WPG Holdings Ltd.
(3702 TT/3702.TW)
1H09 Earning Release

Sep. 3rd~4th, 2009

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- These forward-looking statements, which may include statements regarding WPG' future results of operations, financial condition or business prospects, are subject to significant risks and uncertainties and are based on WPG' current expectations.
- Actual results may differ materially from those expressed or implied in these forward-looking statements for a variety of reasons, including, among other things: the cyclical nature of our industry; our dependence on introducing new products on a timely basis; our dependence on growth in the demand for our products; our ability to compete effectively; our ability to successfully expand our capacity; our dependence on key personnel; general economic and political conditions, including those related to the IC industry; possible disruptions in commercial activities caused by natural and human-induced disasters, including terrorist activity and armed conflict; and fluctuations in foreign currency exchange rates.
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Result Highlights

Unit:NT$million

item	2Q09	2Q09 Guidance	1Q09	2Q08	*QoQ(%)*	*YoY(%)*
Net Sales	47,154	41~44BN	37,189	34,670	26.8	36.0
Gross Margin	5.82%	*5.5% ~ 5.7%*	5.65%	5.78%	+17 bp	+4 bp
Operating Income	1,071		748	861	43.1	24.3
Operating Margin	2.27%	*1.9% ~ 2.2%*	2.01%	2.48%	+26 bp	-21 bp
Net Income	799		542	546	47.5	46.3
EPS (NT$)(1)	0.90		0.64	0.73	40.4	24.1
Net Book Value (NT$)	21.02					
Total Assets	55,120		50,597	42,358		
Total Liabilities	36,713		31,244	29,644		
Total Equity	18,407		19,353	12,714		
Net Working Capital	21,634		20,019	23,032		
Free Cash Flow	(950)		6,318	1,553		
KEY Indices(2)						
ROWC	*19.80%*		*14.95%*	*14.96%*	+485 bp	+484 bp
NWC/Sales	*0.11*		*0.13*	*0.17*		
ROE	*17.37%*		*11.20%*	*17.19%*	+617 bp	+18 bp
Gearing	0.27		0.17	0.86		

(1).Weighted average shares outstanding
(2).Annualized

Result Highlights (pro forma)

Unit:NT$million

item	2Q09	1Q09	2Q08	QoQ(%)	YoY(%)
Net Sales	47,154	38,723	41,452	21.8	13.8
Gross Margin	5.82%	5.70%	5.87%	+12 bp	-5 bp
Operating Expenses	(1,671)	(1,458)	(1,513)	14.7	10.5
Operating Income	1,071	750	920	42.9	16.4
Operating Margin	2.27%	1.94%	2.22%	+34 bp	+5 bp
Net Income	799	549	542		
Inventory	14,613	15,889	18,642		
Net Working Capital	21,634	20,019	28,732		
Bank Borrowing	13,809	12,675	19,814		
Free Cash Flow	(816)	6,135	2,720		
KEY Indices(2)					
ROWC	*19.80%*	*14.98%*	*12.81%*	+482 bp	+699 bp
NWC/Sales	*0.11*	*0.13*	*0.17*		
ROE	*17.45%*	*11.68%*	*12.43%*	+576 bp	+502 bp
Gearing Ratio	0.27	0.17	0.87		

(1).Weighted average shares outstanding
(2).Annualized

Income Statements

Unit:NT$million

Item	2Q09	1Q09	QoQ(%)	2Q08	YoY(%)
Net operating Revenue	47,154	37,189	*26.8*	34,670	*36.0*
COGS	(44,412)	(35,090)	*26.6*	(32,667)	*36.0*
Gross Profit	2,742	2,100	*30.6*	2,003	*36.9*
Gross Margin	*5.82%*	*5.65%*		*5.78%*	
Operating Expenses	(1,671)	(1,351)	*23.7*	(1,142)	*46.3*
Operating Income	1,071	748	*43.1*	861	*24.3*
Operating Margin	*2.27%*	*2.01%*		*2.48%*	
Net Non-operating Items	(26)	(44)	*(41.7)*	(82)	*(68.9)*
Net Financing costs	(69)	(121)	*(42.9)*	(158)	*(56.3)*
Others	44	77		76	
Profit Before Tax/Minority	1,045	704	*48.4*	779	*34.2*
Tax	(238)	(185)		(233)	
Extraordinary Gain	-	23		-	
Minority/Accounting Principle Change	(8)	(1)		1	
Profit After Tax/Minority	799	542	*47.5*	546	*46.3*
Net Margin	*1.69%*	*1.46%*		*1.58%*	
EPS (NTD)(1)	0.90	0.64		0.73	
Tax %	23%	26%		30%	

