AMERICAN SCIENCE & ENGINEERING, INC.
Form 10-Q
February 09, 2011
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended December 31, 2010

OR

o	**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 1-6549

American Science and Engineering, Inc.

(Exact name of Registrant as specified in its charter)

Massachusetts (State or other jurisdiction of incorporation or organization)	**04-2240991** (I.R.S. Employer Identification No.)
829 Middlesex Turnpike **Billerica, Massachusetts** (Address of principal executive offices)	**01821** (Zip Code)

(978) 262-8700

(Registrant s telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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 x 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 (§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 o No o

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 o	Accelerated filer x
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 Securities Exchange Act of 1934). Yes o No x

The number of shares of the registrant s common stock, $0.66 2/3 par value, outstanding as of February 2, 2011 was 9,079,131.

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PART I FINANCIAL INFORMATION

ITEM 1 FINANCIAL STATEMENTS

AMERICAN SCIENCE AND ENGINEERING, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands, except share and per share amounts)	**December 31, 2010**	**March 31, 2010**
Assets		
Current assets:		
Cash and cash equivalents	$ 48,072	$ 34,912
Restricted cash	18,594	35
Short-term investments, at fair value	108,173	144,166
Accounts receivable, net of allowances of $341 and $330 at December 31, 2010 and March 31, 2010, respectively	35,727	37,735
Unbilled costs and fees	16,310	2,078
Inventories, net	50,038	45,387
Prepaid expenses and other current assets	8,643	8,998
Deferred income taxes	2,458	2,389
Total current assets	288,015	275,700
Building, equipment and leasehold improvements, net	18,654	18,216
Restricted cash	9,926	
Deferred income taxes	5,175	5,171
Other assets, net	257	766
Total assets	$ 322,027	$ 299,853
Liabilities and Stockholders Equity		
Current liabilities:		
Accounts payable	$ 12,461	$ 10,970
Accrued salaries and benefits	12,217	13,663
Accrued warranty costs	890	965
Accrued income taxes		4,203
Deferred revenue	21,077	14,975
Customer deposits	6,317	13,714
Current portion of lease financing liability	1,316	1,302
Other current liabilities	5,733	3,913
Total current liabilities	60,011	63,705
Lease financing liability, net of current portion	6,086	7,075
Deferred revenue	3,696	7,271
Other long term liabilities	34	34
Total liabilities	69,827	78,085
Stockholders equity:		
Preferred stock, no par value, 100,000 shares authorized; no shares issued		
Common stock, $0.66 2/3 par value, 20,000,000 shares authorized; 9,067,595 and 9,013,508 shares issued and outstanding at December 31, 2010 and March 31, 2010, respectively	6,044	6,008
Capital in excess of par value	103,083	97,819

Accumulated other comprehensive income, net		42		33
Retained earnings		143,031		117,908
Total stockholders equity		252,200		221,768
Total liabilities and stockholders equity	$	322,027	$	299,853

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

AMERICAN SCIENCE AND ENGINEERING, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share amounts)	Three Months Ended December 31, 2010	Three Months Ended December 31, 2009	Nine Months Ended December 31, 2010	Nine Months Ended December 31, 2009
Net sales and contract revenues:				
Net product sales and contract revenues	$ 54,743	$ 37,035	$ 146,922	$ 114,008
Net service revenues	21,845	17,854	63,946	56,821
Total net sales and contract revenues	76,588	54,889	210,868	170,829
Cost of sales and contracts:				
Cost of product sales and contracts	30,340	23,206	78,905	63,940
Cost of service revenues	11,544	9,056	33,603	29,188
Total cost of sales and contracts	41,884	32,262	112,508	93,128
Gross profit	34,704	22,627	98,360	77,701
Expenses:				
Selling, general and administrative expenses	10,774	9,624	31,584	26,335
Research and development costs	6,568	4,152	16,803	14,909
Total operating expenses	17,342	13,776	48,387	41,244
Operating income	17,362	8,851	49,973	36,457
Other income (expense):				
Interest and investment income	152	170	515	473
Interest expense	(27)	(39)	(85)	(105)
Other, net	(151)	40	(37)	152
Total other income (expense)	(26)	171	393	520
Income before provision for income taxes	17,336	9,022	50,366	36,977
Provision for income taxes	5,554	3,203	17,114	13,127
Net income	$ 11,782	$ 5,819	$ 33,252	$ 23,850
Income per share Basic	$ 1.31	$ 0.65	$ 3.69	$ 2.69
Income per share Diluted	$ 1.28	$ 0.64	$ 3.60	$ 2.63
Weighted average shares Basic	9,023	8,929	9,022	8,868
Weighted average shares Diluted	9,236	9,136	9,225	9,069
Dividends declared per share	$ 0.30	$ 0.20	$ 0.90	$ 0.60

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

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AMERICAN SCIENCE AND ENGINEERING, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(In thousands)	For the Nine Months Ended December 31, 2010	December 31, 2009
Cash flows from operating activities:		
Net income	$ 33,252	$ 23,850
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,660	3,384
Provisions for contracts, inventory and accounts receivable reserves	879	1,358
Amortization of bond premium	1,581	554
Deferred income taxes	(73)	1,249
Mark-to-market of foreign currency put option contract	(122)	
Stock compensation expense	3,971	4,345
Changes in assets and liabilities:		
Accounts receivable	1,997	8,189
Unbilled costs and fees	(14,232)	4,250
Inventories	(5,519)	(616)
Prepaid expenses and other assets	986	(2,836)
Accounts payable	1,491	838
Accrued income taxes	(4,203)	(63)
Customer deposits	(7,397)	(4,455)
Deferred revenue	2,527	(14,171)
Accrued expenses and other liabilities	519	(2,471)
Net cash provided by operating activities	19,317	23,405
Cash flows from investing activities:		
Purchases of short-term investments	(114,801)	(166,998)
Proceeds from sales and maturities of short-term investments	149,222	93,261
Purchases of property and equipment	(4,098)	(2,191)
Net cash provided by (used for) investing activities	30,323	(75,928)
Cash flows from financing activities:		
Increase in restricted cash and investments	(28,485)	(1,832)
Proceeds from exercise of stock options	3,739	5,761
Repurchase of shares of common stock	(3,736)	(2,922)
Repayment of leasehold financing	(975)	(861)
Payment of common stock dividend	(8,129)	(5,329)
Reduction of income taxes paid due to the tax benefit from employee stock option expense	1,106	653
Net cash used for financing activities	(36,480)	(4,530)
Net increase (decrease) in cash and cash equivalents	13,160	(57,053)
Cash and cash equivalents at beginning of period	34,912	105,419
Cash and cash equivalents at end of period	$ 48,072	$ 48,366

