SUNTRON CORP
Form 10-Q
August 15, 2007

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

þ **Quarterly report pursuant to section 13 or 15 (d) of the Securities Exchange Act of 1934**
For the fiscal quarter ended, July 1, 2007, or

o **Transition report pursuant section 13 or 15 (d) of the Securities Exchange Act of 1934**
For the transition period from __________ to __________

Commission file number 0-49651
SUNTRON CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**86-1038668**
(State of Incorporation)	(I.R.S. Employer Identification No.)
2401 West Grandview Road, Phoenix, Arizona	**85023**
(Address of Principal Executive Offices)	(Zip Code)

(602) 789-6600
(Registrant s telephone number, including area code)
Not Applicable
(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 þ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer as defined in Exchange Act Rule 12b-2.

Large Accelerated Filer o Accelerated Filer o Non-Accelerated Filer þ

Indicate by check mark if the Registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes o No þ

As of **July 31, 2007**, there were outstanding **27,605,523** shares of the Registrant s Common Stock, $0.01 par value.

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SUNTRON CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
As of December 31, 2006 and July 1, 2007
(In Thousands, Except Per Share Amounts)
(Unaudited)

	2006	2007
ASSETS		
Current Assets:		
Cash and equivalents	$ 46	$ 50
Trade receivables, net of allowance for doubtful accounts of $1,647 and $1,188, respectively	40,756	39,795
Inventories	56,038	41,803
Prepaid expenses and other	1,186	1,350
Total Current Assets	98,026	82,998
Property and equipment, net	5,184	4,468
Goodwill	10,918	10,702
Other assets	2,785	2,595
Total Assets	$ 116,913	$ 100,763
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities:		
Accounts payable	$ 30,285	$ 19,715
Outstanding checks in excess of cash balances	804	1,657
Borrowings under revolving credit agreement	19,759	15,182
Accrued compensation and benefits	4,721	5,132
Payable to affiliates	432	280
Other accrued liabilities	4,252	2,294
Total Current Liabilities	60,253	44,260
Long-term subordinated debt payable to affiliate	11,353	12,327
Other long-term liabilities	1,755	1,656
Total Liabilities	73,361	58,243
Commitments (Note 4)		
Stockholders Equity:		
Preferred stock, $.01 par value. Authorized 10,000 shares, none issued		
Common stock, $.01 par value. Authorized 50,000 shares; issued and outstanding 27,577 shares and 27,606 shares, respectively	276	276
Additional paid-in capital	381,329	381,701

Accumulated deficit	(338,053)	(339,457)
Total Stockholders Equity	43,552	42,520
Total Liabilities and Stockholders Equity	$ 116,913	$ 100,763

The Accompanying Notes Are an Integral Part of These Condensed Consolidated Financial Statements.

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SUNTRON CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
For The Quarters and the Six Months Ended July 2, 2006 and July 1, 2007
(In Thousands, Except Per Share Amounts)
(Unaudited)

	Quarter Ended		Six Months Ended	
	July 2, 2006	**July 1, 2007**	**July 2, 2006**	**July 1, 2007**
Net Sales	$ 85,101	$ 64,163	$ 180,896	$ 129,328
Cost of Goods Sold	78,895	58,232	166,676	119,929
Gross profit	6,206	5,931	14,220	9,399
Operating Expenses:				
Selling, general and administrative expenses	6,198	4,389	12,249	8,794
Severance, retention and lease exit costs	222	68	344	114
Related party management and consulting fees	187	187	375	375
Total operating expenses	6,607	4,644	12,968	9,283
Operating income (loss)	(401)	1,287	1,252	116
Other Income (Expense):				
Interest expense	(938)	(1,055)	(3,763)	(2,118)
Gain on sale of business unit				448
Gain on sale of assets	26	8	46	95
Interest and other, net	(3)	26	12	55
Total other income (expense)	(915)	(1,021)	(3,705)	(1,520)
Net income (loss)	$ (1,316)	$ 266	$ (2,453)	$ (1,404)
Earning (Loss) Per Share (Basic and Diluted)	$ (0.05)	$ 0.01	$ (0.09)	$ (0.05)
Weighed Average Shares Outstanding:				
Basic	27,526	27,595	27,491	27,588
Diluted	27,526	27,650	27,491	27,588

The Accompanying Notes Are an Integral Part of These Condensed Consolidated Financial Statements.

