

Engaging customers in emerging markets

John Szczsponik

Senior vice president, Worldwide Sales & Marketing

Jean-François Fau

President, TI Europe

Larry Tan

President, TI Asia

Agenda

- Sales strategy – leveraging size and scale
- TI expansion in Eastern Europe
- TI expansion in China and India
- Q&A

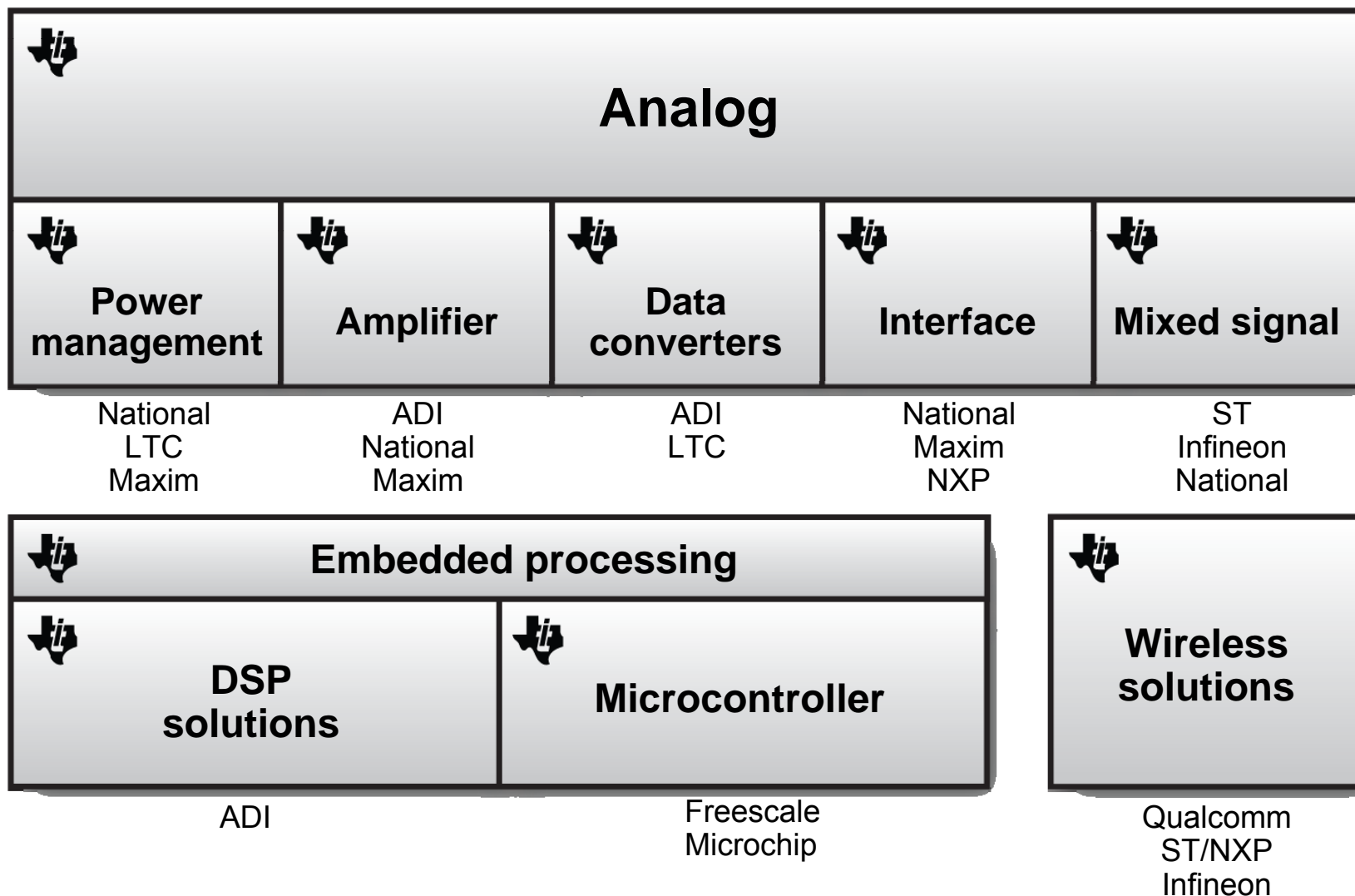
Sales team charter

- Directly cover 2500+ customers
- Sell the entire portfolio into customers' systems
- Provide deep/specialized applications support
- Utilize indirect sales channels

