



VANGUARD

2011 Third Quarter Results

Investor Conference

Oct. 28th, 2011



Agenda

- Welcome
- 3Q11 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.



3Q11 Result Highlights

Amount : NT\$ Million	3Q11	2Q11	3Q10
	Amount	Amount	Amount
Net Sales	3,874	4,017	4,823
Net Income	95	363	852
EPS (NT\$)	0.06	0.21	0.50
Cash and Financial Instruments	7,423	8,046	7,600
Shareholders' Equity	20,296	20,563	20,651
Total Wafers Shipped (Kpcs)	Logic: 299	Logic: 310	Logic: 331



Income Statement

Amount: NT\$Million	3Q11		2Q11		3Q10		QoQ	YoY
	Amount	%	Amount	%	Amount	%	%	%
Net Sales	3,874	100%	4,017	100%	4,823	100%	-4%	-20%
COGS	(3,443)	-89%	(3,218)	-80%	(3,462)	-72%	7%	-1%
Gross Profit	432	11%	798	20%	1,361	28%	-46%	-68%
Operating Expense	(330)	-9%	(352)	-9%	(380)	-8%	-6%	-13%
Operating Income	101	3%	446	11%	982	20%	-77%	-90%
Investment Gain	4	0%	12	0%	54	1%	-69%	-93%
Net Other Non-operating Income (Exp.)	1	0%	13	0%	(51)	-1%	-91%	-
Income before Income Tax	106	3%	471	12%	984	20%	-77%	-89%
Net Income	95	2%	363	9%	852	18%	-74%	-89%
EPS (NT\$)	0.06		0.21		0.50		-71%	-88%



Balance Sheet & Key Indices

Amount : NT\$ Million

*Selected Items from
Balance Sheet*

	Sep. 30, 2011		Jun. 30, 2011		Sep. 30, 2010	
	Amount	%	Amount	%	Amount	%
Total Assets	23,003	100.0%	24,867	100.0%	24,012	100.0%
Cash & Financial Instruments	7,423	32.3%	8,046	32.4%	7,600	31.6%
Accounts Receivable	2,556	11.1%	2,679	10.8%	2,949	12.3%
Inventory	1,441	6.3%	1,886	7.6%	1,519	6.3%
Total Current Assets	11,886	51.7%	13,098	52.7%	12,508	52.1%
Properties	63,390	275.6%	63,126	253.9%	60,562	252.2%
Less: Accum. Depreciation	(53,422)	-232.2%	(52,600)	-211.5%	(50,444)	-210.1%
Net Properties	9,967	43.3%	10,526	42.3%	10,118	42.1%
Accounts Payable and Others	1,025	4.5%	1,395	5.6%	1,402	5.8%
Cash Dividends	0	0.0%	987	4.0%	0	0.0%
Accrued Liabilities	1,191	5.2%	1,431	5.8%	1,464	6.1%
Total Current Liabilities	2,216	9.6%	3,813	15.3%	2,866	11.9%
Total Equity	20,296	88.2%	20,563	82.7%	20,651	86.0%

Key Indices

A/R Turnover Days	51	52	51
Inventory Turnover Days	42	49	37
Debt Ratio	12%	17%	14%
Current Ratio	536%	343%	436%
Net Working Capital	9,670	9,284	9,642

