Filed by the Registrant [X]
Filed by a Party other than the Registrant [ ]
Check the appropriate box:
[ ] Preliminary Proxy Statement
[ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a−6(e)(2))
[X] Definitive Proxy Statement
[ ] Definitive Additional Materials
[ ] Soliciting Material Pursuant to Section §240.14a−12

ANADIGICS, INC.
(Name of Registrant as Specified In Its Charter)

Payment of Filing Fee (Check the appropriate box):
[X] No fee required.
[ ] Fee computed on table below per Exchange Act Rules 14a−6(i) (1) and 0−11.
    (1) Title of each class of securities to which transaction applies:
    (2) Aggregate number of securities to which transaction applies:
    (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0−11 (Set
    forth the amount on which the filing fee is calculated and state how it was determined):
    (4) Proposed maximum aggregate value of transaction:
    (5) Total fee paid:
[ ] Fee paid previously with preliminary materials.
[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0−11(a)(2) and identify the filing for
    which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the
    Form or Schedule and the date of its filing.
    (1) Amount Previously Paid:
    (2) Form, Schedule or Registration Statement No.:
    (3) Filing Party:
    (4) Date Filed:
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD MAY 8, 2012

TO THE STOCKHOLDERS:

The Annual Meeting of Stockholders (the “Annual Meeting”) of ANADIGICS, Inc., a Delaware corporation (“ANADIGICS”), will be held on May 8, 2012 at 10:00 o’clock a.m. (E.S.T.), at the Somerset Hills Hotel, 200 Liberty Corner Road (Route 525), Warren, New Jersey 07059, for the purpose of considering and acting upon the following:

1) The election of two Class II Directors of ANADIGICS to hold office until 2015.
2) The ratification of the appointment of Ernst & Young LLP as independent registered public accountants of ANADIGICS for the fiscal year ending December 31, 2012.
3) The approval, on an advisory basis, of the compensation of our Named Executive Officers.
4) The transaction of such other business as may properly be brought before the meeting or any adjournment thereof.

The Board of Directors recommends a vote “FOR” the Director nominees and “FOR” Items 2 and 3.

Only stockholders of record at the close of business on March 21, 2012 are entitled to notice of and to vote at the Annual Meeting of Stockholders and any adjournment or postponement thereof. Admission to the Annual Meeting will be by ticket only. If you are a registered stockholder planning to attend the meeting, please check the appropriate box on the proxy card (the “Proxy”) and retain the bottom portion of the card as your admission ticket. If your shares are held through an intermediary such as a bank or broker, follow the instructions in the Proxy Statement to obtain a ticket. For at least ten (10) days prior to the Annual Meeting, a list of stockholders entitled to vote at the Annual Meeting will be open for the examination of any stockholder, for any purpose germane to the Annual Meeting, during ordinary business hours at the office of ANADIGICS.

Stockholders are cordially invited to attend the Annual Meeting. However, whether or not a stockholder plans to attend, each stockholder is urged to sign, date, and return promptly the enclosed Proxy in the accompanying envelope.

By order of the Board of Directors,
/s/ Bradley W. Yates
Secretary

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on May 8, 2012:

ANADIGICS, Inc.
141 Mt. Bethel Road
Warren, NJ 07059

PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS
SOLICITATION OF PROXIES
GENERAL INFORMATION

This Proxy Statement and the enclosed Proxy are furnished to stockholders in connection with the solicitation of proxies by the Board of Directors of ANADIGICS, Inc., a Delaware corporation (“ANADIGICS” or the "Company"), for use at the Annual Meeting of Stockholders to be held on May 8, 2012, at 10:00 o’clock a.m. (E.S.T.), at the Somerset Hills Hotel, 200 Liberty Corner Road (Route 525), Warren, New Jersey 07059, and at any adjournment of the Annual Meeting.

The expenses of solicitation, including the cost of printing and mailing, will be paid by the Company. Officers and employees of the Company, without additional compensation, may solicit proxies personally, by telephone, email, or by facsimile. Arrangements will also be made with brokerage firms and other custodians, nominees and fiduciaries to forward proxy solicitation materials to the beneficial owners of shares held of record by such persons, and the Company will reimburse such entities for reasonable out-of-pocket expenses incurred by them in connection therewith.

NOTICE AND VOTING INSTRUCTIONS

Stockholders will receive either a Notice Card or a Proxy Card with overview information regarding the availability of proxy materials over the internet. Stockholders who have not already received and wish to receive a paper or email copy of the proxy materials must request one. There is no charge for requesting a copy. Requests can be made at the voting website, via telephone, or via email.

Voting by Internet: Use the internet link and control number provided to you on your Notice Card or Proxy Card. You may vote until 11:59 p.m., Eastern Time on May 7, 2012. You will need the control number provided on your Notice Card or Proxy Card to access the website.

Voting by Telephone: Call the toll-free telephone number provided on your Notice Card or Proxy Card. Telephone voting will be available until 11:59 p.m., Eastern Time on May 7, 2012. Detailed instructions will be provided during the call. The procedures are designed to authenticate votes cast by using the last 4 digits of a stockholder’s social security/taxpayer I.D. number.

Voting by Mail: Request a hardcopy of the proxy materials if you have not already received one. Then complete the Proxy Card, date and sign it, and return it in the envelope provided. Stockholders may also vote their shares in person at the Annual Meeting.

Attendance at the Annual Meeting will be limited to stockholders of record as of the close of business on March 21, 2012, their authorized representatives and guests of the Company. Admission will be by ticket only. For registered stockholders, the bottom portion of the proxy card enclosed with the Proxy Statement is their Annual Meeting ticket. Beneficial owners with shares held through an intermediary, such as a bank or broker, should request tickets in writing from Investor Relations, ANADIGICS, Inc., 141 Mt. Bethel Road, Warren, New Jersey 07059, and include proof of ownership, such as a bank or brokerage firm account statement or a letter from the broker trustee, bank or nominee holding their stock, confirming beneficial ownership. Stockholders who do not obtain tickets in advance may obtain them upon verification of ownership at the Registration Desk on the day of the Annual Meeting. Admission to the Annual Meeting will be facilitated if tickets are obtained in advance. Tickets may be issued to others at the discretion of the Company.

At the Annual Meeting, stockholders will be asked to (i) elect two Class II Directors, (ii) ratify the appointment of the Company’s independent registered public accounting firm and (iii) approve, on an advisory basis, the compensation of our Named Executive Officers. Because many of our stockholders are unable to personally attend the Annual Meeting, the Board of Directors solicits the enclosed proxy so that each stockholder is given an opportunity to vote. This proxy enables each stockholder to vote on all matters which are scheduled to
come before the meeting. When the proxy card is returned properly executed, the stockholder’s shares will be voted according to the stockholder’s directions. Stockholders are urged to specify their choices by marking the appropriate boxes on the enclosed proxy card. If no choice has been specified, the shares will be voted (i) FOR the election of the Director nominees listed below, (ii) FOR the ratification of the appointment of Ernst & Young LLP as the independent registered public accounting firm and (iii) FOR the approval, on an advisory basis, of the compensation of our Named Executive Officers.

Proxies marked as abstaining (including proxies containing broker non-votes) on any matter to be acted upon by the stockholders will be treated as present at the meeting for purposes of determining a quorum but will not be counted as votes cast on such matters.

The Board of Directors knows of no other business that will be presented at the Annual Meeting. If, however, other matters are properly presented, the persons named in the enclosed proxy will vote the shares represented thereby in accordance with their judgment on such matters.

A proxy may be revoked by giving the Secretary of ANADIGICS written notice of revocation at any time before the voting of the shares represented by the proxy. A stockholder who attends the meeting may cancel a proxy at the meeting. Votes will be counted as the majority of the total votes specifically received/voted on each proposal.

ANNUAL MEETING QUORUM REQUIREMENTS

The presence, in person or by proxy, of the holders of a majority of the issued and outstanding shares of the Company’s common stock, par value $0.01 per share (the “Common Stock”), entitled to vote (exclusive of shares held by or for the account of the Company) is necessary to constitute a quorum at the Annual Meeting of Stockholders. Abstentions and broker non-votes shall be counted for purposes of determining whether a quorum is present. Only holders of record of Common Stock at the close of business on March 21, 2012, the record date, are entitled to notice of and to vote at the Annual Meeting of Stockholders and any adjournment or postponement thereof.

As of March 21, 2012 the Company had issued and outstanding approximately 70,100,199 shares of Common Stock. Each share of Common Stock entitles the holder to one vote upon each matter to be voted upon.

Principal Stockholders and Share Ownership by Management and Directors

The following table sets forth as of March 21, 2012 certain information about beneficial stock ownership of (i) each person or entity we know to be the beneficial owner of more than five percent of our Common Stock, (ii) each Director (iii) the current executive officers named in the Summary Compensation Table, infra, (the “Named Executive Officers”) and (iv) all Directors and Named Executive Officers as a group. Unless specifically stated in the footnotes below, each Named Executive Officer and Director listed below has sole voting and investment power as to the shares of common stock listed beside his name.

In addition, unless otherwise indicated, the address of each beneficial owner listed is c/o ANADIGICS, Inc. 141 Mt. Bethel Road, Warren, New Jersey 07059.
<table>
<thead>
<tr>
<th>Name</th>
<th>Common Stock Beneficially Owned</th>
<th>% Beneficial Ownership**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schroder Investment Management North America Inc. 875 Third Avenue, 21st Floor New York, NY 10022</td>
<td>4,446,600</td>
<td>(1) 6.34%</td>
</tr>
<tr>
<td>Blackrock, Inc. 40 East 52nd Street New York, NY 10022</td>
<td>3,952,740</td>
<td>(2) 5.64%</td>
</tr>
<tr>
<td>Wentworth, Hauser &amp; Violich, Inc. 301 Battery Street, Suite 400 San Francisco, CA 94111-3203</td>
<td>3,891,000</td>
<td>(3) 5.55%</td>
</tr>
<tr>
<td>Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355</td>
<td>3,743,656</td>
<td>(4) 5.34%</td>
</tr>
<tr>
<td>Paul Bachow</td>
<td>204,656</td>
<td>(5) *</td>
</tr>
<tr>
<td>David Fellows</td>
<td>105,611</td>
<td>*</td>
</tr>
<tr>
<td>Terrence G. Gallagher</td>
<td>71,688</td>
<td>(6) *</td>
</tr>
<tr>
<td>Ronald Michels</td>
<td>550,948</td>
<td>(7) *</td>
</tr>
<tr>
<td>Harry T. Rein</td>
<td>197,492</td>
<td>(8) *</td>
</tr>
<tr>
<td>Ronald Rosenzweig</td>
<td>237,840</td>
<td>(9) *</td>
</tr>
<tr>
<td>Lewis Solomon</td>
<td>172,392</td>
<td>(10) *</td>
</tr>
<tr>
<td>Dennis F. Strigl</td>
<td>73,808</td>
<td>*</td>
</tr>
<tr>
<td>John van Saders</td>
<td>28,067</td>
<td>(11) *</td>
</tr>
<tr>
<td>All Directors and Named Executive Officers as a group</td>
<td>1,642,502</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

(1) This information is based on the Schedule 13G filed with the Securities and Exchange Commission (the “Commission”) on February 14, 2012 by Schroder Investment Management North America Inc. Schroder Investment Management North America Inc. reported having sole voting power and sole dispositive power with respect to 4,446,600 shares.

(2) This information is based on the Schedule 13G/A filed with the Securities and Exchange Commission (the “Commission”) on February 13, 2012 by Blackrock Inc. Blackrock Inc. reported having sole voting power and sole dispositive power with respect to 3,952,740 shares.

(3) This information is based on the Schedule 13G filed with the Securities and Exchange Commission (the “Commission”) on February 14, 2012 by Wentworth, Hauser & Violich, Inc. Wentworth, Hauser & Violich, Inc. reported having sole voting power for 945,000 shares and shared dispositive power with respect to 3,891,000 shares.

(4) This information is based on the Schedule 13G filed with the Securities and Exchange Commission (the “Commission”) on February 8, 2012 by The Vanguard Group Inc. The Vanguard Group Inc. reported having sole voting power for 90,009 shares, sole dispositive power with respect to 3,653,647 shares, and shared dispositive power for 90,009 shares.

(5) Includes 38,246 shares of Common Stock issuable pursuant to options, currently exercisable or exercisable within 60 days.

(6) Includes 24,927 shares of Common Stock issuable pursuant to options, currently exercisable or exercisable within 60 days and 4,085 of restricted stock units to vest on March 28, 2012.

(7) Includes 192,459 shares of Common Stock issuable pursuant to options, currently exercisable or exercisable within 60 days and 166,700 of restricted stock units to vest on March 28, 2012.

(8) Includes 83,246 shares of Common Stock issuable pursuant to options, currently exercisable or exercisable within 60 days.

(9) Includes 68,246 shares of Common Stock issuable pursuant to options, currently exercisable or exercisable within 60 days.

(10) Includes 28,246 shares of Common Stock issuable pursuant to options, currently exercisable or exercisable within 60 days.

(11) Includes 6,152 shares of Common Stock issuable pursuant to options, currently exercisable or exercisable within 60 days and 13,295 of restricted stock units to vest on March 28, 2012.

* Less than 1%.

** Calculated using shares outstanding as of March 21, 2012.
PROPOSAL I: ELECTION OF DIRECTORS

The Company’s by-laws provide that the Board of Directors shall be divided into three classes designated Class I, Class II and Class III with each class consisting as nearly as possible of one third of the total number of Directors constituting the Board of Directors; provided, however, that in no case will a decrease in the number of Directors shorten the term of any incumbent Director. The Board of Directors is presently comprised of seven members each of whom is independent within the NASDAQ listing standards except for Ronald Rosenzweig and Ronald Michels.

The term of office for each Director in Class I expires at the Annual Meeting in 2014; the term of office for each Director in Class II expires at the Annual Meeting in 2015; and the term of office for each Director in Class III expires at the Annual Meeting in 2013. At each annual meeting of stockholders, Directors will be elected for full terms of three years to succeed those Directors whose terms are expiring.

The Board of Directors has no reason to believe that any of the nominees will be unable to serve if elected. If any nominee becomes unavailable for election, then those shares voted for such nominee will be voted for the election of a substitute nominee selected by the persons named in the enclosed proxy.

Each of the nominees for Class II Director, Messrs. Michels and Bachow, will be elected to a term of office expiring at the Annual Meeting in 2015 if he receives the affirmative vote of a plurality of the votes of the shares of Common Stock present in person or by proxy and entitled to vote at the Annual Meeting. Messrs. Michels and Bachow are currently Class II Directors.

The Board of Directors recommends a vote “FOR” the Class II Director Nominees listed below:

RONALD MICHELS (Age 58)

Mr. Michels has served as Director, President and Chief Executive Officer since March 28, 2011 and served as Senior Vice President – Chief Technology and Strategy Officer of the Company since April 2009. Prior to that Mr. Michels was the Senior Vice President Broadband Products. Mr. Michels joined ANADIGICS in 1987 and has served in several management and executive positions during that time. Prior to joining ANADIGICS, he held various engineering and management positions in Lockheed Electronics, New Jersey Public Broadcasting, and K & M Broadcasting. Mr. Michels earned his Bachelor’s degree in Electrical Engineering from the New Jersey Institute of Technology. He holds several U.S. Patents, has authored a number of publications in the area of RF communications and serves on the Lehigh University Electrical & Computer Engineering Advisory Board.

Mr. Michels’ areas of relevant experience include knowledge of broadband and wireless product design, marketing and sales, communications systems, industry and customer base and semiconductor processing and manufacturing.

PAUL BACHOW (Age 60)

Mr. Bachow has served as a Director of the Company since January 1993. He has been President of Bachow & Associates, Inc., a private investment firm, since he founded the firm in 1989. Bachow & Associates, Inc. has acted as the manager of numerous hedge funds, private equity investment funds, portfolio companies and other investment vehicles. Typical investments have been in the communications, electronics, services and productivity areas. Mr. Bachow has a B.A. from American University, a J.D. from Rutgers University, along with a Master’s Degree in tax law from New York University, and is a C.P.A.

Mr. Bachow’s areas of relevant experience include investment expertise in communications and electronic areas; financial, tax reporting, management, corporate governance, merger and acquisition, and accounting expertise.
DAVID FELLOWS (Age 59)

Mr. Fellows has served as a Director of the Company since May 2007; serving as a member of the Company’s Technical Advisory Board from April 2003 until May 2007 and from January 2010 to present. Prior to that, he served as Director of the Company from September 1994 until April 2003. In addition, he became a general partner of Genovation Capital, LLC, an early stage venture capital company, in 2008. From 2003 to 2006 he was EVP and Chief Technology Officer at Comcast Cable, in charge of technology, engineering and technical operations, and from 2007 to 2010 he served Comcast as Executive Fellow. Prior to that, from December 2001 until their acquisition by Comcast in 2003 he was Chief Technology Officer at AT&T Broadband. Mr. Fellows received his Bachelor’s Degree in Engineering and Applied Physics from Harvard College and a Masters Degree in Electrical Engineering from Northeastern University. Mr. Fellows has also served on a number of private company and non-profit Boards. He is chair of the Data Standards Subcommittee for the SCTE, and was previously a member of the Board of Directors for CableLabs in Louisville, CO. He serves on and has served on, a number of Technical Advisory Boards.

