



Vanguard International Semiconductor Corporation Consolidated Income Statements

For the Three Months Ended September 30, 2007 and 2006

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

Except for Per Share Amounts and Shares Outstanding)

	Year over Year Comparison					Sequential Comparison				
	3Q 2007 USD	3Q 2007 NTD	% of Sales	3Q 2006 NTD	YoY Inc(Dec) %	3Q 2007 USD	3Q 2007 NTD	% of Sales	2Q 2007 NTD	QoQ Inc(Dec) %
Net Sales	128	4,210	100.0	3,490	20.6	128	4,210	100.0	3,805	10.6
Cost of Sales	(74)	(2,437)	(57.9)	(2,160)	12.8	(74)	(2,437)	(57.9)	(2,253)	8.2
Gross Profit	54	1,773	42.1	1,330	33.3	54	1,773	42.1	1,552	14.3
Operating Expenses										
General and Administrative Expenses	(5)	(156)	(3.7)	(141)	11.2	(5)	(156)	(3.7)	(188)	(16.8)
Selling and Marketing Expenses	(1)	(32)	(0.8)	(43)	(26.5)	(1)	(32)	(0.8)	(37)	(13.1)
Research and Development Expenses	(5)	(161)	(3.8)	(94)	71.4	(5)	(161)	(3.8)	(123)	30.7
Total Operating Expenses	(11)	(349)	(8.3)	(278)	25.7	(11)	(349)	(8.3)	(348)	0.4
Income From Operations	43	1,424	33.8	1,052	35.3	43	1,424	33.8	1,204	18.2
Investment Gain (Loss)	1	46	1.1	4	982.9	1	46	1.1	12	267.3
Net Other Non-operating Income (Expenses)	2	68	1.6	27	152.0	2	68	1.6	53	28.7
Income before Income Tax	47	1,537	36.5	1,083	41.9	47	1,537	36.5	1,269	21.1
Income Tax Credit (Expenses)	(10)	(315)	(7.4)	(178)	77.0	(10)	(315)	(7.4)	(251)	25.5
Net Income	37	1,223	29.1	905	35.0	37	1,223	29.1	1,018	20.0
Diluted Earnings Per Share ⁽²⁾	0.022	0.71		0.54	31.6	0.022	0.71		0.59	20.2
Weighted Average Outstanding Shares('M) ⁽²⁾		1,710		1,678		1,710			1,706	

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD32.845 per U.S. dollar for the third quarter of 2007.

(2) Total weighted average outstanding shares were 1,709,688K shares for 3Q07, 1,678,158K shares for 3Q06 and 1,706,460K shares for 2Q07.



Vanguard International Semiconductor Corporation

Consolidated Income Statements

For the Nine Months Ended September 30, 2007 and 2006

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

Except for Per Share Amounts and Shares Outstanding)

	9 months ended Sep. 30				
	2007 USD	2007 NTD	% of Sales	2006 NTD	YoY Inc(Dec) %
Net Sales	351	11,575	100.0%	9,013	28.4
Cost of Sales	(211)	(6,958)	-60.1%	(5,897)	18.0
Gross Profit	140	4,617	39.9%	3,116	48.2
Operating Expenses					
General and Administrative Expenses	(15)	(480)	-4.1%	(425)	12.9
Selling and Marketing Expenses	(3)	(105)	-0.9%	(105)	(0.7)
Research and Development Expenses	(11)	(379)	-3.3%	(308)	22.8
Total Operating Expenses	(29)	(963)	-8.3%	(838)	14.9
Income From Operations	111	3,654	31.6%	2,278	60.4
Investment Gain (Loss)	2	61	0.5%	3	1,968.2
Net Other Non-operating Income (Expenses)	5	173	1.5%	118	47.2
Income before Income Tax	118	3,888	33.6%	2,398	62.1
Income Tax Credit (Expenses)	(23)	(751)	-6.5%	(456)	64.8
Cumulative Effect Change in Accounting	0	0	0.0%	(0)	(100.0)
Net Income	95	3,137	27.1%	1,943	61.5
Diluted Earnings Per Share ⁽²⁾	0.056	1.83		1.16	58.0
Weighted Average Outstanding Shares('M) ⁽²⁾		1,710		1,678	

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD32.935 per U.S. dollar for the nine months of 2007.

