

ALTERA CORP
Form 10-K/A
March 04, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

(Amendment No. 1)

(Mark One)

Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 28, 2007

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: 0-16617

ALTERA CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of

Incorporation or Organization)

101 Innovation Drive, San Jose, California
(Address of Principal Executive Offices)

(408) 544-7000

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Common Stock, \$0.001 par value per share

77-0016691
(I.R.S. Employer

Identification No.)

95134
(Zip Code)

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Name of Each Exchange on which registered

The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Act).

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately \$5,824,019,043 as of June 29, 2007 based upon the closing sale price on the NASDAQ Global Market for that date. For purposes of this disclosure, shares of common stock held by persons who hold more than 5% of the outstanding shares of common stock and shares held by executive officers and directors of the registrant have been excluded because such persons may be deemed affiliates. This determination is not necessarily conclusive.

There were 307,307,739 shares of the registrant's common stock, \$0.001 par value per share, issued and outstanding as of February 15, 2008.

DOCUMENTS INCORPORATED BY REFERENCE

Items 10, 11, 12, 13, and 14 of Part III incorporate information by reference from the Proxy Statement for the Annual Meeting of Stockholders which will be held on May 13, 2008 at 4:00 p.m. local time, at Altera's offices at 101 Innovation Drive, San Jose, California.

EXPLANATORY NOTE

This Amendment No. 1 to the Annual Report on Form 10-K of Altera Corporation (the Company) is being filed to correct a typographical error in an Item 9A disclosure. Specifically, we note that the effectiveness of the Company's internal control over financial reporting has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm as of December 28, 2007. Except for the amendment described above, this Amendment No. 1 does not modify or update the disclosure in the Company's original Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 25, 2008.

ITEM 9A. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in the reports we file or submit pursuant to the Securities and Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Management, with the participation of the Chief Executive Officer and Chief Financial Officer, has performed an evaluation of our disclosure controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 28, 2007, our disclosure controls and procedures were effective.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Internal control over financial reporting is the process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer, and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that:

- (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and dispositions of assets;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with the authorization of our management and directors; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with established policies or procedures may deteriorate.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an assessment of the effectiveness of our internal control over financial reporting as of December 28, 2007. In making this assessment, it used the criteria based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control - Integrated Framework. Based on the results of this assessment, management (including our chief executive officer and our chief financial officer) has concluded that, as of December 28, 2007, our internal control over financial reporting was effective.

The effectiveness of the Company's internal control over financial reporting as of December 28, 2007 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report dated February 25, 2008.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15(d)-15(f) under the Exchange Act) that occurred during the period covered by this quarterly report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) The following documents are filed as part of this report:

1. Consolidated Financial Statements.

The information required by this item is included in Item 8 of Part II of the Registrant's original Annual Report on Form 10-K filed on February 25, 2008.

2. Financial Statement Schedules.

All schedules have been omitted as they are either not required, not applicable, or the required information is included in the financial statements or notes thereto.

3. Exhibits.

Exhibit

Number	Exhibit
3.1	Amended and Restated Certificate of Incorporation, as currently in effect. ⁽¹⁶⁾
3.2	By-laws of the Registrant, as currently in effect. ⁽¹⁷⁾
4.1	Specimen copy of certificate for shares of common stock of the Registrant. ⁽⁵⁾
10.1+	Altera Corporation 1987 Stock Option Plan, and forms of Incentive and Non-statutory Stock Option Agreements, as amended March 22, 1995 and as restated effective May 10, 1995. ⁽³⁾
10.2+	Altera Corporation 1987 Employee Stock Purchase Plan, as amended May 8, 2007. ⁽²²⁾
10.3	Form of Indemnification Agreement entered into with each of the Registrant's officers and directors. ⁽⁵⁾
10.4+	Altera Corporation 1988 Director Stock Option Plan and form of Outside Director Non-statutory Stock Option Agreement restated effective May 7, 1997. ⁽⁷⁾
10.5	LSI Products Supply Agreement with Sharp Corporation, dated October 1, 1993. ⁽¹⁾
10.6	Letter Agreement, dated August 20, 1996, by and between the Registrant and Sharp Corporation, amending the LSI Product Supply Agreement, dated October 1, 1993. ⁽⁷⁾
10.7	Letter Agreement, dated May 22, 1997, by and between the Registrant and Sharp Corporation, amending the LSI Product Supply Agreement, dated October 1, 1993. ⁽⁷⁾
10.8	Letter Agreement, dated May 22, 1998, by and between the Registrant and Sharp Corporation, amending the LSI Product Supply Agreement, dated October 1, 1993. ⁽⁷⁾
10.9+	Altera Corporation Nonqualified Deferred Compensation Plan, as amended and restated effective January 1, 2002. ⁽¹³⁾
10.10+	Form of Deferred Compensation Agreement. ⁽¹³⁾
10.11*	Wafer Supply Agreement dated June 26, 1995 between the Registrant and Taiwan Semiconductor Manufacturing Co., Ltd. ⁽²⁾
10.12*	Amendment No. 1 dated as of October 1, 1995 to Wafer Supply Agreement dated as of June 26, 1995 by and between the Registrant and Taiwan Semiconductor Manufacturing Co., Ltd. And to Option Agreement 1 dated as of June 26, 1995 between the Registrant and Taiwan Semiconductor Manufacturing Co., Ltd. ⁽⁴⁾
10.13	Amendment of Wafer Supply Agreement dated June 1, 1997 by and between the Registrant and Taiwan Semiconductor

