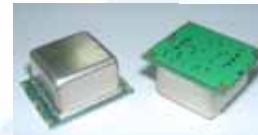




TXC Corporation
Investor Conference
May 16, 2007





- *Financial Results*
- *Sales & Marketing*
- *Technology and Product*
- *Investment Plan*
- *Highlights*
- *Q & A*





Financial Results



Income Statement

Unit: NT\$ in Million

	2006(a)		2005(a)		YoY Change %
Net Operating Revenues	4,840	100.0%	3,438	100.0%	40.8%
Cost of Goods Sold	3,551	73.4%	2,570	74.8%	38.2%
Gross Profit	1,289	26.6%	868	25.2%	48.5%
Gross Margin (%)	26.6%		25.2%		
Operating Expenses	443	9.2%	355	10.3%	24.8%
Operating Income (Loss)	846	17.5%	513	14.9%	64.9%
Net Non-operating Income (Loss)	112	2.3%	17	0.5%	558.8%
Income (Loss) before Tax	958	19.8%	530	15.4%	80.8%
Net Income(Loss)	842	17.4%	480	14.0%	75.4%
Net Margin (%)	17.4%		14.0%		
Fully Diluted EPS (NT\$)	4.1		2.5		
Unit Shipment (Million)					
DIP X'tal / CXO	405.4		285.6		41.9%
SMD X'tal /CXO	551.6		367.5		50.1%

Income Statement (Consolidated)



Unit: NT\$ in Million

	2006(a)		2005(a)		YOY Change %
Net Operating Revenues	5,206	100.0%	3,731	100.0%	39.5%
Cost of Goods Sold	3,704	71.1%	2,753	73.8%	34.5%
Gross Profit	1,502	28.9%	978	26.2%	53.6%
Gross Margin (%)	28.9%		26.2%		
Operating Expenses	506	9.7%	409	11.0%	23.7%
Operating Income(Loss)	996	19.1%	569	15.3%	75.0%
Net Non-operating Income(Loss)	(36)	-0.7%	(39)	-1.0%	(7.7%)
Income(Loss) before Tax	960	18.4%	530	14.2%	81.1%
Net Income(Loss)	842	16.2%	480	12.9%	75.4%
Net Margin (%)	16.2%		12.9%		

Income Statement (By-Q)

Unit: NT\$ in Million

	1Q'06	2Q'06	3Q'06	4Q'06	1Q'07	QoQ	YoY
Net Sales	1,042	1,147	1,227	1,424	1,270	-10.8%	21.9%
Cost of Sales	791	865	865	1,011	920	-9.0%	16.3%
Gross Profit	251	282	362	413	350	-15.3%	39.4%
Gross Margin (%)	24.1%	24.6%	29.5%	29.0%	27.6%		
Operating Expenses	97	104	114	128	134	4.7%	38.1%
Operating Income	154	178	248	285	216	-24.2%	40.3%
Net Non Income(Expense)	20	18	32	42	41	-2.4%	105.0%
Income(Loss) before Tax	174	196	280	327	257	-21.4%	47.7%
Net Income(Loss)	151	173	226	292	244	-16.4%	61.6%
Net Margin (%)	14.5%	15.1%	18.4%	20.5%	19.2%		
Fully Diluted EPS (NT\$)	0.74	0.84	1.10	1.42	1.19	-16.2%	60.8%

Balance Sheets & Key Indices

Unit: NT\$ in Million

	<u>1Q'07</u>		<u>4Q'06</u>		<u>1Q'06</u>	
Total Assets	6,432	100.0%	6,247	100.0%	4,834	100.0%
Cash & S-T Investments	1,118	17.4%	947	14.7%	462	7.2%
Accounts Receivable	1,558	24.2%	1,725	26.8%	1,314	20.4%
Inventory	611	9.5%	601	9.3%	638	9.9%
Total Current Assets	3,388	52.7%	3,352	52.1%	2,509	39.0%
Long-Term Investments	1,210	18.8%	1,146	17.8%	876	13.6%
Fixed Assets	1,748	27.2%	1,670	26.0%	1,340	20.8%
Accounts Payable	1,093	17.0%	1,033	16.1%	777	12.1%
Short-Term Debt	74	1.2%	255	4.0%	286	4.4%
Total Current Liabilities	1,176	18.3%	1,296	20.1%	1,078	16.8%
Long-Term Debt	1,166	18.1%	1,142	17.8%	554	8.6%
Total Liabilities	2,347	36.5%	2,442	39.1%	1,638	33.9%
Total Equity	4,085	63.5%	3,805	60.9%	3,195	66.1%
A/R Turnover Days	117.9		113.0		101.9	
Inventory Turnover Days	60.2		61.0		66.6	
Current Ratio	288.1%		258.6%		232.7%	
ROE (%)	6.2%		8.0%		5.4%	