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SUNTRON CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For The Six Months Ended July 2, 2006 and July 1, 2007
(In Thousands)
(Unaudited)

	2006	2007
Cash Flows from Operating Activities:		
Net loss	$ (2,453)	$ (1,404)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,781	1,438
Amortization of debt issuance costs	1,839	172
Gain on sale of business unit		(448)
Gain on sale of assets	(46)	(95)
Stock-based compensation expense	386	372
Interest on subordinated debt to affiliate	421	974
Changes in operating assets and liabilities, net of effects of sale of business unit:		
Decrease (increase) in:		
Trade receivables, net	2,153	(1,020)
Inventories	865	12,118
Prepaid expenses and other	5	(301)
Increase (decrease) in:		
Accounts payable	(6,324)	(9,257)
Accrued compensation and benefits	69	454
Other accrued liabilities	(2,882)	(1,352)
Net cash provided by (used in) operating activities	(3,186)	1,651
Cash Flows from Investing Activities:		
Proceeds from sale of business unit		4,427
Proceeds from sale of property, plant and equipment	18,189	95
Professional fees associated with sale of property	(105)	
Payments for property, plant and equipment	(1,060)	(896)
Net cash provided by investing activities	17,024	3,626
Cash Flows from Financing Activities:		
Proceeds from borrowings under debt agreements	214,101	131,740
Principal payments under debt agreements	(230,060)	(137,759)
Payments for debt issuance costs	(934)	(107)
Increase in outstanding checks in excess of cash balances	3,104	853
Proceeds from exercise of stock options	1	
Net cash used in financing activities	(13,788)	(5,273)
Net increase in cash and equivalents	50	4
Cash and Equivalents:		
Beginning of period	59	46

End of period	$	109	$	50

The Accompanying Notes Are an Integral Part of These Condensed Consolidated Financial Statements.

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SUNTRON CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS, Continued
For The Six Months Ended July 2, 2006 and July 1, 2007
(In Thousands)
(Unaudited)

	2006	2007
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$ 2,672	$ 1,016
Cash paid for income taxes	$	$
Supplemental Schedule of Non-cash Investing and Financing Activities:		
Deposit retained by purchaser of real estate to secure obligations related to partial leaseback of building	$ 1,500	$

The Accompanying Notes Are an Integral Part of These Condensed Consolidated Financial Statements.

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SUNTRON CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In Thousands, Except Per Share Amounts)
(Unaudited)

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and in conformity with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the fiscal quarter and the six months ended July 1, 2007 are not necessarily indicative of the results that may be expected for the year ending December 31, 2007. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in Suntron s Annual Report on Form 10-K, as amended, for the year ended December 31, 2006.

2. Earnings (Loss) Per Share

Basic earnings (loss) per share excludes dilution for potential common shares and is computed by dividing net income or loss by the weighted average number of common shares outstanding for the period. Diluted earnings (loss) per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock. Basic and diluted loss per share are the same for the quarter and the six months ended July 2, 2006 and for the six months ended July 1, 2007 as all potential common shares were antidilutive. For the three and six-month periods ended July 2, 2006, common stock options that were excluded from the calculation of diluted loss per share amounted to an aggregate of 2,457 shares. For the six-month period ended July 1, 2007, common stock options that were excluded from the calculation of diluted loss per share amounted to an aggregate of 2,191 shares. For the quarter ended July 1, 2007, common stock options that were excluded from the calculation of diluted earnings per share amounted to an aggregate of 1,969 shares.

3. Inventories

Inventories at December 31, 2006 and July 1, 2007 are summarized as follows:

	2006	2007
Purchased parts and completed sub-assemblies	$ 40,182	$ 28,633
Work-in-process	11,699	7,960
Finished goods	4,157	5,210
Total	$ 56,038	$ 41,803

For the quarters ended July 2, 2006 and July 1, 2007, the Company recognized write-downs of excess and obsolete inventories resulting in charges to cost of goods sold of $707 and $1,520, respectively. For the six months ended July 2, 2006 and July 1, 2007, the Company recognized write-downs of excess and obsolete inventories of $1,856 and $2,194, respectively.

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4. Debt Financing

On March 30, 2006, the Company entered into a three-year senior credit agreement with US Bank National Association (US Bank). The US Bank credit agreement provides for a $50,000 commitment under a revolving credit facility that matures in March 2009. The Company has the option to terminate the credit agreement before the maturity date with a prepayment penalty of 1.0% of the commitment amount if the prepayment occurs before November 30, 2008. Under the terms of the US Bank credit agreement, the Company can elect to incur interest at a rate equal to either (a) the Prime Rate plus 0.50%, or (b) the LIBOR Rate plus 3.00%. These rates can be reduced in the future by up to 0.50% for Prime Rate borrowings and 0.75% for LIBOR Rate borrowings depending on the Company s adjusted fixed charge coverage (FCC) ratio, as defined in the credit agreement. As of July 1, 2007, the interest rate for Prime Rate borrowings was 8.75% and the effective rate for LIBOR Rate borrowings was 8.34%. In addition, the Company is obligated to pay a commitment fee of 0.25% per annum for the unused portion of the credit agreement.

