SUPERIOR INDUSTRIES INTERNATIONAL INC
Form 10-Q
May 10, 2006

Table of Contents

**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**WASHINGTON, D.C. 20549**
**FORM 10-Q**

x **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
**For the quarterly period ended March 26, 2006**
**or**

o **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 1-6615**
**SUPERIOR INDUSTRIES INTERNATIONAL, INC.**
**(Exact Name of Registrant as Specified in Its Charter)**

| | |
|---|---|
| **California** | **95-2594729** |
| **(State or Other Jurisdiction of Incorporation or Organization)** | **(IRS Employer Identification No.)** |
| **7800 Woodley Avenue, Van Nuys, California** | **91406** |
| **(Address of Principal Executive Offices)** | **(Zip Code)** |

**(818) 781-4973**
**(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** x **No** o

**Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.**

**Large Accelerated Filer** o **Accelerated Filer** x **Non-Accelerated Filer** o

**Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes** o **No** x

**Indicate the number of shares outstanding of each of the issuer s classes of common stock, as of the latest practicable date.**

| **Class of Common Stock** | **Shares Outstanding at May 5, 2006** |
|---|---|
| **$0.50 Par Value** | **26,610,191** |

## TABLE OF CONTENTS

Table of Contents

# PART I
# FINANCIAL INFORMATION

**Item 1. Financial Statements**
**Superior Industries International, Inc.**
**Consolidated Condensed Statements of Operations**
(Thousands of dollars, except per share data)
(Unaudited)

| | Three Months Ended March 31, 2006 | Three Months Ended March 31, 2005 |
|---|---|---|
| NET SALES | $ 183,525 | $ 202,144 |
| Cost of sales | 179,302 | 184,935 |
| GROSS PROFIT | 4,223 | 17,209 |
| Selling, general, and administrative expenses | 5,395 | 5,058 |
| INCOME (LOSS) FROM OPERATIONS | (1,172) | 12,151 |
| Equity in earnings of joint ventures | 493 | 1,402 |
| Interest income, net | 1,488 | 1,125 |
| Other income (expense), net | 9 | (59) |
| INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES | 818 | 14,619 |
| Income tax benefit (provision) | 618 | (3,646) |
| INCOME FROM CONTINUING OPERATIONS | 1,436 | 10,973 |
| Loss from discontinued operations, net of taxes | (326) | (2,307) |
| INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE | 1,110 | 8,666 |
| Cumulative effect of accounting change, net of taxes | | 1,225 |
| NET INCOME | $ 1,110 | $ 9,891 |
| EARNINGS (LOSS) PER SHARE BASIC: | | |
| Income from continuing operations | $ 0.05 | $ 0.41 |
| Loss from discontinued operations | (0.01) | (0.09) |
| Cumulative effect of accounting change | | 0.05 |

| | | | | |
|---|---|---|---|---|
| Net income | $ | 0.04 | $ | 0.37 |
| | | | | |
| EARNINGS (LOSS) PER SHARE DILUTED: | | | | |
| | | | | |
| Income from continuing operations | $ | 0.05 | $ | 0.41 |
| Loss from discontinued operations | | (0.01) | | (0.09) |
| Cumulative effect of accounting change | | | | 0.05 |
| | | | | |
| Net income | $ | 0.04 | $ | 0.37 |
| | | | | |
| DIVIDENDS DECLARED PER SHARE | $ | 0.160 | $ | 0.155 |

See notes to consolidated condensed financial statements.

