SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE TO

Tender Offer Statement Under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934

GENESIS MICROCHIP INC.

(Name of Subject Company)

SOPHIA ACQUISITION CORP.,

a wholly owned subsidiary of

STMICROELECTRONICS N.V.

(Names of Filing Persons (offeror))

Common Stock, Par Value $0.001 Per Share (including the associated Preferred Stock Purchase Rights)

(Title of Class of Securities)

37184C103
(CUSIP Number of Class of Securities)

Pierre Ollivier
STMicroelectronics N.V.
Chemin du Champ-des-Filles, 39
1228 Plan-les-Ouates, Geneva, Switzerland
Telephone: +41 22 929 58 76
(Name, Address and Telephone Number of Persons Authorized to Receive Notices
and Communications on Behalf of filing persons)

Copy to:
John D. Wilson
Shearman & Sterling LLP
525 Market Street
San Francisco, California 94105
(415) 616-1100

CALCULATION OF FILING FEE

Transaction Valuation*	Amount of Filing Fee**
$386,760,867	$11,873.56

* Estimated for purposes of calculating the amount of the filing fee only. Calculated by multiplying $8.65, the per share tender offer price, by 44,712,239, the sum of the 38,012,846 currently outstanding shares of Common Stock sought in the Offer and the 6,699,393 shares of Common Stock subject to issuance upon exercise of outstanding options and restricted stock units.

** Calculated as 0.003070% of the transaction value.

o Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
Amount Previously Paid: _____ Filing Party: _____
Form or Registration No.: _____ Date Filed: _____
Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.
Check the appropriate boxes to designate any transactions to which the statement relates:

☑ third-party tender offer subject to Rule 14d-1.
o issuer tender offer subject to Rule 13e-4.
o going-private transaction subject to Rule 13e-3.
o amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: o

This Tender Offer Statement on Schedule TO (this "Schedule TO"), is filed by STMicroelectronics N.V., a limited liability company organized under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands ("Parent"), and Sophia Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of Parent ("Purchaser"). This Schedule TO relates to the offer by Purchaser to purchase all of the outstanding shares of Common Stock, par value $0.001 per share, including the associated Series A Participating Preferred Stock purchase rights (the "Rights" and together with the Common Stock, the "Shares") issued pursuant to the Preferred Stock Rights Agreement (the "Rights Agreement"), dated as of June 27, 2002, as amended by Amendment to the Rights Agreement, dated as of March 16, 2003, and as further amended by Amendment No. 2 to the Rights Agreement, dated as of December 10, 2007, between the Company and Mellon Investor Services LLC, of Genesis Microchip Inc., a Delaware corporation (the "Company"), at a price of $8.65 per Share, net to the seller in cash, without interest, less any applicable withholding taxes, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated December 18, 2007 (the "Offer to Purchase") and in the related Letter of Transmittal, copies of which are attached hereto as Exhibits (a)(1) and (a)(2) (which, together with any amendments or supplements thereto, collectively constitute the "Offer"). The information set forth in the Offer to Purchase, including Schedule I thereto, and the related Letter of Transmittal is incorporated herein by reference with respect to Items 1 through 9 and Item 11 of this Schedule TO. The Agreement and Plan of Merger, dated as of December 10, 2007 (the "Merger Agreement"), among Parent, Purchaser and the Company, a copy of which is attached as Exhibit (d)(1) hereto, is incorporated herein by reference with respect to Items 5 and 11 of this Schedule TO.

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Item 1. Summary Term Sheet.

The information set forth in the "Summary Term Sheet" of the Offer to Purchase is incorporated herein by reference.

Item 2. Subject Company Information.

(a) The name of the subject company and the issuer of the securities to which this Schedule TO relates is Genesis Microchip Inc., a Delaware corporation. The Company's principal executive offices are located at 2525 Augustine Drive, Santa Clara, California 95054. The Company's telephone number is (408) 919-8400.

(b) This Schedule TO relates to the outstanding Shares of common stock, par value $0.001 per Share, including the associated Rights, of the Company. The Company has represented in the Merger Agreement that as of December 7, 2007, there were 38,012,846 Shares issued and outstanding and that as of December 8, 2007, there were 6,628,083 Shares reserved for future issuance pursuant to outstanding Company stock options and restricted stock units granted pursuant to the Company Stock Plans and the Company's 2007 Employee Stock Purchase Plan. The information set forth in the "Introduction" of the Offer to Purchase is incorporated herein by reference.

(c) The information set forth in Section 6 of the Offer to Purchase entitled "Price Range of Shares; Dividends" is incorporated herein by reference.

Item 3. Identity and Background of Filing Person.

(a), (b), and (c) This Schedule TO is filed by Purchaser and Parent. The information set forth in Section 8 of the Offer to Purchase entitled "Certain Information Concerning Purchaser and Parent" and Schedule I to the Offer to Purchase is incorporated herein by reference.

Item 4. Terms of the Transaction.

(a) The information set forth in the Offer to Purchase is incorporated herein by reference.

Item 5. Past Contacts, Transactions, Negotiations and Agreements.

(a) and (b) The information set forth in "Summary Term Sheet," "Introduction" and Sections 8, 10, and 11 of the Offer to Purchase entitled "Certain Information Concerning Purchaser and Parent," "Background of the Offer; Contacts with the Company; the Merger Agreement," and "Purpose of the Offer; Plans for the Company After the Offer and the Merger," respectively, is incorporated herein by reference. Except as set forth therein, there have been no material contacts, negotiations or transactions during the past two years which would be required to be disclosed in this Item 5 between any of Purchaser or Parent, or, to the knowledge of Purchaser or Parent, any of those persons listed on Schedule I to the Offer to Purchase, on the one hand, and the Company or its affiliates, on the other, concerning the merger, consolidation or acquisition, a tender offer or other acquisition of the Company's securities, an election of directors or sale or transfer of a material amount of the Company's assets.

Item 6. Purposes of the Transaction and Plans or Proposals.

(a) and (c)(1) — (7) The information set forth in "Summary Term Sheet," "Introduction" and Sections 6, 10, 11 and 13 of the Offer to Purchase entitled "Price Range of Shares; Dividends," "Background of the Offer; Contacts with the Company; the Merger Agreement," "Purpose of the Offer; Plans for the Company After the Offer and the Merger," and "Possible Effects of the Offer on the Market for Shares, Nasdaq Listing, Margin Regulations and Exchange Act Registration," respectively, is incorporated herein by reference.

Item 7. Source and Amount of Funds or Other Consideration.

(a), (b) and (d) The information set forth in "Summary Term Sheet" and Section 9 of the Offer to Purchase entitled "Financing of the Offer and the Merger" is incorporated herein by reference.

Item 8. Interest in Securities of the Subject Company.

The information set forth in Section 8 of the Offer to Purchase entitled "Certain Information Concerning Purchaser and Parent" is incorporated herein by reference.

Item 9. Persons/Assets, Retained, Employed, Compensated or Used.

(a) The information set forth in "Introduction" and Sections 10, 11 and 16 of the Offer to Purchase entitled "Background of the Offer; Contacts with the Company; the Merger Agreement," "Purpose of the Offer; Plans for the Company After the Offer and the Merger," and "Fees and Expenses," respectively, is incorporated herein by reference.

Item 10. Financial Statements.

Not applicable.

Item 11. Additional Information.

(a)(1) The information set forth in Sections 8, 10, and 11 of the Offer to Purchase entitled "Certain Information Concerning Purchaser and Parent," "Background of the Offer; Contacts with the Company; the Merger Agreement," and "Purpose of the Offer; Plans for the Company After the Offer and the Merger," respectively, is incorporated herein by reference.

(a)(2) — (3) The information set forth in Sections 11, 14 and 15 of the Offer to Purchase entitled "Purpose of the Offer; Plans for the Company After the Offer and the Merger," "Certain Conditions of the Offer" and "Certain Legal Matters and Regulatory Approvals," respectively, is incorporated herein by reference.

(a)(4) The information set forth in Sections 13 and 15 of the Offer to Purchase entitled "Possible Effects of the Offer on the Market for Shares, Nasdaq Listing, Margin Regulations and Exchange Act Registration," and "Certain Legal Matters and Regulatory Approvals," respectively, is incorporated herein by reference.

(a)(5) Not applicable.

(b) The information set forth in the Offer to Purchase is incorporated herein by reference.

Item 12. Material to Be Filed as Exhibits.

(a)(1)(A)	Offer to Purchase dated December 18, 2007.
(a)(1)(B)	Form of Letter of Transmittal.
(a)(1)(C)	Form of Notice of Guaranteed Delivery.
(a)(1)(D)	Form of Letter from Morgan Stanley & Co. Incorporated to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
(a)(1)(E)	Form of Letter from Brokers, Dealers, Commercial Banks, Trust Companies and Nominees to Clients.
(a)(1)(F)	Form of Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
(a)(1)(G)	Form of Summary Advertisement as published in *The Wall Street Journal* on December 18, 2007.
(a)(1)(H)	Press Release issued by Parent on December 11, 2007. (1)

(a)(1)(I)	Prepared Remarks for Conference Call conducted by Parent and the Company on December 11, 2007. (2)
(a)(1)(J)	Letter from Philippe Lambinet, Corporate Vice President and General Manager of Parent's Home Entertainment & Displays Group, to all employees of the Company, delivered by Elias Antoun, Chief Executive Officer of the Company, via email on December 17, 2007. (3)
(d)(1)	Agreement and Plan of Merger, dated as of December 10, 2007, among Parent, Purchaser and the Company.
(d)(2)	Employment Agreement dated December 10, 2007, between Parent and Elias Antoun.
(d)(3)	Confidentiality Agreement, dated as of November 14, 2007, between Parent and the Company.
(d)(4)	Exclusivity Agreement, dated as of November 14, 2007, between Parent and the Company.
(g)	None.
(h)	None.

(1) Incorporated by reference to the Schedule TO–C filed by Parent on December 11, 2007.

(2) Incorporated by reference to the Schedule TO–C filed by Parent on December 14, 2007.

(3) Incorporated by reference to the Schedule TO-C filed by Parent on December 18, 2007.

Item 13. Information Required by Schedule 13E-3.

Not applicable.

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: December 18, 2007

STMICROELECTRONICS N.V.

By: /s/ Carlo Bozotti
Name: Carlo Bozotti
Title: President and Chief Executive Officer

SOPHIA ACQUISITION CORP.

By: /s/ Archibald Malone
Name: Archibald Malone
Title: President

EXHIBIT INDEX

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(3) Incorporated by reference to the Schedule TO–C filed by Parent on December 18, 2007.

Exhibit (a)(1)(A)

Offer to Purchase for Cash
All Outstanding Shares of Common Stock
(including the associated Preferred Stock Purchase Rights)
of
GENESIS MICROCHIP INC.
at
$8.65 NET PER SHARE
by
SOPHIA ACQUISITION CORP.,
a wholly owned subsidiary of
STMICROELECTRONICS N.V.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON JANUARY 16, 2008, UNLESS THE OFFER IS EXTENDED

THE OFFER IS BEING MADE PURSUANT TO THE TERMS OF AN AGREEMENT AND PLAN OF MERGER DATED AS OF DECEMBER 10, 2007 (THE "MERGER AGREEMENT") AMONG STMICROELECTRONICS N.V. ("PARENT"), SOPHIA ACQUISITION CORP ("PURCHASER") AND GENESIS MICROCHIP INC. (THE "COMPANY"). THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (I) THERE HAVING BEEN VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER AT LEAST THE NUMBER OF SHARES (AS DEFINED HEREIN) THAT SHALL CONSTITUTE A MAJORITY OF THE SUM OF (A) ALL SHARES OUTSTANDING AS OF THE SCHEDULED EXPIRATION OF THE OFFER AND (B) ALL SHARES ISSUABLE UPON THE EXERCISE, CONVERSION OR EXCHANGE OF ALL COMPANY STOCK OPTIONS AND OTHER RIGHTS TO ACQUIRE SHARES OUTSTANDING AS OF THE SCHEDULED EXPIRATION OF THE OFFER, LESS (C) ANY SHARES ISSUABLE UPON THE EXERCISE OF ANY COMPANY STOCK OPTION (X) NOT EXERCISABLE ON OR PRIOR TO MAY 15, 2008 OR (Y) WITH AN EXERCISE PRICE GREATER THAN $10.50 PER SHARE (THE MAJORITY OF SUCH SUM, THE "MINIMUM CONDITION") AND (II) ANY WAITING PERIODS UNDER THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED (THE "HSR ACT"), AND THE ANTITRUST LAWS OF THE PEOPLE'S REPUBLIC OF CHINA, THE FEDERAL REPUBLIC OF GERMANY, THE REPUBLIC OF HUNGARY AND THE REPUBLIC OF KOREA HAVING EXPIRED OR BEEN TERMINATED PRIOR TO THE EXPIRATION OF THE OFFER (THE "ANTITRUST CONDITION"). THE OFFER IS ALSO SUBJECT TO CERTAIN OTHER CONDITIONS CONTAINED IN THIS OFFER TO PURCHASE. SEE SECTIONS 1 AND 14, WHICH SET FORTH IN FULL THE CONDITIONS TO THE OFFER. THE OFFER IS NOT CONDITIONED UPON PARENT OR PURCHASER OBTAINING FINANCING PRIOR TO THE EXPIRATION OF THE OFFER.

THE BOARD OF DIRECTORS OF THE COMPANY HAS UNANIMOUSLY DETERMINED THAT THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING EACH OF THE OFFER AND THE MERGER (EACH AS DEFINED HEREIN), ARE FAIR TO AND IN THE BEST INTERESTS OF THE HOLDERS OF SHARES. HAS APPROVED AND AUTHORIZED THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING EACH OF THE OFFER AND THE MERGER, AND RECOMMENDS THAT THE HOLDERS OF SHARES ACCEPT THE OFFER AND TENDER THEIR SHARES PURSUANT TO THE OFFER.

IMPORTANT

Any stockholder desiring to tender all or any portion of such stockholder's Shares should either (i) complete and sign the accompanying Letter of Transmittal (or a manually signed facsimile thereof) in accordance with the instructions in the Letter of Transmittal and mail or deliver it together with the certificate(s) evidencing tendered Shares, and any other required documents, to the Depositary or tender such Shares pursuant to the procedure for book-entry transfer set forth in Section 3 or (ii) request such stockholder's broker, dealer, commercial bank, trust company or other nominee to effect the transaction for such stockholder. Any stockholder whose Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if such stockholder desires to tender such Shares.

A stockholder who desires to tender Shares and whose certificates evidencing such Shares are not immediately available, or who cannot comply with the procedure for book-entry transfer on a timely basis, may tender such Shares by following the procedure for guaranteed delivery set forth in Section 3.

Questions or requests for assistance may be directed to the Information Agent or to the Dealer Manager at their respective addresses and telephone numbers set forth on the back cover of this Offer to Purchase. Additional copies of this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may also be obtained from the Information Agent or from brokers, dealers, commercial banks or trust companies.

The Dealer Manager for the Offer is:

Morgan Stanley & Co. Incorporated

December 18, 2007

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SUMMARY TERM SHEET

This summary term sheet highlights selected information from this Offer to Purchase, and may not contain all of the information that is important to you. To better understand our offer to you and for a complete description of the legal terms of the Offer, you should read this Offer to Purchase and the accompanying Letter of Transmittal carefully and in their entirety. Questions or requests for assistance may be directed to the Information Agent or the Dealer Manager at their respective addresses and telephone numbers on the last page of this Offer to Purchase.

WHO IS OFFERING TO BUY MY SECURITIES?

- We are Sophia Acquisition Corp., a newly formed Delaware corporation and a wholly owned subsidiary of STMicroelectronics N.V. We have been organized in connection with this Offer and have not carried on any activities other than in connection with this Offer. See Section 8.
- STMicroelectronics N.V. is a global independent semiconductor company that designs, develops, manufactures and markets a broad range of semiconductor products used in a wide variety of microelectronic applications, including automotive products, computer peripherals, telecommunications systems, consumer products, industrial automation and control systems.

WHAT ARE THE CLASSES AND AMOUNTS OF SECURITIES SOUGHT IN THIS OFFER?

- We are seeking to purchase all the issued and outstanding shares of common stock, par value $0.001 per share, of Genesis Microchip, together with the associated preferred stock purchase rights. See the “Introduction” and Section 1.

HOW MUCH ARE YOU OFFERING TO PAY AND WHAT IS THE FORM OF PAYMENT?

- We are offering to pay $8.65 per share in cash, without interest and less any applicable withholding taxes, upon the terms and subject to the conditions contained in this Offer to Purchase and in the related Letter of Transmittal. If you are the record owner of your shares and you tender your shares in the offer, you will not have to pay any brokerage fees or similar expenses. If you own your shares through a broker or other nominee, and your broker tenders your shares on your behalf, your broker or nominee may charge a fee for doing so. You should consult your broker or nominee to determine whether any charges will apply. See “Introduction,” Section 1 and Section 5.

WHAT ARE THE MOST SIGNIFICANT CONDITIONS OF THE OFFER?

- We are not obligated to purchase any shares unless there have been validly tendered and not withdrawn prior to the expiration of the offer at least the number of shares that shall constitute a majority of the sum of (a) all Shares outstanding as of the scheduled expiration of the Offer and (b) all Shares issuable upon the exercise, conversion or exchange of all Company stock options and other rights to acquire Shares outstanding as of the scheduled expiration of the Offer, less (c) any Shares issuable upon the exercise of any Company stock option (x) not exercisable on or prior to May 15, 2008 or (y) with an exercise price greater than $10.50 per share (the majority of such sum is referred to in this Offer to Purchase as the “Minimum Condition”). See Section 1 and Section 14.
- We are not obligated to purchase any shares unless prior to the expiration of the Offer any applicable waiting period under the HSR Act or certain foreign antitrust laws has expired or been terminated (the “Antitrust Condition”). See Section 15.

These and other conditions to our obligations to purchase shares tendered in the Offer are described in greater detail in Sections 1 and 14.

DO YOU HAVE FINANCIAL RESOURCES TO MAKE PAYMENT?

- Yes. STMicroelectronics N.V. will provide us with the funds necessary to purchase the shares in the Offer. See Section 9.

IS YOUR FINANCIAL CONDITION RELEVANT TO MY DECISION TO TENDER IN THE OFFER?

- Because the form of payment consists solely of cash and all of the funding which will be needed has already been arranged, and also because of the lack of any relevant historical information concerning Sophia Acquisition Corp., we do not think the financial condition of Sophia Acquisition Corp. is relevant to your decision to tender in the Offer.

HOW LONG DO I HAVE TO DECIDE WHETHER TO TENDER IN THE OFFER?

- You will have at least until 12:00 midnight, New York City time, on January 16, 2008, to decide whether to tender your shares in the offer. If you cannot deliver everything that is required in order to make a valid tender by that time, you may be able to use a guaranteed delivery procedure which is described in Section 3 of this Offer to Purchase. See Section 3.

CAN THE OFFER BE EXTENDED, AND UNDER WHAT CIRCUMSTANCES?

- If any of the conditions to the Offer set forth in Section 14 hereto have not been satisfied at a scheduled expiration date, as extended by us, we are obligated to extend the Offer for successive periods of not more than ten business days until such time as either (i) all of the conditions to the Offer have been satisfied or waived or (ii) the Merger Agreement is terminated pursuant to the provisions therein.
- In addition, we may extend the offer for a subsequent offering period of not less than three business days nor more than 20 business days. You will not have withdrawal rights during any subsequent offering period. See Section 1 and Section 2.

HOW WILL I BE NOTIFIED IF THE OFFER IS EXTENDED?

- If we decide to extend the offer, or if we decide to provide for a subsequent offering period, we will inform Mellon Investor Services LLC, the Depositary, of that fact, and will issue a press release giving the new expiration date no later than 9:00 a.m., New York City time, on the next business day after the day on which the Offer was previously scheduled to expire. See Section 1.

HOW DO I TENDER MY SHARES?

To tender your shares in the Offer, you must:

- complete and sign the accompanying Letter of Transmittal (or a manually signed facsimile of the Letter of Transmittal) in accordance with the instructions in the Letter of Transmittal and mail or deliver it together with your share certificates, and any other required documents, to the Depositary;
- tender your shares pursuant to the procedure for book-entry transfer set forth in Section 3; or
- if your share certificates are not immediately available or if you cannot deliver your share certificates, and any other required documents, to Mellon Investor Services LLC prior to the expiration of the offer, or you cannot complete the procedure for delivery by book-entry transfer on a timely basis, you may still tender your shares if you comply with the guaranteed delivery procedures described in Section 3.

UNTIL WHAT TIME CAN I WITHDRAW PREVIOUSLY TENDERED SHARES?

- You may withdraw previously tendered shares any time prior to the expiration of the Offer, and, unless we have accepted the shares pursuant to the Offer, you may also withdraw any tendered shares at any time after February 16, 2008. Shares tendered during the subsequent offering period, if any, may not be withdrawn. See Section 4.

HOW DO I WITHDRAW PREVIOUSLY TENDERED SHARES?

- To withdraw previously tendered shares, you must deliver a written or facsimile notice of withdrawal with the required information to Mellon Investor Services LLC while you still have the right to withdraw. If you

tendered shares by giving instructions to a broker or bank, you must instruct the broker or bank to arrange for the withdrawal of your shares. See Section 4.

WHAT DOES GENESIS MICROCHIP'S BOARD OF DIRECTORS RECOMMEND?

- The Board of Directors of Genesis Microchip has unanimously determined that the Merger Agreement and the transactions contemplated thereby, including each of the Offer and the Merger, are fair to and in the best interests of the holders of Shares, has approved and authorized the Merger Agreement and the transactions contemplated thereby, including each of the Offer and the Merger, and recommends that the holders of Shares accept the Offer and tender their Shares pursuant to the Offer. See "Introduction."

WILL GENESIS MICROCHIP CONTINUE AS A PUBLIC COMPANY?

- If the Merger occurs, Genesis Microchip will no longer be publicly owned. Even if the Merger does not occur, if we purchase all the tendered shares, there may be so few remaining stockholders and publicly held shares that the shares will no longer be eligible to be traded through Nasdaq or other securities markets, there may not be a public trading market for the shares and Genesis Microchip may cease making filings with the Securities and Exchange Commission or otherwise cease being required to comply with Securities and Exchange Commission rules relating to publicly held companies. See Section 13.

WILL THE TENDER OFFER BE FOLLOWED BY A MERGER IF ALL THE SHARES ARE NOT TENDERED?

- If we accept for payment and pay for any Shares, we intend to merge with and into Genesis Microchip. If the Merger occurs, Genesis Microchip will become a wholly owned subsidiary of STMicroelectronics N.V., and each issued and then outstanding share (other than any shares held in the treasury of Genesis Microchip, or owned by STMicroelectronics N.V., Sophia Acquisition Corp. or any of their subsidiaries or any subsidiary of Genesis Microchip and any shares held by stockholders seeking appraisal for their shares) shall be canceled and converted automatically into the right to receive $8.65 per share in cash (or any greater amount per share paid pursuant to the Offer), without interest. See the "Introduction."

IF I DECIDE NOT TO TENDER, HOW WILL THE OFFER AFFECT MY SHARES?

- If you decide not to tender your shares in the Offer and the Merger occurs, you will receive in the Merger the same amount of cash per share as if you had tendered your shares in the offer.
- If you decide not to tender your Shares in the Offer and the Merger does not occur, and we purchase all the tendered shares, there may be so few remaining stockholders and publicly held Shares that the Shares will no longer be eligible to be traded through the Nasdaq Global Market or other securities markets, there may not be a public trading market for the Shares and Genesis Microchip may cease making filings with the Securities and Exchange Commission or otherwise cease being required to comply with Securities and Exchange Commission rules relating to publicly held companies. See Section 13.
- Following the Offer it is possible that the Shares might no longer constitute "margin securities" for purposes of the margin regulations of the Federal Reserve Board, in which case your Shares may no longer be used as collateral for loans made by brokers. See Section 13.

WHAT IS THE MARKET VALUE OF MY SHARES AS OF A RECENT DATE?

- On December 10, 2007, the last full trading day before we announced our offer, the last reported closing price per share reported on the Nasdaq Global Market was $5.40 per share. See Section 7.

WITH WHOM MAY I TALK IF I HAVE QUESTIONS ABOUT THE OFFER?

- You can call Innisfree M&A Incorporated, the Information Agent, at (212) 750-5833 or (888) 750-5834 or Morgan Stanley & Co. Incorporated, the Dealer Manager, at (877) 247-9865. See the back cover of this Offer to Purchase.

To the Holders of Common Stock of
Genesis Microchip Inc.:

INTRODUCTION

Sophia Acquisition Corp., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of STMicroelectronics N.V., a limited liability company organized under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands ("Parent"), hereby offers to purchase all the issued and outstanding shares of common stock, par value $0.001 per share (the "Common Stock"), including the associated preferred stock purchase rights (the "Rights", and together with the Common Stock, the "Shares"), of Genesis Microchip Inc., a Delaware corporation (the "Company"), that are issued and outstanding for $8.65 per Share, net to the seller in cash, without interest, less any applicable withholding taxes, upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (which, together with this Offer to Purchase and any amendments or supplements hereto or thereto, collectively constitute the "Offer"). See Section 8 for additional information concerning Parent and Purchaser.

Tendering stockholders who are record owners of their Shares and tender directly to the Depositary will not be obligated to pay brokerage fees or commissions or, except as otherwise provided in Instruction 6 of the Letter of Transmittal, stock transfer taxes with respect to the purchase of Shares by Purchaser pursuant to the Offer. If you own your shares through a broker or other nominee, and your broker tenders your Shares on your behalf, your broker or nominee may charge a fee for doing so. You should consult your broker or nominee to determine whether any charges or commissions will apply. Any tendering stockholder or other payee that is a U.S. person or entity and fails to complete and sign the Substitute Form W-9, which is included in the Letter of Transmittal, may be subject to backup withholding of U.S. federal income tax at a rate of 28% of the gross proceeds payable to such stockholder or other payee pursuant to the Offer. See Section 5. Non-U.S. persons should complete the appropriate Form W-8 and see Instruction 9 of the Letter of Transmittal. Purchaser or Parent will pay all charges and expenses of Morgan Stanley & Co. Incorporated, which is acting as Dealer Manager for the Offer (the "Dealer Manager"), Mellon Investor Services LLC (the "Depositary") and Innisfree M&A Incorporated (the "Information Agent") incurred in connection with the Offer. See Section 16.

THE BOARD OF DIRECTORS OF THE COMPANY (THE "BOARD") HAS UNANIMOUSLY DETERMINED THAT THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING EACH OF THE OFFER AND THE MERGER (EACH AS DEFINED HEREIN), ARE FAIR TO AND IN THE BEST INTERESTS OF THE HOLDERS OF SHARES, HAS APPROVED AND AUTHORIZED THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREBY, INCLUDING EACH OF THE OFFER AND THE MERGER, AND RECOMMENDS THAT THE HOLDERS OF SHARES ACCEPT THE OFFER AND TENDER THEIR SHARES PURSUANT TO THE OFFER.

Goldman, Sachs & Co. ("Goldman Sachs") has delivered to the Board its written opinion dated December 10, 2007, to the effect that, based upon and subject to various considerations and assumptions set forth in such opinion, the consideration proposed to be received by the holders of Shares in the Offer and the Merger is fair from a financial point of view to such holders. A copy of the written opinion of Goldman Sachs is contained in the Company's Solicitation/Recommendation Statement on Schedule 14D-9 (the "Schedule 14D-9"), which has been filed with the Securities and Exchange Commission (the "Commission") in connection with the Offer and which is being mailed to the Company's stockholders with this Offer to Purchase. The Company's stockholders are urged to read such opinion carefully in its entirety for a description of the assumptions made, matters considered and limitations of the review undertaken by Goldman Sachs.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, (I) THERE HAVING BEEN VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER AT LEAST THE NUMBER OF SHARES THAT SHALL CONSTITUTE A MAJORITY OF THE SUM OF (A) ALL SHARES OUTSTANDING AS OF THE SCHEDULED EXPIRATION OF THE OFFER, AND (B) ALL SHARES ISSUABLE UPON THE EXERCISE, CONVERSION OR EXCHANGE OF ALL COMPANY STOCK OPTIONS AND OTHER RIGHTS TO ACQUIRE SHARES OUTSTANDING AS

OF THE SCHEDULED EXPIRATION OF THE OFFER, LESS (C) ANY SHARES ISSUABLE UPON THE EXERCISE OF ANY COMPANY STOCK OPTION (X) NOT EXERCISABLE ON OR PRIOR TO MAY 15, 2008 OR (Y) WITH AN EXERCISE PRICE GREATER THAN $10.50 PER SHARE (THE MAJORITY OF SUCH SUM, THE "MINIMUM CONDITION") AND (II) ANY WAITING PERIODS UNDER THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED, AND THE ANTITRUST LAWS OF THE PEOPLE'S REPUBLIC OF CHINA, THE FEDERAL REPUBLIC OF GERMANY, THE REPUBLIC OF HUNGARY AND THE REPUBLIC OF KOREA HAVING EXPIRED OR BEEN TERMINATED PRIOR TO THE EXPIRATION OF THE OFFER (THE "ANTITRUST CONDITION"). THE OFFER IS ALSO SUBJECT TO CERTAIN OTHER CONDITIONS CONTAINED IN THIS OFFER TO PURCHASE. SEE SECTIONS 1 AND 14, WHICH SET FORTH IN FULL THE CONDITIONS TO THE OFFER.

The Offer is being made pursuant to an Agreement and Plan of Merger, dated as of December 10, 2007 (the "Merger Agreement"), among Parent, Purchaser and the Company. The Merger Agreement provides, among other things, that as promptly as practicable after the purchase of Shares pursuant to the Offer and the satisfaction or, if permissible, waiver of the other conditions to the Merger set forth in the Merger Agreement and in accordance with the relevant provisions of the General Corporation Law of the State of Delaware ("Delaware Law"), Purchaser will be merged with and into the Company (the "Merger"). As a result of the Merger, the Company will continue as the surviving corporation (the "Surviving Corporation") and will become a wholly owned subsidiary of Parent. At the effective time of the Merger (the "Effective Time"), each Share issued and outstanding immediately prior to the Effective Time (other than Shares owned by Purchaser, Parent or any direct or indirect wholly owned subsidiary of Parent or of the Company) will be canceled and converted automatically into the right to receive $8.65 in cash, or any higher price that may be paid per Share in the Offer, without interest (the "Merger Consideration"), except for Shares held by stockholders who demand and perfect appraisal rights under Delaware Law. Stockholders who demand and fully perfect appraisal rights under Delaware Law will be entitled to receive, in connection with the Merger, cash for the fair value of their Shares as determined pursuant to the procedures prescribed by Delaware Law. See Section 11. The Merger Agreement is more fully described in Section 10. Certain U.S. federal income tax consequences of the sale of Shares pursuant to the Offer and the Merger, as the case may be, are described in Section 5.

The Merger Agreement provides that, promptly upon the purchase by Purchaser pursuant to the Offer of such number of Shares satisfying the Minimum Condition and from time to time thereafter, Purchaser shall be entitled to designate up to such number of directors, rounded up to the next whole number (but in no event more than one less than the total number of directors on the Board), on the Board as will give Purchaser representation on the Board equal to the product of the total number of directors on the Board (giving effect to the directors elected pursuant to this section) multiplied by the percentage that the aggregate number of Shares then owned by Purchaser or any affiliate of Purchaser following such purchase bears to the total number of Shares then outstanding. In the Merger Agreement, subject to compliance with Section 14(f) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 14f-1 promulgated thereunder, the Company has agreed, at such time, to promptly take all actions reasonably necessary to, upon Purchaser's request, cause Purchaser's designees to be elected or appointed as directors of the Company, including increasing the size of the Board or seeking and accepting the resignations of incumbent directors, or both.

The consummation of the Merger is subject to the satisfaction or waiver of certain conditions, including the consummation of the Offer, and, if necessary, the adoption of the Merger Agreement and the Merger by the affirmative vote of the stockholders of the Company. For a more detailed description of the conditions to the Merger, see Section 10. Under the Company's Certificate of Incorporation and Delaware Law, the affirmative vote of the holders of a majority of the outstanding Shares is required to adopt the Merger Agreement and approve the Merger. Consequently, if Purchaser acquires (pursuant to the Offer or otherwise) at least a majority of the outstanding Shares, then Purchaser will have sufficient voting power to adopt the Merger Agreement and approve the Merger without the vote of any other stockholder. See Sections 10 and 11.

The Company has granted to Parent and Purchaser an irrevocable option (the "Merger Option") under the Merger Agreement to purchase, following the consummation of the Offer and subject to certain conditions and limitations, newly issued Shares equal to the number of Shares that, when added to the number of Shares owned by

Parent and Purchaser immediately following the consummation of the Offer, shall equal one share more than 90% of the shares of the Company's common stock then outstanding on a diluted basis (as calculated in accordance with the Merger Agreement). The Merger Option will be exercisable only after the purchase of and payment for Shares pursuant to the Offer as a result of which Parent and Purchaser beneficially own at least 71% of the then outstanding Shares on a diluted basis (as calculated in accordance with the Merger Agreement).

Under Delaware Law, if Purchaser acquires, pursuant to the Offer, the Merger Option, or otherwise, at least 90% of the then outstanding Shares, Purchaser will be able to adopt the Merger Agreement and approve the Merger without a vote of the Company's stockholders. In such event, Parent, Purchaser and the Company have agreed to take all necessary and appropriate action to cause the Merger to become effective in accordance with Delaware Law as promptly as reasonably practicable after such acquisition, without a meeting of the Company's stockholders. If, however, Purchaser does not acquire at least 90% of the then outstanding Shares pursuant to the Offer, the Merger Option, or otherwise, and a vote of the Company's stockholders is required under Delaware Law, a significantly longer period of time will be required to effect the Merger. See Section 11.

The Company has informed Purchaser that, as of December 14, 2007, 38,016,523 Shares were issued and outstanding, 5,799,848 Shares were reserved for issuance pursuant to outstanding employee stock options and 841,398 Shares were subject to forfeiture and a right of repurchase.

Purchaser may provide for a subsequent offering period in connection with the Offer. If Purchaser elects to provide a subsequent offering period, it will make a public announcement thereof on the next business day after the previously scheduled Expiration Date. See Section 1.

No appraisal rights are available in connection with the Offer; however, stockholders may have appraisal rights in connection with the Merger regardless of whether the Merger is consummated with or without a vote of the Company's stockholders. See Section 11.

THIS OFFER TO PURCHASE AND THE RELATED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

1. Terms of the Offer; Expiration Date.

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of such extension or amendment), Purchaser will accept for payment and pay for all Shares validly tendered (and not withdrawn in accordance with the procedures set forth in Section 4) on or prior to the Expiration Date. "Expiration Date" means 12:00 midnight, New York City time, on January 16, 2008, unless and until Purchaser (subject to the terms and conditions of the Merger Agreement) shall have extended the period during which the Offer is open, in which case Expiration Date shall mean the latest time and date at which the Offer, as it may be extended by Purchaser, shall expire.

The Offer is subject to the conditions set forth under Section 14, including the satisfaction of the Minimum Condition and the Antitrust Condition. Subject to the applicable rules and regulations of the Commission and subject to the terms and conditions of the Merger Agreement, Purchaser expressly reserves the right to waive any such condition in whole or in part, in its sole discretion. Subject to the applicable rules and regulations of the Commission and subject to the terms and conditions of the Merger Agreement, Purchaser also expressly reserves the right to increase the price per Share payable in the Offer and to make any other changes in the terms and conditions of the Offer. However, unless previously approved by the Company in writing, no change may be made that (i) amends or waives the Minimum Condition, (ii) decreases the price per share payable in the Offer, (iii) changes the form of consideration to be paid in the Offer, (iv) reduces the maximum number of Shares to be purchased in the Offer, (v) imposes conditions to the Offer in addition to those set forth in Section 14 hereto, (vi) amends the conditions to the Offer set forth in Section 14 hereto so as to broaden the scope of such conditions to the Offer, (vii) extends, except as provided for below, the Offer or (viii) makes any other changes to any of the terms and conditions of the Offer that is adverse to the holders of the Shares.

The Merger Agreement provides that Purchaser is obligated to extend the Offer, until such time as either (A) all of the conditions to the Offer have been satisfied or waived or (B) the Merger Agreement is terminated pursuant to

the provisions therein, for one or more periods of not more than ten business days each beyond the Expiration Date, as extended by Purchaser, if, at the scheduled expiration of the Offer, any of the conditions to the Offer set forth in Section 14 hereto, shall not be satisfied or waived. The Merger Agreement also obligates Purchaser to extend the Offer for any period required by any rule, regulation, position or interpretation of the Commission, or the staff thereof, or of the Nasdaq Global Market ("Nasdaq"), applicable to the Offer. During any such extension, all Shares previously tendered and not withdrawn will remain subject to the Offer, subject to the right of a tendering stockholder to withdraw such stockholder's Shares. See Section 4. Under no circumstances will interest be paid on the purchase price for tendered Shares, whether or not the Offer is extended. Any extension of the Offer may be effected by Purchaser giving oral or written notice of such extension to the Depositary.

Purchaser shall, and Parent shall cause Purchaser to, pay for all Shares validly tendered and not withdrawn as promptly as practicable following the acceptance of Shares for payment pursuant to the Offer. Notwithstanding the immediately preceding sentence and subject to the applicable rules of the Commission and the terms and conditions of the Offer, Purchaser also expressly reserves the right to delay payment for Shares solely in order to comply in whole or in part with applicable laws (any such delay shall be effected in compliance with Rule 14e-1(c) under the Exchange Act, which requires Purchaser to pay the consideration offered or to return Shares deposited by or on behalf of stockholders promptly after the termination or withdrawal of the Offer).

Any such delay will be followed as promptly as practicable by public announcement thereof, such announcement in the case of an extension to be made no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. Subject to applicable law (including Rules 14d-4(d)(i), 14d-6(c) and 14e-1 under the Exchange Act, which require that material changes be promptly disseminated to stockholders in a manner reasonably designed to inform them of such changes) and without limiting the manner in which Purchaser may choose to make any public announcement, Purchaser will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a press release to the Dow Jones News Service or the Public Relations Newswire.

If Purchaser makes a material change in the terms of the Offer or the information concerning the Offer, or if it waives a material condition of the Offer, Purchaser will extend the Offer to the extent required by Rule 14e-1 under the Exchange Act. Subject to the terms of the Merger Agreement, if, prior to the Expiration Date, Purchaser should decide to decrease the number of Shares being sought or to increase or decrease the consideration being offered in the Offer, such decrease in the number of Shares being sought or such increase or decrease in the consideration being offered will be applicable to all stockholders whose Shares are accepted for payment pursuant to the Offer and, if at the time notice of any such decrease in the number of Shares being sought or such increase or decrease in the consideration being offered is first published, sent or given to holders of such Shares, the Offer is scheduled to expire at any time earlier than the period ending on the tenth business day from and including the date that such notice is first so published, sent or given, the Offer will be extended at least until the expiration of such ten business day period.

Purchaser may provide for a subsequent offering period in connection with the Offer. If Purchaser does provide for such subsequent offering period, subject to the applicable rules and regulations of the Commission, Purchaser may elect to extend its offer to purchase Shares beyond the Scheduled Expiration Date for a subsequent offering period of not less than three business days nor more than 20 business days (the "Subsequent Offering Period") to meet the objective that there be validly tendered, in accordance with the terms of the Offer, prior to the expiration of the Offer (as so extended), and not withdrawn a number of Shares which, together with Shares then owned by Parent and Purchaser, represents at least 90% of the then outstanding Shares on a diluted basis (calculated in accordance with the Merger Agreement) if, among other things, upon the Expiration Date (i) all of the conditions to Purchaser's obligations to accept for payment, and to pay for, the Shares are satisfied or waived and (ii) Purchaser immediately accepts for payment, and promptly pays for, all Shares validly tendered (and not withdrawn in accordance with the procedures set forth in Section 4) prior to the Expiration Date. **Shares tendered during the Subsequent Offering Period may not be withdrawn.** See Section 4. Purchaser will immediately accept for payment, and promptly pay for, all validly tendered Shares as they are received during the Subsequent Offering Period. Any election by Purchaser to include a Subsequent Offering Period may be effected by Purchaser giving oral or written notice of the Subsequent Offering Period to the Depositary. If Purchaser decides to include a Subsequent Offering Period, it will make a public announcement to that effect on the next business day after the previously scheduled Expiration Date.

For purposes of the Offer, a "business day" means any day other than Saturday, Sunday or a United States federal holiday.

The Company has provided Purchaser with the Company's stockholder list and security position listings for the purpose of disseminating the Offer to holders of Shares. This Offer to Purchase and the related Letter of Transmittal will be mailed by Purchaser to record holders of Shares whose names appear on the Company's stockholder list and will be furnished, for subsequent transmittal to beneficial owners of Shares, to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing.

2. Acceptance for Payment and Payment for Shares.

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), Purchaser will accept for payment promptly after the Expiration Date all Shares validly tendered (and not properly withdrawn in accordance with Section 4) prior to the Expiration Date. Purchaser shall, and Parent shall cause Purchaser to, pay for all Shares validly tendered and not withdrawn as promptly as practicable following the acceptance of Shares for payment pursuant to the Offer. Notwithstanding the immediately preceding sentence and subject to applicable rules and regulations of the Commission and the terms of the Merger Agreement, Purchaser expressly reserves the right to delay payment for Shares solely in order to comply in whole or in part with applicable laws. See Sections 1 and 15. If Purchaser decides to include a Subsequent Offering Period, Purchaser will accept for payment, and promptly pay for, all validly tendered Shares as they are received during the Subsequent Offering Period. See Section 1.

In all cases (including during any Subsequent Offering Period), Purchaser will pay for Shares tendered and accepted for payment pursuant to the Offer only after timely receipt by the Depositary of (i) the certificates evidencing such Shares (the "Share Certificates") or timely confirmation (a "Book-Entry Confirmation") of a book-entry transfer of such Shares into the Depositary's account at The Depository Trust Company (the "Book-Entry Transfer Facility") pursuant to the procedures set forth in Section 3, (ii) the Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees, or in the case of a book-entry transfer, an Agent's Message (as defined below) and (iii) any other documents required under the Letter of Transmittal. The term "Agent's Message" means a message, transmitted by the Book-Entry Transfer Facility to, and received by, the Depositary and forming a part of the Book-Entry Confirmation which states that the Book-Entry Transfer Facility has received an express acknowledgment from the participant in the Book-Entry Transfer Facility tendering the Shares that are the subject of such Book-Entry Confirmation, that such participant has received and agrees to be bound by the Letter of Transmittal and that Purchaser may enforce such agreement against such participant.

For purposes of the Offer (including during any Subsequent Offering Period), Purchaser will be deemed to have accepted for payment (and thereby purchased) Shares validly tendered and not properly withdrawn as, if and when Purchaser gives oral or written notice to the Depositary of Purchaser's acceptance for payment of such Shares pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the purchase price therefor with the Depositary, which will act as agent for tendering stockholders for the purpose of receiving payments from Purchaser and transmitting such payments to tendering stockholders whose Shares have been accepted for payment. **Under no circumstances will Purchaser pay interest on the purchase price for Shares, regardless of any delay in making such payment.**

If any tendered Shares are not accepted for payment for any reason pursuant to the terms and conditions of the Offer, or if Share Certificates are submitted evidencing more Shares than are tendered, Share Certificates evidencing unpurchased Shares will be returned, without expense to the tendering stockholder (or, in the case of Shares tendered by book-entry transfer into the Depositary's account at a Book-Entry Transfer Facility pursuant to the procedure set forth in Section 3, such Shares will be credited to an account maintained at such Book-Entry Transfer Facility), promptly following the expiration or termination of the Offer.

Purchaser reserves the right to transfer or assign, in whole or from time to time in part, to one or more of its affiliates, the right to purchase all or any portion of the Shares tendered pursuant to the Offer, but any such transfer or assignment will not relieve Purchaser of its obligations under the Offer and will in no way prejudice the rights of

tendering stockholders to receive payment for Shares validly tendered and accepted for payment pursuant to the Offer.

3. Procedures for Accepting the Offer and Tendering Shares.

In order for a holder of Shares validly to tender Shares pursuant to the Offer, the Depositary must receive the Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, together with any required signature guarantees or, in the case of a book-entry transfer, an Agent's Message, and any other documents required by the Letter of Transmittal, at one of its addresses set forth on the back cover of this Offer to Purchase and either (i) the Share Certificates evidencing tendered Shares must be received by the Depositary at such address or such Shares must be tendered pursuant to the procedure for book-entry transfer described below and a Book-Entry Confirmation must be received by the Depositary (including an Agent's Message), in each case prior to the Expiration Date or the expiration of the Subsequent Offering Period, if any, or (ii) the tendering stockholder must comply with the guaranteed delivery procedures described below.

Tendering stockholders who have Shares registered in their names and who tender directly to Mellon Investor Services LLC will not be charged brokerage fees or commissions or, except as set forth in the Letter of Transmittal, transfer taxes on the purchase of Shares by Purchaser pursuant to the Offer. Stockholders who hold their Shares through a broker or bank should consult with that institution as to whether it charges any service fees.

THE METHOD OF DELIVERY OF SHARE CERTIFICATES AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH THE BOOK-ENTRY TRANSFER FACILITY, IS AT THE OPTION AND RISK OF THE TENDERING STOCKHOLDER, AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

Book-Entry Transfer. The Depositary will establish accounts with respect to the Shares at the Book-Entry Transfer Facility for purposes of the Offer within two business days after the date of this Offer to Purchase. Any financial institution that is a participant in the system of the Book-Entry Transfer Facility may make a book-entry delivery of Shares by causing the Book-Entry Transfer Facility to transfer such Shares into the Depositary's account at the Book-Entry Transfer Facility in accordance with the Book-Entry Transfer Facility's procedures for such transfer. However, although delivery of Shares may be effected through book-entry transfer at the Book-Entry Transfer Facility, an Agent's Message and any other required documents, must, in any case, be received by the Depositary at one of its addresses set forth on the back cover of this Offer to Purchase prior to the Expiration Date or the expiration of the Subsequent Offering Period, if any, or the tendering stockholder must comply with the guaranteed delivery procedure described below. **Delivery of documents to the Book-Entry Transfer Facility does not constitute delivery to the Depositary.**

Signature Guarantees. Signatures on all Letters of Transmittal must be guaranteed by a firm which is a member of the Security Transfer Agent Medallion Signature Program, or by any other "eligible guarantor institution," as such term is defined in Rule 17Ad-15 under the Exchange Act (each of the foregoing being referred to as an "Eligible Institution"), except in cases where Shares are tendered (i) by a registered holder of Shares who has not completed either the box entitled "Special Payment Instructions" or the box entitled "Special Delivery Instructions" on the Letter of Transmittal or (ii) for the account of an Eligible Institution. If a Share Certificate is registered in the name of a person other than the signer of the Letter of Transmittal, or if payment is to be made, or a Share Certificate not accepted for payment or not tendered is to be returned, to a person other than the registered holder(s), then the Share Certificate must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear on the Share Certificate, with the signature(s) on such Share Certificate or stock powers guaranteed by an Eligible Institution. See Instructions 1, 5 and 7 of the Letter of Transmittal.

Guaranteed Delivery. If a stockholder desires to tender Shares pursuant to the Offer and such stockholder's Share Certificates evidencing such Shares are not immediately available or such stockholder cannot deliver the Share Certificates and all other required documents to the Depositary prior to the Expiration Date, or such

stockholder cannot complete the procedure for delivery by book-entry transfer on a timely basis, such Shares may nevertheless be tendered, provided that all the following conditions are satisfied:

(i) such tender is made by or through an Eligible Institution;

(ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by Purchaser, is received prior to the Expiration Date by the Depositary as provided below; and

(iii) the Share Certificates (or a Book-Entry Confirmation) evidencing all tendered Shares, in proper form for transfer, in each case together with the Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees or, in the case of a book-entry transfer, an Agent's Message, and any other documents required by the Letter of Transmittal are received by the Depositary within three Nasdaq Global Market ("Nasdaq") trading days after the date of execution of such Notice of Guaranteed Delivery.

The Notice of Guaranteed Delivery may be delivered by hand or mail or by facsimile transmission to the Depositary and must include a guarantee by an Eligible Institution in the form set forth in the form of Notice of Guaranteed Delivery made available by Purchaser. The procedures for guaranteed delivery above may not be used during any Subsequent Offering Period.

In all cases (including during any Subsequent Offering Period), payment for Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of the Share Certificates evidencing such Shares, or a Book-Entry Confirmation of the delivery of such Shares, and the Letter of Transmittal (or a manually signed facsimile thereof), properly completed and duly executed, with any required signature guarantees or, in the case of a book-entry transfer, an Agent's Message, and any other documents required by the Letter of Transmittal.

Determination of Validity. **All questions as to the form of documents and the validity, form, eligibility (including time of receipt) and acceptance for payment of any tender of Shares will be determined by Purchaser, in its sole discretion, which determination shall be final and binding on all parties.** Purchaser reserves the absolute right to reject any and all tenders determined by it not to be in proper form or the acceptance for payment of which may, in the opinion of its counsel, be unlawful. Purchaser also reserves the absolute right to waive any condition of the Offer to the extent permitted by applicable law and the Merger Agreement or any defect or irregularity in the tender of any Shares of any particular stockholder, whether or not similar defects or irregularities are waived in the case of other stockholders. **No tender of Shares will be deemed to have been validly made until all defects and irregularities have been cured or waived. None of Purchaser, Parent or any of their respective affiliates or assigns, the Dealer Manager, the Depositary, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.** Purchaser's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the instructions thereto) will be final and binding.

A tender of Shares pursuant to any of the procedures described above will constitute the tendering stockholder's acceptance of the terms and conditions of the Offer, as well as the tendering stockholder's representation and warranty to Purchaser that (i) such stockholder has the full power and authority to tender, sell, assign and transfer the tendered Shares (and any and all other Shares or other securities issued or issuable in respect of such Shares), and (ii) when the same are accepted for payment by Purchaser, Purchaser will acquire good and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claims.

The acceptance for payment by Purchaser of Shares pursuant to any of the procedures described above will constitute a binding agreement between the tendering stockholder and Purchaser upon the terms and subject to the conditions of the Offer.

Appointment as Proxy. By executing the Letter of Transmittal, or through delivery of an Agent's Message, as set forth above, a tendering stockholder irrevocably appoints Reza Kazerounian and Archibald Malone such stockholder's agents, attorneys-in-fact and proxies, each with full power of substitution, in the manner set forth in the Letter of Transmittal, to the full extent of such stockholder's rights with respect to the Shares tendered by such

stockholder and accepted for payment by Purchaser (and with respect to any and all other Shares or other securities issued or issuable in respect of such Shares on or after December 10, 2007). All such powers of attorney and proxies shall be considered irrevocable and coupled with an interest in the tendered Shares. Such appointment will be effective when, and only to the extent that, Purchaser accepts such Shares for payment. Upon such acceptance for payment, all prior powers of attorney and proxies given by such stockholder with respect to such Shares (and such other Shares and securities) will be revoked, without further action, and no subsequent powers of attorney or proxies may be given nor any subsequent written consent executed by such stockholder (and, if given or executed, will not be deemed to be effective) with respect thereto. The designees of Purchaser will, with respect to the Shares for which the appointment is effective, be empowered to exercise all voting and other rights of such stockholder as they in their sole discretion may deem proper at any annual or special meeting of the Company's stockholders or any adjournment or postponement thereof, by written consent in lieu of any such meeting or otherwise. Purchaser reserves the right to require that, in order for Shares to be deemed validly tendered, immediately upon Purchaser's payment for such Shares, Purchaser must be able to exercise full voting rights with respect to such Shares (and such other Shares and securities).

