



November 13, 2012

M/A-COM Technology Solutions Holdings, Inc. Reports Fourth Quarter and Fiscal Year 2012 Financial Results

LOWELL, Mass., Nov. 13, 2012 (GLOBE NEWSWIRE) -- M/A-COM Technology Solutions Holdings, Inc. (Nasdaq:MTSI) ("M/A-COM Tech"), a leading supplier of high performance analog semiconductor solutions, today reported its financial results for the fourth quarter and fiscal year ended September 28, 2012.

Fourth Quarter Fiscal Year 2012 GAAP Results

- Revenue was \$74.6 million, compared to \$77.1 million in the prior quarter;
- Gross margin was 42.3 percent, compared to 45.9 percent in the prior quarter;
- Operating margin was 19.5 percent, compared to 20.0 percent in the prior quarter;
- Net income was \$17.0 million, or \$0.36 per diluted share, compared to a net income of \$13.5 million, or \$0.29 per share in the prior quarter; and
- Cash and cash equivalents totaled \$84.5 million.

Fourth Quarter Fiscal Year 2012 Non-GAAP Results

- Gross margin was 43.9 percent, compared to 46.8 percent in the prior quarter;
- Operating margin was 20.5 percent, compared to 22.5 percent in the prior quarter; and
- Net income was \$10.4 million, or \$0.22 per diluted share, compared to net income of \$11.8 million, or \$0.25 per diluted share in the prior quarter.

Fiscal Year 2012 Results

Fiscal year 2012 revenue was \$302.2 million, compared to \$310.3 million in fiscal 2011. Non-GAAP net income was \$42.1 million, or \$0.94 per diluted share, compared to \$33.2 million, or \$0.80 per share in fiscal 2011.

Charles Bland, Chief Executive Officer of M/A-COM Tech, stated, "Fiscal fourth quarter revenue and net income per share results were both in line with our expectations though the macroeconomic environment continued to impact our end markets. Gross margin was negatively impacted during the quarter primarily due to warranty expense and manufacturing costs associated with the ramp-up of a new radar program."

Mr. Bland noted, "We achieved a record non-GAAP operating profit for fiscal year 2012, increasing 19 percent over the prior year on slightly lower revenue. Additionally, we ended the year with a robust product development pipeline and continued momentum in new product releases. Looking to fiscal year 2013, we remain focused on executing on our new product initiatives to support revenue growth and margin expansion while further leveraging our operational efficiencies."

Business Outlook

M/A-COM Tech currently expects first quarter of fiscal 2013 revenue to range between \$72 million and \$77 million, non-GAAP gross margin between 44 and 45 percent, and non-GAAP earnings per diluted share between \$0.19 and \$0.23, based on 48 million shares outstanding.

Conference Call

M/A-COM Tech will host a conference call on Tuesday, November 13, 2012 at 5:00 p.m. Eastern Time to discuss its fourth quarter and fiscal 2012 financial results and business outlook. Investors and analysts may join the conference call by dialing 1-

877-837-3908 and providing the confirmation code 39791367. International callers may join the teleconference by dialing 1-973-872-3000 and entering the same confirmation code at the prompt. A telephone replay of the call will be made available on November 13th approximately two hours after the call and will remain available for 3 business days. The replay number is 1-855-859-2056 with a pass code of 39791367. International callers should dial 1-404-537-3406 and enter the same pass code at the prompt.

Additionally, this conference call will be broadcast live over the Internet and can be accessed by all interested parties in the Investors section of M/A-COM Tech's website at <http://www.macomtech.com>. To listen to the live call, please go to the Investors section of M/A-COM Tech's website and click on the conference call link at least fifteen minutes prior to the start of the conference call. For those unable to participate during the live broadcast, a replay will be available shortly after the call and will remain available for approximately 30 days.

About M/A-COM Technology Solutions Holdings, Inc.

M/A-COM Tech (www.macomtech.com) is a leading supplier of high performance analog semiconductor solutions for use in radio frequency (RF), microwave, and millimeter wave applications. Recognized for its broad portfolio of products, M/A-COM Tech serves diverse markets including CATV, wireless infrastructure, optical communications, aerospace and defense, automotive, industrial, medical, and mobile devices. M/A-COM Tech builds on more than 60 years of experience designing and manufacturing innovative product solutions for customers worldwide.

