ADVANCED ENERGY INDUSTRIES INC
Form 10-Q
August 09, 2006

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2006.

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

For the transition period from __________ to __________.

Commission file number: 000-26966

ADVANCED ENERGY INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	**84-0846841**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1625 Sharp Point Drive, Fort Collins, CO	**80525**
(Address of principal executive offices)	(Zip Code)

Registrant s telephone number, including area code: **(970) 221-4670**

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 þ No o.

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

Large accelerated filer o Accelerated filer þ Non-accelerated filer o

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

As of August 4, 2006, there were 44,762,360 shares of the registrant s Common Stock, par value $0.001 per share, outstanding.

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PART I FINANCIAL INFORMATION
ITEM 1. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

ADVANCED ENERGY INDUSTRIES, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets (Unaudited)
(In thousands)

	June 30, 2006	December 31, 2005
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 50,837	$ 52,874
Marketable securities	43,175	6,811
Accounts receivable, net	77,719	68,992
Inventories	59,822	56,199
Other current assets	4,170	6,773
Total current assets	235,723	191,649
PROPERTY AND EQUIPMENT, net	35,461	39,294
OTHER ASSETS:		
Deposits and other	1,784	3,808
Goodwill	61,583	61,316
Other intangible assets, net	7,777	8,527
Customer service equipment, net	1,632	2,407
Deferred income tax assets, net	5,339	3,116
Total assets	$ 349,299	$ 310,117
LIABILITIES AND STOCKHOLDERS EQUITY		
CURRENT LIABILITIES:		
Trade accounts payable	$ 22,283	$ 22,028
Accrued payroll and employee benefits	11,708	8,313
Taxes payable	5,661	5,538
Other accrued expenses	8,851	9,155
Customer deposits and deferred revenue	755	971
Senior borrowings and capital leases, current portion	1,136	2,011
Total current liabilities	50,394	48,016
LONG-TERM LIABILITIES:		
Senior borrowings and capital leases, net of current portion	1,982	2,179
Other long-term liabilities	1,280	2,492

Total liabilities	53,656	52,687
Commitments and contingencies		
STOCKHOLDERS EQUITY	295,643	257,430
Total liabilities and stockholders equity	$ 349,299	$ 310,117

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

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ADVANCED ENERGY INDUSTRIES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations (Unaudited)
(In thousands, except per share amounts)

	Three Months Ended June 30, 2006	Three Months Ended June 30, 2005
SALES	$ 104,571	$ 84,163
COST OF SALES	59,811	53,517
Gross profit	44,760	30,646
OPERATING EXPENSES:		
Research and development	10,804	10,220
Selling, general and administrative	14,694	14,332
Restructuring charges	31	1,068
Total operating expenses	25,529	25,620
INCOME FROM OPERATIONS	19,231	5,026
OTHER INCOME (EXPENSE):		
Interest income	703	755
Interest expense	(100)	(2,691)
Foreign currency gain	27	131
Other income, net	111	1,086
Total other income (expense), net	741	(719)
Income from continuing operations before income taxes	19,972	4,307
PROVISION FOR INCOME TAXES	(1,947)	(1,430)
INCOME FROM CONTINUING OPERATIONS	18,025	2,877
Gain on sale of discontinued assets	138	2,645
Results of discontinued operations		427
Provision for income taxes		
INCOME FROM DISCONTINUED OPERATIONS	138	3,072
NET INCOME	$ 18,163	$ 5,949
NET INCOME PER BASIC SHARE:		
Income from continuing operations	$ 0.40	$ 0.09
Income from discontinued operations	$ 0.00	$ 0.09

BASIC EARNINGS PER SHARE	$	0.41	$	0.18
NET INCOME PER DILUTED SHARE:				
Income from continuing operations	$	0.40	$	0.09
Income from discontinued operations	$	0.00	$	0.09
DILUTED EARNINGS PER SHARE	$	0.40	$	0.18
BASIC WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING		44,704		32,797
DILUTED WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING		45,108		33,094

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

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ADVANCED ENERGY INDUSTRIES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations (Unaudited)
(In thousands, except per share amounts)

