

CAPSTONE TURBINE CORP
Form 10-Q
August 08, 2007

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 June 30, 2007

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: 001-15957

Capstone Turbine Corporation

(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

95-4180883

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

21211 Nordhoff Street, Chatsworth, California 91311

(Address of principal executive offices and zip code)

818-734-5300

(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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

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

The number of outstanding shares of the registrant's common stock as of July 31, 2007 was 145,385,719.

CAPSTONE TURBINE CORPORATION
INDEX

PART I FINANCIAL INFORMATION

<u>Item 1.</u>	<u>Financial Statements (Unaudited)</u> <u>Condensed Consolidated Balance Sheets as of June 30, 2007 and March 31, 2007</u> <u>Condensed Consolidated Statements of Operations for the Three Months Ended June 30, 2007 and 2006</u> <u>Condensed Consolidated Statements of Cash Flows for the Three Months Ended June 30, 2007 and 2006</u> <u>Notes to Condensed Consolidated Financial Statements</u>
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>
<u>Item 4.</u>	<u>Controls and Procedures</u>

PART II OTHER INFORMATION

<u>Item 1.</u>	<u>Legal Proceedings</u>
<u>Item 1A.</u>	<u>Risk Factors</u>
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>
<u>Item 4.</u>	<u>Submission of Matters to a Vote of Security Holders</u>
<u>Item 5.</u>	<u>Other Information</u>
<u>Item 6.</u>	<u>Exhibits</u>
<u>Signatures</u>	

PART I FINANCIAL INFORMATION**Item 1. Financial Statements**

CAPSTONE TURBINE CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)
(Unaudited)

	June 30, 2007	March 31, 2007
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 50,257	\$ 60,322
Accounts receivable, net of allowance for doubtful accounts and sales returns of \$789 at June 30, 2007 and \$789 at March 31, 2007	4,432	3,514
Inventories	19,439	21,283
Prepaid expenses and other current assets	1,722	1,614
Total current assets	75,850	86,733
Property, plant and equipment, net	5,904	6,256
Non-current portion of inventories	3,234	3,005
Intangible asset, net and other long-term assets	957	1,009
Total	\$ 85,945	\$ 97,003
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 4,835	\$ 5,686
Accrued salaries and wages	1,064	1,434
Accrued warranty reserve	6,402	6,554
Deferred revenue	1,007	937
Current portion of notes payable	13	19
Total current liabilities	13,321	14,630
Long-term portion of notes payable	15	27
Other long-term liabilities	538	561
Stockholders' Equity:		
Preferred stock, \$.001 par value; 10,000,000 shares authorized; none issued		
Common stock, \$.001 par value; 415,000,000 shares authorized; 144,551,787 shares issued and 144,000,431 shares outstanding at June 30, 2007; 144,512,997 shares issued and 143,961,789 shares outstanding at March 31, 2007	145	145
Additional paid-in capital	620,116	619,423
Accumulated deficit	(547,677)	(537,270)
Deferred stock compensation		
Treasury stock, at cost; 551,356 shares	(513)	(513)
Total stockholders' equity	72,071	81,785
Total	\$ 85,945	\$ 97,003

See accompanying notes to condensed consolidated financial statements.

CAPSTONE TURBINE CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended	
	June 30,	
	2007	2006
Revenue	\$ 5,615	\$ 6,566
Cost of goods sold	8,088	7,802
Gross loss	(2,473)	(1,236)
Operating expenses:		
Research and development	2,749	2,806
Selling, general and administrative	5,893	5,915
Total operating expenses	8,642	8,721
Loss from operations		