

Welcome to SpatiaLight



SpatiaLight Inc

. Who is SpatiaLight?	4
. SpatiaLight History	5
. Executive Summary (1), (2)	6,7
. SL LCoS Panel Process Outline / Highlight	8,9
. SpatiaLight PRM	10
. LCoS Foundry Service Map	11
. Foundry Business Flow	12
. Requirements	13
. Safe Harbor Statement	14

Introduction of SpatiaLight Korea

. SpatiaLight Korea Inc.	16
. SLK Organization	17
. Floor and Clean Room Layout	18,19
. Major Equipments and Capacity	20
. Process Step and Yield Analysis	21,22
. Execution Plan for 2007	23
. Structure of LCoS Engine	24

SpatialLight, Inc.

Nasdaq: HDTV

April 2007

*A leading developer and manufacturer of state-of-the-art
Liquid Crystal on Silicon (LCoS) Microdisplay devices
for use in rear and front projection high definition
Televisions (HDTVs) and monitors.*

- 1989 Spatialight Incorporated in New York (Kodak spin-off)
- 1992 Spatialight IPO
- 1996 Began focus on LCoS Microdisplays
- 2000 Completed initial LCoS R&D and began product trials
- 2002 Introduced 1280x960p High Definition LCoS display the “T-1”
- 2004 Introduced 1920x1080p High Definition LCoS display the “T-3”
- 2004 Korean large electronics company (LGE) contracted for the development of a line of 1080p LCoS Televisions for worldwide, mass market distribution in 2005
- 2004 Announced groundbreaking for Spatialight Korea
- 2005 (March) Spatialight Korea opened
- 2006 (March) Korean large electronics company (LGE) introduced 71” set to Australian market

Operations

SpatiaLight, Inc. engages in the manufacture and sale of high-resolution liquid crystal on silicon (LCoS) microdisplays. These products provide high-resolution images suitable for consumer electronics such as High Definition rear projection televisions, front projection, large view monitors, video projectors, Micro projector and near-to-eye display devices.

The firm is the exclusive supplier of LCoS light engines for LG LCoS Televisions and has the option of (re)selling the proprietary LG light engine (the projector and video source for the television that is powered by SpatiaLight LCoS imagers). This ability to sell the light engine to prospective customers provides a “turn-key” solution that will enable OEMs to reach the retail marketplace in a short time frame.

In the first half of 2006, SpatiaLight successfully made the transition from a research and development focused company to a company capable of volume manufacturing of various panel technologies, to meet the upcoming demand in industry.

