Canadian Solar Inc.
Form 6-K
June 06, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934

For the month of June 2016

Commission File Number: 001-33107

CANADIAN SOLAR INC.

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545 Speedvale Avenue West
Guelph, Ontario, Canada N1K 1E6

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F x Form 40-F o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): o

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): o

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CANADIAN SOLAR INC.

Form 6-K

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CANADIAN SOLAR INC.

By:	/s/ Shawn (Xiaohua) Qu
Name:	Shawn (Xiaohua) Qu
Title:	Chairman, President and Chief Executive Officer

Date: June 6, 2016

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EXHIBIT INDEX

Exhibit 20.1 - Notice of Annual Meeting of Shareholders

Exhibit 20.2 - Management Information Circular

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FIRE & SAFETY/DIVERSIFIED PRODUCTS SEGMENT

The Fire & Safety/Diversified Products Segment produces firefighting pumps and controls, rescue tools, lifting bags and other components and systems for the fire and rescue industry, and engineered stainless steel banding and clamping devices used in a variety of industrial and commercial applications. The segment accounted for 18% of IDEX s sales and 21% of IDEX s operating income in 2010, with approximately 55% of its sales to customers outside the U.S.

Fire Suppression. Fire Suppression includes the Company s Class 1, Hale and Godiva businesses, which produce truck-mounted and portable fire pumps, stainless steel valves, foam and compressed air foam systems, pump modules and pump kits, electronic controls and information systems, conventional and networked electrical systems, and mechanical components for the fire, rescue and specialty vehicle markets. Fire Suppression s customers are primarily OEMs. Fire Suppression is headquartered in Ocala, Florida (Class 1), with additional facilities located in Conshohocken, Pennsylvania (Hale); Neenah, Wisconsin (Class 1 and Hale); and Warwick, England (Godiva). Approximately 37% of Fire Suppression s 2010 sales were to customers outside the U.S.

Rescue Tools. Rescue Tools includes the Company s Dinglee, Hurst, Lukas and Vetter businesses, which produce hydraulic, battery, gas and electric-operated rescue equipment, hydraulic re-railing equipment, hydraulic tools for industrial applications, recycling cutters, pneumatic lifting and sealing bags for vehicle and aircraft rescue, environmental protection and disaster control, and shoring equipment for vehicular or structural collapse. Markets served by Rescue Tools products include public and private fire and rescue organizations. Rescue Tools has facilities in Shelby, North Carolina (Hurst); Tianjin, China (Dinglee); Erlangen, Germany (Lukas); and Zulpich, Germany (Vetter). Approximately 79% of Rescue Tools s 2010 sales were to customers outside the U.S.

Band-It. Band-It is a leading producer of high-quality stainless steel banding, buckles and clamping systems. The BAND-IT® brand is highly recognized worldwide. Band-It products are used for securing exhaust system heat and sound shields, industrial hose fittings, traffic signs and signals, electrical cable shielding, identification and bundling, and numerous other industrial and commercial applications. Markets for Band-It products include transportation equipment, oil & gas, general industrial maintenance, electronics, electrical, communications, aerospace, utility, municipal and subsea marine. Band-It is based in Denver, Colorado, with additional operations in Staveley Near Chesterfield, Derbyshire, England, and Singapore. Approximately 42% of Band-It s 2010 sales were to customers outside the U.S.

GENERAL ASPECTS APPLICABLE TO THE COMPANY S BUSINESS SEGMENTS

Competitors

The Company s businesses participate in highly competitive markets. IDEX believes that the principal points of competition are product quality, price, design and engineering capabilities, product development, conformity to customer specifications, quality of post-sale support, timeliness of delivery, and effectiveness of our distribution channels.

Principal competitors of the Fluid & Metering Technologies Segment are the Pump Solutions Group (Blackmer and Wilden products) of Dover Corporation (with respect to pumps and small horsepower compressors used in liquified petroleum gas distribution facilities, rotary gear pumps, and air-operated double-diaphragm

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pumps); the Milton Roy unit of United Technologies Corporation (with respect to metering pumps and controls); and Tuthill Corporation (with respect to rotary gear pumps).

Principal competitors of the Health & Science Technologies Segment are the Thomas division of Gardner Denver, Inc. (with respect to vacuum pumps and compressors); Dionex Corporation (with respect to analytical instrumentation); Parker Hannifin (with respect to sealing devices); and Valco Instruments Co., Inc. (with respect to fluid injectors and valves).

The principal competitor of the Dispensing Equipment Segment is CPS Color Group Oy, which is owned by Nordic Capital (with respect to dispensing and mixing equipment for the paint industry).

The principal competitors of the Fire & Safety/Diversified Products Segment are Waterous Company, a unit of American Cast Iron Pipe Company (with respect to truck-mounted firefighting pumps), Holmatro, Inc. (with respect to rescue tools), and Panduit Corporation (with respect to stainless steel bands, buckles and tools).

Employees

At December 31, 2010, the Company had 5,966 employees. Approximately 8% were represented by labor unions with various contracts expiring through February 2012. Management believes that the Company s relationship with their employees is good. The Company historically has been able to satisfactorily renegotiate its collective bargaining agreements, with its last work stoppage in March 1993.

Suppliers

The Company manufactures many of the parts and components used in its products. Substantially all materials, parts and components purchased by the Company are available from multiple sources.

