

AMPEX CORP /DE/
Form 10-Q
August 12, 2005
Table of Contents

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 June 30, 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 No. 0-20292

AMPEX CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware
(State of Incorporation)

13-3667696
(I.R.S. Employer Identification Number)

1228 Douglas Avenue

Redwood City, California 94063-3199

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(Address of principal executive offices, including zip code)

(650) 367-2011

(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 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 ☒

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of June 30, 2005, the aggregate number of outstanding shares of our Class A Common Stock, \$.01 par value, was 3,713,471. There were no outstanding shares of our Class C Common Stock, \$.01 par value.

Table of Contents

AMPEX CORPORATION

FORM 10-Q

Quarter Ended June 30, 2005

INDEX

	Page
PART I FINANCIAL INFORMATION	
Item 1. Financial Statements	
<u>Consolidated Balance Sheets (unaudited) at June 30, 2005 and December 31, 2004</u>	3
<u>Consolidated Statements of Operations (unaudited) for the three and six months ended June 30, 2005 and 2004</u>	4
<u>Consolidated Statements of Cash Flows (unaudited) for the three and six months ended June 30, 2005 and 2004</u>	5
<u>Notes to Unaudited Consolidated Financial Statements</u>	6
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	23
Item 3. <u>Quantitative and Qualitative Disclosure about Market Risk</u>	46
Item 4. <u>Controls and Procedures</u>	46
PART II OTHER INFORMATION	
Item 1. <u>Legal Proceedings</u>	47
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	49
Item 3. <u>Defaults Upon Senior Securities</u>	49
Item 4. <u>Submission of Matters to a Vote of Security Holders</u>	49
Item 5. <u>Other Information</u>	49
Item 6. <u>Exhibits</u>	50
<u>Signatures</u>	51

Table of Contents**AMPEX CORPORATION****CONSOLIDATED BALANCE SHEETS**

(in thousands, except share and per share data)

	June 30, 2005 (unaudited)	December 31, 2004
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 14,613	\$ 8,840
Short-term investments		9,134
Accounts receivable (net of allowances of \$75 in 2005 and \$74 in 2004)	2,484	2,602
Inventories	5,102	5,187
Royalties receivable	2,903	
Other current assets	1,965	2,071
Property held for sale		2,670
	<hr/>	<hr/>
Total current assets	27,067	30,504
Property, plant and equipment	1,396	1,560
Other assets	362	555
	<hr/>	<hr/>
Total assets	\$ 28,825	\$ 32,619
	<hr/>	<hr/>
LIABILITIES, REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Notes payable	\$ 117	\$ 131
Accounts payable	5,289	1,577
Net liabilities of discontinued operations	1,347	1,042
Accrued restructuring costs	619	645
Other accrued liabilities	16,059	15,260
	<hr/>	<hr/>
Total current liabilities	23,431	18,655
Long-term debt	19,573	30,275
Other long-term liabilities	71,038	77,993
Accrued restructuring costs	1,333	1,622
Net liabilities of discontinued operations	2,864	3,503
	<hr/>	<hr/>
Total liabilities	118,239	132,048
	<hr/>	<hr/>
Commitments and contingencies (Note 15)		
Mandatorily redeemable nonconvertible preferred stock, \$1,000 liquidation value per share:		
Authorized: 69,970 shares in 2005 and in 2004		
Issued and outstanding - none in 2005 and in 2004		
Mandatorily redeemable preferred stock, \$2,000 liquidation value per share:		
Authorized: 21,859 shares in 2005 and in 2004		
Issued and outstanding - none in 2005 and in 2004		
Convertible preferred stock, \$2,000 liquidation value per share:		
Authorized: 10,000 shares in 2005 and in 2004		
Issued and outstanding - none in 2005 and in 2004		

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Stockholders' deficit:		
Preferred stock, \$1.00 par value:		
Authorized: 898,171 shares in 2005 and in 2004		
Issued and outstanding - none in 2005 and in 2004		
Common stock, \$.01 par value:		
Class A:		
Authorized: 175,000,000 shares in 2005 and in 2004		
Issued and outstanding - 3,713,471 shares in 2005 and 3,692,517 in 2004	37	37
Class C:		
Authorized: 50,000,000 shares in 2005 and in 2004		
Issued and outstanding - none in 2005 and in 2004		
Other additional capital	454,577	454,525
Accumulated deficit	(455,257)	(463,680)
Accumulated other comprehensive loss	(88,771)	(90,311)
	<u> </u>	<u> </u>
Total stockholders' deficit	(89,414)	(99,429)
	<u> </u>	<u> </u>
Total liabilities, redeemable preferred stock and stockholders' deficit	\$ 28,825	\$ 32,619
	<u> </u>	<u> </u>

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Table of Contents**AMPEX CORPORATION****CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**

(in thousands, except share and per share data)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2005	2004	2005	2004
	(unaudited)			
Licensing revenue	\$ 9,889	\$ 1,441	\$ 21,300	\$ 3,102
Product revenue	3,824	5,367	8,070	11,377
Service revenue	2,108	2,105	4,382	4,323
Total revenue	15,821	8,913	33,752	18,802
Intellectual property costs	4,241	2,139	7,269	2,942
Cost of product revenue	2,451	3,770	4,987	7,235
Cost of service revenue	762	727	1,451	1,305
Research, development and engineering	1,080	942	2,112	1,831
Selling and administrative	4,250	3,053	7,918	5,834
Total costs and operating expenses	12,784	10,631	23,737	19,147
Operating income (loss)	3,037	(1,718)	10,015	(345)
Media pension costs	194	322	387	643
Interest expense	669	2,419	1,410	4,778
Amortization of debt financing costs	179	14	193	28
Interest income	(44)	(33)	(113)	(58)
Other (income) expense, net	(499)	(2)	(545)	4
Income (loss) before income taxes and equity in income of limited partnership	2,538	(4,438)	8,683	(5,740)
Provision for income taxes	39	81	260	248
Equity in income of limited partnership		(338)		(1,558)
Net income (loss)	2,499	(4,181)	8,423	(4,430)
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(1)	46	52	44
Comprehensive income (loss)	\$ 2,498	\$ (4,135)	\$ 8,475	\$ (4,386)
Basic income (loss) per share	\$ 0.67	\$ (1.15)	\$ 2.28	\$ (1.20)
Weighted average number of basic common shares outstanding	3,705,382	3,642,517	3,701,790	3,680,099
Diluted income (loss) per share	\$ 0.64	\$ (1.15)	\$ 2.16	\$ (1.20)
Weighted average number of diluted common shares outstanding	3,893,376	3,642,517	3,891,512	3,680,099

The accompanying notes are an integral part of these unaudited consolidated financial statements.

Table of Contents

AMPEX CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	For the Six Months Ended	
	June 30, 2005	June 30, 2004
	(unaudited)	
Cash flows from operating activities:		
Net income (loss)	\$ 8,423	\$ (4,430)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	437	408
Accretion of interest expense		4,628