Proven Quality & Process

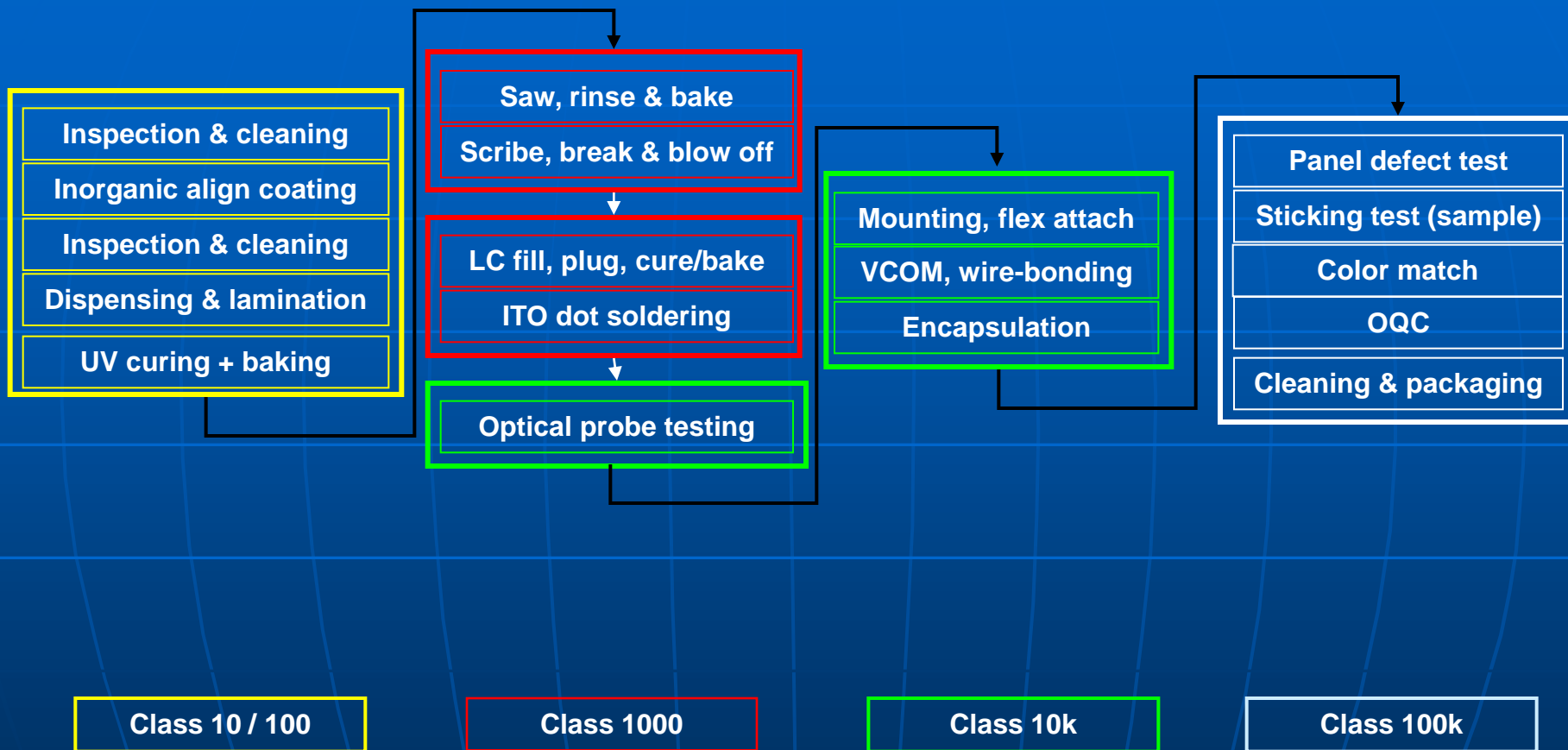
1. Own LCOS product qualified by Tier 1 TV maker spec.: No need to reconcile two spec. -customer and packaging house.
2. High process yield rate
3. Commercially proven with good field results by a Tier 1 TV maker.