Substantially all of the Company s assets are pledged as collateral for outstanding borrowings under the US Bank credit agreement. The credit agreement also limits or prohibits the Company from paying dividends, incurring additional debt, selling significant assets, acquiring other businesses, or merging with other entities without the consent of the lenders. The credit agreement requires compliance with certain financial and non-financial covenants, including a rolling four-quarter adjusted FCC ratio.

Similar to the previous credit agreement, the US Bank credit agreement includes a lockbox arrangement that requires the Company to direct its customers to remit payments to restricted bank accounts, whereby all available funds are used to pay down the outstanding principal balance under the credit agreement. Accordingly, the entire outstanding principal balance under the credit agreement is classified as a current liability in the accompanying condensed consolidated balance sheets.

Total borrowings under the US Bank credit agreement are subject to limitation based on a percentage of eligible accounts receivable and inventories. Accordingly, the Company s borrowing availability generally decreases as our net receivables and inventories decline. As of July 1, 2007, the borrowing base calculation permitted total borrowings of $38,760, and the Company was in compliance with all of the covenants under the US Bank credit agreement. After deducting the outstanding principal balance of $15,182 and outstanding letters of credit of $2,000, the Company had borrowing availability of $21,578 as of July 1, 2007. As of August 3, 2007, the Company s loan balance was $9,180 .

On March 30, 2006, the Company also entered into a $10,000 subordinated Note Purchase Agreement (the Second Lien Note) with an affiliate of the Company s majority stockholder. The Second Lien Note is collateralized by a second priority security interest in substantially all of the collateral under the US Bank credit agreement. The Second Lien Note is subordinated in right of payment to the obligations under the US Bank credit agreement and provides for a maturity date that is 45 days after the maturity date of the US Bank credit agreement. The Second Lien Note provides for an interest rate of 16.0%, payable quarterly in kind (or payable in cash with written approval from US Bank). Upon maturity or termination of the US Bank credit agreement, the Company has

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the option to prepay the Second Lien Note with a redemption penalty not to exceed 3.0% of the then outstanding principal balance. If the Second Lien Note is pre-paid on the maturity date, a fee equal to 2.0% of the then outstanding principal balance is due. Accordingly, the Company is recording interest expense related to this 2.0% fee using the effective interest method.

In connection with the US Bank credit agreement, an affiliate of the Company s majority stockholder also agreed to enter into an FCC maintenance agreement that requires the affiliate to make up to $5,000 of additional subordinated loans to the Company if the FCC is below a prescribed level. Loans pursuant to the FCC maintenance agreement would have similar terms as the Second Lien Note; however, the interest rate on such additional loans can not exceed 18.0%. Through July 1, 2007, no additional loans have not been required to achieve compliance with the FCC covenant and management does not expect that additional loans will be required through 2007.

At December 31, 2005, the Company had a $75,000 revolving credit facility with two financial institutions which was scheduled to expire in July 2008. On March 30, 2006, the Company terminated this credit agreement and entered into new debt financing agreements as discussed above. Due to the early termination of this credit agreement, the Company recognized a charge to interest expense of $1,447 to write-off the remaining unamortized debt issuance costs in the first quarter of 2006.

5. Restructuring Activities

The Company periodically takes actions to reduce costs and increase capacity utilization through the closure of facilities and reductions in workforce. The results of operations related to these activities for the quarters and the six months ended July 2, 2006 and July 1, 2007, are summarized as follows:

	Quarter Ended		**Six Months Ended**	
	July 2, 2006	**July 1, 2007**	**July 2, 2006**	**July 1, 2007**
Amounts related to manufacturing activities and included in cost of goods sold:				
Severance and retention costs	$201	$62	$263	$103
Lease exit costs	39		46	1,029
Moving and relocation costs	5	125	12	102
Total included in cost of goods sold	245	187	321	1,234
Amounts unrelated to manufacturing activities and excluded from cost of goods sold:				
Severance and retention costs	29	61	136	75
Lease exit costs				

	184		194	7
Moving, relocation and other costs	9	7	14	32
Total severance, retention and lease exit costs	222	68	344	114
Total Restructuring Expense	$467	$255	$665	$1,348

Presented below is a description of the principal activities that resulted in the charges shown in the table above:

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SUNTRON CORPORATION AND SUBSIDIARIES
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(In Thousands, Except Per Share Amounts)

In the second quarter of 2006, the Company incurred lease exit charges of $223, primarily due to revised assumptions about subleasing activities for the former Phoenix, Arizona headquarters location.

