

SYKES ENTERPRISES INC

FORM 8-K (Current report filing)

Filed 08/21/12 for the Period Ending 08/20/12

Address	400 NORTH ASHLEY DRIVE TAMPA, FL 33602
Telephone	8132741000
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SIC Code	7373 - Computer Integrated Systems Design
Industry	Computer Networks
Sector	Technology
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 20, 2012**



Sykes Enterprises, Incorporated

(Exact name of registrant as specified in its charter)

Florida

(State or other jurisdiction
of incorporation)

0-28274

(Commission File Number)

56-1383460

(IRS Employer Identification
No.)

400 N. Ashley Drive, Suite 2800, Tampa,
Florida

(Address of principal executive offices)

33602

(Zip Code)

Registrant's telephone number, including area code: **(813) 274-1000**

(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))

Item 2.01 Completion of Acquisition or Disposition of Assets.**Acquisition of Alpine Access, Inc.**

As previously announced, on July 27, 2012, Sykes Enterprises, Incorporated (“Sykes”), Sykes Acquisition Subsidiary II, Inc., a Delaware corporation and direct wholly-owned subsidiary of Sykes (“Merger Sub”), Alpine Access, Inc., a Delaware corporation (“Alpine”), and Shareholder Representative Services LLC, as the representative of the equity holders of Alpine, entered into a definitive Agreement and Plan of Merger.

On August 20, 2012, Sykes completed its acquisition of Alpine pursuant to the terms of the merger agreement, with Merger Sub being merged with and into Alpine. Alpine survived the merger as a wholly-owned subsidiary of Sykes.

In the merger, each outstanding share of Alpine common stock and preferred stock (other than those shares of common stock or preferred stock held by Alpine and shares held by shareholders who perfect their dissenter’s rights under Delaware law) were converted into the right to receive an amount in cash as set forth in the merger agreement. In addition, each outstanding Alpine stock option was cancelled and converted into the right to receive an amount in cash based on the difference between the per share common consideration and the exercise price of the applicable stock option. The consideration payable in the merger was approximately \$150 million in cash, subject to increase based on the amount of Alpine’s cash and cash equivalents at the closing of the merger, subject to decrease based on the amount of certain indebtedness at the closing of the merger, and subject to certain post-closing adjustments relating to Alpine’s working capital at the closing of the merger (all to be determined post-closing). Twelve million dollars of the purchase price were placed in an escrow account with an independent escrow agent as security for the indemnification obligations of Alpine’s equity holders under the merger agreement.

The foregoing description of the merger agreement is not complete and is subject to and qualified in its entirety by reference to the full text of the merger agreement, which is incorporated herein by reference to Exhibit 2.1.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**Borrowing under New Credit Agreement**

On August 20, 2012, in connection with the closing of the acquisition of Alpine Access, Inc., Sykes borrowed \$108 million under its Credit Agreement, dated May 3, 2012, with a group of lenders and KeyBank National Association, as Lead Arranger, Sole Book Runner and Administrative Agent for the lenders. See the Current Report on Form 8-K filed on May 7, 2012 for a description of the material terms of, and a copy of, the Credit Agreement.

The borrowing will bear interest at a variable rate of LIBOR plus an applicable margin based on Sykes’ leverage ratio (currently 112.5 basis points). The interest rate will be determined quarterly based on Sykes’ leverage ratio at such time.

Item 9.01 Financial Statements and Exhibits.**(a) Financial Statements of Business Acquired.**

Any financial statements required by Item 9.01(a) of Form 8-K will be filed by amendment within 71 calendar days after the date this report on Form 8-K must be filed. The determination of whether any such financial statements will be required cannot be determined at the present time, and will depend on the determination post-closing of the actual purchase price paid, taking into account all adjustments required under the merger agreement.

(b) Pro Forma Financial Information.

Any pro forma financial information required by Item 9.01(b) of Form 8-K will be filed by amendment within 71 calendar days after the date this report on Form 8-K must be filed. The determination of whether any such financial information will be required cannot be determined at the present time, and will depend on the determination post-closing of the actual purchase price paid, taking into account all adjustments required under the merger agreement.

(d) Exhibits.

- Exhibit 2.1 Agreement and Plan of Merger, dated as of July 27, 2012, by and among Sykes Enterprises, Incorporated, Sykes Acquisition Subsidiary II, Inc., Alpine Access, Inc., and Shareholder Representative Services LLC (included as Exhibit 2.1 to the Current Report on Form 8-K filed with the SEC on July 30, 2012 and incorporated herein by reference).
- Exhibit 99.1 Press release of Sykes Enterprises, Incorporated announcing the completion of the acquisition of Alpine Access, Inc.

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SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SYKES ENTERPRISES INCORPORATED

By: /s/ W. Michael Kipphut
Executive Vice President and
Chief Financial Officer

Date: August 21, 2012

EXHIBIT INDEX

Exhibit No.	Description
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Exhibit 99.1	Press release of Sykes Enterprises, Incorporated announcing the completion of the acquisition of Alpine Access, Inc.

news release

FOR IMMEDIATE RELEASE

AUGUST 21, 2012

SYKES ENTERPRISES, INCORPORATED COMPLETES ALPINE ACCESS ACQUISITION

TAMPA, FL – August 21, 2012 - Sykes Enterprises, Incorporated (“SYKES” or the “Company”) (NasdaqGS: SYKE), a global leader in providing outsourced customer contact management solutions and services in the business process outsourcing (BPO) arena, announced today that it has completed the acquisition of Alpine Access, Inc.

