



Enabling Brilliance

Dr. Franz Fink  
President & CEO

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**Genum Corporation**



# Forward Looking Statements

This presentation contains statements which constitute forward-looking statements. These forward-looking statements are not descriptive of historical matters and may refer to management's expectations or plans. These statements include but are not limited to statements concerning: Gennum's business objectives and plans including Gennum's corporate strategy and strategic priorities; Gennum's future financial performance and prospects including revenues, gross margins and earnings and ability to achieve operating earnings, cash flow and other business model targets; future trends in the semiconductor products and intellectual property licensing industries and, in particular, market trends for analog and mixed-signal products, optical products and intellectual property products and licensing; Gennum's expectations for sales and licensing of its products in these markets including anticipated costs and fees, sales, size, duration, growth or decline of market opportunities and competitive and pricing pressures in these markets; Gennum's product roadmap and the speed at which Gennum is able to introduce new products; the adoption of new standards in the markets in which Gennum competes and the ability of Gennum to anticipate these changes and successfully address new opportunities; sales and capital spending plans and estimates, shipment levels and operating expenses; exchange rate fluctuations in, and the relative values of, the Canadian dollar, the U.S. dollar and the Japanese yen; Gennum's ability to finance its growth plans and make necessary investments; and litigation in which Gennum is involved or might become involved in.

Inherent in forward-looking statements are risks and uncertainties beyond Gennum's ability to predict or control including, but not limited to, risks associated with: competitive and pricing pressures in the increasingly competitive environment in which Gennum operates; economic cycles in the semiconductor industry including downturns which can result from adverse general economic conditions; our ability to anticipate needs for future products and successfully execute our product roadmap, including the possibility of the emergence of disruptive technologies which negatively impact our positioning in the marketplace; the risk that unforeseen factors may arise that result in us not being able to achieve our operating income, cash flow and other business model targets; possible impairments of assets which could be required in the future; fluctuations in foreign exchange rates and their potential adverse impact upon our financial results; our reliance on external foundries and suppliers and the potential adverse effects of disruptions in any of these arrangements; the successful integration of acquisitions and the ability to achieve expected synergies and operating efficiencies within expected time-frames (or at all); our ability to attract and retain key personnel necessary for our business; our ability to successfully protect our intellectual property rights; and the initiation and outcome of legal proceedings. Please also refer to the sections entitled "Risks and Uncertainties" in our 2010 management's discussion and analysis and "Risk Factors" in our most recent annual information form, copies of which may be viewed at [www.sedar.com](http://www.sedar.com).

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this presentation. Such statements are based on a number of assumptions which may prove to be incorrect including, but not limited to, the following assumptions: there is no material deterioration in the business and economic conditions in the marketplace for Gennum's products; Gennum's expectations regarding market trends for analog and mixed-signal products, optical products and intellectual property products and licensing are not materially incorrect; Gennum is able to execute its product roadmap without delays or disruptions having a material impact on Gennum; Gennum's expectations relating to the needs and direction of the marketplace for its products are within reasonable bounds of accuracy and Gennum is able to introduce products and capitalize on new opportunities generally as expected; Gennum's expectations relating to its future operating expenses, as well as the capital required to conduct its business in the future, are not materially incorrect; significant impairments of assets will not be required; material disruptions in the manufacture and supply of products and services to Gennum by foundries and suppliers will not materialize; Gennum's expectations relating to competitive pressures, including pricing pressures, are not materially incorrect; significant fluctuations in foreign exchange rates which materially adversely affect Gennum's financial results do not arise; customer demand for Gennum's products remains generally as anticipated; Gennum is able to successfully integrate acquisitions and to achieve synergies generally as anticipated; and Gennum is able to continue to retain and attract technical and other key employees.

The foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are not guarantees of future performance. Events or circumstances could cause Gennum's actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. Consequently, undue reliance should not be placed on these forward-looking statements. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. This information may not be appropriate for other purposes. In addition, these forward-looking statements relate to the date on which they are made. We disclaim any intention or obligation to update or revise any forward-looking statements or the foregoing list of factors, whether as a result of new information, future events or otherwise, except to the extent required by law.

# Non-GAAP Financial Measures

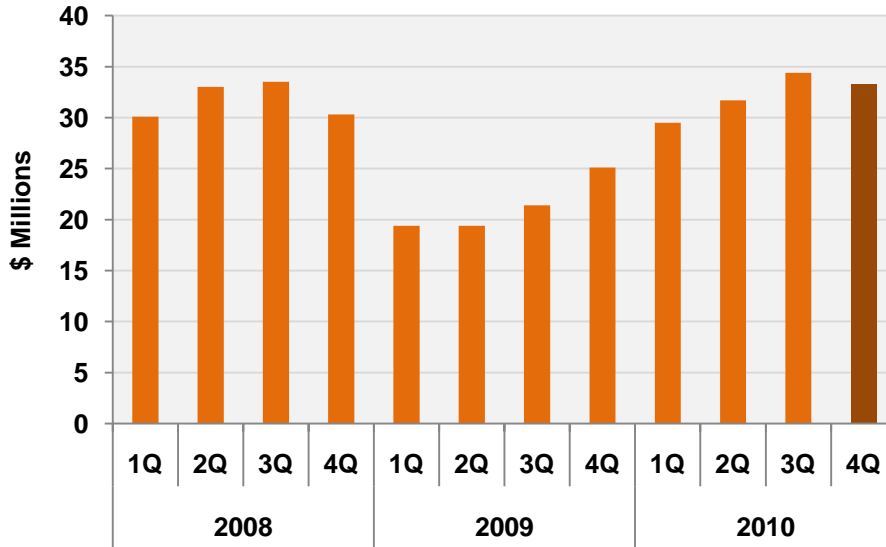
Gennum uses certain non-GAAP financial measures to assist financial analysts and investors to understand our financial results and to compare Gennum to its industry peers. We also believe that these measures allow us to compare our operating performance on a consistent basis. In particular, Gennum uses “EBITDA”, which we define as earnings before interest, taxes, depreciation and amortization (related to intangible assets and stock-based compensation), and “adjusted EBITDA”, which we define as EBITDA before restructuring charges and deferred development impairments. Since these terms are not measures defined under Canadian generally-accepted accounting principles (“GAAP”), they may not be comparable to definitions of EBITDA reported by other companies. The most comparable financial measure defined under GAAP is operating income from continuing operations. For a reconciliation of EBITDA and adjusted EBITDA to operating income from continuing operations for Gennum’s most recently completed financial quarters, please refer to “Non-GAAP Reporting – EBITDA” in Gennum’s 2010 management’s discussion and analysis, as filed on SEDAR at [www.sedar.com](http://www.sedar.com).

