

ORMAT TECHNOLOGIES, INC.
Form 10-Q
May 10, 2007

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 March 31, 2007

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: 001-32347

ORMAT TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

88-0326081
(I.R.S. Employer
Identification Number)

6225 Neil Road, Suite 300, Reno, Nevada 89511-1136
(Address of principal executive offices)

Registrant's telephone number, including area code: (775) 356-9029

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, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

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 the date of this filing, the number of outstanding shares of common stock of Ormat Technologies, Inc. is 38,124,044, par value \$0.001 per share.

ORMAT TECHNOLOGIES, INC

FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2007

<u>PART I — UNAUDITED FINANCIAL INFORMATION</u>	<u>4</u>
<u>ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS</u>	<u>4</u>
<u>ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	<u>17</u>
<u>ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	<u>39</u>
<u>ITEM 4. CONTROLS AND PROCEDURES</u>	<u>39</u>
<u>PART II — OTHER INFORMATION</u>	<u>40</u>
<u>ITEM 1. LEGAL PROCEEDINGS</u>	<u>40</u>
<u>ITEM 1A. RISK FACTORS</u>	<u>40</u>
<u>ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>	<u>40</u>
<u>ITEM 3. DEFAULTS UPON SENIOR SECURITIES</u>	<u>41</u>
<u>ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS</u>	<u>41</u>
<u>ITEM 5. OTHER INFORMATION</u>	<u>41</u>
<u>ITEM 6. EXHIBITS</u>	<u>41</u>
<u>SIGNATURES</u>	<u>43</u>

2

Table of Contents

Certain Definitions

Unless the context otherwise requires, all references in this quarterly report to “Ormat”, “the Company”, “we”, “us”, “our company”, “Ormat Technologies” or “our” refer to Ormat Technologies, Inc. and its consolidated subsidiaries. The “OFC Senior Secured Notes” refers to the 8¼% Senior Secured Notes due 2020 that were issued in February 2004 by our subsidiary, Ormat Funding Corp. The “OrCal Senior Secured Notes” refers to the 6.21% Senior Secured Notes due 2020 that were issued in December 2005 by our subsidiary, OrCal Geothermal Inc.

Table of Contents

PART I — UNAUDITED FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

ORMAT TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2007	December 31, 2006
	(in thousands)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 22,244	\$ 20,254
Marketable securities	52,434	96,486
Restricted cash, cash equivalents and marketable securities	49,274	56,425
Receivables:		
Trade	33,682	36,463
Related entities	906	879
Other	7,520	5,277
Due from Parent	1,067	1,459
Inventories, net	8,572	7,403
Costs and estimated earnings in excess of billings on uncompleted contracts	14,082	11,216
Deferred income taxes	2,047	1,819
Prepaid expenses and other	4,795	4,911
Total current assets	196,623	242,592
Unconsolidated investments	37,749	37,207
Deposits and other	15,058	15,081
Deferred income taxes	5,700	6,172
Property, plant and equipment, net	648,299	624,089
Construction-in-process	170,339	169,075
Deferred financing and lease costs, net	15,430	15,800
Intangible assets, net	49,319	50,086
Total assets	\$ 1,138,517	\$ 1,160,102
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 79,399	\$ 70,445
Billings in excess of costs and estimated earnings on uncompleted contracts	9,537	