

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Consolidated Balance Sheets

AS OF JULY 3, 2005 AND JUNE 27, 2004

(in thousands)

ASSETS	<u>2005</u>	<u>2004</u>
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 161,573	\$ 342,394
Receivables, Less Reserves of \$5,461 and \$1,584, Respectively	360,786	230,510
Inventories:		
Finished Products and Parts	283,405	206,638
Work in Process	174,648	124,483
Raw Materials	11,612	6,610
Total Inventories	<u>469,665</u>	<u>337,731</u>
Deferred Income Tax Asset	92,251	47,623
Prepaid Expenses and Other Current Assets	34,930	23,735
Total Current Assets	<u>1,119,205</u>	<u>981,993</u>
GOODWILL	253,066	151,991
OTHER INTANGIBLE ASSETS, Net	96,445	175
INVESTMENTS	49,783	49,259
PREPAID PENSION	-	81,730
DEFERRED LOAN COSTS, Net	6,016	6,325
OTHER LONG-TERM ASSETS, Net	39,623	9,138
PLANT AND EQUIPMENT:		
Land and Land Improvements	20,554	16,027
Buildings	172,093	163,621
Machinery and Equipment	768,091	674,047
Construction in Progress	21,205	14,292
	<u>981,943</u>	<u>867,987</u>
Less - Accumulated Depreciation	547,113	511,445
Total Plant and Equipment, Net	<u>434,830</u>	<u>356,542</u>
	<u>\$ 1,998,968</u>	<u>\$ 1,637,153</u>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

AS OF JULY 3, 2005 AND JUNE 27, 2004

(in thousands, except per share data)

LIABILITIES AND SHAREHOLDERS' INVESTMENT	<u>2005</u>	<u>2004</u>
CURRENT LIABILITIES:		
Accounts Payable	\$ 155,973	\$ 120,409
Short-term Debt	443	3,127
Accrued Liabilities:		
Wages and Salaries	42,715	55,528
Warranty	59,625	43,148
Accrued Postretirement Health Care Obligation	26,000	22,000
Other	67,912	56,349
Total Accrued Liabilities	<u>196,252</u>	<u>177,025</u>
Total Current Liabilities	352,668	300,561
DEFERRED INCOME TAX LIABILITY	113,794	70,454
ACCRUED PENSION COST	47,944	20,603
ACCRUED EMPLOYEE BENEFITS	15,125	14,201
ACCRUED POSTRETIREMENT HEALTH CARE OBLIGATION	77,607	38,248
LONG-TERM DEBT	486,321	360,562
OTHER LONG-TERM LIABILITIES	16,323	14,929
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' INVESTMENT:		
Common Stock –		
Authorized 120,000* and 60,000 Shares \$.01 Par Value,		
Issued 57,854* and 28,927 Shares	579	289
Additional Paid-In Capital	55,793	48,657
Retained Earnings	1,029,329	927,766
Accumulated Other Comprehensive (Loss) Income	(48,331)	4,028
Unearned Compensation on Restricted Stock	(1,985)	(1,490)
Treasury Stock at cost,		
6,114* Shares in 2005 and 3,382 Shares in 2004	<u>(146,199)</u>	<u>(161,655)</u>
Total Shareholders' Investment	<u>889,186</u>	<u>817,595</u>
	<u>\$ 1,998,968</u>	<u>\$ 1,637,153</u>

* Share data adjusted for effect of 2-for-1 stock split effective October 29, 2004.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Earnings

FOR THE FISCAL YEARS ENDED JULY 3, 2005, JUNE 27, 2004 AND JUNE 29, 2003

(in thousands, except per share data)

