

DGT HOLDINGS CORP.

FORM 8-K/A (Amended Current report filing)

Filed 03/13/06 for the Period Ending 12/23/05

Address	100 PINE AIRE DRIVE BAY SHORE, NY 11706
Telephone	631 231-6400
CIK	0000027748
Symbol	DGTC
SIC Code	3679 - Electronic Components, Not Elsewhere Classified
Industry	Medical Equipment & Supplies
Sector	Healthcare
Fiscal Year	07/31

YEAR ENDED JULY 30, 2005

THREE MONTHS ENDED OCTOBER 29, 2005

(c) Exhibits

Exhibit No. -----	Description -----
99.1	Unaudited Pro Forma Consolidated Balance Sheet as of October 29, 2005, Unaudited Pro Forma Consolidated Statements of Operations for the year ended July 30, 2005 and three months ended October 29, 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.

DEL GLOBAL TECHNOLOGIES CORP.
(Registrant)

Date: March 13, 2006

By: /s/ Mark A. Koch

Mark A. Koch
Principal Accounting Officer and
Treasurer

EXHIBIT INDEX

Exhibit No. -----	Description -----
99.1	Unaudited Pro Forma Consolidated Balance Sheet as of October 29, 2005, Unaudited Pro Forma Consolidated Statements of Operations for the year ended July 30, 2005 and three months ended October 29, 2005.

PROFORMA FINANCIAL INFORMATION

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES
 PROFORMA CONSOLIDATED BALANCE SHEET -
 UNAUDITED

(DOLLARS IN THOUSANDS)

	HISTORICAL OCTOBER 29, 2005	PRO FORMA ADJUSTMENT (a)	PRO FORMA CONSOLIDATED OCTOBER 29, 2005
	-----		-----
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents.....	\$ 232	\$ (232)	\$ --
Trade receivables (net of allowance for doubtful accounts of \$1,030).....	12,969		12,969
Inventories.....	15,616		15,616
Assets attributable to discontinued operation, at net realizable value.....	--		--
Prepaid expenses and other current assets.....	921		921
	-----	-----	-----
Total current assets.....	29,738	(232)	29,506
	-----	-----	-----
NON-CURRENT ASSETS:			
Fixed assets, net.....	6,378		6,378
Deferred income tax assets.....	782		782
Goodwill.....	1,911	4,636	6,547
Other intangible assets, net.....	22		22
Other assets.....	460		460
	-----	-----	-----
Total non-current assets.....	9,553	4,636	14,189
	-----	-----	-----
TOTAL ASSETS.....	\$ 39,291	\$ 4,404	\$ 43,695
	=====	=====	=====

See notes to unadited proforma consolidated financial statements

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES
 PROFORMA CONSOLIDATED BALANCE SHEET - UNAUDITED
 OCTOBER 29, 2005
 DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

	HISTORICAL OCTOBER 29, 2005	PROFORMA ADJUSTMENT (a)	PROFORMA OCTOBER 29, 2005
	-----		-----
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Short-term credit facilities.....	\$ 3,825	\$ 2,718	\$ 6,543
Current portion of long-term debt.....	1,022		1,022
Accounts payable - trade.....	7,702		7,702
Accrued liabilities.....	4,907		4,907
Litigation settlement reserves.....	405		405
Income taxes payable.....	603		603
	-----	-----	-----
Total current liabilities.....	18,464	2,718	21,182
	-----	-----	-----
NON-CURRENT LIABILITIES:			
Long-term debt.....	5,684		5,684
Subordinated note.....	2,223		2,223
Other long-term liabilities.....	2,876		2,876
	-----	-----	-----
Total non-current liabilities.....	10,783		10,783
	-----	-----	-----
Total liabilities.....	29,247	2,718	31,965
	-----	-----	-----
COMMITMENTS AND CONTINGENCIES			
MINORITY INTEREST IN SUBSIDIARY.....	1,264	(1,264)	--
	-----	-----	-----
SHAREHOLDERS' EQUITY:			
Common stock -- \$.10 par value; authorized - 20,000,000 shares; issued - 11,252,958 shares at July 30, 2005 issued - Proforma - 12,157,630	1,125	90	1,215
Additional paid-in capital.....	64,508	2,860	67,368
Accumulated other comprehensive income.....	1,425		1,425
Accumulated deficit.....	(52,732)		(52,732)
Less common stock in treasury - 622,770 shares and 643,533 shares			

at July 30, 2005.....	(5,546)		(5,546)
Total shareholders' equity.....	8,780	2,950	11,730
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY.....	\$ 39,291	\$ 4,404	\$ 43,695

