BRIGHTPOINT INC
Form 10-Q
May 09, 2005

UNITED STATES
SECURITIES & EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: March 31, 2005

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: 0-23494

BRIGHTPOINT, INC.

(Exact name of registrant as specified in its charter)

Indiana	35-1778566
State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification No.)

501 Airtech Parkway, Plainfield, Indiana	46168
(Address of principal executive offices)	(Zip Code)

(317) 707-2355

(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. [X] Yes [ ] No

Indicate by checkmark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act) Yes [X] No [ ]

Number of shares of the registrant's common stock outstanding at May 5, 2005: 18,125,881 shares, excluding 1,833,000 treasury shares

BRIGHTPOINT, INC.

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BRIGHTPOINT, INC.
INTRODUCTORY NOTE

The Company issued a press release on May 6, 2005, which it filed as an exhibit to a Form 8-K, relating to the restatement of the Company's financial statements as of and for the year ended December 31, 2004. The Company also filed a Form 10-K/A describing the restatement of the Consolidated Financial Statements as of and for the year ended December 31, 2004, and for all the quarterly periods in 2004. The quarterly results for the first quarter of 2004 included herein are as restated. Please refer to Note 2 to the Consolidated

Financial Statements included herein as well as Note 19 to the Consolidated Financial Statements included in the Form 10-K/A for additional information with respect to the restatement.

BRIGHTPOINT, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share data)
(Unaudited)

	THREE MONTHS ENDED MARCH 31,	
	2005	2004
Revenue		
Distribution revenue	$ 406,725	$ 377,942
Logistics services revenue	78,889	62,268
Total revenue	485,614	440,210
Cost of revenue		
Cost of distribution revenue	390,585	364,660
Cost of logistics services revenue	66,732	51,482
Total cost of revenue	457,317	416,142
Gross profit	28,297	24,068
Selling, general and administrative expenses	22,854	19,874
Facility consolidation charge	1,203	--
Operating income from continuing operations	4,240	4,193
Interest expense	585	469
Interest income	(212)	(201)
Other expenses	202	568
Income from continuing operations before income taxes	3,665	3,357
Income tax expense	1,100	1,003
Income from continuing operations	2,565	2,354
Discontinued operations:		
Loss from discontinued operations	(29)	(341)
Gain (loss) on disposal of discontinued operations	338	(4,234)
Total discontinued operations	309	(4,575)
Net income (loss)	$ 2,874	$ (2,221)
Basic per share:		
Income from continuing operations	$ 0.14	$ 0.12
Discontinued operations	0.02	(0.24)
Net income (loss)	$ 0.16	$ (0.12)

Diluted per share:		
Income from continuing operations	$ 0.14	$ 0.12
Discontinued operations	0.02	(0.23)
Net income (loss)	$ 0.16	$ (0.11)
Weighted average common shares outstanding:		
Basic	17,707	19,270
Diluted	18,373	19,940

See accompanying notes.

BRIGHTPOINT, INC.
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except per share data)

	MARCH 31, 2005	December 31, 20
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 71,198	$ 72,120
Pledged cash	12,786	13,830
Accounts receivable (less allowance for doubtful accounts of $6,219 in 2005 and $6,215 in 2004)	123,624	148,321
Inventories	105,535	110,089
Contract financing receivable	13,317	14,022
Other current assets	25,569	23,132
Total current assets	352,029	381,514
Property and equipment, net	26,598	27,503
Goodwill and other intangibles, net	21,276	21,981
Other assets	7,796	6,586
Total assets	$ 407,699	$ 437,584
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 173,940	$ 201,621
Accrued expenses	60,408	61,851
Unfunded portion of contract financing receivable	20,876	23,375
Lines of credit	4,563	--
Total current liabilities	259,787	286,847
COMMITMENTS AND CONTINGENCIES		
Minority interest	--	--

Shareholders' equity:		
Preferred stock, $0.01 par value: 1,000 shares authorized; no shares issued or outstanding	--	--
Common stock, $0.01 par value: 100,000 shares authorized; 19,585 and 19,499 issued in 2005 and in 2004, respectively	196	195
Treasury stock, at cost, 1,833 shares in 2005 and 1,606 shares in 2004	(28,409)	(24,010)
Additional paid-in capital	234,291	233,768
Retained earnings (deficit)	(61,094)	(63,968)
Accumulated other comprehensive income	2,928	4,752
Total shareholders' equity	147,912	150,737
Total liabilities and shareholders' equity	$ 407,699	$ 437,584

See accompanying notes.

BRIGHTPOINT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)
(Unaudited)

	THREE MONTHS ENDED MARCH 31,	
	2005	2004
OPERATING ACTIVITIES		
Net income (loss)	$ 2,874	$ (2,221
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	3,016	2,661
Discontinued operations	(309)	4,575
Net cash used by discontinued operations	(3)	(1,401
Facility consolidation charge	1,203	--
Pledged cash requirements	1,044	538
Income tax benefits from exercise of stock options	208	--
Changes in deferred taxes	(1,803)	--
Changes in operating assets and liabilities, net of effects from acquisitions and divestitures:		
Accounts receivable, net	22,781	12,288
Inventories, net	2,722	9,731
Other operating assets	(3,370)	1,142
Accounts payable	(24,665)	(22,464
Accrued expenses	1,222	(8,634
Net cash provided (used) by operating activities	4,920	(3,785
INVESTING ACTIVITIES		
Decrease (increase) in funded contract financing receivables	(1,754)	2,868
Capital expenditures	(2,155)	(2,169

Proceeds from Ireland sale	--	1,714
Increase in other assets	(56)	(374
Purchase acquisitions, net of cash acquired	(308)	(213
Net cash provided (used) by investing activities	(4,273)	1,826
FINANCING ACTIVITIES		
Net borrowing (payments) on credit facilities	4,667	(16,484
Pledged cash requirements	--	5,000
Proceeds from common stock issuances under employee stock option and purchase plans	316	308
Purchase of treasury stock	(4,399)	--
Net cash provided (used) in financing activities	584	(11,176
Effect of exchange rate changes on cash and cash equivalents	(2,153)	(290
Net decrease in cash and cash equivalents	(922)	(13,425
Cash and cash equivalents at beginning of period	72,120	98,879
Cash and cash equivalents at end of period	$ 71,198	$ 85,454

See accompanying notes.

PART I FINANCIAL INFORMATION

BRIGHTPOINT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2005
(UNAUDITED)

1. Basis of Presentation

GENERAL

The accompanying unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X of the Securities Exchange Act of 1934. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. The preparation of financial statements requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results are likely to differ from those estimates, but management does not believe such differences will materially affect Brightpoint, Inc.'s (the "Company") financial position or results of operations. The Consolidated Financial Statements reflect all adjustments considered, in the opinion of the Company, necessary to fairly present the results for the periods. Such adjustments are of a normal recurring nature.

The Consolidated Financial Statements include the accounts of the Company and its subsidiaries, all of which are wholly-owned, with the exception of the Brightpoint India Limited subsidiary that is 85% owned by the Company. Significant intercompany accounts and transactions have been eliminated in consolidation. Certain amounts in the 2004 Consolidated Financial Statements

have been reclassified to conform to the 2005 presentation.

The Consolidated Balance Sheet at December 31, 2004 has been derived from the audited Consolidated Financial Statements at that date, but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. The unaudited Consolidated Statement of Operations for the three months ended March 31, 2005 and the unaudited Consolidated Statement of Cash Flows for the three months ended March 31, 2005 are not necessarily indicative of the operating results or cash flows that may be expected for the entire year.

Due to seasonal factors, the Company's interim results may not be indicative of annual results.

The Company has not changed its significant accounting policies from those disclosed in its Form 10-K for the year ended December 31, 2004. For further information, reference is made to the audited Consolidated Financial Statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2004, as amended.

