

ANALOGIC CORP  
Form 10-Q/A  
October 29, 2003

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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Amendment No. 1 on

**FORM 10-Q/A**

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

For the period ended October 31, 2001

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 0-6715

**Analogic Corporation**

*(Exact name of registrant as specified in its charter)*

**Massachusetts**

*(State or other jurisdiction of incorporation or organization)*

**04-2454372**

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

**8 Centennial Drive, Peabody, Massachusetts**

*(Address of principal executive offices)*

**01960**

*(Zip Code)*

**(978) 977-3000**

*(Registrant's telephone number, including area code)*

*(Former name, former address and former fiscal year, if changed since last report.)*

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  No

The number of shares of Common Stock outstanding at November 30, 2001 was 13,207,050.

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**ANALOGIC CORPORATION**

**QUARTERLY REPORT ON FORM 10-Q/A  
FOR THE QUARTER ENDED OCTOBER 31, 2001  
INTRODUCTORY NOTE**

Pursuant to Rule 12b-15 of the Rules and Regulations under the Securities Exchange Act of 1934, this Amendment on Form 10-Q/A to the Quarterly Report on Form 10-Q of Analogic Corporation (the Company) for the quarter ended October 31, 2001 is being filed to (i) restate the Company's Condensed Consolidated Financial Statements (unaudited) for the three months ended October 31, 2001 and (ii) revise related disclosures included in the Form 10-Q.

On October 15, 2003, the Company reported that it would restate its financial statements for the fiscal years ended July 31, 2002 and July 31, 2001, and condensed financial statements for the quarters within the fiscal years ended July 31, 2003, 2002 and 2001, and would file amended annual reports on Form 10-K/A and amended quarterly reports on Form 10-Q/A. The purpose of this restatement is to reflect the application of the appropriate accounting principles to the recognition of software revenue by Camtronics Medical Systems, Ltd., a 100% owned U.S. subsidiary of the Company, for fiscal years ended July 31, 2003, 2002 and 2001. As restated, the Company's financial results for the quarter ended October 31, 2001 reflect a reduction in revenues of \$198,000, net income of \$78,000, and diluted earnings per share of \$0.00. See Note 2, Restatement, of the Notes to Condensed Consolidated Financial Statements for a more complete discussion of the restatement.

This Amendment amends Part I, Items 1 and 2 and Part II, Item 6 of the Quarterly Report on Form 10-Q for the period ended October 31, 2001. This filing should be read in conjunction with the Company's Annual Report on Form 10-K/A for the year ended July 31, 2001, as filed on October 29, 2003 with the Securities and Exchange Commission and the Company's Form 10-Q for the three months ended October 31, 2000 as filed with the Securities and Exchange Commission on October 29, 2003. This Amendment continues to reflect circumstances as of the date of the original filing of the Quarterly Report on Form 10-Q, and the Company has not updated the disclosures contained therein to reflect events that occurred at a later date, except for items relating to the restatement.

**ANALOGIC CORPORATION**

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## PART I. Financial Information

## ITEM 1. Financial Statements

**ANALOGIC CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(unaudited)  
(in thousands)

	October 31, 2001	July 31, 2001
	Restated	Restated
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 50,603	\$ 46,013
Marketable securities, at market	76,313	76,899
Accounts and notes receivable, net of allowance for doubtful accounts of \$1,354 in fiscal 2002 and \$1,268 in fiscal 2001	55,355	68,287
Inventories	59,196	60,696
Costs related to deferred revenue	376	84
Deferred income taxes	11,929	10,369
Other current assets	6,677	7,410
	<hr/>	<hr/>
Total current assets	260,449	269,758
Property, plant and equipment, net	71,543	68,846
Investments in and advances to affiliated companies	7,396	4,692
Capitalized software, net	3,757	5,488
Costs related to deferred revenue	4,764	4,907
Other assets	7,759	5,468
	<hr/>	<hr/>
Total assets	\$355,668	\$359,159
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
Current liabilities:		
Mortgage and other notes payable	\$ 371	\$ 369
Obligations under capital leases	289	275
Accounts payable, trade	16,636	15,378
Accrued liabilities	19,149	20,466
Deferred revenue	5,276	4,775
Advance payments and other	719	972
Accrued income taxes	2,072	1,904
	<hr/>	<hr/>
Total current liabilities	44,512	44,139
Long-term liabilities:		
Mortgage and other notes payable	8,153	4,896
Obligations under capital leases	576	664
Deferred revenue	8,215	9,130
Advance payments and other	300	
Deferred income taxes	2,153	1,836
	<hr/>	<hr/>
	19,397	16,526
	<hr/>	<hr/>
Commitments		
Stockholders' equity:		

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Common stock, \$.05 par value	704	703
Capital in excess of par value	37,182	37,857
Retained earnings	268,434	275,807
Accumulated other comprehensive income	(1,189)	(1,598)
Treasury stock, at cost	(9,026)	(9,035)
Unearned compensation	(4,346)	(5,240)
	<u>291,759</u>	<u>298,494</u>
Total stockholders' equity		
	<u>\$ 355,668</u>	<u>\$ 359,159</u>
Total liabilities and stockholders' equity		

The accompanying notes are an integral part of these financial statements.

**ANALOGIC CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(unaudited)  
(in thousands, except per share data)

	Three Months Ended October 31,	
	2001	2000
	Restated	Restated
Net revenue:		
Product	\$65,155	\$71,133
Engineering	7,477	5,743
Other	2,972	4,119
	<u>75,604</u>	<u>80,995</u>
Total net revenue	75,604	80,995
Cost of sales:		
Product	41,989	46,681
Engineering	6,623	4,000
Other	1,455	1,736
Asset impairment charges	8,883	—
	<u>58,950</u>	<u>52,417</u>
Total cost of sales	58,950	52,417
Gross margin	16,654	28,578
Operating expenses:		
Research and product development	10,162	9,013
Selling and marketing	8,329	7,315
General and administrative	7,949	7,328
	<u>26,440</u>	<u>23,656</u>
Income (loss) from operations	(9,786)	4,922
Other (income) expense:		
Interest income, net	(1,155)	(1,485)
Equity in unconsolidated affiliates	(738)	(811)
Other, net	166	384
	<u>(1,727)</u>	<u>(1,912)</u>
Income (loss) before income taxes and minority interest	(8,059)	6,834
Provision for income taxes	(1,611)	2,210
Minority interest	—	72
	<u>—</u>	<u>—</u>
Net income (loss)	\$ (6,448)	\$ 4,552
Net income (loss) per common share:		
Basic	\$ (0.49)	\$ 0.35
Diluted	(0.49)	0.35

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Weighted average shares outstanding:		
Basic	13,093	12,879
Diluted	13,093	12,932

The accompanying notes are an integral part of these financial statements.



