

Averion International Corp.
Form 424B3
August 14, 2007

Filed Pursuant to Rule 424(b)(3)
File Number 333-143809

PROSPECTUS SUPPLEMENT NO. 1

Prospectus Supplement dated August 14, 2007

to Prospectus declared

effective on July 20, 2007

(Registration No. 333-143809)

AVERION INTERNATIONAL CORP.

This Prospectus Supplement No. 1 supplements our Prospectus dated July 20, 2007.

The shares that are the subject of the Prospectus have been registered to permit their resale to the public by the selling stockholders named in the Prospectus. We are not selling any shares of common stock in this offering and therefore will not receive any proceeds from this offering. You should read this Prospectus Supplement No. 1 together with the Prospectus.

This Prospectus Supplement includes the attached Quarterly Report on Form 10-QSB of Averion International Corp., for the quarter ended June 30, 2007, as filed on August 14, 2007 with the Securities and Exchange Commission.

Our common stock is traded on the Over-the-Counter Bulletin Board under the symbol AVRO.OB.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus Supplement is August 14, 2007

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2007

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

For the transition period from to

Commission file number 000-50095

AVERION INTERNATIONAL CORP.

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(Exact Name of Small Business Issuer as Specified in Its Charter)

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Delaware

(State or Other Jurisdiction of Incorporation or
Organization)

20-4354185

(IRS Employer Identification No.)

**225 Turnpike Road,
Southborough, Massachusetts**
(Address of Principal Executive Offices)

01772
(Zip Code)

Issuer's Telephone Number, Including Area Code: **(508) 597-6000**

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(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Common Stock, \$0.001 par value per share, 750,000,000 shares authorized, 498,629,330 issued and outstanding as of August 1, 2007.

Transitional Small Business Disclosure Format (Check one): Yes No

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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As prescribed by Item 310 of Regulation S-B, the unaudited interim financial statements have been prepared to reflect all adjustments which are, in the opinion of management, necessary to reflect a fair statement of the results for the interim periods presented and are of a normal and recurring nature. Our unaudited financial statements for the three and six months ended June 30, 2007, follow.

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AVERION INTERNATIONAL CORP.

Consolidated Balance Sheets

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	June 30, 2007 (unaudited)	December 31, 2006
Assets		
Current Assets:		
Cash and cash equivalents	\$ 6,955,615	\$ 8,097,577
Restricted cash - investigator advances	146,251	
Accounts receivable (net of allowance for doubtful accounts of \$150,512 and \$170,798 for 2007 and 2006, respectively)	5,091,138	5,788,398
Costs and estimated earnings in excess of related billings on uncompleted contracts	1,587,264	1,907,745
Prepaid and other current assets	542,521	808,683
Total Current Assets	14,322,789	16,602,403
Property and equipment, net	1,527,851	1,434,305
Goodwill	21,967,579	21,967,579
Finite life intangibles (net of accumulated amortization of \$969,167 and \$570,041 for 2007 and 2006, respectively)	4,213,834	4,612,959
Deposits	143,364	144,342
Total Assets	\$ 42,175,417	\$ 44,761,588
Liabilities and Stockholders Equity		
Current Liabilities:		
Accounts payable	\$ 1,204,775	\$ 956,175
Accrued payroll and employee benefits	1,030,516	1,299,342
Current portion of capital lease obligations	28,359	26,910
Current portion of notes payable	1,006,403	978,031
Customer Advances	1,573,847	1,043,384
Billings in excess of costs and estimated earnings on uncompleted contracts	2,889,358	3,985,114
Deferred rent	536,147	557,163
Other accrued liabilities	1,866,481	1,098,136
Total Current Liabilities	10,135,886	9,944,255
Long-term capital lease obligations, less current portion	27,339	41,636
Notes payable, less current portion	5,853,298	6,213,795
Total Liabilities	16,016,523	16,199,686
Commitments and contingencies		
Stockholders Equity:		
Common stock, \$.001 par value, 750,000,000 shares authorized, 498,504,330 shares issued and outstanding	\$ 498,504	\$ 498,379
Convertible warrants	164,000	164,000
Common stock to be issued	856,738	837,363
Additional paid-in capital	35,609,757	35,466,055
Other comprehensive loss	(22,449)	(7,075)
Retained deficit	(10,947,655)	(8,396,820)
Total Stockholders equity	26,158,894	28,561,902
Total Liabilities and Stockholders Equity	\$ 42,175,417	\$ 44,761,588

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

AVERION INTERNATIONAL CORP.

