

Edgar Filing: CATALYST SEMICONDUCTOR INC - Form 425

CATALYST SEMICONDUCTOR INC  
Form 425  
July 17, 2008

Filed by ON Semiconductor Corporation

Pursuant to Rule 425 under the Securities Act of 1933

and deemed filed pursuant to Rule 14a-12

of the Securities Exchange Act of 1934

Subject Company: Catalyst Semiconductor, Inc.

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements related to the benefits of the proposed transaction between ON Semiconductor Corporation ( ON ) and Catalyst Semiconductor ( Catalyst Semiconductor ) and the future financial performance of ON. These forward-looking statements are based on information available to ON and Catalyst Semiconductor as of the date of this release and current expectations, forecasts and assumptions and involve a number of risks and uncertainties that could cause actual results to differ materially from those anticipated by these forward-looking statements. Such risks and uncertainties include a variety of factors, some of which are beyond ON s or Catalyst Semiconductor s control. In particular, such risks and uncertainties include difficulties encountered in integrating merged businesses; the risk that the transaction does not close, including the risk that the requisite stockholder and regulatory approvals may not be obtained; the variable demand and the aggressive pricing environment for semiconductor products; dependence on each company s ability to successfully manufacture in increasing volumes on a cost-effective basis and with acceptable quality its current products; the adverse impact of competitive product announcements; revenues and operating performance, changes in overall economic conditions, the cyclical nature of the semiconductor industry, changes in demand for our products, changes in inventories at customers and distributors, technological and product development risks, availability of raw materials, competitors actions, pricing and gross margin pressures, loss of key customers, order cancellations or reduced bookings, changes in manufacturing yields, control of costs and expenses, significant litigation, risks associated with acquisitions and dispositions, risks associated with leverage and restrictive covenants in debt agreements, risks associated with international operations, the threat or occurrence of international armed conflict and terrorist activities both in the United States and internationally, risks and costs associated with increased and new regulation of corporate governance and disclosure standards (including pursuant to Section 404 of the Sarbanes-Oxley Act of 2002), and risks involving environmental or other governmental regulation. Information concerning additional factors that could cause results to differ materially from those projected in the forward-looking statements is contained in ON s Annual Report on Form 10-K as filed with the Securities and Exchange Commission (the SEC ) on February 12, 2008, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other of ON s SEC filings, and Catalyst Semiconductor s Annual Report on Form 10-K as filed with the SEC on July 3, 2008, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other of Catalyst Semiconductor SEC filings. These forward-looking statements should not be relied upon as representing ON s or Catalyst Semiconductor s views as of any subsequent date and neither undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made.

This communication is being made in respect of the proposed transaction involving ON and Catalyst Semiconductor. In connection with the proposed transaction, ON plans to file with the SEC a Registration Statement on Form S-4 containing a Proxy Statement of Catalyst Semiconductor and a Prospectus of ON, and each of ON and Catalyst Semiconductor plan to file with the SEC other documents regarding the proposed transaction. The definitive Proxy Statement/Prospectus will be mailed to stockholders of Catalyst Semiconductor. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.

Investors and security holders will be able to obtain free copies of the Registration Statement and the Proxy Statement/Prospectus (when available) and other documents filed with the SEC by ON and Catalyst Semiconductor through the web site maintained by the SEC at [www.sec.gov](http://www.sec.gov). In addition, investors and security holders will be able to obtain free copies of the Registration Statement and the Proxy Statement/Prospectus (when available) and other documents filed with the SEC from ON by directing a request to ON Semiconductor Corporation, 5005 East McDowell Road, Phoenix, AZ, 85008, Attention: Investor Relations (telephone: (602) 244-3437) or going to ON's corporate website at [www.onsemi.com](http://www.onsemi.com), or from Catalyst Semiconductor by directing a request to Catalyst Semiconductor, Inc., 2975 Stender Way, Santa Clara, CA 95054, Attention: Investor Relations (telephone: (408) 542-1200) or going to Catalyst Semiconductor's corporate website at [www.catsemi.com](http://www.catsemi.com).

