

ATMEL CORP

Form 425

November 03, 2015

...personal ...portable ...connected Investor Presentation November 2015 Dialog's Acquisition of Atmel A Global Leader in Mobile Power and IoT Filed by Dialog Semiconductor plc Pursuant to Rule 425 of the Securities Act of 1933 and deemed filed pursuant to Rule 14a-12 of the Securities Exchange Act of 1934 Subject Company: Atmel Corporation  
Commission File No.: 000-19032

**Safe Harbor** This communication is not a prospectus as required by the Prospectus Directive of the European Parliament and of the Council of 4 November 2003 (No 2003/71/EC). It does not constitute or form part of an offer to sell or any invitation to purchase or subscribe for any securities or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the proposed merger or otherwise. Any acceptance or response to the proposed merger should be made only on the basis of the information referred to, in respect of Dialog shareholders, a shareholder circular seeking the approval of Dialog shareholders for the proposed merger, and the issuance of ordinary shares in the form of ADSs to Atmel's stockholders (the "Circular"), or, in respect of Atmel's stockholders, a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended. Additional information and where to find it This communication may be deemed to be solicitation material in respect of the proposed merger involving Dialog and Atmel. In connection with the proposed merger, Dialog will file with the U.S. Securities and Exchange Commission (the "SEC") a Registration Statement on Form F-4 (the "Registration Statement") containing a prospectus with respect to Dialog's ordinary shares to be issued in the proposed merger and a proxy statement of Atmel in connection with the proposed merger (the "Proxy Statement/Prospectus"). Each of Dialog and Atmel intends to file other documents with the SEC regarding the proposed merger. The definitive Proxy Statement/Prospectus will be mailed to stockholders of Atmel and will contain important information about the proposed merger and related matters. Shareholders of Dialog and stockholders of Atmel are advised to read carefully the formal documentation in relation to the proposed merger once it has been dispatched. The proposals for the proposed merger will, in respect of Dialog shareholders, be made solely through the Circular, and, in respect of Atmel's stockholders, be made solely through the Proxy Statement/Prospectus. Both the Circular and the final Proxy Statement/Prospectus will contain the full terms and conditions of the way in which the proposed merger will be implemented, including details of how to vote with respect to the implementation of the proposed merger. Any acceptance or other response to the proposals should be made only on the basis of the information in respect of the Dialog shareholders, in the Circular, or, in respect of Atmel's stockholders, in the Proxy Statement/Prospectus. This communication comprises an advertisement for the purposes of paragraph 3.3R of the Prospectus Rules made under Part VI of the FSMA and not a prospectus. Any prospectus in connection with the admission of ordinary shares of Dialog to the Regulated Market of, and to trading on, the Frankfurt Stock Exchange (the "UK Prospectus") will be published at a later date. Copies of the UK Prospectus and the Circular will, from the date of posting to Dialog shareholders, be filed with the UK Listing Authority and submitted to the National Storage Mechanism and available for inspection at [www.Hemscott.com/nsm.do](http://www.Hemscott.com/nsm.do) and available for inspection by Dialog shareholders at the registered office of Dialog Semiconductor plc, Tower Bridge House, St. Katharine's Way, London E1W 1AA, United Kingdom, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) and in the Investor Relations section of Dialog's website at [www.dialog-semiconductor.com](http://www.dialog-semiconductor.com). Investors may obtain, free of charge, copies of the Proxy Statement/Prospectus and Registration Statement, and any other documents filed by Atmel and Dialog with the SEC in connection with the proposed merger at the SEC's website at [www.sec.gov](http://www.sec.gov). Investors may obtain, free of charge, copies of the Proxy Statement/Prospectus and any other documents filed by Atmel with the SEC in connection with the proposed merger in the "Investors" section of Atmel's website at [www.atmel.com](http://www.atmel.com). Investors may also obtain, free of charge, copies of the Registration Statement, and any other documents filed by Dialog with the SEC in connection with the proposed merger on Dialog's website at [www.dialog-semiconductor.com](http://www.dialog-semiconductor.com). **BEFORE MAKING AN INVESTMENT OR VOTING DECISION, WE URGE INVESTORS OF DIALOG AND INVESTORS OF ATMEL TO READ CAREFULLY THE CIRCULAR, UK PROSPECTUS, PROXY STATEMENT/PROSPECTUS AND REGISTRATION STATEMENT (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND ANY OTHER RELEVANT DOCUMENTS THAT DIALOG OR ATMEL WILL FILE WITH THE UKLA OR SEC WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER.** Participants in the Solicitation Dialog, Atmel and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from stockholders in connection with the approval of the proposed merger and may have direct or indirect interests in the proposed merger. Information about Dialog's directors and executive officers is set forth in Dialog's Annual report and accounts 2014, which may be obtained free of charge at Dialog's website at [www.dialog-semiconductor.com](http://www.dialog-semiconductor.com). Information about Atmel's directors

