



PSi TECHNOLOGIES REPORTS FIRST QUARTER 2007 RESULTS

Manila, Philippines – May 8, 2007 – PSi Technologies Holdings, Inc., (NASDAQ: PSIT), a leading independent provider of assembly and test services for the power semiconductor market, today announced financial results for the first quarter ended March 31, 2007:

First Quarter Financial Results

We achieved sales revenue in the first quarter of 2007 of \$ 24.7 million, representing an increase of 11.6% over the \$ 22.1 million in sales revenue during the first quarter of 2006. Excluding the \$2.2 million in sales revenue that our now-closed China operations contributed to the total sales revenue from the first quarter of 2006, revenues from our Philippine operations alone have therefore grown by 24.2% over the corresponding period in 2006.

Our first quarter 2007 sales have been relatively stable from the prior period with sales revenue of \$ 24.7 million, compared to \$ 24.9 million during the fourth quarter of 2006.

In terms of sales, our top five customers in the first quarter of 2007 (in alphabetical order) were Infineon Technologies, NXP Semiconductors (formerly Philips Semiconductor), ON Semiconductors, Power Integrations, and ST Microelectronics. Going forward, PSi expects to continue to focus on developing strategic partnerships with new customers and in particular for our new package family of Power QFN.

PSi continued to be confronted with appreciation of currency and increase in copper prices in the first quarter of 2007. During the most recent quarter, these factors had a negative impact on our gross profit. Comparing the first quarters of 2006 and 2007, we have experienced a shift in the Philippine Peso value vis-à-vis the U.S. dollar from Php 51.88 to Php 48.57 (7% appreciation). The copper price has risen from \$ 4.10/kg in the first quarter of 2006 to \$ 7.40/kg (80% increase) in the first quarter of 2007. We have offset these increases in part through continued focus on cost reduction, efficiency and productivity improvement programs.

In spite of these additional external factors impacting our profit margins, our EBITDA for the first quarter of 2007 remained stable compared to the first quarter of 2006, at \$ 2.6 million, although this represented a decrease from \$ 3.2 million in the fourth quarter of 2006. Additionally, our gross margin decreased from 6.4% in the first quarter of 2006 to 5.4% in the first quarter of 2007, while our operating margins improved from negative 3.6% to a negative 3.5% in the same periods.

Net other expenses improved to \$ 0.9 million in the first quarter of 2007 from \$1.5 million in the previous quarter, representing an overall \$ 0.6 million reduction due, in part, to a one time non-recurring expense during the fourth quarter of 2006. Of the \$ 0.9 million of net other expenses in the first quarter of 2007, \$ 0.6 million was cost arising from the outstanding Exchangeable Notes, and \$ 0.3 million was in relation to interest and bank charges arising from our outstanding short term loans and trust receipts payable.

The reduction in net loss from \$ 2.6 million in the first quarter of 2006 to \$ 1.8 million in the first quarter of 2007 also reflected a further reduction from \$ 2 million in the previous quarter.

Balance Sheet Highlights

We have reduced our current liabilities by \$ 1.4 million from \$ 36 million as of December 31, 2006 to \$ 34.6 million as of March 31, 2007. This reduction, in addition to other expenditures, contributed to a reduction in our cash level by \$ 2.3 million.

New acquisitions in property, plant and equipment totaled \$ 1 million during the first quarter of 2007 mostly related to the purchase of machinery and equipment to improve capacity bottlenecks and accommodate new business.

The long-term liability account of \$ 4.8 million includes the carrying amount of the Exchangeable Notes issued in July 2003 and June 2005, net of discount representing the embedded conversion feature of the Note.

As of March 31, 2007, tangible book value was \$ 1.52 per share based on 13,289,525 issued and outstanding common shares.

Business Outlook

Arthur J. Young, Jr., Chairman and CEO said, "While we continue to be focused on our business performance, particularly with respect to sales growth, ongoing improvement in cost management and overall levels of service quality, we do remain cautious with respect to the market environment during the second quarter and early third quarter of 2007."

"Our view towards the remainder of the year does remain positive, however," added Young. "We expect a return to growth through the third and fourth quarters of this year, leading to improved overall financial results."

