

# Powerchip Semiconductor Corporation

## 2007 Third Quarter Investor Conference

The Westin Hotel, Taipei  
October 25, 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

**Dr. Frank Huang, Chairman**

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## 2007 Financial Summary

	2007 Q1-Q3 <i>Unaudited</i>	2007 Q3 <i>Unaudited</i>	QoQ	YoY
Revenue (NT\$Bn)	64.09	17.92	3.79%	(29.82%)
Gross Margin (%)	5.9%	(13.0%)	19.6%	(121%)
Operating Margin (%)	(0.1%)	(18.9%)	15.3%	(137%)
Net Income Before Tax (NT\$Bn)	(0.51)	(3.24)	39.9%	(135%)
Net Income After Tax (NT\$Bn)	1.79	(1.90)	50.5%	(124%)
EPS (NT\$)	0.23	(0.31)	44.6%	(129%)
Net Value/Share (NT\$)	15.17			

\* Current Total Outstanding Shares: 7.82 Billion

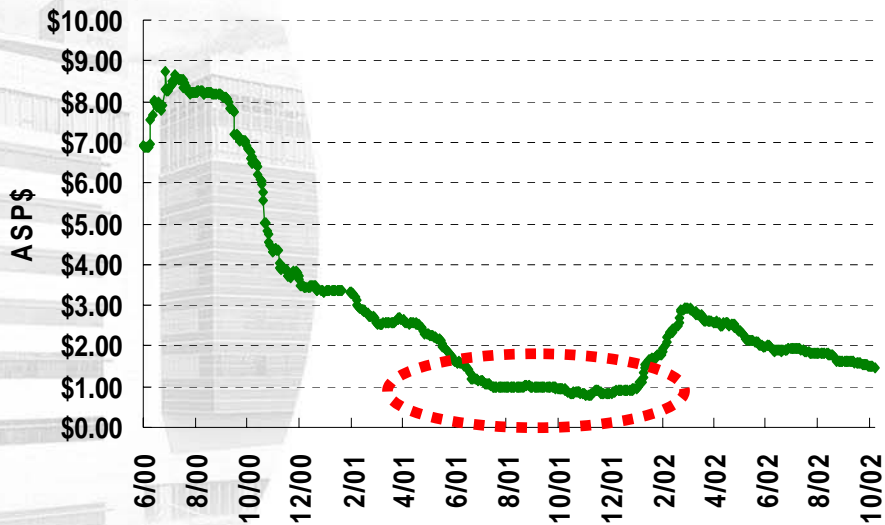
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## **PSC (PER) Group Strategy**

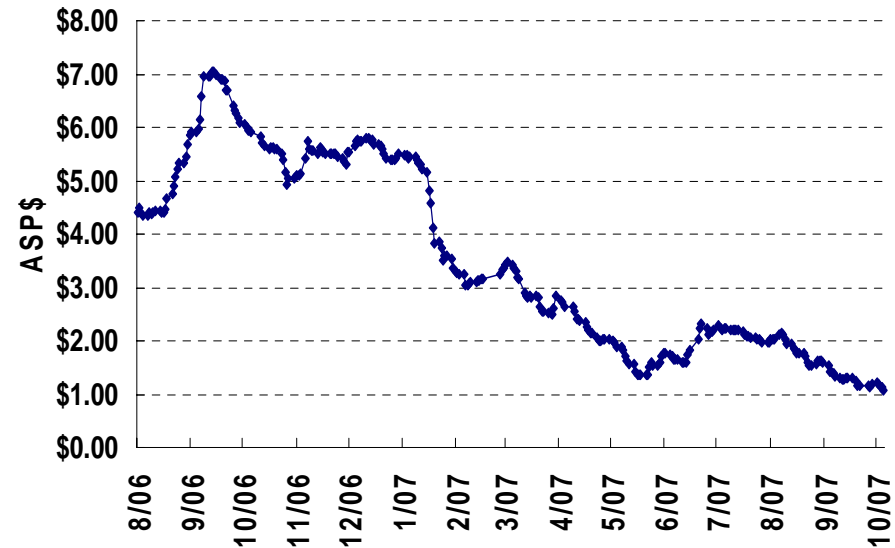
- 1) Deploy the most advanced production technology  
-70nm (current MP) → 60nm by 2008**
- 2) Push the Lowest Production Cost**
- 3) Expansion of 300mm Fab Capacity to increase market share**
- 4) Unified Powerchip-Elpida-Rexchip (PER) Alliance  
- (UMC Deal)**
- 5) Maintain sound financial capacity with strong cash flow management**