(1).Weighted average shares outstanding

Balance Sheet

Unit:NT$million

item	2Q09 Amount	2Q09 %	1Q09 Amount	1Q09 %	2Q08 Amount	2Q08 %
Cash &Marketable Securities	7,748	*14*	7,807	*15*	3,508	*8*
Accounts Receivable - Trade	25,687	*47*	19,999	*40*	20,207	*48*
Inventory	14,613	*27*	15,889	*31*	13,940	*33*
Current Assets	52,052	*94*	47,611	*94*	39,755	*94*
Others	3,067	*6*	2,986	*6*	2,603	*6*
Total Assets	**55,120**	***100***	**50,597**	***100***	**42,358**	***100***
Current Interest-bearing Debt	11,679	*21*	10,375	*21*	12,538	*30*
Accounts Payble	18,665	*34*	15,870	*31*	11,115	*26*
Accured Liabilities and Others	3,926	*7*	2,357	*5*	3,304	*8*
Current Liabilities	34,271	*62*	28,602	*57*	26,957	*64*
Long-term Interest-bearing Debt	2,129	*4*	2,300	*5*	2,400	*6*
Others	312	*1*	343	*1*	287	*1*
Total Liabilities	**36,713**	***67***	**31,244**	***62***	**29,644**	***70***
Total Equity	**18,407**	***33***	**19,353**	***38***	**12,714**	***30***
KEY Indices						
Net Working Capital ($)	21,634		20,019		23,032	
AR Turnover (Days)	*46*		*45*		*56*	
Inventory Turnover (Days)	*33*		*39*		*41*	
AP Turnover (Days)	*31*		*32*		*32*	
Average Collection Periods (Days)	*48*		*52*		*65*	
Current Ratio	*152%*		*166%*		*147%*	
Gearing Ratio	*0.27*		*0.17*		*0.86*	

Cash Flows

Unit:NT$million	2Q09 *Amount*	1Q09 *Amount*	2Q08 *Amount*
-Net Income(1)	798	542	546
-Changes of NWC	(1,438)	5,612	790
-Adjustment & Others	(311)	163	217
From Operation	**(950)**	**6,318**	**1,553**
-Financial Instrument	286	370	(48)
-Capital Expenditure	175	(8)	(25)
-Others	244	12	36
From Investment	**705**	**374**	**(37)**
-Financial Debt	1,028	(6,674)	(2,262)
-ESOP	8	10	4
-Others	5	(32)	(0)
From Financing	**1,040**	**(6,695)**	**(2,258)**
Effect on changes of consolidated subsidiaries	0	703	(42)
Cumulative translation adjustments	(564)	730	5
Net Cash Position Change	**231**	**1,429**	**(780)**
Ending Cash Balance	**7,748**	**7,518**	**3,190**

(1).Minority interest is included.

Result Highlights

Unit:NT$million item	1H09 *Amount*	1H08 *Amount*	YoY (%)
Net Sales	84,343	69,424	21.5
Operating Income	1,819	1,660	9.6
Net Income	1,341	998	34.3
EPS (NTD)(1)	1.54	1.33	16.2
Total Assets	55,120	42,358	
Total Liabilities	36,713	29,644	
Total Equity	18,407	12,714	
Net Working Capital	21,634	23,032	
Free Cash Flow	5,367	2,884	
KEY Indices(2)			
ROWC	*16.82%*	*14.41%*	+240 bp
NWC/Sales	*0.13*	*0.17*	
ROE	*14.57%*	*15.71%*	-114 bp
Gearing	0.27	0.86	

(1).Weighted average shares outstanding

(2).Annualized

Income Statements

Unit:NT$million

Item	1H09	1H08	YoY(%)
Net operating Revenue	84,343	69,424	*21.5*
COGS	(79,501)	(65,488)	*21.4*
Gross Profit	4,842	3,936	*23.0*
Gross Margin	5.74%	5.67%	
Operating Expenses	(3,023)	(2,276)	*32.8*
Operating Income	1,819	1,660	*9.6*
Operating Margin	2.16%	2.39%	
Net Non-operating Items	(70)	(261)	*(73.4)*
Net Financing costs	(190)	(383)	*(50.2)*
Others	121	121	*(0.4)*
Profit Before Tax/Minority	1,750	1,399	*25.1*
Tax	(423)	(381)	*11.0*
Extraordinary Gain	23	-	*N/A*
Minority/Accounting Principle Change	(9)	(19)	*(55.0)*
Profit After Tax/Minority	1,341	998	*34.3*
Net Margin	*1.59%*	*1.44%*	
EPS (NTD)(1)	1.54	1.33	*16.17*
Tax%	24%	27%	

