

Trident Microsystems

AeA Classic Financial Conference

November 4-5, 2008

Sylvia Summers

CEO and President

and

Pete J. Mangan

SVP and CFO



Forward Looking Statements



This presentation contains forward-looking statements, including statements based on current Trident expectations, and are subject to certain risks and uncertainties, and actual results could vary materially depending on a number of factors.

These risks include, in particular, Trident's financial expectations for the FYQ2'09, the status of the market, Trident's market share, ability to develop and deliver SoC solutions and win in the multimedia and digital television markets, its ability to leverage its technology leadership and engineering talent to take advantage of market changes and achieve its aggressive plan for strategic growth in 2009 including recapturing its customer base, challenges and competition that it faces in its markets, and Trident's expectations regarding the market for its products and product introductions.

Additional factors that may affect Trident's business are described in detail in Trident's filings with the Securities and Exchange Commission available at www.sec.gov.

Vision

A faint, light gray world map is visible in the background, centered behind the main text.

**To be the preferred provider of
DTV multimedia solutions to the
world's leading TV suppliers**

Building Broader Executive Team & BoD



Corporate Governance Leadership – Proven Track Record

Sylvia Summers (Oct 2007)

CEO, President & Director

AMD/Spansion, Cisco, StorageTek,

Pete Mangan (Jan 2008)

SVP Chief Financial Officer

AMD/Spansion, FormFactor, Asyst, Sun

Hungwen (Wen) Li (Jan 2007)

SVP Chief Marketing Officer

Agilent, Huahong International (HHI), IBM

Saeid Moshkelani (Sep 2008) *New*

SVP of Engineering

LSI Logic, C-Cube, VLSI, Dust Networks

Walter Lin (1999)

SVP Worldwide AE/FAE

Silicon Motion, Cirrus Logic, Genoa Systems

David L. Teichmann (Apr 2007)

SVP General Counsel/Corp Sec

GoRemote, Sybase, Tandem

Dr. Donna Hamlin (Jan 2008)

VP HR and Admin

Asyst, Texaco, Hamlin Harkin Consulting, GE

Glen Antle, Chairman (Jul 1992)

Cadence Design Systems (co founder of ECAD),

Quickturn Design Systems CEO

Brian R. Bachman (May 2007)

Axcelis Technologies, several other semiconductor-related companies

David Courtney (Jan 2008)

Tivo, JP Morgan, Goldman Sachs

Hans Geyer (May 2007)

Intel, Siemens

Dr. J. Carl Hsu (Apr 2008)

