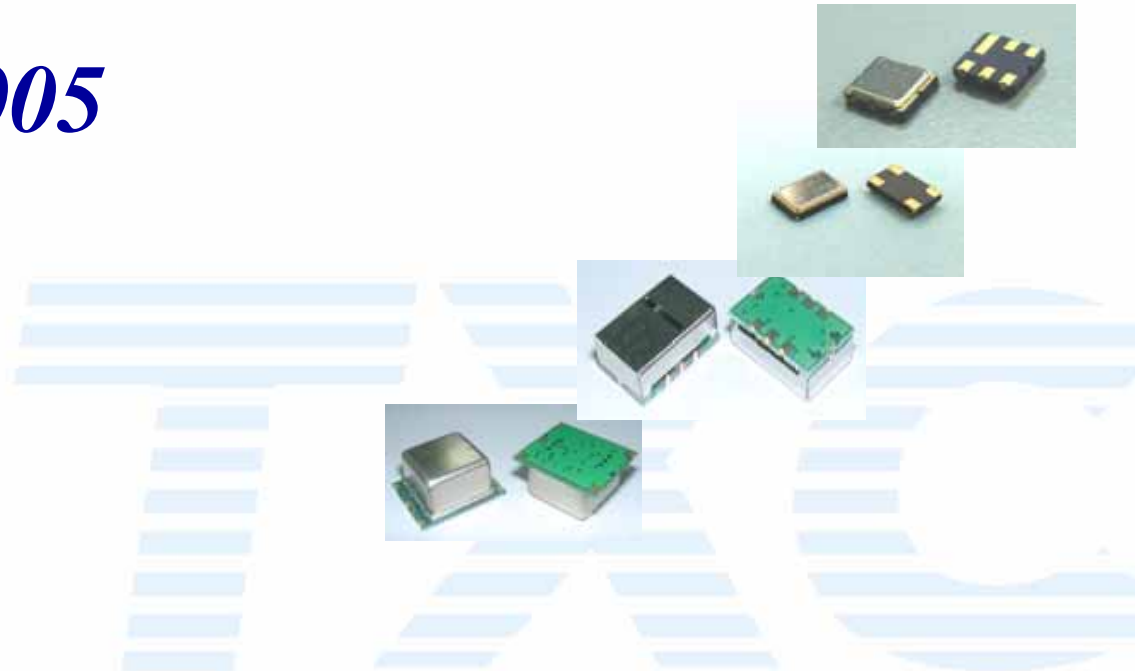




# *TXC Corporation Overview*

*Apr. 08, 2005*





- **Milestones & Vision**
- **Applications**
- **Sales and Marketing**
- **Product Briefing**
- **Investment Plan**
- **Financial Performance**
- **TXC's Strengths**



# Milestones



## Business

Founded- Capital US\$ 90,000

Ranked 8<sup>th</sup> Largest Crystal/Oscillator Manufacturer in the World

Listed in Main Board of Taiwan Security Exchange (Code- 3042)

IPO'ed Increased Capital to US\$ 34.8M

National Award for Small/Medium Enterprise

Implemented Oracle ERP

Green Product Policy & QS 9000

## Quality

ISO 9002

ISO 14001

ISO 9001

1983 1984 1985 1986 1987 1988 1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004

Established SMD Production Lines

Established SAW Production Lines

Established TCXO Production Lines

Established OCXO, SONET and STC Product Lines

## Products

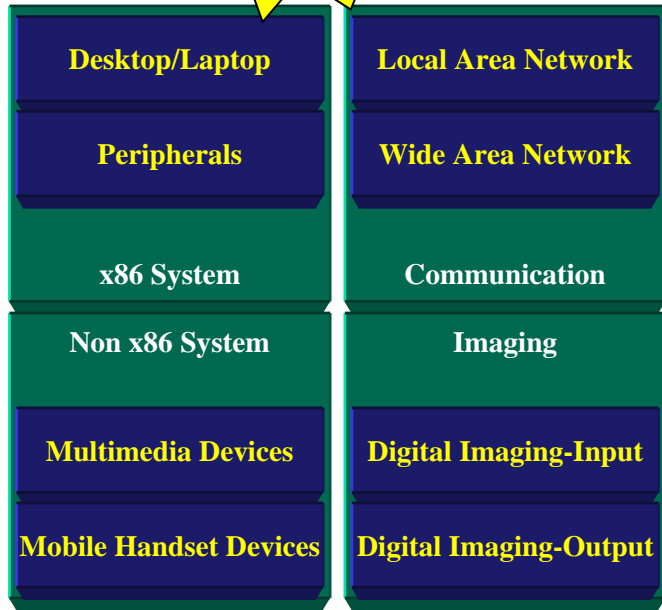
Completed new Ningbo Factory in China

TS16949- Taiwan and China Factories

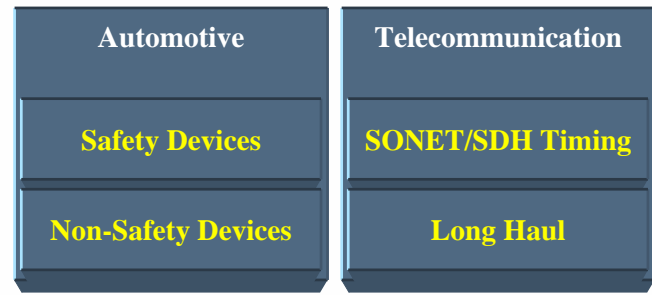
- 
- Focus on frequency controlled components and modules for IT, Tele-Comm & Optical industries.*
  - Provide the products for Automobile industry by 2005.*
  - Top 5 supplier in world wide by 2006, providing high value added products*
- 

# Applications Now and Planned

**NOW**



**PLANNED**







- **The second generation of Centrino Intel : Sonoma.**
- **3G Mobile phone : WCDMA, CDMA 2000, TD-SCDMA.**
- **The next generation of WLAN for Mobile : WiMAX.**
- **Portable audio and Video devise : Pen Driver, MPEG 3, MPEG 4 etc.**
- **Digital Home : Satellite SetTopBox, Terrestrial SetTopBox, IP/DSL SetTopBox.**
- **SAN (Storage Area Networks ) : Gigabit Switch**
- **Automotive : As attached**



