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PAR TECHNOLOGY CORP
Form 8-K
October 23, 2007

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 23, 2007

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 23, 2007, PAR Technology Corporation issued a press release

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announcing its results of operation for the quarterly period ending September 30, 2007. 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 23, 2007.

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 23, 2007

/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 23, 2007.

Exhibit 99.1 Press Release dated October 23, 2007.

RELEASE: NEW HARTFORD, NY, October 23, 2007
CONTACT: Christopher R. Byrnes (315) 738-0600 ext. 226
cbyrnes@partech.com, www.partech.com

PAR TECHNOLOGY CORPORATION REPORTS THIRD QUARTER RESULTS

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

New Hartford, NY- October 23, 2007 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 results.

For the third quarter ended September 30, 2007, PAR Technology Corporation reported revenues of \$51.6 million compared to \$48.5 million in the third quarter 2006, an increase of 6.3%. A net loss was reported of \$862,000, down from the \$550,000 earned in the third quarter one year ago. The Company reported diluted loss per share of \$0.06 for this past quarter, compared to the diluted earnings per share of \$0.04 reported for the same period a year earlier.

For the nine months ended September 30, 2007, PAR Technology Corporation reported revenues of \$149.3 million, a 3.4% decrease when compared to the \$154.5 million reported one year ago. The Company also reported a net loss of \$3.2 million in the first nine months of 2007 versus net income of \$4.9 million for the first nine months of 2006. Diluted loss per share for the first nine months of 2007 was reported at \$0.22, compared to diluted net income per share of \$0.33 reported for the same period in 2006.

John W. Sammon, Chairman and CEO of PAR Technology commented, "Generally speaking, the Q3 numbers were within expectations. We continued to make solid strategic progress this quarter in our ongoing internal investment strategy. This strategy requires effort and resources but when completed will result in a stronger company that is more prepared to compete on a global basis in our industry." Sammon went on to say, "While not satisfied with our third quarter results we have returned to growing revenues which highlights the resilience of our franchise in hospitality technology. With a broad array of technology products designed for the hospitality industry, we believe PAR is positioned to capitalize on evolving market demand. Our focus remains on the design and delivery of innovative products, the addition of channel partners, and producing global operational excellence."

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, hotel/resort 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 45,000 systems installed in over 105 countries. In addition PAR is a leader in providing computer based system design and engineering services to the Department of Defense and Federal Government

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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, 2007	December 31, 2006
	-----	-----
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,506	\$ 4,273
Accounts receivable-net	39,398	46,791
Inventories-net	38,282	35,948
Income tax refunds	983	1,103
Deferred income taxes	6,355	5,139
Other current assets	3,328	2,737
	-----	-----
Total current assets	92,852	95,991
Property, plant and equipment - net	7,215	7,535
Goodwill	26,767	25,734
Intangible assets - net	10,163	10,695
Other assets	3,526	2,841
	-----	-----
	\$ 140,523	\$ 142,796
	=====	=====
Liabilities and Shareholders' Equity		
Current liabilities:		
Current portion of long-term debt	\$ 694	\$ 240
Borrowings under lines of credit	5,421	7,713
Accounts payable	11,463	12,470
Accrued salaries and benefits	7,820	8,279
Accrued expenses	2,791	1,861
Customer deposits	4,589	3,656
Deferred service revenue	12,413	12,254
	-----	-----
Total current liabilities	45,191	46,473
	-----	-----
Long-term debt	7,182	7,708
	-----	-----
Deferred income taxes	1,080	653
	-----	-----
Other long-term liabilities	2,878	1,879
	-----	-----
Shareholders' Equity:		
Preferred stock, \$.02 par value, 1,000,000 shares authorized	--	--
Common stock, \$.02 par value, 29,000,000 shares authorized;		

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16,031,035 and 15,980,486 shares issued;		
14,378,280 and 14,327,731 outstanding	321	320
Capital in excess of par value	39,048	38,602
Retained earnings	49,968	53,159
Accumulated other comprehensive income (loss) ...	364	(489)
Treasury stock, at cost, 1,652,755 shares	(5,509)	(5,509)
	-----	-----
Total shareholders' equity	84,192	86,083
	-----	-----
	\$ 140,523	\$ 142,796
	=====	=====

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

	For the three months ended September 30,		For the nine months ended September	
	2007	2006	2007	2006
	-----	-----	-----	-----
Net revenues:				
Product	\$ 18,066	\$ 17,975	\$ 53,092	\$ 60,600
Service	17,006	15,092	48,635	48,635
Contract	16,505	15,467	47,558	47,558
	-----	-----	-----	-----
	51,577	48,534	149,285	156,793
	-----	-----	-----	-----
Costs of sales:				
Product	10,681	10,370	31,688	31,688
Service	13,238	11,387	37,290	37,290
Contract	15,256	14,600	44,462	44,462
	-----	-----	-----	-----
	39,175	36,357	113,440	113,440
	-----	-----	-----	-----
Gross margin	12,402	12,177	35,845	43,353
	-----	-----	-----	-----
Operating expenses:				
Selling, general and administrative	8,581	8,241	26,476	26,476
Research and development	4,562	2,613	12,763	12,763
Amortization of identifiable intangible assets	397	307	1,181	1,181
	-----	-----	-----	-----
	13,540	11,161	40,420	40,420
	-----	-----	-----	-----
Operating income (loss)	(1,138)	1,016	(4,575)	3,933
Other income, net	350	62	744	744
Interest expense	(310)	(206)	(769)	(769)
	-----	-----	-----	-----
Income (loss) before provision for income taxes ...	(1,098)	872	(4,600)	4,908
Benefit (provision) for income taxes	236	(322)	1,409	(322)
	-----	-----	-----	-----
Net income (loss)				

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	\$ (862)	\$ 550	\$ (3,191)	\$
	=====	=====	=====	=====
Earnings (loss) per share				
Basic	\$ (.06)	\$.04	\$ (.22)	\$
Diluted	\$ (.06)	\$.04	\$ (.22)	\$
Weighted average shares outstanding				
Basic	14,351	14,181	14,340	1
	=====	=====	=====	=====
Diluted	14,351	14,646	14,340	1
	=====	=====	=====	=====