

VANGUARD

2009 First Quarter Results
Investor Conference

May 4th, 2009

Agenda

- Welcome
- 1Q09 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.

1Q09 Result Highlights

Amount : NT\$ Million	1Q09	4Q08	1Q08
	Amount	Amount	Amount
Net Sales	1,689	2,677	4,526
Net (Loss) Income	(832)	(526)	766
EPS (NT\$)	(0.50)	(0.30)	0.44
Cash and Financial Instruments	3,920	4,456	6,541
Shareholders' Equity	19,522	20,260	24,027
Total Wafers Shipped (Kpcs)	Logic: 75 Memory: 31	Logic: 107 Memory: 55	Logic: 234 Memory: 77

Income Statement

Amount: NT\$Million

	1Q09		4Q08		1Q08		QoQ	YoY
	Amount	%	Amount	%	Amount	%	%	%
Net Sales	1,689	100%	2,677	100%	4,526	100%	-37%	-63%
COGS	(2,238)	-133%	(2,933)	-110%	(3,245)	-72%	-24%	-31%
Gross (Loss) Profit	(549)	-33%	(256)	-10%	1,281	28%	114%	-
Operating Expense	(296)	-18%	(317)	-12%	(420)	-9%	-6%	-29%
Operating (Loss) Income	(845)	-50%	(573)	-21%	861	19%	48%	-
Investment (Loss) Income	(25)	-1%	(38)	-1%	(9)	0%	-34%	168%
Net Other Non-operating Income (Exp.)	38	2%	(21)	-1%	64	1%	-	-40%
(Loss) Income before Income Tax	(832)	-49%	(632)	-24%	916	20%	32%	-
Net (Loss) Income	(832)	-49%	(526)	-20%	766	17%	58%	-
EPS (NT\$)	(0.50)		(0.30)		0.44		67%	-

Balance Sheet & Key Indices

Amount : NT\$ Million

*Selected Items from
Balance Sheet*

	1Q09		4Q08		1Q08	
	Amount	%	Amount	%	Amount	%
Total Assets	21,883	100.0%	23,174	100.0%	28,052	100.0%
Cash & Financial Instruments	3,920	17.9%	4,456	19.2%	6,541	23.3%
Accounts Receivable	1,337	6.1%	1,340	5.8%	2,472	8.8%
Inventory	1,399	6.4%	1,811	7.8%	2,235	8.0%
Total Current Assets	7,283	33.3%	7,897	34.1%	11,589	41.3%
Properties	58,929	269.3%	58,824	253.8%	57,051	203.4%
Less: Accum. Depreciation	(46,157)	-210.9%	(45,275)	-195.4%	(42,830)	-152.7%
Net Properties	12,772	58.4%	13,549	58.5%	14,221	50.7%
Accounts Payable and Others	551	2.5%	833	3.6%	1,996	7.1%
Accrued Liabilities	1,296	5.9%	1,568	6.8%	1,517	5.4%
Total Current Liabilities	1,847	8.4%	2,400	10.4%	3,513	12.5%
Total Equity	19,522	89.2%	20,260	87.4%	24,027	85.7%