Inventory and Backlog

The Company regularly and systematically adjusts production schedules and quantities based on the flow of incoming orders. Backlogs typically are limited to one to one and a half months of production. While total inventory levels also may be affected by changes in orders, the Company generally tries to maintain relatively stable inventory levels based on its assessment of the requirements of the various industries served.

Raw Materials

The Company uses a wide variety of raw materials which are generally available from a number of sources. As a result, shortages from any single supplier have not had, and are not likely to have a material impact on operations.

Shared Services

The Company has two production facilities in Suzhou, China, that support multiple IDEX business units. IDEX also has personnel in China, India and Singapore that provide sales and marketing, product design and engineering, and sourcing support to IDEX business units, as well as personnel in various locations in Europe, South America, the Middle East and Japan to support sales and marketing efforts of IDEX businesses in those regions.

Segment Information

For segment financial information for the years 2010, 2009, and 2008, see the table titled Company and Business Segment Financial Information presented on page 18 in Part II. Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations and Note 11 of the Notes to Consolidated Financial Statements in Part II. Item 8. Financial Statements and Supplementary Data .

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Executive Officers of the Registrant

The following table sets forth the names of the executive officers of the Company, their ages, years of service, the positions held by them, and their business experience during the past 5 years.

Name	Age	Years of Service	Position
Lawrence D. Kingsley	48	6	Chairman of the Board and Chief Executive Officer
Dominic A. Romeo	51	7	Vice President and Chief Financial Officer
Kevin G. Hostetler	42	5	Vice President-Group Executive Fluid & Metering Technologies
John L. McMurray	60	18	Vice President-Corporate
Heath A. Mitts	40	5	Vice President-Corporate Finance
Harold Morgan	52	3	Vice President-Human Resources
Frank J. Notaro	47	13	Vice President-General Counsel and Secretary
Daniel J. Salliotte	44	6	Vice President-Strategy and Business Development
Andrew K. Silvernail	39	2	Vice President-Group Executive Health & Science Technologies, Global Dispensing and Fire & Safety/Diversified Products
Michael J. Yates	45	5	Vice President and Chief Accounting Officer

Mr. Kingsley has been Chairman of the Board since April 2006. He was appointed to the position of President and Chief Executive Officer in March 2005.

Mr. Romeo has been Vice President and Chief Financial Officer of the Company since January 2004. As previously announced in December 2010, Mr. Romeo is retiring in February 2011.

Mr. Hostetler has been Vice President-Group Executive Fluid & Metering Technologies since February 2010. Mr. Hostetler joined IDEX in July 2005 as President of the Energy Group and was appointed Vice President, Group Executive and President Energy and Water and IDEX Asia in December 2008.

Mr. McMurray has served as Vice President-Corporate since February 2010 with responsibilities for operational excellence, supply chain and environment and health and safety. Prior to that, Mr. McMurray was Vice President-Group Executive from August 2003. Mr. McMurray will be retiring in April 2011.

Mr. Mitts has been Vice President-Corporate Finance since September 2005. In December 2010, the Company announced that Mr. Mitts is succeeding Mr. Romeo as Chief Financial Officer in February 2011.

Mr. Morgan has been Vice President-Human Resources of the Company since June 2008. From February 2003 to June 2008, Mr. Morgan was Senior Vice President and Chief Administrative Officer for Bally Total Fitness Corporation.

Mr. Notaro has served as Vice President-General Counsel and Secretary since March 1998.

Mr. Salliotte has been Vice President-Strategy and Business Development since October 2004.

Mr. Silvernail has been Vice President-Group Executive Health & Science Technologies, Global Dispensing and Fire & Safety/Diversified Products since January 2011. From February 2010 to December 2010, Mr. Silvernail was Vice President-Group Executive Health & Sciences Technologies and Global Dispensing. Mr. Silvernail joined IDEX in January 2009 as Vice President-Group Executive Health & Science Technologies. Prior to joining IDEX, Mr. Silvernail served as Group President at Rexnord Industries from April 2005 to August 2008.

Mr. Yates has been Vice-President and Chief Accounting Officer since February 2010. Mr. Yates was hired as Vice President-Controller in October 2005.

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The Company s executive officers are elected at a meeting of the Board of Directors immediately following the annual meeting of stockholders, and they serve until the next annual meeting of the Board, or until their successors are duly elected.

Public Filings

Copies of the Company s annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports are made available free of charge at www.idexcorp.com as soon as reasonably practicable after being filed electronically with the SEC. Our reports are also available free of charge on the SEC s website, www.sec.gov. The information on the Company s website is not incorporated into this Form 10-K.

Item 1A. ***Risk Factors.***

For an enterprise as diverse and complex as the Company, a wide range of factors could materially affect future developments and performance. In addition to the factors affecting specific business operations identified in connection with the description of those operations and the financial results of these operations elsewhere in this report, the most significant factors affecting our operations include the following:

CHANGES IN U.S. OR INTERNATIONAL ECONOMIC CONDITIONS COULD ADVERSELY AFFECT THE PROFITABILITY OF ANY OF OUR BUSINESSES.

