
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

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

For the quarterly period ended **October 1, 2011**

OR

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

For the transition period from _____ to _____

Commission file number: **001-33507**

EDAC Technologies Corporation

(Exact name of registrant as specified in its charter)

Wisconsin
(State or other jurisdiction of
incorporation or organization)

39-1515599
(I.R.S. employer
Identification No.)

1806 New Britain Avenue, Farmington, CT 06032
(Address of principal executive offices)

(860) 677-2603
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions 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

On October 26, 2011 there were outstanding 5,031,766 shares of the registrant's Common Stock, \$0.0025 par value per share.

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PART I FINANCIAL INFORMATION

ITEM 1 FINANCIAL STATEMENTS

EDAC TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
As of October 1, 2011 and January 1, 2011
(in thousands)

	<u>October 1, 2011</u> <u>(Unaudited)</u>	<u>January 1, 2011</u> <u>(Audited)</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 1,680	\$ 975
Accounts receivable (net of allowance for doubtful accounts of \$239 as of October 1, 2011 and \$121 as of January 1, 2011)	17,064	14,955
Inventories, net	20,864	20,219
Prepaid expenses and other current assets	417	184
Refundable income taxes	2	80
Deferred income taxes	1,613	1,613
Total current assets	<u>41,640</u>	<u>38,026</u>
PROPERTY, PLANT AND EQUIPMENT, at cost	53,990	51,818
Less: accumulated depreciation	<u>30,676</u>	<u>28,595</u>
	<u>23,314</u>	<u>23,223</u>
OTHER ASSETS	<u>128</u>	<u>155</u>
TOTAL ASSETS	<u>\$ 65,082</u>	<u>\$ 61,404</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

EDAC TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)
As of October 1, 2011 and January 1, 2011
(in thousands except share amounts)

	October 1, 2011	January 1, 2011
	(Unaudited)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Lines of credit	\$ 3,263	\$ 4,793
Current portion of long-term debt	2,518	4,370
Trade accounts payable	7,114	7,336
Employee compensation and amounts withheld	2,798	1,212
Accrued expenses	2,306	2,136
Customer advances	660	857
Total current liabilities	<u>18,659</u>	<u>20,704</u>
LONG-TERM DEBT, less current portion	<u>12,728</u>	<u>9,858</u>
PENSION LIABILITIES	<u>1,526</u>	<u>1,526</u>
DEFERRED INCOME TAXES	<u>4,419</u>	<u>4,473</u>
SHAREHOLDERS' EQUITY:		
Common stock, par value \$.0025 per share; issued and outstanding: 5,021,766 on October 1, 2011 and 4,869,469 on January 1, 2011	12	12
Additional paid-in capital	12,211	11,690
Retained earnings	18,027	15,630
	<u>30,250</u>	<u>27,332</u>
Less: accumulated other comprehensive loss	2,500	2,489
Total shareholders' equity	<u>27,750</u>	<u>24,843</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 65,082</u>	<u>\$ 61,404</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

EDAC TECHNOLOGIES CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
For the three and nine months ended October 1, 2011 and October 2, 2010
(in thousands except per share amounts)

	For the three months ended		For the nine months ended	
	October 1, 2011	October 2, 2010	October 1, 2011	October 2, 2010
Sales	\$ 21,841	\$ 18,528	\$ 63,920	\$ 55,156
Cost of Sales	<u>17,964</u>	<u>16,760</u>	<u>53,603</u>	<u>48,989</u>
Gross Profit	3,877	1,768	10,317	6,167
Selling, General and Administrative Expenses	<u>2,116</u>	<u>1,393</u>	<u>5,964</u>	<u>4,653</u>
Income from Operations	1,761	375	4,353	1,514
Non-Operating Income (Expense):				
Interest Expense	(252)	(259)	(785)	(711)
Other	<u>-</u>	<u>2</u>	<u>8</u>	<u>362</u>
Income before Provision For Income Taxes	1,509	118	3,576	1,165
Provision for Income Taxes	<u>497</u>	<u>34</u>	<u>1,179</u>	<u>377</u>
Net Income	<u>\$ 1,012</u>	<u>\$ 84</u>	<u>\$ 2,397</u>	<u>\$ 788</u>
Income per share data (Note A):				
Basic Income Per Common Share	<u>\$ 0.20</u>	<u>\$ 0.02</u>	<u>\$ 0.49</u>	<u>\$ 0.16</u>
Diluted Income Per Common Share	<u>\$ 0.19</u>	<u>\$ 0.02</u>	<u>\$ 0.46</u>	<u>\$ 0.16</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

