

LIQUIDMETAL TECHNOLOGIES INC
Form 10-Q
May 16, 2011

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 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 No. 001-31332

LIQUIDMETAL TECHNOLOGIES, INC.
(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

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

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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.

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

The number of common shares outstanding as of April 30, 2011 was 112,961,436.

LIQUIDMETAL TECHNOLOGIES, INC.
FORM 10-Q
FOR THE QUARTER ENDED March 31, 2011

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 the 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, the need for continued technology development and advances, the need for increased acceptance of products and alloys, our ability to continue to develop and extend our brand identity, our ability to anticipate and adapt to a competitive market, our ability to effectively manage rapidly expanding operations, the amount and timing of operating costs and capital expenditures relating to expansion of our business, our operations and infrastructure, our ability to provide superior customer service, our dependence upon key personnel and the like. The Company's most recent filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K/A for the year ended December 31, 2010, 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)

	March 31, 2011 (unaudited)	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$3,359	\$ 5,049
Trade accounts receivables, net of allowance for doubtful accounts of \$16 and \$1	2,770	1,731
Inventories	1,054	1,016
Prepaid expenses and other current assets	368	1,264
Total current assets	7,551	9,060
Property, plant and equipment, net	1,498	796
Long-lived assets to be disposed of other than by sale (Note 12)	3,814	3,758
Other intangibles, net	1,086	1,121
Other assets	281	310
Total assets	\$14,230	\$ 15,045
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities:		
Accounts payable and accrued expenses	\$9,336	\$ 9,627
Deferred revenue	268	8
Short-term debt of majority-owned subsidiary	1,067	480
Long-term debt of majority-owned subsidiary, current portion	533	558
Warrant liabilities	20,635	12,819
Other liabilities, current portion (Note 12)	3,141	3,106
Total current liabilities	34,980	26,598
Long-term debt of majority-owned subsidiary, net of current portion	7,314	7,404
Other long-term liabilities, net of current portion	621	681
Total liabilities	42,915	34,683
Shareholders' deficiency:		
Liquidmetal Technologies, Inc. shareholders' deficiency	2	2
Preferred stock, \$0.001 par value; 10,000,000 shares authorized; 2,171,760 shares issued and outstanding as of both March 31, 2011 and December 31, 2010		
Common stock, \$0.001 par value; 300,000,000 shares authorized; 93,695,375 shares issued and outstanding as of both March 31, 2011 and December 31, 2010	88	88
Additional paid-in capital	146,836	146,870
Accumulated deficit	(177,682)	(168,679)

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Accumulated other comprehensive income	1,539	1,494
Total Liquidmetal Technologies, Inc. shareholders' deficiency	(29,217)	(20,225)
Noncontrolling interest	532	587
Total shareholders' deficiency	(28,685)	(19,638)
Total liabilities and shareholders' deficiency	\$14,230	\$ 15,045

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)
(in thousands, except per share data)
(unaudited)

For the Three Months
Ended
March 31,
2011 2010

Revenue	\$2,860	\$2,703
Cost of sales	1,705	1,772
Gross profit	1,155	931