



# POWER TO LEAD

International  
**IOR** Rectifier

## **Leader in Power Management**

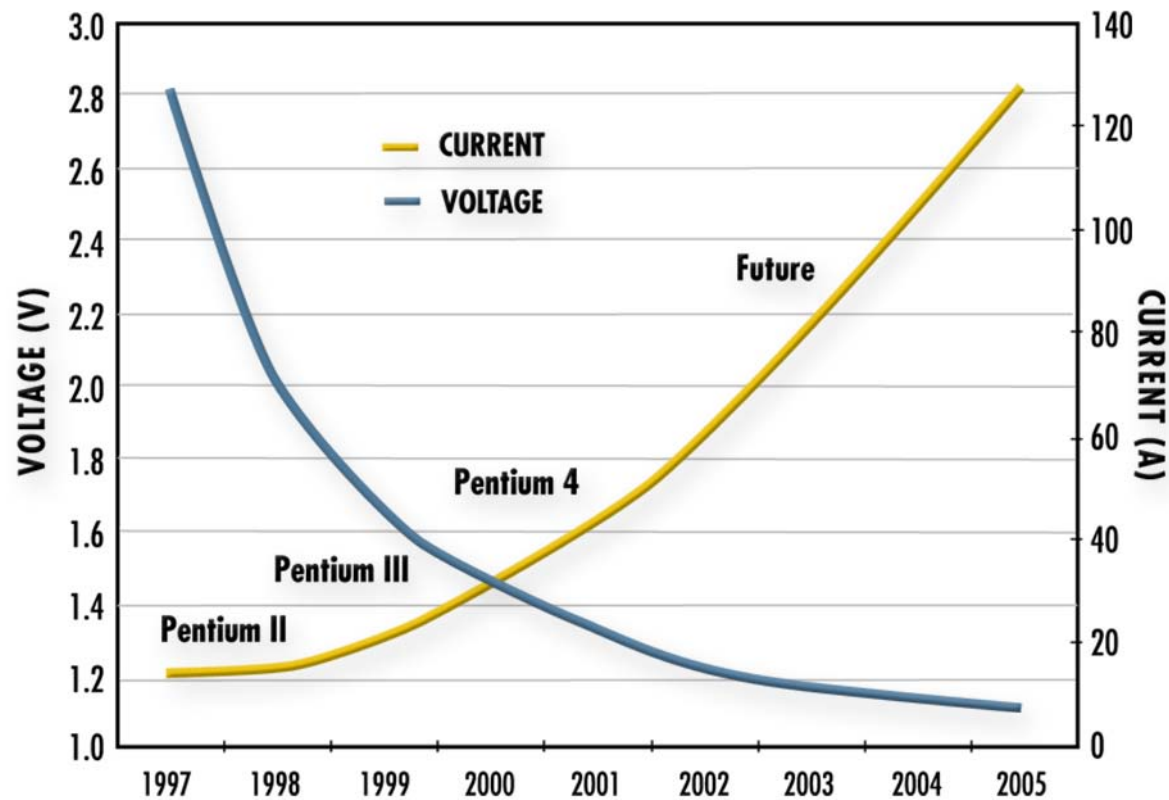
- **Technology pioneer and market leader in Power Management**
- **\$13B market growing to \$70B within a decade**
- **Setting industry standards in target applications**
- **Proprietary products opening new markets and driving faster growth and higher profitability**

## **Enabling Technology**

**Power Management is essential for:**

- **Information technology and communications infrastructure**
- **Energy-efficient motion systems**
- **Leading-edge defense/space systems**
- **“Electronification” of autos**

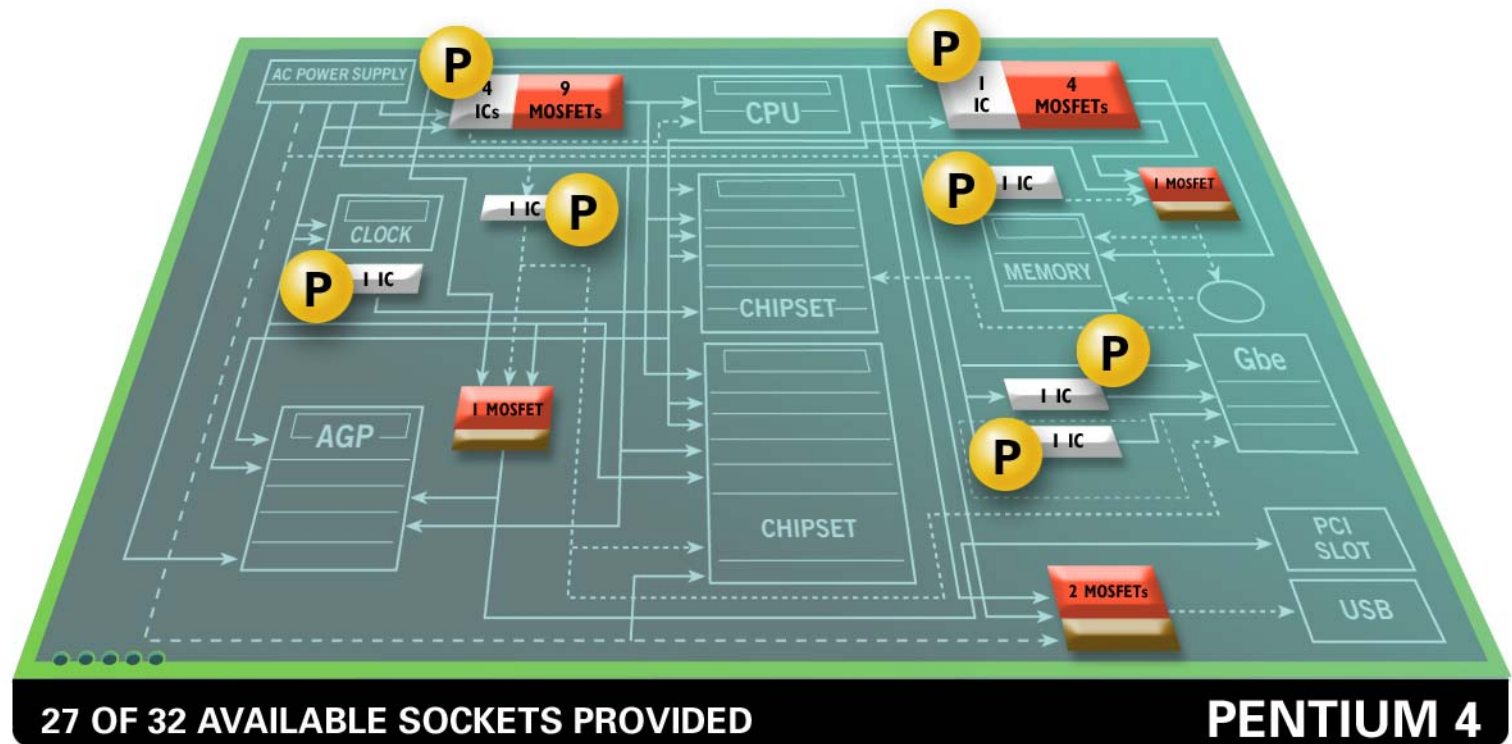
# Continued Demand for Higher Current and Lower Voltages with Tighter Regulation



# Motherboard Power Management Content

+73% PC revenue growth Y/Y.

