

HEXCEL CORP /DE/
Form 10-Q
July 25, 2011
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended June 30, 2011

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 1-8472

Hexcel Corporation

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(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

94-1109521
(I.R.S. Employer Identification No.)

Two Stamford Plaza

281 Tresser Boulevard

Stamford, Connecticut 06901-3238

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(203) 969-0666**

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 Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§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.

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 by Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class
COMMON STOCK

Outstanding at July 20, 2011
98,353,680

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HEXCEL CORPORATION AND SUBSIDIARIES

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Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. Condensed Consolidated Financial Statements (Unaudited)****Hexcel Corporation and Subsidiaries****Condensed Consolidated Balance Sheets**

(In millions, except per share data)	(Unaudited)	
	June 30, 2011	December 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 55.9	\$ 117.2
Accounts receivable, net	207.8	173.9
Inventories, net	207.9	169.9
Prepaid expenses and other current assets	50.8	36.7
Total current assets	522.4	497.7
Property, plant and equipment	1,139.8	1,063.9
Less accumulated depreciation	(502.4)	(465.6)
Property, plant and equipment, net	637.4	598.3
Goodwill and intangible assets	56.8	56.2
Investments in affiliated companies	21.6	19.9
Deferred tax assets	62.9	63.6
Other assets	18.3	22.4
Total assets	\$ 1,319.4	\$ 1,258.1
Liabilities and Stockholders Equity		
Current liabilities:		
Short-term borrowings and current maturities of debt	\$ 9.3	\$ 27.6
Accounts payable	108.7	83.0
Accrued liabilities	109.1	95.3
Total current liabilities	227.1	205.9
Long-term debt	242.1	304.6
Other non-current liabilities	73.7	88.2
Total liabilities	542.9	598.7
Stockholders equity:		
Common stock, \$0.01 par value, 200.0 shares authorized, 100.3 and 99.5 shares issued at June 30, 2011 and December 31, 2010, respectively	1.0	1.0
Additional paid-in capital	573.7	552.3
Retained earnings	212.2	148.4
Accumulated other comprehensive income (loss)	14.4	(15.1)
	801.3	686.6
	(24.8)	(27.2)

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Less Treasury stock, at cost, 2.0 and 2.2 shares at June 30, 2011 and December 31, 2010, respectively

Total stockholders' equity		776.5		659.4
Total liabilities and stockholders' equity		\$ 1,319.4	\$	1,258.1

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

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Hexcel Corporation and Subsidiaries

Condensed Consolidated Statements of Operations

(In millions, except per share data)	Quarter Ended June 30,		(Unaudited)		Six Months Ended June 30,	
	2011	2010	2011	2010	2011	2010
Net sales	\$ 353.7	\$ 305.1	\$ 685.3	\$ 568.1		
Cost of sales	266.7	226.7	515.3	423.6		
Gross margin	87.0	78.4				