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

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AMERICAN SCIENCE AND ENGINEERING, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

The condensed consolidated financial statements include the accounts of American Science and Engineering, Inc. and its wholly owned subsidiaries (the Company). All significant intercompany transactions and balances have been eliminated.

The unaudited condensed consolidated financial statements have been prepared in accordance with the requirements of Form 10-Q and consequently do not include all disclosures required by Form 10-K. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes included in the Company s Annual Report on Form 10-K for the fiscal year ended March 31, 2010.

The unaudited condensed consolidated financial statements, in the opinion of management, include all necessary adjustments, consisting solely of normal recurring adjustments, to present fairly the Company s financial position, results of operations and cash flows. These quarterly results are not necessarily indicative of the results to be expected for the entire year.

Nature of Operations

The Company is engaged in the development and manufacture of sophisticated X-ray inspection systems for critical detection and security screening solutions for sale primarily to U.S. and foreign government agencies. The Company has only one reporting segment, X-ray screening products.

Significant Accounting Policies

For systems that are produced in a standard manufacturing operation and have shorter order to delivery cycles, the Company recognizes sales when title passes and when other revenue recognition criteria (such as transfer of risk and customer acceptance) are met. Revenues on cost reimbursable and custom long-term fixed price contracts are generally recorded as costs are incurred using the percentage of completion method.

The other significant accounting policies followed by the Company and its subsidiaries in preparing its consolidated financial statements are set forth in Note 1 to the consolidated financial statements included in its Form 10-K for the year ended March 31, 2010. There have been no changes to our critical accounting policies during the three and nine months ended December 31, 2010.

Comprehensive Income

Comprehensive income is comprised of the following:

	Three Months Ended		Nine Months Ended	
	December 31,	December 31,	December 31,	December 31,
(In thousands)	2010	2009	2010	2009
Net income	$ 11,782	$ 5,819	$ 33,252	$ 23,850
Other comprehensive income	(31)	(13)	9	(3)
Comprehensive income	$ 11,751	$ 5,806	$ 33,261	$ 23,847

Stock Repurchase Program

The Board of Directors approved a Stock Repurchase Program which authorized the Company to repurchase up to $35.0 million of shares of its common stock from time to time on the open market. During the three months ended December 31, 2010, a total of 4,769 shares were repurchased at an average price of $74.33 per share. During the nine months ended December 31, 2010, a total of 51,269 shares were repurchased at an average price of $72.87 per share. As of December 31, 2010, the maximum dollar value of shares that may still be purchased under the program is $20,142,000.

Dividends

	Three Months Ended		Nine Months Ended	
	December 31,	December 31,	December 31,	December 31,
(In thousands)	2010	2009	2010	2009
Dividends declared	$ 0.30	$ 0.20	$ 0.90	$ 0.60
Dividends paid	$ 0.30	$ 0.20	$ 0.90	$ 0.60

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On February 8, 2011, the Company declared a cash dividend of $0.30 per share. The dividend will be paid on March 3, 2011 to all shareholders of record at the close of business on February 21, 2011. Future dividends will be declared at the discretion of the Board of Directors and will depend upon such factors as the Board of Directors deems relevant.

Concentrations of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist primarily of cash and cash equivalents, short-term investments and accounts and unbilled receivables. At times, the Company maintains cash balances in excess of insured limits. The Company maintains its cash and cash equivalents with major financial institutions. The Company s credit risk is managed by investing its cash in high quality U.S. treasury bills, high quality money market funds, commercial paper, investment grade corporate debentures / bonds, U.S. Government agency bonds and certificates of deposit.

Recent Accounting Pronouncements

In October 2009, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2009-14, *Revenue Recognition (Topic 605) Applicability of AICPA Statement of Position 97-2 to Certain Arrangements That Include Software Elements* (ASU 2009-14). ASU 2009-14 excludes tangible products containing software components and non-software components that function together to deliver the product s essential functionality from the scope of FASB Accounting Standards Codification (ASC) 605-985, *Software-Revenue Recognition*. ASU 2009-14 shall be applied on a prospective basis to revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Early adoption is permitted. Upon adoption, the Company must apply ASU 2009-14 retrospectively to the beginning of the fiscal year of adoption or to all periods presented. The Company is currently evaluating the impact of the pending adoption of ASU 2009-14 on its consolidated financial statements.

2. ACCOUNTING FOR STOCK-BASED COMPENSATION

The Company accounts for stock based awards made to employees and its Board of Directors in accordance with FASB ASC 718, *Compensation Stock Compensation*, which requires the measurement and recognition of all compensation costs for stock based awards made to employees and the Board of Directors based upon fair value over the requisite service period for awards expected to vest.

