Spansion Inc.
Form S-4/A
October 25, 2011
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As filed with the Securities and Exchange Commission on October 25, 2011

Registration No. 333-174593

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 3

to

FORM S-4

REGISTRATION STATEMENT

UNDER THE SECURITIES ACT OF 1933

SPANSION LLC

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**3674**	**65-1180482**
(State or Other Jurisdiction of Incorporation or Organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

(For Additional Registrants, see Table of Additional Registrants on the following page)

915 DeGuigne Drive

P.O. Box 3453

Sunnyvale, California 94088

(408) 962-2500

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrants Principal Executive Offices)

John H. Kispert

President and Chief Executive Officer

Spansion Inc.

915 DeGuigne Drive

P.O. Box 3453

Sunnyvale, California 94088

(408) 962-2500

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

Tad J. Freese, Esq.

Latham & Watkins LLP

140 Scott Drive

Menlo Park, California 94025

(650) 328-4600

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration number for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier, effective registration statement for the same offering. ¨

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 smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer	þ		Accelerated filer	¨
Non-accelerated filer	¨	(Do not check if a smaller reporting company)	Smaller reporting company	¨

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)	¨
Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)	¨

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Table of Additional Registrants

Exact Name of Registrant as Specified in its Charter/Constituent Documents[1]	CIK Number	File Number	State of Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Number	I.R.S. Employer Identification No.
Spansion Inc.	0001322705	333-174593-02	Delaware	3674	20-3898239
Spansion Technology LLC	0001520876	333-174593-01	Delaware	3674	55-0833982

1 The address for each of the additional guarantor registrants is 915 DeGuigne Drive, P.O. Box 3453, Sunnyvale, California 94088.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and we are not soliciting offers to buy these securities, in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED OCTOBER 25, 2011

PRELIMINARY PROSPECTUS

Spansion LLC

OFFER TO EXCHANGE

$200,000,000 principal amount of its

7.875% Senior Notes due 2017

which have been registered under the Securities Act,

for any and all of its outstanding 7.875% Senior Notes due 2017

The exchange offer expires at 5:00 p.m., New York City time, on , 2011, unless extended.

We will exchange all outstanding notes that are validly tendered and not validly withdrawn for an equal principal amount of a new series of notes that are registered under the Securities Act.

The exchange offer is not subject to any conditions other than that it not violate applicable law or any applicable interpretation of the staff of the SEC.

You may withdraw tenders of outstanding notes at any time before the exchange offer expires.

The exchange of notes will not be a taxable event for U.S. federal income tax purposes.

We will not receive any proceeds from the exchange offer.

The terms of the new series of notes are substantially identical to the terms of the outstanding notes, except for transfer restrictions and registration rights relating to the outstanding notes.

You may tender outstanding notes only in denominations of $2,000 and integral multiples of $1,000.

Our affiliates may not participate in the exchange offer.

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities.

The exchange offer will be conducted in compliance with the Depository Trust Company s Automated Tender Offer Program, or ATOP, procedures; the exchange offer will be conducted without the use of a letter of transmittal or notice of guaranteed delivery.

Please refer to Risk Factors beginning on page 12 of this prospectus for a description of the risks you should consider when evaluating this exchange offer.

We are not making this exchange offer in any jurisdiction where it is not permitted.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2011.

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We have not authorized any dealer, salesperson or other people to give any information or to make any representations to you other than the information contained in this prospectus. You must not rely on any information or representations not contained in this prospectus as if we had authorized it. This prospectus does not offer to sell or solicit an offer to buy any securities other than the registered notes to which it relates, nor does it offer to buy any of these notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction.

The information contained in this prospectus is current only as of the date on the cover page of this prospectus, and may change after that date.

This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. This information is available without charge to you upon written or oral request. If you would like a copy of any of this information, please submit your request to Spansion Inc., 915 DeGuigne Drive, P.O. Box 3453, Sunnyvale, California 94088, Attention: Legal Department, or call (408) 962-2500 and ask to speak to someone in our Legal Department. In addition, to obtain timely delivery of any information you request, you must submit your request no later than , 2011, which is five business days before the date the exchange offer expires.

