

# Powerchip Semiconductor Corporation

## 2008 First Quarter Investor Conference

The Westin Hotel, Taipei  
April 23, 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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## 2008 Q1 Financial Summary

	2008 Q1 <i>Unaudited</i>	QoQ	2007 Q4 <i>Audited</i>	YoY
Revenue (NT\$Bn)	14.84	10.64%	13.41	(48.65%)
Gross Margin (%)	(57.7%)	10.1%	(71.0%)	(196%)
Operating Margin (%)	(67.9%)	8.3%	(81.9%)	(237%)
Net Income Before Tax (NT\$Bn)*	(11.55)	20.7%	(14.57)	(242%)
Net Income After Tax (NT\$Bn)	(9.74)	31.0%	(14.11)	(229%)
EPS (NT\$)	(1.25)	31.7%	(1.83)	(226%)
Net Value/Share (NT\$)	12.02			

\* Equity Loss 0.4 NT\$Bn, Interest Expense 0.7 NT\$Bn, LCM 0.4 NT\$Bn

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## Cash Position & Cash Flow for Q2-Q4

Item in Billions of NTD	As of March 31
Cash and Marketable Securities	20.1
Available Short Term Finance	2.3
Available Long Term Finance	10.2
Depreciation and Amortization Q2-Q4*	26.7
<b>Total</b>	<b>59.3</b>

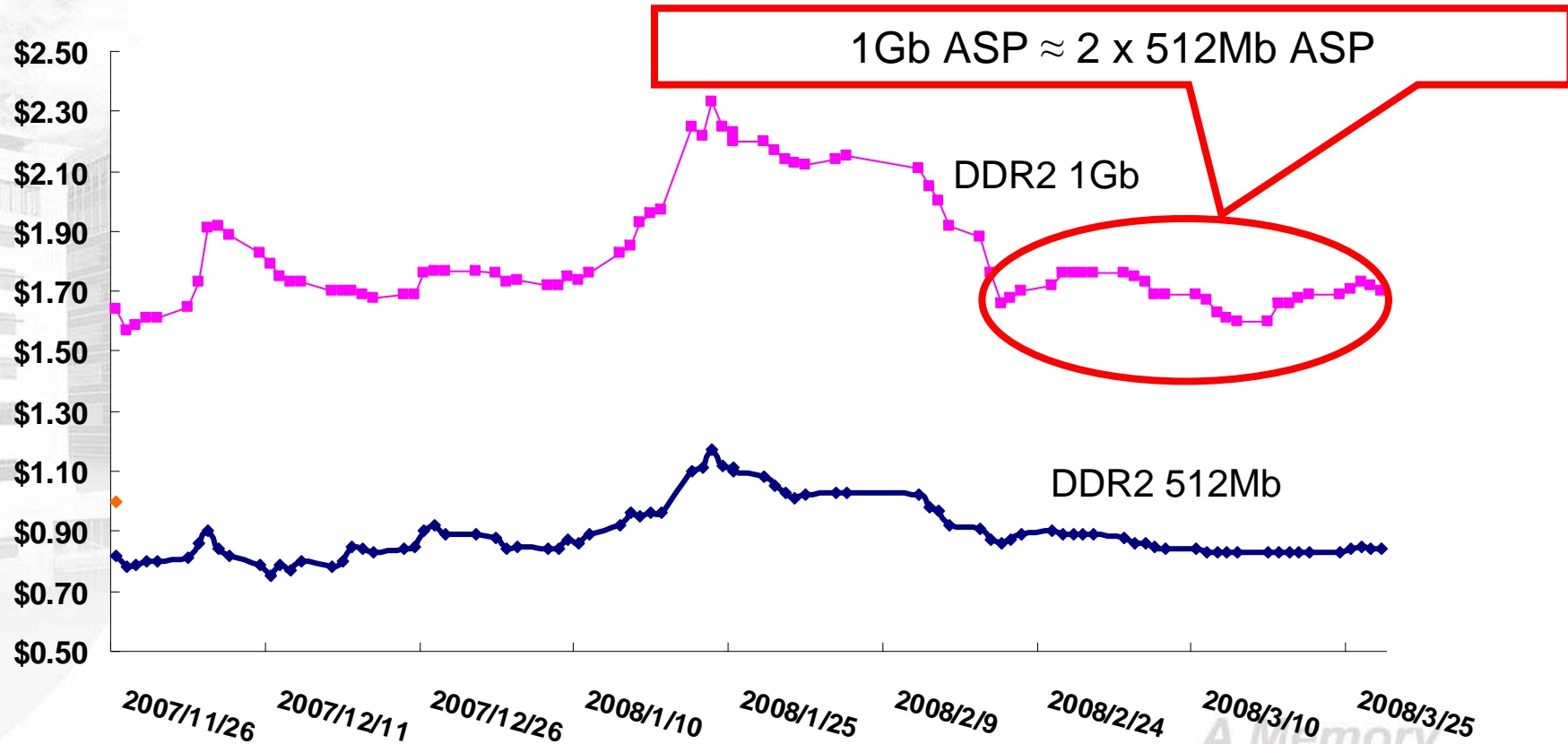
\* Whole Year Depreciation & Amortization: 35.7 Bn NTD

