

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

SMART Modular Technologies (WWH), Inc.

CIK: **1326973** | IRS No.: **202509518**

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SIC: **3674** Semiconductors & related devices

Mailing Address

4211 STARBOARD DRIVE
FREMONT CA 94538

Business Address

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FREMONT CA 94538
510-623-1231

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

January 5, 2006

SMART Modular Technologies (WWH), Inc.

(Exact name of registrant as specified in its charter)

Cayman Islands

333-127442

20-2509518

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

4211 Starboard Drive, Fremont, California

94538

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

510-623-1231

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

[Top of the Form](#)

Item 2.02 Results of Operations and Financial Condition.

On January 4, 2006, SMART Modular Technologies (WWH), Inc. ("SMART") issued a press release announcing its results of operations for its first quarter ended November 25, 2005. A copy of the press release is attached as Exhibit 99 to this report.

The information in this Current Report on Form 8-K, including the exhibit attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

[Top of the Form](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SMART Modular Technologies (WWH), Inc.

January 5, 2006

By: */s/ Jack A. Pacheco*

Name: Jack A. Pacheco

Title: Vice President and CFO

[Top of the Form](#)

Exhibit Index

Exhibit No.	Description
99	Press release, dated January 4, 2006

FOR IMMEDIATE RELEASE

For more information, please contact:

Jack A. Pacheco
Vice President and Chief Financial Officer
SMART Modular Technologies (WWH), Inc.
+1.510.624.8134

**SMART Modular Technologies (WWH), Inc. Reports
First Quarter Fiscal 2006 Financial Results**

FREMONT, California, January 4, 2006 – SMART Modular Technologies (WWH), Inc. (“SMART”) today reported financial results for its first quarter of fiscal year 2006.

Net sales for the first quarter of fiscal 2006 were \$158.3 million, or a 2% increase from \$154.5 million for the first quarter of fiscal 2005.

Gross profit for the first quarter of fiscal 2006 was \$30.6 million, or a 40% increase from \$21.8 million for the first quarter of fiscal 2005.

Net income for the first quarter of fiscal 2006 was \$9.3 million, or a 121% increase from \$4.2 million for the first quarter of fiscal 2005.

About SMART

SMART is a leading independent designer, manufacturer and supplier of electronic subsystems to original equipment manufacturers, or OEMs. SMART offers more than 500 standard and custom products to OEMs engaged in the computer, industrial, networking, gaming, telecommunications, and/or embedded application markets. Taking innovations from the design stage through manufacturing and delivery, SMART has developed a comprehensive memory product line that includes DRAM, SRAM, and Flash memory in various form factors. SMART’s Display Products Group designs, manufactures and sells thin film transistors (TFT) liquid crystal display (LCD) solutions to customers developing casino gaming systems as well as embedded applications such as kiosk, ATM, point-of-service, and industrial control systems. SMART’s presence in the U.S., Europe, Asia, and Latin America enables it to provide its customers with proven expertise in international logistics, asset management, and supply-chain management worldwide. See <http://www.smartm.com> for more information.

SMART MODULAR TECHNOLOGIES (WWH), INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(In thousands)

	Three Months Ended November 25, 2005	Three Months Ended November 26, 2004
Net sales	158,262	154,490
Cost of sales	127,661	132,645
Gross profit	30,601	21,845
Operating expenses:		
Research and development	3,468	2,619

Selling, general and administrative	13,652	11,889
Restructuring / Impairment expense	—	880
Total operating expenses	<u>17,120</u>	<u>15,388</u>
Income from operations	13,481	6,457
Interest expense, net	(2,982)	(543)
Other income / (expense), net	131	(251)
Total other expense, net	(2,851)	(794)
Income before provision for income taxes	10,630	5,663
Provision for income taxes	1,284	1,473
Net income	\$ <u>9,346</u>	\$ <u>4,190</u>

SMART MODULAR TECHNOLOGIES (WWH), INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(In thousands)

	<u>November 25, 2005</u>	<u>August 26, 2005</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 58,333	\$ 75,970
Short term investments	5,071	5,071
Accounts receivable, net of allowance of \$2,646 and \$2,629 as of November 25 and August 26, 2005, respectively	159,550	144,760
Inventories	61,076	53,122
Prepaid expenses and other current assets	<u>11,436</u>	<u>9,459</u>
Total current assets	295,466	288,382
Property and equipment, net	15,132	11,309
Goodwill	3,198	2,248
Intangible assets	8,114	9,142
Other non-current assets	<u>12,971</u>	<u>9,980</u>
Total assets	\$ <u>334,881</u>	\$ <u>321,061</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 131,090	\$ 125,305
Accrued expenses and other current liabilities	26,514	29,912
Advance from customer	—	1,000
Revolving line of credit	1,768	—
Total current liabilities	159,372	156,217
Long term debt	125,000	125,000
Other non-current liabilities	<u>739</u>	<u>961</u>
Total liabilities	<u>285,111</u>	<u>282,178</u>
Shareholders' equity:		
Ordinary shares	8	8
Paid-in capital	9,675	9,490
Deferred stock-based compensation	(829)	(1,126)
Accumulated other comprehensive income	1,959	900
Retained earnings	<u>38,957</u>	<u>29,611</u>
Total shareholders' equity	<u>49,770</u>	<u>38,883</u>
Total liabilities and shareholders' equity.	\$ <u>334,881</u>	\$ <u>321,061</u>

END