INVACARE CORP
Form 10-Q
May 05, 2011

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

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2011

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 001-15103

INVACARE CORPORATION
(Exact name of registrant as specified in its charter)

Ohio	95-2680965
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No)
One Invacare Way, P.O. Box 4028, Elyria, Ohio	44036
(Address of principal executive offices)	(Zip Code)

(440) 329-6000
(Registrant's telephone number, including area code)

____
(Former name, former address and former fiscal year, if changed since last report)

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 (the “Exchange Act”) during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No__

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "small reporting company" in Rule 12b-2 of the Exchange Act. (Check One): Large accelerated filer Accelerated filer X Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

As of May 2, 2011, the registrant had 30,841,838 Common Shares and 1,084,747 Class B Common Shares outstanding.

INVACARE CORPORATION

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Part I. FINANCIAL INFORMATION
Item 1. Financial Statements.

INVACARE CORPORATION AND SUBSIDIARIES
Condensed Consolidated Balance Sheets (unaudited)

	March 31, 2011	December 31, 2010
	(In thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 32,632	$ 48,462
Trade receivables, net	251,732	252,004
Installment receivables, net	4,686	3,959
Inventories, net	183,254	174,375
Deferred income taxes	6,151	5,778
Other current assets	43,137	41,581
TOTAL CURRENT ASSETS	521,592	526,159
OTHER ASSETS	45,343	45,484
OTHER INTANGIBLES	72,286	70,911
PROPERTY AND EQUIPMENT, NET	131,332	130,763
GOODWILL	533,388	507,083
TOTAL ASSETS	$ 1,303,941	$ 1,280,400
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 145,756	$ 143,753
Accrued expenses	123,311	130,079
Accrued income taxes	4,934	8,502
Short-term debt and current maturities of long-term obligations	4,838	7,974
TOTAL CURRENT LIABILITIES	278,839	290,308
LONG-TERM DEBT	242,016	238,090
OTHER LONG-TERM OBLIGATIONS	105,114	99,591
SHAREHOLDERS' EQUITY		
Preferred shares	0	0
Common shares	8,423	8,401
Class B common shares	272	272
Additional paid-in-capital	230,876	231,685
Retained earnings	377,055	370,001
Accumulated other comprehensive earnings	146,569	112,631
Treasury shares	(85,223)	(70,579)
TOTAL SHAREHOLDERS' EQUITY	677,972	652,411

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	1,303,941	$	1,280,400

See notes to condensed consolidated financial statements.

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INVACARE CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statement of Earnings - (unaudited)

(In thousands except per share data)	Three Months Ended March 31, 2011	2010
Net sales	$ 428,498	$ 402,240
Cost of products sold	305,492	284,527
Gross profit	123,006	117,713
Selling, general and administrative expense	105,777	101,777
Loss on debt extinguishment including debt finance charges and associated fees	4,881	4,386
Interest expense	2,611	6,392
Interest income	(267)	(148)
Earnings before income taxes	10,004	5,306
Income taxes	2,550	2,200
NET EARNINGS	$ 7,454	$ 3,106
DIVIDENDS DECLARED PER COMMON SHARE	.0125	.0125
Net earnings per share – basic	$ 0.23	$ 0.10
Weighted average shares outstanding - basic	32,174	32,349
Net earnings per share – assuming dilution	$ 0.23	$ 0.09
Weighted average shares outstanding - assuming dilution	33,015	32,969

See notes to condensed consolidated financial statements.

