

BRIGHTPOINT INC
Form 10-Q
August 05, 2008

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q**

**Quarterly Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
For the quarterly period ended June 30, 2008
0-23494
(Commission File no.)**

Brightpoint, Inc.

(Exact name of registrant as specified in its charter)

Indiana

35-1778566

State or other jurisdiction of
incorporation or organization

(I.R.S. Employer Identification No.)

2601 Metropolis Parkway, Suite 210, Plainfield, Indiana

46168

(Address of principal executive offices)

(Zip Code)

(317) 707-2355

(Registrant's telephone number, including area code)

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 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 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 "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

Yes No

The number of shares of Common Stock outstanding as of August 1, 2008: 81,627,174

PART 1 FINANCIAL INFORMATION**Item 1. Financial Statements****Brightpoint, Inc.****Consolidated Statements of Operations**

(Amounts in thousands, except per share data)

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2008	2007	2008	2007
Revenue				
Distribution revenue	\$1,110,473	\$766,980	\$2,199,483	\$1,334,020
Logistic services revenue	104,755	84,015	210,526	158,604
Total revenue	1,215,228	850,995	2,410,009	1,492,624
Cost of revenue				
Cost of distribution revenue	1,070,571	743,866	2,109,716	1,294,280
Cost of logistic services revenue	65,259	65,546	133,626	124,046
Total cost of revenue	1,135,830	809,412	2,243,342	1,418,326
Gross profit	79,398	41,583	166,667	74,298
Selling, general and administrative expenses	71,446	32,728	143,197	60,981
Amortization expense	4,819	664	9,542	744
Restructuring charge	2,969		6,583	
Operating income from continuing operations	164	8,191	7,345	12,573
Interest, net	6,901	2,290	14,445	3,440
Other (income) expenses	359	243	(1,607)	287
Income (loss) from continuing operations before income taxes	(7,096)	5,658	(5,493)	8,846
Income tax benefit	(4,955)	(12,063)	(4,251)	(10,717)
Income (loss) from continuing operations before minority interest	(2,141)	17,721	(1,242)	19,563
Minority interest, net of taxes	193		332	
Income (loss) from continuing operations	(2,334)	17,721	(1,574)	19,563

Discontinued operations, net of income taxes:

Gain (loss) from discontinued operations	(2)	(41)	14	(37)
Gain on disposal of discontinued operations	5	8	4	12
Total discontinued operations, net of income taxes	3	(33)	18	(25)

Net income (loss)	\$ (2,331)	\$ 17,688	\$ (1,556)	\$ 19,538
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Earnings per share basic:

Income (loss) from continuing operations	\$ (0.03)	\$ 0.36	\$ (0.02)	\$ 0.39
Discontinued operations, net of income taxes				

Net income (loss)	\$ (0.03)	\$ 0.36	\$ (0.02)	\$ 0.39
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Earnings per share diluted:

Income (loss) from continuing operations	\$ (0.03)	\$ 0.35	\$ (0.02)	\$ 0.39
Discontinued operations, net of income taxes				

Net income (loss)	\$ (0.03)	\$ 0.35	\$ (0.02)	\$ 0.39
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Weighted average common shares outstanding:

Basic	77,829	49,671	77,676	49,580
Diluted	81,445	50,739	81,530	50,615

See accompanying notes

Brightpoint, Inc.**Consolidated Balance Sheets**

(Amounts in thousands, except per share data)

	June 30, 2008	December 31, 2007
	(Unaudited)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 106,734	\$ 102,160
Accounts receivable (less allowance for doubtful accounts of \$14,195 in 2008 and \$17,157 in 2007)	622,605	754,238
Inventories	384,929	474,951
Other current assets	69,782	69,261
Total current assets	1,184,050	1,400,610
Property and equipment, net	58,112	55,732
Goodwill	407,657	349,646
Other intangibles, net	135,677	135,431
Other assets	33,659	30,942
Total assets	\$ 1,819,155	\$ 1,972,361
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Accounts payable	\$ 667,744	\$ 666,085
Accrued expenses	179,403	189,415
Current portion of long-term debt	14,000	19,332
Lines of credit and other short-term borrowings	1,901	
Total current liabilities	863,048	874,832
Long-term liabilities:		
Lines of credit, long-term	7,922	208,399
Long-term debt	219,964	233,122
Other long-term liabilities	52,935	54,425
Total long-term liabilities	280,821	495,946
Total liabilities	1,143,869	1,370,778
COMMITMENTS AND CONTINGENCIES		
Minority interest	352	818

Shareholders equity:

Preferred stock, \$0.01 par value: 1,000 shares authorized; no shares issued or outstanding

Common stock, \$0.01 par value: 100,000 shares authorized; 88,682 issued in 2008 and 88,418 issued in 2007

Additional paid-in-capital

Treasury stock, at cost, 7,063 shares in 2008 and 6,930 shares in 2007

Retained earnings

Accumulated other comprehensive income

Total shareholders equity

Total liabilities and shareholders equity

887	884
622,114	584,806
(59,980)	(58,695)
27,911	29,467
84,002	44,303
674,934	600,765

\$ 1,819,155	\$ 1,972,361
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See accompanying notes

Brightpoint, Inc.**Consolidated Statements of Cash Flows**

(Amounts in thousands)

(Unaudited)

	Six months ended	
	June 30,	
	2008	2007
Operating activities		
Net income (loss)	\$ (1,556)	\$ 19,538
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	19,336	7,244
Discontinued operations	(18)	25
Pledged cash requirements		(212)
Non-cash compensation	3,417	2,872
Restructuring charge	6,583	
Change in deferred taxes	(3,677)	(13,202)
Minority interest	466	
Other non-cash	122	980
	24,673	17,245
Changes in operating assets and liabilities, net of effects from acquisitions and divestitures:		
Accounts receivable	176,899	(1,896)
Inventories	116,340	172,792
Other operating assets	(3,220)	100
Accounts payable and accrued expenses	(54,850)	(200,108)
Net cash provided by (used in) operating activities	259,842	(11,867)
Investing activities		
Capital expenditures	(10,702)	(9,316)
Acquisitions, net of cash acquired	(6,913)	(68,864)
Decrease (increase) in other assets	(132)	219
Net cash used in investing activities	(17,747)	(77,961)
Financing Activities		
Net proceeds from (repayments) on lines of credit	(207,124)	76,334
Repayments on Global Term Loans	(27,856)	
Deferred financing costs paid		(1,758)
Purchase of treasury stock	(1,284)	(355)
Excess tax benefit from equity based compensation	117	513
Proceeds from common stock issuances under employee stock option plans	22	1,884
Net cash provided by (used in) financing activities	(236,125)	76,618

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Effect of exchange rate changes on cash and cash equivalents	(1,396)	2,836
Net increase (decrease) in cash and cash equivalents	4,574	(10,374)
Cash and cash equivalents at beginning of period	102,160	54,130
Cash and cash equivalents at end of period	\$ 106,734	\$ 43,756

See accompanying notes

Brightpoint, Inc.
Notes to Consolidated Financial Statements
(Unaudited)

1. Basis of Presentation**General**

The accompanying unaudited Consolidated Financial Statements have been prepared in conformity with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X of the Securities Exchange Act of 1934. Accordingly, they do not include all of the information and footnotes necessary for fair presentation of financial position, results of operations and cash flows in conformity with U.S. generally accepted accounting principles. Operating results from interim periods are not necessarily indicative of results that may be expected for the fiscal year as a whole. The Company is subject to seasonal patterns that generally affect the wireless device industry. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates, but management does not believe such differences will materially affect Brightpoint, Inc.'s financial position or results of operations. The Consolidated Financial Statements reflect all adjustments considered, in the opinion of management, necessary to fairly present the results for the periods. Such adjustments are of a normal recurring nature.

For further information, including the Company's significant accounting policies, refer to the audited Consolidated Financial Statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2007. As used herein, the terms Brightpoint, Company, we, our and us mean Brightpoint, Inc. and consolidated subsidiaries.

