

WPG Holdings Ltd.

(3702 TT/3702.TW)

3Q10 Earning Release

Oct. 28th, 2010

亞洲第一電子通路

WDG 大聯大控股
WPG Holdings Limited

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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.
- 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

Kathryn Chen

■ 3Q10 Financial Highlights & 4Q10 Outlook

Cliff Yuan

■ CEO Comments

Simon Huang

■ Q&A

Simon Huang/
Scott Lin/
Cliff Yuan

Result Highlights

Unit: NT\$million

item	3Q10	3Q10 Guidance	2Q10	3Q09	QoQ(%)	YoY(%)
Net Sales	66,819	66~69B	62,324	59,077	7.2	13.1
Gross Margin	5.53%	5.6% ~ 5.8%	6.08%	5.62%	-55 bp	-9 bp
Operating Income	1,560		1,681	1,680	(7.2)	(7.1)
Operating Margin	2.33%	2.6% ~ 2.8%	2.70%	2.84%	-36 bp	-51 bp
Net Income	1,259		1,473	1,296	(14.6)	(2.9)
EPS (NT\$)⁽¹⁾	1.19		1.39	1.24	(14.6)	(4.0)
Net Book Value (NT\$)	20.58					
Total Assets	75,953		75,200	61,797		
Total Liabilities	54,127		53,976	42,366		
Total Equity	21,826		21,225	19,431		
Net Working Capital	36,181		34,534	24,654		
Free Cash Flow	399		(4,678)	(1,654)		
KEY Indices⁽²⁾						
ROWC	17.2%		19.5%	27.3%	-222 bp	-1,001 bp
NWC/Sales	0.14		0.14	0.10		
ROE	24.0%		28.6%	30.5%	-451 bp	-647 bp
Gearing	0.77		0.67	0.41		

(1).Weighted average shares outstanding

(2).Annualized

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Income Statements

Unit:NT\$million

Item	3Q10	2Q10	QoQ(%)	3Q09	YoY(%)
Net operating Revenue	66,819	62,324	7.2	59,077	13.1
COGS	(63,127)	(58,537)	7.8	(55,759)	13.2
Gross Profit	3,692	3,787	(2.5)	3,319	11.3
Gross Margin	5.53%	6.08%		5.62%	
Operating Expenses	(2,132)	(2,106)	1.2	(1,639)	30.1
Operating Income	1,560	1,681	(7.2)	1,680	(7.1)
Operating Margin	2.33%	2.70%		2.84%	
Net Non-operating Items	(26)	42	(163.0)	(9)	(202.8)
Net Financing costs	(90)	(63)	41.8	(77)	17.1
Others	63	105		68	
Profit Before Tax/Minority	1,534	1,722	(11.0)	1,671	(8.2)
Tax	(269)	(243)	10.9	(360)	(25.2)
Minority/Accounting Principle Change	(6)	(7)		(16)	
Profit After Tax/Minority	1,259	1,473	(14.6)	1,296	(2.9)
Net Margin	1.88%	2.36%		2.19%	
EPS (NTD) ₍₁₎	1.19	1.39	(14.6)	1.24	(4.0)
Tax %	18%	14%		22%	

(1).Weighted average shares outstanding

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Balance Sheet

Unit:NT\$million

item	3Q10		2Q10		3Q09	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	5,350	7	5,895	8	6,958	11
Accounts Receivable - Trade	37,874	50	38,305	51	31,645	51
Inventory	24,365	32	23,184	31	15,793	26
Current Assets	72,777	96	72,255	96	58,731	95
Others	3,176	4	2,946	4	3,066	5
Total Assets	75,953	100	75,200	100	61,797	100
Current Interest-bearing Debt	20,996	28	16,301	22	14,019	23
Accounts Payable	26,058	34	26,955	36	22,784	37
Accured Liabilities and Others	4,874	6	5,888	8	3,100	5
Current Liabilities	51,928	68	49,144	65	39,904	65
Long-term Interest-bearing Debt	1,954	3	4,569	6	2,120	3
Others	246	0	263	0	342	1
Total Liabilities	54,127	71	53,976	72	42,366	69
Total Equity	21,826	29	21,225	28	19,431	31