Table of Contents

**Superior Industries International, Inc.**
**Consolidated Condensed Balance Sheets**
(Thousands of dollars, except per share data)

| | March 31, 2006 (Unaudited) | December 31, 2005 |
|---|---|---|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | $ 56,571 | $ 48,824 |
| Short-term investments | 48,262 | 58,525 |
| Accounts receivable, net | 135,652 | 135,501 |
| Inventories, net | 109,245 | 107,726 |
| Deferred income taxes | 2,824 | 2,585 |
| Prepaid expenses | 8,604 | 6,579 |
| Assets of operations held for sale | 9,901 | |
| Total current assets | 371,059 | 359,740 |
| Property, plant and equipment, net | 299,016 | 292,289 |
| Investments | 51,484 | 59,572 |
| Other assets | 7,565 | 7,878 |
| Non current assets of operations held for sale | 7,922 | |
| Total assets | $ 737,046 | $ 719,479 |
| LIABILITIES AND SHAREHOLDERS EQUITY | | |
| Current liabilities: | | |
| Accounts payable | $ 64,165 | $ 53,527 |
| Accrued expenses | 39,613 | 39,401 |
| Income taxes payable | 16,570 | 17,706 |
| Liabilities of operations held for sale | 11,823 | |
| Total current liabilities | 132,171 | 110,634 |
| Executive retirement liabilities | 18,875 | 18,747 |
| Deferred income taxes | 12,364 | 11,950 |
| Commitments and contingent liabilities (see Note 15) | | |
| Shareholders equity | | |
| Preferred stock, $25.00 par value | | |
| Authorized 1,000,000 shares | | |
| Issued none | | |
| Common stock, $0.50 par value | | |
| Authorized 100,000,000 shares | | |
| Issued and outstanding 26,610,191 shares | | |
| (26,610,191 shares at December 31, 2005) | 13,305 | 13,305 |
| Additional paid-in-capital | 23,646 | 22,996 |

| | | |
|---|---|---|
| Accumulated other comprehensive loss | (42,725) | (40,717) |
| Retained earnings | 579,410 | 582,564 |
| Total shareholders equity | 573,636 | 578,148 |
| Total liabilities and shareholders equity | $ 737,046 | $ 719,479 |

See notes to consolidated condensed financial statements.

Table of Contents

**Superior Industries International, Inc.**
**Consolidated Condensed Statements of Cash Flows**
(Thousands of dollars)
(Unaudited)

| | Three Months Ended March 31, 2006 | Three Months Ended March 31, 2005 |
|---|---|---|
| NET CASH PROVIDED BY OPERATING ACTIVITIES | $ 19,249 | $ 13,317 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sales of marketable securities | 58,526 | 16,727 |
| Purchases of marketable securities | (38,496) | (51,421) |
| Additions to property, plant and equipment | (27,268) | (17,472) |
| NET CASH USED IN INVESTING ACTIVITIES | (7,238) | (52,166) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Cash dividends paid | (4,264) | (4,127) |
| Repurchases of common stock | | (127) |
| Stock options exercised | | 127 |
| NET CASH USED IN FINANCING ACTIVITIES | (4,264) | (4,127) |
| Net increase (decrease) in cash and cash equivalents | 7,747 | (42,976) |
| Cash and cash equivalents at the beginning of the period | 48,824 | 91,344 |
| Cash and cash equivalents at the end of the period | $ 56,571 | $ 48,368 |

See notes to consolidated condensed financial statements.

Table of Contents

**Superior Industries International, Inc.**
**Consolidated Condensed Statement of Shareholders Equity**
(Thousands of dollars, except per share data)
(Unaudited)

| | Common Stock Number of Shares | Common Stock Amount | Paid-In Capital | Accumulated Other Comprehensive Income (Loss) | Retained Earnings | Total |
|---|---|---|---|---|---|---|
| BALANCE AT DECEMBER 31, 2005 | 26,610,191 | $ 13,305 | $ 22,996 | $ (40,717) | $ 582,564 | $ 578,148 |
| Comprehensive Income: | | | | | | |
| Net income | | | | | 1,110 | 1,110 |
| Other comprehensive income (loss) net of tax: | | | | | | |
| Foreign currency translation adjustment | | | | (1,886) | | (1,886) |
| Minimum pension liability adjustment | | | | (606) | | (606) |
| Unrealized gain (loss) on: | | | | | | |
| Forward foreign currency contracts | | | | (21) | | (21) |
| Marketable securities | | | | 505 | | 505 |
| Total comprehensive loss (a) | | | | | | (898) |
| Stock-based compensation expense | | | 650 | | | 650 |
| Cash dividends declared ($0.16 per share) | | | | | (4,264) | (4,264) |
| BALANCE AT MARCH 31, 2006 | 26,610,191 | $ 13,305 | $ 23,646 | $ (42,725) | $ 579,410 | $ 573,636 |

(a) Comprehensive income, net of tax, was $9,571,000 for the three months ended March 31, 2005, which included: net income of $9,891,000, foreign currency translation adjustment income of $55,000, forward foreign currency contract loss of $(484,000), an unrealized loss on pension of $(121,000) and an unrealized gain on marketable securities of $230,000.