# Gennum At-A-Glance

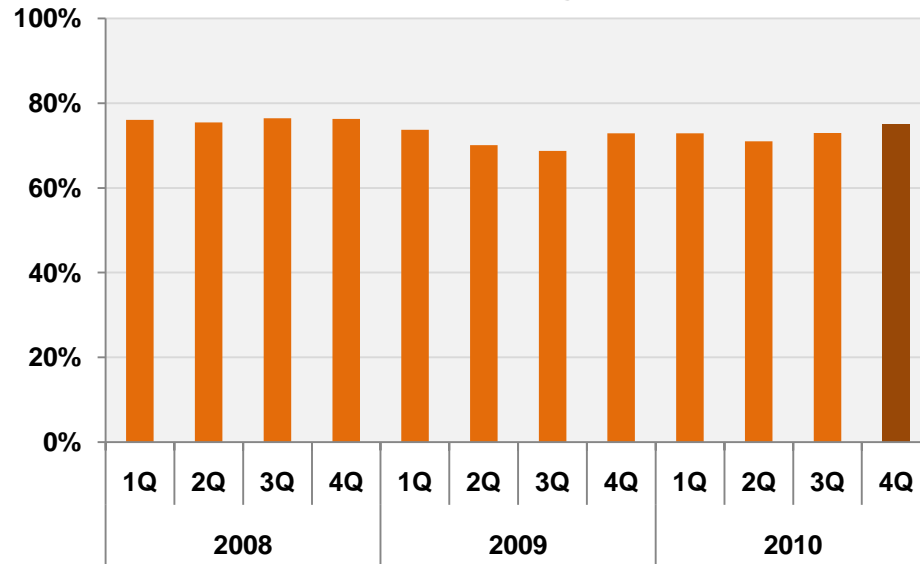
- **Overview**
  - Founded in 1973
  - Listed on the Toronto Stock Exchange (TSX:GND)
  - Corporate Headquarters: Burlington, Canada
- **Global Presence**
  - 400 employees worldwide
  - Sales: Japan, China, Taiwan, Germany, US
  - Design Centers: Canada, United States, UK, Mexico, India
- **Target Markets**
  - **#1 Supplier** of high speed data transmission ICs for broadcast, high performance networking, storage, and telecom applications
- **Financial Highlights**
  - LTM Revenue \$129M (USD)
  - Industry leading gross margins >70%
  - Delivering >20% EBIT

# Operating from a Position of Strength

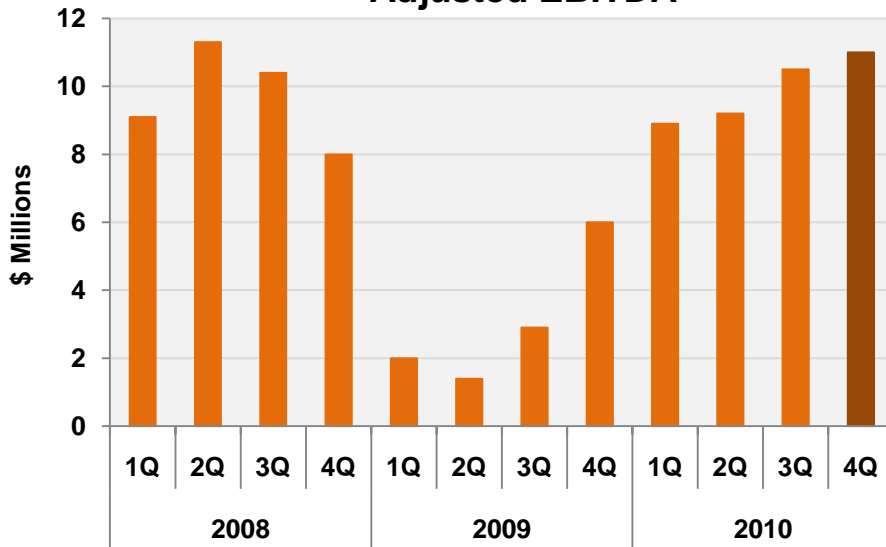
## Revenue



## Gross Margin %



## Adjusted EBITDA

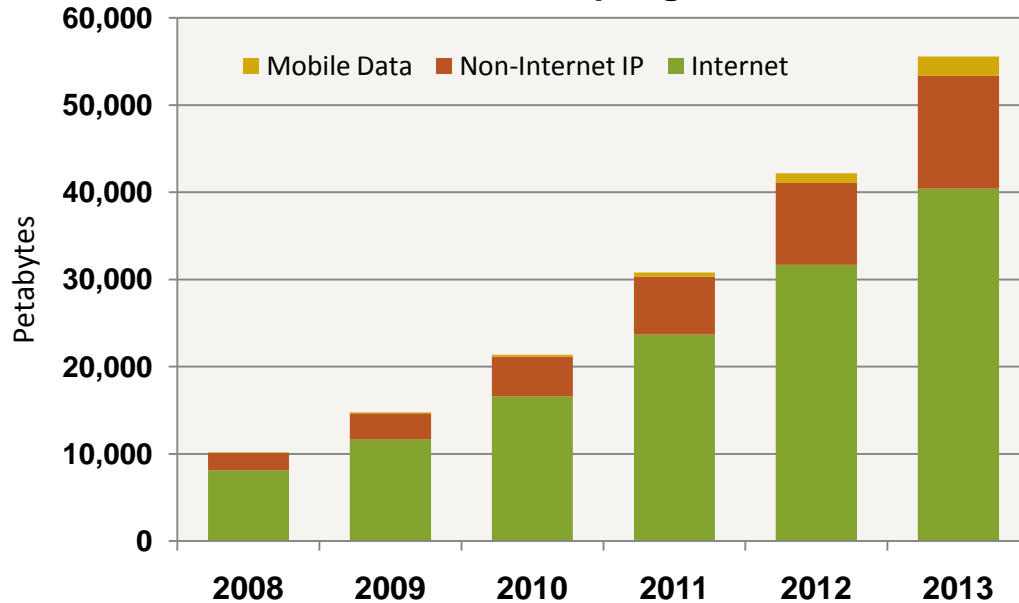


- **51% revenue growth vs. 2009**
- **Maintaining >70% gross margins**
- **Delivering strong profitability & cash**
  - **30% EBITDA**
  - **\$22.1M Free Cash Flow (\$52.7M Cash Balance)**

