WATERS CORP /DE/
Form 10-Q
May 08, 2009

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q

þ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended April 4, 2009

or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 01-14010

Waters Corporation

(Exact name of registrant as specified in its charter)

Delaware	**13-3668640**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

34 Maple Street
Milford, Massachusetts 01757
(Address, including zip code, of principal executive offices)
(508) 478-2000
(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 þ No o

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). o Yes o No

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 þ	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	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 þ

Indicate the number of shares outstanding of the registrant s common stock as of May 2, 2009: 96.404,407

WATERS CORPORATION AND SUBSIDIARIES
QUARTERLY REPORT ON FORM 10-Q
INDEX

Table of Contents

WATERS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(unaudited)

	April 4, 2009		December 31, 2008	
	(In thousands, except per share data)			
ASSETS				
Current assets:				
Cash and cash equivalents	$	388,153	$	428,522
Short-term investments		43,119		
Accounts receivable, less allowances for doubtful accounts and sales returns of $6,427 and $7,608 at April 4, 2009 and December 31, 2008, respectively		279,345		291,763
Inventories		190,927		173,051
Other current assets		61,443		62,966
Total current assets		962,987		956,302
Property, plant and equipment, net		183,823		171,588
Intangible assets, net		171,707		149,652
Goodwill		289,669		268,364
Other assets		66,349		76,992
Total assets	$	1,674,535	$	1,622,898
LIABILITIES AND STOCKHOLDERS EQUITY				
Current liabilities:				
Notes payable and debt	$	88,059	$	36,120
Accounts payable		47,592		47,240
Accrued employee compensation		29,975		43,535
Deferred revenue and customer advances		113,575		87,492
Accrued income taxes		5,529		
Accrued warranty		10,318		10,276
Other current liabilities		48,487		64,843
Total current liabilities		343,535		289,506
Long-term liabilities:				
Long-term debt		500,000		500,000
Long-term portion of retirement benefits		73,524		77,017
Long-term income tax liability		77,110		80,310
Other long-term liabilities		14,653		15,060
Total long-term liabilities		665,287		672,387
Total liabilities		1,008,822		961,893

Commitments and contingencies (Notes 5, 6, 10 and 12)

Stockholders equity:		
Preferred stock, par value $0.01 per share, 5,000 shares authorized, none issued at April 4, 2009 and December 31, 2008		
Common stock, par value $0.01 per share, 400,000 shares authorized, 148,255 and 148,069 shares issued, 96,357 and 97,891 shares outstanding at April 4, 2009 and December 31, 2008, respectively	1,483	1,481
Additional paid-in capital	764,064	756,499
Retained earnings	1,986,750	1,913,403
Treasury stock, at cost, 51,898 and 50,178 shares at April 4, 2009 and December 31, 2008, respectively	(2,065,643)	(2,001,797)
Accumulated other comprehensive income	(20,941)	(8,581)
Total stockholders equity	665,713	661,005
Total liabilities and stockholders equity	$ 1,674,535	$ 1,622,898

The accompanying notes are an integral part of the interim consolidated financial statements.

Table of Contents

WATERS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(unaudited)

	Three Months Ended	
	April 4, 2009	March 29, 2008
Product sales	$ 227,448	$ 270,465
Service sales	105,604	101,247
Total net sales	333,052	371,712
Cost of product sales	83,402	106,340
Cost of service sales	44,052	49,111
Total cost of sales	127,454	155,451
Gross profit	205,598	216,261
Selling and administrative expenses	99,159	105,837
Research and development expenses	18,332	19,786
Purchased intangibles amortization	2,616	2,272
Operating income	85,491	88,366
Interest expense	(3,130)	(11,157)
Interest income	908	6,913
Income from operations before income taxes	83,269	84,122
Provision for income tax expense	9,922	15,647
Net income	$ 73,347	$ 68,475
Net income per basic common share	$ 0.75	$ 0.68
Weighted-average number of basic common shares	97,304	100,401
Net income per diluted common share	$ 0.75	$ 0.67

Weighted-average number of diluted common shares and equivalents	97,927	101,983

The accompanying notes are an integral part of the interim consolidated financial statements.