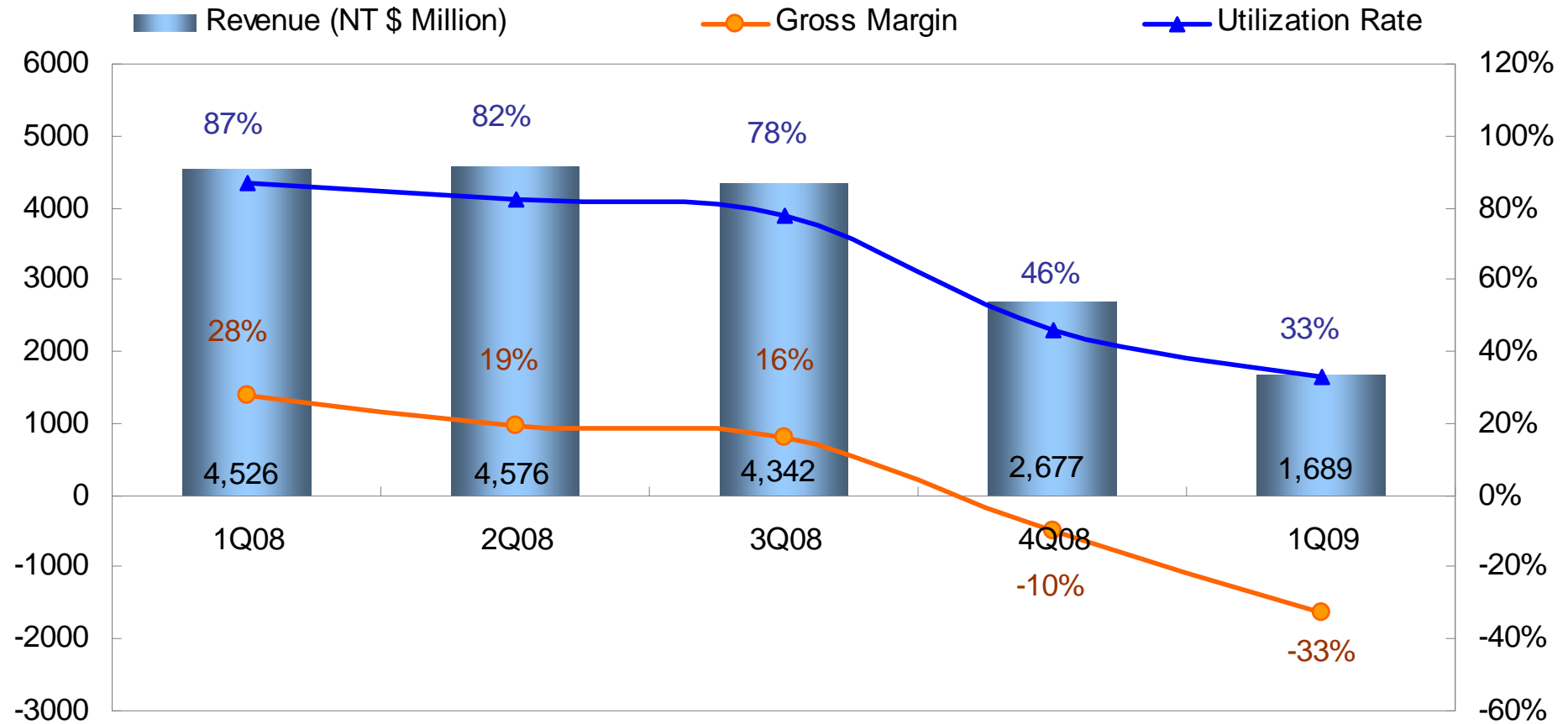
Key Indices

A/R Turnover Days	72	45	52
Inventory Turnover Days	65	45	53
Debt Ratio	11%	13%	14%
Current Ratio	394%	329%	330%
Net Working Capital	5,436	5,496	8,076