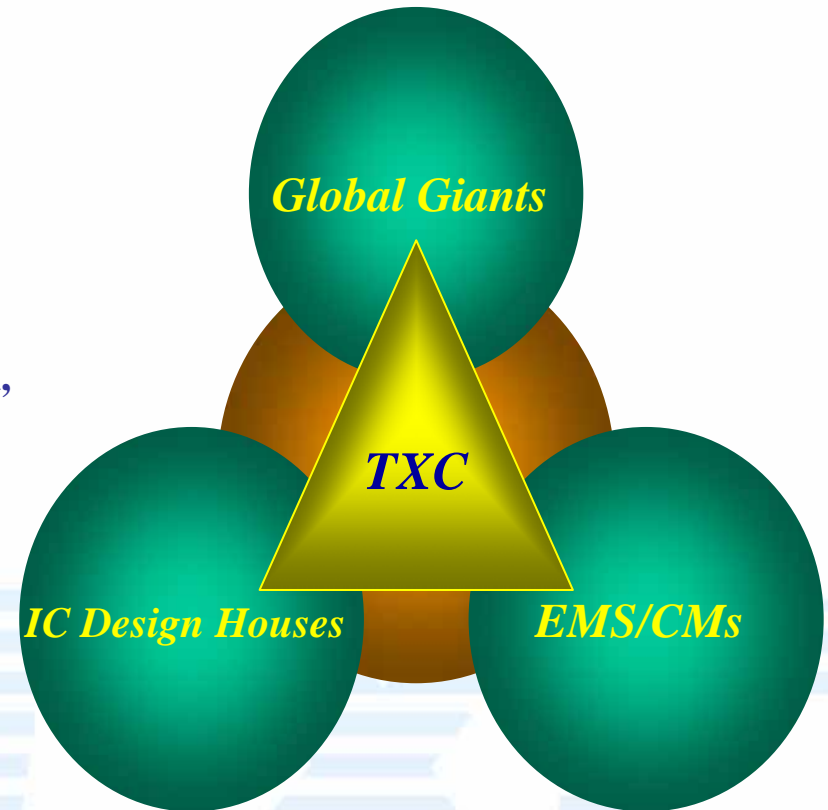


## Some of TXC's Key Customers

**Global Giants-** Intel, Motorola, Seagate, Microsoft, Dell, LG, Samsung, Sony, Sandisk, Phillip, Logitech, Acer, BenQ, Asus, Linksys, D-Link

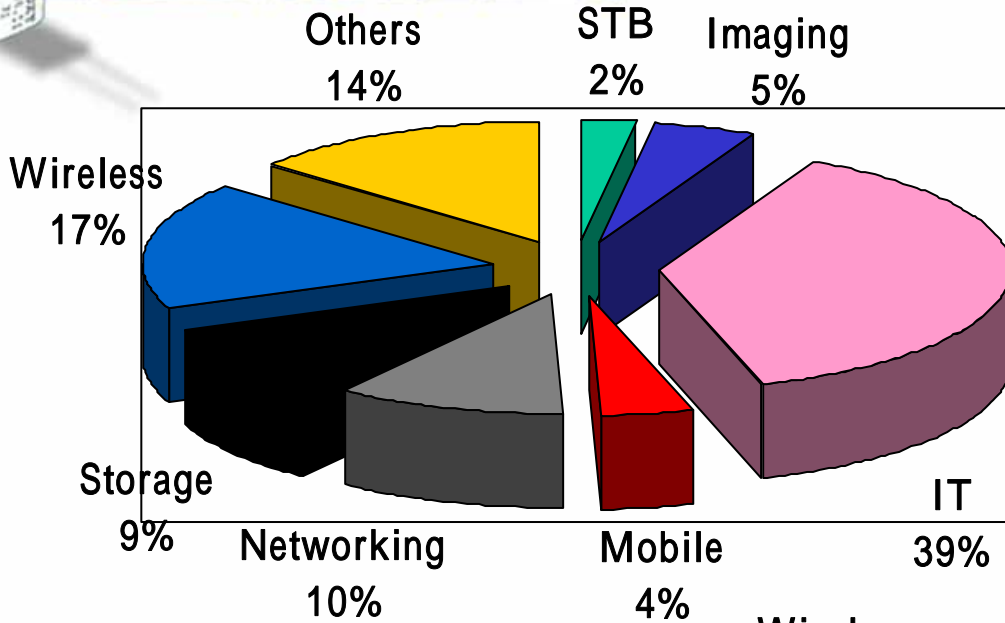
**EMS/CMs-** Quanta, Solectron, Flextronics, Foxconn, Jabil, Compal, MSI

**IC Design Houses-** nVidia, Broadcom, TI, Conexant, Skyworks, Realtek, ESS, Sandisk

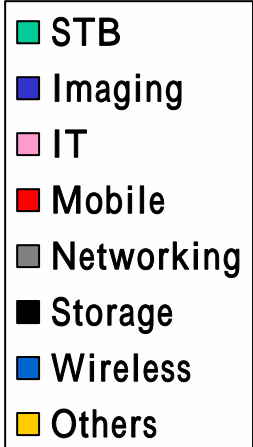




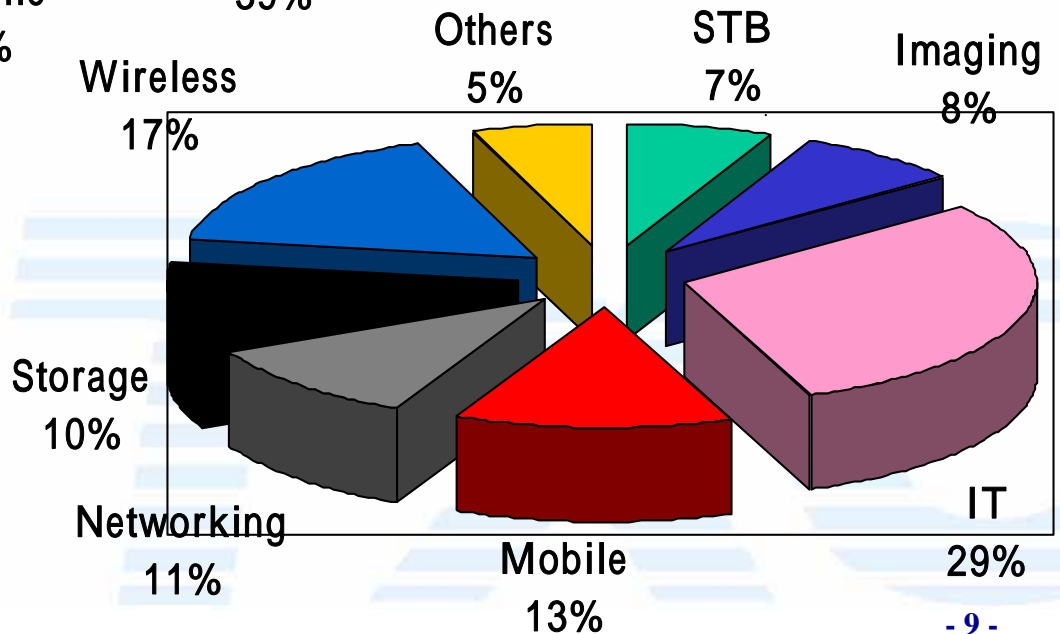
# Sales Revenues Segment



2004



2005 forecast



# Worldwide Suppliers

## Worldwide Revenue of the Top 25 Crystal and Oscillator Suppliers

(Millions of dollars)