4

Table of Contents

WATERS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three Months Ended	
	April 4, 2009	March 29, 2008
	(In thousands)	
Cash flows from operating activities:		
Net income	$ 73,347	$ 68,475
Adjustments to reconcile net income to net cash provided by operating activities:		
Provisions for doubtful accounts on accounts receivable	375	260
Provisions on inventory	1,777	3,018
Stock-based compensation	7,348	7,453
Deferred income taxes	(1,977)	(2,325)
Depreciation	8,363	7,114
Amortization of intangibles	6,048	6,633
Change in operating assets and liabilities, net of acquisitions:		
Decrease in accounts receivable	5,542	18,225
Increase in inventories	(17,792)	(18,585)
Decrease in other current assets	1,449	2,059
Decrease (increase) in other assets	210	(708)
Decrease in accounts payable and other current liabilities	(24,378)	(17,060)
Increase in deferred revenue and customer advances	26,059	15,402
(Decrease) increase in other liabilities	(5,683)	5,967
Net cash provided by operating activities	80,688	95,928
Cash flows from investing activities:		
Additions to property, plant, equipment and software capitalization	(22,156)	(14,302)
Business acquisitions, net of cash acquired	(36,086)	
Purchase of short-term investments	(43,119)	(19,738)
Maturity of short-term investments		57,451
Net cash provided by (used in) investing activities	(101,361)	23,411
Cash flows from financing activities:		
Proceeds from debt issuances	94,764	287,014
Payments on debt	(46,724)	(241,889)
Payments of debt issuance costs		(466)
Proceeds from stock plans	944	12,545
Purchase of treasury shares	(63,846)	(76,758)
Excess tax benefit related to stock option plans		5,883
Payments of debt swaps and other derivative contracts	829	(2,662)
Net cash used in financing activities	(14,033)	(16,333)
Effect of exchange rate changes on cash and cash equivalents	(5,663)	221
(Decrease) Increase in cash and cash equivalents	(40,369)	103,227
Cash and cash equivalents at beginning of period	428,522	597,333

Cash and cash equivalents at end of period	$ 388,153	$ 700,560

The accompanying notes are an integral part of the interim consolidated financial statements.

Table of Contents

WATERS CORPORATION AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 Basis of Presentation and Significant Accounting Policies

Waters Corporation (Waters or the Company), an analytical instrument manufacturer, designs, manufactures, sells and services, through its Waters Division, high performance liquid chromatography (HPLC), ultra performance liquid chromatography® (UPLC and together with HPLC, herein referred to as LC) and mass spectrometry (MS) instrument systems and support products, including chromatography columns, other consumable products and comprehensive post-warranty service plans. These systems are complementary products that can be integrated together and used along with other analytical instruments. LC is a standard technique and is utilized in a broad range of industries to detect, identify, monitor and measure the chemical, physical and biological composition of materials, and to purify a full range of compounds. MS instruments are used in drug discovery and development, including clinical trial testing, the analysis of proteins in disease processes (known as proteomics) and environmental testing. LC is often combined with MS to create LC-MS instruments that include a liquid phase sample introduction and separation system with mass spectrometric compound identification and quantification. Through its TA Division (TA), the Company designs, manufactures, sells and services thermal analysis, rheometry and calorimetry instruments which are used primarily in predicting the suitability of polymers and liquids for various industrial, consumer goods and healthcare products as well as for life science research. The Company is also a developer and supplier of software-based products that interface with the Company s instruments and are typically purchased by customers as part of the instrument system.

The Company s interim fiscal quarter typically ends on the thirteenth Saturday of each quarter. Since the Company s fiscal year end is December 31, the first and fourth fiscal quarters may not consist of thirteen complete weeks. The Company s first fiscal quarters for 2009 and 2008 ended on April 4, 2009 and March 29, 2008, respectively.

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and note disclosures required by generally accepted accounting principles (GAAP) in the United States of America. The consolidated financial statements include the accounts of the Company and its subsidiaries, most of which are wholly owned. All material inter-company balances and transactions have been eliminated.

The preparation of consolidated financial statements in conformity with GAAP requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent liabilities at the dates of the financial statements. Actual amounts may differ from these estimates under different assumptions or conditions.

It is management s opinion that the accompanying interim consolidated financial statements reflect all adjustments (which are normal and recurring) that are necessary for a fair statement of the results for the interim periods. The interim consolidated financial statements should be read in conjunction with the consolidated financial statements included in the Company s annual report on Form 10-K for the year ended December 31, 2008, as filed with the Securities and Exchange Commission (SEC) on February 27, 2009.

Reclassifications

Certain amounts from the prior year have been reclassified in the accompanying financial statements in order to be consistent with the current year s classifications.