# DRAM Historical Price Trend

**64Mb SDRAM**



**512Mb DDR2**



Source: DRAMeXchange (Oct. 07)

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## Rexchip Update

### 1) R1 Phase 1 Completed –

30K 1Gb in mass production

### 2) R1 Phase 2 Q2'08 to be Completed –

70k wpm

### 3) R2 Shell –

Currently in Construction

# Operational Update/Guidance

**Dr. Brian Shieh, President**

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# PSC Fab Status

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

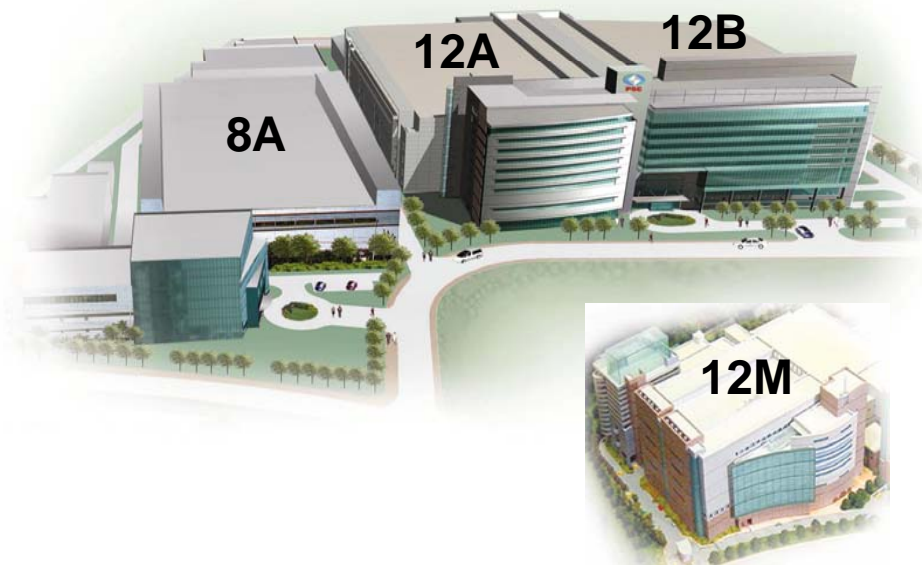
	2007 3Q End Output	2007 4Q End Output
12A+B+M	130K wpm	130K wpm

