



Edgar Filing: ENGINEERED SUPPORT SYSTEMS INC - Form 8-K

unsecured revolving credit facility.

Borrowings under the Amended Credit Agreement bear interest, at the Company's option, at either the Eurodollar rate plus an applicable margin, or at the higher of the prime rate or the federal funds rate plus one-half of one percent. The margin applicable to the Eurodollar rate varies from 0.625% to 1.375% depending upon the Company's leverage ratio. The Amended Credit Agreement contains certain covenants, including maintaining net worth of at least \$265 million, plus 50% of the sum, to extent positive, of the Company's consolidated net income and other comprehensive income (loss) reported after October 31, 2004, plus the net proceeds of all subsequent equity offerings. The Company must also comply with certain financial covenants, including maintenance of a leverage ratio of no greater than 2.75 to 1 and a fixed charge coverage ratio of no less than 3 to 1. The Company can request, subject to certain conditions, an increase of up to \$100 million in the amount of the aggregate commitment under the Amended Credit Agreement. The Company is also subject to various other financial and operating covenants and maintenance criteria, including restrictions on the Company's ability to incur additional indebtedness, make investments, create liens, dispose of material assets and enter into merger transactions and acquisitions.

A copy of the Amended Credit Agreement is attached to this Form 8-K as Exhibit 99.

Item 2.03 Creation of a Direct Financial Obligation

See Item 1.01, which is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(c) The following exhibit is filed as part of this report:

Exhibit Number	Description
-----	-----
99	Amended and Restated Credit Agreement Dated as of January 27, 2005 among Engineered Support Systems, Inc., as the Borrower, Bank of America, N.A. and the Other Lenders Party Hereto

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 hereunto duly authorized.

ENGINEERED SUPPORT SYSTEMS, INC.

Date: February 2, 2005  
-----

BY: /s/ Gary C. Gerhardt  
-----  
Gary C. Gerhardt  
Vice Chairman and Chief Financial Officer

Edgar Filing: ENGINEERED SUPPORT SYSTEMS INC - Form 8-K

EXHIBIT INDEX

Exhibit Number	Description
-----	-----
99	Amended and Restated Credit Agreement Dated as of January 27, 2005 among Engineered Support Systems, Inc., as the Borrower, Bank of America, N.A. and the Other Lenders Party Hereto