



Vanguard International Semiconductor Corporation Consolidated Income Statements

For the Six Months Ended Jun 30, 2010 and 2009

(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						
	2Q 2010		% of Sales	2Q 2009		YoY Inc(Dec) %	2Q 2010		% of Sales	1Q 2010		QoQ Inc(Dec) %
	USD	NTD		NTD	NTD		USD	NTD		NTD	NTD	
Net Sales	133	4,234	100.0	3,432	23.3	133	4,234	100.0	3,574	18.5		
Cost of Sales	(104)	(3,311)	(78.2)	(2,955)	12.1	(104)	(3,311)	(78.2)	(3,007)	10.1		
Gross Profit	29	923	21.8	478	93.1	29	923	21.8	567	62.8		
Operating Expenses												
General and Administrative Expenses	(5)	(166)	(3.9)	(131)	27.0	(5)	(166)	(3.9)	(153)	8.7		
Selling and Marketing Expenses	(1)	(38)	(0.9)	(32)	18.7	(1)	(38)	(0.9)	(33)	16.0		
Research and Development Expenses	(5)	(162)	(3.8)	(191)	(15.4)	(5)	(162)	(3.8)	(155)	4.6		
Total Operating Expenses	(12)	(366)	(8.7)	(354)	3.4	(12)	(366)	(8.7)	(340)	7.6		
Income From Operations	17	557	13.1	124	350.1	17	557	13.1	226	145.9		
Investment Gain	(0)	(0)	(0.0)	(1)	(78.8)	(0)	(0)	(0.0)	(10)	(98.6)		
Net Other Non-operating Income	1	33	0.8	27	22.7	1	33	0.8	27	21.7		
Income before Income Tax	19	589	13.9	150	293.9	19	589	13.9	243	142.3		
Income Tax Expenses	(1)	(22)	(0.5)	(0)	27,021.0	(1)	(22)	(0.5)	(23)	(3.8)		
Net Income	18	567	13.4	149	279.4	18	567	13.4	220	157.5		
Diluted Earnings Per Share (2)	0.011	0.34		0.09	277.8	0.011	0.34		0.13	161.5		
Weighted Average Outstanding Shares('M) (2)		1,690		1,677			1,690		1,683			

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD31.821 per U.S. dollar for the second quarter of 2010.

(2) Total weighted average outstanding shares were 1,690,129K shares for 2Q10, 1,677,486K shares for 2Q09 and 1,683,336K shares for 1Q10.



Vanguard International Semiconductor Corporation Consolidated Income Statements

For the Six Months Ended Jun 30, 2010 and 2009

(Expressed in Millions New Taiwan Dollars (NTD) and U.S. Dollars (USD) ⁽¹⁾
Except for Per Share Amounts and Shares Outstanding)

	6 months ended Jun 30				
	2010		% of	2009	YoY
	USD	NTD	Sales	NTD	Inc(Dec) %
Net Sales	245	7,808	100.0%	5,122	52.4
Cost of Sales	(198)	(6,318)	-80.9%	(5,193)	21.7
Gross Profit (Loss)	47	1,490	19.1%	(71)	-
Operating Expenses					
General and Administrative Expenses	(10)	(319)	-4.1%	(261)	21.9
Selling and Marketing Expenses	(2)	(72)	-0.9%	(46)	55.1
Research and Development Expenses	(10)	(317)	-4.1%	(343)	(7.7)
Total Operating Expenses	(22)	(707)	-9.1%	(651)	8.6
Income (Loss) From Operations	25	783	10.0%	(722)	-
Investment Loss	(0)	(10)	-0.1%	(26)	(60.2)
Net Other Non-operating Income	2	59	0.8%	65	(8.7)
Income (Loss) before Income Tax	26	832	10.7%	(682)	-
Income Tax Expenses	(1)	(45)	-0.6%	0	-
Net Income (Loss)	25	787	10.1%	(682)	-
Diluted Earnings Per Share ⁽²⁾	0.015	0.47		(0.41)	-
Weighted Average Outstanding Shares('M) ⁽²⁾		1,690		1,677	

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD31.928 per U.S. dollar for the six months of 2010.