See notes to consolidated condensed financial statements.

Table of Contents

**Notes to Consolidated Condensed Financial Statements**
**March 31, 2006**
(Unaudited)

**Note 1 Nature of Operations**

Headquartered in Van Nuys, California, the principal business of Superior Industries International, Inc. (referred to herein as the company or in the first person notation we, us and our ) is the design and manufacture of aluminum ro wheels for sale to Original Equipment Manufacturers (OEM). We are one of the largest suppliers of cast and forged aluminum wheels to the world s leading automobile and light truck manufacturers, with wheel manufacturing operations in the United States, Mexico and Hungary. Customers in North America represent the principal market for our products, with approximately 13 percent of our products being sold to international customers.

Ford Motor Company (Ford), General Motors Corporation (GM) and DaimlerChrysler AG (DaimlerChrysler) together represented approximately 84 percent of our total sales through the first three months of 2006 and 85 percent of annual sales in 2005. The loss of all or a substantial portion of our sales to Ford, GM or DaimlerChrysler would have a significant adverse impact on our financial results, unless the lost volume could be replaced. This risk is partially mitigated over the short-term due to the long-term relationships we have with our customers, including multi-year purchase orders related to approximately 157 different wheel programs. However, intense global competitive pricing pressure makes it increasingly difficult to maintain these contractual arrangements and there can be no guarantee that we will be able to enter into similar arrangements in the future. The ultimate outcome of these pricing pressures is not known at this time and we expect this trend to continue into the future. Including our 50 percent owned joint venture in Europe, we also manufacture aluminum wheels for Audi, BMW, Isuzu, Jaguar, Land Rover, Mazda, MG Rover, Mitsubishi, Nissan, Subaru, Toyota and Volkswagen.

The availability and demand for aluminum wheels and components are subject to unpredictable factors, such as changes in the general economy, the automobile industry, gasoline prices and consumer interest rates. The raw materials used in producing our products are readily available and are obtained through numerous suppliers with whom we have established trade relations.

In 1999, our aluminum suspension component business began to manufacture aluminum suspension and related underbody components using the licensed Cobapress™ technology. Through 2005, we had made a significant investment in this business and had incurred significant losses since inception. Due to the intense competition in the global automotive industry, the decision was made in the fourth quarter of 2005 to focus all of our resources on our core aluminum wheel business. Accordingly an asset impairment charge against earnings totaling $34.0 million (pretax) was recorded in the fourth quarter of 2005 when we estimated that the future undiscounted cash flows of our aluminum suspension components business would not be sufficient to recover the carrying value of our long-lived assets attributable to that business.

On January 9, 2006, our Board of Directors approved management s plan to dispose of the aluminium suspension components business before the end of 2006 and authorized us to engage an investment banker and/or other advisors to explore options for the sale of this business. This decision was made due to the intense competition in the global automotive wheel industry, which will require us to focus all of our resources on our core aluminum wheel business. Accordingly, the assets and liabilities of the components business are classified as held-for-sale as of March 31, 2006 and the results of operations of this business are presented in discontinued operations in our consolidated condensed statements of operations for all periods presented. See Note 16 Discontinued Operations for further discussion of the aluminum suspension components business.

