



VANGUARD

INTERNATIONAL SEMICONDUCTOR
CORPORATION

2004 First Quarter Results Investor Conference

April 23 2004

Agenda

- Welcome
- 1Q 2004 Financial Results - Robert Hsieh
- Remarks - Paul Chien
- Q & A



Disclaimer

This Investor Conference Presentation contains certain forward-looking statements that are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements.



1Q04 Result Highlights

Amount : NT\$Million

	<u>1Q04</u> <u>Amount</u>	<u>4Q03</u> <u>Amount</u>	<u>1Q03</u> <u>Amount</u>
Net Sales	3,732	3,293	2,244
Net Income	1,092	350	(740)
EPS(NT\$)	0.39	0.13	(0.27)
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Cash and Equivalent + S-T Invest.	6,877	5,801	5,632
Interest-bearing Debt	5,479	5,600	9,807
Shareholders' Equity	15,603	14,522	12,768
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Wafer Output (Kpcs)	129	126	82
Logic foundry Output (Kpcs)	110	83	34
Utilization (%)	103%	92%	64%
-wafer out / Capacity			



1Q04 Income Statement YoY Comparison

Amount : NT\$Million

	1Q04		1Q03		YoY
	Amount	%	Amount	%	%
Net Sales	3,732	100%	2,244	100%	66%
COGS	(2,803)	-75%	(3,214)	-143%	-13%
Gross Profit (Loss)	928	25%	(969)	-43%	-
Operating Expense	(249)	-7%	(211)	-10%	18%
Operating Income (Loss)	679	18%	(1,181)	-53%	-
Investment Income (Loss)	336	9%	13	1%	2457%
Inventory Valuation (Loss)	101	3%	431	19%	-77%
Net other Non-operating Income (Exp.)	194	5%	(3)	0%	-
Income before Tax	1,309	35%	(740)	-33%	-
Net Income	1,092	29%	(740)	-33%	-
EPS (NT\$)	0.39		(0.27)		-



1Q04 Income Statement QoQ Comparison

Amount : NT\$Million

	1Q04		4Q03		QoQ
	Amount	%	Amount	%	%
Net Sales	3,732	100%	3,293	100%	13%
COGS	(2,803)	-75%	(2,831)	-86%	-1%
Gross Profit (Loss)	928	25%	462	14%	101%
Operating Expense	(249)	-7%	(267)	-8%	-6%
Operating Income (Loss)	679	18%	195	6%	248%
Investment Income (Loss)	336	9%	(28)	-1%	-
Inventory Valuation (Loss)	101	3%	306	9%	-67%
Net other Non-operating Income (Exp.)	194	5%	(123)	-4%	-
Income before Tax	1,309	35%	350	11%	274%
Net Income	1,092	29%	350	11%	212%
EPS (NT\$)	0.39		0.13		200%



1Q04 Balance Sheet & Key Ratios

Amount : NT\$Million

	1Q04		4Q03		1Q03	
	Amount	%	Amount	%	Amount	%
Cash & S-T Investments	6,877	28.5%	5,801	25.5%	5,632	22.3%
Accounts Receivable	2,109	8.7%	1,876	8.2%	1,133	4.5%
Inventories	1,609	6.7%	1,861	8.2%	1,586	6.3%
L-T Debt	3,595	14.9%	3,681	16.2%	6,453	25.6%
Equity	15,603	64.6%	14,522	63.7%	12,768	50.6%
Total Assets	24,168	100.0%	22,788	100.0%	25,238	100.0%

Key Ratios

Debt Ratio	35%	36%	49%
Current Ratio	257%	255%	167%
A/R Turnover Days	49	50	45
Inventory Turnover Days	57	57	48