	<u>2005</u>	<u>2004</u>	<u>2003</u>
NET SALES	\$ 2,654,875	\$ 1,947,364	\$ 1,657,633
COST OF GOODS SOLD	<u>2,149,984</u>	<u>1,507,492</u>	<u>1,329,554</u>
Gross Profit	504,891	439,872	328,079
ENGINEERING, SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>314,123</u>	<u>205,663</u>	<u>178,157</u>
Income from Operations	190,768	234,209	149,922
INTEREST EXPENSE	(36,883)	(37,665)	(40,389)
OTHER INCOME, Net	<u>20,430</u>	<u>8,460</u>	<u>9,045</u>
Income Before Provision for Income Taxes	174,315	205,004	118,578
PROVISION FOR INCOME TAXES	<u>57,548</u>	<u>68,890</u>	<u>37,940</u>
Income Before Extraordinary Item	116,767	136,114	80,638
EXTRAORDINARY GAIN - NEGATIVE GOODWILL	<u>19,800</u>	<u>-</u>	<u>-</u>
NET INCOME	<u>\$ 136,567</u>	<u>\$ 136,114</u>	<u>\$ 80,638</u>
EARNINGS PER SHARE DATA*			
Weighted Average Shares Outstanding	51,472	45,286	43,279
Income Before Extraordinary Item	\$ 2.27	\$ 3.01	\$ 1.86
Extraordinary Gain	<u>.38</u>	<u>-</u>	<u>-</u>
Basic Earnings Per Share	<u>\$ 2.65</u>	<u>\$ 3.01</u>	<u>\$ 1.86</u>
Diluted Average Shares Outstanding	51,954	50,680	48,959
Income Before Extraordinary Item	\$ 2.25	\$ 2.77	\$ 1.74
Extraordinary Gain	<u>.38</u>	<u>-</u>	<u>-</u>
Diluted Earnings Per Share	<u>\$ 2.63</u>	<u>\$ 2.77</u>	<u>\$ 1.74</u>

* Share data adjusted for effect of 2-for-1 stock split effective October 29, 2004.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Shareholders' Investment

FOR THE FISCAL YEARS ENDED JULY 3, 2005, JUNE 27, 2004 AND JUNE 29, 2003

(in thousands, except per share data)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Com- prehensive Income (Loss)	Unearned Compensation on Restricted Stock	Treasury Stock	Comprehensive Income
BALANCES, JUNE 30, 2002	\$ 289	\$ 35,459	\$ 769,131	\$ (6,626)	\$ (199)	\$ (348,408)	
Comprehensive Income:							
Net Income	-	-	80,638	-	-	-	\$ 80,638
Foreign Currency Translation Adjustments	-	-	-	4,454	-	-	4,454
Unrealized Gain on Marketable Securities, net of tax of \$581	-	-	-	901	-	-	901
Unrealized Gain on Derivatives	-	-	-	3,100	-	-	3,100
Minimum Pension Liability Adjust- ment, net of tax of \$(1,638)	-	-	-	(2,563)	-	-	(2,563)
Total Comprehensive Income	-	-	-	-	-	-	\$ 86,530
Cash Dividends Paid (\$0.64* per share)	-	-	(27,709)	-	-	-	
Stock Option Activity, net of tax	-	(234)	-	-	-	5,835	
Restricted Stock Issued	-	(97)	-	-	(238)	335	
Amortization of Unearned Compensation	-	-	-	-	150	-	
Issuance of Treasury Shares	-	(44)	-	-	-	760	
Shares Issued to Directors	-	(10)	-	-	-	63	
BALANCES, JUNE 29, 2003	\$ 289	\$ 35,074	\$ 822,060	\$ (734)	\$ (287)	\$ (341,415)	
Comprehensive Income:							
Net Income	-	-	136,114	-	-	-	\$ 136,114
Foreign Currency Translation Adjustments	-	-	-	3,042	-	-	3,042
Unrealized Gain on Derivatives	-	-	-	487	-	-	487
Minimum Pension Liability Adjust- ment, net of tax of \$788	-	-	-	1,233	-	-	1,233
Total Comprehensive Income	-	-	-	-	-	-	\$ 140,876
Cash Dividends Paid (\$0.66* per share)	-	-	(30,408)	-	-	-	
Stock Option Activity, net of tax	-	7,667	-	-	-	41,194	
Restricted Stock Issued	-	322	-	-	(1,494)	1,171	
Amortization of Unearned Compensation	-	-	-	-	291	-	
Issuance of Treasury Shares	-	5,546	-	-	-	137,270	
Shares Issued to Directors	-	48	-	-	-	125	
BALANCES, JUNE 27, 2004	\$ 289	\$ 48,657	\$ 927,766	\$ 4,028	\$ (1,490)	\$ (161,655)	
Comprehensive Income:							
Net Income	-	-	136,567	-	-	-	\$ 136,567
Foreign Currency Translation Adjustments	-	-	-	881	-	-	881
Unrealized Gain on Derivatives	-	-	-	419	-	-	419
Minimum Pension Liability Adjust- ment, net of tax of \$(34,306)	-	-	-	(53,659)	-	-	(53,659)
Total Comprehensive Income	-	-	-	-	-	-	\$ 84,208
Cash Dividends Paid (\$0.68* per share)	-	-	(35,004)	-	-	-	
Stock Option Activity, net of tax	-	6,990	-	-	-	14,752	
Restricted Stock Issued	-	316	-	-	(1,006)	688	
Amortization of Unearned Compensation	-	-	-	-	511	-	
Stock Split	290	(290)	-	-	-	-	
Deferred Stock	-	3	-	-	-	-	
Shares Issued to Directors	-	117	-	-	-	16	
BALANCES, JULY 3, 2005	\$ 579	\$ 55,793	\$ 1,029,329	\$ (48,331)	\$ (1,985)	\$ (146,199)	

