

Global Unichip Corp. (GUC) Reports Financial Results for 1Q'09

Hsinchu – April 28, 2009 -- Global Unichip Corporation (TAIEX: 3443) today announced first quarter 2009 revenue of NT\$1,883 million, operating income of NT\$99 million, net income of NT\$119 million and earnings per share (EPS) of NT\$0.95.

Financial summary:

In NT\$M, except EPS and percentages	Three months ended		QoQ	Three months ended	YoY
	03/31/2009	12/31/2008		03/31/2008	
Revenue	1,883	2,291	-18%	2,184	-14%
Operating income	99	164	-40%	190	-48%
Net income	119	163	-27%	187	-36%
Earnings per share (EPS)	0.95	1.32	-28%	1.52	-38%
Cash flow from operations	491	153	221%	157	213%

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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Sales data

We have three reportable operating segments: NRE, turnkey, and others.

Revenue for the first quarter was NT\$1,883 million, down NT\$301 million, or 14 percent from the year-ago quarter, due to the lower revenue contributed from turnkey segment. Compared with the previous quarter, revenue declined NT\$408 million, or 18 percent.

The following table presents net sales from each of our reported segment and its respective contribution to net sales for the periods indicated:

(In NT\$M, except percentages)	Three months ended 3/31/2009		Three months ended 12/31/2008		QoQ	Three months ended 3/31/2008		YoY
	Amount	% of net sales	Amount	% of net sales		Amount	% of net sales	
NRE	418	22%	441	19%	-5%	319	15%	31%
Turnkey	1,422	76%	1,796	79%	-21%	1,836	84%	-23%
Others	43	2%	54	2%	-20%	29	1%	48%
Net sales	1,883	100%	2,291	100%	-18%	2,184	100%	-14%

NRE segment delivered solid revenue growth this quarter. It increased 31 percent from the year-ago quarter. The increase in net sales of NRE segment resulted primarily from strong growth driven by record-breaking of 6 design completions in 65nm technology node. As a leader in the design service industry, we anticipate continuing design win in 40nm projects.

Our turnkey revenue was temporarily slowed down by this global market recession. The pace of turnkey revenue decline in the first quarter was resulted from reduced demand across the overall supply chain.

The following tables present net sales by segment, technology, region, and application for the periods indicated:

NRE by Technology (In NT\$M, except percentages)	Three months ended 03/31/2009		Three months ended 12/31/2008		Three months ended 03/31/2008	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
40nm	25	6%	7	2%	-	0%
65nm	129	31%	190	43%	71	22%
90nm	154	37%	124	28%	83	26%
0.13um	37	9%	47	11%	118	37%
0.18um Above	73	17%	73	16%	47	15%
Net sales	418	100%	441	100%	319	100%

40nm NRE revenue grew 253 percent sequentially. Revenue contributed from advanced technologies (90nm, 65nm, and 40nm) accounted for 74 percent of net sales in NRE segment during this quarter.

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Turnkey by Technology <small>(In NT\$M, except percentages)</small>	Three months ended 03/31/2009		Three months ended 12/31/2008		Three months ended 03/31/2008	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
65nm	66	5%	14	1%	7	0%
90nm	56	4%	275	15%	174	9%
0.13um	978	69%	1,183	66%	1,261	69%
0.18um Above	322	22%	324	18%	394	22%
Net sales	1,422	100%	1,796	100%	1,836	100%

65nm turnkey revenue grew 364 percent sequentially. It was the second consecutive quarter we anticipated revenue contributed from 65nm technology node.

By Technology <small>(In NT\$M, except percentages)</small>	Three months ended 03/31/2009		Three months ended 12/31/2008		Three months ended 03/31/2008	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
40nm	25	2%	7	0%	-	0%
65nm	212	11%	208	9%	86	4%
90nm	211	11%	412	18%	257	12%
0.13um	1,020	54%	1,246	54%	1,393	64%
0.18um Above	415	22%	418	19%	448	20%
Net sales	1,883	100%	2,291	100%	2,184	100%

As we continued to head the industry in providing advanced process design and turnkey services, it was the third consecutive quarter of the revenue contribution from advanced technologies reported greater than 20 percent of net sales.

By Application <small>(In NT\$M, except percentages)</small>	Three months ended 03/31/2009		Three months ended 12/31/2008		Three months ended 03/31/2008	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
Communication	1,131	60%	1,105	48%	1,334	61%
Consumer	618	33%	1,021	45%	753	35%
Computer	94	5%	118	5%	68	3%
Others	40	2%	47	2%	29	1%
Net sales	1,883	100%	2,291	100%	2,184	100%

Revenue in communication application declined 15 percent year-over-year. The declined revenue in consumer application was severely impacted by the worldwide economic turmoil.

In summary, communication, consumer, and computer represented 60 percent, 33 percent, and 5 percent of net sales in 1Q'09, respectively.

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By Region (In NT\$M, except percentages)	Three months ended 03/31/2009		Three months ended 12/31/2008		Three months ended 03/31/2008	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
USA	1,301	69%	1,515	66%	1,693	78%
Japan	325	17%	248	11%	264	12%
Taiwan	107	6%	229	10%	79	4%
China	70	4%	205	9%	55	3%
Korea	52	3%	26	1%	60	2%
Europe	28	1%	68	3%	33	1%
Net sales	1,883	100%	2,291	100%	2,184	100%

Revenue in the USA region decreased 23 percent compared to the year-ago quarter. Revenue in the China, Taiwan, and Japan regions continued to grow this quarter despite the declined total sales from the year-ago quarter.