Fair Value Measurements

Fair values of cash, cash equivalents, short-term investments, accounts receivable, accounts payable and debt approximate cost.

In accordance with Statement of Financial Accounting Standards No. 157 Fair Value Measurements (SFAS No. 157), the Company s assets and liabilities are measured at fair value on a recurring basis as of April 4, 2009 and December 31, 2008. Fair values determined by Level 1 inputs utilize observable data such as quoted prices in active markets. Fair values determined by Level 2 inputs utilize data points other than quoted prices in active markets that

Table of Contents

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

are observable either directly or indirectly. Fair values determined by Level 3 inputs utilize unobservable data points in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The following table represents the Company s assets and liabilities measured at fair value on a recurring basis at April 4, 2009 (in thousands):

	Total at April 4, 2009	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash equivalents	$ 283,153	$	$ 283,153	$
Short-term investments	43,119		43,119	
Waters Retirement Restoration Plan assets	12,519		12,519	
Foreign currency exchange contract agreements	2,217		2,217	
Total	$ 341,008	$	$ 341,008	$
Liabilities:				
Interest rate swap agreements	$ 1,888	$	$ 1,888	$
Total	$ 1,888	$	$ 1,888	$

The following table represents the Company s assets and liabilities measured at fair value on a recurring basis at December 31, 2008 (in thousands):

	Total at December 31, 2008	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash equivalents	$ 223,000	$	$ 223,000	$
Waters Retirement Restoration Plan assets	12,888		12,888	
Total	$ 235,888	$	$ 235,888	$
Liabilities:				
Interest rate swap agreements	$ 1,798	$	$ 1,798	$
Foreign currency exchange contract agreements	1,595		1,595	

Total	$	3,393	$		$	3,393	$

The Company s financial assets and liabilities have been classified as Level 2. These assets and liabilities have been initially valued at the transaction price and subsequently valued typically utilizing third party pricing services. The pricing services use many inputs to determine value, including reportable trades, benchmark yields, credit spreads, broker/dealer quotes, current spot rates and other industry and economic events. The Company validates the prices provided by the Company s third party pricing services by reviewing their pricing methods and obtaining market values from other pricing sources. The fair values of our cash equivalents, short-term investments, retirement restoration plan assets, foreign currency exchange contracts and interest rate swap agreements are determined through market and observable sources and have been classified as Level 2. After completing our validation procedures, the Company did not adjust or override any fair value measurements provided by our pricing services as of April 4, 2009 and December 31, 2008.

In January 2009, the Company implemented SFAS No. 157 for our nonfinancial assets and liabilities that are remeasured at fair value on a non-recurring basis. The adoption of SFAS No. 157 for the Company s nonfinancial assets and liabilities that are remeasured at fair value on a non-recurring basis did not have a significant impact on our financial statements.

Table of Contents

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Stockholders Equity

In February 2009, the Company s Board of Directors authorized the Company to repurchase up to $500 million of its outstanding common stock over a two-year period. During the three months ended April 4, 2009, the Company repurchased 0.3 million shares at a cost of $9 million under this program.

In February 2007, the Company s Board of Directors authorized the Company to repurchase up to $500 million of its outstanding common stock over a two-year period. During the three months ended April 4, 2009 and March 29, 2008, the Company repurchased 1.4 million and 1.3 million shares at a cost of $53 million and $75 million, respectively, under this program. As of April 4, 2009, the Company repurchased an aggregate of 8.5 million shares of its common stock under the now expired February 2007 program for an aggregate cost of $464 million.

Hedge Transactions

The Company operates on a global basis and is exposed to the risk that its earnings, cash flows and stockholders equity could be adversely impacted by fluctuations in currency exchange rates and interest rates.

Effective January 1, 2009, the Company implemented SFAS No. 161, Disclosures About Derivative Instruments and Hedging Activities", or SFAS No. 161. As a result of adopting this standard, the Company enhanced the disclosures for derivative instruments and hedging activities by providing additional information about the Company s objectives for using derivative instruments, the level of derivative activity the Company engages in, as well as how derivative instruments and related hedged items affect the Company s financial position and performance. SFAS No. 161 requires only additional disclosures concerning derivatives and hedging activities. The adoption of SFAS No. 161 did not affect the presentation of Company s financial position or results of operations.

