



Press Release

Unisem recorded RM161.1 million revenue, RM27.6 million in net income in 2Q 2007

Kuala Lumpur, 2 August 2007 – Unisem (M) Berhad today announced results for the second quarter ended 30 June 2007 (**2Q07**).

- The Unisem Group recorded revenue of RM161.1 million for 2Q07, an increase of 9.6% compared to RM147.0 million in the prior quarter (**1Q07**). Profit before taxation increase 203.1% to RM22.5 million from 1Q07. Net profit after MI of the Group for 2Q07 grew 890.2% to RM27.9 million from 1Q07.
 - The improvement in revenue was mainly due to higher sales volume. The improvement in net profit was attributable to recognition of other operating income by its China subsidiary, the reversal of deferred taxation expenses due to early adoption of revised FRS112 'Income Taxes' and lower interest expenses.
- Correspondingly the Group's 2Q07 revenue represents a decline of 6.8% compared to RM172.8 million in the same quarter a year ago (**2Q06**). Group profit before taxation and net profit for 2Q07 grew from the pre-tax income of RM21.0 million and net profit of RM15.6 million in 2Q06. For the 6-month ended 30 June 2007 (**H12007**), the Group recorded revenue of RM308.1 million, a decline of 10.1% from the revenue of RM342.8 million in the corresponding period ended 30 June 2006 (**H12006**). Net profit after MI for H12007 was at RM30.1 million compared to RM37.5 million in H12006.
 - The decline in revenue was mainly due to lower average selling prices affected by the weakening of the US Dollar against the Malaysian Ringgit. The decrease in net profit was attributable to lower revenue achieved, lower foreign exchange gains and higher losses incurred by its European subsidiary. However, the decrease in net profit has been partly offset by the recognition of other operating income by its China subsidiary and impact of the reversal of deferred taxation expenses upon early adoption of revised FRS 112.

Group earnings before interest, tax, depreciation and amortisation (**EBITDA**) margin was about 33.8% in 2Q07 compared to 27.7% in 1Q07. The improvement was mainly due to increased revenue and higher capacity utilization. Equipment capacity utilisation maintained at about 73% in 2Q07.

Group's capital expenditure incurred in 2Q07 was about RM28.4 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 Directors expect the Group's revenue and earnings in the third quarter to improve significantly from the previous quarter and that the business of the Group for the remaining period to the end of the financial year would remain satisfactory."