NET INCOME (LOSS) PER SHARE

Basic net income (loss) per share is based on the weighted average number of common shares outstanding during each period, and diluted net income (loss) per share is based on the weighted average number of

common shares and dilutive common share equivalents outstanding during each period. The table below presents a reconciliation of the net income (loss) per share calculations (in thousands, except per share data):

	THREE MONTHS ENDED MARCH 31,	
	2005	2004
Income from continuing operations	$ 2,565	$ 2,35
Discontinued operations	309	(4,57
Net income (loss)	$ 2,874	$ (2,22
Basic:		
Weighted average shares outstanding	17,707	19,27
Per share amount:		
Income from continuing operations	$ 0.14	$ 0.1
Discontinued operations	0.02	(0.2
Net income (loss)	$ 0.16	$ (0.1
Diluted:		
Weighted average shares outstanding	17,707	19,27
Net effect of dilutive stock options - based on the treasury stock method using average market price	666	67
Total weighted average shares outstanding	18,373	19,94

Per share amount:		
Income from continuing operations	$ 0.14	$ 0.1
Discontinued operations	0.02	(0.2
Net income (loss)	$ 0.16	$ (0.1

STOCK OPTIONS

The Company uses the intrinsic value method, as opposed to the fair value method, in accounting for stock options. Under the intrinsic value method, no material compensation expense has been recognized for stock options granted to employees or stock sold pursuant to the employee stock purchase plan ("ESPP"). The table below presents a reconciliation of the Company's pro forma net income (loss) giving effect to the estimated compensation expense related to stock options and the ESPP that would have been reported if the Company utilized the fair value method (in thousands, except per share data):

	THREE MONT MARCH
	2005
Net income (loss) as reported	$ 2,874
Stock-based employee compensation cost, net of related tax effects, that would have been included in the determination of net loss if the fair value method had been applied	(569)
Pro forma net income (loss)	$ 2,305
Basic per share:	
Net income (loss)	$ 0.16
Stock-based employee compensation cost, net of related tax effects, that would have been included in the determination of net loss if the fair value method had been applied	(0.03)
Pro forma net income (loss)	$ 0.13
Diluted per share:	
Net income (loss)	$ 0.16
Stock-based employee compensation cost, net of related tax effects, that would have been included in the determination of net loss if the fair value method had been applied	(0.03)
Pro forma net income (loss)	$ 0.13

COMPREHENSIVE INCOME

Comprehensive income is comprised of net loss and gains or losses resulting from currency translations of foreign investments. The details of comprehensive income are as follows:

	THREE MONTHS ENDED MARCH 31,	
	2005	2004
Net income (loss)	$ 2,874	$(2,221)
Foreign currency translation amounts	(1,824)	1,883
Comprehensive income	$ 1,050	$ (338)

2. Restatement of Prior Period Financial Statements

As described in Amendment No. 2 on Form 10-K/A for the year ended December 31, 2004 ("Form 10-K/A"), we have restated our consolidated financial statements for the year ended December 31, 2004 ("Restatement"). This Note should be read in conjunction with Note 19, "Restatement of Consolidated Financial Statements" in the notes to our consolidated financial statements included in Item 8, "Financial Statements and Supplementary Data" of the Form 10-K/A, which provides further information on the nature and impact of the Restatement.

The determination to restate our consolidated financial statements and selected financial information for the year ended and as of December 31, 2004, was made as a result of management's identification of errors through the Company's continuing self-assessment and self-testing of its internal control over financial reporting and during the monthly financial closing process relating to our France and Australia operations in the first quarter of 2005.

As a result of the Restatement, the Company's quarterly reports on Form 10-Q for the periods ended March 31, June 30, and September 30, 2004 filed by the Company should no longer be relied upon.

Certain amounts in other notes to our consolidated financial statements within this Form 10-Q have been restated to reflect the Restatement adjustments.

The Restatement reduced our income from continuing operations for the first quarter of 2004 by $905 thousand and increased our net loss for the first quarter of 2004 by $905 thousand.

3. Facility Consolidation Charge

In September 2004, the Company's Australian subsidiary entered into a new facility lease arrangement which commenced in the first quarter of 2005. The Company vacated its previous location in Australia in the first quarter of 2005 and recorded a pre-tax charge of $1.2 million, which included approximately $968 thousand for the present value of estimated lease costs, net of an anticipated sublease and non-cash losses on the disposal of assets of approximately $235 thousand. If the Company is unsuccessful in terminating the lease, finding a sub-lessee or if the terms of any sublease are less than this estimate, the Company may incur additional expenses.

Reserve activity for the facility consolidation as of March 31, 2005 is as follows (in thousands):

	Lease Termination Costs	Fixed Assets	Other Exit Costs	Total
Provisions	$ 968	$ 235	$ --	$ 1,203
Cash usage	(90)	--	--	(90)
Non-cash usage	--	(221)	--	(221)
MARCH 31, 2005	$ 878	$ 14	$ --	$ 892

4. Discontinued Operations

Details of discontinued operations are as follows (in thousands):

	THREE MONTHS ENDED MARCH 31, 2005	2004
Revenue	$ --	$ 4,037
Loss from discontinued operations		
Net operating loss	$ (27)	$ (335)
Restructuring plan charges	(2)	(54)
Other	--	48
Total loss from discontinued operations	(29)	(341)
Gain (Loss) on disposal of discontinued operations		
Restructuring plan charges (including foreign currency translation adjustments)	335	(451)
Other	3	(26)
Sale of Ireland	--	(3,757)
Total gain (loss) on disposal of discontinued operations	338	(4,234)
Total discontinued operations	$ 309	$(4,575)

Net assets, including reserves, related to discontinued operations are classified in the Consolidated Balance Sheets as follows (in thousands):

	MARCH 31, 2005	December 31, 2004

Total current assets	$286	$551
Other non-current assets	131	137
Total assets	$417	$688
Accounts payable and accrued expenses	$701	$770
Total liabilities	$701	$770

2001 Restructuring Plan

During 2001, the Company's Board of Directors approved a restructuring plan ("2001 Restructuring Plan") that the Company began to implement in the fourth quarter of 2001. The primary goal in adopting the 2001 Restructuring Plan was to better position the Company for long-term and more consistent success by improving its cost structure and divesting or closing operations in which the Company believed potential returns were not likely to generate an acceptable return on invested capital, therefore, certain operations were sold or otherwise discontinued pursuant to the 2001 Restructuring Plan. In total, the 2001 Restructuring Plan resulted in a headcount reduction of approximately 350 employees across most areas of the Company, including marketing, operations, finance and administration.

2001 Restructuring Plan specific to the China operations

Additionally, pursuant to the 2001 Restructuring Plan, the Company completed in January 2002, through certain of its subsidiaries, the formation of a joint venture with Hong Kong-based Chinatron Group

Holdings Limited ("Chinatron"). Chinatron is involved in the global wireless industry. In exchange for a 50% interest in Brightpoint China Limited pursuant to the formation of the joint venture, the Company received Chinatron Class B Preference Shares with a face value of $10 million. On April 29, 2002, the Company announced that it had completed the sale of its remaining 50% interest in Brightpoint China Limited to Chinatron. Pursuant to this transaction, the Company received additional Chinatron Class B Preference Shares with a face value of $11 million. In accordance with SFAS 115, Accounting for Certain Investments in Debt and Equity Securities, the Company designated the Chinatron Class B Preference Shares as held-to-maturity. The carrying value was $1.6 million at March 31, 2005 and December 31, 2004. Pursuant to these transactions, Chinatron and the Company entered into a services agreement, whereby Chinatron provides warehouse management services in Hong Kong supporting the Company's Brightpoint Asia Limited operations managed by Persequor Limited.

As of December 31, 2003, actions called for by the 2001 Restructuring Plan were substantially complete, however, the Company expects to continue to record adjustments through discontinued operations as necessary. The Company recorded losses (credits) related to the 2001 Restructuring Plan as presented below (in thousands):

	THREE MONTHS ENDED MARCH 31,	
	2005	2004

Cash charges		
Other exit costs	$ 2	$ 75
Total cash charges	2	75
Non-cash charges (credits):		
Impairment of fixed and other assets	--	313
Income tax effect of restructuring actions	--	(21
Write-off of cumulative foreign currency translation adjustments	(335)	138
Total non-cash charges (credits)	(335)	430
Total restructuring plan charges (credits)	$ (333)	$ 505

Utilization of the 2001 Restructuring Plan charges discussed above is as follows (in thousands):

	Lease Termination Costs	Employee Termination Costs	Other Exit Costs	Total
December 31, 2002 ..	$ 205	$ 25	$ 727	$ 957
Provisions (1)	6	--	41	47
Cash usage	(201)	(25)	(214)	(440)
Non-cash usage	--	--	(145)	(145)
December 31, 2003 ..	$ 10	$ --	$ 409	$ 419
Provisions (1)	--	--	97	97
Cash usage	(10)	--	(121)	(131)
Non-cash usage	--	--	(309)	(309)
December 31, 2004 ..	$ --	$ --	$ 76	$ 76
PROVISIONS (1)	--	--	--	--
CASH USAGE	--	--	(39)	(39)
NON-CASH USAGE	--	--	(3)	(3)
MARCH 31, 2005	$ --	$ --	$ 34	$ 34

(1) Provisions do not include items that were directly expensed in the period.

5. Accounts Receivable Transfers

During the quarters ended March 31, 2005 and 2004, the Company entered into certain transactions or agreements with banks and other third-party financing

organizations in Norway, Sweden, and France with respect to the sale of a portion of its accounts receivable in order to reduce the amount of working capital required to fund such receivables. These transactions have been treated as sales pursuant to current United States generally accepted accounting principles and, accordingly, are accounted for as off-balance sheet arrangements. Net funds received reduced the accounts receivable outstanding while increasing cash. Fees incurred are recorded as losses on the sale of assets and are included as a component of "Other expenses" in the Consolidated Statements of Operations.