KEY Indices⁽¹⁾

Net Working Capital (\$)	36,181	34,534	24,654
AR Turnover (Days)	50	52	46
Inventory Turnover (Days)	31	31	30
AP Turnover (Days)	35	37	32
Average Collection Periods (Days)	46	46	45
Current Ratio	140%	147%	147%
Gearing Ratio	0.77	0.67	0.41

(1).Annualized

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Cash Flows

Unit:NT\$million

	<u>3Q10</u>	<u>2Q10</u>	<u>3Q09</u>
-Net Income ₍₁₎	1,246	1,480	1,311
-Changes of NWC	(1,682)	(6,253)	(2,915)
-Adjustment & Others	835	95	(50)
From Operation	399	(4,678)	(1,654)
-Financial Instrument	(68)	(128)	121
-Capital Expenditure	(87)	(14)	(9)
-Others	(285)	(33)	(11)
From Investment	(440)	(175)	102
-Financial Debt	2,079	5,002	2,341
-Cash Dividends	(1,836)	-	(1,250)
-ESOP	1	2	4
-Others	11	(15)	38
From Financing	256	4,989	1,132
Cumulative translation adjustments	(782)	258	(180)
Net Cash Position Change	(567)	394	(600)
Ending Cash Balance	5,250	5,817	6,714

(1).Minority interest is included.

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Result Highlights

Unit:NT\$million

item	Ytd10	Ytd09	YoY (%)
Net Sales	187,191	143,363	30.6
Gross Margin	5.81%	5.70%	+11 bp
Operating Income	4,767	3,501	36.1
Operating Margin	2.55%	2.44%	+10 bp
Net Income	3,990	2,632	51.6
EPS (NTD)₍₁₎	3.78	2.54	48.6
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Total Assets	75,953	61,797	
Total Liabilities	54,127	42,366	
Total Equity	21,826	19,431	
Net Working Capital	36,181	24,654	
Free Cash Flow	(5,078)	3,464	
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KEY Indices₍₂₎			
ROWC	17.6%	18.9%	-137 bp
NWC/Sales	0.14	0.13	
ROE	25.4%	20.6%	+475 bp
Gearing	0.77	0.41	

(1).Weighted average shares outstanding

(2).Annualized

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Income Statements

Unit:NT\$million

Item	Ytd10	Ytd09	YoY(%)
Net operating Revenue	187,191	143,363	30.6
COGS	(176,318)	(135,195)	30.4
Gross Profit	10,873	8,168	33.1
Gross Margin	5.81%	5.70%	
Operating Expenses	(6,106)	(4,666)	30.9
Operating Income	4,767	3,501	36.1
Operating Margin	2.55%	2.44%	
Net Non-operating Items	55	(88)	(162.6)
Net Financing costs	(203)	(262)	(22.5)
Others	258	174	48.4
Profit Before Tax/Minority	4,822	3,413	41.3
Tax	(814)	(782)	4.0
Extraordinary Gain	-	23	N/A
Minority/Accounting Principle Change	(19)	(22)	(17.1)
Profit After Tax/Minority	3,990	2,632	51.6
Net Margin	2.13%	1.84%	
EPS (NTD)₍₁₎	3.78	2.54	48.61
Tax%	17%	23%	

(1).Weighted average shares outstanding

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Cash Flows

Unit:NT\$million

	Ytd10	Ytd09
-Net Income ₍₁₎	3,990	2,654
-Changes of NWC	(9,063)	926
-Adjustment & Others	(5)	(116)
From Operation	(5,078)	3,464
-Financial Instrument	506	1,257
-Capital Expenditure	(129)	(21)
-Others	(165)	(37)
From Investment	212	1,199
-Financial Debt	6,112	(3,225)
-Cash Dividends	(1,836)	(1,250)
-ESOP	5	22
-Others	(53)	(14)
From Financing	4,228	(4,468)
Effect on changes of consolidated subsidiaries	-	703
Cumulative translation adjustments	(625)	(273)
Net Cash Position Change	(1,263)	626
Ending Cash Balance	5,250	6,714

(1).Minority interest is included.

