

ACETO CORP  
Form 10-Q  
May 04, 2012

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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, 2012  
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)

4 Tri Harbor Court, Port Washington, NY 11050  
(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 has submitted electronically and posted on its corporate website, if any, every interactive data file required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 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, 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):

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Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a 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

The registrant had 26,818,519 shares of common stock outstanding as of May 1, 2012.

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ACETO CORPORATION AND SUBSIDIARIES  
 QUARTERLY REPORT FOR THE PERIOD ENDED MARCH 31, 2012

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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, 2012 (unaudited)	June 30, 2011
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$26,611	\$28,664
Investments	1,539	943
Trade receivables, less allowance for doubtful accounts (March, \$808; June, \$682)	84,381	83,735
Other receivables	2,900	5,373
Inventory	82,628	77,433
Prepaid expenses and other current assets	2,333	1,720
Deferred income tax asset, net	626	747
Total current assets	201,018	198,615
Property and equipment, net	11,717	12,095
Property held for sale	3,752	3,752
Goodwill	33,549	33,625
Intangible assets, net	46,698	50,658
Deferred income tax asset, net	2,768	3,477
Other assets	10,302	9,443
<b>TOTAL ASSETS</b>	<b>\$309,804</b>	<b>\$311,665</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$6,447	\$6,247
Accounts payable	47,078	44,614
Accrued expenses	25,925	32,019
Deferred income tax liability	-	306
Total current liabilities	79,450	83,186
Long-term debt	43,852	48,750
Long-term liabilities	12,136	12,859
Environmental remediation liability	5,688	5,998
Deferred income tax liability	29	51
Total liabilities	141,155	150,844
Commitments and contingencies (Note 7)		
Shareholders' equity:		
Common stock, \$.01 par value, 40,000 shares authorized; 26,817 and 26,644 shares issued; 26,817 and 26,620 shares outstanding at March 31, 2012 and June 30, 2011,	268	266

respectively		
Capital in excess of par value	63,210	62,329
Retained earnings	101,044	90,713
Treasury stock, at cost, 0 and 24 shares at March 31, 2012 and June 30, 2011, respectively	-	(230 )
Accumulated other comprehensive income	4,127	7,743
Total shareholders' equity	168,649	160,821
 TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	 \$309,804	 \$311,665

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

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

	Nine Months Ended March 31,	
	2012	2011
Net sales	\$333,439	\$291,224
Cost of sales	272,121	245,382
Gross profit	61,318	45,842
Selling, general and administrative expenses	41,678	34,305
Operating income	19,640	11,537
Other (expense) income:		
Interest expense	(2,067 )	(892 )
Interest and other income, net		