Earnings Per Share

Basic earnings per share is based on the weighted average number of common shares outstanding during each period, and diluted earnings per share is based on the weighted average number of common shares and dilutive common share equivalents outstanding during each period. The following is a reconciliation of the numerators and denominators of the basic and diluted earnings per share computations (in thousands, except per share data):

	Three Months Ended		Six months ended,	
	June 30,		June 30,	
	2008	2007	2008	2007
Income (loss) from continuing operations	\$ (2,334)	\$ 17,721	\$ (1,574)	\$ 19,563
Discontinued operations, net of income taxes	3	(33)	18	(25)
Net (loss) income	\$ (2,331)	\$ 17,688	\$ (1,556)	\$ 19,538
Earnings per share - basic:				
Income (loss) from continuing operations	\$ (0.03)	\$ 0.36	\$ (0.02)	\$ 0.39
Discontinued operations, net of income taxes				
Net (loss) income	\$ (0.03)	\$ 0.36	\$ (0.02)	\$ 0.39
Earnings per share - diluted:				
Income (loss) from continuing operations	\$ (0.03)	\$ 0.35	\$ (0.02)	\$ 0.39
Discontinued operations, net of income taxes				
Net (loss) income	\$ (0.03)	\$ 0.35	\$ (0.02)	\$ 0.39

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Weighted average shares outstanding for basic earnings per share	77,829	49,671	77,676	49,580
Net effect of dilutive stock options, restricted stock units, shares held in escrow and restricted stock based on the treasury stock method using average market price	3,616	1,068	3,854	1,035
Weighted average shares outstanding for diluted earnings per share	81,445	50,739	81,530	50,615

Brightpoint, Inc.**Notes to Consolidated Financial Statements****Recently Issued Accounting Pronouncements**

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) 157, *Fair Value Measurements*. The provisions of SFAS 157 were effective for the Company on January 1, 2008 for financial assets and liabilities and are effective for the Company on January 1, 2009 for non-financial assets and liabilities. The adoption of SFAS 157 did not have a material impact on the Company's financial statements. The Company does not expect the adoption of SFAS 157 for non-financial assets and liabilities to have a material impact on the Company's financial statements. SFAS 157 defines fair value, provides guidance for measuring fair value and requires certain disclosures. SFAS No. 157 discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). The statement utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs, other than quoted prices, that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

The following table summarizes the bases used to measure certain financial assets and financial liabilities at fair value on a recurring basis in the balance sheet (in thousands):

	Balance at June 30, 2008	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)
Financial instruments classified as assets			
Marketable securities	\$ 6,411	\$ 6,411	\$
Forward foreign currency contracts	201		201
Financial instruments classified as liabilities			
Interest rate swaps	\$ 1,779	\$	\$ 1,779
Forward foreign currency contracts	364		364

In December 2007, FASB issued SFAS 141 (R). This statement amends SFAS 141, *Business Combinations*, and provides revised guidance for recognizing and measuring identifiable assets and goodwill acquired, liabilities assumed, and any noncontrolling interest in the acquiree. It also provides disclosure requirements to enable users of the financial statements to evaluate the nature and financial effects of the business combination. The provisions of SFAS 141(R) are effective for the Company on January 1, 2009. The Company does not currently expect the adoption of SFAS 141(R) to have a material impact on its financial statements since the provisions of SFAS 141 (R) are applied prospectively.

In December 2007, the FASB issued SFAS 160, *Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB 51*. SFAS 160 amends ARB 51 to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. It also amends certain of ARB 51's consolidation procedures for consistency with the requirements of SFAS 141(R). The provisions of SFAS 160 are

effective for the Company on January 1, 2009. The Company does not expect the adoption of SFAS 160 to have a material impact on its financial statements.

In March 2008, the FASB issued SFAS 161, *Disclosures about Derivative Instruments and Hedging Activities*. This Statement enhances disclosures about derivative and hedging activities. The provisions of SFAS 161 are effective

Brightpoint, Inc.**Notes to Consolidated Financial Statements**

for the Company on January 1, 2009. The Company does not expect the adoption of SFAS 161 to have a material impact on its financial statements.

Other Comprehensive Income

Comprehensive income is comprised of net income, unrealized gains and losses on marketable securities, unrealized gains or losses on derivative instruments, and gains or losses resulting from currency translations of foreign investments. The details of comprehensive income for the three and six months ended June 30, 2008 and 2007 are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended, June 30,	
	2008	2007	2008	2007
Net (loss) income	\$ (2,331)	\$ 17,688	\$ (1,556)	\$ 19,538
Unrealized gain on derivative instruments	1,242		521	
Unrealized loss on marketable securities:				
Net loss arising during period	(753)		(2,087)	
Reclassification adjustment for losses in included net income	928		928	
Foreign currency translation	2,806	4,818	40,337	6,653
Comprehensive income	\$ 1,892	\$ 22,506	\$ 38,143	\$ 26,191

2. Acquisitions

On April 28, 2008, the Company acquired the assets of Hugh Symons Group Ltd.'s wireless distribution business for \$0.6 million (0.3 million pounds sterling) and the value of inventory at the date of closing. In addition, the Company agreed to contingent cash earn out payments based upon certain operating performance measures which may be payable on the first, second and third anniversary of closing. The total earn out payments shall in no event exceed 3.6 million pounds sterling (approximately \$7.2 million as of June 30, 2008).

On July 31, 2007 the Company completed its acquisition of Dangaard Telecom A/S (Dangaard Telecom). The purchase price for the Dangaard Telecom acquisition was \$344.9 million (including direct acquisition costs and the fair value of shares of common stock that are held in escrow). The fair value of the Company's common stock was measured in accordance with EITF 99-12, *Determination of the Measurement Date for the Market Price of Acquirer Securities Issued in a Purchase Business Combination*. Total equity consideration was estimated using a stock price of \$11.25 per share, which represents the average closing stock price beginning two trading days before and ending two trading days after February 20, 2007, the date of the public announcement of the definitive purchase agreement. The allocation of the purchase price is based upon preliminary estimates of the fair value of assets acquired and liabilities assumed. Results of operations related to this acquisition are included in the Company's Consolidated Statements of Operations beginning on August 1, 2007.

The following sets forth unaudited pro forma financial information in accordance with accounting principles generally accepted in the United States assuming the Dangaard Telecom acquisition took place at the beginning of the periods presented. The unaudited pro forma results include certain adjustments as described in the notes below (in thousands, except per share data):

Brightpoint, Inc.
Notes to Consolidated Financial Statements

Three months ended :

(amounts in 000s)

June 30, 2007	Dangaard Telecom	Brightpoint	Adjustments	Note	Consolidated
Revenue	\$564,124	\$ 850,995	\$ (78,703)	(1)	\$1,336,416
Income (loss) from continuing operations	(4,233)	17,721	(1,757)	(2)	11,731
Net (loss) income	(4,233)	17,688	(1,757)		11,698
Weighted average shares outstanding diluted		50,739	30,000	(3)	80,739
Income from continuing operations per share diluted		\$ 0.35			\$ 0.14

Six months ended:

(amounts in 000s)

June 30, 2007	Dangaard Telecom	Brightpoint	Adjustments	Note	Consolidated
Revenue	\$1,071,843	\$1,492,624	\$(128,614)	(1)	\$2,435,853
Income (loss) from continuing operations	(1,559)	19,563	(4,858)	(2)	13,146
Net (loss) income	(1,559)	19,538	(4,858)		13,121
Weighted average shares outstanding diluted		50,615	30,000	(3)	80,615
Income from continuing operations per share diluted		\$ 0.39			\$ 0.16

Pro forma adjustments:

- (1) To reclassify the cost of revenue that was historically presented by Dangaard Telecom on a gross basis to a net basis to conform with EITF 99-19, *Reporting Revenue Gross as a Principal versus Net as an Agent* and Brightpoint accounting policy.
- (2) To record the following:
amortization of the intangible assets recorded as a result of the acquisition, and

income tax provision for the effect of the pro forma adjustments above based on statutory tax rates.
- (3) To adjust the weighted average number of shares outstanding used to determine diluted pro forma earnings per share assuming the 30,000,000 shares of the Company's unregistered Common Stock used to acquire Dangaard Telecom were issued at the beginning of the period presented.

As discussed further in Note 3, on June 30, 2008, the Company formally announced a plan to realign its European operations. Adjustments to the purchase price allocation under the preliminary plan resulted in additional liabilities of \$2.3 million in 2008.

3. Restructuring

On June 30, 2008, the Company formally announced its plan to realign its European operations as a result of the acquisition of Dangaard Telecom. The Company currently expects to incur total restructuring costs of approximately \$10.0 to \$15.0 million during the third quarter of 2008 for severance, lease abandonment and other restructuring costs as a result of the plan to realign its European operations; and all but \$1.3 million to \$1.6 million of the estimated charges are directly related to the Dangaard Telecom acquisition and thus will impact the goodwill recorded in purchase accounting. These additional liabilities that impact purchase accounting will be recognized as liabilities assumed in the business combination and included in the allocation of the acquisition costs in accordance with EITF 95-3, *Recognition of Liabilities in Connection with a Purchased Business Combination*. All of these estimated restructuring costs are expected to result in future cash expenditures.

Brightpoint, Inc.**Notes to Consolidated Financial Statements**

Reserve activity for the restructuring for the six months ended June 30, 2008 is as follows (in thousands):

	Employee Terminations	Lease Termination Costs	Asset Impairment Charges	Total
Balance at December 31, 2007	\$ 3,336	\$ 728	\$	\$ 4,064
Restructuring charge	1,165	3,336	2,082	6,583
Dangaard Telecom goodwill adjustment	2,336			2,336
Foreign currency translation	1,819	110		1,929
Total activity:	8,656	4,174	2,082	14,912
Less:				
Cash usage	(2,661)	(365)		(3,026)
Non-cash usage			(2,082)	(2,082)
Balance at June 30, 2008	\$ 5,995	\$ 3,809	\$	\$ 9,804

Restructuring charge was \$6.6 million for the six months ended June 30, 2008. The restructuring charge consists of the following:

A \$1.6 million charge in connection with the sale of certain assets in Colombia.

A \$1.1 million charge to write-off IT projects that were abandoned after the acquisition of Dangaard Telecom.

A \$3.2 million charge associated with the exit of our redundant warehouse and office facility in Germany

\$0.7 million of lease termination costs and severance costs associated with consolidating the Company's redundant operations in Germany, Sweden and Norway

Adjustments to goodwill acquired in the purchase of Dangaard Telecom related to exiting activities of the acquired operations include \$2.3 million associated with the severance of certain employees under the previously announced reorganization plan of our Europe operations.

