

Powerchip Semiconductor Corporation

2008 Second Quarter Investor Conference

The Westin Hotel, Taipei
July 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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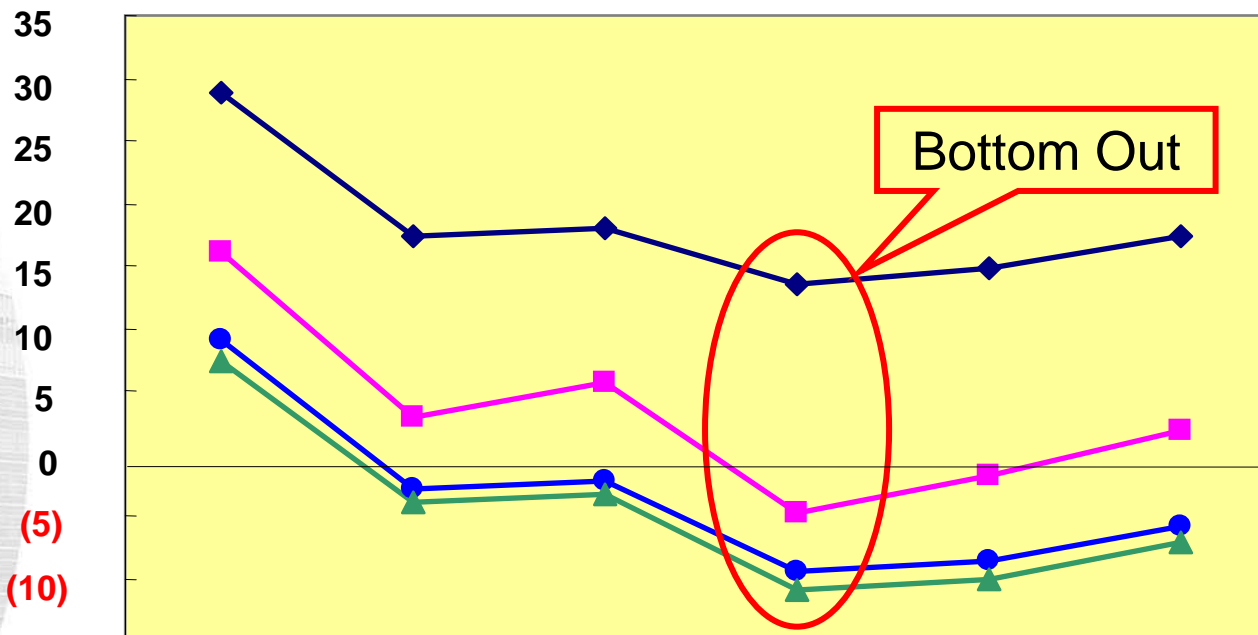
2008 Q2 Financial Summary

	2008 Q2 <i>Unaudited</i>	QoQ	2008 Q1 <i>Audited</i>	YoY
Revenue (NT\$Bn)	17.44	17.51%	14.84	1.01%
Gross Margin (%)	(33.5%)	31.7%	(57.7%)	(105%)
Operating Margin (%)	(40.8%)	29.4%	(67.9%)	(78%)
Net Income Before Tax (NT\$Bn)	(7.61)	34.1%	(11.55)	(41%)
Net Income After Tax (NT\$Bn)	(7.27)	25.4%	(9.74)	(89%)
EPS (NT\$)	(0.93)	25.6%	(1.25)	(82%)
Net Value/Share (NT\$)	11.04			

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PSC Margin Trend

Unit: NTD Billions



	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2
◆ Sales Revenue	28.9	17.2	17.9	13.4	14.8	17.4
● Gross Margin	8.9	(2.8)	(2.3)	(9.5)	(8.6)	(5.8)
▲ OP Margin	7.3	(4.0)	(3.4)	(11.0)	(10.1)	(7.1)
■ EBITDA	16.1	3.0	5.6	(4.7)	(1.9)	1.8

