

DARLING INTERNATIONAL INC
Form 10-Q
November 06, 2008

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 September 27, 2008

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 0-24620

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

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 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

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reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	Non-accelerated filer	S m a l l e r r e p o r t i n g company
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(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

There were 81,859,107 shares of common stock, \$0.01 par value, outstanding at October 30, 2008.

DARLING INTERNATIONAL INC. AND SUBSIDIARIES
FORM 10-Q FOR THE THREE MONTHS ENDED SEPTEMBER 27, 2008

TABLE OF CONTENTS

	Page No.
PART I: FINANCIAL INFORMATION	
Item 1. FINANCIAL STATEMENTS	
Consolidated Balance Sheets September 27, 2008 (unaudited) and December 29, 2007	3
Consolidated Statements of Operations (unaudited) Three and Nine Months Ended September 27, 2008 and September 29, 2007	4
Consolidated Statements of Cash Flows (unaudited) Nine Months Ended September 27, 2008 and September 29, 2007	5
Notes to Consolidated Financial Statements (unaudited)	6
Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	18
Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	33
Item 4. CONTROLS AND PROCEDURES	34
PART II: OTHER INFORMATION	
Item 1A. RISK FACTORS	35
Item 6. EXHIBITS	35
Signatures	36

DARLING INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
September 27, 2008 and December 29, 2007
(in thousands, except shares)

	September 27, 2008 (unaudited)	December 29, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 43,214	\$ 16,335
Restricted cash	322	433
Accounts receivable, net	72,142	59,401
Inventories	29,623	22,481
Other current assets	6,796	8,417
Deferred income taxes	5,098	8,026
Total current assets	157,195	115,093
Property, plant and equipment, less accumulated depreciation of \$207,865 at September 27, 2008 and \$199,157 at December 29, 2007	138,993	128,685
Intangible assets, less accumulated amortization of \$46,175 at September 27, 2008 and \$42,481 at December 29, 2007	30,846	29,037
Goodwill	80,063	71,856
Other assets	6,177	6,667
	\$ 413,274	\$ 351,338
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 5,000	\$ 6,250
Accounts payable, principally trade	31,735	24,879
Accrued expenses	45,221	49,579
Total current liabilities	81,956	80,708
Long-term debt, net	35,000	37,500
Other non-current liabilities	19,390	27,225
Deferred income taxes	4,372	4,921
Total liabilities	140,718	150,354
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$0.01 par value; 100,000,000 shares authorized;	822	815

82,169,076 and 81,544,466 shares issued and outstanding at September 27, 2008 and at December 29, 2007, respectively		
Additional paid-in capital	156,973	152,264
Treasury stock, at cost; 309,969 and 182,366 shares at September 27, 2008 and December 29, 2007, respectively	(3,520)	(1,547)
Accumulated other comprehensive loss	(8,303)	(8,598)
Retained earnings	126,584	58,050
Total stockholders' equity	272,556	200,984
	\$ 413,274	\$ 351,338

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

DARLING INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

Three months and nine months ended September 27, 2008 and September 29, 2007

(in thousands, except per share data)

(unaudited)

	Three Months Ended		Nine Months Ended	
	September	September	September	September
	27,	29,	27,	29,
	2008	2007	2008	2007
Net sales	\$ 236,227	\$ 171,831	\$ 659,041	\$ 469,868
Costs and expenses:				
Cost of sales and operating expenses	177,745			