

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K/A

Current report filing [amend]

Filing Date: **1994-01-05** | Period of Report: **1993-10-22**
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FILER

CYPRESS SEMICONDUCTOR CORP /DE/

CIK: **791915** | IRS No.: **942885898** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **8-K/A** | Act: **34** | File No.: **001-10079** | Film No.: **94500424**
SIC: **3674** Semiconductors & related devices

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SAN JOSE CA 95134*

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4089432600*

Securities and Exchange Commission
Judiciary Plaza
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: Form 8
Cypress Semiconductor Corporation
Commission File No.1-10079

Ladies and Gentlemen:

On behalf of Cypress Semiconductor Corporation, a Delaware corporation (Cypress), the following is an amendment to the Form 8-K filed on November 2, 1993 regarding the acquisition of IC Designs, Inc., a Washington corporation (IC Designs) by the merger of Cy Acquisition Corporation, a Washington corporation and wholly owned subsidiary of Cypress with and into IC Designs. Enclosed are the financial statements of IC Designs and certain pro forma financial information required to be filed pursuant to Item 7 of Form 8-K that were not included in the original filing.

Please acknowledge receipt of the Form 8 by stamping the duplicate copy of this letter with the date of filing and return it to me in the stamped envelope provided.

CYPRESS SEMICONDUCTOR CORPORATION

Stuart Inouye

Stuart Inouye
General Accounting Manager

Securities and Exchange Commission
Washington D.C. 20549

Form 8

Amendment to Application or Report

Pursuant to Section 12, 13 or 15(d) of
the Securities Exchange Act of 1934

Cypress Semiconductor Corporation
(Exact name of Registrant as specified in its charter)

Amendment No. 1

The undersigned registrant hereby amends the following items, financial statements, exhibits, or other portions of its Report on Form 8-K dated November 2, 1993 as set forth in the pages attached hereto.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

Item 7(a) and 7(b) are amended in their entirety to read as follows:

Item 7. Financial Statements, Pro Forma Financial

Information and Exhibits.

(a) Financial Statements of Business Acquired.

Included are the balance sheet of IC Designs, Inc. at December 31, 1992 and the related statements of income and retained earnings (deficit) and cash flows for the year ended December 31, 1992 together with the report of IC Designs, Inc.'s independent accountants thereon. Also included are the unaudited balance sheet of IC Designs, Inc. at September 30, 1993 and the related statements of operations and cash flows for the nine month periods ended September 30, 1993 and 1992.

Independent Auditors Report

The Board of Directors
IC Designs, Inc.
Kirkland, Washington

We have audited the accompanying balance sheet of IC Designs, Inc. as of December 31, 1992, and the related statements of income, retained earnings (deficit), and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of IC Designs, Inc. as of December 31, 1992, and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

Thompson & Kittoe
Certified Public Accountants

February 12, 1993

5
<TABLE>

Form 8

IC Designs, Inc.

Balance Sheet
December 31, 1992
(See Independent Auditor's Report)

<CAPTION>

<S> <C>

ASSETS

Current assets:

Cash (Note 8)	\$ 1,183,951
Accounts receivable (Note 8)	1,678,323
Inventory (Note 2)	700,860
Prepaid expenses	18,349

Total current assets 3,581,483

Property and equipment:

Equipment and tools	246,553
Furniture and fixtures	10,737
Leasehold improvements	1,184

258,474

Less accumulated depreciation 83,528

Net property and equipment 174,946

Total \$ 3,756,429

=====

LIABILITIES AND SHAREHOLDERS'
EQUITY

Current liabilities:

Notes payable-related parties (Note 3)	\$ 221,000
Accounts payable-trade	1,102,537
Accounts payable-related parties	8,029
Salaries and wages	74,526
Business and payroll taxes	25,600
Federal income tax	499,570
Accrued commissions	141,158
Other accrued expenses	67,739

Total current liabilities 2,140,159

</TABLE>

IC Designs, Inc.

Balance Sheet

December 31, 1992

(See Independent Auditor's Report)

(Continued)

<CAPTION>

<S>	<C>
Stockholders' equity	
(Notes 3 and 4):	
Common stock, \$.01 par value, Authorized, 8,000,000 shares.	
Issued and outstanding, 2,135,551 shares.	21,356
Additional paid-in capital	408,132
Retained earnings	1,186,782

Total stockholders' equity	1,616,270

Total	\$ 3,756,429
	=====

<FN>

The accompanying notes are an integral part of these financial statements.

