



MosChip announces receipt of Rs. 16 crores in working capital funding

Hyderabad, October 15, 2008: MosChip Semiconductor Technology Limited (MosChip) today announced the receipt of working capital funding to the extent of Rs. 16 crores.

The funds will be used primarily to support the increased sales commitments that the Company has begun executing in the current year.

Mr. Sathya Kalyanasundaram, Chief Financial Officer of MosChip said, “We are excited to have secured this funding as part of our renewed focus on sales growth and profitability. The strong growth in our sales has required us to be aptly stocked with our product portfolio for immediate dispatch of finished goods. Our funding wins will allow us to efficiently finance this process.

In addition, we are in the advanced stages of discussions with private equity and mutual fund investors in India and abroad about possible investments in MosChip. We believe that, given the current price levels of our shares and our projected sales/profitability over the next 2 years, there will be significant upside for such investors.

Our recently launched System on a Chip Processor for Digital Content Management has received acclaim from multiple sources and has been featured as a top product on the latest Electronicstalk newsletter. We are also launching three additional chips in the December 2008 / January 2009 timeframe that will address specific needs in the high growth, high volume consumer electronics and small office home office (SOHO) segments. These chips are expected to generate revenue beginning the 2nd quarter of 2009-10.

We are confident that our renewed sales efforts and complimentary product mix will help us to achieve the concerted thrust towards profitability.”

About MosChip

MosChip Semiconductor Technology Limited, a fabless semiconductor company, was founded in 1999 with headquarters in Hyderabad, Andhra Pradesh, India. The company's design center is in Hyderabad. The sales activity is handled by its wholly owned subsidiary, viz., MosChip Semiconductor Technology, USA. The company has several products in the PCI, USB and Internet Security Space. For more information about MosChip, please visit www.moschip.com.

SAFE HARBOR: This release comprises certain forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those mentioned in such forward-looking statements. The risks and uncertainties including but not limited to, those risks and uncertainties, viz, our ability to compete in highly competitive semiconductor industry, ability to define, develop and sell new products, dependency on subcontractors for the supply and quality of silicon wafers, dependency on



international markets considering the cyclical nature of the semiconductor industry and our ability to attract and retain technical manpower. MosChip may from time to time make additional forward looking statements in any manner and does not undertake to update any of these forward looking statements that may be made from time to time by or on behalf of the company.