and executive officers and their respective interests in Atmel by security holdings or otherwise is set forth in Atmel's Proxy Statement on Schedule 14A for its 2015 Annual Meeting of Stockholders, which was filed with the SEC on April 3, 2015, and its Annual Report on Form 10-K for the fiscal year ended December 31, 2014, which was filed with the SEC on February 26, 2015. These documents are available free of charge at the SEC's website at [www.sec.gov](http://www.sec.gov) and from the "Investors" section of Atmel's website at [www.atmel.com](http://www.atmel.com). Additional information regarding the interests of participants in the solicitation of proxies in connection with the proposed merger will be included in the Proxy Statement/Prospectus and the Registration Statement that Dialog will file with the SEC in connection with the solicitation of proxies to approve the proposed merger. Overseas Jurisdiction The release, publication or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this announcement comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. This announcement has been prepared for the purposes of complying with English Law and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside the United Kingdom. . 2

**Safe Harbor for Forward-Looking Statements** This announcement contains, or may contain, “forward-looking statements” in relation to Dialog and Atmel and the future operating performance and outlook of Dialog and the combined company, as well as other future events and their potential effects on Dialog and the combined company that are subject to risks and uncertainties. Generally, the words “will,” “may,” “should,” “continue,” “believes,” “targets,” “plans,” “expects,” “estimates,” “aims,” “intends,” “anticipates” or similar expressions or negatives thereof identify forward-looking statements. Forward-looking statements include, but are not limited to, statements relating to: (i) the benefits of the proposed merger, including future financial and operating results of the combined company, Dialog’s or Atmel’s plans, objectives, expectations and intentions, and the expected timing of completion of the transaction; (ii) expected developments in product portfolio, expected revenues, expected annualized operating costs savings, expected future cash generation, expected future design wins and increase in market share, expected incorporation of products in those of customers, adoption of new technologies, the expectation of volume shipments of products, opportunities in the semiconductor industry and the ability to take advantage of those opportunities, the potential success to be derived from strategic partnerships, the potential impact of capacity constraints, the effect of financial performance on share price, the impact of government regulation, expected performance against adverse economic conditions, and other expectations and beliefs of the management of Dialog and Atmel; (iii) the expansion and growth of Dialog’s or Atmel’s operations; (iv) the expected cost, revenue, technology and other synergies of the proposed merger, the expected impact of the proposed merger on customers and end-users, the combined company’s future capital expenditures, expenses, revenues, earnings, economic performance, financial condition, losses and future prospects; (v) business and management strategies and the expansion and growth of the combined company’s operations; and (vi) the anticipated timing of shareholder meetings and completion of the proposed merger. These forward-looking statements are based upon the current beliefs and expectations of the management of Dialog and Atmel and involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Dialog’s and Atmel’s or the combined company’s ability to control or estimate precisely and include, without limitation: (i) the ability to obtain governmental and regulatory approvals of the proposed merger, including the approval of antitrust authorities necessary to complete the proposed merger, or to satisfy other conditions to the proposed merger, including the ability to obtain the requisite Dialog shareholder approvals and Atmel stockholder approvals, on the proposed terms and timeframe; (ii) the possibility that the proposed merger does not close when expected or at all, or that the companies, in order to achieve governmental and regulatory approvals, may be required to modify aspects of the proposed merger or to accept conditions that could adversely affect the combined company or the expected benefits of the proposed merger; (iii) the risk that competing offers or acquisition proposals will be made; (iv) the inherent uncertainty associated with financial projections; (v) the ability to realize the expected synergies or savings from the proposed merger in the amounts or in the timeframe anticipated; (vi) the potential harm to customer, supplier, employee and other relationships caused by the announcement or closing of the proposed merger; (vii) the ability to integrate Atmel’s businesses into those of Dialog’s in a timely and cost-efficient manner; (viii) the development of the markets for Atmel’s and Dialog’s products; (ix) the combined company’s ability to develop and market products containing the respective technologies of Atmel and Dialog in a timely and cost-effective manner; (x) general global macroeconomic and geo-political conditions; (xi) the cyclical nature of the semiconductor industry; (xii) an economic downturn in the semiconductor and telecommunications markets; (xiii) the inability to realize the anticipated benefits of transactions related to the proposed merger and other acquisitions, restructuring activities, including in connection with the proposed merger, or other initiatives in a timely manner or at all; (xiv) consolidation occurring within the semiconductor industry through mergers and acquisitions; (xv) the impact of competitive products and pricing; (xvi) disruption to Atmel’s business caused by increased dependence on outside foundries, financial instability or insolvency proceedings affecting some of those foundries, and associated litigation in some cases; (xvii) industry and/or company overcapacity or under-capacity, including capacity constraints of independent assembly contractors; (xviii) insufficient, excess or obsolete inventory; (xix) the success of customers’ end products and timely design acceptance by customers; (xx) timely introduction of new products and technologies and implementation of new manufacturing technologies; (xxi) the combined company’s ability to ramp new products into volume production; (xxii) reliance on non-binding customer forecasts and the absence of long-term supply contracts with customers; (xxiii) financial stability in foreign

