

STANDEX INTERNATIONAL CORP/DE/ (SXI)

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10-K

Annual report pursuant to section 13 and 15(d)
Filed on 8/27/2010
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

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

For the fiscal year ended June 30, 2010

Commission File Number 1-7233

STANDEX INTERNATIONAL CORPORATION
(Exact name of registrant as specified in its Charter)

DELAWARE
(State of incorporation)

31-0596149
(I.R.S. Employer Identification No.)

11 KEEWAYDIN DRIVE, SALEM, NEW HAMPSHIRE
(Address of principal executive offices)

03079
(Zip Code)

(603) 893-9701
(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE
SECURITIES EXCHANGE ACT OF 1934:

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, Par Value \$1.50 Per Share	New York Stock Exchange

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. **YES** [] **NO** [X]

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. **YES** [] **NO** [X]

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** []

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. []

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 definition 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). **YES** [] **NO** [X]

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant at the close of business on December 31, 2009 was approximately \$250,000,000. Registrant's closing price as reported on the New York Stock Exchange for December 31, 2009 was \$20.09 per share.

The number of shares of Registrant's Common Stock outstanding on August 23, 2010 was 12,472,648

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the Registrant's 2010 Annual Meeting of Stockholders (the "Proxy Statement") are incorporated by reference into Part III of this report.

Forward Looking Statement

Statements contained in this Annual Report on Form 10–K that are not based on historical facts are "forward–looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward–looking statements may be identified by the use of forward–looking terminology such as "should," "could," "may," "will," "expect," "believe," "estimate," "anticipate," "intends," "continue," or similar terms or variations of those terms or the negative of those terms. There are many factors that affect the Company's business and the results of its operations and may cause the actual results of operations in future periods to differ materially from those currently expected or desired. These factors include, but are not limited to conditions in the financial and banking markets, including fluctuations in the exchange rates and the inability to repatriate foreign cash, general and international recessionary economic conditions, including the impact, length and degree of the current recessionary conditions on the customers and markets we serve and more specifically conditions in the food service equipment, automotive, construction, aerospace, energy, housing transportation and general industrial markets, lower–cost competition, the relative mix of products which impact margins and operating efficiencies, both domestic and foreign, in certain of our businesses, the impact of higher raw material and component costs, particularly steel, petroleum based products and refrigeration components, an inability to realize the expected cost savings from restructuring activities, effective completion of plant consolidations, cost reduction efforts, including procurement savings and productivity enhancements, capital management improvements, strategic capital expenditures, and the implementation of lean enterprise manufacturing techniques, the inability to achieve the savings expected from the sourcing of raw materials from and diversification efforts in emerging markets and the inability to achieve synergies contemplated by the Company. Other factors that could impact the Company include changes to future pension funding requirements and the failure by the purchaser of our former Berean bookstore chain to satisfy its obligations under those leases where the Company remains an obligor. In addition, any forward–looking statements represent management's estimates only as of the day made and should not be relied upon as representing management's estimates as of any subsequent date. While the Company may elect to update forward–looking statements at some point in the future, the Company and management specifically disclaim any obligation to do so, even if management's estimates change.

PART I

Item 1. Business

Standex International Corporation (the "Company" or "we" (1)) was incorporated in 1975 and is the successor of a corporation organized in 1955. We have paid dividends each quarter since Standex became a public corporation in November 1964.

We are a leading manufacturer of a variety of products and services for diverse industrial market segments. We have 12 operating segments, aggregated and organized for reporting purposes into five segments: Food Service Equipment Group, Air Distribution Products Group (ADP), Engraving Group, Engineering Technologies Group and Electronics and Hydraulics Group. Overall management, strategic development and financial control are maintained by the executive staff from our corporate headquarters located in Salem, New Hampshire.

Our corporate strategy has several primary components.

- It is our objective to grow larger and more profitable business units through both organic initiatives and acquisitions. On an ongoing basis we identify and implement organic growth initiatives such as new product development, geographic expansion, introduction of products and technologies into new markets and applications and leveraging of sales synergies between business units, key accounts and strategic sales channel partners. Also, we utilize strategically aligned or "bolt on" acquisitions to create both sales and cost synergies with our core business platforms to accelerate their growth and margin improvement. There is a particular focus on identifying and investing in opportunities to increase the global presence and capabilities of our businesses. From time to time we have divested businesses that we felt were not strategic or did not meet our growth and return expectations.
- Our focus is on the growth and development of businesses that provide customer solutions or engineered products that provide higher levels of value add to our customers. These types of businesses generally demonstrate the ability to sustain sales and profit growth over time and provide superior operating margins to enhance shareholder returns.
- We have a focus on operational excellence through the continuous improvement in the cost structure of our businesses and in management of working capital. We recognize that our businesses are competing in a global economy that requires that we constantly strive to improve our competitive position. We have deployed a number of management competencies including lean enterprise, the use of low cost manufacturing facilities in countries such as Mexico and China, the consolidation of manufacturing facilities to achieve economies of scale and leveraging of fixed infrastructure costs, alternate sourcing to achieve procurement cost reductions, and capital improvements to increase shop floor productivity, which drives improvements in the cost structure of our business units. Further, we have made a priority of improving the utilization and efficiency in the investment of working capital in our business units.
- Finally, we have a constant focus on cash flow generation. We recognize that cash flow is fundamental in our ability to invest in organic and acquisitive growth for our business units, to allow us to return cash to our shareholders in the form of dividends and that it is a measure of the quality of the earnings that we generate over time.

(1) References in this Annual Report on Form 10-K to "Standex" or the "Company" or "we," "our" or "us" shall mean

Standex International Corporation and its subsidiaries.

(2) Unless otherwise noted, references to years are to fiscal years.

Please visit our web site at www.standex.com to learn more about us or to review our most recent SEC filings. The information on our web site is for informational purposes only and is not incorporated into this Annual Report on Form 10-K.

Description of Segments

Food Service Equipment Group

Our Food Service Equipment businesses are leading, broad-line manufacturers of commercial food service equipment which includes products on the “cold” or in the refrigerated segment of food service applications and on the “hot” in the cooking segment of the market. Our products are used throughout the entire food service process; from storage, to preparation, to cooking and to display. The equipment that we design and manufacture is utilized in restaurants, convenience stores, quick-service restaurants, supermarkets, drug stores and institutions such as hotels, casinos and corporate and school cafeterias to meet the challenges of providing food and beverages that are fresh and appealing with the comfort of knowing the food safety and reliability of the equipment. The Food Service Equipment Group also applies technology and product expertise in the health science and medical markets. Customers in this segment include laboratories, health care institutions, and blood banks. Our products are sold direct, through dealer buying groups and through industry representatives. Through innovation and acquisition, we continue to expand this segment. Our brands and products include:

- Master-Bilt® refrigerated cabinets, cases, display units, and walk-in coolers and freezers
- Nor-Lake, Incorporated and Kool Star refrigerated walk-in coolers, freezers, refrigeration systems and cases to meet food service and scientific needs
- APW Wyott, American Permanent Ware, Bakers Pride and BevLes commercial ovens, griddles, char broilers and toasters used in cooking, toasting, warming and merchandising food
- American Foodservice custom-fabricated food service counters, buffet tables and cabinets
- Barbecue King® and BKI® commercial cook and hold units, rotisseries, pressure fryers, ovens and baking equipment
- Federal Industries merchandising display cases
- Procon® rotary vane pumps used in beverage and industrial fluid handling applications

Air Distribution Products Group

Our Air Distribution Products (“ADP”) business is a leading manufacturer of metal duct and fittings for residential heating, ventilating and air conditioning applications. With manufacturing locations throughout the United States, ADP’s ability to service national accounts seamlessly gives ADP a competitive advantage over its smaller regional competitors. Our total procurement leverage on the purchase of galvanized steel used in the production of our products and the investment in technology allows ADP to produce high-volume output at a lower cost while providing superior customer service. Our products are sold through both HVAC wholesalers and through large scale do-it-yourself stores throughout the continental United States. Our brand names in Air Distribution Products include Snappy®, ACME, ALCO and Standex.

Engraving Group

Our Engraving Group is a world leader in texturizing molds used in the production of plastic components, giving the final product the cosmetic appearance and appeal that our consumers require. We provide texturizing services for molds used to produce plastic components used in automotive applications and consumer products including toys, computers and other electronics devices. Our worldwide locations enable us to better serve our customers within key geographic areas, including the United States, Canada, Europe, China, Southeast Asia, Australia and South America. In addition to mold texturizing, the Engraving Group also produces embossed and engraved rolls and plates and process tooling and machinery serving a wide variety of industries. Through the development of new digital based process technology and acquisitions, the Engraving Group continues to build its market leadership position and to expand the breadth of products and services it provides to its customers. The companies and products within the Engraving Group include Roehlen®, I R International and Eastern Engraving which engrave and emboss rolls and plates used in manufacturing continuous length materials; Innovent which makes specialized tooling used to manufacture absorbent cores of many consumer and medical products; Mold-Tech® which texturizes molds used in manufacturing plastic injected components; Mullen® Burst Testers; and Perkins converting and finishing machinery. Our products are sold direct and through manufacturers’ representatives. The Engraving Group serves a number of industries including the automotive, plastics, building products, synthetic materials, converting, textile and paper industry, computer, houseware and construction industries.

Our Engineering Technologies Group, consisting of our Spincraft® operating segment (formerly reported as part of the Engineered Products Group), provides customized solutions in the fabrication and machining of engineered components. Sales are made directly to our customers in the aerospace, energy, defense, marine, and aviation markets.

Electronics and Hydraulics Group

Our Electronics and Hydraulics Group consists of operating segments not otherwise aggregated under segment reporting criteria. The following describes the businesses and products of our Electronics and Hydraulics Group.

- Custom Hoists (formerly reported as the Hydraulic Products Group) which provides single and double acting telescopic and piston rod hydraulic cylinders to manufacturers of dump truck and dump trailers and other material handling applications. Sales are made directly to OEMs manufacturing dump trucks, trash collection vehicles, lift trucks and other mobile units requiring hydraulic power.
- Standex Electronics (formerly reported as part of the Engineered Products Group), which manufactures reed switches, electrical connectors, sensors, toroids and relays, fixed and variable inductors and electronic assemblies, fluid sensors, tunable inductors, transformers and magnetic components. Sales are made both directly to customers and through manufacturers' representatives, dealers and distributors. End user market segments include automotive, white goods, lighting, HVAC, aerospace, military, medical, security, and general industrial applications.

Raw Materials

Raw materials and components necessary for the manufacture of our products are generally available from numerous sources. Generally, we are not dependent on a single source of raw materials and supplies. We do not foresee unavailability of materials or supplies which would have a significant adverse effect on any of our businesses, nor any of our segments, in the near term. The prices of many commodities that we use generally remain at higher levels than in past years. Discussion of the impacts of these materials is included in Management's Discussion and Analysis.

Seasonality

We are a diversified business with generally low levels of seasonality, however our fiscal third quarter is typically the period with the lowest level of sales volume.

Patents and Trademarks

We hold approximately 70 United States patents and patents pending covering processes, methods and devices and approximately 52 United States trademarks. Many counterparts of these patents have also been registered in various foreign countries. In addition, we have various foreign registered and common law trademarks.

While we believe that many of our patents are important, we credit our competitive position in our niche markets to engineering capabilities, manufacturing techniques and skills, marketing and sales promotions, service and the delivery of quality products.

Due to the diversity of our businesses and the markets served, the loss of any single patent or trademark would not, in our opinion, materially affect any individual segment.

Customers

Our business is not dependent upon a single customer or very few customers, the loss of any one of which would have a material adverse effect on our operations. No customer accounted for more than 5% of our consolidated revenue in fiscal 2010 or any of the years presented.

Working Capital

Our primary source of working capital is the cash generated from continuing operations. No segments require any special working capital needs outside of the normal course of business.

Backlog

Backlog orders believed to be firm at June 30, 2010 and 2009 are as follows (in thousands):

	2010	2009
Food Service Equipment	\$37,009	\$37,523

Air Distribution Products	898	726
Engraving	10,308	11,543
Engineering Technologies	51,844	65,261
Electronics and Hydraulics	<u>15,825</u>	<u>9,290</u>
Total	115,884	124,343
Net realizable beyond one year	<u>16,415</u>	<u>28,008</u>
Net realizable within one year	\$99,469	\$96,335

Competition

Standex manufactures and markets products many of which have achieved a unique or leadership position in their market. However, we encounter competition in varying degrees in all product groups and for each product line. Competitors include domestic and foreign producers of the same and similar products. The principal methods of competition are price, delivery schedule, quality of services, other terms and conditions of sale and product performance.

U. S. Domestic Housing Market

Our ADP segment is dependent upon demand in the new residential housing construction market. This market is in the midst of a cyclical downturn with demand at its lowest point in over 50 years. Discussion of the impact of this downturn on this segment is included in Management's Discussion and Analysis.

International Operations

Substantially all of our international operations are included in the Food Service Equipment, Engraving Group, and Electronics and Hydraulics Products business segments. International operations are conducted at 26 locations, in Europe, Canada, China, India, Singapore, Australia, Mexico and Brazil. See the Notes to Consolidated Financial Statements for international operations financial data. Our international operations contributed approximately 15% of operating revenues in 2010 and 13% in 2009. International operations are subject to certain inherent risks in connection with the conduct of business in foreign countries including, exchange controls, price controls, limitations on participation in local enterprises, nationalizations, expropriation and other governmental action and changes in currency exchange rates.

Research and Development

Developing new and improved products, broadening the application of established products, and continuing efforts to improve and develop new methods, processes and equipment, have driven our success. However, due to the nature of our manufacturing operations and the types of products manufactured, expenditures for research and development are not significant to any individual segment or in the aggregate. Research and development costs are quantified in the Notes to Consolidated Financial Statements. We develop and design new products to meet customer needs or in order to offer enhanced products or to provide customized solutions for customers.

Environmental Matters

During 2008, the Company entered into an Administrative Order of Consent with the U.S. Environmental Protection Agency related to the removal of various PCB-contaminated materials and soils at a site where the Company leased a building and conducted operations from 1967-1979. See the notes to our consolidated financial statements for further information regarding this event.

To the best of our knowledge, we believe that we are presently in substantial compliance with all existing applicable environmental laws and regulations and do not anticipate any instances of non-compliance that will have a material effect on our future capital expenditures, earnings or competitive position.

Financial Information about Geographic Areas

Information regarding revenues from external customers attributed to: the United States, all foreign countries and any individual foreign country, if material, is contained in the Notes to Consolidated Financial Statements for “Industry Segment Information.”

Number of Employees

As of June 30, 2010, we employed approximately 3,800 employees of which approximately 2,200 were in the United States. About 500 of our U.S. employees were represented by unions. Approximately 39% of our workforce is situated in low-cost manufacturing regions such as Mexico and Asia.

Executive Officers of Standex

The executive officers of the Company as of June 30, 2010 were as follows:

<u>Name</u>	<u>Age</u>	<u>Principal Occupation During the Past Five Years</u>
Roger L. Fix	57	Chief Executive Officer of the Company since January 2003; President of the Company since December 2001
Thomas D. DeByle	50	Vice President, Chief Financial Officer, and Treasurer of the Company since March 2008; Vice President of Finance and Chief Financial Officer of Bobcat Company Doosan Infracore November 2007 – March 2008 due to the divestiture of the Compact Equipment businesses from Ingersoll Rand, prior thereto various senior financial positions in Ingersoll Rand from September 2001 through November 2007 including Sector CFO of the Compact Vehicle Technologies Sector (Club Car and Bobcat).
Deborah A. Rosen	55	Chief Legal Officer of the Company since October 2001; Vice President of the Company since July 1999; Secretary of the Company since 1997.
John Abbott	51	Group Vice President of the Food Service Group since December 2006; and prior thereto President of Filtration Group of Pentair from 2004 to 2006.

The executive officers are elected each year at the first meeting of the Board of Directors subsequent to the annual meeting of stockholders, to serve for one-year terms of office. There are no family relationships among any of the directors or executive officers of the Company.

Long-Lived Assets

Long-lived assets are described and discussed in the Notes to Consolidated Financial Statements under the caption “Long-Lived Assets.”

Available Information

Standex’s corporate headquarters are at 11 Keewaydin Drive, Salem, New Hampshire 03079, and our telephone number at that location is (603) 893-9701.

The U. S. Securities and Exchange Commission (the “SEC”) maintains an internet website at <http://www.sec.gov> that contains our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and proxy statements, and all amendments thereto. All reports that we file with the SEC may be read and copied at the SEC’s Public Reference Room at 100 F Street, N.E., Washington, DC 20549. Information about the operation of the Public Reference Room can be obtained by calling the SEC at 1-800-SEC-0330. Standex’s internet website address is www.standex.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and proxy statements, and all amendments thereto, are available free of charge on our website as soon as reasonably practicable after such reports are electronically filed with, or furnished to, the SEC. In addition, our code of business conduct, our code of ethics for senior financial management, our corporate governance guidelines, and the charters of each of the committees of our Board of Directors (which are not deemed filed by this reference), are available on our website and are available in print to any Standex shareholder, without charge, upon request in writing to “Chief Legal Officer, Standex International Corporation, 11 Keewaydin Drive, Salem, New Hampshire, 03079.”

The certifications of Standex’s Chief Executive Officer and Chief Financial Officer, as required by the rules adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, are filed as exhibits to this Form 10-K.

Item 1A. Risk Factors

An investment in the Company’s common shares involves various risks, including those mentioned below and those that are discussed from time to time in our other periodic filings with the SEC. Investors should carefully consider these risks, along with the other information filed in this report, before making an investment decision regarding our common shares. There may

be additional risks which the Company is currently unaware of or which we currently consider immaterial. All of these risks could have a material adverse effect on our financial condition, results of operations and/or value of our common shares.

A continuation of the deterioration in the economic environment could adversely affect our operating results and financial condition.

Recessionary economic conditions coupled with a tightening of credit could continue to adversely impact major markets served by our businesses, including cyclical markets such as residential housing, automotive, heavy construction vehicle, general industrial and food service. A continuation of the economic recession could adversely affect our business by:

- reducing demand for our products and services, particularly in markets where demand for our products and services is cyclical;
- causing delays or cancellations of orders for our products or services;
- reducing capital spending by our customers;
- increasing price competition in our markets;
- increasing difficulty in collecting accounts receivable;
- increasing the risk of excess or obsolete inventories;
- increasing the risk of impairment to long-lived assets due to reduced use of manufacturing facilities;
- increasing the risk of supply interruptions that would be disruptive to our manufacturing processes; and
- reducing the availability of credit for our customers.

We rely on our credit facility to provide us with sufficient capital to operate our businesses.

We rely on our revolving credit facility to provide us with sufficient capital to operate our businesses. The availability of borrowings under our revolving credit facility is dependent upon our compliance with the covenants set forth in the facility, including the maintenance of certain financial ratios. Our ability to comply with these covenants is dependent upon our future performance, which is subject to economic conditions in our markets along with factors that are beyond our control. Violation of those covenants, whether as a result of recording goodwill impairment charges, incurring operating losses or otherwise, could result in our lenders restricting or terminating our borrowing ability under our credit facility, cause us to be liable for covenant waiver fees or other obligations, or trigger an event of default under the terms of our credit facility which could result in acceleration of the debt under the facility and require prepayment of the debt before its due date. Even if new financing is available in the event of a default under our current credit facility, the interest rate charged on any new borrowing could be substantially higher than under the current credit facility, thus adversely affecting our overall financial condition. If our lenders reduce or terminate our access to amounts under our credit facility, we may not have sufficient capital to fund our working capital needs or we may need to secure additional capital or financing to fund our working capital requirements or to repay outstanding debt under our credit facility.

Our credit facility contains covenants that restrict our activities.

Our revolving credit facility contains covenants that restrict our activities, including our ability to:

- incur additional indebtedness;
- make investments;
- create liens;
- pay cash dividends unless we are in compliance with certain financial covenants; and
- sell material assets.

Our global operations subject us to international business risks.

We operate in 26 locations outside of the United States in North America, South America, Europe, Australia, and Asia. If we are unable to successfully manage the risks inherent to the operation and expansion of our global businesses, those risks could have a material adverse effect on our business, results of operations or financial condition. Those international business risks include:

- fluctuations in currency exchange rates;
- restrictions on repatriation of earnings;
- import and export controls;
- political, social and economic instability or disruptions;
- potential adverse tax consequences;
- difficulties in staffing and managing multi-national operations;
- difficulties in our ability to enforce legal rights and remedies; and
- changes in regulatory requirements.

Failure to achieve expected savings and synergies could adversely impact our operating profits and cash flows.

We focus on reducing operating costs through lean and low cost sourcing and manufacturing initiatives, improving working capital management, developing new and enhanced products, consolidating factories where appropriate, automating manufacturing capabilities, diversification efforts and completing acquisitions which deliver synergies to supplement sales and growth. If we were unable to reduce costs and expenses through such programs, this failure could adversely affect our

operating profits and cash flows. In addition, actions we may take to consolidate manufacturing operations to achieve cost savings or adjust to market developments may result in restructuring charges that adversely affect our profits.

We face significant competition in our markets and, if we are not able to respond to competition in our markets, our net sales, profits and cash flows could decline.

Our businesses operate in highly competitive markets. In order to effectively compete, we must retain longstanding relationships with significant customers, offer attractive pricing, develop enhancements to products that offer performance features that are superior to our competitors and which maintain our brand recognition, continue to automate our manufacturing capabilities, continue to grow our business by establishing relationships with new customers, diversify into emerging markets and penetrate new markets. If we are unable to compete effectively, our net sales, profitability and cash flows could decline. Pricing pressures resulting from competition may adversely affect our net sales and profitability.

If we are unable to successfully introduce new products and product enhancements, our future growth could be impaired.

Our ability to develop new products and innovations to satisfy customer needs or demands in the markets we serve can affect our competitive position and often requires significant investment of resources. Difficulties or delays in research, development or production of new products and services or failure to gain market acceptance of new products and technologies may significantly reduce future net sales and adversely affect our competitive position.

Increased prices or significant shortages of the commodities that we use in our businesses could result in lower net sales, profits and cash flows.

We purchase large quantities of steel, refrigeration components, foam insulation and other metal commodities for the manufacture of our products. Historically, prices for these commodities have fluctuated, and we have not entered into long term contracts or other arrangements to hedge the risk of price increases in these commodities. Significant price increases for these commodities could adversely affect our operating profits if we cannot timely mitigate the price increases by successfully sourcing lower cost commodities or by passing the increased costs on to customers. Shortages or other disruptions in the supply of these commodities could delay sales or increase costs.

An inability to identify or complete future acquisitions could adversely affect our future growth.

As part of our growth strategy, we intend to pursue acquisitions that provide opportunities for profitable growth for our businesses and which enable us to leverage our competitive strengths. For example, in 2007, we made two acquisitions in our Food Service Equipment Group which significantly increased the size of that group. While we continue to evaluate potential acquisitions, we may not be able to identify and successfully negotiate suitable acquisitions, obtain financing for future acquisitions on satisfactory terms, obtain regulatory approval for certain acquisitions or otherwise complete acquisitions in the future. An inability to identify or complete future acquisitions could limit our future growth.

We may experience difficulties in integrating acquisitions.

Integration of acquired companies involves a number of risks, including:

- inability to operate acquired businesses profitably;
- failure to accomplish strategic objectives for those acquisitions;
- unanticipated costs relating to acquisitions or to the integration of the acquired businesses;
- difficulties in achieving planned cost-savings and synergies; and
- possible future impairment charges for goodwill and non-amortizable intangible assets that are recorded as a result of acquisitions.

Additionally, our level of indebtedness may increase in the future if we finance acquisitions with debt, which would cause us to incur additional interest expense and could increase our vulnerability to general adverse economic and industry conditions and limit our ability to service our debt or obtain additional financing. We cannot assure that future acquisitions will not have a material adverse effect on our financial condition, results of operations and cash flows.

Impairment charges could reduce our profitability.

We test goodwill and our other intangible assets with indefinite useful lives for impairment on an annual basis or on an interim basis if an event occurs that might reduce the fair value of the reporting unit below its carrying value. During fiscal 2009, we incurred an impairment charge of \$21.3 million relating to goodwill and intangible assets in our Food Service Equipment Group.

Various uncertainties, including continued adverse conditions in the capital markets or changes in general economic conditions, could impact the future operating performance at one or more of our businesses which could significantly affect our valuations and could result in additional future impairments. The recognition of an impairment of a significant portion of goodwill would negatively affect our results of operations, the effect of which could be material to us.

Material adverse or unforeseen legal judgments, fines, penalties or settlements could have an adverse impact on our profits and cash flows.

We are and may, from time to time, become a party to legal proceedings incidental to our businesses, including, but not limited to, alleged claims relating to product liability, environmental compliance, patent infringement, commercial disputes and employment matters. In accordance with United States generally accepted accounting principles, we have established reserves based on our assessment of contingencies. Subsequent developments in legal proceedings may affect our assessment and estimates of loss contingencies recorded as reserves which could require us to record additional reserves or make additional material payments which could adversely affect our profits and cash flows. Even the successful defense of legal proceedings may cause us to incur substantial legal costs and may divert management's time and resources away from our businesses.

The costs of complying with existing or future environmental regulations, and of correcting any violations of these regulations, could increase our expenses and reduce our profitability.

We are subject to a variety of environmental laws relating to the storage, discharge, handling, emission, generation, use and disposal of chemicals, hazardous waste and other toxic and hazardous materials used to manufacture, or resulting from the process of manufacturing, our products. We cannot predict the nature, scope or effect of regulatory requirements to which our operations might be subject or the manner in which existing or future laws will be administered or interpreted. We are also exposed to potential legacy environmental risks relating to businesses we no longer own or operate. Future regulations could be applied to materials, products or activities that have not been subject to regulation previously. The costs of complying with new or more stringent regulations, or with more vigorous enforcement of these or existing regulations, could be significant.

In addition, properly permitted waste disposal facilities used by us as a legal and legitimate repository for hazardous waste may in the future become mismanaged or abandoned without our knowledge or involvement. In such event, legacy landfill liability could attach to or be imposed upon us in proportion to the waste deposited at any disposal facility.

Environmental laws require us to maintain and comply with a number of permits, authorizations and approvals and to maintain and update training programs and safety data regarding materials used in our processes. Violations of these requirements could result in financial penalties and other enforcement actions. We could be required to halt one or more portions of our operations until a violation is cured. Although we attempt to operate in compliance with these environmental laws, we may not succeed in this effort at all times. The costs of curing violations or resolving enforcement actions that might be initiated by government authorities could be substantial.

Contingent liabilities from businesses that we have sold could adversely affect our results of operations and financial condition.

We have retained responsibility for some of the known and unknown contingent liabilities related to a number of businesses we have sold, such as lawsuits, tax liabilities, product liability claims and environmental matters and have agreed to indemnify purchasers of these businesses for certain of those contingent liabilities. The purchaser of Berean Christian Bookstores, a former subsidiary of the Company, filed a Chapter 11 bankruptcy petition on June 9, 2009. On July 27, 2009, the Bankruptcy Court approved a sale under Section 363 of the Bankruptcy Code of substantially all of the assets of Berean to a newly-formed entity, Berean Christian Stores Endeavor, LLC ("Berean Endeavor"), which has assumed all of the Berean leases on which we remain an obligor. The failure of Berean Endeavor to improve the performance of the business could make it unable to satisfy its obligations under the leases, which could trigger our continuing obligation.

The trading price of our common stock has been volatile, and investors in our common stock may experience substantial losses.

The trading price of our common stock has been volatile and may become volatile again in the future. The trading price of our common stock could decline or fluctuate in response to a variety of factors, including:

- our failure to meet the performance estimates of securities analysts;
- changes in financial estimates of our net sales and operating results or buy/sell recommendations by securities analysts;
- fluctuations in our quarterly operating results;
- substantial sales of our common stock;
- changes in the amount or frequency of our payment of dividends or repurchases of our common stock;
- general stock market conditions; or
- other economic or external factors.

Decreases in discount rates and actual rates of return could require future pension contributions to our pension plans which could limit our flexibility in managing our company.

Key assumptions inherent in our actuarially calculated pension plan obligations and pension plan expense are the discount rate and the expected rate of return on plan assets. If discount rates and actual rates of return on invested plan assets were to decrease significantly, our pension plan obligations could increase materially. The size of future required pension contributions could require us to dedicate a greater portion of our cash flow from operations to making contributions, which could negatively impact our financial flexibility.

Various restrictions in our charter documents, Delaware law and our credit agreement could prevent or delay a change in control of us that is not supported by our board of directors.

We are subject to a number of provisions in our charter documents, Delaware law and our credit facility that may discourage, delay or prevent a merger, acquisition or change of control that a stockholder may consider favorable. These anti-takeover provisions include:

- maintaining a classified board and imposing advance notice procedures for nominations of candidates for election as directors and for stockholder proposals to be considered at stockholders' meetings;
- a provision in our certificate of incorporation that requires the approval of the holders of 80% of the outstanding shares of our common stock to adopt any agreement of merger, the sale of substantially all of the assets of Standex to a third party or the issuance or transfer by Standex of voting securities having a fair market value of \$1 million or more to a third party, if in any such case such third party is the beneficial owner of 10% or more of the outstanding shares of our common stock, unless the transaction has been approved prior to its consummation by all of our directors;
- requiring the affirmative vote of the holders of at least 80% of the outstanding shares of our common stock for stockholders to amend our amended and restated by-laws;
- covenants in our credit facility restricting mergers, asset sales and similar transactions; and
- the Delaware anti-takeover statute contained in Section 203 of the Delaware General Corporation Law.

Section 203 of the Delaware General Corporation Law prohibits a merger, consolidation, asset sale or other similar business combination between Standex and any stockholder of 15% or more of our voting stock for a period of three years after the stockholder acquires 15% or more of our voting stock, unless (1) the transaction is approved by our board of directors before the stockholder acquires 15% or more of our voting stock, (2) upon completing the transaction the stockholder owns at least 85% of our voting stock outstanding at the commencement of the transaction, or (3) the transaction is approved by our board of directors and the holders of 66 2/3% of our voting stock, excluding shares of our voting stock owned by the stockholder.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We operate a total of 65 manufacturing plants and warehouses located throughout the United States, Europe, Canada, Australia, Singapore, China, India, Brazil and Mexico. The Company owns 29 of the facilities and the balance are leased. The approximate building space utilized by each product group is as follows (in thousands):

	Area in Square Feet	
	Owned	Leased
Food Service Equipment	1,273	230
Air Distribution Products	269	245
Engraving	321	293
Engineering Technologies	174	45
Electronics and Hydraulics	152	107
Corporate and other	43	12
Total	<u>2,232</u>	<u>932</u>

In general, the buildings are in sound operating condition and are considered to be adequate for their intended purposes and current uses.

We own substantially all of the machinery and equipment utilized in our businesses.

Item 3. Legal Proceedings

There are no material pending legal proceedings.

Item 4. Reserved

PART II

Item 5. Market for Standex Common Stock

Related Stockholder Matters and Issuer Purchases of Equity Securities

The principal market in which the Common Stock of Standex is traded is the New York Stock Exchange under the ticker symbol “SXI”. The high and low sales prices for the Common Stock on the New York Stock Exchange and the dividends paid per Common Share for each quarter in the last two fiscal years are as follows:

Year Ended June 30	Common Stock Price Range				Dividends Per Share	
	2010		2009		2010	2009
	High	Low	High	Low		
First quarter	\$20.93	\$9.56	\$30.00	\$18.84	\$0.05	\$0.21
Second quarter	21.96	16.94	29.48	17.00	0.05	0.21
Third quarter	28.58	19.49	20.82	7.85	0.05	0.05
Fourth quarter	30.93	21.21	15.04	8.30	0.05	0.05

The approximate number of stockholders of record on August 23, 2010 was 2,200.

Additional information regarding our equity compensation plans is presented in the Notes to Consolidated Financial Statements under the caption “Stock-Based Compensation and Purchase Plans” and Item 12 “Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.”

On May 8, 2009, the Company issued 42,783 shares of common stock from its treasury shares to the former owners of IR International, which was acquired by Standex in 2003. The shares, along with a cash payment of \$3.6 million, were issued upon the receipt of a Certificate of Satisfactory Completion of Remediation from the Virginia Department of Environmental Quality for the Company’s Richmond, Virginia, Engraving Group facility, which was a contingent requirement of the acquisition whereby Standex purchased the facility. An exemption from registration of the shares was claimed under Regulation D, Rule 506 of the Securities Act. The exemption applied because there were fewer than 35 purchasers, each purchaser was an accredited investor and the transaction did not involve a public offering.