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INVACARE CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statement of Cash Flows - (unaudited)

	Three Months Ended March 31, 2011	2010
OPERATING ACTIVITIES	(In thousands)	
Net earnings	$ 7,454	$ 3,106
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Amortization of convertible debt discount	593	1,000
Loss on debt extinguishment including debt finance charges and associated fees	4,881	4,386
Depreciation and amortization	8,795	9,107
Provision for losses on trade and installment receivables	3,392	2,702
Provision for other deferred liabilities	694	602
Provision (benefit) for deferred income taxes	(233)	275
Provision for stock-based compensation	1,412	1,557
Gain (loss) on disposals of property and equipment	158	(1)
Changes in operating assets and liabilities:		
Trade receivables	1,412	6,909
Installment sales contracts, net	(320)	(511)
Inventories	(4,660)	(6,293)
Other current assets	(316)	4,804
Accounts payable	(575)	(4,919)
Accrued expenses	(15,278)	(14,200)
Other deferred liabilities	1,534	1,725
NET CASH PROVIDED BY OPERATING ACTIVITIES	8,943	10,249
INVESTING ACTIVITIES		
Purchases of property and equipment	(3,353)	(4,471)
Proceeds from sale of property and equipment	14	6
Other long term assets	(206)	786
Other	(161)	(363)
NET CASH USED FOR INVESTING ACTIVITIES	(3,706)	(4,042)
FINANCING ACTIVITIES		
Proceeds from revolving lines of credit and long-term borrowings	112,292	75,275
Payments on revolving lines of credit and long-term debt and capital lease obligations	(117,558)	(87,051)
Proceeds from exercise of stock options	2,068	931
Payment of financing costs	(4,507)	(3,972)
Payment of dividends	(401)	(404)
Purchase of treasury stock	(14,644)	0
NET CASH USED BY FINANCING ACTIVITIES	(22,750)	(15,221)
Effect of exchange rate changes on cash	1,683	(2,420)
Decrease in cash and cash equivalents	(15,830)	(11,434)

Cash and cash equivalents at beginning of period		48,462		37,501
Cash and cash equivalents at end of period	$	32,632	$	26,067

See notes to condensed consolidated financial statements.

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INVACARE CORPORATION AND SUBSIDIARIES
Notes to Condensed Consolidated
Financial Statements
(Unaudited)
March 31, 2011

Nature of Operations - Invacare Corporation is the world’s leading manufacturer and distributor in the estimated $11.0 billion worldwide market for medical equipment and supplies used in the home based upon the Company’s distribution channels, breadth of product line and net sales. The Company designs, manufactures and distributes an extensive line of health care products for the non-acute care environment, including the home health care, retail and extended care markets.

Principles of Consolidation - The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries and include all adjustments, which were of a normal recurring nature, necessary to present fairly the financial position of the Company as of March 31, 2011, the results of its operations for the three months ended March 31, 2011 and changes in its cash flow for the three months ended March 31, 2011 and 2010, respectively. Certain foreign subsidiaries, represented by the European segment, are consolidated using a February 28 quarter end in order to meet filing deadlines. No material subsequent events have occurred related to the European segment, which would require disclosure or adjustment to the Company’s financial statements other than disclosed in the Subsequent Event note to these financial statements. All significant intercompany transactions are eliminated. The results of operations for the three months ended March 31, 2011 are not necessarily indicative of the results to be expected for the full year.

Use of Estimates - The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States, which require management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

Accounting for Stock-Based Compensation - The Company accounts for share based compensation under the provisions of Compensation—Stock Compensation, ASC 718. The Company has not made any modifications to the terms of any previously granted options and no significant changes have been made regarding the valuation methodologies used to determine the fair value of options granted since 2005 and the Company continues to use a Black-Scholes valuation model.

The substantial majority of the options awarded have been granted at exercise prices equal to the market value of the underlying stock on the date of grant. Restricted stock awards granted without cost to the recipients are expensed on a straight-line basis over the vesting periods.

For the three months ended March 31, 2011 and 2010, the Company recognized stock-based compensation of $1,412,000 and $1,557,000, respectively, as part of selling, general and administrative expense. These amounts reflect compensation expense related to restricted stock awards and nonqualified stock options awarded under the 2003 Performance Plan (the “2003 Plan”). Stock-based compensation is not allocated to the business segments, but is reported as part of “All Other” as shown in the Company’s Business Segment Note to the Consolidated Financial Statements.

