



Press Release

- Unisem recorded RM170 million revenue in 1Q 2006, 48.8% growth from 1Q 2005
- Profit before taxation grew 55.5% to RM28.7 million from 4Q 2005
- Net income rose 82.6% to RM21.9 million from 4Q 2005

Kuala Lumpur, 8 May 2006 – Unisem (M) Berhad today announced results for the fourth quarter ended 31 March 2006(**1Q06**).

The Unisem Group recorded revenue of RM170.0 million for 1Q06, an increase of 1.3% compared to RM167.8 million in the prior quarter (**4Q05**). Profit before taxation grew 55.5% to RM28.7 million from 4Q05. Net profit of the Group for 1Q06 rose 82.6% to RM21.9 million compared to net income of RM12.0 million in 4Q05.

Correspondingly the Group's 1Q06 revenue represents an increase of 48.8% compared to RM114.3 million in the same quarter a year ago (**1Q05**). Group profit before taxation and net profit for 1Q06 grew significantly from the pre-tax loss of RM3.9 million and net loss of RM5.2 million in 1Q05.

The improved profit before taxation and net profit in 1Q06 was mainly attributable to the profit contribution from Unisem (Europe) Limited and higher unrealized foreign exchange gain.

At Unisem Europe, the Group's operations in Wales, UK, revenue for 1Q06 rose significantly by 46.0% to RM23.0 million compared to RM15.8 million in 1Q05. Unisem Europe recorded a profit before taxation of RM1.4 million in 1Q06 compared to a net loss of RM5.7 million in 1Q05. The improvement is mainly a result of the increased sales volume and on-going cost management and product and services rationalization.

Group earnings before interest, tax, depreciation and amortisation (**EBITDA**) margin improved further to 37.7% in 1Q06 compared to 34.7% in 4Q05. The improvement was mainly due to increased revenue, improved average selling prices and higher capacity utilization. Equipment capacity utilisation maintain at about 80% in 1Q06 from 4Q05.

Group's capital expenditure committed in 1Q06 was RM37.3 million, principally for construction of cleanroom facilities and factory buildings, purchases of equipment for packaging, wafer bumping and final test activities.

Outlook

The managing director, Mr John Chia commented, "The first quarter performance was generally in-line with the Group's expectation. The Board expects the Group's revenue and earnings to further improve for the remaining period till the end of the financial year."