

WPG Holdings Ltd. (TWEX:3702) 1Q09 Earning Release

Apr. 30th, 2009

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").
- Our release of financial forecasts and forward-looking statements at any particular time does not create any duty of disclosure beyond that which is imposed by law, and we expressly disclaim any obligation to publicly update or revise any forecasts or forward-looking statements, whether as a result of new information, future events or otherwise.

Agenda

- Welcome
- Financial Highlights & Overview
- Q&A

Result Highlights

Unit:NT\$million

item	1Q09	Guidance	4Q08	1Q08	QoQ(%)	YoY(%)
Net Sales	37,118	30~32BN	31,934	34,754	16.2	6.8
Gross Margin	5.62%	5.7% ~ 5.9%	5.20%	5.56%	+42 bp	+6 bp
Operating Income	749		270	799	177.0	(6.2)
Operating Margin	2.02%	1.1% ~ 1.3%	0.85%	2.30%	+117 bp	-28 bp
Net Income	542		42	452	1,176.0	19.8
EPS (NT\$) ₍₁₎	0.64		0.04	0.60		
Net Book Value (NT\$)	22.86					
<hr/>						
Total Assets	50,987		42,522	45,063		
Total Liabilities	31,657		27,764	30,861		
Total Equity	19,331		14,758	14,203		
Net Working Capital	20,115		22,252	24,790		
<hr/>						
Free Cash Flow	6,523		3,950	1,412		
<hr/>						
KEY Indices ₍₂₎						
ROWC	14.90%		4.86%	12.89%	+1,004 bp	+201 bp
NWC/Sales	0.14		0.17	0.18		
ROE	11.21%		1.15%	12.73%	+1,006 bp	-152 bp
Gearing	0.17		0.64	0.90		

(1).Weighted average shares outstanding

(2).Annualized

亞洲第一電子通路

Result Highlights (pro forma)

Unit:NT\$million

item	1Q09	4Q08	1Q08	QoQ(%)	YoY(%)
Net Sales	38,652	37,133	43,185	4.1	(10.5)
Gross Margin	5.68%	5.12%	5.73%	+56 bp	-5 bp
Operating Expenses	(1,444)	(1,841)	(1,586)	(21.6)	(8.9)
Operating Income	751	60	890	1,159.0	(15.7)
Operating Margin	1.94%	0.16%	2.06%	+178 bp	-12 bp
Inventory	15,836	18,164	19,357		
Net Working Capital	20,115	25,605	30,909		
Bank Borrowing	12,675	20,226	22,704		
Free Cash Flow	6,039	3,871	820		
KEY Indices⁽²⁾					
ROWC	14.93%	0.93%	11.52%	+1,399 bp	+341 bp
NWC/Sales	0.13	0.17	0.18		
ROE	11.66%	-6.53%	8.86%	+1,819 bp	+280 bp
Gearing Ratio	0.17	0.77	0.92		

(1).Weighted average shares outstanding

(2).Annualized

亞洲第一電子通路

Income Statements

Unit:NT\$million

Item	1Q09	4Q08	QoQ(%)	1Q08	YoY(%)
Net operating Revenue	37,118	31,934	16.2	34,754	6.8
COGS	(35,031)	(30,273)	15.7	(32,821)	6.7
Gross Profit	2,087	1,661	25.6	1,933	8.0
Gross Margin	5.62%	5.20%		5.56%	
Operating Expenses	(1,338)	(1,391)	(3.8)	(1,134)	18.0
Operating Income	749	270	177.0	799	(6.2)
Operating Margin	2.02%	0.85%		2.30%	
Net Non-operating Items	(48)	(181)	(73.7)	(179)	(73.4)
Net Financing costs	(127)	(224)	(43.5)	(224)	(43.5)
Others	79	43		45	
Profit Before Tax/Minority	702	90	681.5	620	13.2
Tax	(189)	(59)		(148)	
Extraordinary Gain	30	-		-	
Minority/Accounting Principle Change	(1)	11		(20)	
Profit After Tax/Minority	542	42	1,176.0	452	19.8
Net Margin	1.46%	0.13%		1.30%	
EPS (NTD) ₍₁₎	0.64	0.04		0.60	
Tax %	27%	65%		24%	

