

CONEXANT SYSTEMS INC
Form DEFA14A
February 25, 2011

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule 14a-12

Conexant Systems, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Date: Feb. 25, 2011

To: All Employees

From: John Knoll / Golden Gate Capital

Subject: Golden Gate Capital to Acquire Conexant

Yesterday we announced the signing of a definitive merger agreement with Conexant Systems, Inc. (NASDAQ: CNXT). Under the terms of the agreement, Gold Holdings, Inc., an affiliate of Golden Gate Capital, has agreed to purchase all of the outstanding shares of Conexant common stock at a price of \$2.40 per share in an all-cash deal. The transaction is expected to close in the second quarter of calendar 2011 subject to the satisfaction of regulatory requirements, approval by Conexant stockholders and other customary closing conditions.

We are experienced semiconductor investors and are excited about the growth potential for Conexant.

Upon completion of the transaction, we will have invested over \$850 million in semiconductor opportunities since 2005, and Conexant will become our fifth semiconductor investment. Prior investments in the sector include Lantiq (broadband semiconductor devices), Aeroflex (aerospace and communications semiconductor devices, NYSE: ARX), Teridian (smart-meter semiconductor devices, recently acquired by Maxim Integrated Products), and Vistec Semiconductor Systems (direct-write electron beam lithography tools).

Like our prior investments, Conexant has a long history of employee entrepreneurship and innovation coupled with high-quality products, a strong IP portfolio, and a blue-chip customer base. These attributes provide a strong foundation for growth and value creation.

Golden Gate Capital is a San Francisco-based private equity firm with over \$9 billion in capital under management. Our strategy is to allow our companies to focus on sustainable, long-term growth objectives in a private-company environment with ample financial support for both organic R&D investments as well as growth via acquisitions. As a result, our investment hold period is typically five years or longer.

We are pleased to announce that we currently expect Sailesh Chittipeddi, Conexant president and chief operating officer, to become Conexant's chief executive officer upon closing of the transaction.

Additionally, we are delighted to be working with Dan Artusi as an advisor on this investment. Dan provides an extensive breadth of knowledge in the relevant technologies and end markets served by the company. We believe his contributions will also help us add significant value to Conexant. Dan serves as a director of Lantiq and will join the board of directors of Conexant upon the closing of the transaction.

This is an exciting time for Conexant. I look forward to meeting with all of you to talk more about Golden Gate Capital and our investment philosophies at the earliest available opportunity.

Best Regards,

John Knoll

Managing Director

Golden Gate Capital

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Additional Information About the Transaction

Conexant will file a proxy statement and other relevant documents concerning the proposed merger transaction with Gold Holdings, Inc. (the Transaction) with the Securities and Exchange Commission (the SEC). The definitive proxy statement will be mailed to stockholders of Conexant. Investors and stockholders of Conexant are urged to read the proxy statement and any other relevant documents when they become available because they will contain important information about the Transaction. You may obtain a free copy of the proxy statement (when available) and other related documents filed by Conexant with the SEC at the SEC's website at www.sec.gov or by accessing Conexant's website at www.conexant.com and clicking on the Investors link and then clicking on the link for Financial Information and then clicking on the link for SEC Filings.

Participants in the Transaction

Conexant and its directors and officers may be deemed to be participants in the solicitation of proxies from Conexant's stockholders in respect of the Transaction. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of Conexant's stockholders in connection with the Transaction, including the interests of such participants in the Transaction, will be set forth in the proxy statement when it is filed with the SEC. You can find information about Conexant's executive officers and directors in Conexant's definitive proxy statement filed with the SEC on December 10, 2010. You can obtain free copies of these documents from Conexant using the contact information above.

Forward-Looking Statements

Except for historical information contained herein, the matters set forth in this document are forward-looking statements about expected future events and financial and operating results that involve risks and uncertainties. These uncertainties may cause Conexant's actual future results to be materially different from those discussed in the forward-looking statements. These risks and uncertainties include risks relating to the ability to obtain regulatory approvals of the Transaction on the proposed terms and schedule; the failure of Conexant stockholders to approve the Transaction; a failure to consummate or delay in consummating the Transaction for other reasons; disruption from the Transaction making it more difficult to maintain relationships with customers, employees or suppliers; competition and its effect on pricing, spending, third-party relationships and revenues; and other risks relating to Conexant's business set forth in its filings with the SEC.

Our forward looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. All forward-looking statements speak only as of the date hereof and are based upon the information available to Conexant at this time. Such statements are subject to change, and Conexant does not undertake to update such statements, except to the extent required under applicable law and regulations. These and other risks and uncertainties are detailed from time to time in Conexant's reports filed with the SEC. Investors are advised to read Conexant's Annual Report on Form 10-K and quarterly reports on Form 10-Q filed with the SEC, particularly those sections entitled Risk Factors, for a more complete discussion of these and other risks and uncertainties.

Conexant is a registered trademark of Conexant Systems, Inc.

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