</TABLE>

<TABLE>

Form 8

IC Designs, Inc.

Statement of Income and Retained Earnings (Deficit)
 Year Ended December 31, 1992
 (See Independent Auditor's Report)

<CAPTION>

<S>	<C>
Sales	\$10,784,185
Cost of sales	4,838,494

Gross profit	5,945,691
Operating expenses:	
Sales	1,307,413
Engineering, research and development	731,915
General and administration	278,888

Total operating expenses	2,318,216

Operating income	3,627,475
Interest expense-net	60,545

Income before federal income tax and extraordinary item	3,566,930
Federal income tax	1,222,886

Income before extraordinary item	2,344,044
Extraordinary item-tax benefit due to utilization of net operating loss carryforward (Note 5)	722,110

Net income	3,066,154
Retained (deficit), beginning of year	(1,879,372)

Retained earnings, end of year

\$ 1,186,782

=====

<FN>

The accompanying notes are an integral
part of these financial statements.

</TABLE>

8

<TABLE>

Form 8

IC Designs, Inc.

Statement of Cash Flows
Year Ended December 31, 1992
(See Independent Auditor's Report)

<CAPTION>

<S>

<C>

Cash flows provided (used) by operating
activities:

Cash received from customers	\$ 9,788,148
Cash paid to suppliers and employees	(6,635,601)
Interest received	13,820
Interest paid	(107,387)
Federal income tax paid	(1,206)

Net cash provided by operating
activities

3,057,774

Cash flows used by investing activities:

Purchase of equipment	(191,810)
-----------------------	------------

Net cash used by investing
activities

(191,810)

Cash flows provided (used) by financing

activities:	
Payments on notes payable-related parties	(1,742,709)
Proceeds from issuance of common stock	29,000

Net cash (used) by financing activities	(1,713,709)

Net increase in cash	1,152,255
Cash, beginning of year	31,696

Cash, end of year	\$ 1,183,951
	=====
<FN>	

The accompanying notes are an integral part of these financial statements.

</TABLE>

9

<TABLE>

Form 8

IC Designs, Inc.

Statement of Cash Flows
Year Ended December 31, 1992
(See Independent Auditor's Report)

(Continued)

<CAPTION>

<S>	<C>
Reconciliation of net income to net cash provided by operating activities:	
Net income	\$ 3,066,154
Adjustments to reconcile net income to cash provided by operating activities:	
Depreciation and amortization	51,641

Changes in operating assets and liabilities:

Accounts receivable	(996,037)
Inventory	(596,442)
Prepaid expenses	(13,784)
Accounts payable	879,400
Accrued federal income taxes	499,570
Accrued expenses	167,272

Net cash provided by operating activities \$ 3,057,774
=====

<FN>

The accompanying notes are an integral part of these financial statements.

</TABLE>

10

Form 8

IC Designs, Inc.

Notes to Financial Statements
December 31, 1992
(See Independent Auditor's Report)

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES:

Nature of company

The Company is engaged in the design and marketing of integrated circuits.

Inventory

Inventory is valued at lower of cost or market (first-in, first-out method).

Property and equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is provided using accelerated methods. The same methods are used for both financial reporting and federal income tax purposes.

Allowance for doubtful accounts

The Company does not provide an allowance for doubtful accounts as a review of the collectibility of accounts receivable indicates that such an allowance would be minimal.

Research and development expenses

Research and development expenses are charged to operations when incurred.

NOTE 2. INVENTORY:

Raw materials	\$	239,166
Work-in-process		257,397
Finished goods		204,297

	\$	700,860
		=====

IC Designs, Inc.

Notes to Financial Statements
December 31, 1992
(See Independent Auditor's Report)

(Continued)

NOTE 3. NOTES TO RELATED PARTIES:

Notes payable - related parties is due on demand to the Company's majority stockholder with interest computed at the prime rate and is convertible into 884,000 shares of common stock.

During the year ended December 31, 1992, a \$29,000 note payable due to a minority stockholder was converted into 116,000 shares of common stock.

NOTE 4. INCENTIVE STOCK OPTIONS:

The Company has adopted an incentive stock option agreement for the benefit of its key employees. As of December 31, 1992, options remain outstanding to issue 212,000 shares at exercise prices ranging from \$.25 to \$.75 per share.

NOTE 5. INCOME TAX:

The Company had incurred net operating losses in years 1990 and prior. These losses were available for carryforward and utilized in 1992.