Issuer Purchases of Equity Securities (1)

Quarter Ended June 30, 2010

Period	(a) Total Number of Shares (or units) Purchased	(b) Average Price Paid per Share (or unit)	(c) Total Number of Shares (or units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Appropriate Dollar Value) of Shares (or units) that May Yet Be Purchased Under the Plans or Programs
April 1, 2010 –				
April 30, 2010	7,092	\$29.91	7,092	651,022
May 1, 2010 –				
May 31, 2010	3,588	\$27.59	3,588	647,434
June 1, 2010 –				

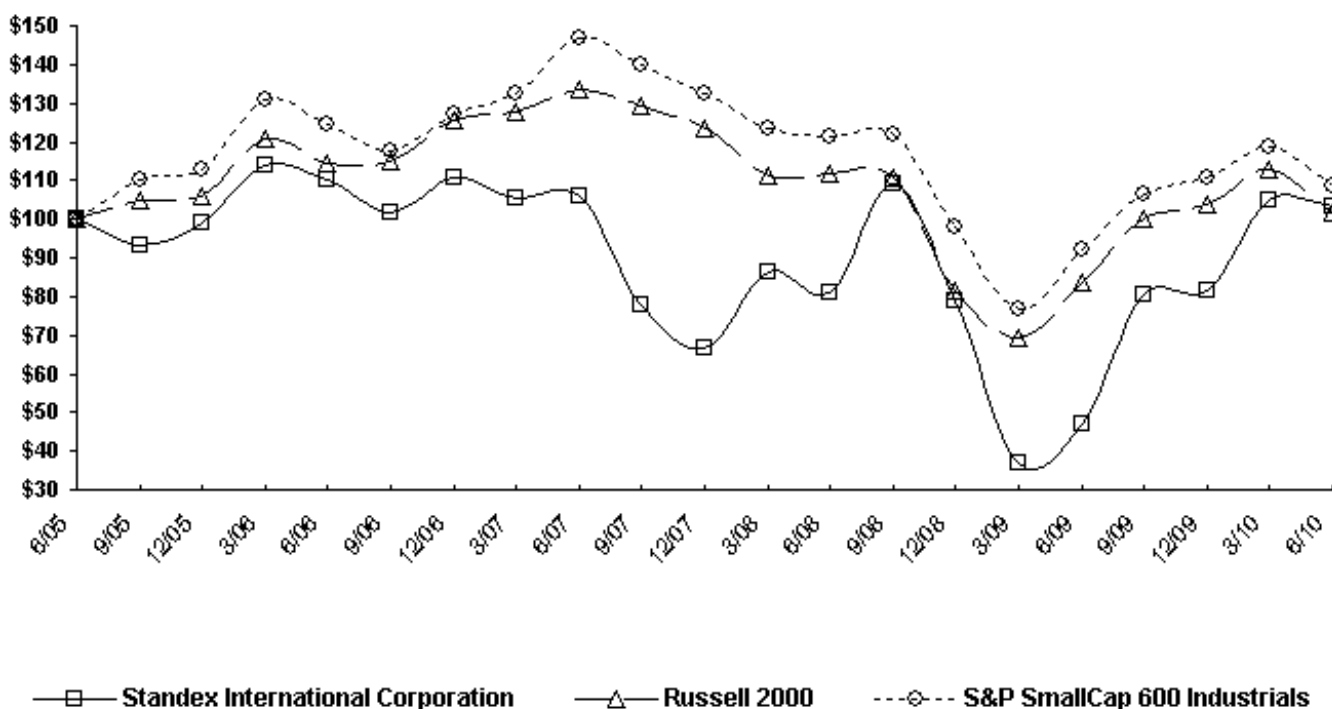
June 30, 2010	6,728	<u>\$29.41</u>	6,728	640,706
TOTAL	<u>17,408</u>	<u>\$29.24</u>	<u>17,408</u>	<u>640,706</u>

The Company has a Stock Buyback Program (the "Program") which was originally announced on January 30, 1985. Under the Program, the Company may repurchase its shares from time to time, either in the open market or through private transactions, whenever it appears prudent to do so. On December 15, 2003, the Company authorized an additional 1 million shares for repurchase pursuant to its Program. The Program has no expiration date, and the Company from time to time may authorize additional increases of 1 million share increments for buyback authority so as to maintain the Program.

The following graph compares the cumulative total stockholder return on the Company's Common Stock as of the end of each of the last five fiscal years, with the cumulative total stockholder return on the Standard & Poor's Small Cap 600 (Industrial Segment) Index and on the Russell 2000 Index, assuming an investment of \$100 in each at their closing prices on June 30, 2005 and the reinvestment of all dividends.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Standex International Corporation, the Russell 2000 Index
and S&P SmallCap 600 Industrials



*\$100 invested on 6/30/05 in stock or index, including reinvestment of dividends.
Fiscal year ending June 30.

Item 6. Selected Consolidated Financial Data

Selected financial data for the five years ended June 30, 2010 is as follows:
See Item 7 for discussions on comparability of the below.

	2010	2009	2008	2007	2006
SUMMARY OF OPERATIONS (in thousands)					
Net sales					
Food Service Equipment	\$337,578	\$350,358	\$381,254	\$299,009	\$245,049

Air Distribution Products	50,974	66,534	88,334	110,081	129,383
Engraving	77,372	77,311	92,167	84,223	87,377
Engineering Technologies	58,732	51,693	51,615	41,829	37,616
Electronics and Hydraulics	<u>53,798</u>	<u>61,190</u>	<u>84,171</u>	<u>86,069</u>	<u>90,513</u>

Total	\$578,454	\$607,086	\$697,541	\$621,211	\$ 589,938
Gross profit	\$183,403	\$175,975	\$201,847	\$172,804	\$172,614
Operating income (loss)					
Food Service Equipment (a)	\$39,682	\$9,900	\$31,460	\$18,242	\$18,771
Air Distribution Products	(3,186)	713	(340)	2,610	11,089
Engraving	9,395	7,028	9,611	7,595	12,835
Engineering Technologies	13,843	8,667	9,770	6,824	6,665
Electronics and Hydraulics	4,888	3,459	8,106	9,158	9,257
Restructuring (b)	(3,772)	(7,839)	(590)	(286)	(930)
Gain on sale of real estate	1,405	—	—	1,023	410
Corporate	(19,989)	(15,907)	(19,088)	(15,069)	(19,346)
Total	\$42,266	\$6,021	\$38,929	\$30,097	\$38,751
Interest expense	(3,624)	(6,532)	(9,510)	(9,025)	(7,681)
Other non-operating Income	754	215	324	1,464	893
Provision for income taxes	(11,436)	(1,594)	(10,459)	(6,611)	(11,028)
Income from continuing operations	27,960	(1,890)	19,284	15,925	20,935
Income/(loss) from discontinued operations	739	(3,515)	(774)	5,317	2,208
Net income	\$28,699	(\$5,405)	\$18,510	\$21,242	\$23,143

(a) Includes \$21.3 million of impairment of goodwill and intangible assets during 2009.

(b) See discussion of restructuring activities in Note 16 of the consolidated financial statements.

Financial results after January 1, 2007, reflect the acquisition of Associated American Industries and American Foodservice.

PER SHARE DATA

Basic					
Income from continuing operations	\$2.25	(\$0.15)	\$1.57	\$1.30	\$1.71
Income/(loss) from discontinued operations	0.06	(0.29)	(0.06)	0.44	0.18
Total	\$2.31	(\$0.44)	\$1.51	\$1.74	\$1.89
Diluted					
Income from continuing operations	\$2.20	(\$0.15)	\$1.55	\$1.28	\$1.67
Income/(loss) from discontinued operations	0.06	(0.29)	(0.06)	0.43	0.18
Total	\$2.26	(\$0.44)	\$1.49	\$1.71	\$1.85
Dividends paid	\$0.20	\$0.68	\$0.84	\$0.84	\$0.84

	2010	2009	2008	2007	2006
BALANCE SHEET (in thousands)					
Total assets	\$446,279	\$433,709	\$523,034	\$539,900	\$478,673
Accounts receivable	92,520	81,893	103,055	106,116	99,310
Inventories	69,554	75,634	87,619	91,301	91,719
Accounts payable	(58,514)	(58,802)	(66,174)	(65,977)	(62,742)
Goodwill	102,804	101,722	120,650	118,911	73,272
Short-term debt	\$ —	\$ —	\$28,579	\$4,162	\$3,873
Long-term debt	93,300	94,300	106,086	164,158	113,729
Total debt	93,300	94,300	106,086	168,320	117,602

Less cash	<u>33,630</u>	<u>8,984</u>	28,657	24,057	32,590
Net debt	59,670	85,316	77,429	144,263	85,012
Stockholders' equity	192,063	176,286	223,158	204,431	200,295
Depreciation and amortization	\$14,407	\$15,541	\$17,113	\$15,198	\$12,033
Capital expenditures	\$4,273	\$5,689	\$10,989	\$10,341	\$15,144

Accounts receivable, inventories, and accounts payable in the above table include the applicable amounts from discontinued operations in fiscal year 2006

KEY STATISTICS	2010	2009	2008	2007	2006
Gross profit margin	31.71%	28.99%	28.94%	27.82%	29.30%
Operating income margin (a)	7.31%	0.99%	5.58%	4.84%	6.57%

(a) Includes \$21.3 million of impairment of goodwill and intangible assets during 2009.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

We are a leading manufacturer of a variety of products and services for diverse commercial and industrial market segments. We have five reporting segments: Food Service Equipment Group, Air Distribution Products Group (ADP), Engraving Group, Engineering Technologies Group, and Electronics and Hydraulics. Our continuing objective is to identify those of our businesses which hold the greatest potential for profitable growth, and direct our resources to supporting both organic growth and acquisition opportunities in those businesses.

Our customer base in the food service equipment, automotive, U.S. residential housing and general industrial sectors have all experienced difficult recessionary market conditions that have negatively impacted our sales volume. During the second half of 2010, we began to see an uneven sales recovery across all of our segments, indicating that end-user markets have begun to stabilize. This trend is evidenced by an upturn in sales beginning in the third quarter of 2010, as sales were up 3.4% in the third quarter and up 8.7% in the fourth quarter. We remain cautiously optimistic, however, as we expect to continue to experience challenging market conditions in the near term, especially in the construction and housing markets.

Since the beginning of 2009, our focus had been on reducing our cost structure through company-wide headcount reductions, plant consolidations, procurement savings, and improved productivity in all aspects of our operations. Over the course of their phase-in, these cost reduction efforts have allowed the Company to substantially improve margins and increase its bottom line despite substantial year over year sales declines. The cost reduction initiatives that have been undertaken, which are expected to deliver sustainable annual savings of \$36 million per year, allowed the Company to improve margins and improve its bottom line in 2010 despite a year over year sales decline of 5%. Substantially all of our remaining restructuring initiatives were completed during 2010, and we expect to see their full impact in our run rate beginning in 2011, with an additional \$4 million of savings.

In addition to the focus on cost reductions, we have improved the Company's liquidity through better working capital management, more strategic capital expenditures, and sale of excess land and buildings. We retired substantially all of our private placement debt during 2009, and in 2010, we further reduced our net debt by an additional \$25.6 million even while expending \$2.5 million on dividends, \$4.0 million on capital expenditures, and \$20.2 million in total pension plan contributions. \$16.7 million of these pension contributions were voluntary, and, at current borrowing rates, will be accretive to future earnings. Our net debt to capital ratio improved from 32.6% on June 30, 2009 to 23.7% as of June 30, 2010.

Going forward, we are turning our attention to driving market share gains in a highly competitive environment coupled with what we expect to be low growth in our end-user markets. Each of our business units has developed a series of top-line initiatives that we believe will provide opportunities for market share gains which should supplement future natural growth in our markets. These growth initiatives include new product introductions, expansion of product offerings through private labeling, geographic expansion of sales coverage, the use of new channels of sales, leveraging strategic customer relationships, development of energy efficient products, new applications for existing products and technology and next generation products and services for our end-user markets. At the same time, over the past several years we have created a strong lean enterprise culture within our business units whereby we seek continuous improvement in our manufacturing processes, working capital management, and overall cost structure.

Because of the diversity of the Company's businesses, end user markets and geographic locations, management does not use specific external indices to predict the future performance of the Company, other than general information about broad macroeconomic trends. Each of our individual business units serves niche markets and attempts to identify trends other than general business and economic conditions which are specific to their businesses and which could impact their performance. Those units report any such information to senior management, which uses it to the extent relevant to assess the future performance of the Company. A description of any such material trends is described below in the applicable segment analysis.

We monitor a number of key performance indicators including net sales, income from operations, backlog and gross profit

margin. A discussion of these key performance indicators is included within the discussion below.

Unless otherwise noted, references to years are to fiscal years.

Consolidated Results from Continuing Operations (in thousands):

	2010	2009	2008
Net sales	\$578,454	\$607,086	\$697,541
Gross profit margin	31.7%	29.0%	28.9%
Restructuring costs	(\$3,772)	(\$7,839)	(\$590)
Income from operations	\$42,266	\$6,021	\$38,929
Backlog (realizable within 1 year)	\$99,469	\$96,335	\$111,663

Net Sales

	2010	2009	2008
Net sales, as reported	\$578,454	\$607,086	\$697,541
Components of change in sales:			
Effect of acquisitions	—	—	\$51,285
Effect of exchange rates	\$1,950	(\$10,528)	\$10,262
Organic sales/(decline) growth	(\$30,582)	(\$79,927)	\$14,783

Net sales decreased \$28.6 million in 2010, a 4.7% decrease from the prior year. Organic sales decreased \$30.6 million or 5.0%, with a positive offset due to exchange rates of \$2.0 million. The decrease was due to the fact that sales for the first half of fiscal 2010 were substantially below sales levels in the first half of fiscal 2009. Severe recessionary conditions did not begin to significantly affect the Company until the second quarter of fiscal 2009. Sales for the second half of fiscal 2010 were 6% higher than sales in the second half of 2009. In 2010 the Engineering Technologies Group reported record sales due to several large projects, while the Engraving Group sales were flat year over year. The Food Service Equipment Group was down slightly, and the ADP and Electronics and Hydraulics Groups continued to experience sales declines due to ongoing depressed conditions in the housing and dump truck/dump trailer markets.

Net sales decreased \$90.5 million in 2009, a 13.0% decrease from the prior year. Organic sales decreased \$79.9 million or 11.5%, with the remaining difference due to exchange rates. While we experienced a recession-driven decrease in sales across all segments except for the Engineering Technologies Group, sales in our ADP and Electronics and Hydraulics segments had the most significant declines, as continuing downturns in the housing, white goods, and heavy truck industries negatively impacted the sales of these segments.

Gross Profit Margin

Our gross profit margin increased in 2010 to 31.7% from 29.0% in 2009. This increase in margin is due to our successful reduction in our cost structure, as well as reductions in materials and value added costs. We believe that our cost reduction actions better position our operations for higher gross margins as macroeconomic recovery occurs, as demonstrated by higher margins on lower sales in 2010. Our gross profit margin increased in fiscal 2009 to 29.0% from 28.9% in 2008.

Restructuring

During 2010, the Company incurred restructuring expense of \$3.8 million related to both headcount reductions and a strategic realignment of our manufacturing footprint. This expense consisted primarily of \$2.6 million of restructuring costs in the Food Service Equipment Group, where we consolidated a facility in Dallas into our Nogales, Mexico facility. Additional expense of \$0.7 million was incurred in the European operations of the Engraving Group, where we closed one facility and reduced headcount across the continent, and in our ADP Group, where the costs of a facility move were offset by the settlement of the multi-employer pension liability at the Bartonville, Illinois ADP facility, which was closed in July 2008.

In 2009, the Company incurred restructuring expense of \$7.8 million. Of this amount, \$4.6 million consisted of costs to close the Bartonville facility. In the third quarter of 2009, the Company closed an additional three plants, one each in the Food Service

Equipment, Engraving, and Electronics and Hydraulics Groups at a cost of \$1.9 million. Production from these plants was absorbed into other existing facilities as part of our goal of reducing our global manufacturing footprint.

Also during 2009, the Company reduced its US based employment by 25% across all divisions in order to reduce costs in response to the macroeconomic recessionary environment and its expected effects on the Company in the immediate future. The Company recorded \$1.3 million of pre-tax restructuring expense related to this initiative.

Income from Operations

Income from operations during 2010 increased \$36.2 million from 2009. Excluding \$21.3 million of impairment charges taken during 2009, income from operations increased \$14.9 million. This improvement reflects the impact of restructuring actions and other cost reductions taken during 2009, as well as the partial impact of additional restructuring projects in the Food Service Equipment and Engraving Groups performed during the year partially offset by reduced sales volume.

Income from operations during 2009 decreased \$32.9 million, or 84.5% when compared to 2008. This includes the impact of \$21.3 million of impairment of goodwill and intangible assets during the year, as well as restructuring costs of \$7.8 million during the year. Absent these costs, income from operations decreased \$3.7 million, or 9.6%, from 2008, which is attributable to the 13% year-over-year decline in sales offset by the aforementioned improvements in our cost structure.

Discussion of the performance of all of our Groups is more fully explained in the segment analysis that follows.

Income Taxes

The Company's income tax provision from continuing operations for the fiscal year ended June 30, 2010 was \$11.4 million, or an effective rate of 29.0%, compared to \$1.6 million for the fiscal year ended June 30, 2009 and \$10.5 million, or an effective rate of 35.2%, for the fiscal year ended June 30, 2008. Changes in the effective tax rates from period to period may be significant as they depend on many factors including, but not limited to, size of the Company's income or loss and any one time activities occurring during the period.

The Company's income tax provision from continuing operations for the fiscal year ended June 30, 2010 was impacted by a benefit of \$1.1 million from the reversal of a deferred tax asset valuation allowance primarily related to foreign loss carryforwards whose recovery was assessed as more likely than not based on events occurring during the year ended June 30, 2010.

The Company's income tax provision from continuing operations for the fiscal year ended June 30, 2009 was impacted by the following items (i) a benefit of \$0.8 million from the reversal of income tax contingency reserves that were determined to be no longer needed due to the expiration of applicable limitation statutes, (ii) the \$21.3 million impairment for which only \$1.3 million of tax benefit could be realized, as the goodwill had no tax basis, (iii) a benefit totaling \$1.7 million from the reversal of the deferred tax liability that was no longer required due to a change in the U.S. tax classification of one of our foreign entities, (iv) a benefit of \$0.6 million related primarily to the retroactive extension of the R&D credit recorded during the second quarter and (v) a benefit related to the receipt of \$1.1 million of nontaxable life insurance proceeds during the first quarter.

Capital Expenditures

In general, our capital expenditures over the longer term are expected to be approximately equivalent to our annual depreciation costs. In 2010 and 2009, capital expenditures of \$4.3 million and \$5.7 million were below our annual depreciation of \$11.1 million and \$12.3 million, respectively, and reflect our strategy of cash conservation and debt reduction in response to the current recessionary environment.

Backlog

Backlog at June 30, 2010 increased \$3.1 million to \$99.5 million when compared to fiscal 2009, a 3.3% increase when compared to prior year. This increase is correspondent with our increase in sales volume, and was driven primarily by higher backlog in the Electronics and Hydraulics Group. Backlog was roughly flat year over year for our other segments.

Segment Analysis (in thousands)

Food Service Equipment

	2010 compared to 2009			2009 compared to 2008		
	2010	2009	% Change	2009	2008	% Change
Sales	\$337,578	\$350,358	-3.6%	\$350,358	\$381,254	-8.1%
Income (loss) from operations	39,682	9,900	300.8%	9,900	31,460	-68.5%
Operating income margin	11.8%	2.8%		2.8%	8.3%	

Net sales for the year ended June 30, 2010 decreased \$12.8 million, or 3.6%, from the same period one year earlier. The year over year top line sales comparisons were negatively impacted by a rollout at one of the YUM! Brands restaurants that generated \$2 million in sales in the prior year quarter. The effects of foreign exchange rates accounted for \$0.3 million of this

total, and the remainder was organic decline offset by price increases. Pricing pressure offset by market share gains led to a 5% organic sales decline in our Refrigeration Solutions businesses (walk-in cooler and refrigerated cabinets) businesses, which was impacted by the moderation in construction, and we showed a 1.7% organic decline in our Cooking Solutions and Custom Solutions businesses. Despite the decline, the segment continues to grow market share through its buying group relationships and through new product offerings. Our Procon business posted double-digit year over year sales growth driven by strength in the beverage customer base and increasing demand from industrial customers.

Income from operations for fiscal 2010 increased \$29.8 million, or 300.8%, when compared to the same period one year earlier. Fiscal 2009 included a \$21.3 million impairment of goodwill and intangible assets related to our 2007 acquisition of the American Associated Industries (AAI) operating unit. Excluding the prior year impairment, the group's fiscal 2010 income from operations increased \$8.4 million, or 85.3%. We are continuing to see a recovery in the Cooking Solutions Group as we are benefiting from improving market conditions, increased market penetration in key dealer buying groups and new products. The impact of the year over year volume decreases and market pricing pressures was more than offset by cost reductions due to facility consolidations, staffing reductions, supply chain cost reductions and labor productivity increases. With the completion of our consolidation of two Cooking Solutions Group facilities into Nogales, Mexico, during the year, the beginning of 2011 will mark the full run rate of our initiatives from the last two years.

Net sales in 2009 decreased \$30.9 million, or 8.1%, from 2008. The effects of foreign exchange rates accounted for \$3.7 million of the decline. When removing the effect of foreign exchange rate impact, sales decreased \$27.3 million, or 7.2%, when compared with the same period one year earlier. We achieved slight organic growth in our Refrigerated Solutions businesses generally due to market share gains and nominal price increases. Our Cooking Solutions and Custom Solutions businesses experienced sales declines primarily due to the market deterioration that began in the second fiscal quarter.

Income from operations for fiscal 2009 decreased approximately \$21.6 million, or 68.5%, when compared to the same period one year earlier. Excluding the effect of a \$21.3 million impairment of goodwill and intangible assets during the third quarter, operating income was approximately flat year-over-year. A 8.1% decline in sales volume was offset by staffing reductions, material and labor productivity improvements, and nominal price increases. These savings initiatives were partially offset by commodity cost increases in the first half and negative sales mix in the first quarter.

Air Distribution Products

	2010 compared to 2009			2009 compared to 2008		
	2010	2009	% Change	2009	2008	% Change
Sales	\$ 50,974	\$ 66,534	-23.4%	\$ 66,534	\$ 88,334	-24.7%
Income (loss) from operations	(3,186)	713	N/A	713	(340)	N/A
Operating income margin	-6.3%	1.1%		1.1%	-0.4%	

Net sales for the fiscal year ended June 30, 2010 declined 23.4% or \$15.6 million. Standex evaluates the available market for ADP by monitoring new housing start data, published monthly by the U.S. Department of Housing and Urban Development. Sales to the Group's customers typically lag new home starts by three to four months. Comparing the period from April 2009 to March 2010 to the same period one year earlier, housing starts declined 30.2%. Pricing declined 17.9% and sales unit volume was lower by 7.7%. ADP continues to pursue market share gains through its traditional wholesaler channels by emphasizing our ability to service nationwide wholesalers and large "do-it-yourself" retailers through our network of factory locations and by working in conjunction with our wholesalers to target contractor business. We continue to roll out our flex duct product, and have also expanded our product line to include other HVAC supplies, which enables us to be a "one-stop shop" for our customers in a down market so that they can more easily meet minimum order requirements and thereby improve their working capital management. The relatively low decline in unit volume as compared to the precipitous decline in housing starts is a testament to the success of this strategy, which we expect to leave us well positioned when markets recover.

Income from operations for the year ended June 30, 2010 decreased \$3.9 million to a loss of \$3.2 million as compared to the prior fiscal year. Pricing declines, totaling \$12.1 million, and lower volume were the most significant reasons for the change in earnings. Metal costs were \$5.5 million less than fiscal 2009, \$3.5 million of which was the result of a lower of cost or market charge recorded in the third quarter of 2009. Decreases in hourly and salaried workforces implemented in the third and fourth quarters of fiscal 2009, lower workers' compensation costs and lower distribution costs comprised the majority of the remaining offset to price and volume declines.

Net sales for 2009 declined \$21.8 million, or 24.7%, from 2008. A volume decline of 34.3% was driven by a similar decline in housing starts of 36.8 % during the year.

Income from operations for 2009 was \$0.7 million, an increase of \$1.1 million from 2008. Price increases implemented in early 2009 partially offset raw steel price increases and declining sales volume. These raw material price increases were also offset by significant year over year cost savings achieved from the shutdown of the Bartonville, Illinois, facility in July 2008 and salaried and hourly workforce reductions which took place primarily in the third quarter of the year. Additionally, the Group recorded expenses of \$3.5 million during the third quarter of 2009 to write down inventory of higher-cost metal purchased in the first half the year to its fair market value.

Engraving

	2010 compared to 2009			2009 compared to 2008		
	2010	2009	% Change	2009	2008	% Change
Sales	\$ 77,372	\$ 77,311	0.1%	\$ 77,311	\$ 92,167	-16.1%
Income from operations	9,395	7,028	33.7%	7,028	9,611	-26.9%
Operating income margin	12.1%	9.1%		9.1%	10.4%	

Net sales in the Engraving Group were flat from fiscal 2009 levels at \$77.4 million compared to \$77.3 million in the prior year.

Foreign exchange had a favorable impact on sales of \$1.4 million in fiscal year 2010. Without the favorable foreign exchange, sales declined 1.8% year over year. While our roll plate and machinery equipment sales continue to experience a soft market due to tight capital spending budgets at our customers, our Innovent division's sales increased, showing the benefit of our expansion and broadening of our focus from tools to technology-driven system solutions. Our mold texturizing businesses continue to strengthen based on the release of new automotive programs, which also creates an improved product mix due to their generally higher margins. We expect this trend to continue into 2011, and will continue to seek out this business through further expansion into emerging markets, including a strategic acquisition in India which will enable us to capitalize on the fast growing Indian automotive market and the opening of a third facility in China. We believe that global presence, as well as our technology and responsiveness to automotive OEM customers' needs, will allow us to remain the number one choice for their texturing services.

Income from operations increased by \$2.4 million, or 33.7%, when compared to fiscal 2009. Restructuring the business and significant cost reduction efforts implemented in 2009, as well as headcount reductions in our European operations, were significant in the improvement of operating income year over year. With our new lower cost structure and focus on growth, we have demonstrated our ability to improve income from operations on flat sales, and we anticipate that we will be able to favorably leverage future sales growth and further improve our operating performance. In addition, the Group continues to expand the use of lean enterprise techniques and develop cutting edge technology throughout its operations in order to further improve profitability and responsiveness to our customers.

In 2009, net sales in the Engraving Group decreased by \$14.9 million, or 16.1% from fiscal 2008 levels. The Group experienced a widespread decrease in sales of mold texturizing for automotive OEM platform work in most geographic regions, especially Europe, in 2009 due to OEM's launching fewer new auto platforms and delaying existing programs. Lower mold texturing sales were partially offset by stronger sales in core forming tools and filtration screens related to our Innovent business. North American operations sales declined 12.8% and international operations sales declined 22.5%.

Income from operations decreased by \$2.6 million, or 26.9%, to \$7.0 million when compared to fiscal 2008. Restructuring measures taken during the year consist of the completion of the closure of our Ohio mold texturizing and New Jersey roll embossing facilities begun in 2008, and an additional consolidation during the year of our Michigan mold texturizing facility. In addition, the Group continued to expand the use of lean enterprise techniques throughout its operations in order to further improve profitability and responsiveness to our customers.

Engineering Technologies

	2010 compared to 2009			2009 compared to 2008		
	2010	2009	% Change	2009	2008	% Change
Sales	\$ 58,732	\$ 51,693	13.6%	\$ 51,693	\$ 51,615	0.2%
Income from operations	13,843	8,667	59.7%	8,667	9,770	-11.3%
Operating income margin	23.6%	16.8%		16.8%	18.9%	

Net sales increased by \$7.0 million, or 13.6%, in fiscal 2010 when compared to the prior year. Our metal spinning and fabrication businesses continued to experience strong demand across its energy, aerospace, missile, aviation, and marine end-user markets. We completed contracts related to NASA hardware for the Ares and Orion programs. In addition, we secured

new aerospace and tank hardware contracts during the year. While the federal government has reduced its funding for heavy-lift launch vehicles, we expect that the continued diversification of our end markets will offset this trend.

Income from operations increased by \$5.2 million or 59.7% in fiscal 2010 when compared to the same period one year earlier. The increase was primarily due to growth with several aerospace launch vehicle customers. A favorable product mix, cost cutting initiatives, and improved manufacturing efficiencies also contributed to the performance.

Net sales increased \$0.1 million in fiscal 2009 when compared to the prior year. Our metal spinning and fabrication businesses experienced steady performance and we secured new contracts for tank systems for the growing unmanned aerial vehicles market and contracts for tooling and hardware related to NASA's Orion and Ares rocket programs. In addition this group saw an increase in demand for land based turbine components.

Income from operations decreased \$1.1 million or 11.3% in fiscal 2009 when compared to the same period one year earlier. The reduced profitability was the result of a shift in mix to lower margin products for the energy markets and away from aerospace sales. The introduction of lean manufacturing techniques as a regular element of daily production is helping to improve margins in this segment.

Electronics and Hydraulics

	2010 compared to 2009			2009 compared to 2008		
	2010	2009	% Change	2009	2008	% Change
Sales	\$ 53,798	\$ 61,190	-12.1%	\$ 61,190	\$ 84,171	-27.3%
Income from operations	4,888	3,459	41.3%	\$ 3,459	8,106	-57.3%
Operating income margin	9.1%	5.7%		5.7%	9.6%	

Net sales for the Electronics and Hydraulics Segment decreased \$7.4 million, or 12.1%, when compared to 2009. Although sales were down year over year, sales in the second half of the year were up 19.5% driven by improvements in the automotive, appliance, computer, toy and security markets for our Electronics unit. Sales were also buoyed by the reed switch product line, where sales increased 26% year over year, and by significant new business in the medical, HVAC, and toy switch markets. Sales at our Hydraulics unit continued to be plagued by depressed market conditions in the domestic and international dump truck/trailer sectors due to a lack of available credit to customers, as well as a high inventories in the used equipment market. While sales have stabilized in some of our traditional OEM customers, we also continue to seek new applications and geographic markets for our products.

Income from operations for 2010 increased \$1.4 million, or 41.3%, as compared to the prior year. During 2009, we took aggressive measures to reduce our cost structure, including plant closures and workforce reductions. As a result, the Electronics unit showed a 340 basis point increase in operating margin year over year. The Hydraulics unit, where we reduced our workforce by over 50%, also showed an increase in operating income compared to 2009 despite significantly lower sales. Both these improvements reflect the full-year impact of our restructuring efforts.

Net sales declined by \$23.0 million, or 27.3% in 2009 when compared to the same period one year earlier. For the Electronics unit, the decline is attributable to the global recession in the automotive, white goods and HVAC market segments, which experienced steep declines during the second half of fiscal 2009. Within the Hydraulics unit, the global decline in new orders for dump trucks and dump trailers was dramatic, as the recession resulted in a general lack of credit availability for buyers, as well as an excess of used and repossessed equipment flooding the market.

Income from operations decreased \$4.6 million in fiscal 2009, or 57.3% when compared to the same period one year earlier, due primarily to the year over year sales decline of over 25%. Sales demand for this segment was negatively impacted by recessionary market conditions that existed in the automotive, housing white goods and off road, construction vehicles, end user segments. In the Electronics unit, aggressive cost reduction measures and plant closures resulted in a moderate increase in earnings as a percent of net sales. In the Hydraulics unit, we have successfully introduced new capital equipment to improve productivity and closed one facility.

Corporate, Restructuring and Other

	2010 compared to 2009	2009 compared to 2008
	%	%

	2010	2009	Change	2009	2008	Change
Income (loss) from operations:						
Corporate	\$(19,989)	\$(15,907)	25.7%	\$(15,907)	\$(19,088)	-16.7%
Gain on sale of real estate	1,405	-	N/A	-	-	N/A

Restructuring	\$ (3,772)	\$ (7,839)	-51.9%	\$ (7,839)	\$ (590)	1228.6%
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Corporate expenses increased \$4.0 million, or 25.7% compared to 2009. This increase was primarily due to expenses for bonuses and stock compensation expenses that were not accrued in 2009 due to austerity measures taken in the face of the recession.

The Company recorded a gain of \$1.4 million during the year related to the sale of its corporate headquarters facility in Salem, New Hampshire. During the year we relocated our headquarters to a leased facility in Salem that is 50% smaller and more suited to our current operational needs.

Corporate expenses decreased \$3.2 million, or 16.7% during 2009. The reduction in corporate expenses was attributed to a salaried headcount reduction of over 25%, as well as the suspension of bonuses during the year in response to the recessionary macroeconomic environment. Also, in 2009, there was no expense for current-year awards under the Company's performance-based long term stock compensation program, as we determined that the achievement of the performance criteria for outstanding awards was not probable, whereas in 2008 these awards resulted in expense of \$1.3 million.

Discontinued Operations

In 2007, the Company sold substantially all the assets of the Berean Christian Stores ("Berean") business in an all cash deal resulting in the recognition of a pre-tax gain of \$0.2 million. As the former owner of Berean, the Company is party under a number of operating leases which were assigned to the purchaser of the business for the remaining initial terms of the leases at the stated lease costs. The Company remained an obligor of these leases until the expiration of the initial terms. In the second quarter of 2009, noting Berean's deteriorating operating performance and precarious financial position, the Company recorded liabilities of \$2.9 million, net of estimated subleases, in anticipation of the impairment of leases remaining under the obligation.

