

MICROTUNE INC
Form 10-Q/A
April 29, 2004
Table of Contents

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q/A
Amendment No. 1

(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, 2003

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 000-31029-40

MICROTUNE, INC.

(Exact name of registrant as specified in its charter)

Edgar Filing: MICROTUNE INC - Form 10-Q/A

Delaware	75-2883117
(State or other jurisdiction of	(I.R.S. Employer
Incorporation or organization)	Identification Number)

2201 10th Street

Plano, Texas 75074

(Address of principal executive office and zip code)

(972) 673-1600

(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, as amended, 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 filing requirements for the past 90 days. YES x NO "

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). YES x NO "

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of July 31, 2003, approximately 50,379,084 shares of the Registrant's Common Stock, \$0.001 par value per share were outstanding.

Table of Contents

Microtune, Inc.

FORM 10-Q/A

June 30, 2003

INDEX

	Page
	<u> </u>
Part I. Financial Information	
<u>Item 1. Financial Statements</u>	3
<u>Consolidated Balance Sheets at June 30, 2003 and December 31, 2002 (unaudited)</u>	3
<u>Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2003 and 2002 (unaudited)</u>	4
<u>Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2003 and 2002 (unaudited)</u>	5
<u>Notes to Consolidated Financial Statements (unaudited)</u>	6
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	16
<u>Item 3. Qualitative and Quantitative Disclosure About Market Risk</u>	21
<u>Item 4. Controls and Procedures</u>	21
Part II. Other Information	
<u>Item 1. Legal Proceedings</u>	23
<u>Item 2. Changes In Securities and Use of Proceeds</u>	25
<u>Item 3. Defaults Upon Senior Securities</u>	25
<u>Item 4. Submission of Matters to a Vote of Security Holders</u>	25
<u>Item 5. Other Information</u>	25
<u>Item 6. Exhibits and Reports on Form 8-K</u>	25
<u>Signatures</u>	
Exhibit	

Explanatory Note: Microtune, Inc. is filing this Amendment No. 1 on Form 10-Q/A to its Form 10-Q for the quarter ended June 30, 2003 which was originally filed on August 14, 2003 (the "Original 10-Q") to (i) supplement the discussion under Item 4 Controls and Procedures and (ii) make certain technical corrections to the text of the certifications (Exhibits 31.1 and 31.2) of our chief executive officer and chief financial officer so that they conform to the exact form mandated by the applicable rules and regulations under the Securities Exchange Act of 1934, as required by the Sarbanes-Oxley Act of 2002. For the convenience of the reader, this Amendment No. 1 amends in its entirety the Original 10-Q. This Amendment No. 1 continues to speak as of the date of the Original 10-Q, and we have not updated the disclosure contained herein to reflect any events that occurred at a later date other than that set forth above. All information contained in this Amendment No. 1 is subject to updating and supplementing as provided in our periodic reports filed with the SEC subsequent to the date of the filing of the Original 10-Q.

Caution Regarding Forward-Looking Statements

Edgar Filing: MICROTUNE INC - Form 10-Q/A

Throughout this quarterly report on this Form 10-Q/A, there are forward-looking statements that are based upon our current expectations, estimates and projections about our business and our industry, and that reflect our beliefs and assumptions based upon information available to us at the date of this report. In some cases, you can identify these statements by words such as if, may, might, will, should, expects, plan, anticipates, believes, estimates, predicts, potential or continue, and other similar terms. These forward-looking statements include, among things, projections of our future financial performance, our anticipated growth, our planned improvements to our internal and disclosure controls, our strategies and trends we anticipate in our businesses and the markets in which we operate, and the competitive nature and anticipated growth of those markets.

Table of Contents**PART I.****Financial Information****Item 1. Financial Statements****Microtune, Inc.****Consolidated Balance Sheets****(In thousands, except per share data)****(unaudited)**

	June 30,	December
	2003	31, 2002
	<u> </u>	<u> </u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 94,988	\$ 106,278
Accounts receivable, net	2,245	7,625
Inventories	5,832	11,852
Other current assets	4,196	2,008
	<u> </u>	<u> </u>
Total current assets	107,261	127,763
Property and equipment, net	11,476	17,805
Intangible assets, net	8,394	10,599
Other assets and deferred charges	1,303	929
	<u> </u>	<u> </u>
Total assets	<u>\$ 128,434</u>	<u>\$ 157,096</u>
Liabilities and Stockholders Equity		
Current liabilities:		
Accounts payable	\$ 4,935	\$ 8,681
Accrued compensation	1,441	1,434
Accrued expenses	8,466	15,009
	<u> </u>	<u> </u>
Total current liabilities	14,842	25,124
Other non-current liabilities	1,308	1,283
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value		
Authorized 25,000 shares		
Issued and outstanding shares none		
Common stock, \$0.001 par value		
Authorized 150,000 shares	50	50