(1).Weighted average shares outstanding

亞洲第一電子通路

Balance Sheet

WPG Holdings, Holding the World

Unit:NT\$million

item	1Q09		4Q08		1Q08	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
Cash & Marketable Securities	7,752	15	6,137	14	4,287	10
Accounts Receivable - Trade	20,054	39	16,959	40	20,561	46
Inventory	15,836	31	14,054	33	15,465	34
Current Assets	47,885	94	39,744	93	42,445	94
Others	3,102	6	2,777	7	2,618	6
Total Assets	50,987	100	42,522	100	45,063	100
Current Interest-bearing Debt	10,375	20	14,993	35	13,137	29
Accounts Payable	15,775	31	8,760	21	11,235	25
Accured Liabilities and Others	2,848	6	1,788	4	1,777	4
Current Liabilities	28,997	57	25,541	60	26,149	58
Long-term Interest-bearing Debt	2,301	5	1,919	5	4,422	10
Others	359	1	303	1	290	1
Total Liabilities	31,657	62	27,764	65	30,861	68
Total Equity	19,331	38	14,758	35	14,203	32

KEY Indices

Net Working Capital (\$)	20,115	22,252	24,790
AR Turnover (Days)	45	50	57
Inventory Turnover (Days)	39	39	43
AP Turnover (Days)	32	27	32
Average Collection Periods (Days)	52	62	67
Current Ratio	165%	156%	162%
Gearing Ratio	0.17	0.64	0.90

