



Reports of Results for 2Q2005

August 31, 2005

Performance Summary for 2Q2005

- Second quarter revenue reached NT\$2,734 million while net income and earnings per share came to NT\$373 million and NT\$0.25 per share, respectively.
- Net sales of 2Q05 were 23% higher than that of 1Q05. The increase was the result of more wafer shipments (30% QoQ) and a 4.9% decline of the blended wafer ASP.
- Gross profit was NT\$1,039 million, or 38% of net sales, improved from NT\$497 million, or 22% in 1Q05. The increase in gross margin was mainly due to higher utilization of fab capacity, partially offset by a lower ASP and non-recurring income from settlement of patent license agreement.
- Operating expenses increased to NT\$550 million from NT\$272 million of 1Q05 mainly due to increased expenses on research and development and non-recurring expenses for settlement of patent license agreement.
- Non-operating income decreased to NT\$8 million from NT\$830 million in 1Q05. The main difference was due to NT\$825 million of non-recurring gain on sales of short-term investment in 1Q05.

Wafer Shipments & Capacity Utilization

- Shipments in 2Q05 were 136 thousand wafers, a 30% increase compared to 104 thousand wafers in 1Q05.
- Fab utilization in 2Q05 was 81% compared to 64% in 1Q05.
- Higher shipments and fab utilization were the result of stronger demand from customers.

3Q2005 Outlook

- Based on current business outlook, we expect fab utilization rate to be above 90 % in 3Q05. Wafer shipments will increase by a mid-teen percentage point sequentially.
- We expect blended wafer ASP to decline by a low single digit percentage point sequentially.
- Gross Margin will be in the range of 33% to 35%.

Wafer Sales Analysis

By Technology Platforms	2Q05	1Q05
General	53%	63%
Specialty Analog	25%	21%
Specialty Display Driver	22%	16%

By Application	2Q05	1Q05
Computer	41%	49%
Communication	33%	25%
Consumer	22%	18%
Automotive	2%	2%
Others	2%	6%

By Technology	2Q05	1Q05
0.5 μ m	37%	37%
0.35 μ m	48%	47%
0.25 μ m	14%	12%
0.18 μ m	1%	4%