UNOVA INC
Form 10-Q
May 12, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended April 3, 2005

OR

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

Commission file number 001-13279

UNOVA, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**95-4647021** (I.R.S. Employer Identification No.)
6001 36th Avenue West **Everett, WA** **www.unova.com** (Address of principal executive offices and internet site)	**98203-1264** (Zip Code)

Registrant s telephone number, including area code: (425) 265-2400

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 ý No o

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes ý No o

On April 30, 2005 there were 61,321,332 shares of Common Stock outstanding, exclusive of treasury shares.

UNOVA, INC.
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REPORT ON FORM 10-Q
FOR THE QUARTER ENDED APRIL 3, 2005

UNOVA, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(amounts in thousands, except per share amounts)
(unaudited)

	Quarter Ended April 3, 2005	Quarter Ended March 31, 2004
Revenues:		
Product	$ 161,943	$ 142,606
Service	34,552	30,749
Intellectual property settlements		19,650
Total Revenues	196,495	193,005
Costs and Expenses:		
Cost of product revenues	92,747	81,490
Cost of service revenues	20,886	17,980
Cost of intellectual property settlements		3,857
Selling, general and administrative	72,756	64,755
Total Costs and Expenses	186,389	168,082
Operating Profit from Continuing Operations	10,106	24,923
Interest, net	(2,126)	(3,068)
Foreign currency exchange, net	(15)	(420)
Earnings from Continuing Operations before Income Taxes	7,965	21,435
Provision for Income Taxes	(2,553)	(5,709)
Earnings from Continuing Operations, Net of Tax	5,412	15,726
Loss from Discontinued Operations, Net of Tax	(1,932)	(5,244)
Net Earnings	$ 3,480	$ 10,482
Basic Earnings (Loss) per Share		
Continuing Operations	$ 0.09	$ 0.26
Discontinued Operations	(0.03)	(0.09)
Net Earnings per Share	$ 0.06	$ 0.17
Diluted Earnings (Loss) per Share		
Continuing Operations	$ 0.09	$ 0.25
Discontinued Operations	(0.03)	(0.08)
Net Earnings per Share	$ 0.06	$ 0.17
Shares Used in Computing Basic Earnings (Loss) per Share	61,093	60,188
Shares Used in Computing Diluted Earnings (Loss) per Share	62,813	62,126

See accompanying notes to consolidated financial statements.

UNOVA, INC.
CONSOLIDATED BALANCE SHEETS
(amounts in thousands)
(unaudited)

	April 3, 2005	December 31, 2004
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 155,150	$ 217,899
Restricted cash		50,000
Accounts receivable, net of allowance for doubtful accounts of $9,102 and $9,771	162,184	157,833
Inventories	93,165	80,854
Net deferred tax assets	58,730	81,769
Assets held for sale	14,196	19,748
Current assets of discontinued operations	52,214	211,116
Other current assets	9,987	8,831
Total Current Assets	545,626	828,050
Property, Plant and Equipment, Net of Accumulated Depreciation of $100,845 and $99,714	30,462	30,375
Intangibles, Net	3,972	4,072
Net Deferred Tax Assets	192,127	134,978
Long Term Assets of Discontinued Operations	20,504	21,238
Other Assets	59,868	53,964
Total Assets	$ 852,559	$ 1,072,677
LIABILITIES AND SHAREHOLDERS INVESTMENT		
Current Liabilities:		
Accounts payable and accrued expenses	$ 176,902	$ 160,001
Payroll and related expenses	24,510	30,077
Current portion of long-term debt	8,500	108,500
Current liabilities of discontinued operations	31,327	130,257
Total Current Liabilities	241,239	428,835
Long-term Debt	100,000	100,000
Other Long-term Liabilities	86,751	86,220
Long-term Liabilities of Discontinued Operations	12,112	46,388
Shareholders Investment:		
Common stock	611	611
Additional paid-in capital	706,235	703,416
Accumulated deficit	(303,215)	(306,695)
Accumulated other comprehensive income	8,826	13,902
Total Shareholders Investment	412,457	411,234
Total Liabilities and Shareholders Investment	$ 852,559	$ 1,072,677

See accompanying notes to consolidated financial statements.

UNOVA, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(amounts in thousands)
(unaudited)

	Quarter Ended April 3, 2005	Quarter Ended March 31, 2004
Cash and Cash Equivalents at Beginning of Period	$ 217,899	$ 238,447
Cash Flows from Operating Activities of Continuing Operations:		
Net earnings from continuing operations	5,412	15,726
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,313	2,865
Change in prepaid pension costs, net	2,994	2,463
Deferred taxes	(34,110)	1,158
Loss on sale of discontinued operations	34,723	
Stock-based compensation and other	(55)	573
Changes in operating assets and liabilities:		
Accounts receivable	8,868	(1,041)
Inventories	(12,758)	(8,062)
Other current assets	(1,329)	2,639
Accounts payable and accrued expenses	63	2,268
Payroll and related expenses	(6,935)	(4,384)
Other long-term liabilities	584	(1,429)
Other operating activities	(34)	252
Net Cash Provided by (Used in) Operating Activities of Continuing Operations	(264)	13,028
Cash Flows from Investing Activities of Continuing Operations:		
Capital expenditures	(2,624)	(2,212)
Sale of property, plant and equipment	6,000	70
Other investing activities	152	(69)
Net Cash Provided by (Used in) Investing Activities of Continuing Operations	3,528	(2,211)
Cash Flows from Financing Activities of Continuing Operations:		
Decrease in restricted cash	50,000	
Repayment of long-term obligations	(100,000)	
Stock options exercised	1,269	1,686
Other financing activities	(302)	4
Net Cash Provided by (Used in) Financing Activities of Continuing Operations	(49,033)	1,690
Net Cash Provided by (Used in) Continuing Operations	(45,769)	12,507
Net Cash Used in Operating Activities of Discontinued Operations	(17,221)	(22,633)
Net Cash Provided by (Used in) Investing Activities of Discontinued Operations	241	(791)
Resulting Decrease in Cash and Cash Equivalents	(62,749)	(10,917)
Cash and Cash Equivalents at End of Period	$ 155,150	$ 227,530
Supplemental Disclosure of Cash Flow Information:		
Effect of exchange rates on cash and cash equivalents	$ (2,449)	$ 1,126
Interest paid	(7,987)	(7,326)
Income taxes paid	(1,450)	(2,023)

See accompanying notes to consolidated financial statements.

