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## Global Unichip Corp. (GUC) Reports Financial Results for 3Q'08

### *Company's 3Q'08 sales set record high in 10<sup>th</sup> consecutive quarters*

Hsinchu -- November 13, 2008 -- Global Unichip Corporation (TAIEX: 3443) today announced another record third-quarter revenues of NT\$2,522 million along with operating income of NT\$192 million, net income of NT\$205 million and earnings per share (EPS) of NT\$1.66 dollars.

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### **3Q'08 Financial Results Highlights:**

- Revenues were NT\$2,522 million, up NT\$237 million from NT\$2,285 million recorded in the second quarter of 2008. 3Q'08 revenues increased 38 percent compared with NT\$1,823 million in the previous year comparable quarter;
- Gross profit was NT\$513 million, or 20.3 percent of revenues. This was up 0.3 percentage sequentially and maintained above of our target model range level;
- Operating income of NT\$192 million, remained at about the same level sequentially;
- Total net income attributable to shareholders was NT\$205 million, up NT\$13 million, or 6.8% from the previous quarter;
- Earnings per share were NT\$1.66, representing an increase of 6.4% 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](http://www.globalunichip.com).

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## I. Revenues Analysis

<b>NRE</b>			
<b>By Technology</b>	<b>3Q'07</b>	<b>2Q'08</b>	<b>3Q'08</b>
65nm	2%	27%	52%
90nm	27%	37%	23%
0.13um	35%	24%	13%
0.18um Above	36%	12%	12%

In NRE segment, as the continued advanced technology migration trend, revenues from 65nm significant increased to 52% of total NRE sales in 3Q'08, up from 27% in 2Q'08 and 2% from a year ago. The 25% sequential increase was driven by 4 projects taped out during this quarter.

<b>Turnkey</b>			
<b>By Technology</b>	<b>3Q'07</b>	<b>2Q'08</b>	<b>3Q'08</b>
65nm	0%	1%	0%
90nm	4%	8%	11%
0.13um	61%	71%	67%
0.18um Above	35%	20%	22%

In Turnkey segment, revenues from advanced technologies (90nm and 65nm) contributed for 11% of total Turnkey sales in 3Q'08, slightly increased by 2% from the previous quarter and up 7% from a year ago.

<b>By Technology</b>	<b>3Q'07</b>	<b>2Q'08</b>	<b>3Q'08</b>
65nm	0%	4%	9%
90nm	7%	12%	13%
0.13um	58%	65%	57%
0.18um Above	35%	19%	21%

Overall, revenues from advanced technologies (90nm and 65nm) accounted for 9% and 13% of total sales in 3Q'08, respectively. This is our first time to reach at the low-20s percentage level of total sales from advanced technologies.

<b>By Application</b>	<b>3Q'07</b>	<b>2Q'08</b>	<b>3Q'08</b>
Communication	57%	62%	55%
Consumer	36%	32%	39%
Computer	3%	2%	4%
Others	4%	4%	2%

Revenues from communication declined 7% compared with the previous quarter and down 2% from the third quarter of last year. Overall, communication, consumer, and computer represented 55%, 39%, and 4% of total sales in 3Q'08, respectively.

<b>By Region</b>	<b>3Q'07</b>	<b>2Q'08</b>	<b>3Q'08</b>
USA	69%	74%	72%
Japan	18%	12%	13%
Taiwan	6%	4%	5%
China	4%	4%	7%
Europe	2%	3%	2%
Korea	1%	3%	1%

Geographically, revenues from the USA accounted for 72% of sales in 3Q'08. Meanwhile, sales from Japan, Taiwan, China, Europe, and Korea accounted for 13%, 5%, 7%, 2%, and 1% of total sales, respectively.