The Company recognized $1,408,000 and $1,687,000 of share-based compensation costs in the consolidated statements of operations for the three months ended December 31, 2010 and December 31, 2009, respectively. The Company recognized $3,971,000 and $4,345,000 of share-based compensation costs in the consolidated statements of operations for the nine months ended December 31, 2010 and December 31, 2009, respectively. The decline in stock compensation expense in the current fiscal year is primarily due to the 2011 long term incentive plan grant being issued solely as a cash-based award versus a combination of restricted stock, restricted options, and/or cash as was done in previous years. The income tax benefit recognized related to this compensation for the three months ended December 31, 2010 and December 31, 2009 was approximately $451,000 and $599,000, respectively. The income tax benefit related to this compensation for the nine months ended December 31, 2010 and December 31, 2009 was approximately $1,346,000 and $1,539,000, respectively.

The following table summarizes share-based compensation costs included in the Company s consolidated statement of operations:

	Three Months Ended		Nine Months Ended	
(In thousands)	**December 31, 2010**	**December 31, 2009**	**December 31, 2010**	**December 31, 2009**
Cost of revenues	$ 214	$ 285	$ 609	$ 693
Selling, general and administrative	1,194	1,402	3,362	3,652
Total share-based compensation expense before tax	$ 1,408	$ 1,687	$ 3,971	$ 4,345

The Company deems the Black-Scholes option pricing model as the most appropriate method for determining the estimated fair value for the stock-based awards. The Black-Scholes method of valuation requires several assumptions: (1) the expected term of the stock award; (2) the expected future stock volatility over the expected term; (3) a risk-free interest rate; and (4) the expected dividend yield. The expected term represents the expected period of time the Company believes the options will be outstanding based on historical information. Estimates of expected future stock price volatility are based on the historic volatility of the Company s common stock and the risk free interest rate is based on the U.S. Zero-Bond rate. The expected dividend yield was based on the expectation that the Company would continue paying dividends on our common stock at the same rate for the foreseeable future.

There were 56,181 and 63,993 options granted in the nine month periods ended December 31, 2010 and December 31, 2009, respectively. The fair value of the options at date of grant was estimated with the following assumptions for grants made during the period presented:

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	Nine Months Ended December 31, 2010	Nine Months Ended December 31, 2009
Assumptions:		
Option life	5 years	5 years
Risk-free interest rate	1.5%	2.4%
Stock volatility	44%	46%
Dividend yield	1.6%	1.24%

Stock Option and Other Compensation Plans

The Company has various stock option and other compensation plans for non-employee directors, officers, and employees. The Company had the following stock option and other compensation plans outstanding as of December 31, 2010: the 1995 Combination Plan, the 1997 Non-Qualified Option Plan, the 1998 Non-Qualified Option Plan, the 1999 Combination Plan, the 2000 Combination Plan, the 2002 Combination Plan, the 2003 Stock Plan for Non-Employee Directors and the 2005 Equity and Incentive Plan. There are 3,980,000 shares authorized under these plans. As of December 31, 2010, 571,000 shares remain available for future issuance under these plans. Vesting periods are at the discretion of the Compensation Committee of the Board of Directors, or their designee, and typically range between one and three years. Options under these plans are granted at fair market value and have a term of five or ten years from the date of grant.

Stock Options

The following tables summarize stock option activity for the nine months ended December 31, 2010.

	Number of Shares	Weighted Average Exercise Price ($)	Weighted Average Contractual Life	Aggregate Intrinsic Value
Options outstanding at March 31, 2010	613,934	$ 47.38	5.27	
Grants	56,181	74.87		
Exercises	(98,703)	37.87		$ 4,290,000
Cancellations				
Options outstanding at December 31, 2010	571,412	51.72	5.13	
Options exercisable at December 31, 2010	496,558	48.94		$ 18,022,000

Information related to the stock options outstanding as of December 31, 2010 is as follows:

Range of Exercise Prices	Number of Shares	Weighted-Average Remaining	Weighted-Average Exercise Price	Exercisable Number of Shares	Exercisable Weighted-Average

		Contractual Life (years)	($)		Exercise Price ($)
$ 6.50 - $20.00	56,627	2.75	$ 13.08	56,627	$ 13.08
$20.01 - $30.00	50,784	3.42	28.01	50,784	28.01
$30.01 - $40.00	23,000	3.93	39.07	23,000	39.07
$40.01 - $50.00	71,000	4.57	45.84	71,000	45.84
$50.01 - $60.00	106,282	4.60	53.30	102,421	53.37
$60.01 - $70.00	207,538	5.55	64.40	188,545	64.70
$70.01 - $75.82	56,181	9.67	74.87	4,181	75.82
$ 6.50 - $75.82	571,412	5.13	51.72	496,558	48.94

As of December 31, 2010, there was approximately $1,042,000 of unrecognized compensation costs related to options granted. This cost is expected to be recognized over a weighted average period of 0.9 years. Non-vested common stock options are subject to the risk of forfeiture until the fulfillment of specified conditions.

Restricted Stock and Restricted Stock Units

The Company has instituted long term incentive plans for certain key employees. These plans call for the issuance of restricted stock, restricted stock options, and/or cash bonus which vests or is paid upon the achievement of certain performance-based goals as well as service time incurred. Restricted stock and restricted stock units may also be granted to other employees with vesting periods

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that range from one to three years. In addition, annually on January 10th the Board of Directors is granted restricted stock. These restricted stock shares vest on a pro-rata basis on service time performed over a one-year period. The fair values of these restricted stock awards are equal to the market price per share of the Company s common stock on the date of grant.

Non-vested restricted stock and stock unit awards are subject to the risk of forfeiture until the fulfillment of specified conditions. As of December 31, 2010 there was $1,284,000 of total unrecognized compensation cost related to non-vested restricted stock and stock unit awards granted under the Company s stock plans. This cost is expected to be recognized over a weighted average period of 1.4 years.

