

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2009-01-26** | Period of Report: **2009-01-26**  
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FILER

**VOLTERRA SEMICONDUCTOR CORP**

CIK: **1050550** | IRS No.: **943251865** | Fiscal Year End: **1231**  
Type: **8-K** | Act: **34** | File No.: **000-50857** | Film No.: **09545651**  
SIC: **3674** Semiconductors & related devices

Mailing Address  
47467 FREMONT BLVD.  
FREMONT CA 94538

Business Address  
47467 FREMONT BLVD.  
FREMONT CA 94538  
510-743-1200

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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 26, 2009

**Volterra Semiconductor Corporation**

\_\_\_\_\_  
(Exact name of registrant as specified in its charter)

Delaware

000-50857

94-3251865

\_\_\_\_\_  
(State or other jurisdiction  
of incorporation)

\_\_\_\_\_  
(Commission  
File Number)

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

47467 Fremont Blvd., Fremont, California

94538

\_\_\_\_\_  
(Address of principal executive offices)

\_\_\_\_\_  
(Zip Code)

Registrant's telephone number, including area code:

510 743 1200

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))

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**Item 2.02 Results of Operations and Financial Condition.**

On January 26, 2009, Volterra Semiconductor Corporation (the "Company") issued a press release announcing its financial results for its fourth quarter and fiscal year ended December 31, 2008. The press release, dated January 26, 2009, is attached hereto as Exhibit 99.1.

The information contained in this report and the exhibit attached hereto is furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. The information contained herein and the exhibit attached hereto shall not be incorporated by reference into any filing with the Securities and Exchange Commission made by the Company, whether made before or after the date hereof, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**

The following exhibit is furnished with this document:

Exhibit Number.....	Description of Exhibit
99.1.....	Press Release dated January 26, 2009

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**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.

Volterra Semiconductor Corporation

January 26, 2009

By: /s/ Mike Burns

\_\_\_\_\_  
Name: Mike Burns  
Title: Chief Financial Officer

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Exhibit Index

Exhibit No.	Description
99.1	Press Release dated January 26, 2009

**For investor information contact:**  
*Heidi Flannery, Investor Relations*  
(510) 743-1718  
investor@volterra.com

## **Volterra Reports Fourth Quarter and Fiscal Year 2008 Financial Results**

**FREMONT, Calif., January 26, 2009** – Volterra Semiconductor Corporation (Nasdaq: VLTR), a leading provider of high-performance analog and mixed-signal power management semiconductors, today reported financial results for its fourth quarter and fiscal year ended December 31, 2008.

Net revenue for the fourth quarter of 2008 was \$21.9 million, an 11% increase over net revenue of \$19.8 million for the fourth quarter of 2007, and compared with net revenue of \$30.6 million for the third quarter of 2008. GAAP net income was \$1.1 million, or \$0.04 per share (diluted), for the fourth quarter of 2008, compared with GAAP net income of \$2.0 million, or \$0.08 per share (diluted), for the fourth quarter of 2007.

Volterra also reported net income and basic and diluted net income per share on a non-GAAP basis. Non-GAAP net income excludes the effect of stock-based compensation expense, net of tax. Non-GAAP net income was \$2.2 million, or \$0.09 per share (diluted), for the fourth quarter of 2008, compared to non-GAAP net income of \$2.4 million, or \$0.09 per share (diluted), for the fourth quarter of 2007.

For the full year 2008, Volterra reported a record \$104.2 million annual net revenue. It was Volterra's seventh consecutive year of revenue growth and its fifth consecutive profitable year. GAAP net income was \$14.3 million, or \$0.57 per share (diluted), for the fiscal year ended December 31, 2008, compared to GAAP net income of \$0.3 million, or \$0.01 per share (diluted), for the fiscal year ended December 31, 2007. Non-GAAP net income was \$18.4 million, or \$0.73 per share (diluted), for the fiscal year ended December 31, 2008, compared to non-GAAP net income of \$4.5 million, or \$0.17 per share (diluted), for the fiscal year ended December 31, 2007.