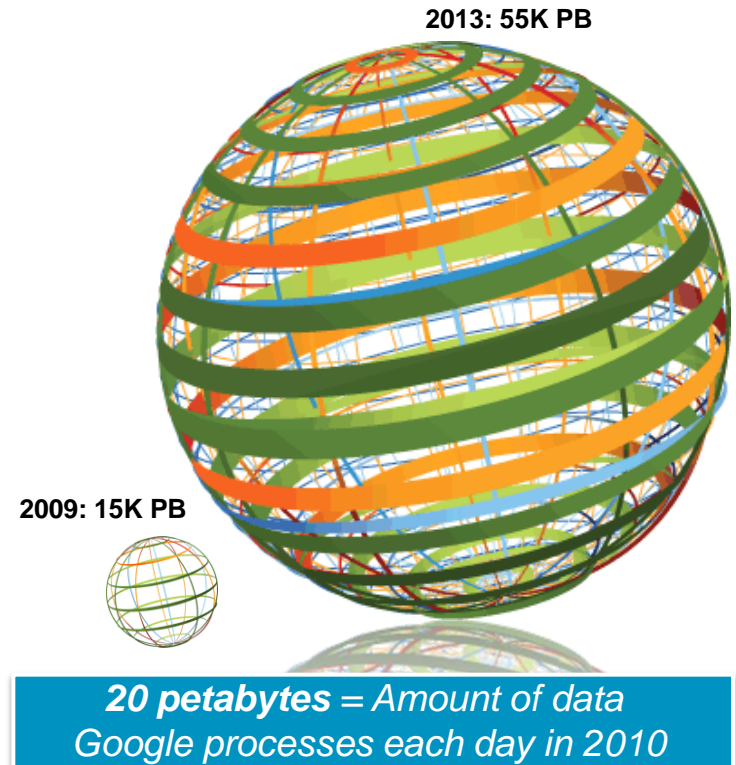
# The Internet Explosion

*Driving Need for High-Speed Data Transmission Products*

### Data Traffic Tripling in 4 Years



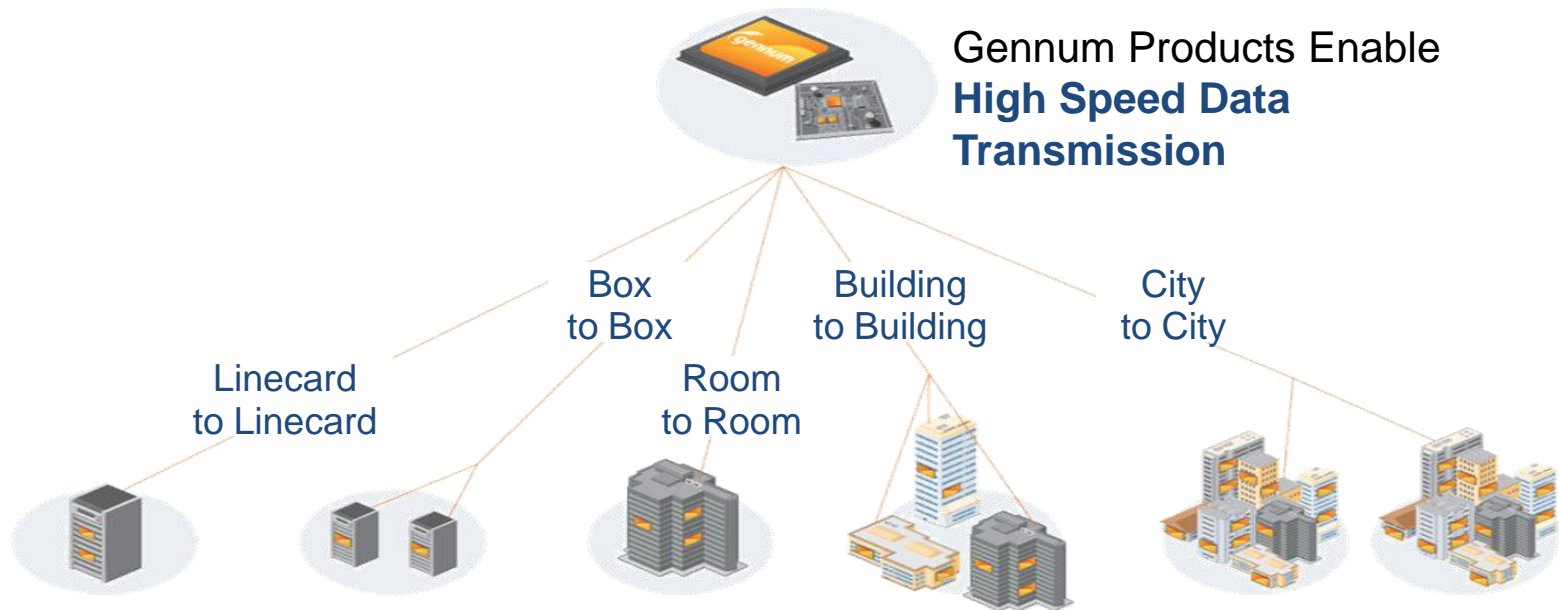
(Source: Cisco Visual Networking Index)



- **Global data traffic expected to triple**, exceeding 50,000 petabytes in four years
- All forms of **video expected to account for over 91%** of global traffic by 2013
- Significant **network upgrades required** (connections, equipment) to support traffic

# World is Moving at High Speed

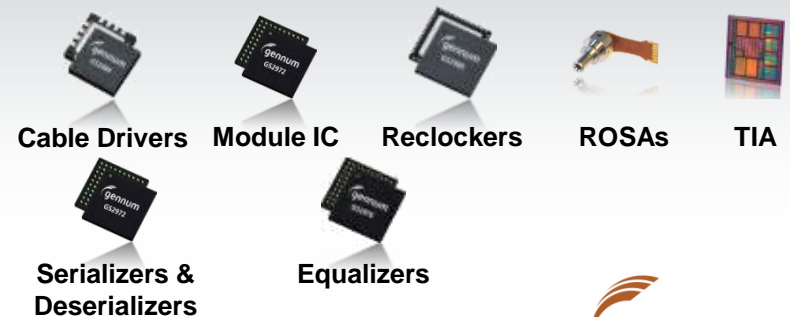
*Requiring High Speed Data Connectivity & Transmission*



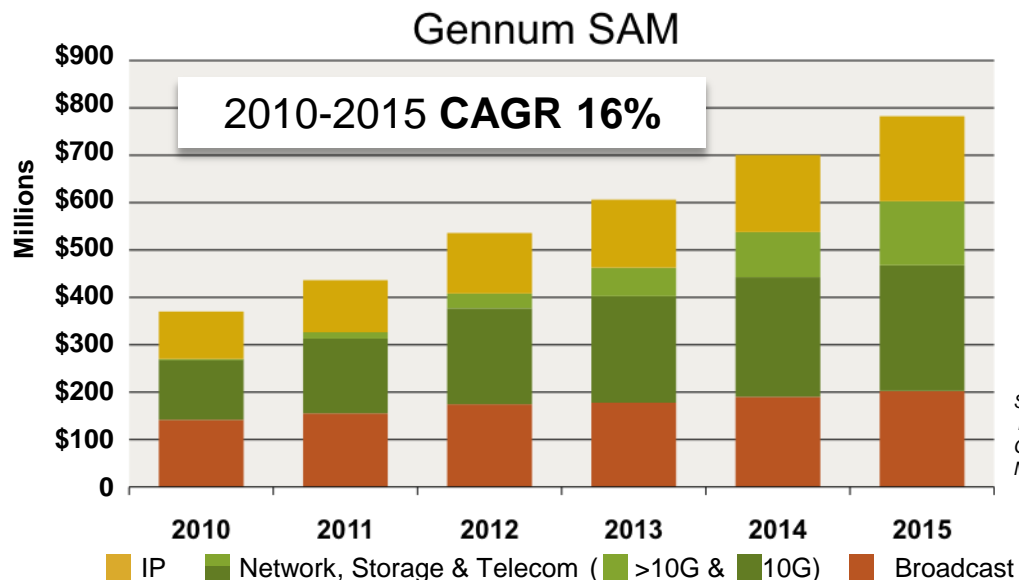
## Our Industry Leading Products at Center of High Speed Network Connectivity

- **Number of ports increasing (5 Year CAGR 37%)**
- Network speeds increasing to **10G, 40G, 100G**
- **I/O rates & densities increasing** (within box)

### Gennum Data Transmission ICs



# Doubling Market SAM Creates Significant Opportunities



Source: Lightcounting 2010, IABM 2009, internal estimates 6/10, Gartner Study, Wired Interconnect IP, May 2009

- Solid growth in **broadcast market** (7% SAM CAGR)
- Healthy growth in **high speed interconnect IP market** (12% SAM CAGR)
- Significant growth in **Networking, Storage & Telecom** (25% SAM CAGR)

