



ZARLINK

SEMICONDUCTOR

Zarlink Semiconductor delivers world-leading, mixed-signal chip technology for a broad range of communications, optical and medical applications. The Company's core capabilities are in network timing, voice enhancement, optical interconnect and ultra low-power wireless communication. Serving the world's largest equipment manufacturers, Zarlink's highly integrated chip solutions help customers simplify design, lower costs and reach market quickly.

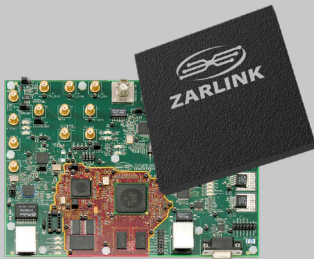
Fall 2009

Market Data
(As of 11/27/09)
TSX symbol: ZL

Recent share price: \$0.90
Shares outstanding: 122M
Market capitalization: \$109.8M
52-week range: \$0.21-\$1.06

Key Business Segments*

Communication products:
~ 60% of revenue



Facilitate transmission of high-quality voice, multimedia, data and wireless services over packet networks

- Timing products that manage delay-sensitive services over wired and wireless networks
- Voice telephony products that enable high-quality voice services over cable and broadband networks
- Telecom network and voice enhancement products that support superior service quality over converging networks

Market Trends

- Increasing consumer demand for communication bundling (phone + wireless + TV + Internet)
- Networks are being built and upgraded to deliver full range of applications and services

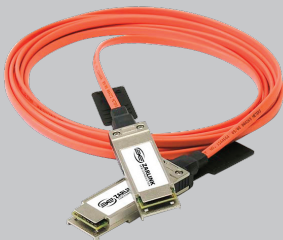
Corporate Data

Founded: 1971
Employees: 600
F2009 Year end:
March 27, 2009

Analyst Coverage

Brian Piccioni
BMO Capital Markets
Steve Arthur
RBC Capital Markets
William Harrison
Signal Hill

Optical products:
~ 10% of revenue



Simplify data center and computer cluster expansion

- Fully integrated active optical cables for data center interconnect
- Optical modules and components delivering leading reliability, flexibility and bandwidth density

Market Trends

- Explosion of information exchange is overwhelming data centers
- Optical solutions facilitate expansion of data centers and computer clusters by reducing weight, flexibility and cooling concerns

Medical products:
~ 15% of revenue



Enable new wireless medical applications and therapies to improve patient care and lower healthcare costs

- Highly integrated, standards-compliant ultra low-power radios for implanted medical devices and monitoring/programming equipment

Market Trends

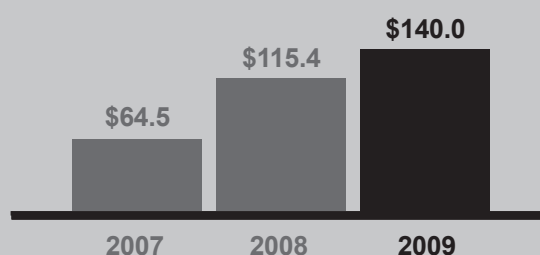
- Aging population driving demand for new therapies and "always-on" home-based wireless monitoring
- Less invasive wireless applications and therapies help shorten surgery time and eliminate surgical procedures to reduce healthcare costs

* ~15% of revenue derived from custom products

Growth Strategy

Communication products:

Leverage investment required by telecom and cable companies to deliver bundled voice, video, data and mobile services



Optical products:

Capitalize on evolution to high-performance optical interconnect in data centres



Medical products

Enable new wireless applications and therapies that improve patient quality-of-life and reduce healthcare costs



Company Information

Senior Management

Kirk Mandy
President & CEO

Gary Tanner
COO

Steve Swift:
Sr. VP & GM, Medical Products Group

Dr. Stan Swirhun
CTO & CMO, Sr. VP, Optical Products Group

Andre Levasseur
Sr. VP Finance & CFO

Donald McIntyre
Corporate Secretary

Renato Pontello
VP & General Counsel

Eileen Speirs
VP Human Resources

Investor Contact

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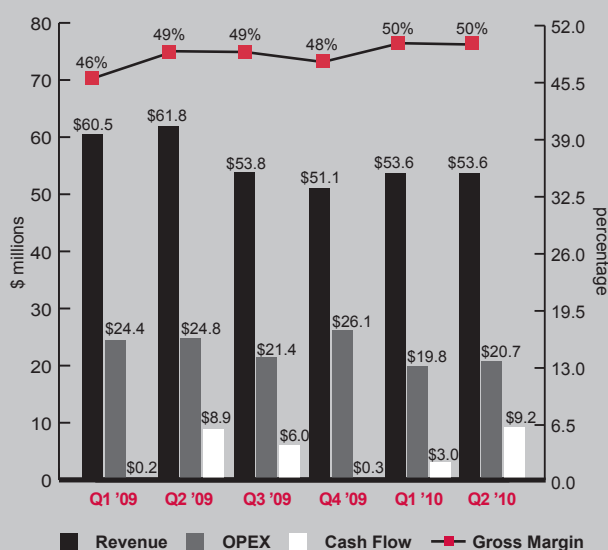
1-800-432-4009

www.zarlink.com

Recent Operational Highlights

- Announced ultra low-power radio being used in Given Imaging's PillCam COLON 2 capsule
- Achieved milestone of one million ports synchronized by Company's packet network timing products
- Announced Timing over Packet products now support critical synchronization requirements for 3G and 4G networks
- Design win with Gigaset Communications to provide voice telephony chipset for fixed mobile convergence system that merges wireless voice service and wired home phone network
- Shipped over one million custom radio chips for use in Given Imaging's PillCam capsule for wireless examination of the gastrointestinal tract

Financial Results



\$USD	Q2 F'10	Q1 F'10	Q2 F'09
Revenue	\$53.6M	\$53.6M	\$61.8M
Gross Margin	50%	50%	49%
R&D	\$10.6M	\$9.5M	\$11.2M
SG&A	\$10.1M	\$10.3M	\$13.6M
Net Income	\$0.7M	\$(0.5)M	\$7.2M
Non-GAAP Net Income*	\$6.3M	\$7.4M	\$9.0M
Basic EPS	\$0.00	\$(0.01)	\$0.05
Non-GAAP Basic EPS*	\$0.05	\$0.06	\$0.07

- Results at the high-end of guidance of \$0.01 to \$0.03, excluding non-cash FX loss of \$3M
- Cash increased sequentially by \$8.6M to \$55.7M

*For a full definition and reconciliation to GAAP financials, see the Company's press release issued October 28, 2009.