Cash Flows

Unit: NT\$ in Million

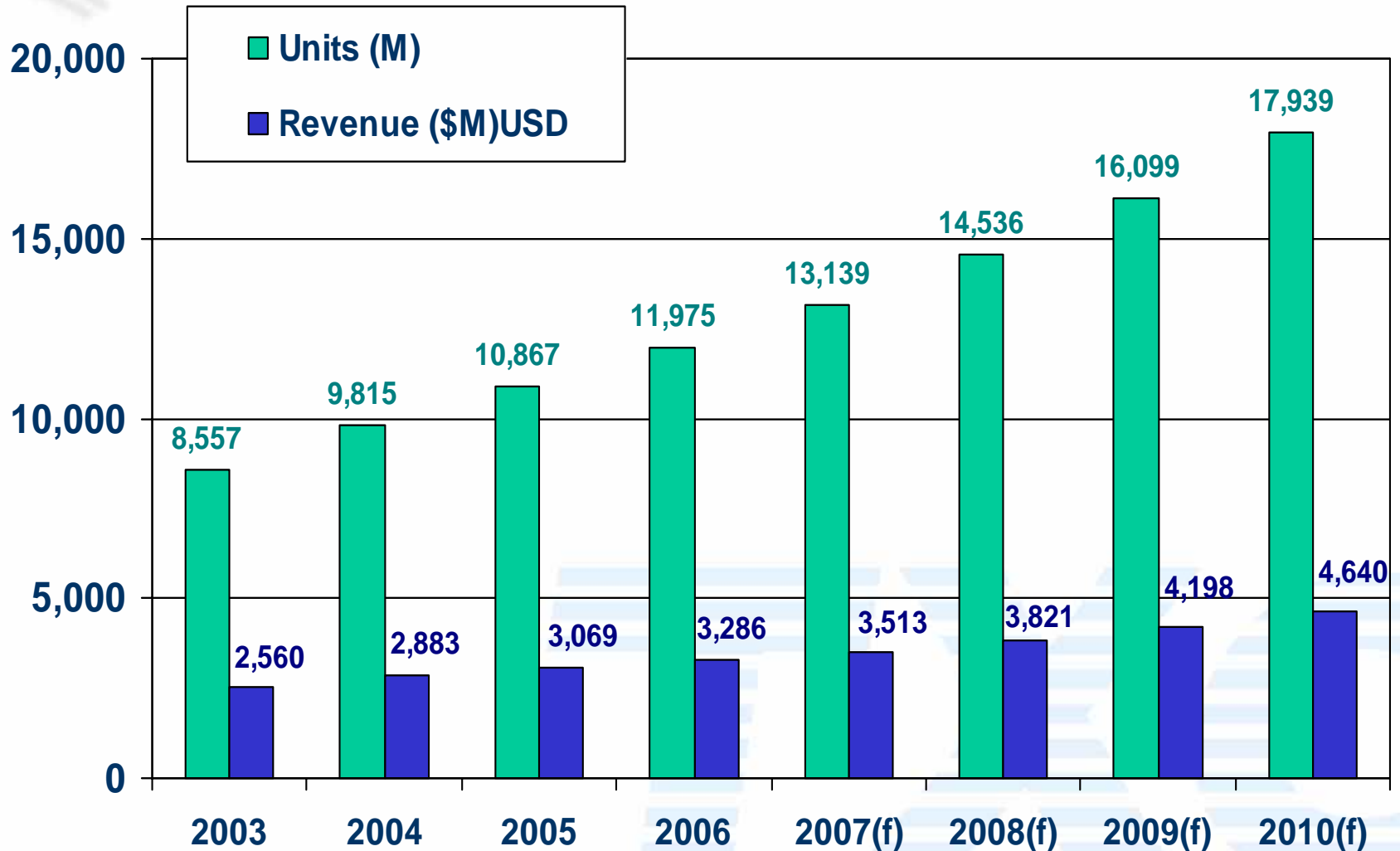
	<u>Q1'07</u>	<u>4Q'06</u>	<u>1Q'06</u>
-Net Income	244	292	169
-Depreciation & Amortization	91	88	65
-Other Operating Sources/(Uses)	162	(136)	(119)
From Operating Activities	497	244	115
-Capital Expenditure	(155)	(275)	(122)
-Marketable Financial Instruments	(62)	(150)	(140)
-Other Investing Sources/(Uses)	(15)	(21)	(13)
From Investing Activities	(232)	(446)	(275)
-Cash Dividends (Common Stock)	0	0	0
-Short-Term & Long-Term Loans	(162)	(276)	181
-Issue Convertible Bonds	0	800	0
-Other Financing Sources/(Uses)	7	14	28
From Financing Activities	(155)	538	209
Net Cash Position Change	110	336	49
Ending Cash Balance	907	797	262



Sales & Marketing

TXC

X'TAL & Oscillator growth trend :



