FRANKLIN COVEY CO
Form 10-Q
April 08, 2010

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

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended February 27, 2010

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

For the transition period from __________ to __________

Commission file no. 1-11107

FRANKLIN COVEY CO.
(Exact name of registrant as specified in its charter)

Utah (State of incorporation)	87-0401551 (I.R.S. employer identification number)
2200 West Parkway Boulevard Salt Lake City, Utah (Address of principal executive offices)	84119-2099 (Zip Code)
Registrant's	(801) 817-1776

telephone
number,
Including area
code

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 T No £

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes £ No £

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	£	Accelerated filer T		
Non-accelerated filer	£	(Do not check if a smaller reporting company)	Smaller reporting company	£

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes £ No T

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock as of the latest practicable date:

16,964,665 shares of Common Stock as of April 1, 2010

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

FRANKLIN COVEY CO.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)

	February 27, 2010	August 31, 2009
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,162	$ 1,688
Accounts receivable, less allowance for doubtful accounts of $902 and $879	22,134	22,877
Inventories	5,795	6,770
Deferred income taxes	2,593	2,551
Income taxes receivable	990	508
Prepaid expenses and other assets	8,437	5,748
Total current assets	43,111	40,142
Property and equipment, net	21,305	22,629
Intangible assets, net	67,095	68,994
Goodwill	505	505
Other assets	10,408	11,608
	$ 142,424	$ 143,878
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of financing obligation	$ 676	$ 621
Line of credit	10,536	12,949
Note payable to bank	901	-
Accounts payable	7,062	8,758
Accrued liabilities	22,258	20,976
Total current liabilities	41,433	43,304
Financing obligation, less current portion	30,743	31,098
Other liabilities	544	472
Total liabilities	72,720	74,874
Shareholders' equity:		
Common stock – $0.05 par value; 40,000 shares authorized, 27,056 shares issued and outstanding	1,353	1,353
Additional paid-in capital	183,331	183,436
Common stock warrants	7,597	7,597
Retained earnings	13,847	13,980
Accumulated other comprehensive income	2,156	1,961

Treasury stock at cost, 10,068 and 10,080 shares		(138,580)		(139,323)
Total shareholders' equity		69,704		69,004
	$	142,424	$	143,878

See notes to condensed consolidated financial statements.

FRANKLIN COVEY CO.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	Quarter Ended		Two Quarters Ended	
	February 27, 2010	February 28, 2009	February 27, 2010	February 28, 2009
	(unaudited)		(unaudited)	
Net sales:				
Training and consulting services	$ 28,151	$ 25,566	$ 58,407	$ 56,047
Products	2,803	3,431	5,649	7,112
Leasing	803	906	1,602	1,825
	31,757	29,903	65,658	64,984
Cost of sales:				
Training and consulting services	9,580	8,804	19,962	19,827
Products	1,550	1,968	3,162	3,854
Leasing	422	448	817	923
	11,552	11,220	23,941	24,604
Gross profit	20,205	18,683	41,717	40,380
Selling, general, and administrative	18,942	20,253	36,635	40,864
Depreciation	1,012	906	1,986	1,809
Amortization	940	903	1,901	1,804
Income (loss) from operations	(689)	(3,379)	1,195	(4,097)
Earnings from an equity method investee	-	224	-	224
Interest income	11	20	14	74
Interest expense	(744)	(764)	(1,462)	(1,593)
Loss before income taxes	(1,422)	(3,899)	(253)	(5,392)
Income tax benefit	1,041	3,266	120	4,190
Net loss	$ (381)	$ (633)	$ (133)	$ (1,202)
Net loss attributable to common shareholders per share:				
Basic	$ (.03)	$ (.05)	$ (.01)	$ (.09)
Diluted	$ (.03)	$ (.05)	$ (.01)	$ (.09)
Weighted average number of common shares:				
Basic	13,489	13,385	13,473	13,381
Diluted	13,489	13,385	13,473	13,381

See notes to condensed consolidated financial statements.

