COMTECH TELECOMMUNICATIONS CORP /DE/ Form 10-Q June 03, 2010

UNITED STATES 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 April 30, 2010

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 0-7928

(Exact name of registrant as specified in its charter)

Delaware	11-2139466
(State or other jurisdiction of	(I.R.S. Employer Identification Number)
incorporation /organization)	

68 South Service Road, Suite 230, Melville, NY (Address of principal executive offices)

11747 (Zip Code)

(631) 962-7000 (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 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes 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. Large accelerated filer Accelerated filer

Non-accelerated filer

Smaller reporting company

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

APPLICABLE ONLY TO CORPORATE ISSUERS:

As of June 1, 2010, the number of outstanding shares of Common Stock, par value \$.10 per share, of the registrant was 28,309,540 shares.

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PART I FINANCIAL INFORMATION COMTECH TELECOMMUNICATIONS CORP. AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS

Item 1.	April 30, 2010	July 31, 2009 (as adjusted-
Assets	(Unaudited)	See Note 2)
Current assets:		
Cash and cash equivalents	\$568,277,000	485,450,000
Accounts receivable, net	107,695,000	79,477,000
Inventories, net	75,077,000	95,597,000
Prepaid expenses and other current assets	9,745,000	13,398,000
Deferred tax asset	13,919,000	15,129,000
Total current assets	774,713,000	689,051,000
Property, plant and equipment, net	33,549,000	38,486,000
Goodwill	149,253,000	149,253,000
Intangibles with finite lives, net	50,102,000	55,272,000
Deferred financing costs, net	5,022,000	6,053,000
Other assets, net	1,271,000	556,000
Total assets	\$1,013,910,000	938,671,000
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$43,798,000	19,233,000
Accrued expenses and other current liabilities	47,216,000	51,741,000
Customer advances and deposits	10,951,000	19,571,000
Interest payable	3,031,000	1,418,000
Income taxes payable	8,296,000	563,000
Total current liabilities	113,292,000	92,526,000
Convertible senior notes	200,000,000	200,000,000
Other liabilities	2,420,000	2,283,000
Income taxes payable	5,088,000	4,267,000
Deferred tax liability	8,321,000	10,466,000
Total liabilities	329,121,000	309,542,000
Commitments and contingencies (See Note 20)		
Stockholders' equity:		
Preferred stock, par value \$.10 per share; shares authorized and unissued 2,000,000	_	_
Common stock, par value \$.10 per share; authorized 100,000,000 shares; issued 28,518,477 shares and 28,390,855 shares at April 30, 2010 and July 31, 2009,		
respectively	2,852,000	2,839,000
Additional paid-in capital	344,142,000	335,656,000
Retained earnings	337,980,000	290,819,000

	684,974,000	629,314,000
Less:		
Treasury stock (210,937 shares)	(185,000)	(185,000)
Total stockholders' equity	684,789,000	629,129,000
Total liabilities and stockholders' equity	\$1,013,910,000	938,671,000

See accompanying notes to condensed consolidated financial statements.

COMTECH TELECOMMUNICATIONS CORP. AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three months e	Three months ended April 30,		Nine months ended April 30,	
	2010	2009 (as adjusted- See Note 2)	2010	2009 (as adjusted- See Note 2)	
Net sales	\$216,303,000	128,545,000	521,251,000	464,346,000	
Cost of sales	141,512,000	81,040,000	333,185,000	270,385,000	
Gross profit	74,791,000	47,505,000	188,066,000	193,961,000	