

SKYWORKS SOLUTIONS INC

Form S-3ASR

March 08, 2007

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As filed with the Securities and Exchange Commission on March 8, 2007

Registration No. 333-

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**Form S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

SKYWORKS SOLUTIONS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

*(State or Other Jurisdiction of
Incorporation or Organization)*

04-2302115

*(I.R.S. Employer
Identification Number)*

**20 Sylvan Road
Woburn, Massachusetts 01801
(781) 376-3000**

*(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive
Offices)*

**Mark V. B. Tremallo, Esq.
Vice President, General Counsel and Secretary
Skyworks Solutions, Inc.
20 Sylvan Road**

**Woburn, Massachusetts 01801
(781) 376-3000**

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copy to:

**Mark G. Borden, Esq.
Peter N. Handrinos, Esq.
Wilmer Cutler Pickering Hale and Dorr LLP
60 State Street
Boston, Massachusetts 02109
Telephone: (617) 526-6675
Telecopy: (617) 526-5000**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date hereof.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ___

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ___

If this form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee
11/4% Convertible Subordinated Notes due 2010	\$100,000,000	100%	\$100,000,000	\$3,070
11/2% Convertible Subordinated Notes due 2012	\$100,000,000	100%	\$100,000,000	\$3,070
Common Stock, \$0.25 par value per share	32,747,315(1)	(2)	(2)	(2)

(1) Includes 32,747,315 shares of common stock issuable upon conversion of the 11/4% Convertible Subordinated Notes due 2010 and the 11/2% Convertible Subordinated Notes due 2012 at an initial conversion rate of 105.0696 shares per \$1,000 principal amount of the notes and the maximum number of shares issuable upon increase in the conversion rate upon certain fundamental changes. Pursuant to Rule 416 under the Securities Act, the number of shares of common stock registered hereby includes an indeterminate number of shares of common stock that may be issued upon conversion of the notes, as this amount may be adjusted as a result of stock splits, stock dividends and antidilution provisions.

(2) Pursuant to Rule 457(i), there is no additional filing fee with respect to the shares of common stock issuable upon conversion of the notes because no additional consideration will be received by the registrant.

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Prospectus

\$100,000,000 11/4% Convertible Subordinated Notes due 2010
\$100,000,000 11/2% Convertible Subordinated Notes due 2012
and Shares of Common Stock Issuable Upon Conversion of the Notes

The securities to be offered and sold using this prospectus are our 11/4% Convertible Subordinated Notes due 2010, or the 2010 notes, and our 11/2% Convertible Subordinated Notes due 2012, or the 2012 notes, which we issued in a private placement in March 2007, and shares of our common stock issuable upon conversion of the 2010 notes and 2012 notes. We refer to the 2010 notes and 2012 notes together as the notes.

Any securities offered and sold using this prospectus will be offered and sold by the selling security holders to be named in one or more supplements to this prospectus or in one or more reports filed with the Securities and Exchange Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended. See **Selling Security Holders** beginning on page 27. We will not receive any of the proceeds from the sale by the selling security holders of the securities offered or sold using this prospectus.

We will pay interest on the notes semi-annually on each March 1 and September 1, commencing on September 1, 2007. The 2010 notes mature on March 1, 2010, and the 2012 notes mature on March 1, 2012. We may not redeem the notes.

The notes are convertible into cash, shares of our common stock or a combination of cash and shares of our common stock, at our option. The initial conversion rate for the notes is 105.0696 shares per \$1,000 principal amount, which is equivalent to a conversion price of approximately \$9.52 per share, subject to adjustments for certain events. Holders may surrender some or all of their notes for conversion at any time prior to maturity.

Upon the occurrence of a fundamental change, holders may require us to repurchase some or all of their notes for cash at a price equal to 100% of the principal amount of the notes being repurchased, plus accrued and unpaid interest, if any. Also, if a fundamental change occurs, we may be required to increase the conversion rate for any notes converted in connection with such fundamental change by a specified number of shares of our common stock. The extent to which the conversion rate will be increased will be based on the price paid, or deemed to be paid, in respect of a share of our common stock in, and the effective date of, the fundamental change.

The notes are our subordinated unsecured obligations and rank junior in right of payment to our existing and future senior obligations. Our obligations under the notes are not guaranteed by, and are structurally subordinated in right of payment to all existing and future obligations of, our subsidiaries.

The notes are not, and will not be, listed on any securities exchange. The notes are currently designated for trading on The PORTALsm Market. Our common stock is listed on the Nasdaq Global Select Market, or Nasdaq, under the symbol SWKS. The reported last sale price of our common stock on Nasdaq on March 7, 2007 was \$6.51 per share.

Investing in the notes and our common stock involves a high degree of risk. See **Risk Factors beginning on page 8.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is March 8, 2007.

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You should rely only on the information contained or incorporated by reference in this prospectus and in any supplement to this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this prospectus or in any supplement to this prospectus is accurate as of the date on their respective covers. Our business, financial condition, results of operations and prospects may have changed since that date.

Skyworks®, Breakthrough Simplicity®, the star design logo®, DCR®, Helios™, Intera™, iPAC™, LIPA™, Polar Loop™, Single Package Radio™, SPR®, System Smart®, and Trans-Tech® are trademarks or service marks of Skyworks Solutions, Inc. or its subsidiaries. All other trademarks or trade names in this prospectus are the property of their respective owners.

Except for purposes of the Description of the Notes section or unless stated otherwise or the context otherwise

requires, references in this prospectus to Skyworks, the Company, we, us and our refer to Skyworks Solutions, Inc. and its subsidiaries.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, using a shelf registration process. Under this process, the selling security holders to be named in any supplement to this prospectus under the heading Selling Security Holders or any report filed with the SEC pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 may sell, from time to time, in one or more offerings, the notes and shares of our common stock issuable upon conversion of the notes registered under the registration statement of which this prospectus is a part. These securities were acquired from us in an unregistered private offering. A prospectus supplement may set forth specific information about the terms of any offering by the selling security holders. Such prospectus supplement may add, update or change information contained in this prospectus. You should read this prospectus and any prospectus supplement together with additional information described under the heading Where You Can Find More Information and Incorporation by Reference.

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FORWARD-LOOKING STATEMENTS

This prospectus contains certain statements that are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. All statements, other than statements of historical facts, included herein or incorporated herein by reference are forward-looking statements.

Included among forward-looking statements are those relating to, among other things:

our plans to develop and market new products, enhancements or technologies and the timing of these development programs;

our estimates regarding our capital requirements and our needs for additional financing;

our estimates of expenses and future revenues and profitability;

our estimates of the size of the markets for our products and services;

the rate and degree of market acceptance of our products;

the success of other competing technologies that may become available; and

other non-historical or future information.

These forward-looking statements are often identified by the use of terms and phrases such as achieve, anticipate, believe, estimate, expect, may, will, would, should, could, seek, forecast, intend, plan, propose, predict, propose, strategy and similar terms and phrases. Although we believe that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this prospectus.

Our actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of important factors, including those discussed in Risk Factors beginning on page 8 of this prospectus and those risks discussed in our Annual Report on Form 10-K for the fiscal year ended September 29, 2006. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these risk factors. These forward-looking statements are made as of the date of this prospectus. We assume no obligation to update or revise these forward-looking statements or provide reasons why actual results may differ.

WHERE YOU CAN FIND MORE INFORMATION AND INCORPORATION BY REFERENCE

We file annual, quarterly and current reports, proxy statements and other information with the SEC pursuant to the Exchange Act. The SEC maintains an Internet site at <http://www.sec.gov> that contains those reports, proxy and information statements and other information regarding us. You may also inspect and copy those reports, proxy and information statements and other information at the Public Reference Room of the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room.

We incorporate by reference information into this prospectus, which means that we are disclosing important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus, except for any information superseded by information in this prospectus. This prospectus incorporates by reference the documents set forth below that we previously filed with the SEC. These documents contain important information about us and are an important part of this prospectus.

The following documents that we have filed with the SEC (File No. 1-15560) are incorporated by reference into this prospectus:

Annual Report on Form 10-K for the fiscal year ended September 29, 2006, filed on December 13, 2006;

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Quarterly Report on Form 10-Q for the first quarter ended December 29, 2006, filed on February 7, 2007;

Current Reports on Form 8-K filed on October 2, 2006 (but only with respect to the information under Items 2.05 and 2.06 thereof), October 24, 2006, November 13, 2006, February 27, 2007 (but only with respect to the information under Item 3.02 thereof) and March 5, 2007; and

Description of our common stock contained in our registration statements on Form 8-A.

We hereby incorporate by reference all documents that we file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and until the date our offering is terminated into this prospectus and they will be a part of this prospectus from the date of the filing of the document. Any statement contained in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document that also is or is deemed to be incorporated by reference into this prospectus conflicts with, negates, modifies or supersedes that statement. Any statement that is modified or superseded will not constitute a part of this prospectus, except as modified or superseded.

