

CAPSTONE TURBINE Corp
Form 10-Q
August 09, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2011

or

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

For the transition period from to

Capstone Turbine Corporation

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

95-4180883
(I.R.S. Employer
Identification No.)

**21211 Nordhoff Street,
Chatsworth, California**

91311

(Address of principal executive offices)

(Zip Code)

818-734-5300

(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 its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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 the 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.

Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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The number of shares outstanding of the registrant's common stock as of July 29, 2011 was 259,591,285.

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CAPSTONE TURBINE CORPORATION

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****CAPSTONE TURBINE CORPORATION AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS**(In thousands, except share amounts)
(Unaudited)

	June 30, 2011	March 31, 2011
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 22,105	\$ 33,456
Accounts receivable, net of allowance for doubtful accounts of \$167 at June 30, 2011 and \$212 at March 31, 2011	19,943	19,329
Inventories	22,654	19,267
Prepaid expenses and other current assets	2,073	2,369
Total current assets	66,775	74,421
Property, plant and equipment, net	5,604	5,939
Non-current portion of inventories	1,217	1,454
Intangible assets, net	3,375	3,574
Restricted cash		1,250
Other assets	358	381
Total	\$ 77,329	\$ 87,019
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 16,917	\$ 20,292
Accrued salaries and wages	1,937	1,555
Accrued warranty reserve	1,684	1,081
Deferred revenue	1,898	1,153
Revolving credit facility	6,394	7,080
Current portion of notes payable and capital lease obligations	36	214
Warrant liability	14,498	20,772
Total current liabilities	43,364	52,147
Long-term portion of notes payable and capital lease obligations	75	83
Other long-term liabilities	307	309
Commitments and contingencies (Note 14)		
Stockholders' Equity:		
Preferred stock, \$.001 par value; 10,000,000 shares authorized; none issued		
Common stock, \$.001 par value; 415,000,000 shares authorized; 260,466,375 shares issued and 259,472,964 shares outstanding at June 30, 2011; 259,544,911 shares issued and 258,595,291 shares outstanding at March 31, 2011	260	260
Additional paid-in capital	750,008	747,962
Accumulated deficit	(715,544)	(712,648)

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Treasury stock, at cost; 975,090 shares at June 30, 2011 and 949,620 shares at March 31, 2011		(1,141)		(1,094)
Total stockholders' equity		33,583		34,480
Total	\$	77,329	\$	87,019

See accompanying notes to condensed consolidated financial statements.

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CAPSTONE TURBINE CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)
(Unaudited)

	Three Months Ended June 30,	
	2011	2010
Revenue	\$ 24,282	\$ 16,052
Cost of goods sold	23,775	16,564
Gross margin (loss)	507	(512)
Operating expenses:		
Research and development	2,162	1,522
Selling, general and administrative	6,640	6,436
Total operating expenses	8,802	7,958
Loss from operations	(8,295)	(8,470)
Other income	4	4
Interest expense	(231)	(310)
Change in fair value of warrant liability	5,626	