

AVOCENT CORP
Form 10-Q
May 06, 2008

U.S. 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 March 28, 2008 or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to

Commission file number: 000-30575

AVOCENT CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

91-2032368

(I.R.S. Employer Identification Number)

4991 Corporate Drive

Huntsville, Alabama

(Address of Principal Executive Offices)

35805

(Zip Code)

256-430-4000

(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, as amended, during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is 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

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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

As of April 30, 2008, the number of outstanding shares of the Registrant's Common Stock was 44,734,761.

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

**AVOCENT CORPORATION
CONSOLIDATED STATEMENTS OF INCOME**

(Unaudited, in thousands, except per share data)

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	For the three months ended	
	March 28, 2008	March 30, 2007
Net sales:		
Products and services	\$ 117,582	\$ 113,576
Licenses and royalties	23,817	19,575
Total net sales	141,399	133,151
Cost of sales:		
Products and services	46,797	49,094
Licenses and royalties	701	359
Amortization of intangibles licenses and royalties	2,767	2,683
Total cost of sales (includes \$244 and \$179 of stock-based compensation expense in 2008 and 2007, respectively)	50,265	52,136
Gross profit	91,134	81,015
Research and development expenses (includes \$1,015 and \$1,116 of stock-based compensation expense in 2008 and 2007, respectively)		
	23,367	20,881
Selling, general and administrative expenses (includes \$2,679 and \$2,366 of stock-based compensation expense in 2008 and 2007, respectively)		
	55,119	48,660
Retirement and restructuring expenses (includes \$615 of stock-based compensation expense in 2008)		
	2,971	
Amortization of intangible assets	7,535	8,962
Total operating expenses	88,992	78,503
Income from operations	2,142	2,512
Net investment income	897	879
Interest expense	(1,838)	(2,234)
Other income (expense), net	455	(317)
Income before provision for income taxes	1,656	840
Provision for income taxes	925	94
Net income	\$ 731	\$ 746
Earnings per share:		
Basic	\$ 0.02	\$ 0.01
Diluted	\$ 0.02	\$ 0.01