	Six Months Ended June 30, 2006	2005
SALES	$ 198,521	$ 166,339
COST OF SALES	115,211	108,371
Gross profit	83,310	57,968
OPERATING EXPENSES:		
Research and development	21,263	20,475
Selling, general and administrative	29,576	27,604
Restructuring charges	60	2,330
Total operating expenses	50,899	50,409
INCOME FROM OPERATIONS	32,411	7,559
OTHER INCOME (EXPENSE):		
Interest income	1,049	1,396
Interest expense	(199)	(5,481)
Foreign currency gain	179	214
Other income, net	1,545	1,065
Total other income (expense), net	2,574	(2,806)
Income from continuing operations before income taxes	34,985	4,753
PROVISION FOR INCOME TAXES	(4,199)	(1,959)
INCOME FROM CONTINUING OPERATIONS	30,786	2,794
Gain on sale of discontinued assets	138	2,645
Results of discontinued operations		1,244
Provision for income taxes		
INCOME FROM DISCONTINUED OPERATIONS	138	3,889
NET INCOME	$ 30,924	$ 6,683
NET INCOME PER BASIC SHARE:		
Income from continuing operations	$ 0.69	$ 0.09
Income from discontinued operations	$ 0.00	$ 0.12
BASIC EARNINGS PER SHARE	$ 0.69	$ 0.20

NET INCOME PER DILUTED SHARE:				
Income from continuing operations	$	0.68	$	0.08
Income from discontinued operations	$	0.00	$	0.12
DILUTED EARNINGS PER SHARE	$	0.69	$	0.20
BASIC WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING		44,638		32,776
DILUTED WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING		45,098		32,986

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

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ADVANCED ENERGY INDUSTRIES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows (Unaudited)
(In thousands)

	Six Months Ended June 30,	
	2006	**2005**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 30,924	$ 6,683
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	8,078	8,725
Amortization of deferred debt issuance costs		550
Stock-based compensation	1,413	139
Provision for deferred income taxes	465	815
Loss on disposal of property and equipment	153	653
Gain on sale of discontinued assets	(138)	(2,645)
Gain on sale of marketable securities	(1,670)	(1,099)
Changes in operating assets and liabilities		
Accounts receivable, net	(8,306)	2,238
Inventories	(3,089)	12,705
Other current assets	2,354	2,948
Trade accounts payable	67	4,260
Other current liabilities and accrued expenses	2,656	(1,409)
Income taxes payable/receivable, net	94	(248)
Non-current assets	8	(1,654)
Non-current liabilities	(1,212)	(238)
Net cash provided by operating activities	31,797	32,423
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of marketable securities	(36,420)	(994)
Proceeds from sale of equity securities	1,992	2,360
Proceeds from sale of assets	539	3,685
Purchase of property and equipment	(1,860)	(5,075)
Net cash used in investing activities	(35,749)	(24)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on senior borrowings and capital lease obligations	(1,197)	(2,099)
Proceeds from common stock transactions	2,409	436
Net cash provided by (used in) financing activities	1,212	(1,663)
EFFECT OF CURRENCY TRANSLATION ON CASH	703	(1,924)

(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(2,037)	28,812
CASH AND CASH EQUIVALENTS, beginning of period	52,874	38,404
CASH AND CASH EQUIVALENTS, end of period	$ 50,837	$ 67,216
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 199	$ 4,931
Cash paid for income taxes, net	$ 4,352	$ 1,596

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

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ADVANCED ENERGY INDUSTRIES, INC. AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)

(1) BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In the opinion of management, the accompanying unaudited condensed consolidated balance sheets, statements of operations and cash flows contain all adjustments, consisting of normal, recurring adjustments necessary to present fairly the financial position of Advanced Energy Industries, Inc., a Delaware corporation, and its wholly owned subsidiaries (the Company) at June 30, 2006 and December 31, 2005, and the results of their operations for the three- and six-month periods ended June 30, 2006 and 2005, and cash flows for the six-month periods ended June 30, 2006 and 2005.

The unaudited condensed consolidated financial statements presented herein have been prepared in accordance with the instructions to Form 10-Q and do not include all the information and note disclosures required by accounting principles generally accepted in the United States. The condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto contained in the Company s Annual Report on Form 10-K for the year ended December 31, 2005, filed with the Securities and Exchange Commission on March 28, 2006.

ESTIMATES AND ASSUMPTIONS The preparation of the Company s condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States requires the Company s management to make estimates and assumptions that effect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates are used when establishing allowances for doubtful accounts, determining useful lives for depreciation and amortization, assessing the need for impairment charges, establishing warranty reserves, establishing the fair value and forfeiture rate of stock-based compensation, accounting for income taxes, and assessing excess and obsolete inventory and various others items. The Company evaluates these estimates and judgments on an ongoing basis and bases its estimates on historical experience, current conditions and various other assumptions that are believed to be reasonable under the circumstances. The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities as well as identifying and assessing the accounting treatment with respect to commitments and contingencies. Actual results may differ from these estimates under different assumptions or conditions.

