



VANGUARD

2010 Second Quarter Results

Investor Conference

August 16th, 2010



Agenda

- Welcome
- 2Q10 Consolidated Financial Results
- Remark
- Q & A



Disclaimer

This presentation material 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.



2Q10 Result Highlights

Amount : NT\$ Million	2Q10	1Q10	2Q09
	Amount	Amount	Amount
Net Sales	4,234	3,574	3,432
Net Income	567	220	149
EPS (NT\$)	0.34	0.13	0.09
Cash and Financial Instruments	7,744	7,317	4,456
Shareholders' Equity	20,132	20,256	19,039
Total Wafers Shipped (Kpcs)	Logic: 287 Memory: 20	Logic: 238 Memory: 27	Logic: 205 Memory: 22



Income Statement

Amount: NT\$Million

	2Q10		1Q10		2Q09		QoQ	YoY
	Amount	%	Amount	%	Amount	%	%	%
Net Sales	4,234	100%	3,574	100%	3,432	100%	18%	23%
COGS	(3,311)	-78%	(3,007)	-84%	(2,955)	-86%	10%	12%
Gross Profit	923	22%	567	16%	478	14%	63%	93%
Operating Expense	(366)	-9%	(340)	-10%	(354)	-10%	8%	3%
Operating Income	557	13%	226	6%	124	4%	146%	350%
Investment Loss	(0)	0%	(10)	0%	(1)	0%	-99%	-79%
Net Other Non-operating Income	33	1%	27	1%	27	1%	22%	23%
Income before Income Tax	589	14%	243	7%	150	4%	142%	294%
Net Income	567	13%	220	6%	149	4%	157%	279%
EPS (NT\$)	0.34		0.13		0.09		162%	278%



Balance Sheet & Key Indices

Amount : NT\$ Million

Selected Items from
Balance Sheet

	Jun. 30, 2010		Mar. 31, 2010		Jun. 30, 2009	
	Amount	%	Amount	%	Amount	%
Total Assets	23,927	100.0%	22,815	100.0%	22,630	100.0%
Cash & Financial Instruments	7,744	32.4%	7,317	32.1%	4,456	19.7%
Accounts Receivable	2,847	11.9%	2,232	9.8%	2,389	10.6%
Inventory	1,353	5.7%	1,208	5.3%	1,373	6.1%
Total Current Assets	12,459	52.1%	11,253	49.3%	8,770	38.8%
Properties	60,032	250.9%	59,246	259.7%	58,995	260.7%
Less: Accum. Depreciation	(49,927)	-208.7%	(49,251)	-215.9%	(47,028)	-207.8%
Net Properties	10,105	42.2%	9,995	43.8%	11,967	52.9%
Accounts Payable and Others	1,346	5.6%	1,133	5.0%	1,008	4.5%
Cash Dividends and Bonus Payable	685	2.9%	0	0.0%	812	3.6%
Accrued Liabilities	1,259	5.3%	920	4.0%	1,267	5.6%
Total Current Liabilities	3,289	13.7%	2,053	9.0%	3,086	13.6%
Total Equity	20,132	84.1%	20,256	88.8%	19,039	84.1%

Key Indices

A/R Turnover Days	54	51	66
Inventory Turnover Days	36	36	56
Debt Ratio	16%	11%	16%
Current Ratio	379%	548%	284%
Net Working Capital	9,169	9,200	5,684

