

VANGUARD

2008 First Quarter Results *Investor Conference*

May 2nd, 2008

Agenda

- Welcome
- 2008 1Q Consolidated Financial Results
- Remark
- 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.

1Q08 Result Highlights

Amount : NT\$ Million	1Q08	4Q07	1Q07
	Amount	Amount	Amount
Net Sales	4,526	4,398	3,560
Net Income	766	1,184	896
EPS (NT\$)	0.45	0.70	0.53
Cash and Financial Instruments	6,541	7,515	12,862
Interest-bearing Debt	0	0	28
Shareholders' Equity	24,027	23,303	22,621
Total Wafers Shipped * (Kpcs)	Logic: 234 Memory: 77	254	190

* Transferred in WIP is about 21% of total wafer shipments and its processing revenue is less than full wafer price.

Income Statement

Amount: NT\$Million

	1Q08		4Q07		1Q07		QoQ	YoY
	Amount	%	Amount	%	Amount	%	%	%
Net Sales	4,526	100%	4,398	100%	3,560	100%	3%	27%
COGS	(3,245)	-72%	(2,666)	-61%	(2,268)	-64%	22%	43%
Gross Profit	1,281	28%	1,732	39%	1,292	36%	-26%	-1%
Operating Expense	(420)	-9%	(362)	-8%	(266)	-7%	16%	58%
Operating Income	861	19%	1,370	31%	1,026	29%	-37%	-16%
Investment Income (Loss)	(9)	0%	8	0%	(1)	0%	-	934%
Net Other Non-operating Income (Exp.)	64	1%	97	2%	56	2%	-33%	15%
Income before Tax	916	20%	1,474	34%	1,081	30%	-38%	-15%
Net Income	766	17%	1,184	27%	896	25%	-35%	-14%
EPS (NT\$)	0.45		0.70		0.53		-35%	-15%

Balance Sheet & Key Indices

Amount : NT\$ Million

*Selected Items from
Balance Sheet*

	1Q08		4Q07		1Q07	
	Amount	%	Amount	%	Amount	%
Total Assets	28,052	100.0%	27,105	100.0%	25,505	100.0%
Cash & Financial Instruments	6,541	23.3%	7,515	27.7%	12,862	50.4%
Accounts Receivable	2,472	8.8%	2,664	9.8%	2,126	8.3%
Inventory	2,235	8.0%	1,501	5.5%	1,426	5.6%
Total Current Assets	11,589	41.3%	12,172	44.9%	17,243	67.6%
Properties	57,051	203.4%	56,014	206.7%	47,568	186.5%
Less: Accum. Depreciation	(42,830)	-152.7%	(42,129)	-155.4%	(41,105)	-161.2%
Net Properties	14,221	50.7%	13,885	51.2%	6,464	25.3%
Accounts Payable and Others	1,996	7.1%	1,913	7.1%	1,310	5.1%
Accrued Liabilities	1,517	5.4%	1,407	5.2%	1,112	4.4%
Total Current Liabilities	3,513	12.5%	3,320	12.2%	2,422	9.5%
L-T Debt	0	0.0%	0	0.0%	0	0.0%
Total Equity	24,027	85.7%	23,303	86.0%	22,621	88.7%

