

POWER ONE INC
Form PREM14A
May 23, 2013

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

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))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

Power-One, Inc.

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- 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:

Common stock, par value \$0.001 per share, of Power-One, Inc. and Series C Junior Participating Convertible Preferred Stock, par value \$0.001 per share, of Power-One, Inc.

(2) Aggregate number of securities to which transaction applies:

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122,540,362 shares of common stock
36,375 shares of preferred stock
3,090,951 options to purchase common stock with exercise prices of less than \$6.35
1,588,834 stock-based awards with exercise prices of less than \$6.35 (if applicable)
2 warrants to purchase common stock with exercise prices of less than \$6.35
1,706,118 restricted shares

- (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):

The proposed maximum aggregate value of the transaction for purposes of calculating the filing fee is \$1,027,411,727.15. The maximum aggregate value of the transaction was calculated based upon the sum of (A) 122,540,362 shares of common stock multiplied by \$6.35 (the per share common merger consideration), (B) 36,375 shares of Series C Junior Participating Convertible Preferred Stock multiplied by \$4703.7037037 (the per share preferred merger consideration), (C) 3,090,951 shares of common stock underlying outstanding "in-the-money" options of the Company multiplied by the excess of \$6.35 over the per share exercise price of each such option; (D) 1,588,834 shares of common stock underlying outstanding stock-based awards of the Company multiplied by the excess of \$6.35 over the per share exercise price of each such stock-based award, if applicable; (E) 8,700,000 shares of common stock underlying outstanding warrants of the Company multiplied by the excess of \$6.35 over the applicable per share exercise price of each warrant; and (F) 1,706,118 restricted shares multiplied by \$6.35. The filing fee was determined by multiplying the maximum aggregate value of the transaction by .0001364.

- (4) Proposed maximum aggregate value of transaction:

\$1,027,411,727.15

- (5) Total fee paid:

\$140,138.96

- o Fee paid previously with preliminary materials.
- o 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:
-

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PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION, DATED MAY 22, 2013

**740 CALLE PLANO
CAMARILLO, CALIFORNIA 93012**

MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT

, 2013

Dear Stockholder:

We cordially invite you to attend a special meeting of stockholders of Power-One, Inc., a Delaware corporation, which we refer to as "Power-One," the "Company," "we," "us," or "our" in the accompanying proxy statement, to be held on _____, 2013, at _____, local time, at the _____.

On April 21, 2013, we entered into a merger agreement, which, as it may be amended from time to time, we refer to as the "merger agreement" in the accompanying proxy statement, with ABB Ltd, a corporation organized under the laws of Switzerland, which we refer to as "ABB" in the accompanying proxy statement, and Verdi Acquisition Corporation, a Delaware corporation and an indirect wholly owned subsidiary of ABB, which we refer to as "Merger Sub" in the accompanying proxy statement, providing for the acquisition of Power-One by ABB. Pursuant to the terms of the merger agreement, Merger Sub will merge with and into Power-One, which we refer to as the "merger" in the accompanying proxy statement, with Power-One continuing as the surviving corporation and becoming an indirect wholly owned subsidiary of ABB. At the special meeting, we will ask you to consider and vote upon a proposal to adopt the merger agreement by and among Power-One, ABB, and Merger Sub, thereby approving the merger, and to approve certain other matters as set forth in the stockholder notice and the accompanying proxy statement.

If the merger is completed, at the effective time of the merger (i) each holder of our common stock, par value \$0.001 per share, which we refer to as the "Power-One common stock" or "our common stock" in the accompanying proxy statement, will be entitled to receive \$6.35 in cash per share of Power-One common stock, which we refer to as the "common merger consideration" in the accompanying proxy statement; (ii) each holder of our Series C Junior Participating Convertible Preferred Stock, par value \$0.001 per share, which we refer to as the "Power-One preferred stock" or "our preferred stock," and collectively with the Power-One common stock, "our stock" or the "Power-One stock," in the accompanying proxy statement, will be entitled to receive \$4703.7037037 in cash per share of Power-One preferred stock, which is the equivalent of \$6.35 per share of Power-One common stock into which each share of Power-One preferred stock is convertible; and (iii) each holder of our outstanding warrants will be entitled to receive, with respect to each share of Power-One common stock subject to outstanding warrants, an amount in cash equal to the excess of the common merger consideration over the applicable exercise price per share of Power-One common stock, in each case, without interest and less any applicable withholding taxes.

