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

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 15, 2014

M/A-COM Technology Solutions Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware	001-35451	27-0306875
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

100 Chelmsford Street Lowell, Massachusetts	01851
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (978) 656-2500

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 9.01. Financial Statements and Exhibits.

As previously reported on a Current Report on Form 8-K filed with the Securities and Exchange Commission ("SEC") on December 17, 2014 (the "Initial Form 8-K"), M/A-COM Technology Solutions Inc. ("MACOM"), a Delaware corporation and a wholly-owned subsidiary of M/A-COM Technology Solutions Holdings, Inc. (the "Company"), completed the acquisition of BinOptics Corporation ("BinOptics") on December 15, 2014 pursuant to an Agreement and Plan of Merger, dated November 17, 2014, among MACOM, BinOptics, Borealis Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of MACOM ("Merger Sub"), and Ithaca Stockholders' Agent, LLC, as stockholders' agent, pursuant to which Merger Sub merged with and into BinOptics, with BinOptics surviving the merger as a wholly-owned subsidiary of MACOM (the "BinOptics Acquisition"). This Amendment No. 1 to the Initial Form 8-K is being filed to provide the audited financial statements and pro forma financial information required by Item 9.01 of Form 8-K relating to the BinOptics Acquisition. The pro forma financial information for the Company's fiscal year ended October 3, 2014 attached hereto also gives pro forma effect to the Company's acquisition of Mindspeed Technologies, Inc. on December 18, 2013 as previously disclosed.

(a) *Financial Statements of Business Acquired*.

The audited financial statements of BinOptics as of and for the years ended December 31, 2013 and 2012 are filed as Exhibit 99.1 hereto. The unaudited financial statements of BinOptics as of and for the nine months ended September 30, 2014 and 2013 are filed as Exhibit 99.2 hereto.

(b) *Pro Forma Financial Information*.

The unaudited pro forma condensed combined financial information for the fiscal year ended October 3, 2014 and for the three months ended January 2, 2015, and notes related thereto, is filed as Exhibit 99.3 hereto.

(d) *Exhibits.*

Exhibit No.	Description
23.1	Consent of Sciarabba Walker & Co., LLP, independent auditors for BinOptics Corporation.
99.1	Audited financial statements of BinOptics as of and for the years ended December 31, 2013 and 2012.
99.2	Unaudited financial statements of BinOptics as of and for the nine months ended September 30, 2014 and 2013.
99.3	Unaudited pro forma condensed combined financial information for the fiscal year ended October 3, 2014 and the three months ended January 2, 2015.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

M/A-COM TECHNOLOGY SOLUTIONS HOLDINGS, INC.

Dated: February 2, 2015

By: /s/ Robert J. McMullan
Robert J. McMullan
Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

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Exhibit 23.1

Consent of Independent Auditors

We consent to the incorporation by reference in Registration Statements No. 333-180219 and No. 333-193098 on Form S-8 and Registration Statement No. 333-188728 on Form S-3 of M/A-COM Technology Solutions Holdings, Inc. of our report dated March 6, 2014, relating to the consolidated financial statements of BinOptics Corporation as of December 31, 2013 and 2012, and for each of the years then ended, appearing elsewhere in this Amendment No. 1 to Form 8-K.

/s/ Sciarabba Walker & Co., LLP

Ithaca, New York
February 2, 2015

Exhibit 99.1

FINANCIAL STATEMENTS OF
BINOPTICS CORPORATION AND
ITS WHOLLY-OWNED SUBSIDIARY
BINOPTICS (HONG KONG) LIMITED

Years Ended
December 31, 2013 and 2012

SCIARABBA WALKER &CO LLP
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

March 6, 2014

To the Board of Directors
BinOptics Corporation
Ithaca, New York 14850

We have audited the accompanying consolidated financial statements of BinOptics Corporation, which comprise the consolidated balance sheets as of December 31, 2013 and 2012 and the related consolidated statements of income, changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of BinOptics Corporation, as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Sciarabba Walker & Co., LLP

BINOPTICS CORPORATION
CONSOLIDATED BALANCE SHEETS
December 31,

ASSETS

	2013	2012
CURRENT ASSETS:		
Cash and cash equivalents	$ 3,018,356	$ 4,873,954
Accounts receivable	4,252,393	2,206,941
Inventory	7,113,905	5,126,023
Prepaid expenses and other current assets	80,887	55,469
Deferred tax asset - current portion	2,138,499	—
TOTAL CURRENT ASSETS	16,604,040	12,262,387
PROPERTY AND EQUIPMENT:		
Clean room	877,051	721,806
Office equipment and computers	516,499	342,694
Construction in progress	1,119,841	552,048
Laboratory equipment	4,888,955	2,462,442
TOTAL PROPERTY AND EQUIPMENT	7,402,346	4,078,990
Less: accumulated depreciation	2,622,768	1,956,329
PROPERTY AND EQUIPMENT, net	4,779,578	2,122,661
OTHER ASSETS:		
Loan origination fees (net of accumulated amortization of $67,686 and $63,371 in 2013 and 2012, respectively)	7,452	5,000
Patent application costs	271,260	211,573
Patents (net of accumulated amortization of $266,134 and $205,612 in 2013 and 2012, respectively)	664,698	692,776
TOTAL OTHER ASSETS	943,410	909,349
TOTAL ASSETS	$22,327,028	$15,294,397

See accompanying notes.

LIABILITIES AND STOCKHOLDERS' EQUITY

	2013	2012
CURRENT LIABILITIES:		
Accounts payable	$ 2,461,533	$ 2,383,377
Accrued liabilities	350,854	433,154
Accrued interest	9,845	1,786
Accrued income tax	14,300	—
Current portion of capital leases	627,691	227,221
Current portion of long-term debt	458,333	—
TOTAL CURRENT LIABILITIES	3,922,556	3,045,538
ACCRUED RENT OBLIGATION	13,000	6,500
CAPITALIZED LEASES, net of current portion	1,439,443	445,711
LONG-TERM DEBT, net of current portion	1,041,667	—
DEFERRED TAX LIABILITY	638,499	—
STOCKHOLDERS' EQUITY:		
Common stock, $.001 par value, 446,000,000 shares authorized, and 39,322,786 shares outstanding at 2013, 439,000,000 shares authorized and 39,309,369 shares outstanding at 2012	39,323	39,309
Series 1 Preferred stock, $.01 par value, 185,000,000 shares authorized at 2013, 178,000,000 shares authorized at 2012, 176,558,115 shares outstanding at 2013 and 2012	1,765,581	1,765,581
Series 2 Preferred stock, $.01 par value, 178,000,000 shares authorized, 177,552,675 shares outstanding at 2013 and 2012	1,775,527	1,775,527
Additional paid in capital	46,579,629	46,470,877
Deficit	(34,888,197)	(38,254,646)
TOTAL STOCKHOLDERS' EQUITY	15,271,863	11,796,648
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 22,327,028	$ 15,294,397

BINOPTICS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
Years Ended December 31,

	2013	2012
SALES, net	$19,305,098	$14,370,863
COST OF GOODS SOLD	11,314,456	10,723,044
GROSS PROFIT	7,990,642	3,647,819
RESEARCH AND DEVELOPMENT COSTS	2,705,148	2,356,088
SELLING AND ADMINISTRATIVE EXPENSES	3,253,434	2,822,536
INCOME (LOSS) FROM OPERATIONS	2,032,060	(1,530,805)
OTHER INCOME (EXPENSES):		
Gain on sale of fixed assets	138	33,110
Loss on impairment of patent application costs	—	(32,202)
Interest income	192	3,612
Interest expense	(150,841)	(32,931)
TOTAL OTHER EXPENSES	(150,511)	(28,411)
INCOME (LOSS) BEFORE INCOME TAX	1,881,549	(1,559,216)
INCOME TAX BENEFIT (EXPENSE)	1,484,900	(1,100)
NET INCOME (LOSS)	$ 3,366,449	$ (1,560,316)

See accompanying notes.

BINOPTICS CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the period January 1, 2012 to December 31, 2013

	Date of Transaction	Number of Common Shares	Number of Series 1 Preferred Shares	Number of Series 2 Preferred Shares
BEGINNING BALANCE JANUARY 1, 2012		39,302,078	176,558,115	131,127,420
Exercise of stock options ($.13 per share)	Jan-12	7,291	—	—
Sale of Series 2 Preferred Stock ($.09 per share)	Dec-12	—	—	46,425,255
Stock issuance costs		—	—	—
Stock option compensation		—	—	—
Net loss for the year ended December 31, 2012		—	—	—
ENDING BALANCE DECEMBER 31, 2012		39,309,369	176,558,115	177,552,675
Exercise of stock options ($.02 per share)	Jan-13	2,500	—	—
Exercise of stock options ($.02 per share)	Jun-13	500	—	—
Exercise of stock options ($.07 per share)	Sep-13	10,417	—	—
Stock issuance costs				
Stock option compensation		—	—	—
Net loss for the year ended December 31, 2013		—	—	—
ENDING BALANCE DECEMBER 31, 2013		39,322,786	176,558,115	177,552,675

See accompanying notes.

Common Stock Amount	Series 1 Preferred Stock Amount	Series 2 Preferred Stock Amount	Additional Paid-in Capital	Deficit	Total
$ 39,302	$ 1,765,581	$ 1,311,274	$42,854,366	$(36,694,330)	9,276,193
7	—	—	942	—	949
—	—	464,253	3,535,747	—	4,000,000
—	—	—	(7,191)	—	(7,191)
—	—	—	87,013	—	87,013
—	—	—	—	(1,560,316)	(1,560,316)
$ 39,309	$ 1,765,581	$ 1,775,527	$46,470,877	$(38,254,646)	$11,796,648
3	—	—	47	—	50
1	—	—	9	—	10
10	—	—	719	—	729
			(23,009)		(23,009)
—	—	—	130,986	—	130,986
—	—	—	—	3,366,449	3,366,449
$ 39,323	$ 1,765,581	$ 1,775,527	$46,579,629	$(34,888,197)	$15,271,863

BINOPTICS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31,

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 3,366,449	$(1,560,316)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Deferred income tax benefit	(1,500,000)	—
Depreciation and amortization	733,560	502,476
Gain on sale of equipment	(138)	(33,110)
Impairment loss on patent application costs	—	32,202
Employee stock option compensation	130,986	87,013
(Increase) decrease in assets:		
Accounts receivable	(2,045,452)	(386,110)
Inventory	(1,987,882)	(1,884,308)
Prepaid expenses and other current assets	(25,418)	23,037
(Decrease) increase in liabilities:		
Accounts payable	78,156	314,435
Accrued liabilities	(82,300)	(19,477)
Accrued interest	8,059	475
Accrued income tax	14,300	—
Accrued rent obligation	6,500	6,500
CASH USED IN OPERATING ACTIVITIES	(1,303,180)	(2,917,183)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash received from sale of equipment	—	8,650
Cash paid for purchases of fixed assets	(1,571,426)	(548,343)
Payment of loan origination fees	(6,766)	(5,000)
Payment of patent application costs	(92,131)	(95,175)
CASH USED IN INVESTING ACTIVITIES	(1,670,323)	(639,868)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of stock	789	4,000,949
Payment of stock issuance costs	(23,009)	(7,191)
Proceeds from short-term debt	850,000	1,000,000
Proceeds from long-term debt	1,500,000	—
Principal payments on short-term debt	(850,000)	(1,000,000)
Principal payments on capital leases	(359,875)	(267,575)
CASH PROVIDED BY FINANCING ACTIVITIES	1,117,905	3,726,183
NET (DECREASE) INCREASE IN CASH	(1,855,598)	169,132
CASH, beginning of year	4,873,954	4,704,822
CASH, end of year	$ 3,018,356	$ 4,873,954

BINOPTICS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
Years Ended December 31,

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

	2013	2012
Cash paid during the year for:		
Interest	$142,782	$32,456
Taxes	1,050	1,100

SUPPLEMENTAL DISCLOSURES OF NON-CASH INVESTING AND FINANCING ACTIVITY:

During 2013 the Company entered into three equipment leases totaling $1,754,077. This amount has been excluded from the consolidated statement of cash flows.