Net sales, cost of sales, and gross margin

(In NT\$M, except percentages)	Three months ended 3/31/2009		Three months ended 12/31/2008		QoQ	Three months ended 3/31/2008		YoY
	Amount	% of net sales	Amount	% of net sales		Amount	% of net sales	
Net sales	1,883	100.0%	2,291	100.0%	-18%	2,184	100.0%	-14%
Cost of sales	1,404	74.6%	1,813	79.1%	-23%	1,731	79.4%	-19%
Gross profit	479	25.4%	478	20.9%	0%	453	20.7%	6%

Gross profit for the first quarter of 2009 was NT\$479 million, or 25.4 percent of net sales, up 6 percent from the year-ago quarter. Compared with the previous quarter, gross profit was remained flat.

Gross margin for the first quarter of 2009 reached to 25.4 percent, due to the favorable impact of product mix.

Sales, marketing, general and administrative and research and development expenses

(In NT\$M, except percentages)	Three months ended 3/31/2009		Three months ended 12/31/2008		QoQ	Three months ended 3/31/2008		YoY
	Amount	% of net sales	Amount	% of net sales		Amount	% of net sales	
SG&A Exp	146	7.8%	135	5.9%	8%	95	4.4%	54%
R&D Exp	234	12.4%	188	8.2%	24%	166	7.6%	41%
Total operating expenses	380	20.2%	323	14.1%	18%	261	12.0%	46%

Operating expenses for the first quarter of 2009 were NT\$234 million for R&D and NT\$146 million for SG&A.

R&D expense increased NT\$46 million, or 24 percent, from the previous quarter primarily due to engineer cost and increased internal tape-out expense.

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SG&A expense increased NT\$11 million, or 8 percent, from the previous quarter due to a combination of the doubtful accounts reservation, lower employee profit sharing expenses, and lower travelling expenses.

R&D, combined SG&A expenses, were 20.2 percent of net sales in 1Q'09, 14.1 percent of net sales in 4Q'08, and 12.0 percent of net sales in 1Q'08.

In NT\$M, except shares and EPS	Three months ended								
	03/31/2009			12/31/2008			03/31/2008		
	Net Income	Shares (million)	EPS (NT\$)	Net Income	Shares (million)	EPS (NT\$)	Net Income	Shares (million)	EPS (NT\$)
	119	125.06	0.95	163	123.44	1.32	187	122.78	1.52

Earnings per share (EPS) are computed by dividing net income by the weighted-average number of common shares outstanding during the reporting period.

Earnings per share were NT\$ 0.95 per share, compared with NT\$1.52 per share from the year-ago quarter and NT\$1.32 for the previous quarter.

Financial condition review

	Unit: NT\$M		
	1Q'08	4Q'08	1Q'09
Assets			
Cash	1,115	871	747
Available-for-sale financial assets	0	0	560
A/R and N/R - Net	921	861	883
Inventory	1,062	1,152	1,001
Other current assets	189	212	215
Total Current Assets	3,287	3,096	3,406
Long Term Investment	12	49	54
Net Fixed Assets	435	487	471
Other Assets	329	389	348
Total Assets	4,063	4,021	4,279
Liabilities			
Current Liabilities	1,551	1,336	1,473
Long-term Liabilities	19	46	39
Total Liabilities	1,570	1,382	1,512
Shareholders' Equity			
Common shares	1,152	1,247	1,253
Other equities	1,341	1,392	1,514
Total Shareholders' Equity	2,493	2,639	2,767

Key indices

	1Q'08	4Q'08	1Q'09
Current ratio(%)	211.95	231.79	231.20
A/R turnover days	36	33	42
Inventory turnover days	50	49	70
Net Working Capital (NT\$M)	1,736	1,760	1,933

Accounts receivable were NT\$883 million. This was an increase of NT\$22 million from the previous quarter primarily due to increase in A/R turnover days.

Inventory was NT\$1,001 million. This was a decrease of NT\$151 million sequentially driven by lower level of revenue.

Total liabilities increased NT\$130 million from the previous quarter primarily as a result of increase by customer advances, income tax payable, and bonuses payable to employees, directors and supervisors offset by changes in operating liabilities.

Net working capital stood at NT\$1,933 million. Current ratio remained flat at 231.2% sequentially.

Increased in A/R turnover days and inventory turnover days were primarily due to the lower sequential level of revenue and cost of sales.

Cash flows summary

In NT\$M	Three months ended		
	03/31/2009	12/31/2008	03/31/2008
Cash provided by operating activities	491	153	157
Cash used in investing activities	(622)	(104)	(51)
Cash provided by financing activities	7	(26)	3
Net increase in cash and cash equivalents	(124)	23	109
Cash and cash equivalents at beginning of period	871	848	1,006
Cash and cash equivalents at end of period	747	871	1,115

As of 03/31/2009, we had an investment portfolio valued at NT\$1,307 million, consisting of NT\$747 million in cash and cash equivalents and NT\$560 million in available-for-sale financial assets.

Cash provided by operating activities totaled NT\$491 million during this quarter, an increase of NT\$338 million from the previous quarter, primarily due to NT\$298 million of the net changes in certain assets and liabilities.

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\$622

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million during this quarter mainly due to the acquisition of available-for-sale financial assets of NT\$ 560 million together with fixed, and deferred assets of NT\$19 million and NT\$39 million, respectively.

Financing activities generated NT\$7 million during the quarter primarily due to cash proceeds from common stock issued under our employee stock option plans.

Latest technologies and product development

- Successfully taped out 90nm GP5080 ARM7-based SSD (Solid State Drive) test-chip.
- Successfully taped out 40nm PCI-E GenII PHY test-chip.
- Launched the industry's first RF SiP production test solution for mobile TV tuner with Giga Solution. Our SiP service opens up a new way for worldwide customers who pursue time-to-market and time-to-volume.

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>