NOTE 6. RENTAL COMMITMENTS:

Operating facilities were rented from a related company on a month-by-month basis. Total rent expense, including an allocated portion of utilities, paid for the use of operating facilities amounted to \$39,809 in 1992.

IC Designs, Inc.

Notes to Financial Statements
 December 31, 1992
 (See Independent Auditor's Report)

(Continued)

NOTE 6. RENTAL COMMITMENTS: (Continued)

On December 11, 1992, the Company entered into a three-year noncancellable lease agreement effective January 1, 1993 with an unrelated party. The agreement requires monthly rental payments of \$6,767 for the first four months and \$8,375 thereafter. The lease expires on December 31, 1995 and contains an option to renew for an additional two-year period with monthly payments of \$8,878. Future minimum payments required under the noncancellable lease are as follows:

Year ended December 31 -----	Amount -----
1993	\$ 94,068
1994	100,500
1995	100,500

NOTE 7. PENSION PLAN:

During 1992, the Company maintained a salary reduction simplified employee pension plan for the benefit of all eligible employees. No Company contributions were made to the plan in 1992.

Effective January 1, 1993, the Company adopted a 401K

profit sharing plan. An employee may elect to contribute to the plan up to a maximum allowed under federal regulations. The Company may elect to make discretionary matching or profit sharing contributions to the plan.

13

Form 8

IC Designs, Inc.

Notes to Financial Statements
December 31, 1992
(See Independent Auditor's Report)

(Continued)

NOTE 8. CONCENTRATION OF CREDIT RISK:

Financial instruments which potentially subject the Company to concentration of credit risk consist of cash and accounts receivable.

The Company maintains a cash balance in a financial institution in excess of insured limits.

The Company extends credit to customers in various geographical regions. Approximately 49% of the accounts receivable at December 31, 1992 and 62% of sales in 1992 were directly related to three customers who are major manufacturers of computers and components.

<TABLE>

IC Designs, Inc.

Interim Balance Sheet
(In thousands)
(Unaudited)

<CAPTION>

September 30,
1993

<S>

<C>

ASSETS:

Current assets:

Cash and cash equivalents	\$	3,041
Accounts receivable		1,855
Inventory		903
Prepaid expenses		57

Total current assets	5,856
Property and equipment (net)	279
Other non-current assets	5
Total assets	\$ 6,140
=====	
LIABILITIES AND STOCKHOLDERS' EQUITY:	
Current liabilities:	
Accounts payable	\$ 892
Other accrued liabilities	739
Income taxes payable	(241)
Total current liabilities	1,390
Stockholders' equity:	
Common stock	30
Additional paid in capital	629
Retained earnings	4,091
Total stockholders' equity	4,750
Total liabilities and stockholders' equity	\$ 6,140
=====	

<FN>

See notes to interim financial statements.

</TABLE>

15

<TABLE>

Form 8

IC Designs Inc.

Interim Statement of Operations
(In Thousands)
(Unaudited)

<CAPTION>	Nine Months Ended	
	September 30,	
	1993	1992
	-----	-----
<S>	<C>	<C>
Sales	\$ 12,768	\$ 6,498
Cost of sales	5,767	2,843
	-----	-----
Gross profit	7,001	3,655
Operating expenses:		
Sales	1,219	789
Engineering, research and development	733	400
General and administration	719	162
	-----	-----
Total operating expenses	2,671	1,351
	-----	-----
Operating income	4,330	2,304
Interest income (expense), net	92	(68)
	-----	-----
Income before income taxes	4,422	2,236
Provision for income tax expense	1,518	760
	-----	-----
Net income	\$ 2,904	\$ 1,476
	=====	=====

<FN>

See notes to interim financial statements.

</TABLE>

IC Designs, Inc.

Interim Statement of Cash Flows
(In Thousands)
(Unaudited)

<CAPTION>

	Nine Months Ended September 30,	
	1993	1992
<S>	<C>	<C>
Cash flows provided (used) by operating activities:		
Cash received from customers	\$ 12,592	\$ 5,918
Cash paid to suppliers and employees	(8,390)	(3,678)
Interest received	102	1
Interest paid	(10)	(102)
Federal income tax paid	(2,259)	(1)
	2,035	2,138
Cash flows used by investing activities:		
Purchase of capital equipment	(187)	(75)
	(187)	(75)
Cash flows provided (used) by financing activities:		
Payment on notes payable-related parties	(221)	(2,191)
Proceeds from issuance of common stock	230	
	9	(2,191)
Net increase (decrease) in cash	1,857	(128)
Cash, beginning of year	1,184	32
Cash (bank overdraft), end of period	\$ 3,041	\$(96)

<FN>

See notes to interim financial statements.