## PSC - Fab 8A / 200 mm FAB

	Initial Production	Current Capacity
Fab 8A	1996	37K wpm

## Rexchip Fab R1 / 300 mm FAB

	2007 3Q Initial Production	2007 4Q 30K wpm
R1		



## Q3 Financial Highlights

<b>Paid-in Capital (NT\$Bn)</b>	<b>78.2</b>
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<b>Cash on Hand (NT\$Bn)</b>	<b>24.7</b>
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<b>Available Long Term Credit Line (NT\$Bn)</b>	<b>32.8</b>
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<b>2007 Depreciation and Amortization</b>	<b>33.5</b>
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<b>2007 PSC CAPEX Planned (NT\$Bn)</b>	<b>70.6</b>
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<b>2007 1Q-3Q CAPEX Cash (NT\$Bn)</b>	<b>48.3</b>
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<b>Debt-Equity Ratio</b>	<b>99.8%</b>
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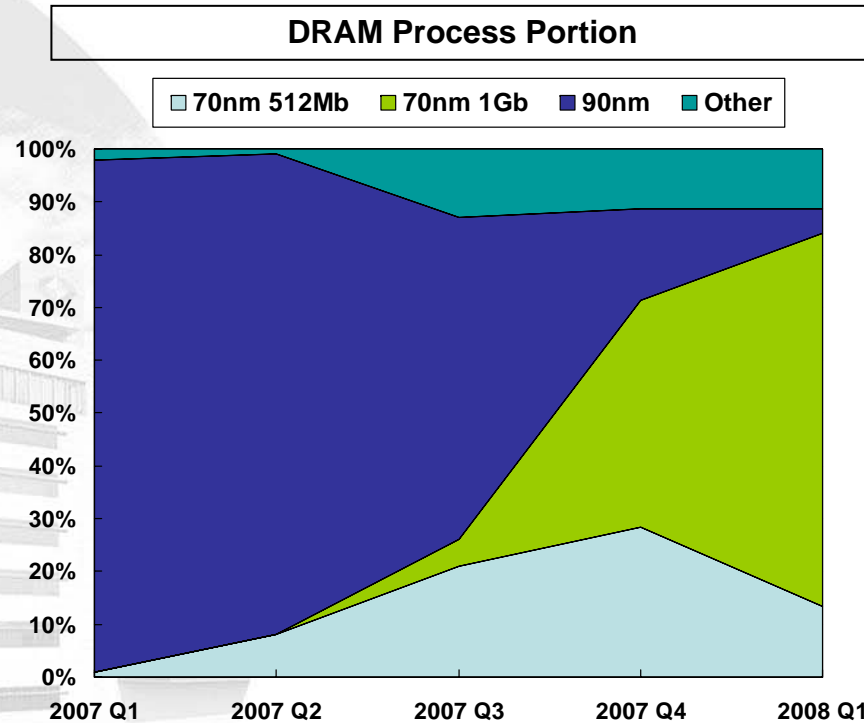
<b>Net Debt-Equity Ratio</b>	<b>79%</b>
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<b>2007 1Q-3Q PSC's Investment in Rexchip (NT\$Bn)</b>	<b>22.5</b>
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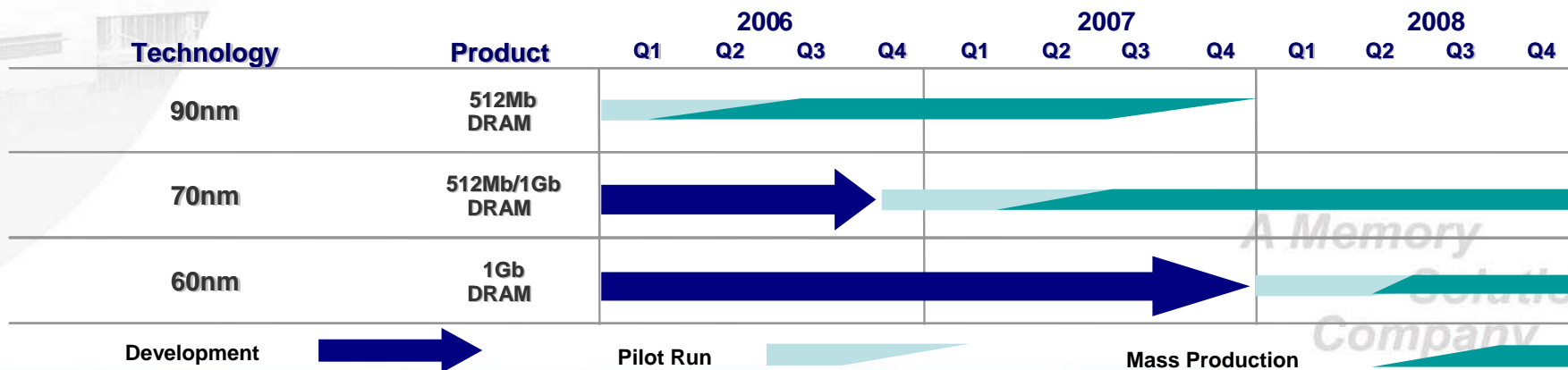
As of September 30, 2007