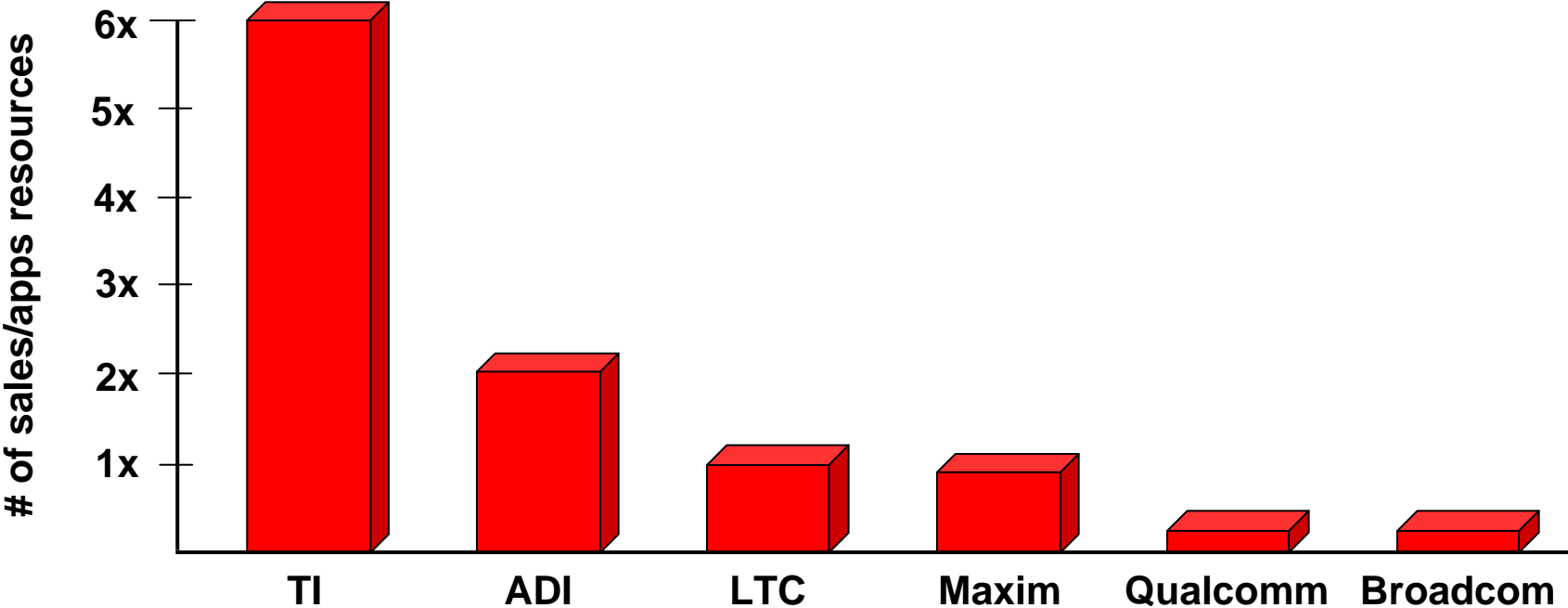


Gain market share!

TI opportunity is 2–3x any competitor at most customers



More feet on the street



TI has grown resources by 4x in emerging markets 2005 to 2008

“Go local” early in emerging markets

- Establish offices where customers are
- Staff with local sales & applications to build strong customer relationships
- Use breadth of TI portfolio to solve customers' technical problems
- Gain market share through early engagement

