

IDT CORP
Form 10-Q/A
September 03, 2003
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q/A
Amendment No. 3

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

For the Quarterly Period Ended April 30, 2003

OR

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

Commission File Number: 0-27898

IDT CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

22-3415036
(I.R.S. Employer
Identification Number)

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520 Broad Street, Newark, New Jersey
(Address of principal executive offices)

07102
(Zip Code)

(973) 438-1000

(Registrant's telephone number, including area code)

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 is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

Common Stock, \$.01 par value 19,654,897 shares outstanding as of June 11, 2003 (excluding 5,419,963 treasury shares)

Class A common stock, \$.01 par value 9,816,988 shares outstanding as of June 11, 2003

Class B common stock, \$.01 par value 51,220,669 shares outstanding as of June 11, 2003 (excluding 4,019,163 treasury shares)

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

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EXPLANATORY NOTE

We are filing this Amendment No. 3 on Form 10-Q/A to our quarterly report for the period ended April 30, 2003 primarily for the purpose of restating our financial statements and other financial information included in this report to consolidate the results of Net2Phone, Inc. for the period beginning on October 23, 2001 through July 31, 2002. In our original quarterly report for the period ended April 30, 2002 on Form 10-Q, we accounted for our investment in Net2Phone during this period using the equity method. Note 2 to our condensed consolidated financial statements included in this report summarizes the basis for this restatement. In addition, we have made certain other changes throughout this report to include additional information regarding Net2Phone, and our investment therein, and to clarify and supplement previously disclosed information regarding topics other than Net2Phone.

We have amended and restated our Quarterly Report on Form 10-Q for the period ended April 30, 2003 in its entirety because the changes referenced above have been made throughout the report. This Amendment No. 3 does not contain updates to reflect any events occurring after the original June 16, 2003 filing of our quarterly report on Form 10-Q for the period ended April 30, 2003. All information contained in this Amendment No. 3 is subject to updating and supplementing as provided in our reports filed with the Securities and Exchange Commission, as may be amended, for periods subsequent to the date of the original filing of the quarterly report on Form 10-Q.

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	<u>April 30, 2003</u>	<u>July 31, 2002</u>
	(Unaudited)	(Note 1) (Restated)
Assets		
Current assets:		
Cash and cash equivalents	\$ 243,415	\$ 415,464
Marketable securities	794,259	684,502
Trade accounts receivable, net	133,127	129,308
Other current assets	88,199	78,796
	<u>1,259,000</u>	<u>1,308,070</u>
Total current assets	1,259,000	1,308,070
Property, plant and equipment, net	288,070	283,506
Restricted cash	21,290	
Goodwill	34,424	34,411
Licenses and other intangibles, net	24,310	27,242
Investments	39,471	44,085
Marketable securities		18,704
Other assets	62,835	61,644
	<u>1,729,400</u>	<u>1,777,662</u>
Total assets	\$ 1,729,400	\$ 1,777,662
Liabilities and stockholders equity		
Current liabilities:		
Trade accounts payable	\$ 97,760	\$ 128,863
Accrued expenses	173,601	160,159
Deferred revenue	120,836	120,206
Capital lease obligations current portion	25,318	25,963
Other current liabilities	33,412	19,491
	<u>450,927</u>	<u>454,682</u>
Total current liabilities	450,927	454,682
Deferred tax liabilities, net	191,436	233,518
Capital lease obligations long-term portion	38,502	48,068
Other liabilities	14,299	5,060
	<u>695,164</u>	<u>741,328</u>
Total liabilities	695,164	741,328
Minority interests	162,184	166,564
Commitments and contingencies		
Stockholders equity:		

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Preferred stock, \$.01 par value; authorized shares 10,000,000; no shares issued		
Common stock, \$.01 par value; authorized shares 100,000,000; 25,147,360 and 24,988,597 shares issued at April 30, 2003 and July 31, 2002, respectively; 19,727,397 and 19,568,634 shares outstanding at April 30, 2003 and July 31, 2002, respectively	197	196
Class A common stock, \$.01 par value; authorized shares 35,000,000; 9,816,988 shares issued and outstanding at April 30, 2003 and July 31, 2002	98	98
Class B common stock, \$.01 par value; authorized shares 100,000,000; 55,044,832 and 54,009,844 shares issued at April 30, 2003 and July 31, 2002, respectively; 51,025,669 and 49,990,681 shares outstanding at April 30, 2003 and July 31, 2002, respectively	510	500
Additional paid-in capital	636,445	606,387
Treasury stock, at cost, consisting of 5,419,963 shares of common stock and 4,019,163 shares of Class B common stock	(153,713)	(153,713)
Accumulated other comprehensive loss	(4,369)	(2,435)
Retained earnings	392,884	418,737
Total stockholders' equity	872,052	869,770
Total liabilities and stockholders' equity	\$ 1,729,400	\$ 1,777,662

See notes to condensed consolidated financial statements.

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	Three Months Ended April 30,		Nine Months Ended April 30,	
	2003	2002 (Restated)	2003	2002 (Restated)
Revenues	\$ 454,870	\$ 419,447	\$ 1,348,808	\$ 1,152,947
Costs and expenses:				
Direct cost of revenues (exclusive of items shown below)	347,117	323,062	1,036,172	886,758
Selling, general and administrative	104,967	131,509	316,863	331,786
Depreciation and amortization	22,349	23,791	65,279	61,876
Settlement by Net2Phone of litigation			(58,034)	
Non-cash compensation	16,629	9,061	23,762	15,835
Restructuring, severance and impairment charges	1,707	114,436	9,033	138,414
Total costs and expenses	492,769	601,859	1,393,075	1,434,669
Loss from operations	(37,899)	(182,412)	(44,267)	(281,722)
Interest income, net	6,721	4,531	21,345	17,193
Other income (expense):				
Gain on sale of subsidiary stock	22,422		22,422	
Equity in loss of affiliates			(3,811)	(5,812)
Investment and other income (expense), net	(10,362)	(4,432)	(15,365)	(10,353)
Loss before minority interests, income taxes and cumulative effect of accounting change	(19,118)	(182,313)	(19,676)	(280,694)
Minority interests	(1,003)	111,487	(46,953)	147,384
Benefit from income taxes	10,818	21,233	40,776	55,173
Loss before cumulative effect of accounting change	(9,303)	(49,593)	(25,853)	(78,137)
Cumulative effect of accounting change, net of income taxes of \$3,525				(146,983)
Net loss	\$ (9,303)	\$ (49,593)	\$ (25,853)	\$ (225,120)
Loss per share:				
Loss before cumulative effect of accounting change:				
Basic	\$ (0.12)	\$ (0.64)	\$ (0.32)	\$ (1.06)
Diluted	\$ (0.12)	\$ (0.64)	\$ (0.32)	\$ (1.06)
Cumulative effect of accounting change, net of income taxes:				
Basic	\$	\$	\$	\$ (2.00)
Diluted	\$	\$	\$	\$ (2.00)
Net loss:				

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Basic	\$ (0.12)	\$ (0.64)	\$ (0.32)	\$ (3.06)
Diluted	\$ (0.12)	\$ (0.64)	\$ (0.32)	\$ (3.06)
Weighted-average number of shares used in calculation of loss per share:				
Basic	80,262	76,938	79,808	73,592
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Diluted	80,262	76,938		