NEW ACCOUNTING PRONOUNCEMENTS In July 2006, the Financial Accounting Standards Board (the FASB) issued FASB Interpretation (FIN) No. 48, Accounting for Uncertainty in Income Taxes an interpretation of FASB Statement No. 109 , which clarifies the accounting for uncertainty in tax positions. FIN No. 48 prescribes a comprehensive model for how a company should recognize, measure, present, and disclose in its financial statements uncertain tax positions that it has taken or expects to take on a tax return. The provisions of FIN No. 48 are effective as of the beginning of the Company s fiscal year beginning January 1, 2007, with the cumulative effect of the change in accounting principle recorded as an adjustment to opening retained earnings. The Company is currently evaluating the impact of adopting FIN No. 48.

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REVENUE RECOGNITION The Company s standard shipping term is freight on board (FOB) shipping point, for which revenue is recognized upon shipment of its products, at which time title passes to the customer, the price is fixed and collectibility is reasonably assured. For certain customers, the Company has FOB destination terms, for which revenue is recognized upon receipt of the products by the customer, at which time title passes to the customer, the price is fixed and collectibility is reasonably assured. Revenues from contracts that contain customer acceptance provisions are deferred until customer acceptance occurs. Generally, the Company does not have obligations to its customers after its products are shipped under FOB shipping point terms, after its products are received by customers under FOB destination terms, and after the products are accepted by customers under contractual acceptance provisions, other than pursuant to warranty obligations. In limited instances, the Company provides installation of its products. In accordance with Emerging Issues Task Force Issue 00-21 Accounting for Revenue Arrangements With Multiple Deliverables , the Company allocates revenue based on the fair value of the delivered item, generally the product, and the undelivered item, installation, based on their respective fair values. Revenue related to the undelivered item is deferred until the services have been completed.

In certain instances, the Company requires its customers to pay for a portion or all of their purchases prior to the Company building or shipping these products. Cash payments received prior to shipment are recorded as customer deposits and deferred revenue in the condensed consolidated balance sheets, and then recognized as revenue as appropriate based upon the shipping terms of the products. The Company does not offer price protections to its customers or allow returns, unless covered by its normal policy for repair of defective products.

STOCK-BASED COMPENSATION On January 1, 2006, the Company adopted the provisions of SFAS No. 123(R) to account for its stock plans and employee stock purchase plan, which requires the recognition of the fair value of stock-based compensation in the statement of operations. The fair value of stock options and purchase rights pursuant the employee stock purchase plan is estimated using the Black-Scholes valuation model. This model requires the input of highly subjective assumptions, including expected life of the award and expected stock price volatility. The fair value of restricted stock units is determined based upon the Company s closing stock price on the grant date. The fair value of stock-based awards is amortized over the requisite service period, typically the vesting period, of the award on a straight-line basis. See Note 2, Stock-Based Compensation, for discussion of the impact of adoption and additional disclosures.

WARRANTY RESERVE POLICY The Company offers warranty coverage for its products for periods typically ranging from 12 to 24 months after shipment. The Company estimates the anticipated costs of repairing products under warranty based on the historical cost of the repairs and expected failure rates. The assumptions used to estimate warranty accruals are reevaluated periodically in light of actual experience and, when appropriate, the accruals are adjusted. The Company s determination of the appropriate level of warranty accrual is subjective and based on estimates. Estimated warranty costs are recorded at the time of sale of the related product, and are recorded within cost of sales in the condensed consolidated statements of operations.

The Company recorded warranty charges of $3.4 million in the three months ended June 30, 2006 and $2.9 million in three months ended June 30, 2005. The Company recorded warranty charges of $6.0 million in the six months ended June 30, 2006 and $5.9 million in the six months ended June 30, 2005.

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Included within the warranty charges is amortization of customer service equipment, which is manufactured product that is utilized as replacement and loaner equipment to existing customers, of $289,000 in the three months ended June 30, 2006 and $503,000 in the three months ended June 30, 2005. Amortization of customer service equipment charged to warranty was $667,000 in the six months ended June 30, 2006 and $999,000 in the six months ended June 30, 2005.