Under the backup withholding provisions of U.S. federal income tax law, the Depositary may be required to withhold 28% of any payments of cash pursuant to the Offer. To prevent backup withholding of U.S. federal income tax with respect to payment to certain stockholders of the purchase price of Shares purchased pursuant to the Offer, each such stockholder that is a U.S. person or entity must provide the Depositary with such stockholder's correct taxpayer identification number and certify that such stockholder is not subject to backup withholding of U.S. federal income tax by completing the Substitute Form W-9 in the Letter of Transmittal. See Instruction 9 of the Letter of Transmittal.

4. Withdrawal Rights.

Tenders of Shares made pursuant to the Offer are irrevocable except that such Shares may be withdrawn at any time prior to the Expiration Date and, unless theretofore accepted for payment by Purchaser pursuant to the Offer, may also be withdrawn at any time after February 16, 2008. If Purchaser extends the Offer, is delayed in its acceptance for payment of Shares or is unable to accept Shares for payment pursuant to the Offer for any reason, then, without prejudice to Purchaser's rights under the Offer, the Depositary may, nevertheless, on behalf of Purchaser, retain tendered Shares, and such Shares may not be withdrawn except to the extent that tendering stockholders are entitled to withdrawal rights as described in this Section 4, subject to Rule 14e-1(c) under the Exchange Act. Any such delay will be by an extension of the Offer to the extent required by law. If Purchaser decides to include a Subsequent Offering Period, Shares tendered during the Subsequent Offering Period may not be withdrawn. See Section 1.

For a withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover page of this Offer to Purchase. Any such notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of such Shares, if different from that of the person who tendered such Shares. If Share Certificates evidencing Shares to be withdrawn have been delivered or otherwise identified to the Depositary, then, prior to the physical release of such Share Certificates, the serial numbers shown on such Share Certificates must be submitted to the Depositary and the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution, unless such Shares have been tendered for the account of an Eligible Institution. If Shares have been tendered pursuant to the procedure for book-entry transfer as set forth in Section 3, any notice of withdrawal must specify the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Shares.

All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by Purchaser, in its sole discretion, whose determination will be final and binding. None of Purchaser, Parent or any of their respective affiliates or assigns, the Dealer Manager, the Depositary, the Information Agent or any other person will be under any duty to give any notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give any such notification.

Withdrawals of tenders of Shares may not be rescinded. Any Shares properly withdrawn will thereafter be deemed not to have been validly tendered for purposes of the Offer. However, withdrawn Shares may be re-tendered in the Offer at any time prior to the Expiration Date (or during the Subsequent Offering Period, if any) by following one of the procedures described in Section 3 (except Shares may not be re-tendered using the procedures for guaranteed delivery during any Subsequent Offering Period).

5. Material U.S. Federal Income Tax Consequences.

The following is a general discussion of the material U.S. federal income tax consequences of the Offer and the Merger to holders whose Shares are purchased pursuant to the Offer or whose Shares are converted into the right to receive cash in the Merger (whether upon receipt of the Merger Consideration or pursuant to the proper exercise of dissenter's rights). This discussion is based on the Internal Revenue Code of 1986, as amended, the related Treasury regulations, and administrative interpretations and court decisions, all of which are subject to change, possibly with retroactive effect. Any such change could affect the accuracy of the statements and the conclusions discussed below and the tax consequences of the Offer and the Merger. This discussion applies only to holders that hold their Shares as capital assets. This discussion does not address all U.S. federal income tax consequences that may be relevant to particular holders, including holders that are subject to special tax rules, such as dealers in securities; financial institutions; insurance companies; tax-exempt organizations; holders that hold their Shares as part of a position in a "straddle" or as part of a "hedging" or "conversion" transaction; holders that have a "functional currency" other than the U.S. dollar; holders that own their Shares indirectly through partnerships, trusts or other entities that may be subject to special treatment; holders that acquired their Shares pursuant to the exercise of employee stock options or otherwise as compensation, or to holders of Shares who are not U.S. persons. For purposes of this discussion, U.S. persons are (i) U.S. citizens or residents of the United States of America, as defined for U.S. federal income tax purposes, (ii) corporations, or other entities taxable as corporations, created or organized under the laws of the United States or any political subdivision thereof, (iii) estates whose income is subject to U.S. federal income tax regardless of the source and (iv) trusts (a) if a U.S. court can exercise primary supervision over the trusts' administration and one or more U.S. persons are authorized to control all substantial decisions of the trusts or (b) that have valid elections in effect under applicable Treasury regulations to be treated as U.S. persons.

THE TAX DISCUSSION SET FORTH BELOW IS INCLUDED FOR GENERAL INFORMATION PURPOSES ONLY AND IS BASED UPON PRESENT LAW (WHICH MAY BE SUBJECT TO CHANGE, POSSIBLY ON A RETROACTIVE BASIS). BECAUSE INDIVIDUAL CIRCUMSTANCES MAY DIFFER, EACH HOLDER OF SHARES SHOULD CONSULT SUCH HOLDER'S OWN TAX ADVISOR TO DETERMINE THE APPLICABILITY OF THE RULES DISCUSSED TO SUCH HOLDER AND THE PARTICULAR TAX EFFECTS OF THE OFFER AND THE MERGER, INCLUDING THE APPLICATION AND EFFECT OF STATE, LOCAL AND OTHER TAX LAWS.

The receipt of the offer price and the receipt of cash pursuant to the Merger (whether as Merger Consideration or pursuant to the proper exercise of dissenter's rights) will be a taxable transaction for U.S. federal income tax purposes. In general, for U.S. federal income tax purposes, a holder of Shares will recognize gain or loss equal to the difference between such holder's adjusted tax basis in the Shares sold pursuant to the Offer or converted to cash in the Merger and the amount of cash received therefor. Gain or loss must be determined separately for each block of Shares (i.e., Shares acquired at the same cost in a single transaction) sold pursuant to the Offer or converted to cash in the Merger. Such gain or loss will be capital gain or loss. Non-corporate holders will be subject to tax on the net amount of such gain at a maximum rate of 15% provided that the Shares were held for more than one year. The deduction of capital losses is subject to certain limitations. Holders should consult their own tax advisors in this regard.

Payments in connection with the Offer or the Merger may be subject to backup withholding at a 28% rate. Backup withholding generally applies if a holder (i) fails to furnish such holder's social security number or taxpayer identification number ("TIN"), (ii) furnishes an incorrect TIN, (iii) fails properly to report interest or dividends and is notified by the Internal Revenue Service that the payee is subject to backup withholding or (iv) under certain circumstances, fails to provide a certified statement, signed under penalties of perjury, that the TIN provided is such holder's correct number and that such holder is not subject to backup withholding. Backup withholding is not an additional tax. Rather, the U.S. federal income tax liability of persons subject to backup withholding will be reduced

by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained provided that the required information is furnished to the Internal Revenue Service in a timely manner. Certain persons, including corporations and financial institutions generally, are exempt from backup withholding. Certain penalties apply for failure to furnish correct information and for failure to include the reportable payments in income. Each holder should consult with such holder's own tax advisor as to such holder's qualifications for exemption from withholding and the procedure for obtaining such exemption.

6. Price Range of Shares; Dividends.

The Shares are listed and principally traded on the Nasdaq under the symbol "GNSS". The following table sets forth, for the quarters indicated, the high and low sales prices per Share on Nasdaq as reported by the Dow Jones News Service.

Shares Market Data

2005:	High	Low
First Quarter	$ 16.70	$11.96
Second Quarter	19.55	13.23
Third Quarter	27.69	17.72
Fourth Quarter	23.60	16.85
2006:		
First Quarter	$ 22.45	$16.45
Second Quarter	17.67	11.00
Third Quarter	14.95	9.75
Fourth Quarter	12.25	9.42
2007:		
First Quarter	$ 10.53	$ 7.65
Second Quarter	$ 10.04	$ 8.00
Third Quarter	$ 11.16	$ 7.15
Fourth Quarter (through December 17, 2007)	$ 8.73	$ 4.90

On December 10, 2007, the last full trading day prior to the announcement of the execution of the Merger Agreement and of Purchaser's intention to commence the Offer, the closing price per Share as reported on Nasdaq was $5.40. On December 17, 2007, the last full trading day prior to the commencement of the Offer, the closing price per Share as reported on Nasdaq was $8.48. As of December 14, 2007, the approximate number of holders of record of the Shares was 160. The Company has never declared or paid any cash dividends on its Shares.

Stockholders are urged to obtain a current market quotation for the Shares.

7. Certain Information Concerning the Company.

Except as otherwise set forth in this Offer to Purchase, all of the information concerning the Company contained in this Offer to Purchase, including financial information, has been furnished by the Company or has been taken from or based upon publicly available documents and records on file with the Commission and other public sources. Parent and Purchaser have relied on the accuracy of such information furnished by the Company and/or included in the publicly available information on the Company and have not made any independent attempt to verify the accuracy of such information.

General. The Company is a Delaware corporation with its principal executive offices located at 2525 Augustine Drive, Santa Clara, California 95054, Telephone Number: (408) 919-8400. The Company designs, develops and markets integrated circuits called display controllers that receive and process analog and digital video and graphic images for viewing on a flat-panel display. The display controllers are typically located inside a flat-panel display device, such as a flat-panel television or computer monitor.

Certain Forecasts of the Company. Prior to entering into the Merger Agreement, Parent conducted a due diligence review of the Company and in connection with such review received from the Company certain forecasts of the Company's future operating performance. Parent and Purchaser have been advised by the Company that the Company does not in the ordinary course publicly disclose forecasts and that the forecasts provided to Parent and Purchaser by the Company were prepared by the Company solely for the purpose of negotiating with Parent the terms of the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, and as basis for the financial analyses performed by Goldman Sachs & Co., the Company's financial advisor, in connection with the preparation of its fairness opinion, and were not prepared with a view to public disclosure. The information set forth below is included in this Offer to Purchase only because the Company provided non-public forecasts of the Company's future operating performance to Parent and Purchaser. The Company has advised Parent and Purchaser that its forecasts were prepared by the Company's management based on numerous assumptions including, among others, projections of revenues, operating income, operating expenses, manufacturing costs, pricing and sales volumes of existing and future products and customer orders arising from new product introductions. No assurances can be given with respect to any such assumptions. The information set forth below does not give effect to the Offer or the potential combined operations of Parent and the Company or any alterations Parent may make to the Company's operations or strategy after the consummation of the Offer. The information set forth below is presented for the sole purpose of giving holders of Shares access to the material financial forecasts prepared by the Company's management that were made available to Parent and Purchaser in connection with the Merger Agreement and the Offer, and Goldman Sachs in connection with the preparation of its fairness opinion.

Forecasted Financial Information of the Company

FORECASTED INCOME STATEMENT*
Genesis Microchip Inc. Management Forecasts (in millions, except for EPS)

	Fiscal Year Ended March 31,		
	2008	2009	2010
Revenue	$ 197.8	$231.8	$334.5
Gross Profit(1)	$ 69.7	$ 88.3	$135.3
Operating Profit(2)	$ (34.3)	$ (16.6)	$ 23.7
Net Income(2)	$ (38.1)	$ (11.1)	$ 29.8
Earnings per Share(2)	$ (0.99)	$ (0.27)	$ 0.69

* These statements are subject to the qualifications and limitations set forth above and below under the heading "Certain Forecasts of the Company"

(1) Does not include amortization of intangibles from operations or stock based compensation from operations.

(2) Does not include amortization of intangibles from operations and from research and development, stock based compensation and impairment of goodwill.

Certain matters discussed herein, including, but not limited to these forecasts, are forward-looking statements that involve risks and uncertainties. Forward-looking statements include the information set forth above under "Forecasted Financial Information of the Company". While presented with numerical specificity, these forecasts were not prepared by the Company in the ordinary course and are based upon a variety of estimates and hypothetical assumptions which may not be accurate, may not be realized, and are also inherently subject to significant business, economic and competitive uncertainties and contingencies, all of which are difficult to predict, and most of which are beyond the control of the Company. In particular, the Company operates in an intensely competitive industry characterized by technological change, changes in customer requirements, frequent new product introductions and improvements, evolving industry standards and rapidly declining average selling prices. In order to compete in the digital television market, consumer electronics manufacturers must first select the Company's products for incorporation into their digital televisions, giving the Company so-called "design wins." According to the Company, design wins for the Company's digital television products typically occur in the first calendar quarter of each year with associated product sales occurring only after the design win when the Company actually ships its products. To the

extent the Company does not achieve design wins in calendar year 2009 for its products currently in development, the Company may be unable to meet its forecasts. Accordingly, there can be no assurance that any of the forecasts will be realized and the actual results for the fiscal years ending March 31, 2008, 2009 and 2010 may vary materially from those shown above. Holders of Shares are cautioned not to place undue reliance on the information set forth above.

In addition, these forecasts were not prepared in accordance with generally accepted accounting principles, and neither the Company's nor Parent's independent accountants has examined or compiled any of these forecasts or expressed any conclusion or provided any other form of assurance with respect to these forecasts and accordingly assume no responsibility for these forecasts. These forecasts were prepared with a limited degree of precision, and were not prepared with a view to public disclosure or compliance with the published guidelines of the Commission or the guidelines established by the American Institute of Certified Public Accountants regarding forecasts, which would require a more complete presentation of data than as shown above. The inclusion of these forecasts in this Offer to Purchase should not be regarded as an indication that any of Parent, Purchaser or the Company or their respective affiliates or representatives considered or consider the projections to be a reliable prediction of future events and the projections should not be relied on as such. Since the information above covers multiple years, such information by its nature becomes less reliable with each successive year. None of Parent, Purchaser, or any other person to whom these projections were provided assumes any responsibility for their accuracy or validity. None of Parent, Purchaser, the Company, or any of their financial advisors, affiliates or representatives has made or makes any representation to any person regarding the ultimate performance of the Company compared to the information contained in the forecasts. None of Parent, Purchaser, the Company or any of their respective financial advisors, affiliates, or representatives, intends to update or otherwise revise the forecasts to reflect the occurrence of future events even in the event that any or all of the assumptions underlying the forecasts are shown to be in error.

Available Information. The Company is subject to the informational filing requirements of the Exchange Act and, in accordance therewith, is required to file periodic reports, proxy statements and other information with the Commission relating to its business, financial condition and other matters. Information as of particular dates concerning the Company's directors and officers, their remuneration, stock options granted to them, the principal holders of the Company's securities and any material interest of such persons in transactions with the Company is required to be disclosed in proxy statements distributed to the Company's stockholders and filed with the Commission. Such reports, proxy statements and other information should be available for inspection at the public reference facilities maintained by the Commission at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Copies of such materials may also be obtained by mail, upon payment of the Commission's customary fees, by writing to its principal office at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. The Commission also maintains a World Wide Website on the Internet at http://www.sec.gov that contains reports and other information regarding issuers that file electronically with the Commission.

8. Certain Information Concerning Purchaser and Parent.

General. Purchaser is a newly incorporated Delaware corporation organized in connection with the Offer and the Merger and has not carried on any activities other than in connection with the Offer and the Merger. The principal offices of Purchaser are located at 39, Chemin du Champ-des-Filles, 1228 Plan-les-Ouates, Geneva, Switzerland, Telephone: +41-22-929-2929. Purchaser is a wholly owned subsidiary of Parent.

Until immediately prior to the time that Purchaser will purchase Shares pursuant to the Offer, it is not anticipated that Purchaser will have any significant assets or liabilities or engage in activities other than those incidental to its formation and capitalization and the transactions contemplated by the Offer and the Merger. Because Purchaser is newly formed and has minimal assets and capitalization, no meaningful financial information regarding Purchaser is available.

Parent is a limited liability company organized under the Laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands. Its principal offices are located at 39, Chemin du Champ-des-Filles, 1228 Plan-les-Ouates, Geneva, Switzerland, Telephone: +41-22-929-2929. Parent is a global independent semiconductor company that designs, develops, manufactures and markets a broad range of semiconductor products used in a wide variety of microelectronic applications, including automotive products, computer peripherals, telecommunications systems, consumer products, industrial automation and control systems.

The name, citizenship, business address, business telephone number, principal occupation or employment, and five-year employment history for each of the directors and executive officers of Purchaser and Parent and certain other information are set forth in Schedule I hereto. Except as described in this Offer to Purchase and in Schedule I hereto, none of Parent, Purchaser or, to the best knowledge of such corporations, any of the persons listed on Schedule I to the Offer of Purchase has during the last five years (i) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) been a party to any judicial or administrative proceeding (except for matters that were dismissed without sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws or finding any violation of such laws.

Except as described in this Offer to Purchase, (i) none of Purchaser, Parent nor, to the best knowledge of Purchaser and Parent, any of the persons listed in Schedule I to this Offer to Purchase or any associate or majority owned subsidiary of Purchaser, Parent or any of the persons so listed, beneficially owns or has any right to acquire any Shares and (ii) none of Purchaser, Parent nor, to the best knowledge of Purchaser and Parent, any of the persons or entities referred to above nor any director, executive officer or subsidiary of any of the foregoing has effected any transaction in the Shares during the past 60 days.

Except as provided in the Merger Agreement and as otherwise described in this Offer to Purchase, none of Purchaser, Parent nor, to the best knowledge of Purchaser and Parent, any of the persons listed in Schedule I to this Offer to Purchase, has any agreement, arrangement, understanding, whether or not legally enforceable, with any other person with respect to any securities of the Company, including, but not limited to, the transfer or voting of such securities, joint ventures, loan or option arrangements, puts or calls, guaranties of loans, guaranties against loss or the giving or withholding of proxies, consents or authorizations. Except as set forth in this Offer to Purchase, since April 1, 2005, neither Purchaser nor Parent nor, to the best knowledge of Purchaser and Parent, any of the persons listed on Schedule I hereto, has had any transaction with the Company or any of its executive officers, directors or affiliates that is required to be reported under the rules and regulations of the Commission applicable to the Offer. Except as set forth in this Offer to Purchase, since April 1, 2005, there have been no negotiations, transactions or material contacts between any of Purchaser, Parent, or any of their respective subsidiaries or, to the best knowledge of Purchaser and Parent, any of the persons listed in Schedule I to this Offer to Purchase, on the one hand, and the Company or its affiliates, on the other hand, concerning a merger, consolidation or acquisition, tender offer for or other acquisition of any class of the Company's securities, an election of the Company's directors or a sale or other transfer of a material amount of assets of the Company.

9. Financing of the Offer and the Merger.

The total amount of funds required by Purchaser to consummate the Offer and the Merger and to pay related fees and expenses is estimated to be approximately $348.5 million. Purchaser will obtain all of such funds from Parent or one of Parent's subsidiaries. Parent and its subsidiary will provide such funds from existing resources.

10. Background of the Offer; Contacts with the Company; the Merger Agreement.

Background of the Offer

The Strategic Committee of Parent's Supervisory Board and senior management of Parent regularly review opportunities to achieve Parent's strategic goals through acquisitions or other strategic transactions. In connection with such efforts, in the first half of 2007, the management of the consumer products group of Parent conducted a review of potential strategic opportunities in the consumer products semiconductor market, with a focus on the display image technology market. During the course of this review, Parent evaluated several potential acquisition targets. At the end of June 2007, Parent had not yet determined whether to pursue a potential transaction with any of the potential acquisition candidates.

On June 28, 2007, a representative of Goldman Sachs contacted Loic Lietar, Group Vice President, Deputy General Manager, Strategy, Strategy and System Technology, of Parent to discuss a potential collaboration between the Company and Parent. During that conversation, Mr. Lietar, on behalf of Parent, expressed an interest in collaborating with the Company and, as a result, agreed that representatives of Parent should meet with representatives of the Company.

On July 12, 2007, Guy Lauvergeon, Group Vice President, Corporate Strategy & Technology of Parent, spoke by telephone with Hildy Shandell, Senior Vice President, Corporate Development of the Company, and arranged a meeting at the Company's headquarters in Santa Clara, California on July 25, 2007.

On July 25, 2007, Mr. Lauvergeon met with Elias Antoun, President and Chief Executive Officer of the Company, Behrooz Yadegar, Senior Vice President, Product Development of the Company, and Ms. Shandell at the Company's headquarters to explore potential collaboration between the two companies. During this meeting, the parties exchanged information about their respective businesses and the potential strategic fit of the two companies. At this meeting, Mr. Lauvergeon inquired as to whether the Company was committed to continuing as a stand-alone company. Mr. Antoun indicated that the Company was open to exploring various alternatives with Parent, including a potential acquisition of the Company by Parent.

Following the meeting in Santa Clara on July 25, 2007, the management of Parent's consumer products group evaluated the possibility of acquiring the Company in light of the Company's willingness to consider such a transaction. After a review of information about the Company and a discussion of the strategic advantages of an acquisition of the Company, Parent's senior management authorized the management of Parent's consumer products group to continue discussions with the Company.

On August 29, 2007, the Company entered into a confidentiality agreement with Parent. On the same day, Messrs. Antoun and Yadegar and Ms. Shandell met with members of the management of Parent, including Philippe Lambinet, Corporate Vice President, General Manager, Home Entertainment and Displays Group, and Laurent Remont, Chief System Architect, in Paris, France, to determine whether there was enough interest to commence discussions regarding potential business and strategic opportunities between the two companies. The principal topic discussed at this meeting was a general overview of the Company's business and technology.

On September 13, 2007, following internal discussions at Parent regarding the desirability of proceeding with a potential acquisition of the Company, Mr. Lambinet confirmed to Mr. Antoun Parent's interest in pursuing further discussions with the Company. At that time, Mr. Lambinet provided a list of diligence questions with respect to the Company's business and operations.

On September 17, 2007, Mr. Antoun provided responses to the diligence questions provided by Parent, but indicated to Parent that the Company was not prepared to provide additional information to Parent until Parent provided the Company with an indication of serious interest.

Following Mr. Antoun's response to Parent, Parent's senior management continued to evaluate whether or not to submit a non-binding proposal to the Company in light of other strategic opportunities potentially available to Parent.

On October 12, 2007, representatives of Morgan Stanley & Co. Incorporated ("Morgan Stanley") participated in a conference call with members of Parent's management and presented a preliminary review of the Company, its business and its historical results of operations.

On October 15, 2007, Messrs. Antoun, Lambinet and Lauvergeon met in Geneva, Switzerland and discussed the businesses of the Company and Parent and whether the parties should engage in any further discussions regarding a potential transaction.

Following the meeting in Geneva, Messrs. Lambinet and Lauvergeon updated the senior management of Parent, including Mr. Carlo Bozotti, President and Chief Executive Officer of Parent, regarding their recent meetings with the Company. Parent's senior management authorized the submission by Parent of a non-binding indication of interest to the Company. In connection therewith, Parent's Management began preparing materials regarding the potential transaction to be presented to the Strategic Committee of the Supervisory Board of Parent at its next regularly scheduled meeting on October 23, 2007.

On October 17, 2007, in connection with the preparation of Parent's preliminary indication of interest and in contemplation of a possible acquisition transaction, Parent retained Shearman & Sterling LLP ("Shearman & Sterling") to act as its legal counsel.

On October 18, 2007, representatives of Morgan Stanley and senior management of Parent met in Geneva, Switzerland to discuss a possible acquisition of the Company. At this meeting, representatives of Morgan Stanley presented a preliminary financial analysis of the Company.

On October 22, 2007, Parent engaged Morgan Stanley to act as its financial advisor, which relationship was later formalized in an engagement letter entered into by Parent and Morgan Stanley on December 6, 2007.

On October 23, 2007, the Strategic Committee of the Supervisory Board of Parent held its regularly scheduled meeting. At this meeting, senior management of Parent reviewed with the members of the Strategic Committee, among other projects, a potential acquisition of the Company, including the principal terms on which Parent might propose to acquire the Company. The members of the Strategic Committee reviewed the proposal from management, and authorized management to submit a non-binding proposal to the Company consistent with the terms presented to the Strategic Committee. Thereafter, senior management of Parent and representatives of Morgan Stanley and Shearman & Sterling participated in several conference calls to finalize the terms of Parent's non-binding proposal.

On November 5, 2007, Parent sent a non-binding letter of intent, dated November 4, 2007, to the Company, in which Parent proposed to acquire the Company through a cash tender offer, followed by a merger (the "Proposal"). The Proposal indicated that, subject to satisfactory results of a due diligence review of the Company, approval by the Supervisory Board of Parent and certain other conditions, Parent would be prepared to pay to the Company's stockholders $9.50 per Share in cash. Also on November 5, 2007, Parent provided the Company with a preliminary due diligence request list, a draft exclusivity agreement containing a provision for specified money damages in the event of a breach by the Company of the exclusivity agreement and an amendment to the confidentiality agreement, which revised the terms of the confidentiality agreements so that the confidentiality agreement would apply to the discussions between the Company and Parent with respect to the potential acquisition and also to the Company's and Parent's advisors. Parent indicated that it was not prepared to commence discussions and begin incurring expenses until a satisfactory exclusivity agreement had been executed. The letter of intent from Parent expired in accordance with its terms on November 8, 2007, and was never executed by the Company.

On November 7, 2007, Mr. Antoun communicated to Parent that, during a Board meeting held that day, the Board had determined that it was interested in entering into discussions with Parent in response to the Proposal, but that it was not prepared to execute the exclusivity agreement in the form proposed, which was a pre-condition to Parent's entering into discussions. In particular, the Board was not prepared to agree to pay specified money damages for a breach of the exclusivity agreement. Mr. Antoun communicated to Parent the need to revise the proposed exclusivity agreement prior to commencement of any discussions.

On November 9, 2007, following a telephonic meeting of the Board, Mr. Antoun reiterated to Parent that the Company would not execute the exclusivity agreement in the form provided and was not prepared to confirm its acceptance of the per Share price proposed by Parent.

On November 11, 2007, Parent received from the Company a revised draft of the exclusivity agreement and a new confidentiality agreement, which contained a standstill provision prohibiting the acquisition of Shares by Parent without the Company's consent and an employee non-solicitation provision.

Over the next several days, representatives of Shearman & Sterling and WSGR engaged in negotiation with respect to the exclusivity agreement and the amendment to the confidentiality agreement.

On November 15, 2007, Parent and the Company entered into the amendment to the confidentiality agreement, dated as November 14, 2007, and the exclusivity agreement, dated as of November 14, 2007, which did not contain the provision for specified money damages in the event of a breach by Genesis of the exclusivity agreement. Thereafter, late on November 16, 2007, Parent and the Company commenced discussions regarding a possible acquisition of the Company by Parent and Parent and its representatives were granted access to the Company's electronic data room for purposes of Parent's due diligence review of the Company.

From November 16, 2007 through November 20, 2007, representatives of the Company, including Messrs. Antoun and Yadegar, Ms. Shandell and Jeffrey Lin, General Counsel and Secretary of the Company, held due diligence meetings with representatives of Parent in Palo Alto, California. Representatives of Goldman

Sachs and representatives of Morgan Stanley also participated in these due diligence meetings. From November 20, 2007, until execution of the merger agreement, Parent continued to request, receive and review additional due diligence materials and continued to meet periodically with the Company management. During this period, Parent and its financial and legal advisors participated in regular conference calls to discuss their ongoing financial, legal, tax, accounting, and business due diligence review of the Company and the results thereof to date. Representatives of Shearman & Sterling reviewed documents provided by the Company at the offices of WSGR in Palo Alto, California and participated in meetings and conference calls with the Company in connection with Parent's legal due diligence review of the Company.

On November 19, 2007, the Supervisory Board of Parent held an extraordinary meeting in Paris, France to discuss potential acquisition opportunities. At this meeting, senior management of Parent updated the members of the Supervisory Board regarding the strategic rationale for the proposed acquisition of the Company, the Company's reaction to Parent's Proposal, the structure and anticipated timing of the proposed acquisition of the Company, the price per Share and premium to be offered by Parent and the results of the due diligence review conducted by Parent and its advisors to date. Following a discussion of these matters, the Supervisory Board authorized Geneva's Management Board, which is comprised solely of Mr. Bozotti, to negotiate and enter into an agreement for Parent to acquire the Company, including by means of a cash tender offer, subject to the financial and other parameters set by the Supervisory Board.

On November 21, 2007, Parent delivered to the Company an initial draft of an Agreement and Plan of Merger.

On November 26, 2007, representatives of WSGR and Shearman & Sterling met in Palo Alto, California to negotiate the draft Merger Agreement.

On November 27, 2007, the Company responded to Parent with a memorandum and proposed revisions to Parent's draft Merger Agreement.

On November 28, 2007, Messrs. Lambinet and Lauvergeon spoke by telephone with Mr. Antoun. During this call, Messrs. Lambinet and Lauvergeon updated Mr. Antoun on the status of Parent's due diligence review and highlighted for Mr. Antoun certain matters identified by Parent during its due diligence. Messrs. Lambinet and Lauvergeon also discussed with Mr. Antoun the possibility of Mr. Antoun entering into an employment agreement with Parent in the event that Parent and the Company were able to agree upon the terms of an acquisition of the Company by Parent.

On November 30, 2007, Parent distributed a revised draft of the Merger Agreement to the Company. Shearman & Sterling and WSGR met on December 3, 2007 to negotiate the outstanding issues in the Merger Agreement.

On December 4, 2007, Parent sent a further revised draft of the Merger Agreement to the Company. Parent and its advisors also participated in a conference call during which representatives of Shearman & Sterling and various employees of Parent involved in the due diligence review of the Company presented the results of their review to date.

On December 5, 2007, Mr. Antoun and Messrs. Lambinet and Lauvergeon held a meeting in Santa Clara, California. At this meeting, Messrs. Lambinet and Lauvergeon indicated that Parent was still interested in pursuing a transaction with the Company, but that, in light of Parent's due diligence review, Parent was revising its proposal to offer the Company's stockholders $8.25 per Share in cash. Parent also noted that the recent stock price performance of the Company was a consideration for Parent.

On December 6, 2007, Parent requested that the Company enter into an amendment to the exclusivity agreement, in order to extend the exclusivity period which was set to expire at 11:59 p.m. that day, until December 10, 2007. Parent did not receive a response from the Company prior to the expiration of the exclusivity period that evening.

On December 7, 2007, following a meeting of the Board on December 6, 2007 at which the Board discussed Parent's revised proposal, Mr. Antoun informed Parent that the Company was not willing to proceed with a transaction at a price of $8.25 per Share in cash. Following this communication, Parent and its advisors held a series of conference calls to discuss how to proceed in light of the Company' response to Parent's revised proposal.

On December 8, 2007, following further conference calls involving management of Parent and representatives of Parent's legal and financial advisors, Parent informed the Company that it would be willing to proceed with a transaction at a price of $8.65 per share. In addition, Parent provided proposed resolutions with respect to key unresolved negotiation issues with respect to the draft merger agreement. Parent also indicated to the Company that this proposal was its best and final offer.

Later that same day, following the adjournment until the following day of a meeting of the Board at which the Board considered, among other things, how to proceed in light of Parent's final offer, Mr. Antoun conveyed to Parent the status of the Board's deliberations prior to its adjournment. In response to Mr. Antoun's update, representatives of Parent indicated Parent was not prepared to increase its proposed price.

On December 9, 2007, representatives of Parent indicated that Parent was seeking a response to its proposal before 5 p.m. that day, when members of its management were returning to Europe to focus on other matters.

Later that same day, the Board resumed the meeting adjourned the previous day. Following this meeting, representatives of WSGR informed representatives of Shearman & Sterling that the Board would be prepared to proceed at the proposed price of $8.65 per Share, provided certain changes were implemented to the Draft Merger Agreement to ensure greater certainty that the transaction would be completed by Parent. Representatives of WSGR then negotiated with Parent and representatives of Shearman & Sterling the changes to the Draft Merger Agreement requested by the Board.

On the afternoon of December 10, 2007, the Board held a meeting in Palo Alto, California. Later that day, during an adjournment of the Board meeting, representatives of WSGR communicated to representatives of Shearman & Sterling that the Board had instructed WSGR to seek additional changes to the Merger Agreement, including additional clarification of the closing conditions, to ensure greater certainty that Parent would complete the transaction, prior to the Board approving the transaction. After Parent agreed to these changes, the Board resumed its meeting. Later that evening, representatives of WSGR communicated to representatives of Shearman & Sterling that the Board had unanimously determined that the merger agreement was advisable and fair to and in the best interests of the Company's stockholders and approved and authorized the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, authorized the execution of the Merger Agreement and recommended that the Company's stockholders accept the Offer. Also on December 10, 2007, a representative of Shearman & Sterling delivered to Mr. Antoun a draft letter agreement pursuant to which Parent offered Mr. Antoun employment effective as of the consummation of the Offer. Mr. Antoun and a representative of Shearman & Sterling discussed this draft agreement, and Parent agreed to make certain changes to the draft agreement in response to comments from Mr. Antoun. Mr. Antoun had engaged separate legal counsel to advise him in connection with his employment arrangement with Parent.

On December 10, 2007, Parent, the Company and Purchaser executed the Merger Agreement and Mr. Antoun and Parent entered into a letter agreement regarding Mr. Antoun's employment with the Company following the completion of the Offer.

Early in the morning on December 11, 2007, Parent and the Company issued a joint press release announcing the execution of the Merger Agreement.

The Merger Agreement

The following is a summary of certain provisions of the Merger Agreement. This summary is qualified in its entirety by reference to the Merger Agreement, which is incorporated herein by reference, and a copy of which has been filed as an Exhibit to the Tender Offer Statement on Schedule TO (the "Schedule TO") filed by Purchaser and Parent with the Commission in connection with the Offer. Capitalized terms not otherwise defined herein shall have the meanings ascribed therein in the Merger Agreement. The Merger Agreement may be examined and copies may be obtained at the places set forth in Section 7.

The Offer. The Merger Agreement provides for the commencement of the Offer as promptly as reasonably practicable, but in no event later than five business days after the initial public announcement of Purchaser's intention to commence the Offer. The obligation of Purchaser to accept for payment Shares tendered pursuant to the Offer is subject to the satisfaction of the Minimum Condition and certain other conditions that are described in

Section 14 hereof. Purchaser and Parent have agreed that unless previously approved in writing by the Company no change in the Offer may be made that (i) amends or waives the Minimum Condition, (ii) decreases the price per Share payable in the Offer, (iii) changes the form of consideration to be paid in the Offer, (iv) reduces the maximum number of Shares to be purchased in the Offer, (v) imposes additional conditions to the Offer, (vi) amends the conditions to the Offer so as to broaden the scope of such conditions, (vii) extends the Offer, except as provided for in the Merger Agreement, or (viii) makes any other change to any of the terms and conditions of the Offer that is adverse to the holders of the Shares.

The Merger. The Merger Agreement provides that, upon the terms and subject to the conditions thereof, and in accordance with Delaware Law, Purchaser will be merged with and into the Company. As a result of the Merger, the separate corporate existence of Purchaser will cease and the Company will continue as the Surviving Corporation and will become a wholly owned subsidiary of Parent. Upon consummation of the Merger, each issued and then outstanding Share will be cancelled and cease to exist, and will be converted automatically into the right to receive the Merger Consideration, except that: any Shares held in the treasury of the Company, or owned by Purchaser, Parent or any direct or indirect wholly owned subsidiary of Parent or of the Company shall be cancelled without any conversion thereof; and any Shares which are held by stockholders who have not voted in favor of the Merger or consented thereto in writing and who shall demand properly in writing appraisal for such Shares will be cancelled and the holders thereof may be entitled to receive payment of the appraised value of such Shares in accordance with Delaware Law.

Pursuant to the Merger Agreement, each share of common stock, par value $0.01 per share, of Purchaser issued and outstanding immediately prior to the Effective Time will be converted into and exchanged for one validly issued, fully paid and non-assessable share of common stock, par value $0.01 per share, of the Surviving Corporation.

The Merger Agreement provides that the directors of Purchaser immediately prior to the Effective Time will be the initial directors of the Surviving Corporation and that the officers of the Company immediately prior to the Effective Time will be the initial officers of the Surviving Corporation. Subject to the Merger Agreement, at the Effective Time, the Certificate of Incorporation of the Surviving Corporation, as in effect immediately prior to the Effective Time, will be amended and restated in its entirety to be identical to the Certificate of Incorporation of Purchaser; provided, however, that, at the Effective Time, Article I of the Certificate of Incorporation of the Surviving Corporation will be amended to read as follows: “The name of the corporation is Genesis Microchip Inc.” Subject to the Merger Agreement, at the Effective Time, the By-laws of Purchaser, as in effect immediately prior to the Effective Time, will be the By-laws of the Surviving Corporation.

Stockholders’ Meeting. Pursuant to the Merger Agreement, the Company shall, if required by applicable law in order to consummate the Merger, duly call, give notice of, convene and hold a special meeting of its stockholders as promptly as practicable following consummation of the Offer for the purpose of considering and taking action on the Merger Agreement and the Merger (the “Stockholders’ Meeting”). If Purchaser acquires at least a majority of the outstanding Shares in this Offer, Purchaser will have sufficient voting power to approve the Merger, even if no other stockholder votes in favor of the Merger.

Proxy Statement. The Merger Agreement provides that the Company shall, if approval of the Company’s stockholders is required by applicable law to consummate the Merger, promptly following consummation of the Offer, file with the Commission under the Exchange Act, and use its reasonable best efforts to have cleared by the Commission as promptly as practicable, a proxy statement and related proxy materials (the “Proxy Statement”) with respect to the Stockholders’ Meeting and shall cause the Proxy Statement and all required amendments and supplements thereto to be mailed to stockholders of the Company at the earliest practicable time. The Company has agreed, subject to the Board’s applicable fiduciary obligations, to include in the Proxy Statement, and not subsequently withdraw or modify in any manner adverse to Purchaser or Parent, the recommendation of the Board that the stockholders of the Company adopt the Merger Agreement and the Merger and to use its reasonable best efforts to obtain such adoption. Parent and Purchaser have agreed to cause all Shares then owned by them and their affiliates to be voted in favor of adoption of the Merger Agreement and the Merger. The Merger Agreement provides that, in the event that Purchaser acquires at least 90% of the then outstanding Shares, Parent, Purchaser and the Company will take all necessary and appropriate action to cause the Merger to become effective, in accordance

with Delaware Law, as promptly as reasonably practicable after such acquisition, without a meeting of the Company's stockholders.

Merger Option. Pursuant to the terms of the Merger Agreement, the Company has granted to Parent and Purchaser the Merger Option to purchase, following the consummation of the Offer and subject to certain conditions and limitations, newly issued Shares equal to the number of Shares that, when added to the number of Shares owned by Parent and Purchaser immediately following the consummation of the Offer, shall equal one share more than 90% of the Shares then outstanding on a diluted basis (as calculated in accordance with the Merger Agreement). The Merger Option will be exercisable only after the purchase of and payment for Shares pursuant to the Offer as a result of which Parent and Purchaser beneficially own at least 71% of the Shares.

Conduct of Business by the Company Pending the Merger. Pursuant to the Merger Agreement, the Company has agreed that, between the date of the Merger Agreement and the date on which a majority of the Company's directors are designees of Purchaser (the "Appointment Time"), unless Parent otherwise agrees in writing, the businesses of the Company and its subsidiaries (the "Subsidiaries" and each, individually, a "Subsidiary") shall, subject to limited exceptions, be conducted only in, and the Company and the Subsidiaries shall not take any action except in, the ordinary course of business and in a manner consistent with past practice, and the Company shall use its reasonable best efforts to preserve substantially intact the business organization of the Company and the Subsidiaries, to keep available the services of the current officers, employees and consultants of the Company and the Subsidiaries and to preserve the current relationships of the Company and the Subsidiaries with customers, suppliers, and other persons with which the Company or any Subsidiary has significant business relations.

The Merger Agreement provides that subject to certain limited exceptions until the Appointment Time neither the Company nor any Subsidiary shall, directly or indirectly, do, or propose to do, any of the following, without the prior written consent of Parent:

- amend or otherwise change its Certificate of Incorporation or By-laws or equivalent organizational documents;
- issue, sell, pledge, dispose of, grant or encumber, or authorize the issuance, sale, pledge, disposition, grant or encumbrance of (i) any shares or units (if applicable) of any class of capital stock or other type of equity interest of the Company or any Subsidiary, or any options, warrants, convertible securities or other rights of any kind to acquire any shares or units (as applicable) of such capital stock or other type of equity interest, or any other ownership interest, of the Company or any Subsidiary (except for the issuance of a maximum of 6,628,083 Shares issuable pursuant to Company stock options and Company stock awards outstanding on the date of the Merger Agreement) or (ii) any assets (including intellectual property) of the Company or any Subsidiary, except in the ordinary course of business and in a manner consistent with past practice;
- declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock, except for dividends by any direct or indirect wholly owned subsidiary of the Company to the Company or any other Subsidiary;
- reclassify, combine, split, subdivide or redeem or purchase or otherwise acquire, directly or indirectly, any of its capital stock, except for the repurchase or reacquisition of securities in connection with the termination of service of any employee, director or consultant of the Company or any Subsidiary;
- take any of the following actions or enter into or amend any contract, agreement, commitment or arrangement with respect to any of the following matters:
  - acquire (including, without limitation, by any business combination transaction) any other business organization or any division thereof or acquire any material amount of assets (other than certain licenses of intellectual property of the Company and the Subsidiaries and acquisitions of inventory and supplies that are consistent with past practice);
  - incur any indebtedness for borrowed money or issue any debt securities or assume, guarantee or endorse, or otherwise become responsible for, the obligations of any person, or make any loans or advances (except for advances of business expenses in the ordinary course of business consistent with past practice), or

grant any security interest in any of its assets, except in the ordinary course of business and consistent with past practice;

- enter into any contract or agreement other than in the ordinary course of business and consistent with past practice;
- authorize any capital expenditure in any manner not reflected in the capital budget of the Company furnished to Parent; or
- renew or enter into any noncompete, exclusivity or similar agreement that would restrict or limit, in any material respect, the operations of the Company or its Subsidiaries or, after the consummation of the Offer, Parent or its subsidiaries;

- hire additional employees, except hiring in the ordinary course of business and consistent with past practice, or increase the compensation payable or to become payable or the benefits provided to its directors, officers or employees, except for increases in the ordinary course of business and consistent with past practice in salaries, wages, bonuses, incentives or benefits of employees of the Company or any Subsidiary who are not directors or officers of the Company;
- grant any severance or termination pay to, or enter into any employment or severance agreement with any director, officer or other employee of the Company or of any Subsidiary;
- establish, adopt, enter into or amend any collective bargaining, bonus, profit-sharing, thrift, compensation, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any director, officer or employee, except for such amendments as may be necessary or desirable to cause any such plan, agreement, trust, fund, policy or arrangement to comply with Section 409A of the Internal Revenue Code so as to avoid the imposition of additional tax with respect thereto;
- take any action, other than reasonable and usual actions in the ordinary course of business and consistent with past practice, with respect to accounting policies or procedures;
- make any material tax election or settle or compromise any material U.S. federal, state, local or non-U.S. income tax liability;
- pay, discharge or satisfy any claim, liability or obligation (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction, in the ordinary course of business and consistent with past practice, of liabilities reflected or reserved against in the consolidated balance sheet of the Company and the Subsidiaries as at March 31, 2007 or subsequently incurred in the ordinary course of business and consistent with past practice;
- amend, modify or consent to the termination of any material contracts, or amend, waive, modify or consent to the termination of the Company's or any Subsidiary's material rights thereunder in a manner adverse in any material respect to the Company;
- commence or settle any litigation, suit, claim, action, proceeding or investigation;
- permit any material item of company registered intellectual property to lapse or to be abandoned, dedicated, or disclaimed, fail to perform or make any applicable filings, recordings or other similar actions or filings, or fail to pay all required fees and taxes required or advisable to maintain and protect its interest in each and every material item of company registered intellectual property;
- adopt a plan of complete or partial liquidation, dissolution, recapitalization or other reorganization; or
- announce an intention, enter into any formal or informal agreement or otherwise make a commitment, to do any of the foregoing.

Company Board Representation. The Merger Agreement provides that, promptly upon the purchase by Purchaser pursuant to the Offer of such number of Shares as satisfies the Minimum Condition, and from time to time thereafter, Purchaser shall be entitled to designate up to such number of directors, rounded up to the next whole

number (but in no event more than one less than the total number of directors on the Board), on the Board as shall give Purchaser representation on the Board equal to the product of the total number of directors on the Board (giving effect to the directors elected pursuant to this sentence), multiplied by the percentage that the aggregate number of Shares owned by Purchaser or any affiliate of Purchaser following such purchase bears to the total number of Shares then outstanding, and the Company shall, at such time, promptly take all actions reasonably necessary to cause Purchaser's designees to be elected as directors of the Company, including increasing the size of the Board or seeking and accepting the resignations of incumbent directors, or both. The Merger Agreement also provides that, at such times, the Company shall use its reasonable best efforts to cause persons designated by Purchaser to constitute the same percentage as persons designated by Purchaser shall constitute of the Board of (i) each committee of the Board, (ii) each board of directors (or other similar body) of each Subsidiary, and (iii) each committee of each such board, in each case only to the extent permitted by applicable law. Notwithstanding the foregoing, until the Effective Time, (A) the Board shall always have at least two directors who were directors prior to the consummation of the Offer and who are not affiliated with Parent or Purchaser (such directors, the "Continuing Directors"); provided, however, that, if any Continuing Director resigns from the Board or is unable to serve due to death or disability or any other reason, the remaining Continuing Directors shall be entitled to elect or designate such resigning director's successor to fill the vacancy, and such director shall be deemed to be a Continuing Director and (B) the Company shall use its reasonable best efforts to ensure that at least two members of each committee of the Board and of such boards and committees of the Subsidiaries, as of the date hereof, who are not employees of the Company, shall remain members of such committee of the Board and of such boards and committees of the Subsidiaries. The Merger Agreement also provides that if the number of Continuing Directors is reduced to fewer than two for any reason prior to the Effective Time, the remaining and departing Continuing Directors shall be entitled to designate a person to fill the vacancy or vacancies such that there shall be at least two Continuing Directors, who shall thereafter be deemed to be a Continuing Director.

The Merger Agreement provides that, following the Appointment Time and prior to the Effective Time, any amendment of the Merger Agreement or the Certificate of Incorporation or By-laws of the Company, any termination of the Merger Agreement by the Company, any agreement or consent to amend the Merger Agreement by the Company, any extension by the Company of the time for the performance, or any waiver, of any of the obligations or other acts of Parent or Purchaser, any waiver of any of the Company's rights, benefits or privileges under the Merger Agreement, any determination with respect to any action to be taken or not to be taken by or on behalf of the Company relating to the Merger Agreement or the Merger, or any approval of any other action by the Company that is reasonably likely to adversely affect the interests of the holders of Shares (other than Parent, Purchaser and their affiliates) with respect to the Merger, will require the concurrence of a majority of the Continuing Directors (or the sole Continuing Director if there shall be only one Continuing Director).

Access to Information. Pursuant to the Merger Agreement, until the Effective Time, the Company shall, and shall cause the Subsidiaries and the officers, directors, employees, auditors and agents of the Company and the Subsidiaries to, afford the officers, employees and representatives of Parent and Purchaser reasonable access at all reasonable times to the officers, employees, agents, properties, offices, plants and other facilities, books and records of the Company and each Subsidiary, and shall furnish Parent and Purchaser with such financial, operating and other data and information ("Company Data") as Parent or Purchaser, through its officers, employees or agents, may reasonably request (it being agreed that the Company and its Subsidiaries shall not be required to furnish any Company Data in any format in which such Company Data did not exist prior to the request therefor by Parent or Purchaser); provided, however, the Company may restrict such access to the extent that (A) any law, applicable to the Company or its Subsidiaries requires the Company or its Subsidiaries to restrict or prohibit such access, or (B) such access would otherwise be in breach of any confidentiality obligation in any agreement or contract or other obligation by which the Company or any of its Subsidiaries is bound. Parent and Purchaser have agreed to keep such information confidential, except in certain circumstances.

No Solicitation of Transactions. The Company has agreed that neither it nor any Subsidiary nor any of the directors, officers or employees of it or any Subsidiary will, and that it will not authorize or permit its and its

Subsidiaries' agents, advisors, investment bankers, financial advisors, attorneys, accountants or other representatives to, directly or indirectly:

- solicit, initiate or knowingly encourage or knowingly facilitate the making, submission or announcement of any Transaction Proposal (as defined below);
- enter into or maintain or continue discussions or negotiations with any person or entity with respect to or in order to obtain a Transaction Proposal; or
- agree to, approve, endorse or recommend any Transaction Proposal or enter into any letter of intent or other agreement otherwise relating to any Transaction Proposal (except as permitted as described below).

The Company has agreed to notify Parent within one business day if any Transaction Proposal, or any inquiry or contact with any person with respect thereto, is made, specifying the material terms and conditions thereof and the identity of the party making such Transaction Proposal.

"Transaction Proposal" is defined in the Merger Agreement to mean any proposal or offer that relates to any of the following:

- any merger, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution or other similar transaction involving the Company or any Subsidiary;
- any sale, lease, exchange, transfer or other disposition of assets or businesses that constitute or represent 15% or more of the total revenue, operating income, earnings before interest, taxes, depreciation and amortization (EBITDA) or assets of the Company and its Subsidiaries, taken as a whole;
- any sale, exchange, transfer or other disposition of 15% or more of any class of equity securities of the Company or of any Subsidiary; or
- any tender offer or exchange offer that, if consummated, would result in any person beneficially owning 15% or more of any class of equity securities of the Company or of any Subsidiary.

The Merger Agreement provides that, if at any time prior to the Acceptance Time, the Company receives a written, bona fide Transaction Proposal not solicited in violation of the Merger Agreement or the Exclusivity Agreement described below, the Company may:

- furnish nonpublic information to the person making the Transaction Proposal and its employees and representatives; and
- engage in discussions or negotiations with such person and its employees and representatives with respect to the Transaction Proposal,

so long as prior to furnishing such information or entering into such discussions, the Board:

- determines, in its good faith judgment (after having received the advice of a financial advisor of nationally recognized reputation), that such Transaction Proposal constitutes, or is reasonably likely to result in, a Superior Proposal (as defined below);
- determines, in its good faith judgment after consultation with independent legal counsel, that, in light of such Transaction Proposal, the failure to take such action would be reasonably likely to be inconsistent with its fiduciary obligations under applicable law;
- provides written notice to Parent of its intent to furnish information or enter into discussions with such person at least 24 hours prior to taking any such action; and
- obtains from such person an executed confidentiality agreement.

"Superior Proposal" is defined in the Merger Agreement to mean an unsolicited written bona fide offer, which did not result from a breach of the Company's non-solicit obligations, made by a third party to consummate any Transaction Proposal (i) that the Board determines, in its good faith judgment (after having received the advice of a financial advisor of nationally recognized reputation), to be (A) more favorable to the Company's stockholders from a financial point of view than the Offer and Merger and (B) reasonably likely to be consummated on the terms so

proposed, taking into account all relevant financial, regulatory, legal and other aspects of such proposal, including any conditions, and (ii) for which financing, to the extent required, is then committed; provided, however, that for purposes of the definition of "Superior Proposal", the references to "15%" in the definition of Transaction Proposal shall be deemed to be references to "50%".

The Company has agreed that neither the Board nor any committee thereof shall:

- withdraw or modify, or propose to withdraw or modify, in any manner adverse to Parent or Purchaser, the approval or recommendation by the Board or any such committee of this Agreement, the Offer, the Merger or any other Transaction,
- take any action to make the provisions of Section 203 of Delaware Law inapplicable to any transaction other than the Transactions; or
- approve or recommend, or cause or permit the Company to enter into any letter of intent, agreement or obligation with respect to, any Transaction Proposal (any of the foregoing actions, a "Change of Recommendation").

