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PAR TECHNOLOGY CORP
Form 8-K
February 12, 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): February 12, 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 February 12, 2004, PAR Technology Corporation issued a press release

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announcing its results of operation for the quarterly period ending December 31, 2003. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

99.1 Press Release dated February 12, 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: February 12, 2004

/s/ RONALD J. CASCIANO

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

EXHIBIT INDEX

Exhibit Number	Description
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99.1	Press Release dated February 12, 2004.

Exhibit 99.1

PAR TECHNOLOGY CORPORATION REPORTS FOURTH QUARTER AND YEAR END RESULTS

- QUARTERLY REVENUES GROW 20%
- DILUTED EPS FROM CONTINUING OPERATIONS \$0.15 vs. \$0.04
for the FOURTH QUARTER
- COMPANY REITERATES STRONG GUIDANCE FOR 2004

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

(New Hartford, NY- February 12, 2004) PAR Technology Corporation (NYSE: PTC), a

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leader in providing integrated hardware, software and service solutions to the restaurant/hospitality industries, and provider of Government I/T Services, today reported financial results for the fourth quarter and year ended December 31, 2003.

For the fourth quarter ended December 31, 2003, PAR Technology Corporation reported revenues from continuing operations of \$41.2 million compared to \$34.3 million in the fourth quarter 2002, an increase of 20%. Income from continuing operations was \$1.3 million versus the \$363,000 earned in the fourth quarter one year ago. The Company reported diluted net income per share from continuing operations of \$0.15 for this past quarter, compared to the \$0.04 reported for the same period a year earlier.

For the year ended December 31, 2003, PAR Technology Corporation reported revenues of \$139.8 million, a 5% increase from the \$133.7 million reported one year ago. The Company also reported income from continuing operations of \$2.8 million in 2003 versus \$2.6 million last year, an increase of 6%. Diluted net income per share from continuing operations in 2003 was reported at \$0.32, compared to diluted net income per share from continuing operations of \$0.32 reported for the year 2002.

The Company's net income for the quarter ended December 31, 2003 is \$1.1 million or \$0.12 diluted net income per share, compared to net income of \$310,000 and \$0.04 per share for the same period in 2002. Net income for the year ended December 31, 2003 was \$2.4 million or \$0.27 diluted net income per share, compared to net income of \$741,000 and \$0.09 per share for 2002.

"We are pleased with our near record performance this fourth quarter having weathered a difficult climate for selling software, hardware and services to the hospitality sector over the past year. In the last half of 2003 we experienced increasing interest and activity in this sector of our business which is reflected in product sales being up 25% for the fourth quarter this year over the corresponding quarter in 2002. Additionally, this past quarter we experienced a 13% increase when compared to fourth quarter last year in our Government contracts business in spite of some program delays and a funding hiatus in our Logistics Management program," commented John W. Sammon, PAR Chairman and CEO. "The results we are announcing today demonstrate the success of our vision and our decisiveness on what needed to be done to continue the Company's path of consistent growth and profitability."

Sammon continued, "We continue to be confident about our 2004 performance. Our industry position and customer portfolio will enable us to increase sales. Additionally, our current structure and market position will enable us to further improve our earnings."

This release contains forward-looking statements concerning the Company's strategic plans, market opportunities, cash flows, liquidity, and future growth. These forward looking statements are neither promises nor guarantees but are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in the forward looking statements, including without limitation, 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 and litigation, risks associated with foreign sales and high customer concentration and other risks detailed in the Company's filings with the Securities and Exchange Commission. The Company cautions investors not to place undue reliance on these statements, which are currently only as of the date of this release. The Company disclaims any obligation to update or supplement these statements as a result of changing circumstances or otherwise.

PAR is a leading provider of professional services and enterprise business

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intelligence hardware and software systems. PAR is the world's largest supplier of Restaurant Enterprise solutions to the quick service restaurant market with over 35,000 systems installed in over 95 countries. Additionally, PAR is a leader in providing computer based system design and engineering services to the Department of Defense and other Federal Government Agencies. PAR Technology Corporation's stock is traded on the New York Stock Exchange under the symbol PTC. For more information on PAR visit the Company's website at www.partech.com.