亞洲第一電子通路

Cash Flows

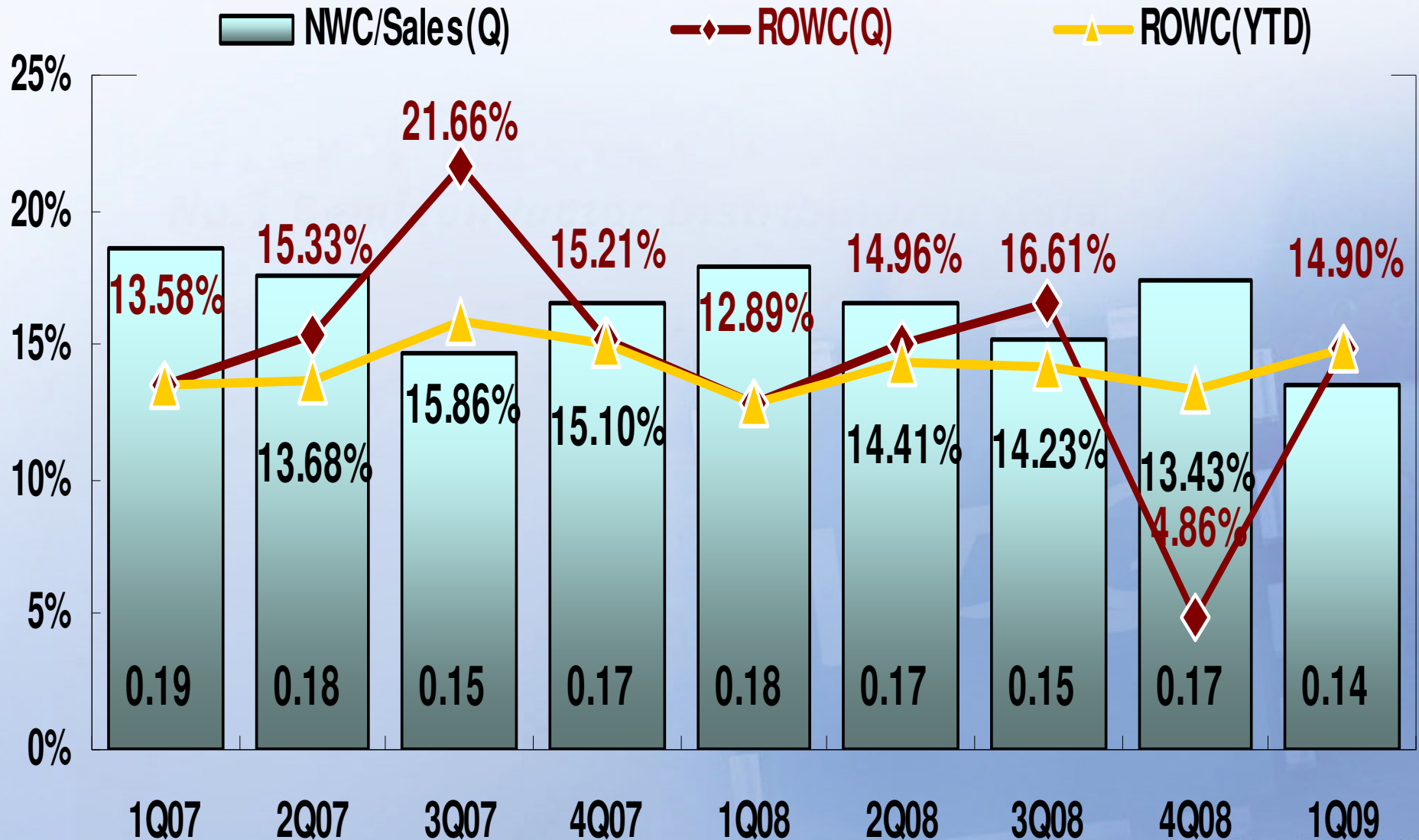
Unit:NT\$million

	1Q09 Amount	4Q08 Amount	1Q08 Amount
-Net Income ₍₁₎	542	31	472
-Changes of NWC	5,700	3,201	1,319
-Adjustment & Others	281	719	(379)
From Operation	6,523	3,950	1,412
-Financial Instrument	371	(386)	596
-Capital Expenditure	25	(8)	(84)
-Others	189	(10)	(82)
From Investment	585	(404)	431
-Financial Debt	(6,690)	(1,917)	(1,185)
-ESOP	10	3	18
-Others	16	(76)	118
From Financing	(6,663)	(1,990)	(1,049)
Effect on changes of consolidated subsidiaries	703	-	-
Cumulative translation adjustments	516	192	(800)
Net Cash Position Change	1,664	1,748	(7)
Ending Cash Balance	7,752	6,089	3,970

(1).Minority interest is included.