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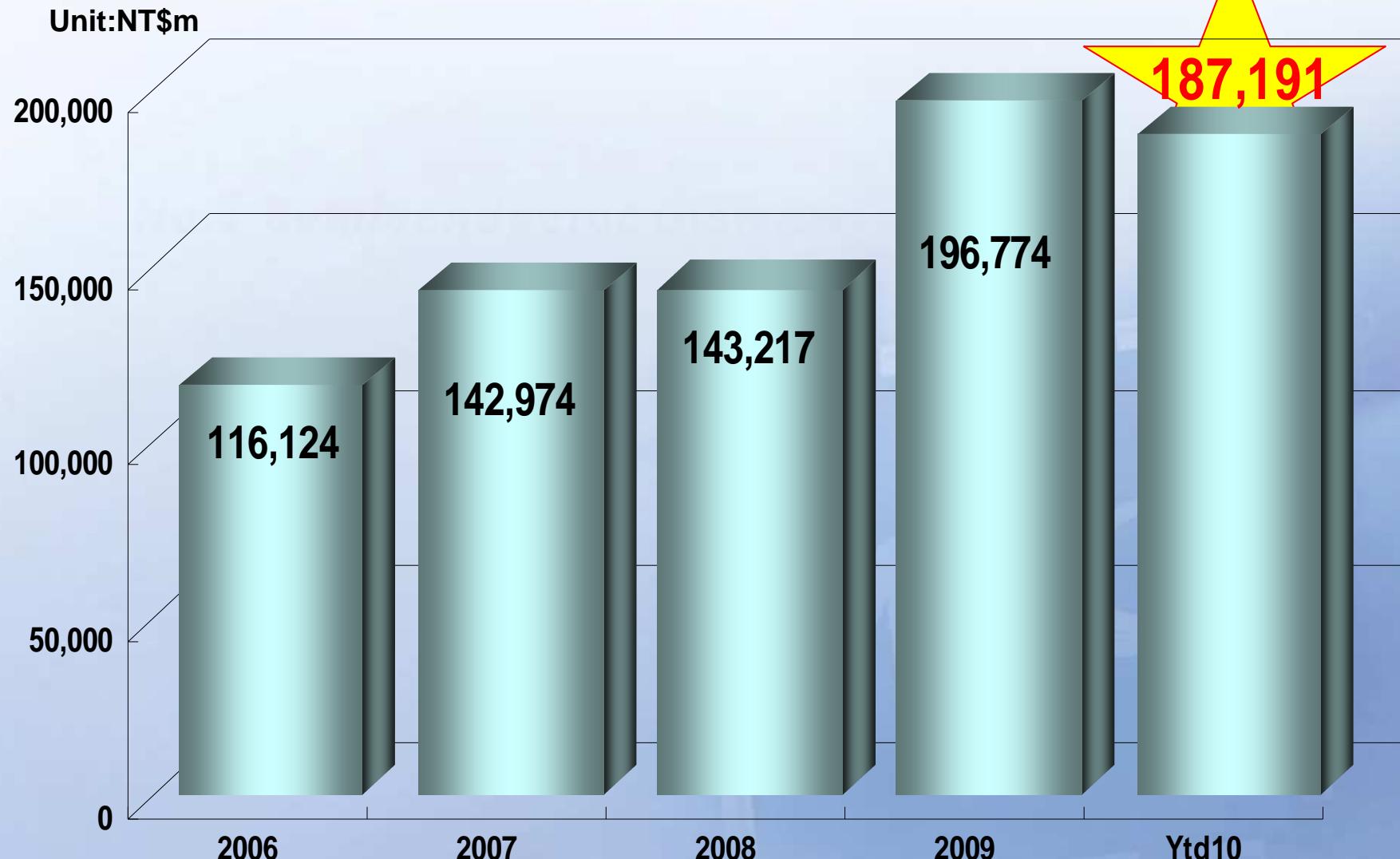
Consolidated Revenue