The Company records its hedge transactions in accordance with SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities , as amended, which establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. All derivatives, whether designated in hedging relationships or not, are required to be recorded on the consolidated balance sheets at fair value as either assets or liabilities. If the derivative is designated as a fair-value hedge, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings. If the derivative is designated as a cash flow hedge, the effective portions of changes in the fair value of the derivative are recorded in other comprehensive income and are recognized in earnings when the hedged item affects earnings; ineffective portions of changes in fair value are recognized in earnings.

The Company currently uses derivative instruments to manage exposures to foreign currency and interest rate risks. The Company s objectives for holding derivatives are to minimize foreign currency and interest rate risk using the most effective methods to eliminate or reduce the impact of foreign currency and interest rate exposures. The Company documents all relationships between hedging instruments and hedged items and links all derivatives designated as fair-value, cash flow or net investment hedges to specific assets and liabilities on the consolidated balance sheets or to specific forecasted transactions. The Company also considers the impact of our counterparties credit risk on the fair value of the contracts as well as the ability of each party to execute under the contracts. The Company also assesses and documents, both at the hedges inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows associated with the hedged items.

Cash Flow Hedges

The Company uses interest rate swap agreements to hedge the risk to earnings associated with fluctuations in interest rates related to outstanding U.S. dollar floating rate debt. In August 2007, the Company entered into two floating-to-fixed-rate interest rate swaps, each with a notional amount of $50 million and maturity dates of April 2009 and October 2009, to hedge floating rate debt related to the term loan facility of its outstanding debt. At April 4, 2009 and December 31, 2008, the Company had a $2 million liability in both periods in other current liabilities in the consolidated balance sheets related to the interest rate swap agreements. For the three months ended April 4, 2009 and March 29, 2008, the Company recorded a cumulative pretax unrealized gain of $0.8 million and a cumulative pre-tax unrealized loss of $1.6 million in accumulated other comprehensive income, respectively, on the interest rate agreements. For the three months ended April 4, 2009 and March 29, 2008, the Company recorded additional interest expense of $0.8 million and $0.1 million, respectively.

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Other

The Company enters into forward foreign exchange contracts, principally to hedge the impact of currency fluctuations on certain inter-company balances. Principal hedged currencies include the Euro, Japanese Yen, British Pound and Singapore Dollar. The periods of these forward contracts typically range from one to three months and have varying notional amounts which are intended to be consistent with changes in inter-company balances. Gains and losses on these forward contracts are recorded in selling and administrative expenses in the consolidated statements of operations. At April 4, 2009 and December 31, 2008, the Company held forward foreign exchange contracts with notional amounts totaling $142 million and $120 million, respectively. At April 4, 2009, the Company had a $2 million asset in other current assets in the consolidated balance sheets related to the foreign currency exchange contract agreements. At December 31, 2008, the Company had a $2 million liability in other current liabilities in the consolidated balance sheet related to the foreign currency exchange contract agreements. For three months ended April 4, 2009, the Company recorded cumulative net pre-tax gains of $5 million, which consists of realized gains of $1 million relating to the closed forward contracts and $4 million of unrealized gains relating to the open forward contracts. For three months ended March 29, 2008, the Company recorded cumulative net pre-tax losses of $2 million, which consists of realized losses of $3 million relating to the closed forward contracts and $1 million of unrealized gains relating to the open forward contracts.

Product Warranty Costs

The Company accrues estimated product warranty costs at the time of sale which are included in cost of sales in the consolidated statements of operations. While the Company engages in extensive product quality programs and processes, including actively monitoring and evaluating the quality of its component supplies, the Company s warranty obligation is affected by product failure rates, material usage and service delivery costs incurred in correcting a product failure. The amount of the accrued warranty liability is based on historical information, such as past experience, product failure rates, number of units repaired and estimated costs of material and labor. The liability is reviewed for reasonableness at least quarterly.

The following is a summary of the activity of the Company s accrued warranty liability for the three months ended April 4, 2009 and March 29, 2008 (in thousands):

	Balance at Beginning of Period	Accruals for Warranties	Settlements Made	Balance at End of Period
Accrued warranty liability:				
April 4, 2009	$ 10,276	$ 1,694	$ (1,652)	$ 10,318
March 29, 2008	$ 13,119	$ 3,219	$ (3,112)	$ 13,226

2 Inventories

Inventories are classified as follows (in thousands):

	April 4, 2009	December 31, 2008
Raw materials	$ 60,232	$ 59,957
Work in progress	14,075	12,899
Finished goods	116,620	100,195
Total inventories	$ 190,927	$ 173,051

