

Press Releases

O'Melveny Represents Microsemi Corporation in Agreement to Acquire Zarlink Semiconductor, Inc.



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FOR IMMEDIATE RELEASE

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SILICON VALLEY, CALIFORNIA — SEPTEMBER 22, 2011 — O'Melveny & Myers LLP represented Microsemi Corporation, a leading provider of semiconductor solutions for the aerospace, defense, and security; enterprise and communications; and industrial and alternative energy markets, in entering into a Support Agreement pursuant to which it will acquire all of the outstanding common shares and debentures of Zarlink semiconductor Inc., for approximately US\$525 million.

The O'Melveny deal team was led by Silicon Valley-based partners Steven Tonsfeldt, Paul Scrivano, and Warren Lazarow, and Los Angeles-based partner Thomas Baxter.

About O'Melveny & Myers LLP

With approximately 850 lawyers in 14 offices worldwide, O'Melveny & Myers LLP helps industry leaders across a broad array of sectors manage the complex challenges of succeeding in the global economy. We are a values-driven law firm, guided by the principles of excellence, leadership, and citizenship. Our commitment to these

values is reflected in our dedication to improving access to justice through pro bono work and championing initiatives that increase the diversity of the legal profession. For more information, please visit www.omm.com

The following press release was recently issued by Microsemi Corporation:

Microsemi Corporation to Acquire Zarlink Semiconductor Inc.

Microsemi amends offers to acquire all of the outstanding common shares and debentures of - Zarlink to CAD\$3.98 per share and CAD\$1,624.49 per CAD\$1,000 principal amount of debentures, respectively

September 22, 2011, 9:15 am

ALISO VIEJO, CALIFORNIA and OTTAWA, ONTARIO--(Marketwire -09/22/11)- Microsemi Corporation (NASDAQ: MSCC - News), a leading provider of semiconductor solutions differentiated by power, security, reliability and performance, and Zarlink Semiconductor Inc. (TSX: ZL.TO - News), a leading provider of mixed-signal chip technologies for a broad range of communications and medical applications, announced today that they have entered into a Support Agreement pursuant to which Microsemi, through a wholly-owned subsidiary (the "Offeror"), will amend its existing offers to increase the price offered for all of the issued and outstanding common shares (the "Shares") and 6% unsecured, subordinated convertible debentures maturing September 30, 2012 (the "Debentures") of Zarlink by 19% to CAD\$3.98 in cash per Share and CAD\$1,624.49 in cash per CAD\$1,000 principal amount of Debentures plus accrued and unpaid interest to the date Debentures are taken up (the "Amended Offers").

The Board of Directors of Zarlink, after receiving fairness opinions from its financial advisors, RBC Capital Markets and Canaccord Genuity Corp, has unanimously determined that the Offers are fair to its Shareholders and Debentureholders, that it is in the best interests of the Company to support and facilitate the Offers, and has approved the Offers and recommends that Zarlink Shareholders and Debentureholders tender their Shares and Debentures to the Amended Offers.

The total transaction value is approximately US \$525 million, net of Zarlink's cash which is currently US \$ 107M. The Amended Offers represent a 67% premium over the closing price of the Shares on the TSX and a 48% premium over the closing price of the Debentures on the TSX on July 19, 2011, the day prior to the initial public announcement of Microsemi's proposal to acquire Zarlink. The

consideration under the Amended Offers represents a 15% premium to the closing price on the TSX of the Shares and a 15% premium to the closing price on the TSX of the Debentures on September 21, 2011, the last trading day prior to this announcement.

"We are excited to add Zarlink to the Microsemi family and to enter into this transaction on a friendly basis," said James J. Peterson, Microsemi's president and chief executive officer. "Entering the process and performing diligence enabled us to confirm the compelling strategic fit between the two companies. Furthermore, Zarlink's fundamentals, technology capabilities, product roadmap and revenue growth opportunities exceeded our expectations. By bringing Microsemi's scale and discipline to this tremendous property, we expect to deliver outstanding results for our shareholders."

Adam Chowanec, Chairman of Zarlink's Board of Directors, stated, "After careful consideration of strategic alternatives, protracted negotiations and the receipt of two fairness opinions from our financial advisors, the Zarlink Board of Directors unanimously recommends that Shareholders and Debentureholders tender their Shares and Debentures to the Amended Offers from Microsemi."

Microsemi believes the transaction will be immediately accretive to non-GAAP EPS before synergies. Based on current assumptions, Microsemi expects the acquisition to be \$0.24 to \$0.26 accretive to non-GAAP EPS in its first full fiscal year ending 2012. More details will follow upon completion of the acquisition.

For the September quarter, net sales for Microsemi are expected to increase from 3% to 5% sequentially. As of this date, Microsemi remains comfortable with its previously announced non-GAAP diluted earnings per share guidance for its fourth Fiscal quarter 2011 of \$0.52 to \$0.54.

