

WPG Holdings Ltd.
(TWEX:3702)
2007 3Q Earning Release

November 1, 2007

亞洲第一電子通路



大聯大控股
WPG Holdings Limited

Safe Harbor Notice

- **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.**
- **In addition, any financial information contained here within is presented in conformity with accounting principles generally accepted in the Republic of China ("ROC GAAP").**
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Agenda

- Welcome
- Financial Highlights & Overview
- Q&A

3Q07 Financial Highlights

- Consolidated Sales of **NT\$ 42.19bn** , +26.0% Q/Q & +28.8% Y/Y
- Net income to **NT\$ 898m**, +52.5% Q/Q & +61.6% Y/Y , EPS record high to **NT\$1.30**, Continued profit growth faster than sales
- ROWC⁽¹⁾ at **21.72%**, historical record high, ROE at **26.66%**
 - Operating income (Inventory Provision & OBS included) increased **49%** Q/Q to **NT\$1,342m** , or **+34** basis points Q/Q.
 - Working Capital / Sales improved from 0.17 to **0.15**
- Operating Cash Cycle improved **10** days to **60** days Y/Y

(1)ROWC=(Operating income - Inventory Provision & OBS) / (AR + Inventory - AP)

Result Highlights

Unit:NT\$million	3Q07	2Q07	3Q06
item	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>
Net Sales	42,193	33,476	32,751
Operating Income	1,301	869	974
Net Income	898	589	556
EPS (NTD) ₍₁₎	1.30	0.86	0.78
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Total Assets	48,457	42,513	40,983
Total Liabilities	34,985	30,047	28,720
Total Equity	13,472	12,466	12,263
Net Working Capital	24,712	23,414	20,451
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KEY Indices ₍₂₎			
ROWC	21.72%	15.37%	18.17%
NWC/Sales	0.15	0.17	0.16
ROE	26.66%	18.90%	18.12%

(1).Weighted average shares outstanding

(2).Annualized

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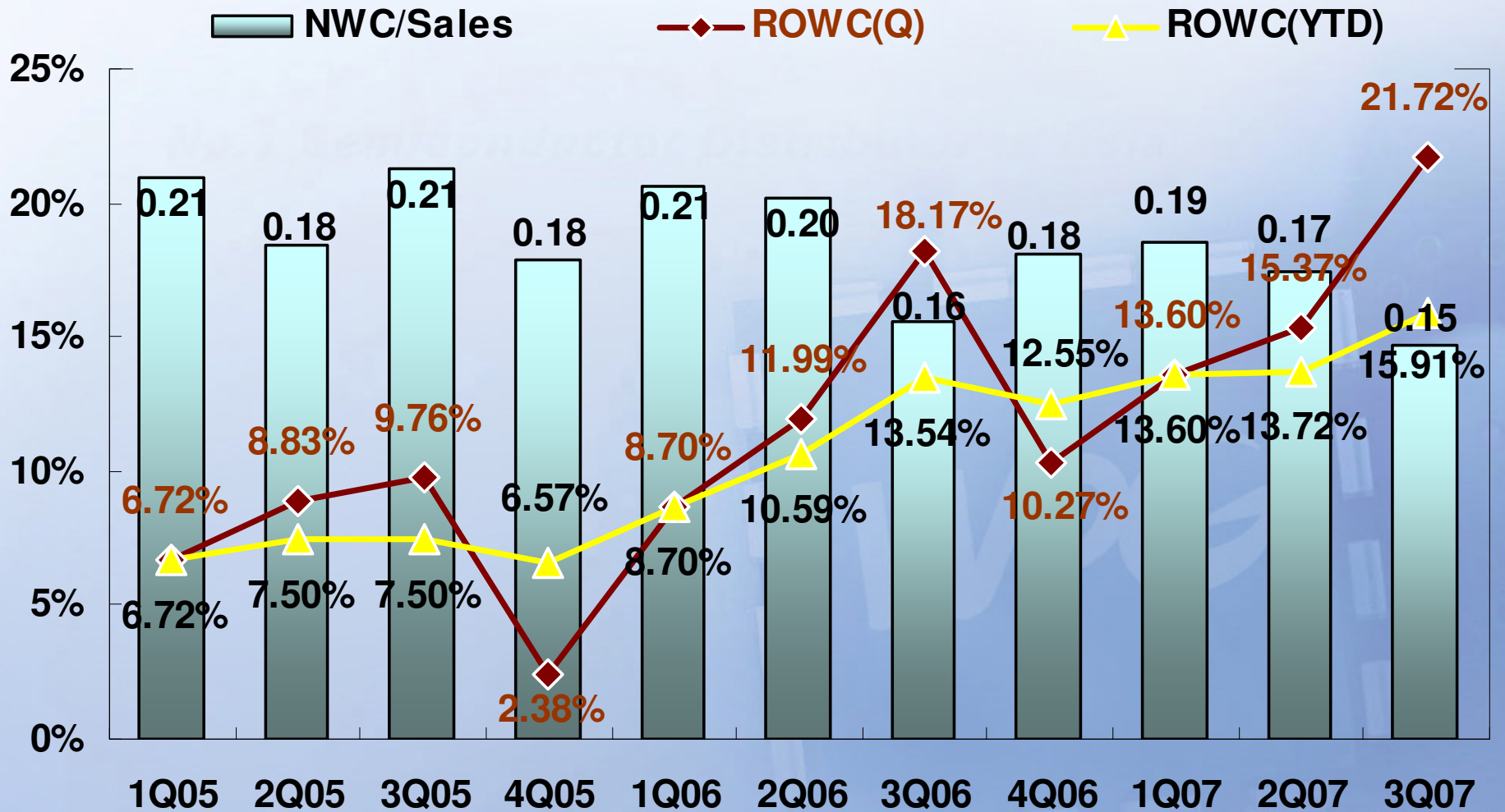
Result Highlights

