Vanguard International Semiconductor Corporation

Specialty IC Foundry of Choice

Reports of Results for 3Q2007

October 29, 2007

Performance Summary for 3Q2007

- Third quarter revenue reached NT$4,210 million while net income and earnings per share came to NT$1,223 million and NT$0.71 per share, respectively.

- Net sales of 3Q07 were 11% higher than that of 2Q07 as a result of more wafer shipment (12.8% QoQ) while blended ASP was lower. Decreased ASP was because product mix changed.

- Gross profit was NT$1,773 million, or 42.1% of net sales, compared to NT$1,552 million, or 41% in 2Q07.The increase in gross margin was due to higher capacity utilization.

Wafer Shipments & Capacity Utilization

- Shipments in 3Q07 were 233 thousand wafers, a 12.8% increase compared to 207 thousand wafers in 2Q07.

- Fab utilization in 3Q07 was 104% compared to 100% in 2Q07.

- Higher shipments and fab utilization were the result of good customer demand in high season.

4Q2007 Outlook

- Based on current business outlook, we expect fab utilization rate to be around one hundred percentage in 4Q07. Wafer shipments will increase by a mid-to-high single digital percentage QoQ.

- We expect blended wafer ASP to decrease by a low-to-mid single digital percentage QoQ.

- Gross Margin to be around 39% to 41%.

Wafer Sales Analysis

By Technology	3Q07	2Q07
0.5 μm	42%	44%
0.35 μm	31%	31%
0.25 μm	13%	14%
0.18 μm	14%	11%

By Application	3Q07	2Q07*
Computer	54%	54%
Communication	22%	26%
Consumer	18%	15%
Others	6%	5%

* Some power management products were reclassified from “Computer” to “Other” segment .