

DELCATH SYSTEMS INC
Form 10-Q
May 09, 2012

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 the quarterly period ended March 31, 2012.

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: 001-16133

DELCATH SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

06-1245881
(I.R.S. Employer Identification No.)

810 Seventh Avenue, Suite 3505, New York, New York 10019
(Address of principal executive offices)

(212) 489-2100
(Registrant's telephone number, including area code)

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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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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.

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

As of May 8, 2012, 50,159,859 shares of the Company’s common stock, \$0.01 par value were outstanding.

DELCATH SYSTEMS, INC.
(A Development Stage Company)

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PART I:
FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (Unaudited)

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DELCATH SYSTEMS, INC.
(A Development Stage Company)

Condensed Consolidated Balance Sheets
(Unaudited)
(in thousands, except share data)

	March 31, 2012	December 31, 2011
Assets:		
Current assets		
Cash and cash equivalents	\$ 17,050	\$ 25,777
Investments – Certificates of deposit	3,735	4,980
Prepaid expenses and other current assets	1,345	1,231
Total current assets	22,130	31,988
Property, plant and equipment		
Land	154	154
Furniture and fixtures	904	880
Machinery and equipment	1,424	1,371
Computer software and equipment	1,469	1,212
Leasehold improvements	1,386	1,148
	5,337	4,765
Less: accumulated depreciation	(1,834)	(1,512)
Property, plant and equipment, net	3,503	3,253
Total assets	\$ 25,633	\$ 35,241
Liabilities and Stockholders' Equity:		
Current liabilities		
Accounts payable	\$ 1,802	\$ 925
Accrued expenses	3,824	5,473
Warrant liability	2,930	2,439
Total current liabilities	8,556	8,837
Deferred revenue	300	300
Commitments and contingencies	–	–
Stockholders' equity		
Preferred stock, \$.01 par value; 10,000,000 shares authorized; no shares issued and outstanding at March 31, 2012 and December 31, 2011	–	–
Common stock, \$.01 par value; 70,000,000 shares authorized; 49,788,761 and 48,237,630 shares issued and 49,760,661 and 48,209,534 outstanding at March 31, 2012 and December 31, 2011, respectively	498	482
Additional paid-in capital	178,159	172,613
Deficit accumulated during the development stage	(161,829)	(146,940)
Treasury stock, at cost; 28,100 shares at March 31, 2012 and December 31, 2011	(51)	(51)
Total stockholders' equity	16,777	26,104
Total liabilities and stockholders' equity	\$ 25,633	\$ 35,241

See accompanying notes to condensed consolidated financial statements.

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DELCATH SYSTEMS, INC.
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Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)
(in thousands, except share and per share data)

	Three months ended		Cumulative from inception (August 5, 1988) To
	March 31, 2012	2011	March 31, 2012
Costs and expenses			
General and administrative expenses	\$7,423	\$4,166	\$ 68,571
Research and development costs	7,131	3,648	88,894
Total costs and expenses	14,554	7,814	157,465
Operating loss	(14,554)	(7,814)	(157,465)
Change in fair value of warrant liability, net	(338)	5,966	(5,471)
Interest income	3	-	2,880
Other expense and interest expense	-	-	