

**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):
May 12, 2008

MONOLITHIC POWER SYSTEMS, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

000-51026
(Commission
File Number)

77-0466789
(I.R.S. Employer
Identification Number)

6409 Guadalupe Mines Road, San Jose, CA 95120
(Address of principal executive offices) (Zip Code)

(408) 826-0600
(Registrant's telephone number, including area code)

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))

Item 2.02 Results of Operations and Financial Condition.

On May 12, 2008, Monolithic Power Systems, Inc. (the “Company”), a Delaware corporation, issued a press release announcing its complete financial results for the quarter ended March 31, 2008. A copy of the press release is attached hereto as Exhibit 99.1.

The information under this Item 2.02 of this Current Report on Form 8-K and the exhibit attached hereto are being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “1934 Act”), nor shall they be deemed incorporated by reference in any filing with the Securities and Exchange Commission under the 1934 Act or the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit</u>	<u>Description</u>
99.1	Press Release issued on May 12, 2008, announcing the Company’s complete financial results for the quarter ended March 31, 2008

Index to Exhibits

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SIGNATURES

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

Date: May 12, 2008

By /s/ C. Richard Neely, Jr.
C. Richard Neely, Jr.
Chief Financial Officer
(Principal Financial and Accounting Officer and
Duly Authorized Officer)



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PRESS RELEASE
For Immediate Release

Monolithic Power Systems Announces Full Q108 Results

Net Income up \$6.3 Million and Non-GAAP EPS up 181% from Q107

SAN JOSE, Calif. May 12, 2008—Monolithic Power Systems (MPS) (Nasdaq: MPWR), a leading fabless manufacturer of high-performance analog and mixed-signal semiconductors, today announced its full quarter results for the first quarter of 2008, ended March 31, 2008. In addition to the previously announced revenue and operating metrics, the company today announced net income of \$5.9 million in the first quarter of 2008 compared to a net loss of \$0.3 million in the first quarter of 2007 as well as GAAP EPS of \$0.17, and Non-GAAP(1) EPS of \$0.21.

(1) Non-GAAP EPS differs from EPS determined in accordance with GAAP (Generally Accepted Accounting Principles in the United States). Non-GAAP EPS excludes the effect of stock-based compensation expense. A schedule reconciling these amounts is included in this news release. Non-GAAP financial measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. MPS utilizes both GAAP and non-GAAP financial measures to assess what it believes to be its core operating performance and to evaluate and manage its internal business and assist in making financial operating decisions. MPS believes that the inclusion of non-GAAP financial measures, together with GAAP measures, provides investors with an alternative presentation useful to investors' understanding of MPS' core operating results and trends. Additionally, MPS believes that the inclusion of non-GAAP measures, together with GAAP measures, provides investors with an additional dimension of comparability to similar companies. However, investors should be aware that non-GAAP financial measures utilized by other companies are not likely to be comparable in most cases to the non-GAAP financials measures used by MPS.

The full quarter's results are as follows:

Selected Consolidated Balance Sheet Items
(Unaudited, in thousands)

	March 31, 2008	December 31, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 64,300	\$ 83,114
Short-term investments	4,772	27,765
Accounts receivable, net of allowances of \$227 and \$227 in 2008 and 2007	11,314	8,239
Inventories	16,390	17,487
Deferred income tax asset—current	74	72
Prepaid expenses and other current assets	4,395	4,733
Restricted cash	7,350	7,350
Total current assets	<u>108,595</u>	<u>148,760</u>
Property and equipment, net	14,880	14,175
Long-term investments	39,140	—
Deferred income tax asset—long term	776	776
Other assets	507	539
Restricted assets	8,598	8,340
Total assets	<u>\$172,496</u>	<u>\$ 172,590</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 7,667	\$ 6,154
Accrued compensation and related benefits	5,465	8,299
Accrued liabilities	14,620	14,959
Total current liabilities	<u>27,752</u>	<u>29,412</u>
Deferred rent	173	237
Non-current income tax liability	5,317	5,318
Other long term liabilities	2	86
Total liabilities	<u>33,244</u>	<u>35,053</u>
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Common stock, \$0.001 par value, \$33 and \$33 in 2008 and 2007, respectively; shares authorized: 150,000,000; shares issued and outstanding: 33,163,290 and 33,454,595 in 2008 and 2007, respectively	139,365	143,890
Deferred stock compensation	—	(3)
Accumulated deficit	(880)	(6,815)
Accumulated other comprehensive income	767	465
Total stockholders' equity	<u>139,252</u>	<u>137,537</u>
Total liabilities and stockholders' equity	<u>\$172,496</u>	<u>\$ 172,590</u>

