



Press Release

- Unisem turned in RM521.0 million revenue, a notable year-on-year growth of 29.9%, and RM56.3 million net profit for the 9-month ended 30 September 2006
- Unisem recorded RM178.2 million revenue in 3Q 2006, 15.3% growth from 3Q 2005
- Profit before taxation grew 9.9% to RM22.2 million from 3Q 2005
- Net profit after MI rose about 31.0% to RM18.0 million from 3Q 2005

Kuala Lumpur, 6 November 2006 – Unisem (M) Berhad today announced results for the third quarter ended 30 September 2006(3Q06).

The Unisem Group recorded revenue of RM178.2 million for 3Q06, an increase of 3.0% compared to RM172.8 million in the prior quarter (2Q06). Profit before taxation grew 5.6% to RM22.2 million from 2Q06. Net profit after MI of the Group for 3Q06 increased 11.6% to RM18.0 million compared to net income after MI of RM16.1 million in 2Q06.

Correspondingly the Group's 3Q06 revenue represents an increase of 15.3% compared to RM154.6 million in the same quarter a year ago (3Q05). Group profit before taxation and net profit after MI for 3Q06 grew 9.9% and 31.0% respectively from the pre-tax income of RM20.2 million and net profit of RM13.7 million in 3Q05. The improvement in revenue and net profit was mainly due to increased sales volume, and higher utilisation of installed capacity lower.

For 9-month ended 30 September 2006 (9m06), the Group recorded revenue of RM521.0 million, an increase of 29.9% from the revenue of RM401.1 million in the corresponding period ended 30 September 2005 (9m05). Net profit after MI for 9m06 was at RM56.3 million a remarkable increase of 450% compared to RM10.2 million in 9m05. The improved revenue, profit before taxation and net profit in 9m06 was mainly attributable to the increase in sales volume, higher utilization of installed capacity, higher unrealised foreign exchange gains as well as additional revenue and profit contribution from Unisem (Europe) Limited.

Group earnings before interest, tax, depreciation and amortisation (EBITDA) margin was about 33% in 3Q06 compared to about 34% in 3Q05. Equipment capacity utilisation maintained at about 80% in 3Q06.

Group's capital expenditure incurred in 3Q06 was about RM40.4 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 expects the positive trend of the industry to continue. The Group is expected to perform satisfactory in the final quarter resulting in a significant annual revenue and earnings growth compared to those achieved in financial year 2005."