

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

AXSYS TECHNOLOGIES INC

CIK: **206030** | IRS No.: **111962029** | State of Incorpor.: **DE** | Fiscal Year End: **1228**
Type: **8-K** | Act: **34** | File No.: **000-16182** | Film No.: **05788329**
SIC: **3827** Optical instruments & lenses

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

FORM 8-K

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

Date of the Report: **May 2, 2005**

Commission file number **0-16182**

AXSYS TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

11-1962029

I.R.S Employer Identification Number

175 Capital Boulevard, Suite 103

Rocky Hill, Connecticut

(Address of principal executive offices)

06067

(Zip Code)

Registrant' s telephone number, including area code: **(860) 257-0200**

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 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On May 2, 2005, Axsys Technologies, Inc. issued an earnings release announcing its financial results for the first quarter ended April 2, 2005. A copy of the earnings release is furnished with this Current Report on Form 8-K as Exhibit 99.1.

The information in this Current Report is being furnished and shall not be deemed "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

Exhibit 99.1 Press release dated May 2, 2005, announcing the Company's financial results for the quarter ended April 2, 2005

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.

Date: May 2, 2005

AXSYS TECHNOLOGIES, INC.
(Registrant)

By: /s/ David A. Almeida
David A. Almeida
Chief Financial Officer

AXSYS TECHNOLOGIES, INC. 175 CAPITAL BOULEVARD SUITE 103 ROCKY HILL, CT 06067
860.257.0200 FAX: 860.594-5750 web: www.axsys.com

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Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated May 2, 2005

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**AXSYS TECHNOLOGIES ANNOUNCES 45% INCREASE IN
FIRST QUARTER OPERATING INCOME**

ROCKY HILL, CT - May 2, 2005 - Axsys Technologies, Inc. (NASDAQ: AXYS), a global leader in the design, manufacture and distribution of precision optical solutions, today announced financial results for the first quarter ended April 2, 2005.

First Quarter Financial Highlights - versus fiscal 2004 first quarter:

Sales rose 22% to \$28.6 million.

Gross margin increased to 29.5% from 29.0%.

Operating income was up 45% to \$2.6 million; operating margin rose to 9.1% from 7.7%.

Net income was \$1.6 million or \$0.22 per diluted share for the first quarters of 2005 and 2004 despite a return to a normalized tax rate of 37.5% in the first quarter of 2005, compared to 10.0% in the 2004 period.

Total backlog of firm orders at the end of the first quarter of 2005 was a record \$93.1 million.

Growth in the quarter was driven primarily by the Optical Systems Group, which continues to benefit from strong military spending on numerous targeting, guidance, and surveillance programs. In addition, growth in the first quarter of 2005 included the results of the Company's acquisition of Axsys Technologies IR Systems, formerly Telic Optics, Inc., in April 2004. Comparable year-over-year organic revenue growth was 13%.

Segment Sales

(In millions):	Three Months Ended:	
	April 2, 2005	April 3, 2004
	Optical Systems Group	\$ 22.2
Distributed Products Group	6.4	6.2

"Axsys has started the year with impressive results, in line with our expectations," said Stephen W. Bershada, Chairman and Chief Executive Officer of Axsys. "Growth in our core market areas of optical and motion control systems continues to drive the business forward. Success in these markets has led to a \$93.1 million backlog at the end of the quarter, a 23% increase from the April 3, 2004 backlog and another new record for Axsys. The management team at Axsys is eager to combine these organic successes with the exciting prospects of our recently announced acquisition."

Conference Call

Management will conduct a conference call to discuss the financial results on Monday, May 2, 2005 at 10:00 am ET. Interested parties may participate in the call by dialing 706-679-3148 - please call in 10 minutes before the call is scheduled to begin and ask for the Axsys Technologies call. The conference call will be broadcast live over the Internet via the Investors section of the Company's web site at www.axsys.com. To listen to the live call, please go to the web site at least 15 minutes early to register, download and install any necessary audio software. If you are unable to listen live, the conference call will be archived on the Company's web site.