We will provide without charge to each person, including any beneficial owner, to whom a copy of this prospectus has been delivered, upon written or oral request, a copy of the indenture and registration rights agreement and any or all of the information incorporated by reference into this prospectus but not delivered herewith, other than the exhibits to those documents, unless the exhibits are specifically incorporated by reference into the information that this prospectus incorporates. You should direct a request for copies to us as follows:

Skyworks Solutions, Inc.
20 Sylvan Rd.
Woburn, MA 01801
Telephone: (781) 376-3000
Attention: Investor Relations

You can access electronic copies of our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K and all amendments to those reports and any other documents we file with the SEC, free of charge, on our website at <http://www.skyworksinc.com>. Access to those electronic filings is available as soon as reasonably practicable after they are filed with, or furnished to, the SEC. We make our website content available for information purposes only. It should not be relied upon for investment purposes, nor is it incorporated by reference into this prospectus.

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PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in or incorporated by reference into this prospectus and does not contain all of the information you need to consider in making your investment decision. This summary is qualified in its entirety by the more detailed information and consolidated financial statements and notes thereto incorporated by reference into this prospectus. You should read carefully this entire prospectus and such other information and should consider, among other things, the matters set forth in the section entitled "Risk Factors" before deciding to invest in the notes or our common stock.

Our Company

We design, manufacture and market a broad range of high performance analog and mixed signal semiconductors that enable wireless connectivity. Our power amplifiers (PAs), front-end modules (FEMs) and integrated radio frequency (RF) solutions can be found in many of the cellular handsets sold by the world's leading manufacturers. Leveraging our core PA and RF technologies, we also offer a diverse portfolio of linear integrated circuits (IC) that support automotive, broadband, cellular infrastructure, industrial and medical applications.

We have aligned our product portfolio around two markets: cellular handsets and diversified linear products. Our cellular handset products include highly customized PAs, FEMs and integrated RF transceivers that are at the heart of many of today's leading-edge multimedia handsets. Our primary customers for these products include top-tier handset manufacturers such as Motorola, Sony Ericsson, Samsung and LG Electronics. We also offer over 800 different linear products to a highly diversified non-handset customer base. Our linear products are precision ICs that target markets in wireless communications infrastructure, broadband networking, medical, automotive and industrial applications. Representative linear products include catalog synthesizers, mixers, switches, diodes and RF receivers. Our primary customers for linear products include Ericsson, Huawei, Alcatel-Lucent, ZTE and Broadcom, as well as leading distributors such as Avnet.

We are a leader in the PA and FEM market for cellular handsets, and we plan to build upon our position by continuing to develop more highly integrated and higher performance products necessary for the next generation of multimedia handsets. Our competitors in the handset market include RF Micro Devices, Anadigics and TriQuint Semiconductor. In the linear products market, we plan to continue to grow by both expanding distribution of our standard components and by leveraging our core analog, mixed signal and RF technologies to develop integrated products for specific customer applications. Our competitors in the linear products market include Analog Devices, Hittite Microwave, Linear Technology and Maxim Integrated Products.

We operate worldwide, with manufacturing plants in North America and facilities in Asia, Europe and North America.

Our principal executive offices are located at 20 Sylvan Road, Woburn, Massachusetts 01801, and our telephone number is (781) 376-3000. Our website is located at www.skyworksinc.com. Information contained on our website is not a part of this prospectus.

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The Offering

*This prospectus covers the resale of up to \$200,000,000 aggregate principal amount of the notes and the shares of our common stock issuable upon conversion of the notes. We issued and sold a total of \$200,000,000 aggregate principal amount of the notes on March 2, 2007 in a private placement to an initial purchaser. The following summary contains basic information about the notes and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the notes and the shares of common stock issuable upon conversion of the notes, please refer to the sections of this document entitled *Description of the Notes* and *Description of Capital Stock*, respectively. For purposes of the following summary reference to we, us, our and Skyworks refer solely to Skyworks Solutions, Inc. and not to its subsidiaries.*

Issuer	Skyworks Solutions, Inc.
Selling Security Holders	The securities to be offered and sold using this prospectus will be offered and sold by the selling security holders named in a supplement to this prospectus or in one or more reports filed with the SEC pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. See Selling Security Holders .
Notes Offered	<p>\$100,000,000 aggregate principal amount of 11/4% convertible subordinated notes due 2010.</p> <p>\$100,000,000 aggregate principal amount of 11/2% convertible subordinated notes due 2012.</p>
Maturity Dates	<p>March 1, 2010 for the 2010 notes.</p> <p>March 1, 2012 for the 2012 notes.</p>
Common Stock Offered	Shares of our common stock, par value \$0.25 per share, issuable upon conversion of the notes.
Interest Payment Dates	March 1 and September 1 of each year, beginning on September 1, 2007.
Interest	<p>11/4% per annum for the 2010 notes.</p> <p>11/2% per annum for the 2012 notes.</p> <p>Interest is payable semiannually in arrears. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.</p>
Guarantees	The notes are not guaranteed.
Ranking	<p>The notes are our unsecured subordinated obligations and are:</p> <p>subordinated in right of payment to all of our existing and future senior indebtedness, except that the notes rank equal in right of payment with our 4.75% convertible subordinated notes due November 2007 (the 2007 notes); and</p>

structurally subordinated in right of payment to all indebtedness and liabilities of our subsidiaries, including trade debt and amounts borrowed by our wholly-owned subsidiary, Skyworks USA, Inc., under its credit facility with Wachovia Bank, N.A., under which \$50.0 million was outstanding as of December 29, 2006.

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Conversion

Prior to maturity, a holder may surrender some or all of its notes for conversion. Notes are convertible into cash, shares of our common stock or a combination of cash and shares of our common stock, at our option. Holders may only convert notes with a principal amount of \$1,000 or an integral multiple of \$1,000.

The initial conversion rate for the 2010 notes and for the 2012 notes is 105.0696 shares per \$1,000 principal amount of the applicable notes, which is equivalent to a conversion price of approximately \$9.52 per share, in each case, subject to adjustments for certain events.

Except as described in Description of the Notes Conversion of Notes, no separate payment or adjustment will be made for accrued and unpaid interest on a converted note or for dividends or distributions on any of our common stock issued upon conversion of a note.

Fundamental Change Purchase

A holder may require us to repurchase some or all of its notes for cash upon the occurrence of a fundamental change at a price equal to 100% of the principal amount of the notes being repurchased, plus accrued and unpaid interest, if any, to, but not including, the date of repurchase. See Description of the Notes Repurchase of Notes at the Option of Holders Upon a Fundamental Change.

Conversion Rate Adjustment upon a Fundamental Change

If a fundamental change occurs, we may be required to increase the conversion rate for any notes converted in connection with such fundamental change by a specified number of shares of our common stock.

The extent to which the conversion rate will be increased will be based on the price paid, or deemed to be paid, in respect of a share of our common stock in, and the effective date of, the fundamental change. A description of how the conversion rate will be increased and tables showing the conversion rate that would apply at various stock prices and fundamental change effective dates are set forth under Description of the Notes Conversion of Notes Increase of Conversion Rate Upon Certain Fundamental Changes.

Sinking Fund

None.

Use of Proceeds

We will not receive any proceeds from the sale by any selling security holder of the notes or our common stock issuable upon conversion of the notes.

Trustee and Paying Agent

U.S. Bank National Association.

DTC Eligibility

The notes were issued in fully registered form and are represented by permanent global certificates deposited with, or on behalf of, The Depository Trust Company, or DTC, and registered in the name of a

nominee of DTC. Beneficial interests in any of the notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee, and any such interest may not be exchanged for certificated securities, except in limited circumstances. See Description of the Notes Book-Entry Delivery and Form.

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Listing and Trading

The notes are eligible for trading on The PORTAL Market; however, we cannot assure any holder that any trading market will develop or the notes will have any liquidity. See Risk Factors. Our common stock is listed on the Nasdaq Global Select Market under the symbol SWKS.

Governing Law

The indenture and the notes provide that they are governed by, and construed in accordance with, the laws of the State of New York.

Risk Factors

See Risk Factors beginning on page 8 of this prospectus for a discussion of certain factors that you should carefully consider before investing in the notes or our common stock.

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RISK FACTORS

An investment in the notes and our common stock involves risks. You should carefully consider the following risks, as well as the other information contained in this prospectus. If any of the following risks actually occurs, our business, and your investment in the notes and our common stock, could be negatively affected. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us, or that we currently see as immaterial, may also negatively affect us and your investment in the notes and our common stock.

Risks Relating to the Notes and Our Common Stock

If we are unable to pay all of our debts, holders of the notes will receive payment on the notes only if we have funds remaining after we have paid our senior indebtedness.

The notes are unsecured and subordinated in right of payment to all of our existing and future senior indebtedness. The indenture governing the notes defines senior indebtedness as all of our indebtedness other than any indebtedness that expressly states that it is not superior in right of payment to the notes. In the event of our bankruptcy, liquidation or reorganization or upon acceleration of the convertible notes due to an event of default under the indenture and in specified other events, our assets will be available to pay obligations on the notes only after all senior indebtedness has been paid. In addition, all payments on the notes will be blocked in the event of a payment default on certain senior indebtedness and may be blocked for up to 179 consecutive days in the event of certain non-payment defaults on certain senior indebtedness. As of December 29, 2006, we had no indebtedness outstanding that would constitute senior indebtedness.

