NetLogic Microsystems, Inc.

February 2007

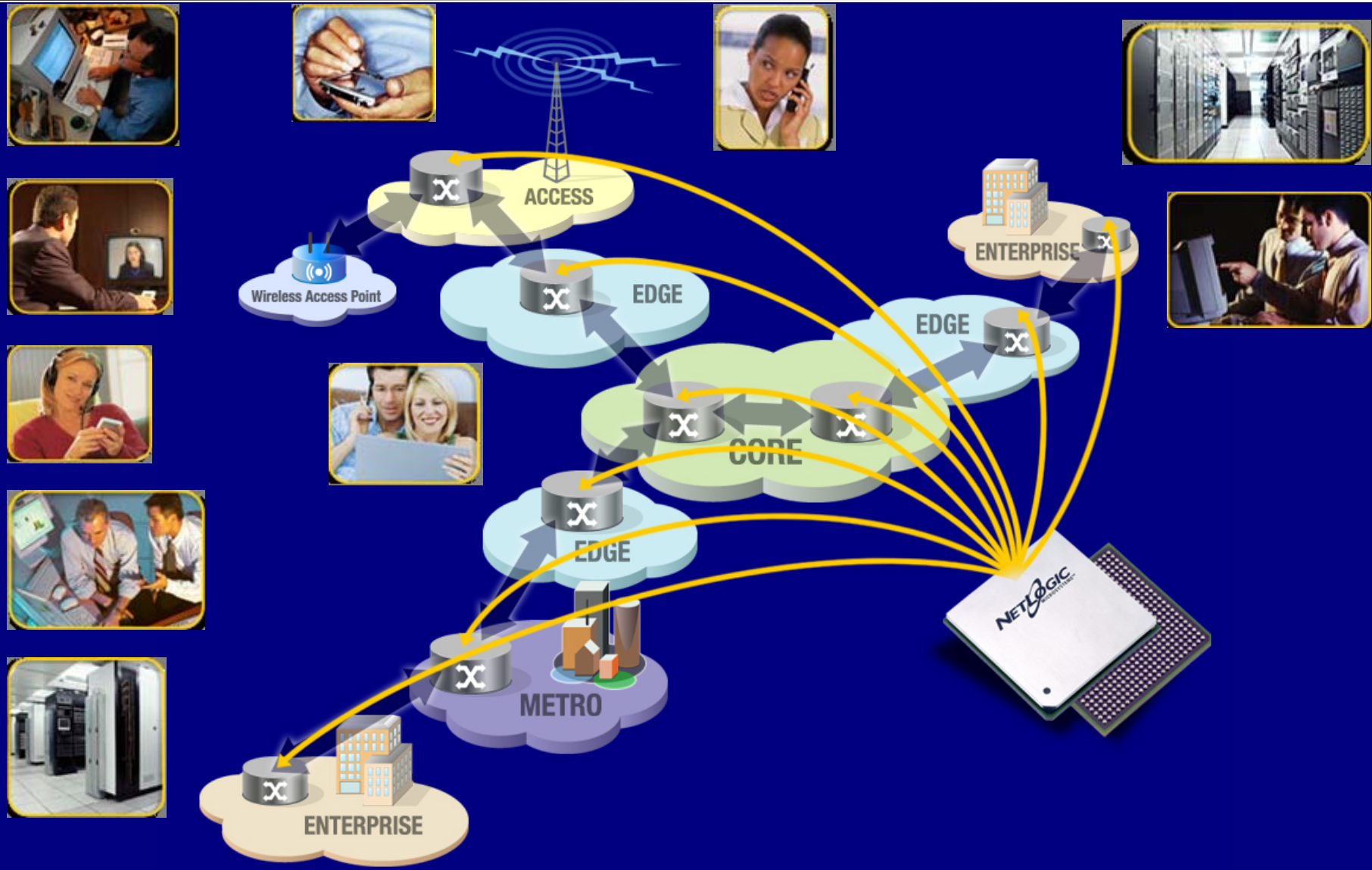
Safe Harbor Statement

This presentation shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of NetLogic Microsystems' securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under securities laws of such state or jurisdiction.

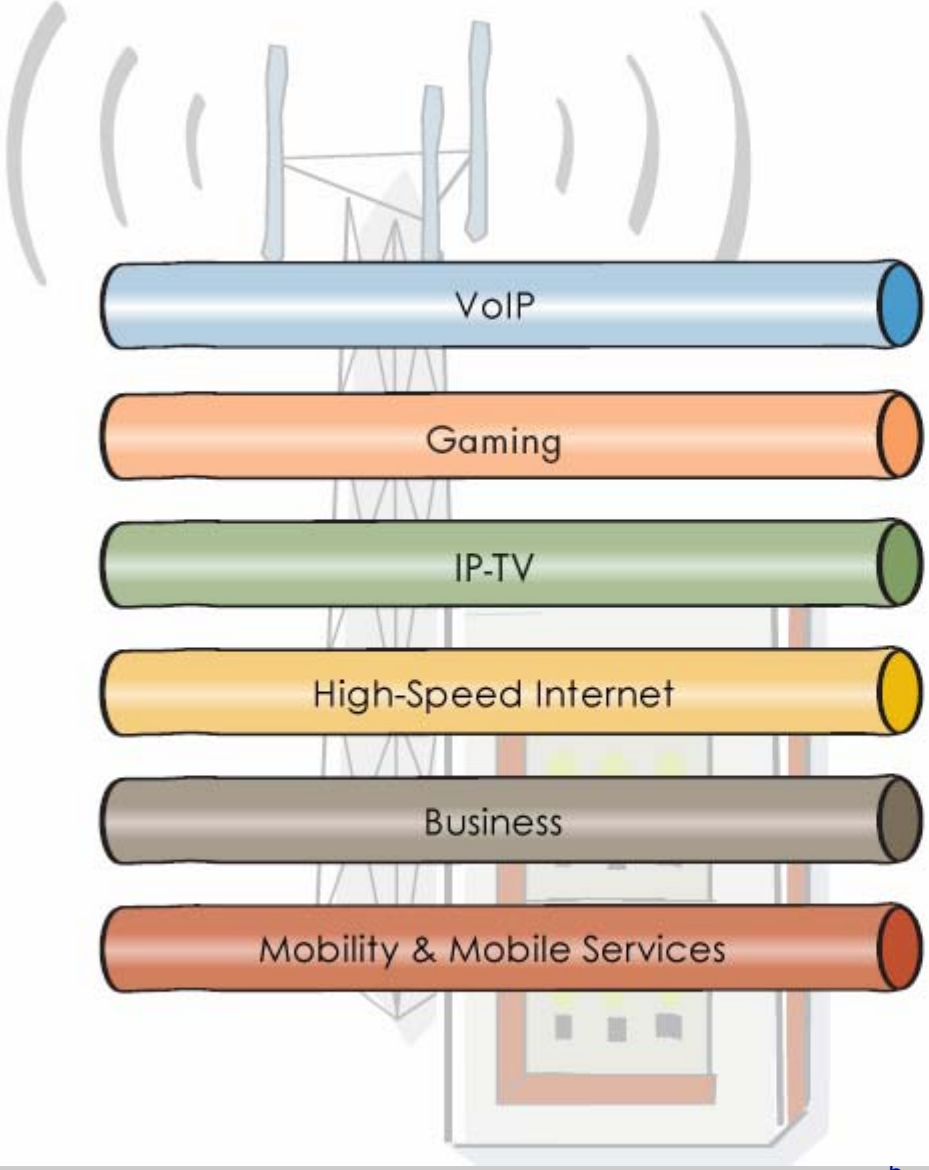
Statements in this presentation regarding NetLogic Microsystems' business, including, but not limited to, revenue projections, which are not historical facts may be "forward-looking statements" that involve risks and uncertainties. Forward-looking statements are based on certain assumptions and expectations of future events that are subject to risks and uncertainties. Actual results and trends may differ materially from historical results or those projected in any such forward-looking statements depending on a variety of factors. These factors include, but are not limited to, customer acceptance and demand for our products, the volume of sales to our principal product customers, manufacturing yields for our products, potential warranty claims and product defects, the timing of manufacture and delivery of product by our foundry suppliers, the length of our sales cycles, our average selling prices, the strength of the OEM networking equipment market and the cyclical nature of that market and the semiconductor industry. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in our Forms 10-Q and 10-K, as well as other reports that NetLogic Microsystems files from time to time with the Securities and Exchange Commission. All forward-looking statements are qualified in their entirety by this cautionary statement, and NetLogic Microsystems undertakes no obligation to update publicly any forward-looking statement for any reason, except as required by law, even as new information becomes available or other events occur in the future.

Knowledge-Based Processing: From Entry-Level Packet Processing to Content Processing at Wire Speeds

Knowledge-Based Processing: Entry-Level Packet Processing to Content Processing at Wire Speed



Web2.0 Content-Rich Services and Applications



- VoIP, real time, no delay
- High availability

- Low latency, full interactivity
- Server-based and peer-to-peer

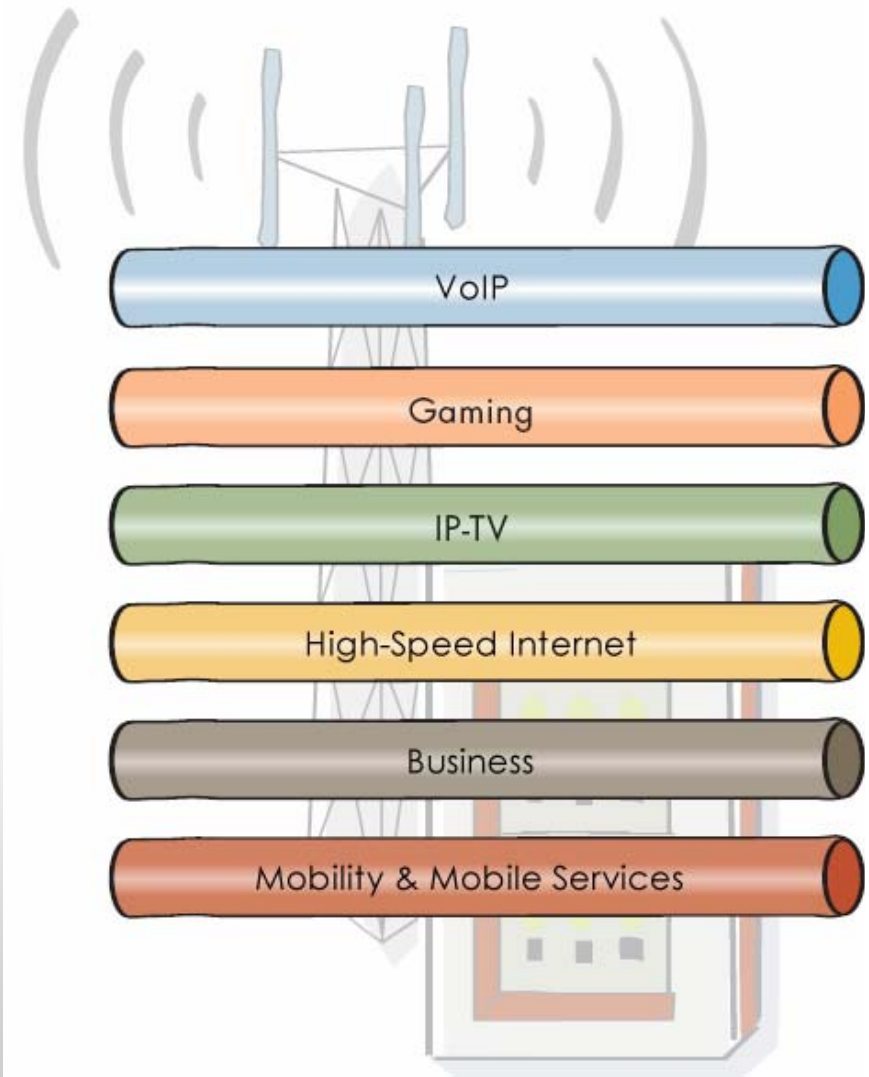
- Video on Demand
- High-Def driven BW
- Interactive experience