**Note 2 Presentation of Consolidated Condensed Financial Statements**

During interim periods, we follow the accounting policies set forth in our 2005 Annual Report on Form 10-K and apply appropriate interim financial reporting standards for a fair statement of our operating results and financial position in conformity with accounting principles generally accepted in the United States of America, as indicated below. Users of financial information produced for interim periods in 2006 are encouraged to read this Quarterly Report on Form 10-Q in conjunction with our Management s Discussion and Analysis of Financial Condition and Results of Operations, and the consolidated financial statements and notes thereto filed with the Securities and Exchange Commission (SEC) in our 2005 Annual Report on Form 10-K.

Effective January 1, 2006, we adopted the fair value recognition provisions of Statement of Financial Accounting Standards (SFAS) No. 123 (revised 2004), Share-Based Payment (SFAS 123R), using the modified prospective transition method and, therefore, have not restated results for prior periods. Under this transition method, stock-based compensation expense for the first quarter of 2006 includes compensation expense for all stock-based compensation awards granted prior to, but not yet vested as of, January 1, 2006, based on the grant date fair value estimated in accordance with the provisions of SFAS 123 and for options granted subsequent to January 1, 2006 in accordance with the provisions of SFAS No. 123R. We recognize these compensation costs on a straight-line basis over the requisite service period of the award, which is generally the option vesting term of four years. Prior to the adoption of SFAS 123R, we recognized stock-based compensation expense in accordance with the intrinsic value method that followed the recognition and measurement principles of Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees (APB 25), and we provided proforma disclosure amounts in accordance with SFAS No. 148, Accounting for Stock-Based Compensation Transition and Disclosure (SFAS 148), as if the fair value method defined by SFAS 123 had been applied to our stock-based compensation. In March 2005, the SEC issued Staff Accounting Bulletin No. 107 (SAB 107) regarding the SEC s interpretation of SFAS 123R and the valuation of share-based payments for public companies. We have applied the provisions of SAB 107 in our adoption of SFAS 123R. See Note 3 to the consolidated condensed financial statements for a further discussion on stock-based compensation.

In 2005, we aligned the accounting period for our Suoftec 50-percent owned joint venture with the fiscal year period reported by our other operations. Our share of the joint venture s net income was previously recorded one month in arrears. Our share of the joint venture s operating results for all interim periods in 2005 have been adjusted to be comparable with this change in accounting principle effective in the first quarter of 2005.

Interim financial reporting standards require us to make estimates that are based on assumptions regarding the outcome of future events and circumstances not known at that time, including the use of estimated effective tax rates. Inevitably, some assumptions will not materialize, unanticipated events or circumstances may occur which vary from those estimates and such variations may significantly affect our future results. Additionally, interim results may not be indicative of our annual results.

Our fiscal quarters are the 13-week periods ending on the last Sunday of the calendar months March, June, September and December. The fiscal first quarter of 2006 comprises the 13-week period ended on March 26, 2006. The fiscal first quarter 2005 comprises the 13-week period ended on March 27, 2005. For convenience of presentation in these consolidated condensed financial statements, all fiscal quarters are shown to end as of March 31 and all fiscal years are shown to end as of December 31. The differences between actual fiscal quarters and the periods shown in this report are not material.

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with the SEC s requirements for Form 10-Q and contain all adjustments, of a normal and recurring nature, which are necessary for a fair statement of i) the consolidated condensed statements of operations for the three months ended March 31, 2006 and 2005, ii) the consolidated condensed balance sheets at March 31, 2006 and December 31, 2005, iii) the consolidated condensed statements of cash flows for the three months ended March 31, 2006 and 2005, and iv) the consolidated condensed statement of shareholders equity for the three months ended March 31, 2006. Certain prior year amounts have been reclassified to conform to the 2006 financial statement presentation due to the reporting of discontinued operations.

**Note 3 Stock-Based Compensation**

We have stock option plans that authorize us to issue incentive and non-qualified stock options to our directors, officers and key employees totaling up to 7.2 million shares of common stock. It is our policy to issue shares from authorized but not issued shares upon the exercise of stock options. At March 31, 2006, there were 1.7 million shares available for future grants under these plans. Options are generally granted at not less than fair market value on the date of grant and expire no later than ten years after the date of grant. Options granted generally vest ratably over a four year period. Prior to January 1, 2006, we provided proforma disclosure amounts in accordance with SFAS 148, as if the fair value method defined by SFAS 123 had been applied to our stock-based compensation.

