

RIMAGE CORP  
Form 10-Q  
May 09, 2008  
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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 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 **March 31, 2008**; 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: **000-20728**

**RIMAGE CORPORATION**

(Exact name of registrant as specified in its charter)

**Minnesota**

(State or other jurisdiction of  
incorporation or organization)

**41-1577970**

(I.R.S. Employer Identification No.)

**7725 Washington Avenue South, Edina, MN 55439**

(Address of principal executive offices)

**952-944-8144**

(Registrant's telephone number, including area code)

**NA**

(Former name, former address and former fiscal year, if changed since last report)

Common Stock outstanding at April 30, 2008 9,639,237 shares

of \$.01 par value Common Stock.

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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 x No o**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company (as defined in Rule 12b-2 of the Exchange Act):

**Large Accelerated Filer o Accelerated Filer x Non-Accelerated Filer o Smaller Reporting Company o**

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

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**PART I FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**RIMAGE CORPORATION AND SUBSIDIARIES**

**Condensed Consolidated Balance Sheets**

(unaudited in thousands, except share data)

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Assets	March 31, 2008	December 31, 2007
Current assets:		
Cash and cash equivalents	\$ 10,578	\$ 7,416
Marketable securities	43,384	51,605
Receivables, net of allowance for doubtful accounts and sales returns of \$665 and \$583, respectively	13,032	14,447
Inventories	7,635	8,075
Prepaid income taxes	2,131	
Prepaid expenses and other current assets	1,627	1,591
Deferred income taxes - current	1,335	1,637
Total current assets	79,722	84,771
Marketable securities - non-current	38,413	35,201
Property and equipment, net	3,084	3,206
Deferred income taxes - non-current	1,973	1,918
Total assets	\$ 123,192	\$ 125,096
Liabilities and Stockholders' Equity		
Current liabilities:		
Trade accounts payable	\$ 4,478	\$ 7,564
Accrued compensation	1,886	3,138
Other accrued expenses	873	1,157
Income taxes payable		685
Deferred income and customer deposits	5,193	5,281
Other current liabilities	144	57
Total current liabilities	12,574	17,882
Long-term liabilities:		
Deferred income and customer deposits - non-current	1,739	1,930
Income taxes payable - non-current	258	164
Other non-current liabilities	53	59
Total long-term liabilities	2,050	2,153
Total liabilities	14,624	20,035
Stockholders' equity:		
Preferred stock, \$.01 par value, authorized 250,000 shares, no shares issued and outstanding		
Common stock, \$.01 par value, authorized 29,750,000 shares, issued and outstanding 9,805,737 and 9,705,947, respectively	98	97
Additional paid-in capital	35,704	33,827
Retained earnings	71,643	70,462
Accumulated other comprehensive income	1,123	675
Total stockholders' equity	108,568	105,061
Total liabilities and stockholders' equity	\$ 123,192	\$ 125,096

See accompanying notes to condensed consolidated financial statements.

**Condensed Consolidated Statements of Income**

(unaudited in thousands, except per share data)

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2008</b>	<b>2007</b>
Revenues	\$22,749	\$21,526
Cost of revenues	13,072	11,778
Gross profit	9,677	9,748
Operating expenses:		
Research and development	1,351	1,590
Selling, general and administrative	6,638	5,828
Total operating expenses	7,989	7,418
Operating income	1,688	