

Global Unichip Corp. (GUC) Reports Financial Results for 2Q'09

Hsinchu – August 6, 2009 -- Global Unichip Corporation (TAIEX: 3443) today reported results for its second quarter 2009 ended June 30, 2009. Net sales were NT\$2,035 million, operating income was NT\$106 million and net income was NT\$93 million, or NT\$0.74 per share.

Financial Summary

In NT\$, except EPS and percentage	Three months ended		QoQ	Three months ended	
	06/30/2009	03/31/2009		06/30/2008	YoY
Net Sales	2,035	1,883	8%	2,285	-11%
Income from Operations	106	99	7%	191	-45%
Net Income	93	119	-22%	192	-52%
EPS (NT\$)	0.74	0.95	-22%	1.55	-52%
Cash Flow from Operations	339	491	-31%	-64	-

Note: Year 2009 figures haven't been audited.

You can find more detailed financial information under Investor Relations
 @ [http:// www.globalunichip.com](http://www.globalunichip.com)

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Net Sales Analysis

In 2Q'09, net sales were NT\$2,035 million representing 8% growth in comparing to the revenue of NT\$1,883 million in 1Q'09. Net sales of the period declined 11% by comparing to the net sales of NT\$2,285 million in 2Q'08.

The following shows net sales for each reported segment and the comparison of QoQ and YoY.

(In NT\$M, except percentages)	Three months ended 06/30/2009		Three months ended 03/31/2009		QoQ	Three months ended 06/30/2008		YoY
	Amount	% of net sales	Amount	% of net sales		Amount	% of net sales	
	NRE	533	26%	418		22%	28%	
Turnkey	1,456	72%	1,422	76%	2%	1,978	86%	-26%
Others	46	2%	43	2%	7%	42	2%	10%
Net Sales	<u>2,035</u>	<u>100%</u>	<u>1,883</u>	<u>100%</u>	8%	<u>2,285</u>	<u>100%</u>	-11%

The increase of net sales in NRE segment resulted primarily from new product development and customers adopting more advanced technologies driven by the requirement of performance, power, leakage and ASP etc.,

Net sales in turnkey segment climbed slightly in 2Q'09 and turnkey demand of this period was not back to the level in the same period of time in 2008.

The table below shows net sales and ration in segment, technology, region, and application comparing to the previous quarter and the same period of time in 2008.

NRE by Technology (In NT\$M, except percentages)	Three months ended 06/30/2009		Three months ended 03/31/2009		Three months ended 06/30/2008	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
40nm	-	0%	25	6%	-	0%
65nm	393	74%	129	31%	70	27%
90nm	61	11%	154	37%	97	37%
0.13um	40	8%	37	9%	65	24%
0.18um Above	39	7%	73	17%	33	12%
Net Sales	533	100%	418	100%	265	100%

65nm NRE revenue grew significantly year-over-year.

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Turnkey by Technology (In NT\$M, except percentages)	Three months ended 06/30/2009		Three months ended 03/31/2009		Three months ended 06/30/2008	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
65nm	165	11%	66	5%	12	1%
90nm	67	5%	56	4%	162	8%
0.13um	797	55%	978	69%	1,395	71%
0.18um Above	426	29%	322	22%	407	20%
Net Sales	1,455	100%	1,422	100%	1,976	100%

65nm turnkey revenue grew significantly year-over-year

By Technology (In NT\$M, except percentages)	Three months ended 06/30/2009		Three months ended 03/31/2009		Three months ended 06/30/2008	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
40nm	-	0%	25	2%	-	0%
65nm	573	28%	212	11%	91	4%
90nm	133	7%	211	11%	263	12%
0.13um	857	42%	1,020	54%	1,477	65%
0.18um Above	472	23%	415	22%	454	19%
Net Sales	2,035	100%	1,883	100%	2,285	100%

Advanced technologies including 90, 65 and 40nm contributed about 30% of total sales in the first half of 2009.

By Application (In NT\$M, except percentages)	Three months ended 06/30/2009		Three months ended 03/31/2009		Three months ended 06/30/2008	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
Communication	1,213	60%	1,131	60%	1,426	62%
Computer	39	2%	94	5%	44	2%
Consumer	741	36%	618	33%	727	32%
Others	42	2%	40	2%	88	4%
Net Sales	2,035	100%	1,883	100%	2,285	100%

Communication products remained strong in the first half of 2009.

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By Reigon (In NT\$M, except percentages)	Three months ended 06/30/2009		Three months ended 03/31/2009		Three months ended 06/30/2008	
	Amount	% of net sales	Amount	% of net sales	Amount	% of net sales
Taiwan	66	3%	107	6%	73	4%
USA	1,328	65%	1,301	69%	1,696	74%
China	172	9%	70	4%	90	4%
Japan	328	16%	325	17%	276	12%
Korea	109	5%	52	3%	77	3%
Europe	32	2%	28	1%	73	3%
Net Sales	2,035	100%	1,883	100%	2,285	100%

Sales in USA were still dominant and Sales in Japan grew in the first half of 2009.

