



# UNISEM (M) BERHAD

(183314-V)

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## Press Release

- **Unisem revenue grew 16.9% to RM154.6 Million, a record quarterly revenue**
- **Net income rose to RM13.7 million for the quarter**
- **Declares interim dividend of 3 sen tax-exempt**

**Kuala Lumpur, 19 October 2005** – Unisem (M) Berhad today announced results for the third quarter ended 30 September 2005 (**3Q05**).

The Group's revenue for the 3-month ended 30 September 2005 rose 16.9% to RM154.6 million compared to RM132.2 million in the prior quarter (**2Q05**). Net profit of the Group for 3Q05 increased to RM13.7 million compared to net income of RM1.6 million in 2Q05.

Correspondingly the Group's 3Q05 revenue represents an increase of 2.3% compared to RM151.1 million in the same quarter a year ago (**3Q04**). Net profit for 3Q05 was 51.6% higher than the net income of RM9.0 million in 3Q04.

At Unisem Europe, the Group's operations in Wales, UK, revenue for 3Q05 was RM22.3 million, compared to RM18.5 million in 2Q05. This represents a sequential quarterly growth of 20.5%. Unisem Europe recorded a marginal net loss of RM0.33 million in 3Q05 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 rose significantly to 37% in 3Q05 compared to 27% in 2Q05. Net profit margin for 3Q05 rose to 8.9% compared to 1.2% in 2Q05. The higher margins during the quarter were mainly due to increased revenue contribution from the newer products and high-end services and improved capacity utilization. Equipment capacity utilisation rose to about 70% in 3Q05 from about 62% in 2Q05.

Capital expenditure committed in 3Q05 was RM83.2 million, principally for equipment, construction of cleanroom facilities and factory buildings. Total capital expenditure committed in the 9-month period ended 30 September 2005 was RM148.2 million.

- At Unisem Chengdu, the Group's operations in Chengdu, China, the construction of a 320,000 sq ft semiconductor assembly and test facility is going on as planned. The construction is expected to be completed by end of 2005 and commercial production is planned for first quarter 2006. For 2005 capital expenditure on Unisem Chengdu facility is budgeted at USD20 million, primarily for the construction works.
- At Unisem-Advanpack Technologies, the Group's wafer bumping project, the construction of the 20,000sq ft wafer bump fab was completed in August 2005. Commercial production will commence before the end of fourth quarter 2005. For 2005 capital expenditure on the wafer bump project is budgeted at USD11.6 million, primarily for the equipment, cleanroom installation and construction works.

## Outlook

The managing director, Mr John Chia commented, "At Unisem, we saw a sequential quarterly growth of 16.9% in revenue due to strong demand for our products and services for Q305. We expect revenue and earnings to further improve for the remaining period till the end of the financial year."

Mr. Chia concluded: "The Company's Board of Directors has declared a tax-exempt interim dividend of RM0.03 per share. Payment will be made on 22 November 2005 to shareholders."