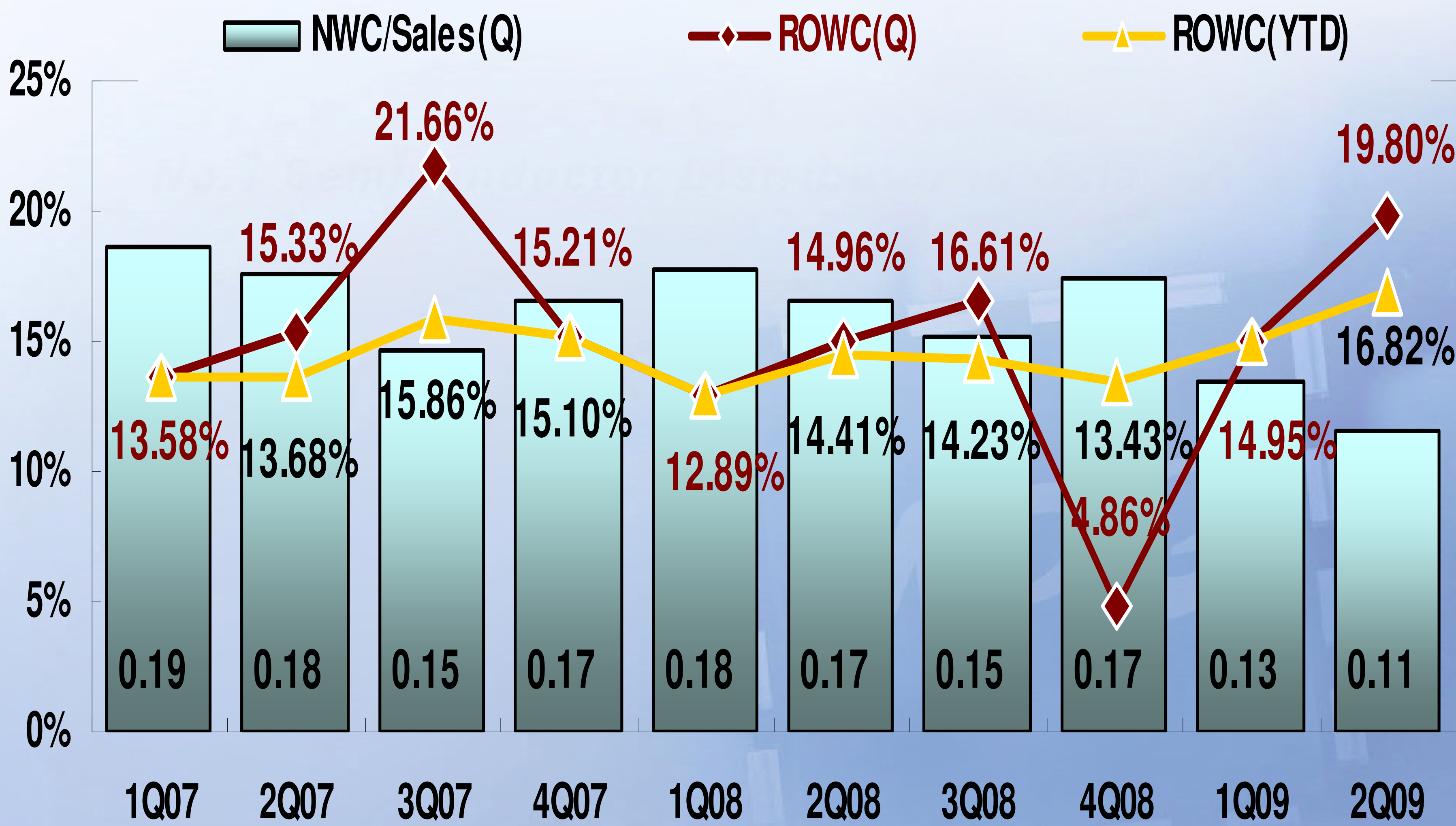
(1).Weighted average shares outstanding

Cash Flows

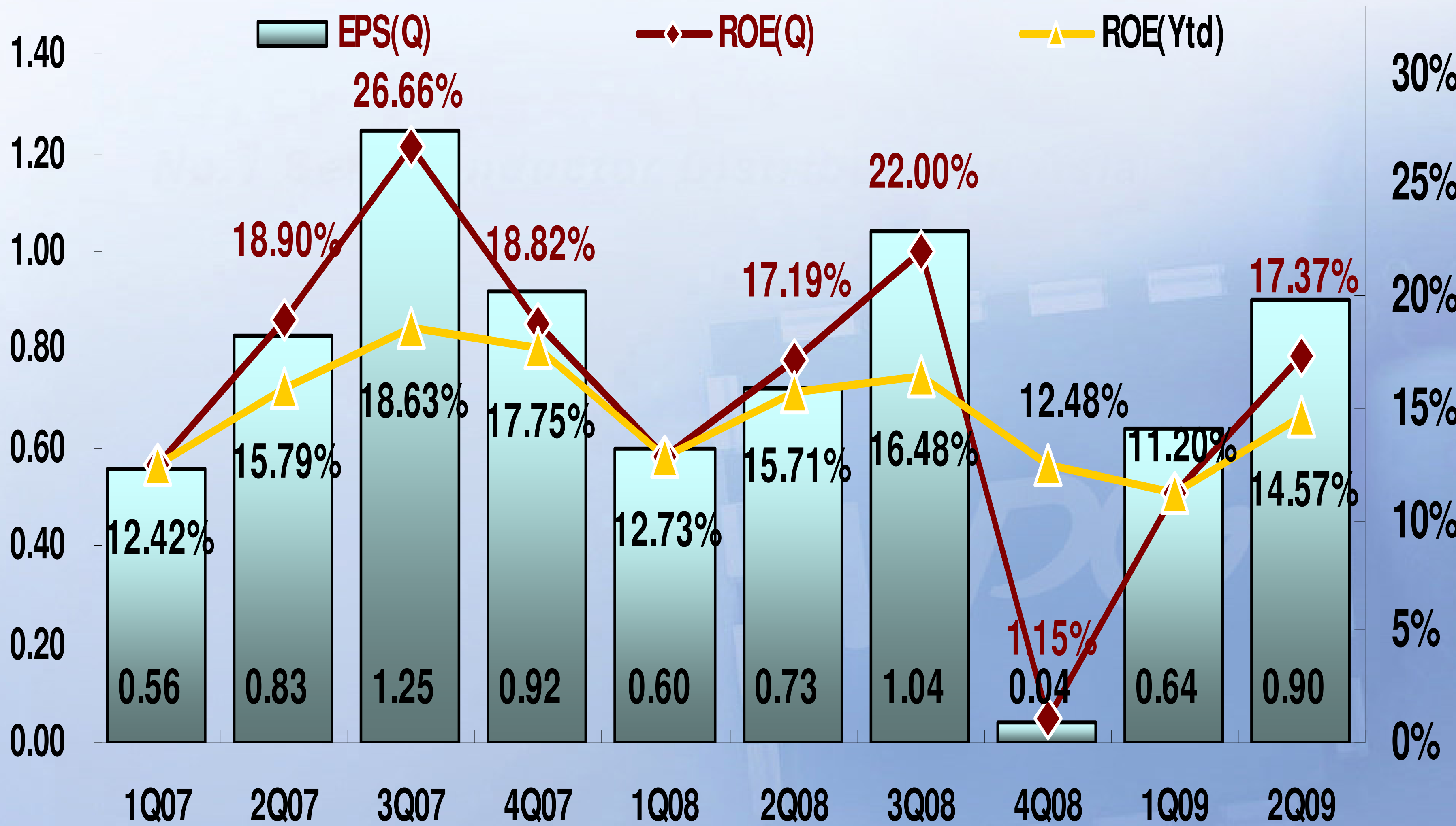
Unit:NT$million	1H09 *Amount*	1H08 *Amount*
-Net Income(1)	1,341	1,018
-Changes of NWC	4,174	2,063
-Adjustment & Others	(148)	(197)
From Operation	**5,367**	**2,884**
-Financial Instrument	656	548
-Capital Expenditure	167	(109)
-Others	255	35
From Investment	**1,079**	**474**
-Financial Debt	(5,646)	(3,447)
-ESOP	18	22
-Others	(27)	117
From Financing	**(5,655)**	**(3,307)**
Effect on changes of consolidated subsidiaries	**703**	(42)
Cumulative translation adjustments	**166**	(795)
Net Cash Position Change	**1,660**	**(786)**
Ending Cash Balance	**7,748**	**3,190**