FRANKLIN COVEY CO.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Two Quarters Ended	
	February 27, 2010	February 28, 2009
	(unaudited)	
Cash flows from operating activities:		
Net loss	$ (133)	$ (1,202)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	3,887	3,613
Amortization of capitalized curriculum costs	1,172	1,132
Deferred income taxes	10	(1,235)
Loss (gain) on disposals of property and equipment	(48)	14
Share-based compensation expense	385	194
Equity in earnings of equity method investee	-	(224)
Changes in assets and liabilities, net of effect of acquired business:		
Decrease in accounts receivable, net	875	6,781
Decrease in inventories	1,147	790
Decrease (increase) in prepaid expenses and other assets	(2,403)	3,571
Decrease in accounts payable and accrued liabilities	(683)	(5,263)
Increase (decrease) in other long-term liabilities	84	(371)
Increase (decrease) in income taxes payable/receivable	(488)	(4,997)
Net cash provided by operating activities	3,805	2,803
Cash flows from investing activities:		
Proceeds on notes receivable from disposals of subsidiaries	-	105
Purchases of property and equipment	(401)	(1,856)
Curriculum development costs	(165)	(1,147)
Acquisition of business, net of cash acquired	-	(946)
Net cash used for investing activities	(566)	(3,844)
Cash flows from financing activities:		
Proceeds from line-of-credit borrowing	25,429	49,809
Payments on line-of-credit borrowing	(27,842)	(32,096)
Proceeds from short-term notes payable	1,154	-
Payments on short-term notes payable	(221)	-
Principal payments on financing obligation	(318)	(340)
Proceeds from sales of common stock from treasury	126	159
Proceeds from management stock loan payments	159	-
Purchase of common shares for treasury	(32)	(28,270)
Net cash used for financing activities	(1,545)	(10,738)
Effect of foreign exchange rates on cash and cash equivalents	(220)	(99)
Net increase (decrease) in cash and cash equivalents	1,474	(11,878)
Cash and cash equivalents at beginning of the period	1,688	15,904

Cash and cash equivalents at end of the period	$	3,162	$	4,026
Supplemental disclosure of cash flow information:				
Cash paid for interest	$	1,445	$	1,583
Cash paid for income taxes	$	411	$	1,939
Non-cash investing and financing activities:				
Acquisition of property and equipment through accounts payable	$	261	$	116

See notes to condensed consolidated financial statements.

FRANKLIN COVEY CO.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

NOTE 1 – BASIS OF PRESENTATION

Franklin Covey Co. (hereafter referred to as us, we, our, or the Company) is a leading global provider of execution, leadership, and personal-effectiveness training. We operate globally with one common brand and business model designed to enable us to provide clients around the world with the same high level of service. To achieve this level of service, we operate four regional sales offices in the United States; wholly owned subsidiaries in Australia, Japan, and the United Kingdom; and contract with licensee partners who deliver our curriculum and provide services in over 150 other countries and territories around the world. Our business-to-business service builds on our expertise in training, consulting, and technology that is designed to help our clients define great performance and execute at the highest levels. We also help clients accelerate great performance through education in management skills, relationship skills, and individual effectiveness, and can provide personal-effectiveness literature and electronic educational solutions to our clients as needed. Our services and products are available through professional consulting services, public workshops, and the Internet at www.franklincovey.com, and our best-known offerings in the marketplace include a suite of individual-effectiveness and leadership-development training products based on the best-selling book, The 7 Habits of Highly Effective People.

The accompanying unaudited condensed consolidated financial statements reflect, in the opinion of management, all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial position and results of operations of the Company as of the dates and for the periods indicated. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to Securities and Exchange Commission (SEC) rules and regulations. The information included in this quarterly report on Form 10-Q should be read in conjunction with the consolidated financial statements and related notes included in our Annual Report on Form 10-K for the fiscal year ended August 31, 2009.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

The Company utilizes a modified 52/53-week fiscal year that ends on August 31 of each year. Corresponding quarterly periods generally consist of 13-week periods that will end on November 28, 2009, February 27, 2010, and May 29, 2010 during fiscal 2010. Under the modified 52/53-week fiscal year, the quarter ended February 27, 2010 had the same number of business days as the quarter ended February 28, 2009, and the two quarters ended February 27, 2010 had one less business day than the two quarters ended February 28, 2009. Unless otherwise noted, references to fiscal years apply to the 12 months ended August 31 of the specified year.