Receivables - Accounts receivable and installment receivables are reduced by an allowance for amounts that may become uncollectible in the future. Substantially all of the Company’s receivables are due from health care, medical equipment providers and long term care facilities located throughout the United States, Australia, Canada, New

Zealand and Europe. A significant portion of products sold to providers, both foreign and domestic, is ultimately funded through government reimbursement programs such as Medicare and Medicaid in the U.S. As a consequence, changes in these programs can have an adverse impact on dealer liquidity and profitability. The estimated allowance for uncollectible amounts for both trade accounts receivable and installment receivables ($29,215,000 and $30,168,000 at March 31, 2011 and December 31, 2010, respectively) is based primarily on management's evaluation of the financial condition of specific customers. In addition, as a result of the third party financing arrangement with De Lage Landen, Inc. (DLL), a third party financing company which the Company has worked with since 2000, management monitors the collection status of these contracts in accordance with the Company's limited recourse obligations and provides amounts necessary for estimated losses in the allowance for doubtful accounts and establishing reserves for specific customers as needed. The Company charges off uncollectible trade accounts receivable after such receivables are moved to collection status and legal remedies are exhausted. See Concentration of Credit Risk in the Notes to the Consolidated Financial Statements for a description of the financing arrangement. Long-term installment receivables are included in "Other Assets" on the consolidated balance sheet.

The Company's U.S. customers electing to finance their purchases can do so using DLL. In addition, Invacare often provides financing directly for its Canadian customers for which DLL is not an option, as DLL typically provides financing to Canadian customers only on a limited basis. The installment receivables recorded on the books of the Company represent a single portfolio segment of finance receivables to the independent provider channel. The portfolio segment is comprised of two classes of receivables distinguished by geography and credit quality. The U.S. installment receivables are the first class and represent installment receivables re-purchased from DLL because the customers were in

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default. Default with DLL is defined as a customer being delinquent by three payments. The Canadian installment receivables represent the second class of installment receivables which were originally financed by Invacare because third party financing was not available to the HME providers. The Canadian installment receivables are typically financed for twelve months and historically have had a very low risk of default.

The estimated allowance for uncollectible amounts and evaluation for impairment for both classes of installment receivables is based on the Company's quarterly review of the financial condition of each individual customer with the allowance for doubtful accounts adjusted accordingly. Installments are individually and not collectively reviewed for impairment. The Company assesses the bad debt reserve levels based upon the status of the customer's adherence to a legally negotiated payment schedule and the Company's ability to enforce judgments, liens, etc.

For purposes of granting or extending credit, the Company utilizes a scoring model to generate a composite score that considers each customer's consumer credit score and or D&B credit rating, payment history, security collateral and time in business. Additional analysis is performed for customers desiring credit greater than $250,000 which includes a detailed review of the customer's financials as well as consideration of other factors such as exposure to changing reimbursement laws.

Interest income is recognized on installment receivables based on the terms of the installment agreements. Installment accounts are monitored and if a customer defaults on payments and is moved to collection, interest income is no longer recognized. Subsequent payments received once an account is put on non-accrual status are generally first applied to the principal balance and then to the interest. Accruing of interest on collection accounts does not occur and accruing of interest would only be restarted if the account became current again. All installment accounts are accounted for using the same methodology regardless of the duration of the installment agreements. When an account is placed in collection status, the Company initiates a legal process of adjudication of the delinquency, the duration of which is typically approximately 18 months. Any write-offs of uncollectible amounts are made after the legal process has been completed. The Company has not made any changes to either its accounting policies or methodology to estimation allowances for doubtful accounts in the last twelve months.

Installment receivables consist of the following (in thousands):

	March 31, 2011			December 31, 2010		
	Current	Long-Term	Total	Current	Long-Term	Total
Installment receivables	$ 6,575	$ 3,687	$ 10,262	$ 5,777	$ 4,854	$ 10,631
Less: Unearned interest	(137)	0	(137)	(118)	0	(118)
	6,438	3,687	10,125	5,659	4,854	10,513
Allowance for doubtful accounts	(1,752)	(2,264)	(4,016)	(1,700)	(3,141)	(4,841)
	$ 4,686	$ 1,423	$ 6,109	$ 3,959	$ 1,713	$ 5,672

Installment receivable purchased from DLL during the three months ended March 31, 2011 increased the gross installment receivables balance by $336,000. No sales of installment receivables were made by the Company during the year.

