

**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):
April 30, 2012

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))
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Item 2.02 Results of Operations and Financial Condition.

On April 30, 2012, Monolithic Power Systems, Inc. (“MPS”), a Delaware corporation, issued a press release regarding its financial results for the quarter ended March 31, 2012. 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.

| Exhibit | Description |
|----------------|--|
| 99.1 | Press Release issued on April 30, 2012, announcing the financial results for the quarter ended March 31, 2012. |

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: April 30, 2012

By: _____ /s/ Meera Rao

Meera Rao
Chief Financial Officer
(Principal Financial and Accounting Officer and
Duly Authorized Officer)

Index to Exhibits

| Exhibit | Description |
|----------------|--|
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PRESS RELEASE
For Immediate Release

Monolithic Power Systems Announces Record First Quarter Revenue

SAN JOSE, Calif. April 30, 2012—Monolithic Power Systems (MPS) (Nasdaq: MPWR), a leading fabless manufacturer of high-performance analog and mixed-signal semiconductors, today announced financial results for the quarter ended March 31, 2012.

The results for the quarter ended March 31, 2012 are as follows:

- Record first quarter net revenue of \$50.5 million, a 6.4% increase from \$47.5 million in the fourth quarter of 2011 and a 13.5% increase from \$44.5 million in the first quarter of 2011.
 - Gross margin of 52.3% was down slightly from 52.5% in the fourth quarter of 2011 and up 2.1% from 50.2% in the first quarter of 2011.
 - GAAP operating expenses of \$23.2 million, including \$23.1 million for research and development (R&D) and selling, general and administrative (SG&A) expenses, which include \$3.2 million for stock-based compensation, and \$0.1 million for litigation expenses. Comparatively, for the three months ended March 31, 2011, GAAP operating expenses were \$20.4 million, including \$19.6 million for research and development and selling, general and administrative expenses, which included \$2.9 million for stock-based compensation and \$0.8 million for litigation expenses.
 - Non-GAAP(1) operating expenses of \$20.0 million, excluding \$3.2 million for stock-based compensation, compared to \$17.5 million, excluding \$2.9 million for stock-based compensation, for the three months ended March 31, 2011.
 - GAAP net income of \$3.0 million and GAAP earnings per share of \$0.08 per diluted share. Comparatively, GAAP net income was \$1.9 million and GAAP earnings per share of \$0.05 per diluted share, for the quarter ended March 31, 2011.
 - Non-GAAP(1) net income of \$6.1 million and non-GAAP earnings per share of \$0.17 per diluted share, excluding stock-based compensation and related tax effects, compared to non-GAAP net income of \$4.7 million and non-GAAP earnings per share of \$0.13 per diluted share, excluding stock-based compensation and related tax effects, for the quarter ended March 31, 2011.
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The following is a summary of revenue by end market for the period indicated, estimated based on the Company's assessment of available end market data (in millions):

| End Market | Three months ended March 31, | |
|---------------|------------------------------|----------------|
| | 2012 | 2011 |
| Communication | \$ 12.5 | \$ 9.9 |
| Computing | 9.4 | 5.6 |
| Consumer | 23.9 | 26.5 |
| Industrial | 4.7 | 2.5 |
| Total | \$ 50.5 | \$ 44.5 |

The following is a summary of revenue by product family for the period indicated (in millions):

| Product Family | Three months ended March 31, | |
|---------------------------|------------------------------|----------------|
| | 2012 | 2011* |
| DC to DC Converters | \$ 44.4 | \$ 38.6 |
| Lighting Control Products | 6.1 | 5.9 |
| Total | \$ 50.5 | \$ 44.5 |

* 2011 Revenue associated with Audio Amplifiers has been included with DC to DC Converters to conform with current year presentation

"In 2012 we will further extend our technology leadership, expand the product roadmap, and gain market share in targeted high value growth markets," said Michael Hsing, CEO and founder of MPS. "This will set MPS on track for sustainable growth in 2013 and beyond."

Business Outlook

The following are MPS' financial targets for the second quarter ending June 30, 2012:

- Revenue in the range of \$56 million to \$60 million.
 - Gross margin between 52.5% and 54.0%.
 - Research and development and selling, general and administrative expenses between \$24.5 million and \$26 million. Non-GAAP(1) research and development and selling, general and administrative expenses between \$20.5 million and \$21.5 million. This excludes an estimate of stock-based compensation expense in the range of \$4.0 million to \$4.5 million.
 - Litigation expense in the range of \$0.1 million to \$0.3 million.
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(1) Non-GAAP net income, non-GAAP earnings per share, Non-GAAP operating expenses and non-GAAP research and development and selling, general and administrative expenses differ from net income, earnings per share, operating expenses, and research and development and selling, general and administrative expenses determined in accordance with GAAP (Generally Accepted Accounting Principles in the United States). Non-GAAP net income and Non-GAAP earnings per share for the quarters ended March 31, 2012 and 2011 excludes the effect of stock-based compensation expense and its related tax effect. Non-GAAP operating expenses for the quarters ended March 31, 2012 and 2011 exclude the effect of stock-based compensation expense. Projected non-GAAP research and development and selling, general and administrative expenses exclude the effect of stock-based compensation expense. These non-GAAP financial measures are not prepared in accordance with GAAP and should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. A schedule reconciling non-GAAP financial measures is included at the end of this press release. 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 financial measures used by MPS.