However, the Merger Agreement provides that if prior to the Acceptance Time, the Board determines, in its good faith judgment after consultation with independent legal counsel, that the failure to make a Change of Recommendation would be reasonably likely to be inconsistent with its fiduciary obligations under applicable law, the Board may make a Change of Recommendation, but only if, prior to making such Change of Recommendation:

- the Board provides written notice to Parent advising Parent that it intends to effect a Change of Recommendation and the manner in which it intends to do so and, if the Board shall have previously received a Superior Proposal, specifying the material terms and conditions of such Superior Proposal, identifying the person making such Superior Proposal, providing to Parent copies of the definitive forms of all agreements pertaining to such Superior Proposal;
- the Board determines, after taking into account any modifications to the terms of the Transactions that are proposed by Parent within three or, in the event that the Company has previously received a Superior Proposal, four business days of Parent's receipt of written notice from the Company, that a failure to make such Change of Recommendation would be reasonably likely to be inconsistent with its fiduciary duties under applicable Law; and
- if the Board shall have previously received a Superior Proposal, the Company simultaneously terminates the Merger Agreement and pays to Parent the Termination Fee described below in accordance with the Merger Agreement.

The Company has agreed that during the three or four business day period, as the case may be, prior to its effecting a Change in Recommendation, the Company and its employees, officers, directors and representatives will negotiate in good faith with Parent and its employees, officers, directors and representatives regarding any revisions to the terms of the Offer and Merger that are proposed by Parent.

The Merger Agreement does not prohibit the Board from making certain disclosures contemplated by securities laws.

Employee Stock Options and Other Employee Benefits. The Merger Agreement also provides that, as of the Effective Time, the Company will take all necessary action to terminate the Company's 2007 Equity Incentive Plan, 2003 Stock Plan, 2001 Nonstatutory Stock Option Plan, 2000 Nonstatutory Stock Option Plan, 1997 Employee Stock Option Plan, 1997 Non-Employee Stock Option Plan, 1997 Paradise Stock Option Plan and 1997 Sage Stock Plan, each as amended through the date of the Merger Agreement (the "Company Stock Plans"). Under the Merger Agreement, neither Parent nor Purchaser nor the Surviving Corporation will assume any Company options to purchase Shares or Company stock awards granted under the Company Stock Plans. At the Effective Time, each outstanding Company stock option that is unexercised and each outstanding Company stock award, whether or not vested or exercisable as of such date, will be cancelled without any action on the part of the holder thereof. Each holder of a Company stock option that is outstanding and unexercised at the Effective Time, whether or not vested or exercisable, and that has an exercise price per Share that is less than the Per Share Amount, and each holder of a Company stock award that is outstanding at

the Effective Time, whether or not vested, will be entitled to be paid by the Surviving Corporation, with respect to each Share subject to the Company stock option, an amount in cash equal to the excess, if any, of the Per Share Amount over the applicable per share exercise price of such Company stock option, and, with respect to each Share subject to the Company stock award, an amount in cash equal to the Per Share Amount. Any such payment will be subject to all applicable federal, state and local tax withholding requirements.

Under the Merger Agreement, each holder of one or more Company stock options that are outstanding and unexercised at the Effective Time and that were eligible for exchange (the "Eligible Options") in accordance with the terms of the Company's Offer to Exchange Certain Outstanding Options for Restricted Stock Units, dated October 18, 2007 (the "Exchange Offer") will be entitled to be paid by the Surviving Corporation an amount in cash equal to the Per Share Amount for each Share subject to or otherwise issuable pursuant to the restricted stock unit award such holder would have received had he or she tendered all of his or her Eligible Options in the Exchange Offer and been granted restricted stock unit awards in exchange therefor pursuant to the terms of the Exchange Offer. By the terms of the Merger Agreement, all such cash amounts will be paid at the same time or times the corresponding restricted stock unit awards would have otherwise vested pursuant to the Exchange Offer, subject to the same vesting requirements set forth in the Exchange Offer, it being understood that service with Parent, the Surviving Corporation or any of their respective subsidiaries will constitute the provision of services for the purposes of vesting in the right to receive the cash payments contemplated hereby.

The Company has agreed to take all necessary actions to shorten any pending offering period under the Company's 2007 Employee Stock Purchase Plan (the "ESPP") and establish a new exercise date prior to the expiration of the Offer, as of a date selected by Parent (the "ESPP Date"). After the ESPP Date, all offering and purchase periods pending under the ESPP will be terminated and no new offering or purchasing periods will be commenced. In addition, the Company has agreed to take all actions as may be necessary in order to freeze the rights of the participants in the ESPP, effective as of the date of the Merger Agreement, to existing participants and existing participation levels.

Parent has agreed that, after the Effective Time, it will cause the Surviving Corporation and its subsidiaries to honor in accordance with their terms, all contracts, agreements, arrangements, policies, plans and commitments of the Company and its Subsidiaries as in effect immediately prior to the Effective Time that are applicable to any current or former employees, consultants or directors of the Company or any of its Subsidiaries. Following the Effective Time, Parent has agreed to give each Company employee credit for prior service with the Company or its Subsidiaries, including predecessor employers, for purposes of (i) eligibility and vesting under any employee benefit plan of Parent or its applicable subsidiary in which such employee becomes eligible to participate at or following the Effective Time, and (ii) determination of benefits levels under any vacation or severance plan of Parent or its subsidiaries in which such employee becomes eligible to participate at or following the Effective Time. Parent has agreed to give credit under those of its and its subsidiaries' welfare benefit plans in which Company employees and their eligible dependents become eligible to participate at or following the Effective Time, for all co-payments made, amounts credited toward deductibles and out-of-pocket maximums, and time accrued against applicable waiting periods, by Company employees and their eligible dependents, in respect of the plan year in which the Effective Time occurs or the plan year in which such individuals are transitioned to such plans from the corresponding Plans, and Parent has agreed to waive all requirements for evidence of insurability and pre-existing conditions otherwise applicable, except as would also be applicable under the corresponding Plans, to Company employees and their eligible dependents under the employee heath plans of Parent and its subsidiaries, including medical, dental, vision and prescription drug plans, in which such individuals become eligible to participate at or following the Effective Time.

Directors' and Officers' Indemnification Insurance. From and after the Effective Time, Parent and the Surviving Corporation have agreed to maintain in effect in all respects the current obligations of the Company pursuant to any indemnification agreements between the Company and its directors, officers and employees (the "Indemnified Parties") in effect immediately prior to the Effective Time and any indemnification provisions under the Certificate of Incorporation and By-laws of the Company as in effect on the date of the Merger Agreement. The Merger Agreement further provides that the Certificate of Incorporation and By-laws of the Surviving Corporation shall contain provisions with respect to exculpation and indemnification that are no less favorable to the Indemnified Parties than are set forth in the Certificate of Incorporation and By-laws of the Company, which

provisions shall not be amended, repealed or otherwise modified for a period of six years from the Effective Time in any manner that would affect adversely the rights thereunder of the Indemnified Parties, unless such modification is required by law and then only to the minimum extent required by law.

The Merger Agreement also provides that Parent shall cause the Surviving Corporation to maintain in effect for six years from the Effective Time, if available, the current directors' and officers' liability insurance policies maintained by the Company with respect to matters occurring prior to the Effective Time; provided, however, that in no event shall the Surviving Corporation be required to expend more than an amount per year equal to 250% of the current annual premiums paid by the Company for such insurance (which premiums the Company has represented to Parent and Purchaser to be $905,063 in the aggregate); provided, however, that, if the annual premiums for such insurance exceed such amount or in the event of an expiration, termination or cancellation of such current policies, the Surviving Corporation shall be required to obtain as much coverage as is possible under substantially similar policies for such maximum annual amount in aggregate annual premiums; provided, further that Parent and the Surviving Corporation may satisfy their respective obligations by obtaining, at the Effective Time, prepaid (or "tail") directors' and officers' liability insurance policy, in each case, the material terms of which, including coverage, amount and creditworthiness of the issuer, are no less favorable to such directors and officers than the insurance coverage otherwise required by the Merger Agreement. In such event, the Merger Agreement provides that Parent and the Surviving Corporation shall maintain such "tail" policy in full force and effect and continue to honor their respective obligations thereunder for the six-year tail period; provided that in no event shall the Surviving Corporation pay a premium for such "tail" policy that in the aggregate exceeds $2,000,000.

Further Action; Reasonable Best Efforts. The Merger Agreement provides that, subject to its terms and conditions, each of the parties thereto shall (i) make promptly its respective filings, and thereafter make any other required submissions, under the HSR Act or other applicable foreign, federal or state antitrust, competition or fair trade laws with respect to the Merger Agreement or the transactions contemplated thereby and (ii) use reasonable best efforts to take, or cause to be taken, all appropriate action, and to do or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the Merger including, without limitation, using its reasonable best efforts to obtain all permits, consents, approvals, authorizations, qualifications and orders of governmental authorities and parties to contracts with the Company and the Subsidiaries as are necessary for the consummation of the Merger and to fulfill the conditions to the Offer and the Merger. In case, at any time after the Effective Time, any further action is necessary or desirable to carry out the purposes of the Merger Agreement, the proper officers and directors of each party to the Merger Agreement are required to use their reasonable best efforts to take all such action.

The Merger Agreement also provides that each of Parent, Purchaser and the Company will cooperate and use their respective reasonable best efforts to vigorously contest and resist any litigation or other legal proceeding, including administrative or judicial actions, and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order that is in effect and that restricts, prevents or prohibits consummation of the Merger including, without limitation, by vigorously pursuing all available avenues of administrative and judicial appeal.

Representations and Warranties. In the Merger Agreement, Parent and Purchaser, on one hand, and the Company on the other hand have made certain representations and warranties to each other. The Merger Agreement has been included with the Schedule TO to provide investors with information regarding its terms and is not intended to provide any other factual information about Parent, Purchaser or the Company. The assertions embodied in those representations and warranties were made for purposes of the Merger Agreement and are subject to qualifications and limitations agreed to by the respective parties in connection with negotiating the terms of the Merger Agreement, including information contained in a confidential disclosure letter that the parties exchanged in connection with signing the Merger Agreement. Accordingly, investors and security holders should not rely on such representations and warranties as characterizations of the actual state of facts or circumstances, since they were only made as of a specific date and are modified in important part by the underlying disclosure schedules. In addition, certain representations and warranties may be subject to a contractual standard of materiality different from what might be viewed as material to stockholders, or may have been used for purposes of allocating risk between the respective parties rather than establishing matters of fact. Moreover, information concerning the subject matter of such representations and warranties may change after the date of the Merger Agreement, which subsequent

information may or may not be fully reflected in Parent's or the Company's public disclosures. For the foregoing reasons, holders of Shares should not rely on the representations and warranties contained in the Merger Agreement as statements of factual information.

The Company's representations and warranties relate to, among other things:

- the Company's and its subsidiaries' organization, standing and qualification to do business;
- the Company's subsidiaries;
- the Company's corporate power and authority to enter into the Merger Agreement and to consummate the transactions contemplated by the Merger Agreement;
- the Company's capitalization, including in particular the number of Shares outstanding and the number of Shares issuable pursuant to outstanding Company stock options and stock awards;
- the inapplicability of anti-takeover laws to the transactions contemplated by the Merger Agreement or any anti-takeover provision in the Company's charter documents;
- the amendment of the Company's "Rights Agreement" to permit the execution of the Merger Agreement and the consummation of the Offer and the Merger without triggering any event under the Rights Agreement that would adversely affect Parent or Purchaser.
- the enforceability of the Merger Agreement against the Company;
- the absence of violations of or conflicts with the Company's and its subsidiaries' governing documents, applicable law or certain agreements as a result of entering into the Merger Agreement and consummating the Offer and the Merger;
- permits and compliance with applicable legal requirements;
- the timeliness and compliance with requirements of the Company's SEC filings since March 31, 2005, including the accuracy and compliance with requirements of the financial statements contained therein;
- the consolidated financial position of the Company and its Subsidiaries;
- the absence of undisclosed liabilities;
- the Company's compliance with the requirements of the Sarbanes-Oxley Act of 2002;
- the accounts receivable and payable of the Company and its Subsidiaries;
- the absence of certain changes or events since March 31, 2007;
- legal proceedings and governmental orders;
- matters relating to employee benefit plans, employment agreements and labor;
- compliance with applicable securities law of the information supplied by the Company for inclusion in filings made with the SEC in connection with the Offer and the Merger;
- leased and owned properties;
- intellectual property;
- tax matters;
- environmental matters;
- material contracts and performance of obligations thereunder;
- customers and suppliers;
- the Company's products and services
- insurance;

- certain business practices and related party transactions;
- the approval of the Compensation Committee of the Company's board of directors of certain employment arrangements;
- the absence of certain transactions between the Company and any director, officer or other affiliate of the Company;
- the absence of undisclosed brokers' fees; and
- the receipt by the Company's board of directors of a fairness opinion from Goldman Sachs.

Many of the Company's representations and warranties are qualified by a "Material Adverse Effect" standard. For the purposes of the Merger Agreement, "Material Adverse Effect" means, when used in connection with the Company or any Subsidiary, any event, circumstance, change or effect that, individually or in the aggregate with any other events, circumstances, changes, and effects, is or is reasonably likely to (i) be materially adverse to the business, financial condition, assets, liabilities or results of operations of the Company and its Subsidiaries taken as a whole or (ii) prevent or materially delay the ability of the Company to perform its obligations under this Agreement or to consummate the Transactions. However, no event, circumstance, change or effect resulting from any of the following will be considered in determining whether a Material Adverse Effect has occurred:

- changes, after the date of the Merger Agreement, in general economic or political conditions or the conditions of the financial markets in the United States or in any other country;
- general changes, after the date of the Merger Agreement, in the industries in which the Company and its Subsidiaries operate;
- changes, after the date of the Merger Agreement, in law or in Generally Accepted Accounting Principles (or the interpretation thereof by any governmental authority);
- acts of terrorism or war, earthquakes, fires or other force majeure events;

except to the extent that any of the foregoing affect the Company and its Subsidiaries, taken as a whole, in a disproportionate manner relative to other entities operating in the industry or industries in which the Company and its Subsidiaries operate.

In addition, no event, circumstance, change or effect resulting from any of the following will be considered in determining whether a Material Adverse Effect has occurred:

- the public announcement of the Merger Agreement or the pendency or consummation of the transactions contemplated thereby;
- any failure by the Company to take any action prohibited by the Merger Agreement or the taking by the Company of any action that Parent has approved in advance or requested in writing;
- any legal proceedings made or brought by any of the current or former stockholders of the Company (on their own behalf or on behalf of the Company) resulting from, relating to or arising out of the Merger Agreement or the transaction contemplated thereby;
- any change, in and of itself, in the Company's stock price or the trading volume of the Company's stock;
- any failure, in and of itself, by the Company to meet any published analyst estimates of the Company's revenue, earnings or results of operations for any period or any failure, in and of itself, by the Company to meet its internal budgets, plans or forecasts of its revenues, earnings or results of operations (with respect to the matters described in this bullet point and the preceding bullet point the Merger Agreement provides that the facts or occurrences giving rise or contributing to any such change or failure that are not otherwise excluded from the definition of "Material Adverse Effect" may be deemed to constitute, or be taken into account in determining whether there has been, is or would be a Material Adverse Effect).

The Merger Agreement also contains various representations and warranties made by Parent and Purchaser that are subject, in some cases, to specified exceptions and qualifications. The representations and warranties relate to, among other things:

- Parent's and Purchaser's organization, standing and qualification to do business;
- Parent's and Purchaser's corporate power and authority to enter into the Merger Agreement and to consummate the transactions contemplated by the Merger Agreement;
- the enforceability of the Merger Agreement against Parent and Purchaser;
- the absence of violations of or conflicts with Parent's and Purchaser's governing documents, applicable law or certain agreements as a result of entering into the Merger Agreement and consummating the Offer and the Merger;
- sufficiency of funds to consummate the Offer and the Merger and perform Purchaser's obligations under the Merger Agreement;
- compliance with applicable securities law of the information supplied by Parent and Purchaser for inclusion in filings made with the SEC in connection with the Offer and the Merger; and
- the absence of undisclosed brokers' fees.

Conditions to the Merger. Under the Merger Agreement, the respective obligations of each party to effect the Merger are subject to the satisfaction, at or prior to the Effective Time, of the following conditions:

- if and to the extent required by Delaware Law, the Merger Agreement and the Merger shall have been adopted by the affirmative vote of the stockholders of the Company;
- no governmental authority of competent jurisdiction shall have enacted any law or order (whether temporary, preliminary or permanent) which is then in effect and has the effect of making the acquisition of Shares by Parent or Purchaser or any affiliate of either of them illegal or otherwise restricting, preventing or prohibiting consummation of the Merger; and
- Purchaser or its permitted assignee shall have purchased all Shares validly tendered and not withdrawn pursuant to the Offer.

Termination. The Merger Agreement may be terminated and the Merger and the Offer may be abandoned at any time prior to the Acceptance Time in the following circumstances:

- by mutual written consent of Parent, Purchaser and the Company; or
- by any of Parent, Purchaser or the Company if:
  - the Offer shall have expired or been terminated in accordance with the terms hereof without Purchaser having accepted for payment any Shares pursuant to the Offer on or before March 15, 2008 (the "Initial Termination Date"); provided, however, that in the event that the Antitrust Condition shall not have been satisfied on or prior to the Initial Termination Date, either Parent or the Company may elect to extend the Initial Termination Date until May 15, 2008; or
  - any governmental authority shall have enacted, issued, promulgated, enforced or entered any injunction, order, decree or ruling which is then in effect and has the effect of making consummation of the Offer or the Merger illegal or otherwise preventing or prohibiting consummation of the Offer or the Merger, which injunction, order, decree or ruling is final and nonappealable;
- by Parent, if:
  - the Company shall have breached the Merger Agreement, such that the conditions to the Offer set forth in Section 14, clause (e) regarding the Company's representations or warranties in the Merger Agreement, or Section 14, clause (f) regarding covenants and agreements of the Company contained in the Merger Agreement, respectively, would not be satisfied (and such breach is not cured within 45 days following notice of such breach);

- prior to the Acceptance Time, the Board or any committee thereof shall have approved or recommended a Change of Recommendation;
- prior to the Acceptance Time, the Company shall have suffered a material adverse effect, which shall not have been cured within 45 calendar days following notice thereof from Parent;

- by the Company, if:
  - Parent or Purchaser shall have breached any covenant, agreement, representation or warranty, but only to the extent that such breach would prevent or materially delay the ability of Parent or Purchaser to consummate the Offer or the Merger (and such breach is not cured within 45 days following notice of such breach);
  - it makes a Change of Recommendation in order to enter into an agreement for a Superior Proposal in compliance with its non-solicit obligations under the Merger Agreement.

Effect of Termination. In the event of the termination of the Merger Agreement, the Merger Agreement will become void, and there will be no liability on the part of any party thereto, except (i) as set forth below under the section entitled "Fees and Expenses" and (ii) nothing in the Merger Agreement will relieve any party from liability for any intentional and material breach thereof prior to the date of such termination, provided, however, that certain confidentiality obligations will survive any termination of the Merger Agreement.

Fees and Expenses. The Company will be required to pay a $11,650,000 million termination fee (the "Termination Fee") to Parent if the Merger Agreement is terminated:

- by the Company in order to accept a Superior Proposal; or
- by Parent or Purchaser following a Change of Recommendation by the Company.

The Company will also be required to pay the Termination Fee to Parent if:

- the Merger Agreement is terminated by Parent, Purchaser or the Company as a result of a failure to complete the Offer prior to the Initial Termination Date or the Extended Termination Date or, as applicable, by Parent or Purchaser following a breach of any representation, warranty, covenant or agreement such that the conditions to the Offer remain unsatisfied after the 45 day cure period,
- at the time of such termination, the Company has breached any of its covenant or agreements not to solicit alternative transactions or has intentionally and materially breached any other covenant, agreement, representation or warranty of the Company in the Merger Agreement;
- at the time of such termination, Parent and Purchaser have complied, in all material respects, with their respective obligations under the Merger Agreement;
- following the execution of the Merger Agreement and prior to the termination of the Merger Agreement, a third party has made a Transaction Proposal and has not withdrawn such Transaction Proposal; and
- within twelve (12) months following the termination of the Merger Agreement, either a Transaction Proposal is consummated or the Company enters into a definitive agreement providing for a Transaction Proposal and such Transaction Proposal is later consummated.

In addition, the Company will also be required to pay the Termination Fee to Parent if:

- the Merger Agreement is terminated by Parent, Purchaser or the Company as a result of a failure to complete the Offer prior to the Initial Termination Date or the Extended Termination Date, as applicable;
- at the time of such termination, all conditions to the Offer, other than the Minimum Condition are satisfied;
- following the date of the Merger Agreement and prior to the termination of the Merger Agreement, a third party publicly makes a Transaction Proposal and has not publicly withdrawn such Transaction Proposal;

- within twelve months following the termination of the Merger Agreement, either a Transaction Proposal is consummated or the Company enters into a definitive agreement providing for a Transaction Proposal and such Transaction Proposal is later consummated.

Except as set forth in the Merger Agreement, all costs and expenses incurred in connection with the Merger Agreement, the Offer and the Merger will be paid by the party incurring such expenses, whether or not any transaction contemplated hereby or thereby is consummated.

Employment Agreement with Mr. Elias Antoun

The following is a summary of certain provisions of the Employment Agreement entered into by Parent and Mr. Elias Antoun, Chief Executive Officer and President of the Company. This summary is qualified in its entirety by reference to the Employment Agreement, which is incorporated herein by reference, and a copy of which has been filed as an Exhibit to the Schedule TO filed by Purchaser and Parent with the Commission in connection with the Offer. The Employment Agreement may be examined and copies may be obtained at the places set forth in Section 7.

On December 10, 2007, in connection with the execution of the Merger Agreement, Elias Antoun, President and Chief Executive Officer of Genesis entered into a letter agreement (the "*Letter Agreement*") with Parent, pursuant to which Parent offered Mr. Antoun employment effective as of the Acceptance Time (as defined in the Merger Agreement). Mr. Antoun will serve as Group Vice President, TV and Monitors Division General Manager of Parent. In the event that the Acceptance Time does not occur, the Letter Agreement will be null and void. Mr. Antoun's employment with Parent is an at-will employment arrangement whereby either Parent or Mr. Antoun may terminate Mr. Antoun's employment with Parent at any time, with or without reason. If Mr. Antoun's employment is terminated on or prior to December 31, 2009, other than for cause, he will be entitled to receive his base salary and health insurance coverage for 12 months, as well as prorated payments of his annual bonus and a portion of his special performance bonus for the year.

Pursuant to the terms of the Letter Agreement, Mr. Antoun will receive a base salary of $400,000 per year. In addition, Mr. Antoun will be eligible to (i) participate in Parent's annual bonus plan and, subject to the terms of the annual bonus plan, to receive payment of an annual bonus of up to 30% of his base salary, (ii) receive special performance-based bonuses for each of the 2008, 2009 and 2010 calendar years of up to 30% of base salary for 2008, 25% of base salary for 2009 and 20% of base salary for 2010, based on the achievement of agreed upon performance goals and (iii) receive an employee retention bonus of up to 25% of base salary for 2008 and 20% of base salary for 2009, based on the achievement of specified employee retention goals for the applicable year. A portion of the performance bonuses will be automatically deferred and paid in 2011 and the employee retention bonus will be paid in 2010. Mr. Antoun will also be eligible to receive an award under Parent's performance share plan of 7,500 common shares of Parent for each of 2008, 2009 and 2010, as well as a monthly car allowance.

Confidentiality and Exclusivity Agreements

The following summaries of the Confidentiality Agreement and the Exclusivity Agreement are qualified in their entirety by reference to the Confidentiality Agreement and the Exclusivity Agreement, which are incorporated herein by reference and a copies of which are filed as exhibits to the Schedule TO that Parent and Purchaser have filed with the SEC. The Confidentiality Agreement and the Exclusivity Agreements may be examined and copies may be obtained in the manner set forth in Section 7.

The Company and Parent entered into a Confidentiality Agreement, dated November 14, 2007 (the "Confidentiality Agreement"), to allow the exchange of information in connection with the exploration of a possible transaction between Parent and the Company. Under the Confidentiality Agreement, the parties agreed, subject to certain exceptions, to keep confidential any non-public information provided by the other party and Parent and the Company agreed to certain "standstill" provisions.

The Company and Parent also entered into an exclusivity agreement, dated November 14, 2007 (the "Exclusivity Agreement"). Under the Exclusivity Agreement, the Company agreed that through the earlier of

(i) the execution of a definitive transaction agreement and (ii) 11:59 p.m. on December 6, 2007, the Company and its Subsidiaries and their respective employees, affiliates, agents and representatives, would not:

- solicit inquiries, proposals or offers from any third party relating to any acquisition or purchase of all or any portion of the capital stock of the Company or any Subsidiary,
- enter into any business combination agreement;
- enter into any other extraordinary business transaction outside the ordinary course of business involving or otherwise relating to the Company; or
- participate in any discussions, conversations, negotiations or other communications with any other person regarding, or furnish to any other Person any information with respect to, any of the foregoing.

11. Purpose of the Offer; Plans for the Company After the Offer and the Merger.

Purpose of the Offer. The Offer is being made pursuant to the Merger Agreement. The purpose of the Offer and the Merger is for Parent to acquire control of, and the entire equity interest in, the Company. The Offer, as the first step in the acquisition of the Company, is intended to facilitate the acquisition of all of the Shares. The purpose of the Merger is for Parent to acquire all Shares not purchased pursuant to the Offer. Upon consummation of the Merger, the Company will become a wholly owned subsidiary of Parent.

Under Delaware Law, the approval of the Board and the affirmative vote of the holders of a majority of the outstanding Shares is required to approve and adopt the Merger Agreement and the transactions contemplated thereby. The Board has unanimously determined that the Merger Agreement and the transactions contemplated thereby, including each of the Offer and the Merger, are fair to and in the best interests of the holders of Shares, has approved and authorized the Merger Agreement and the transactions contemplated thereby, including each of the Offer and the Merger, and recommends that the holders of Shares accept the Offer and tender their Shares pursuant to the Offer. Unless the Merger is consummated pursuant to the short-form merger provisions under Delaware Law described below, the only remaining required corporate action of the Company is the approval and adoption of the Merger Agreement and approval of the Merger by the affirmative vote of the holders of a majority of the Shares. Accordingly, if the Minimum Condition is satisfied, Purchaser will have sufficient voting power to cause the approval and adoption of the Merger Agreement and approval of the Merger without the affirmative vote of any other stockholder.

In the Merger Agreement, the Company has agreed to duly call, give notice of, convene and hold a special meeting of its stockholders as promptly as practicable following consummation of the Offer for the purpose of considering and taking action on the Merger Agreement and the transactions contemplated thereby, if such action is required by Delaware Law in order to consummate the Merger. Parent and Purchaser have agreed that all Shares owned by them and their subsidiaries will be voted in favor of the approval and adoption of the Merger Agreement and the Merger.

The Merger Agreement provides that, promptly upon the purchase by Purchaser pursuant to the Offer of such number of Shares as satisfies the Minimum Condition, Purchaser will be entitled to designate representatives to serve on the Board in proportion to Purchaser's ownership of Shares following such purchase. See Section 10. Purchaser expects that such representation would permit Purchaser to exert substantial influence over the Company's conduct of its business and operations.

Short-Form Merger. Under Delaware Law, if Purchaser acquires, pursuant to the Offer, the Merger Option, or otherwise, at least 90% of the then outstanding Shares, Purchaser will be able to approve the Merger without a vote of the Company's stockholders. In such event, Parent, Purchaser and the Company have agreed in the Merger Agreement to take, at the request of Purchaser, all necessary and appropriate action to cause the Merger to become effective as promptly as reasonably practicable after such acquisition, without a meeting of the Company's stockholders. If, however, Purchaser does not acquire at least 90% of the outstanding Shares pursuant to the Offer, the Merger Option, or otherwise, and a vote of the Company's stockholders is required under Delaware Law, a significantly longer period of time would be required to effect the Merger.

Appraisal Rights. No appraisal rights are available in connection with the Offer. However, if the Merger is consummated, stockholders who have not tendered their Shares will have certain rights under Delaware Law to dissent from the Merger and demand appraisal of, and to receive payment in cash of the fair value of, their Shares. Stockholders who perfect such rights by complying with the procedures set forth in Section 262 of the Delaware Law ("Section 262") will have the "fair value" of their Shares (exclusive of any element of value arising from the accomplishment or expectation of the Merger) determined by the Delaware Court of Chancery and will be entitled to receive a cash payment equal to such fair value for the Surviving Corporation. In addition, such dissenting stockholders would be entitled to receive payment of a fair rate of interest from the date of consummation of the Merger on the amount determined to be the fair value of their Shares. In determining the fair value of the Shares, the court is required to take into account all relevant factors. Accordingly, such determination could be based upon considerations other than, or in addition to, the market value of the Shares, including, among other things, asset values and earning capacity. In *Weinberger v. UOP, Inc*., the Delaware Supreme Court stated, among other things, that "proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court" should be considered in an appraisal proceeding. The *Weinberger* court also noted that under Section 262, fair value is to be determined "exclusive of any element of value arising from the accomplishment or expectation of the merger." In *Cede & Co. v. Technicolor, Inc*., however, the Delaware Supreme Court stated that, in the context of a two-step cash merger, "to the extent that value has been added following a change in majority control before cash-out, it is still value attributable to the going concern," to be included in the appraisal process. As a consequence, the value so determined in any appraisal proceeding could be the same, more or less than the purchase price per Share in the Offer or the Merger Consideration.

In addition, several decisions by Delaware courts have held that, in certain circumstances, a controlling stockholder of a company involved in a merger has a fiduciary duty to other stockholders which requires that the merger be fair to such other stockholders. In determining whether a merger is fair to minority stockholders, Delaware courts have considered, among other things, the type and amount of consideration to be received by the stockholders and whether there was fair dealing among the parties. The Delaware Supreme Court stated in *Weinberger* and *Rabkin v. Philip A. Hunt Chemical Corp*. that the remedy ordinarily available to minority stockholders in a cash-out merger is the right to appraisal described above. However, a damages remedy or injunctive relief may be available if a merger is found to be the product of procedural unfairness, including fraud, misrepresentation or other misconduct.

The foregoing summary of the rights of dissenting stockholders under Delaware Law does not purport to be a complete statement of the procedures to be followed by stockholders desiring to exercise any dissenters' rights under Delaware Law. The preservation and exercise of dissenters' rights require strict adherence to the applicable provisions of Delaware Law.

Going Private Transactions. The Commission has adopted Rule 13e-3 under the Exchange Act which is applicable to certain "going private" transactions and which may under certain circumstances be applicable to the Merger or another business combination following the purchase of Shares pursuant to the Offer in which Purchaser seeks to acquire the remaining Shares not held by it. Purchaser believes that Rule 13e-3 will not be applicable to the Merger. Rule 13e-3 requires, among other things, that certain financial information concerning the Company and certain information relating to the fairness of the proposed transaction and the consideration offered to minority stockholders in such transaction be filed with the Commission and disclosed to stockholders prior to consummation of the transaction.

Plans for the Company. It is expected that, initially following the Merger, the business and operations of the Company will, except as set forth in this Offer to Purchase, be continued by the Company substantially as they are currently being conducted. Parent will continue to evaluate the business and operations of the Company during the pendency of the Offer and after the consummation of the Offer and the Merger, and will take such actions as it deems appropriate under the circumstances then existing. Parent intends to seek additional information about the Company during this period. Thereafter, Parent intends to review such information as part of a comprehensive review of the Company's business, operations, capitalization and management with a view to optimizing exploitation of the Company's potential in conjunction with Parent's businesses. It is expected that the business and operations of the Company would form an important part of Parent's future business plans.

Except as indicated in this Offer to Purchase, Parent does not have any present plans or proposals which relate to or would result in (i) any extraordinary transaction, such as a merger, reorganization or liquidation of the Company or any of its Subsidiaries, (ii) any purchase, sale or transfer of a material amount of assets of the Company or any of its subsidiaries, (iii) any material change in the Company's present indebtedness, capitalization or dividend rate or policy, (iv) any change in the present board of directors or management of the Company, (v) any other material change in the Company's corporate structure or business, (vi) any class of equity security of the Company being delisted from a national stock exchange or ceasing to be authorized to be quoted in an automated quotations system operated by a national securities association, or (vii) any class of equity securities of the Company becoming eligible for termination of registration under Section 12(g)(4) of the Exchange Act.

12. Dividends and Distributions.

As discussed in Section 10, pursuant to the Merger Agreement, without the prior approval of Parent, the Company has agreed not to declare, set aside or pay any dividends on, or make any other distributions (whether in cash, stock or property) in respect of, any of its capital stock or other equity or voting interests, except for dividends by a direct or indirect wholly owned Subsidiary to the Company or any other Subsidiary.

13. Possible Effects of the Offer on the Market for Shares, Nasdaq Listing, Margin Regulations and Exchange Act Registration.

Possible Effects of the Offer on the Market for the Shares. The purchase of Shares by Purchaser pursuant to the Offer will reduce the number of Shares that might otherwise trade publicly and will reduce the number of holders of Shares, which could adversely affect the liquidity and market value of the remaining Shares held by the public.

Parent intends to cause the delisting of the Shares by Nasdaq following consummation of the Merger.

Nasdaq Listing. Depending upon the number of Shares purchased pursuant to the Offer, the Shares may no longer meet the standards for continued listing on Nasdaq. According to Nasdaq's published guidelines, the Shares would not be eligible to be included for listing if, among other things, the number of Shares publicly held falls below 750,000, the number of holders of Shares falls below 400 or the market value of such publicly held Shares is not at least $5,000,000. If, as a result of the purchase of Shares pursuant to the Offer, the Merger or otherwise, the Shares no longer meet the requirements of Nasdaq for continued listing, the listing of the Shares will be discontinued. In such event, the market for the Shares would be adversely affected. In the event the Shares were no longer eligible for listing on Nasdaq, quotations might still be available from other sources. The extent of the public market for the Shares and the availability of such quotations would, however, depend upon the number of holders of such Shares remaining at such time, the interest in maintaining a market in such Shares on the part of securities firms, the possible termination of registration of such Shares under the Exchange Act as described below and other factors.

Exchange Act Registration. The Shares are currently registered under the Exchange Act. Such registration may be terminated upon application by the Company to the Commission if the Shares are not listed on a "national securities exchange" and there are fewer than 300 record holders. The termination of the registration of the Shares under the Exchange Act would substantially reduce the information required to be furnished by the Company to holders of Shares and to the Commission and would make certain provisions of the Exchange Act, such as the short-swing profit recovery provisions of Section 16(b), the requirement of furnishing a proxy statement or information statement in connection with stockholders' meetings pursuant to Section 14(a) or 14(c) of the Exchange Act and the related requirements of an annual report, and the requirements of Rule 13e-3 under the Exchange Act with respect to "going private" transactions, no longer applicable to the Shares. In addition, "affiliates" of the Company and persons holding "restricted securities" of the Company may be deprived of the ability to dispose of such securities pursuant to Rule 144 promulgated under the Securities Act of 1933, as amended. If registration of the Shares under the Exchange Act were terminated, the Shares would no longer be eligible for Nasdaq reporting. Purchaser currently intends to seek to cause the Company to terminate the registration of the Shares under the Exchange Act as soon after consummation of the Offer as the requirements for termination of registration are met.

Margin Regulations. The Shares are currently "margin securities", as such term is defined under the rules of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), which has the effect, among

other things, of allowing brokers to extend credit on the collateral of such securities. Depending upon factors similar to those described above regarding listing and market quotations, following the Offer it is possible that the Shares might no longer constitute "margin securities" for purposes of the margin regulations of the Federal Reserve Board, in which event such Shares could no longer be used as collateral for loans made by brokers. In addition, if registration of the Shares under the Exchange Act were terminated, the Shares would no longer constitute "margin securities".

14. Certain Conditions of the Offer.

Notwithstanding any other provision of the Offer, but subject to the terms of the Merger Agreement, Purchaser shall not be required to accept for payment any Shares tendered pursuant to the Offer, and may extend, terminate or amend the Offer if (i) immediately prior to the expiration of the Offer, the Minimum Condition shall not have been satisfied, (ii) any applicable waiting period under the HSR Act or the antitrust laws the People's Republic of China, the Federal Republic of Germany, the Republic of Hungary and the Republic of Korea shall not have expired or been terminated prior to the expiration of the Offer or (iii) prior to the Expiration Date, any of the following conditions shall exist and be continuing:

(a) there shall have been instituted or be pending any litigation, suit, claim, action, proceeding or investigation by any governmental authority, (i) challenging or seeking to make illegal, materially delay, or otherwise, directly or indirectly, restrain or prohibit or make materially more costly, the making of the Offer, the acceptance for payment of any Shares by Parent, Purchaser or any other affiliate of Parent, the purchase of Shares pursuant to the Merger Option, or the consummation of any other transaction contemplated by the Merger Agreement, or seeking to obtain material damages in connection with any transaction contemplated by the Merger Agreement; (ii) seeking to prohibit or limit materially the ownership or operation by the Company, Parent or any of their subsidiaries of all or any of the business or assets of the Company, Parent or any of their subsidiaries or to compel the Company, Parent or any of their subsidiaries as a result of any of the transactions contemplated by the Merger Agreement, to divest or to hold separate, or enter into any licensing or similar arrangement with respect to, all or any portion of the business or assets (whether tangible or intangible) of the Company, Parent or any of their subsidiaries, that is material to either Parent and its subsidiaries or the Company and its subsidiaries, in each case, taken as a whole; (iii) seeking to impose or confirm any limitation on the ability of Parent, Purchaser or any other affiliate of Parent to exercise effectively full rights of ownership of any Shares, including, without limitation, the right to vote any Shares acquired by Purchaser pursuant to the Offer or the Merger Option or otherwise on all matters properly presented to the Company's stockholders including, without limitation, the adoption of the Merger Agreement and the transactions contemplated thereby; (iv) seeking to require divestiture by Parent, Purchaser or any other affiliate of Parent of any Shares; or (v) which otherwise would have a Material Adverse Effect;

(b) any Governmental Authority or court of competent jurisdiction shall have issued an order, decree, injunction or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting or materially delaying or preventing the transactions contemplated by the Merger Agreement and such order, decree, injunction, ruling or other action shall have become final and non-appealable;

(c) there shall have been any statute, rule, regulation, legislation or interpretation enacted, promulgated, amended, issued or deemed applicable to (i) Parent, the Company or any subsidiary or affiliate of Parent or the Company or (ii) any transaction contemplated by the Merger Agreement, by any United States or non-United States legislative body or Governmental Authority with appropriate jurisdiction, other than the routine application of the waiting period provisions of the HSR Act or foreign antitrust laws to the Offer or the Merger, that is reasonably likely to result in any of the consequences referred to in clauses (i) through (v) of paragraph (a) above;

(d) any Material Adverse Effect shall have occurred since the date of the Merger Agreement;

(e) (i) the representations and warranties of the Company contained in Section 4.03(a)(Capitalization) of the Merger Agreement shall not be true and correct (except for inaccuracies regarding the number of Shares, Company stock options or Company stock awards that in the aggregate are less than 0.5% of the outstanding Shares on a diluted basis as of the date of the Merger Agreement and calculated in accordance with the Merger

Agreement), or (ii) the representations and warranties of the Company contained in Section 4.14 (Intellectual Property) of the Merger Agreement shall not be true and correct in all material respects (without giving effect to any qualifications or limitations as to materiality or Material Adverse Effect set forth therein) or (iii) the representations and warranties of the Company contained in any other section of the Merger Agreement shall not be true and correct (without giving effect to any qualifications or limitations as to materiality or Material Adverse Effect set forth therein), in each of cases (i), (ii) and (iii), as of the date of the Merger Agreement and as of the date of determination as though made on the date of determination (except to the extent that such representation or warranty expressly relates to a specified date, in which case as of such specified date), except, in the case of clause (ii), where the failure of such representations and warranties to be true and correct in all material respects as of such dates is not material to the business of the Company and the Subsidiaries as currently conducted, taken as a whole, and in the case of clause (iii), where the failure of such representations and warranties to be true and correct as of such dates, has not had a Material Adverse Effect;

(f) the Company shall have failed to perform, in any material respect, any obligation or to comply, in any material respect, with any agreement or covenant of the Company to be performed or complied with by it under the Merger Agreement;

(g) the Merger Agreement shall have been terminated in accordance with its terms; or

(h) the Company shall not have furnished Parent immediately prior to the expiration of the Offer with a certificate signed on the Company's behalf by its Chief Executive Officer or Chief Financial Officer attesting to the conditions set forth in items (e) and (f) above;

and which, in the reasonable and good faith judgment of Purchaser in any such case, and regardless of the circumstances (including any action or inaction by Parent or any of its affiliates) giving rise to any such condition, makes it inadvisable to proceed with such acceptance for payment.

The foregoing conditions are for the sole benefit of Purchaser and Parent and may be asserted by Purchaser or Parent regardless of the circumstances giving rise to any such condition or, subject to the terms of the Merger Agreement, may be waived by Purchaser or Parent in whole or in part at any time and from time to time prior to the expiration of the Offer in their sole discretion. The failure by Parent or Purchaser at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right; the waiver of any such right with respect to particular facts and other circumstances shall not be deemed a waiver with respect to any other facts and circumstances; and each such right shall be deemed an ongoing right that may be asserted at any time and from time to time prior to the expiration of the Offer.

15. Certain Legal Matters and Regulatory Approvals.

General. Based upon its examination of publicly available information with respect to the Company and the review of certain information furnished by the Company to Parent and discussions between representatives of Parent and representatives of the Company during Parent's investigation of the Company (see Section 10), neither Purchaser nor Parent is aware of (i) any license or other regulatory permit that appears to be material to the business of the Company or any of its subsidiaries, taken as a whole, which might be adversely affected by the acquisition of Shares by Purchaser pursuant to the Offer or (ii) except as set forth below, of any approval or other action by any domestic (federal or state) or foreign Governmental Authority which would be required prior to the acquisition of Shares by Purchaser pursuant to the Offer. Should any such approval or other action be required, it is Purchaser's present intention to seek such approval or action. Purchaser does not currently intend, however, to delay the purchase of Shares tendered pursuant to the Offer pending the outcome of any such action or the receipt of any such approval (subject to Purchaser's right to decline to purchase Shares if any of the conditions in Section 14 shall have occurred). There can be no assurance that any such approval or other action, if needed, would be obtained without substantial conditions or that adverse consequences might not result to the business of the Company, Purchaser or Parent or that certain parts of the businesses of the Company, Purchaser or Parent might not have to be disposed of or held separate or other substantial conditions complied with in order to obtain such approval or other action or in the event that such approval was not obtained or such other action was not taken. Purchaser's obligation under the Offer to accept for payment and pay for Shares is subject to certain conditions, including conditions relating to the legal matters discussed in this Section 15. See Section 14 for certain conditions of the Offer.

State Takeover Laws. The Company is incorporated under the laws of the State of Delaware. In general, Section 203 of Delaware Law prevents an "interested stockholder" (generally a person who owns or has the right to acquire 15% or more of a corporation's outstanding voting stock, or an affiliate or associate thereof) from engaging in a "business combination" (defined to include mergers and certain other transactions) with a Delaware corporation for a period of three years following the date such person became an interested stockholder unless, among other things, prior to such date the board of directors of the corporation approved either the business combination or the transaction in which the interested stockholder became an interested stockholder. On December 10, 2007, prior to the execution of the Merger Agreement, the Board by unanimous vote of all directors present at a meeting held on such date, approved the Merger Agreement, the Offer and the Merger and determined that the Merger Agreement and the transactions contemplated thereby, including each of the Offer and the Merger, are advisable and, taken together, are fair to, and in the best interests of, the stockholders of the Company. Accordingly, Section 203 is inapplicable to the Offer and the Merger.

A number of other states have adopted laws and regulations applicable to attempts to acquire securities of corporations which are incorporated, or have substantial assets, stockholders, principal executive offices or principal places of business, or whose business operations otherwise have substantial economic effects, in such states. In *Edgar v. MITE Corp*., the Supreme Court of the United States invalidated on constitutional grounds the Illinois Business Takeover Statute, which, as a matter of state securities law, made takeovers of corporations meeting certain requirements more difficult. However, in 1987 in *CTS Corp. v. Dynamics Corp. of America*, the Supreme Court held that the State of Indiana may, as a matter of corporate law and, in particular, with respect to those aspects of corporate law concerning corporate governance, constitutionally disqualify a potential acquiror from voting on the affairs of a target corporation without the prior approval of the remaining stockholders. The state law before the Supreme Court was by its terms applicable only to corporations that had a substantial number of stockholders in the state and were incorporated there.

The Company, directly or through its subsidiaries, conducts business in a number of states throughout the United States, some of which have enacted takeover laws. Purchaser does not know whether any of these laws will, by their terms, apply to the Offer or the Merger and has not complied with any such laws. Should any person seek to apply any state takeover law, Purchaser will take such action as then appears desirable, which may include challenging the validity or applicability of any such statute in appropriate court proceedings. In the event it is asserted that one or more state takeover laws is applicable to the Offer or the Merger, and an appropriate court does not determine that it is inapplicable or invalid as applied to the Offer, Purchaser might be required to file certain information with, or receive approvals from, the relevant state authorities. In addition, if enjoined, Purchaser might be unable to accept for payment any Shares tendered pursuant to the Offer, or be delayed in continuing or consummating the Offer, and the Merger. In such case, Purchaser may not be obligated to accept for payment any Shares tendered. See Section 14.

Antitrust. Under the HSR Act and the rules that have been promulgated thereunder by the Federal Trade Commission ("FTC"), certain acquisition transactions may not be consummated unless certain information has been furnished to the Antitrust Division of the Department of Justice ("Antitrust Division") and the FTC and certain waiting period requirements have been satisfied. The acquisition of Shares by Purchaser pursuant to the Offer is subject to such requirements. See Section 2.

Pursuant to the HSR Act, Parent will file a Premerger Notification and Report Form in connection with the purchase of Shares pursuant to the Offer with the Antitrust Division and the FTC. Under the provisions of the HSR Act applicable to the Offer, the purchase of Shares pursuant to the Offer may not be consummated until the expiration or earlier termination of a 15-calendar day waiting period following the filing by Parent. Since Purchaser has not yet filed its Premerger Notification and Report Form, Purchaser does not yet know when the waiting period under the HSR Act applicable to the purchase of Shares pursuant to the Offer will expire. Pursuant to the HSR Act, Parent intends to request early termination of the waiting period applicable to the Offer. There can be no assurance, however, that the 15-day HSR Act waiting period will be terminated early. If either the FTC or the Antitrust Division were to request additional information or documentary material from Parent with respect to the Offer, the waiting period with respect to the Offer would expire at 11:59 p.m., New York City time, on the tenth calendar day after the date of substantial compliance with such request. If the acquisition of Shares is delayed pursuant to a request by the FTC or the Antitrust Division for additional information or documentary material pursuant to the

HSR Act, the Offer shall be extended and, in any event, the purchase of and payment for Shares will be deferred until 10 days after the request is substantially complied with, unless the waiting period is sooner terminated by the FTC and the Antitrust Division. Only one extension of such waiting period pursuant to a request for additional information is authorized by the HSR Act and the rules promulgated thereunder. Any such extension of the waiting period will not give rise to any withdrawal rights not otherwise provided for by applicable law. See Section 4. It is a condition to the Offer that the waiting period applicable under the HSR Act to the Offer expire or be terminated. See Section 1 and Section 14.

The FTC and the Antitrust Division frequently scrutinize the legality under the antitrust laws of transactions such as the proposed acquisition of Shares by Purchaser pursuant to the Offer. At any time before or after the purchase of Shares pursuant to the Offer by Purchaser, the FTC or the Antitrust Division could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the purchase of Shares pursuant to the Offer or seeking the divestiture of Shares purchased by Purchaser or the divestiture of substantial assets of Parent, the Company or their respective subsidiaries. Private parties and state attorneys general may also bring legal action under federal or state antitrust laws under certain circumstances. Based upon an examination of information available to Parent relating to the businesses in which Parent, the Company and their respective subsidiaries are engaged, Parent and Purchaser believe that the Offer will not violate the antitrust laws. Nevertheless, there can be no assurance that a challenge to the Offer on antitrust grounds will not be made or, if such a challenge is made, what the result would be. See Section 14 for certain conditions to the Offer, including conditions with respect to litigation.

Non-US regulatory approvals. Based on publicly available information concerning the Company, Parent has determined that pre-merger filings may be required in certain other jurisdictions, including, without limitation, the People's Republic of China, the Federal Republic of Germany, the Republic of Hungary, and the Republic of Korea, and intends to make any necessary filings promptly after the date of this Offer to Purchase. Upon notification, the respective competition authorities' initial review of the Offer is typically complete within the following time periods: the People's Republic of China — 30 working days; the Federal Republic of Germany — one month; and the Republic of Hungary — 45 days. For the Republic of Korea, which has a post-closing waiting period, the review period is 30 days. However, there can be no assurance that non-US regulatory authorities may not extend the initial review period, or challenge the Offer. If such a challenge is made, there can be no assurance as to what the result would be.

16. Fees and Expenses.

Except as set forth below, Purchaser will not pay any fees or commissions to any broker, dealer or other person for soliciting tenders of Shares pursuant to the Offer.

Morgan Stanley & Co. Incorporated ("Morgan Stanley") is acting as Dealer Manager in connection with the Offer and has provided certain financial advisory services to Parent in connection with the acquisition of the Company. Parent has agreed to pay Morgan Stanley reasonable and customary compensation for its services as financial advisor in connection with the Offer (including the services of Morgan Stanley as Dealer Manager). Parent has also agreed to reimburse Morgan Stanley for the expenses incurred by Morgan Stanley, including the fees and expenses of legal counsel, and to indemnify Morgan Stanley against certain liabilities and expenses in connection with its engagement, including certain liabilities under the federal securities laws.

Purchaser and Parent have retained Innisfree M&A Incorporated, as the Information Agent, and Mellon Investor Services LLC, as the Depositary, in connection with the Offer. The Information Agent may contact holders of Shares by mail, telephone, telex, telecopy, telegraph and personal interview and may request banks, brokers, dealers and other nominee stockholders to forward materials relating to the Offer to beneficial owners. As compensation for acting as Information Agent in connection with the Offer, Innisfree M&A Incorporated will be paid reasonable and customary compensation for its services and will also be reimbursed for certain out-of-pocket expenses and may be indemnified against certain liabilities and expenses in connection with the Offer, including certain liabilities under the federal securities laws.

Purchaser will pay the Depositary reasonable and customary compensation for its services in connection with the Offer, plus reimbursement for out-of-pocket expenses, and will indemnify the Depositary against certain

liabilities and expenses in connection therewith, including under federal securities laws. Brokers, dealers, commercial banks and trust companies will be reimbursed by Purchaser for customary handling and mailing expenses incurred by them in forwarding material to their customers.

17. Miscellaneous.

The Offer is being made solely by this Offer to Purchase and the related Letter of Transmittal and is being made to holders of Shares. The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Purchaser by the Dealer Manager or by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION ON BEHALF OF PARENT, PURCHASER OR THE COMPANY NOT CONTAINED IN THIS OFFER TO PURCHASE OR IN THE LETTER OF TRANSMITTAL, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED.

Pursuant to Rule 14d-3 of the General Rules and Regulations under the Exchange Act, Parent and Purchaser have filed with the Commission the Schedule TO, together with exhibits, furnishing certain additional information with respect to the Offer. The Schedule TO and any amendments thereto, including exhibits, may be inspected at, and copies may be obtained from, the same places and in the same manner as set forth in Section 7.

SOPHIA ACQUISITION CORP.