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# Recent Price Trend

**PSC Product Mix: Q1: 1Gb 70nm (80%)**

**Q2: 1Gb 70nm/65nm (95%)**



Source: DRAMeXchange, PSC

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# Operational Update/Guidance

**Dr. Brian Shieh, President**

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# PSC Fab Status

## PSC: 300 mm FAB Capacity

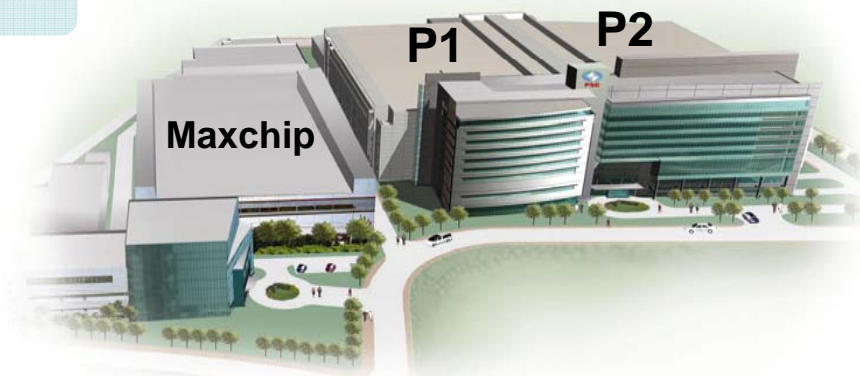
P1+2+3                      130K wpm  
 P4/P5                      Under Construction

