MTS SYSTEMS CORP Form 8-K October 02, 2008

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

# FORM 8-K

#### **CURRENT REPORT**

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 28, 2008

# MTS SYSTEMS CORPORATION

(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction of incorporation)

**0-2382** (Commission File Number)

41-0908057 (IRS Employer Identification No.)

14000 Technology Drive Eden Prairie, Minnesota (Address of principal executive offices)

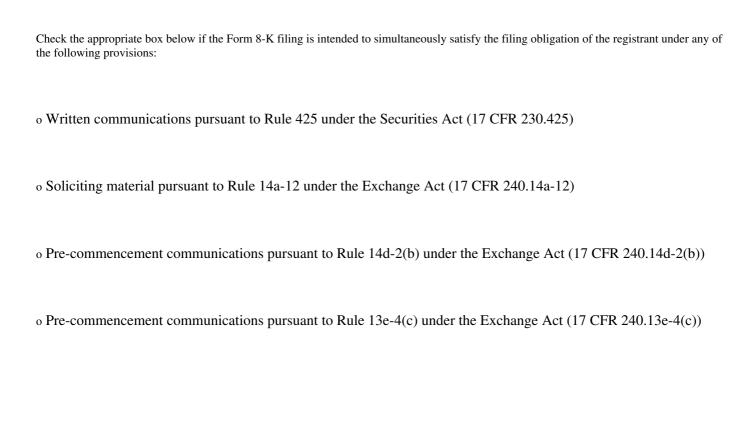
**55344** (Zip Code)

Registrant s telephone number, including area code: (952) 937-4000

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#### N/A

(Former name or former address, if changed since last report.)



#### Item 2.01. Completion of Acquisition of Disposition of Assets.

On September 28, 2008, MTS Systems Corporation, through its wholly-owned subsidiary MTS Systems (China) Co., Ltd. (collectively the Company ), completed its acquisition of substantially all the assets of the SANS Group, a privately held company based in Shenzhen China, for a purchase price of \$43,600,000 (USD), pursuant to a Master Asset Purchase Agreement dated April 28, 2008, as modified by a Mutual Waiver Agreement dated July 31, 2008, as amended. The assets, which are used to manufacture static tension and compression materials testing machines, consist of real estate, furniture and fixtures, facilities, property, machinery and equipment, automobiles, inventory, accounts receivable, advances from customers, accounts payable, other receivables, intellectual property, patents, trademarks, trade secrets, copyrights, domain names, goodwill, product designs, bills of material, customer lists, customer contracts, sales channels, computer software, data files and all computer hardware and peripherals of the SANS Group. The acquisition excludes certain defined assets and liabilities of the SANS Group.

The SANS Group is comprised of Shenzhen SANS Material Testing Co., Ltd., Shenzhen SANS Measurement Technique Co., Ltd., and Shanghai SANS Testing Machine Co., Ltd., each a domestic limited liability company existing under the laws of the Peoples Republic of China and none of which had any previous material relationship with the Company or, to the Company s knowledge, its affiliates.

Through September 28, 2008, the Company has paid the SANS Group the RMB equivalent of \$26,400,000. On or before November 3, 2008, \$6,300,000 will be placed into a joint MTS/SANS escrow account to satisfy potential indemnification claims by the Company and \$10,900,000 will be paid upon the satisfactory completion of certain post-closing conditions. The Company funded the purchase price through a combination of cash on hand and the use of its credit facility.

On October 2, 2008, the Company issued a press release announcing the closing of the acquisition. The complete text of the press release is attached here to as Exhibit 99.1.

#### Item 9.01 Financial Statements and Exhibits.

#### (d) Exhibits.

Exhibit No.	Description of Exhibit
2.1	Master Asset Purchase Agreement by and between the Company and the SANS Group dated April 28, 2008.
2.2	Mutual Waiver Agreement by and between the Company and the SANS Group dated July 31, 2008.
2.3	Amendment to Mutual Waiver Agreement between the Company and the SANS Group dated August 29, 2008.
2.4	Second Amendment to Mutual Waiver Agreement between the Company and the SANS Group dated
	September 26, 2008.
2.5	Third Amendment to Mutual Waiver Agreement between the Company and the SANS Group dated
	September 27, 2008.
99.1	Press Release dated October 2, 2008.

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#### **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

### MTS SYSTEMS CORPORATION

(Registrant)

Date: October 2, 2008 By: /s/SUSAN E. KNIGHT

Susan E. Knight

Vice President and Chief Financial Officer

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## MTS SYSTEMS CORPORATION

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