In June 2006, the Company announced plans to consolidate its Northeast contract manufacturing business unit (NEO), located in Lawrence, Massachusetts to other Suntron facilities in order to eliminate fixed and variable costs associated with excess capacity. In connection with this consolidation, the Company incurred severance and retention costs of $218 in the second quarter of 2006.

In March 2007, the Company entered into a lease amendment with the landlord of its Lawrence, Massachusetts facility. The expiration date of the lease remains in March 2011 but the Company agreed to make a cash payment of approximately $1,080 as consideration for a reduction in the square footage under the lease from 73,000 to approximately 17,000. Accordingly, in the first quarter of 2007, the Company recognized a lease exit charge equal to this cash payment less $60 for the reversal of non-level rent expensed in prior periods. As a result of this amendment, the Company will be able to avoid future rent payments of approximately $2,100 that would have otherwise been due through the March 2011 expiration date of the lease.

For the quarter and the six months ended July 1, 2007, the Company incurred severance and retention costs of $123 and $178, respectively. These costs primarily related to the termination of managerial employees and other reductions in the manufacturing workforce.

Summary of Restructuring Liabilities. Presented below is a summary of changes in liabilities for lease exit costs and severance and retention obligations for the six months ended July 1, 2007:

	Accrued Lease Exit Costs	Accrued Severance & Retention
Balance, December 31, 2006	$ 469	$ 116
Accrued expense for restructuring activities	1,020	178
Cash receipts under subleases	10	
Cash payments	(1,574)	(163)
Accretion of interest	15	
Reclassification of non-level rent liability	60	
Balance, July 1, 2007	$	$ 131

The obligation for accrued severance and retention is included in accrued compensation and benefits in the Company s condensed consolidated balance sheet and is expected to be paid over the next five months.

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6. Gain on Sale of Business

In February 2007, the Company sold its business unit located in Garner, Iowa for net proceeds of $4,427. The sales agreement provides that the buyer is required to pay additional consideration of up to $600 depending on the targeted level of net sales generated by this business unit in 2007. As a result of the sale, the Company recognized a gain of approximately $448 in the first quarter of 2007 and any additional consideration received will be recorded as an additional gain in the period that the targeted sales levels are achieved. The historical results of operations of this business unit were not significant to the Company s financial condition, results of operations or cash flows.

7. New Accounting Standards

In June 2006, the Financial Accounting Standards Board (FASB) issued Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes* . FIN 48 is an interpretation of Statement of Financial Accounting Standards No. 109, which provides criteria for the recognition, measurement, presentation and disclosures of uncertain tax positions. A tax benefit from an uncertain tax position may be recognized if it is more likely than not that the position is sustainable based solely on its technical merits. The provisions of FIN 48 are effective for fiscal years beginning after December 15, 2006.

Upon adoption of FIN 48 on January 1, 2007, the Company had no unrecognized tax benefits and management is not aware of any issues that would cause a significant increase to the amount of unrecognized tax benefits within the next year. The Company s policy is to recognize any interest or penalties as a component of income tax expense. The Company s material taxing jurisdictions are comprised of the U.S. federal jurisdiction and the states of Texas, Arizona and Oregon. The tax years 2003 through 2006 remain open to examination by the U.S. federal jurisdiction, and tax years 2002 through 2006 remain open to examination for Texas, Arizona and Oregon.

In September 2006, the FASB issued Statement No. 157, *Fair Value Measurements* . This new standard establishes a framework for measuring the fair value of assets and liabilities. This framework is intended to provide increased consistency in how fair value determinations are made under various existing accounting standards which permit, or in some cases require, estimates of fair market value. Statement No. 157 also expands financial statement disclosure requirements about a company s use of fair value measurements, including the effect of such measures on earnings. This statement is effective for fiscal years beginning after November 15, 2007. While the Company is currently evaluating the provisions of Statement No. 157, the adoption of this Statement is not expected to have a material impact on its 2008 consolidated financial statements.

In February 2007, the FASB issued Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities Including an amendment of FASB Statement No. 115"*. This Statement permits entities to choose to measure many financial instruments at fair value. A business entity shall report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. The Company will be required to adopt Statement No. 159 in the first quarter of the year ending December 31, 2008.

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SUNTRON CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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While management is currently evaluating the provisions of Statement No. 159, the adoption is not expected to have a material impact on the Company s 2008 consolidated financial statements.