</TABLE>

17

<TABLE>

Form 8

IC Designs, Inc.

Interim Statement of Cash Flows

(In thousands)

(Unaudited)

(Continued)

<CAPTION>

Nine Months Ended

September 30,

1993

1992

<S>

<C>

<C>

Reconciliation of net income to net
cash provided by operating activities:

Net income	\$	2,904	\$	1,476
------------	----	-------	----	-------

Adjustments to reconcile net income to
net cash provided (used) by operating
activities:

Depreciation and amortization		83		14
-------------------------------	--	----	--	----

Changes in operating assets and
liabilities:

Accounts receivable	(176)	(581)
---------------------	---	------	---	------

Inventory	(203)	(317)
-----------	---	------	---	------

Prepaid expenses	(43)	(18)
------------------	---	-----	---	-----

Accounts payable	(219)		649
------------------	---	------	--	-----

Accrued income taxes	(741)		759
----------------------	---	------	--	-----

Accrued expenses		430		156
------------------	--	-----	--	-----

Net cash provided by operating activities	\$	2,035	\$	2,138
---	----	-------	----	-------

<FN>

See notes to interim financial statements.

</TABLE>

18

Form 8

IC Designs, Inc.

Notes to Interim Financial Statements
September 30, 1993

1. Interim Statements:

In the opinion of management, the accompanying unaudited financial statements contain all adjustments (consisting solely of normal recurring adjustments) necessary to present fairly the financial information included therein. While IC Designs believes that the disclosures are adequate to make the information not misleading, it is suggested that this financial data be read in conjunction with the audited financial statements and notes thereto for the year ended December 31, 1992.

2. Income Taxes:

IC Designs adopted Statement of Financial Accounting Standards No. 109 (FAS109), "Accounting for Income Taxes". The adoption of FAS109 changes the method of accounting for income taxes from the deferred method (APB11) to an asset and liability approach. The impact of adopting FAS109 was not significant.

Item 7 (b) Pro Forma Financial Information

Included are the unaudited pro forma condensed balance sheet for Cypress Semiconductor Corporation at September 27, 1993 and the related pro forma statement of operations for the nine month period ended September 27, 1993. Also included is the pro forma statement of operations for the year ended December 28, 1992.

On October 22, 1993, the Company acquired 100% of the common stock of IC Designs, Inc. (ICD) for \$16 million cash. ICD became a

wholly owned subsidiary of the Company and the historical income tax basis of its assets and liabilities carried over. In connection with this acquisition, the Company also entered into non-competition agreements ranging from one to five years with certain directors and employees of ICD for an aggregate payment of \$4 million. In addition, a separate incentive compensation program was established for the senior management of ICD providing for an annual bonus pool based on ICD's future pretax profits.

The following unaudited pro forma financial information reflects the acquisition of ICD under the purchase method of accounting. The pro forma financial information gives effect to the acquisition as if the transaction had taken place on September 27, 1993 for the pro forma condensed balance sheet and the beginning of 1992 for the pro forma condensed statements of operations.

The unaudited pro forma statements of operations are not necessarily indicative of the operating results that would have been achieved if the transaction had occurred on the dates indicated and should not be construed as representative of future operations. The historical financial statements of ICD are included elsewhere in this filing, and the unaudited pro forma financial information presented herein should be read in conjunction with those financial statements and related notes.

20
<TABLE>

Form 8

Cypress Semiconductor Corporation

Pro Forma Balance Sheet
(In thousands)
(Unaudited)

<CAPTION>	Cypress Sept 27, 1993	ICD Sept 30, 1993	Pro Forma Adj. (Note 2)	Pro Forma
<S>	<C>	<C>	<C>	<C>
ASSETS:				

Current assets:				
Cash and cash equivalents	\$ 8,543	\$ 3,671		\$ 12,214
Short term investments	87,530		\$(20,300)	67,230
Accounts receivable, net	48,827	2,024		50,851
Other receivables	8,208			8,208
Inventories	26,481	863		27,344
Prepaid expenses and other current assets	19,793	43		19,836
	-----	-----	-----	-----
Total current assets	199,382	6,601	(20,300)	185,683
Property, plant and equipment, net	125,589	276	124 (b)	125,989
Other non-current assets	10,728	5	10,011 (c)	20,744
	-----	-----	-----	-----
	\$ 335,699	\$ 6,882	\$(10,165)	\$ 332,416
	=====	=====	=====	=====

<FN>

See accompanying notes to pro forma financial information.