- VoIP, Video, Data convergence
- Peer-to-peer applications

- Secured access, bundled
- Voice data VPN anywhere

- Mobile TV
- Interactive gaming
- Web access

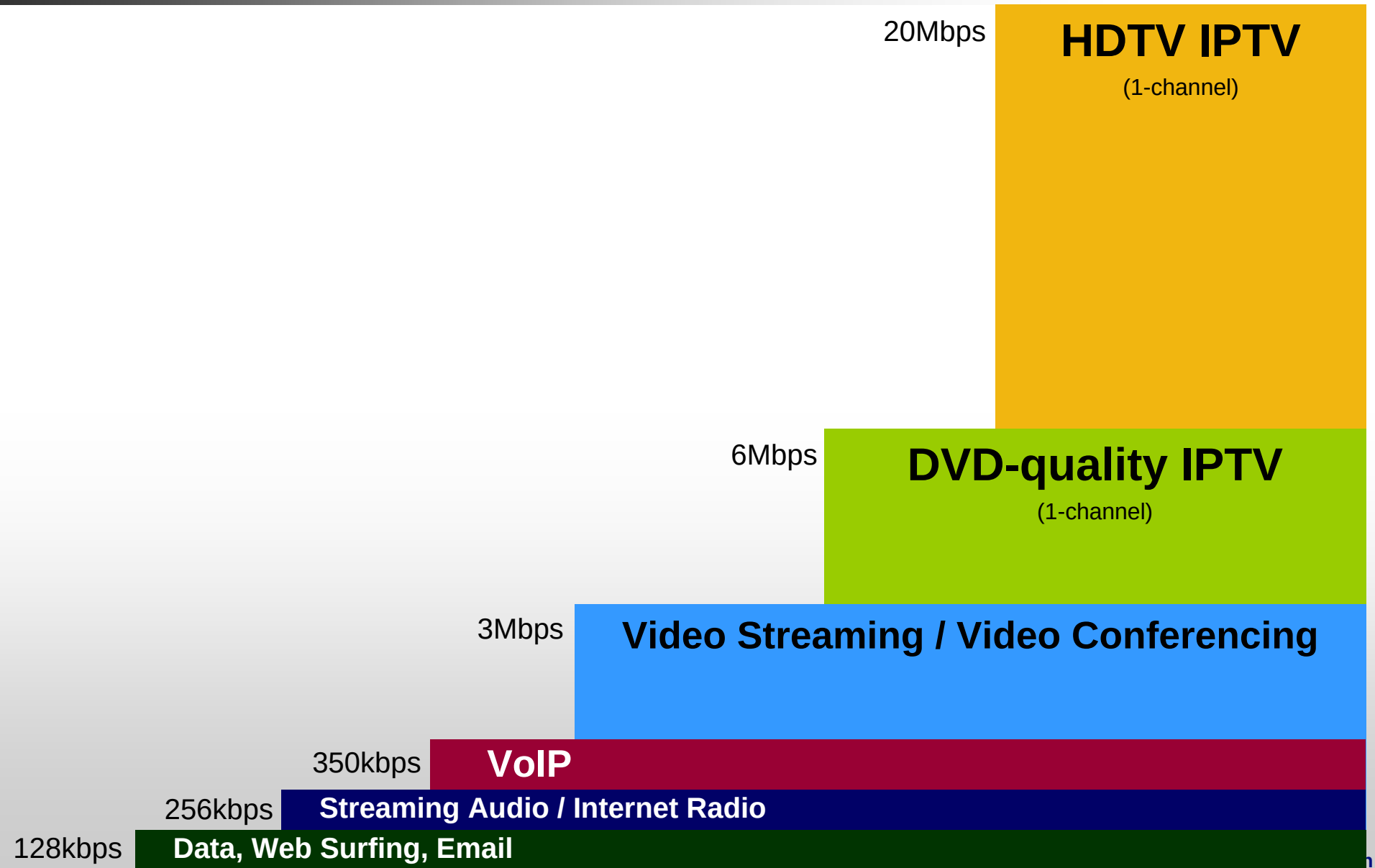
The Increasing Need for Knowledge-based Processing



10+ Gbps	ACL Security	QoS	IPv6	Billing	Application Acceleration	IPS	Malware Protection	DRM
✓	✓	✓	✓	✓	✓	✓	✓	
✓	✓	✓	✓	✓	✓	✓	✓	✓
✓	✓	✓	✓	✓	✓	✓	✓	✓
✓	✓	✓	✓	✓	✓	✓	✓	✓
✓	✓	✓	✓	✓	✓	✓	✓	✓
✓	✓	✓	✓	✓	✓	✓	✓	✓

Layers 2-4 Layers 4-7

Bandwidth Drivers



U.S. Telecom 2007 CAPEX Expansion

comcast

- **Increasing YoY CAPEX by 24% to $5.7B in 2007**
  - **$4.2B (75%) will go toward new equipment** (VoIP, Broadband, HDTV, VOD)
- **Expects 73% in VoIP subscriber growth from 1.5M in 2006 to 2.6M in 2007**

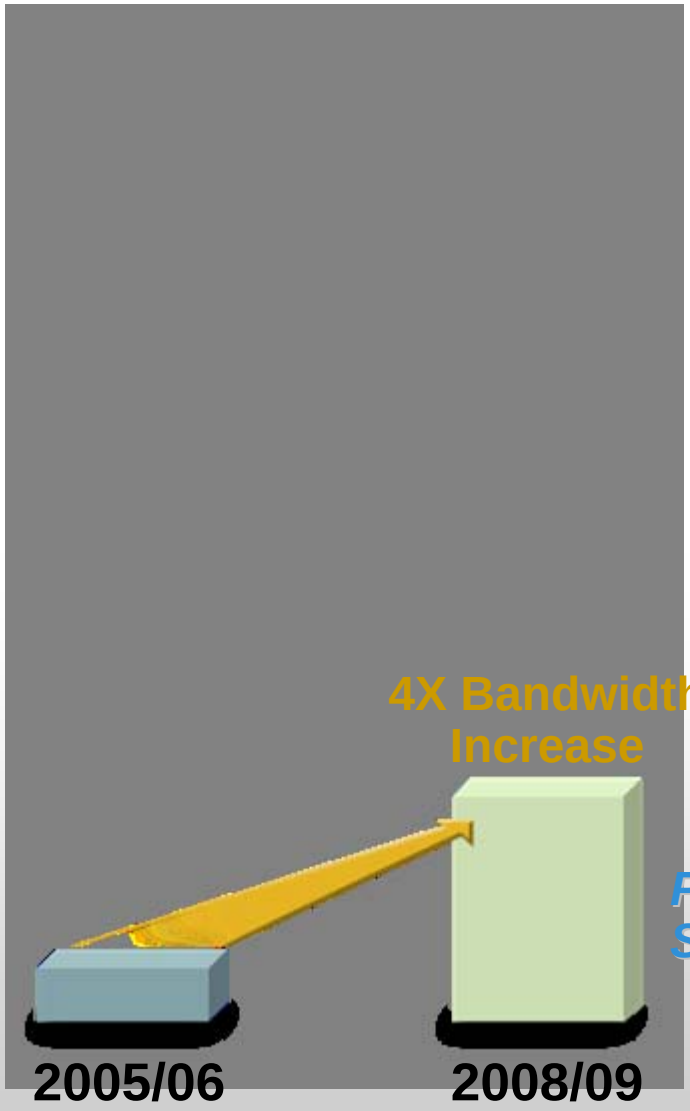
at&t

- **Ramping U-verse IPTV deployment aggressively**
- **Expects 8M users by end-2007**

verizon

- **Increasing wireline CAPEX to $10.8B, and wireless CAPEX to $6.7B in 2007**
  - Majority of wireline CAPEX will go toward FiOS FTTP/IPTV infrastructure

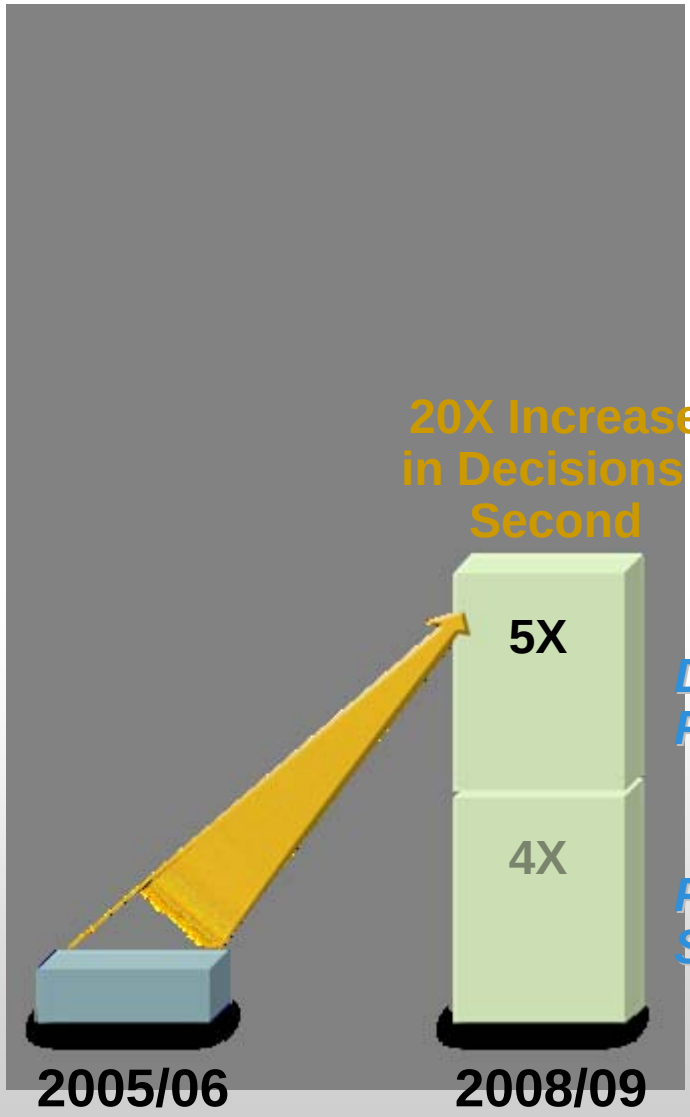
Next-Generation Internet:
New Bandwidth-Intensive Applications



Applications

- eMail
- eCommerce
- VPNs
- VoIP
- Video / Audio on Demand
- Music Downloading / File Sharing
- Online Games

