

VANGUARD

2012 Second Quarter Results

Investor Conference

Aug. 6th, 2012



Agenda

- Welcome
- 2Q12 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.



2Q12 Result Highlights

Amount : NT\$ Million	2Q12	1Q12	2Q11
	Amount	Amount	Amount
Net Sales	4,552	3,150	4,017
Net Income	772	24	363
EPS (NT\$)	0.48	0.02	0.22
Cash and Financial Instruments	8,816	8,112	8,046
Shareholders' Equity	19,320	19,480	20,563
Total Wafers Shipped (Kpcs)	357	250	310



Income Statement

Amount: NT\$Million	2Q12		1Q12		2Q11		QoQ	YoY
	Amount	%	Amount	%	Amount	%	%	%
Net Sales	4,552	100%	3,150	100%	4,017	100%	44%	13%
COGS	(3,291)	-72%	(2,795)	-89%	(3,218)	-80%	18%	2%
Gross Profit	1,261	28%	356	11%	798	20%	255%	58%
Operating Expense	(430)	-9%	(374)	-12%	(352)	-9%	15%	22%
Operating Income (Loss)	831	18%	(19)	-1%	446	11%	-	86%
Investment Gain (Loss)	9	0%	(4)	0%	12	0%	-	-21%
Net Other Non-operating Income	14	0%	13	0%	13	0%	4%	5%
Income (Loss) before Tax	854	19%	(10)	0%	471	12%	-	81%
Net Income	772	17%	24	1%	363	9%	3104%	113%
EPS (NT\$)	0.48		0.02		0.22		2300%	121%



Balance Sheet & Key Indices

Amount : NT\$ Million

Selected Items from
Balance Sheet

	Jun. 30, 2012		Mar. 31, 2012		Jun. 30, 2011	
	Amount	%	Amount	%	Amount	%
Total Assets	23,317	100.0%	22,035	100.0%	24,867	100.0%
Cash & Financial Instruments	8,816	37.8%	8,112	36.8%	8,046	32.4%
Accounts Receivable	3,232	13.9%	2,138	9.7%	2,679	10.8%
Inventory	1,630	7.0%	1,408	6.4%	1,886	7.6%
Total Current Assets	14,116	60.5%	12,020	54.5%	12,916	51.9%
Properties	63,891	274.0%	63,837	289.7%	63,126	253.9%
Less: Accum. Depreciation	(55,958)	-240.0%	(55,115)	-250.1%	(52,600)	-211.5%
Net Properties	7,933	34.0%	8,722	39.6%	10,526	42.3%
Accounts Payable and Others	1,026	4.4%	877	4.0%	1,395	5.6%
Cash Dividends	968	4.2%	0	0.0%	987	4.0%
Accrued Liabilities	1,499	6.4%	1,183	5.4%	1,431	5.8%
Total Current Liabilities	3,493	15.0%	2,061	9.4%	3,813	15.3%
Total Equity	19,320	82.9%	19,480	88.4%	20,563	82.7%

Key Indices

A/R Turnover Days	66	65	52
Inventory Turnover Days	43	43	49
Debt Ratio	17%	12%	17%
Current Ratio	404%	583%	339%
Net Working Capital	10,622	9,959	9,103