In 2010, 51% of the Company s revenue was derived from domestic operations while 49% was derived from international operations. The Company s largest markets include life sciences and medical technologies, fire and rescue, petroleum LPG, paint and coatings, chemical processing and water and wastewater treatment. A slowdown in the economy and in particular any of these specific end markets could directly affect the Company s revenue stream and profitability.

POLITICAL CONDITIONS IN FOREIGN COUNTRIES IN WHICH WE OPERATE COULD ADVERSELY AFFECT OUR BUSINESS.

In 2010, approximately 49% of our total sales were to customers outside the U.S. We expect our international operations and export sales to continue to be significant for the foreseeable future. Both our sales from international operations and export sales are subject in varying degrees to risks inherent in doing business outside the United States. These risks include the following:

possibility of unfavorable circumstances arising from host country laws or regulations;

risks of economic instability;

currency exchange rate fluctuations and restrictions on currency repatriation;

potential negative consequences from changes to taxation policies;

the disruption of operations from labor and political disturbances;

changes in tariff and trade barriers and import or export licensing requirements; and,

insurrection or war.

We cannot predict the impact such future, largely unforeseeable events might have on the Company s operations.

AN INABILITY TO CONTINUE TO DEVELOP NEW PRODUCTS CAN LIMIT THE COMPANY S REVENUE AND PROFITABILITY.

The Company s revenue grew organically by 12% in 2010, but was down 14% in 2009. Approximately 19% of our revenue was derived from new products developed over the past three years. Our ability to continue to grow organically is tied to our ability to continue to develop new products.

OUR GROWTH STRATEGY INCLUDES ACQUISITIONS AND WE MAY NOT BE ABLE TO MAKE ACQUISITIONS OF SUITABLE CANDIDATES OR INTEGRATE ACQUISITIONS SUCCESSFULLY.

Our historical growth has included, and our future growth is likely to continue to include acquisitions. We intend to continue to seek acquisition opportunities both to expand into new markets and to enhance our position in existing markets throughout the world. We cannot be assured, however, that we will be able to successfully identify suitable candidates, negotiate appropriate acquisition terms, obtain financing which may be needed to consummate those acquisitions, complete proposed acquisitions, successfully integrate acquired businesses into our existing operations or expand into new markets. In addition, we cannot assure you that any acquisition, once successfully integrated, will perform as planned, be accretive to earnings, or prove to be beneficial to our operations and cash flow.

Acquisitions involve numerous risks, including the assumption of undisclosed or unindemnified liabilities, difficulties in the assimilation of the operations, technologies, services and products of the acquired companies and the diversion of management s attention from other business concerns. In addition, prior acquisitions have resulted, and future acquisitions could result, in the incurrence of substantial additional indebtedness and other expenses. Once integrated, acquired operations may not achieve levels of revenues, profitability or productivity comparable with those achieved by our existing operations, or otherwise perform as expected.

THE MARKETS WE SERVE ARE HIGHLY COMPETITIVE. THIS COMPETITION COULD LIMIT THE VOLUME OF PRODUCTS THAT WE SELL AND REDUCE OUR OPERATING MARGINS.

Most of our products are sold in competitive markets. We believe that the principal points of competition in our markets are product quality, price, design and engineering capabilities, product development, conformity to customer specifications, quality of post-sale support, timeliness of delivery, and effectiveness of our distribution channels. Maintaining and improving our competitive position will require continued investment by us in manufacturing, engineering, quality standards, marketing, customer service and support, and our distribution networks. We may not be successful in maintaining our competitive position. Our competitors may develop products that are superior to our products, or may develop methods of more efficiently and effectively providing products and services or may adapt more quickly than us to new technologies or evolving customer requirements. Pricing pressures also could cause us to adjust the prices of certain of our products to stay competitive. We may not be able to compete successfully with our existing competitors or with new competitors. Failure to continue competing successfully could adversely affect our business, financial condition, results of operations and cash flow.

WE ARE DEPENDENT ON THE AVAILABILITY OF RAW MATERIALS, PARTS AND COMPONENTS USED IN OUR PRODUCTS.

While we manufacture many of the parts and components used in our products, we require substantial amounts of raw materials and purchase some parts and components from suppliers. The availability and prices for raw materials, parts and components may be subject to curtailment or change due to, among other things, suppliers allocations to other purchasers, interruptions in production by suppliers, changes in exchange rates and prevailing price levels. Any change in the supply of, or price for, these raw materials or parts and components could materially affect our business, financial condition, results of operations and cash flow.

SIGNIFICANT MOVEMENTS IN FOREIGN CURRENCY EXCHANGE RATES MAY HARM OUR FINANCIAL RESULTS.

We are exposed to fluctuations in foreign currency exchange rates, particularly with respect to the Euro, Canadian Dollar, British Pound and Chinese Renminbi. Any significant change in the value of the currencies of the countries in which we do business against the U.S. Dollar could affect our ability to sell products competitively and control our cost structure, which could have a material adverse effect on our business, financial condition, results of operations and cash flow. For additional detail related to this risk, see Part II. Item 7A. Quantitative and Qualitative Disclosure About Market Risk .

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AN UNFAVORABLE OUTCOME OF ANY OF OUR PENDING CONTINGENCIES OR LITIGATION COULD ADVERSELY AFFECT OUR BUSINESS, FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOW.

