



Vanguard International Semiconductor Corporation Income Statement

For the Twelve Months Ended December 31, 2003 and 2002
(Expressed in Millions New Taiwan Dollars (NTD) and U.S. Dollars (USD)⁽¹⁾
Except for Per Share Amounts and Shares Outstanding)

	12 months ended Dec. 31				
	2003 USD	2003 NTD	% of Sales	2002 NTD	YoY Inc(Dec) %
Net Sales	316	10,905	100.0%	8,308	31.3
Cost of Sales	(335)	(11,550)	-105.9%	(11,635)	(0.7)
Gross Profit	(19)	(645)	-5.9%	(3,327)	(80.6)
Operating Expenses					
General and Administrative Expenses	(13)	(436)	-4.0%	(487)	(10.5)
Selling and Marketing Expenses	(5)	(161)	-1.5%	(234)	(31.1)
Research and Development Expenses	(12)	(415)	-3.8%	(166)	150.1
Total Operating Expenses	(29)	(1,012)	-9.3%	(887)	14.1
Income From Operations	(48)	(1,657)	-15.2%	(4,215)	(60.7)
Net Non-operating Income (Expenses)	(6)	(213)	-2.0%	(427)	(50.1)
Inventory Valuation (Loss)	49	1,701	15.6%	793	114.3
Investment Gain (Loss)	10	348	3.2%	304	14.4
Income before Income Tax	5	178	1.6%	(3,545)	-
Income Tax Credit (Expenses)	0	0	0.0%	294	(100.0)
Net Income	5	178	1.6%	(3,251)	-
Earnings Per Share	0.002	0.06		(1.48)	-
Weighted Average Outstanding Shares('M)		2,787		2,200	

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD34.463 per U.S. dollar for the twelve months of 2003.