The movement in the installment receivables allowance for doubtful accounts was as follows (in thousands):

	Three Months Ended March 31, 2011	Year Ended December 31, 2010
Beginning Balance	$ 4,841	$ 6,080
Current period provision	491	4,022
Direct write-offs charged against the allowance	(1,316)	(5,261)
Ending Balance	$ 4,016	$ 4,841

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Installment receivables by class as of March 31, 2011 consist of the following (in thousands):

U.S.	Total Installment Receivables	Unpaid Principal Balance	Related Allowance for Doubtful Accounts	Interest Income Recognized
Impaired Installment receivables with a related allowance recorded	$ 6,110	$ 6,110	$ 3,845	$ 0
Canada				
Non-Impaired Installment receivables with no related allowance recorded	3,914	3,777	0	41
Impaired Installment receivables with a related allowance recorded	238	238	171	0
Total Canadian Installment Receivables	$ 4,152	$ 4,015	$ 171	$ 41
Total				
Non-Impaired Installment receivables with no related allowance recorded	3,914	3,777	0	41
Impaired Installment receivables with a related allowance recorded	6,348	6,348	4,016	0
Total Installment Receivables	$ 10,262	$ 10,125	$ 4,016	$ 41

Installment receivables by class as of December 31, 2010 consist of the following (in thousands):

U.S.	Total Installment Receivables	Unpaid Principal Balance	Related Allowance for Doubtful Accounts	Interest Income Recognized
Impaired Installment receivables with a related allowance recorded	$ 7,153	$ 7,153	$ 4,822	$ 0
Canada				
Non-Impaired Installment receivables with no related allowance recorded	3,222	3,104	0	109
Impaired Installment receivables with a related allowance recorded	256	256	19	0
Total Canadian Installment Receivables	$ 3,478	$ 3,360	$ 19	$ 109
Total				
Non-Impaired Installment receivables with no related allowance recorded	3,222	3,104	0	109
Impaired Installment receivables with a related allowance recorded	7,409	7,409	4,841	0
Total Installment Receivables	$ 10,631	$ 10,513	$ 4,841	$ 109

Installment receivables with a related allowance recorded as noted in the table above represent those installment receivables on a non-accrual basis in accordance with ASU 2010-20. As of March 31, 2011 and December 31, 2010, the Company had no U.S. installment receivables past due of 90 days or more for which the Company is still accruing interest. Individually, all U.S. installment receivables are assigned a specific allowance for doubtful accounts based on management’s review when the Company does not expect to receive both the contractual principal and interest payments as specified in the loan agreement. However, while the full balance may be deemed to be impaired, the Company does historically collect a large percentage of the principal of its U.S. installment receivables.

The Company had an immaterial amount of Canadian installment receivables which were past due of 90 days or more as of March 31, 2011 and December 31, 2010, respectively, for which the Company is still accruing interest.

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The aging of the Company's installment receivables was as follows (in thousands):

	March 31, 2011			December 31, 2010		
	Total	U.S.	Canada	Total	U.S.	Canada
Current	$ 3,821	$ 0	$ 3,821	$ 3,097	$ 0	$ 3,097
0-30 Days Past Due	35	0	35	89	0	89
31-60 Days Past Due	40	0	40	31	0	31
61-90 Days Past Due	18	0	18	5	0	5
90+ Days Past Due	6,348	6,110	238	7,409	7,153	256
	$ 10,262	$ 6,110	$ 4,152	$ 10,631	$ 7,153	$ 3,478

Inventories - Inventories determined under the first in, first out method consist of the following components (in thousands):

	March 31, 2011	December 31, 2010
Finished goods	$ 105,343	$ 101,243
Raw Materials	65,944	59,921
Work in Process	11,967	13,211
	$ 183,254	$ 174,375

Property and Equipment - Property and equipment consist of the following (in thousands):

	March 31, 2011	December 31, 2010
Machinery and equipment	$ 341,422	$ 332,687
Land, buildings and improvements	96,111	91,956
Furniture and fixtures	27,216	27,775
Leasehold improvements	15,883	15,705
	480,632	468,123
Less allowance for depreciation	(349,300)	(337,360)
	$ 131,332	$ 130,763

Goodwill and Other Intangibles - The change in goodwill reflected on the balance sheet from December 31, 2010 to March 31, 2011 was entirely the result of foreign currency translation.