We currently are involved in certain legal and regulatory proceedings. Where it is reasonably possible to do so, we accrue estimates of the probable costs for the resolution of these matters. These estimates are developed in consultation with outside counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future operating results for any particular quarter or annual period could be materially affected by changes in our assumptions or the effectiveness of our strategies related to these proceedings. For additional detail related to this risk, see Item 3. Legal Proceedings .

OUR INTANGIBLE ASSETS ARE A SIGNIFICANT PORTION OF OUR TOTAL ASSETS AND A WRITE-OFF OF OUR INTANGIBLE ASSETS COULD ADVERSELY IMPACT OUR OPERATING RESULTS AND SIGNIFICANTLY REDUCE OUR NET WORTH.

Our total assets reflect substantial intangible assets, primarily goodwill and identifiable intangible assets. At December 31, 2010, goodwill and intangible assets totaled $1,207.0 million and $281.4 million, respectively. These goodwill and intangible assets result from our acquisitions, representing the excess of cost over the fair value of the tangible assets we have acquired. Annually, or when certain events occur that require a more current valuation, we assess whether there has been an impairment in the value of our goodwill or intangible assets. If future operating performance at one or more of our reporting units were to fall significantly below forecast levels, we could be required to reflect, under current applicable accounting rules, a non-cash charge to operating income for an impairment. Any determination requiring the write-off of a significant portion of the goodwill or intangible assets could have a material negative effect on our results of operations and total capitalization.

Item 1B. ***Unresolved Staff Comments.***

The Company has received no written comments regarding its periodic or current reports from the staff of the Securities and Exchange Commission that remain unresolved.

Item 2. ***Properties.***

The Company s principal plants and offices have an aggregate floor space area of approximately 4.0 million square feet, of which 2.5 million square feet (62%) is located in the U.S. and approximately 1.5 million square feet (38%) is located outside the U.S., primarily in Germany (8%), Italy (7%), the U.K. (6%), China (4%) and The Netherlands (2%). These facilities are considered to be suitable and adequate for their operations. Management believes we can meet the expected demand increase over the near term with our existing facilities, especially given our operational improvement initiatives that usually increase capacity. The Company s executive office occupies 32,165 square feet of leased space in Lake Forest, Illinois.

Approximately 2.9 million square feet (73%) of the principal plant and office floor area is owned by the Company, and the balance is held under lease. Approximately 1.9 million square feet (48%) of the principal plant and office floor area is held by business units in the Fluid & Metering Technologies Segment; 0.7 million square feet (18%) is held by business units in the Health & Science Technologies Segment; 0.5 million square feet (12%) is held by business units in the Dispensing Equipment Segment; and 0.8 million square feet (19%) is held by business units in the Fire & Safety/Diversified Products Segment.

Item 3. ***Legal Proceedings.***

The Company and nine of its subsidiaries are presently named as defendants in a number of lawsuits claiming various asbestos-related personal injuries, allegedly as a result of exposure to products manufactured with components that contained asbestos. These components were acquired from third party suppliers, and were not manufactured by any of the subsidiaries. To date, the majority of the Company s settlements and legal costs, except for costs of coordination, administration, insurance investigation and a portion of defense costs, have been covered in full by insurance subject to applicable deductibles. However, the Company cannot predict whether and to what extent insurance will be available to continue to cover such settlements and legal costs, or how insurers may respond

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to claims that are tendered to them. Claims have been filed in jurisdictions throughout the United States. Most of the claims resolved to date have been dismissed without payment. The balance have been settled for various insignificant amounts. Only one case has been tried, resulting in a verdict for the Company s business unit. No provision has been made in the financial statements of the Company, other than for insurance deductibles in the ordinary course, and the Company does not currently believe the asbestos-related claims will have a material adverse effect on the Company s business, financial position, results of operations or cash flow.

The Company is also party to various other legal proceedings arising in the ordinary course of business, none of which is expected to have a material adverse effect on its business, financial condition, results of operations or cash flow.

Item 4. ***(Removed and Reserved).***

PART II

Item 5. ***Market for Registrant s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.***

The principal market for the Company s Common Stock is the New York Stock Exchange, but the Common Stock is also listed on the Chicago Stock Exchange. As of February 17, 2011, Common Stock was held by approximately 7,000 shareholders and there were 82,441,446 shares of Common Stock outstanding, net of treasury shares.

The high and low sales prices of the Common Stock per share and the dividends paid per share during the last two years is as follows:

	2010			2009		
	High	Low	Dividends Per Share	High	Low	Dividends Per Share
First Quarter	$ 33.66	$ 28.09	$ 0.12	$ 26.24	$ 16.67	$ 0.12
Second Quarter	35.54	28.49	0.15	26.18	19.67	0.12
Third Quarter	36.24	27.54	0.15	29.71	22.16	0.12
Fourth Quarter	40.29	35.08	0.15	32.85	26.08	0.12

Our payment of dividends in the future will be determined by our Board of Directors and will depend on business conditions, our earnings and other factors.

For information pertaining to securities authorized for issuance under equity compensation plans and the related weighted average exercise price, see Part III, Item 12, Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters.

