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INFORMATION HOLDINGS INC

Form 8-K/A

May 07, 2003

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A
AMENDMENT NO. 1
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 8, 2003

INFORMATION HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Delaware ----- (State or other jurisdiction of incorporation)	1-14371 ----- (Commission File Number)	06-1518007 ----- (IRS Employer Identification No.)
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2777 Summer Street, Suite 209, Stamford, Connecticut ----- (Address of principal executive offices)	06905 ----- (Zip Code)
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(203) 961-9106

(Registrant's telephone number, including area code)

Item 7. Financial Statements and Pro Forma Financial Information

This Form 8-K/A amends the Form 8-K filed by Information Holdings Inc. on April 22, 2003 to add information pursuant to Item 7(b) - Pro Forma Financial Information.

(b) Pro Forma Financial Information

The following pro forma financial information is included herein:

I. Pro Forma Condensed Consolidated Financial Statements of Information Holdings Inc.

Introduction

Pro Forma Condensed Consolidated Statements of Operations for the Years

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Ended December 31, 2000, 2001 and 2002
Pro Forma Condensed Consolidated Balance Sheet as of December 31, 2002
Notes to Pro Forma Condensed Consolidated Financial Statements

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 hereunto duly authorized.

INFORMATION HOLDINGS INC.

Dated: May 7, 2003

By: /s/ Vincent A. Chippari

Name: Vincent A. Chippari

Title: Executive Vice President & CFO

Information Holdings Inc.

Unaudited Pro Forma Condensed Consolidated Financial Statements

On April 8, 2003, Information Holdings Inc. (the "Company") sold, pursuant to an Asset Purchase Agreement dated February 27, 2003, substantially all of the assets and certain liabilities of its wholly owned subsidiaries CRC Press LLC ("CRC Press LLC"), CRC Press (U.K.) LLC and Parthenon Publishing Group, Inc., to CRC Press I LLC and Routledge No. 2 Limited, both wholly owned subsidiaries of Taylor & Francis Group plc, for approximately \$95,000,000 in cash, subject to a post closing adjustment.

The following unaudited pro forma condensed consolidated statements of operations of the Company for the years ended December 31, 2000, 2001 and 2002 give effect to the disposition of CRC Press LLC and its subsidiaries ("CRC Press") as if it occurred on January 1, 2000. The following unaudited pro forma condensed consolidated balance sheet of the Company as of December 31, 2002 gives effect to the disposition of CRC Press as if it occurred on that date. The unaudited pro forma condensed consolidated statements of operations do not reflect the gain on the sale of CRC Press, nor do they reflect imputed interest on the proceeds from the disposition.

The unaudited pro forma condensed consolidated financial statements have been prepared by the Company's management. The unaudited pro forma condensed consolidated financial statements are not designed to represent and do not represent what the Company's results of operations and financial position would have been had the aforementioned transaction been completed as of the date or at the beginning of the period indicated or to project the Company's results of operations or financial position at any future date or any future period. The pro forma condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes contained in the Company's 2002 Annual Report on Form 10-K.

Information Holdings Inc.

Unaudited Pro Forma Condensed Consolidated Statement of Operations

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December 31, 2000
(In thousands, except per share data)

	Information Holdings	Less: CRC Press	Pro Forma Consolidated
Revenues	\$ 73,289	\$ 38,984	\$ 34,305
Cost of sales	19,720	10,422	9,298
Gross profit	----- 53,569 -----	----- 28,562 -----	----- 25,007 -----
Operating expenses:			
Selling, general and administrative	36,987	20,602	16,385
Depreciation and amortization	9,744	1,993	7,751
Impairment of long-lived assets	1,500	0	1,500
Total operating expenses	----- 48,231 -----	----- 22,595 -----	----- 25,636 -----
Income (loss) from operations	5,338	5,967	(629)
Other income (expense):			
Other income (expense)	2	5	(3)
Interest income (expense), net	7,005	(144)	7,149
Income before income taxes	----- 12,345 -----	----- 5,828 -----	----- 6,517 -----
Provision for income taxes	5,253	2,273	2,980
Net income	----- \$ 7,092 =====	----- \$ 3,555 =====	----- \$ 3,537 =====
Basic earnings per common share	\$ 0.34 =====		\$ 0.17 =====
Diluted earnings per common share	\$ 0.34 =====		\$ 0.17 =====

The accompanying notes are an integral part of these pro forma condensed consolidated financial statements.

