

NATIONAL INSTRUMENTS CORP /DE/  
Form 10-Q  
May 07, 2009

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

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended: March 31, 2009 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: 0-25426

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

Delaware  
(State or other jurisdiction of incorporation or organization)

74-1871327  
(I.R.S. Employer Identification Number)

11500 North MoPac Expressway  
Austin, Texas  
(address of principal executive offices)

78759  
(zip code)

Registrant's telephone number, including area code: (512) 338-9119

\_\_\_\_\_

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

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 the 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	Non-accelerated filer	Smaller reporting company
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at May 6, 2009
Common Stock - \$0.01 par value	77,725,916

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## NATIONAL INSTRUMENTS CORPORATION

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## PART I - FINANCIAL INFORMATION

## ITEM 1.

## Financial Statements

NATIONAL INSTRUMENTS CORPORATION  
CONSOLIDATED BALANCE SHEETS  
(in thousands, except per share data)

	March 31, 2009	December 31, 2008
Assets	(unaudited)	
Current assets:		
Cash and cash equivalents	\$ 227,448	\$ 229,400
Short-term investments	14,044	6,220
Accounts receivable, net	90,917	121,548
Inventories, net	102,618	107,358
Prepaid expenses and other current assets	45,827	43,062
Deferred income taxes, net	22,430	21,435
Total current assets	503,284	529,023
Long-term investments	10,500	10,500
P r o p e r t y   a n d   e q u i p m e n t , net	150,793	154,477
Goodwill, net	64,168	64,561
Intangible assets, net	42,688	41,915
Other long-term assets	35,215	32,115
Total assets	\$ 806,648	\$ 832,591
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 25,129	\$ 30,876
Accrued compensation	19,408	22,012
Deferred revenue	44,965	45,514
A c c r u e d   e x p e n s e s   a n d   o t h e r liabilities	13,298	18,848
Other taxes payable	10,269	13,481
Total current liabilities	113,069	130,731
Deferred income taxes	25,422	25,157
O t h e r   l o n g - t e r m liabilities	12,380	12,265
Total liabilities	150,871	168,153
Commitments and contingencies		
Stockholders' equity:		
Preferred stock: par value \$0.01; 5,000,000 shares authorized; none issued and outstanding	—	—
Common stock: par value \$0.01; 180,000,000 shares authorized; 77,173,376 and 77,193,063 shares issued and outstanding, respectively	772	772

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Additional paid-in capital	42,972	39,673
Retained earnings	604,583	613,510
A c c u m u l a t e d o t h e r c o m p r e h e n s i v e income	7,450	10,483
Total stockholders' equity	655,777	664,438
Total liabilities and stockholders' equity	\$ 806,648	\$ 832,591

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

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NATIONAL INSTRUMENTS CORPORATION  
CONSOLIDATED STATEMENTS OF INCOME  
(in thousands, except per share data)  
(unaudited)

	Three Months Ended March 31,	
	2009	2008
Net sales:		
Product	\$ 143,450	\$ 181,790
S o f t w a r e		
maintenance	14,349	11,128
Total net sales	157,799	192,918
Cost of sales:		
Product	\$ 39,556	\$ 47,667
S o f t w a r e		
maintenance	1,327	1,402
Total cost of sales	40,883	49,069
Gross profit	116,916	143,849
Operating expenses:		
Sales and marketing	68,826	73,517
R e s e a r c h a n d		
development	34,789	35,604
G e n e r a l a n d		
administrative	15,780	16,663
Total operating expenses	119,395	125,784
O p e r a t i n g i n c o m e		
(loss)	(2,479)	18,065
Other income (expense):		
Interest income	589	2,137
N e t f o r e i g n e x c h a n g e g a i n		
(loss)	(702)	1,548
O t h e r i n c o m e ( e x p e n s e ) ,		
net	163	61
Income before income taxes	(2,429)	21,811
P r o v i s i o n f o r ( b e n e f i t f r o m ) i n c o m e		
taxes	(2,787)	4,195
Net income	\$ 358	\$ 17,616
Basic earnings per share	\$ 0.00	\$ 0.22

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W e i g h t e d   a v e r a g e   s h a r e s   o u t s t a n d i n g   - basic	77,277	78,840
Diluted earnings per share	\$ 0.00	\$ 0.22
W e i g h t e d   a v e r a g e   s h a r e s   o u t s t a n d i n g   - diluted	77,436	79,825
D i v i d e n d s   d e c l a r e d   p e r share	\$ 0.12	\$ 0.11

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

NATIONAL INSTRUMENTS CORPORATION  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(in thousands)  
(unaudited)

	Three Months Ended March 31,	
	2009	2008
<b>Cash flow from operating activities:</b>		
Net income	\$ 358	\$ 17,616
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
D e p r e c i a t i o n a n d amortization	8,385	10,675
Stock-based compensation	5,082	4,739
B e n e f i t f r o m d e f e r r e d i n c o m e taxes	(1,486)	(2,711)
T a x e x p e n s e ( b e n e f i t f r o m ) s t o c k o p t i o n plans	242	(161)
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable	30,631	5,112
Inventories	4,740	(7,099)
P r e p a i d e x p e n s e s a n d o t h e r assets	(5,766)	(5,677)
Accounts payable	(5,747)	5,241
Deferred revenue	(549)	3,574
Taxes and other liabilities	(11,084)	(867)
<b>N e t c a s h p r o v i d e d b y o p e r a t i n g activities</b>	<b>24,806</b>	<b>30,442</b>
<b>Cash flow from investing activities:</b>		
Capital expenditures	(3,004)	(5,051)
C a p i t a l i z a t i o n o f i n t e r n a l l y d e v e l o p e d software	(3,114)	(1,528)
A d d i t i o n s t o o t h e r intangibles	(1,340)	(431)
A c q u i s i t i o n , n e t o f c a s h received	—	(17,055)
P u r c h a s e s o f s h o r t - t e r m a n d l o n g - t e r m investments	(11,850)	(12,638)
Sales and maturities of short-term and long-term investments	4,026	66,208
P u r c h a s e s o f f o r e i g n c u r r e n c y o p t i o n contracts	—	(1,481)