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CAMBREX CORP
Form 8-K
June 07, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549
FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) June 7, 2005

CAMBREX CORPORATION

(Exact name of Registrant as specified in its charter)

DELAWARE

1-10638

22-2476135

(State or other jurisdiction of incorporation) (Commission File Number) (IRS Employer
Identification No.)

ONE MEADOWLANDS PLAZA, EAST RUTHERFORD, NEW JERSEY

07073

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (201) 804-3000

Check the appropriate box if the Form 8K filing is intended to simultaneously
satisfy the filing obligation of the registrant under any of the following
provisions (See General Instruction A.2 below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR
230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR
240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(d) under the Exchange
Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange
Act (17 CFR 240.13e-4(c))

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SECTION 1 - REGISTRANT'S BUSINESS AND OPERATIONS

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SECTION 1.01 ENTRY INTO MATERIAL DEFINITIVE AGREEMENT

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

1. Acceleration of Vesting of Stock Option Awards

Cambrex Corporation is reporting under Item 1.01 that on June 1, 2005, the Compensation Committee of the Board of Directors of Cambrex Corporation (the "Company") approved the acceleration of the vesting of unvested stock options that are held by current employees and all executive officers having an exercise price of \$18.675 or greater granted under The 1996 Performance Stock Option Plan, The 1998 Stock Option Plan, The 2000 Non-Executive Stock Option Plan, The 2001 Performance Stock Option Plan, The 2003 Performance Stock Option Plan and The 2004 Omnibus Incentive Plan. Except for the 2000 Non-Executive Stock Option Plan (for which shareholder approval was not required), the Plans identified above were approved by the Company's shareholders.

Options to purchase approximately 2 million shares of the Company's common stock (of which approximately 1.3 million are subject to options held by executive officers) are subject to this acceleration, which is effective June 1, 2005. The Committee also imposed a holding period that will require all employees and executive officers to refrain from selling shares acquired upon the exercise of these options until the date on which the exercise would have been permitted under the option's original vesting terms or, if earlier, the expiration date due to retirement.

The acceleration eliminates future compensation expense the Company would otherwise recognize in its consolidated statement of operations with respect to these options once the Statement of Financial Accounting Standards No. 123(R) "Share-Based Payment", issued by the Financial Accounting Standards Board, is implemented for reporting periods beginning January 1, 2006. The future expense that is eliminated as a result of the acceleration of the vesting of these options is approximately \$9.6 million; of which approximately \$5.9 million is attributable to options granted to executive officers.

The form of notice to executive officers regarding the acceleration of vesting is attached hereto as Exhibit 99.1.

Exhibit 99.1 Letter to Executive Officers from CEO

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

(99.1) Letter to Executive Officers from CEO

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on behalf by the undersigned hereunto duly authorized.

CAMBREX CORPORATION

Date: June 7, 2005

By: /s/ Peter E. Thauer

Name: Peter E. Thauer
Title: Senior Vice President, General Counsel

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and Corporate Secretary