1Q04 Cash Flow

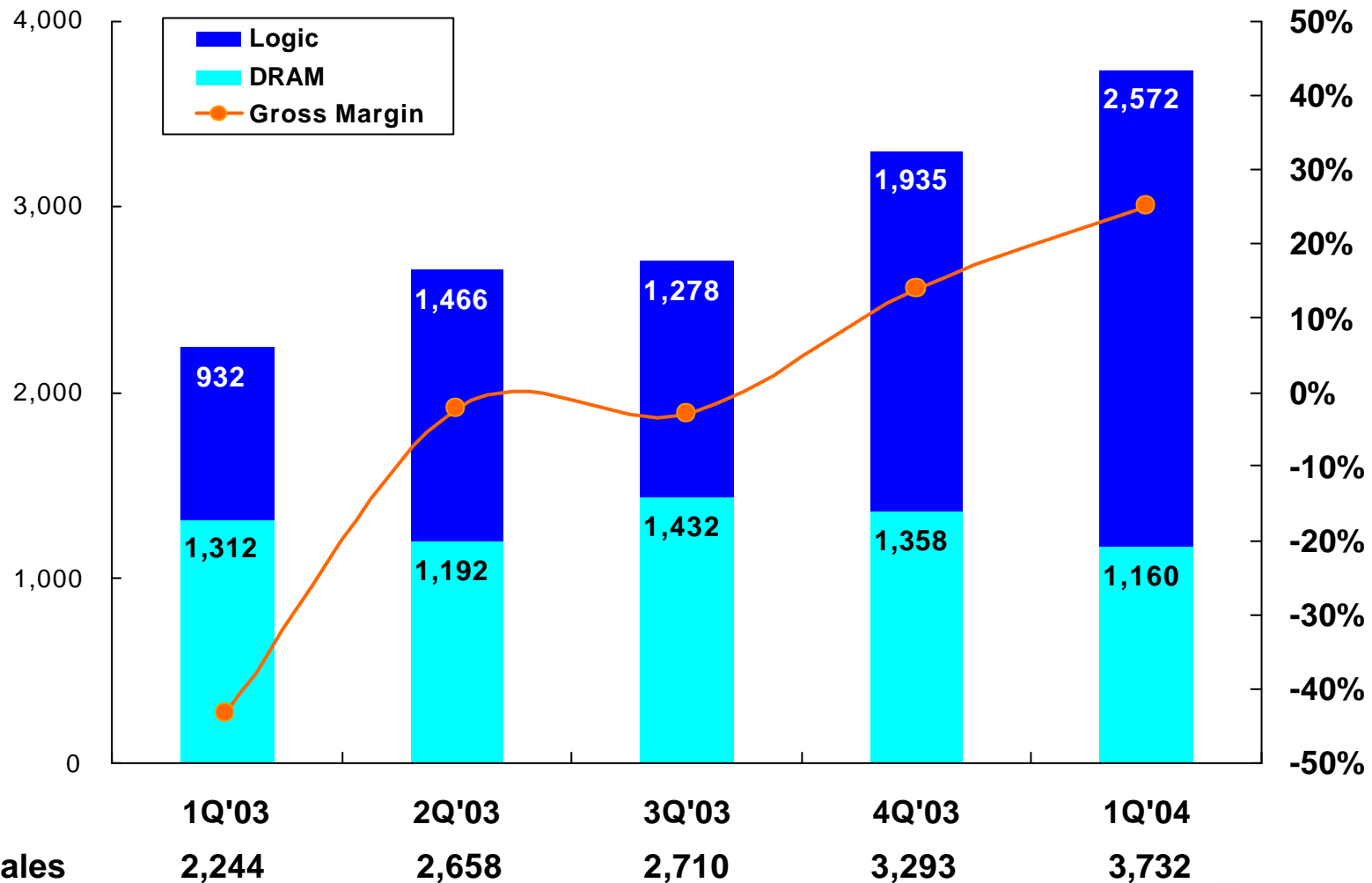
Amount: NT\$Million	1Q04 Amount	4Q03 Amount	1Q03 Amount
From Operation	1,307	1,278	361
- Net Profit (Loss)	1,092	350	(740)
- Depreciation & Amort.	756	791	1,081
- Investment (Gain) Loss	(336)	28	(13)
- (Gain) Loss on Disposal of Properties- Net	(187)	103	0
From Investment	(343)	(173)	(2,522)
- Decrease (Increase) in S-T Invest.	274	188	(2,200)
- Acquisitions of Properties	(826)	(324)	(321)
- Proceeds from Disposal of Properties	209	0	0
- Acquisitions of L-T Stock Invest.	0	(38)	0
From Financing	210	(2,081)	218
- (Decrease) Increase on Bank Debt	333	(2,008)	(1,516)
- Issuance of common shares	0	0	1,802