“We are pleased that, despite a challenging economic environment, 2008 was a year of strong growth in revenues and profits for Volterra, as our customers continue to adopt our uniquely integrated power solutions” said Volterra President and CEO Jeff Staszak. “We are well-positioned heading into 2009 to maintain our competitive edge and our technology lead.”

### **Earnings Conference Call**

Volterra will be conducting a conference call today at 5:30 p.m. (EDT). To access the conference call, investors can dial (800) 218-0713 approximately ten minutes prior to the initiation of the teleconference. International and local participants can dial (303) 262-2053. Investors should reference Volterra. A digital replay of the conference call will be available until midnight on Monday, February 2, 2009. To access the replay, investors should dial (800) 405-2236 or (303) 590-3000 and enter reservation number 11124844#. A webcast of the conference call also will be available from the Investor section of the Company's website at: <http://www.volterra.com> until midnight on Monday, February 23, 2009.

### **About Volterra Semiconductor Corporation**

Volterra Semiconductor Corporation, headquartered in Fremont, CA, designs, develops, and markets leading edge silicon solutions for low-voltage power delivery. The Company's product portfolio is focused on advanced switching regulators for the computer, datacom, storage, and portable markets. Volterra operates as a fabless semiconductor company utilizing world-class foundries for silicon supply. The company is focused on creating products with high

intellectual property content that match specific customer needs. For more information, please visit <http://www.volterra.com>.

## **Non-GAAP Financial Measures**

Volterra provides all information required in accordance with generally accepted accounting principles (GAAP), but it believes that evaluating its financial results may be difficult if limited to reviewing only GAAP financial measures. Volterra's management believes the non-GAAP information provided is useful to investors and other users of its financial information and its inclusion with our financial results is warranted for several reasons:

it can enhance the understanding of Volterra's financial performance by adjusting for special, non-recurring items that may obscure results and trends in our core operating performance, particularly in reconciling differences between reported income and actual cash flows;

it can provide consistency in reviewing Volterra's historical performance between periods, as well as allowing for better comparisons of Volterra's performance with similar companies in Volterra's industry;

it allows users to evaluate the results of the business using the same financial measures that management uses to evaluate and manage Volterra's internal planning, budgeting and operations; and

it provides investors with additional information used by management, its board of directors and committees thereof, to determine management compensation.

Volterra's management reports and uses calculations of (i) non-GAAP gross margin and non-GAAP gross margin as a percent of revenue, which represents gross margin excluding the effect of stock-based compensation; (ii) non-GAAP income from operations (and its components, non-GAAP research and development expense, non-GAAP selling, general, and administrative expense, non-GAAP total operating expenses, and including non-GAAP gross margin as indicated above) as well as non-GAAP operating margin as a percent of revenue which represent income from operations and its components excluding the effect of stock-based compensation and special items such as restructuring charges, net of tax; (iii) non-GAAP annual effective tax rate and the associated non-GAAP income tax expense, which represents the effective tax rate without the effect of stock-based compensation and income tax expense recalculated excluding the effect of stock-based compensation and special items on non-GAAP income before tax; and (iv) non-GAAP net income (and its components listed above), non-GAAP net margin as a percent of revenue, and non-GAAP diluted net income per share, which represents net income and diluted net income per share excluding the effect of stock-based compensation expense and special items such as the cumulative effect of accounting changes and restructuring charges, net of tax.

Investors should note that the non-GAAP financial measures used by Volterra may not be the same non-GAAP financial measures, and may not be calculated in the same manner, as that of other companies. Whenever Volterra discloses such a non-GAAP financial measure, it provides a reconciliation of non-GAAP financial measures to what it believes to be the most closely applicable GAAP financial measure. A reconciliation of GAAP net income to non-GAAP net income is included in the financial statements portion of this release and at the Investors section of our website at [www.volterra.com](http://www.volterra.com). Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measure. Volterra does not provide a non-GAAP reconciliation for non-GAAP estimates on a forward-looking basis, as it believes it is unable to provide a meaningful or accurate calculation or estimation of stock based compensation or income tax expenses or other special items without unreasonable effort.