## II. Operating Results Review:

Unit: NT\$M

	3Q'08 w/ PSE (1)	2Q'08 w/ PSE (1)	QoQ	3Q'08 w/o PSE	3Q'07 (1)	YoY
<b>Net Sales</b>	<b>2,522</b>	<b>2,285</b>	<b>10%</b>	<b>2,522</b>	<b>1,823</b>	<b>38%</b>
NRE	438	265	65%	438	217	102%
Turn Key	2,020	1,978	2%	2,020	1,570	29%
Others	64	42	52%	64	36	78%
<b>Gross Margin</b>	<b>513</b>	<b>457</b>	<b>12%</b>	<b>521</b>	<b>359</b>	<b>45%</b>
%	<b>20.3%</b>	<b>20.0%</b>		<b>20.7%</b>	<b>19.7%</b>	
SG&A Exp	(118)	(101)	17%	(102)	(62)	65%
R&D Exp	(203)	(165)	23%	(174)	(123)	41%
<b>Operating Income</b>	<b>192</b>	<b>191</b>	<b>1%</b>	<b>245</b>	<b>174</b>	<b>41%</b>
%	<b>7.6%</b>	<b>8.4%</b>		<b>9.7%</b>	<b>9.5%</b>	
<b>Non-OP Income (Exp)</b>	<b>27</b>	<b>16</b>		<b>27</b>	<b>11</b>	
<b>Income Tax</b>	<b>(14)</b>	<b>(15)</b>		<b>(19)</b>	<b>(1)</b>	
<b>Net Income</b>	<b>205</b>	<b>192</b>	<b>7%</b>	<b>253</b>	<b>184</b>	<b>38%</b>
%	<b>8.1%</b>	<b>8.4%</b>		<b>10.0%</b>	<b>10.1%</b>	
<b>EPS (NT\$)</b>	<b>1.66</b>	<b>1.56</b>		<b>2.05</b>	<b>1.52</b>	

### (1) Reported number

We have three reportable segments: NRE, Turnkey, and Others.

3Q'08 revenues were 2,522 million, up NT\$237 million from NT\$2,285 million in 2Q'08; increased 38% compared with NT\$1,823 million in the previous year comparable quarter. The 10% sequential increase was driven by both the continued growth from Turnkey segment, as well as increased NRE projects taped-out in this quarter. This is our 10<sup>th</sup> consecutive quarters of growth in revenues.

Gross profit for 3Q'08 was NT\$513 million, which represents a quarter-over-quarter increase of 12.2%. Third quarter gross margin was 20.3%, slightly improved from 20.0% in 2Q'08, primarily due to the higher revenues contribution from NRE segment. Total PSE impact on gross margin was 0.4 percent in 3Q'08, maintained about at the same level sequentially.

In 3Q'08, operating expenses were NT\$203 million for R&D or 8.0% of revenues and NT\$118 million for SG&A or 4.7% of revenues, compared to NT\$165 million or 7.2% of revenues and NT\$101 million or 4.4% of revenues in 2Q'08. The dollar increased was primarily attributable to increase in employee-related expenses together with the increase in costs related to development of ICs, expansion of our IP portfolio and EDA tool investment. Overall, total PSE impact on operating margin was 2.1 percent in 3Q'08.

Total net income attributable to shareholders was NT\$205 million in this quarter.

### III. Financial Condition Review

Unit: NT\$M

	3Q'07	2Q'08	3Q'08
<b>Assets</b>			
Cash	1,062	968	848
A/R and N/R - Net	727	934	975
Inventory	844	1,203	1,124
Other current assets	162	164	240
<b>Total Current Assets</b>	<b>2,795</b>	<b>3,269</b>	<b>3,187</b>
<b>Long Term Investment</b>	<b>11</b>	<b>33</b>	<b>36</b>
<b>Net Fixed Assets</b>	<b>432</b>	<b>466</b>	<b>473</b>
<b>Other Assets</b>	<b>223</b>	<b>337</b>	<b>355</b>
<b>Total Assets</b>	<b>3,461</b>	<b>4,105</b>	<b>4,051</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>	<b>1,335</b>	<b>1,845</b>	<b>1,537</b>
<b>Long-term Liabilities</b>	<b>41</b>	<b>18</b>	<b>46</b>
<b>Total Liabilities</b>	<b>1,376</b>	<b>1,863</b>	<b>1,583</b>
<b>Shareholders' Equity</b>			
Common shares	1,148	1,154	1,243
Other equities	937	1,088	1,225
<b>Total Shareholders' Equity</b>	<b>2,085</b>	<b>2,242</b>	<b>2,468</b>