Unit:NT\$m



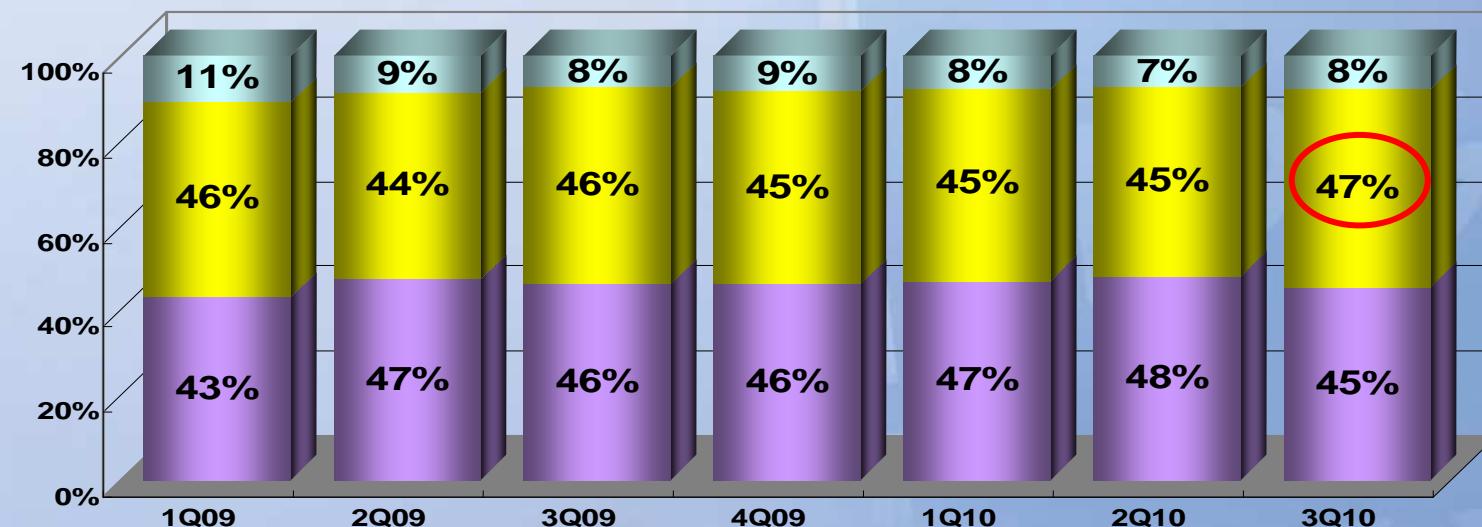
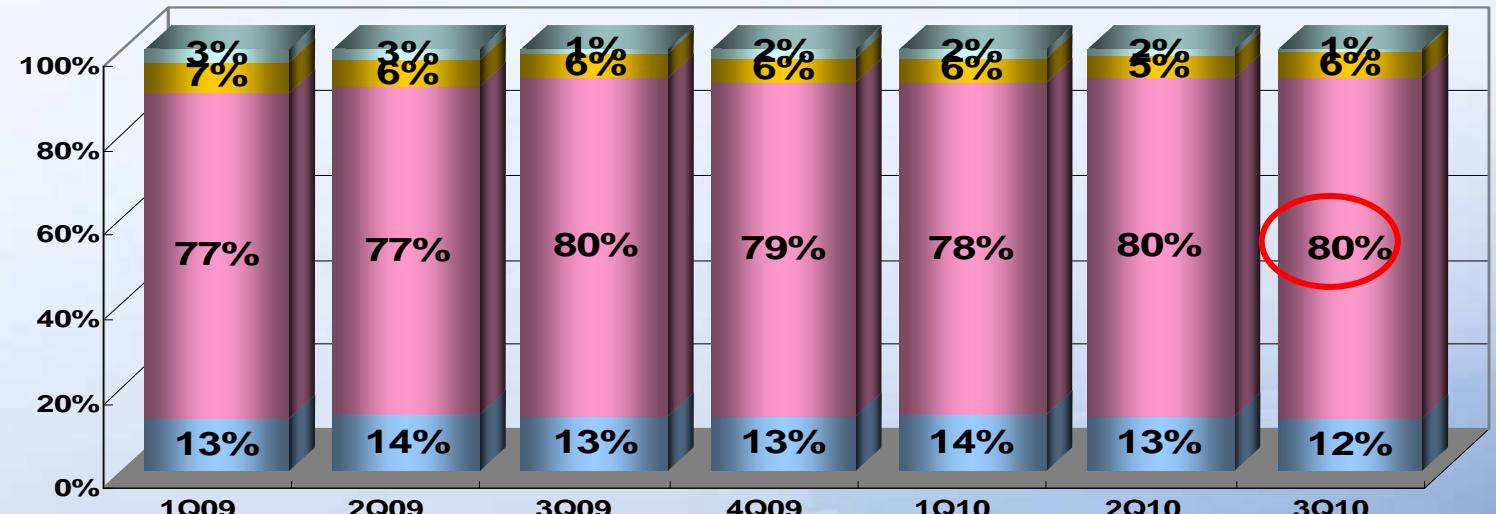
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Consolidated Revenue



