

COHERENT INC
Form 10-Q
May 11, 2011
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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 April 2, 2011

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: 001-33962

COHERENT, INC.

Delaware
(State or other jurisdiction of
incorporation or organization)

94-1622541
(I.R.S. Employer
Identification No.)

5100 Patrick Henry Drive, Santa Clara, California 95054

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(408) 764-4000**

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 definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

| | |
|---|---|
| Large accelerated filer <input type="checkbox"/> | Accelerated filer <input checked="" type="checkbox"/> |
| Non-accelerated filer <input type="checkbox"/> (do not check if a smaller reporting company) | Smaller reporting company <input type="checkbox"/> |

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

The number of shares outstanding of registrant's common stock, par value \$.01 per share, on April 29, 2011 was 25,064,304.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements included in or incorporated by reference in this quarterly report, other than statements of historical fact, are forward-looking statements. These statements are generally accompanied by words such as trend, may, will, could, would, should, expect, plan, anticipate, rely, believe, estimate, predict, intend, potential, continue, forecast or other comparable terminology, including without limitation statements made under Future Trends, Our Strategy, discussions regarding our bookings and in Management's Discussion and Analysis of Financial Condition and Results of Operations. Forward-looking statements also include the assumptions underlying or relating to any of the foregoing statements. Actual results of Coherent, Inc. (referred to herein as the Company, we, our or Coherent) may differ significantly from those anticipated in these forward-looking statements as a result of various factors, including those discussed in the sections captioned Future Trends, Risk Factors, Key Performance Indicators, as well as any other cautionary language in this quarterly report. All forward-looking statements included in the document are based on information available to us on the date hereof. We undertake no obligation to update these forward-looking statements as a result of events or circumstances or to reflect the occurrence of unanticipated events or non-occurrence of anticipated event.

Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****COHERENT, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS***(Unaudited; in thousands, except per share data)*

| | Three Months Ended | | Six Months Ended | |
|-------------------------------------|--------------------|------------------|------------------|------------------|
| | April 2, 2011 | April 3, 2010 | April 2, 2011 | April 3, 2010 |
| Net sales | \$ 200,880 | \$ 149,157 | \$ 383,991 | \$ 271,972 |
| Cost of sales | 112,111 | 83,544 | 212,828 | 155,327 |
| Gross profit | 88,769 | 65,613 | 171,163 | 116,645 |
| Operating expenses: | | | | |
| Research and development | 21,246 | 19,488 | 39,776 | 34,898 |
| Selling, general and administrative | 38,979 | 31,164 | 75,057 | 59,143 |
| Amortization of intangible assets | 2,257 | 1,956 | 4,352 | 3,917 |
| Total operating expenses | 62,482 | 52,608 | 119,185 | 97,958 |
| Income from operations | 26,287 | 13,005 | 51,978 | 18,687 |
| Other income (expense): | | | | |
| Interest and dividend income | 161 | 1,290 | 344 | 1,438 |
| Interest expense | (17) | (23) | (32) | (70) |
| Other net | 9,181 | 225 | 10,767 | 916 |
| Total other income (expense), net | 9,325 | 1,492 | 11,079 | 2,284 |
| Income before income taxes | 35,612 | 14,497 | 63,057 | 20,971 |
| Provision for income taxes | 11,889 | 6,017 | 20,221 | 8,312 |
| Net income | \$ 23,723 | \$ 8,480 | \$ 42,836 | \$ 12,659 |
| Net income per share: | | | | |
| Basic | \$ 0.94 | \$ 0.34 | \$ 1.72 | \$ 0.51 |
| Diluted | \$ 0.92 | \$ 0.34 | \$ 1.68 | \$ 0.51 |
| Shares used in computation: | | | | |
| Basic | 25,246 | 24,704 | 24,967 | 24,587 |
| Diluted | 25,832 | 24,996 | 25,550 | |