MANAGEMENT DISCUSSION SECTION

Operator: Good day and welcome to the TI 300-Millimeter Analog Manufacturing Technology Call. At this time, I would like to turn the conference over to Mr. David Pahl. Please go ahead sir.

Dave Pahl, Director of Investor Relations

Thank you, Pamela . Welcome to Texas Instruments' conference call this afternoon to discuss our analog manufacturing strategy. With me today is Kevin Ritchie, TI Senior Vice President of Manufacturing and Manger of our Technology and Manufacturing Group.

Please note this call is being broadcast live over the web and can be accessed through TI's website. A replay will be available through the web. Our statements today are subject to the Safe Harbor statement contained in TI's most recent Form 10-Q filed with the SEC.

In today's call, we plan to discuss the benefits of our 300-millimeter Analog fab and its scheduled opening and volume ramp, our new assembly-and-test facility in the Philippines, TI Clark, and our investments in analog process technologies and the impact they'll have in differentiating TI analog products.

I plan to begin by asking Kevin a few questions and then we'll open up the lines to take questions from you. Kevin, thanks for taking the time today to be with us.

Kevin Ritchie, Senior Vice President, Technology and Manufacturing Group

Glad to be here, Dave.

Dave Pahl, Director of Investor Relations

Okay. We've had a lot of interest around our purchase of the 300-millimeter assets from investors and we thought this would be a great forum to dig a little bit deeper and get many of those questions out and get them answered. But let me start with one of the questions that we've been asked often. So Kevin, no one else has a 300-millimeter fab in the industry today. Why would TI invest in the 300-millimeter fab and what benefits do we see from it? And it seems like we're coming off a historic low utilization. Competitors are also closing fabs at this time. Why would we go through the purchase and acquire those assets now?

Kevin Ritchie, Senior Vice President, Technology and Manufacturing Group

Okay. So first when we look at capacity and capacity needs for our customers, we look out in time-two, three, four years. And we purchased these assets and are starting up the Richardson fab to support future growth and future growth we seen the Analog and Embedded Processing business areas.

When we look at determining capacity, and how we want to build out, earlier this year in the second quarter when the market began coming back, the Qimonda bankruptcy had just been announced in February, and we had sent a team out there to look at the equipment to see if it would match our needs in the analog space. Through that process we decided to go with the 300-millimeter equipment that was out there for the RFAB facility and start up the facility on 300-millimeter. The

factory will come online at the end of 2010, so it's really to support revenue in 2011 and beyond, and the equipment we bought is capable of building up to $1 billion in revenue in the analog space.

So if you look – we get questions about 300-millimeter, why 300-millimeter, why is it the first one, why haven't another people done it. TI is in a unique position because of the size of our Analog business, in that the equipment we purchase does support $1 billion of revenue. A lot of the smaller analog companies, that would be a major portion of their production or virtually all of their production. And when you think about an Analog company like TI or anyone else you have 50 or 60 different analog flows running at any time, and you certainly aren't going to put more, are we going to put all of those analog flows in RFAB.

So it's really targeted for future growth, and then the bankruptcy procedures just offered us a outstanding opportunity to acquire equipment at a very low price and bringing it in at a time that allows us to support revenue growth in the future.

Dave Pahl, Director of Investor Relations

Okay. Could you give us an idea of what types of advantages perhaps in costs or otherwise that you see with 300-millimeter?

Kevin Ritchie, Senior Vice President, Technology and Manufacturing Group

Yes, typically and we've seen this, we already have a 300-millimeter factory in our DMOS6 facility, so when you move from 200 to 300-millimeter, you typically get about a 30% cost reduction. And that's what we're expecting in this space over our 200-millimeter similar production. And you get that from scaling, the wafers scale by 2.25 times the silicon. And I've heard people – interesting articles, I have heard people say, well, electricity costs more, water costs more, and yes, that's all true, but none of that scales at 2.25 to one. So while water may go up 1.5 times, your silicon area is 2.25 times bigger. So you get that savings that drops through to the bottom line.