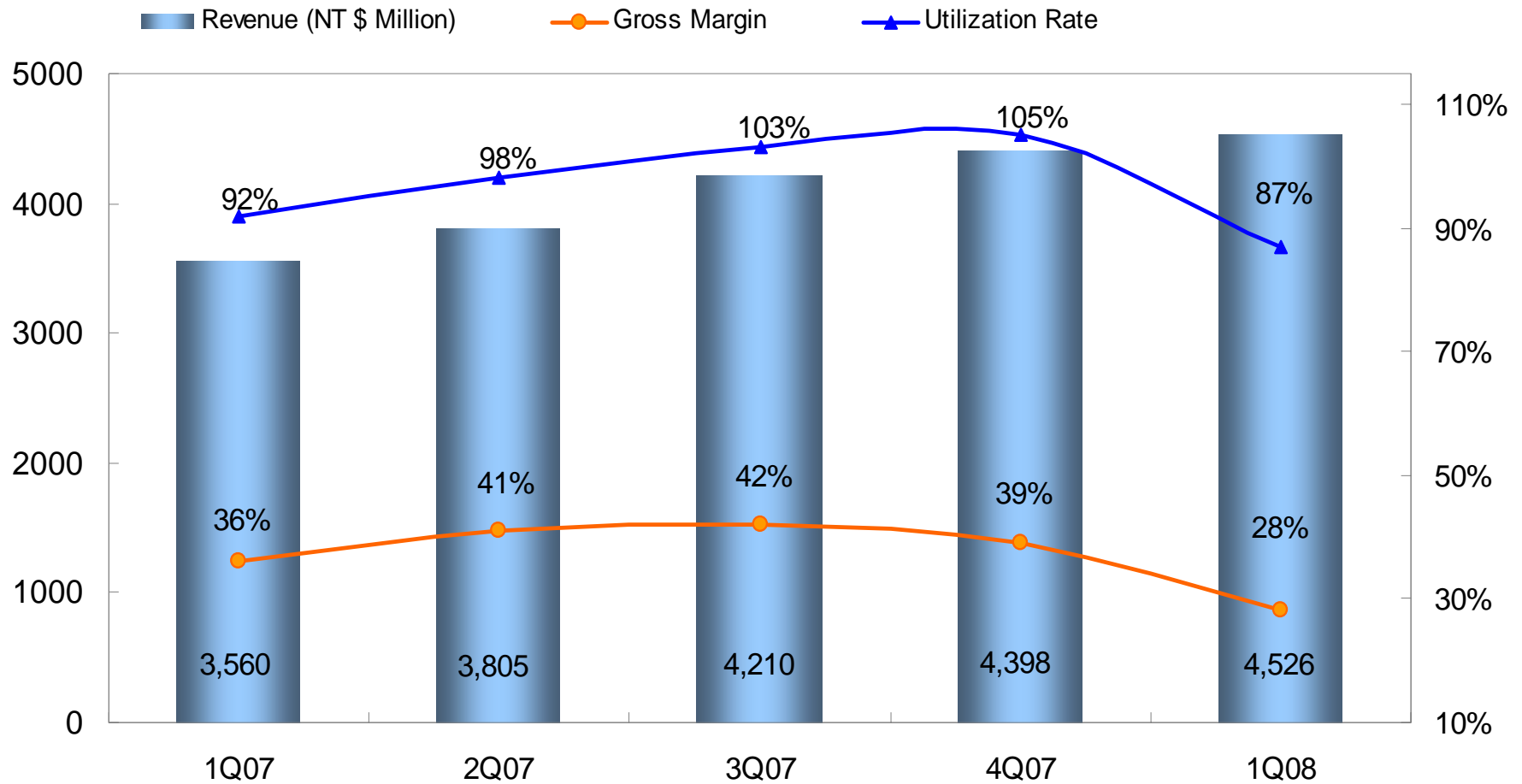
Key Indices

A/R Turnover Days	52	58	59
Inventory Turnover Days	53	52	54
Debt Ratio	14%	14%	11%
Current Ratio	330%	367%	712%
Net Working Capital	8,076	8,852	14,821