The following table summarizes the status of the Company s non-vested restricted stock and stock unit awards for the nine months ended December 31, 2010:

	Number of Shares		Weighted Average Grant Date Fair Value ($)
Outstanding at March 31, 2010	97,240	$	60.78
Granted	366		75.82
Vested	(7,323)		66.22
Forfeited			
Outstanding at December 31, 2010	90,283	$	60.40

3. INVENTORIES

Inventories consist of material, labor and manufacturing overhead and are recorded at the lower of cost, using the weighted average cost method, or net realizable value. Excessive manufacturing overhead costs attributable to idle facility expenses, freight, handling costs and wasted material (spoilage) attributable to abnormally low production volumes (levels that materially differ from budgeted production plans due primarily to changes in customer demand) are excluded from inventory and recorded as an expense in the period incurred.

The components of inventories at December 31, 2010 and March 31, 2010 were as follows:

(In thousands)		**December 31, 2010**		**March 31, 2010**
Raw materials, completed sub-assemblies, and spare parts	$	25,247	$	19,821
Work-in-process		21,169		15,813
Finished goods		3,622		9,753
Total	$	50,038	$	45,387

4. INCOME PER COMMON AND COMMON EQUIVALENT SHARE

Basic earnings per common share is computed by dividing net income available to common stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share include the dilutive impact of options and restricted stock units using the average share price of the Company s common stock for the period. For the three months ended December 31, 2010 and December 31, 2009, common stock equivalents of 53,000 and 2,000, respectively, are excluded from diluted earnings per share, as their effect is anti-dilutive. For the nine months ended December 31, 2010 and December 31, 2009, common stock equivalents of 58,000 and 95,000, respectively, are excluded from diluted earnings per share, as their effect is anti-dilutive.

	Three Months Ended		Nine Months Ended	
(In thousands except per share amounts)	**December 31, 2010**	**December 31, 2009**	**December 31, 2010**	**December 31, 2009**
Income Per Share				
Basic:				
Net income	$ 11,782	$ 5,819	$ 33,252	$ 23,850
Weighted average number of common shares outstanding basic	9,023	8,929	9,022	8,868
Net income per share basic	$ 1.31	$ 0.65	$ 3.69	$ 2.69
Diluted:				
Net income	$ 11,782	$ 5,819	$ 33,252	$ 23,850
Weighted average number of common shares outstanding	9,023	8,929	9,022	8,868
Assumed exercise of stock options and restricted stock units, using the treasury stock method	213	207	203	201
Weighted average number of common and potential common shares outstanding diluted	9,236	9,136	9,225	9,069
Net income per share diluted	$ 1.28	$ 0.64	$ 3.60	$ 2.63

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5. LINE OF CREDIT

The Company had in place a Loan and Security Agreement with Silicon Valley Bank which provided a $30.0 million facility to support routine letters of credit and working capital needs. The Loan and Security Agreement expired on November 12, 2010 and the Company decided not to renew this facility given the cash flows provided from operations and the Company s available cash and investments balance. The Company had not drawn on this facility since June of 2002 and had used this credit facility exclusively to issue standby letters of credit.

In the normal course of business, the Company may provide certain customers and potential customers with performance guarantees, which are generally backed by standby letters of credit. In general, the Company would only be liable for the amount of these guarantees in the event of default in the performance of its obligations; the probability of which management believes is low. As of December 31, 2010, the Company had outstanding $27,108,000 in standby letters of credit. Upon expiration of the Company s Loan and Security Agreement as noted above, these outstanding standby letters of credit became cash-secured at amounts ranging from 105% to 110% of the outstanding letters of credit. This resulted in a restricted cash balance of $28,520,000 at December 31, 2010 of which $9,926,000 was considered long-term restricted cash due to the expiration date of the underlying letters of credit.

6. FAIR VALUE MEASUREMENTS

The Company has categorized its financial assets, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy as set forth below. If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets recorded on the Condensed Consolidated Balance Sheets are categorized based on the inputs to the valuation techniques as follows:

Level 1 - Financial assets whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Company has the ability to access at the measurement date (examples include actively exchange-traded equity securities, listed derivatives, and most U.S. Government and agency securities).

Level 2 - Financial assets whose values are based on quoted prices in markets where trading occurs infrequently or whose values are based on quoted prices of instruments with similar attributes in active markets. Level 2 inputs include the following:

- Quoted prices for identical or similar assets or liabilities in non-active markets (examples include corporate and municipal bonds which trade infrequently);

- Inputs other than quoted prices that are observable for substantially the full term of the asset or liability (examples include interest rate and currency swaps); and

- Inputs that are derived principally from or corroborated by observable market data for substantially the full term of the asset or liability (examples include certain securities and derivatives).

Level 3 - Financial assets whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management s own assumptions about the assumptions a market participant would use in pricing the asset or liability. The Company currently does not have any Level 3 financial assets or liabilities.

The following table presents the financial assets and liabilities the Company measures at fair value on a recurring basis, based on the fair value hierarchy as of December 31, 2010 and March 31, 2010:

(In thousands)		December 31, 2010		March 31, 2010
Level 1 Financial Assets				
U.S. Treasury bills	$	15,104	$	35,005
Level 2 Financial Assets				
Corporate debentures/bonds		47,063		42,588
Government agency bonds		8,674		28,589
Commercial paper		41,330		25,983
Money market funds		21,974		19,705
Certificates of deposit				12,001
Total Level 2 Financial Assets		119,041		128,866
Total cash equivalents and short-term investments	$	134,145	$	163,871

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These investments are classified as available-for-sale and are recorded at their fair market values using the specific identification method. As of December 31, 2010, all of the Company s available-for-sale securities had contractual maturities of fifteen months or less. The Company had no material realized gains or losses on its available-for-sale securities for three and nine months ended December 31, 2010 and December 31, 2009, respectively. The unrealized holding gains or losses on these securities are included as a component of comprehensive income as disclosed in Note 1.