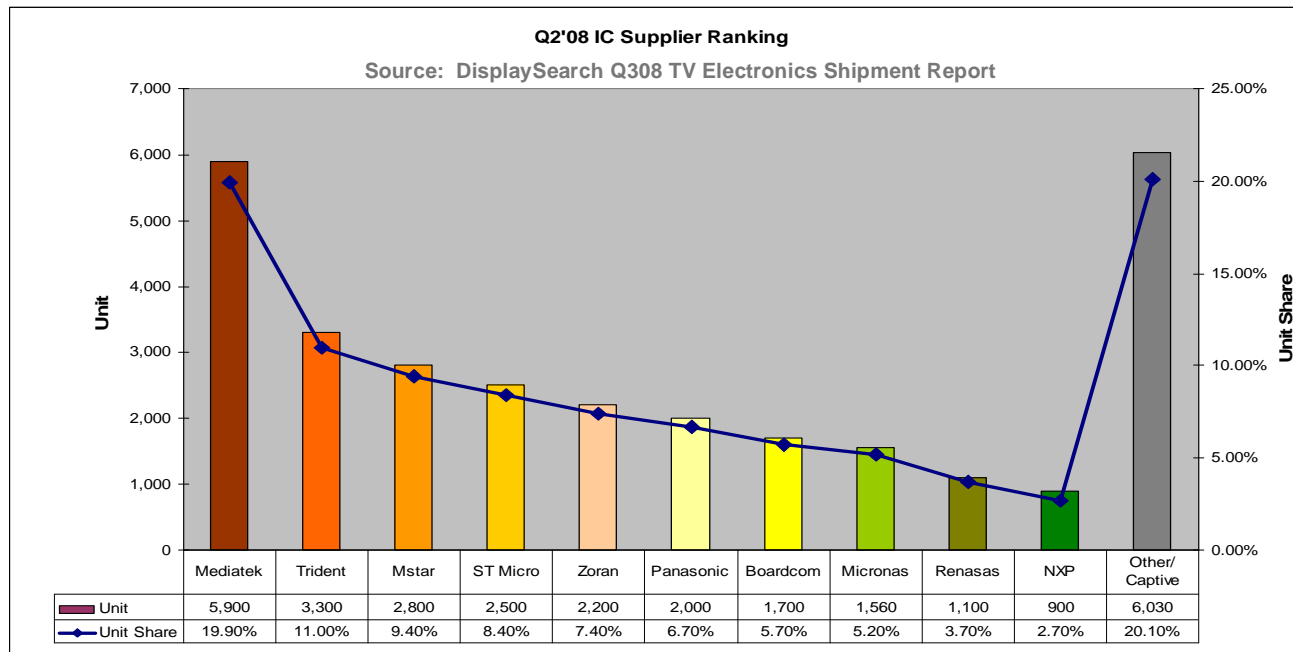
Professor Peking University, Bell Laboratories, Lucent, Taiwan Mobile

Raymond K. Ostby (Jul 2006)

NextG Networks, Inc., Quickturn Design Systems, Atmel, Intel

A \$1.5B* Market in Transition

- Market Leadership Up for Grabs



Product requirements changing

- Global slow down puts pressure prices.
- Global drive for HD & improved PQ
 - Integrated H.264, 100/120Hz MEMC -> 200Hz
- Increased connectivity
 - People expect to watch JPEG photos & internet content on TV, home network

Top OEM business model changing

- Highly competitive; unclear winner
- Degrading Profitability – Cost of Ownership Critical
 - Shifting designs to optimize Mfg costs
 - Localized Design Resources
- Role of ODM/Tier 2, 3 unstable

