

MAP Pharmaceuticals, Inc.
Form 10-Q
November 08, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(MARK ONE)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2011

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 001-33719

MAP PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

20-0507047
(I.R.S. Employer
Identification No.)

2400 Bayshore Parkway, Suite 200

Mountain View, California
(Address of principal executive offices)

94043
(Zip code)

(650) 386-3100
(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 (§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. (Check one):

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 by Rule 12b-2 of the Exchange Act). Yes No

As of October 31, 2011, the registrant had outstanding 30,497,188 shares of Common Stock.

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1 Financial Statements****MAP PHARMACEUTICALS, INC.****(a development stage enterprise)****CONDENSED CONSOLIDATED BALANCE SHEETS****(In thousands)****(Unaudited)**

	September 30, 2011	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 111,844	\$ 76,007
Accounts receivable	240	
Prepaid expenses and other current assets	675	644
Total current assets	112,759	76,651
Property and equipment, net	5,785	5,803
Other assets	27	30
Restricted investment	310	310
Total assets	\$ 118,881	\$ 82,794
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 2,444	\$ 2,998
Accrued liabilities	6,171	9,442
Debt	1,690	7,581
Current portion of deferred revenue	11,748	
Total current liabilities	22,053	20,021
Deferred revenue, less current portion	6,715	
Other liabilities		117
Total liabilities	28,768	20,138
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Common stock	299	296
Additional paid-in capital	309,193	301,924
Deficit accumulated during the development stage	(219,379)	(239,564)
Total stockholders' equity	90,113	62,656
Total liabilities and stockholders' equity	\$ 118,881	\$ 82,794

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

Table of Contents**MAP PHARMACEUTICALS, INC.****(a development stage enterprise)****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS****(In thousands, except per share amounts)****(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,		Period from July 3, 2003 (Inception) to September 30, 2011
	2011	2010	2011	2010	2011
Collaboration revenue	\$ 23,861	\$	\$ 61,536	\$	\$ 115,702
Operating expenses:					
Research and development	6,725	10,009	25,552	28,037	243,021
Sales, general and administrative	5,890	3,921	15,529	11,712	78,443
Total operating expenses	12,615	13,930	41,081	39,749	321,464
Income (loss) from operations	11,246	(13,930)	20,455	(39,749)	(205,762)
Interest income	6	5	58	11	6,463
Interest expense	(43)	(284)	(316)	(1,016)	(7,309)
Other income (expense), net	(2)	31	(12)	29	(754)
Net income (loss)	11,207	(14,178)	20,185	(40,725)	(207,362)
Cumulative stock dividend attributed to preferred stockholders					(13,925)
Net income (loss) attributed to common stockholders	\$ 11,207	\$ (14,178)	\$ 20,185	\$ (40,725)	\$ (221,287)
Net income (loss) per share attributed to common stockholders					
Basic	\$ 0.37	\$ (0.53)	\$ 0.67	\$ (1.55)	
Diluted	\$ 0.35	\$ (0.53)	\$ 0.64	\$ (1.55)	
Weighted average shares outstanding used in calculating net income (loss) per share attributed to common stockholders					
Basic	30,440	26,629	30,329	26,323	
Diluted	31,611	26,629	31,605	26,323	

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

Table of Contents**MAP PHARMACEUTICALS, INC.****(a development stage enterprise)****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(In thousands)****(Unaudited)**

	Nine Months Ended September 30,		Cumulative Period from July 3, 2003 (Date of Inception) to September 30, 2011
	2011	2010	
Cash flows from operating activities:			
Net income (loss)	\$ 20,185	\$ (40,725)	\$ (207,362)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,030	931	6,908
Accretion of investment discounts, net			(1,595)
Accretion of debt payment premium	64	199	999
Stock-based compensation	5,484	4,804	23,325
Loss on disposal of equipment and other non-cash items	11	306	2,269
Changes in operating assets and liabilities:			
Accounts receivable	(240)		(240)
Prepaid expenses and other current assets	(31)	156	(900)
Other assets	3	83	113
Accounts payable	(666)	(640)	1,213
Accrued liabilities	(3,355)	(3,072)	6,007
Deferred revenue	18,463		18,463
Other liabilities	(33)	33	84
Net cash provided by (used in) operating activities	40,915	(37,925)	(150,716)
Cash flows from investing activities:			
Purchase of intangible assets and in-process research and development			(412)
Purchase of property and equipment	(911)	(1,976)	(12,432)
Purchase of short-term investments			(169,497)
Sales and maturities of short-term investments			171,411
Purchase of restricted investment			(310)
Net cash used in investing activities	(911)	(1,976)	(11,240)