And the other thing about the savings is the semiconductor industry has been built on scaling wafers. It definitely will have that advantage, and we'll see that advantage as we bring up the facility in the future.

Dave Pahl, Director of Investor Relations

Yes, and obviously, you don't – you wouldn't move to 300-millimeter wafers as an industry in other areas if it didn't make economic sense, so...

Kevin Ritchie, Senior Vice President, Technology and Manufacturing Group

No, absolutely not. I mean, it's – the scaling has been proven over and over again.

Dave Pahl, Director of Investor Relations

Makes sense. Okay. So can you just run through the quick timeline of bringing up RFAB and the major milestones that we'll see in the future?

Kevin Ritchie, Senior Vice President, Technology and Manufacturing Group

Okay. So we closed on October 13. The day after we closed, we had trucks moving equipment. In all for the 300-millimeter we purchased about 330 major process tools. For the first mini line to get qualified we need about 103 of those tools to be positioned on the floor. As of yesterday, we have moved and had 47 tools already on the floor in Richardson. We will have all of the tools we need for the mini line delivered by the end of the year, and we will start our first learning cycle of wafers January. We plan to have qualification and samples for our customers beginning in the October timeframe of 2010 and then ramp into full production through the fourth quarter.

Dave Pahl, Director of Investor Relations

Okay, all right, great. So as we bring up that facility, what impact do you expect we'll see from gross margins between now and when that fab is fully utilized? And would you describe that as a significant headwind or how would you describe it?

Kevin Ritchie, Senior Vice President, Technology and Manufacturing Group

I would describe it as a minor headwind. In that first building and the infrastructure in the building has been on the books since April of 2007. So when the building was built, we actually – that was – we spent about $300 million on that. That came on the books over two years ago. If you look at the dollars we pay for the equipment at a little over 170 million and do the depreciation math over the five-year period, it's not going to be a huge amount of headwind. The startup costs will be moving already existing technologies and then loading new products. So there is not going to be a huge cost burden from bringing a lot of new products into the facility or doing a lot of development. So the startup costs are going to be pretty minimum, because we're starting with our LBC7 technology, which is already deployed to two other 200-millimeter factories, so it will be a copy exact, not a new development activity. And then new products will be put in, so we're not going to be moving hundreds of products into the facility.

Dave Pahl, Director of Investor Relations

Okay. Okay. So let me see here. So if you've got significant cost savings, why wouldn't you be more aggressive and move those 200-millimeter products into the fab as soon as possible to gain the cost savings as quickly as possible?

Kevin Ritchie, Senior Vice President, Technology and Manufacturing Group

Well, I think, on the first question you asked, we're building this facility for revenue growth and to support future growth. So, we are not planning that we would need to bring products out of our other facilities in order to fill this facility. We're looking at this as where we grow revenue, not where we move revenue.

Dave Pahl, Director of Investor Relations

Okay. So with the cost savings that we've got, how does it change our thinking on pricing, pricing of the products? Are we planning on significantly changing our pricing strategies in analog, or should we expect that those benefits will drop to the bottom line?

Kevin Ritchie, Senior Vice President, Technology and Manufacturing Group

I think in analog price is almost always determined by the performance and the integration of the functions on the circuit more so than price reduction in manufacturing. So I don't see the 300-millimeter factory being an immediate price reduction; that's not the plan. Again, it's there to support additional revenue growth. Those products are also – some of those products will also be built in 200-millimeter factories. So it will be part of a blended system, but it's not going to lead to immediate price reductions.

Dave Pahl, Director of Investor Relations

Okay. Great. All right. So let's me ask one final questions before we open up the lines to take questions from our listeners. I'll switch topics to our new assembly-and-test factory that we opened earlier this year that we call Clark in the Philippines. And this factory has close to 800,000 square feet, and I think it makes it one of the largest facilities of its kind in the world. Obviously, we were spending money in fourth quarter of last year and first quarter of this year and those were pretty scary dark times with the economy doing what it was back then. Can you walk me through our thought process and why we wanted to make those investments in a facility like that and in that particular time period?