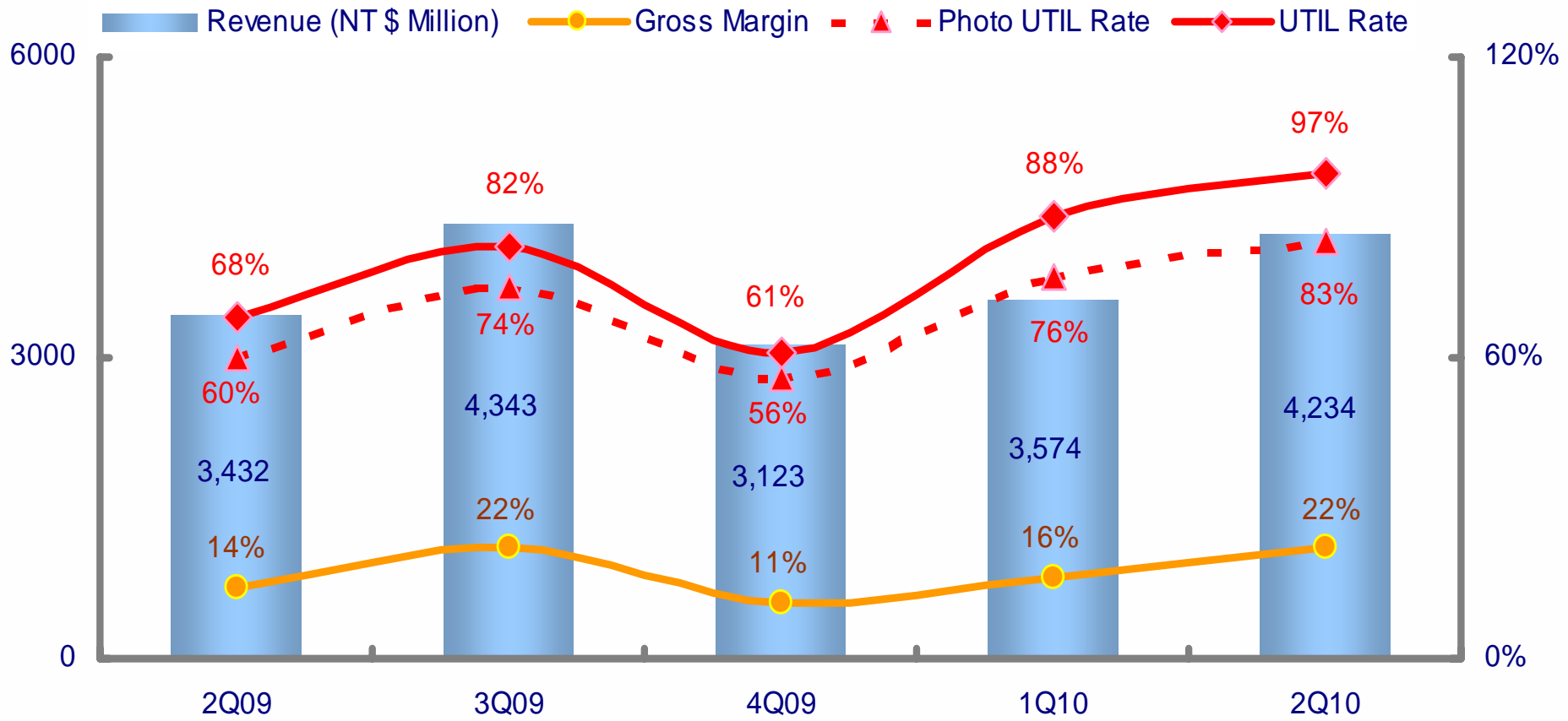


Cash Flows

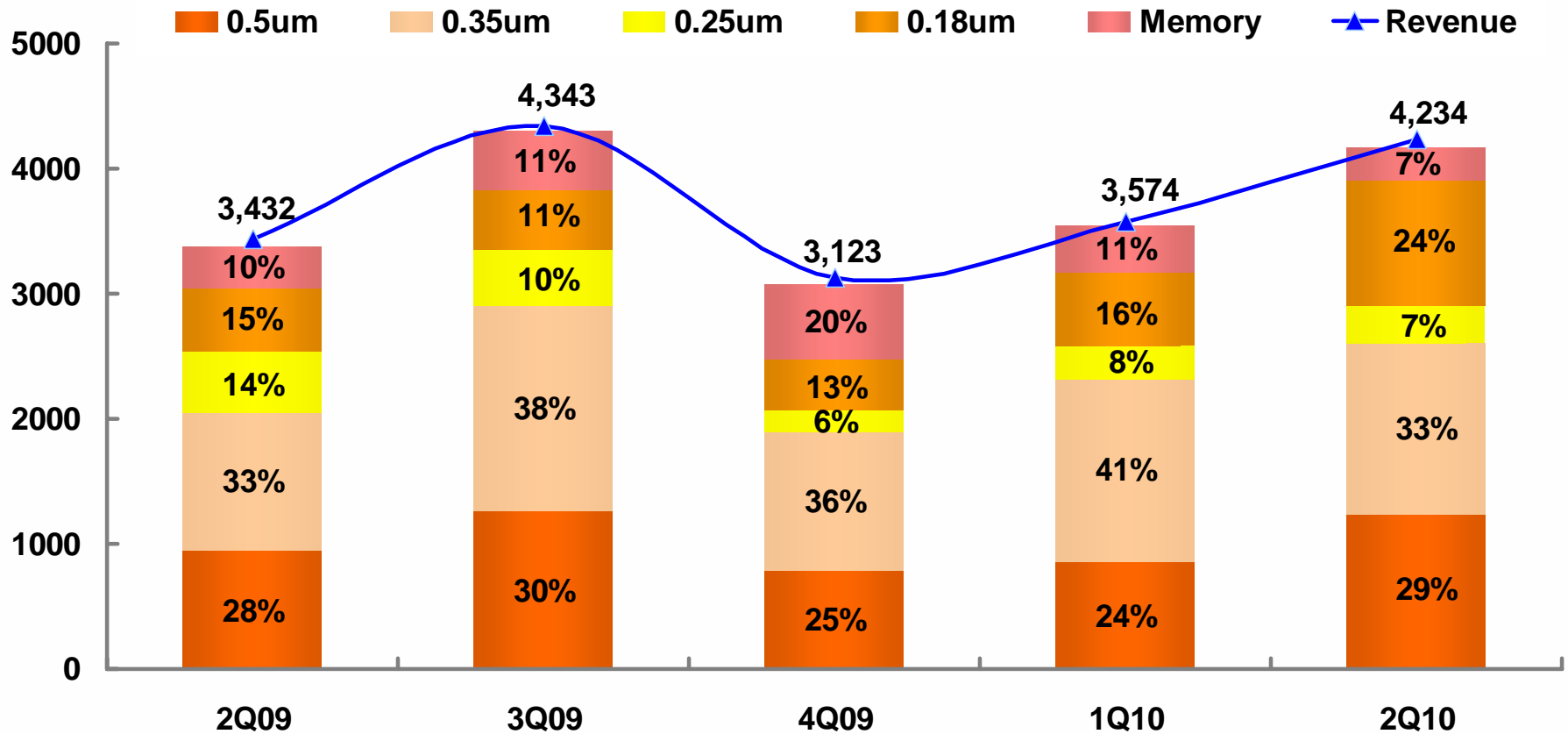
Amount : NT\$ Million	2Q10	1Q10	2Q09
	Amount	Amount	Amount
Cash - Beginning of Period	7,063	6,901	3,738
– Net Income	567	220	149
– Depreciation & Amort.	722	746	909
– Changes of Accounts Receivable	(615)	(448)	(1,062)
– Changes of Inventory	(145)	(75)	26
– Changes of Notes and accounts payable	47	168	506
– Changes of Accrued expenses and other current liabilities	329	(133)	113
From Operation	1,007	441	674
– Acquisitions of Properties	(519)	(297)	(118)
– Proceeds from Disposal of Properties	0	16	0
From Investment	(521)	(286)	(120)
– Proceeds from Exercise of Employee Stock Options	7	7	0
– Guarantee Deposit In	0	0	(9)
– Repurchase of Treasury Stock	(56)	0	0
From Financing	(50)	8	(9)
Net Increase in Cash	436	163	545
Effect of Exchange Rate Changes	3	(1)	(6)
Cash - End of Period	7,502	7,063	4,277