Dated: December 18, 2007

SCHEDULE I

INFORMATION CONCERNING THE DIRECTORS AND EXECUTIVE OFFICERS OF PARENT AND PURCHASER

1. Directors and Executive Officers of Parent.

Supervisory Board

The following table sets forth the name, current business address, citizenship and current principal occupation or employment, and material occupations, positions, offices or employments and business addresses thereof for the past five years of each member of the Supervisory Board of Parent. The current business address of each person is 39, Chemin du Champ-des-Filles, 1228 Plan-les-Ouates, Geneva, Switzerland. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to employment with Parent.

Name	Citizenship; Present Principal Occupation or Employment; Material Positions Held During the Past Five Years and Business Addresses Thereof
Gérald Arbola	Mr. Arbola, a French citizen, was appointed to the Supervisory Board at the 2004 annual shareholders' meeting and was reelected at the 2005 annual shareholders' meeting. Mr. Arbola was appointed the Chairman of the Supervisory Board on March 18, 2005. Mr. Arbola previously served as Vice Chairman of the Supervisory Board from April 23, 2004 until March 18, 2005. Mr. Arbola is also Chairman of the Supervisory Board's Compensation Committee and Strategic Committee, and serves on its Nominating and Corporate Governance Committee. Mr. Arbola is now Managing Director of Areva S.A., where he had also served as Chief Financial Officer, and is a member of the Executive Board of Areva since his appointment on July 3, 2001. Mr. Arbola is currently a member of the boards of directors of AREVA NC, AREVA NP, and Areva T&D Holdings. Mr. Arbola is a graduate of the Institut d'Etudes Politiques de Paris and holds an advanced degree in economics.
Bruno Steve	Mr. Steve, an Italian citizen, has been a member of the Supervisory Board since 1989 and was appointed Vice Chairman of the Supervisory Board on March 18, 2005. He previously served as Chairman of the Supervisory Board from March 27, 2002 through March 18, 2005, from July 1990 through March 1993, and from June 1996 until May 1999. He also served as Vice Chairman of the Supervisory Board from 1989 to July 1990 and from May 1999 through March 2002. Mr. Steve serves on the Supervisory Board's Compensation Committee as well as on its Nominating and Corporate Governance and Strategic Committees. He was with Istituto per la Ricostruzione Industriale-IRI S.p.A. ("IRI"), a former shareholder of Finmeccanica, Finmeccanica and other affiliates of I.R.I. in various senior positions for over 17 years. Mr. Steve is currently Chairman of Statutory Auditors of Selex S. & A. S. S.p.A., Chairman of Surveillance Body of Selex S. & A. S. S.p.A. and member of Statutory Auditors of Pirelli Tyres S.p.A. He is also a professor at LUISS Guido Carli University in Rome.
Matteo del Fante	Mr. del Fante, an Italian citizen, was appointed to the Supervisory Board at the 2005 annual shareholders' meeting. Mr. del Fante is also a non-voting observer on its Audit Committee. Mr. del Fante has served as the Chief Financial Officer of CDP in Rome since the end of 2003. Prior to joining CDP, Mr. del Fante held several positions at JPMorgan Chase in London, England, where he became Managing Director in 1999. During his 13 years with JPMorgan Chase, Mr. del Fante worked with large European clients on strategic and financial operations. Mr. del Fante obtained his degree in Economics and Finance from Università Bocconi in Milan in 1992, and followed graduate specialization courses at New York University's Stern Business School.

Name	Citizenship; Present Principal Occupation or Employment; Material Positions Held During the Past Five Years and Business Addresses Thereof
Tom de Waard	Mr. Waard, a citizen of the Netherlands, has been a member of the Supervisory Board since 1998. Mr. de Waard was appointed Chairman of the Audit Committee by the Supervisory Board in 1999 and Chairman of the Nominating and Corporate Governance Committee in 2004 and 2005, respectively. He also serves on the Supervisory Board's Compensation Committee. Mr. de Waard has been a partner of Clifford Chance, a leading international law firm, since March 2000 and was the Managing Partner of Clifford Chance Amsterdam office from May 1, 2002 until May 1, 2005. From January 1, 2005 to January 1, 2007 he was a member of the Management Committee of Clifford Chance. Prior to joining Clifford Chance, he was a partner at Stibbe, where he held several positions since 1971 and gained extensive experience working with major international companies, particularly with respect to corporate finance. He is a member of the Amsterdam bar and was President of the Netherlands Bar Association from 1993 through 1995. He received his law degree from Leiden University in 1971. Mr. de Waard is a member of the Supervisory Board of BE Semiconductor Industries N.V. ("BESI") and of its audit and nominating committees. He is also chairman of BESI's compensation committee. Mr. de Waard is a member of the board of the foundation "Stichting Sport en Zaken".
Douglas Dunn	Mr. Dunn, a U.K. citizen, has been a member of the Supervisory Board since 2001. He is a member of its Audit Committee since such date. He was formerly President and Chief Executive Officer of ASML Holding N.V. ("ASML"), an equipment supplier in the semiconductor industry, a position from which he retired effective October 1, 2004. Mr. Dunn was appointed Chairman of the Board of Directors of ARM Holdings plc (United Kingdom) in October 2006. In 2005, Mr. Dunn was appointed to the boards of Philips-LG LCD (Korea) and TomTom N.V. (Netherlands), and also serves as a non-executive director on the board of SOITEC (France). He is also a member of the audit committees of ARM Holdings plc, SOITEC and TomTom N.V. In 2005, Mr. Dunn resigned from his position as a non-executive director on the board of Sendo plc (United Kingdom). Mr. Dunn was a member of the Managing Board of Royal Philips Electronics in 1998. From 1996 to 1998 he was Chairman and Chief Executive Officer of Philips Consumer Electronics and from 1993 to 1996 Chairman and Chief Executive Officer of Philips Semiconductors (now NXP Semiconductors). From 1980 to 1993 he held various positions at Plessey Semiconductors.
Didier Lamouche	Mr. Lamouche, a French citizen, has been a member of the Supervisory Board since 2006. Mr. Lamouche is currently a non-voting observer on the Audit Committee of the Supervisory Board. Dr. Lamouche is a graduate of Ecole Centrale de Lyon and holds a PhD in semiconductor technology. He has 25 years experience in the semiconductor industry. Dr. Lamouche started his career in 1984 in the R&D department of Philips before joining IBM Microelectronics where he held several positions in France and the United States. In 1995, he became Director of Operations of Motorola's Advanced Power IC unit in Toulouse (France). Three years later, in 1998, he joined IBM as General Manager of the largest European semiconductor site in Corbeil (France) to lead its turnaround and transformation into a joint venture between IBM and Infineon: Altis Semiconductor. He managed Altis Semiconductor as CEO for four years. In 2003, Dr. Lamouche rejoined IBM and was the Vice President for Worldwide Semiconductor Operations based in New York (United States) until the end of 2004. Since December 2004, Dr. Lamouche has been the Chairman and CEO of Groupe Bull, a France-based global company operating in the IT sector. He is also a member of the Board of Directors of CAMECA and SOITEC.

Name	Citizenship; Present Principal Occupation or Employment; Material Positions Held During the Past Five Years and Business Addresses Thereof
Didier Lombard	Mr. Lombard, a French citizen, was first appointed to the Supervisory Board at the 2004 annual shareholders' meeting and was reelected at the 2005 annual shareholders' meeting. He serves on the Compensation and Strategic Committees of the Supervisory Board. Mr. Lombard was appointed Chairman and Chief Executive Officer of France Telecom in March 2005. Mr. Lombard began his career in the Research and Development division of France Telecom in 1967. From 1989 to 1990, he served as scientific and technological director at the Ministry of Research and Technology. From 1991 to 1998, he served as General Director for industrial strategies at the French Ministry of Economy, Finances and Industry, and from 1999 to 2003 he served as Ambassador at large for foreign investments in France and as President of the French Agency for International Investments. From 2003 through February 2005, he served as France Telecom's Senior Executive Vice President in charge of technologies, strategic partnerships and new usages and as a member of France Telecom's Executive Committee. Mr. Lombard also spent several years as Ambassador in charge of foreign investment in France. Mr. Lombard is also Chairman of the Board of Directors of Orange and a member of the Board of Directors of Thales and Thomson, as well as a member of the Supervisory Board of Radiall. Mr. Lombard is a graduate of the Ecole Polytechnique and the Ecole Nationale Supérieure des Télécommunications.
Raymond Bingham	Mr. Bingham, a U.S. citizen, was appointed to the Supervisory Board at the 2007 annual shareholders' meeting and serves on the Audit Committee. Since November, 2006, Mr. Bingham has been a Managing Director of General Atlantic LLC, a global private equity firm. From August 2005 to October 2006, Mr. Bingham was a private investor. Mr. Bingham was Executive Chairman of the Board of Directors of Cadence Design Systems Inc., a supplier of electronic design automation software and services, from May 2004 to July 2005, and served as a director of Cadence from November 1997 to July 2005. Prior to being Executive Chairman, he served as President and Chief Executive Officer of Cadence from April 1999 to May 2004, and as Executive Vice President and Chief Financial Officer from April 1993 to April 1999. Mr. Bingham also serves as a Director of Oracle Corporation, Flextronics International, Ltd., and KLA-Tencor Corporation.
Alessandro Ovi	Mr. Ovi, an Italian citizen, was appointed to the Supervisory Board at the 2007 annual shareholders' meeting, and serves on the Strategic Committee. Previously, he was a member of the Supervisory Board from 1994 until his term expired at our annual general shareholders' meeting on March 18, 2005. He has been Special Advisor to the President of the European Community for five years. Mr. Ovi received a doctoral degree in Nuclear Engineering from the Politecnico in Milan and a Master's Degree in Operations Research from the Massachusetts Institute of Technology. He has served on the boards of Telecom Italia S.p.A, Finmeccanica SpA, and Alitalia SpA. Until April 2000, Mr. Ovi was the Chief Executive Officer of Tecnitel S.p.A., a subsidiary of Telecom Italia Group. Prior to joining Tecnitel S.p.A., Mr. Ovi was the Senior Vice President of International Affairs and Communications at I.R.I.

Executive Officers

The following table sets forth the name, current business address, citizenship and current principal occupation or employment, and material occupations, positions, offices or employments and business addresses thereof for the past five years of each Executive Officer of Parent. The current business address of each person is 39, Chemin du Champ-des-Filles, 1228 Plan-les-Ouates, Geneva, Switzerland. Unless otherwise indicated, each occupation set forth opposite an individual's name refers to employment with Parent.

Name	Citizenship; Present Principal Occupation or Employment; Material Positions Held During the Past Five Years and Business Addresses Thereof
Carlo Bozotti	Carlo Bozotti, an Italian citizen, is our President, Chief Executive Officer and the sole member of our Managing Board. As CEO, Mr. Bozotti chairs our Executive Committee. Prior to taking on this new role at the 2005 annual shareholders' meeting, Mr. Bozotti served as Corporate Vice President, MPG since August 1998. Mr. Bozotti joined SGS Microelettronica in 1977 after graduating in Electronic Engineering from the University of Pavia. Mr. Bozotti served as Product Manager for the Industrial, Automotive and Telecom products in the Linear Division and as Business Unit Manager for the Monolithic Microsystems Division from 1987 to 1988. He was appointed Director of Corporate Strategic Marketing and Key Accounts for the Headquarters Region in 1988 and became Vice President, Marketing and Sales, Americas Region in 1991. Mr. Bozotti served as Corporate Vice President, MPG from August 1998 through March 2005, after having served as Corporate Vice President, Europe and Headquarters Region from 1994 to 1998.
Alain Dutheil	Alain Dutheil, a French citizen, was appointed Chief Operating Officer in 2005, with the endorsement of the Supervisory Board. He is also the Vice Chairman of our Corporate Executive Committee. Prior to his appointment as COO, he served as Corporate Vice President, Strategic Planning and Human Resources from 1994 and 1992, respectively. After graduating in Electrical Engineering from the Ecole Supérieure d'Ingénieurs de Marseille ("ESIM"), Mr. Dutheil joined Texas Instruments in 1969 as a Production Engineer, becoming Director for Discrete Products in France and Human Resources Director in France in 1980 and Director of Operations for Portugal in 1982. He joined Thomson Semiconductors in 1983 as General Manager of a plant in Aix-en-Provence, France and then became General Manager of SGS-Thomson Discrete Products Division. From 1989 to 1994, Mr. Dutheil served as Director for Worldwide Back-end Manufacturing, in addition to serving as Corporate Vice President for Human Resources from 1992 until 2005.
Laurent Bosson	Laurent Bosson, a French citizen, is currently Executive Vice President of Front-End Technology and Manufacturing. He is also a member of our Corporate Executive Committee. He served as Corporate Vice President, Front-end Manufacturing and VLSI Fabs from 1989 to 2004 and from 1992 to 1996 he was given additional responsibility as President and Chief Executive Officer of our operations in the Americas. Mr. Bosson remains Chairman of the Board of STMicroelectronics Inc., our affiliate in the United States. Mr. Bosson received a masters' degree in Chemistry from the University of Dijon in 1969. He joined Thomson-CSF in 1964 and has held several positions in engineering and manufacturing. In 1982, Mr. Bosson was appointed General Manager of the Tours and Alençon facilities of Thomson Semiconducteurs. In 1985, he joined the French subsidiary of SGS Microelettronica as General Manager of the Rennes, France manufacturing facility.

Name	Citizenship; Present Principal Occupation or Employment; Material Positions Held During the Past Five Years and Business Addresses Thereof
Andrea Cuomo	Andrea Cuomo, an Italian citizen, is currently Executive Vice President for the Advanced System Technology Group and Chief Strategy Officer. Mr. Cuomo is also a member of our Corporate Executive Committee. After studying at Milano Politecnico in Nuclear Sciences, with a special focus on analog electronics, Mr. Cuomo joined us in 1983 as a System Testing Engineer, and from 1985 to 1989 held various positions to become Marketing Manager in the automotive, computer and industrial product segment. In 1989, Mr. Cuomo was appointed Director of Strategy and Market Development for the Dedicated Products Group, and in 1994 became Vice President responsible for Marketing and Strategic Accounts within the Headquarters Region. In 1998, Mr. Cuomo was appointed as Vice President responsible for Advanced System Technology and in 2002, Mr. Cuomo was appointed as Corporate Vice President and Advanced System Technology General Manager. In 2004, he was given the additional responsibility of serving as our Director of Strategic Planning and was promoted to Executive Vice President.
Carlo Ferro	Carlo Ferro, an Italian citizen, is Executive Vice President and Chief Financial Officer. He is also a member of our Executive Committee. Mr. Ferro has served as our CFO since May 2003. Mr. Ferro graduated with a degree in Business and Economics from the LUISS Guido Carli University in Rome, Italy in 1984, and has a professional qualification as a Certified Public Accountant. From 1984 through 1996, Mr. Ferro held a series of positions in finance and control at Istituto per la Ricostruzione Industriale-IRI S.p.A. (“IRI”), and Finmeccanica. Mr. Ferro served as one of our Supervisory Board Controllers from 1992 to 1996. Mr. Ferro was also a part-time university professor of Planning and Control until 1996. From 1996 to 1999, Mr. Ferro held positions at EBPA NV, a process control company listed on the NYSE, rising to Vice President Planning and Control and principal financial officer. Mr. Ferro joined us in June 1999 as Group Vice President Corporate Finance, overseeing finance and accounting for all affiliates worldwide, and served as Deputy CFO from April 2002 through April 2003. Mr. Ferro has been designated by us to serve as the statutory auditor for DNP Europe Srl, one of our joint venture partners.
Philippe Geyres	Philippe Geyres, a French citizen, served as our Executive Vice President for HPC until the end of 2006. He also served on our Executive Committee. He served as Corporate Vice President and General Manager of our former Consumer and Microcontroller Group (formerly Programmable Products Group) from 1990 until 2004. Mr. Geyres graduated from the École Polytechnique in 1973 and began his career with IBM in France before joining Schlumberger Group in 1980 as Data Processing Director. He was subsequently appointed Deputy Director of the IC Division at Fairchild Semiconductors. Mr. Geyres joined Thomson Semiconducteurs in 1983 as Director of the Bipolar Integrated Circuits Division. He was appointed Strategic Programs Director in 1987 and, later the same year, became our Corporate Vice President, Strategic Planning until 1990.

Name	Citizenship; Present Principal Occupation or Employment; Material Positions Held During the Past Five Years and Business Addresses Thereof
Carmelo Papa	Carmelo Papa, an Italian citizen, is our Executive Vice President and General Manager of our Industrial & Multisegment Sector. He is also a member of our Corporate Executive Committee. He received his degree in Nuclear Physics at Catania University. Mr. Papa joined us in 1983 and in 1986 was appointed Director of Product Marketing and Customer Service for Transistors and Standard ICs. In 2000, Mr. Papa was appointed Corporate Vice President, Emerging Markets and in 2001, he took on additional worldwide responsibility for our Electronic Manufacturing Service to drive forward this new important channel of business. From January 2003 through December 2004, he was in charge of formulating and leading our strategy to expand our customer base by providing dedicated solutions to a broader selection of customers, one of our key growth areas. In 2005, he was named Corporate Vice President, MPA.
Tommi Uhari	Tommi Uhari, a Finnish citizen, was promoted to Executive Vice President and General Manager of the Mobile, Multimedia & Communications Group in January 2007. Mr. Uhari is also a member of our Executive Committee. After graduating from the University of Oulu with a Master's degree in Industrial Engineering and Management, Mr. Uhari worked at Nokia in various R&D and management positions. He started as a design engineer, working on digital ASICs for mobile phones. In 2004, he was promoted Vice President, Head of Wireless platforms. Mr. Uhari joined our Company in 2006 as the Manager of the Personal Multimedia Group.
Enrico Villa	Enrico Villa, an Italian citizen, is currently Executive Vice President, Europe Region. He also serves on our Executive Committee, representing the sales and marketing functions. He was appointed Corporate Vice President, Europe Region on January 1, 2000, after having served as Corporate Vice President, Region 5 (now Emerging Markets) from January 1998 through 2000. Mr. Villa has served in various capacities within our management since 1967 after obtaining a degree in Business Administration from the University of Milan and has 40 years of experience in the semiconductor industry. He is currently President of the European Electronics Components Association ("EECA") as well as Chairman for Europe at the Joint Steering Committee of the World Semiconductor Council.
Georges Auguste	Georges Auguste, a French citizen, has served as Corporate Vice President, Total Quality and Environmental Management since 1999. Mr. Auguste received a degree in Engineering from the Ecole Supérieure d'Electricité ("SUPELEC") in 1974 and a diploma in Business Administration from Caen University in 1976. Prior to joining us, Mr. Auguste worked with Philips Components from 1974 to 1986, in various positions in the field of manufacturing. From 1990 to 1997, he headed our operations in Morocco, and from 1997 to 1999, Mr. Auguste served as Director of Total Quality and Environmental Management.
Gian Luca Bertino	Gian Luca Bertino, an Italian citizen, graduated in 1985 in Electronic Engineering from the Polytechnic of Turin. From 1986 to 1997 he held several positions within the Research and Development organization of Olivetti's semiconductor group before joining ST in 1997. He was Group Vice President, Peripherals, General Manager of our Data Storage Division within the Telecommunications, Peripherals and Automotive (TPA) Groups, until he was appointed Corporate Vice President, CPG.

Name	Citizenship; Present Principal Occupation or Employment; Material Positions Held During the Past Five Years and Business Addresses Thereof
Ugo Carena	Ugo Carena, an Italian citizen, graduated in Mechanical Engineering from the Polytechnic of Turin in 1970. His semiconductor career began in 1977 within Olivetti's semiconductor group. He joined ST in 1997 and he held the position of Telecommunications, Peripherals and Automotive (TPA) Groups Vice President, General Manager Computer Peripherals and Industrial Group, until he was named Corporate Vice President, APG in 2005.
Marco Luciano Cassis	Marco Luciano Cassis, an Italian citizen, graduated from the Polytechnic of Milan with a degree in Electronic Engineering. Cassis joined us in 1988 as a mixed-signal analog designer for car radio applications. In 1993, Cassis moved to Japan to support our newly created design center with his expertise in audio products. Then in 2000, Cassis took charge of the Audio Business Unit and a year later he was promoted to Director of Audio and Automotive Group, responsible for design, marketing, sales, application support, and customer services. In 2004, Cassis was named Vice President of Marketing for the automotive, computer peripheral, and telecom products. In 2005, he advanced to Vice President APG and joined the Board of the Japanese subsidiary, STMicroelectronics K.K. Mr. Cassis was appointed Corporate Vice President, Japan region on September 6, 2005.
Patrice Chastagner	Patrice Chastagner, a French citizen, is a graduate of the HEC business school in France and in 1988 became the Grenoble Site Director, guiding the emergence of this facility to become one of the most important hubs in Europe for advanced, complex silicon chip development and solutions. As Human Resources Manager for the Telecommunications, Peripherals and Automotive (TPA) Groups, which was our largest product group at the time, he was also TQM Champion and applied the principle of continuous improvement to human resources as well as to manufacturing processes. Since March 2003, he has also been serving as Chairman of STMicroelectronics S.A. in France. Upon his promotion to Corporate Vice President, Human Resources in January 2005, he took the leadership of a group with about 50,000 people.
Claude Dardanne	Claude Dardanne, a French citizen, was promoted to Corporate Vice President and General Manager of our newly created Microcontrollers, Memories & Smartcards (MMS) Group, part of our Industrial & Multisegment Sector, in January 2007. Mr. Dardanne graduated from the Ecole Supérieure d'Ingénieurs en Génie Electrique de Rouen in France with a Master's degree in Electronic Engineering. After graduation, Mr. Dardanne spent five years at Thomson Semiconducteurs in France before moving to North America as a Field Application Engineer. From 1982, Mr. Dardanne was responsible for marketing of Microcontrollers & Microprocessor products in North America and, in 1987, Mr. Dardanne was appointed Thomson's Worldwide Marketing Manager for Microcontrollers & Microprocessors in France. In 1989, Mr. Dardanne joined Apple Computer, France, as Marketing Director, responsible for business development in segments including Industrial, Education, Banking and Communications. From 1991 to 1994, Mr. Dardanne served as Marketing Director at Alcatel-Mietec in Belgium and in 1994, Mr. Dardanne rejoined Thomson (which by then had merged with SGS Microelettronica) as Director of Central Marketing for the Memory Products Group (MPG). In 1998, Mr. Dardanne became the head of the EEPROM division. In 2002, Mr. Dardanne was promoted to Vice President of the Memory Products Group and General Manager of the Serial Non-Volatile Memories division and in 2004, he was promoted to Deputy General Manager, Memory Products Group, where his responsibilities included the management of our Smart Card Division.

Name	Citizenship; Present Principal Occupation or Employment; Material Positions Held During the Past Five Years and Business Addresses Thereof
François Guibert	François Guibert, a French citizen, was born in Beziers, France in 1953 and graduated from the Ecole Supérieure d'Ingénieurs de Marseilles in 1978. After three years at Texas Instruments, he joined Thomson Semiconducteurs in 1981 as Sales Manager Telecom. From 1983 to 1986, he was responsible for ICs and strategic marketing of telecom products in North America. In 1988 he was appointed Director of our Semicustom Business for Asia Pacific and in 1989 he became President of ST-Taiwan. Since 1992 he has occupied senior positions in Business Development and Investor Relations and was Group Vice President, Corporate Business Development which includes M&A activities from 1995 to the end of 2004. In January 2005, Mr. Guibert was promoted to the position of Corporate Vice President, Emerging Markets Region and in October 2006, he was appointed Corporate Vice President, Asia Pacific Region.
Reza Kazerounian	Reza Kazerounian, a U.S. citizen, is a graduate of the University of Illinois and received his PhD from the University of California, Berkeley in electrical engineering and computer sciences. In 1985, Mr. Kazerounian started his professional career as a research and development engineer at WaferScale Integration (WSI), specializing in Programmable System Devices. At WSI, he became Vice President of Technology and Product Development (1995) and later Chief Operating Officer in 1997. When we acquired WSI in 2000, Mr. Kazerounian became the general manager of the newly formed Programmable Systems Division, charged with the development of 8- and 32-bit embedded systems. In 2003, he was appointed Group Vice President and General Manager of the Smart Card IC Division. Reza Kazerounian was appointed Corporate Vice President for the North America Region on September 6, 2005.
Otto Kosgalwies	Otto Kosgalwies, a German citizen, was appointed Corporate Vice President, Infrastructure and Services in November 2004, with responsibility for all of our corporate activities related to Information Technology, Logistics, and Procurement and Material Management, with particular emphasis on the complete supply chain between customer demand, manufacturing execution, inventory management, and supplier relations. Mr. Kosgalwies has been with us since 1984 after graduating with a degree in Economics from Munich University. From 1992 through 1995, he served as European Manager for Distribution, from 1995 to 2000 as Sales and Distribution Director for Central Europe, and since 1997 as CEO of our German subsidiary. In 2000, Mr. Kosgalwies was appointed Vice President for Sales and Marketing in Europe and General Manager for Supply Chain Management, where he was responsible at a corporate level for the effective flow of goods and information from suppliers to end users.
Robert Krysiak	Robert Krysiak, a U.K. citizen, graduated from Cardiff University with a degree in Electronics and holds an MBA from the University of Bath. In 1983, Mr. Krysiak joined INMOS, as a VLSI Design Engineer. Then in 1992, Mr. Krysiak formed a group dedicated to the development of CPU products based on the Reusable-Micro-Core architecture. Mr. Krysiak was appointed Group Vice President and General Manager of our 16/32/64 and DSP division in 1997. In 1999, Mr. Krysiak became Group Vice President of the Micro Cores Development, and in 2001, he took charge of our DVD division. Mr. Krysiak was appointed on October 17, 2005 as Corporate Vice President and General Manager of our Greater China region, which focuses exclusively on our operations in China, Hong Kong and Taiwan. Before that, Mr. Krysiak was Marketing Director for HPC..

Name	Citizenship; Present Principal Occupation or Employment; Material Positions Held During the Past Five Years and Business Addresses Thereof
Mario Licciardello	Mario Licciardello, an Italian citizen, was born in Catania, Italy, on January 28, 1942. He graduated in Physics from the University of Catania in 1964. Mr. Licciardello has spent his entire career within companies that have evolved into the current STMicroelectronics. In 1965 he joined ATES, a predecessor of ST, initially in process development, then in strategic planning, after one year spent at the Catania University engaged in various research programs. In 1970, he joined the MOS field where he spent a large part of his professional career in various positions ranging from Operations Manager to Business Unit Manager contributing to the success in the market of several product lines. From 1986 to 1990 he covered the role of Director of Marketing and Business Management for the Semicustom Product Division (named IST). The position included the worldwide responsibility for the external design centers network. From 1990 to 1993, as Director of Corporate Strategic Planning with the relevant Corporate Central Organization, his responsibility ranged from Capital Investment Control to shareholder relations. He moved to MPG in 1993 and in 2003 was promoted from General Manager of our Flash Memories Division to Deputy General Manager of MPG. In 2005, he was named Corporate Vice President and General Manager of MPG.
Jean-Claude Marquet	Jean-Claude Marquet, a French citizen, has served as Corporate Vice President, Asia Pacific Region since July 1995. After graduating in Electrical and Electronics Engineering from ESIEE Paris, Mr. Marquet began his career in the French National Research Organization and later joined Alcatel. In 1969, he joined Philips Components. He remained at Philips until 1978, when he joined Ericsson, eventually becoming President of Ericsson Components' French operations. In 1985, Mr. Marquet joined Thomson Semiconducteurs as Vice President Sales and Marketing, France. Thereafter, Mr. Marquet served as Vice President Sales and Marketing for France and Benelux, and Vice President Asia Pacific and Director of Sales and Marketing for the region.
Carlo Emanuele Ottaviani	Carlo Emanuele Ottaviani, an Italian citizen, was named Corporate Vice President, Communications in March 2003. He began his career in 1965 in the Advertisement and Public Relations Office of SIT-SIEMENS, today known as ITALTEL. He later had responsibility for the activities of the associated semiconductor company ATES Electronic Components. ATES merged with the Milan-based SGS in 1971, and Mr. Ottaviani was in charge of the advertisement and marketing services of the newly formed SGS-ATES. In 1975, he was appointed Head of Corporate Communication worldwide, and has held this position since that time. In 2001, Mr. Ottaviani was also appointed President of STMicroelectronics Foundation.
Jeffrey See	Jeffrey See, a Singapore citizen, was appointed Corporate Vice President, Central Back-end General Manager in April 2006. After Mr. See graduated from the Singapore Polytechnic in 1965, he became a Chartered Electronic Engineer at the Institution of Electrical Engineers (IEE) in the UK. In 1969, Mr. See joined SGS Microelettronica, a forerunner company of ST, as a Quality Supervisor at its first Assembly and Test facility in Toa Payoh, Singapore and was promoted to Deputy Back-End Plant Manager in 1980. In 1983, Mr. See was appointed to manage the start-up of the region's first wafer fabrication plant (125-mm) in Ang Mo Kio, Singapore and became General Manager of the front-end operations in 1992. In 2001, Mr. See was appointed Vice President and Assistant General Manager of Central Front-End Manufacturing and General Manager of the Asia Pacific Manufacturing Operations, responsible for wafer fabrication and electrical wafer sort in the region.

Name	Citizenship; Present Principal Occupation or Employment; Material Positions Held During the Past Five Years and Business Addresses Thereof
Giordano Seragnoli	Giordano Seragnoli, an Italian citizen, has served as Corporate Vice President, Subsystems Products Group since 1987 and since 1994, as Director for Worldwide Back-end Manufacturing. After graduating in Electrical Engineering from the University of Bologna, Mr. Seragnoli joined the Thomson Group as RF Application Designer in 1962 and joined SGS Microelettronica in 1965. Thereafter, Mr. Seragnoli served in various capacities within our management, including Strategic Marketing Manager and Subsystems Division Manager, Subsystems Division Manager (Agrate), Technical Facilities Manager, Subsystems Division Manager and Back-End Manager.
Thierry Tingaud	Thierry Tingaud, a French citizen, was promoted to Corporate Vice President, Emerging Markets Region General Manager, responsible for our sales and marketing operations in Africa and the Middle East, India, Latin America, Russia and the Eastern European countries in July 2006. Mr. Tingaud graduated from INSA Lyon in 1982 with a Master's degree in Electronic Engineering and he also holds an MBA from Ecole Supérieure des Sciences Economiques et Commerciales (ESSEC). Mr. Tingaud joined the sales and marketing organization of Thomson Semiconducteurs, a forerunner company of ST, in 1985. Three years later, he took responsibility for the Company's telecommunications business in France. In 1996, Mr. Tingaud moved to North America as Corporate Strategic Key Account Director for our Headquarters Region. In this role, he strengthened the strategic alliance with a major key account, responsible for its operations in Europe, North America, Mexico, and Malaysia. In 1999, Mr. Tingaud was appointed Vice President for Sales and Marketing of Telecommunications in Europe.

2. Directors and Executive Officers of Purchaser.

The following table sets forth the name, current business address, citizenship and present principal occupation or employment, and material occupations, positions, offices or employments and business addresses thereof for the past five years of each director and executive officer of Purchaser. The current business address of each person is 39, Chemin du Champ-des-Filles, 1228 Plan-les-Ouates, Geneva, Switzerland. Unless otherwise indicated, each occupation set forth opposite an individual's name, refers to employment with Purchaser.

Name	Citizenship; Present Principal Occupation or Employment; Material Positions Held During the Past Five Years and Business Addresses Thereof
Archibald Malone	Archibald Malone, a citizen of the United Kingdom of Great Britain, is President, Vice President, Secretary and Treasurer of Purchaser. Mr. Malone also currently serves as Vice President and Chief Financial Officer of STMicroelectronics Inc., a wholly owned subsidiary of Parent. After receiving a Higher National Diploma in Business Administration from the Falkirk College of Business in 1967, Mr. Malone began his career that same year with SGS Fairchild, one of the predecessor entities to STMicroelectronics N.V. Mr. Malone has served in his current position at STMicroelectronics Inc. since 1988 and has previously held various other business and financial positions within Parent.

Name	Citizenship; Present Principal Occupation or Employment; Material Positions Held During the Past Five Years and Business Addresses Thereof
Reza Kazerounian	Reza Kazerounian, a U.S. citizen, is the sole director of Purchaser. Mr. Kazerounian is a graduate of the University of Illinois and received his PhD from the University of California, Berkeley in electrical engineering and computer sciences. In 1985, Mr. Kazerounian started his professional career as a research and development engineer at WaferScale Integration (WSI), specializing in Programmable System Devices. At WSI, he became Vice President of Technology and Product Development (1995) and later Chief Operating Officer in 1997. When Parent acquired WSI in 2000, Mr. Kazerounian became the general manager of the newly formed Programmable Systems Division, charged with the development of 8- and 32-bit embedded systems. In 2003, he was appointed Group Vice President and General Manager of the Smart Card IC Division. Reza Kazerounian was appointed Corporate Vice President for the North America Region of Parent on September 6, 2005.

Manually signed facsimiles of the Letter of Transmittal, properly completed, will be accepted. The Letter of Transmittal and certificates evidencing Shares and any other required documents should be sent or delivered by each stockholder or his broker, dealer, commercial bank, trust company or other nominee to the Depositary at one of its addresses set forth below.

The Depositary for the Offer is:

Mellon Investor Services LLC

By Facsimile Transmission (for Eligible Institutions only): (412) 209-6443

Confirm by Telephone: (201) 680-4860

By Overnight Courier:	***By Mail:***	***By Hand:***
Mellon Investor Services LLC Attn.: Corporate Actions Dept. FL 27 480 Washington Boulevard Jersey City, NJ 07310	Mellon Investor Services LLC Attn.: Corporate Actions Dept. P. O. Box 3301 South Hackensack, NJ 07606	Mellon Investor Services LLC Attn: Corporate Actions Dept FL 27 480 Washington Boulevard Jersey City, NJ 07310

Questions or requests for assistance may be directed to the Information Agent or the Dealer Manager at their respective addresses and telephone numbers listed below. Additional copies of this Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained from the Information Agent. A stockholder may also contact brokers, dealers, commercial banks or trust companies for assistance concerning the Offer.

The Information Agent for the Offer is:

Innisfree M&A Incorporated

501 Madison Ave, 20th Floor
New York, New York 10022
Stockholders Call Toll-Free: (888) 750-5834
Banks and Brokers Call Collect: (212) 750-5833

The Dealer Manager for the Offer is:

Morgan Stanley & Co. Incorporated

1585 Broadway
New York, NY 10036
(877) 247-9865

Exhibit (a)(1)(B)

Letter of Transmittal

To Tender Shares of Common Stock
(including the associated Preferred Stock Purchase Rights)
of
GENESIS MICROCHIP INC.
Pursuant to the Offer to Purchase Dated December 18, 2007
of
SOPHIA ACQUISITION CORP.,
A wholly owned subsidiary of
STMICROELECTRONICS N.V.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON JANUARY 16, 2008, UNLESS THE OFFER IS EXTENDED.

The Depositary for the Offer is:

Mellon Investor Services LLC

By Facsimile Transmission (for Eligible Institutions only): (412) 209-6443

Confirm by Telephone: (201) 680-4860

By Overnight Courier:	*By Mail:*	*By Hand:*
Mellon Investor Services LLC Attn.: Corporate Actions Dept. FL 27 480 Washington Boulevard Jersey City, NJ 07310	Mellon Investor Services LLC Attn.: Corporate Actions Dept. P. O. Box 3301 South Hackensack, NJ 07606	Mellon Investor Services LLC Attn: Corporate Actions Dept. FL 27 480 Washington Boulevard Jersey City, NJ 07310

DESCRIPTION OF SHARES TENDERED			
Name(s) and Address(es) of Registered Holder(s) (Please fill in, if blank, exactly as name(s) appear(s) on Share Certificate(s))	**Share Certificate(s) and Share(s) Tendered (Attach additional list, if necessary)**		
	Share Certificate Number(s)*	**Total Number of Shares Evidenced By Share Certificate(s)***	**Number of Shares Tendered****
	Total Shares		

* Need not be completed by stockholders delivering Shares by book-entry transfer.

** Unless otherwise indicated, it will be assumed that all Shares evidenced by each Share Certificate delivered to the Depositary are being tendered hereby. See Instruction 4.

This Letter of Transmittal is to be completed by stockholders of Genesis Microchip Inc. either if certificates evidencing Shares (as defined below) are to be forwarded herewith or if delivery of Shares is to be made by book-entry transfer to an account maintained by the Depositary at the Book-Entry Transfer Facility (as defined in and pursuant to the procedures set forth in Section 3 of the Offer to Purchase). **Delivery of documents to a Book-Entry Transfer Facility does not constitute delivery to the Depositary.**

Stockholders whose certificates for such Shares, and, if applicable, certificates evidencing Rights (as defined below) (together, "Share Certificates") are not immediately available or who cannot deliver their Share Certificates and all other documents required hereby to the Depositary prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase) or who cannot complete the procedure for delivery by book-entry transfer on a timely basis and who wish to tender their Shares must do so pursuant to the guaranteed delivery procedure described in Section 3 of the Offer to Purchase. See Instruction 2.

o CHECK HERE IF SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE DEPOSITARY'S ACCOUNT AT THE BOOK-ENTRY TRANSFER FACILITY AND COMPLETE THE FOLLOWING:

Name of Tendering Institution: _____

Account Number: _____

Transaction Code Number: _____

o CHECK HERE IF SHARES ARE BEING TENDERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING:

Name(s) of Registered Holder(s) _____

Window Ticket No. (if any) _____

Date of Execution of Notice of Guaranteed Delivery _____

Name of Institution that Guaranteed Delivery _____

If delivery is by book-entry transfer, give the following information:

Account Number: _____

Transaction Code Number: _____

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS, OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE NUMBER, OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.
NOTE: SIGNATURES MUST BE PROVIDED BELOW

PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

Ladies and Gentlemen:

The undersigned hereby tenders to Sophia Acquisition Corp., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of STMicroelectronics N.V., a limited liability company organized under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands, the above-described shares of common stock, par value $0.001 per share (the "Common Stock") of Genesis Microchip Inc., a Delaware corporation (the "Company"), including the associated preferred stock purchase rights (the "Rights") and together with the Common Stock, the "Shares"), pursuant to Purchaser's offer to purchase all Shares for $8.65 per Share, net to the seller in cash, without interest, less any applicable withholding taxes, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated December 18, 2007 (the "Offer to Purchase"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which, together with the Offer to Purchase and any amendments or supplements hereto or thereto, collectively constitute the "Offer"). Tendering stockholders who have Shares

registered in their names and who tender directly to the Depositary (as defined below) will not be charged brokerage fees or commissions or, except as set forth in Instruction 6 of the Letter of Transmittal, transfer taxes on the sale of Shares pursuant to the Offer. Stockholders who hold their Shares through a broker or bank should consult with that institution as to whether it charges any service fees. The undersigned understands that Purchaser reserves the right to transfer or assign, in whole or from time to time in part, to one or more of its affiliates the right to purchase all or any portion of Shares tendered pursuant to the Offer.

Upon the terms and subject to the conditions of the Offer (and if the Offer is extended or amended, the terms of any such extension or amendment), and subject to, and effective upon, acceptance for payment of Shares tendered herewith, in accordance with the terms of the Offer, the undersigned hereby sells, assigns and transfers to or upon the order of Purchaser all right, title and interest in and to all Shares that are being tendered hereby and all dividends, distributions (including, without limitation, distributions of additional Shares) and rights declared, paid or distributed in respect of such Shares on or after the date of the Offer to Purchase (collectively, "Distributions") and irrevocably appoints the Depositary the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares (and all Distributions), with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to (i) deliver Share Certificates evidencing such Shares (and all Distributions), or transfer ownership of such Shares (and all Distributions) on the account books maintained by the Book-Entry Transfer Facility, together, in either case, with all accompanying evidences of transfer and authenticity, to or upon the order of Purchaser, (ii) present such Shares (and all Distributions) for transfer on the books of the Company and (iii) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares (and all Distributions), all in accordance with the terms of the Offer.

By executing this Letter of Transmittal, the undersigned hereby irrevocably appoints Reza Kazerounian and Archibald Malone and each of them, as the attorneys and proxies of the undersigned, each with full power of substitution, to vote in such manner as each such attorney and proxy or his substitute shall, in his sole discretion, deem proper and otherwise act (by written consent or otherwise) with respect to all Shares tendered hereby which have been accepted for payment by Purchaser prior to the time of such vote or other action and all Shares and other securities issued in Distributions in respect of such Shares, which the undersigned is entitled to vote at any meeting of stockholders of the Company (whether annual or special and whether or not an adjourned or postponed meeting) or consent in lieu of any such meeting or otherwise. This proxy and power of attorney is coupled with an interest in Shares tendered hereby, is irrevocable and is granted in consideration of, and is effective upon, the acceptance for payment of such Shares by Purchaser in accordance with other terms of the Offer. Such acceptance for payment shall revoke all other proxies and powers of attorney granted by the undersigned at any time with respect to such Shares (and all Shares and other securities issued in Distributions in respect of such Shares), and no subsequent proxies, powers of attorney, consents or revocations may be given by the undersigned with respect thereto (and if given will not be deemed effective). The undersigned understands that, in order for Shares or Distributions to be deemed validly tendered, immediately upon Purchaser's acceptance of such Shares for payment, Purchaser must be able to exercise full voting and other rights with respect to such Shares (and any and all Distributions), including, without limitation, voting at any meeting of the Company's stockholders then scheduled.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer Shares tendered hereby and all Distributions, that when such Shares are accepted for payment by Purchaser, Purchaser will acquire good, marketable and unencumbered title thereto and to all Distributions, free and clear of all liens, restriction, charges and encumbrances, and that none of such Shares and Distributions will be subject to any adverse claim. The undersigned, upon request, shall execute and deliver all additional documents deemed by the Depositary or Purchaser to be necessary or desirable to complete the sale, assignment and transfer of Shares tendered hereby and all Distributions. In addition, the undersigned shall remit and transfer promptly to the Depositary for the account of Purchaser all Distributions in respect of Shares tendered hereby, accompanied by appropriate documentation of transfer, and pending such remittance and transfer or appropriate assurance thereof, Purchaser shall be entitled to all rights and privileges as owner of each such Distribution and may withhold the entire purchase price of Shares tendered hereby, or deduct from such purchase price, the amount or value of such Distribution as determined by Purchaser in its sole discretion.

No authority herein conferred or agreed to be conferred shall be affected by, and all such authority shall survive, the death or incapacity of the undersigned. All obligations of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.

The undersigned understands that the valid tender of Shares pursuant to any one of the procedures described in Section 3 of the Offer to Purchase and in the Instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the Offer (and. if the Offer is extended or amended, the terms or conditions of any such extension or amendment). Purchaser's acceptance of such Shares for payment will constitute a binding agreement between the undersigned and Purchaser upon the terms and subject to the conditions of the Offer (and, if the Offer is extended or amended, the terms or conditions of any such extension or amendment).

Unless otherwise indicated below in the box entitled "Special Payment Instructions", please issue the check for the purchase price of all Shares purchased and return all Share Certificates evidencing Shares not tendered or not accepted for payment in the name(s) of the registered holder(s) appearing above under "Description of Shares Tendered". Similarly, unless otherwise indicated below in the box entitled "Special Delivery Instructions", please mail the check for the purchase price of all Shares purchased and return all Share Certificates evidencing Shares not tendered or not accepted for payment (and accompanying documents, as appropriate) to the address(es) of the registered holder(s) appearing above under "Description of Shares Tendered" on the reverse hereof. In the event that the boxes below entitled "Special Payment Instructions" and "Special Delivery Instructions" are both completed, please issue the check for the purchase price of all Shares purchased and return all Share Certificates evidencing Shares not tendered or not accepted for payment in the name(s) of, and deliver such check and return such Share Certificates (and any accompanying documents, as appropriate) to, the person(s) so indicated. Unless otherwise indicated below in the box entitled "Special Payment Instructions", please credit any Shares tendered hereby and delivered by book-entry transfer that are not accepted for payment by crediting the account at the Book-Entry Transfer Facility designated above. The undersigned recognizes that Purchaser has no obligation, pursuant to the Special Payment Instructions, to transfer any Shares from the name of the registered holder(s) thereof if Purchaser does not accept for payment any Shares tendered hereby.

SPECIAL PAYMENT INSTRUCTIONS
(See Instructions 1, 5, 6 and 7)

To be completed ONLY if the check for the purchase price of Shares and Share Certificates evidencing Shares not tendered or not purchased are to be issued in the name of someone other than the undersigned.

Issue Check and Share Certificate(s) to:

Name:

(Please Print)

Address: _____

_____

_____

(Zip Code)

_____

(Tax Identification or Social Security Number)
(See Substitute Form W-9)

Account Number: _____

SPECIAL DELIVERY INSTRUCTIONS
(See Instructions 1, 5, 6 and 7)

To be completed ONLY if the check for the purchase price of Shares purchased and Share Certificates evidencing Shares not tendered or not purchased are to be mailed to someone other than the undersigned, or the undersigned at an address other than that shown under "Description of Shares Tendered".

Mail Check and Share Certificate(s) to:

Name: _____

(Please Print)

Address: _____

_____

_____

(Zip Code)

_____

(Tax Identification or Social Security Number)
(See Substitute Form W-9)

IMPORTANT

STOCKHOLDERS: SIGN HERE
(Please Complete Substitute Form W-9)

_____

_____
Signature(s) of Holder(s)

Dated: , 200 .

(Must be signed by registered holder(s) exactly as name(s) appear(s) on Share Certificates or on a security position listing by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, please provide the following information and see Instruction 5.)

Name(s): _____
Please Print

Capacity (full title): _____

Address: _____

_____
Include Zip Code

Daytime Area Code and Telephone No: _____

Taxpayer Identification or
Social Security No.:
(See Substitute Form W-9)

GUARANTEE OF SIGNATURE(S)
(See Instructions 1 and 5)

FOR USE BY FINANCIAL INSTITUTIONS ONLY.
FINANCIAL INSTITUTIONS: PLACE MEDALLION
GUARANTEE IN SPACE BELOW

INSTRUCTIONS

Forming Part of the Terms and Conditions of the Offer

1. *Guarantee of Signatures.* All signatures on this Letter of Transmittal must be guaranteed by a firm which is a member of the Security Transfer Agent Medallion Signature Program, or by any other "eligible guarantor institution", as such term is defined in Rule 17Ad-15 promulgated under the Securities Exchange Act of 1934, as amended (each of the foregoing being an "Eligible Institution") unless (i) this Letter of Transmittal is signed by the registered holder(s) of Shares (which term, for purposes of this document, shall include any participant in the Book-Entry Transfer Facility whose name appears on a security position listing as the owner of Shares) tendered hereby and such holder(s) has (have) not completed the box entitled "Special Payment Instructions" or "Special Delivery Instructions" on the reverse hereof or (ii) such Shares are tendered for the account of an Eligible Institution. See Instruction 5.

2. *Delivery of Letter of Transmittal and Share Certificates*. This Letter of Transmittal is to be used either if Share Certificates are to be forwarded herewith or if tenders are to be made pursuant to the procedures for tenders by book-entry transfer pursuant to the procedure set forth in Section 3 of the Offer to Purchase. Share Certificates evidencing all physically tendered Shares, or a confirmation of a book-entry transfer into the Depositary's account at the Book-Entry Transfer Facility of all Shares delivered by book-entry transfer, as well as a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof) and any other documents required by this Letter of Transmittal, must be received by the Depositary at one of its addresses set forth below prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase) or the expiration of a subsequent offering period, if applicable. If Share Certificates are forwarded to the Depositary in multiple deliveries, a properly completed and duly executed Letter of Transmittal must accompany each such delivery. Stockholders whose Share Certificates are not immediately available, who cannot deliver their Share Certificates and all other required documents to the Depositary prior to the Expiration Date or who cannot complete the procedure for delivery by book-entry transfer on a timely basis may tender their Shares pursuant to the guaranteed delivery procedure described in Section 3 of the Offer to Purchase. Pursuant to such procedure: (i) such tender must be made by or through an Eligible Institution; (ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by Purchaser, must be received by the Depositary prior to the Expiration Date; and (iii) the Share Certificates evidencing all physically delivered Shares in proper form for transfer by delivery, or a confirmation of a book-entry transfer into the Depositary's account at the Book-Entry Transfer Facility of all Shares delivered by book-entry transfer, in each case together with a Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees (or in the case of a book-entry transfer, an Agent's Message (as defined in Section 3 of the Offer to Purchase)) and any other documents required by this Letter of Transmittal, must be received by the Depositary within three Nasdaq Global Market ("Nasdaq") trading days after the date of execution of such Notice of Guaranteed Delivery, all as described in Section 3 of the Offer to Purchase.

The method of delivery of this Letter of Transmittal, Share Certificates and all other required documents, including delivery through the Book-Entry Transfer Facility, is at the option and risk of the tendering stockholder, and the delivery will be deemed made only when actually received by the Depositary. If delivery is by mail, registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.

No alternative, conditional or contingent tenders will be accepted and no fractional Shares will be purchased. By execution of this Letter of Transmittal (or a manually signed facsimile hereof), all tendering stockholders waive any right to receive any notice of the acceptance of their Shares for payment.

3. *Inadequate Space*. If the space provided on the reverse hereof under "Description of Shares Tendered" is inadequate, the Share Certificate numbers, the number of Shares evidenced by such Share Certificates and the number of Shares tendered should be listed on a separate signed schedule and attached hereto.

4. *Partial Tenders (not applicable to stockholders who tender by book-entry transfer)*. If fewer than all Shares evidenced by any Share Certificate delivered to the Depositary herewith are to be tendered hereby, fill in the number of Shares that are to be tendered in the box entitled "Number of Shares Tendered". In such cases, new Share Certificate(s) evidencing the remainder of Shares that were evidenced by the Share Certificates delivered to the Depositary herewith will be sent to the person(s) signing this Letter of Transmittal, unless otherwise provided in the box entitled "Special Delivery Instructions" on the reverse hereof, as soon as practicable after the Expiration Date or the termination of the Offer. All Shares evidenced by Share Certificates delivered to the Depositary will be deemed to have been tendered unless otherwise indicated.

5. *Signatures on Letter of Transmittal; Stock Powers and Endorsements*. If this Letter of Transmittal is signed by the registered holder(s) of Shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the Share Certificates evidencing such Shares without alteration, enlargement or any other change whatsoever.

If any Shares tendered hereby are held of record by two or more persons, all such persons must sign this Letter of Transmittal.

If any Shares tendered hereby are registered in different names, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of such Shares.

If this Letter of Transmittal is signed by the registered holder(s) of Shares tendered hereby, no endorsements of Share Certificates or separate stock powers are required, unless payment is to be made to, or Share Certificates evidencing Shares not tendered or not accepted for payment are to be issued in the name of, a person other than the registered holder(s). If the Letter of Transmittal is signed by a person other than the registered holder(s) of the Share Certificate(s) evidencing Shares tendered, the Share Certificate(s) tendered hereby must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on such Share Certificate(s). Signatures on such Share Certificate(s) and stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of Shares tendered hereby, the Share Certificate(s) evidencing Shares tendered hereby must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on such Share Certificate(s). Signatures on such Share Certificate(s) and stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal or any Share Certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to Purchaser of such person's authority so to act must be submitted.

6. *Stock Transfer Taxes*. Except as otherwise provided in this Instruction 6, Purchaser will pay all stock transfer taxes with respect to the sale and transfer of any Shares to it or its order pursuant to the Offer. If, however, payment of the purchase price of any Shares purchased is to be made to, or Share Certificate(s) evidencing Shares not tendered or not accepted for payment are to be issued in the name of, any person other than the registered holder(s) or if tendered certificates are registered in the name of any person other than the person(s) signing the Letter of Transmittal, the amount of any stock transfer taxes (whether imposed on the registered holder(s), or such other person, or otherwise) payable on account of the transfer to such other person will be deducted from the purchase price of such Shares purchased, unless evidence satisfactory to Purchaser of the payment of such taxes, or exemption therefrom, is submitted.

