



FORM 8-K

COMARCO INC - CMRO

Filed: June 05, 2008 (period: June 05, 2008)

Report of unscheduled material events or corporate changes.

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**UNITED STATES
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 5, 2008

Comarco, Inc.

(Exact name of registrant as specified in its charter)

California
(State or other jurisdiction of
incorporation)

000-05449
(Commission File Number)

95-2088894
(IRS Employer
Identification No.)

25541 Commercentre Drive, Lake Forest, California
(Address of principal executive offices)

92630-8870
(Zip Code)

Registrant's telephone number, including area code (949)599-7400

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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INFORMATION TO BE INCLUDED IN THE REPORT

Item 2.02. Results of Operations and Financial Condition.

On June 5, 2008 Comarco, Inc. (the "Company") issued a press release announcing, among other things, its financial results for the first quarter of fiscal 2009, which ended on April 30, 2008. The press release is incorporated herein to this Form 8-K by reference and a copy of the press release is attached hereto as Exhibits 99.1.

Note: The information contained in this Current Report on Form 8-K (including Exhibit 99.1) shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release of Comarco, Inc. dated June 5, 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 hereunto duly authorized.

COMARCO, INC.

(Registrant)

Date June 5, 2008

/s/ Winston E. Hickman
(Signature)
Winston E. Hickman
Chief Financial Officer

EXHIBIT INDEX

**Exhibit
Number**

Exhibit Description

99.1 Press Release of Comarco, Inc. dated June 5, 2008

FOR IMMEDIATE RELEASE

COMARCO REPORTS FIRST QUARTER FISCAL 2009 FINANCIAL RESULTS

LAKE FOREST, Calif., June 5, 2008 – Comarco, Inc. (NASDAQ: CMRO), a leading provider of innovative mobile power solutions through its ChargeSource[®] line of multi-function universal mobile power products and a provider of wireless test solutions and wireless emergency call box systems, today announced financial results for the first quarter of fiscal 2009 ended April 30, 2008.

Revenue for the first quarter of fiscal 2009 was \$12.3 million, an increase of 128% compared with \$5.4 million in revenue for the first quarter of fiscal 2008. The Company reported a net loss for the recent first fiscal quarter of \$1.7 million, or \$(0.23) per share. This compared with a net loss of \$1.6 million, or \$(0.22) per share, in the first quarter of fiscal 2008. Included in the results for the first fiscal quarter of 2009 were non-recurring severance costs totaling \$0.9 million related to the departure of former senior management, as well as a \$0.9 million increase in legal expenses which largely accounts for the increase in selling, general and administrative costs.

ChargeSource revenue for the first quarter of fiscal 2009 was \$3.8 million, an increase of \$3.5 million compared with \$321,000 reported for the first quarter of fiscal 2008. WTS revenue was \$6.1 million in the first quarter of fiscal 2009, up 133% compared with \$2.6 million reported for the first quarter of fiscal 2008. Callbox revenue was \$2.4 million for the first quarter of fiscal 2009, comparable to the \$2.5 million reported in the first quarter of fiscal 2008.

“Our first quarter results reflect the expected growth in revenue from both our ChargeSource and WTS businesses,” said Sam Inman, President and Chief Executive Officer of Comarco. “During the first quarter, we delivered 32 of the 41 wireless benchmarking systems ordered by AT&T last December, and we expect to complete delivery of the order during the second quarter. We are continuing discussions with wireless carriers to build additional interest in our WTS Symphony platform jointly developed with our partner Ascom.”

“Sales of our ChargeSource products also increased from the first quarter of fiscal 2008, reflecting the ramp up in our Lenovo sales,” Mr. Inman continued. “Development of the new cost-reduced small form factor power adapter designed for the retail market is on track and we expect initial shipments this fall. In addition, we continue to make good progress in reducing production and material costs which should result in margin improvements in the second half of the fiscal year. Call box revenue declined slightly compared with the prior year’s fiscal first quarter.”

The Company reported \$10.1 million in cash at April 30, 2008.

