FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1994-02-10** | Period of Report: **1993-12-31**
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SENSORMATIC ELECTRONICS CORP

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DEERFIELD BEACH FL 33442
3054202000

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SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-Q

(X) QUARTERLY REPORT ( ) TRANSITION REPORT

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

For the Quarterly
Period Ended December 31, 1993 Commission File No. 0-3953

SENSORMATIC ELECTRONICS CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware	34-1024665
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

500 N.W. 12th Avenue, Deerfield Beach, Florida 33442-1795
(Address of principal executive offices) (Zip Code)

(305) 420-2000
(Registrant's telephone number, including area code)

Same
(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 Sections 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 X . No .

The Registrant had outstanding 59,386,094 shares of Common Stock (par value $.01 per share) as of February 4, 1994.

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SENSORMATIC ELECTRONICS CORPORATION

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

The financial information included herein is unaudited. Certain information and footnote disclosures normally included in the financial statements have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission, although the Company believes that the disclosures made are adequate to make the information presented not misleading. These financial statements should be read in conjunction with the financial statements and related notes contained in the Company's 1993 Annual Report on Form 10-K. Other than as indicated herein, there have been no significant changes from the financial data published in said report. In the opinion of Management, such unaudited information reflects all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation of the unaudited information shown.

Results for the interim period presented herein are not necessarily indicative of results expected for the full year.

SENSORMATIC ELECTRONICS CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS
(In thousands)

<TABLE>
<CAPTION>

<S>	December 31, 1993 <C>	June 30, 1993 <C>
ASSETS		
Cash and marketable securities (including marketable securities of $34,882 and $28,798 at December 31 and June 30, respectively)	$ 101,956	$ 117,899
Accounts receivable, net	129,881	128,137
Receivables under deferred terms and installment contract obligations, net	66,283	61,201
Net investment in sales-type leases	69,247	65,240
Inventories, net	112,572	102,759
Revenue equipment, less accumulated depreciation of $31,978 and $26,832 at December 31 and June 30, respectively	59,572	53,867
Other property, plant and equipment, net	88,932	67,236

Deferred charges, patents and other assets, net	92,008	39,177
Costs in excess of net assets acquired, net	308,642	291,338
	$ 1,029,093	$ 926,854

LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	$ 33,547	$ 27,462
Accrued liabilities	114,454	84,576
Accrued and deferred income taxes payable	24,492	16,670
Debt	208,996	194,224
7% convertible subordinated debentures	114,095	114,165
Stockholders' equity:		
Preferred stock, $.01 par value		
Common stock, $.01 par value, 59,017 and 58,079 shares outstanding at December 31 and June 30, respectively	411,548	392,891
Retained earnings	205,795	178,018
Treasury stock, at cost	(13,210)	(14,757)
Foreign currency adjustments	(66,306)	(61,495)
Notes receivable from stock sales	(4,318)	(4,900)
Total stockholders' equity	533,509	489,757
	$ 1,029,093	$ 926,854

</TABLE>

The notes to consolidated condensed financial statements on pages 5-7
are an integral part of these statements.

SENSORMATIC ELECTRONICS CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(In thousands, except per share amounts)

<TABLE>
<CAPTION>

<S>	Three Months ended December 31, <C> 1993	<C> 1992	Six Months ended December 31, <C> 1993	<C> 1992
Revenues:				
Sales	$ 136,052	$ 100,674	$ 258,639	$ 198,851
Rentals	11,715	11,564	22,564	23,181
Other	12,102	9,882	21,950	19,805
Total revenues	159,869	122,120	303,153	241,837
Operating costs and expenses:				
Costs of sales	61,273	48,859	116,608	99,517
Depreciation on revenue equipment	4,361	3,848	8,032	8,165
Selling and customer service	49,262	39,047	96,496	77,624
Administrative	9,932	8,644	17,805	15,982
Research, development and engineering	3,997	3,222	8,482	6,453
Amortization of intangible assets	2,516	1,887	4,932	3,227
Total operating costs and expenses	131,341	105,507	252,355	210,968
Operating income	28,528	16,613	50,798	30,869
Other income (expenses), net	(3,406)	1,591	(5,870)	1,726
Income before income taxes	25,122	18,204	44,928	32,595
Provision for income taxes	6,300	4,600	11,300	8,100
Net income	$ 18,822	$ 13,604	$ 33,628	$ 24,495

