



VANGUARD

International Semiconductor Corporation

2004 Fourth Quarter Results Investor Conference

January 31, 2005



CUSTOMIZED SPECIALTY IC FOUNDRY OF CHOICE

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.



4Q'04 Result Highlights

Amount: NT\$Million	4Q'04	3Q'04	4Q'03
	Amount	Amount	Amount
Net Sales	3,624	4,362	3,293
Net Income	1,564	1,171	350
EPS(NT\$) *	1.07	0.80	0.24
Cash and Equivalent + S-T Invest.	8,439	6,600	5,801
Interest-bearing Debt	2,864	3,059	5,600
Shareholders' Equity	19,415	17,903	14,522
Total Wafers Shipped (Kpcs)	140	168	129
Utilization (%) <i>Wafer out / Capacity</i>	87%	105%	92%

* After retroactive adjustments for capital reduction



Income Statement - YoY Comparison

Amount: NT\$Million	4Q'04		4Q'03		YoY
	Amount	%	Amount	%	%
Net Sales	3,624	100%	3,293	100%	10%
COGS	(2,382)	-66%	(2,831)	-86%	-16%
Gross Profit (Loss)	1,242	34%	462	14%	169%
Operating Expense	(244)	-7%	(267)	-8%	-8%
Operating Income (Loss)	998	28%	195	6%	411%
Investment Income (Loss)	711	20%	(28)	-1%	-
Inventory Valuation (Loss)	(11)	0%	306	9%	-
Net Other Non-operating Income (Exp.)	80	2%	(123)	-4%	-
Income before Tax	1,779	49%	350	11%	408%
Net Income	1,564	43%	350	11%	346%
EPS (NT\$) *	1.07		0.24		341%

**After retroactive adjustments for capital reduction*



Income Statement - QoQ Comparison

Amount: NT\$Million

	4Q'04		3Q'04		QoQ
	Amount	%	Amount	%	%
Net Sales	3,624	100%	4,362	100%	-17%
COGS	(2,382)	-66%	(2,721)	-62%	-12%
Gross Profit (Loss)	1,242	34%	1,641	38%	-24%
Operating Expense	(244)	-7%	(258)	-6%	-5%
Operating Income (Loss)	998	28%	1,383	32%	-28%
Investment Income (Loss)	711	20%	88	2%	711%
Inventory Valuation (Loss)	(11)	0%	24	1%	-
Net Other Non-operating Income (Exp.)	80	2%	37	1%	113%
Income before Tax	1,779	49%	1,532	35%	16%
Net Income	1,564	43%	1,171	27%	34%
EPS (NT\$)*	1.07		0.80		34%

**After retroactive adjustments for capital reduction*



Income Statement Yearly Comparison

Amount: NT\$Million

	2004		2003		YOY
	Amount	%	Amount	%	%
Net Sales	15,879	100%	10,905	100%	46%
COGS	(10,867)	-68%	(11,550)	-106%	-6%
Gross Profit (Loss)	5,012	32%	(645)	-6%	-
Operating Expense	(1,007)	-6%	(1,012)	-9%	-1%
Operating Income (Loss)	4,005	25%	(1,657)	-15%	-
Investment Income (Loss)	1,169	7%	348	3%	236%
Inventory Valuation (Loss)	287	2%	1,701	16%	-83%
Net Other Non-operating Income (Exp.)	358	2%	(213)	-2%	-
Income before Tax	5,820	37%	178	2%	3170%
Net Income	4,755	30%	178	2%	2571%
EPS (NT\$) *	3.24		0.12		2540%
ROE (%)	28.02%		1.34%		

**After retroactive adjustments for capital reduction*



Balance Sheet & Key Indices

Amount: NT\$ Million
Selected Items from
Balance Sheet

	4Q'04		3Q'04		4Q'03	
	Amount	%	Amount	%	Amount	%
Total Assets	24,745	100.0%	24,006	100.0%	22,788	100.0%
Cash & S-T Investments	8,439	34.1%	6,600	27.5%	5,801	25.5%
Accounts Receivable	2,034	8.2%	2,449	10.2%	1,848	8.1%
Inventory	1,045	4.2%	1,189	5.0%	1,861	8.2%
Total Current Assets	12,261	49.5%	11,594	48.3%	10,337	45.4%
Accounts Payable and Others	1,631	6.6%	1,764	7.3%	3,111	13.7%
Accrued Liabilities	1,200	4.8%	1,153	4.8%	946	4.2%
Total Current Liabilites	2,831	11.4%	2,916	12.1%	4,057	17.8%
L-T Debt	2,054	8.3%	2,750	11.5%	3,681	16.2%
Total Equity	19,415	78.5%	17,903	74.6%	14,522	63.7%
Key Indices						
A/R Turnover Days	45		48		50	
Inventory Turnover Days	49		49		57	
Debt Ratio	22%		25%		36%	
Current Ratio	433%		398%		255%	
Net Working Capital	9,430		8,677		6,280	