PAR TECHNOLOGY CORPORATION AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (In Thousands Except Share Amounts) (Unaudited)

	December 31,	
	2003	2002
Assets		
Current Assets:		
Cash	\$ 1,467	\$ 490
Accounts receivable-net	31,876	25,843
Inventories-net	31,894	34,274
Deferred income taxes	6,486	5,766
Other current assets	2,472	2,638
Total assets of discontinued operation	20	59
Total current assets	74,215	69,070
Property, plant and equipment - net	7,240	8,455
Deferred income taxes	2,857	4,386
Other assets	2,855	3,211
	\$ 87,167	\$ 85,122
	=====	=====
Liabilities and Shareholders' Equity		
Current Liabilities:		
Current portion of long-term debt	\$ 89	\$ 85
Borrowings under lines of credit	6,989	9,549
Accounts payable	8,301	8,371
Accrued salaries and benefits	5,461	4,615
Accrued expenses	2,471	2,077
Deferred service revenue	5,947	6,704
Total liabilities of discontinued operation	578	342
Total current liabilities	29,836	31,743
Long-term debt	2,092	2,181
Shareholders' Equity:		
Preferred stock, \$.02 par value, 1,000,000 shares authorized	--	--
Common stock, \$.02 par value, 19,000,000 shares authorized; 9,966,062 and 9,770,262 shares issued 8,555,375 and 8,359,575 outstanding	199	195
Capital in excess of par value	29,761	28,926
Retained earnings	32,375	29,946
Accumulated other comprehensive loss	(43)	(816)
Treasury stock, at cost, 1,410,687 shares	(7,053)	(7,053)
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Total shareholders' equity	55,239	51,198
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	\$ 87,167	\$ 85,122
	=====	=====

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

	For the three months ended December 31,		For the year ended December 31,	
	2003	2002	2003	2002
Net revenues:				
Product	\$ 19,276	\$ 15,420	\$ 60,223	\$ 59,153
Service	10,658	8,887	37,865	36,553
Contract	11,277	9,956	41,682	37,975
	-----	-----	-----	-----
	41,211	34,263	139,770	133,681
	-----	-----	-----	-----
Costs of sales:				
Product	12,215	10,008	39,024	39,643
Service	9,351	7,412	32,140	30,081
Contract	10,557	9,469	39,613	35,501
	-----	-----	-----	-----
	32,123	26,889	110,777	105,225
	-----	-----	-----	-----
Gross margin	9,088	7,374	28,993	28,456
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Operating expenses:				
Selling, general and administrative	5,527	5,568	19,340	19,540
Research and development	1,471	1,408	5,310	5,400
	-----	-----	-----	-----
	6,998	6,976	24,650	24,940
	-----	-----	-----	-----
Operating income from continuing operations .	2,090	398	4,343	3,516
Other income, net	133	251	582	815
Interest expense	(128)	(164)	(540)	(824)
	-----	-----	-----	-----
Income from continuing operations before provision for income taxes	2,095	485	4,385	3,507
Provision for income taxes	(768)	(122)	(1,593)	(884)
	-----	-----	-----	-----
Income from continuing operations	1,327	363	2,792	2,623
	-----	-----	-----	-----
Discontinued operations:				
Loss from operations of discontinued component (including loss on disposal of \$830,000 in 2002)	(390)	(70)	(570)	(2,516)
Income tax benefit	142	17	207	634
	-----	-----	-----	-----
Loss on discontinued operations	(248)	(53)	(363)	(1,882)
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Net income	\$ 1,079	\$ 310	\$ 2,429	\$ 741
	=====	=====	=====	=====

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

	For the three months ended December 31,		For the year ended December 31,	
	2003	2002	2003	2002

Earnings per share:				
Basic:				
Income from continuing operations	\$.16	\$.05	\$.33	\$.33
Loss from discontinued operations	\$ (.03)	\$ (.01)	\$ (.04)	\$ (.24)
Net income	\$.13	\$.04	\$.29	\$.09
Diluted:				
Income from continuing operations	\$.15	\$.04	\$.32	\$.32
Loss from discontinued operations	\$ (.03)	\$ (.01)	\$ (.04)	\$ (.23)
Net income	\$.12	\$.04	\$.27	.09
Weighted average shares outstanding				
Basic	8,509	8,060	8,438	7,934
	=====	=====	=====	=====
Diluted	8,990	8,594	8,861	8,315
	=====	=====	=====	=====