

VERIFONE SYSTEMS, INC.

Form 10-Q

March 11, 2015

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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 January 31, 2015

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: 001-32465

VERIFONE SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

2099 Gateway Place, Suite 600

San Jose, CA 95110

(Address of principal executive offices with zip code)

(408) 232-7800

(Registrant's telephone number, including area code)

N/A

(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 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 (§232.405 of this chapter) 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 the 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 (Do not check if a smaller reporting company)

Smaller reporting company

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

The number of shares outstanding of each of the issuer's classes of common stock, as of the close of business on February 27, 2015:

Class

Number of shares

Common Stock, \$0.01 par value per share

113,740,690

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PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (Unaudited)

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VERIFONE SYSTEMS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Three Months Ended January 31,		
	2015	2014	
	(Unaudited, in thousands)		
Net income (loss) attributable to VeriFone Systems, Inc. stockholders	\$ 13,848	\$(16,233)
Other comprehensive income (loss):			
Foreign currency translation adjustments	(133,904) (18,696)
Unrealized gain (loss) on derivatives designated as cash flow hedges			
Change in unrealized gain (loss) on derivatives designated as cash flow hedges, net of tax	(4,187) 956	
Amounts reclassified from Accumulated other comprehensive loss, net of tax	700	(691)
Net change in unrealized gain (loss) on derivatives designated as cash flow hedges	(3,487) 265	
Other			
Change in other, net of tax	27	124	
Amounts reclassified from Accumulated other comprehensive loss, net of tax	—	(296)
Net change in other	27	(172)
Other comprehensive loss	(137,364) (18,603)
Comprehensive loss attributable to VeriFone Systems, Inc. stockholders	\$(123,516) \$(34,836)

The accompanying notes are an integral part of these condensed consolidated financial statements.

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CONDENSED CONSOLIDATED BALANCE SHEETS

	January 31, 2015	October 31, 2014
	(Unaudited, in thousands, except par value)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$240,636	\$250,187
Accounts receivable, net of allowances of \$9,762 and \$9,880	287,310	305,500
Inventories	137,611	124,275
Prepaid expenses and other current assets	103,803	105,610
Total current assets	769,360	785,572
Fixed assets, net	168,580	177,753
Purchased intangible assets, net		