

DEFENSE INDUSTRIES INTERNATIONAL INC
Form 10-Q
November 21, 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

Transition report pursuant to Section 13 or 15(d) of the Exchange Act for the transition period from _____ to _____

Commission file number: 0-30105

DEFENSE INDUSTRIES INTERNATIONAL, INC.
(Exact Name of Registrant as Specified in Its Charter)

Nevada
(State or Other Jurisdiction of
Incorporation or Organization)

84-1421483
(I.R.S. Employer
Identification No.)

12 Hamefalsim Street, Petach Tikva 49514, Israel
(Address of Principal Executive Offices)
(011) 972-3-7168383
(Registrant's Telephone Number, Including Area Code)
N/A
(Former Name, Former Address and Former Fiscal Year,
if Changed Since Last Report)

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 (§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 the registrant is large accelerated filer, an accelerated filer, or a non-accelerated filer. See of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer

Accelerated filer

Non-accelerated filer

(Do not check if 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

As of November 12, 2011 the issuer had 28,150,535 shares of Common Stock, par value \$0.0001, outstanding.

DEFENSE INDUSTRIES INTERNATIONAL, INC. AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATION:

DEFENSE INDUSTRIES INTERNATIONAL, INC.
AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2011 (UNAUDITED) AND DECEMBER 31, 2010

ASSETS	September 30, 2011 (Unaudited)	December 31, 2010
CURRENT ASSETS		
Cash and cash equivalents	\$1,026,957	\$3,502,461
Trading securities	201,152	1,894,864
Accounts receivable, net of allowance for doubtful accounts of \$ 354,294, and \$368,477, respectively	2,707,113	2,324,985
Inventories	4,442,467	4,402,517
Deferred taxes	260,115	191,318
Other current assets	1,160,357	398,297
Total Current Assets	9,798,161	12,714,442
PROPERTY, PLANT AND EQUIPMENT, NET	1,987,097	1,864,346
INVESTMENT AND LOANS TO ASSOCIATED COMPANIES	1,259,459	1,274,991
OTHER ASSETS		
Funds in respect of employee rights upon retirement	765,616	881,184
Intangible assets, net	1,279,198	1,300,445
Deferred taxes	33,918	22,155
Total Other Assets	2,078,732	2,203,784
TOTAL ASSETS	\$15,123,449	\$18,057,563

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

DEFENSE INDUSTRIES INTERNATIONAL, INC.
AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2011 (UNAUDITED) AND DECEMBER 31, 2010

LIABILITIES AND EQUITY

	September 30, 2011 (Unaudited)	December 31, 2010
CURRENT LIABILITIES		
Accounts payable	\$ 2,634,816	\$ 1,519,545
Accounts payable – related parties	14,324	156,753
Short-term debt	908,243	1,299,546
Other current liabilities	2,078,178	1,674,027
Total Current Liabilities	5,635,561	4,649,871
LONG-TERM LIABILITIES		
Long-term portion of debt	448,140	240,945
Long-term portion of minimum royalty payment to the Government of Israel	446,015	466,500
Deferred tax liability	253,696	261,866
Liability for employee rights upon retirement	833,177	967,309
Total Long-Term Liabilities	1,981,028	1,936,620
TOTAL LIABILITIES	7,616,589	6,586,491
COMMITMENTS AND CONTINGENCIES	-	-
EQUITY		
Preferred stock, \$0.0001 par value, 50,000,000 shares authorized, none issued and outstanding		
Common stock, \$0.0001 par value, 250,000,000 shares authorized, 29,200,535 shares issued and 28,150,535 shares outstanding at September 30, 2011 and December 31, 2010	2,920	2,920
Additional paid-in capital	2,997,370	2,997,370
Treasury stock (1,050,000 shares at cost)	(252,000)	(252,000)
Retained earnings	4,141,200	7,603,276
Accumulated other comprehensive income	617,370	1,119,506
Total Equity	7,506,860	11,471,072
TOTAL LIABILITIES AND EQUITY	\$ 15,123,449	\$ 18,057,563

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

DEFENSE INDUSTRIES INTERNATIONAL, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE NINE AND THREE MONTHS ENDED SEPTEMBER 30, 2011 AND 2010
(UNAUDITED)