During 2012 the Company entered into two equipment leases totaling $646,028. This amount has been excluded from the consolidated statement of cash flows.

BINOPTICS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2013 and 2012

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. Nature of Business – BinOptics Corporation (the Company), a Delaware C Corporation, was incorporated on December 21, 2000. Principal operations began in January 2001. The Company was formed to address the component requirements for the very rapidly growing optics industry. The Company is focused on the development, manufacturing, and marketing of integrated optoelectronic components based on indium phosphide and other semiconductor materials.

   BinOptics Corporation is the parent company and owns 100% of its subsidiary, BinOptics (Hong Kong) Limited, incorporated in Hong Kong on July 23, 2009.

2. Principles of Consolidation – The consolidated financial statements include the accounts of BinOptics Corporation and its wholly owned subsidiary, BinOptics (Hong Kong) Limited. All significant intercompany accounts and transactions have been eliminated in the consolidated statements.

3. Basis of Accounting – The Company's financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

4. Cash and Cash Equivalents – The Company considers all short-term investments with an original maturity of three months or less to be cash equivalents.

5. Accounts Receivable – The Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

6. Inventory – The Company's inventory consists of the following:

	2013	2012
Raw materials	$3,162,438	$2,465,862
Finished goods	3,951,467	2,660,161
	$7,113,905	$5,126,023

   Inventory is valued at the lower of cost or market using a specific identification method for wafers and gratings inventory and a first-in, first-out (FIFO) cost method for the remaining categories.

7. Property and Equipment – Property and equipment is recorded at cost less depreciation. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. The depreciable lives for office equipment, computers, and laboratory equipment are primarily 5 to 7 years. The depreciable life of the clean room leasehold improvement is 39 years. Maintenance and repairs are charged to expense as incurred. Major renewals and betterments are capitalized. Dispositions and abandonments are recorded at the time of the disposition. Depreciation expense for the years ending December 31, 2013 and 2012 was $668,724 and $444,094, respectively.

8. Other Assets – Loan origination fees are being amortized on a straight-line basis over the terms of the loans, with range from 12 to 30 months. Patent application costs include professional and application fees related to attempting to obtain patents for technology used by the Company. Upon granting of a patent such costs are amortized on the straight-line basis over 15 years, assessed annually for impairment. If the patent application is unsuccessful, such costs are expensed in the period the application is denied or abandoned. During the years ended December 31, 2013 and 2012, the Company capitalized patent application costs of $92,131 and $95,175, respectively. The Company expensed $0 and $32,202 of costs associated with abandoned applications for years 2013 and 2012, respectively. Amortization expense for the years ending December 31, 2013 and 2012 was $64,836 and $58,382, respectively. Estimated aggregate amortization expense for the next 5 years is $61,400 annually.

9. Research and Development Costs – Research and development costs are expensed in the year incurred.

10. Income Taxes – The Company accounts for income taxes in accordance with Accounting for Income Taxes (ASC 740 Income Taxes). The guidance prescribes a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. Accounting for Income Taxes (ASC 740 Income Taxes) provides for a liability approach under which deferred income taxes are provided for based on enacted laws and rates applicable to the periods in which the taxes become payable. As described in Note G, the Company’s net deferred tax asset has been reduced to $1,500,000 through the use of a valuation allowance at December 31, 2013.

    The Company evaluated its tax positions and concluded that all of the positions taken by the Company would more likely than not be sustained upon examination, based on the technical merits. The income tax returns of the Company for 2010, 2011, 2012 and 2013 are subject to examination by tax authorities, generally for three years after they were filed.

11. Concentration of Credit Risk – The Company’s revenues are derived from sales to customers located worldwide. Concentration of credit risk with accounts receivable is normally limited, due to the nature of the Company’s customers.

    During the course of the year, the Company will have cash on deposit with financial institutions, in excess of $250,000. All deposits up to that amount are insured by FDIC; however, any amounts exceeding $250,000 are uninsured. Cash balances in excess of FDIC limits were $2,503,904 at December 31, 2013.

12. Concentration of Business Risk – In 2013, approximately 76 percent of total Company revenue was derived from five major customers and approximately 35 percent of all purchases were made from three vendors. All of the Company sales were made to customers located in foreign countries.

13. Stock-Based Compensation – The Company is accounting for stock options under the provisions of ASC 718 Stock Compensation. For options granted in 2013 and 2012, compensation expense is recognized over the requisite service periods of the option agreements based on their fair value computed under an option-pricing model.

14. Estimates and Assumptions – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from these estimates.

15. Reclassifications – Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to confirm with the presentation in the current-year financial statements.

B. LINE OF CREDIT:

In November of 2011 the Company obtained a line of credit with a borrowing capacity of, at any point in time, the lesser of $2,500,000 or 85% of eligible accounts receivable, at an interest rate of overnight LIBOR plus 4%. The interest rate at December 31, 2013 was 4.125%. The line of credit had a zero balance at December 31, 2013 and 2012. The line is secured by all assets and intangibles (excluding intellectual property) owned by the Company.

C. CAPITAL LEASE OBLIGATIONS:

The Company had the following capital leases at December 31:

	2013	2012
Lease payable with monthly payments of $1,066, including principal and interest at 11.62%. The lease was secured by test equipment and matured in July 2013.	$—	$7,181
Lease payable with monthly payments of $992 including principal and interest at 12.89%. The lease was secured by Newport Test Equipment and Logitech Wafer Bonder and matured in March 2013.	—	2,914

Lease payable with monthly installments of $2,040 including principal and interest at 11.15%. The lease was secured by Loomis Scriber/Cleaver and matured in November 2013.	—	17,534
Lease payable with monthly installments of $2,280 including principal and interest at 11.99%. The lease is secured by Laurier Die Sorter and matures in March 2014.	6,705	31,611
Lease payable with monthly installments of $3,901 including principal and interest at 7.06%. The lease is secured by various equipment and matures in December 2014.	45,074	87,083
Lease payable with monthly installments of $12,638 including principal and interest at 4.07%. The lease is secured by various equipment and matures in September 2016.	393,929	526,609
Lease payable with monthly installments of $22,425 including principal and interest at 4.28%. The lease is secured by various equipment and matures in August 2017.	911,675	—
Lease payable with monthly installments of $15,012 including principal and interest at 3.5% above 30-day LIBOR. The lease is secured by various equipment and matures in November 2017.	614,890	—
Lease payable with quarterly installments of $12,631 including principal and interest at 5.68%. The lease is secured by various equipment and matures in November 2015.	94,861	—
	2,067,134	672,932
Less: current portion	627,691	227,221
	$1,439,443	$445,711

Future minimum annual lease payments are as follows:

2014	$ 705,084
2015	651,400
2016	562,999
2017	342,810
	2,262,293
Less: amount representing interest	195,159
Present value of minimum lease payments	$2,067,134

The net book value of assets held under capital lease obligations is as follows at December 31, 2013:

Office equipment	$ 38,996
Laboratory equipment	2,533,215
Leasehold improvements	191,244
	2,763,455
Less: accumulated depreciation	463,795
	$2,299,660

D. LONG-TERM DEBT:

The Company's long-term debt consists of the following at December 31:

	2013	2012
Loan with monthly interest only payments at 6.5% through January 2014; with monthly principal payments of $41,667 plus interest through January 2015; increasing to 10% per annum through July 2015, with a balloon payment of $791,667 due at that time. The loan is secured by various business assets of the Company.	$1,500,000	$—
	1,500,000	—
Less: current portion	458,333	—
	$1,041,667	$—

Future minimum annual lease payments are as follows:

2014	$ 458,333
2015	1,041,667
	$1,500,000

E. RELATED PARTY TRANSACTIONS:

The Company licensed four patents from Ulexus Corporation (Ulexus), a related party that is wholly-owned by an officer/shareholder of BinOptics Corporation. Since 2004, due to a Series B financing, these patents have been licensed directly from the Cornell Research Foundation and Ulexus is no longer a party to the licensing agreement. In conjunction with obtaining the use of these patents from Ulexus, the Company issued 100,000 shares of common stock to Ulexus. In the event that the Company obtains a fair market value equal to, or greater than, $200 million and again $1 billion, additional shares of common stock would be issuable to Ulexus based on the predetermined formula.

A managing member of Ithaca B&T Associates, LLC (formerly Nine Brown Road Associates, LLC), an entity from which the Company leases certain office and laboratory space, is a member of the BinOptics Corporation's board. The annual rent and related charges paid under the terms of the lease for the years ended December 2013 and 2012 was $157,794 and $158,052, respectively.

For the years ended December 31, 2013 and 2012, consulting service fees in the amount of $91,500 and $88,000 were paid to a Board member, respectively. The Company also reimbursed the member for his out-of-pocket expenses in performing such consulting services.

F. COMMITMENTS AND CONTINGENCIES:

The Company leases certain office and laboratory spaces under various operating leases. Rent expense for the year ending December 2013 and 2012 was $415,621 and $352,002, respectively.

Future minimum annual lease payments are as follows:

2014	$ 438,453
2015	413,707
2016	384,113
2017	161,497
2018	143,000
Thereafter	440,917
	$1,981,687

G. INCOME TAXES:

The net deferred tax asset at December 31, 2013 and 2012 is as follows:

	2013	2012
Total of all deferred tax assets	$ 12,931,169	$ 12,036,208
Total of all deferred tax liabilities	(638,622)	(348,983)
Total valuation of allowance	(10,792,547)	(11,687,225)
Net deferred tax asset	$ 1,500,000	$ —

The primary types of temporary differences that create the deferrals are related to net operating loss carry forwards and federal and state tax credits. A valuation allowance was placed on the deferred tax assets in 2013 and 2012, due to uncertainty regarding the Company's ability to realize all of the benefit from the assets.