Except as provided in this Instruction 6, it will not be necessary for transfer tax stamps to be affixed to the Share Certificates evidencing Shares tendered hereby.

7. *Special Payment and Delivery Instructions*. If a check for the purchase price of any Shares tendered hereby is to be issued in the name of, and/or Share Certificate(s) evidencing Shares not tendered or not accepted for payment are to be issued in the name of and/or returned to, a person other than the person(s) signing this Letter of Transmittal or if such check or any such Share Certificate is to be sent to a person other than the signor of this Letter of Transmittal or to the person(s) signing this Letter of Transmittal but at an address other than that shown in the box entitled "Description of Shares Tendered" on the reverse hereof, the appropriate boxes herein must be completed.

8. *Questions and Requests for Assistance or Additional Copies*. Questions and requests for assistance may be directed to the Information Agent or the Dealer Manager at their respective addresses or telephone numbers set forth below. Additional copies of the Offer to Purchase, this Letter of Transmittal, the Notice of Guaranteed Delivery and the Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 may be obtained from the Information Agent.

9. *Substitute Form W-9 or W-8*. Each tendering stockholder that is a U.S. person (as defined below) is required to provide the Depositary with a correct Taxpayer Identification Number ("TIN") on the Substitute Form W-9 which is provided below, and to certify, under penalty of perjury, that such number is correct and that such stockholder is not subject to backup withholding of U.S. federal income tax. See the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional instructions. If a tendering stockholder has been notified by the Internal Revenue Service that such stockholder is subject to backup withholding, such stockholder must cross out item (2) of the Certification box of the Substitute Form W-9, unless such stockholder has since been notified by the Internal Revenue Service that such stockholder is no longer

subject to backup withholding. Failure to provide the information on the Substitute Form W-9 may subject the tendering stockholder to 28% U.S. federal income tax backup withholding on the payment of the purchase price of all Shares purchased from such stockholder.

If the Depositary is not provided with the correct TIN, the stockholder may be subject to a $50 penalty imposed by the Internal Revenue Service. In addition, if a stockholder makes a false statement that results in no imposition of backup withholding, and there was no reasonable basis for making such statement, a $500 penalty may also be imposed by the Internal Revenue Service.

Certain stockholders (including, among others, corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order for a foreign individual to qualify as an exempt recipient, such individual must submit a statement (on the appropriate Internal Revenue Service Form W-8), signed under penalties of perjury, attesting to such individual's exempt status. Forms of such statements can be obtained from the Depositary. For purposes of the Substitute Form W-9, a U.S. Person is an individual who is a U.S. citizen or U.S. resident alien, a partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or any political subdivision thereof, an estate (other than a foreign estate) or a domestic trust. A stockholder should consult his or her tax advisor as to such stockholder's qualification for exemption from backup withholding and the procedure for obtaining such exemption.

The stockholder is required to give the Depositary the TIN (e.g., social security number or employer identification number) of the record holder of Shares tendered hereby. If Shares are in more than one name or are not in the name of the actual owner, consult the enclosed "Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9" for additional guidance on which number to report. If the tendering stockholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future, the stockholder should write "Applied For" in the space provided for the TIN in Part I, and sign and date the Substitute Form W-9. If "Applied For" is written in Part I and the Depositary is not provided with a TIN within 60 days, the Depositary will withhold 28% of all payments of the purchase price to such stockholder until a TIN is provided to the Depositary.

If backup withholding applies, the Depositary is required to withhold 28% of any payments made to the stockholder. Backup withholding is not an additional tax. Rather, the U.S. federal income tax of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained provided that the required information is furnished to the Internal Revenue Service in a timely manner.

Important: This Letter of Transmittal (or manually signed facsimile hereof), properly completed and duly executed (together with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message) and Share Certificates or confirmation of book-entry transfer and all other required documents) or a properly completed and duly executed Notice of Guaranteed Delivery must be received by the Depositary prior to the Expiration Date (as defined in the Offer to Purchase) or the expiration of a subsequent offering period, if applicable.

10. *Lost, Destroyed or Stolen Certificates*. If any Share Certificate(s) evidencing Shares has been lost, destroyed or stolen, the stockholder should promptly notify Mellon Investor Services LLC in its capacity as transfer agent for the Shares (telephone number: (800) 522-6645). The stockholder will then be instructed as to the steps that must be taken in order to replace the certificate. This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost or destroyed certificates have been followed.

PAYER'S NAME: Mellon Investor Services LLC		
SUBSTITUTE **Form W-9** **Department of the Treasury** **Internal Revenue Service** **Payer's Request for Taxpayer Identification Number (TIN) and Certification**	**Part I** Taxpayer Identification Number. For all accounts, enter your taxpayer identification number in the box at right. (For most individuals, this is your social security number. If you do not have a number, see "Obtaining a Number" in the enclosed *Guidelines.*) Certify by signing and dating below. Note: If the account is in more than one name, see the chart in the enclosed *Guidelines* to determine which number to give the payer.	Social Security Number or Employer Identification Number (If awaiting TIN write "Applied For")
	Part II For Payees Exempt from Backup Withholding, see the enclosed *Guidelines* and complete as instructed therein.	
Certification Under penalties of perjury, I certify that: (1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me), and (2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to back-up withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and (3) I am a U.S. citizen or other U.S. Person (as defined above). ***Certificate Instructions*** You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out item (2). (Also see instructions in the enclosed *Guidelines.*)		
Signature: Date:, 200		

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 28% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THIS OFFER. PLEASE REVIEW THE ENCLOSED "GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9" FOR ADDITIONAL DETAILS.

NOTE: YOU MUST COMPLETE THE FOLLOWING CERTIFICATE IF YOU ARE AWAITING A TAXPAYER IDENTIFICATION NUMBER.

CERTIFICATE OF AWAITING TAXPAYER IDENTIFICATION NUMBER

I certify under penalties of perjury that a taxpayer identification number has not been issued to me, and either (1) I have mailed or delivered an application to receive a taxpayer identification number to the appropriate Internal Revenue Service Center or Social Security Administration office or (2) I intend to mail or deliver an application in the near future. I understand that, if I do not provide a taxpayer identification number by the time of payment, 28% of all reportable cash payments made to me thereafter will be withheld until I provide a taxpayer identification number.

Signature: Date:

Facsimiles of the Letter of Transmittal, properly completed and duly signed, will be accepted. The Letter of Transmittal and Share Certificates and any other required documents should be sent or delivered by each stockholder or such stockholder's broker, dealer, commercial bank, trust company or other nominee to the Depositary at one of its addresses or to the facsimile number set forth below.

The Depositary for the Offer is:

Mellon Investor Services LLC

By Facsimile Transmission (for Eligible Institutions only): (412) 209-6443

Confirm by Telephone: (201) 680-4860

By Overnight Courier:	*By Mail:*	*By Hand:*
Mellon Investor Services LLC Attn.: Corporate Actions Dept. FL 27 480 Washington Boulevard Jersey City, NJ 07310	Mellon Investor Services LLC Attn.: Corporate Actions Dept. P. O. Box 3301 South Hackensack, NJ 07606	Mellon Investor Services LLC Attn: Corporate Actions Dept. FL 27 480 Washington Boulevard Jersey City, NJ 07310

Questions or requests for assistance may be directed to the Information Agent at its respective address and telephone numbers listed below. Additional copies of the Offer to Purchase, this Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained from the Information Agent. A stockholder may also contact brokers, dealers, commercial banks or trust companies for assistance concerning the Offer.

The Information Agent for the Offer is:

Innisfree M&A Incorporated

501 Madison Avenue, 20th Floor
New York, New York 10022
Stockholders Call Toll-Free: (888) 750-5834
Banks and Brokers Call Collect: (212) 750-5833

The Dealer Manager for the Offer is:

Morgan Stanley & Co. Incorporated

1585 Broadway
New York, NY 10036
(877) 247-9865

Exhibit (a)(1)(C)

Notice of Guaranteed Delivery
for
Tender of Shares of Common Stock
(including the associated Preferred Stock Purchase Rights)
of
GENESIS MICROCHIP INC.
to
SOPHIA ACQUISITION CORP.,
a wholly owned subsidiary of
STMICROELECTRONICS N.V.

(Not to be used for Signature Guarantees)

This Notice of Guaranteed delivery, or a form substantially equivalent hereto, must be used to accept the Offer (as defined below) (i) if certificates ("Share Certificates"), evidencing shares of common stock, par value $0.001 per share (the "Common Stock"), including the associated preferred stock purchase rights (the "Rights" and, together with the Common Stock, the "Shares"), of Genesis Microchip Inc., a Delaware corporation (the "Company"), are not immediately available, (ii) if Share Certificates and all other required documents cannot be delivered to Mellon Investor Services LLC, as Depositary (the "Depositary"), prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase (as defined below)) or (iii) if the procedure for delivery by book-entry transfer cannot be completed on a timely basis. This Notice of Guaranteed Delivery may be delivered by hand or mail or transmitted by telegram, or facsimile transmission to the Depositary. See Section 3 of the Offer to Purchase.

The Depositary for the Offer is:

Mellon Investor Services LLC

By Facsimile Transmission (for Eligible Institutions only): (412) 209-6443

Confirm by Telephone: (201) 680-4860

By Overnight Courier:	*By Mail:*	*By Hand:*
Mellon Investor Services LLC	Mellon Investor Services LLC	Mellon Investor Services LLC
Attn.: Corporate Actions Dept.	Attn.: Corporate Actions Dept.	Attn: Corporate Actions Dept.
FL 27	P. O. Box 3301	FL 27
480 Washington Boulevard	South Hackensack, NJ 07606	480 Washington Boulevard
Jersey City, NJ 07310		Jersey City, NJ 07310

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TRANSMISSION OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY TO THE DEPOSITARY.

This form is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an "Eligible Institution" under the instructions thereto, such signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.

Ladies and Gentlemen:

The undersigned hereby tenders to Sophia Acquisition Corp., a Delaware corporation and a wholly owned subsidiary of STMicroelectronics N.V., a limited liability company organized under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated December 18, 2007 (the "Offer to Purchase"), and the related Letter of Transmittal (which, together with the Offer to Purchase and any amendments or supplements thereto, collectively constitute the "Offer"), receipt of each of which is hereby acknowledged, the number of Shares specified below pursuant to the guaranteed delivery procedure set forth in Section 3 of the Offer to Purchase.

Number of Shares: _____

Certificate Nos. (If Available):

_____

o Check this box if Shares will be delivered by book-entry transfer:

Book-Entry Transfer Facility

Account No. _____

_____

_____

Signature(s) of Holder(s)

Dated: , 200

_____

Please Type or Print

_____

Address

_____

Zip Code

_____

Daytime Area Code and Telephone No.

GUARANTEE
(Not to be used for signature guarantee)

The undersigned, a participant in the Security Transfer Agents Medallion Program or an "eligible guarantor institution," as such term is defined in Rule 17 Ad-15 under the Securities Exchange Act of 1934, as amended, guarantees to delivery to the Depositary either certificates representing the Shares tendered hereby, in proper form for transfer, or confirmation of book-entry transfer of such Shares into the Depositary's account at The Depositary Trust Company, in each case with delivery of a properly completed and duly executed Letter of Transmittal (or facsimile thereof), with any required signature guarantees, or, in the case of a book-entry transfer, confirmation of the book-entry transfer of such Shares in the Depositary's account and The Depositary Trust Company, together with an Agent's Message (as defined in the Offer to Purchase), in each case together with any other documents required by the Letter of Transmittal, within three National Association of Securities Dealers Automated Quotation System trading days (as defined in the Offer to Purchase) after the date hereof.

The Eligible Institution that completes this form must communicate the guarantee to the Depositary and must delivery the Letter of Transmittal and certificates for Shares to the Depositary within the time period shown herein. Failure to do so could result in a financial loss to such Eligible Institution.

Name of Firm:

Address: _____

_____
Zip Code

Area Code and Tel. No.:

_____
Authorized Signature

Name: _____
Please Type or Print

Title: _____

Dated: , 200

DO NOT SEND SHARE CERTIFICATES WITH THIS NOTICE.
SHARE CERTIFICATES SHOULD BE SENT WITH YOUR
LETTER OF TRANSMITTAL.

Exhibit (a)(1)(D)

Offer to Purchase for Cash
All Outstanding Shares of Common Stock
(including the associated Preferred Stock Purchase Rights)
of
Genesis Microchip Inc.
at
$8.65 Net Per Share in Cash
by
Sophia Acquisition Corp.,
a wholly owned subsidiary of
STMicroelectronics N.V.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON JANUARY 16, 2008 UNLESS THE OFFER IS EXTENDED.

December 18, 2007

To Brokers, Dealers, Commercial Banks,
Trust Companies and Other Nominees:

We have been appointed by Sophia Acquisition Corp., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of STMicroelectronics N.V., a limited liability company organized under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands ("Parent"), to act as Dealer Manager in connection with Purchaser's offer to purchase all the shares of common stock, par value $0.001 per share (the "Common Stock"), including the associated preferred stock purchase rights (the "Rights" and, together with the Common Stock, the "Shares"), of Genesis Microchip Inc., a Delaware corporation (the "Company"), that are issued and outstanding for $8.65 per Share, net to the seller in cash, less any applicable withholding taxes, upon the terms and subject to the conditions set forth in Purchaser's Offer to Purchase, dated December 18, 2007 (the "Offer to Purchase"), and the related Letter of Transmittal (which, together with the Offer to Purchase and any amendments or supplements thereto, collectively constitute the "Offer") enclosed herewith. Please furnish copies of the enclosed materials to those of your clients for whose accounts you hold Shares registered in your name or in the name of your nominee.

The Offer is conditioned upon, among other things, (i) there having been validly tendered and not withdrawn prior to the expiration of the Offer at least the number of Shares that shall constitute a majority of the sum of (a) all Shares outstanding as of the scheduled expiration of the Offer and (b) all Shares issuable upon the exercise, conversion or exchange of all Company stock options and other rights to acquire Shares outstanding as of the scheduled expiration of the Offer, less (c) any Shares issuable upon the exercise of any Company stock option (x) not exercisable on or prior to May 15, 2008 or (y) with an exercise price greater than $10.50 per Share (the majority of such sum, the "Minimum Condition") and (ii) any waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the antitrust laws of the People's Republic of China, the Federal Republic of Germany, the Republic of Hungary and the Republic of Korea having expired or been terminated prior to the expiration of the Offer. The Offer is also subject to the other conditions described in the Offer to Purchase. The Offer is not conditioned upon Parent or Purchaser obtaining financing prior to the expiration of the Offer.

For your information and for forwarding to your clients for whom you hold Shares registered in your name or in the name of your nominee, we are enclosing the following documents:

1. Offer to Purchase, dated December 18, 2007;

2. Letter of Transmittal for your use in accepting the Offer and tendering Shares and for the information of your clients;

3. Notice of Guaranteed Delivery to be used to accept the Offer if the Shares and all other required documents are not immediately available or cannot be delivered to Mellon Investor Services LLC (the "Depositary") prior to the Expiration Date (as defined in the Offer to Purchase) or if the procedure for book-entry transfer cannot be completed prior to the Expiration Date;

4. A letter to stockholders of the Company from Jeffrey Diamond, Chairman of the Board of the Company, together with a Solicitation/Recommendation Statement on Schedule 14D-9 filed with the Securities and Exchange Commission by the Company;

5. A letter which may be sent to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer;

6. Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9; and

7. Return envelope addressed to the Depositary.

WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. PLEASE NOTE THAT THE OFFER AND WITHDRAWAL RIGHTS EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON JANUARY 16, 2008, UNLESS THE OFFER IS EXTENDED.

In all cases, payment for Shares accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of (i) certificates evidencing such Shares (or a confirmation of a book-entry transfer of such Shares into the Depositary's account at the Book-Entry Transfer Facility (as defined in the Offer to Purchase)), (ii) a Letter of Transmittal (or a manually signed facsimile thereof) properly completed and duly executed with any required signature guarantees or, in the case of a book-entry transfer, an Agent's Message (as defined in the Offer to Purchase) and (iii) any other required documents.

If holders of Shares wish to tender, but it is impracticable for them to forward their certificates or other required documents prior to the expiration of the Offer, a tender may be effected by following the guaranteed delivery procedure described in Section 3 of the Offer to Purchase.

Purchaser will not pay any fees or commissions to any broker, dealer or other person (other than the Dealer Manager, the Depositary and the Information Agent as described in the Offer to Purchase) in connection with the solicitation of tenders of Shares pursuant to the Offer. However, Purchaser will reimburse you for customary mailing and handling expenses incurred by you in forwarding any of the enclosed materials to your clients. Purchaser will pay or cause to be paid any stock transfer taxes payable with respect to the transfer of Shares to it, except as otherwise provided in Instruction 6 of the Letter of Transmittal.

Any inquiries you may have with respect to the Offer should be addressed to Morgan Stanley & Co. Incorporated or Innisfree M&A Incorporated (the "Information Agent") at their respective addresses and telephone numbers set forth on the back cover page of the Offer to Purchase.

Additional copies of the enclosed material may be obtained from the Information Agent, at the address and telephone number set forth on the back cover page of the Offer to Purchase.

Very truly yours,

Morgan Stanley & Co. Incorporated

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON THE AGENT OF PARENT, PURCHASER, THE COMPANY, THE DEALER MANAGER, THE INFORMATION AGENT OR THE DEPOSITARY, OR OF ANY AFFILIATE OF ANY OF THE FOREGOING, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR TO MAKE ANY STATEMENT ON BEHALF OF ANY OF THE FOREGOING IN CONNECTION WITH THE OFFER OTHER THAN THE ENCLOSED DOCUMENTS AND THE STATEMENTS CONTAINED THEREIN.

Exhibit (a)(1)(E)

Offer to Purchase for Cash
All Outstanding Shares of Common Stock
(including the associated Preferred Stock Purchase Rights)
of
GENESIS MICROCHIP INC.
at
$8.65 Net Per Share in Cash
by
SOPHIA ACQUISITION CORP.,
a wholly owned subsidiary of
STMICROELECTRONICS N.V.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON JANUARY 16, 2008, UNLESS THE OFFER IS EXTENDED.

December 18, 2007

To Our Clients:

Enclosed for your consideration are an Offer to Purchase, dated December 18, 2007 (the "Offer to Purchase"), and a related Letter of Transmittal (which, together with the Offer to Purchase and any amendments or supplements thereto, collectively constitute the "Offer") in connection with the offer by Sophia Acquisition Corp., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of STMicroelectronics N.V., a limited liability company organized under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands ("Parent"), to purchase any and all the shares of common stock, par value $0.001 per share (the "Common Stock"), including the associated preferred stock purchase rights (the "Rights" and, together with the Common Stock, the "Shares") of Genesis Microchip Inc., a Delaware corporation (the "Company"), that are issued and outstanding for $8.65 per share, net to the seller in cash (such amount being the "Per Share Amount"), less any applicable withholding taxes, upon the terms and subject to the conditions set forth in the Offer to Purchase. We are (or our nominee is) the holder of record of Shares held for your account. **A tender of such Shares can be made only by us as the holder of record and pursuant to your instructions. The enclosed Letter of Transmittal is furnished to you for your information only and cannot be used by you to tender Shares held by us for your account.**

We request instructions as to whether you wish to have us tender on your behalf any or all Shares held by us for your account, upon the terms and subject to the conditions set forth in the Offer.

Your attention is invited to the following:

1. The tender price is $8.65 per Share, net to you in cash.

2. The Offer is being made for all outstanding Shares.

3. The Board of Directors of the Company has unanimously determined that the Merger Agreement and the transactions contemplated thereby, including each of the Offer and the Merger, are fair to and in the best interests of the holders of Shares, has approved and authorized the Merger Agreement and the transactions contemplated thereby, including each of the Offer and the Merger, and recommends that the holders of Shares accept the Offer and tender their Shares pursuant to the Offer.

4. The Offer and withdrawal rights will expire at 12:00 Midnight, New York City time, January 16, 2008, unless the Offer is extended.

5. The Offer is conditioned upon, among other things, (i) there having been validly tendered and not withdrawn prior to the expiration of the Offer at least the number of Shares that shall constitute a majority of the sum of (a) all Shares outstanding as of the scheduled expiration of the Offer and (b) all Shares issuable upon the exercise, conversion or exchange of all Company stock options and other rights to acquire Shares outstanding as of the scheduled expiration of the Offer, less (c) any Shares issuable upon the exercise of any Company stock option (x) not exercisable on or prior to May 15, 2008 or (y) with an exercise price greater than $10.50 per Share (the majority of such sum, the "Minimum Condition") and (ii) any waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the antitrust laws of the People's Republic of China, the Federal Republic of Germany, the Republic of Hungary and the Republic of Korea having expired or been terminated prior to the expiration of the Offer. The Offer is also subject to the other conditions described in the Offer to Purchase. The Offer is not conditioned upon Parent or Purchaser obtaining financing prior to the expiration of the Offer.

6. Tendering stockholders who have Shares registered in their names and who tender directly to Mellon Investor Services LLC will not be charged brokerage fees or commissions or, except as set forth in the Letter of Transmittal, transfer taxes on the purchase of Shares by Purchaser pursuant to the Offer. Stockholders who hold their Shares through a broker or bank should consult with that institution as to whether it charges any service fees.

If you wish to have us tender any or all of your Shares, please so instruct us by completing, executing and returning to us the instruction form contained in this letter. An envelope in which to return your instructions to us is enclosed. If you authorize the tender of your Shares, all such Shares will be tendered unless otherwise specified in your instructions. **Your instructions should be forwarded to us in ample time to permit us to submit a tender on your behalf prior to the expiration of the Offer.**

The Offer is being made solely by the Offer to Purchase and the related Letter of Transmittal and is being made to holders of Shares. The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Purchaser by Morgan Stanley & Co. Incorporated or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

Instructions with Respect to the Offer to Purchase for Cash
All Outstanding Shares
of
Genesis Microchip Inc.

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase, dated December 18, 2007, and the related Letter of Transmittal (which, together with the Offer to Purchase and any amendments or supplements thereto, collectively constitute the "Offer") in connection with the offer by Sophia Acquisition Corp., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of STMicroelectronics N.V., a limited liability company organized under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands ("Parent"), to purchase all the shares of common stock, par value $0.001 per share (the "Common Stock"), of Genesis Microchip Inc., a Delaware corporation (the "Company"), including the associated preferred stock purchase rights (the "Rights" and together with the Common Stock, the "Shares"), that are issued and outstanding at a price of $8.65 per Share, net to the seller in cash, less any applicable withholding taxes.

This will instruct you to tender the number of Shares indicated below (or, if no number is indicated below, all Shares) that are held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer.

Dated: _____ , 200_

Number of Shares To Be Tendered:
_____ Shares

SIGN HERE

_____

_____

Signature(s)

_____

Please type or print names(s)

_____

_____

_____

Please type or print address

_____

Area Code and Telephone Number

_____

Taxpayer Identification or Social Security Number

Exhibit (a)(1)(F)

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

Guidelines for Determining the Proper Identification Number for the Payee (You) to Give the Payer — Social Security numbers have nine digits separated by two hyphens: *i.e.* 000-00-0000. Employer identification numbers have nine digits separated by only one hyphen: i.e. 00-0000000. The table below will help determine the number to give the payer.

For this type of account:	Give the name and SOCIAL SECURITY number of —
1. An individual's account	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account(1)
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor(2)
4. a) The usual revocable savings trust (grantor is also trustee)	The grantor-trustee(1)
b) So-called trust account that is not a legal or valid trust under state law	The actual owner(1)
5. Sole proprietorship or disregarded entity owned by an individual	The owner(3)

For this type of account:	Give the EMPLOYER IDENTIFICATION number of —
6. Disregarded entity not owned by an individual	The owner(3)
7. A valid trust, estate, or pension trust	The legal entity(4)
8. Corporate or LLC electing corporate status on Form 8832 account	The corporation
9. Partnership or multi-member LLC account held in the name of the business	The partnership
10. Association, club, or tax-exempt organization account	The organization
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a State or local government, school district, or prison) that receives agricultural program payments	The public entity

(1) List first and circle the name of the person whose number you furnish. If only one person has a social security number, that person's number must be furnished.
(2) Circle the minor's name and furnish the minor's social security number.
(3) Show the name of the owner. You must show your individual name, but you may also enter your business or "doing business as" name. Either your social security number or employer identification number (if you have one) may be used.
(4) List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the taxpayer identification number of the personal representative or trustee unless the legal entity itself is not designated in the account title.)

Note: If no name is circled when there is more than one name, the number will be considered to be that of the first name listed.

GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9

Obtaining a Number

If you do not have a taxpayer identification number ("TIN") you should apply for one immediately. You may obtain Form SS-5, Application for a Social Security Card, at the local office of the Social Security Administration. You may obtain Form SS-4, Application for Employer Identification Number, or Form W-7, Application for IRS Individual Taxpayer Identification Number, from the Internal Revenue Service by calling 1-800-TAX-FORM (1-800-829-3676) or from the IRS's Internet website at www.irs.gov. If you do not have a TIN, write "Applied For" in the space for the TIN.

Payees Exempt from Backup Withholding

Payees specifically exempted from backup withholding on all dividend and interest payments and on broker transactions include the following:

- A corporation.
- A financial institution.
- An organization exempt from tax under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), or an individual retirement account where the payor is the trustee or custodian, or a custodial account under Section 403(b)(7) of the Code if the account satisfies the requirements of Section 401(f)(2) of the Code.
- The United States or any agency or instrumentality thereof.
- A state, the District of Columbia, a possession of the United States, or any subdivision or instrumentality thereof.
- An international organization or any agency or instrumentality thereof.
- A foreign government or any political subdivision, agency or instrumentality thereof.
- A dealer in securities or commodities required to register in the United States, the District of Columbia or a possession of the United States.
- A real estate investment trust.
- A common trust fund operated by a bank under Section 584(a) of the Code
- An entity registered at all times during the tax year under the Investment Company Act of 1940.
- A foreign central bank of issue.

Certain other payees may be exempt from either dividend and interest payments or broker transactions. You should consult your tax advisor to determine whether you might be exempt from backup withholding. Exempt payees described above should file the substitute Form W-9 to avoid possible erroneous backup withholding. Complete the substitute Form W-9 as follows:

ENTER YOUR TAXPAYER IDENTIFICATION NUMBER, WRITE "EXEMPT" ACROSS THE FACE OF THE FORM, SIGN AND DATE THE FORM AND RETURN THE FORM TO THE PAYER.

IF YOU ARE A NONRESIDENT ALIEN OR FOREIGN ENTITY NOT SUBJECT TO BACKUP WITHHOLDING, GIVE THE PAYER THE APPROPRIATE COMPLETED FORM W-8.

Privacy Act Notice. Section 6109 of the Code requires you to provide your correct taxpayer identification number to payers who must report the payments to the IRS. The IRS uses the number for identification purposes and may also provide this information to various government agencies for tax enforcement or litigation purposes. Payers must be given the numbers whether or not recipients are required to file tax returns. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not furnish a taxpayer identification number to a payer. Certain penalties may also apply.

Penalties

(1) **Penalty for Failure to Furnish Taxpayer Identification Number** — If you fail to furnish your correct taxpayer identification number to a payer, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

(2) **Civil Penalty for False Information with Respect to Withholding** — If you make a false statement with no reasonable basis which results in no imposition of backup withholding, you are subject to a penalty of $500.

(3) **Criminal Penalty for Falsifying Information** — Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

FOR ADDITIONAL INFORMATION,
CONTACT YOUR TAX CONSULTANT
OR THE INTERNAL REVENUE SERVICE

Exhibit (a)(1)(G)

Form of Summary Advertisement

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares (as defined below). The Offer (as defined below) is being made solely by the Offer to Purchase, dated December 18, 2007, and the related Letter of Transmittal, and is being made to all holders of Shares. The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Purchaser (as defined below) by Morgan Stanley & Co. Incorporated or by one or more registered brokers or dealers licensed under the laws of such jurisdiction.

Notice of Offer to Purchase for Cash

All Outstanding Shares of Common Stock
(including the associated Preferred Stock Purchase Rights)

of

Genesis Microchip Inc.

at

$8.65 Net Per Share
by

Sophia Acquisition Corp.,

a wholly owned subsidiary of

STMicroelectronics N.V.

Sophia Acquisition Corp., a Delaware corporation ("Purchaser") and a wholly owned subsidiary of STMicroelectronics N.V., a limited liability company organized under the laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands ("Parent"), is offering to purchase all the shares of common stock, par value $0.001 per share (the "Common Stock") of Genesis Microchip Inc., a Delaware corporation (the "Company"), including the associated preferred stock purchase rights (the "Rights" and together with the Common Stock, the "Shares"), that are issued and outstanding for $8.65 per Share, net to the seller in cash, less any applicable withholding taxes, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated December 18, 2007 (the "Offer to Purchase"), and in the related Letter of Transmittal (which, together with the Offer to Purchase and any amendments or supplements thereto, collectively constitute the "Offer"). Following the Offer, Purchaser intends to effect the Merger described below.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME,
ON JANUARY 16, 2008, UNLESS THE OFFER IS EXTENDED.

The Offer is conditioned upon, among other things, (i) there having been validly tendered and not withdrawn prior to the expiration of the Offer at least the number of Shares that shall constitute a majority of the sum of (a) all Shares outstanding as of the scheduled expiration of the Offer, and (b) all Shares issuable upon the exercise, conversion or exchange of all Company stock options and other rights to acquire Shares outstanding as of the scheduled expiration of the Offer, less (c) any Shares issuable upon the exercise of any Company stock option (x) not exercisable on or prior to May 15, 2008 or (y) with an exercise price greater than $10.50 per Share (the majority of such sum, the "Minimum Condition") and (ii) any waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the antitrust laws of the People's Republic of China, the Federal Republic of Germany, the Republic of Hungary and the Republic of Korea having expired or been terminated prior to the expiration of the Offer. The Offer is also subject to the other conditions described in the Offer to Purchase. The Offer is not conditioned upon Parent or Purchaser obtaining financing prior to the expiration of the Offer.

The Offer is being made pursuant to an Agreement and Plan of Merger, dated as of December 10, 2007 (the "Merger Agreement"), among Parent, Purchaser and the Company. The Merger Agreement provides that, among other things, as promptly as practicable after the purchase of Shares pursuant to the Offer and the satisfaction or, if permissible, waiver of the conditions to the Merger set forth in the Merger Agreement and in accordance with the relevant provisions of the General Corporation Law of the State of Delaware ("Delaware Law"), Purchaser will be merged with and into the Company (the "Merger"). As a result of the Merger, the Company will continue as the surviving corporation (the "Surviving Corporation") and will become a wholly owned subsidiary of Parent. At the effective time of the Merger (the "Effective Time"), each Share issued and outstanding immediately prior to the Effective Time (other than Shares held in the treasury of the Company or owned by Purchaser, Parent or any direct or indirect wholly owned subsidiary of Parent or of the Company) will be canceled and converted automatically into the right to receive $8.65 in cash, or any higher price that may be paid per Share in the Offer, less any applicable withholding taxes and without interest, except for Shares held by stockholders who demand and perfect appraisal rights under Delaware Law, which Shares shall be converted into the right to receive the appraised value of such Shares in accordance with Delaware Law.

The Board of Directors of the Company has unanimously determined that the Merger Agreement and the transactions contemplated thereby, including each of the Offer and the Merger, are fair to and in the best interests of the holders of Shares, has approved and authorized the Merger Agreement and the transactions contemplated thereby, including each of the Offer and the Merger, and recommends that the holders of Shares accept the Offer and tender their Shares pursuant to the Offer.

Tendering stockholders who have Shares registered in their names and who tender directly to Mellon Investor Services LLC (the "Depositary") will not be charged brokerage fees or commissions or, except as set forth in the Letter of Transmittal, transfer taxes on the purchase of Shares by Purchaser pursuant to the Offer. Stockholders who hold their Shares through a broker or bank should consult with that institution as to whether it charges any service fees.

For purposes of the Offer (including during any Subsequent Offering Period (as defined below)), Purchaser will be deemed to have accepted for payment (and thereby purchased) Shares validly tendered and not properly withdrawn as, if and when Purchaser gives oral or written notice to the Depositary of Purchaser's acceptance for payment of such Shares pursuant to the Offer. Upon the terms and subject to the conditions of the Offer, payment for Shares accepted for payment pursuant to the Offer will be made by deposit of the purchase price therefor with the Depositary, which will act as agent for tendering stockholders for the purpose of receiving payments from Purchaser and transmitting such payments to tendering stockholders whose Shares have been accepted for payment. **Under no circumstances will interest on the purchase price for Shares be paid, regardless of any delay in making such payment.** In all cases (including during any Subsequent Offering Period), Purchaser will pay for Shares tendered and accepted for payment pursuant to the Offer only after timely receipt by the Depositary of (i) the certificates evidencing such Shares (the "Share Certificates") or timely confirmation of a book-entry transfer of such Shares into the Depositary's account at the Book-Entry Transfer Facility (as defined in Section 2 of the Offer to Purchase) pursuant to the procedure set forth in Section 3 of the Offer to Purchase, (ii) the Letter of Transmittal (or a manually signed facsimile thereof) properly completed and duly executed, with any required signature guarantees or, in the case of a book-entry transfer, an Agent's Message (as defined in Section 2 of the Offer to Purchase) and (iii) any other documents required under the Letter of Transmittal.

If any condition to the Offer is not satisfied at a scheduled expiration date, Purchaser is obligated to extend the Offer for successive periods of up to ten business days until such time as either (i) all of the conditions to the Offer have been satisfied or waived or (ii) the Merger Agreement is terminated pursuant to the provisions thereof, as described in Section 1 of the Offer to Purchase. The Purchaser is also obligated to extend the Offer for any period as may be required by applicable rules and regulations of the Securities and Exchange Commission (the "SEC"), or the staff thereof, or of the NASDAQ Global Market, applicable to the Offer. If Purchaser extends the Offer, Purchaser will inform the Depositary of that fact, and will make a public announcement of the extension, not later than 9:00 a.m., New York City time, on the next business day after the day on which the Offer was scheduled to expire. During any such extension, all Shares previously tendered and not withdrawn will remain subject to the Offer and subject to the right of a tendering stockholder to withdraw such stockholder's Shares.

Purchaser may provide for a subsequent offering period in connection with the Offer. If Purchaser does provide for such subsequent offering period, subject to the applicable rules and regulations of the SEC, Purchaser may elect to extend its offer to purchase Shares beyond the scheduled Expiration Date for a subsequent offering period of not less than three business days nor more than 20 business days (the "Subsequent Offering Period"), to meet the objective that there be validly tendered, in accordance with the terms of the Offer, prior to the expiration of the Offer (as so extended) and not withdrawn a number of Shares which, together with Shares then owned by Parent and Purchaser, represents at least 90% of the then outstanding Shares on a diluted basis (as calculated in accordance with the Merger Agreement). **Shares tendered during the Subsequent Offering Period may not be withdrawn.** Any election by Purchaser to include a Subsequent Offering Period may be effected by Purchaser giving oral or written notice of the Subsequent Offering Period to the Depositary. If Purchaser decides to include a Subsequent Offering Period, it will make a public announcement to that effect on the next business day after the previously scheduled Expiration Date.

Shares may be withdrawn pursuant to the procedures described in Section 4 of the Offer to Purchase at any time prior to 12:00 Midnight, New York City time, on January 16, 2008 (or the latest time and date upon which the Offer, if extended by Purchaser, shall expire). Shares that are tendered may also be withdrawn at any time after February 16, 2008, unless accepted for payment on or before that date. If Purchaser elects to include a Subsequent Offering Period, Shares tendered during the Subsequent Offering Period may not be withdrawn. For the withdrawal to be effective, a written or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover page of the Offer to Purchase. Any such notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of such Shares, if different from that of the person who tendered such Shares. If Share Certificates evidencing Shares to be withdrawn have been delivered or otherwise identified to the Depositary, then, prior to the physical release of such Share Certificates, the serial numbers shown on such Share Certificates must be submitted to the Depositary and the signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution (as defined in Section 3 of the Offer to Purchase), unless such Shares have been tendered for the account of an Eligible Institution. If Shares have been tendered pursuant to the procedure for book-entry transfer as set forth in Section 3 of the Offer to Purchase, any notice of withdrawal must specify the name and number of the account at the Book-Entry Transfer Facility to be credited with the withdrawn Shares. Withdrawals of tenders of Shares may not be rescinded, and any Shares properly withdrawn will thereafter be deemed not to have been validly tendered for purposes of the Offer. Withdrawn Shares may be re-tendered in the Offer, however, by following one of the procedures described in Section 3 of the Offer to Purchase at any time prior to the expiration of the Offer. All questions as to the form and validity (including the time of receipt) of any notice of withdrawal will be determined by Purchaser, in its sole discretion, whose determination will be final and bidding.

The information required to be disclosed by Rule 14d-6(d)(1) of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

The Company has provided Purchaser with the Company's stockholder list and security position listings for the purpose of disseminating the Offer to holders of Shares. The Offer to Purchase and the related Letter of Transmittal will be mailed to record holders of Shares whose names appear on the Company's stockholder lists and will be furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

The receipt of cash in the Offer or the Merger will be a taxable transaction for U.S. federal income tax purposes under the Internal Revenue Code of 1986, as amended. For a description of certain U.S. federal income tax consequences of the Offer and the Merger, see Section 5 of the Offer to Purchase. All stockholders should consult with their own tax advisors as to the particular tax consequences of the Offer and the Merger to them, including the applicability and effect of the alternative minimum tax and any state, local or foreign income and other tax laws and of changes in such tax laws.

The Offer to Purchase and the related Letter of Transmittal contain important information which should be read before any decision is made with respect to the Offer.

Questions and requests for assistance or for additional copies of the Offer to Purchase and the related Letter of Transmittal and other tender offer materials may be directed to the Information Agent or the Dealer Manager as set forth below, and copies will be furnished promptly at Purchaser's expense. No fees or commissions will be paid to brokers, dealers or other persons (other than the Information Agent, the Depositary and the Dealer Manager as described in the Offer to Purchase) for soliciting tenders of Shares pursuant to the Offer. To confirm delivery of Shares, stockholders are directed to contact the Depositary at (201) 680-4860.

The Information Agent for the Offer is:

Innisfree M&A Incorporated

501 Madison Avenue, 20th Floor
New York, New York 10022
Stockholders Call Toll-Free: (888) 750-5834
Banks and Brokers Call Collect: (212) 750-5833

The Dealer Manager for the Offer is:

Morgan Stanley & Co. Incorporated

1585 Broadway
New York, NY 10036
(877) 247-9865

December 18, 2007

Exhibit (d)(1)

EXECUTION COPY

AGREEMENT AND PLAN OF MERGER

among

STMICROELECTRONICS N.V.,

SOPHIA ACQUISITION CORP.

and

GENESIS MICROCHIP INC.

Dated as of December 10, 2007

TABLE OF CONTENTS

AGREEMENT AND PLAN OF MERGER, dated as of December 10, 2007 (this "Agreement"), among STMICROELECTRONICS N.V., a limited liability company organized under the Laws of the Netherlands, with its corporate seat in Amsterdam, the Netherlands ("Parent"), SOPHIA ACQUISITION CORP., a Delaware corporation and a wholly owned subsidiary of Parent ("Purchaser"), and GENESIS MICROCHIP INC., a Delaware corporation (the "Company").

WHEREAS, the Managing Board of Parent with the approval of Parent's Supervisory Board and the Boards of Directors of each of Purchaser and the Company have each determined that it is in the best interests of their respective shareholders and stockholders for Parent to acquire the Company upon the terms and subject to the conditions set forth herein;

WHEREAS, in furtherance of such acquisition, it is proposed that Purchaser shall make a cash tender offer (the "Offer") to acquire all the shares of common stock, par value $0.001 per share, of the Company (together with the associated Rights (as defined in Section 4.03(a)) ("Shares") for $8.65 per Share in cash (such amount, or any greater amount per Share paid pursuant to the Offer, being the "Per Share Amount") upon the terms and subject to the conditions of this Agreement and the Offer;

WHEREAS, also in furtherance of such acquisition, the Managing Board of Parent and the Boards of Directors of Purchaser and the Company have each approved this Agreement and declared its advisability and approved the merger (the "Merger") of Purchaser with and into the Company in accordance with the General Corporation Law of the State of Delaware (the "DGCL"), following the consummation of the Offer and upon the terms and subject to the conditions set forth herein;

WHEREAS, the Board of Directors of the Company (the "Board") has unanimously approved the making of the Offer and resolved to unanimously recommend that holders of Shares tender their Shares pursuant to the Offer and, if applicable, vote their Shares in favor of the Merger; and

WHEREAS, concurrently with the execution of this Agreement, with the approval of the Compensation Committee of the Board, Parent has entered into an employment agreement with the Chief Executive Officer of the Company, to be in effect as of the Effective Time (the "Employment Agreement"), a copy of which is attached as Annex B to this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, Parent, Purchaser and the Company hereby agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.01. Definitions. (a) For purposes of this Agreement:

"affiliate" of a specified person means a person who, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such specified person.

"beneficial owner", with respect to any Shares, has the meaning ascribed to such term under Rule 13d-3(a) of the Exchange Act.

"business day" means any day, other than Saturday, Sunday or a United States federal holiday.

"Company IT Assets" means Software, systems, servers, computers, hardware, firmware, middleware, networks, data communications lines, routers, hubs, switches and all other information technology equipment, and all associated documentation, used by the Company or its Subsidiaries in the operation of their business.

"Company Owned Intellectual Property" means Intellectual Property owned by the Company or a Subsidiary.

"Company Licensed Intellectual Property" means each item of Intellectual Property licensed to the Company or a Subsidiary pursuant to a License.

"Company Software" means Software distributed, sold, licensed to third parties or marketed by the Company or any Subsidiary as, or in connection with, a product of the Company.

"control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, or as trustee or executor, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, as trustee or executor, by contract or credit arrangement or otherwise;

"Environmental Laws" means any United States federal, state, local or non-United States Laws relating to (i) releases or threatened releases of Hazardous Substances or materials containing Hazardous Substances; (ii) the manufacture, handling, transport, use, treatment, storage or disposal of Hazardous Substances or materials containing Hazardous Substances; or (iii) pollution, protection of the environment, worker safety, natural resources or the exposure of any individual to Hazardous Substances.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Company or any Subsidiary and which, together with the Company or any Subsidiary, is treated as a single employer within the meaning of Section 414(b), (c), (m) or (o) of the Code.

"Fully Diluted Basis" means after taking into account all outstanding Shares and assuming the exercise, conversion or exchange of all options, warrants, convertible or exchangeable securities and similar rights (other than, unless exercisable, the Rights) and the issuance of all Shares that the Company is obligated to issue thereunder, excluding, however, any Shares issuable upon the exercise of any Company Stock Option (i) not exercisable on or prior to May 15, 2008 or (ii) with an exercise price greater than $10.50 per Share.

"Hazardous Substances" means (i) those substances defined in or regulated under the following United States federal statutes and their state counterparts, as each may be amended from time to time, and all regulations thereunder: the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, the Clean Water Act, the Safe Drinking Water Act, the Atomic Energy Act, the Federal Insecticide, Fungicide, and Rodenticide Act and the Clean Air Act; (ii) petroleum and petroleum products, including crude oil and any fractions thereof; (iii) natural gas, synthetic gas, and any mixtures thereof; (iv) polychlorinated biphenyls, asbestos and radon; and (v) any other contaminant, substance, material or waste regulated by any Governmental Authority pursuant to any Environmental Law.

"Intellectual Property" means (i) United States and non-United States patents, patent applications and invention registrations of any type, (ii) trademarks, service marks, domain names, trade dress, logos, trade names, corporate names and other source identifiers, and registrations and applications for registration thereof, (iii) copyrightable works, copyrights, mask works and registrations and applications for registration thereof, (iv) Software, (v) confidential and proprietary information, including trade secrets and know-how, and (vi) rights of privacy, publicity and endorsement, and all other rights associated therewith in any jurisdiction.

"knowledge of the Company" means the actual knowledge of any director or executive officer of the Company and such knowledge that any such individual would obtain after reasonable inquiry of those employees of the Company with primary responsibility for the subject matter with respect to which knowledge is being attributed.

"Licenses" mean (i) licenses of Intellectual Property by the Company or a Subsidiary to third parties, (ii) licenses of Intellectual Property by third parties to the Company or a Subsidiary, and (iii) agreements between the Company or a Subsidiary and third parties relating to the development or use of Intellectual Property.

"Material Adverse Effect" means, when used in connection with the Company or any Subsidiary, any event, circumstance, change or effect that, individually or in the aggregate with any other events, circumstances, changes, and effects, is or is reasonably likely to (i) be materially adverse to the business, financial condition, assets, liabilities or results of operations of the Company and its Subsidiaries taken as a whole or (ii) prevent or materially delay the ability of the Company to perform its obligations under this Agreement or to consummate the Transactions; provided, however, that the foregoing shall not include any event, circumstance, change or effect resulting from (A) changes, after the date of this Agreement, in general economic or political conditions or the conditions of the financial markets in the United States or in any other country, (B) general changes, after the date of this Agreement, in the industries in which the Company and its Subsidiaries operate, (C) the public announcement of this Agreement or the pendency or consummation of the transactions contemplated hereby, (D) changes, after the date of this Agreement, in Law or in GAAP (or the interpretation thereof by any Governmental Authority), (E) acts of terrorism or war, earthquakes, fires or other force majeure events, (F) any failure by the Company to take any action prohibited by this

Agreement or the taking by the Company of any action that Parent has approved in advance or requested in writing, (G) any change, in and of itself, in the Company's stock price or the trading volume of the Company's stock or (H) any failure, in and of itself, by the Company to meet any published analyst estimates of the Company's revenue, earnings or results of operations for any period or any failure, in and of itself, by the Company to meet its internal budgets, plans or forecasts of its revenues, earnings or results of operations (it being understood and hereby agreed that with respect to clauses (G) and (H) hereof the facts or occurrences giving rise or contributing to any such change or failure that are not otherwise excluded from the definition of a "Material Adverse Effect" may be deemed to constitute, or be taken into account in determining whether there has been, is or would be a Material Adverse Effect), or (I) any legal proceedings made or brought by any of the current or former stockholders of the Company (on their own behalf or on behalf of the Company) resulting from, relating to or arising out of this Agreement or any of the Transactions, except in each of clauses (A), (B), (D) and (E) above to the extent that such changes adversely affect the Company and its Subsidiaries, taken as a whole, in a disproportionate manner relative to other entities operating in the industries or businesses in which the Company and its Subsidiaries operate.

"person" means an individual, corporation, partnership, limited partnership, limited liability company, syndicate, person (including, without limitation, a "person" as defined in Section 13(d)(3) of the Exchange Act), trust, association or entity or government, political subdivision, agency or instrumentality of a government.

"Public Software" means any Software that contains, or is derived in any manner from, in whole or in part, any Software that is distributed as freeware, shareware, open source Software (e.g., Linux) or similar licensing or distribution models that (i) require the licensing or distribution of source code to licensees, (ii) prohibit or limit the receipt of consideration in connection with sublicensing or distributing any Software, (iii) except as specifically permitted by applicable Law, allow any person to decompile, disassemble or otherwise reverse-engineer any Software, or (iv) require the licensing of any Software to any other person for the purpose of making derivative works. For the avoidance of doubt, "Public Software" includes, without limitation, Software licensed or distributed under any of the following licenses or distribution models (or licenses or distribution models similar thereto): (i) GNU's General Public License (GPL) or Lesser/Library GPL (LGPL); (ii) the Artistic License (e.g., PERL); (iii) the Mozilla Public License; (iv) the Netscape Public License; (v) the Sun Community Source License (SCSL); (vi) the Sun Industry Standards License (SISL); (vii) the BSD License; (viii) Red Hat Linux; (ix) the Apache License; and (x) any other license or distribution model described by the Open Source Initiative as set forth on www.opensource.org.

"Software" means computer software, programs and databases in any form, including Internet web sites, web content and links, all versions, updates, corrections, enhancements, and modifications thereof, and all related documentation.

"subsidiary", when used with respect to any party, shall mean any corporation or other organization, whether incorporated or unincorporated, at least a majority of the board of directors or others performing similar functions with respect to such corporation

or other organization is directly or indirectly owned or controlled by such party or by any one or more of its subsidiaries, or by such party and one or more of its subsidiaries.

"Taxes" shall mean any and all taxes, fees, levies, duties, tariffs, imposts and other similar charges of any kind (together with any and all interest, penalties, additions to tax and additional amounts imposed with respect thereto) imposed by any Governmental Authority or taxing authority, including, without limitation: taxes or other charges on or with respect to income, franchise, windfall or other profits, gross receipts, property, sales, use, capital stock, payroll, employment, social security, workers' compensation, unemployment compensation or net worth; taxes or other charges in the nature of excise, withholding, ad valorem, stamp, transfer, value-added or gains taxes; license, registration and documentation fees; and customers' duties, tariffs and similar charges.

