

COOPER COMPANIES INC
Form 10-Q
March 07, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For Quarterly Period Ended January 31, 2014
 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 1-8597

The Cooper Companies, Inc.
(Exact name of registrant as specified in its charter)

Delaware	94-2657368
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
6140 Stoneridge Mall Road, Suite 590, Pleasanton, CA 94588	
(Address of principal executive offices) (Zip Code)	
Registrant's telephone number, including area code (925) 460-3600	

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 Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

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

Common Stock, \$.10 par value	47,858,123 Shares
Class	Outstanding at January 31, 2014

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

THE COOPER COMPANIES, INC. AND SUBSIDIARIES

Consolidated Statements of Income

Three Months Ended January 31,

(In thousands, except for earnings per share)

(Unaudited)

	2014	2013
Net sales	\$404,980	\$379,839
Cost of sales	142,051	139,341
Gross profit	262,929	240,498
Selling, general and administrative expense	158,088	150,653
Research and development expense	15,712	13,653
Amortization of intangibles	7,507	7,371
Operating income	81,622	68,821
Interest expense	1,656	2,567
Gain on insurance proceeds	—	14,084
Other (expense) income, net	(510) 638
Income before income taxes	79,456	80,976
Provision for income taxes	7,191	6,041
Net income	\$72,265	\$74,935
Less: income attributable to noncontrolling interests	422	268
Net income attributable to Cooper stockholders	\$71,843	\$74,667
Earnings per share attributable to Cooper stockholders - basic	\$1.50	\$1.54
Earnings per share attributable to Cooper stockholders - diluted	\$1.47	\$1.50
Number of shares used to compute earnings per share:		
Basic	48,006	48,476
Diluted	49,006	49,633
See accompanying notes.		

THE COOPER COMPANIES, INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income (Loss)

Three Months Ended January 31,

(In thousands)

(Unaudited)

	2014	2013
Net income	\$72,265	\$74,935
Other comprehensive income (loss):		
Foreign currency translation adjustment	3,196	1,373
Change in value of derivative instruments, net of tax provision of \$222 and \$231	347	363
Change in minimum pension liability, net of tax provision of \$0	7	7
Unrealized gain on marketable securities, net of tax provision of \$0 and \$12	—	22
Other comprehensive income	3,550	1,765
Comprehensive income	75,815	76,700
Comprehensive loss attributable to noncontrolling interests	2	360
Comprehensive income attributable to Cooper stockholders	\$75,817	\$77,060

See accompanying notes.

THE COOPER COMPANIES, INC. AND SUBSIDIARIES

Consolidated Condensed Balance Sheets

(In thousands, unaudited)

	January 31, 2014	October 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$28,828	\$77,393
Trade accounts receivable, net of allowance for doubtful accounts of \$5,678 at January 31, 2014 and \$5,261 at October 31, 2013	235,288	229,537
Inventories	339,496	338,917
Deferred tax assets	35,499	41,179
Prepaid expense and other current assets	61,983	60,215
Total current assets	701,094	747,241
Property, plant and equipment, at cost	1,294,570	1,240,576
Less: accumulated depreciation and amortization	525,173	500,709
	769,397	739,867
Goodwill	1,387,983	1,387,611
Other intangibles, net	190,812	198,769
Deferred tax assets	18,885	16,279
Other assets	46,584	47,494
	\$3,114,755	\$3,137,261
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$44,147	\$42,987
Accounts payable	74,770	108,172
Employee compensation and benefits	49,904	63,414
Accrued income taxes		