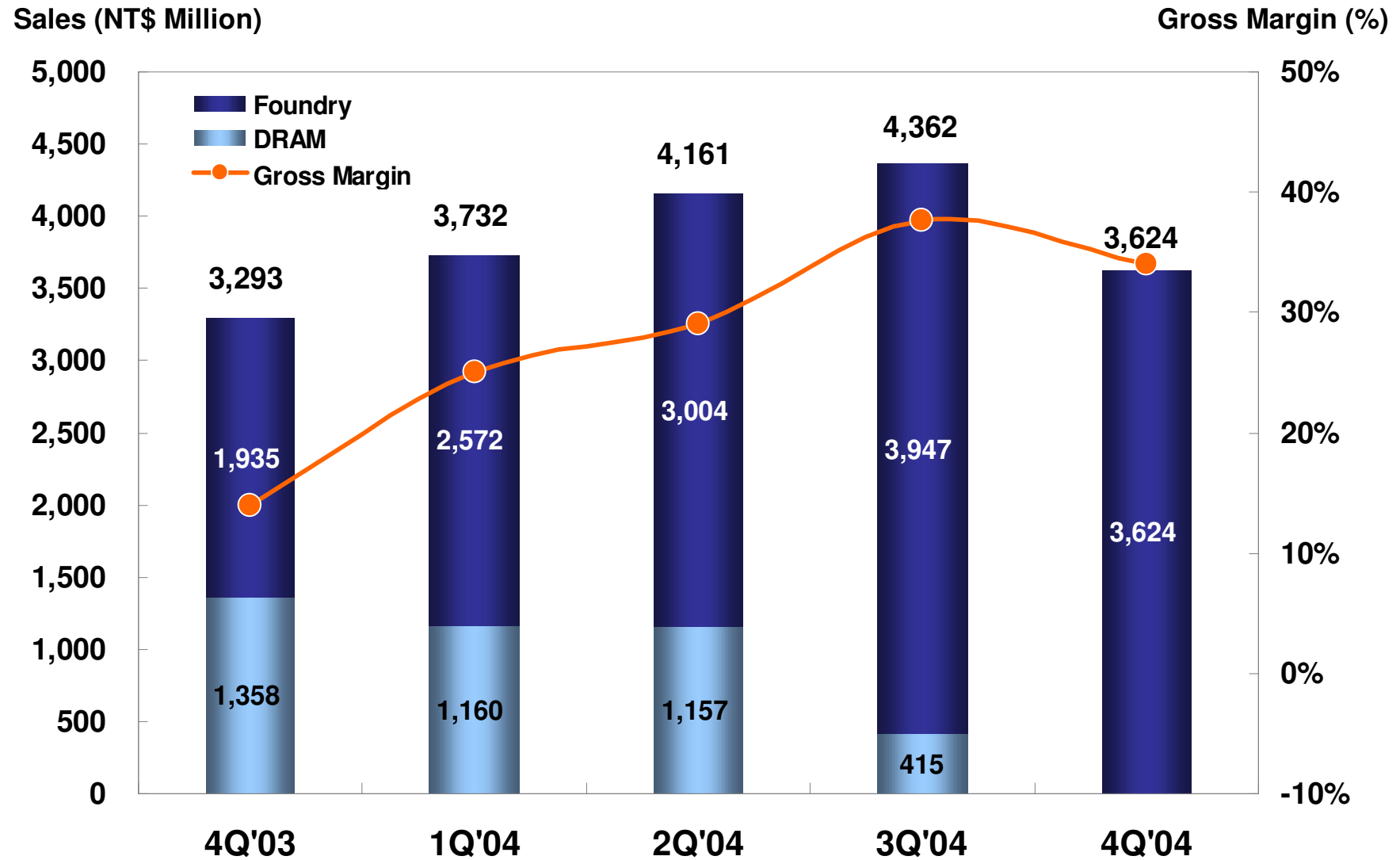


Cash Flows

Amount: NT\$Million	4Q'04	3Q'04	4Q'03
	Amount	Amount	Amount
From Operation	2,965	2,588	1,278
- Net Profit (Loss)	1,564	1,171	350
- Depreciation & Amort.	903	840	791
- Investment (Gain) Loss	(59)	4	28
- (Gain) Loss on Disposal of Properties - Net	(22)	(10)	103
- Changes of Inventory	144	127	(23)
From Investment	(246)	(398)	(173)
- Decrease (Increase) in S-T Invest.	735	808	188
- Acquisitions of Properties	(1,632)	(1,200)	(324)
- Acquisitions of L-T stock invest.	0	(43)	(38)
- Proceeds from Capital Reduction of L-T Stock Invest.	668	0	0
- Proceeds from Disposal of L-T stock Invest.	(0)	1	0
- Proceeds from Disposal of Properties	23	47	0
From Financing	(144)	(2,720)	(2,081)
- (Decrease) Increase on Bank Debt	(147)	(2,739)	(2,008)
- Proceeds from Exercise of Employee Stock Options	2	1	37



