

Powerchip Semiconductor Corporation

2007 Fourth Quarter Investor Conference

The Westin Hotel, Taipei
January 30, 2008 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 Q4 <i>Unaudited</i>	QoQ	FY2007 <i>Unaudited</i>	YoY
Revenue (NT\$Bn)	13.41	(25.13%)	77.50	(59.37%)
Gross Margin (%)*	(71.0%)	(307.6%)	(7.4%)	(161%)
Operating Margin (%)	(81.9%)	(224.6%)	(14.2%)	(177%)
Net Income Before Tax (NT\$Bn)**	(14.57)	(349.1%)	(15.08)	(195%)
Net Income After Tax (NT\$Bn)	(14.11)	(641.7%)	(12.33)	(192%)
EPS (NT\$)	(1.83)	(632.0%)	(1.60)	(182%)
Net Value/Share (NT\$)			13.30	

* Substantial drop in gross margin due to spot market ASP drop, PSC 70nm transition and Rexchip 30K ramp up

** Includes total year inventory loss write-down of 5.0 NT\$Bn and Rexchip equity loss of 1.95 NT\$Bn

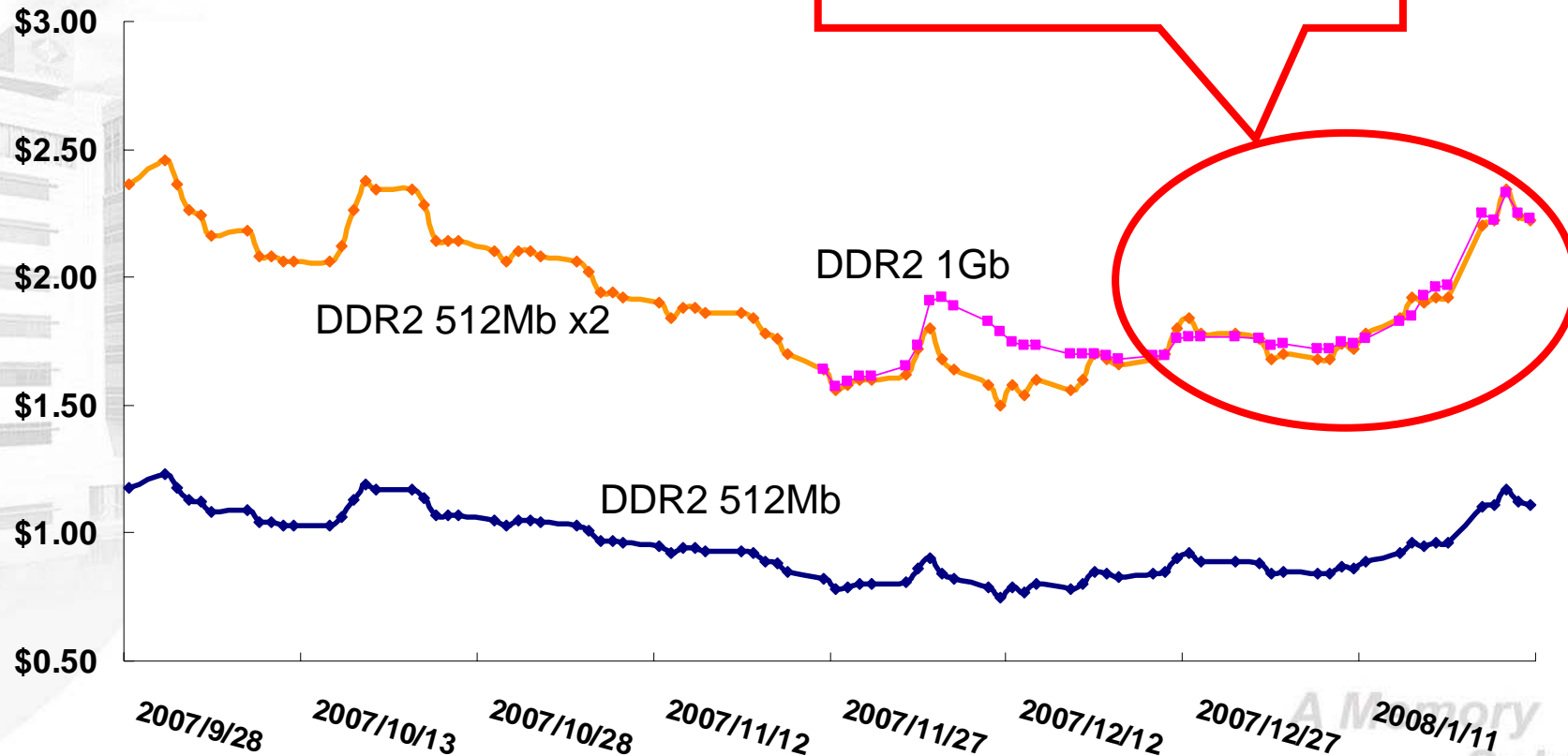
Cash Position & Cash Flow available for operations in 2008