Mr. Fellow’s areas of relevant experience include knowledge of technology, engineering and operations in the cable industry relevant to the Company’s broadband operations.

RONALD ROSENZWEIG (Age 74)

Mr. Rosenzweig, a co-founder of ANADIGICS in 1985, has served as a Director of the Company since its inception and previously was Vice-Chairman of the Board of Directors from August 2008 to September 2009. Mr. Rosenzweig was Executive Chairman of the Board from 1989 to 2008. From the Company’s inception in 1985 until 1998, Mr. Rosenzweig served as President and Chief Executive Officer of the Company. He was a co-founder of Microwave Semiconductor Corp. and served as the Company’s President and Chief Executive Officer and was a board member. Mr. Rosenzweig was also on the board of private company Quake Technology from 2004 to 2008. Mr. Rosenzweig received his Bachelor’s Degree in Chemical Engineering from City College of New York.

Mr. Rosenzweig’s areas of relevant experience include knowledge of the industry, technology and markets, customers, manufacturing operations, institutional history and investor base.

LEWIS SOLOMON (Age 78)

Mr. Solomon has served as a Director of the Company since September 1994 and its Chairman since September 2009, and previously, from 1985 to 1989. Mr. Solomon has been Chairman of SCC Company, a consulting firm specializing in technology, since 1990 in addition to serving as the Chairman of the Board of Harmonic Inc. Prior to founding SCC Company, Mr. Solomon was an Executive Vice President with Alan Patricof Associates from 1983 to 1986, and a Senior Vice President of General Instruments from 1967 to 1983. Mr. Solomon received a Bachelor’s Degree in Physics from St. Joseph’s College and a Master’s Degree in Industrial Engineering from Temple University.

Mr. Solomon’s areas of relevant experience include operational, cost control, management, corporate governance and venture capital expertise.

HARRY T. REIN (Age 67)

Mr. Rein has served as a Director of the Company since 1985. He is a General Partner with Foundation Medical Partners. Mr. Rein was the principal founder of Canaan Partners in 1987, a venture capital investment firm and served as its managing general partner until 2002. Prior to that, he was President and CEO of GE Venture
Capital Corporation. Mr. Rein joined General Electric Company in 1979 and directed several of GE’s lighting businesses as general manager before joining the venture capital subsidiary. Mr. Rein attended Emory University and Oglethorpe College and holds an MBA from the Darden School at the University of Virginia.

Mr. Rein’s areas of relevant experience include operational, cost control, management, corporate governance and venture capital expertise.

DENNIS F. STRIGL (Age 65)

Mr. Strigl has served as a Director since January 2010. He previously was on the board from January, 2000 to May, 2008. He was the President and COO of Verizon Communications from January 2007 through December 2009 and was formerly the President and CEO of Verizon Wireless, one of the largest wireless communications providers in the U.S., since its formation in April 2000. Previously, Mr. Strigl served as President and Chief Executive Officer of Bell Atlantic Mobile, Group President and Chief Executive Officer of the Global Wireless Group of Bell Atlantic, Vice President of Operations and Chief Operating Officer of Bell Atlantic New Jersey, Inc. (formerly New Jersey Bell Telephone Company) and served on its Board of Directors. He also served as President and CEO of Applied Data Research Inc. Mr. Strigl currently serves on the board of directors of PNC Financial Services Group, PNC Bank and Eastman Kodak Company. Mr. Strigl holds an undergraduate degree in Business Administration and a doctorate in Humane Letters from Canisius College and an M.B.A. from Fairleigh Dickinson University.

Mr. Strigl’s areas of relevant experience include knowledge of wireless communications carrier operations and requirements; extensive knowledge of the wireless communications industry; and management and corporate governance expertise.

COMPENSATION OF DIRECTORS

Our Company uses a combination of cash and equity-based incentive compensation for each non-employee Director's services. Directors who are employees of ANADIGICS, do not receive additional compensation for their service as Directors.

Cash Compensation Paid to Board Members. During 2011, each non-employee Director received an annual retainer of $30,000, other than the Chairman of the Board, who receives an annual retainer of $100,000, payable in equal quarterly installments. For 2012, the $30,000 annual retainer was increased to $40,000. The committee chairpersons of the Audit Committee, Compensation and HR Committee and the Corporate Governance and Nominating Committee receives an annual cash retainer of $15,000, $8,000 and $8,000, respectively. The committee members of the Audit Committee, Compensation and HR Committee and the Corporate Governance and Nominating Committee receives an annual cash retainer of $5,000, $3,000 and $3,000, respectively.

Equity Compensation for Board Members. We have the flexibility to provide either stock options or restricted stock or restricted stock units or a combination thereof to our non-employee Directors. Historically, we have consulted the Institutional Shareholder Services guidelines and semiconductor industry peer group benchmarks with respect to equity compensation for Directors. New non-employee Directors receive an initial equity grant of options, restricted stock or a combination thereof, not to exceed an aggregate of 50,000 shares or a value (as of the date of grant) of $125,000, which vests 1/3 annually over a three year period. In 2011, each non-employee Director received, at the beginning of the fiscal year, an annual equity grant of options, restricted stock, restricted stock units or a combination thereof, not to exceed 50,000 shares or a maximum of $90,000 in value (as of the date of grant), which vests one year from the date of grant.

At its December 2011 meeting, the Compensation and HR Committee adopted a new Director equity formula. For 2012, each non-employee Director receives, at the beginning of the fiscal year, an annual equity grant of options, restricted stock, restricted stock units or a combination thereof, not to exceed 30,000 shares or a maximum of $180,000 in value (as of the date of grant), which vests one year from the date of grant.
DIRECTOR COMPENSATION TABLE

Directors who are employees of the Company receive no additional compensation for serving on the Board or its Committees. The following table sets forth certain information regarding the compensation earned by, or awarded to, each non-employee Director for their service on our Board of Directors in 2011.

<table>
<thead>
<tr>
<th>Name and Principal Position</th>
<th>Fees Earned or Paid in Cash ($)</th>
<th>Stock Awards ($) (1)</th>
<th>Stock Option Awards ($)</th>
<th>Non-Equity Incentive Plan Compensation ($)</th>
<th>Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)</th>
<th>All Other Compensation ($)</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paul Bachow</td>
<td>$45,000</td>
<td>$89,995</td>
<td>-</td>
<td>n/a</td>
<td>n/a</td>
<td>-</td>
<td>$134,995</td>
</tr>
<tr>
<td>David Fellows</td>
<td>$38,000</td>
<td>$89,995</td>
<td>-</td>
<td>n/a</td>
<td>n/a</td>
<td>-</td>
<td>$127,995</td>
</tr>
<tr>
<td>Harry Rein</td>
<td>$49,750</td>
<td>$89,995</td>
<td>-</td>
<td>n/a</td>
<td>n/a</td>
<td>-</td>
<td>$139,745</td>
</tr>
<tr>
<td>Ronald Rosenzweig</td>
<td>$30,000</td>
<td>$89,995</td>
<td>-</td>
<td>n/a</td>
<td>n/a</td>
<td>-</td>
<td>$119,995</td>
</tr>
<tr>
<td>Lew Solomon</td>
<td>$106,000</td>
<td>$89,995</td>
<td>-</td>
<td>n/a</td>
<td>n/a</td>
<td>-</td>
<td>$195,995</td>
</tr>
<tr>
<td>Dennis Strigl</td>
<td>$35,000</td>
<td>$89,995</td>
<td>-</td>
<td>n/a</td>
<td>n/a</td>
<td>-</td>
<td>$124,995</td>
</tr>
</tbody>
</table>

(1) Amounts shown do not reflect compensation actually received by each Director. Instead, the amounts shown are the grant date fair value of the stock awards as determined in accordance with ASC 718. The amount indicated reflects the grant date fair value for RSUs granted with the following fair values as of the grant date: 12,482 RSUs were granted on January 3, 2011 with a fair value of $7.21 per unit.

INFORMATION REGARDING CORPORATE GOVERNANCE AND COMPENSATION

BOARD LEADERSHIP STRUCTURE

The Board believes that its current leadership structure where the Chairman of the Board is an independent non-employee director provides the appropriate check and balance on the role and responsibilities of the Chief Executive Officer. The Chairman of the Board presides at all executive sessions of the Board.

BOARD’S ROLE IN RISK OVERSIGHT

The Board as a whole has responsibility for risk oversight, with reviews of certain areas being conducted by the relevant Board Committees that report on their deliberations to the Board as well as through direct reports by key management personnel at the Board meetings. The oversight responsibility of the Board and its Committees is enabled by management reporting processes that are designed to provide visibility to the Board about the identification, assessment and management of critical risks and management’s risk mitigation strategies.

BOARD MEETINGS AND ATTENDANCE

During fiscal 2011 the Board of Directors met eight times. The non-employee Directors meet on a regular basis in executive sessions without management present. The Chairman of the Board presides at the executive sessions. Each of the Directors attended 100% of the aggregate of all meetings held by the Board and the committees on which he served. Last year, five Directors attended the 2011 Annual Meeting of Stockholders.

COMMITTEES OF THE BOARD

The standing committees of the ANADIGICS Board of Directors are as follows:

The Governance and Nominating Committee is responsible for (i) assisting the Board of Directors in identifying individuals qualified to become Directors and to recommend to the Board of Directors the director
nominees; (ii) recommending members of the Board of Directors to serve on the committees of the Board of Directors; (iii) recommending to the Board of Directors individuals qualified to be elected as officers of the Company; (iv) recommending to the Board of Directors the corporate governance and business ethics policies, principles, guidelines, including succession plans for the Chief Executive Officer in the event of death or disability, and codes of conduct applicable to the Company; and (v) leading the Board of Directors in its annual review of the Board’s performance. Messrs. Fellows, Rein, Solomon and Strigl (chair) were members of the Governance and Nominating Committee during fiscal 2011 and are independent within the meaning of the NASDAQ listing standards. The Governance and Nominating Committee met twice during the 2011 fiscal year. The Governance and Nominating Committee operates under a written charter and pursuant to corporate governance guidelines posted on the Company’s website at [www.anadigics.com](http://www.anadigics.com).

The Audit Committee is established in accordance with applicable securities laws and is responsible for (i) determining the adequacy of the Company’s internal accounting and financial controls, (ii) reviewing the results of the audit of the Company performed by the independent public auditors, and (iii) recommending the selection of independent public auditors. Messrs. Bachow (Chair), Fellows and Rein were members of the Audit Committee during fiscal 2011 and are independent within the meaning of the NASDAQ listing standards. The Company’s Board of Directors has determined that one member of the Audit Committee, Mr. Bachow, is an audit committee financial expert as described in Item 407(d) of Regulation S-K. The Audit Committee met six times during the 2011 fiscal year. Mr. Bachow’s qualifications as an audit committee financial expert are set forth in his Director profile above. The Audit Committee operates under a written charter posted on the Company’s website at [www.anadigics.com](http://www.anadigics.com).

The Compensation and HR Committee determines matters pertaining to the compensation of certain executive officers of the Company and administers the Company’s stock option, incentive compensation, and employee stock purchase plans. Messrs. Rein (Chair), Solomon and Strigl were members of the Compensation and HR Committee during fiscal 2011. The Compensation and HR Committee met four times during the 2011 fiscal year. The Compensation and HR Committee operates under a written charter posted on the Company’s website at [www.anadigics.com](http://www.anadigics.com).

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

None of the Compensation and HR Committee members is an employee of the Company and all of them are considered “independent” Directors under the applicable NASDAQ listing standards. There were no interlocks or insider participation between any member of the Board of Directors or the Compensation and HR Committee and any member of the Board of Directors or the compensation committee of another company.

DIRECTOR NOMINATION

In its assessment of each potential nominee, the Governance and Nominating Committee will review the nominee’s integrity, independence, intelligence and understanding of the Company’s or other related industries and such other factors as the Governance and Nominating Committee determines are pertinent in light of the current needs of the Board of Directors.

Although the Governance and Nominating Committee considers diversity as a factor in assessing the appropriate skills and characteristics required of Board members, the Board does not have a formal policy with regard to diversity in identifying Director nominees. The Governance and Nominating Committee will also take into account the ability of a potential nominee to devote sufficient time to the affairs of the Company.

When seeking to identify nominees for membership on the Board of Directors, the Governance and Nominating Committee may solicit suggestions from incumbent Directors, management, stockholders or others. The Governance and Nominating Committee has the authority to retain any search firm for this purpose. After conducting an initial evaluation of a potential nominee, the Governance and Nominating Committee will interview that nominee if it believes such nominee may be a suitable Director. The Governance and Nominating Committee may also ask the potential nominee to meet with management. If the Governance and Nominating Committee believes a potential nominee would be a valuable addition to the Board of Directors, it will recommend that nominee’s election to the full Board of Directors.
Pursuant to its charter, the Governance and Nominating Committee will consider nominees for membership on the Board of Directors recommended by stockholders of the Company and submitted in accordance with the Company’s by-laws to the attention of the Secretary of the Company at 141 Mt. Bethel Road, Warren, NJ 07059. The Company did not receive any nominations for membership on its Board of Directors from stockholders in connection with the 2012 Annual Meeting of Stockholders.

COMMUNICATIONS WITH DIRECTORS

The Board of Directors has adopted procedures that provide security holders of the Company and other interested parties with the ability to communicate with one or more of the Company’s Directors by mail, care of the Secretary, 141 Mt. Bethel Road, Warren, New Jersey 07059. Such communications should specify the intended recipient or recipients. All such communications, other than unsolicited commercial solicitations or communications will be forwarded to the appropriate Director or Directors for review.

CODE OF ETHICS

The Company has adopted a Code of Conduct and Business Ethics that applies to Directors, officers and employees, including the President and Chief Executive Officer, and Chief Financial Officer and has posted such code on its website at (www.anadigics.com). Changes to and waivers granted with respect to the Company’s Code of Conduct and Business Ethics that are required to be disclosed pursuant to the applicable rules and regulations will be filed on a current report on Form 8-K and posted on the Company website.

PROPOSAL II: RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

The Audit Committee has retained Ernst & Young LLP as the Company’s independent registered public accounting firm for fiscal 2012. Although stockholder ratification is not required by the Company’s bylaws or under any other applicable legal requirement, the Audit Committee is asking the stockholders for ratification of the selection of Ernst & Young LLP as a matter of good corporate governance. If the stockholders do not ratify the Audit Committee’s selection of Ernst & Young LLP, the Audit Committee will take such determination into account in its future selection of an independent registered public accounting firm. Ernst & Young LLP will have a representative present at the Annual Meeting who will have the opportunity to make a statement if such representative desires to do so and will be available to respond to appropriate questions. The affirmative vote of the holders of a majority of the shares of Common Stock present, in person or by proxy and entitled to vote is required for approval of this proposal.

The Board of Directors recommends a vote “FOR” the ratification of the appointment of Ernst & Young LLP as the independent registered public accountants of the Company for the year ending December 31, 2012.

PROPOSAL III: THE APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

Advisory Vote on Executive Compensation

2011 Say-on-Pay Voting Results

As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), in our 2011 Proxy Statement, we provided our stockholders with the opportunity to cast non-binding advisory votes to approve the compensation of our Named Executive Officers and to determine the frequency of future such “say-on-pay” votes. The say-on-pay proposal was approved by approximately 98% of the votes cast at our 2011 Annual Meeting of Stockholders, and our stockholders expressed a clear (91%) preference for annual say-on-pay votes. Our Board of Directors has determined that it will provide our stockholders with annual say-on-pay voting opportunities. We design our executive compensation plans and programs to help us attract, motivate and reward and retain highly qualified executives who are capable of creating sustained value for our stockholders. We implement compensation programs that promote a performance-based culture and are intended to align the interests of our executives with those of our stockholders. We encourage you to review the details of our compensation discussion and analysis.
including the Compensation and HR Committee’s processes and decisions that are described in the following pages.

In summary, the foundation of our executive compensation programs rests on the following principles and best practices:

The committee is comprised solely of independent directors who are committed to upholding strong governance practices.

- The Compensation and HR committee considers a variety of reports and analyses such as: market survey data, summaries of existing Named Executive Officer compensation, proxy data of our peers, publicly-available performance data of our peers, shareholder votes or feedback, and reports from external proxy advisory agencies when making decisions to establish target compensation opportunities and to deliver actual rewards to our executive officers, including our Named Executive Officers.