(2) Total weighted average outstanding shares were 1,690,129K for the six months ended Jun 30, 2010 and 1,677,486K shares for the six months ended Jun 30, 2009.



VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION
CONSOLIDATED BALANCE SHEETS

As of June 30, 2010 and March 31, 2010

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

ASSETS	June 30, 2010			March 31, 2010		QoQ	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash	232	7,502	31.4	7,063	31.0	439	6.2
Investments in Marketable Financial Instruments	7	242	1.0	253	1.1	(12)	(4.6)
Accounts Receivable	88	2,847	11.9	2,232	9.8	615	27.6
Inventories	42	1,353	5.7	1,208	5.3	145	12.0
Other Current Assets	16	514	2.1	496	2.2	18	3.6
Total Current Assets	386	12,459	52.1	11,253	49.3	1,205	10.7
Long Term Investment	13	409	1.7	363	1.6	46	12.6
Properties	1,860	60,032	250.9	59,246	259.7	786	1.3
Less: Accumulated Depreciation	(1,547)	(49,927)	(208.7)	(49,251)	(215.9)	(676)	1.4
Net Properties	313	10,105	42.2	9,995	43.8	110	1.1
Other Assets	30	953	4.0	1,203	5.3	(250)	(20.8)
Total Assets	741	23,927	100.0	22,815	100.0	1,111	4.9
LIABILITIES							
Accounts Payable & Other Current Liabilities	102	3,289	13.7	2,053	9.0	1,236	60.2
Other Long Term Liabilities	16	505	2.1	506	2.2	(1)	(0.1)
Total Liabilities	118	3,795	15.9	2,559	11.2	1,235	48.3
SHAREHOLDERS' EQUITY							
Capital Stock	520	16,790	70.2	16,785	73.6	5	0.0
Capital Surplus - Employee Stock Option	14	468	2.0	466	2.0	2	0.3
Capital Surplus - L/T Investment	2	69	0.3	69	0.3	0	0.0
Capital Surplus - Treasury Stock	1	32	0.1	32	0.1	0	0.0
Retained Earnings							
- Legal Reserve	49	1,594	6.7	1,585	6.9	9	0.6
- Special Reserve	0	0	0.0	277	1.2	(277)	-
- Previous Year	11	351	1.5	754	3.3	(403)	(53.4)
- Current Year	24	787	3.3	220	1.0	567	257.5
Unrealized Fair Value Adjustment	5	151	0.6	113	0.5	38	33.4
Cumulative Translation Adjustment	(1)	(41)	(0.2)	(45)	(0.2)	4	(9.2)
Treasury Stock	(2)	(69)	(0.3)	0	0.0	(69)	-
Total Shareholders' Equity	624	20,132	84.1	20,256	88.8	(124)	(0.6)
Total Liabilities & Shareholders' Equity	741	23,927	100.0	22,815	100.0	1,111	4.9

* New Taiwan Dollar amounts have been translated into U.S. Dollars at the rate of NT\$32.278 per U.S. Dollar as of Jun. 30, 2010.



VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION
CONSOLIDATED BALANCE SHEETS

