

CAMBREX CORP  
Form 11-K  
June 16, 2010

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended December 31, 2009

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 3-37791

A. Full title of the plan and the address of the plan,  
if different from that of the issuer named below:

CAMBREX CORPORATION SAVINGS PLAN

B. Name of issuer of the securities held pursuant to  
the plan and the address of its principal executive office:

CAMBREX CORPORATION  
ONE MEADOWLANDS PLAZA  
EAST RUTHERFORD, NEW JERSEY 07073

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Cambrex Corporation Savings Plan

Index to Financial Statements, Supplemental Schedule and Exhibit  
December 31, 2009

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\* Other schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.

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Report of Independent Registered Public Accounting Firm

The Plan Administrator and Participants  
Cambrex Corporation Savings Plan

We have audited the accompanying statements of net assets available for benefits of Cambrex Corporation Savings Plan as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Cambrex Corporation Savings Plan as of December 31, 2009 and 2008, and the changes in its net assets available for benefits for the year ended December 31, 2009, in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the 2009 basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2009 basic financial statements taken as a whole.

/s/J.H. Cohn LLP

Roseland, New Jersey  
June 16, 2010

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Cambrex Corporation Savings Plan

Statements of Net Assets Available for Benefits  
As of December 31,

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	2009	2008
Assets:		
Investments at Fair Value:		
Cambrex Stock Fund	\$ -	\$ 1,558,980
Mutual Funds	36,723,467	30,238,508
Loans to Participants	342,230	399,530
Net Assets Available for Benefits	\$ 37,065,697	\$ 32,197,018

The accompanying notes are an integral part of these financial statements.

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## Cambrex Corporation Savings Plan

Statement of Changes in Net Assets Available for Benefits  
For the year ended December 31, 2009

## Additions to net assets attributed to:

## Investment income:

Net appreciation in the fair value of investments	\$ 5,821,074
Interest and dividends	621,074
Total investment income	6,442,148

## Contributions:

Participants	1,468,406
Employer	633,579
Total contributions	2,101,985

Total additions	8,544,133
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## Deductions from net assets attributed to:

Benefit payments	(3,620,471 )
Administrative expenses	(54,983 )
Total deductions	(3,675,454 )

Net increase	4,868,679
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## Net assets available for benefits:

Beginning of year	32,197,018
End of year	\$ 37,065,697

The accompanying notes are an integral part of these financial statements.

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Cambrex Corporation Savings Plan

Notes to Financial Statements

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1. Description of Plan

The following brief description of Cambrex Corporation Savings Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

General

The Plan is a defined contribution plan to provide all eligible employees of Cambrex Corporation (“Cambrex” or the “Company”) and its subsidiaries a vehicle to accumulate savings. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). The Plan was designed to enhance the defined benefit retirement program for employees of the Company. The assets of the Plan are maintained, and transactions therein are executed, by Fidelity Management Trust Company (“Fidelity” or the “Trustee”). Fidelity also serves as recordkeeper and custodian of the Plan.

Eligibility for Participation

Each employee who was a participant in a previous plan shall continue as a participant under the provisions of the Plan as of the Effective Date, as defined by the Plan document. All other employees, who work at least 20 hours per week or 1,000 hours per year, are eligible to participate in the Plan on the first of the month following completion of thirty consecutive days of service.

Participant Accounts

Each participant’s account is credited with the participant’s contribution and allocations of (a) the Company’s contribution and (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant’s vested account.

Contributions

Participants may elect to make, through payroll deduction, contributions in whole percentages of at least 1%, and not more than 50%, of their compensation on a before-tax and/or after-tax basis. Pre-tax participant contributions may not exceed the smaller of 50% of the participant’s base compensation or \$16,500 in 2009. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. The catch-up contribution itself is limited to \$5,500 in 2009. Participants may also contribute eligible amounts representing distributions from other qualified defined benefit or defined contribution plans or certain individual retirement accounts.

The Company matches 100% of employees’ contributions based on the first 3% of their compensation; an additional 50% of the contribution based on the succeeding 3%; and no match with respect to contributions in excess of 6%. The Plan participants are allowed to designate into which of the investment funds the Company match will be made.

