

# Corporate and Financial Overview



(as of March 2011)

- PMC-Sierra, Inc. (NASDAQ: PMCS) designs, develops and supports communications and storage semiconductor solutions. PMC-Sierra is a US-based company incorporated under the laws of the state of Delaware.
- PMC-Sierra's corporate head office is in Sunnyvale, California, the company's operations head office is located in Vancouver, British Columbia, and its international head office is in Penang, Malaysia. PMC-Sierra has approximately 1,400 employees comprised of design, technical, marketing and sales teams located throughout North America, Europe, Israel and Asia.
- Regionally, PMC-Sierra sells its products to North America, Asia Pacific (including China, Japan, Korea), and Europe.
- PMC-Sierra is a "fabless" semiconductor company that sources its manufacturing requirements primarily from Taiwan Semiconductor Manufacturing.
- The company is publicly traded on the NASDAQ Stock Market under the "PMCS" symbol. Market capitalization was approximately US \$1.8 billion at the end of Q1, 2011.
- Net revenues in the first quarter of 2011 were \$157.4 million, compared with \$159.3 million for the fourth quarter of 2010. Non-GAAP net income in Q1, 2011 was \$30.6 million and non-GAAP earnings per share were \$0.13.
- Net revenues for the year ended December 26, 2010, were \$635.1 million, an increase of 28% compared with \$496.1 million the prior year.
- PMC-Sierra competes with many semiconductor companies including AppliedMicro, Broadcom, Cortina, Emulex, Exar, Infineon, Intel, LSI, Marvell, Mindspeed, QLogic, Texas Instruments and Vitesse in various market segments.

## PMC-Sierra Market Areas

*Applications using PMC-Sierra semiconductor solutions:*

### Wireline/Wireless Infrastructure

- Optical Transport Platforms/ROADMs
- Carrier Ethernet Switch/Routers
- Edge routing and MSPPs
- Multi-service switches
- Mobile Backhaul
- 3G wireless base stations

*Examples of customers:*

- Alcatel
- Cisco
- Ericsson
- Fiberhome
- Fujitsu
- Huawei
- Juniper
- Nokia
- Nortel
- Siemens
- Tellabs
- ZTE

### Fiber to the Home

- EPON (1G/10G)
- GPON (2.5G/XGPON)

*Examples of customers:*

- Dasan
- Fujitsu
- Huawei
- Mitsubishi
- ZTE

### Enterprise Storage

- Network Attached Storage
- Storage Area Networks
- Server Attached Storage

*Examples of customers:*

- EMC
- Engenio
- Huawei - Symantec
- Hewlett-Packard\*
- Hitachi
- IBM
- Network Appliances

### Channel Storage

- Server Attached Storage
- SSD Cache Performance

*Examples of customers:*

- Bell Microproducts
- Ingram Micro
- Tech Data

### Laser Printers/Networking

- High speed laser and multi-function printers
- Enterprise Networking

*Examples of customers:*

- Cisco
- Fuji Xerox
- Hewlett-Packard\*
- Ricoh

\* Greater than 10% of PMC-Sierra's revenues in Q1, 2011

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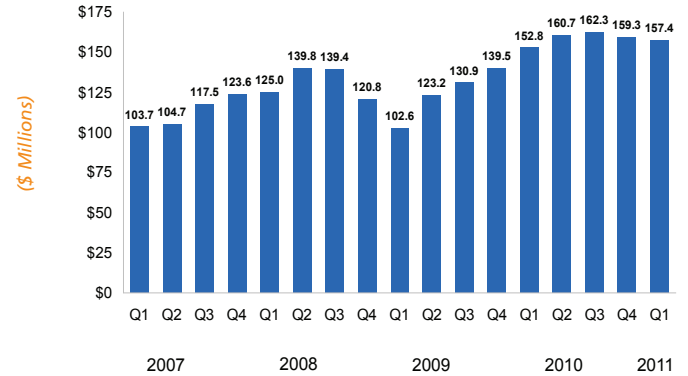
# Historical Financial Data to First Quarter of 2011

(as of March 2011)

## Q1, 2011 - Operating Results Non-GAAP

(\$US Millions)	Q1-10 Mar	Q2-10 June	Q3-10 Sept	Q4-10 Dec	Q1-11 Mar
Revenue	\$152.8	\$160.7	\$162.3	\$159.3	\$157.4
Gross Profit	104.0	110.9	108.8	108.7	107.6
Gross Profit Margin (%)	68.1%	69.0%	67.0%	68.2%	68.4%
Operating Expenses	(59.3)	(62.0)	(65.0)	(72.4)	(75.9)
Income from operations	44.7	48.9	43.8	36.2	31.7
Operating Margin (%)	29.3%	30.4%	27.0%	22.8%	20.1%
Net Income	43.5	47.6	42.9	34.6	30.6
E.P.S.	\$0.19	\$0.20	\$0.18	\$0.15	\$0.13

## Q1, 2011 - Total Quarterly Revenues



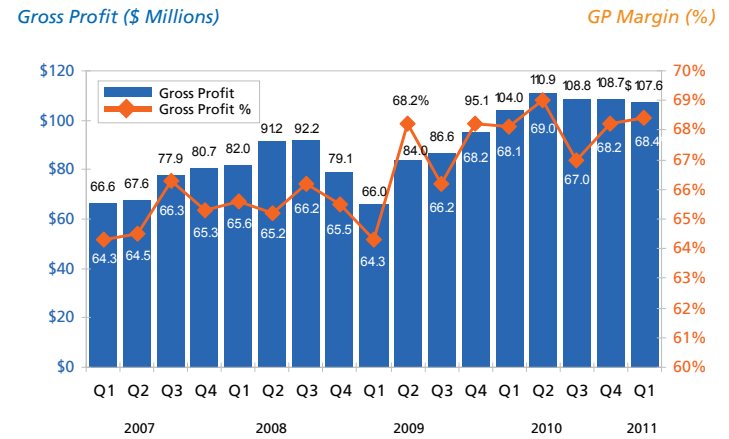
## Q1, 2011 - Balance Sheet

Key Balance Sheet Items	Mar 2010	June 2010	Sept 2010	Dec 2010	Mar 2011
Total Cash & Investments	\$486.2	\$501.5	\$555.8	\$583.5	\$413.7
Accounts Receivable	\$60.2	\$79.8	\$76.8	\$69.3	\$80.1
Inventory	\$32.9	\$34.9	\$36.1	\$51.1	\$37.5
Convertible Note (Face Value)	\$68.3	\$68.3	\$68.3	\$68.3	\$68.3
Short-term Loan	-	-	-	\$181.0	-
Net Cash	\$417.9	\$431.2	\$487.5	\$334.2	\$345.4

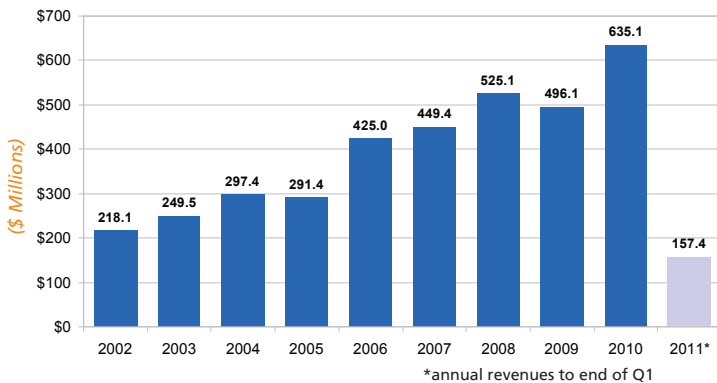
  

Quarterly Metrics	Mar 2010	June 2010	Sept 2010	Dec 2010	Mar 2011
Days Sales O/S	36 days	39 days	43 days	40 days	46 days
Inventory Turns	6.0x	6.5x	6.0x	5.2x	6.3x
Capex	\$1.5	\$2.1	\$3.3	\$4.5	\$2.9
Depreciation	\$2.0	\$2.0	\$2.1	\$2.5	\$2.4

## Q1, 2011 - Quarterly Gross Profit and Margin



## Q1, 2011 - Annual Revenues



## Q1, 2011 - Quarterly EPS (Non-GAAP)

