

Powerchip Semiconductor Corporation

2007 Second Quarter Investor Conference

The Westin Hotel, Taipei
July 23, 2007 2:30pm

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Disclaimer

During the course of this event, we may make projections or other forward-looking statements regarding future events of the future financial performance of the Company and the industry.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

We undertake no obligation to update any of these forward-looking statements, whether a result of new information or otherwise.

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Financial Information & Industry Outlook

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2007 Financial Summary

	2007 1H	2007 Q2	QoQ	YoY
	<i>Unaudited</i>	<i>Unaudited</i>		
Revenue (NT\$Bn)	46.17	17.26	(40%)	(8) %
Gross Margin (%)	13.2%	(16.5%)	(153%)	(168) %
Operating Margin (%)	7.2%	(23.2%)	(191%)	(230) %
Net Income Before Tax (NT\$Bn)	2.7	(5.4)	(166%)	(250) %
Net Income After Tax (NT\$Bn)	3.7	(3.8)	(150%)	(219) %
EPS (NT\$)	0.54	(0.56)	(150%)	(202) %
Net Value/Share (NT\$)	17.2			

* 2006 Dividend Policy: ~2.5 NTD (~1.5 NTD Cash Dividend + ~1.0 Stock Dividend)

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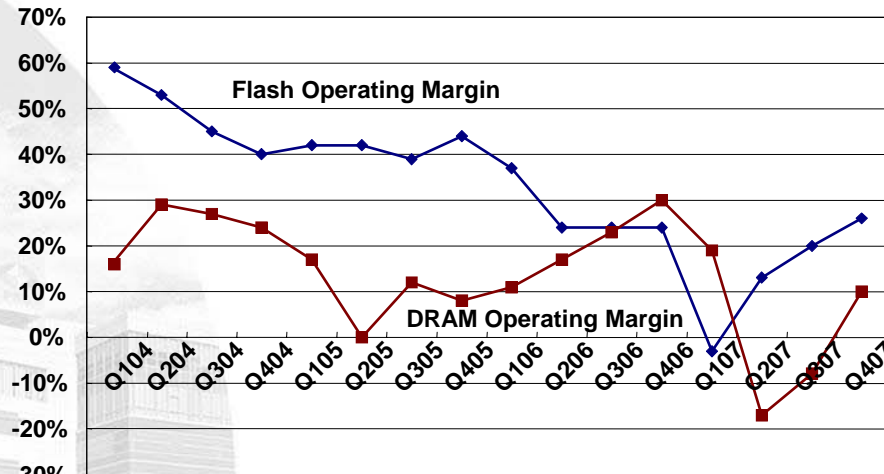
Q2 Financial Highlights

Paid-in Capital (NT\$Bn)	69.6
Cash on Hand (NT\$Bn)	38.1
Available Long Term Credit Line (NT\$Bn)	50.1
2007 Depreciation and Amortization	31.4
2007 PSC CAPEX Planned (NT\$Bn)	71
2007 1H CAPEX Cash (NT\$Bn)	31.2
2007 1H PSC's Investment in Rexchip (NT\$Bn)	16