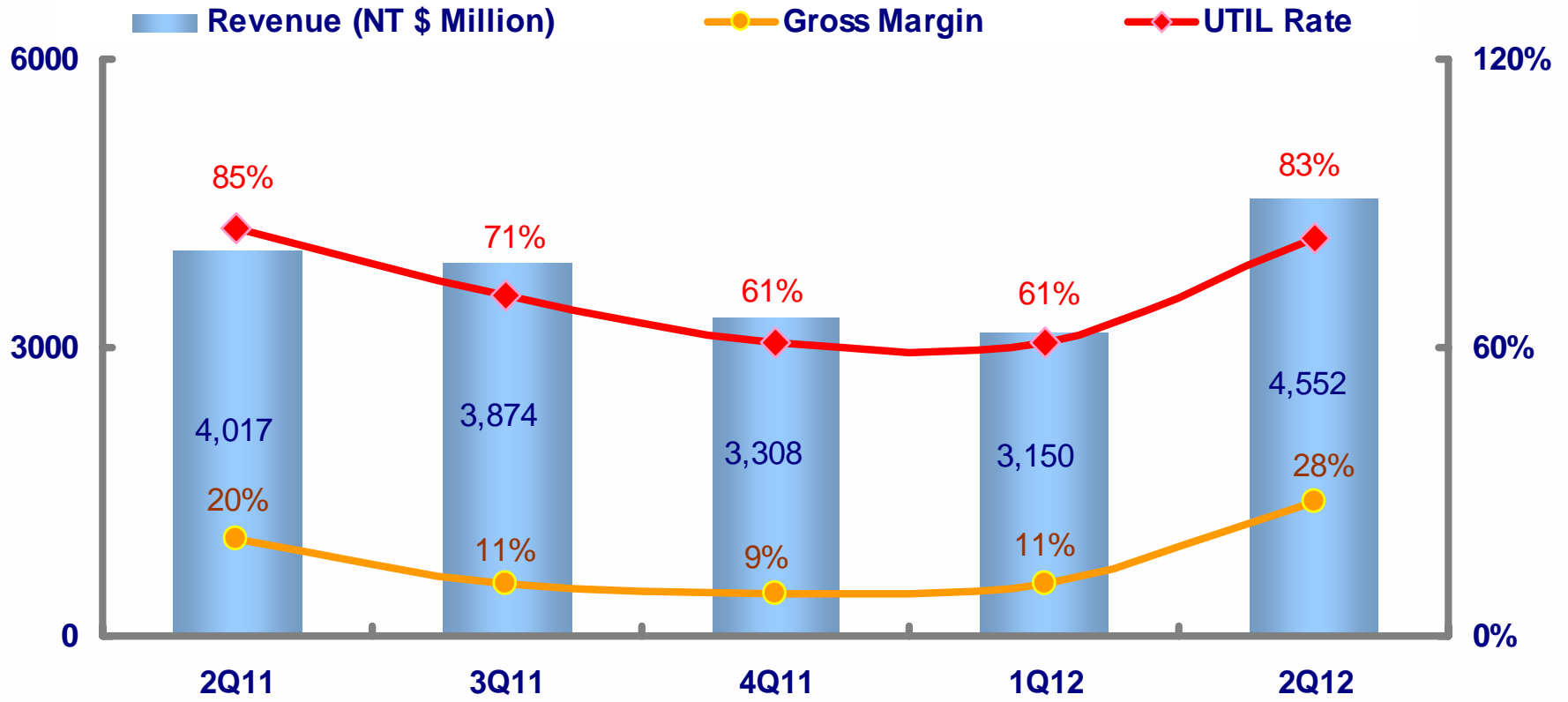
Cash Flows

Amount : NT\$ Million	2Q12	1Q12	2Q11
	Amount	Amount	Amount
Cash - Beginning of Period	8,000	8,201	7,533
– Net Income	772	24	363
– Depreciation & Amort.	876	884	820
– Investment Loss Recognized by Equity Method	1	4	2
– Deferred Income Tax	(11)	(26)	73
– Changes of Accounts Receivable	(1,093)	177	(78)
– Changes of Inventory	(222)	(177)	(263)
– Changes of Notes and Accounts Payable	196	248	142
– Changes of Accrued Expenses and Other Current Liabilities	335	(214)	165
From Operation	701	914	1,201
– Increase in Financial Assets	(60)	(58)	0
– Acquisitions of Properties	(137)	(210)	(694)
– Acquisition of L-T Stock Investment	0	0	(12)
From Investment	(194)	(267)	(702)
– Guarantee Deposit In	9	2	(8)
– Proceeds from Exercise of Employee Stock Options	11	1	8
– Repurchase of Treasury Stock	(38)	(845)	0
From Financing	(17)	(842)	(1)
Net Increase (Decrease) in Cash	490	(195)	498
Effect of Exchange Rate Changes	2	(5)	(5)
Cash - End of Period	8,492	8,000	8,026