In June 2009, Berean filed for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code and, in July 2009, its assets were sold to a third party under Section 363 of the Code. The new owner of the Berean assets has infused capital into the business, and we believe the Berean bookstores can now be operated successfully as a going concern. As part of this transaction, the Company agreed to provide lease supplement payments to the new owner of the Berean assets. These payments included an upfront payment of \$0.5 million and additional payments totaling \$1.2 million which will be made in equal monthly installments through December 2011. The Company will remain an obligor of the leases assumed by the new owner, however, our obligation has been reduced for locations where the new owner was able to obtain rent concessions. In addition, the Company remains responsible for three sites formerly operated by Berean. Liabilities associated with these three leases, net of expected subleases at current market rates, total \$1.3 million at June 30, 2010. Subsequent to these transactions, the aggregate amount of our obligations in the event of default is \$4.4 million at June 30, 2010.

During 2008, the Company entered into an Administrative Order of Consent with the U.S. Environmental Protection Agency ("EPA") related to the removal of various PCB-contaminated materials and soils at a site where the Company leased a building and conducted operations from 1967-1979. The Company established an accrual of \$2.0 million related to the matter in 2008 and an additional \$2.0 million accrual in 2009. Remediation efforts were substantially completed during the third quarter of 2009, and the Company received a closure letter from the EPA in the first half of 2010.

The Company actively sought the recovery of costs incurred in carrying out the terms of the AOC through negotiations with its legacy insurers. Based on the status of these negotiations at September 30, 2009, the Company determined that a settlement was probable and recorded \$2.3 million (\$1.4 million net of tax) in discontinued operations during the first quarter. As expected, the settlement came to fruition during the second quarter, with a final recovery of \$2.5 million (\$1.6 million net of tax), net of costs incurred to negotiate the settlement.

The following table summarizes the Company's discontinued operations activity, by operation, for the years ended June 30, 2010, 2009 and 2008 (in thousands):

<u>Division Disposed Of</u>	<u>Year Disposed</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Berean Christian Bookstores	2007	(659)	(3,057)	—
Club Products and Monarch Aluminum	1982	2,291	(2,065)	(2,000)

Standard Publishing	2007	--	--	1,034
Other loss from discontinued operations		(452)	(493)	(285)
Income (loss) before taxes from discontinued operations		<u>\$ 1,180</u>	<u>\$(5,615)</u>	<u>\$(1,251)</u>
(Provision) benefit for tax		(441)	2,100	477

Net income (loss) from discontinued operations	<u>\$ 739</u>	<u>\$(3,515)</u>	<u>\$ (774)</u>
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Liquidity and Capital Resources

Cash Flow

Cash flows from continuing operations for the year ended June 30, 2010, were \$22.2 million compared to \$43.3 million for the same period in 2009. Impacting cash flows during the year were \$16.7 million in voluntary pension contributions and an additional settlement of \$2.75 million to the Bartonville multi-employer plan. Additionally, excluding the impact of foreign exchange, working capital increased \$4.8 million due to robust sales growth of 8.7%, or \$12.2 million in the fourth quarter of 2010.

Investing activities provided \$5.7 million of cash during 2010, including \$8.7 million from sales of excess real estate during the year. We used \$4.0 million for capital expenditures, which reflects our current strategy of reduced capital spending during the recession. Cash inflows were also augmented by life insurance proceeds of \$1.7 million resulting from the death of a former executive and the penalty-free withdrawal of excess funding from our policies.

Subsequent to the end of fiscal 2010, the Company completed the sale of an excess facility located in Lyon, France. The Company anticipates recording pretax gain of approximately \$3.9 million and will realize cash proceeds of \$3.6 million, net of associated costs.

During the year ended June 30, 2010, we used \$4.2 million of cash for financing activities. While we generated sufficient cash flow during the year to further pay down debt, we elected not to do so in order to make voluntary pension contributions and to add an additional \$30 million of interest rate swaps. While these actions have resulted in the net pay down of only \$1.0 million in debt, the pension contribution will be accretive to earnings in 2011 and we have fixed a significant portion of our revolving debt for the next five years at historically low interest rates.

Capital Structure

We have in place a five year, \$150 million unsecured revolving credit facility (the “facility”) with seven participating banks which originated in September 2007. Funds available under the facility may be used for general corporate purposes or to provide financing for acquisitions. Borrowings under the agreement bear interest at a rate equal to LIBOR plus an applicable percentage based on our consolidated leverage ratio, as defined by the agreement. As of June 30, 2010, the effective rate of interest for outstanding borrowings under the facility was 3.94%. We are required to pay an annual fee of 0.125% on the maximum credit line.

In the past two years, the Company has undertaken a series of initiatives to generate cash and reduce debt, including cost reductions, improved working capital management, and plant consolidations. These initiatives have enabled us to pay down substantially all of our private placement debt. As of June 30, 2010, we had borrowings of \$90.0 million under the facility. We believe that the remaining \$60.0 million available provides us with sufficient capacity to meet both our short- and long-term liquidity needs. Our facility also allows for up to \$15 million of private placement debt in addition to our revolving borrowings.

Our funded debt agreements contain certain customary affirmative and negative covenants, as well as specific financial covenants. The Company’s current financial covenants under the facility are as follows:

Interest Coverage Ratio – The Company is required to maintain a ratio of Earnings Before Interest and Taxes (“EBIT”) to interest expense for the trailing twelve months of at least 3:1. EBIT is defined in the revolving credit facility to specifically exclude extraordinary and certain defined items such as non-cash restructuring charges and goodwill impairment. At June 30, 2010, the Company’s Interest Coverage Ratio was 10.90:1.

Leverage Ratio – The Company’s ratio of funded debt to trailing twelve month EBITDA, defined as EBIT plus Depreciation and Amortization, may not exceed 3.5:1. At June 30, 2010, the Company’s Leverage Ratio was 1.73:1.

Consolidated Net Worth – The Company is required to maintain a Consolidated Net Worth of at least \$163.7 million plus 50% of cumulative net income since the inception of the agreement. Consolidated Net Worth is defined as the Company’s net worth as adjusted for unamortized pension losses (not to exceed \$40 million) and certain foreign exchange gains and losses. At June

30, 2010, the Company's Consolidated Net Worth was \$225.5 million, \$12.3 million greater than the required amount of \$213.2 million.

We also utilize two uncommitted money market credit facilities to help manage daily working capital needs. These unsecured facilities, which are renewed annually, provide for a maximum aggregate credit line of \$15 million. No amounts

were outstanding under these facilities at June 30, 2010 and 2009. At June 30, 2010, and 2009, we had standby letters of credit outstanding, primarily for insurance purposes, of \$15.6 million and \$14.3 million, respectively.

Through our shelf registration statement on file with the SEC, depending on conditions prevailing in the public capital markets, we may issue unsecured debt securities from time to time in one or more series, which may consist of notes, debentures or other evidences of indebtedness in one or more offerings.

Our primary cash requirements in addition to day-to-day operating needs include interest and mandatory principal payments, capital expenditures, and dividends. Our primary sources of cash for these requirements are cash flows from continuing operations and borrowings under the facility. We expect to spend between \$11–13 million on capital expenditures during 2011, and expect that depreciation and amortization expense for the year will be approximately \$10–13 million and \$1.5–2.5 million, respectively.

In July 2008, we entered into a series of swap agreements with one and two year terms effectively converting interest payments on our long-term debt from variable to fixed rates. We converted interest payments on \$88.5 million of debt due under the facility from variable rates based on LIBOR to a weighted average effective rate of 3.89% based on our current leverage ratio. The one year swaps totaling \$22.5 million expired in July 2009. The two years swaps totaling \$60 million expired in July 2010. In June 2010, we entered into an additional \$30.0 million of five-year floating to fixed rate swaps. On a go-forward basis, these swaps will convert our interest payments to a weighted average effective rate of 2.94% based on our current leverage ratio. Additionally, due to the expiration of the 2008 swaps in July 2010, our rate on the remaining \$60.0 million of outstanding revolving debt balances will return to the historically low LIBOR rates the market is currently experiencing.

The following table sets forth our capitalization at June 30:

Year Ended June 30 (<i>in thousands</i>):	<u>2010</u>	<u>2009</u>
Short-term debt	\$ --	\$ --
Long-term debt	<u>93,300</u>	<u>94,300</u>
Total debt	93,300	94,300
Less cash	<u>33,630</u>	<u>8,984</u>
Total net-debt	59,670	85,316
Stockholders' equity	<u>192,063</u>	<u>176,286</u>
Total capitalization	<u>\$251,733</u>	<u>\$261,602</u>

Stockholders' equity increased year over year primarily as a result of net income of \$28.7 million. Also affecting equity were dividends of \$2.5 million, unfavorable foreign currency movements of \$2.4 million and unrealized pension losses of \$12.0 million. The remaining changes are attributable to the treasury stock activity offset by the additional paid in capital increases associated with stock option exercises and stock-based compensation in the current year. The Company's net debt to capital percentage improved from 32.6% to 23.7% in 2010 due the year over year change in cash and the contribution of the current year net income to retained earnings.

We sponsor a number of defined benefit and defined contribution retirement plans. The Company's pension plan for U.S. salaried employees was frozen as of January 2008. All participants in the U.S. salaried pension plan and the supplemental defined benefit plan no longer accrue future benefits. The fair value of the Company's U.S. pension plan assets was \$174.3 million at June 30, 2010 and the accumulated benefit obligation in the U.S. was \$212.9 million at that time. We made \$16.7 million of voluntary cash contributions to our defined benefit plans in the U.S., U.K., and Ireland in 2010. Additionally, the Company paid \$2.75 million during the year to settle its liability to a multi-employer plan incurred due to the closure of our Bartonville, IL, ADP Group facility in 2009. As a result of the voluntary contributions, the Company estimates, based on current Pension Protection Act and other funding rules, that we will not incur a mandatory funding requirement until 2013. We do not expect contributions to our other defined benefit plans to be material in 2011.

During the third quarter of 2009, the Company announced that it would suspend employer matching contributions to its 401(k) plans, with the exception of obligations under collective bargaining agreements. This suspension was lifted at the end of calendar year 2009 and contributions resumed as normal beginning in January 2010.

We have evaluated the current and long-term cash requirements of our defined benefit and defined contribution plans as of June 30, 2010. Our operating cash flows from continuing operations and available liquidity are expected to be sufficient to cover required contributions under ERISA and other governing regulations.

We have an insurance program for certain retired key executives. The underlying policies have a cash surrender value of \$17.1 million and are reported net of loans of \$10.5 million for which we have the legal right of offset. These policies have been purchased to fund supplemental retirement income benefits. The aggregate present value of future obligations was \$1.0

million and \$1.4 million at June 30, 2010 and 2009, respectively. During 2010, the Company withdrew \$0.2 million of excess funding from these policies with no related tax consequences and received \$1.4 million of cash proceeds upon the death of a former executive covered by this program.

Contractual obligations of the Company as of June 30, 2010 are as follows (in thousands):

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 year	1–3 years	3–5 years	More than 5 years
Long-term debt obligations	\$93,300	—	\$90,000	—	\$3,300
Operating lease obligations	16,909	4,426	5,843	3,206	3,434
Estimated interest payments ¹	3,289	1,427	1,798	27	37
Post-retirement benefit payments ²	1,341	153	291	273	624
Other ³	732	540	192	—	—
Total	\$115,571	\$6,546	\$98,124	\$3,506	\$7,395

¹ Estimated interest payments are based upon effective interest rates as of June 30, 2010, and includes the impact of interest rate swaps. See Item 7A for further discussions surrounding interest rate exposure on our variable rate borrowings.

² Post-retirement benefit payments are based upon current benefit payment levels.

³ Lease supplement payments to Berean Christian Stores Endeavor, LLC.

At June 30, 2010, we had \$1.9 million of non-current liabilities for uncertain tax positions. We are not able to provide a reasonable estimate of the timing of future payments related to these obligations.

Off Balance Sheet Items

In connection with the sale of the Berean Christian Bookstores completed in August 2006, we assigned all but one lease to the buyers. During June 2009, the Berean business filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code. The Berean assets were subsequently resold under section 363 of the Code. The new owners of the Berean business have negotiated lower lease rates and extended lease terms at certain of the leased locations. We remain an obligor on these leases, but at the renegotiated rates and to the original term of the leases. The aggregate amount of our obligations in the event of default is \$4.4 million at June 30, 2010. We had no other material off balance sheet items at June 30, 2010, other than the operating leases and purchase obligations summarized above.

Other Matters

Inflation – Certain of our expenses, such as wages and benefits, occupancy costs and equipment repair and replacement, are subject to normal inflationary pressures. Inflation for medical costs can impact both our reserves for self-insured medical plans as well as our reserves for workers' compensation claims. We monitor the inflationary rate and make adjustments to reserves whenever it is deemed necessary. Our ability to manage medical costs inflation is dependent upon our ability to manage claims and purchase insurance coverage to limit the maximum exposure for us.

Foreign Currency Translation – Our primary functional currencies used by our non-U.S. subsidiaries are the Euro, British Pound Sterling (Pound), Mexican Peso, and Chinese Yuan. During the current year, the Pound Sterling and Euro have experienced decreases in value relative to the U.S. Dollar, our reporting currency. Since June 30, 2009 the Euro has depreciated by 12.8% and the Pound has depreciated by 9.2% (all relative to the U.S. Dollar). These lower exchange values were used in translating the appropriate non-U.S. subsidiaries' balance sheets into U.S. Dollars at the end of the current year.

Environmental Matters – During 2008, the Company entered into an Administrative Order of Consent with the U.S. Environmental Protection Agency related to the removal of various PCB-contaminated materials and soils at a site where the Company leased a building and conducted operations from 1967–1979. See the notes to our consolidated financial statements

for further information regarding this event.

We are party to various other claims and legal proceedings, generally incidental to our business. We do not expect the ultimate disposition of these other matters will have a material adverse effect on our financial statements.

Seasonality – We are a diversified business with generally low levels of seasonality, however our fiscal third quarter is typically the period with the lowest level of activity.

Employee Relations – The Company has labor agreements with a number of union locals in the United States and a number of European employees belong to European trade unions. We renegotiated two union contracts during 2010, and in each case reached an agreement. A total of two union contracts covering approximately 160 employees will expire in 2011. The company maintains good working relations with all of its unions, however, there can be no guarantee that agreements can be reached in future negotiations.

Critical Accounting Policies

The Consolidated Financial Statements include accounts of the Company and all of our subsidiaries. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions in certain circumstances that affect amounts reported in the accompanying Consolidated Financial Statements. Although we believe that materially different amounts would not be reported due to the accounting policies described below, the application of these accounting policies involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. We have listed a number of accounting policies which we believe to be the most critical.

Collectability of Accounts Receivable – Accounts Receivable are reduced by an allowance for amounts that may become uncollectible in the future. Our estimate for the allowance for doubtful accounts related to trade receivables includes evaluation of specific accounts where we have information that the customer may have an inability to meet its financial obligation together with a general provision for unknown but existing doubtful accounts.

Realizability of Inventories – Inventories are valued at the lower of cost or market and are reduced by a reserve for excess and potentially obsolete inventories. The Company regularly reviews inventory values on hand using specific aging categories, and records a provision for obsolete and excess inventory based on historical usage and estimated future usage. As actual future demand or market conditions may vary from those projected by management, adjustments to inventory valuations may be required.

Realization of Goodwill – Goodwill and certain indefinite-lived intangible assets are not amortized, but instead are tested for impairment at least annually and more frequently whenever events or changes in circumstances indicate that the fair value of the asset may be less than its carrying amount of the asset. The Company's annual test for impairment is performed using a May 31st measurement date.

We have identified our reporting units for impairment testing as our twelve operating segments, which are aggregated into our five reporting segments as disclosed in Note 18 – Industry Segment Information.

The test for impairment is a two step process. The first step compares the carrying amount of the reporting unit to its estimated fair value (Step 1). To the extent that the carrying value of the reporting unit exceeds its estimated fair value, a second step is performed, wherein the reporting unit's carrying value is compared to the implied fair value (Step 2). To the extent that the carrying value exceeds the implied fair value, impairment exists and must be recognized.

As quoted market prices are not available for the Company's reporting units, the fair value of the reporting units is determined using a discounted cash flow model (income approach). This method uses various assumptions that are specific to each individual reporting unit in order to determine the fair value. In addition, the Company compares the estimated aggregate fair value of its reporting units to its overall market capitalization.

Our annual impairment testing at each reporting unit relied on assumptions surrounding general market conditions, short-term growth rates, and terminal growth rates ranging from 0% to 2.5%, and detailed management forecasts of future cash flows prepared by the relevant reporting unit. Fair values were determined primarily by discounting estimated future cash flows at a weighted average cost of capital of 11.42%. An increase in the weighted average cost of capital of approximately 100 basis points in the analysis would not result in the identification of any impairments.

While we believe that our estimates of future cash flows are reasonable, changes in assumptions could significantly affect our valuations and result in impairments in the future. The most significant assumption involved in the Company's determination of fair value is the cash flow projections of each reporting unit. Certain of our reporting units have been significantly impacted by the current global economic downturn, specifically the Air Distribution Products Group, which has been significantly impacted by the declines in new housing starts and other factors impacting residential housing. If the effects of the current global economic environment are protracted or the recovery is slower than we have projected estimates of future cash flows for each reporting unit may be insufficient to support the carrying value of the reporting units, requiring the Company to re-assess its

conclusions related to fair value and the recoverability of goodwill.

Cost of Employee Benefit Plans – We provide a range of benefits to our employees, including pensions and some postretirement benefits. We record expenses relating to these plans based upon various actuarial assumptions such as discount rates, assumed rates of return, compensation increases, turnover rates, and health care cost trends. The expected

return on plan assets assumption of 8.1% in the U.S. is based on our expectation of the long-term average rate of return on assets in the pension funds and is reflective of the current and projected asset mix of the funds and considers the historical returns earned on the funds. We have analyzed the rates of return on assets used and determined that these rates are reasonable based on the plans' historical performance relative to the overall markets as well as our current expectations for long-term rates of returns for our pension assets. The U.S. discount rate of 5.9% reflects the current rate at which pension liabilities could be effectively settled at the end of the year. The discount rate is determined by matching our expected benefit payments from a stream of AA- or higher bonds available in the marketplace, adjusted to eliminate the effects of call provisions. We review our actuarial assumptions, including discount rate and expected long-term rate of return on plan assets, on at least an annual basis and make modifications to the assumptions based on current rates and trends when appropriate. Based on information provided by our actuaries and other relevant sources, we believe that our assumptions are reasonable.

The cost of employee benefit plans includes the selection of assumptions noted above. A twenty-five basis point change in the expected return on plan assets assumptions, holding our discount rate and other assumptions constant, would increase or decrease pension expense by approximately \$0.4 million per year. A twenty-five basis point change in our discount rate, holding all other assumptions constant, would increase or decrease pension expense by approximately \$0.3 million annually. See the Notes to the Consolidated Financial Statements for further information regarding pension plans.

Recently Issued Accounting Pronouncements

In January 2010, the FASB issued Accounting Standard Update ("ASU") 2010-06, *Fair Value Measurements and Disclosures (ASC Topic 820)—Improving Disclosures About Fair Value Measurements*. The ASU requires new disclosures about transfers into and out of Levels 1 and 2 and separate disclosures about purchases, sales, issuances, and settlements relating to Level 3 measurements. It also clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value. The new disclosures and clarifications of existing disclosures are effective for the Company's third quarter of fiscal year 2010. Other than requiring additional disclosures, the adoption of this new guidance did not and will not have a material impact on the Company's consolidated financial statements.

In October 2009, the FASB issued ASU 2009-13 — *Multiple-Deliverable Revenue Arrangements* ("ASU 2009-13"). ASU 2009-13 amends ASC 605-25 — *Revenue Recognition — Multiple-Element Arrangements*. The update replaces the concept of allocating revenue consideration amongst deliverables in a multiple-element revenue arrangement according to fair value with an allocation based on selling price. ASU 2009-13 also establishes a hierarchy for determining the selling price of revenue deliverables sold in multiple element revenue arrangements. The selling price used for each deliverable will be based on vendor-specific objective evidence ("VSOE") if available, third-party evidence if VSOE is not available, or management's estimate of an element's stand-alone selling price if neither VSOE nor third-party evidence is available. The amendments in this update also require an allocation of selling price amongst deliverables be performed based upon each deliverable's relative selling price to total revenue consideration, rather than on the residual method previously permitted. ASU 2009-13 is effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010.

Early adoption is permitted, but then requires retrospective application of its provisions from the beginning of the fiscal year. We will adopt the amendment provisions of ASU 2009-13 on July 1, 2010; the adoption of this standard is not expected to have a material impact on our financial condition, results of operations or cash flows.

In April 2010, the FASB issued ASU 2010-17 — *Revenue Recognition — Milestone Method* ("ASU 2010-17"). ASU 2010-17 provides guidance on defining a milestone and determining when it may be appropriate to apply the milestone method of revenue recognition for research and development transactions. ASU 2010-17 is effective for fiscal years beginning on or after June 15, 2010, and is effective on a prospective basis for milestones achieved after the adoption date. Early adoption is permitted provided that the revised guidance is retroactively applied to the beginning of the year of adoption. We will adopt this provision on July 1, 2010; the adoption of this standard is not expected to have a material impact on our financial condition, results of operations or cash flows.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Risk Management

We are exposed to market risks from changes in interest rates, commodity prices and changes in foreign currency exchange. To reduce these risks, we selectively use, from time to time, financial instruments and other proactive management techniques. We have internal policies and procedures that place financial instruments under the direction of the Treasurer and restrict all derivative transactions to those intended for hedging purposes only. The use of financial instruments for trading purposes

(except for certain investments in connection with the KEYSOP plan and non-qualified defined contribution plan) or speculation is strictly prohibited. The Company has no majority-owned subsidiaries that are excluded from the consolidated financial statements. Further, we have no interests in or relationships with any special purpose entities.

Exchange Risk

We are exposed to both transactional risk and translation risk associated with exchange rates. The transactional risk is mitigated, in large part, by natural hedges developed with locally denominated debt service on intercompany accounts. We also mitigate certain of our foreign currency exchange rate risk by entering into forward foreign currency contracts from time to time. The contracts are used as a hedge against anticipated foreign cash flows, such as dividend payments, loan payments, and materials purchases, and are not used for trading or speculative purposes. The fair value of the forward foreign currency exchange contracts is sensitive to changes in foreign currency exchange rates, as an adverse change in foreign currency exchange rates from market rates would decrease the fair value of the contracts. However, any such losses or gains would generally be offset by corresponding gains and losses, respectively, on the related hedged asset or liability. At June 30, 2010 and 2009, the fair value of the Company's open foreign exchange contracts were not material.

Our primary translation risk is with the Euro, British Pound Sterling, and Chinese Yuan. A hypothetical 10% appreciation or depreciation of the value of any these foreign currencies to the U.S. Dollar at June 30, 2010, would not result in a material change in our operations, financial position, or cash flows. We do not hedge our translation risk. As a result, fluctuations in currency exchange rates can affect our stockholders' equity.

Interest Rate

The Company's effective rate on variable-rate borrowings under the revolving credit agreement decreased from 4.11% at June 30, 2009 to 3.94% at June 30, 2010. Our interest rate exposure is limited primarily to interest rate changes on our variable rate borrowings. From time to time, we will use interest rate swap agreements to modify our exposure to interest rate movements. In July 2008 and June 2010, we entered into a series of swap agreements with two and five year terms effectively converting interest payments on \$90.0 million of debt due under our revolving credit agreement from variable rates based on LIBOR to a fixed rate of 3.55% based on the Company's effective leverage ratio at June 30, 2010. Due to the impact of the swaps, an increase in interest rates would not materially impact our annual interest expense at June 30, 2010.

Concentration of Credit Risk

We have a diversified customer base. As such, the risk associated with concentration of credit risk is inherently minimized. As of June 30, 2010, no one customer accounted for more than 5% of our consolidated outstanding receivables or of our sales.

Commodity Prices

The Company is exposed to fluctuating market prices for all commodities used in its manufacturing processes. Each of our segments is subject to the effects of changing raw material costs caused by the underlying commodity price movements. In general, we do not enter into purchase contracts that extend beyond one operating cycle. While Standex considers our relationship with our suppliers to be good, there can be no assurances that we will not experience any supply shortage.

The ADP, Engineering Technologies, Food Service Equipment and Electronics and Hydraulics Groups are all sensitive to price increases for steel products, other metal commodities and petroleum based products. In the past year, we have experienced price fluctuations for a number of materials including steel, copper wire, other metal commodities, refrigeration components and foam insulation. These materials are some of the key elements in the products manufactured in these segments. Wherever possible, we will implement price increases to offset the impact of changing prices. The ultimate acceptance of these price increases, if implemented, will be impacted by our affected divisions' respective competitors and the timing of their price increases.

Item 8. Financial Statements and Supplementary Data

Consolidated Balance Sheets

Standex International Corporation and Subsidiaries

<i>As of June 30 (in thousands, except share data)</i>	2010	2009
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ASSETS

Current assets:

Cash and cash equivalents	\$33,630	\$8,984
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Accounts receivable, net	92,520	81,893
Inventories, net	69,554	75,634
Income tax receivables	3,634	2,186
Prepaid expenses and other current assets	5,346	2,730
Deferred tax asset	<u>12,351</u>	<u>13,278</u>
Total current assets	<u>217,035</u>	<u>184,705</u>

Property, plant, equipment, net	93,227	108,612
Intangible assets, net	17,791	20,450
Goodwill	102,804	101,722
Other non-current assets	15,422	18,220
Total non-current assets	<u>229,244</u>	<u>249,004</u>
Total assets	<u>\$446,279</u>	<u>\$433,709</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable	58,514	58,802
Accrued liabilities	40,683	36,902
Current liabilities – discontinued operations	2,319	3,543
Total current liabilities	<u>101,516</u>	<u>99,247</u>

Long-term debt	93,300	94,300
Deferred income taxes	2,261	4,859
Pension obligations	44,945	43,281
Other non-current liabilities	12,194	15,736
Total non-current liabilities	<u>152,700</u>	<u>158,176</u>

Commitments and Contingencies (Notes 11 and 12)

Stockholders' equity:

Common stock, par value \$1.50 per share – 60,000,000 shares authorized, 27,984,278 issued, 12,447,891 and 12,386,821 shares outstanding in 2010 and 2009	41,976	41,976
Additional paid-in capital	31,460	28,690
Retained earnings	445,313	419,157
Accumulated other comprehensive loss	(66,456)	(52,591)
Treasury shares (15,536,387 shares in 2010 and 15,597,457 shares in 2009)	<u>(260,230)</u>	<u>(260,946)</u>
Total stockholders' equity	<u>192,063</u>	<u>176,286</u>
Total liabilities and stockholders' equity	<u>\$446,279</u>	<u>\$433,709</u>

See notes to consolidated financial statements.

Consolidated Statements of Operations

Standex International Corporation and Subsidiaries

For the Years Ended June 30 (in thousands, except per share data)	2010	2009	2008
Net sales	\$578,454	\$607,086	\$697,541
Cost of sales	<u>395,051</u>	<u>431,111</u>	<u>495,694</u>
Gross profit	183,403	175,975	201,847
Selling, general and administrative	138,770	140,776	162,328
Impairment of goodwill and intangible assets	--	21,339	--
Gain on sale of real estate	(1,405)	--	--
Restructuring costs	<u>3,772</u>	<u>7,839</u>	<u>590</u>
Income from operations	<u>42,266</u>	<u>6,021</u>	<u>38,929</u>

Interest expense	3,624	6,532	9,510
Other, net	(754)	(215)	(324)
Total	<u>2,870</u>	<u>6,317</u>	<u>9,186</u>
Income (loss) from continuing operations before income taxes	39,396	(296)	29,743
Provision for income taxes	<u>11,436</u>	<u>1,594</u>	<u>10,459</u>
Income (loss) from continuing operations	27,960	(1,890)	19,284
Income (loss) from discontinued operations, net of tax	<u>739</u>	<u>(3,515)</u>	<u>(774)</u>
Net income (loss)	<u>\$28,699</u>	<u>(\$5,405)</u>	<u>\$18,510</u>

Basic earnings per share:

Income (loss) from continuing operations	\$2.25	(\$0.15)	\$1.57
Income (loss) from discontinued operations	<u>0.06</u>	<u>(0.29)</u>	<u>(0.06)</u>
Total	<u>\$2.31</u>	<u>(\$0.44)</u>	<u>\$1.51</u>

Diluted earnings per share:

Income (loss) from continuing operations	\$2.20	(\$0.15)	\$1.55
Income (loss) from discontinued operations	<u>0.06</u>	<u>(0.29)</u>	<u>(0.06)</u>
Total	<u>\$2.26</u>	<u>(\$0.44)</u>	<u>\$1.49</u>

See notes to consolidated financial statements.

Standex International Corporation and Subsidiaries

Consolidated Statements of Stockholders' Equity and Comprehensive Income (Loss)

Year End (in thousands)	Additional		Retained	Accumulated		Total	
	Common	Paid-in		Other	Treasury Stock		Stockholders'
	Stock	Capital	Earnings	Comprehensive	Shares	Amount	Equity
Balance, July 1, 2007	\$41,976	\$25,268	\$426,171	(\$26,533)	15,737	(\$262,451)	\$204,431
Stock issued for employee stock option and purchase plans, including related income tax benefit		(547)			(89)	1,497	950
Stock-based compensation		2,437					2,437
Treasury stock acquired					40	(926)	(926)
Comprehensive income							
Net Income			18,510				18,510
Foreign currency translation adjustment				4,644			4,644
Change in unrealized pension losses, net of tax				(6,698)			(6,698)
Total comprehensive income							<u>16,456</u>
Adjustment to adopt change in measurement							

provisions of ASC 715 as of July 1, 2007			(928)	11,056			10,128
Dividends paid (\$.84 per share)			(10,318)				(10,318)
Balance, June 30, 2008	\$41,976	\$27,158	\$433,435	(\$17,531)	15,688	(\$261,880)	\$223,158
Stock issued for employee stock option and							
purchase plans, including related income tax benefit		(1,049)			(113)	1,870	821
Stock-based compensation		2,398					2,398
Treasury stock acquired					65	(1,652)	(1,652)
Stock issued for acquisition		183			(43)	716	899
Comprehensive income							
Net loss			(5,405)				(5,405)
Foreign currency translation adjustment				(10,426)			(10,426)
Change in unrealized pension losses, net of tax				(23,484)			(23,484)
Change in fair value of derivatives, net of tax				(1,150)			(1,150)
Total comprehensive loss							(40,465)
Dividends paid (\$.68 per share)			(8,873)				(8,873)
Balance, June 30, 2009	\$41,976	\$28,690	\$419,157	(\$52,591)	15,597	(\$260,946)	\$176,286
Stock issued for employee stock option and							
purchase plans, including related income tax benefit		(1,075)			(107)	1,790	715
Stock-based compensation		3,845					3,845

Treasury stock acquired				46	(1,074)	(1,074)
Comprehensive income						
Net Income		28,699				28,699
Foreign currency translation adjustment			(2,360)			(2,360)
Change in unrealized pension losses, net of tax			(12,032)			(12,032)
Change in fair value of derivatives, net of tax			527			527
Total comprehensive income						14,834
Dividends paid (\$.20 per share)		(2,543)				(2,543)
Balance, June 30, 2010	41,976	31,460	445,313	(66,456)	15,536	(260,230)

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Standex International Corporation and Subsidiaries

For the Years Ended June 30 (in thousands)

	2010	2009	2008
Cash Flows from Operating Activities			
Net income (loss)	\$28,699	(\$5,405)	\$18,510
Income (loss) from discontinued operations	739	(3,515)	(774)
Income (loss) from continuing operations	27,960	(1,890)	19,284
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	14,407	15,541	17,113
Stock-based compensation	3,845	2,398	2,437
Deferred income taxes	5,320	(3,563)	(467)
Impairment Charges	—	21,339	
Non-cash portion of restructuring charge	873	3,730	94
(Gain)/loss on sale of investments, real estate, equipment and debt extinguishment	(1,405)	375	(344)
Increase/(decrease) in cash from changes in assets and liabilities, net of effects from discontinued operations and business acquisitions:			
Accounts receivables, net	(12,022)	18,360	4,738
Inventories	5,393	11,605	4,299
Contributions to defined benefit plans	(17,414)	—	(620)
Prepaid expenses and other	(5,746)	1,001	471
Accounts payable	(1,081)	(6,034)	(912)
Accrued payroll, employee benefits and other liabilities	3,838	(18,039)	836
Income taxes payable	(1,722)	(1,550)	(1,746)
Net cash provided by operating activities – continuing operations	22,246	43,273	45,183
Net cash used for operating activities – discontinued operations	(845)	(3,829)	(477)
Net cash provided by operating activities	21,401	39,444	44,706
Cash Flows from Investing Activities			
Expenditures for capital assets	(4,030)	(5,238)	(9,907)
Expenditures for acquisitions, net of cash acquired	—	(5,617)	—
Expenditures for executive life insurance policies	(640)	(695)	(626)
Proceeds withdrawn from life insurance policies	1,649	3,753	3,129
Proceeds from sale of real estate and equipment	8,693	639	8,129

Net cash provided by (used for) investing activities from continuing operations	5,672	(7,158)	725
Net cash provided by investing activities from discontinued operations	<u>—</u>	<u>—</u>	<u>1,661</u>
Net cash provided by (used for) investing activities	<u>5,672</u>	<u>(7,158)</u>	<u>2,386</u>
Cash Flows from Financing Activities			
Proceeds from borrowings	78,000	66,650	150,000
Payments of debt	(79,000)	(107,311)	(183,624)
Stock issued under employee stock option and purchase plans	376	821	950
Debt issuance costs	<u>—</u>	<u>—</u>	<u>(231)</u>
Cash dividends paid	(2,490)	(8,384)	(10,318)
Purchase of treasury stock	<u>(1,074)</u>	<u>(1,652)</u>	<u>(926)</u>
Net cash used for financing activities from continuing operations	(4,188)	(49,876)	(44,149)

Net cash used for financing activities from discontinued operations	---	---	---
Net cash used for financing activities	<u>(4,188)</u>	<u>(49,876)</u>	<u>(44,149)</u>
Effect of exchange rate changes on cash	1,761	(2,083)	1,657
Net change in cash and cash equivalents	24,646	(19,673)	4,600
Cash and cash equivalents at beginning of year	<u>8,984</u>	<u>28,657</u>	<u>24,057</u>
Cash and cash equivalents at end of year	<u>\$33,630</u>	<u>\$8,984</u>	<u>\$28,657</u>

Supplemental Disclosure of Cash Flow Information:

Cash paid during the year for:

Interest	\$3,071	\$6,378	\$9,921
Income taxes, net of refunds	\$9,068	\$5,002	\$10,314
Capital expenditures included in accounts payable at year end	\$495	\$0	\$1,082

See notes to consolidated financial statements.

