

GIGA TRONICS INC  
Form 10-Q  
February 10, 2012

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended December 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 No. 0-12719

GIGA-TRONICS INCORPORATED  
(Exact name of registrant as specified in its charter)

California  
(State or other jurisdiction of incorporation or  
organization)

94-2656341  
(I.R.S. Employer Identification No.)

4650 Norris Canyon Road, San Ramon, CA  
(Address of principal executive offices)

94583  
(Zip Code)

Registrant's telephone number, including area code: (925) 328-4650

N/A

(Former name, former address and former fiscal year, if changed since last report)

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, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2).

Yes  No

There were a total of 5,023,782 shares of the Registrant's Common Stock outstanding as of February 10, 2012.

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## Part I - FINANCIAL INFORMATION

## ITEM 1 - FINANCIAL STATEMENTS

## CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(In thousands except share data)	December 31, 2011	March 26, 2011
Assets		
Current assets:		
Cash and cash-equivalents	\$3,476	\$1,408
Trade accounts receivable, net of allowance of \$124 and \$248, respectively	1,485	5,632
Inventories, net	4,789	5,386
Prepaid expenses and other current assets	219	420
Deferred income taxes	-	2,320
Total current assets	9,969	15,166
Property and equipment, net	628	530
Deferred income taxes - long term	-	10,936
Other assets	16	16
Total assets	\$10,613	\$26,648
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	\$530	\$972
Accrued commission	79	139
Accrued payroll and benefits	382	455
Accrued warranty	167	200
Income taxes payable	-	30
Deferred revenue	8	586
Deferred rent	53	36
Capital lease obligations	35	93
Other current liabilities	324	193
Total current liabilities	1,578	2,704
Long term obligations - deferred rent	451	413
Long term obligations - capital lease	18	10
Total liabilities	2,047	3,127
Commitments and contingencies		
Shareholders' equity:		
Preferred stock of no par value; Authorized - 1,000,000 shares;		
Series A - designated 250,000 shares; 0 shares at December 31, 2011 and March 26, 2011 issued and outstanding	-	-
Series B - designated 10,000 convertible shares; 9,997 shares at December 31, 2011 and 0 shares at March 26, 2011, issued and outstanding (liquidation preference of \$2,309 at December 31, 2011)	1,997	-
Common stock of no par value;		
Authorized - 40,000,000 shares; 5,023,782 shares at December 31, 2011 and 4,994,157 shares at March 26, 2011 issued and outstanding	14,741	14,485
Accumulated (deficit) earnings	(8,172)	9,036
Total shareholders' equity	8,566	23,521
Total liabilities and shareholders' equity	\$10,613	\$26,648

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended		Nine Months Ended	
	December 31, 2011	December 25, 2010	December 31, 2011	December 25, 2010
(In thousands except per share data)				
Net sales	\$ 2,799	\$ 4,640	\$ 10,382	\$ 14,090
Cost of sales	3,269	2,574	7,877	8,181
Gross margin	(470 )	2,066	2,505	5,909
Engineering	745	559	2,060	1,608
Selling, general and administrative	1,397			