

KEMET CORP
Form 10-Q
August 11, 2008
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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 June 30, 2008

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

Commission File Number: 0-20289

KEMET CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

57-0923789

(I.R.S. Employer Identification No.)

2835 KEMET WAY, SIMPSONVILLE, SOUTH CAROLINA 29681

(Address of principal executive offices, zip code)

(864) 963-6300

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(Registrant's telephone number, including area code)

Former name, former address and former fiscal year, if changed since last report: **N/A**

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, a non-accelerated filer or a smaller reporting company. See definition 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

The number of shares outstanding of the registrant's common stock, par value \$0.01 per share, as of August 8, 2008 was 80,442,146

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KEMET CORPORATION AND SUBSIDIARIES

Form 10-Q for the Quarter Ended June 30, 2008

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	June 30, 2008	March 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 35,501	\$ 81,383
Accounts receivable, net	196,000	197,258
Inventories	236,062	243,714
Prepaid expenses and other current assets	17,552	15,692
Deferred income taxes	4,411	4,017
Total current assets	489,526	542,064
Property and equipment, net of accumulated depreciation of \$782.6 million and \$673.6 million as of June 30, 2008 and March 31, 2008, respectively	414,127	475,912
Assets held for sale	4,638	4,638
Goodwill	90,488	182,273
Intangible assets, net	31,510	35,786
Other assets	11,451	11,227
Total assets	\$ 1,041,740	\$ 1,251,900
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 208,690	\$ 108,387
Accounts payable, trade	126,823	131,468
Accrued expenses	67,006	59,626
Income taxes payable		3,524
Total current liabilities	402,519	303,005
Long-term debt, less current portion	185,464	304,294
Post-retirement benefits and other non-current obligations	77,852	80,130
Deferred income taxes	20,035	21,679
Stockholders' equity:		
Common stock, par value \$0.01, authorized 300,000 shares, issued 88,262 and 88,240 shares at June 30, 2008 and March 31, 2008, respectively	883	882
Additional paid-in capital	323,101	323,359
Retained earnings	26,888	214,180
Accumulated other comprehensive income	65,310	65,565
Treasury stock, at cost (7,835 and 7,950 shares at June 30, 2008 and March 31, 2008, respectively)	(60,312)	(61,194)
Total stockholders' equity	355,870	542,792
Total liabilities and stockholders' equity	\$ 1,041,740	\$ 1,251,900

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See accompanying notes to the unaudited condensed consolidated financial statements.

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KEMET CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Operations

(Amounts in thousands, except per share data)

(Unaudited)

	Quarters Ended June 30,	
	2008	2007
Net sales	\$ 242,844	\$ 183,119
Operating costs and expenses:		
Cost of sales	225,589	143,542
Selling, general and administrative expenses	28,219	