



**VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION**

**CONSOLIDATED BALANCE SHEETS**

As of Sep. 30, 2013 and 2012

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

ASSETS	Sep. 30, 2013			Sep. 30, 2012		YoY	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash and Cash Equivalents	470	13,910	51.3	9,821	42.0	4,089	41.6
Investments in Marketable Financial Instruments	15	444	1.6	207	0.9	237	114.1
Accounts Receivable	103	3,054	11.3	2,668	11.4	386	14.5
Inventories	59	1,731	6.4	1,800	7.7	(69)	(3.8)
Other Current Assets	9	261	1.0	296	1.3	(35)	(12.0)
<b>Total Current Assets</b>	<b>656</b>	<b>19,399</b>	<b>71.6</b>	<b>14,792</b>	<b>63.2</b>	<b>4,607</b>	<b>31.1</b>
Investments	12	341	1.3	412	1.8	(70)	(17.1)
Property, Plant and Equipment	238	7,044	26.0	7,843	33.5	(799)	(10.2)
Other Assets	11	317	1.2	357	1.5	(39)	(11.0)
<b>Total Assets</b>	<b>917</b>	<b>27,102</b>	<b>100.0</b>	<b>23,403</b>	<b>100.0</b>	<b>3,698</b>	<b>15.8</b>
<b>LIABILITIES</b>							
Accounts Payable & Other Current Liabilities	107	3,170	11.7	2,677	11.4	493	18.4
Other Long Term Liabilities	22	655	2.4	534	2.3	122	22.8
<b>Total Liabilities</b>	<b>129</b>	<b>3,825</b>	<b>14.1</b>	<b>3,211</b>	<b>13.7</b>	<b>614</b>	<b>19.1</b>
<b>SHAREHOLDERS' EQUITY</b>							
Capital Stock	553	16,360	60.4	16,236	69.4	124	0.8
Capital Surplus	24	701	2.6	539	2.3	162	30.1
Retained Earnings							
- Legal Reserve	71	2,110	7.8	1,877	8.0	233	12.4
- Special Reserve	2	69	0.3	105	0.4	(36)	(34.4)
- Previous Year	45	1,343	5.0	799	3.4	545	68.2
- Current Year	110	3,242	12.0	1,591	6.8	1,651	103.8
Other equity	(2)	(62)	(0.2)	(37)	(0.2)	(25)	67.2
Treasury Stock	(16)	(487)	(1.8)	(918)	(3.9)	431	(46.9)
<b>Total Shareholders' Equity</b>	<b>787</b>	<b>23,277</b>	<b>85.9</b>	<b>20,192</b>	<b>86.3</b>	<b>3,084</b>	<b>15.3</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>917</b>	<b>27,102</b>	<b>100.0</b>	<b>23,403</b>	<b>100.0</b>	<b>3,698</b>	<b>15.8</b>

\* New Taiwan Dollar amounts have been translated into U.S. Dollars at the rate of NT\$29.571 per U.S. Dollar as of Sep. 30, 2013.



**VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION**

**CONSOLIDATED BALANCE SHEETS**

As of Sep. 30, 2013 and Jun. 30, 2013

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

ASSETS	Sep. 30, 2013			Jun. 30, 2013		QoQ	
	USD	NTD	%	NTD	%	Move	Inc(Dec)%
Cash and Cash Equivalents	470	13,910	51.3	13,672	49.8	238	1.7
Investments in Marketable Financial Instruments	15	444	1.6	420	1.5	25	5.8
Accounts Receivable	103	3,054	11.3	3,119	11.4	(65)	(2.1)
Inventories	59	1,731	6.4	1,783	6.5	(52)	(2.9)
Other Current Assets	9	261	1.0	219	0.8	42	18.9
<b>Total Current Assets</b>	<b>656</b>	<b>19,399</b>	<b>71.6</b>	<b>19,213</b>	<b>70.0</b>	<b>186</b>	<b>1.0</b>
Investments	12	341	1.3	341	1.2	0	0.0
Property, Plant and Equipment	238	7,044	26.0	7,531	27.4	(487)	(6.5)
Other Assets	11	317	1.2	376	1.4	(59)	(15.6)
<b>Total Assets</b>	<b>917</b>	<b>27,102</b>	<b>100.0</b>	<b>27,461</b>	<b>100.0</b>	<b>(360)</b>	<b>(1.3)</b>
<b>LIABILITIES</b>							
Accounts Payable & Other Current Liabilities	107	3,170	11.7	4,811	17.5	(1,641)	(34.1)
Other Long Term Liabilities	22	655	2.4	626	2.3	29	4.7
<b>Total Liabilities</b>	<b>129</b>	<b>3,825</b>	<b>14.1</b>	<b>5,437</b>	<b>19.8</b>	<b>(1,611)</b>	<b>(29.6)</b>
<b>SHAREHOLDERS' EQUITY</b>							
Capital Stock	553	16,360	60.4	16,355	59.6	5	0.0
Capital Surplus	24	701	2.6	679	2.5	23	3.4
Retained Earnings							
- Legal Reserve	71	2,110	7.8	2,110	7.7	0	0.0
- Special Reserve	2	69	0.3	69	0.3	0	0.0
- Previous Year	114	3,359	12.4	2,224	8.1	1,135	51.0
- Current Year	41	1,226	4.5	1,135	4.1	91	8.1
Other equity	(2)	(62)	(0.2)	(60)	(0.2)	(3)	4.4
Treasury Stock	(16)	(487)	(1.8)	(487)	(1.8)	0	0.0
<b>Total Shareholders' Equity</b>	<b>787</b>	<b>23,277</b>	<b>85.9</b>	<b>22,025</b>	<b>80.2</b>	<b>1,252</b>	<b>5.7</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>917</b>	<b>27,102</b>	<b>100.0</b>	<b>27,461</b>	<b>100.0</b>	<b>(360)</b>	<b>(1.3)</b>

\* New Taiwan Dollar amounts have been translated into U.S. Dollars at the rate of NT\$29.571 per U.S. Dollar as of Sep. 30, 2013.



## Vanguard International Semiconductor Corporation

### Consolidated Statements of Comprehensive Income

For the Three Months Ended Sep. 30, 2013, Jun. 30, 2013, Sep. 30, 2012

(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					
	3Q 2013		% of	3Q 2012		YoY Inc(Dec) %	3Q 2013		% of	2Q 2013	
	USD	NTD	Sales	NTD	USD		NTD	Sales	NTD	NTD	
Net Revenue	187	5,590	100.0	4,714	18.6	187	5,590	100.0	5,356	4.4	
Cost of Revenue	(124)	(3,705)	(66.3)	(3,442)	7.7	(124)	(3,705)	(66.3)	(3,613)	2.6	
Gross Profit	63	1,885	33.7	1,273	48.1	63	1,885	33.7	1,743	8.2	
Operating Expenses											
General and Administrative Expenses	(6)	(180)	(3.2)	(167)	7.7	(6)	(180)	(3.2)	(195)	(7.5)	
Selling and Marketing Expenses	(2)	(65)	(1.2)	(54)	19.4	(2)	(65)	(1.2)	(57)	12.6	
Research and Development Expenses	(9)	(265)	(4.7)	(211)	25.9	(9)	(265)	(4.7)	(229)	15.7	
Total Operating Expenses	(17)	(510)	(9.1)	(432)	18.0	(17)	(510)	(9.1)	(482)	5.9	
Income From Operations	46	1,375	24.6	841	63.5	46	1,375	24.6	1,261	9.0	
Investment Gain	0	2	0.0	4	(60.2)	0	2	0.0	5	(68.2)	
Net Other Non-operating Income	2	52	0.9	47	10.6	2	52	0.9	58	(9.6)	
Income before Income Tax	48	1,429	25.6	892	60.1	48	1,429	25.6	1,325	7.9	
Income Tax Expense	(7)	(203)	(3.6)	(97)	108.0	(7)	(203)	(3.6)	(190)	6.8	
Net Income	41	1,226	21.9	795	54.3	41	1,226	21.9	1,135	8.1	
Other Comprehensive (Loss) Income	(0)	(3)	(0.0)	28	-	(0)	(3)	(0.0)	1	-	
Comprehensive Income	41	1,224	21.9	823	48.8	41	1,224	21.9	1,136	7.7	
Diluted Earnings Per Share <sup>(2)</sup>	0.025	0.76		0.51	49.1	0.025	0.76		0.71	7.7	
Weighted Average Outstanding Shares('M) <sup>(2)</sup>		1,613		1,559			1,613		1,608		

Note: (1) New Taiwan dollars have been translated into U.S. dollars at the weighted average rate of NTD29.954 per U.S. dollar for the third quarter of 2013.