Vesting

A participant’s contributions plus corresponding actual earnings shall always be fully and immediately vested. Participants shall vest in the matching employer contributions at twenty percent (20%) for each year of service completed. If not already fully vested under the preceding basis, participants shall be 100% vested in their matching employer contributions upon normal retirement date, permanent disability, or death. At the time of termination, any unvested employer contributions are applied to a forfeiture account within the Plan. These forfeited

Company contributions are accumulated in the forfeiture account and are available to reduce subsequent Company contributions. During 2009, \$45,898 of the Company's required matching contributions were funded through the utilization of funds from forfeited non-vested accounts. Forfeitures for 2009 and 2008 were \$38,871 and \$24,029, respectively. Cumulative unused balances in the forfeiture account amounted to \$44,514 and \$45,019 at December 31, 2009 and 2008, respectively.

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Cambrex Corporation Savings Plan

Notes to Financial Statements – (Continued)

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Payment of Benefits

On termination of service due to death, disability, or retirement, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account. For termination of service for other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. All vested amounts less than \$1,000 are immediately distributed.

The non-spousal beneficiary of a Plan participant may elect to rollover the distribution amount to an individual retirement account.

Loans to Participants

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of 50% of their vested account balance or \$50,000, subtracting the participants' highest outstanding loan balances over the previous twelve months. Only one outstanding loan is allowed at any given time, and no more than one loan will be approved for any participant in any twelve-month period. There are two types of loans available: a regular loan, with a repayment period from one year up to five years; and a primary residence loan, with a repayment period from one year up to 15 years. Loans are collateralized by the balance in the participant's account and bear interest at 0.5% above the prime rate determined each October 1, or the first business day thereafter. The amounts borrowed are transferred from the investment funds to the participant loan fund on a proportional basis. On a monthly basis, repayments of principal and interest are transferred to the investment funds. The loans are secured by the balance in the participant's account and bear interest at rates which are commensurate with local prevailing rates. In 2009, interest rates ranged from 3.75% to 8.75%. Principal and interest is collected ratably through payroll deductions.

2. Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Plan Expenses

All costs of administering the Plan are paid by the participants to the extent not paid by the Company.

Payment of Benefits

Benefits are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make significant estimates and assumptions that affect the reported amounts of net assets available for benefits and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.



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Cambrex Corporation Savings Plan

Notes to Financial Statements – (Continued)

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Risks and Uncertainties

The Plan provides for various investment options in funds that can invest in a combination of stocks, bonds, fixed income securities, mutual funds, and other investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

The Plan's exposure to a concentration of risk is limited by the diversification of investments across various participant directed investment options. Additionally, the investments within each participant-directed investment option are further diversified into varied financial instruments.

Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. Cambrex common stock is traded on a national securities exchange and is valued at the last reported sales price of the day. Mutual funds are valued based on the published market value as quoted on a national securities exchange. Securities traded on the over-the-counter market are valued at the last reported bid price. Purchase and sale of securities are reflected on a trade date basis with the gain or loss recognized on the sale of securities being based on the average cost. Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on an accrual basis. Participant loans are valued at their outstanding balance, which approximates fair value.

Recently Issued Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board ("FASB") issued a standard requiring additional disclosures for transfers in and out of Level 1 and Level 2 fair value measurements, as well as requiring fair value measurement disclosures for each class of assets and liabilities in addition to provide disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements that fall in either Level 2 or Level 3. In addition, these provisions will require the Plan to present separately information on all purchases, sales, issuances, and settlements of financial instruments valued using significant unobservable inputs (Level 3) in the reconciliation for fair value measurements. The new disclosures and clarifications of existing disclosures are effective for the Plan in its fiscal year beginning January 1, 2010, except for the disclosures about purchases, sales, issuances, and settlements in the rollforward activity in Level 3 fair value measurements. Those disclosures are effective for the Plan in its fiscal year beginning January 1, 2011. The Plan is currently evaluating the potential impact of the provisions on its financial statements.

Subsequent Events

The Plan has evaluated subsequent events through June 16, 2010, the date the financial statements were available to be issued.