Net Sales & Gross Margin

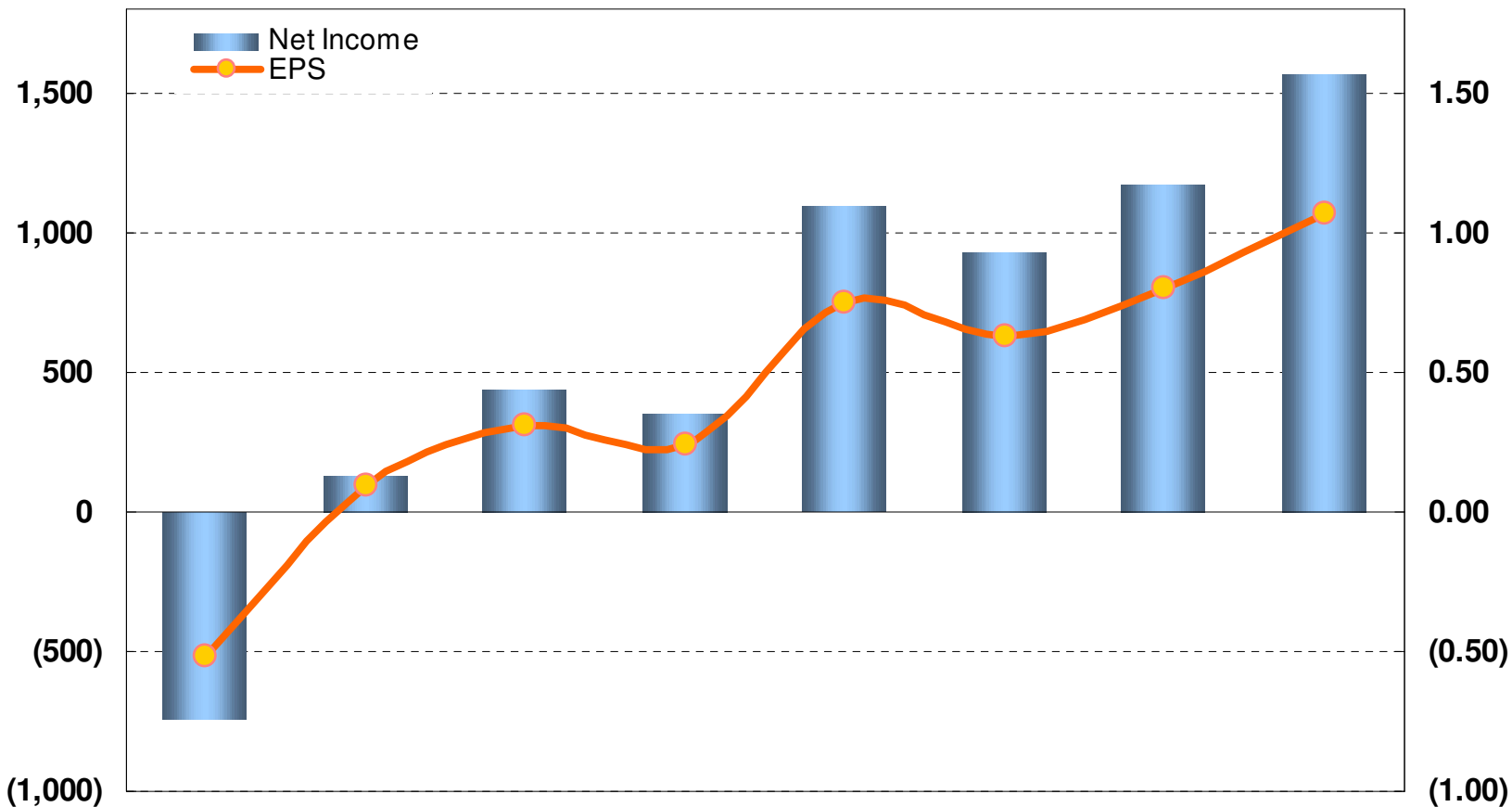


Improving Performance

Better Net Income & EPS

Net Income (NT\$M)

EPS* (NTD)



Sales	1Q'03	2Q'03	3Q'03	4Q'03	1Q'04	2Q'04	3Q'04	4Q'04
Net Income	(740)	126	441	350	1,092	928	1,171	1,564
EPS*	(0.52)	0.09	0.31	0.24	0.75	0.63	0.80	1.07

