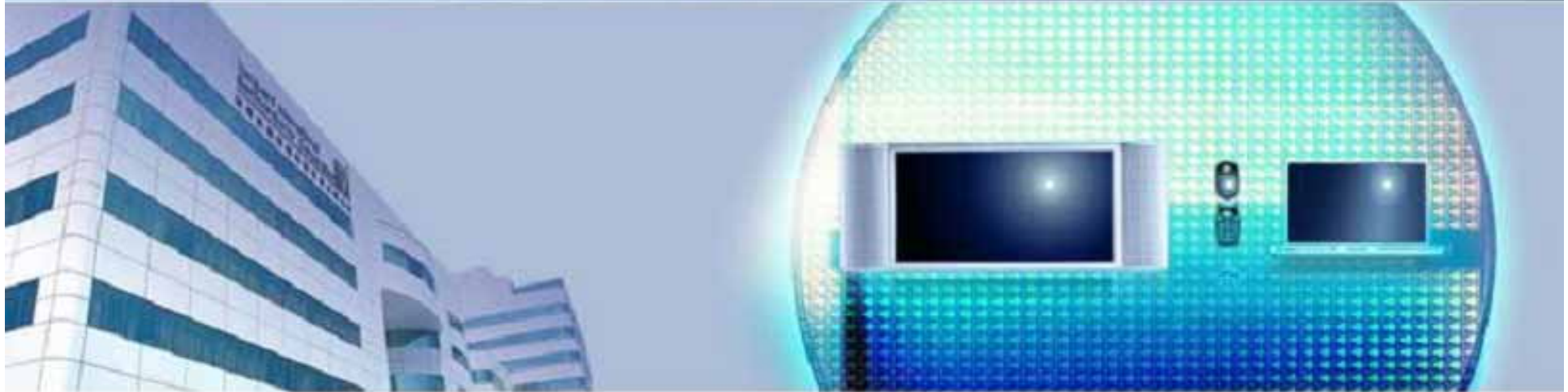




SPECIALTY IC FOUNDRY OF CHOICE



# **VANGUARD**

*2013 Third Quarter Results*

*Investor Conference*

*Nov. 4th, 2013*



# Agenda

- Welcome
- 3Q13 Consolidated Financial Results
- Remark
- Q & A



## **Disclaimer**

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*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.*



## 3Q13 Result Highlights

Amount : NT\$ Million	3Q13	2Q13	3Q12
	Amount	Amount	Amount
Net Revenue	5,590	5,356	4,714
Net Income	1,226	1,135	795
EPS (NT\$)	0.76	0.71	0.51
Cash and Financial Instruments	14,354	14,092	10,028
Shareholders' Equity	23,277	22,025	20,192
Total Wafers Shipped (Kpcs)	425	423	350

\*For comparison purpose, Y2012 figures have been revised to adapt to IFRSs since Jan. 1<sup>st</sup>, 2013.



# Statements of Comprehensive Income

Amount: NT\$Million <i>Selected Items from Statements of Comprehensive Income</i>	3Q13		2Q13		3Q12		QoQ	YoY
	Amount	%	Amount	%	Amount	%	%	%
Net Revenue	5,590	100%	5,356	100%	4,714	100%	4%	19%
Cost of Revenue	(3,705)	-66%	(3,613)	-67%	(3,442)	-73%	3%	8%
Gross Profit	1,885	34%	1,743	33%	1,273	27%	8%	48%
Operating Expense	(510)	-9%	(482)	-9%	(432)	-9%	6%	18%
Operating Income	1,375	25%	1,261	24%	841	18%	9%	64%
Investment Gain	2	0%	5	0%	4	0%	-68%	-60%
Net Other Non-operating Income	52	1%	58	1%	47	1%	-10%	11%
Income before Income Tax	1,429	26%	1,325	25%	892	19%	8%	60%
Net Income	1,226	22%	1,135	21%	795	17%	8%	54%
EPS (NT\$)	0.76		0.71		0.51		8%	48%

\*For comparison purpose, Y2012 figures have been revised to adapt to IFRSs since Jan. 1<sup>st</sup>, 2013.



