
**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)

November 5, 2004

MAXWELL TECHNOLOGIES, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State of Incorporation)

1-15477
(Commission File Number)

95-2390133
(I.R.S. Employer Identification No.)

**9244 Balboa Avenue
San Diego, California**
(Address of principal executive offices)

92123
(Zip Code)

Registrant's telephone number, including area code: (858) 503-3300

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- 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(b) 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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Item 1.01. Entry into a Material Definitive Agreement.

On November 5, 2004, Maxwell Technologies, Inc. (the “Company”) entered into a stock purchase agreement (the “Agreement”) with the following entities (collectively, the “Purchasers”):

(1) MassMutual Strategic Balanced Fund, (2) Citi FCP CitiEquity US Value Fund, (3) ING Salomon Brothers All Cap Portfolio, (4) Salomon Brothers Global Horizons US Fundamental Value Fund, (5) GS Series Fundamental Value Fund, (6) TA Idex Salomon All Cap Fund, (7) ING Salomon Brothers Fundamental Value Portfolio, (8) Salomon Brothers All Cap Value Fund, (9) ATSF Salomon All Cap, (10) Salomon Brothers Variable All Cap Value Fund, (11) Smith Barney Fundamental Value Fund, (12) GS Series Salomon Brothers Variable All Cap Value Fund, and (13) State of New Mexico State Investment Council.

Pursuant to the Agreement, the Company agreed to sell to the Purchasers an aggregate of 1,189,189 registered shares (the “Shares”) of the Company’s common stock, at a purchase price of \$9.25 per share. The Agreement provides for the Shares to be sold directly to the Purchasers in a negotiated transaction in which no party will act as an underwriter. The Shares have previously been registered under the Securities Act of 1933, as amended, pursuant to a shelf registration statement on Form S-3 (the “Registration Statement”) filed with the Securities and Exchange Commission (the “Commission”) on September 8, 2004. The Registration Statement was declared effective by the Commission on October 28, 2004. The sale of Shares contemplated by the Agreement closed on November 9, 2004, resulting in gross proceeds to the Company of approximately \$11,000,000 (before deducting offering expenses). A prospectus supplement describing the offering and sale of the Shares was filed with the Commission on November 9, 2004.

On November 9, 2004, the Company issued a press release announcing the closing of the sale of the Shares. A copy of that press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Item 2.02. Results of Operations and Financial Condition.

On November 9, 2004, the Company issued a press release announcing its financial results for the three-month period ended September 30, 2004. A copy of that press release is attached hereto as Exhibit 99.2 and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(a) Not applicable.

(b) Not applicable.

(c) Exhibits. The following exhibits are filed herewith:

<u>Exhibit Number</u>	<u>Document</u>
99.1	Press release issued by Maxwell Technologies, Inc. on November 9, 2004
99.2	Press release issued by Maxwell Technologies, Inc. on November 9, 2004

SIGNATURES

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

MAXWELL TECHNOLOGIES, INC.

Date: November 9, 2004

By: /s/ Tesfaye Hailemichael

Tesfaye Hailemichael
*Vice President, Finance,
Treasurer and Chief Financial Officer*

MAXWELL TECHNOLOGIES, INC.

Exhibit Index to Current Report on Form 8-K

Exhibit Number	Description
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99.1	Press release issued by Maxwell Technologies, Inc. on November 9, 2004
99.2	Press release issued by Maxwell Technologies, Inc. on November 9, 2004

NEWS RELEASE

For Immediate Release
November 9, 2004

Contact: Michael Sund
(858) 503-3233

**MAXWELL TECHNOLOGIES RAISES \$11 MILLION THROUGH
SALE OF COMMON STOCK TO 13 INSTITUTIONAL INVESTORS**

SAN DIEGO, Calif. — Maxwell Technologies, Inc. (Nasdaq: MXWL) announced today that it has raised approximately \$11.0 million through the sale of approximately 1.19 million shares of common stock to 13 institutional investors. Net proceeds of approximately \$10.2 million after deduction of expenses and fees are intended to be used for working capital and general corporate purposes.

"This financing augments the company's cash resources to support current and future growth," said Dr. Richard Balanson, Maxwell's president and chief executive officer. "We are very pleased to have been able to obtain equity financing on these terms with quality, long-term-oriented, investors."

