

CALGON CARBON CORPORATION
Form 10-Q
October 30, 2009

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 September 30, 2009

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: 1-10776

CALGON CARBON CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

25-0530110
(I.R.S. Employer
Identification No.)

P.O. Box 717, Pittsburgh, PA
(Address of principal executive offices)

15230-0717
(Zip Code)

(412) 787-6700
(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

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.

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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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 30, 2009
Common Stock, \$.01 par value per share	55,968,542 shares

CALGON CARBON CORPORATION
FORM 10-Q
QUARTER ENDED September 30, 2009

The Quarterly Report on Form 10-Q contains historical information and forward-looking statements. Forward-looking statements typically contain words such as “expect,” “believe,” “estimate,” “anticipate,” or similar words indicating that future outcomes are uncertain. Statements looking forward in time, including statements regarding future growth and profitability, price increases, cost savings, broader product lines, enhanced competitive posture and acquisitions, are included this Form 10-Q and in the Company’s most recent Annual Report pursuant to the “safe harbor” provision of the Private Securities Litigation Reform Act of 1995. They involve known and unknown risks and uncertainties that may cause the company’s actual results in future periods to be materially different from any future performance suggested herein. Further, the company operates in an industry sector where securities values may be volatile and may be influenced by economic and other factors beyond the Company’s control. Some of the factors that could affect future performance of the Company are higher energy and raw material costs, costs of imports and related tariffs, labor relations, availability of capital, environmental requirements as they relate both to our operations and to our customers, changes in foreign currency exchange rates, borrowing restrictions, validity of patents and other intellectual property, and pension costs. In the context of the forward-looking information provided in this Form 10-Q and in other reports, please refer to the discussions of risk factors and other information detailed in, as well as the other information contained in the Company’s most recent Annual Report.

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PART I – CONDENSED CONSOLIDATED FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

INTRODUCTION TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements included herein have been prepared by Calgon Carbon Corporation and subsidiaries (the Company), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. Management of the Company believes that the disclosures are adequate to make the information presented not misleading when read in conjunction with the Company's audited consolidated financial statements and the notes included therein for the year ended December 31, 2008, as filed with the Securities and Exchange Commission by the Company in Form 10-K.

In management's opinion, the unaudited interim condensed consolidated financial statements reflect all adjustments, which are of a normal and recurring nature, and which are necessary for a fair presentation, in all material respects, of financial results for the interim periods presented. Operating results for the first nine months of 2009 are not necessarily indicative of the results that may be expected for the year ending December 31, 2009.

CALGON CARBON CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Dollars in Thousands Except Per Share Data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008*	2009	2008*
Net sales	\$ 105,668	\$ 96,737	\$ 290,269	\$ 290,492
Net sales to related parties	1,827	2,332	10,949	7,384
Total	107,495	99,069	301,218	297,876
Cost of products sold (excluding depreciation and amortization)	71,089	65,461	202,622	198,247
Depreciation and amortization	4,690	4,036	12,438	12,161
Selling, general and administrative expenses	16,301	16,286	49,426	47,637
Research and development expenses	1,295	1,025	3,503	3,119
Gain on AST settlement (See Note 7)	-	-	-	(9,250)
	93,375	86,808	267,989	251,914
Income from operations	14,120	12,261	33,229	45,962
Interest income	119	399	323	1,256
Interest expense	(92)	(1,657)	(299)	(5,815)
Loss on debt extinguishment (See Note 9)	(899)	(6,313)	(899)	(6,313)
Other expense—net	(646)	(701)	(2,574)	(1,269)
Income from continuing operations before income tax and equity in income from equity investments	12,602	3,989	29,780	33,821
Income tax (benefit) provision	(787)	1,593	5,187	12,067
Income from continuing operations before equity in income from equity investments	13,389	2,396	24,593	21,754
Equity in income from equity investments	470	38	1,338	337
Income from continuing operations	13,859	2,434	25,931	22,091
Income (loss) from discontinued operations, net	-	(211)	-	3,236
Net income	\$ 13,859	\$ 2,223	\$ 25,931	\$ 25,327
Net income per common share Basic:				

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Income from continuing operations	\$.25	\$.05	\$.48	\$.53
Income (loss) from discontinued operations		-		-		-		.08
Total	\$	.25	\$	.05	\$	.48	\$	.61
Diluted:								
Income from continuing operations	\$	.25	\$	.04	\$	.46	\$	.42
Income (loss) from discontinued operations		-		-		-		.06
Total	\$	.25	\$	.04	\$	.46	\$	.48
Weighted average shares outstanding								
Basic		54,940,359		44,624,502		54,465,997		41,818,152
Diluted		56,448,228		53,797,735		56,273,617		52,536,083

* Results have been retrospectively adjusted to incorporate the adoption of guidance within Accounting Standards Codification (ASC) 470-20 "Debt with Conversion and Other Options." (See Note 9).

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

CALGON CARBON CORPORATION
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (Dollars in Thousands except share data)
 (Unaudited)

	September 30, 2009	December 31, 2008*
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 15,529	\$ 16,750
Restricted cash	5,266	-
Receivables (net of allowance of \$2,673 and \$1,596)	60,401	62,300
Receivables from related parties	1,895	2,215
Revenue recognized in excess of billings on uncompleted		