

Edgar Filing: NUMERICAL TECHNOLOGIES INC - Form 3

NUMERICAL TECHNOLOGIES INC

Form 3

January 22, 2003

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 3

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or
Section 30(f) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person*

Synopsys, Inc. ("Synopsys")

(Last)

(First)

(Middle)

700 East Middlefield Road

(Street)

Mountain View

California

94043

(City)

(State)

(Zip)

2. Date of Event Requiring Statement (Month/Day/Year)

1/12/03

3. I.R.S. Identification Number of Reporting Person, if an entity (voluntary)

561546236

4. Issuer Name and Ticker or Trading Symbol

Numerical Technologies, Inc. (NMTC) (the "Company")

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

Director

10% Owner

Officer (give title below)

Other (specify below)

6. If Amendment, Date of Original (Month/Day/Year)

7. Individual or Joint/Group Filing (Check Applicable line)

Form filed by One Reporting Person

Form filed by More than One Reporting Person

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Table I -- Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature (Instr.)
Common Stock	6,341,921	(D)	N/A

FORM 3 (continued)

Table II -- Derivative Securities Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Deriv Secur
	Date Exer- cisable	Expira- tion Date	Title Amount or Number of Shares	
Numerical	Any time	N/A	Common Stock 40,562	\$0

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Technologies
Canada, Inc.
Exchangeable Shares

Common Stock Options	Within 60 days of January 22, 2003	10/16/12	Common Stock	12,500	\$3.52
Common Stock Options	Within 60 days of January 22, 2003	2/1/10	Common Stock	7,500	\$2.67
Common Stock Options	Within 60 days of January 22, 2003	12/5/10	Common Stock	212,500	\$12.50
Common Stock Options	Within 60 days of January 22, 2003	9/28/11	Common Stock	100,000	\$14.59
Common Stock Options	Within 60 days of January 22, 2003	7/11/12	Common Stock	162,500	\$4.75
Common Stock Options	Within 60 days of January 22, 2003	7/17/12	Common Stock	112,500	\$4.00
Common Stock Options	Within 60 days of January 22, 2003	4/18/11	Common Stock	100,000	\$10.87
Common Stock Options	Within 60 days of January 22, 2003	5/24/10	Common Stock	120	\$30.375

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. * If the form is filed by more than one reporting person, see Instruction 5(b) (v).

Potential persons who are to respond to the collection of Information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Explanation of Responses:

See Attachment A

Synopsys, Inc.

By: /s/ Steven K. Shevick

January 22, 2003

Steven K. Shevick
Senior Vice President, Finance

Date

**Signature of Reporting Person

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations.

See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

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Attachment A

Reporting Person: Synopsys, Inc.
700 East Middlefield Road
Mountain View, California 94043

Date of Reporting Event: January 12, 2003

Issuer: Numerical Technologies, Inc. (NMTC)

Explanation of Responses

On January 12, 2003, Synopsys, Inc. ("Synopsys"), Neon Acquisition Corporation, a newly formed wholly-owned Delaware subsidiary of Synopsys ("Purchaser"), and Numerical Technologies, Inc. (the "Company") entered into an Agreement and Plan of Merger (the "Merger Agreement"). Upon the terms and subject to the conditions set forth in the Merger Agreement, Purchaser, as promptly as practicable after the date of the Merger Agreement, will commence a cash tender offer (the "Offer") to purchase all outstanding shares of common

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stock of the Company, par value \$0.0001 per share (the "Company Common Shares"), at a price of \$7.00 per share (the "Offer Price"), net to the seller in cash. Following the completion of the Offer and the satisfaction or waiver of the conditions to the Merger set forth in the Merger Agreement, (i) Purchaser will be merged under Delaware law into the Company (the "Merger"), with the Company being the surviving corporation, (ii) each Company Common Share that is not tendered and accepted pursuant to the Offer (other than Company Common Shares owned by Synopsys or the Company or any of their respective wholly owned subsidiaries) will be converted into the right to receive in cash an amount per share equal to the Offer Price and (iii) each share of common stock, par value \$0.001 per share, of Purchaser that is issued and outstanding immediately prior to the Merger will be converted into one share of common stock, par value \$0.001 per share, of the surviving corporation. The Offer, the Merger and the other transactions contemplated by the Merger Agreement are subject to the satisfaction or waiver of certain conditions, including receipt of regulatory approvals, as set forth in the Merger Agreement.

