

DRS TECHNOLOGIES INC
Form 10-Q
August 08, 2005

**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 June 30, 2005

**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 1-8533

DRS Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

13-2632319
(IRS Employer Identification No.)

5 Sylvan Way, Parsippany, New Jersey 07054
(Address of principal executive offices)

(973) 898-1500
(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 and 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 Exchange Act Rule 12b-2). Yes No

As of August 4, 2005, 27,893,503 shares of DRS Technologies, Inc. \$0.01 par value common stock were outstanding.

DRS TECHNOLOGIES, INC. AND SUBSIDIARIES

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For the Quarter Ended June 30, 2005

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

DRS TECHNOLOGIES, INC. AND SUBSIDIARIES

Consolidated Balance Sheets
(in thousands, except share data)
(Unaudited)

	June 30, 2005	March 31, 2005
Assets		
Current assets		
Cash and cash equivalents	\$ 223,652	\$ 306,852
Accounts receivable, net of allowances for doubtful accounts of \$2,933 and \$2,659 as of June 30, 2005 and March 31, 2005, respectively	244,685	237,912
Inventories, net	221,447	208,141
Prepaid expenses, deferred income taxes and other current assets	48,798	42,134
Total current assets	738,582	795,039
Property, plant and equipment, less accumulated depreciation of \$109,189 and \$101,335 at June 30, 2005 and March 31, 2005, respectively	142,137	143,264
Acquired intangible assets, net	105,478	100,030
Goodwill	851,536	815,407
Other noncurrent assets	32,281	32,901
Total assets	\$ 1,870,014	\$ 1,886,641
Liabilities and Stockholders Equity		
Current liabilities		
Current installments of long-term debt	\$ 2,606	\$ 2,652
Accounts payable	123,542	111,222
Accrued expenses and other current liabilities	259,684	301,361
Total current liabilities	385,832	415,235
Long-term debt, excluding current installments	716,698	727,611
Other liabilities	76,620	72,367
Total liabilities	1,179,150	1,215,213
Commitments and contingencies (Notes 2, 7 and 14)		
Stockholders equity		
Preferred stock, no par value. Authorized 2,000,000 shares; none issued at June 30, 2005 and March 31, 2005		
Common Stock, \$.01 par value per share. Authorized 50,000,000 shares; issued 27,729,694 and 27,472,495 shares at June 30, 2005 and March 31, 2005, respectively	277	275
Additional paid-in capital	474,310	467,027
Retained earnings	213,113	199,924
Accumulated other comprehensive earnings	4,840	6,198
Unamortized stock compensation	(1,676)	(1,996)
Total stockholders equity	690,864	671,428
Total liabilities and stockholders equity	\$ 1,870,014	\$ 1,886,641

See accompanying Notes to the Consolidated Financial Statements.

DRS TECHNOLOGIES, INC. AND SUBSIDIARIES
Consolidated Statements of Earnings
(in thousands, except per-share data)
(Unaudited)

	Three Months Ended	
	June 30,	
	2005	2004
Revenues	\$ 338,459	\$ 291,151
Costs and expenses	303,401	262,651
Operating income	35,058	28,500
Interest income	1,877	129
Interest and related expenses	12,211	8,994
Other income (expense), net		