ALPHA INDUSTRIES INC
Form S-4
March 05, 2002

AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON MARCH 5, 2002
REGISTRATION NO. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

ALPHA INDUSTRIES, INC.
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE	3674
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)

20 SYLVAN ROAD
WOBURN, MASSACHUSETTS 01801
(781) 935-5150
(Address, Including Zip Code, and Telephone Number,
Including Area Code, of Registrant's Principal Executive Offices)

DAVID J. ALDRICH
PRESIDENT AND CHIEF EXECUTIVE OFFICER
ALPHA INDUSTRIES, INC.
20 SYLVAN ROAD
WOBURN, MASSACHUSETTS 01801
(781) 935-5150
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code,
of Agent for Service)

COPIES TO:

MARGARET A. BROWN, ESQ.	JAMES K. JACOBS, ESQ.	DENNIS E. O'REILLY, ESQ.
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP	GENERAL COUNSEL	SENIOR VICE PRESIDENT, GENERAL COUNSEL AND SECRETARY
ONE BEACON STREET	ALPHA INDUSTRIES, INC.	CONEXANT SYSTEMS, INC.
BOSTON, MASSACHUSETTS 02108	20 SYLVAN ROAD	4311 JAMBOREE ROAD
(617) 573-4800	WOBURN, MASSACHUSETTS 01801	NEWPORT BEACH, CALIFORNIA 92660
	(781) 935-5150	(949) 483-4600

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO PUBLIC: As soon as practicable following the effective date of this registration statement and the date on which all other conditions to the merger of Washington Sub, Inc. with and into Alpha Industries, Inc. pursuant to the merger agreement described in the enclosed document have been satisfied or waived.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, 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, 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(d) 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. [ ] ____________

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED(1)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE(2)	PROPOSE AGGREGAT PRIC
Common Stock, par value $0.25 per share......	87,252,408 shares	$15.15	$1,321,8

(1) Estimated maximum number of shares of common stock of Alpha Industries, Inc. to be issued to holders of Washington Sub, Inc. common stock in connection with the merger of Washington with and into Alpha based on an exchange ratio of 0.342 of a share of Alpha common stock for each share of Washington common stock. Immediately prior to the merger, Washington, currently a wholly-owned subsidiary of Conexant Systems, Inc., will be spun-off to Conexant stockholders on a one share-for-one share basis. Based on approximately 255,124,000 shares of Conexant common stock and preferred stock outstanding as of January 25, 2002, an equal number of shares of Washington common stock are estimated to be outstanding immediately prior to the merger.

(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rules 457(c) and (f) under the Securities Act, based upon the average of the high and low prices of Alpha common stock on March 1, 2002, as reported on the Nasdaq National Market.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

[Alpha Logo] [Conexant Logo]

, 2002

To the Stockholders of Alpha Industries, Inc. and Conexant Systems, Inc.:

On December 17, 2001, Alpha Industries, Inc. and Conexant Systems, Inc. announced that they had entered into an agreement to merge Conexant's wireless communications business with Alpha to create the world's leading independent company focused exclusively on radio frequency and complete semiconductor system solutions for mobile communications applications. Under the agreement, Conexant will spin off its wireless communications business, including its gallium arsenide wafer fabrication facility located in Newbury Park, California, to Conexant stockholders, to be followed immediately by a merger of the wireless communications business with Alpha, with Alpha surviving the merger as the combined company. In the merger, each Conexant stockholder will receive 0.342 of a share of common stock of the combined company for each share of Conexant stock owned, and Alpha stockholders will continue to hold their shares of Alpha common stock as shares of the combined company. Upon completion of the merger, the combined company will purchase Conexant's assembly and test facility located in Mexicali, Mexico for $150 million. Immediately after the merger, approximately 67% of the outstanding shares of common stock of the combined company, on a fully diluted basis, will be owned by Conexant stockholders and approximately 33% will be owned by Alpha stockholders.

After careful consideration, the Alpha board of directors has unanimously determined that the merger is advisable and fair to, and in the best interests of, Alpha and its stockholders and has unanimously approved and adopted a merger agreement among Conexant, a subsidiary of Conexant and Alpha. The merger cannot be completed unless the holders of a majority of the outstanding shares of Alpha common stock entitled to vote on the merger proposal vote in favor of approval and adoption of the merger agreement and the merger. THE ALPHA BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT ALPHA STOCKHOLDERS VOTE FOR THE PROPOSAL TO APPROVE AND ADOPT THE MERGER AGREEMENT AND THE MERGER.

Conexant's board of directors also has determined that the combination of Conexant's wireless communications business with Alpha is advisable and in the best interests of Conexant and its stockholders, and has approved the proposed transaction. No vote of Conexant stockholders is required in connection with the spin-off transaction or the merger.

The Alpha board of directors is also asking Alpha stockholders to approve proposals to amend Alpha's 1996 Long-Term Incentive Plan and Directors' 2001 Stock Option Plan to increase the number of shares of common stock that may be issued under the plans. Completion of the merger is a condition to the effectiveness of the amendments to the plans, but approval of the amendments to the plans is not a condition to completion of the merger. THE ALPHA BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT ALPHA STOCKHOLDERS VOTE FOR THE PROPOSALS TO AMEND ALPHA'S 1996 LONG-TERM INCENTIVE PLAN AND DIRECTORS' 2001 STOCK OPTION PLAN.

Alpha has scheduled a special meeting of Alpha stockholders to vote on the merger proposal and the proposals to amend the 1996 Long-Term Incentive Plan and the Directors' 2001 Stock Option Plan. The special meeting will be held on , 2002, at a.m., Eastern Time, at the Four Points (Sheraton) Burlington Hotel, 30 Wheeler Road, Burlington, Massachusetts.

The following document is a proxy statement/prospectus of Alpha for use in soliciting proxies for Alpha's special meeting and relating to the issuance of shares of Alpha common stock in connection with the merger. It is also an information statement of Conexant relating to the spin-off of its wireless communications business. The proxy statement/prospectus-information statement contains important information describing the terms of the merger, the proposed Alpha plan amendments, Conexant's wireless communications business, Alpha and the combined company. We encourage you to read it carefully.

We are excited about the proposed transaction and we look forward to your continued support as the combined company and Conexant seek to capitalize on their many opportunities.

/s/ David J. Aldrich	/s/ Dwight W. Decker
David J. Aldrich	Dwight W. Decker, Ph.D.
President and Chief Executive Officer	Chairman of the Board and Chief Executive Officer
Alpha Industries, Inc.	Conexant Systems, Inc.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES TO BE ISSUED UNDER THIS PROXY STATEMENT/PROSPECTUS-INFORMATION STATEMENT OR DETERMINED IF THIS PROXY STATEMENT/PROSPECTUS-INFORMATION STATEMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS PROXY STATEMENT/PROSPECTUS-INFORMATION STATEMENT IS DATED , 2002 AND IS FIRST BEING MAILED TO ALPHA AND CONEXANT STOCKHOLDERS ON OR ABOUT , 2002.

ALPHA INDUSTRIES, INC.
20 SYLVAN ROAD
WOBURN, MASSACHUSETTS 01801

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD , 2002

To the Stockholders of Alpha Industries, Inc.:

A Special Meeting of Stockholders of Alpha Industries, Inc. will be held at a.m., Eastern Time, on , , 2002, at the Four Points (Sheraton) Burlington Hotel, 30 Wheeler Road, Burlington, Massachusetts. The special meeting is being held for the following purposes:

1. To consider and vote upon a proposal to approve and adopt the Agreement and Plan of Reorganization, dated as of December 16, 2001 (the "Merger Agreement"), by and among Conexant Systems, Inc., Washington Sub, Inc. and Alpha Industries, Inc. and the merger provided for by the Merger Agreement, pursuant to which Washington, which will hold the wireless communications business of Conexant (excluding certain assets and liabilities), will merge with and into Alpha, with Alpha surviving the merger.

2. To consider and vote upon a proposal to approve an amendment to Alpha's 1996 Long-Term Incentive Plan to increase the number of shares of common stock that may be issued under the plan by 1,885,000 shares (from 4,200,000 shares to 6,085,000 shares).

3. To consider and vote upon a proposal to approve an amendment to Alpha's Directors' 2001 Stock Option Plan to increase the number of shares of common stock that may be issued under the plan by 315,000 shares (from 250,000 shares to 565,000 shares).

4. To transact any and all other business that may properly come before the special meeting or any adjourned session of the special meeting.

The Merger Agreement, the merger and the amendments to Alpha's 1996 Long-Term Incentive Plan and Directors' 2001 Stock Option Plan are described more fully in the attached proxy statement/prospectus-information statement, and we urge you to read it carefully. All Alpha stockholders are cordially invited to attend the special meeting, although only those stockholders of record at the close of business on , 2002 are entitled to notice of the special meeting and to vote at the meeting, whether in person or by proxy.

THE ALPHA BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT ALPHA STOCKHOLDERS VOTE FOR APPROVAL AND ADOPTION OF THE MERGER AGREEMENT AND THE MERGER AND FOR APPROVAL OF THE PROPOSED AMENDMENTS TO ALPHA'S 1996 LONG-TERM INCENTIVE PLAN AND DIRECTORS' 2001 STOCK OPTION PLAN.

To ensure that your shares of Alpha common stock are represented at the special meeting, please complete, date and sign the enclosed proxy card and mail it promptly in the envelope provided. Any executed but unmarked proxy cards will be voted FOR approval and adoption of the Merger Agreement and the merger and FOR approval of the proposed amendments to Alpha's 1996 Long-Term Incentive Plan and Directors' 2001 Stock Option Plan. You may revoke your proxy in the manner described in the

accompanying proxy statement/prospectus-information statement before it has been voted at the special meeting.

By Order of the Board of Directors:

/s/ Paul E. Vincent
Paul E. Vincent
Secretary

, 2002

YOUR VOTE IS VERY IMPORTANT. THE MERGER CANNOT PROCEED UNLESS THE HOLDERS OF A MAJORITY OF THE OUTSTANDING SHARES OF ALPHA COMMON STOCK ENTITLED TO VOTE UPON THE MERGER PROPOSAL VOTE IN FAVOR OF PROPOSAL NO. 1. IN ADDITION, THE PROPOSED AMENDMENTS TO ALPHA'S 1996 LONG-TERM INCENTIVE PLAN AND DIRECTORS' 2001 STOCK OPTION PLAN WILL NOT BE ADOPTED UNLESS A MAJORITY OF THE VOTES PROPERLY CAST ARE VOTED IN FAVOR OF PROPOSAL NOS. 2 AND 3, RESPECTIVELY. PLEASE RETURN YOUR SIGNED AND DATED PROXY CARD AT YOUR EARLIEST CONVENIENCE.