* Source: Jon Peddie Research 2008 Report

Our Objective: Industry Leader



➤ **To emerge as the industry leader we must:**

➤ **Develop leading edge IP**

➤ **Leverage its technological strength**

➤ **Expand roadmap**

➤ **Improve engineering efficiency**

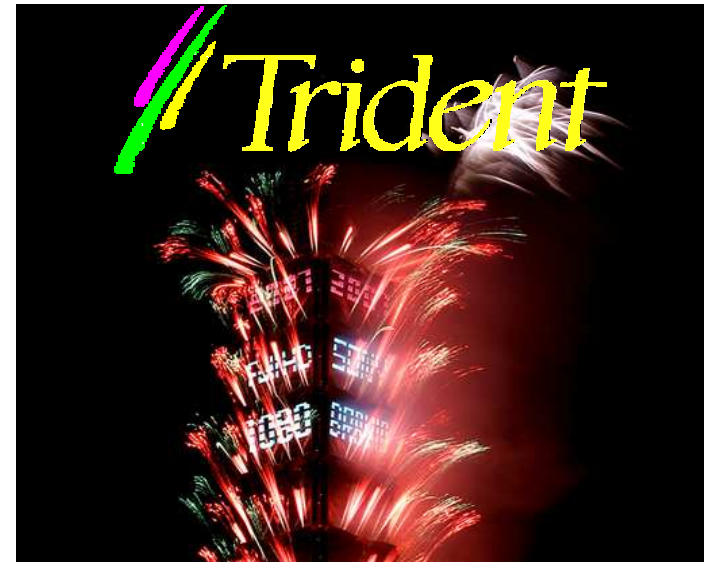
➤ **Competitive cost structure**

Best Picture Quality: Leading 1st Mover Picture Quality



- 2008: We continue to deliver differentiating IP
- 2007: 1st integration of MEMC with a 3D TV SOC
- 2004: 1st integration of HD MPEG2 decoding with a complete analog 3D TV SOC (HiDTV EX)
- 2004: 1st 3D Y/C decoder for PAL
- 2003: 1st integrated 10b ADC and video processor

Developing multi-standard codec, superscalar, Halo-free algorithms.



