

LUCENT TECHNOLOGIES INC
Form 10-Q
May 06, 2004

AS FILED WITH THE SEC ON MAY 6, 2004

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2004

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 001-11639

LUCENT TECHNOLOGIES INC.

A Delaware
Corporation

I.R.S. Employer
No. 22-3408857

600 Mountain Avenue, Murray Hill, New Jersey 07974

Telephone Number: 908-582-8500

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 is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).
Yes No

At April 30, 2004, 4,285,610,063 common shares were outstanding.

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PART 1 - Financial Information

Item 1. Financial Statements

LUCENT TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in Millions, Except Per Share Amounts)
(Unaudited)

	Three months ended		Six months ended	
	March 31, 2004	2003	March 31, 2004	2003
Revenues:				
Products	\$ 1,715	\$ 1,972	\$ 3,508	\$ 3,560
Services	479	431	945	918
Total revenues	2,194	2,403	4,453	4,478
Costs:				
Products	882	1,263	1,863	2,471
Services	374	378	733	791
Total costs	1,256	1,641	2,596	3,262
Gross margin	938	762	1,857	1,216
Operating expenses:				
Selling, general and administrative	315	491	642	887
Research and development	325	382	617	771
Business restructuring	(17)	(131)	12	(150)
Total operating expenses	623	742	1,271	1,508
Operating income (loss)	315	20	586	(292)
Other expense, net	172	489	93	467
Interest expense	97	79	210	173
Income (loss) before income taxes	46	(548)	283	(932)
Benefit from income taxes	22	197	123	317
Net income (loss)	68	(351)	406	(615)
Conversion / redemption cost 8.00% preferred stock		(166)	(1)	(266)
Preferred stock dividends and accretion		(36)	12	(61)
Net income (loss) applicable to common shareowners	\$ 68	\$ (553)	\$ 417	\$ (942)
Net income (loss) applicable to common shareowners:				
Basic	\$ 0.02	\$ (0.14)	\$ 0.10	\$ (0.25)
Diluted	\$ 0.02	\$ (0.14)	\$ 0.09	\$ (0.25)
Weighted average number of common shares outstanding:				
Basic	4,255	3,945	4,218	3,763
Diluted	4,346	3,945	4,784	3,763

See Notes to Unaudited Consolidated Financial Statements.

LUCENT TECHNOLOGIES INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Amounts in Millions, Except Per Share Amounts)

(Unaudited)

	March 31, 2004	September 30, 2003
ASSETS		
Cash and cash equivalents	\$ 3,329	\$ 3,821
Marketable securities	821	686
Receivables, less allowance of \$140 and \$246, respectively	1,587	1,511
Inventories	789	632
Other current assets	933	1,183
Total current assets	7,459	7,833
Marketable securities	439	
Property, plant and equipment, net	1,479	1,593
Prepaid pension costs	5,013	4,659
Goodwill and other acquired intangibles, net	185	188
Other assets	1,206	1,492
Total assets	\$ 15,781	\$ 15,765
LIABILITIES		
Accounts payable	\$ 989	\$ 1,072
Payroll and benefit-related liabilities	953	1,080
Debt maturing within one year	907	389
Other current liabilities	2,903	2,479
Total current liabilities	5,752	5,020
Postretirement and postemployment benefit liabilities	4,707	4,669
Pension liabilities	2,270	2,494
Long-term debt	4,214	4,439
Liability to subsidiary trust issuing preferred securities	1,152	1,152
Other liabilities	1,206	1,362
Total liabilities	19,301	19,136
Commitments and contingencies		
8.00% redeemable convertible preferred stock		868
SHAREOWNERS' DEFICIT		
Preferred stock - par value \$1.00 per share; authorized shares: 250; issued and outstanding shares: none		
Common stock - par value \$.01 per share; authorized shares: 10,000; 4,278 issued and 4,277 outstanding shares as of March 31, 2004 and 4,170 issued and 4,169 outstanding shares as of September 30, 2003	43	42
Additional paid-in capital	22,610	22,252
Accumulated deficit	(22,389)	(22,795)
Accumulated other comprehensive loss	(3,784)	(3,738)
Total shareowners' deficit	(3,520)	(4,239)
Total liabilities, redeemable convertible preferred stock and shareowners' deficit	\$ 15,781	