

SBE INC
Form 10-Q
June 11, 2007

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

FORM 10-Q

(Mark one)

Quarterly report pursuant to section 13 or 15(d)
of the Securities Exchange Act of 1934

For the quarterly period ended April 30, 2007

Transition report pursuant to section 13 or 15(d) of the
Securities and Exchange Act of 1934

For the transition period from _____ to _____

Commission file number 0-8419

SBE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

94-1517641
(I.R.S. Employer
Identification No.)

4000 Executive Parkway, Suite 200, San Ramon, California 94583
(Address of principal executive offices and zip code)

(925) 355-2000
(Registrant's telephone number, including area code)

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 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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Exchange Act Rule 12b-2.

Large Accelerated Filer Accelerated Filer Non Accelerated Filer

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 registrant's common stock outstanding as of May 25, 2007 was 2,254,087.

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PART I. Financial Information
Item 1. Financial Statements

SBE, INC.
CONDENSED BALANCE SHEETS
(In thousands)

	April 30, 2007 (unaudited)	October 31, 2006 (A)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,239	\$ 1,147
Trade accounts receivable, net	102	930
Other	750	177
Current assets from discontinued operations (B)	---	739
Total current assets	2,091	2,993
Property, plant and equipment, net	139	231
Capitalized software costs, net	939	1,314
Other	4	5
Non-current assets from discontinued operations (B)	---	325
Total assets	\$ 3,173	\$ 4,868
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade accounts payable	\$ 91	\$ 557
Accrued payroll and employee benefits	17	105
Capital lease obligations - current portion	34	33
Deferred revenues	303	432
Other accrued expenses	128	144
Current liabilities from discontinued operations (B)	---	21
Total current liabilities	573	1,292
Capital lease obligations, net of current portion	61	65
Long-term liabilities from discontinued operations (B)	---	190
Total long-term liabilities	61	255
Total liabilities	634	1,547
Commitments (note 7)		
Stockholders' equity:		
Common stock	35,638	35,186
Accumulated deficit	(33,099)	(31,865)
Total stockholders' equity	2,539	3,321
Total liabilities and stockholders' equity	\$ 3,173	\$ 4,868

(A) Derived from audited financial statements

(B) See Note 1 to the condensed financial statements for information related to discontinued operations

See notes to condensed financial statements.

SBE, INC.
CONDENSED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)
(Unaudited)

	Three months ended		Six months ended	
	April 30,		April 30,	
	2007	2006	2007	2006
Net revenue	\$ 27	\$ ---	\$ 49	\$ 10
Operating expenses				
Amortization and impairment of acquired				
software and intellectual property	188	1,023	375	2,046
Product research and development	252	498	611	1,069
Sales and marketing	91	326	273	618
General and administrative	724	756	1,186	1,538
Total operating expenses	1,255	2,603	2,445	5,271