markets and the impact or volatility of foreign exchange rates and significant devaluation of the Euro against the U.S. dollar; (xxiv) unanticipated changes in environmental, health and safety regulations; (xxv) Atmel's dependence on selling through independent distributors; (xxvi) the complexity of the combined company's revenue recognition policies; (xxvii) information technology system failures; (xxviii) business interruptions, natural disasters or terrorist acts; (xxix) unanticipated costs and expenses or the inability to identify expenses which can be eliminated; (xxx) disruptions in the availability of raw materials; (xxxi) compliance with U.S. and international laws and regulations by the combined company and its distributors; (xxxii) dependence on key personnel; (xxxiii) the combined company's ability to protect intellectual property rights; (xxxiv) litigation (including intellectual property litigation in which the combined company may be involved or in which customers of the combined company may be involved, especially in the mobile device sector), and the possible unfavorable results of legal proceedings; (xxxv) the market price or increased volatility of Dialog's ordinary shares and ADSs (if the merger is completed); and (xxxvi) other risks and uncertainties, including those detailed from time to time in Dialog's and Atmel's periodic reports and other filings with the SEC or other regulatory authorities, including Atmel's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015 (whether under the caption Risk Factors or Forward Looking Statements or elsewhere). Neither Dialog nor Atmel can give any assurance that such forward-looking statements will prove to be correct. The reader is cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this announcement. Neither Dialog nor Atmel nor any other person undertakes any obligation to update or revise publicly any of the forward-looking statements set out herein, whether as a result of new information, future events or otherwise, except to the extent legally required. Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of Dialog, Atmel, or the combined company, following the implementation of the proposed merger or otherwise. No statement in this announcement should be interpreted to mean that the earnings per share, profits, margins or cash flows of Dialog or the combined company for the current or future financial years would necessarily match or exceed the historical published figures. 3