The affirmative vote, in person or by proxy, of holders of (i) a majority of the outstanding shares of our common stock, and (ii) a majority of the outstanding shares of our preferred stock, each voting as a separate class, is required to adopt the merger agreement, and thereby approve the merger. Our board of directors, after considering various factors, unanimously determined that the merger agreement and the consummation of the transactions contemplated by the merger agreement, including the merger, and the consideration to be received in the merger, are advisable, fair to and in the best interests of Power-One and its stockholders, and unanimously approved the merger agreement and the transactions contemplated thereby, including the merger.

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The Power-One board of directors unanimously recommends that you vote "FOR" the adoption of the merger agreement, thereby approving the merger, "FOR" the proposal to approve, by a nonbinding advisory vote, the specified compensation disclosed in the accompanying proxy statement that may be payable to Power-One's named executive officers in connection with the consummation of the merger and "FOR" the proposal to approve the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

The accompanying proxy statement provides you with detailed information about the merger agreement and the merger. A copy of the merger agreement is included as Annex A to the proxy statement. The proxy statement also describes the actions and determinations of our board of directors in connection with its evaluation of the merger agreement and the merger as well as other related matters. We urge you to read the entire proxy statement carefully. You can also obtain other information about Power-One from documents that we have filed with the Securities and Exchange Commission.

Your vote is important to us regardless of the number of shares you own. *The merger cannot be completed unless holders of (i) a majority of the outstanding shares of Power-One common stock and (ii) a majority of the outstanding shares of Power-One preferred stock, each voting as a separate class, vote in person or by proxy in favor of the adoption of the merger agreement. If your shares of Power-One stock are held in an account at a broker, bank or other nominee, you should instruct your broker, bank or other nominee how to vote in accordance with the voting instruction form furnished by your broker, bank or other nominee. If you fail to vote on the merger agreement or fail to instruct your broker, bank or other nominee on how to vote, the effect will be the same as a vote against the proposal to adopt the merger agreement. We greatly appreciate your cooperation in voting your shares. The enclosed proxy card contains instructions regarding voting. Whether or not you plan to attend the special meeting, we request that you authorize your proxy by completing and returning the enclosed proxy card (physically or electronically).*

If you have any questions about the special meeting or the merger after reading the proxy statement, you may contact Power-One's proxy solicitor at AST Phoenix Advisors, 6201 15th Avenue, 3rd Floor, Brooklyn, New York 11219, (800) 249-7148.

On behalf of the board of directors, we thank you for your support of Power-One, Inc. and appreciate your consideration of this matter.

Richard J. Thompson
President and Chief Executive Officer

This transaction has not been approved or disapproved by the Securities and Exchange Commission or any state securities commission. Neither the Securities and Exchange Commission nor any state securities commission has passed upon the merits or fairness of this transaction or upon the adequacy or accuracy of the information contained in the proxy statement. Any representation to the contrary is a criminal offense.

The proxy statement is dated _____, 2013 and it and the enclosed proxy card are first being mailed to stockholders on or about _____, 2013.

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POWER-ONE, INC.

740 CALLE PLANO
CAMARILLO, CALIFORNIA 93012

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON _____, 2013**

To the Stockholders of Power-One, Inc.:

Notice is hereby given that a special meeting of the stockholders (the "special meeting") of Power-One, Inc. (the "Company," "Power-One," "we," "us" or "our") will be held on _____, 2013 at _____, local time, at the _____, for the following purposes:

1.