EDAC TECHNOLOGIES CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
For the nine months ended October 1, 2011 and October 2, 2010
(in thousands)

	For the nine months ended	
	October 1, 2011	October 2, 2010
Operating Activities:		
Net income	\$ 2,397	\$ 788
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	2,147	2,008
Deferred income taxes	(54)	(52)
Gain on acquisition of business	-	(350)
Gain on sale of property, plant and equipment	(8)	-
Compensation expense pursuant to stock options	255	324
Excess tax benefit from share-based compensation	(95)	(42)
Changes in working capital items	<u>(1,584)</u>	<u>(4,557)</u>
Net cash provided by (used in) operating activities	<u>3,058</u>	<u>(1,881)</u>
Investing Activities:		
Additions to property, plant and equipment	(2,202)	(1,241)
Acquisition of business	-	(300)
Proceeds from sales of property, plant and equipment	<u>8</u>	<u>-</u>
Net cash used in investing activities	<u>(2,194)</u>	<u>(1,541)</u>
Financing Activities:		
(Decrease) increase in lines of credit	(1,530)	2,509
Repayments of long-term debt	(4,113)	(1,455)
Issuance of long-term debt	5,131	2,243
Deferred financing costs	(8)	-
Proceeds from exercise of stock options	266	34
Excess tax benefit from share-based compensation	<u>95</u>	<u>42</u>
Net cash (used in) provided by financing activities	<u>(159)</u>	<u>3,373</u>
Increase/(decrease) in cash	705	(49)
Cash at beginning of period	<u>975</u>	<u>1,100</u>
Cash at end of period	<u>\$ 1,680</u>	<u>\$ 1,051</u>
Supplemental Disclosure of Cash Flow Information:		
Interest paid	\$ 785	\$ 711
Income taxes paid	405	600

The accompanying notes are an integral part of these condensed consolidated financial statements.

EDAC TECHNOLOGIES CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
October 1, 2011
(in thousands)

NOTE A - BASIS OF PRESENTATION

BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and in accordance with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles ("GAAP") for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine month period ended October 1, 2011 are not necessarily indicative of the results that may be expected for the year ending December 31, 2011. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the fiscal year ended January 1, 2011.

Inventories: Inventories are stated at the lower of cost (first-in, first-out method) or market. The Company has specifically identified certain inventory as obsolete or slow-moving and has provided a full reserve for these parts. As of October 1, 2011 and January 1, 2011, inventories consisted of the following (all amounts in thousands):

	<u>October 1, 2011</u>	<u>January 1, 2011</u>
Raw materials	\$ 2,477	\$ 2,624
Work-in-progress	16,815	16,163
Finished goods	1,608	1,468
	<u>20,900</u>	<u>20,255</u>
Less: reserve for excess and obsolete	(36)	(36)
Inventories, net	<u>\$ 20,864</u>	<u>\$ 20,219</u>

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Income per share: The number of shares used in the income per common share computations for the three and nine month periods ended October 1, 2011 and October 2, 2010 are as follows:

	For the three months ended		For the nine months ended	
	October 1, 2011	October 2, 2010	October 1, 2011	October 2, 2010
Basic:				
Weighted average common shares outstanding	4,968	4,869	4,936	4,856
Diluted:				
Dilutive effect of stock options	335	186	233	176
Weighted average shares diluted	5,303	5,055	5,169	5,032
Options excluded since anti-dilutive	179	182	241	182

Comprehensive Income (Loss): Comprehensive income (loss) for the nine month periods ended October 1, 2011 and October 2, 2010 consisted of unrealized losses on established cash flow hedges. Any comprehensive income (loss) related to the Company's defined benefit pension plan is recorded at the end of the year, since the valuation used in connection with determining the amount of the change in the Company's unfunded pension liability is determined only at the end of the year.

Accounting Pronouncements Not Yet Adopted: The Company does not expect any accounting pronouncements not yet adopted to have a significant impact on the Company.