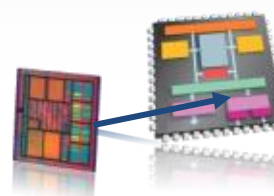
## Broadcast



## Telecom



## IP

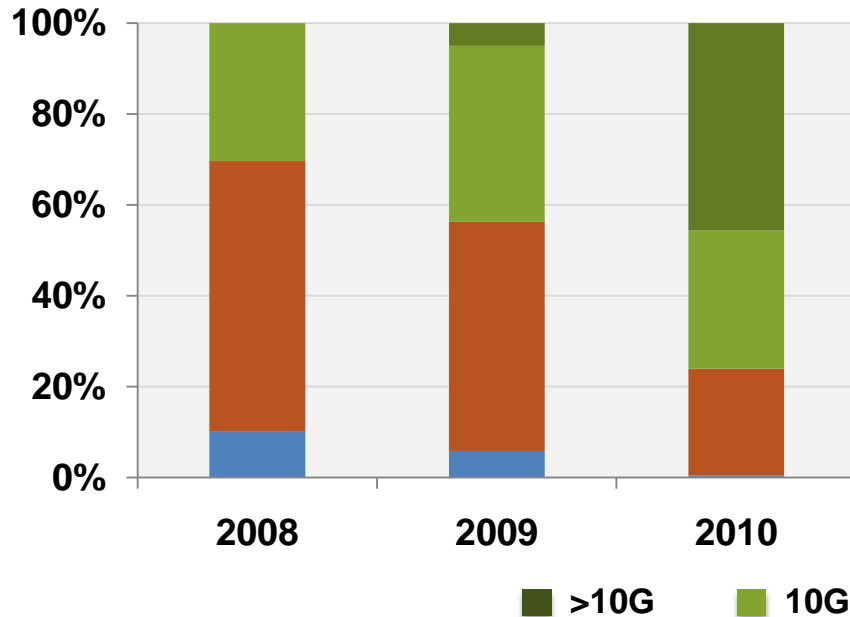


## Networking & Storage

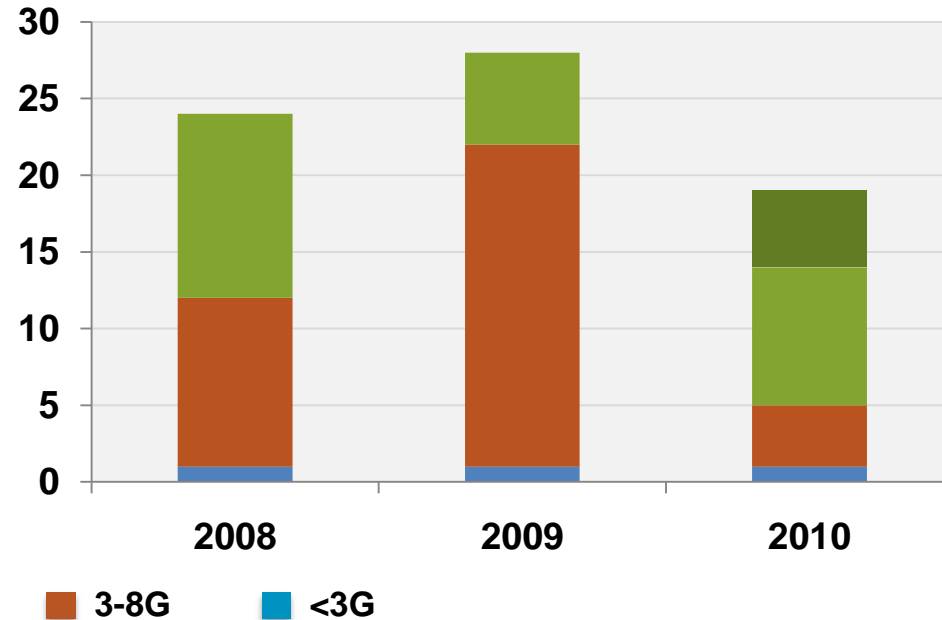


# Investing for Growth

## R&D % Focused on High Speed Products



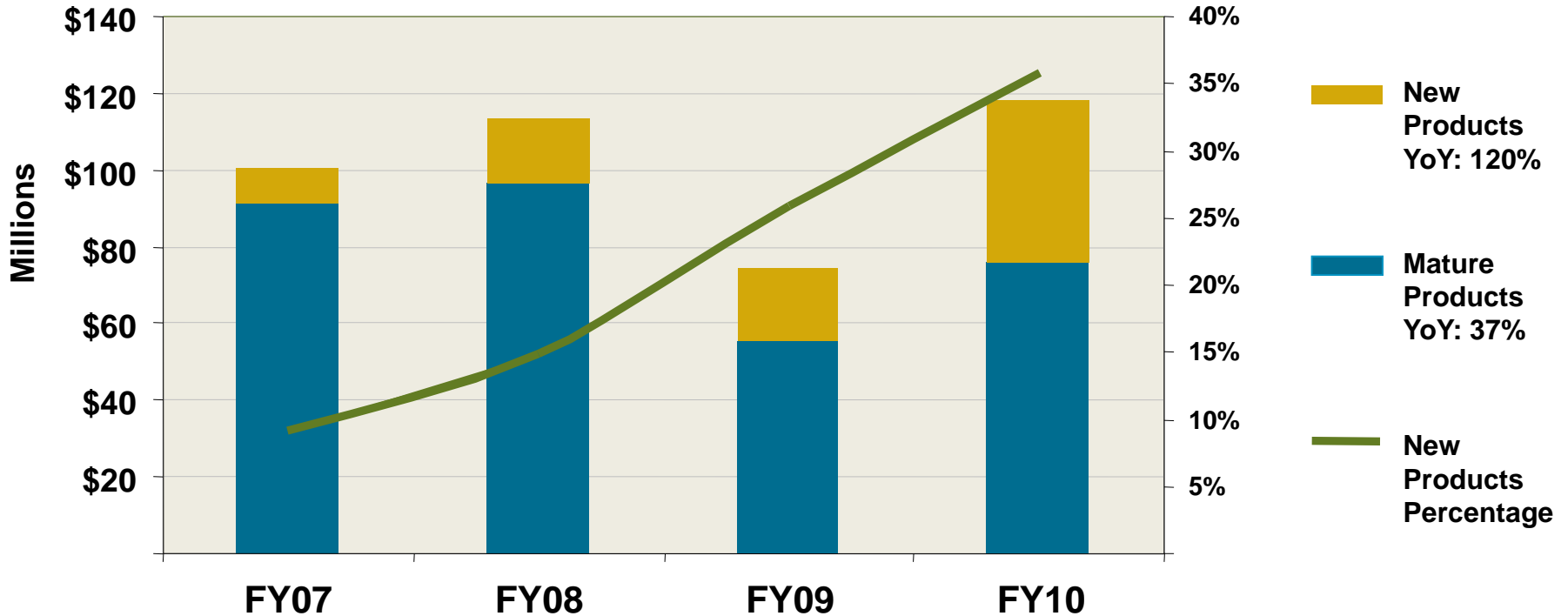
## Introducing More High Speed Products



- Focusing investment on 10G-100G high speed products
- Introduced 14 industry first products in 2010 for 10G EPON, 16G FC & 40G
- Volume ramping for >10G products for networking, storage & telecom