Adoption of the Merger Agreement. To consider and vote upon a proposal, which we refer to as the "merger proposal" in the accompanying proxy statement, to adopt the Agreement and Plan of Merger, as it may be amended from time to time, which we refer to as the "merger agreement" in the accompanying proxy statement, dated as of April 21, 2013, by and among Power-One, ABB Ltd, a corporation organized under the Laws of Switzerland, which we refer to as "ABB" in the accompanying proxy statement, and Verdi Acquisition Corporation, a Delaware corporation and an indirect wholly owned subsidiary of ABB, which we refer to as "Merger Sub" in the accompanying proxy statement, which provides for the merger of Merger Sub with and into Power-One, with Power-One continuing as the surviving corporation, which we refer to as the "merger" in the accompanying proxy statement. The merger agreement is attached as Annex A to the accompanying proxy statement.

2.

Advisory Vote Regarding Merger-Related Compensation. To consider and vote upon a proposal to approve, by a nonbinding advisory vote, the specified compensation disclosed in the accompanying proxy statement that may be payable to Power-One's named executive officers in connection with the consummation of the merger, which we refer to as the "compensation proposal" in the accompanying proxy statement.

3.

Adjournment or Postponement of the Special Meeting. To consider and vote upon a proposal to approve the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement, which we refer to as the "adjournment proposal" in the accompanying proxy statement.

4.

Any Other Business. To act upon other business as may properly come before the special meeting or any adjournment or postponement thereof.

Only stockholders of record of (i) our common stock, par value \$0.001 per share, which we refer to as the "Power-One common stock" or "our common stock" in the accompanying proxy statement, and (ii) our Series C Junior Participating Convertible Preferred Stock, par value \$0.001 per share, which we refer to as the "Power-One preferred stock" or "our preferred stock," and collectively with the Power-One common stock, "our stock" or the "Power-One stock," in the accompanying proxy statement, at the close of business on _____, 2013 are entitled to notice of, and to vote at, the special meeting or any adjournments or postponements thereof. A list of our stockholders of record

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will be available for examination by any of our stockholders for any purpose germane to the special meeting at our principal executive offices located at 740 Calle Plano, Camarillo, California 93012, during ordinary business hours for ten (10) days prior to the special meeting until the end of the meeting.

The approval of the merger proposal by the affirmative vote, in person or by proxy, of holders of (i) a majority of the outstanding shares of Power-One common stock and (ii) a majority of the outstanding shares of Power-One preferred stock, each voting as a separate class, is a condition to the consummation of the merger. Each stockholder shall be entitled to one vote in its respective class vote for each share of Power-One stock held by such stockholder. The approval of each of the compensation proposal and the adjournment proposal requires the affirmative vote of holders of a majority of the shares of Power-One common stock present and entitled to vote thereon. The vote to approve the compensation proposal is advisory only and will not be binding on Power-One or ABB and is not a condition to the consummation of the merger.

Even if you plan to attend the special meeting in person, we request that you complete, sign, date and return the enclosed proxy (physically, electronically or telephonically) and thus ensure that your shares will be represented at the special meeting if you are unable to attend. If your shares of Power-One stock are held in street name through a broker, bank or other nominee, you should instruct your broker, bank or other nominee how to vote in accordance with the voting instruction form furnished by your broker, bank or other nominee.

YOUR VOTE IS IMPORTANT. YOU MAY VOTE ON-LINE, BY TELEPHONE, BY MAIL OR BY ATTENDING THE SPECIAL MEETING AND VOTING BY BALLOT, ALL AS DESCRIBED IN THE ACCOMPANYING PROXY STATEMENT.

The Power-One board of directors unanimously recommends that you vote "FOR" the adoption of the merger agreement, thereby approving the merger, "FOR" the compensation proposal and "FOR" the adjournment proposal.

Please note that we intend to limit attendance at the special meeting to stockholders as of the record date (or their authorized representatives). If your shares are held by a broker, bank or other nominee, please bring to the special meeting your account statement evidencing your beneficial ownership of Power-One stock as of the record date. All stockholders should also bring photo identification.