(b) The following terms have the meaning set forth in the Sections set forth below:

Defined Term	Location of Definition
2007 Balance Sheet	§ 4.07(c)
Acceptance Time	§ 7.05(c)
Action	§ 4.09
Agreement	Preamble
Appointment Time	§ 7.03(c)
Blue Sky Laws	§ 4.05(b)
Board	Recitals
Certificate of Merger	§ 3.02
Certificates	§ 3.10(b)
Change of Recommendation	§ 7.05(c)
Code	§ 4.10(a)
Company	Preamble
Company Data	§ 7.04(a)
Company Preferred Stock	§ 4.03(a)
Company Stock Award	§ 3.07(a)
Company Stock Option	§ 3.07(a)
Company Stock Plans	§ 3.07(a)
Confidentiality Agreement	§ 7.04(b)
Continuing Directors	§ 7.03(a)
DGCL	Recitals
Disclosure Letter	§ 4.01(b)
Dissenting Shares	§ 3.09(a)
Effective Time	§ 3.02
Eligible Options	§ 3.07(b)
Employment Agreements	Preamble
Environmental Permits	§ 4.16
Exchange Offer	§ 3.07(b)
Exclusivity Agreement	§ 7.05(b)

Defined Term	Location of Definition
ERISA	§ 4.10(a)
ESPP	§ 3.08
ESPP Date	§ 3.08
Exchange Act	§ 2.01(a)
Exchange Offer	§ 3.07(c)
Exchange Ratio	§ 3.07(b)
Extended Termination Date	§ 9.01(b)
Fairness Opinion	§ 4.27
Fee	§ 9.03(a)
Foreign Antitrust Laws	§ 4.05(b)
GAAP	§ 4.07(b)
Governmental Authority	§ 4.05(b)
HSR Act	§ 4.05(b)
Independent Directors	§ 7.03(a)
Initial Expiration Date	§ 2.01(a)
Initial Termination Date	§ 9.01(b)
IRS	§ 4.10(a)
Law	§ 4.05(a)
Lease Documents	§ 4.13(b)
Material Contracts	§ 4.18(a)
Merger	Recitals
Merger Consideration	§ 3.06(a)
Merger Option	§ 2.02(d)
Merger Option Shares	§ 2.02(d)
Minimum Condition	§ 2.01(a)
NASDAQ	§ 4.07(a)
Non-U.S. Benefit Plan	§ 4.10(h)
Notice of Superior Proposal	§ 7.05(c)
Offer	Recitals
Offer Documents	§ 2.01(b)
Offer to Purchase	§ 2.01(b)
Parent	Preamble
Parent Shares	§ 3.07(b)
Parent Stock Award	§ 3.07(c)
Paying Agent	§ 3.10(a)
Permits	§ 4.06
Per Share Amount	Recitals
Plans	§ 4.10(a)
Proxy Statement	§ 4.12
Purchaser	Preamble
Replacement Stock Option	§ 3.07(b)
Representatives	§ 7.05(a)
Rights	§ 4.03(a)
Rights Agreement	§ 4.03(a)
Schedule 14D-9	§ 2.02(b)

Defined Term	Location of Definition
Schedule TO	§ 2.01(b)
SEC	§ 2.01(a)
SEC Reports	§ 4.07(a)
Securities Act	§ 4.07(a)
Shares	Recitals
SOX	§ 4.07(a)
Stockholders' Meeting	§ 7.01(a)
Subsidiary	§ 4.01(a)
Superior Proposal	§ 7.05(d)
Surviving Corporation	§ 3.03
Transaction Proposal	§ 7.05(d)
Transactions	§ 2.02(a)

ARTICLE II
THE OFFER

SECTION 2.01. The Offer. (a) Provided that this Agreement shall not have been terminated in accordance with Section 9.01 and that none of the events set forth in clauses (a) through (i) of Annex A hereto shall have occurred or be continuing, Purchaser shall commence the Offer as promptly as reasonably practicable after the date hereof, but in no event later than five (5) business days after the initial public announcement of Purchaser's intention to commence the Offer. The obligation of Purchaser to accept for payment Shares tendered pursuant to the Offer shall be subject to (i) the condition (the "Minimum Condition") that at least the number of Shares that shall constitute a majority of the then outstanding Shares on a Fully Diluted Basis shall have been validly tendered and not withdrawn prior to the expiration of the Offer and (ii) the satisfaction of each of the other conditions set forth in Annex A hereto. Purchaser expressly reserves the right to waive any such condition, to increase the price per Share payable in the Offer, and to make any other changes in the terms and conditions of the Offer; provided, however, that unless previously approved by the Company in writing no change may be made that (i) amends or waives the Minimum Condition, (ii) decreases the price per Share payable in the Offer, (iii) changes the form of consideration to be paid in the Offer, (iv) reduces the maximum number of Shares to be purchased in the Offer, (v) imposes conditions to the Offer in addition to those set forth in Annex A hereto, (vi) amends the conditions to the Offer set forth in Annex A so as to broaden the scope of such conditions to the Offer, (vii) extends, except as provided for below, the Offer or (viii) makes any other change to any of the terms and conditions of the Offer that is adverse to the holders of Shares. Notwithstanding the foregoing, Purchaser shall from time to time, (i) extend the Offer, until such time as either (A) all of the conditions to the Offer have been satisfied or waived or (B) this Agreement is terminated pursuant to Section 9.01, for one or more periods of not more than ten (10) business days each beyond the scheduled expiration date, which initially shall be 20 business days (calculated in accordance with Rule 14d-1(g)(3) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) following the commencement (within the meaning of Rule 14d-2 promulgated under the Exchange Act) of the Offer (the "Initial Expiration Date"), if, at the Initial Expiration Date or any subsequent scheduled expiration of the Offer, any of the conditions to Purchaser's obligation to accept for payment Shares, shall not be satisfied or

waived or (ii) extend the Offer for any period required by any rule, regulation, position or interpretation of the Securities and Exchange Commission (the "SEC"), or the staff thereof or of the NASDAQ, applicable to the Offer. The Per Share Amount shall, subject only to applicable withholding of taxes, be net to the seller in cash, upon the terms and subject to the conditions of the Offer. Purchaser shall, and Parent shall cause Purchaser to, pay for all Shares validly tendered and not withdrawn as promptly as practicable following the acceptance of Shares for payment pursuant to the Offer. Notwithstanding the immediately preceding sentence and subject to the applicable rules of the SEC and the terms and conditions of the Offer, Purchaser expressly reserves the right to delay payment for Shares solely in order to comply in whole or in part with applicable Laws. Any such delay shall be effected in compliance with Rule 14e—1(c) promulgated under the Exchange Act. Purchaser may, and the Offer Documents (as defined below) shall reserve the right to, extend the Offer after the acceptance of Shares thereunder for a further period of time by means of a subsequent offering period under Rule 14d-11 promulgated under the Exchange Act of not less than three nor more than 20 business days to meet the objective that there be validly tendered, in accordance with the terms of the Offer, prior to the expiration of the Offer (as so extended), and not withdrawn a number of Shares which, together with Shares then owned by Parent and Purchaser, represents at least 90% of the then outstanding Shares on a Fully Diluted Basis. If the payment equal to the Per Share Amount in cash is to be made to a person other than the person in whose name the surrendered certificate formerly evidencing Shares is registered on the stock transfer books of the Company, it shall be a condition of payment that the certificate so surrendered shall be endorsed properly or otherwise be in proper form for transfer and that the person requesting such payment shall have paid all transfer and other taxes required by reason of the payment of the Per Share Amount to a person other than the registered holder of the certificate surrendered, or shall have established to the reasonable satisfaction of Purchaser that such taxes either have been paid or are not applicable. The Company agrees that no Shares held by the Company or any Subsidiary shall be tendered in the Offer.

(b) As promptly as reasonably practicable on the date of commencement of the Offer, Parent shall cause Purchaser to (i) file with the SEC a Tender Offer Statement on Schedule TO (together with all amendments and supplements thereto, the "Schedule TO") with respect to the Offer and (ii) cause the Offer Documents to be disseminated to all holders of Shares in accordance with Rule 14d-4 promulgated under the Exchange Act. The Schedule TO shall contain or shall incorporate by reference an offer to purchase (the "Offer to Purchase") and forms of the related letter of transmittal and any related summary advertisement (the Schedule TO, the Offer to Purchase and such other documents, together with all supplements and amendments thereto, being referred to herein collectively as the "Offer Documents"). The Company shall promptly furnish to Parent and Purchaser in writing all information concerning the Company that may be required by applicable securities Laws or reasonably requested by Parent for inclusion in the Schedule TO or the Offer Documents. Each of Parent, Purchaser and the Company agrees to correct promptly any information provided by it for use in the Offer Documents that shall have become false or misleading in any material respect, and Parent and Purchaser further agree to take all steps necessary to cause the Schedule TO, as so corrected, to be filed with the SEC, and the other Offer Documents, as so corrected, to be disseminated to holders of Shares, in each case as and to the extent required by applicable U.S. federal securities Laws. Parent and Purchaser shall give the Company and its counsel a reasonable opportunity to review and comment on the Offer Documents prior to such

documents being filed with the SEC or disseminated to holders of Shares. Parent and Purchaser shall provide the Company and its counsel with any comments that Parent, Purchaser or their counsel may receive from the SEC or its staff with respect to the Offer Documents promptly after the receipt of such comments and, subject to providing the Company and its counsel with a reasonable opportunity to participate in the response of Parent or Purchaser, shall respond to any such comments from the SEC regarding the Offer Documents.

SECTION 2.02. Company Action. (a) The Company hereby approves of and consents to the Offer and represents that the Board, at a meeting duly called and held on December 10, 2007, has unanimously (i) determined that this Agreement and the transactions contemplated by this Agreement, including each of the Offer and the Merger (collectively, the "Transactions"), are fair to, and in the best interests of, the holders of Shares, (ii) approved, adopted and declared advisable this Agreement and the Transactions (such approval and adoption having been made in accordance with the DGCL, including, without limitation, Section 203 thereof) and (iii) resolved to recommend that the holders of Shares accept the Offer and tender their Shares pursuant to the Offer, and adopt this Agreement and the Transactions. The Company hereby consents, except to the extent withdrawn or modified in accordance with Section 7.05(c), to the inclusion in the Offer Documents of the recommendation of the Board described in this Section 2.02(a), and the Company shall not withdraw or modify such recommendation in any manner adverse to Purchaser or Parent except to the extent permitted by Section 7.05(c). The Company has been advised by its directors and executive officers that they intend to tender all Shares beneficially owned by them to Purchaser pursuant to the Offer, except to the extent that the tender of Shares would result in liability under Section 16(b) of the Exchange Act or the rules and regulations promulgated thereunder.

(b) As promptly as reasonably practicable on the date of commencement of the Offer, the Company shall file with the SEC a Solicitation/Recommendation Statement on Schedule 14D-9 (together with all amendments and supplements thereto, the "Schedule 14D-9") containing the Fairness Opinion and, except as provided in Section 7.05(c), the recommendation of the Board described in Section 2.02(a), and shall disseminate the Schedule 14D-9 to the extent required by Rule 14d-9 promulgated under the Exchange Act, and any other applicable U.S. federal securities Laws. Each of Parent and Purchaser shall promptly furnish to the Company in writing all information concerning Parent and Purchaser that may be required by applicable securities Laws or reasonably requested by the Company for inclusion in the Schedule 14D-9. Each of the Company, Parent and Purchaser agrees to correct promptly any information provided by it for use in the Schedule 14D-9 which shall have become false or misleading in any material respect, and the Company further agrees to take all steps necessary to cause the Schedule 14D-9, as so corrected, to be filed with the SEC and disseminated to holders of Shares, in each case as and to the extent required by applicable federal securities Laws. The Company shall give Parent and its counsel a reasonable opportunity to review and comment on the Schedule 14D-9 prior to such document being filed with the SEC or disseminated to holders of Shares. The Company shall provide Parent and its counsel with any comments that the Company or its counsel may receive from the SEC or its staff with respect to the Schedule 14D-9 promptly after the receipt of such comments and, subject to providing Parent and its counsel with a reasonable opportunity to participate in the response of the Company, shall respond to any such comments from the SEC regarding the Schedule 14D-9.

(c) (i) The Company shall promptly furnish Parent and Purchaser with mailing labels containing the names and addresses of all record holders of Shares and with security position listings of Shares held in stock depositories, each as of a recent date, together with all other available listings and computer files containing names, addresses and security position listings of record holders and beneficial owners of Shares. The Company shall promptly furnish Parent and Purchaser with such additional information, including, without limitation, updated listings and computer files of stockholders, mailing labels and security position listings, and such other assistance in disseminating the Offer Documents to holders of Shares as Parent or Purchaser may reasonably request.
(ii) Subject to the requirements of applicable Law, and except for such steps as are necessary to disseminate the Offer Documents and any other documents necessary to consummate the Offer or the Merger, Parent and Purchaser shall hold in confidence the information contained in such labels, listings and files, shall use such information only in connection with the Transactions, and, if this Agreement shall be terminated in accordance with Section 9.01, shall deliver (and shall use their respective reasonable efforts to cause their agents to deliver) to the Company all copies and any extracts or summaries of such information then in their possession or control.

(d) The Company grants to Parent and Purchaser an irrevocable option (the "Merger Option") to purchase up to that number of newly issued Shares (the "Merger Option Shares") equal to the number of Shares that, when added to the number of Shares owned by Parent and Purchaser immediately following the consummation of the Offer, shall constitute one share more than 90% of the Shares then outstanding on a Fully Diluted Basis (after giving effect to the issuance of the Merger Option Shares) for consideration per Merger Option Share equal to the Per Share Amount. Neither Parent, nor Purchaser shall exercise the Merger Option unless following such exercise Parent and Purchaser shall own at least 90% of the outstanding Shares. In the event that Parent or Purchaser exercises the Merger Option and the resulting issuance of the Merger Option Shares by the Company would cause the Company to be in breach of its listing agreement with the Nasdaq Global Market, Parent shall, as soon as practicable following the issuance of the Merger Option Shares, cause the Merger to be consummated in accordance with the terms of this Agreement.

(e) The Merger Option shall be exercisable only after the purchase of and payment for Shares pursuant to the Offer by Parent or Purchaser as a result of which Parent and Purchaser own beneficially at least 71% of the Shares on a Fully Diluted Basis.

(f) In the event that Parent or Purchaser wish to exercise the Merger Option, Parent shall give the Company one (1) business day's prior written notice specifying the number of Shares that are owned by Parent and Purchaser immediately following consummation of the Offer and specifying a place and a time for the closing of the purchase. The Company shall, as soon as practicable following receipt of such notice, deliver written notice to Purchaser specifying the number of Merger Option Shares. At the closing of the purchase of the Merger Option Shares, Parent or Purchaser shall pay to the Company an amount equal to the product of (i) the number of Shares purchased pursuant to the Merger Option, multiplied by (ii) the Per Share Amount, which amount shall be paid in cash (by wire transfer or cashier's check) or, at the election of Parent or Purchaser, through a combination of cash and delivery of a promissory note having full recourse to Parent, so long as the cash portion of the consideration for each Merger Option Share is at least $0.001.

ARTICLE III
THE MERGER

SECTION 3.01. The Merger. Upon the terms and subject to the conditions set forth in Article VIII, and in accordance with the DGCL, Purchaser shall be merged with and into the Company at the Effective Time (as defined in Section 3.02).

SECTION 3.02. Effective Time; Closing. As promptly as practicable after the satisfaction or, if permissible, waiver of the conditions set forth in Article VIII, the parties hereto shall cause the Merger to be consummated by filing this Agreement or a certificate of merger or certificate of ownership and merger (in any such case, the "Certificate of Merger") with the Secretary of State of the State of Delaware, in such form as is required by, and executed in accordance with, the relevant provisions of the DGCL (the date and time of such filing of the Certificate of Merger (or such later time as may be agreed by each of the parties hereto and specified in the Certificate of Merger) being the "Effective Time"). Immediately prior to such filing of the Certificate of Merger, a closing shall be held at the offices of Shearman & Sterling LLP, 525 Market Street, San Francisco, California 94105, or such other place as the parties shall agree, for the purpose of confirming the satisfaction or waiver, as the case may be, of the conditions set forth in Article VIII.

SECTION 3.03. Effect of the Merger. As a result of the Merger, the separate corporate existence of Purchaser shall cease and the Company shall continue as the surviving corporation of the Merger (the "Surviving Corporation"). At the Effective Time, the effect of the Merger shall be as provided in the applicable provisions of the DGCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all the property, rights, privileges, powers and franchises of the Company and Purchaser shall vest in the Surviving Corporation, and all debts, liabilities, obligations, restrictions, disabilities and duties of the Company and Purchaser shall become the debts, liabilities, obligations, restrictions, disabilities and duties of the Surviving Corporation.

SECTION 3.04. Certificate of Incorporation; By-Laws. (a) At the Effective Time, subject to Section 7.07(a), the Certificate of Incorporation of the Surviving Corporation shall be amended and restated in its entirety to be identical to the Certificate of Incorporation of Purchaser in effect immediately prior to the Effective Time, except that Article I thereof shall read as follows: "The name of the corporation is Genesis Microchip Inc.", until thereafter amended as provided by Law and such Certificate of Incorporation.

(b) Unless otherwise determined by Parent prior to the Effective Time, and subject to Section 7.07(a), at the Effective Time, the By-Laws of Purchaser, as in effect immediately prior to the Effective Time, shall be the By-Laws of the Surviving Corporation, until thereafter amended as provided by Law, the Certificate of Incorporation of the Surviving Corporation and such By-Laws.

SECTION 3.05. Directors and Officers. The directors of Purchaser immediately prior to the Effective Time shall be the initial directors of the Surviving Corporation, each to hold office in accordance with the Certificate of Incorporation and By-Laws of the Surviving Corporation, and the officers of the Company immediately prior to the Effective

Time shall be the initial officers of the Surviving Corporation, in each case until their respective successors are duly elected or appointed and qualified or until the earlier of their death, resignation or removal.

SECTION 3.06. Conversion of Securities. At the Effective Time, by virtue of the Merger and without any action on the part of Purchaser, the Company or the holders of any of the following securities:

(a) Each Share issued and outstanding immediately prior to the Effective Time (other than any Shares to be canceled pursuant to Section 3.06(b) and any Dissenting Shares (as hereinafter defined)) shall be canceled and cease to exist and shall be converted automatically into the right to receive an amount equal to the Per Share Amount in cash, without interest (the "Merger Consideration") payable to the holder of such Share, upon surrender, in the manner provided in Section 3.10, of the certificate that formerly evidenced such Share (or in the case of a lost, stolen or destroyed certificate, upon delivery of an affidavit in the manner provided in Section 3.10);

(b) Each Share held in the treasury of the Company and each Share owned by Purchaser, Parent or any direct or indirect wholly owned subsidiary of Parent or of the Company immediately prior to the Effective Time shall be canceled without any conversion thereof and cease to exist and no payment or distribution shall be made with respect thereto; and

(c) Each share of common stock, par value $0.01 per share, of Purchaser issued and outstanding immediately prior to the Effective Time shall be converted into and exchanged for one validly issued, fully paid and nonassessable share of common stock, par value $.01 per share, of the Surviving Corporation, which shall constitute the only outstanding shares of the Surviving Corporation.

SECTION 3.07. Stock Options and Stock Awards. (a) Effective as of the Effective Time, the Company shall take all necessary action to terminate the Company's 2007 Equity Incentive Plan, 2003 Stock Plan, 2001 Nonstatutory Stock Option Plan, 2000 Nonstatutory Stock Option Plan, 1997 Employee Stock Option Plan, 1997 Non-Employee Stock Option Plan, 1997 Paradise Stock Option Plan and 1997 Sage Stock Plan, each as amended through the date of this Agreement (the "Company Stock Plans"). Neither Parent nor Purchaser nor the Surviving Corporation shall assume any options to purchase Shares (each, a "Company Stock Option") or restricted stock units (each, a "Company Stock Award") granted under the Company Stock Option Plans in connection with the Transactions. At the Effective Time, each outstanding Company Stock Option that is unexercised and each outstanding Company Stock Award, whether or not vested or exercisable as of such date, shall be cancelled without any action on the part of the holder thereof. Each holder of a Company Stock Option that is outstanding and unexercised at the Effective Time, whether or not vested or exercisable, and that has an exercise price per Share that is less than the Per Share Amount and each holder of a Company Stock Award that is outstanding at the Effective Time, whether or not vested, shall be entitled (subject to the provisions of this Section 3.07) to be paid by the Surviving Corporation, with respect to each Share subject to the Company Stock Option, an amount in cash equal to the excess, if any, of the Per Share Amount over the applicable per share exercise

price of such Company Stock Option, and, with respect to each Share subject to the Company Stock Award, an amount in cash equal to the Per Share Amount. Any such payment shall be subject to all applicable federal, state and local tax withholding requirements.

(b) Each holder of one or more Company Stock Options that are outstanding and unexercised at the Effective Time and that were eligible for exchange ("Eligible Options") in accordance with the terms of the Company's Offer to Exchange Certain Outstanding Options for Restricted Stock Units, dated October 18, 2007 (the "Exchange Offer") shall be entitled to be paid by the Surviving Corporation an amount in cash equal to the Per Share Amount for each Share subject to or otherwise issuable pursuant to the restricted stock unit award such holder would have received had he or she tendered all of his or her Eligible Options in the Exchange Offer and been granted restricted stock unit awards in exchange therefor pursuant to the terms of the Exchange Offer. The cash amounts payable pursuant to this paragraph shall be paid at the same time or times the corresponding restricted stock unit awards would have otherwise vested pursuant to the Exchange Offer, subject to the same vesting requirements set forth in the Exchange Offer, it being understood that service with Parent, the Surviving Corporation or any of their respective subsidiaries shall constitute the provision of services for the purposes of vesting in the right to receive the cash payments contemplated hereby.

SECTION 3.08. Employee Stock Purchase Plan. The Company shall take all actions necessary to shorten any pending Offering Period (as such term is defined in the Company's 2007 Employee Stock Purchase Plan (the "ESPP")) and establish a New Exercise Date (as contemplated in Section 19(c) of the ESPP) prior to the expiration of the Offer, as of a date selected by Parent (which date shall be the last day of a regular payroll period of the Company) (the "ESPP Date"). After the ESPP Date, all offering and purchase periods pending under the ESPP shall be terminated and no new offering or purchasing periods shall be commenced. In addition, the Company shall take all actions as may be necessary in order to freeze the rights of the participants in the ESPP, effective as of the date of this Agreement, to existing participants and (to the extent permissible under the ESPP) existing participation levels.

SECTION 3.09. Dissenting Shares. (a) Notwithstanding any provision of this Agreement to the contrary, Shares that are outstanding immediately prior to the Effective Time and that are held by stockholders who shall have neither voted in favor of the Merger nor consented thereto in writing and who shall have demanded properly in writing appraisal for such Shares in accordance with Section 262 of the DGCL (collectively, the "Dissenting Shares") shall not be converted into, or represent the right to receive, the Merger Consideration. At the Effective Time, such Dissenting Shares shall no longer be outstanding and shall automatically be canceled and cease to exist, and such stockholders shall cease to have any rights with respect thereto. Notwithstanding the foregoing sentence, such stockholders shall be entitled to receive payment of the appraised value of such Shares held by them in accordance with the provisions of such Section 262, except that all Dissenting Shares held by stockholders who shall have failed to perfect or who effectively shall have withdrawn or lost their rights to appraisal of such Shares under such Section 262 or who shall be determined by a court of competent jurisdiction to not be entitled to the relief provided by Section 262 shall thereupon be deemed to have been converted into, and to have become exchangeable for, as of the Effective Time, the right to receive the Merger Consideration, without any interest thereon, upon surrender, in the manner provided in

Section 3.10, of the certificate or certificates that formerly evidenced such Shares (or in the case of a lost, stolen or destroyed certificate, upon delivery of an affidavit in the manner provided in Section 3.10).

(b) The Company shall give Parent (i) prompt notice of any demands for appraisal received by the Company, withdrawals of such demands, and any other instruments served pursuant to the DGCL and received by the Company and (ii) the opportunity to direct all negotiations and proceedings with respect to demands for appraisal under the DGCL. The Company shall not, except with the prior written consent of Parent, offer to make or make any payment with respect to any demands for appraisal or offer to settle or settle any such demands.

SECTION 3.10. Surrender of Shares; Stock Transfer Books. (a) Prior to the Effective Time, Purchaser shall designate a bank or trust company reasonably satisfactory to the Company to act as agent (the "Paying Agent") for the holders of Shares to receive the funds to which holders of Shares shall become entitled pursuant to Section 3.06(a). Promptly after the Effective Time, Parent or Purchaser shall deposit with the Paying Agent, for payment to the holders of Shares pursuant to the provisions of this Article III, an amount of cash equal to the product obtained by multiplying (i) the Merger Consideration and (ii) the aggregate number of Shares issued and outstanding immediately prior to the Effective Time (excluding Shares then owned by Parent, Purchaser, the Company, or any direct or indirect, wholly-owned Subsidiary of Parent, Purchaser or the Company immediately prior to the Effective Time (whether pursuant to the Offer or otherwise)) (such cash amount being referred to herein as the "Exchange Fund"). The Exchange Fund shall be invested by the Paying Agent as directed by Parent; provided that no such investment or loss thereon shall affect the amounts payable to holders of Shares pursuant to this Article III. Any interest and other income resulting from such investment shall become a part of the Exchange Fund, and any amounts in excess of the amounts payable to holders of Shares pursuant to this Article III shall promptly be paid to Parent.

(b) Promptly after the Effective Time (but in no event more than five business days thereafter), the Surviving Corporation shall cause to be mailed to each person who was, at the Effective Time, a holder of record of Shares entitled to receive the Merger Consideration pursuant to Section 3.06(a) a form of letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the certificates evidencing such Shares (the "Certificates") shall pass, only upon proper delivery of the Certificates to the Paying Agent) and instructions for use in effecting the surrender of the Certificates pursuant to such letter of transmittal. Upon surrender to the Paying Agent of a Certificate, together with such letter of transmittal, duly completed and validly executed in accordance with the instructions thereto, and such other documents as may be reasonably required by the Paying Agent pursuant to such instructions, the holder of such Certificate shall be entitled to receive in exchange therefor the Merger Consideration to which such holder is entitled pursuant to this Article III for each Share formerly evidenced by such Certificate, and such Certificate shall then be canceled. No interest shall accrue or be paid on the Merger Consideration payable upon the surrender of any Certificate for the benefit of the holder of such Certificate. Until so surrendered, outstanding Certificates will be deemed from and after the Effective Time, for all corporate purposes, to evidence the right to receive the Merger Consideration payable in respect thereof pursuant to this Article III. If the payment equal to the Merger Consideration is to be made to a person

other than the person in whose name the surrendered certificate formerly evidencing Shares is registered on the stock transfer books of the Company, it shall be a condition of payment that the certificate so surrendered shall be endorsed properly or otherwise be in proper form for transfer and that the person requesting such payment shall have paid all transfer and other taxes required by reason of the payment of the Merger Consideration to a person other than the registered holder of the certificate surrendered, or shall have established to the satisfaction of Purchaser that such taxes either have been paid or are not applicable. If any holder of Shares is unable to surrender such holder's Certificates because such Certificates have been lost, mutilated or destroyed, such holder may deliver in lieu thereof an affidavit and indemnity bond in form and substance and with surety reasonably satisfactory to the Paying Agent. Each of Parent, Purchaser, the Surviving Corporation and the Paying Agent shall be entitled to deduct and withhold from any amounts otherwise payable pursuant to this Agreement in respect of Shares such amount as it is required to deduct and withhold with respect to the making of such payment under the Code or any Law. To the extent that such amounts are so withheld, such withheld amounts shall be treated for purposes of this Agreement as having been paid to the holder of the Shares in respect of which such deduction and withholding was made.

(c) At any time following the ninth month after the Effective Time, the Surviving Corporation shall be entitled to require the Paying Agent to deliver to it any funds which had been made available to the Paying Agent and not disbursed to holders of Shares (including, without limitation, all interest and other income received by the Paying Agent in respect of all funds made available to it), and, thereafter, such holders shall be entitled to look to the Surviving Corporation (subject to abandoned property, escheat and other similar Laws) only as general creditors thereof with respect to any Merger Consideration that may be payable upon due surrender of the Certificates held by them. Notwithstanding the foregoing, neither the Surviving Corporation nor the Paying Agent shall be liable to any holder of a Share for any Merger Consideration delivered in respect of such Share to a public official pursuant to any abandoned property, escheat or other similar Law.

(d) At the close of business on the day of the Effective Time, the stock transfer books of the Company shall be closed and thereafter there shall be no further registration of transfers of Shares on the records of the Company. From and after the Effective Time, the holders of Shares outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such Shares except as otherwise provided herein or by applicable Law.

SECTION 3.11. Adjustments. Notwithstanding any provision of this Article III to the contrary, if between the date of this Agreement and the Effective Time the outstanding Shares shall have been changed into a different number of Shares or a different class by reason of the occurrence or record date of any stock dividend, subdivision, reclassification, recapitalization, stock split (including a reverse stock split), combination, exchange of shares or similar transaction, the Merger Consideration shall be equitably adjusted to reflect such stock dividend, subdivision, reclassification, recapitalization, stock split (including a reverse stock split), combination, exchange of shares or similar transaction.

SECTION 3.12. Further Assurances. At and after the Effective Time, the officers and directors of the Surviving Corporation shall be authorized to execute and deliver in the name and on behalf of the Company or the Purchaser, as the case may be, any documents or

instruments, and to take any other actions and do any other things, in the name and on behalf of the Company or the Purchaser, reasonably necessary to vest, perfect or confirm of record or otherwise in the Surviving Corporation any and all right, title and interest in, to and under any of the rights, properties or assets of the Company acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger and to otherwise accomplish the purpose and intent of this Agreement and the Transactions.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the disclosure letter that has been prepared by the Company and delivered by the Company to Parent prior to the execution and delivery of this Agreement (the "Disclosure Letter") (it being agreed that disclosure of any item in any section of the Disclosure Letter shall also be deemed disclosure with respect to any other section of this Article IV if it is readily apparent that the disclosure contained in such section of the Disclosure Letter contains enough information regarding the subject matter of other representations and warranties contained in this Article IV as to clearly qualify or otherwise clearly apply to such other representations and warranties), the Company hereby represents and warrants to Parent and Purchaser that:

SECTION 4.01. Organization and Qualification; Subsidiaries. (a) Each of the Company and each subsidiary of the Company (each a "Subsidiary") is a corporation, limited partnership or other similar type of entity duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation and has the requisite power and authority (corporate or otherwise) and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as it is now being conducted, except where the failure to be so organized, existing or in good standing or to have such power, authority and governmental approvals would not have a Material Adverse Effect. The Company and each Subsidiary is duly qualified or licensed as a foreign corporation, limited partnership or other similar type of entity to do business, and is in good standing, in each jurisdiction where the character of the properties owned, leased or operated by it or the nature of its business makes such qualification or licensing necessary, except for such failures to be so qualified or licensed and in good standing that would not have a Material Adverse Effect.

(b) A true and complete list of all the Subsidiaries, together with the jurisdiction of incorporation of each Subsidiary, the percentage of the outstanding capital stock or other type of equity interests of each Subsidiary owned by the Company and each other Subsidiary, and the names of the directors and officers of each Subsidiary, is set forth in Section 4.01(b) of the Disclosure Letter. Except as disclosed in Section 4.01(b) of the Disclosure Letter, the Company does not directly or indirectly own any equity or similar interest in, or any interest convertible into or exchangeable or exercisable for any equity or similar interest in, any corporation, partnership, joint venture or other business association or entity.

SECTION 4.02. Certificate of Incorporation and By-Laws. The Company has heretofore made available to Parent a complete and correct copy of the Certificate of Incorporation and the By-Laws or equivalent organizational documents, each as amended to date, of the Company and each Subsidiary. Such Certificates of Incorporation, By-Laws or

equivalent organizational documents are in full force and effect. Neither the Company nor any Subsidiary is in violation of any of the provisions of its Certificate of Incorporation, By-Laws or equivalent organizational documents.

SECTION 4.03. Capitalization. (a) The authorized capital stock of the Company consists of 100,000,000 Shares and 5,000,000 shares of preferred stock, par value $0.001 per share ("Company Preferred Stock"). As of December 7, 2007, (i) 38,012,846 Shares are issued and outstanding, all of which are validly issued, fully paid and nonassessable. As of December 10, 2007, (i) 67,000 Shares are held in the treasury of the Company. As of December 8, 2007, (i) no Shares are held by the Subsidiaries and (ii) 6,628,083 Shares are reserved for future issuance pursuant to outstanding Company Stock Options and Company Stock Awards granted pursuant to the Company Stock Plans and the ESPP. As of the date of this Agreement, no shares of Company Preferred Stock are issued and outstanding. Except as set forth in this Section 4.03, and except for the Merger Option and the rights (the "Rights") issued pursuant to the Preferred Stock Rights Agreement, dated as of June 27, 2002 (the "Rights Agreement"), as amended on March 16, 2003, between the Company and Mellon Investor Services, L.L.C., as rights agent, there are no options, warrants or other rights, agreements, arrangements or commitments of any character relating to the issued or unissued capital stock or other type of equity interests of the Company or any Subsidiary or obligating the Company or any Subsidiary to issue or sell any shares of capital stock of, or other type of equity interests in, the Company or any Subsidiary. Section 4.03 of the Disclosure Letter sets forth the following information with respect to each Company Stock Option and Company Stock Award outstanding as of December 8, 2007: (i) the state or country in which the recipient resides; (ii) the particular plan pursuant to which the award was granted; (iii) the number of Shares subject to the award; (iv) the exercise or purchase price of the award, if any; (v) the date on which the award was granted; (vi) the applicable vesting schedule; (vii) the date on which the award expires; and (viii) whether the vesting, exercisability of or right to repurchase of such award will be accelerated in any way by the transactions contemplated by this Agreement.

(b) The Company has made available to Parent accurate and complete copies of all Company Stock Plans pursuant to which the Company has granted the Company Stock Options and Company Stock Awards that are currently outstanding and the form of all award agreements evidencing such awards. All Shares subject to issuance as aforesaid, upon issuance on the terms and conditions specified in the instruments pursuant to which they are issuable, will be duly authorized, validly issued, fully paid and nonassessable. There are no outstanding contractual obligations of the Company or any Subsidiary to repurchase, redeem or otherwise acquire any Shares or any capital stock or other type of equity interests of any Subsidiary or to provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in, any Subsidiary or any other person. Except as set forth in Section 4.03(b) of the Disclosure Letter, there are no commitments or agreements of any character to which the Company is bound obligating the Company to accelerate the vesting of any Company Stock Option as a result of the Offer or the Merger. All outstanding Shares, all outstanding Company Stock Options and Company Stock Awards and all outstanding shares of capital stock or other type of equity interests of each Subsidiary have been issued and granted in material compliance with (i) all applicable securities Laws and other applicable Laws and (ii) all requirements set forth in applicable contracts.

(c) Each outstanding share of capital stock or other type of equity interests of each Subsidiary is duly authorized, validly issued, fully paid and nonassessable, and each such share is owned by the Company or another Subsidiary free and clear of all security interests, liens, claims, pledges, options, rights of first refusal, agreements, limitations on the Company's or any Subsidiary's voting rights, charges and other encumbrances of any nature whatsoever.

SECTION 4.04. Authority Relative to This Agreement. The Company has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Transactions. The execution and delivery of this Agreement by the Company and the consummation by the Company of the Transactions have been duly and validly authorized by all necessary corporate action on the part of the Company, and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or to consummate the Transactions (other than, with respect to the Merger, the adoption of this Agreement by the holders of a majority of the then-outstanding Shares, if and to the extent required by applicable Law, and the filing and recordation of appropriate merger documents as required by the DGCL). This Agreement has been duly and validly executed and delivered by the Company and, assuming the due authorization, execution and delivery by Parent and Purchaser, constitutes legal, valid and binding obligations of the Company, enforceable against the Company in accordance with its terms. Prior to the execution of this Agreement, the Board has taken all action necessary to exempt under or make not subject to the provisions of Section 203 of the DGCL or any provision of the Certificate of Incorporation and the By-Laws of the Company that would require any corporate approval other than that otherwise required by the DGCL: (i) the execution of this Agreement, (ii) the Offer, (iii) the Merger and (iv) the other transactions contemplated by this Agreement. Prior to the execution of this Agreement, the Board has unanimously approved this Agreement and the Transactions and such approvals are sufficient so that the restrictions on business combinations set forth in Section 203(a) of the DGCL shall not apply to any of the Transactions.

SECTION 4.05. No Conflict; Required Filings and Consents. (a) The execution and delivery of this Agreement by the Company do not, and the performance of this Agreement by the Company will not, and the consummation of the Transactions by the Company will not, (i) conflict with or violate the Certificate of Incorporation or By-Laws or any equivalent organizational documents of the Company or any Subsidiary, (ii) assuming that all consents, approvals and other authorizations described in Section 4.05(b) have been obtained and that all filings and other actions described in Section 4.05(b) have been made or taken, conflict with or violate any United States or non-United States national, state, provincial, municipal or local statute, law, ordinance, regulation, rule, code, executive order, injunction, judgment, decree or other order ("Law") applicable to the Company or any Subsidiary or by which any material property or material asset of the Company or any Subsidiary is bound or affected, or (iii) result in any breach of or constitute a default (or an event which, with notice or lapse of time or both, would become a default) under, or give to others any right of termination, amendment, acceleration or cancellation of, or result in the creation of a lien or other encumbrance on any property or asset of the Company or any Subsidiary pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Company or any Subsidiary is a party or by which the Company or a Subsidiary or any property or asset of the Company or any Subsidiary is bound or affected, except, with

respect to clause (iii), for any such breaches, defaults or other occurrences that would not have a Material Adverse Effect.

(b) The execution and delivery of this Agreement by the Company do not, and the performance of this Agreement by the Company will not, require any consent, approval, authorization or permit of, or filing with or notification to, any United States or non-United States (including European Union) national, state, provincial, municipal or local government, governmental, regulatory or administrative authority, agency, instrumentality or commission or any court, tribunal, or judicial or arbitral body (a "Governmental Authority"), except for (i) applicable requirements, if any, of the Exchange Act, state securities or "blue sky" Laws ("Blue Sky Laws") and state takeover Laws, (ii) the pre-merger notification requirements of the Hart Scott Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") and any applicable foreign Laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or significant impediments or lessening of competition or the creation or strengthening of a dominant position through merger or acquisition ("Foreign Antitrust Laws"), (iii) the filing and recordation of appropriate merger documents as required by the DGCL, and (iv) where the failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not have a Material Adverse Effect.

SECTION 4.06. Permits; Compliance. Each of the Company and the Subsidiaries is in possession of all franchises, grants, authorizations, licenses, permits, easements, variances, exceptions, consents, certificates, approvals and orders of any Governmental Authority necessary for each of the Company or the Subsidiaries to own, lease and operate its properties or to carry on its business as it is now being conducted or presently contemplated to be conducted (the "Permits"), except where the failure to have, or the suspension or cancellation of, any of the Permits would not have a Material Adverse Effect. No suspension or cancellation of any of the Permits is pending or, to the knowledge of the Company, threatened, except where the suspension or cancellation of any of the Permits would not have a Material Adverse Effect. Neither the Company nor any Subsidiary is in conflict with, or in default, breach or violation of, (a) any Law applicable to the Company or any Subsidiary or by which any property or asset of the Company or any Subsidiary is bound or affected, or (b) any note, bond, mortgage, indenture, contract, agreement, lease, license, Permit, franchise or other instrument or obligation to which the Company or any Subsidiary is a party or by which the Company or any Subsidiary or any property or asset of the Company or any Subsidiary is bound, except for, with respect to clauses (a) and (b) of this sentence, any such conflicts, defaults, breaches or violations that would not have a Material Adverse Effect. Neither the Company nor any Subsidiary holds or is required to hold any security clearance issued by a Governmental Authority or is required to be a party to any special security arrangement with a Governmental Authority to conduct any material portion of its business.

SECTION 4.07. SEC Filings; Financial Statements. (a) The Company has filed all forms, reports and documents required to be filed by it with the SEC since March 31, 2005, including (i) its Annual Reports on Form 10-K for the fiscal years ended March 31, 2005, 2006 and 2007, respectively, (ii) its Quarterly Reports on Form 10-Q for the periods ended June 30, 2007 and September 30, 2007, (iii) all proxy statements relating to the Company's meetings of stockholders (whether annual or special) held since March 31, 2005 and (iv) all other

forms, reports and other registration statements (other than Quarterly Reports on Form 10-Q not referred to in clause (ii) above) filed by the Company with the SEC since March 31, 2005 (the forms, reports and other documents referred to in clauses (i), (ii), (iii) and (iv) above being, collectively, the "SEC Reports"). At the time they were filed (or, if amended or supplemented, as of the date of such amendment or supplement), the SEC Reports (i) were prepared in accordance with either the requirements of the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, as the case may be, and the rules and regulations promulgated thereunder, (ii) complied in all material respects with applicable Laws, including the Securities Act, the Exchange Act and the Sarbanes-Oxley Act of 2002 (including its rules and regulations, "SOX"), and (iii) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. No Subsidiary is required to file any form, report or other document with the SEC. The Company is in compliance in all material respects with the applicable listing and corporate governance rules and regulations of the NASDAQ Global Market ("NASDAQ").

(b) Each of the consolidated financial statements (including, in each case, any notes thereto) contained in the SEC Reports was prepared in accordance with United States generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods indicated (except as may be indicated in the notes thereto or, in the case of unaudited interim financial statements, for normal and recurring year-end adjustments and as may be permitted by the SEC on Form 10-Q or Form 8-K or any successor form under the Exchange Act) and complied as to form in all material respects with the requirements of Regulation S-X of the SEC, and each fairly presented, in all material respects, the consolidated financial position, results of operations and cash flows of the Company and its consolidated Subsidiaries as at the respective dates thereof and for the respective periods indicated therein.

(c) As of the date hereof, except as and to the extent set forth on the consolidated balance sheet of the Company and the consolidated Subsidiaries as at March 31, 2007, including the notes thereto (the "2007 Balance Sheet"), neither the Company nor any Subsidiary has any liability or obligation of any nature (whether accrued, absolute, contingent or otherwise), except for liabilities and obligations, incurred in the ordinary course of business consistent with past practice since March 31, 2007 and liabilities incurred pursuant to this Agreement, which, individually or the aggregate, would not have a Material Adverse Effect.

(d) The Company has heretofore made available to Parent complete and correct copies of all amendments and modifications that have not been filed by the Company with the SEC to all agreements, documents and other instruments that previously had been filed by the Company with the SEC and are currently in effect.

(e) The Company has made available to Parent all comment letters received by the Company from the SEC or the staff thereof since March 31, 2005 and all responses to such comment letters filed by or on behalf of the Company.

(f) To the Company's knowledge, each director and executive officer of the Company has filed with the SEC on a timely basis all statements required by Section 16(a) of the Exchange Act and the rules and regulations thereunder since March 31, 2005, except as disclosed in the SEC Reports.

(g) Each of the principal executive officer of the Company and the principal financial officer of the Company (or each former principal executive officer of the Company and each former principal financial officer of the Company, as applicable) has timely made all certifications required by Rule 13a-14 or 15d-14 under the Exchange Act and Sections 302 and 906 of SOX with respect to the SEC Reports, and the statements contained in such certifications were complete and correct on the date such certifications were made. For purposes of this Agreement, "principal executive officer" and "principal financial officer" shall have the meanings given to such terms in SOX. The Company maintains disclosure controls and procedures that comply with Rule 13a-15 or Rule 15d-15 under the Exchange Act; such controls and procedures are effective to ensure that all material information concerning the Company and its Subsidiaries is made known on a timely basis to the individuals responsible for the preparation of the Company's SEC filings. Section 4.07(g) of the Disclosure Letter lists, and the Company has made available to Parent, complete and correct copies of, all written descriptions of, and all policies, manuals and other documents promulgating, such disclosure controls and procedures. The Company is not aware of (i) any significant deficiencies or material weaknesses in the design or operation of internal controls over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) or (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.

(h) The Company maintains a standard system of accounting established and administered in accordance with GAAP. The Company and its Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company has made available to Parent complete and correct copies of, all written descriptions of, and all policies, manuals and other documents promulgating, such internal accounting controls.

(i) Since March 31, 2005, neither the Company nor any Subsidiary nor, to the Company's knowledge, any director, officer, employee, auditor, accountant or representative of the Company or any Subsidiary, has received or otherwise had or obtained knowledge of any complaint, allegation, assertion or claim, whether written or oral, regarding the accounting or auditing practices, procedures, methodologies or methods of the Company or any Subsidiary or their respective internal accounting controls, including any complaint, allegation, assertion or claim that the Company or any Subsidiary has engaged in questionable accounting or auditing practices. No attorney representing the Company or any Subsidiary, whether or not employed by the Company or any Subsidiary, has reported evidence of a material violation of securities Laws, breach of fiduciary duty or similar violation by the Company or any of its officers, directors, employees or agents to the Board or any committee thereof or to any director or officer of the Company. Since March 31, 2005, there have been no internal

investigations regarding accounting or revenue recognition discussed with, reviewed by or initiated at the direction of the chief executive officer, chief financial officer, general counsel, the Board or any committee thereof.

(j) To the knowledge of the Company, no employee of the Company or any Subsidiary has provided or is providing information to any Law enforcement agency regarding the commission or possible commission of any crime or the violation or possible violation of any applicable Law. Neither the Company nor any Subsidiary nor any officer, employee, contractor, subcontractor or agent of the Company or any such Subsidiary has discharged, demoted, suspended, threatened, harassed or in any other manner discriminated against an employee of the Company or any Subsidiary in the terms and conditions of employment because of any act of such employee described in 18 U.S.C. § 1514A(a).

(k) All accounts receivable of the Company and its Subsidiaries reflected on the 2007 Balance Sheet or arising thereafter have arisen from bona fide transactions in the ordinary course of business consistent with past practices and in accordance with SEC regulations and GAAP applied on a consistent basis and are not subject to valid defenses, setoffs or counterclaims. The Company's reserve for contractual allowances and doubtful accounts is adequate and has been calculated in a manner consistent with past practices. Since the date of the 2007 Balance Sheet, neither the Company nor any of its Subsidiaries has modified or changed in any material respect its sales practices or methods including, without limitation, such practices or methods in accordance with which the Company or any of its Subsidiaries sell goods, fill orders or record sales.

(l) All accounts payable of the Company and its Subsidiaries reflected on the 2007 Balance Sheet or arising thereafter are the result of bona fide transactions in the ordinary course of business and have been paid or are not yet due or payable. Since the date of the 2007 Balance Sheet, the Company and its Subsidiaries have not altered in any material respects their practices for the payment of such accounts payable, including the timing of such payment.

SECTION 4.08. Absence of Certain Changes or Events. Since March 31, 2007 and through the date hereof, except as set forth in Section 4.08 of the Disclosure Letter, or as expressly contemplated by this Agreement (a) the Company and the Subsidiaries have conducted their businesses only in the ordinary course and in a manner consistent with past practice, (b) there has not been any Material Adverse Effect, and (c) none of the Company or any Subsidiary has taken any action that, if taken after the date of this Agreement, would constitute a breach of any of the covenants set forth in Section 6.01.

SECTION 4.09. Absence of Litigation. Except as set forth in Section 4.09 of the Disclosure Letter, (i) there is no litigation, suit, claim, action, proceeding or, to the knowledge of the Company, investigation (an "Action") pending or, to the knowledge of the Company, threatened against the Company or any Subsidiary, or any property or asset of the Company or any Subsidiary, before any Governmental Authority and (ii) neither the Company nor any Subsidiary nor any property or asset of the Company or any Subsidiary is subject to any continuing order of, consent decree, settlement agreement or similar written agreement with, or, to the knowledge of the Company, continuing investigation by, any Governmental Authority, or

any order, writ, judgment, injunction, decree, determination or award of any Governmental Authority.

SECTION 4.10. Employee Benefit Plans. (a) Section 4.10(a) of the Disclosure Letter lists (i) all employee benefit plans (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) and all material bonus, stock option, stock purchase, restricted stock, incentive, deferred compensation, retiree medical or life insurance, supplemental retirement, severance or other benefit plans, programs or arrangements, and all employment, termination, severance or other contracts or agreements, whether legally enforceable or not, to which the Company or any Subsidiary is a party, with respect to which the Company or any Subsidiary has any obligation or which are maintained, contributed to or sponsored by the Company or any Subsidiary for the benefit of any current or former employee, officer or director of, or any current or former consultant to, the Company or any Subsidiary, (ii) each employee benefit plan for which the Company or any Subsidiary could incur liability under Section 4069 of ERISA in the event such plan has been or were to be terminated, and (iii) any plan in respect of which the Company or any Subsidiary could incur liability under Section 4212(c) of ERISA (collectively, the "Plans"). The Company has made available to Parent a true and complete copy of each Plan and has delivered to Parent a true and complete copy of each material document, if any, prepared in connection with each such Plan, including, without limitation, (i) a copy of each trust or other funding arrangement, (ii) each summary plan description and summary of material modifications, (iii) the most recently filed Internal Revenue Service ("IRS") Form 5500, (iv) the most recently received IRS determination letter for each such Plan, and (v) the most recently prepared actuarial report and financial statement in connection with each such Plan. Neither the Company nor any Subsidiary has any commitment (i) to create, incur liability with respect to or cause to exist any new Plan, or (ii) to modify or terminate any Plan except as required by ERISA or the Internal Revenue Code of 1986, as amended (the "Code").

(b) None of the Plans is subject to Title IV of ERISA. None of the Plans (i) provides for the payment of separation, severance, termination or similar-type benefits to any person, (ii) obligates the Company or any Subsidiary to pay separation, severance, termination or similar-type benefits solely or partially as a result of any transaction contemplated by this Agreement, or (iii) obligates the Company or any Subsidiary to make any payment or provide any benefit as a result of a "change in ownership or control", within the meaning of such term under Section 280G of the Code. Each Plan that is a nonqualified deferred compensation plan under Section 409A of the Code has been operated since January 1, 2005 in good faith compliance with Section 409A of the Code and IRS guidance issued with respect thereto. None of the Plans provides for or promises retiree medical, disability or life insurance benefits to any current or former employee, officer or director of the Company or any Subsidiary.

(c) Each Plan is now and always has been operated in all material respects in accordance with its terms and the requirements of all applicable Laws including, without limitation, ERISA and the Code. The Company and the Subsidiaries have performed in all material respects the obligations required to be performed by them under, are not in any material respect in default under or in violation of, and have no knowledge of any default or violation by any party to, any Plan. No material Action is pending or, to the knowledge of the Company, threatened with respect to any Plan (other than claims for benefits in the ordinary

course) and no fact or event exists that could reasonably be expected to give rise to any such Action.

(d) Each Plan that is intended to be qualified under Section 401(a) of the Code or Section 401(k) of the Code has received a favorable determination or opinion letter from the IRS covering all of the provisions applicable to the Plan for which such letters are currently available that the Plan is so qualified and each trust established in connection with any Plan which is intended to be exempt from federal income taxation under Section 501(a) of the Code has received a determination or opinion letter from the IRS that it is so exempt, and no fact or event has occurred since the date of such letter or letters from the IRS to adversely affect the qualified status of any such Plan or the exempt status of any such trust.

(e) Neither the Company nor any Subsidiary has incurred any liability under, arising out of or by operation of Title IV of ERISA and no fact or event exists which could give rise to any such liability.

(f) All contributions, premiums or payments required to be made with respect to any Plan have been made on or before their due dates. All such contributions have been fully deducted for income tax purposes and to the knowledge of the Company no such deduction has been challenged or disallowed by any Governmental Authority and no fact or event exists which could give rise to any such challenge or disallowance.

(g) In addition to the foregoing, with respect to each Plan that is not subject to United States Law (a "Non-U.S. Benefit Plan"):

(i) all employer and employee contributions to each Non-U.S. Benefit Plan required by Law or by the terms of such Non-U.S. Benefit Plan have been made, or, if applicable, accrued in accordance with normal accounting practices, and a pro rata contribution for the period prior to and including the date of this Agreement has been made or accrued;

(ii) the fair market value of the assets of each funded Non-U.S. Benefit Plan, the liability of each insurer for any Non-U.S. Benefit Plan funded through insurance or the book reserve established for any Non-U.S. Benefit Plan, together with any accrued contributions, is sufficient to procure or provide for the benefits determined on any ongoing basis (actual or contingent) accrued to the date of this Agreement with respect to all current and former participants under such Non-U.S. Benefit Plan according to the actuarial assumptions and valuations most recently used to determine employer contributions to such Non-U.S. Benefit Plan, and no Transaction shall cause such assets or insurance obligations to be less than such benefit obligations; and

(iii) each Non-U.S. Benefit Plan required to be registered has been registered and has been maintained in good standing with applicable regulatory authorities. Each Non-U.S. Benefit Plan has been operated in full compliance with all applicable non-United States Laws.

(h) The Compensation Committee of the Board has approved the terms of the Employment Agreement and each Plan pursuant to which consideration is payable to any officer, director or employee as an "employment compensation, severance or other employee benefit arrangement", within the meaning of Rule 14d-10(d)(2) under the Exchange Act, and taken all other actions reasonably necessary or advisable to satisfy the requirements of the non-exclusive safe harbor with respect to such Compensation Arrangement in accordance with Rule 14d-10(d)(2) under the Exchange Act, and the Board has determined that the Compensation Committee is composed solely of "independent directors" in accordance with the requirements of Rule 14d-10(d)(2) under the Exchange Act and the instructions thereto.

SECTION 4.11. Labor and Employment Matters. (a) There are no controversies pending or, to the knowledge of the Company, threatened between the Company or any Subsidiary and any of their respective employees, other than controversies which would not have a Material Adverse Effect. Neither the Company nor any Subsidiary is a party to any collective bargaining agreement or other labor union contract applicable to persons employed by the Company or any Subsidiary, nor, to the knowledge of the Company, are there any activities or proceedings of any labor union to organize any such employees.