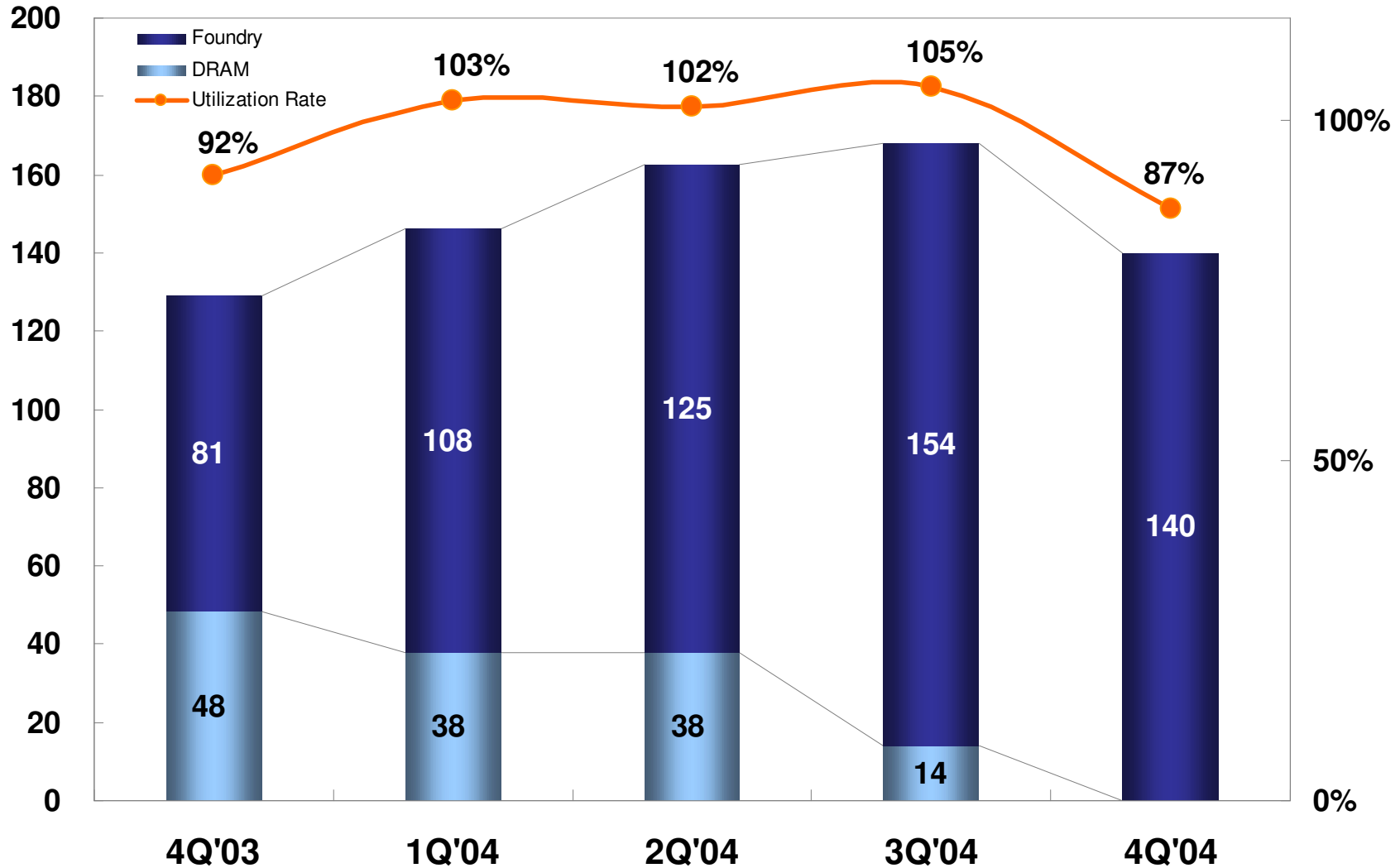
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