Improving Performance

Sales, NT\$ Million

Gross Margin, %



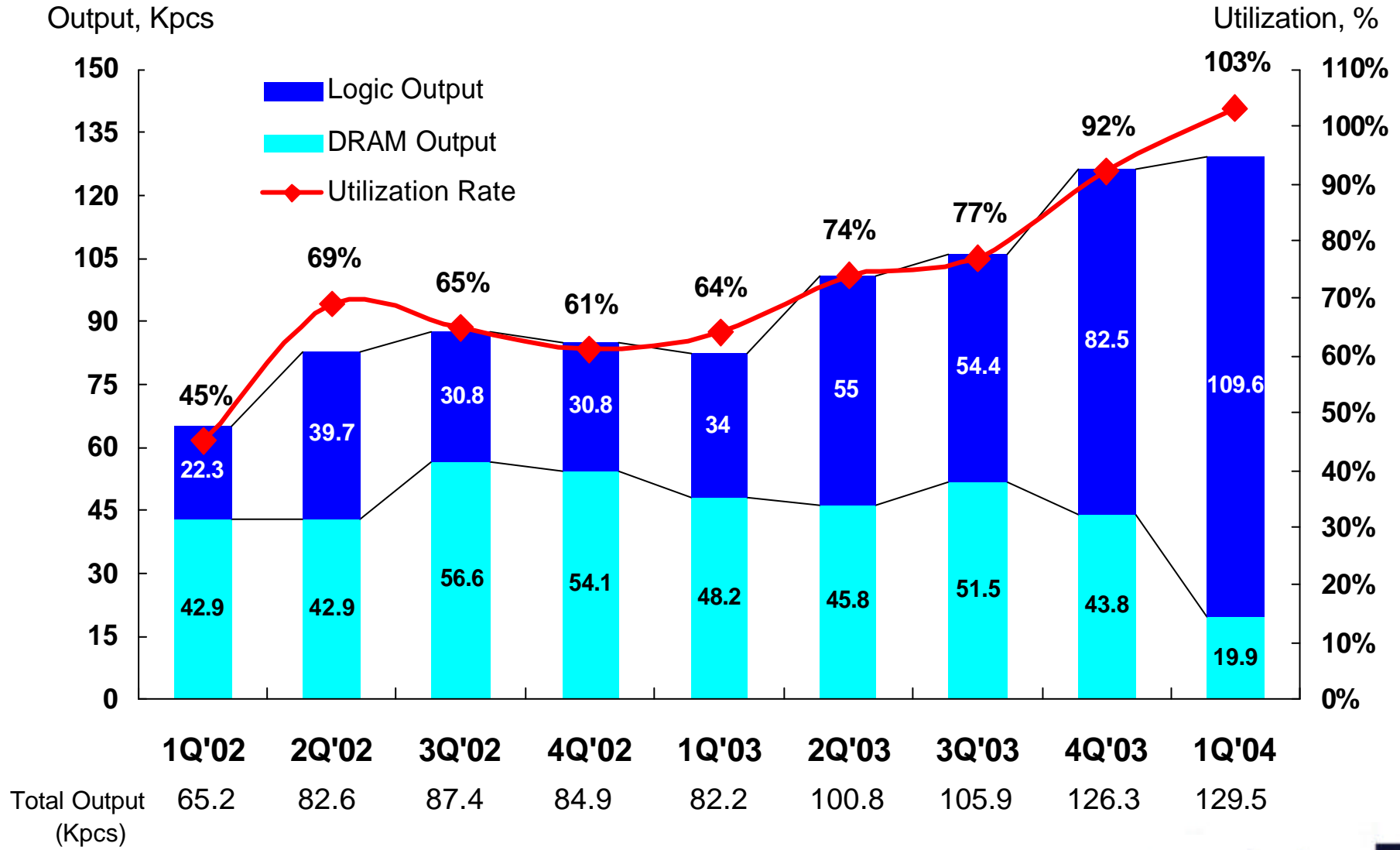
(NT\$ Million)