(b) The Company and the Subsidiaries are in compliance in all material respects with all applicable Laws relating to the employment of labor, including those related to wages, hours, immigration and naturalization, collective bargaining and the payment and withholding of taxes and other sums as required by the appropriate Governmental Authority and, in all material respects, have withheld and paid to the appropriate Governmental Authority all amounts required to be withheld from employees of the Company or any Subsidiary and are not liable for any arrears of wages, taxes, penalties or other sums for failure to comply with any of the foregoing. The Company and the Subsidiaries have, in all material respects, paid in full to all employees or adequately accrued for in accordance with GAAP consistently applied all wages, salaries, commissions, bonuses, benefits and other compensation due to or on behalf of such employees and, to the knowledge of the Company, there is no claim with respect to payment of wages, salary or overtime pay that has been asserted or is now pending or threatened before any Governmental Authority with respect to any persons currently or formerly employed by the Company or any Subsidiary. Neither the Company nor any Subsidiary is a party to, or otherwise bound by, any consent decree with, or material citation by, any Governmental Authority relating to employees or employment practices. To the knowledge of the Company, there is no charge or proceeding with respect to a violation of any occupational safety or health standards that has been asserted or is now pending or threatened with respect to the Company. To the knowledge of the Company, there is no charge of discrimination in employment or employment practices, for any reason, including, without limitation, age, gender, race, religion or other legally protected category, which has been asserted or is now pending or threatened before the United States Equal Employment Opportunity Commission, or any other Governmental Authority in any jurisdiction in which the Company or any Subsidiary has employed or employ any person.

(c) To the knowledge of the Company, substantially all current and past employees of the Company and its Subsidiaries have entered into a confidentiality and assignment of inventions agreement with the Company, a form of which has previously been made available to Parent. To the knowledge of the Company, no employee of the Company or

any Subsidiary is in violation of any term of any patent disclosure agreement, non-competition agreement, or any restrictive covenant to a former employer relating to the right of any such employee to be employed by the Company or any Subsidiary because of the nature of the business conducted or presently proposed to be conducted by the Company or any Subsidiary or to the use of trade secrets or proprietary information of others, the consequences of which would have a Material Adverse Effect. To the knowledge of the Company, no key employee or substantial group of employees has any plans to terminate employment with the Company or any Subsidiary.

SECTION 4.12. Offer Documents; Schedule 14D-9; Proxy Statement. Neither the Schedule 14D-9 nor any information supplied by the Company for inclusion in the Offer Documents shall, at the times the Schedule 14D-9, the Offer Documents or any amendments or supplements thereto are filed with the SEC or are first published, sent or given to stockholders of the Company, as the case may be, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Neither the proxy statement to be sent to the stockholders of the Company in connection with the Stockholders' Meeting (as defined in Section 7.01) (such proxy statement, as amended or supplemented, being referred to herein as the "Proxy Statement"), shall, at the date the Proxy Statement (or any amendment or supplement thereto) is first mailed to stockholders of the Company and at the time of the Stockholders' Meeting, contain any statement which, at the time and in light of the circumstances under which it was made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of proxies for the Stockholders' Meeting which shall have become false or misleading. Notwithstanding the foregoing, the Company makes no representation or warranty with respect to any information supplied by Parent, Purchaser or any of Parent's or Purchaser's Representatives in writing for inclusion in the foregoing documents. The Schedule 14D-9 and the Proxy Statement shall comply in all material respects as to form with the requirements of the Exchange Act and the rules and regulations thereunder, the rules of NASDAQ and any other Laws.

SECTION 4.13. Real Property; Title to Assets. (a) Neither the Company, nor any Subsidiary currently owns or has previously owned any real property.

(b) Section 4.13(b) of the Disclosure Letter lists each parcel of real property in excess of 10,000 square feet currently leased or subleased by the Company or any Subsidiary, with the name of the lessor and the date of the lease, sublease, assignment of the lease, and any guaranty given (collectively, the "Lease Documents"). True, correct and complete copies of all Lease Documents have been made available to Parent. Except as would not have a Material Adverse Effect, all such current leases and subleases are in full force and effect, are valid and effective in accordance with their respective terms (except as such enforceability may be subject to laws of general application relating to bankruptcy, insolvency, and the relief of debtors and rules of law governing specific performance, injunctive relief, or other equitable remedies), and there is not, under any of such leases, any existing material default or event of default (or event which, with notice or lapse of time, or both, would constitute a default) by the

Company or any Subsidiary or, to the Company's knowledge, by the other party to such lease or sublease, or person in the chain of title to such leased premises.

(c) Except as would not have a Material Adverse Effect, there are no contractual or legal restrictions that preclude or restrict the ability to use any real property leased by the Company or any Subsidiary for the purposes for which it is currently being used. There are no material latent defects or material adverse physical conditions affecting the real property, and improvements thereon, leased by the Company or any Subsidiary other than those that would not have a Material Adverse Effect.

(d) Except as would not have a Material Adverse Effect, each of the Company and the Subsidiaries has good and valid title to, or, in the case of leased properties and assets, valid leasehold or subleasehold interests in, all of its tangible properties and assets, real, personal and mixed, used or held for use in its business free and clear of all mortgages, pledges, liens, security interests, conditional and installment sale agreements, encumbrances, charges or other claims of third parties of any kind, including, without limitation, any easement, right of way or other encumbrance to title, or any option, right of first refusal, or right of first offer, except for such imperfections of title, if any, that do not materially interfere with the use of the subject property.

SECTION 4.14. Intellectual Property. (a) Section 4.14(a)(1) of the Disclosure Letter sets forth a true and complete list of (i) all registered U.S. and foreign patents and patent applications, (ii) all registered U.S. and foreign trademarks, service marks and trade names in all countries of the world, (iii) all U.S. and foreign copyright registrations and applications for registration of copyrights and (iv) all internet domain names and applications for registration of internet domain names, in each case, that are owned or controlled (in the sense of having the exclusive right to license others) by the Company or any Subsidiary (collectively, the "Company Registered Intellectual Property"). Section 4.14(a)(2) of the Disclosure Letter sets forth a true and complete list of all Company Software.

(b) Section 4.14(b) of the Disclosure Letter sets forth a list of all Licenses relating to patents, patent applications, inventions, know-how, technology, or the like that are material to the conduct of the business of the Company and the Subsidiaries as currently conducted and a list of all Licenses relating to trademarks, service marks, trade names, copyrights, domain names, Software and other Intellectual Property that are material to the conduct of the business of the Company and the Subsidiaries as currently conducted, in each case, to which the Company or a Subsidiary is a party, other than (i) nondisclosure agreements entered into in the ordinary course of business, (ii) licenses of commercially available, off-the-shelf or shrink-wrap computer software having a value of less than $500,000, and (iii) agreements entered into with the Company's customers or prospective customers that do not materially differ from Company's standard form agreements attached to Section 4.14(b) of the Disclosure Letter.

(c) Except as set forth in Section 4.14(c) of the Disclosure Letter:

(i) Except as would not have a Material Adverse Effect, the conduct of the business of the Company and the Subsidiaries as currently conducted, the

use of the Company Owned Intellectual Property and the Company Licensed Intellectual Property in connection therewith do not conflict with, infringe upon, misappropriate or otherwise violate the Intellectual Property rights of any third party. Other than claims that are not material to the business of the Company and the Subsidiaries as currently conducted, no claim has been asserted in writing (or, to the knowledge of the Company, otherwise) to the Company or any Subsidiary that the conduct of the business of the Company and the Subsidiaries as currently conducted or as currently contemplated to be conducted conflicts with, infringes upon or may infringe upon, misappropriates or otherwise violates the Intellectual Property rights of any third party;

(ii) With respect to each item of Company Owned Intellectual Property, the Company or a Subsidiary is the exclusive owner of the entire unencumbered right, title and interest in and to such Company Owned Intellectual Property and is entitled to use such Company Owned Intellectual Property in the continued operation of its respective business, subject to the terms of Licenses under which rights to Company Owned Intellectual Property are granted to third parties;

(iii) With respect to each item of Company Licensed Intellectual Property, the Company or a Subsidiary has the valid right to use such Company Licensed Intellectual Property in the continued operation of its respective business pursuant to the terms of the License governing such Company Licensed Intellectual Property;

(iv) To the knowledge of the Company, the Company Registered Intellectual Property that is issued or registered is valid and enforceable, and has not been adjudged invalid or unenforceable in whole or in part;

(v) To the knowledge of the Company and except as would not have a Material Adverse Effect, no person is engaging in any activity that infringes upon or misappropriates the Company Owned Intellectual Property;

(vi) To the knowledge of the Company, each License of material Company Licensed Intellectual Property is valid and enforceable, is binding on all parties to such License, and is in full force and effect;

(vii) None of the Company, any Subsidiary or, to the knowledge of the Company, any other party to any License of material Company Licensed Intellectual Property is in material breach thereof or default thereunder; and

(viii) Neither the execution of this Agreement nor the consummation of any Transaction shall adversely affect any of the material rights of the Company or any Subsidiary with respect to the Company Owned Intellectual Property or the Company Licensed Intellectual Property.

(d) The Company and the Subsidiaries have taken reasonable steps in accordance with normal industry practice to maintain the confidentiality of their trade secrets and other material confidential Intellectual Property.

(e) Other than Intellectual Property in the public domain which the Company may freely use, except as would not have a Material Adverse Effect, the Company Owned Intellectual Property and Company Licensed Intellectual Property include all of the Intellectual Property used or held for use in connection with the operation of the business of the Company as currently conducted and there are no other items of Intellectual Property that are necessary for the operation of the business of the Company as currently conducted.

(f) The Merger, including the assignment by operation of Law or otherwise of any License or Material Contract to the Surviving Corporation, will not result in: (i) Parent or any subsidiary of Parent (other than the Company and its Subsidiaries, but only to the extent existing prior to this Agreement) being bound by any non-compete or other material restriction on the operation of any business of Parent or any subsidiary of Parent, (ii) Parent or any subsidiary of Parent (other than the Company and its Subsidiaries, but only to the extent existing prior to this Agreement) granting any rights or licenses to any Intellectual Property of Parent or any subsidiary of Parent (including a covenant not to sue) or (iii), to the knowledge of the Company, the termination or breach of any contract to which Parent or any of its subsidiaries is a party.

(g) The Company IT Assets are adequate for, and operate and perform in all material respects in accordance with their documentation and functional specifications and otherwise as required in connection with, the operation of the business of the Company and its Subsidiaries. Except as would not be material to the business of the Company and the Subsidiaries as currently conducted, the Company IT Assets have not materially malfunctioned or failed within the past three (3) years and do not contain any viruses, worms, Trojan horses, bugs, faults or other devices, errors, contaminants or effects that (i) significantly disrupt or adversely affect the functionality of any Company IT Assets or other Software or systems, except as disclosed in their documentation, or (ii) enable or assist any person to access without authorization any Company IT Assets. The Company and its Subsidiaries have implemented reasonable backup, security and disaster recovery technology consistent with industry practices, and except as would not be material to the business of the Company and the Subsidiaries as currently conducted, no person has gained unauthorized access to any Company IT Assets.

(h) Except as would not have a Material Adverse Effect, no Public Software is, forms part of, has been used in connection with the development of, is incorporated into or has been distributed with, in whole or in part, any Company Software.

SECTION 4.15. Taxes. The Company and the Subsidiaries have filed all material United States federal, state, local and non-United States Tax returns and reports required to have been filed by them and have paid and discharged or reserved for in accordance with GAAP in the SEC Reports all material Taxes required to have been paid or discharged, other than such payments as are not yet due or being contested in good faith by appropriate proceedings. All such Tax returns are in all material respects true, accurate and complete.

Neither the IRS nor any other United States or non-United States taxing authority or agency is now asserting or, to the knowledge of the Company, threatening to assert against the Company or any Subsidiary any deficiency or claim for any material Taxes or interest thereon or penalties in connection therewith. Neither the Company nor any Subsidiary has granted any waiver of any statute of limitations with respect to, or any extension of a period for the assessment of, any material Tax. The accruals and reserves for Taxes reflected in the financial statements contained in the SEC Reports (including the Latest Balance Sheet) have been made in accordance with GAAP. There are no Tax liens upon any property or assets of the Company or any of the Subsidiaries except liens for current Taxes not yet due or being contested in good faith by appropriate proceedings. Neither the Company nor any of the Subsidiaries has been required to include in income any adjustment pursuant to Section 481 of the Code by reason of a voluntary change in accounting method initiated by the Company or any of the Subsidiaries, and the IRS has not initiated or proposed in writing any such adjustment or change in accounting method, in either case which adjustment or change would have a Material Adverse Effect.

SECTION 4.16. Environmental Matters. Except as described in Section 4.16 of the Disclosure Letter or as would not have a Material Adverse Effect, (a) none of the Company nor any of the Subsidiaries has violated or is in violation of any Environmental Law; (b) none of the properties currently or formerly owned, leased or operated by the Company or any Subsidiary (including, without limitation, soils and surface and ground waters) are contaminated with any Hazardous Substance; (c) none of the Company or any of the Subsidiaries is actually, potentially or allegedly liable for any off-site contamination by Hazardous Substances; (d) none of the Company or any of the Subsidiaries has received any written notice of a claim that it is actually, potentially or allegedly liable under any Environmental Law (including, without limitation, pending or threatened liens); (e) each of the Company and each Subsidiary has all permits, licenses and other authorizations required under any Environmental Law ("Environmental Permits"); (f) each of the Company and each Subsidiary is in compliance with its Environmental Permits; and (g) neither the execution of this Agreement nor the consummation of the Transactions will require any investigation, remediation or other action with respect to Hazardous Substances, or any notice to or consent of Governmental Authorities or third parties, pursuant to any applicable Environmental Law or Environmental Permit, including, without limitation, the Connecticut Transfer Act or the New Jersey Industrial Site Recovery Act.

SECTION 4.17. Amendment to Rights Agreement. The Company has amended, and the Board has taken all necessary action to amend, the Rights Agreement so that (a) none of the execution or delivery of this Agreement, the making of the Offer, the acceptance for payment of Shares by Purchaser pursuant to the Offer, the consummation of the Merger or the consummation of any other Transaction will result in (i) the occurrence of the "flip-in event" described under Section 11 of the Rights Agreement, (ii) the occurrence of the "flip-over event" described in Section 13 of the Rights Agreement, (iii) the Rights becoming evidenced by, and transferable pursuant to, certificates separate from the certificates representing Shares, or becoming exercisable, (iv) Parent or Purchaser being an Acquiring Person (as such term is defined in the Rights Agreement) or (v) the occurrence of the Distribution Date (as such term is defined in the Rights Agreement) and (b) the Rights will expire pursuant to the terms of the Rights Agreement at the Effective Time.

SECTION 4.18. Material Contracts. (a) Subsections (i) through (xii) of Section 4.18(a) of the Disclosure Letter lists the following types of contracts and agreements to which the Company or any Subsidiary is a party (such contracts and agreements as are required to be set forth in Section 4.18(a) of the Disclosure Letter being the "Material Contracts"):

(i) each "material contract" (as such term is defined in Item 610(b)(10) of Regulation S-K of the SEC) with respect to the Company and its Subsidiaries;

(ii) each contract and agreement, whether or not made in the ordinary course of business, that contemplates an exchange of consideration with a value of more than $500,000, in the aggregate, over the term of such contract or agreement;

(iii) all contracts and agreements evidencing indebtedness for borrowed money;

(iv) all joint venture, partnership, and business acquisition or divestiture agreements

(v) all agreements relating to issuances of securities of the Company or any Subsidiary, other than agreements relating to the issuance of awards under the Company Stock Plans;

(vi) all contracts and agreements that obligate the Company or any Subsidiary to indemnify any third party for amounts that could be material to the Company;

(vii) all exclusive distribution contracts to which the Company or any Subsidiary is a party;

(viii) all Licenses (other than (1) nondisclosure agreements entered into in the ordinary course of business, (2) licenses of commercially available, off-the-shelf or shrink-wrap computer software having a value less than $500,000, and (3) agreements entered into with the Company's customers or prospective customers that do not materially differ from Company's standard form agreements attached to Section 4.14(b) of the Disclosure Letter);

(ix) all broker, distributor, dealer, manufacturer's representative, franchise, agency, sales promotion, market research, marketing consulting and advertising contracts and agreements to which the Company or any Subsidiary is a party and any other contract that compensates any person based on any sales by the Company or a Subsidiary;

(x) all management contracts and contracts with other consultants (excluding contracts for employment or service), including any contracts involving the payment of royalties or other amounts calculated based upon the revenues or income of the Company or any Subsidiary or income or revenues

related to any product of the Company or any Subsidiary to which the Company or any Subsidiary is a party;

(xi) all contracts and agreements with any Governmental Authority to which the Company or any Subsidiary is a party; and

(xii) all contracts and agreements that limit, or purport to limit, the ability of the Company or any Subsidiary to compete in any line of business or with any person or entity or in any geographic area or during any period of time.

(b) Except as would not have a Material Adverse Effect, (i) each Material Contract is a legal, valid and binding agreement except to the extent they have previously expired in accordance with their terms, (ii) none of the Company or any Subsidiary has received any claim of default under or cancellation of any Material Contract and none of the Company or any Subsidiary is in breach or violation of, or default under, any Material Contract; (iii) to the Company's knowledge, no other party is in breach or violation of, or default under, any Material Contract; and (iv) neither the execution of this Agreement nor the consummation of any Transaction shall constitute a default under, give rise to cancellation rights under, or otherwise adversely affect any of the rights of the Company or any Subsidiary under any Material Contract. The Company has made available to Parent true and complete copies of all Material Contracts, including any amendments thereto.

SECTION 4.19. Customers and Suppliers. Section 4.19 of the Disclosure Letter sets forth a true and complete list of the Company's top ten customers (based on the revenue from such customer during the 12-month period preceding the date of this Agreement). As of the date of this Agreement, no customer that accounted for more than five percent of the Company's consolidated revenues during the 12-month period preceding the date of this Agreement and no material supplier of the Company and its Subsidiaries, (i) has cancelled or otherwise terminated any contract with the Company or any Subsidiary prior to the expiration of the contract term, (ii) has returned, or threatened to return, a substantial amount of any of the products, equipment, goods and services purchased from the Company or any Subsidiary, or (iii) to the Company's knowledge, has threatened, or indicated its intention, to cancel or otherwise terminate its relationship with the Company or its Subsidiaries or to reduce substantially its purchase from or sale to the Company or any Subsidiary of any products, equipment, goods or services. Neither the Company nor any Subsidiary has (i) breached, in any material respect, any agreement with or (ii) engaged in any fraudulent conduct with respect to, any such customer or supplier of the Company or a Subsidiary.

SECTION 4.20. Company Products and Services. Each product manufactured, sold, leased or delivered by the Company or any Subsidiary has been in conformity in all material respects with all applicable contractual commitments and all express warranties, and neither the Company nor any Subsidiary has any material liabilities or obligations for replacement or repair thereof or other damages in connection therewith except as set forth on the 2007 Balance Sheet. Neither the Company nor any Subsidiary has any material liabilities or obligations arising out of any injury to persons or damage to tangible property as a result of the ownership, possession or use of any product manufactured, sold, leased or delivered by the Company or any Subsidiary.

SECTION 4.21. Insurance. Section 4.21 of the Disclosure Letter sets forth, with respect to each insurance policy under which the Company or any Subsidiary is insured, a named insured or otherwise the principal beneficiary of coverage which is currently in effect, (i) the names of the insurer, the principal insured and each named insured, (ii) the policy number, (iii) the period, scope and amount of coverage and (iv) the premium charged.

SECTION 4.22. Certain Business Practices. None of the Company, any Subsidiary or, to the Company's knowledge, any directors or officers, agents or employees of the Company or any Subsidiary, has (i) used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to political activity; (ii) made any unlawful payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns or violated any provision of the Foreign Corrupt Practices Act of 1977, as amended; or (iii) made any payment in the nature of criminal bribery.

SECTION 4.23. Interested Party Transactions. No director, officer or other affiliate of the Company or any Subsidiary has or has had, directly or indirectly, (i) an economic interest in any person that has furnished or sold, or furnishes or sells, services or products that the Company or any Subsidiary furnishes or sells, or proposes to furnish or sell; (ii) an economic interest in any person that purchases from or sells or furnishes to, the Company or any Subsidiary, any goods or services; (iii) a beneficial interest in any contract or agreement disclosed in Section 4.18 of the Disclosure Letter; or (iv) any contractual or other arrangement with the Company or any Subsidiary; provided, however, that ownership of no more than one percent (1%) of the outstanding voting stock of a publicly traded corporation shall not be deemed an "economic interest in any person" for purposes of this Section 4.23.

SECTION 4.24. Brokers; Schedule of Fees and Expenses. No broker, finder or investment banker (other than Goldman, Sachs & Co.) is entitled to any brokerage, finder's or other fee or commission in connection with the Transactions based upon arrangements made by or on behalf of the Company. The Company has heretofore made available to Parent a complete and correct copy of all agreements between the Company and Goldman, Sachs & Co., pursuant to which such firm would be entitled to any payment relating to the Transactions. A good faith estimate, as of the date of this Agreement, of all third party fees and expenses of any accountant, broker, financial advisor, consultant, legal counsel or other person retained by the Company in connection with this Agreement or the Transactions incurred or to be incurred or expected to be incurred by the Company or any Subsidiary in connection with this Agreement and the Transactions is set forth in Section 4.24 of the Disclosure Letter.

SECTION 4.25. No Existing Discussions. As of the date of this Agreement, neither the Company nor any Subsidiary is engaged, directly or indirectly, in any discussions or negotiations with any other party with respect to a Transaction Proposal or a Superior Proposal.

SECTION 4.26. Required Vote of the Company Stockholders. The affirmative vote of the holders of a majority of the outstanding Shares is the only vote or consent of holders of securities of the Company which may be required to adopt this Agreement and the Transactions.

SECTION 4.27. Opinion of Financial Advisor. The Board has received the opinion of Goldman, Sachs & Co., dated the date of this Agreement, to the effect that, as of such date and based upon and subject to the matters and limitations set forth therein, the $8.65 per Share to be received in the Offer and the Merger by the holders of the Shares, is fair from a financial point of view to the holders of such Shares (the "Fairness Opinion"). The Fairness Opinion has not been withdrawn or revoked or otherwise modified in any material respect.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF PARENT AND PURCHASER

As an inducement to the Company to enter into this Agreement, Parent and Purchaser hereby, jointly and severally, represent and warrant to the Company that:

SECTION 5.01. Corporate Organization. Each of Parent and Purchaser is a corporation duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation and has the requisite corporate power and authority and all necessary governmental approvals to own, lease and operate its properties and to carry on its business as it is now being conducted, except where the failure to be so organized, existing or in good standing or to have such power, authority and governmental approvals would not, individually or in the aggregate, prevent or materially delay consummation of any of the Transactions or otherwise prevent Parent or Purchaser from performing its obligations under this Agreement. Purchaser was formed solely for the purpose of engaging in the transactions contemplated by this Agreement and has not engaged in any business activities or conducted any operations other than in connection with the Transactions. All the issued and outstanding shares of capital stock of Purchaser are owned of record and beneficially by Parent.

SECTION 5.02. Authority Relative to This Agreement. Each of Parent and Purchaser has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the Transactions. The execution and delivery of this Agreement by Parent and Purchaser and the consummation by Parent and Purchaser of the Transactions have been duly and validly authorized by all necessary corporate action on the part of Parent and Purchaser, and no other corporate proceedings on the part of Parent or Purchaser are necessary to authorize this Agreement or to consummate the Transactions (other than, with respect to the Merger, the filing and recordation of appropriate merger documents as required by the DGCL). This Agreement has been duly and validly executed and delivered by Parent and Purchaser and, assuming due authorization, execution and delivery by the Company, constitutes legal, valid and binding obligation of each of Parent and Purchaser enforceable against each of Parent and Purchaser in accordance with its terms.

SECTION 5.03. No Conflict; Required Filings and Consents. (a) The execution and delivery of this Agreement by Parent and Purchaser do not, and the performance of this Agreement by Parent and Purchaser will not, and the consummation of the Transactions by Parent and Purchaser will not, (i) conflict with or violate the Certificate of Incorporation or By-Laws or other organizational documents of either Parent or Purchaser, (ii) assuming that all consents, approvals and other authorizations described in Section 5.03(b) have been obtained and that all filings and other actions described in Section 5.03(b) have been made or taken, conflict with or violate any Law applicable to Parent or Purchaser or by which any material property or

material asset of either of them is affected, or (iii) result in any breach of, or constitute a default (or an event which, with notice or lapse of time or both, would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, or result in the creation of a lien or other encumbrance on any property or asset of Parent or Purchaser pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which Parent or Purchaser is a party or by which Parent or Purchaser or any material property or material asset of either of them is bound or affected, except, with respect to clause (iii), for any such conflicts, violations, breaches, defaults or other occurrences which would not, individually or in the aggregate, prevent or materially delay consummation of any of the Transactions or otherwise prevent Parent or Purchaser from performing its obligations under this Agreement.

(b) The execution and delivery of this Agreement by Parent and Purchaser do not, and the performance of this Agreement by Parent and Purchaser will not, require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Authority, except for (i) applicable requirements, if any, of the Exchange Act, Blue Sky Laws and state takeover Laws, (ii) the pre-merger notification requirements of the HSR Act, (iii) the filing and recordation of appropriate merger documents as required by the DGCL, and (iv) where the failure to obtain such consents, approvals, authorizations or permits, or to make such filings or notifications, would not, individually or in the aggregate, prevent or materially delay consummation of any of the Transactions, or otherwise prevent Parent or Purchaser from performing its obligations under this Agreement.

SECTION 5.04. Financing. Parent has, as of the date hereof, and will have upon the expiration of the Offer (as the same may be extended from time to time pursuant to this Agreement) and at the Effective Time, and will make available to Purchaser at the expiration date of the Offer (as the same may be extended from time to time pursuant to this Agreement) and at the Effective Time, sufficient funds to permit Purchaser to consummate all the Transactions, including, without limitation, acquiring all the outstanding Shares in the Offer and the Merger.

SECTION 5.05. Offer Documents; Proxy Statement. The Offer Documents shall not, at the time the Offer Documents are filed with the SEC or are first published, sent or given to stockholders of the Company, as the case may be, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The information supplied by Parent for inclusion in the Proxy Statement shall not, at the date the Proxy Statement (or any amendment or supplement thereto) is first mailed to stockholders of the Company and at the time of the Stockholders' Meeting, contain any untrue statement of a material fact, or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not false or misleading, or necessary to correct any statement in any earlier communication with respect to the solicitation of proxies for the Stockholders' Meeting which shall have become false or misleading. Notwithstanding the foregoing, Parent and Purchaser make no representation or warranty with respect to any information supplied by the Company or any of its representatives for inclusion in any of the foregoing documents or the Offer Documents. The Offer Documents shall comply in all material respects as to form with the

requirements of the Exchange Act and the rules and regulations thereunder, the rules of NASDAQ and any other Laws.

SECTION 5.06. Brokers. No broker, finder or investment banker (other than Morgan Stanley & Co. Incorporated) is entitled to any brokerage, finder's or other fee or commission in connection with the Transactions based upon arrangements made by or on behalf of Parent or Purchaser.

ARTICLE VI
CONDUCT OF BUSINESS PENDING THE MERGER

SECTION 6.01. Conduct of Business by the Company Pending the Merger. The Company agrees that, between the date of this Agreement and the Appointment Time (as defined in Section 7.03(c)), unless Parent shall otherwise agree in writing, the businesses of the Company and the Subsidiaries shall, except as otherwise expressly contemplated by this Agreement, be conducted only in, and the Company and the Subsidiaries shall not take any action except in the ordinary course of business and in a manner consistent with past practice; and the Company shall use its reasonable best efforts to preserve substantially intact the business organization of the Company and the Subsidiaries, to keep available the services of the current officers, employees and consultants of the Company and the Subsidiaries and to preserve the current relationships of the Company and the Subsidiaries with customers, suppliers, and other persons with which the Company or any Subsidiary has significant business relations; provided, however, that (1) the Company shall not be required to take any action pursuant to this Section 6.01 that would cause any representation or warranty of the Company set forth in this Agreement to be or become inaccurate unless Parent shall waive in writing such inaccuracy, and (2) no failure by the Company to take any action otherwise required by this Section 6.01 shall be deemed to constitute a breach of, or inaccuracy in, any of the representations and warranties of the Company set forth in this Agreement if and to the extent that Parent shall consent in writing to such failure pursuant to this Section 6.01. By way of amplification and not limitation, except as expressly contemplated by this Agreement and Section 6.01 of the Disclosure Letter, neither the Company nor any Subsidiary shall, between the date of this Agreement and the Appointment Time, directly or indirectly, do, or propose to do, any of the following without the prior written consent of Parent:

(a) amend or otherwise change its Certificate of Incorporation or By-Laws or equivalent organizational documents;

(b) issue, sell, pledge, dispose of, grant or encumber, or authorize the issuance, sale, pledge, disposition, grant or encumbrance of, (i) any shares or units (if applicable) of any class of capital stock or other type of equity interests of the Company or any Subsidiary, or any options, warrants, convertible securities or other rights of any kind to acquire any shares or units (as applicable) of such capital stock or other type of equity interests, or any other ownership interest (including, without limitation, any phantom interest), of the Company or any Subsidiary (except for the issuance of a maximum of 6,628,083 Shares issuable pursuant to Company Stock Options and Company Stock Awards outstanding on the date hereof and the grant of a maximum of 71,310 Company Stock Awards and Company Stock Options to new

hires) or (ii) any assets (including Intellectual Property) of the Company or any Subsidiary, except in the ordinary course of business and in a manner consistent with past practice;

(c) declare, set aside, make or pay any dividend or other distribution, payable in cash, stock, property or otherwise, with respect to any of its capital stock, except for dividends by any direct or indirect wholly owned Subsidiary to the Company or any other Subsidiary;

(d) reclassify, combine, split, subdivide or redeem, or purchase or otherwise acquire, directly or indirectly, any of its capital stock, except for the repurchase or reacquisition of securities in connection with the termination of service of any employee, director or consultant of the Company or any Subsidiary;

(e) (i) acquire (including, without limitation, by merger, consolidation, or acquisition of stock or assets or any other business combination) any corporation, partnership, other business organization or any division thereof or acquire any material amount of assets (other than (A) any license of Intellectual Property to the Company and the Subsidiaries that is not material to the business of the Company and the Subsidiaries, taken as a whole, as currently conducted and (B) acquisitions of inventory and supplies that are consistent with past practice); (ii) incur any indebtedness for borrowed money or issue any debt securities or assume, guarantee or endorse, or otherwise become responsible for, the obligations of any person, or make any loans or advances (including loans or advances to any director, officer, employee, agent or consultant of the Company or any Subsidiary), except for advances of business expenses in the ordinary course of business and consistent with past practice), or grant any security interest in any of its assets (including Intellectual Property) except in the ordinary course of business and consistent with past practice; (iii) enter into any contract or agreement other than in the ordinary course of business and consistent with past practice; (iv) authorize any capital expenditure in any manner not reflected in the capital budget of the Company attached as Section 6.01(e)(iv) of the Disclosure Letter; (v) renew or enter into any noncompete, exclusivity or similar agreement that would restrict or limit, in any material respect, the operations of the Company or its Subsidiaries or, after the Acceptance Time, Parent or its subsidiaries, or (vi) enter into or amend any contract, agreement, commitment or arrangement with respect to any matter set forth in this Section 6.01(e);

(f) hire additional employees, except hiring in the ordinary course of business and consistent with past practice, or increase the compensation payable or to become payable or the benefits provided to its directors, officers or employees, except for increases in the ordinary course of business and consistent with past practice in salaries, wages, bonuses, incentives or benefits of employees of the Company or any Subsidiary who are not directors or officers of the Company, or grant any severance or termination pay to, or enter into any employment or severance agreement with, any director, officer or other employee of the Company or of any Subsidiary, or establish, adopt, enter into or amend any collective bargaining, bonus, profit-sharing, thrift, compensation, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any director, officer or employee, except for such amendments as may be necessary or desirable to cause any such plan, agreement, trust, fund, policy or arrangement to comply with Section 409A of the Code so as to avoid the imposition of additional tax with respect thereto;

(g) take any action, other than reasonable and usual actions in the ordinary course of business and consistent with past practice, with respect to accounting policies or procedures;

(h) make any material tax election or settle or compromise any material United States federal, state, local or non-United States income tax liability;

(i) pay, discharge or satisfy any claim, liability or obligation (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction, in the ordinary course of business and consistent with past practice, of liabilities reflected or reserved against in the 2007 Balance Sheet or subsequently incurred in the ordinary course of business and consistent with past practice;

(j) amend, modify or consent to the termination (which for the avoidance of doubt shall not include the expiration of any Material Contract in accordance with its terms) of any Material Contract, or amend, waive, modify or consent to the termination of any material rights of the Company or any Subsidiary thereunder, in a manner adverse in any material respect to the Company;

(k) commence or settle any material Action;

(l) permit any material item of Company Registered Intellectual Property to lapse or to be abandoned, dedicated, or disclaimed, fail to perform or make any applicable filings, recordings or other similar actions or filings, or fail to pay all required fees and taxes required or advisable to maintain and protect its interest in each and every material item of Company Registered Intellectual Property;

(m) adopt a plan of complete or partial liquidation, dissolution, recapitalization or other reorganization; or

(n) announce an intention, enter into any formal or informal agreement or otherwise make a commitment, to do any of the foregoing.

ARTICLE VII
ADDITIONAL AGREEMENTS

SECTION 7.01. Stockholders' Meeting. (a) If required by applicable Law in order to consummate the Merger, the Company, acting through the Board, shall, in accordance with applicable Law and the Company's Certificate of Incorporation and By-Laws, (i) duly call, give notice of, convene and hold a special meeting of its stockholders as promptly as practicable following consummation of the Offer for the purpose of considering and taking action on this Agreement and the Transactions (the "Stockholders' Meeting") and (ii) subject to applicable fiduciary obligations, (A) include in the Proxy Statement the recommendation of the Board that the stockholders of the Company adopt this Agreement and the Transactions and (B) use its reasonable best efforts to obtain such adoption. At the Stockholders' Meeting, Parent and Purchaser shall cause all Shares then owned by them and their affiliates to be voted in favor of the adoption of this Agreement and the Transactions.

(b) Notwithstanding the foregoing, in the event that Purchaser shall acquire at least 90% of the then outstanding Shares (including pursuant to the Merger Option), the parties shall take all necessary and appropriate action to cause the Merger to become effective, in accordance with Section 253 of the DGCL, as promptly as reasonably practicable after such acquisition, without a meeting of the stockholders of the Company.

SECTION 7.02. Proxy Statement. If approval of the Company's stockholders is required by applicable Law to consummate the Merger, promptly following consummation of the Offer, the Company shall, with the assistance and approval of Parent, file the Proxy Statement with the SEC under the Exchange Act, and shall use its reasonable best efforts to have the Proxy Statement cleared by the SEC as promptly as practicable. Parent and Purchaser, respectively, shall each promptly furnish the Company, in writing, all information concerning Parent and Purchaser that may be required by applicable securities Laws or reasonably requested by the Company for inclusion in the Proxy Statement. Each of the Company, Parent and Purchaser agrees to correct promptly any information provided by it for use in the Proxy Statement which shall have become false or misleading in any material respect. Parent, Purchaser and the Company shall cooperate with each other in the preparation of the Proxy Statement, and the Company shall notify Parent of the receipt of any comments of the SEC with respect to the Proxy Statement and of any requests by the SEC for any amendment or supplement thereto or for additional information and shall provide to Parent promptly copies of all correspondence between the Company or any representative of the Company and the SEC with respect thereto. The Company shall give Parent and its counsel a reasonable opportunity to review and comment on the Proxy Statement, including all amendments and supplements thereto, prior to such documents being filed with the SEC or disseminated to holders of Shares and shall give Parent and its counsel a reasonable opportunity to review and comment on all responses to requests for additional information and replies to comments prior to their being filed with, or sent to, the SEC. Each of the Company, Parent and Purchaser agrees to use its reasonable best efforts, after consultation with the other parties hereto, to respond promptly to all such comments of and requests by the SEC and to cause the Proxy Statement and all required amendments and supplements thereto to be mailed to the holders of Shares entitled to vote at the Stockholders' Meeting at the earliest practicable time.

SECTION 7.03. Company Board Representation; Section 14(f). (a) Promptly upon the purchase by Purchaser pursuant to the Offer of such number of Shares satisfying the Minimum Condition and from time to time thereafter, Purchaser shall be entitled to designate up to such number of directors, rounded up to the next whole number (but in no event more than one less than the total number of directors on the Board), on the Board as shall give Purchaser representation on the Board equal to the product of the total number of directors on the Board (giving effect to the directors elected pursuant to this sentence) multiplied by the percentage that the aggregate number of Shares owned by Purchaser or any affiliate of Purchaser following such purchase bears to the total number of Shares then outstanding, and the Company shall, subject to compliance with Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder, at such time, promptly take all actions reasonably necessary to, upon Purchaser's request, cause Purchaser's designees to be elected or appointed as directors of the Company, including increasing the size of the Board or seeking and accepting the resignations of incumbent directors, or both. At such times, the Company shall use its reasonable best efforts to cause persons designated by Purchaser to constitute the same percentage as persons designated by

Purchaser shall constitute of the Board of (i) each committee of the Board, (ii) each board of directors (or other similar body) of each Subsidiary, and (iii) each committee of each such board, in each case only to the extent permitted by applicable Law. Notwithstanding the foregoing, until the Effective Time, (A) the Board shall always have at least two (2) directors who were directors prior to the consummation of the Offer and who are not affiliated with Parent or Purchaser (such directors, the "Continuing Directors"); provided, however, that, if any Continuing Director resigns from the Board or is unable to serve due to death or disability or any other reason, the remaining Continuing Directors shall be entitled to elect or designate such resigning director's successor to fill the vacancy, and such director shall be deemed to be a Continuing Director for purposes of this Agreement and (B) the Company shall use its reasonable best efforts to ensure that at least two members of each committee of the Board and such boards and committees of the Subsidiaries, as of the date hereof, who are not employees of the Company, shall remain members of such committee of the Board and of such boards and committees of the Subsidiaries. If the number of Continuing Directors is reduced to fewer than two for any reason prior to the Effective Time, the remaining and departing Continuing Directors shall be entitled to designate a person to fill the vacancy or vacancies such that there shall be at least two Continuing Directors, who shall thereafter be deemed to be a Continuing Director for all purposes of and under this Agreement.

(b) The Company shall promptly take all actions required pursuant to Section 14(f) of the Exchange Act and Rule 14f-1 promulgated thereunder to fulfill its obligations under this Section 7.03, and shall include in the Schedule 14D-9 such information with respect to the Company and its officers and directors as is required under Section 14(f) and Rule 14f-1 to fulfill such obligations. Parent or Purchaser shall supply in writing to the Company, and be solely responsible for, any information with respect to either of them and their nominees, officers, directors and affiliates required by such Section 14(f) and Rule 14f-1.

(c) Following the date on which a majority of the Company's directors are designees of Purchaser (the "Appointment Time"), prior to the Effective Time, any amendment of this Agreement or the Certificate of Incorporation or By-Laws of the Company, any termination of this Agreement by the Company, any agreement or consent to amend this Agreement by the Company, any extension by the Company of the time for the performance, or any waiver, of any of the obligations or other acts of Parent or Purchaser, any waiver of any of the Company's rights, benefits or privileges hereunder, any determination with respect to any action to be taken or not to be taken by or on behalf of the Company relating to this Agreement or the Transactions, or any approval of any other action by the Company that is reasonably likely to adversely affect the interests of the holders of Shares (other than Parent, Purchaser and their affiliates) with respect to the Transactions shall require the concurrence of a majority of the Continuing Directors (or the sole Continuing Director if there shall be only one (1) Continuing Director).

(d) Following the Appointment Time and until the Effective Time, Parent and Purchaser shall, with respect to each Continuing Director, cause the Company to maintain the policies of the Company in effect as of the date hereof with respect to the cash compensation of the Company's directors, the Company's directors and officers' insurance and the reimbursement of travel and other reasonable expenses relating to or arising out of the performance of their services as Continuing Directors of the Company.

SECTION 7.04. Access to Information; Confidentiality. (a) From the date hereof until the Effective Time, the Company shall, and shall cause the Subsidiaries and the officers, directors, employees, auditors and agents of the Company and the Subsidiaries to, afford the officers, employees and Representatives of Parent and Purchaser reasonable access at all reasonable times to the officers, employees, agents, properties, offices, plants and other facilities, books and records of the Company and each Subsidiary, and shall furnish Parent and Purchaser with such financial, operating and other data and information ("Company Data") as Parent or Purchaser, through its officers, employees or agents, may reasonably request (it being agreed that the Company and its Subsidiaries shall not be required to furnish any Company Data in any format in which such Company Data did not exist prior to the request therefor by Parent or Purchaser); provided, however, the Company may restrict such access to the extent that (A) any Law, applicable to the Company or its Subsidiaries requires the Company or its Subsidiaries to restrict or prohibit such access, or (B) such access would otherwise be in breach of any confidentiality obligation in any agreement or contract or other obligation by which the Company or any of its Subsidiaries is bound.

(b) All information obtained by Parent or Purchaser pursuant to this Section 7.04 shall be kept confidential in accordance with a confidentiality agreement, dated November 14, 2007 (the "Confidentiality Agreement"), between Parent and the Company.

(c) No investigation pursuant to this Section 7.04 shall affect any representation or warranty in this Agreement of any party hereto or any condition to the obligations of the parties hereto or any condition to the Offer.

SECTION 7.05. No Solicitation of Transactions. (a) The Company agrees that neither it nor any Subsidiary nor any of the directors, officers or employees of it or any Subsidiary will, and that it will not authorize or permit its and its Subsidiaries' agents, advisors and other representatives (including, without limitation, any investment banker, financial advisor, attorney, accountant or other representative retained by it or any Subsidiary (such agents, advisors and other representatives, each, a "Representative" and collectively, "Representatives")) to, directly or indirectly, (i) solicit, initiate or knowingly encourage or knowingly facilitate (including by way of furnishing nonpublic information) the making, submission or announcement of any Transaction Proposal or (ii) enter into or maintain or continue discussions or negotiations with any person or entity with respect to or in order to obtain a Transaction Proposal, or (iii) agree to, approve, endorse or recommend any Transaction Proposal or enter into any letter of intent or other contract, agreement or commitment contemplating or otherwise relating to any Transaction Proposal (except, with respect to clause (iii), to the extent specifically permitted pursuant to the provisions of Section 7.05(c)). The Company shall notify Parent as promptly as practicable (and in any event within one (1) business day after the Company attains knowledge thereof), orally and in writing, if any Transaction Proposal, or any inquiry or contact with any person with respect thereto, is made, specifying the material terms and conditions thereof and the identity of the party making such Transaction Proposal (including any material amendments or proposed material amendments thereto). The Company shall, and shall direct its Subsidiaries' directors, officers, employees and Representatives to, immediately cease and cause to be terminated any discussions or negotiations with any parties that may have been conducted heretofore with respect to a Transaction Proposal. The Company shall not release any third party from, or waive any provision of, any

confidentiality agreement to which it is a party and the Company shall promptly request each person that has heretofore executed a confidentiality agreement in connection with its consideration of making any Transaction Proposal, if any, to return all confidential information heretofore furnished to such person by or on behalf of the Company or any Subsidiary and, if requested by Parent, to promptly enforce such person's obligation to do so.

(b) Notwithstanding anything to the contrary in this Section 7.05, at any time prior to the Acceptance Time, the Company and its Subsidiaries' directors, officers, employees and their respective Representatives may take any of the following actions with respect to a person who, after the date of this Agreement, has made a written, bona fide Transaction Proposal not solicited in violation of Section 7.05(a) or the exclusivity agreement, dated November 14, 2007 (the "Exclusivity Agreement"), between Parent and the Company (it being understood that a Transaction Proposal made by a person prior to the date of this Agreement without further action by such person shall not be considered to be made after the date of this Agreement), but only if, prior to furnishing such information or entering into such discussions, the Board has (A) determined, in its good faith judgment (after having received the advice of a financial advisor of nationally recognized reputation), that such proposal or offer constitutes, or is reasonably likely to result in, a Superior Proposal, (B) determined, in its good faith judgment after consultation with independent legal counsel (who may be the Company's regularly engaged independent legal counsel), that, in light of such Transaction Proposal, the failure to take such action would be reasonably likely to be inconsistent with its fiduciary obligations under applicable Law, (C) provided written notice to Parent of its intent to furnish information or enter into discussions with such person at least 24 hours prior to taking any such action, and (D) obtained from such person an executed confidentiality agreement on terms with respect to confidential information that are no less favorable to the Company than those contained in the Confidentiality Agreement (it being understood that such confidentiality agreement and any related agreements shall not include any provision calling for any exclusive right to negotiate with such party or having the effect of prohibiting the Company from satisfying its obligations under this Agreement):

(i) furnish nonpublic information to such third party making the Transaction Proposal and its employees and Representatives; provided, however, that the Company shall promptly provide or make available to Parent any non-public information concerning the Company or any of its Subsidiaries that is provided to the person making the Transaction Proposal or employee or Representative thereof if such information was not previously provided or made available to Parent; and

(ii) engage in discussions or negotiations with such third party and its employees and Representatives with respect to the Transaction Proposal.

(c) Except as set forth in this Section 7.05(c), neither the Board nor any committee thereof shall (i) withdraw or modify, or propose to withdraw or modify, in any manner adverse to Parent or Purchaser, the approval or recommendation by the Board or any such committee of this Agreement, the Offer, the Merger or any other Transaction, (ii) take any action to make the provisions of Section 203 of the DGCL inapplicable to any transaction other than the Transactions or (iii) approve or recommend, or cause or permit the Company to enter

into any letter of intent, agreement or obligation with respect to, any Transaction Proposal (any such action listed in (i), (ii) or (iii), a "Change of Recommendation"). Notwithstanding the foregoing, if the Board determines, in its good faith judgment prior to the time of acceptance for payment of Shares pursuant to the Offer (the "Acceptance Time") and after consultation with independent legal counsel (who may be the Company's regularly engaged independent legal counsel), that the failure to make such a Change of Recommendation would be reasonably likely to be inconsistent with its fiduciary obligations under applicable Law, the Board may make a Change of Recommendation, but only if, prior to making such Change of Recommendation, (i) the Board provides written notice to Parent (a "Notice of Change of Recommendation") advising Parent that it intends to effect a Change of Recommendation and the manner in which it intends to do so (it being understood and agreed that the Company shall not make any such Change of Recommendation unless (A) in the event that the Company shall have previously received a Superior Proposal, four (4) business days shall have elapsed since Parent's receipt of such Notice of Change of Recommendation or (B) in the event that the Company shall not have previously received a Superior Proposal, three (3) business days shall have elapsed since Parent's receipt of such Notice of Change of Recommendation) and (ii) if the Board shall have previously received a Superior Proposal, specifying the material terms and conditions of such Superior Proposal, identifying the person making such Superior Proposal, providing to Parent copies of the definitive forms of all agreements pertaining to such Superior Proposal; provided, however, that the Board shall not make any Change of Recommendation unless (i) prior to making such Change of Recommendation, the Board determines, after taking into account any modifications to the terms of the Transactions that are proposed by Parent within three (3) or four (4) business days of Parent's receipt of the Notice of Change of Recommendation, that a failure to make such Change of Recommendation would be reasonably likely to be inconsistent with its fiduciary duties under applicable Law and (ii) if the Board shall have previously received a Superior Proposal, the Company simultaneously terminates this Agreement in accordance with Section 9.01(d)(ii) (and pays to Parent the Fee in accordance with Section 9.03 and enters into an agreement with respect to a Superior Proposal). The Company agrees that during the three (3) or four (4) business day period prior to its effecting a Change in Recommendation, the Company and its employees, officers, directors shall, and the Company shall direct its Representatives to, negotiate in good faith with Parent and its employees, officers, directors and Representatives regarding any revisions to the terms of the Transactions that are proposed by Parent.

(d) For purposes of this Agreement:

"Transaction Proposal" means any proposal or offer (including, without limitation, any offer or proposal to the Company's stockholders) that relates to any of the following (other than the Transactions): (i) any merger, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution or other similar transaction involving the Company or any Subsidiary; (ii) any sale, lease, exchange, transfer or other disposition of assets or businesses that constitute or represent 15% or more of the total revenue, operating income, EBITDA or assets of the Company and its Subsidiaries, taken as a whole; (iii) any sale, exchange, transfer or other disposition of 15% or more of any class of equity securities of the Company or of any Subsidiary; or (iv) any tender offer or exchange offer that, if consummated, would result in any person beneficially owning 15% or more of any class of equity securities of the Company or of any Subsidiary.

"Superior Proposal" means an unsolicited written bona fide offer, which did not result from a breach of Section 7.05, made by a third party to consummate any Transaction Proposal (i) that the Board determines, in its good faith judgment (after having received the advice of a financial advisor of nationally recognized reputation), to be (A) more favorable to the Company's stockholders from a financial point of view than the Offer and Merger and (B) reasonably likely to be consummated on the terms so proposed, taking into account all relevant financial, regulatory, legal and other aspects of such proposal, including any conditions, and (ii) for which financing, to the extent required, is then committed; provided, however, that for purposes of the definition of "Superior Proposal", the references to "15%" in the definition of Transaction Proposal shall be deemed to be references to "50%".

(e) Nothing in this Section 7.05 shall prohibit the Board from taking and disclosing to the Company's stockholders a position contemplated by Rule 14e-2(a), Rule 14d-9 or Item 1012(a) of Regulation M-A promulgated under the Exchange Act, if the Board determines, in its good faith judgment after consultation with independent legal counsel (who may be the Company's regularly engaged independent legal counsel), that failure to so disclose such position would constitute a violation of applicable Law; provided that any Change of Recommendation shall be governed by the terms of this Agreement, including Section 7.05(c).

SECTION 7.06. Employee Benefits Matters. From and after the Effective Time, Parent shall cause the Surviving Corporation and its subsidiaries to honor in accordance with their terms, all contracts, agreements, arrangements, policies, plans and commitments of the Company and the Subsidiaries as in effect immediately prior to the Effective Time that are applicable to any current or former employees, consultants, or directors of the Company or any Subsidiary. Following the Effective Time, Parent shall give each Company employee credit for prior service with the Company or its Subsidiaries, including predecessor employers, for purposes of (i) eligibility and vesting under any employee benefit plan of Parent or its applicable subsidiary in which such employee becomes eligible to participate at or following the Effective Time, and (ii) determination of benefits levels under any vacation or severance plan of Parent or its subsidiaries in which such employee becomes eligible to participate at or following the Effective Time; provided that in each case under clauses (i) and (ii) above, if the Company or any of its Subsidiaries maintains a comparable Plan, service shall be credited solely to the extent that such crediting will not result in the duplication of benefits. Parent shall give credit under those of its and its subsidiaries' welfare benefit plans in which Company employees and their eligible dependents become eligible to participate at or following the Effective Time, for all co-payments made, amounts credited toward deductibles and out-of-pocket maximums, and time accrued against applicable waiting periods, by Company employees and their eligible dependents, in respect of the plan year in which the Effective Time occurs or the plan year in which such individuals are transitioned to such plans from the corresponding Plans, and Parent shall waive all requirements for evidence of insurability and pre-existing conditions otherwise applicable, except as would also be applicable under the corresponding Plans, to Company employees and their eligible dependents under the employee heath plans of Parent and its subsidiaries, including medical, dental, vision and prescription drug plans, in which such individuals become eligible to participate at or following the Effective Time.

