

Edgar Filing: Spansion Inc. - Form 425

Spansion Inc.
Form 425
December 02, 2014

Filed by Spansion Inc.

Pursuant to Rule 425 under the Securities Act of 1933

and deemed filed pursuant to Rule 14a-12

under the Securities Exchange Act of 1934

Subject Company: Spansion Inc.

Commission File No.: 001-34747

Merger with Cypress
December 1, 2014

2
©
2014 Spansion
CONFIDENTIAL
Today's News
Why it Makes Sense
A merger of equals

Profitable with more than \$2 billion in revenues. \$300m+ in R&D.

Broad-line

Memory

Portfolio

NOR,

NAND,

SRAM,

FRAM,

nvRAM

Both

companies

well

positioned

in

microcontrollers

PSoC,

ARM

MCU

Complimentary

products

Timing,

Connectivity,

Systems

Solutions

Complimentary customer base. Doubles our position at many accounts.

Significant manufacturing synergies. Lowers cost of goods.

Combined company will be stronger than either company individually

Customers will benefit from the greater scale, more resources

and enhanced product portfolio

Similar values and heritage

3
©
2014 Spansion
CONFIDENTIAL
Spansion Journey
2003
Spansion formed

2005

Spansion IPO

2014

More

than

10

product

families

introduced across Flash, MCU,

Analog

2013

Spansion acquires Fujitsu's

Analog /

MCU business

2010

Spansion relists on NYSE

Spansion emerges

from Chapter 11

1993

JV between

AMD and

Fujitsu

2015

Cypress merger

4
©
2014 Spansion
CONFIDENTIAL
Bold Moves Spansion Team Has Made Together
May
Reorganization

November
First 2Gb NOR
December
ISO Automotive Manufacturing System Leadership
2010
March
Red Cross Earthquake donation and extraordinary efforts
dealing with customers during earthquake
May
SMIC 45nm
June
Samsung settlement, cross license
August
First 4Gb NOR
2011
2012
XMC 32nm, technology licensing
UMC
Technology
development
/
licensing
Fujitsu analog and microcontroller addition
Flexible MCUs for Iot MCU for Industrial, ARM license
Dual Quad SPI, High Performance 1.8V NOR, Dahua best supplier
2013
April
SK Hynix Partnership
May
5-year NAND roadmap for embedded
June
First voice PSS, sets stage for future systems solution
November
First 8Gb NOR at 45nm
2014
HyperFlash
memory
HyperRAM and ISSI
3D NAND
Traveo Automotive (3)
Energy Harvesting
Intelligent LED, DC-DC PMIC
96 new Flexible MCUs (FM)
e.MMC
Auto Grade 125C Flash

5
©
2014 Spansion
CONFIDENTIAL
Senior Leadership Team
T.J. Rodgers is CEO
Company leadership: Best-of-Breed

John Kispert is a member of the merged company's board of directors. BoD comprised of Cypress and Spansion Boards. Ray Bingham is non-executive chairman.

6
©
2014 Spansion
CONFIDENTIAL
Reasons for Mergers
SRAM, FRAM, nvSRAM
PSoCs, USB

HMI (Trutouch, Captouch)
Timing
CSP packaging
Flash (NOR & NAND)
MMIC and Automotive MCU
PMIC, timing, interconnect
Systems solutions
Software
Complimentary Markets
and Products
Fab 25
Low cost CMOS wafers
Embedded Flash technology
High-volume assembly
Mutli-die packaging
Advanced 300mm foundires
High
volume
package
/
test
Manufacturing
Excellence
Minnesota Fab
65nm CMOS technology
Auto line assembly
World-class cycle times
Foundries to expand portfolio
Standard zero defects
99% on-time delivery
2 ppm quality
Commitment to Customer
Service and Quality
Zero tolerance for customer-
perceived problems
Preferred auto supplier
24 of top 25