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UNOVA, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

1. Basis of Presentation

UNOVA, Inc. and subsidiaries (UNOVA or the Company), through its wholly owned subsidiary Intermec Technologies Corporation (Intermec), is a leader in global supply chain solutions, the development, manufacture and integration of wired and wireless automated data collection, Intellitag® RFID (radio frequency identification), mobile computing systems, bar code printers and label media. Intermec products and services are used by customers to improve productivity, quality and responsiveness of business operations such as supply chain management, warehouse operations, inventory management, field service, in-transit visibility, direct-store delivery, store operations and store management. Intermec products and services are sold globally to a diverse set of customers in markets such as industrial manufacturing, transportation and logistics, retail, consumer goods and government.

Effective the fourth quarter of 2004, the Company committed to a plan to sell its Industrial Automation Systems (IAS) businesses, comprising the Cincinnati Lamb division and the Landis Grinding Systems division after the Board of Directors concluded that the IAS segment no longer aligned with the Company s long-term strategy. Company management believes that divesting the IAS businesses will enable the Company to concentrate better on Intermec s core competencies and growth opportunities. The Company has classified the IAS businesses as discontinued operations for accounting purposes in the Company s consolidated financial statements and related notes. During the quarter ended April 3, 2005, the Company completed the sale of the Cincinnati Lamb business and intends to sell the Landis Grinding Systems business as a going concern within the 2005 fiscal year (see Note 5 to the consolidated financial statements). All prior periods presented have been restated to reflect this classification.

Beginning in 2005, the Company's interim financial periods are based on a thirteen week internal accounting calendar. The Company does not believe this change has any material impact on the comparability of the financial statements. The amounts included in this report are unaudited; however, in the opinion of management, all adjustments necessary for a fair presentation of results of operations, financial position and cash flows for the stated periods have been included. These adjustments are of a normal recurring nature. Certain prior-year amounts have been reclassified to conform to the current year presentation. These consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company s annual report on Form 10-K for the year ended December 31, 2004. The results of operations for the interim periods presented are not necessarily indicative of operating results for the entire year.

2. Stock-Based Compensation

As permitted by Statement of Financial Accounting Standards (SFAS) No. 123, the Company accounts for its stock-based compensation plans in accordance with Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, under which compensation cost is recognized over the vesting period if the fair value is greater than the exercise price (the intrinsic value method) at the grant of stock options. Had compensation cost for these plans been determined consistent with SFAS No. 123, Accounting for Stock-Based Compensation, the Company s net earnings and basic and diluted earnings per share from

continuing operations for the quarters ended April 3, 2005, and March 31, 2004, would have been reduced to the pro forma amounts indicated in the following table (thousands of dollars):

	Quarter Ended			
		April 3, 2005		March 31, 2004
Net earnings as reported	$	3,480	$	10,482
Add: stock compensation expense recorded under the intrinsic value method, net of tax effect		484		173
Less: pro forma stock compensation expense computed under the fair value method, net of tax effect		(2,848)		(821)
Pro forma net earnings	$	1,116	$	9,834
Net earnings per share as reported:				
Basic	$	0.06	$	0.17
Diluted	$	0.06	$	0.17
Pro forma net earnings per share:				
Basic	$	0.02	$	0.16
Diluted	$	0.02	$	0.16

During the quarter ended April 3, 2005, the Company issued 138,820 shares of Common Stock under its stock compensation plans, including 133,402 shares issued upon the exercise of options, 4,666 shares of restricted stock and 752 shares issued under the Employee Stock Purchase Plan and Directors Stock Option and Fee Plan. Also during the quarter ended April 3, 2005, 63,736 shares of restricted stock vested due to completion of the vesting period.

3. Inventories

Inventories comprise the following (thousands of dollars):

		April 3, 2005		December 31, 2004
Raw materials	$	62,716	$	53,714
Work in process		213		304
Finished goods		30,236		26,836
Inventories	$	93,165	$	80,854

4. Long-term Debt and Interest, net

As of April 3, 2005 the Company maintains two secured long-term credit facilities: a $100 million revolving credit facility (the Revolving Facility) and a £15 million ($28.1 million) revolving facility and related overdraft facility (collectively, the UK Facility).

Net of outstanding letters of credit and limitations on minimum availability, the Company had borrowing capacity at April 3, 2005, of $32.3 million under the Revolving Facility and no borrowing capacity under the UK Facility. The Company made no borrowings under the Revolving Facility or the UK Facility during the first quarter of 2005, and as of April 3, 2005, no borrowings were outstanding under either the Revolving

Facility or the UK Facility. As of April 3, 2005, the Company was in compliance with the financial covenants of each of these agreements.

The key terms of the Revolving Facility are as follows:

The Company s obligations under the Revolving Facility are secured by substantially all the U.S. assets of the Company and its U.S. subsidiaries and a pledge of 65% of the stock of certain of its foreign subsidiaries.

Borrowings under the Revolving Facility bear interest at a variable rate equal to (at the Company s option) (i) LIBOR plus an applicable margin ranging from 1.5% to 2.5% based on consolidated leverage, or (ii) the greater of the federal funds rate plus 0.50% or the Bank s prime rate, plus an applicable margin ranging from 0.5% to 1.5% based on consolidated leverage.

If the Company sells subsidiaries within its Industrial Automation Systems segment, the net proceeds, or a portion thereof, as defined in the agreement, must be applied to repay borrowings outstanding under the Revolving Facility**.**

Until it retired its 6.875% Notes due March 15, 2005, the Company was required to maintain a minimum balance of $50 million as restricted cash. This amount is classified as restricted cash on the Company s consolidated balance sheet as of December 31, 2004. This cash restriction has been removed as of April 3, 2005.

The Revolving Facility places certain restrictions on the ability of the Company and its subsidiaries to consolidate or merge, make acquisitions, create liens, incur additional indebtedness or dispose of assets.