About Axsys

Axsys Technologies, Inc. is a vertically integrated OEM supplier of precision optical solutions for high technology applications, serving the aerospace, defense and high performance commercial markets. For more information, visit www.axsys.com.

This press release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. One can identify these forward-looking statements by the use of the words such as “expect,” “anticipate,” “plan,” “may,” “will,” “estimate” or other similar expressions. Because such statements apply to future events, they are subject to risks and uncertainties that could cause the actual results to differ materially. Important factors, which could cause actual results to differ materially, are described in Axsys’ reports on Form 10-K and 10-Q on file with the Securities and Exchange Commission, including without limitation: changes in the U.S. federal government spending priorities; the Company’ s ability to compete in the industries in which it operates, including the introduction of competing products or technologies by other companies and/or pricing pressures from competitors and/or customers; the potential for the Company’ s backlog to be reduced or cancelled; the Company’ s ability to implement its acquisition strategy and integrate its acquired companies successfully, including the recent acquisition of Diversified Optical Products; the Company’ s ability to manage costs under the Company’ s fixed-price contracts effectively; and changes in general economic and business conditions. These statements reflect the Company’ s current beliefs and are based upon information currently available to Axsys. Be advised that developments subsequent to this release are likely to cause these statements to become outdated with the passage of time, and we specifically disclaim any obligation to update these statements. For more information concerning the foregoing risks and uncertainties, see the Securities and Exchange Commission filings for Axsys.

CONTACT:

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(860) 257-0200

www.axsys.com

-OR-

INVESTOR RELATIONS COUNSEL:

The Equity Group Inc.

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AXSYS TECHNOLOGIES, INC.
Consolidated Statements of Operations
(Unaudited, in thousands)

	For the Three Months Ended	
	April 2, 2005	April 3, 2004
Sales	\$ 28,648	\$ 23,406
Cost of sales	20,192	16,625
Gross profit	8,456	6,781
Selling, general and administrative expenses	5,100	4,399
Research, development and engineering expenses	744	576
Operating income	2,612	1,806
Interest expense, net	25	7
Other expense, net	15	7
Income from operations before income taxes	2,572	1,792
Provision for income taxes	965	179
Net income	<u>\$ 1,607</u>	<u>\$ 1,613</u>
BASIC INCOME PER SHARE	<u>\$ 0.23</u>	<u>\$ 0.23</u>
Weighted-average basic common shares outstanding	<u>7,065</u>	<u>6,988</u>

DILUTED INCOME PER SHARE:	\$	0.22	\$	0.22
Weighted-average dilutive common shares outstanding		7,450		7,182

AXSYS TECHNOLOGIES, INC.
Consolidated Balance Sheets
(Unaudited, in thousands)

	April 2, 2005	December 31, 2004
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 7,265	\$ 6,000
Accounts receivable - net	15,316	15,715
Inventories - net	30,468	29,698
Deferred income taxes - current	3,224	3,553
Other current assets	1,151	1,020
TOTAL CURRENT ASSETS	57,424	55,986
PROPERTY, PLANT AND EQUIPMENT - net	13,142	13,337
INTANGIBLE ASSET - net	2,102	2,127
EXCESS OF COST OVER NET ASSETS ACQUIRED	13,013	13,013
OTHER ASSETS	1,395	1,352
TOTAL ASSETS	\$ 87,076	\$ 85,815
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 5,868	\$ 6,459
Accrued expenses and other liabilities	9,367	9,513
Deferred income	7,441	7,195
Current portion of capital lease obligation	368	368
Current portion of long-term debt	1,000	1,000
TOTAL CURRENT LIABILITIES	24,044	24,535
CAPITAL LEASES, less current portion	54	150
LONG-TERM DEBT, less current portion	3,083	3,333
OTHER LONG-TERM LIABILITIES	4,550	4,704
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY:		
Common stock	72	72
Capital in excess of par	39,955	39,612
Accumulated other comprehensive income (loss)	26	(97)

Retained earnings	15,996	14,389
Treasury stock	(704)	(883)
TOTAL SHAREHOLDERS' EQUITY	<u>55,345</u>	<u>53,093</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 87,076</u>	<u>\$ 85,815</u>