

GLOBE SPECIALTY METALS INC
Form 10-Q
November 12, 2010

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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 September 30, 2010

Commission File Number 001-34420

Globe Specialty Metals, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-2055624
(I.R.S. Employer
Identification No.)

One Penn Plaza
250 West 34th Street, Suite 4125
New York, NY 10119
(Address of principal executive offices, including zip code)

(212) 798-8122
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common stock, \$0.0001 par value	The NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act:
None

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

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(§ 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):

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 November 10, 2010, the registrant had 75,126,374 shares of common stock outstanding.

Globe Specialty Metals, Inc.

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PART I

Item 1. Financial Statements

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GLOBE SPECIALTY METALS, INC. AND SUBSIDIARY COMPANIES

Condensed Consolidated Balance Sheets
September 30, 2010 and June 30, 2010
(In thousands, except share and per share amounts)
(Unaudited)

	September 30, 2010	June 30, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 159,549	157,029
Accounts receivable, net of allowance for doubtful accounts of \$1,100 and \$997 at September 30, 2010 and June 30, 2010, respectively	50,594	55,907
Inventories	94,780	87,163
Prepaid expenses and other current assets	24,054	23,809
Total current assets	328,977	323,908
Property, plant, and equipment, net of accumulated depreciation and amortization	224,802	219,267
Goodwill	51,988	52,025
Other intangible assets	477	477
Investments in unconsolidated affiliates	8,359	8,185
Deferred tax assets	71	71
Other assets	3,177	3,212
Total assets	\$ 617,851	607,145
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 49,823	47,298
Current portion of long-term debt	10,045	10,092
Short-term debt	6,219	8,067
Dividend payable	11,269	-
Accrued expenses and other current liabilities	39,273	35,832
Total current liabilities	116,629	101,289
Long-term liabilities:		
Revolving credit agreements	16,000	16,000
Long-term debt	4,814	6,920
Deferred tax liabilities	6,645	6,645
Other long-term liabilities	18,167	17,462
Total liabilities	162,255	148,316
Commitments and contingencies (note 11)		
Stockholders' equity:		
Common stock, \$0.0001 par value. Authorized, 150,000,000 shares; issued, 74,866,374 and 74,421,826 shares at September 30, 2010 and June 30, 2010, respectively	7	7
Additional paid-in capital	395,312	390,354
Retained earnings	29,654	38,761
Accumulated other comprehensive loss	(4,218)	(4,438)

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Treasury stock at cost, 1,000 shares at September 30, 2010 and June 30, 2010

		(4)	(4)
	Total Globe Specialty Metals, Inc. stockholders' equity	420,751	424,680
Noncontrolling interest		34,845	34,149
	Total stockholders' equity	455,596	458,829
	Total liabilities and stockholders' equity	\$ 617,851	607,145

See accompanying notes to condensed consolidated financial statements.

GLOBE SPECIALTY METALS, INC. AND SUBSIDIARY COMPANIES

Condensed Consolidated Income Statements
 Three months ended September 30, 2010 and 2009
 (In thousands, except per share amounts)
 (Unaudited)

	Three Months Ended September 30,	
	2010	2009
Net sales	\$ 137,352	105,458
Cost of goods sold	116,881	79,978
Selling, general, and administrative expenses	12,211	12,723
Research and development	32	38
Restructuring charges	-	(68)
Loss on sale of business	-	461
Operating income	8,228	12,326
Other income (expense):		
Interest income	35	136
Interest expense, net of capitalized interest	(983)	(1,318)
Foreign exchange (loss) gain	(296)	2,415
Other income (loss)	228	(7)
Income before provision for income taxes	7,212	13,552
Provision for income taxes	4,354	5,383
Net income	2,858	8,169
(Income) losses attributable to noncontrolling interest, net of tax	(696)	273
Net income attributable to Globe Specialty Metals, Inc.	\$ 2,162	8,442
Weighted average shares outstanding:		
Basic	74,580	71,115
Diluted	76,121	72,543
Earnings per common share:		
Basic	\$ 0.03	0.12
Diluted		