Primary earnings per common share	$ .31	$ .24	$ .55	$ .45
Fully diluted earnings per common share	$ .29	$ .23	$ .53	$ .44
Cash dividends per common share	$ .05	$ .05	$ .10	$ .10
Common shares used in computation of:				
Primary earnings per common share	61,070	56,782	60,671	54,372
Fully diluted earnings per common share	68,665	64,307	68,333	62,128

</TABLE>

The notes to consolidated condensed financial statements on pages 5-7 are an integral part of these statements.

SENSORMATIC ELECTRONICS CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED DECEMBER 31, 1993 AND 1992
(In thousands)

<TABLE>
<CAPTION>

<S>	1993 <C>	1992 <C>
Cash flows from operating activities:		
Net income	$ 33,628	$ 24,495
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	17,545	14,761
Other non-cash charges to operations	5,772	3,311
Net changes in operating assets and liabilities, net of effect of acquisitions	(41,239)	(45,708)
Net cash provided by (used in) operating activities	15,706	(3,141)
Cash flows from investing activities:		
Capital expenditures	(26,954)	(3,073)
Purchases of marketable securities	(16,769)	(1,786)
Increase in revenue equipment and inventory available for lease	(14,654)	(10,759)
Maturities of marketable securities	10,560	17,748
Acquisitions and other investments	(5,957)	(299,654)
Other, net	1,507	1,567
Net cash used in investing activities	(52,267)	(295,957)
Cash flows from financing activities:		
Bank borrowings	15,454	120,786
Cash dividends	(5,851)	(4,919)
Proceeds from issuances of common stock under employee benefit plans and for acquisitions, net	5,390	198,563
Repayments of debt	(610)	(4,470)
Other, net	582	444
Net cash provided by financing activities	14,965	310,404

Effect of exchange rate changes on cash	(431)	(764)
Net increase (decrease) in cash	(22,027)	10,542
Cash at beginning of period	89,101	16,082
Cash at end of period	67,074	26,624
Marketable securities at end of period	34,882	28,450
Cash and marketable securities at end of period	$ 101,956	$ 55,074

</TABLE>

The notes to consolidated condensed financial statements on pages 5-7 are an integral part of these statements.

SENSORMATIC ELECTRONICS CORPORATION
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

a) Receivables and net investment in sales-type leases

Accounts receivable are stated net of the following at December 31 and June 30, 1993 (in thousands):

	December 31	June 30
Allowance for doubtful accounts	$ 6,007	$ 4,694

Receivables under deferred terms, the majority of which mature within one year, and installment contract obligations, are stated net of the following at December 31 and June 30, 1993 (in thousands):

	December 31	June 30
Allowance for doubtful accounts	$ 6,087	$ 6,908
Unearned interest and maintenance	$ 16,954	$ 17,239

Net investment in sales-type leases are stated net of the following at December 31 and June 30, 1993 (in thousands):

	December 31	June 30
Allowance for doubtful accounts	$ 1,717	$ 1,943
Unearned interest and maintenance	$ 30,098	$ 25,975

The Company had accrued loss contingencies at December 31 and June 30, 1993 of $1.6 million and $1.4 million, respectively, related to approximately $161.8 million and $125.9 million, respectively, of receivables and leases sold to third party financing institutions which are outstanding and subject to full or partial repurchase, should certain events (primarily related to customer non-payment) occur. At December 31 and June 30, 1993, accounts receivable assigned to a third party financing institution on a non-recourse basis was $43 million and $24.5 million, respectively, of which the financing institution had advanced $43 million and $20 million, respectively, to the Company (bearing interest at fluctuating rates), resulting in $4.5 million due from the financing institution at June 30, 1993 which is included in "Accounts receivable, net". The Company received net proceeds of $134.4 million and $28.9 million upon the sale and assignment of receivables and leases in the six months ended December 31, 1993 and 1992, respectively.

