

REGAL BELOIT CORP
Form 424B5
December 13, 2012

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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-177908

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum offering price	Amount of Registration Fee(1)
Common Stock, \$.01 par value	3,162,500	\$67.00	\$211,887,500	\$28,901.46

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933. The total registration fee due for this offering is \$28,901.46

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PROSPECTUS SUPPLEMENT
(To Prospectus dated November 10, 2011)

2,750,000 Shares

Regal Beloit Corporation
Common Stock

We are offering 2,750,000 shares of our common stock. Our common stock is traded on the New York Stock Exchange under the symbol "RBC." On December 12, 2012, the last sale price of our common stock as reported on the New York Stock Exchange was \$70.24 per share.

Investing in our common stock involves risks that are described in the "Risk Factors" section beginning on page 10 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and on page S-7 of this prospectus supplement.

	Per Share	Total
Public offering price	\$ 67.000	\$ 184,250,000
Underwriting discount	\$ 2.764	\$ 7,601,000
Proceeds, before expenses, to us	\$ 64.236	\$ 176,649,000

The underwriters may also purchase up to an additional 412,500 shares from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement to cover over-allotments.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about December 18, 2012.

Baird

Credit Suisse

KeyBanc Capital Markets

Piper Jaffray

The date of this prospectus supplement is December 13, 2012

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You should rely only on the information contained or incorporated by reference in the prospectus and this prospectus supplement. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in the prospectus and this prospectus supplement is accurate as of the dates on their respective covers, regardless of time of delivery of the prospectus and this prospectus supplement or any sale of securities. Our business, financial condition, results of operations and prospects may have changed since those dates.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more information, some of which may not apply to this offering. Generally, when we refer only to the "prospectus," we are referring to both parts combined.

In this prospectus supplement, "Regal," "Regal Beloit," the "Company," "we," "us," and "our" refer to Regal Beloit Corporation and its subsidiaries, except where the context otherwise requires or as otherwise indicated.

This prospectus supplement includes a discussion of risk factors and other special considerations applicable to this particular offering of securities. This prospectus supplement, and the information incorporated herein by reference, may also add, update or change information in the accompanying prospectus. You should read both this prospectus supplement and the accompanying prospectus together with additional information described under the heading "Where You Can Find More Information" in the accompanying prospectus. If there is any inconsistency between the information in the prospectus and this prospectus supplement, you should rely on the information in this prospectus supplement.

All references in this prospectus supplement to our consolidated financial statements include, unless the context indicates otherwise, the related notes. The market data included or incorporated by reference in this prospectus supplement and the accompanying prospectus, including growth rates and information relating to our relative position in the industries we serve, are based on internal surveys, market research, publicly available information and industry publications. Although we believe that such independent sources are reliable, we have not independently verified the information contained in them. All foreign currencies are translated using the current exchange rate for assets and liabilities and the weighted average exchange rate for the period for the consolidated statement of operations items.

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CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING INFORMATION

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference, may contain forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements represent our management's judgment regarding future events. In many cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "plan," "expect," "anticipate," "estimate," "believe," "predict," "intend," "potential," "project" or "continue" or the negative of these terms or other words of similar import, although some forward-looking statements are expressed differently. All statements other than statements of historical fact included in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus regarding our financial position or future performance, business strategy and plans or objectives for future operations are forward-looking statements. We cannot guarantee the accuracy of the forward-looking statements, and you should be aware that results and events could differ materially and adversely from those contained in the forward-looking statements due to a number of factors, including:

actions taken by our competitors and our ability to effectively compete in the increasingly competitive global electric motor, power generation and mechanical motion control industries;

our ability to develop new products based on technological innovation and the marketplace acceptance of new and existing products;

fluctuations in commodity prices and raw material costs;

our dependence on significant customers;

issues and costs arising from the integration of recently acquired companies and businesses, including the timing and impact of purchase accounting adjustments;

our dependence on key suppliers and the potential effects of supply disruptions;

infringement of our intellectual property by third parties, challenges to our intellectual property, and claims of infringement by us of third party technologies;

increases in our overall debt levels as a result of acquisitions or otherwise and our ability to repay principal and interest on our outstanding debt;

product liability and other litigation, or the failure of our products to perform as anticipated, particularly in high volume applications;

unanticipated costs or expenses that could be incurred relating to product warranty matters;

economic changes in global markets where we do business, such as reduced demand for the products we sell, currency exchange rates, inflation rates, interest rates, recession, foreign government policies and other external factors that we cannot control;

unanticipated liabilities of recently acquired businesses;

cyclical downturns affecting the global market for capital goods;

difficulties associated with managing foreign operations; and

other risks and uncertainties described from time to time in our reports filed with the U.S. Securities and Exchange Commission, or SEC, which are incorporated by reference.

