

DATA I/O CORP
Form 10-Q
August 10, 2012

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 **June 30, 2012**

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: **0-10394**

DATA I/O CORPORATION

(Exact name of registrant as specified in its charter)

Washington
(State or other jurisdiction of incorporation or
organization)

91-0864123
(I.R.S. Employer Identification No.)

6464 185th Ave NE, Suite 101, Redmond, Washington, 98052

(Address of principal executive offices, including zip code)

(425) 881-6444

(Registrant's telephone number, including area code)

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

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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.

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

Shares of Common Stock, no par value, outstanding as of July 30, 2012:

7,738,114

DATA I/O CORPORATION
FORM 10-Q
For the Quarter Ended June 30, 2012

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PART I - FINANCIAL INFORMATION**Item 1. Financial Statements**

DATA I/O CORPORATION
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	(unaudited) June 30, 2012	December 31, 2011
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$11,031	\$18,120
Trade accounts receivable, net of allowance for doubtful accounts of \$89 and \$115	3,639	4,351
Inventories	4,635	3,964
Other current assets	397	543
TOTAL CURRENT ASSETS	19,702	26,978
Property, plant and equipment – net	1,255	1,489
Intangible software technology – net	2,572	2,793
Other assets	84	85
TOTAL ASSETS	\$23,613	\$31,345
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$946	\$1,122
Accrued compensation	1,317	1,255
Deferred revenue	1,413	1,464
Other accrued liabilities	698	710
Income taxes payable	63	72
TOTAL CURRENT LIABILITIES	4,437	4,623
Long-term other payables	242	253
COMMITMENTS		
STOCKHOLDERS' EQUITY		
Preferred stock - Authorized, 5,000,000 shares, including 200,000 shares of Series A Junior Participating		

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Issued and outstanding, none	-	-
Common stock, at stated value -		
Authorized, 30,000,000 shares		
Issued and outstanding, 7,738,114 shares as of June 30		
2012 and 9,207,730 shares as of December 31, 2011	17,674	23,414
Accumulated earnings	228	1,963
Accumulated other comprehensive income	1,032	1,092
TOTAL STOCKHOLDERS' EQUITY	18,934	26,469
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$23,613	\$31,345

See notes to consolidated financial statements

DATA I/O CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(UNAUDITED)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Net Sales	\$5,360	\$6,849	\$9,039	\$13,892
Cost of goods sold	2,419	2,841	4,157	5,720
Gross margin	2,941	4,008	4,882	8,172
Operating expenses:				
Research and development	1,427	1,276	2,819	2,627
Selling, general and administrative	1,996	2,215	4,245	4,388
Total operating expenses	3,423	3,491	7,064	7,015
Operating income(loss)	(482)	517	(2,182)	1,157
Non-operating income (expense):		&		