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Manufacturing Co., Ltd.⁽⁷⁾

- 10.14 Consent to Assignment of TSMC Agreements, effective as of July 3, 2004.⁽¹⁸⁾
- 10.15+ Altera Corporation 1996 Stock Option Plan, as amended effective as of December 18, 2006.⁽²³⁾
- 10.16+ Form of Stock Option Agreement under 1996 Stock Option Plan.⁽¹⁵⁾
- 10.17+ Form of Executive Officer Stock Option Agreement under 1996 Stock Option Plan.⁽¹⁹⁾
- 10.18+ 1998 Director Stock Option Plan, as amended effective October 2001.⁽¹²⁾

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- 10.19+ Form of Stock Option Agreement under 1998 Director Stock Option Plan.⁽¹¹⁾
- 10.20+ Altera Corporation 2005 Equity Incentive Plan, as amended and restated May 9, 2006.⁽²²⁾
- 10.21+ Form of Director Stock Option Agreement under the Altera Corporation 2005 Equity Incentive Plan.⁽²⁴⁾
- 10.22+ Form of Employee Stock Option Agreement under the Altera Corporation 2005 Equity Incentive Plan.⁽²⁴⁾
- 10.23+ Form of Award Agreement (Restricted Stock Units) to the Altera Corporation 2005 Equity Incentive Plan.⁽²⁵⁾
- 10.24+ Restricted Stock Purchase Agreement between the Registrant and John Daane.⁽⁸⁾
- 10.25+ Severance Agreement, dated as of November 30, 2000, by and between John Daane and the Registrant.⁽⁹⁾
- 10.26+ Severance agreement, entered into on March 13 ,2006 and made effective as of November 30, 2005, by and between John Daane and the Registrant.⁽²⁸⁾
- 10.27+ Letter Agreement, dated July 27, 2001, by and between the Registrant and John Daane.⁽¹²⁾
- 10.28+ Restricted Stock Purchase Agreement between the Registrant and Jordan Plofsky.⁽¹⁰⁾
- 10.29+ Form of Restricted Stock Purchase Agreement between the Registrant and George Papa.⁽¹⁴⁾
- 10.30+ Altera Corporation Executive Bonus Plan.⁽²⁰⁾
- 10.31 Product Distribution Agreement with Arrow Electronics Incorporated, effective January 26, 1999.⁽⁶⁾
- 10.32* Fee-For-Service Letter Agreement with Arrow Electronics Incorporated, dated as of May 22, 2002.⁽²¹⁾
- 10.33* Letter Amendment to Fee-For-Service Letter Agreement with Arrow Electronics Incorporated, dated as of January 3, 2005.⁽²¹⁾
- 10.34* Distribution Agreement with Arrow Asia Distribution, Ltd., dated as of November 1, 2001.⁽²¹⁾
- 10.35* Inventory Advances Arrangement Letter Agreement With Arrow Electronics Incorporated Pursuant to Distribution Agreement, Dated October 15, 2004.⁽²¹⁾
- 10.36* Summary of Altera Corporation Non-Employee Director Compensation.⁽²⁷⁾
- 10.37 Credit Agreement, dated as of August 31, 2007, by and between Registrant, Citicorp USA, Inc. and Bank of America, N.A., and certain Other Lenders. ⁽²⁹⁾
- 10.38 Letter of Acceptance of a Construction Contract dated January 11, 2008, by and among Altera Corporation (M) SDN. BHD., B.L. Tay Architect, on behalf of Altera Malaysia, and Nakano Construction SDN. BHD. ⁽³⁰⁾
- #11.1 Computation of Earnings per Share (included in note 3 of our consolidated financial statements).
- #21.1 Subsidiaries of the Registrant.
- #23.1 Consent of PricewaterhouseCoopers LLP.
- #24.1 Power of Attorney (included on page 71 of this Annual Report on Form 10-K).
- **31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
- **31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.

