



---

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

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

DATE OF REPORT: May 30, 2007  
(Date of earliest event reported)

**POWELL INDUSTRIES, INC.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**001-12488**  
(Commission File Number)

**88-0106100**  
(I.R.S. Employer  
Identification Number)

**8550 Mosley Drive**  
**Houston, Texas**  
(Address of Principal  
Executive Offices)

**77075-1180**  
(Zip Code)

**(713) 944-6900**  
(Registrant's Telephone Number, Including Area Code)

**N/A**  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17CFR230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17CFR240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17CFR240.14D-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17CFR240.13e-4(c))
- 
-

## Item 2.02 — Results of Operations and Financial Condition

On May 30, 2007, Powell Industries, Inc. (NASDAQ: POWL) held a conference call to discuss the results of its fiscal 2007 second quarter ended March 31, 2007, as reflected in the attached press release dated May 30, 2007 released earlier that day. The Company changed its fiscal year end from October 31 to September 30 effective September 30, 2006. Prior year financial statements have not been restated to conform to the new fiscal year as the Company's operations do not fluctuate on a seasonal basis and the change in fiscal year end is only 31 days. A replay of the Company's audio webcast can be accessed through the "Investor Relations/Events" tab at [www.powellind.com](http://www.powellind.com). The webcast and the press release contain forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Readers are cautioned that such forward-looking statements involve risks and uncertainties in that actual results may differ materially from those projected in the forward-looking statements. In the course of operations, the Company is subject to certain risk factors, including but not limited to competition and competitive pressures, sensitivity to general economic and industrial conditions, international political and economic risks, availability and price of raw materials and execution of business strategy. The information in this Current Report is being furnished pursuant to Item 2.02, Results of Operations and Financial Condition. Pursuant to general instruction B.2. of Form 8-K, the information in this Current Report shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement pursuant to the Securities Act of 1933.

## Item 9.01 — Exhibits

On May 30, 2007, the Company announced results for its fiscal 2007 second quarter ended March 31, 2007. A copy of the press release announcing the results is attached hereto as Exhibit 99.1 and incorporated herein by this reference.

### (c) Exhibits:

| <b>Exhibit<br/>Number</b> | <b>Description</b>               |
|---------------------------|----------------------------------|
| 99.1                      | Press Release dated May 30, 2007 |

**SIGNATURES**

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.

POWELL INDUSTRIES, INC.

Date: May 31, 2007

By: /s/ DON R. MADISON  
Don R. Madison  
Executive Vice President  
Chief Financial and Administrative Officer  
(Principal Accounting and Financial Officer)

---

## EXHIBIT INDEX

**Exhibit  
Number**

**Description**

---

99.1

Press Release dated May 30, 2007

**PRESS RELEASE**

FOR IMMEDIATE RELEASE

Contacts: Don R. Madison, CFO  
Powell Industries, Inc.  
713-947-4422

Ken Dennard / ksdennard@drg-e.com  
Karen Roan / kcroan@drg-e.com  
DRG&E / 713-529-6600

**POWELL INDUSTRIES ANNOUNCES FISCAL 2007  
SECOND QUARTER RESULTS**

HOUSTON — MAY 30, 2007 — Powell Industries, Inc. (NASDAQ: POWL), a leading manufacturer of equipment and systems for the management and control of electrical energy and other critical processes, today announced results for the fiscal 2007 second quarter ended March 31, 2007. As previously announced, the Company changed its fiscal year-end to September 30 from October 31, effective September 30, 2006; therefore, the comparable period of fiscal 2006 is comprised of the three months ended April 30, 2006.

Revenues for the second quarter of fiscal 2007 were \$141.9 million compared to revenues of \$98.4 million for the second quarter of fiscal 2006. The business operations of the Company's August 2006 Power/Vac® product line acquisition contributed revenues of \$26.1 million in the second quarter of fiscal 2007. Net income for the second quarter was \$2.3 million, or \$0.20 per diluted share, compared to restated net income of \$3.8 million, or \$0.34 per diluted share, in the second quarter of fiscal 2006.

Excluding the operating performance at two specific divisions, the overall results of the Company would have been approximately \$0.42 per diluted share, an \$0.08 year over year improvement. The complexity, time and costs associated with the relocation and start-up of the acquired Power/Vac product line to Houston have been greater than anticipated. For the second quarter, the net impact on earnings derived from the new Power/Vac product line was a loss of approximately \$1.6 million, or \$0.15 per diluted share. Also, at a second division the Company experienced lower than anticipated margins due to understated product costs on current projects. This resulted in a reduction in earnings of approximately \$0.8 million, or \$0.07 per diluted share.