b) Inventories

Inventories at December 31 and June 30, 1993 consisted of parts inventory of $25.5 million and $18.5 million, work-in-process of $14 million and $5.1 million and inventory available for sale or lease of $73.1 million and $79.2 million; and are net of allowance for inventory losses of $8.7 million and $8.6 million, respectively.

c) Debt

Debt at December 31 and June 30, 1993 is summarized as follows (in thousands):

<TABLE>
<CAPTION>

<S>	December 31 <C>	June 30 <C>
Senior Notes	$135,000	$ 135,000
Unsecured revolving credit notes payable	56,706	41,332
Acquisition indebtedness	10,651	11,136
Capital lease obligations and other, net	6,639	6,756
	$208,996	$ 194,224

</TABLE>

At December 31, 1993, the Company had approximately $50.5 million of unused credit under all of its line of credit arrangements.

Interest expense for the six months ended December 31, 1993 and 1992 was $11.6 million and $8.1 million, respectively.

d) Income taxes

In the three-month period ended September 30, 1993, the Company adopted Financial Accounting Standards Board Statement No. 109, "Accounting for Income Taxes" (FASB 109). As permitted by FASB 109, the Company has elected not to restate the financial statements of any prior periods. The cumulative effect of the change was not material and therefore no adjustment was separately reported in the Consolidated Condensed Statement of Income for the six months ended December 31, 1993. However, the adoption of FASB 109 required certain of the Company's tax balances at July 1, 1993 (the effective date of the change) to be reclassified. Deferred income tax balances which were not attributable to the same tax jurisdiction were no longer presented on a net basis at July 1, 1993. Related deferred tax assets at July 1, 1993 (the effective date of the change) aggregating approximately $20 million resulted primarily from reserves and liabilities not currently deductible (approximately $7 million), accelerated income recognition on leased equipment (approximately $5 million) and intercompany inventory profit elimination not currently taxable (approximately $4 million). The approximately $10 million of remaining deferred tax assets at July 1, 1993 resulted from the application of FASB 109 to the accounting for the valuation of assets acquired (approximately $6 million related to inventories) and liabilities assumed (approximately $4 million related to accrued liabilities) in prior years' business combinations.

The provisions for income taxes were computed using an estimated annual effective tax rate based on a United States statutory rate of 35% and 34%, respectively, adjusted principally for anticipated United States/Puerto Rico "Section 936" tax benefits, amortization of costs in excess of net assets acquired and foreign tax rate differentials.

e) Acquisitions

The Company's unaudited pro forma consolidated condensed statement of income for the six months ended December 31, 1992, assuming the acquisitions of Automated Loss Prevention Systems (July 29, 1992) and Security Tag Systems, Inc. (June 1993) were effected at July 1, 1992, is summarized as follows (in thousands, except per share amounts):

Total revenues	$ 257,469
Net income	$ 24,274
Primary earnings per share	$ .42
Fully diluted earnings per share	$ .39

This pro forma information does not purport to be indicative of the results which may have been obtained had the acquisitions been consummated at the dates assumed and is not necessarily indicative of results for the full year.

f) Supplemental cash flow information

Cash paid by the Company for interest and income taxes for the six months ended December 31, 1993 and 1992 was as follows (in thousands): 1993 - $10,773 and $6,023; 1992 - $6,153 and $3,839, respectively.

In connection with certain acquisitions, the market value of the assets acquired for the six months ended December 31, 1993 and 1992 was as follows (in thousands):

	1993	1992
Cash paid (net of cash acquired)	$ 4,623	$ 299,654
Liabilities assumed and/or incurred	2,235	67,306
Common stock issued	14,938	1,869
Market value of assets acquired	$ 21,796	$ 368,829

g) Stock dividend

On November 11, 1993 the Company's Board of Directors declared a three-for-two stock split effected in the form of a 50% stock dividend to shareholders of record on November 30, 1993, payable on December 17, 1993. All share and per share amounts previously reported have been adjusted to give retroactive effect to the increased number of common shares outstanding due to the stock split.

h) Reclassifications

Certain amounts in the prior period's consolidated condensed financial statements have been reclassified to conform to the current period's condensed presentation.

