

ALTAIR NANOTECHNOLOGIES INC  
Form 10-Q  
August 10, 2012

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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 June 30, 2012

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

ALTAIR NANOTECHNOLOGIES INC.

(Exact name of registrant as specified in its charter)

Delaware  
(State or other  
jurisdiction  
of incorporation)

1-12497  
(Commission  
File No.)

33-1084375  
(IRS Employer  
Identification  
No.)

204 Edison Way  
Reno, Nevada 89502

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (775) 856-2500

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, or a non-accelerated filer, or a smaller reporting company. See the definitions of "accelerated filer", "large accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

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Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company   
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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act): YES  NO  
[X]

As of August 10, 2012 the registrant had 69,452,487 shares of Common Stock outstanding.

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1

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## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements

ALTAIR NANOTECHNOLOGIES INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of United States Dollars, except shares)

	June 30, 2012 (Unaudited)	December 31, 2011
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$35,275	\$46,519
Restricted cash	293	
Accounts receivable, net	576	333
Product inventories, net	9,860	7,220
Prepaid expenses and other current assets	2,022	2,240
Total current assets	48,026	56,312
Property, plant and equipment, net		
	6,297	6,870
Patents, net		
	312	350
Total Assets	\$54,635	\$63,532
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities		
Trade accounts payable	\$6,225	\$5,870
Accrued salaries and benefits	928	1,132
Accrued warranty	383	354
Accrued liabilities	438	421
Deferred revenues	2,561	1,616
Warrant liabilities	475	654
Capital lease obligation	21	12
Total current liabilities	11,031	10,059
Total Liabilities		
	11,031	10,059
Stockholders' equity		
Common stock, no par value, unlimited shares authorized; 69,452,487 shares issued and outstanding at June 30, 2012 and December 31, 2011	245,617	245,617
Additional paid in capital	12,276	12,279
Accumulated deficit	(214,157 )	(204,423 )
Accumulated other comprehensive loss	(132 )	
Total stockholders' equity	43,604	53,473

Total Liabilities and Stockholders' Equity	\$54,635	\$63,532
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See notes to the consolidated financial statements.

2

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ALTAIR NANOTECHNOLOGIES INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(Expressed in thousands of United States Dollars, except shares and per share amounts)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
<b>Revenues</b>				
Product sales	\$376	\$174	\$573	\$2,540
License fees	60	60	120	120
Commercial collaborations	18	78	18	80
Contracts and grants		164		287
Total revenues	454	476	711	3,027
<b>Cost of goods sold</b>				
Product	613	314	1,019	2,925
Commercial collaborations		197		197
Contracts and grants		168		296
Warranty and inventory reserves	461	12	475	58
Total cost of goods sold	1,074	691	1,494	3,476
Gross loss	(620 )	(215 )	(783 )	(449 )
<b>Operating expenses</b>				
Research and development	1,789	1,284	3,622	3,340
Sales and marketing	925	913	1,845	1,964
General and administrative	1,425	1,204	3,174	3,376
Depreciation and amortization	250	379	519	754
Loss on disposal of assets				16
Total operating expenses	4,389	3,780	9,160	9,450
Loss from operations	(5,009 )	(3,995 )	(9,943 )	(9,899 )
<b>Other (expense) income</b>				
Interest income (expense), net	32	(52 )	30	(59 )
Change in market value of warrants	102	1,022	179	1,022
Total other income, net	134	970	209	963
Net loss	\$(4,875 )	\$(3,025 )	\$(9,734 )	\$(8,936 )
Loss per common share - basic and diluted	\$(0.07 )	\$(0.10 )	\$(0.14 )	\$(0.31 )
Weighted average shares - basic and diluted	69,452,487	30,424,730	69,452,487	28,644,546

See notes to the consolidated financial statements.