# Balance Sheet & Key Indices

Amount : NT\$ Million

<i>Selected Items from Balance Sheet</i>	<b>Sep. 30, 2013</b>		<b>Jun. 30, 2013</b>		<b>Sep. 30, 2012</b>	
	Amount	%	Amount	%	Amount	%
<b>Total Assets</b>	<b>27,102</b>	<b>100.0%</b>	<b>27,461</b>	<b>100.0%</b>	<b>23,403</b>	<b>100.0%</b>
Cash & Financial Instruments	14,354	53.0%	14,092	51.3%	10,028	42.8%
Accounts Receivable	3,054	11.3%	3,119	11.4%	2,668	11.4%
Inventory	1,731	6.4%	1,783	6.5%	1,800	7.7%
<b>Total Current Assets</b>	<b>19,399</b>	<b>71.6%</b>	<b>19,213</b>	<b>70.0%</b>	<b>14,792</b>	<b>63.2%</b>
<b>Properties, Plant and Equipment</b>	<b>7,044</b>	<b>26.0%</b>	<b>7,531</b>	<b>27.4%</b>	<b>7,843</b>	<b>33.5%</b>
Accounts Payable and Others	875	3.2%	1,024	3.7%	859	3.7%
Cash Dividends	0	0.0%	1,552	5.7%	0	0.0%
Accrued Liabilities	2,295	8.5%	2,234	8.1%	1,818	7.8%
<b>Total Current Liabilities</b>	<b>3,170</b>	<b>11.7%</b>	<b>4,811</b>	<b>17.5%</b>	<b>2,677</b>	<b>11.4%</b>
<b>Total Equity</b>	<b>23,277</b>	<b>85.9%</b>	<b>22,025</b>	<b>80.2%</b>	<b>20,192</b>	<b>86.3%</b>
<b>Key Indices</b>						
A/R Turnover Days	49		51		56	
Inventory Turnover Days	46		48		43	
Debt Ratio	14%		20%		14%	
Current Ratio	612%		399%		552%	
Net Working Capital	16,229		14,402		12,115	

\*For comparison purpose, Y2012 figures have been revised to adapt to IFRSs since Jan. 1<sup>st</sup>, 2013.



# Cash Flows

Amount : NT\$ Million

Selected Items from Cash Flow

	3Q13	2Q13	3Q12
	Amount	Amount	Amount
<b>Cash - Beginning of Period</b>	<b>13,672</b>	<b>12,077</b>	<b>8,492</b>
– Income before Income tax	1,429	1,325	892
– Depreciation & Amort.	556	589	856
– Income Taxes Paid	(60)	(257)	(0)
– Changes of Accounts Receivable	65	(351)	614
– Changes of Inventory	52	183	(170)
– Changes of Notes and Accounts Payable	(57)	(65)	(64)
– Others	(90)	330	85
<b>From Operation</b>	<b>1,899</b>	<b>1,762</b>	<b>2,219</b>
– Decrease (Increase) in Financial Assets	32	(51)	134
– Increase in Other Financial Assets	(10)	(170)	0
– Acquisitions of Properties, Plant and Equipment	(142)	(195)	(103)
– Dividends Received	0	13	9
<b>From Investment</b>	<b>(118)</b>	<b>(404)</b>	<b>39</b>
– Cash dividends	(1,552)	0	(968)
– Proceeds from Exercise of Employee Stock Options	8	58	39
– Treasury Stock Transfer To Employee	0	178	0
<b>From Financing</b>	<b>(1,541)</b>	<b>237</b>	<b>(926)</b>
<b>Net Increase in Cash</b>	<b>240</b>	<b>1,594</b>	<b>1,332</b>
Effect of Exchange Rate Changes	(3)	0	(4)
<b>Cash - End of Period</b>	<b>13,910</b>	<b>13,672</b>	<b>9,821</b>

\*For comparison purpose, Y2012 figures have been revised to adapt to IFRSs since Jan. 1<sup>st</sup>, 2013.