As of June 30, 2010 and 2009

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

ASSETS	June 30, 2010			June 30, 2009		YoY	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash and Cash Equivalents	232	7,502	31.4	4,277	18.9	3,225	75.4
Investments in Marketable Financial Instruments	7	242	1.0	179	0.8	62	34.8
Accounts Receivable	88	2,847	11.9	2,389	10.6	458	19.2
Inventories	42	1,353	5.7	1,373	6.1	(20)	(1.4)
Other Current Assets	16	514	2.1	552	2.4	(38)	(6.9)
Total Current Assets	386	12,459	52.1	8,770	38.8	3,688	42.1
Long Term Investment	13	409	1.7	577	2.5	(168)	(29.0)
Properties	1,860	60,032	250.9	58,995	260.7	1,037	1.8
Less Accumulated Depreciation	(1,547)	(49,927)	(208.7)	(47,028)	(207.8)	(2,899)	6.2
Net Properties	313	10,105	42.2	11,967	52.9	(1,861)	(15.6)
Other Assets	30	953	4.0	1,316	5.8	(362)	(27.5)
Total Assets	741	23,927	100.0	22,630	100.0	1,297	5.7
LIABILITIES							
Accounts Payable & Other Current Liabilities	102	3,289	13.7	3,086	13.6	203	6.6
Other Long Term Liabilities	16	505	2.1	505	2.2	(0)	(0.0)
Total Liabilities	118	3,795	15.9	3,591	15.9	203	5.7
SHAREHOLDERS' EQUITY							
Capital Stock	520	16,790	70.2	16,775	74.1	15	0.1
Capital Surplus - Employee Stock Options	14	468	2.0	463	2.0	4	0.9
Capital Surplus - L/T Investment	2	69	0.3	69	0.3	(0)	(0.1)
Capital Surplus - Treasury Stock	1	32	0.1	32	0.1	0	0.0
Retained Earnings							
- Legal Reserve	49	1,594	6.7	1,585	7.0	9	0.6
- Special Reserve	0	0	0.0	277	1.2	(277)	-
- Previous Year	11	351	1.5	665	2.9	(314)	(47.2)
- Current Year	24	787	3.3	(682)	(3.0)	1,470	-
Unrealized Fair Value Adjustment	5	151	0.6	(108)	(0.5)	259	-
Cumulative Translation Adjustment	(1)	(41)	(0.2)	(38)	(0.2)	(3)	8.1
Treasury Stock	(2)	(69)	(0.3)	0	0.0	(69)	-
Total Shareholders' Equity	624	20,132	84.1	19,039	84.1	1,093	5.7
Total Liabilities & Shareholders' Equity	741	23,927	100.0	22,630	100.0	1,297	5.7

* New Taiwan Dollar amounts have been translated into U.S. Dollars at the rate of NT\$32.278 per U.S. Dollar as of Jun. 30, 2010.



VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended Jun. 30, 2010 and 2009
(FIGURES IN MILLION OF NEW TAIWAN DOLLARS (NTD) AND U.S. DOLLARS (USD))*

	6 MTHS 2010		6 MTHS 2009
	USD	NTD	NTD
Cash Flows from Operating Activities:			
Net Income (Loss)	25	787	(682)
Depreciation & Amortization	46	1,468	1,830
Investment loss recognized by equity method	1	18	22
Impairment loss on long-term stock investment	0	0	13
(Gain) loss on disposal of properties - net	(0)	(16)	6
Deferred income tax assets	0	4	(80)
Changes in working capital & others	(26)	(814)	(614)
Net Cash Provided by Operating Activities	45	1,448	494
Cash Flows from Investing Activities:			
Acquisitions of properties	(26)	(817)	(404)
Proceeds from disposal of properties	1	16	0
Increase in pledged time deposit	0	0	(75)
Increase in deferred charges	(0)	(6)	(3)
Net Cash Used in Investing Activities	(25)	(806)	(481)
Cash Flows from Financing Activities:			
Decrease in guarantee deposits in	(0)	(1)	(10)
Proceeds from exercise of employee stock options	0	14	0
Repurchase of treasury stocks	(2)	(56)	0
Net Cash Used in Financing Activities	(1)	(42)	(10)
Net Increase in Cash and Cash Equivalents	19	599	4
Effect of Exchange Rate Changes	0	2	0
Cash and Cash Equivalents, Beginning of Period	216	6,901	4,273
Cash and Cash Equivalents, End of Period	235	7,502	4,277

* New Taiwan Dollar amounts have been translated into U.S. Dollars at the rate of NT\$31.928 per U.S. Dollar, the weighted average exchange rate for the six months of 2010.