2002 Rank	2003 Rank	Company Name	2003 Revenue	2002 Revenue	Percent Change	Percent of Total	Cumulative Percentage
1	1	NDK	404	401	0.70%	14.80%	14.80%
2	2	KED	329	297	10.80%	12.00%	26.80%
3	3	Epson	325	225	44.40%	11.90%	38.70%
4	4	KDS	196	187	4.80%	7.20%	45.90%
5	5	Toyocom	170	145	17.20%	6.20%	52.10%
6	6	Corning	86	82	4.90%	3.10%	55.30%
7	7	Vectron	79	78	1.30%	2.90%	58.10%
9	8	TXC	62	54	14.80%	2.30%	60.40%
8	9	TEW	55	64	-14.10%	2.00%	62.40%
11	10	River	51	49	4.10%	1.90%	64.30%
18	17	Hosonic	25	23	8.70%	0.90%	72.80%
21	20	Siward	21	13	61.50%	0.80%	75.20%
		<b>Total Revenue</b>	<b>2734</b>	<b>2331</b>	<b>17.30%</b>	<b>100.00%</b>	

**iSuppli, April 2004**



DIP type

<b>6A</b>	<b>6B</b>	<b>6C</b>	<b>6E</b>
<b>49U</b>	<b>49S</b>	<b>49S/SMD</b>	<b>UM-1</b>

SMD type

Resistance Weld

Seam Seal

<b>6Z</b>	<b>6P</b>	<b>6V</b>	<b>7B</b>	<b>7G</b>	<b>7M</b>
<b>12*5.5</b>	<b>7*5</b>	<b>6*3.5</b>	<b>5*3.2</b>	<b>4*2.5</b>	<b>3.2*2.5</b>