4. Borrowings

At June 30, 2008, the Company and its subsidiaries were in compliance with the covenants in each of its material credit agreements. Interest expense includes interest on outstanding debt, charges for accounts receivable factoring programs, fees paid for unused capacity on credit lines and amortization of deferred financing fees.

The table below summarizes the borrowings that were available to the Company as of June 30, 2008 (in thousands):

	Gross Availability	Outstanding	Letters of Credit & Guarantees	Net Availability
Global Term Loans	\$233,964	\$ 233,964	\$	\$
Global Credit Facility	300,000	7,922	421	291,657
Other	60,602	1,901		58,701
Total	\$594,566	\$ 243,787	\$ 421	\$ 350,358

Additional details on the above available borrowings are discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2007.

Brightpoint, Inc.
Notes to Consolidated Financial Statements

5. Guarantees

In accordance with FIN 45, *Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others*, guarantees are recorded at fair value and disclosed, even when the likelihood of making any payments under such guarantees is remote.

The Company has issued certain guarantees on behalf of its subsidiaries with regard to lines of credit. Although the guarantees relating to lines of credit are excluded from the scope of FIN 45, the nature of these guarantees and the amounts outstanding are described in the Company's Annual Report on Form 10-K for the year ended December 31, 2007.

The Company has entered into indemnification agreements with its officers and directors, to the extent permitted by law, pursuant to which the Company has agreed to reimburse its officers and directors for legal expenses in the event of litigation and regulatory matters. The terms of these indemnification agreements provide for no limitation to the maximum potential future payments. The Company has a directors and officers insurance policy that may, in certain instances, mitigate the potential liability and payments.

Late in 2004, the Company entered into a non-exclusive agreement to distribute wireless devices in Europe for a certain supplier. Subject to this agreement, the Company provides warranty repair services on certain devices it distributes for this supplier. The warranty period for these devices ranges from 12 to 24 months, and the Company is liable for providing warranty repair services unless failure rates exceed a certain threshold. The Company records estimated expenses related to future warranty repair at the time the devices are sold. Estimates for warranty costs are calculated primarily based on management's assumptions related to cost of repairs and anticipated failure rates. During 2006, this supplier re-branded its devices and provides aftermarket support services including warranty repairs. The Company does not provide warranty repair services on the re-branded devices on behalf of the supplier; however, the Company does provide aftermarket support services including warranty repairs for wireless devices sold by one of the Company's European operations to one customer. Sales of devices for which the Company provides warranty repair services have decreased significantly since this supplier re-branded its devices. The Company assumed an obligation through the acquisition of Dangaard Telecom that is related to a similar program. Warranty accruals are adjusted from time to time when the Company's actual warranty claim experience differs from its estimates. A summary of the changes in the product warranty accrual is as follows (in thousands):

	Six Months Ended	
	June 30,	
	2008	2007
January 1	\$ 3,944	\$ 3,063
Provision for product warranties	1,875	3,021
Settlements during the period	(2,246)	(3,721)
June 30	\$ 3,573	\$ 2,363

Brightpoint, Inc.
Notes to Consolidated Financial Statements

6. Operating Segments

The Company has operations centers and/or sales offices in various countries including Australia, Austria, Belgium, Colombia, Denmark, Finland, France, Germany, India, Italy, the Netherlands, New Zealand, Norway, Poland, Portugal, Russia, Singapore, Slovakia, South Africa, Spain, Sweden, Switzerland, Turkey, the United Arab Emirates, the United Kingdom and the United States. All of the Company's operating entities generate revenue from the distribution of wireless devices and accessories and/or the provision of logistic services. The Company identifies its reportable segments based on management responsibility of its three geographic divisions: the Americas, Asia-Pacific and Europe. The Company's operating segments have been aggregated into these three geographic reporting segments. The Company evaluates the performance of and allocates resources to these segments based on operating income from continuing operations (excluding corporate selling, general and administrative expenses and other unallocated expenses). In the first quarter of 2008, the Company reclassified the financial information related to the global IT support cost center from the Asia-Pacific region to the Corporate and Reconciling section of the segment information presented below. Segment information as of and for the three and six months ended June 30, 2007 has been reclassified to conform to the 2008 presentation. A summary of the Company's operations by segment is presented below (in thousands) for the three and six months ended June 30, 2008 and 2007:

	Americas	Asia-Pacific	Europe	Corporate and Reconciling Items	Total
Three Months Ended June 30, 2008:					
Distribution revenue	\$ 171,809	\$ 308,735	\$ 629,929	\$	\$ 1,110,473
Logistic services revenue	44,055	13,024	\$ 47,676		104,755
Total revenue from external customers	\$ 215,864	\$ 321,759	\$ 677,605	\$	\$ 1,215,228
Operating income from continuing operations	\$ 9,176	\$ 6,266	\$ (6,578)	\$ (8,700)	\$ 164
Depreciation and amortization	2,505	593	6,454	277	9,829
Capital expenditures	632	275	3,099	318	4,324
Three Months Ended June 30, 2007:					
Distribution revenue	\$ 266,918	\$ 379,166	\$ 120,896	\$	\$ 766,980
Logistic services revenue	49,327	8,360	26,328		84,015
Total revenue from external customers	\$ 316,245	\$ 387,526	\$ 147,224	\$	\$ 850,995
Operating income from continuing operations	\$ 8,463	\$ 6,038	\$ 1,039	\$ (7,349)	\$ 8,191
Depreciation and amortization	3,072	752	239	123	4,186
Capital expenditures	3,133	751	532	82	4,498
Six Months Ended June 30, 2008:					
Distribution revenue	\$ 372,662	\$ 639,183	\$ 1,187,638	\$	\$ 2,199,483
Logistic services revenue	90,805	23,664	96,057		210,526

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Total revenue from external customers	\$463,467	\$662,847	\$1,283,695	\$	\$2,410,009
Operating income from continuing operations	\$ 17,432	\$ 12,351	\$ (5,633)	\$ (16,805)	\$ 7,345
Depreciation and amortization	5,188	1,337	12,270	541	19,336
Capital expenditures	1,709	129	8,051	813	10,702
Six Months Ended June 30, 2007:					
Distribution revenue	\$406,869	\$697,443	\$ 229,708	\$	\$1,334,020
Logistic services revenue	91,553	15,595	51,432	24	158,604
Total revenue from external customers	\$498,422	\$713,038	\$ 281,140	\$ 24	\$1,492,624
Operating income from continuing operations	\$ 13,946	\$ 10,351	\$ 1,764	\$ (13,488)	\$ 12,573
Depreciation and amortization	5,132	1,376	501	235	7,244
Capital expenditures	6,660	1,672	726	258	9,316

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Brightpoint, Inc.
Notes to Consolidated Financial Statements

Additional segment information is as follows (in thousands):

	June 30, 2008	December 31, 2007
Total segment assets:		
Americas	\$ 266,384	\$ 354,910
Asia-Pacific	241,648	243,084
Europe	1,277,906	1,343,621
Corporate	33,217	30,746
	\$1,819,155	\$ 1,972,361

7. Legal Proceedings and Contingencies

LN Eurocom

On June 11, 2008 LN Eurocom (LNE) filed a lawsuit in the City Court of Frederiksberg, Denmark against Brightpoint Smartphone A/S and Brightpoint International A/S, each a wholly owned subsidiary of the Company (collectively, Smartphone). The lawsuit alleges that Smartphone breached a contract relating to call center services performed or to be performed by LNE. The total amount claimed is approximately 9 million DKK (approximately \$1.9 million as of June 30, 2008). Smartphone disputes this claim and intends to defend this matter vigorously.

On July 31, 2007, we acquired Dangaard Telecom which had the following material claims and/or disputes:

German value-added tax authorities

There are two disputes pending with *Finanzamt Flensburg*, the German value-added tax, or VAT, authorities (the Finanzamt):

1. Dangaard Telecom s subsidiary, Dangaard Telecom Denmark A/S, received an assessment from the Finanzamt claiming that local German VAT should be applied on sales made by Dangaard Telecom Denmark A/S to two specific German customers in 1997 and 1998. Finanzamt claimed approximately \$2.9 million. The case is currently in abeyance waiting for a principal decision or settlement involving similar cases pending in Germany. Dangaard Telecom Denmark A/S continues to dispute this claim and intends to defend this matter vigorously. The former shareholders of Dangaard Telecom agreed to indemnify Dangaard Holding with respect to this dispute when Dangaard Holding acquired Dangaard Telecom, and Dangaard Holding has agreed in the purchase agreement to transfer and assign these indemnification rights to us (or enforce them on our behalf if such transfer or assignment is not permitted).
2. Dangaard Telecom s subsidiary, Dangaard Telecom Denmark A/S, received a notice from the Finanzamt claiming that local German VAT should be applied on all sales made by Dangaard Telecom Denmark A/S to German customers during the years 1999 to 2004. Finanzamt claimed approximately \$8.1 million. The case is currently in abeyance waiting for a principal decision or settlement involving similar cases pending in Germany. Dangaard Telecom Denmark A/S continues to dispute this claim and intends to defend this matter vigorously. The former shareholders of Dangaard Telecom agreed to indemnify Dangaard Holding with respect to 80% of this claim when Dangaard Holding acquired Dangaard Telecom, and Dangaard Holding has agreed in the purchase agreement to transfer and assign these indemnification rights to us (or enforce them on our behalf if such transfer or assignment is not permitted).

