

GSI TECHNOLOGY INC  
Form 10-Q  
February 11, 2008

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

Washington, D.C. 20549

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**FORM 10-Q**

**x** **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2007 or

**o** **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 001-33387

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**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)

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(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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the 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

The number of shares of the registrant's common stock outstanding as of January 31, 2008: 27,697,315.

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GSI TECHNOLOGY, INC.

FORM 10-Q FOR THE QUARTERLY PERIOD ENDED DECEMBER 31, 2007

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

	December 31, 2007	March 31, 2007
	(In thousands, except share and per share amounts)	
<b>ASSETS</b>		
Cash and cash equivalents	\$ 8,568	\$ 4,275
Restricted cash		1,000
Short-term investments	42,124	4,000
Accounts receivable, net	7,951	6,397
Inventories	16,768	24,209
Prepaid expenses and other current assets	1,728	3,205
Deferred income taxes	1,173	1,084
Total current assets	78,312	44,170
Property and equipment, net	4,816	4,745
Other assets	1,089	995
Total assets	\$ 84,217	\$ 49,910
<b>LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS EQUITY</b>		
Accounts payable	\$ 3,868	\$ 4,864
Accrued expenses and other liabilities	1,349	2,603
Deferred revenue	4,714	3,704
Total current liabilities	9,931	11,171
Income taxes payable	334	
Total liabilities	10,265	11,171
Commitments and contingencies (Notes 7 and 13)		
Redeemable convertible preferred stock: \$0.001 par value		
Authorized: 15,120,168 shares		
Issued and outstanding: 0 and 15,120,168 shares, respectively		
Liquidation preference: \$0 and \$9,007, respectively		9,007
Stockholders' equity:		
Preferred stock: \$0.001 par value		
Authorized: 5,000,000 shares		
Issued and outstanding: none		
Common stock: \$0.001 par value	28	6
Authorized: 150,000,000 shares		

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Issued and outstanding: 27,685,815 and 6,343,411 shares, respectively

Additional paid-in capital	47,750	7,542
Accumulated other comprehensive income	29	
Retained earnings	26,145	22,184
Total stockholders' equity	73,952	29,732
Total liabilities, redeemable convertible preferred stock and stockholders' equity	\$ 84,217	\$ 49,910

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

## GSI TECHNOLOGY, INC.

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2007	2006	2007	2006
	(In thousands, except per share amounts)			
Net revenues	\$ 13,978	\$ 15,251	\$ 37,955	\$ 44,180
Cost of revenues	8,433	9,771	23,403	27,213
Gross profit	5,545	5,480	14,552	16,967
Operating expenses:				
Research and development	1,051	1,312	3,270	3,756
Selling, general and administrative	2,475	1,740	6,783	4,440
Total operating expenses	3,526	3,052	10,053	8,196
Income from operations	2,019	2,428	4,499	8,771
Interest income, net	451	218	1,288	614
Other income (expense), net	45	(64)	146	(73)