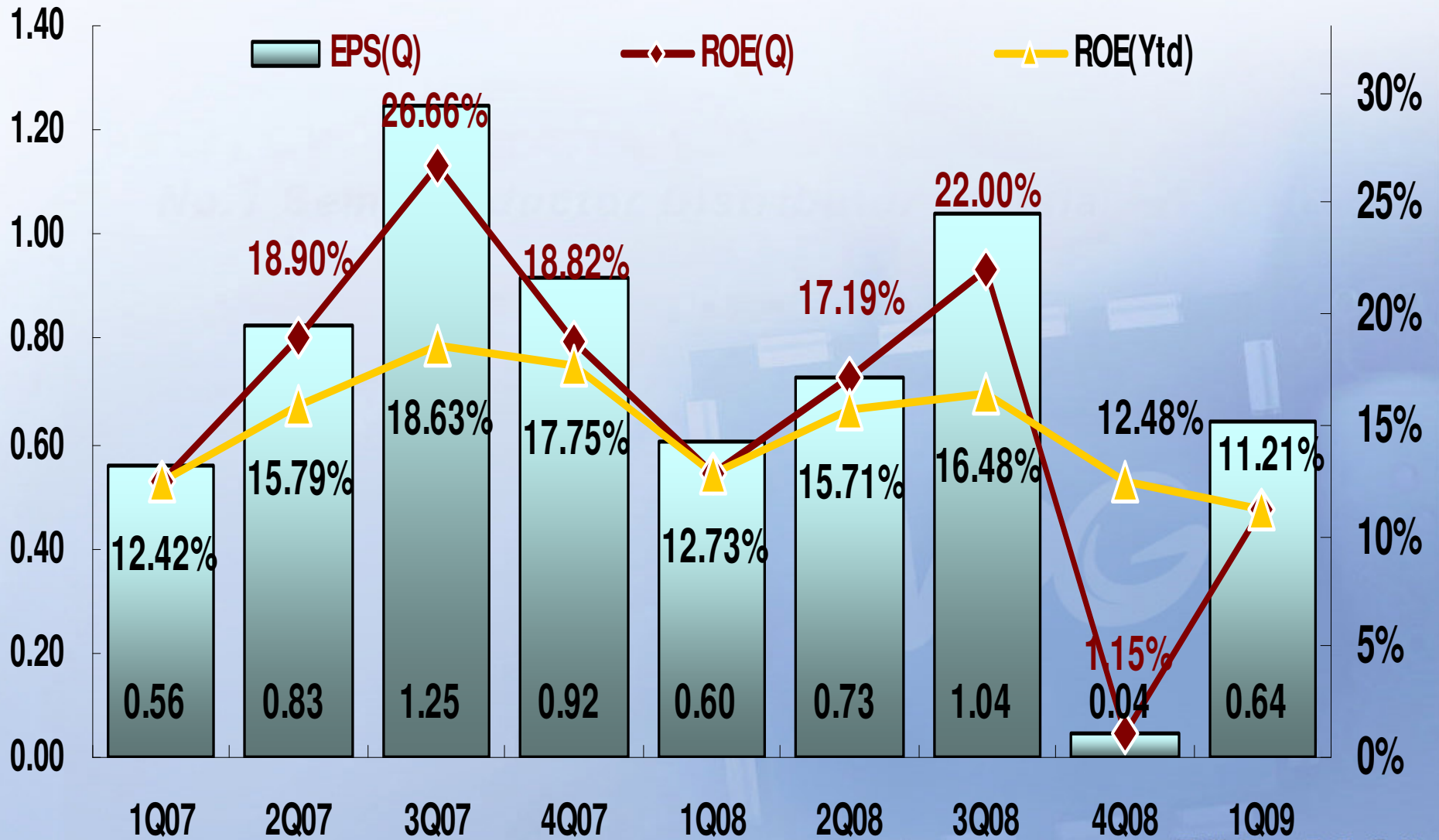
亞洲第一電子通路

ROWC vs. NWC/Sales



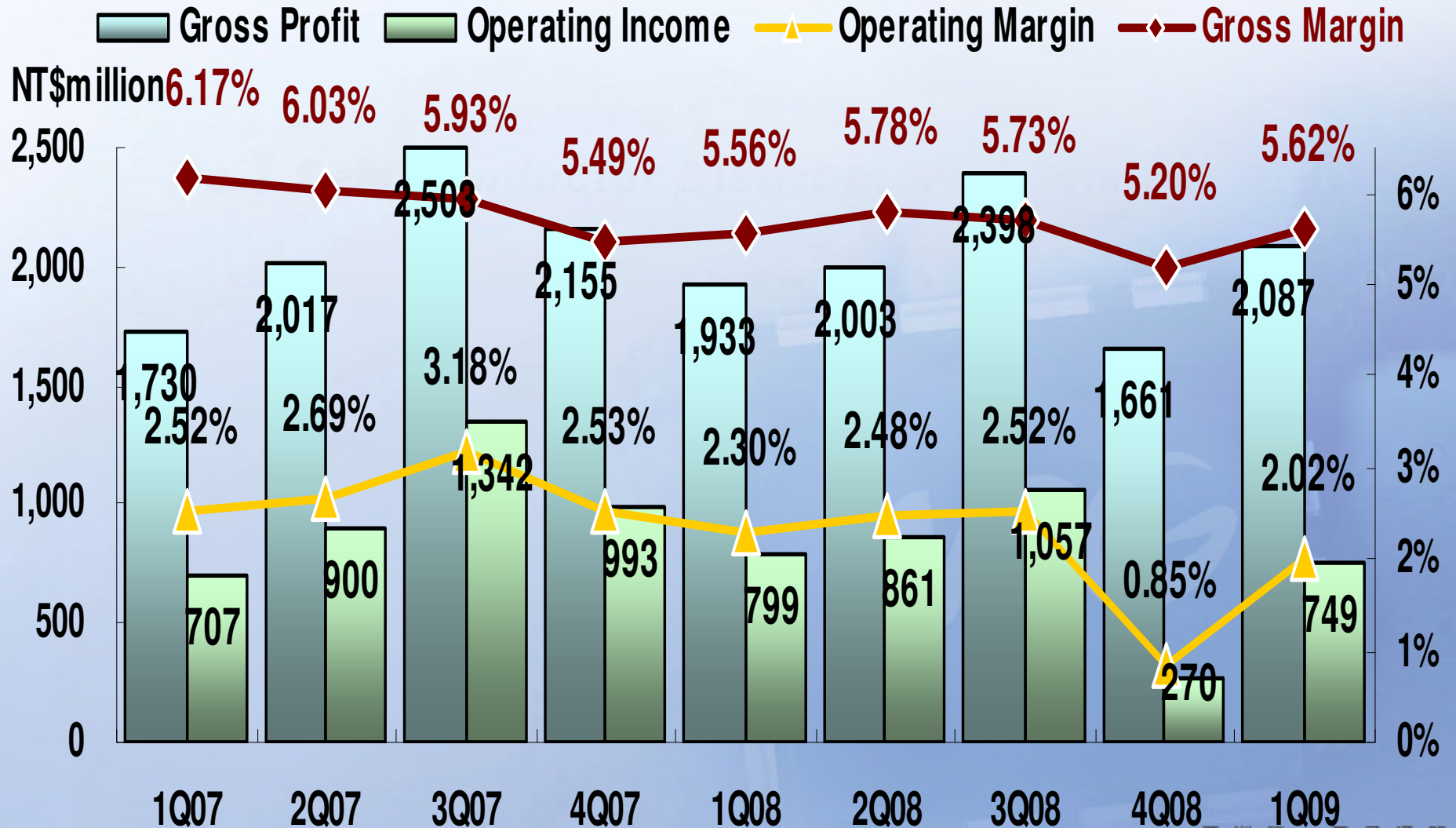
亞洲第一電子通路

ROE vs. EPS



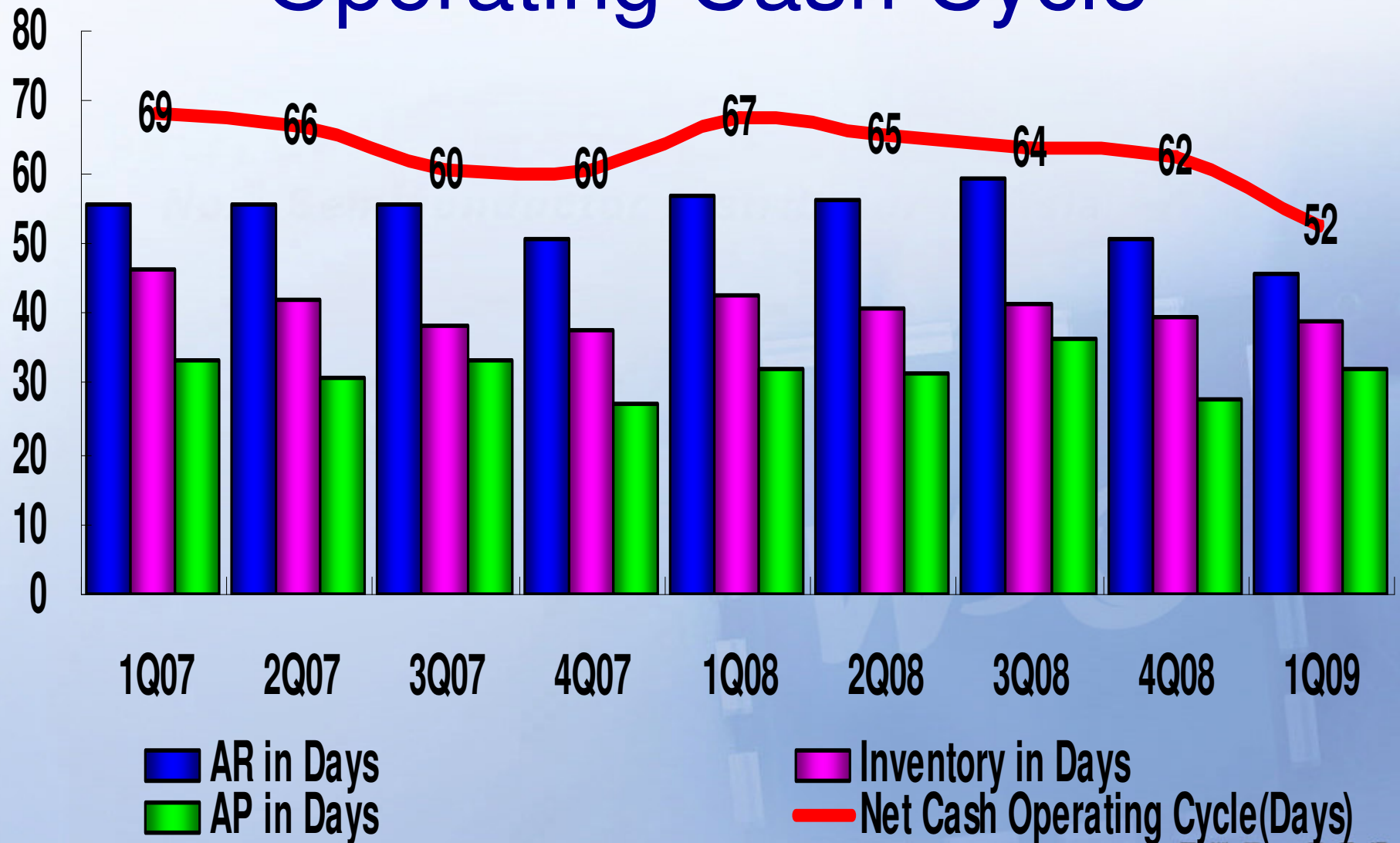
亞洲第一電子通路

Gross Margin vs. Operating Margin



亞洲第一電子通路

