

INTERFACE INC
Form 10-Q
August 13, 2010

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For Quarterly Period Ended July 4, 2010

Commission File Number 001-33994

INTERFACE, INC.
(Exact name of registrant as specified in its charter)

GEORGIA
(State or other jurisdiction of
incorporation or
organization)

58-1451243
(I.R.S. Employer
Identification No.)

2859 PACES FERRY ROAD, SUITE 2000, ATLANTA, GEORGIA 30339
(Address of principal executive offices and zip code)

(770) 437-6800
(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

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 No

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. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

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Yes No

Shares outstanding of each of the registrant's classes of common stock at August 6, 2010:

Class	Number of Shares
Class A Common Stock, \$.10 par value per share	56,844,433
Class B Common Stock, \$.10 par value per share	6,768,552

INTERFACE, INC.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

INTERFACE, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(IN THOUSANDS)

	JULY 4, 2010 (UNAUDITED)	JANUARY 3, 2010
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 73,168	\$115,363
Accounts Receivable, net	132,034	129,833
Inventories	121,904	112,249
Prepaid Expenses and Other Current Assets	25,475	19,649
Deferred Income Taxes	9,560	9,379
Assets of Business Held for Sale	1,500	1,500
TOTAL CURRENT ASSETS	363,641	387,973
PROPERTY AND EQUIPMENT, less accumulated depreciation	154,827	162,269
DEFERRED TAX ASSET	45,150	44,210
GOODWILL	69,768	80,519
OTHER ASSETS	51,781	52,268
TOTAL ASSETS	\$ 685,167	\$727,239
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts Payable	\$ 50,301	\$35,614
Accrued Expenses	94,681	101,143
Current Portion of Long-Term Debt	--	14,586
TOTAL CURRENT LIABILITIES	144,982	151,343
SENIOR NOTES	145,812	145,184
SENIOR SUBORDINATED NOTES	110,000	135,000
DEFERRED INCOME TAXES	6,496	7,029
OTHER	40,334	42,502
TOTAL LIABILITIES	447,624	481,058
Commitments and Contingencies		
SHAREHOLDERS' EQUITY:		
Preferred Stock	--	--
Common Stock	6,359	6,328
Additional Paid-In Capital	346,822	343,348
Retained Earnings (Deficit)	(46,624)	(55,332)
Accumulated Other Comprehensive Income – Foreign Currency Translation Adjustment	(48,473)	(24,057)

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Accumulated Other Comprehensive Income – Pension Liability	(30,495)	(33,186)
TOTAL SHAREHOLDERS' EQUITY – Interface, Inc.	227,589		237,101	
Non-controlling Interest in Subsidiary	9,954		9,080	
TOTAL SHAREHOLDERS' EQUITY	237,543		246,181	
	\$ 685,167		\$727,239	

See accompanying notes to consolidated condensed financial statements.

INTERFACE, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)

(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JULY 4, 2010	JULY 5, 2009	JULY 4, 2010	JULY 5, 2009
NET SALES	\$226,587	\$211,297	\$443,778	\$410,605
Cost of Sales	146,453	142,191	290,270	278,330