

THORATEC CORP  
Form 10-Q  
May 03, 2013  
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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 March 30, 2013**

**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: 000-49798**

**THORATEC CORPORATION**

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(Exact name of registrant as specified in its charter)

**California**

(State or other jurisdiction of incorporation  
or organization)

**94-2340464**

(I.R.S. Employer Identification No.)

**6035 Stoneridge Drive, Pleasanton, California**

(Address of principal executive offices)

**94588**

(Zip Code)

**(925) 847-8600**

(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 x No o

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 x No o

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. (Check one):

Large accelerated filer x

Accelerated filer o

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

Smaller reporting company o

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

As of April 27, 2013, the registrant had 57,330,393 shares of common stock outstanding.

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**THORATEC CORPORATION**

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**THORATEC CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(unaudited)

(in thousands)

	March 30, 2013	December 29, 2012
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 91,459	\$ 101,322
Short-term available-for-sale investments	160,505	148,426
Receivables, net of allowances of \$2,204 and \$2,127, respectively	67,202	70,471
Inventories	57,263	47,100
Deferred tax assets	10,626	10,626
Income tax receivable	15,192	11,950
Prepaid expenses and other assets	9,164	7,162
Total current assets	411,411	397,057
Property, plant and equipment, net	47,338	45,892
Goodwill	191,138	194,182
Purchased intangible assets, net	30,710	33,571
Long-term available-for-sale investments	10,092	10,607
Other long-term assets	17,571	17,055
Total Assets	\$ 708,260	\$ 698,364
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 22,881	\$ 19,959
Accrued compensation	17,611	25,409
Contingent liabilities, current portion	6,138	4,220
Other accrued liabilities	16,692	19,098
Total current liabilities	63,322	68,686
Long-term deferred tax liability	2,006	2,780
Other long-term liabilities	14,033	12,323
Contingent liabilities, non-current portion	11,694	17,832
Total Liabilities	91,055	101,621
Shareholders' equity:		
Common shares: no par, authorized 100,000; issued and outstanding 57,317 and 57,584 as of March 30, 2013 and December 29, 2012, respectively		
Additional paid-in capital	597,593	577,448
Retained earnings	36,751	34,364

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Accumulated other comprehensive loss:				
Unrealized loss on investments		(923)		(1,141)
Cumulative translation adjustments		(16,216)		(13,928)
Total accumulated other comprehensive loss		(17,139)		(15,069)
Total Shareholders' Equity		617,205		596,743
Total Liabilities and Shareholders' Equity	\$	708,260	\$	698,364

See notes to the unaudited condensed consolidated financial statements.

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**THORATEC CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(unaudited)

(in thousands, except per share data)

	Three Months Ended	
	March 30, 2013	March 31, 2012
Product sales	\$ 117,725	\$ 126,769
Cost of product sales	35,073	38,887
Gross profit	82,652	87,882
Operating expenses:		
Selling, general and administrative	34,745	31,201
Research and development	24,513	19,696
Total operating expenses	59,258	50,897
Income from operations	23,394	36,985
Other income and (expense):		
Interest expense and other	(4)	(3)
Interest income and other	1,117	734
Income before income taxes	24,507	37,716
Income tax expense	6,337	12,230
Net income	\$ 18,170	\$ 25,486