## **Forward-Looking Statements:**

This press release regarding financial results for the fiscal year and quarter ended December 31, 2008 contains forward-looking statements based on current expectations of Volterra. The words "expect," "will," "should,"

“would,” “anticipate,” “project,” “outlook,” “believe,” “intend,” and similar phrases as they relate to future events are intended to identify such forward-looking statements. These forward-looking statements reflect the current views and assumptions of Volterra but are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are the following: risks related to our ability to maintain revenue growth or other financial results; risks related to our dependence on a limited number of customers; risks related to the limited markets we operate in and the limited number of products we sell; risks related to the quality of our products or the management of our inventory; risks related to our relationship with our vendors and contractors; intellectual property litigation risk; and other factors detailed in our filings with the Securities and Exchange Commission, including the annual report on Form 10-K filed on March 5, 2008 and the Form 10-Q filed on October 30, 2008. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. All forward-looking statements are qualified in their entirety by this cautionary statement, and Volterra undertakes no obligation to revise or update any forward-looking statements to reflect events or circumstances after the date hereof, except as required by law.

**VOLTERRA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands, except per share amounts)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2008 (Unaudited)	2007 (Unaudited)	2008 (Unaudited)	2007 (Audited)
Net revenue	\$ 21,865	\$ 19,781	\$ 104,155	\$ 74,689
Cost of revenue *	<u>9,617</u>	<u>8,830</u>	<u>45,217</u>	<u>37,906</u>
Gross margin	<u>12,248</u>	<u>10,951</u>	<u>58,938</u>	<u>36,783</u>
Operating expenses:				
Research and development *	6,306	6,045	26,090	23,285
Selling, general and administrative *	<u>4,896</u>	<u>3,541</u>	<u>18,892</u>	<u>15,081</u>
Total operating expenses	<u>11,202</u>	<u>9,586</u>	<u>44,982</u>	<u>38,366</u>
Income (loss) from operations	1,046	1,365	13,956	(1,583)
Interest and other income	112	584	1,073	2,482
Interest and other expense	(42 )	(11 )	(214 )	(95 )
Income before income taxes	1,116	1,938	14,815	804
Income tax expense (benefit)	<u>22</u>	<u>(58 )</u>	<u>557</u>	<u>236</u>
Income before cumulative effect of accounting change	1,094	1,996	14,258	568
Cumulative effect of accounting change, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>255</u>
Net income	<u>\$ 1,094</u>	<u>\$ 1,996</u>	<u>\$ 14,258</u>	<u>\$ 313</u>
Net income per share:				
Basic:				
Net income per share before cumulative effect of accounting change	\$ 0.05	\$ 0.08	\$ 0.60	\$ 0.02
Cumulative effect of accounting change	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.01 )</u>
Net income per share	<u>\$ 0.05</u>	<u>\$ 0.08</u>	<u>\$ 0.60</u>	<u>\$ 0.01</u>
Diluted:				
Net income per share before cumulative effect of accounting change	\$ 0.04	\$ 0.08	\$ 0.57	\$ 0.02
Cumulative effect of accounting change	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.01 )</u>
Net income per share	<u>\$ 0.04</u>	<u>\$ 0.08</u>	<u>\$ 0.57</u>	<u>\$ 0.01</u>
Weighted average shares outstanding:				
Basic	<u>23,519</u>	<u>23,753</u>	<u>23,750</u>	<u>24,332</u>
Diluted	<u>24,574</u>	<u>25,597</u>	<u>25,201</u>	<u>26,302</u>
* Includes stock-based compensation expense as follows:				
Cost of revenue	\$ 54	\$ (50 )	\$ 232	\$ 190
Research and development	555	456	1,965	2,242

Selling, general, and administrative	<u>475</u>	<u>186</u>	<u>1,925</u>	<u>1,548</u>
Total stock-based compensation expense	\$ <u>1,084</u>	\$ <u>592</u>	\$ <u>4,122</u>	\$ <u>3,980</u>