Acquisition Announcement DIALOG is acquiring ATMEL in a cash and stock transaction worth ~\$4.6Bn 1 Combined company will be fast-growing and diversified with ~\$2.7Bn(1) of revenues 2 Strong pipeline of leading products, customers, and design wins 4 Complementary product portfolios, targeting three attractive segments: Mobile Power IoT Automotive 3 Annual cost synergies of \$150MM expected to be achievable within two years 5 Accretive to underlying EPS in CY2017, the first full year following closing 6 4 Note Last twelve months (LTM)

Dialog at a Glance HQ: London, UK | Founded: 1981 | Listing: Frankfurt (DLG) Fabless supplier of highly integrated standard (ASSP) and custom (ASIC) mixed-signal ICs, optimised for smartphone, tablet, IoT, LED Solid State Lighting (SSL) and Smart Home applications Manufacturing: fabless manufacturing model, with production, assembly and packaging fully outsourced Employees: c. 1,500 (75% engineers)(1) One of the fastest growing global semiconductor companies Best-in-class mobile PMIC platform Multi-year strategic relationship with smartphone market leader Highly Profitable Design wins and product pipeline provide visibility into forward revenues and profitability Strong Financial Performance 8 years of robust revenue growth underpinned by volume and ASP growth Uninterrupted period of quarterly operating profitability since Q2 2008 Engaged with leading brands in growth mobile market segments, Bluetooth® Smart, AC/DC and Solid State Lighting worldwide Company Overview 5 Note As of September 16, 2015 By Division 2014 Revenue Breakdown FY IFRS Revenue (\$MM) 45% CAGR 2009-2014 40% CAGR 2009-2014 FY IFRS EBIT (\$MM)

6 Atmel at a Glance HQ: San Jose, CA | Founded: 1984 | Listing: NASDAQ (ATML) Fast growing, major 32-bit MCU supplier >18% CAGR 2009-2014 Broad ARM® product line Industry's 3rd largest supplier of 8-bit microcontrollers Most comprehensive connectivity portfolio targeted to IoT WiFi, Bluetooth, BLE, ZigBee, 802.15.4 Industry's 3rd largest supplier of 8-bit microcontrollers Microcontrollers and IoT Explosive growth in embedded security market for data integrity and authentication Design wins expected to drive ~\$100MM of incremental revenue by 2017 Security Touch Market leader in high growth and high margin auto and industrial markets Leadership through technology innovation Automotive Major supplier in Car Access and In-Vehicle Networking Leveraging relationships to sell entire product portfolio Portfolio covers MCU, Touch, Memory, Security, Car Access, High Voltage / IVN Microcontroller/IoT Automotive Nonvolatile Memory Multi-Market & Other 2014 Revenue: \$1,413 MCU/IoT: \$994MM Major Growth Drivers: 32-bit MCU and Wireless/IoT products Record number of new products introduced over past 3 years Customer design activity up over 75% year-over-year Now selling the first low-power combo SoC, providing Wi-Fi, b/g/n, Bluetooth Classic and Bluetooth Low Energy Automotive Touch Security Short-term Revenue Transitions Masking Strength of Core Business: Substantial foreign currency exchange rate movement (~15-20% revenue in Euros) Declines in non-strategic products Sensor Hub Fab EOL products



Strategic Rationale 7 A Global Leader in Power Management and Embedded Processing High Quality, Diversified Customer Base with Proven Channels Significant Synergies Significant Scale and Fast Growing SAM Attractive Long-Term Operating Model (2) Leadership in PMIC and power saving technologies Broad portfolio of 32-bit ARM-based and proprietary AVR microcontrollers High performance ICs for connectivity, security, touch, and audio Leverage existing customer relationships and broad distribution channels Significant cost synergies from greater operating efficiency and overlap Drives \$150MM in savings annually, expected to be realizable within two years Well positioned for growth in Mobile Power, IoT and Automotive markets \$11 Bn SAM today growing to approximately \$20 Bn in 2019 (13% CAGR) Target underlying(1) operating model: 47-50% Gross Margin 23-25% Operating Margin 2014 Dialog Top 5 Customers Top 5 Customers Other Other 87% ~45% 13% ~55% Combined Note See underlying definition in Appendix Long-term defined as approx. 3-5 year timeframe

