

RICHARDSON ELECTRONICS LTD/DE
Form 10-Q
January 12, 2012

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 December 3, 2011

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: 0-12906

RICHARDSON ELECTRONICS, LTD.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

40W267 Keslinger Road, P.O. Box 393

LaFox, Illinois 60147-0393

(Address of principal executive offices)

(630) 208-2200

Registrant's telephone number, including area code:

36-2096643
(I.R. S. Employer
Identification No.)

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

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. (Check one):

Large Accelerated Filer Accelerated Filer

Non-Accelerated Filer (Do not check if a smaller reporting company) Smaller Reporting Company

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

As of January 9, 2012, there were outstanding 14,012,896 shares of Common Stock, \$0.05 par value and 2,939,961 shares of Class B Common Stock, \$0.05 par value, which are convertible into Common Stock of the registrant on a share for share basis.

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PART I. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****Richardson Electronics, Ltd.****Unaudited Consolidated Balance Sheets***(in thousands, except per share amounts)*

	December 3, 2011	May 28, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 25,182	\$ 170,975
Accounts receivable, less allowance of \$528 and \$438	22,255	22,374
Inventories	35,325	30,853
Prepaid expenses and other assets	1,282	5,768
Deferred income taxes	2,066	2,084
Income tax receivable	5,584	
Investments - current	136,084	52,116
Discontinued operations - assets	1,669	4,018
Total current assets	229,447	288,188
Non-current assets:		
Property, plant and equipment, net	4,739	5,216
Goodwill	1,733	
Non-current deferred income taxes	1,801	3,994
Investments - non-current	15,429	16,656
Total non-current assets	23,702	25,866
Total assets	\$ 253,149	\$ 314,054
Liabilities and Stockholders Equity		
Current liabilities:		
Accounts payable	\$ 14,569	\$ 17,814
Accrued liabilities	11,476	43,719
Discontinued operations - liabilities	4,881	15,897
Total current liabilities	30,926	77,430
Non-current liabilities:		
Long-term income tax liabilities	7,136	12,568
Other non-current liabilities	1,204	387
Discontinued operations - non-current liabilities	1,572	1,622
Total non-current liabilities	9,912	14,577
Total liabilities	40,838	92,007
Commitments and contingencies		

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Stockholders equity		
Common stock, \$0.05 par value; issued 13,993 shares at December 3, 2011, and 14,921 shares at May 28, 2011	700	746
Class B common stock, convertible, \$0.05 par value; issued 2,940 shares at December 3, 2011, and 2,952 shares at May 28, 2011	147	147
Preferred stock, \$1.00 par value, no shares issued		
Additional paid-in-capital	99,507	112,179
Common stock in treasury, at cost, 3 shares at December 3, 2011, and 112 shares at May 28, 2011	(36)	(1,493)
Retained earnings	101,708	98,927
Accumulated other comprehensive income	10,285	11,541
Total stockholders equity	212,311	222,047
Total liabilities and stockholders equity	\$ 253,149	\$ 314,054

Richardson Electronics, Ltd.

Unaudited Consolidated Statements of Income and Comprehensive Income (Loss)

(in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	December 3, 2011	November 27, 2010	December 3, 2011	November 27, 2010
Statements of Income				
Net sales	\$ 39,138	\$ 40,980	\$ 80,649	\$ 78,490
Cost of sales	27,448	29,185	56,257	55,304
Gross profit	11,690	11,795	24,392	23,186
Selling, general, and administrative expenses	9,973	11,198	20,745	21,743
Loss (gain) on disposal of assets		2	(70)	2
Operating income	1,717	595	3,717	1,441
Other (income) expense:				
Interest expense	1	39	1	106
Investment/interest income	(282)		(646)	
Foreign exchange (gain) loss	(486)	197	295	316
Loss on retirement of short-term debt				60
Other, net	19	(79)	(2)	(70)
Total other (income) expense	(748)	157	(352)	412
Income from continuing operations before income taxes	2,465	438	4,069	1,029
Income tax provision	836	270	1,411	408
Income from continuing operations	1,629	168	2,658	621
Income (loss) from discontinued operations, net of tax	(799)	7,291	1,803	15,214
Net income	\$ 830	\$ 7,459	\$ 4,461	\$ 15,835
<u>Net income per Common share - Basic:</u>				
Income from continuing operations	\$ 0.10	\$ 0.01	\$ 0.16	\$ 0.04
Income (loss) from discontinued operations	(0.05)	0.42	0.11	0.87
Total net income per Common share - Basic:	\$ 0.05	\$ 0.43	\$ 0.27	\$ 0.91
<u>Net income per Class B common share - Basic:</u>				
Income from continuing operations	\$ 0.09	\$ 0.01	\$ 0.14	\$ 0.03
Income (loss) from discontinued operations	(0.04)	0.38	0.10	0.78
Total net income per Class B common share - Basic:	\$ 0.05	\$ 0.39	\$ 0.24	\$ 0.81
<u>Net income per Common share - Diluted:</u>				
Income from continuing operations	\$ 0.09	\$ 0.01	\$ 0.15	\$ 0.03
Income (loss) from discontinued operations	(0.05)	0.40	0.10	0.84
Total net income per Common share - Diluted:	\$ 0.04	\$ 0.41	\$ 0.25	\$ 0.87
<u>Net income per Class B common share - Diluted:</u>				

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Income from continuing operations	\$ 0.09	\$ 0.01	\$ 0.14	\$
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