

GERBER SCIENTIFIC INC
Form 8-K
December 15, 2009

UNITED STATES
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): December 15, 2009

GERBER SCIENTIFIC, INC.
(Exact name of Registrant as specified in its charter)

CONNECTICUT
(State or other jurisdiction of
incorporation)

1-5865
(Commission File No.)

06-0640743
(I.R.S. Employer Identification
No.)

83 Gerber Road West, South Windsor, Connecticut
(Address of principal executive offices)

06074
(Zip Code)

Registrant's Telephone Number, including area code:

(860) 644-1551

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

The following table presents fiscal 2010 quarterly and year-to-date unaudited condensed consolidated statements of operations for the periods indicated, as adjusted for previously announced discontinued operations of FOBA, ND Graphics and Spandex Poland.

| | For the Fiscal Quarters Ended | | For the Six Months Ended |
|--|----------------------------------|---------------------|--------------------------------|
| | July 31, 2009 | October 31, 2009 | October 31, 2009 |
| In thousands except per share data | | | |
| Revenue: | | | |
| Product sales | \$93,764 | \$103,546 | \$197,310 |
| Service sales | 16,824 | 16,614 | 33,438 |
| | 110,588 | 120,160 | 230,748 |
| Cost of Sales: | | | |
| Cost of products sold | 68,784 | 74,646 | 143,430 |
| Cost of services sold | 9,777 | 10,294 | 20,071 |
| | 78,561 | 84,940 | 163,501 |
| Gross profit | 32,027 | 35,220 | 67,247 |
| Selling, general and administrative expenses | 24,150 | 27,817 | 51,967 |
| Research and development | 4,428 | 4,532 | 8,960 |
| Operating income | 3,449 | 2,871 | 6,320 |
| Other income (expense), net | (1,005) | (394) | (1,399) |
| Interest expense | (942) | (918) | (1,860) |
| Income from continuing operations before income taxes | 1,502 | 1,559 | 3,061 |
| Income tax expense (benefit) | 359 | (374) | (15) |
| Income from continuing operations | 1,143 | 1,933 | 3,076 |
| Loss from discontinued operations, net of taxes | (629) | (1,474) | (2,103) |
| Net income | \$514 | \$459 | \$973 |
| Basic earnings (loss) per common share: | | | |
| Continuing operations | \$0.05 | \$0.08 | \$0.12 |
| Discontinued operations | (0.03) | (0.06) | (0.08) |
| Basic earnings per common share | \$0.02 | \$0.02 | \$0.04 |
| Diluted earnings (loss) per common share: | | | |
| Continuing operations | \$0.05 | \$0.08 | \$0.12 |
| Discontinued operations | (0.03) | (0.06) | (0.08) |
| Diluted earnings per common share | \$0.02 | \$0.02 | \$0.04 |

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The following table presents fiscal 2009 unaudited condensed consolidated statements of operations for the periods indicated, as adjusted for previously announced discontinued operations of FOBA, ND Graphics and Spandex Poland.

| In thousands except per share data | For the Fiscal Quarters Ended | | | | For the |
|---|-------------------------------|---------------------|---------------------|-------------------|---|
| | July 31, 2008 | October 31, 2008 | January 31, 2009 | April 30, 2009 | Fiscal Year Ended April 30, 2009 |
| Revenue: | | | | | |
| Product sales | \$129,190 | \$123,760 | \$88,752 | \$91,664 | \$433,366 |
| Service sales | 18,975 | 18,793 | 17,439 | 16,182 | 71,389 |
| | 148,165 | 142,553 | 106,191 | 107,846 | 504,755 |
| Cost of Sales: | | | | | |
| Cost of products sold | 94,813 | 88,811 | 63,674 | 67,374 | 314,672 |
| Cost of services sold | 13,008 | 12,337 | 10,291 | 9,738 | 45,374 |
| | 107,821 | 101,148 | 73,965 | 77,112 | 360,046 |
| Gross profit | 40,344 | 41,405 | 32,226 | 30,734 | 144,709 |
| Selling, general and administrative expenses | 32,563 | 30,155 | 27,162 | 26,535 | 116,415 |
| Research and development | 6,233 | 5,698 | 4,847 | 4,345 | 21,123 |
| Operating income | 1,548 | 5,552 | 217 | (146) | 7,171 |
| Other income (expense), net | (125) | (412) | (2,470) | (64) | (3,071) |
| Interest expense | (539) | (748) | (654) | (1,188) | (3,129) |
| Income from continuing operations before income taxes | 884 | 4,392 | (2,907) | (1,398) | 971 |
| Income tax expense (benefit) | 160 | (1,973) | (1,616) | (470) | (3,899) |
| Income from continuing operations | 724 | 6,365 | (1,291) | (928) | 4,870 |
| Loss from discontinued operations, net of taxes | (43) | (271) | (941) | (1,379) | (2,634) |
| Net income | \$681 | \$6,094 | \$(2,232) | \$(2,307) | \$2,236 |
| Basic earnings (loss) per common share: | | | | | |
| Continuing operations | \$0.03 | \$0.27 | \$(0.05) | \$(0.04) | \$0.20 |
| Discontinued operations | --- | (0.02) | (0.04) | (0.05) | (0.11) |
| Basic earnings (loss) per common share | \$0.03 | \$0.25 | \$(0.09) | \$(0.09) | \$0.09 |
| Diluted earnings (loss) per common share: | | | | | |
| Continuing operations | \$0.03 | \$0.26 | \$(0.05) | \$(0.04) | \$0.20 |
| Discontinued operations | --- | (0.01) | (0.04) | (0.05) | (0.11) |
| Diluted earnings (loss) per common share | \$0.03 | \$0.25 | \$(0.09) | \$(0.09) | \$0.09 |