The income tax provision consists of the following at December 31:

	2013	2012
Current tax expense:		
Federal	$ 14,000	$ —
State	1,100	1,100
Deferred tax benefit:		
Federal	(1,500,000)	—
State	—	—
Tax benefit	$(1,484,900)	$1,100

The Company has approximately $37,120,000, $37,180,000, and $1,115,000 in net operating losses to offset future Federal, New York State, and California State taxable income, respectively. The net operating losses expire beginning in 2023 through 2033. The Company has approximately $1,514,000 and $450,000 in Federal and New York State tax credits to offset future income tax. The Federal credits expire beginning in 2022 through 2034, the New York State credits expire beginning in 2027 through 2032.

H. PREFERRED STOCK:

On December 31, 2013 and 2012 the Company authorized the issuance of 363,000,000 shares and 356,000,000 shares of Preferred Stock, $0.01 par value per share, respectively. 185,000,000 shares are designated as Series 1 Convertible Preferred Stock ("Series 1 Preferred Stock"), and 178,000,000 shares are designated as Series 2 Convertible Preferred Stock ("Series 2 Preferred Stock"), at 2013 and 2012, respectively. The Series 1 Preferred Stock and Series 2 Preferred Stock are collectively referred to as the "New Preferred Stock".

On August 31, 2011 the Company recapitalized its equity structure, cancelling all previously authorized and issued Series A, Series B, Series C, and Series D preferred stock ("Old Preferred Stock") and re-issued either Common Stock or Series 1 Preferred Stock in its place. The securities issued in the recapitalization were dependent upon the existing shareholders participation in their pro-rata share of the Company's initial $4,000,000 offering of Series 2 Preferred Stock. Fully participating holders of Series A, Series B, and Series C preferred stock converted their original investment plus a one-time liquidation preference into Series 1 Preferred stock, while holders of Series D preferred stock converted their original investment plus a 3 times liquidation preference into shares of Series 1 Preferred Stock of similar value. Partial or non-participation in the Company's initial $4,000,000 offering of Series 2 Preferred Stock resulted in the conversion of the old Preferred Stock, including the above mentioned liquidation preference, into common stock based upon a ratio of their participation to their 100 percent pro-rata share.

The holders of the New Preferred Stock are entitled to such votes per share equal to the number of shares of common stock into which each share of New Preferred Stock are then convertible. The New Preferred Stock is convertible at any time, at the option of the holder. Initially, each share of New Preferred Stock is convertible into one share of common stock, but that conversion ratio will automatically adjust to account for, among other things, future issuances of certain classes of stock and the issue prices of such stock, and certain future dilution events, as defined. Upon election of the holders of shares of New Preferred Stock representing at least 55 percent of the votes represented by the outstanding shares of New Preferred Stock, and without payment of any additional consideration, all of the outstanding shares of New Preferred Stock shall be converted into common stock at the applicable conversion rate.

The holders of shares of Series 2 Preferred Stock, in preference to any other holders of Series 1 Preferred Stock or Common Stock, are entitled to receive noncumulative dividends at the rate of $0.0068928 (8%) per annum on each outstanding share of Series 2 Preferred Stock payable when and as declared by the Board of Directors. Following the payment of the Series 2 Preferred Stock dividend, holders of shares of Series 1 Preferred Stock, in preference to any holders of Common Stock, are entitled to receive noncumulative dividends at the rate of $0.0068928 (8%) per annum on each outstanding share of Series 1 Preferred Stock payable when and as declared by the Board of Directors. Following the payment of the foregoing dividends on the Series 1 and Series 2 Preferred Stock described above, the Corporation may, if declared by the Board of Directors, declare and distribute dividends or similar distributions among all holders of outstanding shares of Series 1 Preferred Stock, Series 2 Preferred Stock, and Common Stock pro rata based on the number of shares of Common Stock held by each, determined on an as-if converted basis. At December 31, 2013 and 2012 there were no dividends in arrears.

Additionally, each share of New Preferred Stock is automatically converted to common stock upon the completion of a qualified public offering with minimum price per share of common stock of not less than $0.4308, appropriately adjusted for stock splits and stock dividends, that yields the Company gross proceeds of not less than $30 million, and the Common Stock is traded on either the New York Stock Exchange, the American Stock Exchange or the NASDAQ Global Market.

In the event of a voluntary or involuntary liquidation, dissolution, winding-up of the Company, consolidation or merger of the Company, or sale of a majority of its assets, the Series 2 Preferred Stockholders would be entitled to a preferred distribution equal to their liquidation preference (Series 2 Preference) prior to any distribution of assets to holders of Common Stock or Series 1 Preferred stock. The Series 2 Preference is equal to 100% of the original purchase price ($0.08616; as adjusted appropriately for subsequent stock dividends, stock splits, combinations, recapitalizations and the like) plus an amount equal to all declared and unpaid dividends on Series 2 Preferred Stock, if any. Once the Series 2 Preference is satisfied, the Series 1 Preferred Stockholders would be entitled to a preferred distribution equal to their liquidation preference (Series 1 Preference) prior to any distribution of assets to holders of Common Stock. The Series 1 Preference is equal to 150% of the original purchase price ($0.12924; as adjusted appropriately for subsequent stock dividends, stock splits, combinations, recapitalizations and the like) plus an amount equal to all declared and unpaid dividends on Series 1 Preferred Stock, if any. Once the Series 2 Preference Amount and Series 1 Preference Amount are satisfied, the remaining assets of the Company legally available for distribution are to be distributed among the common stockholders and the New Preferred Stockholders on a pro rata basis on an as-converted-into-common-stock basis.

On August 31, 2011 the Company issued 176,558,115 shares of Series 1 Preferred Stock and 33,849,508 shares of Common Stock as a result of cancelling 8,099,999 shares of Series A Convertible Preferred Stock, 26,476,049 shares of Series B Convertible Preferred Stock, 31,627,912 shares of Series C Convertible Preferred Stock, and 8,139,535 shares of Series D Convertible Preferred Stock. The Company also issued 998,142 warrants to purchase Series 1 Preferred Stock for $0.01 per share as a result of cancelling 200,000 warrants to purchase Series D Convertible Preferred Stock. The Company issued 86,552,568 shares of Series 2 Preferred Stock at $0.08616 per share, and 18,206 warrants to purchase Series 2 Preferred Stock for $0.01 per share, by converting a total of $4,802,187 of subordinated convertible promissory notes received in 2010 and 2011 plus accrued interest of $347,257, converting $800,000 of Bridge Notes Payable received in 2011 plus accrued interest of $6,222, and receiving $1,359,430 of net cash proceeds.

In November 2011 the Company received shareholder approval for the issuance of an additional 38,881,149 shares of Series 2 Preferred Stock at $0.08616 per share for total net proceeds of $3,350,000.

In December 2011 the Company received shareholder approval for the issuance of an additional 5,693,703 shares of Series 2 Preferred Stock at $0.08616 per share for total net proceeds of $490,569.

In December 2012 the Company received shareholder approval for the issuance of an additional 46,425,255 shares of Series 2 Preferred Stock at $0.08616 per share for total net proceeds of $4,000,000.

I. WARRANTS:

At December 31, 2013 the following warrants were outstanding:

- A warrant dated October 6, 2009, issued to Enhanced Capital New York Fund II, LLC to purchase 124,768 shares of Series 1 Preferred Stock for a price of $0.01 per share. The warrant expires on October 6, 2019.
- A warrant dated October 6, 2009, issued to Enhanced Capital New York Fund II, LLC to purchase 124,768 shares of Series 1 Preferred Stock for a price of $0.01 per share. The warrant expires on October 6, 2019.
- A warrant dated October 6, 2009, issued to Enhanced Capital New York Fund II, LLC to purchase 249,535 shares of Series 1 Preferred Stock for a price of $0.01 per share. The warrant expires on October 6, 2019.
- A warrant dated October 6, 2009, issued to Enhanced Capital New York Fund III, LLC to purchase 124,768 shares of Series 1 Preferred Stock for a price of $0.01 per share. The warrant expires on October 6, 2019.
- A warrant dated October 6, 2009, issued to Enhanced Capital New York Fund III, LLC to purchase 124,768 shares of Series 1 Preferred Stock for a price of $0.01 per share. The warrant expires on October 6, 2019.

- A warrant dated October 6, 2009, issued to Enhanced Capital New York Fund III, LLC to purchase 249,535 shares of Series 1 Preferred Stock for a price of $0.01 per share. The warrant expires on October 6, 2019.
- A warrant dated August 31, 2011, issued to Draper Fisher Jurvetson Fund VII, L.P. to purchase 17,478 shares of Series 2 Preferred Stock for a price of $0.01 per share. The warrant expires on August 31, 2021.
- A warrant dated August 31, 2011, issued to Draper Associates Riskmasters Fund, LLC to purchase 473 shares of Series 2 Preferred Stock for a price of $0.01 per share. The warrant expires on August 31, 2021.
- A warrant dated August 31, 2011, issued to Draper Fisher Jurvetson Partners VII, LLC to purchase 255 shares of Series 2 Preferred Stock for a price of $0.01 per share. The warrant expires on August 31, 2021.

J. STOCK OPTION PLAN:

Under the Company's 2007 Stock Option Plan (the Plan), the Company, at the discretion of the plan administrator, may issue incentive stock options, nonqualified stock options, and stock purchase rights for shares of the Company's common stock. All employees, directors, consultants, and independent contractors of the Company shall be eligible. The plan administrator may, in its discretion, determine restrictions and conditions on the exercisability of the stock options and stock purchase rights. No option shall be exercisable after expiration of ten years from the date it was granted. The Plan was amended effective June 2012, to increase the number of shares of common stock reserved for issuance under the Plan from 19,100,000 to 43,100,000. At December 31, 2013, 2,346,077 shares were available for grant of options as determined by the plan administrator.

The price of common stock covered by any option granted under the Plan shall be determined by the plan administrator at the time such option is granted; provided, however, that in the case of incentive stock options the option price shall not be less than the fair market value of the common stock on the date of grant. No options have been granted for less than 100% of the fair market value of common shares at the date of option grant.

Stock purchase rights may be issued either alone, in addition to, or in tandem with other awards granted under the Plan. The offeree will be informed, in writing, of the terms, conditions, and restrictions relating to the offer, including the number of shares of common stock that such person shall be entitled to purchase, the price to be paid, and the time within which such person must accept the offer. The Company has a repurchase option exercisable upon the voluntary or involuntary termination of the purchaser's employment with the Company for any reason. The repurchase option shall lapse at such rate as the plan administrator may determine in its sole and absolute discretion. There were no grants of stock purchase rights during 2013.

The Company's calculation for the employee grants under its stock-based compensation arrangements was made using the Black-Scholes-Merton model using the following assumptions:

	2013	2012
Dividend yield	0%	0%
Volatility	61.38%	65.87%
Discount rate	2.00%	2.50%
Expected life	6 years	6 years
Fair value of common stock per share	$ 0.015	$ 0.02

Total compensation cost related to nonvested awards not yet recognized is $189,162 as of December 31, 2013. It is expected to be recognized over the weighted-average period of 2.46 years.