Fleggaard group of companies

The former headquarters of Dangaard Telecom was in premises rented from a member of the Fleggaard group of companies, which was a former shareholder of Dangaard Telecom. A fire in March 2006 caused by another tenant in the building destroyed the headquarters and Dangaard Telecom had to leave the building while awaiting renovation of

its space. Because of Fleggaard's failure to renovate the space, Dangaard Telecom terminated the lease. Fleggaard has disputed the lease termination and has claimed \$1.4 million in damages. Dangaard Telecom continues to dispute this claim and intends to defend this matter vigorously.

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Norwegian tax authorities

Dangaard Telecom's subsidiary, Dangaard Telecom Norway AS Group, received notice from the Norwegian tax authorities regarding tax claims in connection with certain capital gains. The Norwegian tax authorities have claimed \$2.7 million. Dangaard Telecom Norway AS Group has disputed this claim; however, The Norwegian Tax Authorities ruled against Dangaard Telecom Norway AS in April 2008, and a law firm has been asked to give an assessment of whether or not to appeal the case. The former shareholders of Dangaard Telecom agreed to indemnify Dangaard Holding with respect to 80% of this claim when Dangaard Holding acquired Dangaard Telecom, and Dangaard Holding agreed in the purchase agreement with the Company to transfer and assign these indemnification rights to the Company (or enforce them on our behalf if such transfer or assignment is not permitted). The Company is currently evaluating the actions to be taken towards former shareholders of the Dangaard group of companies in relation to the indemnification agreement.

German tax authorities

Dangaard Telecom's subsidiary, Dangaard Telecom Germany Holding GmbH, received notice from the German tax authorities regarding tax claims in connection with the deductibility of certain stock adjustments and various fees during the period 1998 to 2002. Dangaard Telecom Germany Holding GmbH agreed to pay part of the claim, and the current amount in dispute is \$1.8 million. Dangaard Telecom Germany Holding GmbH continues to dispute this claim and intends to defend this matter vigorously. The former shareholders of Dangaard Telecom are obliged to indemnify Dangaard Holding with respect to any such tax claims. Due to the claim's limited size, however, it will be below an agreed upon threshold, therefore the indemnification would not be activated by this claim if no other claims for indemnification have been or are asserted.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.
OVERVIEW AND RECENT DEVELOPMENTS

This discussion and analysis should be read in conjunction with the accompanying Consolidated Financial Statements and related notes. Our discussion and analysis of the financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in conformity with U.S. generally accepted accounting principles. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent assets and liabilities at the financial statement date and reported amounts of revenue and expenses during the reporting period. On an on-going basis we review our estimates and assumptions. Our estimates were based on our historical experience and various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ from those estimates but we do not believe such differences will materially affect our financial position or results of operations. Our critical accounting estimates, the estimates we believe are most important to the presentation of our financial statements and require the most difficult, subjective and complex judgments are outlined in our Annual Report on Form 10-K for the year ended December 31, 2007, and have not changed significantly. Certain statements made in this report may contain forward-looking statements. For a description of risks and uncertainties relating to such forward-looking statements, see the cautionary statements contained in Exhibit 99.1 to this report and our Annual Report on Form 10-K for the year ended December 31, 2007. Brightpoint, Inc. is a global leader in the distribution of wireless devices and accessories and provision of customized logistic services to the wireless industry. We have operations centers and/or sales offices in various countries including Australia, Austria, Belgium, Colombia, Denmark, Finland, France, Germany, India, Italy, the Netherlands, New Zealand, Norway, Poland, Portugal, Russia, Singapore, Slovakia, South Africa, Spain, Sweden, Switzerland, Turkey, the United Arab Emirates, the United Kingdom and the United States. We provide customized integrated logistic services including procurement, inventory management, software loading, kitting and customized packaging, fulfillment, credit services and receivables management, call center and activation services, website hosting, e-fulfillment solutions and other services within the global wireless industry. Our customers include mobile network operators, mobile virtual network operators (MVNOs), resellers, retailers and wireless equipment manufacturers. We distribute wireless communication devices and we provide value-added distribution and logistic services for wireless products manufactured by companies such as High Tech Computer Corp., Kyocera, LG Electronics, Motorola, Nokia, Samsung, Siemens, Sony Ericsson and UTStarcom. On July 31, 2007 we completed our acquisition of Dangaard Telecom A/S (Dangaard Telecom). Results of operations related to this acquisition are included in our Consolidated Statements of Operations beginning on August 1, 2007.

RESULTS OF OPERATIONS**Revenue and wireless devices handled by division and service line**

	2008	Three Months Ended June 30,		% of Total	Change
		% of Total	2007		
		(Amounts in 000s)			
<i>Distribution revenue</i>					
Americas	\$ 171,809	15%	\$266,918	35%	(36)%
Asia-Pacific	308,735	28%	379,166	49%	(19)%
Europe	629,929	57%	120,896	16%	421%
Total	\$1,110,473	100%	\$766,980	100%	45%

Logistic services revenue

Americas	\$ 44,055	42%	\$ 49,327	59%	(11)%
Asia-Pacific	13,024	12%	8,360	10%	56%
Europe	47,676	46%	26,328	31%	81%
Total	\$ 104,755	100%	\$ 84,015	100%	25%

Total revenue

Americas	\$ 215,864	18%	\$316,245	37%	(32)%
Asia-Pacific	321,759	26%	387,526	46%	(17)%
Europe	677,605	56%	147,224	17%	360%
Total	\$1,215,228	100%	\$850,995	100%	43%

Three Months Ended June 30,

	2008	Three Months Ended June 30,		% of Total	Change
		% of Total	2007		
		(Amounts in 000s)			
<i>Wireless devices sold through distribution</i>					
Americas	1,319	21%	2,005	36%	(34)%
Asia-Pacific	2,784	44%	3,098	56%	(10)%
Europe	2,250	35%	399	8%	464%
Total	6,353	100%	5,502	100%	15%

**Wireless devices handled through
logistic services**

Americas	11,759	87%	13,363	96%	(12)%
Asia-Pacific	507	4%	369	3%	37%
Europe	1,276	9%	192	1%	565%
Total	13,542	100%	13,924	100%	(3)%

Total wireless devices handled

Americas	13,078	66%	15,368	79%	(15)%
Asia-Pacific	3,291	16%	3,467	18%	(5)%
Europe	3,526	18%	591	3%	497%
Total	19,895	100%	19,426	100%	2%

	Six Months Ended June 30, 2008				
	2008	% of Total	2007	% of Total	Change
	(Amounts in 000s)				
<i>Distribution revenue</i>					
Americas	\$ 372,662	17%	\$ 406,869	31%	(8)%
Asia-Pacific	639,183	29%	697,443	52%	(8)%
Europe	1,187,638	54%	229,708	17%	417%
Total	\$2,199,483	100%	\$1,334,020	100%	65%
<i>Logistic services revenue</i>					
Americas	\$ 90,805	43%	\$ 91,553	58%	(1)%
Asia-Pacific	23,664	11%	15,595	10%	52%
Europe	96,057	46%	51,432	32%	87%
Total	\$ 210,526	100%	\$ 158,580	100%	33%
<i>Total revenue</i>					
Americas	\$ 463,467	19%	\$ 498,422	33%	(7)%
Asia-Pacific	662,847	28%	713,038	48%	(7)%
Europe	1,283,695	53%	281,140	19%	357%
Total	\$2,410,009	100%	\$1,492,600	100%	61%

	Six Months Ended June 30,				
	2008	% of Total	2007	% of Total	Change
	(Amounts in 000s)				
<i>Wireless devices sold through distribution</i>					
Americas	2,912	23%	2,992	32%	(3)%
Asia-Pacific	5,524	43%	5,662	60%	(2)%
Europe	4,275	34%	746	8%	473%
Total	12,711	100%	9,400	100%	35%

***Wireless devices handled through
logistic services***

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Americas	25,789	89%	23,484	96%	10%
Asia-Pacific	883	3%	733	3%	20%
Europe	2,296	8%	339	1%	577%
Total	28,968	100%	24,556	100%	18%

Total wireless devices handled

Americas	28,701	69%	26,476	78%	8%
Asia-Pacific	6,407	15%	6,395	19%	0%
Europe	6,571	16%	1,085	3%	506%
Total	41,679	100%	33,956	100%	23%

The following table presents the percentage changes in revenue for the three and six months ended June 30, 2008 by service line compared to the same period in the prior year, including the effect of handset volume, average selling price, foreign currency, and acquisitions on these percentage changes.

2008 Percentage Change in Revenue vs. 2007

	Handset- based volume (1)	Average Selling Price	Non- handset based revenue (2)	Foreign Currency	Subtotal (3)	Acquisitions	Total
<i>Three months ended</i>							
<i>June 30, 2008:</i>							
Distribution	(14%)	(7%)	(1%)	2%	(20%)	65%	45%
Logistic services	(3%)	(3%)	10%	1%	5%	20%	25%
Total	(13%)	(6%)	0%	2%	(17%)	60%	43%
<i>Six months ended June</i>							
<i>30, 2008:</i>							
Distribution	(9%)	(5%)	0%	3%	(11%)	76%	65%
Logistic services	3%	(5%)	10%	2%	10%	23%	33%
Total	(8%)	(5%)	2%	3%	(8%)	69%	61%

(1) Handset-based volume includes percentage change in revenue from wireless devices sold through our distribution business and revenue from wireless devices handled through our logistic services business.