Source : TIC

Worldwide Rank

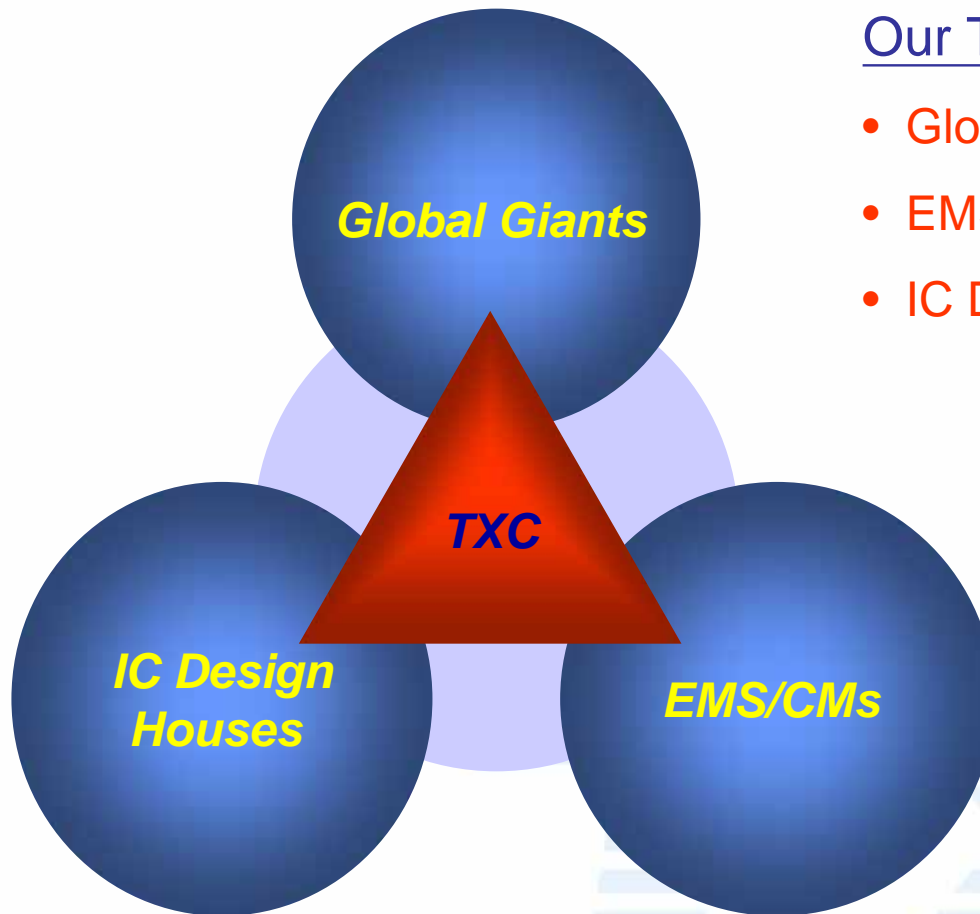
2005 Rank	2006 Rank	Company Name	2004 Revenue	2005 Revenue	2006 Revenue	% Change (04-05)	% Change (05-06)	2006 Market Share	Cumulative %
1	1	Epson Toyocom	570	589	645	3.3%	9.5%	19.6%	19.6%
2	2	NDK	478	515	626	7.7%	21.6%	19.1%	38.7%
3	3	Kyocera Kinseki	312	338	372	8.3%	10.1%	11.3%	50.0%
4	4	KDS	253	253	290	0.0%	14.6%	8.8%	58.8%
5	5	Vectron	183	188	211	2.7%	12.2%	6.4%	65.2%
6	6	TXC	92	117	161	27.2%	37.6%	4.9%	70.1%
7	7	TEW	85	83	88	-2.4%	6.0%	2.7%	72.8%
9	8	Micro Crystal	51	56	60	9.8%	7.1%	1.8%	74.6%
10	9	Rakon	50	53	59	6.0%	11.3%	1.8%	76.4%
8	10	River	60	63	59	5.0%	-6.3%	1.8%	78.2%
12	11	Pericom	21	45	49	114.3%	8.9%	1.5%	79.7%
14	12	Fox	38	39	48	2.6%	23.1%	1.5%	81.2%
13	13	Conner-Winfield	42	44	47	4.8%	6.8%	1.4%	82.6%
15	14	C-MAC	37	36	40	-2.7%	11.1%	1.2%	83.8%
		Other Companies	611	650	531	6.4%	-18.3%	16.2%	100.0%
		Total Revenue	2,883	3,069	3,286	6.5%	7.1%	100.0%	

Modified from CS&A



Our Target Customers

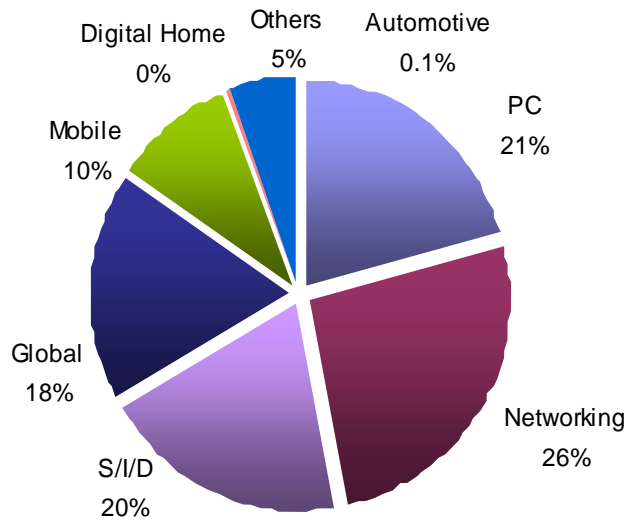
- Global Giants
- EMS/CMs
- IC Design Houses



