



Partners in RF & Microwave

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MACOM Announces Definitive Agreement to Acquire BinOptics Corporation

Transaction Expected to be Accretive to Gross Margin and Earnings Per Share in the First Full Quarter of Combined Operations

LOWELL, Mass., Nov. 18, 2014 (GLOBE NEWSWIRE) -- M/A-COM Technology Solutions Holdings, Inc. (Nasdaq:MTSI) (MACOM), a leading supplier of high performance RF, microwave, and millimeter wave products, today announced it has entered into a definitive agreement to acquire BinOptics Corporation, a leading merchant provider of Indium Phosphide lasers for Data Centers, Mobile Backhaul, Silicon Photonics and Access Networks, in an all-cash transaction valued at \$230 million, subject to customary post-closing adjustments.

Expected highlights of the transaction include:

- Accretive to MACOM's gross margin and earnings per share starting in the first full quarter of combined operations.
- Broadens MACOM's optical portfolio with highly differentiated edge-emitting and surface-emitting Fabry Perot and DFB lasers.
- Brings proprietary Etched Facet Technology (EFT) for lasers that enable compelling wafer-scale economics in both device manufacturing and testing.
- Doubles MACOM's Serviceable Addressable Market (SAM) within the optical component market.
- Expands growth opportunities and addressable market in Data Center networks, including Silicon Photonics.

Commenting on the transaction, John Croteau, President and Chief Executive Officer stated, "This acquisition further extends MACOM's preeminent position in what we expect will be a strong secular growth driver for many years to come. We believe BinOptics' wafer-scale model for Indium Phosphide lasers will play perfectly to our strength in compound semiconductor manufacturing, allowing us to quickly address what is currently a supply-constrained part of the optical component industry. BinOptics' business model is consistent with our gross margin and operating margin aspirations, and we expect the transaction to be accretive to non-GAAP gross margin and EPS within the first full quarter of combined operations."

"Furthermore, this acquisition underscores MACOM's strategy to expand our market and growth opportunities through M&A. We have a successful track record of integrating acquisitions, both large and small, to expand our addressable market, while also achieving cost synergies for improved profitability and margin expansion."

MACOM expects to fund the purchase price of the acquisition from a combination of cash on hand and incurrence of additional indebtedness from its existing \$100 million revolving credit facility.

Closing of the acquisition is subject to the satisfaction of customary closing conditions, including expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act. MACOM expects the transaction to close by the end of its first fiscal quarter of 2015.

Goldman, Sachs & Co. acted as exclusive financial advisor and Perkins Coie LLP acted as legal counsel to MACOM. Raymond James & Associates, Inc. acted as exclusive financial advisor and Bond, Schoeneck & King, PLLC as legal advisor to BinOptics.

A presentation with further information on the transaction is available on MACOM's investor relations website at: <http://ir.macom.com/>

About MACOM:

M/A-COM Technology Solutions Holdings, Inc. (www.macom.com) is a leading supplier of high performance analog RF, microwave, and millimeter wave products that enable next-generation Internet and modern battlefield applications. Recognized for its broad catalog portfolio of technologies and products, MACOM serves diverse markets, including high speed optical, satellite, radar, wired & wireless networks, CATV, automotive, industrial, medical, and mobile devices. A pillar of the semiconductor industry, we thrive on more than 60 years of solving our customers' most complex problems, serving as a true partner for applications ranging from RF to Light.

Headquartered in Lowell, Massachusetts, M/A-COM Tech is certified to the ISO9001 international quality standard and ISO14001 environmental management standard. M/A-COM Tech has design centers and sales offices throughout North America, Europe, Asia and Australia.

MACOM, M/A-COM, M/A-COM Technology Solutions, M/A-COM Tech, Partners in RF & Microwave, The First Name in Microwave and related logos are trademarks of MACOM. All other trademarks are the property of their respective owners.

For more information about MACOM, please visit www.macom.com follow [@MACOMtweets](https://twitter.com/MACOMtweets) on Twitter; join MACOM on [LinkedIn](https://www.linkedin.com/company/macom), or visit the MACOM [YouTube Channel](https://www.youtube.com/channel/UC...).

