



## Press Release

- At half time, Unisem turned in RM342.8 million revenue, an impressive year-on-year growth of 39%, and RM38.3 million net profit for the 6-month ended 30 June 2006
- Unisem recorded RM172.8 million revenue in 2Q 2006, 30.7% growth from 2Q 2005
- Profit before taxation grew about 4-fold to RM21.0 million from 2Q 2005
- Net income rose about 8 times to RM16.1 million from 2Q 2005

**Kuala Lumpur, 3 August 2006** – Unisem (M) Berhad today announced results for the second quarter ended 30 June 2006(2Q06).

The Unisem Group recorded revenue of RM172.8 million for 2Q06, an increase of 1.6% compared to RM170.0 million in the prior quarter (1Q06). Profit before taxation decline 26.8% to RM21.0 million from 1Q06. Net profit after MI of the Group for 2Q06 declined 27.4% to RM16.1 million compared to net income after MI of RM22.2 million in 1Q06. The decline in profits was mainly due to lower unrealized foreign exchange gains recognized in 2Q06.

Correspondingly the Group's 2Q06 revenue represents an increase of 30.7% compared to RM132.2 million in the same quarter a year ago (2Q05). Group profit before taxation and net profit for 2Q06 grew significantly from the pre-tax income of RM5.0 million and net profit of RM1.6 million in 2Q05. The improved revenue, profit before taxation and net profit in 2Q06 was mainly attributable to the increase in sales volume, higher utilization of installed capacity and improved revenue and profit contribution from Unisem (Europe) Limited.

For 6-month ended 30 June 2006 (H12006), the Group recorded revenue of RM342.8 million, an increase of 39.1% from the revenue of RM246.5 million in the corresponding period ended 30 June 2005 (H12005). Net profit after MI for H12006 was at RM38.3 million compared to net loss after MI of RM3.5 million in H12005. The improved revenue, profit before taxation and net profit in H12006 was mainly attributable to the increase in sales volume, higher utilization of installed capacity and improved revenue and profit contribution from Unisem (Europe) Limited as well as the unrealized foreign exchange gains recognized in H12006.

At Unisem Europe, the Group's operations in Wales, UK, revenue for 2Q06 grew 15.6% to RM21.4 million compared to RM18.5 million in 2Q05. Unisem Europe recorded a profit before taxation of RM2.7 million in 2Q06 compared to a net loss of RM2.9 million in 2Q05. 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 was about 33.2% in 2Q06 compared to 27.2% in 2Q05. The improvement was mainly due to increased revenue and higher capacity utilization. Equipment capacity utilisation maintained at about 80% in 2Q06.

Group's capital expenditure incurred in 2Q06 was about RM65.4 million, principally for purchases of packaging and final test equipment for Unisem Chengdu and Unisem (M) Berhad and wafer bumping equipment for Unisem-Advanpack.

### Outlook

The managing director, Mr John Chia commented, "The Board of Directors remains positive on the overall semiconductor market. However due to overall cautiousness in the industry the Directors expect the demand for the Group's products and services to be level in the third quarter."