(2) Non-handset distribution revenue includes revenue from accessories sold, freight, non-handset navigation devices and PCs and PC accessories sold through our

distribution business. Non-handset based logistic services revenue includes revenue from the sale of prepaid airtime, freight billed, and fee based services other than fees earned from wireless devices handled.

- (3) The subtotal represents the percent change in distribution revenue and logistic services revenue excluding the impact of the acquisitions of the North America and Latin America operations of CellStar on March 31, 2007 and of Dangaard Telecom on July 31, 2007.

Revenue and wireless devices handled by division:

<i>Americas</i> (Amounts in 000s)	Three Months Ended June 30,				Six Months Ended June 30,					
	2008	% of Total	2007	% of Total	Change	2008	% of Total	2007	% of Total	Change
REVENUE:										
Distribution	\$171,809	80%	\$266,918	84%	(36)%	\$372,662	80%	\$406,869	82%	(8)%
Logistic services	44,055	20%	49,327	16%	(11)%	90,805	20%	91,553	18%	(1)%
Total	\$215,864	100%	\$316,245	100%	(32)%	\$463,467	100%	\$498,422	100%	(7)%
WIRELESS DEVICES										

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HANDLED:

Distribution	1,319	10%	2,005	13%	(34)%	2,912	10%	2,992	11%	(3)%
Logistic services	11,759	90%	13,363	87%	(12)%	25,789	90%	23,484	89%	10%
Total	13,078	100%	15,368	100%	(15)%	28,701	100%	26,476	100%	8%

The following table presents the percentage changes in revenue for our Americas division by service line for the three and six months ended June 30, 2008 compared to the same period in the prior year, including the effect of handset volume, average selling price, foreign currency, and the CellStar acquisition on these percentage changes.

2008 Percentage Change in Revenue vs. 2007

	Handset- based volume	Average Selling Price	Non- handset based revenue	Foreign Currency	Subtotal	CellStar Acquisition	Total
<i>Three months ended June 30, 2008:</i>							
Distribution	(33%)	(1%)	(2%)	0%	(36%)	0%	(36%)
Logistic services	(6%)	(6%)	1%	0%	(11%)	0%	(11%)
Total	(28%)	(2%)	(2%)	0%	(32%)	0%	(32%)

Six months ended June 30, 2008:

Distribution	(28%)	1%	(2%)	4%	(25%)	17%	(8%)
Logistic services	5%	(7%)	1%	0%	(1%)	0%	(1%)
Total	(22%)	(1%)	(1%)	3%	(21%)	14%	(7%)

The decrease in distribution handset based volume for the three and six months ended June 30, 2008 was primarily due to weaker market conditions in North America compared to the same period in the prior year as well as the loss of key customers including Dobson Communications, Suncom, and Rural Cellular Corporation as a result of industry consolidation.

The decrease in wireless devices handled through logistic services for the three months ended June 30, 2008 was primarily due to the sale of certain assets in Colombia, which resulted in approximately 0.8 million fewer wireless devices handled compared to the second quarter of 2007. In addition, we experienced a decrease in wireless devices handled through logistic services in North America related to current economic conditions resulting in lower than expected demand for wireless products and services. The decrease in average fulfillment fee per unit was primarily driven by a shift in mix between customers and services compared to the same period in the prior year.

The increase in wireless devices handled through logistic services for the six months ended June 30, 2008 was primarily due to the successful launch of the T-Mobile logistic services business during the second quarter of 2007. This increase was partially offset by lower volumes resulting from current economic conditions as well as by the sale of certain assets in Colombia, which resulted in approximately 1.0 million fewer wireless devices handled compared to the same period in the prior year. The decrease in average fulfillment fee per unit was primarily driven by the successful launch of the T-Mobile logistic services business which occurred during the second quarter of 2007.

<i>Asia-Pacific</i> (Amounts in 000s)	Three Months Ended June 30,					Six Months Ended June 30,				
	2008	% of Total	2007	% of Total	Change	2008	% of Total	2007	% of Total	Change
REVENUE:										
Distribution	\$308,735	96%	\$379,166	98%	(19)%	\$639,183	96%	\$697,443	98%	(8)%
Logistic services	13,024	4%	8,360	2%	56%	23,664	4%	15,595	2%	52%
Total	\$321,759	100%	\$387,526	100%	(17)%	\$662,847	100%	\$713,038	100%	(7)%
WIRELESS DEVICES HANDLED :										
Distribution	2,784	85%	3,098	89%	(10)%	5,524	86%	5,662	89%	(2)%
Logistic services	507	15%	369	11%	37%	883	14%	733	11%	20%

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Total	3,291	100%	3,467	100%	(5)%	6,407	100%	6,395	100%	0%
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The following table presents the percentage changes in revenue for our Asia-Pacific division by service line for the three and six months ended June 30, 2008 compared to the same period in the prior year, including the effect of handset volume, average selling price, and foreign currency on these percentage changes.

2008 Percentage Change in Revenue vs. 2007

	Handset- based volume	Average Selling Price	Non- handset based revenue	Foreign Currency	Total
<i>Three months ended June 30, 2008:</i>					
Distribution	(10%)	(12%)	1%	2%	(19%)
Logistic services	7%	6%	38%	5%	56%
Total	(9%)	(12%)	2%	2%	(17%)

Six months ended June 30, 2008:

Distribution	(2%)	(10%)	2%	2%	(8%)
Logistic services	4%	4%	39%	5%	52%
Total	(2%)	(9%)	2%	2%	(7%)

The decrease in wireless devices sold in our Asia-Pacific division for the three months ended June 30, 2008 was driven by devices sold through a global relationship with a major original equipment manufacturer in 2007 that did not recur in the second quarter of 2008 as well as fewer devices sold in India due to lower availability of high demand products compared to the same period in the prior year. These decreases were slightly offset by an increase in wireless devices sold in New Zealand under a new distribution agreement with a network operator. The decrease in average selling price in our Asia-Pacific division was driven by our Singapore business as a result of a shift in mix to lower priced handsets due to market demand as well as lower availability of higher priced devices. This decrease in average selling price in Singapore was partially offset by an increase in average selling price in our Australia business due to a higher mix of converged devices sold compared to the same period in the prior year.

The increase in wireless devices handled through logistic services for the three months ended June 30, 2008 was primarily due to an increase in wireless devices handled for our largest customer in Australia. The increase in average fulfillment fee per unit was due primarily to a favorable mix of wireless devices handled. The increase in non-handset based logistic services revenue was primarily due to an increase in repair services in India compared to the same period in the prior year as well as an increase in revenue from non-handset based logistic services agreements from the re-launch of our Middle East based business in which we resumed operations in August 2007.

The decrease in average selling price for the six months ended June 30, 2008 was driven by our Singapore business as a result of a shift in mix to lower priced handsets due to market demand as well as lower availability of higher priced devices compared the same period in the prior year. This decrease in average selling price in Singapore was partially offset by an increase in average selling price in our Australia business due to a higher mix of converged devices sold compared to the same period in the prior year.

The increase in wireless devices handled through logistic services for the six months ended June 30, 2008 was primarily due to an increase in wireless devices handled for our largest customer in Australia. The increase in average fulfillment fee per unit was due primarily to a favorable mix of wireless devices handled. The increase in non-handset based logistic services revenue was primarily due to an increase in revenue from repair services in India compared to the same period in the prior year as well as an increase in revenue from non-handset based logistic services in our New Zealand and Middle East operations.

<i>Europe</i> (Amounts in 000s)	Three Months Ended June 30,					Six Months Ended June 30,				
	2008	% of Total	2007	% of Total	Change	2008	% of Total	2007	% of Total	Change
REVENUE:										
Distribution	\$629,929	93%	\$120,896	82%	421%	\$1,187,638	93%	\$229,708	82%	417%
Logistic services	47,676	7%	26,328	18%	81%	96,057	7%	51,432	18%	87%
Total	\$677,605	100%	\$147,224	100%	360%	\$1,283,695	100%	\$281,140	100%	357%
WIRELESS DEVICES HANDLED :										
Distribution	2,250	64%	399	68%	464%	4,275	65%	746	69%	473%
Logistic services	1,276	36%	192	32%	565%	2,296	35%	339	31%	577%
Total	3,526	100%	591	100%	497%	6,571	100%	1,085	100%	506%

The following table presents the percentage changes in revenue for the three and six months ended June 30, 2008 by service line for our Europe division compared to the same period in the prior year, including the effect of handset volume, average selling price, foreign currency, and the Dangaard Telecom acquisition on these percentage changes.