## ANALOGIC CORPORATION

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(unaudited)**  
**(in thousands)**

	Three Months Ended October 31,	
	2001	2000
	Restated	Restated
<b>OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ (6,448)	\$ 4,552
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Deferred income taxes	(1,655)	(375)
Depreciation and amortization	4,217	2,830
Minority interest in net income of consolidated subsidiaries		72
Allowance for doubtful accounts	75	59
Impairment of assets	8,883	
(Gain) loss on sale of equipment	32	(23)
Excess of equity in gain of unconsolidated affiliates	(738)	(811)
Loss on investment		166
Compensation from stock grants	200	183
Net changes in operating assets and liabilities	9,911	(4,861)
	<u>14,477</u>	<u>1,792</u>
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>		
<b>INVESTING ACTIVITIES:</b>		
Investments in affiliated companies	(7,500)	
Return of investment from affiliated company	1,002	
Additions to property, plant and equipment	(7,309)	(2,290)
Capitalized software	(688)	497
Proceeds from sale of property, plant and equipment	4	57
Maturities of marketable securities	1,165	4,400
	<u>(13,326)</u>	<u>2,664</u>
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		
<b>FINANCING ACTIVITIES:</b>		
Payments on debt and capital lease obligations	(246)	(374)
Proceeds from long-term debt	3,494	
Issuance of common stock pursuant to stock options and employee stock purchase plan	28	63
	<u>3,276</u>	<u>(311)</u>
<b>NET CASH GENERATED (USED) IN FINANCING ACTIVITIES</b>		
EFFECT OF EXCHANGE RATE CHANGES ON CASH	163	(875)
	<u>4,590</u>	<u>3,270</u>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENTS</b>		
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	46,013	29,132
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 50,603</u>	<u>\$ 32,402</u>

The accompanying notes are an integral part of these financial statements.



**ANALOGIC CORPORATION**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)**  
**(in thousands except per share data)**

**1. Basis of Presentation:**

The unaudited condensed consolidated financial statements of Analogic Corporation (the Company) presented herein have been prepared pursuant to the rules of the Securities and Exchange Commission (SEC) for quarterly reports on Form 10-Q and do not include all of the information and note disclosures required by generally accepted accounting principles for complete financial statements. In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting solely of normal recurring adjustments) necessary for a fair presentation of the results for all periods presented. The results of the operations for the three months ended October 31, 2001 are not necessarily indicative of the results to be expected for the fiscal year ending July 31, 2002, or any other interim period.

These statements should be read in conjunction with the consolidated financial statements and notes thereto for the year ended July 31, 2001, included in the Company's Form 10-K/A as filed with the SEC on October 29, 2003, and the Company's Form 10-Q/A for the three months ended October 31, 2001 as filed with the SEC on October 29, 2003.

The condensed financial statements have not been audited by independent certified public accountants. The condensed consolidated balance sheet as of July 31, 2001, contains data derived from audited financial statements.

Certain financial statement items have been reclassified to conform to the current year's financial presentation format.

**2. Restatement:**

The Company has restated its prior period condensed financial statements to reflect the application of the appropriate accounting principles to the recognition of software revenue by its 100% owned U.S. subsidiary Camtronics Medical Systems, Ltd. The adjustments related to this issue resulted in a decrease in previously reported revenues of \$198, net income of \$78, and diluted earnings per share of \$0.00, compared to the Company's financial results previously reported for the quarter ended October 31, 2001.

Summarized below is a more detailed discussion of the restatement along with a comparison of the amounts previously reported on the condensed balance sheets and statements of operations in Form 10-Q/A as of and for the three months ended October 31, 2001.

In connection with the preparation of its Financial Statements for the fiscal year ended July 31, 2003 the Company concluded that its accounting for revenue at its Camtronics subsidiary did not meet required accounting standards. The Company has taken steps to ensure that Camtronics sales transactions will be properly accounted for in the future.

Camtronics previously accounted for all of its revenues in accordance with Staff Accounting Bulletin 101, Revenue Recognition (SAB 101). The Company has determined that Camtronics' revenue recognition policy should be in accordance with American Institute of Certified Public Accountants (AICPA) Statement of Position 97-2. Accordingly, "Software Revenue Recognition" (SOP 97-2), certain revenues originally recorded in prior periods should have been deferred. In accordance with SAB 101, the Company had previously recognized revenue when the major components of software had been delivered, installed, and accepted by the customer. In the majority of sales transactions involved in the restatement, the customer has already installed and paid for the software it had accepted. As required by SOP 97-2, the Company will recognize the total revenue related to transactions involving software once all components are delivered, installed, and accepted by the customer.

Camtronics' revenues are derived primarily from the sale of Digital Cardiac Information Systems. System sales revenues consist of the following components: computer software licenses, computer hardware, installation support, and sublicensed software. In addition, Camtronics generates revenues related to system sales for software support, hardware maintenance, training, consulting and other professional services.

