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ANGELICA CORP /NEW/

Form 8-K/A

October 14, 2004

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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AMENDMENT NO. 1  
ON  
FORM 8-K/A

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (date of earliest event reported): JULY 31, 2004

ANGELICA CORPORATION  
(Exact name of registrant as specified in its charter)

MISSOURI (State or other jurisdiction of incorporation)	1-5674 (Commission File Number)	43-0905260 (I.R.S. Employer Identification No.)
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424 SOUTH WOODS MILL ROAD CHESTERFIELD, MISSOURI (Address of principal executive offices)	63017-3406 (Zip Code)
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(314) 854-3800  
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(b) Pro Forma Financial Information.  
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This Amendment No. 1 to Angelica Corporation's Current Report on Form 8-K, filed August 16, 2004, relates to Angelica Corporation's sale of its Life Uniform retail division to Healthcare Uniform Company, Inc.

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("Healthcare Uniform"), as previously reported on the Form 8-K filed by Angelica Corporation (the "Company") on August 4, 2004. The purpose of this Amendment No. 1 is to provide the required pro forma financial information reflecting the effects of the sale transaction.

The Company completed the sale of Life Uniform to Healthcare Uniform effective July 31, 2004. The total sales price amounted to \$16,240,000, consisting principally of cash of \$12,152,000 and an unsecured, long-term note receivable from Healthcare Uniform with a face value of \$4,074,000, plus the assumption of \$5,732,000 of liabilities. The note receivable was discounted to its estimated fair value of \$3,056,000, reflecting the note's illiquidity and its subordinated status in the capital structure of Healthcare Uniform. Substantially all assets of Life Uniform, totaling \$25,068,000, were sold, including 196 retail uniform and shoe stores, catalogue and e-commerce operations and associated inventory, as well as working capital of 17 other stores that were not acquired. These 17 stores were immediately closed by the Company.

The accompanying condensed consolidated statements of income for the fiscal year ended January 31, 2004, and first half ended July 31, 2004, reflect pro forma adjustments assuming the sale transaction was consummated at the beginning of the fiscal year ended January 31, 2004. The Life Uniform division was treated as a reportable segment of continuing operations in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2004. Therefore, the pro forma adjustments for the fiscal year ended January 31, 2004 reflect the deletion of the results of operations of the Life Uniform segment, reduction of interest expense due to an assumed reduction in long-term debt with the cash proceeds from the sale, and interest income accrued and discount accreted on the note receivable. However, the historical condensed consolidated statement of income for the first half ended July 31, 2004, as filed with the Company's Quarterly Report on Form 10-Q for the quarter ended July 31, 2004, reported the results of operations of the Life Uniform segment as a discontinued operation. Therefore, pro forma adjustments to delete the results of operations of the Life Uniform segment from the results of continuing operations of the Company are not required for the first half ended July 31, 2004.

The condensed consolidated balance sheet as of July 31, 2004, as filed with the Company's Quarterly Report on Form 10-Q for the quarter ended July 31, 2004, reflects the Life Uniform sale transaction which was consummated on July 31, 2004. Therefore, presentation of a pro forma condensed balance sheet as of July 31, 2004 with this Amendment No. 1 is not required.

There are no other material pro forma adjustments required to the Company's consolidated statements of income from continuing operations for the fiscal year ended January 31, 2004 and first half ended July 31, 2004, or the Company's consolidated balance sheet as of July 31, 2004, in connection with the transaction described in this Amendment No. 1. These pro forma results of operations are not necessarily indicative of the actual results that will be achieved in future periods.

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CONSOLIDATED STATEMENT OF INCOME (PRO FORMA)  
Angelica Corporation and Subsidiaries  
Unaudited (Dollars in thousands, except per share amounts)

Fiscal Year Ended Janu

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	As Reported (b)	Life Uniform	Adj
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Combined sales and revenues	\$374,276	\$ 82,777	
Combined cost of textile services and retail goods sold	(275,732)	(38,471)	
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Gross profit	98,544	44,306	
Selling, general and administrative expenses	(85,535)	(45,580)	
Restructuring charge, net	434	434	
Other operating expense, net	(1,022)	(499)	
Asset impairment charge	(1,320)	(1,320)	
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Income (loss) from operations	11,101	(2,659)	
Interest expense	(738)	(24)	\$
Non-operating income, net	2,244	-	
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Income (loss) before income taxes	12,607	(2,683)	
(Provision) benefit for income taxes	(3,404)	882	
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Net income (loss)	\$ 9,203	\$ (1,801)	\$
	=====	=====	=====
Basic earnings (loss) per share (e)	\$ 1.04	\$ (0.20)	\$
Diluted earnings (loss) per share (e)	\$ 1.03	\$ (0.20)	\$