Net funds received from the sales of accounts receivable for continuing operations during the quarter ended March 31, 2005 and 2004 totaled $61 million and $91 million, respectively. Fees, in the form of discounts, incurred in connection with these sales totaled $199 thousand and $311 thousand during the quarter ended March 31, 2005 and 2004, respectively. These fees are included as a component of "Other expenses" in the Consolidated Statements of Operations.

The Company is the collection agent on behalf of the bank or other third-party financing organization for many of these arrangements and has no significant retained interests or servicing liabilities related to accounts receivable that it has sold. The Company may be required to repurchase certain accounts receivable sold in certain circumstances, including, but not limited to, accounts receivable in dispute or otherwise not collectible, accounts receivable in which credit insurance is not maintained and a violation of, the expiration or early termination of the agreement pursuant to which these arrangements are conducted. There were no significant repurchases of accounts receivable sold during the quarter ended March 31, 2005 and March 31, 2004. These agreements require the Company's subsidiaries to provide collateral in the form of pledged assets and/or, in certain situations, a guarantee by the Company of its subsidiaries' obligations.

Pursuant to these arrangements, approximately $19 million and $27 million of trade accounts receivable were sold to and held by banks and other third-party financing institutions at March 31, 2005 and 2004, respectively. Amounts held by banks or other financing institutions at March 31, 2005 were for transactions related to the Company's Norway and Sweden arrangements. All other arrangements have been terminated or expired.

6. Lines of Credit and Long-term Debt

	OUTSTANDING AT:	
CREDIT AGREEMENTS	MARCH 31, 2005	December 31, 2004
- The Americas ...	$ --	$ --
- Asia-Pacific ...	--	--
- Europe	4,563	--
Total	$4,563	$ --

Lines of Credit -Americas Division
On September 23, 2004, the Company's primary North American operating subsidiaries, Brightpoint North America L.P. and Wireless Fulfillment Services,

LLC (the "Borrowers"), amended their Amended and Restated Credit Facility (the "Revolver") dated March 18, 2004, between the Borrowers and General Electric Capital Corporation ("GE Capital"). The amendment reduced the required tangible net worth covenant by $20 million and allows for further reductions equal to the purchase price of any issued and outstanding shares of common stock of the Company repurchased by the Company in the future. GE Capital acted as the agent for a syndicate of banks (the "Lenders"). The Revolver expires in March of 2007. The Revolver provides borrowing availability, subject to borrowing base calculations and other limitations, of up to a maximum of $70 million and at March 31, 2005, bears interest, at the Borrowers' option, at the prime rate plus 0.25% or LIBOR plus 1.75%. The applicable interest rate that the Borrowers are subject to can be adjusted quarterly based upon certain financial measurements defined in the Revolver. The Revolver is guaranteed by Brightpoint, Inc., and is secured by, among other things, all of the Borrowers' assets. The Revolver is subject to certain financial covenants, which include maintaining a minimum fixed charge coverage ratio. The Revolver is a secured asset-based facility where a borrowing base is calculated periodically using eligible accounts receivable and inventory, subject to certain adjustments. Eligible accounts receivable and inventories fluctuate over time, which can increase or decrease borrowing availability. The Company also has pledged certain intellectual property and the capital stock of certain of its subsidiaries as collateral for the Revolver. At March 31, 2005, and December 31, 2004, there were no amounts outstanding under the Revolver with available funding, net of the applicable required availability minimum and letters of credit, of approximately $26 million and $33 million, respectively.

Lines of Credit - Asia-Pacific
In December of 2002, the Company's primary Australian operating subsidiary, Brightpoint Australia Pty Ltd, entered into a revolving credit facility (the "Facility") with GE Commercial Finance in Australia. The Facility, which matures in December of 2005, provides borrowing availability, subject to borrowing base calculations and other limitations, of up to a maximum amount of 50 million Australian dollars (approximately $39 million U.S. dollars at March 31, 2005). Borrowings under the Facility are used for general working capital purposes. The Facility is subject to certain financial covenants, which include maintaining a minimum fixed charge coverage ratio and bears interest at the Bank Bill Swap Reference rate plus 2.9% (totaling 8.72% at March 31, 2005). The Facility is a secured asset-based facility where a borrowing base is calculated periodically using eligible accounts receivable and inventory, subject to certain adjustments. Eligible accounts receivable and inventories fluctuate over time, which can increase or decrease borrowing availability. At March 31, 2005, and December 31, 2004, there was no amount outstanding under the Facility with available funding of $33 million and $32 million, respectively.

In July of 2003, the Company's primary operating subsidiary in the Philippines, Brightpoint Philippines, Inc. ("Brightpoint Philippines") entered into a credit facility with Banco de Oro. The facility, which matures in April of 2005, provides borrowing availability, up to a maximum amount of 50 million Philippine Pesos (approximately $910 thousand U.S. dollars, at March 31, 2005), and is guaranteed by Brightpoint, Inc. The facility bears interest at the Prime Lending Rate (11% at March 31, 2005). At March 31, 2005 and December 31, 2004, the facility had no amounts outstanding with available funding of approximately $910 thousand and $889 thousand, respectively. In April of 2004, Brightpoint Philippines entered into another credit facility with Banco de Oro. This facility allows for letters of credit to be issued to one of Brightpoint Philippine's main suppliers up to a total of $4 million. In January 2005, a $2 million letter of credit was issued by Banco de Oro on the Company's behalf to Brightpoint Philippines main supplier and at March 31, 2005, the facility had no

amounts outstanding with $2 million of available funding. At December 31, 2004, the facility had no amounts outstanding with available funding of approximately $4 million.

In November 2003, the Company's primary operating subsidiary in New Zealand, Brightpoint New Zealand Limited, entered into a revolving credit facility with GE Commercial Finance in Australia. This facility, which matures in November of 2006, provides borrowing availability, subject to borrowing base calculations and other limitations, of up to a maximum amount of 12 million New Zealand dollars (approximately $8.5 million U.S. dollars at March 31, 2005). Borrowings under the facility may be used for general working capital purposes. The facility is subject to certain financial covenants, which include maintaining a minimum fixed charge coverage ratio and bears interest at the New Zealand Index Rate plus 3.15% (10% at March 31, 2005). The facility is a secured asset-based facility where a borrowing base is calculated periodically using eligible accounts receivable and inventory, subject to certain adjustments. Eligible accounts receivable and inventories fluctuate over time, which can increase or decrease borrowing availability. At March 31, 2005 and December 31, 2004, there were no amounts outstanding under the facility with available funding of approximately $6.7 million and $8.5 million, respectively.

A $15 million standby letter of credit supporting the Company's Brightpoint Asia Limited's vendor credit line has been issued by financial institutions on the Company's behalf and was outstanding at March 31, 2005 and December 31, 2004 secured by $12 million of cash, the assets of Brightpoint Asia Limited and a guarantee issued by Brightpoint, Inc. The related cash collateral has been reported under the heading "Pledged cash" in the Consolidated Balance Sheet.

Lines of Credit - Europe

The Company's primary operating subsidiary in Sweden, Brightpoint Sweden AB, has a short-term line of credit facility with SEB Finans AB. The facility has borrowing availability of up to 15 million Swedish Krona (approximately $2.2 million U.S. dollars at March 31, 2005) and bears interest at the SEB Banken Base plus 0.75% (2.75% at March 31, 2005). The facility is supported by a guarantee provided by the Company. At March 31, 2005 and December 31, 2004, there were no amounts outstanding under the facility with available funding of approximately $2.2 million.

The Company's primary operating subsidiary in France, Brightpoint France, entered into a short-term line of credit facility with Natexis in the first quarter of 2005. The facility has borrowing availability of

up to 2.5 million Euro (approximately $3.2 million U.S. dollars at March 31, 2005) and bears interest at the 3 month Euribor rate plus 2.5% (4.63% at March 31, 2005). The facility is supported by a guarantee provided by the Company. At March 31, 2005, there was approximately $3.2 million U.S. dollars outstanding on the facility, with no available funding. Additionally, in April 2004, Brightpoint France, entered into a receivable sale facility with GE Factofrance. The facility does not meet the requirements of an accounts receivable transfer under current United States generally accepted accounting principles and therefore amounts advanced under this facility against receivables not collected by GE Factofrance are included on the Consolidated Balance Sheet under lines of credit and accounts receivable. At March 31, 2005, there was approximately $1.4 million U.S. dollars outstanding on the facility.

7. Guarantees

In 2002, the Financial Accounting Standards Board issued Interpretation No. 45

(FIN 45), Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others. FIN 45 requires guarantees to be recorded at fair value and requires a guarantor to make significant new disclosure, even when the likelihood of making any payments under the guarantee is remote.

The Company has issued certain guarantees on behalf of its subsidiaries with regard to lines of credit and long-term debt, for which the liability is recorded in the Company's financial statements. Although the guarantees relating to lines of credit and long-term debt are excluded from the scope of FIN 45, the nature of these guarantees and the amount outstanding are described in Note 6 to the consolidated financial statements.