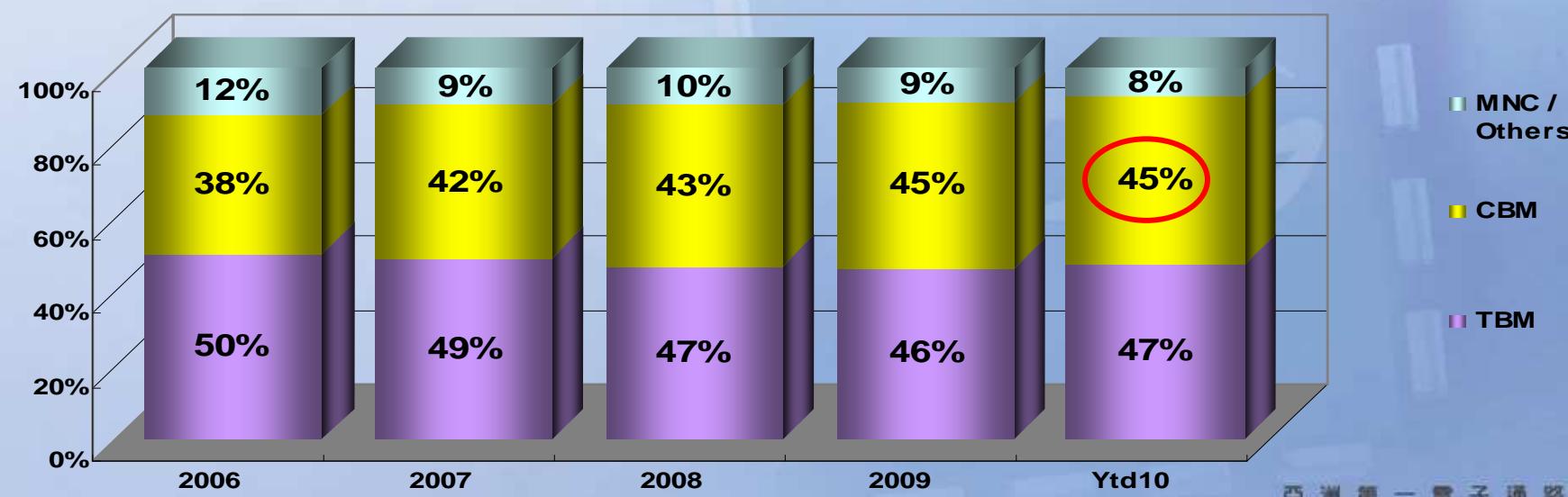
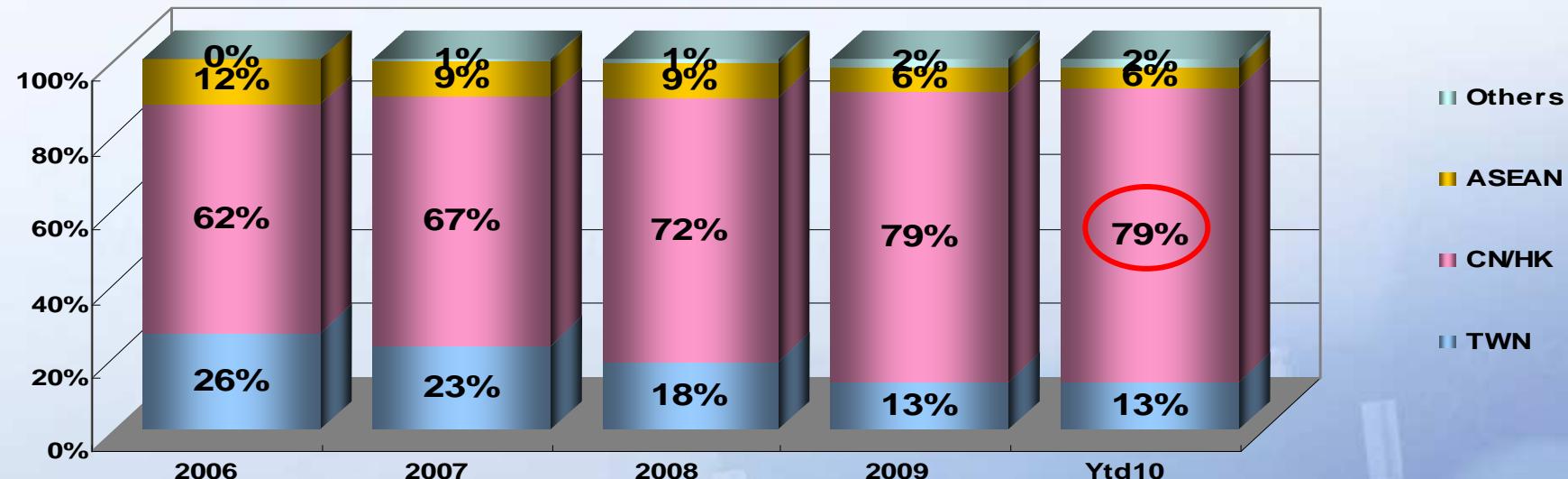
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Sales breakdown by Geography/Customer