Maxwell sold the shares directly to the investors in a negotiated transaction in which no underwriters were used for placement. The shares had previously been registered under the Securities Act of 1933, as amended, pursuant to a shelf registration statement on Form S-3 filed with the Securities and Exchange Commission (the "Commission") on September 8, 2004. The registration statement was declared effective by the Commission on October 28, 2004. A prospectus supplement describing the offering and sale of the shares was filed with the Commission today, November 9, 2004.

The transaction increases total Maxwell common shares outstanding to approximately 15.65 million.

About Maxwell Technologies, Inc.

Maxwell is a leading developer and manufacturer of innovative, cost-effective energy storage and power delivery solutions. Our BOOSTCAP® ultracapacitor cells and multi-cell modules and POWERCACHE® backup power systems provide safe and reliable power solutions for applications in consumer and industrial electronics, transportation and telecommunications. Our CONDIS® high-voltage grading and coupling capacitors help to ensure the safety and reliability of electric utility infrastructure and other applications involving transport, distribution and measurement of high-voltage electrical energy. Our radiation-mitigated microelectronic products include power modules, memory modules and single board computers that incorporate powerful commercial silicon for superior performance and high reliability in aerospace applications. For more information, please visit our website: www.maxwell.com.

Statements in this press release, other than historical information, may be "forward-looking" in nature within the meaning of the Private Securities Litigation Reform Act of 1995, and are subject to various risks, uncertainties and assumptions. These statements are based on management's current expectations. The risks, uncertainties and assumptions that may affect Maxwell include factors disclosed in the Company's filings with the Securities and Exchange Commission, including the Annual Report on Form 10-K for the fiscal year ended December 31, 2003. The Company undertakes no obligation to update any forward-looking statements in order to reflect events or circumstances that may arise after the date of this press release.

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NEWS RELEASE**For Immediate Release**

November 9, 2004

Contact: Michael Sund
(858) 503-3233**MAXWELL TECHNOLOGIES REPORTS THIRD QUARTER FINANCIAL RESULTS**

***Strategic Industrial and Transportation Applications Set Stage for Ultracapacitor Sales Growth;
Company Nets Approximately \$10.2 Million Through Sale of Common Stock***

CONFERENCE CALL AT 5 P.M. (Eastern) TODAY, NOVEMBER 9, 2004 – DETAILS BELOW

SAN DIEGO, Calif. — Maxwell Technologies, Inc. (Nasdaq: MXWL) today reported a net loss of \$2.4 million, or \$0.17 per share, on revenue of \$6.7 million for its third quarter ended September 30, 2004. That compares with a net loss of \$2.1 million, or \$0.15 per share, on revenue from continuing operations of \$8.3 million for the same period in 2003.

Dr. Richard Balanson, Maxwell's president and chief executive officer, said that the year-to-year revenue decline is attributable to the phase-out of low-margin magnetics-based power system products and lower shipments of ultracapacitors as a result of the company's decision to decline several digital camera orders rather than meeting manufacturers' demands for significant price concessions.

"Although exiting the digital camera market has delayed the ultracapacitor revenue ramp we were expecting by a couple of quarters, sales are growing again," Balanson said. "We are already seeing a strong rebound across all of our product lines in the fourth quarter, and we expect a double-digit quarter-to-quarter revenue increase in Q4."

Balanson noted that third quarter ultracapacitor sales increased 15 percent sequentially to \$1.0 million, compared with \$866,000 in the second quarter, driven by increasing shipments for strategic industrial and transportation applications.

"Ultracapacitors' fundamental value proposition and long-term growth prospects are based on meeting the high power, durability and long life requirements of high-value, high-volume, industrial and transportation applications," Balanson said. "Emerging applications such as automated utility meter reading and wind energy systems and hybrid transit bus drive trains are beginning to ramp now, and we are delivering prototype multi-cell solutions for a number of future automotive applications that could generate very large volumes later in the decade."

Cash and short-term investments totaled \$5.5 million as of September 30, 2004. To augment its cash reserves, the company completed the sale of approximately 1.19 million shares of common stock to several institutional investors for a total of approximately \$11.0 million earlier today, November 9, 2004. After deduction of fees and expenses, net proceeds are expected to be approximately \$10.2 million.