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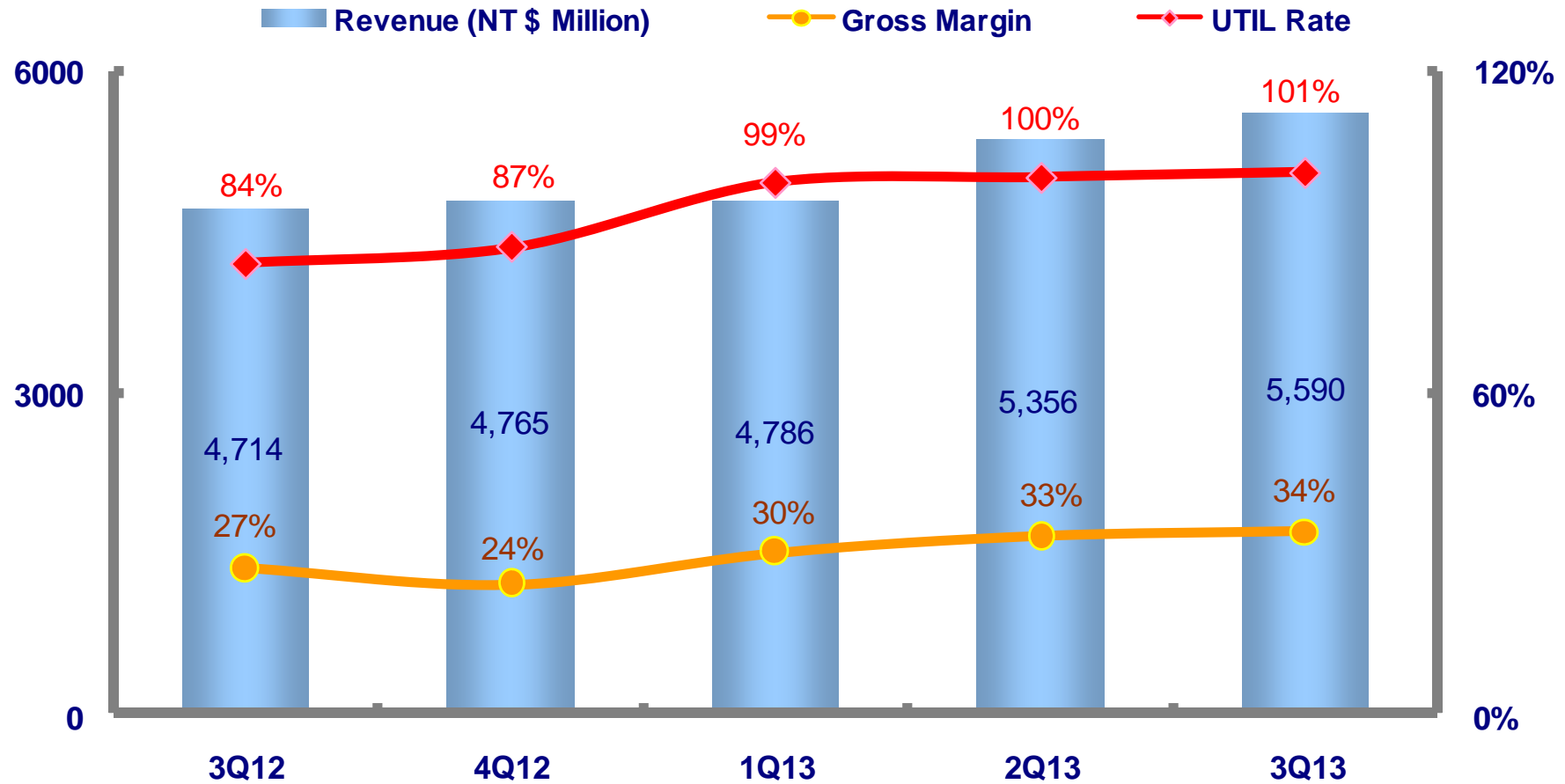