IR addresses every aspect of power management.

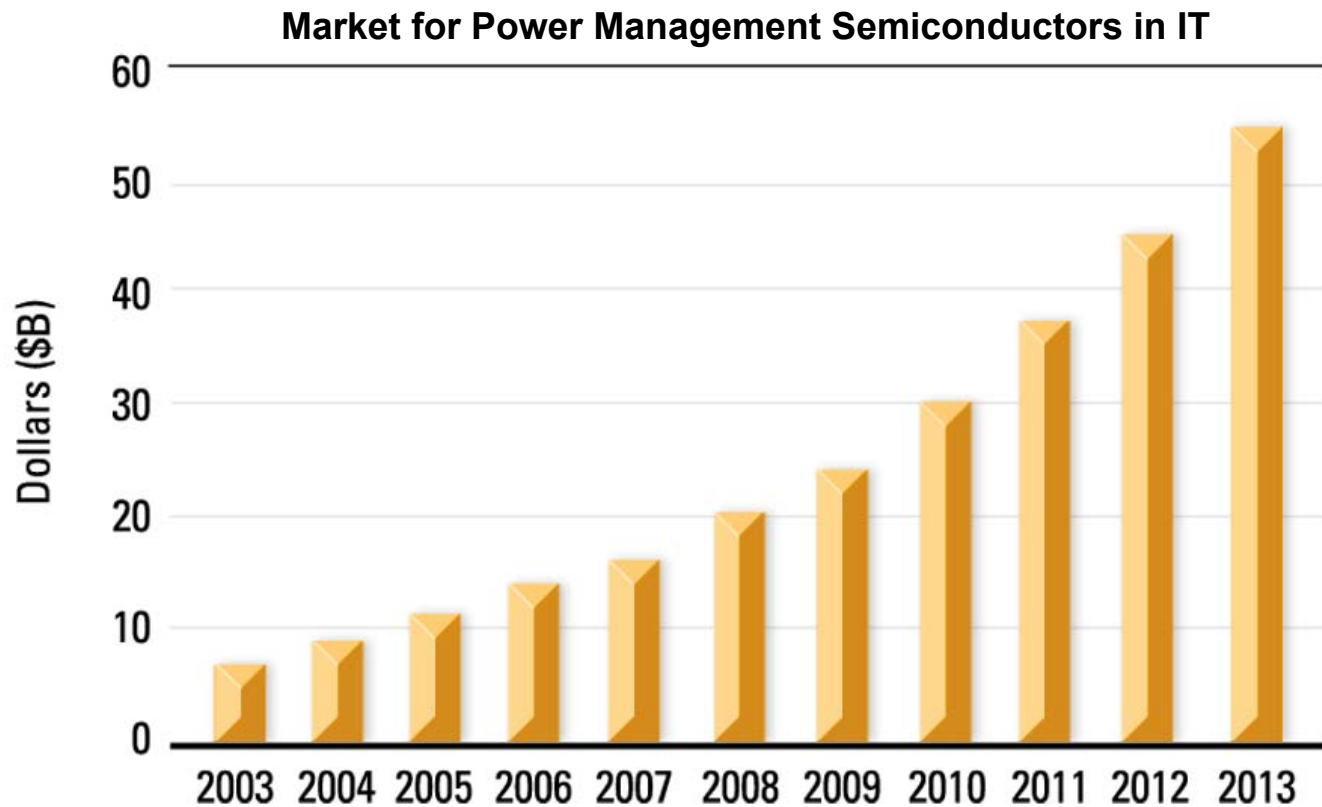


**PENTIUM 4**

(Prescott)