The committee’s decisions on executive pay reflect the challenges and commitments required by our executives in executing our new business plans.

- Declining business performance led the Board of Directors to put an entirely new executive team in place to lead the business turnaround.
- The business turnaround plan adopted by these executives contemplates execution over several years.
- To recognize the substantial added responsibilities for each executive, and the expected length of the business turnaround, the 2011 compensation packages for each current Named Executive Officer have a long term incentive emphasis.

Our compensation plans emphasize long-term performance.

- Our program has a balanced-portfolio approach to deliver rewards in cash and equity based on sustained performance over time. The use of equity awards fosters retention and aligns our executives’ interests with those of our stockholders.

The committee has taken additional steps to link pay and performance.

- Our Named Executive Officers’ short-term incentive compensation is 100% performance-based.
- Awards under our plans are impacted when our performance does not meet threshold levels. This fact was demonstrated in 2011 when no award was made under our short-term incentive plans for the first half of 2011, and only 30% of the target incentive was awarded for the second half of 2011.
- 50% of the long-term incentive awarded to our Chief Executive Officer on June 28, 2011 was performance-based. Vesting will depend on the Company’s one-year, two-year and three-year relative total shareholder return compared to that of the Philadelphia Semiconductor Index component companies.
- The Compensation and HR Committee adopted a Pay for Performance policy requiring that 100% of any equity granted for short-term incentive awards is performance-based and at least 50% of equity awarded for long-term incentive awards is performance-based.

We have high levels of Named Executive Officer and Director stock ownership and have adopted clawbacks, hedging prohibitions and caps on awards.

- Ownership levels range from shares with a market value equal to approximately one times base salary for our Senior Vice President, RF Products and Vice President, Chief Financial Officer to more than five times base salary for our Chief Executive Officer. Our incentive plans are capped at individual and aggregate levels to eliminate the potential for unintended windfalls.

The Dodd-Frank Act requires that we seek an advisory, non-binding vote of our stockholders on our executive compensation programs, as disclosed in the Compensation Discussion and Analysis section and the accompanying tables within this Proxy Statement. The vote is advisory and thus non-binding on the Company; however, we will review the results and take them into consideration when making future compensation decisions relating to executive compensation.
We believe our executive compensation program is designed to motivate and appropriately reward our executives and is aligned with our stockholder’s interest to support long-term growth. We believe that our compensation program, with its balance of short-term incentives (including cash bonus awards and performance conditions for awards of restricted stock) and long-term incentives (vesting from one to three years) reward sustained performance that is aligned with long-term shareholder interests. See “Compensation Discussion and Analysis.” The affirmative vote of the holders of a majority of the shares of Common Stock present, in person or by proxy and entitled to vote is required for approval of this proposal.

We are asking stockholders for a non-binding vote to approve the following resolution:

**RESOLVED**, that the compensation of the Company’s Named Executive Officers, as such compensation is described in the Compensation Discussion and Analysis section, the tabular disclosure regarding such compensation, and the accompanying narrative disclosure and related material, set forth in the Company’s Proxy Statement for the 2012 Annual Meeting of Stockholders is approved.

This Say-on-Pay proposal vote is intended to provide an overall assessment of our executive compensation program rather than focus on any specific item of compensation. As an advisory vote, this proposal is non-binding. However, the Board and our Compensation and HR Committee, which is responsible for designing and overseeing the administration of our executive compensation program, values the opinions of our stockholders, and will consider the outcome of the vote when making future compensation decisions for our Named Executive Officers.

The Board of Directors recommends a vote “FOR” the approval, on an advisory basis, of the compensation of our Named Executive Officers.

**AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES**

The Audit Committee’s policy provides that the Company’s independent registered public accountants may provide only those services pre-approved by the Audit Committee or its designated subcommittee. The Audit Committee annually reviews and pre-approves the audit, review, attest and permitted non-audit services to be provided during the next audit cycle by the independent accountants. To the extent practicable, at the same meeting the Audit Committee also reviews and approves a budget for each of such services. The term of any such pre-approval is for the period of the annual audit cycle, unless the Audit Committee specifically provides for a different period.

Services proposed to be provided by the independent accountants that have not been pre-approved during the annual review and the fees for such proposed services must be pre-approved by the Audit Committee or its designated subcommittee. Additionally, fees for previously approved services that are expected to exceed the previously approved budget must also be pre-approved by the Audit Committee or its designated subcommittee.

All requests or applications for the independent auditors to provide services to the Company must be submitted to the Audit Committee or its designated subcommittee by the independent accountants and the Chief Financial Officer and must include a joint statement as to whether, in their view, the request or application is consistent with applicable laws, rules and regulations relating to auditor independence. In the event that any representative of the Company or the independent accountants becomes aware that any services are being, or have been, provided by the independent accountants to the Company without the requisite pre-approval, such individual must immediately notify the Chief Financial Officer, who must promptly notify the Chairman of the Audit Committee and appropriate senior management so that prompt action may be taken to the extent deemed necessary or advisable.

The Audit Committee may form and delegate to a subcommittee, composed of one or more of its members, the authority to grant specific pre-approval under its policy with respect to audit, review, attest and permitted non-audit services, provided that any such grant of pre-approval shall be reported to the full Audit Committee no later than its next scheduled meeting. The Audit Committee may not delegate its responsibilities to pre-approve services performed by the audit firm to management.
PRINCIPAL ACCOUNTING FEES AND SERVICES

The Company’s independent registered public accounting firm and auditors during fiscal years 2011 and 2010 was Ernst & Young LLP.

The aggregate fees billed by the Company’s principal independent registered public accounting firm and auditors for professional services rendered to the Company for the two fiscal years ended December 31, 2011 were as follows:

<table>
<thead>
<tr>
<th>Fee Category</th>
<th>Fiscal Year 2011</th>
<th>% of Total</th>
<th>Fiscal Year 2010</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Fees</td>
<td>$578,500</td>
<td>91.8%</td>
<td>$570,000</td>
<td>83.6%</td>
</tr>
<tr>
<td>Audit-Related Fees(1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tax Fees(2)</td>
<td>50,000</td>
<td>7.9%</td>
<td>50,000</td>
<td>7.3%</td>
</tr>
<tr>
<td>All Other Fees(3)</td>
<td>1,995</td>
<td>0.3%</td>
<td>61,842</td>
<td>9.1%</td>
</tr>
<tr>
<td>Total Fees</td>
<td>$630,495</td>
<td>100%</td>
<td>$681,842</td>
<td>100%</td>
</tr>
</tbody>
</table>

(1) Audit Related Fees: The Company incurred no audit related fees during its 2011 and 2010 fiscal years.
(2) Tax Fees: Aggregate fees billed for professional services rendered during 2011 and 2010 for domestic tax assistance.
(3) All Other Fees: Aggregate fees billed for professional services rendered during 2011 related to license for accounting research software. Aggregate fees billed for professional services rendered during 2010 related to assessment of a potential financial information systems implementation and license for accounting research software.

AUDIT COMMITTEE REPORT

The Audit Committee, among other things, assists the Board of Directors in fulfilling its responsibilities to oversee the Company’s financial reporting process and monitors the integrity of the Company’s financial statements and the independence and performance of the Company’s auditors. In this context, we have reviewed and discussed the Company’s financial statements with Company management and the independent auditors, Ernst & Young LLP, including matters raised by the independent auditors pursuant to Statement on Auditing Standards No. 61 (Communication with Audit Committees), as amended and adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Audit Committee has reviewed and discussed such other matters as we deemed appropriate.

The Company’s independent auditors provided the Audit Committee with written disclosures and the letter required by Rule 3526 of the Public Company Accounting Oversight Board (Communications with Audit Committees Concerning Independence), and we discussed Ernst & Young LLP’s independence with them.

We have considered whether the provision of services by Ernst & Young LLP not related to the audit of the Company’s financial statements and to the review of the Company’s interim financial statements is compatible with maintaining the independent accountant’s independence and have determined that such services have not adversely affected Ernst & Young LLP’s independence.

Based on the foregoing review and discussions, and relying on the representation of Company management and the independent auditor’s report to the Audit Committee, the Audit Committee recommended that the Board of Directors include the audited financial statements in the Company’s Annual Report on Form 10-K for the year ended December 31, 2011 filed with the Securities and Exchange Commission.

SUBMITTED BY THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF ANADIGICS, INC.

Paul Bachow, Chairman
Harry T. Rein
David Fellows
SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based solely on a review of copies of reports furnished to the Company or written representations that no other reports were required, the Company believes that during the fiscal year ended December 31, 2011, all filing requirements under Section 16(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), applicable to its executive officers and Directors were complied with.

LEGAL PROCEEDINGS

In January and February 2009, two separate stockholders’ derivative lawsuits were filed in the New Jersey Superior Court against the Company, as a nominal defendant, and certain of its directors. The suits, which have been consolidated under the caption In re Anadigics, Inc. Derivative Litigation, No. SOM-L-88-09 (the “Derivative Litigation”), assert state law claims against certain of the Company’s current and former directors seeking unspecified damages arising out of alleged misrepresentations and omissions relating to, among other things, ANADIGICS manufacturing capabilities and the demand for its products. By Orders dated March 27, 2009 and September 13, 2010, the court stayed the Derivative Litigation pending disposition of defendants’ motion to dismiss certain prior-filed purported federal securities class action lawsuits based upon the same core factual allegations.

EXECUTIVE OFFICERS OF THE COMPANY

The current executive officers of the Company are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ronald Michels</td>
<td>58</td>
<td>President, Chief Executive Officer and Director</td>
</tr>
<tr>
<td>Terrence G. Gallagher</td>
<td>52</td>
<td>Vice President and Chief Financial Officer</td>
</tr>
<tr>
<td>John van Saders</td>
<td>53</td>
<td>Senior Vice President - RF Products</td>
</tr>
</tbody>
</table>

Set forth below is certain information with respect to the Company’s executive officers. Executive officers are appointed to serve at the discretion of the Board of Directors. There are no family relationships between executive officers or Directors of the Company. Information with respect to Mr. Michels is listed in his profile above.

Mr. Gallagher has served as Vice President and Chief Financial Officer since November 2011. He was promoted to Vice President Finance in January 2008 and has served as Controller since 2004 after having joined the Company in 2000. Prior to joining ANADIGICS, he held corporate and operational financial management positions with Foster-Wheeler and Firmenich Incorporated. In addition, he served seven years in public accounting with Price Waterhouse, both domestically and internationally. Terry earned his B.A. degree in Accounting from Boston College, is a CPA and serves in leadership positions with several local non-profit organizations.

Mr. van Saders has served as Senior Vice President - RF Products since March 28, 2011 and served as the VP, Advanced Development after re-joining ANADIGICS in 2007, where he was responsible for mixed signal design, CAD, and foundry. Beginning in 2001, he served as the VP, Engineering and Manufacturing for ASIP, an optoelectronics startup which later merged with T-Networks. His responsibilities included product and business development, InP wafer fab construction and operation, process development, reliability, and establishing all manufacturing operations. He originally joined ANADIGICS in 1990 as a design engineer, serving in several management and executive product development positions. Prior to joining ANADIGICS, he was a Principle Investigator at Lockheed Electronics developing acousto-optic processing for adaptive phased array systems. He began his career developing line-of-sight laser communication links at Codenoll Technology. He earned a Masters degree in Electrical Engineering (Communication Theory) from NJIT and holds a Bachelors degree from Stevens Institute of Technology in Optical Physics. He has several patents in circuit design and optical processing, and has authored a number of technical publications.
COMPENSATION DISCUSSION AND ANALYSIS

2011 SUMMARY

Our Core Executive Compensation Objectives - During the course of fiscal year 2011 we remained committed to the following core executive compensation objectives: (i) attracting, motivating and retaining top quality executive talent; (ii) aligning the interests of our executives and our stockholders; and (iii) paying for performance.

Key Compensation Decisions and Committee Processes - An entirely new executive team was put in place during 2011 to turn around the business. Ronald Michels was appointed President and Chief Executive Officer. John van Saders was appointed Senior Vice President, RF Products, and Terrence G. Gallagher was appointed Vice President and Chief Financial Officer. The Compensation and HR Committee established compensation packages for these three new Named Executive Officers in 2011. These three compensation packages included promotional long term incentive grants that are in excess of typical annual long term incentive grant date values to recognize the substantial added responsibilities for each executive.

Ron Michels’ CEO Compensation Package - In March, prior to offering Ron Michels the job of Chief Executive Officer, the Compensation and HR Committee requested that the Delves Group provide competitive market data and recommendations for current compensation levels for the Chief Executive Officer position. The Delves Group presented total compensation data from the 2011 Aon/Radford survey database for semiconductor companies with annual revenues between $50 and $500 million, along with the most current proxy data from ANADIGICS’ Peer Group Companies.

After reviewing this data, base salary level ($450,000) and target annual incentive (100% of base salary) were set by the Compensation and HR Committee at market median levels. The Compensation and HR Committee also reviewed data on long-term incentive compensation, including the total stock ownership percentage and dollar value, of the survey and peer group Chief Executive Officers. After reviewing this data and concluding that the business turnaround plan adopted by these executives contemplates execution over several years the Compensation and HR Committee elected to award a promotional grant of 500,000 restricted stock units (time vesting) to Mr. Michels, and a subsequent stock option award of 750,000 stock options (50% performance vesting and 50% time vesting) subject to the development and approval of a multi-year business outlook and near-term financial plan for the second half of 2011. Mr. Michels was offered the Chief Executive Officer position because of his company knowledge, product development successes, and business management experience. Mr. Michels previously served as the head of ANADIGICS’ Broadband business unit for many years and more recently as the Company’s Chief Technology and Strategy Officer.

John van Saders’ Senior Vice President, RF Products Compensation Package - In March, prior to offering John van Saders the job of Senior Vice President, RF Products, the Compensation and HR Committee reviewed and discussed competitive market data for current compensation levels for executive officer level product development and business unit positions. Additionally, data on the second and third highest paid executive officers, regardless of job role, was also reviewed. Total compensation data from the 2011 Aon/Radford survey database for semiconductor companies with annual revenues between $50 and $500 million, along with the most current proxy data from ANADIGICS’ Peer Group Companies was the source of the data.

After reviewing this data, base salary level ($275,000) and target annual incentive (75% of base salary) were set by the Compensation and HR Committee at market median levels. The Compensation and HR Committee also reviewed data on long-term incentive compensation, including the total stock ownership percentage and dollar value, for the survey and peer group executive officers. After reviewing this data and concluding that the business turnaround plan adopted by these executives contemplates execution over several years, the Compensation and HR Committee elected to award a promotional grant of 39,875 restricted stock units (time vesting) to Mr. van Saders upon his promotion.

The Compensation and HR Committee subsequently awarded Mr. van Saders an additional long term incentive award of 35,000 restricted stock units (time vesting) on August 3, 2011 in recognition of the substantial progress he was making in accelerating new product development and the importance of new product development to achieving success in the Company’s business turnaround plan.
**Terrence G. Gallagher’s Vice President, Chief Financial Officer Compensation Package** - In November, prior to offering Mr. Gallagher the job of Vice President, RF Chief Financial Officer, the Compensation and HR Committee reviewed and discussed competitive market data for current compensation levels for named executive officer level product development and business unit positions. Additionally, data on the second and third highest paid named executive officers, regardless of job role, was also reviewed. Total compensation data from the 2011 Aon/Radford survey database for semiconductor companies with annual revenues between $50 and $500 million, along with the most current proxy data from ANADIGICS’ Peer Group Companies was the source of the data.

After reviewing this data, base salary level ($240,000) and target annual incentive (75% of base salary) were set by the Compensation and HR Committee, with the total cash target at market median levels. The Compensation and HR Committee also reviewed data on long-term incentive compensation, including the total stock ownership percentage and dollar value, for the survey and peer group executive officers. After reviewing this data and concluding that the business turnaround plan adopted by these executives contemplates execution over several years, the Compensation and HR Committee elected to award a promotional grant of 47,500 restricted stock units (time vesting) to Mr. Gallagher upon his promotion.

**Stockholder “Say-on-Pay”**
At the 2011 Annual Meeting of stockholders, our Stockholders voted, on advisory basis, to approve our executive compensation and approved an annual frequency of stockholder advisory voting to approve our executive compensation, which corresponded with the Board of Director’s recommendation. Based upon these results, the Board of Directors determined to hold an annual advisory vote to approve executive compensation and such vote is included as a voting matter for the Annual Meeting.