NOTE B -- FINANCING ARRANGEMENTS

On July 27, 2011, the Company's revolving and equipment lines of credit with TD Bank N.A. were amended to provide for borrowings on the revolving line of credit up to \$12,000 (an increase of \$1,500) and up to \$4,700 on its equipment line of credit for eligible equipment purchases during the period July 28, 2011 through July 31, 2012. Amounts advanced on the amended equipment line of credit will convert to a term note on July 31, 2012, unless converted earlier at the option of the Company, with monthly payments of principal and interest in an amount to amortize the then existing principal balance in 60 equal monthly payments including interest at the then Federal Home Loan Bank of Boston 5 year Current Classic Advance Rate for Fixed Rate Advances plus 3%. As of July 27, 2011, advances on the equipment line of credit in the amount of \$2,603, along with \$2,528 advanced on the revolving line of credit were converted to a \$5,131 term note due in 60 monthly installments of \$96 including interest at 4.52%.

Notes payable and long-term debt consist of the following (all amounts in thousands):

	<u>October 1, 2011</u>	<u>January 1, 2011</u>
Lines of credit	\$ 3,263	\$ 4,793
Term notes	10,163	8,967
Mortgage loans	5,083	5,261
	<u>18,509</u>	<u>19,021</u>
Less - equipment line of credit	44	743
Less - revolving line of credit	3,219	4,050
Less - current portion of long-term debt	2,518	4,370
	<u>\$ 12,728</u>	<u>\$ 9,858</u>

The Company's revolving line of credit with TD Bank, N.A. provides for borrowing up to \$12,000 and is further limited to an amount determined by a formula based on percentages of receivables and inventory. Although payable on demand, the revolving line of credit is reviewed annually by the bank in July and renewed at its discretion.

As of October 1, 2011, the Company had \$3,219 outstanding on its revolving line of credit and \$44 outstanding on its equipment line of credit and had \$8,586 and \$4,656, respectively, available for additional borrowings.

NOTE C – INTEREST RATE SWAPS

The Company has two pay-fixed, receive-variable interest rate swaps to reduce exposure to changes in interest rates on certain senior long-term notes payable. Both relationships are designated as cash flow hedges and meet the criteria for the shortcut method for assessing hedge effectiveness; therefore, the hedge is considered to be 100% effective and all changes in the fair value of the interest rate swaps are recorded in consolidated accumulated other comprehensive income. These changes in fair value must be reclassified in whole or in part from consolidated accumulated other comprehensive income into earnings if, and when, a comparison of the swaps and the related hedged cash flows demonstrates that the shortcut method is no longer applicable. The Company expects these hedges to meet the criteria of the shortcut method for the duration of the hedging relationship and therefore, it does not expect to reclassify any portion of any unrealized income from consolidated accumulated other comprehensive income to earnings during the hedge terms.

NOTE D – DEFINED BENEFIT PENSION PLAN

The following table sets forth the components of net periodic benefit cost (all amounts in thousands):

	For the three months ended		For the nine months ended	
	October 1, 2011	October 2, 2010	October 1, 2011	October 2, 2010
Components of net periodic benefit cost:				
Interest cost	\$ 80	\$ 79	\$ 240	\$ 237
Expected return on plan assets	(77)	(71)	(231)	(213)
Amortization of actuarial loss	32	30	95	90
Net periodic pension expense	<u>\$ 35</u>	<u>\$ 38</u>	<u>\$ 104</u>	<u>\$ 114</u>

Company contributions paid to the plan for the three and nine month periods ended October 1, 2011 totaled \$38 and \$115, respectively.

The Company contributed \$20 to the plan during the three and nine month periods ended October 2, 2010.

NOTE E – INCOME TAXES

The provision for (benefit from) income taxes is as follows (all amounts in thousands):

	For the three months ended		For the nine months ended	
	October 1, 2011	October 2, 2010	October 1, 2011	October 2, 2010
Current	\$ 515	\$ 65	\$ 1,233	\$ 342
Deferred	(18)	(31)	(54)	35
Total	<u>\$ 497</u>	<u>\$ 34</u>	<u>\$ 1,179</u>	<u>\$ 377</u>

The income tax provisions for the three and nine month periods ended October 1, 2011 were calculated using an effective tax rate of 33%. The income tax provisions for the three and nine month periods ended October 2, 2010, were calculated using effective rates of 28.8% and 32.4%, respectively.