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We urge you to consider these factors and to review carefully the section captioned "Risk Factors" beginning on page 10 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and in this prospectus supplement, as well as the other factors described in the documents incorporated by reference into this prospectus supplement and the accompanying prospectus, for a more complete discussion of the risks associated with an investment in our common stock. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the applicable cautionary statements. The forward-looking statements included in this prospectus supplement and the accompanying prospectus are made only as of their respective dates, and we undertake no obligation to update these statements to reflect subsequent events or circumstances.

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SUMMARY

The information below is only a summary of more detailed information included elsewhere, or incorporated by reference, in this prospectus supplement and the accompanying prospectus. This summary may not contain all the information that is important to you or that you should consider before making a decision to invest in our common stock. Please read this entire prospectus supplement and the accompanying prospectus, including the risk factors, as well as the information incorporated by reference in this prospectus supplement and the accompanying prospectus, carefully.

The Company

We are a global manufacturer of electric motors and controls, electric generators and controls, and mechanical motion control products. We have two reporting segments: Electrical and Mechanical. Our electrical products primarily include motors used in commercial and residential HVAC applications, a full line of AC and DC commercial and industrial electric motors, electric generators and controls, high-performance drives and controls, and capacitors. Our mechanical products primarily include gears and gearboxes, marine transmissions, manual valve actuators, and electrical connectivity devices.

Our principal executive offices are located at 200 State Street, Beloit, Wisconsin 53511-6254, and our telephone number is (608) 364-8800. Our website address is www.regalbeloit.com. The information contained on our website is not part of this prospectus or any prospectus supplement.

Table of Contents**Selected Financial Data**

The table below summarizes our results for the nine months ended October 1, 2011 and September 29, 2012 and our annual results for the fiscal years ended January 2, 2010, January 1, 2011 and December 31, 2011. In addition, the table includes selected balance sheet data derived from our consolidated financial statements as of the last day of these periods. The nine months ending summary financial data were derived from our condensed consolidated financial statements contained in our Quarterly Reports on Form 10-Q for the quarters ended October 1, 2011 and September 29, 2012. The year-end summary consolidated financial data were derived from our consolidated financial statements contained in our Annual Reports on Form 10-K for the fiscal years ended January 2, 2010, January 1, 2011, and December 31, 2011. You should read the table in conjunction with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Quarterly Report on Form 10-Q for the quarter ended September 29, 2012 and our Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

(\$ in millions, except per share data)	For Fiscal Year Ended			For Nine Months Ended	
	Jan. 2, 2010	Jan. 1, 2011	Dec. 31, 2011	Oct. 1, 2011	Sept. 29, 2012
Net Sales	\$ 1,826.3	\$ 2,238.0	\$ 2,808.3	\$ 2,081.3	\$ 2,451.3
Income from Operations	159.5	237.7	255.7	197.1	265.7
Net Income Attributable to Regal	95.0	149.4	152.3	118.8	165.7
Total Assets	2,112.2	2,449.1	3,266.5	3,372.7	3,423.7
Long-Term Debt	468.1	428.3	909.2	955.1	781.7
Regal Shareholders' Equity	1,167.8	1,362.0	1,535.9	1,517.4	1,735.1
Per Share Data:					
Earnings Basic	\$ 2.76	\$ 3.91	\$ 3.84	\$ 3.04	\$ 3.98
Earnings Assuming Dilution	2.63	3.84	3.79	3.00	3.94
Cash Dividends Declared	0.64	0.67	0.71	0.53	0.56
Shareholders' Equity	33.85	35.62	38.70	38.81	41.61
Weighted Average Shares Outstanding:					
Basic	34.5	38.2	39.7	39.1	41.7
Assuming Dilution	36.1	38.9	40.1	39.6	42.0

We have completed various acquisitions that affect the comparability of the selected financial data shown above. The results of operations for acquisitions are included in our consolidated financial results subsequent to their acquisition dates. Since January 3, 2010, significant acquisitions included the Electrical Products Company ("EPC") of A.O. Smith Corporation (August 2011), Unico, Inc. (December 2010) and CMG Engineering Group Pty., Ltd. (April 2010) with annual revenues at the time of acquisition of \$706 million, \$62 million and \$120 million, respectively. See note 3 of notes to the condensed consolidated financial statements in our Quarterly Report on Form 10-Q for the quarter ended September 29, 2012 and note 4 of notes to the consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

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THE OFFERING

The summary below describes some of the terms of the offering. For a more complete description of our common stock, see "Description of Capital Stock" in the accompanying prospectus.