STANDEX INTERNATIONAL CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF ACCOUNTING POLICIES

Basis of Presentation and Consolidation

Standex International Corporation (“Standex” or the “Company”) is a diversified manufacturing company with operations in the United States, Europe, Asia, and Latin America. The accompanying consolidated financial statements include the accounts of Standex International Corporation and its subsidiaries and are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). All intercompany accounts and transactions have been eliminated in consolidation.

The Company considers events or transactions that occur after the balance sheet date but before the financial statements are issued to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. We evaluated subsequent events through the date and time our consolidated financial statements were issued.

Accounting Estimates

The preparation of consolidated financial statements in conformity with GAAP requires the use of estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities at the date of the financial statements and for the period then ended. Estimates are based on historical experience, actuarial estimates, current conditions and various other assumptions that are believed to be reasonable under the circumstances. These estimates form the basis for making judgments about the carrying values of assets and liabilities when they are not readily apparent from other sources. These estimates assist in the identification and assessment of the accounting treatment necessary with respect to commitments and contingencies. Actual results may differ from these estimates under different assumptions or conditions.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments purchased with a maturity of three months or less. These investments are carried at cost, which approximates fair value. At June 30, 2010 and 2009, the Company’s cash was comprised solely of cash on deposit.

Trading Securities

The Company purchases investments in connection with the KEYSOP Plan for certain retired executives and for its non-qualified defined contribution plan for employees who exceed certain thresholds under our traditional 401(k) plan. These investments are classified as trading and reported at fair value. The investments generally consist of mutual funds, are included in other non-current assets and amounted to \$5.7 million and \$4.9 million at June 30, 2010 and 2009, respectively.

Accounts Receivable Allowances

The Company has provided an allowance for doubtful accounts reserve which represents the best estimate of probable loss inherent in the Company's account receivables portfolio. This estimate is derived from the Company's knowledge of its end markets, customer base, products, and historical experience.

The changes in the allowances for uncollectible accounts during 2010, 2009 and 2008 were as follows (in thousands):

	2010	2009	2008
Balance at beginning of year	\$2,636	\$3,299	\$3,339
Provision charged to expense	564	155	732
Write-offs, net of recoveries	<u>(622)</u>	<u>(818)</u>	<u>(772)</u>
Balance at end of year	<u>\$2,578</u>	<u>\$2,636</u>	<u>\$3,299</u>

Inventories

Inventories are stated at the lower of first-in, first-out cost or market.

Long-Lived Assets

Long-lived assets that are used in operations, excluding goodwill and identifiable intangible assets, are tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Recognition and measurement of a potential impairment loss is performed on assets grouped with other assets and liabilities at the lowest level where identifiable cash flows are largely independent of the cash flows of other assets and liabilities. An impairment loss is the amount by which the carrying amount of a long-lived asset (asset group) exceeds its estimated fair value. Fair value is determined based on discounted cash flows or appraised values, depending upon the nature of the assets.

Property, Plant and Equipment

Property, plant and equipment are reported at cost less accumulated depreciation. Depreciation is recorded on assets over their estimated useful lives, generally using the straight-line method. Lives for property, plant and equipment are as follows:

Buildings	40 to 50 years
Leasehold improvements	Lesser of term or useful life
Machinery and equipment	8 to 15 years
Furniture and Fixtures	3 to 10 years
Computer hardware and software	3 to 7 years

Routine maintenance costs are expensed as incurred. Major improvements are capitalized. Major improvements to leased buildings are capitalized as leasehold improvements and depreciated over the lesser of the lease term or the life of the improvement.

Goodwill and Identifiable Intangible Assets

All business combinations are accounted for using the purchase method, and goodwill and identifiable intangible assets with indefinite lives are not amortized, but are reviewed annually for impairment or more frequently if impairment indicators arise. Identifiable intangible assets that are not deemed to have indefinite lives are amortized on an accelerated basis over the following useful lives:

Customer relationships	15 to 16 years
Patents	8.5 to 12 years
Non-compete agreements	4 years
Other	6.2 to 10 years

See discussion of the Company's assessment of impairment in Note 5 – Goodwill, and Note 6 – Intangible Assets.

Assets Held for Sale

Assets held for sale are reported at the lower of the assets' carrying amount or fair value, less costs to sell. At June 30, 2010, assets held for sale of \$2.3 million consisted of excess real estate and was included in other current assets in the consolidated balance sheet. At June 30, 2009, assets held for sale of \$2.9 million were classified as other non-current assets and were also comprised of excess real estate.

Fair Value of Financial Instruments

Our financial instruments, shown below, are presented at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or inputs are not available, valuation models may be applied.

Assets and liabilities recorded at fair value in our balance sheet are categorized based upon the level of judgment associated with the inputs used to measure their fair values. Hierarchical levels directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities and the methodologies used in valuation are as follows:

Level 1 – Quoted prices in active markets for identical assets and liabilities. The Company’s KEYSOP and deferred compensation plan assets consist of shares in various mutual funds (for the deferred compensation plan, investments are participant–directed) which invest in a broad portfolio of debt and equity securities. These assets are valued based on publicly quoted market prices for the funds’ shares as of the balance sheet dates. For pension assets, securities are valued based on quoted market prices for securities held directly by the trust.

Level 2 – Inputs, other than quoted prices in an active market, that are observable either directly or indirectly through correlation with market data. For foreign exchange forward contracts and interest rate swaps, the Company values the instruments based on the market price of instruments with similar terms, which are based on spot and forward rates as of the balance sheet dates. The Company has considered the creditworthiness of counterparties in valuing all assets and liabilities. For pension assets held in commingled funds, the Company values investments based on the net asset value of the funds, which are derived from the quoted market prices of the underlying fund holdings.

Level 3– Unobservable inputs based upon the Company’s best estimate of what market participants would use in pricing the asset or liability. The Company does not hold any Level 3 instruments as of the balance sheet dates.

Cash and cash equivalents, accounts receivable, and accounts payable are carried at cost, which approximates fair value.

The fair values of our financial instruments at June 30, 2010 and 2009 were (in thousands):

	2010			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial Assets				
Marketable securities – KEYSOP assets	\$ 5,018	\$ 5,018	\$ –	\$ –
Marketable securities – deferred compensation plan	670	670	–	–
Foreign Exchange contracts	106	–	106	–
Financial Liabilities				
Foreign Exchange contracts	\$ 31	–	\$ 31	–
Interest rate swaps	920	–	920	–
	2009			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial Assets				
Marketable securities – KEYSOP assets	\$ 4,387	\$ 4,387	\$ –	\$ –
Marketable securities – deferred compensation plan	477	477	–	–
Foreign Exchange contracts	25	–	25	–
Financial Liabilities				
Foreign Exchange contracts	\$ 296	–	\$ 296	–
Interest rate swaps	1,799	–	1,799	–

Concentration of Credit Risk

The Company is subject to credit risk through trade receivables and short-term cash investments. Concentration of risk with respect to trade receivables is minimized because of the diversification of our operations, as well as our large customer base and our geographical dispersion. No individual customer accounts for more than 10% of revenues or accounts receivable in the periods presented.

Short-term cash investments are placed with high credit-quality financial institutions. The Company monitors the amount of credit exposure in any one institution or type of investment instrument.

Revenue Recognition

The Company's product sales are recorded when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable, and collectability is reasonably assured. For products that include installation, and if the installation meets the criteria to be considered a separate element, product revenue is recognized upon delivery, and installation revenue is recognized when the installation is complete. Revenues under certain fixed price contracts are generally recorded when deliveries are made.

Cost of Goods Sold and Selling, General and Administrative Expenses

The Company includes expenses in either cost of goods sold or selling, general and administrative categories based upon the natural classification of the expenses. Cost of goods sold includes expenses associated with the acquisition, inspection, manufacturing and receiving of materials for use in the manufacturing process. These costs include inbound freight charges, purchasing and receiving costs, inspection costs, warehousing costs, internal transfer costs as well as depreciation, amortization, wages, benefits and other costs that are incurred directly or indirectly to support the manufacturing process. Selling, general and administrative includes expenses associated with the distribution of our products, sales effort, administration costs and other costs that are not incurred to support the manufacturing process. The Company records distribution costs associated with the sale of inventory as a component of selling, general and administrative expenses in the Consolidated Statements of Operations. These expenses include warehousing costs, outbound freight charges and costs associated with distribution personnel. Our gross profit margins may not be comparable to those of other entities due to different classifications of costs and expenses.

Research and Development

Research and development expenditures are expensed as incurred. Total research and development costs charged to expense were \$3.6 million, \$3.9 million, and \$4.1 million for the years ended June 30, 2010, 2009, and 2008, respectively.

Warranties

The expected cost associated with warranty obligations on our products is recorded when the revenue is recognized. The estimate of warranty cost is based on contract terms and historical warranty loss experience that is periodically adjusted for recent actual experience. Because warranty estimates are forecasts that are based on the best available information, claims costs may differ from amounts provided. Adjustments to initial obligations for warranties are made as changes in the obligations become reasonably estimable.

The changes in warranty reserve during 2010, 2009, and 2008 were as follows (in thousands):

	2010	2009	2008
Balance at beginning of year	\$4,821	\$4,987	\$4,387
Warranty expense	2,827	1,497	5,238
Warranty claims	<u>(2,887)</u>	<u>(1,663)</u>	<u>(4,638)</u>
Balance at end of year	<u>\$4,761</u>	<u>\$4,821</u>	<u>\$4,987</u>

Stock-Based Compensation Plans

Restricted stock awards generally vest over a three-year period and generally have a maturity of three years. Compensation expense associated with these awards is recorded based on their grant-date fair values and is generally recognized on a straight-line basis over the vesting period. Compensation cost for an award with a performance condition is based on the probable outcome of that performance condition. The stated vesting period is considered non-substantive for retirement eligible participants. Accordingly, the Company recognizes any remaining unrecognized compensation expense when a participant achieves retirement eligibility.

Foreign Currency Translation

The functional currency of our non-U.S. operations is generally the local currency. Assets and liabilities of non-U.S. operations are translated into U.S. Dollars on a monthly basis using period-end exchange rates. Revenues and expenses of these operations are translated using average exchange rates. The resulting translation adjustment is reported as a component of comprehensive income, in the statements of consolidated stockholders' equity and comprehensive income. Gains and losses from foreign currency transactions are included in results of operations and were not material for any period presented.

Derivative Instruments and Hedging Activities

The Company recognizes all derivatives on its balance sheet at fair value.

Forward foreign currency exchange contracts are periodically used to limit the impact of currency fluctuations on certain anticipated foreign cash flows, such as foreign purchases of materials, dividends and loan payments from subsidiaries. The Company enters into such contracts for hedging purposes only. For hedges of intercompany loan payments, the Company records derivative gains and losses directly to the statement of operations due to the general short-term nature and predictability of the transactions.

Company also uses interest rate swaps to manage exposure to interest rates on the Company's variable rate indebtedness. The Company values the swaps based on contract prices in the derivatives market for similar instruments. The Company has designated the swaps as cash flow hedges, and changes in the fair value of the swaps are recognized in other comprehensive income until the hedged items are recognized in earnings. Hedge ineffectiveness, if any, associated with the swaps will be reported by the Company in interest expense.

The Company does not hold or issue derivative instruments for trading purposes.

Income Taxes

Deferred assets and liabilities are recorded for the expected future tax consequences of events that have been included in the financial statements or tax returns. Deferred tax assets and liabilities are determined based on the differences between the financial statements and the tax bases of assets and liabilities using enacted tax rates. Valuation allowances are provided when the Company does not believe it more likely than not the benefit of identified tax assets will be realized.

The Company provides reserves for potential payments of tax to various tax authorities related to uncertain tax positions and other issues. The Company accounts for uncertain tax positions based on a determination of whether and how much of a tax benefit taken by the Company in its tax filings or positions is more likely than not to be realized following resolution of any potential contingencies present related to the tax benefit, assuming that the matter in question will be raised by the tax authorities. Interest and penalties associated with such uncertain tax positions are recorded as a component of income tax expense.

Earnings Per Share

(share amounts in thousands)

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Basic – Average Shares Outstanding	12,440	12,326	12,291
Effect of Dilutive Securities – Stock Options and Restricted Stock Awards	<u>245</u>	<u>—</u>	<u>104</u>
Diluted – Average Shares Outstanding	<u>12,685</u>	<u>12,326</u>	<u>12,395</u>

Both basic and dilutive income are the same for computing earnings per share. There were no outstanding instruments that had an anti-dilutive effect at June 30, 2010. Options to purchase 106,497 shares and 234,602 restricted shares were not included in the computation of diluted earnings per share for the year ended June 30, 2009, due to the Company's net loss for the period. Instruments which were not included in the computation of diluted earnings per share because to do so would have had an anti-dilutive effect, totaled 5,240 shares for the year ended June 30, 2008.

Recently Issued Accounting Pronouncements

In January 2010, the FASB issued Accounting Standard Update ("ASU") 2010-06, Fair Value Measurements and Disclosures (ASC Topic 820)—Improving Disclosures About Fair Value Measurements. The ASU requires new disclosures about transfers into and out of Levels 1 and 2 and separate disclosures about purchases, sales, issuances, and settlements relating to Level 3 measurements. It also clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value. The new disclosures and clarifications of existing disclosures are effective for the Company's third quarter of fiscal year 2010. Other than requiring additional disclosures, the adoption of this new guidance did not and will not have a material impact on the Company's consolidated financial statements.

In October 2009, the FASB issued ASU 2009-13 — Multiple-Deliverable Revenue Arrangements (“ASU 2009-13”). ASU 2009-13 amends ASC 605-25 — Revenue Recognition — Multiple-Element Arrangements. The update replaces the concept of allocating revenue consideration amongst deliverables in a multiple-element revenue arrangement according to fair value with an allocation based on selling price. ASU 2009-13 also establishes a hierarchy for determining the selling price of revenue deliverables sold in multiple element revenue arrangements. The selling price used for each deliverable will be based on vendor-specific objective evidence (“VSOE”) if available, third-party evidence if VSOE is not available, or management’s estimate of an element’s stand-alone selling price if neither VSOE nor third-party evidence is available. The amendments in this update also require an allocation of selling price amongst deliverables be performed based upon each deliverable’s

relative selling price to total revenue consideration, rather than on the residual method previously permitted. ASU 2009–13 is effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Early adoption is permitted, but then requires retrospective application of its provisions from the beginning of the fiscal year. We will adopt the amendment provisions of ASU 2009–13 on July 1, 2010; the adoption of this standard is not expected to have a material impact on our financial condition, results of operations or cash flows.

In April 2010, the FASB issued ASU 2010–17 — Revenue Recognition — Milestone Method (“ASU 2010–17”). ASU 2010–17 provides guidance on defining a milestone and determining when it may be appropriate to apply the milestone method of revenue recognition for research and development transactions. ASU 2010–17 is effective for fiscal years beginning on or after June 15, 2010, and is effective on a prospective basis for milestones achieved after the adoption date. Early adoption is permitted provided that the revised guidance is retroactively applied to the beginning of the year of adoption. We will adopt this provision on July 1, 2010; the adoption of this standard is not expected to have a material impact on our financial condition, results of operations or cash flows.

2. ACQUISITIONS

In connection with an acquisition in 2003, the Company entered into a lease agreement for its Richmond, Virginia, Engraving Group facility pending the completion of a number of environmental requirements by the former owner. Upon satisfaction of those requirements, as evidenced by the issuance of a certificate by the Virginia Department of Environmental Quality, the Company was required to purchase the land and building for \$4.5 million. In May 2009, the certificate was issued, and the Company paid \$3.6 million in cash and issued 42,783 shares of common stock from its treasury shares in order to consummate the purchase. The Company recognized an additional \$1.4 million of goodwill related to the completion of the transaction, with the remaining purchase price allocated to the land and building.

3. INVENTORIES

Inventories are comprised of (in thousands):

June 30	2010	2009
Raw materials	\$ 34,329	\$ 36,391
Work in process	20,640	22,616
Finished goods	14,585	16,627
Total	\$ 69,554	\$ 75,634

Distribution costs associated with the sale of inventory are recorded as a component of selling, general and administrative expenses and were \$20.3 million, \$23.4 million, and \$29.4 million in 2010, 2009, and 2008, respectively.

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following (in thousands):

June 30	2010	2009
Land, buildings and leasehold improvements	\$80,765	\$92,817
Machinery, equipment and other	148,493	150,604
Total	229,258	243,421
Less accumulated depreciation	136,031	134,809
Property, plant and equipment – net	\$93,227	\$108,612

Depreciation expense for the years ended June 30, 2010, 2009, and 2008 totaled \$11.1 million, \$12.2 million, and \$13.2 million, respectively.

5. GOODWILL

Goodwill and certain indefinite-lived intangible assets are not amortized, but instead are tested for impairment at least annually and more frequently whenever events or changes in circumstances indicate that the fair value of the asset may be less than its carrying amount of the asset. The Company's annual test for impairment is performed using a May 31st measurement date.

The Company has identified our reporting units for impairment testing as its twelve operating segments, which are aggregated into five reporting segments as disclosed in Note 18 – Industry Segment Information.

As quoted market prices are not available for the Company’s reporting units, the fair value of the reporting units is determined using one or both of (1) a discounted cash flow model (income approach); and (2) a market adjusted multiple of earnings and revenues (market approach) where comparable data exists for those reporting units. Both methods use various assumptions that are specific to each individual reporting unit in order to determine the fair value. In addition, the Company compares the estimated aggregate fair value of its reporting units to its overall market capitalization.

2010 Impairment Analysis

In the fourth quarter of 2010, the Company performed its annual impairment test on goodwill and other indefinite-lived intangible assets. As a result, the Company determined that the fair value of the reporting units and indefinite-lived intangible assets exceeded their respective carrying values. Therefore, no impairment charges were recorded during 2010.

2009 Impairment Analysis

Due to deterioration in the U.S. equity and credit markets and industry-wide declines in profitability, the Company’s market capitalization decreased below its book value during the third quarter of 2009. After taking into consideration this triggering event, the Company concluded that an interim assessment was required and measured goodwill for impairment as of March 31, 2009.

The Company completed Step 1 of the impairment test and determined that the carrying value of the Associated American Industries (“AAI”) reporting unit within the Food Service Equipment Group exceeded its fair value. Based on the allocation of the unit’s fair value in accordance with Step 2, it was determined that goodwill and trademarks at AAI were impaired. As a result, the Company determined that the fair value of the goodwill at AAI was approximately \$29 million compared to a carrying value of \$47 million resulting in an impairment of \$17.9 million. In addition, intangible assets were assessed for impairment.

Based upon those assessments, it was determined the fair value of a non-amortizing intangible asset included in the AAI reporting unit was impaired, and recognized an impairment of \$3.4 million related to the carrying value of AAI’s trademarks.

The Company updated its assessment of goodwill impairment as of its annual measurement date of May 31, 2009. No additional impairments were recorded as a result of this update.

While the Company believes that estimates of future cash flows are reasonable, changes in assumptions could significantly affect valuations and result in impairments in the future. The most significant assumption involved in the Company’s determination of fair value is the cash flow projections of each reporting unit. Certain reporting units have been significantly impacted by the current global economic downturn, specifically the Air Distribution Products Group, which has been significantly impacted by the declines in new housing starts and other factors impacting residential housing. If the effects of the current global economic environment are protracted or the recovery is slower than projected, estimates of future cash flows for each reporting unit may be insufficient to support the carrying value of the reporting units, requiring the Company to re-assess its conclusions related to fair value and the recoverability of goodwill.

Changes to goodwill during the years ended June 30, 2010 and 2009 are as follows (in thousands):

	2010	2009
Balance at beginning of year	\$101,722	\$120,650
Additions	—	1,557
Impairment charge	—	(17,939)
Foreign currency translation	1,082	(2,546)
Balance at end of year	<u>\$102,804</u>	<u>\$101,722</u>

6. INTANGIBLE ASSETS

Intangible assets consist of the following (in thousands):

Customer

	Relationships	Trademarks	Other	Total
June 30, 2010				
Cost	\$21,055	\$8,808	\$4,165	\$34,028

Accumulated amortization	(12,162)	--	(4,075)	(16,237)
Balance, June 30, 2010	<u>\$8,893</u>	<u>\$8,808</u>	<u>\$90</u>	<u>\$17,791</u>

June 30, 2009

Cost	\$21,402	\$8,808	\$4,409	\$34,619
Accumulated amortization	(9,977)	--	(4,192)	(14,169)
Balance, June 30, 2009	<u>\$11,425</u>	<u>\$8,808</u>	<u>\$217</u>	<u>\$20,450</u>

Amortization expense (excluding impairment) for the years ended June 30, 2010, 2009, and 2008 totaled \$2.5 million, \$3.3 million, and \$3.9 million, respectively. At June 30, 2010, aggregate amortization expense is estimated to be \$2.0 million in fiscal 2011, \$1.6 million in fiscal 2012, \$1.2 million in fiscal 2013, \$1.0 million in fiscal 2014, and \$0.8 million in fiscal 2015.

As discussed in Note 5 – Goodwill, the Company identified trademarks within the AAI operating segment that were impaired and therefore recorded an asset impairment charge of \$3.4 million in the Food Service Equipment Group during 2009.

7. DEBT

Debt is comprised of the following (in thousands):

	<u>2010</u>	<u>2009</u>
Bank credit agreements	\$90,000	\$91,000
Other, due 2018 (0.45% effective rate at June 30, 2010)	<u>3,300</u>	<u>3,300</u>
Total	93,300	94,300
Less current portion	<u>–</u>	<u>–</u>
Total long-term debt	<u>\$93,300</u>	<u>\$94,300</u>

Bank Credit Agreements

The Company has in place a five year, \$150 million unsecured revolving credit facility (the “facility”) with seven participating banks which originated in September 2007. Funds available under the facility may be used for general corporate purposes or to provide financing for acquisitions. Borrowings under the agreement bear interest at a rate equal to LIBOR plus an applicable percentage based on our consolidated leverage ratio, as defined by the agreement. As of June 30, 2010, the effective rate of interest for outstanding borrowings under the facility was 1.26%. Including the impact of interest rate swaps, the effective rate of interest at June 30, 2010, was 3.94%. The Company is required to pay an annual fee of 0.125% on the maximum credit line. The Company had the ability to borrow an additional \$60.0 million under the facility at June 30, 2010.

The Company also utilizes two uncommitted money market credit facilities to help manage daily working capital needs. These unsecured facilities, which are renewed annually, provide for a maximum aggregate credit line of \$15 million. No amounts were outstanding under these facilities at June 30, 2010 and 2009. At June 30, 2010, and 2009, the Company had standby letters of credit outstanding, primarily for insurance purposes, of \$15.6 million and \$14.3 million, respectively

Loan Covenants and Repayment Schedule

Our funded debt agreements contain certain customary affirmative and negative covenants, as well as specific financial covenants. The Company’s current financial covenants under the facility are as follows:

Interest Coverage Ratio – The Company is required to maintain a ratio of Earnings Before Interest and Taxes (“EBIT”) to interest expense for the trailing twelve months of at least 3:1. EBIT is defined in the revolving credit facility to specifically

exclude extraordinary and certain defined items such as non-cash restructuring charges and goodwill impairment. At June 30, 2010, the Company's Interest Coverage Ratio was 10.90:1.

Leverage Ratio – The Company's ratio of funded debt to trailing twelve month EBITDA, defined as EBIT plus Depreciation and Amortization, may not exceed 3.5:1. At June 30, 2010, the Company's Leverage Ratio was 1.73:1.

Consolidated Net Worth – The Company is required to maintain a Consolidated Net Worth of at least \$163.7 million plus 50% of cumulative net income since the inception of the agreement. Consolidated Net Worth is defined as the Company's net worth as adjusted for unamortized pension losses (not to exceed \$40 million) and certain foreign exchange gains and losses.

At June 30, 2010, the Company's Consolidated Net Worth was \$225.5 million, \$12.3 million greater than the required amount of \$213.2 million.

Debt is due as follows (in thousands):

2011	–
2012	–
2013	90,000
2014	–
2015	–
Thereafter	3,300

The carrying value of borrowings under the facility exceeded its estimated fair value by \$3.9 million and \$6.2 million at June 30, 2010 and 2009, respectively.

8. ACCRUED EXPENSES

Accrued expenses consist of the following (in thousands):

	<u>2010</u>	<u>2009</u>
Payroll and employee benefits	\$21,284	\$15,505
Workers' compensation	4,019	5,408
Other	15,380	15,989
Total	<u>\$40,683</u>	<u>\$36,902</u>

9. DERIVATIVE FINANCIAL INSTRUMENTS

Interest Rate Swaps

In July 2008 and June 2010, the Company entered into a series of interest rate swap agreements designed to manage exposure to interest rates on the Company's variable rate indebtedness. The swap agreements convert interest payments on borrowings under our revolving credit agreement from variable rates based on LIBOR to a weighted average fixed rate of 3.55% based on the Company's effective credit spread at June 30, 2010. The fair value of the swaps recognized in accrued expenses and in other comprehensive income at June 30, 2010 and 2009 is as follows (in thousands):

Effective Date	Notional Amount	Fixed Interest Rate	Maturity	Fair Value at June 30,	
				2010	2009
July 14, 2008	10,000,000	2.92%	July 14, 2009	–	(22)
July 10, 2008	18,500,000	2.95%	July 10, 2009	–	(42)
July 14, 2008	30,000,000	3.35%	July 19, 2010	(77)	(864)
July 10, 2008	30,000,000	3.38%	July 28, 2010	(76)	(871)
June 1, 2010	5,000,000	2.495%	May 26, 2015	(148)	–
June 1, 2010	5,000,000	2.495%	May 26, 2015	(148)	–
June 4, 2010	10,000,000	2.395%	May 26, 2015	(243)	–
June 9, 2010	5,000,000	2.34%	May 26, 2015	(108)	–
June 18, 2010	5,000,000	2.38%	May 26, 2015	(120)	–
				<u>(920)</u>	<u>(1,799)</u>

The Company reported no losses for the years ended June 30, 2010, 2009, and 2008, as a result of hedge ineffectiveness. Future changes in these swap arrangements, including termination of the agreements, may result in a reclassification of any gain or loss reported in accumulated other comprehensive income into earnings as an adjustment to interest expense. Because the 2008 swaps mature in July 2010, \$0.2 million of accumulated other comprehensive income at June 30, 2010 is expected to be recognized in the first quarter of fiscal 2011. Accumulated other comprehensive income related to the 2010 swaps is not expected to be recognized until their maturity in 2015.

Foreign Exchange Contracts

At June 30, 2010 and 2009, the Company's outstanding forward foreign exchange contracts were not material.

10. INCOME TAXES

The components of income (loss) from continuing operations before income taxes are as follows (in thousands):

	<u>2010</u>	<u>2009</u>	<u>2008</u>
U.S. Operations	\$27,359	(\$8,781)	\$14,627
Non-U.S. Operations	12,037	8,485	15,116
Total	<u>\$39,396</u>	<u>(\$296)</u>	<u>\$29,743</u>

The Company utilizes the asset and liability method of accounting for income taxes. Deferred income taxes are determined based on the estimated future tax effects of differences between the financial and tax bases of assets and liabilities given the provisions of the enacted tax laws. The components of the provision for income taxes on continuing operations (in thousands) were as shown below:

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Current:			
Federal	\$3,264	\$2,358	\$5,805
State	250	778	1,150
Non-U.S.	<u>2,602</u>	<u>2,021</u>	<u>3,971</u>
Total Current	<u>6,116</u>	<u>5,157</u>	<u>10,926</u>
Deferred:			
Federal	\$5,150	(\$2,777)	(\$125)
State	928	(714)	(637)
Non-U.S.	<u>(758)</u>	<u>(72)</u>	<u>295</u>
Total Deferred	<u>5,320</u>	<u>(3,563)</u>	<u>(467)</u>
Total	<u>\$11,436</u>	<u>\$1,594</u>	<u>\$10,459</u>

A reconciliation from the U.S. Federal income tax rate on continuing operations to the total tax provision is as follows (in thousands):

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Provision at statutory tax rate	13,395	(102)	10,409
State taxes	778	259	334
Foreign rate differential	(2,245)	(887)	(782)
Impact of foreign repatriation	–	–	407
Change in US tax classification	–	(1,812)	–
Impairment of goodwill	–	6,099	–
Federal tax credits	(33)	(992)	(247)
Other	<u>(459)</u>	<u>(971)</u>	<u>338</u>
Effective income tax provision	<u>11,436</u>	<u>1,594</u>	<u>10,459</u>

Changes in the effective tax rates from period to period may be significant as they depend on many factors including, but not limited to, size of the Company's income or loss and any one-time activities occurring during the period.

The Company's income tax provision from continuing operations for the fiscal year ended June 30, 2010 was impacted by a benefit of \$1.1 million from the reversal of a deferred tax asset valuation allowance primarily related to foreign loss carryforwards whose recovery was assessed as more likely than not based on events occurring during the year ended June 30, 2010.

The Company's income tax provision from continuing operations for the fiscal year ended June 30, 2009 was impacted by the following items (i) a benefit of \$0.8 million from the reversal of income tax contingency reserves that were determined to be no longer needed due to the expiration of applicable limitation statutes, (ii) the \$21.3 million impairment for which only \$1.3 million of tax benefit could be realized as the goodwill had no tax basis, (iii) a benefit totaling \$1.7 million from the reversal of the deferred tax liability that was no longer required due to a change in the U.S. tax classification of one of our foreign entities, (iv) a benefit of \$0.6 million related primarily to the retroactive extension of the R&D credit recorded

during the second quarter and (v) a benefit related to the receipt of \$1.1 million of nontaxable life insurance proceeds during the first quarter and other minor adjustments.

Significant components of the Company's deferred income taxes are as follows (in thousands):

	<u>2010</u>	<u>2009</u>
Deferred tax liabilities:		
Depreciation and amortization	\$ (25,055)	\$ (27,163)
Deferred tax assets:		
Accrued compensation	4,523	3,270
Accrued expenses and reserves	7,549	10,273
Pension	16,345	15,054
Inventory	1,916	1,879
Other	1,012	1,356
Net operating loss and credit carry forwards	<u>4,167</u>	<u>4,601</u>
Total deferred tax asset	35,512	36,433
Less: Valuation allowance	<u>(367)</u>	<u>(851)</u>
Net deferred tax asset	<u>\$ 10,090</u>	<u>\$ 8,419</u>

The Company estimates the degree to which deferred tax assets, including net operating loss and credit carry forwards will result in a benefit based on expected profitability by tax jurisdiction and provides a valuation allowance for tax assets and loss carry forwards that it believes will more likely than not go unrealized. The valuation allowances at June 30, 2010 apply to the tax benefit of foreign and state loss carry forwards, which management has concluded that it is more likely than not that these tax benefits will not be realized. The increase (decrease) in the valuation allowance totaled (\$0.5 million), (\$1.2 million) and \$0.4 million in 2010, 2009, and 2008, respectively.

As of June 30, 2010, the Company had state net operating loss ("NOL") and credit carry forwards of approximately \$27.8 million and \$1.3 million, respectively, which may be available to offset future state income tax liabilities and expire at various dates from 2011 through 2030. In addition, the Company had foreign NOL carry forwards of approximately \$6.2 million, \$6.1 million of which carry forward indefinitely and \$0.1 million that carry forward for 5 years.