Kevin Ritchie, Senior Vice President, Technology and Manufacturing Group

So again, when you're talking about building a new factory and you have to break ground and build brick and mortar, it takes a year and a half on an assembly facility from when you first put the shovel in the ground to when you get production.

So the Clark facility was targeted several areas. It was targeted at wafer scale packaging, which is one of the fastest growing areas in the packaging world today. At that point in time, all of our wafer scale packaging was being done on the outside, and we wanted to bring a considerable portion on the inside. It was also targeted at QFN, our quad flat pack, which is also a very fast growing package. And it was thirdly targeted at turnkey probe where things today are done at multi-factory site, we wanted to do a turnkey, to save logistics and faster cycle time.

So we first broke ground on Clark and began building the building in August of 2007 and even though the market came down, we wanted to get qualified for revenue growth and we had the ability to bring a lot of the stuff inside and that's exactly what we did during the downturn. The products for wafer scale packaging that were qualified on the outside were brought in. So we were able to utilize that facility even through the downturn.

And now as we ramp, we see a tremendous advantage because it's giving us a lot of room to add capacity in both the wafer scale and the QFN space as we begin to ramp back up through the third and fourth quarter of this year.

Dave Pahl, Director of Investor Relations

Okay thanks, Kevin. Operator, you can now open the lines up for questions. In order to provide as many of you as possible an opportunity to ask questions, please limit yourself to a single question. After our response, we will provide you an opportunity for an additional follow-up. Pamela?

QUESTION AND ANSWER SECTION

Operator: Thank you, sir and thank you ladies and gentlemen. [Operator Instructions] And our first question comes from the office of Tore Svanberg of Thomas Weisel Partners. Please proceed.

<Q – Tore Svanberg>: Yes, thank you, Thomas Weisel Partners. My question is, you know you talked about impact to gross margin from the 300-millimeter fab. And it looks like you may have some minor headwinds in the beginning that eventually turn accretive. If we assume the mix the same and utilization the same, what type of magnitude are we talking about here, both as far as hit near-term and then as far as benefit longer-term?

<A – Kevin Ritchie>: Yes. So the magnitude of the near-term is the depreciation gets put on the books at the time of qualification. So it will be a pretty, a very minimum during the first, second and third quarter, it will be basically expensed dollars and no depreciation – no delta depreciation dollars because they will all occur in the fourth quarter upon qualification and that will then tend to match revenue as revenue begins to ship out of the facilities.

Then going forward into 2011 we will see the facility, what we purchased is what we call phase one, and phase one is the 440 300-millimeter wafers a day that's capable of producing $1 billion of revenue. We see that ramping during 2011, and we will get the margin benefit throughout 2011 of that ramp.

<Q – Tore Svanberg>: Great, thanks. I'll get back in line. Thank you.

<A – Dave Pahl>: Okay. Thank you. Thank you, Tore.

Operator: Thank you sir. Our next question comes from the office of David Wu, GCC Research. Please proceed, sir.

<Q – David Wu>: Well, Kevin, good morning.

<A – Kevin Ritchie>: Good morning.

<Q – David Wu>: Good afternoon rather. And you are going to be the Craig Barrett of TI, I guess in the Analog business. But Kevin, can you help me with understanding the Clark facility, the wafer scale packaging and quad FN, those sort of things that have been outsourced, and what advantage did you see in in-sourcing, because you've done outsourcing on your digital part, digital front end to Taiwan and company, and what is it in the back-end that makes you pull it back in, so to speak? And is the back-end roughly half the manufacturing cost for high performance analog chips?

