創意電子
GLOBAL UNICHIP CORP.

Global Unichip Corp. 10th Anniversary

August 15, 2008

**Global Unichip Corp. (GUC) Reports Financial Results for 2Q'08**

***Company's revenues continue to set new record high for 9 consecutive quarters***

Hsinchu -- August 15, 2008 -- Global Unichip Corporation (TAIEX: 3443) today announced financial results for the second quarter ended June 30, 2008.

## *2Q'08 Financial Results Highlights:*

- Revenues were NT$2,285 million, up NT$647 million, or 39 percent, from a year ago. Compared with the previous quarter, revenues increased NT$101 million, or 5 percent;
- Gross profit was NT$457 million, or 20.0 percent of revenues. This was up NT$6 million quarter-over-quarter;
- Total net income attributable to shareholders was NT$192 million, up NT$5 million, or 2.7% from the previous quarter;
- Earnings per share were NT$1.67, representing an increase of 3.1% from the previous quarter.

Detailed financial reports and previous period financial reports are presented on our Investor Relations web page at http:// www.globalunichip.com.

**CONTACT**
Joanne Chi
Investor Relations
GUC
Tel: 886-3-5646600# 6075
Email: joanne.chi@globalunichip.com

Daniel Chien
CFO & Spokesperson
GUC
Tel: 886-3-5646600

創意電子 GLOBAL UNICHIP CORP.

Global Unichip Corp. 10th Anniversary

**August 15, 2008**

## I. Revenues Analysis

| NRE By Technology | 2Q'07 | 1Q'08 | 2Q'08 |
|---|---|---|---|
| 65nm | 28% | 22% | 27% |
| 90nm | 23% | 26% | 37% |
| 0.13um | 21% | 37% | 24% |
| 0.18um Above | 28% | 15% | 12% |

In NRE segment, revenues from 65nm reached 27% of total sales in 2Q'08, up from 22% in 1Q'08 and slightly declined 1% from a year ago. As a result of continued solid ramp for our 90nm technology, revenues from 90nm contributed 37% of total NRE revenues in 2Q'08, up from 26% in 1Q'08 and 23% from a year ago.

| Turn Key By Technology | 2Q'07 | 1Q'08 | 2Q'08 |
|---|---|---|---|
| 65nm | 0% | 0% | 1% |
| 90nm | 0% | 9% | 8% |
| 0.13um | 69% | 69% | 71% |
| 0.18um Above | 31% | 22% | 20% |

In Turnkey segment, revenues from advanced process technologies (90nm and 65nm) contributed for 9% of total sales in 2Q'08, remained the same level from the previous quarter, up 9% from a year ago.

| By Technology | 2Q'07 | 1Q'08 | 2Q'08 |
|---|---|---|---|
| 65nm | 5% | 4% | 4% |
| 90nm | 4% | 12% | 12% |
| 0.13um | 60% | 64% | 65% |
| 0.18um Above | 31% | 20% | 19% |

Overall, revenues from 65nm and 90nm accounted for 4% and 12% of total sales in 2Q'08, respectively, maintain the same level with the previous quarter.

| By Application | 2Q'07 | 1Q'08 | 2Q'08 |
|---|---|---|---|
| Communication | 55% | 61% | 62% |
| Consumer | 40% | 35% | 32% |
| Computer | 3% | 3% | 2% |
| Others | 2% | 1% | 4% |

Revenues from communication continued to grow sequentially and increased by 7% from a year ago. Overall, communication, consumer, and computer represented 62%, 32%, and 2% of total sales in 2Q'08, respectively.

| By Region | 2Q'07 | 1Q'08 | 2Q'08 |
|---|---|---|---|
| USA | 65% | 78% | 74% |
| Japan | 25% | 12% | 12% |
| Taiwan | 5% | 4% | 4% |
| China | 2% | 3% | 4% |
| Europe | 2% | 1% | 3% |
| Korea | 1% | 2% | 3% |

Geographically, revenues from the USA accounted for 74% of sales in 2Q'08. Meanwhile, sales from Japan, Taiwan, China, Europe, and Korea accounted for 12%, 4%, 4%, 3%, and 3% of sales, respectively.

創意電子
GLOBAL UNICHIP CORP.