# New Products Driving Growth

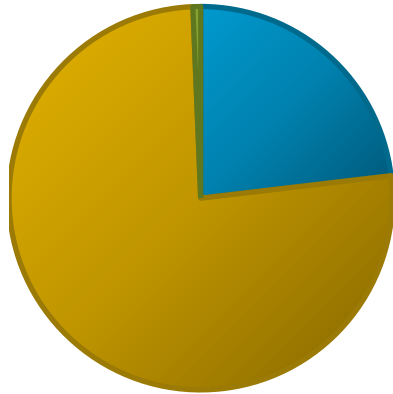
## Gennum IC Product Revenue



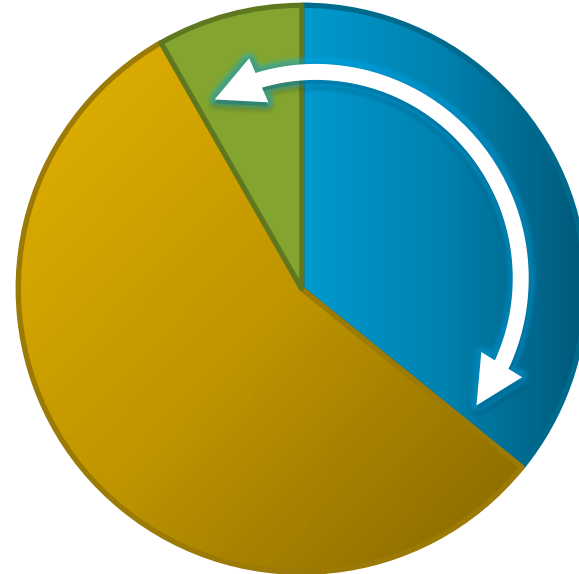
- New products driving growth, **66% CAGR** over three years
- Mature products recovered from 2009, up **37% YoY**
- New product percentage steadily increasing, up to **36%**

# Expanding Our Portfolio

Revenue FY07  
\$100.8M



Revenue FY10  
\$128.9M



■ Storage, Network, Telecom ■ Broadcast ■ IP

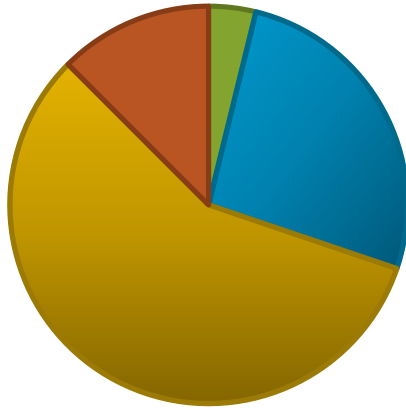
Genum CAGR 8%  
Semi Industry CAGR 5%

- **Broadcast revenue remains strong** driven by market leadership
- Successfully leveraged core expertise to **expand & diversify sources of revenue**

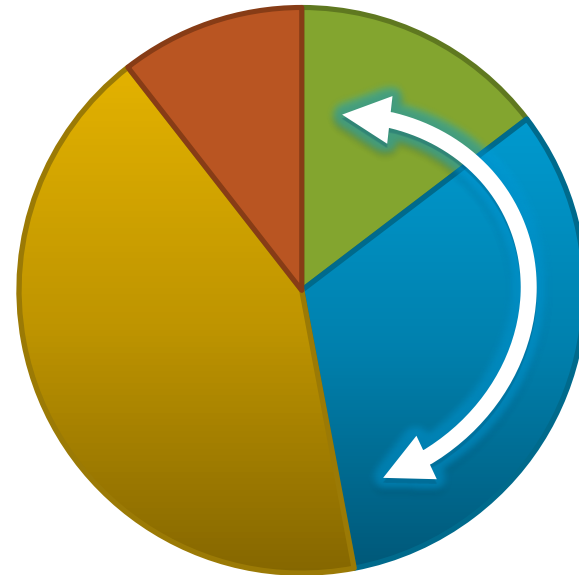
**Accelerating datacom growth**  
**Strengthening broadcast leadership**

# Expanding Globally

Revenue  
FY07



Revenue  
FY10

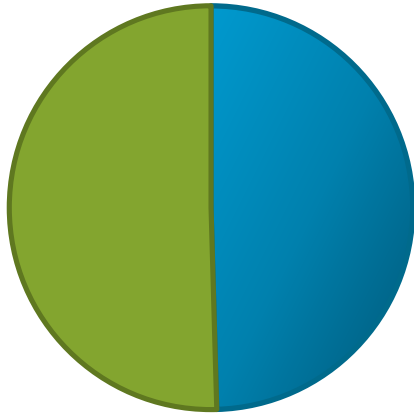


■ APAC ■ JAPAN ■ N/A ■ EMEA

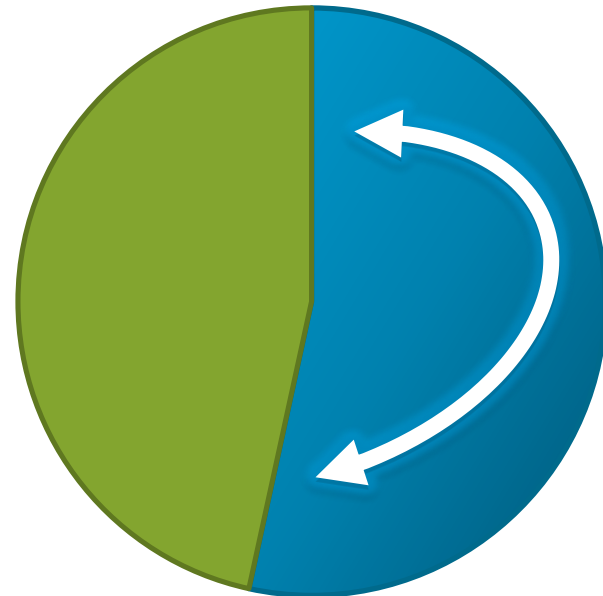
- North America & EMEA **remain solid contributors**
- Strong growth in **Japan - 6% CAGR** over 3 years
- **Significant expansion in APAC** driven by new customers – **351% CAGR**