Trident's Differentiating IP Strategy



- **Picture Quality**

- Color processing
- Contrast improvement
- Noise reduction advances
- Superscalar
- Sharpness improvements
- Local contrast
- Advanced MPEG artifact reduction
- Halo-free MEMC (4th Generation)



- **Connectivity**

- Pro-SX supports various connectivity options
 - **Catch up TV**
 - Pro-SX supports VC1/WM9 which is dominant codec for this application



- **Internet radio**
 - support for MP3, AAC and WMA

- **Video file sharing**
 - Pro-SX supports Sorenson Spark (H.264 for YouTube)

- Pro-SX will support various external Connections either on chip or in the solution Ethernet, 802.11(via USB) and USB 2.0



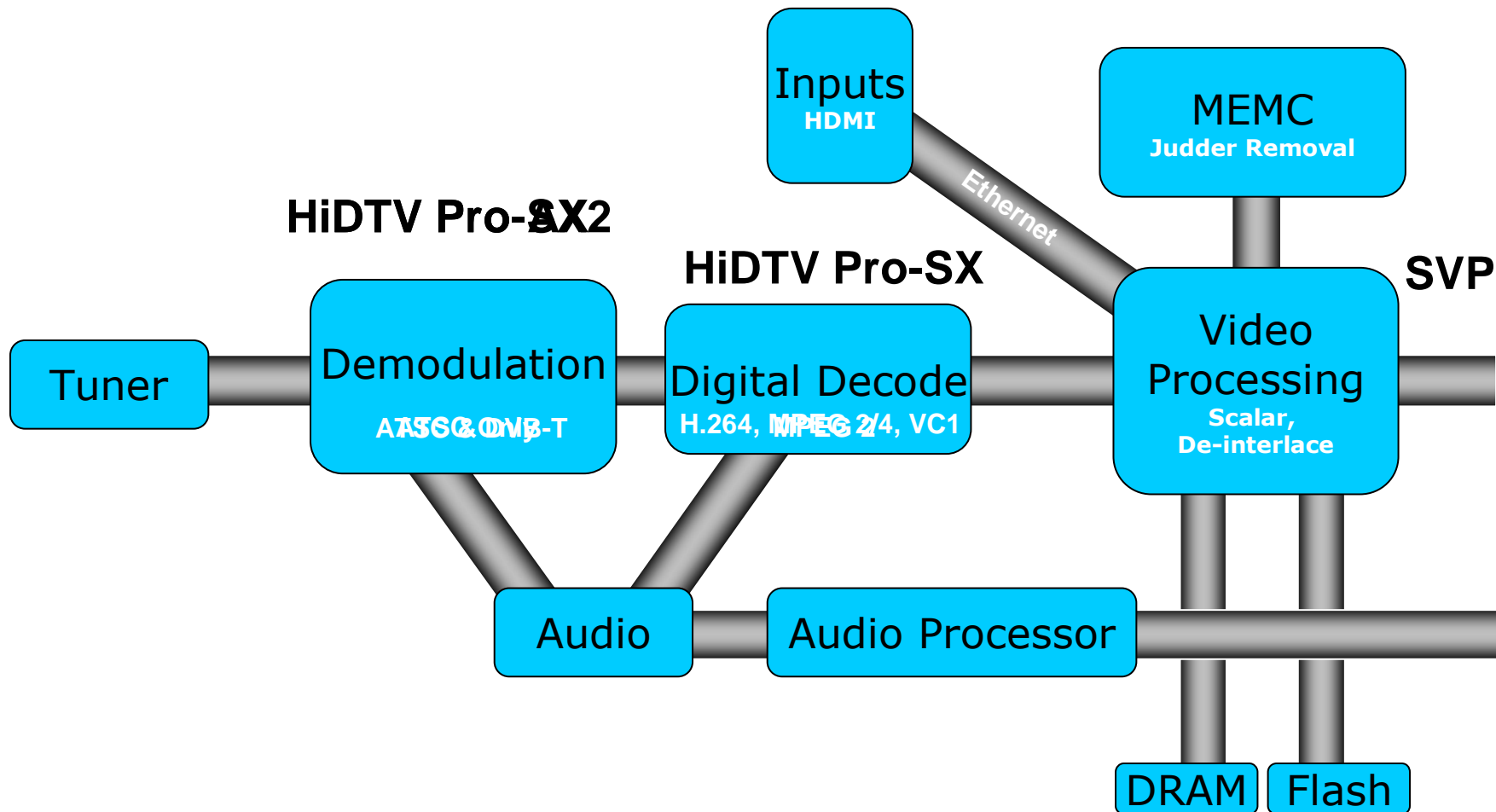
- **Trident is also working to make embedded CAS possible in all platforms via Advanced CI standards**

