



Silicon Motion Technology Corporation Updates Second Quarter 2009 Guidance

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TAIPEI, Taiwan, Jul 9, 2009 (GlobeNewswire via COMTEX) -- Silicon Motion Technology Corporation (Nasdaq:SIMO) (the "Company"), a leading fabless semiconductor company that designs, develops, and markets universally compatible, high-performance, low-power semiconductor solutions for the multimedia consumer electronics market, today announced an update to its second quarter 2009 financial guidance.

The Company now expects:

Q2 2009 revenue

New guidance: down 5 to 10% sequentially

Prior guidance: up 5 to 15% sequentially

Q2 2009 gross margin

New guidance: 47 to 48% range

Prior guidance: 44 to 46% range

Q2 2009 operating expense

New guidance: \$11 to 12 million (excluding stock-based compensation, acquisition-related charges, and one time items)

Prior guidance: \$12 to 13 million (excluding stock-based compensation, acquisition-related charges, and one time items)

"The Company continued to be impacted by the effects of the global economic slowdown and the NAND flash shortage that our customers have been facing. We had anticipated an increase in NAND flash supply from chipmakers in the second quarter as a result of their higher fab utilization rates, but availability of supply to our customers remained limited and this in turn limited their procurement of controllers," said Wallace Kou, President and CEO of Silicon Motion. "Our gross margins are however significantly higher than planned due to better product mix management, which partially offset our anticipated lower revenue. While our anticipated second quarter sales are weaker than expected, we remain optimistic about our long-term prospects and product roadmap, whether relating to flash controllers, mobile TV ICs, or other products."

The Company is planning on releasing its second quarter 2009 results after the market closes on July 29, 2009 and hosting a conference call on July 30, at 8am Eastern Time, to discuss its results.

About Silicon Motion:

We are a fabless semiconductor company that designs, develops and markets high performance, low-power semiconductor solutions for the multimedia consumer electronics market. We have three major product lines: mobile storage, mobile communications, and multimedia SoCs. Our mobile storage business is composed of microcontrollers used in NAND flash memory storage products such as flash memory cards, USB flash drives, SSDs, embedded flash applications, and card readers. Our mobile communications business is composed of mobile TV tuners, CDMA RF ICs, and electronic toll collection RF ICs. Our multimedia SoCs business is composed of products that support portable multimedia players, DAB systems, PC cameras, and embedded graphics applications.

Forward-Looking Statements:

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including without limitation, statements about Silicon Motion's updated expected second quarter 2009 guidance, revenue, gross margin and operating expense, all of which reflect management's estimates based on information available at this time of this press release. While Silicon Motion believes these revised estimates to be meaningful, these amounts could differ materially from actual reported amounts for the second quarter. Forward-looking statements also include, without limitation, statements regarding trends and developments in the global economic market affecting our business, the multimedia consumer electronics market and our future results of operations, financial condition and business prospects. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue," or the negative of these terms or other comparable terminology. Although such statements are based on our own information and information from other sources we believe to be reliable, you should not

place undue reliance on them. These statements involve risks and uncertainties, and actual market trends or our actual results of operations, financial condition or business prospects may differ materially from those expressed or implied in these forward looking statements for a variety of reasons. Potential risks and uncertainties include, but are not limited to, our belief in the outcome of any claim or lawsuit, including those uncertainties relating to litigation filed against the Company relating to whether its products are covered by patents not owned by the Company; unpredictable volume and timing of customer orders, which are not fixed by contract but vary on a purchase order basis; the loss of one or more key customers or the significant reduction, postponement, rescheduling or cancellation of orders from these customers or the ability of any of our customers to pay us in a timely fashion; integration of our recently announced acquisitions, general economic conditions, including recent developments with regard to the global economy or conditions in the semiconductor or multimedia consumer electronics markets; decreases in the overall average selling prices of our products; changes in the relative sales mix of our products; changes in our cost of finished goods; the availability, pricing, and timeliness of delivery of other components and raw materials used in our customers' products; our customers' sales outlook, purchasing patterns, and inventory adjustments based on consumer demands and general economic conditions; our ability to successfully develop, introduce, and sell new or enhanced products in a timely manner; and the timing of new product announcements or introductions by us or by our competitors. For additional discussion of these risks and uncertainties and other factors, please see the documents we file from time to time with the Securities and Exchange Commission, including our Annual Report on Form 20-F filed on May 12, 2008. We assume no obligation to update any forward-looking statements, which apply only as of the date of this press release.

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