Forward-Looking Information

This news release includes “forward-looking statements” that are subject to risks, uncertainties, and other factors that could cause actual results or outcomes to differ materially from those contemplated by the forward-looking statements. Forward-looking statements in this release are generally identified by words such as “believes,” “anticipates,” “plans,” “expects,” “will,” “would,” and similar expressions that are intended to identify forward-looking statements. A number of important factors could cause actual results to differ materially from those indicated by these forward-looking

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statements, including, among others, the impact of perceived or actual weakening of economic conditions on customers' and prospective customers' spending on Comarco products and services; quarterly fluctuations in revenue or other operating results; failure to meet financial expectations of analysts and investors, including failure from significant reductions in demand from earlier anticipated levels; potential difficulties in the assimilation of operations, strategies, technologies, personnel and products of acquired companies and technologies; risks related to market acceptance of Comarco products and the Company's ability to meet contractual and technical commitments with its customers; activities by the Company and others regarding protection of intellectual property; and competitors' release of competitive products and other actions. Further information on potential factors that could affect the Company's financial results are included in risks detailed from time to time in the Company's Securities and Exchange Commission filings, including without limitation the annual report on Form 10-K for the year ended January 31, 2008.

The Company believes that the expectations reflected in these forward-looking statements are reasonable, however, future results, levels of activity, performance, or achievements cannot be guaranteed. Moreover, the Company assumes no responsibility for the accuracy and completeness of the forward-looking statements. In addition, the Company undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

Earnings Conference Call

Comarco will host a conference call to discuss the financial results for the fiscal first quarter ended April 30, 2008 and current corporate developments at 5:00 p.m. Eastern Time (2:00 p.m. Pacific Time) on Thursday, June 5, 2008. Dial (800) 257-1836 domestically or (303) 262-2130 internationally to listen to the call. A live Webcast will also be made available at www.comarco.com. A replay will be available approximately one hour after the call for 7 days following the call's conclusion. To access the replay, dial (800) 405-2236 for domestic callers or (303) 590-3000 for international callers, both using passcode 11115078#. A Web archive will be made available at www.comarco.com for 90 days following the call's conclusion.

About Comarco

Based in Lake Forest, Calif., Comarco is a leading provider of innovative mobile power solutions through its ChargeSource line of multi-function universal mobile power products which can simultaneously power and charge multiple devices such as notebook computers, mobile phones, BlackBerry® smartphones, iPods®, and many other rechargeable mobile devices. Comarco is also a provider of wireless test solutions and wireless emergency call box systems. More information about Comarco's product lines can be found at www.comarco.com and www.chargesource.com.

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COMARCO, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended	
	April 30,	
	2008	2007
Revenue	\$ 12,333	\$ 5,415
Cost of sales	7,653	3,236
Gross profit	4,680	2,179
Selling, general and administrative costs	4,312	2,406
Engineering and support costs	2,078	1,951
Operating loss	(1,710)	(2,178)
Other income	53	274
Gain on sale of equipment, net	—	321
Loss before income taxes	(1,657)	(1,583)
Income tax expense	—	32
Net loss	<u>\$ (1,657)</u>	<u>\$ (1,615)</u>
Basic and diluted loss per share:		
Net loss	<u>\$ (0.23)</u>	<u>\$ (0.22)</u>
Weighted average common shares outstanding:		
Basic	<u>7,327</u>	<u>7,366</u>
Diluted	<u>7,327</u>	<u>7,366</u>
Common shares outstanding:	<u>7,327</u>	<u>7,371</u>

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COMARCO, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands)

	<u>April 30,</u> <u>2008</u>	<u>January 31,</u> <u>2008 (A)</u>
	<u>(Unaudited)</u>	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 10,068	\$ 17,011
Short-term investments	146	336
Accounts receivable, net	15,636	4,728
Inventory	4,619	4,466
Other current assets	965	734
Total current assets	<u>31,434</u>	<u>27,275</u>
Property and equipment, net	2,472	2,586
Software development costs, net	153	—
Intangible assets, net	546	525
Goodwill	1,898	1,898
Restricted cash	250	250
Other assets	17	47
	<u>\$ 36,770</u>	<u>\$ 32,581</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 985	\$ 1,290
Deferred revenue	4,797	2,221
Deferred compensation	146	336
Accrued liabilities	9,620	5,705
Total current liabilities	<u>15,548</u>	<u>9,552</u>
Tax liability: FIN 48	86	86
Deferred rent	522	573
Deferred revenue	1,354	1,555
Total liabilities	<u>17,510</u>	<u>11,766</u>
Stockholders' equity	<u>19,260</u>	<u>20,815</u>
	<u>\$ 36,770</u>	<u>\$ 32,581</u>

^(A) Derived from the audited consolidated financial statements as of January 31, 2008.

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