Headquartered in Lowell, Massachusetts, M/A-COM Tech is certified to the ISO9001 international quality standard and ISO14001 environmental management standard. M/A-COM Tech has design centers and sales offices throughout North America, Europe, Asia and Australia.

The M/A-COM Technology Solutions Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=12438>

Special Note Regarding Forward-Looking Statements

This press release contains forward-looking statements based on M/A-COM Tech management's beliefs and assumptions and on information currently available to our management. Forward-looking statements include, among others, information concerning our stated business outlook and future results of operations, our continued focus on executing on our new product initiatives to support revenue growth and margin expansion while further leveraging our operational efficiencies, and any statements regarding future trends, business strategies, competitive position, industry conditions and market opportunities. Forward-looking statements include all statements that are not historical facts and generally may be identified by terms such as "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "seeks," "should," "will," "would" or similar expressions and the negatives of those terms.

Forward-looking statements contained in this press release reflect M/A-COM Tech's current views about future events and are subject to risks, uncertainties, assumptions and changes in circumstances that may cause those events or our actual activities or results to differ materially from those expressed in any forward-looking statement. Although M/A-COM Tech believes that the expectations reflected in the forward-looking statements are reasonable, it cannot and does not guarantee future events, results, actions, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements. A number of important factors could cause actual results to differ materially from those indicated by the forward-looking statements, including, among others, the potential for continued weakness in our Networks market, lower than expected demand in any or all of our three primary markets or from any of our large OEM customers based on macro-economic weakness or otherwise, the potential for defense spending cuts, program cancellations or sequestration, lower than expected utilization and absorption in our manufacturing facilities, lack of success or slower than expected success in our new product development efforts, loss of business due to competitive factors, obsolescence, customer program shifts or otherwise, lower than anticipated or slower than expected customer acceptance of our new product introductions, the potential for a shift in the mix of products sold in any period toward lower-margin products or a shift in the geographical mix of our revenues, the potential for increased pricing pressure based on competitive factors, technology shifts or otherwise, the impact of any acquisition, divestiture or restructuring activity, the impact of supply shortages or other disruptions in our internal or outsourced supply chain, the relative success of our cost-savings initiatives, the potential for inventory obsolescence and related write-offs, the impact of any current or future litigation instituted by or against us, and the impact of any claims of intellectual property infringement or misappropriation, which could require us to pay substantial damages for infringement, expend significant resources in prosecuting or defending such matters or developing non-infringing technology, incur material liability for royalty or license payments, or prevent us from selling certain of our products, as well as those factors described in "Risk Factors" in M/A-COM Tech's filings with the Securities and Exchange Commission (SEC), including its Quarterly Report on Form 10-Q for the quarterly period ended June 29, 2012 as filed with the SEC on August 7, 2012. M/A-COM Tech undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Non-GAAP Financial Measures

In addition to GAAP reporting, M/A-COM Tech provides investors with Non-GAAP financial reporting, including gross margin, operating margin, net income and other data calculated on a Non-GAAP basis. This Non-GAAP information excludes amortization of acquisition-related intangibles, share-based and other non-cash compensation expense, restructuring charges, Optomai litigation costs, changes in the carrying values of liabilities measured at fair value, other non-cash expenses and certain income tax items. Management does not believe that the excluded items are reflective of M/A-COM Tech's underlying performance. The exclusion of these and other similar items from M/A-COM Tech's Non-GAAP presentation should not be interpreted as implying that these items are non-recurring, infrequent or unusual. M/A-COM Tech believes this Non-GAAP financial information provides additional insight into M/A-COM Tech's on-going performance and has therefore chosen to provide this information to investors for a more consistent basis of comparison and to help them evaluate the results of M/A-COM Tech's on-going operations and enable more meaningful period to period comparisons. These Non-GAAP measures are provided in addition to, and not as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. A reconciliation between GAAP and Non-GAAP financial data is included in the supplemental financial data attached to this press release.