Glass Seal

<b>6X</b>	<b>7A</b>
<b>8*4.5</b>	<b>5*3.2</b>

Tuning Fork type

<b>6H (32 KHz)</b>
<b>T 2/3/6/7/8</b>

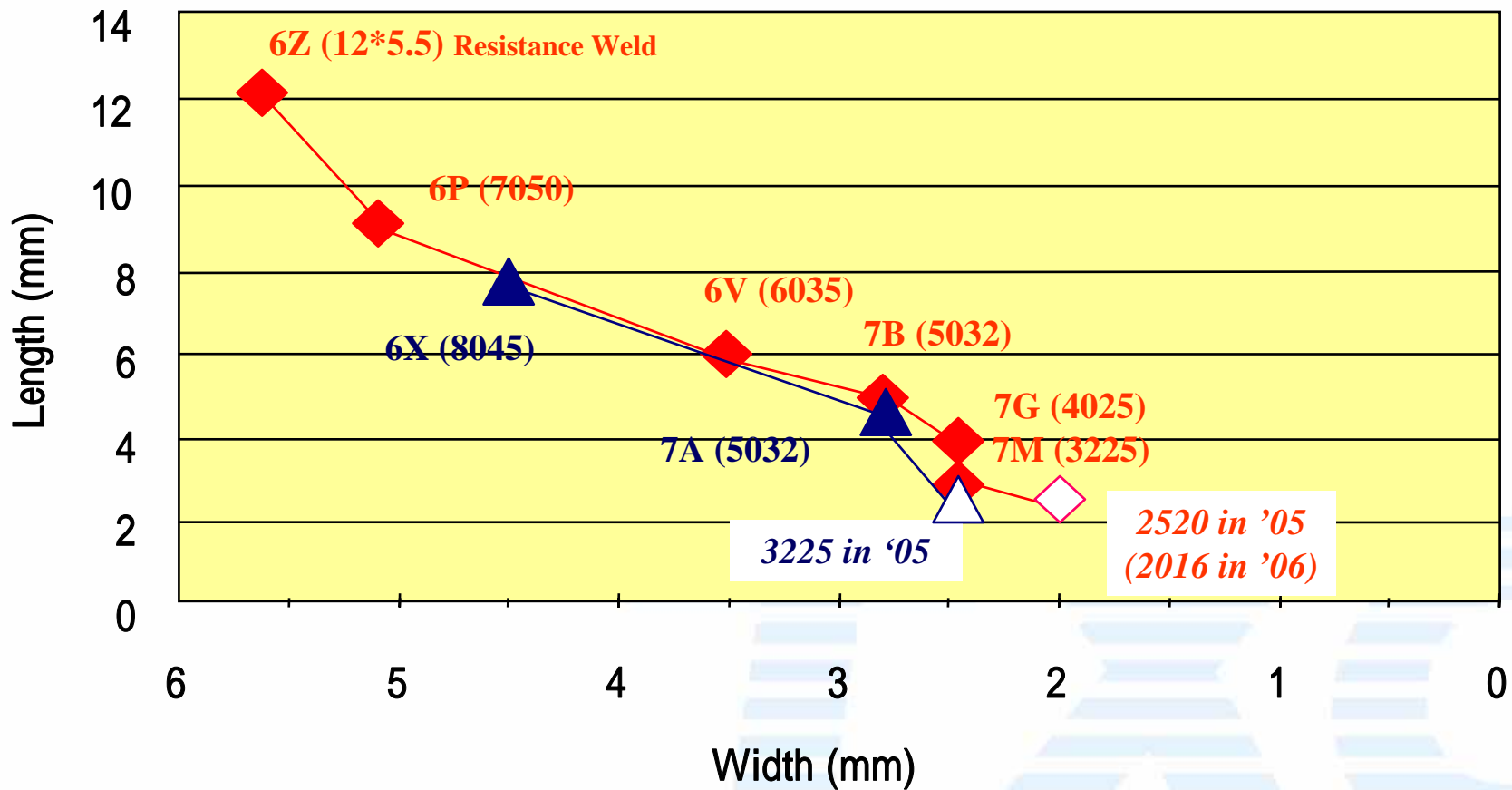
# SMD Crystal Package Roadmap



◆ Seam Seal



▲ Glass Seal



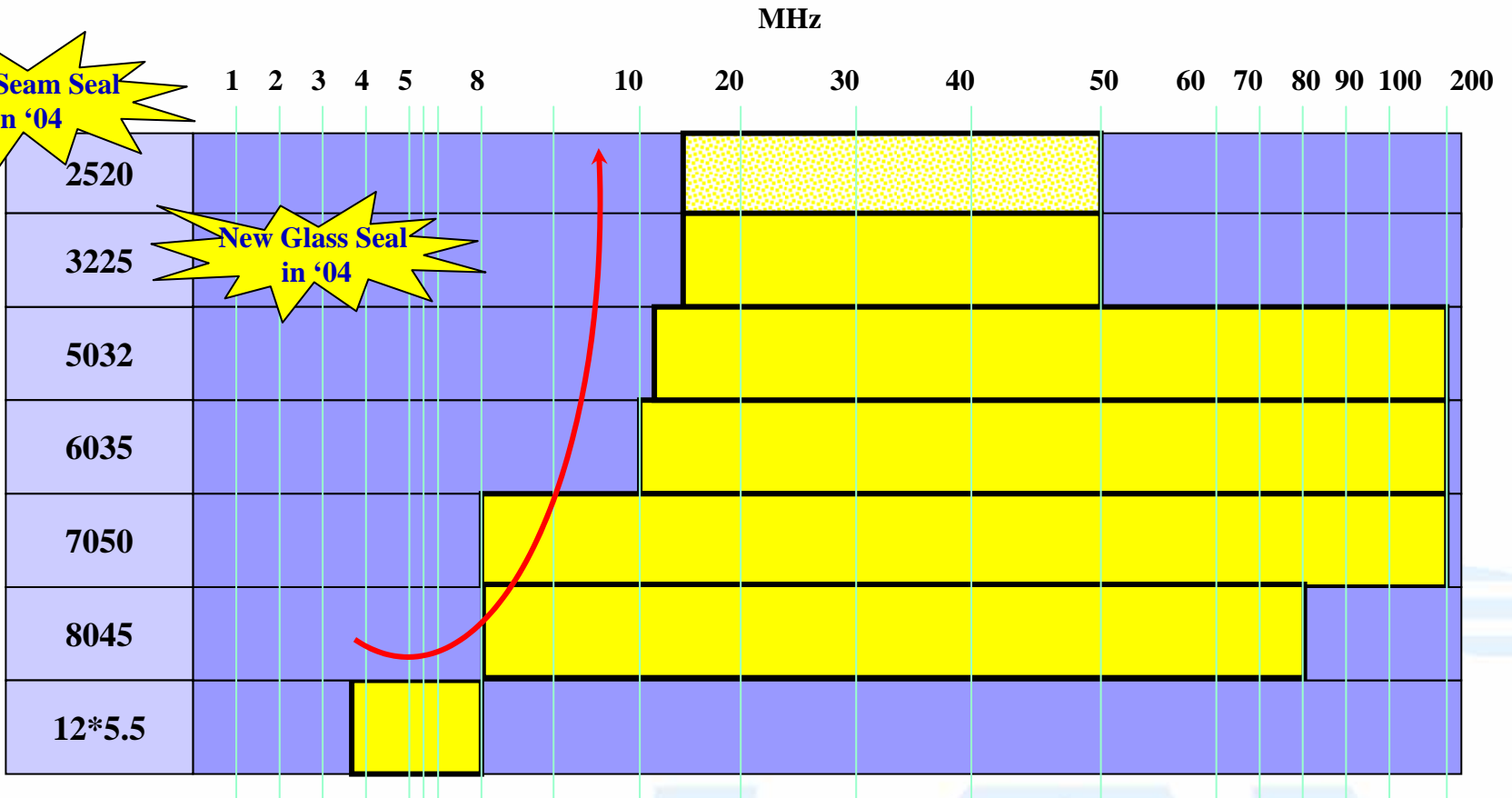


# SMD Crystal Frequency Range

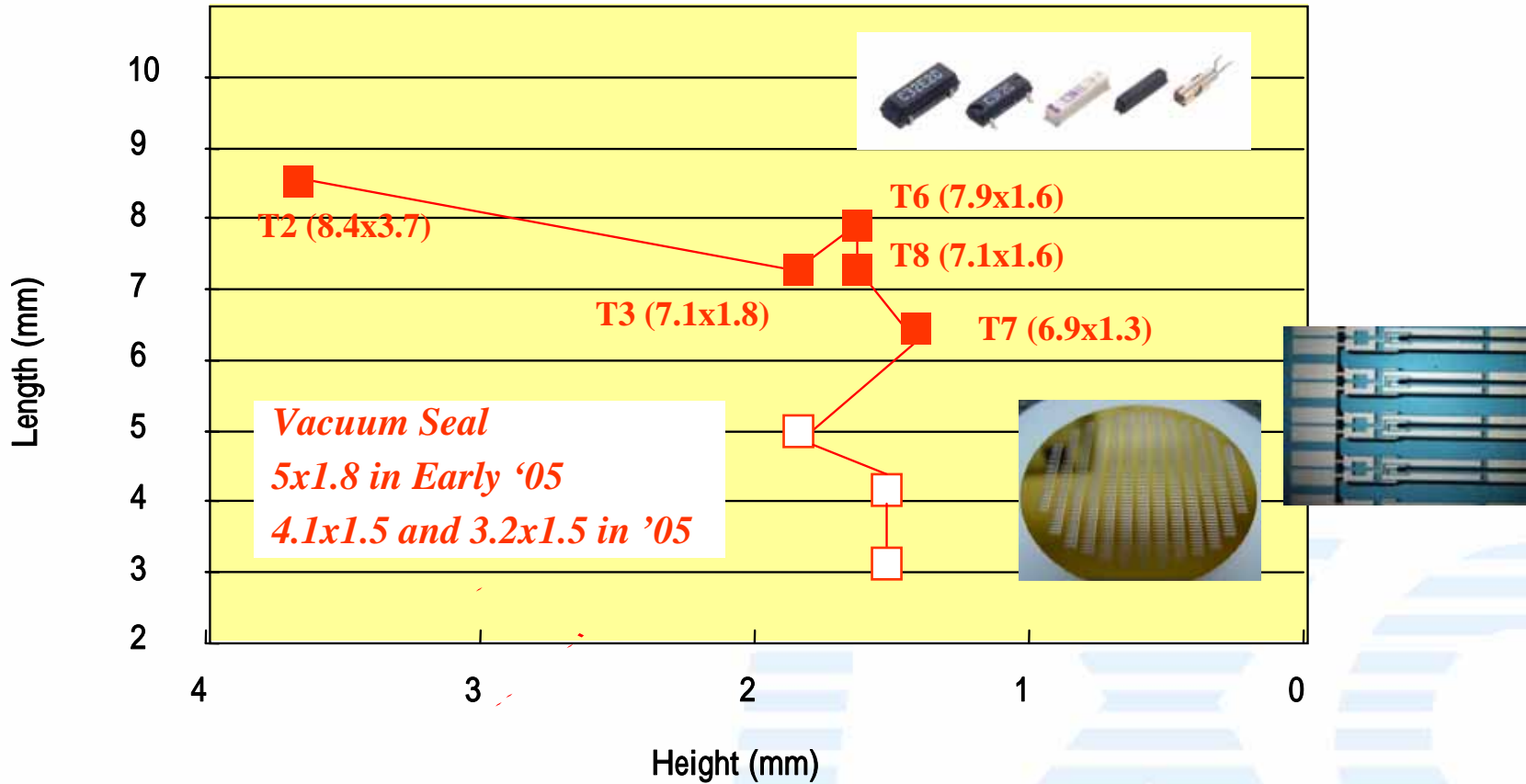


**New Seam Seal  
In '04**

**New Glass Seal  
in '04**



# Tuning Fork Crystal Package Roadmap



# Product- Oscillator CMOS/LVPECL/LVDS



World's Lowest Profile (1 mm)!

<b>6K/6M</b>	<b>7J</b>	<b>6N</b>	<b>7E</b>	<b>7C</b>
<b>CXO</b>	<b>Full/Half</b>	<b>14*9</b>	<b>7*5</b>	<b>5*3.2</b>

Also LVPECL/LVDS  
Up to 800 MHz

Also LVPECL/LVDS  
Up to 330 MHz

<b>7P</b>
<b>TCXO 5*3.2</b>

Clipped Sinewave



<b>6R</b>	<b>7H</b>	<b>6U</b>	
<b>VCXO</b>	<b>Full/Half</b>	<b>14*9</b>	<b>7*5</b>