Effective January 1, 2006, we adopted the fair value recognition provisions of SFAS 123R, using the modified prospective transition method and, therefore, have not restated prior periods results. Under this transition method, stock-based compensation expense for the first quarter of 2006 included compensation expense for all stock-based compensation awards granted prior to, but not yet vested as of, January 1, 2006, based on the grant date fair value estimated in accordance with the provisions of SFAS 123 and for options granted subsequent to January 1, 2006 in accordance with the provisions of SFAS No. 123R. We recognize these compensation costs net of a forfeiture rate and recognize the compensation costs for only those shares expected to vest on a straight-line basis over the requisite service period of the award, which is generally the option vesting term of four years. We estimated the forfeiture rate for the first quarter of 2006 based on our historical experience during the preceding six fiscal years.

As a result of adopting SFAS 123R, the impact on the consolidated condensed financial statements for the three months ended March 31, 2006 to income from continuing operations before income taxes and net income was to reduce those amounts by $650,000 and $509,000, respectively, than would have been reported had we continued to account for stock-based

Table of Contents

compensation under APB 25. The impact of adoption on both basic and diluted earnings per share for the three months ended March 31, 2006 was $0.02 per share. In addition, prior to the adoption of SFAS 123R, we presented the tax benefit of stock option exercises as operating cash flows. Upon the adoption of SFAS 123R, tax benefits resulting from tax deductions in excess of the compensation cost recognized for those options are classified as financing cash flows. There were no stock options exercised in the first quarter of 2006. We received cash of $127,000 from stock options exercised in the first quarter of 2005.

The table below reflects the proforma net earnings and basic and diluted net earnings per share for the first quarter of 2005, had we applied the fair value recognition provisions of SFAS 123:

| (In thousands, expect per share amounts) | | Three Months Ended March 31, 2005 |
|---|---|---|
| Reported net income | $ | 9,891 |
| Stock-based compensation expense included in reported net income, net of tax | | |
| Stock-based compensation expense determined under fair value method for all awards, net of tax | | (3,989) |
| Proforma net income | $ | 5,902 |
| Earnings per share: | | |
| Basic and diluted as reported | $ | 0.37 |
| Basic and diluted proforma | $ | 0.22 |

The fair value of stock option grants in 2006 were estimated on the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions:

| | 2006 | Proforma 2005 |
|---|---|---|
| Expected dividend yield (a) | 3.29% | 2.48% |
| Expected stock price volatility (b) | 31.40% | 31.72% |
| Risk-free rate (c) | 4.71% | 4.45% |
| Expected life of options in years (d) | 7.48 | 7.79 |
| Weighted-average grant-date fair value of options granted during the period | $ 6.60 | $ 8.06 |

(a) Our current intention is to pay cash dividends of $0.16 per share each quarter on our common stock.
(b) Expected volatility is based on the historical volatility of our stock price, over the expected life of the option.
(c) The risk-free rate is based upon the rate on a U.S. Treasury bill for the period representing the average remaining contractual life of all options in effect at the time of the grant.
(d) The expected term of the option is based on historical employee exercise behavior, the vesting terms of the respective option and a contractual life of ten years.

The following table summarizes stock option activity pursuant to our stock option plans for the first quarter of 2006:

| | Outstanding | Weighted Average Exercise Price | Remaining Contractual Life In Years | Aggregate Intrinsic Value |
|---|---|---|---|---|

| | | | | | |
|---|---|---|---|---|---|
| Balance at December 31, 2005 | 2,367,255 | $ | 30.28 | | |
| Granted | 120,000 | | 21.97 | | |
| Exercised | | | | | |
| Cancelled | (34,438) | | 30.74 | | |
| Balance at March 31, 2006 | 2,452,817 | $ | 29.87 | 6.62 | $ |
| Options vested or expected to vest | 2,436,350 | $ | 29.83 | 6.62 | $ |
| Exercisable at March 31, 2006 | 1,980,972 | $ | 28.74 | 6.23 | $ |

Table of Contents

The aggregate intrinsic value represents the total pretax difference between the closing stock price on the last trading day of the reporting period and the option exercise price, multiplied by the number of in-the-money options. This is the amount that would have been received by the option holders had they exercised their options on that day. This amount varies based on changes in the fair market value of our common stock. The closing price of our common stock on the last day of the quarter was $19.57, which was below the exercise price of all outstanding stock options. Accordingly, there was no intrinsic value as of that date.

