

Edgar Filing: CATALYST SEMICONDUCTOR INC - Form 425

CATALYST SEMICONDUCTOR INC
Form 425
July 17, 2008

Filed by ON Semiconductor Corporation

Pursuant to Rule 425 under the Securities Act of 1933

and deemed filed pursuant to Rule 14a-12

of the Securities Exchange Act of 1934

Subject Company: Catalyst Semiconductor, Inc.

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

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

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

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

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

Employee
Presentation

July
2008

Employee
Presentation

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

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

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

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

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

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

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

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

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

Employee
Presentation

July
2008

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements related to the benefits of the

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

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

may not be obtained; the variable demand and the

aggressive pricing environment for semiconductor products; dependence on each company s ability to successfully manufacture in increasing volumes on a cost-effective basis and with acceptable quality for its current products; the adverse impact of competitive product announcements; revenues and operating performance; changes in overall economic conditions; the cyclical nature of the semiconductor industry; changes in demand for our products; changes in inventories at customers and distributors; technological and product development risks; availability of raw materials; competitors' actions; pricing and gross margin pressures; loss of key customers; order cancellations or reduced bookings; changes in manufacturing yields; control of costs and expenses; significant litigation; risks associated with acquisitions and dispositions; risks associated with leverage and restrictive covenants in debt agreements; risks associated with international operations; the threat or occurrence of international armed conflict and terrorist activities both in the United States and internationally; risks and costs associated with increased and new regulation of corporate governance and disclosure standards (including pursuant to Section 404 of the Sarbanes-Oxley Act of 2002); and risks involving

environmental

or

other

governmental

regulation. Information

concerning

additional

factors

that

could

cause

results to differ materially from those projected in the forward-looking statements is contained in ON s Annual Report on Form 10-K as filed with the Securities and Exchange Commission (the SEC) on February 12, 2008, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other of ON s SEC filings, and Catalyst Semiconductor s Annual Report on Form 10-K as filed with the SEC on July 3, 2008, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other of Catalyst Semiconductor SEC filings. These forward-looking statements should not be relied upon as representing ON s or Catalyst Semiconductor s views as of any subsequent date and neither undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made.

Employee
Presentation

July
2008

This communication is being made in respect of the proposed transaction involving ON and Catalyst Semiconductor. In connection with the proposed transaction, ON plans to file with the SEC a Registration Statement on

Form S-4 containing a Proxy Statement of Catalyst Semiconductor and a Prospectus of ON and each of ON and Catalyst Semiconductor plan to file with the SEC other documents regarding the proposed transaction. The definitive

Proxy Statement/ Prospectus will be mailed to stockholders of Catalyst Semiconductor. **INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.**

Investors and security holders will be able to obtain free copies of the Registration Statement and the Proxy Statement/Prospectus (when available) and other documents filed with the SEC by ON and Catalyst Semiconductor through the web site maintained by the SEC at www.sec.gov. In addition, investors and security holders will be able to obtain free copies of the Registration Statement and the Proxy Statement/Prospectus (when available)

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

244-3437) or going to ON's

corporate website at www.onsemi.com, or from Catalyst Semiconductor by directing a request to Catalyst Semiconductor, Inc., 2975 Stender

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

1200) or going to Catalyst Semiconductor's corporate website at www.catsemi.com.

ON and Catalyst Semiconductor, and their respective directors and executive officers, may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding ON's directors

and executive officers is contained in its annual proxy statement filed with the SEC on April 4, 2008. Information regarding Catalyst Semiconductor's directors and executive officers is contained in Catalyst Semiconductor's annual proxy statement filed with the SEC on August 24, 2007. Additional information regarding the interests of such potential participants will be included in the Proxy Statement/Prospectus and the other relevant documents filed with the SEC (when available).

Employee
Presentation

July
2008

Why is ON Semiconductor Acquiring

Catalyst Semiconductor

About ON Semiconductor

Organization Overview and
Common Questions

Expectations and FAQs

Employee Resources
Agenda

Employee
Presentation

July
2008

-

The

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

capabilities

Size

and

scale

are

important.

ON

Semiconductor

can

provide

Catalyst

with:

Deeper

customer

relationships

and

sales

channels

Integrated

manufacturing

capabilities

An

expanded

addressable

market

Why is ON Semiconductor

Acquiring Catalyst Semiconductor

Employee
Presentation

July
2008

World class, high

volume, cost
effective products

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

Industry leader in
power management

Leader in analog,
mixed signal and
EEPROM
technologies

Top 4 player in
EEPROM sector

Proprietary
technology and
proven design
capabilities

Leading standard and custom
products increase customer
value proposition

Expanded analog and mixed
signal design and strong
EEPROM capabilities

Expanded presence in
automotive, consumer and
industrial end markets

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

Employee
Presentation

July
2008

Why is ON Semiconductor Acquiring Catalyst

Semiconductor

About ON Semiconductor

Organization Overview and Common Questions

Expectations and FAQs

Employee Resources

Agenda

Employee
Presentation

July
2008
Vision and Mission of ON Semiconductor
Our Vision

Our Mission

Dedicated to becoming the premier supplier of
Dedicated to becoming the premier supplier of
high performance energy efficient silicon
high performance energy efficient silicon
solutions worldwide
solutions worldwide

To provide our customers with high quality,
To provide our customers with high quality,
cost efficient solutions to solve the demanding
cost efficient solutions to solve the demanding
power and signal management design
power and signal management design
challenges
challenges

