



## Vanguard International Semiconductor Corporation

### Consolidated Income Statements

For the Three Months Ended March 31, 2012 and 2011

(Expressed in Millions New Taiwan Dollars (NTD) and U.S. Dollars (USD) <sup>(1)</sup>)

Except for Per Share Amounts and Shares Outstanding)

	3 months ended Mar. 31				
	2012		% of Sales	2011	YoY
	USD	NTD		NTD	Inc(Dec) %
Net Sales	106	3,150	100.0%	3,991	(21.1)
Cost of Sales	(94)	(2,795)	-88.7%	(3,274)	(14.6)
Gross Profit	12	356	11.3%	717	(50.4)
Operating Expenses					
General and Administrative Expenses	(5)	(137)	-4.4%	(162)	(15.3)
Selling and Marketing Expenses	(1)	(36)	-1.2%	(35)	4.1
Research and Development Expenses	(7)	(201)	-6.4%	(161)	24.9
Total Operating Expenses	(13)	(374)	-11.9%	(358)	4.7
(Loss) Income From Operations	(1)	(19)	-0.6%	360	-
Investment (Loss) Gain	(0)	(4)	-0.1%	13	-
Net Other Non-operating Income	0	13	0.4%	13	(0.8)
(Loss) Income before Income Tax	(0)	(10)	-0.3%	386	-
Income Tax Benefit	1	34	1.1%	10	223.8
Net Income	1	24	0.8%	397	(93.9)
Diluted Earnings Per Share <sup>(2)</sup>	0.001	0.02		0.24	(91.6)
Weighted Average Outstanding Shares('M) <sup>(2)</sup>		1,588		1,675	

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD29.753 per U.S. dollar for the three months of 2012.

(2) Total weighted average outstanding shares were 1,587,560K for the three months ended March 31, 2012 and 1,675,418K shares for the three months ended March 31, 2011.



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For the Three Months Ended March 31, 2012 and 2011

(Expressed in Millions New Taiwan Dollars (NTD) and U.S. Dollars (USD) <sup>(1)</sup>)

Except for Per Share Amounts and Shares Outstanding)

	Year over Year Comparison					Sequential Comparison				
	1Q 2012 USD	1Q 2012 NTD	% of Sales	1Q 2011 NTD	YoY Inc(Dec) %	1Q 2012 USD	1Q 2012 NTD	% of Sales	4Q 2011 NTD	QoQ Inc(Dec) %
Net Sales	106	3,150	100.0	3,991	(21.1)	106	3,150	100.0	3,308	(4.8)
Cost of Sales	(94)	(2,795)	(88.7)	(3,274)	(14.6)	(94)	(2,795)	(88.7)	(3,007)	(7.1)
Gross Profit	12	356	11.3	717	(50.4)	12	356	11.3	302	17.9
<b>Operating Expenses</b>										
General and Administrative Expenses	(5)	(137)	(4.4)	(162)	(15.3)	(5)	(137)	(4.4)	(141)	(2.8)
Selling and Marketing Expenses	(1)	(36)	(1.2)	(35)	4.1	(1)	(36)	(1.2)	1	-
Research and Development Expenses	(7)	(201)	(6.4)	(161)	24.9	(7)	(201)	(6.4)	(164)	22.7
<b>Total Operating Expenses</b>	(13)	(374)	(11.9)	(358)	4.7	(13)	(374)	(11.9)	(304)	23.3
(Loss) Income From Operations	(1)	(19)	(0.6)	360	-	(1)	(19)	(0.6)	(2)	844.3
Investment (Loss) Gain	(0)	(4)	(0.1)	13	-	(0)	(4)	(0.1)	(8)	(47.8)
Net Other Non-operating Income	0	13	0.4	13	(0.8)	0	13	0.4	54	(75.8)
(Loss) Income before Income Tax	(0)	(10)	(0.3)	386	-	(0)	(10)	(0.3)	44	-
Income Tax Benefit (Expenses)	1	34	1.1	10	223.8	1	34	1.1	(16)	-
Net Income	1	24	0.8	397	(93.9)	1	24	0.8	28	(13.3)
Diluted Earnings Per Share <sup>(2)</sup>	0.001	0.02		0.24	(91.6)	0.001	0.02		0.02	2.6
Weighted Average Outstanding Shares('M) <sup>(2)</sup>		1,588		1,675			1,588		1,661	

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD29.753 per U.S. dollar for the three months of 2012.

