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**Chartered Expands Foundry Market Access to IBM's 90nm SOI Technology; Licensing Agreement with IBM Enables Chartered to Extend 90nm SOI Market Availability**

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MILPITAS, Calif. & SINGAPORE--(BUSINESS WIRE)--April 20, 2006--Chartered Semiconductor Manufacturing (Nasdaq:CHRT) (SGX-ST:CHARTERED), one of the world's top dedicated semiconductor foundries, announced today that it has licensed the 90-nanometer (nm) Silicon-on-Insulator (a) (SOI) technology from IBM. The agreement enables Chartered to expand the use of the technology to areas such as consumer, multi-media, communications, automotive and industrial applications, thereby delivering more choice and flexibility to foundry customers for manufacturing their leading-edge products. The SOI technology is production-proven, having been used in a range of high-volume applications such as consumer-market games and enterprise information solutions, and demonstrated extremely low defect densities.

"The licensing agreement allows us to open new markets for SOI technology and continue to reap the benefits of a common platform approach. It positions us to better serve the increasingly demanding power and performance requirements of a variety of products, as well as expand our market reach and client base," said Kevin Meyer, vice president of worldwide marketing and platform alliances at Chartered. "We intend to expand our collaboration with our value-chain partnerships to develop a comprehensive ecosystem in support of our portfolio of leading-edge technologies to help mitigate the challenges and risks of design and manufacturing."

The agreement follows an initial outsourcing arrangement between the two companies announced in January 2004. Under that agreement, Chartered successfully implemented the breakthrough IBM 90nm technology in its Singapore-based Fab 7 and manufactured CPU products for Microsoft Corporation's popular Xbox 360 game console.

"As advanced process technology for semiconductors expands from primarily performance-driven applications to performance and low power, SOI technology is becoming an increasingly critical capability for foundries to offer. Over the next five years, Semico projects SOI wafer production to increase at a CAGR of over 40 percent," said Joanne Itow, Managing Director at Semico Research Corporation. "The IBM SOI technology has been production-proven on its own enterprise-server products, as well as in volume consumer products such as those produced for Microsoft's Xbox line. That experience, combined with the successful track record of technology transfer and cooperation between IBM and Chartered in other areas, makes this an excellent fit for Chartered and expands the opportunity for more companies to leverage the benefits of SOI."

Chartered today also announced an agreement at 65nm, which allows Chartered to utilize the IBM SOI technology to manufacture Microsoft's CPU products at 65nm.

"Today's agreement with Chartered is a significant step forward in driving adoption of IBM process technology around the world," said Walter Lange, field executive, IBM Systems and Technology Group. "Along with the innovative Common Platform strategy, IBM and Chartered continue to re-define the traditional semiconductor supply chain model."

(a) SOI refers to placing a thin layer of silicon on top of an insulator, such as silicon oxide or glass. The transistors (switches that are used in microprocessors) are then built on top of this thin layer of SOI. The basic idea is that the SOI layer reduces the capacitance of the switch, so it operates faster.

About Chartered

Chartered Semiconductor Manufacturing (Nasdaq:CHRT) (SGX-ST:CHARTERED), one of the world's top dedicated semiconductor foundries, offers leading-edge technologies down to 65 nanometer (nm), enabling today's system-on-chip designs. The company further serves the needs of customers through its collaborative, joint development approach on a technology roadmap that extends to 45nm. Chartered's strategy is based on open and comprehensive design enablement solutions, manufacturing enhancement methodologies, and a commitment to flexible sourcing. In Singapore, the company operates a 300mm fabrication facility and four 200mm facilities. Information about Chartered can be found at <http://www.charteredsemi.com>.

Safe Harbor Statement under the provisions of the United States Private Securities Litigation Reform Act of 1995

This news release contains forward-looking statements, as defined in the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements, including without limitation, statements relating to the licensing agreement enabling Chartered to expand the use of the technology to consumer, multi-media, communications, automotive and industrial applications thereby delivering more choice and flexibility to foundry customers, the licensing agreement positioning us to better serve the increasingly demanding power and performance requirements of a variety of products in different market segments, our ability to work with our value-chain partners to develop a comprehensive ecosystem so as to support broader industry access to leading-edge innovation while addressing the challenges and risks of design and manufacturing, Semico's SOI wafer production increasing at a CAGR of over 40 percent, reflect our current views with respect to future events and financial performance and are subject to certain risks and uncertainties, which could cause actual results to differ materially from historical results or those anticipated. Among the factors that could cause actual results to differ materially are: demands from our major customers, specifically products from Fab 7; ramp schedule of Fab 7; unforeseen delays or interruptions in our plans for our fabrication facilities; the performance level of and technology mix in our fabrication facilities; our progress on leading edge products; the successful implementation of our partnership, technology and supply alliances and competition. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that our expectations will be attained. In addition to the foregoing factors, a description of certain other risks and uncertainties which could cause actual results to differ materially can be found in the section captioned "Risk Factors" in our Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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