

NETLOGIC MICROSYSTEMS INC  
Form 10-Q  
May 02, 2011

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 March 31, 2011

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: 000-50838

NETLOGIC MICROSYSTEMS, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

77-0455244  
(I.R.S. Employer  
Identification No.)

3975 Freedom Circle  
Santa Clara, CA 95054  
(408) 454-3000

(Address and telephone number of principal executive offices)

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 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 (§232.405 of this chapter) 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, or a non-accelerated filer. Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at March 31, 2011
Common Stock, \$0.01 par value per share	68,309,833 shares

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## PART I: FINANCIAL INFORMATION

## Item 1. Financial Statements

NETLOGIC MICROSYSTEMS, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(IN THOUSANDS)  
(UNAUDITED)

	March 31, 2011	December 31, 2010
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 143,555	\$ 100,523
Short-term investments	133,860	155,644
Accounts receivable, net	40,033	19,829
Inventories	32,992	36,290
Deferred income taxes	8,401	8,428
Prepaid expenses and other current assets	9,534	11,458
Total current assets	368,375	332,172
Property and equipment, net	22,282	20,507
Goodwill	112,136	112,700
Intangible asset, net	169,270	180,838
Other assets	69,217	66,372
Total assets	\$ 741,280	\$ 712,589
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 18,411	\$ 17,257
Accrued liabilities	25,062	27,848
Deferred margin	6,219	4,242
Software licenses and other obligations, current	3,384	4,514
Total current liabilities	53,076	53,861
Software licenses and other obligations, long-term	730	2,033
Other liabilities	39,541	37,782
Total liabilities	93,347	93,676
Stockholders' equity		
Common stock	684	675
Additional paid-in capital	830,748	807,780
Accumulated other comprehensive income (loss)	11	(28 )
Accumulated deficit	(183,510 )	(189,514 )
Total stockholders' equity	647,933	618,913
Total liabilities and stockholders' equity	\$ 741,280	\$ 712,589

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



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NETLOGIC MICROSYSTEMS, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(IN THOUSANDS, EXCEPT FOR PER SHARE AMOUNTS)  
(UNAUDITED)

	Three Months Ended March 31,	
	2011	2010
Revenue	\$ 98,669	\$ 86,251
Cost of revenue	38,242	51,331
Gross profit	60,427	34,920
Operating expenses:		
Research and development	32,825	28,055
Selling, general and administrative	20,414	19,724
Change in contingent earn-out liability	-	45,247
Acquisition-related costs	487	735
Total operating expenses	53,726	93,761
Income (loss) from operations	6,701	(58,841 )
Interest and other income (expense), net	311	(57 )
Income (loss) before income taxes	7,012	(58,898 )
Provision for (benefit from) income taxes	1,008	(1,561 )
Net income (loss)	\$ 6,004	\$ (57,337 )
Net income (loss) per share-basic	\$ 0.09	\$ (0.99 )
Net income (loss) per share-diluted	\$ 0.08	\$ (0.99 )
Shares used in calculation-basic	68,002	