



VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION
CONSOLIDATED BALANCE SHEETS

As of Sep. 30, 2008 and June 30, 2008

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

ASSETS	Sep. 30, 2008			June 30, 2008		QoQ	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash and Cash Equivalents	111	3,571	14.2	6,394	22.3	(2,823)	(44.2)
Investments in Marketable Financial Instruments	9	304	1.2	511	1.8	(207)	(40.4)
Accounts Receivable	89	2,844	11.3	2,688	9.4	156	5.8
Inventories	66	2,119	8.5	2,172	7.6	(53)	(2.4)
Other Current Assets	5	148	0.6	282	1.0	(135)	(47.7)
Total Current Assets	280	8,986	35.9	12,047	42.1	(3,061)	(25.4)
Long Term Investment	19	604	2.4	719	2.5	(115)	(15.9)
Properties	1,823	58,572	233.7	58,156	203.3	416	0.7
Less Accumulated Depreciation	(1,383)	(44,420)	(177.3)	(43,614)	(152.4)	(806)	1.8
Net Properties	440	14,152	56.5	14,542	50.8	(390)	(2.7)
Other Assets	41	1,317	5.3	1,305	4.6	12	0.9
Total Assets	780	25,058	100.0	28,612	100.0	(3,554)	(12.4)
LIABILITIES							
Accounts Payable & Other Current Liabilities	105	3,361	13.4	6,983	24.4	(3,622)	(51.9)
Total Current Liabilities	105	3,361	13.4	6,983	24.4	(3,622)	(51.9)
Other Long Term Liabilities	16	515	2.1	513	1.8	1	0.2
Total Liabilities	121	3,875	15.5	7,497	26.2	(3,621)	(48.3)
SHAREHOLDERS' EQUITY							
Capital Stock	533	17,125	68.3	17,016	59.5	109	0.6
Stock dividends for distribution	0	0	0.0	272	0.9	(272)	100.0
Capital Surplus - Employee Stock Options	15	468	1.9	472	1.7	(4)	(0.9)
Capital Surplus - L/T Investment	2	68	0.3	68	0.2	0	0.2
Retained Earnings							
- Legal Reserve	46	1,481	5.9	1,481	5.2	0	0.0
- Previous Year	21	682	2.7	860	3.0	(178)	(20.7)
- Current Year	49	1,568	6.3	1,242	4.3	326	26.3
Unrealized Fair Value Adjustment	(5)	(153)	(0.6)	(44)	(0.2)	(109)	245.5
Cumulative Translation Adjustment	(1)	(45)	(0.2)	(64)	(0.2)	19	(29.3)
Treasury Stock	(0)	(10)	(0.0)	(187)	(0.7)	177	(94.8)
Total Shareholders' Equity	659	21,183	84.5	21,115	73.8	67	0.3
Total Liabilities & Shareholders' Equity	780	25,058	100.0	28,612	100.0	(3,554)	(12.4)

* New Taiwan Dollar amounts have been translated into U.S. Dollars at the rate of NT\$32.130 per U.S. Dollar as of September 30, 2008.



VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION
CONSOLIDATED BALANCE SHEETS