Customized Specialty IC Foundry of Choice

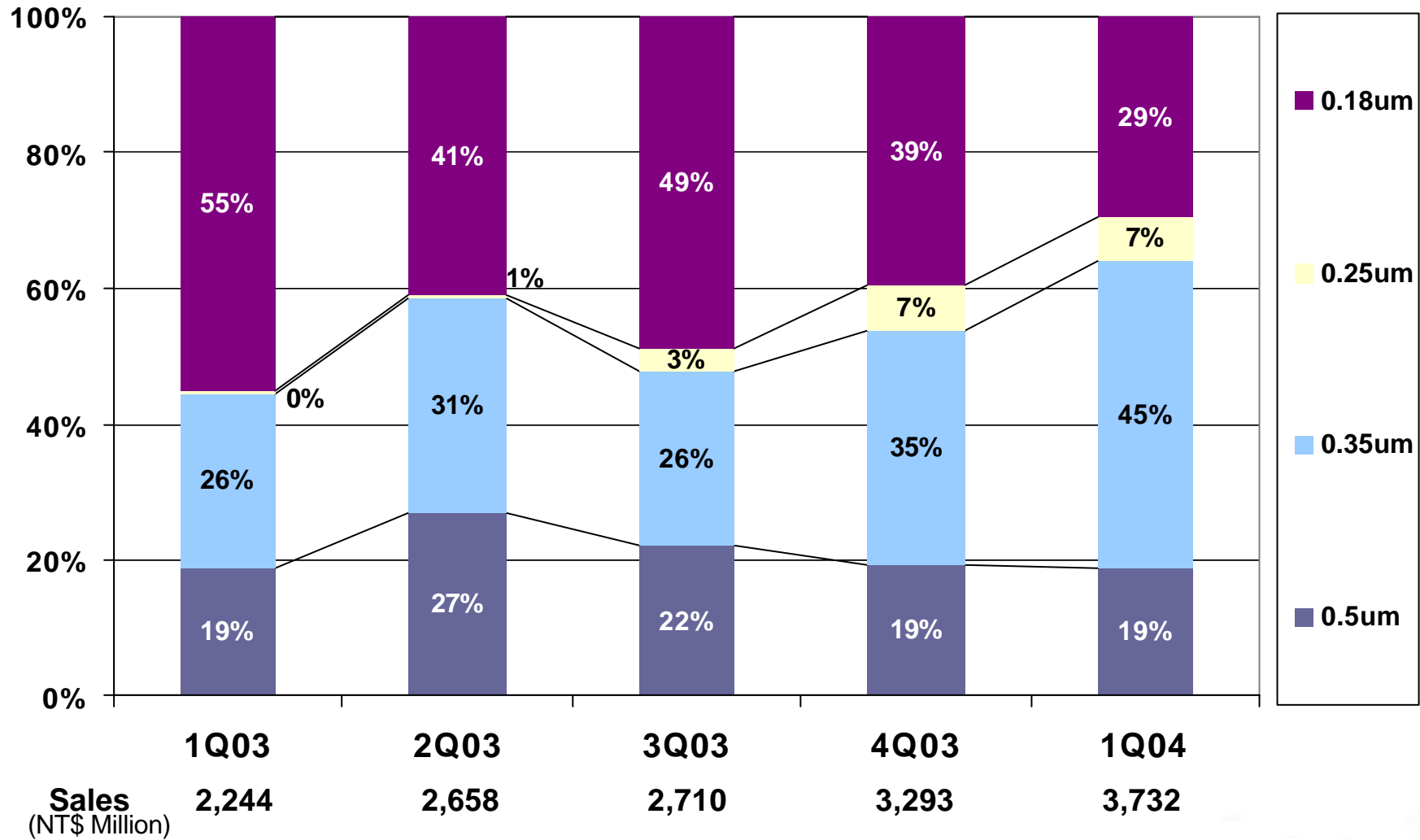
Vanguard International
Semiconductor Corporation