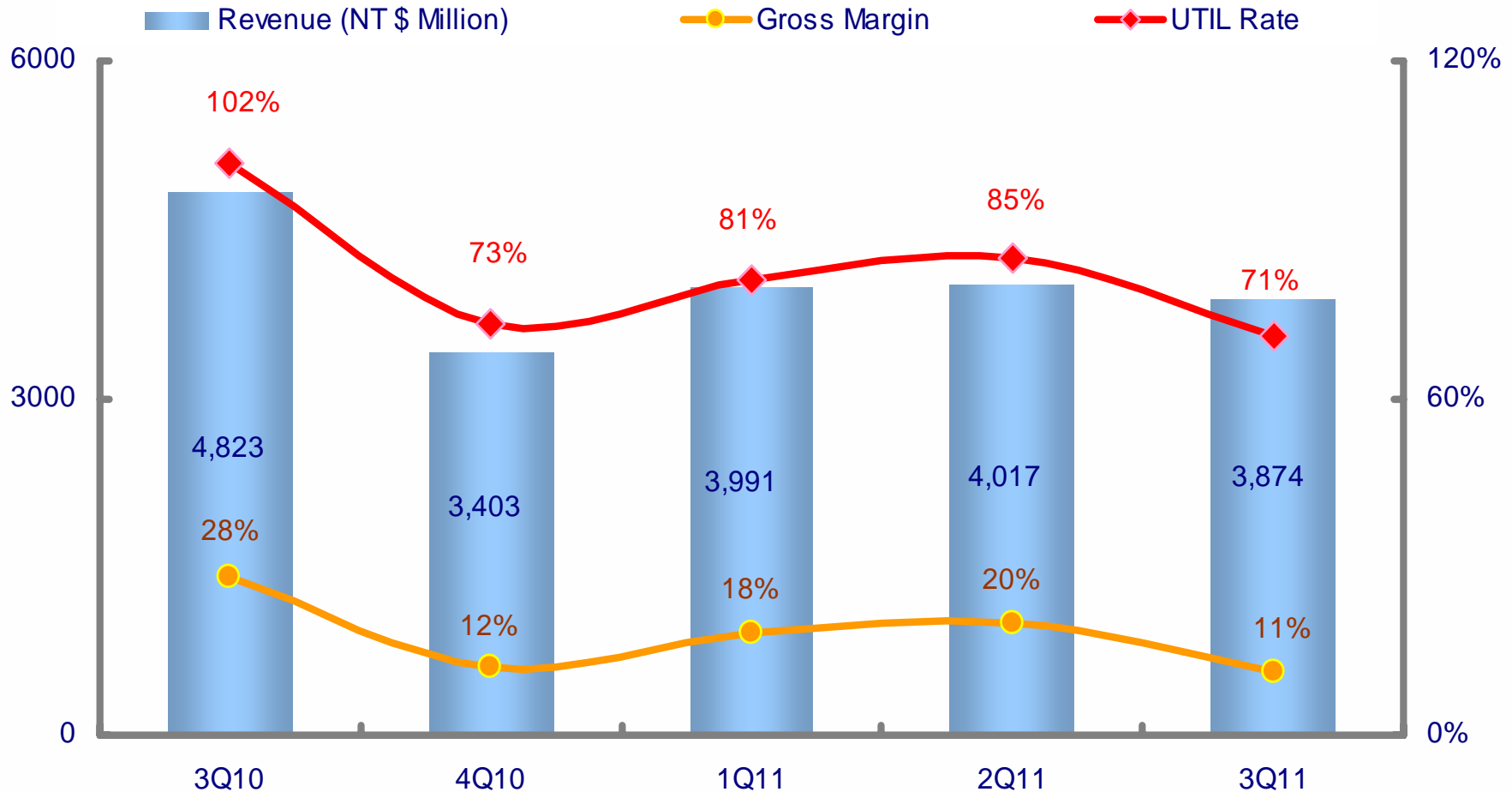


Cash Flows

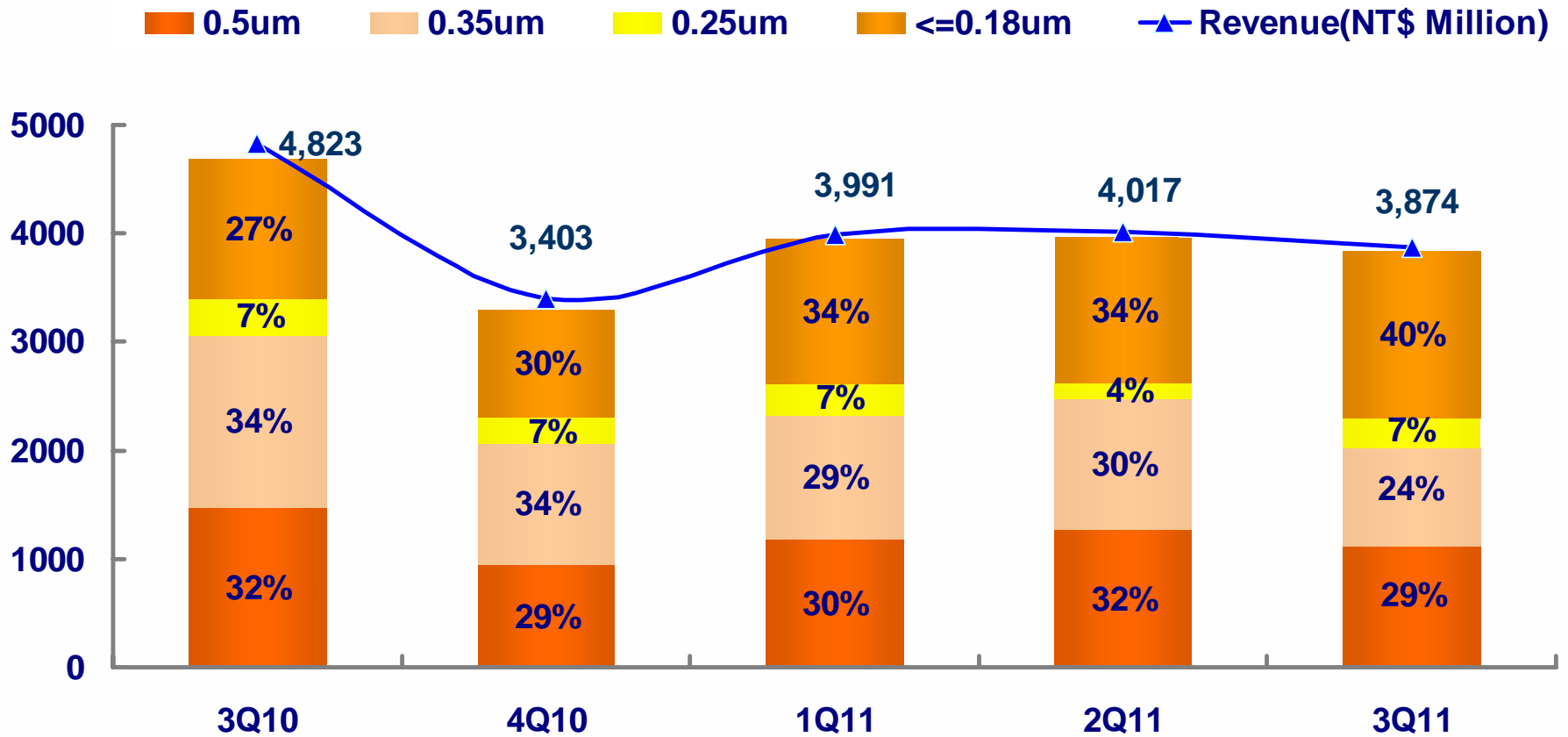
Amount : NT\$ Million	3Q11	2Q11	3Q10
	Amount	Amount	Amount
Cash - Beginning of Period	8,026	7,533	7,502
– Net Income	95	363	852
– Depreciation & Amort.	870	820	739
– Deferred Income Tax	15	73	54
– Changes of Accounts Receivable	122	(78)	(102)
– Changes of Inventory	444	(263)	(166)
– Changes of Notes and accounts payable	(376)	142	105
– Changes of Accrued expenses and other current liabilities	(240)	165	128
From Operation	1,031	1,201	1,668
– Acquisitions of Properties	(370)	(694)	(903)
– Acquisition of L-T Stock Investment	0	(12)	(6)
– Proceeds from Disposal of Financial Assets	0	3	120
From Investment	(369)	(702)	(765)
– Cash dividends	(987)	0	(671)
– Guarantee Deposit In	0	(8)	(11)
– Proceeds from Exercise of Employee Stock Options	6	8	0
– Repurchase of Treasury Stock	(323)	0	(287)
From Financing	(1,304)	(1)	(969)
Net (Decrease) Increase in Cash	(642)	498	(66)
Effect of Exchange Rate Changes	11	(5)	(5)
Cash - End of Period	7,396	8,026	7,430

