMA COMBINED
	-----	-----	-----	-----
ASSETS				
- - - - -				
Accounts Receivable	\$117,019	\$ 22,284	\$ (741)	\$138,562
Inventories	183,566	26,539	(1,400)	208,705
Other Current Assets	80,416	2,549	(24,228)	58,737
Property, Plant, and Equipment (Net)	153,049	29,593	399	183,041
Investments	249,556	--	(30,000)	219,556
Goodwill	65,696	32,997	42,948	141,641
Other Assets	46,934	2,797	(1,125)	48,606
	-----	-----	-----	-----
TOTAL	\$896,236	\$116,759	\$(14,147)	\$998,848
	=====	=====	=====	=====
LIABILITIES AND COMMON SHAREHOLDERS' EQUITY				
- - - - -				
Notes Payable	\$ 99,200	\$ --	\$ 45,000	\$144,200
Other Current Liabilities	142,940	30,508	12,768	186,216
Long-Term Debt	2,700	62,264	(62,264)	2,700
Other Liabilities and Deferred Taxes	81,580	6,736	7,600	95,916
Common Shareholders' Equity	569,816	17,251	(17,251)	569,816
	-----	-----	-----	-----
TOTAL	\$896,236	\$116,759	\$(14,147)	\$998,848
	=====	=====	=====	=====
SUMMARY OF OPERATIONS				
- - - - -				
1994 YEAR-TO-DATE				
Net Sales	\$429,530	\$ 81,100	\$ --	\$510,630
Income Before Income Taxes	\$ 68,123	\$ 4,840	\$ (1,191)	\$ 71,772
Net Income	\$ 50,068	\$ 2,865	\$ (1,086)	\$ 51,847
Earnings Per Share	\$ 1.58	\$ --	\$ --	\$ 1.63
1993 FULL YEAR				
Net Sales	\$832,423	\$156,830	\$ --	\$989,253
Income Before Income Taxes	\$ 81,494	\$ 7,114	\$ 2,664	\$ 91,272
Net Income	\$ 66,306	\$ 4,058	\$ 1,063	\$ 71,427
Earnings Per Share	\$ 2.10	\$ --	\$ --	\$ 2.26

In preparing the unaudited pro forma combined balance sheet and summary of operations, adjustments were made to the historical financial statements to reflect the reduction in the securities portfolio and investment income; increase in short-term borrowing and interest expense; amortization of the estimated goodwill of \$76 million over 40 years; the repayment of existing debt of A. B. Chance Industries, Inc.; and other estimated purchase accounting entries. The pro forma statements are not indicative of the results that would have been obtained if the operations would have been combined during 1993, nor are they necessarily indicative of the results that may occur in the future.

HUBBELL INCORPORATED
ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS
June 30, 1994

Results of Operations

Consolidated net sales for the second quarter of 1994 increased 24% over the comparable period in 1993 due to the inclusion of A. B. Chance Industries, Inc. and improved sales at the Wiring Device, Industrial Controls, Premise Wiring, and Ohio Brass operations partially offset by lower activity at the Pulse Communications subsidiary. Operating income increased only 14% since a significant portion of the increased sales volume was in lower margined products and the reduction in profit contribution from the Pulse Communications subsidiary. Year-to-date reflects similar results with increases of 15% in net sales and 8% in operating income.

Low Voltage segment sales increased 7% and 5% for the quarter and year-to-date periods on higher shipments of wiring device, lighting, and industrial control products as demand in the industrial and commercial markets improved. Segment operating income increased in line with the higher sales volumes.

Sales of the High Voltage segment more than doubled for the quarter and increased more than 60% year-to-date due to the inclusion of A. B. Chance Industries, Inc. and higher sales of insulators and surge arresters while demand for power cable remained flat. Operating income increased at approximately one-half the rate of growth in sales volume reflecting the lower-margined products of the acquired business.

Other Industry segment sales increased 4% for the quarter and 6% year-to-date on improved shipments of enclosures, fittings, switch and outlet boxes, and wire management products which offset the lower sales of telecommunication products. Segment operating income was essentially even with last year reflecting the impact of the reduced shipment of the higher-margined telecommunications products. Due to changed market conditions, the Company has reduced the scope of its development program for telecommunication products and the Pulse Communications subsidiary and Raynet Corporation have agreed to terminate their joint development project.

Interest expense increased reflecting a higher level of short-term borrowings which have been utilized by the Company to maintain its long-term investment positions which have a current yield higher than the cost of short-term funds. The effective tax rate for 1994 was 27% versus 26% in 1993 due to the acquisition of A. B. Chance Industries, Inc. Net income and earnings per share increased by more than 5% for the second quarter, while on a year-to-date basis the rate of increase was more than 3%, respectively.

Liquidity and Capital Resources

At June 30, 1994, notes payable of \$131.9 million and long-term debt of \$2.7 million were 23.2% of shareholders' equity. Working capital was \$98.9 million and the current ratio was 1.3 to 1.0.

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HUBBELL INCORPORATED
PART II -- OTHER INFORMATION

ITEM 6 EXHIBITS AND REPORTS ON FORM 8-K

EXHIBITS

11. Computation of Earnings Per Share.

REPORTS ON FORM 8-K

A report on Form 8-K, pertaining to the April 19, 1994 acquisition of A. B. Chance Industries, Inc., was filed with the Securities and Exchange Commission on April 29, 1994.

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.

HUBBELL INCORPORATED

Dated: August 10, 1994

/s/ Harry B. Rowell, Jr.

Harry B. Rowell, Jr.
Executive Vice President
(Chief Financial and Accounting Officer)

EXHIBIT INDEX

EXHIBIT	DESCRIPTION
- - - - -	- - - - -
11	Computation of Earnings Per Share

HUBBELL INCORPORATED
Computation of Earnings Per Share
(in thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1994	1993	1994	1993
Net Income	\$26,459 =====	\$25,010 =====	\$50,788 =====	\$49,036 =====
Weighted average number of common shares outstanding during the year	31,333	31,211	31,310	31,202
Common equivalent shares	388 -----	434 -----	407 -----	432 -----
Average number of shares outstanding	31,721 =====	31,645 =====	31,717 =====	31,634 =====
Earnings per share	\$0.83 =====	\$0.79 =====	\$1.60 =====	\$1.55 =====