

Global Unichip Corp. (GUC) Reports Financial Results for 1Q10

Hsinchu – April 28, 2010 -- Global Unichip Corporation (TAIEX: 3443) today reported financial results for its first quarter ended March 31, 2010. Net sales were NT\$2,157 million, operating income was NT\$105 million and net income was NT\$114 million, or NT\$0.86 per share (diluted).

Financial Summary

<i>(In NT\$M except EPS and percentage)</i>	1Q10	4Q09	QoQ	1Q09	YoY
Net Sales	2,157	2,124	2%	1,883	15%
Income from Operations	105	63	67%	99	6%
Net Income	114	69	65%	119	-4%
EPS (NT\$)	0.86	0.52	65%	0.91	-5%
Cash Flow from Operations	192	-110	NA	491	-61%

Please visit GUC's website ([http:// www.globalunichip.com](http://www.globalunichip.com)) for details.

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Net Sales Analysis

Net sales in 1Q10 were NT\$2,157 million, representing a 2% increase from 4Q09 and a 15% increase compared with 1Q09.

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

	1Q10		4Q09		QoQ	1Q09		YoY
	Amount	% of net sales	Amount	% of net sales		Amount	% of net sales	
(In NT\$M except percentages)								
NRE	345	16%	348	17%	-1%	418	22%	-17%
Turnkey	1,774	82%	1,747	82%	2%	1,422	76%	25%
Others	38	2%	29	1%	31%	43	2%	-12%
Net Sales	<u>2,157</u>	<u>100%</u>	<u>2,124</u>	<u>100%</u>	<u>2%</u>	<u>1,883</u>	<u>100%</u>	<u>15%</u>

The decrease of 1% in NRE segment compared with 4Q09 was mainly due to delay of some tape-outs in 1Q10.

Tables below show sales and ratios in segment, technology, region, and application compared with the previous quarter and the same period of time in 2009.

NRE by Technology <i>(In NT\$M except percentages)</i>	1Q10		4Q09		1Q09	
	Amount	%	Amount	%	Amount	%
40nm	0	0%	1	0%	25	6%
65nm	254	73%	216	62%	129	31%
90nm	34	10%	63	18%	154	37%
0.13um	22	7%	19	6%	37	9%
0.18um Above	35	10%	49	14%	73	17%
Total	345	100%	348	100%	418	100%

Due to stronger demand, revenues from 65nm accounted for 73% of NRE revenues in 1Q10, compared with 62% in 4Q09. Overall, revenues from advanced technologies including 40/65/90nm accounted for 83% of NRE revenues in 1Q10, three percentage points increase from 4Q09, and nine percentage points increase from 1Q09.

Turnkey by Technology <i>(In NT\$M except percentages)</i>	1Q10		4Q09		1Q09	
	Amount	%	Amount	%	Amount	%
65nm	204	12%	351	20%	66	5%
90nm	113	6%	203	12%	56	4%
0.13um	1,165	66%	820	47%	978	69%
0.18um Above	292	16%	373	21%	322	22%
Total	1,774	100%	1,747	100%	1,422	100%

Revenues from advanced technologies represented 18% of Turnkey revenues in 1Q10, fourteen percentage points decrease from 4Q09, but nine percentage points increase from 1Q09.

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Net Sales by Technology <i>(In NT\$M except percentages)</i>	1Q10		4Q09		1Q09	
	Amount	%	Amount	%	Amount	%
40nm	0	0%	1	0%	25	2%
65nm	462	21%	572	27%	212	11%
90nm	170	8%	270	13%	211	11%
0.13um	1,187	55%	849	40%	1,020	54%
0.18um Above	338	16%	432	20%	415	22%
Total	2,157	100%	2,124	100%	1,883	100%

Advanced technologies including 40/65/90nm accounted for 29% of net sales in 1Q10.

Net Sales by Application <i>(In NT\$M except percentages)</i>	1Q10		4Q09		1Q09	
	Amount	%	Amount	%	Amount	%
Communication	1,477	69%	1,272	60%	1,131	60%
Computer	67	3%	62	3%	94	5%
Consumer	583	27%	732	34%	618	33%
Others	30	1%	58	3%	40	2%
Total	2,157	100%	2,124	100%	1,883	100%

Due to stronger demand from wired communication, revenues from communication increased to 69% of net sales in 1Q10, nine percentage points up from prior quarter.

Net Sales by Reigon <i>(In NT\$M except percentages)</i>	1Q10		4Q09		1Q09	
	Amount	%	Amount	%	Amount	%
Taiwan	123	6%	98	5%	107	6%
USA	1,497	69%	1,534	72%	1,301	69%
China	87	4%	80	4%	70	4%
Japan	168	8%	154	7%	325	17%
Korea	175	8%	184	9%	52	3%
Europe	107	5%	74	3%	28	1%
Total	2,157	100%	2,124	100%	1,883	100%

Because one of the U.S. customers was acquired by one European company in 2009, revenues from the U.S. accounted for 69% of net sales in 1Q10, three percentage points decline from 4Q09.