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Short-term investments				
Corporate debentures/bonds	$ 47,059	$ 26	$ (22)	$ 47,063
Treasury bills	15,087	17		15,104
Commercial paper	37,332			37,332
Government agency bonds	8,670	5	(1)	8,674
Total short-term investments	$ 108,148	$ 48	$ (23)	$ 108,173
Cash equivalents:				
Money market funds	$ 21,974	$	$	$ 21,974
Commercial paper	3,998			3,998
Total cash equivalents	$ 25,972	$	$	$ 25,972

7. DERIVATIVE FINANCIAL INSTRUMENTS

The Company purchased in the fourth quarter of fiscal year 2010, a foreign currency put option contract to manage the risk associated with foreign currency exchange rate fluctuations on an anticipated obligation and transaction, which was outstanding at year end. The foreign currency put option contract was paid in full at execution and was related to our activities in Europe. The put option contract provided us with the option to exchange Euros for U.S. dollars at a fixed exchange rate such that, if the Euro were to depreciate against the U.S. dollar to predetermined levels as set by the contract, we could exercise our option and mitigate our foreign currency exchange losses. This contract did not qualify for hedge accounting treatment and was marked-to-market through the results of operations until it was settled. This contract was sold during the second quarter ending September 30, 2010. The Company recorded net mark-to-market income for this contract of $122,000 for the nine months ended December 31, 2010, which is included in other income and expense in the condensed consolidated statements of operations. The Company had no option contracts outstanding during the three and nine months ended December 31, 2009.

8. INCOME TAXES

The Company accounts for income taxes in accordance with FASB ASC 740, *Income Taxes* and recognizes deferred income taxes based on the expected future tax consequences of differences between the financial statement basis and the tax basis of assets and liabilities, calculated using enacted tax rates in effect for the year in which the differences are expected to be reflected in the tax return. The Company evaluates the need for a valuation allowance against its net deferred tax assets at year end based upon its three year cumulative income and its projections of future income, and records a valuation allowance against any net deferred tax assets if it is more likely than not that they will not be realized.

The Company is currently open to audit under the statute of limitations by the Internal Revenue Service for the years ending March 31, 2008 through 2010 and for various state taxing authorities for the years ending March 31, 2006 through 2010. The Company believes that there were no material uncertain tax positions that required a reserve as of December 31, 2010.

9. GUARANTEES

Certain of the Company s products carry a one-year warranty, the costs of which are accrued for at time of shipment or delivery. Accrual rates are based upon historical experience for the trailing twelve months and management s judgment of future exposure. Warranty experience for the three and nine months ended December 31, 2010 and 2009 is as follows:

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(In thousands)	Three Months Ended December 31, 2010	Three Months Ended December 31, 2009	Nine Months Ended December 31, 2010	Nine Months Ended December 31, 2009
Warranty accrual beginning of period	$ 705	$ 891	$ 965	$ 1,130
Accruals for warranties issued during the period	638	242	1,109	1,020
Adjustment of preexisting accrual estimates		(171)	(161)	(865)
Warranty costs incurred during the period	(453)	(73)	(1,023)	(396)
Warranty accrual end of period	$ 890	$ 889	$ 890	$ 889

10. LEASE COMMITMENTS

In March 2005, the Company renewed its lease agreement for its corporate headquarters and manufacturing facilities in Billerica, Massachusetts. As part of the lease agreement, the Company s landlord agreed to certain renovations to the Billerica facility including the construction of additional high bay manufacturing space. The Company was responsible for a portion of the construction costs and was deemed to be the owner of the building during the construction period under FASB ASC 840, *Leases.* In January 2007, the Company amended this lease agreement to expand its lease to include the remaining available space in the building. A total of $7,182,000 was capitalized to record the facility on its books with an offsetting credit to the lease financing liability. In addition, amounts paid for construction were capitalized to fixed assets and the landlord construction allowances of $6,009,000 were recorded as additional lease financing liability.

At the completion of the construction of the initial renovations in February 2006, the lease was reviewed for potential sale-leaseback treatment in accordance with FASB ASC 840-40, *Leases Sale-Leaseback Transactions*. Based on this review, it was determined that the lease did not qualify for sale-leaseback treatment in accordance with FASB ASC 840-40. As a result, building and tenant improvement and associated lease financing liabilities remain on the Company s books. The lease financing liability is being amortized over the lease term based on the payments designated in the agreement and the building and tenant improvement assets are being depreciated on a straight line basis over the lesser of their useful lives or the lease term.

11. COMMITMENTS AND CONTINGENCIES

Deferred Revenue

The Company offers to its customers extended warranty and service contracts. These contracts typically cover a period of one to five years, and include advance payments that are recorded as deferred revenue. Revenue is recognized as services are performed over the life of the contract, which represents the period over which these revenues are earned. Costs associated with these extended warranty and service contracts are expensed to cost of goods sold as incurred.

ITEM 2 MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. The statements contained in this report that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Without limiting the foregoing, the words may, will, should, could, expects, plans, anticipates, believes, estimates, predicts, potential and similar expressions are intended to identify forward-looking statements. All forward-looking statements included in this Quarterly Report on Form 10-Q are based on information available to us up to, and including, the date of this report, and we assume no obligation to update any such forward-looking statements. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the following: significant reductions or delays or cancellation (in full or in part) in procurements of our systems by the United States and other governments; disruption in the supply of any source component incorporated into our products; litigation seeking to restrict the use of intellectual property we use; potential product liability claims against us; global political trends and events which affect public perception of the threat presented by drugs, explosives and other contraband; global economic developments and the ability of governments and private organizations to fund purchases of our products to address such threats; the potential insufficiency of our resources, including human resources, capital, plant and equipment and management systems, to accommodate any future growth; future delays in federal funding; and other factors discussed in Item 1A Risk Factors and elsewhere in this Form 10-Q. You should carefully review those factors and also carefully review the risks outlined in other documents that we file from time to time with the Securities and Exchange Commission.

