

EON LABS INC  
Form 10-Q  
August 09, 2004

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

ý **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

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**Commission File Number 001-31333**

**For the quarterly period ended June 30, 2004**

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**Eon Labs, Inc.**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**

(State or Other Jurisdiction of Incorporation)

**227-15 North Conduit Avenue  
Laurelton, New York**

(Address of Principal Executive Offices)

**13-3653818**

(I.R.S. Employer Identification Number)

**11413**

(Zip Code)

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**(718) 276-8600**

(Registrant's Telephone Number, Including Area Code)

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Indicate by check mark whether the Registrant (1) has filed all reports required 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 an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes  No

As of August 4, 2004, there were 88,733,996 shares of the Registrant's Common Stock, \$0.01 par value per share, outstanding.

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**Eon Labs, Inc. and Subsidiaries**  
**Table of Contents**

PART I.	FINANCIAL INFORMATION
ITEM 1.	Financial Statements (unaudited)
	<u>Condensed Consolidated Balance Sheets as of June 30, 2004 (unaudited) and December 31, 2003</u>
	<u>Condensed Consolidated Statements of Income (unaudited) for the Three and Six Months Ended June 30, 2004 and June 30, 2003</u>
	<u>Condensed Consolidated Statements of Cash Flows (unaudited) for the Six Months Ended June 30, 2004 and June 30, 2003</u>
	<u>Notes to Condensed Consolidated Financial Statements (unaudited)</u>
ITEM 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>
ITEM 3.	<u>Quantitative and Qualitative Disclosure about Market Risk</u>
ITEM 4.	<u>Controls and Procedures</u>
PART II.	<u>OTHER INFORMATION</u>
ITEM 1.	<u>Legal Proceedings</u>
ITEM 2.	<u>Changes in Securities, Use of Proceeds and Issuer Purchases of Equity Securities</u>
ITEM 4.	<u>Submission of Matters to a Vote of Security Holders</u>
ITEM 5.	<u>Other Information</u>
ITEM 6.	<u>Exhibits and Reports on Form 8-K</u>
<u>SIGNATURES</u>	
EXHIBIT 31.1	<u>Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
EXHIBIT 31.2	<u>Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
EXHIBIT 32.1	<u>Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>
EXHIBIT 32.2	<u>Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>



**Eon Labs, Inc. and Subsidiaries**  
**Condensed Consolidated Balance Sheets**  
(dollars in thousands, except per share amounts)

	<b>June 30, 2004</b>		<b>December 31, 2003</b>	
	<b>(Unaudited)</b>			
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$	101,099	\$	43,852
Investments		73,111		115,281
Accounts receivable, net		59,443		35,678
Inventories		74,146		56,441
Deferred tax assets, net		55,468		56,439
Prepaid expenses and other current assets		6,136		8,096
<b>Total current assets</b>		<b>369,403</b>		<b>315,787</b>
Property, plant and equipment, net		50,994		50,409
Goodwill		46,934		46,934
Other intangible assets, net		24,127		26,007
Other assets		4,004		2,408
<b>Total assets</b>	\$	<b>495,462</b>	\$	<b>441,545</b>
<b>Liabilities and Stockholders' Equity</b>				
<b>Current liabilities</b>				
Accounts payable	\$	14,683	\$	13,612
Accrued liabilities		87,135		89,226
<b>Total current liabilities</b>		<b>101,818</b>		<b>102,838</b>
<b>Long-term liabilities</b>				
Deferred tax liabilities, net		9,136		9,136
Deferred revenue		85		200
Other		591		591
<b>Total liabilities</b>		<b>111,630</b>		<b>112,765</b>
Contingencies (Notes 8 and 9)				

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<b>Stockholders equity</b>				
Common stock, par value \$.01 per share; 100,000,000 shares authorized; 88,982,924 and 88,723,824 shares issued; 88,740,064 and 88,599,624 shares outstanding at June 30, 2004 and December 31, 2003, respectively		890		888
Preferred stock, par value \$.01 per share; 5,000,000 shares authorized; none issued				
Additional paid-in capital		194,413		194,507
Retained earnings		196,879		135,774
Accumulated other comprehensive (loss) income		(275)		5
		391,907		331,174
Less: Unearned deferred stock-based compensation		(92)		(184)
Treasury stock, at cost, 242,860 and 124,200 shares at June 30, 2004 and December 31, 2003, respectively		(7,983)		(2,210)
<b>Total stockholders equity</b>		383,832		328,780
<b>Total liabilities and stockholders equity</b>	\$	495,462	\$	441,545

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Eon Labs, Inc. and Subsidiaries**

**Condensed Consolidated Statements of Income**

(dollars in thousands, except per share amounts) (unaudited)

	For the three months ended June 30,				For the six months ended June 30,			
	2004		2003		2004		2003	
	\$		\$		\$		\$	
Net sales	\$	106,962	\$	78,681	\$	211,191	\$	149,538
Cost of sales		43,096		37,081		85,077		69,526