Cash Position for 2H 2008

Item in Billions of NTD	As of June 30
Cash and Marketable Securities	18.9
Available Short Term Finance	6.1
Available Long Term Finance	7.8
Depreciation and Amortization Q3-Q4*	17.6
Total**	50.4

* Whole Year Depreciation & Amortization: 35.2 Bn NTD

** Sufficient to support existing operations

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Operational Update/Guidance

Dr. Brian Shieh, President

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PSC Fab Status

PSC: 300 mm FAB Capacity

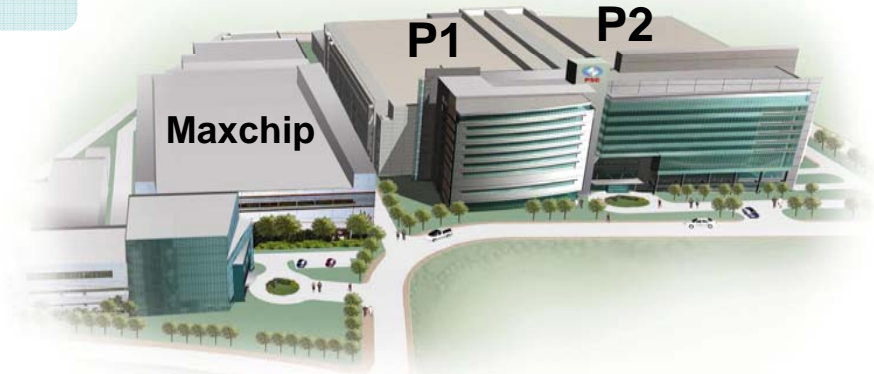
P1+2+3 130K wpm
 P4 Shell Under Construction

Maxchip: 200 mm FAB Capacity

35K wpm

Rexchip Fab R1 / 300 mm FAB Capacity

	<u>2008 2Q</u>	<u>2008 3Q</u>
R1	75K wpm	80K wpm
R2	Shell Complete	Clean Room TBD



Financial Highlights

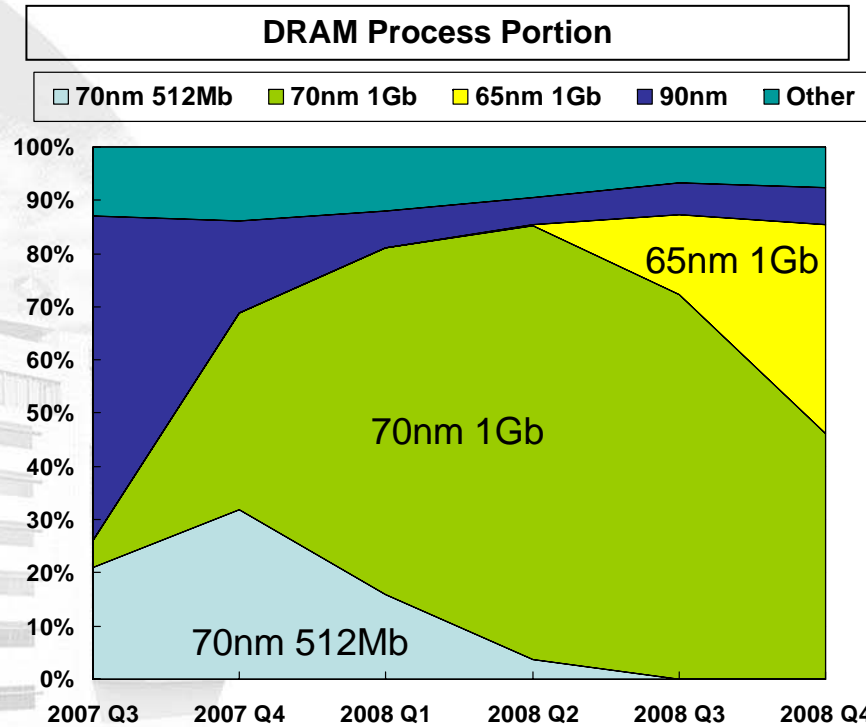
Paid-in Capital (NT\$Bn)	78.5
Cash on Hand and Marketable Securities (NT\$Bn)	18.9
2008 1H Depreciation and Amortization (NT\$Bn)	17.6
2008 1H Actual Capex Cash (NT\$Bn)	14.9
2008 PSC Planned Capex Cash (NT\$Bn)	24.7 (Accrued Base: 28.5)
2008 PSC's Investment in Rexchip (NT\$Bn)	None
Debt Equity Ratio	1.48
Net Debt Equity Ratio (less cash and equivalents)	1.30