<A – Kevin Ritchie>: Okay, so on the first part of the question of why did we pull it back in, on quad flat pack, or QFN, we have been about 50:50. On wafer scale packaging it was 100% on the outside. Both of those are pulled back in for price versus cost, our costs with our ability to produce in our assembly sites in the Philippines, Malaysia, Taiwan, we just get a pretty large benefit over purchasing those supplies.

It's also for supply security. Wafer scale packaging is right now pretty constrained on the outside, where it's a newer technology. People are getting into it, but their capacities are pretty low, and we wanted to have the headroom to be able to grow at the rate we think we need to grow, along with the fact that we're able to do it more cost effectively on the inside. So those are the two reasons for that.

<A – Dave Pahl>: And I'll add just to put that in context, and Kevin you can confirm this, but we build about 90% of our assembly/test in-house today. So these are some of the newer areas, albeit faster growing areas, but the vast majority of what we do.

<A – Kevin Ritchie>: It's about 85%...

<A – Dave Pahl>: 85%.

<A – Kevin Ritchie>: ...but we do the vast majority of in-house now.

<A – Dave Pahl>: Okay. David, do you have a follow-up?

<Q – David Wu>: Yes, the follow-up is in terms of digital chips, the front-end is the bulk of the manufacturing costs. I understand the analog chips is quite – is the front-end cost and the back-end cost roughly the same, order of magnitude?

<A – Kevin Ritchie>: No, for digital chips, the – if you want to break down the chip, the test costs and the assembly, you probably have, it's probably in the range of 70% chip, 25% assembly and 5% test. In the analog, it's probably 55% chip, 40% assembly and 5% test.

<A – Dave Pahl>: Okay. Thanks, David. Next caller, please.

Operator: Thank you so much, sir. And our next question comes from the office of Uche Orji [UBS]. Please proceed with your question.

<A – Dave Pahl>: Hey, Uche.

<Q – Uche Orji>: Yes, thank you very much. Thanks, Ron (sic) [Dave] and Kevin for hosting this. Just two questions. One, Kevin is – what is the line – technology line width, you will be manufacturing this first of all for the 12-inch fab? And then secondly, is there any way where there is – is there flexibility built into the system such that you can use it for other things like say for embedded? Is that something – is there any way, or is this all dedicated for analog?

<A – Kevin Ritchie>: Okay. Your first question is that the initial technology that we will putting in there that we start wafers on in January is what we call LBC7, that is 0.25 micron. In mid-year next year, we will begin to bring in our LBC8 technology, which is 0.18 micron or 180 nanometers, depending on which way you want to say it. So, we will start at 0.25, quickly move down to 0.18. One of the benefits of the Qimonda equipment they were running down in Virginia to 60 nanometer, 70 nanometer. So this gives us the ability as we look at our roadmap and have future technology roadmaps in the 130, 110 range for analog, this gives us equipment that's fully capable to run down to those lengths without any additional capacity needed.

From an embedded processing point of view, there is some – there is some possible use, but most of the new embedded technologies are moving to 130 nanometer or below. So they would be copper metallization based, so the initial tools we bought were all aluminum, so they would not be very applicable.

<Q – Uche Orji>: Okay. Thank you very much. I will get back in the queue.

<A – Dave Pahl>: Okay. Thank you. Operator next caller, please.

Operator: All right. Thank you. Our next caller is Vernon Essi of Needham & Company. Please proceed, sir.

<Q – Vernon Essi>: Thank you. Thanks for taking my question. Wondering, just to go back to TI Clark, if you look at the facility itself, how much of the equipment will be greenfield from the get go? Are you going transfer any from Baguio in this process? And then also, just as a follow-on, any other processes in the back-end you want to highlight that will be sort of from a competitive advantage? Are you doing any strip testing or anything unique relative to your competitors? Thanks.