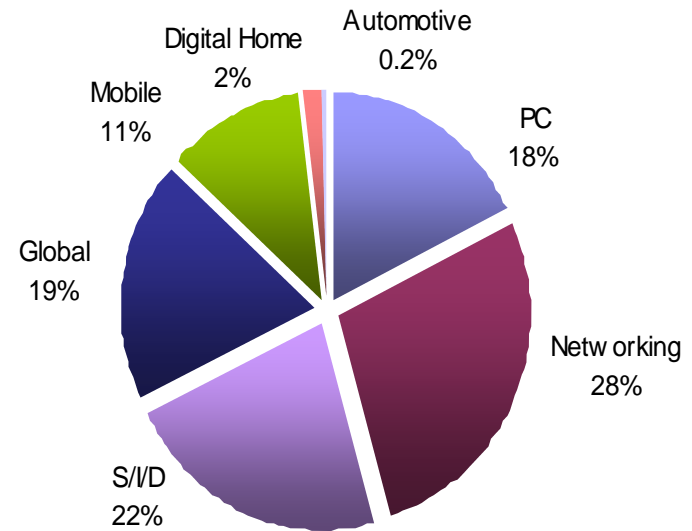
Sales by Industry



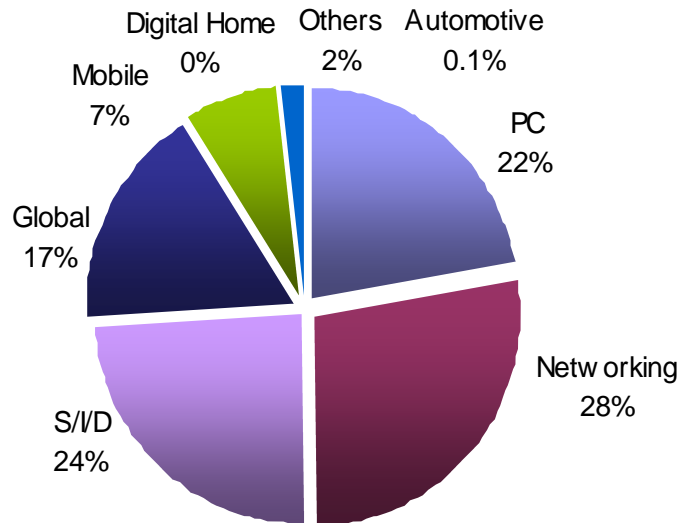
2006



2007 forecast



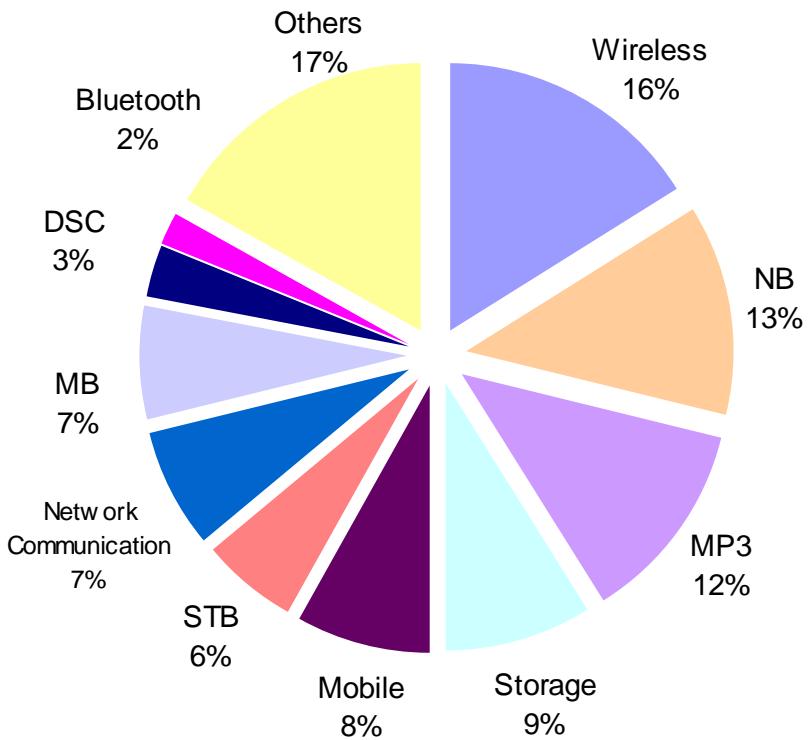
2007 Q1



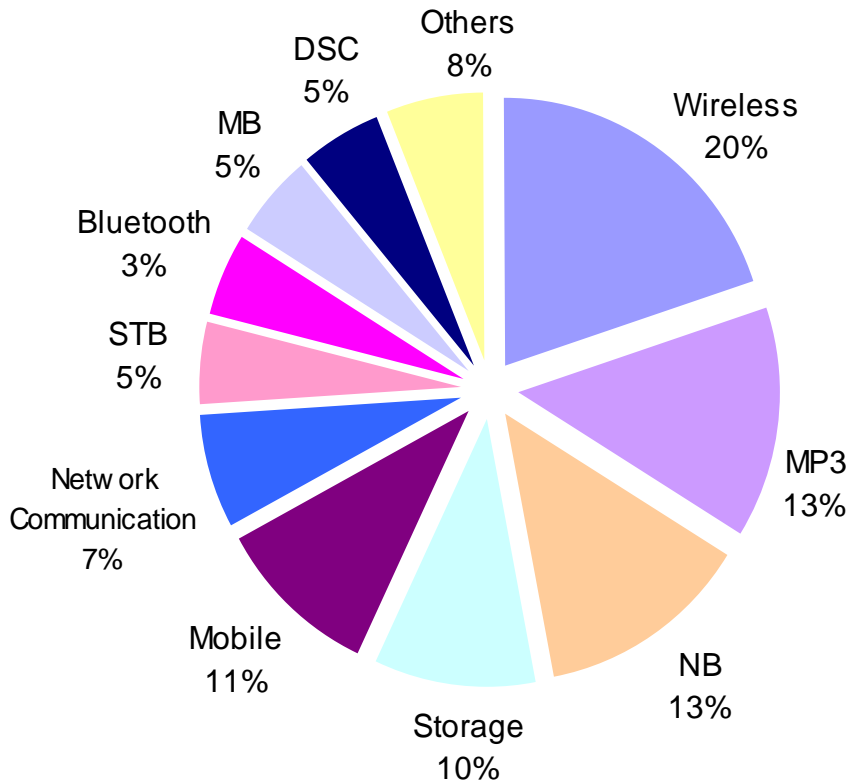
Sales by Application



2006

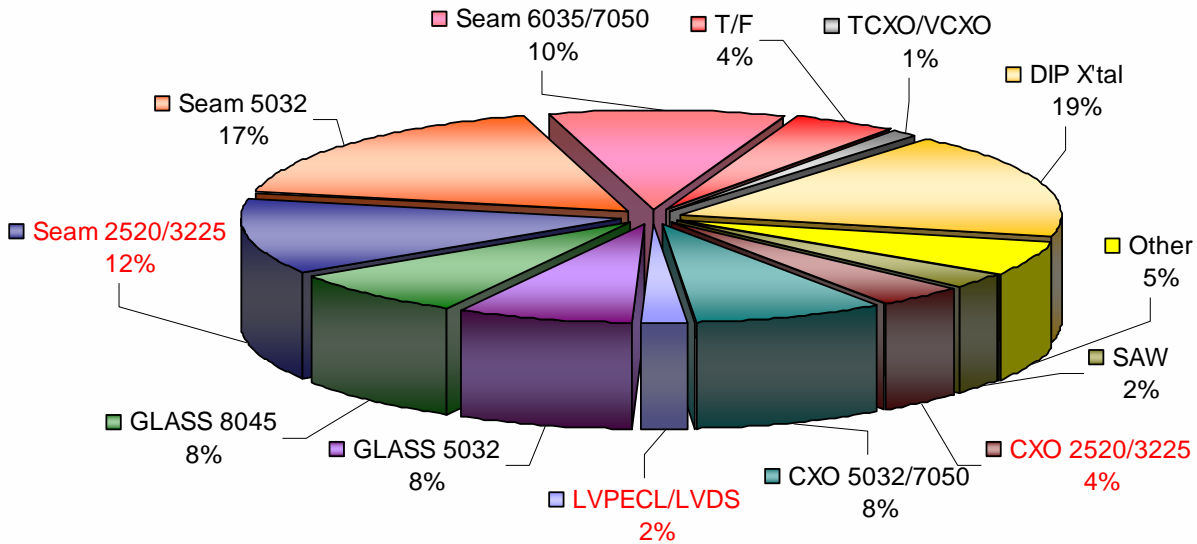


2007 forecast

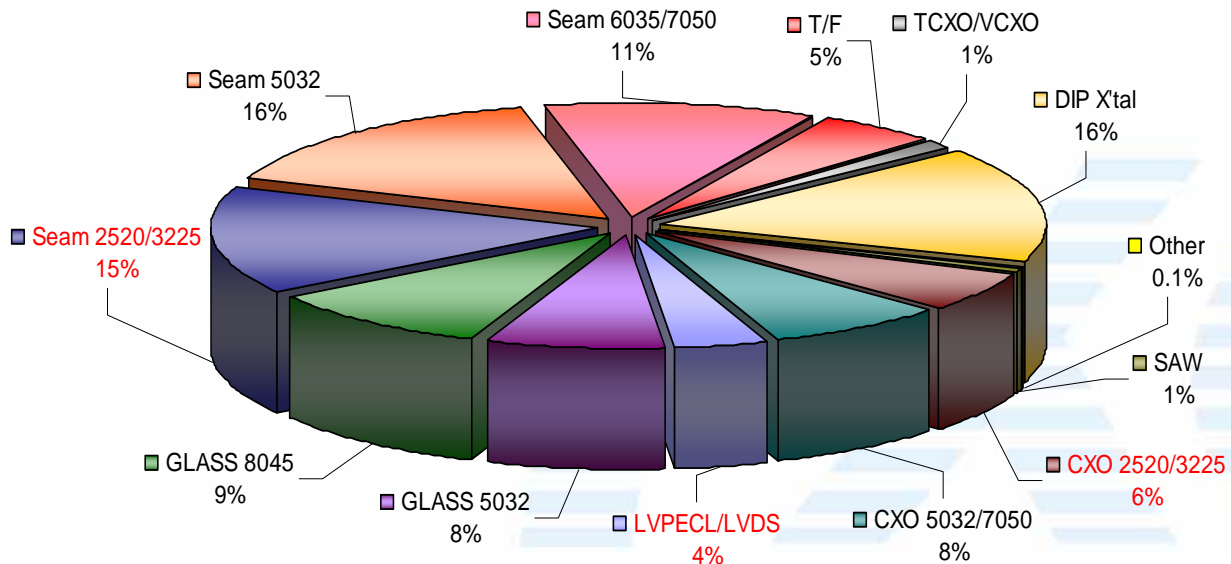


Sales by Product Category

2006



2007Q1



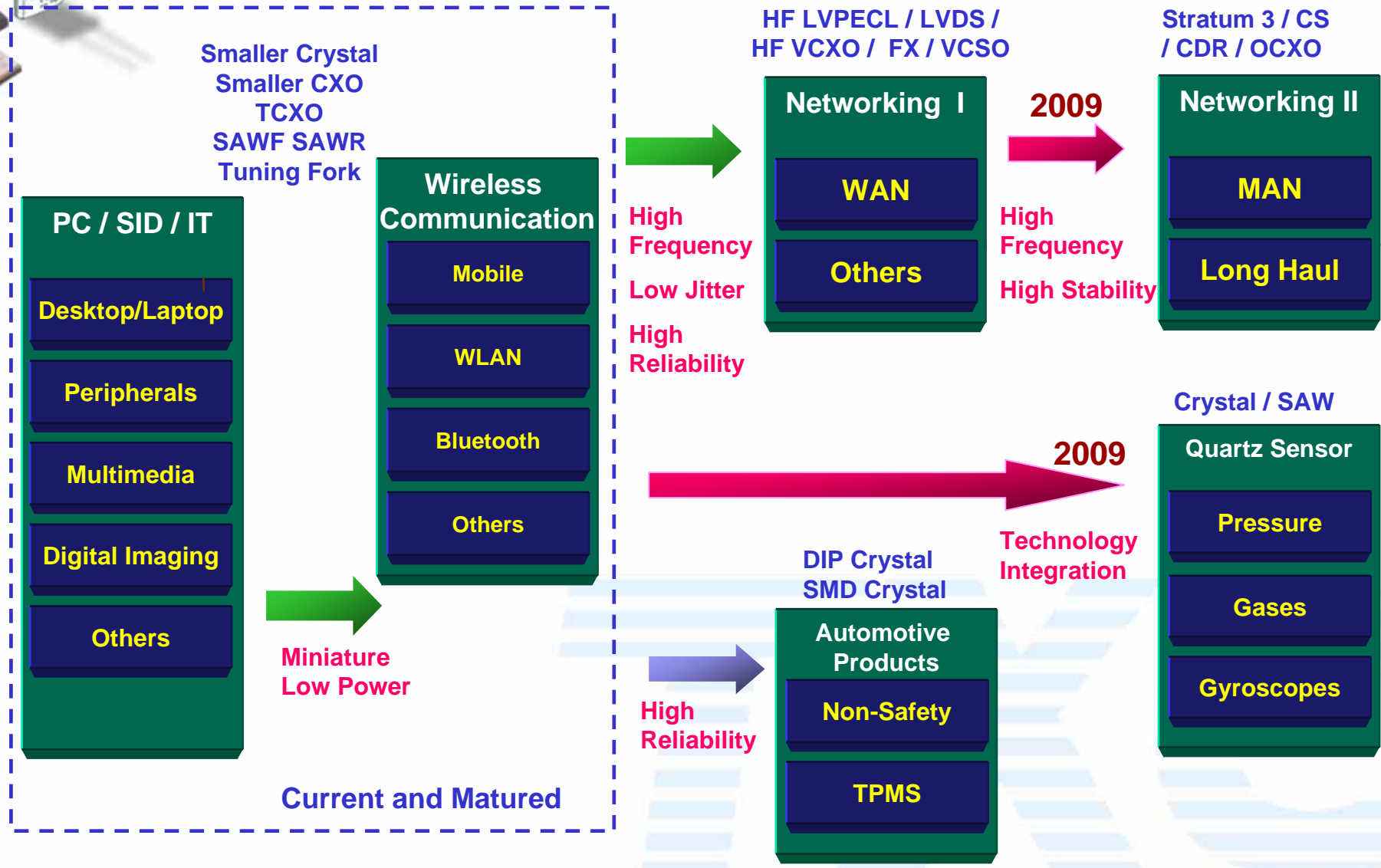


Technology & Product



Products and Technology Strategy

