

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**FORM 8-K**

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

Date of report (Date of earliest event reported)

September 2, 2003

**PDF Solutions, Inc.**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**

**000-31311**

**25-1701361**

(State or Other Jurisdiction  
of Incorporation)

(Commission File  
Number)

(IRS Employer  
Identification No.)

**333 West San Carlos Street, Suite 700, San Jose, CA**

**95110**

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code

**(408) 280-7900**

**Not Applicable**

(Former Name or Former Address, if Changed Since Last Report)

**TABLE OF CONTENTS**

[Item 7. Financial Statements and Exhibits.](#)

[Item 9. Regulation FD Disclosure.](#)

[SIGNATURES](#)

[EXHIBIT INDEX](#)

[EXHIBIT 99.1](#)

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[Table of Contents](#)

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

- 99.1 Press Release of PDF Solutions, Inc. dated September 3, 2003 regarding the revised terms of the acquisition of IDS Software Systems, Inc. by PDF Solutions, Inc.

Item 9. Regulation FD Disclosure.

On September 3, 2003, PDF Solutions, Inc. issued a press release announcing the revised terms of its proposed acquisition of IDS Software Systems, Inc. A copy of the press release is attached as Exhibit 99.1.

SIGNATURES

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

PDF Solutions, Inc.

By:     /s/     P. Steven Melman

Name: P. Steven Melman  
Title: Vice President, Finance and Administration and Chief  
Financial Officer

Dated: September 3, 2003

EXHIBIT INDEX

<u>Number</u>	<u>Exhibit</u>
99.1	Press Release of PDF Solutions, Inc. dated September 3, 2003 regarding the revised terms of the acquisition of IDS Software Systems, Inc. by PDF Solutions, Inc.

**News Release**

Investor Relations Contact:  
Rochelle Krause  
PDF Solutions, Inc.  
Tel: (408) 938-6437  
Email: rochelle.krause@pdf.com

Public Relations Contact:  
Abbie Kendall  
Armstrong Kendall, Inc.  
Tel: (503) 672-4681  
Email: abbie@akipr.com

**PDF Solutions® and IDS Software Systems  
Amend Definitive Agreement**

SAN JOSE, Calif., September 3, 2003- PDF Solutions, Inc. (Nasdaq: PDFS) and IDS Software Systems, Inc., today announced that they have amended their definitive agreement under which PDF Solutions will acquire IDS. The amended agreement is designed to allow the two companies to move towards completion of the transaction, bringing forward the benefits of their combination and increasing the long-term value for PDF Solutions stockholders.

Instead of the original \$20.0 million in cash and 2,500,000 shares, under the amended terms, PDF Solutions will acquire IDS for \$23.0 million in cash and 2,000,000 shares of PDF's Common Stock, resulting in an aggregate consideration value of approximately \$48.7 million, based upon the closing price of PDF's common stock on the Nasdaq National Market on September 3, 2003 of \$12.83 per share. As previously agreed, PDF Solutions will also assume all of IDS' stock options that are outstanding immediately prior to the close of the transaction.

"We are pleased with the revised agreement reached with PDF, and look forward to the transaction closing" stated Andre Hawit, founder of IDS Software Systems.

PDF believes that the amended terms of the transaction will help facilitate the closing of the transaction, which is currently expected to occur in the third calendar quarter of 2003. The closing is subject to customary closing conditions.

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"PDF Solutions believes that the IDS offering combines with PDF's product offering in a unique manner that will result in a better overall solution for semiconductor companies," stated John Kibarian, PDF Solutions' Chief Executive Officer and President. "The amended definitive agreement allows the companies to more effectively capture near-term financial synergies while at the same time allowing the combined product offering of the two companies to be realized."

#### **About IDS Software Systems**

IDS, based in Foster City, California, is a privately held corporation founded in 1991. IDS products provide the most comprehensive platform-independent set of semiconductor yield management system (YMS) and engineering data analysis software tools in the industry. This suite of tools empowers engineers to maximize yields and speed time-to-market for today's state-of-the-art semiconductor devices. More information is available at [www.idsusa.com](http://www.idsusa.com)

#### **About PDF Solutions**

PDF Solutions, Inc. (NASDAQ: PDFS) is the leading provider of process-design integration technologies to enhance IC manufacturability. PDF Solutions' software, methodologies, and services enable semiconductor companies to create more manufacturable IC designs and more capable manufacturing processes. By simulating nanometer-scale product and process interactions, PDF Solutions offers clients reduced time-to-market, increased IC yield and performance, and increased product reliability and profitability. Headquartered in San Jose, Calif., PDF Solutions operates worldwide with additional offices in Europe and Japan. For more information, visit [www.pdf.com](http://www.pdf.com).

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#### **Forward-Looking Statements**

Some of the statements in this press release are forward looking, including, without limitation, the amended agreement between the company and IDS, those regarding the ability of the company to close this transaction in the time projected, or at all, and the potentiality of near-term synergies and long-term stockholder value. The words "expect", "believe" and similar expressions also identify forward-looking statements. Actual results could differ materially from those expressed in any forward-looking statements. Risks and uncertainties that could cause results to differ materially include risks associated with: failure to satisfy the conditions to closing set forth in the amended agreement, failure to grow potential future revenue opportunities and take advantage of synergies; fluctuations in the price of PDF's stock; unforeseen industry changes; changes in the U.S. and worldwide economic and political environments; and changes in the marketplace for our solutions, including the introduction of products or services competitive with PDF's products and services. Readers should also refer to the risk disclosures set forth in PDF's periodic public filings with the SEC, including, without limitation, its reports on Form 10-K, most recently filed on April 26, 2003, and on Form 10-Q, most recently filed on August 14, 2003. The forward-looking statements contained in this release are made as of the date hereof, and PDF does not assume any obligation to update such statements nor the reasons why actual results could differ materially from those projected in such statements.