ALTAIR NANOTECHNOLOGIES INC. AND SUBSIDIARIES  
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS  
 (Expressed in thousands of United States Dollars)  
 (Unaudited)

	Three Months Ended June 30,	
	2012	2011
Net loss	\$ (4,875 )	\$ (3,025 )
Other comprehensive loss, net of tax:		
Foreign currency translation adjustment	(132 )	
Comprehensive loss	\$ (5,007 )	\$ (3,025 )
	Six Months Ended June 30,	
	2012	2011
Net loss	\$ (9,734 )	\$ (8,936 )
Other comprehensive loss, net of tax:		
Foreign currency translation adjustment	(132 )	
Comprehensive loss	\$ (9,866 )	\$ (8,936 )

See notes to the consolidated financial statements.

ALTAIR NANOTECHNOLOGIES INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY  
(Expressed in thousands of United States Dollars, except shares)  
(Unaudited)

	Common Stock		Additional	Accumulated	Accumulated	
	Shares	Amount	Paid In	Deficit	Other	Total
			Capital		Comprehensive	
					Loss	
Balance, April 1, 2011	30,615,680	\$ 193,373	\$ 12,425	\$ (190,401 )		\$ 15,397
Net loss				(3,025 )		(3,025 )
Share-based compensation		73	85			158
Issuance cost adj of \$10		(10 )				(10 )
Balance, June 30, 2011	30,615,680	\$ 193,436	\$ 12,510	\$ (193,426 )	\$ -	\$ 12,520
	Common Stock		Additional	Accumulated	Other	
	Shares	Amount	Paid In	Deficit	Comprehensive	Total
			Capital		Loss	
Balance, April 1, 2012	69,452,487	\$ 245,617	\$ 12,351	\$ (209,282 )		\$ 48,686
Net loss				(4,875 )		(4,875 )
Other comprehensive loss					(132 )	(132 )
Share-based compensation			(75 )			(75 )
Balance, June 30, 2012	69,452,487	\$ 245,617	\$ 12,276	\$ (214,157 )	\$ (132 )	\$ 43,604
	Common Stock		Additional	Accumulated	Accumulated	
	Shares	Amount	Paid In	Deficit	Other	Total
			Capital		Comprehensive	
					Loss	
Balance, January 1, 2011	27,015,680	\$ 189,491	\$ 12,297	\$ (184,490 )		\$ 17,298
Net loss				(8,936 )		(8,936 )
Share-based compensation		150	213			363
Common stock issued, net of						
issuance						
costs of \$698 and warrant						
liabilities	3,600,000	3,795				3,795
Balance, June 30, 2011	30,615,680	\$ 193,436	\$ 12,510	\$ (193,426 )	\$ -	\$ 12,520
	Common Stock		Additional	Accumulated	Accumulated	
	Shares	Amount	Paid In	Deficit	Other	Total
			Capital		Comprehensive	
					Loss	
Balance, January 1, 2012	69,452,487	\$ 245,617	\$ 12,279	\$ (204,423 )		\$ 53,473
Net loss				(9,734 )		(9,734 )
Other comprehensive loss					(132 )	(132 )
Share-based compensation			(3 )			(3 )

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Balance, June 30, 2012	69,452,487	\$245,617	\$12,276	\$ (214,157 )	\$ (132 )	\$43,604
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See notes to the consolidated financial statements.

5

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ALTAIR NANOTECHNOLOGIES INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Expressed in thousands of United States Dollars)  
(Unaudited)

	Six Months Ended June 30,	
	2012	2011
<b>Cash flows from operating activities:</b>		
Net loss	\$(9,734	) \$(8,936
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>		
Depreciation and amortization	519	754
Share-based compensation	(3	) 363
Loss on disposal of assets		16
Change in fair value of warrants	(179	) (1,022
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable, net	(243	) 409
Product inventories	(2,478	) 810
Prepaid expenses and other current assets	218	(19
Trade accounts payable	355	(1,000
Accrued salaries and benefits	(204	) 542
Accrued warranty	29	28
Deferred revenues	945	(865
Accrued liabilities	17	80
Net cash used in operating activities	(10,758	) (8,840
<b>Cash flows from investing activities:</b>		
Increase in restricted cash	(293	)
Purchase of property, plant and equipment	(56	) (300
Proceeds from disposition of assets		5
Net cash used in investing activities	(349	) (295
<b>Cash flows from financing activities:</b>		