Global Unichip Corp. 10th Anniversary

August 15, 2008

## II. Operating Results Review:

Unit: NT$M

| | 2Q'08 w/ PSE (1) | 1Q'08 w/ PSE (1) | QoQ | 2Q'08 w/o PSE | 2Q'07 (1) | YoY |
|---|---|---|---|---|---|---|
| **Net Sales** | **2,285** | **2,184** | **5%** | **2,285** | **1,638** | **39%** |
| NRE | 265 | 319 | -17% | 265 | 278 | -5% |
| Turn Key | 1,978 | 1,836 | 8% | 1,978 | 1,340 | 48% |
| Others | 42 | 29 | 45% | 42 | 20 | 110% |
| **Gross Margin** | **457** | **451** | **1%** | **464** | **340** | **36%** |
| **%** | **20.0%** | **20.6%** | | **20.3%** | **20.8%** | |
| SG&A Exp | (101) | (95) | 6% | (85) | (69) | 23% |
| R&D Exp | (165) | (166) | -1% | (138) | (116) | 19% |
| **Operating Income** | **191** | **190** | **1%** | **241** | **155** | **55%** |
| **%** | **8.4%** | **8.7%** | | **10.5%** | **9.5%** | |
| **Non-OP Income (Exp.)** | **16** | **10** | | **16** | **(6)** | |
| **Income Tax** | **(15)** | **(13)** | | **(20)** | **(4)** | |
| **Net Income** | **192** | **187** | **3%** | **237** | **145** | **63%** |
| **%** | **8.4%** | **8.6%** | | **10.4%** | **8.9%** | |
| **EPS (NT$)** | **1.67** | **1.62** | | **2.06** | **1.27** | |

**(1) Reported number**

We have three reportable segments: NRE, Turnkey, and Others. Sales from NRE accounted for 12% of our revenues in 2Q'08. Turnkey delivered solid revenue growth in this quarter. Continued to grow sequentially and increased 48% from a year ago.

This is the 9th consecutive quarters that our revenues continue to set the record high.

Gross profit for 2Q'08 was NT$457 million, which represents a quarter-over-quarter increase of 1.3%. Second quarter gross margin was 20.0%, slightly lower than 20.6% of gross margin reported in the first quarter of 2008, primarily due to unfavorable impact of product mix.

Total PSE impact on gross margin was 0.3 percent in 2Q'08, maintained the same level with 1Q'08.

Operating expenses were NT$165 million for R&D and NT$101 million for SG&A.

Operating expenses during the second quarter increased primarily due to our continued investments in headcount and advanced EDA tool.

Overall, total PSE impact on operating margin was 2.1 percent in 2Q'08.

Total net income attributable to shareholders was NT$192 million, up 2.7% from the previous quarter.

## III. Financial Condition Review

| Selected Items from Balance Sheets (In NT$M) | 2Q'08 Amount | 2Q'08 % | 1Q'08 Amount | 1Q'08 % | 2Q'07 Amount | 2Q'07 % |
|---|---|---|---|---|---|---|
| Cash & Available-for-Sale Financial Assets | 968 | 24% | 1,115 | 27% | 619 | 22% |
| Accounts Receivable-net | 934 | 23% | 921 | 23% | 703 | 24% |
| Inventory | 1,203 | 29% | 1,062 | 26% | 726 | 25% |
| Other Current Assets | 164 | 4% | 189 | 5% | 133 | 5% |
| Current Assets | 3,269 | 80% | 3,287 | 81% | 2,181 | 76% |
| L-T Investments | 33 | 1% | 12 | 0% | 10 | 0% |
| Net PP&E | 466 | 11% | 435 | 11% | 402 | 14% |
| Other Assets | 337 | 8% | 327 | 8% | 273 | 10% |
| **Total Assets** | **4,105** | **100%** | **4,063** | **100%** | **2,866** | **100%** |
| Accounts Payable | 853 | 21% | 1,022 | 25% | 449 | 16% |
| Current Portion of L-T Loans | 1 | 0% | 1 | 0% | 3 | 0% |
| Accrued Liabilities & Other Current Liabilities | 991 | 3% | 528 | 4% | 475 | 4% |
| Current Liabilities | 1,845 | 38% | 1,551 | 38% | 927 | 33% |
| L-T Liabilities | 18 | 1% | 19 | 1% | 43 | 1% |
| **Total Liabilities** | **1,863** | **39%** | **1,570** | **39%** | **970** | **34%** |
| **Total Shareholders' Equity** | **2,242** | **61%** | **2,493** | **61%** | **1,896** | **66%** |
| **Key Indices** | | | | | | |
| A/R Turnover Days | 36 | | 36 | | 43 | |
| Inventory Turnover Days | 52 | | 50 | | 50 | |
| Current Ratio (x) | 1.77 | | 2.12 | | 2.35 | |
| Net Working Capital | 1,425 | | 1,736 | | 1,254 | |