Overview

American Science and Engineering, Inc., which is referred to in this report as we or the Company , develops and manufactures state-of-the-art X-ray inspection systems for homeland security, force protection, and other critical defense applications. We provide maintenance, warranty, research, engineering, and training services related to these solutions.

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Our primary technologies are: (1) Z Backscatter technology which is used to detect plastic explosives, illegal drugs, and other contraband even when artfully concealed in complex backgrounds; and (2) Shaped Energy X-ray inspection technology which provides high penetration of dense cargoes without excess radiation, eliminating the need for extensive exclusion zones.

Net sales and contract revenues for the third quarter of fiscal 2011 increased by 40% to $76,588,000 compared to revenues of $54,889,000 for the third quarter of fiscal 2010. We reported income before provision for income taxes of $17,336,000 for the third quarter of fiscal 2011 compared to $9,022,000 for the third quarter of fiscal 2010. Net income for the third quarter of fiscal 2011 was $11,782,000 ($1.28 per share, on a diluted basis) compared to net income of $5,819,000 ($0.64 per share, on a diluted basis) for the third quarter of fiscal 2010.

Net sales and contract revenues for the first nine months of fiscal 2011 increased by 23% to $210,868,000 compared to revenues of $170,829,000 for the first nine months of fiscal 2010. We reported income before provision for income taxes of $50,366,000 for the first nine months of fiscal 2011 compared to $36,977,000 for the first nine months of fiscal 2010. Net income for the first nine months of fiscal 2011 was $33,252,000 ($3.60 per share, on a diluted basis) compared to net income of $23,850,000 ($2.63 per share, on a diluted basis) for the first nine months of fiscal 2010.

Critical Accounting Policies

We believe that several accounting policies are important to understanding our historical and future performance. We refer to these policies as critical because these specific areas generally require us to make judgments and estimates about matters that are uncertain at the time we make the estimate, and different estimates which also would have been reasonable could have been used, which would have resulted in different financial results.

The critical accounting policies we identified in our most recent Annual Report on Form 10-K for the fiscal year ended March 31, 2010 are policies related to revenue recognition, inventories and related allowances for obsolete and excess inventory, and income taxes. It is important that the discussion of our operating results that follows be read in conjunction with the critical accounting policies disclosed in our Annual Report on Form 10-K, as filed with the SEC on June 9, 2010. There have been no changes to our critical accounting policies during the nine months ended December 31, 2010.

Results of Operations

Net revenues for the third quarter ended December 31, 2010 increased by $21,699,000 to $76,588,000 compared to the corresponding period a year ago. This increase is attributable primarily to an increase of $17,708,000 in product sales and contract revenues. Factors contributing to the product sales and contract revenues increase include: 1) an increase of $11,213,000 in Z Backscatter system revenues as compared to the corresponding prior year period due to a higher number of units being delivered in the period as compared to the prior year; 2) an increase of $6,658,000 in CargoSearch system revenues as compared to the corresponding prior year period attributable to an increase in the number of contracts in progress as compared to the prior year; and 3) an increase of $989,000 in contract research and development revenues attributable to progress made on one contract accounted for on a percentage of completion basis. These increases were offset in part by a decrease of $1,017,000 in aftermarket parts revenue due to a lower volume of orders fulfilled in the period. ParcelSearch revenues remained relatively flat as compared to the prior period. Service revenues increased by $3,991,000 to $21,845,000 compared to the third quarter of fiscal 2010 due primarily to increased service contract revenue as a greater number of systems were under contract as compared to the prior year period.

Net revenues for the nine months ended December 31, 2010 increased by $40,039,000 to $210,868,000 compared to the corresponding period a year ago. This increase is attributable primarily to an increase of $32,914,000 in product sales and contract revenues. Factors contributing to the product sales and contract revenues increase include: 1) an increase of $14,768,000 in Z Backscatter systems revenues as compared to the corresponding prior year period on higher volume; 2) an increase of $12,436,000 in CargoSearch system revenues as compared to the corresponding prior year period attributable to an increase in the number of systems delivered and comparably greater progress on certain contracts recognized on a percentage of completion basis; 3) an increase of $4,843,000 in ParcelSearch system revenues as compared to the prior year related to one multi unit order fulfilled in the period; and 4) an increase of $1,455,000 in contract research and development revenues attributable to one contract accounted for on a percentage of completion basis. Aftermarket parts revenues experienced a decrease of $588,000 as compared to the prior period due to a lower volume of orders fulfilled in the period. Service revenues increased by $7,125,000 to $63,946,000 compared to the nine months ended December 31, 2009 due primarily to increased service contract revenue as a greater number of systems were under contract as compared to the prior year period.

Total cost of sales and contracts for the third quarter of fiscal 2011 increased by $9,622,000 to $41,884,000 as compared to the corresponding period a year ago. Cost of sales and contracts related to product revenues increased by $7,134,000 to $30,340,000 as compared to the corresponding period a year ago. Cost of product sales and contract revenues represented 55% of revenues versus 63% of revenues for the corresponding period last year. The resultant increase in gross margin percentage from the prior year is due primarily to improved margins from the CargoSearch product group which had improved overhead absorption on higher volume. In addition, certain lower margin programs, which had impacted margin in the quarter ended December 31, 2009, were completed in the prior year. These margin improvements were offset in part by a loss accrual in the quarter on one contract research and development program which experienced non-recoverable cost overruns. The cost of service revenues for the quarter ended December 31, 2010 increased by $2,488,000 to $11,544,000 as compared to the corresponding period a year ago. Cost of service revenues increased to 53% of revenues from 51% of revenues in the corresponding period due primarily to increased material and travel expenditures for systems under fixed price contracts during the period.

