



The value of MOSAID

MOSAID
Technologies Incorporated

4th Quarter & Year-End FY2006 Results
June 22, 2006





- > Fiscal year 2006 – a stellar year for MOSAID
 - Strong financial performance
 - Revenues of \$63.9 million up 28% year-over-year
 - Operating income of \$22.2 up 59% year-over-year
 - Operating margins among best in the semiconductor industry

- > We have achieved these results through:
 - An aggressive patent licensing program
 - Continued success in the memory test equipment market

- > Building for future by investing in Semiconductor IP products, new memory technology, new memory Test product line

- > Balancing our business investments with direct returns to shareholders

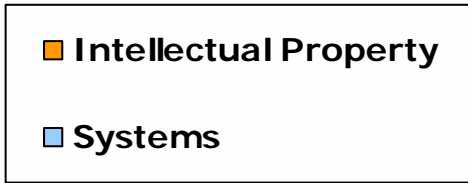
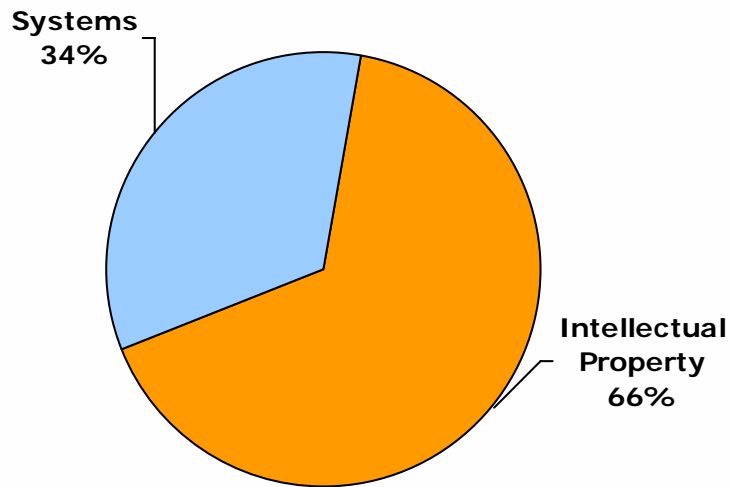


Segmented Revenues From Operations

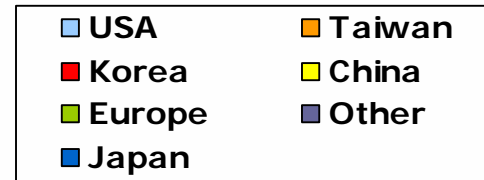
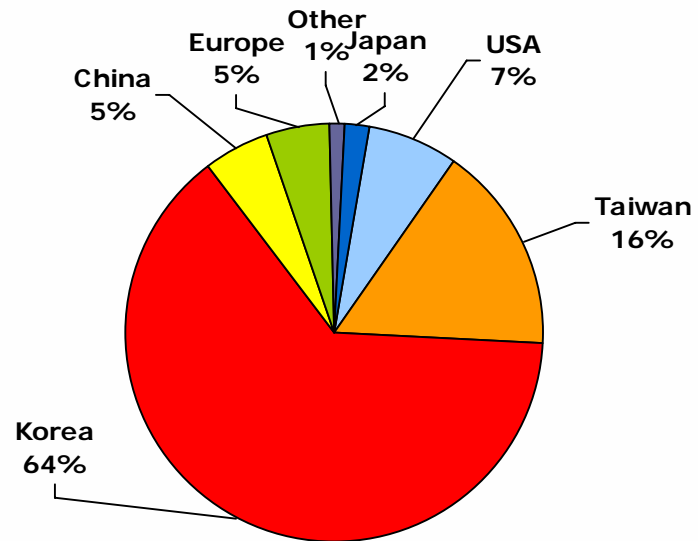


Year Ended April 30, 2006

Divisional



Geographical





Intellectual Property Division

Operational Highlights – Patent Licensing



- > Intellectual Property Division results for fiscal 2006
 - Revenues \$42.3 million, up 57%
 - Segment profit \$20.7 million, up 107%
- > Patent Licensing
 - Signed license with major Taiwan DRAM manufacturer
 - Signed license with PortalPlayer – takes MOSAID into high-growth portable media market
 - Signed licenses with Infineon and Qimonda after year end, ending litigations
 - MOSAID buys 50 patents – our first major patent acquisition