Conference Call

MPS plans to conduct an investor teleconference covering its quarter ended March 31, 2012 results at 2:00 p.m. PT / 5:00 p.m. ET today, April 30, 2012. To access the conference call and the following replay of the conference call, go to <http://ir.monolithicpower.com> and click on the webcast link. From this site, you can listen to the teleconference, assuming that your computer system is configured properly. In addition to the webcast replay, which will be archived for all investors for one year on the MPS website, a phone replay will be available for seven days after the live call at 404-537-3406, code number 41756353. This press release and any other information related to the call will also be posted on the website.

Safe Harbor Statement

This press release contains forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995, including, among other things, (i) projected revenues, gross margin, GAAP and non-GAAP research and development and selling, general and administrative expenses, stock-based compensation expense and litigation expense for the quarter ending June 30, 2012, (ii) our outlook for the long term prospects of the company, including the prospects of our new product families, (iii) our ability to penetrate new markets and expand our market share, (iv) our expected pricing practices in 2012, (v) the seasonality of our business, (vi) our ability to reduce our manufacturing costs, and (vii) statements of the assumptions underlying or relating to any statement described in (i), (ii), (iii), (iv), (v) or (vi). These forward-looking statements are not historical facts or guarantees of future performance or events, are based on current expectations, estimates, beliefs, assumptions, goals, and objectives, and involve significant known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from the results expressed by these statements. Readers of this press release and listeners to the accompanying conference call are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date hereof. Factors that could cause actual results to differ include, but are not limited to, our ability to attract new customers and retain existing customers; acceptance of, or demand for, MPS' products, in particular the new products launched within the past 18 months, being different than expected; competition generally and the increasingly competitive nature of our industry; any market disruptions or interruptions in MPS' schedule of new product release development; adverse changes in production and testing efficiency of our products; adverse changes in government regulations in foreign countries where MPS has offices or operations; the effect of catastrophic events; adequate supply of our products from our third-party manufacturer; the risks, uncertainties and costs of litigation in which we are involved; the outcome of any upcoming trials, hearings, motions and appeals; the adverse impact on MPS' financial performance if its tax and litigation provisions are inadequate; adverse changes or developments in the semiconductor industry generally; difficulty in predicting or budgeting for future customer demand and channel inventories, expenses and financial contingencies; and other important risk factors identified in MPS' SEC filings, including, but not limited to, its Form 10-K filed on March 12, 2012.

The forward-looking statements in this press release represent MPS' projections and current expectations, as of the date hereof, not predictions of actual performance. MPS assumes no obligation to update the information in this press release or in the accompanying conference call.

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, Singapore, 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.

Contact:

Meera Rao

Chief Financial Officer

Monolithic Power Systems, Inc.

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Condensed Consolidated Balance Sheets
(Unaudited, in thousands, except par value and share amounts)

| | March 31, 2012 | December 31, 2011 |
|--|-------------------|-------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 78,731 | \$ 96,371 |
| Short-term investments | 102,197 | 77,827 |
| Accounts receivable, net of allowances of \$5 in 2012 and 2011 | 19,947 | 15,097 |
| Inventories | 21,547 | 20,104 |
| Deferred income tax assets, net - current | 646 | 421 |
| Prepaid expenses and other current assets | 2,352 | 1,685 |
| Total current assets | 225,420 | 211,505 |
| Property and equipment, net | 51,437 | 47,794 |
| Long-term investments | 13,665 | 13,675 |
| Deferred income tax assets, net - long-term | 19 | 239 |
| Other assets | 639 | 654 |
| Total assets | \$ 291,180 | \$ 273,867 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 14,573 | \$ 8,904 |
| Accrued compensation and related benefits | 6,746 | 9,321 |
| Accrued liabilities | 10,150 | 7,845 |
| Total current liabilities | 31,469 | 26,070 |
| Non-current income tax liabilities | 4,930 | 4,920 |
| Total liabilities | 36,399 | 30,990 |
| Stockholders' equity: | | |
| Common stock, \$0.001 par value, \$34 and \$34 in 2012 and 2011, respectively; shares authorized: 150,000,000; shares issued and outstanding: 34,410,896 and 33,826,032 in 2012 and 2011, respectively | 167,773 | 159,336 |
| Retained earnings | 82,943 | 79,948 |
| Accumulated other comprehensive income | 4,065 | 3,593 |
| Total stockholders' equity | 254,781 | 242,877 |
| Total liabilities and stockholders' equity | \$ 291,180 | \$ 273,867 |