Unit:NT\$million item	Ytd 07 <i>Amount</i>	Ytd 06 <i>Amount</i>
Net Sales	103,691	87,394
Operating Income	2,927	2,153
Net Income	1,882	1,093
EPS (NTD) ₍₁₎	2.74	1.52
<hr/>		
Total Assets	48,457	40,983
Total Liabilities	34,985	28,720
Total Equity	13,472	12,263
Net Working Capital	24,712	20,451
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KEY Indices ₍₂₎		
ROWC	15.91%	13.54%
NWC/Sales	0.18	0.18
ROE	18.63%	11.89%

(1).Weighted average shares outstanding

(2).Annualized

ROWC vs. NWC/Sales



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Income Statements

Unit:NT\$K

Item	3Q07	2Q07	QoQ(%)	3Q06	YoY(%)
Net operating Revenue	42,192,817	33,476,041	26.0	32,751,405	28.8
COGS	(39,730,879)	(31,489,515)	26.2	(30,663,446)	29.6
Gross Profit	2,461,938	1,986,526	23.9	2,087,959	17.9
Gross Margin	5.8%	5.9%		6.4%	
Operating Expenses	(1,161,325)	(1,117,328)	3.9	(1,113,632)	4.3
Operating Income	1,300,613	869,198	49.6	974,327	33.5
Operating Margin	3.1%	2.6%		3.0%	
Net Non-operating Items	(146,052)	(137,207)	6.4	(234,741)	(37.8)
Net Financing costs	(240,602)	(193,420)	24.4	(233,684)	3.0
Inventory Provision & OBS	41,396	30,504	35.7	(45,536)	(190.9)
Others	53,154	25,709	106.8	44,479	19.5
Profit Before Tax/Minority	1,154,561	731,991	57.7	739,586	56.1
Tax	(235,684)	(125,077)	88.4	(159,599)	47.7
Minority/Accounting Principle Change	(20,902)	(18,025)	16.0	(24,452)	(14.5)
Profit After Tax/Minority	897,975	588,889	52.5	555,535	61.6
Net Margin	2.13%	1.8%		1.70%	
EPS (NTD) ₍₁₎	1.30	0.86	50.1	0.78	66.7
Tax %	20%	17%		22%	