The notes are effectively subordinated to all indebtedness and other liabilities of our subsidiaries, including amounts borrowed by our wholly-owned subsidiary, Skyworks USA, Inc., under its credit facility with Wachovia Bank, N.A. As of December 29, 2006, there was \$50.0 million outstanding under this credit facility. Our subsidiaries are separate and distinct legal entities. Our subsidiaries have no obligation to pay any amounts due on the notes or to provide us with funds for payment of the notes. As a result, we may not have sufficient assets to pay amounts due on any or all of the notes.

The convertible notes are unsecured and contain no restrictive covenants.

The notes are not secured by our assets or those of our subsidiaries. The indenture does not limit our ability to incur debt, including secured debt. Accordingly, the notes are effectively subordinated to any of our existing or future secured debt to the extent of the assets securing that debt. In addition, the indenture does not contain any financial covenants, restrict our ability to repurchase our securities, pay dividends or make restricted payments or contain covenants or other provisions to afford holders protection in the event of a transaction that substantially increases our level of indebtedness. Furthermore, the requirement that we offer to repurchase the notes upon a fundamental change is limited to transactions specified in the definition of fundamental change under Description of the Notes Repurchase of Notes at the Option of Holders Upon a Fundamental Change and may not include other events that might adversely affect our financial condition. In addition, the requirement, if applicable, that we offer to repurchase the notes upon a fundamental change may not protect holders in the event of a highly leveraged transaction, reorganization, merger or similar transaction involving us.

Rating agencies may provide unsolicited ratings on the notes that could reduce the market value or liquidity of the notes and our common stock.

We have not requested a rating of the notes from any rating agency and we do not anticipate that the notes will be rated. However, if one or more rating agencies rates the notes and assigns the notes a rating lower than the rating expected by investors, or reduces their rating in the future, the market price or liquidity of the notes and our common stock could be harmed.

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The adjustment to increase the conversion rate for notes converted in connection with a fundamental change may not adequately compensate holders for the lost option time value of their notes as a result of such fundamental change and may not be enforceable.

If a fundamental change occurs, we may be required to increase the conversion rate for any notes converted in connection with such fundamental change. The extent to which the conversion rate will be increased will be based on the date on which the fundamental change becomes effective and the price paid, or deemed to be paid, in respect of a share of our common stock in the fundamental change as described under Description of the Notes Conversion of Notes Increase of Conversion Rate Upon Certain Fundamental Changes. While this adjustment is designed to compensate the holders of notes for the lost option time value of their notes as a result of a fundamental change, the adjustment is only an approximation of such lost value and may not adequately compensate them for such loss. In addition, if the price paid, or deemed to be paid, in respect of a share of our common stock in connection with such fundamental change is less than \$7.05 or more than \$40.00 (subject to adjustment), we will not increase the conversion rate in connection with such fundamental change. Furthermore, our obligation to make the adjustment could be considered a penalty, in which case the enforceability thereof would be subject to general principles of reasonableness of economic remedies.

There is no public market for the notes, which could limit their market price or the ability to sell them for an amount equal to or higher than their initial offering price.

The notes are new issues of securities for which there currently are no trading markets. Although the notes are designated for trading on The PORTAL Market, we do not intend to apply for a listing of the notes on any securities exchange or to arrange for quotation on any automated dealer quotation system. As a result, a market for the notes may not develop and the holders of notes may not be able to sell their notes. If any of the notes are traded after their initial issuance, they may trade at a discount from their initial offering price. Future trading prices of the notes will depend on many factors, including prevailing interest rates, the market for similar securities, the price of our underlying common stock, general economic conditions and our financial condition, performance and prospects. The initial purchaser has advised us that it intends to make markets in the notes, but it is not obligated to do so. The initial purchaser may terminate its market making activities at any time, in its sole discretion, which could negatively impact the ability of holders of notes to sell the notes or the prevailing market price at the time holders of notes choose to sell.

We may not be able to repurchase the notes upon a fundamental change or pay a holder of notes cash upon conversion of its notes.

Upon the occurrence of a fundamental change, a holder of a note will have the right to require us to repurchase its note at a price in cash equal to 100% of the principal amount of the note such holder has selected to be repurchased plus accrued and unpaid interest, if any, to, but not including, the repurchase date. Any future credit agreement or other agreements relating to indebtedness to which we become a party may contain similar provisions. In the event that we experience a fundamental change that results in us having to repurchase the notes or upon a holder's conversion of notes, we may not have sufficient financial resources to satisfy all of our obligations under the notes and our other debt instruments. Our failure to make the fundamental change offer, to pay the fundamental change repurchase price when due, or to pay cash to a holder upon conversion of notes, would result in a default under the indenture governing the notes. In addition, the fundamental change feature of the notes does not cover all corporate reorganizations, mergers or similar transactions and may not provide a holder with protection in a highly leveraged transaction. See

Description of the Notes Repurchase of Notes at the Option of Holders Upon a Fundamental Change and Description of the Notes Consolidation, Merger and Sale of Assets.

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The price of our common stock may experience volatility in the future and the issuance of substantial amounts of our common stock could adversely affect the price of our common stock and, thus, the price of the notes.

Additionally, the price of our common stock will impact the price of the notes.

The notes are convertible into cash, shares of our common stock or both cash and shares of our common stock, at our option, and the number of shares into which the notes may be partially converted will depend on the market price of our common stock. The market price of our common stock may experience high volatility in the future, and the broader stock market from time to time experiences significant price and volume fluctuations. This volatility has and may continue to affect the market prices of securities issued by many companies for reasons unrelated to their operating performance and may adversely affect the price of our common stock in a similar fashion. In addition, our announcements of our quarterly operating results or other company-specific events, changes in general conditions in the economy or the financial markets, changes in outlook, estimates or coverage of us by research analysts and other developments affecting us or our competitors could also cause the market price of our common stock to fluctuate substantially. The trading price of the notes is expected to be affected significantly by the price of our common stock.

In addition, the issuance of substantial amounts of our common stock, including any common stock issuable upon conversion of the notes or the 4.75% convertible subordinated notes due November 2007, or the 2007 notes, could adversely impact its price. In the future, we may sell additional shares of our common stock to raise capital. In addition, a substantial number of shares of our common stock is reserved for issuance upon the exercise of stock options and upon conversion of the notes or the 2007 notes. As of December 29, 2006, approximately 12.5 million shares of our common stock were reserved for issuance for outstanding stock options. We cannot predict the size of future issuances or the effect, if any, that they may have on the market price of our common stock. The issuance and sales of substantial amounts of common stock, or the perception that such issuances and sales may occur, could adversely affect the market price of our common stock and the trading price of the notes.

The price of our common stock could also be affected by possible sales of our common stock by investors who view the notes or the 2007 notes as a more attractive means of equity participation in us and by hedging or arbitrage trading activity that may develop involving our common stock. The hedging or arbitrage could, in turn, affect the trading prices of the notes.

Conversion of the notes or the 2007 notes may affect the trading price of our common stock.

The conversion of some or all of the notes or the 2007 notes and any sales in the public market of our common stock issued upon such conversion could adversely affect the market price of our common stock. In addition, the existence of the notes or the 2007 notes may encourage short selling by market participants because the conversion of the notes or the 2007 notes could depress our common stock price.

Upon conversion of the notes, we may elect to provide converting holders cash or a combination of cash and shares of our common stock. Therefore, holders of the notes may receive no shares of our common stock or fewer shares than they may expect.

Our conversion obligation to holders will be satisfied, at our option, in cash, shares of our common stock or a combination of both. Accordingly, upon conversion of a note, holders may not receive any shares of common stock, or they might receive fewer shares of common stock than they may expect.

Holders of notes will not be entitled to any rights with respect to our common stock, but will be subject to all changes made with respect to our common stock.

A holder of notes will have rights with respect to our common stock only if and when we deliver shares of common stock to the holder upon conversion of its notes and, in limited cases, under the conversion rate adjustments applicable to the notes. For example, in the event that an amendment is proposed to our articles of incorporation or by-laws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to delivery of common stock to a holder of notes, the holder will not be entitled to vote on the amendment, although any shares of our common stock that the holder

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later receives upon conversion will nevertheless be subject to any changes in the powers, preferences or special rights of our common stock. Similarly, if we declare a dividend, a holder of notes will only be entitled to the conversion rate adjustment, if any, provided for under Description of the Notes Conversion of Notes Conversion Rate Adjustments.

There are restrictions on the ability to resell notes and any common stock issuable upon conversion of the notes.