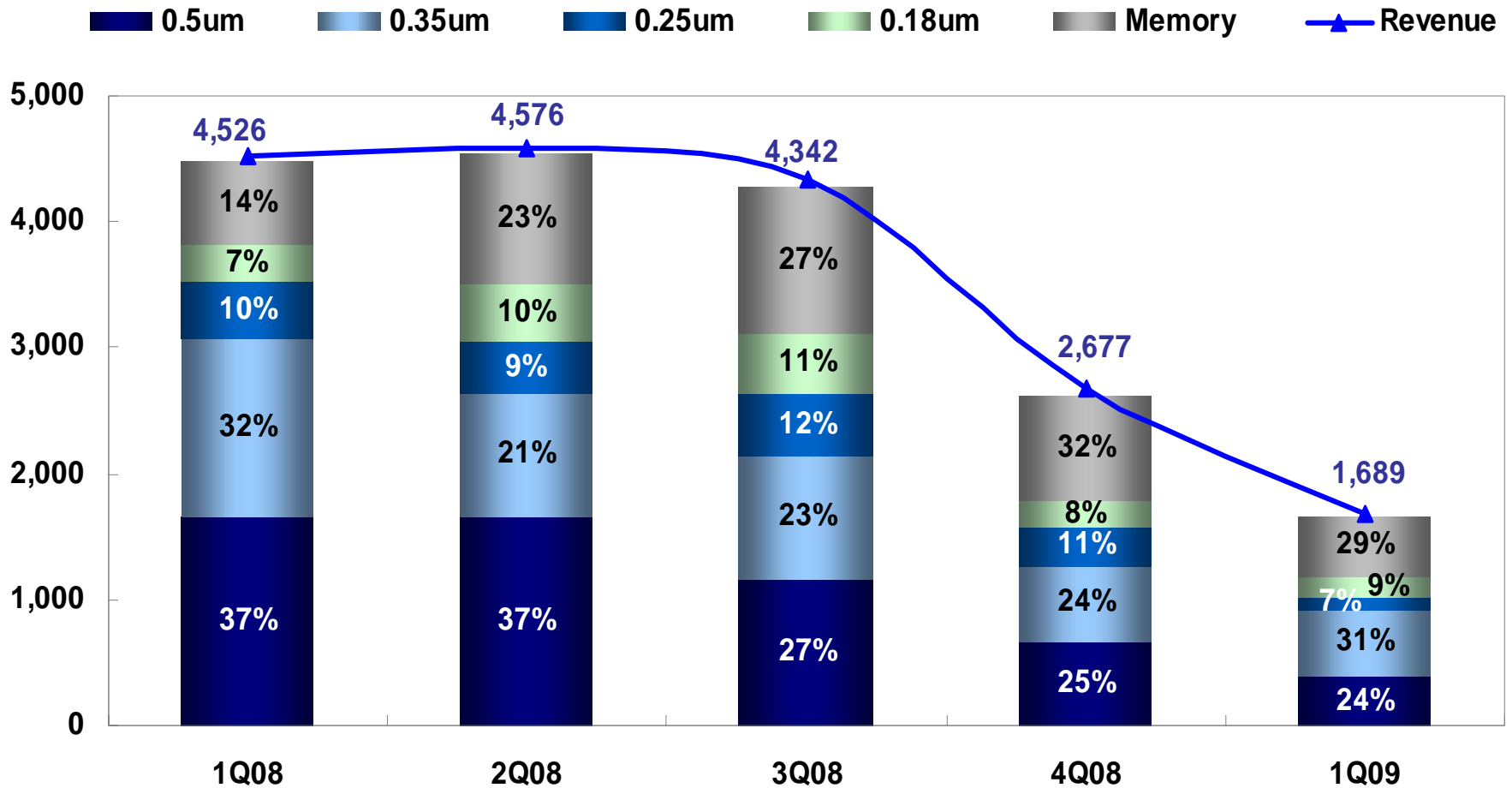
Cash Flows

Amount : NT\$ Million	1Q09	4Q08	1Q08
	Amount	Amount	Amount
Cash - Beginning of Period	4,273	3,571	6,737
– Net (Loss) Income	(832)	(526)	766
– Depreciation & Amort.	920	892	779
– Investment Loss	25	38	9
– Deferred Income Tax Assets	(1)	(20)	29
– Changes of Accounts Receivable	3	1,504	192
– Changes of Inventory	411	308	(735)
– Changes of Notes and accounts payable	(130)	(513)	295
– Changes of Accrued expenses and other current liabilities	(272)	(135)	109
From Operation	(180)	1,263	1,564
– (Increase) Decrease in Financial Assets	0	(348)	73
– Increase in Pledge Time Deposit	(75)	0	0
– Acquisitions of Properties	(286)	(367)	(2,636)
– Proceeds from Disposal of Financial Assets	0	484	98
From Investment	(362)	(245)	(2,486)
– Proceeds from Exercise of Employee Stock Options	0	0	9
– Guarantee Deposit In	0	(1)	29
– Buy back of common shares	0	(319)	0
From Financing	(0)	(320)	38
Net (Decrease) Increase in Cash	(541)	697	(884)
Effect of Exchange Rate Changes	6	5	(12)
Cash - End of Period	3,738	4,273	5,841

