

COHERENT INC
Form 10-Q/A
August 17, 2005

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q/A

Amendment No. 1

(Mark One)

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

For the Quarterly Period Ended April 2, 2005

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: 0-5255

COHERENT, INC.

Delaware
(State or other jurisdiction of
incorporation or organization)

94-1622541
(I.R.S. Employer
Identification No.)

5100 Patrick Henry Drive, Santa Clara, California 95054

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(408) 764-4000**

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 is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No

The number of shares outstanding of registrant's common stock, par value \$.01 per share, at May 3, 2005 was 30,789,822 shares.

EXPLANATORY NOTE

This Quarterly Report on Form 10-Q/A (Form 10-Q/A) is being filed as Amendment No. 1 to our Quarterly Report on Form 10-Q for the quarterly period ended April 2, 2005, which was filed with the Securities and Exchange Commission (SEC) on May 17, 2005 (the Original Filing). We are filing this Amendment No. 1 to correct the pro forma amounts reported for stock based compensation determined under the fair value based method for the three and six month periods ended April 2, 2005. This correction had no impact on our consolidated balance sheets, results of operations or cash flows for any of the periods presented. For a more detailed description of the restatement, see Restatements in Note 15 of the Notes to Condensed Consolidated Financial Statements.

This Form 10-Q/A amends and restates Item 1. Financial Statements, Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition and Item 4. Controls and Procedures of Part I of the Original Filing, as amended, solely as a result of, and to reflect, the restatement. Pursuant to the rules of the SEC, we have included currently-dated certifications from our principal executive officer and principal financial officer, as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002. The certifications of our principal executive officer and our principal financial officer are attached to this form 10-Q/A as Exhibits 31.1, 31.2, 32.1 and 32.2.

Except for the amended information described above, this Form 10-Q/A continues to describe conditions as of the date of the Original Filing, and we have not updated the disclosures contained herein to reflect events that have occurred subsequent to that date. Other events occurring after the date of the Original Filing or other information necessary to reflect subsequent events have been disclosed in reports filed with the SEC subsequent to the Original Filing.

COHERENT, INC.

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PART I. FINANCIAL INFORMATION

Item I. Financial Statements

COHERENT, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited; in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	April 2, 2005	April 3, 2004 (as restated, see note 15)	April 2, 2005	April 3, 2004 (as restated, see note 15)
Net sales	\$ 131,175	\$ 125,808	\$ 257,197	\$ 233,759
Cost of sales	72,688	74,269	147,173	140,919
Gross profit	58,487	51,539	110,024	92,840
Operating expenses:				
Research and development	14,175	15,593	28,476	30,710
Selling, general and administrative	28,765	29,517	57,137	56,968
Restructuring, impairment and other charges (recoveries)	(40)		260	237
Intangibles amortization	1,528	1,770	3,021	3,699
Total operating expenses	44,428	46,880	88,894	91,614
Income from operations	14,059	4,659	21,130	1,226
Other income (expense):				
Interest and dividend income	1,081	618	2,048	1,338
Interest expense	(483)	(795)	(1,370)	(1,643)
Foreign exchange gain	311	420	242	817
Other net	(119)	165	777	2,161
Total other income, net	790	408	1,697	2,673
Income from continuing operations before income taxes and minority interest	14,849	5,067	22,827	3,899
Provision (benefit) for income taxes	(4,728)	2,418	(1,958)	1,359
Income from continuing operations before minority interest	19,577	2,649	24,785	2,540
Minority interest in subsidiaries losses		145	180	478
Income from continuing operations	19,577	2,794	24,965	3,018
Discontinued operations, net of income taxes of \$145		218		218
Net income	\$ 19,577	\$ 3,012	\$ 24,965	\$ 3,236
Net income per basic share:				
Income from continuing operations	\$ 0.64	\$ 0.09	\$ 0.82	\$ 0.10
Income from discontinued operations, net of income taxes		0.01		0.01
Net income	\$ 0.64	\$ 0.10	\$ 0.82	\$ 0.11
Net income per diluted share:				

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Income from continuing operations	\$	0.63	\$	0.09	\$	0.81	\$	0.10
Income from discontinued operations, net of income taxes				0.01				0.01
Net income	\$	0.63	\$	0.10	\$	0.81	\$	0.11
Shares used in computation								
Basic		30,628		30,121		30,555		30,061
Diluted		31,112		30,551		30,991		30,442

See Accompanying Notes to Condensed Consolidated Financial Statements

COHERENT, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited; in thousands, except par value)

	April 2, 2005	October 2, 2004
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 99,002	\$ 87,659
Restricted cash, cash equivalents and short-term investments	15,411	15,343
Short-term investments	113,493	83,075
Accounts receivable net of allowances of \$4,365 and \$3,745, respectively	90,301	96,825
Inventories	108,907	104,698
Prepaid expenses and other assets	19,541	19,350
Deferred tax assets	36,413	43,222
Total current assets	483,068	450,172
Property and equipment, net	162,455	166,054
Restricted cash, cash equivalents and short-term investments	16,545	23,580
Goodwill	58,612	53,104
Intangible assets, net	33,693	35,454
Other assets	43,669	28,962
	\$ 798,042	\$ 757,326
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Current portion of long-term obligations	\$ 13,360	\$ 13,700
Accounts payable	17,226	17,648
Income taxes payable	7,997	9,603
Other current liabilities	66,589	63,578
Total current liabilities	105,172	104,529
Long-term obligations	13,961	14,215
Other long-term liabilities	52,613	49,128
Minority interest in subsidiaries		5,402
Commitments and contingencies (Note 10)		
Stockholders' equity:		
Common stock, par value \$.01:		
Authorized 500,000 shares		
Outstanding 30,766 shares and 30,392 shares, respectively	306	302
Additional paid-in capital	316,516	308,236
Notes receivable from stock sales	(689)	(758)
Accumulated other comprehensive income	45,442	36,516
Retained earnings	264,721	239,756
Total stockholders' equity	626,296	584,052
	\$ 798,042	\$ 757,326

See Accompanying Notes to Condensed Consolidated Financial Statements.

COHERENT, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited; in thousands)

	Six Months Ended	
	April 2, 2005	April 3, 2004 (as restated, see note 15)
Cash flows from continuing operating activities:		
Income from continuing operations	\$ 24,965	\$ 3,018
Adjustments to reconcile income from continuing operations to net cash provided by continuing operating activities:		
Depreciation and amortization	14,413	15,306
Intangible assets amortization	3,021	3,699
Deferred income taxes	(2,794)	7,312
Other	659	423
Changes in operating assets and liabilities:		
Accounts receivable	8,513	(14,503)
Inventories	(3,270)	(1,302)
Prepaid expenses and other assets	(1,609)	2,102
Other assets	655	(616)
Accounts payable	(735)	2,746
Income taxes payable	93	19,649
Other current liabilities	3,500	(5,342)
Other long-term liabilities	1,293	(585)
Net cash provided by continuing operating activities	48,704	31,907
Cash flows from continuing investing activities:		
Decrease in restricted cash, cash equivalents and short-term investments	8,411	616
Purchases of property and equipment	(7,945)	(33,474)
Proceeds from dispositions of property and equipment and assets held for sale	214	1,234
Acquisition of businesses and minority interests, net of cash acquired	(12,129)	(2,471)
Consolidation of Picometrix under FIN 46R		