The following table provides information about the Company purchases of Common Stock during the quarter ended December 31, 2010:

	Total Number of Shares Purchased as	Maximum Dollar Value that May Yet

Period	Total Number of Shares Purchased	Average Price Paid per Share	Part of Publicly Announced Plans or Programs(1)	be Purchased Under the Plans or Programs(1)
October 1, 2010 to October 31, 2010				$ 75,000,020
November 1, 2010 to November 30, 2010				$ 75,000,020
December 1, 2010 to December 31, 2010				$ 75,000,020
Total				$ 75,000,020

(1) On April 21, 2008, the Board of Directors authorized the repurchase of up to $125.0 million of outstanding common shares either in the open market or through private transactions.

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Performance Graph. The following table compares total shareholder returns over the last five years to the Standard & Poor s (the S&P) 500 Index, the S&P 600 Small Cap Industrial Machinery Index and the Russell 2000 Index assuming the value of the investment in our Common Stock and each index was $100 on December 31, 2005. Total return values for our Common Stock, the S&P 500 Index, S&P 600 Small Cap Industrial Machinery Index and the Russell 2000 Index were calculated on cumulative total return values assuming reinvestment of dividends. The shareholder return shown on the graph below is not necessarily indicative of future performance.

	12/05	**12/06**	**12/07**	**12/08**	**12/09**	**12/10**
IDEX Corporation	$ 100.00	$ 115.33	$ 131.86	$ 88.14	$ 113.69	$ 142.77
S&P 500 Index	100.00	113.62	117.63	72.36	89.33	100.75
S&P Industrial Machinery Index	100.00	119.40	132.46	87.79	102.71	136.65
Russell 2000 Index	100.00	117.00	113.79	74.19	92.90	116.40

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Item 6. ***Selected Financial Data.***[(1)]

(dollars in thousands, except per share data)	2010	2009	2008	2007	2006
RESULTS OF OPERATIONS					
Net sales	$ 1,513,073	$ 1,329,661	$ 1,489,471	$ 1,358,631	$ 1,154,940
Gross profit	618,483	522,386	597,433	566,161	474,172
Selling, general and administrative expenses	358,272	325,453	343,392	313,366	260,201
Goodwill impairment			30,090		
Restructuring expenses	11,095	12,079	17,995		
Operating income	249,116	184,854	205,956	252,795	213,971
Other income (expense) net	(1,092)	1,151	5,123	3,434	1,040
Interest expense	16,150	17,178	18,852	23,353	16,353
Provision for income taxes	74,774	55,436	65,201	78,457	67,038
Income from continuing operations	157,100	113,391	127,026	154,419	131,620
Income/(loss) from discontinued operations-net of tax				(719)	12,949
Net income	157,100	113,391	127,026	153,700	144,569
FINANCIAL POSITION					
Current assets	$ 692,758	$ 451,712	$ 480,688	$ 617,622	$ 400,724
Current liabilities	353,668	189,682	219,869	198,953	187,252
Working capital	339,090	262,030	260,819	418,669	213,472
Current ratio	2.0	2.4	2.2	3.1	2.1
Capital expenditures	32,769	25,525	28,358	26,496	21,198
Depreciation and amortization	58,108	56,346	48,599	38,038	29,956
Total assets	2,381,695	2,098,157	2,151,800	1,970,078	1,653,637
Total borrowings	527,895	400,100	554,000	454,731	361,980
Shareholders equity	1,375,660	1,268,104	1,144,783	1,143,207	962,088
PERFORMANCE MEASURES					
Percent of net sales:					
Gross profit	40.9%	39.3%	40.1%	41.7%	41.0%
SG&A expenses	23.7	24.5	23.1	23.1	22.5
Operating income	16.5	13.9	13.8	18.6	18.5
Income before income taxes	15.3	12.7	12.9	17.1	17.2
Income from continuing operations	10.4	8.5	8.5	11.4	11.4
Effective tax rate	32.2	32.8	33.9	33.7	33.7
Return on average assets[(2)]	7.0	5.3	6.2	8.5	9.1
Borrowings as a percent of capitalization	27.7	24.0	32.6	28.5	27.3
Return on average shareholders equity[(2)]	11.9	9.4	11.1	14.7	14.9
PER SHARE DATA[(3)(4)]					
Basic					
income from continuing operations	$ 1.93	$ 1.41	$ 1.55	$ 1.90	$ 1.65
net income	1.93	1.41	1.55	1.89	1.81
Diluted					
income from continuing operations	1.90	1.40	1.53	1.88	1.62
net income	1.90	1.40	1.53	1.87	1.78
Cash dividends declared	.60	.48	.48	.48	.40
Shareholders equity	16.76	15.66	14.26	14.01	11.94

Stock price					
high	40.29	32.85	40.75	44.99	35.65
low	27.54	16.67	17.70	30.41	26.00
close	39.12	31.15	24.15	36.13	31.61
Price/earnings ratio at year end	21	22	16	19	20
Other Data					
Employees at year end	5,966	5,300	5,813	5,009	4,863
Shareholders at year end	7,000	7,000	7,000	7,000	6,700
Shares outstanding (in 000s)(3):					
Weighted average					
basic	80,466	79,716	81,123	80,666	79,527
diluted	81,983	80,727	82,320	82,086	80,976
At year end (net of treasury)	82,070	80,970	80,302	81,579	80,546

(1) For additional detail, see Notes to Consolidated Financial Statements in Part II. Item 8. Financial Statements and Supplementary Data .