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QUESTIONS AND ANSWERS

Q: WHAT ARE ALPHA INDUSTRIES, INC. STOCKHOLDERS BEING ASKED TO VOTE ON AT THE SPECIAL MEETING?

A: First, Alpha stockholders are being asked to approve and adopt the merger agreement and the merger of Washington Sub, Inc., currently a wholly-owned subsidiary of Conexant Systems, Inc. to which Conexant will contribute its wireless communications business (excluding certain assets and liabilities), with and into Alpha, with Alpha surviving the merger as the combined company (page 35). The Alpha board of directors has unanimously approved and adopted the merger agreement and the merger and unanimously recommends that Alpha stockholders vote FOR the proposal to approve and adopt the merger agreement and the merger (page 38).

Second, Alpha stockholders are being asked to approve an amendment to Alpha's 1996 Long-Term Incentive Plan to increase the number of shares of Alpha common stock that may be issued under the plan.

Third, Alpha stockholders are being asked to approve an amendment to Alpha's Directors' 2001 Stock Option Plan to increase the number of shares of Alpha common stock that may be issued under the plan.

Alpha believes the amendments to Alpha's 1996 Long-Term Incentive Plan and Directors' 2001 Stock Option Plan are advisable in connection with the increase in the number of employees and the addition of new officers and directors that will occur as a result of the merger. The Alpha board of directors unanimously recommends that Alpha stockholders vote FOR the proposals to approve the amendments to Alpha's 1996 Long-Term Incentive Plan and Directors' 2001 Stock Option Plan. Completion of the merger is a condition to the effectiveness of the amendments to the plans, but approval of the amendments to the plans is not a condition to completion of the merger (pages 78 and 81).

Q: WHAT WILL HAPPEN IN THE MERGER?

A: The merger will be accomplished by Conexant contributing its wireless communications business (excluding certain assets and liabilities) to Washington and distributing all of the outstanding shares of Washington common stock to the stockholders of Conexant on a one share-for-one share basis, immediately after which Washington will merge with and into Alpha. Alpha will be the surviving company in the merger. In the merger, stockholders of Conexant will receive 0.342 of a share of combined company common stock in exchange for each share of Washington common stock issued to them in the distribution and stockholders of Alpha will continue to hold their shares of Alpha common stock as shares of the combined company. Immediately following the merger, approximately 67% of the outstanding shares of common stock of the combined company, on a fully diluted basis, will be owned by Conexant stockholders and approximately 33% will be owned by Alpha stockholders (page 35).

Following the merger, the combined company will operate the combined business operations of Alpha and the wireless communications business of Conexant contributed to Washington and will adopt a new corporate name. The corporate name change will be effected by a means that will not require the approval of the stockholders of the combined company.

Q: WHAT WILL ALPHA STOCKHOLDERS RECEIVE IN THE MERGER?

A: Alpha stockholders are not exchanging their shares of Alpha common stock in the merger. All shares of Alpha common stock issued and outstanding immediately prior to the merger will remain issued and outstanding after completion of the merger as shares of the combined company.

Q: WHAT WILL CONEXANT STOCKHOLDERS RECEIVE IN THE MERGER?

A: In the merger, stockholders of Conexant will receive 0.342 of a share of combined company common stock in exchange for each share of Washington common stock issued to them in the distribution and the shares of Washington stock will be canceled and will cease to exist. In the distribution, Conexant stockholders will receive one share of Washington common stock for each share of Conexant stock held by

them. As a result, Conexant stockholders will receive 0.342 of a share of combined company common stock for each share of Conexant stock that they own as of the record date for the distribution. In addition, Conexant stockholders will continue to own their shares of Conexant stock.

No fractional shares of combined company common stock will be issued to Conexant stockholders in the merger. Conexant stockholders who otherwise would be entitled to a fraction of a share will receive a cash payment in lieu of issuance of that fractional share (page 48).

Q: WHAT STOCKHOLDER APPROVALS ARE NEEDED?

A: The merger cannot be completed unless the holders of a majority of the outstanding shares of Alpha common stock entitled to vote on the merger proposal vote in favor of approval and adoption of the merger agreement and the merger. No vote of Conexant stockholders is required or being sought in connection with the spin-off transaction or the merger. Conexant, as sole stockholder of Washington, has approved and adopted the merger agreement and the merger (page 35).

The directors and executive officers of Alpha have indicated that they intend to vote their shares of Alpha common stock FOR approval and adoption of the merger agreement and the merger. Each of the directors and certain executive officers of Alpha has also entered into an agreement with Conexant that requires the director or executive officer to vote in favor of approval and adoption of the merger agreement and the merger. As of the record date for the special meeting of Alpha stockholders, these directors and executive officers were entitled to vote approximately shares of Alpha common stock, or approximately % of the outstanding shares of Alpha common stock (page 33).

The proposed amendments to Alpha's 1996 Long-Term Incentive Plan and Directors' 2001 Stock Option Plan will not be adopted unless a majority of the votes properly cast are voted in favor of their adoption. The Alpha board of directors unanimously recommends that Alpha stockholders vote FOR approval and adoption of the proposed amendments to Alpha's 1996 Long-Term Incentive Plan and Directors' 2001 Stock Option Plan (pages 78 and 81).

Q: WHO IS ELIGIBLE TO VOTE AT THE ALPHA SPECIAL MEETING?

A: Holders of Alpha common stock are eligible to vote their shares of Alpha common stock at the special meeting if they were holders of record of those shares at the close of business on , 2002 (page 32).

Q: WHEN WILL THE MERGER BE COMPLETED?

A: If the merger agreement and the merger are approved by Alpha stockholders, Alpha and Conexant expect to complete the merger as soon as possible after the satisfaction or waiver (where permissible) of the conditions to the merger. One of the conditions to the merger is Conexant's receipt of a ruling from the Internal Revenue Service that the contribution of the wireless communications business of Conexant (excluding certain assets and liabilities) to Washington and the distribution of Washington common stock to Conexant stockholders generally will be tax-free to Conexant and its stockholders. Alpha and Conexant currently anticipate that the merger will be completed during the second calendar quarter of 2002 (page 49).

Q: WHAT SHOULD ALPHA STOCKHOLDERS DO NOW?

A: After carefully reading and considering the information contained in this proxy statement/prospectus-information statement, Alpha stockholders should complete and mail their signed and dated proxy card in the enclosed, postage-paid envelope as soon as possible so that their shares will be represented and voted at the Alpha special meeting.

ALPHA STOCKHOLDERS WILL NOT BE REQUIRED TO SURRENDER THEIR EXISTING ALPHA SHARES IN THE MERGER AND THEY SHOULD NOT SEND IN THEIR ALPHA STOCK CERTIFICATES.

Q: WHAT SHOULD CONEXANT STOCKHOLDERS DO NOW?

A: Conexant stockholders should carefully read this proxy statement/prospectus-information statement, which contains important information about the merger, the distribution of Washington common stock by Conexant to its stockholders, the wireless communications business of Conexant, Alpha and the combined company. Conexant stockholders are not required to take any action to approve the distribution of Washington common stock by Conexant to them or the merger of Washington with and into Alpha. Holders of Conexant stock entitled to receive shares of combined company common stock will be mailed after the merger book-entry statements evidencing their ownership of combined company common stock and other information regarding their receipt of combined company common stock.

CONEXANT STOCKHOLDERS WILL NOT BE REQUIRED TO SURRENDER THEIR EXISTING CONEXANT SHARES IN THE SPIN-OFF TRANSACTION OR THE MERGER AND THEY SHOULD NOT

SEND IN THEIR CONEXANT STOCK CERTIFICATES.

Q: CAN ALPHA STOCKHOLDERS CHANGE THEIR VOTE AFTER THEY MAIL THEIR PROXY CARD?

A: Yes. If you are a record holder of Alpha common stock and have mailed your proxy card, you can change your vote in any of the following ways:

- sending a written notice to the corporate secretary of Alpha that is received prior to the special meeting stating that you revoke your proxy;

- signing a new proxy card and returning it by mail to Alpha's transfer agent so that it is received prior to the special meeting; or

- attending the special meeting and voting in person.

If you are an Alpha stockholder and your shares are held in "street name" by your broker, you will need to contact your broker to revoke your proxy (page 33).

Q: WHAT IF MY SHARES OF ALPHA COMMON STOCK ARE HELD IN "STREET NAME" BY MY BROKER?

A: If you are an Alpha stockholder and your shares of Alpha common stock are held in "street name" by your broker, your broker will vote your shares with respect to the merger proposal only if you provide written instructions to your broker on how to vote, so it is important that you provide your broker with instructions. If you do not provide your broker with instructions, your broker will not be authorized to vote with respect to the merger proposal. To ensure that your broker receives your instructions, Alpha requests that you promptly send your broker your instructions in the envelope enclosed with this proxy statement/ prospectus-information statement. If your shares are held in street name by your broker and you wish to vote in person at the meeting, you must contact your broker and request a document called a "legal proxy". You must bring the legal proxy to the meeting in order to vote in person.

If you do not give voting instructions to your broker with respect to the merger proposal, you will, in effect, be voting against the merger proposal, unless you appear in person at the special meeting with a valid legal proxy from your broker and vote in favor of the merger proposal.

If your shares are held in street name by your broker, your broker may be permitted to vote your shares with respect to the proposals to approve the amendments to Alpha's 1996 Long-Term Incentive Plan and Directors' 2001 Stock Option Plan if these proposals are considered routine matters, even if you do not provide written instructions to your broker on how to vote. As a result, if you do not give your broker instructions on how to vote your shares, your broker may vote your shares in a manner different than you would have voted if you had provided instructions (page 32).

Q: WHO CAN ANSWER MY QUESTIONS?