Remarks

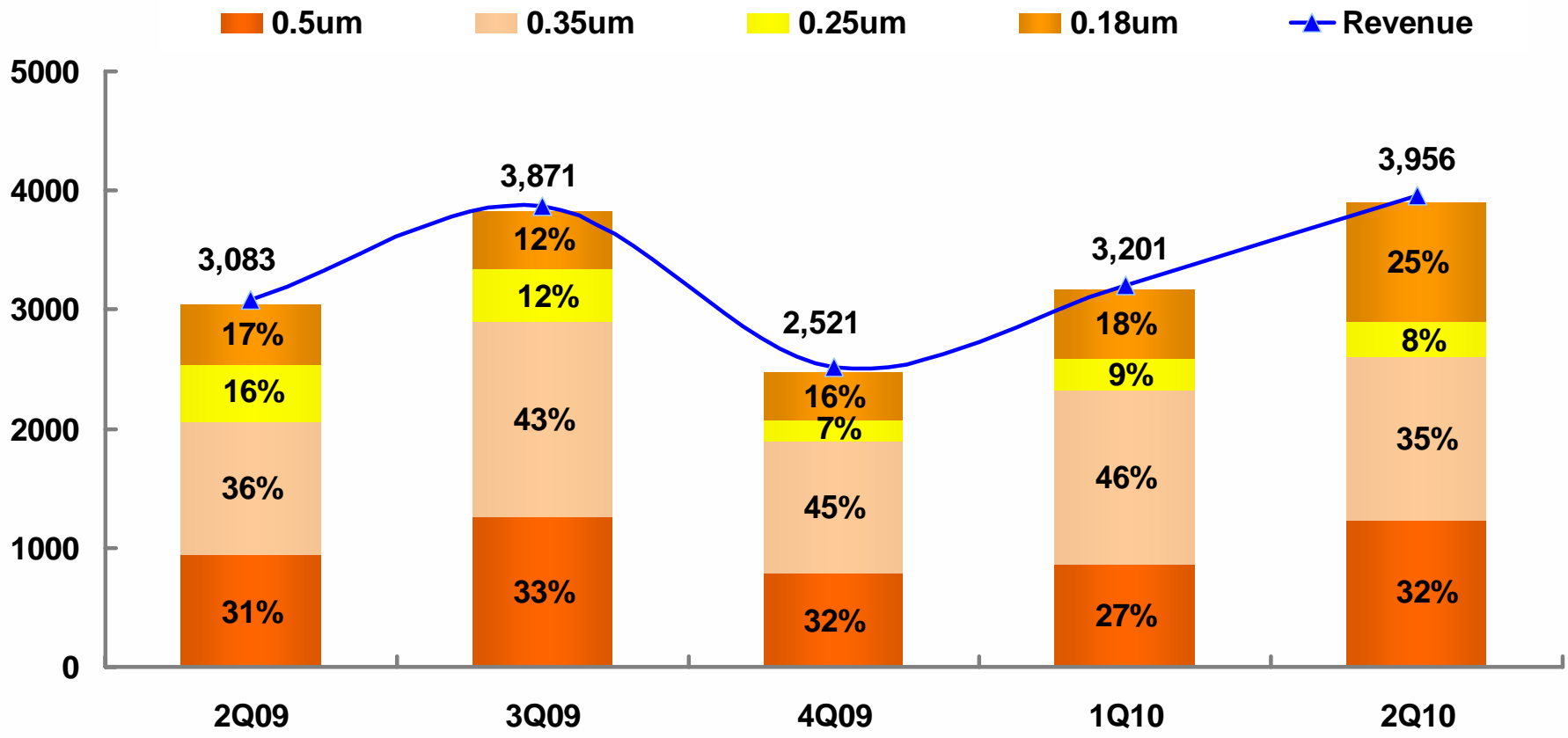
Fab Utilization & Gross Margin



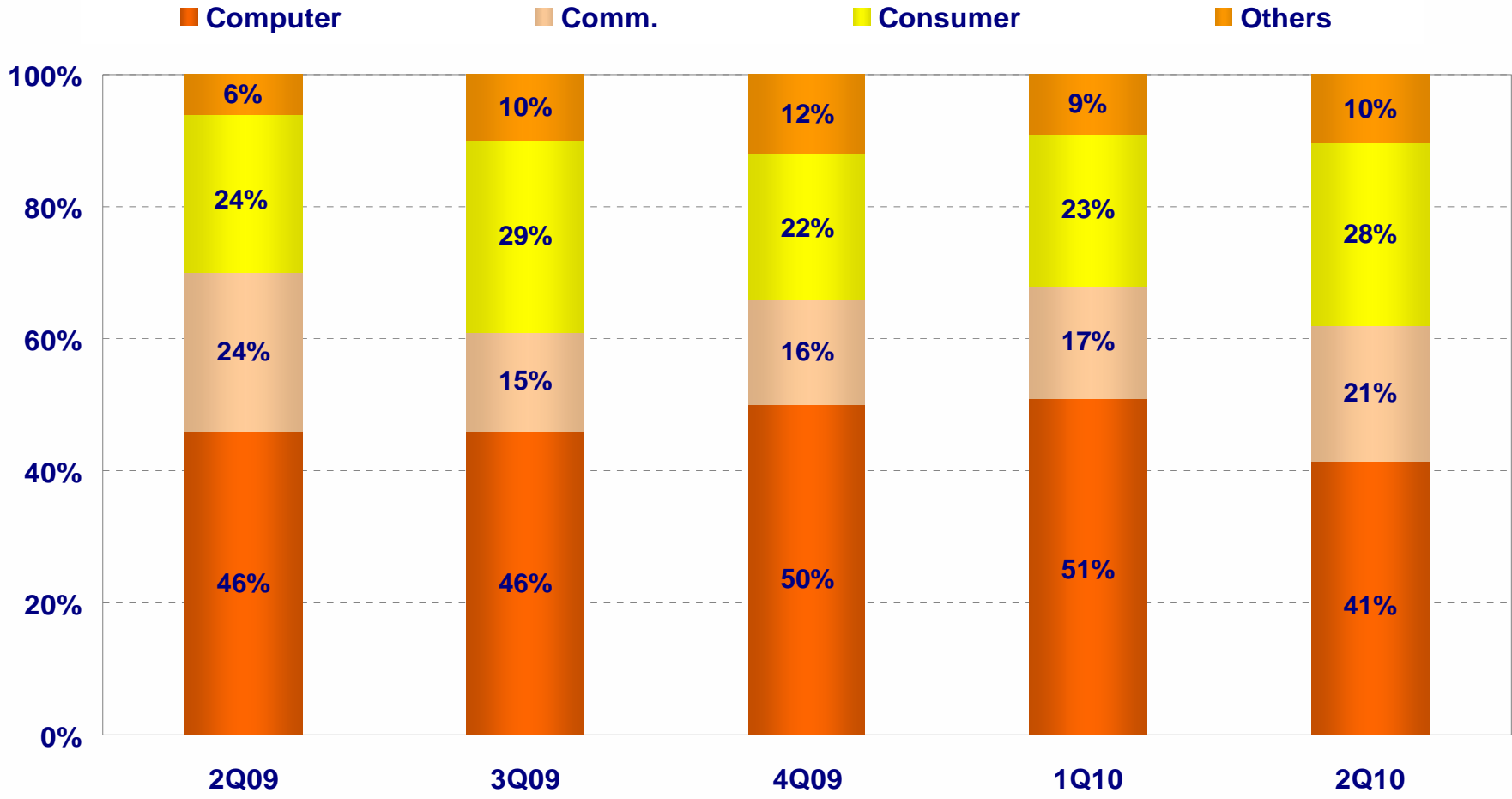
Revenue Breakdown by Technology



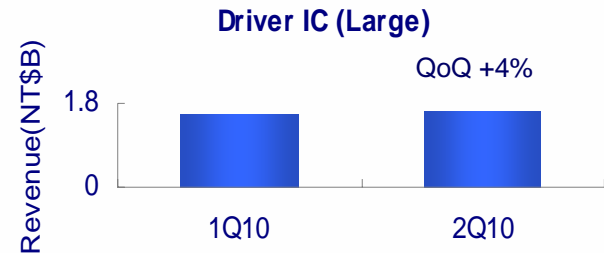
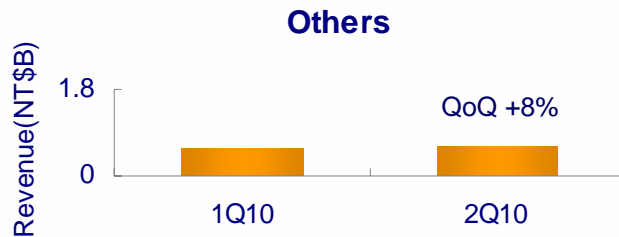
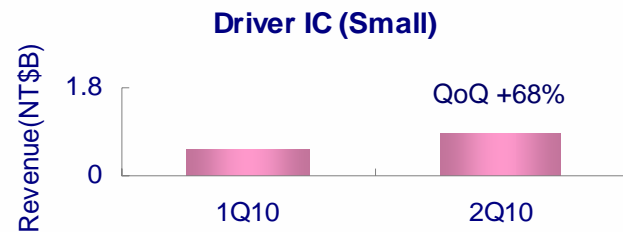
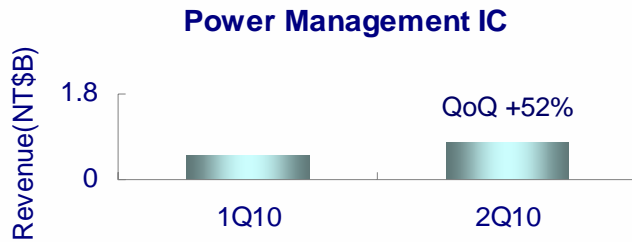