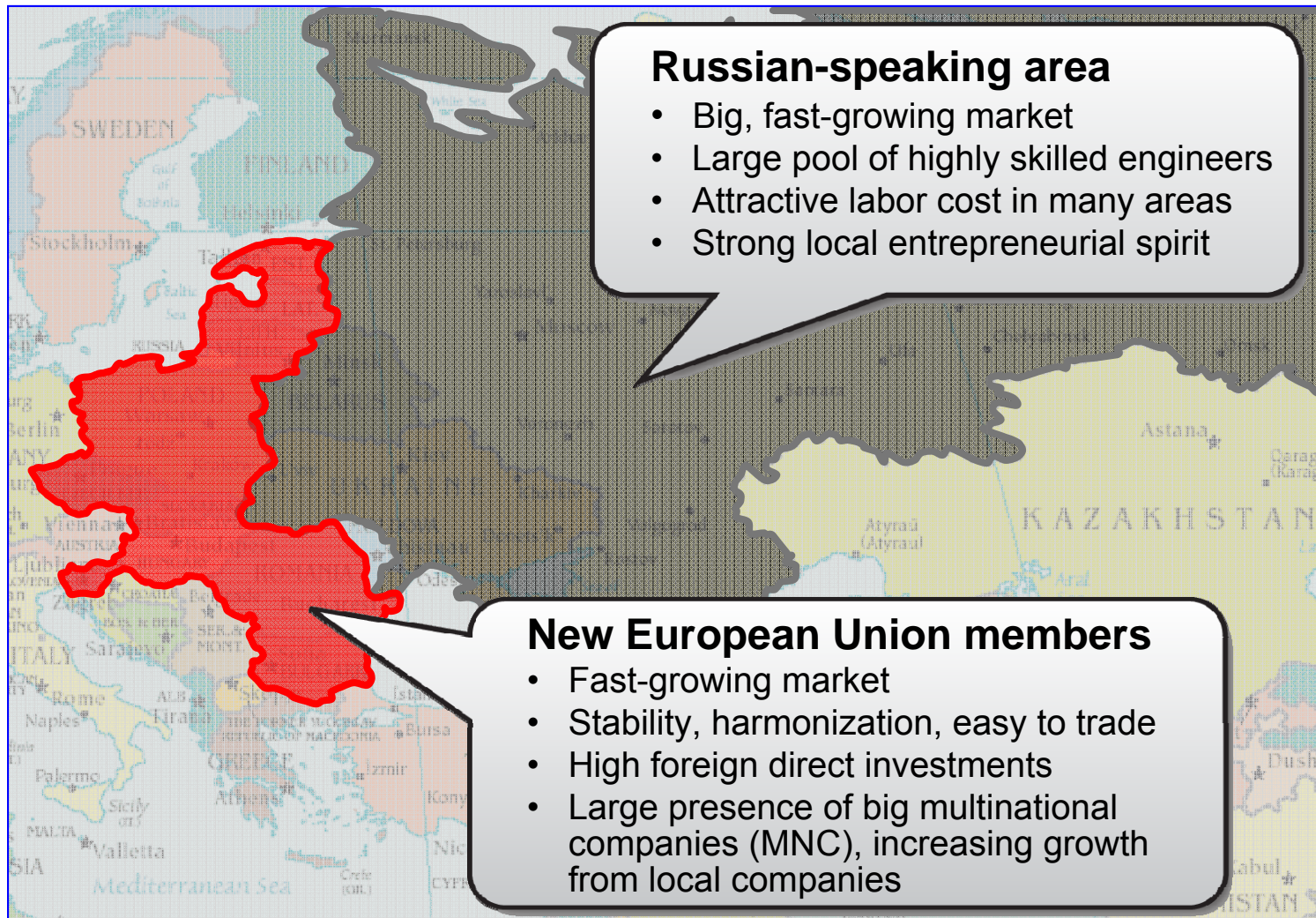
Eastern Europe

Jean-François Fau
President, TI Europe

Eastern Europe: two strong opportunities

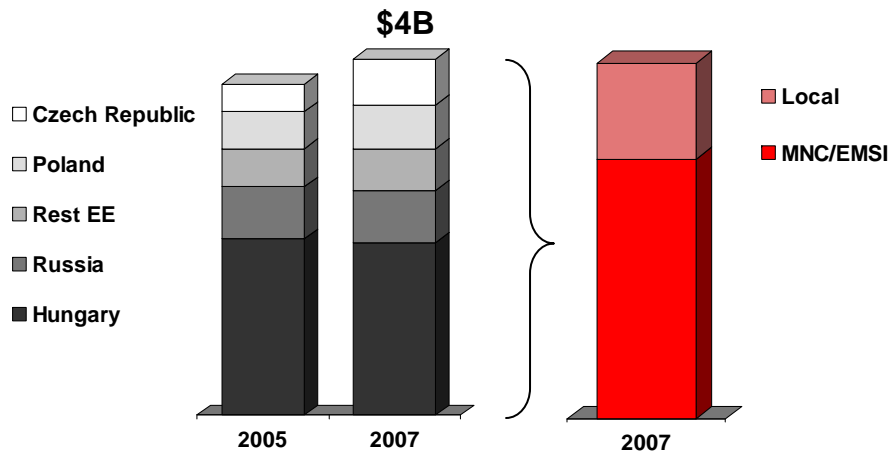


Eastern Europe: two strong opportunities



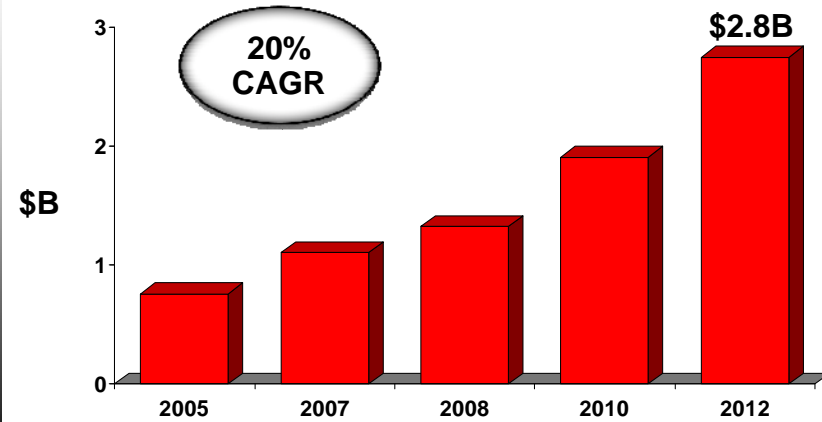
Local OEM market growing fast, TI gaining share

