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PAR TECHNOLOGY CORP  
Form 8-K  
October 27, 2008

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): October 27, 2008

PAR TECHNOLOGY CORPORATION

-----  
(Exact name of registrant as specified in its charter)

|  |   |   |
|--|---|---|
| Delaware<br>-----<br>(State or other<br>jurisdiction of<br>organization) | 1-09720<br>-----<br>(Commission File<br>Number) | 16-1434688<br>-----<br>(I.R.S. Employer<br>incorporation or<br>Identification Number) |
|--|---|---|

|  |                                   |
|--|-----------------------------------|
| PAR Technology Park<br>8383 Seneca Turnpike<br>New Hartford, NY<br>-----<br>(Address of principal executive offices) | 13413-4991<br>-----<br>(Zip Code) |
|--|-----------------------------------|

Registrant's telephone number, including area code: (315) 738-0600

Not Applicable  
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(Former Name or Former Address, if changed since Last Report)

Item 2.02 Results of Operations and Financial Condition.

- (a) The information, including Exhibits attached hereto, in this Current Report is being furnished and shall not be deemed "filed" for the purposes of Section 18 of the Securities and Exchange Act of 1934, or otherwise subject to the liabilities of that Section. The information in this Current Report shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as otherwise expressly stated in such filing.
- (b) On October 27, 2008, PAR Technology Corporation issued a press release

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announcing its results of operation for the quarterly period ending September 30, 2008. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

99.1 Press Release dated October 27, 2008.

SIGNATURES

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

PAR TECHNOLOGY CORPORATION

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(Registrant)

Date: October 27, 2008

/s/Ronald J. Casciano

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Ronald J. Casciano  
Vice President, Chief Financial Officer  
and Treasurer

EXHIBIT INDEX

| Exhibit Number<br>----- | Description<br>-----                  |
|-------------------------|---------------------------------------|
| 99.1                    | Press Release dated October 27, 2008. |

Exhibit 99.1 Press Release dated October 27, 2008.

FOR RELEASE: NEW HARTFORD, NY, October 27, 2008  
CONTACT: Christopher R. Byrnes (315) 738-0600 ext. 226  
cbyrnes@partech.com, www.partech.com

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### PAR TECHNOLOGY CORPORATION REPORTS THIRD QUARTER RESULTS

- Revenues of \$58 million, a 12.4% increase over the third quarter 2007
- Earnings per diluted share (EPS) of \$0.06 vs. a \$0.06 loss per diluted share for Q3 2007

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NEW HARTFORD, NY, PAR TECHNOLOGY CORPORATION (NYSE:PTC)

New Hartford, NY- October 27, 2008 PAR Technology Corporation (NYSE: PTC), a provider of integrated hardware, software and service solutions to the restaurant, hotel/resort, and hospitality industries along with information-technology services to the United States Government, today reported third quarter financial results.

For the third quarter ended September 30, 2008, PAR Technology Corporation reported revenues of \$58 million compared to \$51.6 million in the third quarter 2007, an increase of 12.4%. Net income of \$828,000 was reported for the period compared to a net loss of \$862,000 in the third quarter last year. The Company reported diluted earnings per share of \$0.06 for this past quarter, compared to the diluted loss per share of \$0.06 reported for the same period a year earlier.

For the nine months ended September 30, 2008, PAR Technology Corporation reported revenues of \$167.3 million, a 12.1% increase when compared to the \$149.3 million reported one year ago. The Company also reported net income of \$757,000 in the first nine months of 2008 versus a net loss of \$3.2 million for the first nine months of 2007. Diluted earnings per share for the first nine months of 2008 was reported at \$0.05, compared to diluted loss per share of \$0.22 reported for the same period in 2007.

"Overall, our businesses performed well in the third quarter as we navigated through uncertain economic environments. Revenues were driven by strong sales to our global quick serve restaurant accounts as well as to our hotel and spa customers. Our government revenues were up year over year due to new wins in the IT outsourcing sector," said John W. Sammon, Chairman and CEO of PAR Technology. "Our performance during difficult economic circumstances reflects the relevance of the business lines we have chosen to be in and the geographic priorities we have set. We will continue to monitor economic conditions for the foreseeable future but will not alter our concentration on PAR's longer-term growth initiatives of expanding our global reach, increasing revenue growth in the channel space and creating innovative software and technology products."

