



Department of Justice

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JUSTICE DEPARTMENT REACHES SETTLEMENT WITH MICROSEMI CORP.

Divestiture Will Restore Competition in Markets for Semiconductor Devices Used in Critical Military and Space Applications

WASHINGTON – The Department of Justice announced today that it has reached a proposed settlement with Microsemi Corporation that requires the company to divest all of the assets that it acquired from Semicoa Inc. on July 14, 2008. The Department said that without this divestiture, there would be little or no competition in the development, manufacture and sale of certain semiconductor devices used in military and space programs essential to the security of the United States.

The Department's Antitrust Division has filed a proposed settlement in U.S. District Court for the Central District of California. If approved by the court, the settlement would resolve the lawsuit and address the Department's competitive concerns.

These semiconductor devices, small signal transistors and ultrafast recovery rectifier diodes, are used to control the flow of electric current. Both small signal transistors and ultrafast recovery rectifier diodes are used in critical military and civil applications ranging from satellites to nuclear missile systems. Highly reliable performance under demanding conditions is essential in these military and space systems, where component failure could result in failure of the mission.

Prior to the acquisition, Microsemi and Semicoa were the only manufacturers of small signal transistors qualified for these applications. In addition, Semicoa and Microsemi were each poised to become qualified for their ultrafast recovery rectifier diodes, which are in critically short supply. The Department alleged in its complaint that Microsemi's acquisition of Semicoa's assets would result in increased prices and slower delivery of critical military components.

Microsemi is a Delaware corporation that manufactures a range of products, including QML semiconductors. In fiscal year 2008, Microsemi reported total sales of approximately \$500 million. Semicoa was a Costa Mesa, Calif., corporation that, prior to the acquisition, manufactured a variety of QML semiconductors. Semicoa's United States sales in 2007 were approximately \$15 million.

The proposed settlement, along with the Department's competitive impact statement, will be published in the Federal Register, as required by the Antitrust Procedures and Penalties Act.

Any person may submit written comments regarding the proposed final judgment within 60 days of its publication to Maribeth Petrizzi, Chief, Litigation II Section, Antitrust Division, U.S. Department of Justice, 450 5th Street, N.W., Suite 8700, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the court may enter the Final Judgment upon a finding that it serves the public interest.

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