Market and Industry Data

Market and industry data included or incorporated by reference in this prospectus were obtained from a combination of third-party industry data and good faith estimates of management based on these data. While we believe these industry data and estimates of management are reliable, we have not independently verified this data. We are not aware of any misstatements regarding market or industry data contained in this prospectus; however, such data involves risks and uncertainties and is subject to change based on various factors, including those factors discussed in Risk Factors in this prospectus.

Trademarks

Spansion™, the Spansion logo, and other trademarks or service marks of Spansion appearing in this prospectus are the property of Spansion. Trade names, trademarks and service marks of other companies appearing in this prospectus are the property of the respective holders.

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Forward-Looking Statements

This prospectus and the documents incorporated by reference herein contain forward-looking statements. These statements relate to future events or our future financial performance. Forward-looking statements may include words such as may, will, should, expect, plan, intend, anti believe, estimate, predict, potential, continue or other wording indicating future results or expectations. Forward-looking statements are subj to risks and uncertainties, and actual events or results may differ materially. Factors that could cause our actual results to differ materially include, but are not limited to, those discussed under Risk Factors in this prospectus. We also face risks and uncertainties associated with emergence from the Chapter 11 bankruptcy proceedings, or the Chapter 11 Cases; claims not discharged in the Chapter 11 Cases and their effect on our results of operations and profitability; substantial indebtedness and its impact on our financial health and operations; fluctuations in foreign currency exchange rates; the sufficiency of workforce and cost reduction initiatives; and the effect of the earthquakes and tsunami that occurred recently in Japan, the resultant intermittent power outages and the continued risk of radiation exposure from damaged nuclear power plants. Other risks and uncertainties relating to our business include our ability to: successfully transform our business and implement our new business strategy focused primarily on the embedded Flash memory market; maintain or increase our average selling price and lower our average costs; accurately forecast customer demand for our products; attract new customers; obtain additional financing in the future; maintain our distribution relationships and channels in the future; successfully enter new markets and manage our international expansion; successfully compete with existing and new competitors, or with new memory or other technologies; successfully develop new applications and markets for our products; maintain manufacturing efficiency; obtain adequate supplies of satisfactory materials essential to manufacture our products; successfully develop and transition to the latest technologies; negotiate patent and other intellectual property licenses and patent cross-licenses and acquire additional patents; protect our intellectual property and defend against infringement or other intellectual property claims; maintain our business operations and demand for our products in the event of natural or man-made catastrophic events; and effectively manage, operate and compete in the current sustained economic downturn. Except as required by law, we undertake no obligation to revise or update any forward-looking statements to reflect any event or circumstances that arises after the date of this prospectus, or to conform such statements to actual results or changes in our expectations.

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Prospectus Summary

This summary highlights information contained in greater detail elsewhere in this prospectus. This summary may not contain all the information that you should consider before exchanging your notes. You should read the entire prospectus carefully, including the risk factors included elsewhere in this prospectus, as well as the information incorporated by reference, including the financial statements, before exchanging your notes. Unless the context otherwise requires, references in this prospectus to Spansion LLC, we, our, us and the company refer to Spansion LLC in the context of the terms of the notes, as the issuer of the notes, and references to Spansion Inc. refers to Spansion Inc. and its subsidiaries, including Spansion LLC.

Overview

We are a leading designer, developer and manufacturer of Flash memory solutions. We primarily focus on serving the embedded Flash memory market to customers worldwide. Our Flash memory products primarily store data and software code for microprocessors, microcontrollers and other programmable semiconductors which run applications in a broad range of electronics systems. These electronic systems include computing and communications, automotive and industrial, consumer and gaming, wireless and machine-to-machine, or M2M, devices. In addition to Flash memory products, we assist our customers in developing and prototyping their designs by providing software and hardware development tools, drivers and simulation models for system-level integration.

Our Flash memory solutions are incorporated in products from leading original equipment manufacturers, or OEMs. Our products are designed to accommodate various voltage, interface and memory density requirements for a wide range of applications and customer platforms. The majority of our new product designs are based on our proprietary two-bit-per-cell MirrorBit technology which has a simpler cell architecture requiring fewer manufacturing steps, supporting higher yields and lower costs as compared to competing floating gate NOR Flash memory technology.