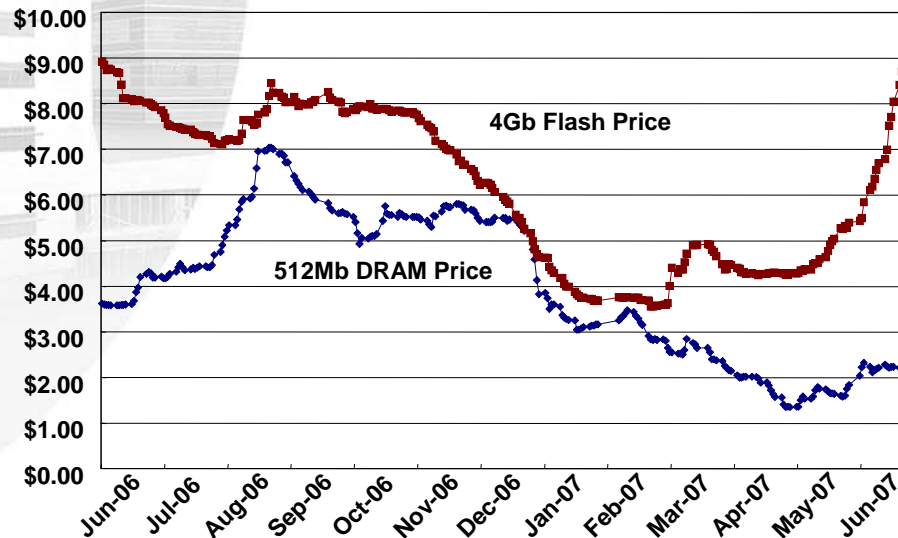
As of June 30, 2007

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Industry Outlook



Source: iSuppli



Source: DRAMeXchange

FLASH

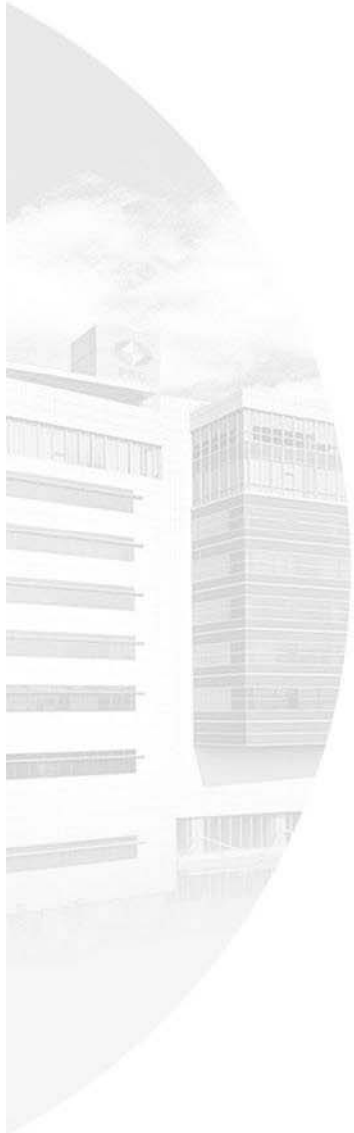
- Demand Drivers (Mobile Phones, MP3, Notebook - Turbo Memory, SSD, Hybrid Drives)
- 50nm Transition Difficulties and retirement of 200mm lines → limited supply growth

DRAM

- Demand Drivers (price elasticity, Vista, consumer electronics)
- Sub 80nm Migration Difficulties along with large financial investment
- 1Gb + Sub 80nm transition and retirement of 200mm lines → limited supply growth

PSC Group Strategy

- Push DRAM Technology from 90nm to 50nm (70nm → 65nm → 50nm)
- Expand NAND Flash Business through:
 - Technology (70nm/50nm/40nm)
 - Product (MLC/SLC)
 - Capacity (New Fabs 12C/D in Hsinchu)
- Rexchip expansion to 250K capacity as planned
- Further strengthen strategic alliances with Elpida and Renesas



Operational Update/Guidance

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PSC Fab Status

PSC - Fab 12 A-B-M / 300 mm FAB

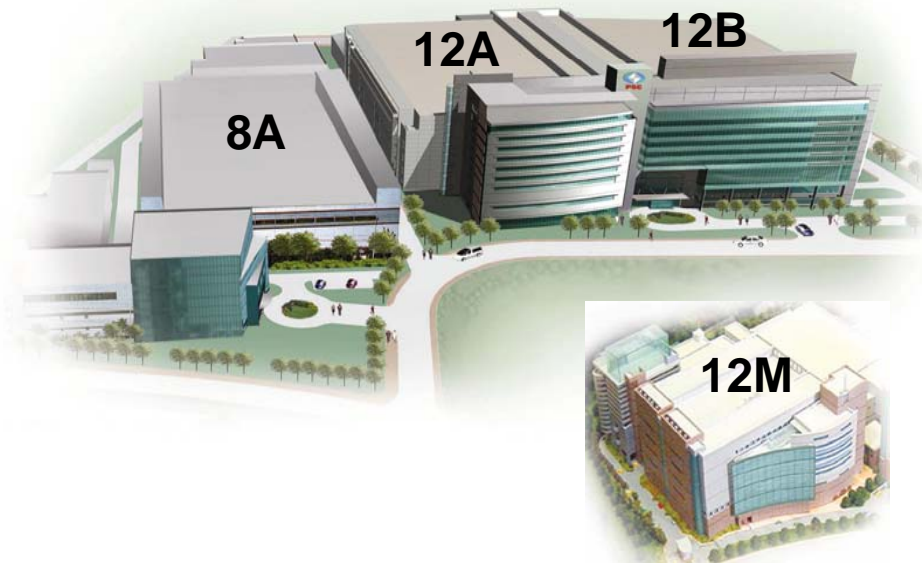
	2007 2Q End Output	2007 3Q End Output
Fab12A+B	90K wpm	90K wpm
Fab 12M	40K wpm	40K wpm