Next-Generation Internet:
More Complex Packet Processing

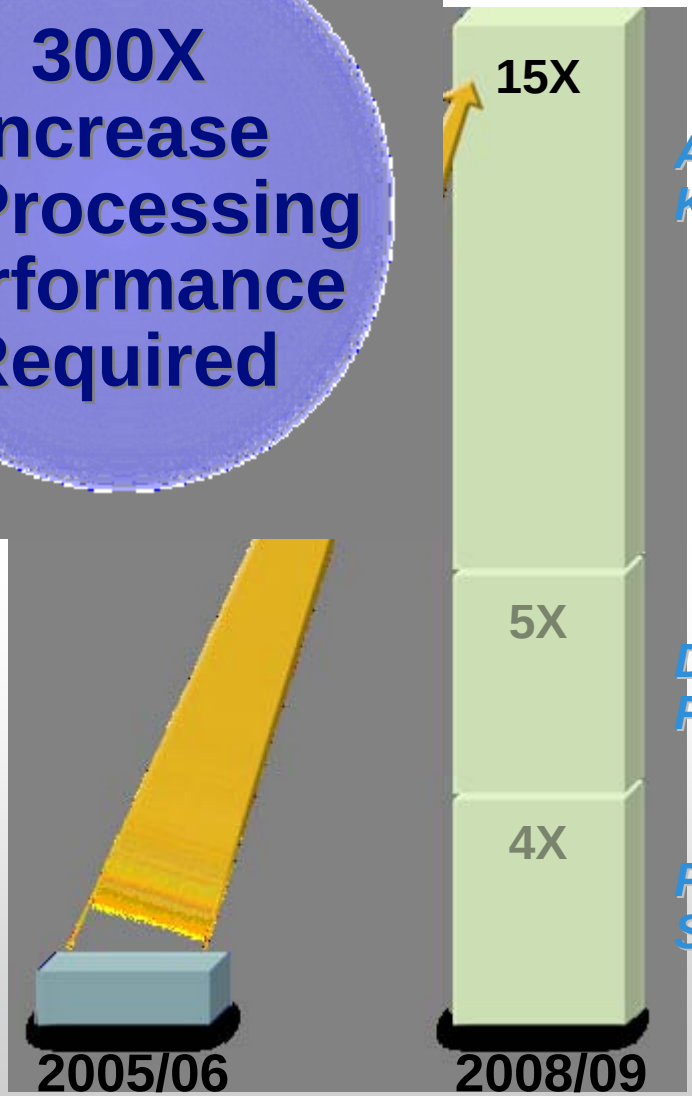


Packet Processing Tasks

- Forwarding / Routing
- Prioritization for QoS
- Access Control for Security
- Measurement for Billing

Next-Generation Internet:
More Nodes → Longer IP Addresses

300X Increase in Processing Performance Required



Amount of Knowledge

Decisions / Packet

Packets / Second

Network Intelligence Drivers

- More
  - IP Addresses
  - Network Systems
  - Routing Paths
  - Service Types / Levels
- IPv6
  - Larger Records (4X)
  - More Complex Processing

Rapid innovation in processor architecture, performance and features

NL5000
- KBP Gen 3
- Parallel processing
- 158MHz

NL5000 -2
- 266MHz
- Low-power process (1V)

NL6000
- KBP Gen 3+
- Superscalar and Parallel processing
- 350MHz

NL6000XS
- 500MHz
- Intelligent dynamic power management

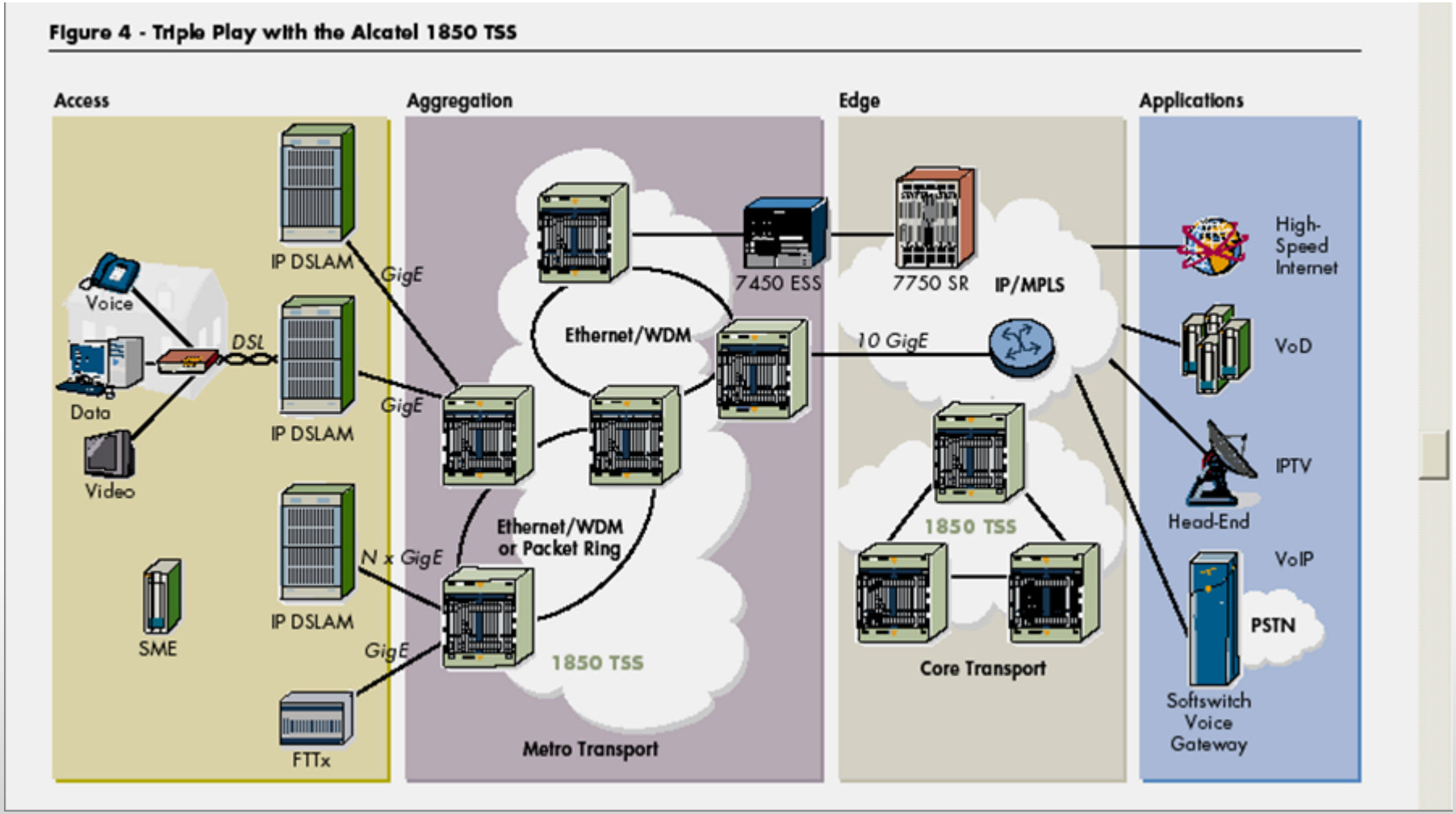
NL7000
- KBP Gen 3++
- New core with advanced functionality and enhanced power management

NL8000
- KBP Gen 4
- 1.2 BDPS

2003 **2004** **2005** **2006**

Leading OEM Customer Base

Targeting Triple Play Internet Convergence and Beyond



Source: Alcatel-Lucent

Quad Play Enablement

MOBILITY

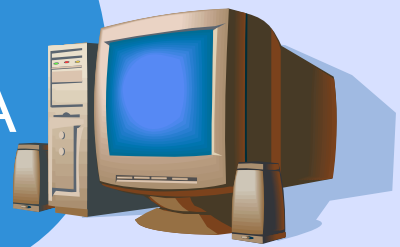
VIDEO

NETL

Knowledge-based Processing

VOICE

DATA



Quad Play Enablement

- Per user rules
- QoS rules
- Security rules
- Billing rules
- DRM rules

MOBILITY

VIDEO

- Per video stream routing
- Video stream filtering
- Billing rules
- QoS rules
- DRM rules