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Camtronics recognizes revenue in accordance with the provisions of SOP 97-2. SOP 97-2 requires revenue earned on software arrangements involving multiple-elements to be allocated to each element based on the fair values of those elements or by use of the residual method. Under the residual method, revenue is recognized in a multiple-element arrangement when vendor-specific objective evidence ("VSOE") of fair value exists for all of the undelivered elements in the arrangement, which is determined by the price charged when that element is sold separately (i.e. professional services, software support, hardware maintenance, hardware and sublicensed software), but does not exist for one or more of the delivered elements in the arrangement (i.e. software solutions). Specifically, Camtronics determines the fair value of the maintenance portion of the arrangement based on the renewal price of the maintenance charged to clients, professional services portion of the arrangement, other than installation services, based on hourly rates which Camtronics charges for these services when sold apart from a software license, and the hardware and sublicensed software based on the prices for these elements when they are sold separately from the software. If evidence of the fair value cannot be established for the undelivered elements of a license agreement, the entire amount of revenue under the arrangement is deferred until these elements have been delivered or objective evidence of fair value for the remaining undelivered element is established.

Inherent in the revenue recognition process are significant management estimates and judgments, which influence the timing and the amount of revenue recognition. Camtronics provides several models for the procurement of its digital cardiac information systems. The predominant model includes a perpetual software license agreement, project-related installation services, professional consulting services, computer hardware and sub-licensed software and software support.

Camtronics provides installation services, which include project-scoping services, conducting pre-installation audits detailed installation plans, actual installation of hardware components, and testing of all hardware and software installed at the customer site. Because installation services are deemed to be essential to the functionality of the software, software license and installation services fees are recognized upon completion of installation.

Camtronics also provides professional consulting services, which include consulting activities that fall outside of the scope of the standard installation services. These services vary depending on the scope and complexity requested by the client. Examples of such services may include additional database consulting, system configuration, project management, interfacing to existing systems, and network consulting. Professional consulting services generally are not deemed to be essential to the functionality of the software, and thus, do not impact the timing of the software license revenue recognition. Professional consulting service revenue is recognized as the services are performed.

Hardware and software maintenance fees are marketed under annual and multi-year arrangements and are recognized as revenue ratably over the contracted maintenance term.

Deferred revenue is comprised of 1) license fee, maintenance and other service revenues for which payment has been received and for which services have not yet been performed and 2) revenues which had been invoiced, and paid in the majority of cases, related to delivered components of a multiple-element arrangement for which fair value has not been determined for components not yet delivered or accepted by the customer. Costs related to deferred revenue represents costs of goods sold and services provided and sales commission expenses.

Deferred Revenue and costs related to deferred revenue which have been classified within the Balance Sheet as long-term represent specific transactions where Camtronics has determined that it will not meet VSOE requirements for these transactions under SOP 97-2 within the next twelve calendar months.

The following tables show the effect of the restatement on the Company's Statement of Operations and Balance Sheet.

*Statements of Operations:*

	Three Months Ended October 31, 2001		
	Previously Reported	(unaudited)	
		Restated	Change
Net revenue:			
Product	\$65,353	\$65,155	\$(198) (a)
Engineering	7,477	7,477	
Other	2,972	2,972	
	<u>75,802</u>	<u>75,604</u>	<u>(198)</u>
Total net revenue			
Cost of sales:			
Product	41,551	41,989	438 (b)
Engineering	6,623	6,623	
Other	1,455	1,455	
Asset impairment charges	8,883	8,883	
	<u>58,512</u>	<u>58,950</u>	<u>438</u>
Total cost of sales			
Gross margin	<u>17,290</u>	<u>16,654</u>	<u>(636)</u>
Operating expenses:			
Research and product development	10,678	10,162	(516) (c)
Selling and marketing	8,352	8,329	(23) (d)
General and administrative	7,949	7,949	
	<u>26,979</u>	<u>26,440</u>	<u>(539)</u>
Income (loss) from operations			
	<u>(9,689)</u>	<u>(9,786)</u>	<u>(97)</u>
Other (income) expense:			
Interest income, net	(1,155)	(1,155)	
Equity in unconsolidated affiliates	(738)	(738)	
Other, net	166	166	
	<u>(1,727)</u>	<u>(1,727)</u>	
Income (loss) before income taxes			
	<u>(7,962)</u>	<u>(8,059)</u>	<u>(97)</u>
Provision (benefit) for income taxes	(1,592)	(1,611)	(19) (e)
	<u>(9,554)</u>	<u>(9,670)</u>	<u>(116)</u>
Net income (loss)			
	<u>\$ (6,370)</u>	<u>\$ (6,448)</u>	<u>\$ (78)</u>
Net income (loss) per common share:			
Basic	\$ (0.49)	\$ (0.49)	\$ 0.00
Diluted	(0.49)	(0.49)	0.00
Weighted average shares outstanding:			
Basic	13,093	13,093	
Diluted	13,093	13,093	



Statements of Operations components increased (decreased) as a result of the following:

(a)	<i>Net revenue: Product</i> Adjust recognition of revenue for application of SOP 97-2	\$(198)
		—
(b)	<i>Cost of sales: Product</i> Adjust cost of sales related to transactions for which revenue has been deferred Reclassification not impacting net income	\$ (78) 516
		—
	Net decrease	\$ 438
		—
(c)	<i>Research and product development</i> Reclassification not impacting net income	\$(516)
		—
(d)	<i>Selling and marketing</i> Adjust commission expense related to transactions for which revenue has been deferred	\$ (23)
		—
(e)	<i>Provision (benefit) for income taxes</i> Net decrease to provision due to above adjustments	\$ (19)
		—

