

MICROFLUIDICS INTERNATIONAL CORP

Form 10-Q

August 12, 2008

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## **UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549



# Form 10-Q



**(Mark One)**





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



For the quarterly period ended **June 30, 2008**



**OR**



o **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: 0-11625**



**MICROFLUIDICS INTERNATIONAL CORPORATION**

(Exact name of registrant as specified in its charter)

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**Delaware**

(State or other jurisdiction of

incorporation or organization)

**30 Ossipee Road, Newton, Massachusetts**

(Address of principal executive offices)

**04-2793022**

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

**02464**

(Zip Code)

**(617) 969-5452**

(Registrant's telephone number, including area code)





**MFIC CORPORATION**

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(Former name, former address and former fiscal year, if changed since last report)



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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 (the Act ) 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, 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.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

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

As of August 12, 2008, 10,277,141 shares of the registrant's Common Stock, par value \$.01 per share, were outstanding.

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**MICROFLUIDICS INTERNATIONAL CORPORATION**



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Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****MICROFLUIDICS INTERNATIONAL CORPORATION****Condensed Consolidated Balance Sheets***(Unaudited - in thousands, except share and per share amounts)*

	June 30, 2008	December 31, 2007
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,162	\$ 756
Accounts receivable, net of allowance of \$41 at June 30, 2008 and December 31, 2007	2,250	2,582
Inventories	2,638	2,353
Prepaid and other current assets	688	281
Total current assets	6,738	5,972
Property and equipment, net	849	325
Patents and licenses, net	58	60
Total assets	\$ 7,645	\$ 6,357
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
Current liabilities:		
Revolving credit line	\$ 1,012	\$ 262
Current maturities of long-term debt and obligations under capital lease		65
Accounts payable	1,449	129
Accrued expenses	1,069	725
Customer advances	464	409
Total current liabilities	3,994	1,590
Total liabilities	3,994	1,590
Stockholders' equity:		
Common stock; \$.01 par value; 20,000,000 shares authorized; 10,528,427 and 10,517,178 shares issued; 10,267,981 and 10,256,732 shares outstanding as of June 30, 2008 and December 31, 2007, respectively.	105	105
Additional paid-in capital	17,497	17,378
Accumulated deficit	(13,263)	(12,028)
Treasury stock, 260,446 shares, at cost, as of June 30, 2008 and December 31, 2007	(688)	(688)
Total stockholders' equity	3,651	4,767
Total liabilities and stockholders' equity	\$ 7,645	\$ 6,357

See notes to unaudited condensed consolidated financial statements.



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	For The Three Months Ended		For The Six Months Ended	
	June 30,		June 30,	
	2008	2007	2008	2007
Revenues	\$ 4,374	\$ 3,557	\$ 7,896	\$ 6,358
Cost of goods sold	2,225	1,453	3,834	2,646
Gross profit	2,149	2,104	4,062	3,712
Operating expenses:				
Research and development	572	438	1,062	974
Selling	1,196	984	2,128	