



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 (Date of earliest event reported): November 8, 2011

**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))
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### **Item 2.02 Results of Operations and Financial Condition.**

The Company issued a press release on November 8, 2011 (a copy of which is furnished hereto as Exhibit 99.1 to this Form 8-K and incorporated herein by reference) disclosing information relating to the restatement of the financial statements included in its Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2011 as more fully described under Item 4.02 below.

This information shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Item 2.02 is not incorporated by reference into any filings of the Company made under the Securities Act of 1933, as amended, whether made before or after the date of this Current Report on Form 8-K, regardless of any general incorporation language in the filing, unless specifically stated so therein.

### **Item 2.06 Material Impairments.**

In connection with the Company's ongoing procedures relating to its fiscal year end review, the Company's management, on November 8, 2011 concluded that the Company will record an impairment of the remaining intangible assets recorded in connection with the acquisition of Powell Canada totaling \$7.2 million, or \$0.61 per diluted share. This intangible asset impairment is the result of continued losses from Powell Canada, which have reduced and delayed the Company's projections for revenues and cash flow going forward. We do not expect that any of the impairment charge will result in future cash expenditures. We expect to complete our intangible asset impairment testing procedures in time to incorporate the related results into our Form 10-K to be filed for the year ended September 30, 2011.

### **Item 4.02 Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review.**

On November 8, 2011, the Audit Committee of the board of directors (the "Audit Committee") of Powell Industries, Inc. (the "Company"), based on consultation with management, concluded that the Company's unaudited interim consolidated financial statements for the quarters ended March 31 and June 30, 2011, each as previously filed with the Securities and Exchange Commission ("SEC"), should no longer be relied upon because of accounting errors that occurred at Powell Canada relating to the inaccurate recording of customer change orders, and an erroneous journal entry recorded in accounts payable, incorrect close-out of costs on certain jobs and the application of an incorrect manufacturing overhead rate, all of which caused earnings to be overstated in the respective quarters.

The Company will restate the unaudited interim consolidated financial statements identified above to include such presentation and file such restated consolidated financial statements with the SEC in amendments to the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2011 filed with the SEC on May 4 and August 8, 2011, respectively (the "10-Q Amendments").

To date, we've identified the aforementioned errors and have reflected such errors in our "As Adjusted (Estimated)" table below. However, our review is ongoing and the amounts included in the "As Adjusted (Estimated)" are preliminary. The cumulative effect in net income and earnings per share as shown in the following table (in thousands, except per share data):

	Three Months Ended March 31, 2011	Six Months Ended March 31, 2011
As reported:		
Net Income attributable to Powell Industries, Inc.	\$ 2,499	\$ 4,931
Earnings per share, diluted	\$ 0.21	\$ 0.42
As adjusted (Estimated):		
Net Income attributable to Powell Industries, Inc.	\$ 1,198	\$ 3,630
Earnings per share, diluted	\$ 0.10	\$ 0.31

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	Three Months Ended June 30, 2011	Nine Months Ended June 30, 2011
As reported:		
Net Income attributable to Powell Industries, Inc.	\$ 1,707	\$ 6,638
Earnings per share, diluted	\$ 0.14	\$ 0.56
As adjusted (Estimated):		
Net Income attributable to Powell Industries, Inc.	\$ 297	\$ 3,927
Earnings per share, diluted	\$ 0.02	\$ 0.33

The Audit Committee and management have discussed the matters set forth herein with PricewaterhouseCoopers LLP, the Company's registered independent public accounting firm which was also the Company's independent public accounting firm for the periods impacted by this restatement as described above.

In connection with the 10-Q Amendments, the Company's management has identified material weaknesses in the Company's internal control over financial reporting and disclosure controls and procedures as of the date the unaudited interim consolidated financial statements identified above were originally filed. The Company will report these material weaknesses in the 10-Q Amendments.

### **Item 9.01 — Financial Statements and Exhibits.**

#### (d) — Exhibits

Exhibit Number	Description
99.1	Press Release dated November 8, 2011

**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: November 8, 2011

By: /s/ Don R. Madison

Don R. Madison  
Executive Vice President  
Chief Financial and Administrative Officer  
(Principal Financial Officer)



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FOR IMMEDIATE RELEASE

**POWELL INDUSTRIES TO RESTATE SECOND  
AND THIRD QUARTER EARNINGS**

*Company finds accounting errors pertaining to its Canadian operations  
Updates fiscal 2011 full year guidance*

HOUSTON, TX — NOVEMBER 8, 2011 — Powell Industries, Inc. (NASDAQ: POWL) has concluded that its previously issued consolidated financial statements for the second and third quarters of fiscal 2011 contain certain accounting errors originating from its Canadian operations. Accordingly, such financial statements should no longer be relied upon. The Company will restate its consolidated financial statements for the second and third quarters of fiscal 2011 through the filing of amendments to the previously filed Forms 10-Q.