7
©
2014 Spansion
CONFIDENTIAL
Product Synergies for IoT
Embedded Devices Require:
Processing

Connectivity
Sensors
Analog
Memory
Connected
Car
Industrial
Control
Medical
Monitors
Imagine!
Smart
Phones
Home
Entertainment
Smart
Meter
SoC
Analog
Touch
NAND
NOR
SRAM
NVRAM
Connectivity
MCU
Software
Ecosystem
Smart
Homes
Wearables

8
©
2014 Spansion
INTERNET
of
THINGS
Market Synergies for IoT

Mobile

8

©

2014 Spansion

Consumer

Industrial

Communications

Increased Penetration of Existing Automotive Market
Solid Business Foundation for Embedded and PSoC Solutions
Intelligent monitoring and control systems
for automotive with integrated microcontrollers
Sophisticated Microcontrollers
Worldwide leader in capacitive touch technology
expanding rapidly into automotive market

Touchscreen Controllers

EV/

HV

(motor control)

EV/

HV (power

supply control)

EPS Systems

CLUSTER & INFOTAINMENT

Touch / touchscreen controllers

Infotainment and GPS Systems

Voice recognition

Instrument clusters

USB integration

Battery

Management

BODY

HVAC

Interior Lighting

Power Seat

Rotary Switch

Body Control Modules

CONTROL

Mirror control

Door control

CHASSIS

Electric Power Steering

Steering Angle Sensors

ABS

POWERTRAIN

ENERGY MANAGEMENT

9

©

2014 Spansion

CONFIDENTIAL

Major Automotive

Customers & OEMs

\$19.0B

\$7.0B

Deepens Product Suite to Address \$35Bn Opportunity

Embedded

SOC

Analog

Memory

Controllers
Licensing
Microcontrollers
PSoC
Fingerprint and Touch
Flash (NOR, NAND)
SRAM (Sync, Async, NV)
FRAM
Power Management Solutions
LEDs
Application-specific Solutions
Embedded Flash
Integrated MCUs
Integrated Connectivity
(USB 3.0, BLE)
Complementary IP Portfolios
\$7.0B
\$5.0B
\$0.5B
10
©

2014 Spansion

CONFIDENTIAL

Wide range of embedded
SoC and PSoC solutions
Broad portfolio of
microcontrollers, high
performance memory,
analog, connectivity
and human machine
interface products

11
©
2014 Spansion
CONFIDENTIAL
Shared
Strategic
Accounts

Flash MCU

Key Accounts

Cypress

Key Accounts

Cross-selling is an obvious, easy win

Significant Cross Selling Opportunity Between Customers

12
©
2014 Spansion
CONFIDENTIAL
Technology Strategy
Spansion Fab & Partners
PMIC

2013
2016
.380um /
.180um
90nm
Power Management
Energy Harvesting
ANALOG
PSOC
M0
2010
2015
130nm 55nm
SONOS SONOS
Proprietary Core
MCU
R-Series
M-Series
2010
2014
2015
2017
90nm
55nm
40nm
28nm
FG
FG
eCT
eCT
Proprietary Core
Embedded Flash
8Gb PNOR
45nm
1Gb SPI
SRAM
FRAM
NOR, FG, MB
3D-NAND
SLC, MLC
NAND
2013
2016
65nm, 45nm
32nm
2013
2015
41nm, 32nm
1Xnm
MEMORY

eCT
2014
2016
40nm
28nm
SRAM
2012
2015
65nm
55nm
2006
2010
180nm
130nm
FRAM

Combined Worldwide Coverage
Design Centers
of Excellence
Langen & Munich, Germany
Sunnyvale, California
Tokyo, Japan
Penang, Malaysia