Funding Plans approved by 2008 AGM:

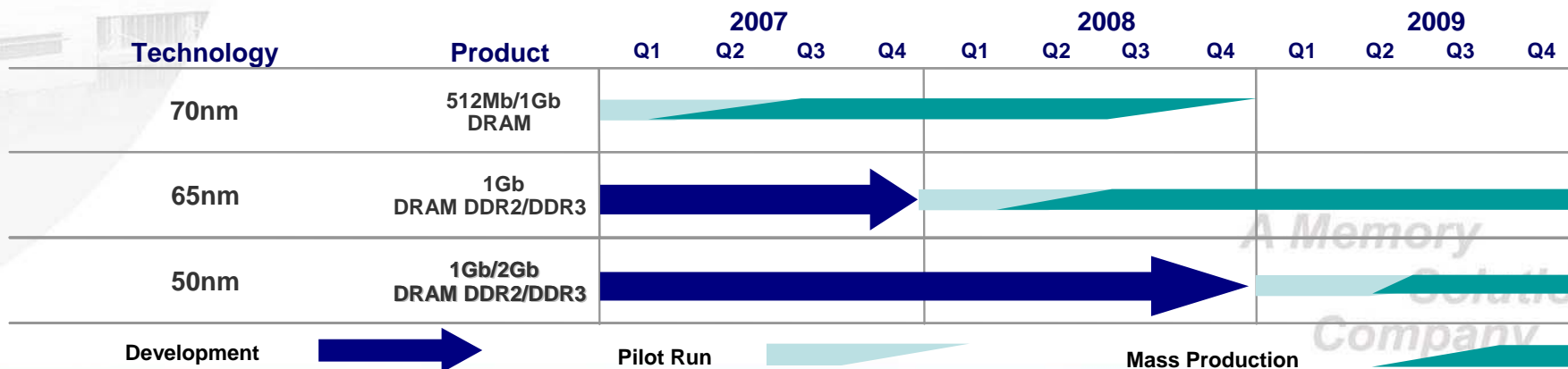
- (1) Private Placement Convertible Bond: Up to US\$350 million
- (2) New Share Issuance: Up to 1 billion common shares through the issuance of GDS or Local rights
- (3) Private Placement Straight Bond: 1.95 Billion (subscribed) out of 3 Billion NTD