On September 12, 2011, the Internal Revenue Service completed its examination of the Company's 2009 tax return, making no change in the Company's reported tax. The Company's subsequent year's tax return is subject to examination by federal taxing authorities.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**(in thousands)****Sales**

The Company's sales increased \$3,313 or 17.9% and \$8,764 or 15.9%, for the three and nine month periods ended October 1, 2011, respectively, as compared to the three and nine month periods ended October 2, 2010. Sales increases by product line for the three and nine month periods ended October 1, 2011 compared to the three and nine month periods ended October 2, 2010 were as follows (in thousands):

<u>Product Line</u>	<u>For the three months ended</u>		<u>Change</u>
	<u>October 1, 2011</u>	<u>October 2, 2010</u>	
EDAC Aero	\$ 14,761	\$ 13,362	\$ 1,399
Apex Machine Tool	4,988	3,947	1,041
EDAC Machinery	2,092	1,219	873
Total	\$ 21,841	\$ 18,528	\$ 3,313

<u>Product Line</u>	<u>For the nine months ended</u>		<u>Change</u>
	<u>October 1, 2011</u>	<u>October 2, 2010</u>	
EDAC Aero	\$ 42,741	\$ 38,500	\$ 4,241
Apex Machine Tool	14,985	12,777	2,208
EDAC Machinery	6,194	3,879	2,315
Total	\$ 63,920	\$ 55,156	\$ 8,764

Sales for the EDAC Aero product line increased \$1,399 or 10.5%, and \$4,241, or 11.0% for the three and nine month periods ended October 1, 2011, respectively, as compared to the three and nine month periods ended October 2, 2010. The increase was due to the shipment of parts for applications on new programs such as rotor aircraft and the geared turbofan engine as well as increased shipments of fan cases and stators. EDAC Aero's sales backlog was approximately \$204,500 at October 1, 2011.

Sales for the Apex Machine Tool product line increased \$1,041, or 26.4% and \$2,208, or 17.3% for the three and nine month periods ended October 1, 2011, respectively, as compared to the three and nine month periods ended October 2, 2010, due to initial shipments for a ground-based turbine retrofit program, as well as new customers and increased business with current customers.

Sales for the EDAC Machinery product line increased \$873, or 71.6%, and \$2,315, or 59.7% for the three and nine month periods ended October 1, 2011, as compared to the three and nine month periods ended October 2, 2010 due to increased shipments of spindle and precision grinder products, as well as the Company's successful efforts to revitalize the acquired SNI and Accura Technics businesses.

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As of October 1, 2011, the Company's total sales backlog was approximately \$213,500 compared to \$138,300, as of January 1, 2011. Backlog consists of accepted purchase orders and long-term contracts that are cancelable by the customer without penalty, except for payment of costs incurred. The Company presently expects to complete approximately \$20,400 of its October 1, 2011 backlog during the remainder of the 2011 fiscal year. The remaining \$193,100 of backlog is deliverable in fiscal year 2012 and beyond.

The increase in backlog is due to the previously announced receipts of multi-year agreements to supply additional engine parts to a leading European aircraft engine manufacturer, for use on its commercial airliner programs. The two agreements have five-year terms and are valued at approximately \$64,000 over that period.

Additionally, the increase in backlog is also due to the previously announced receipt of a multi-year agreement with a major U.S.-based aircraft engine maker for several components in support of the F-135 Joint Strike Fighter and for components on several of the manufacturer's mature engine programs. The agreement has a five-year term and is valued at approximately \$28,000 over that period.

Sales to the Company's principal markets are as follows:

	Three months ended		Nine months ended	
	October 1, 2011	October 2, 2010	October 1, 2011	October 2, 2010
Aerospace customers	\$ 15,497	\$ 14,889	\$ 46,778	\$ 43,433
Other	6,344	3,639	17,142	11,723
Total	\$ 21,841	\$ 18,528	\$ 63,920	\$ 55,156

Sales to aerospace customers increased \$608, or 4.1%, and \$3,345, or 7.7%, respectively, for the three and nine month periods ended October 1, 2011, as compared to the three and nine month periods ended October 2, 2010, due primarily to increased shipments of jet engine parts to our aerospace customers.

Sales to non-aerospace customers increased \$2,705 or 74.3%, and \$5,419 or 46.3%, respectively, for the three and nine month periods ended October 1, 2011, as compared to the three and nine month periods ended October 2, 2010. The increases were primarily due to increased sales in the EDAC Machinery product line and increased non-aerospace sales in the Apex product line.

Cost of Sales. Cost of sales as a percentage of sales decreased to 83.9% from 88.8% for the nine month period ended October 1, 2011, compared to the nine month period ended October 2, 2010. The decrease for the period was primarily due to increasing manufacturing efficiencies and to the sales levels increasing in all product lines more significantly than manufacturing costs due to the fixed element or semi-variable element of certain manufacturing costs.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased approximately \$723, or 51.9%, and \$1,311, or 28.2%, respectively, for the three and nine month periods ended October 1, 2011, compared to the three and nine month periods ended October 2, 2010, due to increased commissions and certain non-recurring expenses.