3 Acquisitions

Effective January 1, 2009, the Company implemented SFAS No. 141(R), Business Combination , (SFAS No. 141(R)). This standard requires an acquiring company to measure all assets acquired and liabilities assumed, including contingent considerations and all contractual contingencies, at fair value as of the acquisition date. In addition, an acquiring company is required to capitalize in-process research and development (IPR&D) and either amortize it over the life of the product, or write it off if the project is abandoned or impaired. SFAS No. 141(R) is applicable to acquisitions completed after January 1, 2009. SFAS No. 141(R) amended SFAS No. 109, Accounting for Income Taxes , and FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes (SFAS No. 109), or FIN 48. Previously,

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

SFAS No. 109 and FIN 48, respectively, generally required post-acquisition adjustments related to business combination deferred tax asset valuation allowances and liabilities for uncertain tax positions to be recorded as an increase or decrease to goodwill. SFAS No. 141(R) does not permit this accounting and generally requires any such changes to be recorded in current period income tax expense. Thus, all changes to valuation allowances and liabilities for uncertain tax positions established in acquisition accounting, whether the business combination was accounted for under SFAS No. 141 or SFAS No. 141(R), will be recognized in current period income tax expense.

In February 2009, the Company acquired all of the remaining outstanding capital stock of Thar Instruments, Inc. (Thar), a privately held global leader in the design, development and manufacture of analytical and preparative supercritical fluid chromatography and supercritical fluid extraction (SFC) systems, for $36 million in cash and assumed $4 million of debt. The Company had previously made a $4 million equity investment in Thar in June 2007. Immediately prior to the acquisition date, the Company fair valued its original equity investment in Thar and the acquisition date fair value was $4 million. There was no gain or loss recognized in the statement operations as a result of remeasuring to fair value the Company s equity interest in Thar prior to the business combination.

This acquisition was accounted for under SFAS No. 141(R) and the results of Thar have been included in the consolidated results of the Company from the acquisition date. The purchase price of the acquisition was allocated to tangible and intangible assets and assumed liabilities based on their estimated fair values. The Company has allocated $24 million of the purchase price to intangible assets comprised of customer relationships, non-compete agreements, acquired technology, IPR&D and other purchased intangibles. The Company is amortizing the customer relationships and acquired technology over 15 years. The non-compete agreements and other purchased intangibles are being amortized over five years. These intangible assets are being amortized over a weighted-average period of approximately 13 years. Included in intangible assets is a trademark in the amount of $4 million that has been assigned an indefinite life. Also, included in intangibles assets are IPR&D intangibles in the amount of $1 million which will be amortized over an estimated useful life of 15 years once the projects have been completed and commercialized. Thar was acquired to add the environmentally friendly SFC technology to the Company s product line and to leverage the Company s distribution channels. The excess purchase price of $22 million has been accounted for as goodwill. The sellers also have provided the Company with customary representations, warranties and indemnification which would be settled in the future if and when the contractual representation or warranty condition occurs. The goodwill is not deductible for tax purposes. Thar had approximately $2 million of sales included in the consolidated statement of operations for the three months ended April 4, 2009 since the acquisitions date. Thar s impact on the Company net income for three months ended April 4, 2009 was insignificant since the acquisition date.

The Company has determined the fair value of the assets and liabilities and the following table presents the fair values of 100% of the assets and liabilities owned and recorded in connection the Thar acquisitions (in thousands):

Cash	$ 364
Accounts receivable	3,863
Inventory	3,930
Other assets	4,421
Goodwill	21,960
Intangible assets	23,500
	58,038
Accrued expenses and other current liabilities	5,499
Debt	3,899
Deferred tax liability	8,658

Cash consideration paid	$ 39,982

The pro forma effect of the Thar acquisition is immaterial.

In accordance with SFAS No. 157, the Company measured at fair value the non-financial assets and non-financial liabilities that were acquired through the acquisition of Thar. The fair value of these non-financial assets and non-financial liabilities were determined using Level 3 inputs.

Table of Contents

CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

4 Goodwill and Other Intangibles

The carrying amount of goodwill was $290 million and $268 million at April 4, 2009 and December 31, 2008, respectively. The increase is primarily due to the Company s acquisition of Thar which increased goodwill by $22 million (Note 3).

The Company s intangible assets included in the consolidated balance sheets are detailed as follows (in thousands):

	April 4, 2009			December 31, 2008		
	Gross Carrying Amount	Accumulated Amortization	Weighted-Average Amortization Period	Gross Carrying Amount	Accumulated Amortization	Weighted-Average Amortization Period