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited and in thousands, except per share data)

| | Three Months Ended | | | Fiscal Year Ended | |
|--|-----------------------|------------------|-----------------------|-----------------------|-----------------------|
| | September 28, 2012 | June 29, 2012 | September 30, 2011 | September 28, 2012 | September 30, 2011 |
| Revenue | \$ 74,563 | \$ 77,125 | \$ 78,802 | \$ 302,203 | \$ 310,295 |
| Cost of revenue | 43,029 | 41,721 | 43,919 | 167,301 | 178,435 |
| Gross profit | 31,534 | 35,404 | 34,883 | 134,902 | 131,860 |
| Operating expenses: | | | | | |
| Research and development | 7,960 | 9,193 | 10,588 | 35,817 | 36,121 |
| Selling, general and administrative | 11,730 | 10,706 | 11,486 | 44,754 | 48,103 |
| Accretion of contingent consideration | (2,945) | 101 | (450) | (3,922) | 210 |
| Restructuring charges | 276 | -- | 633 | 1,862 | 1,499 |
| Total operating expenses | 17,021 | 20,000 | 22,257 | 78,511 | 85,933 |
| Income from operations | 14,513 | 15,404 | 12,626 | 56,391 | 45,927 |
| Other (income) expense: | | | | | |
| Accretion of common stock warrant liability | (5,966) | (3,198) | (5,161) | (3,175) | 5,080 |
| Accretion of Class B conversion liability | -- | -- | (17,314) | 44,119 | 39,737 |
| Interest expense | 150 | 161 | 811 | 695 | 1,561 |
| Other income - related party | (94) | (91) | -- | (185) | -- |
| Total other (income) expense | (5,910) | (3,128) | (21,664) | 41,454 | 46,378 |
| Income (loss) before income taxes | 20,423 | 18,532 | 34,290 | 14,937 | (451) |
| Income tax provision (benefit) | 3,465 | 4,987 | (5,860) | 15,953 | 1,319 |
| Net income (loss) from continuing operations | 16,958 | 13,545 | 40,150 | (1,016) | (1,770) |
| Net income from discontinued operations | -- | -- | -- | -- | 754 |
| Net income (loss) | 16,958 | 13,545 | 40,150 | (1,016) | (1,016) |
| Accretion of redeemable preferred stock and participating stock dividends | (49) | (41) | (39,648) | (2,616) | (80,452) |
| Net income (loss) attributable to common stockholders | \$ 16,909 | \$ 13,504 | \$ 502 | \$ (3,632) | \$ (81,468) |
| Net income (loss) per share: | | | | | |
| Basic income (loss) per common share: | | | | | |
| Income (loss) from continuing operations | \$ 0.37 | \$ 0.30 | \$ 0.29 | \$ (0.15) | \$ (54.63) |

| | | | | | |
|---|----------------|----------------|----------------|------------------|-------------------|
| Income from discontinued operations | -- | -- | -- | -- | 0.50 |
| Net income (loss) - basic | <u>\$ 0.37</u> | <u>\$ 0.30</u> | <u>\$ 0.29</u> | <u>\$ (0.15)</u> | <u>\$ (54.13)</u> |
| Diluted income (loss) per common share: | | | | | |
| Income (loss) from continuing operations | \$ 0.36 | \$ 0.29 | \$ 0.12 | \$ (0.15) | \$ (54.63) |
| Income from discontinued operations | -- | -- | -- | -- | 0.50 |
| Net income (loss) - diluted | <u>\$ 0.36</u> | <u>\$ 0.29</u> | <u>\$ 0.12</u> | <u>\$ (0.15)</u> | <u>\$ (54.13)</u> |
| Shares used to compute net income (loss) per share: | | | | | |
| Basic | <u>45,235</u> | <u>45,160</u> | <u>1,721</u> | <u>24,758</u> | <u>1,505</u> |
| Diluted | <u>46,913</u> | <u>47,264</u> | <u>4,053</u> | <u>24,758</u> | <u>1,505</u> |

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

RECONCILIATION OF GAAP TO NON-GAAP RESULTS

(unaudited and in thousands, except per share data)