(2) Return calculated based on income from continuing operations.

(3) All share and per share data has been restated to reflect the three-for-two stock splits effected in the form of a 50% stock dividend in May 2007.

(4) Adjusted to reflect the accounting guidance provided in Accounting Standards Codification (ASC) 260, Earnings Per Share .

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

Cautionary Statement Under the Private Securities Litigation Reform Act

This management s discussion and analysis, including, without limitations the section entitled Historical Overview and Outlook and other portions of this report contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934, as amended. These statements may relate to, among other things, capital expenditures, cost reductions, cash flow, and operating improvements and are indicated by words or phrases such as anticipate, estimate, plans, expects, projects, should, will, manage the Company believes, we believe, the Company intends and similar words or phrases. These statements are subject to inherent uncertainties and risks that could cause actual results to differ materially from those anticipated at the date of this filing. The risks and uncertainties include, but are not limited to, the following: economic and political consequences resulting from terrorist attacks and wars; levels of industrial activity and economic conditions in the U.S. and other countries around the world; pricing pressures and other competitive factors, and levels of capital spending in certain industries all of which could have a material impact on our order rates and results, particularly in light of the low levels of order backlogs we typically maintain; our ability to make acquisitions and to integrate and operate acquired businesses on a profitable basis; the relationship of the U.S. dollar to other currencies and its impact on pricing and cost competitiveness; political and economic conditions in foreign countries in which we operate; interest rates; capacity utilization and the effect this has on costs; labor markets; market conditions and material costs; and developments with respect to contingencies, such as litigation and environmental matters. The forward-looking statements included here are only made as of the date of this report, and we undertake no obligation to publicly update them to reflect subsequent events or circumstances. Investors are cautioned not to rely unduly on forward-looking statements when evaluating the information presented here.

Historical Overview and Outlook

IDEX is an applied solutions company specializing in fluid and metering technologies, health and science technologies, dispensing equipment, and fire, safety and other diversified products built to its customers specifications. Our products are sold in niche markets to a wide range of industries throughout the world. Accordingly, our businesses are affected by levels of industrial activity and economic conditions in the U.S. and in other countries where we do business and by the relationship of the U.S. dollar to other currencies. Levels of capacity utilization and capital spending in certain industries and overall industrial activity are among the factors that influence the demand for our products.

The Company consists of four reportable segments: Fluid & Metering Technologies, Health & Science Technologies, Dispensing Equipment and Fire & Safety/Diversified Products.

The Fluid & Metering Technologies Segment designs, produces and distributes positive displacement pumps, flow meters, injectors, and other fluid-handling pump modules and systems and provides flow monitoring and other services for water and wastewater. The Health & Science Technologies Segment designs, produces and distributes a wide range of precision fluidics solutions, including very high precision, low-flow rate pumping solutions required in analytical instrumentation, clinical diagnostics and drug discovery, high performance molded and extruded, biocompatible medical devices and implantables, air compressors used in medical, dental and industrial applications, and precision gear and peristaltic pump technologies that meet exacting OEM specifications. The Dispensing Equipment Segment produces precision equipment for dispensing, metering and mixing colorants and paints used in a variety of retail and commercial businesses around the world. The Fire & Safety/Diversified Products Segment produces firefighting pumps and controls, rescue tools, lifting bags and other components and systems for the fire and rescue industry, and engineered stainless steel banding and clamping devices used in a variety of industrial and commercial applications.

Some of our key 2010 financial highlights are as follows:

Sales of $1.51 billion rose 14%; organic sales excluding acquisitions and foreign currency translation were up 12%.

Gross margins improved 160 basis points to 40.9% of sales

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Operating margins at 16.5% increased 260 basis points compared to 2009.

Net income increased 39% to $157.1 million.

Diluted EPS of $1.90 increased 50 cents compared to 2009.

For 2011, the Company is expected to grow organically in the mid to high single digits with acquisition-related growth projected at approximately 4 percent for transactions completed in 2010 and two acquisitions to be completed in the first quarter of 2011. Based on the Company s current outlook, for the full year 2011, we are forecasting fully diluted EPS of $2.23 to $2.33.

Results of Operations

The following is a discussion and analysis of our financial position and results of operations for each of the three years in the period ended December 31, 2010. For purposes of this discussion and analysis section, reference is made to the table on page 16 and the Consolidated Statements of Operations in Part II. Item 8. Financial Statements and Supplementary Data on page 26.

Performance in 2010 Compared with 2009

Sales in 2010 of $1,513.1 million were 14% higher than the $1,329.7 million recorded a year ago. This increase reflects a 12% increase in organic sales and 3% from four acquisitions (PPE April 2010, OBL July 2010, Periflo September 2010 and Fitzpatrick November 2010), partially offset by 1% unfavorable foreign currency translation. Organic sales increased in Fluid & Metering Technologies, Health & Science Technologies and Fire & Safety/Diversified Products segments, but were flat in the Dispensing Equipment segment. Domestic organic sales were up 9% versus the prior year, while international organic sales increased 15% in 2010. Organic sales to customers outside the U.S. represented 49% of total sales in 2010 and 46% in 2009.