The Company's income taxes currently payable for federal and state purposes have been reduced by the benefit of the tax deduction in excess of recognized compensation cost from employee stock compensation transactions. The provision for income taxes that is currently payable has not been adjusted by approximately (\$0.2) million and \$0.1 million of such benefits of the Company that have been allocated to capital in excess (deficit) of par value in 2010 and 2009, respectively.

A provision has not been made for U.S. or additional non-U.S. taxes on \$37.4 million of undistributed earnings of international subsidiaries that could be subject to taxation if remitted to the U.S. It is not practicable to estimate the amount of tax that might be payable. Our intention is to reinvest these earnings permanently or to repatriate the earnings only when it is tax effective to do so. Accordingly, we believe that U.S. tax on any earnings that might be repatriated would be substantially offset by U.S. foreign tax credits.

The total provision for income taxes included in the consolidated financial statements was as follows (in thousands):

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Continuing operations	\$11,436	\$1,594	\$10,459
Discontinued operations	<u>441</u>	<u>(2,100)</u>	<u>(477)</u>
	<u>\$11,877</u>	<u>(\$506)</u>	<u>\$9,982</u>

The changes in the amount of gross unrecognized tax benefits during 2010 were as follows (in thousands):

	2010	2009	2008
Beginning Balance	\$2,346	\$3,196	\$2,830
Additions based on tax positions related to the current year	110	745	439
Additions for tax positions of prior years	–	–	–
Reductions for tax positions of prior years	(674)	(690)	(73)
Settlements	–	(905)	–

Ending Balance	<u>\$1,782</u>	<u>\$2,346</u>	<u>\$3,196</u>
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If these tax benefits were recognized in a future period, the entire amount of unrecognized tax benefit would impact the Company's effective tax rate.

Within the next twelve months, the statute of limitations will close in various U.S., state and non-U.S. jurisdictions. As a result, it is reasonably expected that net unrecognized tax benefits from these various jurisdictions would be recognized within the next twelve months. The recognition of these tax benefits is not expected to have a material impact to the Company's financial statements. The Company does not reasonably expect any other significant changes in the next twelve months. The following tax years, in the major tax jurisdictions noted, are open for assessment or refund:

<u>Country</u>	<u>Years Ending June 30,</u>
United States	2007 to 2010
Canada	2007 to 2010
Ireland	2007 to 2010
Portugal	2007 to 2010
United Kingdom	2009 to 2010

The Company's policy is to include interest expense and penalties related to unrecognized tax benefits within the provision for income taxes on the consolidated statements of operations. At June 30, 2010 and June 30, 2009, the Company had approximately \$0.1 million and \$0.2 million, respectively, accrued for interest expense on unrecognized tax benefits.

11. COMMITMENTS

The Company leases certain property and equipment under agreements with initial terms ranging from one to twenty years. Rental expense related to continuing operations for the years ended June 30, 2010, 2009, and 2008 were approximately \$4.7 million, \$4.8 million and \$5.4 million, respectively. At June 30, 2010, the gross minimum annual rental commitments under noncancelable operating leases, principally real estate, were approximately \$4.4 million in 2011, \$3.3 million in 2012, \$2.5 million in 2013, \$1.8 million in 2014, \$1.4 million in 2015, and \$3.4 million thereafter. These amounts are offset by sublease income of \$0.2 million in 2011, \$0.4 million in 2012, \$0.6 million in 2013, \$0.5 million in 2014, \$0.3 million in 2015 and less than \$0.1 million thereafter.

In September 2007, Standex Air Distribution Products, Inc. ("ADP"), a subsidiary of the Company, sold its manufacturing facility located in Philadelphia and leased back approximately two-thirds of the floor space of the facility. The lease has an initial term of ten years with two consecutive additional five-year options to renew. The net proceeds from the sale, after transaction and other related costs, were \$7.2 million resulting in a gain of approximately \$2.3 million which was deferred and is being recognized in proportion to the lease payments expensed over the initial 10-year lease term. The deferred gain is classified as other non-current liabilities on the balance sheet.

The Company is an obligor for certain assigned leases to Berean Christian Bookstores ("Berean"), an operation disposed of by the Company in 2006. As the former owner of Berean, the Company is party under a number of operating leases which were assigned to the purchaser of the business for the remaining initial terms of the leases at the stated lease costs. The Company remained responsible for these leases until the expiration of the initial terms. In the second quarter of 2009, noting Berean's deteriorating operating performance and precarious financial position, the Company recorded liabilities of \$2.9 million, net of estimated subleases, in anticipation of the impairment of leases remaining under the obligation.

In June 2009, Berean filed for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code and, in July 2009, its assets were sold to a third party under Section 363 of the Code. The new owner of the Berean assets is infusing capital into the business, and we believe the Berean bookstores can now be operated successfully as a going concern. As part of this transaction, the Company agreed to provide lease supplement payments to the new owner of the Berean assets. These payments included an upfront payment of \$0.5 million and additional payments totaling \$1.2 million which will be made in equal monthly installments through December 2011. The Company remains an obligor of the leases assumed by the new owner, however, the Company's obligation has been reduced for locations where the new owner was able to obtain rent concessions. In addition, the Company remains

responsible for three sites formerly operated by Berean. Liabilities associated with these three leases, net of expected subleases at current market rates, total \$1.3 million at June 30, 2010. Subsequent to these transactions, the aggregate amount of our obligations in the event of default is \$4.4 million at June 30, 2010.

12. CONTINGENCIES

The Company is a party to a number of actions filed or has been given notice of potential claims and legal proceedings related to environmental, commercial disputes, employment matters and other matters generally incidental to our business. Liabilities are recorded when the amount can be reasonably estimated and the loss is deemed probable. Management has

evaluated each matter based, in part, upon the advice of our independent environmental consultants and in-house personnel. Management believes the ultimate resolution will not be material to our financial position, results of operations or cash flows.

During 2008, the Company entered into an Administrative Order on Consent (“AOC”) with the U.S. Environmental Protection Agency (“EPA”) related to the removal of various PCB-contaminated materials and soils at a site where the Company leased a building and conducted operations from 1967–1979. The Company established an accrual of \$2.0 million related to the matter in 2008 and an additional \$2.0 million in 2009. As the site is the former location of the Club Products and Monarch Aluminum divisions, the charge was included in results from discontinued operations for the period. Remediation efforts were substantially completed during the 3rd quarter of 2009, and the Company received a closing letter from the EPA in October 2009.

The Company actively sought the recovery of costs incurred in carrying out the terms of the AOC through negotiations with its legacy insurers. Based on the status of these negotiations at September 30, 2009, the Company determined that a settlement was probable and recorded \$2.3 million (\$1.4 million net of tax) in discontinued operations during the first quarter. The settlement came to fruition as expected during the second quarter, with a final recovery of \$2.5 million (\$1.6 million net of tax), which is net of costs incurred to negotiate the settlement.

13. STOCK-BASED COMPENSATION AND PURCHASE PLANS

Stock-Based Compensation Plans

Under incentive compensation plans, the Company is authorized to make grants of stock options, restricted stock and performance share units to provide equity incentive compensation to key employees and directors. In fiscal 2004, the Company began granting stock awards instead of stock options. The stock award program offers employees and directors the opportunity to earn shares of our stock over time, rather than options that give the employees and directors the right to purchase stock at a set price. The Company has stock plans for directors, officers and certain key employees.

Total compensation cost recognized in income for equity based compensation awards was \$3.8 million, \$2.4 million, and \$2.4 million for the years ended June 30, 2010, 2009 and 2008, respectively. The total income tax benefit recognized in the consolidated income statement for equity-based compensation plans was \$1.3 million, \$0.8 million, and \$0.9 million for the years ended June 30, 2010, 2009 and 2008, respectively.

At June 30, 2010, 438,892 shares of common stock were reserved for issuance under various compensation plans.

Restricted Stock Awards

The Company may award shares of restricted stock to eligible employees and non-employee directors of the Company at no cost, giving them in most instances all of the rights of stockholders, except that they may not sell, assign, pledge or otherwise encumber such shares and rights during the restriction period. Such shares and rights are subject to forfeiture if certain employment conditions are not met. During the restriction period, recipients of the shares are entitled to dividend equivalents on such shares, providing that such shares are not forfeited. Dividends are accumulated and paid out at the end of the restriction period. During 2010, 2009 and 2008 the Company granted 110,278, 64,091, and 70,351 shares, respectively, of restricted stock to eligible participants. Restrictions on the stock awards lapse between fiscal 2011 and fiscal 2013, with the exception of one award which vests upon the employee’s retirement. For the years ended June 30, 2010, 2009 and 2008, \$1.7 million, \$1.4 million, and \$1.1 million, respectively, was recognized as compensation expense related to restricted stock awards. Substantially all awards are expected to vest.

A summary of stock options and restricted stock awards activity during the year ended June 30, 2010 is as follows:

	Stock Options			Restricted Stock Awards	
	Number of Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value	Number of Shares	Aggregate Intrinsic Value
Outstanding, July 1, 2009	7,060	\$19.90	—	174,602	\$1,561,383
Granted	—	—	—	110,278	
Exercised / vested	—	—	—	(40,910)	788,002

Canceled	(7,060)	19.90		<u>(3,800)</u>	
Outstanding, June 30, 2010	<u>---</u>	<u>---</u>	---	<u>240,170</u>	\$6,088,310

Restricted stock awards granted during 2010, 2009 and 2008 had a weighted average grant date fair value of \$18.33, \$24.19, and \$22.63, respectively. The grant date fair value of restricted stock awards is determined based on the closing price of the Company's common stock on the date of grant. The total intrinsic value of awards exercised during the years ended June 30, 2010, 2009, and 2008 was \$0.8 million, \$0.9 million, and \$0.9 million, respectively.

As of June 30, 2010, there was \$2.0 million of unrecognized compensation costs related to awards expected to be recognized over a weighted-average period of 1.34 years.

Executive Compensation Program

The Company operates a compensation program for key employees. The plan contains both an annual component as well as long-term component. Under the annual component, participants are required to defer 20% (and may elect to defer up to 50%) of their annual incentive compensation in restricted stock which is purchased at a discount to the market. Additionally, non-employee directors of the Company may defer a portion of their director's fees in restricted stock units which is purchased at a discount to the market. During the restriction period, recipients of the shares are entitled to dividend equivalents on such units, providing that such shares are not forfeited. Dividend equivalents are accumulated and paid out at the end of the restriction period. The restrictions on the units expire after three years. At June 30, 2010 and 2009, respectively, 92,599 and 99,437 shares of restricted stock units are outstanding and subject to restrictions that lapse between fiscal 2011 and fiscal 2013. The compensation expense associated with this incentive program is charged to income over the restriction period. The Company recorded compensation expense related to this program of \$0.3 million, \$0.4 million, and \$0.2 million for the years ended June 30, 2010, 2009 and 2008, respectively.

The fair value of the awards under the annual component of this incentive program is measured using the Black-Scholes option-pricing model. Key assumptions used to apply this pricing model are as follows:

	2010	2009	2008
Range of risk-free interest rates	1.37%	2.45%	4.11%
Range of expected life of option grants (in years)	3	3	3
Expected volatility of underlying stock	44.5%	44.5%	34.9%
Expected quarterly dividends (per share)	\$0.05	\$0.21	\$0.21

Under the long-term component, grants of performance share units ("PSUs") are made annually to key employees and the share units are earned based on the achievement of certain overall corporate financial performance targets over the performance period. At the end of the performance period, the number of shares of common stock issued will be determined by adjusting upward or downward from the target in a range between 10% and 200%. No shares will be issued if the minimum performance threshold is not achieved. The final performance percentage, on which the payout will be based, considering the performance metrics established for the performance period, will be determined by the Compensation Committee of the Board of Directors.

The awards granted by the Committee on September 2, 2009 provided that the PSUs will be converted to shares of common stock if the Company's EBITDA (earnings before interest, taxes, depreciation and amortization) and return on assets meet specified levels approved by the Committee. A participant's right to any shares that are earned will vest in three equal installments. An executive whose employment terminates prior to the vesting of any installment for a reason other than death, disability, retirement, or following a change in control, will forfeit the shares represented by that installment. In certain circumstances, such as death, disability, or retirement, PSUs are paid on a pro-rata basis. In the event of a change in control, vesting of the awards granted is accelerated. The awards granted by the Committee during fiscal 2009 expired without vesting due to failure to meet the performance criteria.

A summary of the awards activity under the executive compensation program during the year ended June 30, 2010 is as follows:

	Annual Component		Performance Stock Units	
	Number	Weighted Average	Number	Aggregate

	<u>of Shares</u>	<u>Exercise Price</u>	<u>Intrinsic Value</u>	<u>of Shares</u>	<u>Intrinsic Value</u>
Non-vested, July 1, 2009	99,437	\$17.31	--	30,000	\$348,000
Granted	18,602	8.70		159,800	

Vested	(25,440)	21.37	(54,867)	(81,901)	2,073,590
Expired	---	---		(4,833)	
Non-vested, June 30, 2010	<u>92,599</u>	<u>\$14.46</u>	1,008,279	<u>103,066</u>	\$2,612,723

Restricted stock awards granted under the annual component of this program in fiscal 2010, 2009 and 2008 had a grant date fair value of \$13.12, \$28.98, and \$23.54, respectively. The PSU's granted in fiscal 2010, 2009 and 2008 had a grant date fair value of \$17.45, \$23.43, and \$24.20, respectively. The total intrinsic value of awards vested under the executive compensation program during the years ended June 30, 2010, 2009 and 2008 was \$2.0 million, \$1.5 million, and \$0.7 million, respectively.

The Company recognized compensation expense related to the PSU's of \$1.8 million, \$0.7 million, and \$1.2 million for the years ended June 30, 2010, 2009 and 2008, respectively. The total unrecognized compensation costs related to non-vested performance share units was \$1.1 million at June 30, 2010 which is expected to be recognized over a weighted average period of 2.0 years.

Employee Stock Purchase Plan

The Company has an Employee Stock Purchase Plan that allows employees to purchase shares of common stock of the Company at a discount from the market each quarter. Shares of our stock may be purchased by employees quarterly at 95% of the fair market value on the last day of each quarter. Shares of stock reserved for the plan were 129,406 at June 30, 2010. Shares purchased under this plan aggregated 17,790, 30,634, and 27,808, in 2010, 2009 and 2008, respectively at an average price of \$21.15, \$14.12, and \$19.06, respectively.

14. ACCUMULATED OTHER COMPREHENSIVE LOSS

The components of accumulated other comprehensive loss are as follows (in thousands):

June 30	2010	2009
Foreign currency translation adjustment	\$ 6,542	\$ 8,902
Unrealized pension losses (net of tax benefit of \$43.3 million and \$36.1 million, respectively)	(72,375)	(60,343)
Unrealized loss on derivative instruments (net of tax benefit of \$0.3 million and \$0.6 million, respectively)	(623)	(1,150)
Accumulated other comprehensive loss	<u>\$ (66,456)</u>	<u>\$ (52,591)</u>

15. DISCONTINUED OPERATIONS AND DISPOSITIONS

In 2007, the Company sold substantially all the assets of the Berean Christian Stores ("Berean") business in an all cash deal resulting in the recognition of a pre-tax gain of \$0.2 million. As the former owner of Berean, the Company is party under a number of operating leases which were assigned to the purchaser of the business for the remaining initial terms of the leases at the stated lease costs. The Company remained an obligor of these leases until the expiration of the initial terms. In the second quarter of 2009, noting Berean's deteriorating operating performance and precarious financial position, the Company recorded liabilities of \$2.9 million, net of estimated subleases, in anticipation of the impairment of leases remaining under the obligation.

In June 2009, Berean filed for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code and, in July 2009, its assets were sold to a third party under Section 363 of the Code. The new owner of the Berean assets is infusing capital into the business, and we believe the Berean bookstores can now be operated successfully as a going concern. As part of this transaction, the Company agreed to provide lease supplement payments to the new owner of the Berean assets. These payments included an upfront payment of \$0.5 million and additional payments totaling \$1.2 million which will be made in equal monthly installments through December 2011. The Company remains an obligor of the leases assumed by the new owner, however, the Company's obligation has been reduced for locations where the new owner was able to obtain rent concessions. In addition, the Company remains responsible for three sites formerly operated by Berean. Liabilities associated with these three leases, net of expected subleases

at current market rates, total \$1.3 million at June 30, 2010. Subsequent to these transactions, the aggregate amount of our obligations in the event of default is \$4.4 million at June 30, 2010..

During 2008, the Company entered into an Administrative Order of Consent with the U.S. Environmental Protection Agency (“EPA”) related to the removal of various PCB–contaminated materials and soils at a site where the Company leased a building and conducted operations from 1967–1979. The Company established an accrual of \$2.0 million related to the matter

in 2008 and an additional \$2.0 million accrual in 2009. Remediation efforts were substantially completed during the third quarter of 2009, and the Company received a closure letter from the EPA in the first half of 2010.

The Company actively sought the recovery of costs incurred in carrying out the terms of the AOC through negotiations with its legacy insurers. Based on the status of these negotiations at September 30, 2009, the Company determined that a settlement was probable and recorded \$2.3 million (\$1.4 million net of tax) in discontinued operations during the first quarter. As expected, the settlement came to fruition during the second quarter, with a final recovery of \$2.5 million (\$1.6 million net of tax), net of costs incurred to negotiate the settlement.

Earnings (losses) from discontinued operations include the following results for the years ended June 30 (in thousands):

	2010	2009	2008
Net sales	\$ —	\$ —	\$ —
Berean lease impairment (net of tax benefit of \$0.2 million, \$1.1 million, and \$0, respectively)	(413)	(1,834)	—
EPA remediation recovery (expense) (net of tax (provision) benefit of (\$0.9 million), \$0.8 million, and \$0.8 million, respectively)	1,434	(1,293)	(1,238)
Other loss from discontinued operations (net of tax benefit of \$0.2 million, \$0.2 million, and \$0.1 million, respectively)	(282)	(388)	(176)
Gains from disposal (net of taxes of \$0, \$0, and \$0.4 million, respectively)	—	—	640
Total net earnings (loss) from discontinued operations	<u>\$739</u>	<u>(\$3,515)</u>	<u>(\$774)</u>

The Company has \$2.3 million of accrued liabilities related to discontinued operations in its balance sheet at June 30, 2010, primarily related to accrued lease liabilities for Berean.

16. RESTRUCTURING

The Company has undertaken cost reduction and facility consolidation initiatives that have resulted in severance, restructuring, and related charges. A summary of charges by initiative is as follows (in thousands):

	Year Ended June 30,		
	2010		
	Involuntary Employee Severance and Benefit		
	Costs	Other	Total
Workforce Reduction	\$ 991	\$ 64	\$ 1,055
Consolidation of Global Manufacturing Footprint	877	1,840	2,717
Total expense	<u>\$ 1,868</u>	<u>\$ 1,904</u>	<u>\$ 3,772</u>
	2009		
Workforce Reduction	\$ 1,288	\$ —	\$ 1,288
Consolidation of Global Manufacturing Footprint	1,819	4,732	6,551
Total expense	<u>\$ 3,107</u>	<u>\$ 4,732</u>	<u>\$ 7,839</u>

2008

Consolidation of Global Manufacturing Footprint	\$ 459	\$ 131	\$ 590
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Workforce Reduction

In response to the recession taking place in the current macroeconomic environment and its impact on the Company, management reduced the number of salaried and indirect labor employees via workforce reductions. During 2009, the Company reduced its U.S.-based workforce by approximately 25%. During 2010, the Company made additional reductions which primarily affected our international headcount.

Activity in the reserves for the Workforce Reduction is as follows (in thousands):

	Involuntary Employee Severance and Benefit		
	Costs	Other	Total
Restructuring Liabilities at June 30, 2008	\$ —	\$ —	\$ —
Additions	1,288	—	1,288
Payments	(1,234)	—	(1,234)
Restructuring Liabilities at June 30, 2009	\$ 54	\$ —	\$ 54
Additions	991	64	1,055
Payments	(867)	(64)	(931)
Restructuring Liabilities at June 30, 2010	\$ 178	\$ —	\$ 178

Consolidation of Global Manufacturing Footprint

As part of the Company's ongoing effort to generate operational efficiencies and in response to downturn in certain markets served by the Company's operating segments, the Company has closed several of its manufacturing facilities and consolidating production. These costs are composed primarily of severance, other termination benefits, and expenses associated with the relocation of the plants' production capacities to other facilities. Activities related to the most recent of these closures were largely completed during the first half of 2010. The liabilities associated with this initiative are expected to be paid through 2011.

Additionally, during 2010, the Company recorded a net realizable value reduction of \$0.8 million (\$0.5 million net of tax) related to the sale of the former Bakers Pride facility in New Rochelle, New York, which was completed in the second quarter of 2010, and a \$0.5 million (\$0.3 million net of tax) net realizable value reduction related to the Air Distribution Products facility in Bartonville, Illinois, which is currently classified as an asset held for sale by the Company. These reductions were offset by a gain of \$0.5 million from the sale of a consolidated Engraving Group facility in Europe and a gain of \$0.6 million due to the settlement of the Bartonville multi-employer pension liability at an amount lower than previously expected.

Activity in the reserves related to optimization of the Company's manufacturing locations is as follows (in thousands):

	Involuntary Employee Severance and Benefit		
	Costs	Other	Total
Restructuring Liabilities at June 30, 2007	\$ 105	\$ —	\$ 105
Additions	459	131	590
Payments	(486)	(131)	(617)
Restructuring Liabilities at June 30, 2008	\$ 78	\$ —	\$ 78
Additions	1,819	4,732	6,551
Payments	(1,604)	(1,271)	(2,875)
Restructuring Liabilities at June 30, 2009	\$ 293	\$ 3,461	\$ 3,754

Additions	752	825	1,577
Payments	(898)	(4,103)	(5,001)
Restructuring Liabilities at June 30, 2010	<u>\$ 147</u>	<u>\$ 183</u>	<u>\$ 330</u>

The Company's total restructuring expenses by segment are as follows (in thousands):

Year Ended June 30,
2010

	Involuntary Employee Severance and Benefit		
	<u>Costs</u>	<u>Other</u>	<u>Total</u>
Food Service Equipment Group	\$ 520	\$ 2,055	\$ 2,575
Air Distribution Products Group	166	112	278
Engraving Group	1,045	(270)	775
Electronics and Hydraulics Group	49	7	56
Corporate	88	—	88
Total expense	<u>\$ 1,868</u>	<u>\$ 1,904</u>	<u>\$ 3,772</u>
2009			
Food Service Equipment Group	\$ 1,009	\$ 402	\$ 1,411
Air Distribution Products Group	1,054	3,913	4,967
Engraving Group	413	281	694
Electronics and Hydraulics Group	475	136	611
Corporate	156	—	156
Total expense	<u>\$ 3,107</u>	<u>\$ 4,732</u>	<u>\$ 7,839</u>
2008			
Engraving Group	\$ 205	\$ 55	\$ 260
Electronics and Hydraulics Group	254	76	330
Total expense	<u>\$ 459</u>	<u>\$ 131</u>	<u>\$ 590</u>

17. EMPLOYEE BENEFIT PLANS

Retirement Plans

The Company has defined benefit pension plans covering certain employees both inside and outside of the U.S. All pension benefits accruing under the U.S. salaried defined benefit plan and the supplemental defined benefit plan have been frozen as of December 31, 2007.

Plan assets are generally invested in equity securities (exclusive of common stock of the Company) debt, and global balanced securities. Contributions for U.S. plans are generally equal to the minimum amounts required by federal laws and regulations. Foreign plans are funded in accordance with the requirements of regulatory bodies governing each plan.

Net periodic benefit cost for U.S. and non-U.S. plans included the following components (in thousands):

	U.S. Plans			Foreign Plans		
	Year Ended June 30,			Year Ended June 30,		
	2010	2009	2008	2010	2009	2008
Service Cost	\$314	\$565	\$3,153	\$127	\$150	\$180

Interest Cost	12,887	12,966	12,306	1,735	1,766	2,062
Expected return on plan assets	(15,601)	(16,859)	(16,770)	(1,506)	(1,578)	(2,046)
Recognized net actuarial loss	1,777	1,404	2,194	253	330	653
Amortization of prior service cost (benefit)	172	169	195	(61)	(60)	(65)
Amortization of transition obligation (asset)	2	2	1	--	--	--
Curtailement	--	--	--	(180)	--	--
Net periodic benefit cost (benefit)	<u>(\$449)</u>	<u>(\$1,753)</u>	<u>\$1,079</u>	<u>\$368</u>	<u>\$608</u>	<u>\$784</u>

The following table sets forth the funded status and amounts recognized as of June 30, 2010 and 2009 for our U.S. and foreign defined benefit pension plans (in thousands):

U.S. Plans

Foreign Plans

	Year Ended June 30,		Year Ended June 30,	
	2010	2009	2010	2009
Change in benefit obligation				
Benefit obligation at beginning of year	\$186,153	\$191,708	\$29,575	\$35,261
Service cost	314	565	127	150
Interest cost	12,887	12,966	1,735	1,766
Plan participants' contributions	—	—	47	49
Actuarial loss (gain)	27,385	(5,574)	5,041	(827)
Benefits paid	(13,809)	(13,747)	(1,360)	(1,230)
Plan Amendments	—	235	—	—
Curtailment	—	—	(682)	—
Foreign currency exchange rate	—	—	(3,341)	(5,595)
Projected benefit obligation at end of year	<u>\$212,930</u>	<u>\$186,153</u>	<u>\$31,142</u>	<u>\$29,574</u>
Change in plan assets				
Fair value of plan assets at beginning of year	\$149,656	\$191,803	\$22,432	\$28,965
Actual return on plan assets	\$23,304	(\$28,592)	3,417	(790)
Employer contribution	15,198	192	1,830	71
Plan participants' contribution	—	—	370	356
Benefits paid	(13,809)	(13,747)	(1,360)	(1,230)
Foreign currency exchange rate	—	—	(2,392)	(4,940)
Fair value of plan assets at end of year	<u>\$174,349</u>	<u>\$149,656</u>	<u>\$24,297</u>	<u>\$22,432</u>
Funded Status	<u>(\$38,581)</u>	<u>(\$36,497)</u>	<u>(\$6,845)</u>	<u>(\$7,142)</u>
Amounts recognized in the consolidated balance sheets consist of:				
Current liabilities	(\$189)	(\$184)	(\$292)	(\$330)
Non-current liabilities	<u>(38,392)</u>	<u>(36,313)</u>	<u>(6,553)</u>	<u>(6,813)</u>
Net amount recognized	<u>(\$38,581)</u>	<u>(\$36,497)</u>	<u>(\$6,845)</u>	<u>(\$7,143)</u>
Unrecognized net actuarial loss	\$105,703	\$87,799	\$9,889	\$8,493
Unrecognized prior service cost	<u>775</u>	<u>948</u>	<u>(412)</u>	<u>(535)</u>
Accumulated other comprehensive income, pre-tax	<u>\$106,478</u>	<u>\$88,747</u>	<u>\$9,477</u>	<u>\$7,958</u>

The accumulated benefit obligation for all defined benefit pension plans was \$241.5 million and \$213.1 million at June 30, 2010 and 2009, respectively.

The estimated net loss and prior service cost for the defined benefit pension plans that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year are \$4.9 million and \$0.1 million, respectively.

Plan Assets and Assumptions

The fair values of the Company's pension plan assets at June 30, 2010 by asset category, as classified in the three levels of inputs described in Note 1 under the caption *Fair Value of Financial Instruments*, are as follows (in thousands):

	June 30, 2010			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 16,084	\$ 1,726	\$ 14,358	\$ –
Common and preferred stocks	76,239	13,837	62,402	–
U.S. Government securities	31,218	–	31,218	–
Corporate bonds and other fixed income securities	59,676	258	59,417	–

Other	15,429	—	15,429	—
	<u>\$198,646</u>	<u>\$ 15,822</u>	<u>\$182,824</u>	<u>\$ —</u>

Asset allocation at June 30, 2010, and target asset allocations for 2010 are as follows:

Plan Assets

Asset Category	U.S. Plans		Foreign Plans	
	Year Ended June 30,		Year Ended June 30,	
	2010	2009	2010	2009
Equity securities	33%	37%	35%	39%
Debt securities	27%	37%	58%	59%
Global balanced securities	24%	26%	—	—
Other	16%	—	7%	2%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Asset Category – Target	2010		
	U.S.	U.K.	Ireland
Equity securities	35%	33%	70%
Debt and market neutral securities	30%	67%	20%
Global balanced securities	25%	—	—
Other	10%	—	10%
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>

Our investment policy for the U.S. pension plans targets a range of exposure to the various asset classes. Standex rebalances the portfolio periodically when the allocation is not within the desired range of exposure. The plan seeks to provide returns in excess of the various benchmarks. The benchmarks include the following indices: S&P 500; Citigroup PMI EPAC; Citigroup World Government Bond and Barclays Aggregate Bond. A third party investment consultant tracks the plan's portfolio relative to the benchmarks and provides quarterly investment reviews which consist of a performance and risk assessment on all investment managers and on the portfolio.

Certain managers within the plan use, or have authorization to use, derivative financial instruments for hedging purposes, the creation of market exposures and management of country and asset allocation exposure. Currency speculation derivatives are strictly prohibited.

Year Ended June 30	2010	2009	2008
Plan assumptions – obligation			
Discount rate	4.40 – 5.90%	5.75 – 7.20%	
Rate of compensation increase	3.50 – 3.80%	3.50 – 3.70%	
Plan assumptions – cost			
Discount rate	5.90 – 7.20%	6.15 – 7.00%	5.25 – 6.50%
Expected return on assets	6.30 – 8.35%	6.50 – 8.65%	6.75 – 8.80%

Rate of compensation increase	3.50 – 3.70%	3.50 – 4.25%	3.70 – 4.00%
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Included in the above are the following assumptions relating to the obligations for defined benefit pension plans in the United States at June 30, 2010: a discount rate of 5.9% and a rate of compensation increase of 3.5%. At June 30, 2009, the assumptions were a discount rate of 7.2% and rate of compensation increase of 3.5%. The U.S. defined benefit pension plans represent the majority of our pension obligations. The expected return on plan assets assumption is based on our expectation of the long-term average rate of return on assets in the pension funds and is reflective of the current and projected asset mix of the funds. The discount rate reflects the current rate at which pension liabilities could be effectively settled at the end of the year. The discount rate is determined by matching our expected benefit payments from a stream of AA- or higher bonds available in the marketplace, adjusted to eliminate the effects of call provisions.

Expected benefit payments for the next five years are as follows: 2011, \$15.3 million; 2012, \$15.4 million; 2013, \$15.6 million; 2014, \$15.6 million; 2015, \$15.6 million and thereafter, \$81.0 million. The Company expects to make \$0.5 million of contributions to its pension plans in 2011.

The Company operates a defined benefit plan in Germany which is unfunded. Certain U.S. employees are covered by union-sponsored, multi-employer pension plans. Contributions and costs are determined in accordance with the provisions of negotiated labor contracts or terms of the plans. Pension expense for these plans was \$1.4 million, \$1.4 million, and \$1.7 million in 2010, 2009, and 2008, respectively.

Retirement Savings Plans

The Company has two primary employee savings plans, one for salaried employees and one for hourly employees. Substantially all of our full-time domestic employees are covered by these savings plans. Under the provisions of the plans, employees may contribute a portion of their compensation within certain limitations. The Company, at the discretion of the Board of Directors, may make contributions on behalf of our employees under the plans. During the third quarter of 2009, the Company announced that it would suspend employer matching contributions to its savings plans, with the exception of obligations under collective bargaining agreements. The suspension of contributions began in April 2009, and contributions were reinstated at the beginning of calendar year 2010. Company contributions were \$1.7 million, \$4.6 million, and \$3.2 million for the years ended June 30, 2010, 2009, and 2008, respectively. At June 30, 2010, the salaried plan holds approximately 250,000 shares of Company common stock, representing approximately 9% of the holdings of the plan.

Other Plans

Certain retired executives are covered by an Executive Life Insurance Program. During 2003, two executives retired and the Board of Directors approved benefits under this plan of approximately \$5.6 million. The aggregate present value of current vested and outstanding benefits to all participants was approximately \$1.0 million, and \$1.4 million at June 30, 2010 and 2009, respectively, and will be paid over the next four years.

Key Employee Share Option Plan (KEYSOP)

In fiscal 2002, we created a Key Employee Share Option Plan (the "KEYSOP"). The purpose of the KEYSOP is to provide alternate forms of compensation to certain key employees of the Company commensurate with their contributions to the success of our activities. Under the KEYSOP, certain employees are granted options by the Compensation Committee and designated property is purchased by the Company and placed in a Rabbi trust. The option price set at the date of the grant is 25% of the fair value of the underlying assets. During fiscal 2003, the Company granted options to two key employees prior to their retirement. Assets associated with the plan were \$5.0 million and \$4.4 million at June 30, 2010 and 2009, respectively. As of June 30, 2010 and 2009, the Company has recorded a liability in other long term liabilities of approximately \$3.8 million and \$3.2 million respectively associated with the grants made.

Postretirement Benefits Other Than Pensions

The Company sponsors unfunded postretirement medical and life plans covering certain full-time employees who retire and have attained the requisite age and years of service. Retired employees are required to contribute toward the cost of coverage according to various established rules.