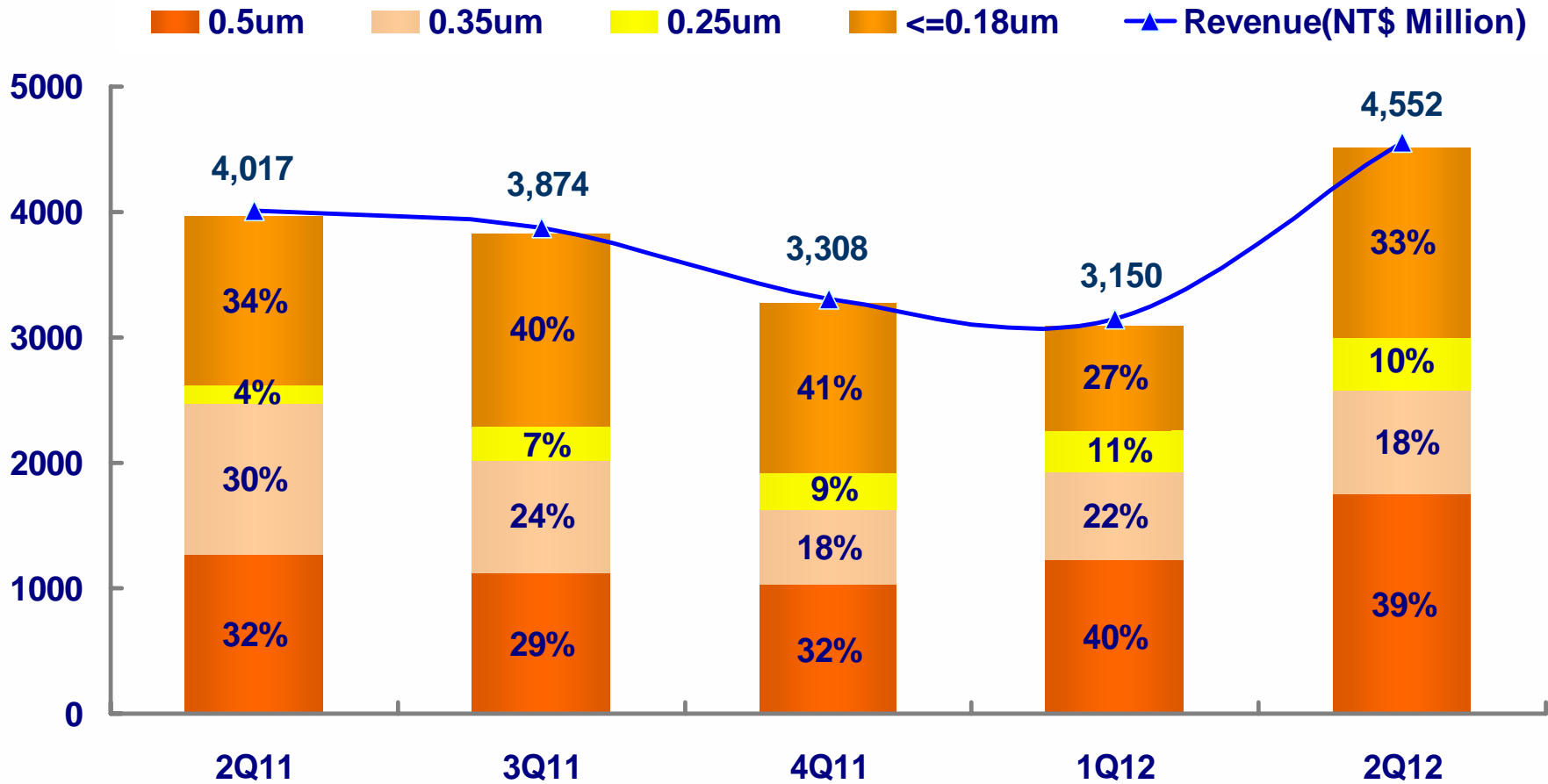


Remarks

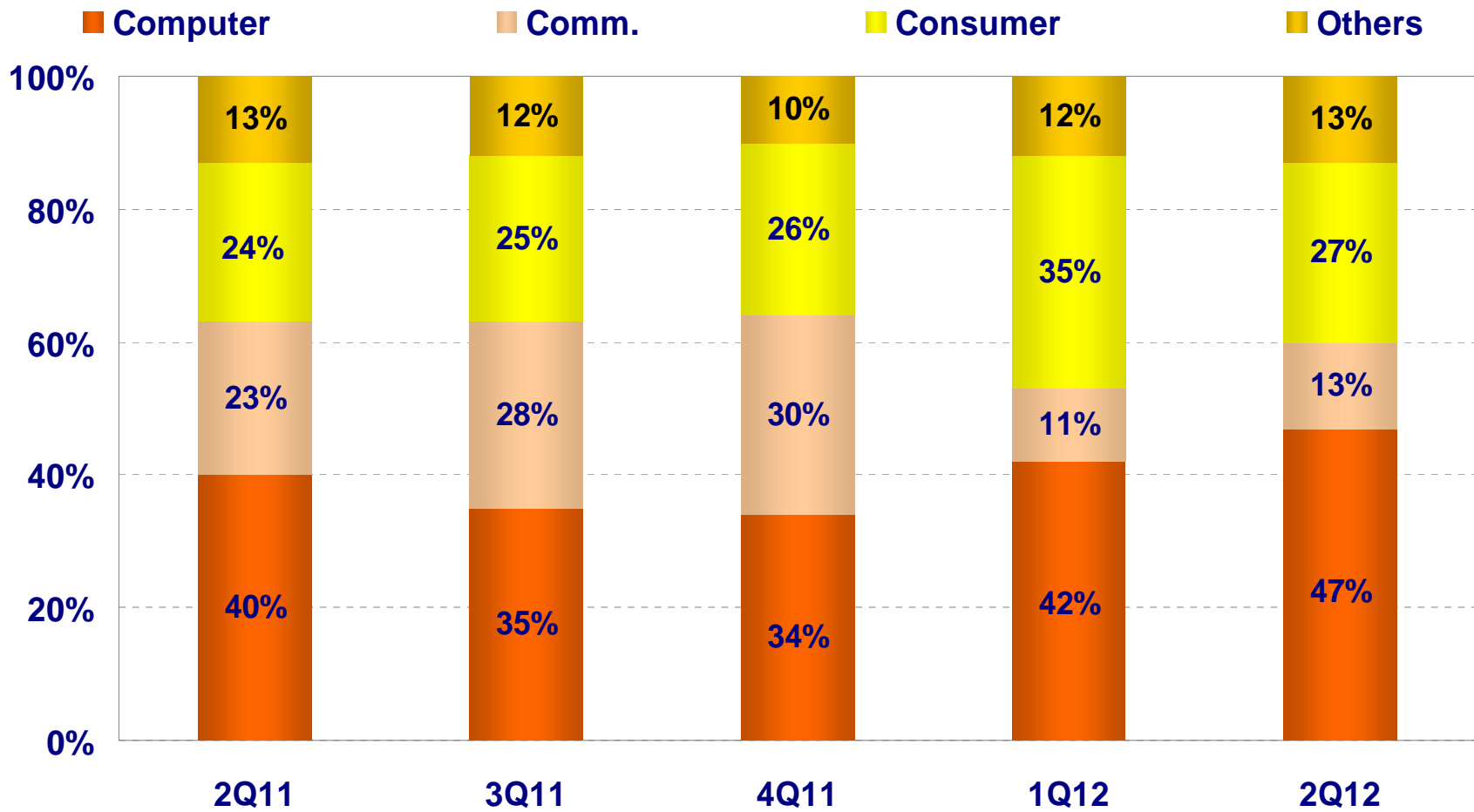
Fab Utilization & Gross Margin



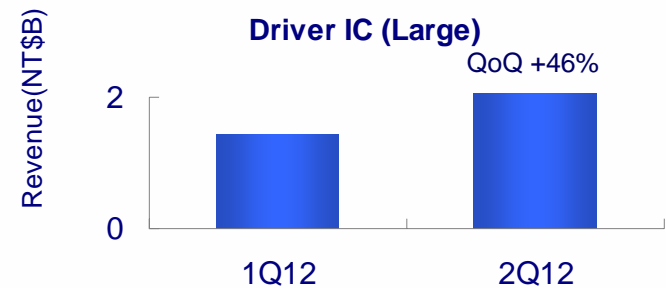
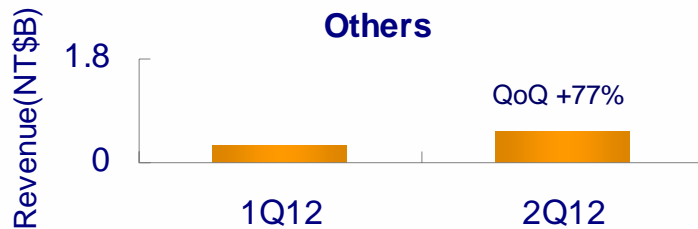
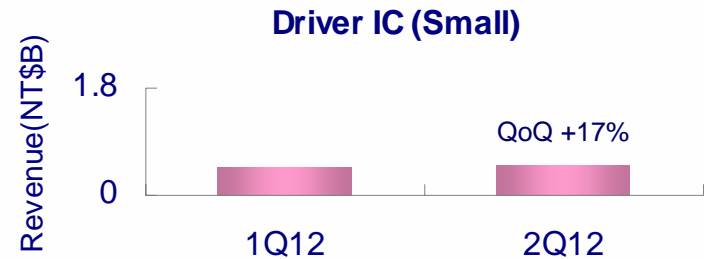
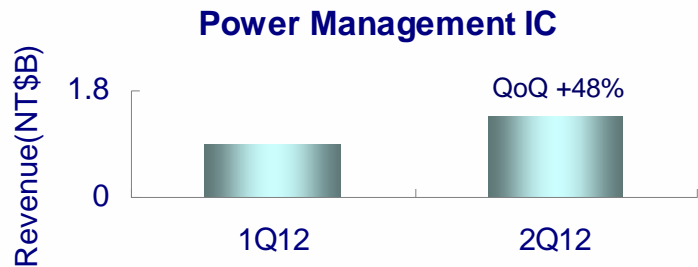
