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PAR TECHNOLOGY CORP  
Form 8-K  
February 14, 2006

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): February 14, 2006

PAR TECHNOLOGY CORPORATION

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

Delaware ----- (State or other jurisdiction of organization)	1-09720 ----- (Commission File Number)	16-1434688 ----- (I.R.S. Employer incorporation or Identification Number)
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PAR Technology Park 8383 Seneca Turnpike New Hartford, NY ----- (Address of principal executive offices)	13413-4991 ----- (Zip Code)
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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 February 14, 2006, PAR Technology Corporation issued a press release

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announcing its results of operation for the quarterly period ending December 31, 2005. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

99.1 Press Release dated February 14, 2006.

### 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: February 14, 2006

/s/ RONALD J. CASCIANO

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

### EXHIBIT INDEX

Exhibit Number -----	Description -----
99.1	Press Release dated February 14, 2006.

Exhibit 99.1

CONTACT: Christopher R. Byrnes (315) 738-0600 ext. 226  
cbyrnes@partech.com, www.partech.com

PAR TECHNOLOGY CORPORATION REPORTS RECORD FOURTH QUARTER  
AND YEAR END RESULTS

-QUARTERLY REVENUES GROW to RECORD \$53.5 MILLION

-DILUTED FOURTH QUARTER EPS of \$0.22 vs. \$0.13; AN INCREASE OF 69%

-2005 RECORD REVENUES GROW 18% to \$205.6 MILLION

-DILUTED EPS INCREASES 56% FOR THE YEAR

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

(New Hartford, NY- February 14, 2006) PAR Technology Corporation (NYSE: PTC), a leader in providing integrated hardware, software and service solutions to the hospitality industry, and provider of Government I/T solutions and services, today reported financial results for the fourth quarter and year ended December 31, 2005.

For the fourth quarter ended December 31, 2005, PAR Technology Corporation reported net revenues of \$53.5 million compared to \$51.4 million in the fourth quarter 2004, an increase of 4%. Net income rose 74% to \$3.2 million versus the \$1.9 million earned in the fourth quarter one year ago. The Company reported diluted net income per share of \$0.22 for this past quarter, compared to the \$0.13 reported for the same period a year earlier, growing 69%.

For the year ended December 31, 2005, PAR Technology Corporation reported net revenues of \$205.6 million, an 18% increase from the \$174.9 million reported one year ago. The Company also reported net income of \$9.4 million in 2005 versus \$5.6 million last year, an increase of 67%. Diluted net income per share in 2005 was reported at \$0.64, an increase of 56% compared to diluted net income per share of \$0.41 reported for the year 2004.

"We are very pleased by our fourth quarter and full-year results in 2005, which include record revenues for the fourth quarter and the entire year. Our continued success is attributed to significant customer retention, contract and margin expansions and core growth across all business lines," commented John W. Sammon, Chairman and CEO. "Our hospitality technology business continued its positive momentum for the fourth quarter and the year, posting revenue and earnings growth and adding new accounts like Papa Murphy's Pizza chain and the Sanibel Harbour Resort.

"The quarter's results were driven by the continued healthy performance across all segments of the hospitality technology market and by the improved margins we have been realizing due to the increase in software revenues. We closed on our acquisition of PixelPoint Technologies this past October and strongly feel this is a natural progression for our business as we now can market specific software products to the table service restaurant segment of hospitality. Internationally, we will continue to facilitate our customer's new store growth, specifically in the Asia/Pacific region. The international segment experienced strong growth both for the quarter and the year."

Sammon continued "Our government I/T services business also had strong results in 2005. During the quarter we signed agreements to operate a Navy communication facility in Lago Patria, Italy, which marked an expansion of our current relationship in the European theatre. In 2005 we also extended our existing program outside the military specifically with contract awards from the General Services Administration and the International Broadcasting Bureau."

"As PAR Technology enters its next phase of growth and business opportunities, it is extremely gratifying to look back on what our employees have achieved during the past two years," said Sammon in closing. "Our team has created a leading competitive position in hospitality technology that combines our superior design and customer service skills, including our intimate knowledge of hospitality markets with an intense focus on meeting our customers' needs. As a result, we are now in a position to grow our leadership position in the various hospitality markets we have identified."

This release contains forward-looking statements concerning the Company's strategic plans, market opportunities, cash flows, liquidity, and future growth. These forward looking statements are neither promises nor guarantees but are

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subject to risks and uncertainties that could cause actual results to differ materially from those set forth in the forward looking statements, including without limitation, 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 and the hospitality technology marketplace specifically, risks of intellectual property rights and litigation, risks associated with foreign sales and high customer concentration and other risks detailed in the Company's filings with the Securities and Exchange Commission. The Company cautions investors not to place undue reliance on these statements, which are current only as of the date of this release. The Company disclaims any obligation to update or supplement these statements as a result of changing circumstances or otherwise.