<A – Kevin Ritchie>: Okay. So from a Clark startup point of view, I'd say virtually all of the equipment is new purchases. And that leads a little bit to your second question. What we're doing in Clark for QFN, we're going to wider strip processing. So if you look at the strip or the leadframe, it can vary anywhere from 55 millimeters to 76. And this will be at 76, which is about as large as the industry has right now. We're also, as you mentioned on leadframe, test. It will – where we're moving is from gravity handlers, it'll be 100% pick and place based on body size. Larger body size will be pick and place. Smaller body size will all be leadframe test. So we did, as we went to Clark, we looked at the best practices in the industry and are moving to those practices of the latest technology, and that drives the fact that most of the equipment is – 95, 99% of the equipment is all new purchases, not transfers.

<A – Dave Pahl>: Did you have a follow-up, Vern?

<Q – Vernon Essi>: Yes, just to follow on that, is there any way you could perhaps quantify that savings on the comps that you might have relative to where you were? I think you went back and broke out cost as a percent on the assembly side and test side, but do you think you're going to wring out, what range of basis points? Like a 500 to 1,000 basis point cost structure out of that, or do you have any idea how that's going to land as you get into production volumes?

<A – Kevin Ritchie>: No, I don't have it from a basis point of view. I know things like leadframe test and pick and place are about 30 – based on the test time and the body size, they're anywhere from 30 to 50% more efficient in units per day versus the gravity handler systems, and from a wider leadframe you get about 12% on your clam by having a wider leadframe through increased productivity.

<A – Dave Pahl>: So I think we can – and maybe in a broader context, we believe that by doing this internally, we'll have, and have had, a significant cost advantage versus what it would cost us to get it built outside.

<A – Kevin Ritchie>: That's correct.

<A – Dave Pahl>: So that's going to benefit. Okay, operator, next caller, please.

Operator: Right. Thank you so much. And our next caller is Srini Pajjuri of CLSA. Please proceed.

<A – Dave Pahl>: Hey, Srini.

<Q – Srini Pajjuri>: Hey Dave. Thanks for doing the call. Hey, Kevin, as you transition or move to the 300-millimeter factory, are there any R&D costs associated with it, such as the mask cost? And maybe if you can quantify that, that would be great.

<A – Kevin Ritchie>: Okay. So as I said earlier, since we're starting with an established technology, there's initial startup cost, but it's a copy flow, so there is not a huge R&D cost associated with that. From a mask point of view, again, this is for new revenue growth, so you have a few mask sets that we will move there, but it's not a huge number, and then new products will naturally, when they are PGing or coming out, they will naturally PG to RFAB first, so there is no delta cost. There's also some confusion. People say, well, are the mask costs going to be more,

and a mask cost is decided because of the geometry you're printing, not because of the wafer size. So the masks are exactly the same masks used on 200 and 300-millimeter tools. There is no difference to the mask.

So a set of mask, if you are moving one device, a mask set may cost on a device moving here maybe $35,000. So that's kind of the number you're talking about. So even if you move 20 devices, you're talking about less than $1 million of mask costs to move product. Some people mistakenly think that a 300-millimeter mask costs a lot more, and it's not the fact that it's 300-millimeter, it's the fact that if you're trying to get a mask at 40 nanometers, they do cost $0.5 million to $0.75 million per set, but a LBC7 mask costs exactly the same whether it's 200 or 300, because the mask is the same, it doesn't change.

<A – Dave Pahl>: Srini, did you have a follow-up?

<Q – Srini Pajjuri>: Yes, just a quick one. And then when you look at your business, the HPA versus the high-volume business, is it easier to transition one versus the other or is there any other incremental costs associated with one versus other? Thank you.

<A – Kevin Ritchie>: No. They're really all about the same. And in RFAB we will have parts from all of our Analog business segments running there. There will certainly be parts from HVAL, but our power business has some devices that run very high volumes. If you think about power modules going into every cell phone or every notebook or netbook, if you think about HPA and having devices that go in all the touch screen controllers for a handheld device, these are really high volume devices that are in each business group and you'll see RFAB run products for HVAL, power and HPA.

<A – Dave Pahl>: Okay. Thanks, Srini. Operator, next caller, please.