(1). Weighted average shares outstanding

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Income Statements

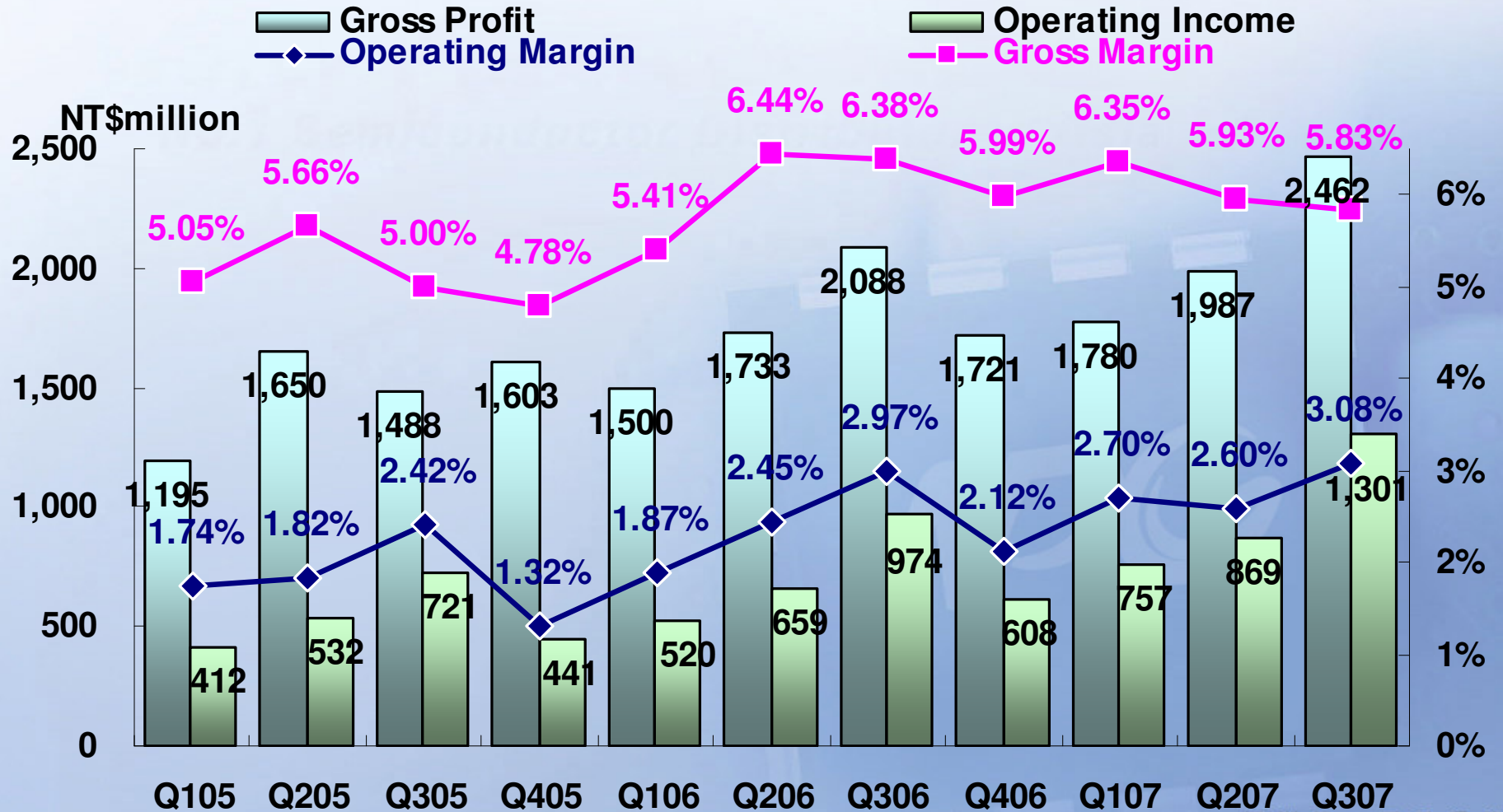
Unit:NT\$K

Item	Ytd 07	Ytd 06	YoY(%)
Net operating Revenue	103,691,119	87,394,286	18.6
COGS	(97,462,825)	(82,072,830)	18.8
Gross Profit	6,228,294	5,321,456	17.0
Gross Margin	6.0%	6.1%	
Operating Expenses	(3,301,443)	(3,168,553)	4.2
Operating Income	2,926,851	2,152,903	35.9
Operating Margin	2.8%	2.5%	
Net Non-operating Items	(503,035)	(641,122)	(21.5)
Net Financing costs	(632,939)	(651,388)	(2.8)
Inventory Provision & OBS	21,673	(76,210)	(128.4)
Others	108,231	86,476	25.2
Profit Before Tax/Minority	2,423,816	1,511,781	60.3
Tax	(484,326)	(401,512)	20.6
Minority/Accounting Principle Change	(57,602)	(17,146)	236.0
Profit After Tax/Minority	1,881,888	1,093,123	72.2
Net Margin	1.81%	1.25%	
EPS (NTD) ₍₁₎	2.74	1.52	80.7
Tax%	20%	27%	

(1). Weighted average shares outstanding

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Gross Margin vs. Operating Margin



