

THORATEC CORP  
Form 10-Q  
August 04, 2011  
[Table of Contents](#)

**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 July 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**

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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  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

Smaller reporting company

(Do not check if 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 July 22, 2011, the registrant had 59,741,591 shares of common stock outstanding.

Table of Contents

**THORATEC CORPORATION**

**TABLE OF CONTENTS**

<u>Part I. Financial Information</u>	3
<u>Item 1. Unaudited Condensed Consolidated Financial Statements</u>	3
<u>Condensed Consolidated Balance Sheets as of July 2, 2011 and January 1, 2011</u>	3
<u>Condensed Consolidated Statements of Operations for the Three and Six Months Ended July 2, 2011 and July 3, 2010</u>	4
<u>Condensed Consolidated Statements of Comprehensive Income for the Three and Six Months Ended July 2, 2011 and July 3, 2010</u>	4
<u>Condensed Consolidated Statements of Cash Flows for the Six Months Ended July 2, 2011 and July 3, 2010</u>	5
<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	6
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	20
<u>Item 3. Quantitative and Qualitative Disclosure of Market Risk</u>	28
<u>Item 4. Controls and Procedures</u>	29
<u>Part II. Other Information</u>	30
<u>Item 1. Legal Proceedings</u>	30
<u>Item 1A. Risk Factors</u>	30
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	30
<u>Item 6. Exhibits</u>	31
<u>Signatures</u>	32
Exhibits	
<u>EX-10.40</u>	
<u>EX-10.45</u>	
<u>EX-31.1</u>	
<u>EX-31.2</u>	
<u>EX-32.1</u>	
<u>EX-32.2</u>	
EX-101 INSTANCE DOCUMENT	
EX-101 SCHEMA DOCUMENT	
EX-101 CALCULATION LINKBASE DOCUMENT	
EX-101 LABELS LINKBASE DOCUMENT	
EX-101 PRESENTATION LINKBASE DOCUMENT	

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CentriMag and PediMag are registered trademarks of Thoratec LLC and PediVAS is a registered trademark of Levitronix Medical GmbH, which is being renamed as Thoratec Switzerland GmbH.

Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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

(unaudited)

(in thousands)

	July 2, 2011	January 1, 2011
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 96,164	\$ 56,887
Short-term available-for-sale investments	182,458	391,256
Receivables, net of allowances of \$1,715 and \$1,334, respectively	60,719	57,213
Inventories	62,148	59,790
Deferred tax assets	10,091	9,677
Income tax receivable	5,090	9,538
Prepaid expenses and other assets	4,426	5,706
Total current assets	421,096	590,067
Property, plant and equipment, net	40,372	38,077
Goodwill	95,015	95,015
Purchased intangible assets, net	84,019	88,518
Long-term available-for-sale investments	19,841	21,379
Other long-term assets	4,539	4,687
Total Assets	\$ 664,882	\$ 837,743
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 10,767	\$ 13,495
Accrued compensation	11,980	20,753
Other accrued liabilities	13,064	14,604
Senior subordinated convertible notes		138,165
Total current liabilities	35,811	187,017
Long-term deferred tax liability	17,241	20,109
Other long-term liabilities	9,939	9,257
Total Liabilities	62,991	216,383
Shareholders' equity:		
Common shares: no par, authorized 100,000; issued and outstanding 59,739 and 58,571 as of July 2, 2011 and January 1, 2011, respectively		
Additional paid-in capital	582,199	606,782
Retained earnings	22,332	18,603
Accumulated other comprehensive loss:		

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Unrealized loss on investments		(1,465)		(1,660)
Cumulative translation adjustments		(1,175)		(2,365)
Total accumulated other comprehensive loss		(2,640)		(4,025)
Total Shareholders' Equity		601,891		621,360
Total Liabilities and Shareholders' Equity	\$	664,882	\$	837,743

See notes to the unaudited condensed consolidated financial statements.

Table of Contents

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

(unaudited)

(in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	July 2, 2011	July 3, 2010	July 2, 2011	July 3, 2010
Product sales	\$ 111,221	\$ 95,098	\$ 210,751	\$ 194,370
Cost of product sales	32,410	30,579	62,145	62,150
Gross profit	78,811	64,519	148,606	132,220
Operating expenses:				
Selling, general and administrative	26,559	21,065	51,213	42,906
Research and development	15,799	11,812	31,553	31,803
Amortization of purchased intangible assets	2,197	2,468	4,499	4,880
Total operating expenses	44,555	35,345	87,265	79,589
Income from operations	34,256	29,174	61,341	52,631