The results of operations for the quarter and two quarters ended February 27, 2010 are not necessarily indicative of results expected for the entire fiscal year ending August 31, 2010, or for any future periods.

Subsequent events have been evaluated through the date of the issuance of our unaudited condensed consolidated financial statements.

NOTE 2 – INVENTORIES

Inventories are stated at the lower of cost or market, cost being determined using the first-in, first-out method, and were comprised of the following (in thousands):

	February 27, 2010	August 31, 2009
Finished goods	$ 5,529	$ 6,542
Raw materials	266	228
	$ 5,795	$ 6,770

NOTE 3 – LINE OF CREDIT

On February 25, 2010, we entered into a fourth modification agreement with the lender on our line of credit facility (the Fourth Modification Agreement). The Fourth Modification Agreement affected the following terms of our existing line of credit agreements:

- Loan Amount – The line of credit will continue to allow up to $13.5 million of borrowing capacity until December 31, 2010, when the loan amount will be reduced to $10.0 million.

    - Maturity Date – The maturity date of the credit facility has been extended one year to March 14, 2011.

- Interest Rate – The effective interest rate will be based upon the calculation of the Funded Debt to EBITDAR Ratio and the Fixed Charge Coverage Ratio. If our Funded Debt to EBITDAR Ratio is less than 2.5 to 1.0 and the Fixed Charge Coverage Ratio is greater than 2.0 to 1.0, the interest rate will be LIBOR plus 2.6 percent. If the ratios are in excess of these amounts, but still in compliance with the terms of the line of credit facility, the interest rate will be LIBOR plus 3.5 percent.

- Financial Covenants – The Funded Debt to EBITDAR Ratio was modified for the twelve month periods to be less than (a) 3.75 to 1.00 as of the end of the fiscal quarter ending on February 27, 2010, (b) 3.50 to 1.00 as of the end of the fiscal quarter ending on May 29, 2010, and (c) 3.00 to 1.00 as of the end of the fiscal quarter ending on August 31, 2010 and each fiscal quarter thereafter. The Fixed Charge Coverage Ratio is required to be greater than 1.5 to 1.0 for all periods and the minimum net worth was revised to $67.0 million. The capital expenditure limitations remain unchanged.

We believe that our modified line of credit agreement will allow us to maintain adequate liquidity for at least the next twelve months.

NOTE 4 – SHORT-TERM NOTE PAYABLE

On December 1, 2009, we obtained an unsecured short-term loan from a bank in Japan for 100.0 million yen. The loan is due on May 31, 2010 and bears interest at 2.5 percent for the duration of the loan. At February 27, 2010, $0.9 million was outstanding on this obligation. The loan proceeds are available for general corporate purposes, and the loan does not contain any financial covenants. However, at the inception of the loan, the United States dollar equivalent of the loan exceeded the allowable $1.0 million, which resulted in an instance of non-compliance with our line of credit agreement. This instance of non-compliance has since been cured and did not increase the outstanding obligation on the line of credit agreement. The Fourth Modification Agreement described above waived the instance of non-compliance with regard to the Japan loan.

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NOTE 5 – SHARE-BASED COMPENSATION

We utilize various share-based compensation plans as integral components of our overall compensation and associate retention strategy. Our shareholders have approved various stock incentive plans that permit us to grant long-term performance awards, unvested share awards, employee stock purchase plan (ESPP) shares, and stock options. In addition, our Board of Directors and shareholders may, from time to time, approve fully vested share awards. The compensation cost of our share-based compensation plans was included in selling, general, and administrative expenses in the accompanying condensed consolidated statements of operations, and no share-based compensation was capitalized during the two quarters ended February 27, 2010. We generally issue shares of common stock for our share-based compensation plans from shares held in treasury. The following is a description of recent developments in our share-based compensation plans.