As of Sep. 30, 2008 and 2007

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

ASSETS	Sep 30, 2008			Sep 30, 2007		YoY	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash and Cash Equivalents	111	3,571	14.2	10,923	43.2	(7,353)	(67.3)
Investments in Marketable Financial Instruments	9	304	1.2	1,690	6.7	(1,386)	(82.0)
Accounts Receivable	89	2,844	11.3	2,673	10.6	171	6.4
Inventories	66	2,119	8.5	1,559	6.2	560	35.9
Other Current Assets	5	148	0.6	467	1.8	(319)	(68.3)
Total Current Assets	280	8,986	35.9	17,313	68.5	(8,327)	(48.1)
Long Term Investment	19	604	2.4	1,100	4.4	(495)	(45.0)
Properties	1,823	58,572	233.7	48,522	192.1	10,050	20.7
Less Accumulated Depreciation	(1,383)	(44,420)	(177.3)	(41,880)	(165.8)	(2,540)	6.1
Net Properties	440	14,152	56.5	6,642	26.3	7,509	113.1
Other Assets	41	1,317	5.3	210	0.8	1,107	526.4
Total Assets	780	25,058	100.0	25,265	100.0	(206)	(0.8)
LIABILITIES							
Accounts Payable & Other Current Liabilities	105	3,361	13.4	2,516	10.0	845	33.6
Total Current Liabilities	105	3,361	13.4	2,516	10.0	845	33.6
Other Long Term Liabilities	16	515	2.1	462	1.8	53	11.5
Total Liabilities	121	3,875	15.5	2,977	11.8	898	30.2
SHAREHOLDERS' EQUITY							
Capital Stock	533	17,125	68.3	16,989	67.2	136	0.8
Capital Surplus - Employee Stock Options	15	468	1.9	502	2.0	(34)	(6.7)
Capital Surplus - L/T Investment	2	68	0.3	21	0.1	48	229.9
Retained Earnings							
- Legal Reserve	46	1,481	5.9	1,048	4.1	432	41.2
- Special Reserve	0	0	0.0	41	0.2	(41)	(100.0)
- Previous Year	21	682	2.7	205	0.8	476	232.2
- Current Year	49	1,568	6.3	3,137	12.4	(1,570)	(50.0)
Unrealized Fair Value Adjustment	(5)	(153)	(0.6)	383	1.5	(537)	(140.0)
Cumulative Translation Adjustment	(1)	(45)	(0.2)	(39)	(0.2)	(6)	15.1
Treasury Stock	(0)	(10)	(0.0)	0	0.0	(10)	-
Total Shareholders' Equity	659	21,183	84.5	22,287	88.2	(1,104)	(5.0)
Total Liabilities & Shareholders' Equity	780	25,058	100.0	25,265	100.0	(206)	(0.8)

* New Taiwan Dollar amounts have been translated into U.S. Dollars at the rate of NT\$32.13 per U.S. Dollar as of Sep. 30, 2008.



Vanguard International Semiconductor Corporation Consolidated Income Statements

For the Three Months Ended Sep. 30, 2008 and 2007

(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 2008		% of Sales	3Q 2007		YoY Inc(Dec) %	3Q 2008		% of Sales	2Q 2008	
	USD	NTD		NTD	NTD		USD	NTD		NTD	Inc(Dec) %
Net Sales	141	4,342	100.0	4,210	3.1	141	4,342	100.0	4,576	(5.1)	
Cost of Sales	(118)	(3,630)	(83.6)	(2,437)	48.9	(118)	(3,630)	(83.6)	(3,708)	(2.1)	
Gross Profit	23	712	16.4	1,773	(59.8)	23	712	16.4	868	(17.9)	
Operating Expenses											
General and Administrative Expenses	(6)	(173)	(4.0)	(156)	10.5	(6)	(173)	(4.0)	(191)	(9.4)	
Selling and Marketing Expenses	(1)	(32)	(0.7)	(32)	0.8	(1)	(32)	(0.7)	(27)	17.8	
Research and Development Expenses	(7)	(221)	(5.1)	(161)	37.6	(7)	(221)	(5.1)	(198)	11.6	
Total Operating Expenses	(14)	(426)	(9.8)	(349)	22.1	(14)	(426)	(9.8)	(416)	2.4	
Income From Operations	9	286	6.6	1,424	(79.9)	9	286	6.6	451	(36.7)	
Investment Gain (Loss)	0	0	0.0	46	-	0	0	0.0	3	(89.6)	
Net Other Non-operating Income (Expenses)	2	53	1.2	68	(22.1)	2	53	1.2	60	(12.6)	
Income before Income Tax	11	339	7.8	1,537	(78.0)	11	339	7.8	515	(34.2)	
Income Tax Credit (Expenses)	(0)	(13)	(0.3)	(315)	(96.0)	(0)	(13)	(0.3)	(39)	(67.6)	
Net Income	11	326	7.5	1,223	(73.3)	11	326	7.5	475	(31.4)	
Diluted Earnings Per Share (2)	0.006	0.19		0.70	(72.9)	0.006	0.19		0.27	(29.6)	
Weighted Average Outstanding Shares('M) (2)		1,746		1,738		1,746			1,745		

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD30.821 per U.S. dollar for the third quarter of 2008.