SECTION 7.07. Directors' and Officers' Indemnification and Insurance. (a) From and after the Effective Time, Parent and the Surviving Corporation will maintain in effect

in all respects the current obligations of the Company pursuant to any indemnification agreements between the Company and its directors, officers and employees (the "Indemnified Parties") in effect immediately prior to the Effective Time and any indemnification provisions under the Certificate of Incorporation and By-Laws as in effect on the date hereof. The Certificate of Incorporation and By-Laws of the Surviving Corporation shall contain provisions with respect to exculpation and indemnification that are no less favorable to the Indemnified Parties than are set forth in the Certificate of Incorporation and By-Laws of the Company, in each case as in effect on the date hereof, which provisions shall not be amended, repealed or otherwise modified for a period of six years from the Effective Time in any manner that would affect adversely the rights thereunder of the Indemnified Parties, unless such modification shall be required by applicable Law and then only to the minimum extent required by applicable Law.

(b) Parent shall cause the Surviving Corporation to maintain in effect for six years from the Effective Time, if available, the current directors' and officers' liability insurance policies maintained by the Company (provided that the Surviving Corporation may substitute therefor policies of at least the same coverage containing terms and conditions that are no less favorable) with respect to matters occurring prior to the Effective Time; provided, however, that in no event shall the Surviving Corporation be required to expend pursuant to this Section 7.07(b) more than an amount per year equal to 250% of the current annual premiums paid by the Company for such insurance (which premiums the Company represents and warrants to be $905,063 in the aggregate); provided, however, that, if the annual premiums for such insurance exceed such amount or in the event of an expiration, termination or cancellation of such current policies, the Surviving Corporation shall be required to obtain as much coverage as is possible under substantially similar policies for such maximum annual amount in aggregate annual premiums; provided, further that Parent and the Surviving Corporation may satisfy its obligations under this Section 7.07(b) by obtaining, at the Effective Time, prepaid (or "tail") directors' and officers' liability insurance policy, in each case, the material terms of which, including coverage, amount and creditworthiness of the issuer, are no less favorable to such directors and officers than the insurance coverage otherwise required under this Section 7.07(b). In such event, Parent and the Surviving Corporation shall maintain such "tail" policy in full force and effect and continue to honor their respective obligations thereunder, in lieu of all other obligations of Parent and the Surviving Corporation under the first sentence of this Section 7.07(b) for such six-year period; provided that in no event shall the Surviving Corporation pay a premium for such "tail" policy that in the aggregate exceeds $2,000,000 (it being understood that the Surviving Corporation may nevertheless acquire a "tail" policy providing such coverage as may be obtained for such $2,000,000 amount). In the event that Parent or Purchaser shall not have purchased any such "tail" policy from an insurance provider of national reputation that is not affiliated with Parent at least 3 business days prior to the Effective Time, the Company shall be entitled to purchase, on behalf of the Surviving Corporation, such "tail" policy, provided that in no event shall the Company pay a premium for such "tail" policy that in the aggregate exceeds $2,000,000.

(c) In the event Parent, the Surviving Corporation or any of its respective successors or assigns (i) consolidates with or merges into any other person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any person, then, and in each such case, proper provision shall be made so that the successors and assigns of Parent or the Surviving

Corporation, as the case may be, or, with respect to the Surviving Corporation, at Parent's option, Parent, shall assume the obligations set forth in this Section 7.07.

(d) Parent shall cause the Surviving Corporation to perform all of the obligations of the Surviving Corporation under this Section 7.07.

(e) This Section 7.07 is intended to be for the benefit of, and shall be enforceable by, the Indemnified Parties and their heirs and personal representatives and shall be binding on Parent and the Surviving Corporation and their successors and assigns.

SECTION 7.08. Notification of Certain Matters. (a) The Company shall give prompt notice to Parent, and Parent shall give prompt notice to the Company, of (i) the occurrence, or non-occurrence, of any event the occurrence, or non-occurrence, of which reasonably could be expected to cause any representation or warranty contained in this Agreement to be untrue or inaccurate, provided that, solely in the case of the Company, such notice shall be required to be given only if as a result of the matters to be described in such notice the condition set forth in clause (e) of Annex A would not be satisfied and, solely in the case of Purchaser and Parent, such notice shall be required to be given only if the matters to be described in such notice would prevent or materially delay Purchaser or Parent from consummating any of the Transactions; provided further that any such notice by the Company shall not be deemed to have qualified or modified the representations and warranties of the Company contained in this Agreement for the purposes of determining whether the conditions specified in Annex A have been satisfied and (ii) any failure of the Company, Parent or Purchaser, as the case may be, to comply with or satisfy any covenant or agreement to be complied with or satisfied by it hereunder, provided that, solely in the case of the Company, such notice shall be required to be given only if as a result of the matters to be described in such notice the condition set forth in clause (f) of Annex A would not be satisfied and, solely in the case of Purchaser and Parent, such notice shall be required to be given only if the matters to be described in such notice would prevent or materially delay Purchaser or Parent from consummating any of the Transactions, and (iii) the occurrence, or non-occurrence, of any event the occurrence, or non-occurrence, which would cause the condition set forth in clause (d) of Annex A to not be satisfied; provided, however, that the delivery of any notice pursuant to this Section 7.08 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice.

(b) Each party to this agreement shall promptly notify the other party of any communication it or any of its Affiliates receives from any Governmental Authority relating to the matters that are the subject of this Agreement and permit the other party a reasonable opportunity to review in advance any proposed substantive communication by such party to any Governmental Authority. Neither party to this Agreement shall agree to participate in any meeting with any Governmental Authority in respect of any filings, investigation (including any settlement of the investigation), litigation or other inquiry unless it consults with the other party in advance and, to the extent permitted by such Governmental Authority, gives the other party the reasonable opportunity to attend at such meeting. Subject to the Confidentiality Agreement, the parties to this Agreement will coordinate and cooperate reasonably with each other in exchanging such information and providing such assistance as the other party may reasonably request in connection with the foregoing and in seeking early termination of any

applicable waiting periods, including under the HSR Act. Subject to the Confidentiality Agreement, the parties to this Agreement will provide each other with copies of all correspondence, filings or communications between them or any of their representatives, on the one hand, and any Governmental Authority or members of its staff, on the other hand, with respect to this Agreement and the transactions contemplated by this Agreement.

SECTION 7.09. Further Action; Reasonable Best Efforts. (a) Upon the terms and subject to the conditions of this Agreement, each of the parties hereto shall (i) make promptly its respective filings, and thereafter make any other required submissions, under the HSR Act or other applicable foreign, federal or state antitrust, competition or fair trade Laws with respect to the Transactions and (ii) use reasonable best efforts to take, or cause to be taken, all appropriate action, and to do, or cause to be done, all things necessary, proper or advisable under applicable Laws to consummate and make effective the Transactions, including, without limitation, using its reasonable best efforts to obtain all Permits, consents, approvals, authorizations, qualifications and orders of Governmental Authorities and parties to contracts with the Company and the Subsidiaries as are necessary for the consummation of the Transactions and to fulfill the conditions to the Offer and the Merger. In case, at any time after the Effective Time, any further action is necessary or desirable to carry out the purposes of this Agreement, the proper officers and directors of each party to this Agreement shall use their reasonable best efforts to take all such action. Notwithstanding the foregoing or any other provision of this Agreement to the contrary, in no event shall Parent or Purchaser be obligated to, and the Company and its Subsidiaries shall not agree with any Governmental Authority without the prior written consent of Parent, to divest or hold separate, or enter into any licensing or similar arrangement with respect to, all or any portion of the business or assets (whether tangible or intangible) of the Company, Parent or any of their subsidiaries that is material to either Parent and its subsidiaries or the Company and the Subsidiaries, in each case, taken as a whole.

(b) Each of the parties hereto agrees to cooperate and use its reasonable best efforts to vigorously contest and resist any Action, including administrative or judicial Action, and to have vacated, lifted, reversed or overturned any decree, judgment, injunction or other order (whether temporary, preliminary or permanent) that is in effect and that restricts, prevents or prohibits consummation of the Transactions, including, without limitation, by vigorously pursuing all available avenues of administrative and judicial appeal.

SECTION 7.10. Public Announcements. Parent and the Company shall consult with each other before issuing any press release or otherwise making any public statements with respect to this Agreement or any Transaction and shall not issue any such press release or make any such public statement prior to such consultation, except as to any statement permitted by Section 7.05(c) and as may be required by Law or the rules or regulations of any United States or non-United States securities exchange. The parties have agreed upon the form of a joint press release announcing the Offer and the execution of this Agreement.

SECTION 7.11. Section 16 Matters. Prior to the Effective Time, the Company shall take all such steps as may be required and permitted to cause the Transactions, including any dispositions of the Shares by each individual who is or will be subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to the Company, to be exempt under Rule 16b-3 promulgated under the Exchange Act.

SECTION 7.12. State Takeover Statute. The Company and the Board shall (a) use reasonable best efforts to ensure that no state takeover Law or similar Law is or becomes applicable to this Agreement, the Offer, the Merger or any of the other Transactions contemplated by this Agreement and (b) if any state takeover Law or similar Law becomes applicable to this Agreement, the Offer, the Merger or any of the other Transactions contemplated by this Agreement, use reasonable best efforts to ensure that the Offer, the Merger and the other Transactions contemplated by this Agreement may be consummated as promptly as practicable on the terms contemplated by this Agreement and otherwise to minimize the effect of such Law on this Agreement, the Offer, the Merger and the other Transactions contemplated by this Agreement.

SECTION 7.13. Rights Agreement. The Board shall not, without the prior written consent of Parent, amend, take any action with respect to, or make any determination under, the Rights Agreement prior to the termination of this Agreement unless such action is taken in connection with the termination of this Agreement pursuant to Section 9.01(d)(ii). Prior to the termination of this Agreement pursuant to Section 9.01, the Company shall not amend, and the Board shall not take any action to amend, the Rights Plan such that clauses (a) and (b) of Section 4.17 of this Agreement become untrue.

SECTION 7.14. Fairness Opinion. The Company shall make available to Parent a written copy of the Fairness Opinion as promptly as reasonably practicable after the Company receives a written copy of the Fairness Opinion from Goldman, Sachs & Co.

ARTICLE VIII
CONDITIONS TO THE MERGER

SECTION 8.01. Conditions to the Merger. The obligations of each party to effect the Merger shall be subject to the satisfaction, at or prior to the Effective Time, of the following conditions:

(a) Stockholder Approval. If and to the extent required by the DGCL and the Certificate of Incorporation of the Company, this Agreement and the Merger shall have been adopted by the affirmative vote of the stockholders of the Company;

(b) No Order. No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) which is then in effect and has the effect of making the acquisition of Shares by Parent or Purchaser or any affiliate of either of them illegal or otherwise restricting, preventing or prohibiting consummation of the Transactions; and

(c) Offer. Purchaser or its permitted assignee shall have purchased all Shares validly tendered and not withdrawn pursuant to the Offer.

ARTICLE IX
TERMINATION, AMENDMENT AND WAIVER

SECTION 9.01. Termination. This Agreement may be terminated and the Merger and the other Transactions may be abandoned at any time prior to the Acceptance Time

by action taken or authorized by the Board of the Company or the Supervisory Board of Parent, notwithstanding any requisite adoption of this Agreement and the Transactions by the stockholders of the Company:

(a) By mutual written consent of each of Parent, Purchaser and the Company duly authorized by the Boards of Directors or the Supervisory Board, as the case may be, of Parent, Purchaser and the Company; or

(b) By any of Parent, Purchaser or the Company if (i) the Offer shall have expired or been terminated in accordance with the terms hereof without Purchaser (or Parent on Purchaser's behalf) having accepted for payment any Shares pursuant to the Offer on or before March 15, 2008 (the "Initial Termination Date"); provided, however, that in the event that the condition set forth in clause (ii) of the first paragraph of Annex A shall not have been satisfied on or prior to the Initial Termination Date, either Parent or the Company may elect to extend the Initial Termination Date, by written notice to the other prior to or on the Initial Termination Date, until May 15, 2008 (the "Extended Termination Date"); and provided, further, that the right to terminate this Agreement under this Section 9.01(b) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur on or before such date; or (ii) any Governmental Authority shall have enacted, issued, promulgated, enforced or entered any injunction, order, decree or ruling which is then in effect and has the effect of making consummation of the Offer or the Merger illegal or otherwise preventing or prohibiting consummation of the Offer or the Merger, which injunction, order, decree or ruling is final and nonappealable; or

(c) By Parent, if

(i) in the event (A) of a breach of any covenant or agreement on the part of the Company set forth in this Agreement, or (B) that any representation or warranty of the Company set forth in this Agreement shall have been inaccurate when made or shall have become inaccurate, such that the condition to the Offer set forth in clauses (e) or (f) of Annex A, respectively, would not be satisfied and such breach or inaccuracy is not cured by the Company within 45 calendar days following receipt of written notice from Parent of such breach or inaccuracy (it being understood that Parent may not terminate this Agreement pursuant to this Section 9.01(c)(i) if such breach or inaccuracy by the Company is cured within such period); or

(ii) prior to the Acceptance Time, the Board or any committee thereof shall have approved or recommended a Change of Recommendation or resolved to do so; or

(iii) prior to the Acceptance Time, the condition to the Offer set forth in clause (d) of Annex A would not be satisfied and the failure of such condition to be satisfied is not cured by the Company within 45 calendar days following receipt of written notice from Parent of the failure of such condition to be satisfied (it being understood that Parent may not terminate this Agreement pursuant to this

Section 9.01(c)(iii) if the Company cures the failure of such condition within such period); or

(d) By the Company, if

(i) in the event (A) of a breach of any covenant or agreement on the part of Parent or Purchaser set forth in this Agreement, or (B) that any representation or warranty of Parent or Purchaser set forth in this Agreement shall have been inaccurate when made or shall have become inaccurate, but only to the extent that such breach or inaccuracy (i) would prevent or materially delay the ability of Parent or Purchaser to consummate the Transactions and (ii) is not cured by Parent or Purchaser, as the case may be, within 45 calendar days following receipt of written notice from the Company of such breach or inaccuracy (it being understood that the Company may not terminate this Agreement pursuant to this Section 9.01(d)(i) if such breach or inaccuracy by Parent or Purchaser is cured within such period); or

(ii) it makes a Change of Recommendation in order to enter into an agreement for a Superior Proposal; provided that it has theretofore complied with Section 7.05(c).

SECTION 9.02. Effect of Termination. In the event of the termination of this Agreement pursuant to Section 9.01, this Agreement shall forthwith become void, and there shall be no liability on the part of any party hereto, except (a) as set forth in Section 9.03 and (b) nothing herein shall relieve any party from liability for any intentional and material breach hereof prior to the date of such termination; provided, however, that Section 2.02(c)(ii) and Article X of this Agreement and the Confidentiality Agreement shall survive any termination of this Agreement.

SECTION 9.03. Fees and Expenses.

(a) In the event that this Agreement is terminated by the Company pursuant to Section 9.01(d)(ii) or by Parent or Purchaser pursuant to Section 9.01(c)(ii), the Company shall promptly, but in no event later than two (2) business days after the date of such termination, pay Parent a fee of $11,650,000 (the "Fee") by wire transfer of immediately available fund to an account or accounts designated in writing by Parent.

(b) In the event that:

(i) this Agreement is terminated by Parent, Purchaser or the Company pursuant to Section 9.01(b)(i) or by Parent pursuant to Section 9.01(c)(i);

(ii) at the time of such termination, the Company shall have breached any of its covenants or agreements in Section 7.05 or shall have intentionally and materially breached (A) any other covenant or agreement of the Company in this Agreement or (B) any representation or warranty of the Company in this Agreement;

(iii) at the time of such termination, Parent and Purchaser shall have complied, in all material respects, with their respective obligations under this Agreement;

(iv) following the execution and delivery of this Agreement and prior to the termination of this Agreement, a third party shall make a Transaction Proposal and shall not have withdrawn such Transaction Proposal; and

(v) within twelve (12) months following the termination of this Agreement, either a Transaction Proposal is consummated or the Company enters into a definitive agreement providing for a Transaction Proposal and such Transaction Proposal is later consummated,

then the Company shall pay to Purchaser the Fee by wire transfer of immediately available funds to an account or accounts designated in writing by Purchaser, within two (2) business days after demand by Parent.

(c) In the event that:

(i) this Agreement is terminated by Parent, Purchaser or the Company pursuant to Section 9.01(b)(i);

(ii) at the time of such termination, all conditions to the Offer, other than the Minimum Condition, are satisfied;

(iii) following the execution and delivery of this Agreement and prior to the termination of this Agreement, a third party shall publicly make a Transaction Proposal and shall not have publicly withdrawn such Transaction Proposal;

(iv) within twelve (12) months following the termination of this Agreement, either a Transaction Proposal is consummated or the Company enters into a definitive agreement providing for a Transaction Proposal and such Transaction Proposal is later consummated,

then the Company shall pay to Purchaser the Fee by wire transfer of immediately available funds to an account or accounts designated in writing by Purchaser, within two (2) business days after demand by Parent.

(d) All costs and expenses incurred in connection with this Agreement and the Transactions shall be paid by the party incurring such expenses, whether or not any Transaction is consummated.

(e) The Company acknowledges that the agreements contained in this Section 9.03 are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, Parent would not have entered into this Agreement and that any amounts payable pursuant to this Section 9.03 do not constitute a penalty. Accordingly, if the Company fails promptly to pay the amounts due pursuant to this Section 9.03 and, in order to obtain such payment, Parent commences a suit that results in a judgment against the Company for the

amounts set forth in this Section 9.03, the Company shall pay to Parent its reasonable costs and expenses (including attorneys' fees and expenses) in connection with such suit and any appeal relating thereto, together with interest on the amounts set forth in this Section 9.03 at the prime rate of Citibank, N.A. in effect on the date such payment was required to be made. The Company shall not be required to pay the Fee to Parent and Purchaser more than once.

SECTION 9.04. Amendment. Subject to Section 7.03, this Agreement may be amended by the parties hereto by action taken by or on behalf of their boards of directors or Supervisory Board, as the case may be, at any time prior to the Effective Time; provided, however, that, after the adoption of this Agreement and the Transactions by the stockholders of the Company, no amendment may be made that would reduce the amount or change the type of consideration into which each Share shall be converted upon consummation of the Merger. This Agreement may not be amended except by an instrument in writing signed by each of the parties hereto.

SECTION 9.05. Waiver. Subject to Section 7.03, at any time prior to the Effective Time, any party hereto may to the extent legally allowed (a) extend the time for the performance of any obligation or other act of any other party hereto, (b) waive any inaccuracy in the representations and warranties of any other party contained herein or in any document delivered pursuant hereto and (c) waive compliance with any agreement of any other party or any condition to its own obligations contained herein. Any such extension or waiver shall be valid if set forth in an instrument in writing signed by the party or parties to be bound thereby.

ARTICLE X
GENERAL PROVISIONS

SECTION 10.01. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by overnight courier, by facsimile or email or by registered or certified mail (postage prepaid, return receipt requested) to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 10.01):

if to Parent or Purchaser:

STMicroelectronics N.V.
Chemin du Champ-des-Filles, 39
1228 Plan-les-Ouates
Geneva, Switzerland
Attention: Pierre Ollivier, Group Vice President and General Counsel
Telephone: + 41 22 929 58 76
Facsimile: + 41 22 929 59 06

and a copy to (which shall not constitute notice to Parent or Purchaser):

STMicroelectronics
1310 Electronics Drive
Mail Station 2346
Carollton, Texas 75006
Attention: Steven K. Rose, Vice President, Secretary and General Counsel
Telephone: (972) 466-6412
Facsimile: (972) 466-7044

with a copy to:

Shearman & Sterling LLP
525 Market Street
San Francisco, California 94105
Facsimile: (415) 616-1199
Attention: John D. Wilson

if to the Company:

Genesis Microchip Inc
2525 Augustine Drive
Santa Clara, California 95054
Facsimile: (408) 986-9655
Attention: Jeffrey Lin, General Counsel

with a copy to:

Wilson Sonsini Goodrich & Rosati
1301 Avenue of the Americas, 40th Floor
New York, New York 10019
Facsimile: (212) 999-5899
Attention: Selim Day

and:

Wilson Sonsini Goodrich & Rosati
650 Page Mill Road
Palo Alto, California 94304-1050
Facsimile: (650) 493-6811
Attention: Bradley L. Finkelstein

SECTION 10.02. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of Law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the Transactions is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the Transactions be consummated as originally contemplated to the fullest extent possible.

SECTION 10.03. Entire Agreement; Assignment. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes, except as set forth in Section 7.04(b), all prior agreements and undertakings, both written and oral, among the parties, or any of them, with respect to the subject matter hereof. This Agreement shall not be assigned (whether pursuant to a merger, by operation of Law or otherwise), except that Parent and Purchaser may assign all or any of their rights and obligations hereunder to any affiliate of Parent, provided that no such assignment shall relieve the assigning party of its obligations hereunder if such assignee does not perform such obligations.

SECTION 10.04. Parties in Interest. Except as expressly provided for in Section 7.07, this Agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement. In the event Parent or the Surviving Corporation or its successor or assign (i) consolidates with or merges into any other person and shall not be the continuing or surviving corporation or entity in such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any person, then, and in each case, proper provision shall be made so that the successor and assign of Parent or the Surviving Corporation, as the case may be, honor the obligations set forth with respect to Parent or the Surviving Corporation, as the case may be, in Section 7.07, respectively.

SECTION 10.05. Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at Law or equity.

SECTION 10.06. No Survival of Representations and Warranties. The representations and warranties in this Agreement shall terminate at the Appointment Time or, except as otherwise provided in Section 9.02, upon the termination of this Agreement pursuant to Section 9.01, as the case may be. The covenants and agreements in this Agreement shall terminate at the Effective Time; provided that any covenant or agreement in this Agreement which contemplates performance after the Effective Time, including, without limitation, the covenants contained in Article III and Sections 7.07 and 9.03, shall survive the Effective Time in accordance with this Agreement.

SECTION 10.07. Governing Law. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of New York applicable to contracts executed in and to be performed in that State (other than those provisions set forth herein that are required to be governed by DGCL). All actions and proceedings arising out of or relating to this Agreement shall be heard and determined exclusively in any New York state or federal court sitting in the Borough of Manhattan of The City of New York. The parties hereto hereby (a) submit to the exclusive jurisdiction of any state or federal court sitting in the Borough of Manhattan of The City of New York for the purpose of any Action arising out of or relating to this Agreement brought by any party hereto, and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such Action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the Action is brought in an inconvenient forum, that the venue

of the Action is improper, or that this Agreement or the Transactions may not be enforced in or by any of the above-named courts.

SECTION 10.08. Headings. The descriptive headings contained in this Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 10.09. Counterparts. This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

SECTION 10.10. Waiver of Jury Trial. Each of the parties hereto hereby waives to the fullest extent permitted by applicable Law any right it may have to a trial by jury with respect to any litigation directly or indirectly arising out of, under or in connection with this Agreement or the Transactions. Each of the parties hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce that foregoing waiver and (b) acknowledges that it and the other hereto have been induced to enter into this Agreement and the Transactions, as applicable, by, among other things, the mutual waivers and certifications in this Section 10.10.

IN WITNESS WHEREOF, Parent, Purchaser and the Company have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

STMICROELECTRONICS N.V.

By /s/ Carlo Bozotti
Title: President and Chief Executive Officer

SOPHIA ACQUISITION CORP.

By /s/ Archibald Malone
Title: President

GENESIS MICROCHIP INC.

By /s/ Elias Antoun
Title: President and Chief Executive Officer

ANNEX A

Conditions to the Offer

Notwithstanding any other provision of the Offer, Purchaser shall not be required to accept for payment any Shares tendered pursuant to the Offer, and may extend, terminate or amend the Offer, if (i) immediately prior to the expiration of the Offer, the Minimum Condition shall not have been satisfied, (ii) any applicable waiting period under the HSR Act or the Foreign Antitrust Laws set forth on Schedule A of the Disclosure Letter shall not have expired or been terminated prior to the expiration of the Offer or (iii) at any time on or after the date of this Agreement and prior to the expiration of the Offer, any of the following conditions shall exist and be continuing:

(a) there shall have been instituted or be pending any Action by any Governmental Authority (i) challenging or seeking to make illegal, materially delay, or otherwise, directly or indirectly, restrain or prohibit or make materially more costly, the making of the Offer, the acceptance for payment of any Shares by Parent, Purchaser or any other affiliate of Parent, the purchase of Shares pursuant to the Merger Option or the consummation of any other Transaction, or seeking to obtain material damages in connection with any Transaction; (ii) seeking to prohibit or limit materially the ownership or operation by the Company, Parent or any of their subsidiaries of all or any of the business or assets of the Company, Parent or any of their subsidiaries or to compel the Company, Parent or any of their subsidiaries, as a result of the Transactions, to divest or hold separate, or enter into any licensing or similar arrangement with respect to, all or any portion of the business or assets (whether tangible or intangible) of the Company, Parent or any of their subsidiaries that is material to either Parent and its subsidiaries or the Company and the Subsidiaries, in each case, taken as a whole; (iii) seeking to impose or confirm any limitation on the ability of Parent, Purchaser or any other affiliate of Parent to exercise effectively full rights of ownership of any Shares, including, without limitation, the right to vote any Shares acquired by Purchaser pursuant to the Offer or the Merger Option or otherwise on all matters properly presented to the Company's stockholders, including, without limitation, the adoption of this Agreement and the Transactions; (iv) seeking to require divestiture by Parent, Purchaser or any other affiliate of Parent of any Shares; or (v) which otherwise would have a Material Adverse Effect;

(b) any Governmental Authority or court of competent jurisdiction shall have issued an order, decree, injunction or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting or materially delaying or preventing the Transactions and such order, decree, injunction, ruling or other action shall have become final and non-appealable;

(c) there shall have been any statute, rule, regulation, legislation or interpretation enacted, promulgated, amended, issued or deemed applicable to (A) Parent, the Company or any subsidiary or affiliate of Parent or the Company or (B) any Transaction, by any United States or non-United States legislative body or Governmental

Authority with appropriate jurisdiction, other than the routine application of the waiting period provisions of the HSR Act or Foreign Antitrust Laws to the Offer or the Merger, that is reasonably likely to result in any of the consequences referred to in clauses (i) through (v) of paragraph (a) above;

(d) any Material Adverse Effect shall have occurred since the date of this Agreement;

(e) (i) the representations and warranties of the Company contained in Section 4.03(a) shall not be true and correct (except for inaccuracies regarding the number of Shares, Company Stock Options or Company Stock Awards that in the aggregate are less than 0.5% of the outstanding Shares on a Fully Diluted Basis as of the date of this Agreement) or (ii) the representations and warranties of the Company contained in Section 4.14 shall not be true and correct in all material respects (without giving effect to any qualifications or limitations as to materiality or Material Adverse Effect set forth therein) or (iii) the representations and warranties of the Company contained in any other Section of the Agreement shall not be true and correct (without giving effect to any qualifications or limitations as to materiality or Material Adverse Effect set forth therein), in each of cases (i), (ii) and (iii), as of the date of the Agreement and as of the date of determination as though made on the date of determination (except to the extent that such representation or warranty expressly relates to a specified date, in which case as of such specified date), except, in the case of clause (ii), where the failure of such representations and warranties to be true and correct in all material respects as of such dates is not material to the business of the Company and the Subsidiaries as currently conducted, taken as a whole, and in the case of clause (iii), where the failure of such representations and warranties to be true and correct as of such dates, has not had a Material Adverse Effect;

(f) the Company shall have failed to perform, in any material respect, any obligation or to comply, in any material respect, with any agreement or covenant of the Company to be performed or complied with by it under this Agreement;

(g) this Agreement shall have been terminated in accordance with its terms; or

(h) the Company shall not have furnished Parent immediately prior to the expiration of the Offer with a certificate signed on the Company's behalf by its Chief Executive Officer or Chief Financial Officer attesting to the conditions set forth in items (e) and (f) of this Annex A,

and which, in the reasonable and good faith judgment of Purchaser in any such case, and regardless of the circumstances (including any action or inaction by Parent or any of its affiliates) giving rise to any such condition, makes it inadvisable to proceed with such acceptance for payment.

The foregoing conditions are for the sole benefit of Purchaser and Parent and may be asserted by Purchaser or Parent regardless of the circumstances giving rise to any such condition or may be waived by Purchaser or Parent in whole or in part at any time and from time

to time in their sole discretion. The failure by Parent or Purchaser at any time to exercise any of the foregoing rights shall not be deemed a waiver of any such right; the waiver of any such right with respect to particular facts and other circumstances shall not be deemed a waiver with respect to any other facts and circumstances; and each such right shall be deemed an ongoing right that may be asserted at any time and from time to time.

Exhibit (d)(2)

STMICROELECTRONICS N.V.

December 10, 2007

Mr. Elias Antoun
President and Chief Executive Officer
Genesis Microchip Inc.

Dear Elias:

In connection with the Agreement and Plan of Merger among STMicrolelectronics N.V ("*ST*"), ST Acquisition Corp. and Genesis Microchip Inc. (the "*Company*"), dated as of the date hereof (the "*Merger Agreement*"), on behalf of ST, I am pleased to offer you employment effective as of the Acceptance Time (as defined in the Merger Agreement), in accordance with the terms of this letter agreement (the "*Agreement*"). This Agreement, in all respects, is subject to and conditioned on the occurrence of the Merger (as defined in the Merger Agreement) and, in the event the Merger does not occur, shall be void *ab initio* and without effect.

1. Title. Your job title will be Group Vice President, TV and Monitors Division General Manager.

2. Base Salary. Your base salary will be at the rate of $400,000 per annum ("*Base Salary*").

3. Annual Bonus. You will be eligible to participate in the applicable Sophia annual bonus plan and, subject to and in accordance with the terms of the plan, to receive payment of an annual bonus ("*Annual Bonus*") of up to 30% of Base Salary. Your Annual Bonus for any year will be payable, subject to your continued employment with ST on the date of payment, during (but not later than March 15 of) the following year.

4. Performance Bonus. For each of the 2008, 2009 and 2010 calendar years, you will be eligible to receive an extraordinary performance bonus ("*Performance Bonus*") of up to 30% of Base Salary for 2008, 25% of Base Salary for 2009 and 20% of Base Salary for 2010, based on the achievement of agreed upon performance goals for the applicable year. Your Performance Bonus for any year will be payable in two, equal installments, in each case, subject to your continued employment with ST on the applicable payment date. The initial installment for any year will be payable during (but not later than March 15 of) the following year. The second installment will be payable on or before March 15, 2011.

5. Retention Bonus. For each of the 2008 and 2009 calendar years, you will be eligible to receive an employee retention bonus ("*Retention Bonus*") of up to 25% of Base Salary for 2008 and 20% of Base Salary for 2009, based on the achievement of specified employee retention goals for the applicable year. In each case, your Retention Bonus will be payable, subject to your continued employment with ST on the date of payment, on or before March 15, 2010.

6. Stock Award. During each of 2008, 2009 and 2010, subject to the approval of the Supervisory Board of ST, you will be eligible to receive an award of 7,500 ST common shares, pursuant to and in accordance with the terms of ST's performance share plan.

7. Company Car. You will receive a monthly car allowance in accordance with the applicable ST policy as in effect from time to time.

Your employment with ST will be "at will" and subject to the applicable ST employment policies as in effect from time to time. In the event that your employment is terminated prior to December 31, 2009, for any reason, other than for cause, you will receive 12 months of your Base Salary in effect at the time of your employment termination date, payable in regular installments in accordance with ST's applicable payroll practices, and will continue to receive health insurance coverage for you and your dependents, at the rates in effect for active employees, for a period of up to 12 months. In addition, you will receive a portion of your Annual Bonus and a portion of the initial installment of your Performance Bonus for the year in which your employment terminates, in each case, prorated for the period elapsed prior to your date of termination. The amount of each payment will be determined based on actual achievement of the relevant performance goals during the year and will be payable during (but not later than March 15 of) the following year.

The Company has represented that the Compensation Committee of its Board of Directors has approved the terms of this Agreement in the manner contemplated by Rule 14d-10(d)(2) under the Securities and Exchange Act of 1934, as amended. By entering into this Agreement, you agree that your offer letter with the Company, dated November 10, 2004, the Change of Control Severance Agreement between you and the Company, dated March 2, 2007, and any other agreement or understanding relating to the subject matter of this Agreement are superseded.

[Remainder of the page intentionally left blank]

Please indicate your acceptance of the foregoing by signing this Agreement in the space below.

Sincerely,

/s/ Carlo Bozotti
President and Chief Executive Officer
STMicroelectronics N.V.

Accepted and agreed:

/s/ Elias Antoun
Elias Antoun
President and Chief Executive Officer
Genesis Microchip Inc.

Exhibit (d)(3)

November 14, 2007

STMicroelectronics N.V. Amsterdam
Chemin du Champ-des-Filles 39
Case Postale 21
CH-1228 GENEVA, Plan-les-Ouates – Switzerland

Re: Confidentiality Agreement

Ladies and Gentlemen:

In connection with the possible transaction ("Proposed Transaction") between Genesis Microchip Inc., a Delaware corporation ("Genesis") and STMicroelectronics N.V, a company incorporated under the laws of the Netherlands ("Company"), and solely in order to allow Genesis and Company to evaluate the Proposed Transaction, each of Genesis and Company have and will convey or deliver to the other party hereto, upon the execution and delivery of this letter agreement by such other party, certain information about its properties, employees, finances, businesses and operations (such party when disclosing such information being the "Disclosing Party" and when receiving such information being the "Receiving Party"). All information (i) about the Disclosing Party or (ii) about any third party (which information was provided to the Disclosing Party subject to an applicable confidentiality obligation to such third party), furnished by the Disclosing Party or its Representatives (as defined below) to the Receiving Party or its Representatives, whether furnished before or after the date hereof, and regardless of the manner in which it is furnished, is referred to in this letter agreement as "Proprietary Information." Proprietary Information shall not include, however, information which (i) is or becomes generally available to the public other than as a result of a disclosure by the Receiving Party or its Representatives in violation of this letter agreement; (ii) was available to the Receiving Party on a nonconfidential basis prior to its disclosure by the Disclosing Party or its Representatives; (iii) becomes available to the Receiving Party on a nonconfidential basis from a person other than the Disclosing Party or its Representatives who to the Receiving Party's knowledge is not otherwise bound by a confidentiality agreement with the Disclosing Party or any or its Representatives, or is otherwise not under an obligation to the Disclosing Party or any of its Representatives not to transmit the information to the Receiving Party; (iv) was independently developed by the Receiving Party without reference to or use of the Proprietary Information or (v) is, upon the advice of the Receiving Party's legal counsel, required to be disclosed by Law (as defined below). For purposes of this letter agreement, (i) "Representative" shall mean, as to any person, its affiliates, directors, officers, employees, agents and advisors (including, without limitation, financial advisors, attorneys and accountants); and (ii) "person" shall be broadly interpreted to include, without limitation, any corporation, company, partnership, other entity or individual.

Subject to the immediately succeeding paragraph, unless otherwise agreed to in writing by the Disclosing Party, the Receiving Party (i) except as required by law, shall keep all Proprietary Information confidential, shall not disclose or reveal any Proprietary Information to any person other than its Representatives who are actively and directly participating in its evaluation of the Proposed Transaction or who otherwise need to know the Proprietary Information for the purpose of evaluating the Proposed Transaction and shall cause those persons to observe the terms of this letter agreement; (ii) shall not use Proprietary Information for any purpose other than in connection with its evaluation of the Proposed Transaction or the consummation of the Proposed Transaction; and (iii) except as required by law, shall not disclose to any person (other than those of its Representatives who are actively and directly participating in its evaluation of the Proposed Transaction or who otherwise need to know for the purpose of evaluating the Proposed Transaction and, in the case of its Representatives, whom it will cause to observe the terms of this letter agreement) any information about the Proposed Transaction, or the terms or conditions or any other facts relating thereto, including, without limitation, the fact that discussions are taking place with respect thereto or the status thereof, the existence of this letter agreement or the fact that Proprietary Information has been made available to the Receiving Party or its Representatives. The Receiving Party shall be responsible for any breach of the terms of this letter agreement by it or its Representatives.

In the event that the Receiving Party or any of its Representatives are requested pursuant to, or required by, applicable law or regulation (including, without limitation, any rule, regulation or policy statement of any national securities exchange, market or automated quotation system on which any of the Receiving Party's securities are listed or quoted) or by legal process ("Law") to disclose any Proprietary Information or any other information concerning the Disclosing Party or the Proposed Transaction, the Receiving Party shall provide the Disclosing Party with prompt notice of such request or requirement in order to enable the Disclosing Party (i) to seek an appropriate protective order or other remedy, (ii) to consult with the Receiving Party with respect to the Disclosing Party's taking steps to resist or narrow the scope of such request or legal process or (iii) to waive compliance, in whole or in part, with the terms of this letter agreement. In the event that such protective order or other remedy is not obtained, or the Disclosing Party waives compliance, in whole or in part, with the terms of this letter agreement, the Receiving Party or its Representative shall use commercially reasonable efforts to disclose only that portion of the Proprietary Information which is legally required to be disclosed and to ensure that all Proprietary Information that is so disclosed will be accorded confidential treatment. In the event that the Receiving Party or its Representatives shall have complied fully with the provisions of this paragraph, such disclosure may be made by the Receiving Party or its Representatives without any liability hereunder.

For a period commencing with the date of this letter agreement and ending at the earlier of (i) 11:59 p.m. (New York City time) on the first anniversary of the date of this letter agreement and (ii) the occurrence of a Significant Event (as defined below), the Company shall not, and shall cause its Representatives not to on the Company's behalf, without the prior written consent of Genesis or Genesis's board of directors:

(a) acquire, offer to acquire, seek, propose or agree to acquire, directly or indirectly, by purchase or otherwise, any voting securities or beneficial ownership (as defined in Rule 13d-3 under the Exchange Act) or direct or indirect rights to acquire any voting securities of

Genesis or any subsidiary thereof, or of any successor to or person in control of Genesis, or any assets of Genesis or any subsidiary or division thereof or of any such successor or controlling person;

(b) make, or in any way participate, directly or indirectly, in any "solicitation" of "proxies" to vote (as such terms are used in the rules of the Securities and Exchange Commission ("SEC")), or seek to advise or influence any person or entity with respect to the voting of any voting securities of Genesis or any subsidiary thereof;

(c) make any public announcement with respect to, or submit a proposal for, or offer of (with or without conditions) any extraordinary transaction involving Genesis or any subsidiary thereof or any of their securities or assets;

(d) enter into any discussions, negotiations, arrangements or understandings with any third party with respect to the foregoing, or otherwise form, join or in any way participate in a "group" as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), in connection with any of the foregoing;

(e) take any action that would reasonably be expected to require Genesis to make a public announcement regarding the possibility of any of the events described in clauses (a) through (e) above; or

(f) request Genesis, its board of directors or any of its Representatives, directly or indirectly, to amend or waive any provision of this paragraph (including without limitation, clauses (a) through (e) above, and this clause (f)).

A "Significant Event" shall mean any of the following: (a) the acquisition by any person or group of beneficial ownership of voting securities of Genesis representing 10% or more of the then outstanding voting securities of Genesis; (b) the announcement or commencement by any person or group other than Genesis of a tender or exchange offer to acquire voting securities of Genesis which, if successful, would result in such person or group owning, when combined with any other voting securities of Genesis owned by such person or group, 10% or more of the then outstanding voting securities of Genesis; and (c) Genesis enters into any merger, sale or other business combination transaction pursuant to which the outstanding shares of common stock of Genesis (the "Common Stock") would be converted into cash or securities of another person or group or 50% or more of the then outstanding shares of Common Stock would be owned by persons other than current holders of shares of Common Stock, or which would result in all or a substantial portion of the Company's assets being sold to any person or group.

For a period commencing with the date of this letter agreement and ending at 11:59 p.m. (New York City time) on the first anniversary of the date of this letter agreement, each party agrees that neither it nor its Representatives will directly or indirectly, solicit for employment or employ any current executive officer of the other party or any current employee of the other party that such party has access to in connection with the Possible Transaction; provided, however, that such party shall not be precluded from soliciting or hiring any such person who responds to general or public solicitation not targeted at such persons (including by a bona fide search firm); and provided further

that such party shall not be precluded from soliciting or hiring any such person that was known to such party prior to the Possible Transaction.

To the extent that any Proprietary Information may include material subject to the attorney-client privilege, work product doctrine or any other applicable privilege concerning pending or threatened legal proceedings or governmental investigations, the parties understand and agree that they have a commonality of interest with respect to such matters and it is their desire, intention and mutual understanding that the sharing of such material is not intended to, and shall not, waive or diminish in any way the confidentiality of such material or its continued protection under the attorney-client privilege, work product doctrine or other applicable privilege. All Proprietary Information provided by a party that is entitled to protection under the attorney-client privilege, work product doctrine or other applicable privilege shall remain entitled to such protection under these privileges, this letter agreement, and under the joint defense doctrine. Nothing in this letter agreement obligates any party to reveal material subject to the attorney-client privilege, work product doctrine or any other applicable privilege.

If either party hereto shall determine that it does not wish to proceed with the Proposed Transaction, such party shall promptly advise the other party of that decision. In that case, or in the event that the Disclosing Party, in its sole discretion, so requests or the Proposed Transaction is not consummated by the Receiving Party, upon the Disclosing Party's written request the Receiving Party shall, at the Receiving Party's election, return to the Disclosing Party or destroy all Proprietary Information (provided that any such destruction shall be certified by a duly authorized Representative of the Receiving Party) all copies, reproductions, summaries, analyses or extracts thereof or based thereon (whether in hard copy form or on intangible media, such as electronic mail or computer files) in the Receiving Party's possession or in the possession of any Representative of the Receiving Party, provided that one copy of all such Proprietary Information and other materials may be kept in the Receiving Party's office of the general counsel solely for legal compliance purposes.

Subject to the terms and conditions of a definitive agreement regarding the Proposed Transaction and without prejudice thereto, each party hereto acknowledges that neither it nor its Representatives nor any of the officers, directors, employees, agents or controlling persons of such Representatives makes any express or implied representation or warranty as to the completeness of the Proprietary Information. The Receiving Party shall not be entitled to rely on the completeness of any Proprietary Information, but shall be entitled to rely solely on such representations and warranties regarding the completeness of the Proprietary Information as may be made to it in any definitive agreement relating to the Proposed Transaction, subject to the terms and conditions of such agreement.

Until a definitive agreement regarding the Proposed Transaction has been executed by the parties hereto, neither party hereto shall be under any legal obligation or have any liability to the other party of any nature whatsoever with respect to the Proposed Transaction by virtue of this letter agreement or otherwise (other than with respect to the confidentiality and other matters set forth herein and pursuant to the exclusivity agreement dated as of the date hereof, between Genesis and the Company). Each party hereto and its Representatives (i) may conduct the process that may or may not result in the Proposed Transaction in such manner as such party, in its sole discretion, may

determine (including, without limitation, negotiating and entering into a definitive agreement with any third party without notice to the other party) and (ii) reserves the right to change (in its sole discretion, at any time and without notice to the other party) the procedures relating to the parties' consideration of the Proposed Transaction (including, without limitation, terminating all further discussions with the other party and requesting that the other party return or destroy the Proprietary Information as described above).

Each party is aware, and will advise its Representatives who are informed of the matters that are the subject of this letter agreement, of the restrictions imposed by the United States securities laws on the purchase or sale of securities by any person who has received material, non-public information from the issuer of such securities and on the communication of such information to any other person when it is reasonably foreseeable that such other person is likely to purchase or sell such securities in reliance upon such information.

It is understood and agreed that money damages would be an insufficient remedy for any actual or threatened breach of this letter agreement by either party or its representative and without prejudice to the rights and remedies otherwise available to either party hereto, each party hereto shall be entitled to equitable relief by way of injunction or otherwise if the other party or any of its Representatives breach or threaten to breach any of the provisions of this letter agreement.

It is further understood and agreed that no failure or delay by either party hereto in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

This letter agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed in and to be performed in that State. Each of the parties hereto hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the State of New York and of the United States, in each case located in the County of New York, for any litigation arising out of or relating to this letter agreement (and agrees not to commence any litigation relating thereto except in such courts), and further agrees that service of any process, summons, notice or document by U.S. registered mail to its respective address set forth in this letter agreement shall be effective service of process for any litigation brought against it in any such court. Each of the parties hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of this letter agreement in the courts of the State of New York or the United States, in each case located in the County of New York, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such litigation brought in any such court has been brought in an inconvenient forum.

The provisions of this letter agreement shall inure to the benefit of, and be binding upon, the successors of the parties.

This letter agreement contains the entire agreement between the parties hereto concerning confidentiality of their respective Proprietary Information, and no modification of this letter agreement or waiver of the terms and conditions hereof shall be binding upon either party hereto, unless approved in writing by each such party.

This letter agreement supersedes the Mutual Confidentiality Agreement of the parties dated August 29, 2007 (the “Prior Confidentiality Agreement”). Any Proprietary Information (as such term is defined in this letter agreement) provided pursuant to the Prior Confidentiality Agreement that shall be treated a Proprietary Information under this letter agreement. Upon the effectiveness of this letter agreement, the Prior Confidentiality Agreement is hereby terminated.

Please confirm your agreement with the foregoing by signing and returning to the undersigned the duplicate copy of this letter enclosed herewith.

Genesis Microchip, Inc.

By: /s/ Hildy Shandell

Name: Hildy Shandell
Title: Senior Vice President, Corporate Development

ACCEPTED AND AGREED as of
the date first written above:

STMICROELECTRONICS N.V

By: /s/ Andrea Cuomo

Name: Andrea Cuomo
Title: Executive Vice President, Chief Strategy
and Technology Officer

Exhibit (d)(4)

November 14, 2007

Genesis Microchip Inc.
2525 Augustine Drive
Santa Clara, California 95054

Exclusivity Agreement

Ladies and Gentlemen:

Reference is made to the proposal letter (the "Proposal Letter"), dated November 4, 2007, as attached hereto, which describes certain terms of a possible acquisition (the "Transaction") of Genesis Microchip Inc. (the "Company") by STMicroelectronics N.V. (the "Parent"). In recognition of the significant costs to be borne by Parent in conducting the requisite due diligence on the Company in connection with the Transaction and negotiating the definitive agreement relating to the Transaction (the "Agreement") and in consideration of the mutual undertakings set forth herein, the Company and the Parent hereby agree as follows:

1. Exclusivity. (a) From the date of this letter agreement through the earlier of (i) the execution of the Agreement and (ii) 11:59 p.m. on December 6, 2007, none of the Company, any of its subsidiaries, or any of their respective officers or directors will, or shall cause their respective employees, affiliates, agents or other representatives, to (A) solicit, initiate, knowingly encourage or accept any other inquiries, proposals or offers from any Person (as defined below) (1) relating to any acquisition or purchase of all or any portion of the capital stock of the Company or any of its subsidiaries other than pursuant to existing employee plans in the ordinary course of business or all or any portion of the assets of the Company (other than sales of products and components in the ordinary course of business) or any of its subsidiaries, (2) to enter into any merger, recapitalization, reorganization or other business combination with the Company or any of its subsidiaries or (3) to enter into any other extraordinary business transaction outside the ordinary course of business involving or otherwise relating to the Company or any of its subsidiaries which would be inconsistent with or would prevent or materially delay the Transaction (any of the transactions described in clauses (1), (2) or (3) being referred to herein as a "Business Combination") or (B) participate in any discussions, conversations, negotiations or other communications with any other Person regarding, or furnish to any other Person any information with respect to (in each case other than, subject to the terms of the Confidentiality Agreement (as defined below), communications with the Company's current and potential customers, suppliers and distributors in the ordinary course of business), or otherwise cooperate in any way, assist or participate in, facilitate or knowingly encourage any effort or attempt by any other Person to seek to do, any of the foregoing. The Company immediately shall cease and cause to be terminated all existing discussions, conversations,

negotiations and other communications with any Persons conducted heretofore with respect to any of the foregoing.

(b) As used in this letter agreement, "Person" means any individual, partnership, firm, corporation, limited liability company, association, trust, unincorporated organization or other entity, as well as any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended.

2. Intentions of the Parties. The Proposal Letter constitutes only a preliminary, non-binding statement of the intentions of the parties, does not contain all matters upon which agreement must be reached for the Transaction to be consummated and creates no legal obligations on the part of any party hereto. A binding commitment with respect to the Transaction will result only from the execution of the Agreement. It is understood that (a) the Proposal Letter does not constitute an obligation or commitment of any party to enter into the Agreement, (b) any obligations or commitments to proceed with the Transaction shall be contained only in the Agreement and (c) the execution, delivery and performance of the Agreement will require the approval of the board of directors and stockholders of the Company and the Supervisory Board of the Parent. Notwithstanding the foregoing, the provisions of this letter agreement will be fully binding upon the execution hereof.

3. Confidentiality. The parties agree that the existence of this letter agreement and the terms hereof shall be treated as "Proprietary Information" (as such term is defined in the Confidentiality Agreement (the "Confidentiality Agreement"), dated November 14, 2007, between the Company and the Parent), in accordance with the terms of the Confidentiality Agreement.

4. Assignment. This letter agreement may not be assigned by operation of law or otherwise without the express written consent of the Company and the Parent (which consent may be granted or withheld in the sole discretion of the Company or the Parent); provided, however, that the Parent may assign this letter agreement or any of its rights and obligations hereunder to one or more affiliates of the Parent without the consent of the Company.

5. No Third Party Beneficiaries. This letter agreement shall be binding upon and inure solely to the benefit of the parties hereto and their permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this letter agreement.

6. Entire Agreement. This letter agreement constitutes the entire agreement of the Company and the Parent hereto with respect to the subject matter hereof and supersedes all other prior agreements and undertakings, both written and oral, between the Company and the Parent with respect to the subject matter hereof.

7. Amendment. This letter agreement may not be amended or modified except (a) by an instrument in writing signed by, or on behalf of, the Company and the Parent or (b) by a waiver pursuant to Section 8 below.

8. Waiver. Either party to this letter agreement may (a) extend the time for the performance of any obligations or other acts of the other party, (b) waive any inaccuracies in the representations and warranties of the other party contained herein or in any document delivered by the other party pursuant hereto or (c) waive compliance with any of the agreements of the other party or conditions to such party's obligations contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party to be bound thereby. Any waiver of any term or condition shall not be construed as a waiver of any subsequent breach or a subsequent waiver of the same term or condition, or a waiver of any other term or condition of this letter agreement. The failure of any party to assert any of its rights hereunder shall not constitute a waiver of any such rights.

9. Severability. If any term or other provision of this letter agreement is invalid, illegal or incapable of being enforced by any law or public policy, all other terms and provisions of this letter agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this letter agreement is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this letter agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated by this letter agreement are consummated as originally contemplated to the greatest extent possible.

10. Counterparts. This letter agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

11. Governing Law. This letter agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts executed in and to be performed in that State. Each of the parties hereto hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the State of New York and of the United States, in each case located in the County of New York, for any litigation arising out of or relating to this letter agreement (and agrees not to commence any litigation relating thereto except in such courts), and further agrees that service of any process, summons, notice or document by U.S. registered mail to its respective address set forth in this letter agreement shall be effective service of process for any litigation brought against it in any such court. Each of the parties hereto hereby irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of this letter agreement in the courts of the State of New York or the United States, in each case located in the County of New York, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such litigation brought in any such court has been brought in an inconvenient forum.

Please confirm your agreement with the foregoing by signing and returning to the undersigned the duplicate copy of this letter enclosed herewith.

Very truly yours,

STMICROELECTRONICS N.V.

By: /s/ Andrea Cuomo
Name: Andrea Cuomo
Title: Executive Vice President, Chief Strategy and Technology Officer

Accepted and agreed as of
the date first written above:

GENESIS MICROCHIP INC.

By: /s/ Hildy Shandell
Name: Hildy Shandell
Title: Senior Vice President, Corporate Development