(2) Total weighted average outstanding shares were 1,612,760K shares for 3Q13, 1,607,609K shares for 2Q13 and 1,558,907K shares for 3Q12.



## Vanguard International Semiconductor Corporation Consolidated Statements of Comprehensive Income

For the Nine Months Ended Sep. 30, 2013 and 2012

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

Except for Per Share Amounts and Shares Outstanding)

	9 months ended Sep. 30				
	2013		% of Sales	2012	YoY Inc(Dec) %
	USD	NTD		NTD	
Net Revenue	530	15,733	100.0%	12,425	26.6
Cost of Revenue	(359)	(10,675)	-67.9%	(9,596)	11.3
Gross Profit	170	5,057	32.1%	2,830	78.7
Operating Expenses					
General and Administrative Expenses	(18)	(549)	-3.5%	(466)	17.8
Selling and Marketing Expenses	(6)	(179)	-1.1%	(152)	17.5
Research and Development Expenses	(25)	(737)	-4.7%	(618)	19.1
Total Operating Expenses	(49)	(1,464)	-9.3%	(1,237)	18.4
Income From Operations	121	3,593	22.8%	1,593	125.6
Investment Gain	0	3	0.0%	10	(69.1)
Net Other Non-operating Income	5	155	1.0%	134	15.1
Income before Income Tax	126	3,750	23.8%	1,737	116.0
Income Tax Expense	(17)	(509)	-3.2%	(146)	249.2
Net Income	109	3,242	20.6%	1,591	103.8
Other Comprehensive Income	0	7	0.0%	68	(90.0)
Comprehensive Income	109	3,249	20.6%	1,659	95.8
Diluted Earnings Per Share (2)	0.068	2.02		1.01	100.0
Weighted Average Outstanding Shares('M) (2)		1,604		1,574	

Note: (1) New Taiwan Dollars have been translated into U.S. Dollars at the weighted average rate of NTD29.71 per U.S. Dollar for the nine months of 2013.

(2) Total weighted average outstanding shares were 1,603,998K for the nine months ended Sep. 30, 2013 and 1,574,441K shares for the nine months ended Sep. 30, 2012.



**VANGUARD INTERNATIONAL SEMICONDUCTOR CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Nine Months Ended Sep. 30, 2013 and 2012**  
**(Figures in Million of New Taiwan Dollars (NTD) and U.S. Dollars (USD))\***

	3Q'13		3Q'12
	USD	NTD	NTD
<b>Cash Flows from Operating Activities:</b>			
Income before Income Tax	126	3,750	1,737
Depreciation & Amortization	59	1,755	2,617
Shares of loss of associates accounted for using equity method	1	15	10
Income Taxes paid	(11)	(317)	(83)
Changes in working capital & others	(1)	(39)	(270)
<b>Net Cash Provided by Operating Activities</b>	<b>174</b>	<b>5,164</b>	<b>4,010</b>
<b>Cash Flows from Investing Activities:</b>			
Increase in financial assets	(4)	(128)	(175)
Acquisitions of property, plant and equipment	(29)	(857)	(447)
Proceeds from disposal of properties	0	0	4
Increase in other financial assets	(13)	(372)	0
Increase in intangible assets	(0)	(2)	0
Dividends received	0	13	19
Other	0	2	0
<b>Net Cash Used in Investing Activities</b>	<b>(45)</b>	<b>(1,344)</b>	<b>(599)</b>
<b>Cash Flows from Financing Activities:</b>			
Increase in guarantee deposits in	0	5	14
Cash dividends	(52)	(1,552)	(968)
Proceeds from exercise of employee stock options	4	116	52
Repurchase of treasury stocks	0	0	(883)
Treasury stock transfer to employees	14	431	0
<b>Net Cash Used in Financing Activities</b>	<b>(34)</b>	<b>(1,000)</b>	<b>(1,785)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>95</b>	<b>2,820</b>	<b>1,626</b>
<b>Effect of Exchange Rate Changes</b>	<b>(0)</b>	<b>(0)</b>	<b>(7)</b>
<b>Cash and Cash Equivalents, Beginning of Period</b>	<b>373</b>	<b>11,090</b>	<b>8,201</b>
<b>Cash and Cash Equivalents, End of Period</b>	<b>468</b>	<b>13,910</b>	<b>9,821</b>

\* New Taiwan Dollar amounts have been translated into U.S. Dollars at the rate of NT\$29.71 per U.S. Dollar, the weighted average exchange rate for the nine months of 2013.