(2) Total weighted average outstanding shares were 1,746,444K shares for 3Q08, 1,738,065K shares for 3Q07 and 1,744,514K shares for 2Q08



Vanguard International Semiconductor Corporation

Consolidated Income Statements

For the Nine Months Ended Sep. 30, 2008 and 2007

(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				
	2008		% of	2007	YoY
	USD	NTD	Sales	NTD	Inc(Dec) %
Net Sales	433	13,444	100.0%	11,575	16.1
Cost of Sales	(341)	(10,583)	-78.7%	(6,958)	52.1
Gross Profit	92	2,860	21.3%	4,617	(38.0)
Operating Expenses					
General and Administrative Expenses	(18)	(561)	-4.2%	(480)	16.9
Selling and Marketing Expenses	(3)	(97)	-0.7%	(105)	(7.8)
Research and Development Expenses	(19)	(605)	-4.5%	(379)	59.8
Total Operating Expenses	(41)	(1,263)	-9.4%	(963)	31.1
Income From Operations	51	1,598	11.9%	3,654	(56.3)
Investment Gain (Loss)	(0)	(6)	0.0%	61	-
Net Other Non-operating Income (Expenses)	6	178	1.3%	173	2.5
Income before Income Tax	57	1,769	13.2%	3,888	(54.5)
Income Tax Credit (Expenses)	(6)	(201)	-1.5%	(751)	(73.2)
Net Income	51	1,568	11.7%	3,137	(50.0)
Diluted Earnings Per Share ⁽²⁾	0.029	0.90		1.80	(50.0)
Weighted Average Outstanding Shares('M) ⁽²⁾		1,746		1,738	

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD31.036 per U.S. dollar for the nine months of 2008.

(2) Total weighted average outstanding shares were 1,746,444K for the nine months ended September 30, 2008 and 1,738,065K shares for the nine months ended September 30, 2007.



VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended Sep. 30, 2008 and 2007
(Figures in Million of New Taiwan Dollars (NTD) and U.S. Dollars (USD))*

	9 MTHS 2008		9 MTHS 2007
	USD	NTD	NTD
Cash Flows from Operating Activities:			
Net Income	51	1,568	3,137
Depreciation & Amortization	79	2,467	1,573
Investment (gain) loss recognized by equity method	1	26	15
Investment gain from disposal of financial assets	0	0	(38)
Impairment loss on long-term stock investment	0	0	9
(Gain) loss on disposal of properties - net	(0)	(8)	(1)
Deferred income tax assets	4	109	661
Changes in working capital & others	(4)	(122)	(416)
Net Cash Provided by Operating Activities	130	4,040	4,940
Cash Flows from Investing Activities:			
(Increase) decrease in financial assets	(23)	(710)	(4,606)
Acquisitions of properties	(139)	(4,329)	(3,049)
Acquisitions of long-term stock investments	(1)	(17)	(11)
Proceeds from disposal of financial assets	39	1,195	3,287
Proceeds from disposal of properties	0	8	1
Proceeds from disposal of long-term stock investments	0	0	58
Return of capital of financial assets carried at cost	1	27	0
Increase in deferred charges	(1)	(16)	(56)
Net Cash Used in Investing Activities	(124)	(3,844)	(4,376)
Cash Flows from Financing Activities:			
Repayment of long-term bank loans	0	0	(46)
Increase (Decrease) in guarantee deposits in	1	29	0
Remuneration to directors and supervisors	(1)	(39)	(27)
Cash dividends	(93)	(2,891)	(2,311)
Bonus to employees - in cash	(4)	(124)	(87)
Proceeds from exercise of employee stock options	1	20	351
Acquisitions of Treasury Stock	(11)	(356)	0
Net Cash Provided by (Used in) Financing Activities	(108)	(3,360)	(2,120)
Net Decrease in Cash and Cash Equivalents	(102)	(3,164)	(1,555)
Effect of Exchange Rate Changes		(2)	2
Cash and Cash Equivalents, Beginning of Period	217	6,737	12,477
Cash and Cash Equivalents, End of Period	115	3,571	10,923

* New Taiwan Dollar amounts have been translated into U.S. Dollars at the rate of NT\$31.036 per U.S. Dollar, the weighted average exchange rate for the nine months of 2008.