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Balance Sheet

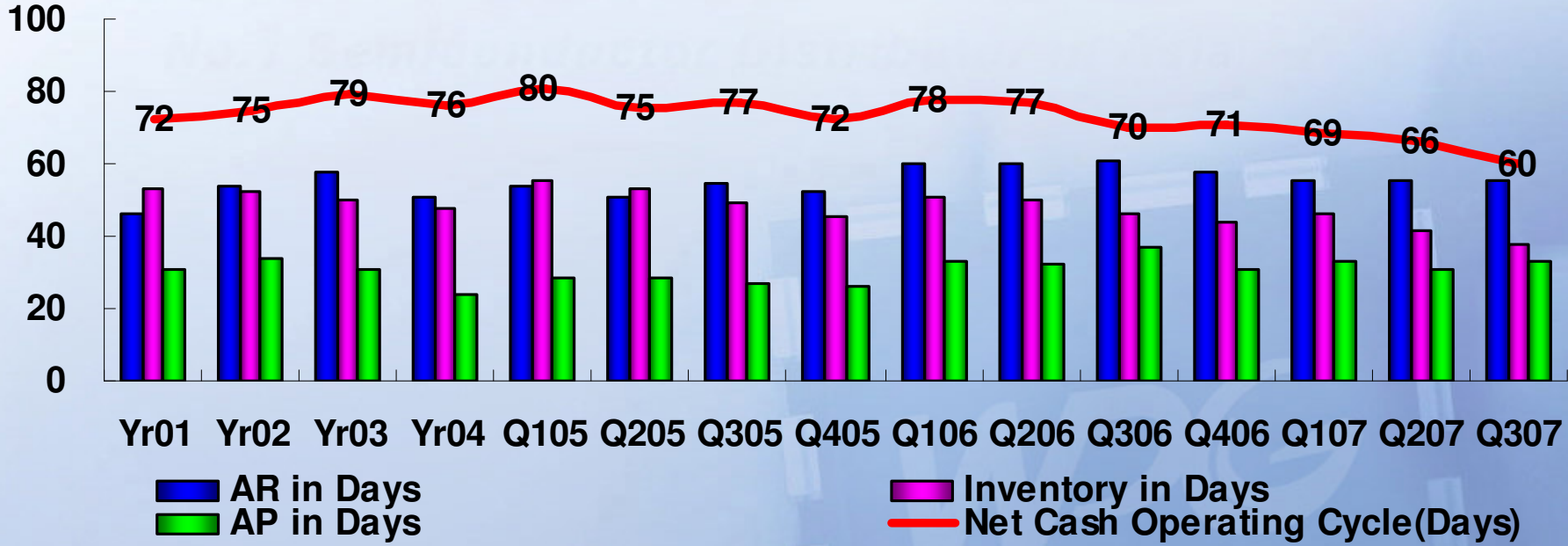
WPG Holdings, Holding the World

Unit:NT\$million item	3Q07		2Q07		3Q06	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	3,539	7	3,415	8	2,839	7
Accounts Receivable - Trade	25,008	52	20,225	48	19,365	47
Inventory	14,635	30	14,074	33	13,516	33
Current Assets	45,999	95	40,065	94	38,197	93
Others	2,458	5	2,448	6	2,786	7
Total Assets	48,457	100	42,513	100	40,983	100
Current Interest-bearing Debt	13,249	27	11,345	27	10,429	25
Accounts Payable	14,931	31	10,885	26	12,430	30
Accrued Liabilities and Others	1,904	4	2,579	6	1,539	4
Current Liabilities	30,083	62	24,810	58	24,398	60
Long-term Interest-bearing Debt	4,630	10	4,962	12	3,985	10
Others	272	1	275	1	337	1
Total Liabilities	34,985	72	30,047	71	28,720	70
Total Equity	13,472	28	12,466	29	12,263	30

KEY Indices

Net Working Capital (\$)	24,712	23,414	20,451
AR Turnover (Days)	55	55	61
Inventory Turnover (Days)	38	42	46
AP Turnover (Days)	33	31	37
Average Collection Periods (Day)	60	66	70
Current Ratio	153%	161%	157%
Debt/Asset Ratio	72%	71%	70%
Gearing Ratio	1.08	1.04	0.96

Operating Cash Cycle



Cash Flows

Amount:NT\$million	<u>3Q07</u> <i>Amount</i>	<u>2Q07</u> <i>Amount</i>	<u>3Q06</u> <i>Amount</i>
-Net Income ₍₁₎	919	607	580
-Changes of NWC	(1,298)	(2,236)	826
-Adjustment & Others	77	(416)	420
From Operation	(303)	(2,045)	1,826
-Financial Instrument	(479)	(32)	79
-Capital Expenditure	9	(34)	2
-Others	(40)	49	39
From Investment	(510)	(17)	120
-Financial Debt	1,572	2,330	(1,580)
-Treasury Stock	-	-	(222)
-Cash Dividends	(816)	-	(109)
-ESOP	94	52	-
-Others	91	(29)	(6)
From Financing	941	2,353	(1,917)
Net Cash Position Change	128	291	29
Exchange Rate Change & Others	(59)	(78)	240
Ending Cash Balance	3,352	3,283	2,664

(1).Minority interest is included.