On building the future, Gordon J. Stevenson, EVP and COO remarked, "I am pleased to announce that we have appointed Mr. Thomas Moerheim to be the Chief Technology Officer of PSi Technologies. Along with his extensive experience in managing technology, package development and package reliability in his previous assignment at Philips Semiconductor, Thomas will lend his invaluable expertise to build upon organization competencies, especially in emerging power semiconductor packages such as Power QFN and other technology applications."

About PSi Technologies

PSi Technologies is a focused independent semiconductor assembly and test service provider to the power semiconductor market. The Company provides comprehensive package design, assembly and test services for power semiconductors used in telecommunications and networking systems, computers and computer peripherals, consumer electronics, electronic office equipment, automotive systems and industrial products.

For more information, visit the Company's web site at www.psitechnologies.com or call:

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This press release contains forward-looking statements that involve risks and uncertainties. Actual results and outcomes may differ materially. Factors that might cause a difference include, but are not limited to, those relating to the pace of development and market acceptance of PSi's products and the power semiconductor market generally, commercialization and technological delays or difficulties, the impact of competitive products and technologies, competitive pricing pressures, manufacturing risks, the possibility of our products infringing patents and other intellectual property of third parties, product defects, costs of product development, manufacturing and government regulation, risks inherent in emerging markets, including but not limited to, currency volatility and depreciation, restricted access to financing and political and social unrest and the possibility that the initiatives described herein may not produce the intended results. PSi undertakes no responsibility to update these forward-looking statements to reflect events or circumstances after the date hereof. More detailed information about potential factors that could affect PSi's financial results is included in the documents PSi files from time to time with the Securities and Exchange Commission.

-Financial Tables Follow-

PSi Technologies Holdings, Inc.
First Quarter 2007 Results

PSi Technologies Holdings, Inc.
Unaudited Income Statement
(In US Dollars)

| | For the Three Months Ended | | |
|--|----------------------------|----------------|----------------|
| | 31-Mar-07 | 31-Dec-06 | 31-Mar-06 |
| | Unaudited | Unaudited | Unaudited |
| REVENUES | \$ 24,678,665 | \$ 24,859,222 | \$ 22,129,046 |
| COST OF SALES | 20,069,895 | 19,520,467 | 17,389,345 |
| DEPRECIATION | 3,296,075 | 3,754,430 | 3,324,088 |
| GROSS PROFIT (LOSS) | 1,312,695 | 1,584,325 | 1,415,612 |
| OPERATING EXPENSES | | | |
| Research and development | 251,799 | 303,891 | 220,644 |
| Stock compensation cost | 29,227 | 26,227 | 59,988 |
| Administrative expenses | 1,648,005 | 1,629,519 | 1,766,276 |
| Marketing expenses | 229,475 | 165,444 | 164,977 |
| Total Operating Expenses | 2,158,506 | 2,125,081 | 2,211,885 |
| LOSS FROM OPERATIONS | (845,811) | (540,756) | (796,273) |
| Interest and bank charges-net | (252,664) | (258,093) | (288,347) |
| Foreign exchange gains(losses)-net | (133,033) | (235,797) | (216,159) |
| Lease income | 41,370 | 28,920 | 28,830 |
| Exchangeable Note interest and financing charge | (616,929) | (634,615) | (561,632) |
| Loss on discontinued operation and special charges | | (42,442) | (757,753) |
| Miscellaneous | 12,263 | (321,852) | 7,750 |
| Net Other Expense | (948,993) | (1,463,879) | (1,787,310) |
| LOSS BEFORE INCOME TAX AND MINORITY | (1,794,804) | (2,004,635) | (2,583,583) |
| PROVISION FOR INCOME TAX | | 16,969 | - |
| NET LOSS | \$ (1,794,804) | \$ (2,021,604) | \$ (2,583,583) |
| EBITDA | \$ 2,558,649 | \$ 3,180,742 | \$ 2,568,202 |
| No. of Shares Outstanding | 13,289,525 | 13,289,525 | 13,289,525 |
| EPS- based on Outstanding Shares | (0.14) | (0.15) | (0.19) |