**VOLTERRA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES**

**RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**

(In thousands, except per share amounts)

(Unaudited)

	<u>Three Months Ended December 31, 2008</u>		
	GAAP	Effect of Stock-based Compensation	Non-GAAP
Gross margin	\$ 12,248	\$ (54 )	\$ 12,302
Gross margin %	56.0 %	-0.3 %	56.3 %
Operating expenses:			
Research and development	\$ 6,306	\$ 555	\$ 5,751
Selling, general and administrative	<u>4,896</u>	<u>475</u>	<u>4,421</u>
Total operating expenses	\$ 11,202	\$ 1,030	\$ 10,172
Income from operations	\$ 1,046	\$ (1,084)	\$ 2,130
Operating margin %	4.8 %	-4.9 %	9.7 %
Annual effective tax rate	3.8 %	0.9 %	2.9 %
Income tax expense (benefit)	\$ 22	\$ (30 )	\$ (8 )
Net income	\$ 1,094	\$ (1,114)	\$ 2,208
Diluted net income per share	\$ 0.04	\$ (0.05 )	\$ 0.09

  

	<u>Three Months Ended December 31, 2007</u>		
	GAAP	Effect of Stock-based Compensation	Non-GAAP
Gross margin	\$ 10,951	\$ 50	\$ 10,901
Gross margin %	55.4 %	0.3 %	55.1 %
Operating expenses:			
Research and development	\$ 6,045	\$ 456	\$ 5,589
Selling, general and administrative	<u>3,541</u>	<u>186</u>	<u>3,355</u>
Total operating expenses	\$ 9,586	\$ 642	\$ 8,944
Income from operations	\$ 1,365	\$ (592 )	\$ 1,957
Operating margin %	6.9 %	-3.0 %	9.9 %
Annual effective tax rate	29.4 %	24.2 %	5.2 %
Income tax (benefit) expense	\$ (58 )	\$ 190	\$ 132
Net income	\$ 1,996	\$ (402 )	\$ 2,398
Diluted net income per share	\$ 0.08	\$ (0.01)	\$ 0.09

**VOLTERRA SEMICONDUCTOR CORPORATION AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

(In thousands)

	<u>December 31, 2008</u>	<u>September 30, 2008</u>	<u>December 31, 2007</u>
	(Unaudited)		(Audited)
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 46,893	\$ 58,007	\$ 47,414
Short-term investments	10,461	5,955	-
Accounts receivable, net	12,073	12,541	12,318
Inventory	13,668	11,124	6,185
Prepaid expenses and other current assets	<u>2,507</u>	<u>2,041</u>	<u>1,764</u>
Total current assets	85,602	89,668	67,681
Property and equipment, net	5,285	5,773	5,647
Other assets	<u>405</u>	<u>506</u>	<u>767</u>

Total assets	\$	<u>91,292</u>	\$	<u>95,947</u>	\$	<u>74,095</u>
<b>Liabilities and Stockholders' Equity</b>						
Current liabilities:						
Accounts payable	\$	5,834	\$	5,621	\$	5,127
Accrued liabilities		<u>8,073</u>		<u>9,059</u>		<u>4,680</u>
Total current liabilities		<u>13,907</u>		<u>14,680</u>		<u>9,807</u>
Lease incentives		688		748		930
Other long-term liabilities		<u>784</u>		<u>-</u>		<u>-</u>
Total liabilities		<u>15,379</u>		<u>15,428</u>		<u>10,737</u>
Commitments and contingencies						
Stockholders' equity:						
Common stock		24		24		24
Additional paid-in capital		102,612		100,848		94,410
Accumulated deficit		(16,818)		(17,912)		(31,076)
Treasury Stock		<u>(9,905)</u>		<u>(2,441)</u>		<u>-</u>
Total stockholders' equity		<u>75,913</u>		<u>80,519</u>		<u>63,358</u>
Total liabilities and stockholders' equity	\$	<u>91,292</u>	\$	<u>95,947</u>	\$	<u>74,095</u>