During 2011, the Compensation and HR Committee reviewed our pay programs and practices, taking into account the favorable outcome of the stockholder vote to approve our executive compensation at the 2011 Annual Meeting of stockholders, consultations with the Compensation and HR Committee’s independent compensation consultant and discussions with major stockholders. Given stockholder support of our pay programs, we made no specific changes to executive compensation in 2011, but we did make a number of general improvements, as discussed below.

**Strengthened Executive Compensation Program Policies and Practices** - We strengthened our compensation policies and practices with the following changes:

- Realigned our total compensation philosophy to target the peer group median.
- Added “hedging prohibitions” to our Insider Trading Policy.
- Adopted a “claw back” policy to enable recovery of incentive compensation in the event of a material financial restatement.
- Adopted a policy requiring that a minimum of 50% of the equity awarded to executive officers will be performance-based.

**2011 Performance** - Fiscal 2011 represented a year of strategic reassessment and transition.

- Our revenue declined approximately 30% versus 2010 primarily as a result of the loss of business at Research In Motion (“RIM”) due to its change in chipset providers that do not utilize our power amplifiers and due to certain of its products reaching end of life.
- Selling and administrative expenses increased $7.2 million primarily due to management separation charges in the amount of $6.4 million. Mario Rivas, (former) President and Chief Executive Officer, and Greg White, (former) Senior Vice President, RF Products both resigned at the end of fiscal Q1. Thomas C. Shields, (former) Executive Vice President, Chief Operating Officer and Chief Financial Officer resigned in November.
- An entirely new executive team was put in place to turn around the business. Ronald Michels was appointed President and Chief Executive Officer. John van Saders was appointed Senior Vice President, RF Products, and Terrence G. Gallagher was appointed Vice President and Chief Financial Officer.
- The new executive team adopted a business turnaround plan based on:
  1. Expansion of its addressed markets.
  2. Deeper design partnerships with leading chipset partners and tier one OEM customers.
3. Product cost reductions through use of lower cost metals, improved manufacturing process technology, die shrinks, and flip chip technology.

Action was taken in early Q2 to align operating costs with near and mid-term revenue expectations while preserving new product development resources and capabilities.

**Named Executive Officers Covered in our CD&A** – This Compensation Discussion and Analysis provides information for our Named Executive Officer compensation programs, including specific amounts of compensation paid, for our fiscal year 2011 Named Executive Officers, who were:

- Ronald Michels, President and Chief Executive Officer;
- John van Saders, Senior Vice President, RF Products;
- Terrence G. Gallagher, Vice President and Chief Financial Officer;
- Mario Rivas, (former) President and Chief Executive Officer;
- Thomas C. Shields, (former) Executive Vice President, Chief Operating Officer and Chief Financial Officer; and
- Gregory White, (former) Senior Vice President, RF Products.

**COMPENSATION AND HR COMMITTEE**

*Charter* - The Board of Directors’ Compensation and HR Committee operates under a written charter, which is available in the “Corporate Governance” section of our website at www.anadigics.com, or by calling our Investor Relations Department at (908) 668-5000 ext. 5330, or by writing us at ANADIGICS, Inc. 141 Mt. Bethel Drive, Warren, New Jersey 07059, Attn: Investor Relations. The Compensation and HR Committee determines matters pertaining to the compensation of certain executive officers of the Company and administers the Company’s stock option, incentive compensation, and employee stock purchase plans.

*Committee Independence* - None of the Compensation and HR Committee members is an employee of the Company and all of them are considered "independent" Directors under the applicable NASDAQ listing standards. The current Committee members are:

- Harry T. Rein, Committee Chair
- Lewis Solomon
- Dennis F. Strigl

There were no interlocks or insider participation between any member of the Board of Directors or the Compensation and HR Committee and any member of the Board of Directors or the compensation committee of another company.

*Use of a Compensation Consultant* - To support the Compensation and HR Committee in fulfilling its duties, the Compensation and HR Committee has hired an independent consultant in the field of executive compensation to assist with its design and evaluation of CEO and executive officer compensation. Pursuant to the Compensation and HR Committee’s charter, the Compensation and HR Committee is authorized to retain and terminate any consultant, as well as approve the consultant’s fees and term of retention. During fiscal year 2011, the Compensation and HR Committee retained the services of The Delves Group to assist with a comprehensive review of the CEO and other executive officers’ compensation. The Compensation and HR Committee considered The Delves Group’s recommendations, along with the recommendations of Company management, in setting our executives’ fiscal year 2011 total overall compensation. Although The Delves Group provided analysis and recommendations to the Compensation and HR Committee, The Delves Group did not decide or approve any compensation-related actions. The Delves Group performed no other services for the Company in 2011. The direct engagement of The Delves Group by the Compensation and HR Committee ensures that the consultant’s advice remains objective and is not influenced by Company Management.

**EXECUTIVE COMPENSATION OBJECTIVES AND PHILOSOPHY**

*General Philosophy* - The objectives of our compensation program are to: (i) attract, motivate and retain talented executives; (ii) align the financial interests of executive officers with those of our stockholders; and (iii) pay for performance. We design our compensation program to attract, motivate and retain the key executives who drive our success. We achieve these objectives through a compensation package that provides the Company’s executive officers with compensation opportunities that are based upon the financial performance of the Company, and the
executive’s personal contributions to that performance, through a mix of salary, non-equity incentive compensation, and equity. The Company operates in a highly competitive and rapidly changing industry with short product cycles. Our compensation opportunities are designed to be competitive enough to attract and retain highly skilled individuals, and to align management’s incentives with the long-term interests of our stockholders.

**Target Market Position Versus Peer Group Companies** - The Compensation and HR Committee seeks to set our executives’ aggregate compensation, including salary, short-term and long-term incentives, and benefits, at levels competitive with our peer group in the semiconductor industry. Many of these companies are included in the Philadelphia Semiconductor Index used in the performance graph appearing in this proxy statement. In addition, because we sometimes compete for executive talent with companies outside of those companies included in the Philadelphia Semiconductor Index, companies outside this index are selected for inclusion in our peer group based on several criteria, including similar Analog, Mixed Signal and RF semiconductor technology use, size, growth rates, similar financial performance, industry leadership status, innovation, and the extent to which they compete with us for executive talent.

We strongly believe that it is essential to the long-term success of the Company to engage the best executive talent, particularly with regard to the core competency of the Company, analog radio frequency. This competency represents a small and unique expertise within the semiconductor industry. Analog radio frequency expertise is quite different from digital expertise which represents the vast majority of the semiconductor field. The Company believes that due to the unique nature of the analog radio frequency expertise required in its business that total compensation should under normal economic circumstances be benchmarked at the 50th percentile of the compensation surveys and data of a peer group that specifically includes direct competitors in the radio frequency market.

Based upon review of our compensation programs, those of our RF analog semiconductor peers, and our assessment of individual and corporate performance, we believe that the value and design of our executive compensation programs were at market relative to our RF analog semiconductor peers.

**Peer Group Companies** - An important element of the Compensation and HR Committee’s determinations involves competitive benchmarking. Each year, the Company reviews the appropriateness of its peer group companies and participates in compensation and pay practice surveys of our semiconductor peer companies in order to assess the competitiveness of our compensation practices. The 2011 fiscal year peer group was comprised of the following companies:

<table>
<thead>
<tr>
<th>Standard Microsystems Corporation</th>
<th>RF Micro Devices, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skyworks, Inc.</td>
<td>TriQuint Semiconductor</td>
</tr>
<tr>
<td>Atheros Communications, Inc</td>
<td>DSP Group, Inc.</td>
</tr>
<tr>
<td>Semtech Corporation</td>
<td>Cirrus Logic, Inc.</td>
</tr>
<tr>
<td>Monolithic Power Systems, Inc.</td>
<td>Exar Corporation</td>
</tr>
<tr>
<td>Silicon Laboratories, Inc.</td>
<td>Zoran Corporation</td>
</tr>
</tbody>
</table>

For fiscal year 2011, the Compensation and HR Committee, at its December 2010 meeting, determined that the following changes to its peer group were warranted:

- SiRF Technology Holdings, Inc (no longer a public company), Microtune, Inc. (no longer a public company), Microchip Technology, Inc. (a much larger company that we do not compete with directly), and AuthenTec, Inc. (a much smaller company) have been dropped from the peer group.
- Standard Microsystems Corporation (a regional talent competitor), Zoran Corporation (a competitor in our Broadband product area), and Semtech Corporation and Silicon Laboratories, Inc. (Analog/Mixed Signal businesses with RF technology and products that are close to our revenue size) have been added to the peer group.

Atheros Communications, Inc. and Zoran Corporation were each acquired during 2011. The Compensation and HR Committee requested the Delves Group to review periodically the current list of peer group companies to assure that the appropriate companies are represented.
**Benchmarking Information** - In developing our compensation programs and policies, the Compensation and HR Committee utilizes information obtained from surveys such as the AON/Radford Executive Compensation Survey, Equilar Top 20 Survey, peer company proxy statements, and information gathered directly from other technology company survey resources. The Compensation and HR Committee also tracks the performance of the Philadelphia Semiconductor Index and Nasdaq, and uses this information in the establishment of Company goals and individual compensation determinations.

**COMPENSATION RISK ASSESSMENT**

In designing and administering the executive compensation program, the Compensation and HR Committee strives to balance short/long-term incentive objectives and use prudent judgment in establishing performance criteria, evaluating performance and determining actual incentive awards. The Compensation and HR Committee, with periodic guidance from its compensation consultant, assesses and discusses the balance of risk and reward of all of its compensation programs in relation to the Company’s overall business strategy on a regular basis. These programs include the Company’s stock option, incentive compensation, and employee stock purchase plans.

The Compensation and HR Committee has concluded that the Company’s compensation programs do not encourage its executives or other employees to take unnecessary or excessive risks, and are not reasonably likely to have a materially adverse effect on the Company. In reaching its conclusion, the Compensation and HR Committee considered the attributes of our programs, including:

- The balance between annual and long-term performance opportunities.
- The alignment of annual and long-term incentive award objectives to ensure that both types of awards encourage consistent behaviors and sustainable performance results.
- Performance measures tied to key measures of short-term and long-term performance that motivate sustained performance.
- The existence of share-based compensation through the long-term equity incentive compensation component, which the Compensation and HR Committee believes encourages appropriate decision-making that is aligned with the long-term interests of stockholders.
- The performance goals of revenue, adjusted earnings and adjusted cashflow from operations diversify the risks associated with any single indicator of performance.

Additionally, the Compensation and HR Committee reviewed existing policies, which are believed to encourage diligent and prudent decision-making and review processes. For example, the processes that are in place to manage and control risk include:

- The Board approves the Company’s Strategic Plan, Capital Budget, and Long-Term Plan which serves as the basis for short- and long-term goal-setting.
- During its goal-setting process, the Compensation and HR Committee considers prior year performance relative to future expected performance to assess the reasonableness of goals.
- The Compensation and HR Committee retains discretion in administering all awards and performance goals, and in determining performance achievement.
- The Compensation and HR Committee believes the Company maintains a value driven ethics based culture supported by a strong tone at the top.

**COMPONENTS OF COMPENSATION**

The components of the compensation program for Named Executive Officers are described below.

**Base Salary:** Base salaries are determined based on a variety of factors, including the executive’s scope of responsibilities, a competitive market assessment of compensation for similar roles at other semiconductor companies, and a comparison of salaries paid to peers within the Company. Base salaries are currently at levels that approximate the 50th percentile based on the Aon/Radford semiconductor industry survey. Base salaries are reviewed annually, and may or may not be adjusted. These compensation levels are aligned with our compensation philosophy of targeting the 50th percentile of our benchmark peer group and allow the Company to attract and retain superior leaders that the Company believes will allow it to deliver on its business goals.
The CEO recommends base salaries for each other executive. When setting the base salaries for executives other than the CEO, the Compensation and HR Committee considers recommendations from the CEO, reviews market pay information, and makes a final determination based on the factors listed above and such executive’s performance during the year. The Compensation and HR Committee makes an independent determination for the CEO’s compensation.

For the 2011 fiscal year, each of our current Named Executive Officers received base salary changes in connection with their respective promotional appointments to their new positions. The December 31, 2011 annualized salaries for these Named Executive Officers were:

<table>
<thead>
<tr>
<th>Named Executive Officer</th>
<th>Annualized Base Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ronald Michels, Chief Executive Officer</td>
<td>$450,000</td>
</tr>
<tr>
<td>Terrence G. Gallagher, Vice President and Chief Financial Officer</td>
<td>$240,000</td>
</tr>
<tr>
<td>John van Saders, Senior Vice President RF Products</td>
<td>$275,000</td>
</tr>
</tbody>
</table>

**Short-Term Incentives:** Short-term incentives are “results oriented”. These incentives are discretionary and the process is reviewed annually by the Compensation and HR Committee. Short-term cash and/or equity incentives, if any, were provided on a semi-annual basis in 2011 to motivate employees to increase shareholder value. The payment of short-term incentives is based on our financial results and the individual executive’s performance as measured against the achievement of strategic or operational goals established by management and the Compensation and HR Committee prior to the commencement of the relevant measurement period. In order to implement its philosophy that executives be rewarded for achieving positive financial results and other strategic goals, the Compensation and HR Committee reviews and approves the design of the short-term incentive plan which significantly affects the total compensation of our executives depending on our success in meeting semi-annual financial and strategic goals. The Compensation and HR Committee has the authority to make any changes it deems necessary in the semi-annual short-term incentives provided to our executives.

**Target Incentives** - The short-term incentive plan is applicable to all our employees, including our Named Executive Officers. In 2011, the short-term incentive targets calculated on a semi-annual basis for our current Named Executive Officers were:

- Chief Executive Officer: 100% of base salary
- Vice President & Chief Financial Officer: 75% of base salary
- Senior Vice President, RF Products: 75% of base salary

**Performance Measures** - It is the Company’s policy that each of the Named Executive Officers and other eligible employees receive information on their individual compensation components, the corresponding measures, and information on how each plan or program works. This information is provided periodically by the Company’s Human Resources Department.

For the 2011 short-term incentive plan, the Compensation and HR Committee selected financial goals related to revenue, adjusted earnings and adjusted cashflow from operations. The award of short-term incentives for the CEO and CFO in 2011 are weighted such that the achievement of goals related to revenue, adjusted earnings and adjusted cashflow from operations account for 45%, 45% and 10%, respectively, of such awards. The award of short-term incentives for John van Saders is weighted such that the achievement of goals related to revenue, adjusted earnings, adjusted cashflow from operations and strategic or operational requirements account for 40%, 40%, 10% and 10%, respectively, of such awards.

**2011 Performance Goals** - The short-term incentive plan financial goals are established by the Compensation and HR Committee based upon the Company’s semi-annual financial plan which is approved by the Board of Directors. In 2011, the Board met in February and July and approved the Company’s 2011 semi-annual financial plans. The Compensation and HR Committee selected financial goals for the short-term incentive plan consisting of revenue, adjusted earnings (adjusted to exclude the value of stock based compensation, depreciation, interest and other unusual or nonrecurring adjustments as determined by the Compensation and HR Committee), and adjusted cashflow from operations (adjusted earnings modified for interest, movements in working capital, certain
asset acquisition and/or disposition activities and other unusual or nonrecurring adjustments as determined by the Compensation and HR Committee).

The financial performance targets established by the Compensation and HR Committee under the Short-term Incentive Plan for 2011 are based on our historical operating results and growth rates as well as our expected future results, and are designed to require significant effort and operational success on the part of our executives and the Company. The financial performance caps established by the Compensation and HR Committee have historically been difficult to achieve and are designed to represent outstanding performance that the Compensation and HR Committee believes should be rewarded. The Compensation and HR Committee retains the discretion to make payments even if threshold performance levels are not met or to make payments in excess of the maximum level if the Company’s performance exceeds the performance caps. The Compensation and HR Committee believes it is appropriate to retain this discretion in order to make short-term incentive awards in extraordinary circumstances.

The determination of whether a short-term incentive has been earned and will be paid for a semi-annual period is based upon whether the specific financial goal has been achieved, the absolute level of the economic performance of the business, as well as overall business conditions at the time of the short-term incentive payments. Each financial goal has a minimum achievement threshold performance relating to 50% of the goal’s target incentive, below which there will be no incentive funding associated with that goal. In addition, each individual financial goal has a maximum achievement cap of 150%, above which there is no additional short-term incentive attributable to the achievement of such financial goal; provided, however, that the total payment of short-term incentives to an executive officer for a particular interim period shall in no case exceed 120% of the aggregate eligible short-term incentive payable to such executive officer for such period, unless such additional payments are approved by the Compensation and HR Committee.