Also LVPECL/LVDS  
Up to 800 MHz

Also LVPECL/LVDS  
Up to 800 MHz



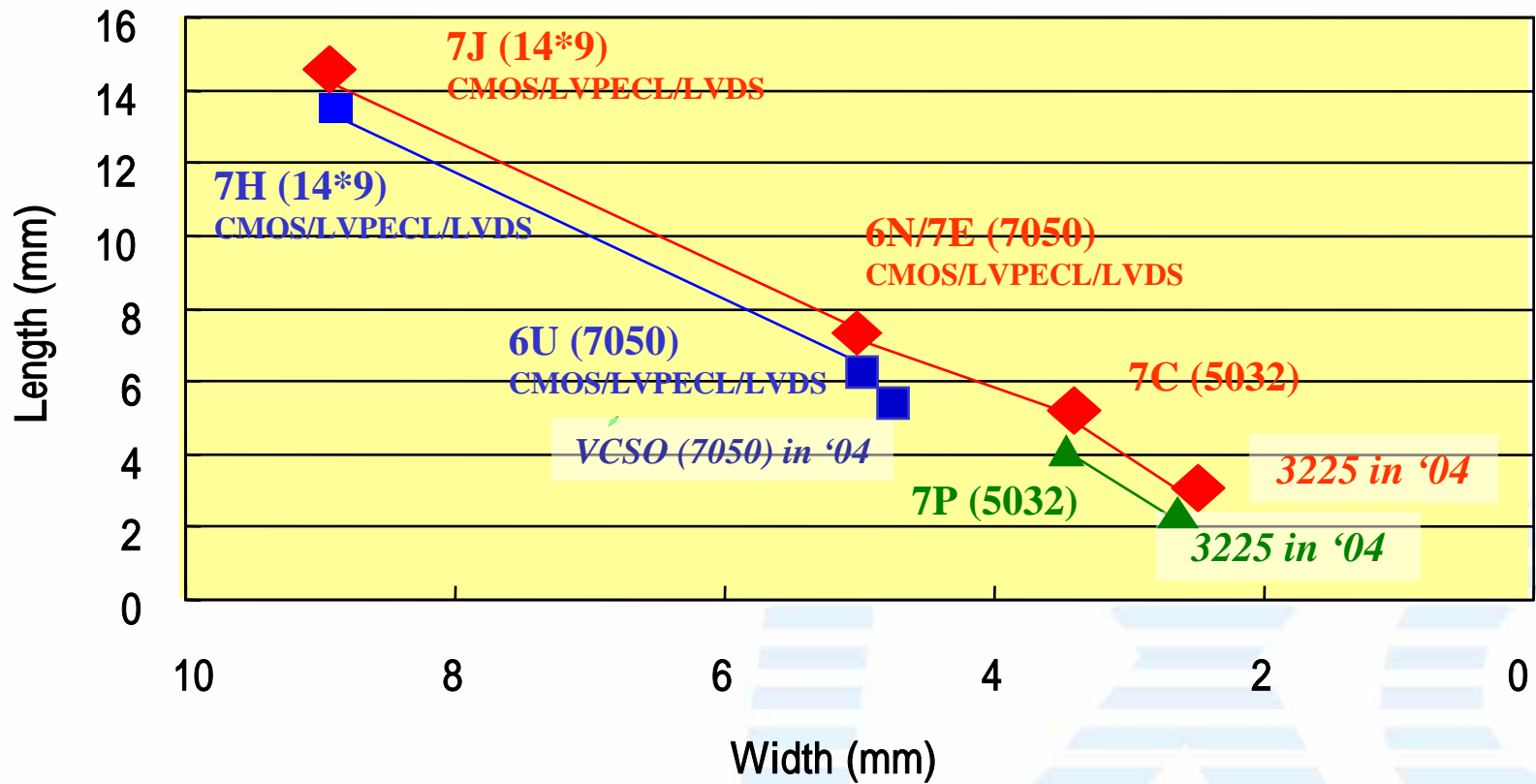
<b>7K</b>
<b>OCXO (AT-Cut / SC-Cut)</b>



# SMD CXO/VCXO/TCXO Package Roadmap



◆ **CXO**     
 ■ **VCXO**     
 ▲ **TCXO**



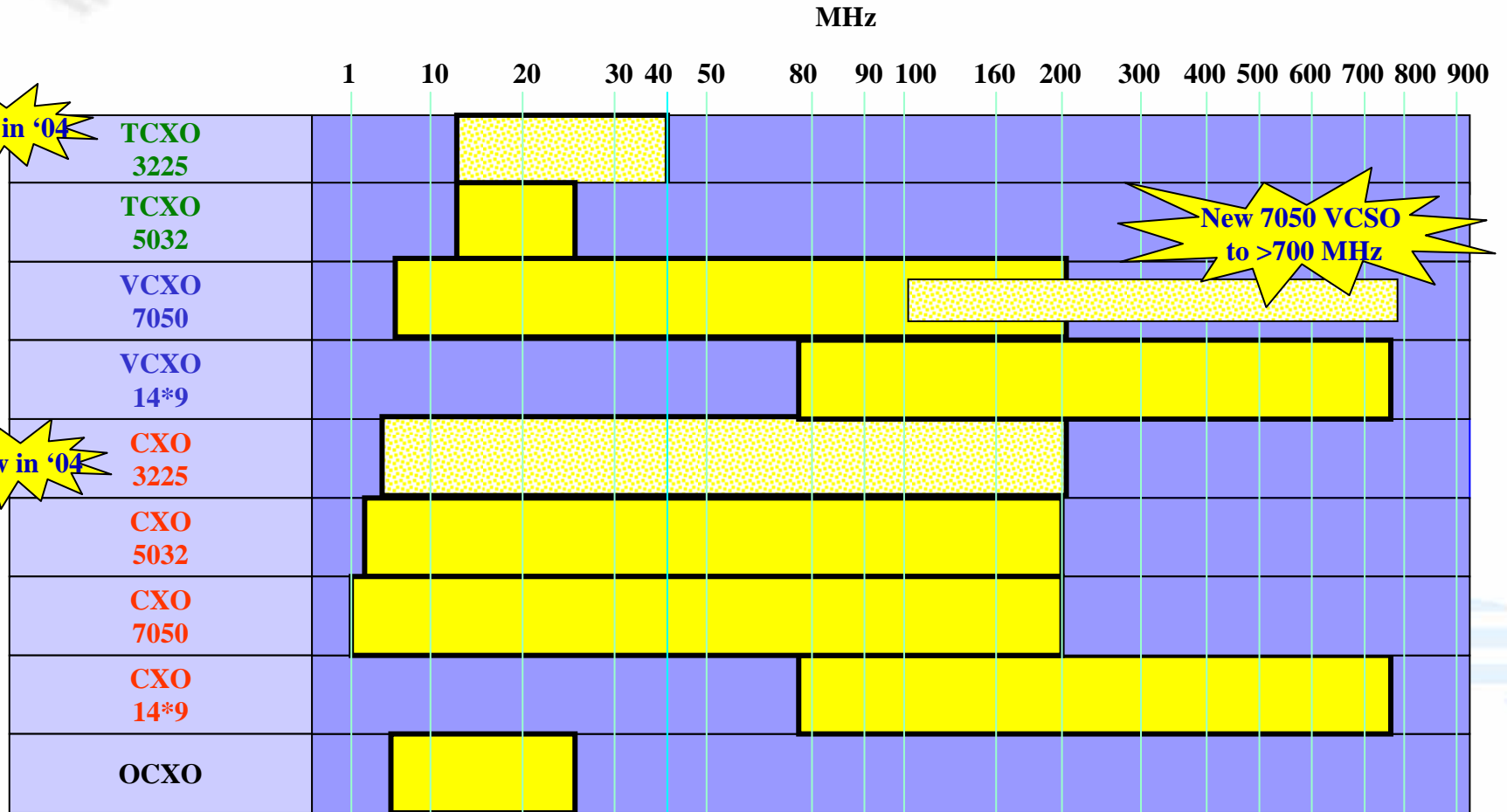
# Oscillator Frequency Range



**New in '04**

**New in '04**

**New 7050 VCXO to >700 MHz**

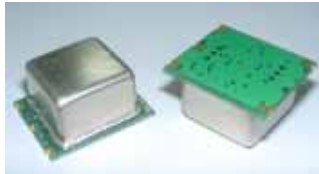




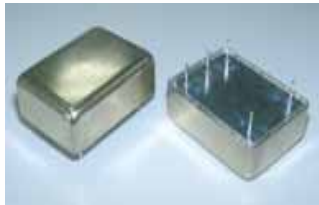
## TXC OCXO (Basestation & Instrumentations)

---

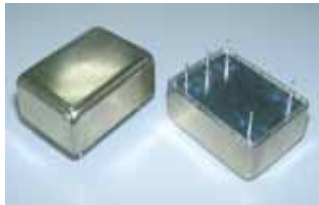
**P/N 7K1000055**  
**AT-Cut**  
**< 100 ppb\***



**P/N 7K1000019**  
**AT-Cut**  
**< 200 ppb\***



**P/N 7K1000028**  
**SC-Cut**  
**< 20 ppb\***



Typical 5~30 MHz and -20 to 70 °C



# TXC OCXO Roadmap



2003 (General Applications)	2004 (For SONET/SDH)	2005 (Increased Stability)
<p>5~30 MHz</p> <p>P/N 7K10000055 AT-Cut &lt; <math>\pm 100</math> ppb*</p> <p>P/N 7K10000019 AT-Cut &lt; <math>\pm 200</math> ppb*</p> <p>P/N 7K10000028 SC-Cut &lt; <math>\pm 20</math> ppb</p> <p>* Typical -20 to 70 °C</p>	<p>1 to 100 MHz</p> <p><b>Stratum 3</b> OCXO- AT-Cut Overall Stability &lt; <math>\pm 4.6</math> ppm Holdover Stability &lt; <math>\pm 370</math> ppb/day</p> <p><b>Stratum 3E</b> OCXO- SC-Cut Overall Stability &lt; <math>\pm 1.5</math> ppm Holdover Stability &lt; <math>\pm 10</math> ppb/day</p>	<p>Being Considered-</p> <ol style="list-style-type: none"><li>1. Double Oven OCXO</li><li>2. OCSO to 1 GHz</li><li>3. Evacuated OCXO</li></ol>