2008 Percentage Change in Revenue vs. 2007

	Handset- based volume	Average Selling Price	Non- handset based revenue	Foreign Currency	Subtotal	Dangaard Acquisition	Total
<i>Three months ended June 30, 2008:</i>							
Distribution	10%	(2%)	(3%)	4%	9%	412%	421%
Logistic services	1%	(2%)	17%	1%	17%	64%	81%
Total	8%	(2%)	0%	4%	10%	350%	360%
<i>Six months ended June 30, 2008:</i>							
Distribution	3%	0%	1%	4%	8%	409%	417%
Logistic services	1%	(2%)	16%	2%	17%	70%	87%
Total	3%	0%	4%	3%	10%	347%	357%

The increase in distribution revenue for the three months ended June 30, 2008 was primarily due to the acquisition of Dangaard Telecom. The acquisition of Dangaard Telecom expanded our Europe division to include nine additional countries in which we historically did not have a significant operating presence. In countries in which both companies had a significant operating presence, the acquisition of Dangaard Telecom allowed us to increase our market share. Excluding the Dangaard Telecom operations, distribution revenue in our Europe division was estimated to have increased 9% when assuming that revenue from legacy Brightpoint operations in overlapping countries (Germany, Norway, and Sweden) remained constant from the second quarter of 2007. The decrease in non-handset based revenue was primarily due to a decrease in revenue from the sale of locally branded PC notebooks in Europe, partially offset

by an increase in sales of non-handset based navigation devices in Sweden. The locally branded PC business is currently under evaluation, and revenue from the sale of locally branded PC notebooks is not expected to return to historical levels.

The increase in logistic services revenue for the three months ended June 30, 2008 was primarily due to the acquisition of Dangaard Telecom. In order to conform to Brightpoint accounting policies and US GAAP, Dangaard Telecom changed its revenue recognition for arrangements where Dangaard Telecom serves as the agent in the transaction. The revenue from these arrangements is included in logistic services revenue. Excluding the Dangaard Telecom operations, logistic services revenue in our Europe division increased 17% due to an increase in revenue from the sale of prepaid airtime in Sweden.

The increase in distribution revenue for the six months ended June 30, 2008 was primarily due to the acquisition of Dangaard Telecom. Excluding the Dangaard Telecom operations, distribution revenue in our Europe division was estimated to have increased 8% when assuming that revenue from legacy Brightpoint operations in overlapping countries (Germany, Norway, and Sweden) remained constant from the six months ended June 30, 2007.

The increase in logistic services revenue for the six months ended June 30, 2008 was primarily due to the acquisition of Dangaard Telecom. In order to conform to Brightpoint accounting policies and US GAAP, Dangaard Telecom changed its revenue recognition for arrangements where Dangaard Telecom serves as the agent in the transaction. The revenue from these arrangements is included in logistic services revenue. Excluding the Dangaard Telecom operations, logistic services revenue in our Europe division increased 17% due to an increase in revenue from the sale of prepaid airtime in Sweden.

Gross Profit and Gross Margin

	Three Months Ended June 30,					Six Months Ended June 30,				
	2008	% of Total	2007	% of Total	Change	2008	% of Total	2007	% of Total	Change
	(Amounts in 000s)									
Distribution	\$39,902	50%	\$23,114	56%	73%	\$ 89,767	54%	\$39,740	53%	126%
Logistic services	39,496	50%	18,469	44%	114%	76,900	46%	34,558	47%	123%
Gross profit	\$79,398	100%	\$41,583	100%	91%	\$166,667	100%	\$74,298	100%	124%
Distribution	3.6%		3.0%		0.6 points	4.1%		3.0%		1.1 points
Logistic services	37.7%		22.0%		15.7 points	36.5%		21.8%		14.7 points
Gross margin	6.5%		4.9%		1.6 points	6.9%		5.0%		1.9 points

The 1.6 percentage point increase in gross margin for the three months ended June 30, 2008 was driven by both a 0.6 percentage point increase in gross margin from our distribution business and a 15.7 percentage point increase in gross margin from our logistic services business. The increases in gross profit and gross margin from logistic services were driven by incremental logistic services gross profit and gross margin from the Dangaard Telecom operations as well the impact of conforming Dangaard Telecom to Brightpoint accounting policies. The increases in distribution gross profit and gross margin were primarily driven by a shift in mix toward higher margin distribution business in Europe resulting from the acquisition of Dangaard Telecom. Distribution gross margin was negatively impacted by approximately 0.8 percentage points due to a charge related to the liquidation of locally branded PC notebooks in Europe. This business is currently under evaluation, and revenue and profit from the sale of locally branded PC notebooks is not expected to return to historical levels.

The 1.9 percentage point increase in gross margin for the six months ended June 30, 2008 was driven by both a 1.1 percentage point increase in gross margin from our distribution business and a 14.7 percentage point increase in gross margin from our logistic services business. The increases in gross profit and gross margin from logistic services were driven by incremental logistic services gross profit and gross margin from the Dangaard Telecom operations as well the impact of conforming Dangaard Telecom to Brightpoint accounting policies. The increases in distribution gross profit and gross margin were primarily driven by a shift in mix toward higher margin distribution business in Europe resulting from the acquisition of Dangaard Telecom. Distribution gross margin was negatively impacted by approximately 0.5 percentage points due to a charge related to the liquidation of locally branded PC notebooks in Europe. This business is currently under evaluation, and revenue and profit from the sale of locally branded PC notebooks is not expected to return to historical levels.

Selling General and Administrative (SG&A) Expenses

Three Months Ended June 30,	Six Months Ended June 30,
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	2008	2007	Change	2008	2007	Change
	(Amounts in 000s)			(Amounts in 000s)		
SG&A expenses	\$71,446	\$32,728	118%	\$143,197	\$60,981	135%
Percent of revenue	5.9%	3.8%	2.1 points	5.9%	4.1%	1.8 points

The increase in SG&A expenses for the three months ended June 30, 2008 compared to the same period in the prior year was primarily driven by the impact of the Dangaard Telecom acquisition.

As a percent of revenue, SG&A expenses increased 2.1 percentage points for the three months ended June 30, 2008. The increase in SG&A as a percent of revenue was largely driven by the impact of the Dangaard Telecom operations including the impact of conforming Dangaard Telecom to Brightpoint accounting policies. In addition, SG&A as a percent of revenue was negatively impacted by the lower than expected revenue resulting from overall weakness in the markets in which we operate. SG&A expenses included \$1.8 million and \$1.3 million of non-cash stock based compensation expense for the three months ended June 30, 2008 and 2007, respectively.

The increase in SG&A expenses for the six months ended June 30, 2008 compared to the same period in the prior year was primarily driven by the impact of the Dangaard Telecom and CellStar acquisitions. As a percent of revenue, SG&A expenses increased 1.8 percentage points for the six months ended June 30, 2008. The increase in SG&A as a percent of revenue was largely driven by the impact of the Dangaard Telecom operations including the impact of conforming Dangaard Telecom to Brightpoint accounting policies. In addition, SG&A as a percent of revenue was negatively impacted by the lower than expected revenue resulting from overall weakness in the markets in which we operate. SG&A expenses included \$3.4 million and \$2.9 million of non-cash stock based compensation expense for the six months ended June 30, 2008 and 2007, respectively.

Amortization expense

Amortization expense was \$4.8 million and \$9.5 million for the three and six months ended June 30, 2008, respectively, compared to \$0.7 and \$0.8 million for the same periods in the prior year. The increase in amortization expense relates to finite-lived intangible assets acquired in connection with the CellStar and Dangaard Telecom transactions. We allocated the purchase price of the Dangaard Telecom and CellStar acquisitions based on the fair value of assets acquired and liabilities assumed. The assets acquired in connection with the Dangaard Telecom transaction included \$123.1 million of finite-lived intangible assets assigned to the customer relationships as of July 31, 2007. The acquired finite-lived intangible assets have a useful life of approximately fifteen years and are being amortized over the period that the assets are expected to contribute to our future cash flows. The assets are being amortized on an accelerated method based on the projected cash flows used for valuation purposes. We believe that these cash flows are most reflective of the pattern in which the economic benefit of the finite-lived intangible assets will be consumed.

Restructuring charge

Restructuring charge was \$3.0 million for the three months ended June 30, 2008. The restructuring charge primarily consists of a \$1.6 million charge in connection with the sale of certain assets in Colombia and a \$1.1 million charge to write-off IT projects that were abandoned after the acquisition of Dangaard Telecom. The restructuring charge also consists of \$0.3 million of lease termination costs and severance associated with consolidating the legacy Brightpoint and Dangaard Telecom facilities in Sweden and Norway.

Restructuring charge was \$6.6 million for the six months ended June 30, 2008. The restructuring charge primarily consists of the charges discussed above as well as \$3.2 million associated with the exit of our redundant warehouse and office facility in Germany as well as \$0.4 million of severance costs to terminate employees of our redundant operations in Germany and Norway.

On June 30, 2008, we announced a plan to realign our European operations as a result of the acquisition of Dangaard Telecom. We currently expect to incur total restructuring costs of approximately \$10.0 to \$15.0 million during the third quarter of 2008 for severance, lease abandonment and other restructuring costs as a result of the plan to realign our European operations; and all but \$1.3 million to \$1.6 million of the estimated charges are directly related to the Dangaard Telecom acquisition and thus will impact purchase accounting. All of these estimated restructuring costs are expected to result in future cash expenditures.