A: If you are an Alpha stockholder and you have any questions about the merger, the special meeting, the proposed amendments to Alpha's 1996 Long-Term Incentive Plan and Directors' 2001 Stock Option Plan, or if you need assistance in voting your shares, please contact Alpha's proxy solicitor:

Morrow & Co., Inc.
14755 Preston Road, Suite 725
One Signature Place

Dallas, Texas 75240
Telephone: (972) 788-0977

All other questions should be directed to:

Alpha Industries, Inc.
20 Sylvan Road
Woburn, Massachusetts 01801
Attention: Investor Relations
Telephone: (781) 935-5150, extension 4798

If you are a Conexant stockholder and you have any questions regarding the merger, the distribution of shares of Washington common stock by Conexant to its stockholders or any other matter described in this proxy statement/prospectus-information statement, please direct your questions to:

Conexant Systems, Inc.
4311 Jamboree Road
Newport Beach, California 92660-3095
Attention: Shareowner Services
Telephone: (949) 483-4533

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SUMMARY

This summary highlights selected information from this proxy statement/prospectus-information statement and may not contain all of the information that is important to you. For a more complete description of the legal terms of the merger and to understand the merger and the other transactions described in this summary fully, you should carefully read this proxy statement/prospectus-information statement and the other documents to which we have referred you. See "Where You Can Find More Information". This proxy statement/prospectus-information statement is being provided to stockholders of Alpha Industries, Inc., which is referred to as "Alpha", and to stockholders of Conexant Systems, Inc., which is referred to as "Conexant". References to "Alpha" or "Conexant" include their respective subsidiaries unless otherwise noted. The terms "we", "us" and "our" in this proxy statement/prospectus-information statement refer to Alpha and Conexant, jointly.

THE COMPANIES

ALPHA INDUSTRIES, INC.
20 Sylvan Road
Woburn, Massachusetts 01801
(781) 935-5150

Alpha Industries, Inc., a Delaware corporation, manufactures and markets proprietary radio frequency and microwave integrated circuit-based solutions primarily for wireless communications. Alpha's products include modules, integrated circuits and discrete components, as well as electrical ceramics and ferrites. The primary applications for Alpha's products are wireless handsets and wireless base station equipment, together with wireless local area network, or LAN, wide area network, or WAN, and local loop applications.

WASHINGTON SUB, INC.
c/o Conexant Systems, Inc.
4311 Jamboree Road
Newport Beach, California 92660-3095
(949) 483-4600

Washington Sub, Inc., a Delaware corporation, is a newly-formed corporation that has not conducted any activities other than those incident to its formation and the matters contemplated by the merger agreement, which is described below. Washington is currently a wholly-owned subsidiary of Conexant Systems, Inc., a Delaware corporation. Prior to the merger of Washington with and into Alpha, Conexant will contribute to Washington the assets, liabilities (including liabilities relating to former operations) and operations of its wireless communications business, other than certain assets and liabilities retained by Conexant, and will distribute all of the outstanding shares of Washington common stock on a one share-for-one share basis to Conexant stockholders. In this proxy statement/prospectus-information statement, we refer to the business contributed to Washington by Conexant as the "Washington Business".

The Washington Business's wireless communications product portfolio is comprised of components, subsystems and system-level semiconductor solutions for wireless voice and data communications applications, supporting the world's most widely-adopted wireless standards, including: CDMA, or Code Division Multiple Access; TDMA, or Time Division Multiple Access; and GSM, or Global System for Mobile Communications. Wireless communications product offerings of the Washington Business include power amplifier modules, radio frequency components and subsystems and cellular systems.

CONEXANT SYSTEMS, INC.
4311 Jamboree Road
Newport Beach, California 92660-3095
(949) 483-4600

Conexant Systems, Inc., a Delaware corporation, is a worldwide leader in semiconductor system solutions for communications applications. Conexant's expertise in mixed-signal processing allows it to deliver integrated systems and semiconductor products which facilitate communications worldwide through wireline voice and data communications networks, cellular telephony systems and emerging cable, satellite and fixed wireless broadband communications networks. Conexant operates in two business segments: the Personal Networking business and Mindspeed Technologies(TM), its Internet infrastructure business. The Washington Business is currently part of Conexant's Personal Networking business.

THE MERGER

Alpha and Conexant have agreed to merge the Washington Business with Alpha's business pursuant to the terms of the Agreement and Plan of Reorganization, dated as of December 16, 2001, by and among Conexant, Washington and Alpha, which we refer to in this proxy statement/prospectus-information statement as the "merger agreement". In connection with the merger, Conexant will contribute the Washington Business to Washington pursuant to the terms of the Contribution and Distribution Agreement, dated as of December 16, 2001, by and between Conexant and Washington, which we refer to in this proxy statement/prospectus-information statement as the "distribution agreement". Immediately prior to the merger, Conexant will distribute all of the outstanding shares of Washington common stock to Conexant stockholders on a one share-for-one share basis. We refer in this proxy statement/prospectus-information statement to Conexant's contribution of the Washington Business to Washington and the subsequent distribution of Washington common stock to Conexant stockholders as the "spin-off transaction". Washington will then merge with Alpha in accordance with the terms of the merger agreement, and Alpha will be the surviving company in the merger. We refer in this proxy statement/prospectus-information statement to the surviving company in the merger as the "combined company".

Conexant stockholders will receive 0.342 of a share of combined company common stock in exchange for each share of Washington common stock issued to them in the distribution. Alpha stockholders will continue to hold their existing shares of Alpha common stock as shares of the combined company after the merger and will not receive any new shares in the merger.

Immediately after consummation of the merger, approximately 67% of the outstanding shares of common stock of the combined company, on a fully diluted basis, will be owned by Conexant stockholders and approximately 33% will be owned by Alpha stockholders.

Following the merger, the combined company will operate the combined business operations of Alpha and the Washington Business and will adopt a new corporate name. The corporate name change will be effected by a means that will not require the approval of the stockholders of the combined company. The combined company will have joint headquarters in Woburn, Massachusetts and Newport Beach, California. The fiscal year of the combined company will end on the Sunday closest to September 30.

We encourage you to read carefully the merger agreement and the distribution agreement, which are attached as Annexes A and B, respectively, because they set forth the legal terms of the merger, the contribution of the Washington Business to Washington and the distribution of Washington common stock to Conexant stockholders.

Upon completion of the merger, the combined company will purchase from Conexant:

- Conexant's semiconductor assembly and test facility located in Mexicali, Mexico and certain related assets, pursuant to the Mexican Stock and Asset Purchase Agreement, dated as of December 16, 2001, between Conexant and Alpha, which we refer to in this proxy statement/prospectus-information statement as the "Mexican purchase agreement"; and

- Conexant's package design team that supports the Mexicali facility, pursuant to the U.S. Asset Purchase Agreement, dated as of December 16, 2001, between Conexant and Alpha, which we refer to in this proxy statement/prospectus-information statement as the "U.S. purchase agreement".

The combined company will pay Conexant $150 million for the purchase of Conexant's Mexicali facility, the package design team and certain related assets. The satisfaction of the conditions to closing set forth in the Mexican purchase agreement is a condition to the obligations of Alpha and Washington to complete the merger.

ALPHA BOARD OF DIRECTORS' RECOMMENDATION TO ALPHA STOCKHOLDERS; REASONS FOR THE MERGER

The Alpha board of directors has determined that the merger is advisable and fair to, and in the best interests of, Alpha and its stockholders and unanimously recommends that Alpha stockholders vote FOR the proposal to approve and adopt the merger agreement and the merger.

Alpha believes that the combination of Alpha and the Washington Business will create the world's leading independent company focused exclusively on radio frequency and semiconductor systems solutions for mobile communications applications. Alpha believes that the combination of the two complementary wireless businesses will enable the combined company to offer a more comprehensive portfolio of technology and products to an expanded customer base.

OPINION OF ALPHA'S FINANCIAL ADVISOR

In deciding to approve the merger, the Alpha board of directors considered an opinion delivered to it by U.S. Bancorp Piper Jaffray, its financial advisor, that, as of the date of the opinion, based upon and subject to the assumptions, factors and limitations set forth in the opinion, the consideration to be paid by Alpha to the holders of Washington common stock in the merger pursuant to the merger agreement was fair, from a financial point of view, to Alpha and its stockholders (other than Conexant, Washington and their affiliates). A copy of the opinion is attached as Annex C. Alpha encourages you to read the opinion in its entirety.

REGULATORY APPROVALS

Alpha and Washington cannot complete the merger until they submit the filings required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 to the Department of Justice and the Federal Trade Commission and satisfy waiting period requirements. Alpha and Washington submitted the required filings under the Hart-Scott-Rodino Act and early termination of the waiting period under this Act was granted on January 29, 2002.

Alpha and Washington also have made filings to obtain approval of the merger from the Finnish Competition Authority. Alpha and Washington will make filings to obtain approval of the merger from the Swedish Competition Authority and with other foreign regulatory agencies as required.

ACCOUNTING TREATMENT

The merger will be accounted for under the purchase method of accounting and Washington will be considered the acquiror of Alpha for accounting purposes.

TREATMENT OF STOCK OPTIONS

In the merger, each outstanding option to purchase Washington common stock resulting from the adjustment to outstanding options to purchase Conexant common stock in connection with the distribution of Washington common stock will be converted into an option to purchase a number of shares of combined company common stock that is equal to the product of 0.342 multiplied by the number of shares of Washington common stock subject to the Washington option immediately before the conversion, rounded down to the nearest whole share. The exercise price per share of the converted option will be

equal to the exercise price per share of the Washington option immediately before the conversion divided by 0.342, rounded up to the nearest whole cent.

Each option to purchase shares of Alpha common stock outstanding immediately prior to the effective time of the merger will remain outstanding as an option to purchase shares of combined company common stock, without adjustment.

EXCHANGE OF SHARES; TREATMENT OF FRACTIONAL SHARES

Conexant stockholders will receive shares of the combined company in book-entry form. As soon as practicable after the effective time of the merger, the exchange agent will mail to Conexant stockholders account statements indicating the number of whole shares of combined company common stock owned by each stockholder as a result of the conversion of the shares of Washington common stock in the merger. No fractional shares of combined company common stock will be issued in the merger and each Conexant stockholder will receive a check representing the amount of cash in lieu of fractional shares payable by the combined company to the stockholder.

MANAGEMENT AND OPERATIONS OF THE COMBINED COMPANY AFTER THE MERGER

After the merger, David J. Aldrich, currently president and chief executive officer of Alpha, will be chief executive officer of the combined company and Paul E. Vincent, currently vice president, chief financial officer, treasurer and secretary of Alpha, will be vice president and chief financial officer of the combined company. The board of directors of the combined company will be comprised of nine directors. Four directors of the combined company, including Mr. Aldrich, will be selected from among Alpha's current directors, and four directors, including Dwight W. Decker, chairman and chief executive officer of Conexant, who will serve as chairman of the board of directors of the combined company, will be selected by Conexant. Alpha and Conexant will jointly select the remaining director.

