

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

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FORM 8-K

CURRENT REPORT

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

Date of Report: October 31, 2013  
(Date of earliest event reported)

GSI Technology, Inc.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation)

000-33387  
(Commission File  
Number)

77-0398779  
(IRS Employer  
Identification Number)

1213 Elko Drive, Sunnyvale, California  
(Address of principal executive offices)

94089  
(Zip Code)

(408) 331-8800  
(Registrant's telephone number, including area code)

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 October 31, 2013, GSI Technology, Inc. (the "Company") issued a press release reporting financial results for its second fiscal quarter ended September 30, 2013. A copy of this press release is attached hereto as Exhibit 99.1.

The information in this Item 2.02, including Exhibit 99.1 attached hereto, is being furnished and shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference to such filing. Furthermore, the information in this Item 2.02, including Exhibit 99.1 attached hereto, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended.

**Item 9.01. Financial Statements and Exhibits**

**(d) Exhibits**

99.1 [Press Release of GSI Technology, Inc. dated October 31, 2013](#)

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**SIGNATURE**

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.

Dated: October 31, 2013

**GSI TECHNOLOGY, INC.**

By: /s/ Douglas M. Schirle

Douglas M. Schirle

*Chief Financial Officer*

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**Exhibit Index**

**Exhibit No.**

**Description**

99.1

Press Release of GSI Technology, Inc. dated October 31, 2013

## GSI Technology, Inc. Reports Second-Quarter Fiscal 2014 Results

SUNNYVALE, CA -- (Marketwired - October 31, 2013) - **GSI Technology, Inc.** (NASDAQ: GSIT) today reported financial results for its second fiscal quarter and six months ended September 30, 2013.

The Company reported net income of \$386,000, or \$0.01 per diluted share, on net revenues of \$15.5 million for the second quarter of fiscal 2014, compared to net income of \$1.1 million, or \$0.04 per diluted share, on net revenues of \$16.0 million in the quarter ended September 30, 2012 and a net loss of (\$441,000), or (\$0.02) per diluted share, on net revenues of \$16.4 million in the preceding first quarter. Gross margin was 47.6% compared to 45.0% in the prior year period and 45.5% in the first quarter.

Total operating expenses in the second quarter of fiscal 2014 were \$7.2 million, up from \$5.7 million in the second quarter of fiscal 2013 and down from \$8.0 million in the first quarter. Research and development expenses were relatively unchanged at \$3.0 million, compared to \$2.9 million in the prior year period and \$3.0 million in the preceding quarter, but selling, general and administrative expenses, which include litigation-related expenses, were up substantially year-over-year to \$4.2 million compared to \$2.8 million the quarter ended September 30, 2012, but down sequentially from \$5.0 million in the preceding quarter.

Litigation-related expenses in the second fiscal quarter were \$1.7 million, down from \$2.3 million in the previous quarter and up from \$323,000 in the same period a year ago. The litigation-related expenses again were primarily associated with pending patent infringement and antitrust litigation involving Cypress Semiconductor. Both lawsuits are currently in the discovery phase.

Lee-Lean Shu, Chairman and Chief Executive Officer, noted, "Our net revenues came in below the range we had projected early in the second quarter primarily due to ongoing slowness in the telecommunications market and, in particular, to weaker than expected sales in Asia. Second quarter gross margin was strong at 47.6%, well above our operating model, due to a favorable product mix. As expected, we continued to incur substantial litigation-related expenses, but a significant reduction in those expenses compared to the previous quarter contributed to our return to profitability in the second quarter."

Second-quarter direct and indirect sales to Cisco Systems were \$3.4 million, or 22.2% of net revenues, compared to \$2.8 million, or 17.1% of net revenues, in the prior quarter, and \$4.9 million, or 30.6% of net revenues, in the same period a year ago. Sales to Alcatel-Lucent were \$3.2 million, or 20.4% of net revenues, during the quarter. Military/defense sales were 12.3% of shipments compared to 13.3% of shipments in the prior quarter and 7.4% of shipments in the comparable period a year ago. SigmaQuad sales were 42.3% of shipments compared to 41.6% in the prior quarter and 33.9% in the second quarter of fiscal 2013.

Second-quarter fiscal 2014 operating income was \$241,000, or 1.6% of net revenues, compared to an operating loss of \$541,000 in the prior quarter and operating income of \$1.5 million, or 9.4% of net revenue, a year ago. Second-quarter 2014 net income included interest and other income of \$85,000 and a tax benefit of \$60,000, compared to \$131,000 in interest and other income and a tax provision of \$505,000 a year ago; in the preceding quarter, the net loss included \$111,000 in interest and other income and a tax provision of \$11,000.

Total second-quarter pre-tax stock-based compensation expense was \$563,000 compared to \$565,000 in the prior quarter and \$560,000 in the comparable quarter a year ago.

At September 30, 2013, the Company had \$75.0 million in cash, cash equivalents and short-term investments, \$34.6 million in long-term investments, \$91.6 million in working capital, no debt, and stockholders' equity of \$135.6 million.

### Outlook for Third Quarter of Fiscal 2014

We currently expect net revenues in the third quarter of fiscal 2014 to be in the range of \$14.0 million to \$15.0 million, with gross margin of approximately 44%.