TXC CORPORATION



Package Development Roadmap vs Size



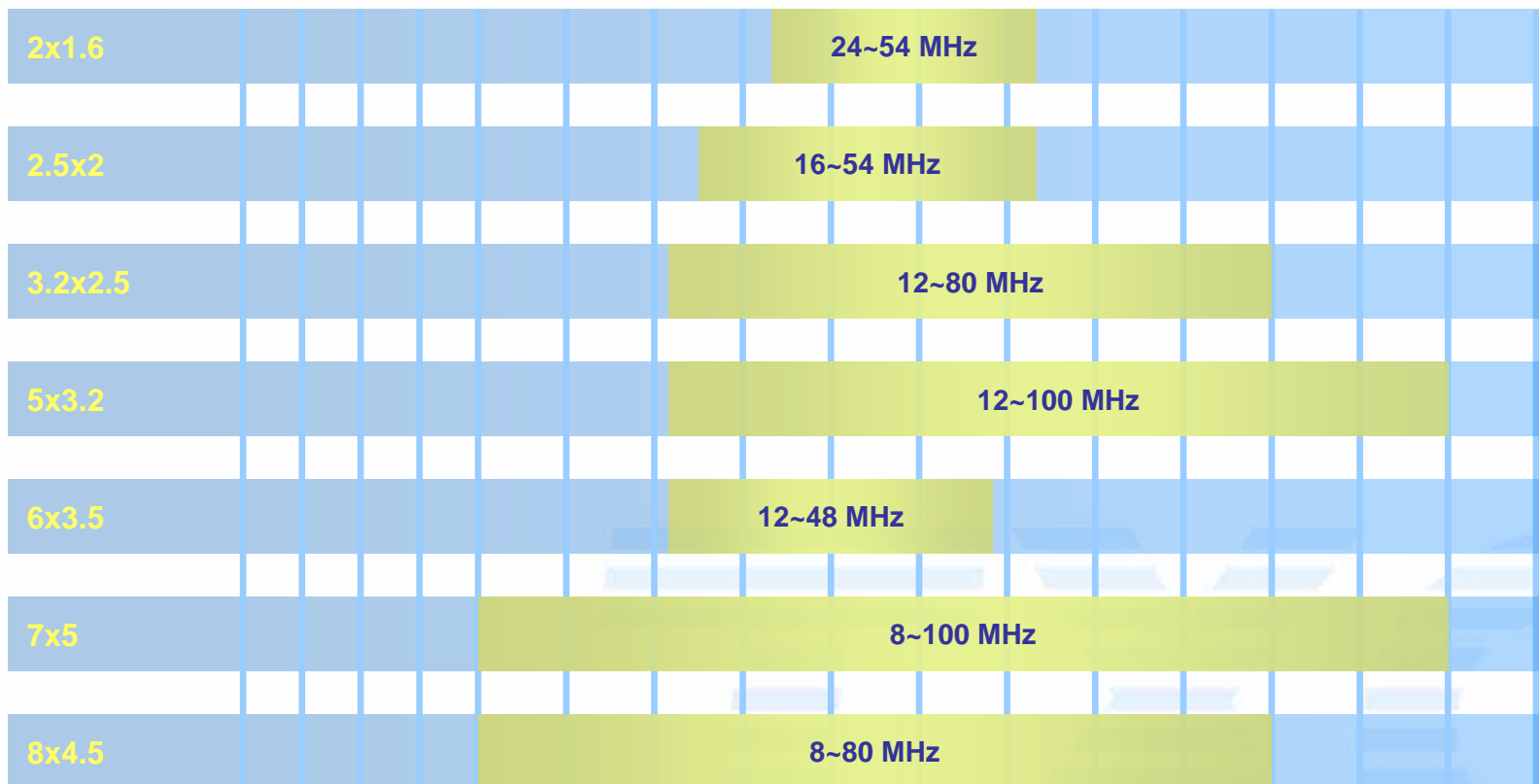
	2006	2007	2008
SMD Seam Crystal	7050/5032/3225/2520	2016	1610
SMD Glass Crystal	8045/5032	3225	
SMD CXO	7050/5032/3225/2520	2016	
Automotive Crystal/CXO	8045/5032/49S	7050	3225
SMD Tuning Fork	4115	3215	
SAWR/SAWF	5050/3838/3030	2520	
SMD HF CXO (PECL/LVDS)	7050	5032	
SMD VCXO (CMOS)	7050	5032	3225
SMD HF VCXO (PECL/LVDS)	7050	5032	
SMD Programmable CXO	7050/ 5032/3225		