The notes and any common stock issuable upon conversion of the notes are being offered and sold pursuant to an exemption from registration under U.S. and applicable state securities laws. As a result, the notes and any common stock issuable upon conversion of the notes may be transferred or resold only in transactions registered under, or exempt from, U.S. and applicable state securities laws. Therefore, a holder of notes may be required to bear the risk of its investment for an indefinite period of time. Pursuant to a registration rights agreement executed in connection with the offering by us of the notes, we have filed a shelf registration statement, of which this prospectus is a part with the SEC. We cannot assure any holder that the registration statement will remain effective or that there will be an active trading market for the notes. If the registration statement does not remain effective, this could adversely affect the liquidity and price of the notes and common stock issuable upon conversion of the notes. Selling security holders who sell notes or common stock issuable upon conversion of the notes pursuant to the registration statement may be subject to certain restrictions and potential liability under the Securities Act. If we do not comply with certain of our obligations under the registration rights agreement, we will be obligated to pay additional interest to holders of the notes. See Description of the Notes Registration Rights.

Investors should consider the U.S. federal income tax consequences of owning the notes.

Holders should be aware that the conversion of notes into either cash only or a combination of cash and shares of our common stock will be taxable, at least in part, at the time of such conversion (or subject to alternative treatment different from that of conventional convertible debt instruments). These consequences may be materially different from the consequences that may be expected by holders in considering other convertible debt investments. Investors are urged to consult with their own tax advisor concerning such consequences and the potential impact in particular circumstances. The material U.S. federal income tax consequences of the purchase, ownership and disposition of the notes are summarized in this prospectus under the heading Certain United States Federal Income Tax Considerations.

Holders of notes may have to pay taxes with respect to distributions on the common stock that they do not receive.

The conversion price of the notes is subject to adjustment for certain events arising from stock splits and combinations, stock dividends, certain cash dividends and certain other actions by us that modify our capital structure. Please read Description of the Notes Conversion of Notes Conversion Rate Adjustments. If, for example, the conversion price is adjusted as a result of a distribution that is taxable to the holders of our common stock, such as a cash dividend, a holder of notes may be required to include an amount in income for federal income tax purposes, notwithstanding the fact that the holder does not receive such distribution. In addition, holders of the notes may, in certain circumstances, be deemed to have received a distribution subject to U.S. federal withholding tax requirements. If we pay withholding taxes on behalf of a holder, we may set off such payments against payments of cash and common stock on the notes. See Certain United States Federal Income Tax Considerations.

Our stock price has been volatile and may fluctuate in the future. Accordingly, the price of our notes may fluctuate.

The trading price of our common stock has and may continue to fluctuate significantly. Such fluctuations may be influenced by many factors, including:

our performance and prospects,

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the performance and prospects of our major customers,
the depth and liquidity of the market for our common stock,
investor perception of us and the industry in which we operate,
changes in earnings estimates or buy/sell recommendations by analysts,
general financial and other market conditions, and
domestic and international economic conditions.

Public stock markets have recently experienced extreme price and trading volume volatility, particularly in the technology sectors of the market. This volatility has significantly affected the market prices of securities of many technology companies for reasons frequently unrelated to or disproportionately impacted by the operating performance of these companies. These broad market fluctuations may materially and adversely affect the market price of our common stock.

In addition, fluctuations in our stock price, volume of shares traded, and our price-to-earnings multiple may have made our stock attractive to momentum, hedge or day-trading investors who often shift funds into and out of stocks rapidly, exacerbating price fluctuations in either direction, particularly when viewed on a quarterly basis. We have been, and in the future may be, the subject of commentary by financial news media. Such commentary may contribute to volatility in our stock price. If our operating results do not meet the expectations of securities analysts or investors, our stock price may decline, possibly substantially over a short period of time.

We have no plans to pay dividends on our common stock. A common stockholder may not receive funds without selling its shares.

We currently intend to retain all of our future earnings, if any, to finance our operations. Accordingly, we do not anticipate paying any cash dividends on our common stock in the foreseeable future. The declaration, payment and amount of future dividends, if any, will be at the sole discretion of our board of directors after taking into account various factors, including our financial condition, results of operations, cash flow from operations, current and anticipated capital requirements and expansion plans, the income tax laws then in effect and the requirements of Delaware law.

We can issue preferred stock without stockholder approval, which could materially adversely affect the rights of common stockholders.

Our second amended and restated certificate of incorporation authorizes us to issue up to 25,000,000 shares of preferred stock in one or more series, the designation, number, voting powers, preferences, and rights of which may be fixed from time to time by our board of directors. Accordingly, the board of directors has the authority, without stockholder approval, to issue preferred stock with rights that could materially adversely affect the voting power or other rights of the common stockholders or the market value of the common stock.

Risks Relating to Our Business

We operate in the highly cyclical wireless communications semiconductor industry, which is subject to significant downturns.

We operate primarily in the semiconductor industry, which is cyclical and subject to rapid change and evolving industry standards. From time to time, changes in general economic conditions, together with other factors, cause significant upturns and downturns in the industry. Periods of industry downturn are characterized by diminished product demand, production overcapacity, excess inventory levels and accelerated erosion of average selling prices. These characteristics, and in particular their impact on the level of demand for digital cellular handsets, may cause substantial fluctuations in our revenues and results of operations. Furthermore, downturns in the semiconductor industry may be severe and prolonged, and any prolonged delay or failure of

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the industry or the wireless communications market to recover from downturns would materially and adversely affect our business, financial condition and results of operations. The semiconductor industry also periodically experiences increased demand and production capacity and materials constraints, which may affect our ability to meet customer demand for our products. We have experienced these cyclical fluctuations in our business and may experience cyclical fluctuations in the future.

There are many uncertainties involving shifting marketplace dynamics. If we are unable to respond to shifting customer demand on a timely basis, if at all, our operating results may be adversely affected.

Our operating results for fiscal 2005 and fiscal 2006 were adversely affected by shifting marketplace dynamics which favored Tier I and Tier II handset manufacturers and suppliers. Consolidation of the global handset marketplace from smaller Tier III handset customers primarily located in developing countries to Tier I and Tier II customers accelerated in fiscal 2006. This trend led to a slowdown in customer orders, increasing channel inventories and customer defaults on accounts receivable. We responded to this rapidly changing dynamic by exiting our baseband product area in the fourth quarter of fiscal 2006. While this marketplace shift only affected our baseband product area, there can be no assurances that future changes in marketplace conditions in our other product areas will not materially and adversely affect our operating results. We may not be able to respond to shifting customer demand in other product areas on a timely basis, if at all, and accordingly this could result in a material and adverse impact to our operating results.

We have incurred substantial operating losses in the past and may experience future losses.

Our operating results for fiscal years 2002 and 2003 were adversely affected by a global economic slowdown, decreased consumer confidence, reduced capital spending, and adverse business conditions and liquidity concerns in the telecommunications and related industries. These factors led to a slowdown in customer orders, an increase in the number of cancellations and reschedulings of backlog, higher overhead costs as a percentage of our reduced net revenue, and an abrupt decline in demand for many of the end-user products that incorporate our wireless communications semiconductor products and system solutions.

During the fourth fiscal quarter of 2006, we began the restructuring of our business by discontinuing our baseband operations which resulted in substantial operating losses. As a result, in fiscal year 2006, we had operating losses of \$66.3 million.

Additionally, the conflict in Iraq, as well as other contemporary international conflicts, natural disasters, acts of terrorism, and civil and military unrest contributes to the economic uncertainty. These continuing and potentially escalating conflicts can also be expected to place continued pressure on economic conditions in the United States and worldwide. These conditions make it extremely difficult for our customers, our vendors and for us to accurately forecast and plan future business activities. If such uncertainty continues or economic conditions worsen (or both), our business, financial condition and results of operations will likely be materially and adversely affected.

The wireless semiconductor markets are characterized by intense competition which may cause pricing pressures, decreased gross margins and loss of market share and may materially and adversely affect our business, financial condition and results of operations.

The wireless communications semiconductor industry in general and the markets in which we compete in particular are intensely competitive. We compete with U.S. and international semiconductor manufacturers of all sizes in terms of resources and market share, including RF Micro Devices, Anadigics and TriQuint Semiconductor. As we expand in the linear products market, we will compete with companies in other industries, including Analog Devices, Hittite Microwave, Linear Technology and Maxim Integrated Products.

We currently face significant competition in our markets and expect that intense price and product competition will continue. This competition has resulted in, and is expected to continue to result in, declining average selling prices for our products and increased challenges in maintaining or increasing market share. Furthermore, additional competitors may enter our markets as a result of growth opportunities in communications electronics, the trend toward global expansion by foreign and domestic competitors and technological

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and public policy changes. We believe that the principal competitive factors for semiconductor suppliers in our markets include, among others:

- rapid time-to-market and product ramp,
- timely new product innovation,
- product quality, reliability and performance,
- product price,
- features available in products,
- compliance with industry standards,
- strategic relationships with customers, and
- access to and protection of intellectual property.

We cannot assure you that we will be able to successfully address these factors. Many of our competitors enjoy the benefit of:

- long presence in key markets,
- name recognition,
- high levels of customer satisfaction,
- ownership or control of key technology or intellectual property, and
- strong financial, sales and marketing, manufacturing, distribution, technical or other resources.

As a result, certain competitors may be able to adapt more quickly than we can to new or emerging technologies and changes in customer requirements or may be able to devote greater resources to the development, promotion and sale of their products than we can.