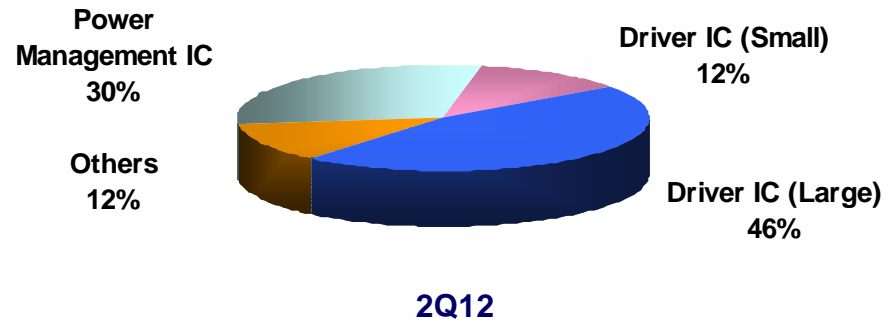
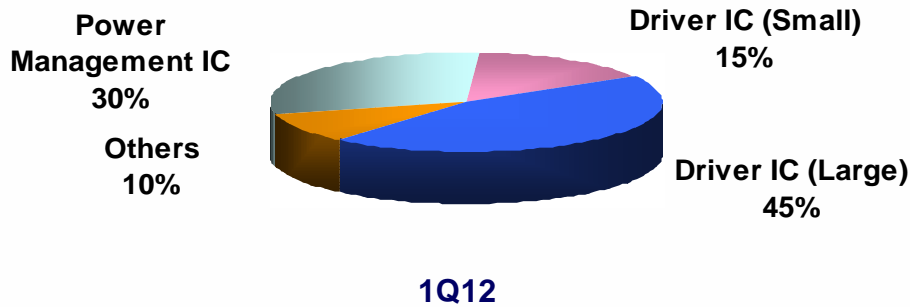
Revenue Breakdown by Technology



Revenue Breakdown by Applications



Revenue Breakdown by Platforms





2Q12 Result Summary & Guidance Comparison

2Q12	Result	Guidance
Wafer Shipments	+43% QoQ	to increase by mid forties percentage QoQ
Fab Utilization Rate	83%	to be mid eighties percentage
Gross Profit Margin	28%	to be high twenties percentage
Blended ASP in USD	+3% QoQ	to increase by a low single digit percentage QoQ

Q & A



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