---

Thomas W. Powell, chairman and chief executive officer, stated, "Orders for the second quarter reached a record level of \$168 million which resulted in a backlog of over \$400 million, the highest in the Company's history. The markets we serve are active, and we continue to see projects and opportunities that are well suited for Powell's products and services. While we are highly encouraged by the direction and future potential of the Company, the relocation of the acquired Power/Vac product line to Houston has proven to be very challenging; and it will adversely impact our earnings until the transition is complete, which we expect to be around the middle of fiscal 2008."

The Electrical Power Products segment recorded revenues of \$136.0 million in the fiscal 2007 second quarter compared to \$91.9 million in the second quarter of fiscal 2006. The business operations of the Company's August 2006 Power/Vac product line acquisition contributed revenues of \$26.1 million in the second quarter of fiscal 2007. Income before income taxes for Electrical Power Products in the second quarter totaled \$3.1 million versus restated income before income taxes of \$5.9 million in last year's fiscal second quarter. Pre-tax income for this segment would have been approximately \$6.8 million, a \$0.9 million year over year improvement, excluding the operating results at the two specific divisions previously discussed.

The company's order backlog as of March 31, 2007 was a record \$408 million compared to \$269 million at the end of the fiscal 2006 second quarter ended April 31, 2006 and compared to \$384 million at the end of the first quarter of fiscal 2007 ended December 31, 2006. New orders placed during the second quarter totaled \$168 million compared to \$81 million in the second quarter of fiscal 2006 and compared to \$148 million in the first quarter of fiscal 2007.

#### **YEAR-TO-DATE RESULTS**

Revenues for the first six months of fiscal 2007 were \$264.7 million compared to revenues of \$182.2 million for the first half of fiscal 2006. The business operations of the Company's August 2006 Power/Vac product line acquisition contributed revenues of \$47.3 million in the first six months of fiscal 2007. Net income for the first six months was \$4.3 million, or \$0.39 per diluted share, compared to restated net income of \$4.6 million, or \$0.42 per diluted share, in the comparable period of fiscal 2006.

---

Excluding the operating performance at the two specific divisions described above, the year-to-date results of the Company would have been approximately \$0.71 per diluted share, a \$0.29 year over year improvement. The complexity, time and costs associated with the relocation and start-up of the acquired Power/Vac product line to Houston have been greater than anticipated. The net impact on year-to-date earnings derived from the new Power/Vac product line was a loss of approximately \$2.1 million, or \$0.19 per diluted share. Also, the product costing issues at the second division resulted in a reduction in earnings of approximately \$1.5 million, or \$0.13 per diluted share.

The Electrical Power Products segment recorded revenues of \$253.4 million in the first six months of fiscal 2007 compared to \$168.5 million in the first half of fiscal 2006. The business operations of the Company's August 2006 Power/Vac product line acquisition contributed revenues of \$47.3 million in the first half of fiscal 2007. Income before income taxes for Electrical Power Products in the first half of fiscal 2007 totaled \$6.3 million versus restated income before income taxes of \$6.9 million in the comparable period of fiscal 2006. Pre-tax income for this segment would have been \$11.8 million, a \$4.9 million year over year improvement, excluding the operating results at the two specific divisions previously discussed.

#### **UPDATE ON RESTATEMENT**

As previously disclosed, the Company has completed its review of certain accounting errors that were discovered at one of its domestic divisions. Based on the conclusion of its review, cumulative net income was reduced by approximately \$2.7 million, or \$0.25 per diluted share for the seven quarters ended December 31, 2006. The completion of the Company's review and the necessary restatements delayed the filing of the Company's second quarter Form 10-Q. The Company has now filed with the Securities and Exchange Commission ("SEC") Form 10-K/A for the eleven month transition year ended September 30, 2006, Form 10-Q/A for the quarter ended December 31, 2006 and Form 10-Q for the quarter ended March 31, 2007. The financial data included in this press release has been restated consistent with the Company's SEC filings.

---



## **OUTLOOK**

The following statements are based on the current expectations of the Company. These statements are forward-looking and actual results may differ materially as further elaborated in the last paragraph below.

Powell Industries expects full year fiscal 2007 revenues to range between \$525 million and \$550 million and full year fiscal 2007 earnings to range between \$0.75 and \$0.85 per diluted share.

