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PAR TECHNOLOGY CORP
Form 8-K
October 27, 2004

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): October 27, 2004

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 October 27, 2004, PAR Technology Corporation issued a press release

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announcing its results of operation for the quarterly period ending September 30, 2004. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

99.1 Press Release dated October 27, 2004.

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: October 27, 2004

/s/ RONALD J. CASCIANO

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

EXHIBIT INDEX

Exhibit Number	Description
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99.1	Press Release dated October 27, 2004.

CONTACT: Christopher R. Byrnes (315) 738-0600 ext. 226
cbyrnes@partech.com, www.partech.com

PAR TECHNOLOGY CORPORATION REPORTS THIRD QUARTER RESULTS
- REVENUES GROW 18%
- EARNINGS PER SHARE RISE 111% TO \$0.19 FROM \$0.09

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

(New Hartford, NY- October 27, 2004) PAR Technology Corporation (NYSE: PTC), a provider of integrated hardware, software and service solutions to the restaurant, hotel/resort, hospitality industries and information-technology services to the United States Government, today reported third quarter financial

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results.

For the third quarter ended September 30, 2004, PAR Technology Corporation reported revenues of \$42.6 million compared to \$36 million in the third quarter 2003, an increase of 18%. Net income was reported at \$1.7 million, compared to the \$813,000 earned in the third quarter one year ago. The Company reported diluted net income per share of \$0.19 for this past quarter, compared to the \$0.09 reported for the same period a year earlier, an increase of 111%.

For the nine months ended September 30, 2004, PAR Technology Corporation reported revenues of \$123.5 million, a 25% increase when compared to the \$98.6 million reported one year ago. The Company also reported net income of \$3.8 million in the first nine months of 2004 versus \$1.3 million for the first nine months of 2003. Diluted net income per share for the first nine months of 2004 was reported at \$0.41, an increase of 173% when compared to diluted net income per share of \$0.15 reported for the same period in 2003.

"We are pleased both with the Company's third quarter performance and with the continued broad acceptance of our technology products and services by our core markets and customers. In addition to surpassing our financial plan for the quarter, we continue to make operational and strategic gains. Strategically, the recent acquisition of Springer-Miller Systems, Inc., which closed on October 1 of this year, will strengthen our competitive position across a broad array of hospitality technology markets. Not only do we fully expect this to be an accretive transaction, but we believe that the combination of our expertise and knowledge in hospitality technology and strong relationships within the marketplace will enable us to improve both the depth and breadth of our combined businesses," said PAR Technology Chairman and CEO John W. Sammon. "Operationally, our profitability continues to grow as we gained market share in our core businesses. We attribute this growth to increasing demand for both our hospitality technology solutions and our Government design and engineering services business and believe that these trends will continue. We are confident in the potential of our Company and our position as a leader in our markets and remain secure in our ability to continue executing our strategic objectives."

Certain Company information in this release or by its 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 restaurant 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 develops, markets and supports hardware and software products that improve the ability of restaurant, hotels/resorts and retail business professionals to make timely, fact-based business decisions. The Company is the world's largest supplier of Point-of-Sale systems to the quick service restaurant market with over 35,000 systems installed in over 95 countries. In addition 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 additional information visit PAR's website at www.partech.com.

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

	September 30 2004	December 31, 2003
	-----	-----
Assets		
Current assets:		
Cash	\$ 5,505	\$ 1,467
Accounts receivable-net	28,052	31,876
Inventories-net	31,086	31,894
Deferred income taxes	6,102	6,486
Other current assets	2,658	2,472
Total assets of discontinued operation	--	20
	-----	-----
Total current assets	73,403	74,215
Property, plant and equipment - net	7,307	7,240
Deferred income taxes	1,467	2,857
Other assets	3,397	2,855
	-----	-----
	\$ 85,574	\$ 87,167
	=====	=====
Liabilities and Shareholders' Equity		
Current Liabilities:		
Current portion of long-term debt	\$ 87	\$ 89
Borrowings under lines of credit	--	6,989
Accounts payable	10,081	8,301
Accrued salaries and benefits	6,029	5,461
Accrued expenses	2,074	2,471
Deferred service revenue	5,506	5,947
Total liabilities of discontinued operation	390	578
	-----	-----
Total current liabilities	24,167	29,836
	-----	-----
Long-term debt	2,027	2,092
	-----	-----
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; 10,080,182 and 9,966,062 shares issued; 8,669,495 and 8,555,375 outstanding	202	199
Capital in excess of par value	30,309	29,761
Retained earnings	36,157	32,375
Accumulated other comprehensive loss	(235)	(43)

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Treasury stock, at cost, 1,410,687 shares	(7,053)	(7,053)
	-----	-----
Total shareholders' equity	59,380	55,239
	-----	-----
	\$ 85,574	\$ 87,167
	=====	=====

PAR TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(in thousands except per share amounts)
(unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2004	2003	2004	2003
	-----	-----	-----	-----
Net revenues:				
Product	\$ 18,507	\$ 15,535	\$ 54,212	\$ 40,947
Service	11,613	10,104	32,490	27,207
Contract	12,515	10,367	36,756	30,405
	-----	-----	-----	-----
	42,635	36,006	123,458	98,559
	-----	-----	-----	-----
Costs of sales:				
Product	12,145	10,219	36,413	26,809
Service	10,050	8,380	28,079	22,789
Contract	11,633	9,887	34,245	29,056
	-----	-----	-----	-----
	33,828	28,486	98,737	78,654
	-----	-----	-----	-----
Gross margin	8,807	7,520	24,721	19,905
	-----	-----	-----	-----
Operating expenses:				
Selling, general and administrative	4,882	4,702	15,143	13,813
Research and development	1,269	1,418	3,914	3,839
	-----	-----	-----	-----
	6,151	6,120	19,057	17,652
	-----	-----	-----	-----
Operating income	2,656	1,400	5,664	2,253
Other income, net	190	60	588	449
Interest expense	(27)	(117)	(146)	(412)
	-----	-----	-----	-----
Income from continuing operations				
before provision for income taxes	2,819	1,343	6,106	2,290
Provision for income taxes	(1,085)	(485)	(2,324)	(825)
	-----	-----	-----	-----
Income from continuing operations	1,734	858	3,782	1,465
	-----	-----	-----	-----
Discontinued operations:				
Loss from operations of				
discontinued component	--	(71)	--	(180)
Income tax benefit	--	26	--	65
	-----	-----	-----	-----
Loss on discontinued operations ...	--	(45)	--	(115)
	-----	-----	-----	-----

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Net income	\$ 1,734	\$ 813	\$ 3,782	\$ 1,350
	=====	=====	=====	=====

PAR TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Continued)
(in thousands except per share amounts)
(unaudited)

	For the three months ended September 30,		For the n ended Sep
	2004	2003	2004
	-----	-----	-----
Earnings per share:			
Basic:			
Income from continuing operations	\$ 0.20	\$ 0.10	\$ 0.44
Loss from discontinued operations	\$ --	\$ (0.01)	\$ --
Net income	\$ 0.20	\$ 0.10	\$ 0.44
Diluted:			
Income from continuing operations	\$ 0.19	\$ 0.10	\$ 0.41
Loss from discontinued operations	\$ --	\$ (0.01)	\$ --
Net income	\$ 0.19	\$ 0.09	\$ 0.41
Weighted average shares outstanding			
Basic	8,669	8,446	8,625
	=====	=====	=====
Diluted	9,164	8,889	9,159
	=====	=====	=====