

Ikanos Communications, Inc. Acquires Centillium Communications, Inc's DSL Business

"The sale of our DSL business will allow us to focus our resources on Optical and VoIP, our two key growth businesses."

- **Faraj Aalaei**, co-founder and CEO, Centillium

Overview

Centillium Communications, Inc. is a leading innovator of high performance, cost-effective semiconductor solutions for broadband access. The company was looking for a way to focus its resources on Optical and VoIP, their key businesses.



Pagemill Engagement

Pagemill Partners was asked to serve as the sole financial advisor to Centillium Communications in its efforts to determine the best path to maximize shareholder value. After extensive analysis, Pagemill recommended divesting the DSL unit so that Centillium could focus on its higher growth PON and VoIP businesses. Pagemill believed, and Centillium's management and Board agreed, that divesting the DSL unit would provide the added benefit of making Centillium more attractive to potential acquirers in the future.

With strong ties in the semiconductor industry, and deep domain knowledge of the communications IC market, Pagemill conducted an effective search and secured meetings with a broad range of prospective acquirers in the US, Asia and Europe. Ikanos was the most interested party, but as they were a direct competitor to Centillium, a variety of issues emerged. Pagemill was able to help overcome these issues and ensure timely completion of the transaction. Under terms of the agreement, Ikanos will acquire Centillium's DSL business including assets, technology and a number of the employees from its DSL team.

Pagemill Delivers Results

The deal is a win-win: Centillium will be able to focus more closely on its core VoIP and Optical business, while reducing its operating expenses and ensuring that Centillium customers around the world will be supported. Ikanos, on the other hand, has acquired a significant new business with a strong installed base of customers.