## Maxchip: 200 mm FAB Capacity

35K wpm

## Rexchip Fab R1 / 300 mm FAB Capacity

	<u>2008 1Q</u>	<u>2008 2Q</u>
R1	60K wpm	75K wpm

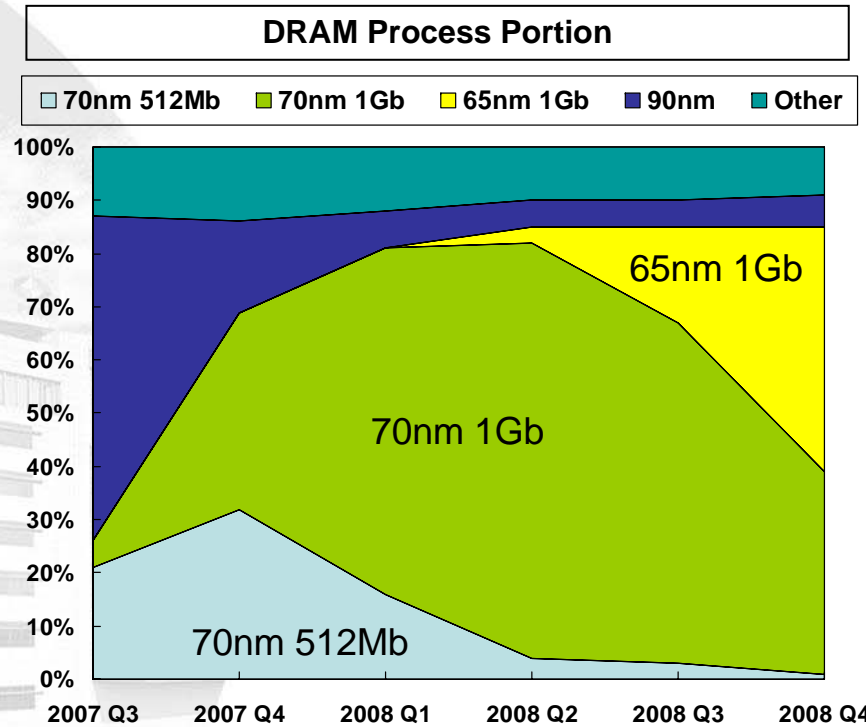


# Financial Highlights

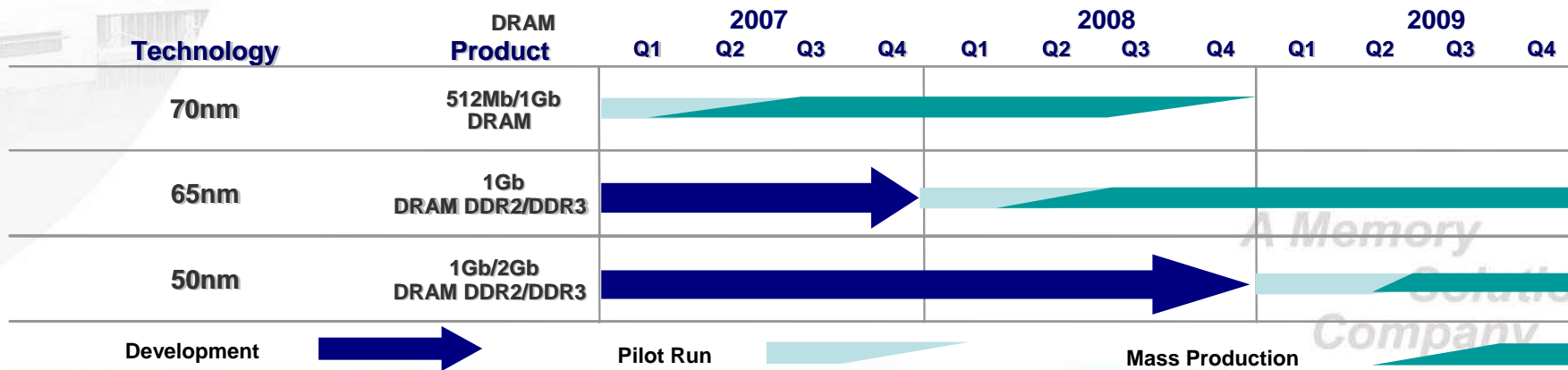
<b>Paid-in Capital (NT\$Bn)</b>	<b>78.4</b>
<b>Cash on Hand and Marketable Securities (NT\$Bn)</b>	<b>20.1</b>
<b>2008 Q1 Depreciation and Amortization (NT\$Bn)</b>	<b>9.0</b>
<b>2008 Q1 Actual Capex Cash (NT\$Bn)</b>	<b>10.3</b>
<b>2008 PSC Planned Capex Cash (NT\$Bn)</b>	<b>28.3 (Accrued Base: 34.5)</b>
<b>2008 PSC's Investment in Rexchip (NT\$Bn)</b>	<b>TBD</b>
<b>Debt Equity Ratio</b>	<b>1.33</b>
<b>Net Debt Equity Ratio (less cash and equivalents)</b>	<b>1.16</b>

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# DRAM Situation



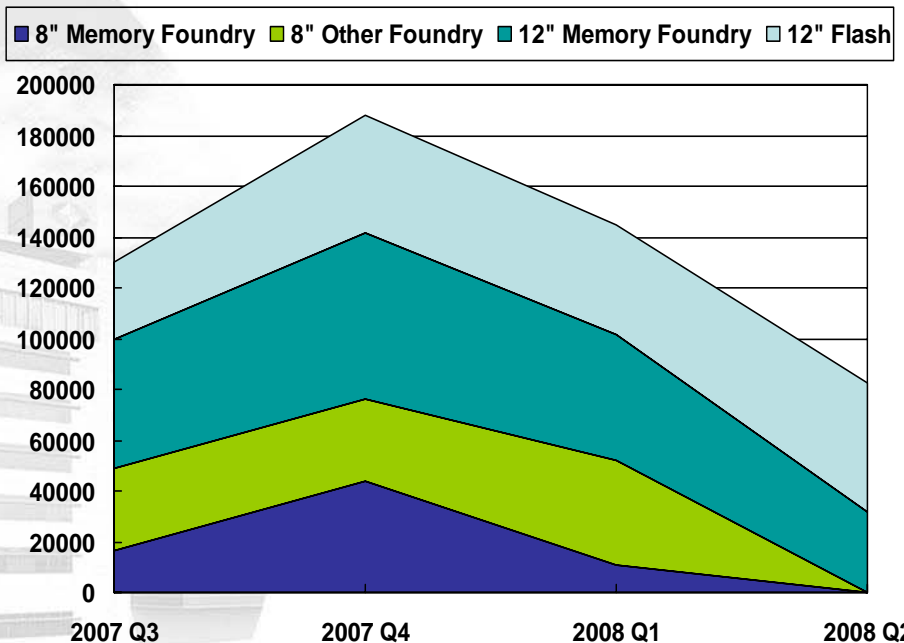
- 2008 - Q1 DRAM bit growth: 23%
- 2008 - Q2 DRAM bit growth: 17%
- 2007 bit growth: 90%
- 2008 bit growth: 65% (PSC + Rexchip)



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# Flash and Foundry Situation

Flash and Foundry Wafer input 8" Wafer K Equiv.