Proprietary Technology

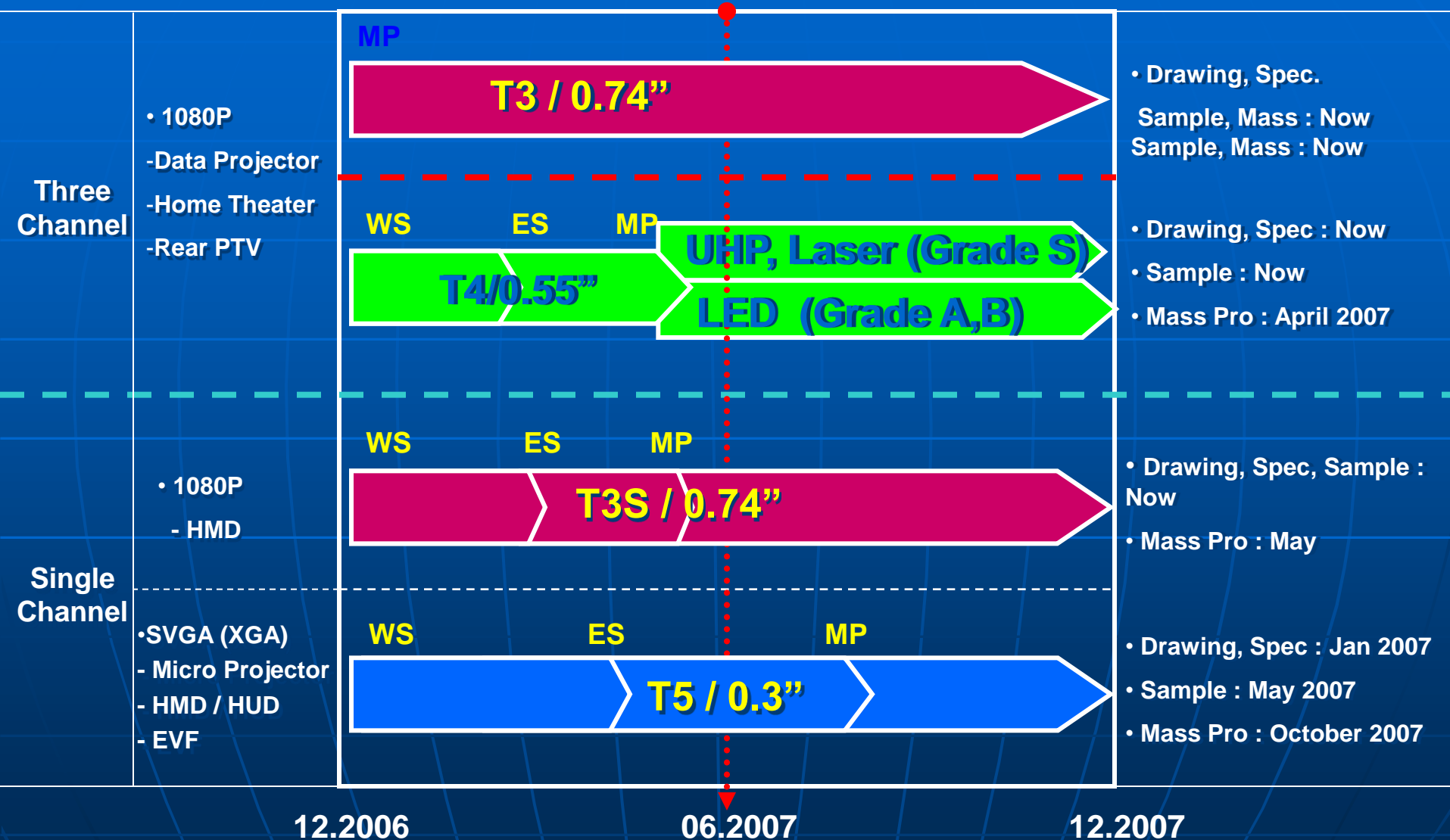
1. Customizable electro-optical probe station for full testing of LC filled cells to catch minor defects to virtually eliminate flex/mount waste.
2. Capability in high quality LCOS imagers to demanding specifications.
3. Solid experience in making LCOS cells using:
 - VAN mode LC materials
 - inorganic/solid state alignment layers
 - good cell gap uniformity
 - sealing techniques and materials that have passed Tier 1 company environmental and reliability expectations.
4. Successful experiences in experimental or pilot scale processing with other company's wafers.