| | Three Months Ended | | | | | |
|--|--------------------|--------------|------------------|--------------|--------------------|--------------|
| | September 28, 2012 | | June 29, 2012 | | September 30, 2011 | |
| | Amount | % Revenue | Amount | % Revenue | Amount | % Revenue |
| Gross profit - GAAP | \$ 31,534 | 42.3% | \$ 35,404 | 45.9% | \$ 34,883 | 44.3% |
| Amortization expense | 841 | 1.1 | 383 | 0.5 | 381 | 0.5 |
| Non-cash compensation expense | 335 | 0.4 | 302 | 0.4 | 45 | 0.1 |
| Gross profit - Non-GAAP | <u>\$ 32,710</u> | <u>43.9%</u> | <u>\$ 36,089</u> | <u>46.8%</u> | <u>\$ 35,309</u> | <u>44.8%</u> |
| Research and Development - GAAP | \$ 7,960 | 10.7% | \$ 9,193 | 11.9% | \$ 10,588 | 13.4% |
| Non-cash compensation expense | (367) | (0.5) | (388) | (0.5) | (103) | (0.1) |
| Research and Development - Non-GAAP | <u>\$ 7,593</u> | <u>10.2%</u> | <u>\$ 8,805</u> | <u>11.4%</u> | <u>\$ 10,485</u> | <u>13.3%</u> |
| Selling, General and Administrative - GAAP | \$ 11,730 | 15.7% | \$ 10,706 | 13.9% | \$ 11,486 | 14.6% |
| Amortization expense | (545) | (0.7) | (257) | (0.3) | (258) | (0.3) |
| Non-cash compensation expense | (871) | (1.2) | (503) | (0.7) | (274) | (0.3) |
| Optomai litigation costs | (484) | (0.6) | -- | -- | -- | -- |
| Selling, General and Administrative - Non-GAAP | <u>\$ 9,830</u> | <u>13.2%</u> | <u>\$ 9,946</u> | <u>12.9%</u> | <u>\$ 10,954</u> | <u>13.9%</u> |
| Total operating expenses - GAAP | \$ 17,021 | 22.8% | \$ 20,000 | 25.9% | \$ 22,257 | 28.2% |
| Amortization expense | (545) | (0.7) | (257) | (0.3) | (258) | (0.3) |
| Non-cash compensation expense | (1,238) | (1.7) | (891) | (1.2) | (377) | (0.5) |
| Optomai litigation costs | (484) | (0.6) | -- | -- | -- | -- |
| Accretion of contingent consideration | 2,945 | 3.9 | -- | -- | 450 | 0.6 |
| Restructuring charges | (276) | (0.4) | (101) | (0.1) | (633) | (0.8) |
| Total operating expenses - Non-GAAP | <u>\$ 17,423</u> | <u>23.4%</u> | <u>\$ 18,751</u> | <u>24.3%</u> | <u>\$ 21,439</u> | <u>27.2%</u> |
| Income from operations - GAAP | \$ 14,513 | 19.5% | \$ 15,404 | 20.0% | \$ 12,626 | 16.0% |
| Amortization expense | 1,386 | 1.9 | 640 | 0.8 | 639 | 0.8 |
| Non-cash compensation expense | 1,573 | 2.1 | 1,193 | 1.5 | 422 | 0.5 |
| Optomai litigation costs | 484 | 0.6 | -- | -- | -- | -- |

| | | | | | | |
|---|------------------|--------------|------------------|--------------|------------------|---------------|
| Accretion of contingent consideration | (2,945) | (3.9) | 101 | 0.1 | (450) | (0.6) |
| Restructuring charges | <u>276</u> | <u>0.4</u> | <u>--</u> | <u>--</u> | <u>633</u> | <u>0.8</u> |
| Income from operations - Non-GAAP | <u>\$ 15,287</u> | <u>20.5%</u> | <u>\$ 17,338</u> | <u>22.5%</u> | <u>\$ 13,870</u> | <u>17.6%</u> |
| Net income - GAAP | \$ 16,958 | 22.7% | \$ 13,545 | 17.6% | \$ 40,150 | 51.0% |
| Amortization expense | 1,054 | 1.4 | 437 | 0.6 | 956 | 1.2 |
| Non-cash compensation expense | 1,196 | 1.6 | 815 | 1.1 | 631 | 0.8 |
| Optomai litigation costs | 368 | 0.5 | -- | -- | -- | -- |
| Accretion of contingent consideration | (2,239) | (3.0) | 69 | 0.1 | (673) | (0.9) |
| Restructuring charges | 210 | 0.3 | -- | -- | 947 | 1.2 |
| Accretion of common stock warrant liability | (5,966) | (8.0) | (3,198) | (4.1) | (5,161) | (6.5) |
| Accretion of Class B conversion liability | -- | -- | -- | -- | (17,314) | (22.0) |
| Non-cash interest expense | 54 | 0.1 | 46 | 0.1 | 980 | 1.2 |
| Non-recurring tax items | <u>(1,202)</u> | <u>(1.6)</u> | <u>126</u> | <u>0.2</u> | <u>(11,602)</u> | <u>(14.7)</u> |
| Net income - Non-GAAP | <u>\$ 10,433</u> | <u>14.0%</u> | <u>\$ 11,840</u> | <u>15.4%</u> | <u>\$ 8,914</u> | <u>11.3%</u> |