3. Fair Value Measurements

FASB, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities

(Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

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## Cambrex Corporation Savings Plan

## Notes to Financial Statements – (Continued)

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data or other means.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs or minimize the use of unobservable inputs. In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

Financial assets carried at fair value at December 31, 2009 and 2008 are classified in the table below in one of the three categories described above:

	As of December 31, 2009			Total
	Level 1	Level 2	Level 3	
Mutual Funds	\$ 36,723,467	\$ -	\$ -	\$ 36,723,467
Participant Loans	-	-	342,230	342,230
Total assets at fair value	\$ 36,723,467	\$ -	\$ 342,230	\$ 37,065,697

	As of December 31, 2008			Total
	Level 1	Level 2	Level 3	
Common Stock	\$ 1,558,980	\$ -	\$ -	\$ 1,558,980
Mutual Funds	30,238,508	-	-	30,238,508
Participant Loans	-	-	399,530	399,530
Total assets at fair value	\$ 31,797,488	\$ -	\$ 399,530	\$ 32,197,018

## Common Stock

Cambrex common stock is traded on a national securities exchange and is valued at the last reported sales price of the day.

Mutual Funds

Mutual funds are valued based on the published market value as quoted on a national securities exchange.

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## Cambrex Corporation Savings Plan

## Notes to Financial Statements – (Continued)

## Participant Loans

Participant loans are valued at their outstanding balance, which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2009.

## Level 3 Assets

## Year Ended December 31, 2009

	Participant Loans
Balance, beginning of year	\$ 399,530
Realized gains/(losses)	-
Unrealized gains/(losses) relating to instruments still held at the reporting date	-
Purchases, sales, issuances, and settlements (net)	(57,300 )
Balance, end of the year	\$ 342,230

## 4. Investments in Excess of 5% of Net Assets

The following presents investments that represent 5% or more of the Plan's net assets as of December 31, 2009 and 2008:

	2009	2008
Fidelity Asset Manager	\$ 3,294,982	\$ 2,640,731
Fidelity Freedom 2020	2,960,121	318,358 *
Fidelity Freedom 2030	1,887,039	599,406 *
Fidelity Growth & Income Portfolio	-	* 2,789,317
Fidelity Magellan Fund	4,934,748	3,912,111
Fidelity Retirement Government Money Market Portfolio	6,256,332	7,265,312
Fidelity Short-Intermediate Government Portfolio	2,580,294	2,552,357
Fidelity Worldwide Fund	2,314,275	1,565,896*
Spartan US Equity Index	3,575,152	2,885,708
Wells Fargo Advantage Small Cap Value Fund	3,516,702	2,036,829

\*Investments are less than 5% of the Plan's net assets as of year end.

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## Cambrex Corporation Savings Plan

## Notes to Financial Statements – (Continued)

During 2009, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) (depreciated)/appreciated in value by \$5,821,074 as follows:

Cambrex Stock Fund	\$(187,342 )
Mutual Funds	6,008,416
Total	\$5,821,074

The assets held by each fund are described in the prospectus of the fund, which are available to the Plan participants. Each fund offers different investment opportunities from assets consisting of cash and short-term investments, corporate bonds, common stocks, preferred stocks and government securities. Each fund has an investment manager who exercises discretionary authority concerning investment vehicles within the fund.

#### 5. Related Party Transactions

Effective April 20, 2009, the default fund changed from the Money Market Fund to the age appropriate Fidelity Freedom Fund. Additionally, the Cambrex Stock Fund and the Fidelity Growth and Income Fund were no longer open to investment effective April 30, 2009. The assets in the Cambrex Stock Fund and the Fidelity Growth and Income Fund, if not redirected to another fund by the Plan participant, were transitioned to the default fund effective May 19, 2009 and May 13, 2009, respectively.

The Cambrex Stock Fund invested primarily in Cambrex common stock and maintained approximately 3%-4% of its assets in cash and temporary liquid investments. Employee contributions and the employer match were used to buy units in the fund. Shares of Cambrex common stock were purchased by the Trustee on the open market or in stock issued by Cambrex at the average of the high and low trading price on the day of contribution. All other transactions of Cambrex common shares were traded on the New York Stock Exchange ("NYSE"). Employee and employer contributions, dividends, and appreciation thereon could be transferred out of the Cambrex Stock Fund or transferred to another investment fund without restriction. These Plan transactions were permitted under the Plan provisions and were specifically exempt from any ERISA "Party in Interest" regulations. Each participant could exercise voting rights attributable to the shares allocated to their account. Fidelity serves as Trustee, recordkeeper, and custodian of the Plan and, therefore, is a party-in-interest. Fees paid by the Plan for the investment management services amount to \$54,983 for the year ended December 31, 2009.