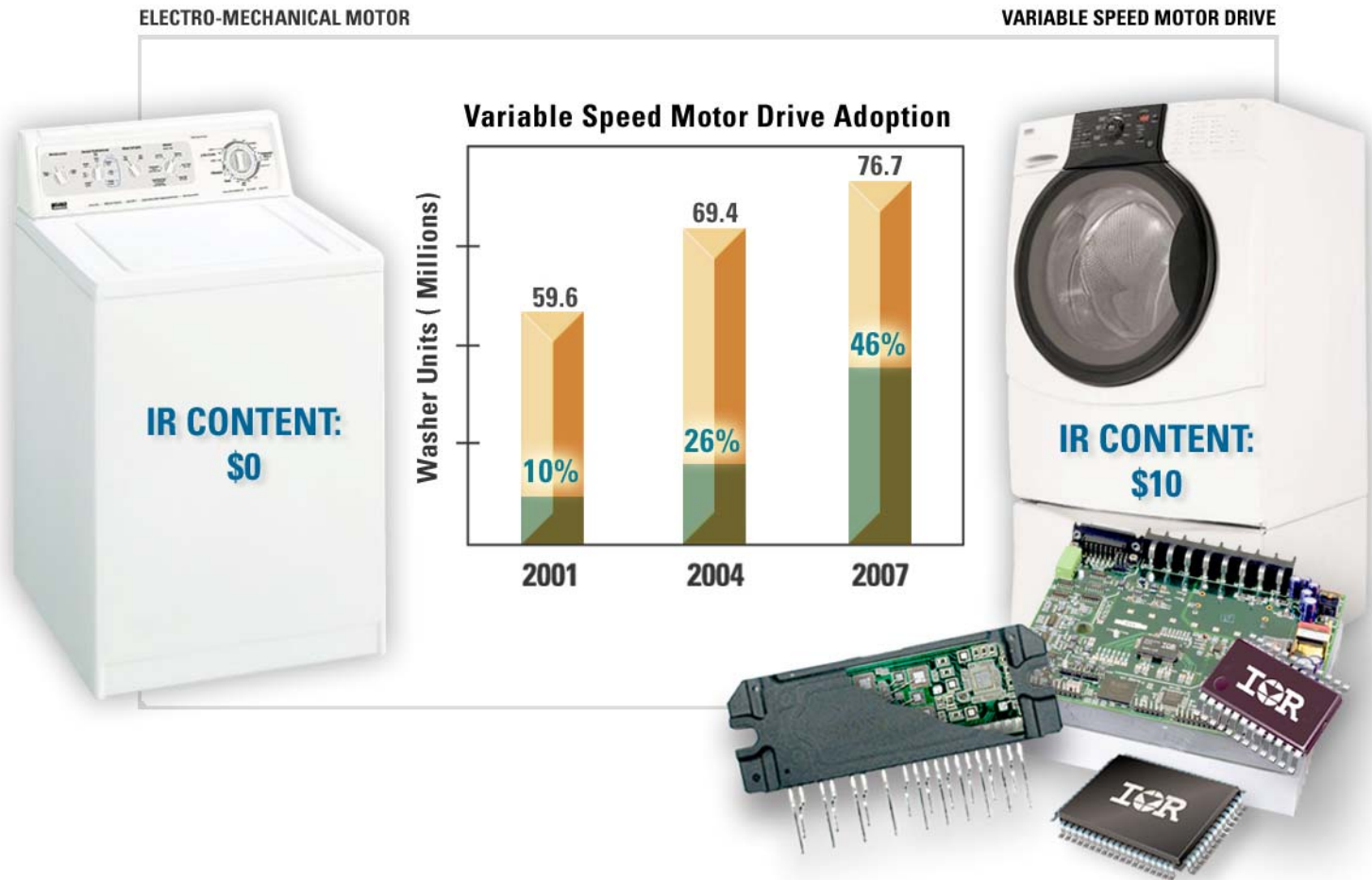
# Power Management in IT

- CAGR +22%
- IR's IT revenues up +66% Y/Y



Sources: Dataquest, iSuppli, and IR

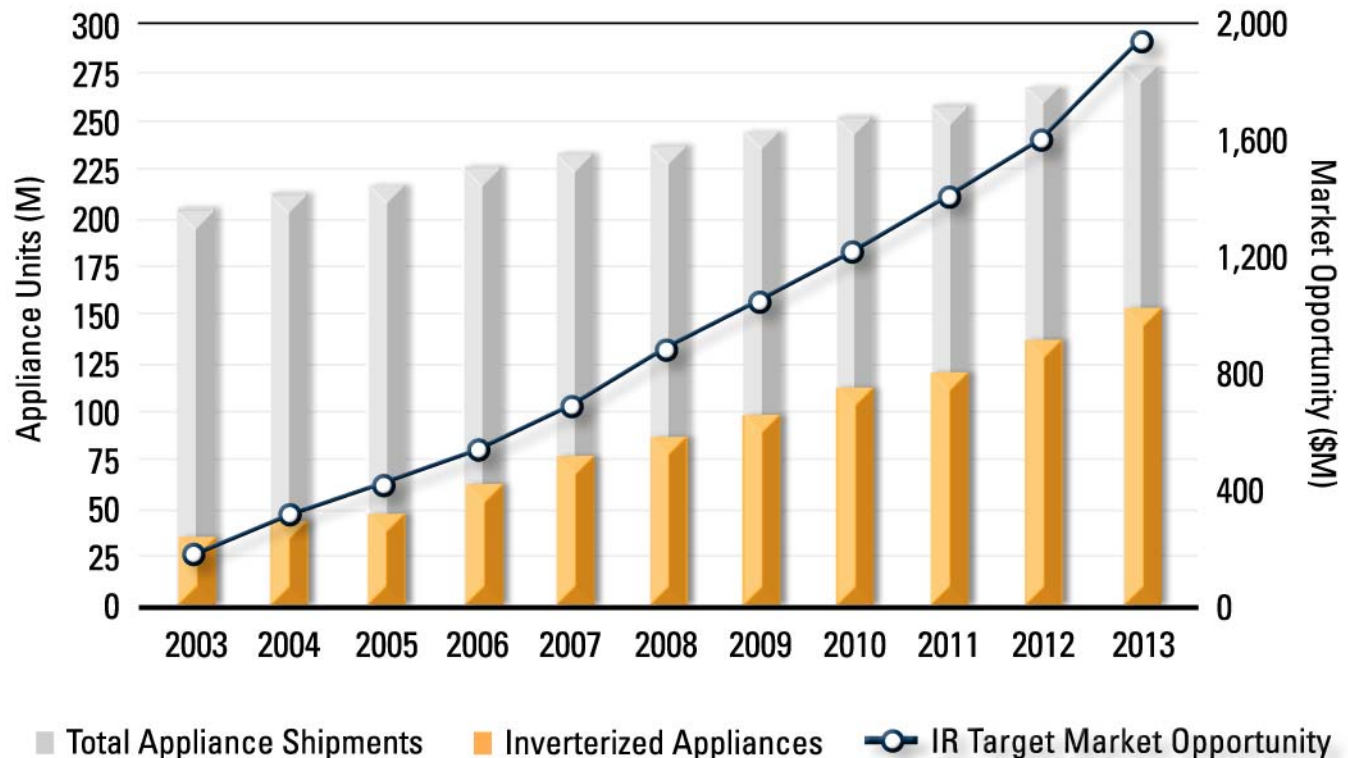
# Energy-Efficient Appliances



Sources: ARC Internal Study, Appliance Magazine and IR

## Energy-Efficient Appliances Market

- \$2 Billion market opportunity for IR
- CAGR +33%
- IR growth > 50% over past 4 quarters