See notes to unaudited proforma consolidated financial statements

PRO FORMA FINANCIAL INFORMATION
DEL GLOBAL TECHNOLOGIES CORP AND SUBSIDIARIES
PROFORMA CONSOLIDATED STATEMENT OF OPERATIONS - UNAUDITED
YEAR ENDED JULY 30,2005
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	HISTORICAL JULY 30, 2005	PRO FORMA ADJUSTMENTS JULY 30, 2005		PROFORMA JULY 30, 2005
NET SALES.....	\$ 84,872	\$		\$ 84,872
COST OF SALES.....	62,591			62,591
GROSS MARGIN.....	22,281			22,281
Selling, general and administrative.....	16,452			16,452
Research and development.....	1,636			1,636
Litigation settlement costs.....	300			300
Total operating expenses.....	18,388			18,388
OPERATING INCOME (LOSS).....	3,893			3,893
Interest expense.....	(1,350)	(83)	(a)	(1,433)
Other income.....	97			97
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND MINORITY INTEREST.....	2,640	(83)		2,557
INCOME TAX PROVISION.....	2,054	(31)	(b)	2,023
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE MINORITY INTEREST.....	586	(52)		534
MINORITY INTEREST.....	393	(393)	(c)	--
INCOME (LOSS) FROM CONTINUING OPERATIONS.....	193	341		534
DISCONTINUED OPERATION.....	199			199
NET INCOME (LOSS).....	\$ 392	\$ 341		\$ 733
NET INCOME (LOSS) PER BASIC SHARE				
Continuing operations.....	\$ 0.02			\$ 0.04
Discontinued operation.....	0.02			0.02
Net income (loss) per basic share.....	\$ 0.04			\$ 0.06
NET INCOME (LOSS) PER DILUTED SHARE				
Continuing operations.....	\$ 0.01			\$ 0.04
Discontinued operation.....	0.02			0.02
Net income (loss) per diluted share.....	\$ 0.03			\$ 0.06
Weighted average shares outstanding - Basic.....	10,490	905	(d)	11,395
Weighted average shares outstanding - Diluted.....	11,465	905	(d)	12,370

See notes to unaudited consolidated proforma financial statements

PRO FORMA FINANCIAL INFORMATION
DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES
THREE MONTHS ENDED OCTOBER 29, 2005
CONSOLIDATED STATEMENT OF OPERATIONS - UNAUDITED

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	HISTORICAL OCTOBER 29, 2005	PRO FORMA ADJUSTMENTS OCTOBER 29, 2005	PROFORMA OCTOBER 29, 2005
NET SALES.....	\$ 16,239	\$	\$ 16,239
COST OF SALES.....	12,504		12,504
	-----		-----
GROSS MARGIN.....	3,735		3,735
	-----		-----
Selling, general and administrative.....	2,999		2,999
Research and development.....	353		353
Litigation settlement costs.....	500		500
	-----		-----
Total operating expenses.....	3,852		3,852
	-----		-----
OPERATING INCOME (LOSS).....	(117)		(117)
Interest expense.....	(210)	(21)	(a) (231)
Other income.....	13		13
	-----		-----
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND MINORITY INTEREST.....	(314)	(21)	(335)
INCOME TAX PROVISION.....	172	(8)	(b) 164
	-----		-----
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE MINORITY INTEREST.....	(486)	(13)	(499)
MINORITY INTEREST.....	3	(3)	(c) --
	-----		-----
NET INCOME (LOSS).....	(483)	(16)	(499)
NET INCOME (LOSS) PER BASIC SHARE	\$ (0.05)		\$ (0.04)
	=====		=====
NET INCOME (LOSS) PER DILUTED SHARE	\$ (0.05)		\$ (0.04)
	=====		=====
Weighted average shares outstanding - Basic and Diluted.....	10,630	905	(d) 11,535
	-----		-----

See notes to unaudited consolidated proforma financial statements

DEL GLOBAL TECHNOLOGIES CORP. AND SUBSIDIARIES

NOTES TO UNAUDITED PROFORMA CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except share data)

The Pro Forma Consolidated Balance Sheet reflects the financial position of the Company after giving effect to the acquisition of the remaining 20% of Company's Villa Sistemi Medicali subsidiary, discussed in Item 2 as if the acquisition took place on October 29, 2005. The Pro Forma Consolidated Statements of Operations for the fiscal year ended July 30, 2005 and the three months ended October 29, 2005 assume that the acquisition occurred on August 1, 2004 and are based on the operations of the Company for the periods then ended. Such proforma financial statements reflect the issuance of 904,672 shares of restricted common stock, the participation in 100% of Villa's earnings, the elimination of the Villa Minority Interest liability, an increase in borrowings used to fund the \$2.9 million cash portion of the purchase price and the effect on earnings per share of the additional shares outstanding.

The unaudited pro forma consolidated financial statements have been prepared by the Company based on adjustments necessary to reflect the acquisition. The unaudited pro forma consolidated financial statements presented herein are shown for illustrative purposes only and are not necessarily indicative of the future financial position or future results of operations of the Company or the results of operations that would have actually occurred had the transaction been effective as of the periods presented.

PROFORMA CONSOLIDATED BALANCE SHEET:

- a) To record the \$5.9 million purchase price, the issuance of 904,782 shares of restricted Company Common Stock, the elimination of the minority interest liability, the recognition of \$4.6 million of Goodwill, the increase in short term borrowings of \$2.7 million to fund the cash portion of the purchase price, and a reduction in cash of \$0.2 million, as if the transaction had occurred as of October 29, 2005.

PROFORMA CONSOLIDATED STATEMENTS OF OPERATIONS:

Year ended July 30, 2005 and Three months ended October 29, 2005:

- a) To record the increase in borrowing costs associated with the additional short term borrowings that funded the cash portion of the purchase price.
- b) To record tax effect of the above transactions at an estimated effective rate of 37%.
- c) Adjustment to remove the minority interest share in Villa's results and reflect 100% participation by the Company.
- d) To reflect shares issued in connection with the acquisition.