Total cost of sales and contracts for the nine months ended December 31, 2010 increased by $19,380,000 to $112,508,000 as compared to the corresponding period a year ago. Cost of sales and contracts related to product revenues increased by $14,965,000 to $78,905,000 as compared to the corresponding period a year ago. Cost of product sales and contract revenues represented 54% of revenues for the nine months ended December 31, 2010 as compared to 56% of revenues for the nine months ended December 31, 2009. The resultant increase in gross margin percentage can be attributed primarily to improved margins from the CargoSearch product group in the period. The increased volume of production and installation activity in the CargoSearch area resulted in improved overhead absorption over the prior year. In addition, certain lower margin programs which had impacted margins in fiscal year 2010 were completed in the prior year and replaced with higher margin contracts. The cost of service revenues for the nine months ended December 31, 2010 increased by $4,415,000 to $33,603,000 as compared to the corresponding period a year ago. Cost of service revenues increased to 53% of revenues for the nine months ended December 31, 2010 from 51% of revenues for the nine months ended December 31, 2009 due primarily to increased material and travel expenditures for systems under fixed price service contracts during the period.

Selling, general and administrative expenses for the third quarter of fiscal 2011 increased by $1,150,000 to $10,774,000 as compared to the corresponding period a year ago. Selling, general and administrative expenses represented 14% of revenues in the current period compared to 18% for the corresponding period last year. The increase in selling, general and administrative expenses over the prior period was primarily the result of: 1) an increase in payroll and payroll-related costs of $747,000 attributable to increased headcount; 2) an increase of $473,000 in marketing related costs related primarily to trade show and demonstration related costs; 3) an increase in legal fees of $303,000 related to international projects and other routine business matters, and 4) an increase in travel expenses of $181,000 related to sales and marketing related efforts. These increases were offset in part by decreased incentive compensation expense of $447,000, as certain compensation related items were expensed earlier in the fiscal year than in the comparable prior period, and a decrease in audit and accounting related expenditures as compared to the prior year as the Company brought in-house certain previously outsourced compliance related activities.

Selling, general and administrative expenses for the nine months ended December 31, 2010 increased by $5,249,000 to $31,584,000 as compared to the corresponding period a year ago. Selling, general and administrative expenses remained constant at 15% of revenues in both periods reported. The increase in selling, general and administrative expenses over the prior period was primarily the result of: 1) an increase in payroll and payroll-related costs of $1,801,000 attributable to increased headcount; 2) an increase of $1,325,000 in incentive compensation expense due to increased performance levels; 3) an increase of $666,000 in marketing related costs related primarily to trade show and demonstration related costs; 3) an increase in legal fees of $663,000 attributable to due diligence activities on a potential acquisition that was abandoned earlier in the year and other routine business activities, and 4) an increase in travel expenses of $610,000 related to sales and marketing related efforts.

Company funded research and development expenses for the third quarter of fiscal 2011 increased by $2,416,000 to $6,568,000 as compared to the corresponding period last year. Research and development expenses represented 9% of revenues in the current quarter compared to 8% for the corresponding period last year. The increase in research and development expenses in the quarter was attributable to acquired subcontracted development work related to one research and development project in the period. Research and development activities performed in the quarter focused on the development of new products, product options and product enhancements.

Company funded research and development expenses for the nine months ended December 31, 2010 increased by $1,894,000 to $16,803,000 as compared to the corresponding period last year. Research and development expenses represented 8% of revenues for the nine months ended December 31, 2010 as compared to 9% for the corresponding period last year. The increase in research and development expenses is attributable to acquired subcontracted development work related to one research and development project in the period. Research and development activities performed in the period focused on the development of new products, product options and product enhancements.

Other income (expense) was $26,000 of expense for the third quarter of fiscal 2011 as compared to $171,000 of income for the corresponding period a year ago. Other income was $393,000 of income for the nine months ended December 31, 2010 as compared to $520,000 of income for the corresponding period a year ago

We reported pre-tax income of $17,336,000 in the three months ended December 31, 2010 as compared to pre-tax income of $9,022,000 in the corresponding period due to the factors described above. We reported pre-tax income of $50,366,000 in the nine months ended December 31, 2010 as compared to pre-tax income of $36,977,000 in the corresponding period due to the factors described above.

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Our effective tax rate for the three months ended December 31, 2010 was 32.0% as compared to 35.5% for the corresponding period a year ago. This decline in the tax rate for the quarter is attributable to the retroactive reinstatement of research and development tax credits during the period as well as decreases in certain non-deductible compensation expense during the period.

Our effective tax rate for the nine months ended December 31, 2010 was 34.0% as compared to 35.5% for the corresponding period a year ago. This decline in the tax rate for the period is due to increased manufacturing and research and development credits as well as decreases in certain non-deductible compensation expense during the period.

We had net income of $11,782,000 for the third quarter of fiscal 2011 as compared to net income of $5,819,000 in the third quarter of fiscal 2010. We had net income of $33,252,000 for the nine months ended December 31, 2010 as compared to net income of $23,850,000 in the nine months ended December 31, 2009. The significant factors contributing to these results are noted in the above sections.

Liquidity and Capital Resources

Our sources of capital include, but are not limited to, our cash flows from operations and cash received from stock issuances related to option exercises. We believe that our operating cash flows and cash and investments on hand are sufficient to fund our working capital requirements, capital expenditures, income tax obligations, dividends to our shareholders, performance guarantee collateralizations, and share repurchases for the foreseeable future.