Interest Expense. Interest expense decreased approximately \$7, or 2.7%, and increased \$74, or 10.4%, respectively, for the three and nine month periods ended October 1, 2011, compared to the three and nine month periods ended October 2, 2010. The decrease was due to decreased borrowing levels in the 2011 third quarter compared to the 2010 third quarter. The increase during the nine month period in 2011 was due to increased borrowing levels for the first two quarters associated with increases in accounts receivable and inventories.

Other Income. Other income decreased approximately \$354 or 97.8%, due to a gain in the nine month period ended October 2, 2010 in the amount of \$350 from the recognition of a deposit on an equipment purchase made by AERO prior to its acquisition by the Company.

Income Taxes. The income tax provisions for the three and nine month periods ended October 1, 2011, were calculated using an effective tax rate of 33%. The income tax provisions for the three and nine month periods ended October 2, 2010, were calculated using effective rates of 28.8% and 32.4%, respectively.

Liquidity and Capital Resources.

	Nine months ended	
	October 1, 2011	October 2, 2010
Net cash flows provided by (used in) operating activities:	\$ 3,058	\$ (1,881)

Impacting cash flow for the first nine months of 2011 was cash used by working capital items in the amount of \$1,584, which consisted primarily of increases in accounts receivable and inventories of \$2,109 and \$645, partially offset by increases in accrued expenses and employee compensation. The increases in receivables and inventory were due to the increases in the Company's sales and backlog.

Impacting cash flow for the first nine months of 2010 was cash used by working capital items in the amount of \$4,557 and consisted primarily of increases in accounts receivable and inventory of \$4,644 and \$770, respectively.

	Nine months ended	
	October 1, 2011	October 2, 2010
Net cash flows provided by (used in) investing activities:	\$ (2,194)	\$ (1,541)

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Cash used in investing activities reflects expenditures for machinery and equipment to increase machining capacity. Total expected capital expenditures for the remainder of the current fiscal year are primarily for machinery and equipment of approximately \$300.

	Nine months ended	
	October 1, 2011	October 2, 2010
Net cash flows provided by (used in) financing activities:	\$ (159)	\$ 3,373

During the nine months ended October 1, 2011, payments of \$4,113 (including \$2,500 for full payment of a term note due on May 27, 2011) against term debt.

As of July 27, 2011, advances on the equipment line of credit in the amount of \$2,603, along with \$2,528 advanced on the revolving line of credit were converted to a \$5,131 term note.

As of October 1, 2011, the Company had \$3,219 outstanding on its revolving line of credit and \$44 outstanding on its equipment line of credit and had \$8,586 and \$4,656, respectively, available for additional borrowings.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Preparation of the Company's consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management's Discussion and Analysis and Note A to the Consolidated Financial Statements in the Company's Annual Report, incorporated by reference in Form 10-K for the Company's fiscal year 2010, describe the significant accounting policies used in preparation of the Consolidated Financial Statements. Actual results in these areas could differ from management's estimates.

Accounts receivable- The Company evaluates its allowance for doubtful accounts by considering the age of each invoice, the financial strength of the customer, the customer's past payment record and subsequent payments.

Inventories- The Company has specifically identified certain inventory as obsolete or slow-moving and provided a full reserve for these parts. The assumption is that these parts may not be sold. The assumptions and the resulting reserve have been accurate in the past, and are not likely to change materially in the future.

Share-based compensation - Share-based compensation cost is measured at the grant date, based on the calculated fair value of the award, and is recognized as an expense over the employee's requisite service period (generally the vesting period of the equity grant). The Company estimates the fair value of stock options using the Black-Scholes valuation model. Key input assumptions used to estimate the fair value of stock options include the expected option term, the expected volatility of the Company's stock over the option's expected term, the risk-free interest rate over the option's expected term, and the Company's expected annual dividend yield. The Company believes that the valuation technique and the approach utilized to develop the underlying assumptions are appropriate in calculating the fair values of the Company's stock options. Estimates of fair value are not intended to predict actual future events or the value ultimately realized by persons who receive equity awards.

