

GLOBECOMM SYSTEMS INC  
Form 10-Q  
May 10, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**FORM 10-Q**

(MARK ONE)

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

**For the quarterly period ended March 31, 2012**

**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: 000-22839**

**Globecomm Systems Inc.**

**(Exact name of Registrant as specified in its charter)**

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**11-3225567**  
(I.R.S. Employer  
Identification No.)

**45 Oser Avenue,**

**Hauppauge, NY**  
(Address of principal executive offices)

**11788**  
(Zip Code)

**Registrant's telephone number, including area code: (631) 231-9800**

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 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.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company

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

As of May 7, 2012, there were 23,044,942 shares of the registrant's Common Stock outstanding.

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**Table of Contents****PART I FINANCIAL INFORMATION****Item 1. Financial Statements****GLOBECOMM SYSTEMS INC.****CONSOLIDATED BALANCE SHEETS****(In thousands, except share data)**

	<b>March 31, 2012 (Unaudited)</b>	<b>June 30, 2011</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 63,355	\$ 47,964
Accounts receivable, net	59,204	59,335
Inventories	46,121	42,429
Prepaid expenses and other current assets	5,524	5,620
Deferred income taxes	2,087	1,642
<b>Total current assets</b>	<b>176,291</b>	<b>156,990</b>
Fixed assets, net	45,117	42,147
Goodwill	69,739	70,171
Intangibles, net	20,276	23,055
Other assets	1,284	2,248
<b>Total assets</b>	<b>\$ 312,707</b>	<b>\$ 294,611</b>
<b>Liabilities and Stockholders Equity</b>		
Current liabilities:		
Accounts payable	\$ 40,109	\$ 31,403
Deferred revenues	7,032	13,649
Accrued payroll and related fringe benefits	6,955	6,412
Other accrued expenses	13,302	19,740
Current portion of long term debt	6,100	6,100
<b>Total current liabilities</b>	<b>73,498</b>	<b>77,304</b>
Other liabilities	4,359	9,248
Long term debt	16,100	20,675
Deferred income taxes	9,822	3,594
Commitments and contingencies		
Stockholders equity:		
Series A Junior Participating, shares authorized, issued and outstanding: none at March 31, 2012 and June 30, 2011		
Common stock, \$.001 par value, 50,000,000 shares authorized, shares issued: 23,506,967 at March 31, 2012 and 22,927,635 at June 30, 2011	24	23
Additional paid-in capital	200,704	196,688
Retained earnings (deficit)	11,121	(10,358)
Treasury stock, at cost, 465,351 shares at March 31, 2012 and June 30, 2011	(2,781)	(2,781)
Accumulated other comprehensive (loss) income	(140)	218

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Total stockholders' equity	208,928	183,790
Total liabilities and stockholders' equity	\$ 312,707	\$ 294,611

See accompanying notes.

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	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>March 31,</b>	<b>March 31,</b>	<b>March 31,</b>	<b>March 31,</b>
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Revenues from services	\$ 65,931	\$ 45,963	\$ 170,822	\$ 136,159
Revenues from infrastructure solutions	44,998	16,520	106,267	49,771
<b>Total revenues</b>	<b>110,929</b>	<b>62,483</b>	<b>277,089</b>	<b>185,930</b>
Costs and operating expenses:				
Costs from services	47,182	31,691	116,968	95,768
Costs from infrastructure solutions	40,047	12,866	94,539	40,073
Selling and marketing	4,843	4,251	14,291	12,928
Research and development	1,398	723	4,902	2,732
General and administrative	8,179	7,547	24,913	20,533
Earn-out fair value adjustments	2,829	400	(7,745)	2,549
<b>Total costs and operating expenses</b>	<b>104,478</b>	<b>57,478</b>	<b>247,868</b>	<b>174,583</b>
Income from operations	6,451	5,005	29,221	11,347
Interest income	59	44	171	144
Interest expense	(141)	(69)	(463)	(218)
Income before income taxes	6,369	4,980	28,929	11,273
Provision for income taxes	3,467	1,992	7,450	4,443
<b>Net income</b>	<b>\$ 2,902</b>	<b>\$ 2,988</b>	<b>\$ 21,479</b>	<b>\$ 6,830</b>
Basic net income per common share	\$ 0.13	\$ 0.14	\$ 0.98	\$ 0.32
Diluted net income per common share	\$ 0.13	\$ 0.14	\$ 0.95	\$ 0.31
Weighted-average shares used in the calculation of basic net income per common share	22,213	21,442	22,006	21,230
Weighted-average shares used in the calculation of diluted net income per common share	22,839	22,104	22,680	21,830

See accompanying notes.

**Table of Contents****GLOBECOMM SYSTEMS INC.****CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY****FOR THE NINE MONTHS ENDED MARCH 31, 2012****(In thousands)****(Unaudited)**

	Common Stock		Additional Paid-in Capital	Retained Earnings (Deficit)	Accumulated Other	Treasury Stock		Total Stockholders Equity
	Shares	Amount			Comprehensive (Loss) Income	Shares	Amount	
Balance at June 30, 2011	22,928	\$ 23	\$ 196,688	\$ (10,358)	\$ 218	465	\$ (2,781)	\$ 183,790
Proceeds from exercise of stock options	226	1	1,289					1,290
Proceeds from exercise of warrants	10		100					100
Stock compensation expense			2,627					2,627
Grant of restricted shares	343							
Comprehensive income:								
Net income				21,479				21,479
Loss from foreign currency translation					(358)			