

Powerchip Semiconductor Corporation

2008 Third Quarter Investor Conference

The Westin Hotel, Taipei
October 21, 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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2008 Q3 Financial Summary

	2008 Q3 <i>Unaudited</i>	QoQ	2008 Q2 <i>Audited</i>	YoY
Revenue (NT\$Bn)	14.97	(14.16%)	17.44	(16.46%)
Gross Margin (%)	8.94 (59.7%)	(53.0%)	5.84 (33.5%)	(283%)
Operating Margin (%)	10.43 (69.7%)	(46.5%)	7.12 (40.8%)	(208%)
Net Income Before Tax (NT\$Bn)	13.7	(80.4%)	7.61	(323%)
Net Income After Tax (NT\$Bn)	15.0	(106.4%)	7.27	(689%)
EPS (NT\$)	1.94	(108.6%)	0.93	(619%)
Net Value/Share (NT\$)	9.14		11.04	

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Cash Position for Q4 2008

Item in Billions of NTD	As of Sept 30
Cash and Marketable Securities	17.6
Available Short Term Finance	1.1
Available Long Term Finance	3.6
Depreciation and Amortization Q4*	8.7
Total	31.0

* Whole Year Depreciation & Amortization: 35.01 Bn NTD

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Chairman's Outlook

Company	Announcement
PSC/Elpida	Capacity Reduction 10-15%
Samsung	Reduction of 2008 Bit Growth Guidance from 100% to 90%
Hynix	Phasing out of 8" Capacity, 20% of DRAM production affected
Micron	Phasing out of 8" Flash Capacity
Qimonda	Reduction in Inotera Procurement
Nanya/Inotera	Conversion to Micron/Stack Issue
Promos	Capacity Reduction 10-15%

Supply

- Older 12" + 8" retirement, further industry production cuts
- No New 300mm Capacity in 2009
- 2009 Supply Bit Growth 30-40%

Demand

- NetBook PC Sales: ATOM sales not cannibalizing CPU sales
- Macro Economic Issues (Taiwan vs. Korea)