**Balance Sheets:**

	October 31, 2001 unaudited		
	Previously Reported	Restated	Change
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 50,603	\$ 50,603	
Marketable securities, at market	76,313	76,313	
Accounts and notes receivable, net of allowance for doubtful accounts	55,355	55,355	
Inventories	59,196	59,196	
Costs related to deferred revenue		376	\$ 376 (a)
Deferred income taxes	10,557	11,929	1,372 (b)
Other current assets	6,677	6,677	
	<u>258,701</u>	<u>260,449</u>	<u>1,748</u>
Property, plant and equipment, net	71,543	71,543	
Investments in and advances to affiliated companies	7,396	7,396	
Capitalized software, net	3,757	3,757	
Costs related to deferred revenue		4,764	4,764 (c)
Other assets	7,434	7,759	325 (d)
	<u>348,831</u>	<u>355,668</u>	<u>\$ 6,837</u>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>			
Current liabilities:			
Mortgage and other notes payable	\$ 371	\$ 371	
Obligations under capital leases	289	289	
Accounts payable, trade	16,636	16,636	
Accrued liabilities	24,308	19,149	\$(5,159) (e)
Deferred revenue		5,276	5,276 (f)
Advance payments and other		719	719 (g)
Accrued income taxes	1,786	2,072	286 (h)
	<u>43,390</u>	<u>44,512</u>	<u>1,122</u>
Long-term liabilities			
Mortgage and other notes payable	8,153	8,153	
Obligations under capital leases	576	576	
Deferred revenue		8,215	8,215 (i)
Advance payments and other	1,080	300	(780) (j)
Deferred income taxes	2,153	2,153	
	<u>11,962</u>	<u>19,397</u>	<u>7,435</u>
Commitments			
Stockholders' equity:			
Common stock, \$.05 par value	704	704	
Capital in excess of par value	37,182	37,182	
Retained earnings	270,154	268,434	(1,720) (k)
Accumulated other comprehensive income	(1,189)	(1,189)	
Treasury stock, at cost	(9,026)	(9,026)	
Unearned compensation	(4,346)	(4,346)	



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Total stockholders' equity	<u>293,479</u>	<u>291,759</u>	<u>(1,720)</u>
Total liabilities and stockholders' equity	<u>\$ 348,831</u>	<u>\$ 355,668</u>	<u>\$ 6,837</u>

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The increases (decreases) to the balance sheet components are due to the effect of the current restatement for the deferrals of revenue and related costs and the cumulative effect of the beginning of the year for the restatements of prior periods for similar matters. On a net basis the balance sheet components increased (decreased) due to the following:

(a)	<i>Costs related to deferred revenue (short-term)</i> Deferred costs related to deferred revenue	\$ 376
		—————
(b)	<i>Deferred income taxes</i> Deferred income tax related to deferred costs and revenue	\$ 1,372
		—————
(c)	<i>Costs related to deferred revenue (long-term)</i> Deferred costs related to deferred revenue	\$ 4,764
		—————
(d)	<i>Other assets</i> Purchase accounting adjustments related to the acquisition of the remaining 19% of Camtronics in July 2001 due to net effect from these adjustments for the periods prior to such acquisition	\$ 325
		—————
(e)	<i>Accrued liabilities</i> Reclassification not impacting net income Accrued warranty costs related to deferred revenue	\$(4,795) (364)
		—————
	Net decrease	\$(5,159)
		—————
(f)	<i>Deferred revenue (short-term)</i> Deferred revenue classified as short-term Reclassification not impacting net income	\$ 1,200 4,076
		—————
	Net increase	\$ 5,276
		—————
(g)	<i>Advance payments and other (short-term)</i> Reclassification not impacting net income	\$ 719
		—————
(h)	<i>Accrued income taxes</i> Tax provision adjusted for the change to net income	\$ 286
		—————
(i)	<i>Deferred revenue (long-term)</i> Deferred revenue classified as long-term Reclassification not impacting net income	\$ 7,435 780
		—————
	Net increase	\$ 8,215
		—————

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(j)	<i>Advance payments and other (long-term)</i>	
	Reclassification not impacting net income	\$ (780)
(k)	<i>Retained earnings</i>	
	Net effect to retained earnings from above adjustments:	
	Cumulative effect through July 31, 2001	\$(1,642)
	Effect for the quarter ended October 31, 2001	(78)
	Net decrease	\$(1,720)

**3. Balance sheet information:**

Additional information for certain balance sheet accounts is as follows for the periods indicated:

	<u>October 31,</u> <u>2001</u>	<u>July 31,</u> <u>2001</u>
<b>Inventory:</b>		
Raw materials	\$36,979	\$35,660
Work-in-process	11,967	15,642
Finished goods	10,250	9,394
	<u>\$59,196</u>	<u>\$60,696</u>
<b>Accrued liabilities: (Restated)</b>		
Accrued employee compensation and benefits	\$11,988	\$14,617
Accrued warranty	2,856	2,790
Dividends payable to shareholders	926	
Other	3,379	3,059
	<u>\$19,149</u>	<u>\$20,466</u>

**4. Investment in and Advances to Affiliated Companies:**

In September 2001, the Corporation announced that it acquired a 19% interest in Cedara Software Corporation of Mississauga, Ontario, Canada, in exchange for cash of \$7,500 and other considerations. Cedara is a premier independent provider of imaging software technology and custom imaging software development to leading Original Equipment Manufacturers (OEMs) in the healthcare industry. Cedara enables healthcare solution providers to integrate better imaging software into their systems and hardware in such fields a Computed Tomography (CT) and Magnetic Resonance Imaging (MRI). Analogic has agreed to guarantee the debt owed by Cedara to its bank lender through the provision of a credit facility with Analogic's principal bank. Analogic will have two of the seats on Cedara's seven-person board of directors. The Company will account for this investment as an equity method investment due to the Company's ability to exercise influence over operating and financial policies.

**5. Dividends:**

The Company declared dividends of \$.07 per common share on October 11, 2001, payable November 8, 2001 to shareholders of record on October 25, 2001.

**6. Asset impairment charges:**

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As of October 31, 2001, Analogic has recorded asset impairment charges totaling \$8,883 on a pre-tax basis.

As a result of the continued decline in the economic and business conditions in the telecommunications industry, Analogic has implemented a program to significantly reduce the scope of activities related to Anatel, the Company's wholly-owned telecommunications subsidiary. The Company has recorded a pre-tax charge of \$1,901 related to the impairment of purchased intangibles and other long-lived assets. The impairment charge is equal to the amount by which the assets' carrying value exceeded the present value of their estimated discounted cash flows. Additionally, a pre-tax charge of \$557 related to obsolete inventory, as well as a pre-tax charge of \$1,120 related to capitalized

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software, have been recorded as those assets have been deemed to be unrecoverable. The Company expects to incur immaterial costs related to involuntary terminations and other related activities.