# Power Management Revolution in Automotive

**Major Sole-Source, Multi-Year Contracts  
Locked in for New Applications:**

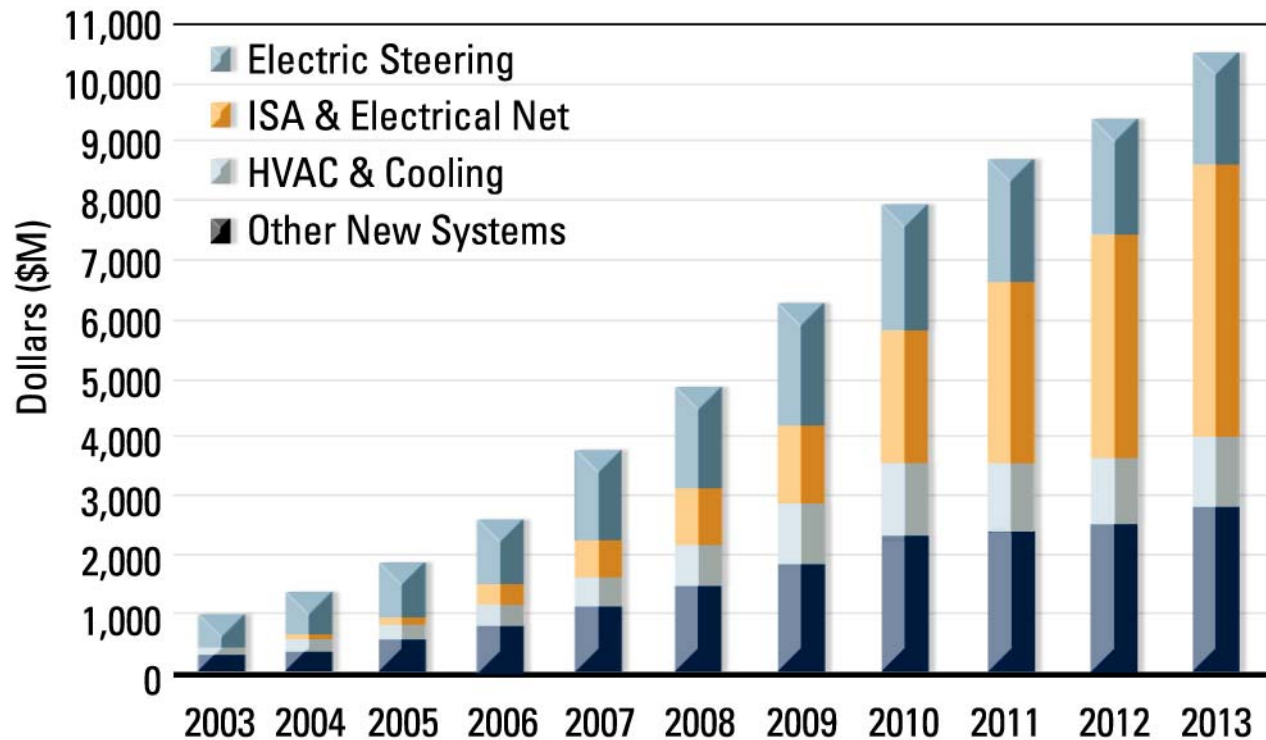
- Electric Fan and Pump Control
- Electric Steering
- Integrated Starter-Alternator
- Electric Turbo Charger

***Double the MPG with the  
same performance at no  
cost to the consumer***



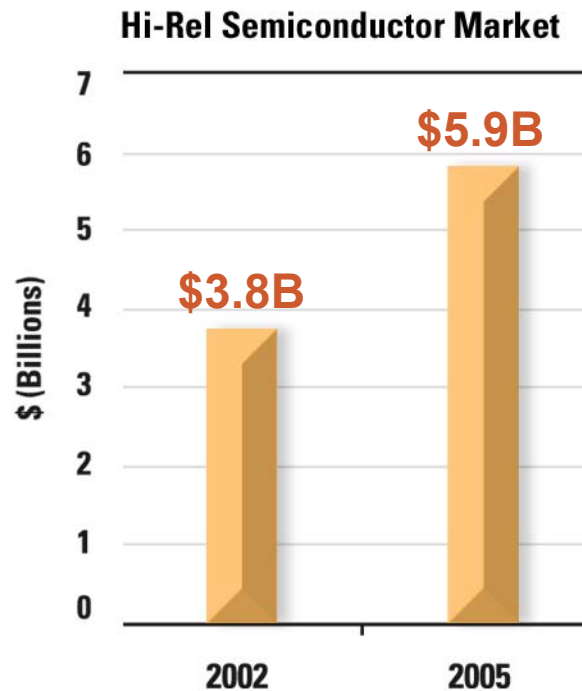
# New Power Management in Automotive

- Over \$10 Billion market opportunity for IR
- CAGR +27%
- IR won its largest Auto program — \$100M for Electric Steering



# Defense and Aerospace

**New Generation  
Fighter Aircraft:  
\$200,000+ Power  
Management  
Content**



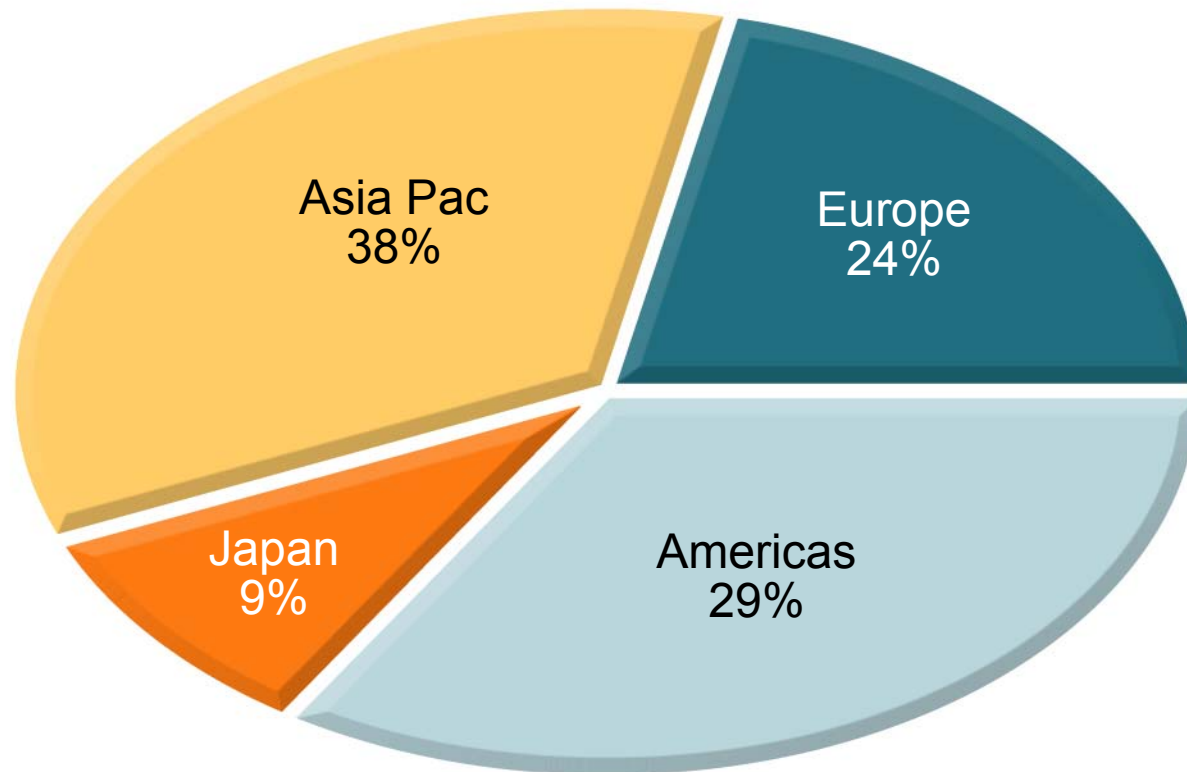
**New Generation  
Unmanned Aircraft:  
\$10,000 Power  
Management  
Content**

