

BENTLEY PHARMACEUTICALS INC  
Form 10-Q  
May 10, 2005

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 10-Q**

(Mark One)

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

For the quarterly period ended **March 31, 2005**

or

☐ **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 **1-10581**

**BENTLEY PHARMACEUTICALS, INC.**

(Exact name of registrant as specified in its charter)

**DELAWARE**  
(State or other jurisdiction of  
incorporation or organization)

**No. 59-1513162**  
(I.R.S. Employer  
Identification No.)

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**Bentley Park, 2 Holland Way, Exeter, New Hampshire 03833**

(Current Address of Principal Executive Offices)

Registrant's telephone number, including area code: **(603) 658-6100**

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 is an accelerated filer (as defined in rule 12b-2 of the Exchange Act).  
YES ☐ NO ☒

The number of shares of the registrant's common stock outstanding as of May 9, 2005 was 21,321,731.

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**Bentley Pharmaceuticals, Inc. and Subsidiaries**

**Form 10-Q for the Quarter Ended March 31, 2005**

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## Bentley Pharmaceuticals, Inc. and Subsidiaries

## Consolidated Balance Sheets

(in thousands, except per share data)	March 31, 2005	December 31, 2004
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 35,756	\$ 34,230
Marketable securities	500	528
Receivables, net	29,113	27,860
Inventories, net	9,613	10,258
Deferred taxes	499	479
Prepaid expenses and other	1,499	1,355
Total current assets	76,980	74,710
Non-current assets:		
Fixed assets, net	30,087	30,849
Drug licenses and related costs, net	14,599	14,863
Restricted cash	1,000	1,000
Other	504	508
Total non-current assets	46,190	47,220
	\$ 123,170	\$ 121,930
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 15,575	\$ 17,048
Accrued expenses	9,078	6,169
Short-term borrowings	2,470	2,754
Current portion of long-term debt	29	31
Deferred income	2,355	1,594
Total current liabilities	29,507	27,596
Non-current liabilities:		
Deferred taxes	2,196	2,319
Long-term debt	331	349
Deferred income	2,374	1,944
Other	61	65
Total non-current liabilities	4,962	4,677
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$1.00 par value, authorized 2,000 shares, issued and outstanding, none		
Common stock, \$.02 par value, authorized 100,000 shares, issued and outstanding, 21,320 and 21,312 shares	426	426
Additional paid-in capital	140,477	140,418
Accumulated deficit	(58,739)	(60,909)
Accumulated other comprehensive income	6,537	9,722
Total stockholders' equity	88,701	89,657
	\$ 123,170	\$ 121,930

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*The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.*

## Bentley Pharmaceuticals, Inc. and Subsidiaries

## Consolidated Income Statements

(in thousands, except per share data)	For the Three Months Ended March 31,	
	2005	2004
Revenues:		
Net product sales	\$ 23,279	\$ 16,606
Licensing and collaboration revenues	965	696
Total revenues	24,244	17,302
Cost of net product sales	11,452	8,255
Gross profit	12,792	9,047
Operating expenses:		
Selling and marketing	4,392	3,870
General and administrative	3,018	2,162
Research and development	1,351	995
Depreciation and amortization	384	347
Total operating expenses	9,145	7,374
Income from operations	3,647	1,673
Other income (expenses):		
Interest income	161	110
Interest expense	(48)	(53)
Income before income taxes	3,760	1,730
Provision for income taxes	1,590	921
Net income	\$ 2,170	\$ 809
Net income per common share:		
Basic	\$ 0.10	\$ 0.04
Diluted	\$ 0.10	\$ 0.04
Weighted average common shares outstanding:		
Basic	21,316	20,597
Diluted	22,531	22,784

*The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.*

**Bentley Pharmaceuticals, Inc. and Subsidiaries**

**Consolidated Statement of Changes in Stockholders' Equity**

(in thousands)	Shares	\$ .02 Par Value Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2004	21,312	\$ 426	\$ 140,418	\$ (60,909)	\$ 9,722	\$ 89,657
Comprehensive income (loss):						
Net income				2,170		2,170
Other comprehensive loss:						
Foreign currency translation adjustment					(3,185)	(3,185)
Comprehensive loss					\$	(1,015)
Equity-based compensation	8		59			59
Balance at March 31, 2005	21,320	\$ 426	\$ 140,477	\$ (58,739)	\$ 6,537	\$ 88,701

*The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these financial statements.*

**Bentley Pharmaceuticals, Inc. and Subsidiaries**

**Consolidated Statements of Cash Flows**

(in thousands)	For the Three Months Ended March 31,	
	2005	2004
Cash flows from operating activities:		
Net income	\$ 2,170	\$ 809
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,194	829
Equity-based compensation expense	59	60
Other non-cash items	11	(55)
(Increase) decrease in assets and increase (decrease) in liabilities:		
Receivables	(2,778)	(1,438)
Inventories		