A summary of the status of the Company's stock option plan as of December 31, 2013 is presented below:

Fixed Options	Shares	Weighted Average Exercise Price
January 01, 2012	6,136,428	$ 0.10
Granted	34,182,200	$ 0.02
Exercised	(7,291)	$ 0.13
Expired	—	
Forfeited	(137,333)	$ 0.05
December 31, 2012	40,174,004	$ 0.03
Granted	686,917	$ 0.02
Exercised	(13,417)	$ 0.05
Expired	(40,000)	$ 0.10
Forfeited	(216,333)	$ 0.02
December 31, 2013	40,591,171	$ 0.03
Exercisable:		
December 31, 2013	21,361,287	
Weighted average fair value of options granted in 2013	$ 0.0078	

Information regarding fixed stock options outstanding at December 31, 2013 is presented below:

	Outstanding Options	Exercisable Options
Range of exercise prices	$0.02 to $0.13	$0.02 to $0.13
Weighted-average remaining contractual life	7.93	

K. NON-STATUTORY STOCK OPTIONS

During the 2013 the Company issued non-statutory stock options for shares of Series 1 Convertible Preferred Stock to two Board members, in consideration for their services on the Board. The total number of options outstanding as of December 31, 2013 was 6,963,788. The total number of options exercisable at December 31, 2013 was 4,642,525. The remaining options vest quarterly over the next two years. The exercise price of the options is $0.08616 and the expiration date is February, 2023. The fair value of the options at the grant date was estimate at $0.0016. The Company recognized $7,500 of compensation cost related to options vested as of December 31, 2013 Total compensation cost related to nonvested options not yet recognized is $3,700 as of December 31, 2013.

L. RETIREMENT PLAN:

All employees are eligible to participate in the defined contribution retirement plan. The Company matches 100% of the first 3% of contributions, and 50% of the next 2% of contributions to the Plan. Company contributions to the plan totaled $127,506 and $114,777 in 2013 and 2012, respectively.

M. CHANGE IN ACCOUNTING PRINCIPLE:

On December 31, 2012, the Company elected to change its inventory valuation method for wafers and gratings inventory from the first-in, first-out (FIFO) method to specific identification method. The new method of accounting for inventory was adopted because management believes the specific identification method provides a more meaningful presentation of its financial position as it results in a better matching of current costs with current revenues. It was impracticable to determine the cumulative effect of this accounting change and the retroactive application of the specific identification method to prior years, because the Company's accounting records do not provide sufficient information to apply the new method. As a result, the effect of the change has been applied prospectively in 2012.

N. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through March 6, 2014 the date the financial statements were available.

Exhibit 99.2

UNAUDITED FINANCIAL STATEMENTS OF
BINOPTICS CORPORATION AND
ITS WHOLLY-OWNED SUBSIDIARY
BINOPTICS (HONG KONG) LIMITED

Nine Months Ended September 30, 2014 and
Year Ended December 31, 2013

BINOPTICS CORPORATION
UNAUDITED CONSOLIDATED BALANCE SHEETS
As of September 30, 2014 and December 31, 2013

	2014	2013
Current Assets		
Cash and cash equivalents	$ 9,778,672	$ 3,018,356
Accounts receivable	10,259,320	4,252,393
Inventory	10,060,306	7,113,905
Prepaid expenses and other current assets	225,323	80,887
Deferred tax assets - current portion	5,055,000	2,138,499
Total Current Assets	35,378,621	16,604,040
Property and equipment		
Clean room	884,501	877,051
Office equipment and computers	556,143	516,499
Construction in progress	2,683,686	1,119,841
Laboratory equipment	6,050,187	4,888,955
Total Property and Equipment	10,174,517	7,402,346
Less: Accumulated depreciation	3,367,980	2,622,768
Property and Equipment, net	6,806,537	4,779,578
Other Assets		
Patent application costs	329,353	278,712
Patents (net of accumulated amortization of $312,967 at September 30, 2014 and $266,134 at December 31, 2013)	689,082	664,698
Deferred tax assets - long-term portion	3,551,201	—
Total other assets	4,569,636	943,410
TOTAL ASSETS	**$46,754,794**	**$22,327,028**

See accompanying notes.

BINOPTICS CORPORATION
UNAUDITED CONSOLIDATED BALANCE SHEETS (continued)
As of September 30, 2014 and December 31, 2013

	2014	2013
Current Liabilities		
Account payable	5,055,144	2,461,533
Accrued liabilities	1,171,902	350,854
Accrued interest	7,504	9,845
Accrued income tax	321,264	14,300
Current portion of capital leases	601,394	627,691
Current portion of long-term debt	1,166,667	458,333
Total Current Liabilities	8,323,875	3,922,556
Accrued rent obligation	21,364	13,000
Capital leases, net of current portion	995,312	1,439,443
Long-term debt, net of current portion	—	1,041,667
Deferred tax liability	—	638,499
Commitments and contingencies (Note F)		
Stockholders' Equity		
Common stock, $.001 par value, 446,000,000 shares authorized, and 39,356,036 shares outstanding at September 30, 2014, $.001 par value, 446,000,000 shares authorized, and 39,322,786 shares outstanding at December 31, 2013	39,356	39,323
Series 1 Preferred stock, $.01 par value, 185,000,000 shares authorized, and 176,558,115 shares outstanding at September 30, 2014 and December 31, 2013	1,765,581	1,765,581
Series 2 Preferred stock, $.01 par value, 178,000,000 shares authorized, and 177,552,675 shares outstanding at September 30, 2014 and December 31, 2013	1,775,526	1,775,527
Additional Paid-in-Capital	46,580,661	46,579,629
Deficit	(12,746,881)	(34,888,197)
Total Stockholders' Equity	37,414,243	15,271,863
TOTAL LIABILITIES & EQUITY	**$ 46,754,794**	**$ 22,327,028**

See accompanying notes.

BINOPTICS CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
Nine Months Ended September 30,

	2014	2013
Sales, net	$38,653,413	$12,695,223
Cost of goods sold	16,984,810	7,702,811
Gross profit	**21,668,603**	**4,992,412**
Research and development costs	2,056,060	2,050,452
Selling and administrative expenses	4,132,813	2,342,513
Income from operations	**15,479,730**	**599,447**
Other (income) expenses:		
Interest expense	125,041	101,876
Income before income tax	**15,354,688**	**497,570**
Income tax benefit (expense)	6,786,628	(250)
Net income	**$22,141,316**	**$ 497,320**

See accompanying notes.

BINOPTICS CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the period January 1, 2013 to September 30, 2014

	Date of Transaction	Number of Common Shares	Number of Series 1 Preferred Shares	Number of Series 2 Preferred Shares
BEGINNING BALANCE December 31, 2012		39,309,369	176,558,115	177,552,675
Exercise of stock options ($.02 per share)	Jan-13	2,500	—	—
Exercise of stock options ($.02 per share)	Jan-13	500	—	—
Exercise of stock options ($.07 per share)	Sep-13	10,417	—	—
Stock issuance costs		—	—	—
Stock option compensation		—	—	—
Net income for the period ended December 31, 2013		—	—	—
ENDING BALANCE December 31, 2013		39,322,786	176,558,115	177,552,675
Exercise of stock options ($.07 per share)	Mar-14	30,750	—	—
Exercise of stock options ($.07 per share)	Sep-14	2,500	—	—
Net income for the period ended September 30, 2014		—	—	—
ENDING BALANCE September 30, 2014		39,356,036	176,558,115	177,552,675

See accompanying notes.

Common Stock Amount	Series 1 Preferred Stock Amount	Series 1 Preferred Stock Amount	Additional Paid-in Capital	Deficit	Total
$ 39,309	$ 1,765,581	$ 1,775,527	$ 46,470,877	$(38,254,646)	$11,796,648
3	—	—	47	—	50
1	—	—	9	—	10
10	—	—	719	—	729
—	—	—	(23,009)	—	(23,009)
—	—	—	130,986	—	130,986
—	—	—	—	3,366,449	3,366,449
$ 39,323	$ 1,765,581	$ 1,775,527	$ 46,579,629	$(34,888,197)	$15,271,863
31	—	—	860	—	891
3	—	—	172	—	175
—	—	—	—	22,141,316	22,141,316
$ 39,356	$ 1,765,581	$ 1,775,526	$ 46,580,661	$(12,746,881)	$37,414,243

See accompanying notes.

BINOPTICS CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
Nine Months Ended September 30,

	2014	2013
Cash flows from operating activities:		
Net income (loss)	$22,141,316	$ 497,320
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Deferred income tax benefit	(6,799,237)	—
Depreciation and amortization	800,201	501,177
Employee stock option compensation	—	92,615
Changes in operating assets and liabilities:		
Accounts receivable	(6,006,927)	(1,183,934)
Inventory	(2,946,401)	(2,017,248)
Prepaid expenses	(144,436)	(152,522)
Accounts payable	2,593,611	(527,111)
Accrued liabilities	827,071	(168,552)
Net cash provided by (used in) operating activities	10,465,198	(2,958,255)
Cash flows from investing activities:		
Cash paid for purchases of fixed assets	(2,765,175)	(1,922,274)
Payment of loan origination fees	—	(5,353)
Purchase of Intangibles (software & patents)	(137,010)	(139,875)
Net cash used in investing activities	(2,902,185)	(2,067,502)
Cash flows from financing activities:		
Payment of stock issuance costs	—	(23,009)
Proceeds from short-term debt	—	1,183,333
Proceeds from long-term debt	—	1,166,667
Principal payments on short-term debt	(333,333)	(450,000)
Principal payments on capital leases	(470,428)	(227,221)
Proceeds from exercise of stock options	1,065	789
Net cash provided by (used in) financing activities	(802,696)	1,650,559
Net increase (decrease) in cash and cash equivalents	6,760,317	(3,375,198)
Cash, beginning of year	3,018,356	4,873,954
Cash, end of year	$ 9,778,672	$ 1,498,756

See accompanying notes.

BINOPTICS CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(continued)
Nine Months Ended September 30,

Supplemental Disclosures of Cash Flow Information:

	2014	2013
Cash paid during the year for:		
Interest	$125,041	$101,876
Taxes	12,418	250

Supplemental Disclosures of Non-Cash Investing and Financing Activity:

During 2013 the Company entered into two equipment leases totaling $1,115,445. This amount has been excluded from the consolidated statement of cash flows.

See accompanying notes

BINOPTICS CORPORATION
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
Nine Months Ended September 30, 2014 and Year Ended December 31, 2013

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. Nature of Business – BinOptics Corporation (the Company), a Delaware C Corporation, was incorporated on December 21, 2000. Principal operations began in January 2001. The Company was formed to address the component requirements for the very rapidly growing optics industry. The Company is focused on the development, manufacturing, and marketing of integrated optoelectronic components based on indium phosphide and other semiconductor materials.

   BinOptics Corporation is the parent company and owns 100% of its subsidiary, BinOptics (Hong Kong) Limited, incorporated in Hong Kong on July 23, 2009.

2. Principles of Consolidation – The consolidated financial statements include the accounts of BinOptics Corporation and its wholly owned subsidiary, BinOptics (Hong Kong) Limited. All intercompany accounts and transactions have been eliminated in the consolidated statements.