- > Next steps: continue to aggressively pursue patent licensing strategy
 - 13 companies on notice
 - Secure further embedded DRAM licenses, research networking portfolio for licensing opportunities
 - First major manufacturer of networking and communications equipment now on notice
 - Continue developing patentable technology in-house
 - Leading-edge Flash memory, Semiconductor IP blocks
 - Assessing additional patent acquisition opportunities



Intellectual Property Division

Operational Highlights – Semiconductor IP



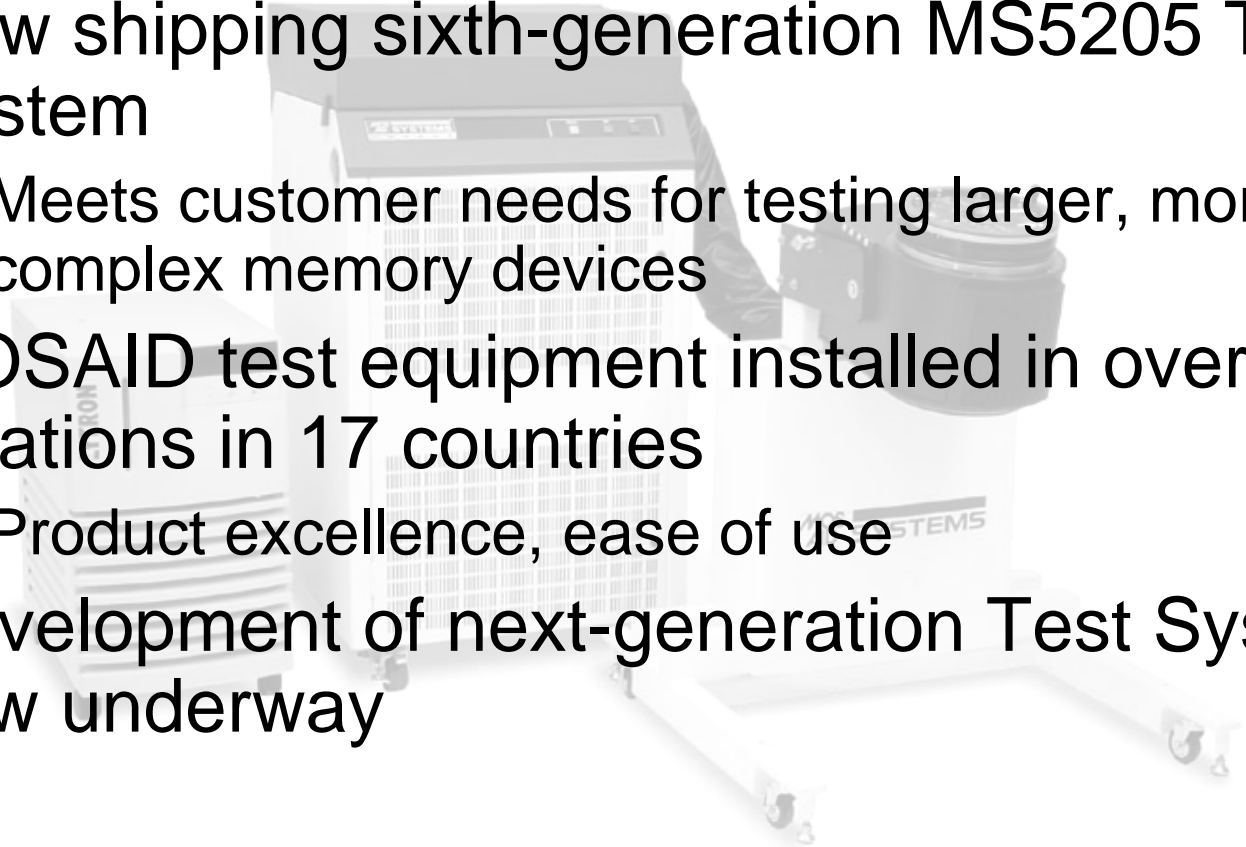
- > **Semiconductor IP**
 - Key event: acquisition of Virtual Silicon Technology for US\$5.3 million
- > Three silicon-proven product lines now available in 90 and 130 nanometer technology



- > Continued focus on developing and marketing IP blocks as standard off-the-shelf products
- > Fiscal 2007 objective – gain market traction



- > Results for fiscal 2006
 - Revenues \$21.6 million, segment profit \$2.0 million
- > Now shipping sixth-generation MS5205 Test System
 - Meets customer needs for testing larger, more complex memory devices
- > MOSAID test equipment installed in over 600 locations in 17 countries
 - Product excellence, ease of use
- > Development of next-generation Test System now underway