In some circumstances, the Company purchases inventory with payment terms requiring letters of credit. As of March 31, 2005, the Company has issued $24 million in standby letters of credit. These standby letters of credit are generally issued for a one-year term and are supported by either availability under the Company's credit facilities or cash deposits. The underlying obligations for which these letters of credit have been issued are recorded in the financial statements at their full value. Should the Company fail to pay its obligation to one or all of these suppliers, the suppliers may draw on the standby letter of credit issued for them. The maximum future payments under these letters of credit are $24 million.

Additionally, the Company has issued certain guarantees on behalf of its subsidiaries with regard to accounts receivable transferred, the nature of which is described is described in Note 5. While we do not currently anticipate the funding of these guarantees, the maximum potential amount of future payments under these guarantees at March 31, 2005 is approximately $19 million.

The Company has entered into indemnification agreements with its officers and directors, to the extent permitted by law, pursuant to which the Company has agreed to reimburse its officers and directors for legal expenses in the event of litigation and regulatory matters. The terms of these indemnification agreements provide for no limitation to the maximum potential future payments. The Company has a directors and officers insurance policy that may mitigate the potential liability and payments.

8. Operating Segments

The Company's operations are divided into three geographic operating segments. These operating segments represent its three divisions: The Americas, Asia-Pacific, and Europe. These divisions all derive revenues from sales of wireless devices, accessory programs and fees from the provision of logistics services.

The Company evaluates the performance of, and allocates resources to, these segments based on operating income from continuing operations including allocated corporate selling, general and administrative expenses. All amounts presented below exclude the results of operations that have been discontinued. A summary of the Company's operations by segment is presented below (in thousands) for the quarter ended March 31, 2005 and 2004:

	Product Distribution Revenue from External Customers	Logistics Services Revenue from External Customers	Total Revenue from External Customers	Operating Income from Continuing Operations (1)
MARCH 31, 2005:				
THE AMERICAS	$ 99,074	$ 33,953	$ 133,027	$ 5,535
ASIA-PACIFIC	245,615	7,304	252,919	1,135
EUROPE	62,036	37,632	99,668	(2,430)
	$ 406,725	$ 78,889	$ 485,614	$ 4,240
March 31, 2004:				
The Americas	$ 95,469	$ 22,827	$ 118,296	$ 2,775
Asia-Pacific	229,706	11,007	240,713	1,872
Europe	52,767	28,434	81,201	(454)
	$ 377,942	$ 62,268	$ 440,210	$ 4,193

(1) Certain corporate expenses are allocated to the segments based on total revenue.

TOTAL SEGMENT ASSETS:	MARCH 31, 2005	December 31, 2004
The Americas (2)	$141,979	$152,401
Asia-Pacific	166,290	160,578
Europe	99,430	124,605
	$407,699	$437,584

(2) Corporate assets are included in the Americas segment.

9. Contingencies

The Company is from time to time involved in certain legal proceedings in the ordinary course of conducting its business. While the ultimate liability pursuant to these actions cannot currently be determined, the Company believes these legal proceedings will not have a material adverse effect on its Consolidated Financial Statements as a whole.

A Complaint was filed on January 4, 2005 against the Company in the Circuit Court for Baltimore County, Maryland, Case No. 03-C-05-000067 CN, entitled Iridium Satellite, LLC, Plaintiff v. Brightpoint, Inc., Defendant. The matter was removed to the United States District Court, District of Maryland, Baltimore Division. In the Complaint, the Plaintiff alleges claims of trover and conversion, fraudulent misrepresentation and breach of contract. All claims relate to the ownership and disposition of 1,500 Series 9500 satellite telephones. The Plaintiff seeks damages in the amount of $750,000 with interest and costs. The Company continues to dispute these claims and intends to defend this matter vigorously.

A Complaint was filed on November 23, 2001, against the Company and 87 other defendants in the United States District Court for the District of Arizona, entitled Lemelson Medical, Education and Research Foundation LP v. Federal Express Corporation, et.al., Cause No. CIV01-2287-PHX-PGR. The plaintiff claims that the Company and other defendants have infringed 7 patents alleged to cover bar code technology. The case seeks unspecified damages, treble damages and injunctive relief. The Court has ordered the case stayed pending the decision in a related case in which a number of bar code equipment manufacturers have sought a declaration that the patents asserted are invalid and unenforceable. That trial concluded in January 2003. In January 2004, the Court rendered its decision that the patents asserted by Lemelson were found to be invalid and unenforceable. Lemelson filed an appeal to the Court of Appeals for the Federal Circuit on June 23, 2004. The Company continues to dispute these claims and intends to defend this matter vigorously.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW AND RECENT DEVELOPMENTS

This Management's Discussion and Analysis reflects the restatement of our consolidated financial statements for the year ended December 31, 2004, as discussed in Note 2 to the consolidated financial statements.

This discussion and analysis should be read in conjunction with the accompanying Consolidated Financial Statements and related notes. Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the financial statement date and reported amounts of revenue and expenses during the reporting period. On an on-going basis we review our estimates and assumptions. Our estimates were based on our historical experience and various other assumptions that we believe to be reasonable under the circumstances. Actual results are likely to differ from those estimates under different assumptions or conditions, but we do not believe such differences will materially affect our financial position or results of operations. Our critical accounting policies, the policies we believe are most important to the presentation of our financial statements and require the most difficult, subjective and complex judgments are outlined in our Annual Report on Form 10-K, for the year ended December 31, 2004, as amended, and have not changed significantly. Certain statements made in this report may contain forward-looking statements. For a description of risks and uncertainties relating to such forward-looking statements, see the cautionary statements contained in Exhibit 99.1 to this report and our Annual Report on Form 10-K for the year ended December 31, 2004, as amended.

Our operating results are influenced by a number of seasonal factors, which may cause our revenue and operating results to fluctuate on a quarterly basis. These fluctuations are the result of several factors, including, but not limited to:

- promotions and subsidies by mobile operators;

- the timing of local holidays and other events affecting consumer demand;

- the timing of the introduction of new products by our suppliers and competitors;

- purchasing patterns of customers in different markets; and

- weather patterns.

Due to seasonal factors, our interim results may not be indicative of annual results.

The Company is conducting a review of our operations in France. We are committed to completing our evaluation of our France operations and exploring various strategic alternatives to enhance long-term shareholder value including, but not limited to, the sale, restructuring, closure or other corporate action relating to all or a portion of these operations. We do not expect to disclose developments with respect to the exploration of strategic alternatives for our operations in France unless and until we have entered into a definitive transaction or other action. There can be no assurance that the Company will complete any such sale, restructuring, closure or other corporate action relating to all or a portion of these operations.

RESULTS OF OPERATIONS

Revenue

(Amounts in 000s)	Three Months Ended			
	MARCH 31, 2005	Percent of Total	March 31, 2004	Percent of Total
REVENUE BY DIVISION:				
The Americas	$133,027	27%	$118,296	27%
Asia-Pacific	252,919	52%	240,713	55%
Europe	99,668	21%	81,201	18%
Total	$485,614	100%	$440,210	100%
REVENUE BY SERVICE LINE:				
Distribution	$406,725	84%	$377,942	86%
Logistics services	78,889	16%	62,268	14%
Total	$485,614	100%	$440,210	100%
WIRELESS DEVICES HANDLED BY DIVISION:				
The Americas	5,614	74%	3,930	69%
Asia-Pacific	1,756	23%	1,544	27%
Europe	254	3%	204	4%

Total	7,624	100%	5,678	100%
WIRELESS DEVICES HANDLED BY SERVICE LINE:				
Distribution	2,599	34%	2,370	42%
Logistics services	5,025	66%	3,308	58%
Total	7,624	100%	5,678	100%

Globally, the availability of feature-rich devices, compelling pricing by manufacturers, mobile operator promotional activities and the deployment of wireless data services caused subscribers to upgrade their wireless devices. During the first quarter of 2005, we experienced a 34% increase in wireless devices handled from the first quarter of 2004 with a notable mix shift from product distribution sales to fee-based logistics services. While the number of wireless devices handled in logistics services and distribution increased from the first quarter of 2004, the growth in logistics services volumes outpaced the growth experienced in our distribution business. As fee-based logistics services typically generate significantly less revenue per transaction than distribution sales, the sales mix shift from units handled through distribution to logistics services resulted in a 10% year-over-year increase in revenue despite the 34% increase in total wireless devices handled. A 52% increase in wireless devices handled through our fee-based logistics services business, which was due to significant increases in demand by logistics customers in our Americas division, and to a lesser extent, our entry into the Slovak Republic in July 2004, was a primary driver for the increase in logistics services revenue. Additionally, the increase in revenue was positively affected by the 14% increase in wireless devices sold in our Asia-Pacific division, which due to strong demand for wireless devices in Australia and in markets served by our Brightpoint Asia Limited operations and partially offset by reduced unit volumes in the Philippines.