Issuer	Regal Beloit Corporation
Shares Offered	2,750,000 shares
Shares Outstanding After the Offering	44,511,557 shares
Over-allotment Option	412,500 shares
NYSE Symbol for Our Common Stock	RBC

Use of Proceeds

We estimate our net proceeds from the sale of our common stock in this offering will be approximately \$176.3 million (assuming no exercise of the underwriters' over-allotment option), after deducting underwriting discounts and commissions and estimated offering expenses.

We intend to use the net proceeds from this offering for general corporate and working capital purposes, including the potential funding of future acquisitions.

The amounts and timing of our use of proceeds will vary depending on a number of factors, including the amount of cash generated or used by our operations and the rate of growth, if any, of our business. As a result, we will retain broad discretion in the allocation of the net proceeds of this offering. In addition, while we have not entered into any agreements, commitments or understandings relating to any significant transaction as of the date of this prospectus supplement, we may use a portion of the net proceeds to pursue acquisitions, joint ventures and other strategic transactions.

Risk Factors

Investing in our common stock involves substantial risks. You should carefully consider all the information in this prospectus supplement and incorporated by reference herein prior to investing in our common stock. In particular, we urge you to carefully consider the factors set forth under "Risk Factors."

The number of shares outstanding after the offering is based on 41,761,557 shares outstanding as of December 3, 2012.

The number of shares of our common stock outstanding immediately after this offering excludes:

1,634,030 shares of our common stock issuable upon the exercise of stock options and stock appreciation rights outstanding as of September 29, 2012 under our equity compensation plans at a weighted average exercise price of \$53.35 per share; and

Approximately 1,000,000 shares of our common stock available for future issuance under our equity compensation plans at the closing of this offering (based on options and stock appreciation rights outstanding as of September 29, 2012).

If the over-allotment option is exercised in full, we will issue and sell an additional 412,500 shares of our common stock and will have 44,924,057 shares of our common stock outstanding after the offering.

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RISK FACTORS

You should carefully consider the risk factors set forth below and incorporated by reference in this prospectus supplement as well as the other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus before investing in our common stock. The risks described below or incorporated by reference in this prospectus supplement are not the only risks facing us. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially adversely affect our business, financial condition or results of operations.

Risks Related to Our Business

See "Risk Factors" beginning on page 10 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

Risks Related to Our Common Stock

Our common stock is subject to substantial price and volume fluctuations.

The market price of shares of our common stock may be volatile. Factors that could affect our common stock price include, among others, the following:

quarterly fluctuation in our operating income and earnings per share results;

decline in demand for our products;

significant strategic actions by our competitors, including new product introductions or technological advances;

fluctuations in interest rates;

cost increases in energy, raw materials or labor;

changes in revenue or earnings estimates or publication of research reports by analysts; and

domestic and international economic and political factors unrelated to our performance.

In addition, in recent years, the stock markets have experienced significant volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our common stock.

We may be unable to, or may choose not to, continue to pay dividends on our common stock at current rates or at all.

Our ability to pay dividends on our common stock is limited under the terms of our existing debt agreements. In addition, Wisconsin law generally restricts us from paying dividends in circumstances where the payment would make us unable to pay our debts as they become due.

Although we have paid 209 consecutive quarterly dividends and have declared a dividend payable on January 18, 2013 to shareholders of record on December 28, 2012, any future payments of cash dividends will depend on our financial condition, our capital requirements and our earnings, as well as other factors that our board of directors may consider.

Our management will have broad discretion in allocating the net proceeds of this offering.

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Our management has significant flexibility in applying the net proceeds we expect to receive in this offering. Because the net proceeds are not required to be allocated to any specific investment or transaction, you cannot

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determine at this time the value or propriety of our application of the proceeds, and you and other shareholders may not agree with our decisions. In addition, our use of the proceeds from this offering may not yield a significant return or any return at all for our shareholders. The failure by our management to apply these funds effectively could have a material adverse effect on our business, results of operations or financial condition. See "Use of Proceeds" for a further description of how management intends to apply the proceeds from this offering.

We have implemented, and Wisconsin law contains, anti-takeover provisions that may adversely affect the rights of holders of our common stock.

