

✓ **MOSAID**  
**Technologies Incorporated**

✓ *Second Quarter Fiscal 2007 Results*  
*November 30, 2006*



## Second Quarter FY2007 Business Highlights

- > Strategic Alternatives Initiative announced
- > Proxy contest
- > Special Committee of the Board formed
- > Board of Directors expanded to 10
  - Carl Schlachte, Emmett Murtha, Gideon King, Eugene Davis join MOSAID Board
- > John Lindgren, formerly of Texas Instruments, joins MOSAID as Senior Vice President of Patent Licensing and General Counsel
- > MOSAID delivers strong FY2007 second quarter and first half results



# Intellectual Property Division

## Patent Licensing

- > Intellectual Property Division reports very profitable second quarter
  - New license with Infineon and Qimonda drives revenue increase
- > MOSAID signs patent licensing arrangement with California Institute of Technology
  - Exclusive license to certain Caltech patents, with sub-licensing rights and royalty sharing
- > In-house Flash memory development
  - Nine patents filed





# Intellectual Property Division

## Patent Licensing

### > Litigation update

- In California Court

- MOSAID wins motion to dismiss Micron's Complaint for Declaratory Judgment

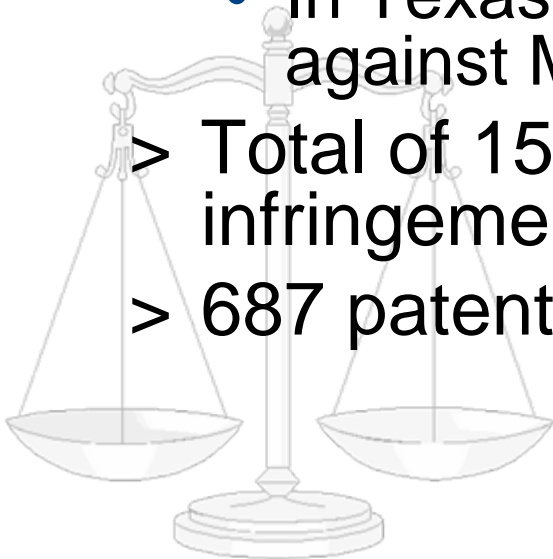
- Micron appeals decision

- ProMOS withdraws its Complaint for Declaratory Judgment against MOSAID

- In Texas Court, MOSAID continues litigation against Micron, ProMOS and Powerchip

- > Total of 15 companies on notice of patent infringement

- > 687 patents issued or pending, up from 654



# ✓ Intellectual Property Division

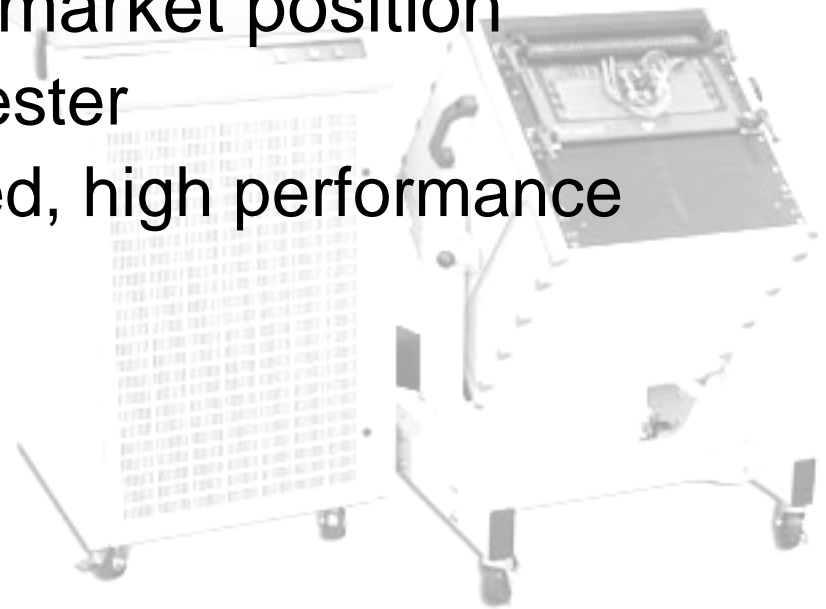
## Semiconductor IP Products

- > Revenues from licensing semiconductor intellectual property blocks quadruples
- > Maestro and Memorize products gaining traction
  - Customers include Kawasaki Micro, Matrox Graphics, WiQuest, Micronas
- > Re-working Mobilize market strategy



## ✓ Systems Division Operational Highlights

- > Second quarter revenues flat vs. first quarter
  - Profit margin and capacity concerns reduce customer spending on test equipment
- > Tester sales should recover in second half
- > Enhancing MOSAID's market position
  - Upgrading MS5205 tester
  - Developing high speed, high performance DDR3 DRAM tester





