

Starent Networks, Corp.
Form 10-Q
August 08, 2008
Table of Contents

**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 June 30, 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: 001-33511

STARENT NETWORKS, CORP.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

04-3527533
(I.R.S. Employer
Identification No.)

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**30 International Place
Tewksbury, MA 01876**

(Address of principal executive offices) (zip code)

(978) 851-1100

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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 is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition 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 in Rule 12b-2 of the Exchange Act). Yes No

As of August 4, 2008, there were 69,973,251 shares of the registrant's \$0.001 par value per share common stock outstanding.

Table of Contents

STARENT NETWORKS, CORP.

QUARTERLY REPORT ON FORM 10-Q

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2008

Table of Contents

Item		Page
<u>PART I. FINANCIAL INFORMATION</u>		3
<u>ITEM 1.</u>	<u>Condensed Consolidated Financial Statements (unaudited)</u>	3
	<u>Condensed Consolidated Balance Sheets as of June 30, 2008 and December 31, 2007</u>	3
	<u>Condensed Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2008 and 2007</u>	4
	<u>Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2008 and 2007</u>	5
	<u>Notes to Condensed Consolidated Financial Statements</u>	6
<u>ITEM 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	12
<u>ITEM 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	24
<u>ITEM 4T.</u>	<u>Controls and Procedures</u>	24
<u>PART II. OTHER INFORMATION</u>		25
<u>ITEM 1.</u>	<u>Legal Proceedings</u>	25
<u>ITEM 1A.</u>	<u>Risk Factors</u>	26
<u>ITEM 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	36
<u>ITEM 4.</u>	<u>Submission of Matters to a Vote of Security Holders</u>	37
<u>ITEM 6.</u>	<u>Exhibits</u>	37

Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****STARENT NETWORKS, CORP.****CONDENSED CONSOLIDATED BALANCE SHEETS**

(unaudited and in thousands, except share and per share data)

	June 30, 2008	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 321,147	\$ 223,987
Short-term investments		9,612
Accounts receivable	39,304	56,363
Inventories	41,519	29,638
Prepaid expenses and other current assets	6,291	6,656
Total current assets	408,261	326,256
Property and equipment, net	26,620	20,452
Other assets	2,035	1,955
Restricted cash	832	716
Total assets	\$ 437,748	\$ 349,379
Liabilities and stockholders equity		
Current liabilities:		
Accounts payable	\$ 9,800	\$ 7,448
Accrued expenses	7,286	6,163
Accrued payroll and related expenses	11,936	15,568
Income taxes payable	1,545	1,075
Current portion of deferred revenue	109,874	52,733
Total current liabilities	140,441	82,987
Deferred revenue, net of current portion	8,056	10,670
Refundable purchase price of restricted common stock	645	783
Commitments and contingencies (Note 7)		
Stockholders equity:		
Preferred stock, \$0.001 par value, 5,000,000 shares authorized and no shares outstanding	70	68

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Common stock, \$0.001 par value, 250,000,000 shares authorized, 69,557,678 and 68,252,858 shares issued and outstanding at June 30, 2008 and December 31, 2007, respectively

Additional paid-in capital	359,155	348,917
Accumulated other comprehensive income		2
Accumulated deficit	(70,619)	(94,048)
Total stockholders' equity	288,606	254,939
Total liabilities and stockholders' equity	\$ 437,748	\$ 349,379

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

Table of Contents

STARENT NETWORKS, CORP.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited and in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Revenues:				
Product	\$ 52,160	\$ 25,121	\$ 101,047	\$ 49,573
Service	9,008	5,733		