#### 6. Plan Termination

Although the Company has not expressed any intention to do so, the Company has the right under the Plan to temporarily or permanently discontinue its employer contributions to the Plan or to terminate or partially terminate the Plan at any time subject to the provisions set forth by ERISA.

In the event of, and upon, the Company's termination or partial termination of the Plan or complete discontinuance of contributions, the interest in the portion of each participant's account balance attributable to employer contributions shall become fully vested. Unless the Company's Board of Directors (the "Board") deems otherwise, termination of the Plan shall not accelerate any such payments for the benefit of the participants or their beneficiaries, but the assets

shall continue to be held for distribution and application in the manner prescribed by the Plan.



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Cambrex Corporation Savings Plan

Notes to Financial Statements – (Concluded)

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7. Tax Status

The Internal Revenue Service issued its latest determination letter on April 4, 2003, which stated that the Plan and its underlying trust qualify under the applicable provisions of the Internal Revenue Code and, therefore, are exempt from Federal income taxes. Although the Plan has been amended since receiving the determination letter, the Plan administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

8. Legal Matters

In the fall of 2003 several complaints were filed on behalf of a class of Cambrex stockholders' alleging securities fraud. These actions were all consolidated into one Federal District Court action. In September of 2007 Cambrex and the class entered into a Stipulation of Settlement in the litigation whereby Cambrex agreed to fund a settlement in the amount of \$3,150,000 in exchange for dismissal of the complaint. On May 5, 2008 the Court approved the settlement and dismissed the complaint with prejudice. Because the Savings Plan held Cambrex stock during the time period relevant to the settlement, the Plan received a share of this settlement in the amount of \$64,841.44 to be divided among eligible Plan participants, which was collected and distributed in 2009.

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Cambrex Corporation Savings Plan

EI# 22-2476135

Plan# 003

Schedule H, line 4i – Schedule of Assets (Held at End of Year)

December 31, 2009

Identity of Issue	Description of Assets/Investments	Cost Value	Current Value
Dreyfus Founders Growth Fund	Mutual Fund	**	\$ 1,320,280
* Fidelity Asset Manager	Mutual Fund	**	3,294,982
* Fidelity Freedom Income Fund	Mutual Fund	**	444,940
* Fidelity Freedom 2010 Fund	Mutual Fund	**	1,074,114
* Fidelity Freedom 2020 Fund	Mutual Fund	**	2,960,121
* Fidelity Freedom 2030 Fund	Mutual Fund	**	1,887,039
* Fidelity Freedom 2040 Fund	Mutual Fund	**	749,386
* Fidelity Investment Grade Bond	Mutual Fund	**	1,815,102
* Fidelity Magellan Fund	Mutual Fund	**	4,934,748
Fidelity Retirement Government Money Market Portfolio	Mutual Fund	**	6,256,332
* Fidelity Short – Intermediate Government Portfolio	Mutual Fund	**	2,580,294
* Fidelity Worldwide Fund	Mutual Fund	**	2,314,275
* Spartan US Equity Index	Mutual Fund	**	3,575,152
Wells Fargo Advantage Small Cap Value Fund	Mutual Fund	**	3,516,702
* Loans to Participants (rates ranging from 3.75% to 8.75% and maturing through 2022)	Loans Receivable	-	342,230
			\$ 37,065,697

\* Party-in-interest

\*\* Cost information not required for participant-directed investments.

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Pursuant to the requirements of the Securities Exchange Act of 1934, the Administration Committee of the Plan has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Cambrex Corporation Savings Plan

Date June 16, 2010

/s/ Gregory P. Sargen  
Gregory P. Sargen  
Vice President and  
Chief Financial Officer  
(On behalf of the Registrant and  
as the Registrant's Principal  
Financial Officer)