# Remarks





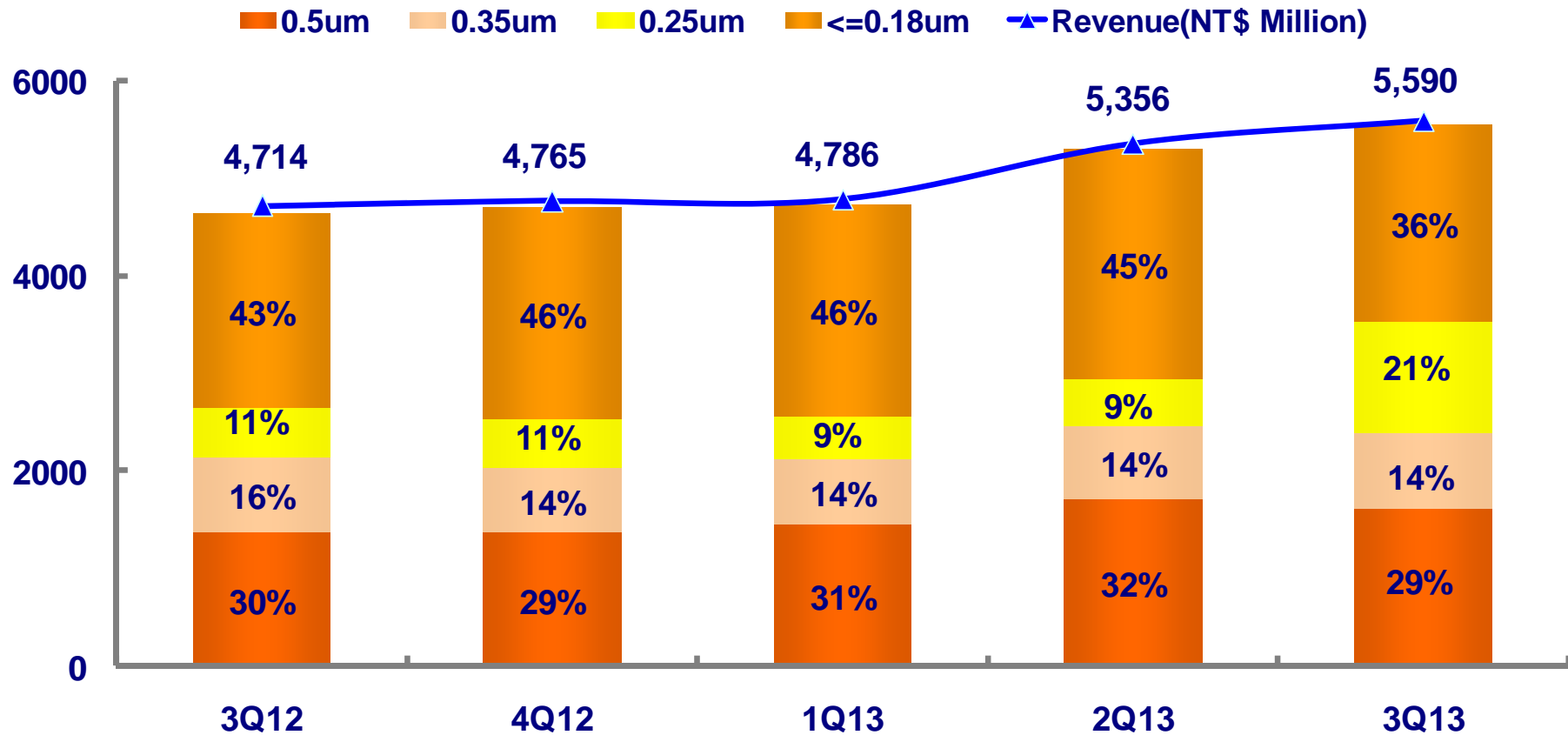
# Fab Utilization & Gross Margin



\*For comparison purpose, Y2012 figures have been revised to adapt to IFRSs since Jan. 1<sup>st</sup>, 2013.