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

The Company's consolidated condensed financial statements present a consolidation of its worldwide operations. This discussion supplements the detailed information presented in the Consolidated Condensed Financial Statements and Notes thereto (which should be read in conjunction with the financial statements and related notes contained in the Company's 1993 Annual Report on Form 10-K) and is intended to assist the reader in understanding the financial results and condition of the Company.

Financial Condition

The Company's overall financial condition remained strong as reflected in the Consolidated Condensed Balance Sheet at December 31, 1993 compared to June 30, 1993. Cash and marketable securities decreased $15.9 million primarily due to (a) net capital expenditures ($27 million), (b) an increase in revenue equipment and inventory available for lease ($14.7 million) and (c) acquisitions and other investments ($6 million); offset in part by (a) net cash provided by operations ($15.7 million) and (b) net short-term bank borrowings ($15.5 million). Total stockholders' equity at December 31 increased $43.8 million over the June 30 balance to $533.5 million (of which approximately $15 million resulted from the issuance of Common Stock for the acquisition of Robot Research Inc. (Robot), a U.S. manufacturer of sophisticated closed circuit television (CCTV) equipment) while debt increased by $14.7 million (due to an increase in short term credit line borrowings by European subsidiaries) to $323.1 million, resulting in a debt-to-equity ratio of .61 to 1 at December 31, 1993 compared to .63 to 1 at June 30, 1993.

Total receivables and net investment in sales-type leases increased to $265.4 million at December 31, 1993 from $254.6 million at June 30, 1993 resulting principally from the higher level of business offset in part by net sales and assignments of receivables and sales-type leases to third party financial institutions in the first half of fiscal 1994.

The Company has historically had a high level of outstanding receivables as a percentage of revenues. This results in part from the use of its financial strength as a marketing tool in obtaining new business by, for example, offering to customers flexible, deferred payment arrangements (the majority of which mature within one year), or longer term installment sales financing (subject to stated or imputed interest) to facilitate purchases. Additionally, the Company has experienced an historical pattern of delayed payments to the Company by certain of its major retail customers which has extended its receivables aging profile. During fiscal 1993 the Company increased its efforts to reduce receivables by, among other things, (a) implementing an enhanced invoicing and accounts receivable system; (b) employing the use of third party servicing agents to increase the efficiency of its billing and collection practices; (c) expanding the number and use of relationships with third party financing institutions to sell or assign receivables and

sales-type leases; and (d) generally increasing its collection efforts. The results of such ongoing efforts have been to reduce thetime required to collect receivables and to provide the Company with the flexibility to convert its receivables into cash as needed.

The Company believes its allowance for doubtful accounts is adequate after taking into account the aging of its receivables and net investment in sales-type leases, the payment history of its customers, the Company's security interest position in equipment financed under deferred terms and installment sales contracts (and its ability to re-market such equipment if needed), the prospects of its collection efforts and its relationships with major retail accounts. Additionally, with the rapid broadening of the Company's customer base geographically and to include hard goods retailers, commercial and industrial customers, and manufacturers and vendors providing retailers with "source labeled" merchandise under Sensormatic's Universal Product Protection (UPP)(SM) program, the Company's historical concentration in soft goods retailers is being reduced.

Inventories at December 31, 1993 increased $9.8 million over June 30, 1993 as a result of a $15.9 million increase in raw material and work-in-process inventories in order to meet forecasted production levels, offset by a decrease in finished goods inventory of $6.1 million. Deferred charges and other assets increased $52.8 million primarily as a result of the Company's adoption of FASB 109 in the first quarter of fiscal 1994 (see note d of Notes to Consolidated Condensed Financial Statements).

The Company believes it is well positioned to meet anticipated future capital requirements through the use of funds to be generated by operating activities, existing cash and marketable securities ($102 million at December 31, 1993), its ability to sell and assign receivables and sales-type leases to financing institutions under existing agreements ($10.6 million of aggregate unused facilities at December 31, 1993) and funds available from existing worldwide credit lines ($50.5 million at December 31, 1993).