SMD TCXO	5032	3225	2520
OCXO		Customized	
Timing Modules		Customized	

* 5032→5.0x3.2, 3225→3.2x2.5 ...

SMD Crystal Common Frequency Range



4 5 6 7 8 9 10 20 30 40 50 60 70 80 90 100 200



For specific frequency and products please see www.txccorp.com or contact sales



Investment Plan



Q4 2007

Peitou Headquarters

Taipei, Taiwan

1,568 Sq. M.
(16,900 Sq. Ft.)



Ping Cheng Factory

Taoyuan, Taiwan

17,800 Sq. M.
(192,000 Sq. Ft.)



Ningbo Factory

Zhejiang, China

56,000 Sq. M.
(603,000 Sq. Ft.)



Units/Month

SMD Glass Crystal 20 M

SMD Seam Crystal 27 M

SMD CXO / TCXO / SAW 7 M

SMD TF (Tuning Fork) 6 M

49U Dip 4 M

49S Dip 30 M

49S SMD 18 M

Total 112 M

Capital Expenditures

2007

Unit:NT\$ Million

CapEx	Line	Amount\$	Date (F)	Capacity/M	Revenue/M (F)
SMD Seam X'tal (TWN) 3225 / 2520	2	120	1Q	2M	30
SMD Seam X'tal (TWN) 3225 / 2520 / 2016	4	210	2Q.3Q	4M	60
NGB factory expansion plant		250			
SMD X'tal (NGB) 5032 / 3225	3	120	2Q.3Q	3M	21
Total	9	700		9M	111