Financial covenants include a Consolidated Leverage test, a Consolidated Interest Coverage test and a Consolidated Net Worth test, each as defined in the agreement.

In March 1998, the Company sold $200.0 million principal amount of senior unsecured debt in an underwritten offering. The debt comprised $100.0 million of 6.875% seven-year notes and $100.0 million of 7.00% ten-year notes. Interest payments are due semi-annually. Including underwriting fees, discounts and other issuance costs, the effective interest rates on the seven-year and ten-year notes are 7.125% and 7.175%, respectively. In March 2005, the Company retired the $100.0 million seven-year notes.

The Company additionally has outstanding an $8.5 million industrial revenue bond, bearing interest at 4.57%, maturing in July 2005, which is classified as current portion of long-term obligations on the Company s consolidated balance sheet.

Interest, net comprises the following (thousands of dollars):

	Quarter Ended April 3, 2005	Quarter Ended March 31, 2004
Interest expense	$ 3,928	$ 4,009
Interest income	(1,802)	(941)
Interest, net	$ 2,126	$ 3,068

The Company also has letter-of-credit reimbursement agreements totaling $47.2 million at April 3, 2005, compared to $53.6 million at December 31, 2004. As of April 3, 2005, $21.2 million of the agreements related to performance on contracts with current customers and vendors, and $26.0 million of the agreements related to customer contracts assumed by the purchaser of Cincinnati Lamb the operations sold. The Company is indemnified by the purchaser on the entire $26 million of letter-of-credit agreements and under the terms of the sale the purchaser is required to provide a backup letter of credit for certain of these commitments in the aggregate amount of $8.9 million. The Company believes it is not practicable to estimate fair values of these instruments and considers the risk of non-performance on the contracts to be remote.

5. Discontinued Operations

During the fourth quarter of 2004, the Company committed to a plan to dispose of its IAS businesses, comprising the Cincinnati Lamb and Landis Grinding Systems businesses, after it was determined that the IAS businesses are no longer aligned with the Company s long-term strategy. During the first quarter of 2005, the Company completed the sale of the Cincinnati Lamb business. The Company intends to sell the Landis Grinding Systems business during the 2005 fiscal year. In accordance with SFAS 144, Accounting for Disposal or Impairment of Long-Lived Assets, the IAS businesses are classified as discontinued operations in the Company s consolidated financial statements for all periods presented.

On April 3, 2005, the Company completed the sale of the Cincinnati Lamb business. The consideration received for the Cincinnati Lamb business includes (i) a receivable of $16 million, paid on April 4, 2005, (ii) a long-term secured note receivable with an estimated fair value of $8.4 million and (iii) liabilities related to certain pension and other post-retirement obligations of $39.1 million assumed by the buyer. The Company was also required to deliver to the buyer a guaranteed net working asset balance. Accordingly, the Company estimates it will reimburse to the buyer up to $12.6 million for accounts payable related to the Cincinnati Lamb business, subject to final purchase price adjustment. Based on the terms of the agreement, the buyer has 90 days from the transfer date to review the preliminary closing balance sheet.

The long-term note receivable collateralized by the assets sold has a face value of $10.0 million and bears interest at an annual rate of LIBOR plus three percent, with interest payable quarterly. Principal payments on the note are due in five equal semiannual installments of $2.0 million beginning October 2006. The estimated fair value of the note of $8.4 million is based on the estimated cash flows from the note and a risk-adjusted discount rate equal to LIBOR plus eight percent.

The Company s consolidated balance sheet as of April 3, 2005 classifies the $16 million of cash received on April 4, 2005 in accounts receivable, the $8.4 million long-term note receivable in other assets, and the accrual of reimbursable payables of $12.6 million in accounts payable and accrued expenses.

The Company recognized a pre-tax loss on the sale of the Cincinnati Lamb business of $34.7 million during the quarter ended April 3, 2005. The net assets sold of the Cincinnati Lamb business were recorded at $36.7 million as of the date of the sale and comprised the following:

Current Assets:		
Accounts receivable, net	$	125,217
Inventories, net		33,684
Other current assets		5,279
Impairment of current assets		(10,563)
Total current assets		153,617
Current Liabilities:		
Accounts payable and accrued expenses		71,280
Accrued payroll		6,470
Total current liabilities		77,750
Long-term Liabilities		39,127
Net Assets Sold	$	36,740

Long-term liabilities in the above table represent pension and post-retirement obligations assumed by the buyer (see Note 13).

5. Discontinued Operations

The loss on the sale includes an $8.3 million gain related to cumulative translation adjustment and a $12.9 million charge related to the adjustment to recognize minimum pension liability, related to Cincinnati Lamb, which previously had been included in the accumulated other comprehensive income component of shareholders investment (OCI). The Company also incurred $5.3 million of transaction related expense primarily for severance and professional services.

The following table sets forth the components of the loss from discontinued operations, net of tax, for the quarters ended April 3, 2005 and March 31, 2004 (thousands of dollars):

	Quarter Ended	
	April 3, 2005	March 31, 2004
Product and service revenues	$ 114,534	$ 104,665
Operating loss	(5,834)	(5,655)
Loss on sale of Cincinnati Lamb	(34,723)	
Loss from discontinued operations before tax	(40,557)	(5,655)
Benefit for income taxes	38,625	411
Loss from discontinued operations, net of tax	$ (1,932)	$ (5,244)

The tax benefit for the quarter ended April 3, 2005 reflects an effective tax rate of 95.2% compared to the U.S. statutory tax rate of 35%. The increase is primarily due to $24.8 million of tax benefits from the disposition of the Cincinnati Lamb business. These benefits, including a tax effected capital loss carryforward in the U.S. in the amount of $12.4 million, resulted from differences between the book basis of assets sold and the related tax basis of the stock and a benefit of $6.9 million from a prior period election to treat a foreign subsidiary as a branch.

The tax benefit for the quarter ended March 31, 2004 reflects an effective tax rate of 7.3%. The reduction from the statutory rate of 35% is primarily due to adjustments to state deferred tax assets in the amount of $1.6 million.