Employee
Presentation

July
2008
Industry Dynamics Continue to Favor
ON Semiconductor

Rationalization of the Supplier Base

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

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

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

Customers and Consumers are focused on Energy Efficiency

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

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

Consumer Driven Semiconductor Growth

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

Employee
Presentation

July
2008
Focus on the Right Applications

Factory Automation

Security Systems

Sensor Interfaces

Wireless or Wired Networking

Communications Interface

Industrial

Medical

Implantable Devices

Remote Patient Monitoring

Medical Imaging

Blood Glucose Monitoring

Hearing Aids

Therapeutics

Automotive

Driver Information and

Telematics

Powertrain

Safety and Chassis

Audio and Infotainment

Exterior & Interior Lighting

Body Electronics

Computing

&

Gaming

CPU / GPU Power Delivery
and Regulation

Efficient Power Supplies

Audio Signaling

Thermal Management

Portable Consumer

Display & Flash LED Lighting

Audio Subsystems

Data Switching

Battery Charging Control

Filtering for Camera and LCD
Interface

Media & Entertainment

Audio Signaling

Digital Audio/Video Transmission

Image Filtering

Digital Audio/Video Switching

Conditional Access Systems

Power Supply Efficiency
HV Communication

IP Cameras

World Class PoE

Surveillance Cameras

Industrial Ethernet

Robust Ethernet Environment

High Power Accuracy
Military & Aerospace

Guidance Systems

Infrared Imaging

Secure Military Communications

Commercial/Military Avionics

Tactical Missiles/Munitions

Employee
Presentation

July
2008
The Transformation Continues
Premier Energy

Efficient Supplier
FUTURE
Enhanced
Capabilities

Commodity/mass-market
orientation

Strong focus on operations /
supply chain / logistics

Sales focused on
procurement (transactional)

Strong service differentiation

Emerging design
relationships

Loose pricing management

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

Premier supplier of high
performance energy efficient
solutions

Customers Strategic
Semiconductor Supplier

Strong systems and field
applications

Revenues > \$4 billion,
GMs > 50%

Alignment of resources across
company

Expansion of product, sales and
engineering capabilities through
acquisitions

Focused product success in high
growth applications

Important Supplier to Category One

and Category Two customers

Disciplined pricing process to
capture margin

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

Strong cash generation
Responsive and
Flexible Supplier
2004-2008

Employee
Presentation

July
2008
Product
Leadership

Customer
Intimacy
Operational
Excellence
Leveraging
our
operational
strengths.

Lower manufacturing costs.

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

Dedicate resources to understand
the needs of our key customers.

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

Increase rate of technological innovation.

Shorten development cycle times.
ON Semiconductor Business Strategy

Employee
Presentation

July
2008
Together We Have A Winning Organization

Operational Excellence

Manufacturing
capability
to
deliver
solutions
at
the
right
value
point

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

Customer Intimacy

Worldwide sales, design and support locations

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

Product Leadership

Expertise in power efficient products and solutions and memory technologies

Custom, integrated ASICs, EEPROM to standard components

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

System knowledge to meet tomorrow's power management challenges

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

Broadest portfolio to offer both parts and system solutions

Employee
Presentation

July
2008
Operations Network

Employee
Presentation

July
2008
Worldwide Design

Employee
Presentation

July
2008

Why is ON Semiconductor Acquiring Catalyst

Semiconductor

About ON Semiconductor

Organization Overview and Common Questions

Expectations and FAQs

Employee Resources

Agenda

Employee
Presentation

July
2008
Custom and Foundry
Bob Klosterboer

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

Employee
Presentation

July
2008
Common Questions

Organization Expectations

HR Policies

2008 Benefits

Travel

Policy

Payroll

Seniority

Vacation and sick leave

Employee
Presentation

July
2008

Why is ON Semiconductor Acquiring Catalyst

Semiconductor

About ON Semiconductor

Organization Overview and Common Questions

Expectations and FAQs

Employee Resources

Agenda

Employee
Presentation

July
2008
Expectations

Your manager should:

Hold department meetings

Help set your focus/priorities

Employees should:

Stay informed by reading FAQs from Catalyst Semiconductor

Ask questions

Send questions to employee.questions@onsemi.com

Employee
Presentation

July
2008
Expectations
Moving forward

You will see:

Ongoing communications

The Circuit

The employee newsletter

Updated FAQs

Ongoing communication meetings

Commitment to integrating work groups

Employee
Presentation

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

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

Employee
Presentation

July
2008

Why is ON Semiconductor Acquiring

Catalyst Semiconductor

About ON Semiconductor

Organization Overview and Common Questions

Expectations and FAQs

Employee Resources

Agenda

Employee
Presentation

July
2008

Colleen McKeown, SVP, HR and Communication

David Eichler, CFO/HR

Rosa Vasquez, HR

Kerry Chou, HR, Compensation

Mark Carr, VP, HR Operations

Tobin Cookman, HR Director

Robert Colbert, Manager,
Employee Communication

Linda Chan, HR Director Asia

employee.questions@onsemi.com
Human Resources Contacts

Employee
Presentation

July
2008

Company intranet

Site/department meetings

employee.questions@onsemi.com

Human Resources

Your leader

The Circuit
the employee newsletter
Employee Resources

Employee
Presentation

July
2008
Questions?

Employee
Presentation

July
2008