PSi TECHNOLOGIES REPORTS THIRD QUARTER 2003 RESULTS

South San Francisco, CA & Manila, Philippines – November 3, 2003 – 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 third quarter ended September 30, 2003**:**

Highlights for the quarter

- ⇨ *Revenue of $17.5 million, a decrease of (21)% on a quarter-over-quarter basis.*
- ⇨ *Gross margin of 3.8%, an increase of 32 basis points on a quarter-over-quarter basis.*
- ⇨ *EBITDA margin of 13.3%, an increase of 300 basis points versus 10.2% in last quarter.*
- ⇨ *Asset Impairment Charge of $12.1 million.*
- ⇨ *EPS of $(0.85) per share, inclusive of a $(0.74) per share asset impairment charge.*

Third Quarter Financial Results

Revenues for the third quarter of 2003 totaled $17.5 million, a (21)% sequential decline compared to $22.2 million in the previous quarter, and a (10)% decrease compared to $19.4 million in revenues for the third quarter of 2002. Revenues from the top 5 customers of the Company were $14.3 million, a (21)% decline compared to $18.2 million in the previous quarter, and a (9)% decline compared to $15.7 million in the third quarter of 2002.

"In the quarter, the Company decided to adjust its package and technology portfolio away from the low dropout (LDO) voltage regulator market, which has experienced significant and continuing price erosion. Most of the decline in revenue was attributable to this decision," said Arthur J. Young, Jr. Chairman and CEO. "Likewise, the buildup in consumer electronics inventory led to softness in loadings from certain customers exposed to those markets."

Power semiconductor packages comprised 94.3% of total third quarter revenue, or $16.5 million, a (21)% sequential decline in sales versus $20.9 million in the previous quarter, and a (8)% decline compared to $17.9 million in revenues for the third quarter of 2002. Overall unit volumes decreased (22)% sequentially and were lower by 1% year-over-year.

According to Young, "The 1% sequential increase in average selling prices (ASPs) was attributable in part to targeted investments made during the first and second quarters, that allowed the Company to build-up capability and competence in selected higher margin packages."

The Company's largest customers for the third quarter (in alphabetical order) were Fairchild Semiconductor, Infineon Technologies, ON Semiconductor, and Philips. Products packaged for those customers are used in a variety of end user applications, with particular focus on automotive systems, consumer electronics, communications equipment, industrial applications, home appliances and PC motherboards.

Gross profit margin increased to 3.8%, from 3.5% in the previous quarter. It was 4.9% in the same period last year. Gross profit was $665,510 in the third quarter, compared to $773,180 in the previous quarter, and $951,558 for the third quarter of 2002.

Operating loss for the third quarter improved to $(1.5) million, compared to $(1.6) million in the previous quarter, driven by the (10)% reduction in operating expenses. Operating loss margin was (8.5)%.

EBITDA margin was 13.3% for the quarter, compared to 10.2% in the second quarter, and 11.2% in the same period last year.

"The higher EBITDA margin was a result of our decision to exit the low dropout voltage regulator market and the continued reduction in the Company's cost base. Realigning the organization and increasing productivity, adjusting our operations schedule with our production plan to reduce utilities costs and other associated expenses, and improving manufacturing efficiency were key initiatives undertaken to lower cost, and lowered our cost of sales by 4 percentage points or more than $700,000," said Young.

Third quarter net loss was $(14.0) million or $(0.85) per diluted share, inclusive of a $12.1 million asset impairment charge, compared to $(1.9) million, or $(0.11) per diluted share in the previous quarter, and $(1.4) million or $(0.09) per diluted share in the third quarter of 2002.

"The third quarter was a critical period for the Company as we restructured our package portfolio, directly resulting in an asset impairment charge that realigned the Company's asset base with business expectations," said Young.

Balance Sheet Highlights

Cash and cash equivalents totaled $2.1 million on September 30, 2003, versus $1.0 million in the previous quarter.

Current Ratio excluding Accounts Payable CAPEX improved to 0.98 in the third quarter, from 0.83 in the second quarter, due to the issuance of the $4 million 5-year senior subordinated exchangeable note to the Company's majority shareholder Merrill Lynch Global Emerging Markets Partners (MLGEMP), and reclassification of $5.1 million in bank credit facilities to long-term liabilities.