#### Key Indices

	3Q'07	2Q'08	3Q'08
Current ratio(%)	209.45	177.22	207.43
A/R turnover days	41	36	35
Inv. turnover days	52	52	48
Net Working Capital (NT\$M)	1,461	1,425	1,650

As of 09/30/2008, we had NT\$848 million in cash and cash equivalents, a decrease of NT\$120 million from NT\$968 million as of 06/30/2008. Accounts receivable were NT\$975 million. This was an increase of NT\$41 million from the previous quarter due to increase in revenues. Inventory was NT\$1,124 million. This was a decrease of NT\$79 million sequentially.

Total liabilities decreased by NT\$280 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\$1,650 million. Current ratio improved to 207%.

A/R turnover days were 35, continued to maintain the strong collection performance.

Days of inventory further down to 48 compared with 52 in 2Q'08.

## IV. Cash Flow Analysis

Unit: NT\$M

	3Q'07	2Q'08	3Q'08
<b>Cash Flow from Operating Activities:</b>	<b>612</b>	<b>(64)</b>	<b>338</b>
Net Income	184	192	205
Depreciation & Amortization	49	63	70
Other Op Sources/(Uses)	379	(319)	63
<b>Cash Flow from Investing Activities:</b>	<b>(20)</b>	<b>(84)</b>	<b>(67)</b>
Acquisition of Fixed Assets	(7)	(18)	(47)
Acquisition of Deferred Assets	(13)	(55)	(22)
Other Investing Sources/(Uses)	0	(11)	2
<b>Cash Flow from Financing Activities:</b>	<b>(149)</b>	<b>1</b>	<b>(391)</b>
Long-Term Liabilities	(1)	(1)	(1)
Option Exercise	5	2	19
Cash Dividends and Bonus	(153)	0	(412)
Other Financing Sources/(Uses)	0	0	3
<b>Net Cash Position Change</b>	<b>443</b>	<b>(147)</b>	<b>(120)</b>
<b>Beginning Cash Balance</b>	<b>619</b>	<b>1,115</b>	<b>968</b>
<b>Ending Cash Balance</b>	<b>1,062</b>	<b>968</b>	<b>848</b>

Operating activities generated cash of NT\$338 million during the third quarter of 2008. This was primarily the result of NT\$205 million in net income plus NT\$70 million in depreciation and amortization. Additionally, changes in operating assets and liabilities resulted in a net increase in cash flow from operations.

Investing activities have consisted primarily of purchases and sales of financial assets, purchase of property and equipment and long-term investment. Investing activities used cash of NT\$67 million during the third quarter mainly due to the acquisition of fixed and deferred assets of NT\$69 million, partially offset by NT\$2 million in other investing uses.

Net cash used by financing activities during the quarter primarily due to NT\$412 million paid towards our cash dividend and employee bonus, offset by cash proceeds of NT\$19 million from common stock issued under our employs stock option plans.

At September 30, 2008, we had NT\$848 million in cash and cash equivalents.

## V. Recap of Recent Achievements

- We expanded our SiP provision to embedded RF devices and successfully delivered mobile TV SiP module.
- We have established very sophisticated design methodology and infrastructure for design complexity over 50 million gates in 65nm and 40nm technologies.
- We were ranked No.3 of 50 Best Operating Performance Companies in 2007 by Common Wealth Magazine.
- Harvard Business School published a business case study about GUC in June, 2008.
- We consistently won Deloitte Taiwan 2008 Technology Fast 50 Award.
- We were awarded the Technology Fast 500 Asia Pacific 2008 by Deloitte.

## Profile

Founded in 1998, 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>