The Company records postretirement benefits (such as health care and life insurance) during the years an employee provides services.

The following table sets forth the funded status of the postretirement benefit plans and accrued postretirement benefit cost reflected in the consolidated balance sheet at year end (in thousands):

	Year Ended June 30,	
	2010	2009
Change in benefit obligation		
Benefit obligation at beginning of year	\$1,806	\$1,870
Service cost	8	9
Interest cost	124	125
Plan participants' contributions	40	38
Actuarial loss (gain)	94	(30)
Benefits paid	(208)	(206)

Accumulated benefit obligation at end of year	<u>\$1,864</u>	<u>\$1,806</u>
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Change in plan assets

Fair value of plan assets at beginning of year	\$--	\$--
Employer contribution	168	168
Plan participants' contribution	40	38

Benefits paid	(208)	(206)
Foreign currency exchange rate	<u> </u>	<u> --</u>
Fair value of plan assets at end of year	<u> \$0</u>	<u> \$0</u>
Funded Status	<u> (\$1,864)</u>	<u> (\$1,806)</u>

Amounts recognized in the consolidated balance sheets consist of:

Current liabilities	(\$148)	(\$163)
Non-current liabilities	<u>(1,716)</u>	<u>(1,643)</u>
Net amount recognized	<u> (\$1,864)</u>	<u> (\$1,806)</u>
Accumulated other comprehensive income, pre-tax		
Unrecognized net actuarial loss	(\$990)	(\$1,167)
Unrecognized transition obligation	<u> 687</u>	<u> 911</u>
Net amount recognized	<u> (\$303)</u>	<u> (\$256)</u>

Components of Net Periodic Benefit Cost (in thousands)

	Year Ended June 30,		
	2010	2009	2008
Service Cost	\$8	\$9	\$11
Interest Cost	124	125	125
Recognized net actuarial gain	(83)	(84)	(93)
Amortization of transition obligation	<u>224</u>	<u>224</u>	<u>225</u>
Net periodic benefit cost	<u> \$273</u>	<u> \$274</u>	<u> \$268</u>

The estimated net actual loss (gain) and transition obligation for the postretirement benefits that will be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year are \$(0.1) million and \$0.2 million, respectively.

The assumed weighted average discount rate was 5.90% and 7.20% as of June 30, 2010 and 2009, respectively. A 1% increase in the assumed health care cost trend rate does not impact either the accumulated benefit obligation or the net postretirement cost, as the employer contribution for each participant is a fixed amount.

18. INDUSTRY SEGMENT INFORMATION

The Company has determined that it has five reportable segments organized around the types of product sold:

- Food Service Equipment Group— an aggregation of seven operating segments that manufacture and sell commercial food service equipment.
- Air Distribution Products Group – manufactures and sells metal duct and fittings for residential HVAC systems.
- Engraving Group – provides mold texturizing, roll engraving and process machinery for a number of industries.
- Engineering Technologies Group – provides customized solutions in the fabrication and machining of engineered components for the aerospace, energy, and aviation markets.
- Electronics and Hydraulics Group – a combination of two operating segments that manufacture and sell electrical components and that manufacture and sell single– and double–acting telescopic and piston rod hydraulic cylinders.

Net sales include only transactions with unaffiliated customers and include no significant intersegment or export sales. Operating income by segment and geographic area excludes general corporate and interest expenses. Assets of the Corporate segment consist primarily of cash, administrative buildings, equipment, and other non–current assets.

Industry Segments (in thousands)	Net Sales			Depreciation and Amortization		
	2010	2009	2008	2010	2009	2008
Food Service Equipment	\$337,578	\$350,358	\$381,254	\$6,257	\$7,021	\$7,642
Air Distribution Products	50,974	66,534	88,334	999	967	1,311
Engraving	77,372	77,311	92,167	3,569	3,646	4,339
Engineering Technologies	58,732	51,693	51,615	1,406	1,405	1,125
Electronics and Hydraulics	53,798	61,190	84,171	1,881	2,088	2,185
Corporate and Other	—	—	—	295	414	511
Total	\$578,454	\$607,086	\$697,541	\$14,407	\$15,541	\$17,113

	Income From Operations			Capital Expenditures		
	2010	2009	2008	2010	2009	2008
Food Service Equipment	\$39,682	\$9,900	\$31,460	\$2,233	\$1,277	\$3,663
Air Distribution Products	(3,186)	713	(340)	66	182	482
Engraving	9,395	7,028	9,611	1,115	1,878	2,140
Engineering Technologies	13,843	8,667	9,770	359	297	2,980
Electronics and Hydraulics	4,888	3,459	8,106	566	2,055	1,322
Restructuring charge	(3,772)	(7,839)	(590)	—	—	—
Gain on sale of real estate	1,405	—	—	—	—	—
Corporate	(19,989)	(15,907)	(19,088)	264	—	402
Total	\$42,266	\$6,021	\$38,929	\$4,603	\$5,689	\$10,989
Interest expense	(3,624)	(6,532)	(9,510)			
Other, net	754	215	324			
Income from continuing operations before income taxes	\$39,396	(\$296)	\$29,743			

	Goodwill		Property, Plant & Equipment	
	2010	2009	2010	2009
Food Service Equipment	\$45,590	\$45,598	\$36,476	\$45,006
Air Distribution Products	14,933	14,933	8,194	8,916
Engraving	19,839	20,048	19,849	22,548
Engineering Technologies	186	186	15,250	16,269
Electronics and Hydraulics	22,256	20,957	8,578	9,842
Corporate & Other	—	—	4,880	6,031
Total	\$102,804	\$101,722	\$93,227	\$108,612

Non-U.S. Operations

	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net sales	\$86,215	\$78,277	\$100,340
Income from operations	11,378	8,209	14,508
Long-lived assets	14,245	16,334	19,469

Given the nature of our corporate expenses, management has concluded that it would not be appropriate to allocate the expenses associated with corporate activities to our operating segments. These corporate expenses include the costs for the corporate headquarters, salaries and wages for the personnel in corporate, professional fees related to corporate matters and compliance efforts, stock-based compensation and post-retirement benefits related to our corporate executives, officers and directors, and other compliance related costs. The Company has a process to allocate and recharge certain direct costs to the operating segments when such direct costs are administered and paid at corporate. Such direct expenses that are recharged on an intercompany basis each month include such costs as insurance, workers' compensation programs, audit fees and pension expense. The accounting policies applied by the reportable segments are the same as those described in the Summary of Accounting Policies footnote to the consolidated financial statements. There are no differences in accounting policies which would be necessary for an understanding of the reported segment information.

19. QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The unaudited quarterly results of operations for the years ended June 30, 2010 and 2009 are as follows (in thousands, except for per share data):

	2010			
	First	Second	Third	Fourth
Net sales	\$152,109	\$138,853	\$135,411	\$152,081
Gross profit	49,188	44,696	41,289	48,230
Net income (loss)	9,782	5,954	4,601	8,362
EARNINGS PER SHARE				
Basic	0.79	0.48	0.37	0.67
Diluted	0.78	0.47	0.36	0.66
	2009			
	First	Second	Third	Fourth
Net sales	\$180,695	\$155,510	\$130,970	\$139,911
Gross profit	57,118	45,580	32,000	41,277
Net income	4,994	2,149	(18,225)	5,677
EARNINGS PER SHARE				
Basic	0.41	0.17	(1.48)	0.46
Diluted	0.40	0.17	(1.48)	0.45

Note: Basic and diluted earnings per share are computed independently for each reporting period. Accordingly, the sum of the quarterly earnings per share amounts may not agree to the year-to-date amounts.

20. SUBSEQUENT EVENT

Subsequent to the end of fiscal 2010, the Company completed the sale of an excess facility located in Lyon, France. The Company anticipates recording a pretax gain of approximately \$3.9 million and will realize cash proceeds of \$3.6 million, net of associated costs.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Standex International Corporation
Salem, New Hampshire

We have audited the accompanying consolidated balance sheets of Standex International Corporation and subsidiaries (the "Company") as of June 30, 2010 and 2009, and the related consolidated statements of operations, stockholders' equity and comprehensive income (loss), and cash flows for each of the three years in the period ended June 30, 2010. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial

statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Standex International Corporation and subsidiaries as of June 30, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended June 30, 2010, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of June 30, 2010, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated August 27, 2010 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
August 27, 2010

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure

Not Applicable

Item 9A. Controls and Procedures

The management of the Company including its Chief Executive Officer, and Chief Financial Officer, have conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a–15(e) and 15(d)–15(e) under the Securities Exchange Act of 1934, as amended, (the "Exchange Act") as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded as of June 30, 2010, that the disclosure controls and procedures are effective in ensuring that the information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms and (ii) that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer as appropriate to allow timely decisions regarding required disclosure.

There were no changes in the Company's internal control over financial reporting identified in connection with management's evaluation that occurred during the fourth quarter of our fiscal year (ended June 30, 2010) that has materially affected, or is reasonably likely to materially affect our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

The management of Standex is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Section 240.13a–15(f) of the Exchange Act). The Company's internal control over financial reporting is designed to provide reasonable assurance as to the reliability of the Company's financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Management, including the Chief Executive Officer and the Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of the end of the fiscal year covered by this report on Form 10–K. In making this assessment, management used the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission in "Internal Control–Integrated Framework." These criteria are in the areas of control environment, risk assessment, control activities, information and communication and monitoring. Management's assessment included documenting, evaluating and testing the design and operating effectiveness of our internal control over financial reporting.

Based on the Company's processes, as described above, management, including the Chief Executive Officer and the Chief Financial Officer, has concluded that our internal control over financial reporting was effective as of June 30, 2010 to provide reasonable assurance of achieving its objectives. These results were reviewed with the Audit Committee of the Board of Directors. Deloitte & Touche LLP, the independent registered public accounting firm that audited our consolidated financial

statements included in this Annual Report on Form 10–K, has issued an unqualified attestation report on the Company’s internal control over financial reporting, which is included below.

Inherent Limitation on Effectiveness of Controls

No matter how well designed, internal control over financial reporting has inherent limitations. Internal control over financial reporting determined to be effective can provide only reasonable, not absolute, assurance with respect to financial statement preparation and may not prevent or detect all misstatements that might be due to error or fraud. In addition, a design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Standex International Corporation
Salem, New Hampshire

We have audited the internal control over financial reporting of Standex International Corporation and subsidiaries (the "Company") as of June 30, 2010, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2010, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended June 30, 2010 of the Company and our report dated August 27, 2010 expressed an unqualified opinion on those financial statements.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
August 27, 2010

Item 9B. Other Information

On August 25, 2010, the Compensation Committee of the Board of Directors authorized the amending of the existing employment agreements between the Company and certain of its executives, including all of the “named executive officers” for proxy reporting purposes, to state that the lump sum payment to be received by such executives upon “termination,” as defined in the agreements, following a change in control, shall be based upon the higher of the most recent annual bonus paid to the executive or his or her target bonus amount under the annual incentive program, as in effect immediately prior to the change in control. Presently, the lump sum payment is based upon the most recent annual bonus paid to the executive. As a result, the lump sum payment to which an executive will be entitled in such circumstances will be based upon the executive’s then current base salary plus the higher of the most recent annual bonus paid to the executive or his or her target bonus amount under the Company’s annual incentive program as in effect immediately prior to the change in control.

The amending of the agreement does not apply to any executive whose agreement did not provide for such a lump sum payment.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The Company will file with the Securities and Exchange Commission (“SEC”) a definitive Proxy Statement no later than 120 days after the close of the fiscal year ended June 30, 2010 (the “Proxy Statement”). The information required by this item and not provided in Part 1 of this report under Item 1 “Executive Officers of Standex” is incorporated by reference from the Proxy Statement under the captions “Election of Directors,” “Stock Ownership in the Company,” “Other Information Concerning the Company, Board of Directors and its Committees” and “Section 16(a) Beneficial Ownership Reporting Compliance.”

There have been no material changes to the procedures by which security holders may recommend nominees to our board of directors. Information regarding the process for identifying and evaluating candidates for director are set forth and incorporated in reference to the information in the Proxy Statement under the caption “Corporate Governance/Nominating Committee Report.”

Information regarding the Audit Committee Financial Expert and the identification of the Audit Committee is incorporated by reference to the information in the Proxy Statement under the caption “Other Information Concerning the Company Board of Directors and its Committee, Audit Committee.” The Audit Committee is established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act.

We maintain a corporate governance section on our website, which includes our code of ethics for senior financial management that applies to our chief executive officer, principal financial officer, principal accounting officer, controller or persons performing similar functions. Our corporate governance section also includes our code of business conduct and ethics for all employees. In addition, we will promptly post any amendments to or waivers of the code of ethics for senior financial management on our website. You can find this and other corporate governance information at www.standex.com.

Item 11. Executive Compensation

Information regarding executive compensation is incorporated by reference from the Proxy Statement under the captions and sub-captions: “Executive Compensation,” “Compensation Discussion and Analysis,” “Report of the Compensation Committee,” “2010 Summary Compensation Table,” “Other Information Concerning the Company Board of Directors and Its Committees,” and “Directors Compensation.”

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The stock ownership of each person known to Standex to be the beneficial owner of more than 5% of its Common Stock is incorporated by reference in the Proxy Statement under the caption “Stock Ownership of Certain Beneficial Owners.” The beneficial ownership of Standex Common Stock of all directors and executive officers of the Company is incorporated by reference in the Proxy Statement under the caption and sub-caption “Stock Ownership in the Company” and “Stock Ownership by Directors, Nominees for Directors and Executive Officers,” respectively.

The Equity Compensation Plan table below presents information regarding the Company’s equity based compensation plan at June 30, 2010.

(A)

(B)

(C)

Number of Securities
Remaining Available

Plan Category	Number of Securities To Be Issued Upon Exercise Of Outstanding Options, Warrants And Rights	Weighted–Average Exercise Price Of Outstanding Options, Warrants And Rights	For Future Issuance Under Equity Compensation Plans (Excluding Securities reflected in Column (A))
Equity compensation plans approved by stockholders	409,502	\$3.27	438,892
Equity compensation plans not approved by stockholders	—	—	—
Total	409,502	\$3.27	438,892

The Company has one equity compensation plan, approved by stockholders, under which equity securities of the Company have been authorized for issuance to employees and non–employee directors. This plan is further described in the “Notes to Consolidated Financial Statements” under the heading “Stock–Based Compensation and Purchase Plans.”

Item 13. Certain Relationships and Related Transactions and Director Independence

Information regarding certain relationships and related transactions is incorporated by reference in the Proxy Statement under the caption and sub–caption “Certain Relationships and Related Transactions” And “Stock Ownership by Directors, Nominees for Director and Executive Officers,” respectively.

Information regarding director independence is incorporated by reference in the Proxy Statement under the caption “Election of Directors – Determination of Independence.”

Item 14. Principal Accountant Fees and Services

This Information in addition to information regarding aggregate fees billed for each of the last two fiscal years for professional services rendered by the professional accountant for audit of the Company’s annual financial statements and review of financial statements included in the Company’s Form 10–K as well as others are incorporated by reference in the Proxy Statement under the caption “Independent Auditors’ Fees.”

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)(1) Financial Statements

Financial Statements covered by the Report of Independent Registered Public Accounting Firm

- (A) Consolidated Statements of Operations for the fiscal years ended June 30, 2010, 2009 and 2008
- (B) Consolidated Balance Sheets as of June 30, 2010 and 2009
- (C) Consolidated Statements of Stockholders’ Equity and Comprehensive Income (Loss) for the fiscal years ended June 30, 2010, 2009 and 2008
- (D) Consolidated Statements of Cash Flows for the fiscal years ended June 30, 2010, 2009 and 2008
- (E) Notes to Consolidated Financial Statements

(2) Financial Statements Schedule

The following financial statement schedule is included as required by Item 8 to this report on Form 10-K
Schedule II – Valuation and Qualifying Accounts is included in the Notes to Consolidated Financial Statements
All other schedules are not required and have been omitted

(3) Exhibits

Incorporated

<u>Exhibit Number</u>		<u>Exhibit Description</u>	<u>by Reference</u>		<u>Filed Herewith</u>
			<u>Form</u>	<u>Date</u>	
(b) 3.	(i)	Restated Certificate of Incorporation of Standex, dated October 27, 1998 filed as Exhibit 3(i).	10-Q	12/31/1998	
	(ii)	By-Laws of Standex, as amended, and restated on October 28, 2008 filed as Item 5.03, Exhibit 3.(b)	8-K	10/30/2008	
4.	(a)	Agreement of the company, dated September 15, 1981, to furnish a copy of any instrument with respect to certain other long-term debt to the Securities and Exchange Commission upon its request filed as Exhibit 4.	10-K	6/30/1981	
10.	(a)	Amended and Restated Employment Agreement dated August 25, 2010 between the Company and Roger L. Fix*			X
	(b)	Amended and Restated Employment Agreement dated August 25, 2010 between the Company and John Abbott*			X
	(c)	Amended and Restated Employment Agreement dated August 25, 2010 between the Company and Thomas D. DeByle*			X
	(d)	Amended and Restated Employment Agreement dated August 25, 2010 between the Company and Deborah A. Rosen*			X
	(e)	Amended and Restated Employment Agreement dated August 25, 2010 between the Company and James L. Mettling*			X
	(f)	Standex International Corporation 2008 Long Term Incentive Plan, effective October 28, 2008 Filed as Exhibit 10.*	8-K	10/30/2008	
	(g)	Standex International Corporation Executive Security Program, as amended and restated on January 31, 2001 filed as Exhibit 10(a).*	10-Q	3/31/2001	
	(h)	Standex International Corporation Executive Life Insurance Plan effective April 27, 1994 and as Amended and restated on April 25, 2001 filed as Exhibit 10(k).*	10-K	6/30/2001	
	(i)	Standex International Corporation Supplemental Retirement Plan adopted April 26, 1995 and Amended on July 26, 1995 filed as Exhibit 10(n).*	10-K	6/30/1995	
	(j)	Standex International Corporation Key Employee Share Option Plan dated June 27, 2002 filed as Exhibit 10(p).*	10-K	6/30/2003	
	(k)	Form of Indemnification Agreement for directors and executive officers of the Company filed as Item 1.01, Exhibit 10.*	8-K	5/5/2008	

(l)	Executive Officer long-term performance share Unit awards filed as Item 5.02.*	8-K	8/28/2008
(m)	Executive Officer long-term and annual incentive	8-K	8/31/2005

awards filed as Item 1.01.*

(n)	Standex Deferred Compensation Plan for highly compensated employees filed as Item 5.02.*	8-K	1/31/2008
(o)	Annual and long term incentive awards to the Named Executive Officers of the Company under the 1998 Long-Term Incentive Plan of the Company granted on August 30, 2005 filed as Item 1.01.*	8-K	8/31/2005
(p)	Standex International Corporation Amended and Restated 1998 Long-Term Incentive Plan filed as Exhibit 10.1*	8-K	10/31/2005
(q)	Restricted stock Unit Award granted to Roger L. Fix dated January 25, 2006 filed as Item 1.01.*	8-K	1/27/2006
(r)	Credit Agreement dated December 31, 2005 between the Company and co-lead arrangers KeyBank National Association and banc of America Securities LLC and other lending institution for a five-year revolving senior credit facility filed as Exhibit 10.	10-Q	12/31/2005
(s)	Grant of annual performance awards consisting of target incentives for fiscal year 2007 to Named Executive Officers of the Company under the 1998 Long-Term Incentive Plan of the Company granted on August 30, 2006 filed as Item 1.01.*	8-K	9/2/2006
(t)	Grant of long term performance awards and stock awards to Named Executive Officers of the Company under the 1998 Long-Term Incentive Plan of the Company granted on September 11, 2006 filed as Item 1.01.*	8-K	9/15/2006
(u)	Amendment to Directors' Compensation Program for members of the Board of Directors of the Company filed as Item 1.01.*	8-K	11/2/2006
(v)	Stock Purchase Agreement dated January 9, 2007 among the Company and the shareholders of Associated American Industries, Inc. for the acquisition by the Company of all of the outstanding shares of stock of AAI filed as Items 1.01, 2.01 and 9.01.	8-K	1/11/2007
(w)	Grant of annual performance share units consisting of target incentives for fiscal year 2008 to Named Executive Officers of the Company under the 1998 Long-Term Incentive Plan of the Company granted On August 28, 2007 filed as Item 5.02(e).*	8-K	8/28/2007
(x)	Grant of annual performance share units consisting of target incentives for fiscal year 2008 to Roger L. Fix and John Abbott under the 1998 Long-Term Incentive Plan of the Company granted on September 19, 2007 and filed as Item 5.02(e).*	8-K	9/19/2007

14. Code of Ethics for chief Executive Officer and Senior Financial Officers is incorporated by reference as Exhibit 14.

10-K

6/30/2005

21.	Subsidiaries of Standex International Corporation	X
23.	Consent of Independent Registered Public Accounting Firm	X
24.	Powers of Attorney of Charles H. Cannon, Thomas E. Chorman, William R. Fenoglio, Gerald H. Fickenscher, Daniel B. Hogan, H. Nicholas Muller, III, Ph. D., Deborah A. Rosen and Edward J. Trainor	X
31.1	Rule 13a–14(a) Certification of President and Chief Executive Officer	X
31.2	Rule 13a–14(a) Certification of Vice President and Chief Financial Officer	X
32.	Section 1350 Certification	X

* Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Standex International Corporation has duly caused this Annual Report on Form 10–K to be signed on its behalf by the undersigned, thereunto duly authorized, on August 27, 2010.

STANDEX INTERNATIONAL CORPORATION
(Registrant)

/s/ ROGER L. FIX
Roger L. Fix
President/Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Standex International Corporation and in the capacities indicated on August 27, 2010:

<u>Signature</u>	<u>Title</u>
<u>/s/ ROGER L. FIX</u> Roger L. Fix	President/Chief Executive Officer
<u>/s/ THOMAS D. DEBYLE</u> Thomas D. DeByle	Vice President/Chief Financial Officer
<u>/s/ SEAN VALASHINAS</u> Sean Valashinas	Chief Accounting Officer

Roger L. Fix, pursuant to powers of attorney which are being filed with this Annual Report on Form 10–K, has signed below on August 27, 2010 as attorney-in-fact for the following directors of the Registrant:

Charles H. Cannon	Thomas E. Chorman
William R. Fenoglio	H. Nicholas Muller, III, Ph.D.
Gerald H. Fickenscher	Deborah A. Rosen
Daniel B. Hogan	Edward J. Trainor

/s/ ROGER L. FIX

Roger L. Fix

Supplemental Information to be furnished with reports filed pursuant to Section 15(d) of the Act by Registrants which have not registered securities pursuant to Section 12 of the Act.

The Company will furnish its 2010 Proxy Statement and proxy materials to security holders subsequent to the filing of the annual report on this Form. Copies of such material shall be furnished to the Commission when they are sent to security holders.

INDEX TO EXHIBITS

	<u>PAGE</u>
10(a) Amended and Restated Employment Agreement between the Company and Roger L. Fix	
10(b) Amended and Restated Employment Agreement between the Company and John Abbott	
10(c) Amended and Restated Employment Agreement between the Company and Thomas D. DeByle	
10(d) Amended and Restated Employment Agreement between the Company and Deborah A. Rosen	
10(e) Amended and Restated Employment Agreement between the Company and James L. Mettling	
21. Subsidiaries of Standex	
23. Consent of Independent Registered Public Accounting Firm	
24. Powers of Attorney of Charles H. Cannon, Thomas E. Chorman, William R. Fenoglio, Gerald Fickenscher, Daniel B. Hogan, H. Nicholas Muller, III, Ph.D., Deborah A. Rosen and Edward J. Trainor	
31.1 Rule 13a-14(a) Certification of President and Chief Executive Officer	
31.2 Rule 13a-14(a) Certification of Vice President and Chief Financial Officer	
32. Section 1350 Certification	

END OF FORM 10-K

SUPPLEMENTAL INFORMATION FOLLOWS

Board of Directors

	Title
Edward J. Trainor ⁴	Chairman
Charles H. Cannon, Jr., ^{2, 4}	Chairman and CEO, JBT Corporation
Thomas E. Chorman ^{1, 3}	CEO, Solar LED Innovations, LLC

William R. Fenoglio ^{1, 4}	Former President/CEO, Augat, Inc.
Gerald H. Fickenscher ^{1, 3}	Retired Vice President Europe, Middle East, and Africa, Crompton Corporation
Roger L. Fix ⁴	President and Chief Executive Officer
Daniel B. Hogan, Ph. D. ^{2, 3}	Executive Director, Passim Folk Music and Cultural Center
H. Nicholas Muller, III, Ph.D. ^{2, 3}	Former President/CEO, Frank Lloyd Wright Foundation
Deborah A. Rosen	Vice President, Chief Legal Officer and Secretary

-
- ¹ Member of Audit Committee
- ² Member of Compensation Committee
- ³ Member of Corporate Governance/Nominating Committee
- ⁴ Member of Executive Committee

Corporate Officers

Roger L. Fix	President and Chief Executive Officer
Thomas D. DeByle	Vice President, Chief Financial Officer and Treasurer
Deborah A. Rosen	Vice President, Chief Legal Officer and Secretary
Stacey S. Constat	Corporate Governance Officer and Assistant Secretary
Sean Valashinas	Chief Accounting Officer and Assistant Treasurer
E. James Haggerty	Tax Director

Operating Management

FOOD SERVICE EQUIPMENT GROUP

John Abbott	Group Vice President of Food Service Equipment Group
Cooking Solutions Group	
E. J. Morrow	President
Refrigerated Solutions Group	
Charles Dullea	President
American Foodservice	
Michael Palmer	President
Federal Industries	
John W. Minahan	President
Master-Bilt Products	
David Parks	President
Nor-Lake, Incorporated	
Charles Dullea	President
Procon Products	
Paul Roberts	President

AIR DISTRIBUTION PRODUCTS GROUP

Snappy/ACME/ALCO

Thomas H. Smid
President

ENGINEERING TECHNOLOGIES

Spincraft
Leonard Paolillo
President

ENGRAVING GROUP

Standex Engraving
Phillip R. Whisman
President

International Operations
Flavio Maschera
President

ELECTRONICS AND HYDRAULICS

Standex Electronics, Inc.
John Meeks
President

Custom Hoists, Inc.
Gary Carpenter
Executive Vice President

Shareholder Information

Corporate Headquarters

Standex International Corporation
11 Keewaydin Drive
Salem, NH 03079
(603) 893-9701
Facsimile: (603) 893-7324
www.standex.com

Common Stock

Listed on the New York Stock Exchange
(Ticker symbol: SXI)

Transfer Agent and Registrar

Registrar and Transfer Company
10 Commerce Drive
Cranford, NJ 07016
(800) 866-1340
www.RTCO.com

Independent Auditors

Deloitte & Touche LLP
200 Berkeley Street
Boston, MA 02116-5022

Shareholder Services

Stockholders should contact Standex's Transfer Agent (Registrar and Transfer Company, 10 Commerce Drive, Cranford, NJ 07016) regarding changes in name, address or ownership of stock; lost certificates of dividends; and consolidation of accounts.

Stockholders' Meeting

The Annual Meeting of Stockholders will be held at 11:00 a.m. on Wednesday, October 27, 2010 at the Boston/Woburn Hilton Hotel, 2 Forbes Rd., Salon A, Woburn, MA 01801; 781-932-0999.

EXHIBIT 10 (a)

**AMENDED AND RESTATED
EMPLOYMENT AGREEMENT**

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT is made and entered into as of this 25th day of August, 2010 by and between STANDEX INTERNATIONAL CORPORATION, a Delaware corporation with its executive offices in Salem, New Hampshire (hereinafter referred to as the "Employer"), and

ROGER L. FIX

of Windham, New Hampshire (hereinafter referred to as the 'Executive').

WHEREAS, Executive has heretofore been and is now employed by Employer serving as President/CEO of Employer pursuant to an Employment Agreement dated December 15, 2008 (the "Employment Agreement"); and

WHEREAS, the parties desire that the Employment Agreement be amended as set forth herein;

NOW, THEREFORE in consideration of the mutual covenants and agreements of the parties herein contained and for other good and valuable consideration, the receipt of which is hereby acknowledged, it is agreed by and between the parties as follows:

1. **Amended Employment Agreement.** Employer and Employee agree that this Amended and Restated Employment Agreement (the "Agreement") shall replace and supersede the Employment Agreement and shall be controlling with respect to all terms and conditions of the employment relationship between the Employer and the Executive.

Employer hereby agrees to continue to employ Executive on a full-time basis and Executive agrees to serve Employer on a full-time basis as President/Chief Executive Officer of the Employer, subject to the direction and control of the Board of Directors of Employer, said employment being upon the terms and conditions herein set forth.

2. **Term.** The term (the "Term") of this Agreement shall continue from the date on which the Agreement is executed through midnight on December 31, 2012, unless otherwise terminated in accordance with the provisions of Sections 6 or 15. Unless terminated, this Agreement shall automatically renew for additional terms of three years (each such term shall be referred to as a "Renewal Term"). In addition to the right to terminate set forth in Sections 6 and 15, either the Employer or the Executive shall have the right to terminate this Agreement at any time during or at the end of the Term or any Renewal Term by giving the other party thirty (30) days' advance written notice (the "Notice Period") at any time stating his/its intention to terminate the Agreement. Such termination will be effective at the end of the Notice Period.

3. **Best Efforts.** Executive agrees, as long as this Agreement is in effect, to continue to devote his same best efforts and the same time and attention to the business of Employer that he is presently devoting to said business of Employer.

4. **Non-Compete.** Except as set forth in the third paragraph of this Section 4, Executive shall not, as long as this Agreement is in effect, engage in, or be interested in, in any active capacity, any business other than that of Employer or any affiliate, associate or subsidiary corporation of Employer. It is the express intent of the Employer and the Executive that: (i) the covenants and affirmative obligations in this Section be binding obligations to be enforced to the fullest extent permitted by law; (ii) in the event of any determination of unenforceability of the scope of any covenant or obligation, its limitation which a court of competent jurisdiction deems fair and reasonable, shall be the sole basis for relief from the full enforcement thereof; and (iii) in no event shall the covenants or obligations in this Section be deemed wholly unenforceable.

In addition, except as set forth in the third paragraph of this Section 4, Executive shall not for a period of two years alter the termination of employment with Employer (whether such termination is by reason of the expiration of

this Agreement or for any other reason) compete with or directly or indirectly own, control, manage, operate, join or participate in the ownership, control, management or operation of any business which competes with any present or future business of Employer at the time of such termination. In addition, the Executive covenants and agrees that he will not, after termination of employment with the Employer, directly or indirectly solicit for employment or retain or hire any employees of the Employer.

No provision contained in this paragraph shall restrict Executive from making investments in other ventures which are not competitive with Employer, or restrict Executive from engaging, during non-business hours, in any other such non-competitive business or restrict Executive from owning less than five per cent of the outstanding securities of companies which compete with any present or future business of Employer and which are listed on a national stock exchange or actively traded on the NASDAQ National Market System.

5. **Compensation; Benefits.** Employer agrees to compensate Executive for his services at a minimum annual base salary during any year of this Agreement (January 1 to December 31) of the Executive's annual base salary as of the date of this Agreement. Such base salary shall be payable at least monthly and shall be increased as determined (in its sole discretion) by Employer.

Executive shall also be entitled to participate in the Standex Long Term Incentive Program, the Standex Annual Incentive Program, the Standex Supplemental Executive Retirement Plan ("SERP"), the Standex Retirement Savings Plan, the Standex Deferred Compensation Plan, and in such other benefit plans and programs as are made available from time to time to senior executives of the Employer. Executive shall be entitled to use an automobile furnished at the expense of Employer in accordance with Employer's policy on this subject, as such policy shall be revised from time to time.

6. **Termination.**

A. **Death.** Executive's employment shall terminate forthwith upon his death and all liability of Employer under this Agreement or otherwise shall thereupon cease except for any compensation for past services remaining unpaid and for benefits due to Executive's estate or to others under the terms of any benefit plan or agreement then in effect.

B. **Disability.** in the event that Executive becomes disabled during the term of this Agreement for a period of at least six (6) consecutive months, as the term "disabled" is defined in any applicable long-term disability plan or arrangement sponsored by the Employer and covering the Employee, and provided that such definition meets the requirements of Section 409A of the Code (and further provided that if the Executive is not covered by any disability plan or arrangement or if the definition of "disabled" in such plan or arrangement does not comply with the definition set forth under Section 409A, then "disabled" shall mean, as determined by the Board of Directors, (i) the inability, by reason of any medically determinable physical or mental impairment, to engage in any substantial, gainful activity and such inability can be expected to last for a continuous period of at least twelve (12) months, or (ii) any medically determinable physical or mental impairment which can be expected to last for a continuous period of at least twelve (12) months, and the Executive has been receiving income replacement benefits for a period of not less than three (3) months under an Employer provided health and accident plan), then Employer, at its option, may terminate Executive's employment and this Agreement upon at least six (6) additional months advance written notification to Executive. Until such termination option is exercised and the six month period has been satisfied or as otherwise mutually agreed in writing, Executive will continue to receive his full salary and fringe benefits during any period of illness or other disability, regardless of duration.

