



## ChipMOS REPORTS FIRST QUARTER RESULTS

Hsinchu, Taiwan, May 4, 2006 – ChipMOS TECHNOLOGIES (Bermuda) LTD. ("ChipMOS" or the "Company") (Nasdaq: IMOS) today reported unaudited consolidated financial results for the first quarter ended March 31, 2006. All U.S. dollar figures in this release are based on the exchange rate of NT\$32.46 against US\$1.00 as of March 31, 2006.

Revenue for the first quarter of 2006 was NT\$4,367.1 million or US\$134.5 million, an increase of 30.8% from NT\$3,339.5 million or US\$102.9 million for the same period in 2005 and an increase of 2.0% from NT\$4,282.9 million or US\$131.9 million in fourth quarter of 2005. On a consolidated basis, the gross margin for the first quarter of 2006 was 31.5%, compared to 20.3% for the same period in 2005 and 31.5% for the fourth quarter of 2005. Net income for the first quarter of 2006 was NT\$601.6 million or US\$18.5 million, and NT\$8.86 or US\$0.27 per common share, compared to net income of NT\$173.5 million or US\$5.3 million, and NT\$2.58 or US\$0.08 per common share, for the same period in 2005 and net income of NT\$475.8 million or US\$14.7 million, and NT\$7.03 or US\$0.22 per common share, for the fourth quarter of 2005.

The unaudited consolidated financial results of ChipMOS for the first quarter ended March 31, 2006 included the financial results of ChipMOS TECHNOLOGIES INC., ChipMOS Japan Inc., ChipMOS U.S.A., Inc., ChipMOS TECHNOLOGIES (H.K.) Limited, MODERN MIND TECHNOLOGY LIMITED and its wholly-owned subsidiary ChipMOS TECHNOLOGIES (Shanghai) LTD., and ThaiLin Semiconductor Corp.

S.J. Cheng, Chairman and Chief Executive Officer of ChipMOS, said, "We are pleased with our performance in this quarter, as we were able to deliver an approximately 30% growth in our top-line compared to the same period in 2005. Our performance during the first quarter of 2006 was primarily driven by strong demand for our DDR II DRAM and flash businesses. Notably, the transition to DDR II continues to gain momentum. We currently expect DDR II memory will exceed DDR in quantity in the second quarter of this year and revenue from DDR II will contribute significantly to our revenue from memory semiconductors in the fourth quarter of 2006. For the LCD driver IC business, revenue was down by 5% compared to the fourth quarter of last year due to lower utilization rates of TCP for monitor applications, primarily resulting from seasonal effects."

S.K. Chen, Chief Financial Officer of ChipMOS, said, "Our revenue growth and product mix, combined with our continued focus on expenses, resulted in another strong quarter for ChipMOS. Our gross margin of 31.5% during the first quarter of 2006 was higher than previously expected. However, we lowered our capital expenditures budget in the first quarter of 2006 due to our revised outlook for LCD driver IC demand in the second quarter and excess TSOP assembly capacity following the DDR II transition. We will continue to invest carefully as we work to align our resources with market demands."

Looking forward, Cheng, commented, "We remain cautiously optimistic about our business for the near and long-term. The ramp-up of our flash business is in line with our expectations. In the LCD driver IC segment, we have strategically concentrated our services on LCD TV applications that we currently expect to be high growth and employed our proprietary COF technology. While sales of LCD TVs remained strong in the first quarter, there was a downturn in the LCD panel market due to seasonality. We currently expect a growth period for LCD TVs will occur in the second half of this year due to price reductions. In addition, we expect other LCD segments, like monitors, will also back on track in the second half reflecting normal trends. We currently expect this to lead to a growth for our LCD business in the second half this year compared to the first half. We currently also expect our DDR II business to be our major contributor to revenue growth this year as the long awaited transition from DDR to DDR II driven by favorable market prices appears to finally be occurring. ChipMOS is a strategic partner to our key customers as we assist them in solving DDR II capacity shortage problems. As a result, based on current customer forecasts, and the exchange rate of NT\$32.46 against US\$1.00, we currently expect revenue for the second quarter of 2006 will be in the range of approximately US\$137 million to US\$143 million, with gross margin on a consolidated basis in the range of approximately 27% to 30%. We expect lower gross margin in the second quarter compared to the first quarter primarily because we are expecting lower utilization rates in LCD and DDR production lines and higher depreciation cost from capacity prepared for production needs in the second half this year."

### Investor Conference Call / Webcast Details

ChipMOS will review detailed first quarter 2006 results on Wednesday, May 3, 2006 at 7:00PM ET (7:00AM, May 4, Taiwan time). The conference call-in number is 1-201-689-8562. A live webcast of the conference call will be available at ChipMOS' website at <http://www.chipmos.com.tw/>. The playback will be available in 2 hours after the conclusion of the conference call and will be accessible by dialing 1-201-612-7415. The account number to access the replay is 3055 and the confirmation ID number is 200216.

## **About ChipMOS TECHNOLOGIES (Bermuda) LTD.:**

ChipMOS (<http://www.chipmos.com.tw>) is a leading independent provider of semiconductor testing and assembly services to customers in Taiwan, Japan, and the U.S. With advanced facilities in Hsinchu and Southern Taiwan Science Parks in Taiwan and Shanghai, ChipMOS and its subsidiaries provide testing and assembly services to a broad range of customers, including leading fabless semiconductor companies, integrated device manufacturers and independent semiconductor foundries.

## **Forward-Looking Statements**

Certain statements contained in this announcement may be viewed as "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual performance, financial condition or results of operations of the Company to be materially different from any future performance, financial condition or results of operations implied by such forward-looking statements. Further information regarding these risks, uncertainties and other factors is included in the Company's most recent Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the "SEC") and in the Company's other filings with the SEC.

[Please click here for financial statements.](#)

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