As of March 31, 2006, there was $4.6 million of unrecognized stock-based compensation expense related to nonvested stock options. That cost is expected to be recognized over a weighted-average period of 2.28 years.

For the three months ended March 31, 2006, stock-based compensation expense related to stock option plans under SFAS 123R was allocated as follows:

| (In thousands, expect per share amounts) | | Three Months Ended March 31, 2006 |
|---|---|---|
| Cost of sales | $ | 145 |
| Selling, general and administrative expenses | | 505 |
| Stock-based compensation expense before income taxes | | 650 |
| Income tax benefit | | (141) |
| Total stock-based compensation expense after income taxes | $ | 509 |
| Basic and diluted earnings per share | $ | 0.02 |

**Note 4 New Accounting Standards**

In November 2004, the FASB issued SFAS No. 151, Inventory Costs, an amendment of Accounting Research Bulletin (ARB) No. 43, Chapter 4. SFAS No. 151 amends the guidance in ARB No. 43, Chapter 4, Inventory Pricing, to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and spoilage. This statement requires that those items be recognized as current period charges regardless of whether they meet the criterion of so abnormal, which was the criterion specified in ARB No. 43. In addition, this Statement requires that allocation of fixed production overheads to the cost of production be based on normal capacity of the production facilities. The new standard shall be effective for inventory costs incurred during fiscal years beginning after June 15, 2005. The adoption of this new accounting standard did not have a material impact on our financial position or results of operations.

**Note 5 Business Segments**

SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information, directs companies to use the management approach for segment reporting. This approach reflects management s aggregation of business segments and is consistent with how the company and its key decision-makers assess operating performance, make operating decisions, and allocate resources. This approach also considers the existence of managers responsible for each business segment and how information is presented to the company s Board of Directors. Historically, we had aggregated the automotive wheels and the components operations into one reportable segment based on the aggregation criteria included in SFAS No. 131, including the expectation that the long-term financial performance and economic characteristics of the components segment would be similar to the automotive wheels segment. In late 2005, we concluded that the components segment would not achieve the expected long-term financial performance initially contemplated and we, therefore, disaggregated the components operating segment on the basis of dissimilar long-term economic characteristics. On January 9, 2006, our Board of Directors approved management s plan to dispose of the aluminium suspension components business before the end of 2006 and authorized us to engage an investment banker and/or other advisors to explore options for the sale of this business. This decision was made due to the intense competition in the global automotive wheel industry, which will require us to focus all of our resources on our core aluminum wheel business. Accordingly, in the first quarter of 2006, the assets and liabilities of the components segment are classified as held-for-sale in the consolidated condensed balance sheet and the results of operations for the components segment is classified as discontinued operations in our consolidated condensed statement of operations. SFAS No. 131 does not require disclosure of financial information for discontinued operations and we, therefore, have only one reportable operating segment automotive wheels.

**Table of Contents**

Net sales and net property, plant and equipment by geographic area are summarized below.

| (Thousands of dollars) | Three Months Ended March 31, 2006 | Three Months Ended March 31, 2005 |
|---|---|---|
| Net sales: | | |
| U.S. | $ 144,332 | $ 154,439 |
| Mexico | 39,193 | 47,705 |
| Consolidated net sales | $ 183,525 | $ 202,144 |

| | March 31, 2006 | December 31, 2005 |
|---|---|---|
| Property, plant and equipment, net: | | |
| U.S. | $ 159,877 | $ 170,064 |
| Mexico | 139,139 | 122,225 |
| Consolidated property, plant and equipment, net | $ 299,016 | $ 292,289 |