The Company’s Human Resources Department calculates the short-term incentive payments payable to executive officers based on the achievement of the semi-annual short-term incentive targets and specific strategic or operational goals. Following each semi-annual period, the CEO makes recommendations for short-term incentive payments for each executive officer, excluding the CEO. The Compensation and HR Committee considers recommendations from the CEO and makes a final determination based on the results achieved for the executive officers other than the CEO. The Compensation and HR Committee, in a closed door session, decides on the short-term incentive award payable to the CEO.

**Form of Short-Term Incentive Awards** - From 2005 through fiscal year 2011, the Company has used varying combinations of cash and/or restricted stock or restricted stock units as the basis for its semi-annual short-term incentive awards. When restricted stock or restricted stock units have been awarded, the awards have been made with six-months to one year vesting periods. The use of equity for this purpose has allowed the Company to conserve cash to fund its growth, as well as better align the short term incentive payout with the shareholder value created in the following performance period. The Company may increase the use of cash payments for the semi-annual (short-term) incentives as deemed appropriate by the Compensation and HR Committee.

The Compensation and HR Committee determined that for the first-half and second-half 2011 semi-annual incentive distributions were to be principally made in restricted stock units along with a cash allocation. The semi-annual equity awards payable to the Company’s executive officers were reviewed and determined by the Compensation and HR Committee in meetings held in August 2011 and February 2012, respectively.

**2011 Achievement against Performance Goals** - The specific financial performance targets for the first-half and second-half of 2011 were revenue of $110.0 million and $74.0 million, adjusted (loss)/earnings of $8.7 million and ($9.3 million) and adjusted cashflow from operations of $0.8 million and ($11.4 million), respectively. For the first and second half of 2011, actual revenue was $79.1 million and $73.8 million, adjusted earnings were ($5.2 million) and ($8.9 million) and adjusted cashflow from operations was ($2.7 million) and ($9.8 million), respectively.

Based on the significant performance shortfall to plan in the first half of 2011, the Compensation and HR Committee of the Company’s Board of Directors determined that no bonus should be paid for the first half of fiscal 2011. For the second half of fiscal 2011, nearly all short-term incentive goals were met or exceeded. Taking into account the absolute economic condition of the business, the Compensation and HR Committee approved an award
pool equal to approximately 30% of the aggregate employee short-term incentive bonus targets for the second half of fiscal 2011. The net results of the Compensation and HR Committee’s decisions were full-year short-term incentive awards of approximately 15% of each Named Executive Officer’s annual target incentive. The awards are further described in the following table:

SHORT TERM INCENTIVE AWARD TABLE

<table>
<thead>
<tr>
<th>Named Executive Officer</th>
<th>Restricted Stock Units</th>
<th>Grant Date Stock Price</th>
<th>Value</th>
<th>Cash</th>
<th>Total Award Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ron Michels, President and Chief Executive Officer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Half 2011 (1)</td>
<td>0</td>
<td>n/a</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Second Half 2011 (2)</td>
<td>14,065</td>
<td>$3.15</td>
<td>$44,305</td>
<td>$0</td>
<td>$44,305</td>
</tr>
<tr>
<td>Second Half 2011 (2)</td>
<td>7,779</td>
<td>$2.49</td>
<td>$19,370</td>
<td>$0</td>
<td>$19,370</td>
</tr>
<tr>
<td>Full Year 2011</td>
<td></td>
<td></td>
<td></td>
<td>$63,675</td>
<td></td>
</tr>
<tr>
<td>Terrence G. Gallagher, Vice President and Chief Financial Officer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Half 2011 (1)</td>
<td>0</td>
<td>n/a</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Second Half 2011 (2)</td>
<td>5,626</td>
<td>$3.15</td>
<td>$17,722</td>
<td>$0</td>
<td>$17,722</td>
</tr>
<tr>
<td>Second Half 2011 (2)</td>
<td>3,112</td>
<td>$2.49</td>
<td>$7,749</td>
<td>$0</td>
<td>$7,749</td>
</tr>
<tr>
<td>Full Year 2011</td>
<td></td>
<td></td>
<td></td>
<td>$25,471</td>
<td></td>
</tr>
<tr>
<td>John van Saders, Senior Vice President – RF Products</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Half 2011(1)</td>
<td>0</td>
<td>n/a</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Second Half 2011 (2)</td>
<td>6,447</td>
<td>$3.15</td>
<td>$20,308</td>
<td>$0</td>
<td>$20,308</td>
</tr>
<tr>
<td>Second Half 2011 (2)</td>
<td>3,565</td>
<td>$2.49</td>
<td>$8,877</td>
<td>$0</td>
<td>$8,877</td>
</tr>
<tr>
<td>Full Year 2011</td>
<td></td>
<td></td>
<td></td>
<td>$29,185</td>
<td></td>
</tr>
</tbody>
</table>

(1) No award was earned for the first half of 2011.

The threshold, target and maximum amounts, regarding short-term incentives are reflected in the Grants of Plan-Based Awards Table for Fiscal Year-End, assuming that the amounts were paid in cash, subject to the Compensation and HR Committee’s discretion to pay these awards in equity.

Future Performance Goals - Because the market in which we operate is highly competitive with, among other items, product development, talent recruitment, accessibility of materials, customer relationships, and profitability subject to rapid competitive developments, it is our practice not to reveal forward-looking commercial and financial information relating to our business goals, plans or strategies which could result in competitive harm to us. Our 2012 goals for revenue, adjusted earnings, and adjusted cashflow from operations were derived from a combination of internal operating plans and an assessment of the rate of overall growth in our markets. As an indication of the level of difficulty in achieving overall performance objectives, the following level of short-term incentive payouts has been achieved in the past three fiscal years:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Range of Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>14% to 15%</td>
</tr>
<tr>
<td>2010</td>
<td>90% to 112%</td>
</tr>
<tr>
<td>2009</td>
<td>52% to 56%</td>
</tr>
</tbody>
</table>

Long-Term Incentives: Long-term equity incentives, including stock options, restricted stock, restricted stock units, and stock purchase rights granted pursuant to our equity compensation and stock purchase plans,
directly align the interests of our stockholders and the economic interests of our executive officers and other eligible employees. Stock options and restricted stock units are both strong incentives because they encourage employees to work to increase the Company’s stock price. Recipients of stock option grants realize value only if the fair market value of our common stock increases above the exercise price of such options, which is set at the fair market value of our common stock on the date such option is granted. The fair market value of restricted stock units is based on the closing price on date of grant. In addition, employees must remain employed with us for a fixed period of time in order for the options or restricted stock units to fully vest. Options and/or restricted stock units are granted to employees and executives following a yearly review of individual performance and consideration of the individual’s long-term value to the Company. Stock options generally vest over a period of three years with one-third vesting on the anniversary of the first full year of each grant and quarterly vesting in the remaining two years. Restricted stock units generally vest over a period of three years with one-third vesting at the end of each twelve-month period commencing with the date of grant.

The Company believes that it is important to find an appropriate balance between our need to provide effective equity incentives to our employees on the one hand, and on the other hand, the potential resulting dilution to our stockholders and the accounting and administrative impact of issuing such awards due to equity compensation accounting rules. When an award has a per share exercise or purchase price lower than the fair market value of a share of our common stock on the date of grant, we refer to it as a “full-value award”.

Move to Full-Value Restricted Stock Unit Awards in Lieu of Options - We carefully evaluate the components and effectiveness of the total compensation package we offer to our employees, including salary and benefits, and taking into account the potential cost, dilutive impact and effectiveness of various types of incentive awards available to employees under the Company’s Amended and Restated 2005 Long Term Incentive and Share Award Plan (the “2005 Plan”). We surveyed the Company’s Board of Directors (in particular the Compensation and HR Committee), management and employees for their views as to the long-term retentive and motivational impact of various award structures, and we considered what prevailing trends were at other companies both inside and outside our industry, including our competitors. Based on the results of our investigation and analysis, we determined that, at least in the near term, granting employees a lesser number of full-value restricted stock unit awards (i.e., an award of restricted stock units that vests in accordance with the terms and conditions established by the administrator, typically based on continuing employment and/or combination of performance criteria and continuing employment with the Company over a period of years) represented a better balance of these competing interests than our historical practice of granting stock options at a fair market value exercise price per share. Among other factors we considered in making this determination were the following:

- **Award value linked to long-term stockholder value.** Like an option grant, the ultimate amount an employee will derive from a full-value restricted stock award depends on what happens to our stock price during the period over which it vests. If the stock price increases, the employee shares in this increase in stockholder value. If the price declines, the value of the employee’s award declines with that of our other stockholders. We believe this encourages our employees to think and behave like owners and make decisions that increase long-term stockholder value.

- **Better retentive device.** Unlike our historical option grants, while these full-value restricted stock unit awards can decline in value in direct relation to our stock price, they will almost never be worthless, which means their retentive value continues even if our stock price declines in some or all periods following the date of grant; consequently, there is no need for option exchanges or repurchasing of options to retain incentives.

- **Dilution.** In periods where our stock price trades below the exercise price of an option, an option would not be exercised while the dilutive impact of a full-value restricted stock unit award would remain; however that risk is partially mitigated by the fact that a fewer number of shares are issued under full value awards.

Each year the Company evaluates which choice or combination of stock option grants or restricted stock unit awards is best for that particular year. In 2009, the Company granted stock options. In 2010, the Company granted full-value restricted stock units. In 2011, the Company granted primarily full value restricted stock units. The Chief Executive Officer, Ronald Michels, and the former Chief Operating Officer, Thomas Shields, received a mix of restricted stock units and stock option awards.
Incentive Equity Awards for Fiscal Year 2011 - In determining the size of the executive officer long-term incentive awards, the Compensation and HR Committee looked at both the estimated dollar value of competitor company awards as well as the burn rate dilution represented by competitor company awards. The restricted stock unit awards approved by the Compensation and HR Committee represent “option equivalent” burn rate dilution (calculated assuming a ratio of 1.5 options per restricted stock unit awarded) at the median of the peer group companies, representing dollar values that were below the median of the peer group companies. The Compensation and HR Committee determined that this award approach created the appropriate balance of stockholder interests and long-term executive performance incentives, providing the executives with the opportunity to realize award values at or above the market median through operating performance improvements that lead to stock price appreciation. The timing of the 2011 Long-Term Incentive awards occurred over multiple dates due to Named Executive Officer turnover in the course of the year.

Annual Long-Term Incentive Equity Awards for Fiscal 2011 - In January 2011, we granted the following Long-Term Incentive equity awards to our Named Executive Officers. The restricted stock unit awards will vest evenly over a three-year period. The number of restricted stock units awarded, as set forth in the table below, varied with respect to differences in each individual’s compensation targets and their roles within the Company. The Company’s 2010 performance improvements led to greater 2011 award values with the same level of dilution compared to the 2010 awards. 2011 award values from a dollar standpoint represented the median of the blended peer group and Aon/Radford benchmark data provided by the Compensation and HR Committee’s consultant, The Delves Group.

<table>
<thead>
<tr>
<th>Named Executive Officer</th>
<th>RSU’s Awarded</th>
<th>Share Price</th>
<th>Award Value</th>
<th>Option Equivalent % Dilution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mario Rivas, former President and Chief Executive Officer</td>
<td>160,000</td>
<td>$7.21</td>
<td>$1,153,600</td>
<td>0.36%</td>
</tr>
<tr>
<td>Thomas C. Shields, former Executive Vice President and Chief Financial Officer</td>
<td>47,500</td>
<td>$7.21</td>
<td>$342,475</td>
<td>0.11%</td>
</tr>
<tr>
<td>Ronald Michels, former Senior Vice President – Chief Technology &amp; Strategy Officer</td>
<td>47,500</td>
<td>$7.21</td>
<td>$342,475</td>
<td>0.11%</td>
</tr>
<tr>
<td>Gregory White, former Senior Vice President – RF Products</td>
<td>47,500</td>
<td>$7.21</td>
<td>$342,475</td>
<td>0.11%</td>
</tr>
</tbody>
</table>

The individual Named Executive Officers’ awards under our long-term incentive plan for 2011 are shown in the Summary Compensation Table in the Stock Awards column.

Long-Term Incentive Awards Associated with Promotion of Named Executive Officers - Over the course of 2011 an entirely new management team was appointed. At the time of the individual promotions, and at other key business planning and goal-setting intervals, the Compensation and HR Committee approved promotional grants to recognize the additional responsibilities of the individual executives and to create a reward opportunity consistent with the challenge of our new business plan.

<table>
<thead>
<tr>
<th>Named Executive Officer</th>
<th>Equity Awarded</th>
<th>Date</th>
<th>Share Price</th>
<th>Award Value</th>
<th>Option Equivalent % Dilution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ronald Michels, President and Chief Executive Officer</td>
<td>(1) 500,000 RSU’s</td>
<td>3/28/11</td>
<td>$4.65</td>
<td>$2,325,000</td>
<td>1.1%</td>
</tr>
<tr>
<td>(2) 375,000 Stock Options</td>
<td>6/28/11</td>
<td>$3.24</td>
<td>$678,375</td>
<td>0.6%</td>
<td></td>
</tr>
<tr>
<td>(3) 375,000 Stock Options</td>
<td>6/28/11</td>
<td>$3.24</td>
<td>$655,000</td>
<td>0.6%</td>
<td></td>
</tr>
<tr>
<td>Terrence G. Gallagher, Vice President and Chief Financial Officer (4)</td>
<td>47,500 RSU’s</td>
<td>11/14/11</td>
<td>$2.55</td>
<td>$121,125</td>
<td>0.1%</td>
</tr>
<tr>
<td>John van Saders, Senior Vice President, RF Products (5)</td>
<td>39,875 RSU’s</td>
<td>3/28/11</td>
<td>$4.65</td>
<td>$185,419</td>
<td>0.1%</td>
</tr>
<tr>
<td>35,000 RSU’s</td>
<td>8/3/11</td>
<td>$3.07</td>
<td>$107,450</td>
<td>0.1%</td>
<td></td>
</tr>
</tbody>
</table>

(1) Long-Term Incentive Award. Restricted stock units granted upon assumption of CEO role, vesting 1/3rd annually.
(2) Long-Term Incentive Award. Non-qualified stock options vesting 25% year 1, 25% year 2 and 50% year 3. The amount reflects the aggregate grant date fair value of the option award granted in the fiscal year (using the Black-Scholes option pricing model) computed in accordance with ASC 718.
(3) Long-Term Incentive Award. Performance-based non-qualified stock options vesting based on 1-year, 2-year, and 3-year relative total shareholder returns compared to Philadelphia Semiconductor Index component companies. The amount reflects the aggregate grant date fair value of the option award granted in the fiscal year (using the Monte Carlo option pricing model).
Prior to his appointment as a Named Executive Officer, Mr. Gallagher received long-term incentive award of 7,750 restricted stock units on January 12, 2011 and 12,250 restricted stock units on March 30, 2011. These awards are listed in the Grants of Plan-based Awards Table for Fiscal Year End.

Prior to his appointment as a Named Executive Officer, Mr. van Saders received a long-term incentive award of 7,625 restricted stock units on January 12, 2011. These awards are listed in the Grants of Plan-based Awards Table for Fiscal Year End.