(1).Minority interest is included.

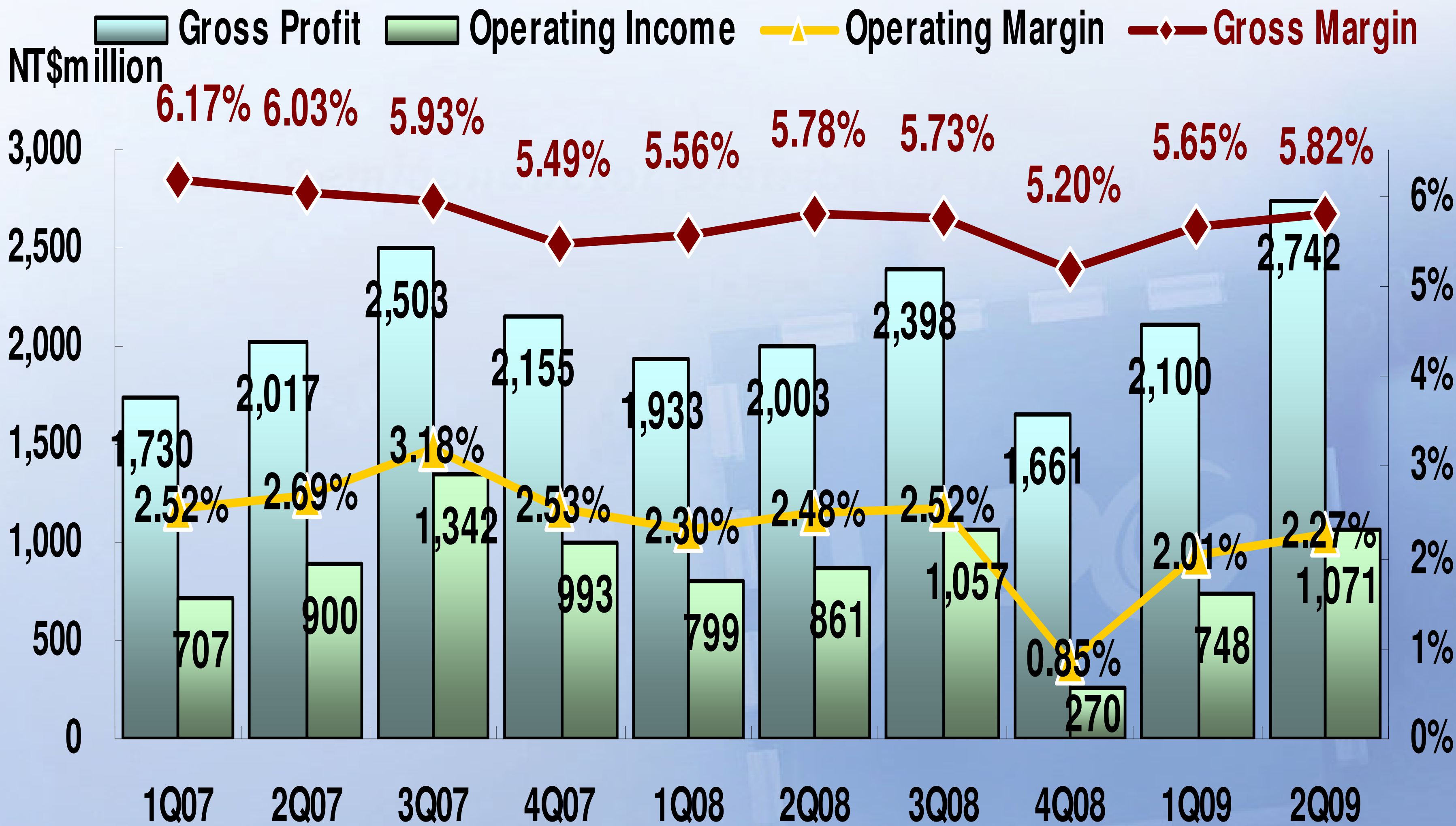
ROWC vs. NWC/Sales



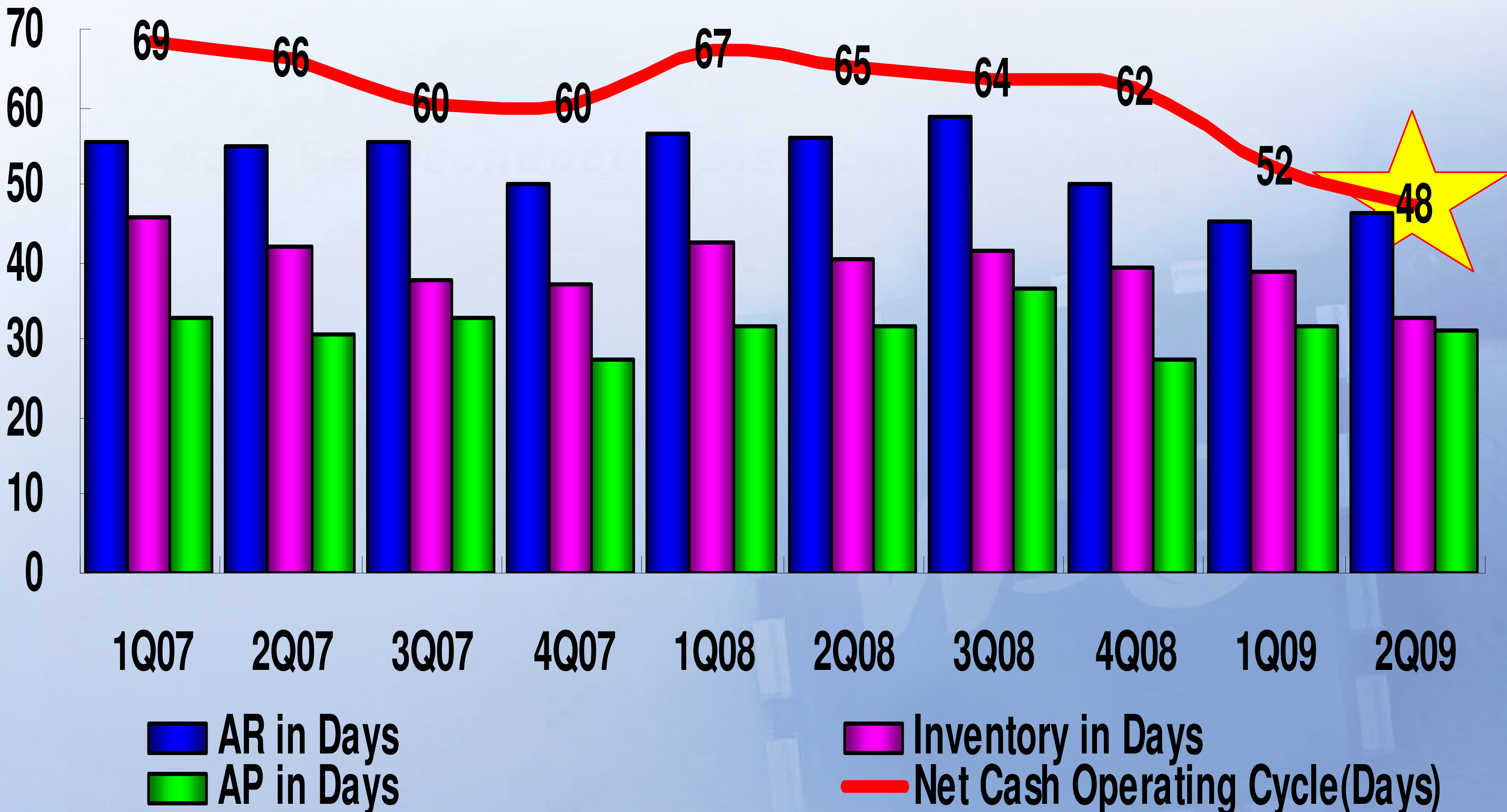
ROE vs. EPS


EPS(Q)
ROE(Q)
ROE(Ytd)
1.40
1.20
1.00
0.80
0.60
0.40
0.20
0.00
30%
25%
20%
15%
10%
5%
0%
26.66%
18.90%
18.82%
17.19%
22.00%
17.37%
18.63%
15.79%
17.75%
12.42%
12.73%
15.71%
16.48%
12.48%
11.20%
14.57%
1.15%
0.56
0.83
1.25
0.92
0.60
0.73
1.04
0.04
0.64
0.90
1Q07
2Q07
3Q07
4Q07
1Q08
2Q08
3Q08
4Q08
1Q09
2Q09