Eastern Europe SC Market (w/o memory)



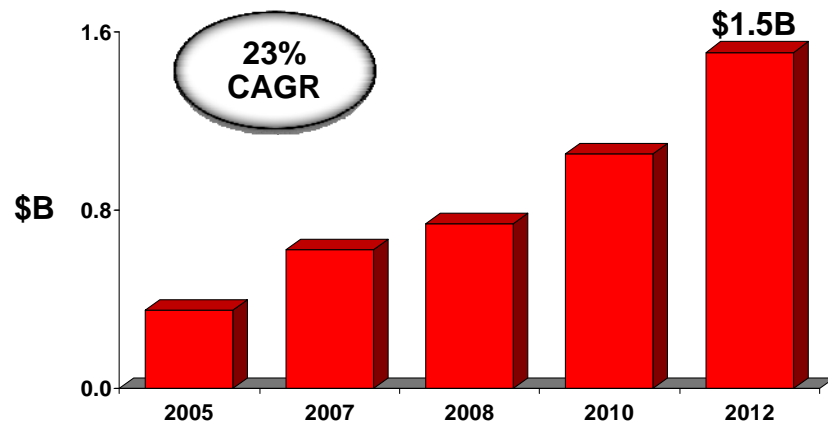
Source: WSTS, TI estimates

Local OEM SC Market (w/o memory)



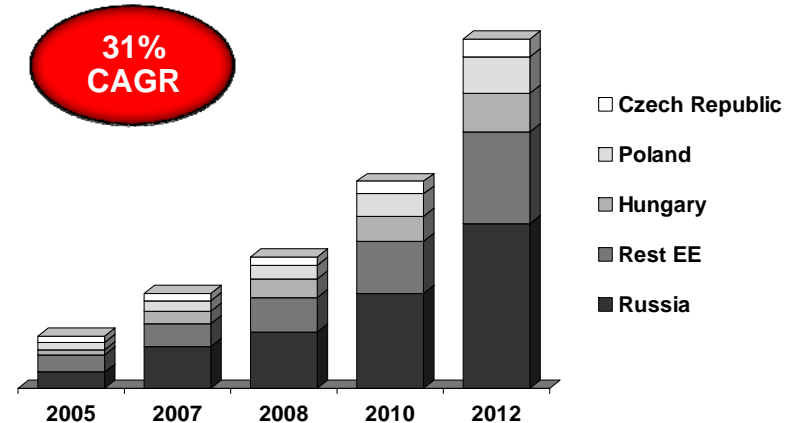
Source: WSTS, TI estimates

Distribution SC Market



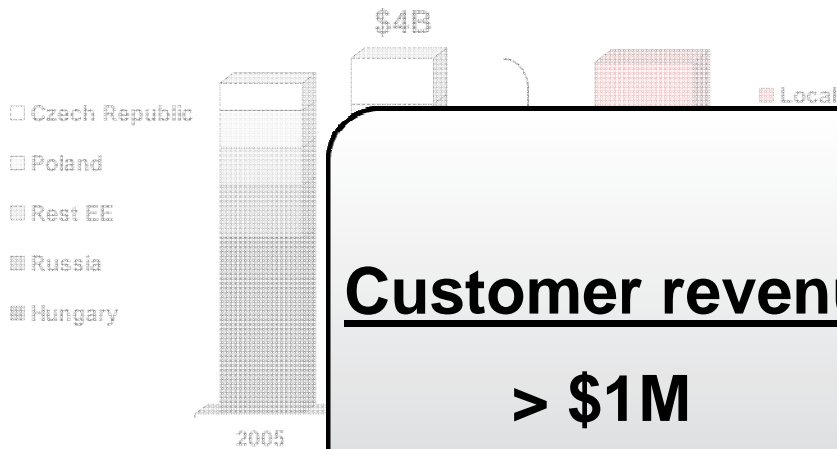
Source: DMASS

TI Local OEM Revenue

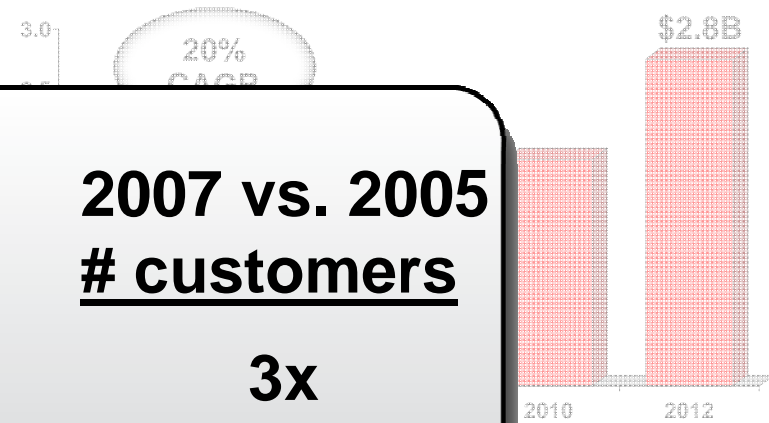


Local TAM growing fast – TI gaining share

Eastern Europe SC Market
(w/o memory)



