

RICHARDSON ELECTRONICS LTD/DE  
Form 10-Q/A  
May 20, 2005  
RELL FORM 10-Q/A (3) FY05Q1

File:20050519-FY05Q1

[Cover Page](#)

[Table of Contents](#)

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

**FORM 10-Q/A**

(Mark One)

- Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the quarterly period ended : August 28, 2004
- Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the transition period from : \_\_\_\_\_ to \_\_\_\_\_

**RICHARDSON ELECTRONICS, LTD.**

(Exact name of registrant as specified in its charter)

<i>Delaware</i>	<i>0-12906</i>	<i>36-2096643</i>
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

<i>40W267 Keslinger Road, P.O. Box 393, LaFox, Illinois</i>	<i>60147-0393</i>
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (630) 208-2200

&nbsp; &nbsp;  
&nbsp; &nbsp;

(Former name or former address,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 is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

As of September 30, 2004, there were outstanding 17,298,214 shares of Common Stock, \$.05 par value, inclusive of 3,168,922 shares of Class B Common Stock, \$.05 par value, which are convertible into Common Stock of the registrant on a share for share basis.

[Table of Contents](#)

[Top of Page](#)

**RICHARDSON ELECTRONICS, LTD.**  
**FORM 10-Q/A**  
**TABLE OF CONTENTS**

INDEX	PAGE
-------	------

[Part I](#)

[Table of Contents](#)

**PART I - FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

**RICHARDSON ELECTRONICS, LTD**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

	As of	
	August 28, 2004	May 29, 2004
<i>(in thousands, except per share amounts)</i>	<b>(unaudited)</b>	
	<i>as restated</i>	
	<i>(See Note B)</i>	
ASSETS		
Current Assets		
Cash	\$ 12,758	\$ 16,927
Receivables, less allowance of \$2,616 and \$2,516	105,444	106,130
Inventories	102,994	92,297
Prepaid expenses	4,623	3,817
Deferred income taxes, net	11,549	15,922

<b>Total current assets</b>	237,368	235,093
Property, plant and equipment, net	31,651	30,589
Goodwill	5,688	5,613
Deferred income taxes, net	10,871	6,733
Other assets	4,638	4,917
<b>Total assets</b>	<u>\$ 290,216</u>	<u>\$ 282,945</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 36,088	\$ 33,473
Accrued liabilities	17,516	23,224
Current portion of long-term debt	3,867	4,027
<b>Total current liabilities</b>	57,471	60,724
Long-term debt, less current portion	115,329	133,813
Non-current liabilities	338	241
<b>Total liabilities</b>	173,138	194,778
<b>Stockholders' Equity</b>		
Common stock (\$.05 par value; issued 15,528 shares at August 28, 2004 and 12,524 shares at May 29, 2004)	776	626
Class B common stock, convertible (\$.05 par value; issued 3,169 shares at August 28, 2004 and 3,168 shares at May 29, 2004)	158	158
Preferred stock (\$1.00 par value; no shares issued)	-	-
Additional paid-in capital	121,779	93,877
Common stock in treasury, at cost (1,399 shares at August 28, 2004 and 1,437 shares at May 29, 2004)	(8,288)	(8,515)
Retained earnings	4,117	3,408
Accumulated other comprehensive loss	(1,464)	(1,387)
<b>Total stockholders' equity</b>	117,078	88,167
<b>Total liabilities and stockholders' equity</b>	<u>\$ 290,216</u>	<u>\$ 282,945</u>

See notes to condensed consolidated financial statements.

**RICHARDSON ELECTRONICS, LTD**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**AND COMPREHENSIVE INCOME (LOSS)**  
**FOR THE THREE-MONTH PERIODS ENDED AUGUST 28, 2004 AND AUGUST 30, 2003**

	Three months ended
(unaudited, in thousands, except per share amounts, as restated (See Note B))	

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	<b>August 28, 2004</b>	<b>August 30, 2003</b>
<b>Net sales</b>	\$ 138,520	\$ 119,306
Cost of products sold	<u>104,918</u>	<u>90,191</u>
<b>Gross margin</b>	33,602	29,115
Selling, general and administrative expenses	<u>29,289</u>	<u>25,845</u>
<b>Operating income</b>	4,313	3,270
Other expense		
Interest expense	2,257	2,547
Other, net	<u>928</u>	<u>2,585</u>
Total other expense	<u>3,185</u>	<u>5,132</u>
Income (loss) before income taxes	1,128	(1,862)
Income taxes	<u>321</u>	<u>(680)</u>
<b>Net income (loss)</b>	<u>\$ 807</u>	<u>\$ (1,182)</u>
<b>Net income per share - basic:</b>		
Net income (loss) per share	<u>\$ 0.05</u>	<u>\$ (0.08)</u>
Average shares outstanding	<u>15,872</u>	<u>13,925</u>
<b>Net income per share - diluted:</b>		
Net income (loss) per share	<u>\$ 0.05</u>	<u>\$ (0.08)</u>
Average shares outstanding	<u>16,124</u>	<u>13,925</u>
<b>Dividends per common share</b>	<u>\$ 0.04</u>	<u>\$ 0.04</u>
<b>Statement of comprehensive income (loss):</b>		
Net income (loss)	\$ 807	\$ (1,182)
Currency translation	460	(170)
Fair value adjustment to market appreciation on investment, net of income tax effect	74	88
Cash flow hedges, net of income tax effect	<u>41</u>	<u>112</u>
<b>Comprehensive income (loss)</b>	<u>\$ 1,382</u>	<u>\$ (1,152)</u>

See notes to condensed consolidated financial statements.

**RICHARDSON ELECTRONICS, LTD**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIODS ENDED AUGUST 28, 2004 AND AUGUST 30, 2003**

<i>(unaudited, in thousands, as restated (See Note B))</i>	<b>Three months ended</b>	
	<b>August 28, 2004</b>	<b>August 30, 2003</b>
<b>OPERATING ACTIVITIES</b>		
<b>Net income (loss)</b>	\$ 807	\$(1,182)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	1,302	1,492
Amortization of intangibles and financing costs	45	75
Deferred income taxes	306	(680)
Other non-cash items in net income	1,186	3,066
Receivables	802	(1,857)
Inventories	(10,590)	955
Other current assets	(1,361)	(33)
Accounts payable	2,833	6,128
Other liabilities	(4,921)	(1,474)
<b>Net cash provided by (used in) operating activities</b>	<b>(9,591)</b>	<b>6,490</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from borrowings	20,000	6,000
Payments on debt	(38,756)	(8,349)
Proceeds from stock issuance	27,893	122
Cash dividends	(679)	(546)
<b>Net cash provided by (used in) financing activities</b>	<b>8,458</b>	<b>(2,773)</b>
<b>INVESTING ACTIVITIES</b>		
Capital expenditures	(2,292)	(1,270)
Earnout payment related to acquisitions	(545)	(726)
Proceeds from sales of available-for-sale securities	144	1,387
Purchases from sales of available-for-sale securities	(144)	(1,387)
Other	(90)	-
<b>Net cash used in investing activities</b>		