Information Holdings Inc.
Unaudited Pro Forma Condensed Consolidated Statement of Operations
December 31, 2001
(In thousands, except per share data)

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	Information Holdings	Less: CRC Press	Pro Forma Consolidated
Revenues	\$ 105,336	\$ 42,424	\$ 62,912
Cost of sales	26,676	13,714	12,962
	-----	-----	-----
Gross profit	78,660	28,710	49,950
	-----	-----	-----
Operating expenses:			
Selling, general and administrative	49,831	22,997	26,834
Depreciation and amortization	18,769	2,642	16,127
Impairment of long-lived assets	400	0	400
	-----	-----	-----
Total operating expenses	69,000	25,639	43,361
	-----	-----	-----
Income from operations	9,660	3,071	6,589
Other income (expense):			
Other expense	(16)	0	(16)
Interest income (expense), net	3,505	(148)	3,653
	-----	-----	-----
Income before income taxes	13,149	2,923	10,226
Provision for income taxes	5,311	1,071	4,240
	-----	-----	-----
Net income	\$ 7,838	\$ 1,852	\$ 5,986
	=====	=====	=====
Basic earnings per common share	\$ 0.36		\$ 0.28
	=====		=====
Diluted earnings per common share	\$ 0.36		\$ 0.27
	=====		=====

The accompanying notes are an integral part of these pro forma condensed consolidated financial statements.

Information Holdings Inc.
Unaudited Pro Forma Condensed Consolidated Statement of Operations
December 31, 2002
(In thousands, except per share data)

	Information Holdings	Less: CRC Press	Pro Forma Consolidated
Revenues	\$ 141,767	\$ 52,053	\$ 89,714

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Cost of sales	41,966	17,929	24,037
Gross profit	99,801	34,124	65,677
Operating expenses:			
Selling, general and administrative	66,909	24,108	42,801
Depreciation and amortization	16,941	3,102	13,839
Impairment of long-lived assets	39,380	0	39,380
Total operating expenses	123,230	27,210	96,020
(Loss) income from operations	(23,429)	6,914	(30,343)
Other income (expense):			
Other income	5	0	5
Interest income (expense), net	473	(155)	628
(Loss) income before income taxes	(22,951)	6,759	(29,710)
(Benefit from) provision for income taxes	(9,227)	2,542	(11,769)
Net (loss) income	\$ (13,724)	\$ 4,217	\$ (17,941)
Basic (loss) per common share	\$ (0.63)		\$ (0.83)
Diluted (loss) per common share	\$ (0.63)		\$ (0.83)

The accompanying notes are an integral part of these pro forma condensed consolidated financial statements.

Information Holdings Inc.

Unaudited Pro Forma Condensed Consolidated Balance Sheet December 31, 2002 (In thousands)

	Information Holdings	Less: CRC Press	Pro Forma Adjustments	Pro Forma Consolidated
Cash, cash equivalents and short-term investments	\$ 66,966	\$ 3,075	\$ 77,337 (1)	\$ 141,224
Accounts receivable, net	41,827	12,452		29,375

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Other current assets	17,425	8,896		8,52
	-----	-----	-----	-----
Total current assets	126,218	24,423	77,337	179,13
Intangible assets, net	94,627	22,318		72,30
Goodwill, net	88,967	5,868		83,09
Other long-term assets	19,025	10,119	164 (2)	9,07
	-----	-----	-----	-----
Total assets	\$ 328,837	\$ 62,728	\$ 77,501	\$ 343,61
	=====	=====	=====	=====
Accounts payable	\$ 30,967	\$ 4,743		\$ 26,22
Deferred revenue	27,069	5,940		21,12
Other current liabilities	17,738	4,002	\$ 156 (1)	13,89
Long-term liabilities	3,323	3,362	164 (2)	12
	-----	-----	-----	-----
Total liabilities	79,097	18,047	320	61,37
Common stock	218			21
Treasury stock	(5,227)			(5,227)
Paid in capital	247,026	16,591	16,591 (1)	247,02
Accumulated comprehensive income	626	358	358 (1)	62
Retained earnings	7,097	27,732	60,232 (1)	39,59
	-----	-----	-----	-----
Total equity	249,740	44,681	77,181	282,24
	-----	-----	-----	-----
Total liabilities and equity	\$ 328,837	\$ 62,728	\$ 77,501	\$ 343,61
	=====	=====	=====	=====

The accompanying notes are an integral part of these pro forma condensed consolidated financial statements.

Information Holdings Inc.

Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements

1. PRO FORMA ADJUSTMENTS

For purposes of determining the pro forma effect of the disposition of CRC Press on Information Holdings Inc.'s Condensed Consolidated Balance Sheet as of December 31, 2002, the following adjustments have been made (In thousands):

- (1) Represents the proceeds from the sale of CRC Press and the estimated gain on disposition, adjusted for assets and liabilities of CRC Press retained by the Company, as follows - debit (credit):

Cash	\$77,337
Other current liabilities	(156)
Paid in capital	(16,591)
Accumulated comprehensive income	(358)
Retained earnings (earnings of CRC Press prior to disposition)	(27,732)
Retained earnings (estimated after-tax gain on disposition)	(32,500)
- (2) Represents a reclassification of net long-term deferred taxes. The disposition of CRC Press results in a change in long-term deferred taxes

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from a net liability to a net asset.

2. EARNINGS PER SHARE

Earnings per share are calculated by dividing the net income by the weighted average outstanding shares during the period. The weighted average outstanding shares for the years ending December 31 are as follows:

	2000	2001	2002
Basic	20,583,190	21,686,149	21,734,708
Diluted	20,821,921	21,826,359	21,734,708