ON and Catalyst Semiconductor and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding ON's directors and executive officers is contained in ON's annual proxy statement filed with the SEC on April 4, 2008, as supplemented a Current Report on Form 8-K filed with the SEC on March 17, 2008. Information regarding Catalyst Semiconductor's directors and executive officers is contained in Catalyst Semiconductor's annual proxy statement filed with the SEC on August 24, 2007. Additional information regarding the interests of such potential participants will be included in the Proxy Statement/Prospectus and the other relevant documents filed with the SEC (when available).

Filed below is a presentation to ON employees on July 17, 2008 regarding ON's proposed acquisition of Catalyst.

Employee  
Presentation

July  
2008

Employee  
Presentation

July  
2008  
Safe Harbor Statement and Non-GAAP Financial  
Measure Information

During the course of this presentation, ON Semiconductor may make projections or other forward-looking statements regarding future events or its future financial performance. The words estimate,

intend,  
expect,  
plan,  
should  
or similar  
expressions  
are  
intended  
to  
identify  
forward-looking  
statements.

ON  
Semiconductor  
wishes to caution that such statements are subject to risks and uncertainties that could cause actual events or results to differ materially. Important factors relating to our business, including factors that could cause actual results to differ from our forward-looking  
statements,

are  
described  
in  
our  
Form  
10-K  
and  
other  
filings  
with  
the  
SEC.

ON  
Semiconductor assumes no obligation to update forward-looking statements to reflect actual results or changed assumptions or other factors.

Some  
data  
in  
this  
presentation  
may  
include  
non-GAAP  
financial  
measures.

You  
can  
find reconciliations of these non-GAAP financial measures to the most directly

comparable measures under generally accepted accounting principles within the following presentation at our website (<http://www.onsemi.com>) at the Investors section under the category Annual Reports/Financial Releases.

Employee  
Presentation

July  
2008

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proposed transaction between ON Semiconductor Corporation ( ON ) and Catalyst Semiconductor, Inc. ( Catalyst Semiconductor ) and the future financial performance of ON. These forward-looking statements are based on information available to ON and Catalyst Semiconductor as of the date of this release and current expectations,

forecasts and assumptions and involve a number of risks and uncertainties that could cause actual results to differ materially from those anticipated by these forward-looking statements. Such risks and uncertainties include a variety of factors, some of which are beyond ON's or Catalyst Semiconductor's control. In particular, such risks and uncertainties include difficulties encountered in integrating merged businesses; the risk that the transaction does not close, including the risk that the requisite stockholder and regulatory approvals

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environmental

or

other

governmental

regulation. Information

concerning

additional

factors

that

could

cause

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2008

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and other documents filed with the SEC from ON by directing a request to ON Semiconductor Corporation, 5005 East McDowell Road, Phoenix, AZ, 85008, Attention: Investor Relations (telephone: (602)

244-3437) or going to ON's

corporate website at [www.onsemi.com](http://www.onsemi.com), or from Catalyst Semiconductor by directing a request to Catalyst Semiconductor, Inc., 2975 Stender

Way, Santa Clara, CA 94054, Attention: Investor Relations (telephone: 408-542-

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July  
2008

Why is ON Semiconductor Acquiring

Catalyst Semiconductor

About ON Semiconductor

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Common Questions

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July  
2008

-

The

acquisition  
of  
Catalyst  
Semiconductor  
will  
add  
to  
ON  
Semiconductor's  
high  
gross  
margin  
analog  
and  
mixed  
signal  
products  
offerings  
-  
Catalyst  
Semiconductor's  
EEPROM  
technology  
will  
strengthen  
our  
ASIC  
and  
power  
product  
capabilities  
expanding  
our  
ability  
to  
more  
comprehensively  
address  
our  
customers  
needs  
-  
Catalyst  
Semiconductor's  
proprietary  
intellectual  
property  
and  
proven  
design

capabilities

Size

and

scale

are

important.