3. Basis of Accounting – The Company's financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. In the opinion of management, the accompanying unaudited consolidated financial statements reflect all normal recurring adjustments necessary to present fairly the financial position, results of operations and cash flows for the interim periods, but are not necessarily indicative of the results of operations to be anticipated for the full fiscal year 2014.

4. Revenue Recognition – We recognize revenue when: (i) there is persuasive evidence that an arrangement exists; (ii) delivery has occurred or services have been rendered; (iii) the price is fixed or determinable; and (iv) collectability is reasonably assured.

5. Cash and Cash Equivalents – The Company considers all short-term investments with an original maturity of three months or less to be cash equivalents.

6. Accounts Receivable – The Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

7. Inventory – The Company's inventory consists of the following:

	September 30, 2014	December 31, 2013
Raw Materials	$ 5,490,524	$ 3,162,438
Finished Goods	4,569,782	3,951,467
	$10,060,306	$ 7,113,905

Inventory is valued at the lower of cost or market using a specific identification method for wafers and gratings inventory and a first-in, first-out (FIFO) cost method for the remaining categories.

8. Property and Equipment – Property and equipment is recorded at cost less depreciation. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. The depreciable lives for office equipment, computers, and laboratory equipment are primarily 5 to 7 years. The depreciable life of the clean room leasehold improvement is 39 years. Maintenance and repairs are charged to expense as incurred. Major renewals and betterments are capitalized. Dispositions and abandonments are recorded at the time of the disposition. Depreciation expense for the nine months ended September 30, 2014 and the year ended December 31, 2013 was $749,838 and $668,724, respectively.

9. Other Assets – Loan origination fees are being amortized on a straight-line basis over the terms of the loans, between 12 to 30 months. Patent application costs include professional and application fees related to attempting to obtain patents for technology used by the Company. Upon granting of a patent such costs are amortized on the straight-line basis over 15 years, assessed annually for impairment. If the patent application is unsuccessful, such costs are expensed in the period the application is denied or abandoned. During the nine months ended September 30, 2014 and the year ended December 31, 2013, the Company capitalized patent application costs of $54,171 and $92,131, respectively. The Company did not expense any costs associated with abandoned applications during the nine months ended September 30, 2014 and the year ended December 31, 2013. Amortization expense for the nine months ended September 30, 2014 and the year ended December 31, 2013 was $50,363 and $64,836, respectively. Estimated future amortization expense is as follows:

2014 (remaining 3 months)	$ 17,358
2015	69,432
2016	69,432
2017	69,432
2018	69,432
2019	69,432
Thereafter	324,563
	$689,081

10. Research and Development Costs – Research and development costs are expensed in the period incurred.

11. Income Taxes – The Company accounts for income taxes in accordance with *ASC 740 Income Taxes*. The guidance prescribes a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. *ASC 740 Income Taxes* provides for a liability approach under which deferred income taxes are provided for based on enacted laws and rates applicable to the periods in which the taxes become payable. As described in Note G, there was no valuation allowance at September 30, 2014. The Company's net deferred tax asset has been reduced to $1,500,000 through the use of a valuation allowance at December 31, 2013.

    The Company evaluated its tax positions and concluded that all of the positions taken by the Company would more likely than not be sustained upon examination, based on the technical merits. The income tax returns of the Company are subject to examination by tax authorities, generally for three periods after they were filed.

12. Concentration of Credit Risk – The Company's revenues are derived from sales to customers located worldwide. Concentration of credit risk with accounts receivable is normally limited, due to the nature of the Company's customers.

    During the nine months ended September 30, 2014, the Company had cash on deposit with financial institutions, in excess of $250,000. All deposits up to that amount are insured by FDIC; however, any amounts exceeding $250,000 are uninsured. Cash balances in excess of FDIC limits were $9,508,853 at September 30, 2014.

13. Concentration of Business Risk – In the nine months ended September 30, 2014, approximately 76% of total Company revenue was derived from five major customers and approximately 35% of all purchases were made from three vendors. All of the Company sales were made to customers located in foreign countries.

14. Stock-Based Compensation – The Company is accounting for stock options under the provisions of *ASC 718 Stock Compensation*. For options granted during the nine months ended September 30, 2014 and the year ended December 31, 2013, compensation expense is recognized over the requisite service periods of the option agreements based on their fair value computed under an option-pricing model.

15. Estimates and Assumptions – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from these estimates.

B. LINE OF CREDIT:

In November of 2011 the Company obtained a line of credit with a borrowing capacity of, at any point in time, the lesser of $2,500,000 or 85% of eligible accounts receivable, at an interest rate of overnight LIBOR plus 4%. The interest rate at September 30, 2014 and December 31, 2013 was 4.125%, respectively. The line of credit had a zero balance at September 31, 2014 and December 31, 2013. The line is secured by all assets and intangibles (excluding intellectual property) owned by the Company.

C. CAPITAL LEASE OBLIGATIONS:

The Company had the following capital leases at September 30, 2014 and December 31, 2013:

	September 30, 2014	December 31, 2013
Lease payable with monthly installments of $2,280 including principal and interest at 11.99%. The lease was secured by Laurier Die Sorter and matured in March 2014.	$ —	$ 6,705
Lease payable with monthly installments of $3,901 including principal and interest at 7.06%. The lease was secured by various equipment and matured in December 2014.	11,568	45,074
Lease payable with monthly installments of $12,638 including principal and interest at 4.07%. The lease is secured by various equipment and matures in September 2016.	290,821	393,929
Lease payable with monthly installments of $22,425 including principal and interest at 4.28%. The lease is secured by various equipment and matures in August 2017.	736,632	911,675
Lease payable with monthly installments of $15,012 including principal and interest at 3.5% above 30-day LIBOR. The lease is secured by various equipment and matures in November 2017.	497,145	614,890
Lease payable with quarterly installments of $12,631 including principal and interest at 5.68%. The lease is secured by various equipment and matures in November 2015.	60,540	94,861
	1,596,706	2,067,134
Less: current portion	601,394	627,691
	$ 995,312	$ 1,439,443

As of September 30, 2014, future minimum annual lease payments are as follows:

2015	$ 655,865
2016	600,428
2017	407,819
2018	25,102
	1,689,214
Less: amount representing interest	92,508
Present value of minimum lease payments	$1,596,706

As of September 30, 2014, the net book value of assets held under capital lease obligations are as follows:

	2014
Office equipment	$ 38,966
Laboratory equipment	2,792,040
Leasehold improvements	191,244
	3,022,250
Less: accumulated depreciation	822,513
	$2,199,737

D. LONG-TERM DEBT:

The Company's long-term debt consists of the following at September 30, 2014 and December 31, 2013:

	September 30, 2014	December 31, 2013
Loan with monthly interest payments at 6.5% through January 2014; with monthly principal payments of $41,667 plus interest through January 2015; increasing to 10% per annum through July 2015, with a balloon payment of $791,667 due at that time. The loan is secured by various business assets of the Company.	$ 1,166,667	$ 1,500,000
	1,166,667	1,500,000
Less: current portion	1,166,667	458,333
	$ —	$ 1,041,667

Future minimum annual loan payments are as follows:

2014 (remaining 3 months)	$ 125,000
2015	1,041,667
	$1,166,667

E. RELATED PARTY TRANSACTIONS:

The Company licensed four patents from Ulexus Corporation (Ulexus), a related party that is wholly-owned by an officer/shareholder of BinOptics Corporation. Since 2004, due to a Series B financing, these patents have been licensed directly from the Cornell Research Foundation and Ulexus is no longer a party to the licensing agreement. In conjunction with obtaining the use of these patents from Ulexus, the Company issued 100,000 shares of common stock to Ulexus. In the event that the Company obtains a fair market value equal to, or greater than, $200 million and again $1 billion, additional shares of common stock would be issuable to Ulexus based on the predetermined formula.

A managing member of Ithaca B&T Associates, LLC (formerly Nine Brown Road Associates, LLC), an entity from which the Company leases certain office and laboratory space, is a member of the BinOptics Corporation's board. The annual rent and related charges paid under the terms of the lease for the nine months ended September 30, 2014 and year ended December 31, 2013 was $111,132 and $157,794, respectively.

For the nine months ended September 30, 2014 and year ended December 31, 2013, consulting service fees in the amount of $62,500 and $91,500 were paid to a Board member, respectively. The Company also reimbursed the member for his out-of-pocket expenses in performing such consulting services.

F. COMMITMENTS AND CONTINGENCIES:

The Company leases certain office and laboratory spaces under various operating leases. Rent expense for the nine months ending September 30, 2014 and year ending December 31, 2013 was $411,170 and $415,621, respectively.

Future minimum annual lease payments are as follows:

2014 (remaining 3 months)	$ 182,129
2015	696,843
2016	638,837
2017	585,262
2018	570,226
2019	570,226
Thereafter	3,354,199
	$6,597,722

G. INCOME TAXES:

The net deferred tax asset at September 30, 2014 and December 31, 2013 is as follows:

	September 30, 2014	December 31, 2013
Total of all deferred tax assets	$ 9,244,700	$ 12,931,169
Total of all deferred tax liabilities	(638,622)	(638,622)
Total valuation of allowance	—	(10,792,547)
Net deferred tax asset	$ 8,606,078	$ 1,500,000

The primary types of temporary differences that create the deferrals are related to net operating loss carry forwards and federal and state tax credits. There was no valuation allowance placed on the deferred tax assets in the nine months ended September 30, 2014. There was a valuation allowance placed on the deferred tax assets in the year ended December 31, 2013, due to uncertainty regarding the Company's ability to realize all of the benefit from the assets.

The income tax provision consists of the following at September 30, 2014:

	2014
Current tax expense:	
Federal	$ 327,372
State	—
Deferred tax benefit:	
Federal	(7,110,000)
State	—
Tax benefit	$(6,782,628)

The Company has approximately $21,841,000, $14,240,000 and $1,115,000 in net operating losses to offset future Federal, New York State, and California State taxable income, respectively. The net operating losses expire beginning in 2023 through 2033. The Company has approximately $1,489,000 and $450,000 in Federal and New York State tax credits to offset future income tax. The Federal credits expire beginning in 2022 through 2034, the New York State credits expire beginning in 2027 through 2032.

H. PREFERRED STOCK:

On September 30, 2014 and December 31, 2013 the Company authorized the issuance of 363,000,000 shares and 356,000,000 shares of Preferred Stock, $0.01 par value per share, respectively. 185,000,000 shares are designated as Series 1 Convertible Preferred Stock ("Series 1 Preferred Stock") at September 30, 2014 and December 31, 2013, and 178,000,000 shares are designated as Series 2 Convertible Preferred Stock ("Series 2 Preferred Stock"), at September 30, 2014 and December 31, 2013. The Series 1 Preferred Stock and Series 2 Preferred Stock are collectively referred to as the "New Preferred Stock".