NO DISSENTERS' OR APPRAISAL RIGHTS

Alpha stockholders will not be entitled to exercise dissenters' or appraisal rights or to demand payment for their shares in connection with the merger.

CONDITIONS

The respective obligations of Washington and Alpha to complete the merger are subject to the satisfaction or waiver of various conditions, including approval and adoption of the merger agreement and the merger by Alpha stockholders, receipt of regulatory approvals and receipt by Conexant of a favorable IRS ruling with respect to the tax-free nature of the spin-off transaction.

TERMINATION OF THE MERGER AGREEMENT; TERMINATION FEE

Conexant and Alpha can mutually agree to terminate the merger agreement. In addition, either Conexant or Alpha can decide, without the consent of the other, to terminate the merger agreement in a number of situations, including the failure to complete the merger by September 30, 2002, the final denial of a required regulatory approval or the failure by Alpha stockholders to approve and adopt the merger agreement and the merger. In addition, Conexant can decide, without the consent of Alpha, to terminate the merger agreement in a number of situations, including specified circumstances relating to a withdrawal or modification by Alpha's board of directors of its recommendation to Alpha stockholders to approve and adopt the merger agreement and the merger.

Alpha has agreed to pay Conexant a termination fee of $45 million if the merger agreement has been terminated under specified circumstances relating to a competing transaction or if Conexant terminates the merger agreement as a result of certain actions or failures to act by Alpha or its board of directors.

THE SPIN-OFF TRANSACTION

THE DISTRIBUTION

In the distribution of Washington common stock, each Conexant stockholder will receive one share of Washington common stock for each share of Conexant common stock or Conexant Series B voting preferred stock held as of the record date for the distribution. On the distribution date, each record holder of

Conexant common stock or Conexant Series B voting preferred stock who receives shares of Washington common stock will be credited through book-entry in Washington's records with the number of shares of Washington common stock received by the stockholder.

Conexant stockholders will not be required to pay for shares of Washington common stock received in the distribution, or to surrender or exchange shares of Conexant stock or take any other action in order to be entitled to receive Washington common stock. All shares of Washington common stock issued in the distribution will be immediately converted in the merger into the right to receive 0.342 of a share of combined company common stock in exchange for each share of Washington common stock and the Washington shares will be canceled and will cease to exist. After the merger, Conexant stockholders will not have any rights in the shares of Washington common stock other than the right to receive the shares of combined company common stock.

The distribution of Washington common stock will not cancel or affect the number of outstanding shares of Conexant stock. Conexant stockholders should retain their Conexant stock certificates.

CONDITIONS TO THE COMPLETION OF THE DISTRIBUTION

The distribution of Washington common stock is subject to the satisfaction or waiver of certain conditions set forth in the distribution agreement, including:

- Conexant's board of directors' satisfaction that, after giving effect to the contribution, Conexant will not be insolvent or have unreasonably small capital and will have sufficient surplus under Delaware law to permit the distribution of Washington common stock; and

- the satisfaction or waiver of all conditions to the merger under the merger agreement, including receipt of a favorable IRS ruling with respect to the tax-free nature of the spin-off transaction.

Conexant's board of directors, in its sole discretion, may waive any and all of the conditions but has no obligation to do so.

CONTRIBUTION OF THE WASHINGTON BUSINESS

Prior to the distribution, Conexant will transfer to Washington specifically identified assets, including stock of certain subsidiaries, and other categories of assets used primarily in or related primarily to the Washington Business and Washington will assume specifically identified liabilities and liabilities to the extent related to the Washington Business.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE SPIN-OFF TRANSACTION AND THE MERGER

The spin-off transaction is conditioned upon receipt of a ruling from the IRS to the effect that the spin-off transaction will qualify as a reorganization under Sections 355 and 368 of the Internal Revenue Code of 1986 and the merger is conditioned upon the receipt of opinions of counsel to Alpha and Conexant that the merger will qualify as a reorganization under Section 368 of the Internal Revenue Code. So long as the spin-off transaction and merger so qualify, then:

- no taxable gain or loss will generally be recognized by a Conexant stockholder as a result of the distribution or receipt of Washington common stock in the spin-off transaction;

- no taxable gain or loss will generally be recognized by Conexant so long as the spin-off transaction is not disqualified as tax-free to Conexant under Section 355(e) of the Internal Revenue Code

because of certain acquisitions of Conexant common stock or combined company common stock by a third party; and

- no taxable gain or loss will generally be recognized by Alpha, Washington, an Alpha stockholder or a Conexant stockholder in the merger (except with respect to cash received by Conexant stockholders in lieu of a fractional share interest in common stock of the combined company).

AGREEMENTS RELATING TO THE SPIN-OFF TRANSACTION

Conexant and Washington have entered into, or prior to the distribution of Washington common stock will enter into, various agreements that will govern the spin-off transaction and various interim and ongoing relationships between Conexant and the combined company, including:

- the distribution agreement;

- an employee matters agreement;

- a tax allocation agreement;

- a transition services agreement;

- a supply agreement with respect to the supply of products and services to the combined company by the Newport Beach, California wafer fabrication facility currently owned by Conexant, referred to in this proxy statement/prospectus-information statement as the "Newport supply agreement"; and

- a supply agreement with respect to the supply of products and services to Conexant by the combined company's Newbury Park, California wafer fabrication facility, referred to in this proxy statement/prospectus-information statement as the "Newbury supply agreement".

MEXICALI SALE

Immediately following the completion of the merger, Conexant will sell to the combined company all of the stock of Conexant Systems, S.A. de C.V., which owns Conexant's Mexicali assembly and test facility and which we refer to in this proxy statement/prospectus-information statement as "Maquiladora". In addition, Conexant will sell to the combined company certain Mexican assets used in connection with the business of Maquiladora and certain U.S. assets utilized by Conexant's package design team employees who are located at its facilities in Newport Beach, California. We refer in this proxy statement/prospectus-information statement to the business and operations of Maquiladora and the package design team collectively as the "Mexicali Operations".

The aggregate purchase price to be paid by the combined company to Conexant for the stock of Maquiladora, the Mexican assets and the U.S. assets is $150 million. The combined company may elect to pay the purchase price in cash or by delivering a short-term promissory note to Conexant, which would be secured by all current and future assets of the combined company and its subsidiaries, including stock of subsidiaries.

The obligations of each of the parties to complete these sales are subject to the satisfaction of various conditions, including entering into a facility services agreement providing for the supply of assembly and test services after the closing of the merger by the combined company to Conexant and for the supply of transition services after the closing of the merger by Conexant to the combined company.

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PROPOSED AMENDMENTS TO ALPHA'S 1996 LONG-TERM INCENTIVE PLAN AND DIRECTORS' 2001 STOCK OPTION PLAN

The Alpha board of directors is asking Alpha stockholders to approve proposals to amend Alpha's 1996 Long-Term Incentive Plan and Directors' 2001 Stock Option Plan to increase the number of shares of common stock that may be issued under the plans. The remaining shares authorized for issuance under the 1996 plan and the 2001 plan are expected to be insufficient for purposes of the plans, largely due to the increase in the number of employees and the addition of new officers and directors that will occur as a result of the merger. Accordingly, the Alpha board of directors has adopted, subject to approval by Alpha stockholders, an amendment to the 1996 plan increasing the number of shares of common stock that may be issued under the 1996 plan by 1,885,000 shares (from 4,200,000 shares to 6,085,000 shares) and an amendment to the 2001 plan increasing the number of shares of common stock that may be issued under the 2001 plan by 315,000 shares (from 250,000 shares to 565,000 shares).

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SUMMARY SELECTED HISTORICAL AND PRO FORMA COMBINED FINANCIAL DATA OF THE WASHINGTON BUSINESS AND THE MEXICALI OPERATIONS

The following table presents the summary selected historical and pro forma combined financial data of the Washington Business and the Mexicali Operations. For financial accounting purposes, the sale of the Mexicali Operations by Conexant to the combined company will be treated as if Conexant had contributed the Mexicali Operations to Washington as part of the spin-off transaction, and the $150 million purchase price will be treated as a return of capital to Conexant. Consequently, the summary selected historical and pro forma combined financial data presented below includes the Mexicali Operations for all periods presented. We refer to the Washington Business and the Mexicali Operations together as "Washington/Mexicali".

The Washington/Mexicali combined statement of operations data for the years ended September 30, 1999, 2000 and 2001 and the Washington/Mexicali combined balance sheet data as of September 30, 2000 and 2001 have been derived from the audited Combined Financial Statements of the Washington Business and the Mexicali Operations included in this proxy statement/prospectus-information statement. The Washington/Mexicali combined statement of operations data for the three months ended December 31, 2000 and 2001 and the Washington/Mexicali combined balance sheet data as of December 31, 2001 have been derived from Washington/Mexicali's unaudited combined financial statements included in this proxy statement/prospectus-information statement. The Washington/Mexicali combined statement of operations data for the years ended September 30, 1997 and 1998 and the Washington/Mexicali combined balance sheet data as of September 30, 1997, 1998 and 1999 have been derived from Washington/Mexicali's unaudited combined financial statements which are not presented in this proxy statement/prospectus-information statement. The historical financial information may not be indicative of Washington/Mexicali's future performance and does not reflect what the results of operations and financial position of Washington/Mexicali would have been had it operated as an independent company during the periods presented.

The Washington/Mexicali summary pro forma combined balance sheet data as of December 31, 2001 have been derived from the Unaudited Pro Forma Condensed Combined Financial Information of the Washington Business and the Mexicali Operations included in this proxy statement/prospectus-information statement. This information is based on Washington/Mexicali's unaudited combined financial statements and gives effect to the spin-off transaction as if it had been completed on December 31, 2001. The summary pro forma combined balance sheet data are not necessarily indicative of Washington/Mexicali's financial position had the spin-off transaction been completed on December 31, 2001. In the spin-off transaction, Conexant will retain certain assets and liabilities of Washington/Mexicali. The retention of these assets and liabilities will have no pro forma effect on the Washington/Mexicali combined statements of operations, and therefore no pro forma adjustments are made to the Washington/Mexicali historical combined statements of operations to give effect to the spin-off transaction.