Condensed Consolidated Statement of Operations
(Unaudited, in thousands, except per share amounts)

| | Three months ended March 31, | |
|---|-------------------------------------|-----------------|
| | 2012 | 2011 |
| Revenue | \$ 50,484 | \$ 44,468 |
| Cost of revenue (1) | 24,074 | 22,163 |
| Gross profit | <u>26,410</u> | <u>22,305</u> |
| Operating expenses: | | |
| Research and development (2) | 11,118 | 10,086 |
| Selling, general and administrative (3) | 11,966 | 9,490 |
| Litigation expense | 128 | 813 |
| Total operating expenses | <u>23,212</u> | <u>20,389</u> |
| Income from operations | 3,198 | 1,916 |
| Other income (expense): | | |
| Interest and other income | 157 | 271 |
| Interest and other expense | (51) | (88) |
| Total other income, net | <u>106</u> | <u>183</u> |
| Income before income taxes | 3,304 | 2,099 |
| Income tax provision | 309 | 206 |
| Net income | <u>\$ 2,995</u> | <u>\$ 1,893</u> |
| Basic net income per share | <u>\$ 0.09</u> | <u>\$ 0.05</u> |
| Diluted net income per share | <u>\$ 0.08</u> | <u>\$ 0.05</u> |
| Weighted average common shares outstanding: | | |
| Basic | <u>34,105</u> | <u>35,024</u> |
| Diluted | <u>35,538</u> | <u>36,105</u> |
| (1) Includes stock-based compensation expense | \$ 95 | \$ 63 |
| (2) Includes stock-based compensation expense | 1,266 | 1,427 |
| (3) Includes stock-based compensation expense | 1,954 | 1,497 |
| Total stock-based compensation expense | <u>\$ 3,315</u> | <u>\$ 2,987</u> |

Three months ended March 31,

| | |
|-------------|-------------|
| 2012 | 2011 |
|-------------|-------------|

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

| | | |
|--|----------|----------|
| Net income | \$ 2,995 | \$ 1,893 |
| Net income as a percentage of revenue | 5.9% | 4.3% |
| Adjustments to reconcile net income to non-GAAP net income | | |
| Stock-based compensation | \$ 3,315 | \$ 2,987 |
| Tax effect | (187) | (175) |
| Non-GAAP net income | \$ 6,123 | \$ 4,705 |
| Non-GAAP net income as a percentage of revenue | 12.1% | 10.6% |
| Non-GAAP earnings per share, excluding stock-based compensation and related tax effects: | | |
| Basic | \$ 0.18 | \$ 0.13 |
| Diluted | \$ 0.17 | \$ 0.13 |
| Shares used in the calculation of non-GAAP earnings per share: | | |
| Basic | 34,105 | 35,024 |
| Diluted | 35,538 | 36,105 |

RECONCILIATION OF OPERATING EXPENSES TO NON-GAAP OPERATING EXPENSES

(in thousands)

| | | |
|--|------------|------------|
| Total operating expenses | \$ 23,212 | \$ 20,389 |
| Adjustments to reconcile total operating expenses to non-GAAP total operating expenses | | |
| Stock-based compensation | \$ (3,220) | \$ (2,924) |
| Non-GAAP operating expenses | \$ 19,992 | \$ 17,465 |

RECONCILIATION OF OPERATING INCOME TO NON-GAAP OPERATING INCOME

(in thousands)

| | | |
|--|----------|----------|
| Total operating income | \$ 3,198 | \$ 1,916 |
| Operating income as a percentage of revenue | 6.3% | 4.3% |
| Adjustments to reconcile total operating income to non-GAAP total operating income | | |
| Stock-based compensation | \$ 3,315 | \$ 2,987 |
| Non-GAAP operating income | \$ 6,513 | \$ 4,903 |
| Non-GAAP operating income as a percentage of revenue | 12.9% | 11.0% |

2012 Second Quarter Outlook
(In thousands)

June 30, 2012

| | Low | High |
|--|-----------|-----------|
| R&D and SG&A | \$ 24,500 | \$ 26,000 |
| Adjustments to reconcile R&D and SG&A to Non-GAAP R&D and SG&A | | |
| Stock-based compensation | (4,000) | (4,500) |
| Non-GAAP R&D and SG&A | \$ 20,500 | \$ 21,500 |