> DRAM

- Moderate revenue growth expected in 2006 and 2007 (Gartner, June 2006)

> NAND Flash

- Revenue growth in 30% range in 2006 with aggressive pricing environment; moderate rise in 2007 (Gartner, June 2006)

> Mixed signals in the Semiconductor and Automated Test Equipment (ATE) markets

- Improved forecasts but warnings of overheating markets
- Memory ASPs remain flat, suggesting conservative levels of memory-related CapEx
- Customer feedback indicates slowdown in CapEx for memory ATE

> Semiconductor IP rankings – MOSAID moves up

- 2004 – MOSAID ranked #18 in total Semiconductor IP revenue (including licensing revenues) (Gartner, May 2005)
- 2005 – MOSAID ranked #7 (Gartner, May 2006)



- > Fiscal 2006 – strong year for MOSAID
 - Revenue and profit growth
 - Patent licensing achievements
 - Acquisition of Virtual Silicon Technologies
 - Semiconductor IP, advanced Flash technology, and Test System development
- > We have a solid business with sustainable, high-margin revenue and consistent profits
- > We will continue investing in strategic opportunities to deliver revenue growth, profits, and returns for shareholders



Financial Highlights



- > Q4 FY06 vs. Q4 FY05
 - Revenues \$16.9 million vs. \$16.5 million last year
 - Net income \$3.1 million or \$0.27 per diluted share vs. \$4.5 million or \$0.39 per diluted share
- > FY06 revenues: \$63.9 million, up 28% from \$49.7 million last year
- > FY06 operating income: \$22.2 million vs. \$13.9 million in FY05
- > Net income in FY06: \$15.5 million or \$1.34 per diluted share vs. net income of \$37.6 million or \$3.39 per diluted share last year
- > FY05 results included tax recovery of \$28.3 million
 - Excluding tax recovery, net income was \$9.3 million



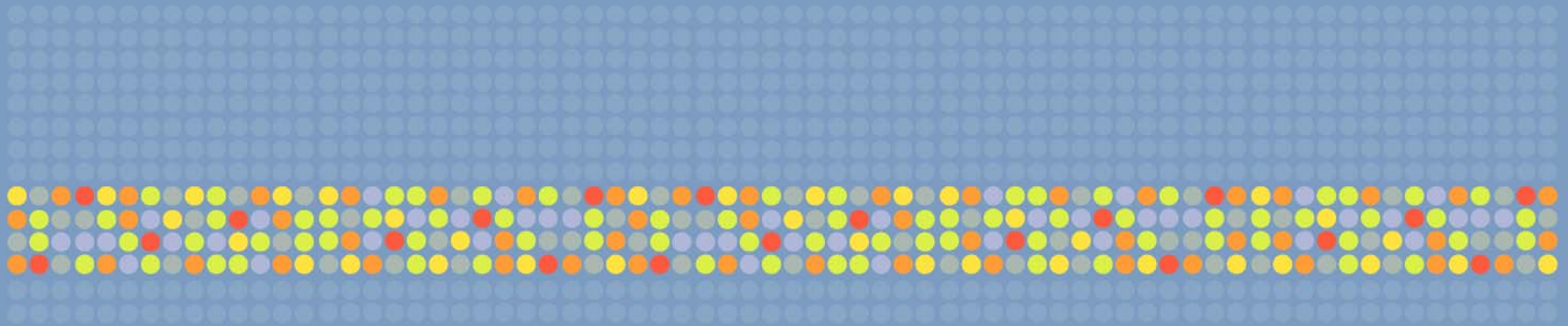
- > Balance sheet
 - Cash/marketable securities: \$71.3 million at end of FY06 vs. \$65.9 million at end of FY05
- > Quarterly dividend increases to 0.25 per diluted share for Q1 FY07
- > Normal Course Issuer Bid (NCIB)
 - 402,100 shares bought and cancelled for \$10 million between June 28, 2005 and June 22, 2006
 - Intention to continue NCIB to purchase and cancel up to 4% of MOSAID common shares



- > Guidance for Q1 FY2007
 - Revenue of \$22.0 million to \$23.0 million
 - Net earnings of \$6.0 million to \$6.5 million

- > Guidance for FY2007
 - Revenue of \$83 to \$88 million
 - Net earnings of \$21 to \$23 million

*MOSAID
Technologies Incorporated*



www.mosaid.com