Wireless devices handled, as compared to the first quarter of 2004:

The number of wireless devices sold through our distribution business increased 10%, primarily as a result of strong market demand in the Asia-Pacific division. In particular, the increase in volumes was driven by strong market demand in Australia and in markets served by our Brightpoint Asia Limited operations due to continued promotional activities by mobile operators. Partially offsetting the growth in distribution volumes was a 73% decline in wireless devices sold in our operations in the Philippines due to our local mobile operator customer purchasing products from its parent company.

The number of wireless devices handled through our logistics business increased 52%, primarily as a result of increased demand from current logistics services customers and the addition of new logistics services customers in the Americas division and our entry into the Slovak Republic in July 2004. In the United States, our unit growth has been driven by the growth of key logistics customers (Boost Mobile, Nextel, Virgin Mobile and TracFone, and the addition of Cricket Communications as a customer in March 2004). Another significant driver for increased logistics services volumes in the Americas was a 140% increase in wireless devices handled by our operations in Colombia in response to significant promotional activities by COMCEL, our primary customer in Colombia.

Revenue by division, as compared to the first quarter of 2004:

The 12% revenue increase in our Americas division was primarily due to a 43% increase in wireless devices handled which was partially offset by a sales mix shift from units handled through distribution to logistics services. The Americas division's growth in wireless devices handled was primarily due to a 51% increase in its logistics services volumes, which was ascribable to increased demand experienced by our mobile operator customers, including mobile virtual network operators, the increased scope of value-added services to some logistics customers and the addition of a new significant customer. Revenue in the Americas division was also positively impacted by an increase in sales of prepaid wireless airtime and an increased level of activations in our channel services business in the United States.

Our Asia-Pacific division experienced a 5% increase in revenue which was primarily due to a 14% increase in wireless devices handled which was partially offset by a 7% decline in the average selling price of wireless devices due to a mix shift toward lower-priced CDMA handsets in India and prepaid wireless devices in Australia. The increase in volumes was due to strong market demand in Australia and in markets served by our Brightpoint Asia Limited operations due to continued promotional activities by mobile operators. Partially offsetting our Asia-Pacific division's growth in unit volumes was a 73% decline in wireless devices sold in our operations in the Philippines due to a local mobile operator customer purchasing products from its parent company.

The revenue increase of 23% in the Europe division was primarily attributable to the addition of wireless devices sold in certain markets, strengthening of foreign currencies relative to the U.S. dollar, which accounted for approximately 7 percentage points of the increase in revenue, the increased sales of prepaid wireless airtime, a 6% increase, on a constant currency basis, in the

average selling price of wireless devices sold and our entry into the Finnish and Slovak markets. The revenue increase was partially offset by a decline in wireless devices sold in certain markets where seasonal promotional campaigns did not recur.

Revenue by service line, as compared to the first quarter of 2004:

We experienced an 8% increase in revenue from distribution primarily as a result of strong market demand in the Asia-Pacific division, the addition of wireless devices sold in certain markets and our entry into Finland.

We experienced a 27% increase in revenue from logistics services primarily as a result of a 52% growth rate in wireless devices handled as a result of increased demand from current logistics services customers and the addition of a new significant customer in the Americas, increased sales of prepaid wireless airtime across all divisions and our entry into the Slovak Republic. The increase in logistics services revenue was less than the unit growth rate in wireless devices handled due to changes in the scope and mix of services and related tiered-fee structures provided to customers.

Revenue change analysis as compared to the first quarter of 2004:

	Units
Effect of change in wireless devices handled on revenue (volume)	34%
Mix shift of wireless devices handled from product distribution to fee-based logistics services	
Change in prices	
Effect of foreign currency	
Other	
Overall percentage change in revenue	

Within the 7.6 million wireless devices handled and as compared to the 5.7 million units that we handled in the first quarter of last year, we saw a significant sales mix shift from product distribution sales to fee-based logistics services. Total wireless devices handled drive our profitability and our business model benefits from activity in both product distribution and logistics services. Shifts in sales mix from one to another can affect our revenue line without having as much of an impact on profitability.

The table above reconciles our wireless device unit growth to our overall revenue growth, which includes wireless device revenue through both logistics services and distribution and other non-wireless device revenue. Although our wireless devices handled growth was 34%, our revenue growth was 10%. Holding the prior year's sales mix constant, this growth in wireless devices handled would have had a 20% favorable effect on total revenue. Because we experienced a significant shift in sales mix from higher-revenue distribution sales to lower-revenue fee-based logistics services, the effect of the 34% increase in volume had a lesser impact on revenue. The effect was more noticeable in gross profit and gross margin, which grew 18% and was up 0.3 percentage points, respectively. Logistics services grew from 58% of total wireless devices handled in 2004 to 66% in 2005. Conversely, distribution declined from 42% to 34% of total wireless devices handled in 2005.

Gross Profit and Gross Margin

Gross profit by service line:

(Amounts in 000s)	Three Months Ended				Change
	MARCH 31, 2005	% of Total	March 31, 2004	% of Total	Q1 20 Q1 2
Product distribution	$ 16,140	57%	$ 13,282	55%	
Integrated logistics services ..	12,157	43%	10,786	45%	
Total	$ 28,297	100%	$ 24,068	100%	

Gross profit by service line, as compared to the first quarter of 2004:

The overall $4.2 million, or 18%, increase in gross profit was primarily attributable to a 0.5 percentage point improvement in distribution gross

margin and an 8% increase in distribution revenue.

The $2.9 million, or 22%, increase in gross profit from distribution revenue was primarily due to the addition of new feature-rich wireless devices to our product portfolio in certain markets and the overall 8% increase in wireless devices sold. These increases were partially offset by sales of low-end lower gross margin wireless devices in certain Asia-Pacific markets.

The $1.4 million, or 13%, increase in gross profit from logistics services was primarily attributable to a 51% increase in wireless devices handled in logistics services in the Americas division and the related benefit of leveraging existing capacity, increased sales of prepaid wireless airtime in the United States and increased subscriber activations in our channel services business in the United States. These items were partially offset by reduced gross margins on activation commissions in our operations in France and reduced gross margin on sales of prepaid wireless airtime due to pricing pressures in our Europe division.

Gross Margin by Service Line:

	Three Months Ended		Change from
	MARCH 31, 2005	March 31, 2004	Q1 2004 to Q1 2005
Distribution	4.0%	3.5%	0.5% points
Logistics services	15.4%	17.3%	(1.9)% points
Total	5.8%	5.5%	0.3% points

Gross Margin by Service Line, as compared to the first quarter of 2004:

Overall gross margin increased from 5.5% to 5.8%, principally as a result of a 34% increase in wireless devices handled and the related benefit of leveraging existing capacity, a notable sales mix shift to fee-based logistics services, which generally yield a higher margin, and the addition of new feature-rich wireless devices, which generally yield a higher margin, to our product portfolio in certain markets. These improvements were offset by reduced gross margins on activation commissions in our operations in France, increased sales of prepaid wireless airtime, which yields a relatively lower gross margin, and pricing pressures on prepaid wireless airtime margins in our Europe division.

Selling, General and Administrative Expenses

(Amounts in 000s)	Three Months Ended		Change from
	MARCH 31, 2005	March 31, 2004	Q1 2004 to Q1 2005

Selling, general and administrative expenses	$ 22,854	$ 19,874	15%
As a percent of revenue	4.7%	4.5%	

SG&A expenses increased 15% in conjunction with a 10% increase in revenue and an 18% increase in gross profit, as compared to the first quarter of 2004. The overall $3.0 million, or 15%, increase in SG&A expenses primarily resulted from our entry into the Slovak and Finnish markets during July and August of 2004, respectively, an increase of approximately $651 thousand in bad debt expense in our operations in France, an estimated $633 thousand unfavorable effect from the strengthening of foreign currencies against the U.S. dollar and approximately $500 thousand of professional fees, travel expenses and other items pertaining to the evaluation and negotiation of potential geographic expansion opportunities in the Europe and Asia-Pacific divisions which we currently believe will not be consummated.

Facility Consolidation Charge

In September 2004, our Australian subsidiary entered into a new facility lease arrangement which commenced in the first quarter of 2005. We vacated our previous location in Australia in the first quarter of 2005 and recorded a pre-tax charge of $1.2 million, which included approximately $968 thousand for the present value of estimated lease costs, net of an anticipated sublease, and non-cash losses on the disposal of assets of approximately $235 thousand. If we are unsuccessful in terminating the lease, finding a sub-lessee or if the terms of any sublease are less than this estimate, we may incur additional expenses. See Note 3 to the Consolidated Financial Statements for further discussion.

Operating Income from Continuing Operations

(Amounts in 000s)	Three Months Ended MARCH 31, 2005	OI MARGIN	March 31, 2004	OI Margin	OI Doll Change f Q1 2004 Q1 200
The Americas	$ 5,535	4.2%	$ 2,775	2.3%	9
Asia-Pacific	1,135	0.4%	1,872	0.8%	(3
Europe	(2,430)	(2.4)%	(454)	(0.6)%	(43
Operating income from continuing operations	$ 4,240	0.9%	$ 4,193	1.0%	

Operating income from continuing operations increased by $47 thousand as compared to the first quarter of 2004. The increase in operating income from continuing operations was primarily due to a 10% increase in revenue and the associated 18% increase in gross profit, partially offset by a 15% increase in SG&A expenses and the $1.2 million facility consolidation charge in Australia.