This decrease in earnings guidance for the current fiscal year is due to the following reasons. First, revised expectations for the earnings performance at the division that experienced product costing issues have reduced the earnings outlook by approximately \$3.5 million, or \$0.30 per diluted share. Second, the complexity, time and costs associated with the relocation and start-up of the Power/Vac product line have been greater than anticipated and are expected to dilute earnings by approximately \$4.5 million, or \$0.40 per diluted share. Post integration, the Company continues to expect this acquisition to meet previous guidance and generate incremental annual EBITDA (earnings before interest, taxes, depreciation and amortization) of approximately \$7 million to \$8 million.

The balance of the Company's operations continues to perform at or above expectations for the current fiscal year. The Company expects earnings contributions from these divisions to meet its projections.

## **CONFERENCE CALL**

Powell Industries has scheduled a conference call for Wednesday, May 30, 2007, at 11:00 a.m. eastern time. To participate in the conference call, dial 303-262-2142 at least 10 minutes before the call begins and ask for the Powell Industries conference call. A replay of the call will be available approximately two hours after the live broadcast ends and will be accessible until June 6, 2007. To access the replay, dial 303-590-3000 using a passcode of 11090599.

Investors, analysts and the general public will also have the opportunity to listen to the conference call over the Internet by visiting <http://www.powellind.com>. To listen to the live call on the web, please visit the website at least fifteen minutes before the call begins to register, download and install any necessary audio software. For those who cannot listen to the live webcast, an archive will be available shortly after the call and will remain available for approximately 90 days at <http://www.powellind.com>.

---

Powell Industries, Inc., headquartered in Houston, designs, manufactures and packages systems and equipment for the control, distribution and management of electrical energy and other dynamic processes. Powell provides products and services to large industrial customers such as utilities, oil and gas producers, refineries, petrochemical plants, pulp and paper producers, mining operations, commuter railways and other vehicular transportation facilities. For more information, please visit [www.powellind.com](http://www.powellind.com).

*Any forward-looking statements in the preceding paragraphs of this release are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements involve risks and uncertainties in that actual results may differ materially from those projected in the forward-looking statements. In the course of operations, we are subject to certain risk factors, including but not limited to the results of the Company's internal investigation relating to the accounting errors, competition and competitive pressures, sensitivity to general economic and industrial conditions, international political and economic risks, availability and price of raw materials and execution of business strategy. For further information, please refer to the Company's filings with the Securities and Exchange Commission, copies of which are available from the Company without charge.*

- Tables to follow -

---

**POWELL INDUSTRIES, INC. & SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**

|                                                            | Three Months Ended |                                    | Six Months Ended  |                                    |
|------------------------------------------------------------|--------------------|------------------------------------|-------------------|------------------------------------|
|                                                            | March 31,<br>2007  | April 30,<br>2006<br>(As restated) | March 31,<br>2007 | April 30,<br>2006<br>(As restated) |
| (In thousands, except per share data)                      |                    | (Unaudited)                        |                   | (Unaudited)                        |
| Revenues                                                   | \$ 141,912         | \$ 98,431                          | \$ 264,688        | \$ 182,244                         |
| Cost of goods sold                                         | <u>119,147</u>     | <u>78,220</u>                      | <u>221,833</u>    | <u>147,660</u>                     |
| Gross profit                                               | 22,765             | 20,211                             | 42,855            | 34,584                             |
| Selling, general and administrative expenses               | <u>18,452</u>      | <u>13,851</u>                      | <u>34,726</u>     | <u>26,835</u>                      |
| Income before interest, income taxes and minority interest | 4,313              | 6,360                              | 8,129             | 7,749                              |
| Interest expense                                           | 919                | 326                                | 1,607             | 661                                |
| Interest income                                            | <u>(120)</u>       | <u>(237)</u>                       | <u>(300)</u>      | <u>(539)</u>                       |
| Income before income taxes and minority interest           | 3,514              | 6,271                              | 6,822             | 7,627                              |
| Income tax provision                                       | 1,210              | 2,473                              | 2,430             | 2,979                              |
| Minority interest in net income (loss)                     | <u>50</u>          | <u>(3)</u>                         | <u>109</u>        | <u>15</u>                          |
| Net income                                                 | <u>\$ 2,254</u>    | <u>\$ 3,801</u>                    | <u>\$ 4,283</u>   | <u>\$ 4,633</u>                    |
| Net earnings per common share:                             |                    |                                    |                   |                                    |
| Basic                                                      | <u>\$ 0.20</u>     | <u>\$ 0.35</u>                     | <u>\$ 0.39</u>    | <u>\$ 0.43</u>                     |
| Diluted                                                    | <u>\$ 0.20</u>     | <u>\$ 0.34</u>                     | <u>\$ 0.39</u>    | <u>\$ 0.42</u>                     |
| Weighted average shares:                                   |                    |                                    |                   |                                    |
| Basic                                                      | <u>11,033</u>      | <u>10,865</u>                      | <u>10,987</u>     | <u>10,859</u>                      |
| Diluted                                                    | <u>11,123</u>      | <u>11,110</u>                      | <u>11,090</u>     | <u>11,061</u>                      |
| SELECTED FINANCIAL DATA:                                   |                    |                                    |                   |                                    |
| Capital Expenditures                                       | <u>\$ 4,248</u>    | <u>\$ 1,467</u>                    | <u>\$ 9,678</u>   | <u>\$ 2,645</u>                    |
| Depreciation and amortization                              | <u>\$ 2,692</u>    | <u>\$ 1,658</u>                    | <u>\$ 5,190</u>   | <u>\$ 3,463</u>                    |