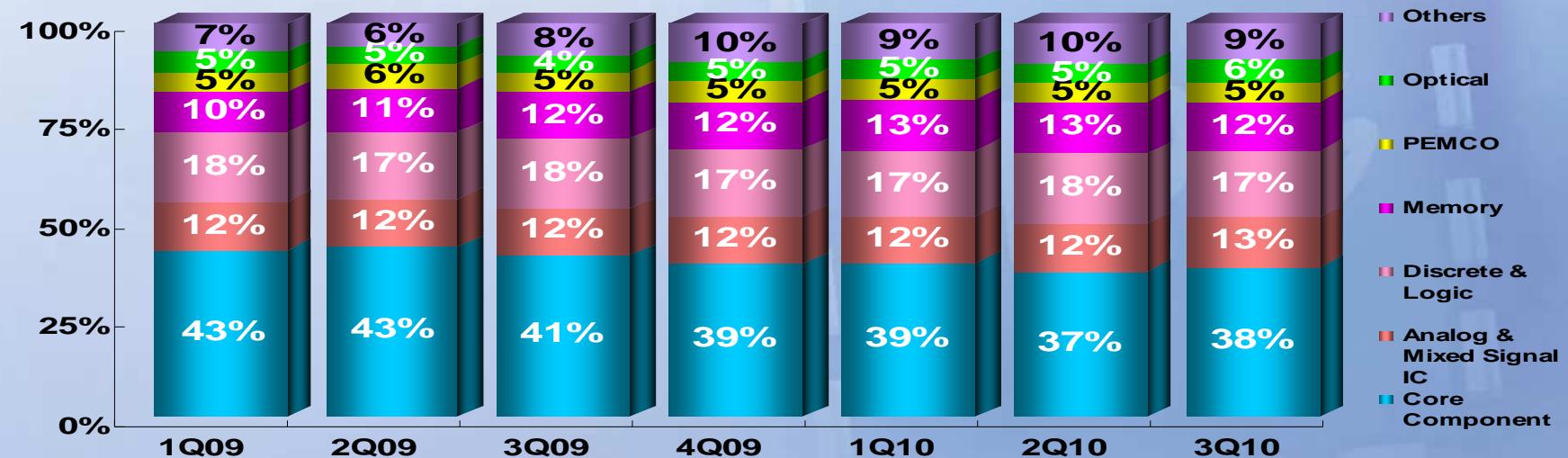
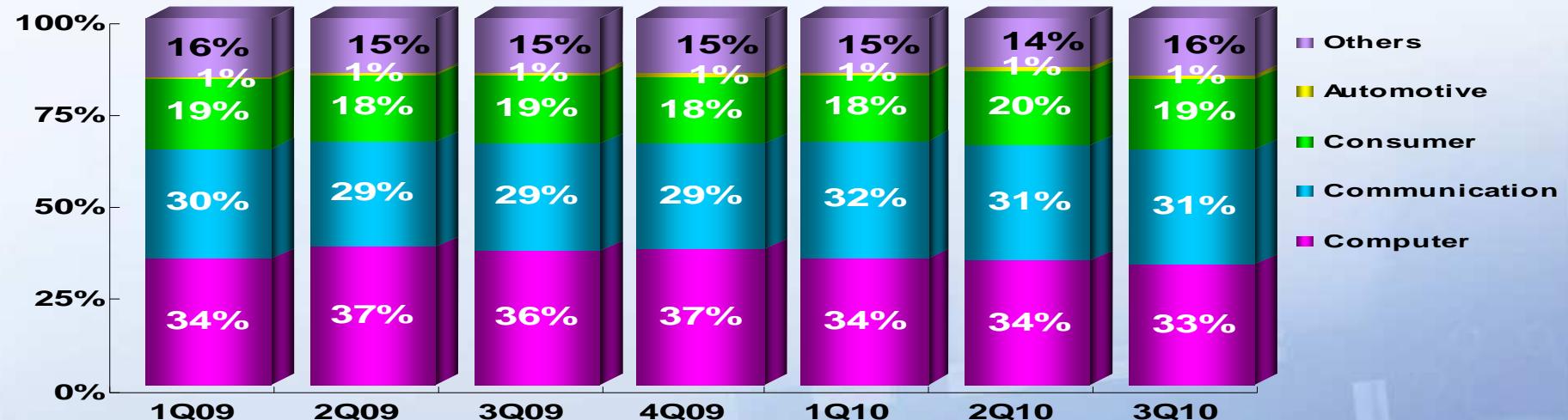
TBM : Taiwan-Based Customers
 CBM : China Based Customers