Consolidated Statement of Operations Items
(Unaudited, in thousands)

	Three months ended	
	March 31, 2008	March 31, 2007 (as restated)
Revenue	\$35,409	\$ 24,496
Cost of revenue*	13,044	8,963
Gross profit	22,365	15,533
Operating expenses:		
Research and development*	7,572	5,932
Selling, general and administrative*	8,728	6,197
Provision for litigation expense	736	2,847
Total operating expenses	17,036	14,976
Income from operations	5,329	557
Other income (expense):		
Interest and other income	1,434	1,007
Interest and other expense	(6)	(7)
Total other income, net	1,428	1,000
Income before income taxes	6,757	1,557
Income tax provision	822	1,886
Net income (loss)	\$ 5,935	\$ (329)
Basic net income (loss) per share	\$ 0.18	\$ (0.01)
Diluted net income (loss) per share	\$ 0.17	\$ (0.01)
Weighted average common shares outstanding	33,340	30,482
Stock options	2,551	—
Diluted weighted-average common equivalent shares outstanding	35,891	30,482
* Stock-based compensation has been included in the following line items:		
Cost of revenue	\$ 45	\$ 111
Research and development	1,207	1,101
Selling, general and administrative	1,535	1,108
Total	\$ 2,787	\$ 2,320

RECONCILIATION OF NET INCOME TO NON-GAAP NET INCOME
(in thousands, except per share amounts)

Net income (loss)	\$ 5,935	\$ (329)
Adjustments to reconcile net income to non-GAAP net income		
Stock-based compensation	\$ 2,787	\$ 2,320
Tax effect	(1,087)	568
Non-GAAP net income	\$ 7,635	\$ 2,559
Non-GAAP earnings per share, excluding stock-based compensation and related tax effects:		
Basic	\$ 0.23	\$ 0.08
Diluted	\$ 0.21	\$ 0.08
Shares used in the calculation of non-GAAP earnings per share:		
Basic	33,340	30,482
Diluted	35,891	33,759

RECONCILIATION OF OPERATING EXPENSES TO NON-GAAP OPERATING EXPENSES
(in thousands, except per share amounts)

Total operating expenses	\$17,036	\$ 14,976
Adjustments to reconcile total operating expenses to non-GAAP total operating expenses		
Stock-based compensation	\$ (2,742)	\$ (2,209)
Non-GAAP total operating expenses	\$14,294	\$ 12,767

About Monolithic Power Systems, Inc.

Monolithic Power Systems, Inc. (MPS) develops and markets proprietary, advanced analog and mixed-signal semiconductors. The company combines advanced process technology with its highly experienced analog designers to produce high-performance power management integrated circuits (ICs) for DC to DC converters, LED drivers, Cold Cathode Fluorescent Lamp (CCFL) backlight controllers, Class D audio amplifiers, and Linear ICs. MPS products are used extensively in computing and network communications products, LCD monitors and TVs, and a wide variety of consumer and portable electronics products. MPS partners with world-class manufacturing organizations to deliver top quality, ultra-compact, high-performance solutions through the most productive, cost-efficient channels. Founded in 1997 and headquartered in San Jose, California, the company has expanded its global presence with sales offices in Taiwan, China, Korea, Japan, and Europe, which operate under MPS International, Ltd.

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Monolithic Power Systems, MPS, and the MPS logo are registered trademarks of Monolithic Power Systems, Inc. in the U.S. and trademarked in certain other countries.

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