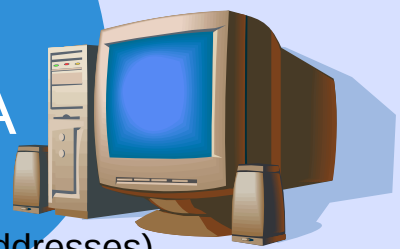
NETL

Knowledge-based Processing

- Per call routing rules
- QoS rules
- Security rules
- Billing rules

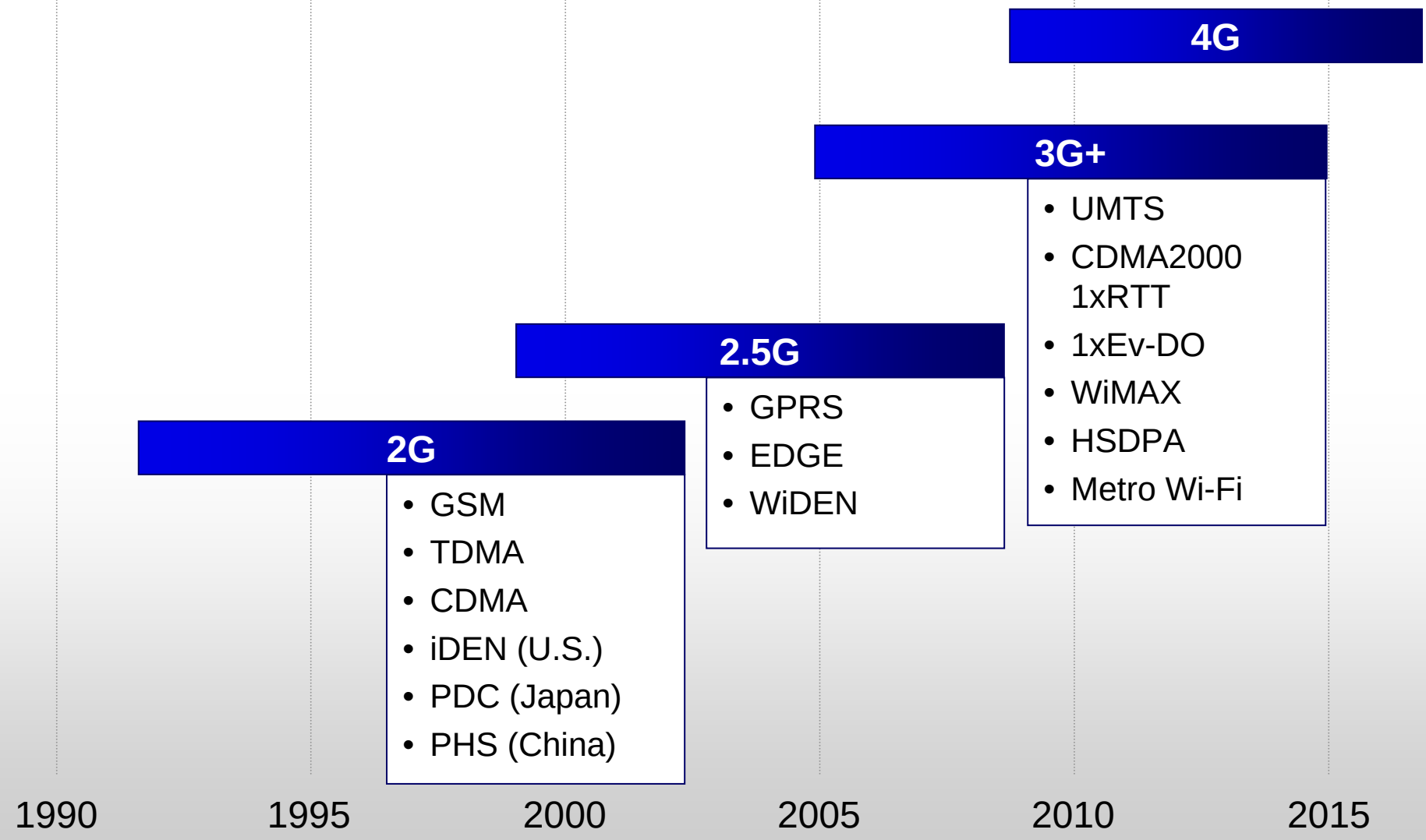
VOICE

DATA

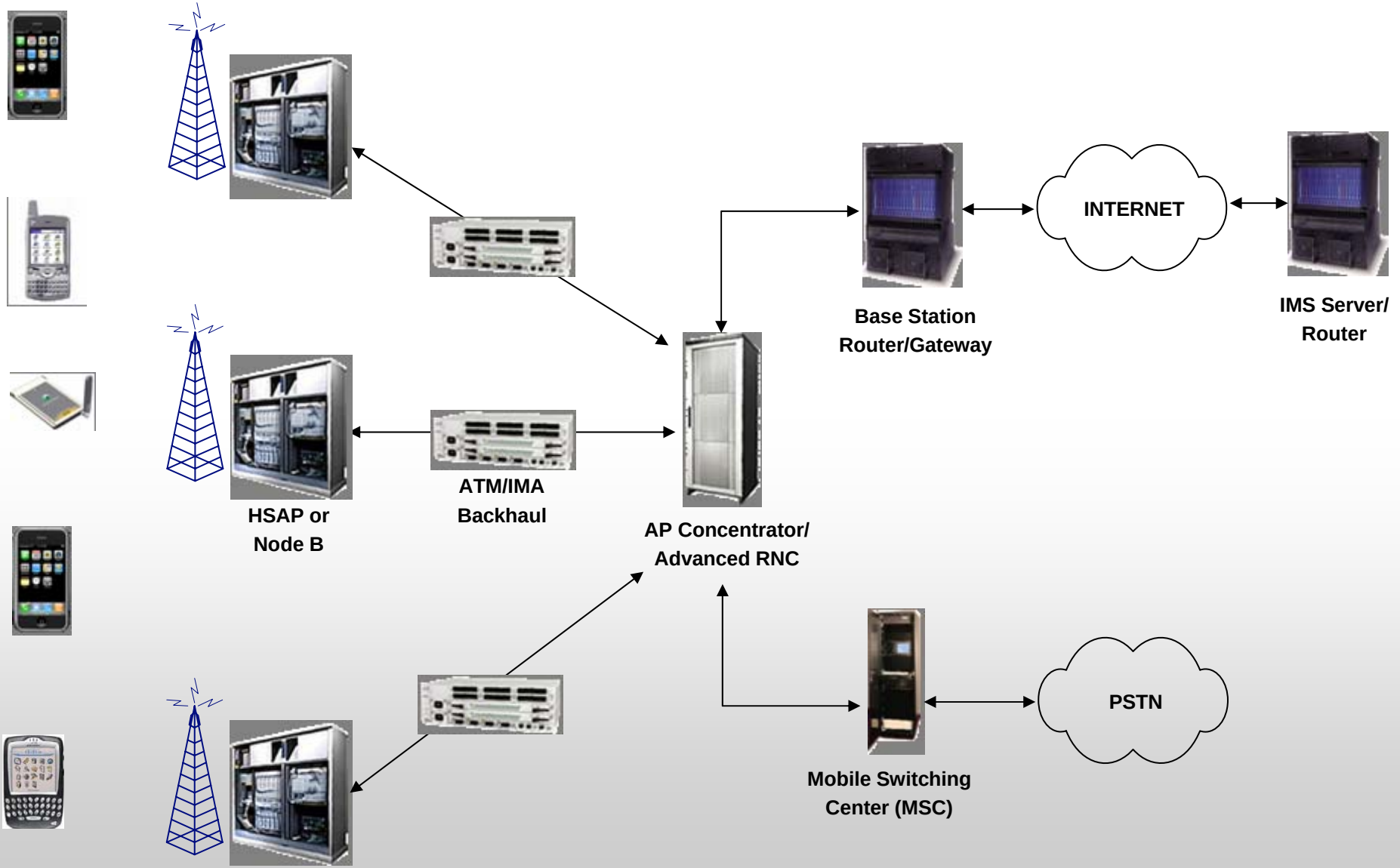


- Routing rules (IP addresses)
- Security rules (firewall, VPN, IPS, AV)
- Policy rules (load balancing)

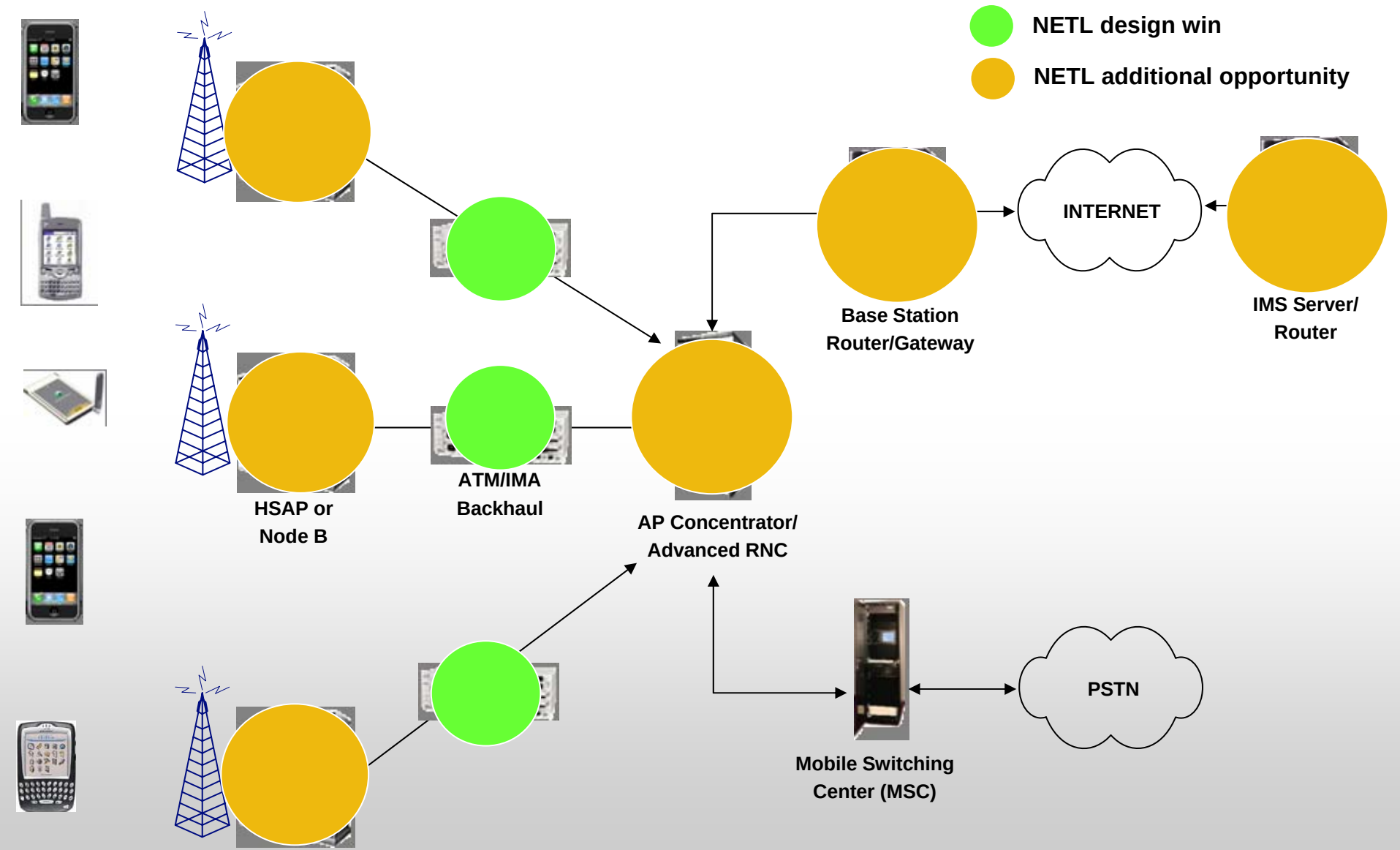
Mobility – The Fourth Leg of Quad Play



3G+ Mobile Wireless

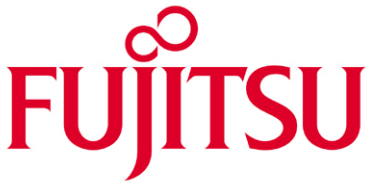


3G+ Mobile Wireless



NetLogic 3G+ Opportunities

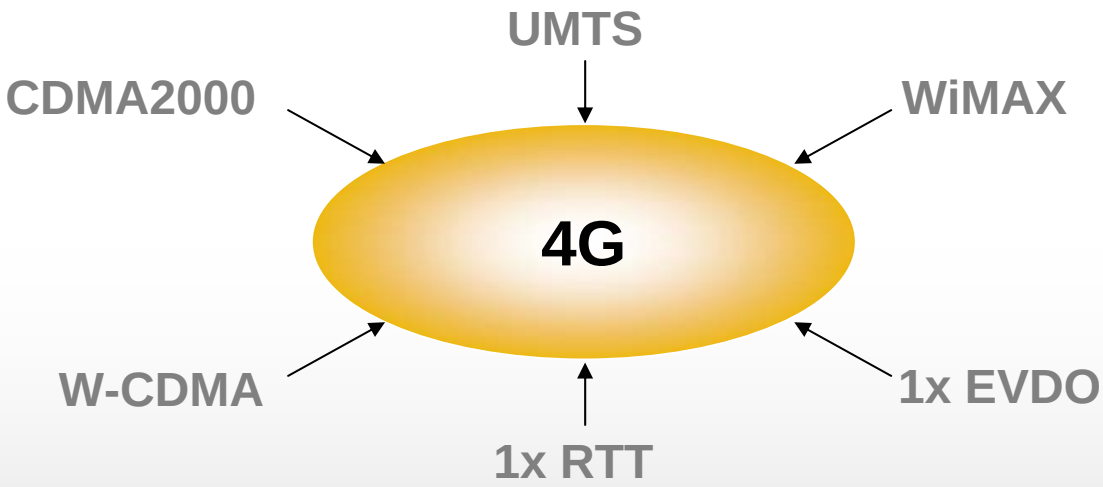
Recent Design Wins



Additional Opportunities

4G Wireless – 2008 and Beyond

- **Carriers are targeting 10x performance (bandwidth) at ½ the cost compared to 3G**



- **Multiple carriers targeting initial deployments in 2008**

4G Wireless – 2008 and Beyond

- **All IPv6 (packet-based) infrastructure**
  - IPv6 keys = 2.5-4X larger than IPv4 keys

	IPv4	IPv6
Forwarding	32b	128b / 64b
ACL	128b	320b

  - 4G requires 3-4 IPv6 lookups per packet
  - **Net effect: 4G requires 8-16X more Knowledge-based Processing!**
- **Security at every access point to protect carrier's network**
  - Widespread content inspection requirements ideally suited to NETL7

