

Intermec, Inc.  
Form 10-Q  
May 01, 2009

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

FORM 10-Q

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

For the quarterly period ended March 29, 2009

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: 001-13279

Intermec, Inc.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

95-4647021  
(I.R.S. Employer  
Identification No.)

6001 36th Avenue West, Everett, WA  
(Address of principal executive offices)

98203-1264  
(Zip Code)

(425) 265-2400  
(Registrant's telephone number, including area code)

[None]  
(Former name, former address and former fiscal year, if changed since last report)

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

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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   
(Do not check if a smaller reporting  
company)

Smaller reporting company filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes

No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class  
Common Stock, \$0.01 par value per share

Outstanding at April 26, 2009  
62,027,577 shares

INTERMEC, INC.  
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 FOR THE QUARTER ENDED MARCH 29, 2009

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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENT

## INTERMEC, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

(Unaudited)

	Quarter Ended	
	March 29, 2009	March 30, 2008
Revenues:		
Product	\$ 128,664	\$ 179,574
Service	33,909	37,205
Total Revenues	162,573	216,779
Costs and expenses:		
Cost of product revenues	83,366	107,705
Cost of service revenues	20,136	21,706
Research and development	15,913	17,192
Selling, general and administrative	51,009	57,966
Restructuring charges	8,582	-
Total costs and expenses	179,006	204,569
Operating (loss) profit	(16,433)	12,210
Interest income	341	1,675
Interest expense	(226)	(1,790)
(Loss) earnings before income taxes	(16,318)	12,095
Income tax (benefit) expense	(5,917)	4,389
Net (loss) earnings	\$ (10,401)	\$ 7,706
Basic (loss) earnings per share	\$ (0.17)	\$ 0.13
Diluted (loss) earnings per share	\$ (0.17)	\$ 0.13
Shares used in computing basic (loss) earnings per share	61,455	60,956
Shares used in computing diluted (loss) earnings per share	61,455	61,475

See accompanying notes to condensed consolidated financial statements.

INTERMEC, INC.

## CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

(Unaudited)

	March 29, 2009	December 31, 2008
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 216,049	\$ 221,335
Short-term investments	71	156
Accounts receivable, net of allowance for doubtful accounts and sales returns of \$10,268 and \$10,789	107,936	138,549
Inventories, net	107,541	116,949
Net current deferred tax assets	62,207	56,295
Other current assets	14,040	14,405
Total current assets	507,844	547,689
Property, plant and equipment, net	39,720	41,348
Intangibles, net	3,264	3,521
Net deferred tax assets	166,888	167,834
Other assets	29,166	29,503
Total assets	\$ 746,882	\$ 789,895
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 82,078	\$ 112,772
Payroll and related expenses	23,575	24,799
Deferred revenues	42,381	38,712
Total current liabilities	148,034	176,283
Long-term deferred revenues	23,538	25,980
Pension liability	91,922	92,129
Other long-term liabilities	13,109	13,747
Commitments		
Shareholders' equity:		
Common stock (250,000 shares authorized, 61,957 and 61,766 shares issued and outstanding)	619	618
Additional paid-in capital	696,136	694,296
Accumulated deficit	(172,803)	(162,402)
Accumulated other comprehensive loss	(53,673)	(50,756)
Total shareholders' equity	470,279	481,756
Total liabilities and shareholders' equity	\$ 746,882	\$ 789,895

See accompanying notes to condensed consolidated financial statements.

INTERMEC, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	Quarter Ended	
	March 29, 2009	March 30, 2008
Cash and cash equivalents at beginning of period	\$ 221,335	\$ 237,247
Cash flows from operating activities:		
Net (loss) earnings	(10,401)	7,706
Adjustments to reconcile net (loss) earnings to net cash provided by operating activities:		
Depreciation and amortization	3,974	3,742
Deferred taxes	(6,183)	3,804
Excess tax shortfall (benefit) from stock-based payment arrangements	557	(581)
Changes in operating assets and liabilities:		
Accounts receivable	30,613	25,454
Inventories	9,228	(21,380)
Accounts payable and accrued expenses	(31,192)	(372)
Other operating activities	3,495	(857)
Net cash provided by operating activities	91	17,516
Cash flows from investing activities:		
Capital expenditures	(2,385)	(3,803)
Proceeds from sale of property	1,866	-
Purchases of investments	-	(760)
Sale of investments	-	27,755
Patent legal fees	(1,096)	(778)
Net cash (used in) provided by investing activities	(1,615)	22,414
Cash flows from financing activities:		
Repayment of debt	-	(100,000)
Excess tax (shortfall) benefit from stock-based payment arrangements	(557)	581
Stock options exercised	142	2,345
Other financing activities	220	879
Net cash used in financing activities	(195)	(96,195)
Effect of exchange rate changes on cash and cash equivalents	(3,567)	5,546
Resulting decrease in cash and cash equivalents	(5,286)	(50,719)
Cash and cash equivalents at end of period	\$ 216,049	\$ 186,528

See accompanying notes to condensed consolidated financial statements.

INTERMEC, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

1. Basis of Presentation

Our interim financial periods a