Long-Term Performance Awards

The Company has a performance based long-term incentive plan (the LTIP) that provides for annual grants of share-based performance awards to certain managerial personnel and executive management as directed by the Organization and Compensation Committee (the Compensation Committee) of the Board of Directors. During the quarter ended February 27, 2010, the Compensation Committee approved the fiscal 2010 LTIP award. The key terms of the fiscal 2010 LTIP award are as follows:

- Target Number of Shares Expected to Vest at August 31, 2012 – 232,576 shares
- Vesting Dates – August 31, 2012, February 28, 2013, and August 31, 2013
- Grant Date Fair Value of Common Stock – $5.28 per share

The fiscal 2010 LTIP has a four-year performance period, but has three vesting dates if certain financial measures are achieved during the performance period. Therefore, we record compensation expense based on the estimated number of shares expected to be received at each of the vesting dates. The number of common shares that are finally awarded to LTIP participants is variable and is based entirely upon the achievement of specified financial performance objectives during the specified performance period. Due to the variable number of common shares that may be issued under the LTIP, we will reevaluate our LTIP grants on a quarterly basis and adjust the number of shares expected to be awarded based upon actual and estimated financial results of the Company compared to the performance goals set for the award. Adjustments to the number of shares awarded, and to the corresponding compensation expense, are made on a cumulative basis at the adjustment date based upon the estimated probable number of common shares to be awarded.

Unvested Share Awards

Based upon the provisions of our Non-Employee Directors' Plan, each qualifying member of our Board of Directors is entitled to receive an annual unvested share award equal to $40,000 with a one-year vesting period. The unvested share awards are now awarded following the Annual Shareholders' Meeting each year, which is generally held in January. The following information applies to our unvested share awards, all of which are held by qualifying members of our Board of Directors, as of February 27, 2010:

	Number of Shares	Weighted-Average Grant-Date Fair Value Per Share
Unvested share awards at August 31, 2009	133,612	$ 6.28
Granted	61,064	5.24
Forfeited	-	-

Vested	(66,112)		4.84
Unvested share awards at February 27, 2010	128,564	$	6.52

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In fiscal 2010, the Board of Directors approved changes to our stock incentive plan to exclude shares granted under unvested share awards from participation in any dividends until the shares vest. This change was effective for the fiscal 2010 Non-Employee Directors' Plan unvested share grant.

Employee Stock Purchase Plan

We have an employee stock purchase plan (ESPP) that offers qualified employees the opportunity to purchase shares of our common stock at a price equal to 85 percent of the average fair market value of the Company's common stock on the last trading day of the calendar month in each fiscal quarter. During the quarter and two quarters ended February 27, 2010, a total of 13,874 shares and 26,584 shares were issued to participants in the ESPP.

Stock Options

We have an incentive stock option plan whereby options to purchase shares of our common stock are issued to key employees at an exercise price not less than the fair market value of the Company's common stock on the date of grant. The life, not to exceed ten years, and exercise period of each incentive stock option awarded under the plan are determined by the Compensation Committee. Information related to our stock option activity during fiscal 2010 is presented below:

	Number of Stock Options	Weighted Avg. Exercise Price Per Share
Outstanding at August 31, 2009	1,762,000	$ 13.37
Granted	675,000	11.25
Exercised	-	-
Forfeited	(93,000)	6.32
Outstanding at February 27, 2010	2,344,000	$ 13.04
Options vested and exercisable at February 27, 2010	1,669,000	$ 13.76

During the quarter ended February 27, 2010, the Compensation Committee awarded the Chief Executive Officer and Chief Financial Officer options to purchase 500,000 shares and 175,000 shares of our common stock, respectively. The options have a life of 10 years and are divided into four equal tranches with exercise prices of $9.00 per share, $10.00 per share, $12.00 per share, and $14.00 per share. These options vest upon resolution of the management common stock loan program, subject to Board of Director approval of the resolution.