ON

Semiconductor

can

provide

Catalyst

with:

Deeper

customer

relationships

and

sales

channels

Integrated

manufacturing

capabilities

An

expanded

addressable

market

Why is ON Semiconductor

Acquiring Catalyst Semiconductor

Employee  
Presentation

July  
2008

World class, high

volume, cost  
effective products

Leading standard  
products in  
Automotive,  
Computing,  
Consumer and  
Communications  
end markets

Industry leader in  
power management

Leader in analog,  
mixed signal and  
EEPROM  
technologies

Top 4 player in  
EEPROM sector

Proprietary  
technology and  
proven design  
capabilities

Leading standard and custom  
products increase customer  
value proposition

Expanded analog and mixed  
signal design and strong  
EEPROM capabilities

Expanded presence in  
automotive, consumer and  
industrial end markets

Integrated manufacturing  
capabilities including advanced  
sub-micron Gresham fabrication  
facility which can extend the  
product roadmap and increase  
the total addressable market  
A Winning Combination

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Why is ON Semiconductor Acquiring Catalyst

Semiconductor

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2008  
Vision and Mission of ON Semiconductor  
Our Vision

Our Mission

Dedicated to becoming the premier supplier of

Dedicated to becoming the premier supplier of

high performance energy efficient silicon

high performance energy efficient silicon

solutions worldwide

solutions worldwide

To provide our customers with high quality,

To provide our customers with high quality,

cost efficient solutions to solve the demanding

cost efficient solutions to solve the demanding

power and signal management design

power and signal management design

challenges

challenges

Employee  
Presentation

July  
2008  
Industry Dynamics Continue to Favor  
ON Semiconductor

## Rationalization of the Supplier Base

ON Semiconductor is the one-stop shop for the semiconductor requirements of our customers

From  
custom  
ASICs  
to  
standard  
components,  
we  
are  
an  
expert  
in  
power  
efficiency with the broadest selection of semiconductor products

We shipped more than 32 billion units in 2007, more than five products for every person in the world with 95 percent on-time delivery to our key customer requested dates

Customers and Consumers are focused on Energy Efficiency

Government agencies such as EnergyStar , California CEC, European Code of Conduct and the China CSC as well as consumers are focused on the power consumption of electronic devices

ON  
is  
a  
leader  
in  
the  
Green  
wave  
with  
its  
GreenPoint  
power  
solutions  
and  
Greenline  
products that meet these emerging standards at a lower total design  
cost

Consumer Driven Semiconductor Growth

High Volume, Competitive Costs, High Quality Levels, Flexible Capacity, Quick  
Design Turns

Employee  
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2008  
Focus on the Right Applications

Factory Automation

Security Systems

Sensor Interfaces

Wireless or Wired Networking

Communications Interface

Industrial

Medical

Implantable Devices

Remote Patient Monitoring

Medical Imaging

Blood Glucose Monitoring

Hearing Aids

Therapeutics

Automotive

Driver Information and

Telematics

Powertrain

Safety and Chassis

Audio and Infotainment

Exterior & Interior Lighting

Body Electronics

Computing

&

Gaming

CPU / GPU Power Delivery  
and Regulation

Efficient Power Supplies

Audio Signaling

Thermal Management

Portable Consumer

Display & Flash LED Lighting

Audio Subsystems

Data Switching

Battery Charging Control

Filtering for Camera and LCD  
Interface

Media & Entertainment

Audio Signaling

Digital Audio/Video Transmission

Image Filtering

Digital Audio/Video Switching

Conditional Access Systems

Power Supply Efficiency  
HV Communication

IP Cameras

World Class PoE

Surveillance Cameras

Industrial Ethernet

Robust Ethernet Environment

High Power Accuracy  
Military & Aerospace

Guidance Systems

Infrared Imaging

Secure Military Communications

Commercial/Military Avionics

Tactical Missiles/Munitions

Employee  
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July  
2008  
The Transformation Continues  
Premier Energy

Efficient Supplier  
FUTURE  
Enhanced  
Capabilities

Commodity/mass-market  
orientation

Strong focus on operations /  
supply chain / logistics

Sales focused on  
procurement (transactional)

Strong service differentiation

Emerging design  
relationships

Loose pricing management

Improving financial health  
with debt and interest  
expense reduction  
1999-2004

Premier supplier of high  
performance energy efficient  
solutions

Customers Strategic  
Semiconductor Supplier

Strong systems and field  
applications

Revenues > \$4 billion,  
GMs > 50%

Alignment of resources across  
company

Expansion of product, sales and  
engineering capabilities through  
acquisitions

Focused product success in high  
growth applications

Important Supplier to Category One

and Category Two customers

Disciplined pricing process to  
capture margin

Projected \$2.2 billion in Sales and  
40%+ GMs

Strong cash generation  
Responsive and  
Flexible Supplier  
2004-2008

Employee  
Presentation

July  
2008  
Product  
Leadership

Customer  
Intimacy  
Operational  
Excellence  
Leveraging  
our  
operational  
strengths.