All of the Company's other intangible assets have been assigned definite lives and continue to be amortized over their useful lives, except for $32,925,000 related to trademarks, which have indefinite lives. The changes in intangible balances reflected on the balance sheet from December 31, 2010 to March 31, 2011 were the result of foreign currency translation and amortization.

As of March 31, 2011 and December 31, 2010, other intangibles consisted of the following (in thousands):

March 31, 2011 December 31, 2010

	Historical Cost	Accumulated Amortization	Historical Cost	Accumulated Amortization
Customer lists	$ 77,770	$ 44,595	$ 72,998	$ 40,071
Trademarks	32,925	0	31,246	0
License agreements	3,201	2,986	3,183	2,958
Developed technology	9,220	4,455	8,521	3,988
Patents	6,003	5,058	7,518	5,863
Other	6,189	5,928	6,092	5,767
	$ 135,308	$ 63,022	$ 129,558	$ 58,647

Amortization expense related to other intangibles was $2,220,000 in the first three months of 2011 and is estimated to be $8,090,000 in 2012, $7,218,000 in 2013, $6,619,000 in 2014, $5,288,000 in 2015 and $4,280,000 in 2016. Definite lived intangibles are being amortized on a straight-line basis for periods from 3 to 20 years with the majority of the intangibles being amortized over a life of between 10 and 13 years.

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Warranty Costs - Generally, the Company's products are covered from the date of sale to the customer by warranties against defects in material and workmanship for various periods depending on the product. Certain components carry a lifetime warranty. A provision for estimated warranty cost is recorded at the time of sale based upon actual experience. The Company continuously assesses the adequacy of its product warranty accrual and makes adjustments as needed. Historical analysis is primarily used to determine the Company's warranty reserves. Claims history is reviewed and provisions are adjusted as needed. However, the Company does consider other events, such as a product recall, which could warrant additional warranty reserve provision. No material adjustments to warranty reserves were necessary in the first three months of 2011.

The following is a reconciliation of the changes in accrued warranty costs for the reporting period (in thousands):

Balance as of January 1, 2011	$	18,252
Warranties provided during the period		2,469
Settlements made during the period		(2,235)
Changes in liability for pre-existing warranties during the period, including expirations		337
Balance as of March 31, 2011	$	18,823

Long-Term Debt - On May 9, 2008, Staff Position APB 14-1, Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement) (FSP APB 14-1) as codified in Debt with Conversion and Other Options, ASC 470-20, was issued to provide clarification of the accounting for convertible debt that can be settled in cash upon conversion. The FASB believed this clarification was needed because the accounting that was being applied for convertible debt prior to FSP APB 14-1 did not fully reflect the true economic impact on the issuer since the conversion option was not captured as a borrowing cost and its full dilutive effect was not included in earnings per share. ASC 470-20 required separate accounting for the liability and equity components of the convertible debt in a manner that would reflect Invacare's nonconvertible debt borrowing rate. Accordingly, the Company initially split the total debt amount of $135,000,000 attributable to its 4.125% Convertible Senior Subordinated Debentures due 2027 into a convertible debt amount of $75,988,000 and a stockholders' equity (debt discount) amount of $59,012,000 as of the retrospective adoption date of February 12, 2007 and is accreting the resulting debt discount as interest expense over a ten year life. The Consolidated Balance Sheet as of March 31, 2011 reflects a decrease in long-term debt of $20,239,000 and a deferred tax liability of $7,084,000 compared to comparable amounts of $25,137,000 and $8,798,000, respectively, as of December 31, 2010.