NOTE 6 – MANAGEMENT STOCK LOAN PAYMENTS

M. Sean Covey, David M.R. Covey, and C. Todd Davis were among the approximately 147 participants in our management stock loan program since March 2000 and, under that program, these individuals owed the Company $759,417 (51,970 shares), $270,597 (18,518 shares), and $192,037 (13,142 shares), respectively, in December 2009. To settle the loans, they each surrendered their loan shares, which were valued at market on the date of surrender, to the Company in partial payment of their loans and we collected or forgave the remaining loan balances. David M.R. Covey paid the remaining balance owing on his management loan in cash during the quarter ended February 27, 2010. To the extent necessary, we also paid the listed persons a bonus to cover the related taxes that were incurred as a result of this action. The carrying value of our management stock loans was reduced to zero in our consolidated financial statements during previous periods.

NOTE 7 – INCOME TAXES

In order to determine our quarterly provision for income taxes, we use an estimated annual effective tax rate, which is based on expected annual income and statutory tax rates in the various jurisdictions in which we operate. Certain significant or unusual items are separately recognized in the quarter during which they occur and can be a source of variability in the effective tax rates from quarter to quarter.

We recognized an income tax benefit during the two quarters ended February 27, 2010 based on anticipated pre-tax income for the full fiscal year ending August 31, 2010. This tax benefit was partially offset by changes in unrecognized tax benefits during the first two quarters, for a net tax benefit rate of 47 percent. Our expected annual effective tax rate of approximately 75 percent is higher than statutory combined rates primarily due to foreign withholding taxes for which we cannot utilize a foreign tax credit, the accrual of taxable interest income on the management stock loan program, and actual and deemed dividends from foreign subsidiaries for which we also cannot utilize foreign tax credits. We anticipate that these items will add approximately $2.2 million to our annual income tax provision for fiscal 2010. However, due to the utilization of net operating loss carryforwards, our income tax expense will not be indicative of the actual cash paid for income taxes. As a result of the lapse of applicable statutes of limitations, during the next 12 months we expect a decrease of approximately $0.5 million in unrecognized tax benefits primarily related to international transactions.

NOTE 8 – COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) is based on net income or loss and includes charges and credits to equity accounts that were not the result of transactions with shareholders. Our comprehensive income (loss) was calculated as follows for the periods presented in this report (in thousands):

	Quarter Ended		Two Quarters Ended	
	February 27, 2010	February 28, 2009	February 27, 2010	February 28, 2009
Net loss	$ (381)	$ (633)	$ (133)	$ (1,202)
Other comprehensive income (loss) items, net of tax:				
Foreign currency translation adjustments	(504)	(184)	195	(89)
Comprehensive income (loss)	$ (885)	$ (817)	$ 62	$ (1,291)

NOTE 9 – EARNINGS PER SHARE

Basic earnings per common share (EPS) is calculated by dividing net income (loss) by the weighted-average number of common shares outstanding for the period. Diluted EPS is calculated by dividing net income (loss) by the weighted-average number of common shares outstanding plus the assumed exercise of all dilutive securities using the treasury stock method or the “if-converted” method, as appropriate. Due to modifications to our management stock loan program, we determined that the shares of management stock loan participants that were placed in the escrow account are participating securities because they continue to have equivalent common stock dividend rights. Accordingly, these management stock loan shares are included in our basic EPS calculation during periods of net income and excluded from the basic EPS calculation in periods of net loss. Our unvested share awards granted prior to fiscal 2010 also participate in common stock dividends on the same basis as outstanding shares of common stock. However, the impact of these shares was not considered in our EPS calculations for the periods presented since these awards do not participate in our losses.