Operating Income from Continuing Operations

	Three Months Ended					Six Months Ended				
	2008	% of Total	2007	% of Total	Change	2008	% of Total	2007	% of Total	Change
	(Amounts in 000s)					(Amounts in 000s)				
Americas	\$ 9,176	NM	\$ 8,463	103%	8%	\$ 17,432	237%	\$ 13,946	111%	25%
Asia-Pacific	6,266	NM	6,038	74%	4%	12,351	168%	10,351	82%	19%
Europe	(6,578)	NM	1,039	13%	(733%)	(5,633)	(76%)	1,764	14%	(419%)
Corporate	(8,700)	NM	(7,349)	(90%)	18%	(16,805)	(229%)	(13,488)	(107%)	25%
Total	\$ 164	100%	\$ 8,191	100%	(98%)	\$ 7,345	100%	\$ 12,573	100%	(42%)

NM = not meaningful

Operating Income as a Percent of Revenue by Division:

	Three Months Ended			Six Months Ended		
	2008	2007	Change	2008	2007	Change
Americas	4.3%	2.7%	1.6 points	3.8%	2.8%	1.0 points
Asia-Pacific	1.9%	1.6%	0.3 points	1.9%	1.2%	0.7 points
Europe	(1.0%)	0.7%	(1.7) points	(0.4%)	0.6%	(1.0) points
Total	0.0%	1.0%	(1.0) points	0.3%	0.8%	(0.5) points

Operating income in our Americas division increased \$0.7 million and \$3.5 million for the three and six months ended June 30, 2008, respectively, as a result of an increase in gross margin from an improved cost structure resulting from the impact of spending reductions in our North America operations, partially offset by a \$1.6 million restructuring charge in connection with the sale of certain assets in Colombia.

Operating income in our Asia-Pacific division increased \$0.2 million for the three months ended June 30, 2008 primarily as a result of higher gross profit from our logistic services business in Australia compared to the same period in the prior year as well as an increase in operating income from the re-launch of our Middle East-based business in which we resumed operations in August 2007. These increases were partially offset by lower profitability from devices sold to customers served by our Singapore business.

Operating income in our Asia-Pacific division increased \$2.0 million for the six months ended June 30, 2008 as a result of higher gross profit from our logistic services business in Australia compared to the same period in the prior year in addition to an increase in volume of devices sold to customers in our Singapore business.

Operating loss in our Europe division increased \$7.6 million and \$7.4 million for the three and six months ended June 30, 2008, respectively, despite the acquisition of Dangaard Telecom primarily due to a charge in connection with locally branded PC notebook distribution business in Europe. This business is currently under evaluation, and profit from the sale of locally branded PC notebooks is not expected to return to historical levels.

The increased operating loss from our corporate function for the three and six months ended June 20, 2008 was due to an increase in personnel costs primarily due to an increase in headcount in support of managing our expanded global operations.

Interest, net

The components of interest, net are as follows:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2008	2007	Change	2008	2007	Change
	(Amounts in 000s)			(Amounts in 000s)		
Interest expense	\$ 8,214	\$ 4,271	92%	\$ 16,984	\$ 7,731	120%
Interest income	(1,313)	(1,981)	(34%)	(2,539)	(4,291)	(41%)
Interest, net	\$ 6,901	\$ 2,290	201%	\$ 14,445	\$ 3,440	320%

Interest expense includes interest on outstanding debt, charges for accounts receivable factoring programs, fees paid for unused capacity on credit lines and amortization of deferred financing fees. The increase in interest expense for the three months ended June 30, 2008 compared to the same period in the prior year was primarily due to the debt assumed in the Dangaard Telecom acquisition as well as borrowings for the CellStar acquisition. We made \$132.7 million of repayments of borrowings during the second quarter of 2008, primarily near the end of the quarter. Average daily debt outstanding was approximately \$413.4 million in the second quarter of 2008.

The increase in interest expense for the six months ended June 30, 2008 compared to the same period in the prior year was primarily due to the debt assumed in the Dangaard Telecom acquisition. We made \$235.0 million of repayments of borrowings during the first half of 2008, primarily near the end of the first and second quarters.

Other income

Other income was \$1.6 million for the six months ended June 30, 2008. The increase in other income was primarily due to foreign currency transaction gains. Other income for the three and six months ended June 30, 2008 was net of a \$0.9 million loss from the sale of shares of Tescos, Inc. common stock resulting from a privately negotiated transaction with Tescos, Inc. to sell these shares.

Income Tax Benefit

	Three Months Ended June 30,			Six Months Ended June 30,		
	2008	2007	Change	2008	2007	Change
	(Amounts in 000s)			(Amounts in 000s)		
Income tax benefit	\$ (4,955)	\$ (12,063)	(59%)	\$ (4,251)	\$ (10,717)	(60)%
Effective tax rate	69.8%	(213.2%)	283.0 points	77.4%	(121.2%)	198.6 points

Income tax benefit for the second quarter of 2008 was \$5.0 million compared to \$12.1 million for the same period in the prior year. Income tax benefit for the three and six months ended June 30, 2008 includes a \$3.0 million benefit from the reversal of a valuation allowance on deferred tax assets resulting from previous net operating losses in Germany. Income tax benefit for the second quarter of 2007 included a \$14.1 million benefit related to the reversal of valuation allowances on certain foreign tax credit carryforwards.

Return on Invested Capital from Operations (ROIC)

We believe that it is important for a business to manage its balance sheet as well as it manages its statement of operations. A measurement that ties the statement of operations performance to the balance sheet performance is Return on Invested Capital from Operations, or ROIC. We believe that if we are able to grow our earnings while minimizing the use of invested capital, we will be optimizing shareholder value while preserving resources in preparation for further potential growth opportunities. We take a simple approach in calculating ROIC: we apply an estimated average tax rate to the operating income of our continuing operations with adjustments for unusual items, such as facility consolidation charges, and apply this tax-adjusted operating income to our average capital base, which, in our case, is our shareholders' equity plus debt. The details of this measurement are outlined below.

(Amounts in 000s)	Three Months Ended		Trailing Four Quarters	
	June 30,		Ended	
	2008	2007	2008	2007
Operating income after taxes:				
Operating income from continuing operations	\$ 164	\$ 8,191	\$ 60,685	\$ 37,049
Plus: restructuring charge	2,969		15,244	
Less: estimated income taxes (1)	(2,188)	17,463	(25,395)	9,940
 Operating income after taxes	 \$ 945	 \$ 25,654	 \$ 50,534	 \$ 46,989
 Invested Capital:				
Debt	\$ 243,787	\$ 95,069	\$ 243,787	\$ 95,069
Shareholders equity	674,934	228,791	674,934	228,791
 Invested capital	 \$ 918,721	 \$ 323,860	 \$ 918,721	 \$ 323,860
 Average invested capital (2)	 \$ 967,736	 \$ 309,164	 \$ 859,623	 \$ 234,545
ROIC (3)	0%	33%	6%	20%

(1) Estimated income taxes were calculated by multiplying the sum of operating income from continuing operations and the facility consolidation charge by the respective periods effective tax rate.

(2) Average invested capital for quarterly periods represents the simple average of the beginning and ending invested capital amounts for the respective

quarter.

- (3) ROIC is calculated by dividing operating income after taxes by average invested capital. ROIC for quarterly periods is stated on an annualized basis and is calculated by dividing operating income after taxes by average invested capital and multiplying the results by four.

The decline in ROIC for the three months ended June 30, 2008 compared to the same period in the prior year was primarily due to the decrease in operating income after taxes and the increase in average invested capital compared the prior year. Average invested capital was negatively impacted by an increase in invested capital to fund the acquisition of Dangaard Telecom.

Operating income after taxes was negatively impacted for the three and six months ended June 30, 2008 by \$3.3 million and \$6.5 million (after-tax), respectively, of non-cash amortization expense related to finite-lived intangible assets in connection with the acquisitions of Dangaard Telecom and certain assets of CellStar. Operating income after taxes was also negatively impacted by losses incurred in connection with the liquidation of locally branded PC notebooks in Europe. ROIC was positively impacted for the three months and trailing four quarters ended June 30, 2007 by the \$14.1 million tax benefit related to the reversal of valuation allowances on certain foreign tax credit carryforwards.

Our trailing four quarter ROIC of 6% was below our previously disclosed estimate of 7% to 9% primarily due to the unanticipated losses incurred in connection with the liquidation of locally branded PC notebooks in Europe. As a result, our overall trailing four quarter ROIC may continue to decrease below 6%. We anticipate that our trailing four quarter ROIC will trend upwards from the low point as we execute on our cost savings initiatives, obtain balance sheet improvements and reduce our debt.

LIQUIDITY AND CAPITAL RESOURCES**Liquidity Analysis**

We measure liquidity as the sum of total unrestricted cash and unused borrowing availability, and we use this measurement as an indicator of how much access to cash we have to either grow the business through investment in new markets, acquisitions, or through expansion of existing service or product lines or to contend with adversity such as unforeseen operating losses potentially caused by reduced demand for our products and services, material uncollectible accounts receivable, or material inventory write-downs, as examples. The table below shows our liquidity calculation.

(Amounts in 000s)	June 30, 2008	December 31, 2007	% Change
Unrestricted cash	\$ 106,111	\$ 101,582	4%
Unused borrowing availability	350,358	130,435	169%
Liquidity	\$456,469	\$ 232,017	97%

Funds generated by operating activities, available unrestricted cash, and our unused borrowing availability continue to be our most significant sources of liquidity. However, we may not have access to all of the unused borrowing availability because of covenant restrictions in our credit agreements. We believe funds generated from the expected results of operations and available unrestricted cash will be sufficient to finance strategic initiatives for the remainder of fiscal 2008. In addition, our unused borrowing availability, can be used for additional working capital needs and investment opportunities. There can be no assurance, however, that we will continue to generate cash flows at or above current levels or that we will be able to maintain our ability to borrow under our credit facilities.