Product, Customer and Revenue Diversification

Layers 3-4

Advanced Core/Edge Routers, Enterprise, Metro Switches

- **NL5000/6000/7000**
  - Up to 500 million decisions/sec
  - 64K→1024K IPv4 database records
  - Parallel Processing
  - Deep Pipelining
  - Low power features & modes
- **NL8000**
  - Up to 1,200 million decisions/sec
  - 256K to 1024K IPv4 database records
  - Context Buffers
  - Key Processing Unit
- **Sahasra™ Processor**
  - 250 million decisions/sec
  - 1.5M+ IPv4 database records

Product, Customer and Revenue Diversification

Layers 2-3

Entry-Level Switches & Routers

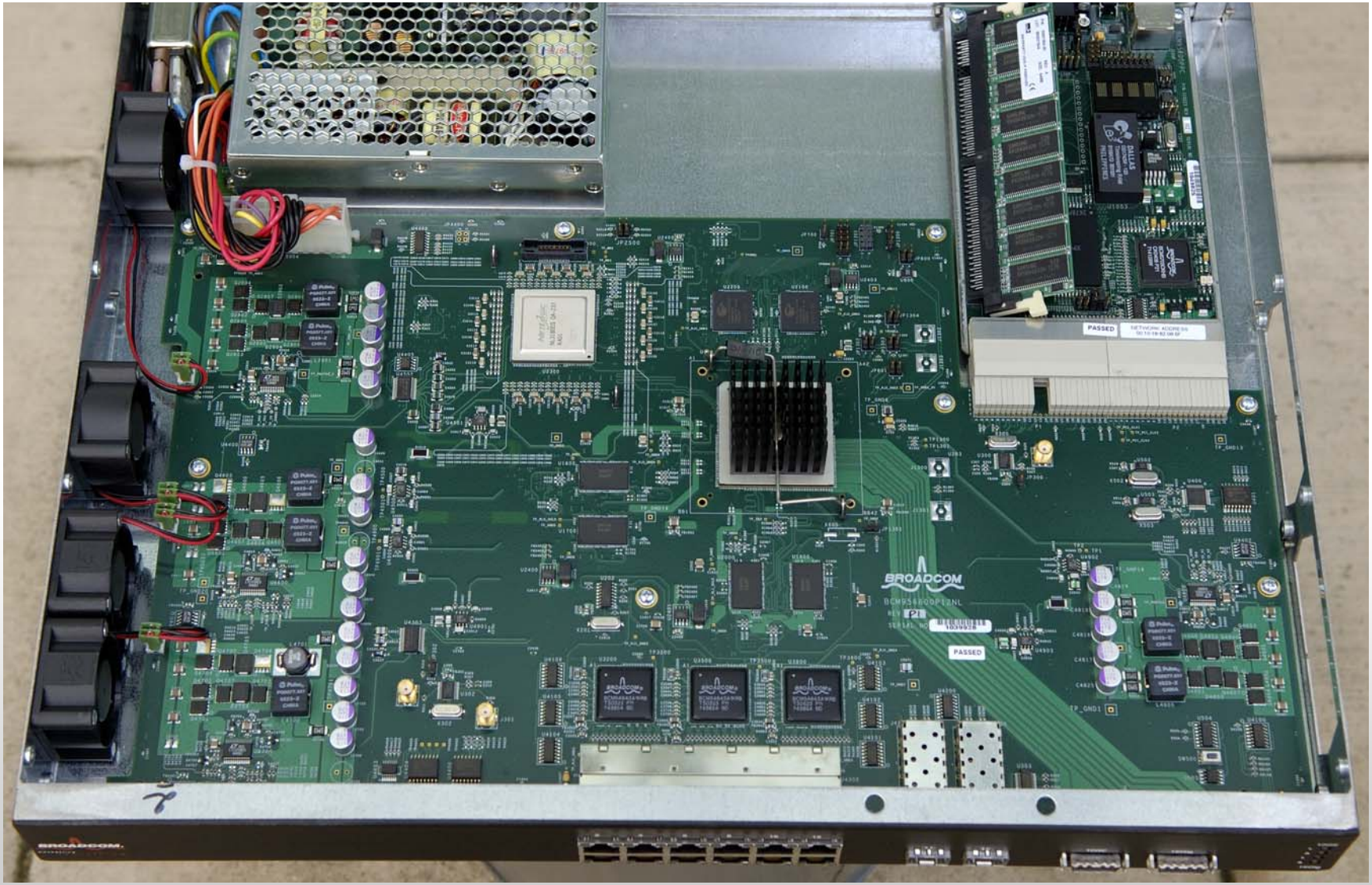
- **NETLite™ Processor**
  - Simplified Instruction Set
  - Low Cost Manufacturing
  - Faster Time to Market
  - 133 million decisions/sec
  - 128K to 512K IPv4 database entries
- **Ayama™ Processor**
  - Pipelined, synchronous architecture
  - 128K to 512K IPv4 entries
  - Mini-Key™ power mgmt

Layers 3-4

Advanced Core/Edge Routers, Enterprise, Metro Switches

- **NL5000/6000/7000**
  - Up to 500 million decisions/sec
  - 64K→1024K IPv4 database records
  - Parallel Processing
  - Deep Pipelining
  - Low power features & modes
- **NL8000**
  - Up to 1,200 million decisions/sec
  - 256K to 1024K IPv4 database records
  - Context Buffers
  - Key Processing Unit
- **Sahasra™ Processor**
  - 250 million decisions/sec
  - 1.5M+ IPv4 database records

NETLite™ Processor - Layer 2/3 Switch Router (Broadcom-based)



NETLite™ Partners & Target Customers

Silicon Partners

- Broadcom
- Marvell
- EZchip Technologies
- Xelerated

Existing Customers (Expansion)

- Juniper Networks
- Cisco
- Fujitsu
- Foundry Networks — The Power of Performance™
- Nortel
- Ericsson — Taking You Forward

New Customers

- HP — invent
- ProCurve Networking — HP Innovation
- 3com
- Huawei 3com
- Dell™
- D-Link — Building Networks for People
- Accton 智邦科技

Product, Customer and Revenue Diversification

Layers 2-3

Entry-Level Switches & Routers

- **NETLite™ Processor**
  - Simplified Instruction Set
  - Low Cost Manufacturing
  - Faster Time to Market
  - 133 million decisions/sec
  - 128K to 512K IPv4 database entries
- **Ayama™ Processor**
  - Pipelined, synchronous architecture
  - 128K to 512K IPv4 entries
  - Mini-Key™ power mgmt

Layers 3-4

Advanced Core/Edge Routers, Enterprise, Metro Switches

- **NL5000/6000/7000**
  - Up to 500 million decisions/sec
  - 64K→1024K IPv4 database records
  - Parallel Processing
  - Deep Pipelining
  - Low power features & modes
- **NL8000**
  - Up to 1200 million decisions/sec
  - 256K to 1024K IPv4 database records
  - Context Buffers
  - Key Processing Unit
- **Sahasra™ Processor**
  - 250 million decisions/sec
  - 1.5M+ IPv4 database records

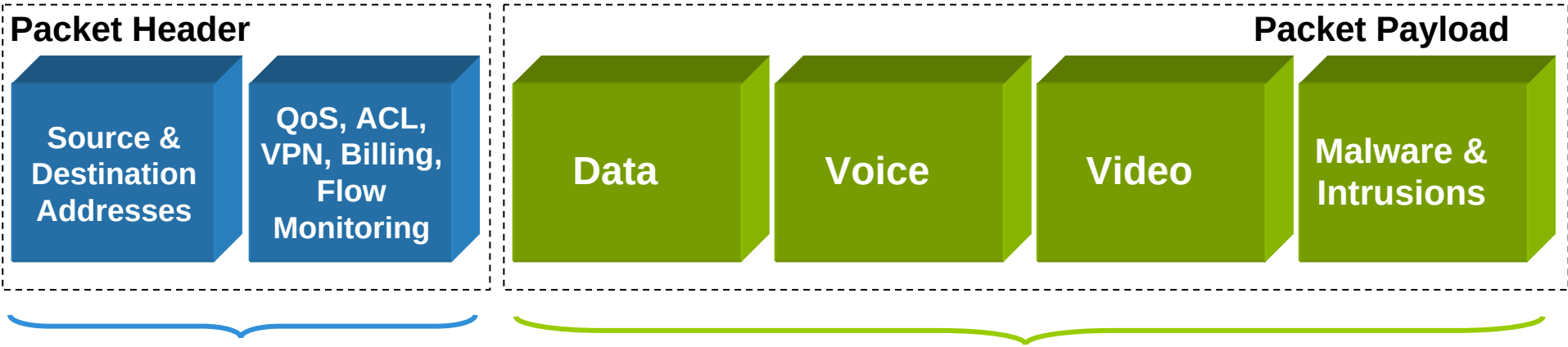
Layers 4-7

L7 Routing/Load Balancing, UTM, IDS/IPS, Anti-Virus/Spam

- **NETL7™ Processor**
  - NLS1000 - Industry's first 10Gbps content processor
  - Application-layer networking
  - Network security applications
  - Deep-packet content inspection and signature recognition


NETLOGIC MICROSYSTEMS
NETL7™
knowledge-based processors
Layer 7 Content Processing

Leveraging NETL's Leadership in Packet Processing



Layer 4

250-500 bits

Market Leader

Existing KBPs

- 10-40 Gbps
- Packet HEADER Inspection
- Layer 2-4 (Network Awareness)