Results of Operations

Three Months and Six Months Ended December 31, 1993 Compared to Three and Six Months Ended December 31, 1992

Revenues for the three months and six months ended December 31, 1993 increased 31% and 25%, respectively, over the three months and six months ended December 31, 1992. The revenue growth resulted principally from increased revenues from the UltraoMax(R) product line primarily for hard goods retail customers and used in the Company's UPP program for source labeling; increased revenues from the Commercial/Industrial Group which markets electronic asset protection (EAP), CCTV and access control systems to non-retail customers; and revenues generated from the sale of Security Tag products (of which approximately $13.6 million in the six months ended December 31, 1993 is a result of the acquisition and consolidation of Security Tag Systems, Inc. effective June 1993; see Note e of Notes to Consolidated Condensed Financial Statements); offset in part by the effect on

the international subsidiaries' local currency revenues when translated into U.S. dollars for financial statement purposes caused by the stronger average U.S. dollar (relative to the internationalsubsidiaries' local currencies, in the aggregate) throughout the first six months of fiscal 1994 compared to the first six months of fiscal 1993 (approximately $21.8 million).

Revenues from retail customers for the electronic article surveillance (EAS) product lines increased 21% to $102.8 million in the second quarter of fiscal 1994 and 22% to $200.2 million in the first six months of fiscal 1994 compared to $84.8 million and $164.5 million, respectively, in the comparable periods of fiscal 1993. These increases resulted principally from growth of 59% and 54% in the second quarter and in the first six months of fiscal 1994, respectively, (compared to last year) in revenues from the UltraoMax product line and the addition of revenue from the Security Tag product lines; offset in part by a 4% and an 8% decline in revenues in the second quarter and in the first six months of fiscal 1994, respectively, (compared to last year) from U.S. soft goods retailers for the traditional microwave product line, and the translation effect caused by the strengthening of the U.S. dollar. Revenues from the Commercial/Industrial Group increased 83% to $17 million and 67% to $29.4 million (including installation revenues) in the second quarter and the first six months of fiscal 1994 compared to fiscal 1993, respectively, due primarily to increased sales of CCTV products to non-retail customers and the acquisition of Robot in September 1993 ($5.8 million and $6.7 million, respectively).

Operating income in the three and six months ended December 31, 1993 increased 72% and 65%, respectively, over last year's comparable periods primarily due to the higher level of business and improved gross margins. Gross margins for the second quarter and first six months of fiscal 1994 increased to 55% compared with 51% and 50%, respectively, for last year's comparable periods, primarily from increased manufacturing efficiencies resulting from increased volumes and long-term programs aimed at reducing manufacturing costs, the inclusion of the manufacturer's gross margin (as a result of the acquisition of Security Tag) on the Security Tag product line and favorable changes in product mix.

Total selling and customer service, administrative, and research, development and engineering expenses, as a percentage of total revenues, decreased to 40% for the second quarter from 42% for the comparable period of fiscal 1993 while remaining at 41% for the first six months of fiscal 1994 and fiscal 1993. The aggregate amount of these expenses increased by 23% in the current year's first six months over last year's comparable period primarily as a result of the higher level of business in fiscal 1994 offset in part by the translation effect on the international subsidiaries' local currency operating expenses caused by the stronger average U.S. dollar (relative to the international subsidiaries' local currencies, in the aggregate) throughout the first six months of fiscal 1994 compared to the first six months of fiscal 1993 (approximately $8.8 million).

Total net other non-operating expenses in the second quarter and the first six months of fiscal 1994 were $3.4 million and $5.9 million, respectively, compared to $1.6 million and $1.7 million of net other non-operating income for the comparable periods of fiscal 1993, principally due to an increase in interest expense resulting from the higher levels of borrowings throughout the first six months of fiscal 1994 (primarily resulting from the acquisition of Automated Loss Prevention Systems (ALPS) and increased net short-term bank borrowings by the Company's European subsidiaries) and a decrease in interest income due primarily to a decline in the amounts of longer term receivables and sales-type leases (which earn interest income) outstanding throughout the first six months of fiscal 1994 compared to the first six months of fiscal 1993.

The provision for income taxes for the first six months of fiscal 1994 is based on an estimated effective annual consolidated tax rate of 25%, (the same tax rate reported on the Company's income from continuing operations for the full 1993 fiscal year). The adoption of Financial Accounting Standards Board Statement No. 109 "Accounting for Income Taxes" did not have a material effect on the Company's results of operations (see Note d of Notes to Consolidated Condensed Financial Statements).