The table below sets forth the assets and liabilities of discontinued operations as of April 3, 2005 and December 31, 2004 (thousands of dollars):

	April 3, 2005	December 31, 2004
Current assets of discontinued operations:		
Accounts receivable, net	$ 27,656	$ 160,118
Inventories, net	23,563	55,926
Other current assets	995	5,635
Impairment of current assets		(10,563)
Total current assets of discontinued operations	52,214	211,116
Long-term assets of discontinued operations:		
Property, plant and equipment, net	12,599	13,356
Goodwill and other intangibles, net	7,796	7,796
Other Assets	109	86
Total long-term assets of discontinued operations:	20,504	21,238
Current liabilities of discontinued operations:		
Accounts payable and accrued expenses	27,444	117,026
Accrued payroll	3,883	13,231
Total current liabilities of discontinued operations	31,327	130,257
Long-term liabilities of discontinued operations	12,112	46,388
Net assets of discontinued operations	$ 29,279	$ 55,709

The Company s goodwill of $7.8 million relates to its Landis Grinding Systems business and is classified as long-term assets of discontinued operations on the Company s consolidated balance sheets as of April 3, 2005 and March 31, 2004. Long-term liabilities of discontinued operations comprise pension and postretirement obligations.

As of April 3, 2005, accumulated other comprehensive income on the Company's consolidated balance sheet includes a credit balance of $9.0 million related to Landis Grinding Systems cumulative translation adjustments.

6. Provision for Income Taxes

The tax provision for the quarter ended April 3, 2005 reflects an effective tax rate for continuing operations of 32.1% compared to a U.S. statutory rate of 35%. The reduction in the effective tax rate is primarily due to favorable foreign currency exchange variance associated with foreign tax contingency accruals.

The tax provision for the quarter ended March 31, 2004 reflects an effective tax rate for continuing operations of 26.6%. The reduction from the statutory rate of 35% is primarily due to the recognition of $2.6 million of previously unrecognized state deferred tax assets.

7. Earnings per Share and Shareholders Investment

Basic earnings per share is calculated using the weighted average number of common shares outstanding and issuable for the applicable period. Diluted earnings per share is computed using basic weighted average shares plus the dilutive effect of unvested restricted stock and outstanding stock options using the treasury stock method.

	Quarter Ended	
	April 3, 2005	**March 31, 2004**
Weighted average common shares - Basic	61,092,942	60,187,811
Dilutive effect of unvested restricted shares and stock options	1,719,661	1,938,300
Weighted average shares - Diluted	62,812,603	62,126,111

As of April 3, 2005, Company employees and directors held options to purchase 106,500 shares of Company common stock that were antidilutive to the diluted earnings (loss) per share computation. These options could become dilutive in future periods if the average market price of the Company s common stock exceeds the exercise price of the outstanding options and the Company reports net earnings.

8. Comprehensive Earnings (Loss)

The Company s comprehensive earnings (loss) amounts comprise the following (thousands of dollars):

	Quarter Ended	
	April 3, 2005	March 31, 2004
Net earnings	$ 3,480	$ 10,482
Change in equity due to foreign currency translation adjustments	(14,220)	(2,030)
Change in equity due to minimum pension liability adjustment	9,144	
Comprehensive earnings (loss)	$ (1,596)	$ 8,452

Foreign currency translation adjustments for the quarter ended April 3, 2005 in the above table include a credit balance cumulative translation adjustment of $8.3 million which was reclassified from OCI to net earnings as a result of the Cincinnati Lamb sale.

9. Intellectual Property Settlements

During the first quarter of 2004, the Company received compensation in relation to one settlement regarding certain of its intellectual property (IP). The terms of this settlement are confidential. The operating profit from the IP settlement, net of legal fees, for the quarter ended March 31, 2004, was $15.8 million. IP settlement compensation is classified as sales revenues and the related legal costs are classified as cost of sales on the Company s consolidated statements of operations.

10. Segment Reporting

The Company s Intermec segment provides products and services include rugged mobile computing solutions, wireless and automated data collection systems for field workers, on-premises and site-based workers as well as wireless network systems for untethered enablement of an enterprise, and barcode label and printing solutions. Intermec s rugged and robust systems, solutions and services enable Intermec s customers to more efficiently and effectively manage their supply chains and fulfillment activities.

Corporate and other amounts include corporate operating costs. Intercompany transactions have been eliminated. The following table sets forth the Company s operations by business segments (thousands of dollars):

	Quarter Ended	
	April 3, 2005	March 31, 2004
Sales And Service Revenues from Continuing Operations		
Intermec:		
Product and Service Revenues	$ 196,495	$ 173,355
Intellectual Property Settlements Revenue		19,650
Total Intermec Revenues	196,495	193,005
Corporate and Other		
Total Revenues	$ 196,495	$ 193,005
Operating Profit (Loss) from Continuing Operations		
Intermec:		
Product and Service	$ 16,040	$ 12,253
Intellectual Property Settlements		15,793
Total Intermec Operating Profit	16,040	28,046
Corporate and Other	(5,934)	(3,123)
Total Operating Profit from Continuing Operations	$ 10,106	$ 24,923

11. Related Party Transactions

At December 31, 2004, other assets included a receivable due from a certain non-executive Company officer of $0.2 million. As of April 3, 2005, this receivable was paid off.

12. Commitments and Contingencies

Provisions for estimated expenses related to product warranties are made at the time products are sold. These estimates are established using historical information on the nature, frequency, and average cost of warranty claims. Management actively studies trends of warranty claims and takes action to improve product quality and minimize warranty claims. The following table indicates the change in the Company s warranty accrual included in current liabilities (thousands of dollars):

		Product Warranty Liabilities
Beginning balance as of January 1, 2005	$	4,878
Payments		(1,801)
Increase in accrual for new warranties issued		2,177
Ending balance as of April 3, 2005	$	5,254

The Company has entered into a variety of agreements with third parties that include indemnification clauses, both in the ordinary course of business and in connection with our divestitures of certain product lines. These clauses require us to compensate these third parties for certain liabilities and damages incurred by them. FASB Interpretation No. 45, Guarantors Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others requires that the Company estimate and record the fair value of guarantees as a liability. The Company does not believe there is any significant exposure related to such guarantees and therefore has not recorded a liability as of April 3, 2005, or December 31, 2004. The Company has not made any significant indemnification payments as a result of these clauses, nor does it believe the fair value of any of these guarantees has a material effect on the Company s financial position or results of operations.