Operator: Thank you, sir. Our next caller comes is Ramesh Misra of Brigantine Advisors. Please proceed.

<A – Dave Pahl>: Hi, Ramesh.

<Q – Ramesh Misra>: Thanks. Good afternoon, Dave. Good afternoon, Kevin. Quick question in regards to the ramp plans over here. So, obviously, with all this new capacity coming up, presumably you have a very aggressive new product launch agenda. So I mean, where do you see utilization or how does it ramp up over the next few years in 2011 and 2012? Can you provide any thoughts in that regard?

<A – Kevin Ritchie>: Yes. So the first since RFAB really doesn't produce until the end of 2010 and into 2011, one of the things we also did at Qimonda was we brought a large piece of the 200-millimeter tools. So right now we are expanding our DMOS5 facility, our Freising facility and our Miho facility on 200-millimeter. So all of those facilities are ramping as we speak in 200-millimeter and they will carry our revenue growth through 2010. The pilot line is for 50 wafers a day, so when we talk about October, we're focusing on the first 100 of the 300 tools to get the pilot line going. And then as we go into 2011, we'll bring on more and more tools in order to ramp from the 50 wafers a day on up. We really don't have a forecast that says at the end of 2011 at this time how many of the 440 we think we'll be using.

<A – Dave Pahl>: Ramesh, do you have a follow-up?

<Q – Ramesh Misra>: Yes, a shorter one, in regards to that, in terms of your CapEx plans for next year, can you provide us a rough sense of how much will go to RFAB? How much goes to Philippines and how much to your older 200-millimeter fabs?

<A – Dave Pahl>: We haven't given a forecast yet for 2010, Ramesh. We'll give that in January with our fourth-quarter earnings release. What we have said is that we do expect that we'll have elevated levels through the first half of the year. And then towards the back half we'll get back to what we would consider to be more normal levels, which is kind of – in the five to 8% of revenue range for CapEx.

I could say that we have spent in general most of our CapEx over the last few years has gone more towards assembly-test. See Kevin shaking his head in agreement on that and rather than on fab equipment, we've continued to buy fab equipment. We've moved fab equipment as well. As you remember, we closed our CMOS facility KFAB and repurposed that equipment into analog fabs and got more capacity through that way. But we will have some more specific plans on that in January for you, Ramesh.

<A – Kevin Ritchie>: And the other item is that the 172 million that we spent for Qimonda is in CapEx for this year. So that initial is part of this year's $800 million projection.

<A – Dave Pahl>: Okay. Thank you, Ramesh. Operator, next caller please.

Operator: Thank you, sir. Our next caller is Chris Danely of JPMorgan. Please proceed.

<Q – Christopher Danely>: Thanks guys for giving the call. Hey Kevin, you mentioned that the capacity on the new fab was 1 billion, how much more room do you guys have with the existing TI analog facilities in terms of revenues?

<A – Kevin Ritchie>: For all our other facilities together?

<Q – Christopher Danely>: Just analog.

<A – Kevin Ritchie>: Just analog. Yes. That is hard question to answer because of mix. If you're saying how many more wafers – if the mix was perfect and we were able to fill up all of our additional capacity in analog, we probably have about 20 to 25% more capability if the mix came in that way. So it's really a difficult question to answer for analog. Different facilities are more loaded than others at this point in time. So if it was perfect mix, we could increase wafers by about 20 to 25%

<Q – Christopher Danely>: I guess to ask it a different way, it sounds like this will be ramping throughout 2011 as will the other TI facilities. So are you guys going to need another 300-millimeter fab in 2012 or something like that after this fills up? I'm just trying to look at the next the step in.

<A – Kevin Ritchie>: Now this equipment only occupies 30% of the floor space in RFAB. So as you look into – you're correct our other facilities in this space, what we call our advanced analog space, will be pretty much tapped out by the end of 2010. So RFAB will generate the growth for 2011 and beyond. We would not need another facility, what we would look for is to add more additional 300-millimeter equipment. So we're at about 30% filled from a floor space point of view when all equipment we purchase is online and running and then we continue to add equipment as needed into the RFAB facility.