This information is only a summary and should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations of the Washington Business and the Mexicali Operations, the Combined Financial Statements of the Washington Business and the Mexicali Operations and the notes thereto, the Historical Selected Combined Financial Data of the Washington Business and the Mexicali Operations and the Unaudited Pro Forma Condensed Combined Financial Information of the Washington Business and the Mexicali Operations included in this proxy statement/prospectus-information statement.

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	YEAR ENDED SEPTEMBER 30,					THREE MONTH DECEMBER
	1997	1998	1999	2000(1)	2001(1)	2000
				(IN THOUSANDS)		
STATEMENT OF OPERATIONS DATA:						
Net revenues:						
Third parties.............	$ 49,201	$ 79,066	$176,015	$312,983	$ 215,502	$ 68,518
Conexant..................	30,818	33,205	40,400	65,433	44,949	16,978
Total net revenues..........	80,019	112,271	216,415	378,416	260,451	85,496
Net loss(2).................	(54,134)	(43,284)	(14,915)	(66,479)	(318,924)	(53,964)

	SEPTEMBER 30,					DECEMBER 31	
	1997	1998	1999	2000(1)	2001(1)	ACTUAL	PRO
				(IN THOUSANDS)			
BALANCE SHEET DATA:							
Working capital..........	$ 43,671	$ 20,800	$ 58,741	$141,102	$ 63,311	$ 62,469	$
Total assets.............	159,124	206,282	295,276	507,006	317,058	312,870	
Long-term liabilities.....	1,549	2,063	3,335	3,767	3,806	3,772	
Conexant's net investment.............	147,474	190,165	278,935	471,869	290,432	275,809	

	YEAR ENDED SEPTEMBER 30,					THREE MONTH DECEMBER
	1997	1998	1999	2000(1)	2001(1)	2000
				(IN THOUSANDS)		
OTHER FINANCIAL DATA(5):						
Adjusted operating loss.....	$(53,057)	$(43,541)	$(11,783)	(35,792)	$(213,372)	$(49,951)
Adjusted net loss..........	(54,134)	(43,064)	(13,483)	(36,790)	(214,781)	(50,227)

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(1) In fiscal 2000, Conexant acquired Philsar Semiconductor Inc., which became part of Washington/Mexicali. As a result of the acquisition of Philsar, during fiscal 2000 and 2001 Washington/Mexicali recorded $5.3 million and $15.3 million, respectively, in amortization of goodwill and other acquisition-related intangible assets and in fiscal 2000 Washington/Mexicali recorded a charge of $24.4 million related to purchased in-process research and development.

(2) In fiscal 2001, Washington/Mexicali recorded special charges of $88.9 million, principally related to the impairment of certain wafer fabrication assets and restructuring activities. In addition, Washington/Mexicali recorded inventory write-downs of $58.7 million in fiscal 2001.

(3) In the spin-off transaction, Conexant will retain certain assets and liabilities of Washington/Mexicali. The assets include cash and cash equivalents, receivables (including amounts receivable from Conexant) and certain other assets included in "other current assets" and "other assets" on Washington/Mexicali's historical unaudited combined balance sheet. In addition, Conexant will remain obligated for payment of Washington/Mexicali's accounts payable.

(4) The retention of certain assets and liabilities by Conexant is reflected as an adjustment to Conexant's net investment in Washington/Mexicali.

(5) Adjusted operating income (loss) and adjusted net income (loss) exclude the amortization of intangible assets, special charges and purchased in-process research and development. Washington/Mexicali believes these measures of earnings provide a better understanding of its underlying operating results and uses these measures internally to evaluate its underlying operating performance. These measures of earnings are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from pro forma or other similarly-titled measures used by other companies. See "Management's Discussion and Analysis of Financial Condition and Results of Operations of the Washington Business and the Mexicali Operations".

ALPHA SELECTED HISTORICAL FINANCIAL DATA

Alpha is providing the following information to aid you in your analysis of the financial aspects of the merger. Alpha derived the information for each of the years in the five-year period ended April 1, 2001, and as of the end of each such year, from, and such information should be read in conjunction with, Alpha's historical audited financial statements. Alpha derived the financial information as of and for the nine months ended December 31, 2000 and December 30, 2001, from its unaudited financial statements. These statements include, in the opinion of management, all normal and recurring adjustments that are necessary for a fair statement of results. The operating results for the nine months ended December 30, 2001 are not necessarily indicative of the results that may be expected for the year ending March 31, 2002. This information is only a summary and you should read it in conjunction with Alpha's consolidated financial statements and related notes contained in Alpha's annual reports on Form 10-K and quarterly reports on Form 10-Q filed with the Securities and Exchange Commission.

	YEAR ENDED				
	MARCH 30, 1997	MARCH 29, 1998	MARCH 28, 1999	APRIL 2, 2000	APRIL 1, 2001
	(IN THOUSANDS, EXCEPT PER SHARE DAT				
STATEMENT OF OPERATIONS DATA:					
Net sales..........................	$ 85,253	$116,881	$126,413	$186,402	$271,568
Net income (loss)..................	$(15,572)	$ 10,161	$ 19,263	$ 17,982	$ 33,373
Basic earnings (loss) per share....	$ (0.48)	$ 0.31	$ 0.56	$ 0.44	$ 0.78
Diluted earnings (loss) per share...........................	$ (0.48)	$ 0.30	$ 0.54	$ 0.42	$ 0.75
Shares used in computing:					
Basic earnings (loss) per share.........................	32,208	33,268	34,314	40,659	43,029
Diluted earnings (loss) per share.........................	32,208	34,088	35,406	42,822	44,752

	AS OF				
	MARCH 30, 1997	MARCH 29, 1998	MARCH 28, 1999	APRIL 2, 2000	APRIL 1, 2001
	(IN THOUSANDS)				
BALANCE SHEET DATA:					
Working capital....................	$ 32,647	$ 38,620	$ 51,154	$170,357	$188,288
Total assets.......................	71,979	92,524	120,683	281,024	337,019
Long-term debt.....................	3,606	1,625	713	345	235
Other long-term liabilities........	1,494	2,370	4,856	5,538	5,893
Stockholders' equity...............	50,108	71,287	94,252	242,093	299,178

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SELECTED COMBINED COMPANY UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following selected unaudited pro forma combined financial information has been derived from and should be read in conjunction with the Combined Company Unaudited Pro Forma Condensed Combined Financial Information and related notes included elsewhere in this proxy statement/prospectus-information statement. This information is based on the historical consolidated balance sheets and related historical statements of operations of Alpha and the historical combined balance sheets and related historical combined statements of operations of the Washington Business and the Mexicali Operations, giving effect to the spin-off transaction and the merger using the purchase method of accounting for business combinations, the purchase by the combined company of the Mexicali Operations and the adoption by the combined company of a September 30 fiscal year. This information is for illustrative purposes only. The companies may have performed differently had they always been combined. You should not rely on the selected unaudited pro forma combined financial information as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that the combined company will experience after the merger.

	TWELVE MONTHS ENDED SEPTEMBER 30, 2001	THREE MONTHS END DECEMBER 31, 200
	(IN THOUSANDS, EXCEPT PER SHARE DATA)	
PRO FORMA STATEMENT OF OPERATIONS DATA:		
Net sales..	$ 458,310	$ 126,850
Net loss...	$(337,271)	$ (47,442)
Basic loss per share.................................	$ (2.65)	$ (0.36)
Diluted loss per share...............................	$ (2.65)	$ (0.36)
Shares used in computing:		
Basic loss per share.................................	127,241	131,154
Diluted loss per share...............................	127,241	131,154

	AS OF DECEMBER 31, 200
PRO FORMA BALANCE SHEET DATA(1):	
Working capital......................................	$ (17,768)
Total assets...	1,359,452
Long-term debt.......................................	139
Other long-term liabilities..........................	6,233
Stockholders' equity.................................	1,151,148

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(1) The historical combined balance sheet data of the Washington Business and the Mexicali Operations have been adjusted to reflect the assets and liabilities of Washington/Mexicali that will be retained by Conexant in the spin-off transaction.

SELECTED UNAUDITED COMPARATIVE PER SHARE INFORMATION

The following table sets forth certain historical per share data of Alpha and combined per share data of Alpha and the Washington Business and the Mexicali Operations on an unaudited pro forma combined basis giving effect to the spin-off transaction, the merger, the purchase by the combined company of the Mexicali Operations and the adoption by the combined company of a September

30 fiscal year. This information should be read in conjunction with the selected historical financial data and the Combined Company Unaudited Pro Forma Condensed Combined Financial Information and related notes included elsewhere in this proxy statement/prospectus-information statement, and the separate historical financial statements of Alpha and the Washington Business and the Mexicali Operations and the related notes, included or incorporated by reference in this proxy statement/prospectus-information statement. The unaudited pro forma combined information provided below is for illustrative purposes only. The companies may have performed differently had they always been combined. You should not rely on this information as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that the combined company will experience after the merger.

	AS OF AND FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2001	AS OF AND FOR TH THREE MONTHS END DECEMBER 31, 200
ALPHA -- HISTORICAL:		
Basic earnings (loss) per share from continuing operations..	$ 0.18	$(0.07)
Diluted earnings (loss) per share from continuing operations..	0.18	(0.07)
Cash dividends declared per common share.................	--	--
Book value per common share.............................	$ 6.85	$ 6.79
PRO FORMA COMBINED:		
Basic loss per share from continuing operations..........	$(2.65)	$(0.36)
Diluted loss per share from continuing operations........	(2.65)	(0.36)
Cash dividends declared per common share.................	--	--
Book value per common share.............................		$ 8.75

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RISK FACTORS

You should carefully consider and evaluate all of the information in this proxy statement/prospectus-information statement, including the risk factors listed below. Any of these risks could materially and adversely affect the combined company's business, financial condition and results of operations, which in turn could materially and adversely affect the price of the combined company's common stock.

RISKS RELATED TO THE SPIN-OFF TRANSACTION AND THE MERGER

OBTAINING REQUIRED REGULATORY APPROVALS MAY DELAY CONSUMMATION OF THE MERGER.