## Standard Packages

13.3\*6.5   9\*7   7\*5   5\*5   3.8\*3.8   3\*3

### Strategy

- *Do Not Participate in the Handset Market.*
- *Custom and Multi-Media IF and RF SAW Filters up to 2 GHz*
- *High Frequency (e.g. 622 MHz) SAW Resonators for SONET/SDH Applications*
- *SAW Oscillators and VCOSOs up to 2.5 GHz*
- *SAW Device Assembly Service up to 2 GHz*
- *Film Bulk Acoustic Resonator (FBAR) Assembly Service up to 2 GHz*

# Product- Timing Modules



*Example-*

*8 KHz CMOS Input and*

*77.76 MHz LVPECL Output*



**Frequency Translator (25.5\*20)**

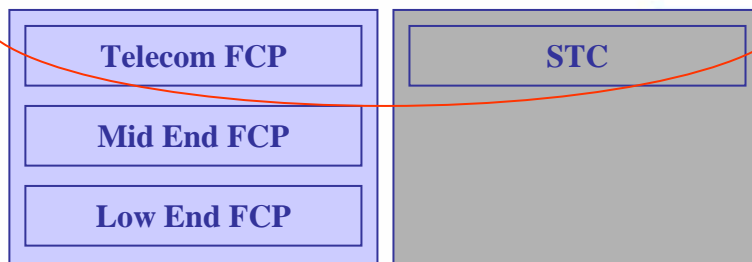
**FX**

**Simple!**



**Sophisticate!**

**MAN/Long Haul**



**Synchronous Timing Chips (Stratum 2/3/3E/4)**

**For Syn and Line Cards**

**In alliance with 9Co in US- <http://www.9Co.com>**

**SCS3020 / SCS3022 / SCS3001 / SCS3002**

**SCS3010e / SCS3012 / SCS3015**

# Capital Investment Plan in 2005

Unit:NT\$ Million

Product	Line	Amount\$	Date (F)	Capacity/M	Revenue/M (F)
DIP X'tal (NGB) For Automotive	1	50	1Q	1M	6.0
Glass X'tal (NGB) 5032 / 3225	1	50	2Q	1M	7.0
Seam X'tal (NGB) 5032 / 3225	1	60	2Q	0.8M	9.0
SMD Tuning Fork (TWN)	1	100	2Q	1M	10.0
Seam X'tal (TWN) 3225 / 2025	2	120	3Q.4Q	1.6M	22.0
SMD TCXO(TWN) 5032 / 3225	1	100	4Q	0.8M	20.0
<b>Total</b>	<b>7</b>	<b>480</b>		<b>6.2M</b>	<b>74.0</b>



# Income Statement

## ('04 VS. '03)

Unit: NT\$ in Million

	04(a)		03(a)		YOY Change %
<b>Net Operating Revenues</b>	2,884	100.0%	2,173	100.0%	32.7%
Cost of Goods Sold	2,313	80.2%	1,789	62.0%	29.3%
<b>Gross Profit</b>	571	19.8%	384	13.3%	48.7%
Operating Expenses	303	10.5%	249	8.6%	21.7%
<b>Operating Income(Loss)</b>	268	9.3%	135	4.7%	98.5%
Net Non-operating Income(Loss)	(14)	-0.5%	(6)	-0.2%	133.3%
<b>Income(Loss) before Tax</b>	254	8.8%	129	4.5%	96.9%
Income Tax Credit	(4)	-0.1%	(13)	-0.5%	(69.2%)
<b>Net Income</b>	258	8.9%	142	4.9%	81.7%
<b>Fully Diluted EPS (NT\$)</b>	1.60		0.99		
<b>Unit Shipment (Million)</b>					
Dip X'tal / CXO	253.0		208.0		21.6%
Smd X'tal	183.3		112.6		62.8%
Smd CXO	40.5		28.9		40.1%

(a) Audited, prepared by TXC Corp.



# Income Statement (Consolidated)

## ('04 VS. '03)



Unit: NT\$ in Million

	04(a)		03(a)		YOY Change %
<b>Net Operating Revenues</b>	3,034	100.0%	2,559	100.0%	18.6%
Cost of Goods Sold	2,385	78.6%	2,119	69.8%	12.6%
<b>Gross Profit</b>	649	21.4%	440	14.5%	47.5%
Operating Expenses	356	11.7%	296	9.8%	20.3%
<b>Operating Income(Loss)</b>	293	9.7%	144	4.7%	103.5%
Net Non-operating Income(Loss)	(38)	-1.3%	(14)	-0.5%	171.4%
<b>Income(Loss) before Tax</b>	255	8.4%	130	4.3%	96.2%
Income Tax Credit	(4)	-0.1%	(13)	-0.4%	(69.2%)
<b>Net Income</b>	259	8.5%	143	4.7%	81.1%

(a) Audited, prepared by TXC Corp.  
Think of Frequency, Think of TXC.

# Income Statement (Q1'05 VS. Q1'04)

Unit: NT\$ in Million

	1Q'05(e)		1Q'04(a)		QoY Change %
<b>Net Operating Revenues</b>	754	100.0%	581	100.0%	29.8%
Cost of Goods Sold	566	75.1%	473	81.4%	19.7%
<b>Gross Profit</b>	188	24.9%	108	18.6%	74.1%
Operating Expenses	90	11.9%	69	11.9%	30.4%
<b>Operating Income (Loss)</b>	98	13.0%	39	6.7%	151.3%
Net Non-operating Income (Loss)	(12)	-1.6%	12	2.1%	(200.0%)
<b>Income (Loss) before Tax</b>	86	11.4%	51	8.8%	68.6%
Income Tax Credit	3	0.5%	(4)	-0.7%	(175.0%)
<b>Net Income</b>	83	14.3%	55	9.5%	50.9%
<b>Fully Diluted EPS (NT\$)</b>	0.51		0.38		
<b>Unit Shipment (Million)</b>					
Dip X'tal / CXO	62.5		50.4		24.0%
Smd X'tal	62.0		32.0		93.8%
Smd CXO	9.3		8.7		6.9%

(a) Audited, prepared by TXC Corp.