Utilization Trend

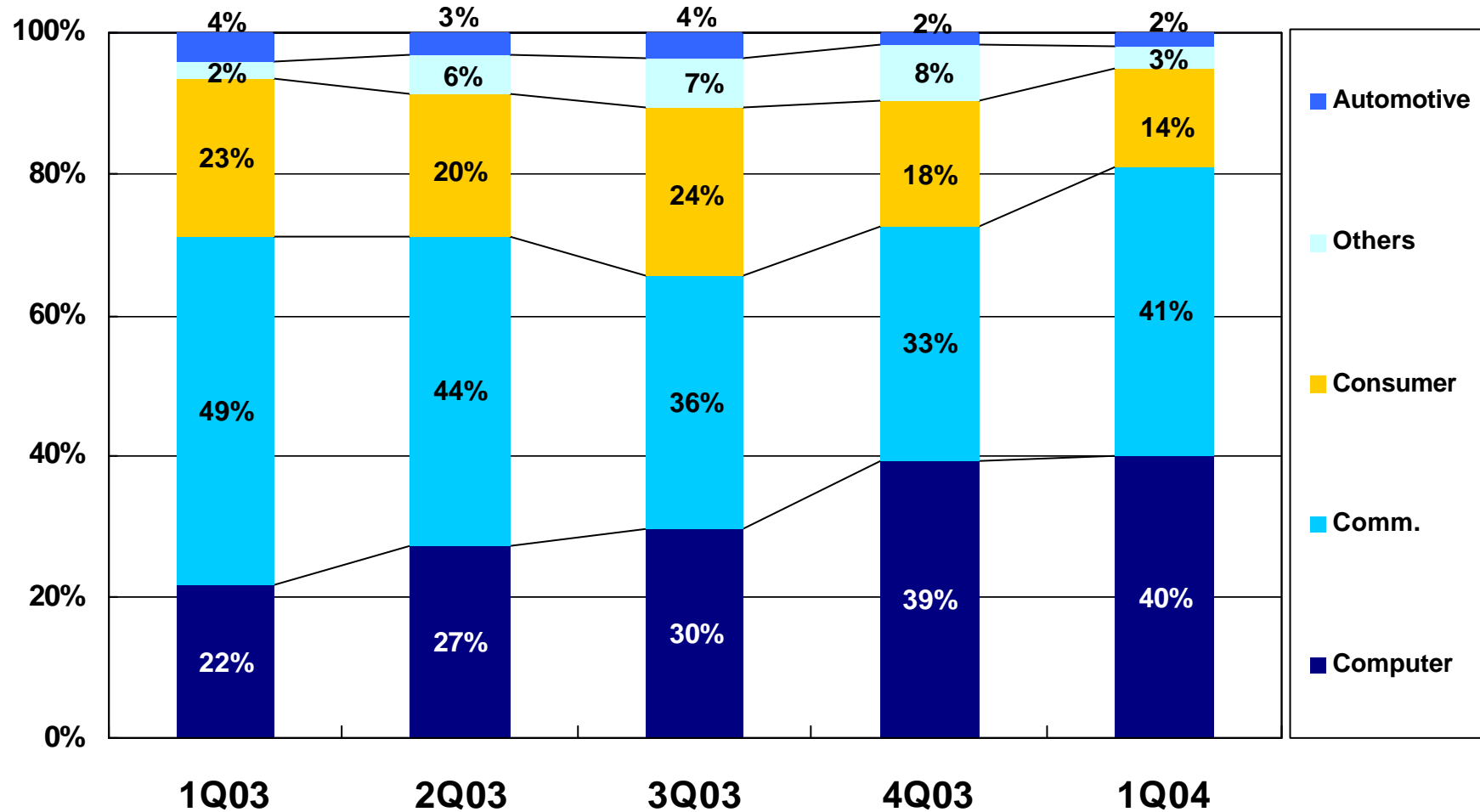


Sales Breakdown by Technology



Sales Breakdown by Application

Logic Foundry



Remarks

Paul Chien
Chairman & President



2Q04 Guidance

- Demand remains strong over all market segments.
- Fab utilization rate to be around 100%.
- Wafer shipment to increase slightly qoq due to incremental capacity increase.
- ASP to improve slightly.
- Revenue and gross margin to improve slightly qoq.



Q & A



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