Cash Flows

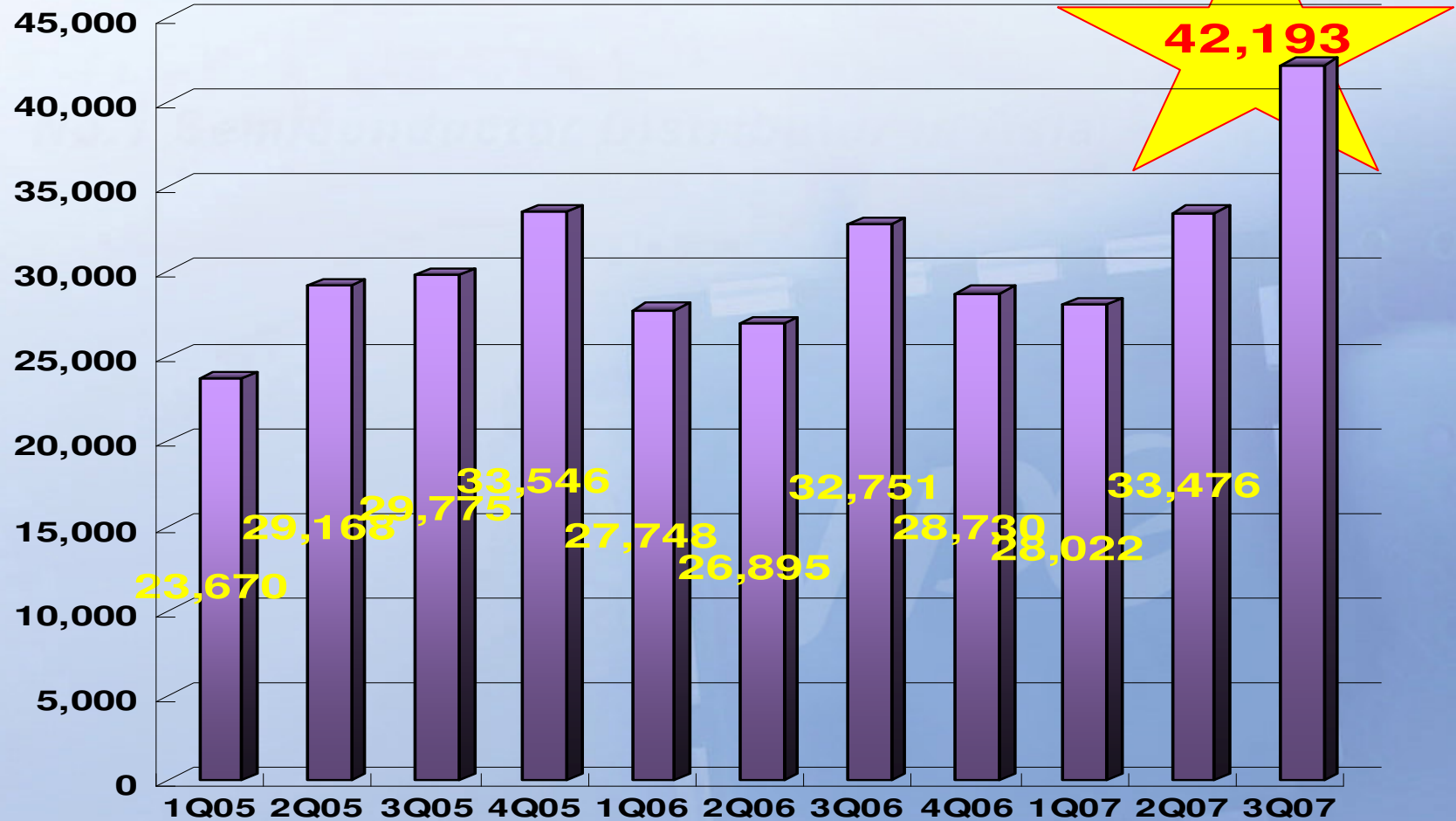
Amount:NT\$million	Ytd 07 <i>Amount</i>	Ytd 06 <i>Amount</i>
-Net Income ₍₁₎	1,939	1,114
-Changes of NWC	(3,914)	3,058
-Adjustment & Others	(51)	692
From Operation	(2,025)	4,864
-Financial Instrument	(201)	543
-Capital Expenditure	(39)	(9)
-Others	5	93
From Investment	(234)	627
-Financial Debt	3,386	(5,302)
-Treasury Stock	-	(337)
-Cash Dividends	(816)	(109)
-ESOP	153	-
-Others	44	(44)
From Financing	2,766	(5,792)
Net Cash Position Change	507	(301)
Exchange Rate Change & Others	-	46
Ending Cash Balance	3,352	2,664

(1).Minority interest is included.