On August 31, 2011 the Company recapitalized its equity structure, cancelling all previously authorized and issued Series A, Series B, Series C, and Series D preferred stock ("Old Preferred Stock") and re-issued either Common Stock or Series 1 Preferred Stock in its place. The securities issued in the recapitalization were dependent upon the existing shareholders participation in their pro-rata share of the Company's initial $4,000,000 offering of Series 2 Preferred Stock. Fully participating holders of Series A, Series B, and Series C preferred stock converted their original investment plus a one-time liquidation preference into Series 1 Preferred stock, while holders of Series D preferred stock converted their original investment plus a 3 times liquidation preference into shares of Series 1 Preferred Stock of similar value. Partial or non-participation in the Company's initial $4,000,000 offering of Series 2 Preferred Stock resulted in the conversion of the old Preferred Stock, including the above mentioned liquidation preference, into common stock based upon a ratio of their participation to their 100 percent pro-rata share.

The holders of the New Preferred Stock are entitled to such votes per share equal to the number of shares of common stock into which each share of New Preferred Stock are then convertible. The New Preferred Stock is convertible at any time, at the option of the holder. Initially, each share of New Preferred Stock is convertible into one share of common stock, but that conversion ratio will automatically adjust to account for, among other things, future issuances of certain classes of stock and the issue prices of such stock, and certain future dilution events, as defined. Upon election of the holders of shares of New Preferred Stock representing at least 55% of the votes represented by the outstanding shares of New Preferred Stock, and without payment of any additional consideration, all of the outstanding shares of New Preferred Stock shall be converted into common stock at the applicable conversion rate.

The holders of shares of Series 2 Preferred Stock, in preference to any other holders of Series 1 Preferred Stock or Common Stock, are entitled to receive noncumulative dividends at the rate of $0.0068928 (8%) per annum on each outstanding share of Series 2 Preferred Stock payable when and as declared by the Board of Directors. Following the payment of the Series 2 Preferred Stock dividend, holders of shares of Series 1 Preferred Stock, in preference to any holders of Common Stock, are entitled to receive noncumulative dividends at the rate of $0.0068928 (8%) per annum on each outstanding share of Series 1 Preferred Stock payable when and as declared by the Board of Directors. Following the payment of the foregoing dividends on the Series 1 and Series 2 Preferred Stock described above, the Corporation may, if declared by the Board of Directors, declare and distribute dividends or similar distributions among all holders of outstanding shares of Series 1 Preferred Stock, Series 2 Preferred Stock, and Common Stock pro rata based on the number of shares of Common Stock held by each, determined on an as-if converted basis. At September 30, 2014 and December 31, 2013 there were no dividends in arrears.

Additionally, each share of New Preferred Stock is automatically converted to common stock upon the completion of a qualified public offering with minimum price per share of common stock of not less than $0.4308, appropriately adjusted for stock splits and stock dividends, that yields the Company gross proceeds of not less than $30 million, and the Common Stock is traded on either the New York Stock Exchange, the American Stock Exchange or the NASDAQ Global Market.

In the event of a voluntary or involuntary liquidation, dissolution, winding-up of the Company, consolidation or merger of the Company, or sale of a majority of its assets, the Series 2 Preferred Stockholders would be entitled to a preferred distribution equal to their liquidation preference (Series 2 Preference) prior to any distribution of assets to holders of Common Stock or Series 1 Preferred stock. The Series 2 Preference is equal to 100% of the original purchase price ($0.08616; as adjusted appropriately for subsequent stock dividends, stock splits, combinations, recapitalizations and the like) plus an amount equal to all declared and unpaid dividends on Series 2 Preferred Stock, if any. Once the Series 2 Preference is satisfied, the Series 1 Preferred Stockholders would be entitled to a preferred distribution equal to their liquidation preference (Series 1 Preference) prior to any distribution of assets to holders of Common Stock. The Series 1 Preference is equal to 150% of the original purchase price ($0.12924; as adjusted appropriately for subsequent stock dividends, stock splits, combinations, recapitalizations and the like) plus an amount equal to all declared and unpaid dividends on Series 1 Preferred Stock, if any. Once the Series 2 Preference Amount and Series 1 Preference Amount are satisfied, the remaining assets of the Company legally available for distribution are to be distributed among the common stockholders and the New Preferred Stockholders on a pro rata basis on an as-converted-into-common-stock basis.

On August 31, 2011 the Company issued 176,558,115 shares of Series 1 Preferred Stock and 33,849,508 shares of Common Stock as a result of cancelling 8,099,999 shares of Series A Convertible Preferred Stock, 26,476,049 shares of Series B Convertible Preferred Stock, 31,627,912 shares of Series C Convertible Preferred Stock, and 8,139,535 shares of Series D Convertible Preferred Stock. The Company also issued 998,142 warrants to purchase Series 1 Preferred Stock for $0.01 per share as a result of cancelling 200,000 warrants to purchase Series D Convertible Preferred Stock. The Company issued 86,552,568 shares of Series 2 Preferred Stock at $0.08616 per share, and 18,206 warrants to purchase Series 2 Preferred Stock for $0.01 per share, by converting a total of $4,802,187 of subordinated convertible promissory notes received in 2010 and 2011 plus accrued interest of $347,257, converting $800,000 of Bridge Notes Payable received in 2011 plus accrued interest of $6,222, and receiving $1,359,430 of net cash proceeds.

In November 2011 the Company received shareholder approval for the issuance of an additional 38,881,149 shares of Series 2 Preferred Stock at $0.08616 per share for total net proceeds of $3,350,000.

In December 2011 the Company received shareholder approval for the issuance of an additional 5,693,703 shares of Series 2 Preferred Stock at $0.08616 per share for total net proceeds of $490,569.

In December 2012 the Company received shareholder approval for the issuance of an additional 46,425,255 shares of Series 2 Preferred Stock at $0.08616 per share for total net proceeds of $4,000,000.

I. WARRANTS:

At September 30, 2014 the following warrants were outstanding:

- A warrant dated October 6, 2009, issued to Enhanced Capital New York Fund II, LLC to purchase 124,768 shares of Series 1 Preferred Stock for a price of $0.01 per share. The warrant expires on October 6, 2019.
- A warrant dated October 6, 2009, issued to Enhanced Capital New York Fund II, LLC to purchase 124,768 shares of Series 1 Preferred Stock for a price of $0.01 per share. The warrant expires on October 6, 2019.
- A warrant dated October 6, 2009, issued to Enhanced Capital New York Fund II, LLC to purchase 249,535 shares of Series 1 Preferred Stock for a price of $0.01 per share. The warrant expires on October 6, 2019.
- A warrant dated October 6, 2009, issued to Enhanced Capital New York Fund III, LLC to purchase 124,768 shares of Series 1 Preferred Stock for a price of $0.01 per share. The warrant expires on October 6, 2019.
- A warrant dated October 6, 2009, issued to Enhanced Capital New York Fund III, LLC to purchase 124,768 shares of Series 1 Preferred Stock for a price of $0.01 per share. The warrant expires on October 6, 2019.

J. STOCK OPTION PLAN:

Under the Company's 2007 Stock Option Plan (the Plan), the Company, at the discretion of the plan administrator, may issue incentive stock options, nonqualified stock options, and stock purchase rights for shares of the Company's common stock. All employees, directors, consultants, and independent contractors of the Company shall be eligible. The plan administrator may, in its discretion, determine restrictions and conditions on the exercisability of the stock options and stock purchase rights. No option shall be exercisable after expiration of ten periods from the date it was granted. The Plan was amended effective June 2012, to increase the number of shares of common stock reserved for issuance under the Plan from 19,100,000 to 43,100,000. At September 30, 2014, 197,573 shares were available for grant of options as determined by the plan administrator.

The price of common stock covered by any option granted under the Plan shall be determined by the plan administrator at the time such option is granted; provided, however, that in the case of incentive stock options the option price shall not be less than the fair market value of the common stock on the date of grant. No options have been granted for less than 100% of the fair market value of common shares at the date of option grant.

Stock purchase rights may be issued either alone, in addition to, or in tandem with other awards granted under the Plan. The offeree will be informed, in writing, of the terms, conditions, and restrictions relating to the offer, including the number of shares of common stock that such person shall be entitled to purchase, the price to be paid, and the time within which such person must accept the offer. The Company has a repurchase option exercisable upon the voluntary or involuntary termination of the purchaser's employment with the Company for any reason. The repurchase option shall lapse at such rate as the plan administrator may determine in its sole and absolute discretion. There were no grants of stock purchase rights during the nine months ended September 30, 2014.

The Company's calculation for the employee grants under its stock-based compensation arrangements was made using the Black-Scholes-Merton model using the following assumptions during the nine months ended September 30, 2014 and year ended December 31, 2013:

	2014	2013
Dividend yield	0%	0%
Volatility	28.30%	61.38%
Discount rate	3%	2%
Expected life	6 years	6 years
Fair value of common stock per share	$ 0.096	$ 0.015

Total compensation cost related to nonvested awards not yet recognized is $189,162 as of September 30, 2014. It is expected to be recognized over the weighted-average period of 1.5 years.

A summary of the status of the Company's stock option plan as of September 30, 2014 is presented below:

Fixed Options	Shares	Weighted Average Exercise Price
December 31, 2012	40,174,004	$ 0.03
Granted	686,917	$ 0.02
Exercised	(13,417)	$ 0.05
Expired	(40,000)	$ 0.10
Forfeited	(216,333)	$ 0.02
December 31, 2013	40,591,171	$ 0.03
Granted	2,449,000	$ 0.10
Exercised	(31,917)	$ 0.02
Expired	(122,000)	$ 0.10
Forfeited	(33,250)	$ 0.02
September 30, 2014	42,853,004	$ 0.03
Exerciseable:		
September 30, 2014	26,388,848	
Weighted average fair value of options granted in 2014	$ 0.01621	

Information regarding fixed stock options outstanding at September 30, 2014 is presented below:

	Outstanding Options	Exerciseable Options
Range of exercise prices	$0.02 to $0.13	$0.02 to $0.13
Weighted-average remaining contractual life	7.39	

K. NON-STATUTORY STOCK OPTIONS

During the nine months ended September 30, 2014 the Company issued non-statutory stock options for shares of Series 1 Convertible Preferred Stock to two Board members, in consideration for their services on the Board. The total number of options outstanding as of September 30, 2014 was 6,963,788. The total number of options exercisable at September 30, 2014 and December 31, 2013 was 197,573 and 4,642,525, respectively. The remaining options vest quarterly over the next two periods. The exercise price of the options is $0.08616 and the expiration date is February, 2023. The fair value of the options at the grant date was estimate at $0.0016.

L. RETIREMENT PLAN:

All employees are eligible to participate in the defined contribution retirement plan. The Company matches 100% of the first 3% of contributions, and 50% of the next 2% of contributions to the Plan. Company contributions to the plan totaled $123,389 and $93,321 in the nine months ended September 30, 2014 and the December 31, 2013, respectively.

M. SUBSEQUENT EVENTS:

Management has evaluated subsequent events involving the Company for potential recognition or disclosure in the accompanying unaudited consolidated financial statements through the date of the issuance. Subsequent events are events or transactions that occurred after the balance sheet date but before the accompanying consolidated financial statements are issued.