**IR Defense orders  
up 14% Q/Q**

Source: Dataquest, December 2003

## Revenues by Region

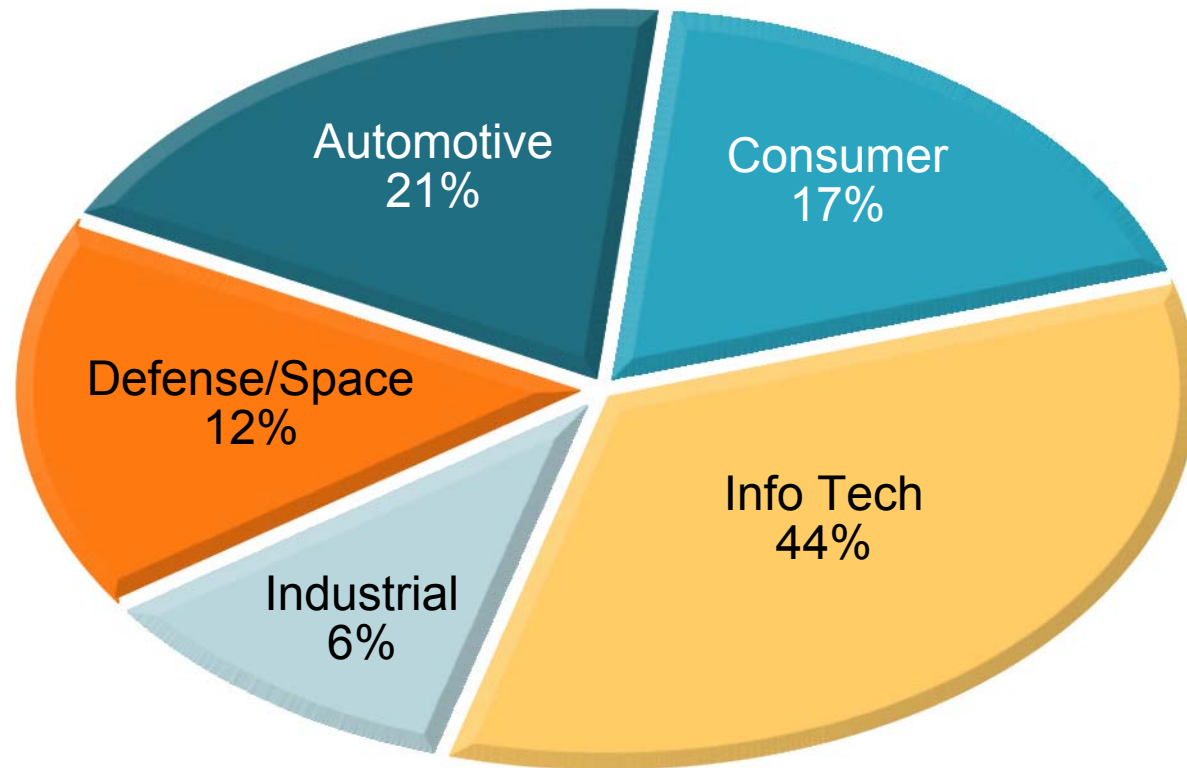
- Revenues and orders up broadly across all regions Q/Q



Q2FY04 revenues excluding royalties

## Revenues by Market

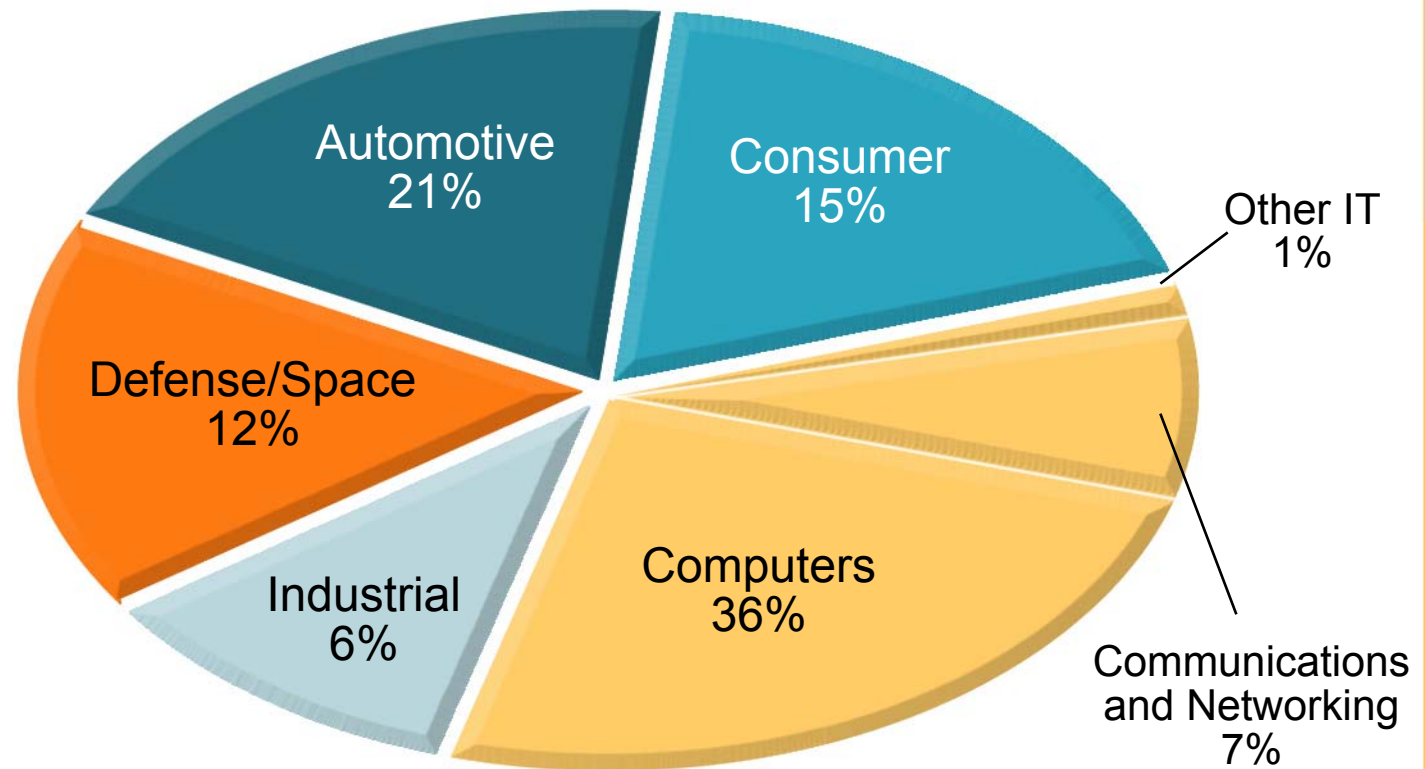
- IT revenues up +9% Q/Q and +66% Y/Y
- IT orders up +17% Q/Q and +106% Y/Y