PSC - Fab 8A / 200 mm FAB

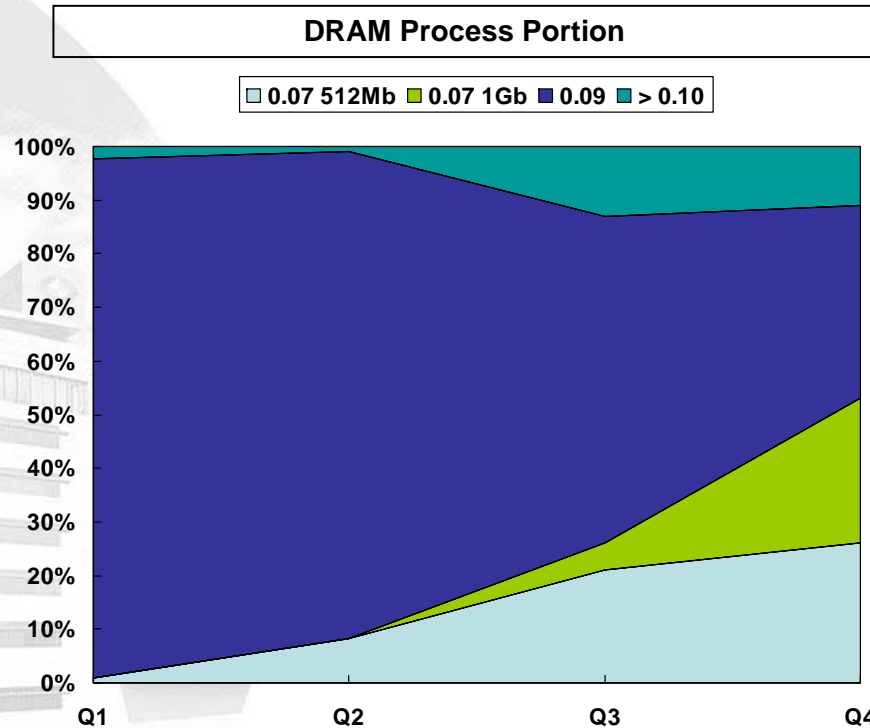
	Initial Production	Current Capacity
Fab 8A	1996	37K wpm

Rexchip Fab R1 / 300 mm FAB

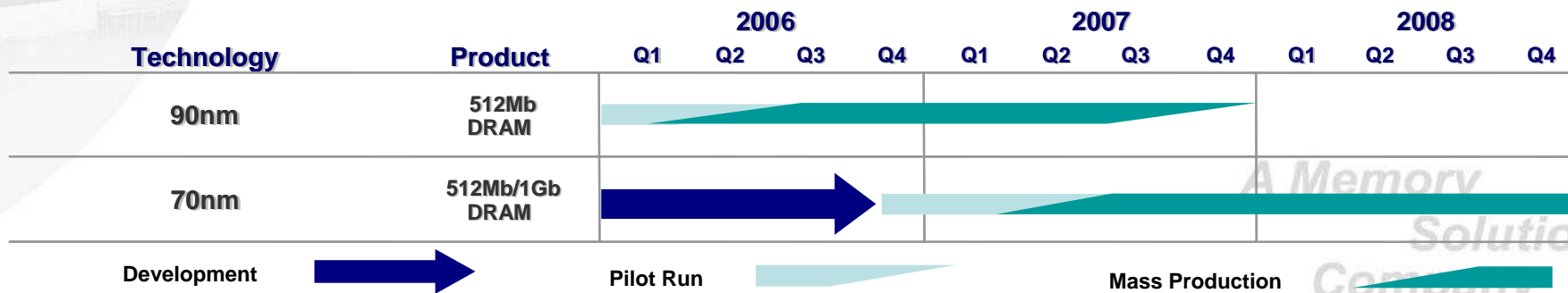
	2007 2Q	2007 3Q
R1	Equipment Move-In	Mass Production Planned



DRAM Situation



- 70nm to accelerate 1Gb transition to mainstream
- 70nm yields to reach 85% in Q3
- Q2 DRAM bit growth 18%
- Q3 DRAM bit growth 10%