PAR Technology Corporation is a leading provider of professional services and enterprise business intelligence software and hardware to the hospitality industry. PAR develops, markets and supports hardware and software products that improve the ability of hospitality business professionals to make timely, fact-based business decisions. The Company is a premier provider of I/T management solutions to hotel and restaurant companies, with over 40,000 installations worldwide in 100 countries. PAR is 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.parotech.com](http://www.parotech.com).

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

	December 31,	
	2005	2004
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents .....	\$ 4,982	\$ 8,696
Accounts receivable-net .....	40,781	32,702
Inventories-net .....	29,562	27,047
Income tax refunds .....	879	--
Deferred income taxes .....	5,690	6,634
Other current assets .....	2,598	2,617
	84,492	77,696
Property, plant and equipment - net .....	8,044	8,123
Goodwill .....	20,622	15,379
Intangible assets - net .....	9,904	9,235
Other assets .....	2,087	1,319
	\$ 125,149	\$ 111,752
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities:</b>		
Current portion of long-term debt .....	\$ 76	\$ 90
Borrowings under lines of credit .....	3,500	10,246
Accounts payable .....	12,703	9,486
Accrued salaries and benefits .....	9,725	8,072
Accrued expenses .....	2,203	2,998
Customer deposits .....	3,973	4,861

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Deferred service revenue .....	11,332	9,083
Net liabilities of discontinued operation .....	149	323
	-----	-----
Total current liabilities .....	43,661	45,159
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Long-term debt .....	1,948	2,005
	-----	-----
Deferred income taxes .....	201	194
	-----	-----
Other long-term liabilities .....	847	820
	-----	-----
Commitments and contingent liabilities		
Shareholders' Equity:		
Preferred stock, \$.02 par value, 1,000,000 shares authorized .....	--	--
Common stock, \$.02 par value, 19,000,000 shares authorized; 15,914,958 and 15,208,698 shares issued; 14,136,654 and 13,403,184 outstanding .....	318	304
Capital in excess of par value .....	37,271	31,459
Retained earnings .....	47,442	38,010
Accumulated other comprehensive loss .....	(611)	(181)
Treasury stock, at cost, 1,778,304 and 1,805,514 shares .....	(5,928)	(6,018)
	-----	-----
Total shareholders' equity .....	78,492	63,574
	-----	-----
	\$ 125,149	\$ 111,752
	=====	=====

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

	For the three months ended December 31,		For the year ended December 31,	
	2005	2004	2005	2004
	-----	-----	-----	-----
Net revenues:				
Product .....	\$ 24,344	\$ 23,291	\$ 91,130	\$ 77,503
Service .....	15,444	14,976	58,327	47,466
Contract .....	13,677	13,159	56,182	49,915
	-----	-----	-----	-----
	53,465	51,426	205,639	174,884
	-----	-----	-----	-----
Costs of sales:				
Product .....	13,435	14,874	53,443	51,287
Service .....	11,318	11,690	44,205	39,769
Contract .....	12,612	12,437	52,405	46,682
	-----	-----	-----	-----
	37,365	39,001	150,053	137,738
	-----	-----	-----	-----
Gross margin .....	16,100	12,425	55,586	37,146
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Operating expenses:				
Selling, general and administrative	8,694	6,963	30,867	22,106
Research and development .....	2,487	2,356	9,355	6,270
Amortization of identifiable intangible assets .....	294	245	1,030	245
	-----	-----	-----	-----
	11,475	9,564	41,252	28,621
	-----	-----	-----	-----
Operating income .....	4,625	2,861	14,334	8,525
Other income, net .....	248	547	743	1,134
Interest expense .....	(103)	(149)	(287)	(295)
	-----	-----	-----	-----
Income before provision for income taxes	4,770	3,259	14,790	9,364
Provision for income taxes .....	(1,538)	(1,405)	(5,358)	(3,729)
	-----	-----	-----	-----
Net income .....	\$ 3,232	\$ 1,854	\$ 9,432	\$ 5,635
	=====	=====	=====	=====
Earnings per share:				
Basic .....	\$ .23	\$ .14	\$ .68	\$ .43
Diluted .....	\$ .22	\$ .13	\$ .64	\$ .41
Weighted average shares outstanding				
Basic .....	14,075	13,363	13,792	13,044
	=====	=====	=====	=====
Diluted .....	14,775	14,180	14,648	13,845
	=====	=====	=====	=====