Local OEM SC Market
(w/o memory)



Customer revenue

> \$1M

> \$100k

Total

2007 vs. 2005

customers

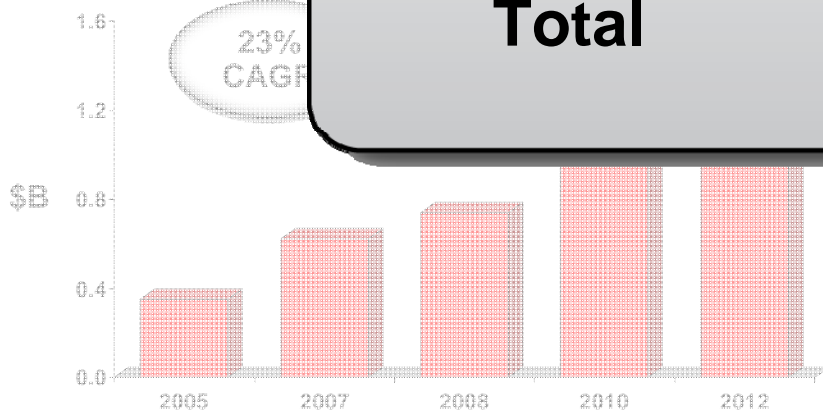
3x

2.5x

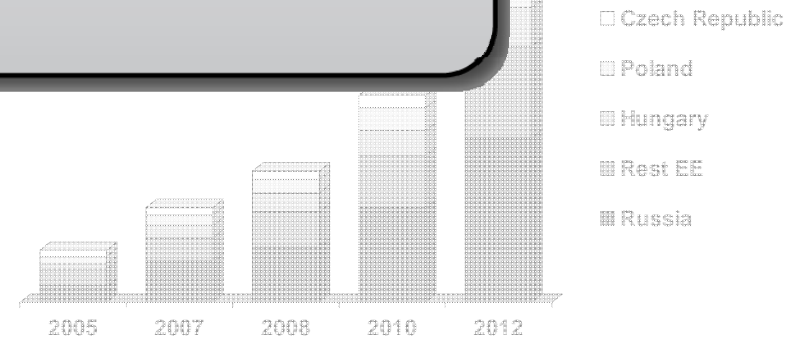
2.8x

Source: WSTS, TI estimates

Distrib

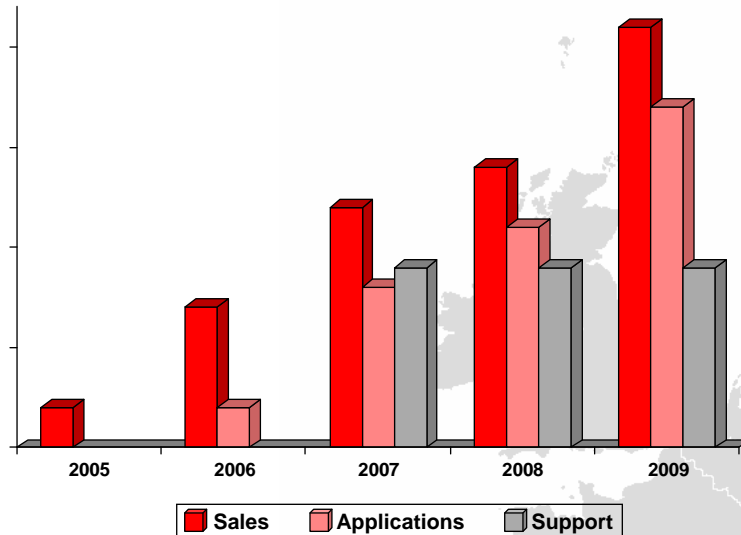


Revenue



Going where the customers are

Expanding Support for Eastern Europe



Hiring local people

- Sales resources
- Applications resources (analog & digital)
- Customer Support Center