The Company is currently, and is from time to time, subject to claims and suits arising in the ordinary course of its business. In the opinion of the Company s General Counsel, the ultimate resolution of currently pending proceedings, with the potential exception of one case discussed below, will not have a material adverse effect on the Company s consolidated financial statements.

Tower Automotive Products Co. v. Lamb Technicon Body and Assembly is a lawsuit filed on March 11, 2002 in the Kent County Circuit Court in Michigan, generally alleging a breach of contract involving a frame assembly production line. No specific claim for damages was made in the Complaint by Tower Automotive Products Co. The Company has responded to the Complaint. A trial date has been scheduled for the second quarter of 2005. Management believes the lawsuit is without merit and is vigorously contesting the case. Nevertheless, should there be an unfavorable result, it is possible that cash flows or results of discontinued operations could be materially affected in that period or subsequent periods.

On March 11, 2005, Symbol Technologies, Inc. (Symbol) announced its intent to terminate its original equipment manufacturing (OEM) agreement with Intermec to supply laser scan engines and stopped shipping laser scan engines to the Company. On the same date, Symbol filed a lawsuit seeking a declaratory judgment that its termination of the OEM agreement is lawful. The Company believes that the cancellation of the OEM agreement by Symbol will not have a material adverse effect on operations.

Also on March 11, 2005, Symbol announced that it had filed a lawsuit against Intermec for wireless patent infringement. On March 23, 2005, the Company filed its answer to Symbol s wireless patent infringement complaint and filed counterclaims against Symbol for infringing Intermec s wireless access, terminal and software patents. The Company simultaneously filed its answer to Symbol s declaratory judgment action and filed counterclaims against Symbol for breach of the OEM agreement. On April 28, 2005, Symbol announced that it had filed a lawsuit against Intermec for infringing Symbol s barcode decoding patents.

The Complaints in Symbol s wireless and barcode decoding lawsuits do not contain sufficient details for the Company to assess what Symbol will claim regarding the relationship between its cited patents and Intermec products. However, based on prior Company analysis of the cited Symbol patents, the Company believes it has substantial defenses to each of those patents and the Company intends to vigorously defend itself against the claims made in Symbol s lawsuits. Accordingly, the Company believes that the ultimate resolution of this complaint would not have a material adverse effect on the Company s consolidated financial position.

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12. Commitments and Contingencies

13. Pension and Other Postretirement Benefit Plans

The following represents the net periodic pension and post-retirement benefit costs and related components in accordance with SFAS 132(R):

Components of Net Pension and Postretirement Periodic Benefit Cost for quarters ended April 3, 2005 and March 31, 2004 are as follows (thousands of dollars):

	U.S. Defined Benefit Plans		Non-U.S. Defined Benefit Plans		Postretirement Benefit Plans	
	2005	2004	2005	2004	2005	2004
Service Cost	$ 2,404	$ 2,459	$ 1,269	$ 1,449	$ 34	$ 39
Interest Cost	2,520	2,242	2,548	2,361	1,063	745
Expected return on plan assets	(2,506)	(2,448)	(2,646)	(2,428)		
Amortization and deferrals:						
Transition (asset)		(11)	(87)	(85)		
Actuarial Loss	850	787	515	480	324	287
Prior service cost (benefit)	179	179			(598)	(299)
Curtailment loss (gain)	57		(5,396)		(12,274)	
Settlement (gain)			(332)		(21,090)	
Special termination benefits	264					
	$ 3,768	$ 3,208	$ (4,129)	$ 1,777	$ (32,541)	$ 772

The Company s pre-tax loss on the sale of Cincinnati Lamb in the first quarter of 2005 (see Note 5) takes into consideration the curtailment and settlement gains totaling $39.1 million, comprising $33.4 million relating to the postretirement benefit plans, and $5.7 million relating to the Non-U.S. Defined Benefit Plans. These curtailment and settlement gains comprise the pension and post-retirement obligations assumed by the buyer. In addition, the pre-tax loss on the sale of Cincinnati Lamb includes a loss of $12.9 million representing the cumulative adjustment to recognize the minimum pension liability of the Company s Non-U.S. defined benefit plans, which prior to the sale, had been deferred in the other comprehensive loss component of shareholders investment on the Company s consolidated balance sheets.

During the quarter ended April 3, 2005, the Company contributed approximately $4.0 million to its pension and other postretirement benefit plans, comprising $0.6 million in benefits paid pertaining to unfunded U.S. defined benefit plans, $0.8 million in matching contributions to its 401(k) plan, $1.6 million in contributions to its foreign pension plans, and $1.0 million in benefits paid pertaining to its other postretirement benefits plans. The Company presently anticipates contributing an additional $5.0 million to these plans during the remainder of 2005, of which $1.7 million relates to benefit payments on its unfunded U.S. defined benefit plans, $1.4 million in matching contributions to its 401(k) plan, $0.9 million in contributions to its foreign pension plans and $1.0 million in benefit payments pertaining to its other postretirement benefit plans.