### SUMMARY COMPENSATION TABLE

The following table summarizes the total compensation paid to our Named Executive Officers:

<table>
<thead>
<tr>
<th>Name and Principal Position</th>
<th>Year</th>
<th>Salary ($)</th>
<th>Bonus ($)</th>
<th>Stock Awards ($)</th>
<th>Stock Option Awards ($)</th>
<th>Non-Equity Incentive Plan Compensation ($)</th>
<th>Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)</th>
<th>All Other Compensation ($ (8))</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ronald Michels (1)</td>
<td>2011</td>
<td>$397,405</td>
<td>$23,054</td>
<td>$2,800,645</td>
<td>$1,333,375</td>
<td>N/A</td>
<td>N/A</td>
<td>$26,019</td>
<td>$4,380,498</td>
</tr>
<tr>
<td>President and CEO</td>
<td>2010</td>
<td>$295,000</td>
<td>$40,220</td>
<td>$385,486</td>
<td>$0</td>
<td>N/A</td>
<td>N/A</td>
<td>$18,001</td>
<td>$738,707</td>
</tr>
<tr>
<td>2009</td>
<td>$287,743</td>
<td>$0</td>
<td>$75,361</td>
<td>$213,254</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$20,127</td>
<td>$596,485</td>
</tr>
<tr>
<td>Terrence G. Gallagher (2)</td>
<td>2011</td>
<td>$199,582</td>
<td>$10,000</td>
<td>$262,510</td>
<td>$0</td>
<td>N/A</td>
<td>N/A</td>
<td>$16,780</td>
<td>$488,872</td>
</tr>
<tr>
<td>VP and CFO</td>
<td>2010</td>
<td>$244,378</td>
<td>$12,800</td>
<td>$378,058</td>
<td>$0</td>
<td>N/A</td>
<td>N/A</td>
<td>$20,473</td>
<td>$655,709</td>
</tr>
<tr>
<td>John van Saders (3)</td>
<td>2011</td>
<td>$127,644</td>
<td>$46,647</td>
<td>$183,011</td>
<td>$0</td>
<td>N/A</td>
<td>N/A</td>
<td>$1,716,626</td>
<td>$2,073,928</td>
</tr>
<tr>
<td>Senior VP RF Products</td>
<td>2010</td>
<td>$450,000</td>
<td>$69,000</td>
<td>$1,012,417</td>
<td>$0</td>
<td>N/A</td>
<td>N/A</td>
<td>$1,171,626</td>
<td>$2,073,928</td>
</tr>
<tr>
<td>Mario Rivas (4)</td>
<td>2009</td>
<td>$380,715</td>
<td>$0</td>
<td>$88,916</td>
<td>$1,817,520</td>
<td>N/A</td>
<td>N/A</td>
<td>$27,683</td>
<td>$2,314,834</td>
</tr>
<tr>
<td>Former President and CEO</td>
<td>2011</td>
<td>$352,082</td>
<td>$26,862</td>
<td>$2,077,046</td>
<td>$0</td>
<td>N/A</td>
<td>N/A</td>
<td>$247,583</td>
<td>$3,155,823</td>
</tr>
<tr>
<td>Former COO, EVP and CFO</td>
<td>2010</td>
<td>$315,303</td>
<td>$45,145</td>
<td>$427,917</td>
<td>$0</td>
<td>N/A</td>
<td>N/A</td>
<td>$22,147</td>
<td>$810,512</td>
</tr>
<tr>
<td>Gregory White (3)</td>
<td>2011</td>
<td>$77,646</td>
<td>$21,846</td>
<td>$431,249</td>
<td>$0</td>
<td>N/A</td>
<td>N/A</td>
<td>$268,760</td>
<td>$799,501</td>
</tr>
<tr>
<td>Former Sr VP RF Products</td>
<td>2010</td>
<td>$388,002</td>
<td>$28,026</td>
<td>$333,049</td>
<td>$0</td>
<td>N/A</td>
<td>N/A</td>
<td>$35,515</td>
<td>$684,592</td>
</tr>
<tr>
<td>2009</td>
<td>$60,924</td>
<td>$0</td>
<td>$46,466</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$18,645</td>
<td>$126,035</td>
<td></td>
</tr>
</tbody>
</table>

1. Mr. Michels was appointed President and CEO on March 28, 2011.
2. Mr. Gallagher was appointed CFO on November 14, 2011.
3. Mr. White resigned in March 2011 and Mr. van Saders was appointed Sr. VP - RF Products on March 28, 2011.
4. Mr. Rivas commenced employment in February 2009 and resigned in March 2011. The stock option award value excludes a 160,000 restricted stock unit award granted on January 31, 2011 which was cancelled upon his resignation.
5. Mr. Shields was appointed Chief Operating Officer on March 28, 2011 and resigned in November 2011. The stock option awards value excludes a 250,000 performance based option award granted on June 28, 2011 which was cancelled upon his resignation. In addition, in January 2012 the Company paid $2.1 million in severance payments and for consulting services (see also “Employment Contracts, Change of Control Arrangements, and Separation Agreements”).
6. Amounts reflect the aggregate grant date fair value of restricted stock units granted in the fiscal year computed in accordance with ASC 718. 2011 includes promotional long-term incentive grants that are in excess of typical annual long-term incentive grant date values to recognize the substantial added responsibilities for each executive. For reference the prior CEO (Mr. Rivas) received annual long-term incentive awards of 160,000 stock units in 2010 ($1,012,417) and 2011 ($1,153,600) respectively, with annual grant values of $1.0 million each.
7. Amounts reflect the aggregate grant date fair value of option awards granted in the fiscal year (using the Black-Scholes option pricing model for time based awards and the Monte Carlo option pricing model for performance based awards) computed in accordance with ASC 718.
8. All Other Compensation includes benefits (medical, dental, life, accidental death and
GRANTS OF PLAN-BASED AWARDS TABLE FOR FISCAL YEAR END

The following table provides information on stock options, restricted stock units or awards and plan-based cash incentive awards granted with respect to fiscal year 2011 for each of the Company’s Named Executive Officers. There can be no assurance that the amounts set forth in the “Grant Date Fair Value of Stock and Option Awards” column will ever be realized.

<table>
<thead>
<tr>
<th>Name and Principal Position</th>
<th>Grant Date</th>
<th>Fiscal year 2011 Short Term Incentive Plan Awards</th>
<th>Estimates Future Shares Under Equity Incentive Plan Awards</th>
<th>All Other Stock Awards: Number of Shares of Stock or Units (#)</th>
<th>All Other Option Awards: Number of Securities Underlying Options (#)</th>
<th>Exercise Price of All Stock Option &amp; Option Awards ($/Sh)</th>
<th>Grant Date or Base Fair Value ($)(#)</th>
<th>Price of All Stock Option &amp; Option Awards ($/Sh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ronald Michels</td>
<td>1/3/2011</td>
<td>n/a</td>
<td>n/a</td>
<td>7,750</td>
<td>2</td>
<td>n/a</td>
<td>1/3/2011</td>
<td>$342,475</td>
</tr>
<tr>
<td>President and CEO</td>
<td>3/28/2011</td>
<td>n/a</td>
<td>n/a</td>
<td>7,750</td>
<td>2</td>
<td>n/a</td>
<td>3/28/2011</td>
<td>$19,370</td>
</tr>
<tr>
<td>Terrence G. Gallagher</td>
<td>1/12/2011</td>
<td>n/a</td>
<td>n/a</td>
<td>7,750</td>
<td>2</td>
<td>n/a</td>
<td>1/12/2011</td>
<td>$58,823</td>
</tr>
<tr>
<td>VP and CFO</td>
<td>3/30/2011</td>
<td>n/a</td>
<td>n/a</td>
<td>7,750</td>
<td>2</td>
<td>n/a</td>
<td>3/30/2011</td>
<td>$55,248</td>
</tr>
<tr>
<td>John van Saders</td>
<td>1/12/2011</td>
<td>n/a</td>
<td>n/a</td>
<td>7,750</td>
<td>2</td>
<td>n/a</td>
<td>1/12/2011</td>
<td>$57,874</td>
</tr>
<tr>
<td>Senior VP RF Products</td>
<td>3/28/2011</td>
<td>n/a</td>
<td>n/a</td>
<td>7,750</td>
<td>2</td>
<td>n/a</td>
<td>3/28/2011</td>
<td>$185,419</td>
</tr>
<tr>
<td>Mario Rivas</td>
<td>1/31/2011</td>
<td>n/a</td>
<td>n/a</td>
<td>7,750</td>
<td>2</td>
<td>n/a</td>
<td>1/31/2011</td>
<td>$1,153,600</td>
</tr>
<tr>
<td>Former President and CEO</td>
<td>3/3/2011</td>
<td>n/a</td>
<td>n/a</td>
<td>7,750</td>
<td>2</td>
<td>n/a</td>
<td>3/3/2011</td>
<td>$342,475</td>
</tr>
<tr>
<td>Thomas C. Shields</td>
<td>1/3/2011</td>
<td>n/a</td>
<td>n/a</td>
<td>7,750</td>
<td>2</td>
<td>n/a</td>
<td>1/3/2011</td>
<td>$342,475</td>
</tr>
<tr>
<td>Former COO, EVP and CFO</td>
<td>3/28/2011</td>
<td>n/a</td>
<td>n/a</td>
<td>7,750</td>
<td>2</td>
<td>n/a</td>
<td>3/28/2011</td>
<td>$1,581,000</td>
</tr>
<tr>
<td>Gregory White</td>
<td>1/3/2011</td>
<td>n/a</td>
<td>n/a</td>
<td>7,750</td>
<td>2</td>
<td>n/a</td>
<td>1/3/2011</td>
<td>$342,475</td>
</tr>
<tr>
<td>Former Sr VP RF Products</td>
<td>3/28/2011</td>
<td>n/a</td>
<td>n/a</td>
<td>7,750</td>
<td>2</td>
<td>n/a</td>
<td>3/28/2011</td>
<td>$1,581,000</td>
</tr>
</tbody>
</table>

(1) Awards of restricted stock units with six month to one year vesting made for the second half 2011 Short-Term Incentive Plan. The March 23, 2012 grant of restricted stock units replaced the previously approved cash portion of the February 16, 2012 short-term incentive award.
(2) Awards of restricted stock units which vest over three years made under the 2005 Plan.
(3) Promotional and other option (equal parts time and performance based vesting) and restricted stock awards in recognition for increasing responsibility.
(4) Assumes the amounts were paid in cash subject to Compensation and HR Committee discretion to pay these awards all or partly in equity.
(5) Actual incentive awards were previously summarized in the short and long term incentive award tables.
(6) Award forfeited upon termination of the Executive's employment.
OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table shows all outstanding equity awards held by the Named Executive Officers as of December 31, 2011. The dollar value of these awards is calculated by multiplying the number of shares or units by the market close of our Common Stock on December 31, 2011 of $2.19.

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Securities Underlying Unexercised Options (#)</th>
<th>Option Exercise Price</th>
<th>Option Number of Shares or Units of Stock Held That Have Not Vested (#)</th>
<th>Market Value of Shares or Units of Stock That Have Not Vested ($)</th>
<th>Option Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ronald Michels</td>
<td>56,001</td>
<td>$7.27</td>
<td>579,166</td>
<td>$1,268,374</td>
<td>2/6/2014</td>
</tr>
<tr>
<td>President and CEO</td>
<td>77,193</td>
<td>$1.93</td>
<td>8,84</td>
<td>$1,93</td>
<td>11/14/2012</td>
</tr>
<tr>
<td>Terrence G. Gallagher</td>
<td>13,044</td>
<td>$1.93</td>
<td>71,704</td>
<td>$157,032</td>
<td>2/6/2014</td>
</tr>
<tr>
<td>VP and CFO</td>
<td>7,811</td>
<td>$8.84</td>
<td>12/18/2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>John van Saders</td>
<td>3,609</td>
<td>$8.84</td>
<td>636</td>
<td>$1,93</td>
<td>11/14/2012</td>
</tr>
<tr>
<td>Senior VP RF Products</td>
<td>1,907</td>
<td>$1.93</td>
<td>6,234</td>
<td>$188,787</td>
<td>2/6/2014</td>
</tr>
<tr>
<td>Mario Rivas</td>
<td>900,000</td>
<td>$2.03</td>
<td>2/6/2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Former President CEO</td>
<td>92,501</td>
<td>$2.03</td>
<td>11/14/2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Former COO, EVP and CFO</td>
<td>48,800</td>
<td>$8.84</td>
<td>11/14/2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gregory White</td>
<td>59,659</td>
<td>$1.93</td>
<td>11/14/2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Former Sr VP RF Products</td>
<td>250,000</td>
<td>$3.24</td>
<td>11/14/2012</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) The dollar value of these awards is calculated by multiplying the number of shares or units by the market close of our Common Stock on December 31, 2011 of $2.19.

(2) Maximum option award subject to performance conditions as outlined in the Long-Term Incentive awards associated with promotions for Named Executive Officers.

(3) Shares vested prior to March 21, 2012.

(4) Long-term incentive option award vesting 125,000 on June 28, 2012, 125,000 on June 28, 2013 and 125,000 on June 28, 2014.


OPTION EXERCISES AND STOCK VESTED

The following table shows all stock options exercised and the value realized upon exercise and all stock awards that vested and the value realized upon vesting by each Named Executive Officer during fiscal 2011.

<table>
<thead>
<tr>
<th>Option Awards</th>
<th>Stock Awards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Shares Acquired on Exercise (#)</td>
<td>Value Realized on Exercise</td>
</tr>
<tr>
<td>Ronald Michels</td>
<td>-</td>
</tr>
<tr>
<td>President and CEO</td>
<td>Terrence G. Gallagher</td>
</tr>
<tr>
<td>VP and CFO</td>
<td>John van Saders</td>
</tr>
<tr>
<td>Senior VP RF Products</td>
<td>Mario Rivas</td>
</tr>
<tr>
<td>Former President and CEO</td>
<td>Thomas C. Shields</td>
</tr>
<tr>
<td>Former COO, EVP and CFO</td>
<td>Gregory White</td>
</tr>
<tr>
<td>Former Sr VP RF Products</td>
<td></td>
</tr>
</tbody>
</table>

Equity Compensation Plan Disclosure

The following table provides information as of December 31, 2011, about securities issued or authorized for future issuance under the Company’s equity compensation plans.

<table>
<thead>
<tr>
<th>Plan Category</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of securities to be issued upon exercise of outstanding options, warrants and rights</td>
<td>Weighted average exercise price of outstanding options, warrants and rights</td>
<td>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column A)</td>
</tr>
<tr>
<td>Equity Compensation Plans approved by security holders (1)</td>
<td>3,889,656</td>
<td>$4.17</td>
<td>3,755,901</td>
</tr>
<tr>
<td>Equity Compensation Plans not approved by security holders (2)</td>
<td>385,636</td>
<td>$5.81</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4,275,292</td>
<td></td>
<td>3,755,901</td>
</tr>
</tbody>
</table>

(1) Consists of the Company’s 1995 Long-Term Incentive and Share Award Plan for Officers and Directors, which terminated on February 28, 2005; the 2005 Plan; and the Employee Stock Purchase Plan. The reserve balance in the 2005 Plan at December 31, 2011 was 1,209,633 shares. Shares remaining in the 2005 Plan reserve as of March 21, 2012 equaled 751,485. Includes the outstanding June 28, 2011 performance award for Mr. Michels at its base quantity of 250,000 shares.

(2) Consists of the Company’s 1997 Long-Term Incentive and Share Award Plan which terminated on February 28, 2005.

OTHER COMPENSATION AND BENEFITS

Our executive officers are also eligible for other benefits that generally are similar to those available to all of our U.S.-based employees, including medical, life and accident insurance, employee stock purchase plan and a 401(k) plan matching contribution of up to 30% of an employee’s contribution up to 10% of their gross pay. Our Named Executive Officers are also eligible for an annual physical exam, convertible life insurance policies and
financial planning allowance. We do not provide any other perquisites to our Named Executive Officers that are not made available to other employees.

The following table generally illustrates the benefits and perquisites we do and do not provide and identifies those employees who may be eligible to receive them:

<table>
<thead>
<tr>
<th>Plan</th>
<th>Named Executive Officers</th>
<th>Managers</th>
<th>Full-Time Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>401(k)</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Medical/Dental/Vision</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Life &amp; Disability Insurance (1) (2)</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Employee Stock Purchase Plan</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Change-In-Control &amp; Severance Plan</td>
<td>X</td>
<td>Not Offered</td>
<td>Not Offered</td>
</tr>
<tr>
<td>Supplemental Executive Medical Plan (3)</td>
<td>X</td>
<td>Not Offered</td>
<td>Not Offered</td>
</tr>
<tr>
<td>Supplemental Early Retirement Plan</td>
<td>Not Offered</td>
<td>Not Offered</td>
<td>Not Offered</td>
</tr>
<tr>
<td>Employee Stock Purchase Plan</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Defined Benefit Pension Plan</td>
<td>Not Offered</td>
<td>Not Offered</td>
<td>Not Offered</td>
</tr>
<tr>
<td>Employee Discounts</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Convertible Life Insurance</td>
<td>X</td>
<td>Not Offered</td>
<td>Not Offered</td>
</tr>
<tr>
<td>Financial Planning Allowance (4)</td>
<td>X</td>
<td>Not Offered</td>
<td>Not Offered</td>
</tr>
<tr>
<td>Automobile/Transportation Allowance (5)</td>
<td>Not Offered</td>
<td>Not Offered</td>
<td>X</td>
</tr>
<tr>
<td>Relocation Assistance (6)</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Physical Fitness Allowance</td>
<td>Not Offered</td>
<td>Not Offered</td>
<td>Not Offered</td>
</tr>
<tr>
<td>Country Club Memberships</td>
<td>Not Offered</td>
<td>Not Offered</td>
<td>Not Offered</td>
</tr>
<tr>
<td>Security Service</td>
<td>Not Offered</td>
<td>Not Offered</td>
<td>Not Offered</td>
</tr>
<tr>
<td>Dwellings for Personal Use</td>
<td>Not Offered</td>
<td>Not Offered</td>
<td>Not Offered</td>
</tr>
</tbody>
</table>

(1) We provide Company-paid short-term disability insurance to eligible full-time employees with a bi-weekly benefit up to 100% of qualifying base salary. The amount of the Company-paid benefit may be reduced by state disability benefits, workers compensation payments, or Social Security payments.