On November 17, 2014, the Company entered into an Agreement and Plan of Merger with M/A-COM Technology Solutions Holdings, Inc. (MACOM). In accordance with the Agreement and Plan of Merger, all of the outstanding equity interests (including outstanding warrants) of the Company were exchanged for aggregate consideration of approximately $224.1 million in cash.

Exhibit 99.3

UNAUDITED PRO FORMA CONDENSED COMBINED CONSOLIDATED FINANCIAL STATEMENTS

On December 18, 2013, M/A-COM Technology Solutions Holdings, Inc. (MACOM) completed the acquisition of Mindspeed Technologies, Inc. (Mindspeed), a supplier of semiconductor solutions for communications infrastructure applications (Mindspeed Acquisition). MACOM completed the Mindspeed Acquisition through a cash tender offer (Offer) by Micro Merger Sub, Inc. (Merger Sub), a wholly-owned subsidiary of MACOM, for all of the outstanding shares of common stock, par value $0.01 per share, of Mindspeed (Shares) at a purchase price of $5.05 per share, net to the seller in cash, without interest, less any applicable withholding taxes (Offer Price). Immediately following the Offer, Merger Sub merged with and into Mindspeed, with Mindspeed surviving as a wholly-owned subsidiary of MACOM. At the effective time of the merger, each Share not acquired in the Offer (other than shares held by MACOM, Merger Sub and Mindspeed, and shares of restricted stock assumed by MACOM in the merger) was converted into the right to receive the Offer Price. MACOM funded the Mindspeed Acquisition through the use of available cash and borrowings under its revolving credit facility. The aggregate purchase price for the Shares, net of cash acquired, was $232.0 million and MACOM assumed $81.3 million of liabilities and incurred costs of $4.5 million in connection with the Mindspeed Acquisition.

On November 17, 2014, MACOM, through its wholly-owned subsidiary M/A-COM Technology Solutions Inc., entered into an Agreement and Plan of Merger with BinOptics Corporation (BinOptics), a supplier of high-performance photonic products. On December 15, 2014, MACOM completed the acquisition of BinOptics (BinOptics Acquisition). In accordance with the Agreement and Plan of Merger, all of the outstanding equity interests (including outstanding warrants) of BinOptics were exchanged for aggregate consideration of approximately $224.1 million in cash, subject to customary purchase price adjustments. MACOM funded the BinOptics Acquisition with a combination of cash on hand and the incurrence of $100.0 million of additional borrowings under our its revolving credit facility. MACOM incurred $4.6 million in transaction costs related to the BinOptics Acquisition.

Collectively, the Mindspeed Acquisition and the BinOptics Acquisition are referred to as the Acquisitions.

The following unaudited pro forma condensed combined financial statements (Unaudited Pro Forma Financial Information) are presented to illustrate the effects of the Acquisitions on MACOM's historical results of operations and has been prepared to illustrate the effect of the Acquisitions and has been prepared for informational purposes only. The Unaudited Pro Forma Financial Information is based upon the historical consolidated financial statements and notes thereto of MACOM, Mindspeed and BinOptics and should be read in conjunction with the:

- historical financial statements and the accompanying notes of MACOM included in MACOM's Annual Report on Form 10-K for the fiscal year ended October 3, 2014;
- historical financial statements and the accompanying notes of MACOM included in MACOM's Quarterly Report on Form 10-Q for the three months ended January 2, 2015; and
- historical financial statements and the accompanying notes of BinOptics for the year ended December 31, 2013. Also, the unaudited financial statements and accompanying notes as of September 30, 2014 and the income statement and cash flows for the nine months ended September 30, 2014 and 2013.

The historical consolidated financial information has been adjusted in the Unaudited Pro Forma Financial Information to give effect to pro forma events that are (1) directly attributable to the Acquisitions, (2) factually supportable and (3) with respect to the consolidated statement of operations, expected to have a continuing impact on the combined results of MACOM and Mindspeed or BinOptics. The following unaudited pro forma condensed combined consolidated statements of operations (Unaudited Pro Forma Statements of Operations) have been prepared assuming the Acquisitions had been completed on September 28, 2013, the first day of MACOM's 2014 fiscal year. The Unaudited Pro Forma Financial Information has been adjusted with respect to certain aspects of the Acquisitions to reflect the consummation of the Acquisitions.

The Unaudited Pro Forma Financial Information was prepared in accordance with the acquisition method of accounting under accounting principles generally accepted in the United States (US GAAP) and the regulations of the United States Securities and Exchange Commission (SEC), and is not necessarily indicative of the financial position or results of operations that would have occurred if the Acquisitions had been completed on the dates indicated, nor is it indicative of the consolidated future operating results or financial position of MACOM. Assumptions and estimates underlying the pro forma adjustments are described in the accompanying notes, which should be read in connection with the Unaudited Pro Forma Financial Information. In accordance with Article 11 of Regulation S-X, a pro forma balance sheet is not required as the Acquisitions have already been reflected in MACOM’s unaudited condensed consolidated balance sheet for the three months ended January 2, 2015 set forth in its Quarterly Report on Form 10-Q filed with the SEC on February 2, 2015.

The BinOptics Acquisition purchase price has been preliminarily allocated to the acquired assets and liabilities based upon their preliminary estimated fair values. Any excess purchase price has been allocated to goodwill. The accounting for the BinOptics Acquisition is dependent upon certain valuations and other studies that have not yet progressed to a stage where there is sufficient information for a definitive measurement. Accordingly, the Unaudited Pro Forma Financial Information has been prepared based upon preliminary estimates. The final amounts recorded for the BinOptics Acquisition may differ materially from the information presented. These estimates are subject to change pending further review of the assets acquired and liabilities assumed.

The Unaudited Pro Forma Financial Information does not reflect events that may occur after the Acquisitions, including, but not limited to, the anticipated realization of ongoing savings from operating synergies. It also does not give effect to certain one-time charges MACOM expects to incur in connection with the Acquisitions, including, but not limited to, restructuring charges that are expected to achieve ongoing cost savings and synergies.

M/A-COM Technology Solutions Holdings, Inc.
Unaudited Pro Forma Condensed Combined Consolidated Statement of Operations
For the Year Ended October 3, 2014
(in thousands, expect per share amounts)

	M/A-COM Technology Solutions Holdings, Inc.	Mindspeed Technologies, Inc. (September 28, 2013 to December 18, 2013)	BinOptics Corporation (Year ended September 30, 2014)	Mindspeed Pro Forma Acquisition Adjustments	BinOptics Pro Forma Acquisition Adjustments	Total Pro Forma Adjustments	Notes (See Note 5)	Pro Forma Combined
Revenue	$418,662	$ 20,755	$ 45,263	$ (1,299)	$ —	$ (1,299)	(a)	$483,381
Cost of revenue	249,674	8,325	20,596	4,225	11,655	15,881	(a), (b), (c), (f), (g)	294,475
Gross profit	**168,988**	**12,430**	**24,667**	**(5,524)**	**(11,655)**	**(17,180)**		**188,906**
Operating expenses:								
Research and development	73,685	10,288	2,711	431	—	431	(c)	87,115
Selling, general and administrative	86,179	22,191	5,044	(13,026)	7,132	(5,894)	(b), (c), (d), (f)	107,520
Other expense	—	8,251	—	(7,599)	—	(7,599)	(e)	652
Restructuring charges	14,823	(10)	—	—		—		14,813
Total operating expenses	**174,687**	**40,720**	**7,755**	**(20,194)**	**7,132**	**(13,062)**		**210,100**
Income (loss) from operations	**(5,699)**	**(28,290)**	**16,912**	**14,670**	**(18,787)**	**(4,118)**		**(21,194)**
Other income (expense):								
Warrant liability expense	(3,928)	—	—	—	—	—		(3,928)
Interest expense	(12,362)	(801)	(174)	—	(4,750)	(4,750)	(h)	(18,087)
Other income	3,217	—	—	—		—		3,217
Other income (expense), net	**(13,073)**	**(801)**	**(174)**	**—**	**(4,750)**	**(4,750)**		**(18,798)**
Income (loss) before income taxes	**(18,772)**	**(29,091)**	**16,738**	**14,670**	**(23,537)**	**(8,868)**		**(39,992)**
Income tax provision (benefit)	(8,054)	124	(8,272)			(3,104)	(i)	(19,306)
Income (loss) from continuing operations	**(10,718)**	**(29,215)**	**25,010**	**14,670**	**(23,537)**	**(5,764)**		**(20,686)**
Net income per share:								
Basic income (loss) per common share:								
Income (loss) from continuing operations	$ (0.23)							$ (0.44)
Diluted income (loss) per common share:								
Income (loss) from continuing operations	$ (0.23)							$ (0.44)
Shares used to compute net income (loss) per common share:								
Basic	47,009							47,009
Diluted	47,009							47,009

See accompanying notes to unaudited pro forma condensed combined consolidated financial statements.

M/A-COM Technology Solutions Holdings, Inc.
Unaudited Pro Forma Condensed Combined Consolidated Statement of Operations
For the Three Months Ended January 2, 2015
(in thousands, expect per share amounts)

	M/A-COM Technology Solutions Holdings, Inc.	BinOptics Corporation (October 1, 2014 to December 15, 2014	Pro Forma Acquisition Adjustments	Notes (See Note 5)	Pro Forma Combined
Revenue	$ 114,864	$ 11,867	$ —		$126,731
Cost of revenue	60,663	5,686	1,207	(j)	67,556
Gross profit	**54,201**	**6,181**	**(1,207)**		**59,175**
Operating expenses:					
Research and development	19,474	821	—		20,295
Selling, general and administrative	25,599	18,848	(21,580)	(j), (k), (l)	22,867
Total operating expenses	**45,073**	**19,669**	**(21,580)**		**43,162**
Income (loss) from operations	**9,128**	**(13,488)**	**20,373**		**16,013**
Other income (expense):					
Warrant liability expense	(10,608)	—	—		(10,608)
Interest expense	(4,723)	(28)	—		(4,751)
Other income	375	—	—		375
Total other income (expense)	**(14,956)**	**(28)**	**—**		**(14,984)**
Income (loss) before income taxes	**(5,828)**	**(13,516)**	**20,373**		**1,029**
Income tax provision	478	1,032	7,130	(m)	8,640
Income (loss) from continuing operations	**(6,306)**	**(14,548)**	**13,243**		**(7,611)**
Net income (loss) per share:					
Basic income (loss) per share:					
Income (loss) from continuing operations	$ (0.13)				$ (0.16)
Diluted income (loss) per common share:					
Income (loss) from continuing operations	$ (0.13)				$ (0.16)
Shares used:					
Basic	47,606				47,606
Diluted	47,606				47,606

See accompanying notes to unaudited pro forma condensed combined consolidated financial statements.

1. BASIS OF PRESENTATION

The Unaudited Pro Forma Statements of Operations were prepared using a three month period ending January 2, 2015 of 13 weeks. The fiscal year ended October 3, 2014 was 53 weeks in length.

The Acquisition are reflected in the Unaudited Pro Forma Financial Information as being accounted for under the acquisition method in accordance with guidance on accounting for business combinations under US GAAP.

