

LIQUIDMETAL TECHNOLOGIES INC

Form 10-Q

November 19, 2008

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

WASHINGTON, D.C. 20549

**FORM 10-Q**

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

**For the quarterly period ended September 30, 2008**

**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 No. 001-31332**

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**LIQUIDMETAL TECHNOLOGIES, INC.**

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(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**33-0264467**  
(I.R.S. Employer  
Identification No.)

**30452 Esperanza**

**Rancho Santa Margarita, CA 92688**

(address of principal executive office, zip code)

Registrant's telephone number, including area code: **(949) 635-2100**

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

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

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As of October 31, 2008, there were 44,726,295 shares of the registrant's common stock, \$0.001 par value, outstanding.

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**LIQUIDMETAL TECHNOLOGIES, INC.  
FORM 10-Q  
FOR THE QUARTER ENDED SEPTEMBER 30, 2008**

**FORWARD-LOOKING INFORMATION**

Statements in this report concerning the future sales, expenses, profitability, financial resources, product mix, market demand, product development and other statements in this report concerning the future results of operations, financial condition and business of Liquidmetal Technologies, Inc. are forward-looking statements as defined in the Securities Act of 1933 and Securities Exchange Act of 1934. Investors are cautioned that the Company's actual results in the future may differ materially from those projected in the forward-looking statements due to risks and uncertainties that exist in the Company's operations and business environment, including competition, need for increased acceptance of products, ability to continue to develop and extend our brand identity, ability to anticipate and adapt to a competitive market, ability to effectively manage rapidly expanding operations, amount and timing of operating costs and capital expenditures relating to expansion of our business, operations and infrastructure, ability to provide superior customer service, dependence upon key personnel and the like. The Company's most recent filings with the Securities and Exchange Commission, including Form 10-K, contain additional information concerning many of these risk factors, and copies of these filings are available from the Company upon request and without charge.

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**PART I**

**FINANCIAL INFORMATION**

## Item 1 Financial Statements

## LIQUIDMETAL TECHNOLOGIES, INC. AND SUBSIDIARIES

## CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

	September 30, 2008 (unaudited)	December 31, 2007
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 59	\$ 1,180
Trade accounts receivables, net of allowance for doubtful accounts of \$102 and \$89	4,082	5,165
Inventories	1,274	2,298
Prepaid expenses and other current assets	1,058	708
Total current assets	6,473	9,351
Property, plant and equipment, net	7,657	9,730
Idle equipment	141	178
Other intangibles, net	1,085	1,142
Investment in joint venture	306	306
Other assets	742	1,806
Total assets	16,404	22,513
<b>LIABILITIES AND SHAREHOLDERS DEFICIENCY</b>		
Current liabilities:		
Accounts payable and accrued expenses	8,733	8,056
Deferred revenue	214	316
Short-term debt	1,563	2,182
Long-term debt, current portion, net of debt discounts of \$8,175 and \$838	12,713	6,092
Warrant liabilities	198	2,583
Conversion feature liabilities	29	2,083
Other liabilities, current portion	54	398
Total current liabilities	23,504	21,710
Long-term debt, net of current portion and debt discounts of \$0 and \$9,634	8,636	14,588
Other long-term liabilities, net of current portion	183	411
Total liabilities	32,323	36,709
Minority interests	571	384
Shareholders' deficiency:		
Common stock, \$0.001 par value; 100,000,000 shares authorized and 44,726,295 issued and outstanding at September 30, 2008 and December 31, 2007	45	45
Additional paid-in capital	140,049	137,293
Accumulated deficit	(157,834)	(154,710)
Accumulated other comprehensive income	1,250	2,792
Total shareholders' deficiency	(16,490)	(14,580)
Total liabilities and shareholders' deficiency	\$ 16,404	\$ 22,513

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

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**LIQUIDMETAL TECHNOLOGIES, INC. AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**

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(in thousands, except per share data)

(unaudited)

For the Three Months Ended  
September 30,  
2008                      2007

For the Nine Months Ended  
September 30,  
2008                      2007