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The following table presents fiscal 2010 quarterly and year-to-date unaudited revenue and operating income by reportable segment for the periods indicated, as adjusted for previously announced discontinued operations of FOBA, ND Graphics and Spandex Poland.

| In thousands | For the Fiscal Quarters Ended | | For the Six Months Ended |
|-------------------------------------|-------------------------------|------------------|--------------------------|
| | July 31, 2009 | October 31, 2009 | October 31, 2009 |
| Sign Making and Specialty Graphics: | | | |
| Gerber Scientific Products | \$ 10,887 | \$ 13,375 | \$ 24,262 |
| Spandex | 53,138 | 55,689 | 108,827 |
| Sign Making and Specialty Graphics | 64,025 | 69,064 | 133,089 |
| Apparel and Flexible Materials | 35,060 | 37,094 | 72,154 |
| Ophthalmic Lens Processing | 11,503 | 14,002 | 25,505 |
| Consolidated revenue | \$ 110,588 | \$ 120,160 | \$ 230,748 |
| Sign Making and Specialty Graphics: | | | |
| Gerber Scientific Products | \$(1,222) | \$(1,240) | \$(2,462) |
| Spandex | 3,033 | 3,492 | 6,525 |
| Sign Making and Specialty Graphics | 1,811 | 2,252 | 4,063 |
| Apparel and Flexible Materials | 4,159 | 3,298 | 7,457 |
| Ophthalmic Lens Processing | 695 | 1,625 | 2,320 |
| Segment operating income | 6,665 | 7,175 | 13,840 |
| Corporate operating expenses | (3,216) | (4,304) | (7,520) |
| Consolidated operating income | \$ 3,449 | \$ 2,871 | \$ 6,320 |

The following table presents fiscal 2009 unaudited revenue and operating income by reportable segment for the periods indicated, as adjusted for previously announced discontinued operations of FOBA, ND Graphics and Spandex Poland.

| In thousands | For the Fiscal Quarters Ended | | | | For the Fiscal Year Ended |
|-------------------------------------|-------------------------------|------------------|------------------|----------------|---------------------------|
| | July 31, 2008 | October 31, 2008 | January 31, 2009 | April 30, 2009 | April 30, 2009 |
| Sign Making and Specialty Graphics: | | | | | |
| Gerber Scientific Products | \$ 14,565 | \$ 18,954 | \$ 11,938 | \$ 12,003 | \$ 57,460 |
| Spandex | 69,111 | 62,581 | 45,430 | 49,665 | 226,787 |
| Sign Making and Specialty Graphics | 83,676 | 81,535 | 57,368 | 61,668 | 284,247 |
| Apparel and Flexible Materials | 48,949 | 45,382 | 36,437 | 32,197 | 162,965 |
| Ophthalmic Lens Processing | 15,540 | 15,636 | 12,386 | 13,981 | 57,543 |
| Consolidated revenue | \$ 148,165 | \$ 142,553 | \$ 106,191 | \$ 107,846 | \$ 504,755 |
| Sign Making and Specialty Graphics: | | | | | |
| Gerber Scientific Products | \$(1,365) | \$ 150 | \$ 334 | \$(1,509) | \$(2,390) |
| Spandex | 3,453 | 2,675 | 704 | 3,453 | 10,285 |
| Sign Making and Specialty Graphics | 2,088 | 2,825 | 1,038 | 1,944 | 7,895 |

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| | | | | | |
|--------------------------------|----------|----------|----------|----------|-----------|
| Apparel and Flexible Materials | 3,666 | 4,929 | 2,778 | 1,501 | 12,874 |
| Ophthalmic Lens Processing | 115 | 1,773 | 737 | 573 | 3,198 |
| Segment operating income | 5,869 | 9,527 | 4,553 | 4,018 | 23,967 |
| Corporate operating expenses | (4,321) | (3,975) | (4,336) | (4,164) | (16,796) |
| Consolidated operating income | \$1,548 | \$5,552 | \$217 | \$(146) | \$7,171 |

Item 8.01 Other Events

The information furnished pursuant to Item 2.02 is incorporated by reference in, and made a part of, this Item 8.01.

SIGNATURE

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 hereunto duly authorized.

GERBER SCIENTIFIC, INC.

Date: December 15, 2009

By:

/s/ Michael R. Elia
Michael R. Elia
Executive Vice President and
Chief Financial Officer
(On behalf of the Registrant and
as
Duly Authorized Officer)