Net Sales, Cost of Sales and Gross Margin

	1Q10		4Q09		QoQ	1Q09		YoY
	Amount	% of net sales	Amount	% of net sales		Amount	% of net sales	
<i>(In NT\$M except percentages)</i>								
Net Sales	2,157	100.0%	2,124	100.0%	2%	1,883	100.0%	15%
Cost of sales	1,738	80.6%	1,719	80.9%	1%	1,404	74.6%	24%
Gross profit	419	19.4%	405	19.1%	3%	479	25.4%	-13%

Gross margin in 1Q10 was 19.4%. The 0.3 percentage point increase in gross margin was primarily due to overall better-gross-margin NRE projects in 1Q10.

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

	1Q10		4Q09		QoQ	1Q09		YoY
	Amount	% of net sales	Amount	% of net sales		Amount	% of net sales	
<i>(In NT\$M except percentages)</i>								
SG&A Exp	100	4.6%	121	5.7%	-17%	146	7.8%	-32%
R&D Exp	214	9.9%	221	10.4%	-3%	234	12.4%	-9%
Total operating expenses	314	14.5%	342	16.1%	-8%	380	20.2%	-17%

Total operating expenses in 1Q10 decreased by NT\$28 million to NT\$314 million, representing 14.5% of net sales, compared to 16.1% of net sales in 4Q09. The decrease in SG&A expense was due to no reserve of bad debt in 1Q10.

	1Q10			4Q09			1Q09		
	Net Income	Shares (million)	EPS (NT\$)	Net Income	Shares (million)	EPS (NT\$)	Net Income	Shares (million)	EPS (NT\$)
<i>(In NT\$M except shares and EPS)</i>									
	114	132.145	0.86	69	130.951	0.52	119	130.951	0.91

Net income in 1Q10 was NT\$114 million and diluted EPS was NT\$0.86 in 1Q10.

Financial Condition Review

	Unit: NT\$M		
	1Q09	4Q09	1Q10
Assets			
Cash	747	620	840
Available-for-sale financial assets	560	170	170
A/R and N/R - Net	883	1,061	975
Inventory	1,001	1,178	1,270
Other current assets	215	241	380
Total Current Assets	3,406	3,270	3,635
Long Term Investment	54	74	75
Net Fixed Assets	471	441	434
Other Assets	348	289	250
Total Assets	4,279	4,074	4,394
Liabilities			
Current Liabilities	1,473	1,276	1,432
Long-term Liabilities	39	20	20
Total Liabilities	1,512	1,296	1,452
Shareholders' Equity			
Common shares	1,253	1,320	1,322
Other equities	1,514	1,458	1,620
Total Shareholders' Equity	2,767	2,778	2,942

Key Indices

	1Q09	4Q09	1Q10
Current ratio(%)	231.20	256.30	253.74
A/R turnover days	42	42	43
Inv. turnover days	70	65	64
Net Working Capital (NT\$M)	1,933	1,994	2,203

At the end of 1Q10, we had NT\$840 million in cash, an increase of NT\$220 million from 4Q09. Account receivable and inventory were NT\$975 million and NT\$1,270 million respectively.

Total liabilities increased to NT\$1,452 million by NT\$156 million due to increase of account payables and customer advances.

Net working capital was at NT\$2,203 million and current ratio was 253.74%.

Days of A/R turnover and Inventory turnover were 43 and 64 respectively.

Cash flow analysis

Unit: NT\$M

	1Q09	2Q09	3Q09	4Q09	1Q10
Cash Flow from Operating Activities:	491	339	(149)	(110)	192
Net Income	119	93	132	69	114
Depreciation & Amortization	74	70	71	71	71
Other Op Sources/(Uses)	298	176	(352)	(250)	7
Cash Flow from Investing Activities:	(622)	(234)	509	(61)	(23)
Acquisition of Available-for-Sale Financial Assets	(560)	(180)	(150)	(230)	(60)
Acquisition of Fixed Assets	(19)	(22)	(14)	(5)	(10)
Acquisition of Deferred Assets	(39)	(32)	(68)	(20)	(12)
Proceeds from Disposal of Available-for-Sale Financial Assets	0	0	741	210	60
Other Investing Sources/(Uses)	(4)	0	0	(16)	(1)
Cash Flow from Financing Activities:	7	2	(428)	5	51
Option Exercise	7	2	2	5	2
Cash Dividends and Bonus	0	0	(430)	0	0
Other Financing Sources/(Uses)	0	0	0	0	49
Net Cash Position Change	(124)	107	(68)	(166)	220
Beginning Cash Balance	871	747	854	786	620
Ending Cash Balance	747	854	786	620	840

Cash generated from operating activities totaled NT\$192 million in 1Q10, an increase of NT\$302 million compared to the previous quarter. It was primarily due to more cash inflow from net income.

Investing activities used cash of NT\$23 million in 1Q10 mainly due to the acquisition fixed and deferred assets.

Financing activities generated NT\$51 million in 1Q10 due to capital surplus from donation.

Achievements

- Revenues from advanced technologies (40/65/90nm) accounted for 83% of 1Q10 NRE revenue, up nine percentage points year-over-year.
- Revenues from advanced technologies (40/65/90nm) accounted for 29% of 1Q10 revenue, up five percentage points year-over-year.
- Stronger demand from wired communication in 1Q10.

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>