<Q – Christopher Danely>: Okay. And as my follow-up, what is the – I guess, what is the cut-off or the tipping point in terms of utilization rates going to be at this fab when it goes from being a drag on margins to a benefit to margin? Will it 60%, 70% utilization rates?

<A – Kevin Ritchie>: No, with the purchase of equipment at the level we got it, I would say the number would be more in the 30% range or so, 30, 35% range because of the fact that we were able to buy the equipment at such a good price.

<A – Dave Pahl>: Okay, Chris, thanks for your question. Let me ask a quick follow-up Kevin. When you are describing the footprint, could you just describe the flexibility that we've got in conversion of DMOS5? We've been in the process of converting that to analog products, and I think we're about 50% through. We're now running product in DMOS6 as well and talk about the flexibility that provides us.

<A – Kevin Ritchie>: So we will – we've been converting, Miho is just about completely converted. It's 100% converted now. So we have some room to grow equipment. We're putting some of the 200-millimeter Qimonda equipment in Miho. Freising has been 100% analog, and we're putting some more equipment in there. So you got the physical growth there.

In DMOS5, we have been converting over time and where we are now is, we are about 50% analog and about 30% or 40% embedded processing and a little bit of logic left. So, the conversion there is – the ability to convert there is a little bit more limited moving forward. We do have some floor space already and equipment.

DMOS6, as we execute our strategy with wireless, more of those products move to 65-nanometer and 40-nanometer on the outside. We will have space in DMOS6 to convert to analog. This year we put our first, what we call our AO35, which is a 130-nanometer copper analog flow into DMOS6 and that is, we are shipping production out of DMOS6 now. DMOS6 is just about 10% analog at this time. And I think over the next couple of years, you'll see that percentage go on up into the 40 to 50% as we move forward.

<A – Dave Pahl>: Okay. Great. Operator, if we could have the next caller please.

Operator: Yes, sir, and our final question comes from the office of Tore Svanberg, Thomas Weisel Partners. Please proceed.

<A – Dave Pahl>: Hey Tore.

<Q – Tore Svanberg>: Yes, hi. You mentioned that you were going to say something about analog processes and I was just wondering as part of this equipment purchase, if you've also developed some new processes that at least you can talk about this point?

<A – Kevin Ritchie>: Okay. I think from a analog process point of view, if you look at, first from a roadmap point of view, the flow that we developed this year is 180-nanometer. We are beginning development of 130-nanometer. It will be C-flow with full analog capabilities and that will be qualified for latter part of 2011, 2012 type of timeframe.

We are also doing some embedded parasitic work, where we're doing chips that have embedded capacitors, inductors into the silicon to replace discrete components, and that's a development that's going on in the DMOS5 facility. We are also doing some work with embedded memories, our FRAM memory, in the space of medical low power embedded processing, where the FRAM is a very low-power memory device that offers a lot of opportunities to operate in low power/no power type of modes with a very significant benefits to power and some access speeds.

And then, we are also doing some work in precision analog with new inductors, new resistors, new thin film capability, as well as in the packaging space, we are doing what we call both through molded vias through silicon vias and continuing a line of stacking packages and integrating chips into modules and packages. So the developments are across a broad range.

The equipment from Qimonda enables lithography scaling as we move forward. So as we move beyond 130-nanometer, that's where we can get the benefit from that as well as our DMOS6 facility already offered us that, because our DMOS6 facility runs down from 65-nanometer with a large portion of its capacity at 90-nanometer. So we were already looking to DMOS6 before Qimonda for a lot of the scaling beyond aluminum going forward.

<Q – Tore Svanberg>: Very helpful. Thank you.

Dave Pahl, Director of Investor Relations

Okay. Well, thank you very much and we'll have replay available of this call on our web. Have a good day.

corrected transcript