Net Sales, Cost of Sales and Gross Margin

(In NT\$M, except percentages)	Three months ended 06/30/2009		Three months ended 03/31/2009		QoQ	Three months ended 06/30/2008		YoY
	Amount	% of net sales	Amount	% of net sales		Amount	% of net sales	
Net Sales	2,035	100.0%	1,883	100.0%	8%	2,285	100.0%	-11%
Cost of sales	1,615	79.4%	1,404	74.6%	15%	1,828	80.0%	-12%
Gross profit	420	20.6%	479	25.4%	-12%	457	20.0%	-8%

Gross margin was 20.6% in 2Q'09 which was 4.8% lower than 1Q'09's. Due to major NRE sales mix recognized at later stage therefore diluted the gross margin in 2Q'09.

Expenses in Sales, Marketing, General, Administration, Research and Development

(In NT\$M, except percentages)	Three months ended 06/30/2009		Three months ended 03/31/2009		QoQ	Three months ended 06/30/2008		YoY
	% of net		% of net			% of net		
	Amount	sales	Amount	sales		Amount	sales	
SG&A Exp	114	5.6%	146	7.8%	-22%	101	4.4%	13%
R&D Exp	200	9.8%	234	12.4%	-15%	165	7.2%	21%
Total operating expenses	314	15.4%	380	20.2%	-17%	266	11.6%	18%

The reason of decrease in research and development expense for 2Q'09 was caused by less IP tapeout for validation comparing to the first quarter.

Lower SG&A expense was mainly because of less bad debt reservation.

In NT\$M, except shares and EPS	Three months ended 06/30/2009			Three months ended 03/31/2009			Three months ended 06/30/2008		
	Net Income	Shares (million)	EPS (NT\$)	Net Income	Shares (million)	EPS (NT\$)	Net Income	Shares (million)	EPS (NT\$)
	93	125.35	0.74	119	125.35	0.95	192	123.44	1.55

Earnings per share were NT\$0.74, compared with NT\$1.55 from the year-ago quarter and NT\$0.95 for the previous quarter.

Financial Condition Review

	Unit: NT\$M		
	2Q'09	1Q'09	2Q'08
Assets			
Cash	854	747	968
Available-for-sale financial assets	741	560	0
A/R and N/R - Net	827	883	934
Inventory	952	1,001	1,203
Other current assets	220	215	164
Total Current Assets	3,594	3,406	3,269
Long Term Investment	55	54	33
Net Fixed Assets	479	471	466
Other Assets	347	348	337
Total Assets	4,475	4,279	4,105
Liabilities			
Current Liabilities	1,855	1,473	1,845
Long-term Liabilities	47	39	18
Total Liabilities	1,902	1,512	1,863
Shareholders' Equity			
Common shares	1,256	1,253	1,154
Other equities	1,317	1,514	1,088
Total Shareholders' Equity	2,573	2,767	2,242

Key Indices

	2Q'09	1Q'09	2Q'08
Current ratio(%)	193.75	231.20	177.22
A/R turnover days	39	42	36
Inventory turnover days	64	70	52
Net Working Capital (NT\$M)	1,739	1,933	1,425

As of 06/30/2009, we had NT\$1,595 million in cash and cash equivalents, an increase of NT\$288 million from NT\$1,307 million as of 03/31/2009. Account receivable and inventory were NT\$827 million and NT\$952 million respectively.

Total liabilities increased by NT\$390 million from the previous quarter primarily resulting from cash dividend payable.

Net working capital stood at NT\$1,739 million. Current ratio decreased to 194%.

A/R turnover days further improved to 39. Days of inventory also improved to 64 compared with 70 in 1Q'09.

Cash flow analysis

	Unit: NT\$M				
	2Q'09	1Q'09	4Q'08	3Q'08	2Q'08
Cash Flow from Operating Activities:	339	491	153	338	(64)
Net Income	93	119	163	205	192
Depreciation & Amortization	70	74	73	70	63
Other Op Sources/(Uses)	176	298	(83)	63	(319)
Cash Flow from Investing Activities:	(234)	(622)	(104)	(67)	(84)
Acquisition of Available-for-sale Financial Assets	(180)	(560)	0	0	0
Acquisition of Fixed Assets	(22)	(19)	(30)	(47)	(18)
Acquisition of Deferred Assets	(32)	(39)	(65)	(22)	(55)
Other Investing Sources/(Uses)	0	(4)	(9)	2	(11)
Cash Flow from Financing Activities:	2	7	(26)	(391)	1
Long-Term Liabilities	0	0	0	(1)	(1)
Option Exercise	2	7	6	19	2
Cash Dividends and Bonus	0	0	(32)	(412)	0
Other Financing Sources/(Uses)	0	0	0	3	0
Net Cash Position Change	107	(124)	23	(120)	(147)
Beginning Cash Balance	747	871	848	968	1,115
Ending Cash Balance	854	747	871	848	968

Cash generated from operating activities totaled NT\$339 million in the second quarter, a decrease of NT\$152 million comparing to the previous quarter. It was primarily due to less cash inflow from the net change in operating assets and liabilities.

Investing activities used cash of NT\$234 million in the second quarter mainly due to the acquisition of financial assets.

Financing activities generating NT\$2M during the quarter primarily due to proceeds from common stock issued under our employee stock option plans.

As of 06/30/2009, we had NT\$854 million in cash, an increase of NT\$107 million from NT\$747 million in the first quarter.

Achievements

- GUC ranked Top 29 and 28 in IC Design Companies Worldwide by Sales in 2008 and 1Q'09 respectively.
- GUC successfully engaged 40nm customers projects in 1Q'09.
- GUC achieved record-high NRE sales in 2Q'09.
- Sales in advanced technologies have contributed about 30% of total sales in 1H'09.

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>