For the period from May 11, 2010 through December 26, 2010, Successor net sales were $764.7 million and Successor net loss was $96.7 million. For the period from December 28, 2009 through May 10, 2010, Predecessor net sales were $403.6 million and Predecessor net income was $363.6 million. For the six months ended June 26, 2011, Successor net sales were $591.7 million and Successor net income was $11.1 million. For an explanation of our Predecessor and Successor periods relating to our emergence from our bankruptcy proceedings described below, please see Prospectus Summary Summary Historical Consolidated Financial Data beginning on page 9 of this prospectus.

Circumstances Leading to the Commencement of Bankruptcy Proceedings in 2009

A variety of external economic factors contributed to the decline in our operating performance prior to our seeking relief under Chapter 11 of the U.S. Bankruptcy Code, such as persistent oversupply in the Flash memory industry compounded by the global economic recession, which significantly reduced demand for our products beginning in the fourth quarter of 2008 and continues to negatively impact demand. These two factors were further complicated by our inability to obtain the additional external financing necessary to meet capital expenditure needs and operational costs in a market characterized by swift technological advances and constantly changing manufacturing processes.

Our strategy was historically based on aggressive revenue and market share growth, leveraging advanced technology and low cost, high-volume manufacturing. In our 2006 long range planning cycle, forecasted revenue growth supported the construction of a $1.2 billion advanced wafer fabrication facility called SP1. Debt financing was arranged and construction on SP1 commenced in early 2007.

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Although we continued to increase our NOR memory market segment share, steep average selling price, or ASP, declines during the first half of 2007 negatively affected revenue and operating cash flow. At that time, we anticipated an improvement in the market environment for the second half of 2007 and aggressively continued the construction of SP1 and incurred associated capital expenditures with the ultimate goal of significant cost reductions that would enhance our competitive position.

During the second half of 2007, the ASP environment stabilized relative to earlier in the year. However, we faced customer qualification issues resulting in a shortfall of anticipated revenue and increased inventory levels which contributed to our failure to meet financial performance targets in the second half of 2007. For fiscal 2007, cash flow from operations was $216.3 million, which was significantly lower than anticipated. Driven by the SP1 and investments in our research and development facilities, our capital spending in 2007 was approximately $1.1 billion.

Our 2008 operating plan included capital expenditures of approximately $535.0 million, of which approximately 80 percent was expected to occur in the first half of the year in order to complete the first phase of SP1. Upon completion of the first phase, SP1 was anticipated to generate approximately $300 million in revenue in 2008.

In the first quarter of 2008, we lost liquidity in our investment in $121.9 million of AAA/Aaa-rated auction rate securities, or ARS, because the auctions in which these ARS were traded failed. Throughout the second and third quarters of 2008, the credit markets continued to deteriorate and we intensified our cash management efforts. Operationally, the ramp-up of SP1 was delayed due to slower than expected customer qualifications and a sharp decline in the Japanese wireless market. In the third quarter of 2008, we engaged investment bankers and capital restructuring advisors to evaluate the situation and to accelerate plans to improve liquidity. Multiple initiatives were launched and/or accelerated, including efforts to sell production facilities, raise capital and seek liquidity options for the ARS.

In the fourth quarter of 2008, the macroeconomic environment deteriorated significantly, causing a sharp decline in worldwide demand for consumer goods, and consequently a sharp reduction of demand for our products. Furthermore, continued tightening of credit availability and general market liquidity initiatives curtailed our ability to execute the liquidity initiatives launched in the third quarter of 2008. As these events unfolded, we intensified our strategic restructuring efforts to include, among other things, pursuing a potential sale of some or all of our assets. The sharp decline in demand, coupled with our inability to execute liquidity initiatives limited our ability to generate sufficient funding for our operations and meet our debt servicing requirements, ultimately leading to our seeking relief under Chapter 11 of the U.S. Bankruptcy Code.