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Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and the related notes, and the other financial information included in this report, as well as the information in our Annual Report on Form 10-K for the year ended December 31, 2006.

Statement Regarding Forward-Looking Statements

This report on Form 10-Q contains forward-looking statements regarding future events, including our future financial and operational performance. Forward-looking statements include statements regarding markets for our products; trends in net sales, gross profits, and estimated expense levels; liquidity, anticipated cash needs and borrowing availability; and any statement that contains the words anticipate, believe, plan, estimate, expect, seek, and other similar expressions. The forward-looking statements included in this report reflect our current expectations and beliefs, and we do not undertake publicly to update or revise these statements, even if experience or future changes make it clear that any projected results expressed in this report, annual or quarterly reports to stockholders, press releases, or company statements will not be realized. In addition, the inclusion of any statement in this report does not constitute an admission by us that the events or circumstances described in such statement are material. Furthermore, we wish to caution and advise readers that these statements are based on assumptions that may not materialize and may involve risks and uncertainties, many of which are beyond our control, that could cause actual events or performance to differ materially from those contained or implied in these forward-looking statements. These risks and uncertainties include, but are not limited to, risks related to the realization of anticipated revenue and profitability; the ability to meet cost estimates and achieve the expected benefits associated with recent restructuring activities; trends affecting our growth; and the business and economic risks described in Item 1A of Part II herein under the caption Risk Factors.

Overview

We achieved net income of $0.3 million for the second quarter of 2007 on net sales of $64.2 million. This compares to a net loss of $1.3 million for the second quarter of 2006 on net sales of $85.1 million. Despite the $20.9 million reduction in net sales for the second quarter of 2007, our net income increased by $1.6 million primarily as a result of our rightsizing activities and improved operating efficiencies. Our net income for the second quarter of 2007 includes restructuring costs of $0.3 million compared to $0.5 million for the second quarter of 2006.

Two key restructuring actions took place in the third and fourth quarters of 2006, when we completed the closures of manufacturing business units in Lawrence, Massachusetts and Olathe, Kansas. In addition, during February 2007 we sold our business unit in Garner, Iowa which resulted in net proceeds of $4.4 million and a gain on sale of $0.4 million. In March 2007, we amended our lease in Lawrence, Massachusetts whereby future rental payments of approximately $2.1 million were eliminated in exchange for a cash payment of approximately $1.1 million. By the second quarter of 2007, the combination of these actions had resulted in a significant reduction in our fixed costs and improved plant capacity utilization at most of our facilities. For the second quarter of 2007, the cumulative impact of these rightsizing actions laid the foundation for a $1.7 million improvement in operating income, despite a significant decline in net sales as compared to the second quarter of 2006.

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During the second quarter of 2007, we also maintained our focus on working capital management, which resulted in a $14.2 million reduction in our inventories during the first half of 2007. Along with the improvement in profitability for the second quarter of 2007, our focus on working capital management contributed to a reduction in debt. At the end of the second quarter of 2007, borrowings under our revolving credit agreement amounted to $15.2 million and unused borrowing availability was $21.6 million. As we continue to execute our 2007 business plan, our focus is on increasing revenue in each of our target markets by growing with current and new customers. .

Following is an overview of the information included under each section of Management s Discussion and Analysis of Financial Condition and Results of Operations:

Caption	Overview
Information About Our Business	Under this section we provide information to help understand our industry conditions and information unique to our business and customer relationships.
Critical Accounting Policies and Estimates	This section provides details about some of the critical estimates and accounting policies that must be applied in the preparation of our financial statements. It is important to understand the nature of key uncertainties and estimates that may not be apparent solely from reading our financial statements and the related footnotes.
Overview of Statement of Operations	This section includes a description of the types of transactions that are included in each significant category included in our statement of operations.
Results of Operations	This section includes a discussion and analysis of our operating results for the second quarter of 2006 compared to the second quarter of 2007. This section also contains a similar discussion and analysis of our operating results for the first six months of 2006 compared to the first six months of 2007.
Liquidity and Capital Resources	There are several sub-captions under this section, including a discussion of our cash flows for the first six months of 2007 and other liquidity measures that we consider important to our business. Under the sub-caption for Contractual Obligations , we discuss on- and off-balance-sheet obligations and the expected impact on our liquidity. Under the sub-caption for Capital Resources , we have included a discussion of our debt agreements, including details about interest rates charged, calculation of the borrowing base and unused availability, compliance with the financial covenant in our debt agreement, and the impact of recent actions to sell assets and enter into new debt agreements.

Information About Our Business

Suntron delivers complete manufacturing services and solutions to support the