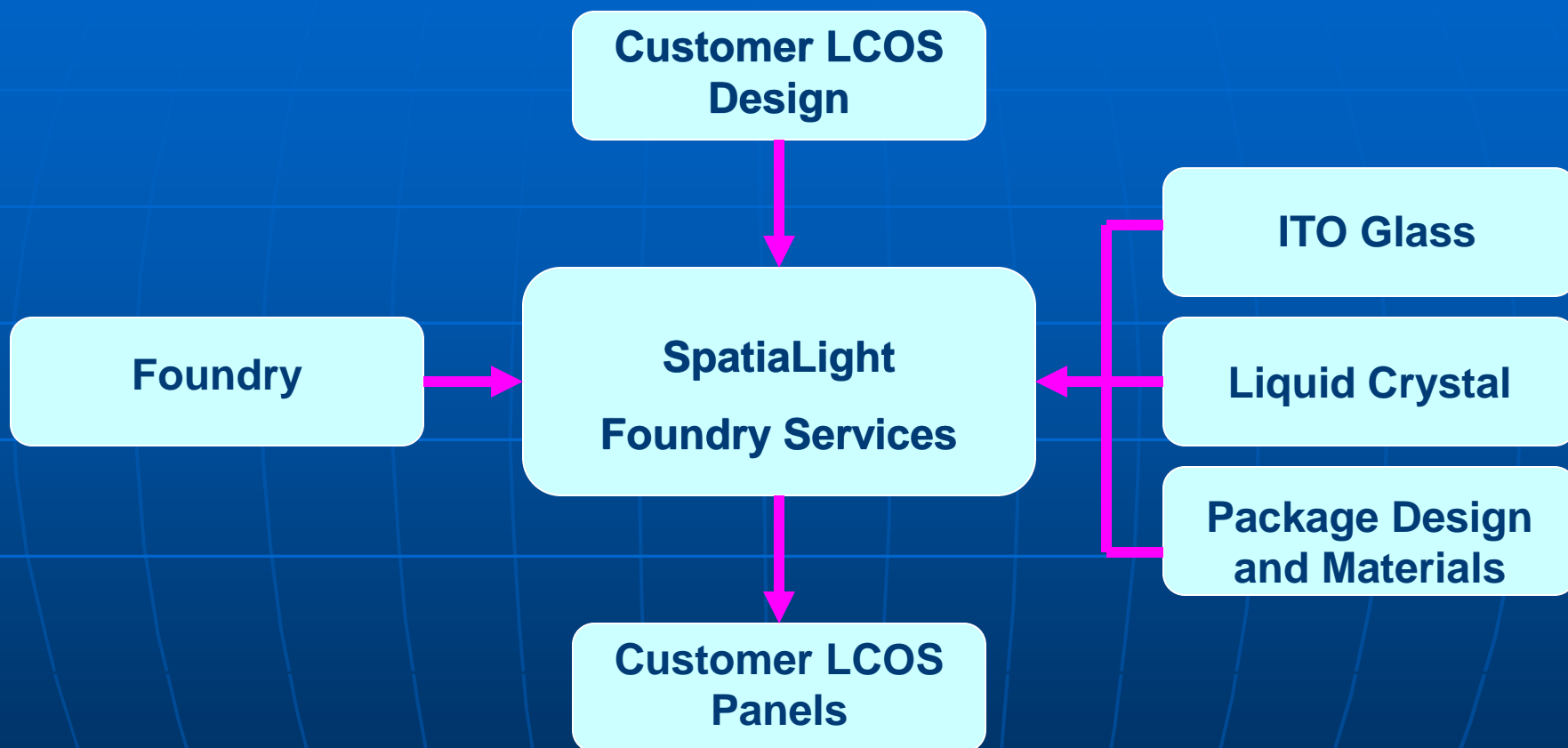
Customer Support

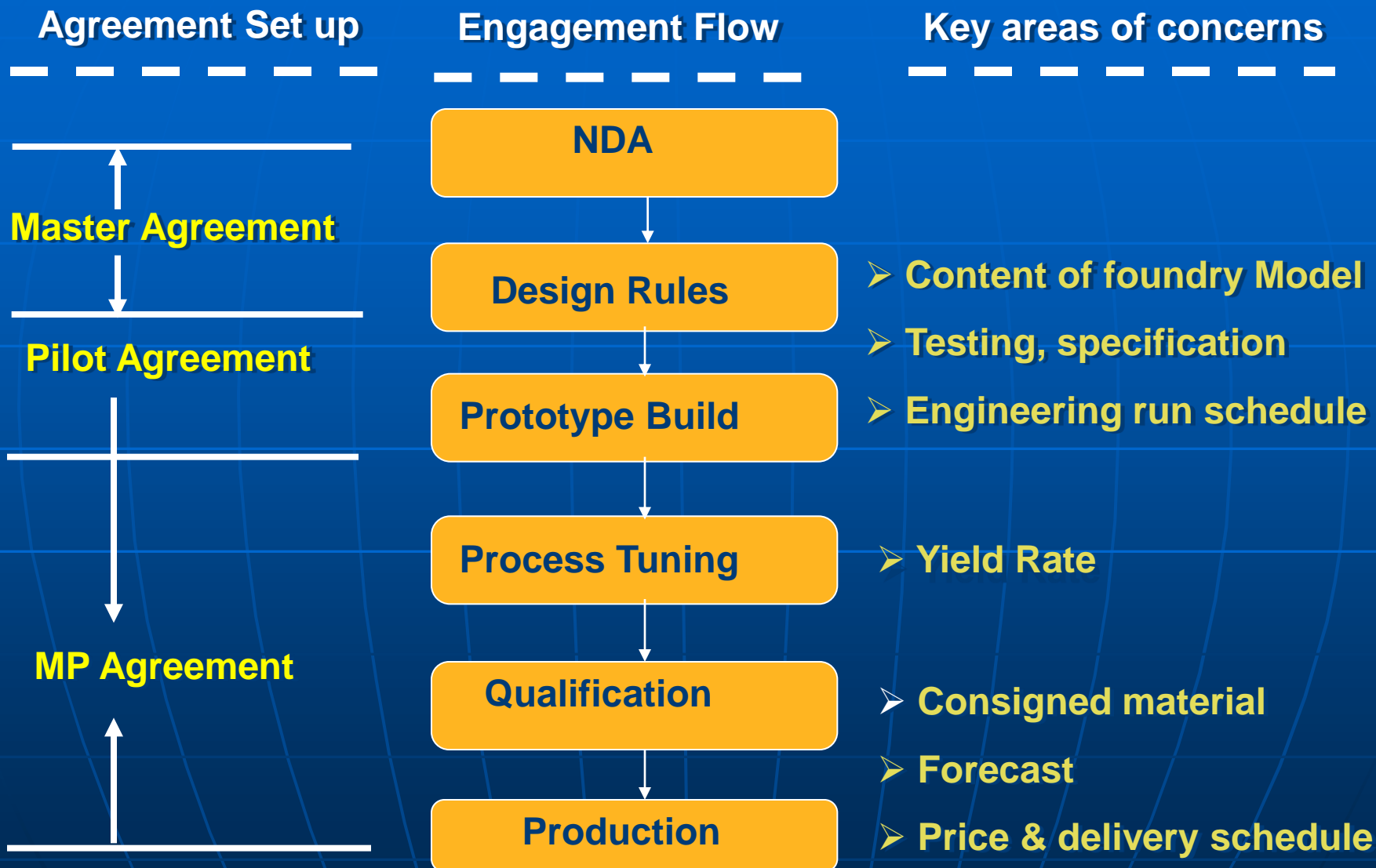
1. Focused on LCOS packaging only
2. Fast cycle time and Flexibility for customer request:
less than 1 week for proto lot (of existing backplane design)
3. Company ISO-9002 Certification and LGE Vendor qualification
Experienced resources in running foundry manufacturing