14. Recent Accounting Pronouncements

The FASB has issued Statement of Financial Accounting Standards No. 123 (revised 2004), Share-Based Payment (SFAS 123R). Under the provisions of SFAS 123R, companies are required to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exception). That cost will be recognized over the period during which an employee is required to provide service in exchange for the award, usually the vesting period. On April 14, 2005, the Securities and Exchange Commission (SEC) approved a delay to the effective date of SFAS 123R. Under the new SEC rule, SFAS 123R is effective for annual periods that begin after June 15, 2005. SFAS 123R applies to all awards granted, modified, repurchased or cancelled by us after December 31, 20 same period in 2004. The increase in working capital results from several factors. The primary reason for the increase in working capital as of June 30, 2005 as compared to June 30, 2004 is because the assets of the discontinued globalization segment are reflected as current assets held for sale as of June 30, 2005 due to the expected close of the sale during the third quarter of 2005. In 2004 the assets of the discontinued businesses are segregated between current and non-current assets held for sale. The fluctuation in current assets held for sale as of June 30, 2005 as compared to June 30, 2004 is approximately $113.1 million. Also contributing to the increase in working capital is an increase of approximately $23.7 million in cash and marketable securities as of June 30, 2005 as compared to June 30, 2004, and increases in accounts receivable and inventory of approximately $7.0 million and $8.1 million, respectively, as of June 30, 2005 as compared to 2004. In addition, accounts payable and accrued liabilities decreased approximately $10.6 million primarily related to a decrease in accrued compensation and benefits of approximately $10.3 million largely in connection with the decrease in current accrued pension costs resulting from the significant amount of pension contributions made during 2004, a decrease in current accrued supplemental executive retirement plan (SERP) expenses in 2005, and a decrease in accrued expenses associated with the decreased revenue and profitability of the financial print segment (including accrued commissions and bonuses) for the six months ended June 30, 2005 as compared to 2004. Also, current liabilities held for sale decreased approximately $18.5 million as of June 30, 2005 as compared to June 30, 2004.

During the fourth quarter of 2004, the Company s Board of Directors authorized an open market stock repurchase program to repurchase up to $35 million of the Company s common stock. On July 29, 2005, the Company entered into a 10b5-1 trading plan with a broker to facilitate the purchases of shares under this program. Through December 2006, management is authorized to purchase shares from time to time at prevailing prices as permitted by securities laws and other legal requirements, and subject to market conditions and other factors. The program may be discontinued at any time. The Company has repurchased 127,600 shares under this plan through August 4, 2005.

The Company had all of the borrowings available under its new $150 million unsecured revolving credit facility as of June 30, 2005, as described further in Note 12 to the Condensed Consolidated Financial Statements. The Company s Canadian subsidiary also had all of its borrowings available under its $4.3 million Canadian dollar credit facility as of June 30, 2005.

It is expected that the cash generated from operations, working capital, proceeds from the expected sale of BGS, and the Company s borrowing capacity will be sufficient to fund its development needs (both foreign and domestic), finance future acquisitions, if any, and capital expenditures, provide for the payment of dividends, meet its debt service requirements and provide for repurchases of the Company s common stock under the aforementioned stock repurchase program. The Company experiences certain seasonal factors with respect to its borrowing needs; the heaviest period for borrowing is normally the second quarter. The Company s existing borrowing capacity provides for this seasonal increase.

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Capital expenditures for the six months ended June 30, 2005 were $7,529. For the full year 2005, the Company plans capital spending of approximately $20 million.

Cash Flows

The Company continues to focus on cash management, including managing receivables and inventory. Year-to-date average days sales outstanding increased to 66 days from 64 days for the six months ended June 30, 2005 as compared to the same period last year. The Company had net cash used in operating activities of $41,342 and $17,598 for the six months ended June 30, 2005 and 2004, respectively. The increase in net cash used in operating activities in the first half of 2005 as compared to 2004 is primarily attributable to the larger amount of bonuses and commissions paid during the six months ended 2005 as compared to 2004. Also contributing to the increase in cash used in operating activities was the increase in cash used to pay income taxes, and an increase in work-in-process inventory in 2005. Offsetting these increases was a decrease in the change in accounts receivable for the six months ended June 30, 2005 as compared to June 30, 2004. The Company had income from continuing operations of $12,033 in the six months ended June 30, 2005 as compared to income from continuing operations of $12,884 for the same period in 2004. Overall, cash used in operating activities increased by approximately $23.7 million from 2004 to 2005.

Net cash provided by investing activities was $12,966 for the six months ended June 30, 2005 as compared to net cash used in investing activities for the six months ended June 30, 2004 of $71. The change from 2004 to 2005 was primarily the result of $20,280 received from the sale of marketable securities during the six months ended June 30, 2005 as compared to the receipt of $6,731 related to the sale of the Company s facilities in Dominguez Hills, California during the second quarter of 2004. Offsetting the increase in cash provided by investing activities was a slight increase in cash used in the acquisition of property, plant and equipment during the first half of 2005 as compared to the prior year.

Net cash provided by financing activities was $1,991 and $18,683 for the six months ended June 30, 2005 and 2004, respectively. The change in 2005 compared to 2004 primarily resulted from net payments of debt in 2005 of approximately $150, as compared to net borrowings of $9,999 in 2004, and proceeds from stock option exercises of $5,877 in 2005 as compared to $12,481 in 2004.

Net cash provided by discontinued operations was $2,816 as compared to cash used in discontinued operations of $7,432 for the six months ended June 30, 2005 and 2004, respectively. The cash provided by discontinued operations for the six months ended June 30, 2005 primarily represents cash provided by the operations of the discontinued globalization business, offset by the payment of accrued expenses (primarily employee compensation and benefits) related to the sale of the Company s document outsourcing business in November 2004. The cash used in discontinued operations in 2004 primarily represents cash used in the operations of the discontinued outsourcing and globalization businesses during the first half of 2004.

2005 Outlook

The following statements and certain statements made elsewhere in this document are based upon current expectations. These statements are forward looking and are subject to factors that could cause actual results to differ materially from those suggested here, including demand for and acceptance of the Company s services, new technological developments, competition and general economic or market conditions, particularly in the domestic and international capital markets, and regulatory approval of the sale of the Company s globalization business. Refer also to the Cautionary Statement Concerning Forward Looking Statements included at the beginning of this Item 2.

The guidance for the full year 2005 results has been changed from the estimates provided in the Company s annual report on Form 10-K for the year ended December 31, 2004, and Form 10-Q for the quarter ended March 31, 2005. The changes in the outlook reflect the removal of the results of BGS operations from continuing operations, and the Financial Print and Litigation Solutions businesses have lowered and narrowed their revenue and segment profit projections and the range of corporate spending has been narrowed. The outlook also excludes the effect of potential dilution from the Convertible Subordinated

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Debentures and the impact from any future purchases under the Company s share repurchase program. The Company now estimates that full year 2005 results will be in the ranges shown below.