Current and potential competitors have established or may in the future establish, financial or strategic relationships among themselves or with customers, resellers or other third parties. These relationships may affect customers purchasing decisions. Accordingly, it is possible that new competitors or alliances among competitors could emerge and rapidly acquire significant market share. Furthermore, some of our customers have divisions that internally develop or manufacture products similar to ours, and may compete with us. We cannot assure you that we will be able to compete successfully against current and potential competitors. Increased competition could result in pricing pressures, decreased gross margins and loss of market share and may materially and adversely affect our business, financial condition and results of operations.

Our manufacturing processes are extremely complex and specialized and disruptions could have a material adverse effect on our business, financial condition and results of operations.

Our manufacturing operations are complex and subject to disruption, including for causes beyond our control. The fabrication of integrated circuits is an extremely complex and precise process consisting of hundreds of separate steps. It requires production in a highly controlled, clean environment. Minor impurities, contamination of the clean room environment, errors in any step of the fabrication process, defects in the masks used to print circuits on a wafer, defects in equipment or materials, human error, or a number of other factors can cause a substantial percentage of wafers to be rejected or numerous die on each wafer to malfunction. Because our operating results are highly dependent upon our ability to produce integrated circuits at acceptable manufacturing yields, these factors could have a material adverse affect on our business. In addition, we may discover from time to time defects in our products after they have been shipped, which may require us to pay warranty claims, replace products, or pay costs associated with the recall of a customer's products containing our parts.

Additionally, our operations may be affected by lengthy or recurring disruptions of operations at any of our production facilities or those of our subcontractors. These disruptions may include electrical power

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outages, fire, earthquake, flooding, war, acts of terrorism, health advisories or risks, or other natural or man-made disasters. Disruptions of our manufacturing operations could cause significant delays in shipments until we are able to shift the products from an affected facility or subcontractor to another facility or subcontractor. In the event of such delays, we cannot assure you that the required alternative capacity, particularly wafer production capacity, would be available on a timely basis or at all. Even if alternative wafer production or assembly and test capacity is available, we may not be able to obtain it on favorable terms, which could result in higher costs and/or a loss of customers. We may be unable to obtain sufficient manufacturing capacity to meet demand, either at our own facilities or through external manufacturing or similar arrangements with others.

Due to the highly specialized nature of the gallium arsenide integrated circuit manufacturing process, in the event of a disruption at the Newbury Park, California or Woburn, Massachusetts semiconductor wafer fabrication facilities, alternative gallium arsenide production capacity would not be immediately available from third-party sources. These disruptions could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to maintain and improve manufacturing yields that contribute positively to our gross margin and profitability.

Minor deviations or perturbations in the manufacturing process can cause substantial manufacturing yield loss, and in some cases, cause production to be suspended. Manufacturing yields for new products initially tend to be lower as we complete product development and commence volume manufacturing, and typically increase as we bring the product to full production. Our forward product pricing includes this assumption of improving manufacturing yields and, as a result, material variances between projected and actual manufacturing yields will have a direct effect on our gross margin and profitability. The difficulty of accurately forecasting manufacturing yields and maintaining cost competitiveness through improving manufacturing yields will continue to be magnified by the increasing process complexity of manufacturing semiconductor products. Our manufacturing operations will also face pressures arising from the compression of product life cycles, which will require us to manufacture new products faster and for shorter periods while maintaining acceptable manufacturing yields and quality without, in many cases, reaching the longer-term, high-volume manufacturing conducive to higher manufacturing yields and declining costs.

We are dependent upon third parties for the manufacture, assembly and test of our products.

We rely upon independent wafer fabrication facilities, called foundries, to provide silicon-based products and to supplement our gallium arsenide wafer manufacturing capacity. There are significant risks associated with reliance on third-party foundries, including:

the lack of ensured wafer supply, potential wafer shortages and higher wafer prices,

limited control over delivery schedules, manufacturing yields, production costs and quality assurance, and

the inaccessibility of, or delays in obtaining access to, key process technologies.

Although we have long-term supply arrangements to obtain additional external manufacturing capacity, the third-party foundries we use may allocate their limited capacity to the production requirements of other customers. If we choose to use a new foundry, it will typically take an extended period of time to complete the qualification process before we can begin shipping products from the new foundry. The foundries may experience financial difficulties, be unable to deliver products to us in a timely manner or suffer damage or destruction to their facilities, particularly since some of them are located in earthquake zones. If any disruption of manufacturing capacity occurs, we may not have alternative manufacturing sources immediately available. We may therefore experience difficulties or delays in securing an adequate supply of our products, which could impair our ability to meet our customers' needs and have a material

adverse effect on our operating results.

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Although we own and operate a test and assembly facility, we still depend on subcontractors to package, assemble and test certain of our products. We do not have long-term agreements with any of our assembly or test subcontractors and typically procure services from these suppliers on a per order basis. If any of these subcontractors experiences capacity constraints or financial difficulties, suffers any damage to its facilities, experiences power outages or any other disruption of assembly or testing capacity, we may not be able to obtain alternative assembly and testing services in a timely manner. Due to the amount of time that it usually takes us to qualify assemblers and testers, we could experience significant delays in product shipments if we are required to find alternative assemblers or testers for our components. Any problems that we may encounter with the delivery, quality or cost of our products could damage our customer relationships and materially and adversely affect our results of operations. We are continuing to develop relationships with additional third-party subcontractors to assemble and test our products. However, even if we use these new subcontractors, we will continue to be subject to all of the risks described above.

We are dependent upon third parties for the supply of raw materials and components.

Our manufacturing operations depend on obtaining adequate supplies of raw materials and the components used in our manufacturing processes. Although we maintain relationships with suppliers located around the world with the objective of ensuring that we have adequate sources for the supply of raw materials and components for our manufacturing needs, recent increased demand from the semiconductor industry for such raw materials and components has resulted in tighter supplies. We cannot assure you that our suppliers will be able to meet our delivery schedules, that we will not lose a significant or sole supplier, or that a supplier will be able to meet performance and quality specifications. If a supplier were unable to meet our delivery schedules, or if we lost a supplier or a supplier were unable to meet performance or quality specifications, our ability to satisfy customer obligations would be materially and adversely affected. In addition, we review our relationships with suppliers of raw materials and components for our manufacturing needs on an ongoing basis. In connection with our ongoing review, we may modify or terminate our relationship with one or more suppliers. We may also enter into other sole supplier arrangements to meet certain of our raw material or component needs. While we do not typically rely on a single source of supply for our raw materials, we are currently dependent on a sole-source supplier for epitaxial wafers used in the gallium arsenide semiconductor manufacturing processes at our manufacturing facilities. If we were to lose this sole source of supply, for any reason, a material adverse effect on our business could result until an alternate source is obtained. To the extent we enter into additional sole supplier arrangements for any of our raw materials or components, the risks associated with our supply arrangements would be exacerbated.

Our success depends upon our ability to develop new products and reduce costs in a timely manner.

The wireless communications semiconductor industry generally and, in particular, the markets into which we sell our products are highly cyclical and characterized by constant and rapid technological change, rapid product evolution, price erosion, evolving technical standards, short product life cycles, increasing demand for higher levels of integration, increased miniaturization, and wide fluctuations in product supply and demand. Our operating results depend largely on our ability to continue to cost-effectively introduce new and enhanced products on a timely basis. The successful development and commercialization of semiconductor devices and modules is highly complex and depends on numerous factors, including:

- the ability to anticipate customer and market requirements and changes in technology and industry standards,
- the ability to obtain capacity sufficient to meet customer demand,
- the ability to define new products that meet customer and market requirements,

the ability to complete development of new products and bring products to market on a timely basis,
the ability to differentiate our products from offerings of our competitors,

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overall market acceptance of our products, and

the ability to obtain adequate intellectual property protection for our new products.

Our ability to manufacture current products, and to develop new products, depends, among other factors, on the viability and flexibility of our own internal information technology systems, or IT Systems.

We cannot assure you that we will have sufficient resources to make the substantial investment in research and development needed to develop and bring to market new and enhanced products in a timely manner. We will be required to continually evaluate expenditures for planned product development and to choose among alternative technologies based on our expectations of future market growth. We cannot assure you that we will be able to develop and introduce new or enhanced wireless communications semiconductor products in a timely and cost-effective manner, that our products will satisfy customer requirements or achieve market acceptance or that we will be able to anticipate new industry standards and technological changes. We also cannot assure you that we will be able to respond successfully to new product announcements and introductions by competitors or to changes in the design or specifications of complementary products of third parties with which our products interface. If we fail to rapidly and cost-effectively introduce new and enhanced products in sufficient quantities and that meet our customers requirements, our business and results of operations would be materially and adversely harmed.

In addition, prices of many of our products decline, sometimes significantly, over time. We believe that to remain competitive, we must continue to reduce the cost of producing and delivering existing products at the same time that we develop and introduce new or enhanced products. We cannot assure you that we will be able to continue to reduce the cost of our products to remain competitive.

The markets into which we sell our products are characterized by rapid technological change. If we are not able to adapt to changes, our products may become obsolete.