### Conference Call

GSI Technology will review its financial results for the quarter ended September 30, 2013 and discuss its current business outlook during a conference call at 1:30 p.m. Pacific (4:30 p.m. Eastern) today, October 31, 2013. To listen to the teleconference, please call toll-free 888-417-8533 approximately 10 minutes prior to the start time and provide conference ID 8952720. You may also listen to the teleconference live via the Internet at [www.gsitechnology.com](http://www.gsitechnology.com), where it will be archived.

### About GSI Technology

Founded in 1995, GSI Technology, Inc. is a leading provider of high-performance static random access memory, or SRAM, products primarily incorporated in networking and telecommunications equipment. Headquartered in Sunnyvale, California, GSI Technology is ISO 9001 certified and has worldwide factory and sales locations. For more information, please visit [www.gsitechnology.com](http://www.gsitechnology.com).

### Forward-Looking Statements

The statements contained in this press release that are not purely historical are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding GSI Technology's expectations, beliefs, intentions, or strategies regarding the future. All forward-looking statements included in this press release are based upon

information available to GSI Technology as of the date hereof, and GSI Technology assumes no obligation to update any such forward-looking statements. Forward-looking statements involve a variety of risks and uncertainties, which could cause actual results to differ materially from those projected. These risks include those associated with fluctuations in GSI Technology's operating results; GSI Technology's historical dependence on sales to a limited number of customers and fluctuations in the mix of customers and products in any period; the rapidly evolving markets for GSI Technology's products and uncertainty regarding the development of these markets; the need to develop and introduce new products to offset the historical decline in the average unit selling price of GSI Technology's products; the challenges of rapid growth followed by periods of contraction; intensive competition; the patent infringement litigation currently pending against the Company; and the substantial litigation-related expenses associated with the defense of that litigation and the prosecution of other litigation in which the Company is involved, which fluctuate significantly from quarter to quarter. Further information regarding these and other risks relating to GSI Technology's business is contained in the Company's filings with the Securities and Exchange Commission, including those factors discussed under the caption "Risk Factors" in such filings.

(financial tables follow)

GSI TECHNOLOGY, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(in thousands, except per share data)  
(Unaudited)

	Three Months Ended			Six Months Ended	
	Sept. 30, 2013	June 30, 2013	Sept. 30, 2012	Sept. 30, 2013	Sept. 30, 2012
Net revenues	\$ 15,542	\$ 16,412	\$ 16,010	\$ 31,954	\$ 32,793
Cost of goods sold	8,140	8,946	8,806	17,086	18,824
Gross profit	7,402	7,466	7,204	14,868	13,969
Operating expenses:					
Research & development	2,951	2,997	2,872	5,948	5,710
Selling, general and administrative	4,210	5,010	2,826	9,220	5,873
Total operating expenses	7,161	8,007	5,698	15,168	11,583
Operating income (loss)	241	(541)	1,506	(300)	2,386
Interest and other income, net	85	111	131	196	267
Income (loss) before income taxes	326	(430)	1,637	(104)	2,653
Provision (benefit) for income taxes	(60)	11	505	(49)	601
Net income (loss)	\$ 386	\$ (441)	\$ 1,132	\$ (55)	\$ 2,052
Net income (loss) per share, basic	\$ 0.01	\$ (0.02)	\$ 0.04	\$ 0.00	\$ 0.08
Net income (loss) per share, diluted	\$ 0.01	\$ (0.02)	\$ 0.04	\$ 0.00	\$ 0.07
Weighted-average shares used in computing per share amounts:					
Basic	27,631	27,178	27,133	27,407	27,246
Diluted	28,975	27,178	27,929	27,407	27,946

Stock-based compensation included in the Condensed Consolidated Statements of Operations:

	Three Months Ended			Six Months Ended	
	Sept. 30, 2013	June 30, 2013	Sept. 30, 2012	Sept. 30, 2013	Sept. 30, 2012

Cost of goods sold	\$	102	\$	94	\$	87	\$	196	\$	177
Research & development		232		258		291		490		574
Selling, general and administrative		229		213		182		442		371
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	\$	563	\$	565	\$	560	\$	1,128	\$	1,122
		=====		=====		=====		=====		=====

Litigation related expenses included in the Condensed Consolidated Statements of Operations:

	Three Months Ended			Six Months Ended	
	Sept. 30, 2013	June 30, 2013	Sept. 30, 2012	Sept. 30, 2013	Sept. 30, 2012
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Selling, general and administrative	\$ 1,727	\$ 2,263	\$ 323	\$ 3,990	\$ 778

GSI TECHNOLOGY, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(in thousands)  
(Unaudited)

	September 30, 2013	March 31, 2013
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Cash and cash equivalents	\$ 48,821	\$ 41,120
Short-term investments	26,142	26,139
Accounts receivable	9,810	10,241
Inventory	11,186	13,809
Other current assets	5,888	6,169
Net property and equipment	9,953	10,774
Long-term investments	34,593	35,495
Other assets	2,241	2,098
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Total assets	\$ 148,634	\$ 145,845
	=====	=====
Current liabilities	\$ 10,239	\$ 10,859
Long-term liabilities	2,754	2,803
Stockholders' equity	135,641	132,183
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Total liabilities and stockholders' equity	\$ 148,634	\$ 145,845
	=====	=====

GSI Technology, Inc.  
Douglas M. Schirle  
Chief Financial Officer  
408-331-9802

David Fore or Brett Maas  
Hayden IR  
206-395-2711