PSi Technologies Holdings, Inc.
First Quarter 2007 Results

PSi Technologies Holdings, Inc.
Unaudited Consolidated Balance Sheet
(In US Dollars)

| | 31-Mar-07 | 31-Dec-06 |
|---|-------------------|-------------------|
| | Unaudited | Unaudited |
| ASSETS | | |
| Current Assets | | |
| Cash | \$ 1,069,986 | \$ 3,340,562 |
| Accounts receivable-net | 14,999,142 | 14,472,218 |
| Inventories-net | 6,290,776 | 5,606,167 |
| Other current assets-net | 1,162,947 | 579,787 |
| Total Current Assets | <u>23,522,851</u> | <u>23,998,734</u> |
| Noncurrent Assets | | |
| Property, plant and equipment-net | 35,705,992 | 38,169,751 |
| Other noncurrent assets-net | 1,430,949 | 1,190,724 |
| Total Noncurrent Assets | <u>37,136,941</u> | <u>39,360,475</u> |
| | <u>60,659,792</u> | <u>63,359,209</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities | | |
| Accounts payable and accrued expenses | \$ 22,683,494 | \$ 22,898,859 |
| Accounts payable CAPEX | 493,993 | 2,563,229 |
| Loans Payable | 10,920,000 | 10,524,743 |
| Trust receipts payable | 515,405 | - |
| Total Current Liabilities | <u>34,612,892</u> | <u>35,986,831</u> |
| Noncurrent Liabilities | | |
| Exchangeable Note | 4,773,176 | 4,541,506 |
| Accrued retirement benefit cost | 1,083,173 | 874,743 |
| Total Noncurrent Liabilities | <u>5,856,349</u> | <u>5,416,249</u> |
| Stockholders' Equity | | |
| Capital stock-Philippine peso 1-2/3 par value | | |
| Authorized-37,058,100 shares | | |
| Issued and outstanding-13,289,525 shares | 590,818 | 590,818 |
| Additional paid-in capital | 79,572,721 | 79,543,495 |
| Other comprehensive loss | - | - |
| Deficit | (59,972,988) | (58,178,184) |
| Total Stockholders' Equity | <u>20,190,551</u> | <u>21,956,129</u> |
| | <u>60,659,792</u> | <u>63,359,209</u> |

PSi Technologies Holdings, Inc
Unaudited Consolidated Statement of Cash Flows
(In US Dollars)

For the Three Months
 Ended March 31, 2007

| CASH FLOWS FROM OPERATING ACTIVITIES | |
|---|--------------------|
| Net loss | (1,794,804) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | |
| Depreciation | 3,417,329 |
| Stock compensation costs | 29,227 |
| Amortization of debt issuance costs and discount | 236,430 |
| Accretion of interest receivable from sale of land, building and improvements | (24,380) |
| Accretion of interest receivable from Manila Electric Company | (7,268) |
| Provision for pension expense | 166,555 |
| Changes in operating assets and liabilities: | |
| Decrease (increase) in: | |
| Trade and other receivables | (495,276) |
| Inventories | (684,608) |
| Other current assets | (583,160) |
| Decrease in trade and other payables | (2,736,719) |
| Net cash provided by (used in) operating activities | (2,476,675) |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Acquisitions of property and equipment | (459,578) |
| Decrease (increase) in other noncurrent assets | (244,985) |
| Net cash used in investing activities | (704,563) |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Net proceeds from (payments of) trust receipts payable | 515,405 |
| Net proceeds from (payments of) loans payable | 395,257 |
| Net cash provided by financing activities | 910,662 |
| NET INCREASE (DECREASE) IN CASH | (2,270,576) |
| CASH AT BEGINNING OF YEAR | 3,340,562 |
| CASH AT END OF YEAR | 1,069,986 |
| SUPPLEMENTAL INFORMATION ON NONCASH INVESTING AND FINANCING ACTIVITIES | |
| Property and equipment acquired on account under accounts payable | 493,993 |

PSi Technologies Holdings, Inc.
First Quarter 2007 Results