

AVOCENT CORP
Form 10-Q
May 11, 2009
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U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 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: 000-30575

AVOCENT CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

91-2032368

(I.R.S. Employer Identification Number)

4991 Corporate Drive

Huntsville, Alabama

(Address of Principal Executive Offices)

35805

(Zip Code)

256-430-4000

(Registrant's Telephone Number, Including Area Code)

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, as amended, 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

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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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

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 x

Accelerated filer o

Non-accelerated filer o

Smaller reporting company o

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

As of May 4, 2009, the number of outstanding shares of the Registrant's Common Stock was 44,302,806.

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

**AVOCENT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited, in thousands, except per share data)

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	For the three months ended	
	March 31, 2009	March 28, 2008
Net sales:		
Products	\$ 85,124	\$ 108,081
Licenses and royalties	22,729	23,817
Services	18,209	9,501
Total net sales	126,062	141,399
Cost of sales:		
Products	39,476	43,721
Licenses and royalties	469	701
Services	4,309	3,076
Amortization of intangibles licenses and royalties	4,558	2,767
Total cost of sales (includes \$223 and \$244 of stock-based compensation expense in 2009 and 2008, respectively)	48,812	50,265
Gross profit	77,250	91,134
Operating expenses:		
Research and development expenses (includes \$577 and \$1,015 of stock-based compensation expense in 2009 and 2008, respectively)	20,491	23,367
Selling, general and administrative expenses (includes \$2,445 and \$2,679 of stock-based compensation expense in 2009 and 2008, respectively)	47,167	55,119
Restructuring, integration and retirement expenses (includes \$49 and \$615 of stock-based compensation expense in 2009 and 2008, respectively)	5,295	2,971
Amortization of intangible assets	10,113	7,535
Impairment of goodwill	80,000	
Total operating expenses	163,066	88,992
Income (loss) from operations	(85,816)	2,142
Net investment income	151	897
Interest expense	(2,242)	(1,838)
Other income (expense), net	(1,196)	455
Income (loss) before provision for income taxes	(89,103)	1,656
Provision (benefit) from income taxes	(29,178)	925
Net income (loss)	\$ (59,925)	\$ 731
Earnings (loss) per share:		
Basic	\$ (1.34)	\$ 0.02
Diluted	\$ (1.34)	\$