Sales breakdown by Geography/Customer



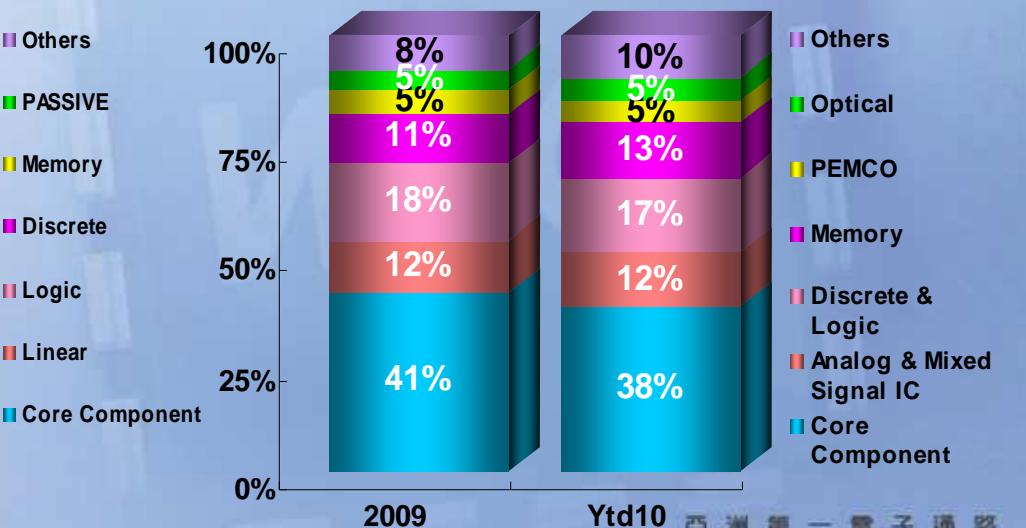
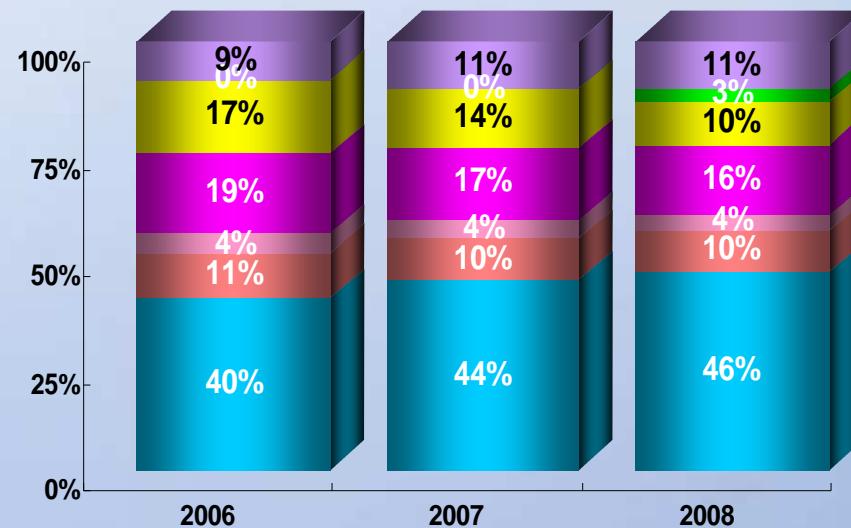
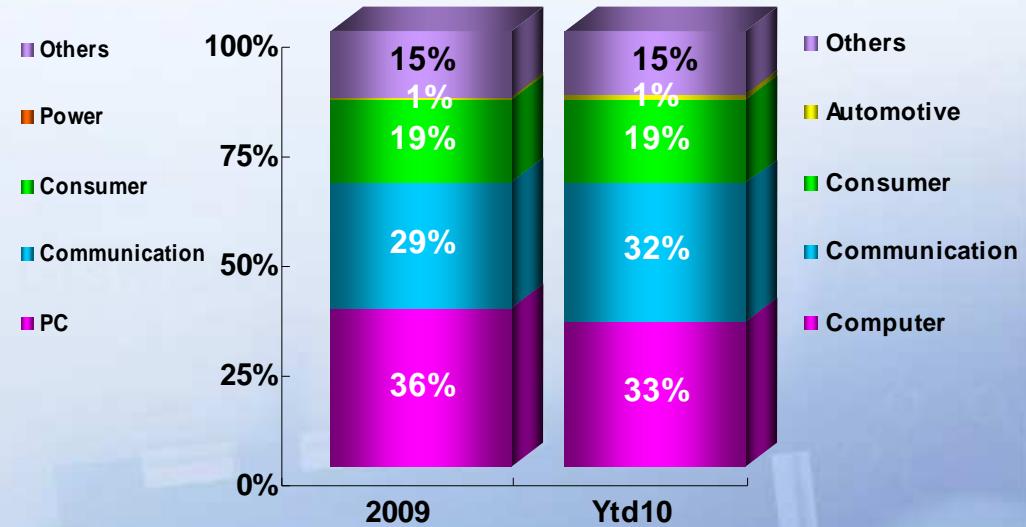