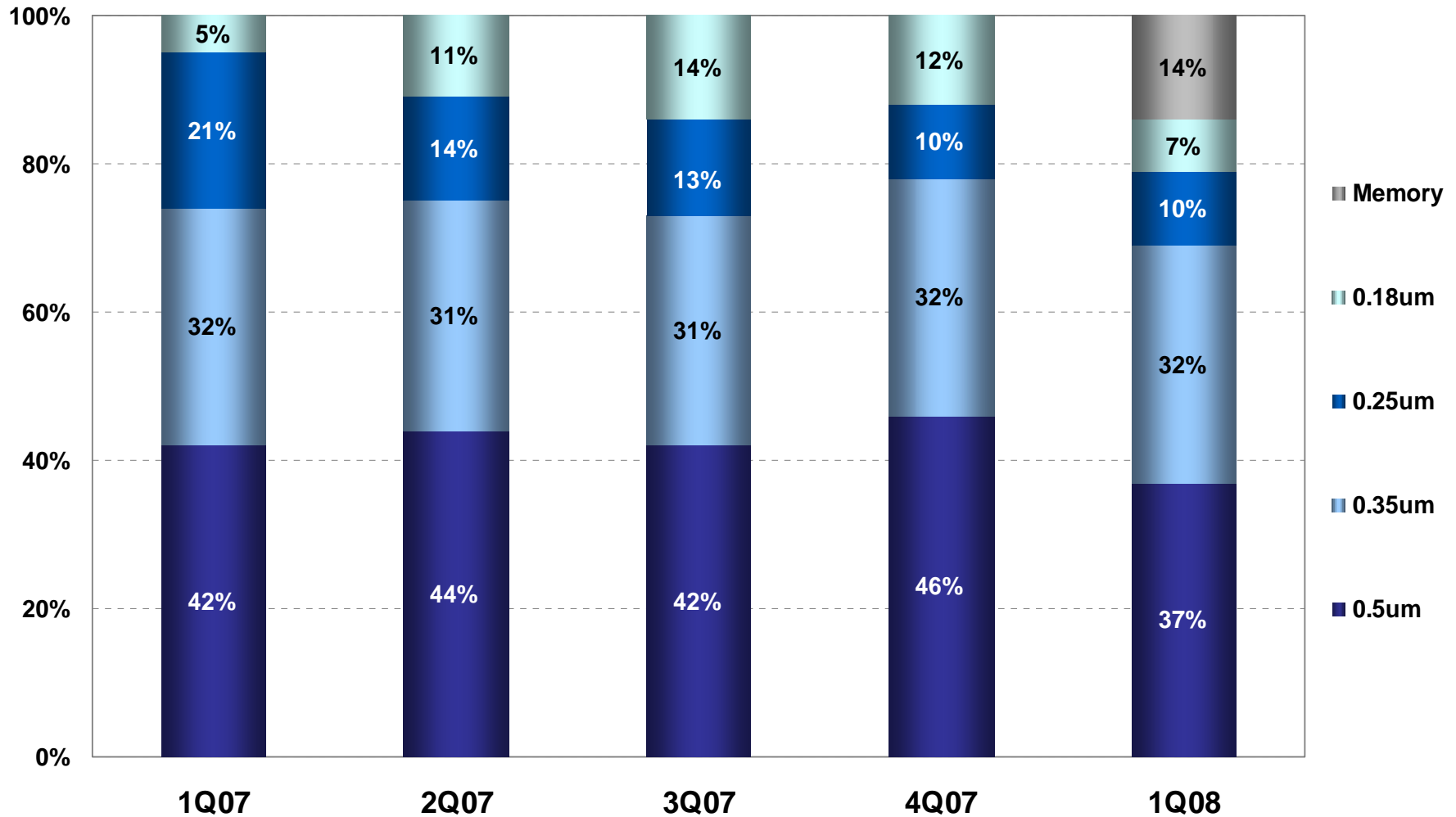
Cash Flows

Amount : NT\$ Million	1Q08	4Q07	1Q07
	Amount	Amount	Amount
Cash - Beginning of Period	6,737	10,923	12,477
– Net Profit	766	1,184	896
– Depreciation & Amort.	779	446	599
– Investment Loss	9	17	1
– Deferred Income Tax Assets	29	262	158
– Gain on Disposal of Financial Assets	0	(25)	(3)
– Changes of Accounts Receivable	192	9	322
– Changes of Inventory	(735)	59	(175)
From Operation	1,564	1,976	1,751
– (Increase) Decrease in Financial Assets	73	(582)	(1,885)
– Acquisitions of Properties	(2,636)	(7,085)	(1,891)
– Acquisitions of L-T Stock Investment	(17)	(25)	(12)
– Proceeds from Disposal of Financial Assets	98	1,485	1,049
– Proceeds from Disposal of Properties	4	1	1
From Investment	(2,486)	(6,205)	(2,742)
– Decrease on Bank Debt	0	0	(18)
– Proceeds from Exercise of Employee Stock Options	9	29	219
– Increase in Guarantee Deposit In	29	16	0
From Financing	38	45	201
Net Decrease in Cash	(884)	(4,184)	(790)
Effect of Exchange Rate Changes	(12)	(3)	8
Cash - End of Period	5,841	6,737	11,694