The Company has also decided to discontinue the sales of certain of its older and nonprofitable product lines within its semi-conductor test equipment business, in order to focus its resources on the highest potential growth areas within this business. As a result, the Company has recorded a pre-tax charge of \$902 related to the impairment of purchased intangibles and other long-lived assets. The impairment charge is equal to the amount by which the assets' carrying value exceeded the present value of their estimated discounted cash flows. Additionally, a pre-tax charge of \$3,600 related to excess and obsolete test equipment inventory, as well as a pre-tax charge of \$803 related to capitalized software, have been recorded as those assets have been deemed to be unrecoverable. The Company expects to incur immaterial costs related to involuntary terminations and other related activities.

The entire balance of each charge has been recorded within the Cost of Sales section of the Company's Condensed Consolidated Statements of Operations.

### 7. Comprehensive Income (Loss):

The following table presents the calculation of total comprehensive income (loss) and its components:

	Three Months Ended October 31,	
	2001	2000
	Restated	Restated
Net income (loss)	\$(6,448)	\$4,552
Other comprehensive income (loss) net of tax:		
Unrealized holding gains and losses, net of taxes of \$229 and \$83 for the three months ended October 31, 2001 and 2000	350	126
Foreign currency translation adjustment, net of taxes of \$39 and \$574 for the three months ended October 31, 2001 and 2000	59	(876)
	\$ (6,039)	\$ 3,802
	\$ (6,039)	\$ 3,802

### 8. Net income (loss) per share:

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended October 31,	
	2001	2000
	Restated	Restated
Net income (loss)	\$ (6,448)	\$ 4,552
	\$ (6,448)	\$ 4,552
Basic:		
Weighted average number of common shares outstanding	13,093	12,879
	13,093	12,879
Net income (loss) per share	\$ (0.49)	\$ 0.35
	\$ (0.49)	\$ 0.35
Diluted:		
Weighted average number of common shares outstanding	13,093	12,879

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Dilutive effect of stock options		53
	<u>          </u>	<u>          </u>
Total	13,093	12,932
	<u>          </u>	<u>          </u>
Net income (loss) per share	\$ (0.49)	\$ 0.35
	<u>          </u>	<u>          </u>

For the three months ended October 31, 2001, incremental shares of 25,006 related to options to acquire common stock and 127,005 shares of unvested restricted commons stock, have been excluded from the calculation of diluted earnings per share, as their inclusion would have had an antidilutive effect.

**9. Supplemental disclosure of cash flow information:**

Changes in operating assets and liabilities are as follows:

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	Three Months Ended October 31,	
	2001	2000
	Restated	Restated
Accounts and notes receivable	\$ 15,285	\$ (2,313)
Accounts receivable from affiliates	(1,785)	(636)
Inventories	(2,433)	(6,471)
Costs related to deferred revenue	(149)	(369)
Other current assets	242	(184)
Other assets	(200)	271
Accounts payable trade	1,222	4,736
Accrued expenses and other current liabilities	(2,843)	(981)
Accrued income taxes	572	1,086
	<hr/>	<hr/>
Net changes in operating assets and liabilities	\$ 9,911	\$ (4,861)
	<hr/>	<hr/>

**10. Segment information:**

The Company's operations are primarily within a single segment within the electronics industry (Medical Instrumentation Technology Products). These operations encompass the design, manufacture and sale of high technology, high-performance, high precision data acquisition, conversion (analog/digital) and signal processing instruments and systems to customers that both manufacture and market products for medical and industrial use. The other segment represents the Company's hotel operation and other Company's operations, which do not meet the materiality requirements for separate disclosure. The table below presents information about the Company's reportable segments for the periods presented below:

	Three Months Ended October 31,	
	2001	2000
	Restated	Restated
Revenues:		
Medical instrumentation technology products	\$ 66,208	\$ 72,141
Other	9,396	8,854
	<hr/>	<hr/>
Total	\$ 75,604	\$ 80,995
	<hr/>	<hr/>
Income (loss) before income taxes and minority interest:		
Medical instrumentation technology product	\$ (9,867)	\$ 4,223
Other	1,808	2,611
	<hr/>	<hr/>
Total	\$ (8,059)	\$ 6,834
	<hr/>	<hr/>
	October 31, 2001	July 31, 2001
	<hr/>	<hr/>
Identifiable assets:	Restated	Restated

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Medical instrumentation technology product	\$ 237,590	\$ 244,282
Other	118,078	114,877
	<u>          </u>	<u>          </u>
Total	\$ 355,668	\$ 359,159
	<u>          </u>	<u>          </u>

**11. Taxes:**

The effective tax rate for the first quarter of fiscal 2002 was 20% as compared to 32% for the same period last year. This decrease in rate was due to the increase in the tax benefit of tax exempt interest and the extraterritorial income exclusion.

**12. Commitment:**

The Company's Danish subsidiary B-K Medical A/S announced in May 2001 the construction of a new 135,000 square foot facility in Herlev, north of Copenhagen, for the manufacturing of specialized diagnostic ultrasound equipment at an estimated cost of \$15,500. The new facility, due for completion in May 2002, will host manufacturing, R&D, service, marketing, sales and administrative functions.



**Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition**

The following information has been amended to reflect the revisions made to the Unaudited Condensed Consolidated Financial Statements as further discussed in Note 2, Restatement. This information should be read in conjunction with the information contained in the Condensed Consolidated Financial Statements, and Notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q/A. This Quarterly Report on Form 10-Q/A contains forward-looking statements that involve risks and uncertainties. See the discussion relating to Forward-Looking Statements below.