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Pension- The Company maintains a defined benefit pension plan. Assumptions used in accounting for the plan include the discount rate and expected rate of return on plan assets. The assumptions are determined based on appropriate market indicators and are evaluated each year as of the Plan's measurement date. A change in either of these assumptions would have an effect on the Company's net periodic benefit cost.

Income Taxes – The Company recognizes deferred tax assets when, based upon available evidence, realization is more likely than not. The Company has no uncertain tax positions at October 1, 2011.

All statements other than historical statements contained in this Form 10-Q constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Without limitation, these forward looking statements include statements regarding the Company's business strategy and plans, statements about the adequacy of the Company's working capital and other financial resources, statements about the Company's bank agreements, statements about the Company's backlog, statements about the Company's action to improve operating performance, and other statements herein that are not of an historical nature. These forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of uncertainties and other factors, many of which are outside of the Company's control, that could cause actual results to differ materially from such statements. These include, but are not limited to, factors which could affect demand for the Company's products and services such as changes in customer delivery schedules; general economic conditions and economic conditions in the aerospace industry and the other industries in which the Company competes; competition from the Company's competitors; the adequacy of the Company's revolving credit facility and other sources of capital; and other factors discussed in the Company's annual report on Form 10-K for the fiscal year ended January 2, 2010. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required under Regulation S-K for “smaller reporting companies”.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of disclosure and procedures

The Company's management, with the participation of the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)), as of October 1, 2011 and, based on this evaluation, concluded that the Company's disclosure controls and procedures are functioning in an effective manner in that they provide reasonable assurance that the information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act, is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms.

Changes in internal control over financial reporting

No changes in the Company's internal control over financial reporting occurred during the nine months ended October 1, 2011, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II -- OTHER INFORMATION

ITEM 5. OTHER INFORMATION

Due to the recent death of Ross C. Towne, a director of the Company, on July 26, 2011 the Board decided to reduce the number of directorships from seven to six, and not fill in the vacancy caused by Mr. Towne's death.

ITEM 6. EXHIBITS

- 3.1* EDAC's Amended and Restated Articles of Incorporation.
- 3.2* Articles of Amendment to EDAC's Amended and Restated Articles of Incorporation.
- 3.3* EDAC's Amended and Restated By-laws.
- 31.1 [Certification of Chief Executive Officer pursuant to Rule 13a-14\(a\) under the Securities Exchange Act of 1934, as amended.](#)
- 31.2 [Certification of Chief Financial Officer pursuant to Rule 13a-14\(a\) under the Securities Exchange Act of 1934, as amended.](#)
- 32.1 [Certification of Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14\(b\) under the Securities Exchange Act of 1934, as amended.](#)
- 101.INS** XBRL Instance Document
- 101.SCH** XBRL Taxonomy Extension Schema
- 101.CAL** XBRL Taxonomy Extension Calculation Linkbase
- 101.DEF** XBRL Taxonomy Extension Definition Linkbase
- 101.LAB** XBRL Taxonomy Extension Label Linkbase
- 101.PRE** XBRL Taxonomy Extension Presentation Linkbase

* Incorporated by reference

** Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability.

SIGNATURES

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

EDAC TECHNOLOGIES CORPORATION

Date: October 27, 2011

By: /s/ Glenn L. Purple
Glenn L. Purple
Chief Financial Officer and duly authorized officer

EXHIBIT INDEX

NUMBER	DESCRIPTION
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(1)	Exhibit incorporated by reference to the Company's registration statement on Form S-1 dated August 6, 1985, commission file No. 2-99491, Amendment No.1.
(2)	Exhibit incorporated by reference to the Company's Report on Form 10-Q dated July 30, 2008.
(3)	Exhibit incorporated by reference to the Company's Report on Form 8-K dated February 19, 2002.

* Filed herewith.

** Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability.

**CERTIFICATION PURSUANT TO RULE 13a-14(a)/Rule 15d-14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Dominick A. Pagano, President and Chief Executive Officer of EDAC Technologies Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of EDAC Technologies Corporation;
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 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 evaluations; 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 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 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: October 27, 2011

/s/Dominick A. Pagano
Dominick A. Pagano
President and Chief Executive Officer

**CERTIFICATION PURSUANT TO RULE 13a-14(a)/Rule 15d-14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Glenn L. Purple, Chief Financial Officer of EDAC Technologies Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of EDAC Technologies Corporation;
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 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 evaluations; 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 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 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: October 27, 2011

/s/Glenn L. Purple
Glenn L. Purple
Chief Financial Officer

