

DARLING INTERNATIONAL INC
Form 10-Q
May 13, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)
/X/ QUARTERLY REPORT PURSUANT TO
SECTION 13 or 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended April 3, 2010

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 001-13323

DARLING INTERNATIONAL INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

36-2495346
(I.R.S. Employer
Identification Number)

251 O'Connor Ridge Blvd., Suite 300
Irving, Texas
(Address of principal executive offices)

75038
(Zip Code)

Registrant's telephone number, including area code: (972) 717-0300

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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

X 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 (§232.405 of this chapter) 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

X

Accelerated
filer

Non-accelerated
filer

Smaller reporting
company

(Do not check if a 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 X

There were 82,443,614 shares of common stock, \$0.01 par value, outstanding at May 6, 2010.

DARLING INTERNATIONAL INC. AND SUBSIDIARIES
FORM 10-Q FOR THE THREE MONTHS ENDED APRIL 3, 2010

TABLE OF CONTENTS

	Page No.
PART I: FINANCIAL INFORMATION	
Item 1. FINANCIAL STATEMENTS	
Consolidated Balance Sheets April 3, 2010 (unaudited) and January 2, 2010	3
Consolidated Statements of Operations (unaudited) Three months ended April 3, 2010 and April 4, 2009	4
Consolidated Statements of Cash Flows (unaudited) Three months ended April 3, 2010 and April 4, 2009	5
Notes to Consolidated Financial Statements (unaudited)	6
Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	19
Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	35
Item 4. CONTROLS AND PROCEDURES	36
PART II: OTHER INFORMATION	

Item EXHIBITS	37
6.	
Signatures	38

DARLING INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

April 3, 2010 and January 2, 2010

(in thousands, except shares)

	April 3, 2010	January 2, 2010
(unaudited)		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 76,718	\$ 68,182
Restricted cash	388	397
Accounts receivable, net	47,927	45,572
Inventories	20,698	19,057
Income taxes refundable	168	605
Other current assets	6,974	5,348
Deferred income taxes	6,813	7,216
Total current assets	159,686	146,377
Property, plant and equipment, less accumulated depreciation of		
\$228,117 at April 3, 2010 and \$223,565 at January 2, 2010	150,612	151,982
Intangible assets, less accumulated amortization of		
\$52,226 at April 3, 2010 and \$51,109 at January 2, 2010	39,355	40,298
Goodwill	79,085	79,085
Other assets	8,309	8,429
	\$ 437,047	\$ 426,171
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 5,009	\$ 5,009
Accounts payable, principally trade	23,564	18,746
Accrued expenses	42,349	47,522
Total current liabilities	70,922	71,277
Long-term debt, net of current portion	26,287	27,539
Other non-current liabilities	36,227	36,143
Deferred income taxes	5,153	6,335
Total liabilities	138,589	141,294
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.01 par value; 100,000,000 shares authorized;		
82,886,769 and 82,629,970 shares issued at April 3, 2010		
and at January 2, 2010, respectively	829	826
Additional paid-in capital	159,417	157,343

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Treasury stock, at cost; 444,563 and 403,280 shares at April 3, 2010 and January 2, 2010, respectively	(4,200)	(3,855)
Accumulated other comprehensive loss	(23,411)	(23,782)
Retained earnings	165,823	154,345
Total stockholders' equity	298,458	284,877
	\$ 437,047	\$ 426,171

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

DARLING INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

Three months ended April 3, 2010 and April 4, 2009

(in thousands, except per share data)

(unaudited)

	April 3, 2010	April 4, 2009
Net sales	\$ 162,782	\$ 133,000
Costs and expenses:		
Cost of sales and operating expenses	120,410	103,543
Selling, general and administrative expenses	15,765	14,757
Depreciation and amortization	7,024	5,937
Total costs and expenses	143,199	124,237
Operating income	19,583	8,763
Other income/(expense):		
Interest expense	(910)	(658)
Other, net	(534)	(237)
Total other income/(expense)	(1,444)	(895)
Income from operations before income taxes	18,139	7,868
Income taxes	6,661	