**Results of Operations**

***Three Months Fiscal 2002 (10/31/01) vs. Three Months Fiscal 2001 (10/31/00) (dollars in thousands)***

Product revenue for the three months ended October 31, 2001 was \$65,155 as compared to \$71,133 for the same period last year, a decrease of 8%. The decrease in revenue of \$5,978 was due to a decrease of sales in Industrial Technology Products of \$7,777, or 85%, due to a severe decline in its semiconductor Automatic Test Equipment (ATE) boards; a decrease of sales in Signal Processing Technology Products of \$1,232, or 12%, due to lower demand for its communications products in the Internet Telephone market; partially offset by higher revenue in Medical Technology Products of \$3,031, or 5% attributable to increased demand for fully featured mid-range Computed Tomography (CT) systems, Ultrasound and cardiovascular information management systems.

Engineering revenue for the three months ended October 31, 2001 was \$7,477 compared to \$5,743 for the same period last year. The increase of \$1,734, or 30% was primarily due to larger projects for developing imaging and security systems.

Other revenues of \$2,972 and \$4,119 represent revenue from the Hotel operation for the three months ending October 31, 2001 and 2000, respectively. The decrease in revenues is mostly attributable to the current economic decline in the travel and lodging business.

Cost of product sales was \$41,989 for the quarter ending October 31, 2001 compared to \$46,681 for the same period last year. Cost of product sales as a percentage of product revenue was 64.4% and 65.6% for the three months of fiscal 2002 and 2001, respectively. The decrease was primarily due to product mix.

Engineering cost of sales was \$6,623 for the quarter ending October 31, 2001 compared to \$4,000 for the same period last year. The total cost of engineering sales as a percentage of engineering revenue increased from 69.7% for the quarter ending October 31, 2000 to 88.6% for the quarter ending October 31, 2001. The increase was primarily attributable to higher costs of projects for developing imaging and security equipment.

Other costs of sales were \$1,455 and \$1,736 from the Company's Hotel operation for the three months ending October 31, 2001 and 2000, respectively.

As of October 31, 2001, Analogic has recorded asset impairment charges totaling \$8,883 on a pre-tax basis.

As a result of the continued decline in the economic and business conditions in the telecommunications industry, Analogic has implemented a program to significantly reduce the scope of activities related to Anatel, the Company's wholly-owned telecommunications subsidiary. The Company has recorded a pre-tax charge of \$1,901 related to the impairment of purchased intangibles and other long-lived assets. The impairment charge is equal to the amount by which the assets' carrying value exceeded the present value of their estimated discounted cash flows. Additionally, a pre-tax charge of \$557 related to obsolete inventory, as well as a pre-tax charge of \$1,120 related to capitalized software, have been recorded as those assets have been deemed to be unrecoverable. The Company expects to incur immaterial costs related to involuntary terminations and other related activities.

The Company has also decided to discontinue the sales of certain of its older and nonprofitable product lines within its semi-conductor test equipment business, in order to focus its resources on the highest potential growth areas within this business. As a result, the Company has recorded a pre-tax charge of \$902 related to the impairment of purchased intangibles and other long-lived assets. The impairment charge is equal to the amount by which the

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assets carrying value exceeded the present value of their estimated discounted cash flows. Additionally, a pre-tax charge of \$3,600 related to excess and obsolete test equipment inventory, as well as a pre-tax charge of \$803 related to capitalized software, have been recorded as those assets have been deemed to be unrecoverable. The Company expects to incur immaterial costs related to involuntary terminations and other related activities.

R&D expenses were \$10,162 for the first three months of fiscal 2002, or 13.4% of total revenue, as compared to \$9,013 for the same period of prior year, or 11.1% of total revenue. The increase of \$1,149 or 12.7% , was due to research and development activities across all the Company's product lines.

Selling and marketing expenses were \$8,329 for the three months of fiscal 2002, or 11.0% of total revenue, as compared to \$7,315 , or 9.0% of total revenue for the same period last year. The increase of \$1,014 was primarily due to the Company's subsidiaries, Camtronics and B-K Medical, as they continue to expand their activities in the end user market.

General and administrative expenses were \$7,949, or 10.5% of total revenue, for the first three months of fiscal 2002, as compared to \$7,328, or 9.0% of total revenue, for the same period last year.

Interest income net of interest expense was \$1,155 for the first quarter of fiscal 2002, as compared with \$1,485 for the same period last year. The decrease of \$330 was primarily the result of lower interest rates on short term investments.

During the first quarter of fiscal 2002, the Company recorded a gain of \$738 related to equity in consolidated affiliates, as compared to a gain of \$811 for the same period last year. This gain consist primarily of \$331 reflecting the Company's share of profit in SAHCO in the first quarter of fiscal 2002, versus a gain of \$414 for the same period last year; and a gain of \$407 from its share of profit in Enhanced CT Technology LLC in the first quarter of fiscal 2002, compared to a gain of \$317 for the same period last year.

Other expense was \$166 in the first quarter of fiscal 2002, as compared to \$384 for the same period last year. Other expense decreased primarily due to a loss in investment on the value of restricted securities of approximately \$166 recorded in the first quarter of fiscal 2001 versus none in the first quarter of fiscal 2002.

The effective tax rate for the first quarter of fiscal 2002 was 20% as compared to 32% for the same period last year. This decrease in rate was due to the increase in the tax benefit of tax exempt interest and the extraterritorial income exclusion.

Net loss for the three months ended October 31, 2001 was \$6,448 or \$.49 per basic and diluted share as compared with net income of \$4,552 or \$.35 per basic and diluted share for the same period last year. The net loss for the first quarter of fiscal 2002 includes an asset impairment charge of \$8,883 related to the Company's Telecommunications subsidiary, Anatel, and certain assets of the Company's Test and Measurement Division. Excluding the asset impairment charge, net income would have been approximately \$659 or \$.05 per basic and diluted earnings for first quarter ending October 31, 2001. The decrease in operating net income over the prior year, excluding the asset impairment charge, was primarily attributable to revenue reduction in the semi-conductor and telecommunication industries, and a reduction in revenue in the Company's Hotel operation due to the decline in the travel and lodging industries.