</TABLE>

Cypress Semiconductor Corporation

Pro Forma Balance Sheet
(In thousands)
(Unaudited)

(Continued)

<CAPTION>	Cypress Sept 27, 1993	ICD Oct 22, 1993	Pro Forma Adj. (Note 2)	Pro Forma
<S>	<C>	<C>	<C>	<C>
LIABILITIES AND STOCKHOLDERS' EQUITY				

Current liabilities:				
Accounts payable	\$ 25,372	\$ 1,082		\$ 26,454
Other accrued liabilities	15,917	735		16,652
Current obligations under capital leases	800			800
Deferred income	8,854			8,854
Income taxes payable	6,814			6,814
	-----	-----	-----	-----
Total current liabilities	57,757	1,817		59,574
Long-term obligations:				
Deferred income taxes	2,560		\$ 1,600 (d)	4,160
	-----	-----	-----	-----
Total liabilities	60,317	1,817	1,600	63,734
	-----	-----	-----	-----
Minority interest	3,277			3,277
	-----	-----	-----	-----
Stockholders' equity:				
Common stock	408			408
Additional paid-in capital	201,353	629	(629) (e)	201,353
Retained earnings	113,601	4,406	(11,106) (e)	106,901
Less shares of common stock held in treasury, at cost	(43,257)	30	(30) (e)	(43,257)
	-----	-----	-----	-----
Total stockholders' equity	272,105	5,065	(11,765)	265,405
	-----	-----	-----	-----
	\$ 335,699	\$ 6,882	\$ (10,165)	\$ 332,416
	=====	=====	=====	=====

<FN>

See accompanying notes to pro forma financial information.

</TABLE>

22

<TABLE>

Form 8

Cypress Semiconductor Corporation

Pro Forma Statement of Operations
(In thousands, except per share data)
(Unaudited)

<CAPTION>

	Cypress	ICD		
	-----	-----		
	Nine Months Ended	Pro Forma		
	Sept 27,	Oct 22,	Adj.	
	1993	1993	(Note 3)	Pro Forma
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Revenues	\$ 221,500	\$ 12,768		\$ 234,268
	-----	-----	-----	-----
Costs and expenses:				
Cost of revenues	132,161	5,767	\$ 1,853 (a)	139,781
Research and development	38,586	733		39,319
Marketing, general and administrative	34,087	1,938	276 (b)	36,301
Restructuring and other non-recurring costs	(408)			(408)
	-----	-----	-----	-----
Total operating costs and expenses	204,426	8,438	2,129	214,993
	-----	-----	-----	-----
Operating income	17,074	4,330	(2,129)	19,275
Interest expense				
Interest income and other	1,881	92	(510) (c)	1,463
	-----	-----	-----	-----
Income before income taxes and extraordinary item	18,955	4,422	(2,639)	20,738
Provision for income taxes	6,824	1,518	(768) (d)	7,574
	-----	-----	-----	-----
Income before extraordinary item	\$ 12,131	\$ 2,904	\$ (1,871)	\$ 13,164

Income before extraordinary item per share	\$ 0.32	\$ 0.35
Average common shares and equivalents outstanding	38,057	38,057

<FN>

See accompanying notes to pro forma financial information.

</TABLE>

23

<TABLE>

Form 8

Cypress Semiconductor Corporation

Pro Forma Statement of Operations
(In thousands, except per share data)
(Unaudited)

<CAPTION>

	Cypress Year Ended Dec 28, 1992	ICD Dec 31, 1992	Pro Forma Adj. (Note 3)	Pro Forma
	<C>	<C>	<C>	<C>
Revenues	\$ 272,242	\$ 10,784		\$ 283,026
Cost and expenses:				
Cost of revenues	158,159	4,838	\$ 2,534 (a)	165,531
Research and development	64,951	732		65,683
Marketing, general and administrative	45,068	1,586	214 (b)	46,868
Restructuring and other nonrecurring costs	39,700			39,700
Total operating costs and expenses	307,878	7,156	2,748	317,782
Operating income (loss)	(35,636)	3,628	(2,748)	(34,756)

Interest expense	(440)	(61)	(501)
Interest income and other	3,148	(924) (c)	2,224
	-----	-----	-----
Income (Loss) before income taxes and extraordinary item	(32,928)	3,567 (3,672)	(33,033)
Provision for (Benefit of) income taxes	(11,918)	1,223 (1,190) (d)	(11,885)
	-----	-----	-----
Income (loss) before extraordinary item	\$(21,010)	\$ 2,344 \$(2,482)	\$(21,148)
	=====	=====	=====
Net (loss) before extraordinary item per share	\$(0.56)		\$(0.57)
	=====		=====
Average common shares and equivalents outstanding	37,257		37,257
	=====		=====

<FN>

See accompanying notes to pro forma financial information.

