

PRESS RELEASE

SSMC Announces US\$30 Million Investment to Mark its 10th Anniversary in Singapore

Best-in-class foundry demonstrates long term commitment; sets new milestones in manufacturing productivity and innovation excellence.

Singapore, 24 March 2010 - Systems on Silicon Manufacturing Co. Pte. Ltd. (SSMC) today announced plans to invest US\$30 million in research and development (R&D) and manufacturing to mark its 10th anniversary of operations in Singapore. This investment is aligned with the company's strategic direction in moving to manufacturing High Performance Mixed Signal (HPMS) semiconductor chips to support technology applications that enable our lifestyles in modern societies today.

SSMC has always been avant-garde among its peers in the semiconductor manufacturing industry. Having identified key market drivers in security, mobility, energy and healthcare segments, SSMC has been pursuing a focused strategy to expand capacity and gearing its R&D efforts to create – and meet – the demand for its HPMS chipsets for the next 10 years.

HPMS chips are critical in supporting numerous applications such as ePassports and ePayments for banking, retail and transportation via near field communication (NFC). Other uses include power management in electronic and mobile devices from computers to smart phones, lighting solutions for televisions, home and industrial applications. HPMS can even be found in everything from safety to infotainment to global positioning systems in automobiles, energy saving applications in solar panels, and in healthcare diagnostic tools.

“SSMC, as a US\$1.5 billion investment, is the largest 200mm joint venture wafer producer in the Southeast Asia region. The company thrives on the winning partnership between NXP Semiconductors (NXP) and Taiwan Semiconductor Manufacturing Company Ltd (TSMC). This success is enabled by the seamless knowledge transfer from our parent companies; along with the support and infrastructure extended by the Singapore government, and last but not least, by our talented and dedicated employees,” said Jagadish CV, CEO of SSMC.

Jagadish added, “Our commitment to long-term sustainability in Singapore is stronger than ever. We will continue to focus on innovation, developing our local R&D through industry best practices, and investing in our talents. In doing so, we are certain to achieve exceptional results for our customers as well as our stakeholders.”

Commemoration of the three millionth wafer milestone

This 10th anniversary also highlights SSMC's successful and rewarding partnerships with customers and suppliers. These have played a critical role in allowing SSMC to achieve a production milestone of the three millionth wafer.

SSMC honoured its key customers and suppliers in an award presentation as part of the celebrations, espousing one of the company's core values that customers and suppliers are 'Partners'.

Productivity and innovation to drive service, operation, cost excellence

It is the company's management philosophy that people and innovation together drive service excellence, operational excellence and cost excellence. This results in a business transformation that will continue to bring sustained performance and continued excellence over the next decade.

SSMC was initially built with an expected manufacturing output of 30,000 wafers per month. Through sustainable productivity improvements and strategic investments, SSMC has grown its monthly production capacity to 53,000 wafers. Plans are already underway to grow to 60,000 wafers per month within the next five years to meet market demands.

Along its 10 year journey, SSMC has won numerous accolades for manufacturing, quality, business and environmental excellence. Among these were the Manufacturing Excellence Award (MAXA) in 2007, the Singapore Environmental Achievement Award in 2006 and Singapore Quality Award (SQA) in 2005.

Looking forward

To commemorate the 10th anniversary event, Guest-of-Honour Deputy Prime Minister and Minister of Defence, Mr Teo Chee Hean, planted a new fern tree on company grounds together with Jagadish and the Board of Directors of SSMC.

The tree planting ceremony reinforces the company's emphasis on being green, directed at energy and water conservation; waste and harmful substance control and reduction, as well as making silicon products to save and conserve energy and the earth. The tree also symbolises continued growth for the SSMC's future.

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Media Quotes

"I believe that we have all the right strategies in place that will enable us to continue to sustain the Best In Class performance with the Process/Product developed in Singapore which will take us well ahead as a leading 8" wafer fab of the world into the next 10 years," – Mr Jagadish CV, CEO of SSMC

"SSMC's 10th anniversary is a significant milestone in NXP's overall strategy. With our current focus on HPMS, SSMC is a key wafer fab that helps meet our needs for RF, High Voltage and Analog product platforms, which help to differentiate NXP and ensure our position in the market place. I wish to extend heartfelt congratulations to the management and staff of SSMC, and wish them continued success as they exemplify NXP's spirit of "customer focused passion to win". With SSMC's culture of absolute quality and productivity, together with its best-in-class cost structure, we look forward to SSMC's continued position as a cornerstone of wafer manufacturing for NXP." – Mr Rick Clemmer, President & CEO, NXP Semiconductors

"The success of SSMC solidifies the partnership between NXP and TSMC. SSMC has become a very important component in the TSMC organization. We wish it well, we need it, and we want to thank all the people who have contributed immensely to the success of SSMC in the last ten years." – Dr. Morris Chang, Chairman and CEO of TSMC

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About SSMC

Founded in 1998, SSMC is a joint venture of NXP Semiconductors (founded by Philips) and Taiwan Semiconductor Manufacturing Company (TSMC). The company is 61.2 per cent owned by NXP Semiconductors and 38.8 per cent owned by TSMC. The US\$1.5billion investment project led to the creation of a state-of-the-art wafer fabrication facility in Singapore's Pasir Ris Wafer Fab Park, capable of producing semiconductor wafers with advanced sub-micron process technologies. For more information on SSMC, please visit www.ssmc.com.

About NXP Semiconductors

NXP Semiconductors provides High Performance Mixed Signal and Standard Product solutions that leverage its leading RF, Analog, Power, Digital Processing and manufacturing expertise. These innovations are used in a wide range of automotive, industrial, consumer, lighting, medical, computing and identification applications. Headquartered in Europe, the company has about 28,000 employees working in more than 25 countries and posted sales of USD 3.8 billion in 2009. News from NXP is located at www.nxp.com.

About TSMC

TSMC is the world's largest dedicated semiconductor foundry, providing the industry's leading process technology and the foundry's largest portfolio of process-proven libraries, IPs, design tools and reference flows. The Company's managed capacity in 2009 totaled 9.96 million (8-inch equivalent) wafers, including capacity from two advanced 12-inch GIGAFABs™, four eight-inch fabs, one six-inch fab, as well as TSMC's wholly owned subsidiaries, WaferTech and TSMC China, and its joint venture fab, SSMC. TSMC is the first foundry to provide 40nm production capabilities. Its corporate headquarters are in Hsinchu, Taiwan. For more information about TSMC please visit www.tsmc.com.