

AVIAT NETWORKS, INC.
Form 10-Q
May 07, 2013

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 March 29, 2013

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 001-33278

AVIAT NETWORKS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-5961564
(I.R.S. Employer
Identification No.)

5200 Great America Parkway
Santa Clara, California
(Address of principal executive offices)

95054
(Zip Code)

(408) 567-7000
(Registrant's telephone number, including area code)

No changes
(Former name, former address and former fiscal year, if changed since last report)

Indicate by checkmark 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 (Do not check if a smaller reporting company) 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 Exchange Act). Yes No

The number of shares outstanding of the registrant's Common Stock as of April 30, 2013 was 61,242,098 shares.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

AVIAT NETWORKS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In millions, except per share amounts)	Quarter Ended		Three Quarters Ended	
	March 29, 2013	March 30, 2012	March 29, 2013	March 30, 2012
Revenues:				
Revenue from product sales	\$84.9	\$85.5	\$262.9	\$248.7
Revenue from services	33.4	26.1	99.4	79.3
Total revenues	118.3	111.6	362.3	328.0
Cost of revenues:				
Cost of product sales	61.7	57.0	188.6	170.4
Cost of services	22.5	20.3	67.2	58.7
Total cost of revenues	84.2	77.3	255.8	229.1
Gross margin	34.1	34.3	106.5	98.9
Operating expenses:				
Research and development expenses	9.9	8.9	29.0	26.7
Selling and administrative expenses	24.7	25.4	71.7	75.6
Amortization of identifiable intangible assets	0.1	0.1	0.3	1.5
Goodwill impairment charges	—	—	—	5.6
Restructuring charges	0.4	0.4	0.9	1.4
Total operating expenses	35.1	34.8	101.9	110.8
Operating income (loss)	(1.0)	(0.5)	4.6	(11.9)
Interest income	0.2	—	0.7	0.3
Interest expense	(0.2)	(0.2)	(0.7)	(1.0)
Income (loss) from continuing operations before income taxes	(1.0)	(0.7)	4.6	(12.6)
Provision for income taxes	0.6	0.1	12.0	1.9
Loss from continuing operations	(1.6)	(0.8)	(7.4)	(14.5)
Loss from discontinued operations, net of tax	(0.1)	(2.4)	(1.8)	(8.3)
Net loss	\$(1.7)	\$(3.2)	\$(9.2)	\$(22.8)
Basic and diluted loss per common share:				
Continuing operations	\$(0.03)	\$(0.01)	\$(0.12)	\$(0.25)
Discontinued operations	\$—	\$(0.04)	\$(0.03)	\$(0.14)
Net loss	\$(0.03)	\$(0.05)	\$(0.15)	\$(0.39)
Weighted average shares outstanding, basic and diluted	60.3	59.2	59.9	59.0

See accompanying Notes to Condensed Consolidated Financial Statements

AVIAT NETWORKS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited)

(In millions)	Quarter Ended		Three Quarters Ended	
	March 29, 2013	March 30, 2012	March 29, 2013	March 30, 2012
Net loss	\$ (1.7) \$ (3.2		