

THORATEC CORP
Form 10-Q
May 03, 2011
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U.S. 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 April 2, 2011

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

(Exact name of registrant as specified in its charter)

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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 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. (Check one):

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 April 22, 2011, the registrant had 57,209,022 shares of common stock outstanding.

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THORATEC CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited)

(in thousands)

	April 2, 2011	January 1, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 64,967	\$ 56,887
Short-term available-for-sale investments	353,266	391,256
Receivables, net of allowances of \$1,416 and \$1,334, respectively	56,813	57,213
Inventories	66,384	59,790
Deferred tax assets	9,681	9,677
Income tax receivable	3,480	9,538
Prepaid expenses and other assets	5,538	5,706
Total current assets	560,129	590,067
Property, plant and equipment, net	39,057	38,077
Goodwill	95,015	95,015
Purchased intangible assets, net	86,216	88,518
Long-term available-for-sale investments	19,723	21,379
Other long-term assets	5,096	4,687
Total Assets	\$ 805,236	\$ 837,743
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 15,143	\$ 13,495
Accrued compensation	12,155	20,753
Other accrued liabilities	13,170	14,604
Senior subordinated convertible notes	140,103	138,165
Total current liabilities	180,571	187,017
Long-term deferred tax liability	18,553	20,109
Other long-term liabilities	9,940	9,257
Total Liabilities	209,064	216,383
Shareholders' equity:		
Common shares: no par, authorized 100,000; issued and outstanding 57,206 and 58,571 as of April 2, 2011 and January 1, 2011, respectively		
Additional paid-in capital	598,541	606,782
Retained earnings	666	18,603
Accumulated other comprehensive loss:		

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Unrealized loss on investments		(1,519)		(1,660)
Cumulative translation adjustments		(1,516)		(2,365)
Total accumulated other comprehensive loss		(3,035)		(4,025)
Total Shareholders' Equity		596,172		621,360
Total Liabilities and Shareholders' Equity	\$	805,236	\$	837,743

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	
	April 2, 2011	April 3, 2010
Product sales	\$ 99,530	\$ 99,272
Cost of product sales	29,735	31,571
Gross profit	69,795	67,701
Operating expenses:		
Selling, general and administrative	24,654	21,841
Research and development	15,754	19,991
Amortization of purchased intangible assets	2,302	2,412
Total operating expenses	42,710	44,244
Income from operations	27,085	23,457
Other income and (expense):		
Interest expense and other	(2,880)	(2,880)
Interest income and other	755	1,606
Impairment on investment		(2,000)
Income before income taxes	24,960	20,183
Income tax expense	(8,501)	(6,819)
Income from continuing operations	16,459	13,364
Loss from discontinued operations, net of tax		