The Unaudited Pro Forma Financial Information does not reflect ongoing cost savings or synergies that MACOM expects to achieve as a result of the Acquisitions or the costs necessary to achieve these savings and synergies.

In accordance with the guidance on accounting for business combinations, acquisition-related transaction costs and acquisition-related restructuring charges are not included as components of consideration transferred but are accounted for as expenses in the period in which the costs are incurred. Total acquisition-related transaction costs incurred by MACOM were $4.5 million for the Mindspeed Acquisition and $4.6 million for the BinOptics Acquisition. These costs are excluded from the Unaudited Pro Forma Statement of Operations through pro forma adjustments.

Based on MACOM's review of Mindspeed's and BinOptics' summary of significant accounting policies disclosed in Mindspeed's and BinOptics' historical financial statements and discussions with Mindspeed and BinOptics management, the nature and amount of any adjustments to the historical financial statements of Mindspeed and BinOptics to confirm their accounting policies to those of MACOM are not expected to be material. Further review of Mindspeed's and BinOptics' accounting policies and financial statements may result in required revisions to Mindspeeds' and BinOptics' policies and classifications to conform to MACOM's.

The Unaudited Pro Forma Financial Information are presented for illustrative purposes only and are not necessarily indicative of the operating results that would have been achieved had the acquisition been completed as of the date indicated above or the results that may be attained in the future.

2. RECONCILIATION TO BINOPTICS' HISTORICAL STATEMENT OF INCOME

A reconciliation of BinOptics' historical statement of earnings for the year ended September 30, 2014 is as follows (in thousands):

	Year ended December 31, 2013	Less: Nine months ended September 30, 2013	Plus: Nine months ended September 30, 2014	Total
Sales, net	19,305	12,695	38,653	45,263
Cost of goods sold	11,314	7,703	16,985	20,596
Gross profit	**7,991**	**4,992**	**21,668**	**24,667**
Other expenses:				
Research and development costs	2,705	2,051	2,057	2,711
Selling and administrative expenses	3,253	2,341	4,132	5,044
Income from operations	**2,033**	**600**	**15,479**	**16,912**
Other income (expense):	—	—	—	—
Interest expense	(151)	(102)	(125)	(174)
Income before income tax	**1,882**	**498**	**15,354**	**16,738**
Income tax benefit (expense)	1,485	—	6,787	8,272
Net income	**3,367**	**498**	**22,141**	**25,010**

3. ACQUISITION OF MINDSPEED

On December 18, 2013, MACOM completed the Mindspeed Acquisition through the Offer by Merger Sub, a wholly-owned subsidiary of MACOM, for all of the Shares at the Offer Price, a purchase price of $5.05 per share, net to the seller in cash, without interest, less any applicable withholding taxes. Immediately following the Offer, Merger Sub merged with and into Mindspeed, with Mindspeed surviving as a wholly-owned subsidiary of MACOM. At the effective time of the merger, each Share not acquired in the Offer (other than shares held by MACOM, Merger Sub and Mindspeed, and shares of restricted stock assumed by MACOM in the merger) was converted into the right to receive the Offer Price. MACOM funded the Mindspeed Acquisition through the use of available cash and borrowings under its revolving credit facility. The aggregate purchase price for the Shares, net of cash acquired, was $232.0 million and MACOM assumed $81.3 million of liabilities and incurred costs of $4.5 million in connection with the Mindspeed Acquisition.

MACOM recognized assets acquired and liabilities assumed based upon the fair value of such assets and liabilities measured as of the date of acquisition. The aggregate purchase price for Mindspeed was allocated to the tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The excess of the purchase price over the fair value of the acquired net assets represents cost and revenue synergies specific to MACOM, as well as non-capitalizable intangible assets, such as the employee workforce acquired, and has been allocated to goodwill, none of which is tax deductible.

MACOM finalized the purchase price allocation of the Mindspeed Acquisition during the three months ended January 2, 2015. The final allocation of purchase price is as follows:

	Amount
Current assets	$ 50,612
Intangible assets	138,663
Deferred income taxes	92,881
Other assets	31,788
Total assets acquired	313,944
Liabilities assumed:	
Current liabilities	35,270
Debt	40,177
Other liabilities	5,865
Total liabilities assumed	81,312
Net assets acquired	232,632
Consideration:	
Cash paid upon closing, net of cash acquired	232,028
Fair value of vested awards assumed in acquisition	785
Total consideration	232,813
Goodwill	$ 181

In connection with the Mindspeed Acquisition, MACOM assumed all of the outstanding options and all unvested restricted stock awards under Mindspeed's equity plans and converted such options and stock awards into equivalent MACOM awards under the same general terms and conditions as were in existence with adjustments made to shares and exercise prices, if any, pursuant to a formula stipulated in the terms of the acquisition. The fair value of the assumed options and stock awards was $4.1 million, of which $0.8 million relates to vested stock options and has been included in the purchase consideration and the remainder relates to unvested stock options and stock awards, which will be expensed as the remaining services are provided.

The components of the acquired intangible assets were as follows (in thousands):

	Amount	Useful Lives (Years)
Developed technology	$109,263	7
Customer relationships	11,430	10
In-process research and development	17,970	N/A
	$138,663	

The overall weighted-average life of the identified intangible assets acquired in the acquisition is estimated to be seven years.

Estimated amortization of the intangible assets in future fiscal years, is as follows (in thousands):

2015	$18,650
2016	17,239
2017	16,326
2018	13,688
2019	11,774
Thereafter	18,568
	$96,245

Certain developed technology intangibles were sold during 2014 in conjunction with the sale of the Mindspeed CPE product line. The table above excludes amortization related to such assets. In addition, a portion of the In-process research and development project intangibles was completed in 2014 and the related amortization is included in the table above.

4. ACQUISITION OF BINOPTICS

On November 17, 2014, MACOM, through its wholly-owned subsidiary M/A-COM Technology Solutions, Inc., entered into an Agreement and Plan of Merger with BinOptics. On December 15, 2014, MACOM completed the BinOptics Acquisition. In accordance with the Agreement and Plan of Merger, all of the outstanding equity interests (including outstanding warrants) of BinOptics were exchanged for aggregate consideration of approximately $224.1 million in cash, subject to customary purchase price adjustments. MACOM funded the BinOptics Acquisition with a combination of cash on hand and the incurrence of $100.0 million of additional borrowings under its existing revolving credit facility. MACOM incurred $4.6 million in transaction costs related to the BinOptics Acquisition.

MACOM is recognizing BinOptics' assets acquired and liabilities assumed based upon the fair value of such assets and liabilities measured as of the date of acquisition. The aggregate purchase price for BinOptics is being allocated to the tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The excess of the purchase price over the fair value of the acquired net assets represents cost and revenue synergies specific to MACOM, as well as non-capitalizable intangible assets, such as the employee workforce acquired, and has been allocated to goodwill, none of which is tax deductible. A preliminary allocation follows (in thousands):

	Amount
Current assets	$ 41,836
Intangible assets	135,254
Other assets	14,090
Total assets acquired	191,180
Current liabilities	
Debt	1,491
Deferred income taxes	37,745
Other liabilities	12,810
Total liabilities assumed	52,046
Net assets acquired	139,134
Consideration:	
Cash paid upon closing, net of cash acquired	224,114
Goodwill	$ 84,980

The components of the acquired intangible assets on a preliminary basis were as follows (in thousands):

	Amount	Useful Lives (Years)
Developed technology	$ 17,954	7
Customer relationships	113,500	10
Backlog	3,800	1
	$135,254	

The overall weighted-average life of the identified intangible assets acquired in the BinOptics Acquisition is estimated to be 9.3 years and the assets are being amortized over their estimated useful lives based upon the pattern over which MACOM expects to receive the economic benefit from these assets.

Estimated amortization of the intangible assets in future fiscal years, subject to the completion of the purchase price allocation for the BinOptics Acquisition, is as follows (in thousands):

2015	$ 9,747
2016	11,230
2017	12,878
2018	14,289
2019	15,510
Thereafter	59,145
	$122,799

The purchase accounting for the BinOptics Acquisition is preliminary and subject to completion including the areas of taxation where a study of the potential utilization of acquired net operating losses is not yet complete, and certain fair value measurements, particularly the finalization of the valuation assessment of the acquired tangible and intangible assets. The adjustments arising from the completion of the outstanding matters may materially affect the preliminary purchase accounting and would be retroactively reflected in the financial statements as of January 2, 2015 and for the interim period then ended.

5. UNAUDITED PRO FORMA ADJUSTMENTS

The following is a summary of the adjustments made to the Unaudited Pro Forma Financial Information for the fiscal year ended October 3, 2014 and should be read in conjunction with Notes 1 through 4 above.

(a) To reflect a decrease of Mindspeed's revenue related to the decreased of deferred revenue to estimated fair value (in thousands):

Revenue	$(1,299)
Cost of revenue	(280)

(b) To reflect in the pro forma incremental amortization from the $138.7 million of acquired Mindspeed intangible assets as follows (in thousands):

Cost of revenue	$4,144
Selling, general and administrative	124

(c) To reflect the pro forma incremental depreciation expense resulting from the increase to fair value of the Mindspeed property and equipment based upon the estimated weighted average useful lives of four years (in thousands):

Cost of revenue	$361
Research and development	431
Selling, general and administrative	62

(d) To eliminate $13.2 million of transaction costs related to payments made to third parties in connection with the Mindspeed Acquisition, as those costs are non-recurring in nature.

(e) To eliminate the $7.6 million of the expense related to the payment of a "make-whole premium" in cash equal to the sum of the remaining scheduled interest payments to the holders of Mindspeed's convertible debt, as that cost is non-recurring in nature.

(f) To reflect in the pro forma incremental amortization from the $135.3 million of acquired BinOptics intangible assets as follows (in thousands):

Cost of revenue	$ 5,323
Selling, general and administrative	7,132

(g) The BinOptics inventory was increased to estimated realizable value, which has been estimated to be sales price less cost to sell through plus a reasonable margin of selling effort. This pro forma adjustment reflects the $6.3 million of incremental cost resulting from the increase to realizable value of the BinOptics inventory.

(h) To reflect the pro forma increase of $4.8 million of interest expense related to the $100.0 million MACOM borrowed under its revolving credit facility to fund the acquisition of BinOptics at an interest rate of approximately 4.75%

(i) To record the estimated tax effect related to the pro forma adjustments based on the statutory rate of 35%.

The following is a summary of the adjustments made to the Unaudited Pro Forma Financial Information for the three months ended January 2, 2015 and should be read in conjunction with Notes 1 through 4 above.

(j) To reflect in the pro forma incremental amortization from the $135.3 million of acquired BinOptics intangible assets as follows (in thousands):

Cost of revenue	$ 1,207
Selling, general and administrative	1,310

(k) To eliminate $13.2 million of expenses related compensation costs paid to BinOptics employees to buy-out the employees' BinOptics stock options, as those costs are non-recurring in nature.

(l) To eliminate $9.7 million of transaction costs related to payments made to third parties in connection with the BinOptics Acquisition, as those costs are non-recurring in nature.

(m) To record the estimated tax effect related to the pro forma adjustments based on the statutory rate of 35%.