

LIQUIDMETAL TECHNOLOGIES INC
Form 10-Q
November 04, 2010

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 September 30, 2010

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 November 4, 2010 was 84,849,172.

LIQUIDMETAL TECHNOLOGIES, INC.
FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

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 increased acceptance of products, our ability to continue to develop and extend our brand identity, our ability to anticipate and adapt to a competitive market, 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 for the year ended December 31, 2009, 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, 2010 (unaudited)	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,157	\$ 151
Trade accounts receivables, net of allowance for doubtful accounts of \$0 and \$1,314	1,142	1,180
Inventories	948	982
Prepaid expenses and other current assets	731	594
Total current assets	5,978	2,907
Property, plant and equipment, net	5,168	5,668
Other intangibles, net	1,156	1,232
Other assets	390	633
Total assets	12,692	10,440
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current liabilities:		
Accounts payable and accrued expenses	6,452	9,111
Deferred revenue	39	31
Short-term debt	415	896
Long-term debt, current portion	-	1,393
Warrant liabilities	26,786	3,975
Conversion feature liabilities	-	444
Other liabilities, current portion	133	141
Total current liabilities	33,825	15,991
Long-term debt, net of current portion	9,850	12,661
Other long-term liabilities, net of current portion	647	155
Total liabilities	44,322	28,807
Shareholders' deficiency:		
Liquidmetal Technologies, Inc. shareholders' deficiency		
Preferred stock, \$0.001 par value; 10,000,000 shares authorized; 2,486,095 and 3,183,663 shares issued and outstanding as of both September 30, 2010 and December 31, 2009	3	4
Common stock, \$0.001 par value; 300,000,000 shares authorized; 84,763,338 and 47,583,102 shares issued and outstanding as of both September 30, 2010 and December 31, 2009	79	48

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Additional paid-in capital	147,120	142,135
Accumulated deficit	(180,827)	(162,777)
Accumulated other comprehensive income	1,442	1,441
Total Liquidmetal Technologies, Inc. shareholders' deficiency	(32,183)	(19,149)
Noncontrolling interest	553	782
Total shareholders' deficiency	(31,630)	(18,367)
Total liabilities and shareholders' deficiency	\$ 12,692	\$ 10,440

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

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 September 30,			For the Nine Months Ended September 30,	
2010		2009	2010		2009