

WMS INDUSTRIES INC /DE/
Form 10-Q
November 07, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2007

OR

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**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: 1-8300

WMS INDUSTRIES INC.

(Exact name of registrant as specified in its Charter)

Delaware

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

36-2814522

(I.R.S. Employer Identification No.)

800 South Northpoint Blvd.

Waukegan, IL 60085

(Address of Principal Executive Offices)

(847) 785-3000

(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 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. (Check one):

Large accelerated filer
filer

Non-accelerated filer Accelerated

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 50,585,275 shares of common stock, \$0.50 par value, were outstanding at October 29, 2007.

WMS INDUSTRIES INC.

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

WMS INDUSTRIES INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended September 30, 2007 and 2006
(in millions of U.S. dollars and millions of shares, except per share amounts)
(Unaudited)

	2007	2006
REVENUES:		
Product sales	\$ 80.9	\$ 68.6
Gaming operations	51.6	42.0
Total revenues	132.5	110.6
COSTS AND EXPENSES:		
Cost of product sales(1)	42.3	39.4
Cost of gaming operations(1)	10.6	8.6
Research and development	16.8	12.5
Selling and administrative	27.8	23.6
Depreciation(1)	18.2	15.2
Total costs and expenses	115.7	99.3
OPERATING INCOME	16.8	11.3
Interest expense	(1.0)	(1.7)
Interest and other income, net	1.1	0.9
Income before income taxes	16.9	10.5
Provision for income taxes	5.8	3.4
NET INCOME	\$ 11.1	\$ 7.1
Earnings per share:		
Basic	\$ 0.22	\$ 0.15
Diluted	\$ 0.19	\$ 0.13
Weighted-average common shares:		
	49.8	47.6

Basic common stock outstanding		
Diluted common stock and common stock equivalents	60.8	57.5

(1) Cost of product sales and cost of gaming operations exclude the following amounts of depreciation, which are included separately in the depreciation line item:

Cost of product sales	\$	0.8	\$	0.6
Cost of gaming operations	\$	15.4	\$	12.7

The accompanying Notes are an integral part of these Condensed Consolidated Financial Statements.

WMS INDUSTRIES INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
September 30, 2007 and June 30, 2007
(in millions of U.S. dollars and millions of shares)

	September 30, 2007	June 30, 2007
ASSETS	(unaudited)	