* Share data adjusted for effect of 2-for-1 stock split effective October 29, 2004.

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

Consolidated Statements of Cash Flows

FOR THE FISCAL YEARS ENDED JULY 3, 2005, JUNE 27, 2004 AND JUNE 29, 2003

(in thousands)

	<u>2005</u>	<u>2004</u>	<u>2003</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	\$ 136,567	\$ 136,114	\$ 80,638
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Extraordinary Gain	(19,800)	-	-
Depreciation and Amortization	73,543	66,898	63,526
Earnings of Unconsolidated Affiliates, Net of Dividends	678	(3,484)	1,106
Loss on Disposition of Plant and Equipment	2,418	7,390	3,850
Provision for Deferred Income Taxes	(3,896)	12,800	24,278
Change in Operating Assets and Liabilities, Net of Effects of Acquisition:			
Increase in Receivables	(26,892)	(28,588)	(5,958)
Decrease (Increase) in Inventories	12,784	(128,594)	(11,932)
Decrease (Increase) in Prepaid Expenses and Other Current Assets	2,650	2,017	(4,663)
(Decrease) Increase in Accounts Payable, Accrued Liabilities and Income Taxes	(27,673)	4,696	44,321
Increase in Accrued/Prepaid Pension	(1,050)	(6,070)	(13,566)
Other, Net	(771)	(13,023)	(7,875)
Net Cash Provided by Operating Activities	<u>148,558</u>	<u>50,156</u>	<u>173,725</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions to Plant and Equipment	(86,075)	(52,962)	(40,154)
Proceeds Received on Disposition of Plant and Equipment	1,940	720	3,464
Proceeds Received on Sale of Certain Assets of a Subsidiary	4,050	-	-
Refund of Cash Paid for Acquisition	-	5,686	-
Cash Paid for Acquisitions, Net of Cash Acquired	(355,094)	-	-
Investment in Joint Venture	(1,500)	-	3,531
Net Cash Used by Investing Activities	<u>(436,679)</u>	<u>(46,556)</u>	<u>(33,159)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net (Repayments) Borrowings on Loans and Notes Payable	(2,684)	187	(14,955)
Net Borrowings (Repayments) on Long-Term Debt	125,000	(22)	-
Issuance Cost of Debt	(925)	(1,789)	-
Cash Dividends Paid	(35,065)	(30,408)	(27,709)
Proceeds from Exercise of Stock Options	20,139	45,314	5,490
Net Cash Provided by (Used by) Financing Activities	<u>106,465</u>	<u>13,282</u>	<u>(37,174)</u>
EFFECT OF FOREIGN CURRENCY EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
	835	697	5,478
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(180,821)	17,579	108,870
CASH AND CASH EQUIVALENTS:			
Beginning of Year	<u>342,394</u>	<u>324,815</u>	<u>215,945</u>
End of Year	<u>\$ 161,573</u>	<u>\$ 342,394</u>	<u>\$ 324,815</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Interest Paid	<u>\$ 36,357</u>	<u>\$ 38,884</u>	<u>\$ 39,448</u>
Income Taxes Paid	<u>\$ 66,410</u>	<u>\$ 53,253</u>	<u>\$ 20,724</u>

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.