



Vanguard International Semiconductor Corporation

Income Statement

For the Three Months Ended March 31, 2004 and 2003

(Expressed in Millions New Taiwan Dollars (NTD) and U.S. Dollars (USD) (1))

Except for Per Share Amounts and Shares Outstanding)

	3 months ended Mar. 31				
	2004	2004	% of	2003	YoY
	USD	NTD	Sales	NTD	Inc(Dec) %
Net Sales	111	3,732	100.0%	2,244	66.3
Cost of Sales	(84)	(2,803)	-75.1%	(3,214)	(12.8)
Gross Profit	28	928	24.9%	(969)	-
Operating Expenses					
General and Administrative Expenses	(4)	(119)	-3.2%	(99)	19.4
Selling and Marketing Expenses	(1)	(47)	-1.3%	(31)	51.5
Research and Development Expenses	(3)	(84)	-2.3%	(81)	3.9
Total Operating Expenses	(7)	(249)	-6.7%	(211)	18.2
Income From Operations	20	679	18.2%	(1,181)	-
Investment Gain (Loss)	10	336	9.0%	13	2,457.1
Inventory Valuation (Loss)	3	101	2.7%	431	(76.6)
Net Other Non-operating Income (Expenses)	6	194	5.2%	(3)	-
Income before Income Tax	39	1,309	35.1%	(740)	-
Income Tax Credit (Expenses)	(6)	(217)	-5.8%	0	-
Net Income	33	1,092	29.3%	(740)	-
Earnings Per Share	0.012	0.39		(0.27)	-
Weighted Average Outstanding Shares('M)		2,805		2,747	

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD33.551 per U.S. dollar for the three months of 2004.