</TABLE>

Cypress Semiconductor Corporation

Notes to Pro Forma Financial Information
(In thousand)
(Unaudited)

NOTE 1. THE ACQUISITION

The total purchase price aggregates \$20,300 (including \$300 of direct acquisition cost). The purchase price has been allocated to ICD's assets and liabilities based on the book value of ICD's current assets and liabilities, which management believes approximates their fair value, and independent appraisal for all other identifiable tangible and intangible assets. The excess purchase price over the fair value of identifiable assets and liabilities of \$2,011

is recorded as goodwill.

Cash and short-term investments	\$	3,671
Accounts receivable		2,024
Inventory		863
Other assets		48
Property and equipment		400
Completed technology		4,000
In-process technology		11,000
Covenants-not-to-compete		4,000
Goodwill		2,011
Accounts payable	(1,082)
Other accrued liabilities	(735)
Deferred taxes	(5,900)

	\$	20,300
		=====

2. ADJUSTMENTS TO BALANCE SHEET

- (a) To reduce short-term investments for the purchase price.
- (b) To increase the book value of certain property and equipment to their fair market value:

Estimated fair value	\$	400
Less historical book value	(276)

Increase	\$	124
		=====

Cypress Semiconductor Corporation

Notes to Pro Forma Financial Information
(In thousands)
(Unaudited)

(Continued)

(c) To record intangible assets acquired at their fair value:

Completed technology	\$	4,000
In-process technology of \$11,000 charged to expense		--
Covenants-not-to-compete		4,000
Goodwill		2,011

	\$	10,011
		=====

(d) To record deferred taxes for temporary differences related to the step-up in identifiable tangible and intangible assets (exclusive of \$4,300 of deferred taxes related to the step-up in in-process technology charged to expense).

(e) To reflect one-time charge for the fair value of in-process technology (net of deferred taxes) and elimination of ICD historical stockholder's equity:

One-time charge of \$11,000 for in-process technology (net of deferred taxes of \$4,300)	\$	6,700
Elimination of ICD's equity		5,065

	\$	11,765
		=====

NOTE 3: ADJUSTMENTS TO STATEMENTS OF OPERATIONS

(a) To reflect amortization and depreciation on step-up in ICD assets over the following estimated lives:

Property and equipment	2-4 years
Completed technology	3-5 years
Covenants-not-to-compete	1-5 years
Goodwill	5 years

(b) To reflect additional costs of ICD senior management incentive compensation program.

(c) To reduce investment income for the estimated earnings on funds used to acquire ICD.

Cypress Semiconductor Corporation

Notes to Pro Forma Financial Information
(In thousands)
(Unaudited)

(Continued)

- (d) To adjust the provision (benefit) for income taxes to the estimated consolidated income tax provision (benefit). ICD's benefit for NOL carryforward utilization has been eliminated because it is nonrecurring.
- (e) The one-time charge to expense for the fair value of in-process technology has been excluded from the pro forma statement of operations because it is nonrecurring.

Signature

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this amendment to be signed on its behalf by the undersigned, thereunto duly authorized.

CYPRESS SEMICONDUCTOR CORPORATION

Dated: January 5, 1994

By: Patrick Verderico

Patrick Verderico
Chief Financial Officer
and Vice President, Finance
and Administration

Cypress Semiconductor Corporation

Form 8

INDEX TO EXHIBITS

Exhibit No. -----	Description -----	Page -----
23	Consent of Independent Accountants	29

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 33-8847, No. 33-28124, No. 33-34310, No. 33-41196, No. 33-49756, No. 33-66558, and No. 33-68594) of Cypress Semiconductor Corporation of our report dated February 12, 1993 relating to the financial statements of IC Designs, Inc., which appears on pages 4-13 in the Current Report Form 8-K of Cypress Semiconductor Corporation dated October 22, 1993, as amended January 5, 1994.

Thompson & Kittoe

Thompson & Kittoe