Many customers, many segments



Czech Republic



Poland



Poland



77 Elektronika Kft.



Hungary



Moldova

Analog, DSP, MSP430 driving TI growth



Slovenia



gotive



Czech Republic



Russia



Russia



Slovenia



AGB Nielsen
Media Research · Lab

Dékui

Paldies

Tānu

Спасибо

Dziękuje

Děkuij

Thank you

Хвала

Hvala

Köszönöm

Mulțumesc

Благодаря

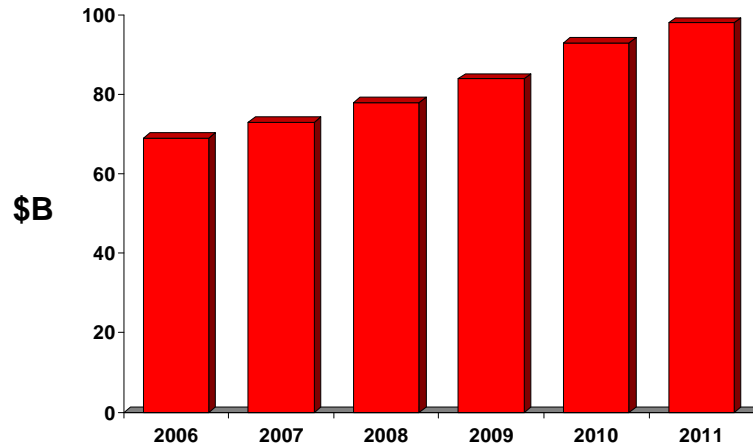
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China and India

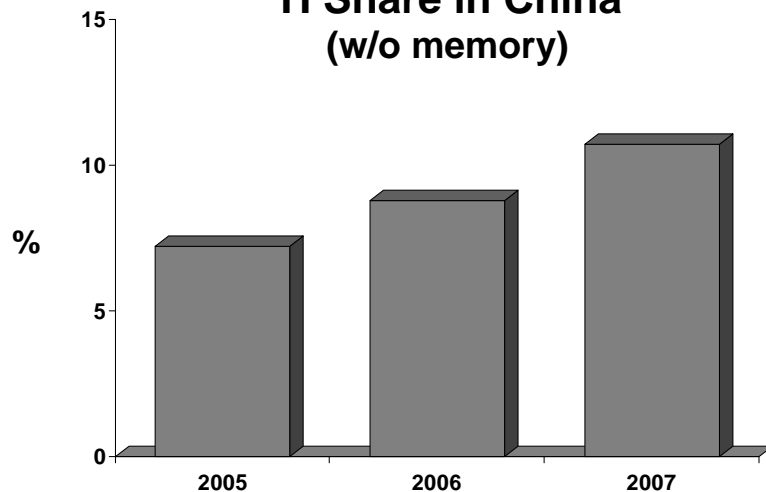
Larry Tan
President, TI Asia

China is a fast-growing market

China SC Market



TI Share in China
(w/o memory)

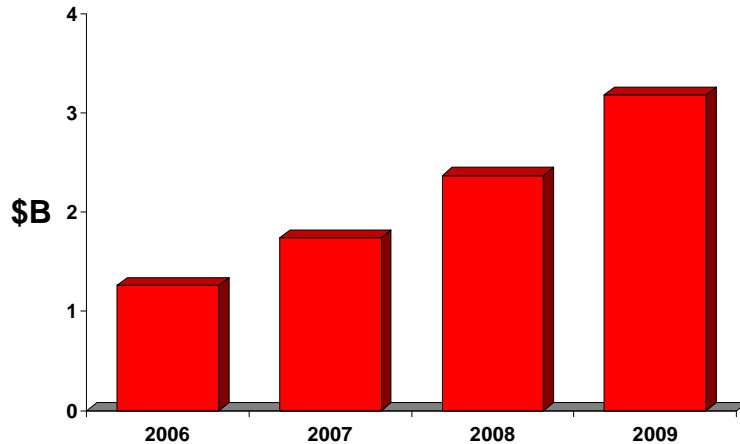


Sources: iSuppli, November 2007, TI

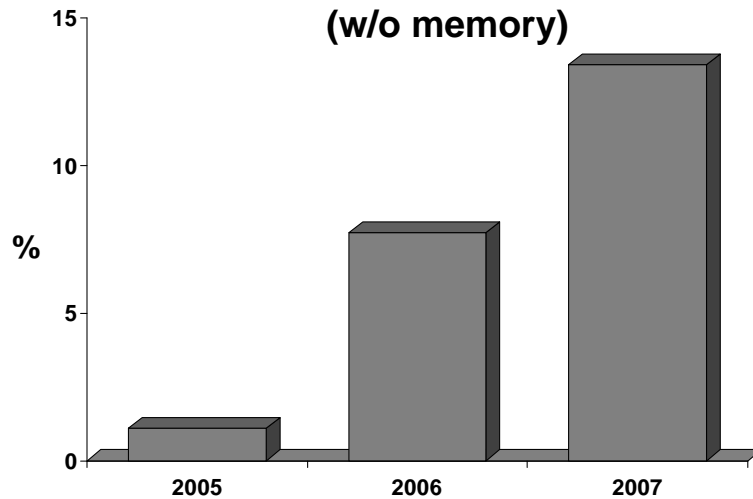
- World's largest semiconductor market
- Fast-growing economy and consumer base
- Large electronics manufacturing base
- Growing design base
- High need for analog

