

NETLOGIC MICROSYSTEMS INC
Form 10-Q
October 27, 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 September 30, 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

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

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 September 30, 2011

Common Stock, \$0.01 par value per share

69,524,465 shares

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PART I: FINANCIAL INFORMATION

Item 1. Financial Statements

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

	September 30, 2011	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$125,751	\$100,523
Short-term investments	116,621	155,644
Accounts receivable, net	38,916	19,829
Inventories	38,326	36,290
Deferred income taxes	7,493	8,428
Prepaid expenses and other current assets	12,536	11,458
Total current assets	339,643	332,172
Property and equipment, net	31,235	20,507
Goodwill	167,152	112,700
Intangible assets, net	204,029	180,838
Other assets	78,521	66,372
Total assets	\$820,580	\$712,589
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$16,470	\$17,257
Accrued liabilities	29,275	27,848
Contingent earn-out liability, current	71,024	-
Deferred margin	2,932	4,242
Software licenses and other obligations, current	4,722	4,514
Total current liabilities	124,423	53,861
Contingent earn-out liability, long-term	3,867	-
Software licenses and other obligations, long-term	3,394	2,033
Other liabilities	41,520	37,782
Total liabilities	173,204	93,676
Stockholders' equity		
Common stock	696	675
Additional paid-in capital	860,623	807,780
Accumulated other comprehensive loss	(2,461)	(28)
Accumulated deficit	(211,482)	(189,514)
Total stockholders' equity	647,376	618,913
Total liabilities and stockholders' equity	\$820,580	\$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		Nine Months Ended	
	September 30,		September 30,	
	2011	2010	2011	2010
Revenue	\$ 106,808	\$ 100,052	\$ 309,166	\$ 281,317
Cost of revenue	39,690	40,523	121,153	134,866
Gross profit	67,118	59,529	188,013	146,451
Operating expenses:				
Research and development	39,848	32,372	113,462	92,462
Selling, general and administrative	22,000	19,763	63,725	59,619
Change in contingent earn-out liability	(5,295)	741	31,416	51,152
Acquisition-related costs	5,591	-	7,524	735
Total operating expenses	62,144			