



Reports of Results for 1Q2006

April 28, 2006

Performance Summary for 1Q2006

- First quarter revenue reached NT\$2,577 million while net income and earnings per share came to NT\$390 million and NT\$0.24 per share, respectively.
- Net sales of 1Q06 were 20% lower than that of 4Q05. The decrease was mainly the result of less wafer shipment (-17% QoQ), which was due to inventory correction of customers and lower blended ASP.
- Gross profit was NT\$693 million, or 27% of net sales, compared to NT\$1,464 million, or 45% in 4Q05. The decrease in gross margin was mainly due to lower utilization of fab capacity and lower ASP.

Wafer Shipments & Capacity Utilization

- Shipments in 1Q06 were 119 thousand wafers, a 17% decrease compared to 144 thousand wafers in 4Q05.
- Fab utilization in 1Q06 was 71% compared to 86% in 4Q05.
- Lower shipments and fab utilization were mainly the result of inventory correction of foundry customers.

2Q2006 Outlook

- Based on current business outlook, we expect fab utilization rate to be about 88% in 2Q06. Wafer shipments will increase by about 20% sequentially.
- We expect blended wafer ASP to decrease by a low single percentage point sequentially, due to product mix changes with increased revenue in 0.5 μ m / 0.35 μ m more than offset increased revenue in 0.18 μ m.
- Gross Margin to be around 35% to 37%.

Wafer Sales Analysis

By Technology Platforms	1Q06	4Q05
Specialty	26%	25%
Driver IC (Small)	29%	38%
Driver IC (Large)	26%	25%
General	19%	12%

By Application	1Q06	4Q05
Communication	40%	45%
Computer	40%	37%
Consumer	17%	16%
Automotive	2%	1%
Others	1%	1%

By Technology	1Q06	4Q05
0.18 μ m	4%	0%
0.25 μ m	15%	27%
0.35 μ m	39%	38%
0.5 μ m	42%	35%