

GSI TECHNOLOGY INC
Form 10-Q
February 12, 2010
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**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 OF 1934

For the quarterly period ended December 31, 2009

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 000-33387

GSI Technology, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

77-0398779

(IRS Employer Identification No.)

**2360 Owen Street
Santa Clara, California 95054**

(Address of principal executive offices, zip code)

(408) 980-8388

(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 No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes 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 the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of the registrant's common stock outstanding as of January 31, 2010: 27,429,109.

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements****GSI TECHNOLOGY, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS****(Unaudited)**

	December 31, 2009	March 31, 2009
	(In thousands, except share and per share amounts)	
ASSETS		
Cash and cash equivalents	\$ 15,185	\$ 12,597
Short-term investments	25,590	34,740
Accounts receivable, net	9,448	5,622
Inventories	15,795	10,995
Prepaid expenses and other current assets	3,754	2,442
Deferred income taxes	1,022	975
Total current assets	70,794	67,371
Property and equipment, net	12,170	5,126
Long-term investments	21,222	19,428
Other assets	2,044	748
Total assets	\$ 106,230	\$ 92,673
LIABILITIES AND STOCKHOLDERS EQUITY		
Accounts payable	\$ 5,819	\$ 2,908
Accrued expenses and other liabilities	3,264	1,973
Deferred revenue	3,227	2,736
Total current liabilities	12,310	7,617
Income taxes payable	487	351
Total liabilities	12,797	7,968
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Preferred stock: \$0.001 par value authorized: 5,000,000 shares; issued and outstanding: none		
Common stock: \$0.001 par value authorized: 150,000,000 shares; issued and outstanding: 27,217,233 and 26,719,537 shares, respectively	27	27
Additional paid-in capital	48,369	46,202
Accumulated other comprehensive income	213	230
Retained earnings	44,824	38,246
Total stockholders' equity	93,433	84,705
Total liabilities and stockholders' equity	\$ 106,230	\$ 92,673

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The accompanying notes are an integral part of these condensed consolidated financial statements.

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	Three Months Ended December 31,		Nine Months Ended December 31,	
	2009	2008	2009	2008
	(In thousands, except per share amounts)			
Net revenues	\$ 17,430	\$ 14,030	\$ 46,314	\$ 48,468
Cost of revenues	9,936	8,034	26,268	26,963
Gross profit	7,494	5,996	20,046	21,505
Operating expenses:				
Research and development	2,335	1,682	6,658	4,283
Selling, general and administrative	2,814	2,191	7,147	7,016
Total operating expenses	5,149	3,873	13,805	11,299
Income from operations	2,345	2,123	6,241	10,206
Interest income, net	189	378	715	1,128
Other income (expense), net	9	12	1,117	(64)
Income before income taxes	2,543	2,513	8,073	11,270
Provision for income taxes	532	1,026	1,495	3,185
Net income	\$ 2,011	\$ 1,487	\$ 6,578	\$ 8,085
Basic and diluted net income per share available to common stockholders:				