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.
RECONCILIATION OF GAAP TO NON-GAAP RESULTS (CONTINUED)

(unaudited and in thousands, except per share data)

| | <u>Three Months Ended</u> | | | | | |
|--|---------------------------|--------------------------------|----------------------|--------------------------------|---------------------------|--------------------------------|
| | <u>September 28, 2012</u> | | <u>June 29, 2012</u> | | <u>September 30, 2011</u> | |
| | Amount | Income per diluted share | Amount | Income per diluted share | Amount | Income per diluted share |
| Net income - GAAP: | | | | | | |
| Net income | \$ 16,958 | \$ 0.36 | \$ 13,545 | \$ 0.29 | \$ 40,150 | \$ 9.91 |
| Accretion of redeemable preferred stock and participating stock dividends | <u>(49)</u> | <u>--</u> | <u>(41)</u> | <u>--</u> | <u>(39,648)</u> | <u>(9.79)</u> |
| Net income attributable to common stockholders | <u>\$ 16,909</u> | <u>\$ 0.36</u> | <u>\$ 13,504</u> | <u>\$ 0.29</u> | <u>\$ 502</u> | <u>\$ 0.12</u> |
| Net income - Non-GAAP | <u>\$ 10,433</u> | <u>\$ 0.22</u> | <u>\$ 11,840</u> | <u>\$ 0.25</u> | <u>\$ 8,914</u> | <u>\$ 0.21</u> |
| Diluted shares - GAAP | 46,913 | | 47,264 | | 4,053 | |
| Convertible preferred stock | -- | | -- | | 37,748 | |
| Incremental stock options, warrants, restricted stock and units | <u>513</u> | | <u>549</u> | | <u>227</u> | |
| Diluted shares - Non-GAAP | <u>47,426</u> | | <u>47,813</u> | | <u>42,028</u> | |

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.
RECONCILIATION OF GAAP TO NON-GAAP RESULTS (CONTINUED)

(unaudited and in thousands, except per share data)

| | <u>Fiscal Year Ended</u> | | | |
|--|---------------------------|-----------|---------------------------|-----------|
| | <u>September 28, 2012</u> | | <u>September 30, 2011</u> | |
| | Amount | % Revenue | Amount | % Revenue |