Transaction Overview 8 Consideration Pro Forma Ownership Anticipated Close Conditions Sources of Financing  
Total consideration to Atmel shareholders \$4.65 per share in cash and 0.112 Dialog American Depositary Shares (ADS)(1), fixed exchange ratio Approx. 62% Dialog shareholders / 38% Atmel shareholders Atmel to receive 2 board seats (out of 10 total board seats) First Quarter of 2016 Approval (by majority) of Dialog and Atmel shareholders, customary closing conditions and regulatory approvals in US, Germany, and Romania 49MM shares (approx.) of Dialog stock to be issued in the form of American Depositary Shares on NYSE or NASDAQ \$2.1Bn committed term loan \$210MM from combined balance sheet; pro-forma cash balance of ~\$450MM Note One Dialog ADS equal to one Dialog share of common stock

9 1 Mobile Power PMIC, AC/DC, and Touch (48%)(2)(4) 2 IoT MCUs, Connectivity, Security and Memory (38%)  
(3) 3 Automotive and Other Access, Motor Control, In-Vehicle Networking and Touch (14%) (2)(3) \$2.7 Bn  
Combined LTM Revenue Notes Power Management segment defined as power management solutions for mobile  
platforms including smartphones, tablets, portable PCs and wearable-type devices Assumes 50% of Touch in  
Automotive and 50% in Mobile Power Automotive includes revenue from Atmel's Automotive core Car Access,  
IVN/HV and other products as well as MCU, Touch and Memory products approximately 70% of Dialog's  
Automotive/Industrial/Connectivity segment allocated to IoT, approximately 30% to Automotive Mobile Power  
representing smartphones, tablets, SSL LED, and computer platforms Combination Creates a Global Semiconductor  
Powerhouse Leadership in Power Management(1) and Embedded Processing

High-Growth and Significant SAM Targeting Multiple Attractive High Growth Sectors \$20.6Bn Automotive \$3.3Bn Connectivity \$3.4Bn 10 Lighting \$1.0Bn \$11.0Bn 13% CAGR Mobile Power \$7.4Bn IoT \$5.5Bn Note Juniper 2014, Gartner 2015, Databeans 2015, Navigant Research, HIS 2015, Atmel Corporation, Dialog Semiconductor

Significant Cross Sell Potential 8-bit MCU Touch EEPROM Memory 32-bit MCU Wireless Connectivity Audio Power Management Short-Range Wireless Power Conversion Bluetooth® Smart Examples: Companion PMIC to Support Microcontrollers Security Solutions for Mobile Peripherals Power Management Solutions for Automotive Touch Controllers for Mobile Applications 11 Embedded Security = Sensing

Projected IoT Roll Out 12 Wearable / Proximity Smart Home / Lighting Industrial / Factory Automotive 3-5 years 1-2 years Microcontroller Connectivity Security & Privacy Sensing Power Management Now

Most Complete Platform for IoT 13 26-30 billion connected devices by 2020(1) ü ü Microcontroller ü Security & Privacy Uniquely Positioned to Meet Full Customer Needs Notes “The Internet of Things” Opportunities and challenges for semiconductor companies, McKinsey & Company May 2015 Sensing Power Management ü Connectivity ü

IoT Platform Solution Examples 14 Wearables Smart Homes Microcontroller Connectivity Security & Privacy  
Sensing Power Management Microcontroller Connectivity Security & Privacy Sensing Power Management ü ü ü ü  
ü ü ü .....ü Uniquely Positioned to Meet Full Customer Needs



Growing Automotive Market Opportunity 15 Access, Safety, Security and Touch Networking LIN/CAN Wiper Motor Control Car Access Infotainment Engine Product Legend Body Electronics & Chassis Broad Product Portfolio – Differentiated User Experience Notes Local Interconnect Network (LIN) Controller Area Network (CAN) In-Vehicle Networking (IVN) ü ü ü Key Fob, Door, Car Receiver Entry, Doors, Lights, Seat, Power Steering, Braking System, Windows, Mirror Internet Access, Audio System, Rear-Seat Display, Central Information Display, Instrument Cluster IVN MCU Security Touch RF

