

AEROFLEX HOLDING CORP.
Form 10-Q
November 09, 2011

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 September 30, 2011
Commission File Number 001-34974

AEROFLEX HOLDING CORP.

(Exact name of Registrant as specified in its Charter)

DELAWARE
(State or other jurisdiction
of incorporation or organization)

01-0899019
(I.R.S. Employer
Identification No.)

35 South Service Road
P.O. Box 6022
Plainview, N.Y.
(Address of principal executive offices)

11803-0622
(Zip Code)

(516) 694-6700
(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 has submitted electronically and posted on their corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether each 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)

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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 ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

November 9, 2011	84,789,180
(Date)	(Number of Shares)

AEROFLEX HOLDING CORP.
AND SUBSIDIARIES

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Aeroflex Holding Corp. and Subsidiaries
Unaudited Condensed Consolidated Balance Sheets
(In thousands, except share and per share data)

	September 30, 2011	June 30, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 57,486	\$66,278
Accounts receivable, less allowance for doubtful accounts of \$1,080 and \$1,210	143,182	168,141
Inventories	195,031	186,370
Deferred income taxes	51,800	51,855
Prepaid expenses and other current assets	13,519	10,044
Total current assets	461,018	482,688
Property, plant and equipment, net of accumulated depreciation of \$88,714 and \$82,581	101,202	105,162
Deferred financing costs, net	14,869	15,289
Other assets	30,050	29,000
Intangible assets with definite lives, net	166,902	183,614
Intangible assets with indefinite lives	113,961	114,730
Goodwill	463,137	465,443
Total assets	\$ 1,351,139	\$1,395,926
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of long-term debt	\$ 7,635	\$7,635
Accounts payable	28,268	48,737
Advance payments by customers and deferred revenue	24,350	25,859
Income taxes payable	1,198	8,371
Accrued payroll expenses	22,106	22,063
Accrued expenses and other current liabilities	43,826	45,772
Total current liabilities	127,383	158,437
Long-term debt	715,938	717,750
Deferred income taxes	116,756	117,150
Defined benefit plan obligations	5,492	5,539
Other long-term liabilities	13,773	13,526
Total liabilities	979,342	1,012,402
Stockholders' equity:		
Preferred stock, par value \$.01 per share; 50,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, par value \$.01 per share; 300,000,000 shares authorized; 84,789,180 shares issued and outstanding	848	848
Additional paid-in capital	644,955	644,262

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Accumulated other comprehensive income (loss)	(39,914)	(32,536)
Accumulated deficit	(234,092)	(229,050)
Total stockholders' equity	371,797	383,524
Total liabilities and stockholders' equity	\$ 1,351,139	\$ 1,395,926

See notes to unaudited condensed consolidated financial statements.

Aeroflex Holding Corp. and Subsidiaries
 Unaudited Condensed Consolidated Statements of Operations
 (In thousands, except per share data)

	Three Months Ended September	
	2011	2010
		30,
Net sales	\$ 154,884	\$ 155,931
Cost of sales	76,365	76,105
Gross profit	78,519	79,826
Operating expenses:		
Selling, general and administrative costs	37,534	36,703
Research and development costs		