(2) We provide Company-paid long-term disability insurance which provides income replacement during a disability that has existed (for at least six months of up to 60% of base salary with a maximum benefit of $10,000 monthly.) The amount of benefits provided under this plan may be reduced by state disability benefits, workers compensation payments, or Social Security payments.

(3) We provide an executive supplemental medical plan to certain executives, which covers the expense for qualifying claims which have not been paid or reimbursed by the basic healthcare plans.

(4) We provide our Named Executive Officers with a limited financial planning allowance via taxable reimbursements for financial planning services like financial advice, life insurance adequacy and tax preparation, which are focused on assisting executive employees in achieving the highest value from their compensation package.

(5) In certain international locations some employees are provided an automobile/transportation allowance in accordance with local custom and competitive market practice.

(6) We provide relocating employees with economic assistance associated with home sale, househunting, home purchase, temporary living, shipment of personal goods, and other miscellaneous move expenses. The level of individual assistance is defined by both our Relocation Policy and individual relocation agreements. The program is administered through a third party.

OTHER COMPENSATION POLICIES AND PRACTICES

**Hedging Prohibitions** - We have an insider trading policy, which among other things prohibits employees, officers, and directors from engaging in any speculative or hedging transactions in our securities. These “Hedging Prohibitions” were adopted and added to the policy at the Compensation and HR Committee’s February 2012 meeting.
ANADIGICS considers it improper and inappropriate for those employed by the Company to engage in short-term, speculative transactions, including derivatives or hedges, in or related to the Company’s securities or in other transactions in the Company’s securities that may lead to inadvertent violations of the insider trading laws.

Hedging transactions such as puts, calls, collars, swaps, forward sales contracts, exchange funds, and similar arrangements or instruments designed to hedge or offset decreases in market value of ANADIGICS’ securities are prohibited.

No employee, including Named Executive Officers, or directors may engage in short sales of ANADIGICS securities, hold ANADIGICS securities in a margin account or pledge ANADIGICS securities as collateral for a loan as both create the potential for inadvertent violations of insider trading laws (i.e. margin calls or loan foreclosures).

**Claw Back Policy** - The Board of Directors may recover incentive compensation paid to any current or former Named Executive Officer of the company when each of the following conditions apply:

- The Company’s financial statements are required to be restated due to material non-compliance with any financial reporting requirements under the federal securities laws (other than a restatement due to a change in accounting rules);
- As a result of such restatement, a performance measure that was a material factor in determining the incentive award is restated; and
- In the discretion of the Compensation and HR Committee, a lower payment would have been made to the executive officer based on the restated financial results.

The Claw Back policy applies to all annual incentive and other performance-based compensation paid on or after February 16, 2012 and the recovery period is the three year period preceding the date on which the Company is required to prepare the accounting restatement.

**Executive and Director Stock Ownership Requirements** - The Board of Directors believes that Directors and Named Executive Officers should have a significant stake in ANADIGICS stock to align their interests with those of ANADIGICS’ stockholders. At the end of fiscal year 2011, our assessment of stock and beneficial ownership levels among our executives is that (i) a significant portion of our executives’ personal investment portfolios consist of our Company’s stock; and (ii) the stock ownership levels of our Named Executive Officers are appropriate when compared to similarly situated executives at our peer group companies.

As of the most recent Form 4 filings, Director stock ownership was:

<table>
<thead>
<tr>
<th>Director</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ronald Rosenzweig</td>
<td>199,594</td>
</tr>
<tr>
<td>Paul Bachow</td>
<td>196,410</td>
</tr>
<tr>
<td>Lew Solomon</td>
<td>174,146</td>
</tr>
<tr>
<td>Harry Rein</td>
<td>144,246</td>
</tr>
<tr>
<td>David Fellows</td>
<td>135,611</td>
</tr>
<tr>
<td>Denny Strigl</td>
<td>113,588</td>
</tr>
<tr>
<td><strong>Total Directors</strong></td>
<td><strong>961,595</strong></td>
</tr>
</tbody>
</table>

From a benchmarking standpoint, all Directors have holdings well in excess of four to five times their annual cash retainer of $40,000.

As of the February 17, 2012 Form 4 filings, Named Executive Officer stock ownership was:

<table>
<thead>
<tr>
<th>Executive</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ronald Michels</td>
<td>774,620</td>
</tr>
<tr>
<td>Terrence G. Gallagher</td>
<td>117,422</td>
</tr>
<tr>
<td>John van Saders</td>
<td>99,628</td>
</tr>
</tbody>
</table>
From a benchmarking standpoint, the CEO’s ownership is approximately five times his annual base salary and the remaining Named Executive Officers have holdings approximately equal to their annual base salaries.

We will continue to monitor executive stock ownership levels compared to our peer group companies on an ongoing basis.

**Timing of Equity Awards** - It has been our practice to grant Long-Term Incentive awards following the first Compensation and HR Committee meeting of the fiscal year. When equity is used as all or a portion of the award pool for our semi-annual Short-Term Incentives, it has been the Company’s practice to approve the awards at Compensation and HR Committee meetings held on or approximating our Q2 and Q4 earnings releases, and to make the grants at the close of business on the meeting dates.

**Pay for Performance Policy** - The ANADIGICS Board of Directors believes that a substantial portion of equity awards to Named Executive Officers should be performance-based. We have adopted, effective February 16, 2012, a Pay for Performance Policy, which among other things, requires that any equity granted for short-term incentive awards is 100% performance-based and that any equity granted for long-term incentive awards is at least 50% performance-based.

Short-term incentive plan performance measures include:

- Revenue Achievement (vs. Plan)
- Adjusted Earnings Achievement (vs. Plan)
- Adjusted Cash Flow from Operations Achievement (vs. Plan)

Long-term incentive plan performance measures typically include total stockholder return measures, and span multiple years:

- Relative TSR (vs. a pre-defined Peer Group)
- Absolute TSR

**2012 Long-Term Incentive Decisions** - At its February 16, 2012 meeting, in accordance with its newly adopted Pay for Performance Policy (see above section on Other Compensation Policies and Practices), the Compensation and HR Committee approved, subject to stockholder approval of additional 2005 Long-Term Incentive and Share Award Plan shares at the Company’s 2013 Annual Stockholder Meeting, the award of 260,000 restricted stock units to the Named Executive Officers set forth opposite their names as of May 15, 2013. 50% of the restricted stock units will have time-based vesting conditions and 50% will have performance-based vesting conditions.

<table>
<thead>
<tr>
<th>Named Executive Officer</th>
<th>Number of Time Vesting Restricted Stock Units</th>
<th>Number of Performance Vesting Restricted Stock Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ronald Michels</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>John van Saders</td>
<td>30,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Total</td>
<td>130,000</td>
<td>130,000</td>
</tr>
</tbody>
</table>

The time vesting restricted stock units will vest 1/3rd on May 20, 2013, 1/3rd on February 18, 2014, and 1/3rd on February 18, 2015.

The performance vesting restricted stock units will vest based on absolute total stockholder return (“TSR”) for one-year, two-year, and three-year periods starting from the baseline date of December 31, 2011, compared to total stockholder return targets for each of the respective periods. Absolute TSR means total stockholder return and shall be determined with respect to the Company by dividing: (a) the sum of (i) the difference obtained by subtracting the beginning price from the ending price plus (ii) all dividends and other distributions paid on the Company’s common stock during the performance period by (b) the beginning price. Any non-cash distributions shall be ascribed such dollar value as may be determined by or at the discretion of the Administrator. The December 31, 2011 baseline ANADIGICS stock price is $2.19 per share.
The applicable percentage will be interpolated on a linear basis between the levels stated in the chart above.

**Section 162(m)** - Under Section 162(m) of the Internal Revenue Code, we may not receive a federal income tax deduction for compensation paid to the CEO and the next three most highly compensated executive officers to the extent that any of these persons receives more than $1,000,000 in compensation in any one year. However, if we pay compensation that is treated as “qualified performance-based compensation” under Section 162(m), we can receive a federal income tax deduction for the compensation paid even if such compensation exceeds $1,000,000 in a single year. Our 2005 Plan is stockholder-approved and stock options granted under the 2005 plan are intended to qualify as “qualified performance-based compensation”. The Compensation and HR Committee has not adopted a policy that all compensation must be deductible on our federal income tax returns.

**EMPLOYMENT CONTRACTS, CHANGE OF CONTROL ARRANGEMENTS, AND SEPARATION AGREEMENTS**

**SEPARATION AGREEMENTS**

**Former Chief Executive Officer (Mario Rivas).** The Company entered into an employment agreement with Mario A. Rivas, President and Chief Executive Officer on January 15, 2009, amended on December 10, 2009, to extend the stated term of his employment from December 31, 2010 to December 31, 2013. Under the terms of the agreement, if the Company terminates Mr. Rivas without “Cause” or Mr. Rivas terminates his employment for “Good Reason”, he would be entitled to (A) an amount equal to 200% of the sum of (i) his then annual base salary, plus (ii) his annual bonus, if any, earned during the immediately preceding calendar year, (B) any base salary earned but not yet paid as of the date of termination, (C) any annual bonus in the year prior to the year of termination awarded and earned but not yet paid, (D) health benefits in effect on the date of termination through the earlier to occur, of (i) twelve months from such termination of employment, or (ii) the date he commences employment with another entity, and (E) immediate vesting of his stock options.

If Mr. Rivas’ employment terminated at the expiration of the stated term, he would be entitled to (i) the continuation of health benefits through the earlier of three months from termination date or the date he commences employment with another entity and (ii) the vesting of his stock options and restricted stock that would have vested within twelve months of the termination date.

In exchange for these benefits, Mr. Rivas agreed (x) not to solicit employees to leave the Company for twenty-four months after termination of his employment and (y) not to solicit customers or interfere with the Company’s suppliers for twenty-four months following termination of his employment. Mr. Rivas would have “Good Reason” to resign if (a) he is assigned any duties or responsibilities that are materially inconsistent with the scope of his duties as CEO; (b) he suffers a material reduction in his duties, responsibilities or authority as CEO; (c) he is removed from the office of CEO; (d) his annual base salary is materially reduced; or (e) the Company ceases being a publicly traded company as a result of undergoing a change of control and becoming a subsidiary of another company and Mr. Rivas remains CEO of such subsidiary only.

The Company previously announced on March 28, 2011 the resignation of Mario Rivas as President, Chief Executive Officer and Director. In connection with his departure, Mr. Rivas and the Company entered into a separation agreement and release pursuant to which Mr. Rivas received: a severance payment equal to $1,715,866 representing 200% of base salary plus annual bonus, continuation of health benefits for up to 12 months and vesting of stock options, the vesting of restricted stock units granted in connection with his 2010 second half short term incentive, as well as certain other benefits, which benefits he would have been entitled to under his employment agreement upon a termination by the Company without “Cause”.

<table>
<thead>
<tr>
<th>Vesting</th>
<th>1-Year TSR</th>
<th>2-Year TSR</th>
<th>3-Year TSR</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>TSR</td>
<td>Stock Price</td>
<td>TSR</td>
</tr>
<tr>
<td>100%</td>
<td>35%</td>
<td>$2.96</td>
<td>81%</td>
</tr>
<tr>
<td>75%</td>
<td>30%</td>
<td>$2.85</td>
<td>68%</td>
</tr>
<tr>
<td>50%</td>
<td>25%</td>
<td>$2.74</td>
<td>56%</td>
</tr>
<tr>
<td>0%</td>
<td>&lt;25%</td>
<td>&lt;56%</td>
<td>&lt;95%</td>
</tr>
</tbody>
</table>

The applicable percentage will be interpolated on a linear basis between the levels stated in the chart above.

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In exchange for these benefits, Mr. Rivas agreed (x) not to solicit employees to leave the Company for twenty-four months after termination of his employment and (y) not to solicit customers or interfere with the Company’s suppliers for twenty-four months following termination of his employment. Mr. Rivas would have “Good Reason” to resign if (a) he is assigned any duties or responsibilities that are materially inconsistent with the scope of his duties as CEO; (b) he suffers a material reduction in his duties, responsibilities or authority as CEO; (c) he is removed from the office of CEO; (d) his annual base salary is materially reduced; or (e) the Company ceases being a publicly traded company as a result of undergoing a change of control and becoming a subsidiary of another company and Mr. Rivas remains CEO of such subsidiary only.

The Company previously announced on March 28, 2011 the resignation of Mario Rivas as President, Chief Executive Officer and Director. In connection with his departure, Mr. Rivas and the Company entered into a separation agreement and release pursuant to which Mr. Rivas received: a severance payment equal to $1,715,866 representing 200% of base salary plus annual bonus, continuation of health benefits for up to 12 months and vesting of stock options, the vesting of restricted stock units granted in connection with his 2010 second half short term incentive, as well as certain other benefits, which benefits he would have been entitled to under his employment agreement upon a termination by the Company without “Cause”.

<table>
<thead>
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<td>56%</td>
</tr>
<tr>
<td>0%</td>
<td>&lt;25%</td>
<td>&lt;56%</td>
<td>&lt;95%</td>
</tr>
</tbody>
</table>
**Former Senior Vice President RF Products Group (Gregory White).** The Company entered into an employment agreement in October 2009, as amended through July 2010 with Gregory White, Senior Vice President RF Products for a term expiring on December 31, 2011. Under the terms of the agreement in the event of a “Change in Control” which results, within six months following such Change in Control, in either the involuntary termination without “Cause” of his employment with the Company or Mr. White’s voluntary resignation from the Company due to a material reduction in responsibilities and duties associated with his position; or reduction in compensation (base salary, plus bonus at target) (without the express consent of Mr. White), he would be entitled to an amount equal to (A) twelve months of base salary; (B) payment of the annual bonus at 100% of target; (B) up to an additional six months of base salary (solely during any portion of the post-employment period that he remains unemployed) and payment of the semi-annual bonus at 100% of target if he remains unemployed during the post-employment period; and (C) payment of the annual bonus for the period during which termination occurs (at 100% of target) prorated for the number of complete months worked in that period; and (D) continuation of all current medical and dental insurance benefits until the first to occur of one year from the date of termination of employment under the agreement or the commencement of employment at another employer offering similar benefits; (E) executive outplacement services for up to six months; and (F) immediate vesting of all stock options and restricted stock granted prior to termination of employment to the extent such options and restricted stock have been earned if performance-based. In the event Mr. White’s employment is terminated without “Cause”, absent a “Change in Control”, he would be entitled to receive (i) an amount equal to six months of base salary (payable in equal bi-monthly installments) and payment of the semi-annual bonus at 100% of target and (ii) the benefits set forth in clauses D, E and F above.

The Company previously announced on March 28, 2011 the resignation of Greg White as Senior Vice President - RF Products. In connection with his departure, Mr. White and the Company entered into a separation agreement and release pursuant to which Mr. White received: a severance payment of $144,001 equal to six months base salary plus $108,001 as payment of the semi-annual bonus, continuation of health benefits for up to 12 months and vesting of stock options, restricted stock and restricted stock units granted, as well as certain other benefits, which benefits he would have been entitled to under his employment agreement upon a termination by the Company without “Cause”.

**Former Executive Vice President, Chief Operating Officer & Chief Financial Officer (Thomas Shields).** The Company entered into an employment agreement in 2000, amended in 2005, and again in 2011, with Thomas Shields, Executive Vice President, Chief Operating Officer and Chief Financial Officer. Under the terms of the agreement, as amended, if the Company terminated Mr. Shields without “Cause” or in the event of a "Change in Control" which results in either the involuntary termination without "Cause" of his employment with the Company or Mr. Shields’ voluntary resignation from the Company due to a reduction in the responsibilities and duties associated with his position, or reduction in compensation (base salary, plus bonus at target (without the express consent of Mr. Shields)), he would be entitled to (A) an amount equal to 250% of the sum of (i) the highest annualized rate of his base salary in effect at any point during the twelve months preceding the date of termination of employment, plus (ii) his bonus at a target of 110% of the highest annualized rate of his base salary in effect at any point during the twelve months preceding the date of termination of employment, (B) health benefits for a maximum of twelve months, and (C) immediate vesting of (i) all stock options and (ii) all restricted stock granted prior to termination of employment.

If Mr. Shields’ employment terminated on the Stated Termination Date or any Anniversary Termination Date, he would be entitled to (x) the vesting of his stock options, restricted stock and restricted stock units that would have vested within twelve months of the expiration date of the agreement and (y) an amount equal to the highest annualized rate of his base salary in effect at any point during the twelve months preceding the date of termination of employment and (z) payment of any short-term incentive bonus for the year ending on the Stated Termination Date or any subsequent Anniversary Termination Date that had been awarded and earned in accordance with the Company’s normal course, but not yet paid.