## Goals and Objectives

- > Continue growing the business profitably
  - Patent Licensing program entering new phase
  - Semiconductor IP products gaining traction
  - Systems Division starting to rebound
- > Pursue strategic alternatives initiative
- > On track to best financial results in MOSAID's 30-year history



# Financial Highlights

## Second quarter and first half FY07

- > Q2 FY07 compared with Q2 FY06
  - Revenues \$19.6 million vs. \$16.3 million
  - Net income \$4.7 million or \$0.42 per diluted share vs. \$4.3 million or \$0.37 per diluted share
    - Net income reduced by unusual expenses of \$1.1 million related to Special Committee activities
- > First half FY07 compared with first half FY06
  - Revenues \$42.6 million vs. \$30.5 million
  - Net income \$11.4 million or \$1.00 per diluted share vs. \$8.7 million or 0.75 per diluted share



## Financial Highlights

### Balance sheet, dividend, share buyback

- > Cash balance and marketable securities at end of Q2 totaled \$67.2 million vs. \$68.7 million at end of Q1 FY07
  - Working capital \$74.8 million at end of Q2 vs. \$78.1 million at end of Q1
- > Quarterly dividend of \$0.25 per diluted share
  - \$5.6 million in dividends paid to date in FY07
- > Normal Course Issuer Bid (NCIB)
  - 375,400 or 3.3% of common shares bought and cancelled for \$10.0 million since NCIB renewed on June 28/06



## Financial Highlights Guidance

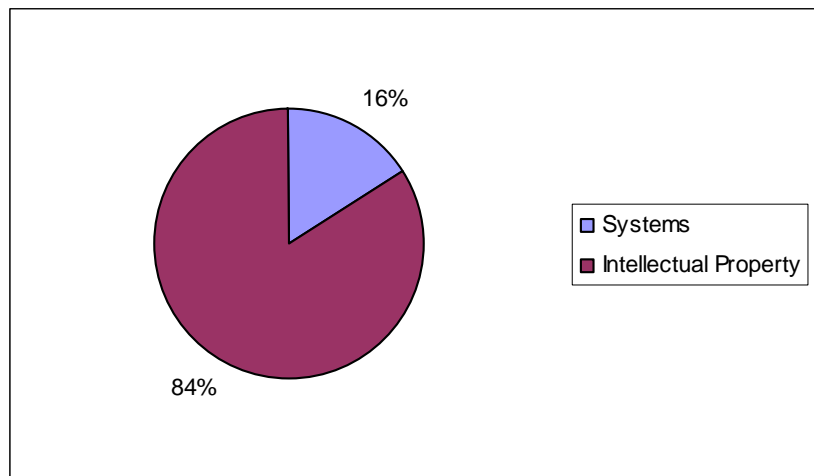
- > Guidance for third quarter of fiscal 2007
  - Revenue of \$19.0 million to \$20.0 million
  - Net earnings of \$3.5 million to \$4.0 million
  
- > Guidance for fiscal 2007
  - Revenue of \$80.0 to \$85.0 million
  - Net earnings of \$18.0 to \$20.0 million



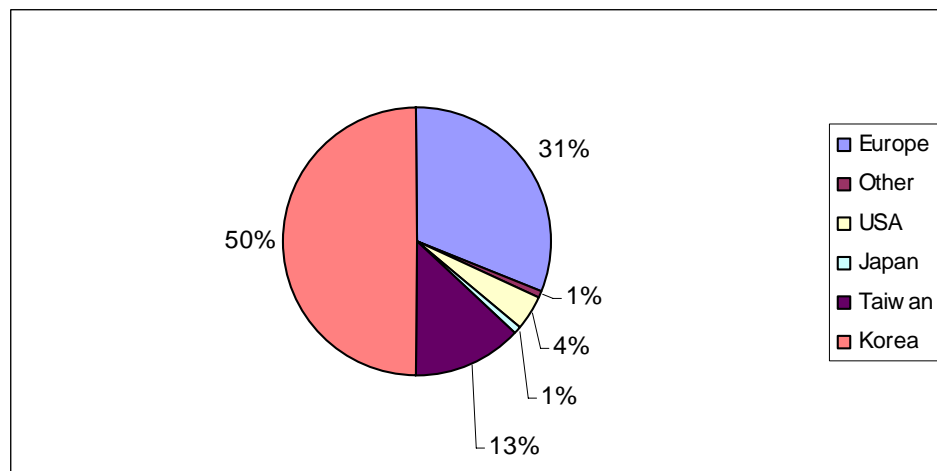
# Segmented Revenues From Operations

Quarter ended Oct. 31, 2006

## Divisional



## Geographic



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[www.mosaid.com](http://www.mosaid.com)