India is a fast-growing market

India SC Market



TI Share in India
(w/o memory)

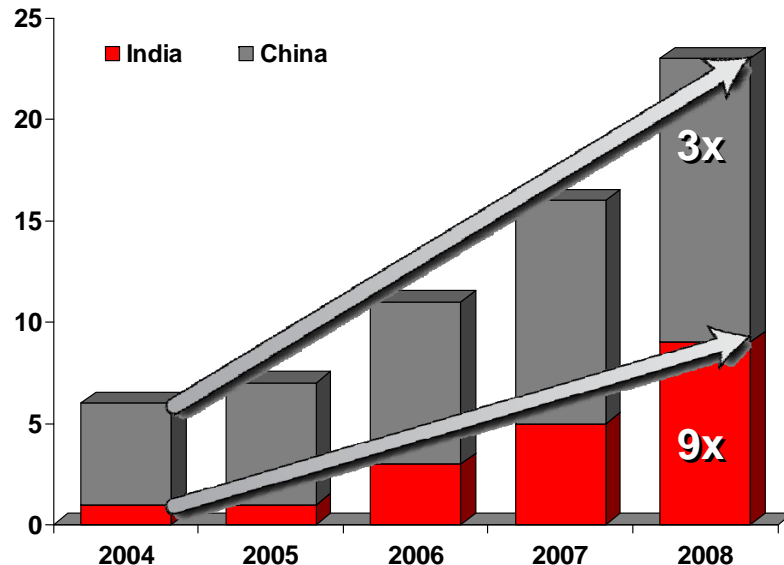


Sources: Frost & Sullivan, 2008, TI

- Semiconductor demand increasing
- Growing middle-class population
- Mobile handsets, wireless infrastructure, industrial and consumer applications driving growth
- Expanding engineering talent pool
- Building infrastructure
- Manufacturing focused on local demand

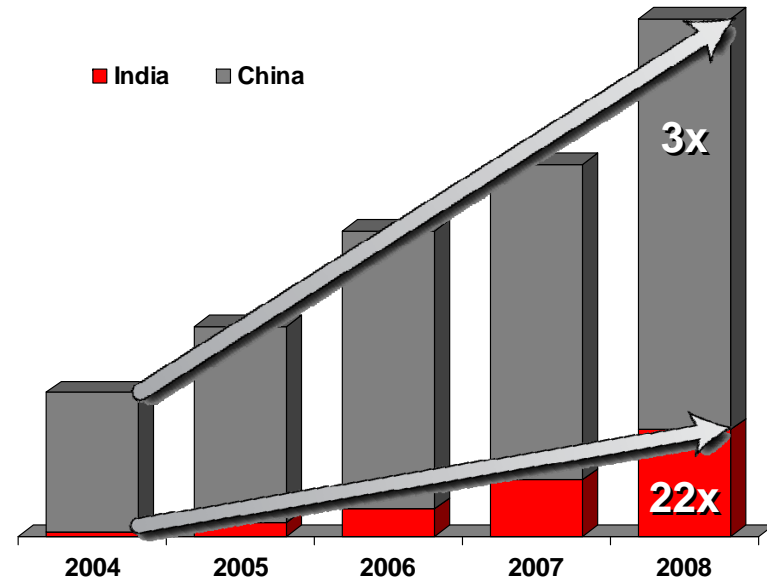
Aligning resources with opportunities

Sales Offices



- Design and manufacturing moving to tier-two cities
- Close proximity to customers is a competitive advantage
- Local sales support helps win local designs
- Stronger ties to local distributors