The Company previously announced on November 14, 2011 the resignation of Thomas Shields as Executive Vice President, Chief Operating Officer, Chief Financial Officer and Secretary. In connection with his departure, Mr. Shields and the Company entered into a separation agreement and release pursuant to which Mr. Shields received: a severance payment approximating $2.25 million, principally paid in January 2012, continuation of health benefits for up to 12 months and vesting of stock options, restricted stock and restricted stock units, as well as certain other
benefits, which benefits he would have been entitled to under his employment agreement upon a termination by the Company without “Cause”. In addition, Mr. Shields provided consulting services for two months following his resignation as referenced in the Summary Compensation Table.

EXECUTIVE EMPLOYMENT AGREEMENTS

Chief Executive Officer. The Company announced on March 28, 2011 it appointed Ronald Michels, to serve as President, Chief Executive Officer and Director. In connection with his appointment, Mr. Michels and the Company entered into an employment agreement, accepted April 15, 2011 for a term expiring on December 31, 2013 (the “Stated Termination Date”), which term will automatically be extended on an annual basis on each anniversary of the Stated Termination Date (“Anniversary Termination Date”) provided that neither Mr. Michels nor the Company notifies the other party in writing prior to the September 30 preceding such Stated Termination date or Anniversary Termination Date that such party elects not to extend the agreement.

Under the terms of the agreement, if the Company terminates Mr. Michels without “Cause” or in the event of a “Change in Control” which results in either the involuntary termination without “Cause” of his employment with the Company or Mr. Michels’ voluntary resignation from the Company due to a reduction in responsibilities and duties associated with his position, or reduction in compensation (base salary, plus bonus at target without the prior express written consent of Mr. Michels), he shall be entitled to (A) an amount equal to 200% of the sum of (i) the highest annualized rate of his base salary in effect at any point during the twelve months preceding the date of termination of employment plus (ii) his bonus at target of 110% of the highest annualized rate of his base salary in effect at any point during the twelve months preceding the date of termination of employment, (B) payment of the semi-annual bonus (at 100% of target prorated for the number of months worked in that period), (C) medical and dental insurance benefits for a maximum of twelve months, (D) executive outplacement services for up to six months, and (E) immediate vesting of (i) all stock options and (ii) all shares of restricted stock and restricted stock units granted prior to termination of employment to the extent earned if performance based.

If Mr. Michels’ employment terminates on the Stated Termination Date or any Anniversary Termination Date, he is entitled to (x) the vesting of his stock options, restricted stock and restricted stock units that would have vested within twelve months of the expiration date of the agreement and (y) an amount equal to the highest annualized rate of his base salary in effect at any point during the twelve months preceding the date of termination of employment and (z) payment of any short-term incentive bonus for the year ending on the Stated Termination Date or any subsequent Anniversary Termination Date that has been awarded and earned in accordance with the Company’s normal course, but not yet paid.

Senior Vice President, RF Products. The Company announced on March 28, 2011 it appointed John van Saders, to serve as Senior Vice President - RF Products. In connection with his appointment, Mr. van Saders and the Company entered into an employment agreement, accepted April 15, 2011, for a term expiring December 31, 2013 (the “Stated Termination Date”), which term shall automatically be extended on an annual basis on each anniversary of the Stated Termination Date (“Anniversary Termination Date”) provided that neither Mr. van Saders nor the Company notifies the other party in writing prior to the September 30 preceding such Stated Termination Date or Anniversary Termination Date that such party elects not to extend the agreement.

Under the terms of the agreement, in the event of a “Change in Control” which results in either the involuntary termination of his employment with the Company without “Cause” or Mr. van Saders’ voluntary resignation from the Company due to a reduction in the responsibilities and duties associated with his position, or reduction in compensation (base salary, plus bonus at target (without the express consent of Mr. van Saders), he will be entitled to (A) an amount equal to (i) twelve months of base salary and payment of the annual bonus at 100% of target plus (ii) his semi-annual bonus for the period during which termination occurs (at 100% of target) prorated for the numbers of complete months worked in that period, (B) continuation of all current medical and dental insurance benefits for a maximum of twelve (12) months, (C) executive outplacement services for up to six months and (D) immediate vesting of all stock options and shares of restricted stock and restricted stock units granted prior to termination of employment, to the extent such options, stock and units have been earned if performance based. If the Company terminates Mr. van Saders without “Cause” at any time prior to the Stated Termination Date or any Anniversary Termination Date, absent the occurrence of a Change in Control, Mr. van Saders shall be entitled to (A) an amount equal to six months base salary and payment of the semi-annual bonus at 100% of target, (B)
continuation of all current medical and dental insurance benefits for a maximum of twelve (12) months, (C) executive outplacement services for up to six months and (D) immediate vesting of all stock options and shares of restricted stock and restricted stock units granted prior to termination of employment, to the extent such options, stock and units have been earned if performance based.

If Mr. van Saders’ employment terminates on the Stated Termination Date or any Anniversary Termination Date, he is entitled to the vesting of his stock options and restricted stock and restricted stock units that would have vested within twelve months of the expiration date of the agreement.

**Vice President and Chief Financial Officer.** The Company announced on November 14, 2011 it appointed Terrence Gallagher, to serve as Vice President, Chief Financial Officer. In connection with his appointment, Mr. Gallagher and the Company entered into an employment agreement, effective November 14, 2011 for a term expiring on December 31, 2013 (the “Stated Termination Date”), which term will automatically be extended on an annual basis on the Stated Termination Date and on each anniversary of the Stated Termination Date (“Anniversary Termination Date”) provided that neither Mr. Gallagher nor the Company notifies the other party in writing prior to the September 30 preceding such Stated Termination Date or Anniversary Termination Date that such party elects not to extend the agreement.

Under the terms of the agreement, if within 12 months following a “Change in Control”, the Company terminates Mr. Gallagher without “Cause” or Mr. Gallagher voluntarily resigns from the Company due to a material reduction in responsibilities and duties associated with his position, or a material reduction in compensation (base salary, plus bonus at target without the prior express written consent of Mr. Gallagher), he will be entitled to (A) an amount equal to (x) twelve months of base salary and payment of the annual bonus at 100% of target and (y) payment of the semi-annual bonus for the period during which termination occurs (at 100% of target) prorated for the number of complete months worked in that period, (B) subject to timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”), COBRA continuation coverage premiums for up to a maximum of twelve months, (C) executive outplacement services for up to six months and (D) immediate vesting of all stock options, shares of restricted stock and restricted stock units granted under any stock or stock option plan of the Company, to the extent such stock options, shares of restricted stock, or restricted stock units have been earned (if performance based) and not vested as of such termination date.

If Mr. Gallagher’s employment is terminated without “Cause” at any time prior to the Stated Termination Date or Anniversary Termination Date, absent the occurrence of a Change in Control or more than twelve months following a Change in Control, he will be entitled to (A) an amount equal to (x) twelve months of base salary and (y) payment of the semi-annual bonus for the period during which termination occurs (at 100% of target) prorated for the number of complete months worked in that period, (B) subject to timely election of continuation coverage under COBRA, COBRA continuation coverage premiums for up to a maximum of twelve months, (C) executive outplacement services for up to six months, and (D) the continued vesting of all stock options, restricted stock and restricted stock units previously granted which have not vested as of the termination date but would have vested within twelve months of such date, on the original scheduled vesting dates, to the extent such stock options, shares of restricted stock, or restricted stock units have been earned (if performance based).

If Mr. Gallagher’s employment terminates on the Stated Termination Date or any Anniversary Termination Date, he will be entitled to (A) an amount equal to twelve months base salary, (B) the annual short-term bonus for the calendar year in which the Agreement expires, to the extent earned and not yet paid, and (C) the continued vesting of all stock options, restricted stock and restricted stock units previously granted which have not vested as of such termination date but would have vested within twelve months of such date, on the original scheduled vesting dates, to the extent such stock options, shares of restricted stock, or restricted stock units have been earned (if performance based).
The following table shows the estimated value transfer to each Named Executive Officer under various termination of employment scenarios (assuming the termination or death occurred on December 31, 2011):

<table>
<thead>
<tr>
<th>Summary Chart Scenario</th>
<th>Ron Michels (1)</th>
<th>John van Saders (2)</th>
<th>Terrence Gallagher (3)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>If Retirement or Voluntary Resignation</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>If Termination for Cause</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>If Termination without Cause</td>
<td>$3,417,367</td>
<td>$460,537</td>
<td>$415,050</td>
<td>$4,292,954</td>
</tr>
<tr>
<td>If Change-In-Control followed by resignation for Good Reason</td>
<td>$3,417,367</td>
<td>$804,287</td>
<td>$698,203</td>
<td>$4,919,857</td>
</tr>
<tr>
<td>If Death Occurs</td>
<td>$1,271,407</td>
<td>$188,952</td>
<td>$182,715</td>
<td>$1,643,074</td>
</tr>
</tbody>
</table>

(1) For Mr. Michels, the Termination without Cause and Change-In-Control payments include separation payments of $2,115,000 inclusive of second half 2011 short term incentive at target, accelerated vesting of stock options of $3,033 and restricted stock units of $1,268,374, outplacement benefits of $15,000, and medical and dental benefits of $15,960. The payments in the event of death represent only the accelerated vesting of stock options and restricted stock units.

(2) For Mr. van Saders, the Change-In-Control and Termination without Cause payments include separation payments of $584,375 (if Change-in-Control followed by a qualifying event inclusive of second half 2011 short term incentive at target) or $240,625 (if Termination without Cause), accelerated vesting of stock options of $165 and restricted stock units of $188,787, outplacement benefits of $15,000 and, medical and dental benefits of $15,960. The payments in the event of death represent only the accelerated vesting of stock options and restricted stock units.

(3) For Mr. Gallagher, the Change-In-Control and Termination without Cause payments include separation payments of $510,000 (if Change-in-Control followed by qualifying event inclusive of second half 2011 short term incentive at target) or $330,000 (if Termination without Cause), accelerated vesting of stock options of $212 and restricted stock units of $157,032 (if Change-in-Control followed by a qualifying event) or $53,878 (if Termination without Cause), outplacement benefits of $15,000 and medical and dental benefits of $15,960. The payments in the event of death represent accelerated vesting of stock options and restricted stock units and payment of annual bonus earned but not yet paid ($26,313).

COMPENSATION AND HR COMMITTEE REPORT

We have reviewed and discussed the Compensation Discussion and Analysis included in this Proxy Statement with management. Based on such review and discussions with management, we recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into the Company’s annual report on Form 10-K for the fiscal year ended December 31, 2011.

SUBMITTED BY THE COMPENSATION AND HR COMMITTEE OF THE BOARD OF DIRECTORS OF ANADIGICS, Inc.

Harry T. Rein, Chairman
Lew Solomon
Dennis Strigl

The foregoing report of the Compensation and HR Committee is furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, unless specifically identified therein as incorporated therein by reference.
PERFORMANCE GRAPH

The following graph compares the cumulative total shareholder return on the Company’s Common Stock from December 31, 2006 through December 31, 2011 with the cumulative total return on the NASDAQ Stock Market Index and the Philadelphia Semiconductor Index, considered to be an index of the Company’s peer group, during the same period. The comparison assumes $100 was invested on December 31, 2006 in the Company’s Common Stock and in each of the foregoing indices and assumes reinvestment of dividends. The Company did not declare, nor did it pay any cash dividends during the comparison period. Notwithstanding any statement to the contrary in any of the Company’s previous or future filings with the Securities and Exchange Commission, the graph shall not be incorporated by reference into any such filings.

STOCKHOLDER PROPOSALS FOR 2013 ANNUAL MEETING

If a stockholder of the Company wishes to have a proposal included in the Company’s Proxy Statement for the 2013 Annual Meeting of Stockholders, the proposal must be received at the Company’s principal executive offices by November 28, 2012 and must otherwise comply with rules promulgated by the Securities and Exchange Commission in order to be eligible for inclusion in the proxy material for the 2013 Annual Meeting. If a stockholder desires to bring business before the meeting which is not the subject of a proposal complying with the SEC proxy rule requirements for inclusion in the proxy statement, the stockholder must follow procedures outlined in the Company’s by-laws in order to personally present the proposal at the meeting. A copy of these procedures is available upon request from the Secretary of the Company.

One of the procedural requirements in the Company’s by-laws is timely notice in writing of the business that the stockholder proposes to bring before the meeting. Notice of business proposed to be brought before the 2013 Annual Meeting or notice of a proposed nomination to the Board must be received by the Secretary of the Company no later than 90 days before the first anniversary date of this Proxy Statement, to be presented at the meeting. If, however, the date of next year’s Annual Meeting is earlier than April 12, 2013, or later than June 11, 2013, the earliest date will be determined by the Board of Directors. Any such notice must provide the information required by the Company’s by-laws with respect to the stockholder making the proposal, the nominee (if any) and the other business to be considered (if any). Under rules promulgated by the Securities and Exchange Commission, the Company, acting through the persons named as proxies in the proxy materials for such meeting, may exercise discretionary voting authority with respect to any proposals that do not comply with the procedures described above.
Proposals may be mailed to the Company, to the attention of the Secretary, 141 Mt. Bethel Road, Warren, NJ 07059.
HOUSEHOLDING OF ANNUAL MEETING MATERIALS

Some banks, brokers or other nominee record holder may be participating in the practice of “householding” proxy statements and annual reports. This means that only one copy of our proxy statement may have been sent to multiple stockholders in the same household. We will promptly deliver a separate copy of either document to any shareholder upon request submitted in writing to the Company to the attention of the Secretary, 141 Mt. Bethel Road, Warren, New Jersey 07059.

OTHER MATTERS

The Board of Directors knows of no other business which will be presented at the meeting. If, however, other matters are properly presented, the persons named in the enclosed proxy will vote the shares represented thereby in accordance with their judgment on such matters.
*** Exercise Your Right to Vote ***
Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on May 08, 2012

ANADIGICS, INC.

Meeting Information
Meeting Type: Annual Meeting
For holders as of: March 21, 2012
Date: May 08, 2012 Time: 10:00 AM EDT
Location: Somerset Hills Hotel
200 Liberty Corner Road
Route 525
Warren, NJ 07059

You are receiving this communication because you hold shares in the above named company.

This is not a ballot. You cannot use this notice to vote these shares. This communication presents only an overview of the more complete proxy materials that are available to you on the internet. You may view the proxy materials online at www.proxyvote.com or easily request a paper copy (see reverse side).

We encourage you to access and review all of the important information contained in the proxy materials before voting.

See the reverse side of this notice to obtain proxy materials and voting instructions.
Before You Vote
How to Access the Proxy Materials

Proxy Materials Available to VIEW or RECEIVE:
1. (Gmed) booklet
How to View Online:
Have the information that is printed in the box marked by the arrow \[XXXXXXXXX\] (located on the following page) and visit: www.proxyvote.com
How to Request and Receive a PAPER or E-MAIL Copy:
If you want to receive a paper or e-mail copy of these documents, you must request one. There is NO charge for requesting a copy. Please choose one of the following methods to make your request:
1) BY INTERNET: www.proxyvote.com
2) BY TELEPHONE: 1-800-579-1639
If requesting materials by e-mail, please send a blank e-mail with the information that is printed in the box marked by the arrow \[XXXXXXXXX\] (located on the following page) in the subject line.
Requests, instructions and other inquiries sent to this e-mail address will NOT be forwarded to your investment advisor. Please make the request as instructed above on or before April 24, 2012 to facilitate timely delivery.

How To Vote
Please Choose One of the Following Voting Methods

Vote In Person: If you choose to vote these shares in person at the meeting, you must request a "legal proxy." To do so, please follow the instructions at www.proxyvote.com or request a paper copy of the materials, which will contain the appropriate instructions. Many shareholder meetings have attendance requirements including, but not limited to, the possession of an attendance ticket issued by the entity holding the meeting. Please check the meeting materials for any special requirements for meeting attendance.
Vote By Internet: To vote now by Internet, go to www.proxyvote.com. Have the information that is printed in the box marked by the arrow \[XXXXXXXXX\] available and follow the instructions.
Vote By Mail: You can vote by mail by requesting a paper copy of the materials, which will include a voting instruction form.

Voting Items

The Board of Directors recommends you vote FOR the following proposal(s):

1. Election of Directors
   Nominees
   A. Ron W. McNulty
   B. Paul Buchh

The Board of Directors recommends you vote FOR the following proposal(s):

2. The ratification of the appointment of Ernst & Young LLP as independent registered public accountants of
   ANADIGICS for the fiscal year ending December 31, 2012.
3. The approval, on an advisory basis, of the Compensation of our Named Executive Officers.

NOTE: Such other business as may properly come before the meeting or any adjournment thereof.
Visiting Instructions

THIS SPACE RESERVED FOR LANGUAGE PERTAINING TO BANKS AND BROKERS AS REQUIRED BY THE NEW YORK STOCK EXCHANGE

THIS SPACE RESERVED FOR SIGNATURES IF APPLICABLE