- **Factory expansion**

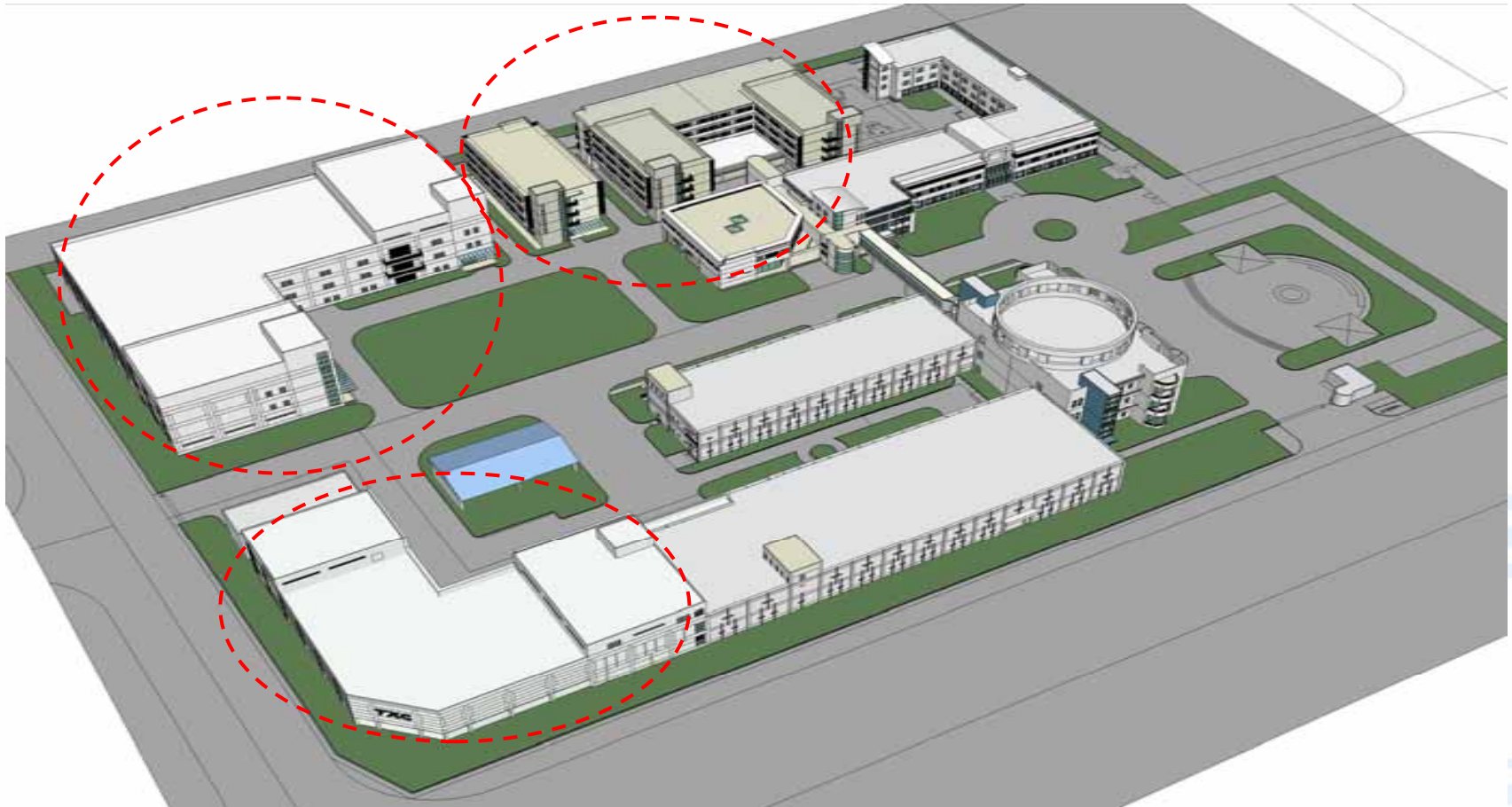
- Taiwan/ Taoyuan: **6KK/M** capacity increased in 2006
- China/ Ningbo: **5KK/M** capacity increased in 2006
- **Additional 6KK/M capacity be increased in 2007/Q3**
- Total capacity up to **112 KK/M in 2007**
 - New lines only require 1~2 operators which is more cost-effective, and efficient when compared with the original arrangement that needs to equip with 8~10 operators.

- **AT crystal blank capacity expansion**

- Advanced processing will be implemented to achieve the capacity maximization in order to meet our expansion target.

Factory expansion

- *Factory in China Ningbo*
- *The new plant will be ready for usage around 2008.Q2 and it will be able to accommodate over 30 lines.*





Highlights





- **High growth expected from Mobile industry**

- *TXC has successfully designed-win in the major Taiwanese chip-set provider in mobile communication area.*
- *Next generation smart phone goes on the market in 2007/Q2, TXC confirmed will be a significant supplier.*
- *WW Mobile market YoY is 14%, Top 5 vendors market share over 80% . TXC will take orders from major branded suppliers shortly after the specification confirmation.*

- **Develop the high-end products for Networking market**

- *The Top 4 chip-set solution provider dominator the market share over 80%, and more than 80% manufacturer in ASIA.*
- *TXC has been AVL/APL in those 4 providers. We have good relationship with EMS also.*
- *TXC already well developed high frequency and high stability Oscillators for Fiber Channel, Gigabit Ethernet, SONET. This is a high-end , high value and high profit market.*



● **Storage devices grow-up continuously**

- *About 20% growth rate in WW storage devices. TXC's products now successfully listed in key players' BOM list.*
- *Respond to the design-in requests in Japan, TXC Japan Branch was setup to support consumer market.*

● **Game machine market shows strong demand**

- *More than 50% growth rate in Game machine market.*
- *TXC successfully becomes the supplier of 3 major players.*

● **New operating system in PC market**

- *Windows Vista and Intel Santa Rosa upgrade will add 15% demand for PC market.*
- *Market share within EMS in Taiwan and China will continue growing.*



Q & A



Thanks!