**POWELL INDUSTRIES, INC. & SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

---

| (In thousands)                                                          | <b>March 31,<br/>2007</b><br>(Unaudited) | <b>September 30,<br/>2006</b><br>(As restated) |
|-------------------------------------------------------------------------|------------------------------------------|------------------------------------------------|
| <b>Assets:</b>                                                          |                                          |                                                |
| Current assets                                                          | \$ 220,493                               | \$ 193,500                                     |
| Property, plant and equipment (net)                                     | 66,769                                   | 60,336                                         |
| Other assets                                                            | <u>37,345</u>                            | <u>38,842</u>                                  |
| Total assets                                                            | <u>\$ 324,607</u>                        | <u>\$ 292,678</u>                              |
| <b>Liabilities &amp; stockholders' equity:</b>                          |                                          |                                                |
| Current liabilities                                                     | \$ 121,775                               | \$ 98,612                                      |
| Long-term debt and capital lease obligations, net of current maturities | 34,213                                   | 33,886                                         |
| Deferred and other long-term liabilities                                | 2,968                                    | 2,971                                          |
| Stockholders' equity and minority interest                              | <u>165,651</u>                           | <u>157,209</u>                                 |
| Total liabilities and stockholders' equity                              | <u>\$ 324,607</u>                        | <u>\$ 292,678</u>                              |

---

**POWELL INDUSTRIES, INC. & SUBSIDIARIES**

**BUSINESS SEGMENTS**

| (In thousands)                     | Three Months Ended            |                                                   | Six Months Ended                  |                                                                      |
|------------------------------------|-------------------------------|---------------------------------------------------|-----------------------------------|----------------------------------------------------------------------|
|                                    | March 31,<br>2007             | April 30,<br>2006<br><small>(As restated)</small> | March 31,<br>2007                 | April 30,<br>2006<br><small>(As restated)</small>                    |
|                                    | <small>(Unaudited)</small>    |                                                   | <small>(Unaudited)</small>        |                                                                      |
| <b>Revenues:</b>                   |                               |                                                   |                                   |                                                                      |
| Electrical Power Products          | \$ 136,034                    | \$ 91,875                                         | \$ 253,377                        | \$ 168,517                                                           |
| Process Control Systems            | <u>5,878</u>                  | <u>6,556</u>                                      | <u>11,311</u>                     | <u>13,727</u>                                                        |
| Total revenues                     | <u>\$ 141,912</u>             | <u>\$ 98,431</u>                                  | <u>\$ 264,688</u>                 | <u>\$ 182,244</u>                                                    |
| <b>Income before income taxes:</b> |                               |                                                   |                                   |                                                                      |
| Electrical Power Products          | \$ 3,113                      | \$ 5,906                                          | \$ 6,338                          | \$ 6,901                                                             |
| Process Control Systems            | <u>401</u>                    | <u>365</u>                                        | <u>484</u>                        | <u>726</u>                                                           |
| Total income before income taxes   | <u>\$ 3,514</u>               | <u>\$ 6,271</u>                                   | <u>\$ 6,822</u>                   | <u>\$ 7,627</u>                                                      |
|                                    | <small>(In thousands)</small> |                                                   | <small>March 31,<br/>2007</small> | <small>September 30,<br/>2006<br/><small>(Unaudited)</small></small> |
| <b>Backlog:</b>                    |                               |                                                   |                                   |                                                                      |
| Electrical Power Products          |                               |                                                   | \$ 376,190                        | \$ 324,688                                                           |
| Process Control Systems            |                               |                                                   | <u>31,440</u>                     | <u>30,440</u>                                                        |
| Total backlog                      |                               |                                                   | <u>\$ 407,630</u>                 | <u>\$ 355,128</u>                                                    |

###