(2) Total weighted average outstanding shares were 1,587,560K shares for 1Q12, 1,675,418K shares for 1Q11 and 1,660,624K shares for 4Q11.



**VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**

As of March 31, 2012 and 2011

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

ASSETS	March 31, 2012			March 31, 2011		YoY	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash	271	8,000	36.3	7,533	30.6	467	6.2
Investments in Marketable Financial Instruments	4	111	0.5	30	0.1	81	265.4
Accounts Receivable	72	2,138	9.7	2,600	10.6	(462)	(17.8)
Inventories	48	1,408	6.4	1,623	6.6	(215)	(13.3)
Other Current Assets	12	362	1.6	395	1.6	(33)	(8.4)
<b>Total Current Assets</b>	<b>407</b>	<b>12,020</b>	<b>54.5</b>	<b>12,182</b>	<b>49.5</b>	<b>(162)</b>	<b>(1.3)</b>
Long Term Investment	11	337	1.5	375	1.5	(37)	(10.0)
Properties	2,162	63,837	289.7	62,782	255.1	1,054	1.7
Less Accumulated Depreciation	(1,866)	(55,115)	(250.1)	(51,814)	(210.5)	(3,301)	6.4
Net Properties	295	8,722	39.6	10,968	44.6	(2,246)	(20.5)
Other Assets	32	956	4.3	1,086	4.4	(130)	(12.0)
<b>Total Assets</b>	<b>746</b>	<b>22,035</b>	<b>100.0</b>	<b>24,611</b>	<b>100.0</b>	<b>(2,576)</b>	<b>(10.5)</b>
<b>LIABILITIES</b>							
Accounts Payable & Other Current Liabilities	70	2,061	9.4	2,915	11.8	(854)	(29.3)
Other Long Term Liabilities	17	495	2.2	499	2.0	(4)	(0.8)
<b>Total Liabilities</b>	<b>87</b>	<b>2,556</b>	<b>11.6</b>	<b>3,414</b>	<b>13.9</b>	<b>(858)</b>	<b>(25.1)</b>
<b>SHAREHOLDERS' EQUITY</b>							
Capital Stock	548	16,192	73.5	16,480	67.0	(287)	(1.7)
Capital Surplus	18	536	2.4	535	2.2	1	0.2
Retained Earnings							
- Legal Reserve	61	1,789	8.1	1,594	6.5	195	12.3
- Previous Year	65	1,919	8.7	2,237	9.1	(318)	(14.2)
- Current Year	1	24	0.1	397	1.6	(373)	(93.9)
Unrealized Fair Value Adjustment	(0)	(7)	(0.0)	20	0.1	(27)	(134.4)
Cumulative Translation Adjustment	(2)	(67)	(0.3)	(65)	(0.3)	(2)	3.1
Treasury Stock	(31)	(906)	(4.1)	0	0.0	(906)	-
<b>Total Shareholders' Equity</b>	<b>660</b>	<b>19,480</b>	<b>88.4</b>	<b>21,197</b>	<b>86.1</b>	<b>(1,718)</b>	<b>(8.1)</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>746</b>	<b>22,035</b>	<b>100.0</b>	<b>24,611</b>	<b>100.0</b>	<b>(2,576)</b>	<b>(10.5)</b>

\* New Taiwan Dollar amounts have been translated into U.S. Dollars at the rate of NT\$29.529 per U.S. Dollar as of March 31, 2012.



**VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**

As of March 31, 2012 and December 31, 2011

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

ASSETS	March 31, 2012			December 31, 2011		QoQ	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash	271	8,000	36.3	8,201	35.9	(200)	(2.4)
Investments in Marketable Financial Instruments	4	111	0.5	10	0.0	101	1,039.2
Accounts Receivable	72	2,138	9.7	2,316	10.1	(177)	(7.7)
Inventories	48	1,408	6.4	1,231	5.4	177	14.4
Other Current Assets	12	362	1.6	366	1.6	(4)	(1.0)
<b>Total Current Assets</b>	<b>407</b>	<b>12,020</b>	<b>54.5</b>	<b>12,123</b>	<b>53.1</b>	<b>(103)</b>	<b>(0.8)</b>
Long Term Investment	11	337	1.5	305	1.3	32	10.5
Properties	2,162	63,837	289.7	63,666	279.0	170	0.3
Less: Accumulated Depreciation	(1,866)	(55,115)	(250.1)	(54,262)	(237.8)	(852)	1.6
Net Properties	295	8,722	39.6	9,404	41.2	(682)	(7.3)
Other Assets	32	956	4.3	988	4.3	(32)	(3.2)
<b>Total Assets</b>	<b>746</b>	<b>22,035</b>	<b>100.0</b>	<b>22,820</b>	<b>100.0</b>	<b>(784)</b>	<b>(3.4)</b>
<b>LIABILITIES</b>							
Accounts Payable & Other Current Liabilities	70	2,061	9.4	2,058	9.0	3	0.1
Other Long Term Liabilities	17	495	2.2	493	2.2	2	0.4
<b>Total Liabilities</b>	<b>87</b>	<b>2,556</b>	<b>11.6</b>	<b>2,551</b>	<b>11.2</b>	<b>5</b>	<b>0.2</b>
<b>SHAREHOLDERS' EQUITY</b>							
Capital Stock	548	16,192	73.5	16,191	71.0	1	0.0
Capital Surplus	18	536	2.4	529	2.3	7	1.3
Retained Earnings							
- Legal Reserve	61	1,789	8.1	1,789	7.8	0	0.0
- Previous Year	65	1,919	8.7	1,036	4.5	882	85.1
- Current Year	1	24	0.1	882	3.9	(858)	(97.3)
Unrealized Fair Value Adjustment	(0)	(7)	(0.0)	(44)	(0.2)	37	(84.3)
Cumulative Translation Adjustment	(2)	(67)	(0.3)	(61)	(0.3)	(6)	10.2
Treasury Stock	(31)	(906)	(4.1)	(53)	(0.2)	(853)	1,604.3
<b>Total Shareholders' Equity</b>	<b>660</b>	<b>19,480</b>	<b>88.4</b>	<b>20,269</b>	<b>88.8</b>	<b>(789)</b>	<b>(3.9)</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>746</b>	<b>22,035</b>	<b>100.0</b>	<b>22,820</b>	<b>100.0</b>	<b>(784)</b>	<b>(3.4)</b>

\* New Taiwan Dollar amounts have been translated into U.S. Dollars at the rate of NT\$29.529 per U.S. Dollar as of March 31, 2012.



**VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Three Months Ended March 31, 2012 and 2011**  
**(Figures in Million of New Taiwan Dollars (NTD) and U.S. Dollars (USD))\***

	3 MTHS 2012		3 MTHS 2011
	USD	NTD	NTD
<b>Cash Flows from Operating Activities:</b>			
Net Income	1	24	397
Depreciation & Amortization	30	884	779
Investment loss recognized by equity method	0	4	7
Gain on sales of long-term stock investments	0	0	(21)
Deferred income tax	(1)	(26)	(35)
Changes in working capital & others	1	27	(791)
Net Cash Provided by Operating Activities	31	914	336
<b>Cash Flows from Investing Activities:</b>			
Increase in financial assets	(2)	(58)	(6)
Acquisitions of properties	(7)	(210)	(1,156)
Proceeds from disposal of financial assets	0	0	39
Increase in pledged time deposit	0	0	(25)
Increase in deferred charges	0	0	(2)
Net Cash Used in Investing Activities	(9)	(267)	(1,150)
<b>Cash Flows from Financing Activities:</b>			
Increase (Decrease) in guarantee deposits in	0	2	(0)
Proceeds from exercise of employee stock options	0	1	32
Repurchase of treasury stocks	(28)	(845)	0
Net Cash Provided by Financing Activities	(28)	(842)	32
Net Increase (Decrease) in Cash and Cash Equivalents	(7)	(195)	(783)
Effect of Exchange Rate Changes	(0)	(5)	(6)
Cash and Cash Equivalents, Beginning of Period	276	8,201	8,322
Cash and Cash Equivalents, End of Period	269	8,000	7,533

\* New Taiwan Dollar amounts have been translated into U.S. Dollars at the rate of NT\$29.753 per U.S. Dollar, the weighted average