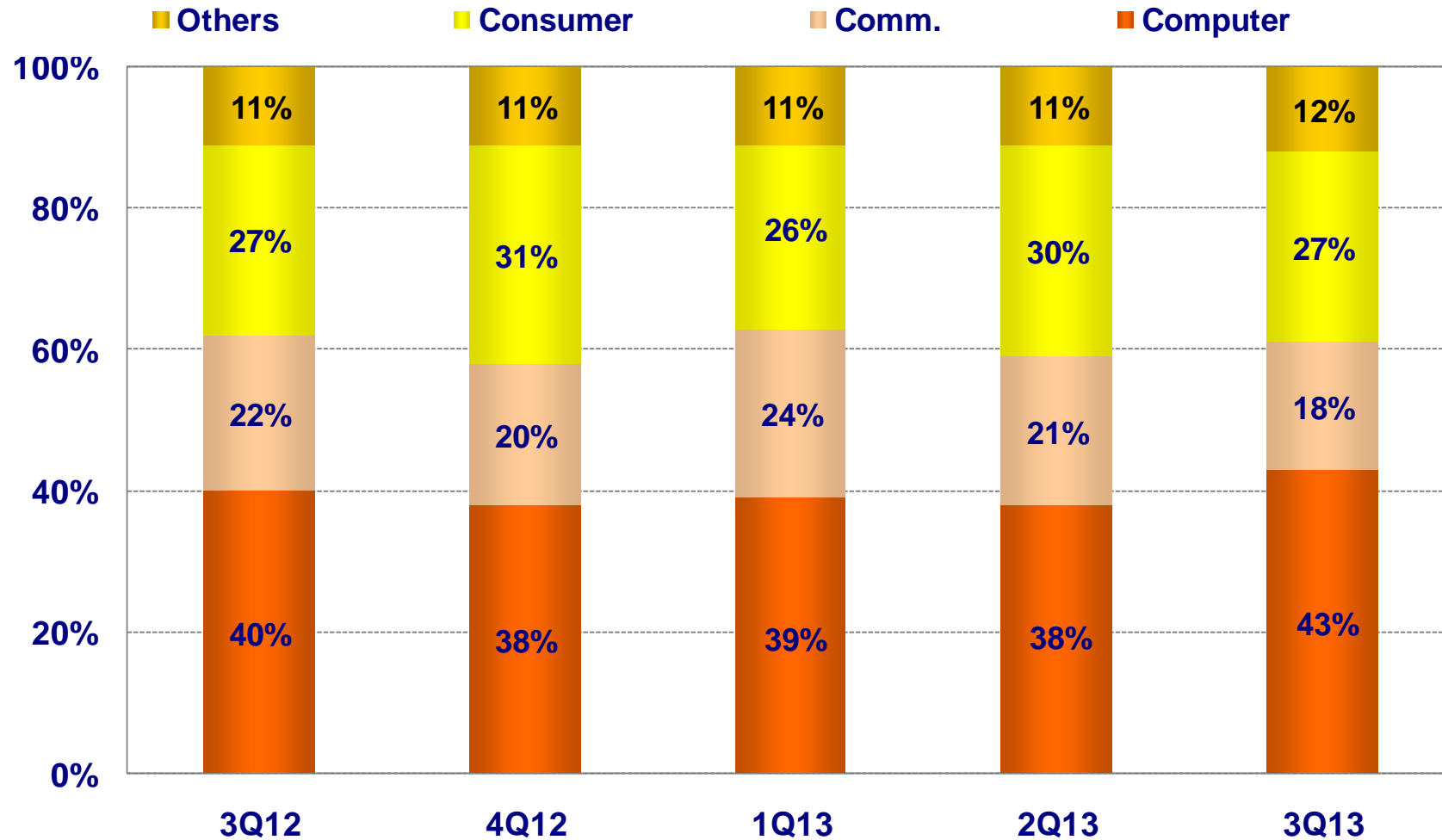
# Revenue Breakdown by Technology



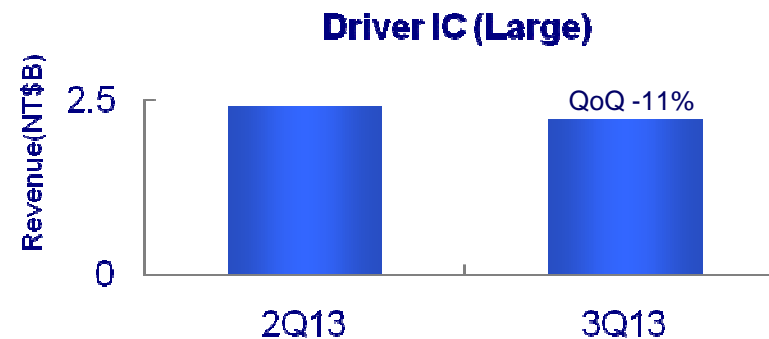
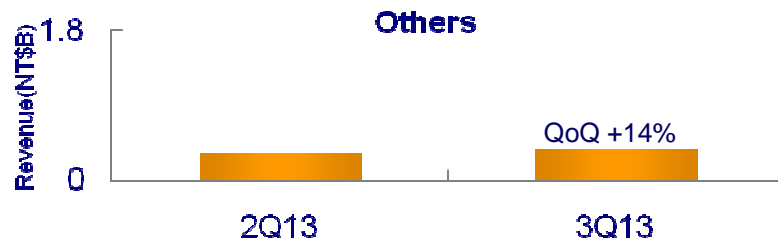
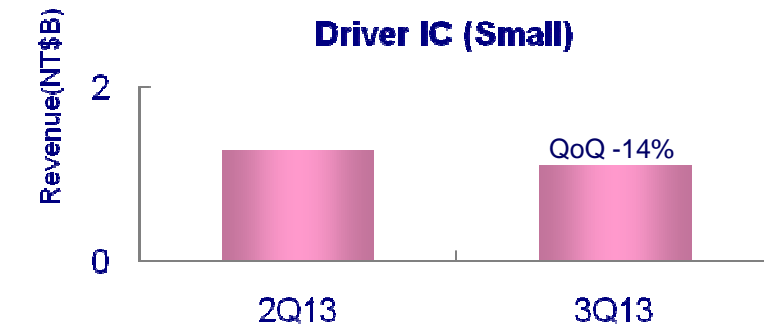
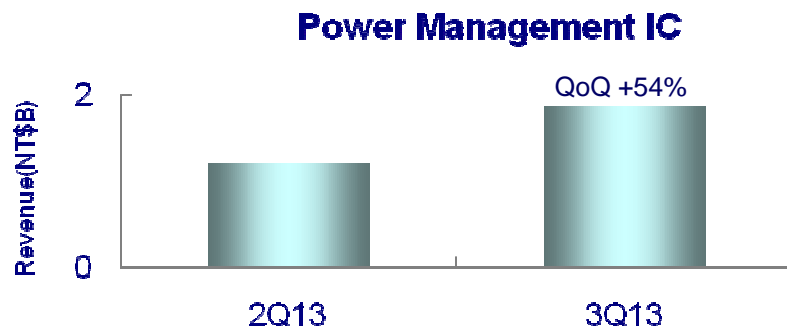
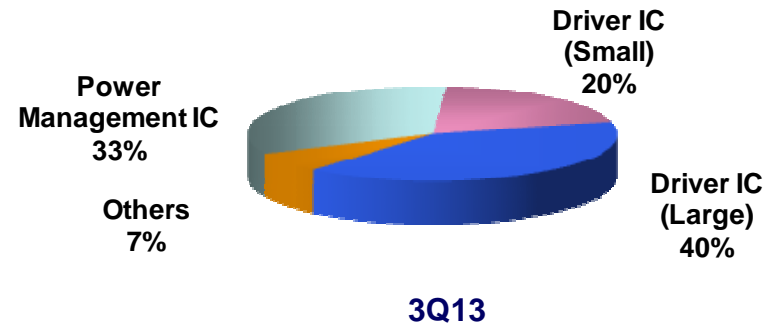
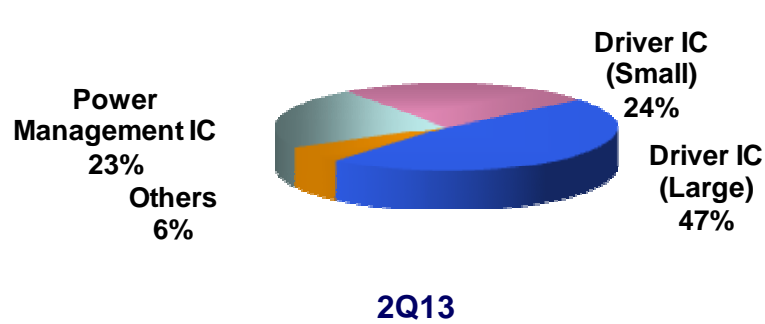
\*For comparison purpose, Y2012 figures have been revised to adapt to IFRSs since Jan. 1<sup>st</sup>, 2013.



# Revenue Breakdown by Applications



# Revenue Breakdown by Platforms





## 3Q13 Result Summary & Guidance Comparison

3Q13	Result	Guidance
Wafer Shipments	+1% QoQ	to be flat QoQ
Fab Utilization Rate	101%	to be around 100%
Gross Profit Margin	34%	to be between 33~35%
Blended ASP in USD	+4% QoQ	to increase by 3~4% QoQ



# Q & A



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