The accounting errors occurred at Powell Canada as a result of inaccurate recording of customer change orders, an erroneous journal entry recorded in accounts payable, incorrect close-out of costs on certain jobs and the application of an incorrect manufacturing overhead rate, which overstated earnings in the second and third quarters. These errors indicate material weaknesses in internal controls over financial reporting. The Company is in the process of analyzing the control deficiencies and developing remediation plans. The cumulative effect of these issues will cause a reduction in previously reported net income for the nine months ended June 30, 2011 of approximately \$2.7 million, or \$0.23 per diluted share.

The Company has taken the following steps to strengthen its financial reporting and project management for its Canadian operations: 1) the Company has hired a new Controller for Powell Canada and that individual is currently in place, 2) members of the accounting and operations staff have received additional training, and 3) the Company has hired a full time specialist on-site in Canada to evaluate and make recommendations for improvement in the estimating, operations, and project management functions.

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In addition, in the fourth quarter of fiscal 2011, the Company will record an impairment of the remaining intangible assets recorded in connection with the acquisition of Powell Canada, totaling \$7.2 million, or \$0.61 per diluted share. This non-cash impairment charge is the result of continued losses from Powell Canada, which have delayed and reduced the Company's projections for revenues and cash flow going forward.

Tom Powell, President and Chief Executive Officer, stated, "Powell Canada is strategic to our ability to serve our customers, many of whom have major projects planned for the western Canadian oil sands. While we are disappointed with current results, we believe that oil and gas activity in Canada will be important to the future of energy development and reiterate our long-term commitment to the Canadian market."

Lastly, the Company's operations have experienced continued margin pressure, which will negatively impact its fourth quarter results. This is the result of project backlog that continues to experience schedule delays due to customer timing, as well as general market price pressures. As previously announced, the Company also recorded a non-recurring charge associated with the departure of the former President and Chief Executive Officer during the fourth quarter of fiscal 2011.

As a result of the cumulative impact of these items, the Company is updating its previous guidance for fiscal year 2011 and now expects full year fiscal 2011 revenues to be approximately \$560 million and full year fiscal 2011 net loss to range between (\$0.20) and (\$0.25) per share.

As set forth in the Non-GAAP Forecasted Earnings Reconciliation table included below, excluding the above mentioned non-cash charge for the impairment of intangible assets and the non-recurring charge, earnings for the full year would be expected to range between \$0.51 and \$0.56 per diluted share.

#### **CONFERENCE CALL**

Powell Industries has scheduled a conference call to discuss these issues for Wednesday, November 9, 2011 at 9:00 a.m. eastern time / 8:00 a.m. central time. To participate in the conference call, dial 480-629-9867 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 November 16, 2011. To access the replay, dial 303-590-3030 using a passcode of 4485830#.

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,

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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, engineers packaged solutions and systems for the control, distribution and management of electrical energy and other dynamic processes. Powell markets include 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, 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.*

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**POWELL INDUSTRIES, INC. & SUBSIDIARIES**  
**NON-GAAP FORECASTED EARNINGS RECONCILIATION**

In millions, except per share data

	Year ended September 30, 2011	
	High Estimate	Low Estimate
<b>Net loss</b>	<b>\$ (2.4)</b>	<b>\$ (2.9)</b>
Non-recurring charge, net of income taxes	1.8	1.8
Impairment of intangible assets, net of income taxes	7.2	7.2
<b>Adjusted net income</b>	<b><u>\$ 6.6</u></b>	<b><u>\$ 6.1</u></b>
<b>Net loss per diluted share</b>	<b>\$ (0.20)</b>	<b>\$ (0.25)</b>
Non-recurring charge per diluted share	0.15	0.15
Impairment of intangible assets per diluted share	0.61	0.61
<b>Adjusted net income per diluted share</b>	<b><u>\$ 0.56</u></b>	<b><u>\$ 0.51</u></b>

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