The accompanying proxy statement provides a detailed description of the merger and the merger agreement. We urge you to read the accompanying proxy statement, including any documents incorporated by reference, and the annexes carefully and in their entirety. If you have any questions concerning the merger or the proxy statement of which this notice forms a part, would like additional copies of the proxy statement or need help voting your shares of Power-One stock, please contact Power-One's proxy solicitor:

AST Phoenix Advisors
6201 15th Avenue, 3rd Floor
Brooklyn, New York 11219
(800) 249-7148

By Order of the Board of Directors,

Richard J. Thompson
President and Chief Executive Officer

, 2013

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SUMMARY VOTING INSTRUCTIONS

YOUR VOTE IS IMPORTANT

Ensure that your shares of Power-One stock are voted at the special meeting by submitting your proxy or, if your shares of Power-One stock are held in street name through a broker, bank or other nominee, contacting your broker, bank or other nominee. If you do not vote or do not instruct your broker, bank or other nominee how to vote, it will have the same effect as voting "AGAINST" the adoption of the merger agreement but will have no effect on the outcome of the vote on the compensation proposal or the adjournment proposal.

If your shares of Power-One stock are registered in street name through a broker, bank or other nominee: check the voting instruction card forwarded by your broker, bank or other nominee or contact your broker, bank or other nominee in order to obtain directions as to how to ensure that your shares of stock are voted in favor of the proposals at the special meeting.

If your shares of Power-One stock are registered in your name: submit your proxy as soon as possible by signing, dating and returning the enclosed proxy card in the enclosed postage-paid envelope or on-line, so that your shares of stock can be voted in favor of the proposals at the special meeting.

If you need assistance in completing your proxy card or have questions regarding the special meeting, please contact our proxy solicitor, at:

AST Phoenix Advisors
6201 15th Avenue, 3rd Floor
Brooklyn, New York 11219
(800) 249-7148

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Annex A: Agreement and Plan of Merger, dated as of April 21, 2013, by and among Power-One, Inc., ABB Ltd., and Verdi Acquisition Corporation

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Annex B: Opinion of Goldman, Sachs & Co.

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Annex C: Section 262 of the General Corporation Law of the State of Delaware

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PROXY STATEMENT

This proxy statement contains information related to our special meeting of stockholders to be held on _____, 2013, at _____, local time, at the _____, and at any adjournments or postponements thereof. We are furnishing this proxy statement to the stockholders of Power-One, Inc. as part of the solicitation of proxies by Power-One, Inc.'s board of directors for use at the special meeting. The proxy statement is dated _____, 2013 and it and the enclosed proxy card are first being mailed to stockholders on or about _____, 2013.

SUMMARY TERM SHEET

This summary term sheet briefly summarizes material information found in this proxy statement. The proxy statement contains a more detailed description of the terms described in this summary. You are urged to read this proxy statement carefully, including the annexes and the documents referred to or incorporated by reference in this proxy statement, as this summary may not contain all of the information that may be important to you. We have included page references in parentheses to direct you to the appropriate place in this proxy statement for a more complete description of the topics presented in this summary term sheet. You may obtain the information incorporated by reference in this proxy statement without charge by following the instructions under "Where Stockholders Can Find More Information" beginning on page 108 of this proxy statement.

In this proxy statement, the terms "we," "us," "our," "Power-One" and the "Company" refer to Power-One, Inc. and, where appropriate, its subsidiaries. We refer to ABB Ltd as "ABB" and Verdi Acquisition Corporation as "Merger Sub" in this proxy statement. All references to the "merger" refer to the merger of Merger Sub with and into Power-One with Power-One surviving as an indirect wholly owned subsidiary of ABB. All references to the "merger agreement" refer to the Agreement and Plan of Merger, dated as of April 21, 2013, as it may be amended from time to time, by and among Power-One, ABB, and Merger Sub, a copy of which is included as Annex A to this proxy statement. Power-One, following the completion of the merger, is sometimes referred to in this proxy statement as the "surviving corporation."

