

DELCATH SYSTEMS INC
Form 10-Q
October 24, 2008

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
[x] OF 1934

For the quarterly period ended September 30, 2008

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: 001-16133

DELCATH SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware 06-1245881
(State or other (I.R.S. Employer
jurisdiction of Identification No.)
incorporation or
organization)

600 Fifth Avenue, 23rd Floor, New York, NY 10020
(Address of principal executive offices)

(212) 489-2100
(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 [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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)
company

Smaller reporting

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 October 21, 2008, 25,335,254 shares of the Company's common stock, \$0.01 par value, were issued and outstanding

DELCATH SYSTEMS, INC.
(A Development Stage Company)

DELCATH SYSTEMS, INC.

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PART I:
FINANCIAL INFORMATION

Item Condensed Financial Statements (Unaudited)

1.

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DELCATH SYSTEMS, INC.
(A Development Stage Company)

Condensed Balance Sheets

	September 30, 2008 (Unaudited)	December 31, 2007 (Audited)
Assets		
Current assets		
Cash and cash equivalents	\$12,930,867	\$7,886,937
Investments – treasury bills	202,532	9,878,700
Investments – marketable equity securities	38,000	-
Prepaid expenses	260,347	325,452
Total current assets	13,431,746	18,091,089
Property and equipment, net	18,955	15,037
Total assets	\$13,450,701	\$18,106,126
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and accrued expenses	\$267,433	\$125,278
Derivative instrument liability	744,653	1,552,000
Total current liabilities	1,012,086	1,677,278
Stockholders' equity		
Common stock, \$.01 par value; 70,000,000 shares authorized	253,353	252,593
Additional paid-in capital	56,999,617	56,626,533
Deficit accumulated during development stage	(44,806,155)	(40,450,278)
Accumulated other comprehensive loss	(8,200)	-
Total stockholders' equity	12,438,615	16,428,848
Total liabilities and stockholders' equity	\$13,450,701	\$18,106,126

See accompanying notes to condensed financial statements.

DELCATH SYSTEMS, INC.
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Condensed Statements of Operations
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,		Cumulative from Inception (August 5, 1988) to September 30,
	2008	2007	2008	2007	2008
Costs and expenses:					
General and administrative expenses	\$589,900	\$609,759	\$1,730,040	\$2,183,043	\$21,821,450
Research and development costs	1,624,379	1,125,573	3,712,823	3,208,963	27,731,904
Total costs and expenses	\$2,214,279	\$1,735,332	\$5,442,863	\$5,392,006	\$49,553,354
Operating loss	(2,214,279)	(1,735,332)	\$(5,442,863)	\$(5,392,006)	\$(49,553,354)
Derivative instrument income (expense)	1,280,748	(78,000)	807,347	(78,000)	3,524,347
Interest income	55,674	101,755	279,639	305,301	2,766,432
Other income	-	-	-	-	126,500
Interest expense					