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PAR TECHNOLOGY CORP
Form 8-K
July 27, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): July 27, 2004

PAR TECHNOLOGY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware ----- (State or other jurisdiction of organization)	1-09720 ----- (Commission File Number)	16-1434688 ----- (I.R.S. Employer incorporation or Identification Number)
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PAR Technology Park 8383 Seneca Turnpike New Hartford, NY ----- (Address of principal executive offices)	13413-4991 ----- (Zip Code)
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Registrant's telephone number, including area code: (315) 738-0600

Not Applicable

(Former Name or Former Address, if changed since Last Report)

Item 12. Results of Operations and Financial Condition.

- (a) The information, including Exhibits attached hereto, in this Current Report is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934, or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as otherwise expressly stated in such filing.
- (b) On July 27, 2004, PAR Technology Corporation issued a press release

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announcing its results of operation for the quarterly period ending June 30, 2004. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

99.1 Press Release dated July 27, 2004.

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 thereunto duly authorized.

PAR TECHNOLOGY CORPORATION

(Registrant)

Date: July 27, 2004

/s/ RONALD J. CASCIANO

Ronald J. Casciano
Vice President, Chief Financial Officer
and Treasurer

EXHIBIT INDEX

Exhibit Number

Description

99.1

Press Release dated July 27, 2004.

Exhibit 99.1

PAR TECHNOLOGY CORPORATION

-REPORTS RECORD QUARTERLY RESULTS-

Revenues Rise 34%, Highest Quarterly Revenue in Company's History
Net Income Grows more than 300%
EPS Rises to \$0.14 versus \$0.04 a year ago

NEW HARTFORD, NY, PAR TECHNOLOGY CORPORATION (NYSE:PTC)

New Hartford, NY--July 27, 2004--PAR Technology Corporation (NYSE:PTC - News) today announced record results for the second quarter ended June 30, 2004.

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PAR reported second quarter revenues of \$42.9 million, a 34% increase from the \$32 million reported in the same period a year ago. Net income for the second quarter 2004 was \$1.3 million or \$0.14 diluted earnings per share. This compares to \$308,000 net income and \$0.04 diluted earnings per share in the second quarter 2003.

For the six months ended June 30, 2004, PAR Technology Corporation reported revenues of \$80.8 million, a 29% increase from the \$62.6 million reported one year ago. The Company also reported net income for the first six months of 2004 of \$2 million or \$0.22 diluted earnings per share. This compares to net income of \$537,000 and \$0.06 diluted earnings per share for the first six months of 2003.

John W. Sammon, PAR Chairman and CEO commented on the results "It was a very good quarter in all respects. The nearly \$43 million in revenue is the highest revenue of any quarter in our Company's history. Our record results came from increases in sales of both Hospitality Technology solutions and services as well as increases in our Government business. I am proud of our organization as we continue to execute well, and maintain our strong position in excellent and diversified markets.

Sammon concluded, "I am inspired by the accomplishments of the entire PAR team which resulted in the record results for the quarter. PAR will continue to focus upon improving our returns on capital and, ultimately, shareholder returns by investing in our selected markets and products."

Certain Company information in this release or by its spokespersons from time to time may contain forward-looking statements. Any statements in this document that do not describe historical facts are forward-looking statements. Forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that all forward-looking statements involve risks and uncertainties, including without limitation, delays in new product introduction, risks in technology development and commercialization, risks in product development and market acceptance of and demand for the Company's products, risks of downturns in economic conditions generally, and in the quick service sector of the restaurant market specifically, risks of intellectual property rights associated with competition and competitive pricing pressures, risks associated with foreign sales and high customer concentration, and other risks detailed in the Company's filings with the Securities and Exchange Commission.

ABOUT PAR TECHNOLOGY

PAR Technology Corporation develops, markets and supports hardware and software products that improve the ability of business professionals to make timely, fact-based business decisions. The Company is the world's largest supplier of Point-of-Sale systems to the quick service restaurant market with over 35,000 systems installed in over 95 countries. In addition PAR is a leader in providing computer based system design and engineering services to the Department of Defense and Federal Government Agencies. PAR Technology Corporation's stock is traded on the New York Stock Exchange under the symbol PTC. For additional information visit PAR's website at www.partech.com.

