

HEMISPHERX BIOPHARMA INC
Form 10-Q
November 08, 2010

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 September 30, 2010

Commission File Number: 1-13441

HEMISPHERx BIOPHARMA, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

52-0845822

(I.R.S. Employer
Identification No.)

1617 JFK Boulevard, Suite 660, Philadelphia, PA 19103
(Address of principal executive offices) (Zip Code)

(215) 988-0080
(Registrant's telephone number, including area code)

Not Applicable
(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 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 during the preceding 12 months (or 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 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 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

135,241,609 shares of common stock were issued and outstanding as of November 03, 2010.

PART I - FINANCIAL INFORMATION

ITEM 1: Financial Statements

HEMISPHERx BIOPHARMA, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

(in thousands, except for share and per share amounts)

	December 31, 2009	September 30, 2010 (Unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents (Note 11)	\$ 58,072	\$ 3,044
Marketable securities maturing in less than one year (Note 5)	-	34,202
Inventories (Note 4)	-	1,075
Prepaid expenses and other current assets	332	235
Total current assets	58,404	38,556
Property and equipment, net	4,704	4,794
Marketable securities maturing in one year or greater (Note 5)	-	11,015
Patent and trademark rights, net	830	974
Investment	35	35
Construction in progress (Note 8)	135	464
Other assets (Note 4)	886	38
Total assets	\$ 64,994	\$ 55,876
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,294	\$ 1,729
Accrued expenses (Note 6)	1,321	572
Current portion of capital lease (Note 7)	-	61
Total current liabilities	2,615	2,362
Long-term liabilities		
Long-term portion of capital lease (Note 7)	-	112
Commitments and contingencies		
Stockholders' equity (Note 9):		
Preferred stock, par value \$0.01 per share, authorized 5,000,000; issued and outstanding; none	-	-
Common stock, par value \$0.001 per share, authorized 200,000,000 shares; issued and outstanding 132,787,447 and 135,241,609, respectively	133	135
Additional paid-in capital	273,093	274,371
Accumulated other comprehensive income	-	717
Accumulated deficit	(210,847)	(221,821)

Total stockholders' equity	62,379	53,402
Total liabilities and stockholders' equity	\$ 64,994	\$ 55,876

See accompanying notes to consolidated financial statements.

HEMISPHERX BIOPHARMA, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
(in thousands, except share and per share data)
(Unaudited)

	Three months ended September 30,	
	2009	2010
Revenues:		
Clinical treatment programs	\$ 25	\$ 35
Total revenues	25	35
Costs and expenses:		
Production/cost of goods sold	146	181
Research and development	1,173	1,808
General and administrative	1,164	1,738
Total costs and expenses	2,483	3,727
Operating loss	(2,458)	(3,692)
Interest expense from capital leases	-	(5)
Interest and other income	23	443
Net loss	\$ (2,435)	\$ (3,254)
Basic and diluted loss per share (Note 2)	\$ (.02)	\$ (.02)
Weighted average shares outstanding, basic and diluted	127,788,640	134,869,730

See accompanying notes to consolidated financial statements.

HEMISPHERX BIOPHARMA, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
(in thousands, except share and per share data)
(Unaudited)

	Nine months ended September 30,	
	2009	2010
Revenues:		
Clinical treatment programs	\$ 71	\$ 108
Total revenues	71	108
Costs and expenses:		
Production/cost of goods sold	419	649
Research and development	4,750	5,498
General and administrative	4,192	5,495
Total costs and expenses	9,361	11,642
Operating loss	(9,290)	(11,534)
Financing costs	(241)	-
Interest expense from capital leases	-	(5)
Interest and other income	139	565
Net loss	\$ (9,392)	\$ (10,974)
Basic and diluted loss per share (Note 2)	\$ (.09)	\$ (.08)
Weighted average shares outstanding, basic and diluted	101,706,216	133,605,973

See accompanying notes to consolidated financial statements.

HEMISPHERx BIOPHARMA, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Equity and Comprehensive Loss
(in thousands except share data)
(Unaudited)

	Common Stock Shares	Common Stock \$.001 Par Value	Additional Paid-In Capital	Accumulated Other Compre- hensive Income	Accumulated Deficit	Total Stockholders' Equity	Compre- hensive Loss
Balance at December 31, 2009	132,787,447	\$ 133	\$ 273,093	\$ -	\$ (210,847)	\$ 62,379	\$ -
Stock issued for settlement of accounts payable	498,867	-	328	-	-	328	-
Equity based compensation	1,435,295	1	658	-	-	659	-
Shares sold at the market	520,000	1	292	-	-	293	-
Unrealized gain in investment securities	-	-	-	717	-	717	717
Net loss	-	-	-	-	(10,974)	(10,974)	(10,974)
Balance at September 30, 2010	135,241,609	\$ 135	\$ 274,371	\$ 717	\$ (221,821)	\$ 53,402	\$ (10,257)

See accompanying notes to consolidated financial statements.

HEMISPHER_x BIOPHARMA, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2009 and 2010
(in thousands)
(Unaudited)