- Pro-SX will support AES as well as DES decryption and SCTE 052 residual block handling enabling CI+ support

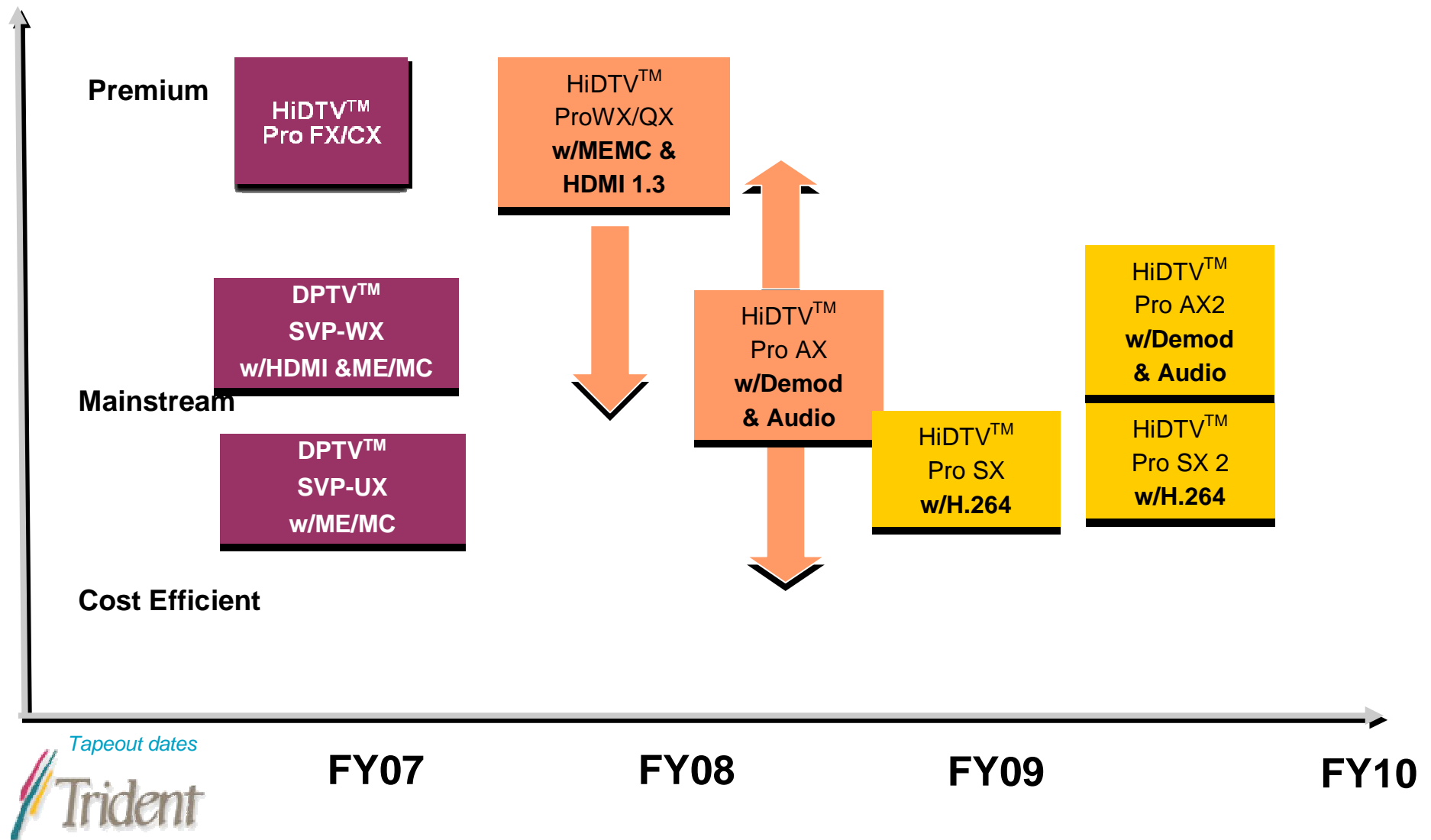


DTV SYSTEM BLOCKS

SVP to HiDTV SoC Transition

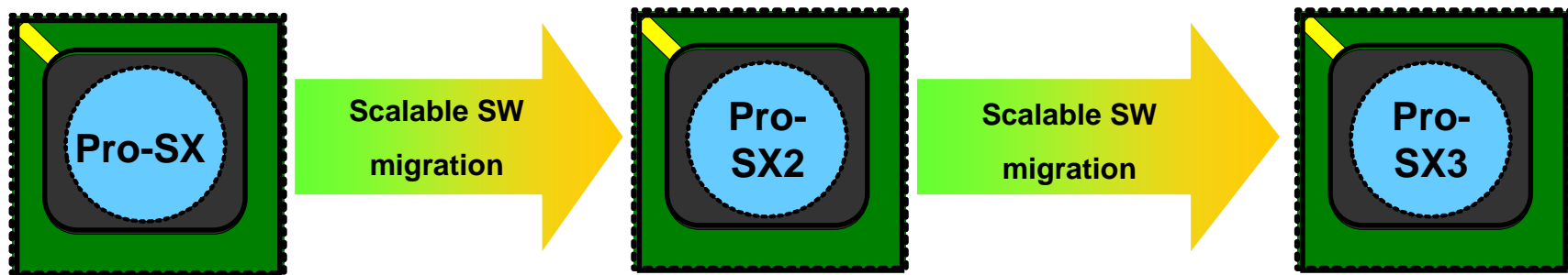