	Previous Full Year 2005 Outlook	Current Full Year 2005 Outlook
Revenue:	$900 million to $1.0 billion	$650 to $695 million
Financial Print	$640 to $715 million	$620 to $660 million
Globalization	$225 to $265 million	
Litigation Solutions	$40 to $50 million	$30 to $35 million
Segment Profit:		
Financial Print	$70 to $95 million	$65 to $75 million
Globalization	$19 to $24 million	
Litigation Solutions	$5 to $8 million	$3 to $5 million
Corporate/ Other:		
Corporate Spending	$(17) to $(23) million	$(17) to $(21) million
Restructuring charges	$(3) to $(8) million	$(3) to $(8) million
Depreciation and amortization	$35 million	$28 million
Interest expense	$5.5 million	$5.5 million
Diluted earnings from continuing operations per share	$0.50 to $1.00	$0.14 to $0.33
Diluted earnings from continuing operations per share, excluding restructuring charges	$0.60 to $1.08	
Diluted earnings per share from continuing operations, excluding restructuring charges, adjusted for the sale of the globalization business	$0.35 to $0.72	$0.30 to $0.40
Diluted shares	35.1 million shares	35.2 million shares
Capital expenditures	$25 million	$20 million

Recent Accounting Pronouncements

In April 2005, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 47 (FIN 47), Accounting for Conditional Asset Retirement Obligations An Interpretation of FASB Statement No. 143. FIN 47 clarifies the terms of FASB Statement No. 143 and requires an entity to recognize a liability for a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the entity s control, if the entity has sufficient information to reasonably estimate its fair value. FIN 47 is effective no later than the end of fiscal years ending after December 15, 2005. The Company is currently evaluating the impact of this standard on its financial statements.

In December 2004, the FASB issued SFAS 123 (revised 2004), Share-Based Payment (SFAS 123(R)) which replaces SFAS 123, Accounting for Stock-Based Compensation, and supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees . Among other items, SFAS 123(R) eliminates the use of APB Opinion No. 25 and the intrinsic method of accounting, and requires all share-based payments, including grants of employee stock options, to be recognized in the financial statements based on their fair values. In April 2005, the Securities and Exchange Commission adopted a new rule deferring the effective date of SFAS 123(R) for public companies until the first interim or annual reporting period of the first fiscal year that begins after June 15, 2005. In accordance with the new rule, the Company expects to adopt SFAS 123(R) in the first quarter of 2006 and will recognize compensation expense for all share-based payments and employee stock options based on the grant-date fair value of those awards. The Company is currently evaluating the impact of the statement on its financial statements. As the Company currently

accounts for share-based payments using the intrinsic value method as allowed by APB Opinion No. 25, the adoption of the fair value method under SFAS 123(R) will have an impact on its results of operations. However, the extent of the impact cannot be predicted at this time because it will depend on levels of share-based payments granted in the future. Had the Company adopted SFAS 123(R) in prior periods, the impact of that standard would have approximated the impact of SFAS 123 as described in Note 7 to the Condensed Consolidated Financial Statements.

In December 2004, the FASB issued FASB Staff Position 109-2 (FSP FAS 109-2), Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004 . The American Jobs Creation Act of 2004 introduces a special one-time dividends received deduction on the repatriation of certain foreign earnings to a U.S. taxpayer (repatriation provision), provided certain criteria are met. FSP FAS 109-2 gives a company additional time to evaluate the effects of the legislation on any plan for reinvestment or repatriation of foreign earnings for purposes of applying SFAS No. 109, Accounting for Income Taxes. The deduction is subject to a number of limitations, and uncertainty remains as to how to interpret numerous provisions in the Act. As such, the Company is not in a position to decide on whether, and to what extent, it might repatriate foreign earnings that have not yet been remitted to the U.S. based on its analysis to date. The Company therefore cannot reasonably estimate the income tax effect of such repatriation. The Company expects to be in a position to finalize its assessment by December 31, 2005.

Item 3. *Quantitative and Qualitative Disclosures About Market Risk*

The Company s market risk is principally associated with trends in the domestic and international capital markets, particularly in the financial print segment. This includes trends in the initial public offerings and mergers and acquisitions markets, both important components of the financial print segment. The Company also has market risk tied to interest rate fluctuations related to a portion of its debt obligations and fluctuations in foreign currency, as discussed below.

Interest Rate Risk

The Company s exposure to market risk for changes in interest rates relates primarily to its short-term investment portfolio, long-term debt obligations, revolving credit agreement and synthetic lease agreement.

The Company does not use derivative instruments in its short-term investment portfolio. The Company s debentures issued in September 2003 consist of fixed rate instruments, and therefore, would not be impacted by changes in interest rates. The debentures have a fixed interest rate of 5%. As discussed in Note 12 to the Condensed Consolidated Financial Statements, the Company entered into a new five-year $150 million senior unsecured revolving credit facility which replaced the $115 million three-year unsecured revolving credit facility that was scheduled to expire in July 2005. Borrowings under the new revolving credit facility bear interest at LIBOR plus a premium that can range from 67.5 basis points to 137.5 basis points depending on certain leverage ratios. During the six months ended June 30, 2005 there was a minimal average outstanding balance under the revolving credit facility and there was no outstanding balance as of June 30, 2005, therefore, there is no significant impact from a hypothetical increase in the interest rate related to the revolving credit facility during the six months ended June 30, 2005.

Foreign Exchange Rates

The Company derives a portion of its revenues from various foreign sources. The Company s discontinued globalization segment is impacted by foreign currency fluctuations since its labor costs are predominantly denominated in foreign currencies, while a significant portion of its revenue is denominated in U.S. dollars. This is somewhat mitigated by the fact that revenue from the Company s international financial print operations is denominated in foreign currencies, while some of its costs are denominated in U.S. dollars. To date, the Company has not used foreign currency hedging instruments to reduce its exposure to foreign exchange fluctuations. The Company has reflected translation adjustments of ($15,348) and ($5,680) in its Condensed Consolidated Statements of Comprehensive (Loss) Income for the six months ended June 30,

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2005 and 2004, respectively. These adjustments are primarily attributed to the fluctuation in value between the U.S. dollar and the euro, pound sterling and Canadian dollar.