(2) Total weighted average outstanding shares were 1,709,688K for the nine months ended September 30, 2007 and 1,678,158K shares for the nine months ended September 30, 2006.



VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION
CONSOLIDATED BALANCE SHEETS

As of Sep. 30, 2007 and June 30, 2007

(Figures in Millions of New Taiwan Dollars (NTD) and U.S. Dollars (USD))*

ASSETS	Sep. 30, 2007			June 30, 2007		QoQ	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash and Cash Equivalents	334	10,923	43.2	12,072	45.5	(1,148)	(9.5)
Investments in Marketable Financial Instruments	52	1,690	6.7	1,676	6.3	14	0.8
Accounts Receivable	82	2,673	10.6	2,547	9.6	126	5.0
Inventories	48	1,559	6.2	1,504	5.7	55	3.7
Other Current Assets	14	467	1.8	754	2.8	(288)	(38.1)
Total Current Assets	530	17,313	68.5	18,553	69.9	(1,240)	(6.7)
Long Term Investment	34	1,100	4.4	1,367	5.1	(267)	(19.5)
Properties	1,485	48,522	192.1	47,906	180.4	616	1.3
Less Accumulated Depreciation	(1,282)	(41,880)	(165.8)	(41,434)	(156.0)	(446)	1.1
Net Properties	203	6,642	26.3	6,472	24.4	171	2.6
Other Assets	6	210	0.8	164	0.6	46	27.8
Total Assets	773	25,265	100.0	26,555	100.0	(1,291)	(4.9)
LIABILITIES							
Accounts Payable & Other Current Liabilities	77	2,516	10.0	4,809	18.1	(2,293)	(47.7)
Current Portion of Long Term Debts	0	0	0.0	10	0.0	(10)	(100.0)
Total Current Liabilities	77	2,516	10.0	4,819	18.1	(2,303)	(47.8)
Other Long Term Liabilities	14	462	1.8	462	1.7	0	0.0
Total Liabilities	91	2,977	11.8	5,281	19.9	(2,303)	(43.6)
SHAREHOLDERS' EQUITY							
Capital Stock	520	16,989	67.2	16,662	62.7	327	2.0
Stock dividends for distribution	0		0.0	295	1.1	(295)	(100.0)
Capital Surplus - Employee Stock Options	15	502	2.0	475	1.8	27	5.6
Capital Surplus - L/T Investment	1	21	0.1	21	0.1	0	0.5
Retained Earnings							
- Legal Reserve	32	1,048	4.1	1,048	3.9	0	0.0
- Special Reserve	1	41	0.2	41	0.2	0	0.0
- Previous Year	6	205	0.8	205	0.8	0	0.0
- Current Year	96	3,137	12.4	1,915	7.2	1,223	63.9
Unrealized Fair Value Adjustment	12	383	1.5	650	2.4	(267)	(41.0)
Cumulative Translation Adjustment	(1)	(39)	(0.2)	(37)	(0.1)	(2)	5.2
Total Shareholders' Equity	682	22,287	88.2	21,275	80.1	1,012	4.8
Total Liabilities & Shareholders' Equity	773	25,265	100.0	26,555	100.0	(1,291)	(4.9)

* New Taiwan Dollar amounts have been translated into U.S. Dollars at the rate of NT\$32.667 per U.S. Dollar as of September 30, 2007.



VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION
CONSOLIDATED BALANCE SHEETS