The demand for our products can change quickly and in ways we may not anticipate. Our markets generally exhibit the following characteristics:

rapid technological developments and product evolution,

rapid changes in customer requirements,

frequent new product introductions and enhancements,

demand for higher levels of integration, decreased size and decreased power consumption,

short product life cycles with declining prices over the life cycle of the product, and

evolving industry standards.

These changes in our markets may contribute to the obsolescence of our products. Our products could become obsolete or less competitive sooner than anticipated because of a faster than anticipated change in one or more of the above-noted factors.

If we are unable to attract and retain qualified personnel to contribute to the design, development, manufacture and sale of our products, we may not be able to effectively operate our business.

As the source of our technological and product innovations, our key technical personnel represent a significant asset. Our success depends on our ability to continue to attract, retain and motivate qualified personnel, including executive officers and other key management and technical personnel. The competition for management and technical personnel is intense in the semiconductor industry, and therefore we cannot assure you that we will be able to attract and retain qualified management and other personnel necessary for the design, development, manufacture and sale of our products. We may have particular difficulty attracting and retaining key personnel during periods of poor operating performance, given, among other things, the use of equity-based compensation by us and our competitors. The loss of the services of one or more of our key

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employees or our inability to attract, retain and motivate qualified personnel, could have a material adverse effect on our ability to operate our business.

If OEMs and Original Design Manufacturers, or ODMs, of communications electronics products do not design our products into their equipment, we will have difficulty selling those products. Moreover, a design win from a customer does not guarantee future sales to that customer.

Our products are not sold directly to the end-user, but are components or subsystems of other products. As a result, we rely on OEMs and ODMs of wireless communications electronics products to select our products from among alternative offerings to be designed into their equipment. Without these design wins, we would have difficulty selling our products. If a manufacturer designs another supplier's product into one of its product platforms, it is more difficult for us to achieve future design wins with that platform because changing suppliers involves significant cost, time, effort and risk on the part of that manufacturer. Also, achieving a design win with a customer does not ensure that we will receive significant revenues from that customer. Even after a design win, the customer is not obligated to purchase our products and can choose at any time to reduce or cease use of our products, for example, if its own products are not commercially successful, or for any other reason. We cannot assure you that we will continue to achieve design wins or to convert design wins into actual sales, and any failure to do so could materially and adversely affect our operating results.

Lengthy product development and sales cycles associated with many of our products may result in significant expenditures before generating any revenues related to those products.

After our product has been developed, tested and manufactured, our customers may need three to six months or longer to integrate, test and evaluate our product and an additional three to six months or more to begin volume production of equipment that incorporates the product. This lengthy cycle time increases the possibility that a customer may decide to cancel or change product plans, which could reduce or eliminate our sales to that customer. As a result of this lengthy sales cycle, we may incur significant research and development expenses, and selling, general and administrative expenses, before we generate the related revenues for these products. Furthermore, we may never generate the anticipated revenues from a product after incurring such expenses if our customer cancels or changes its product plans.

Uncertainties involving the ordering and shipment of, and payment for, our products could adversely affect our business.

Our sales are typically made pursuant to individual purchase orders and not under long-term supply arrangements with our customers. Our customers may cancel orders before shipment. Additionally, we sell a portion of our products through distributors, some of whom have rights to return unsold products. We may purchase and manufacture inventory based on estimates of customer demand for our products, which is difficult to predict. This difficulty may be compounded when we sell to OEMs indirectly through distributors or contract manufacturers, or both, as our forecasts of demand will then be based on estimates provided by multiple parties. In addition, our customers may change their inventory practices on short notice for any reason. The cancellation or deferral of product orders, the return of previously sold products, or overproduction due to a change in anticipated order volumes could result in us holding excess or obsolete inventory, which could result in inventory write-downs and, in turn, could have a material adverse effect on our financial condition.

In addition, if a customer encounters financial difficulties of its own as a result of a change in demand or for any other reason, the customer's ability to make timely payments to us for non-returnable products could be impaired.

In the fourth quarter of fiscal 2006, the Company recorded bad debt expense of \$35.1 million. Specifically, the Company recorded charges related to two customers: Vitelcom Mobile Technology SA and an Asian component distributor.

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Our leverage and our debt service obligations may adversely affect our cash flow.

On December 29, 2006, we had total indebtedness of approximately \$229.3 million, which represented approximately 30.7% of our total capitalization. We incurred an additional \$200 million of indebtedness in connection with the issuance of the notes in March 2007.

We may require additional funding prior to the date that we expect our existing sources of liquidity, together with cash expected to be generated from operations and short term investments, to allow us to sufficiently fund our research and development, capital expenditures, acquisitions, debt obligations, purchase obligations, working capital and other cash requirements. If necessary, among other alternatives, we may add lease lines of credit to finance capital expenditures and we may obtain other long-term debt, lines of credit and other financing.

Our indebtedness could have significant negative consequences, including:

increasing our vulnerability to general adverse economic and industry conditions,

limiting our ability to obtain additional financing,

requiring the dedication of a substantial portion of any cash flow from operations to service our indebtedness, thereby reducing the amount of cash flow available for other purposes, including capital expenditures,

limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we compete, and

placing us at a possible competitive disadvantage to less leveraged competitors and competitors that have better access to capital resources.

Despite our current debt levels, we are able to incur substantially more debt, which would increase the risks described above.

Our reliance on a small number of customers for a large portion of our sales could have a material adverse effect on the results of our operations.

Significant portions of our sales are concentrated among a limited number of customers. If we lost one or more of these major customers, or if one or more major customers significantly decreased its orders for our products, our business would be materially and adversely affected. Sales to our three largest customers in fiscal 2006, Motorola, Inc., Sony Ericsson Mobile Communication AB and Asian Information Technology, Inc., including sales to their manufacturing subcontractors, represented approximately 50% of our net revenue for fiscal 2006. We expect that our largest customers will continue to account for a substantial portion of our net revenue in fiscal 2007 and for the foreseeable future.

Average product life cycles in the semiconductor industry tend to be very short. If we are unable to sell our products at an acceptable price, or at all, our operating results would be harmed.

In the semiconductor industry, product life cycles tend to be short relative to the sales and development cycles. Therefore, the resources devoted to product sales and marketing may not result in material revenue, and from time to time we may need to write off excess or obsolete inventory. If we were to incur significant marketing expenses and investments in inventory that we are not able to recover, and we are not able to compensate for those expenses, our

operating results would be materially and adversely affected. In addition, if we sell our products at reduced prices in anticipation of cost reductions but still hold higher cost products in inventory, our operating results would be harmed.

We face a risk that capital needed for our business will not be available when we need it.

We might obtain additional sources of financing in the future. To the extent that our existing cash and securities and cash from operations are insufficient to fund our future activities, we may need to raise additional funds through public or private equity or debt financing. Conditions existing in the U.S. capital

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markets, if and when we seek additional financing as well as the then current condition of the Company, will affect our ability to raise capital, as well as the terms of any such financing. We may not be able to raise enough capital to meet our capital needs on a timely basis or at all. Failure to obtain capital when required would have a material adverse effect on us.

In addition, any strategic investments and acquisitions that we may make to help us grow our business may require additional capital resources. We cannot assure you that the capital required to fund these investments and acquisitions will be available in the future.

Remaining competitive in the semiconductor industry requires transitioning to smaller geometry process technologies and achieving higher levels of design integration.

In order to remain competitive, we expect to continue to transition our semiconductor products to increasingly smaller line width geometries. This transition requires us to modify the manufacturing processes for our products, design new products to more stringent standards, and to redesign some existing products. In the past, we have experienced some difficulties migrating to smaller geometry process technologies or new manufacturing processes, which resulted in sub-optimal manufacturing yields, delays in product deliveries and increased expenses. We may face similar difficulties, delays and expenses as we continue to transition our products to smaller geometry processes in the future. In some instances, we depend on our relationships with our foundries to transition to smaller geometry processes successfully. We cannot assure you that our foundries will be able to effectively manage the transition or that we will be able to maintain our foundry relationships. If our foundries or we experience significant delays in this transition or fail to efficiently implement this transition, our business, financial condition and results of operations could be materially and adversely affected. As smaller geometry processes become more prevalent, we expect to continue to integrate greater levels of functionality, as well as customer and third party intellectual property, into our products. However, we may not be able to achieve higher levels of design integration or deliver new integrated products on a timely basis, or at all.

We are subject to the risks of doing business internationally.

A substantial majority of our net revenues are derived from customers located outside the United States, primarily countries located in the Asia-Pacific region and Europe. In addition, we have suppliers located outside the United States, and third-party packaging, assembly and test facilities and foundries located in the Asia-Pacific region. Finally, we have our own packaging, assembly and test facility in Mexicali, Mexico. Our international sales and operations are subject to a number of risks inherent in selling and operating abroad. These include, but are not limited to, risks regarding:

currency exchange rate fluctuations,

local economic and political conditions, including social, economic and political instability,

disruptions of capital and trading markets,

inability to collect accounts receivable,

restrictive governmental actions (such as restrictions on transfer of funds and trade protection measures, including export duties, quotas, customs duties, import or export controls and tariffs),

changes in legal or regulatory requirements,

natural disasters, acts of terrorism, widespread illness and war,

limitations on the repatriation of funds,

difficulty in obtaining distribution and support,

cultural differences in the conduct of business,

the laws and policies of the United States and other countries affecting trade, foreign investment and loans, and import or export licensing requirements,

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tax laws,

the possibility of being exposed to legal proceedings in a foreign jurisdiction, and

limitations on our ability under local laws to protect or enforce our intellectual property rights in a particular foreign jurisdiction.