C. **Material Breach.** In the event of a material breach of the terms of this Agreement by Executive or Employer, the non-breaching party may cause this Agreement to be terminated on 10 days written notice, provided, however, that termination by Employer for material breach following a change of control, as defined in Section 15, shall be effective only upon twelve (12) months prior written notice. Employer may remove Executive from all duties and authority commencing on the first day of any such notice period, however, payment of compensation and

participation in all benefits shall continue through the last day of such notice period. For purposes of this Agreement material breach shall be defined as:

- (i) an act or acts of dishonesty on the Executive's part which are intended to result in his substantial personal enrichment at the expense of the Employer; or
- (ii) the Executive willfully, deliberately and continuously fails to materially and substantially perform his duties hereunder and which result in material injury to the Employer (other than such failure resulting from the Executive's incapacity due to physical or mental disability) after demand for substantial performance is given by the Employer to the Executive specifically identifying the manner in which the Employer believes the Executive has not materially and substantially performed his duties hereunder.

No action, or failure to act, shall be considered "willful" if it is done by die Executive in good faith and with reasonable belief that his action or omission was in the best interest of the Employer.

D. **Legal Expenses.** It is further agreed that Employer will pay all reasonable legal expenses of Executive in the event that Executive defends or brings any action under this Agreement, arising from a "bona fide" claim, as determined under Section 409A of the Code, provided, however, that Employer shall not be obligated to pay the legal expenses of Executive if, in good faith, the Board of Directors determines that, Executive acted in a manner Executive believed to be adverse to the best interests of Employer or that Executive should have known that his conduct was unlawful. Notwithstanding such a determination, the Board shall be obligated to reimburse Executive for said legal expenses if he successfully defends or successfully prosecutes his case. Any invoice for the reimbursement of legal expenses must be submitted to the Employer at least fifteen (15) days before the end of the calendar year next following the calendar year in which such fees and expenses were incurred. The amount of such benefits provided during one calendar year shall not affect the amount of such benefits provided in any other taxable year. To the extent that any such benefits consist of reimbursement of eligible expenses, such reimbursement must be made on or before the last day of the calendar year following the calendar year in which the expense was incurred. No such benefit may be liquidated or exchanged for another benefit.

7. **Severance.** In the event that Executive's employment is terminated pursuant to Section 1 or Section 6.B. of this Agreement (exclusive of a termination after a change in control where severance is governed by the provisions contained in Section 15 herein and exclusive of termination pursuant to Section 6.A. or 6.C.), the Executive shall receive severance pay in an amount equal to twice the Executive's then current annual base compensation. Such severance amount shall be paid as follows: (i) an amount equal to twice the limit on annual compensation that may be taken into account for qualified plan purposes under Section 401(a)17 of the Internal Revenue Code, as amended from time to time, for the calendar year immediately preceding the year in which the termination occurs (the "Limitation Amount") shall be paid to the Executive, in equal installments, made in accordance with the payroll practices of the Employer, commencing as of the date on which the Executive's termination occurs, and continuing until the second anniversary date thereafter; and (ii) a lump sum payment, to be made within five (5) business days after the date of termination of employment, equal to twice the Executive's then current amount base compensation less the Limitation Amount. The Executive shall also receive one year of medical and dental coverage as is then being offered to salaried employees at the Employer's corporate home office. Notwithstanding the foregoing medical and dental coverage, in the event that the Executive becomes eligible and elects to receive other medical and dental insurance coverage through a new employer during the severance period, the Employer's obligations to provide medical and dental insurance coverage pursuant to this Section 7 shall terminate upon the commencement of such other coverage.

8. **Notices.** Any notice to be given pursuant to this Agreement shall be sent by certified mail, postage prepaid, or by fax (with a copy mailed via first class mail, postage pre-paid) or delivered in person to the panics at the following addresses or at such other address as either party may from time to time in writing designate:

To Executive:

Roger L. Fix
42 Woodvue Road
Windham, New Hampshire 03087

To Employer: Standex International Corporation
11 Keewaydin Drive
Salem, New Hampshire 03079
Attn.: General Counsel

9. **Invention and Trade Secret Agreement.** Executive agrees that the Invention and Trade Secret Agreement dated December 3, 2001 by and between Executive and Standex International Corporation and signed by Executive shall remain in full force and effect while this Agreement is in effect and, as provided in the Invention and Trade Secret Agreement, after termination hereof.

10. **Specific Performance.** It is acknowledged by both parties that damages will be an inadequate remedy to Employer in the event that Executive breaches or threatens to breach his commitments under Section 4 or under the Invention and Trade Secret Agreement. Therefore, it is agreed that Employer, may institute and maintain an action or proceeding to compel the specific performance of the promises of Executive contained herein and therein. Such remedy shall, however, be cumulative, and not exclusive, to any other remedy that Employer may have.

11. **Survival.** The obligations contained in Sections 4 and 9 shall survive the termination of this Agreement. In addition, the termination of this Agreement shall not affect any of the rights or obligations of either party arising prior to or at the time of the termination of this Agreement or which may arise by any event causing the termination of this Agreement.

12. **Covenants Severable.** In the event that any covenant of this Agreement shall be determined invalid or unenforceable and the remaining provisions can be given effect, then such remaining provisions shall remain in full force and effect.

13. **Entire Agreement; Amendment.** This Agreement supersedes any employment understanding or agreement (except the Invention and Trade Secret Agreement) that may have been previously made by Employer or its respective subsidiaries or affiliates with Executive. This Agreement, together with the Invention and Trade Secret Agreement, represents all the terms and conditions and the entire agreement between the parties hereto with respect to the employment of Executive by Employer. This Agreement may be modified or amended only by written agreement signed by Employer and Executive.

14. **Assignment.** This Agreement is personal between Employer and Executive and may not be assigned; provided, however, that Employer shall have the absolute right at any time, or from time to time, to sell or otherwise dispose of its assets or any part thereof or to reconstitute the same into one or more subsidiary corporations or divisions or to merge, consolidate or enter into similar transactions. In the event of any such transaction, the term "Employer" as used herein shall mean and include such successor corporation. The term "Employer" shall specifically include any corporation which becomes the parent corporation of Standex International Corporation ("Standex") after the date of this Agreement, any acquirer of such percentage of the stock or assets of Standex as requires reporting under Item 6(e) of Schedule 14A of Regulation 14A of the Securities Exchange Act of 1934 the stock or assets of Standex.

15. **Change of Control.**

A. In the event of a change in control of Employer required to be reported under Item 6(e) of Schedule 14A of Regulation 14A of the Securities Exchange Act of 1934:

- (i) Employer may terminate Executive's employment without paying the compensation and benefits described in Section 15.B. below only upon conclusive evidence of substantial and indisputable intentional personal malfeasance in office such as a conviction for embezzlement of Employer's funds; and
- (ii) Executive may terminate his employment at any time within two years after the date of the change in control and receive the compensation and benefits described in Section 15.B. below if any of the following events occur: (i) the assignment to the Executive of any position in which he is not serving as Chief

Executive Officer and President of the Employer, with responsibility and authority for all of the operations of the Employer, (ii) any change in the Executive's reporting relationship, such that he is no longer reporting solely to the Board of Directors of the Employer, (iii) any reduction in the budget of the Employer over which the Executive has ultimate authority which results in his having control over less than one hundred percent (100%) of the Employer's budget, (iv) any material diminution of the Executive's base compensation or his incentive compensation opportunity, (v) any change in the Executive's place of employment to a geographic location more than ten miles from his present place of employment, and (vi) any other action or inaction of the Employer that constitutes a material breach of this Agreement.

- B. Following a change of control of Employer, any termination of Executive's employment either by Executive pursuant to Section 15.A.(ii) or by Employer under any circumstances other than involving conclusive evidence of substantial and indisputable intentional personal malfeasance in office, as defined in Section 15.A.(i) then:
- (i) Executive shall be paid within five (5) business days of the date of termination, a lump sum payment equal to three times his then current annual base salary plus three times the higher of the most recent annual bonus paid to him under the Annual Incentive Program or his target bonus amount under the Annual Incentive Program as in effect on the date immediately prior to the change in control (which shall include any amounts used to purchase shares of common stock of the Employer under the Management Stock Purchase Plan ("MSPP"));
 - (ii) Executive shall become 100% vested in all benefit plans in which awards have been made to him which have not vested as of the date of termination, including but not limited to the Standex Retirement Savings Plan, the Management Stock Purchase Plan ("MSPP") portion of the Standex Annual Incentive Program and all restricted stock options and performance share units granted under the Standex Long Term Incentive Plan and any other stock option or equity compensation plans of the Employer;
 - (iii) Three years of benefit service shall be added to the years of service credited to Executive under the Standex Retirement Plan, and the salary and bonus paid under Section 15.B.(i) shall be deemed the Executive's compensation during such three additional years for purposes of the computation of his pension under the Standex Retirement Plan, and the "actuarial equivalent," as determined under the Standex Retirement Plan, of the difference between the Executive's pension benefit based upon the Executive's years of actual benefit service and the Executive's pension benefit including the additional years of benefit service described herein shall be immediately payable in a lump sum; and
 - (iv) The Executive and his dependents shall continue for the three (3) year period commencing on the date of termination of employment to be entitled to life insurance and medical benefits under plans, programs or arrangements of the Employer which offer substantially similar coverage as was offered under the plans, programs and arrangements of the Employer as in effect immediately prior to the termination of the Executive's employment, at a cost to the Executive which is no higher (except for any percentage increase in the premium cost of providing such benefits, as long as the Employee continues to pay not more than the same percentage of any premium as it was paying immediately prior to the date of the Executive's termination of employment) than the cost of such plans, programs and arrangements in effect immediately prior to the termination of the Executive's employment. The amount of such benefits provided during one calendar year shall not affect the amount of such benefits provided in any other taxable year, except that to the extent such benefits consist of the reimbursement of expenses referred to in Section 105(b) of the Code, a limitation may be imposed on the amount of such reimbursements over some or all of the three-year benefit continuation period, as described in Treasury Regulation Section 1.409A-3(i)(iv)(B). To the extent that any such benefits consist of reimbursement of eligible expenses, such reimbursement must be made on or before the last day of the calendar year following the calendar year in which the expense was incurred. No such benefit may be

liquidated or exchanged for another benefit.

- (v) In the event that any payment or distribution of any type to or for the benefit of the Executive made by the Employer, by any of its affiliates, by any person or entity which acquires ownership or effective control or ownership of a substantial portion of the Employer's assets within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended, and all related regulations or any similar federal tax that may hereinafter be imposed, whether paid or payable or distributed or distributable pursuant to this Agreement or otherwise (collectively called the "Total Payments"), would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended, and all related regulations or any similar federal tax that may hereinafter be imposed or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest or penalties are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive from the Employer immediately upon the determination of such amount an additional payment (an "Excise Tax Restoration Payment") in an amount that shall fully fund the payment by the Executive of any Excise Tax on the Total Payments as well as any income taxes imposed on the Excise Tax Restoration Payment, any Excise Tax imposed on the Excise Tax Restoration Payment and any interest or penalties imposed with respect to taxes on the Excise Tax Restoration Payment or any Excise Tax. Notwithstanding anything to the contrary contained herein, in no event shall any payment contemplated herein be made after the end of the Executive's taxable year next following the taxable year of the Executive in which he remits any related taxes to the Internal Revenue Service. If the Employer refuses or fails to timely pay the Excise Tax Restoration Payment to the Executive without a good faith lawful justification and such refusal or failure is not corrected within twenty (20) business days after the Executive provides written notice to the Employer concerning the refusal or failure, then the Employer shall immediately pay to the Executive an additional amount equal to 75% of the Executive's last annual base salary as a late fee for the Employer's late payment of the Excise Tax Restoration Payment. The Employer shall furnish to the Executive a written statement setting forth in detail the manner in which the Excise Tax Restoration Payment was calculated and the basis for such calculations, including any opinions or other advice that the Employer received from outside counsel, auditors or consultants. Notwithstanding the foregoing, it is the express intent and desire of the parties that if the Total Payments would trigger an Excise Tax, then the Executive shall be entitled to promptly receive such additional monetary compensation from the Employer as may be necessary to ensure that the Executive's net after tax benefit of the Total Payments would be the same as if no Excise Tax had been imposed upon the Total Payments. In the event of any dispute between the Executive and the Employer involving the Excise Tax Restoration Payment, the matter shall be promptly submitted to binding arbitration on an expedited basis before a mutually acceptable arbitrator at a national accounting firm.

16. **Governing Law; Binding Nature of Agreement.** This Agreement shall be construed in accordance with the laws of the State of New Hampshire and shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, executors, administrators, successors and assigns.

17. **Compliance.** Notwithstanding any other provisions of this Agreement herein to the contrary and to the extent applicable, the Agreement shall be interpreted, construed and administered so as to comply with the provisions of Section 409A of the Code and any related Internal Revenue Service guidance promulgated thereunder. Executive and Employer acknowledge that it may be necessary to amend the Agreement, within the time period permitted by the applicable Treasury Regulations, to make changes so as to cause payments and benefits under this Agreement not to be considered "deferred compensation" for purposes of Section 409A of the Code, to cause the provisions of the Agreement to comply with the requirements of Section 409A of the Code, or a combination thereof, so as to avoid the imposition of taxes and penalties on Executive pursuant to Section 409A of the Code. Executive hereby agrees that the Company may, without any further consent from Executive, make any and all such changes to the Agreement as may be necessary or appropriate to avoid the imposition of penalties on Executive pursuant to Section 409A of the Code, while not substantially reducing the aggregate value to Executive of the payments and benefits to, or otherwise adversely affecting the rights of, Executive under the Agreement.

IN WITNESS WHEREOF, Employer has caused this Agreement to be executed on its behalf by its officers thereunto duly authorized and its corporate seal to be hereto affixed, and Executive has executed the within instrument as a sealed document, all as of the day and year first above written.

STANDEX INTERNATIONAL CORPORATION

/s/ Charles H. Cannon, Jr.

By: _____

Charles H. Cannon, Jr., Chairman of the
Compensation Committee of the
Board of Directors

ATTEST:

/s/ Deborah A. Rosen

/s/ Richard N. Jacobson

Witness

/s/ Roger L. Fix

Roger L. Fix

**AMENDED AND RESTATED
EMPLOYMENT AGREEMENT**

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT is made and entered into as of the 25th day of August, 2010 by and between Standex International Corporation, a Delaware corporation with executive offices located at 11 Keewaydin Drive, Salem, New Hampshire 03079 (the “Employer”) and, John Abbott, an individual residing at 3655 Weston Lane, Plymouth, Minnesota 55446, (the “Employee”).

1. Employment; Term. Employer and Employee agree that this Amended and Restated Employment Agreement (the “Agreement”) shall replace and supersede the Employment Agreement made and entered into as of the 11th day of December, 2006, and shall be controlling with respect to all terms and conditions of the employment relationship between the Employer and the Employee.

(a) Employer hereby agrees to continue to employ Employee, and Employee hereby agrees to serve Employer on a full-time basis as Group Vice President (or such other designated title as may be assigned from time to time by the Employer) of the Standex Food Service Group, a group of subsidiaries and unincorporated divisions of Employer, subject to the direction and control of the President/Chief Executive Officer of the Employer, through June 30, 2011 (the “Term”). Thereafter the Agreement shall automatically renew for successive one (1) year terms commencing on July 1st of each year and ending on June 30th of the next succeeding year (the “Renewal Term”) unless otherwise terminated pursuant to Section 1(b) of this Agreement.

(b) Subject to the provisions for termination otherwise included in Section 5 herein, either the Employer or the Employee shall have the right to terminate this Agreement by giving the other party thirty (30) days advance written notice (the “Notice Period”), at any time during the Term or any Renewal Term, stating his/its intention to terminate the Agreement. Such termination will be effective at the end of the Notice Period. In the event of notice of termination by the Employer, the provisions of Section 6 shall apply.

2. Best Efforts. Employee agrees, as long as this Agreement is in effect, to devote his same best efforts, time and attention to the business of Employer, and to the performance of such executive, managerial and supervisory duties as may be required of him during the term of this Agreement.

3. _____ Non-Compete
Except as set forth in the third paragraph of this Section 3, Employee shall not, while this Agreement is in effect, engage in, or be interested in, in an active capacity, any business other than that of the Employer or any affiliate, associate or subsidiary corporation of Employer. It is the express intent of the Employer and Employee that: (i) the covenants and

affirmative obligations of this Section be binding obligations to be enforced to the fullest extent permitted by law; (ii) in the event of any determination of unenforceability of the scope of any covenant or obligation, its limitation which a court of competent jurisdiction deems fair and reasonable, shall be the sole basis for relief from the full enforcement thereof; and (iii) in no event shall the covenants or obligations in this Section be deemed wholly unenforceable.

In addition, except as set forth in the third paragraph of this Section 3, Employee shall not, for a period of one (1) year after termination of employment (whether such termination is by reason of the expiration of this Agreement or for any other reason), within the United States, directly or indirectly, control, manage, operate, join or participate in the control, management or operation of any business which directly or indirectly competes with any business of the Standex Food Service Group of divisions, subsidiaries or affiliates of the Employer (the "Food Service Group") at the time of such termination. The Employee shall not during the term of this non-competition provision contact any employee of the Food Service Group for the purpose of inducing or otherwise encouraging said employee to leave their employment with the Employer.

No provision contained in this section shall restrict Employee from making investments in other ventures which are not competitive with Employer, or restrict Employee from engaging, during non-business hours, in any other such non-competitive business or restrict Employee from owning less than five (5) percent of the outstanding securities of companies which compete with any present or future business of Employer and which are listed on a national stock exchange or actively traded on the NASDAQ National Market System.

4. _____ Compensation

Fringe Benefits. Employer agrees to compensate the Employee for his services during the period of his employment hereunder at a minimum base salary of Three Hundred Fifteen Thousand Dollars (\$315,000) per annum, payable semi-monthly. Employee shall be entitled to receive such increases in this minimum base salary, as the Compensation Committee of the Board of Directors of Employer shall, in their sole discretion determine.

Employee shall also be entitled to participate in the Standex Long Term Incentive Program, the Standex Annual Incentive Program, and such other incentive, welfare and retirement benefit plans as are made available, from time to time to senior divisional management employees of the Employer, including those described in a letter to the Employee, dated November 27, 2006, offering employment.

5. Termination. In addition to the provisions concerning notice of termination in the second paragraph of Section 1, this Agreement shall terminate upon the following events:

- (a) **Death:** Employee's employment shall terminate upon his death, and all liability of Employer shall thereupon cease except for compensation for past services remaining unpaid and for any benefits due to Employee's estate or others under the terms of any benefit plan of Employer then in effect in which Employee participated.
- (b) **Disability:** In the event that Employee becomes substantially disabled during the term of this Agreement for a period of six consecutive months so that he is unable

to perform the services as contemplated herein, then Employer, at its option, may terminate Employee's employment upon written notification to Employee. Until such termination option is exercised, Employee will continue to receive his full salary and fringe benefits during any period of illness or other disability, regardless of duration.

(c) **Material Breach:** The commission by Employee of any material breach of the terms of this Agreement by the Employee or Employer, the non-breaching party may cause this Agreement to be terminated on 10 days written notice. Employer may remove Employee from all duties and authority commencing on the first day of any such notice period, however, payment of compensation and participation in all benefits shall continue through the last day of such notice period. For purposes of this Agreement, material breach shall be defined as:

- (i) an act or acts of dishonesty on the Employee's part which are intended to result in his substantial personal enrichment at the expense of the Employer; or
- (ii) the Employee willfully, deliberately and continuously fails to materially and substantially perform his duties hereunder and which result in material injury to the Employer (other than such failure resulting from the Employee's incapacity due to physical or mental disability) after demand for substantial performance is given by the Employer to the Employee specifically identifying the manner in which the Employer believes the Employee has not materially and substantially performed his duties hereunder.

No action, or failure to act, shall be considered "willful" if it is done by the Employee in good faith and with reasonable belief that his action or omission was in the best interest of the Employer. Termination pursuant to Section 5(c) above shall not qualify for any severance under Section 6 below.

6. Severance. In the event that Employee's employment is terminated pursuant to Section 1 of this Agreement (exclusive of a termination after a change in control where severance is governed by the provisions contained in Section 14 herein and exclusive of termination pursuant to Section 5), the Employee shall receive one (1) year of severance pay following termination of employment. Severance will be paid in accordance with normal and customary payroll practices of the Employer. The aggregate severance will be equal to the Employee's then current, annual base compensation.

7. Invention and Trade Secret Agreement. Employee agrees that the Invention and Trade Secret Agreement which the Employee has previously executed, remains in full force and effect, provided, however, that the non-compete clause of the Invention and Trade Secret Agreement shall be superseded by the non-compete provisions of Section 3 of this Agreement.

8. Specific Performance. It is acknowledged by both parties that damages will be an inadequate remedy to Employer in the event that Employee breaches or threatens to breach his

commitments under Section 3 or under the Invention and Trade Secret Agreement. Therefore, it is agreed that Employer may institute and maintain an action or proceeding to compel the specific performance of the promises of Employee contained herein and therein. Such remedy shall, however, be cumulative, and not exclusive, to any other remedy, which Employer may have.

9. Third Party Restrictive Covenants. If at any time during the Term or any Renewal Term of this Agreement the Employer is made aware that the Employee remains obligated under any alleged non-compete restriction from his former employer, and in the event that the Employer receives notice of the threat of the commencement of litigation to enforce such non-compete covenant, then at Employer's sole discretion, Employee may be placed on administrative leave of absence without pay pending his release from his non-compete obligations or receives a final judgment, for which the time period to appeal has expired and no appeal has been taken, in his favor with respect to those restrictive covenants. In the event that Employer or any of its subsidiaries, affiliates or divisions is named as a party to any such litigation, the Employee agrees to indemnify, defend and hold Employer harmless from claims and demands for damages, indemnity, costs, attorneys' fees, interest, loss or injury of every nature and kind whatsoever arising under any federal, state, or local law, or the common law directly or indirectly arising out of or in connection with any alleged claim by a former employer of a violation of any non-competition restriction. In the event that Employee cannot promptly obtain a release from such restrictive covenants, Employer shall have the right to terminate this Agreement pursuant to Section 5(c) above.

10. Entire Agreement; Amendment. This Agreement supersedes any employment understanding or agreement (except the Invention and Trade Secret Agreement) which may have been previously made by Employer or its respective subsidiaries or affiliates with Employee, and this Agreement, together with the Invention and Trade Secret Agreement, represents all the terms and conditions and the entire agreement between the parties hereto with respect to such employment. This Agreement may be modified or amended only by a written document signed by Employer and Employee.

11. Assignment. This Agreement is personal between Employer and Employee and may not be assigned; provided, however, that Employer shall have the absolute right at any time, or from time to time, to sell or otherwise dispose of its assets or any part thereof, to reconstitute the same into one or more subsidiary corporations or divisions or to merge, consolidate or enter into similar transactions. In the event of any such assignment, the term "Employer" as used herein shall mean and include such successor corporation.

12. Governing Law; Binding Nature of Agreement. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New Hampshire, excluding its choice of law provisions. This Agreement shall be binding upon, and enure to the benefit of, the parties hereto and their respective heirs, executors, administrators, successors and assigns.

13. Survival. The obligations contained in Sections 3, 6, 7 and 14 herein shall survive the termination of this Agreement. In addition, the termination of this Agreement shall not affect

any of the rights or obligations of either party arising prior to or at the time of the termination of this Agreement or which may arise by any event causing the termination of this Agreement.

14. Change of Control.

- (a) In the event of a change in control of Employer required to be reported under Item 6(e) of Schedule 14A of Regulation 14A of the Securities Exchange Act of 1934:
 - (i) Employer may terminate Employee's employment only upon conclusive evidence of substantial and indisputable intentional personal malfeasance in office such as a conviction for embezzlement of Employer's funds; and
 - (ii) Employee may terminate his employment at any time if there is a change in his general area of responsibility, title or place of employment, or if his salary or benefits are lessened or diminished.

- (b) Following a change of control of Employer, any termination of Employee's employment either by Employee pursuant to Section 13(a)(ii) or by Employer under any circumstances other than involving conclusive evidence of substantial and indisputable intentional personal malfeasance in office, then:
 - (i) Employee shall be promptly paid a lump sum payment equal to one times his current annual base salary plus one times the higher of the most recent annual bonus paid to him under the Annual Incentive Program or his target bonus amount as of the date immediately prior to the change in control under the Annual Incentive Program;
 - (ii) Employee shall become 100% vested in all benefit plans in which he participates including but not limited to the Standex Retirement Savings Plan, the Management Savings Program portion of the Standex Annual Incentive Program and all restricted stock options and performance share units granted under the Standex Long Term Incentive Program and any other stock option plans of the Employer;
 - (iii) One year of benefit service shall be added to the years of service credited to Employee under the Standex Retirement Plan;
 - (iv) The salary and bonus paid under Section 13(b)(i) shall be deemed the Employee's compensation during such one additional year for purposes of the computation of his pension under the Standex Retirement Plan; and
 - (v) All life insurance and medical plan benefits covering the Employee and his dependents shall be continued at the expense of Employer for the one-year period following such termination as if the Employee were still an employee of the Employer.

15. **Notices.** Any notice to be given pursuant to this Agreement shall be sent by certified mail, postage prepaid, or by facsimile (with a copy mailed via first class mail, postage pre-paid) or delivery in person to the parties at the addresses set forth in the preamble to this Agreement or at such other address as either party may from time to time designate in writing.

16. **Covenants Several.** In the event that any covenant of this Agreement shall be determined invalid or unenforceable and the remaining provisions can be given effect, then such remaining provisions shall remain in full force and effect.

17. **Compliance with Section 409A of the Code.** Notwithstanding any other provisions of this Agreement herein to the contrary and to the extent applicable, the Agreement shall be interpreted, construed and administered so as to comply with the provisions of Section 409A of the Code and any related Internal Revenue Service guidance promulgated thereunder. Employee and Employer acknowledge that it may be necessary to amend the Agreement, within the time period permitted by the applicable Treasury Regulations, to make changes so as to cause payments and benefits under this Agreement not to be considered “deferred compensation” for purposes of Section 409A of the Code, to cause the provisions of the Agreement to comply with the requirements of Section 409A of the Code, or a combination thereof, so as to avoid the imposition of taxes and penalties on Employee pursuant to Section 409A of the Code. Employee hereby agrees that the Company may, without any further consent from Employee, make any and all such changes to the Agreement as may be necessary or appropriate to avoid the imposition of penalties on Employee pursuant to Section 409A of the Code, while not substantially reducing the aggregate value to Employee of the payments and benefits to, or otherwise adversely affecting the rights of, Employee under the Agreement.

IN WITNESS WHEREOF, Employer has caused this Agreement to be executed on its behalf by its authorized officers and Employee has executed this Agreement as of the day and year first above written.

STANDEX INTERNATIONAL CORPORATION

/s/ Roger L. Fix

/s/ John Abbott

By: _____

Roger L. Fix

John Abbott

Its: President/CEO

**AMENDED AND RESTATED
EMPLOYMENT AGREEMENT**

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT is made and entered into as of the 25th day of August, 2010 by and between Standex International Corporation, a Delaware corporation with executive offices located at 11 Keewaydin Drive, Salem, New Hampshire 03079 (the “Employer”) and Thomas D. DeByle, an individual residing at 57 Heritage Hill Road, Windham, NH 03087 (the “Employee”).

1. Employment; Term. Employer and Employee agree that this Amended and Restated Employment Agreement (the “Agreement”) shall replace and supersede the Employment Agreement made and entered into as of the 19th day of March, 2008, and shall be controlling with respect to all terms and conditions of the employment relationship between the Employer and the Employee.

(a) Employer hereby agrees to employ Employee, and Employee hereby agrees to serve Employer on a full-time basis as Chief Financial Officer of the Employer subject to the direction and control of the Chief Executive Officer of Employer, through June 30, 2011 (the “Term”). Thereafter the Agreement shall automatically renew for successive one (1) year terms commencing on July 1st of each year and end on June 30th of the next succeeding year (the “Renewal Term”) unless otherwise terminated pursuant to Section 1(b) of this Agreement.

(b) Subject to the provisions for termination otherwise included in Section 5 herein, either the Employer or the Employee shall have the right to terminate this Agreement by giving the other party thirty (30) days advance, written notice (the “Notice Period”), at any time during the Term or any Renewal Term, stating his/its intention to terminate the Agreement. Such termination will be effective at the end of the Notice Period. In the event of notice of termination by the Employer, the provisions of Section 6 shall apply.

2. Best Efforts. Employee agrees, as long as this Agreement is in effect, to devote his best efforts, time and attention to the business of Employer in the performance of such executive, managerial and supervisory duties contemplated by this Agreement.

3. Non-Compete. Except as set forth in the third paragraph of this Section 3, Employee shall not, while this Agreement is in effect, engage in, or be interested in, in an active capacity, any business other than that of the Employer or any affiliate, associate or subsidiary corporation of Employer. It is the express intent of the Employer and Employee that: (i) the covenants and affirmative obligations of this Section be binding obligations to be enforced to the fullest extent permitted by law; (ii) in the event of any determination of unenforceability of the scope of any covenant or obligation, its limitation which a court of competent jurisdiction deems fair and reasonable, shall be the sole basis for relief from the full enforcement thereof; and (iii) in no event shall the covenants or obligations in this Section be deemed wholly unenforceable.

In addition, except as set forth in the third paragraph of this Section 3, Employee shall not, for a period of one (1) year after termination of employment (whether such termination is by reason of the expiration of this Agreement or for any other reason), within the United States, directly or indirectly, control, manage, operate, join or participate in the control, management or operation of any business which directly or indirectly competes with any business of the

Employer at the time of such termination. The Employee shall not during the term of this non-competition provision contact any employees of the Employer for the purpose of inducing or otherwise encouraging said employees to leave their employment with the Employer.

No provision contained in this section shall restrict Employee from making investments in other ventures which are not competitive with the Employer, or restrict Employee from engaging, during non-business hours, in any other such non-competitive business or restrict Employee from owning less than five (5) percent of the outstanding securities of companies which compete with any present or future business of Employer and which are listed on a national stock exchange or actively traded on the NASDAQ National Market System.

4. Compensation; Fringe Benefits. Employer agrees to compensate the Employee for his services during the period of his employment hereunder at a minimum base salary of Three Hundred Thousand (\$ 300,000) per annum, payable semi-monthly. Employee shall be entitled to receive such increases in this minimum base salary, as the Compensation Committee of the Board of Directors of Employer shall, in their sole discretion determine.

Employee shall be entitled to participate in the Standex Long Term Incentive Program, the Standex Annual Incentive Program, the Standex Retirement Savings Plan and in such other incentive, welfare and retirement benefit plans as are made available from time to time to senior management employees of the Employer.

Employee shall be entitled to the use of an automobile in accordance with the Employer's Automobile Policy. Employee shall also be entitled to participate in the Relocation Policy of the Employer, as presently in effect and which may be amended from time to time in the sole discretion of the Employer.

5. Termination. In addition to the provisions concerning notice of termination in the second paragraph of Section 1, this Agreement shall terminate upon the following events:

- (a) **Death:** Employee's employment shall terminate upon his death, and all liability of Employer shall thereupon cease except for compensation for past services remaining unpaid and for any benefits due to Employee's estate or others under the terms of any benefit plan of Employer then in effect in which Employee participated.
- (b) **Disability:** In the event that Employee becomes substantially disabled during the term of this Agreement for a period of six consecutive months so that he is unable to perform the services as contemplated herein, then Employer, at its option, may terminate Employee's employment upon written notification to Employee. Until such termination option is exercised, Employee will continue to receive his full salary and fringe benefits during any period of illness or other disability, regardless of duration.
- (c) **Material Breach:** The commission of any material breach of the terms of this Agreement by the Employee or Employer, in which case the non-breaching party may cause this Agreement to be terminated on ten (10) days written notice. Employer may remove Employee from all duties and authority commencing on the first day of any such notice period, provided however, that payment of compensation and participation in all benefits shall continue through the last day of

such notice period. For purposes of this Agreement, material breach shall be defined as:

- (i) an act or acts of dishonesty on the Employee's part which is (are) intended to result in his substantial personal enrichment at the expense of the Employer; or
- (ii) the Employee willfully, deliberately and continuously fails to materially and substantially perform his duties hereunder and which result in material injury to the Employer (other than such failure resulting from the Employee's incapacity due to physical or mental disability) after demand for substantial performance is given by the Employer to the Employee specifically identifying the manner in which the Employer believes the Employee has not materially and substantially performed his duties hereunder.

No action, or failure to act, shall be considered "willful" if it is done by the Employee in good faith and with reasonable belief that his action or omission was in the best interest of the Employer. Termination pursuant to this Section 5(c) above shall not qualify for any severance under Section 6 below.

6. Severance. In the event that Employee's employment is terminated pursuant to Section 1 of this Agreement (exclusive of a termination after a change in control where severance is governed by the provisions contained in Section 13 herein and exclusive of termination pursuant to Section 5), the Employee shall receive severance pay for a period of one (1) year following termination of employment. Severance will be paid in accordance with normal and customary payroll practices of the Employer. The aggregate severance will be equal to the Employee's then current, annual base compensation.

