



Silicon Motion Technology Corporation Updates Guidance for First Quarter 2006

April 4, 2006

TAIPEI, Taiwan, R.O.C., April 4 /Xinhua-PRNewswire/ -- 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 that it expects revenue for the first quarter ending March 31, 2006 to be approximately \$17.5 million and gross margin to be between 53% and 54%.

"In the first quarter, NAND flash memory prices fell significantly throughout the quarter, with some densities having fallen as much as 70%," commented Wallace Kou, Silicon Motion's President and CEO. "The magnitude and duration of the declines exceeded our earlier expectation. The prolonged price decline caused many of our customers to postpone purchases of NAND flash memory and controllers. This exacerbated the slowdown that is associated with what is normally a seasonally slow quarter. However, since early March our business conditions have improved. We currently expect our Q2 results to be sequentially better and will provide more specific guidance when we announce our Q1 results."

The Company expects to release its financial results for the first quarter before the market opens on April 28, 2006 and will host a conference call during the morning of April 28 to discuss the results. Details of the conference call will be announced at a later date.

About Silicon Motion:

Silicon Motion Technology Corporation is a leading fabless semiconductor company that designs, develops, and markets universally compatible, high-performance, low-power semiconductor solutions for the multimedia consumer electronics market. The Company's semiconductor solutions include controllers used in mobile storage media, such as flash memory cards and USB flash drives, and multimedia systems on a chip, or SoCs, used in digital media devices such as MP3 players, PC cameras, PC notebooks and broadband multimedia phones.

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. Such forward-looking statements include, without limitation, statements regarding trends in 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 our claim against one of our subcontractors for the inventory loss that we sustained during a fire at the subcontractor's factory; 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; general economic conditions 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 the registration statement on Form F-1 filed on June 24, 2005, as amended. 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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