The following table summarizes the activity in the Company s warranty reserve during the three- and six-month periods ended June 30, 2006 and 2005:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2006**	**2005**	**2006**	**2005**
Balance at beginning of period	$ 6,000	$ 6,681	$ 6,313	$ 6,791
Provisions	3,069	2,384	5,324	4,898
Usages	(2,626)	(2,184)	(5,194)	(4,808)
Balance at end of period	$ 6,443	$ 6,881	$ 6,443	$ 6,881

EXCESS AND OBSOLETE INVENTORY Inventory is written down or written off when it becomes obsolete, generally due to engineering changes to a product or discontinuance of a product line, or when it is deemed excess. Judgment by management is necessary in estimating the net realizable value of inventory based primarily upon forecasts of product demand. Charges for excess and obsolete inventory are recorded, as necessary, within cost of sales in the condensed consolidated statement of operations.

INCOME TAXES The Company accounts for income taxes in accordance with SFAS No. 109, Accounting for Income Taxes. SFAS No. 109 requires deferred tax assets and liabilities to be recognized for temporary differences between the tax basis and financial reporting basis of assets and liabilities, computed at the expected tax rates for the periods in which the assets or liabilities will be realized, as well as for the expected tax benefit of net operating loss and tax credit carryforwards. Since 2003, the Company has recorded valuation allowances against certain of its United States and foreign net deferred tax assets in jurisdictions where it has incurred significant losses. Given such loss experience, management could not conclude that it was more likely than not that these net deferred tax assets will be realized. While the Company s operating results have improved in recent periods and may continue to improve in future periods, the Company s management, in accordance with SFAS No. 109, in evaluating the recoverability of these net deferred tax assets, is required to place greater weight on historical results as compared to projections regarding future taxable income. If the Company generates future taxable income, or should it be able to conclude that sufficient taxable income is reasonably assured based on profitable operations in the tax jurisdictions against which these tax attributes may be applied, some portion or all of the valuation allowance will be reversed and a corresponding reduction in income tax expense will be reported in such period.

The Company assesses the recoverability of its net deferred tax assets on a quarterly basis. If it is determined that it is more likely than not that the Company will realize a portion or all of its net deferred tax assets, some portion or all of the valuation allowance will be reversed with a corresponding reduction in income tax expense in such period. From 2003 through the present, the Company has only reversed portions of such valuation allowances for which it has realized the underlying asset.

When recording acquisitions, the Company has recorded valuation allowances due to the uncertainty related to the realization of certain deferred tax assets existing at the acquisition dates. The amount of deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income are changed. Reversals of valuation allowances recorded in purchase accounting will be reflected as a reduction of goodwill in the period of reversal.

A portion of the valuation allowance relates to the benefit from stock-based compensation. Any reversal of valuation allowance from this item will be reflected as a component of stockholders equity.

COMMITMENTS AND CONTINGENCIES From time to time, the Company is involved in disputes and legal actions arising in the normal course of its business. The Company accrues loss contingencies in connection with its commitments and contingencies, including litigation, when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

GOODWILL AND OTHER INTANGIBLE ASSETS Goodwill represents the excess of the cost over the fair market value of net tangible and identifiable intangible assets of acquired businesses.

Goodwill and certain other intangible assets with indefinite lives are not amortized. Instead, goodwill and other indefinite-lived intangible assets are subject to periodic (at least annual) tests for impairment. For the periods presented, the Company did not have any indefinite-lived intangible assets, other than goodwill. Impairment testing is performed in two steps: (i) goodwill is assessed for potential impairment by comparing the fair value of the Company s reporting unit with the carrying value, and (ii) if potential impairment is indicated because the reporting unit s fair value is less than its carrying amount, the amount of impairment loss is measured by comparing the implied fair value of goodwill with the carrying amount of that goodwill.

Finite-lived intangible assets continue to be amortized using the straight-line method over their estimated useful lives and are reviewed for impairment whenever events or circumstances indicate that their carrying amount may not be recoverable.

RECLASSIFICATIONS Certain prior period amounts have been reclassified to conform to the current period presentation.

(2) STOCK-BASED COMPENSATION

Implementation of SFAS No. 123(R)

Prior to January 1, 2006, the Company accounted for its stock plans under the provisions of Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees and related interpretations. APB Opinion No. 25 required the use of the intrinsic value method, which measured compensation cost as the excess, if any, of the quoted market price of the stock at the measurement date over the amount an employee must pay to acquire the stock. As the stock options granted under these plans typically had an exercise price equal to the market value of the underlying common stock on the date of grant, no compensation cost related to stock options was reflected in the Company s results of operations. The Company began to grant restricted stock units (RSUs) in the first quarter of 2005, for which the related compensation expense is recorded over the requisite service period.