Gross Margin vs. Operating Margin



Operating Cash Cycle

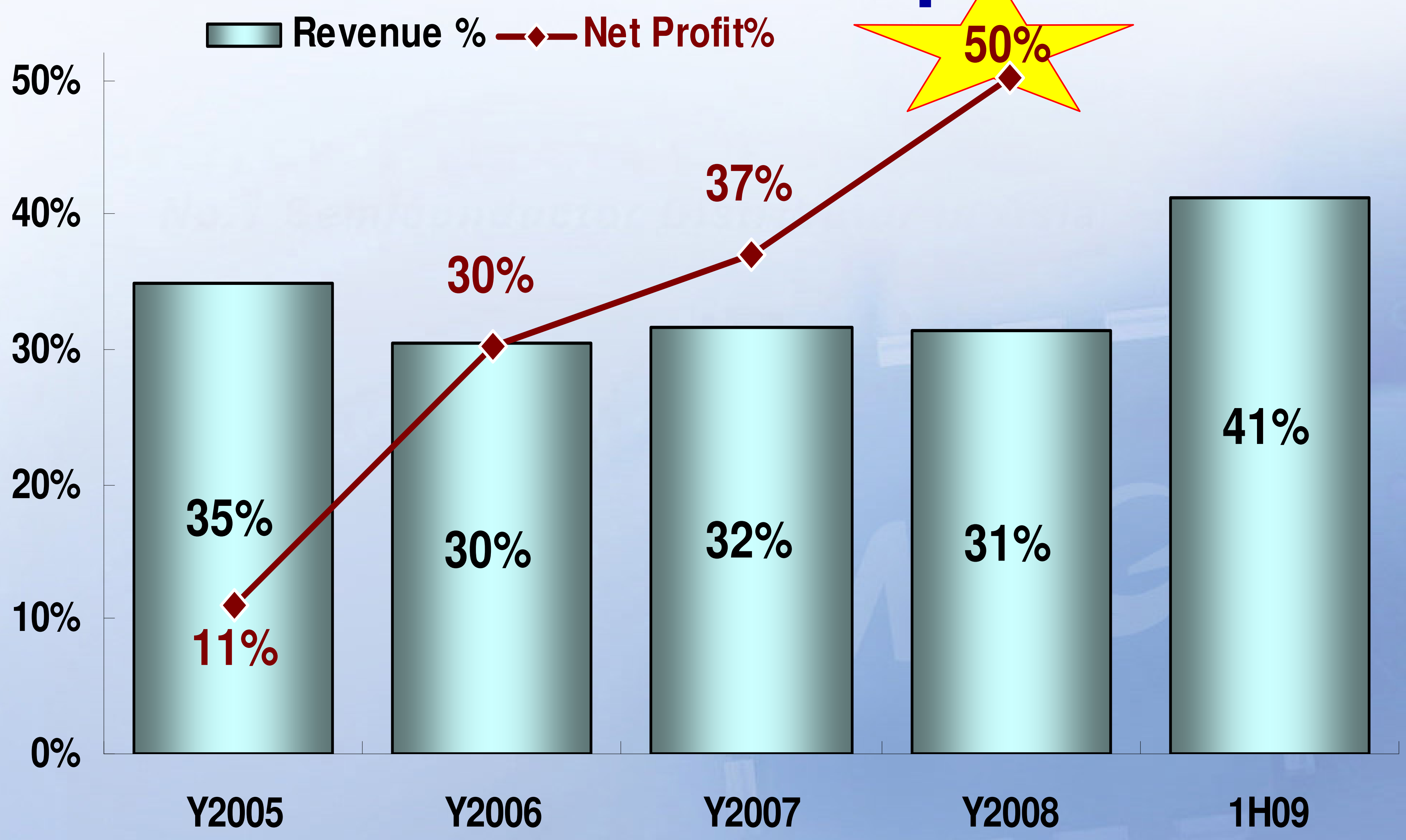


Consolidated Revenue