Roadmap: Focused on HiDTV SoC



Pro-SX Family Migration Path

Leverage Investment for the Future with Pro SX



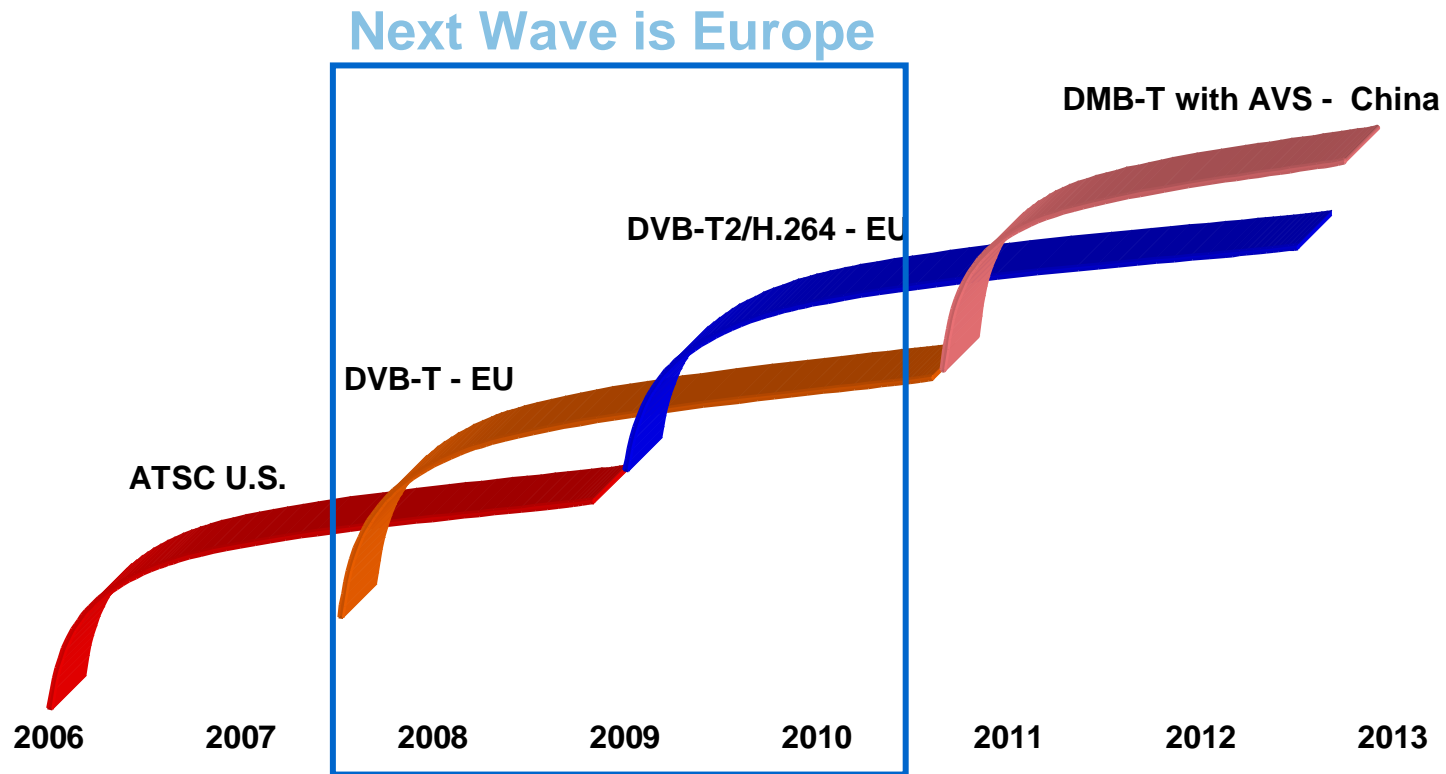
- 90nm
- Dual High Perf CPUs
- H.264
- Connectivity

