



NEWS RELEASE

Zarlink and Tollgrade Collaborate on Simplified Solution for the Communication Infrastructure by Offering System-Level Integrated Line-Test

- Solution reduces the voice service provider's cost of ownership by integrating testhead-level line test within Multiservice Access Nodes and Fiber-To-The-Premise Optical Network Terminals

OTTAWA, CANADA and PITTSBURGH, PA (USA), October 5, 2007 – Zarlink Semiconductor Inc. (NYSE/TSX:ZL) today announced an interoperability and co-marketing agreement with Tollgrade Communications, Inc. (NASDAQ: TLGD), a leading supplier of network service assurance products for the telecom industry, to create a single solution for identifying, isolating and resolving packet and TDM voice network performance issues. The combined offering targets today's multiservice access nodes (MSANs) and Fiber-To-The-Premise Optical Network Terminals (FTTH ONTs), providing diagnostic and repair capabilities for emerging voice, data and video services.

The Zarlink VoiceEdge™ VE790 Series of highly programmable integrated voice chip sets create a precise multi-meter which can diagnose any service provider twisted pair accurately and reliably. The Zarlink LineCare™ software allows network operators to monitor, diagnose and pinpoint potential problems before customers are affected. Tollgrade line management software is designed to provide customer service representatives with fast and accurate analysis of equipment and network conditions, as well as integration with LoopCare™ Test OSS. With Tollgrade, administrators work remotely through a browser-based graphical user interface to schedule and automate test transactions; thus enabling bulk subscriber pre-qualification, service provision verification, multi-layered IP-based broadband trouble isolation and more. The first prototype of this joint solution is expected to be available in November 2007.

"As access providers increasingly locate line cards in remote multiservice access cabinets and away from central offices, integrated line testing becomes even more critical," said Shahin Sadeghi, Zarlink's segment marketing manager for access infrastructure voice products. "This joint solution combines the complete measurement

tools provided by Zarlink's VE790 chipset with the robust management tools from Tollgrade to create a solution that can reduce both cost and complexity."

"Tollgrade software has been designed to meet the most extreme provisioning, testing and repair requirements of our carrier customers," said Chris Barton, Tollgrade's executive director of marketing. "With more than 300 million embedded access lines supported already, our technology can be found inside many of the leading cable and telecom companies offering triple play services. Working with Zarlink will enable us to offer an integrated service assurance test solution where it is not possible or practical to provide external precision test heads for emerging next generation global networks."

Integrating line test functionality in the Zarlink VE790 Series means service providers will be able to remotely monitor and test the line on a routine basis to detect and repair issues before a customer experiences a problem, thus eliminating costly truck rolls and shortening the response time to the customer. The result is far lower customer churn rates and dramatic savings on operating expenses.

Tollgrade will be exhibiting at the Broadband World Forum, October 9 – 11, 2007 in stand # 3023. Please contact a Tollgrade representative (www.tollgrade.com) for additional information or to schedule a meeting.

The Zarlink VE790 chipset is available immediately from Zarlink's Legerity Voice Products website: www.legerity.com.

About Zarlink Semiconductor

For over 30 years, Zarlink Semiconductor has delivered semiconductor solutions that drive the capabilities of voice, enterprise, broadband and wireless communications. The Company's success is built on its technology strengths including voice and data networks, optoelectronics and ultra low-power communications. For more information, visit www.zarlink.com.

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Shareholders and other individuals wishing to receive, free of charge, copies of the reports filed with the U.S. Securities and Exchange Commission and Regulatory Authorities, should visit the Zarlink web site at www.zarlink.com or contact Investor Relations.

Certain statements in this press release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of Zarlink to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and assumptions include, among others, the following: our dependence on the successful development and market introduction of new products; our ability to successfully integrate Legerity and any businesses acquired in the future; our reliance on key personnel; any potential undisclosed liabilities associated with the Legerity acquisition; the potential adverse effect on critical reference design partners who may object to the Legerity acquisition; our ability to continue to operate profitably and generate positive cash flows in the future; our dependence on our foundry suppliers and third-party subcontractors; order cancellations and deferrals by our customers; and other factors referenced in our Annual Report on Form 20-F. Investors are encouraged to consider the risks detailed in this filing.

About Tollgrade

Tollgrade Communications, Inc. is a leading provider of network service assurance products and services for centralized test systems around the world. Tollgrade designs, engineers, markets and supports centralized test systems, test access and status monitoring products, and next generation network assurance technologies for the broadband marketplace. Tollgrade's customers range from the top RBOCs (Regional Bell Operating Companies) and Cable providers, to numerous independent telecom, cable and broadband providers around the world. Tollgrade's network testing, measurement and monitoring solutions support the infrastructure of cable and telecom companies offering current and emerging triple play services. Tollgrade and its products and customer reach span over 300 million embedded access lines, more than any other test and measurement supplier. Tollgrade has European offices in the U.K., Belgium and Germany and U.S. offices in Pennsylvania and New Jersey. For more information, visit Tollgrade's web site at www.tollgrade.com.

The foregoing release contains "forward-looking statements" regarding future events or results within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements concerning Tollgrade's current expectations regarding the expected availability date for new products, and our ability to introduce next generation network technologies into existing customer infrastructures and to execute its strategies. Tollgrade cautions readers that such "forward-looking statements" are, in fact, predictions that are subject to risks and uncertainties and that actual events or results may differ materially from those anticipated events or results expressed or implied by such forward-looking statements. Tollgrade disclaims any current intention to update its "forward-looking statements," and the estimates and assumptions within them, at any time or for any reason. In particular, the following factors, among others could cause actual results to differ materially from those described in the "forward-looking statements:" (a) the inability to gain market acceptance of our new products within the customer base; (b) the inability to complete or possible delays in completing certain research and development efforts that may be required for product release and general availability; (c) our dependence upon a limited number of third party subcontractors to manufacture certain aspects of the products we sell, including the products which are the subject of this release; and (d) the inability to make changes in business strategy, development plans and product offerings to respond to the needs of the significantly changing telecommunications markets and network technologies.

Other factors that could cause actual events or results to differ materially from those contained in the "forward-looking statements" are included in Tollgrade's filings with the U.S. Securities and Exchange Commission (the "SEC") including, but not limited to, Tollgrade's Form 10-K for the year ended December 31, 2006 and any subsequently filed reports. All documents are also available through the SEC's Electronic Data Gathering Analysis and Retrieval system at www.sec.gov or from the Tollgrade website at www.tollgrade.com.

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