# Growing Our Customer Base

Revenue  
FY07



Revenue  
FY10

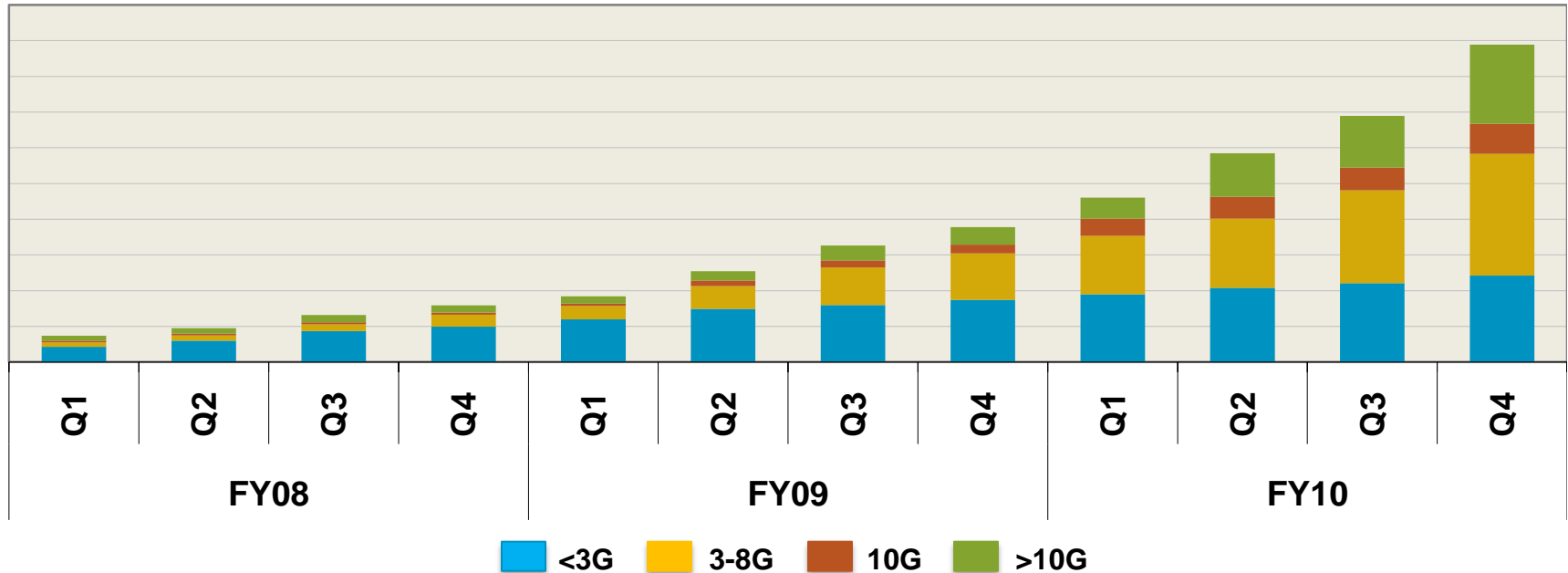


■ Top 15 CTMS    ■ Other CTMS

- **Significant customer base expansion** over last three years
- Strong revenue **growth of Top 15 customers – 8% CAGR vs. 5% Industry**
- Driven by deeper market penetration into broadcast & datacom applications

# Design Wins Ramping for High Speed Products

## Gennum Design Wins by Data Rate



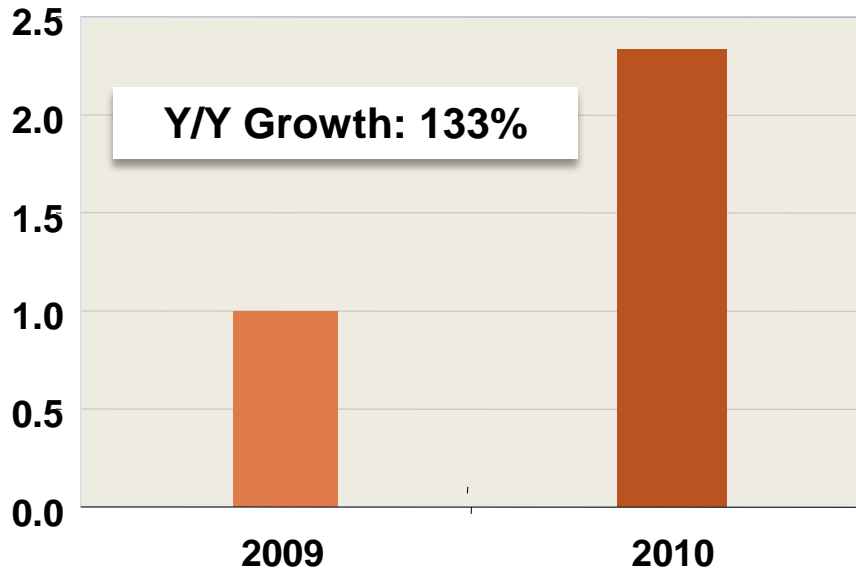
- Broadcast 3Gbps generating solid design wins
- 10G driven by expanded optical component portfolio
- New fiber channel and backplane/linecard products winning >10G