#### EARNINGS CONFERENCE CALL

PAR Technology Chairman and CEO John W. Sammon and Chief Financial Officer Ronald J. Casciano will discuss the Company's recent performance on a two-way conference call with investors at 10:00 a.m. Eastern today. Information for participating on that call can be found on the Company's website at [www.partech.com](http://www.partech.com).

Certain Company information in this release or by its spokespersons from time to time may contain forward-looking statements. Any statements in this document that do not describe historical facts are forward-looking statements. Forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that all forward-looking statements involve risks and uncertainties, including

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without limitation, delays in new product introduction, risks in technology development and commercialization, risks in product development and market acceptance of and demand for the Company's products, risks of downturns in economic conditions generally, and in the quick service sector of the restaurant market specifically, risks of intellectual property rights associated with competition and competitive pricing pressures, risks associated with foreign sales and high customer concentration, and other risks detailed in the Company's filings with the Securities and Exchange Commission.

### ABOUT PAR TECHNOLOGY

PAR Technology Corporation creates and markets products that help hospitality operators around the world to better manage money, materials, people and the guest experience. PAR has provided hardware, software and services to the world's largest restaurant chains and their franchisees for almost 30 years. Today the Company's extensive offering includes technology solutions for the full spectrum of hospitality operations, from boutique hotels and independent table service restaurants to international QSR chains, all backed by PAR's global service network. The Company has over 50,000 installations in 105 countries worldwide. PAR is also a leader in providing computer-based system design and engineering services to the Department of Defense and Federal Government Agencies. PAR Technology Corporation's stock is traded on the New York Stock Exchange under the symbol PTC. For more information visit the Company's website at [www.partech.com](http://www.partech.com).

PAR TECHNOLOGY CORPORATION AND SUBSIDIARIES  
 CONSOLIDATED BALANCE SHEETS  
 (in thousands, except share amounts)  
 (unaudited)

|   | September 30,<br>2008 | December 31,<br>2007 |
|---|-----------------------|----------------------|
|   | -----                 | -----                |
| Assets                                    |                       |                      |
| Current assets:                           |                       |                      |
| Cash and cash equivalents .....           | \$ 2,892              | \$ 4,431             |
| Accounts receivable-net .....             | 46,865                | 43,608               |
| Inventories-net .....                     | 42,638                | 40,319               |
| Income tax refunds .....                  | 1,065                 | 521                  |
| Deferred income taxes .....               | 5,298                 | 5,630                |
| Other current assets .....                | 3,892                 | 3,370                |
|   | -----                 | -----                |
| Total current assets .....                | 102,650               | 97,879               |
| Property, plant and equipment - net ..... | 7,169                 | 7,669                |
| Deferred income taxes .....               | 746                   | 503                  |
| Goodwill .....                            | 26,618                | 26,998               |
| Intangible assets - net .....             | 8,840                 | 9,899                |
| Other assets .....                        | 1,846                 | 3,570                |
|   | -----                 | -----                |
| Total Assets .....                        | \$ 147,869            | \$ 146,518           |
|   | =====                 | =====                |
| Liabilities and Shareholders' Equity      |                       |                      |
| Current liabilities:                      |                       |                      |
| Current portion of long-term debt .....   | \$ 1,110              | \$ 772               |
| Borrowings under lines of credit .....    | 7,541                 | 2,500                |
| Accounts payable .....                    | 14,448                | 16,978               |
| Accrued salaries and benefits .....       | 8,942                 | 9,919                |