Edgar Filing: MICROTUNE INC - Form 10-Q/A

Issued and outstanding shares	50,332 and 49,917 respectively		
Additional paid-in capital		436,403	437,787
Unearned stock compensation		(3,276)	(8,865)
Loans receivable from stockholders		(135)	(397)
Accumulated other comprehensive loss		(988)	(988)
Accumulated deficit		(319,770)	(296,898)
		<u> </u>	<u> </u>
Total stockholders' equity		112,284	130,689
		<u> </u>	<u> </u>
Total liabilities and stockholders' equity		\$ 128,434	\$ 157,096
		<u> </u>	<u> </u>

See accompanying notes.

Table of Contents**Microtune, Inc.****Consolidated Statements of Operations****(In thousands, except per share data)****(unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
		(Restated		(Restated
		Note 2)		Note 2)
Net revenue	\$ 13,976	\$ 22,034	\$ 26,598	\$ 40,298
Cost of revenue	9,086	14,091	19,487	25,280
Gross margin	4,890	7,943	7,111	15,018
Operating expenses:				
Research and development:				
Stock option compensation	477	2,577	1,682	5,154
Other	5,664	11,162	12,229	20,239
	6,141	13,739	13,911	25,393
Selling, general and administrative:				
Stock option compensation	1,133	702	1,546	1,460
Other	7,730	4,970	14,177	10,230
	8,863	5,672	15,723	11,690
Restructuring	(1,303)		100	54
Amortization of intangible assets	1,055	2,703	2,136	5,387
Total operating expenses	14,756	22,114	31,870	42,524
Loss from operations	(9,866)	(14,171)	(24,759)	(27,506)
Other income (expense):				
Interest income	181	789	593	1,610
Foreign currency gains (losses), net	1,474	(348)	1,324	(696)
Other	137	47	215	(71)
Loss before provision for income taxes	(8,074)	(13,683)	(22,627)	(26,663)
Income tax expense	82	327	245	398
Net loss	\$ (8,156)	\$ (14,010)	\$ (22,872)	\$ (27,061)
Basic and diluted loss per common share	\$ (0.16)	\$ (0.26)	\$ (0.46)	\$ (0.51)

Edgar Filing: MICROTUNE INC - Form 10-Q/A

Weighted-average shares used in computing basic and diluted loss per common share	50,244	52,953	50,008	52,671
---	--------	--------	--------	--------

See accompanying notes.

Table of Contents**Microtune, Inc.****Consolidated Statements of Cash Flows****(In thousands)****(unaudited)**

	June 30,	
	2003	2002
		(Restated Note 2)
Operating activities:		
Net loss	\$ (22,872)	\$ (27,061)
Adjustments to reconcile net loss to cash used in operating activities,		
Depreciation	3,629	3,119
Amortization of intangible assets	2,135	5,387
Non-cash restructuring costs	762	54
Foreign currency (gains) losses, net	(1,324)	696
Amortization of deferred stock option compensation	3,229	6,614
Loss on sale of Philippine assets	461	
Gain on sale of MHDC	(1,627)	
Other non-cash charges	462	
Changes in operating assets and liabilities:		
Accounts receivable, net	5,380	(1,364)
Inventories	538	(5,757)
Other assets	(11)	505
Accounts payable	(3,457)	224
Accrued expenses	(4,626)	(3,214)
Other liabilities	431	124
Accrued compensation	56	229
Net cash used in operating activities	(16,834)	(20,444)
Investing activities:		
Purchases of property and equipment	(407)	(3,205)
Sale of property and equipment	199	71
Proceeds from sale of Philippine manufacturing assets	5,151	
Sale of MHDC	(934)	
Loans receivable	(130)	(254)
Acquisition of intangible assets	(208)	(262)
Net cash provided by (used in) investing activities	3,671	(3,650)
Financing activities:		
Proceeds from issuance of common stock	549	804
Loans receivable from stockholders		(390)
Other, net		(89)
Net cash provided by financing activities	549	325
Effect of foreign currency exchange rate changes on cash	1,324	(696)