- Tier 1 customer qualified process.
- Inorganic VAN alignment.
- Gap uniformity to less than 1 fringe (0.2um) with no spacers in the active area.
- Optical probe testing available to detect all major panel defects and pixel-level defects to save on flex and/or substrate.
- Rapid turn-around:
 - Typical queuing time of less than 4 weeks after receipt of wafers.
 - Single wafer Super-hot-lot runs (4 days or less after wafer input) available after initial set-up.
- Diverse panel performance and reliability testing facility and support available.
- ISO 9001/9002 certified.







Requirements

Wafer Delivery Condition Requirement:

- No wet or solvent cleaning will be applied. Thus, wafers must come with no photoresist overcoat.
- Wafer die map and dimensions.
- Wire-bonding diagram.
- Pertinent inspection & test results

Other Requirement:

- Spacers, if cell requirement is not 2.5, 3.0 or 4.0 μm .
- Flex cables or mounts.
- Cell location and placement tolerances.

This presentation includes forward-looking statements that reflect SpatialLight's current expectations about its future results, performance, prospects and opportunities. SpatialLight has tried to identify these forward-looking statements by using words and phrases such as "may," "will," "expects," "anticipates," "believes," "intends," "estimates," "plan," "should," "typical," "preliminary," "we are confident" or similar expressions.

These forward-looking statements are based on information currently available to SpatialLight and are subject to a number of risks, uncertainties and other factors that could cause SpatialLight's actual results, performance, prospects or opportunities in the remainder of 2006 and beyond to differ materially from those expressed in, or implied by these forward-looking statements.

These risks and uncertainties are outlined in the company's filings with the U. S. Securities and Exchange Commission, including its most recent reports on Form 10-K/A and Form 10-Q. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date that they were made.

SpatialLight does not undertake any duty to update these forward-looking statements, or any other information provided in this presentation, unless required by law.