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MAXWELL REPORTS THIRD QUARTER FINANCIAL RESULTS

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Revenue from continuing operations for the nine months ended September 30, 2004, was \$23.7 million, compared with \$24.0 million for the same period in 2003, reflecting the phase-out of magnetics-based power systems products, offset by increased 2004 sales of other High Reliability products. Year-to-date 2004 net loss from continuing operations was \$4.8 million, compared with a net loss of \$9.0 million for the nine months ended September 30, 2003. Year-to-date product gross margins increased 90 percent, from 12 percent for the nine months ended September 30, 2003, to 23 percent for the same period in 2004.

"These significant improvements in operating results reflect the continuing progress the company has made in controlling expenses, improving efficiency and reducing materials costs," Balanson said. "The company's quarterly breakeven revenue threshold is now about \$10 million, compared with approximately \$12 million at the beginning of the year, and \$15 million at the beginning of 2003. While we are still a bit behind where we had hoped to be at this point, advance bookings are establishing positive momentum for the coming year."

Management will conduct a conference call and simultaneous webcast to discuss third quarter financial results and the outlook for the balance of 2004, and answer analysts' questions at 5 p.m. (eastern) today, Tuesday, November 9, 2004. The call may be accessed by dialing toll-free, (800) 795-1259 from the U.S. and Canada, or (785) 832-2422 international callers. The webcast and subsequent replay may be accessed at the company's web site via the following link: <http://www.maxwell.com/investors/presentations.html>.

Maxwell is a leading developer and manufacturer of innovative, cost-effective energy storage and power delivery solutions. Our BOOSTCAP® ultracapacitor cells and multi-cell modules and POWERCACHE® backup power systems provide safe and reliable power solutions for applications in consumer and industrial electronics, transportation and telecommunications. Our CONDIS® high-voltage grading and coupling capacitors help to ensure the safety and reliability of electric utility infrastructure and other applications involving transport, distribution and measurement of high-voltage electrical energy. Our radiation-mitigated microelectronic products include power modules, memory modules and single board computers that incorporate powerful commercial silicon for superior performance and high reliability in aerospace applications. For more information, please visit our website: www.maxwell.com.

This news release contains forward-looking statements that are subject to risks and uncertainties. These include development and acceptance of products based on new technologies, demand for original equipment manufacturers' products reaching anticipated levels, general economic conditions in the markets served by the company's products, cost-effective manufacturing of new products, the impact of competitive products and pricing and risks and uncertainties involved in foreign operations. These and other risks are detailed from time-to-time in the Company's SEC reports, including the report on Form 10-K for the fiscal year ended December 31, 2003. Actual results may differ materially from those projected. These forward-looking statements represent the Company's judgment as of the date of this news release. The Company disclaims any intent or obligation to update these forward-looking statements.

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MAXWELL TECHNOLOGIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)

	September 30, 2004	December 31, 2003		
	(unaudited)			
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,690	\$ 9,784		
Short-term investments	1,785	2,455		
Trade and other accounts receivable, net	5,768	5,936		
Inventories	8,865	7,309		
Prepaid expenses and other current assets	578	1,143		
 Total current assets	20,686	26,627		
Property, plant and equipment, net	10,467	10,769		
Other intangible assets, net	1,833	2,002		
Goodwill	19,245	19,478		
Prepaid pension asset	4,031	3,962		
Other non-current assets	321	175		
 \$ 56,583	\$ 63,013			
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 5,140	\$ 7,650		
Accrued warranty	1,264	1,262		
Customer deposits	292	599		
Accrued employee compensation	1,433	1,653		
Short-term borrowings and current portion of long-term debt	1,770	1,851		
Deferred tax liability - current portion	265	339		
Net liabilities of discontinued operations	1,050	1,494		
 Total current liabilities	11,214	14,848		
Deferred tax liability - long-term portion	473	473		
Long-term debt, excluding current portion	730	—		
Commitments and contingencies				
Stockholders' equity:				
Common stock, \$0.10 par value per share, 40,000 shares authorized; 14,463 and 14,339 shares issued and outstanding at September 30, 2004 and December 31, 2003, respectively	1,446	1,434		
Additional paid-in capital	114,116	113,221		
Accumulated deficit	(74,304)	(70,310)		
Accumulated other comprehensive income	2,908	3,347		
 Total stockholders' equity	44,166	47,692		
 \$ 56,583	\$ 63,013			