Consolidated Statement of Cash Flows

We use the indirect method of preparing and presenting our statements of cash flows. In our opinion, it is more practical than the direct method and provides the reader with a good perspective and analysis of the Company's cash flows.

	Six Months Ended June 30,		
	2008	2007	Change
	(Amounts in 000s)		
Net cash provided by (used in):			
Operating activities	\$ 259,842	\$(11,867)	\$ 271,709
Investing activities	(17,747)	(77,961)	60,214
Financing activities	(236,125)	76,618	(312,743)
Effect of exchange rate changes on cash and cash equivalents	(1,396)	2,836	(4,232)
Net increase (decrease) in cash and cash equivalents	\$ 4,574	\$(10,374)	\$ 14,948

Net cash provided by operating activities was \$259.8 million for the six months ended June 30, 2008 compared net cash used in used in operating activities of \$11.9 million for the same period in the prior year. The change was primarily due to:

\$264.3 million more cash provided by working capital primarily due to higher collections of receivables for the six months ended June 30, 2008, partially offset by \$145.3 million fewer payments of accounts payable and accrued expenses compared to the same period in the prior year. Cash used by working capital for the six

months ended June 30, 2007 was negatively impacted by the timing of payments for wireless devices procured in connection with our global relationship with a major original equipment manufacturer.

\$7.4 million more cash provided by operating activities before changes in operating assets and liabilities for the six months ended June 30, 2008 compared to the same period in the prior year.

A large customer within our Europe division experienced IT difficulties at the end of December 2007, resulting in \$62.2 million of anticipated payments in the fourth quarter being delayed into the first quarter. This payment was received on January 2, 2008. We do not expect similar payment delays due to IT difficulties from this customer in the future. Had this payment been received in 2007, net cash provided by operating activities would have been \$197.2 million for the six months ended June 30, 2008. However, our outstanding debt balance would not have changed at June 30, 2008.

Net cash used for investing activities was \$17.7 million for the six months ended June 30, 2008 compared to \$78.0 million for the same period in the prior year. This decrease is primarily due to the \$67.5 million of cash used in connection with the acquisition of certain assets and assumption of certain liabilities related to the U.S. operations and the Miami-based Latin America business of CellStar Corporation during the first quarter of 2007.

Net cash used in financing activities was \$236.1 million for the six months ended June 30, 2008 compared to net cash provided by financing activities of \$76.6 million for the same period in the prior year. This change is primarily due to \$235.0 million of repayments of borrowings during the six months ended June 30, 2008 compared to \$76.3 million of proceeds from credit facilities used in the acquisition of CellStar in same period in the prior year.

Cash Conversion Cycle

	Three Months Ended June 30,	
	2008	2007
Days sales outstanding in accounts receivable	32	27
Days inventory on-hand	30	30
Days payable outstanding	(45)	(34)
Cash Conversion Cycle Days	17	23

A key source of our liquidity is our ability to invest in inventory, sell the inventory to our customers, collect cash from our customers and pay our suppliers. We refer to this as the cash conversion cycle. For additional information regarding this measurement and the detailed calculation of the components of the cash conversion cycle, please refer to our Annual Report on Form 10-K for the year ended December 31, 2007.

For the three months ended June 30, 2008, the cash conversion cycle decreased to 17 days from 23 days for the same period in the prior year. The decrease in the cash conversion cycle was primarily due to an increase in days payable outstanding.

Borrowings

The table below summarizes the borrowings that were available to the Company as of June 30, 2008 (in thousands):

	Gross		Letters of Credit &	Net
	Availability	Outstanding	Guarantees	Availability
Global Term Loans	\$233,964	\$ 233,964	\$	\$
Global Credit Facility	300,000	7,922	421	291,657
Other	60,602	1,901		58,701
Total	\$594,566	\$ 243,787	\$ 421	\$ 350,358

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in our exposure to market risk since the disclosure in our Form 10-K for the year ended December 31, 2007.

Item 4. Controls and Procedures.

The Company, under the supervision and with the participation of its management, including its Principal Executive Officer and Principal Financial Officer has evaluated the effectiveness of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based on that evaluation, the Principal Executive Officer and Principal Financial Officer have concluded that the Company's disclosure controls and procedures are effective.

There has been no change in the Company's internal control over financial reporting during the most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting. For purposes of this evaluation, the impact of the acquisition of Dangaard Telecom A/S, which closed on July 31, 2007, on our internal controls over financial reporting has been excluded.

PART II OTHER INFORMATION

Item 1. Legal Proceedings.

The Company is from time to time involved in certain legal proceedings in the ordinary course of conducting its business. While the ultimate liability pursuant to these actions cannot currently be determined, the Company believes these legal proceedings will not have a material adverse effect on its financial position or results of operations. For more information on legal proceedings, see Note 7 Legal Proceedings and Contingencies, in the Notes to Consolidated Financial Statements.

LN Eurocom

On June 11, 2008 LN Eurocom (LNE) filed a lawsuit in the City Court of Frederiksberg, Denmark against Brightpoint Smartphone A/S and Brightpoint International A/S, each a wholly owned subsidiary of the Company (collectively,

Smartphone). The lawsuit alleges that Smartphone breached a contract relating to call center services performed or to be performed by LNE. The total amount claimed is approximately 9 million DKK (approximately \$1.9 million as of June 30, 2008). Smartphone disputes this claim and intends to defend this matter vigorously.

Norwegian tax authorities

Dangaard Telecom s subsidiary, Dangaard Telecom Norway AS Group, received notice from the Norwegian tax authorities regarding tax claims in connection with certain capital gains. The Norwegian tax authorities have claimed \$2.7 million. Dangaard Telecom Norway AS Group has disputed this claim; however, The Norwegian Tax Authorities ruled against Dangaard Telecom Norway AS in April 2008, and a law firm has been asked to give an assessment of whether or not to appeal the case. The former shareholders of Dangaard Telecom agreed to indemnify Dangaard Holding with respect to 80% of this claim when Dangaard Holding acquired Dangaard Telecom, and Dangaard Holding agreed in the purchase agreement with the Company to transfer and assign these indemnification rights to the Company (or enforce them on our behalf if such transfer or assignment is not permitted). The Company is currently evaluating the actions to be taken towards former shareholders of the Dangaard group of companies in relation to the indemnification agreement.

Item 1A. Risk Factors.

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2007, which could materially affect our business, financial condition or future results. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 4. Submission of Matters to a Vote of Security Holders.

On May 13, 2008, the Company held its Annual Meeting of Shareholders at which time the following matters were approved by the Company s shareholders by the votes indicated:

- 1) Election of three Class II Directors to hold office until the Annual Meeting of Shareholders to be held in 2011 and until their successors have been duly elected and qualified:

Director:	Votes Cast For	Votes Withheld
Thorleif Krarup	73,378,514	1,120,537
Marisa E. Pratt	62,624,407	11,874,644
Richard W. Roedel	63,131,758	11,367,293

After the elections, resignations and appointments set forth above, the Company s Board of Directors is currently comprised as follows: Class I Directors: Robert J. Laikin, Eliza Hermann and Jan Gesmar-Larsen; Class II Directors: Thorleif Krarup, Marisa E. Pratt and Richard W. Roedel; Class III Directors: Jorn P. Jensen, Jerre L. Stead and Kari Pekka Wilska.

- 2) Amendment of Brightpoint's 2004 Long-Term Incentive Plan to increase the number of shares available for issuance thereunder by 2,173,953:

Votes Cast For	Votes Cast Against	Votes Abstaining
62,821,744	2,102,972	39,925

- 3) Ratification of the Appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2008:

Votes Cast For	Votes Cast Against	Votes Abstaining
74,142,000	305,014	52,037
	30	

Item 6. Exhibits.

Exhibit

Number Description

- | | |
|------|---|
| 10.1 | Brightpoint, Inc. Amended 2004 Long-Term Incentive Plan (1)* |
| 31.1 | Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, implementing Section 302 of the Sarbanes-Oxley Act of 2002(1) |
| 31.2 | Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934 implementing Section 302 of the Sarbanes-Oxley Act of 2002(1) |
| 32.1 | Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant To Section 906 of the Sarbanes-Oxley Act of 2002(1) |
| 32.2 | Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant To Section 906 of the Sarbanes-Oxley Act of 2002(1) |
| 99.1 | Cautionary Statements(1) |

(1) Filed herewith

* Denotes
management
compensation
plan or
arrangement

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.

Brightpoint, Inc.
(Registrant)

Date: August 5, 2008

/s/ Robert J. Laikin
Robert J. Laikin
Chairman of the Board and Chief Executive
Officer
(Principal Executive Officer)

Date: August 5, 2008

/s/ Anthony W. Boor
Anthony W. Boor
Executive Vice President, Chief Financial Officer
and Treasurer
(Principal Financial Officer)

Date: August 5, 2008

/s/ Vincent Donargo
Vincent Donargo
Vice President, Corporate Controller, Chief
Accounting Officer
(Principal Accounting Officer)