Consolidated net income for the second quarter and first six months of fiscal 1994 increased $5.2 million and $9.1 million, respectively, when compared to the prior year's comparable period due primarily to the factors discussed above.

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

An Annual Meeting of stockholders of the Company was held on November 12, 1993. The following business was transacted:

Re-elected as directors of the Company were Ronald G. Assaf, President and Chairman of the Board and Dr. Arthur G. Milnes, to serve for a three-year term. In addition, the terms of office of the following, as directors, continued after the meeting: Thomas V. Buffett, Jerome M. LeWine, James E. Lineberger, Michael E. Pardue and John T. Ray, Jr.

The Company's Certificate of Incorporation was amended to increase the number of authorized shares of Common Stock from 60,000,000 to 125,000,000, with 31,268,288 shares (on a pre-stock dividend basis) of the outstanding Common Stock of the Company voting in favor of and 2,501,480 shares voting against its adoption, with 120,512 shares abstaining.

The Company's amended 1989 Stock Incentive Plan, was further amended to: (a) limit the aggregate number of shares issuable pursuant to options, or which may be used as a basis for stock appreciation rights, granted to any individual participant under such plan to 800,000 shares (on a pre-stock dividend basis) during any three consecutive years, subject to proportional adjustment upon the occurrence of certain events; and (b) eliminate the provisions of such plan which permitted, under special circumstances and subject to certain limitations, the granting of options exercisable at a price less than the fair market value of the Common Stock on the date of grant was approved, with 32,034,551 shares (on a pre-stock dividend basis) of the outstanding Common Stock of the Company voting in favor of and 1,631,212 shares voting against its adoption, with 224,517 shares abstaining.

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits

11) Computation of earnings per common share.

b) Reports on Form 8-K:

On December 7, 1993, the Company filed a Current Report on Form 8-K, as amended February 9, 1994, reporting under "Other Events" an action commenced on November 22, 1993 in the United States District Court for the Southern District of Florida by Bayer Silver against the Company and its Chairman of the Board, President and CEO, alleging that favorable public statements by the Company concerning its growth and the quality of its products were false. The suit arose out of the controversy resulting from the Company's UltraoMax product being named the recommended standard for electronic article surveillance protection of pre-recorded music by the National Association of Recording Merchandisers (NARM) and the rejection of NARM's recommendations by certain music manufacturers.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SENSORMATIC ELECTRONICS CORPORATION

By /S/ Michael E. Pardue

Michael E. Pardue
Executive Vice President,
Chief Operating Officer, Chief
Financial Officer and Director

/S/ Lawrence J. Simmons

Lawrence J. Simmons

Vice President of Finance and Chief
Accounting Officer

Date: February 10, 1994

EXHIBIT 11

SENSORMATIC ELECTRONICS CORPORATION
COMPUTATION OF EARNINGS PER COMMON SHARE
(IN THOUSANDS)

<TABLE>
<CAPTION>

	Three Months ended December 31,		Six Months ended December 31,	
	1993	1992	1993	1992
<S>	<C>	<C>	<C>	<C>
Income:				
Net income for primary computation	$18,822	$ 13,604	$ 33,628	$ 24,495
Add interest expense (net of tax) on 7% convertible subordinated debentures	1,247	1,330	2,538	2,660
Adjusted net income for fully diluted computation	$ 20,069	$ 14,934	$ 36,166	$ 27,155
Common shares (1):				
Weighted average shares outstanding during the period	58,952	54,709	58,620	52,529
Potential dilutive exercise of stock options and warrants (2)	2,118	2,073	2,051	1,843
Shares included in computation of primary earnings per share	61,070	56,782	60,671	54,372
Shares issuable on conversion of 7% convertible subordinated debentures	7,283	7,341	7,283	7,341
Maximum dilution of stock options and warrants (3)	312	184	379	415
Shares included in computation of fully diluted earnings per share	68,665	64,307	68,333	62,128

</TABLE>

(1) Share amounts reflect the three-for-two stock split declared in November 1993.

(2) Computed under the treasury stock method based on the average stock price during the periods.

(3) Computed under the treasury stock method based on stock price at end of periods if higher than the average price during the periods.