# Income Statement (Q1'05 VS. Q4'04)

Unit: NT\$ in Million

	1Q'05(e)		4Q'04(a)		QoQ Change %
<b>Net Operating Revenues</b>	754	100.0%	838	100.0%	(10.0%)
Cost of Goods Sold	566	75.1%	671	80.1%	(15.6%)
<b>Gross Profit</b>	188	24.9%	167	19.9%	12.6%
Operating Expenses	90	11.9%	81	9.7%	11.1%
<b>Operating Income (Loss)</b>	98	13.0%	86	10.3%	14.0%
Net Non-operating Income (Loss)	(12)	-1.6%	(36)	-4.3%	(66.7%)
<b>Income (Loss) before Tax</b>	86	11.4%	50	6.0%	72.0%
Income Tax Credit	3	0.4%	(5)	-0.6%	(160.0%)
<b>Net Income</b>	83	9.9%	55	6.6%	50.9%
<b>Fully Diluted EPS (NT\$)</b>	0.51		0.34		
<b>Unit Shipment (Million)</b>					
Dip X'tal / CXO	62.5		74.3		(15.9%)
Smd X'tal	62.0		59.9		3.5%
Smd CXO	9.3		11.6		(19.8%)

(a) Audited, prepared by TXC Corp.



## *TXC's Strengths as a Cost Effective Supplier without Compromising Quality and Performance*

- **Strong relationship with material suppliers.**
- **Strong relationship with equipment suppliers.**
- **Continuous yield improvement.**
- **Quick responses and sample delivery.**
- **Strong R&D and production teams with years of crystal industry experience.**
- **ISO9001, ISO9002, ISO14001 and QS9000 certified.**
- **Low overhead in Taiwan and Mainland China.**



*Thank You- Q&A*

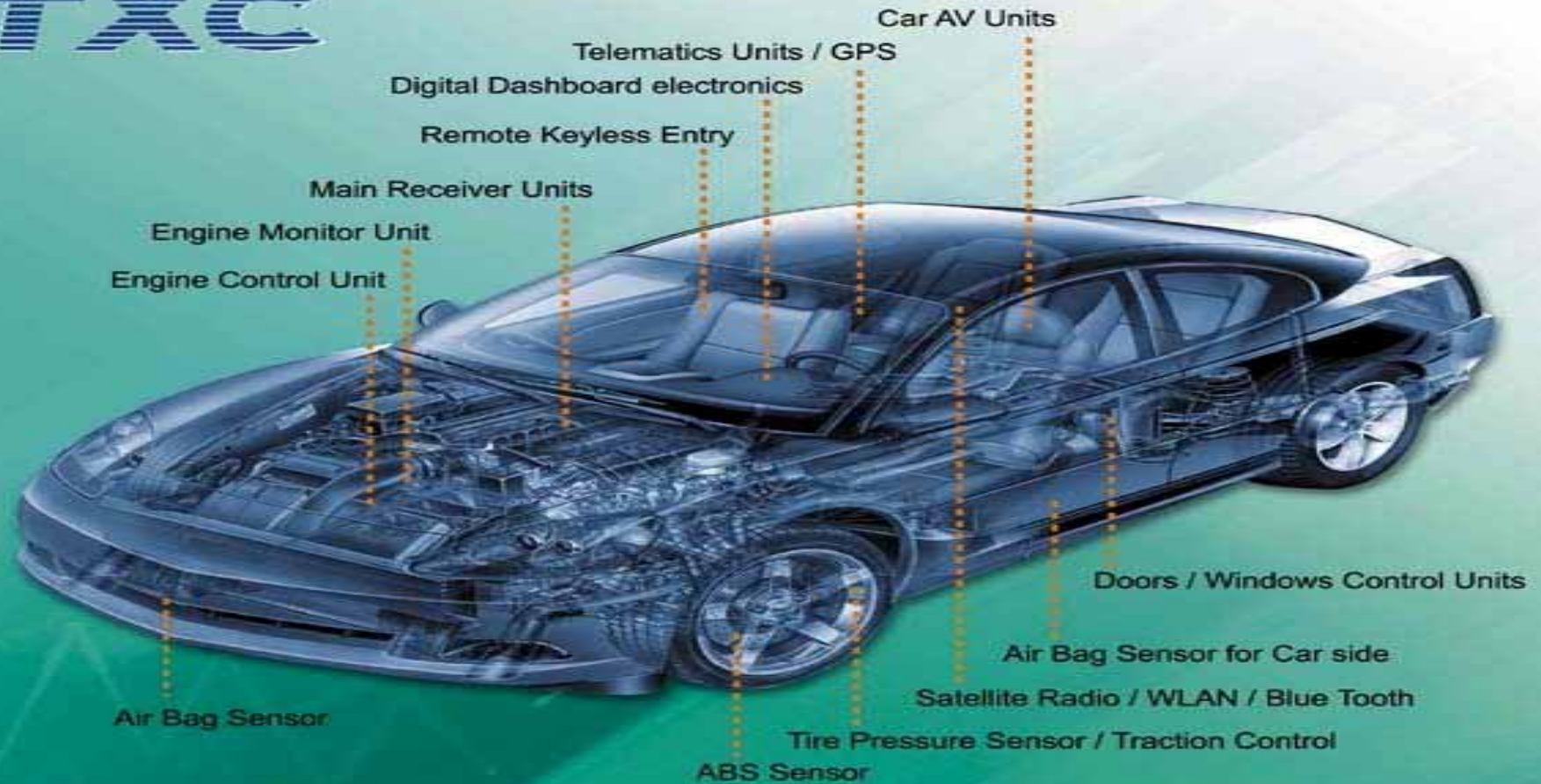
**TXC**  
TXC CORPORATION



<http://www.txc.com.tw>



# TXC



## Frequency Control Products Applied in Automotive Industry

	DIP Type	HC-49U / 6A Series
	DIP Type	HC-49S / 6B Series
	DIP Type	HC-49S SMD / 6C Series
	Resistance Welding Crystal	11.9 x 4.9mm / 6Z Series
	Seam Sealed Crystal	7 x 5mm / 6P Series
	Seam Sealed Crystal	6 x 3.5mm / 6V Series

	Seam Sealed Crystal	5 x 3.2mm / 7B Series
	Seam Sealed Crystal	3.2 x 2.5mm / 7M Series
	Glass Sealed Crystal	8 x 4.5mm / 6X Series
	Glass Sealed Crystal	5 x 3.2mm / 7A Series
	Glass Sealed J-Type	8 x 4.5mm

**Think of Frequency, Think of TXC**