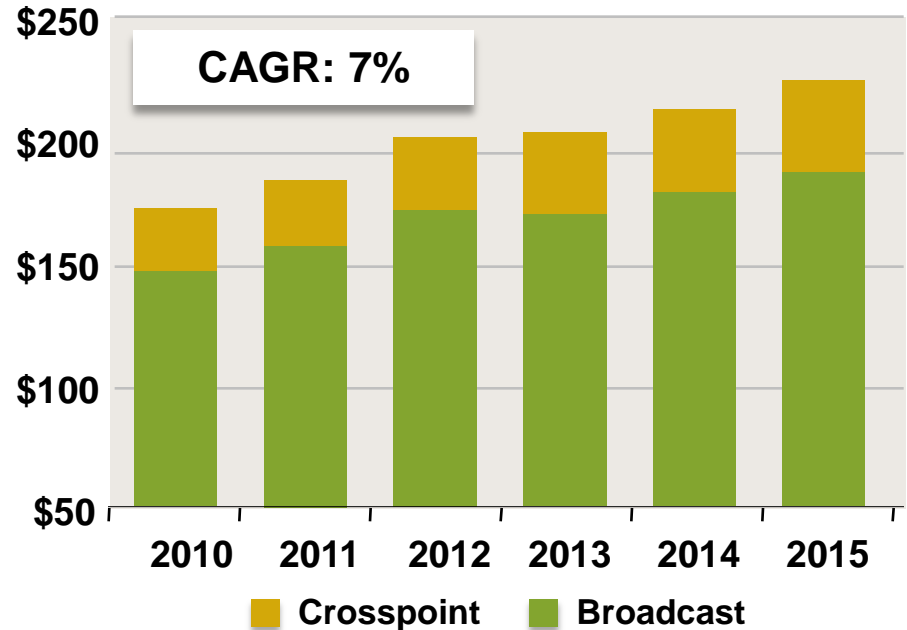
# Solid Broadcast Market Growth

## 3Gbps Products Gaining Fast Traction

**Gennum Broadcast 3G Revenue**  
(Normalized)



**Broadcast Video SDI SAM (\$M)**

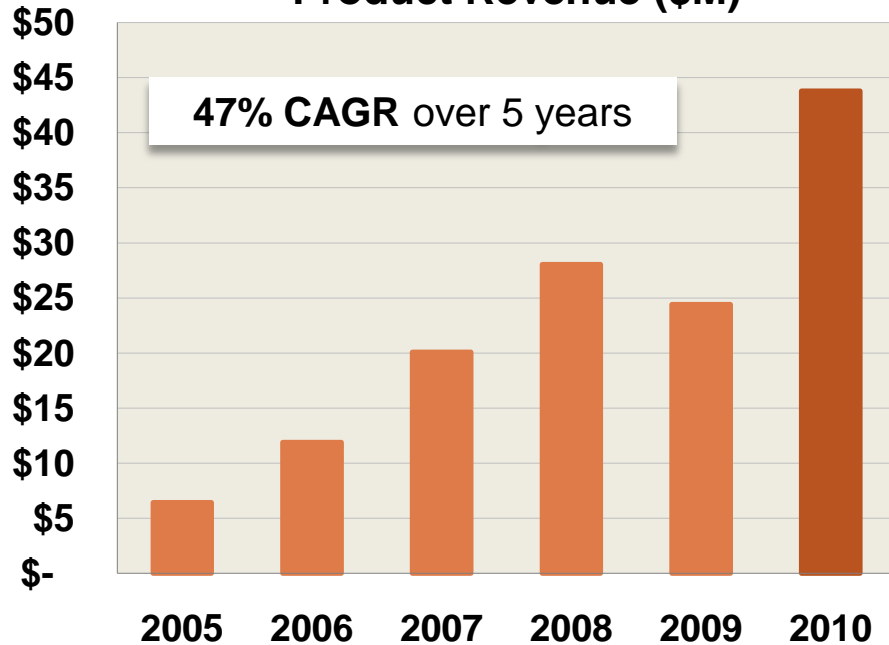


Source: 2009, 2010 IABM & Internal Estimates

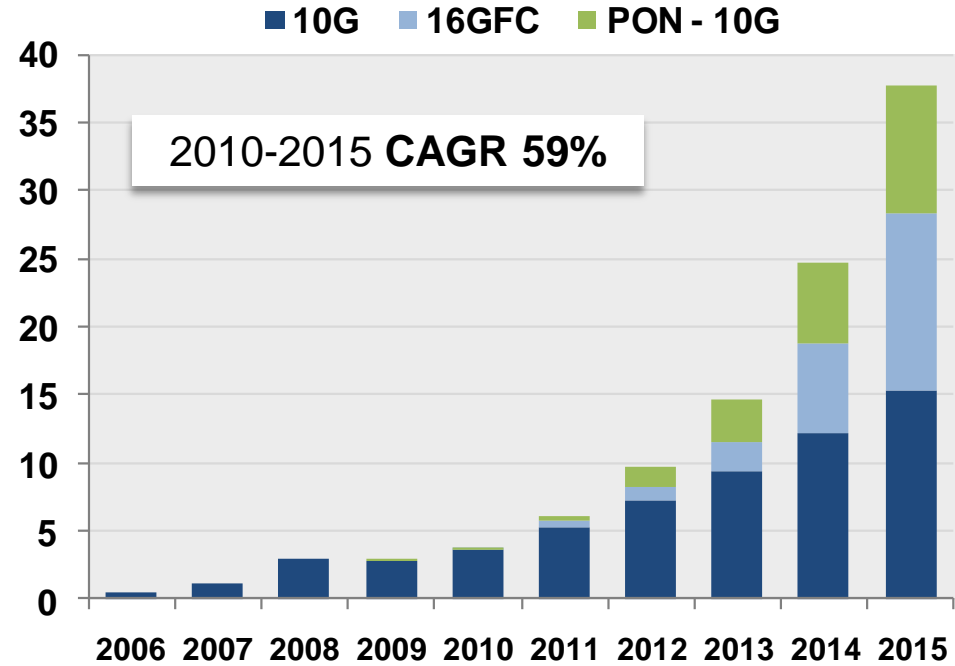
- **3Gbps product revenues more than doubled** year/year
- Increased **SAM by \$50M** in 2015 with **new crosspoint switches**
- **Solid market growth** driven by HD/3G conversion & increasing density

# Well Positioned to Grow With 10/16G Market

**Genum 10-16G  
Product Revenue (\$M)**



**10-16G TAM Volume (M units)**

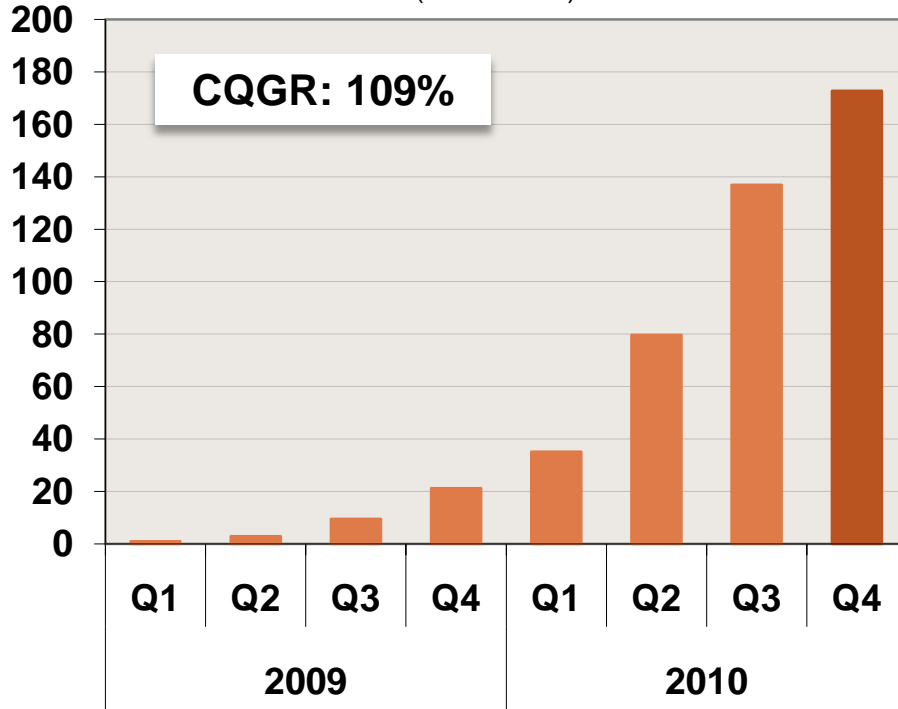


Source: 2010 Lightcounting & Internal Estimates

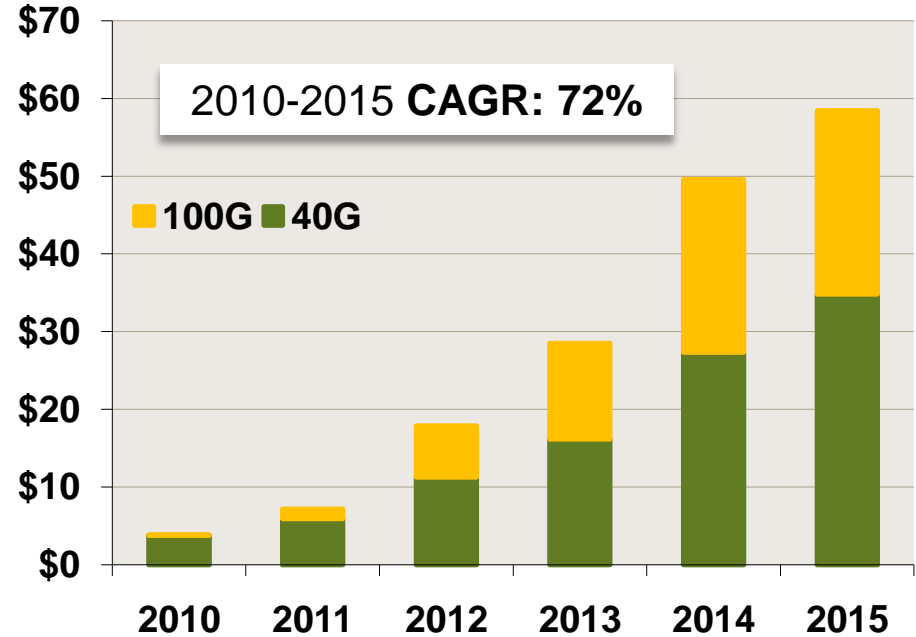
- 10G-16G product revenue accelerating – **5 Year CAGR 47%**
- Strong position in **10G with >13M products shipped**
- Early leadership in **10G EPON & 16G Fiber Channel**
- Positioned to capitalize on market growth – **5 Year CAGR 59%**

# Next Growth Wave – 40G & 100G

Gennum 40G & 100G Product Revenue  
(normalized)



40G & 100G Gennum IC SAM (\$M)



Source: 2010 Lightcounting & Internal Estimates

- **Significant network upgrades required** to keep pace with bandwidth demands
- **40G and 100G CAGR 72%** over next 5 years
- Volume **production ramping for 40 & 100G**
- Market expansion accelerating backplane & linecard revenue – **CAGR 81%**