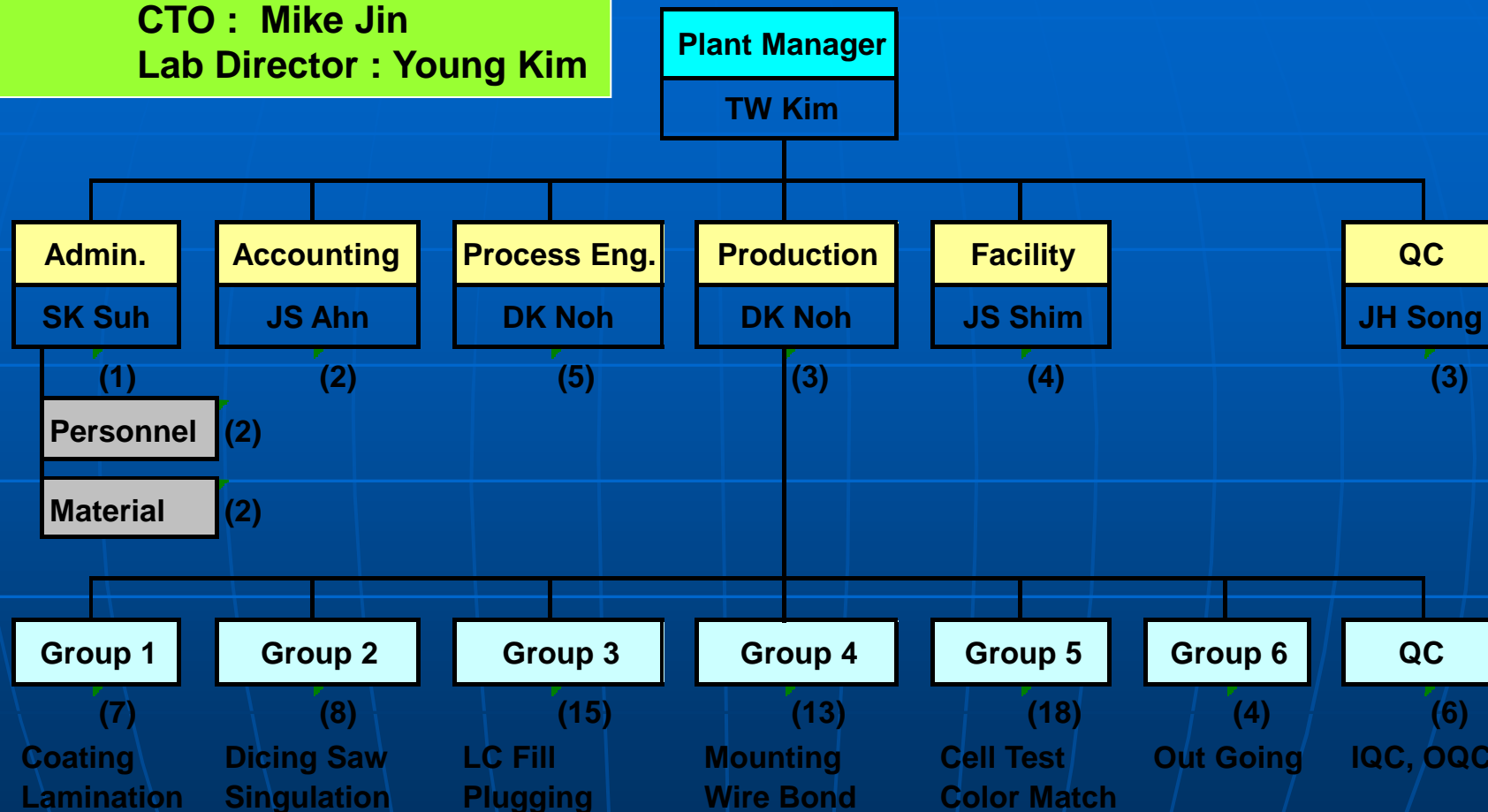
Introduction of SpatialLight Korea

December 6th , 2006

Spatialight Korea

- **Opened 2005 March**
- **Eventual Capacity : 25,000 chip sets per month**
- **Additional on-site capacity expansion is planned to occur in 3 phases**
 - schedule based on demand
- **Korean Government economic incentives :**
 - 1) 50 year land lease exemption (No cost for land to Spatialight)
 - 2) Tax incentive zone
 - 3) Economic incentives for employee training, R&D and etc.
- **Number of employee : 94 people**

