

PART I: FINANCIAL INFORMATION

ITEM 1. Condensed Consolidated Financial Statements

ASTROTECH CORPORATION AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(In thousands, except share data)

	March 31, 2012 (unaudited)	June 30, 2011
Assets		
Current assets		
Cash and cash equivalents	\$ 15,840	\$ 14,994
Accounts receivable, net	1,704	2,429
Prepaid expenses and other current assets	1,080	963
Short-term note receivable	675	—
Total current assets	19,299	18,386
Property & equipment, net	36,903	38,418
Long-term note receivable	—	675
Other assets, net	113	141
Total assets	\$ 56,315	\$ 57,620
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 1,732	\$ 757
Accrued liabilities	3,308	1,342
Deferred revenue	6,532	10,919
Term note payable	368	348
Total current liabilities	11,940	13,366
Deferred revenue	891	274
Term note payable, net of current portion	6,135	6,422
Total liabilities	18,966	20,062
Stockholders' equity		
Preferred stock, no par value, convertible, 2,500,000 authorized shares, 0 issued and outstanding shares, at March 31, 2012 and June 30, 2011	—	—
Common stock, no par value, 75,000,000 shares authorized; 19,134,907 and 18,339,609 shares issued at March 31, 2012 and June 30, 2011	183,712	183,712
Treasury stock, 311,660 shares at cost	(237)	(237)
Additional paid-in capital	1,561	1,104
Accumulated deficit	(150,381)	(148,942)
Noncontrolling interest	2,694	1,921
Total stockholders' equity	37,349	37,558
Total liabilities and stockholders' equity	\$ 56,315	\$ 57,620

See accompanying notes to unaudited condensed consolidated financial statements.

ASTROTECH CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(In thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2012	2011	2012	2011
	(unaudited)		(unaudited)	
Revenue	\$10,013	\$ 5,720	\$18,529	\$15,667
Cost of revenue	6,770	3,142	12,804	10,066
Gross profit	3,243	2,578	5,725	5,601
Operating expenses:				
Selling, general and administrative	1,814	1,941	5,451	6,367
Research and development	475	1,256	1,979	2,962
Total operating expenses	2,289	3,197	7,430	9,329
Income (loss) from operations	954	(619)	(1,705)	(3,728)
Interest and other expense, net	(69)	(70)	(202)	(208)
Income (loss) before income taxes	885	(689)	(1,907)	(3,936)
Income tax expense	(5)	(5)	(17)	(16)
Net income (loss)	880	(694)	(1,924)	(3,952)
Less: Net loss attributable to noncontrolling interest	(134)	(248)	(486)	(781)
Net income (loss) attributable to Astrotech Corporation	\$ 1,014	\$ (446)	\$ (1,438)	\$ (3,171)
Net income (loss) per share attributable to Astrotech Corporation, basic	\$ 0.05	\$ (0.02)	\$ (0.08)	\$ (0.18)
Weighted average common shares outstanding, basic	18,764	17,958	18,448	17,744
Net income (loss) per share attributable to Astrotech Corporation, diluted	\$ 0.05	\$ (0.02)	\$ (0.08)	\$ (0.18)
Weighted average common shares outstanding, diluted	19,152	17,958	18,448	17,744

See accompanying notes to unaudited condensed consolidated financial statements.

ASTROTECH CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(In thousands)

	Nine Months Ended	
	March 31,	
	2012	2011
	(unaudited)	
Cash flows from operating activities		
Net loss	\$ (1,924)	\$(3,952)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Stock-based compensation	815	927
Asset impairment	200	—
Depreciation and amortization	1,742	1,697
Changes in assets and liabilities:		
Accounts receivable	725	2,658
Deferred revenue	(3,770)	1,742
Accounts payable	975	(73)
Other assets and liabilities	1,835	(1,511)
Net cash provided by operating activities	598	1,488
Cash flows from investing activities		
Purchases of property, equipment and leasehold improvements	(385)	(621)
Net cash used in investing activities	(385)	(621)
Cash flows from financing activities		
Term loan repayment	—	(3,356)
Senior convertible notes repayment	—	(5,111)
Proceeds from term loan	—	6,943
Proceeds from issuance of common stock	—	148
Term loan payment	(267)	(87)
State of Texas funding	900	—
Net cash provided by (used in) financing activities	633	(1,463)
Net change in cash and cash equivalents	846	(596)
Cash and cash equivalents at beginning of period	14,994	8,085
Cash and cash equivalents at end of period	\$15,840	\$ 7,489
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 200	\$ 297

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