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ENGLOBAL CORP  
Form 8-K  
July 02, 2004

SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 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) June 30, 2004

ENGLOBAL CORPORATION

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

|  |                             |                                      |
|--|-----------------------------|--------------------------------------|
| Nevada   | 001-14217                   | 88-0322261                           |
| -----  | -----                       | -----                                |
| (State or other jurisdiction<br>of incorporation)  | (Commission<br>File Number) | (IRS Employer<br>Identification No.) |
| 600 Century Plaza Drive, Suite 140, Houston, Texas |                             | 77073-6033                           |
| -----  |                             | -----                                |
| (Address of principal executive offices)           |                             | (Zip Code)                           |

Registrant's telephone number, including area code 281-821-3200

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(Former name or former address, if changed since last report)

Item 9. Regulation FD Disclosure

On December 15, 2003, ENGlobal Corporation sold assets of its manufacturing segment, which had been owned by the Company's wholly-owned subsidiary, Thermaire, Inc. d/b/a Thermal Corporation ("Thermaire"). Accordingly, ENGlobal no longer operates a manufacturing segment. Due to the sale of Thermaire, Note 20 to the Company's financial statements, as filed in its Annual Report on Form 10-K for the year ended December 31, 2003, restated financial information for the Company's 2003 quarterly and annual periods to reflect the discontinued operations separate from continuing operations. As indicated in Note 20, this quarterly data did not agree to previously filed financial statements.

The attached financial statements reflect the divestiture of the manufacturing segment and provide a more thorough breakdown of the Company's revenues, gross profit, percentage of sales, income from continuing operations, net income and earnings per share information for the past five years. Previously reported amounts will not agree to the amounts presented except net income. The Company is filing this Current Report on Form 8-K in order to be in a position to respond to a request for this information from an analyst.

The selected financial data should be read in conjunction with the Company's financial statements and the notes thereto included in Part IV, Item 15, and Part II, Item 7, Management's Discussion and Analysis of Financial Condition and

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Results of Operations, of the Company's Annual Report on Form 10-K for the year ended December 31, 2003 and other financial information.

In accordance with General Instructions B.2. to Form 8-K, the information in this Current Report on Form 8-K shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

### 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.

ENGlobal Corporation

Date: June 30, 2004  
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/s/ Natalie S. Hairston  
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Natalie S. Hairston, Investor Relations  
Officer, Chief Governance Officer and  
Corporate Secretary

### ENGlobal Corporations and Subsidiaries Consolidated Statement of Income

|  | For the quarters ended - 2002    |           |           |           | March     |
|--|----------------------------------|-----------|-----------|-----------|-----------|
|  | March                            | June      | September | December  |           |
|  | -----                            |           |           |           |           |
|  | (in thousands, except per share) |           |           |           |           |
| Operating Revenues:                          |                                  |           |           |           |           |
| Engineering                                  | \$ 17,874                        | \$ 18,625 | \$ 19,440 | \$ 19,032 | \$ 18,315 |
| Systems                                      | 2,287                            | 3,441     | 3,130     | 5,293     | 4,691     |
|  | -----                            | -----     | -----     | -----     | -----     |
| Total Revenues                               | 20,161                           | 22,066    | 22,570    | 24,325    | 23,006    |
| Direct Costs:                                |                                  |           |           |           |           |
| Engineering                                  | 15,278                           | 15,535    | 16,369    | 15,694    | 15,192    |
| Systems                                      | 1,795                            | 2,788     | 3,101     | 4,156     | 3,887     |
|  | -----                            | -----     | -----     | -----     | -----     |
| Total Direct Costs                           | 17,073                           | 18,323    | 19,470    | 19,850    | 19,079    |
|  | -----                            | -----     | -----     | -----     | -----     |
| Gross Profit                                 | 3,088                            | 3,743     | 3,100     | 4,475     | 3,927     |
| Selling, General and Administrative Expenses |                                  |           |           |           |           |
| Amortization & depreciation expense          | 196                              | 163       | 172       | 183       | 214       |
| Other expenses                               | 2,280                            | 2,543     | 1,966     | 3,129     | 2,667     |
|  | -----                            | -----     | -----     | -----     | -----     |
| Net Operating Income                         | 612                              | 1,037     | 962       | 1,163     | 1,046     |

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|   |         |        |         |         |        |
|---|---------|--------|---------|---------|--------|
| Interest expense  | (217)   | (197)  | (225)   | (182)   | (198)  |
| Other Income and expenses   | 117     | 21     | (2)     | 6       | (39)   |
|   | -----   | -----  | -----   | -----   | -----  |
| Income From Continuing Operations<br>Before Provisions For Income Taxes | 512     | 861    | 735     | 987     | 809    |
| Provision for Income Taxes  | 205     | 372    | 247     | 373     | 295    |
|   | -----   | -----  | -----   | -----   | -----  |
| Income From Continuing Operations                                       | \$ 307  | \$ 489 | \$ 488  | \$ 614  | \$ 514 |
| Loss From Discontinued Operations                                       |         |        |         |         |        |
| Income (loss) from operations of<br>discontinued segment, net of tax    | (41)    | 10     | (26)    | (89)    | (6)    |
| Gain from sale of discontinued<br>segment, net of tax                   | --      | --     | --      | --      | --     |
|   | -----   | -----  | -----   | -----   | -----  |
| Net Income  | \$ 266  | \$ 499 | \$ 462  | \$ 525  | \$ 508 |
| Preferred Dividends   | 50      | 55     | 52      | 52      | 52     |
|   | -----   | -----  | -----   | -----   | -----  |
| Net Income Available for Common Stock                                   | \$ 216  | \$ 444 | \$ 410  | \$ 473  | \$ 456 |
| Earnings per share-basic  |         |        |         |         |        |
| Income form continuing operations                                       | 0.011   | 0.020  | 0.019   | 0.023   | 0.020  |
| Loss from continuing operations   | (0.002) | --     | (0.001) | (0.003) | --     |
| Net income  | 0.009   | 0.020  | (0.018) | 0.020   | 0.020  |
| Earnings per share-diluted  |         |        |         |         |        |
| Income form continuing operations                                       | 0.011   | 0.020  | 0.019   | 0.023   | 0.020  |
| Loss from continuing operations   | (0.002) | --     | (0.001) | (0.003) | --     |
| Net income  | 0.009   | 0.020  | (0.018) | 0.020   | 0.020  |