Netanya, Israel
Dedicated Automotive
Field Support
Detroit, Michigan
Indianapolis, Indiana
Milan, Italy
Munich, Germany
Paris, France
Shanghai, China
Chengdu, China
Seoul, Korea
Sunnyvale, California
Tokyo, Japan
Spansion Operations
& Manufacturing
All sites are
ISO/TS certified
HONG KONG,
CHENGDU, CHINA
SUNNYVALE, CA
MINNESOTA
LANGEN & MUNICH,
GERMANY
TOKYO,
JAPAN
PENANG, MALAYSIA
BANGALORE, INDIA
PHILIPPINES
BANGKOK, THAILAND
SHANGHAI, CHINA
NETANYA, ISRAEL

13

©

2014 Spansion
CONFIDENTIAL
SAN JOSE
AUSTIN, TX

14

©

2014 Spansion

CONFIDENTIAL

Foundry Partners

Final Manufacturing

Manufacturing Strategy: Well-balanced Asset-Lite Infrastructure

Spansion FAB
SPANSION NOR
65
/
45
/
32 nm
SPANSION NAND
41/ 32 nm
MCU/
ANALOG
180
/
90
/
55 nm
(650nm, 350nm, 250nm)
SPANSION eCT
40
nm

Strategy supports high quality, product longevity, efficient technology investment for Analog, MCU, NOR and NAND

Spansion Austin
Wholly-owned
Spansion Fab,
Austin, USA
65nm in mass
production
Sustaining
110nm, 90nm for
long lifecycle
customers
Major Assembly
Partners
Scalable Capacity on
Critical Packages
Spansion Bangkok

Manufacturing Strategy
Cypress
Cypress, Minnesota
Wholly-owned
Cypress Fab,
Minnesota, USA
90nm in mass

production
Sustaining
0.35 micron to
130 nm in
production
Cypress, Minnesota
Cypress FAB
Cypress SRAM
and eNVM
65
/
45
/
32
nm
Logic/
eNVM
130
/
65
nm
FRAM
130
nm
Logic
0.5
m
/
0.35
m
Foundry Partners
Cypress Manila
Low cycle time
Autoline Capability
Major Assembly
Partners
J-CET
15
©
2014 Spansion
CONFIDENTIAL
Final Manufacturing

16

©

2014 Spansion

CONFIDENTIAL

Q&A

What is the timeline?

Where is HQ?

What is Company Name?

What are shared values/culture?

What is impact to Spansion stock?

When can we meet with our colleagues at Cypress?

Employee benefits

Manufacturing

What is the product strategy/roadmap

?

?

?

17
©
2014 Spansion
CONFIDENTIAL
Forward-Looking Statements
This communication contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including with respect to the anticipated

timing, completion and effects of the proposed merger between Cypress and Spansion. These statements are based on management's current expectations and beliefs, and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These forward-looking statements include statements about future financial and operating results; benefits of the transaction to customers, stockholders and employees; potential synergies and cost savings; the ability of the combined company to drive growth and expand customer and partner relationships; and other statements regarding the proposed transaction. Forward-looking statements

may

contain

words

such

as

will

be,

will,

expected,

anticipate,

continue,

or

similar

expressions, and include the assumptions that underlie such statements. The following factors, among others, could cause actual results to differ materially from those described in the forward-looking statements:

failure of the Cypress or Spansion stockholders to approve the proposed merger; failure to achieve regulatory approval; the challenges and costs of closing, integrating, restructuring and achieving anticipated synergies; the ability to retain key employees, customers and suppliers; and other factors, including those set forth in the most current Form 10-K, Form 10-Q and 8-K reports filed by Cypress and Spansion with the Securities and Exchange Commission (the "SEC"). All forward-looking statements are based

on

management's

estimates,

projections

and

assumptions

as

of

the

date

hereof,

and

Cypress

and

Spansion are under no obligation (and expressly disclaim any such obligation) to update or revise their forward-looking statements whether as a result of new information, future events, or otherwise.

