

ALTIGEN COMMUNICATIONS INC  
Form 10-Q  
February 10, 2010

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

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FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE QUARTERLY PERIOD ENDED December 31, 2009  
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 000-27427

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ALTIGEN COMMUNICATIONS, INC.  
(Exact name of Registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of  
incorporation or organization)

94-3204299  
(I.R.S. Employer  
Identification Number)

410 East Plumeria Drive  
San Jose, CA  
(Address of principal executive offices)

95134  
(Zip Code)

Registrant's telephone number, including area code: (408) 597-9000

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Former name, former address and former fiscal year, if changed since last report: N/A

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

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the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  
Yes  No

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 definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer  Accelerated filer  Non-accelerated filer  (Do not check if a smaller reporting company) 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 shares of our common stock outstanding as of February 8, 2009 was: 16,429,355 shares.

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ALTIGEN COMMUNICATIONS, INC.  
QUARTERLY REPORT ON FORM 10-Q  
FOR THE QUARTERLY PERIOD ENDED DECEMBER 31, 2009  
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## PART I. FINANCIAL INFORMATION

## Item 1. Condensed Consolidated Financial Statements

ALTIGEN COMMUNICATIONS, INC. AND SUBSIDIARY  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(UNAUDITED)

	December 31, 2009	September 30, 2009
	(In thousands, except share and per share amounts)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 7,629	\$ 7,397
Accounts receivable, net of allowances of \$34 and \$35 at December 31, 2009 and September 30, 2009, respectively	1,083	1,545
Inventories, net	1,088	1,266
Prepaid expenses and other current assets	218	128
Total current assets	10,018	10,336
Property, plant and equipment, net	464	501
Long-term investments	202	202
Long-term deposit	226	292
Total assets	\$ 10,910	\$ 11,331
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 1,214	\$ 1,165
Accrued liabilities:		
Payroll and related benefits	475	672
Warranty	111	122
Marketing	111	111
Accrued expenses	281	215
Other accrued liabilities	458	484
Total accrued liabilities	1,436	1,604
Deferred revenue, short-term	2,330	2,573
Total current liabilities	4,980	5,342
Other long-term liabilities	281	232
Commitments and contingencies (Note 3)		
Stockholders' equity:		
Convertible preferred stock, \$0.001 par value; Authorized—5,000,000 shares; Outstanding—none at December 31, 2009 and September 30, 2008	—	—
Common stock, \$0.001 par value; Authorized—50,000,000 shares; Outstanding—16,429,355 shares at December 31, 2009 and 16,188,857 shares at September 30, 2009	18	17
Treasury stock at cost—1,318,830 shares at December 31, 2009 and September 30, 2009	(1,400)	(1,400)
Additional paid-in capital	68,083	67,716
Accumulated other comprehensive income	159	165

Accumulated deficit	(61,211)	(60,741)
Total stockholders' equity	5,649	5,757
Total liabilities and stockholders' equity	\$ 10,910	\$ 11,331

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

ALTIGEN COMMUNICATIONS, INC. AND SUBSIDIARY  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (UNAUDITED)

	Three Months Ended December 31,	
	2009	2008
	(In thousands, except per share amounts)	
Net revenue:		
Hardware	\$ 2,774	\$ 3,566
Software	580	665
Service support	867	629
Total net revenue	4,221	4,860
Cost of revenue:		
Hardware	1,408	1,894
Software	3	4
Service support (1)	—	—
Total cost of revenue	1,411	1,898
Gross profit		