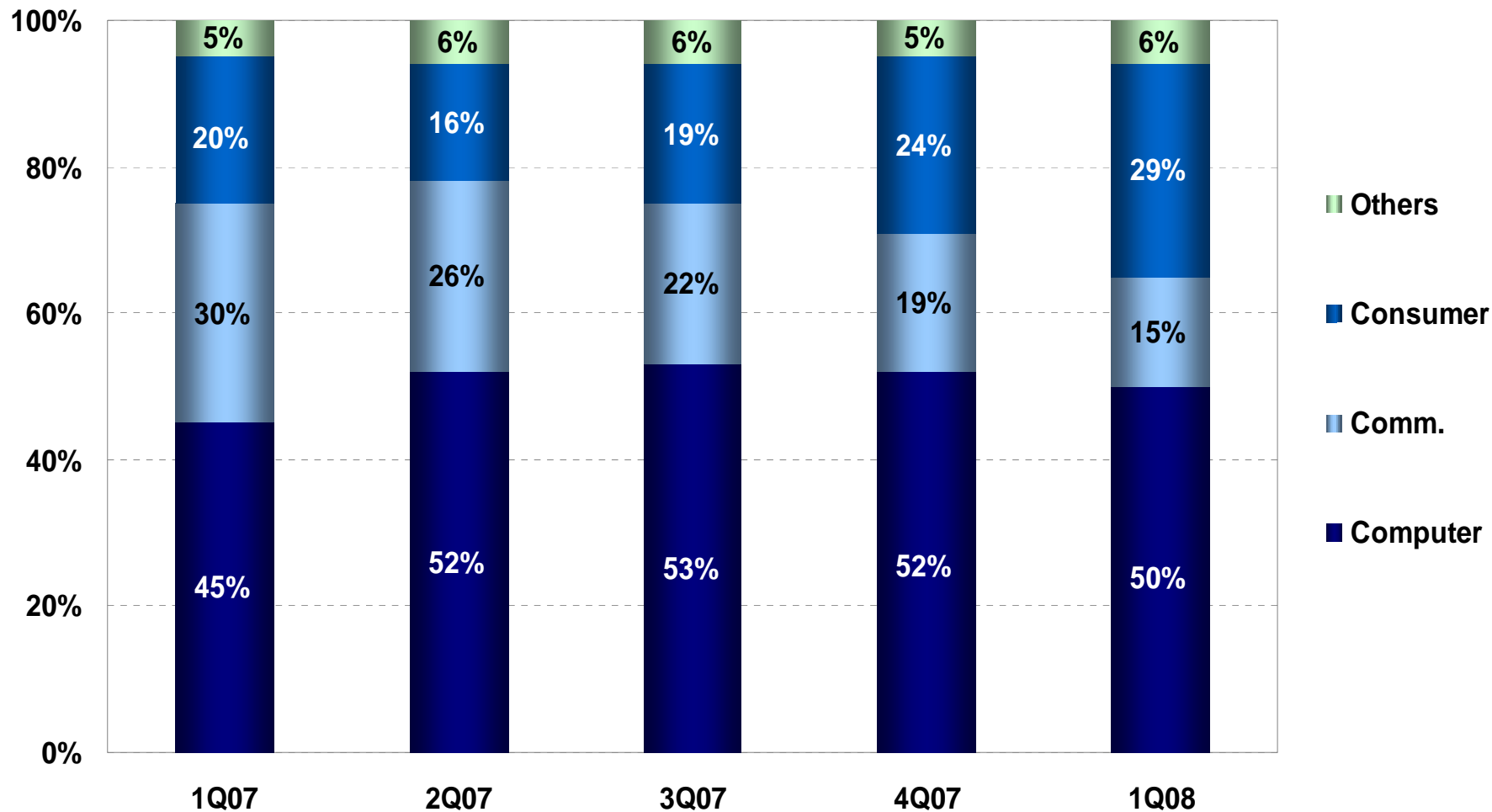
Fab Utilization & Gross Margin



Sales Breakdown by Technology



Logic Product Sales Breakdown by Applications



Remarks

1Q 2008 Result Summary & Guidance Comparison

1Q08	Result	Guided
Revenue	NT\$4.526 billion	NT\$4.35 billion ~ NT\$4.5 billion*
Gross Profit Margin	28.3%	26% ~ 28%
Operating Profit Margin	19.0%	16% ~ 18%

* Revised Revenue Guidance on Mar. 7th

Q & A

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