16 Access to Proven Global Distribution Channel >60% (\$800MM+) of 2014 revenue through WW distribution  
>70,000 active customers Access to 66,000 registered Atmel Studio 6 development engineers (customer design tool)  
Broad Market Reach ~10% of 2014 revenue through WW distribution ~300 active customers Best in Class Channel  
Nascent Channel Presence Significant cross sell revenue potential

Diversified Top Tier Customers Selected Customers IoT (MCUs, Connectivity, Security and Memory) Mobile Power (PMIC, AC/DC, and Touch) Automotive (Access, Motor Control, In-Vehicle Networking and Touch) Key Pillars 1 2 3 17 Top and Emerging Smartphone OEMs and Partners

Four Pillars of Our Strategy More products in higher growth segments Dialog Semiconductor ©2015 Leverage broad product portfolio and customer base Combine power management, MCUs, connectivity and security functionality to innovate and drive growth across mobile power, IoT and automotive applications Broader and deeper at our customer base Leverage proven and established global distribution channels Continuous innovation Investments in power management, 32-bit ARM microcontrollers, rapid charging technologies as well as leading IoT connectivity (Bluetooth® Smart, WiFi) Strategic focus on fast growing China consumer electronics market Direct, distribution and innovative partnerships with key players in China Dialog Semiconductor ©2015 high low low high Profitability Growth More products in higher growth segments 18 2 3 4 1

Combined Financial Model 19 Gross Margin Operating Margin 46% R&D SG&A 47% 47% 47-50% 16% 18% 17%  
14-16% 7% 16% 12% 9-11% 23% 13% 18% 23-25% Dialog Underlying(1) LTM Atmel Non-GAAP LTM Combined  
Underlying(1) LTM Dialog Long Term Target Revenue \$1.34Bn \$1.35Bn \$2.69Bn Notes See underlying definition in  
Appendix Last twelve months (LTM) Combined Company figures pre-synergies 11%-15%

20 Notes Assuming combined company revenue growth at approximately SAM growth After-tax Cash Flow calculated as Underlying Operating Income less assumed taxes, based upon Dialog's long-term tax rate target of 20% but giving effect to deductions for interest at an annual rate of 4% on \$2.1Bn of closing indebtedness Capital Base equal to 130MM shares (based on pro forma share count) x share price + estimated closing debt (\$2,100MM) - estimated closing cash (\$550MM) Share price as of September 25, 2015, USD/EUR exchange rate of 1.121 Pre-announcement share price (September 18, 2015), USD/EUR exchange rate of 1.137 Cashflow Yield defined as the percentage obtained by dividing After-tax Cash Flow by Capital Base Illustrative Underlying Adjusted EBITDA calculated as Illustrative Underlying Operating Income less assumed combined company depreciation and amortization equal to 4% of Illustrative 2018 Combined Revenue Illustrative Underlying Adjusted EPS calculated as the quotient of (x) Illustrative Underlying Operating Income less assumed interest equal to 4% of closing debt, after-tax and (y) 130MM shares (based on pro forma share count) See underlying definition in Appendix Illustrative Cash Flow Yield Analysis: Attractive Returns to Dialog Shareholders Illustrative Example: Assuming Revenue at Approx. SAM Growth

Dialog PF LTM Revenue (\$Bn) 21 Scale Advantage Within Peer Group Notes Last twelve months (LTM) Cypress figure includes Spansion acquisition See underlying definition in Appendix Comparable set includes \$1Bn+ market cap, sub \$4Bn revenue, high-performance analog and microcontroller companies Attractive Model: ü Scale Growth Strong Operating Model; Significant FCF ü ü

Debt Financing 22 Debt Commitment Pro Forma Capitalization Statistics \$2.1 Bn Term Loan commitment from Morgan Stanley Senior Funding, Inc. “Covenant lite”, annual pre-tax interest cost of approximately 4% Early repayment permitted ~3x Net Debt/ Estimated LTM EBITDA (pre-synergy at closing) Cash generative business enables the ability to substantially pay down the transaction debt approximately three years after closing