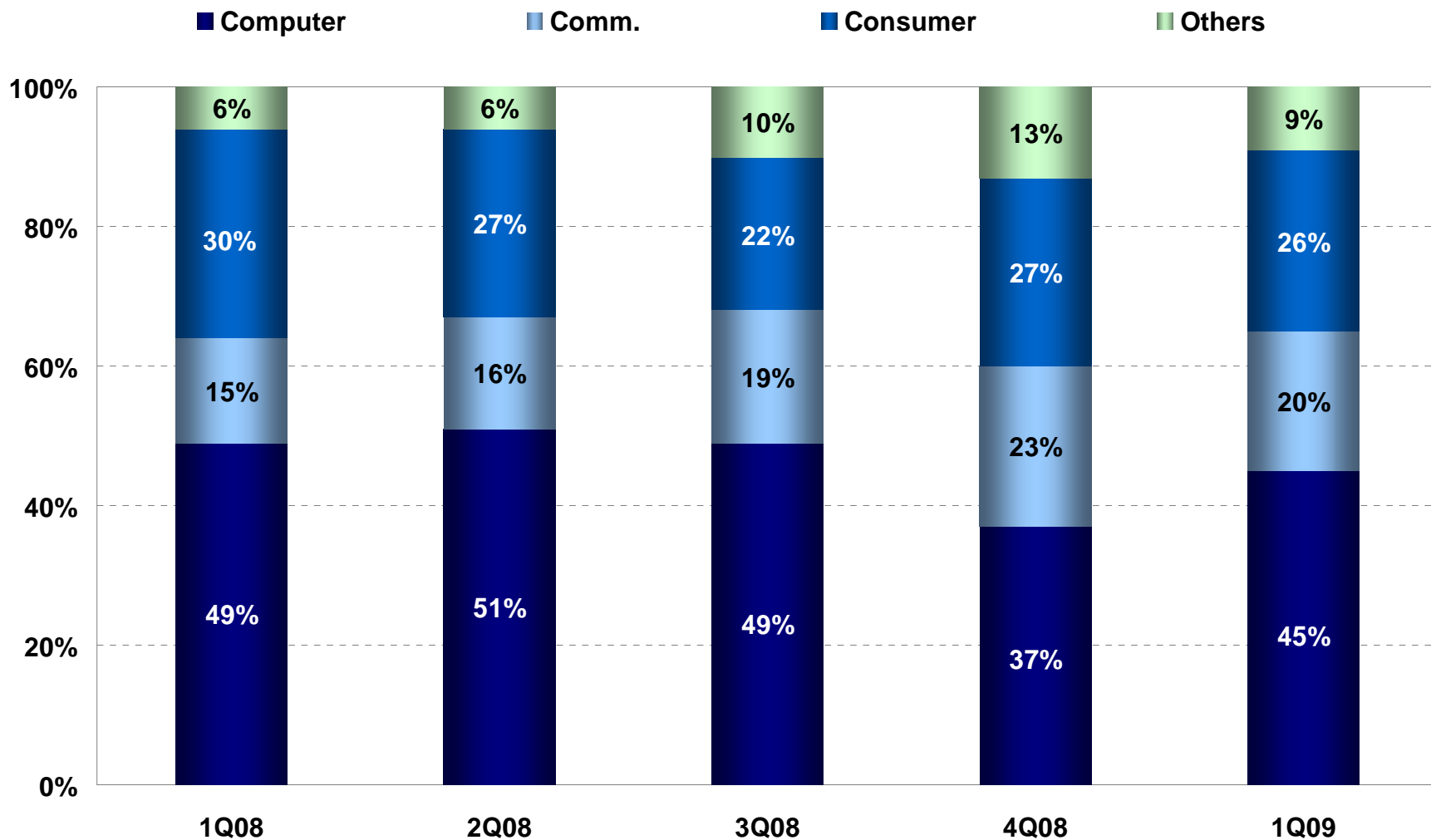
Fab Utilization & Gross Margin



Sales Breakdown by Technology



Logic Product Sales Breakdown by Applications



Remarks

1Q09

Result Summary & Guidance Comparison

1Q09	Result	Guidance*
Wafer Shipments	-35% QoQ	to decrease by mid thirties percentage QoQ
Fab Utilization Rate	33%	to be low thirties percentage
Gross Profit Margin	-33%	to be minus mid thirties percentage
Blended ASP	-7% QoQ	to decrease by a mid-to-high single digit percentage QoQ

* Revised Guidance on March 12th, 2009

Q & A

[Http://www.vis.com.tw](http://www.vis.com.tw)