In December 2004, the FASB reissued Statement of Financial Accounting Standard (SFAS) No. 123, Accounting for Stock-Based Compensation as SFAS No. 123(R), Share Based Compensation. This statement replaces SFAS No. 123, amends SFAS No. 95, Statement of Cash Flows , and supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees.

SFAS No. 123(R) requires companies to apply a fair-value based measurement method in accounting for share-based payment transactions with employees and to record compensation expense for all share-based awards granted, and to awards modified, repurchased or cancelled after the required effective date. Compensation expense for outstanding awards for which the requisite service had not been rendered as of the effective date will be recognized over the remaining service period using the compensation cost calculated for pro forma disclosure purposes under SFAS No. 123, adjusted for expected forfeitures. Additionally, SFAS No. 123(R) requires entities to record compensation expense for employee stock purchase plans that may not have been considered compensatory under the previous rules. It also requires the benefits associated with tax deductions in excess of recognized compensation cost to be reported as a financing cash flow rather than as an operating cash flow as previously required.

The Company adopted SFAS No. 123(R) as of January 1, 2006 (the adoption date) using the modified prospective transition method. Under the modified prospective transition method, stock-based compensation expense recognized in the Company s statement of operations in the three- and six- months ended June 30, 2006 includes: (a) stock options and RSUs granted prior to, but not fully vested as of the adoption date, based on the grant-date fair value estimated in accordance with the original provisions of SFAS No. 123, (b) stock options and RSUs granted subsequent to the adoption date, based on the grant-date fair value estimated in accordance with the provisions of SFAS No. 123(R), (c) purchase rights granted under the employee stock purchase plan (the ESPP) with the offering period beginning prior to, but not yet vested as of the adoption date, based on the fair value estimated in accordance with the original provisions of SFAS 123, and (d) purchase rights granted under the ESPP subsequent to the adoption date, based on the grant-date fair value estimated in accordance with the provisions of SFAS No. 123(R). The estimated fair value of the Company s stock-based awards, less expected forfeitures, is amortized on a straight-line basis over the awards requisite service period, typically the vesting period. Under the modified prospective transition method, results for prior periods are not restated.

The Company recognized stock-based compensation expense of $634,000 in the three months ended June 30, 2006 and $1.4 million in the six months ended June 30, 2006, compared to $83,000 in the three months ended June 30, 2005 and $139,000 in the six months ended June 30, 2005. Included in these amounts are expenses related to RSUs of $208,000 in the three months ended June 30, 2006 and $346,000 in the six months ended June 30, 2006, and $83,000 in the three months ended June 30, 2005 and $139,000 in the six months ended June 30, 2005, which were included in the Company s condensed consolidated statements of operations under the provisions of APB Opinion No. 25. The expense related to RSUs is therefore excluded from the impact of the adoption of SFAS No. 123(R). As a result of adopting SFAS No. 123(R), the Company s income before income taxes and net income for the three months ended June 30, 2006 were reduced by $426,000 and by $1.1 million for the six months ended June 30, 2006. No income tax benefit has been recognized in the condensed consolidated statement of operations related to stock-based compensation expense, due to the Company fully reserving against the related deferred tax assets. The implementation of SFAS No. 123(R) reduced basic and diluted earnings per share by $0.01 for the three months ended June 30, 2006 and $0.02 for the six months ended June 30, 2006. The implementation of SFAS No. 123(R) did not have a significant impact on cash flows during the three- and six-months ended June 30, 2006.

The modified prospective transition method of SFAS No. 123(R) requires the presentation of pro forma information, for periods presented prior to the adoption of SFAS No. 123(R), regarding net income and earnings per share as if the Company had accounted for its stock plans under the fair value method. Had compensation expense for the Company s stock plans been determined

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consistent with the fair value-based method prescribed by the original provisions of SFAS No. 123, the Company s net income would have decreased to the following adjusted amounts:

(in thousands, except per share data)	Three Months Ended June 30, 2005	Six Months Ended June 30, 2005
Net income:		
As reported	$ 5,949	$ 6,683
Adjustment for stock-based compensation determined under fair value-based method for all awards (a), (b)	(2,056)	