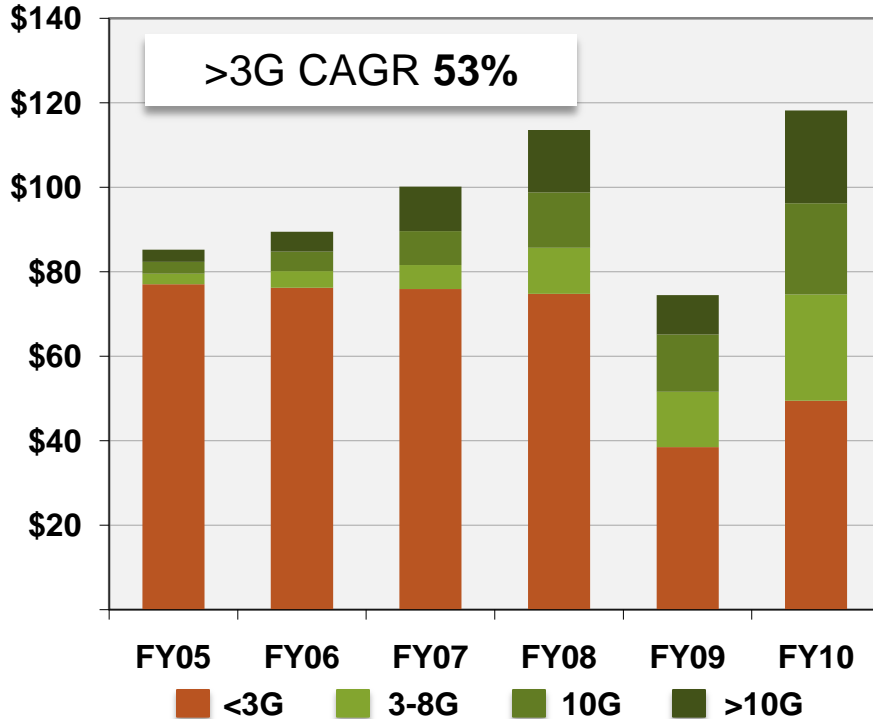
# Strong Portfolio of Differentiated Products

	Broadcast	Telecom	Networking & Storage
<b>AMS</b>			
Broadcast SDI	✓	✓	✓
Backplane & Linecard ICs		NEW ✓ Developing 40G/100G	NEW ✓ Developing 40G/100G
Transceiver ICs		✓	✓
Crosspoints	NEW ✓	NEW ✓	NEW ✓
<b>Optical</b>			
PMD (TIA, LD/LA)		NEW 10G EPON ✓ Developing 40G/100G	NEW 16G FC ✓ Developing 40G/100G
OSA (ROSA, TOSA)		✓	✓
Video Optical Modules	✓		
<b>IP – 10G, 25G, 40G</b>	✓	✓	✓

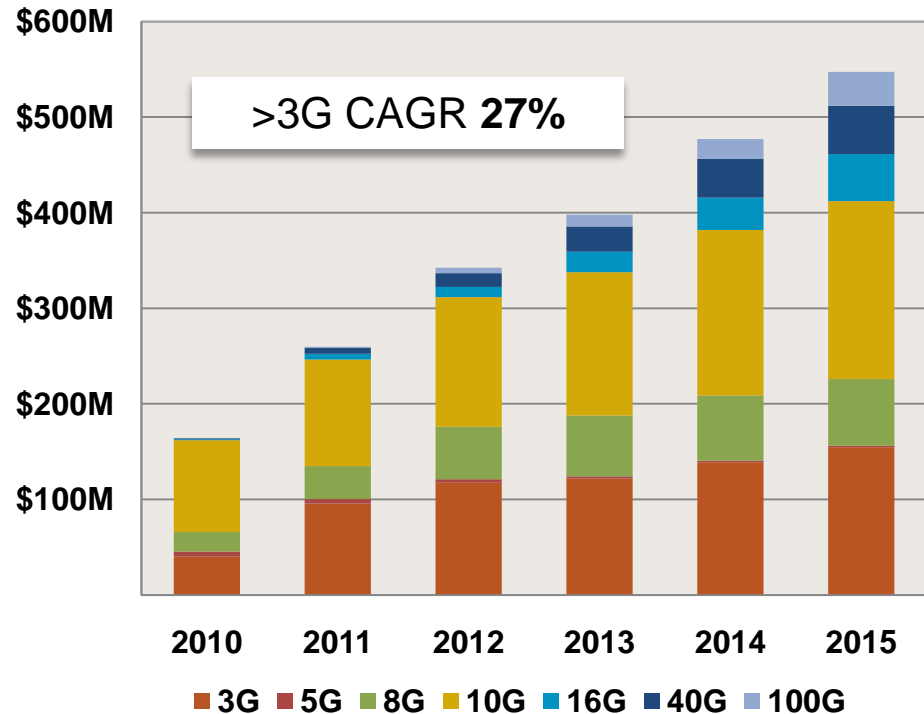
- Added more products in 2010 – **Crosspoints, 10G EPON, 16G FC, Backplane/Linecards**
- **Leveraging leadership positions** 10G to capitalize on 40G/100G
- **Advanced IP accelerates products** to deliver best performance & time to market

# High Speed Products Driving Our Growth

Gennum Product Revenue by Data Rates (\$M)



Gennum High-Speed IC SAM (\$M)



Source: 2009, 2010 IABM, 2010 Lightcounting, 2010 Ovum & Internal Estimates

- 3G and 10G+ **product revenue CAGR 53% 2005-2010**
- 3G and faster products account for **58% of 2010 product revenue**









**Positioned to grow faster than industry**

# Leverage Drives Stronger Business Model

	2008	2009	2010	Business Model Targets
Revenue Growth %	25%	-33%	51%	>industry avg.
Gross Margin %	76%	71%	73%	>70%
Operating Exp %	54%	69%	52%	45%-52%
Operating Income %	22%	-4%	21%	>20%
EBITDA %	31%	14%	31%	

- 2007-2010 **revenue CAGR 8%** vs. 5% industry average
- Gross margins remain **strong >70%**
- **Improved operating expense %** as R&D leverage increases
- Expect to **deliver >20% operating income**

# Leadership Team – Strong Semiconductor Experience

	Name	Position	Years in Industry	Past Companies
	<b>Franz Fink</b>	<b>CEO &amp; President</b>	19	Freescale, Motorola
	<b>Greg Miller</b>	<b>SVP Finance &amp; Admin &amp; CFO</b>	34	TI, National, LSI, California Micro, WJ Communications
	<b>Klaus Mueller</b>	<b>SVP, Global Sales</b>	27	ZMD, WBC GmbH, Motorola
	<b>Gary Beauchamp</b>	<b>SVP, Mixed Signal &amp; Optical Products</b>	21	COM DEV International
	<b>Bruce Hannah</b>	<b>SVP, Human Resources</b>	27	MTS Allstream, Quebecor World, Geac, EDS
	<b>Chad Hutchison</b>	<b>SVP &amp; General Counsel</b>	16	U.S. Steel Canada (Stelco), Fraser Milner Casgrain
	<b>Alan Tsun</b>	<b>GM, Snowbush IP</b>	18	QuickLogic, V3 Semiconductor
	<b>Hari Subramanian</b>	<b>VP Ops &amp; Prod. Quality</b>	20	ST Micro, Indian Telephone Industries Ltd.

# Strong Foundation Today *Positioned for Profitable Growth*

- **Increasing demand for high speed data transmission products**
- **Positioned to grow faster than industry**
  - ✓ Market leadership in broadcast continues
  - ✓ Highly differentiated 10G portfolio
  - ✓ Investing for the next major growth of 40/100G
- **Improving business model leverage**



**Positioned for growth & delivering shareholder value**

# Enabling Brilliance.

