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CDI CORP

FORM 8-K
(Current report filing)

Filed 03/30/12 for the Period Ending 03/30/12

Address	1717 ARCH STREET, 35TH FLOOR PHILADELPHIA, PA 19103-2768
Telephone	2155692200
CIK	0000018396
Symbol	CDI
SIC Code	7363 - Help Supply Services
Industry	Business Services
Sector	Services
Fiscal Year	12/31

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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): March 30, 2012

CDI Corp.
(Exact name of registrant as specified in its charter)

Commission File Number: 001-05519

Pennsylvania **(State or other jurisdiction of Incorporation)**	**23-2394430** **(IRS Employer Identification No.)**

1717 Arch Street, 35th Floor
Philadelphia, PA 19103-2768
(Address of principal executive offices, including zip code)

(215) 569-2200
(Registrant's telephone number, including area code)

N/A
(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 7.01 Regulation FD Disclosure

CDI Corp. ("CDI" or the "Company") is filing this Current Report on Form 8-K to furnish certain unaudited summary segment financial information for the years ended December 31, 2011 and 2010 and each of the quarters in 2011, to reflect the change in the Company's reporting segments that were effective in January 2012.

On December 8, 2011, the Company announced business model and organizational changes aligned with a new strategic plan to make CDI an engineering and technology solutions company with global capabilities in select markets. The objectives of these changes are to grow the Company's solutions business, optimize the Company's professional staffing operations and prioritize the geographic markets and industries to which the Company will deliver engineering and technology solutions.

Effective January 2012, the Company's reporting segments are as follows:

- Global Engineering and Technology Solutions ("GETS") – The Company provides engineering and information technology solutions to its clients that involve the production of deliverable work products or services performed at a CDI facility or at a client's facility under the supervision of CDI personnel. These solutions typically include an analysis of a client's engineering or information technology needs, the development of the solution and in some cases, the implementation of that solution. Solution development and implementation generally range in duration from several months to multiple years. Depending on the industry, engineering services can include such functions as feasibility studies, technology assessment, conceptual design, cost estimating, preliminary design, execution planning, procurement optimization detailed design, testing and validation of regulatory compliance, technology integration and operating and maintenance support. Information technology services can include assessments, execution of business application services, web development, quality assurance and testing and program management. GETS provides these solutions for the Company's geographic regions through a delivery model consisting of: centers of excellence with concentrated skill sets required for larger, more complex projects; regional centers to service local needs of clients; client-centered offices to deliver site-specific services; and off-shore and near-shore centers to leverage low-cost design resources.
- Professional Services Staffing ("PSS") – The Company provides skilled technical and professional personnel to its clients for discrete periods of time to augment the client's workforce in times of project, seasonal, peak period or business cycle needs. These engagements can range from several months to multiple years in duration. The Company also provides permanent placement services. The Company provides professional staffing services to targeted industries that include managed services and managed staffing programs, functional staffing outsourcing and business advisory services. The Company delivers these services through its PSS delivery organization which provides centralized global staffing delivery focused on select engineering and technology skill sets and competencies.
- Management Recruiters International, Inc. ("MRI") – MRI is a global franchisor that does business as MRINetwork ® and provides the use of its trademarks, business systems and training and support services to its franchisees who engage in the search and recruitment of executive, technical, professional and managerial personnel for employment by their clients. The MRI franchisees provide permanent placement services primarily under the brand names Management Recruiters ®, Sales Consultants ®, CompuSearch ® and OfficeMates 5 ®. MRI also provides training and support, implementation services and back-office services to enable franchisees to pursue contract staffing opportunities.

Exhibit 99 of the Current Report on Form 8-K contains summary segment financial information to reflect reclassified historical results for changes in the composition of the Company's reporting segments that were

effective in January 2012. This summary segment financial information is unaudited and subject to adjustment in future public filings by the Company.

The information furnished pursuant to Item 7.01, including Exhibit 99, shall not be deemed "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Exchange Act.

Item 9.01 Financial Statements and Exhibits

Exhibit No.	Description
99	Unaudited revised summary reporting segment financial information for CDI Corp. and subsidiaries for the fiscal years ended December 31, 2011 and 2010 and each of the quarters in 2011.

