

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q / A-1

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For quarterly period ended March 31, 1995

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or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 1-7945  
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DELUXE CORPORATION

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

MINNESOTA

41-0216800

-----  
(State or other jurisdiction of (IRS Employer Identification No.)  
incorporation or organization)

1080 West County Road "F", Shoreview, Minnesota 55126-8201

-----  
(Address of principal executive offices)

(Zip code)

(612) 483-7111

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(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   
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The number of shares outstanding of the registrant's common stock, par value  
\$1.00 per share, at May 1, 1995 was 82,504,839.

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ITEM I. FINANCIAL STATEMENTS

PART I. FINANCIAL INFORMATION  
DELUXE CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEET  
(Dollars in Thousands)

<TABLE>  
<CAPTION>

	March 31, 1995 (Unaudited)	December 31, 1994
	-----	-----
<S>	<C>	<C>
CURRENT ASSETS		
Cash and cash equivalents	\$27,279	\$29,139
Marketable securities	46,775	49,109
Trade accounts receivable	151,315	142,087

Inventories:		
Raw material	27,968	25,198
Semi-finished goods	26,432	26,046
Finished goods	35,641	36,976
Deferred advertising	18,920	27,770
Deferred income taxes	25,352	25,647
Prepaid expenses and other current assets	66,945	58,894
	-----	-----
Total current assets	426,627	420,866
	-----	-----
LONG-TERM INVESTMENTS	45,372	45,091
PROPERTY, PLANT AND EQUIPMENT		
Land	37,677	38,286
Buildings and improvements	280,838	284,131
Machinery and equipment	570,287	544,092
Construction in progress	6,361	3,225
	-----	-----
Total	895,163	869,734
Less accumulated depreciation	419,010	407,916
	-----	-----
Property, plant, and equipment - net	476,153	461,818
INTANGIBLES		
Cost in excess of net assets acquired - net	315,982	284,420
Other intangible assets - net	53,375	44,077
	-----	-----
Total intangibles	369,357	328,497
	-----	-----
TOTAL ASSETS	\$1,317,509	\$1,256,272
	-----	-----
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$64,000	65,033
Accrued liabilities:		
Wages, including vacation pay	54,941	50,366
Employee profit sharing and pension	16,511	57,915
Accrued rebates	34,029	28,741
Income taxes	23,896	5,394
Other	73,199	67,313
Short-term debt	73,000	11,219
Long-term debt due within one year	4,606	4,479
	-----	-----
Total current liabilities	344,182	290,460
	-----	-----
LONG-TERM DEBT	114,857	110,867
	-----	-----
DEFERRED INCOME TAXES	40,599	40,552
SHAREHOLDERS' EQUITY		
Common shares - \$1 par value (authorized 500,000,000 shares; issued: 82,316,759)	82,317	82,375
Additional paid-in capital	42	1,694
Retained earnings	735,420	732,158
Cumulative translation adjustment	1,744	369
Unearned compensation	(134)	(149)
Net unrealized change - marketable securities	(1,518)	(2,054)
	-----	-----
Total shareholders' equity	817,871	814,393
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$1,317,509	\$1,256,272
	-----	-----

</TABLE>

See Notes to Consolidated Financial Statements

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DELUXE CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
(Dollars in Thousands Except per Share Amounts)  
(Unaudited)

<TABLE>

<CAPTION>

	QUARTER ENDED MARCH 31,	
	-----	-----
	1995	1994
	----	----
<S>	<C>	<C>
NET SALES	\$465,628	\$429,988
OPERATING EXPENSES		
Cost of sales	210,670	196,674
Selling, general, and administrative	179,811	148,466
Employee profit sharing and pension	14,718	14,846

Employee bonus and stock purchase discount	5,515	6,164
	-----	-----
Total	410,714	366,150
	-----	-----
INCOME FROM OPERATIONS	54,914	63,838
OTHER INCOME (EXPENSE)		
Investment and other income	6,540	4,726
Interest expense	(3,111)	(3,778)
	-----	-----
INCOME BEFORE INCOME TAXES	58,343	64,786
PROVISION FOR INCOME TAXES	24,504	26,745
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NET INCOME	\$33,839	\$38,041
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	-----	-----
AVERAGE COMMON SHARES OUTSTANDING	82,419,035	82,541,814
NET INCOME PER COMMON SHARE	\$0.41	\$0.46
CASH DIVIDENDS PER COMMON SHARE	\$0.37	\$0.36

</TABLE>

See Notes to Consolidated Financial Statements

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DELUXE CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Three Months Ended March 31, 1995 and 1994  
(Dollars in Thousands)  
(Unaudited)

<TABLE>

<CAPTION>

	1995	1994
	-----	-----
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$33,839	\$38,041
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	16,129	14,133
Amortization of intangibles	8,173	5,778
Stock purchase discount	2,067	2,084
Deferred income taxes	(35)	(74)
Changes in assets and liabilities, net of effects from acquisitions:		
Trade accounts receivable	(4,529)	4,883
Inventories	(1,248)	(3,986)
Accounts payable	(4,996)	710
Other assets and liabilities	(9,646)	(22,597)
	-----	-----
Net cash provided by operating activities	39,754	38,972
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of marketable securities with maturities of more than 3 months		(9,867)
Proceeds from sales of marketable securities with maturities of more than 3 months	3,010	23,501
Net change in marketable securities with maturities of 3 months or less		20,000
Purchases of property, plant, and equipment	(30,818)	(20,104)
Payments for acquisitions, net of cash acquired	(37,290)	
Other	243	(17,102)
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Net cash used in investing activities	(64,855)	(3,572)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	(3,799)	(756)
Payments to retire common stock	(10,352)	(11,017)
Proceeds from issuing stock under employee plans	6,188	6,358
Proceeds from short-term debt	61,781	
Cash dividends paid to shareholders	(30,577)	(29,790)
	-----	-----
Net cash provided by (used in) financing activities	23,241	(35,205)
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NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,860)	195
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	29,139	114,103
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CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$27,279	\$114,298
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. The consolidated balance sheet as of March 31, 1995, and the related consolidated statements of income and consolidated statements of cash flows for the three-month periods ended March 31, 1995 and 1994 are unaudited; in the opinion of management, all adjustments necessary for a fair presentation of such financial statements are included. Such adjustments consist only of normal recurring items. Interim results are not necessarily indicative of results for a full year.

The financial statements and notes are presented in accordance with instructions for Form 10-Q, and do not contain certain information included in the Company's annual financial statements and notes.

2. During the first quarter of 1995, the Company acquired all of the outstanding stock of Financial Alliance Processing Services, Inc. The Company recorded the acquisition under the purchase method of accounting. The acquisition did not have a material proforma impact on operations.
3. The Company has uncommitted bank lines of credit of \$130 million available at variable interest rates. As of March 31, 1995, \$73 million was drawn on those lines at a weighted average interest rate of 6.4%. Also, the company has in place a \$150 million committed line of credit as support for commercial paper. The Company made its first issuance of commercial paper during the second quarter of 1995.

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.

DELUXE CORPORATION

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(Registrant)

Date August 9, 1995  
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/s/ J.A. Blanchard III  
-----  
J.A. Blanchard III, President  
and Chief Executive Officer  
(Principal Executive Officer)

Date August 9, 1995  
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/s/ C.M. Osborne  
-----  
C. M. Osborne, Senior Vice President  
and Chief Financial Officer  
(Principal Financial Officer)