Accounts payable CAPEX went down from $6.9 million in June 30, 2003 to $4.4 million at the end of September. The Company anticipates a further reduction in Accounts Payable CAPEX, to $3 million by the end of the year. Total CAPEX in 2003 is expected to be at $9 million.

"In accordance with the terms of the subordinated exchangeable note issued to MLGEMP in the third quarter, the Exchange Price at which the Note is exchangeable into shares of common stock has been lowered to $1.29 per share, from an Exchange Price of $1.47 at issuance," according to Thelma G. Oribello, Chief Financial Officer.

The Company's third quarter EBITDA of $2.3 million was lower than the third quarter Exchangeable Note EBITDA target of $3.89 million. In the event the Company reports a fourth quarter EBITDA figure of less than $3.92 million, the Exchange Price will be lowered to $1.15.

Tangible book value was $4.20 per share on September 30, 2003, with outstanding shares of 13,289,525 shares, or $3.40 per share on 16,390,300 shares assuming the exchange of the subordinated exchangeable note at an Exchange Price of $1.29 per share.

Business Outlook
Commenting on the Company's business outlook and going forward strategies, Young said, "Forecasts from our customers through early 2004 show increasing loadings, underpinned by strengthening demand and ongoing inventory replenishment in our automotive, PC and wireless business. We are hopeful that this will result in a 5 to 10% sequential increase in fourth quarter revenues."

Conference Call and Webcast
Company management will hold a conference call on its third quarter 2003 operating results on Monday, November 3, 2003, at 5:00 p.m. Eastern/2:00 p.m. Pacific. Interested parties should call 888-243-0818 (for domestic callers) or 703-925-2402 (for international callers) at least 5 minutes before start time, and ask the operator for the PSi conference call. A live webcast will also be available through the Investor Relations section of the Company's website at www.psitechnologies.com under 'Quarterly Webcasts,' or at www.fulldisclosure.com.

A replay of the conference call will be available at 888-266-2086 (for domestic callers) and 703-925-2435 (for international callers) through November 10, 2003; the access code is 302928. The webcast replay will be available for 90 days.

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. Their customers include most of the major power semiconductor manufacturers in the world such as Fairchild Semiconductor, Infineon Technologies, ON Semiconductor, Philips Semiconductor, and ST Microelectronics. For more information, visit the Company's web site at www.psitechnologies.com or call:

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Safe Harbor Statement
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. 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.
Unaudited Income Statement

	(in US Dollars) For 3 months ended 30-Sep-03	(in US Dollars) For 3 months ended 30-Jun-03	(in US Dollars) For 9 Months ended 30-Sep-03	(in US Dollars) For 9 Months ended 30-Sep-02
Sales	$ 17,501,217.84	$ 22,186,139.51	$ 59,833,954.86	$ 54,370,232.40
Cost of Sales	$ 16,835,707.46	$ 21,412,959.92	$ 58,372,103.32	$ 52,767,783.72
Gross Profit	**665,510.38**	**773,179.59**	**1,461,851.54**	**1,602,448.68**
Operating Expense				
Research and Development	$ 334,521.58	$ 438,813.13	$ 1,206,024.91	$ 1,089,571.39
Stock compensation cost	$ 59,988.21	$ 59,988.21	$ 179,964.63	$ 179,964.63
Administrative Expenses	$ 1,583,821.37	$ 1,677,242.21	$ 4,917,486.80	$ 4,462,536.68
Marketing Expenses	$ 173,926.97	$ 212,002.53	$ 598,578.94	$ 851,824.80
Subtotal	2,152,258.13	2,388,046.08	6,902,055.27	6,583,897.50
Operating Profit/(Loss)	**(1,486,747.75)**	**(1,614,866.49)**	**(5,440,203.73)**	**(4,981,448.82)**
Other Income / (Charges)	$ (439,520.75)	$ (266,012.26)	$ (909,632.47)	$ (414,075.19)
Impairment Charge	$ (12,063,826.26)	$ -	$ (12,063,826.26)	$ -
Income before Tax	(13,990,094.76)	(1,880,878.75)	(18,413,662.46)	(4,870,762.86)
Minority Interest	$ (8,482.87)	$ (428.59)	$ (9,026.98)	$ (4,105.16)
Net Income	**(13,998,577.63)**	**(1,881,307.34)**	**(18,422,689.44)**	**(4,874,868.02)**
Net Income before Impairment	**(1,934,751.37)**	**(1,881,307.34)**	**(6,358,863.18)**	**(5,399,629.17)**
EBITDA	**$ 2,335,778.78**	**$ 2,261,659.88**	**$ 6,150,838.59**	**$ 4,846,487.30**
No. of Shares Outstanding	16,390,300	16,390,300	16,390,300 -	16,390,300
EPS	(0.85)	(0.11)	(1.12)	(0.30)