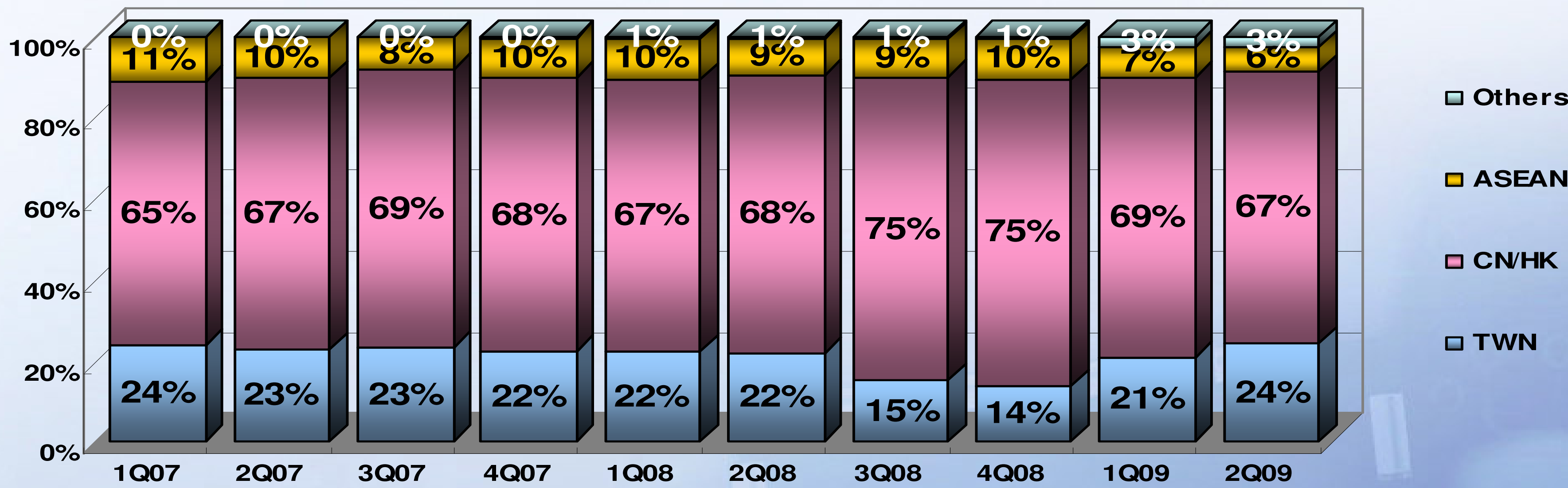
Unit:NT$million

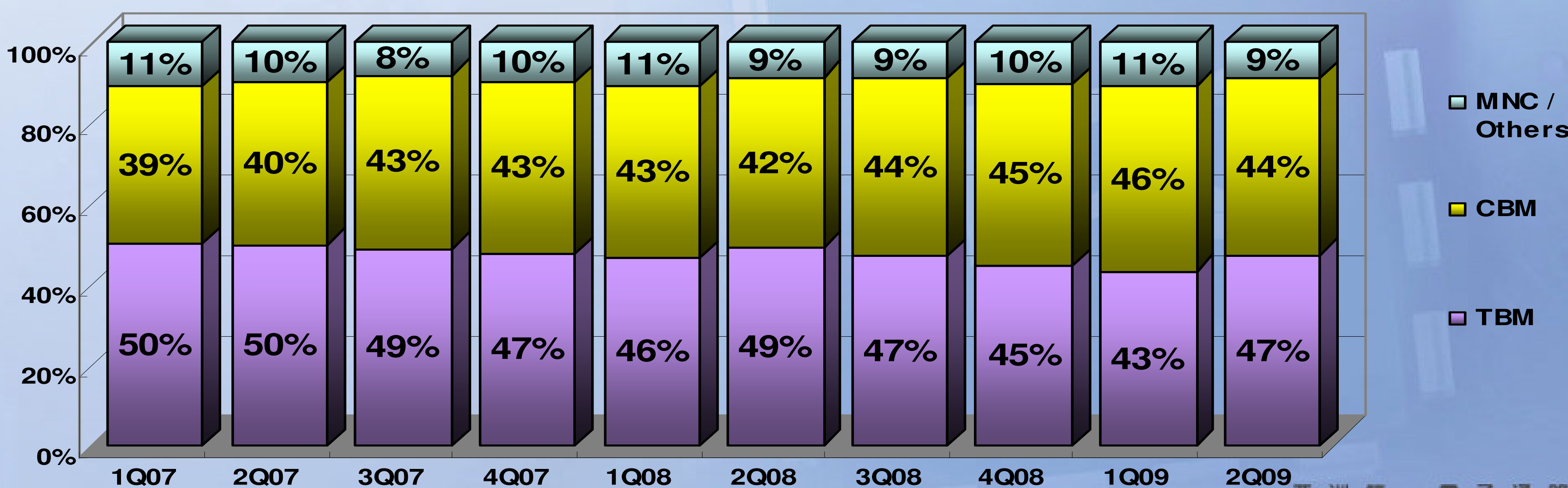
Note： Revenue Contribution from AITg

Dominate over Top 10 ...