Consolidated Statements of Operations

(Unaudited)

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	For the three months ended		For the six months ended	
	June 30, 2007	2006	June 30, 2007	2006
Net service revenue	\$ 9,273,999	\$ 4,746,420	\$ 18,077,674	\$ 9,490,958
Reimbursement revenue	541,303	176,591	1,029,397	391,051
Total revenue	9,815,302	4,923,011	19,107,071	9,882,009
Operating expenses:				
Direct expenses	5,773,252	3,293,072	11,696,826	6,901,534
Reimbursable out-of-pocket expenses	541,303	176,591	1,029,397	391,051
Sales, general and administrative expenses	3,458,820	2,253,023	7,085,654	4,309,375
Depreciation and amortization expense	376,809	112,465	755,347	222,799
Restructuring charges	242,371		1,012,855	
Total operating expenses	10,392,555	5,835,151	21,580,079	11,824,759
Net operating loss	(577,253)	(912,140)	(2,473,008)	(1,942,750)
Other income (expense):				
Interest income	80,787	70,409	178,022	134,451
Interest expense	(146,704)	(11,669)	(293,972)	(21,057)
Other	36,065		38,123	
Total other income (expense)	(29,852)	58,740	(77,827)	113,394
Loss before income taxes	(607,105)	(853,400)	(2,550,835)	(1,829,356)
Income taxes				
Net loss	\$ (607,105)	\$ (853,400)	\$ (2,550,835)	\$ (1,829,356)
Weighted average number of common shares outstanding - basic and fully-diluted	498,466,957	60,448,875	498,423,137	60,448,875
Net loss per share - basic and fully-diluted	\$ (0.00)	\$ (0.01)	\$ (0.00)	\$ (0.03)

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

AVERION INTERNATIONAL CORP.

Consolidated Statements of Cash Flows

(Unaudited)

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	Six Months Ended June 30, 2007	June 30, 2006
Cash flows from operating activities		
Net loss	\$ (2,550,835)	\$ (1,829,356)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	356,221	64,297
Amortization of finite life intangibles	399,125	158,502
Amortization of deferred rent	(21,016)	61,959
Bad debt expense	91,000	
Stock based compensation	163,202	233,275
Changes in assets and liabilities:		
Restricted cash - investigator advances	(146,251)	
Accounts receivable	607,457	105,291
Costs and estimated earnings in excess of related billings on uncompleted contracts	323,378	(238,490)
Prepaid and other current assets	238,650	(38,715)
Deposits		(103,181)
Accounts Payable	244,255	214,107
Accrued payroll and employee benefits	(270,309)	99,419
Customer advances	530,463	598,757
Billings in excess of costs and estimated earnings on uncompleted contracts	(1,095,756)	(132,369)
Other accrued liabilities	771,098	22,435
Net cash used by operating activities	(359,318)	(828,939)
Cash flows from investing activities		
Purchase of property and equipment	(448,312)	(112,514)
Other	29,482	
Net cash used by investing activities	(418,830)	(112,514)
Cash flows from financing activities		
Payments on capital lease obligation	(643)	(1,721)
Payments on notes payable	(344,331)	(30,555)
Net cash used by financing activities	(344,974)	(32,276)
Effect of exchange rate changes on cash	(18,840)	
Net decrease in cash and cash equivalents	(1,141,962)	(973,729)
Cash and cash equivalents, beginning of period	8,097,577	6,414,770
Cash and cash equivalents, end of period	\$ 6,955,615	\$ 5,441,041

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

AVERION INTERNATIONAL CORP.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1.

DESCRIPTION OF BUSINESS

1.

