

CABOT MICROELECTRONICS CORP
Form 10-Q
February 08, 2007

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

FORM 10-Q

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

For the quarterly period ended

DECEMBER 31, 2006

or

**o 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 000-30205

CABOT MICROELECTRONICS CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE
(State of Incorporation)

36-4324765
(I.R.S. Employer Identification No.)

**870 NORTH COMMONS DRIVE
AURORA, ILLINOIS**
(Address of principal executive offices)

60504
(Zip Code)

Registrant's telephone number, including area code: **(630) 375-6631**

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 X NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

X

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Large accelerated filer	Accelerated filer	Non-accelerated filer
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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO ☒ X

As of January 31, 2007, the Company had 23,907,594 shares of Common Stock, par value \$0.001 per share, outstanding.

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CABOT MICROELECTRONICS CORPORATION

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PART I. FINANCIAL INFORMATION
ITEM 1.

CABOT MICROELECTRONICS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited and in thousands, except per share amounts)

	Three Months Ended December 31,	
	2006	2005
Revenue	\$ 81,816	\$ 81,488
Cost of goods sold	42,501	43,051
Gross profit	39,315	38,437
Operating expenses:		
Research, development and technical	12,247	11,659
Selling and marketing	5,476	5,026
General and administrative	9,425	8,414
Total operating expenses	27,148	25,099
Operating income	12,167	13,338
Other income, net	1,174	716
Income before income taxes	13,341	14,054
Provision for income taxes	4,216	4,483
Net income	\$ 9,125	\$ 9,571
Basic earnings per share	\$ 0.38	\$ 0.39
Weighted average basic shares outstanding	23,839	24,363
Diluted earnings per share	\$ 0.38	\$ 0.39
Weighted average diluted shares outstanding	23,841	24,363

The accompanying notes are an integral part of these consolidated financial statements.

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CABOT MICROELECTRONICS CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited and in thousands, except share amounts)

	December 31, 2006	September 30, 2006
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 54,130	\$ 54,965
Short-term investments	106,265	110,965
Accounts receivable, less allowance for doubtful accounts of \$536 at December 31, 2006, and \$551 at September 30, 2006	47,808	48,028
Inventories	41,951	40,326
Prepaid expenses and other current assets	4,946	4,785
Deferred income taxes	2,454	2,436
Total current assets	257,554	261,505
Property, plant and equipment, net	127,719	130,176
Goodwill	4,569	4,565
Other intangible assets, net	13,802	11,447
Deferred income taxes	3,060	1,365
Other long-term assets	2,860	3,075
Total assets	\$ 409,564	\$ 412,133
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 11,105	\$ 15,104
Capital lease obligations	1,275	1,254
Accrued expenses, income taxes payable and other current liabilities	18,106	22,475
Total current liabilities	30,486	38,833
Capital lease obligations	4,155	4,420
Other long-term liabilities	1,155	1,109
Total liabilities	35,796	44,362
Commitments and contingencies (Note 5)		
Stockholders' equity:		
Common stock:		
Authorized: 200,000,000 shares, \$0.001 par value		
Issued: 25,375,040 shares at December 31, 2006, and 25,254,719 shares at September 30, 2006	24	24
Capital in excess of par value of common stock	160,573	