Our articles of incorporation contain provisions that could have the effect of discouraging or making it more difficult for someone to acquire us through a tender offer, a proxy contest or otherwise, even though such an acquisition might be economically beneficial to our shareholders. These provisions include a board of directors divided into three classes of directors serving staggered terms of three years each and the removal of directors only for cause and only with the affirmative vote of a majority of the votes entitled to be cast in an election of directors. These provisions may make the removal of management more difficult, even in cases where removal would be favorable to the interests of our shareholders. See "Description of Capital Stock - Certain Anti-Takeover Provisions" in the accompanying prospectus.

We are subject to the Wisconsin Business Corporation Law, which contains several provisions that could have the effect of discouraging non-negotiated takeover proposals or impeding a business combination. These provisions include:

requiring a supermajority vote of shareholders, in addition to any vote otherwise required, to approve business combinations not meeting adequacy of price standards;

prohibiting some business combinations between an interested shareholder and us for a period of three years, unless the combination was approved by our board of directors prior to the time the shareholder became a 10% or greater beneficial owner of our shares or under some other circumstances;

limiting actions that we can take while a takeover offer for us is being made or after a takeover offer has been publicly announced; and

limiting the voting power of shareholders who own more than 20% of our stock.

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USE OF PROCEEDS

We estimate that our net proceeds from the sale of our common stock in this offering will be approximately \$176.3 million, after deducting underwriting discounts and commissions and estimated offering expenses. If the underwriters exercise their option to purchase 412,500 additional shares to cover over-allotments, we estimate that our net proceeds from the sale of our common stock in this offering will be approximately \$202.8 million, after deducting underwriting discounts and commissions and estimated offering expenses.

We intend to use the net proceeds from this offering for general corporate and working capital purposes, including the potential funding of future acquisitions.

The amounts and timing of our use of proceeds will vary depending on a number of factors, including the amount of cash generated or used by our operations, and the rate of growth, if any, of our business. As a result, we will retain broad discretion in the allocation of the net proceeds of this offering. In addition, while we have not entered into any agreements, commitments or understandings relating to any significant transaction as of the date of this prospectus supplement, we may use a portion of the net proceeds to pursue acquisitions, joint ventures and other strategic transactions.

Pending the final application of the net proceeds of this offering, we intend to invest the net proceeds of this offering in short-term, interest-bearing, investment-grade securities.

Table of Contents**CAPITALIZATION**

The following table sets forth our cash and cash equivalents and capitalization as of September 29, 2012:

on an actual basis; and

on an as adjusted basis to give effect to the issuance and sale of the 2,750,000 shares of our common stock offered hereby at a public offering price of \$67.00 per share, after deducting underwriting discounts and commissions and estimated offering expenses payable by us (assuming no exercise of the underwriters' option to purchase an additional 412,500 shares of our common stock).

You should read this table in conjunction with our historical financial statements and related notes incorporated by reference in this prospectus supplement and the accompanying prospectus.

(\$ in millions)

As of September 29, 2012

	Actual	As Adjusted
Cash and Cash Equivalents	\$ 185.8	\$ 362.1
Total Debt ⁽¹⁾	\$ 865.5	\$ 865.5
Shareholders' Equity		
Common Stock	\$ 0.4	\$ 0.4
Additional Paid-in Capital	697.6	873.9
Retained Earnings	1,093.7	1,093.7
Accumulated Other Comprehensive Loss	(56.6)	(56.6)
Total Shareholders' Equity	1,735.1	1,911.4
Noncontrolling Interests	41.8	41.8
Total Equity	1,776.9	1,953.2
Total Capitalization	\$ 2,642.4	\$ 2,818.7

(1)

Total debt includes long-term debt plus current maturities of debt.

If the underwriters exercise their option in full, then we will issue and sell an additional 412,500 shares of our common stock in this offering, and we will use the additional net proceeds of approximately \$26.5 million, after deducting the underwriting discount, for general corporate and working capital purposes, including the potential funding of future acquisitions.

Table of Contents**PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY**

Our common stock is traded on the New York Stock Exchange under the symbol "RBC." The following table sets forth, for the periods indicated and by calendar quarter, the reported high and low closing sales prices per share of our common stock on the New York Stock Exchange:

	High	Low	Dividends Declared
Fiscal Year 2012			
Fourth Quarter (through December 12, 2012)	\$ 70.24	\$ 64.31	\$ 0.19
Third Quarter	75.00	62.22	0.19
Second Quarter	68.10	57.04	0.19
First Quarter	70.37	52.05	0.18
Fiscal Year Ended December 31, 2011			
Fourth Quarter	\$ 56.42	\$ 42.97	0.18
Third Quarter	69.88	45.38	0.18
Second Quarter	76.04	63.57	0.18
First Quarter			