



Pericom Semiconductor:
Enabling Serial Connectivity
(Nasdaq: PSEM)
Fiscal 4Q08 Earnings



Safe Harbor

- This presentation will include remarks about future expectations, plans and prospects for Pericom which constitute forward-looking statements for purposes of the safe-harbor provisions under applicable federal securities laws. Such forward-looking statements include the statements in the slide entitled "Q1 FY09 Business Outlook", which sets forth expected revenues, gross margin and other financial results for the fiscal first quarter
- Actual results may differ materially from our forward-looking statements, as a result of various important risks and uncertainties, including unexpected softness in demand for our products, price erosion for certain of our products, customer decisions to reduce inventory and other risks and uncertainties which are detailed and may be reviewed in the Company's filings with the SEC.
- All forward-looking statements included in this presentation are made as of the date of this presentation, and Pericom expressly disclaims any obligation to update the information provided in this presentation, except as required by law.
- We encourage you to review our most recent annual report on Form 10-K and our most recent quarterly report on Form 10-Q filed with the SEC and, in particular the risk factor sections of those filings.

Recent Earnings Overview

Quarterly:

- **Quarterly revenue of \$43.4 M**
 - Up 5% Q-to-Q and up 38 % vs. Q4 FY07
- **End market shipments as % of revenues**
 - Computer at 41%, communication at 34%, consumer at 19%, other 6%
- **Geographic distribution as % of revenues**
 - US at 8%, Asia at 89%, Europe at 3%
- **Channel sales as % of revenues**
 - Domestic distribution at 4%, foreign distribution at 45%, contract manufacturers at 30%, OEMs at 21%

Annual:

- **Annual revenue of \$163.7 M**
 - Up 32.7% from the prior year period

Recent Earnings Overview

Quarterly:

- **Gross margin of 36.0%**
 - Q4 gross margin down 160 bps sequentially, and down 50 bps vs. Q4 FY07
- **Operating expense of \$10.6 M vs. \$10.2 M last Q**
 - Included stock base compensation expenses of \$0.6M
- **Operating income of \$5.0 M vs. \$5.3 M last Q**
 - Operating margin of 11.6%
- **Net income of \$4.6 M vs. \$4.1 M last Q**
 - Net profit margin of 10.6%
 - GAAP EPS of 17 cents vs. 16 cents last Q
- **Tax Rate of 32.3%**

Annual:

- **Gross margin of 36.7%**
 - FY08 gross margin up 200 bps compared to FY07
- **Net income of \$17.0 M vs. \$8.6 M last year**
 - Net profit margin of 10.4%
 - GAAP EPS of 64 cents vs. 32 cents last year

Strong Balance Sheet

	June 2008
Cash & Investments	\$124M
Working Capital	\$149M
Total Assets	\$232M
Total Liabilities	\$24M
Shareholders' Equity	\$207M
Book Value/Share	\$8.14
Cash & Investments/Share	\$4.86

Q4 FY08 vs. Q4 FY07

	Q4 FY07	Q4 FY08	% Change
Revenue	\$31.5M	\$43.4M	38%
Gross Profit	\$11.5M	\$15.6M	36%
Expenses	\$9.8M	\$10.6M	8%
Operating Income	\$1.7M	\$5.0M	199%
Net income	\$2.1M	\$4.6M	115%

Product Mix and Key Customers

→ Product mix as % of revenues

▸ IC at 57%

- Included analog switch at 24%, digital switch at 11%, silicon clocks at 8%, connect at 7%, interface at 7%

▸ FCP at 43%

→ Top five end customers: Dell, Cisco, Gigabyte, HPQ, Asustek

- Accounted for 24% of total revenue, no 10% customer

New Products

→ Signal Conditioning:

- ▶ Four Industry First 'ReDriver' products aimed at PCIe Gen2, SATA2, and SAS applications
- ▶ Targets volume Notebook, Desktop PC, Server, Storage, and Networking platforms

→ Timing:

- ▶ A family of 'industry first' PCIe Gen2 very low jitter clock oscillator/buffers
- ▶ Targets Server, SetTop, Wireless, and Networking platforms

→ Connectivity:

- ▶ Three Industry First PCIe bridge and packet switches
- ▶ Targets volume Computing and Networking platforms

Growth via Enabling Serial Connectivity

- Migration of system connectivity from PARALLEL interface to high-speed SERIAL interface
- Billion dollar market opportunity with broad applications in Computer, Communication and Consumer segments



Legacy Parallel, Single-Ended Interface:
(ISA, PCI, PCI-X, RS 232, ATA, SCSI...)



Serial Differential Interface:
(1Gb / 10Gb Ethernet, USB, PCI Express, HDMI, DisplayPort, Fiber Channel, SAS, SATA...)

- Pericom is reaping the benefits of being an early enabler of serial connectivity with key IPs and broad solutions
 - ▶ Shipment into Ethernet, PCIe Gen I, Gen II, HDMI and USB applications now
 - ▶ Production ramp with DisplayPort, eSATA solutions in 2H CY2008

Q1 FY09 Business Outlook

- Revenue in the range of \$44.0 M to \$46.0 M
- Gross margin in the 36.0% to 37.0% range
- Operating expenses in the range of \$11.0 M to \$11.5 M
 - Include stock-based compensation expenses of approximately \$0.6 M
 - Higher G&A expenses for fiscal year end audit and SOX activities
- Other income of approximately \$1.1 M
- Tax rate of approximately 33.0%



Q & A

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