Q2FY04 OEM revenues excluding royalties

## Revenues by Market

- Resumption of communications/networking growth, up +15% Q/Q and +49% Y/Y



Q2FY04 OEM revenues excluding royalties

# Leveraging IR Technology in 2004

## Customer

- Intel
- AMD
- IBM / HP / Dell
- Cisco / Nortel / Lucent
  
- Lockheed Martin
- Raytheon
- Northrop Grumman
  
- Visteon
- Bosch
- Delphi
- Siemens
  
- Sanyo
- GE
- Haier
  
- Fujitsu / Samsung / LG /  
Sharp / Mitsubishi / Sony /  
NEC / Pioneer / Matsushita

## Application / Program

Pentium 4, Centrino / M, Itanium 2  
Athlon-64, Opteron  
Desktops, Notebooks, Servers  
Networking / Communications

Defense Programs  
Defense Programs  
Defense Programs

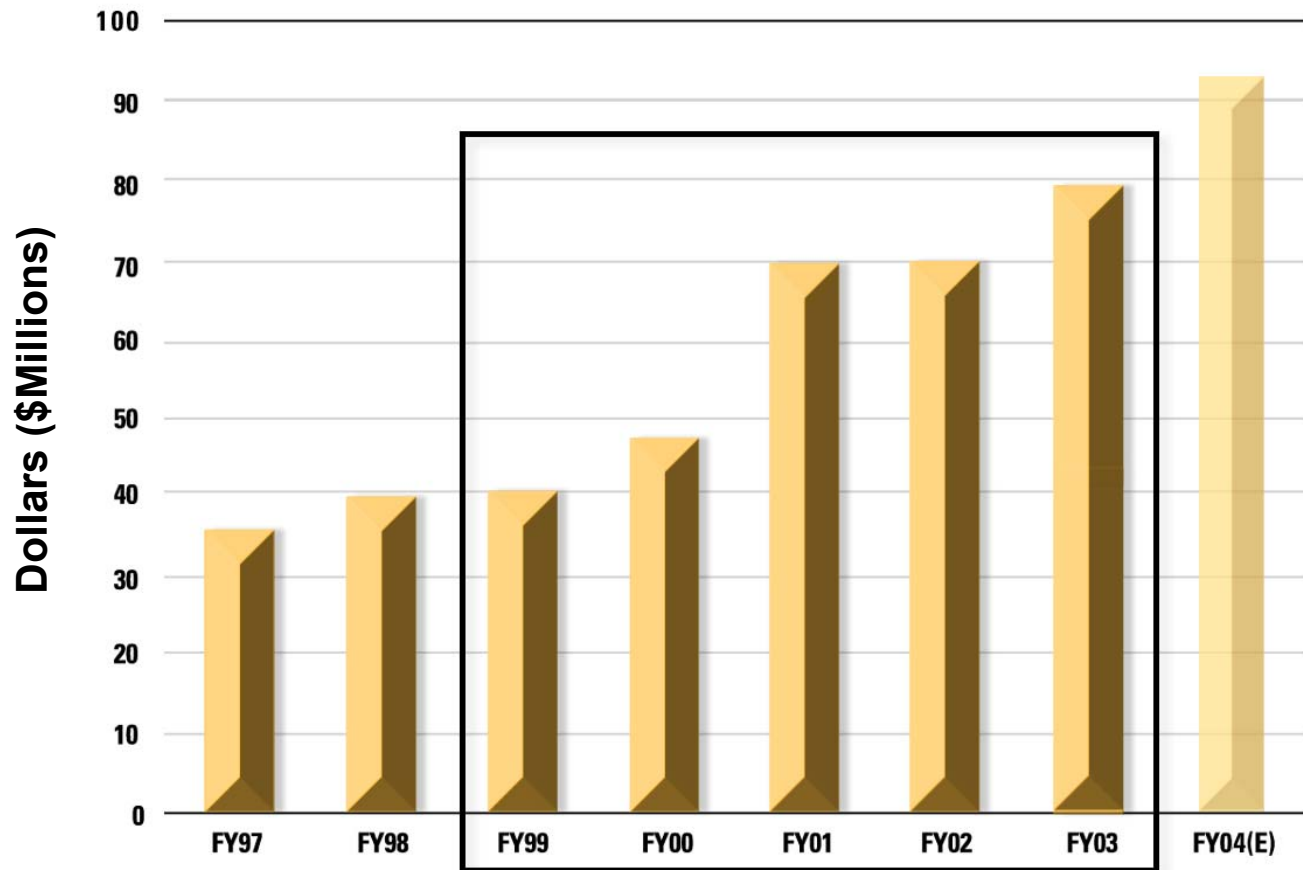
Automotive Systems  
Automotive Systems  
Automotive Systems  
Automotive Systems

Energy-efficient Appliances  
Energy-efficient Appliances  
Energy-efficient Appliances