MAXWELL TECHNOLOGIES, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Net revenues:				
Products	\$ 6,716	\$ 8,297	\$22,725	\$24,045
License fees	—	—	1,000	—
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Total net revenues	6,716	8,297	23,725	24,045
Cost of sales	5,198	7,171	17,388	21,231
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Gross profit	1,518	1,126	6,337	2,814
Operating expenses (income):				
Selling, general and administrative	2,484	2,142	7,045	8,145
Research and development	1,491	1,575	4,101	4,409
Amortization of other intangibles	19	19	57	57
Loss on disposal of property and equipment	123	—	42	—
Gain on sale of business	—	(263)	—	(726)
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Total operating expenses	4,117	3,473	11,245	11,885
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Loss from operations	(2,599)	(2,347)	(4,908)	(9,071)
Interest (expense) income, net	(11)	4	51	32
Other income, net	93	4	37	25
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Loss from continuing operations before income taxes	(2,517)	(2,339)	(4,820)	(9,014)
Income tax benefit	(137)	(111)	(73)	(92)
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Loss from continuing operations	(2,380)	(2,228)	(4,747)	(8,922)
Discontinued operations:				
Income (loss) from discontinued operations, net of tax	(34)	155	753	(951)
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Net loss	\$ (2,414)	\$ (2,073)	\$ (3,994)	\$ (9,873)
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Net loss per common share - basic and diluted:				
Loss from continuing operations	\$ (0.17)	\$ (0.16)	\$ (0.33)	\$ (0.65)
Income (loss) from discontinued operations, net of tax	—	0.01	0.05	(0.06)
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Net loss per common share	\$ (0.17)	\$ (0.15)	\$ (0.28)	\$ (0.71)
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Shares used in computing net loss per common share - basic and diluted	14,461	13,949	14,431	13,804
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MAXWELL TECHNOLOGIES, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Nine Months Ended September 30,	
	2004	2003
Cash flows from operating activities:		
Loss from continuing operations	\$(4,747)	\$(8,922)
Adjustments to reconcile loss from continuing operations to net cash used in operating activities:		
Depreciation and amortization	2,503	2,701
Loss on disposal of property and equipment	42	—
Gain on sales of businesses	—	(263)
Provision for losses on accounts receivable	223	—
Other non-cash items	—	(128)
Changes in assets and liabilities:		
Trade and other accounts receivable	(56)	637
Inventories	(1,561)	2,493
Prepaid expenses and other assets	350	(901)
Deferred income taxes	(74)	226
Accounts payable and accrued liabilities	(2,501)	(3,396)
Customer deposits	(307)	2,821
Accrued employee compensation	(220)	489
Net cash used in operating activities	(6,348)	(4,243)
Cash flows from investing activities:		
Proceeds from sale of businesses	—	726
Acquisition of property, plant and equipment	(2,143)	(1,589)
Proceeds from sale of property and equipment	17	—
Proceeds from sale of short-term investments	1,551	8,100
Purchases of short-term investments	(881)	(3,332)
Net cash (used in) provided by investing activities	(1,456)	3,905
Cash flows from financing activities:		
Principal payments on long-term debt and short-term borrowings	(1,241)	(1,022)
Proceeds from long-term and short-term borrowings	1,921	1,469
Proceeds from exercise of stock options	907	363
Net cash provided by financing activities	1,587	810
Increase (decrease) in cash and cash equivalents from continuing operations	(6,217)	472
Net cash provided by (used in) discontinued operations	309	(1,116)
Effect of exchange rate changes on cash and cash equivalents	(186)	185
Decrease in cash and cash equivalents	(6,094)	(459)
Cash and cash equivalents at beginning of period	9,784	3,545
Cash and cash equivalents at end of period	\$ 3,690	\$ 3,086
Supplemental disclosures of cash flow information:		
Cash paid for interest	\$ 34	\$ 149
Cash paid for income taxes	\$ 309	\$ —