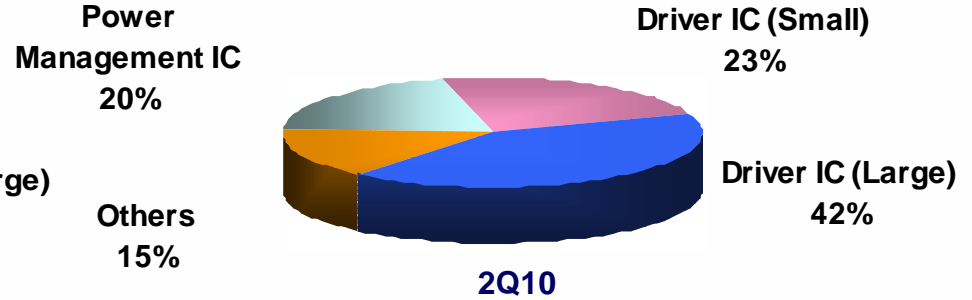
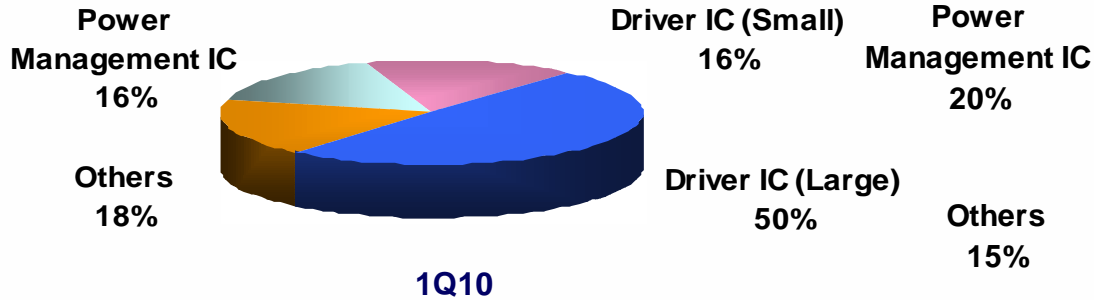
Logic Product Revenue Breakdown by Technology



Logic Product Revenue Breakdown by Applications



Logic Product Revenue Breakdown by Platforms



Note : Memory product is excluded.



2Q10 Result Summary & Guidance Comparison

2Q10	Result	Guidance
Wafer Shipments	+16% QoQ	to increase by low teens percentage QoQ
Fab Photo Utilization Rate	83%	to be around 80%
Gross Profit Margin	22%	to be around 20%
Blended ASP	+2% QoQ	to increase by a low single digit percentage QoQ

Q & A



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