Additionally, we are subject to risks in certain global markets in which wireless operators provide subsidies on handset sales to their customers. Increases in handset prices that negatively impact handset sales can result from changes in regulatory policies or other factors, which could impact the demand for our products. Limitations or changes in policy on phone subsidies in South Korea, Japan, China and other countries may have additional negative impacts on our revenues.

Our operating results may be adversely affected by substantial quarterly and annual fluctuations and market downturns.

Our revenues, earnings and other operating results have fluctuated in the past and our revenues, earnings and other operating results may fluctuate in the future. These fluctuations are due to a number of factors, many of which are beyond our control.

These factors include, among others:

changes in end-user demand for the products (principally digital cellular handsets) manufactured and sold by our customers,

the effects of competitive pricing pressures, including decreases in average selling prices of our products,

production capacity levels and fluctuations in manufacturing yields,

availability and cost of products from our suppliers,

the gain or loss of significant customers,

our ability to develop, introduce and market new products and technologies on a timely basis,

new product and technology introductions by competitors,

changes in the mix of products produced and sold,

market acceptance of our products and our customers, and

intellectual property disputes.

The foregoing factors are difficult to forecast, and these, as well as other factors, could materially and adversely affect our quarterly or annual operating results. If our operating results fail to meet the expectations of analysts or investors, it could materially and adversely affect the price of our common stock.

Global economic conditions that impact the wireless communications industry could negatively affect our revenues and operating results.

Global economic weakness can have wide-ranging effects on markets that we serve, particularly wireless communications equipment manufacturers and network operators. Although the wireless communications industry has recovered somewhat from an industry-wide recession, such recovery may not continue. In addition, we cannot predict what effects negative events, such as war or other international conflicts, may have on the economy or the wireless communications industry. The continued threat of terrorism and heightened security and military action in response to this threat, or any future acts of terrorism, may cause further disruptions to the global economy and to the wireless communications industry and create further uncertainties. Further, a continued economic recovery may not benefit us in the near term. If it does not, our ability to increase or maintain our revenues and operating results may be impaired.

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Our gallium arsenide semiconductors may cease to be competitive with silicon alternatives.

Among our product portfolio, we manufacture and sell gallium arsenide semiconductor devices and components, principally power amplifiers and switches. The production of gallium arsenide integrated circuits is more costly than the production of silicon circuits. The cost differential is due to higher costs of raw materials for gallium arsenide and higher unit costs associated with smaller sized wafers and lower production volumes. Therefore, to remain competitive, we must offer gallium arsenide products that provide superior performance over their silicon-based counterparts. If we do not continue to offer products that provide sufficiently superior performance to justify the cost differential, our operating results may be materially and adversely affected. We expect the costs of producing gallium arsenide devices will continue to exceed the costs of producing their silicon counterparts. Silicon semiconductor technologies are widely used process technologies for certain integrated circuits and these technologies continue to improve in performance. We cannot assure you that we will continue to identify products and markets that require performance attributes of gallium arsenide solutions.

We may be subject to claims of infringement of third-party intellectual property rights, or demands that we license third-party technology, which could result in significant expense and prevent us from using our technology.

The semiconductor industry is characterized by vigorous protection and pursuit of intellectual property rights. From time to time, third parties have asserted and may in the future assert patent, copyright, trademark and other intellectual property rights to technologies that are important to our business and have demanded and may in the future demand that we license their technology or refrain from using it.

Any litigation to determine the validity of claims that our products infringe or may infringe intellectual property rights of another, including claims arising from our contractual indemnification of our customers, regardless of their merit or resolution, could be costly and divert the efforts and attention of our management and technical personnel. Regardless of the merits of any specific claim, we cannot assure you that we would prevail in litigation because of the complex technical issues and inherent uncertainties in intellectual property litigation. If litigation were to result in an adverse ruling, we could be required to:

pay substantial damages,

cease the manufacture, import, use, sale or offer for sale of infringing products or processes,

discontinue the use of infringing technology,

expend significant resources to develop non-infringing technology, and

license technology from the third party claiming infringement, which license may not be available on commercially reasonable terms.

We cannot assure you that our operating results or financial condition will not be materially adversely affected if we were required to do any one or more of the foregoing items.

Many of our products incorporate technology licensed or acquired from third parties. If licenses to such technology are not available on commercially reasonable terms and conditions, our business could be adversely affected.

We sell products in markets that are characterized by rapid technological changes; evolving industry standards, frequent new product introductions, short product life cycles and increasing levels of integration. Our ability to keep

pace with this market depends on our ability to obtain technology from third parties on commercially reasonable terms to allow our products to remain in a competitive posture. If licenses to such technology are not available on commercially reasonable terms and conditions, and we cannot otherwise integrate such technology, our products or our customers' products could become unmarketable or obsolete, and we could lose market share. In such instances, we could also incur substantial unanticipated costs or scheduling delays to develop substitute technology to deliver competitive products.

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If we are not successful in protecting our intellectual property rights, it may harm our ability to compete.

We rely on patent, copyright, trademark, trade secret and other intellectual property laws, as well as nondisclosure and confidentiality agreements and other methods, to protect our proprietary technologies, information, data, devices, algorithms and processes. In addition, we often incorporate the intellectual property of our customers, suppliers or other third parties into our designs, and we have obligations with respect to the non-use and non-disclosure of such third-party intellectual property. In the future, it may be necessary to engage in litigation or like activities to enforce our intellectual property rights, to protect our trade secrets or to determine the validity and scope of proprietary rights of others, including our customers. This could require us to expend significant resources and to divert the efforts and attention of our management and technical personnel from our business operations. We cannot assure you that:

the steps we take to prevent misappropriation, infringement, dilution or other violation of our intellectual property or the intellectual property of our customers, suppliers or other third parties will be successful,

any existing or future patents, copyrights, trademarks, trade secrets or other intellectual property rights or ours will not be challenged, invalidated or circumvented, or

any of the measures described above would provide meaningful protection.

Despite these precautions, it may be possible for a third party to copy or otherwise obtain and use our technology without authorization, develop similar technology independently or design around our patents. If any of our intellectual property protection mechanisms fails to protect our technology, it would make it easier for our competitors to offer similar products, potentially resulting in loss of market share and price erosion. Even if we receive a patent, the patent claims may not be broad enough to adequately protect our technology. Furthermore, even if we receive patent protection in the United States, we may not seek, or may not be granted, patent protection in foreign countries. In addition, effective patent, copyright, trademark and trade secret protection may be unavailable or limited for certain technologies and in certain foreign countries.

There is a growing industry trend to include or adapt open source software that is generally made available to the public by its developers, authors or third parties. Often such software includes license provisions, requiring public disclosure of any derivative works containing open source code. There is little legal precedent in the area of open source software or its effects on copyright law or the protection of proprietary works. We take steps to avoid the use of open source works in our proprietary software, and are taking steps to limit our suppliers from doing so. However, in the event a copyright holder were to demonstrate in court that we have not complied with a software license, we may be required to cease production or distribution of that work or to publicly disclose the source code for our proprietary software, which may negatively affect our operations or stock price.

We attempt to control access to and distribution of our proprietary information through operational, technological and legal safeguards. Despite our efforts, parties, including former or current employees, may attempt to copy, disclose or obtain access to our information without our authorization. Furthermore, attempts by computer hackers to gain unauthorized access to our systems or information could result in our proprietary information being compromised or interrupt our operations. While we attempt to prevent such unauthorized access we may be unable to anticipate the methods used, or be unable to prevent the release of our proprietary information.

Our success depends, in part, on our ability to effect suitable investments, alliances and acquisitions, and to integrate companies we acquire.

Although we have invested in the past, and intend to continue to invest, significant resources in internal research and development activities, the complexity and rapidity of technological changes and the significant expense of internal research and development make it impractical for us to pursue development of all technological solutions on our own. On an ongoing basis, we review investment, alliance and acquisition prospects that would complement our product offerings, augment our market coverage or enhance our technological capabilities. However, we cannot assure you that we will be able to identify and consummate

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suitable investment, alliance or acquisition transactions in the future. Moreover, if we consummate such transactions, they could result in:

- issuances of equity securities dilutive to our stockholders,
- large, one-time write-offs,
- the incurrence of substantial debt and assumption of unknown liabilities,
- the potential loss of key employees from the acquired company,
- amortization expenses related to intangible assets, and
- the diversion of management's attention from other business concerns.