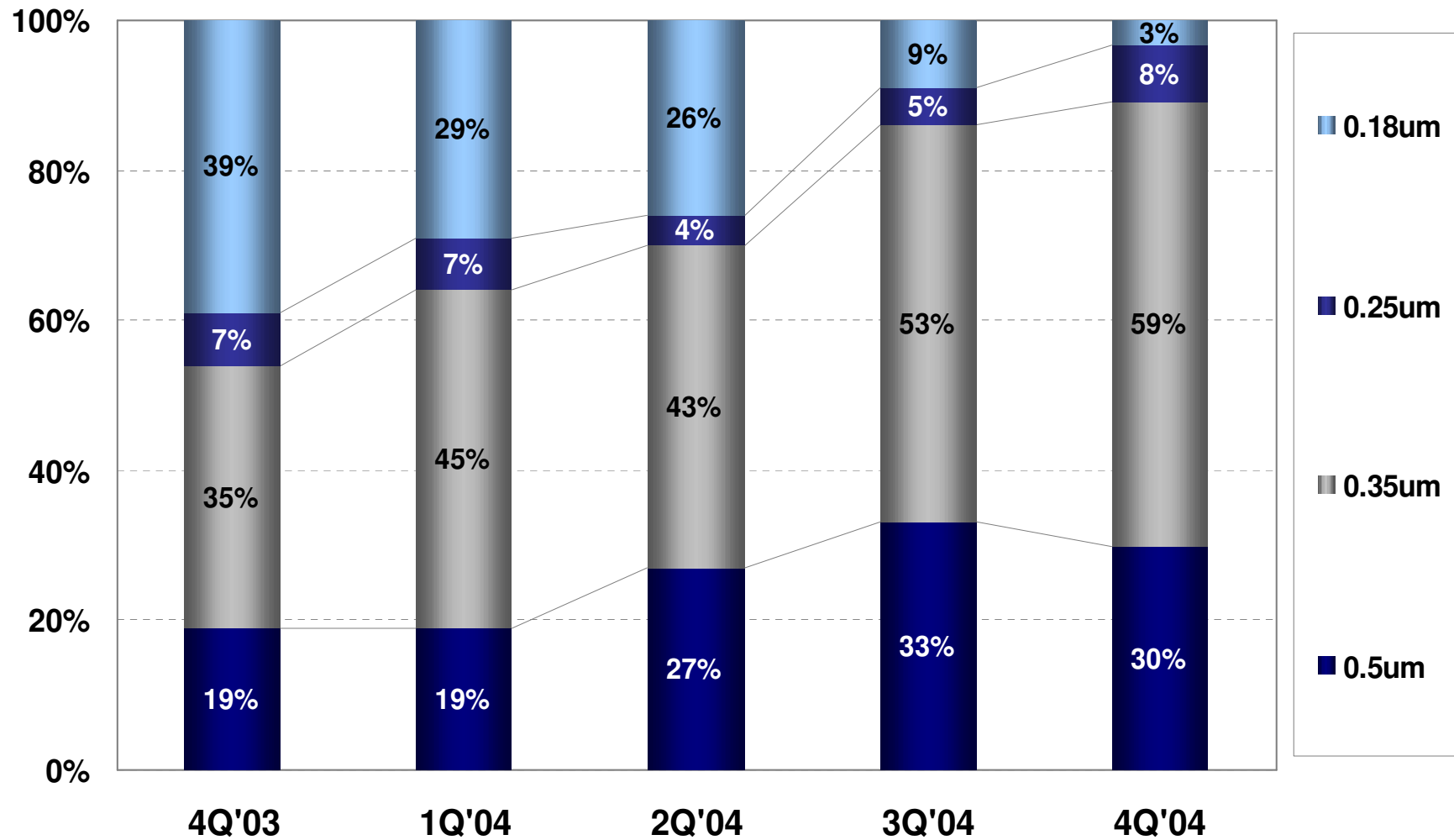
Utilization & Wafer Shipment