The Chapter 11 Cases and Emergence

General Information

On March 1, 2009, Spansion Inc., Spansion LLC, Spansion Technology LLC, Spansion International, Inc., and Cerium Laboratories LLC, or the Debtors, each filed a voluntary petition for relief under our Chapter 11 bankruptcy proceedings, or the Chapter 11 Cases. On May 10, 2010, or the Emergence Date, the Debtors emerged from the Chapter 11 Cases, following the confirmation of the Plan of Reorganization that was approved by the U.S. Bankruptcy Court on April 16, 2010 in connection with our emergence from the Chapter 11 Cases.

Upon emergence from the Chapter 11 Cases, we adopted fresh start accounting in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 852 *Reorganizations*. The adoption of fresh start accounting resulted in us becoming a new entity for financial reporting purposes. Accordingly, the consolidated financial statements on or after May 11, 2010 are not comparable to the consolidated financial statements prior to that date.

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Also, holders of Class A common stock outstanding prior to the Emergence Date, or Old Common Stock, did not receive any consideration for their shares or any pre-determined allocation of Class A common stock of the reorganized Company, or New Common Stock. Holders of New Common Stock issued by the reorganized Company after the Emergence Date primarily include unsecured creditors who have received or will receive shares of New Common Stock in settlement of their allowed claims, and participants in a rights offering that we conducted in February 2010, as described below under Effectiveness of the Plan and Exit Financing.

For additional information regarding the impact of fresh start accounting on our Consolidated Financial Statements as of the Emergence Date, see Note 2 to our Consolidated Financial Statements included in Part II, Item 8 of the Annual Report on Form 10-K for the year ended December 26, 2010, which is incorporated by reference into this prospectus.

Effectiveness of the Plan and Exit Financing

Under the Plan of Reorganization, most holders of allowed general, unsecured claims against the Predecessor received or will receive New Common Stock in satisfaction of their claims. Holders of allowed general, unsecured claims subject to a low payout threshold received cash in satisfaction of their claims. Holders of Senior Secured Floating Rate Notes, or FRNs, received cash of approximately $638 million to fully discharge their claims. The $638 million was primarily provided by the exit financing discussed below.

Pursuant to the Plan of Reorganization, the holders of allowed claims were offered the right to purchase a total of 12,974,496 shares of the New Common Stock upon emergence from the Chapter 11 Cases at a price of $8.43 per share, or the Rights Offering. The number of shares available to each eligible claimant was based on each claimant s proportionate allowed claim. In connection with the Rights Offering, we entered into a Backstop Rights Purchase Agreement with Silver Lake Management Company Sumeru, LLC whereby they committed to purchase the remaining balance of Rights Offering shares that are not otherwise subscribed for by the Rights Offering participants. Based on the agreement, Silver Lake Management Company Sumeru, LLC purchased 3,402,704 shares of the New Common Stock that had not been subscribed for by the Rights Offering participants. We received net proceeds of approximately $104.9 million through the Rights Offering, which was used in full to partially discharge the FRN claims.

On February 9, 2010, we closed a five-year senior secured credit agreement, or the Term Loan, of $450 million with a group of lenders. The proceeds of the Term Loan, together with cash proceeds from other sources of cash available to us, were used in full to partially discharge the remaining balance of the FRN claims.

On May 10, 2010, we entered into a senior revolving credit facility agreement, or the Revolving Credit Facility, with Bank of America and other financial institutions in an aggregate amount of up to $65 million to fund bankruptcy related expenses and ongoing working capital. As of June 26, 2011, we have not drawn under this facility which was entered into as a pre-condition to obtaining the Term Loan.

In November 2010, Spansion LLC issued $200 million aggregate principal amount of its 7.875% Senior Notes due 2017, or the private notes, to qualified institutional buyers in a private placement. The net proceeds of $195.6 million were used to pay down amounts outstanding under the Term Loan.