| | | | | |
|--|-------------------|--------------|-------------------|--------------|
| Gross profit - GAAP | \$ 134,902 | 44.6% | \$ 131,860 | 42.5% |
| Amortization expense | 1,988 | 0.7 | 1,588 | 0.5 |
| Non-cash compensation expense | 715 | 0.2 | 335 | 0.1 |
| Gross profit - Non-GAAP | <u>\$ 137,605</u> | <u>45.5%</u> | <u>\$ 133,783</u> | <u>43.1%</u> |
| Research and development - GAAP | \$ 35,817 | 11.9% | \$ 36,121 | 11.6% |
| Non-cash compensation expense | (979) | (0.3) | (258) | (0.1) |
| Research and development - Non-GAAP | <u>\$ 34,838</u> | <u>11.5%</u> | <u>\$ 35,863</u> | <u>11.6%</u> |
| Selling, general and administrative - GAAP | \$ 44,754 | 14.8% | \$ 48,103 | 15.5% |
| Amortization expense | (1,317) | (0.4) | (1,069) | (0.3) |
| Optomai litigation costs | (484) | (0.2) | -- | -- |
| Non-cash compensation expense | (2,068) | (0.7) | (964) | (0.3) |
| Selling, general and administrative - Non-GAAP | <u>\$ 40,885</u> | <u>13.5%</u> | <u>\$ 46,070</u> | <u>14.8%</u> |
| Total operating expenses - GAAP | \$ 78,511 | 26.0% | \$ 85,933 | 27.7% |
| Amortization expense | (1,317) | (0.4) | (1,069) | (0.3) |
| Optomai litigation costs | (484) | (0.2) | -- | -- |
| Non-cash compensation expense | (3,047) | (1.0) | (1,222) | (0.4) |
| Accretion of contingent consideration | 3,922 | 1.3 | (210) | (0.1) |
| Restructuring charges | (1,862) | (0.6) | (1,499) | (0.5) |
| Total operating expenses - Non-GAAP | <u>\$ 75,723</u> | <u>25.1%</u> | <u>\$ 81,933</u> | <u>26.4%</u> |
| Income from operations - GAAP | \$ 56,391 | 18.7% | \$ 45,927 | 14.8% |
| Amortization expense | 3,305 | 1.1 | 2,657 | 0.9 |
| Non-cash compensation expense | 3,762 | 1.2 | 1,557 | 0.5 |
| Optomai litigation costs | 484 | 0.2 | -- | -- |
| Accretion of contingent consideration | (3,922) | (1.3) | 210 | 0.1 |
| Restructuring charges | 1,862 | 0.6 | 1,499 | 0.5 |
| Income from operations - Non-GAAP | <u>\$ 61,882</u> | <u>20.5%</u> | <u>\$ 51,850</u> | <u>16.7%</u> |
| Net loss - GAAP | \$ (1,016) | (0.3)% | \$ (1,016) | (0.3)% |
| Amortization expense | 2,361 | 0.8 | 2,578 | 0.8 |
| Non-cash compensation expense | 2,688 | 0.9 | 1,511 | 0.5 |
| Optomai litigation costs | 346 | 0.1 | -- | -- |
| Accretion of contingent consideration | (2,802) | (0.9) | 204 | 0.1 |
| Restructuring charges | 1,330 | 0.4 | 1,454 | 0.5 |
| Accretion of common stock warrant liability | (3,175) | (1.1) | 5,080 | 1.6 |
| Accretion of Class B conversion liability | 44,119 | 14.6 | 39,737 | 12.8 |
| Non-cash interest expense | 194 | 0.1 | 742 | 0.2 |
| Discontinued operations | -- | -- | (754) | (0.2) |
| Non-recurring tax items | (1,961) | (0.6) | (16,351) | (5.3) |
| Net income - Non-GAAP | <u>\$ 42,084</u> | <u>13.9%</u> | <u>\$ 33,185</u> | <u>10.7%</u> |

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.
RECONCILIATION OF GAAP TO NON-GAAP RESULTS (CONTINUED)

(unaudited and in thousands, except per share data)

| | Fiscal Year Ended | | | |
|--|--------------------|--|--------------------|--|
| | September 28, 2012 | | September 30, 2011 | |
| | Amount | Income (loss) per diluted share | Amount | Income (loss) per diluted share |
| Net loss - GAAP: | | | | |
| Net loss | \$ (1,016) | \$ (0.04) | \$ (1,016) | \$ (0.68) |
| Accretion of redeemable preferred stock and participating stock dividends | <u>(2,616)</u> | <u>(0.11)</u> | <u>(80,452)</u> | <u>(53.45)</u> |
| Net loss attributable to common stockholders | <u>\$ (3,632)</u> | <u>\$ (0.15)</u> | <u>\$ (81,468)</u> | <u>\$ (54.13)</u> |
| Net income - Non-GAAP | <u>\$ 42,084</u> | <u>\$ 0.94</u> | <u>\$ 33,185</u> | <u>\$ 0.80</u> |
| Diluted shares - GAAP | 24,758 | | 1,505 | |
| Convertible preferred stock | 17,803 | | 37,748 | |
| Incremental stock options, warrants, restricted stock and units | <u>2,351</u> | | <u>2,423</u> | |
| Diluted shares - Non-GAAP | <u>44,912</u> | | <u>41,676</u> | |