Equity Price Risk

The Company currently does not have any significant investments in marketable equity securities. The Company s defined benefit pension plan holds investments in both equity and fixed income securities. The amount of the Company s annual contribution to the plan is dependent upon, among other things, the return on the plan s assets. To the extent there are fluctuations in equity values, the amount of the Company s annual contribution could be affected. For example, a decrease in equity prices could increase the amount of the Company s annual contributions to the plan.

Item 4. ***Controls and Procedures***

(a) *Disclosure Controls and Procedures.* The Company maintains a system of disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms. Disclosure controls are also designed to reasonably assure that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Disclosure controls include components of internal control over financial reporting, which consists of control processes designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles in the U.S.

As reported in its annual report on Form 10-K and Form 10-K/ A for the year ended December 31, 2004, the Company s management identified material weaknesses in its internal control over financial reporting within the globalization segment relating to 1) the lack of sufficient reconciliation and review controls over purchase accounting adjustments, and 2) the lack of sufficient reconciliation and review controls over the determination of legal entity profitability, income tax expense and the related income tax accounts. Specifically, the lack of sufficient reconciliation and review controls over purchase accounting adjustments for the globalization segment resulted in a failure to properly eliminate depreciation expense for an acquired entity, and the lack of sufficient reconciliation and review controls over the determination of legal entity profitability for the globalization segment resulted in the incorrect allocation of consolidated income to certain legal entities and the determination of income tax expense and the related income tax accounts within the globalization segment. As a result of these material weaknesses, management concluded in its 2004 annual report that the Company s disclosure controls and procedures were not effective as of December 31, 2004.

During the six months ended June 30, 2005, the Company has implemented additional controls and procedures (discussed further below) in order to remediate the material weaknesses discussed above, and it is continuing to assess additional controls that may be required to remediate these weaknesses. Furthermore, the Company announced on June 27, 2005 that it has entered into a definitive agreement to sell its globalization business, which is expected to close during the third quarter of 2005. Effective with the second quarter of 2005, the globalization business is reflected as a discontinued operation in the Condensed Consolidated Statement of Operations. The Company s management, under the supervision of and with the participation of the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company s disclosure controls and procedures as of June 30, 2005, pursuant to Exchange Act Rule 13a-15(e) and 15d-15(e) (the Exchange Act). As part of its evaluation, management has evaluated whether the control deficiencies related to the reported material weaknesses in internal control over financial reporting continue to exist. Although the Company believes that it has designed a process which has remediated its reported material weaknesses, it has not completed implementation and testing of the changes in controls and procedures which it believes are necessary to conclude that the material weaknesses have been remediated. As a result, the Company s management has concluded that it cannot assert that the control deficiencies relating to the reported material weaknesses within the globalization segment have been effectively remediated as of June 30, 2005. Based upon this conclusion, the Company s Chief Executive

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Officer and Chief Financial Officer have concluded that the Company s disclosure controls and procedures were not effective as of June 30, 2005.

The Company believes that the actions it has taken to date, including the changes outlined below, have mitigated the material weaknesses with respect to the preparation of this quarterly report on Form 10-Q, such that the information contained in this quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented.

(b) *Changes in Internal Control Over Financial Reporting.* During the six months ended June 30, 2005, management has taken the following actions listed below to remediate the material weaknesses described in the Company s annual report on Form 10-K and Form 10-K/ A for the year ended December 31, 2004

Formalized and enhanced processes and procedures for reconciling and reviewing the elimination of adjustments and entries related to purchase price adjustments for the globalization segment.

Formalized and enhanced processes and procedures for rolling forward balance sheet amounts from period to period to identify potential errors.

Implemented a more thorough and comprehensive reconciliation and review of the profitability, income tax expense and related income tax accounts associated with each legal entity in the globalization segment.

Implemented more thorough procedures around identification of amounts recorded in consolidation that need to be pushed down to the legal entity level.

Simplified the consolidation process by recording certain entries at the legal entity level, rather than as a consolidation adjustment.

The Company believes the steps outlined above and the expected sale of the globalization segment will strengthen the Company s internal control over financial reporting and address the material weaknesses described above.

During the second quarter of 2005, the Company began implementing new modules to its enterprise financial reporting system relating to purchase orders and fixed assets. The Company expects to complete the implementation of these new modules during 2006. The Company believes these new modules will enhance its financial information systems and internal controls over financial reporting.

Other than the changes discussed above, there have not been any changes in the Company s internal control over financial reporting during the Company s most recently completed fiscal quarter that have materially affected, or are reasonably likely to affect, the Company s internal control over financial reporting.

PART II
OTHER INFORMATION

Item 4. *Submission of Matters to a Vote of Security Holders*

At the Company s Annual Meeting of Shareholders held on May 26, 2005, the following actions were taken:

1. Election of Directors

Nominee	Votes for	Votes Against/Withheld/ Abstentions
Philip E. Kucera	31,494,114	413,875
H. Marshall Schwarz	31,402,224	505,765
David J. Shea	31,474,655	433,334
Wendell M. Smith	31,491,631	416,358

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2. To ratify the selection of KPMG LLP as independent auditors for the Company for the fiscal year ending December 31, 2005.

Votes for	Votes Against/ Withheld	Abstentions/ Broker Non-Votes
31,701,085	168,859	38,045

Item 6. ***Exhibits***

(a) *Exhibits:*

31.1	Certification pursuant to section 302 of the Sarbanes-Oxley Act of 2002, signed by Philip E. Kucera, Chairman of the Board and Chief Executive Officer
31.2	Certification pursuant to section 302 of the Sarbanes-Oxley Act of 2002, signed by C. Cody Colquitt, Senior Vice President and Chief Financial Officer
32.1	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, signed by Philip E. Kucera, Chairman of the Board and Chief Executive Officer
32.2	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, signed by C. Cody Colquitt, Senior Vice President and Chief Financial Officer

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

BOWNE & CO., INC.

/s/ PHILIP E. KUCERA

Philip E. Kucera
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

Date: August 8, 2005

/s/ C. CODY COLQUITT

C. Cody Colquitt
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: August 8, 2005

/s/ RICHARD BAMBACH JR.

Richard Bambach Jr.
Vice President and Corporate Controller
(Principal Accounting Officer)

Date: August 8, 2005