No

Offer

or

Solicitation

This
communication
does
not
constitute
an
offer
to
sell
or
the
solicitation
of
an

offer to buy any securities or a solicitation of any vote or approval with respect to the proposed merger or otherwise.

No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

18
©
2014 Spansion
CONFIDENTIAL
Forward-Looking Statements
Additional
Information

and
Where
to
Find
It

In
connection
with
the
proposed
merger,
Cypress
intends
to
file
a registration
statement
on
Form
S-4,
which
will
include
a
preliminary
prospectus
and
related
materials
to
register
the
shares
of
Cypress
common
stock
to
be
issued
in
the
merger,
and
Cypress
and
Spansion
intend
to

file
a
joint
proxy
statement/prospectus
and
other
documents
concerning
the
proposed
merger
with
the
SEC.
INVESTORS
AND
SECURITY
HOLDERS
ARE
URGED
TO
READ
THE
REGISTRATION
STATEMENT,
THE
JOINT
PROXY
STATEMENT
/
PROSPECTUS
AND
ANY
OTHER
RELEVANT
DOCUMENTS
TO
BE
FILED
WITH
THE
SEC
CAREFULLY
WHEN
THEY
BECOME
AVAILABLE
BECAUSE
THEY

WILL
CONTAIN
IMPORTANT
INFORMATION
ABOUT
CYPRESS,
SPANSION,
AND
THE
PROPOSED
MERGER.

Investors
and
security
holders
will
be
able
to
obtain
free
copies
of
the
registration
statement
and
the
joint
proxy
statement
/
prospectus
(when
they
are
available)
and
any
other
documents
filed
by
Cypress
and
Spansion
with
the
SEC
at

the
SEC's
website
at
www.sec.gov.

They
may
also
be
obtained
for
free
by
contacting
Cypress
Investor
Relations

at
<http://investors.cypress.com/contactus.cfm>

or
by
telephone
at
(408)
943-2656

or
by
contacting
Spansion
Investor
Relations

at
investor.relations@spansion.com

or
by
telephone
at
(408)
962-2500.

The
contents
of
the
websites
referenced
above
are
not
deemed
to

be
incorporated
by
reference
into
the
registration
statement
or
the
joint proxy statement/prospectus.

Participants
in
the
Solicitation

Each
of
Spansion
and
Cypress
and
their
respective
executive
officers
and

directors may be deemed to be participants in the solicitation of proxies from their respective stockholders with respect to the transactions contemplated by the merger agreement. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of Cypress or Spansion security holders in connection

with
the
proposed
merger
will
be
set
forth
in
the
registration
statement
and
the
joint
proxy
statement
/

prospectus when filed with the SEC. Information regarding Spansion's executive officers and directors is included

in Spansion's Proxy Statement for its 2014 Annual Meeting of Stockholders, filed with the SEC on April 18, 2014, and its Current Report on Form 8-K, filed with the SEC on August 19, 2014, and information regarding Cypress executive officers and directors is included in Cypress Proxy Statement for its 2014 Annual Meeting of Stockholders, filed with the SEC on March 28, 2014 and its Current Report on Form 8-K, filed with the SEC on April 2, 2014. Copies of the foregoing documents may be obtained

as
provided
above.
Certain
executive
officers
and directors of Cypress and Spansion have interests in the transaction that may differ from the interests of
Cypress and Spansion stockholders generally. These interests will be described in the joint proxy
statement
/
prospectus when it becomes available.

www.spansion.com

Spansion

®

, the Spansion logo, MirrorBit

®

, MirrorBit

®

Eclipse

and combinations thereof are trademarks and registered

trademarks of Spansion LLC in the United States and other countries. Other names used are for informational purposes only and may be trademarks of their respective owners.

This document is for informational purposes only and subject to change without notice. Spansion does not represent that it is complete, accurate or up-to-date; it is provided AS IS.

To the maximum extent permitted by law, Spansion disclaims

any liability for loss or damages arising from use of or reliance on this document.