Plasma and LCD TVs

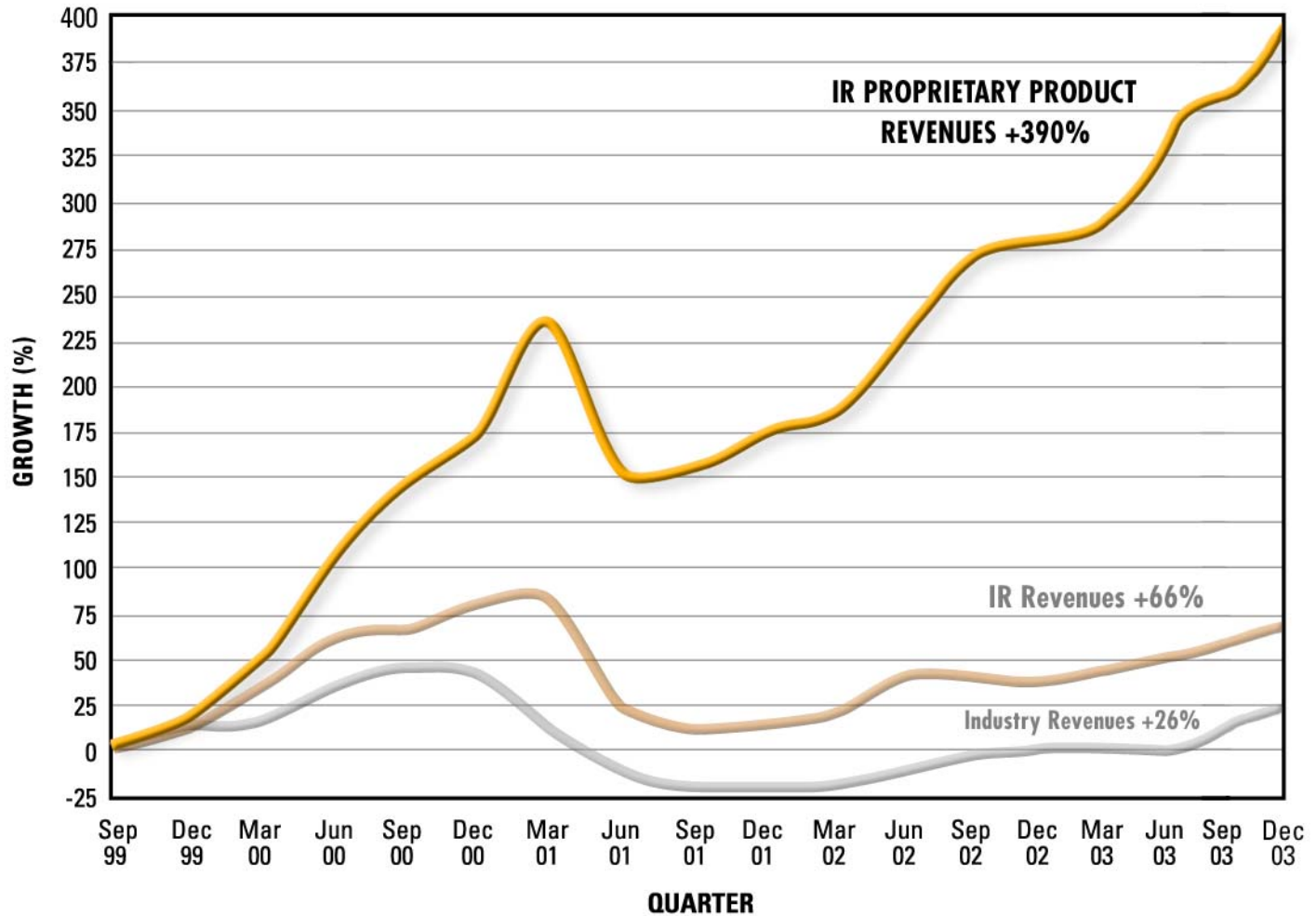
# R&D Commitment

## R&D Fueling Leading-Edge Proprietary Products

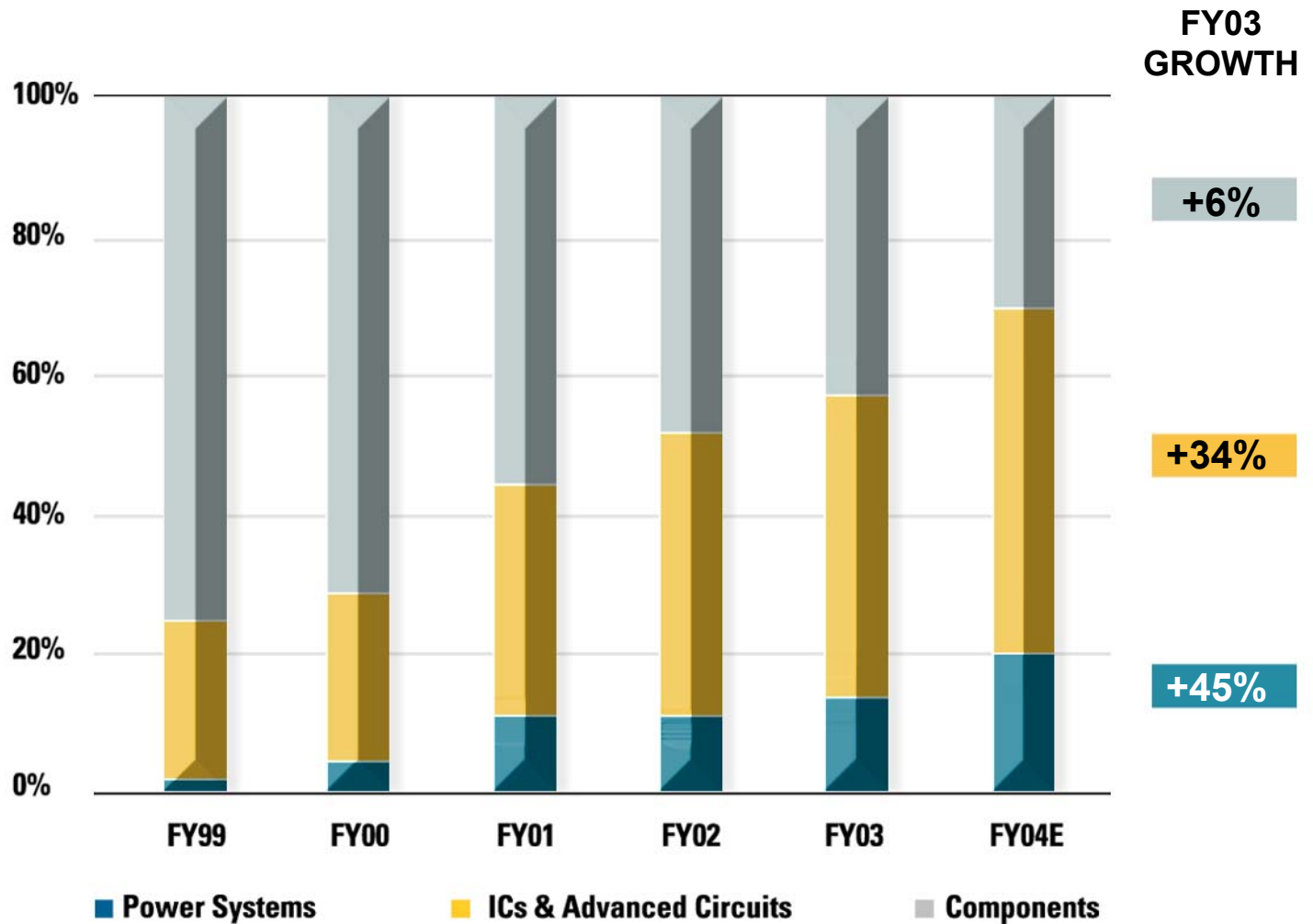




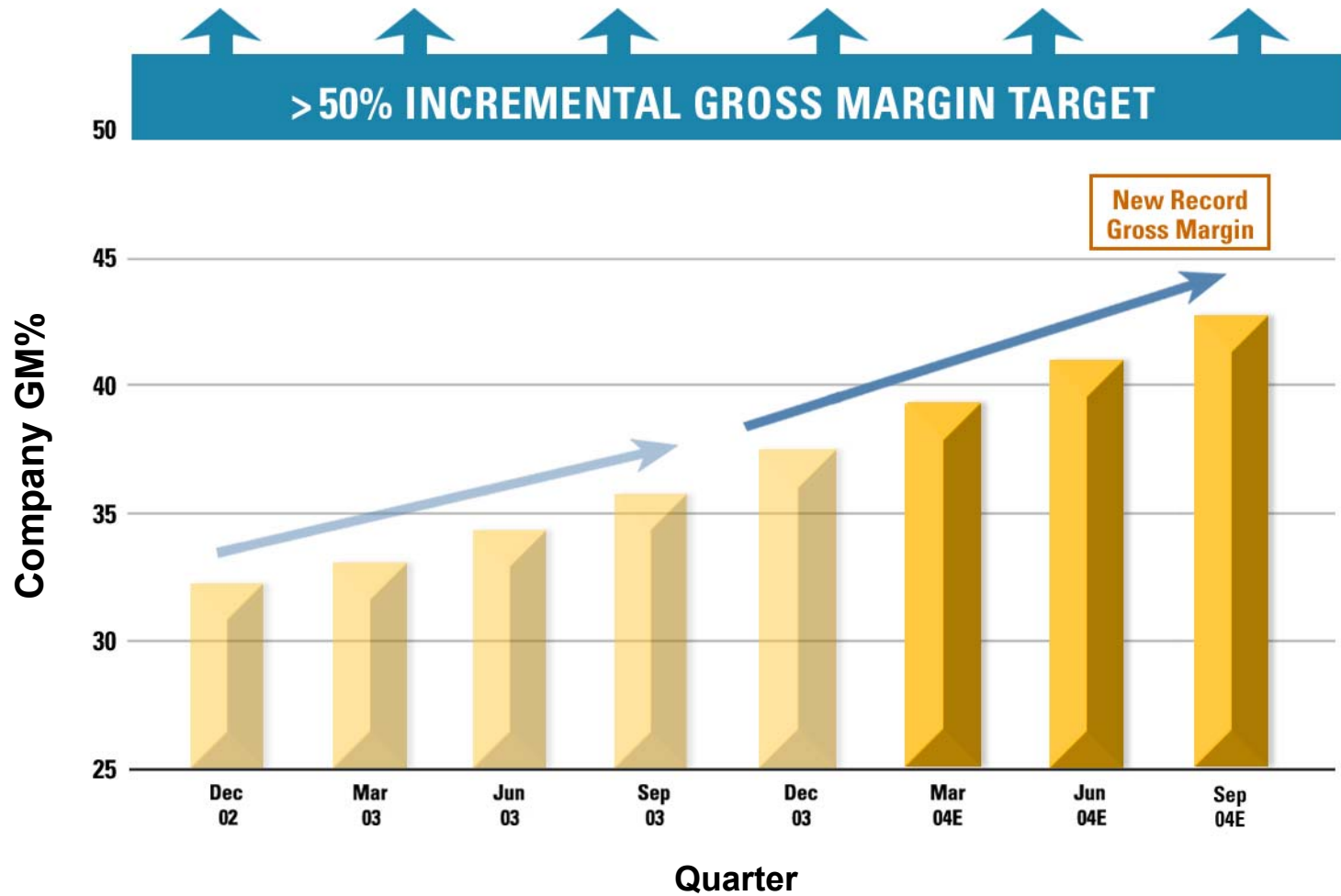
# IR Revenues vs. Industry Performance



## Richer Sales Mix



# Gross Margins



## December-Quarter Results

- Revenues up +8% sequentially and up +20% year over year
- Proprietary Product revenues up +8% sequentially and up +28% year over year
- Proprietary Products 59% of revenues
- Orders up +14% sequentially and up +39% year over year
- Gross margin up +170 basis points sequentially to 37.6%
- \$767 million in cash and cash investments

## Outlook

- **March-quarter revenues up 5% sequentially  
± a couple of points**
- **Gross margin up +170 – 200 basis points**
- **Mix of Proprietary Products greater than 65%  
ending Fiscal 2004**
- **Capital expenditures <10% of revenues**
- **Strongest financial and competitive  
position in the company's history**

## Investor Information

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The comments and discussion today included some forward-looking statements. We caution that such statements are subject to a number of uncertainties, and actual results may differ materially. Factors that could affect the Company's actual results include the failure of market demand to grow as anticipated, whether for particular industries, sectors, or product lines; the effectiveness of cost controls and cost reductions, and the integration of recent acquisitions into our Company's operations; the accuracy of customers' forecasts; push-out of delivery dates; product returns; market and sector conditions that affect our customers, licensees and suppliers; introduction, acceptance, and availability of new and/or proprietary products; the Company's mix of product shipments; availability of adequate capacity; failure of suppliers and subcontractors to meet their delivery commitments; impact of any disruption in electricity, equipment and/or critical supplies; unfavorable changes in industry and competitive conditions; continued improvement in economic conditions in the Company's markets around the world; unanticipated impacts on our business or financial condition due to changes in currency valuation or to the Euro conversion; the impact of any change in accounting methods; changes in laws and regulations, including trade and export regulations and policies; and other uncertainties disclosed in the Company's reports filed with the SEC.