

SONOSITE INC  
Form 10-Q  
August 03, 2009

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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 10-Q

X Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the quarterly period ended June 30, 2009

OR

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the transition period from to \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-23791

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SONOSITE, INC.

(Exact name of registrant as specified in its charter)

Washington  
(State or Other Jurisdiction  
of Incorporation or Organization)

91-1405022  
(I.R.S. Employer  
Identification Number)

21919 30th Drive SE, Bothell, WA  
(Address of Principal Executive Offices)

98021-3904  
(Zip Code)

(425) 951-1200  
(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 [ ]

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 a large accelerated filer, an accelerated filer or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer [ ] Accelerated filer [X] Non-accelerated filer [ ] Smaller reporting company [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes [ ] No [X]

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, \$0.01 par value  
(Class)

17,285,328  
(Outstanding as of July 17, 2009)

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SonoSite, Inc.  
Quarterly Report on Form 10-Q  
For the Quarter Ended June 30, 2009  
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## PART I: FINANCIAL INFORMATION

## Item 1. Financial Statements

SonoSite, Inc.  
Condensed Consolidated Balance Sheets  
(unaudited)

(In thousands, except share data)

Assets	June 30, 2009	December 31, 2008 As Adjusted
<b>Current assets:</b>		
Cash and cash equivalents	\$ 193,866	\$ 209,258
Short-term investment securities	69,049	69,882
Accounts receivable, less allowances of \$1,980 and \$2,190	54,102	66,094
Inventories	30,243	29,115
Deferred income taxes, current	12,688	13,372
Prepaid expenses and other current assets	7,583	6,623
<b>Total current assets</b>	<b>367,531</b>	<b>394,344</b>
Property and equipment, net	8,752	8,955
Investment securities	488	578
Goodwill	3,902	3,767
Deferred income taxes	814	793
Identifiable intangible assets, net	12,951	13,062
Other assets	4,302	5,383
<b>Total assets</b>	<b>\$ 398,740</b>	<b>\$ 426,882</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 6,561	\$ 6,189
Accrued expenses	20,494	31,921
Deferred revenue, current portion	2,606	2,755
<b>Total current liabilities</b>	<b>29,661</b>	<b>40,865</b>
Long-term debt, net	94,330	111,336
Deferred tax liability, net	6,716	9,871
Other non-current liabilities	13,922	13,750
<b>Total liabilities</b>	<b>144,629</b>	<b>175,822</b>
<b>Commitments and contingencies</b>		
<b>Shareholders' equity:</b>		
Preferred stock, \$1.00 par value		
Authorized shares--6,000,000		
Issued and outstanding shares--none	--	--
Common stock, \$.01 par value		
Authorized shares--50,000,000		
Issued and outstanding shares:		
As of June 30, 2009—17,277,973	173	
As of December 31, 2008—17,054,697		171
Additional paid-in-capital	288,901	285,757
Accumulated deficit	(34,747 )	(36,036 )

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Accumulated other comprehensive income (loss)	(216 )	1,168
Total shareholders' equity	254,111	251,060
Total liabilities and shareholders' equity	\$ 398,740	\$ 426,882

See accompanying notes to condensed consolidated financial statements.

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SonoSite, Inc.  
Condensed Consolidated Statements of Income  
(unaudited)

(In thousands, except net income per share)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2008		2008	
	2009	As Adjusted	2009	As Adjusted
Revenue				