### **Liquidity and Capital Resources (dollars in thousands)**

Cash generated by operations in the first three months of fiscal 2001 was \$14,477 compared to \$1,792 during the same period of the prior year. The cash generated during the current quarter was primarily due to a decrease in working capital balances primarily due to collections of fourth quarter sales, and an increase in other non-cash items. Net cash used in investment activities was \$13,326 in the first three months of fiscal 2001, primarily due to the Company's investment in Cedara of \$7,500, and \$7,309 used for additions to property, plant and equipment, partially offset by \$1,002 return on investment from an affiliated company. The increase in property, plant and equipment was primarily for the construction of a new facility by the Company's Danish subsidiary, B-K Medical. Net cash generated from financing activities of \$3,276 was mostly due to borrowing by the Company's Danish subsidiary to finance the construction of a new facility.

The Company's balance sheet reflects a current ratio of 5.9 to 1 at October 31, 2001 compared to 6.1 to 1 at July 31, 2001. Liquidity is sustained principally through funds provided from operations, with short-term time deposits and marketable securities available to provide additional sources of cash. The Company places its cash investments in high credit quality financial instruments and, by policy, limits the amount of credit exposure to any one financial institution. The Company's debt to equity ratio was .22 to 1 at October 31, 2001 and .20 to 1 at July 31, 2001. Management does not anticipate any difficulties in financing operations at anticipated levels.

The carrying amounts reflected in the consolidated balance sheets of cash and cash equivalents, trade receivables, and trade payables approximate fair value at October 31, 2001 due to the short maturities of these instruments.

The Company maintains a bond investment portfolio of various issuers, types, and maturities. The Company's cash and investments include cash equivalents, which the Company considers to be investments purchased with original maturities of three months or less. Investments having original maturities in excess of three months are stated at amortized cost, which approximates fair value, and are classified as available for sale. A rise in interest rates could have an adverse impact on the fair value of the Company's investment portfolio. The Company does not currently hedge these interest rate exposures.

Accounts and notes receivable decreased by \$12,932 during the three months ended October 31, 2001, primarily due to a decrease in revenue. The days sales outstanding increased from 61 to 62 days.

Inventory increased \$2,657, before the asset impairment charges of \$4,157, during the three months ended October 31, 2001 primarily due to increased in raw materials.

Mortgage and other notes payable increased \$3,257, primarily as a result of borrowing by the Company's Danish subsidiary B-K Medical to finance the construction of a new facility.

#### **Forward Looking Statements**

This Amendment No. 1 to Quarterly Report on Form 10-Q/A contains statements, which, to the extent that they are not recitation of historical facts, constitute forward-looking statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that all forward-looking statements, including statements about product development, market and industry trends, strategic initiatives, regulatory approvals, sales, profits, expenses, price trends, research and development expenses and trends, and capital expenditures involve risk and uncertainties, and actual events and results may differ significantly for those indicated in any forward-looking statements as a result of a number of important factors, including those discussed below and elsewhere herein.

#### **RISK FACTORS**

**YOU SHOULD CAREFULLY CONSIDER THE RISKS DESCRIBED BELOW BEFORE MAKING AN INVESTMENT DECISION. ADDITIONAL RISKS NOT PRESENTLY KNOWN TO US OR THAT WE CURRENTLY DEEM IMMATERIAL MAY ALSO IMPAIR OUR BUSINESS. ANY OF THESE RISKS COULD HAVE A MATERIAL AND NEGATIVE EFFECT ON OUR BUSINESS, FINANCIAL CONDITION OR RESULTS OF OPERATIONS.**

*Because a significant portion of our revenue currently comes from a small number of customers, any decrease in revenue from these customers could harm our operating results.*

We depend on a small number of customers for a large portion of our business, and changes in our customers' orders may have a significant impact on our operating results. If a major customer significantly reduces the amount of business it does with us, there would be an adverse impact on our operating results.

The following table sets forth the percentages of our total net sales for our three largest customers in any of the last three fiscal years and the percentage of our total net sales to our ten largest customers in those years:

	Year Ended July 31,		
	2001	2000	1999
	<b>Restated</b>		
Philips	23%	16%	18%
General Electric	11%	10%	8%
Toshiba	7%	9%	9%
Ten largest customers as a group	63%	60%	60%

Although we are seeking to broaden our customer base, we will continue to depend on sales to a relatively small number of major customers. Because it often takes significant time to replace lost business, it is likely that our operating results would be adversely affected if one or more of our major customers were to cancel, delay or reduce significant orders in the future. Our customer agreements typically permit the customer to discontinue future purchases after timely notice. In addition, we generate significant accounts receivable in connection with the products we sell and the services we provide to our major customers. Although our major customers are large corporations, if one or more of our customers were to become insolvent or otherwise be unable to pay for our services, our operating results and financial condition could be adversely affected.

***Competition from existing or new companies in the medical instrumentation technology industry could cause us to experience downward pressure on prices, fewer customer orders, reduced margins, the inability to take advantage of new business opportunities and the loss of market share.***

We operate in a highly competitive industry. We are subject to competition based upon product design, performance, pricing, quality and services and we believe our innovative engineering and product reliability have been important factors in our growth. While we try to maintain competitive pricing on those products which are directly comparable to products manufactured by others, in many instances our products will conform to more exacting specifications and carry a higher price than analogous products manufactured by others.

Our competitors include divisions of some larger, more diversified organizations as well as several specialized companies.

Some of them have greater resources and larger staffs than we have.

Many of our OEM customers and potential OEM customers have the capacity to design and manufacture the products we manufacture for themselves. We face competition from research and product development groups and the manufacturing operations of our current and potential customers, who continually evaluate the benefits of internal research and product development and manufacturing versus outsourcing.