The Plan of Reorganization contemplates the distribution of 65.8 million shares of New Common Stock, consisting of: (i) 46,247,760 shares to holders of allowed general, unsecured claims; (ii) 12,974,496 shares to subscribers of the Rights Offering; and (iii) 6,580,240 shares reserved for issuance to eligible employees in connection with grants of stock options and restricted stock units, or RSUs, under our 2010 Equity Incentive Award Plan, or the 2010 Plan. As of June 26, 2011, we had granted options to purchase 5,502,046 shares of New Common Stock and 4,578,981 RSUs under the 2010 Plan to our directors and employees, and 1,678,261 shares were eligible for future equity awards.

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In accordance with the Plan of Reorganization, holders of Old Common Stock , or stock options exercisable for Old Common Stock and RSUs which convert into Old Common Stock, outstanding as of May 10, 2010 did not receive any distributions, and their equity interests were cancelled on May 10, 2010.

Corporate Information

Spansion Inc. is a Delaware corporation, Spansion Technology LLC is a Delaware limited liability company, and Spansion LLC is a Delaware limited liability operating company. Spansion Inc. is the holding company that directly owns 100% of the membership interests of Spansion Technology LLC and 60% of the membership interests of Spansion LLC. Spansion Technology LLC is an intermediate holding company that directly owns the other 40% of the membership interests of Spansion LLC. As holding companies, neither Spansion Inc. nor Spansion Technology LLC has any independent assets or business operations, other than to own the membership interests as described above. Our principal executive offices are located at 915 DeGuigne Drive, P.O. Box 3453, Sunnyvale, California 94088, and our telephone number is (408) 962-2500. Our website address is www.spansion.com. Information contained on our website is not a part of this prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.

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The Exchange Offer

Exchange Offer	We are offering to exchange the exchange notes for the outstanding private notes that are properly tendered and accepted. You may tender outstanding private notes only in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof. We will issue the exchange notes on or promptly after the exchange offer expires. As of the date of this prospectus, $200,000,000 principal amount of private notes is outstanding.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on , 2011, (the 21st business day following commencement of the exchange offer), unless extended, in which case the expiration date will mean the latest date and time to which we extend the exchange offer.
Conditions to the Exchange Offer	The exchange offer is not subject to any condition other than that it not violate applicable law or any applicable interpretation of the staff of the SEC. The exchange offer is not conditioned upon any minimum principal amount of private notes being tendered for exchange.
Procedures for Tendering Private Notes	This exchange offer will be conducted without the use of a letter of transmittal or notice of guaranteed delivery. If you wish to tender your private notes for exchange notes pursuant to the exchange offer you must:

- if you hold the private notes through The Depository Trust Company, or DTC, comply with the Automated Tender Offer Program procedures of DTC, and the Exchange Agent (as defined below) must receive a timely confirmation of a book-entry transfer of the private notes into its account at DTC pursuant to the procedures for book-entry transfer described herein, along with a properly transmitted agent s message, before the expiration date; or

- if you hold private notes through Euroclear Bank S.A./N.V., or Euroclear, or Clearstream Banking, S.A., or Clearstream, comply with the procedures of Euroclear or Clearstream, as applicable, before the expiration date.

By tendering the private notes pursuant to the exchange offer, you will make the representations to us described under The Exchange Offer Procedures for Tendering.

Acceptance of the Private Notes and Delivery of the Exchange Notes	Subject to the satisfaction or waiver of the conditions to the exchange offer, we will accept for exchange any and all private notes which are validly tendered in the exchange offer and not withdrawn before 5:00 p.m., New York City time, on the expiration date.

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Withdrawal Rights	You may withdraw the tender of your private notes at any time before 5:00 p.m., New York City time, on the expiration date, by complying with the procedures for withdrawal described in this prospectus under the heading The Exchange Offer Withdrawal of Tenders.
Certain U.S. Federal Tax Considerations	The exchange of notes will not be a taxable event for U.S federal income tax purposes. For a discussion of certain material U.S. federal income tax considerations relating to the exchange, ownership and disposition of notes, see Certain U.S. Federal Income Tax Considerations.
Exchange Agent	Wells Fargo Bank, National Association, the trustee under the indenture governing the notes, is serving as the exchange agent for the notes, or the Exchange Agent.
Consequences of Failure to Exchange	If you do not exchange your private notes for exchange notes, you will continue to be subject to the restrictions on transfer provided in the private notes and in the indenture governing the private notes. In general, the private notes may not be offered or sold, unless registered under the Securities Act of 1933, as amended (the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not currently plan to register the private notes under the Securities Act.
Registration Rights Agreement	You are entitled to exchange your private notes for exchange notes with substantially identical terms. This exchange offer satisfies this right. After the exchange offer is completed, you will no longer be entitled to any exchange or registration rights with respect to your private notes.