- 65nm
- Pro-SX +
- Greater feature integration to lower BOM

- 65nm
- Pro-SX2 +
- Additional integration at the system level

Continuing PQ Improvement

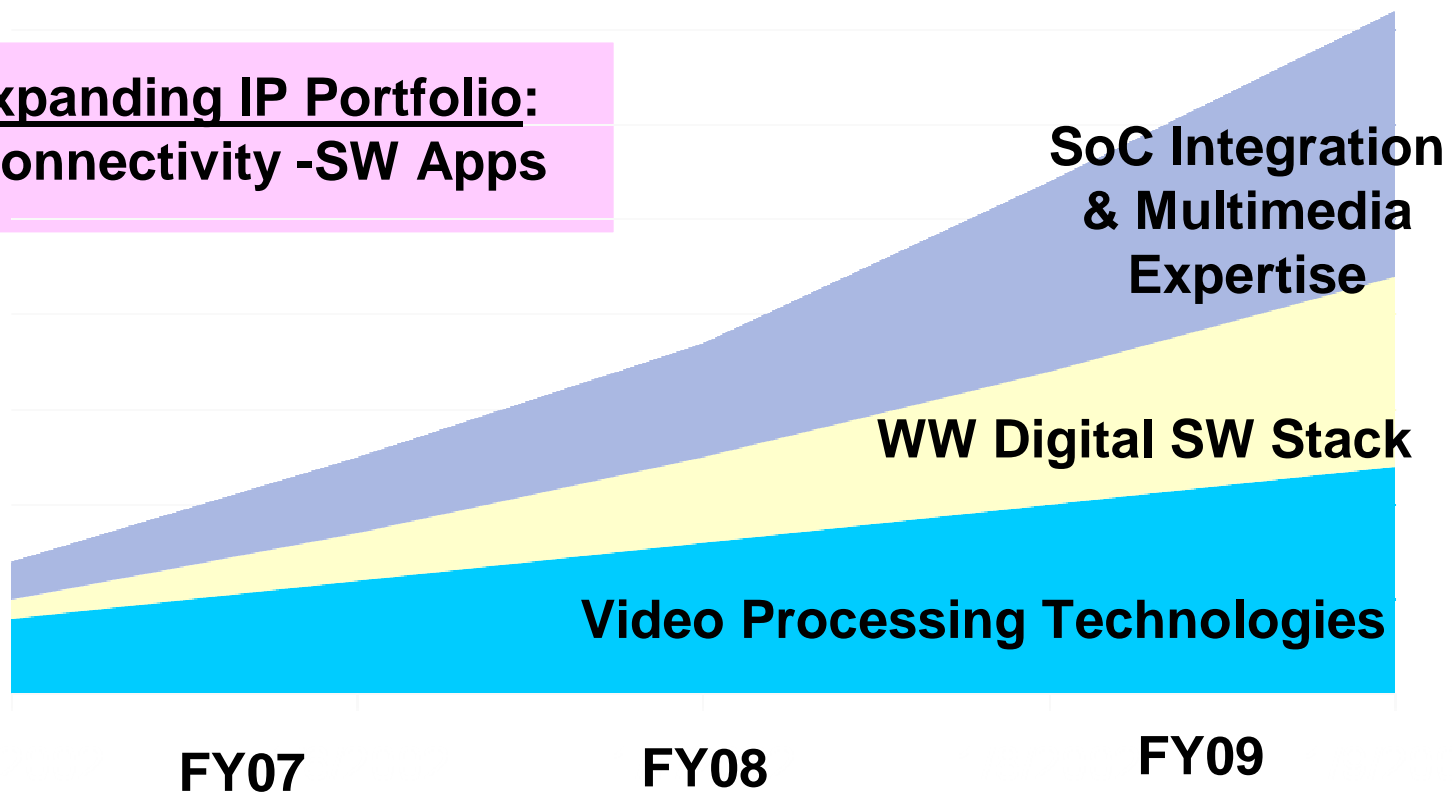
4 Wave Rollout Integrated Digital Processors (IDP)



Expanding Critical Technology Know-how



Expanding IP Portfolio:
-Connectivity -SW Apps



Recap of Q1 FY09 Results (11/03/08)



➤ **Financial Highlights:**

- SoC Revenue grew to 28%
- Cash & Investments of \$230M

➤ **Product Highlights**

- Grundig Electronics demonstrated Trident's DVB-T SoC solution in their latest "Vision 7" TV; model production ready
 - A tier one Japanese supplier demonstrated ultra thin panel TV driven by SVP-WX2
 - Pro-QX designed-in at a European customer
 - H.264 decoder companion chip design-win at top European customer
-

Asia/R&D-Based Organization



565 Employees Worldwide (Post-RIF)

87% in APAC/Japan

75% in R&D

18% in SG&A

7% in Operations

Recap of Income Statement & Guidance

(Non-GAAP)