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited and in thousands)

| | September 28, 2012 | September 30, 2011 |
|---|-----------------------|-----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 84,528 | \$ 45,668 |
| Accounts receivable, net | 54,184 | 46,212 |
| Inventories | 57,459 | 52,480 |
| Deferred income taxes and other current assets | <u>16,863</u> | <u>12,175</u> |
| Total current assets | 213,034 | 156,535 |
| Property and equipment, net | 30,209 | 25,364 |
| Goodwill and intangible assets, net | 22,766 | 26,071 |
| Other assets | <u>2,064</u> | <u>3,298</u> |
| TOTAL ASSETS | <u>\$ 268,073</u> | <u>\$ 211,268</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | | |
| Current liabilities: | | |
| Accounts payable, accrued liabilities and other | \$ 41,155 | \$ 38,990 |
| Deferred revenue | 7,992 | 13,119 |
| Current portion of contingent consideration | <u>6,580</u> | <u>15,000</u> |
| Total current liabilities | 55,727 | 67,109 |

| | | |
|---|-------------------|-------------------|
| Contingent consideration, less current portion | -- | 10,502 |
| Common stock warrant liability | 7,561 | 10,736 |
| Class B conversion liability | -- | 81,378 |
| Deferred income taxes and other long-term liabilities | <u>5,327</u> | <u>4,362</u> |
| Total liabilities | <u>68,615</u> | <u>174,087</u> |
| Redeemable and convertible preferred stock | <u>--</u> | <u>182,018</u> |
| Commitments and contingencies | | |
| Stockholders' equity (deficit) | <u>199,458</u> | <u>(144,837)</u> |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | <u>\$ 268,073</u> | <u>\$ 211,268</u> |

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited and in thousands)

| <u>Fiscal Year Ended</u> | |
|--------------------------|----------------------|
| <u>September 28,</u> | <u>September 30,</u> |
| <u>2012</u> | <u>2011</u> |

CASH FLOWS FROM OPERATING ACTIVITIES:

| | | |
|---|----------------|---------------|
| Net loss | \$ (1,016) | \$ (1,016) |
| Adjustments to reconcile net loss to net cash from operating activities — net of effects from acquisition: | | |
| Accretion of common stock warrant liability | (3,175) | 5,080 |
| Accretion of Class B conversion liability | 44,119 | 39,737 |
| Depreciation and amortization | 12,233 | 10,410 |
| Accretion of contingent consideration | (3,922) | 210 |
| Share-based and other noncash incentive compensation | 3,762 | 1,557 |
| Amortization of deferred financing costs | 271 | 765 |
| Deferred income taxes and other | 2,013 | (8,943) |
| Change in operating assets and liabilities (net of assets acquired and liabilities assumed in acquisition): | | |
| Accounts receivable | (7,972) | (690) |
| Inventories | (4,979) | (7,121) |
| Prepaid expenses and other assets | (220) | (1,877) |
| Accounts payable and accrued liabilities and other | (793) | (5,959) |
| Deferred revenue | <u>(5,127)</u> | <u>660</u> |
| Net cash from operating activities | <u>35,194</u> | <u>32,813</u> |

CASH FLOWS FROM INVESTING ACTIVITIES:

| | | |
|--|----|---------|
| Acquisition of a business - net of cash acquired | -- | (1,807) |
|--|----|---------|

| | | |
|---|------------------|------------------|
| Proceeds from sale of assets | -- | 3,042 |
| Purchases of property and equipment | <u>(15,679)</u> | <u>(9,781)</u> |
| Net cash from investing activities | <u>(15,679)</u> | <u>(8,546)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from initial public offering, net of underwriters' discount | 98,175 | -- |
| Payment of Class B preference | (60,000) | -- |
| Financing and offering costs | (3,362) | (2,448) |
| Proceeds from stock option exercises | 527 | 611 |
| Payments on notes payable | -- | (30,000) |
| Payments on capital leases | -- | (1,426) |
| Proceeds from issuance of convertible preferred stock with warrants and conversion features | -- | 118,680 |
| Excess tax benefits | 214 | -- |
| Repurchase of common stock | (685) | -- |
| Payment of contingent consideration | (15,000) | (8,825) |
| Payment of dividends | (507) | (79,137) |
| Payments to Mimix Holdings, Inc. preferred and common stockholders | <u>(17)</u> | <u>--</u> |
| Net cash from financing activities | <u>19,345</u> | <u>(2,545)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 38,860 | 21,722 |
| CASH AND CASH EQUIVALENTS — Beginning of year | <u>45,668</u> | <u>23,946</u> |
| CASH AND CASH EQUIVALENTS — End of year | <u>\$ 84,528</u> | <u>\$ 45,668</u> |

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