

MEMSIC Inc
Form 10-Q
August 11, 2011

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, 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. 001-33813

MEMSIC, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

04-3457049
(I.R.S. Employer Identification No.)

One Tech Drive, Suite 325
Andover, Massachusetts
(Address of principal executive offices)

01810
(Zip Code)

(978) 738-0900
(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

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 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, or a non-accelerated filer, or a smaller reporting company. See 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 by Rule 12b-2 of the Exchange Act).

Yes No

The number of shares of common stock, par value \$0.00001 per share, of the registrant outstanding as of August 8, 2011 was 23,968,813.

MEMSIC, Inc.
FORM 10-Q, June 30, 2011
TABLE OF CONTENTS

	PAGE NO.
PART I.	FINANCIAL INFORMATION
ITEM 1.	Financial Statements
	Unaudited Consolidated Balance Sheets as of June 30, 2011 and December 31, 2010
	1
	Unaudited Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2011 and 2010
	2
	Unaudited Consolidated Statement of Stockholders' Equity
	3
	Unaudited Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2011 and 2010
	4
	Notes to Unaudited Consolidated Financial Statements
	5
ITEM 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations
	18
ITEM 4.	Controls and Procedures
	30
PART II.	OTHER INFORMATION
ITEM 1.	Legal Proceedings
	31
ITEM 1A.	Risk Factors
	31
ITEM 2.	Unregistered Sales of Equity Securities and Use of Proceeds
	31
ITEM 6.	Exhibits
	31
Signatures	

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

MEMSIC, Inc.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2011	December 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 50,475,499	\$ 55,694,205
Restricted cash	2,394,110	2,928,933
Short-term investments	1,353,672	-
Accounts receivable, net of allowance for doubtful accounts of \$6,441 as of June 30, 2011 and December 31, 2010	6,423,290	3,664,444
Inventories	9,689,542	8,923,127
Other assets	2,919,670	2,537,445
Total current assets	73,255,783	73,748,154
Property and equipment, net	27,809,748	22,015,502
Long-term investments	4,820,000	5,020,000
Goodwill	4,997,441	4,919,513
Intangible assets, net	11,480,353	11,894,328
Other assets	28,789	67,599
Total assets	\$ 122,392,114	\$ 117,665,096
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 6,174,793	\$ 4,563,420
Accrued expenses	2,059,372	2,969,839
Advance research funding	2,394,110	2,928,933
Current portion of long-term debt	500,000	-
Total current liabilities	11,128,275	10,462,192
Note payable to bank	17,430,000	17,930,000
Building liability	5,625,000	-
Deferred rent	139,330	90,036
Total other liabilities	23,194,330	18,020,036
Stockholders' equity:		
Common stock, \$0.00001 par value; authorized, 45,000,000 shares; 23,968,813 and 23,810,613 shares issued and outstanding at June 30, 2011 and December 31, 2010, respectively	240	238
Additional paid-in capital	100,450,269	99,615,378
Accumulated other comprehensive income	3,577,226	3,029,372

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Accumulated deficit	(16,260,047)	(13,823,565)
MEMSIC, Inc. stockholders' equity	87,767,688	88,821,423
Non-controlling interest related to joint venture in Japan	301,821	361,445
Total stockholders' equity	88,069,509	89,182,868
Total liabilities and stockholders' equity	\$122,392,114	\$117,665,096

See notes to consolidated financial statements (unaudited)

MEMSIC, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2011	2010	2011	2010
Net sales	\$ 15,372,634	\$ 9,095,626	\$ 28,327,554	\$ 16,367,619
Cost of goods sold	10,374,465	5,407,199	18,387,664	9,833,698
Gross profit	4,998,169	3,688,427	9,939,890	6,533,921
Operating expenses:				
Research and development	2,112,136	2,035,088	4,409,973	4,008,745
Sales and marketing	1,529,907	1,108,852	2,994,653	2,180,330
General and administrative	2,519,970	2,328,037	4,774,230	4,313,086
Amortization expense	402,231	401,522	808,166	740,282
Total operating expenses	6,564,244	5,873,499	12,987,022	11,242,443
Operating loss	(1,566,075)	(2,185,072)	(3,047,132)	(4,708,522)