Wafer Shipment (8" Equiv. Kpcs)

Utilization (%)

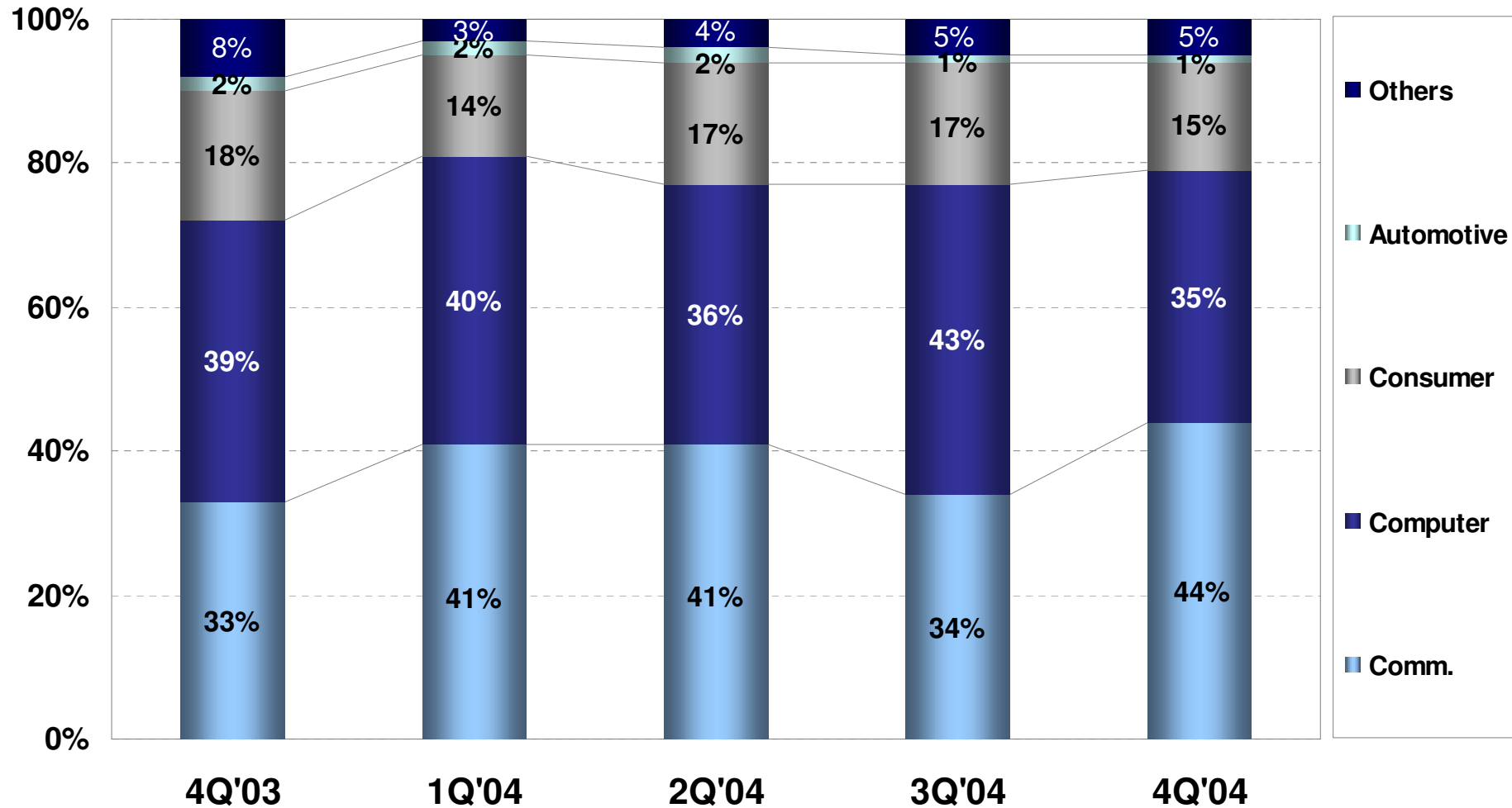


Sales Breakdown by Technology



Sales Breakdown by Application

Foundry



<http://www.vis.com.tw>