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DRAM Situation



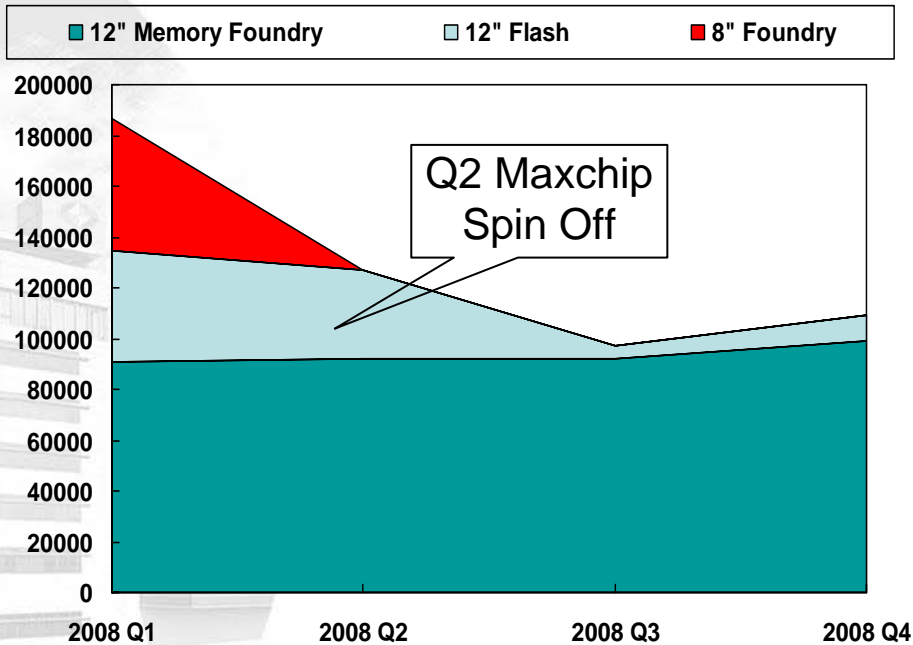
- 2008 - Q2 DRAM bit growth: 21%
- 2008 - Q3 DRAM bit growth: 5%
- 2007 bit growth: 90%
- 2008 bit growth: 71%



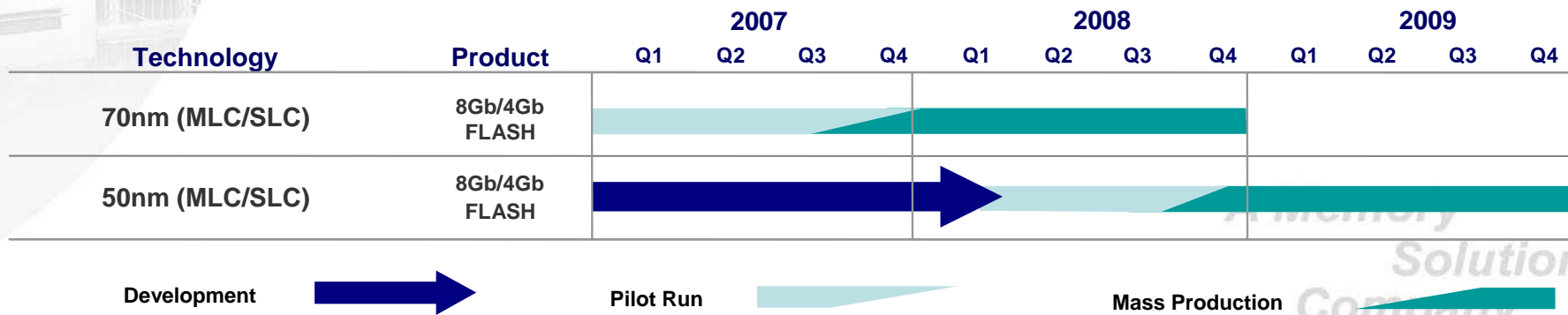
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Flash and Foundry Situation

Flash and Foundry Wafer input 8" Wafer K Equiv.



- Foundry Sales accounted for 10% of Q2 Revenue



2008 Q2 Accomplishments

- 1) Maxchip Spun Off
- 2) 70nm 1Gb production reached maximum
- 3) 65nm DRAM Mass Production Start

2008 2H Operation Guidance

- 1) 65nm DRAM Mass Production Ramp-up to $\approx 50\%$
- 2) 50nm Flash Pilot Run

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Rexchip Update/Guidance

Stephen Chen, President

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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年以新設廠房與設備擴建工廠。2006年力晶增建第三及第四廠房，目前員工8,000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等最新型工業級產品。

Powerchip, a Memory Solution Company