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

ASSETS	**30-Sep-03**	**31-Dec-02**
Cash & Cash Equivalents	$ 2,088,559	$ 1,905,847
Accounts Receivable	10,156,786	13,974,443
Inventories	5,726,707	8,471,056
Prepaid Expenses & Tax Credits	2,555,439	2,232,985
Total Current Assets	20,527,491	26,584,331
Property Plant & Equipment	131,664,808	138,236,943
Accumulated Depreciation	61,046,038	53,479,962
Property Plant & Equipment - Net	70,618,770	84,756,981
Investment & Advances	141,983	240,964
Other Assets	1,477,298	1,463,479
TOTAL ASSETS	$ 92,765,542	$ 113,045,755
LIABILITIES & STOCKHOLDER'S EQUITY		
Accounts Payable and Other Expenses	$ 14,671,933	$ 15,600,831
Accounts Payable CAPEX	4,491,197	10,806,346
Bank Loans	2,600,000	6,500,000
Trust Receipts	3,738,137	3,668,734
Current Portion of Long-term Debt	2,572,397	2,572,397
Current Portion of Obligation under Capital Lease	60,535	135,701
Total Current Liabilities	28,134,200	39,284,008
Long-term liability (net of current)	9,100,000	-
Obligation Under Capital Leases (net of current)	119,229	115,935
TOTAL LIABILITIES	37,353,428	39,399,943
Minority Interest	177,680	168,653
Equity		
Common Stock	590,818	590,818
Additional Paid-in-Capital	68,264,736	68,084,772
Subtotal Equity	68,855,554	68,675,590
Retained Earnings / (Deficit)		
Year to Date Profit & Loss	(18,422,689)	(6,918,083)
Previous Years' Retained Earnings	4,801,568	11,719,652
Other Comprehensive Income		
Subtotal Retained Earnings	(13,621,121)	4,801,569
TOTAL EQUITY	55,234,433	73,477,158
TOTAL LIABILITIES & S'HOLDERS' EQUITY	$ 92,765,542	$ 113,045,755

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

		For the 9 Months ended 30-Sep-03
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$	(18,382,980)
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority interest		9,027
Equity in net loss (gain) of an investee 2002		-
Stock compensation cost		179,965
Depreciation and amortization		11,832,006
Loss on Asset Impairment		12,063,826
Provision for (benefit from) deferred income tax		-
Equity in net loss (gain) of an investee		-
Change in assets and liabilities:		
Decrease (increase) in:		-
Accounts receivables		3,817,657
Inventories		1,341,229
Other Current Assets and tax credit receivable		(322,454)
Increase (decrease) in :		-
Accounts payable and other expenses		(567,589)
Net cash provided by operating activities		**9,970,687**
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment		(14,669,649)
Decrease (increase) in investments and advances		98,981
Decrease (increase) in other assets		(414,838)
Net cash used in investing activities		**(14,985,506)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Net availment/(payments) of short-term loans		(3,900,000)
Trust receipts and acceptances payable		69,403
Net availment/(payments) of stock issuance cost		-
Net availment/(payments) of long term loan		9,100,000
Net availment/(payments) of obligation under capital leases		(71,872)
Net cash provided by (used in) financing activities		**5,197,531**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**182,713**
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		1,905,847
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$**	**2,088,559**

SUPPLEMENTAL INFORMATION ON NONCASH FINANCING & INVESTING ACTIVITIES	
Property and equipment acquired (paid) on account under accounts payable	(6,315,148)

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