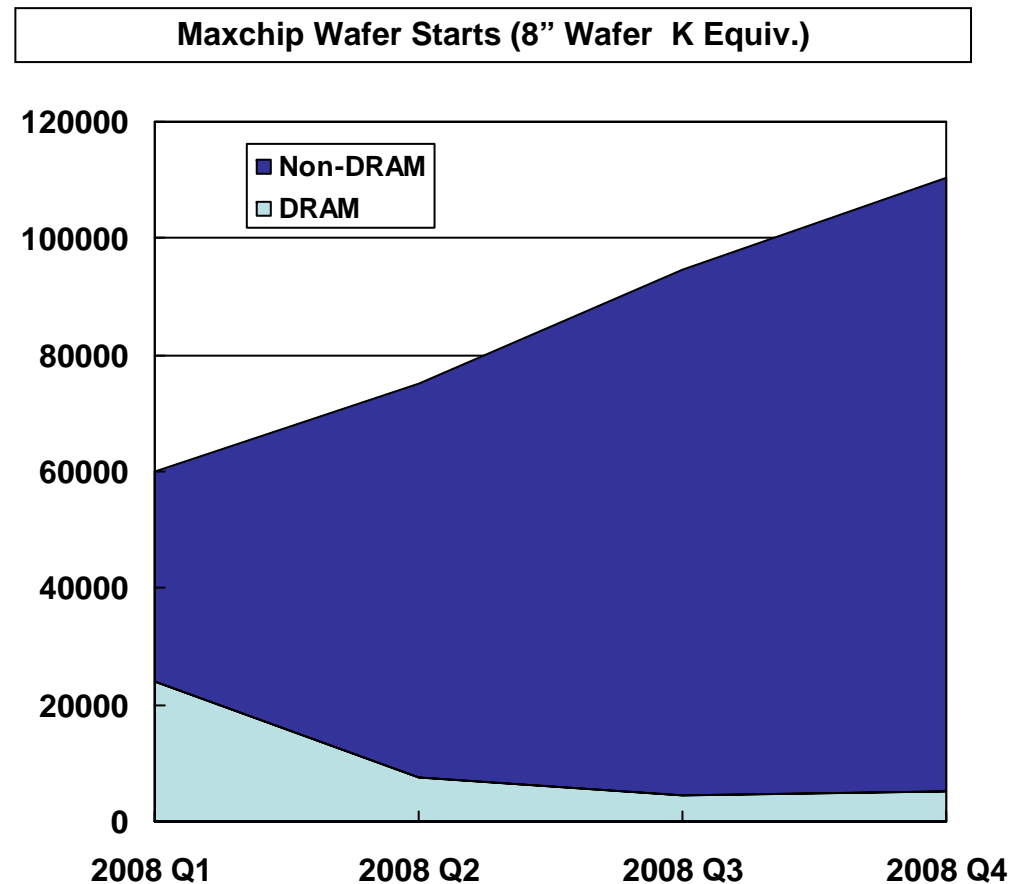
- Foundry Sales accounted for 17% of Q1 Revenue
  - 8" accounted for 7% of Q1 Revenue
- Maxchip Spun off April 1.

Technology	Product	2006				2007				2008			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
90nm (MLC)	4Gb FLASH	Development				Pilot Run				Mass Production			
70nm (MLC/SLC)	8Gb/4Gb FLASH	Development				Pilot Run				Mass Production			
50nm (MLC/SLC)	8Gb/4Gb FLASH	Development				Pilot Run				Mass Production			

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## Maxchip (鉅晶)

- Equity Size: 7.5B NTD
- Current Employees: 1,200
- Q2 Equipment move-in phase to convert DRAM Fab to Logic Foundry
- Q4 Transition complete; 35K foundry focusing on the production of LCD driver IC (Large and Small Panel), power management IC and CMOS Image Sensor



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## 2008 Q1 Achievements

- 1) Convert all DRAM production to 70nm 1Gb (yield: 85%+)
- 2) Completed 65nm Pilot Run, prepare for transition
- 3) P4/P5 Groundbreaking

## 2008 Q2 Operation Guidance

- 1) Maxchip Spun Off
- 2) Continue to improve 70nm 1Gb yield to 89%
- 3) 65nm 6F<sup>2</sup> DRAM Mass Production Start
- 4) P1 for IDM foundry
- 5) Renesas SP Driver JV

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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 1T/300mm² fabs and one 81200mm² 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。1998年以新設廠房與設備擴建工廠。2006年力晶半導體三廠12吋和一至四吋廠開幕，員工達8000人，資本額超過新台幣五百億元。

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等最新型工業級產品。

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