Tender Offers and Closing

A notice of variation and extension of the existing offers is expected to be mailed by the Offeror to Zarlink Shareholders and Debentureholders by September 27, 2011 with a revised expiry time of 5:00 p.m. (Eastern Time) on October 12, 2011. Zarlink's Board of Directors will concurrently issue a notice of change to its directors' circular dated September 1, 2011 that will recommend that Shareholders and Debentureholders tenders their Shares and Debentures to the Amended Offers and will include the fairness opinions provided by Zarlink's financial advisors.

The Support Agreement entered into by Zarlink and Microsemi contains, among other things, a CAD\$25 million break fee payable by Zarlink in certain circumstances, including the acceptance of an unsolicited superior proposal from a third party. Microsemi has also been granted a right to match in respect of competing proposals.

The Amended Offers are subject to customary closing conditions, including the tender of that number of Shares which, together with the Shares held by the Offeror and its associates and affiliates and the Shares into which the Debentures deposited under the Debenture Offer may be converted into at the option of the Offeror, represent at least 66 2/3% of the outstanding Shares calculated on a fully-diluted basis.

No approval of the shareholders of Microsemi is required in connection with the proposed transaction. Terms of the Support Agreement were unanimously approved by the board of directors of both Microsemi and Zarlink.

The transaction is not subject to a financing condition as Microsemi has received a financing commitment from Morgan Stanley Senior Funding, Inc. in connection with the acquisition. The financing commitment includes a US\$800 million seven year senior term loan facility. Stifel Nicolaus Weisel and Morgan Stanley & Co. LLC are acting as financial advisors to Microsemi in the acquisition and its legal advisors are O'Melveny & Myers LLP and Stikeman Elliott LLP. RBC Capital Markets and Canaccord Genuity Corp. and are acting as financial advisors to Zarlink and its legal advisors are McCarthy Tetrault LLP, Davies, Ward, Phillips & Vineberg LLP and SNR Denton US LLP.

Upon satisfaction of the conditions to the Amended Offers and after such time as the Offeror takes up and pays for the Shares and Debentures tendered to the Amended Offers, the Offeror intends to acquire the balance of the Shares and Debentures as soon as practicable by way of a compulsory acquisition under the Canada Business Corporations Act or by way of a subsequent acquisition transaction as described in the Offeror's circular.

For more information on how to tender Zarlink's Shares or Debentures to the Amended Offers or for any other information, holders of Shares and Debentures may communicate with The Laurel Hill Advisory Group Company, the information agent retained by Microsemi, North American toll free at 1-877-452-7184 or via e-mail assistance@laurelhill.com.

This press release does not constitute an offer to buy or an invitation to sell, or the solicitation of an offer to buy or invitation to sell, any securities of Zarlink. Such an offer may only be made pursuant to an offer and takeover bid circular filed with the securities regulatory authorities in Canada and pursuant to registration or qualification under the securities laws of any other such jurisdiction.

Conference Call

James J. Peterson, Microsemi's president and chief executive officer, John W. Hohener, Microsemi's executive vice president and chief financial officer, and Steven G. Litchfield, Microsemi's executive vice president and chief strategy officer, will participate in a conference call at 11 a.m. Eastern Time on Thursday, Sept. 22, 2011 to discuss the acquisition. An audio recording of the call will be available until Oct. 6 in the investor relations section of Microsemi's website, www.microsemi.com. Those wishing to participate in the conference call can dial (877) 264-1110 or (706) 634-1357 at approximately 11 a.m. Eastern Time (8 a.m. Pacific Time). Callers should provide the following ID Number: 12873501.

About Microsemi

Microsemi Corporation (NASDAQ: MSCC - News) offers a comprehensive portfolio of semiconductor solutions for: aerospace, defense and security; enterprise and communications; and industrial and alternative energy markets. Products include high-performance, high-reliability analog and RF devices, mixed-signal and RF integrated circuits, customizable SoCs, FPGAs, and complete subsystems. Microsemi is headquartered in Aliso Viejo, Calif., and has more than 2,700 employees globally. Learn more at www.microsemi.com.

About Zarlink

Zarlink Semiconductor (TSX: ZL.TO - News) delivers world-leading, mixed-signal chip technologies for a broad range of communication and medical applications. Zarlink's core capabilities include timing solutions that manage time-sensitive communication applications over wireless and wired networks, line circuits supporting high-quality voice services over cable and broadband connections, and ultra low-power radios enabling new wireless medical devices and therapies. Serving the world's largest original equipment manufacturers, Zarlink's highly integrated chip solutions help customers simplify design, lower costs and reach market quickly. For more information, visit www.zarlink.com.

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