The increase in operating income from continuing operations in our Americas

division was principally due to a 43% increase in wireless devices handled, operating leverage associated with the increased unit volumes and a reduction in bad debt expense.

The operating loss in the Europe division was primarily due to a $3.6 million operating loss in our France operations partially offset by a $2.0 million increase in operating profitability in our operations in Germany due to the addition of HTC's Qtek branded smartphones to our product portfolio in the second half of 2004. The operating loss in France was primarily attributable to a reduction in gross profit from activation commissions and a $651 thousand increase in bad debt expense.

The decrease in operating income from continuing operations in our Asia-Pacific division was primarily due to a $1.2 facility consolidation charge in Australia, which was partially offset by a 14% increase in wireless devices handled driven by strong demand in Australia and in markets served by our Brightpoint Asia operations. As previously announced, our Australian operation has moved to a larger facility in anticipation of growth opportunities. During the first quarter of 2005, the Company recorded a pre-tax charge of $1.2 million relating to the anticipated lease costs, net of sublease income, for the remaining term of the previous location and other items. If we are unsuccessful in terminating the lease of the previous location, finding a sub-lessee or if the terms of any sublease are less than this estimate, we may incur additional expenses.

Operating income from continuing operations in the first quarter of 2005 was also negatively effected by approximately $500 thousand of professional fees, travel expenses and other items pertaining to the evaluation and negotiation of potential geographic expansion opportunities in the Europe and Asia-Pacific divisions which we currently believe will not be consummated.

Income from Continuing Operations

(Amounts in 000s)	Three Months Ended MARCH 31, 2005	Three Months Ended March 31, 2004	Change from Q1 2004 to Q1 2005
Income from continuing operations	$ 2,565	$ 2,354	$ 211
As a percent of revenue	0.5%	0.5%	
Diluted per share	$ 0.14	$ 0.12	17%
Diluted shares outstanding	18,373	19,940	(8%)

Income from continuing operations for the first quarter of 2005 increased $211 thousand, or 9%, as compared to the first quarter of 2004. The increase was primarily attributable to a 10% increase in revenue and the associated 18% increase in gross profit, partially offset by a 15% increase in SG&A expenses and the $1.2 million facility consolidation charge in Australia.

Income per diluted share from continuing operations was $0.14 for the first quarter of 2005 compared to income per diluted share from continuing operations of $0.12 in the first quarter of 2004. The reduction in diluted shares outstanding is attributable to the repurchase of approximately 1.8 million shares of the Company's common stock pursuant to the previously approved and announced share repurchase plans.

Discontinued Operations

(Amounts in 000s)	Three Months Ended MARCH 31, 2005	March 31, 2004	Change from Q1 2004 to Q1 2005
Loss from discontinued operations	$ (29)	$ (341)	91%
Gain (loss) on disposal of discontinued operations	338	(4,234)	N/M
Total discontinued operations	$ 309	$ (4,575)	
Diluted per share	$ 0.02	$ (0.23)	N/M
Diluted shares outstanding	18,373	19,940	(8%)

N/M: Not Meaningful.

The total gain from discontinued operations in the first quarter of 2005 was primarily attributable to unrealized foreign currency translation gains caused by the strengthening of the U.S. Dollar relative to certain foreign currencies.

On February 19, 2004, the Company's subsidiary, Brightpoint Holdings B.V., completed the sale of its 100% interest in Brightpoint (Ireland) Limited ("Brightpoint Ireland") to Celtic Telecom Consultants Ltd. Cash consideration for the sale was approximately $1.7 million. During the first quarter of 2004, we incurred a loss of $310 thousand relating to Brightpoint Ireland's results of operations. These losses are included in the loss from discontinued operations. Also, as a result of the sale of Brightpoint Ireland, in the first quarter of 2004, we incurred a $3.8 million loss, which is included as a part of the loss on disposal of discontinued operations. This loss includes the non-cash write-off of approximately $1.6 million of cumulative currency translation adjustments.

Total discontinued operations for the first quarter of 2005 and 2004, excluding Brightpoint Ireland, was a gain of $309 thousand and a loss of $508 thousand, respectively. These gains and losses are a result of actions taken in 2001 and 2002 to sell, dispose or eliminate operations in certain markets and are comprised primarily of assets written off that had became unrealizable, professional and liquidation fees and unrealized foreign currency translation gains and losses caused by changes in foreign currencies relative to the U.S. dollar.

Net Income (Loss)

(Amounts in 000s)	Three Months Ended MARCH 31, 2005	March 31, 2004	Change from Q1 2004 to Q1 2005
Net income (loss)	$ 2,874	$ (2,221)	$ 5,095

As a percent of revenue	0.6%	(0.5%)	
Diluted per share	$ 0.16	$ (0.11)	N/M
Diluted shares outstanding	18,373	19,940	(8%)

Net income for the first quarter of 2005 was $2.9 million, or $0.16 per diluted share, compared to a net loss of $2.2 million, or $0.11 per diluted share, in the first quarter of 2004. The reduction in diluted shares outstanding is attributable to the repurchase of approximately 1.8 million shares of the Company's common stock pursuant to the previously approved and announced share repurchase plans.

The increase in net income for the first quarter of 2005 as compared to the first quarter of 2004 is primarily due to a $4.9 million improvement in discontinued operations and a 9% increase in income from continuing operations. The increase in income from continuing operations was primarily attributable to a 10% increase in revenue and the associated 18% increase in gross profit, partially offset by a 15% increase in SG&A expenses and the $1.2 million facility consolidation charge in Australia.

RETURN ON INVESTED CAPITAL FROM OPERATIONS, LIQUIDITY AND CAPITAL RESOURCES

RETURN ON INVESTED CAPITAL FROM OPERATIONS ("ROIC")

We believe that it is equally important for our business to manage its balance sheet as its statement of operations. A measurement that ties the statement of operation performance with the balance sheet performance is Return on Invested Capital from Operations, or ROIC. We believe if we are able to grow our earnings while minimizing the use of invested capital, we will be optimizing shareholder value and concurrently preserving resources in preparation for further potential growth opportunities. We take a simple approach in calculating ROIC: we apply an estimated average tax rate to the operating income of our continuing operations with adjustments for unusual items, such as facility consolidation charges, and apply this tax-adjusted operating income to our average capital base, which, in our case, is our shareholders' equity and debt. The details of this measurement are outlined below.

	Three Months Ended			Trai
	March 31, 2005	March 31, 2004	December 31, 2004	March 31, 2005
Operating income after taxes:				
Operating income from continuing operations	$ 4,240	$ 4,193	$ 12,148	$ 30,978
Plus: Facility consolidation charge	1,203	--	(21)	967
Less: Estimated income taxes(1)	(1,634)	(1,253)	(3,595)	(9,350
Operating income after taxes	$ 3,809	$ 2,940	$ 8,532	$ 22,595
Invested capital:				
Debt	$ 4,563	$ --	$ --	$ 4,563
Shareholders' equity	147,912	147,555	150,737	147,912
Invested capital	$ 152,475	$ 147,555	$ 150,737	$ 152,475

Average invested capital (2)	$ 151,606	$ 155,673	$ 144,363	$ 143,714
ROIC (3)	10%	8%	24%	16

(1) Estimated income taxes were calculated by multiplying the sum of operating income from continuing operations and the facility consolidation charge by the respective periods' effective tax rate.

(2) Average invested capital for quarterly periods represents the simple average of the beginning and ending invested capital amounts for the respective quarter. Average invested capital for the trailing twelve month periods represents the average of the ending invested capital amounts for the current and four prior quarter period ends.

(3) ROIC is calculated by dividing operating income after taxes by average invested capital. ROIC for quarterly periods is stated on an annualized basis and is calculated by dividing operating income after taxes by average invested capital and multiplying the result by four (4) to state ROIC on an annualized basis.

Due to seasonality, annualized quarterly ROIC in the first quarter is typically lower than other quarters. ROIC was 10% for the first quarter as compared to 24% in the fourth quarter of 2004.

CASH CONVERSION CYCLE

	THREE MONTHS ENDED MARCH 31,		Three Months Ended December 31,
	2005	2004	2004
Days sales outstanding in accounts receivable ..	22	21	24
Days inventory on-hand	22	23	23
Days payable outstanding	(37)	(40)	(41)
Cash conversion cycle days	7	4	6

A key source of our liquidity is our ability to invest in inventory, sell the inventory to our customers, collect cash from our customers, and pay our suppliers. We refer to this as the cash conversion cycle. For additional information regarding this measurement and the detail calculation of the components of the cash conversion cycle, please refer to our Annual Report on Form 10-K for the year ended December 31, 2004, as amended.

