

INFORMATION HOLDINGS INC
Form 10-Q
May 14, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended: March 31, 2003

Commission File Number: 1-14371

INFORMATION HOLDINGS INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State of incorporation)

06-1518007

(IRS Employer Identification Number)

2777 Summer Street, Suite 209

Stamford, Connecticut

(Address of principal executive offices)

06905

(Zip Code)

(203) 961-9106

(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

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

As of May 13, 2003, there were 21,466,188 shares of the Company's common stock, par value \$0.01 per share outstanding.

INFORMATION HOLDINGS INC.

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Signature

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INFORMATION HOLDINGS INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	March 31, 2003 (Unaudited)	December 31, 2002
ASSETS		
<i>CURRENT ASSETS:</i>		
Cash and equivalents	\$ 61,974	\$ 53,910
Short-term investments	8,261	13,056
Accounts receivable (net of allowance for doubtful accounts and sales returns of \$609 and \$503, respectively)	31,050	29,375
Prepaid expenses and other current assets	3,228	3,940
Deferred income taxes	4,589	4,589
Total assets of discontinued operations	55,860	59,653
Total current assets	164,962	164,523
Property and equipment, net	5,329	5,837
Identified intangible assets, net	70,310	72,309
Goodwill	83,140	83,099
Deferred income taxes	552	164
Other assets	2,612	3,069
TOTAL	\$ 326,905	\$ 329,001
LIABILITIES AND STOCKHOLDERS EQUITY		
<i>CURRENT LIABILITIES:</i>		
Current portion of capitalized lease obligations	\$ 147	\$ 145
Accounts payable	28,316	26,224
Accrued expenses	9,662	13,747
Deferred subscription revenue	23,662	21,129
Total liabilities of discontinued operations	14,229	17,891
Total current liabilities	76,016	79,136
Capital leases	26	63
Other long-term liabilities	37	62
Total liabilities	76,079	79,261
<i>STOCKHOLDERS EQUITY:</i>		
Preferred stock, \$.01 par value; 1,000,000 shares authorized; none issued	\$	\$
Common stock, \$.01 par value; authorized 50,000,000 shares; issued 21,828,803 and 21,815,677 shares, respectively; outstanding 21,446,903 and 21,433,777 shares, respectively	218	218
Additional paid-in capital	247,204	247,026

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Retained earnings	8,191	7,097
Treasury stock, at cost, 381,900 shares	(5,227)	(5,227)
Accumulated other comprehensive income	440	626
Total stockholders' equity	250,826	249,740
TOTAL	\$ 326,905	\$ 329,001

See notes to unaudited consolidated financial statements.

INFORMATION HOLDINGS INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands, except per share data)

	Three Months Ended March 31,	
	2003	2002
Revenues	\$ 22,208	\$ 22,232
Cost of sales	6,561	5,656
Gross profit	15,647	16,576
Operating expenses:		
Selling, general and administrative	10,660	9,943
Depreciation and amortization	3,092	3,445
Total operating expenses	13,752	13,388
Income from operations	1,895	3,188
Other income (expense):		
Interest income	188	255
Interest expense	(56)	(88)
Early termination of credit agreement	(575)	
Income from continuing operations before income taxes	1,452	3,355
Provision for income taxes	462	1,200
Net income from continuing operations	990	2,155
Income from operations of discontinued segment, net of income tax provision of \$103 and \$373	104	659
Net income	\$ 1,094	\$ 2,814

Net income per basic and diluted common share: