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Transitioning Assembly, Test, Backend & Shipping of "Freescale" Products.

Date: 12-06-2005

Dear Valued Customer,

This communication is provided as a supplement to the letter that was sent to you regarding the sale of the timing solutions business by Freescale to our company, Integrated Device Technology (IDT). This has been implemented and IDT has been providing product while making the transition as seamless and as smooth as possible.

In the initial Freescale notification, it was stated that they would "provide assembly / test services to IDT during a transition period". To keep you updated on the current status of this agreement, the "transition period" has reached a point of expiration, and IDT will be assuming responsibility for the assembly, test, backend and shipping functions associated with the manufacture of these products.

Utilizing the IDT expertise and infrastructure, as a leading timing solutions provider, we will be initiating the following steps:

- a. We will continue to provide the wafers from the same foundries that were used by Freestyle for the die within these clock products.
- b. These devices will be assembled by approved assembly sources for the package styles that are used in the manufacture of IDT products. As such, there will be no relaxation of quality / reliability control and it can be assured that future product will be equal to or better than prior deliveries.
- c. There were two test sites being utilized by Freescale for these products. These will now be changed and be done within IDT facilities.
 - a. Product that was previously tested at the assembly source, ASE, will have the testing conducted at the IDT facility in Singapore.
 - b. Product tested on the HP83K at KLM (Freescale facility) will be processed at IDT-Penang. These testers will be moved from KLM to Penang.
- d. Backend and shipping functions will be performed at each of the IDT test facilities in Singapore and Penang where the parts are tested.

It is our goal to provide product and service in an uninterrupted manner that will satisfy all customer needs. This transition of assembly, test, backend and shipping will initiate the necessary steps to ensure our ability to: sustain required manufacturing capacities and keep lead times to a minimum.