Item in Billions of NTD	Beginning of 2008
Cash and Marketable Securities	24.9
Available Short Term Finance	4.8
Available Long Term Finance	18.1
Depreciation and Amortization total Year	36.9
Total	84.7

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Recent Price Trend

PSC Q1 End - 1Gb input 90% of 70nm, output 70%



Source: DRAMeXchange, PSC Marketing

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2008 Subsidiary Project Update

Rexchip

- R1 phase 2 complete in March – 70K wspm
- R2 shell construction complete in April
- Equipment move in: TBD

Maxchip

- 4/1/2008 to officially spin-off
- To focus on non-memory foundry
- Wholly owned subsidiary

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2008 PSC Project Update

Wafer Test & R/D Center

- 2008/Q2 estimated completion date
- R/D center to house 500 research engineers
- Maximum capacity 400k wafers per month

Fab P4/P5

- Twin Fabs 60K each
- 50nm and beyond
- 2008/3 Groundbreaking
- 2009/5 Cleanroom Complete
- 2009/6 Equipment Move In

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Operational Update/Guidance

Dr. Brian Shieh, President

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PSC Fab Status

PSC - P1/2/3: 300 mm FAB Capacity

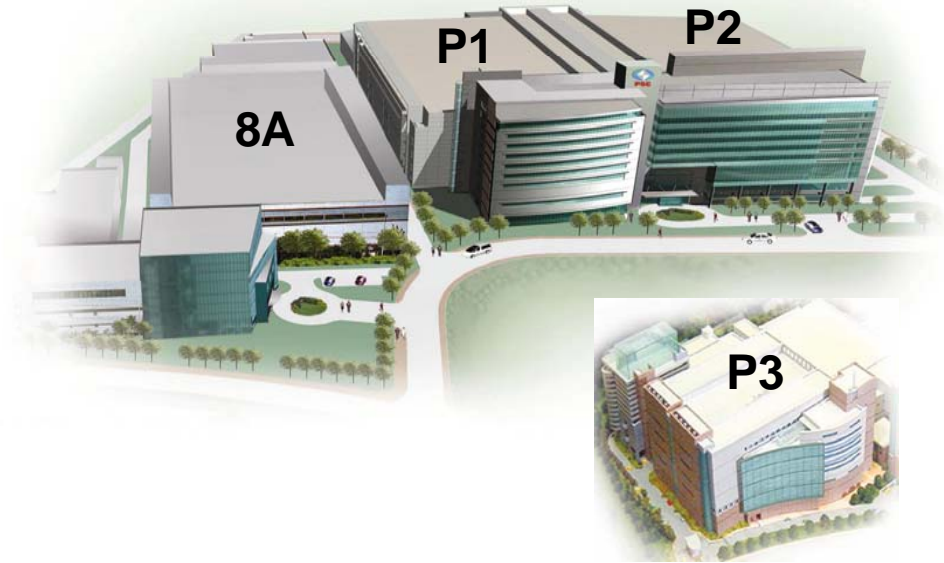
P1+2+3 130K wpm

Maxchip 8A: 200 mm FAB Capacity

8A 35K wpm

Rexchip Fab R1 / 300 mm FAB Capacity

	2007 4Q	2008 1Q
R1	30K wpm	60K wpm