Concurrently with the execution and delivery of the Merger Agreement, and as a condition and inducement to the willingness of Synopsys and Purchaser to enter into the Merger Agreement, certain directors and executive officers of the Company and certain of their spouses (the "Stockholders"), in their capacity as stockholders of the Company, entered into a Stockholder Tender Agreement (the "Stockholder Tender Agreement") with Synopsys. Pursuant to the Stockholder Tender Agreement and as more fully described therein, each Stockholder, among other things, (i) agreed to tender into the Offer, and not withdraw, all Company Common Shares of which he or she is the beneficial owner (including Company Common Shares subsequently received due to the exercise of options or otherwise) or has the sole right to vote and dispose, and any Company Common Shares over which such Stockholder subsequently acquires beneficial ownership (the "Subject Shares"), (ii) granted to Synopsys an irrevocable option for 60 days to purchase the Subject Shares at a price of \$7.00 per share, exercisable if Purchaser has acquired Company Common Shares pursuant to the Offer and such Stockholder failed to tender into the Offer or has withdrawn any of his or her Subject Shares, (iii) agreed to vote any of his or her Subject Shares (A) in favor of the adoption of the Merger Agreement and approving the transactions contemplated by the Merger Agreement, including the Merger and (B) against (other than the transactions contemplated by the Merger Agreement) any "Alternative Transaction" or any action that would or is designed to delay, prevent or frustrate the Offer and the transactions contemplated by the Merger Agreement, (iv) granted Synopsys an irrevocable proxy to vote all of their Subject Shares as contemplated by clause (iii) of this paragraph, (v) subject the Subject Shares to certain transfer restrictions and (vi) agreed that they and their representatives would not solicit, initiate or encourage any inquiries or proposals from, discuss or negotiate with, or provide any non-public information to, any person relating to or otherwise facilitate an Alternative Transaction. "Alternative Transaction" means, other than the transactions contemplated by the Merger Agreement, (1) any merger, consolidation, share exchange, recapitalization, business combination or other similar transaction involving the Company or its subsidiaries whose assets, individually or in the aggregate, would constitute 40 percent or more of the consolidated assets of the Company, (2) any sale, lease, exchange, mortgage, pledge, transfer or other disposition of 40 percent or more of the assets of the Company and its subsidiaries in a single transaction or series of related transactions, (3) any tender offer or exchange offer for 40 percent or more of the outstanding Company Common Shares or the filing of a registration statement under the Securities Act of 1933, as amended, in connection therewith or (4) any public announcement of a proposal, plan or intention to do any of the foregoing or any agreement to engage in any of the foregoing.

The Stockholder Tender Agreement terminates when and if the Merger Agreement is terminated without the consummation of the Merger.

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Synopsys owns 40,562 exchangeable shares of Numerical Technologies Canada, Inc. (the "Exchangeable Shares") acquired in October 2000 when the Company acquired an entity in which Synopsys held an equity investment, each of which is exchangeable at no additional cost into one Company Common Share at any time. Not including Company Common Shares that the Stockholders may subsequently receive due to the exercise of options and including the 40,562 Exchangeable Shares owned by Synopsys, as a result of entering into the Stockholder Tender Agreement and accepting the proxies granted thereunder, as of January 21, 2003, Synopsys may be deemed to have beneficial ownership of an aggregate of 6,382,483 Company Common Shares that were either owned by the Stockholders or over which the Stockholders had the power to vote and dispose. In the aggregate, such Company Common Shares represented approximately 18.9% of the outstanding Company Common Shares that were deemed to be outstanding for purposes of calculating the beneficial ownership of Synopsys under Section 13(d) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "Exchange Act").

Including Company Common Shares that the Stockholders may subsequently receive due to the exercise of options and including the 40,562 Exchangeable Shares owned by Synopsys, as a result of entering into the Stockholder Tender Agreement and accepting the proxies granted thereunder, as of January 21, 2003, Synopsys may be deemed to have beneficial ownership of an aggregate of 7,090,103 Company Common Shares that were either owned by the Stockholders or over which the Stockholders had the power to vote and dispose. Such Company Common Shares represented approximately 21.0% of the outstanding Company Common Shares that were deemed to be outstanding for purposes of calculating the beneficial ownership of Synopsys under Section 13(d) of the Exchange Act.

Two Stockholders, Messrs. Pati and Wang, have pre-established Rule 10b5-1 trading plans. Pursuant to these trading plans, Messrs. Pati and Wang, have sold 119,700 and 105,000 Company Common Shares, respectively, since entering into the Stockholder Tender Agreement, which sales are reflected in the information provided in this form. In addition, Messrs. Pati and Wang may continue to make sales of Company Common Shares in accordance with their respective Rule 10b5-1 trading plans following the filing of this form, in which event the number of Company Common Shares beneficially owned by Synopsys will automatically be correspondingly reduced.

All percentages of Company Common Shares beneficially owned described in this form are based upon 33,712,870 Company Common Shares outstanding at January 21, 2003.

The Merger Agreement and the Stockholder Agreement are described in more detail in Synopsys' Statement on Schedule 13D under the Exchange Act filed with respect to the Company Common Shares, dated January 22, 2003.