

FUELCELL ENERGY INC  
Form 10-Q  
June 08, 2012  
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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 April 30, 2012

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: 1-14204

FUELCELL ENERGY, INC.

(Exact name of registrant as specified in its charter)

Delaware

06-0853042

(State or other jurisdiction of incorporation or organization)

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

3 Great Pasture Road

06813

Danbury, Connecticut

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (203) 825-6000

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 ☐

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 the 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 ☒

Number of shares of common stock, par value \$.0001 per share, outstanding at June 6, 2012: 185,921,995

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## FUELCELL ENERGY, INC.

## Consolidated Balance Sheets

(Unaudited)

(Amounts in thousands, except share and per share amounts)

	April 30, 2012	October 31, 2011
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$60,262	\$51,415
Investments — U.S. treasury securities	—	12,016
Accounts receivable - common stock sale	30,000	—
Accounts receivable, net	17,036	21,950
Inventories	52,686	40,101
Other current assets	5,646	7,466
Total current assets	165,630	132,948
Property, plant and equipment, net	22,788	23,925
Investment in and loans to affiliate	9,904	10,466
Other assets, net	17,146	16,291
Total assets	\$215,468	\$183,630
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$5,092	\$5,056
Accounts payable	12,207	14,143
Accounts payable due to affiliate	493	104
Accrued liabilities	23,743	26,894
Deferred revenue	54,442	64,114
Preferred stock obligation of subsidiary	1,097	3,854
Total current liabilities	97,074	114,165
Long-term deferred revenue	6,500	7,000
Long-term preferred stock obligation of subsidiary	13,033	12,878
Long-term debt and other liabilities	4,033	4,105
Total liabilities	120,640	138,148
Redeemable preferred stock (liquidation preference of \$64,020 at April 30, 2012 and October 31, 2011)	59,857	59,857
Total Equity (Deficit):		
Shareholders' equity (deficit)		
Common stock (\$.0001 par value); 275,000,000 shares authorized; 185,787,147 and 138,400,497 shares issued and outstanding at April 30, 2012 and October 31, 2011, respectively.	18	13
Additional paid-in capital	751,577	687,857
Accumulated deficit	(715,571)	(701,336)
Accumulated other comprehensive income	13	15
Treasury stock, Common, at cost (5,679 shares at April 30, 2012 and October 31, 2011)	(53)	(53)
Deferred compensation	53	53
Total shareholders' equity (deficit)	36,037	(13,451)
Noncontrolling interest in subsidiaries	(1,066)	(924)

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Total equity (deficit)	34,971	(14,375 )
Total liabilities and equity (deficit)	\$215,468	\$183,630
See accompanying notes to consolidated financial statements.		

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## FUELCELL ENERGY, INC.

## Consolidated Statements of Operations

(Unaudited)

(Amounts in thousands, except share and per share amounts)

	Three Months Ended April 30,	
	2012	2011
Revenues (1):		
Product sales and revenues	\$22,111	\$26,673
Research and development contracts	2,042	1,934
Total revenues	24,153	28,607
Costs of revenues:		
Cost of product sales and revenues	22,081	37,460
Cost of research and development contracts	1,871	2,017
Total costs of revenues	23,952	39,477
Gross profit (loss)	201	(10,870 )
Operating expenses:		
Administrative and selling expenses	4,002	4,454
Research and development expenses	3,956	4,498
Total costs and expenses	7,958	8,952
Loss from operations	(7,757 )	(19,822 )
Interest expense	(575 )	(928 )
(Loss) gain from equity investment	(150 )	143
License fee and royalty income	412	382
Other income (expense), net	(414 )	226
Loss before benefit (provision) for income taxes	(8,484 )	(19,999 )
Benefit (provision) for income taxes	121	(9 )
Net loss	(8,363 )	(20,008 )
Net loss attributable to noncontrolling interest	71	52
Net loss attributable to FuelCell Energy, Inc.	(8,292 )	(19,956 )
Adjustment for modification of redeemable preferred stock of subsidiary	—	(8,987 )
Preferred stock dividends	(801 )	(800 )
Net loss to common shareholders	\$(9,093 )	\$(29,743 )
Loss per share basic and diluted:		
Net loss per share to common shareholders	\$(0.06 )	\$(0.24 )
Basic and diluted weighted average shares outstanding	150,013,074	125,009,180

See accompanying notes to consolidated financial statements.