In 2010, Fluid & Metering Technologies contributed 48% of sales and 44% of operating income; Health & Science Technologies accounted for 26% of sales and 28% of operating income; Dispensing Equipment accounted for 8% of sales and 7% of operating income; and Fire & Safety/Diversified Products represented 18% of sales and 21% of operating income.

Fluid & Metering Technologies sales of $729.9 million in 2010 increased $88.8 million, or 14%, compared with 2009. This reflects a 13% increase in organic sales and 2% for acquisitions (OBL, Periflo and Fitzpatrick), partially offset by 1% unfavorable foreign currency translation. The increase in organic growth was driven by strong global growth across energy, chemical, food & pharma and water & wastewater markets. In 2010, organic sales increased approximately 13% domestically and 14% internationally. Organic sales to customers outside the U.S. were approximately 46% of total segment sales in 2010 and 41% in 2009.

Health & Science Technologies sales of $397.2 million increased $92.9 million, or 31%, in 2010 compared with last year. This change reflects a 21% increase in organic growth and a 10% increase from the acquisition of PPE. The increase in organic sales reflects market strength across all Health & Science Technologies products. In 2010, organic sales increased 14% domestically and 32% internationally. Organic sales to customers outside the U.S. were approximately 43% of total segment sales in 2010 and 40% in 2009.

Dispensing Equipment sales of $125.3 million decreased $2.0 million, or 2%, in 2010 compared with the prior year. This change reflects 2% unfavorable foreign currency translation, while organic growth was flat in 2010 compared to

2009. The Dispensing Equipment Segment experienced strength in Asia and parts of Eastern Europe, offset by softness in North America and Western Europe. Organic domestic sales decreased 9% compared with 2009, while organic international sales increased 5%. Organic sales to customers outside the U.S. were 67% of total segment sales in 2010 and 66% in 2009.

Fire & Safety/Diversified Products sales of $265.5 million increased $2.7 million, or 1%, in 2010 compared with 2009. Organic sales activity increased 2%, while foreign currency translation accounted for a 1% decrease. The increase in organic business growth was driven by higher demand for engineered band clamping systems, partially offset by weakness in fire suppression. In 2010, organic sales decreased 3% domestically and increased 7%

internationally. Organic sales to customers outside the U.S. were 56% of total segment sales in 2010 and 55% in 2009.

Gross profit of $618.5 million in 2010 was $96.1 million, or 18%, higher than 2009. As a percent of sales, gross profit was 40.9% in 2010, which represented a 160 basis-point increase from 39.3% in 2009. The increase in gross margin primarily reflects higher sales volume, cost reductions due to our restructuring initiatives and change in product mix.

Selling, general and administrative (SG&A) expenses increased to $358.3 million in 2010 from $325.5 million in 2009. The $32.8 million increase reflects approximately $22.0 million for volume related expenses and $10.8 million for incremental costs associated with the acquisitions of PPE in April 2010, OBL in July 2010, Periflo in September 2010 and Fitzpatrick in November 2010. As a percent of net sales, SG&A expenses were 23.7% for 2010 and 24.5% in 2009.

In 2010, the Company recorded pre-tax restructuring expenses totaling $11.1 million, while $12.1 million was recorded in 2009. These restructuring expenses were mainly attributable to employee severance related to employee reductions across various functional areas and facility closures resulting from the Company s cost savings initiatives. These initiatives included severance benefits for 215 employees in 2010 and 478 in 2009. The Company has completed these employee reductions in 2010 and expects severance payments to be fully paid by the end of 2011 using cash from operations.

Operating income increased $64.3 million, or 35%, to $249.1 million in 2010 from $184.9 million in 2009. This increase primarily reflects an increase in volume, changes in product mix and cost reductions due to our restructuring initiatives. Operating margins in 2010 were 16.5% of sales compared with 13.9% recorded in 2009.

In the Fluid & Metering Technologies Segment, operating income of $131.9 million and operating margins of 18.1% in 2010 were up from the $100.3 million and 15.6% recorded in 2009, principally due to higher sales and cost reduction initiatives. In the Health & Science Technologies Segment, operating income of $82.3 million and operating margins of 20.7% in 2010 were up from the $51.7 million and 17.0% recorded in 2009 due to higher volume and cost reduction initiatives. In the Dispensing Equipment Segment, operating income of $19.5 million and operating margins of 15.6% in 2010 were up from the $15.1 million and 11.9% recorded in 2009 due to cost reduction initiatives and improved productivity. Operating income and operating margins in the Fire & Safety/Diversified Products Segment of $62.8 million and 23.7%, respectively, were higher than the $59.9 million and 22.8% recorded in 2009, due to higher volume and favorable mix.

Other expense was $1.1 million in 2010 compared with a $1.2 million gain in 2009, due to unfavorable foreign currency translation.

Interest expense decreased to $16.2 million in 2010 from $17.2 million in 2009. The decrease was principally due to lower debt levels and a lower interest rate environment.

The provision for income taxes increased to $74.8 million in 2010 from $55.4 million in 2009. The effective tax rate decreased to 32.2% in 2010 from 32.8% in 2009, due to changes in the mix of global pre-tax income among taxing jurisdictions.

Net income for 2010 was $157.1 million, 39% higher than the $113.4 million earned in 2009. Diluted earnings per share in 2010 of $1.90 increased $0.50, or 36%, compared with last year.