We explain the exchange offer in greater detail beginning on page 33.

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The Exchange Notes

The summary below describes the principal terms of the exchange notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Description of Notes section of this prospectus contains a more detailed description of the terms and conditions of the exchange notes.

The form and terms of the exchange notes are the same as the form and terms of the private notes, except that the exchange notes will be registered under the Securities Act and, therefore, the exchange notes will not be subject to the transfer restrictions, registration rights and provisions providing for an increase in the interest rate applicable to the private notes. The exchange notes will evidence the same debt as the private notes, and both the private notes and the exchange notes are governed by the same indenture.

Issuer	Spansion LLC.
Notes Offered	$200,000,000 aggregate principal amount of 7.875% Senior Notes due 2017.
Interest Payment Dates	May 15 and November 15 of each year, beginning on May 15, 2011.
Maturity	November 15, 2017.
Guarantees	The notes will be guaranteed on a senior unsecured basis by Spansion Inc., our ultimate parent company, and Spansion Technology LLC, our direct parent and a wholly-owned subsidiary of Spansion Inc. The guarantees do not trade separately from the notes.
Ranking	The notes and the guarantees are Spansion LLC s and the guarantors senior unsecured obligations and:
	rank *pari passu* with all of the current and future senior unsecured debt of Spansion LLC and the guarantors;
	are effectively subordinated to all existing and future secured debt of Spansion LLC and the guarantors to the extent of the value of the assets securing such debt;
	are structurally subordinated to any debt and other liabilities, including trade payables, of Spansion LLC s subsidiaries with respect to the assets and earnings of those subsidiaries; and
	are senior to all existing and future debt of Spansion LLC and the guarantors that is expressly subordinated in right of payment to the notes and the guarantees.
	As of June 26, 2011, Spansion Inc. had consolidated debt of approximately $448.3 million, all of which constituted debt directly borrowed (or issued) by Spansion LLC or a

guarantor and approximately $248.3 million of which was secured.

Optional Redemption	Prior to November 15, 2013, we may redeem some or all of the notes at a price equal to 100% of the principal amount, plus accrued and unpaid interest and a make-whole premium. Thereafter, we may redeem all or part of the notes at any time at the redemption prices set

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	forth in the section Description of the Notes Optional Redemption, plus accrued and unpaid interest, if any, to the date of redemption.
	On or prior to November 15, 2013, we may redeem up to 35% of the notes with the proceeds of certain sales of our equity securities at 107.875% (100% of the principal amount plus a premium equal to the interest rate applicable to the notes), plus accrued and unpaid interest, if any, to the date of redemption. See Description of the Notes Optional Redemption.
Change of Control	Upon the occurrence of a change of control, you will have the right as a holder of notes to require us to repurchase all of your notes at a repurchase price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of repurchase. We may not have enough funds or the terms of our other debt may prevent us from purchasing the notes. See Description of the Notes Repurchase at the Option of Holders upon a Change of Control.
Certain Covenants	The indenture governing the notes contains certain covenants that will limit, among other things, our ability and the ability of our restricted subsidiaries to: incur additional indebtedness or issue preferred stock; pay dividends and make other restricted payments; make certain investments, including investments in unrestricted subsidiaries; create or permit certain liens; create or permit restrictions on the ability of the restricted subsidiaries to pay dividends or make other distributions to us; use the proceeds from sales of assets; enter into certain types of transactions with affiliates; and consolidate or merge or sell our assets as an entirety or substantially as an entirety. These covenants are subject to a number of important exceptions and limitations, which are described under the heading Description of the Notes Certain Covenants. In addition, at any time that the notes have an investment grade rating from both Moody s Investors Services, Inc. and Standard and Poor s Ratings Services, we will not be subject to certain of these covenants.