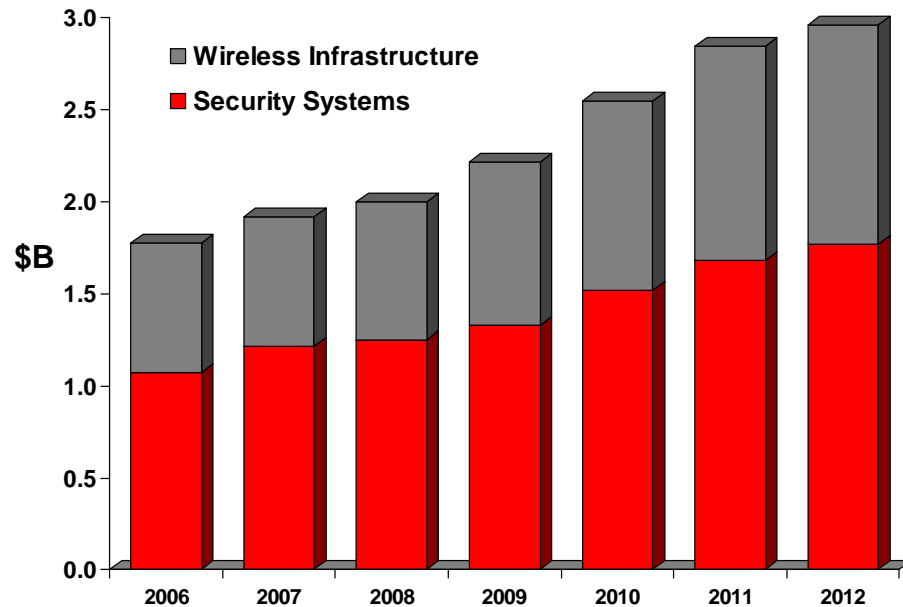
Sales/Applications Resources



- Expanded sales & applications resources allows for broader customer outreach and provides competitive advantage
- Analog targets broader mix of applications and potential customers

Security and wireless infrastructure – growing markets in China

**Security Systems and Wireless Infrastructure
China SC Market**



Source: iSuppli, Q1 2008

Surveillance market

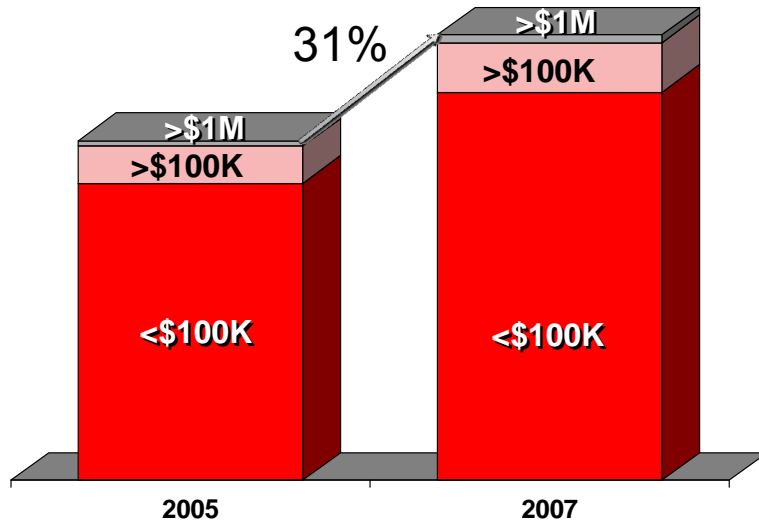
- Market TAM >\$45M in 2007
- TI's share >60%
- TI engaged with many customers, e.g., Hikvision expanding digital video surveillance product lines based on TI platform
- Hikvision maintained #1 surveillance supplier position in China with >60% share of video card, ~40% of embedded DVR

Wireless infrastructure

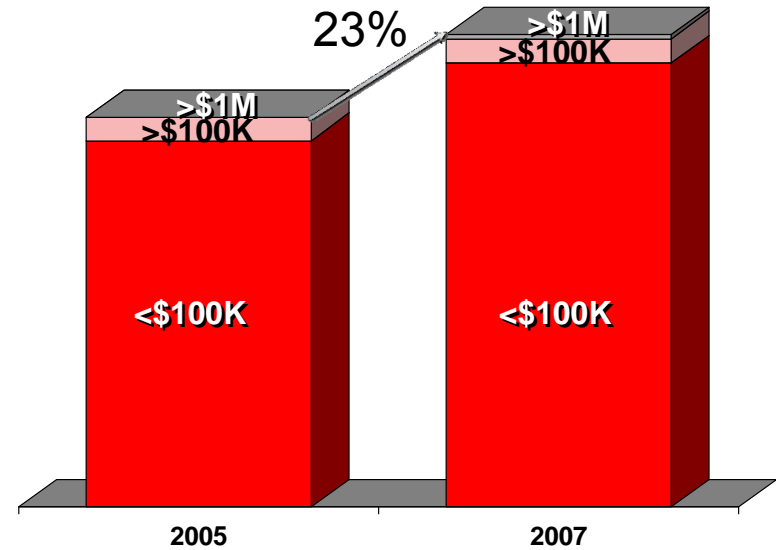
- Market TAM growing
- TI's position strong at key OEMs, e.g., Huawei, ZTE
- More than doubled TI wireless infrastructure revenue with ZTE in 2007

TI is gaining customers in China and India

Number of TI China Customers



Number of TI India Customers



Summary

- Investing heavily with local resources in China, India and Eastern Europe
- Early investment and success in China being replicated in India and Eastern Europe
- Breadth of high-performance analog portfolio, complemented by embedded processors, driving many customer opportunities
- TI gaining share!