During the three months ended March 31, 2011, the Company repurchased $13,514,000 ($8,615,000 reduction of debt and $4,898,000 reduction of equity) par value of its 4.125% Convertible Senior Subordinated Debentures due 2027. The Company retired the debt at a premium above par. In accordance with Convertible Debt, ASC 470-20, the Company utilized the inducement method of accounting to calculate the loss associated with the early retirement of the convertible debt. For the three months ended March 31, 2011, the Company recorded pre-tax expense of $4,881,000 related to the loss on the debt extinguishment including the write-off of $336,000 of pre-tax of deferred financing fees, which were previously capitalized.

The Company utilized primarily its cash and cash flows from operations as well as its revolving line of credit to pay down the debt noted above. At March 31, 2011, the Company had outstanding $194,029,000 on its revolving line of credit compared to $184,932,000 as of December 31, 2010.

During the first quarter of 2011, the Company entered into interest rate swap agreements to effectively convert a portion of floating rate revolving credit facility debt to fixed rate debt to avoid the risk of changes in market interest rates. Specifically, interest rate swap agreements for notional amounts of $20,000,000 through May 2013 and

$15,000,000 through February 2013 were entered into that fix the LIBOR component of the interest rate on that portion of the revolving credit facility debt at rates of 1.08% and 1.05%, respectively, for an all-in rates of 3.58% and 3.55%, respectively. Effective April 5, 2011, the all-in rates changed to 2.83% and 2.80% respectively, as a result of the amendment to the Company's credit agreement that reduced the applicable interest rate related to both LIBOR and Base Rate Option borrowings by 75 basis points.

Shareholders' Equity Transactions - The 2003 Plan allows the Compensation and Management Development Committee of the Board of Directors (the "Committee") to grant up to 6,800,000 Common Shares in connection with incentive stock options, non-qualified stock options, stock appreciation rights and stock awards (including the use of restricted stock). The maximum aggregate number of Common Shares that may be granted during the term of the 2003 Plan pursuant to all awards, other than stock options, is 1,300,000 Common Shares. The Committee has the authority to determine which employees and directors will receive awards, the amount of the awards and the other terms and conditions of the awards. During the first three months of 2011, the Committee granted non-qualified stock options to purchase 5,000 Common Shares with a term of ten years at the fair market value of the Company's Common Shares on the date of grant under the 2003 Plan, which vest ratably in annual installments over the four years following the grant date.

Under the terms of the Company's outstanding restricted stock awards, all of the shares granted vest ratably over the four years after the grant date. Compensation expense of $498,000 was recognized related to restricted stock awards in the first three months of 2011 and, as of March 31, 2011, outstanding restricted stock awards totaling 238,870 shares were not yet vested.

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As of March 31, 2011, there was $13,876,000 of total unrecognized compensation cost from stock-based compensation arrangements granted under the 2003 Plan, which is related to non-vested options and shares, and includes $4,451,000 related to restricted stock awards. The Company expects the compensation expense to be recognized over a four-year period for a weighted-average period of approximately two years.

Stock option activity during the three months ended March 31, 2011was as follows:

	2011	Weighted Average Exercise Price
Options outstanding at January 1	4,484,195	$ 29.60
Granted	5,000	30.66
Exercised	(89,311)	23.16
Canceled	(57,671)	30.84
Options outstanding at March 31	4,342,213	$ 29.73
Options price range at March 31	$ 10.70 to	
	$ 47.80	
Options exercisable at March 31	2,827,986	
Options available for grant at March 31*	2,509,381	

* Options available for grant as of March 31, 2011 reduced by net restricted stock award activity of 482,678.

The following table summarizes information about stock options outstanding at March 31, 2011:

	Options Outstanding			Options Exercisable	
Exercise Prices	Number Outstanding At 3/31/11	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable At 3/31/11	Weighted Average Exercise Price
$ 10.70 - $15.00	20,175	1.6 years	$ 10.85	19,675	$ 10.75
$ 15.00 - $25.00	1,364,800	7.2	$ 21.66	726,222	$ 22.31
$ 25.01 - $35.00	1,590,997	6.4	$ 27.50	715,848	