

ITERIS, INC.
Form 10-Q
November 01, 2010
Table of Contents

**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 September 30, 2010

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: 001-08762

ITERIS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

95-2588496

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

1700 Carnegie Avenue, Suite 100

Santa Ana, California

(Address of principal executive office)

92705

(Zip Code)

(949) 270-9400

(Registrant's telephone number, including area code)

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, as amended (the Exchange Act), 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 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

Smaller reporting company

(Do not check if a 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 October 22, 2010, there were 34,331,756 shares of common stock outstanding.

Table of Contents

ITERIS, INC.

**Quarterly Report on Form 10-Q
For the Three and Six Months Ended September 30, 2010**

Table of Contents

<u>PART I.</u>	<u>FINANCIAL INFORMATION</u>	3
<u>ITEM 1.</u>	<u>FINANCIAL STATEMENTS</u>	3
	<u>UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS AT SEPTEMBER 30, 2010 AND MARCH 31, 2010</u>	3
	<u>UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME FOR THE THREE AND SIX MONTHS ENDED SEPTEMBER 30, 2010 AND 2009</u>	4
	<u>UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2010 AND 2009</u>	5
	<u>NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS</u>	6
<u>ITEM 2.</u>	<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	16
<u>ITEM 3.</u>	<u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	25
<u>ITEM 4T.</u>	<u>CONTROLS AND PROCEDURES</u>	26
<u>PART II.</u>	<u>OTHER INFORMATION</u>	26
<u>ITEM 1.</u>	<u>LEGAL PROCEEDINGS</u>	26
<u>ITEM 1A.</u>	<u>RISK FACTORS</u>	26
<u>ITEM 2.</u>	<u>UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>	35
<u>ITEM 3.</u>	<u>DEFAULTS UPON SENIOR SECURITIES</u>	35
<u>ITEM 4.</u>	<u>(REMOVED AND RESERVED)</u>	35
<u>ITEM 5.</u>	<u>OTHER INFORMATION</u>	36
<u>ITEM 6.</u>	<u>EXHIBITS</u>	36

Unless otherwise indicated in this report, the Company, we, us and our refer to Iteris, Inc. and our wholly-owned subsidiary, Iteris Europe GmbH.

Edgar Filing: ITERIS, INC. - Form 10-Q

AutoVue®, Iteris®, Vantage®, VantageView , VersiCam , SafetyDirect and Abacus are among the trademarks of Iteris, Inc. Any other trademarks or trade names mentioned herein are the property of their respective owners.

Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****Iteris, Inc.****Unaudited Condensed Consolidated Balance Sheets****(In thousands, except par value)**

	September 30, 2010	March 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 12,323	\$ 10,405
Trade accounts receivable	11,083	11,311
Costs in excess of billings on uncompleted contracts	3,239	3,871
Inventories	3,221	2,727
Deferred income taxes	4,193	4,993
Prepaid expenses and other current assets	395	623
Total current assets	34,454	33,930
Property and equipment, net	2,315	2,550
Deferred income taxes	9,739	9,739
Intangible assets, net	379	452
Goodwill	27,791	27,791
Other assets	214	200
Total assets	\$ 74,892	\$ 74,662
Liabilities and stockholders' equity		
Current liabilities:		
Trade accounts payable	\$ 2,982	\$ 2,492
Accrued payroll and related expenses	2,897	2,709
Accrued liabilities	1,721	1,748
Billings in excess of costs and estimated earnings on uncompleted contracts	1,321	2,105
Current portion of long-term debt	2,324	2,324
Total current liabilities	11,245	11,378
Deferred rent	1,230	1,386
Unrecognized tax benefits	753	751
Other non-current liabilities		112
Long-term debt	2,054	2,969
Total liabilities	15,282	16,596
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.10 par value, 70,000 shares authorized, 34,332 and 34,318 shares issued and outstanding at September 30, 2010 and March 31, 2010, respectively	3,433	3,432
Additional paid-in capital	137,707	137,503
Accumulated deficit	(81,530)	(82,869)
Total stockholders' equity	59,610	58,066
Total liabilities and stockholders' equity	\$ 74,892	\$ 74,662

Edgar Filing: ITERIS, INC. - Form 10-Q

See accompanying notes.

Table of Contents

Iteris, Inc.

Unaudited Condensed Consolidated Statements of Income

(In thousands, except per share amounts)

**Three Months Ended
September 30,**

**Six Months Ended
September 30,**