Parties Involved in the Merger (Page 32)

Power-One, Inc.

Power-One, Inc., a Delaware corporation, is a leading provider of high-efficiency and high-density power conversion and power management solutions for a variety of industries, including renewable energy, servers, storage & networking, industrials and network power systems. Power-One's products convert, process, and manage both alternating current ("AC") and direct current ("DC") to meet the high levels of quality, reliability and precision required by Power-One's customers. Power-One established two strategic business units (each a "SBU"), separating functions into the Renewable Energy Solutions SBU and the Power Solutions SBU, to better address the distinct market segments each SBU serves. The Renewable Energy Solutions SBU offers one of the industry's broadest lines of high-efficiency inverters that provide superior power harvesting, longer uptime, and ease-of-installation

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and are supported by a wide range of standard and extended service offerings. Power-One's Power Solutions SBU provides high-efficiency and high-power density AC/DC and DC/DC converters for a variety of applications, including data center technologies such as routers, data storage, servers and optical networking.

Power-One common stock is currently listed on the NASDAQ Global Select Market, which we refer to as "NASDAQ" in this proxy statement, under the symbol "PWER."

Power-One's principal executive offices are located at 740 Calle Plano, Camarillo, California 93012, its telephone number is (805) 987-8741 and its Internet website address is www.power-one.com. The information provided on or accessible through Power-One's website is not part of this proxy statement and is not incorporated in this proxy statement by this or any other reference to its website provided in this proxy statement.

Additional information about Power-One is contained in its public filings made with the Securities and Exchange Commission. See "Where Stockholders Can Find More Information" beginning on page 108 of this proxy statement.

ABB Ltd

ABB is a corporation organized under the laws of Switzerland with its principal executive offices located at Affolternstrasse 44, CH-8050 Zurich, Switzerland. The telephone number of ABB is +41 (43) 317-7111. ABB is a global leader in power and automation technologies that are designed to improve performance and lower the environmental impact for its utility and industrial customers. ABB provides a broad range of products, systems, solutions and services that are designed to improve power grid reliability, increase industrial productivity and enhance energy efficiency. ABB focuses on power transmission, distribution and power-plant automation and serves electric, gas and water utilities, as well as industrial and commercial customers. ABB also delivers automation systems that measure, control, protect and optimize plant applications across a full range of industries.

ABB's American Depositary Shares are currently listed on the New York Stock Exchange under the symbol "ABB".

Verdi Acquisition Corporation

Verdi Acquisition Corporation, an indirect wholly owned subsidiary of ABB, is a Delaware corporation that was formed on April 12, 2013 for the sole purpose of effecting the merger. Upon the terms and subject to the conditions of the merger agreement, Merger Sub will be merged with and into Power-One, with Power-One surviving the merger as an indirect wholly owned subsidiary of ABB.

The principal executive offices of Merger Sub are located at c/o ABB Holdings Inc., 501 Merritt 7, Norwalk, Connecticut 06851, and its telephone number is (203) 750-2326.

The Merger and Merger Consideration (Page 73)

The proposed transaction is the acquisition of Power-One by ABB pursuant to the merger agreement. The acquisition will be effected by the merger of Merger Sub with and into Power-One, with Power-One continuing as the surviving corporation and becoming an indirect wholly owned subsidiary of ABB.