As of 06/30/2008, total cash and cash equivalent and total current assets were NT$968 million and NT$3,269 million, respectively. Accounts receivable were NT$934 million. This was an increase of NT$13 million from the previous quarter due to increase in revenues. Inventory was NT$1,203 million. This was an increase of NT$141 million sequentially.

Total liabilities increased by NT$893 million from the previous quarter primarily as a result of the changes in operating liabilities, cash dividends and bonus payable.

Net working capital stood at NT$1,425 million. Current ratio declined to 1.77.

A/R turnover days were 36, maintained the same level with the previous quarter.

Days of inventory were 52, compared with 50 from the previous quarter, a slightly increase but maintained at acceptable level.

August 15, 2008

## IV. Cash Flow Analysis

| In NT$M | 2Q'08 | 1Q'08 | 2Q'07 |
|---|---|---|---|
| - Net Income | 192 | 187 | 145 |
| - Depreciation & Amortization | 63 | 57 | 49 |
| - Other OP Sources (uses) | (318) | (87) | (377) |
| **From Operation** | (63) | 157 | (183) |
| - Acquisition of Fixed Assets | (73) | (32) | (100) |
| - Available-for-Sale Financial Assets | 1 | 1 | 115 |
| - Other Investing Sources (uses) | (13) | (20) | 0 |
| **From Investment** | (85) | (51) | 15 |
| - Repayment of L-T Loans | (1) | (1) | (1) |
| - Other Financing Sources (uses) | 2 | 3 | 2 |
| **From Financing** | 1 | 2 | 1 |
| Net Cash Position Change | (147) | 109 | (167) |
| Beginning Cash Balance | 1,115 | 1,006 | 786 |
| **Ending Cash Balance** | 968 | 1,115 | 619 |

During the second quarter of 2008, cash outflow from operating activities totaled NT$63 million. This was primarily the result of NT$192 million in net income and NT$63 million in depreciation and amortization, offset in part by NT$318 million in net cash used by changes in operating assets and liabilities.

Net cash used in investing activities totaled NT$85 million, mainly due to capital expenditures of NT$73 million, partially offset by NT$12 million in other investing uses.

We generated NT$ 1 million from financing activities during the quarter.

As a result, GUC's ended this quarter with a cash balance of NT$968 million.

## V. Recap of Recent Announcements & Achievements

- We announced the first full services SiP production flow in the Fabless ASIC industry.
- We have established very sophisticated design methodology and infrastructure capable of handing more than 50 million gates of design complexity in 65nm, 40nm technologies.
- We have started the 1$^{st}$ 32 nm test-chip.
- We won Deloitte Taiwan Technology Fast 50 Award with 339% growth in revenues and 586% in profits during 2005-2007.
- We were ranked No.3 of 50 Best Operating Performance Companies by Common Wealth Magazine.

August 15, 2008

## Profile

Founded in 1988, Global Unichip Corporation (GUC) has since been a pioneer in the SoC (System on Chip) Design Foundry industry. GUC is a publicly traded company on the Taiwan Stock Exchange under the symbol 3443. The company is headquartered in Hsinchu of Taiwan, with design centers and branch offices in China, Europe, Japan, Korea and the U.S. GUC provides total solutions from silicon-proven IPs to complex time-to-market SoC turnkey services. GUC is committed to providing the most advanced and the best price-performance silicon solutions through close partnership with tsmc, GUC's major shareholder, and other key packaging and testing power houses. With state of the art EDA tools, advanced methodologies, and experienced technical team, GUC ensures the highest quality and lowest risks to achieve first silicon success. GUC offers services to customers throughout Greater China, Japan, Korea, North America, and Europe. Our track-record in complex SoC designs has brought benefits to customers in time to revenue at the lowest risk.

For more information about GUC, please visit our company website at
http://www.globalunichip.com