Consummation of the merger is conditioned upon the receipt of all material governmental consents, approvals, orders and authorizations, including the receipt of approvals from foreign regulatory agencies, and the receipt by Conexant of a ruling from the IRS regarding the tax-free nature of the spin-off transaction. We intend to pursue vigorously all other required governmental approvals. While we do not know of any reason why we would not be able to obtain the necessary approvals in a timely manner, the requirement for these approvals could delay the consummation of the merger, possibly for a significant period of time, after Alpha stockholders have approved the merger proposal at the special meeting. See "The Merger -- Regulatory Approvals" for a description of the regulatory approvals necessary in connection with the merger.

THE COMBINED COMPANY MAY BE UNABLE SUCCESSFULLY TO INTEGRATE ALPHA, THE WASHINGTON BUSINESS AND THE MEXICALI OPERATIONS AND REALIZE THE FULL BENEFITS WE ANTICIPATE.

The merger involves the integration of businesses that have previously operated separately. The difficulties of combining the operations of the businesses include:

- the challenge of effecting integration while carrying on an ongoing business;

- the necessity of coordinating geographically separate organizations; and

- integrating personnel with diverse business backgrounds.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of one or more of the combined company's businesses and the loss of key personnel. The diversion of management's attention and any delays or difficulties encountered in connection with the merger and the integration of the two companies' operations could have an adverse effect on the business, financial condition or results of operations of the combined company.

Among the factors considered by the Conexant and Alpha boards of directors in connection with their respective approvals of the merger were the benefits of the more diversified product line, the broader customer base and the enhanced technology capabilities that are expected to result from the merger. We cannot assure you that these benefits will be realized within the time periods contemplated or at all.

THE COMBINED COMPANY'S BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS MAY SUFFER IF MATERIAL CONTRACTS OF THE WASHINGTON BUSINESS AND/OR THE MEXICALI OPERATIONS CANNOT ULTIMATELY BE ASSUMED BY THE COMBINED COMPANY FOLLOWING THE MERGER WITHOUT ADVERSE CHANGES TO THEIR EXISTING TERMS.

The existing material contracts under which the Washington Business operates have been entered into by Conexant and may need to be assigned by Conexant to Washington, or Washington or the combined company may need to enter into new contracts with the parties to these contracts. In addition, existing material contracts under which the Mexicali Operations conduct business have been entered into by Conexant and may need to be assigned by Conexant to the combined company or the combined company may need to enter into new contracts. In many cases, consent of the parties to these contracts is required for the assignment or in connection with the merger. The parties to these contracts may not be willing to permit the transfer of the contracts to the combined company at all or may be willing to permit the transfer only on terms less favorable than those currently in effect. If the parties to these contracts are unwilling to consent to their assignment or to the merger, or refuse to do business with the combined

company or demand revised business terms from the combined company, the combined company's business, financial condition and results of operations could suffer.

IF THE SPIN-OFF TRANSACTION OR THE MERGER DOES NOT QUALIFY AS A REORGANIZATION FOR U.S. FEDERAL INCOME TAX PURPOSES EITHER AS A RESULT OF ACTIONS TAKEN IN CONNECTION WITH THE SPIN-OFF TRANSACTION OR THE MERGER OR AS A RESULT OF CERTAIN ACQUISITIONS OF STOCK OF CONEXANT OR THE COMBINED COMPANY,

CONEXANT, WASHINGTON, CONEXANT STOCKHOLDERS AND/OR THE COMBINED COMPANY MAY BE RESPONSIBLE FOR PAYMENT OF U.S. FEDERAL INCOME TAXES, WHICH MAY BE VERY SUBSTANTIAL IN AMOUNT.

The spin-off transaction is conditioned upon the receipt of a ruling from the IRS to the effect that the spin-off transaction will qualify as a reorganization for U.S. federal income tax purposes. While the tax ruling generally will be binding on the IRS, the continuing validity of the ruling will be subject to certain factual representations and assumptions. The merger is also conditioned upon the receipt of opinions from Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to Alpha, and Chadbourne & Parke LLP, counsel to Conexant, that the merger will constitute a reorganization for U.S. federal income tax purposes, based in part on certain factual representations and assumptions.

The tax allocation agreement to be entered into among Conexant, Washington and Alpha generally provides that the combined company will be responsible for any taxes imposed on Conexant, Washington or Conexant stockholders as a result of either:

- the failure of the spin-off transaction to qualify as a reorganization for U.S. federal income tax purposes, or

- the subsequent disqualification of the distribution of Washington common stock to Conexant stockholders in connection with the spin-off transaction as a tax-free transaction to Conexant for U.S. federal income tax purposes,

if such failure or disqualification is attributable to certain post-spin-off transaction actions by or in respect of the combined company (including its subsidiaries) or its stockholders, such as the acquisition of the combined company by a third party at a time and in a manner that would cause such failure or disqualification. For example, even if the spin-off transaction otherwise qualifies as a reorganization for U.S. federal income tax purposes, the distribution of the Washington common stock to Conexant stockholders in connection with the spin-off transaction may be disqualified as tax-free to Conexant if there is an acquisition of stock of the combined company as part of a plan (or series of related transactions) that include the spin-off transaction and that results in a deemed acquisition of 50% or more of Washington common stock. The merger will be treated as resulting in a deemed acquisition by Alpha stockholders of approximately 33% of Washington common stock. For purposes of this test, any acquisitions of Conexant stock or combined company stock within two years before or after the spin-off transaction are presumed to be part of such a plan, although the combined company or Conexant may be able to rebut that presumption. The process for determining whether a change of ownership has occurred under the tax rules is complex and uncertain. If the combined company does not carefully monitor its compliance with these rules, the combined company might inadvertently cause or permit a change of ownership to occur, triggering the combined company's obligation to indemnify Conexant pursuant to the tax allocation agreement. In addition, the combined company's indemnity obligation could discourage or prevent a third party from making a proposal to acquire the combined company.

If the combined company were required to pay any of the taxes described above, the payment would be very substantial and would be expected to have a material adverse effect on the combined company's business, financial condition, results of operation and cash flow.

RISK FACTORS RELATED TO THE COMBINED COMPANY'S BUSINESS FOLLOWING THE MERGER

References in this section to Alpha's fiscal year refer to the fiscal year which ends on the Sunday closest to March 31 of each year and references to Washington/Mexicali's fiscal year refer to the fiscal year which ends on the Friday closest to September 30 of each year. References in this section to "Washington/Mexicali" refer to the Washington Business and the Mexicali Operations together.

EACH OF WASHINGTON/MEXICALI AND ALPHA HAS RECENTLY INCURRED SUBSTANTIAL OPERATING LOSSES AND THE COMBINED COMPANY ANTICIPATES FUTURE LOSSES.

During fiscal 2001, Washington/Mexicali's operating results were adversely affected by sharply reduced end-customer demand in many of the communications electronics end-markets for its products. As a result, Washington/Mexicali incurred a net loss of approximately $318.9 million for fiscal 2001 and a net loss of approximately $34.3 million for the first three months of fiscal 2002. During the first nine months of fiscal 2002, Alpha's operating results were adversely affected by a global economic slowdown and an abrupt decline in demand for many of the end-user products that incorporate wireless communications semiconductor products and system solutions. As a result, Alpha incurred a net loss of approximately $9.8 million for the first nine months of fiscal 2002.

During fiscal 2001, Washington/Mexicali implemented a number of expense reduction and restructuring initiatives to more closely align its cost structure with the weakened business environment for wireless communications products. The cost reduction initiatives included a worldwide workforce reduction, temporary shutdowns of manufacturing facilities, significant reductions in capital spending and the consolidation of certain facilities. However, these expense reduction initiatives alone will not return Washington/Mexicali to profitability. During fiscal 2001, Alpha also implemented a number of expense reduction initiatives, including a work force reduction, a modification of employee work schedules and reduced discretionary spending. We expect that reduced end-customer demand, underutilization of the combined company's manufacturing capacity, changes in the combined company's revenue mix and other factors will continue to adversely affect the combined company's operating results in the near term and we anticipate that the combined company will incur additional losses in the fiscal year ending September 30, 2002. In order to return to profitability, the combined company must achieve substantial revenue growth and the combined company will face an environment of uncertain demand in the markets for its products. We cannot assure you as to whether or when the combined company will return to profitability or whether the combined company will be able to sustain such profitability, if achieved.

THE COMBINED COMPANY WILL OPERATE IN THE HIGHLY CYCLICAL WIRELESS COMMUNICATIONS SEMICONDUCTOR INDUSTRY, WHICH IS SUBJECT TO SIGNIFICANT DOWNTURNS.

The wireless communications semiconductor industry is highly cyclical and is characterized by constant and rapid technological change, rapid product obsolescence and price erosion, evolving technical standards, short product life cycles and wide fluctuations in product supply and demand. From time to time these and other factors, together with changes in general economic conditions, cause significant upturns and downturns in the industry. Periods of industry downturns -- as both Washington/Mexicali and Alpha experienced through most of calendar year 2001 -- have been characterized by diminished product demand, production overcapacity, high inventory levels and accelerated erosion of average selling prices. These factors, and in particular the level of demand for digital cellular handsets, may cause substantial fluctuations in the combined company revenues and results of operations. Washington/Mexicali and Alpha have experienced these cyclical fluctuations in their businesses and may experience cyclical fluctuations in the future.

During the late 1990's and extending into 2000, the wireless communications semiconductor industry enjoyed unprecedented growth, benefiting from the rapid expansion of wireless communication services worldwide and increased demand for digital cellular handsets. During calendar year 2001, Washington/Mexicali and Alpha were adversely impacted by a global economic slowdown and an abrupt decline in demand for many of the end-user products that incorporate their respective wireless communications semiconductor products and system solutions, particularly digital cellular handsets. The impact of

weakened end-customer demand was compounded by higher than normal levels of inventories among their respective original equipment manufacturer, or OEM, subcontractor and distributor customers. As a result of this reduced demand, Washington/Mexicali recorded $58.7 million of inventory write-downs in fiscal 2001. We expect that reduced end-customer demand, underutilization of the combined company's manufacturing capacity, changes in revenue mix and other factors will continue to adversely affect the combined company's operating results in the near term.

THE COMBINED COMPANY WILL BE SUBJECT TO INTENSE COMPETITION.