\$M	ACTUAL	ACTUAL	ACTUAL	GUIDANCE	MODEL
	Unaudited Q3 FY08	Unaudited Q4 FY08	Unaudited Q1 FY09	11/3/2008 Q2 FY09	LONG TERM
SALES	\$55.3	\$39.5	\$34.8	\$20-23M	
GM%	48.0%	45.7%	40.6%	40-42%	35%
R&D	\$10.5	\$10.7	\$11.7	\$11-12M	<u>OPEX</u> 23%
SG&A	\$6.7	\$6.6	\$7.0	\$5-6M	
OP Inc/(Loss) % of Sales	9.3 16.8%	0.7 1.9%	(4.6) -13.1%	(\$7-8M)	12%

Strong Balance Sheet



\$M	ACTUAL Unaudited 12/31/07	ACTUAL Unaudited 3/31/08	ACTUAL Audited 6/30/08	ACTUAL Unaudited 9/30/08
CASH+Investments	\$224.5	\$236.4	\$240.0	\$230.1
AR	\$15.7	\$15.1	\$4.5	\$1.7
INVENTORY	\$12.1	\$11.3	\$8.7	\$9.8
PP&E	\$23.1	\$23.1	\$23.4	\$23.1
Other Assets	\$33.5	\$36.5	\$32.7	\$32.8
TTL ASSETS	\$309.0	\$322.5	\$309.3	\$297.5
AP/ACCRUED	\$35.3	\$40.3	\$33.8	\$38.3
TAX LIAB's	\$41.6	\$45.5	\$38.3	\$36.4
DEBT	\$0.0	\$0.0	\$0.0	\$0.0
EQUITY	\$232.1	\$236.8	\$237.3	\$222.8
Working Capital Days: (Fav)/Unfav				
DSO	19	25	10	4
DOI	30	37	39	43
DPO	58	79	82	84
Cash Conversion Cycle	(9)	(17)	(33)	(37)

← No Debt

FY2009 – Progress Report

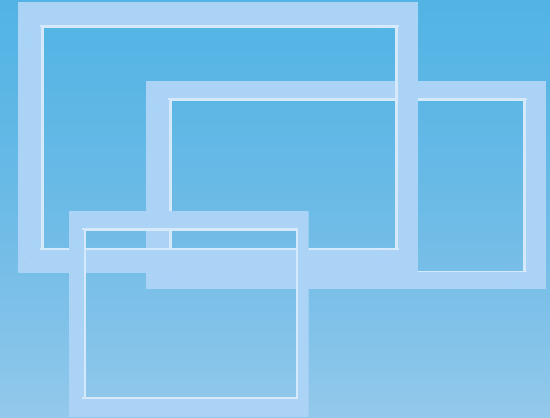


Milestone	Target Date-FY	Status
Strengthen Management Team		
Hire VP of Engineering	Q109	✓
Expand Marketing Department	Q109	✓
Hire VP of OPS	Q209	✓
Hire VP of Sales	Q209	
Increase Customer Presence		
Open Sales Office in Korea & Hire GM	Q109	✓
Expand Product Roadmap/Win New Designs		
Pro-SX First Silicon	Q109	✓
DVB-T Middleware Field Test in Prod in EU	Q109	✓
Design-win H.264/Field Test	Q109/Q309	✓ /
Market Launch Pro-SX	Q309	
Tape-out First 65nm Product	Spring CY09	
Achieve Tier One Design Wins with Pro-SX	Q110 (Q3 CY09)	
Rationalize Cost Structure		
Execute RIF	Q209	✓
Implement Cost Control Measures	Ongoing	

Investment Highlights



- **Proven Tier One Engineering Team**
 - **Strengthened Executive Management and BoD**
 - **Expanding Critical Technology Know-How**
 - **Strong Balance Sheet**
 - **\$1.5B DTV Market Still Up for Grabs**
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Trident Microsystems

(NASDAQ: TRID)