Required Approvals 23 Antitrust (US, Germany, Romania) Q4 2015 Item Expected Timing To Be Obtained Dialog  
Shareholder Approval (1) Atmel Shareholder Approval Q4 2015 Q1 2016 (1) Requires approval of the majority of  
Dialog ordinary shares present and voting at the shareholder meeting

24 Use of Leverage ISS concern: Transaction funding will take 3.3x Net Debt / LTM EBITDA and a number of Dialog's peers operate with no debt Dialog position: Leverage is modest and able to be paid down quickly Dialog expects to be able to substantially paydown debt of approx. 3x Net Debt / Estimated LTM EBITDA (pre-synergy at closing) within three years Dialog is highly profitable, generates significant cash flow, and transaction synergies are substantial Other companies in the semiconductor sector such as Avago, Intel, LAM Research and Texas Instruments have successfully used debt as a funding source for large acquisitions ROIC versus Cost of Capital ISS concern: Transaction ROIC is less than Dialog's cost of capital Dialog position: Expected ROIC is greater than Dialog's cost of capital ISS comparison does not take into account actual funding sources which includes debt, cash and equity Required Dialog Shareholder Vote ISS concern: Vote threshold changed due to lack of shareholder support Dialog position: Threshold changed because it was determined to be unnecessary Post-signing the merger agreement, Dialog was able to confirm that Dialog's Articles would not need to be amended to issue the ADSs required under the transaction The merger agreement was therefore amended to eliminate an unnecessary vote to amend the Articles Q3 Earnings ISS concern: ISS references a "profit warning" made on October 26 Dialog position: There was no profit warning Q3 2015 revenues were the largest Q3 revenues in Dialog's history. Revenues were within the prior guidance range and underlying gross margin was in excess of the prior guidance In addition, Dialog provided guidance for Q4 2015 revenues implying 30-39% sequential growth versus Q3 2015 results Dialog's Perspective on the October 30 Report from Institutional Shareholder Services ("ISS") Issue ISS Concern / Dialog Position

Strong Commitment to Delivering Value to Shareholders Successful Acquisition and Integration of SiTel (Feb 2011) and iWatt (Jul 2013) Revenue 13x 2007–2014 Underlying Operating Profit(1)(2) 39x 2008–2014 Share Price Performance +2,700% 2007–2014(3) Underlying Operating Margin(1) 22.5% Q2 2015 3.6% FY 2008 Dialog Execution Track Record 25 1 2 3 4 5 Note See underlying definition in Appendix Assumes 2008 IFRS operating profit equals underlying operating profit 1/5/07 to 12/30/14

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**Appendix Underlying Results** The term “underlying” is not defined in IFRS and therefore may not be comparable with similarly titled measures reported by other companies. Underlying measures are not intended as a substitute for, or a superior measure to, IFRS measures. Dialog’s underlying results presented in this presentation are based on IFRS, adjusted to exclude share-based compensation charges and amortization of intangibles associated with acquisitions and certain other non-recurring items.

**Non-GAAP Metrics** There are limitations in using non-GAAP financial measures because they are not prepared in accordance with GAAP and may be different from non-GAAP financial measures used by other companies. In addition, non-GAAP financial measures may be limited in value because they exclude certain items that may have a material impact upon Atmel's reported financial results. The presentation of non-GAAP financial information is not meant to be considered in isolation or as a substitute for or superior to the most directly comparable GAAP financial measures. Atmel’s non-GAAP measures included in this presentation exclude one or more of the following items: share-based compensation expense, acquisition-related charges, restructuring charges (credits), operating results of the exited XSense business, loss from manufacturing facility damage and shutdown, French building underutilization and other (credits), loss (gain) related to foundry arrangements, gain on sale of assets and investments, non-GAAP tax adjustments, and net (loss) income attributable to noncontrolling interest.