***We depend on our suppliers, some of which are the sole source for our components, and our production would be substantially curtailed if these suppliers are not able to meet our demands and alternative sources are not available.***

We order raw materials and components to complete our customers' orders, and some of these raw materials and components are ordered from sole-source suppliers. Although we work with our customers and suppliers to minimize the impact of shortages in raw materials and components, we sometimes experience short-term adverse effects due to price fluctuations and delayed shipments. In the past, there have been industry-wide shortages of electronics components. If a significant shortage of raw materials or components were to occur, we may have to delay shipments or pay premium pricing, which would adversely affect our operating results. In some cases, supply shortages of particular components will substantially curtail production of products using these components. We are not always able to pass on price increases to our customers. Accordingly, some raw material and component price increases could adversely affect our operating results. We also depend on a small number of suppliers, some of whom are affiliated with customers or competitors and others of whom may be small, poorly financed companies, for many of the other raw materials and components that we use in our business. If we are unable to continue to purchase these raw materials and components from our suppliers, our operating results would be adversely affected. Because many of our costs are fixed, our margins depend on our volume of output at our facilities and a reduction in volume will adversely affect our margins.

***If we are left with excess inventory, our operating results will be adversely affected.***

Because of long-lead times and specialized product designs, we typically purchase components and manufacture products for customer orders or in anticipation of customer orders based on customer forecasts. For a variety of reasons, such as decreased end-user demand for the products we are manufacturing, our customers may not purchase all of the products we have manufactured or for which we have purchased components. In either event, we would attempt to recoup our materials and manufacturing costs by means such as returning components to our vendors, disposing of excess inventory through other channels or requiring our OEM customers to purchase or otherwise compensate us for such excess inventory. Some of our significant customer agreements do not give us the ability to require our OEM customers to do this. To the extent we are unsuccessful in recouping our material and manufacturing costs, not only would our net sales be adversely affected, but also our operating results would be disproportionately adversely affected. Moreover, carrying excess inventory would reduce the working capital we have available to continue to operate and grow our business.

***Uncertainties and adverse trends affecting our industry or any of our major customers may adversely affect our operating results.***

Our business depends primarily on a specific segment of the electronics industry, medical instrumentation technology products, which is subject to rapid technological change and pricing and margin pressure. This industry has historically been cyclical and subject to significant downturns characterized by diminished product demand, rapid declines in average selling prices and production over-capacity. In addition, changes in government policy relating to reimbursement for the purchase and use of medical capital equipment could also affect our sales. Our customers' markets are also subject to economic cycles and are likely to experience recessionary periods in the future. The economic conditions affecting our industry, in general, or any of our major customers, in particular, may adversely affect our operating results. Our businesses outside the medical instrumentation technology product sector are subject to the same or greater technological and cyclical pressures.

***Our customers' delay or inability to obtain any necessary United States or foreign regulatory clearances or approvals for their products could have a material adverse effect on our business.***

Our products are used by a number of our customers in the production of medical devices that are the subject of a high level of regulatory oversight. A delay or inability to obtain any necessary United States or foreign regulatory clearances or approvals for products could have a material adverse effect on our business. The process of obtaining clearances and approvals can be costly and time-consuming. There is a further risk that any approvals or clearances, once obtained, may be withdrawn or modified. Medical devices cannot be marketed in the United States without clearance or approval by the FDA. Medical devices sold in the United States must also be manufactured in compliance with FDA Good Manufacturing Practices, which regulate the design, manufacture, packing, storage and installation of medical devices. Moreover, medical devices are required to comply with FDA regulations relating to investigational research and labeling. States may also regulate the manufacture, sale and use of medical devices. Medical device products are also subject to approval and regulation by foreign regulatory and safety agencies.

***Our annual and quarterly operating results are subject to fluctuations, which could affect the market price of our Common Stock.***

Our annual and quarterly results may vary significantly depending on various factors, many of which are beyond our control, and may not meet the expectations of securities analysts or investors. If this occurs, the price of our Common Stock would likely decline.

These factors include:

variations in the timing and volume of customer orders relative to our manufacturing capacity;

introduction and market acceptance of our customers' new products;

changes in demand for our customers' existing products;

the timing of our expenditures in anticipation of future orders;

effectiveness in managing our manufacturing processes;

changes in competitive and economic conditions generally or in our customers' markets;

changes in the cost or availability of components or skilled labor; and

foreign currency exposure.

As is the case with many technology companies, we typically ship a significant portion of our products in the last month of a quarter. As a result, any delay in anticipated sales is likely to result in the deferral of the associated revenue beyond the end of a particular quarter, which would have a significant effect on our operating results for that quarter. In addition, most of our operating expenses do not vary directly with net sales and are difficult to adjust in the short term. As a result, if net sales for a particular quarter were below our expectations, we could not proportionately reduce operating expenses for that quarter, and, therefore, that revenue shortfall would have a disproportionate adverse effect on our operating results for that quarter.

***Loss of any of our key personnel could hurt our business because of their industry experience and their technological expertise.***

We operate in a highly competitive industry and depend on the services of our key senior executives and our technological experts. The loss of the services of one or several of our key employees or an inability to attract, train and retain qualified and skilled employees, specifically engineering and operations personnel, could result in the loss of customers or otherwise inhibit our ability to operate and grow our business successfully.

***If we are unable to maintain our technological expertise in research and product development and manufacturing processes we will not be able to successfully compete.***

We believe that our future success will depend upon our ability to provide research and product development and manufacturing services that meet the changing needs of our customers. This requires that we successfully anticipate and respond to technological changes in design and manufacturing processes in a cost-effective and timely manner. As a result, we continually evaluate the advantages and feasibility of new product design and manufacturing processes. We cannot, however, assure you that our development efforts will be successful.

**PART II OTHER INFORMATION**

**Item 6. Exhibits and Reports on Form 8-K**

(a) Exhibits

<b>Exhibit</b>	<b>Description</b>
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)/Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)/Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350

(b) During the quarter ended October 31, 2001, the Company did not file any reports on Form 8-K.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Amendment to be signed on its behalf by the undersigned thereunto duly authorized.

ANALOGIC CORPORATION  
Registrant

/s/JOHN W. WOOD Jr.

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JOHN W. WOOD Jr.  
*President and Chief Executive Officer*  
*(Principal Executive Officer)*

Date: October 27, 2003

/s/JOHN J. MILLERICK

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John J. Millerick  
*Senior Vice President,*  
*Chief Financial Officer and Treasurer*  
*(Principal Financial and Accounting Officer)*

Date: October 27, 2003



EXHIBIT INDEX

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