DESCRIPTION OF BUSINESS

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NATURE OF BUSINESS

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Averion International Corp. and its consolidated subsidiaries are referred to throughout this report as we, us, our, and the Company.

Averion International Corp. was organized under the name Clinical Trials Assistance Corporation (Clinical Trials) by the filing of Articles of Incorporation with the Secretary of State of the State of Nevada on April 22, 2002. On June 14, 2004, Clinical Trials acquired IT&E International Corporation and amended its Articles of Incorporation to change the corporate name from Clinical Trials to IT&E International Group. In November 2005, we acquired the assets of Millennix, Inc. (Millennix), a contract research organization (CRO) that provides comprehensive clinical research services for Phase I through Phase IV clinical trials in oncology. On March 2, 2006, we reincorporated into Delaware and filed a Certificate of Incorporation to change our corporate name to IT&E International Group, Inc. On July 31, 2006, we acquired Averion Inc., a CRO that provides clinical research services for Phase I through Phase IV clinical trials, with a focus in medical devices, oncology, dermatology, nephrology and other complex medical conditions. In addition, we expanded our CRO operations into Europe in August 2006, when we started our European operation with the acquisition of Pengetank 253. Subsequent to the acquisition, the name of Pengetank 253 was changed to Averion Europe GmbH. On September 21, 2006, we filed an amendment to our Certificate of Incorporation to change our name to Averion International Corp. In connection with our name change, our stock trading symbol was changed from ITER.OB to AVRO.OB.

We are a CRO focused on providing our clients with services and solutions throughout the drug development process. We operate in two business segments: clinical research and staffing services. We serve a variety of clients in the pharmaceutical, biotechnology and medical device industries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

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The accompanying unaudited financial statements for the three months and six months ended June 30, 2007 and 2006, respectively, should be read in conjunction with the Company's latest Annual Report on Form 10-KSB for the year ended December 31, 2006, filed with the Securities and Exchange Commission (the SEC) on March 30, 2007. These financial statements are unaudited but reflect all adjustments that, in our opinion, are necessary to fairly present our financial position and results of operations. All adjustments are of a normal and recurring nature unless otherwise noted. These financial statements, including the notes, have been prepared in accordance with generally accepted accounting principles (GAAP) and in accordance with the applicable rules of the SEC, but do not include all of the information and disclosures required by GAAP for complete financial statements. The operating results for the three months and six months ended June 30, 2007 may not necessarily be indicative of the results that may be expected for other quarters or for the year ending December 31, 2007.

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Certain amounts in the December 31, 2006 financial statements and in the June 30, 2006 unaudited financial statements have been reclassified to conform to the presentation of the June 30, 2007 financial statements.

PRINCIPLES OF CONSOLIDATION

The accompanying unaudited financial statements for the three months and six months ended June 30, 2007 and 2

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The accompanying consolidated financial statements include the accounts of Averion International Corp. and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

USE OF ESTIMATES

The accompanying unaudited financial statements for the three months and six months ended June 30, 2007 and 2006

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The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

REVENUE RECOGNITION

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Revenues are primarily recognized on a time-and-materials or percentage-of-completion basis. Revenues are recognized when the following four criteria are met: (a) persuasive evidence of an arrangement exists; (b) delivery has occurred or services have been rendered; (c) the fee is fixed and determinable; and (d) collectibility is reasonably assured.

Service revenues from time-and-materials arrangements are generally recognized as hours are worked, multiplied by the applicable hourly rate. Service revenues from unit based and fixed price arrangements are generally recognized on a percentage-of-completion basis. Under all arrangement types, original contract estimates may require modifications due to revisions in the scope of work or other factors. Modified amounts are included in revenue when the work is performed and realization is assured. Costs are not deferred in anticipation of contract modifications, but instead are expensed as incurred.

Service revenues recognized are subject to revisions as the contract progresses to completion. Because of the inherent uncertainties in estimating costs, it is reasonably possible that the estimated contract costs will change in the near term and may have a material adverse impact on our financial performance. Revisions in our contract estimates are reflected in the period in which the change in estimate first becomes known. In the event that actual costs exceed o