Remarks

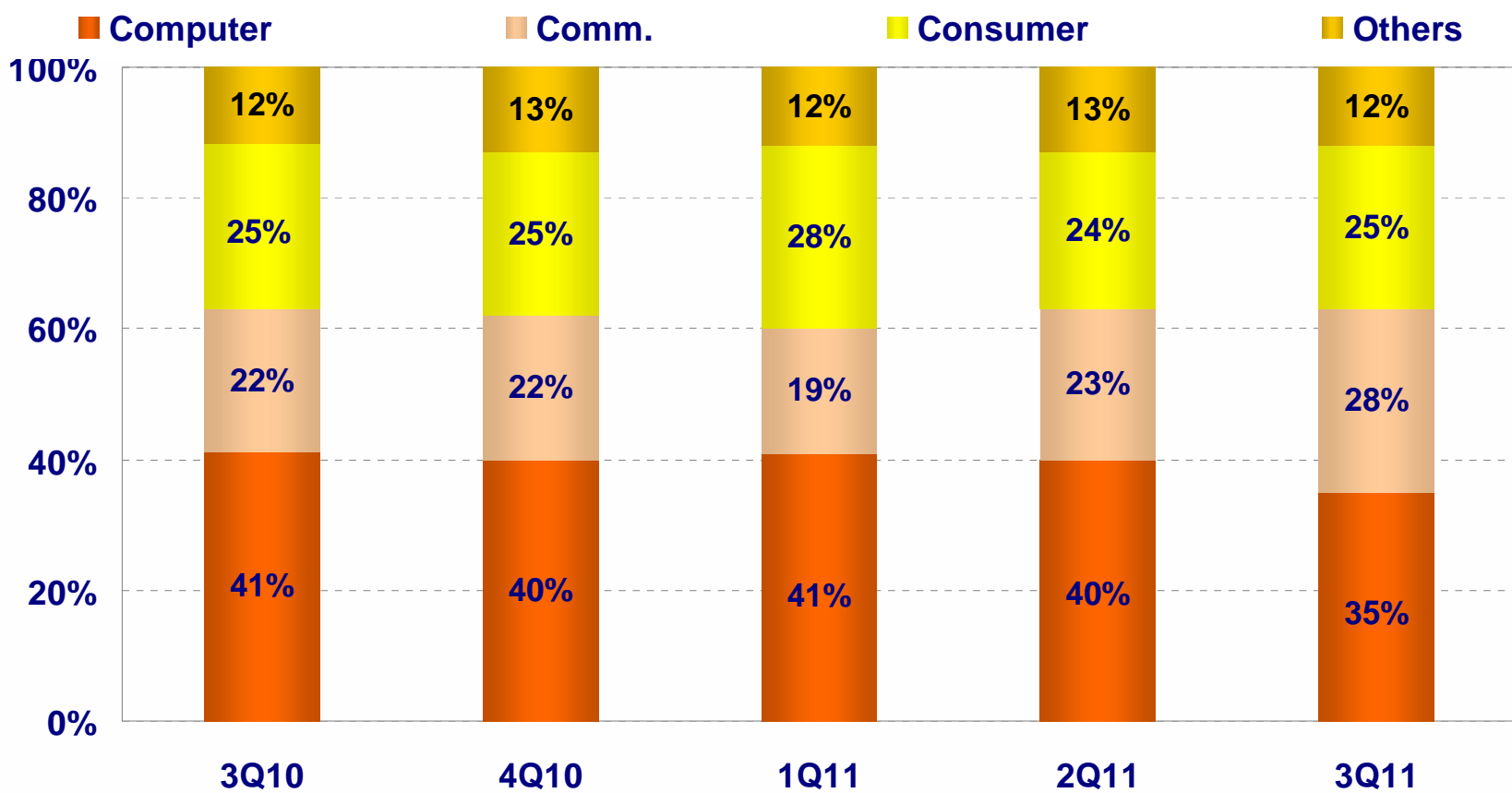
Fab Utilization & Gross Margin



Revenue Breakdown by Technology

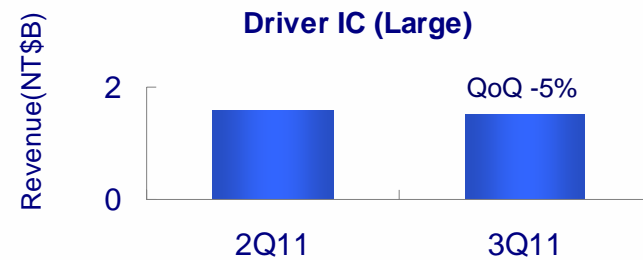
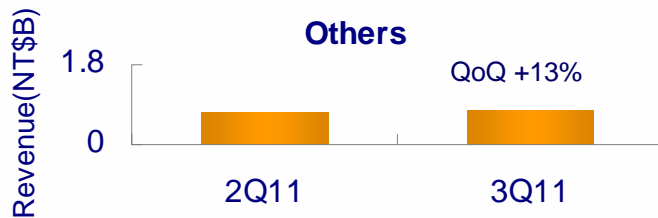
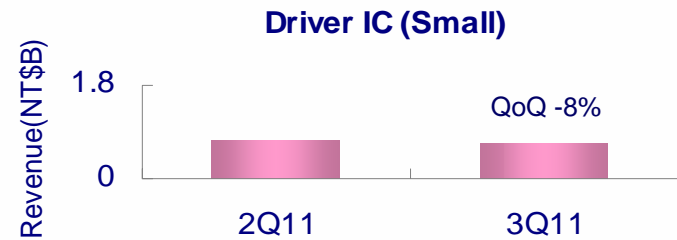
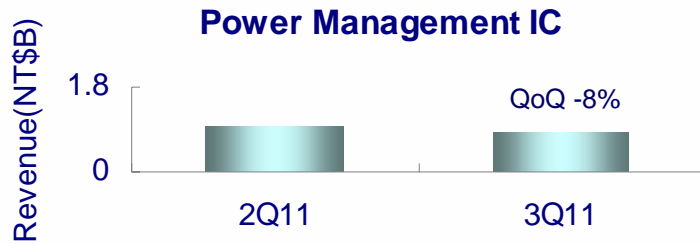
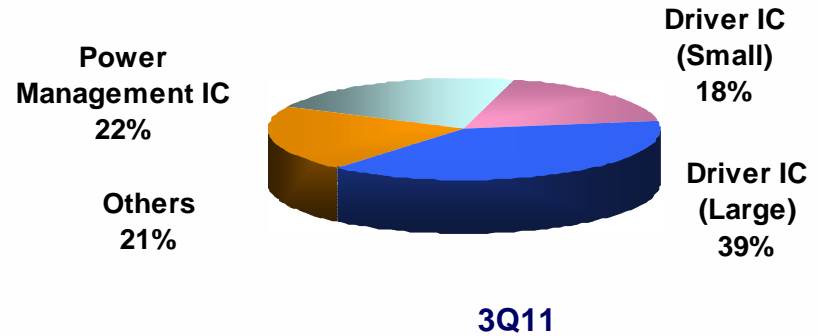
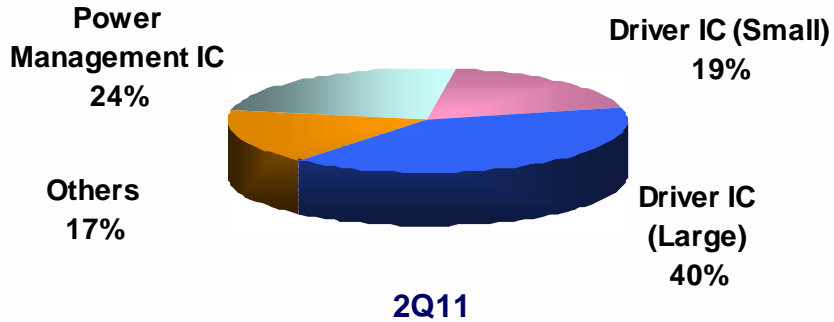


Revenue Breakdown by Applications



Revenue breakdown from 3Q10 to 2Q11 has been reclassified to conform to current classification

Revenue Breakdown by Platforms



Revenue breakdown in 2Q11 has been reclassified to conform to current classification



3Q11 Result Summary & Guidance Comparison

3Q11	Result	Guidance
Wafer Shipments	-4% QoQ	to decrease by a low single digit percentage QoQ
Fab Utilization Rate	71%	to be low seventies percentage
Gross Profit Margin	11%	to be low teens percentage
Blended ASP in USD	+1% QoQ	to be about flat QoQ

Q & A



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