7. Invention and Trade Secret Agreement. Employee agrees that the Invention and Trade Secret Agreement signed by the Employee and dated as of March 19, 2008, shall remain in full force and effect while this Agreement is in effect and after its termination, as provided in the Invention and Trade Secret Agreement, provided, however, that the non-compete clause of the Invention and Trade Secret Agreement shall be superseded by the non-compete provisions of Section 3 of this Agreement.

8. Specific Performance. It is acknowledged by both parties that damages will be an inadequate remedy to Employer in the event that Employee breaches or threatens to breach his commitments under Section 3 or under the Invention and Trade Secret Agreement. Therefore, it is agreed that Employer may institute and maintain an action or proceeding to compel the specific performance of the promises of Employee contained herein and therein. Such remedy shall, however, be cumulative, and not exclusive, to any other remedy, which Employer may have.

9. Entire Agreement; Amendment. This Agreement supersedes any employment understanding or agreement (except the Invention and Trade Secret Agreement) which may have been previously made by Employer or its respective subsidiaries or affiliates with Employee, and this Agreement, together with the Invention and Trade Secret Agreement, represents all the terms and conditions and the entire agreement between the parties hereto with respect to such employment. This Agreement may be modified or amended only by a written document signed by Employer and Employee.

10. Assignment. This Agreement is personal between Employer and Employee and may not be assigned; provided, however, that Employer shall have the absolute right at any time, or from time to time, to sell or otherwise dispose of its assets or any part thereof, to reconstitute the same into one or more subsidiary corporations or divisions or to merge, consolidate or enter into similar transactions. In the event of any such assignment, the term “Employer” as used herein shall mean and include such successor corporation.

11. Governing Law; Binding Nature of Agreement. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New Hampshire, excluding its choice of law provisions. This Agreement shall be binding upon, and enure to the benefit of, the parties hereto and their respective heirs, executors, administrators, successors and assigns.

12. Survival. The obligations contained in Sections 3, 6, 7 and 13 herein shall survive the termination of this Agreement. In addition, the termination of this Agreement shall not affect any of the rights or obligations of either party arising prior to or at the time of the termination of this Agreement or which may arise by any event causing the termination of this Agreement.

13. Change of Control.

(a) In the event of a change in control of Employer required to be reported under Item 6(e) of Schedule 14A of Regulation 14A of the Securities Exchange Act of 1934:

(i) Employer may terminate Employee's employment only upon conclusive evidence of substantial and indisputable intentional personal malfeasance in office such as a conviction for embezzlement of Employer's funds; and

(ii) Employee may terminate his employment at any time within two years thereafter if there is (1) a significant diminution in his substantive or managerial responsibilities, or if his reporting relationship is changed such that he no longer reports to the Chief Executive Officer, or equivalent position of the Employer, or unless he begins reporting to a person at a higher level of responsibility than such senior management, or if he is required to relocate his office to a location more than 50 miles from the corporate offices in Salem, New Hampshire, or if his base salary or annual and/or long-term incentive compensation opportunities are reduced; and (2) if Employer fails to remedy the foregoing within thirty (30) days after receiving written notice from the Employee of such event.

(b) Following a change of control of Employer, any termination of Employee's employment either by Employee pursuant to Section 13(a)(ii) or by Employer under any circumstances other than involving conclusive evidence of substantial and indisputable intentional personal malfeasance in office, then:

(i) Employee shall be promptly paid a lump sum payment equal to three times his current annual base salary plus three times the higher of the most recent annual bonus paid to him under the Annual Incentive Program or his target bonus amount as of the date immediately prior to the change in control under the Annual Incentive Program;

**AMENDED AND RESTATED
EMPLOYMENT AGREEMENT**

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT effective as of the 25th day of August, 2010 by and between Standex International Corporation, a Delaware corporation with executive offices located at 11 Keewaydin Drive, Salem, New Hampshire 03079 (the “Employer”) and Deborah A. Rosen, an individual residing at 11 Major Hale Drive, Framingham, Massachusetts 01701 (the “Employee”).

1. Termination of 2009 Employment Agreement; Employment; Term.

(a) Employer and Employee agree that the Employment Agreement between the parties made and entered into as of January 1, 2009 (the “2009 Agreement”) is terminated in all respects as of the date of this Agreement. The parties further agree that this Agreement replaces and supersedes the 2009 Agreement and is intended to be controlling with respect to all terms and conditions of the employment relationship between Employer and Employee.

(b) Employer hereby agrees to continue to employ Employee, and Employee hereby agrees to serve Employer on a full-time basis as Vice President/Chief Legal Officer and Secretary of the Employer subject to the direction and control of the President/Chief Executive Officer of Employer, through December 31, 2010 (the “Term”). Thereafter the Agreement shall automatically renew for successive one (1) year terms commencing on January 1st of each year and ending on December 31st of the next succeeding year (the “Renewal Term”) unless otherwise terminated pursuant to Section 1(c) of this Agreement.

(c) Subject to the provisions for termination otherwise included in Section 5 herein, either the Employer or the Employee shall have the right to terminate this Agreement by giving the other party thirty (30) days advance written notice (the “Notice Period”), at any time during the Term or any Renewal Term, stating her/its intention to terminate the Agreement. Such termination will be effective at the end of the Notice Period. In the event of notice of termination by the Employer, the provisions of Section 6 shall apply.

2. Best Efforts. Employee agrees, as long as this Agreement is in effect, to devote her best efforts, time and attention to the business of Employer in the performance of such executive, managerial and supervisory duties contemplated by this Agreement.

3. Non-Compete. Except as set forth in the third paragraph of this Section 3, Employee shall not, while this Agreement is in effect, engage in, or be interested in, in an active capacity, any business other than that of the Employer or any affiliate, associate or subsidiary corporation of Employer. It is the express intent of the Employer and Employee that: (i) the covenants and affirmative obligations of this Section be binding obligations to be enforced to the

fullest extent permitted by law; (ii) in the event of any determination of unenforceability of the scope of any covenant or obligation, its limitation which a court of competent jurisdiction deems fair and reasonable, shall be the sole basis for relief from the full enforcement thereof; and (iii) in no event shall the covenants or obligations in this Section be deemed wholly unenforceable.

In addition, except as set forth in the third paragraph of this Section 3, Employee shall not, for a period of one (1) year after termination of employment (whether such termination is by reason of the expiration of this Agreement or for any other reason), within the United States, directly or indirectly, control, manage, operate, join or participate in the control, management or operation of any business which directly or indirectly competes with any business of the Employer at the time of such termination. The Employee shall not during the term of this non-competition provision contact any employees of the Employer for the purpose of inducing or otherwise encouraging said employees to leave their employment with the Employer.

No provision contained in this section shall restrict Employee from making investments in other ventures which are not competitive with the Employer, or restrict Employee from engaging, during non-business hours, in any other such non-competitive business or restrict Employee from owning less than five (5) percent of the outstanding securities of companies which compete with any present or future business of Employer and which are listed on a national stock exchange or actively traded on the NASDAQ National Market System.

- 4. Compensation; Fringe Benefits.** Employer agrees to compensate the Employee for her services during the period of her employment hereunder at a minimum base salary of Two Hundred Ninety-Two Thousand Seven Hundred Fifty and 00/100 Dollars (\$292,750) per annum, payable semi-monthly. Employee shall be entitled to receive such increases in this minimum base salary, as the Compensation Committee of the Board of Directors of Employer shall, in their sole discretion, determine.

Employee shall also be entitled to participate in the Standex Long Term Incentive Program, the Standex Annual Incentive Program, the Standex Retirement Savings Plan and in such other incentive, welfare, retirement benefit and deferred compensation plans as are made available from time to time to senior management employees of the Employer.

- 5. Termination.** In addition to the provisions concerning notice of termination in the second paragraph of Section 1, this Agreement shall terminate upon the following events:

- (a) **Death:** Employee's employment shall terminate upon her death, and all liability of Employer shall thereupon cease except for compensation for past services remaining unpaid and for any benefits due to Employee's estate or others under the terms of any benefit plan of Employer then in effect in which Employee participated.
- (b) **Disability:** In the event that Employee becomes substantially disabled during the term of this Agreement for a period of six consecutive months so that she is unable to perform the services as contemplated herein, then Employer, at its option, may terminate Employee's employment upon written notification to Employee. Until such termination option is exercised, Employee will continue to receive her full

salary and fringe benefits during any period of illness or other disability, regardless of duration.

(c) **Material Breach:** In the event of the commission of any material breach of the terms of this Agreement by the Employee or Employer, the non-breaching party may cause this Agreement to be terminated on ten (10) days written notice. Employer may remove Employee from all duties and authority commencing on the first day of any such notice period, provided however, that payment of compensation and participation in all benefits shall continue through the last day of such notice period. For purposes of this Agreement, material breach shall be defined as:

- (i) an act or acts of dishonesty on the Employee's part which are intended to result in her substantial personal enrichment at the expense of the Employer; or
- (ii) the willful, deliberate and continuous failure of the Employee to materially and substantially perform her duties hereunder and which results in material injury to the Employer (other than such failure resulting from the Employee's incapacity due to physical or mental disability) after demand for substantial performance is given by the Employer to the Employee, specifically identifying the manner in which the Employer believes the Employee has not materially and substantially performed her duties hereunder.

No action, or failure to act, shall be considered "willful" if it is done by the Employee in good faith and with reasonable belief that her action or omission was in the best interest of the Employer. In the event of termination pursuant to Section 5(c) above, the Employee shall not qualify for any severance under Section 6 below.

6. **Severance.** In the event that Employee's employment is terminated pursuant to Section 1 of this Agreement (exclusive of a termination after a change in control where severance is governed by the provisions contained in Section 13 herein and exclusive of termination pursuant to Section 5), the Employee shall receive severance pay for a period of one (1) year following termination of employment. Severance will be paid in accordance with normal and customary payroll practices of the Employer. The aggregate severance will be equal to the Employee's then current, annual base compensation.

7. **Invention and Trade Secret Agreement.** Employee agrees that the Invention and Trade Secret Agreement signed by the Employee and in effect on the date of this Agreement shall remain in full force and effect while this Agreement is in effect and after its termination, as provided in the Invention and Trade Secret Agreement, provided, however, that the non-compete clause of the Invention and Trade Secret Agreement shall be superseded by the non-compete provisions of Section 3 of this Agreement.

8. **Specific Performance.** It is acknowledged by both parties that damages will be an inadequate remedy to Employer in the event that Employee breaches or threatens to breach her

commitments under Section 3 or under the Invention and Trade Secret Agreement. Therefore, it is agreed that Employer may institute and maintain an action or proceeding to compel the specific performance of the promises of Employee contained herein and therein. Such remedy shall, however, be cumulative, and not exclusive, to any other remedy which Employer may have.

9. Entire Agreement; Amendment. This Agreement supersedes any employment understanding or agreement (except the Invention and Trade Secret Agreement) which may have been previously made by Employer with Employee, and this Agreement, together with the Invention and Trade Secret Agreement, represents all the terms and conditions and the entire agreement between the parties hereto with respect to such employment. This Agreement may be modified or amended only by a written document signed by Employer and Employee.

10. Assignment. This Agreement is personal between Employer and Employee and may not be assigned; provided, however, that Employer shall have the absolute right at any time, or from time to time, to sell or otherwise dispose of its assets or any part thereof, to reconstitute the same into one or more subsidiary corporations or divisions or to merge, consolidate or enter into similar transactions. In the event of any such assignment, the term "Employer" as used herein shall mean and include such successor corporation.

11. Governing Law; Binding Nature of Agreement. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New Hampshire, excluding its choice of law provisions. This Agreement shall be binding upon, and enure to the benefit of, the parties hereto and their respective heirs, executors, administrators, successors and assigns.

12. Survival. The obligations contained in Sections 3, 6, 7 and 13 herein shall survive the termination of this Agreement. In addition, the termination of this Agreement shall not affect any of the rights or obligations of either party arising prior to or at the time of the termination of this Agreement or which may arise by any event causing the termination of this Agreement.

13. Change of Control.

- (a) In the event of a change in control of Employer required to be reported under Item 6(e) of Schedule 14A of Regulation 14A of the Securities Exchange Act of 1934:
- (i) Employer may terminate Employee's employment only upon conclusive evidence of substantial and indisputable intentional personal malfeasance in office, such as a conviction for embezzlement of Employer's funds; and
 - (ii) Employee may terminate her employment at any time within two years thereafter if, after giving notice to the Employer within 90 days after the occurrence of the event permitting Employee to terminate her employment and receive the amounts described in Section 13(b) below (and giving the

Employer 30 days to cure such event), there is a material diminution in her substantive or managerial responsibilities, or if her reporting relationship is changed such that she no longer reports to the chief executive officer of the Employer, or if she is required to relocate her office to a location more than 50 miles from the Salem, New Hampshire of the Employer (unless the new location is closer in mileage to her residence), or if her base salary or annual and/or long-term incentive compensation opportunities are materially reduced.

- (b) Following a change of control of Employer, any termination of Employee's employment either by Employee pursuant to Section 13(a)(ii) or by Employer under any circumstances other than those involving conclusive evidence of substantial and indisputable intentional personal malfeasance in office, as referenced in Section 13(a), then:
- (i) Employee shall be promptly paid a lump sum payment equal to one times her current annual base salary plus one times the higher of the most recent annual bonus paid to her under the Annual Incentive Program or her target bonus amount as of the date immediately prior to the change in control under the Annual Incentive Program;
 - (ii) Employee shall become 100% vested in all amounts which she has been awarded under the benefit plans in which she participates, including but not limited to the Management Stock Purchase Program (MSPP) portion of the Standex Annual Incentive Program and all restricted stock, stock options and performance share units granted under the Standex Long Term Incentive Program, or any successor plan of the Employer, and any other stock based plans of the Employer; and
 - (iii) All life insurance and medical plan benefits covering the Employee and her dependents shall be continued at the expense of Employer for the one-year period following such termination as if the Employee were still an employee of the Employer.

14. Notices. Any notice to be given pursuant to this Agreement shall be sent by certified mail, postage prepaid, by facsimile (with a copy mailed via first class mail, postage pre-paid), by delivery in person, or by reputable overnight courier such that delivery can be conclusively documented, to the parties at the addresses set forth in the preamble to this Agreement or at such other address as either party may from time to time designate in writing.

15. Covenants Severable. In the event that any covenant of this Agreement shall be determined invalid or unenforceable and the remaining provisions can be given effect, then such remaining provisions shall remain in full force and effect.

16. Compliance with Section 409A of the Code. Notwithstanding any other provisions of this Agreement herein to the contrary and to the extent applicable, the Agreement

**AMENDED AND RESTATED
EMPLOYMENT AGREEMENT**

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT made and entered into as of the 25th day of August, 2010 by and between Standex International Corporation, a Delaware corporation with executive offices located at 11 Keewaydin Drive, Salem, New Hampshire 03079 (the “Employer”) and James L. Mettling, an individual residing at 11 Middlebury Lane, Beverly, Massachusetts 01915 (the “Employee”).

1. Termination of 2003 Employment Agreement; Employment; Term.

(a) Employer and Employee agree that the Employment Agreement between the parties made and entered into as of May 1, 2003 (the “2003 Agreement”) is terminated in all respects as of the date of this Agreement. The parties further agree that this Agreement replaces and supersedes the 2003 Agreement and is intended to be controlling with respect to all terms and conditions of the employment relationship between Employer and Employee.

(b) Employer hereby agrees to continue to employ Employee, and Employee hereby agrees to serve Employer on a full-time basis as Vice President of Human Resources of the Employer, subject to the direction and control of the Chief Executive Officer of the Employer, through June 30, 2011 (the “Term”). Thereafter the Agreement shall automatically renew for successive one (1) year terms commencing on July 1st of each year and end on June 30th of the next succeeding year (the “Renewal Term”) unless otherwise terminated pursuant to Section 1(c) of this Agreement.

(c) Subject to the provisions for termination otherwise included in Section 5 herein, either the Employer or the Employee shall have the right to terminate this Agreement by giving the other party thirty (30) days advanced, written notice (the “Notice Period”), at any time during the Term or any Renewal Term, stating his/its intention to terminate the Agreement. Such termination will be effective at the end of the Notice Period. In the event of notice of termination by the Employer, the provisions of Section 6 shall apply.

2. Best Efforts. Employee agrees, as long as this Agreement is in effect, to continue to devote his same best efforts and the same time and attention to the business of Employer that he is presently devoting to said business of Employer, and to the performance of such executive, managerial and supervisory duties of a similar nature to those performed for Employer during the period of service preceding this Agreement.

3. Non-Compete. Except as set forth in the third paragraph of this Section 3, Employee shall not, while this Agreement is in effect, engage in, or be interested in, in an active capacity, any business other than that of the Employer or any affiliate, associate or subsidiary corporation of Employer. It is the express intent of the Employer and Employee that: (i) the covenants and affirmative obligations of this Section be binding obligations to be enforced to the

fullest extent permitted by law; (ii) in the event of any determination of unenforceability of the scope of any covenant or obligation, its limitation which a court of competent jurisdiction deems fair and reasonable, shall be the sole basis for relief from the full enforcement thereof; and (iii) in no event shall the covenants or obligations in this Section be deemed wholly unenforceable.

In addition, except as set forth in the third paragraph of this Section 3, Employee shall not, for a period of one (1) year after termination of employment (whether such termination is by reason of the expiration of this Agreement or for any other reason), within the United States, directly or indirectly, control, manage, operate, join or participate in the control, management or operation of any business which directly or indirectly competes with any business of the Employer at the time of such termination. The Employee shall not during the term of this non-competition provision contact any employees of the Employer for the purpose of inducing or otherwise encouraging said employees to leave their employment with the Employer.

Notwithstanding the foregoing restrictions, the Employee, during the one (1) year restriction period shall be entitled to be employed in a human resources position in a corporate environment on the condition and understanding that he will fully abide by and honor the Invention and Trade Secret Agreement referenced in Section 7 below.

No provision contained in this section shall restrict Employee from making investments in other ventures which are not competitive with Employer, or restrict Employee from engaging, during non-business hours, in any other such non-competitive business or restrict Employee from owning less than five (5) percent of the outstanding securities of companies which compete with any present or future business of Employer and which are listed on a national stock exchange or actively traded on the NASDAQ National Market System.

4. Compensation; Fringe Benefits. Employer agrees to compensate the Employee for his services during the period of his employment hereunder at a minimum base salary of One Hundred Forty-Two Thousand Dollars (\$142,000) per annum, payable semi-monthly. Employee shall be entitled to receive such increases in this minimum base salary, as the Compensation Committee of the Board of Directors of Employer shall, in their sole discretion determine.

Employee shall also be entitled to participate in the Standex Long Term Incentive Program, the Standex Annual Incentive Program, the Standex Retirement Savings Plan and in such other incentive, welfare and retirement benefit plans as are made available, from time to time to senior divisional management employees of the Employer.

5. Termination. In addition to the provisions concerning notice of termination in the second paragraph of Section 1, this Agreement shall terminate upon the following events:

(a) **Death:** Employee's employment shall terminate upon his death, and all liability of Employer shall thereupon cease except for compensation for past services remaining unpaid and for any benefits due to Employee's estate or others under the terms of any benefit plan of Employer then in effect in which Employee participated.

(b) **Disability:** In the event that Employee becomes substantially disabled during the term of this Agreement for a period of six consecutive months so that he is unable to perform the services as contemplated herein, then Employer, at its option, may terminate Employee's employment upon written notification to Employee. Until such termination option is exercised, Employee will continue to receive his full

salary and fringe benefits during any period of illness or other disability, regardless of duration.

(c) **Material Breach:** The commission by Employee of any material breach of the terms of this Agreement by the Employee or Employer, the non-breaching party may cause this Agreement to be terminated on ten (10) days written notice. Employer may remove Employee from all duties and authority commencing on the first day of any such notice period, however, payment of compensation and participation in all benefits shall continue through the last day of such notice period. For purposes of this Agreement, material breach shall be defined as:

- (i) an act or acts of dishonesty on the Employee's part which are intended to result in his substantial personal enrichment at the expense of the Employer; or
- (ii) the Employee willfully, deliberately and continuously fails to materially and substantially perform his duties hereunder and which result in material injury to the Employer (other than such failure resulting from the Employee's incapacity due to physical or mental disability) after demand for substantial performance is given by the Employer to the Employee specifically identifying the manner in which the Employer believes the Employee has not materially and substantially performed his duties hereunder.

No action, or failure to act, shall be considered "willful" if it is done by the Employee in good faith and with reasonable belief that his action or omission was in the best interest of the Employer. Termination pursuant to Section 5(c) above shall not qualify for any severance under Section 6 below.

6. **Severance.** In the event that Employee's employment is terminated pursuant to Section 1 of this Agreement (exclusive of a termination after a change in control where severance is governed by the provisions contained in Section 13 herein and exclusive of termination pursuant to Section 5), the Employee shall receive severance pay for a period of one (1) year following termination of employment. Severance will be paid in accordance with normal and customary payroll practices of the Employer. The aggregate severance will be equal to the Employee's then current, annual base compensation.

7. **Invention and Trade Secret Agreement.** Employee agrees that the Invention and Trade Secret Agreement dated November 14, 1988 signed by the Employee shall remain in full force and effect while this Agreement is in effect and after its termination, as provided in the Invention and Trade Secret Agreement, provided, however, that the non-compete clause of the Invention and Trade Secret Agreement shall be superseded by the non-compete provisions of Section 3 of this Agreement.

8. **Specific Performance.** It is acknowledged by both parties that damages will be an inadequate remedy to Employer in the event that Employee breaches or threatens to breach his commitments under Section 3 or under the Invention and Trade Secret Agreement. Therefore, it is agreed that Employer may institute and maintain an action or proceeding to compel the specific performance of the promises of Employee contained herein and therein. Such remedy

shall, however, be cumulative, and not exclusive, to any other remedy, which Employer may have.

9. Entire Agreement; Amendment. This Agreement supersedes any employment understanding or agreement (except the Invention and Trade Secret Agreement) which may have been previously made by Employer or its respective subsidiaries or affiliates with Employee, and this Agreement, together with the Invention and Trade Secret Agreement, represents all the terms and conditions and the entire agreement between the parties hereto with respect to such employment. This Agreement may be modified or amended only by a written document signed by Employer and Employee.

10. Assignment. This Agreement is personal between Employer and Employee and may not be assigned; provided, however, that Employer shall have the absolute right at any time, or from time to time, to sell or otherwise dispose of its assets or any part thereof, to reconstitute the same into one or more subsidiary corporations or divisions or to merge, consolidate or enter into similar transactions. In the event of any such assignment, the term "Employer" as used herein shall mean and include such successor corporation.

11. Governing Law; Binding Nature of Agreement. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New Hampshire, excluding its choice of law provisions. This Agreement shall be binding upon, and enure to the benefit of, the parties hereto and their respective heirs, executors, administrators, successors and assigns.

12. Survival. The obligations contained in Sections 3, 6, 7 and 13 herein shall survive the termination of this Agreement. In addition, the termination of this Agreement shall not affect any of the rights or obligations of either party arising prior to or at the time of the termination of this Agreement or which may arise by any event causing the termination of this Agreement.

13. Change of Control.

- (a) In the event of a change in control of Employer required to be reported under Item 6(e) of Schedule 14A of Regulation 14A of the Securities Exchange Act of 1934:
 - (i) Employer may terminate Employee's employment only upon conclusive evidence of substantial and indisputable intentional personal malfeasance in office such as a conviction for embezzlement of Employer's funds; and
 - (ii) Employee may terminate his employment at any time if there is a change in his general area of responsibility, title or place of employment, or if his salary or benefits are lessened or diminished.
- (b) Following a change of control of Employer, any termination of Employee's employment either by Employee pursuant to Section 13(a)(ii) or by Employer under any circumstances other than involving conclusive evidence of substantial and indisputable intentional personal malfeasance in office, then:
 - (i) Employee shall be promptly paid a lump sum payment equal to one times his current annual base salary plus one times the higher of the most recent annual bonus paid to him under the Annual Incentive Program or his target bonus amount as of the date immediately prior to the change in control under the

Annual Incentive Program;

- (ii) Employee shall become 100% vested in all benefit plans in which he participates including but not limited to the Standex Retirement Savings Plan, the Management Savings Program portion of the Standex Annual Incentive Program and all restricted stock options and performance share units granted under the Standex Long Term Incentive Program and any other stock option plans of the Employer;
- (iii) One year of benefit service shall be added to the years of service credited to Employee under the Standex Retirement Plan;
- (iv) The salary and bonus paid under Section 13(b)(i) shall be deemed the Employee's compensation during such one additional year for purposes of the computation of his pension under the Standex Retirement Plan; and
- (v) All life insurance and medical plan benefits covering the Employee and his dependents shall be continued at the expense of Employer for the one-year period following such termination as if the Employee were still an employee of the Employer.

14. Notices. Any notice to be given pursuant to this Agreement shall be sent by certified mail, postage prepaid, or by facsimile (with a copy mailed via first class mail, postage pre-paid) or delivery in person to the parties at the addresses set forth in the preamble to this Agreement or at such other address as either party may from time to time designate in writing.

15. Covenants Several. In the event that any covenant of this Agreement shall be determined invalid or unenforceable and the remaining provisions can be given effect, then such remaining provisions shall remain in full force and effect.

16. Compliance with Section 409A of the Code. Notwithstanding any other provisions of this Agreement herein to the contrary and to the extent applicable, the Agreement shall be interpreted, construed and administered so as to comply with the provisions of Section 409A of the Code and any related Internal Revenue Service guidance promulgated thereunder. Employee and Employer acknowledge that it may be necessary to amend the Agreement, within the time period permitted by the applicable Treasury Regulations, to make changes so as to cause payments and benefits under this Agreement not to be considered "deferred compensation" for purposes of Section 409A of the Code, to cause the provisions of the Agreement to comply with the requirements of Section 409A of the Code, or a combination thereof, so as to avoid the imposition of taxes and penalties on Employee pursuant to Section 409A of the Code. Employee hereby agrees that the Company may, without any further consent from Employee, make any and all such changes to the Agreement as may be necessary or appropriate to avoid the imposition of penalties on Employee pursuant to Section 409A of the Code, while not substantially reducing the aggregate value to Employee of the payments and benefits to, or otherwise adversely affecting the rights of, Employee under the Agreement.

IN WITNESS WHEREOF, Employer has caused this Agreement to be executed on its behalf by its authorized officers and Employee has executed this Agreement as of the day and year first above written.

**STANDEX INTERNATIONAL
CORPORATION**

EMPLOYEE:

BY: _____

Roger L. Fix

Its: President/CEO

James L. Mettling

STANDEX INTERNATIONAL CORPORATION AND SUBSIDIARIES
SUBSIDIARIES OF REGISTRANT

Information is set forth below concerning all operating subsidiaries of the Company as of June 30, 2010 (except subsidiaries which, considered in the aggregate do not constitute a significant subsidiary).

Name of Subsidiary	Jurisdiction of Incorporation
Associated American Industries, Inc.	Texas
ATC–Frost Magnetics, Inc.	Canada
Custom Hoists, Inc.	Ohio
Nor–Lake, Incorporated	Wisconsin
S. I. de Mexico S.A. de C.V.	Mexico
Snappy Air Distribution Products, Inc.	Delaware
Standex Air Distribution Products, Inc.	Delaware
Standex Electronics, Inc.	Delaware
Standex Electronics (U.K.) Limited	United Kingdom
Standex Engraving L.L.C.	Virginia
Standex Europe B.V.	The Netherlands
Standex Financial Corp.	Delaware
Standex Holdings Limited	United Kingdom
Standex International GmbH	Germany
Standex International Limited	United Kingdom
Standex (Ireland) Limited	Ireland
SXI Limited	Canada

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-162044 on Form S-3 and Nos. 333-161647 and 333-147190 on Form S-8 of our reports dated August 27, 2010, relating to the consolidated financial statements of Standex International Corporation and the effectiveness of Standex International Corporation's internal control over financial reporting, appearing in this Annual Report on Form 10-K of Standex International Corporation for the year ended June 30, 2010.

/s/ Deloitte & Touche LLP

August 27, 2010
Boston, Massachusetts

POWER OF ATTORNEY

The undersigned, being a director of Standex International Corporation (“Standex”), hereby constitutes Roger L. Fix and Deborah A. Rosen, and each of them singly, my true and lawful attorney with full power to them, and each of them singly, to sign for me and in my name in my capacity as a director of Standex, the Annual Report of Standex on Form 10–K for the fiscal year ended June 30, 2010, and any and all amendments thereto and generally to do such things in my name and behalf to enable Standex to comply with the requirements of the Securities and Exchange Commission relating to Form 10–K.

Witness my signature as of the 2nd day of August, 2010.

/s/ Charles H. Cannon, Jr.

Charles H. Cannon, Jr.

EXHIBIT 24

POWER OF ATTORNEY

The undersigned, being a director of Standex International Corporation (“Standex”), hereby constitutes Roger L. Fix and Deborah A. Rosen, and each of them singly, my true and lawful attorney with full power to them, and each of them singly, to sign for me and in my name in my capacity as a director of Standex, the Annual Report of Standex on Form 10–K for the fiscal year ended June 30, 2010, and any and all amendments thereto and generally to do such things in my name and behalf to enable Standex to comply with the requirements of the Securities and Exchange Commission relating to Form 10–K.

Witness my signature as of the 2nd day of August, 2010.

/s/ Thomas E. Chorman

Thomas E. Chorman

POWER OF ATTORNEY

The undersigned, being a director of Standex International Corporation (“Standex”), hereby constitutes Roger L. Fix and Deborah A. Rosen, and each of them singly, my true and lawful attorney with full power to them, and each of them singly, to sign for me and in my name in my capacity as a director of Standex, the Annual Report of Standex on Form 10–K for the fiscal year ended June 30, 2010, and any and all amendments thereto and generally to do such things in my name and behalf to enable Standex to comply with the requirements of the Securities and Exchange Commission relating to Form 10–K.

Witness my signature as of the 2nd day of August, 2010.

/s/ William R. Fenoglio

William R. Fenoglio

POWER OF ATTORNEY

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Witness my signature as of the 2nd day of August, 2010.

/s/ Gerald H. Fickenscher

Gerald H. Fickenscher

POWER OF ATTORNEY

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Witness my signature as of the 2nd day of August, 2010.

/s/ Daniel B. Hogan

Daniel B. Hogan

POWER OF ATTORNEY

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Witness my signature as of the 2nd day of August, 2010.

/s/ H. Nicholas Muller, III

H. Nicholas Muller, III

POWER OF ATTORNEY

The undersigned, being a director of Standex International Corporation (“Standex”), hereby constitutes Roger L. Fix and Deborah A. Rosen, and each of them singly, my true and lawful attorney with full power to them, and each of them singly, to sign for me and in my name in my capacity as a director of Standex, the Annual Report of Standex on Form 10–K for the fiscal year ended June 30, 2010, and any and all amendments thereto and generally to do such things in my name and behalf to enable Standex to comply with the requirements of the Securities and Exchange Commission relating to Form 10–K.

Witness my signature as of the 2nd day of August, 2010.

/s/ Deborah A. Rosen

Deborah A. Rosen

POWER OF ATTORNEY

The undersigned, being a director of Standex International Corporation (“Standex”), hereby constitutes Roger L. Fix and Deborah A. Rosen, and each of them singly, my true and lawful attorney with full power to them, and each of them singly, to sign for me and in my name in my capacity as a director of Standex, the Annual Report of Standex on Form 10–K for the fiscal year ended June 30, 2010, and any and all amendments thereto and generally to do such things in my name and behalf to enable Standex to comply with the requirements of the Securities and Exchange Commission relating to Form 10–K.

Witness my signature as of the 2nd day of August, 2010.

/s/ Edward J. Trainor

Edward J. Trainor

RULE 13a-14(a) CERTIFICATION

I, Roger L. Fix, certify that:

1. I have reviewed this Annual Report on Form 10-K of Standex International Corporation for the period ending June 30, 2010;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 26, 2010

/s/ Roger L. Fix

Roger L. Fix
President/Chief Executive Officer

RULE 13a-14(a) CERTIFICATION

I, Thomas D. DeByle, certify that:

1. I have reviewed this Annual Report on Form 10-K of Standex International Corporation for the period ending June 30, 2010;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 26, 2010

/s/ Thomas D. DeByle

Thomas D. DeByle
Vice President/Chief Financial Officer

SECTION 1350 CERTIFICATION

The following statement is being made to the Securities and Exchange Commission solely for purposes of Section 906 of the Sarbanes–Oxley Act of 2002 (18 U.S.C. 1350), which carries with it certain criminal penalties in the event of a knowing or willful misrepresentation.

Each of the undersigned hereby certifies that the Annual Report on Form 10–K for the period ended June 30, 2010 fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Dated: August 26, 2010

/s/ Roger L. Fix

Roger L. Fix
President/Chief Executive Officer

Dated: August 26, 2010

/s/ Thomas D. DeByle

Thomas D. DeByle
Vice President/Chief Financial Officer