

QUICKLOGIC CORPORATION  
Form 10-Q  
November 08, 2007

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

---

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the Quarterly Period Ended September 30, 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: 000-22671

---

## QUICKLOGIC CORPORATION

(Exact name of registrant as specified in its charter)

**DELAWARE**  
(State or other jurisdiction of  
incorporation or organization)

**77-0188504**  
(I.R.S. Employer Identification No.)

**1277 ORLEANS DRIVE, SUNNYVALE, CA 94089**

(Address of principal executive offices, including Zip Code)

**(408) 990-4000**

(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 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.

Edgar Filing: QUICKLOGIC CORPORATION - Form 10-Q

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 Securities Exchange Act of 1934). Yes  No

As of November 1, 2007, 29,151,979 shares of the registrant's common stock were outstanding.

---

## QUICKLOGIC CORPORATION

## FORM 10-Q

September 30, 2007

	Page
<b><u>Part I. Financial Information</u></b>	3
<b><u>Item 1. Financial Statements</u></b>	3
Condensed Unaudited Consolidated Statements of Operations for the three and nine months ended September 30, 2007 and October 1, 2006	3
Condensed Unaudited Consolidated Balance Sheets as of September 30, 2007 and December 31, 2006	4
Condensed Unaudited Consolidated Statements of Cash Flows for the nine months ended September 30, 2007 and October 1, 2006	5
Condensed Unaudited Consolidated Statements of Comprehensive Loss for the three and nine months ended September 30, 2007 and October 1, 2006	6
Notes to Condensed Unaudited Consolidated Financial Statements	7
<b><u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u></b>	22
<b><u>Item 3. Quantitative and Qualitative Disclosures about Market Risk</u></b>	33
<b><u>Item 4. Controls and Procedures</u></b>	34
<b><u>Part II. Other Information</u></b>	35
<b><u>Item 1. Legal Proceedings</u></b>	35
<b><u>Item 1A. Risk Factors</u></b>	36
<b><u>Item 6. Exhibits</u></b>	49
Signatures	50

## PART I. Financial Information

## Item 1. Financial Statements

## QUICKLOGIC CORPORATION

## CONDENSED UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30, 2007	October 1, 2006	September 30, 2007	October 1, 2006
Revenue	\$ 9,025	\$ 8,598	\$ 23,672	\$ 27,180
Cost of revenue	4,314	5,371	13,690	13,352
Gross profit	4,711	3,227	9,982	13,828
Operating expenses:				
Research and development	2,342	2,429	6,968	7,186
Selling, general and administrative	3,953	3,994	12,933	13,205
Loss from operations	(1,584)	(3,196)	(9,919)	(6,563)
Interest expense	(69)	(65)	(226)	(235)
Interest income and other, net	189	333	752	966
Loss before income taxes	(1,464)	(2,928)	(9,393)	(5,832)
Provision for income taxes	29	23	71	46
Net loss	\$ (1,493)	\$ (2,951)	\$ (9,464)	\$ (5,878)
Net loss per share:				
Basic	\$ (0.05)	\$ (0.10)	\$ (0.33)	\$ (0.21)
Diluted	\$ (0.05)	\$ (0.10)	\$ (0.33)	\$ (0.21)
Weighted average shares:				
Basic	29,116	28,678	28,966	28,420
Diluted	29,116	28,678	28,966	28,420

See accompanying Notes to Condensed Unaudited Consolidated Financial Statements.

## QUICKLOGIC CORPORATION

## CONDENSED UNAUDITED CONSOLIDATED BALANCE SHEETS

(In thousands, except par value amount)

	September 30, 2007		December 31, 2006	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$	20,846	\$	24,621
Short-term investment in Tower Semiconductor Ltd.		1,601		1,530
Accounts receivable, net of allowances for doubtful accounts of \$274 and \$861, respectively		2,583		2,839
Inventory		4,838		9,064
Other current assets		1,395		1,894
<b>Total current assets</b>		<b>31,263</b>		<b>39,948</b>
Property and equipment, net				