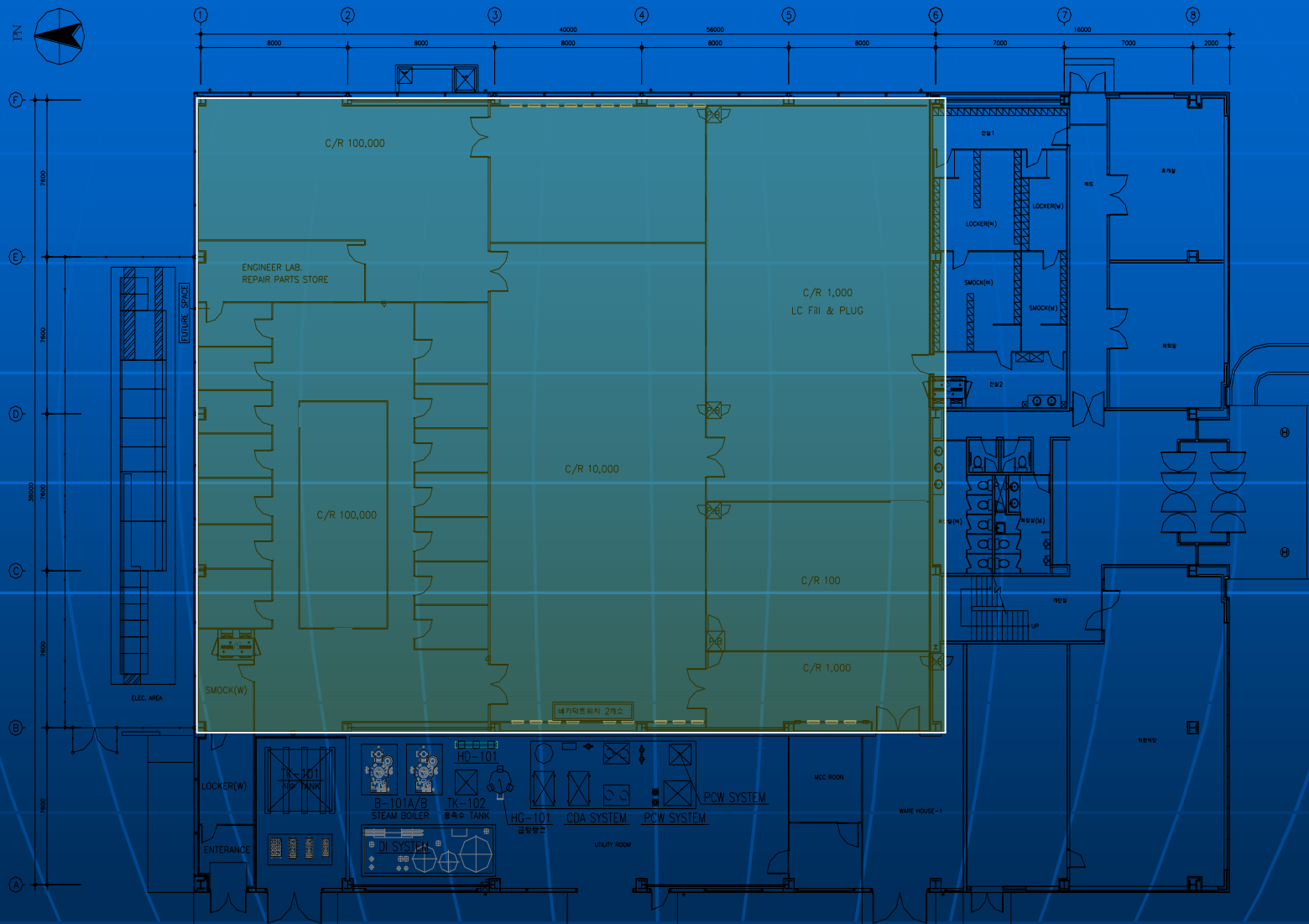
SLUS **CEO : Dave Hakala**
CTO : Mike Jin
Lab Director : Young Kim