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CONSOLIDATED BALANCE SHEETS (In Thousands Except Share Amounts) (Unaudited)

	June 30, 2004	December 31, 2003
	-----	-----
Assets		
Current Assets:		
Cash	\$ 2,619	\$ 1,467
Accounts receivable-net	29,462	31,876
Inventories-net	30,379	31,894
Deferred income taxes	6,320	6,486
Other current assets	2,086	2,472
Total assets of discontinued operation	--	20
	-----	-----
Total current assets	70,866	74,215
Property, plant and equipment - net	7,416	7,240
Deferred income taxes	2,019	2,857
Other assets	3,370	2,855
	-----	-----
	\$ 83,671	\$ 87,167
	=====	=====
Liabilities and Shareholders' Equity		
Current Liabilities:		
Current portion of long-term debt	\$ 92	\$ 89
Borrowings under lines of credit	--	6,989
Accounts payable	10,162	8,301
Accrued salaries and benefits	5,985	5,461
Accrued expenses	2,073	2,471
Deferred service revenue	5,321	5,947
Total liabilities of discontinued operation	429	578
	-----	-----
Total current liabilities	24,062	29,836
	-----	-----
Long-term debt	2,045	2,092
	-----	-----
Commitments and contingent liabilities		
Shareholders' Equity:		
Preferred stock, \$.02 par value, 1,000,000 shares authorized	--	--
Common stock, \$.02 par value, 19,000,000 shares authorized; 10,065,287 and 9,966,062 shares issued; 8,654,600 and 8,555,375 outstanding	201	199
Capital in excess of par value	30,270	29,761
Retained earnings	34,423	32,375
Accumulative other comprehensive loss	(277)	(43)
Treasury stock, at cost, 1,410,687 shares	(7,053)	(7,053)
	-----	-----
Total shareholders' equity	57,564	55,239
	-----	-----
	\$ 83,671	\$ 87,167
	=====	=====

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PAR TECHNOLOGY CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME (In Thousands Except Per Share Amounts) (Unaudited)

	For the three months ended June 30,		For the six months ended June 30,	
	2004	2003	2004	2003
Net revenues:				
Product	\$ 19,466	\$ 13,059	\$ 35,705	\$ 25,412
Service	10,570	8,634	20,877	17,103
Contract	12,889	10,318	24,241	20,038
	42,925	32,011	80,823	62,553
Costs of sales:				
Product	13,231	8,528	24,268	16,590
Service	9,084	7,242	18,029	14,409
Contract	12,082	9,897	22,612	19,169
	34,397	25,667	64,909	50,168
Gross margin	8,528	6,344	15,914	12,385
Operating expenses:				
Selling, general and administrative	5,245	4,700	10,261	9,111
Research and development	1,302	1,262	2,645	2,421
	6,547	5,962	12,906	11,532
Operating income	1,981	382	3,008	853
Other income, net	187	313	398	389
Interest expense	(46)	(152)	(119)	(295)
Income from continuing operations before provision for income taxes	2,122	543	3,287	947
Provision for income taxes	(810)	(192)	(1,239)	(340)
Income from continuing operations	1,312	351	2,048	607
Discontinued operations:				
Loss from operations of discontinued component	--	(67)	--	(109)
Income tax benefit	--	24	--	39
Loss on discontinued operations ...	--	(43)	--	(70)
Net income	\$ 1,312	\$ 308	\$ 2,048	\$ 537

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PAR TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Continued)
(In Thousands Except Per Share Amounts)
(Unaudited)

	For the three months ended June 30,		For the six months ended June 30,	
	2004	2003	2004	2003
Earnings per share:				
Basic:				
Income from continuing operations	\$.15	\$.04	\$.24	\$.07
Loss from discontinued operations	\$ --	\$ (.01)	\$ --	\$ (.01)
Net income	\$.15	\$.04	\$.24	\$.06
Diluted:				
Income from continuing operations	\$.14	\$.04	\$.22	\$.07
Loss from discontinued operations	\$ --	\$ --	\$ --	\$ (.01)
Net income	\$.14	\$.04	\$.22	\$.06
Weighted average shares outstanding				
Basic	8,636	8,422	8,603	8,398
	=====	=====	=====	=====
Diluted	9,192	8,765	9,156	8,766
	=====	=====	=====	=====