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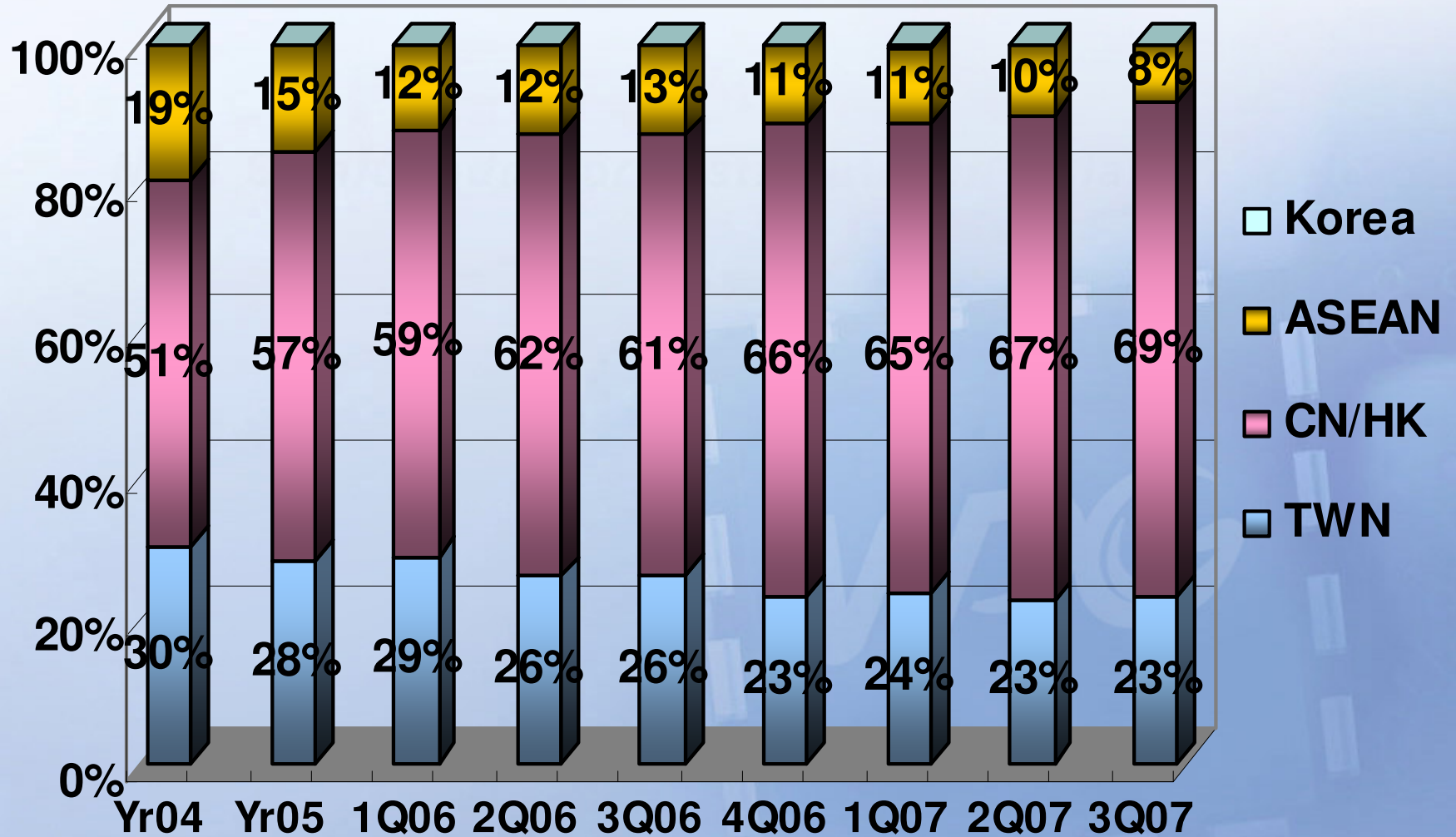
Consolidated Revenue

Unit:NT\$milloin



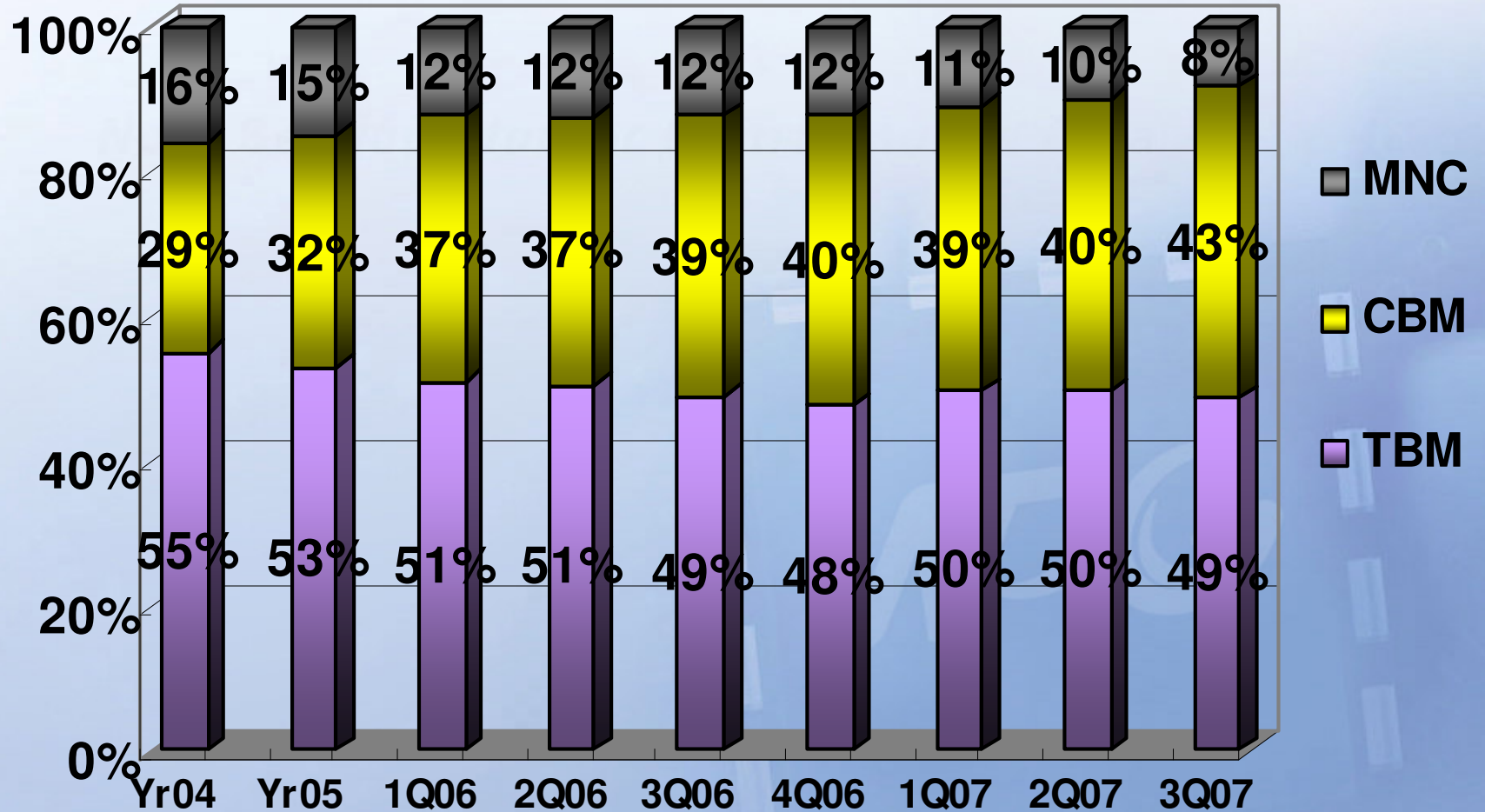
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Sales breakdown by Geography