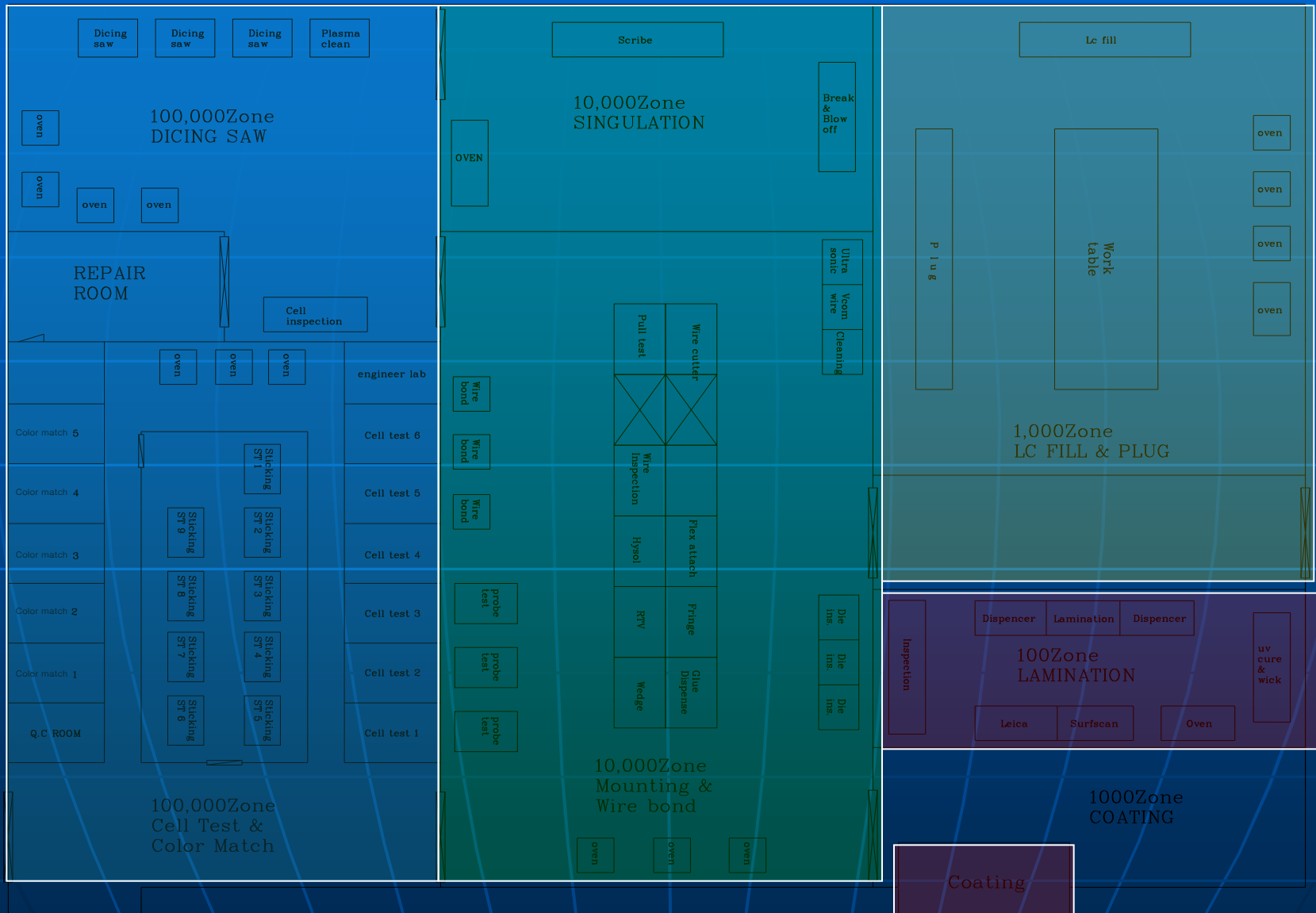


Total : 94

1st Floor Layout

April 2007





- Coating
- Dispense/Lamination
- Sawing/Singulation
- LC Fill and Plug
- ✓ **Probe Test / Sunbond**
- Die Mounting/Flex Attachment
- Wire Bond/Encapsulation
- ✓ **Cell Test**
- **Sticking Test**
- Color Matching

Analysis Summary

- Panel assembly yield is above 90%
- Probe and Cell are the tests where most of loss comes originated from backplane wafer.
- Sticking test shows 100% pass from July and on.

For successful development and ramp-up in 2007:

- Secure the stable wafer supply and quality control :
More reliable, new back plane design and effective quality assurance & supply for back plane wafer.
- New development and R&D center :
Will develop the single panel display, 0.55" digital product and new product for Microdisplay. And also enhanced support for customer & co-development activity on engine establishing - R&D center in Seoul.
- New leadership and execution dedicated for special customer :
 1. Commitment on time to schedule development, production, and delivery to customer.
 2. Proactive cooperation in business.
- Provide price competitiveness :
More competitive cost structure than other micro display technology from 2007.