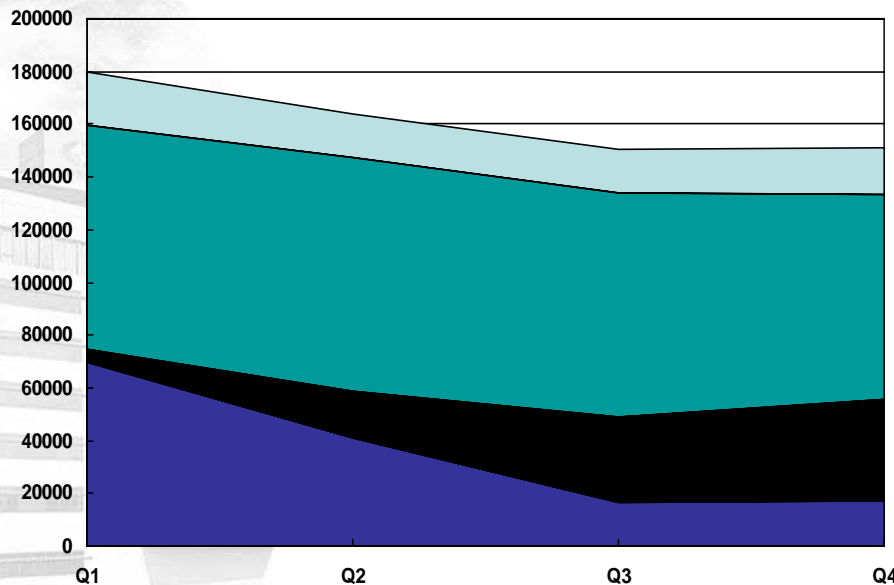


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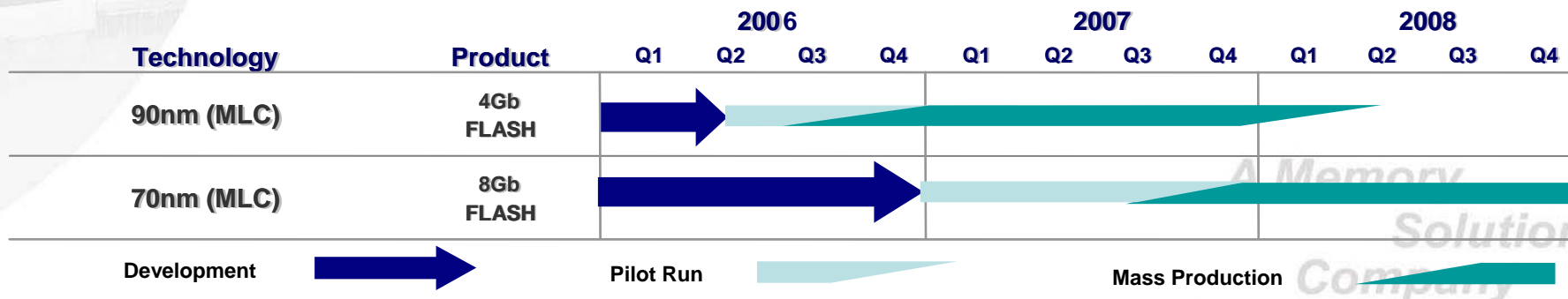
Flash and Foundry Situation

Flash and Foundry Wafer input 8" Wafer K Equiv.

■ 8" Memory Foundry ■ 8" Other Foundry ■ 12" Memory Foundry □ 12" Flash



- Foundry Sales accounted for 11% of Q2 Revenue
- Non-Memory foundry portion to increase in Q3
- 70nm 8Gb MLC mass production 2H
- 50nm 16Gb MLC currently in development



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2007 2H Operation Guidance

- 70nm ~30% of 300mm capacity by end of Q3
- 70nm ~70% of 300mm capacity by end of Q4
- Groundbreaking for 12C Flash Fab in 2H
- 1Gb DRAM half of 70nm portion in Q4
- 70nm 8Gb Flash mass production in Q4
- Rexchip R1 begins mass production in Q3



Rexchip Electronics (瑞晶) Update

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Rexchip Progress

- Complete Fab R1 Construction
- Ready to Ground-Break Fab R2
- Mass Production started in July (30K)
- Capital Size is 20 Billion NTD now, new capital injection to occur in Q4
- 2008 1H – Fab R1 to reach 70K

■ REXCHIP BIRD'S EYE VIEW



South East corner



North East corner



North West corner



Dormitory

■ REXCHIP FAB ENVIRONMENT



Photo area



Diff area

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Q&A

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PSC Introduction

Powerchip, a Memory Solution Company

公司簡介

力晶半導體1994年12月於台北市南港科學工業園區創立，以DRAM（動態隨機存取記憶體）為主要產品。1999年以90奈米製程成功量產1.5Gb DRAM，2000年力晶半導體正式在NASDAQ上市，目前員工總數約4,000人，資本額超過新台幣100億元。

力晶成立之初即與日本高科技巨頭富士通建立長期策略聯盟關係，目前Elysia、Renesas、富士通等，均為力晶的客戶，共同開發高容量DRAM、Flash以及系統晶片System LSI等最新型工業級產品。

Powerchip Semiconductor was founded December of 1994 in Hsinchu Science Park in Taiwan in order to focus on the production and the marketing of DRAM (Dynamic Random Access Memory) chips. In 1999, Powerchip Semiconductor listed itself publicly. In 2000, Powerchip Semiconductor has three 12" (300mm) fabs and one 8" (200mm) Fab, 3,000 employees, and Capital of over 10 Billion USD.

PSC was established upon and further developed its long term strategic relationships with Japanese High Tech firms. Currently Elsys, Renesas and Mitsubishi, are all strategic partners of Powerchip Semiconductor, whom all cooperatively develop highly advanced products including DRAM, Flash, System LSI, and family products.