Use of Proceeds	We will not receive any cash proceeds from the exchange offer.
Risk Factors	Investing in the notes involves substantial risks. You should consider carefully all of the information contained or incorporated by reference in this prospectus. In particular, for a discussion of some specific factors that you should consider in evaluating an investment in the notes, see Risk Factors beginning on page 12 of this prospectus.

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Summary Historical Consolidated Financial Data

The following tables present the summary historical consolidated financial and other data for the business of Spansion Inc. for the periods indicated. Spansion Inc. derived the consolidated statements of operations data for the years ended December 28, 2008, December 27, 2009 and December 26, 2010 from its audited consolidated financial statements incorporated by reference in this prospectus. Fiscal 2008 and 2009 each consisted of 52 weeks. Spansion Inc. derived the condensed consolidated statements of operations data for the six months ended June 26, 2011 and June 27, 2010 and the condensed consolidated balance sheet data as of June 26, 2011 from its unaudited consolidated financial statements incorporated by reference in this prospectus. The six months ended June 26, 2011 and June 27, 2010 each consisted of 26 weeks.

Spansion Inc. s historical results are not necessarily indicative of the results to be expected in the future. Upon emergence from the Chapter 11 Cases on May 10, 2010, or the Emergence Date, Spansion Inc. adopted fresh start accounting as prescribed under Accounting Standards Codification (ASC) 852 *Reorganizations*, which requires it to revalue its assets and liabilities to their related fair values. As such, Spansion Inc. adjusted its stockholders deficit to equal the reorganization value at the Emergence Date. Items such as accumulated depreciation, accumulated deficit, accumulated other comprehensive income (loss) and allowances for doubtful debt were reset to zero. Spansion Inc. allocated the reorganization value to the individual assets and liabilities based on their estimated fair values. Items such as accounts receivable, auction rate securities and cash, whose fair values approximated their book values, reflected values similar to those reported prior to emergence. Items such as prepaid and other current assets, inventory, property, plant and equipment, deferred income tax asset and liability, accounts payable, income tax payable, and deferred income were significantly adjusted from amounts previously reported. Because Spansion Inc. adopted fresh start accounting at emergence and because of the significance of liabilities subject to compromise that were relieved upon emergence, the historical financial statements of the predecessor entity, or Predecessor, and the financial statements of the successor entity, or Successor, are not comparable. The 2010 Predecessor period represented is from December 28, 2009, the beginning of the fiscal year 2010, through May 10, 2010, the Emergence Date, and consisted of 20 weeks. The 2010 Successor periods represented are from May 11, 2010 through June 27, 2010, which consisted of six weeks, and from May 11, 2010 through December 26, 2010, which consisted of 32 weeks. Refer to the notes to Spansion Inc. s financial statements incorporated by reference in this prospectus for further details relating to fresh start accounting.

You should read this summary consolidated financial data in conjunction with our consolidated financial statements, including the related notes thereto, and the section entitled Management s Discussion and Analysis of Financial Condition and Results of Operations included in the Annual Report on Form 10-K for the year ended December 26, 2010 and the Quarterly Report on Form 10-Q for the three and six months ended June 26, 2011 incorporated by reference in this prospectus.

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	Successor(1)			Predecessor(1)		
	Six Months ended June 26, 2011	Period from May 11, 2010 to June 27, 2010	Period from May 11, 2010 to December 26, 2010	Period from December 28, 2009 to May 10, 2010	Year Ended December 27, 2009	Year Ended December 28, 2008
Consolidated Statements of Operations:						
(in thousands, except per share amounts)						
Net sales	$ 591,705	$ 124,569	$ 759,886	$ 324,914	$ 1,061,487	$ 1,630,573
Net sales to related parties		4,801	4,801	78,705	349,166	651,230
Total net sales	591,705	129,370	764,687	403,619	1,410,653	2,281,803
Cost of sales	445,502	111,413	647,381	274,817	1,103,757	2,193,345
Gross profit	146,203	17,957	117,306	128,802	306,896	88,458
Research and development	60,397	13,420	65,414			