

COMPASS MINERALS INTERNATIONAL INC

Form 10-Q

May 01, 2007

Table of Contents

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, 2007

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 001-31921

Compass Minerals International, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

36-3972986

(I.R.S. Employer Identification Number)

9900 West 109th Street

Suite 600

Overland Park, KS 66210

(913) 344-9200

(Address of principal executive offices and telephone number)

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 a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

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 the registrant's common stock, \$0.01 par value per share, at April 23, 2007 was 32,165,972 shares.

**COMPASS MINERALS INTERNATIONAL, INC.
TABLE OF CONTENTS**

Page

PART I. FINANCIAL INFORMATION

<u>Item 1.</u>	<u>Financial Statements</u>	
	<u>Consolidated Balance Sheets as of March 31, 2007 (unaudited) and December 31, 2006</u>	2
	<u>Consolidated Statements of Operations for the three-month periods ended March 31, 2007 and 2006, (unaudited)</u>	3
	<u>Consolidated Statement of Stockholders' Equity (Deficit) for the three-month period ended March 31, 2007, (unaudited)</u>	4
	<u>Consolidated Statements of Cash Flows for the three-month periods ended March 31, 2007 and 2006, (unaudited)</u>	5
	<u>Notes to Consolidated Financial Statements, (unaudited)</u>	6
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	11
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	15
<u>Item 4.</u>	<u>Controls and Procedures</u>	15

PART II. OTHER INFORMATION

<u>Item 1.</u>	<u>Legal Proceedings</u>	16
<u>Item 1A.</u>	<u>Risk Factors</u>	16
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	16
<u>Item 3.</u>	<u>Defaults upon Senior Securities</u>	16
<u>Item 4.</u>	<u>Submission of Matters to a Vote of Security Holders</u>	16
<u>Item 5.</u>	<u>Other Information</u>	16
<u>Item 6.</u>	<u>Exhibits</u>	16

SIGNATURES

<u>Annual Incentive Plan Summary</u>	17
<u>First Amendment to 2005 Incentive Award Plan</u>	
<u>Section 302 Certification</u>	
<u>Section 302 Certification</u>	
<u>Section 1350 Certification</u>	

Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements**

COMPASS MINERALS INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEETS
(in millions, except share data)

	(Unaudited)	December
	March 31,	31,
	2007	2006
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 35.4	\$ 7.4
Receivables, less allowance for doubtful accounts of \$1.9 in 2007 and \$1.6 in 2006	116.9	114.0
Inventories	92.8	146.1
Deferred income taxes, net	10.4	8.5
Other	5.8	7.8
Total current assets	261.3	283.8
Property, plant and equipment, net	376.8	374.6
Intangible assets, net	21.2	21.5
Other	31.9	26.4
Total assets	\$691.2	\$ 706.3
LIABILITIES AND STOCKHOLDERS EQUITY (DEFICIT)		
Current liabilities:		
Current portion of long-term debt	\$ 3.0	\$ 3.1
Accounts payable	56.6	73.0
Accrued expenses	17.8	23.0
Accrued salaries and wages	13.0	12.3
Income taxes payable	9.0	2.9
Accrued interest	4.6	4.7
Total current liabilities	104.0	119.0
Long-term debt, net of current portion	564.2	582.4
Deferred income taxes, net	9.5	11.1
Other noncurrent liabilities	59.0	58.9