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|  |            |            |
|--|------------|------------|
| Accrued expenses .....   | 4,073      | 3,860      |
| Customer deposits .....  | 3,779      | 3,898      |
| Deferred service revenue .....   | 13,825     | 14,357     |
|  | -----      | -----      |
| Total current liabilities .....  | 53,718     | 52,284     |
|  | -----      | -----      |
| Long-term debt .....   | 6,179      | 6,932      |
|  | -----      | -----      |
| Other long-term liabilities .....  | 2,167      | 2,315      |
|  | -----      | -----      |
| Shareholders' Equity:  |            |            |
| Preferred stock, \$.02 par value,<br>1,000,000 shares authorized .....   | --         | --         |
| Common stock, \$.02 par value,<br>29,000,000 shares authorized;<br>16,186,718 and 16,047,818 shares issued;<br>14,533,963 and 14,395,063 outstanding ..... | 324        | 321        |
| Capital in excess of par value .....   | 40,055     | 39,252     |
| Retained earnings .....  | 51,208     | 50,451     |
| Accumulated other comprehensive (loss) income .....  | (273)      | 472        |
| Treasury stock, at cost, 1,652,755 shares .....  | (5,509)    | (5,509)    |
|  | -----      | -----      |
| Total shareholders' equity .....   | 85,805     | 84,987     |
|  | -----      | -----      |
| Total Liabilities and Shareholders' Equity   | \$ 147,869 | \$ 146,518 |
|  | =====      | =====      |

PAR TECHNOLOGY CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(in thousands, except per share amounts)  
(unaudited)

|   | For the three months<br>ended September 30, |           | For the nine months<br>ended September 30 |          |
|---|---|-----------|---|----------|
|   | 2008  | 2007      | 2008                                      | 2007     |
|   | -----                                       | -----     | -----                                     | -----    |
| Net revenues:                             |   |           |   |          |
| Product .....                             | \$ 20,918                                   | \$ 18,066 | \$ 58,566                                 | \$ 53,09 |
| Service .....                             | 19,155                                      | 17,006    | 53,299                                    | 48,63    |
| Contract .....                            | 17,894                                      | 16,505    | 55,443                                    | 47,55    |
|   | -----                                       | -----     | -----                                     | -----    |
|   | 57,967                                      | 51,577    | 167,308                                   | 149,28   |
|   | -----                                       | -----     | -----                                     | -----    |
| Costs of sales:                           |   |           |   |          |
| Product .....                             | 12,016                                      | 10,681    | 34,053                                    | 31,68    |
| Service .....                             | 14,466                                      | 13,238    | 39,826                                    | 37,29    |
| Contract .....                            | 16,924                                      | 15,256    | 52,477                                    | 44,46    |
|   | -----                                       | -----     | -----                                     | -----    |
|   | 43,406                                      | 39,175    | 126,356                                   | 113,44   |
|   | -----                                       | -----     | -----                                     | -----    |
| Gross margin .....                        | 14,561                                      | 12,402    | 40,952                                    | 35,84    |
|   | -----                                       | -----     | -----                                     | -----    |
| Operating expenses:                       |   |           |   |          |
| Selling, general and administrative ..... | 9,121                                       | 8,581     | 26,924                                    | 26,47    |

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|   |               |                 |               |                  |
|---|---------------|-----------------|---------------|------------------|
| Research and development .....                      | 3,560         | 4,562           | 11,571        | 12,76            |
| Amortization of identifiable intangible assets      | 388           | 397             | 1,167         | 1,18             |
|   | <u>13,069</u> | <u>13,540</u>   | <u>39,662</u> | <u>40,42</u>     |
| Operating income (loss) .....                       | 1,492         | (1,138)         | 1,290         | (4,57)           |
| Other income, net .....                             | 216           | 350             | 759           | 74               |
| Interest expense .....                              | (275)         | (310)           | (745)         | (76)             |
| Income (loss) before provision for income taxes ... | 1,433         | (1,098)         | 1,304         | (4,60)           |
| (Provision) benefit for income taxes .....          | (605)         | 236             | (547)         | 1,40             |
| Net income (loss) .....                             | <u>\$ 828</u> | <u>\$ (862)</u> | <u>\$ 757</u> | <u>\$ (3,19)</u> |
| Earnings (loss) per share                           |               |                 |               |                  |
| Basic .....   | \$ .06        | \$ (.06)        | \$ .05        | \$ (.2           |
| Diluted .....                                       | \$ .06        | \$ (.06)        | \$ .05        | \$ (.2           |
| Weighted average shares outstanding                 |               |                 |               |                  |
| Basic .....   | <u>14,440</u> | <u>14,351</u>   | <u>14,404</u> | <u>14,34</u>     |
| Diluted .....                                       | <u>14,823</u> | <u>14,351</u>   | <u>14,787</u> | <u>14,34</u>     |