The wireless communications semiconductor industry in general and the markets in which the combined company will compete in particular are intensely competitive. The combined company will compete with U.S. and international semiconductor manufacturers that are both larger and smaller than it in terms of resources and market share. Washington/Mexicali and Alpha currently face significant competition in their markets and expect that intense price and product competition will continue. This competition has resulted and is expected to continue to result in declining average selling prices for the combined company's products. We also anticipate that additional competitors will enter the combined company's markets as a result of growth opportunities in communications electronics, the trend toward global expansion by foreign and domestic competitors and technological and public policy changes. Moreover, as with many companies in the semiconductor industry, customers for certain of the combined company's products offer products that compete with products that will be offered by the combined company.

We believe that the principal competitive factors for semiconductor suppliers in the combined company's market will include, among others:

- time-to-market;

- new product innovation;

- product quality, reliability and performance;

- price;

- compliance with industry standards;

- strategic relationships with customers; and

- protection of intellectual property.

We cannot assure you that the combined company will be able to successfully address these factors.

Many of the combined company's competitors will have advantages over the combined company, including:

- longer presence in key markets;

- greater name recognition;

- ownership or control of key technology; and

- greater financial, sales and marketing, manufacturing, distribution, technical or other resources.

As a result, certain competitors may be able to adapt more quickly than the combined company 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 the combined company can.

Current and potential competitors also have established or may establish financial or strategic relationships among themselves or with the combined company's 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. We cannot assure you that the combined company will be able to compete successfully against current and potential competitors.

A number of the combined company's competitors have combined with each other and consolidated their businesses, including the consolidation of competitors with the combined company's customers. This

consolidation is attributable to a number of factors, including the historically high-growth nature of the communications electronics industry and the time-to-market pressures on suppliers to decrease the time required for product conception, research and development, sampling and production launch before a product reaches the market. This consolidation trend is expected to continue, since investments, alliances and acquisitions may enable semiconductor suppliers, including the combined company and its competitors, to achieve economies of scale, to augment technical capabilities or to achieve faster time-to-market for their products than would be possible solely through internal development.

This consolidation is creating entities with increased market share, customer base, technology and marketing expertise in markets in which the combined company will compete. These developments may adversely affect the markets the combined company will seek to serve and the combined company's ability to compete successfully in those markets.

THE COMBINED COMPANY'S SUCCESS WILL DEPEND UPON ITS ABILITY TO DEVELOP NEW PRODUCTS AND REDUCE COSTS IN A TIMELY MANNER.

The markets into which the combined company sells demand cutting-edge technologies and new and innovative products. The combined company's operating results will depend largely on its ability to continue to introduce new and enhanced products on a timely basis. Successful product development and introduction depends on numerous factors, including, among others:

- the ability to anticipate customer and market requirements and changes in technology and industry standards;

- 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 the combined company's products from offerings of its competitors; and

- overall market acceptance of the combined company's products.

We cannot assure you that the combined company will have sufficient resources to make the substantial investment in research and development in order to develop and bring to market new and enhanced products in a timely manner. The combined company will be required continually to evaluate expenditures for planned product development and to choose among alternative technologies based on its expectations of future market growth. We cannot assure you that the combined company will be able to develop and introduce new or enhanced wireless communications semiconductor products in a timely and cost-effective manner, that its products will satisfy customer requirements or achieve market acceptance or that the combined company will be able to anticipate new industry standards and technological changes. We also cannot assure you that the combined company will be able to respond successfully to new product announcements and introductions by competitors.

In addition, prices of established products may decline, sometimes significantly, over time. We believe that in order to remain competitive the combined company must continue to reduce the cost of producing and delivering existing products at the same time that it develops and introduces new or enhanced products. We cannot assure you that the combined company will be able to continue to reduce the cost of its products to remain competitive.

THE COMBINED COMPANY MAY NOT BE ABLE TO KEEP ABREAST OF THE RAPID TECHNOLOGICAL CHANGES IN ITS MARKETS.

The demand for the combined company's products can change quickly and in ways the combined company may not anticipate. The combined company's markets generally exhibit the following characteristics:

- rapid technological developments;

- rapid changes in customer requirements;

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- frequent new product introductions and enhancements;

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

- evolving industry standards.

The combined company's products could become obsolete or less competitive sooner than anticipated because of a faster than anticipated change in one or more of the technologies related to its products or in market demand for products based on a particular technology, particularly due to the introduction of new technology that represents a substantial advance over current technology. Currently accepted industry standards are also subject to change, which may contribute to the obsolescence of the combined company's products.

THE COMBINED COMPANY MAY NOT BE ABLE TO ATTRACT AND RETAIN QUALIFIED PERSONNEL NECESSARY FOR THE DESIGN, DEVELOPMENT, MANUFACTURE AND SALE OF ITS PRODUCTS. THE COMBINED COMPANY'S SUCCESS COULD BE NEGATIVELY AFFECTED IF KEY PERSONNEL LEAVE.

The combined company's future success depends on its ability to continue to attract, retain and motivate qualified personnel, including executive officers and other key management and technical personnel. As the source of its technological and product innovations, the combined company's key technical personnel represent a significant asset. The competition for management and technical personnel is intense in the semiconductor industry. We cannot assure you that the combined company will be able to attract and retain qualified management and other personnel necessary for the design, development, manufacture and sale of its products.

The combined company 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 the combined company and its competitors. The loss of the services of one or more of the combined company's key employees, including David J. Aldrich, its chief executive officer, or certain key design and technical personnel, or the combined company's inability to attract, retain and motivate qualified personnel, could have a material adverse effect on its ability to operate its business.

IF OEMS OF COMMUNICATIONS ELECTRONICS PRODUCTS DO NOT DESIGN THE COMBINED COMPANY'S PRODUCTS INTO THEIR EQUIPMENT, THE COMBINED COMPANY WILL HAVE DIFFICULTY SELLING THOSE PRODUCTS. MOREOVER, A "DESIGN WIN" FROM A CUSTOMER DOES NOT GUARANTEE FUTURE SALES TO THAT CUSTOMER.

The combined company's products will not be sold directly to the end-user but will be components of other products. As a result, the combined company will rely on OEMs of wireless communications electronics products to select its products from among alternative offerings to be designed into their equipment. Without these "design wins" from OEMs, the combined company would have difficulty selling its products. Once an OEM designs another supplier's product into a particular OEM product platform, it will be more difficult for the combined company to achieve future design wins with that OEM product platform because changing suppliers involves significant cost, time, effort and risk for that OEM. Also, achieving a design win with a customer does not ensure that the combined company will receive significant revenues from that customer. Even after a design win, the customer is not obligated to purchase the combined company's products and can choose at any time to reduce or cease use of the combined company's products, for example, if its own products are not commercially successful or for any other reason. The combined company may be unable to achieve design wins or to convert design wins into actual sales.

BECAUSE OF THE LENGTHY SALES CYCLES OF MANY OF THE COMBINED COMPANY'S PRODUCTS, IT MAY INCUR SIGNIFICANT EXPENSES BEFORE IT GENERATES ANY REVENUES RELATED TO THOSE PRODUCTS.

The combined company's customers may need three to six months to test and evaluate its products and an additional three to six months to begin volume production of equipment that incorporates the combined company's products. The lengthy period of time required increases the possibility that a customer may decide to cancel or change product plans, which could reduce or eliminate sales to that customer. As a result of this lengthy sales cycle, the combined company may incur significant research and

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development, and selling, general and administrative expenses before it generates the related revenues for these products, and it may never generate the anticipated revenues if its customer cancels or changes its product plans.

UNCERTAINTIES INVOLVING THE ORDERING AND SHIPMENT OF THE COMBINED COMPANY'S PRODUCTS COULD ADVERSELY AFFECT ITS BUSINESS.

The combined company's sales will typically be made pursuant to individual purchase orders and not under long-term supply arrangements with its customers. Customers of the combined company may cancel orders prior to shipment. In addition, the combined company will sell a portion of its products through distributors, some of whom will have rights to return unsold products. Sales to distributors accounted for an insignificant portion of Washington/Mexicali net revenues in each of fiscal 2001 and the first three months of fiscal 2002 and approximately 12% and 6% of Alpha's net revenues in fiscal 2001 and the first nine months of fiscal 2002, respectively. The combined company may purchase and manufacture inventory based on estimates of customer demand for their products, which is difficult to predict. This difficulty may be compounded when the combined company sells to OEMs indirectly through distributors or contract manufacturers, or both, as the combined company's forecasts of demand will then be based on estimates provided by multiple parties. In addition, the combined company's 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 the failure of anticipated orders to materialize could result in the combined company holding excess or obsolete inventory, which could result in write-downs of inventory.

During 2001, the wireless communications electronics markets which the Washington Business and Alpha address were characterized by dramatic decreases in end-user demand and high levels of channel inventories which reduced visibility into future demand for their products. As a result of sharply reduced demand, Washington/Mexicali recorded $58.7 million of inventory write-downs in fiscal 2001. If these conditions were to recur in the future, they could adversely affect the combined company's business.

THE COMBINED COMPANY'S RELIANCE ON A SMALL NUMBER OF CUSTOMERS FOR A LARGE PORTION OF ITS SALES COULD HAVE A MATERIAL ADVERSE EFFECT ON THE COMBINED COMPANY'S RESULTS OF OPERATIONS.

A significant portion of the combined company's sales will be concentrated among a limited number of customers. If the combined company lost one or more of these major customers, or if one or more major customers significantly decreased its orders, the combined company's business would be materially and adversely affected. Sales to Samsung Electronics Co., Ltd. represented approximately 44% and 48% of Washington/Mexicali net revenues from third parties (excluding sales to Conexant) in fiscal 2001 and the first three months of fiscal 2002, respectively. Sales to Nokia Corporation represented approximately 12% and 11% of Washington/Mexicali net revenues from third parties in fiscal 2001 and the first three months of fiscal 2002, respectively. In addition, sales to Conexant represented approximately 17% and 6% of Washington/Mexicali net revenues in fiscal 2001 and the first three months of fiscal 2002, respectively. Sales to Motorola, Inc. represented approximately 26% and 32% of Alpha net revenues in fiscal 2001 and the first nine months of fiscal 2002, respectively. On a pro forma basis, for the twelve months ended September 30, 2001 and for the three months ended December 31, 2001, sales to each of these customers as a percentage of net revenues of the combined company would have been as follows: Samsung Electronics Co., Ltd., approximately 21% and 34%, respectively; Nokia Corporation, approximately 6% and 8%, respectively; Conexant, approximately 10% and 4%, respectively; and Motorola, Inc., approximately 13% and 15%, respectively. The combined company's future operating results will depend on the success of these customers and the combined company's success in selling products to them.

