



Hong Kong: Turning China Into Opportunity

Salt Lake City, Utah

November 8, 2006

Robert Pinato
VP and GM. Premier Devices
A Sirenza Company

Overview

- ❑ **Sirenza: Company History and Today**
- ❑ **Hong Kong – The Connection to Customers**
- ❑ **How it all Began in China for Sirenza**
- ❑ **The Building of the Sirenza Teams**
- ❑ **Next Steps for Growth**
- ❑ **The Future for Sirenza**

Company History

- ❑ **Name changed to Sirenza Microdevices in 2002**
- ❑ **Acquired Xemod in 2002**
- ❑ **Acquired Vari-L in 2003**
- ❑ **Moved headquarters to Broomfield, CO in 2003**
- ❑ **Acquired ISG Broadband Q4 2004**
- ❑ **Acquired Premier Devices Q2 2006**
- ❑ **Acquired Micro Linear Q4 2006**

RF Component “Supplier of Choice”

Wireless



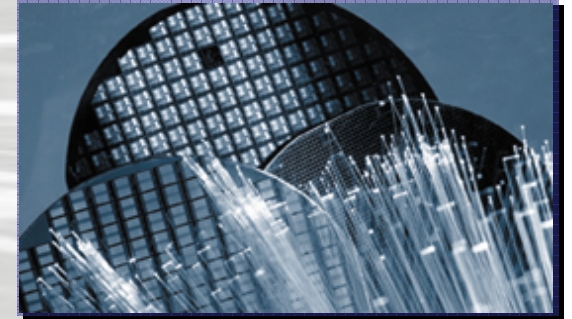
Mobility

Broadband/CATV



Connectivity

Defense/Other Wireless



Capacity

**Diversified End Markets
Global Network/Equipment Applications**

**RF
Components**

Sirenza Today

- ❑ On track to achieve \$135 - \$140M sales worldwide in '06
- ❑ 65% of product shipments into Asia/China
 - China business has grown over 150% year-over-year
 - China OEM business has grown over 250% year-over-year
- ❑ Strong China foundation
 - Shanghai/Shenzhen engineering and sales offices
 - Expanded Shanghai factory
 - Sales representative offices in seven cities
- ❑ Sales channels
 - Contract manufacturing business - direct shipments
 - China OEM customers serviced through Hong Kong
- ❑ Sales support is a mix of direct staff and representatives

Hong Kong

The Connection to Customers

- ❑ Advantages of Hong Kong support
 - Major entry point for goods and trade
 - Easiest and fastest method to trans-ship goods into and out of China
 - International currency and banking
 - Collection of funds – RMB conversion to USD\$\$
 - Culture and language
 - Assists with understanding the customer culture
 - Sales support and trade expertise
 - Trans-shipment of goods
 - Brokering of goods

- ❑ Disadvantages of Hong Kong support
 - Limited RF technical expertise
 - Domain knowledge
 - Communication timelags

How it all Began in China for Sirenza

- ❑ Sales representation – built the team
 - Hong Kong lead sales representative had offices in key locations within China (five offices)
 - Beijing, Shanghai, Shenzhen, Chengdu and Nanjing
- ❑ Established a customer base with leading firms in our industry
 - Shenzhen and Shanghai opportunities
- ❑ Searched for new business opportunities/entry points
 - Targeted smaller growth firms for entry and expansion of presence
- ❑ Provided sales support for lead representative and customers
 - Initial support driven by engineering and sales from USA
- ❑ China sales
 - Took two years to reach \$500K (2000-2001)
 - Took three years to reach \$1M (2002)
 - **Sales now at approximately \$12M per quarter**

The Building of the Sirenza Teams

- ❑ Opened first Sirenza office in Shenzhen in 2002
 - Supported marketing and US teams visiting China
 - Located to provide engineering support for customer.
 - Hired Office Manager and Engineering Manager
 - Established close relationships with key customers in China
- ❑ Provided stronger bond with customers and representation
 - Enabled faster response with product solutions
 - Provided venue to move products efficiently through Hong Kong
- ❑ Representative continues to play a key and active role
 - Sales negotiation and closing the deal
 - Shipping of samples and goods to customers
- ❑ Opened second Sirenza office in Shanghai in 2005
 - Hired first sales manager to coordinate all sales
 - Built up engineering support team

Next Steps for Growth

- ❑ **Dynamic growth at key accounts drove the buildup of the support teams**
 - Sirenza added engineering and sales support
 - Grew from two employees in 2002 to twelve employees in 2006
 - Lead representative added offices in China plus added technical personnel
 - Grew to seven offices and thirty-five employees
- ❑ **Sirenza sales increased dramatically**
 - Developed key opportunities with \$1M customers
- ❑ **In 2006 Sirenza acquired PDI and a factory in Shanghai**
 - Additional product offerings, increased sales, added approximately 400 employees
- ❑ **Currently building an expanded new factory in Shanghai**



The Future for Sirenza

- ❑ **Continue cooperative business development with sales representation team (now at three firms)**
 - Lower cost of sales utilizing sales representative team
 - More “feet on the street” to penetrate accounts
 - Continue reliance on ability to convert currency and collections
 - Helps keep receivables at a reasonable level (DSO)
 - Grow customer base; drive new direct business
- ❑ **Expand direct sales support teams**
 - Customers rely on timely direct sales and product support
 - Leverage support with high-value, growth customers
- ❑ **Expand product and sales support from new facility**
 - Build on established reputation and capabilities
- ❑ **Grow our business in China; maintain strong ties with Hong Kong**