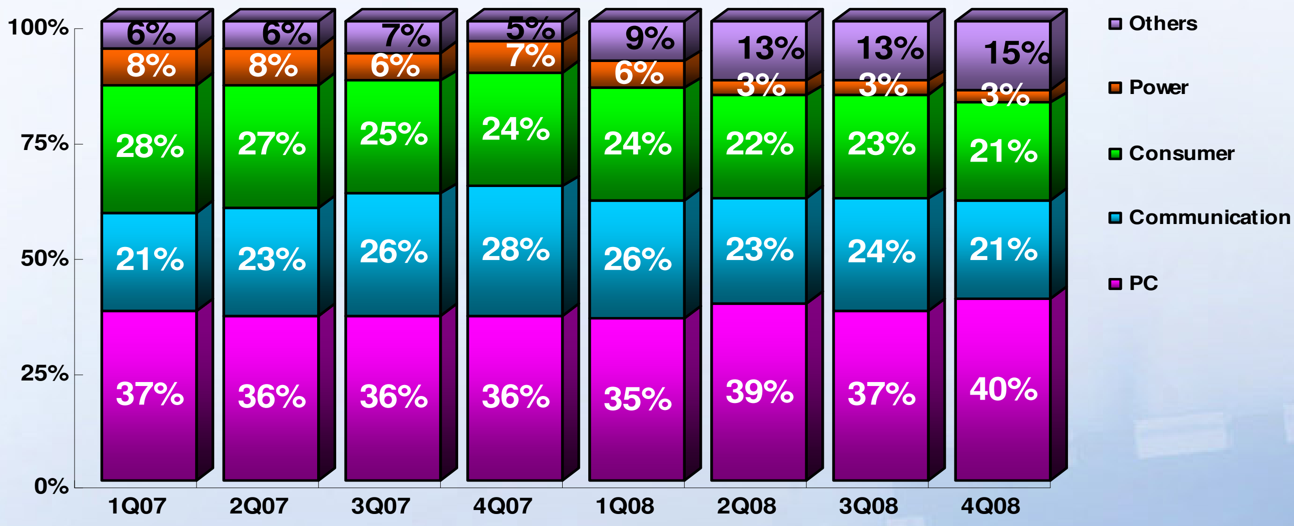


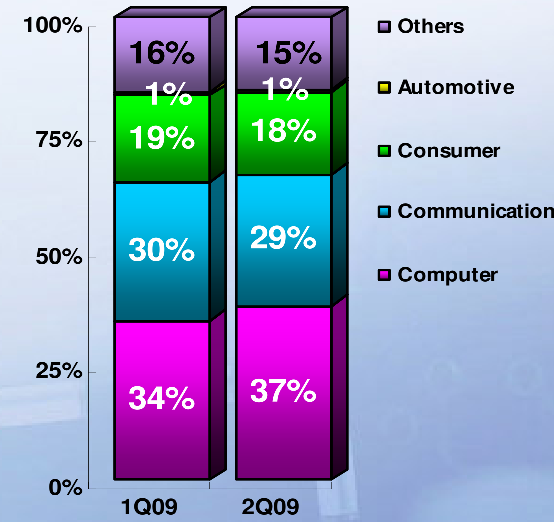
Sales breakdown by Geography/Customer

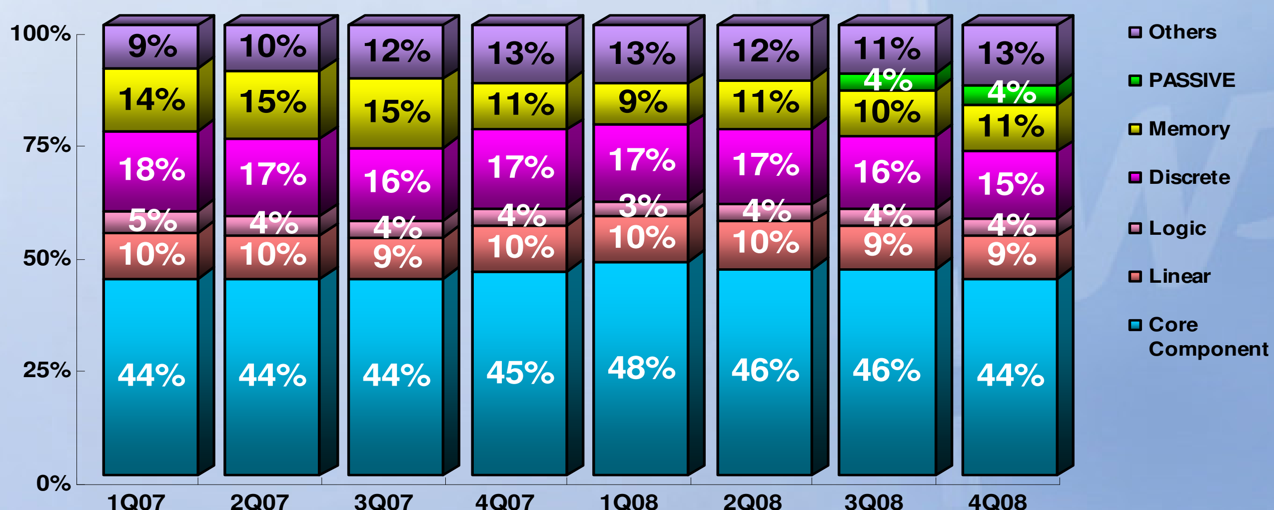


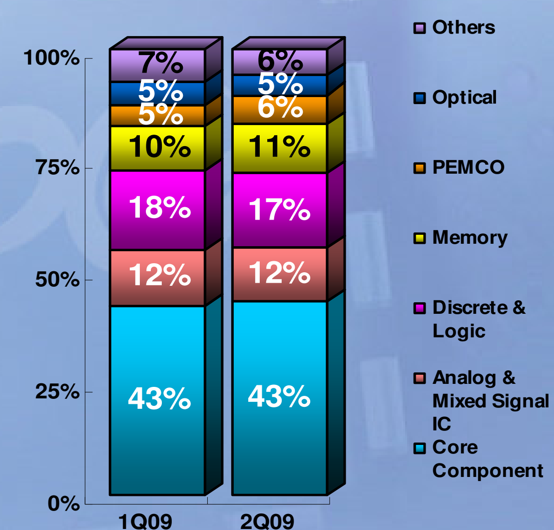


Sales breakdown by Application/ Device Type









3Q09 Guidance

- Revenues is expected to be between NT$53.5 billion and NT$56.5 billion at a forecast of FX rate of 32.75 NT dollars to 1 US dollar averaged over 3Q09.
- Gross profit margin is expected to be between 5.5% and 5.7%
- Operating profit margin is expected to be between 2.35% and 2.6%

Recap of Recent Major Events

- WPG Holdings ranked 3rd worldwide semiconductor distributor (2009/05)
- WPG Holdings ranked "The Best Overseas Semiconductor Distributor" by ESMC (2009/06)
- WPG Annual Shareholder meeting Approved Dividend of NT$1.40 Cash Per Share (2009/06/16)

Recap of Recent Major Events

- **WPG Solutions Launched in 2Q09：**

推出全球首款具備專利之視訊後端處理器完整方案	2009-05-20
積極推廣 SP4T Switch 產品應用方案	2009-05-20
針對 DSC 提出一系列解決方案	2009-05-06
推出指紋感測器應用於 PC、行動產品與門禁系統解決方案	2009-04-22
力推”輕鬆自載”網路下載盒解決方案	2009-04-22

提供豐富汽車音響解決方案	2009-06-17
力推新款無線控制 IC 於汽車防盜器市場應用解決方案	2009-06-17
主打全方位車用及行動多媒體影音解決方案	2009-06-17
主推 CMOS sensor MT9V126 倒車影像方案	2009-06-17
積極推廣全方位車用防盜及智慧監控解決方案	2009-05-06
力推完整車用防盜及智慧監控解決方案	2009-04-22
力推藍芽車用方案：RoadTunes	2009-04-22

推出業界最低功耗單晶片射頻 (RF) 解決方案	2009-04-22

力推最新可程式鋰離子電池充電 IC SMB137B 可同時解決輸入電源與電池充電問題的高彈性單晶片產品解決方案	2009-05-20
力推 Audio CODECs 系列產品 --- 高性能微機電麥克風解決方案	2009-05-06
提出熱門應用-可攜式醫療監控系統解決方案	2009-04-08
力推一系列 Flashlight 產品(CERAMOS & OSLUX family)解決方案	2009-04-08

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