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Operational Update/Guidance

Dr. Brian Shieh, President

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Current Fab Status

PSC: 300 mm FAB Capacity

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



Rexchip Fab R1 / 300 mm FAB Capacity

R1	80K wpm
R2	TBD



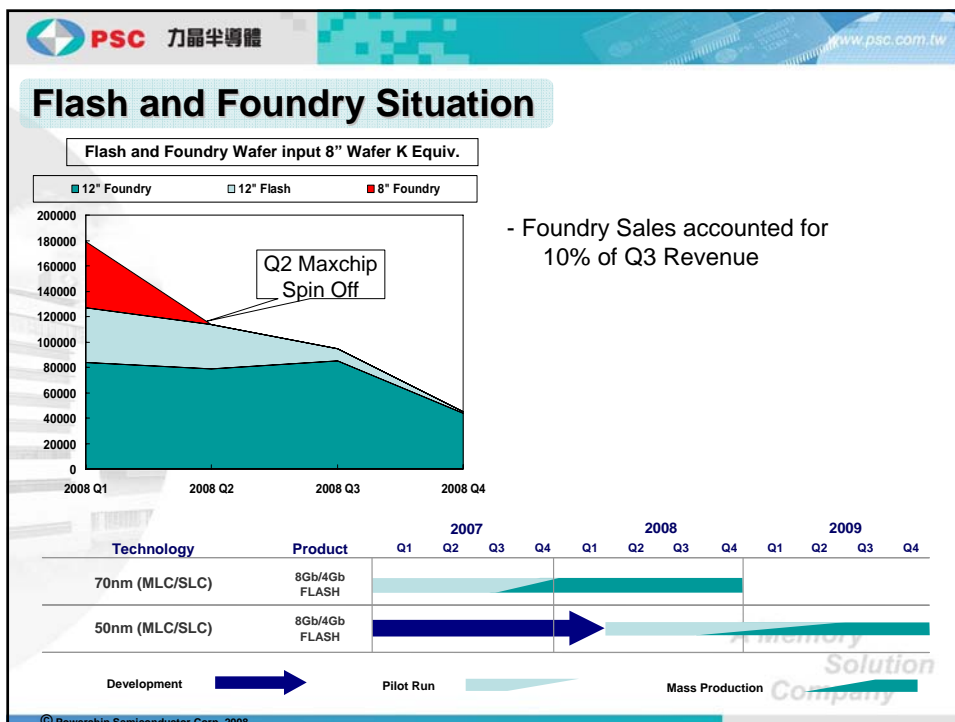
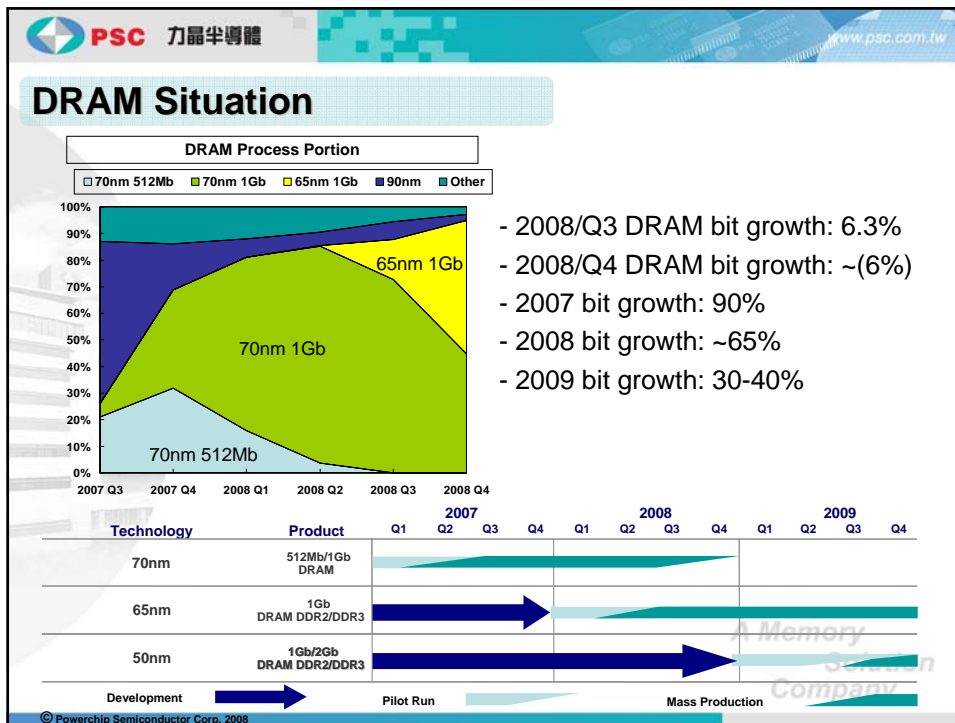
Financial Highlights

Paid-in Capital (NT\$Bn)	78.5
Cash on Hand and Marketable Securities (NT\$Bn)	17.6
2008 1Q-3Q Depreciation and Amortization (NT\$Bn)	26.3
2008 1Q-3Q Actual CAPEX Cash (NT\$Bn)	17.3
2008 PSC Planned CAPEX Cash (NT\$Bn)*	20.0 (Accrued Base: 20.2)
2008 PSC's Investment in Rexchip (NT\$Bn)	None
Debt Equity Ratio	1.86
Net Debt Equity Ratio (less cash and equivalents)	1.63

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 of \$3.0 Billion complete in July

*2007 CAPEX Cash (NT\$BN) = 63.4; 2008 Q1 Guidance CAPEX Accrued (NT\$BN) = 34.5



2008 Q3 Recap

- 1) 10-15% Production Cut (Wafer In)
- 2) 65nm Mass Production Start
- 3) Financial Support from Strategic Partners

2008 Q4 Operation Guidance

- 1) Maintain Cash Balance:
 - CAPEX Delay
 - Payment Term Negotiation
 - Continue Fund Raising Efforts
- 2) Cost Control Measures:
 - Continued Production Cut
 - Hiring Freeze
 - Parts/Material Inventory Reduction

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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 takes listed publicly. In 2005, Powerchip Semiconductor had three 12" (300mm) fab and one 8" (200mm) fab, 8,000 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: Corsico-Electro, Renesas and Hitachi, and all strategic partners of Powerchip Semiconductor, whom all cooperatively develop highly advanced products including DRAM, Flash, System LSI, and healthy products.

公司簡介

力晶半導體於1994年12月於新竹科學工業園區設立，以DRAM（動態隨機存取記憶體）產品為主業務，1998年以19億新台幣於台灣證券市場上市。2005年力晶半導體正式於1991年設廠，員工總數8,000人，資本額超過100億元新台幣。

力晶成立之初即與日本高技術企業建立了長期戰略聯盟，包括Corsico、Renesas、Hitachi等，均與力晶共同合作研發，共同發展高品質DRAM、Flash、以及系統片System LSI等先進的工業及消費產品。