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# DRAM Situation



- Q3 DRAM bit growth 5%
- Q4 DRAM bit growth 20%
- 2007 bit growth: 90%

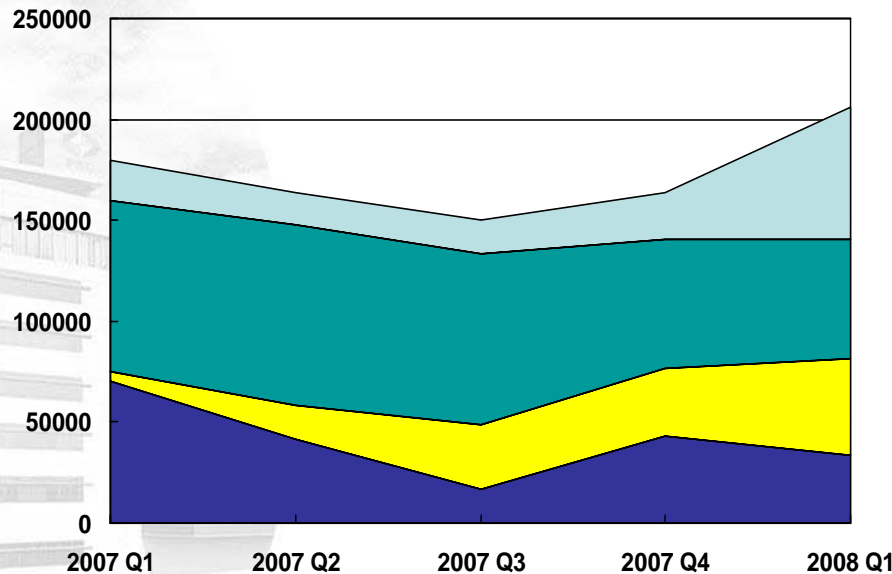


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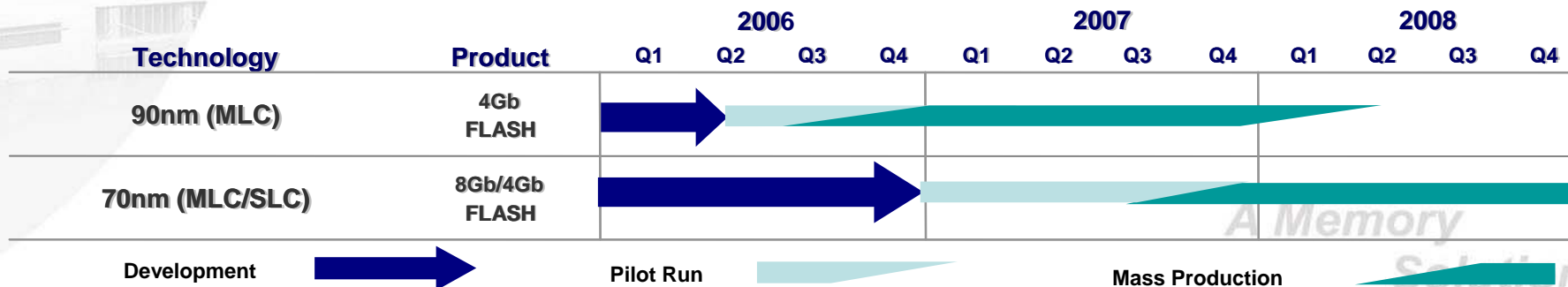
# Flash and Foundry Situation

Flash and Foundry Wafer input 8" Wafer K Equiv.

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



- Foundry Sales accounted for 16% of Q3 Revenue
- 70nm 8G(M)/4G(S) Flash mass production Q4



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## 2007 Q4 Operation Guidance

- 1) 70nm DRAM: >70% Input, >50% Output, 90nm EOL in Jan'08
- 2) Overall die cost reduction range: 15%-20%
- 3) 1Gb DDR2: >50% Input, (Q1'08 >70% Input)
- 4) 50nm Flash Memory Tape Out & Test Run

# Rexchip Electronics (瑞晶) Update

**Stephen Chen, President**

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# Q&A

## Powerchip A Memory Solution Company

### 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奈米製程與台灣政府達成合作，2000年力晶開始與三星合作，共同開發製程，員工達3000人，資本額超過新台幣五十億元。

力晶成立之初即與日本高科技巨頭富士電子的發展關係密切，目前Elpida、Renesas 富士電機、三星為晶的合作伙伴，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 joined hand jointly. In 2000, Powerchip Semiconductor has three 12/130nm Fab and one 8/120nm Fab, 3,000 employees, and Capital of over 10 Billion USD.

PSC was established upon and further developed its long term strategic relationship with Japanese High Tech firms. Currently Elpida, 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.