THE COMBINED COMPANY FACES A RISK THAT CAPITAL NEEDED FOR ITS BUSINESS WILL NOT BE AVAILABLE WHEN IT NEEDS IT.

It is likely the combined company will need to obtain sources of financing in the near future. We expect that the combined company will be required to raise capital to satisfy its capital needs after the merger. The combined company also will be required to finance the purchase price owed to Conexant under the Mexican purchase agreement and the U.S. purchase agreement through a public or private offering of equity, debt or some combination thereof prior to the closing of the purchase, if the purchase price is paid in cash, or within six to nine months of the closing of the purchase, if the purchase price is paid with a short-term note to Conexant. See "The Mexicali Sale". Conditions existing in the U.S. capital markets when the combined company seeks financing will affect its ability to raise capital, as well as the terms of any financing. The combined company may not be able to raise enough capital to meet its capital needs on a timely basis or at all. Failure to obtain capital when required will have a material adverse effect on the combined company.

In addition, any strategic investments and acquisitions that the combined company may make to help it grow its 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.

THE COMBINED COMPANY'S MANUFACTURING PROCESSES WILL BE EXTREMELY COMPLEX AND SPECIALIZED.

The combined company's manufacturing operations will be complex and subject to disruption due to causes beyond its 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, errors in any step of the fabrication process, defects in the masks used to print circuits on a wafer or a number of other factors can cause a substantial percentage of wafers to be rejected or numerous die on each wafer not to function.

The combined company's operating results will be highly dependent upon its ability to produce integrated circuits at acceptable manufacturing yields. The combined company's operations may be affected by lengthy or recurring disruptions of operations at any of its production facilities or those of its subcontractors. These disruptions may include labor strikes, work stoppages, electrical power outages, fire, earthquake, flooding or other natural disasters. Certain of the combined company's manufacturing facilities will be located near major earthquake fault lines, including its Newbury Park and Sunnyvale, California and Mexicali, Mexico facilities. The combined company does not intend to maintain earthquake insurance coverage on these facilities. Disruptions of the combined company's manufacturing operations could cause significant delays in shipments until it could shift the products from an affected facility or subcontractor to another facility or subcontractor.

In the event of these types of delays, we cannot assure you that the required alternate capacity, particularly wafer production capacity, would be available on a timely basis or at all. Even if alternate wafer production capacity is available, the combined company may not be able to obtain it on favorable terms, which could result in higher costs and/or a loss of customers. The combined company may be unable to obtain sufficient manufacturing capacity to meet demand, either at its 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 or Sunnyvale, California or Woburn, Massachusetts wafer fabrication facilities, alternate gallium arsenide production capacity would not be immediately available from third-party sources. Although the Washington Business has a multi-year agreement with a foundry that guarantees it access to additional gallium arsenide wafer production capacity, a disruption of operations at the

Newbury Park, Sunnyvale or Woburn wafer fabrication facilities or the interruption in the supply of epitaxial wafers used in its gallium arsenide process could have a material adverse effect on the combined company's business, financial condition and results of operations.

THE COMBINED COMPANY MAY NOT BE ABLE TO ACHIEVE MANUFACTURING YIELDS THAT CONTRIBUTE POSITIVELY TO ITS GROSS MARGIN AND PROFITABILITY.

Minor deviations in the manufacturing process can cause substantial manufacturing yield loss, and in some cases, cause production to be suspended. Manufacturing yields for new products will initially tend to be lower as the combined company completes product development and commences volume manufacturing, and will typically increase as the combined company brings the product to full production. The combined company's forward product pricing will include this assumption of improving manufacturing

yields and, as a result, material variances between projected and actual manufacturing yields will have a direct effect on the combined company's gross margin and profitability. The difficulty of forecasting manufacturing yields accurately and maintaining cost competitiveness through improving manufacturing yields will continue to be magnified by the increasing process complexity of manufacturing semiconductor products. The combined company's manufacturing operations also will face pressures arising from the compression of product life cycles which will require the combined company 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.

THE COMBINED COMPANY WILL BE DEPENDENT UPON THIRD PARTIES FOR THE MANUFACTURE, ASSEMBLY AND TEST OF ITS PRODUCTS.

The combined company will rely upon the Newport Beach, California wafer fabrication facility currently owned by Conexant and other independent wafer fabrication facilities, called foundries, to provide silicon-based products and to supplement its 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 product quality; and

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

Although the combined company will have long-term supply arrangements to obtain additional external manufacturing capacity, the third-party foundries it uses may allocate their limited capacity to the production requirements of other customers. If the combined company chooses to use a new foundry, it will typically take an extended period of time to complete the qualification process before the combined company can begin shipping products from the new foundry. The foundries may experience financial difficulties, be unable to deliver products to the combined company 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, the combined company may not have alternative manufacturing sources immediately available. The combined company may therefore experience difficulties or delays in securing an adequate supply of its products, which could impair its ability to meet its customers' needs and have a material adverse effect on its operating results.

The combined company also intends to utilize subcontractors to package, assemble and test a portion of the combined company's products. Because the combined company will rely on others to package, assemble or test its products, the combined company will be subject to many of the same risks as are described above with respect to foundries.

THE COMBINED COMPANY WILL BE DEPENDENT UPON THIRD PARTIES FOR THE SUPPLY OF RAW MATERIALS AND COMPONENTS.

We believe the combined company will have adequate sources for the supply of raw materials and components for its manufacturing needs with suppliers located around the world. However, each of the Washington Business and Alpha is currently dependent on two suppliers for epitaxial wafers used in the gallium arsenide semiconductor manufacturing processes at their respective manufacturing facilities. The number of qualified alternative suppliers for wafers is limited and the process of qualifying a new wafer supplier could require a substantial lead-time. Although Washington/Mexicali and Alpha historically have not experienced any significant difficulties in obtaining an adequate supply of raw materials and components necessary for their manufacturing operations, we cannot assure you that the combined company will not lose a significant supplier or that a supplier will be able to meet performance and quality specifications or delivery schedules.

THE COMBINED COMPANY WILL BE SUBJECT TO THE RISKS OF DOING BUSINESS INTERNATIONALLY.

For fiscal 2001 and the first three months of fiscal 2002, approximately 91% and 97%, respectively, of Washington/Mexicali net revenues from third parties were from customers located outside the United States, primarily countries located in the Asia-Pacific region and Europe. For fiscal 2001 and the first nine months of fiscal 2002, approximately 49% and 67%, respectively, of Alpha's net revenues were from these customers. In addition, the combined company will have facilities and suppliers located outside the United States, including the assembly and test facility in Mexicali, Mexico and third-party packaging, assembly and test facilities and foundries located in the Asia-Pacific region. The combined company's international sales and operations will be 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;

- disruptions of capital and trading markets;

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

- changes in legal or regulatory requirements;

- limitations on the repatriation of funds;

- difficulty in obtaining distribution and support;

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

- tax laws; and

- limitations on the combined company's ability under local laws to protect its intellectual property.

Because most of the combined company's international sales, other than sales to Japan (which are denominated principally in Japanese yen), will be denominated in U.S. dollars, the combined company's products could become less competitive in international markets if the value of the U.S. dollar increases relative to foreign currencies. Moreover, the combined company may be competitively disadvantaged relative to its competitors located outside the United States who may benefit from a devaluation of their local currency. We cannot assure you that the factors described above will not have a material adverse effect on the combined company's ability to increase or maintain its international sales.

The past operating performance of each of Washington/Mexicali and Alpha has been affected by adverse economic conditions in the Asia-Pacific region. In addition, the South Korean government's decision in 2000 to impose a ban on South Korean cellular service providers subsidizing new digital cellular handsets curtailed demand in the South Korean market for CDMA digital cellular handsets. In fiscal 2001, sales to customers in the Asia-Pacific region, principally South Korea, Taiwan, Japan and Hong Kong, represented approximately 77% (including South Korea, which represented approximately 66%) of Washington/Mexicali net revenues from third parties and approximately 20% of Alpha's net revenues.

THE COMBINED COMPANY'S OPERATING RESULTS MAY BE NEGATIVELY AFFECTED BY SUBSTANTIAL QUARTERLY AND ANNUAL FLUCTUATIONS AND MARKET DOWNTURNS.

The revenues, earnings and other operating results of Washington/Mexicali and Alpha have fluctuated in the past and the combined company's 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 the combined company's control. These factors include, among others:

- changes in end-user demand for the products manufactured and sold by the combined company's customers, principally digital cellular handsets;

- the effects of competitive pricing pressures, including decreases in average selling prices of the combined company's products;

- production capacity levels and fluctuations in manufacturing yields;

- availability and cost of products from the combined company's suppliers;

- the gain or loss of significant customers;

- the combined company's 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 the products of the combined company and its customers;

- intellectual property disputes;

- seasonal customer demand;

- the timing of receipt, reduction or cancellation of significant orders by customers; and

- the timing and extent of product development costs.

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

THE COMBINED COMPANY'S GALLIUM ARSENIDE PRODUCTS MAY NOT CONTINUE TO BE COMPETITIVE WITH SILICON ALTERNATIVES.

The combined company will manufacture and sell gallium arsenide integrated circuits, principally power amplifiers and switches. The production of gallium arsenide integrated circuits is more costly than the production of silicon circuits. As a result, the combined company must offer gallium arsenide products that provide superior performance to that of silicon for specific applications to be competitive with silicon products. If the combined company does not continue to offer products that provide sufficiently superior performance to offset the cost differential, its operating results may be materially and adversely affected. It is expected that the costs of producing gallium arsenide integrated circuits will continue to exceed the costs associated with the production of silicon circuits. The costs differ because of higher costs of raw materials for gallium arsenide and higher unit costs associated with smaller-sized wafers and lower production volumes. 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 the combined company will continue to identify products and markets that require performance superior to that offered by silicon solutions.

THE VALUE OF THE COMBINED COMPANY'S COMMON STOCK MAY BE ADVERSELY AFFECTED BY MARKET VOLATILITY.

The trading price of the combined company's common stock may fluctuate significantly. This price may be influenced by many factors, including:

- the combined company's performance and prospects;

- the performance and prospects of the combined company's major customers;

- the depth and liquidity of the market for the combined company's common stock;

- investor perception of the combined company and the industry in which it operates;

- 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 experienced, and are currently experiencing, 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 adversely affect the m