

CERIDIAN CORP /DE/
Form 10-Q
May 09, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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, 2006

or

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

For transition period from _____ to _____

Commission file number: 1-15168

CERIDIAN CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

41-1981625
(I.R.S. Employer
Identification No.)

3311 East Old Shakopee Road, Minneapolis, Minnesota
(Address of principal executive offices)

55425
(Zip Code)

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Registrant's telephone number, including area code: (952) 853-8100

Former name, former address and former fiscal year if changed from last report: **Not Applicable**

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 a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

LARGE ACCELERATED FILER ACCELERATED FILER NON-ACCELERATED FILER

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 of registrant's common stock, par value \$.01 per share, outstanding as of May 1, 2006, was 146,915,981.

CERIDIAN CORPORATION AND SUBSIDIARIES

FORM 10-Q

March 31, 2006

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Part I. Financial Information**Item 1. Financial Statements**

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(Dollars in millions, except per share data)

	Three Months Ended March 31,	
	2006	2005
Revenue	\$ 384.3	\$ 357.4
Costs and Expenses		
Cost of revenue	205.7	193.0
Selling, general and administrative	115.5	114.1
Research and development	7.8	6.4
Loss on derivative instruments	0.9	9.5
Other income, net	(1.5)	(1.0)
Interest income	(4.1)	(1.4)
Interest expense	1.3	1.6
Total costs and expenses	325.6	322.2
Earnings before income taxes	58.7	35.2
Income tax provision	22.5	13.2
Net earnings	\$ 36.2	\$ 22.0
Earnings per share		
Basic	\$ 0.25	\$ 0.15
Diluted	\$ 0.24	\$ 0.15
Shares used in calculations (in 000 s)		
Weighted average shares (basic)	145,490	149,637
Dilutive securities	3,344	1,025
Weighted average shares (diluted)	148,834	150,662
Antidilutive shares excluded (in 000 s)	881	12,464

See notes to consolidated financial statements.

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CONSOLIDATED BALANCE SHEETS

(Unaudited)

(Dollars in millions)

	March 31, 2006	December 31, 2005
Assets		
Cash and equivalents	\$ 408.4	\$ 335.6
Trade and other receivables, less reserves and allowance for doubtful accounts of \$24.1 and \$22.1	602.5	584.8
Current deferred income taxes	17.6	16.5
Other current assets	99.1	88.8
Total current assets	1,127.6	1,025.7
Property, plant and equipment, net	116.6	121.5
Goodwill, net	935.9	936.5
Software and development costs, net	70.2	71.8
Other intangible assets, net	32.1	35.6
Other noncurrent assets	102.7	100.0
Total assets before customer funds	2,385.1	2,291.1
Customer funds	4,997.5	4,341.2
Total assets	\$ 7,382.6	\$ 6,632.3
Liabilities and Stockholders' Equity		
Short-term debt and current portion of long-term obligations	\$ 25.0	\$ 25.5
Accounts payable	54.4	67.7
Drafts and settlements payable	253.8	232.7
Customer advances	38.9	39.3
Deferred income	118.5	114.0
Accrued taxes	29.3	22.8
Employee compensation and benefits	58.4	67.8
Other accrued expenses		