

Spansion Inc.
Form 10-Q
May 06, 2014

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 March 30, 2014

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the transition period from to

Commission File Number 001-34747

SPANSION INC.

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(Exact name of registrant as specified in its charter)

Delaware **20-3898239**
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

915 DeGuigne Drive
 94085
Sunnyvale, California
(Address of principal executive offices) (Zip Code)

(408) 962-2500

(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 for 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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “small reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company

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Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes No

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

As of May 1, 2014, the registrant had 60,371,219 shares of Class A Common Stock outstanding at \$0.001 par value per share.

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PART I. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****Condensed Consolidated Statements of Operations****(in thousands, except per share amounts)****(Unaudited)**

	Three Months Ended	
	March 30, 2014	March 31, 2013
Net sales	\$311,750	\$189,572
Cost of sales	221,918	143,717
Gross profit	89,832	45,855
Research and development	43,562	22,777
Sales, general and administrative	55,631	28,483
Operating loss	(9,361)	(5,405)
Interest and other income (expense), net	(4,600)	962
Interest expense	(6,087)	(7,604)
Loss before income taxes	(20,048)	(12,047)
Provision for income taxes	(2,447)	(2,388)
Net loss	\$(22,495)	\$(14,435)
Net loss per share:		
Basic	\$(0.38)	\$(0.25)
Diluted	\$(0.38)	\$(0.25)
Shares used in per share calculation:		
Basic	59,771	58,086
Diluted	59,771	58,086

See accompanying notes.

Condensed Consolidated Statement of Comprehensive Income (Loss)**(in thousands)****(Unaudited)**

	Three Months Ended	
	March 30, 2014	March 31, 2013
Net loss	\$ (22,495)	\$ (14,435)
Other comprehensive income (loss), net of tax:		
Net foreign currency translation adjustment	296	(1,055)
Unrealized gain on recovery from impaired investments reclassified into earnings	-	(1,200)
Net unrealized gain (loss) on cash flow hedges:		
Net unrealized hedge gain (loss) arising during the period	(4,714)	7,743
Net loss (gain) reclassified into earnings for cash flow hedges	1,382	(1,753)
Net unrealized gain (loss) on cash flow hedges	(3,332)	5,990
Other comprehensive income (loss), net of tax	(3,036)	3,735
Total comprehensive loss	\$ (25,531)	\$