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Financial Highlights

Paid-in Capital (NT\$Bn)	78.2
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Cash on Hand and Marketable Securities (NT\$Bn)	24.9
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Available Long Term Credit Line (NT\$Bn)	18.1
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2008 Depreciation and Amortization (NT\$Bn)	36.9
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2008 PSC Planned Capex Cash (NT\$Bn)	35.1
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2008 PSC's Investment in Rexchip (NT\$Bn)	TBD
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2007 CAPEX Cash (NT\$Bn)	63.4
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2007 (PSC + Subsidiary) Investment in Rexchip (NT\$Bn)	22.9
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Debt Equity Ratio	1.17
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Net Debt Equity Ratio (less cash and equivalents)	0.98
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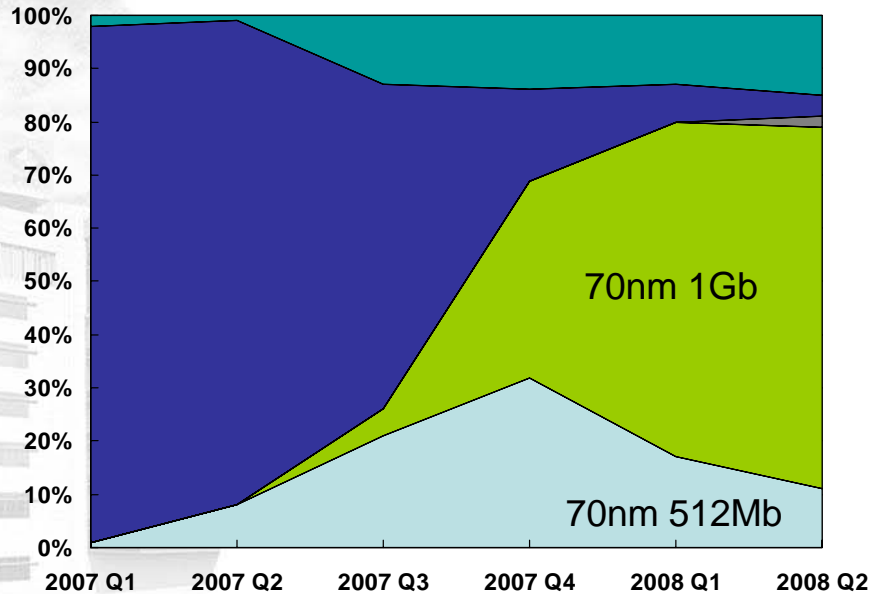
As of December 31, 2007

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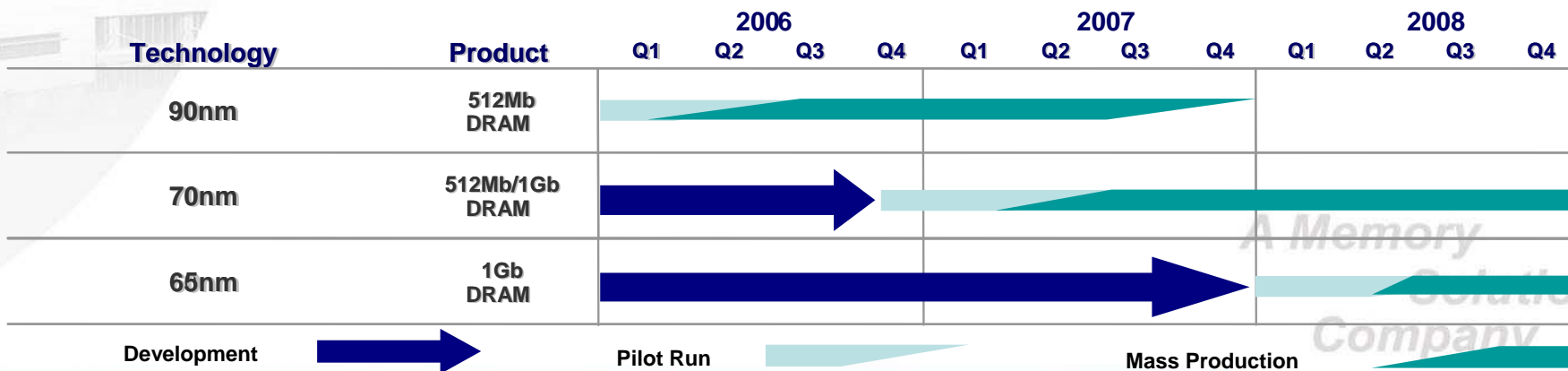
DRAM Situation

DRAM Process Portion

■ 70nm 512Mb
 ■ 70nm 1Gb
 ■ 60nm 1Gb
 ■ 90nm
 ■ Other



- 2007 - Q4 DRAM bit growth 23%
- 2008 - Q1 DRAM bit growth 20%
- 2007 bit growth: 90%
- 2008 bit growth: 65% (PSC + Rexchip)