The following will occur in connection with the merger:

- (i) Each share of our common stock, par value \$0.001 per share, which we refer to as "Power-One common stock" or "our common stock" in this proxy statement, issued and outstanding immediately prior to the effective time of the merger, other than (A) the shares of Power-One common stock owned by Power-One or its subsidiaries, ABB or Merger Sub (all of

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which will be canceled at the consummation of the merger), (B) those shares of Power-One common stock with respect to which holders thereof have properly made, and not withdrawn, a demand for appraisal rights under the General Corporation Law of the State of Delaware, which we refer to as the "DGCL" in this proxy statement and (C) shares of Power-One restricted stock (the treatment of which is described below under "Proposal 1: Adoption of the Merger Agreement Terms of the Merger Agreement Treatment of Stock Options and Other Stock-Based Compensation" beginning on page 76 of this proxy statement) (the shares described in (A), (B) and (C) are referred to as "excluded shares" in this proxy statement), will be converted into the right to receive \$6.35 in cash, without interest and less any applicable withholding taxes, which we refer to as the "common merger consideration" in this proxy statement;

(ii) Each share of our Series C Junior Participating Convertible Preferred Stock, par value \$0.001 per share, which we refer to as "Power-One preferred stock" or "our preferred stock" in this proxy statement, issued and outstanding immediately prior to the effective time of the merger, other than the shares of Power-One preferred stock owned by Power-One or its subsidiaries, ABB or Merger Sub (all of which will be canceled at the consummation of the merger), will be converted into the right to receive \$4703.7037037 in cash, which is the equivalent of \$6.35 per share of Power-One common stock into which each share of Power-One preferred stock is convertible, without interest and less any applicable withholding taxes, which we refer to as the "preferred merger consideration," and together with the common merger consideration, the "merger consideration," in this proxy statement; and

(iii) Each outstanding warrant to acquire Power-One common stock, which we refer to as "Power-One warrants" in this proxy statement, will be converted into the right to receive, with respect to each share of Power-One common stock subject to such Power-One warrant, an amount in cash equal to the excess of the common merger consideration over the applicable exercise price per share of Power-One common stock, without interest and less any applicable withholding taxes, which we refer to as the "warrant consideration" in this proxy statement.

Substantially concurrently with the filing of the certificate of merger with the Secretary of State of the State of Delaware, ABB will deposit, or cause to be deposited, with the Paying Agent (as defined in the merger agreement) for the merger (i) for the benefit of the holders of Power-One common stock and Power-One preferred stock outstanding immediately prior to the effective time of the merger, cash sufficient to pay the aggregate merger consideration and (ii) for the benefit of the holders of Power-One warrants, cash sufficient to pay the aggregate warrant consideration.

Following and as a result of the Merger:

- (i) Power-One stockholders will no longer have any interest in, and will no longer be stockholders of, Power-One;
- (ii) shares of Power-One common stock will no longer be listed on NASDAQ and price quotations with respect to shares of Power-One common stock in the public market will no longer be available; and
- (iii) the registration of shares of Power-One common stock under the Securities Exchange Act of 1934, as amended, (the "Exchange Act") will be terminated.

Expected Timing of the Merger

We currently anticipate that the merger will be completed in the second half of 2013. The merger is subject to various regulatory clearances and approvals and other conditions, however, and it is possible that factors outside the control of both ABB and Power-One could result in the merger being completed at a later time, or not at all. There may be substantial amount of time between the special meeting and the completion of the merger.

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We expect to complete the merger promptly following the receipt of all required regulatory approvals and the satisfaction or waiver of the other conditions precedent as described in the merger agreement, a copy of which is included as Annex A to this proxy statement.

The Special Meeting (Page 25)

Date, Time and Place (Page 25). The special meeting will be held on _____, 2013, at _____, local time, at the _____.

Purpose (Page 25). At the special meeting, you will be asked: (1) to consider and vote upon a proposal to adopt the merger agreement, thereby approving the merger (we refer to this proposal as the "merger proposal" in this proxy statement); (2) to consider and vote upon a proposal to approve, by a nonbinding advisory vote, the specified compensation disclosed in this proxy statement that may be payable to Power-One's named executive officers in connection with the consummation of the merger (we refer to this proposal as the "compensation proposal" in this proxy statement); (3) to consider and vote upon a proposal to approve the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement (we refer to this proposal as the "adjournment proposal" in this proxy statement); and (4) to act upon other business as may properly come before the special meeti