During the first quarter of 2005, the cash conversion cycle increased to 7 days from 4 days as compared to the first quarter of 2004 and 6 days as compared to the fourth quarter of 2004.

The sequential change in the cash conversion cycle was the result of a 4-day decrease in days payable outstanding, partially offset by a 2-day decrease in

days of sales outstanding and a 1-day decrease in days of inventory outstanding. The decrease in days of payable outstanding was substantially due to the timing of inventory receipts and the related payment terms from suppliers. In addition, from time to time, we may pay our suppliers prior to the invoice due date to take advantage of certain early payment discounts. This may consume our cash or may cause us to borrow from lenders. The decrease in the days of sales outstanding was mostly due to improved collections.

A cash conversion cycle of 7 days is a low number for a distribution company and it is unlikely that we can sustain this short cycle for an extended period of time. From time to time, we may pay our suppliers prior to the invoice due date in order to take advantage of early settlement discounts. Increases in the cash conversion cycle would have the effect of consuming our cash, causing us to borrow from lenders or issuing stockholders' equity to fund the related increase in working capital. Our potential investments in new markets may cause us to increase our inventory levels in conditions where our customer base is relatively new and whose purchasing behavior is less predictable. This situation can have the effect of increasing our cash conversion cycle and consequently consume our cash or increase our debt levels.

CONSOLIDATED STATEMENTS OF CASH FLOWS

We use the indirect method of preparing and presenting our statements of cash flows. In our opinion, it is more practical than the direct method and provides the reader with a good perspective and analysis of the Company's cash flows.

OPERATING ACTIVITIES

In the first quarter of 2005, net cash provided by operating activities was $4.9 million. Net cash provided by operating activities was primarily due to net income of $2.9 million, depreciation and amortization of $3.0 million, a reduction in pledged cash of $1.0 million and partially offset by changes in deferred taxes of $1.8 million and a $1.3 million increase in operating assets and liabilities consisting primarily of a changes in accounts receivable, inventories and accounts payable.

(Amounts in 000s)	MARCH 31, 2005	December 31, 2004
Working capital	$ 92,242	$ 94,667
Current ratio	1.36:1	1.33:1

We have historically satisfied our working capital requirements principally through cash flow from operations, vendor financing, bank borrowings and the issuance of equity and debt securities. We believe that positive cash flow from operations and available bank borrowings will be sufficient to continue funding our short-term capital requirements. However, significant changes in our business model, significant operating losses or expansion of operations in the future may require us to seek additional and alternative sources of capital. Consequently, there can be no assurance that we will be able to obtain any additional funding on terms acceptable to us or at all.

INVESTING ACTIVITIES

In the first quarter of 2005, net cash used by investing activities was $4.3

million. Net cash used by investing activities was primarily due to $2.2 million used for capital expenditures and a $1.8 million increase in funded contract financing receivables. Capital expenditures were primarily directed toward improving our information systems, particularly in the United States, the expansion of our warranty and non-warranty repair business in India and moving our operations in Australia into a new facility. We offer financing of inventory and receivables to certain network operator customers and their agents and manufacturer customers under contractual arrangements. Under these contracts we manage and finance inventories and receivables for these customers resulting in a contract financing receivable. The increase in contract financing receivables is due to timing of product receipts at the end of the quarter.

FINANCING ACTIVITIES

In the first quarter of 2005, net cash provided by financing activities was $584 thousand. Net cash provided by financing activities was primarily comprised of net borrowings on credit facilities of $4.7 million partially offset by $4.4 million of repurchases of our common stock. On November 30, 2004, we announced that our Board of Directors had approved a share repurchase program authorizing the Company to repurchase up to $20 million of the Company's common stock by December 31, 2005. During the first quarter of 2005, the Company repurchased approximately 227 thousand shares of its own common stock at an average price of $19.35 per share, totaling $4.4 million. As of March 31, 2005, approximately $11.6 million may be used to purchase shares under this program. Detail of the repurchases is provided in the table below.

Issuer purchases of equity securities:

Month of purchase	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of the publicly announced program	Total amo purchased a of the pub announced p
January 2005	150,300	$19.38	150,300	$2,915
February 2005	75,000	$19.25	75,000	$1,445
March 2005	2,100	$18.04	2,100	$37
Total/Average	227,400	$19.35	227,400	$4,399

LINES OF CREDIT

The table below summarizes lines of credit that were available to the Company as of March 31, 2005:

(Amounts in 000s)	Commitment	Gross Availability	Outstanding	Letters of Credit Guarantees
North America	$ 70,000	$ 28,965	$ --	$ 2,500
Australia	38,645	37,534	--	4,317

New Zealand	8,540	6,689	--	21
Sweden	2,165	2,164	--	--
Philippines	4,910	4,910	--	2,000
France	4,539	4,539	4,563	--
Total	$ 128,799	$ 84,801	$4,563	$ 8,838

Additional details on the above lines of credit are disclosed in Note 6 of the Notes to Consolidated Financial Statements.

OFF-BALANCE SHEET ARRANGEMENTS - ACCOUNTS RECEIVABLES TRANSFERS

During the quarters ended March 31, 2005 and 2004, the Company entered into certain transactions or agreements with banks and other third-party financing organizations in Norway, Sweden, and France with respect to the sale of a portion of its accounts receivable in order to reduce the amount of working capital required to fund such receivables. These transactions have been treated as sales pursuant to current United States generally accepted accounting principles and, accordingly, are accounted for as off-balance sheet arrangements. Net funds received, other than from GE Factofrance, reduced the accounts receivable outstanding while increasing cash. Fees incurred are recorded as losses on the sale of assets and are included as a component of "Other expenses" in the Consolidated Statements of Operations.

Net funds received from the sales of accounts receivable for continuing operations during the quarter ended March 31, 2005 and 2004 totaled $61 million and $91 million, respectively. Fees, in the form of discounts, incurred in connection with these sales totaled $199 thousand and $311 thousand during the quarter ended March 31, 2005 and 2004, respectively. These fees are included as a component of "Other expenses" in the Consolidated Statements of Operations.

The Company is the collection agent on behalf of the bank or other third-party financing organization for many of these arrangements and has no significant retained interests or servicing liabilities related to accounts receivable that it has sold. The Company may be required to repurchase certain accounts receivable sold in certain circumstances, including, but not limited to, accounts receivable in dispute or otherwise not collectible, accounts receivable in which credit insurance is not maintained and a violation of, the expiration or early termination of the agreement pursuant to which these arrangements are conducted. There were no significant repurchases of accounts receivable sold during the quarters ended March 31, 2005 and 2004. These agreements require the Company's subsidiaries to provide collateral in the form of pledged assets and/or, in certain situations, a guarantee by the Company of its subsidiaries' obligations.

Pursuant to these arrangements, approximately $19 million and $27 million of trade accounts receivable were sold to and held by banks and other third-party financing institutions at March 31, 2005 and 2004, respectively. Amounts held by banks or other financing institutions at March 31, 2005 were for transactions related to the Company's Norway and Sweden arrangements. All other arrangements have been terminated or expired.

LIQUIDITY ANALYSIS

Our measurement for liquidity is the summation of total unrestricted cash and unused borrowing availability. We use this measurement as an indicator of how much access to cash we have to either grow the business through investment in

new markets, acquisitions, or through expansion of existing service or product lines or to contend with adversity such as unforeseen operating losses potentially caused by reduced demand for our products and services, a material uncollectible accounts receivable, or a material inventory write-down, as examples. The table below shows this calculation.

(Amounts in 000s)	MARCH 31, 2005	December 31, 2004	% Change
Unrestricted cash	$ 71,198	$ 72,120	(1%)
Borrowing availability	71,400	77,146	(7%)
Liquidity	$142,598	$149,266	(4%)

As of March 31, 2005 and December 31, 2004, our liquidity was $143 million and $149 million, respectively. The primary change in liquidity from December 31, 2004, was due to a $5.7 million, or 7%, reduction of borrowing availability due to outstanding borrowings on our credit facilities and seasonal fluctuations in working capital.

We routinely make large payments, in certain occasions, in excess of $10 million, to suppliers and routinely collect large payments from customers, in certain occasions, in excess of $10 million. The timing of these payments or collections can cause our cash balances and borrowings to fluctuate throughout the year. During the first quarter of 2005, our largest outstanding borrowings on a given day were approximately $27 million with an average outstanding balance of approximately $16 million.

While it is difficult to quantify the adequacy of our liquidity for future needs, with our cash balance and unused borrowing availability, totaling $143 million on March 31, 2005, we believe we have adequate liquidity to operate the business with our own resources for the next 12 months and to invest in potential growth opportunities.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject us to concentrations of credit risk consist principally of cash investments, forward currency contracts and accounts receivable. We maintain cash investments primarily in AAA rated money market mutual funds and overnight repurchase agreements, which have minimal credit risk. We place forward currency contracts with high credit-quality financial institutions

in order to minimize credit risk exposure. Concentrations of credit risk with respect to accounts receivable are limited due to the large number of geographically dispersed customers. We perform ongoing credit evaluations of our customers' financial condition and generally do not require collateral to secure accounts receivable.