Moreover, integrating acquired organizations and their products and services may be difficult, expensive, time-consuming and a strain on our resources and our relationship with employees and customers and ultimately may not be successful. Additionally, in periods following an acquisition, we will be required to evaluate goodwill and acquisition-related intangible assets for impairment. When such assets are found to be impaired, they will be written down to estimated fair value, with a charge against earnings. For instance, we recorded a cumulative effect of a change in accounting principle in fiscal 2003 in the amount of \$397.1 million as a result of the goodwill obtained in connection with our formation through the merger of the wireless business of Conexant Systems, Inc. and Alpha Industries, Inc. on June 25, 2002.

Certain provisions in our organizational documents and Delaware law may make it difficult for someone to acquire control of us.

We have certain anti-takeover measures that may affect our common stock. Our certificate of incorporation, our by-laws and the Delaware General Corporation Law contain several provisions that would make more difficult an acquisition of control of us in a transaction not approved by our Board of Directors. Our certificate of incorporation and by-laws include provisions such as:

- the division of our Board of Directors into three classes to be elected on a staggered basis, one class each year,
- the ability of our Board of Directors to issue shares of preferred stock in one or more series without further authorization of stockholders,
- a prohibition on stockholder action by written consent,
- elimination of the right of stockholders to call a special meeting of stockholders,
- a requirement that stockholders provide advance notice of any stockholder nominations of directors or any proposal of new business to be considered at any meeting of stockholders,
- a requirement that the affirmative vote of at least 66²/₃% of our shares be obtained to amend or repeal any provision of our by-laws or the provision of our certificate of incorporation relating to amendments to our by-laws,

a requirement that the affirmative vote of at least 80% of our shares be obtained to amend or repeal the provisions of our certificate of incorporation relating to the election and removal of directors, the classified board or the right to act by written consent,

a requirement that the affirmative vote of at least 80% of our shares be obtained for business combinations unless approved by a majority of the members of the Board of Directors and, in the event that the other party to the business combination is the beneficial owner of 5% or more of our shares, a majority of the members of Board of Directors in office prior to the time such other party became the beneficial owner of 5% or more of our shares,

a fair price provision, and

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a requirement that the affirmative vote of at least 90% of our shares be obtained to amend or repeal the fair price provision.

In addition to the provisions in our certificate of incorporation and by-laws, Section 203 of the Delaware General Corporation Law generally provides that a corporation shall not engage in any business combination with any interested stockholder during the three-year period following the time that such stockholder becomes an interested stockholder, unless a majority of the directors then in office approves either the business combination or the transaction that results in the stockholder becoming an interested stockholder or specified stockholder approval requirements are met.

Increasingly stringent environmental laws, rules and regulations may require us to redesign our existing products and processes, and could adversely affect our ability to cost-effectively produce our products.

The semiconductor and electronics industries have been subject to increasing environmental regulations. A number of domestic and foreign jurisdictions seek to restrict the use of various substances, a number of which have been used in our products or processes. For example, the European Union Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS) Directive now requires that certain substances be removed from all electronics components. Removing such substances requires the expenditure of additional research and development funds to seek alternative substances, as well as increased testing by third parties to ensure the quality of our products and compliance with the RoHS Directive. While we have implemented a compliance program to ensure our product offering meets these regulations, there may be instances where alternative substances will not be available or commercially feasible, or may only be available from a single source, or may be significantly more expensive than their restricted counterparts. Additionally, if we were found to be non-compliant with any such rule or regulation, we could be subject to fines, penalties and/or restrictions imposed by government agencies that could adversely affect our operating results.

We may be liable for penalties under environmental laws, rules and regulations, which could adversely impact our business.

We have used, and will continue to use, a variety of chemicals and compounds in manufacturing operations and have been and will continue to be subject to a wide range of environmental protection regulations in the United States and in foreign countries. We cannot assure you that current or future regulation of the materials necessary for our products would not have a material adverse effect on our business, financial condition and results of operations. Environmental regulations often require parties to fund remedial action for violations of such regulations regardless of fault. Consequently, it is often difficult to estimate the future impact of environmental matters, including potential liabilities. Furthermore, our customers increasingly require warranties or indemnity relating to compliance with environmental regulations. We cannot assure you that the amount of expense and capital expenditures that might be required to satisfy environmental liabilities, to complete remedial actions and to continue to comply with applicable environmental laws will not have a material adverse effect on our business, financial condition and results of operations.

Table of Contents**USE OF PROCEEDS**

We are filing the registration statement of which this prospectus is a part to permit the holders of the notes and shares of our common stock issuable upon conversion of the notes described under "Selling Security Holders" in the applicable prospectus supplement, to resell such securities. We will not receive any of the proceeds from the resale of such securities from time to time by such holders.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain all of our future earnings, if any, to finance our operations and do not anticipate paying any cash dividends on our capital stock in the foreseeable future.

RATIO OF EARNINGS TO FIXED CHARGES

	Fiscal Year Ended				Three Months Ended		
	September 27, 2002(1)	October 3, 2003(2)	October 1, 2004	September 30, 2005	September 29, 2006(3)	December 30, 2005	December 29, 2006
Ratio of earnings before taxes and fixed charges, to fixed charges			2.2	3.3		2.5	4.5

- (1) As a result of the loss incurred in the fiscal year ended September 27, 2002, we were unable to fully cover fixed charges. The amount of such deficiency during this period was approximately \$256 million.
- (2) As a result of losses incurred in the fiscal year ended October 3, 2003, we were unable to fully cover fixed charges. The amount of such deficiency during this period was approximately \$54 million.
- (3) As a result of losses incurred in the fiscal year ended September 29, 2006, we were unable to fully cover fixed charges. The amount of such deficiency during this period was approximately \$73 million.

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SELLING SECURITY HOLDERS

On March 2, 2007, we issued and sold a total of \$200,000,000 aggregate principal amount of the notes in a private placement to Credit Suisse Securities (USA) LLC, which we refer to in this prospectus as the initial purchaser. The initial purchaser has advised us that it resold the notes, in transactions exempt from the registration requirements of the Securities Act of 1933, to qualified institutional buyers, as defined in Rule 144A under the Securities Act of 1933, in compliance with Rule 144A. The selling security holders, which term includes their transferees, pledgees, donees and successors, may from time to time offer and sell pursuant to this prospectus any and all of the notes and the shares of our common stock issuable upon conversion of the notes.

The notes and our shares of common stock to be issued upon conversion of the notes are being registered pursuant to a registration rights agreement between the initial purchaser and us. In that agreement, we undertook to file a registration statement with regard to the notes and our shares of common stock issuable upon conversion of the notes and, subject to certain exceptions, to keep that registration statement effective for up to two years. The registration statement of which this prospectus is a part is intended to satisfy our obligations under that agreement.

Before a security holder may use this prospectus in connection with an offering of securities, this prospectus will be supplemented. The prospectus supplement will set forth the name of each selling security holder and the number and type of our securities beneficially owned by such selling security holder that are covered by such prospectus supplement. The prospectus supplement will also disclose whether any selling security holder has held any position or office with, has been employed by or otherwise has had a material relationship with us during the three years prior to the date of the prospectus supplement. Alternatively, we may include that information in a report filed with the SEC pursuant to Section 13 or Section 15(d) of the Securities Exchange Act and incorporate it by reference into this prospectus.

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DESCRIPTION OF CAPITAL STOCK

General

We have 550,000,000 authorized shares of capital stock, consisting of 525,000,000 shares of common stock, \$0.25 par value per share, and 25,000,000 shares of preferred stock, no par value per share. As of March 7, 2007, we had 159,574,388 shares of common stock outstanding and no shares of preferred stock outstanding. The authorized shares of common stock and preferred stock are available for issuance without further action by our stockholders, unless such action is required by applicable law or the rules of any stock exchange system on which our securities may be listed or traded. If the approval of our stockholders is not so required, our board of directors may determine not to seek stockholder approval.

The following is a summary of certain provisions of Delaware law, our Amended and Restated Certificate of Incorporation, as amended, and our Second Amended and Restated By-laws. This summary does not purport to be complete and is qualified in its entirety by reference to the corporate law of Delaware and our certificate of incorporation and our by-laws.

Certain of the provisions described below under Certain Provisions in our Certificate of Incorporation and By-laws could have the effect of discouraging transactions that might lead to a change in control of us. For example, our certificate of incorporation and bylaws:

establish a classified board of directors;

permit our board of directors to issue shares of preferred stock in one or more series without further authorization of our stockholders;

prohibit stockholder action by written consent;

require stockholders to provide advance notice of any stockholder nominations of directors or any proposal of new business to be considered at any meeting of stockholders;

require a supermajority vote to amend or repeal certain provisions of our certificate of incorporation or by-laws;

preclude stockholders from calling a special meeting of stockholders;

require a supermajority vote for business combinations not approved by a majority of the members of our board of directors in office prior to the time the other party to the business combination became the beneficial owner of 5% or more of our shares; and

contain a fair price provision.

Common Stock

Holders of our common stock are entitled to such dividends as may be declared by our board of directors out of funds legally available for such purpose. Dividends may not be paid on common stock unless all accrued dividends on preferred stock, if any, have been paid or declared and set aside. In the event of our liquidation, dissolution or winding

up, the holders of our