

DSP GROUP INC /DE/  
Form 8-K  
January 31, 2011

**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): January 31, 2011

**DSP GROUP, INC.**

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction

of Incorporation)

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**0-23006**  
(Commission  
File Number)

**94-2683643**  
(I.R.S. Employer  
Identification No.)

**2580 North First Street, Suite 460**

**San Jose, CA**  
(Address of Principal Executive Offices)

**408/986-4300**

**95131**  
(Zip Code)

(Registrant's Telephone Number, Including Area Code)

**With a copy to:**

**Bruce Alan Mann, Esq.**

**Morrison & Foerster LLP**

**425 Market Street**

**San Francisco, CA 94105**

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 (*see* General Instruction A.2. below):

- ..  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))

**ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

On January 31, 2011, DSP Group, Inc. (the Company) announced its financial results for the quarter and year ended December 31, 2010. A copy of the press release, dated January 31, 2011, is attached and filed herewith as Exhibit 99.1. This information, including Exhibit 99.1 attached hereto, shall not be deemed filed for purposes of Section 18 of the Securities Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference to such filing.

In addition to the disclosure of financial results for the quarter and year ended December 31, 2010 in accordance with generally accepted accounting principles in the United States (GAAP), the press release also included non-GAAP net income, non-GAAP net loss, diluted earnings per share (EPS) and loss per share for the quarter and year ended December 31, 2010 and 2009 that excluded (a) for the quarter ended December 31, 2010, the impact of amortization of acquired intangible assets of \$2,495,000 associated with the acquisition of the Cordless and VoIP Terminals business of NXP B.V. (the Acquisition) and equity-based compensation expenses of \$2,211,000 and restructuring expenses of \$69,000 associated with the reorganization of the Company's operations (the Reorganization); (b) for the quarter ended December 31, 2009, the impact of amortization of acquired intangible assets of \$3,081,000 associated with the Acquisition and equity-based compensation expenses of \$2,617,000; (c) for the year ended December 31, 2010, the impact of amortization of acquired intangible assets of \$9,975,000 associated with the Acquisition; equity-based compensation expenses of \$9,553,000, restructuring expenses of \$463,000 associated with the Reorganization, a tax benefit of \$571,000 resulting from the reversal of an income tax contingency reserve that was determined to be no longer needed due to the expiration of applicable statutes of limitation, and income of \$2,500,000 resulting from the reversal of a reserve that was determined to be no longer needed due to the expiration of applicable statutes of limitation included in the cost of goods sold; and (d) for the year ended December 31, 2009, the impact of amortization of acquired intangible assets of \$12,258,000 associated with the Acquisition; equity-based compensation expenses of \$11,100,000, gains from realization of previously impaired available-for-sale securities of \$531,000, a tax benefit of \$3,488,000 resulting from a settlement agreement with the tax authorities and a tax benefit of \$7,645,000 resulting from the reversal of certain income tax contingency reserves that were determined to be no longer needed due to the expiration of applicable statutes of limitation.

The Company believes that the non-GAAP presentation in the press release is useful to investors in analyzing the results for the quarter and year ended December 31, 2010 because the exclusion of such expense may provide a more meaningful analysis of the Company's core operating results. Further, the Company believes it is useful for investors to understand how the expenses associated with the application of SFAS 123(R) are reflected on its statements of income. The non-GAAP financial measures are used in addition to and in conjunction with results presented in accordance with GAAP, and are intended to provide additional insight into the Company's operations that, when viewed with its GAAP results and the accompanying reconciliations to corresponding GAAP financial measures, offer a more complete understanding of factors and trends affecting the Company's business. The non-GAAP presentation should not be viewed as a substitute for the Company's reported GAAP results.

**ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.**

d. Exhibits

Exhibit No.	Description
99.1	Press Release of DSP Group, Inc., dated January 31, 2011.

**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.

DSP GROUP, INC.

Date: January 31, 2011

By: /s/ Dror Levy  
Dror Levy  
Chief Financial Officer

and Secretary