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Company and Business Segment Financial Information

	For the Years Ended December 31,(1) 2008 (In thousands)

ee rates paid to DeAM relative to those payable for similar institutional accounts advised by DeAM, including differences in the scope c

The practices of DeIM regarding the selection and compensation of brokers and dealers executing portfolio transactions for the Fund, including DeIM's soft dollar practices. In this regard, the Board observed that DeIM had voluntarily terminated the practice of allocating brokerage commission to acquire research services from third-party service providers.

DeIM's commitment to and record of compliance, including its written compliance policies and procedures. In this regard, the Board considered the significant attention and resources dedicated by DeIM to documenting and enhancing its compliance processes in recent years. The Board noted in particular (i) the experience and seniority of DeIM's chief compliance officer, who reports to the Board; (ii) the large number of compliance personnel who report to DeIM's chief compliance officer; and (iii) the substantial commitment of resources by DeAM to compliance matters.

Privacy Statement

This privacy statement is issued by DWS Scudder Distributors, Inc., Deutsche Investment Management Americas, Inc., Deutsche Asset Management, Inc., Investment Company Capital Corporation, DeAM Investor Services, Inc., DWS Trust Company and the DWS Funds, including The Brazil Fund, Inc. and The Korea Fund, Inc.

We never sell customer lists or individual client information. We consider privacy fundamental to our client relationships and adhere to the policies and practices described below to protect current and former clients' information. Internal policies are in place to protect confidentiality, while allowing client needs to be served. Only individuals who need to do so in carrying out their job responsibilities may access client information. We maintain physical, electronic and procedural safeguards that comply with federal and state standards to protect confidentiality. These safeguards extend to all forms of interaction with us, including the Internet.

In the normal course of business, clients give us nonpublic personal information on applications and other forms, on our websites, and through transactions with us or our affiliates. Examples of the nonpublic personal information collected are name, address, Social Security number and transaction and balance information. To be able to serve our clients, certain of this client information is shared with affiliated and nonaffiliated third party service providers such as transfer agents, custodians, and broker-dealers to assist us in processing transactions and servicing your account with us. In addition, we may disclose all of the information we collect to companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements. The organizations described above that receive client information may only use it for the purpose designated by the companies listed above.

We may also disclose nonpublic personal information about you to other parties as required or permitted by law. For example, we are required or we may provide information to government entities or regulatory bodies in response to requests for information or subpoenas, to private litigants in certain circumstances, to law enforcement authorities, or any time we believe it necessary to protect the firm.

Questions on this policy may be sent to:

DWS Scudder
Attention: Correspondence   Chicago
P.O. Box 219415
Kansas City, MO 64121-9415

February 2006

Notes

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ITEM 2. CODE OF ETHICS.

Not applicable.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS

Not Applicable

ITEM 6. SCHEDULE OF INVESTMENTS

Not Applicable

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS

Korea Fund

Item 9 of Form N-CSR - Repurchase Disclosure

	(a)	(b)	(c)	(d)

Period	Total Number of Shares Purchased*	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
July 1 through July 31, 2005	0	$0.0	n/a	n/a
August 1 through August 31	14,737,788	$31.1860	14,737,788	0
September 1 through September 30	0	$0.0	n/a	n/a
October 1 through October 31	0	$0.0	n/a	n/a
November 1 through November 30	0	$0.0	n/a	n/a
December 1 through December 31	0	$0.0	n/a	n/a
Total	14,737,788	$31.1860	14,737,788	0

* 14,737,788 shares were tendered in exchange for a pro rata portion of the Fund s portfolio securities pursuant to a tender offer, which commenced on July 8, 2005, and expired on August 19, 2005. The Fund had approved the tender offer for up to 22,350,747 of its issued and outstanding shares. These shares represent approximately 33% of the Fund's outstanding shares.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

The Committee on Independent Trustees/Directors selects and nominates Independent Trustees/Directors. Fund shareholders may also submit nominees that will be considered by the committee when a Board vacancy occurs. Submissions should be mailed to the attention of the Secretary of the Fund at 345 Park Avenue New

York, NY 10154

ITEM 11. CONTROLS AND PROCEDURES.

(a) The Chief Executive and Financial Officers concluded that the Registrant's Disclosure Controls and Procedures are effective based on the evaluation of the Disclosure Controls and Procedures as of a date within 90 days of the filing date of this report.

(b) There have been no changes in the registrant's internal control over financial reporting that occurred during the registrant's last half-year (the registrant's second fiscal half-year in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal controls over financial reporting.

ITEM 12. EXHIBITS.

(a)(1) Certification pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 (17 CFR 270.30a-2(a)) is filed and attached hereto as Exhibit 99.CERT.

(b) Certification pursuant to Rule 30a-2(b) under the Investment Company Act of 1940 (17 CFR 270.30a-2(b)) is furnished and attached hereto as Exhibit 99.906CERT.

Form N-CSR Item F

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: The Korea Fund, Inc.

By: /s/Vincent J. Esposito
Vincent J. Esposito
President

Date: March 2, 2006

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Registrant: The Korea Fund, Inc.

By: /s/Vincent J. Esposito
Vincent J. Esposito
President

Date: March 2, 2006

By:	/s/Paul Schubert Paul Schubert
Chief Financial Officer and Treasurer	
Date:	March 2, 2006