EXCHANGE RATE RISK MANAGEMENT

A substantial portion of our revenue and expenses are transacted in markets worldwide and may be denominated in currencies other than the U.S. dollar.

Accordingly, our future results could be adversely affected by a variety of factors, including changes in specific countries' political, economic or regulatory conditions and trade protection measures.

Our foreign currency risk management program is designed to reduce, but not eliminate, unanticipated fluctuations in earnings and cash flows caused by volatility in currency exchange rates by hedging. Generally, through purchase of forward contracts, we hedge transactional currency risk, but do not hedge foreign currency revenue or future operating income. Also, we do not hedge our investment in foreign subsidiaries, where fluctuations in foreign currency exchange rates may affect our comprehensive income or loss. At March 31, 2005 and December 31, 2004, the face amount of outstanding forward currency contracts to buy U.S. dollars to hedge those currency exposures associated with certain assets and liabilities denominated in non-functional currencies was $15 million and $23 million, respectively. An adverse change (defined as a 10% strengthening of the U.S. dollar) in all exchange rates, relative to our foreign currency risk management program, would have had no material impact on our results of operations for 2004 or 2003. At March 31, 2005, there was no cash flow or net investment hedges open. Our sensitivity analysis of foreign currency exchange rate movements does not factor in a potential change in volumes or local currency prices of our products sold or services provided. Actual results may differ materially from those discussed above.

INTEREST RATE RISK MANAGEMENT

We are exposed to potential loss due to changes in interest rates. Investments with interest rate risk include short-term marketable securities. Debt with interest rate risk includes the fixed and variable rate debt. To mitigate interest rate risks, we have, in the past, utilized interest rate swaps to convert certain portions of our variable rate debt to fixed interest rates.

We are exposed to changes in interest rates on our variable interest rate revolving lines of credit. A 10% increase in short-term borrowing rates during the quarter would have resulted in only a nominal increase in interest expense. We did not have any interest rate swaps outstanding at March 31, 2005.

ITEM 4. CONTROLS AND PROCEDURES

DISCLOSURE CONTROLS AND PROCEDURES

The Company's management, including the Company's Principal Executive Officer and its Senior Vice President, Corporate Controller, Chief Accounting Officer and acting Chief Financial Officer ("Principal Financial Officer"), has evaluated the effectiveness of its disclosure controls and procedures

(as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this quarterly report. Based on that evaluation, the Principal Executive Officer ad Principal Financial Officer have concluded that, solely due to the material weaknesses described below, the Company's disclosure controls and procedures were not effective as of December 31, 2004.

Management of the Company has revised its assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2004, originally included in Management's Report on Internal Control Over Financial Reporting in the Company's annual report on Form 10-K filed on February 3, 2005. In that report, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2004, notwithstanding the existence of significant deficiencies that were deemed by the Company's management not to be material weaknesses. Subsequent to filing its annual report

on Form 10-K on February 3, 2005, the Company identified errors in its 2004 financial statements and has restated those annual financial statements filed on Form 10K/A on May 9, 2005. Management has concluded that these errors resulted from control deficiencies that represent material weaknesses in internal control over financial reporting. As a result, management has revised its assessment of the effectiveness of the Company's internal control over financial reporting due to the following identified material weaknesses:

- The Company's operations in France receive mobile operator commission, subsidy, bonus and residual airtime revenues as a result of subscriber activations or subscriber upgrades generated by the Company's network of independent authorized retailers and the Company's directly owned retail stores. The financial reporting control procedures for certain account receivable reconciliations and revenue recognition control procedures for proper pricing and invoicing of these transactions failed to operate effectively and in a timely fashion as of December 31, 2004. In addition, revenue recognition control procedures for invoicing and cash application of receipts related to these transactions were ineffectively designed as of December 31, 2004. Due to errors made in recording these transactions, the Company's operations in France overstated revenue resulting in a related overstatement of accounts receivable. In addition, certain other related adjustments were made in error which did not have an impact on net income, but resulted in an overall understatement of accounts receivable and accounts payable during the year ended December 31, 2004.

- The Company's operations in Australia failed to identify certain rebates that were not recorded related to a 2004 program, which resulted in an error in the December 31, 2004 financial statements. The communications process whereby new contracts are forwarded to regional finance personnel did not include communicating significant modifications to contracts. Accordingly, internal control in relation to the communication of rebate arrangements (between the product manager/country manager and the finance team) and assessments as to whether the terms and conditions for rebates have been achieved did not operate effectively. This error resulted in an overstatement of cost of revenue and the understatement of vendor receivables that would have reduced accounts payable, resulting in an overstatement of accounts payable in the 2004 financial statements.

SUBSEQUENT CONTROL CHANGES

The Company has implemented changes in procedures for the reporting of mobile operator commissions, subsidies and bonuses in its France operations and rebates earned on non-financial key performance metrics in its Australia operations and believes that these changes will assure proper recognition of these items. As part of the assessment of its internal controls over financial reporting, the Company has initiated immediate changes in processes in our France and Australia operations to correct the errors that occurred and to reduce the likelihood that similar errors could occur in the future. In addition, management of the Company, with the assistance of certain members of the Board of Directors, is reviewing the regional financial organizational structure, instituting new financial reporting and revenue recognition controls at all Brightpoint locations, performing supplementary detailed monthly review of accounts by regional and corporate management and executing more frequent internal audits.

The changes in the Company's internal control over financial reporting described in the previous paragraph were implemented subsequent to the quarter ended March 31, 2005. There were no changes in the Company's internal control over financial reporting that occurred during the quarter ended March 31, 2005, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The Company is from time to time involved in certain legal proceedings in the ordinary course of conducting its business. While the ultimate liability pursuant to these actions cannot currently be determined, the Company believes these legal proceedings will not have a material adverse effect on its Consolidated Financial Statements as a whole.

A Complaint was filed on January 4, 2005 against the Company in the Circuit Court for Baltimore County, Maryland, Case No. 03-C-05-000067 CN, entitled Iridium Satellite, LLC, Plaintiff v. Brightpoint, Inc., Defendant. The matter was removed to the United States District Court, District of Maryland, Baltimore Division. In the Complaint, the Plaintiff alleges claims of trover and conversion, fraudulent misrepresentation and breach of contract. All claims relate to the ownership and disposition of 1,500 Series 9500 satellite telephones. The Plaintiff seeks damages in the amount of $750,000 with interest and costs. The Company continues to dispute these claims and intends to defend this matter vigorously.

A Complaint was filed on November 23, 2001, against the Company and 87 other defendants in the United States District Court for the District of Arizona, entitled Lemelson Medical, Education and Research Foundation LP v. Federal Express Corporation, et.al., Cause No. CIV01-2287-PHX-PGR. The plaintiff claims that the Company and other defendants have infringed 7 patents alleged to cover bar code technology. The case seeks unspecified damages, treble damages and injunctive relief. The Court has ordered the case stayed pending the decision in a related case in which a number of bar code equipment manufacturers have sought a declaration that the patents asserted are invalid and unenforceable. That trial concluded in January 2003. In January 2004, the Court rendered its decision that the patents asserted by Lemelson were found to be invalid and unenforceable. Lemelson filed an appeal to the Court of Appeals for the Federal Circuit on June 23, 2004. The Company continues to dispute these claims and intends to defend this matter vigorously.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

On November 30, 2004, we announced that our Board of Directors had approved a share repurchase program authorizing the Company to repurchase up to $20 million of the Company's common stock by December 31, 2005. During the first quarter of 2005, the Company repurchased approximately 227 thousand shares of its own common stock at an average price of $19.35 per share, totaling $4.4 million. As of March 31, 2005, approximately $11.6 million may be used to purchase shares under this program. Detail of the repurchases is provided in the table below.

Month of purchase	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of the publicly announced program	Total a purchased of the pu announced

January 2005	150,300	$19.38	150,300	$2,91
February 2005	75,000	$19.25	75,000	$1,44
March 2005	2,100	$18.04	2,100	$3
Total/Average	227,400	$19.35	227,400	$4,39

PART II. OTHER INFORMATION

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

The list of exhibits is hereby incorporated by reference to the Exhibit Index on page 39 of this report.

PART II. OTHER INFORMATION

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this amended report to be signed on its behalf by the undersigned thereunto duly authorized.

Brightpoint, Inc.
(Registrant)

Date: May 9, 2005

/s/ Robert J. Laikin
Robert J. Laikin
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

Date: May 9, 2005

/s/ Lisa M. Kelley
Lisa M. Kelley
Senior Vice President, Corporate Controller and
Chief Accounting Officer and acting Chief

Financial Officer (Principal Accounting Officer
and acting Principal Financial Officer)

EXHIBIT INDEX

Exhibit No.	Description
10.1	Summary Sheet of Director and Executive Officer Compensation.
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, implementing Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934 implementing Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant To Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant To Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Cautionary Statements.