“Since the announcement of the Alpine Access acquisition, we have received overwhelmingly positive feedback from our key clients and employees. On the heels of this important milestone, we are eager to put our strategic vision into action. By leveraging Alpine Access’ best-in-class market position and differentiated capabilities across the customer contact management marketplace, we are embarking on a strategic trajectory that we believe will help our clients and employees realize the potential power of this combination as it unlocks long-term value for our shareholders,” said Chuck Sykes, President and Chief Executive Officer of Sykes Enterprises, Inc.

Alpine Access’ President and Chief Executive Officer Christopher Carrington stated “Our momentum in the marketplace has only strengthened since the announcement of what we believe is a winning combination. We are excited to officially be part of the SYKES family. And we are eager to move forward as one in continuing to deliver the exceptional value our clients have come to expect, thereby capitalizing on the growth opportunities in the marketplace.”

The \$150 million cash purchase price, subject to post-closing adjustments, for Alpine Access was financed through \$108 million in borrowings under the Company’s credit facility, with the remaining from cash on hand. The borrowing will bear interest at a variable rate of LIBOR plus an applicable margin based on the Company’s leverage ratio (currently 112.5 basis points). The interest rate will be determined quarterly based on Sykes’ leverage ratio at such time. The Company plans to provide an update on the anticipated impact of the Alpine Access acquisition on the business outlook for the fourth quarter of and full-year 2012 when it reports its third quarter results for the three-months ended September 30, 2012.

About Sykes Enterprises, Incorporated

SYKES is a global leader in providing customer contact management solutions and services in the business process outsourcing (BPO) arena. SYKES provides an array of sophisticated customer contact management solutions to Fortune 1000 companies around the world, primarily in the communications, financial services, healthcare, technology and transportation and leisure industries. SYKES specializes in providing flexible, high quality customer support outsourcing solutions with an emphasis on inbound technical support and customer service. Headquartered in Tampa, Florida, with customer contact management centers throughout the world, SYKES provides its services through multiple communication channels encompassing phone, e-mail, web, chat and social media. Utilizing its integrated onshore/offshore global delivery model, along with virtual at-home agents, SYKES serves its clients through two geographic operating segments: the Americas

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Tampa, FL USA 33602
1 - 800 - TO - SYKES
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EMEA Operations:
599 Calder Road
Edinburgh EH11 4GA
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(United States, Canada, Latin America, India and the Asia Pacific region) and EMEA (Europe, Middle East and Africa). SYKES also provides various enterprise support services in the Americas and fulfillment services in EMEA, which include multi-lingual sales order processing, payment processing, inventory control, product delivery and product returns handling. For additional information please visit www.sykes.com.

Forward-Looking Statements

This press release may contain “forward-looking statements,” including SYKES’ estimates of future business outlook, prospects or financial results, statements regarding SYKES’ objectives, expectations, intentions, beliefs or strategies, or statements containing words such as “believe,” “estimate,” “project,” “expect,” “intend,” “may,” “anticipate,” “plans,” “seeks,” “implies,” or similar expressions. It is important to note that SYKES’ actual results could differ materially from those in such forward-looking statements, and undue reliance should not be placed on such statements. Among the important factors that could cause such actual results to differ materially are (i) the impact of economic recessions in the U.S. and other parts of the world, (ii) fluctuations in global business conditions and the global economy, (iii) SYKES’ ability to continue the growth of its support service revenues through additional technical and customer contact centers, (iv) currency fluctuations, (v) the timing of significant orders for SYKES’ products and services, (vi) loss or addition of significant clients, (vii) the early termination of contracts by clients, (viii) SYKES’ ability to recognize deferred revenue through delivery of products or satisfactory performance of services, (ix) construction delays of new or expansion of existing customer support centers, (x) difficulties or delays in implementing SYKES’ bundled service offerings, (xi) failure to achieve sales, marketing and other objectives, (xii) variations in the terms and the elements of services offered under SYKES’ standardized contract including those for future bundled service offerings, (xiii) changes in applicable accounting principles or interpretations of such principles, (xiv) delays in the Company’s ability to develop new products and services and market acceptance of new products and services, (xv) rapid technological change, (xvi) political and country-specific risks inherent in conducting business abroad, (xvii) SYKES’ ability to attract and retain key management personnel, (xviii) SYKES’ ability to further penetrate into vertically integrated markets, (xix) SYKES’ ability to expand its global presence through strategic alliances and selective acquisitions, (xx) SYKES’ ability to continue to establish a competitive advantage through sophisticated technological capabilities, (xxi) the ultimate outcome of any lawsuits or penalties (regulatory or otherwise), (xxii) SYKES’ dependence on trends toward outsourcing, (xxiii) risk of interruption of technical and customer contact management center operations due to such factors as fire, earthquakes, inclement weather and other disasters, power failures, telecommunications failures, unauthorized intrusions, computer viruses and other emergencies, (xxiv) the existence of substantial competition, (xxv) the ability to obtain and maintain grants and other incentives, including tax holidays or otherwise, (xxvi) risks related to the integration of the businesses of SYKES and Alpine Access and (xxvii) other risk factors listed from time to time in SYKES’ registration statements and reports as filed with the Securities and Exchange Commission. All forward-looking statements included in this press release are made as of the date hereof, and SYKES undertakes no obligation to update any such forward-looking statements, whether as a result of new information, future events, or otherwise.

For additional information contact:

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