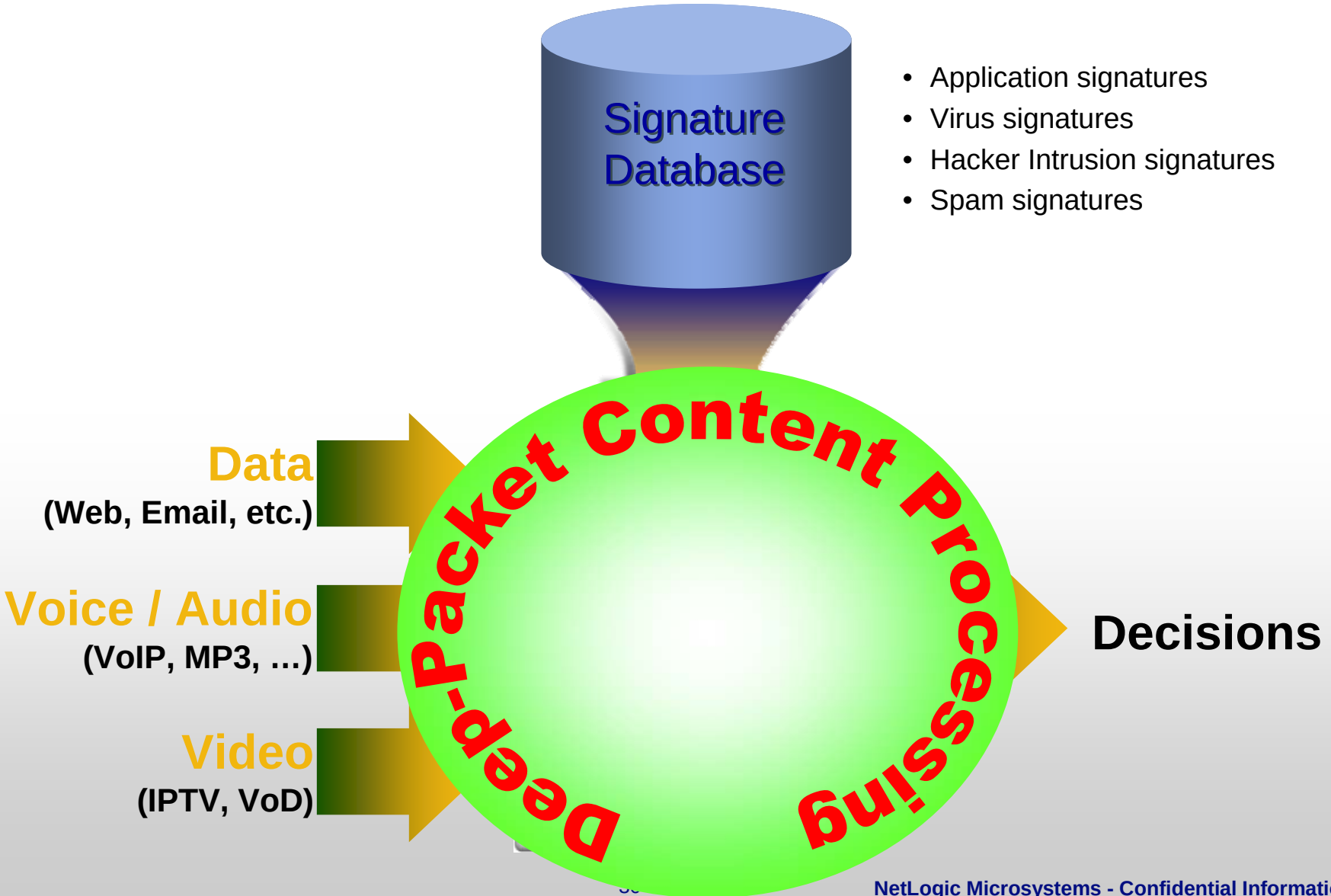
Layer 7

5K+ bits

NETL7™ Knowledge-based Processors

- 10 Gbps
- Packet PAYLOAD Inspection
- Layer 7 (Content Awareness)

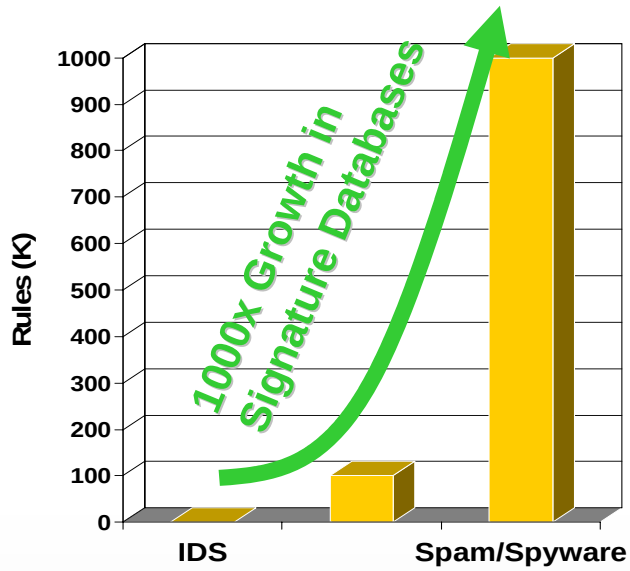
What is Content Processing?



- Application signatures
- Virus signatures
- Hacker Intrusion signatures
- Spam signatures

NETL7™ Layer 7 Knowledge-based Processors

- **Industry's first 1-10Gbps content processor**
  - Inspect every bit of voice, video and data traffic against an increasingly complex signature database
  - Signature database size and complexity expected to double every 12-18 months



- **Accelerate processing-intensive and compute-intensive functions:**
  - Deep-Packet Inspection
  - Signature Recognition (Pattern Matching)
  - Regular Expression processing

- **10-30X acceleration over software-based solutions!**

NETL7™ Processor Key Applications

1. Layer 7 networking (application awareness)

a) Application acceleration
- Accelerate network traffic and create tiered services based on applications

b) Content-based routing/switching
- Apply QoS and routing policies based on content

c) Datacenter load balancing
- Optimize loading on servers based on applications and content

2. Network security

a) Unified Threat Management (UTM)
- Provide unified layers of defense against blended threats

b) Intrusion Detection & Prevention Systems (IDS/IPS)
- Prevent hacker intrusions

c) Malware Protection
- Prevent virus, spam and spyware attacks

3. Compliance and enforcement

a) Digital Rights Management
- Enforce legal download and transmission of media files

b) Sensitive document protection
- Prevent transmission of watermarked sensitive document outside of private network

Target Markets

Networking

Applications:

- Layer 7 Routers
- Layer 7 Switches
- Application Acceleration Equipment

Sample Customer Base:

Security

Applications:

- Unified Threat Management (UTM) Appliances
- Intrusion Detection/ Prevention Systems (IDS/IPS)
- Anti-Virus Gateways
- Anti-Spam Gateways

Sample Customer Base:

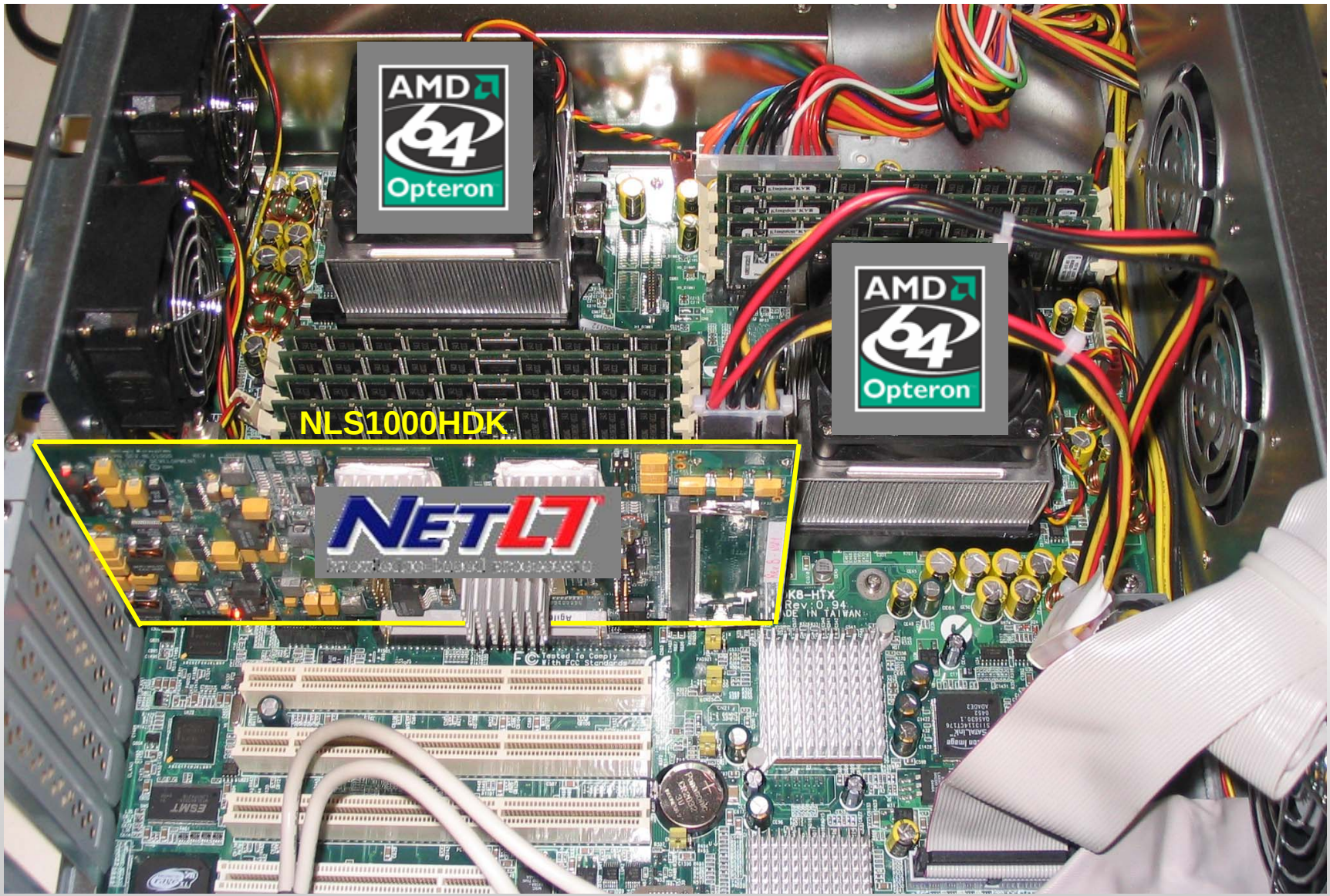
Datacenter

Applications:

- Datacenter Servers
- Web Caching Servers
- Load Balancers
- Protocol Analyzers

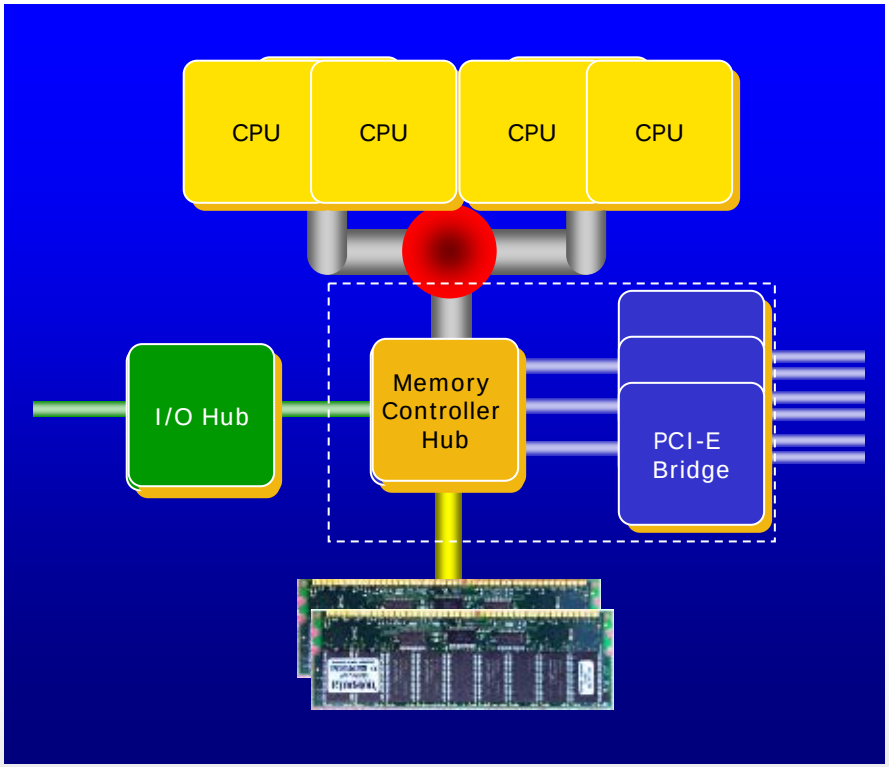
Sample Customer Base:

Announced Collaboration With AMD – Opens x86 Computing Market



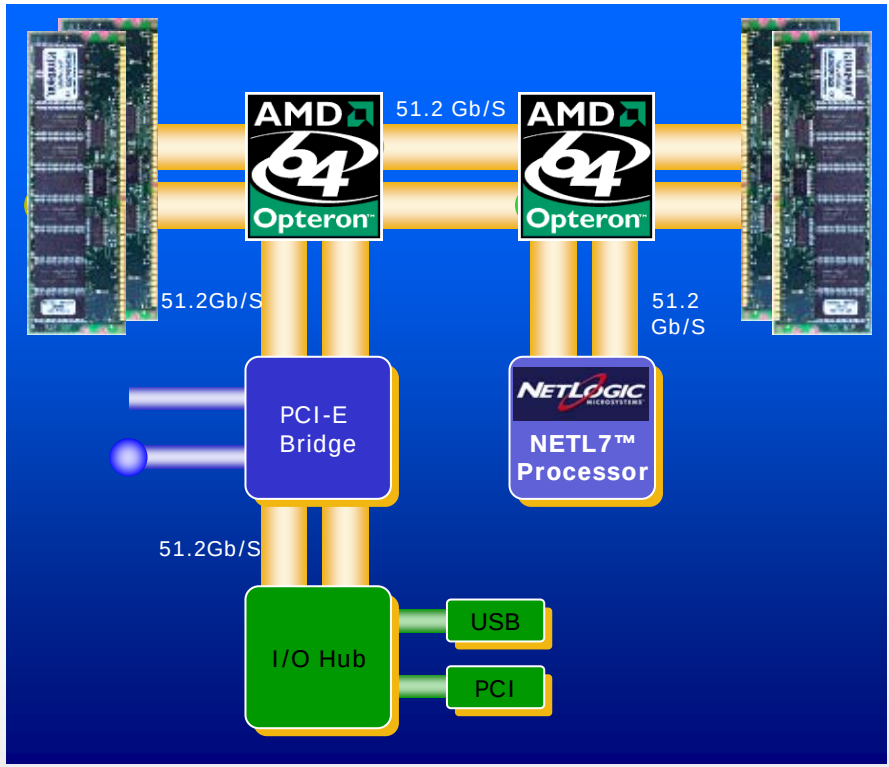
High Performance Content Processing Platform

Legacy System



- Memory and I/O compete for bandwidth on the same bus
- Memory access through MCH introduces longer latency
- Acceleration solutions connect to Processor through both PCI-E bridge and MCH

NETL/AMD System



- Separate memory and I/O pathways eliminates bandwidth competition
- Low latency memory access with integrated memory controller
- Acceleration solutions connect directly to Processor

Driven by Innovation

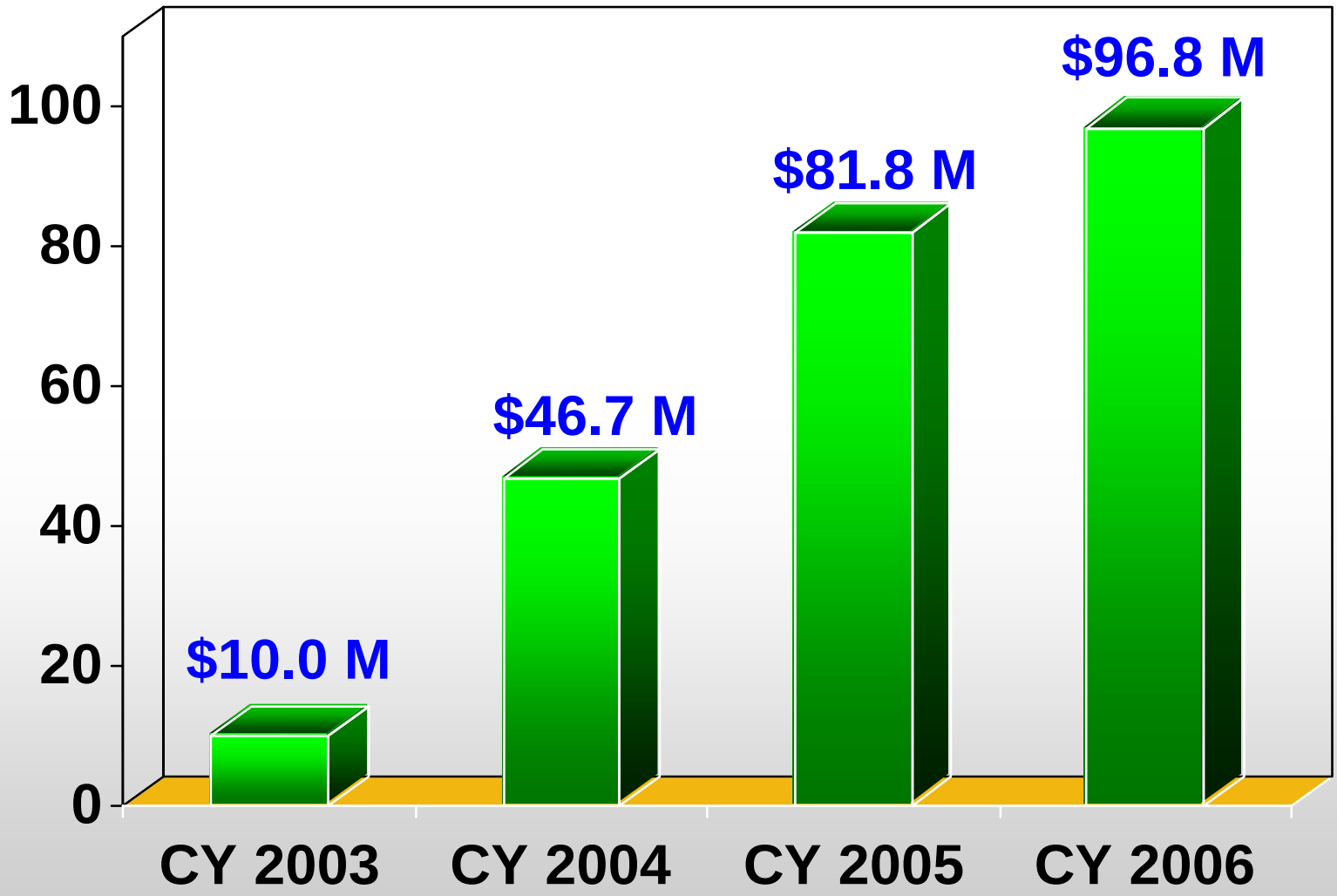
- Ranked by IEEE Spectrum magazine in Top 10 Companies with the **Most Powerful Patent Portfolios** in the Semiconductor Manufacturing Category, Dec 2006
- NetLogic Microsystems ranked
  - **FIRST** in “Pipeline Originality”
  - **SECOND** in “Pipeline Impact”
  - **TENTH** in the overall “Pipeline Power”
- Others in the Top 10 included Broadcom, Intel, Micron Technology, Sandisk, Texas Instruments and Xilinx