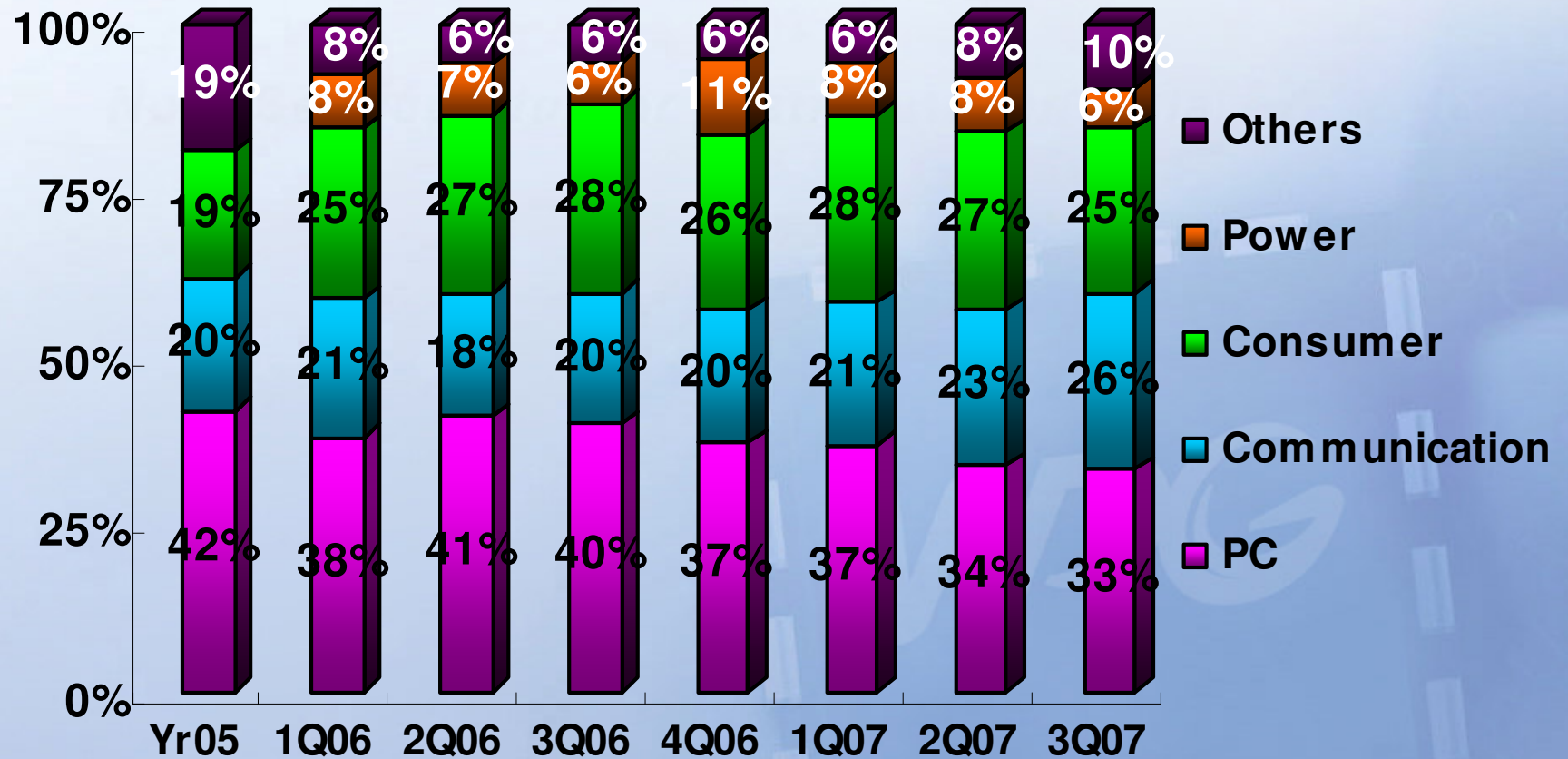
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Sales breakdown by Customer