As of Sep. 30, 2007 and 2006

(Figures in Millions of New Taiwan Dollars (NTD) and U.S. Dollars (USD))*

ASSETS	Sep 30, 2007			Sep 30, 2006		YoY	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash and Cash Equivalents	334	10,923	43.2	12,593	52.1	(1,670)	(13.3)
Investments in Marketable Financial Instruments	52	1,690	6.7	335	1.4	1,356	405.2
Accounts Receivable	82	2,673	10.6	2,216	9.2	457	20.6
Inventories	48	1,559	6.2	1,155	4.8	404	35.0
Other Current Assets	14	467	1.8	762	3.1	(295)	(38.7)
Total Current Assets	530	17,313	68.5	17,060	70.6	252	1.5
Long Term Investment	34	1,100	4.4	1,175	4.9	(75)	(6.4)
Properties	1,485	48,522	192.1	45,377	187.8	3,146	6.9
Less Accumulated Depreciation	(1,282)	(41,880)	(165.8)	(40,152)	(166.2)	(1,728)	4.3
Net Properties	203	6,642	26.3	5,225	21.6	1,418	27.1
Other Assets	6	210	0.8	702	2.9	(492)	(70.0)
Total Assets	773	25,265	100.0	24,161	100.0	1,103	4.6
LIABILITIES							
Accounts Payable & Other Current Liabilities	77	2,516	10.0	3,068	12.7	(552)	(18.0)
Current Portion of Long Term Debts	0	0	0.0	643	2.7	(643)	(100.0)
Total Current Liabilities	77	2,516	10.0	3,711	15.4	(1,195)	(32.2)
Long Term Debts	0	0	0.0	15	0.1	(15)	-
Other Long Term Liabilities	14	462	1.8	464	1.9	(2)	(0.4)
Total Liabilities	91	2,977	11.8	4,189	17.3	(1,212)	(28.9)
SHAREHOLDERS' EQUITY							
Capital Stock	520	16,989	67.2	16,451	68.1	538	3.3
Capital Surplus - Employee Stock Options	15	502	2.0	302	1.2	200	66.4
Capital Surplus - L/T Investment	1	21	0.1	21	0.1	(0)	(2.1)
Retained Earnings							
- Legal Reserve	32	1,048	4.1	747	3.1	302	40.4
- Special Reserve	1	41	0.2	35	0.1	5	15.3
- Previous Year	6	205	0.8	214	0.9	(9)	(4.1)
- Current Year	96	3,137	12.4	1,943	8.0	1,194	61.5
Unrealized Fair Value Adjustment	12	383	1.5	286	1.2	97	33.8
Cumulative Translation Adjustment	(1)	(39)	(0.2)	(27)	(0.1)	(13)	47.3
Total Shareholders' Equity	682	22,287	88.2	19,972	82.7	2,315	11.6
Total Liabilities & Shareholders' Equity	773	25,265	100.0	24,161	100.0	1,103	4.6

* New Taiwan Dollar amounts have been translated into U.S. Dollars at the rate of NT\$32.667 per U.S. Dollar as of Sep. 30, 2007.



VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended Sep. 30, 2007
(Figures in Million of New Taiwan Dollars (NTD) and U.S. Dollars (USD))*

	9 MTHS 2007		9 MTHS 2006
	USD	NTD	NTD
Cash Flows from Operating Activities:			
Net Income	95	3,137	1,943
Depreciation & Amortization	48	1,573	1,864
Investment loss	0	15	11
Investment gain from disposal of financial assets	(1)	(38)	0
Impairment loss on long-term stock investment	0	9	0
Gain on sales of long-term stock investments	0	0	(6)
(Gain) loss on disposal of properties - net	(0)	(1)	1
Deferred income tax assets	20	661	423
Changes in working capital & others	(13)	(416)	(291)
Net Cash Provided by Operating Activities	150	4,940	3,944
Cash Flows from Investing Activities:			
(Increase) decrease in financial assets	(46)	(1,513)	78
Acquisitions of properties	(93)	(3,049)	(666)
Acquisitions of long-term stock investments	(0)	(11)	(95)
Proceeds from disposal of financial assets	6	195	0
Proceeds from disposal of properties	0	1	3
Proceeds from disposal of long-term stock investments	2	58	0
Increase in deferred charges	(2)	(56)	(36)
Net Cash Used in Investing Activities	(133)	(4,376)	(716)
Cash Flows from Financing Activities:			
Decrease in short-term bank loans	0	0	(200)
Repayment of long-term bank loans	(1)	(46)	(444)
Remuneration to directors and supervisors	(1)	(27)	(25)
Cash dividends	(70)	(2,311)	(2,256)
Bonus to employees - in cash	(3)	(87)	(92)
Proceeds from exercise of employee stock options	11	351	92
Net Cash Provided by (Used in) Financing Activities	(64)	(2,120)	(2,924)
Net Decrease in Cash and Cash Equivalents	(47)	(1,555)	305
Effect of Exchange Rate Changes		2	4
Cash and Cash Equivalents, Beginning of Period	379	12,477	12,284
Cash and Cash Equivalents, End of Period	332	10,923	12,593

* New Taiwan Dollar amounts have been translated into U.S. Dollars at the rate of NT\$32.935 per U.S. Dollar, the weighted average exchange rate for the nine months of 2007.