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PAR TECHNOLOGY CORP
Form 8-K
April 27, 2006

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): April 27, 2006

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 2.02 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 April 27, 2006, PAR Technology Corporation issued a press release

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announcing its results of operation for the quarterly period ending March 31, 2006. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

99.1 Press Release dated April 27, 2006.

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: April 27, 2006

/s/RONALD J. CASCIANO

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

EXHIBIT INDEX

Exhibit Number -----	Description -----
99.1	Press Release dated April 27, 2006.

Exhibit 99.1 Press Release dated April 27, 2006.

RELEASE: NEW HARTFORD, NY, April 27, 2006
CONTACT: Christopher R. Byrnes (315) 738-0600 ext. 226
cbyrnes@partech.com, www.partech.com

PAR TECHNOLOGY CORPORATION
-REPORTS RECORD FIRST QUARTER RESULTS-

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|X| RECORD REVENUES FOR 1ST QUARTER
|X| REVENUES RISE 8%
|X| EPS GROWS 56%

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

New Hartford, NY--April 27, 2006--PAR Technology Corporation (NYSE:PTC) today announced results from operations for the first quarter ended March 31, 2006.

PAR reported record first quarter revenues of \$52.6 million, an 8% increase over the \$48.8 million reported in the same period a year ago. Net income reported for the first quarter was \$2 million compared with net income of \$1.3 million in the first quarter of 2005, a 54% increase. The Company reported diluted earnings per share of \$0.14 for the first quarter of 2006, an increase of 56% when compared to diluted earnings per share of \$0.09 for the first quarter of last year. In addition, PAR began expensing stock options in accordance with Statement of Financial Accounting Standards No. 123R effective in the first quarter of 2006. The 2006 first quarter results include non-cash stock-based compensation expense of \$43,000, compared to no such expense in the first quarter of 2005.

John W. Sammon, PAR Chairman and CEO commented, "The ongoing success PAR has achieved shows that we are building one of the strongest brands in the hospitality technology industry. Our team continues to execute our customer centric-strategies, yielding the results reported. These results validate our belief that the buyers of PAR's premium products desire an integrated full solution approach to enhance their technology requirements."

Sammon concluded, "We continue to build our business based on our plan for sustainable growth. PAR continues to broaden its reach of our participation in the hospitality market, with the addition of new customers and the development of products for related markets that incorporate PAR's technologies."

Statements in this release or by the Company's spokespersons from time to time may contain forward-looking statements. Any statements in this document that do not describe historical facts are forward-looking statements. Forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that all forward-looking statements involve risks and uncertainties, including without limitation, delays in new product introduction, 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 hospitality technology market specifically, risks of intellectual property rights associated with competition and competitive pricing pressures, risks associated with foreign sales and high customer concentration, and other risks detailed in the Company's filings with the Securities and Exchange Commission.

ABOUT PAR TECHNOLOGY

PAR Technology Corporation is a leading provider of professional services and enterprise business intelligence software and hardware to the hospitality industry. PAR develops, markets and supports hardware and software products that improve the ability of hospitality business professionals to make timely, fact-based business decisions. The Company is a premier provider of I/T management solutions to hotel and restaurant companies, with over 40,000 installations worldwide in 100 countries. PAR is a leader in providing computer-based system design and engineering services to the Department of Defense and Federal Government Agencies. PAR Technology Corporation's stock is traded on the New York Stock Exchange under the symbol PTC. For more information visit the Company's website at www.partech.com.

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PAR TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands except share amounts)
(unaudited)

	March 31, 2006	December 31, 2005
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,322	\$ 4,982
Accounts receivable-net	46,495	40,781
Inventories-net	29,922	29,562
Income tax refunds	1,528	879
Deferred income taxes	4,235	5,690
Other current assets	2,878	2,598
	-----	-----
Total current assets	87,380	84,492
Property, plant and equipment - net	8,009	8,044
Goodwill	20,620	20,622
Intangible assets - net	9,462	9,904
Other assets	2,438	2,087
	-----	-----
	\$ 127,909	\$ 125,149
	=====	=====
Liabilities and Shareholders' Equity		
Current liabilities:		
Current portion of long-term debt	\$ 79	\$ 76
Borrowings under lines of credit	7,123	3,500
Accounts payable	11,384	12,703
Accrued salaries and benefits	7,626	9,725
Accrued expenses	2,471	2,352
Customer deposits	3,367	3,973
Deferred service revenue	11,495	11,332
	-----	-----
Total current liabilities	43,545	43,661
	-----	-----
Long-term debt	1,926	1,948
	-----	-----
Deferred income taxes	441	201
	-----	-----
Other long-term liabilities	1,238	847
	-----	-----
Commitments and contingent liabilities		
Shareholders' Equity:		
Preferred stock, \$.02 par value, 1,000,000 shares authorized	--	--
Common stock, \$.02 par value, 19,000,000 shares authorized; 15,935,924 and 15,914,958 shares issued; 14,157,620 and 14,136,654 outstanding	319	318
Capital in excess of par value	37,458	37,271
Retained earnings	49,450	47,442
Accumulated other comprehensive loss	(540)	(611)
Treasury stock, at cost, 1,778,304 shares	(5,928)	(5,928)
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Total shareholders' equity	80,759	78,492

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----- \$ 127,909 =====	----- \$ 125,149 =====
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PAR TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(in thousands except per share amounts)
(unaudited)

	For the three months ended March 31,	
	2006	2005
Net revenues:		
Product	\$ 23,020	\$ 21,001
Service	13,745	13,402
Contract	15,832	14,354
	52,597	48,757
Costs of sales:		
Product	12,798	12,876
Service	10,710	10,447
Contract	14,726	13,565
	38,234	36,888
Gross margin	14,363	11,869
Operating expenses:		
Selling, general and administrative	8,075	7,393
Research and development	2,899	2,278
Amortization of identifiable	307	246
intangible assets	11,281	9,917
Operating income	3,082	1,952
Other income, net	157	233
Interest expense	(85)	(78)
Income before provision for income taxes	3,154	2,107
Provision for income taxes	(1,142)	(801)
Net income	\$ 2,012	\$ 1,306
	=====	=====
Earnings per share:		
Basic	\$.14	\$.10
Diluted	\$.14	\$.09
Weighted average shares outstanding		
Basic	14,151	13,431
	=====	=====
Diluted	14,806	14,312
	=====	=====