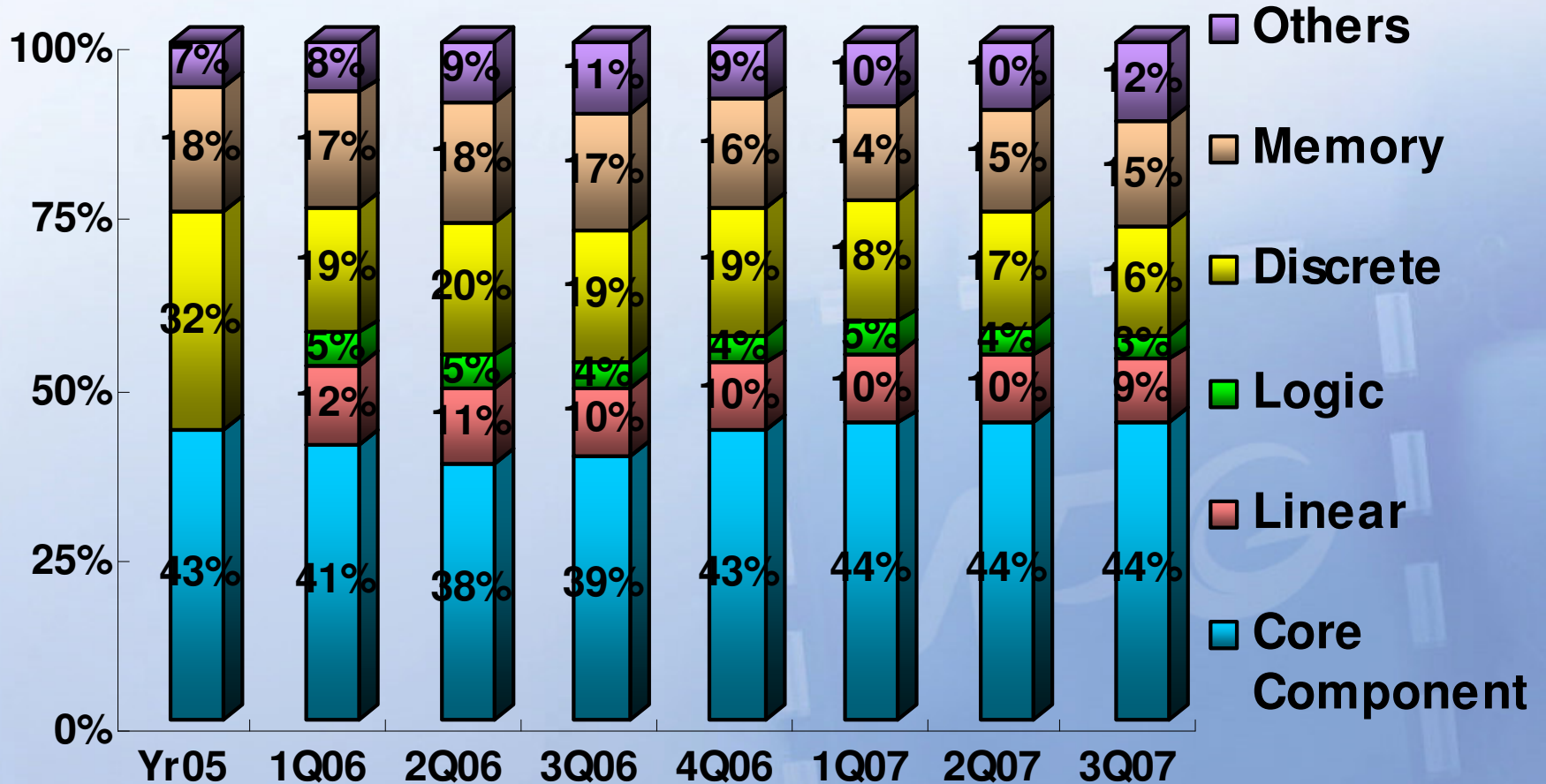
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Sales breakdown by Application



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Sales breakdown by Device Type



4Q07 Guidance

- Revenues to be between NT\$**37** billion and NT\$**39** billion;
- Gross profit margin to reach between **5.7%** and **5.9%**;
- Operating profit margin to be approximately **2.6~2.8%**

World's Largest Semiconductor Distributor in Asia

Q & A



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