NETLOGIC MICROSYSTEMS™

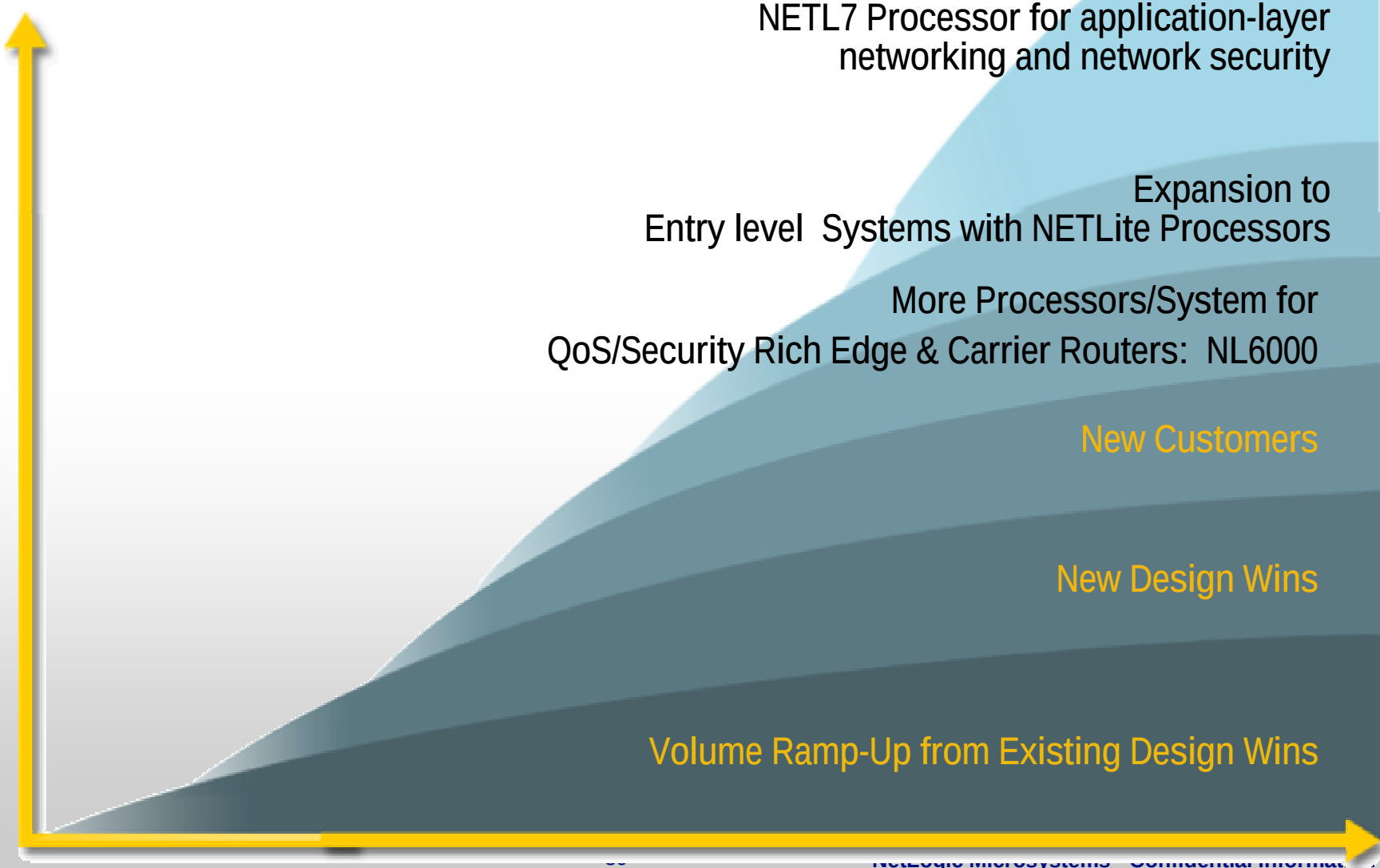
Putting Intelligence in the Network™

Financials

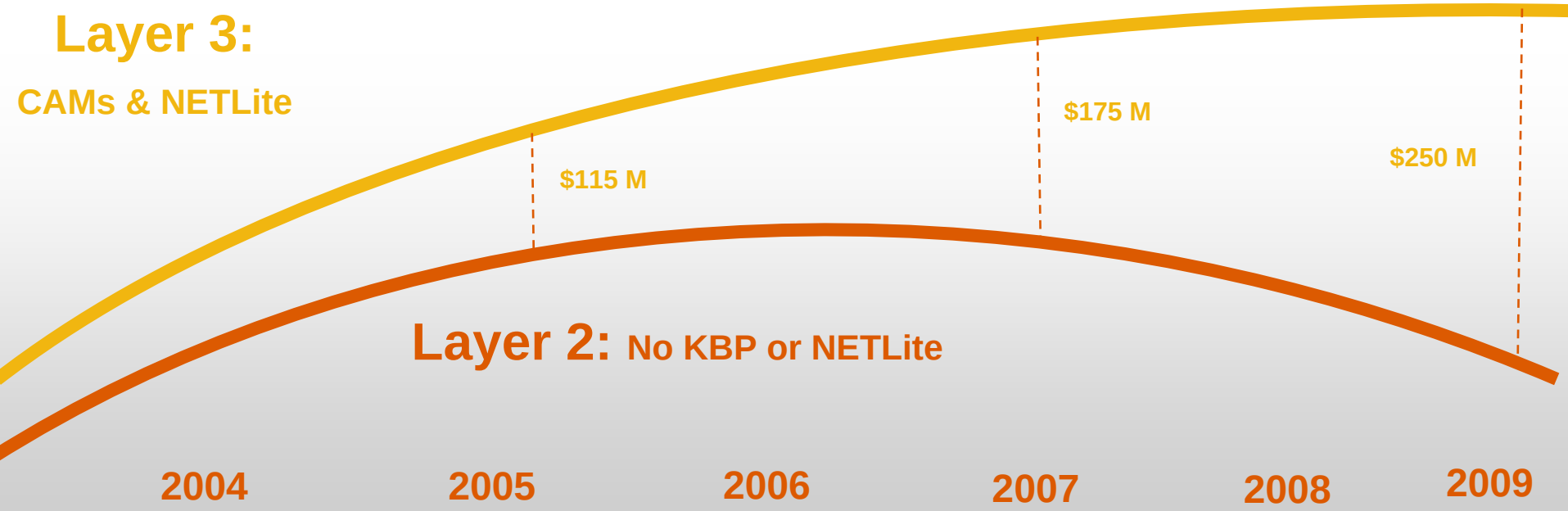
Product Revenue Growth



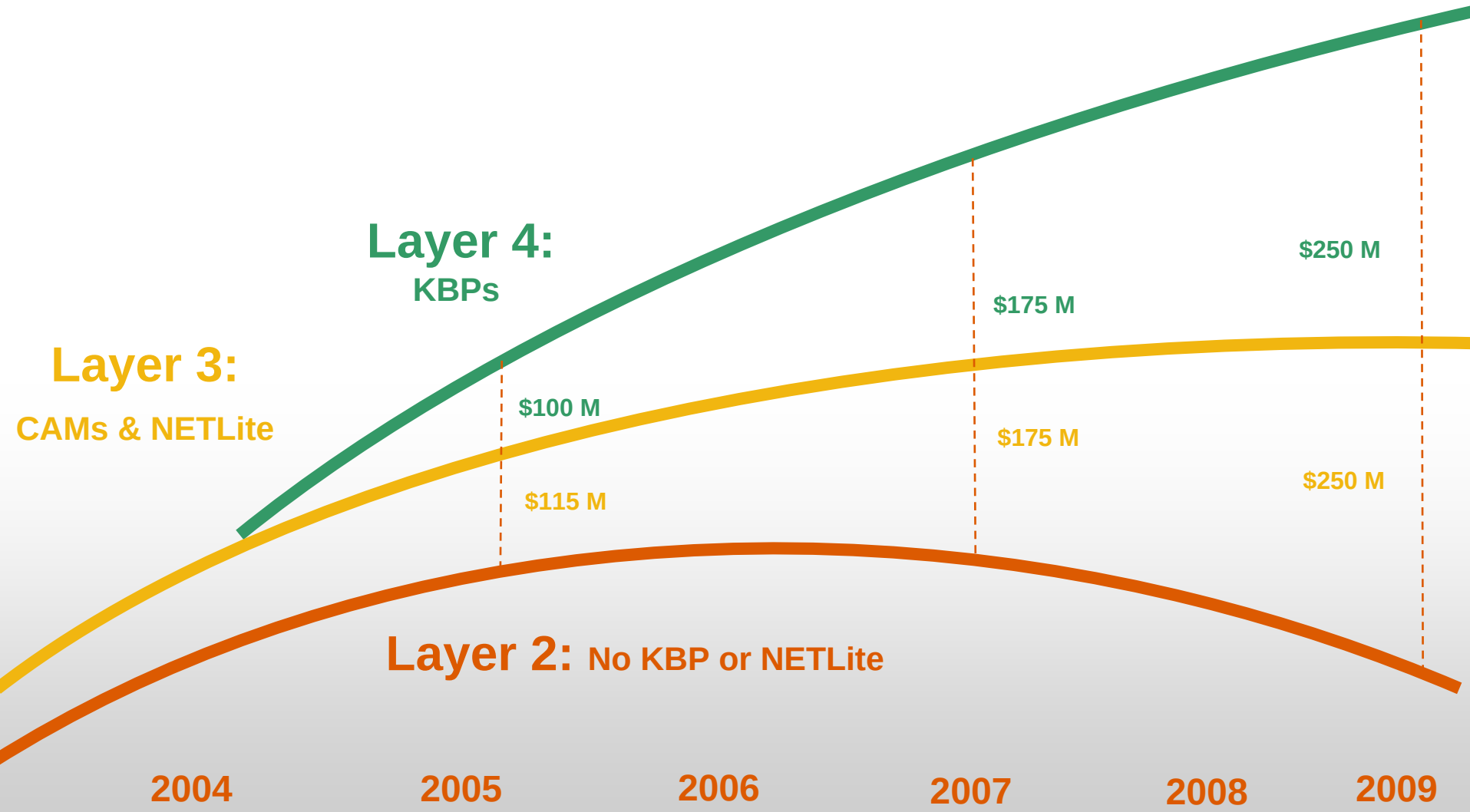
Growth Strategy



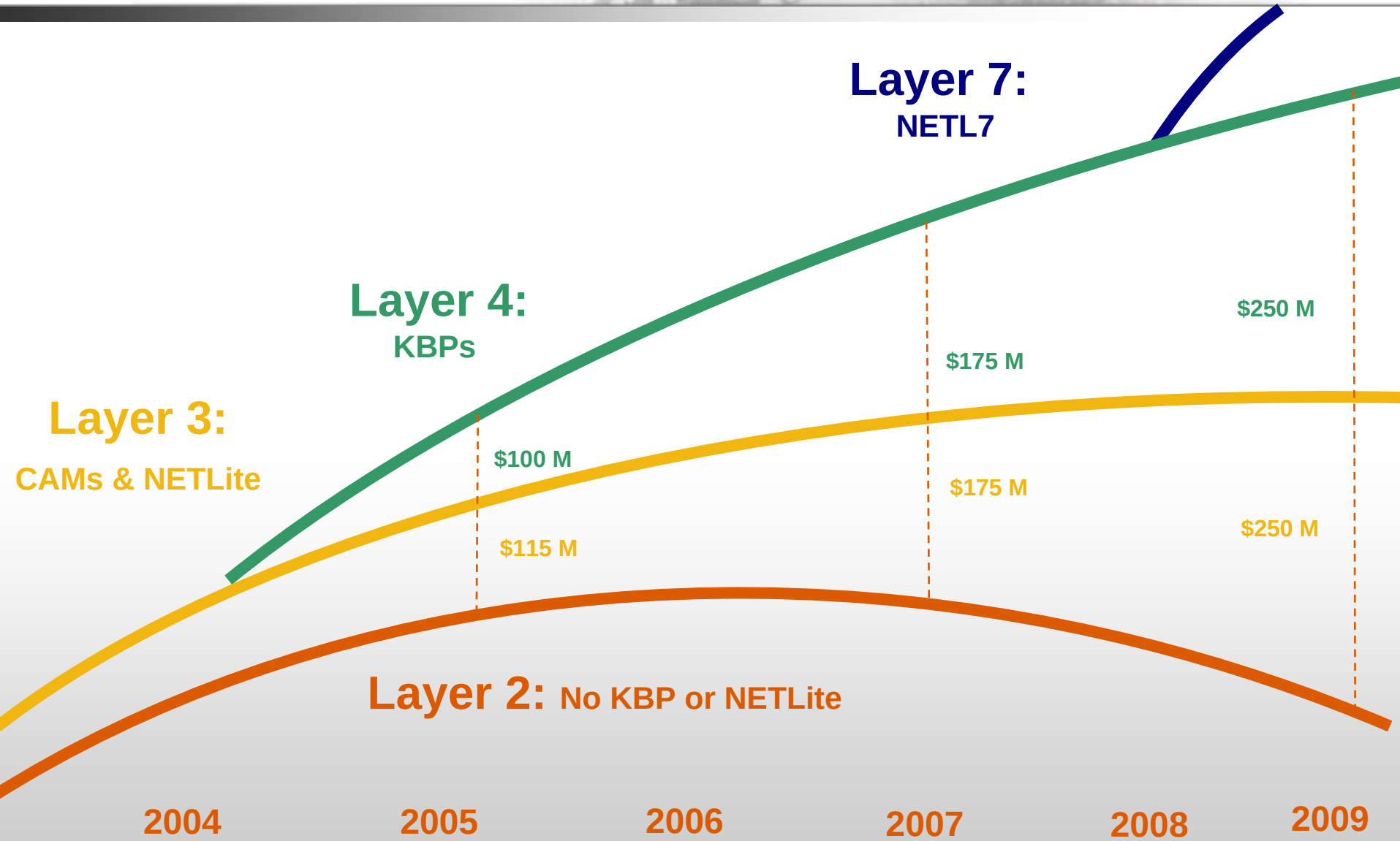
TAM – NETL Estimates



TAM – NETL Estimates



TAM – NETL Estimates



2005 to 2006 Financial Comparison

	2005	2006	% Growth
Revenue	$81.8M	$96.8M	18%
Non-GAAP Gross Profit*	$48.4M	$62.90M	24%
Non-GAAP R&D*	$21.1M	$29.1M	38%
Non-GAAP Net Income*	$18.3M	$25.5M	39%
Cash Balance at Dec. 31	$65.8M	$89.9M	37%

*Non-GAAP gross profit, non-GAAP net income and non-GAAP R&D excludes stock-based compensation expense and the following charges associated with the acquisition of the network search engine business from Cypress Semiconductor: amortization of intangible assets, an in-process R&D charge and the effect of a fair value adjustment to acquired inventory.

GAAP/Non-GAAP Reconciliation

RECONCILIATION OF GAAP GROSS MARGIN TO NON-GAAP GROSS MARGIN
(UNAUDITED)

	2006		2005	
Total GAAP gross margin	$ 60,044	62.0%	$ 48,344	59.1%
Reconciling items:				
Stock-based compensation	548	0.6%	76	0.1%
Amortization of intangible assets	1,974	2.0%	-	
Fair value adjustment related to the inventory acquired from Cypress Semiconductor Corp.	288	0.3%	-	
Total Non-GAAP gross margin	$ 62,854	64.9%	$ 48,420	59.2%

RECONCILIATION OF GAAP NET INCOME TO NON-GAAP NET INCOME
(IN THOUSANDS)
(UNAUDITED)

	2006	2005
GAAP net income	$ 592	$ 16,439
Reconciling items:		
Stock-based compensation	11,907	1,897
In-process research and development	10,700	-
Amortization of intangible assets	1,974	-
Fair value adjustment related to the inventory acquired from Cypress Semiconductor Corp.	288	-
Non-GAAP net income	$ 25,461	$ 18,336

RECONCILIATION OF GAAP R&D EXPENSE TO NON-GAAP R&D EXPENSE
(IN THOUSANDS)
(UNAUDITED)

	2006	2005
GAAP R&D expense	36,578	21,939
Reconciling items:		
Stock-based compensation	(7,481)	(814)
Non-GAAP R&D expense	29,097	21,125


NETLOGIC
MICROSYSTEMS™
Putting Intelligence in the Network™
NETLOGIC
MICROSYSTEMS
Knowledge-based
Processors