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- #32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- #32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- (1) Incorporated by reference to the Registrant's report on Form 10-K for the fiscal year ended December 31, 1993.
 - (2) Incorporated by reference to the Registrant's report on Form 10-Q for the quarter ended June 30, 1995.
 - (3) Incorporated by reference to the Registrant's Registration Statement on Form S-8 (File No. 33-61085), as amended, which became effective July 17, 1995.
 - (4) Incorporated by reference to the Registrant's report on Form 10-K for the fiscal year ended December 31, 1995.
 - (5) Incorporated by reference to the Registrant's report on Form 10-K for the fiscal year ended December 31, 1997.
 - (6) Incorporated by reference to the Registrant's report on Form 10-Q for the quarter ended March 31, 1999.
 - (7) Incorporated by reference to the Registrant's report on Form 10-K for the fiscal year ended December 31, 1999.
 - (8) Incorporated by reference to the Registrant's Registration Statement on Form S-8 (File No. 333-54384), filed on January 26, 2001.
 - (9) [Reserve]
 - (10) Incorporated by reference to the Registrant's Registration Statement on Form S-8 (File No. 333-56776), filed on March 9, 2001.
 - (11) Incorporated by reference to the Registrant's report on Form 10-Q for the quarter ended March 31, 2001.
 - (12) Incorporated by reference to the Registrant's report on Form 10-K for the fiscal year ended December 31, 2001.
 - (13) Incorporated by reference to the Registrant's report on Form 10-Q for the quarter ended March 31, 2002.
 - (14) Incorporated by reference to the Registrant's Registration Statement on Form S-8 (File No. 333-87382), filed on May 1, 2002.
 - (15) Incorporated by reference to the Registrant's report on Form 10-K for the fiscal year ended December 27, 2002.

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- (16) Incorporated by reference to the Registrant's report on Form 10-K for the fiscal year ended January 2, 2004.
- (17) Incorporated by reference to the Registrant's report on Form 8-K filed on July 17, 2007.
- (18) Incorporated by reference to the Registrant's report on Form 10-Q for the quarter ended July 2, 2004.
- (19) Incorporated by reference to the Registrant's report on Form 10-Q for the quarter ended October 2, 2004.
- (20) Incorporated by reference to the Registrant's report on Form 8-K filed on January 11, 2008.
- (21) Incorporated by reference to the Registrant's report on Form 10-K/A for the fiscal year ended December 31, 2004.
- (22) Incorporated by reference to the Registrant's report on Form 10-Q for the quarter ended June 29, 2007.
- (23) Incorporated by reference to the Registrant's report on Form 10-Q for the quarter ended June 29, 2007.

(24) Incorporated by reference to the Registrant's report on Form 10-Q for the quarter ended July 1, 2005.

(25) Incorporated by reference to the Registrant's report on Form 8-K filed on February 2, 2006.

(26) [Reserve]

(27) Incorporated by reference to the Registrant's report on Form 8-K filed on May 11, 2006.

(28) Incorporated by reference to the Registrant's report on Form 10-K for the fiscal year ended December 30, 2005.

(29) Incorporated by reference to the Registrant's report on Form 8-K filed on September 5, 2007.

(30) Incorporated by reference to the Registrant's report on Form 8-K filed on January 17, 2008.

Filed with the Registrant's original Annual Report on Form 10-K filed on February 25, 2008.

* Confidential treatment has been granted for portions of this exhibit.

+ Management contract or compensatory plan or arrangement.

** Filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Amendment No. 1 to the annual report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

ALTERA CORPORATION

By: /s/ TIMOTHY R. MORSE
 Timothy R. Morse
 Senior Vice President and Chief Financial Officer

(Principal Financial and Accounting Officer)

March 3, 2008

POWER OF ATTORNEY

Know all persons by these present, that each person whose signature appears below constitutes and appoints Timothy R. Morse, his or her attorney-in-fact, with the full power of substitution, for him or her, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorney-in-fact, or his or her substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report on Form 10-K has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

Signature	Capacity in Which Signed	Date
/s/ * John P. Daane	President, Chief Executive Officer, and Director and Chairman of the Board of Directors (Principal Executive Officer)	March 3, 2008
/s/ Timothy R. Morse Timothy R. Morse	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 3, 2008
/s/ * Robert J. Finocchio, Jr.	Director	March 3, 2008
/s/ * Kevin McGarity	Director	March 3, 2008
/s/ * Greg Myers	Director	March 3, 2008
/s/ * Robert W. Reed	Director, Vice Chairman of the Board of Directors and Lead Independent Director	March 3, 2008
/s/ * 	Director	March 3, 2008

John Shoemaker

/s/ *

Director

March 3, 2008

Susan Wang

* Attorney-in-Fact

By: /s/ TIMOTHY R. MORSE
Timothy R. Morse

Senior Vice President and Chief Financial Officer

(Principal Financial and Accounting Officer)