About BinOptics Corporation

BinOptics Corporation is a trusted ISO-certified volume supplier of semiconductor lasers for the Telecom and Datacom industries, with over 60 million lasers shipped. BinOptics uses its proprietary Etched Facet Technology to manufacture highly reliable, high-volume, and low-cost lasers. BinOptics' current products include a wide range of FP and DFB lasers as well as lasers with narrow far-fields that offer exceptional fiber coupling. With modulation speeds exceeding 25-Gbps, the company's products provide transceiver and other photonic equipment manufacturers with unprecedented price-performance advantages. BinOptics also offers custom integrated components for optical systems and subsystems. These solutions deliver excellent value through cost, size, and power reductions by replacing several discrete components with a single monolithic chip.

Special Note Regarding Forward-Looking Statements

This press release contains forward-looking statements based on MACOM management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include, among others, statements concerning the BinOptics transaction, including those regarding the potential date of closing of the acquisition, and any potential benefits and synergies, strategic plans, cost savings, accretion, and financial and business expectations associated with the acquisition, as well as any other statements regarding MACOM's plans, beliefs or expectations regarding the transaction or its future business or financial results. Forward-looking statements include all statements that are not historical facts and generally may be identified by terms such as "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "seeks," "should," "will," "would" or similar expressions and the negatives of those terms.

Forward-looking statements contained in this press release reflect MACOM's current views about future events and are subject to risks, uncertainties, assumptions and changes in circumstances that may cause those events or our actual activities or results to differ materially from those expressed in any forward-looking statement. Although MACOM believes that the expectations reflected in the forward-looking statements are reasonable, it cannot and does not guarantee future events, results, actions, levels of activity, performance or achievements, including the successful closing of the BinOptics transaction or realization of any of the projected benefits of the transaction. Readers are cautioned not to place undue reliance on these forward-looking statements. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements, including, among others, costs associated with the acquisition, matters arising in connection with the parties' efforts to comply with and satisfy applicable regulatory approvals and closing conditions relating to the acquisition, failure to achieve expected synergies or successfully integrate BinOptics' business, accretion and other anticipated benefits of the transaction, adverse reactions to the acquisition by employees, customers, suppliers or competitors of either MACOM or BinOptics, greater than expected dilutive effect on earnings from or failure to comply with applicable covenants related to MACOM's outstanding indebtedness as increased to fund the acquisition, related interest expense and other costs, lower than expected demand in any or all of our primary end markets or from any of our large OEM customers based on macro-economic weakness or otherwise, MACOM's failure to realize the expected economies of scale, lowered production cost and other anticipated benefits of our previously announced GaN intellectual property licensing program, the potential for defense spending cuts, program delays, cancellations or sequestration, failures or delays by any customer in winning business or to make purchases from us in support of such business, lack of adoption or delayed adoption by customers and industries we serve of GaN, Indium Phosphide lasers, or other solutions offered by us, failures or delays in porting and qualifying GaN or Indium Phosphide laser process technology to our Lowell, MA fabrication facility or third party facilities, lower than expected utilization and absorption in our manufacturing facilities, lack of success or slower than expected success in our new product development efforts, loss of business due to competitive factors, product or technology obsolescence, customer program shifts or otherwise, lower than anticipated or slower than expected customer acceptance of our new product introductions, the potential for a shift in the mix of products sold in any period toward lower-margin products or a shift in the geographical mix of our revenues, the potential for increased pricing pressure based on competitive factors, technology shifts or otherwise, the impact of any executed or abandoned acquisition, divestiture or restructuring activity, the impact of supply shortages or other disruptions in our internal or outsourced supply chain, the relative success of our cost-savings initiatives, the potential for inventory obsolescence and related write-offs, the expense, business disruption or other impact of any current or future investigations, administrative actions, litigation or enforcement proceedings we may be involved in, and the impact of any claims of intellectual property infringement or misappropriation, which could require us to pay substantial damages for infringement, expend significant resources in prosecuting or defending such matters or developing non-infringing technology, incur material liability for royalty or license payments, or prevent us from selling certain of our products, as well as those factors described in "Risk Factors" in MACOM's filings with the Securities and Exchange Commission (SEC), including its Quarterly

Report on Form 10-Q for the quarter ended July 4, 2014 as filed with the SEC on August 1, 2014. MACOM undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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