

ACETO CORP
Form 10-Q
May 09, 2008

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 March 31, 2008
Commission file number 000-04217

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

New York
(State or other jurisdiction of incorporation or
organization)

11-1720520
(I.R.S. Employer Identification Number)

One Hollow Lane, Lake Success, NY 11042
(Address of principal executive offices)

(516) 627-6000
(Registrant's telephone number, including area code)

www.aceto.com
(Registrant's website address)

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 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

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The Registrant has 24,440,188 shares of common stock outstanding as of May 5, 2008.

ACETO CORPORATION AND SUBSIDIARIES
 QUARTERLY REPORT FOR THE PERIOD ENDED MARCH 31, 2008

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ACETO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per-share amounts)

	March 31, 2008 (unaudited)	June 30, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 32,239	\$ 32,320
Investments	1,169	3,036
Trade receivables, less allowance for doubtful accounts (March, \$441, June \$491)	72,357	58,206
Other receivables	4,160	3,123
Inventory	63,332	60,679
Prepaid expenses and other current assets	1,074	1,128
Deferred income tax benefit, net	2,726	2,541
Total current assets	177,057	161,033
Long-term notes receivable	373	449
Property and equipment, net	4,308	4,406
Property held for sale	5,268	5,268
Goodwill	1,987	1,820
Intangible assets, net	5,581	5,817
Deferred income tax benefit, net	4,618	5,958
Other assets	4,224	3,727
TOTAL ASSETS	\$ 203,416	\$ 188,478
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 35,061	\$ 32,539
Short-term bank loans	-	25
Note payable – related party	500	500
Accrued expenses	17,043	14,154
Deferred income tax liability	885	885
Total current liabilities	53,489	48,103
Long-term liabilities	6,960	6,684
Environmental remediation liability	5,816	5,816
Deferred income tax liability	2,888	2,746
Minority interest	304	302
Total liabilities	69,457	63,651

Commitments and contingencies (Note 9)

Shareholders' equity:

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Common stock, \$.01 par value, 40,000 shares authorized; 25,644 shares issued; 24,435 and 24,330 shares outstanding at March 31, 2008 and June 30, 2007, respectively	256	256
Capital in excess of par value	56,614	56,854
Retained earnings	76,248	74,419
Treasury stock, at cost, 1,209 and 1,314 shares at March 31, 2008 and June 30, 2007, respectively	(11,684)	(12,693)
Accumulated other comprehensive income	12,525	5,991
Total shareholders' equity	133,959	124,827
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 203,416	\$ 188,478

See accompanying notes to condensed consolidated financial statements and accountants' review report.

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ACETO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited and in thousands, except per-share amounts)

	Nine Months Ended	
	March 31,	
	2008	2007
Net sales	\$ 254,888	\$