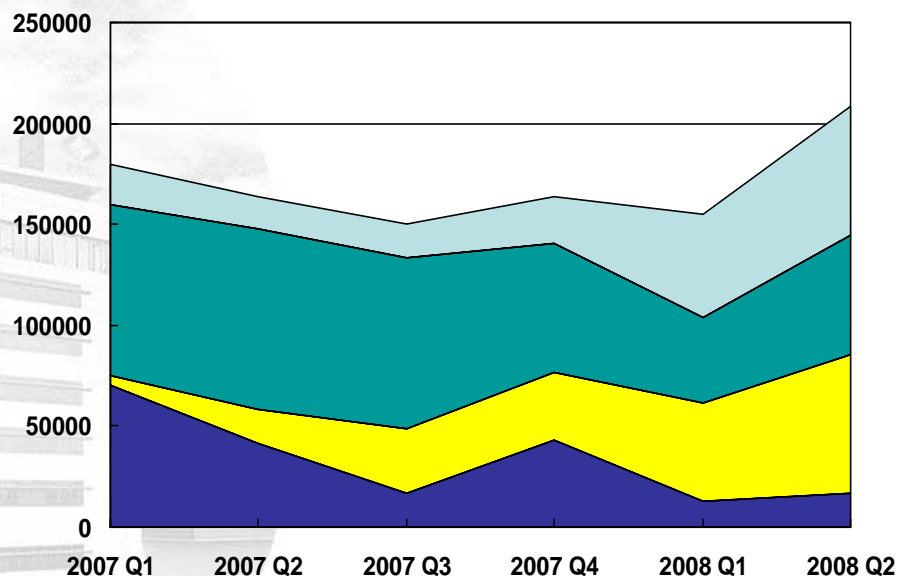


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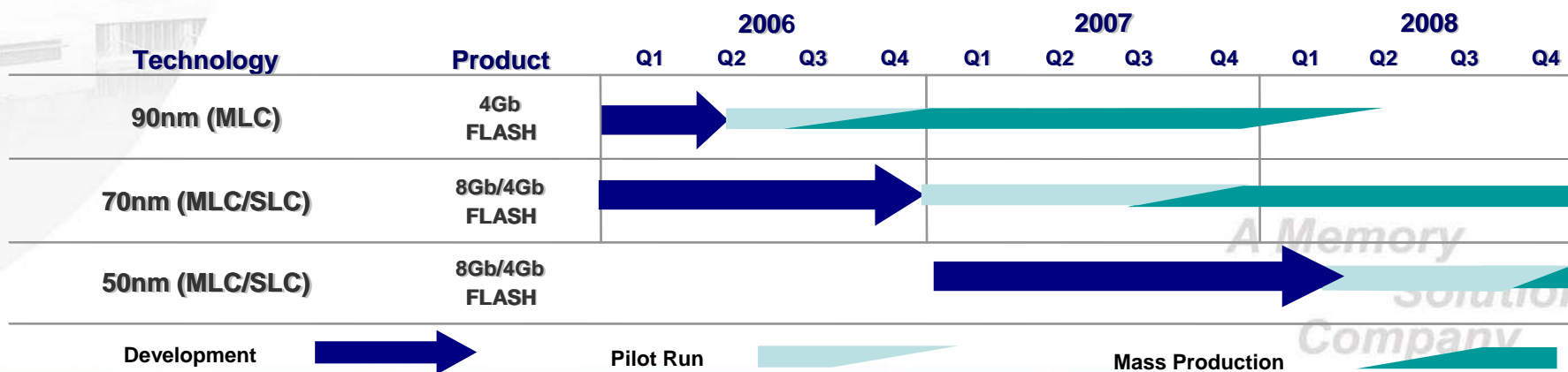
Flash and Foundry Situation

Flash and Foundry Wafer input 8" Wafer K Equiv.

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



- Foundry Sales accounted for 21% of Q4 Revenue
- Sampling 8Gb MLC, 4Gb SLC/MLC, 2Gb SLC Flash



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2007 Achievement

- 1) Complete 70nm DRAM Technology Production Transition
- 2) Rexchip Ramp to 30K
- 3) Completed 70nm Flash development

2008 Q1 Operation Guidance

- 1) 65nm DRAM Pilot Run
- 2) 1Gb DDR2 volume increase
- 3) Fab P4/P5 Groundbreaking for 50nm technology node and beyond

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Q&A

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PSC Introduction

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 1998, Powerchip Semiconductor moved their factory. In 2006, Powerchip Semiconductor has three 12" (300mm) fabs and one 8" (200mm) Fab, 8,000 employees, and Capital of over 15 Billion USD.

PSC was established upon and further developed its long term strategic relationships 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.

公司簡介

力晶半導體1994年12月於台灣新竹科學工業園區創立，以DRAM（動態隨機存取記憶體）產品為主業。1998年以新設廠區與台灣政府合作，2006年力晶擁有三條12吋（300mm）晶圓生產線，員工達8000人，資本額超過新台幣150億元。

力晶成立之初即與日本高科技企業建立深厚的策略聯盟關係，目前Elpida、Renesas及三菱電機，均為力晶的合作伙伴，共同開發高階DRAM、Flash及系統晶片System LSI等國際代工服務和產品。

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