The following table presents the computation of our EPS for the periods indicated (in thousands, except per share amounts):

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	Quarter Ended		Two Quarters Ended	
	February 27, 2010	February 28, 2009	February 27, 2010	February 28, 2009
Numerator for basic and diluted earnings per share:				
Net loss	$ (381)	$ (633)	$ (133)	$ (1,202)
Denominator for basic and diluted earnings per share:				
Basic weighted average shares outstanding(1)	13,489	13,385	13,473	13,381
Effect of dilutive securities:				
Stock options and other share-based awards	-	-	-	-
Common stock warrants(2)	-	-	-	-
Diluted weighted average shares outstanding	13,489	13,385	13,473	13,381
Basic and diluted EPS:				
Basic EPS	$ (.03)	$ (.05)	$ (.01)	$ (.09)
Diluted EPS	$ (.03)	$ (.05)	$ (.01)	$ (.09)

(1) Since we recognized a net loss in the periods presented above, our basic weighted average shares for those periods exclude 3.4 million shares at February 27, 2010 and 3.5 million shares at February 28, 2009 of common stock held by management stock loan participants that were placed in escrow.

(2) For the periods presented, the conversion of 6.2 million common stock warrants is not assumed because such conversion would be anti-dilutive.

At February 27, 2010 and February 28, 2009, we had approximately 1.7 million and 2.0 million stock options outstanding which were not included in the computation of diluted EPS because the Company reported a net loss. Although these shares were not included in our calculation of diluted EPS, these stock options, and other dilutive securities, may have a dilutive effect on our EPS calculation in future periods if the price of our common stock increases.

NOTE 10 – SEGMENT INFORMATION

Our sales are primarily comprised of training and consulting sales and related products. Based on the consistent nature of our services and products and the types of customers for these services, we function as a single operating segment. However, to improve comparability with previous periods, operating information for our U.S./Canada, international, and corporate services operations is presented below. Our U.S./Canada operations are responsible for the sale and delivery of our training and consulting services in the United States and Canada. Our international sales group includes the financial results of our directly owned foreign offices and royalty revenues from licensees. Our corporate services information includes leasing income and certain corporate operating expenses.

The Company’s chief operating decision maker is the Chief Executive Officer (CEO), and the primary measurement tool used in business unit performance analysis is earnings before interest, taxes, depreciation, and amortization

(EBITDA), which may not be calculated as similarly titled amounts calculated by other companies. For segment reporting purposes, our consolidated EBITDA can be calculated as our income or loss from operations excluding depreciation and amortization charges.

In the normal course of business, we may make structural and cost allocation revisions to our segment information to reflect new reporting responsibilities within the organization. There were no significant organizational or structural changes during the quarter or two quarters ended February 27, 2010, and all prior period segment information has been revised to conform to the most recent classifications and organizational changes. We account for our segment information on the same basis as the accompanying condensed consolidated financial statements.

ENTERPRISE INFORMATION
(in thousands)

Quarter Ended February 27, 2010	Sales to External Customers	Gross Profit	EBITDA	Depreciation	Amortization
U.S./Canada	$ 20,517	$ 12,393	$ 640	$ 485	$ 937
International	10,437	7,431	2,871	90	3
Total	30,954	19,824	3,511	575	940
Corporate and eliminations	803	381	(2,248)	437	-
Consolidated	$ 31,757	$ 20,205	$ 1,263	$ 1,012	$ 940
Quarter Ended February 28, 2009					
U.S./Canada	$ 18,373	$ 11,020	$ (2,675)	$ 300	$ 900
International	10,624	7,205	2,252	101	3
Total	28,997	18,225	(423)	401	903
Corporate and eliminations	906	458	(1,147)	505	-
Consolidated	$ 29,903	$ 18,683	$ (1,570)	$ 906	$ 903
Two Quarters Ended February 27, 2010					
U.S./Canada	$ 42,290	$ 25,401	$ 2,517	$ 943	$ 1,895
International	21,766	15,531	6,440	187	6
Total	64,056	40,932	8,957	1,130	1,901
Corporate and eliminations	1,602	785	(3,875)	856	-
Consolidated	$ 65,658	$ 41,717	$ 5,082	$ 1,986	$ 1,901
Two Quarters Ended February 28, 2009					
U.S./Canada	$ 39,099	$ 22,774	$ (4,756)	$ 591	$ 1,799
International	24,060	16,704	6,659	197	