Summary of Cash Activities

Cash and cash equivalents increased by $13,160,000 to $48,072,000 at December 31, 2010 compared to $34,912,000 at March 31, 2010. This increase is attributable primarily to: 1) the net income earned in the period adjusted for certain non-cash items; 2) a net decrease of $34,421,000 in short-term investments as we liquidated certain short-term investments into cash equivalents during the period; and 3) proceeds from exercise of stock options of $3,739,000 during the period. Offsetting these inflows were other operating cash outflows including: 1) increases in unbilled receivables of $14,232,000 due to the milestone invoicing terms on certain contracts delivered during the current period; 2) increases in inventories of $5,519,000 from year end to meet delivery schedules of orders in backlog; 3) decreases in customer deposits of $7,397,000 during the period as milestone payments received in the prior year were earned and converted to revenue in the current fiscal year and 4) decreases in accrued income taxes of $4,203,000 due to estimated tax payments made during the year. In addition, we transferred $28,485,000 in cash to a restricted cash account to collateralize outstanding letters of credit; we paid $8,129,000 in dividends to shareholders as part of our quarterly dividend program; and used $3,736,000 to repurchase 51,269 shares of common stock as part of our Stock Repurchase Program.

Credit Facility

We had in place a Loan and Security Agreement with Silicon Valley Bank which provided a $30.0 million facility to support our routine letters of credit and working capital needs. The Loan and Security Agreement expired on November 12, 2010 and we decided not to renew this facility given the cash flows provided from operations and our available cash and investments balance. We had not drawn on this facility since June of

2002 and had used this credit facility exclusively to issue standby letters of credit.

In the normal course of business, we may provide certain customers and potential customers with performance guarantees, which are generally backed by standby letters of credit. In general, we would only be liable for the amount of these guarantees in the event of default in the performance of our obligations, the probability of which management believes is low. As of December 31, 2010, we had outstanding $27,108,000 in standby letters of credit. Upon expiration of the our Loan and Security Agreement as noted above, these outstanding standby letters of credit became cash-secured at amounts ranging from 105% to 110% of the outstanding letters of credit. This resulted in a restricted cash balance of $28,520,000 at December 31, 2010 of which $9,926,000 was considered long-term restricted cash due to the expiration date of the underlying letters of credit.

ITEM 3 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The cash accounts for our operations in Hong Kong, England, the Netherlands, and Abu Dhabi are maintained in Hong Kong dollars, pounds sterling, Euros and dirham, respectively. The gains and losses from foreign currency transactions are included in the condensed consolidated statements of operations for the period and were immaterial. During the six months ended September 30, 2010, we held a foreign currency put option which provided us with the option to exchange Euros for U.S. dollars at a fixed exchange rate such that, if the Euro were to depreciate against the U.S. dollar to predetermined levels as set by the contract, we could exercise our option and mitigate our foreign currency exchange losses. This put option was sold during the quarter ended September 30, 2010 at a price near cost resulting in no material gain or loss. A hypothetical 10 percent change in foreign currency rates would not have a material impact on our results of operations or financial condition.

As of December 31, 2010, we held short-term investments consisting of corporate debentures/bonds, commercial paper , money market funds, U.S. treasury bills, and government agency bonds. Our primary objective with our investment portfolio is to invest

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available cash while preserving principal and meeting liquidity needs. These investments have an average interest rate of 0.384% and are subject to interest rate risk. As a result of the average maturity and conservative nature of the investment portfolio, a sudden change in interest rates would not have a material adverse effect on the value of these investments.

ITEM 4 CONTROLS AND PROCEDURES

a) Evaluation of disclosure controls and procedures

As of the end of the period covered by this report, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, the Company reviewed and evaluated the effectiveness of the Company s disclosure controls and procedures pursuant to Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 as amended (the Exchange Act). Based upon their evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by the Company in the reports filed and submitted by it under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission s rules and forms, and to provide reasonable assurance that information required to be disclosed by the Company in such reports is accumulated and communicated to the Company s management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

b) Changes in internal control over financial reporting

There have been no changes in our internal control over financial reporting as such term is defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company s internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1A RISK FACTORS

You should carefully review and consider the information regarding certain factors which could materially affect our business, financial condition or future results set forth under Item 1A. Risk Factors in our Form 10-K for the year ended March 31, 2010. There have been no material changes from the factors disclosed in our Form 10-K for the year ended March 31, 2010, although we may disclose changes to such factors or disclose additional factors from time to time in our future filings with the Securities and Exchange Commission.

ITEM 2 UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table provides information about our purchases during the quarter ended December 31, 2010 of equity securities that are registered by us pursuant to Section 12 of the Exchange Act.

Quarter ended December 31, 2010	Total Number of Shares Purchased		Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs (1)		Approximate Dollar Value of Shares that May Yet Be Purchased Under the Programs
October 1 October 31	4,769	$	74.33	4,769	$	20,142,000
November 1 November 30						20,142,000
December 1 December 31						20,142,000
Total	4,769	$	74.33	4,769	$	20,142,000

(1) On May 13, 2008, our Board of Directors announced a Stock Repurchase Program which authorizes us to repurchase up to $35 million of shares of our common stock from time to time on the open market.

ITEM 4 [REMOVED AND RESERVED]

ITEM 6 EXHIBITS

See the exhibit index following the signature page to this quarterly report.

The information required by Exhibit Item 11 (Statement re: Computation of Income per Common and Common Equivalent Share) may be found in Note 4 to the Unaudited Condensed Consolidated Financial Statements in this quarterly report.

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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 hereunto duly authorized.

	AMERICAN SCIENCE AND ENGINEERING, INC.
Date: February 9, 2011	/s/ Kenneth J. Galaznik Kenneth J. Galaznik Senior Vice President, Chief Financial Officer and Treasurer

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EXHIBIT INDEX

Exhibit Number	Description of Exhibits
31.1	Certification by Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification by Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002