Signatures

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

CDI Corp.

Date: March 30, 2012

By: /s/ Robert M. Larney
Executive Vice President and Chief Financial Officer

Reporting Segments

The financial information provided below is a reclassification of certain CDI historical financial information to reflect the Company's new reporting segments in 2012. As a result of the organizational changes announced in December 2011, certain support functions previously contained in the reporting segments are being consolidated and centralized in Corporate, which impacts the presentation of previously reported results for Corporate and each of the reporting segments. The financial information provided below is unaudited and subject to adjustment in future public filings by the Company.

Reporting segment data on a quarterly basis is presented in the tables below:

	2011			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue:				
GETS	$ 78,997	$ 80,169	$ 83,229	$ 81,151
PSS	161,940	165,170	171,539	169,013
MRI	15,699	17,400	17,706	17,790
Total revenue	$256,636	$262,739	$272,474	$267,954
Gross profit:				
GETS	$ 23,945	$ 24,699	$ 24,586	$ 23,578
PSS	22,735	23,876	24,875	24,083
MRI	7,650	8,385	8,281	8,608
Total gross profit	$ 54,330	$ 56,960	$ 57,742	$ 56,269
Operating profit (loss):				
GETS [1]	$ 3,982	$ 4,137	$ 5,768	$ 1,092
PSS [1,2]	2,198	12,995	4,125	2,869
MRI [1]	1,761	2,477	2,461	2,769
Corporate [1]	(5,188)	(5,905)	(7,933)	(7,233)
Total operating profit (loss) [1,2]	2,753	13,704	4,421	(503)
Other (expense) income, net	(43)	(116)	(63)	(23)
Income (loss) before income taxes [1,2]	$ 2,710	$ 13,588	$ 4,358	$ (526)

(1) In the fourth quarter of 2011, the Company recorded an aggregate pre-tax charge of $8.1 million to "Restructuring and other related costs" in the consolidated statement of operations. The following table summarizes the amount of restructuring and other related costs recognized during the year ended December 31, 2011, by reporting segment:

	2011
GETS	$4,467
PSS	2,622
MRI	372
Corporate	639
Restructuring and other related costs	$8,100

(2) PSS operating profit in the second quarter of 2011 includes a $9.7 million benefit related to the final settlement of a legal matter.

Reporting segment data on an annual basis is presented in the tables below:

	2011	2010
Revenue:		
GETS	$ 323,546	$280,552
PSS	667,662	584,421
MRI	68,595	61,316
Total revenue	$1,059,803	$926,289
Gross profit:		
GETS	$ 96,808	$ 76,903
PSS	95,569	84,685
MRI	32,924	32,375
Total gross profit	$ 225,301	$193,963
Operating profit (loss):		
GETS [1]	$ 14,979	$ 9,529
PSS [1,2]	22,187	(2,118)
MRI [1]	9,468	6,943
Corporate [1]	(26,259)	(16,960)
	20,375	(2,606)
Less equity in losses of affiliated companies	—	2,299
Total operating profit (loss) [1,2]	20,375	(307)
Equity in losses from affiliated companies	—	(2,299)
Other (expense) income, net	(245)	(540)
Income (loss) before income taxes [1,2]	$ 20,130	$ (3,146)

(1) In the fourth quarter of 2011, the Company recorded an aggregate pre-tax charge of $8.1 million to “Restructuring and other related costs” in the consolidated statement of operations.

(2) PSS operating profit (loss) includes a $9.7 million benefit related to the final settlement of a legal matter in 2011 and an $8.3 million goodwill impairment charge in 2010.

Inter-segment activity is not significant. Therefore, revenues reported for each reporting segment are substantially all from external clients. Total depreciation and amortization by reporting segment is presented in the table below:

	2011	2010
Depreciation and amortization:		
GETS	$ 5,761	$ 5,265
PSS	1,210	1,281
MRI	400	443
Corporate	3,637	3,668
Total depreciation and amortization	$11,008	$10,657