Lower manufacturing costs.

Improve quality and supply chain.  
Building intimate relationships with  
market-making customers.

Dedicate resources to understand  
the needs of our key customers.

Develop solutions for customer's  
key applications.  
Improving our technological capabilities  
to provide leadership in power and signal  
management solutions.

Increase rate of technological innovation.

Shorten development cycle times.  
ON Semiconductor Business Strategy

Employee  
Presentation

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2008

Together We Have A Winning Organization

## Operational Excellence

Manufacturing  
capability  
to  
deliver  
solutions  
at  
the  
right  
value  
point

Supply chain management expertise to ensure you get your parts when you want them, where you want them, and how you want them

## Customer Intimacy

Worldwide sales, design and support locations

Solution Engineering Centers dedicated to working closely with customers to drive innovative designs with higher performance and getting them to market fast

## Product Leadership

Expertise in power efficient products and solutions and memory technologies

Custom, integrated ASICs, EEPROM to standard components

Serving a broad range of end-market applications/end products

System knowledge to meet tomorrow's power management challenges

Analog and power IC and memory design expertise to translate customer requirements into next generation products

Broadest portfolio to offer both parts and system solutions

Employee  
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July  
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Operations Network

Employee  
Presentation

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Worldwide Design

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Why is ON Semiconductor Acquiring Catalyst

Semiconductor

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2008  
Custom and Foundry  
Bob Klosterboer

Standard Products  
Bill Hall  
Catalyst Semiconductor  
Gelu Voicu  
President and  
Chief Executive Officer  
Keith Jackson  
Finance  
Donald Colvin  
Integration  
Charlotte Diener  
COO  
Chief  
Operating Officer  
John Nelson  
Sales & Marketing  
Bob Mahoney  
Human Resources  
Colleen McKeown  
General Counsel  
Sonny Cave  
Manufacturing Services  
Bill George  
Automotive and Power  
Regulation Products  
Andy Williams  
Computing and  
Digital and Consumer  
Products  
Bill Schromm  
Organization

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Organization Expectations

HR Policies

2008 Benefits

Travel

Policy

Payroll

Seniority

Vacation and sick leave

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Semiconductor

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July  
2008  
Expectations

Your manager should:

Hold department meetings

Help set your focus/priorities

Employees should:

Stay informed by reading FAQs from Catalyst Semiconductor

Ask questions

Send questions to [employee.questions@onsemi.com](mailto:employee.questions@onsemi.com)

Employee  
Presentation

July  
2008  
Expectations  
Moving forward

You will see:

Ongoing communications

The Circuit

The employee newsletter

Updated FAQs

Ongoing communication meetings

Commitment to integrating work groups

Employee  
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July  
2008  
Frequently Asked Questions  
Top FAQs could be site-specific

1.  
Where can I find answers to my questions?
2.  
How many people are being laid off?
3.  
Are layoffs planned?
4.  
When will benefits change?
5.  
When do I get paid?
6.  
How will salaries be impacted?
7.  
Will there be merit changes?
8.  
Will my title change?

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Catalyst Semiconductor

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2008

Colleen McKeown, SVP, HR and Communication

David Eichler, CFO/HR

Rosa Vasquez, HR

Kerry Chou, HR, Compensation

Mark Carr, VP, HR Operations

Tobin Cookman, HR Director

Robert Colbert, Manager,  
Employee Communication

Linda Chan, HR Director Asia

[employee.questions@onsemi.com](mailto:employee.questions@onsemi.com)  
Human Resources Contacts

Employee  
Presentation

July  
2008

Company intranet

Site/department meetings

[employee.questions@onsemi.com](mailto:employee.questions@onsemi.com)

Human Resources

Your leader

The Circuit

the employee newsletter

Employee Resources

Employee  
Presentation

July  
2008  
Questions?

Employee  
Presentation

July  
2008