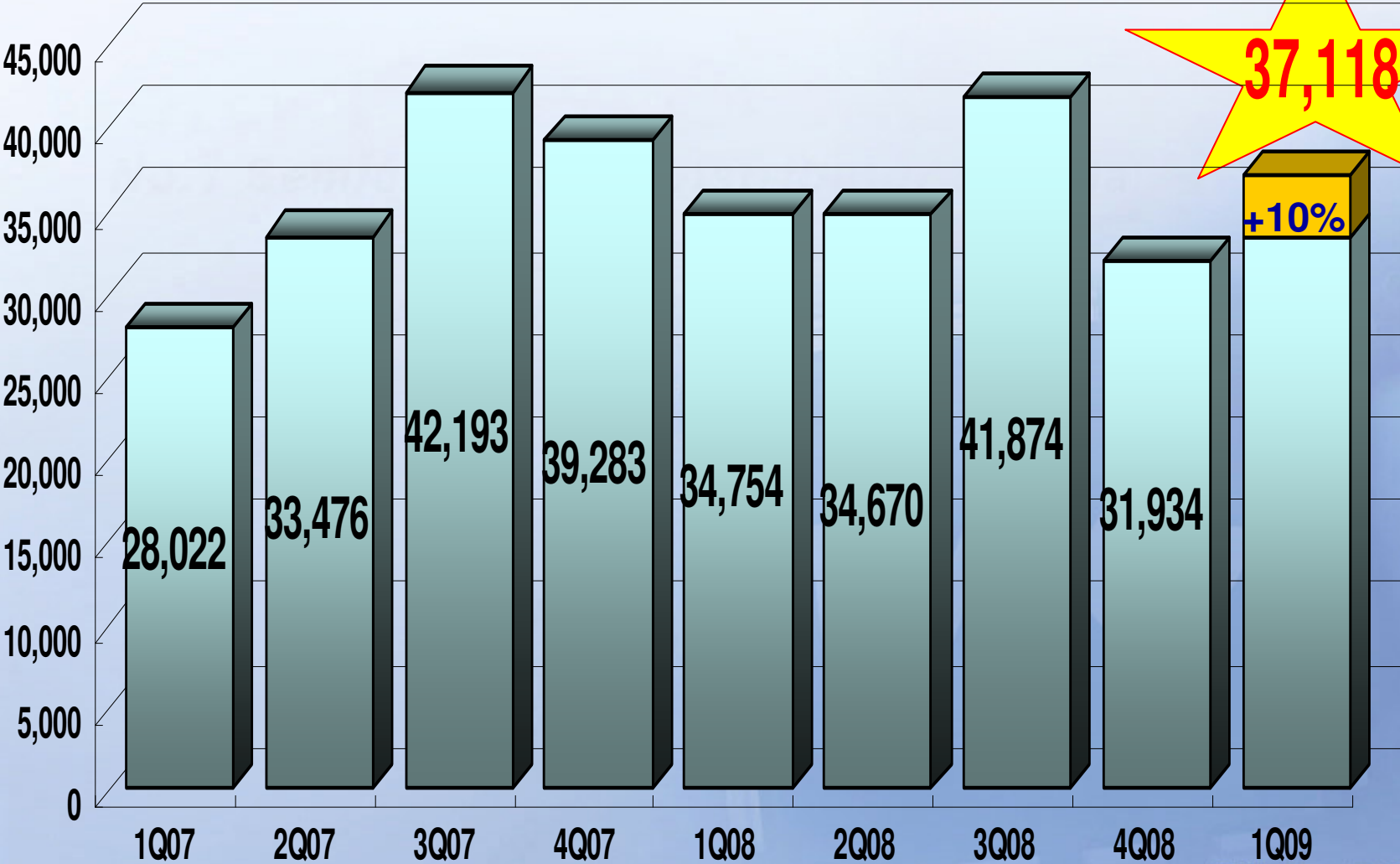
Operating Cash Cycle



亞洲第一電子通路

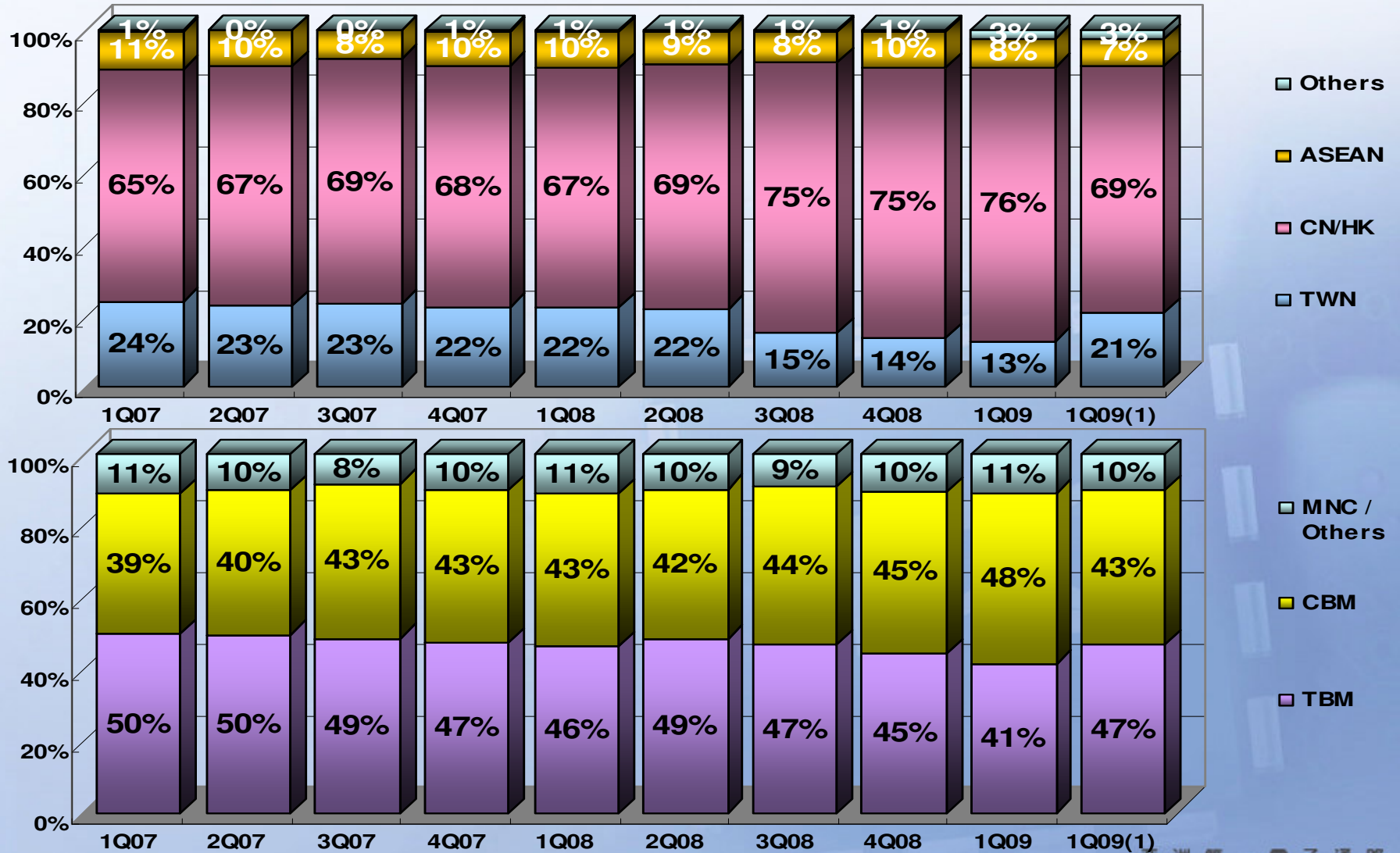
Consolidated Revenue

Unit:NT\$million



亞洲第一電子通路

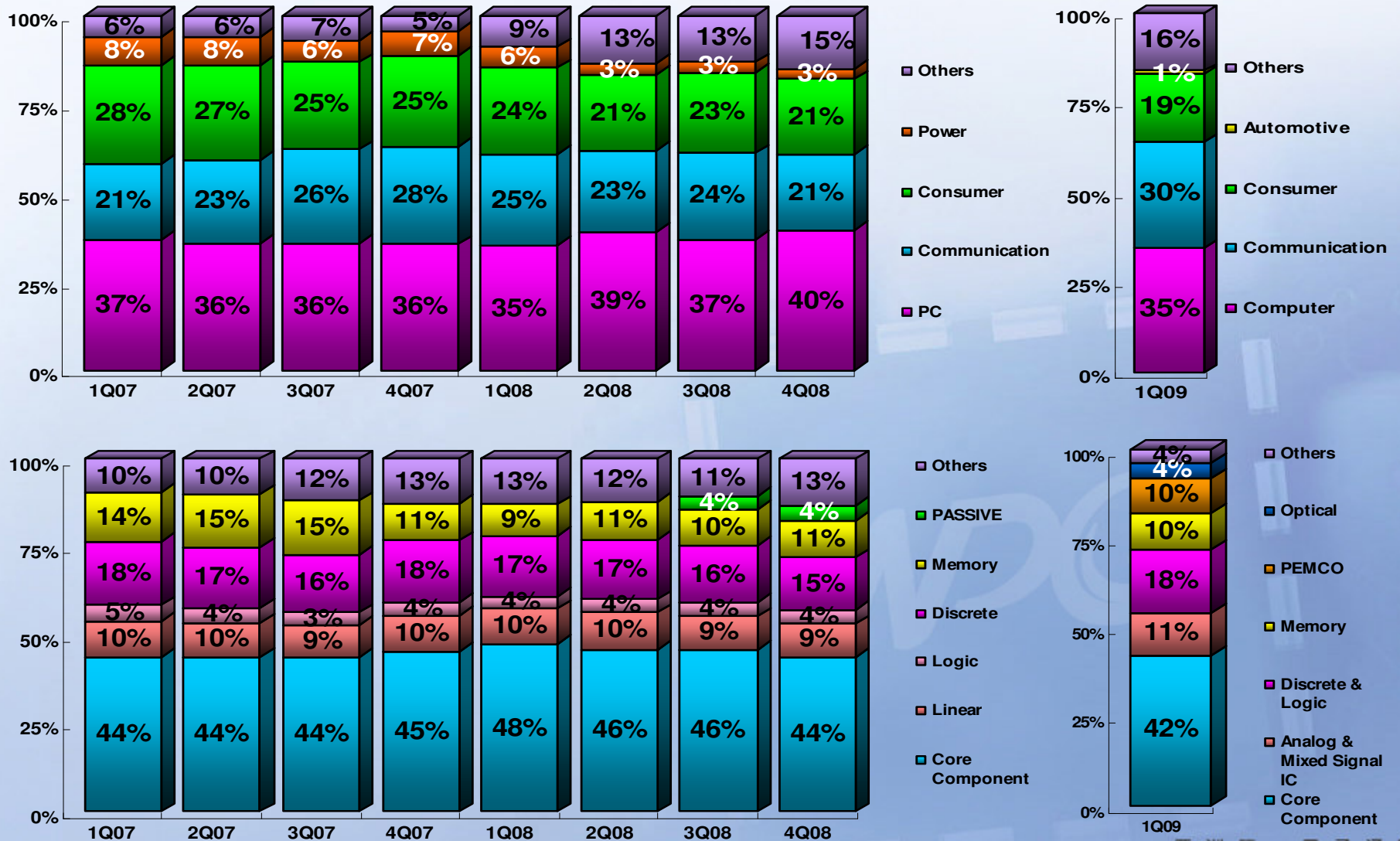
Sales breakdown by Geography/Customer



亞洲第一電子通路

Note(1) : AIT included

Sales breakdown by Application/ Device Type



亞洲第一電子通路

2Q09 Guidance

- Revenues is expected to be between NT\$41 billion and NT\$44 billion at a forecast of FX rate of 33.5 NT dollars to 1 US dollar averaged over 2Q09.
- Gross profit margin is expected to be between 5.5% and 5.7%
- Operating profit margin is expected to be between 1.9% and 2.2%

Recap of Recent Major Events

■ New Franchise in 1Q09 :



– High end Passive Component for Communication/Computer



– Small size Flat Panel Displays for Mobile Phone



– Connectors for 3C, in China Communication Markets

■ Closing announcement of AIT acquisition (2009/02/06)

<http://www.wpg Holdings.com>

亞洲第一電子通路