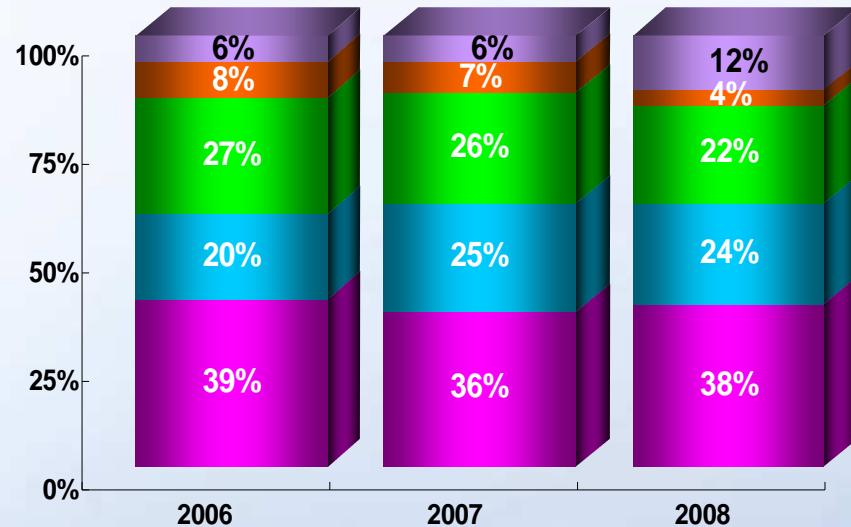
TBM : Taiwan-Based Customers
CBM : China Based Customers

Sales breakdown by Application/ Device Type

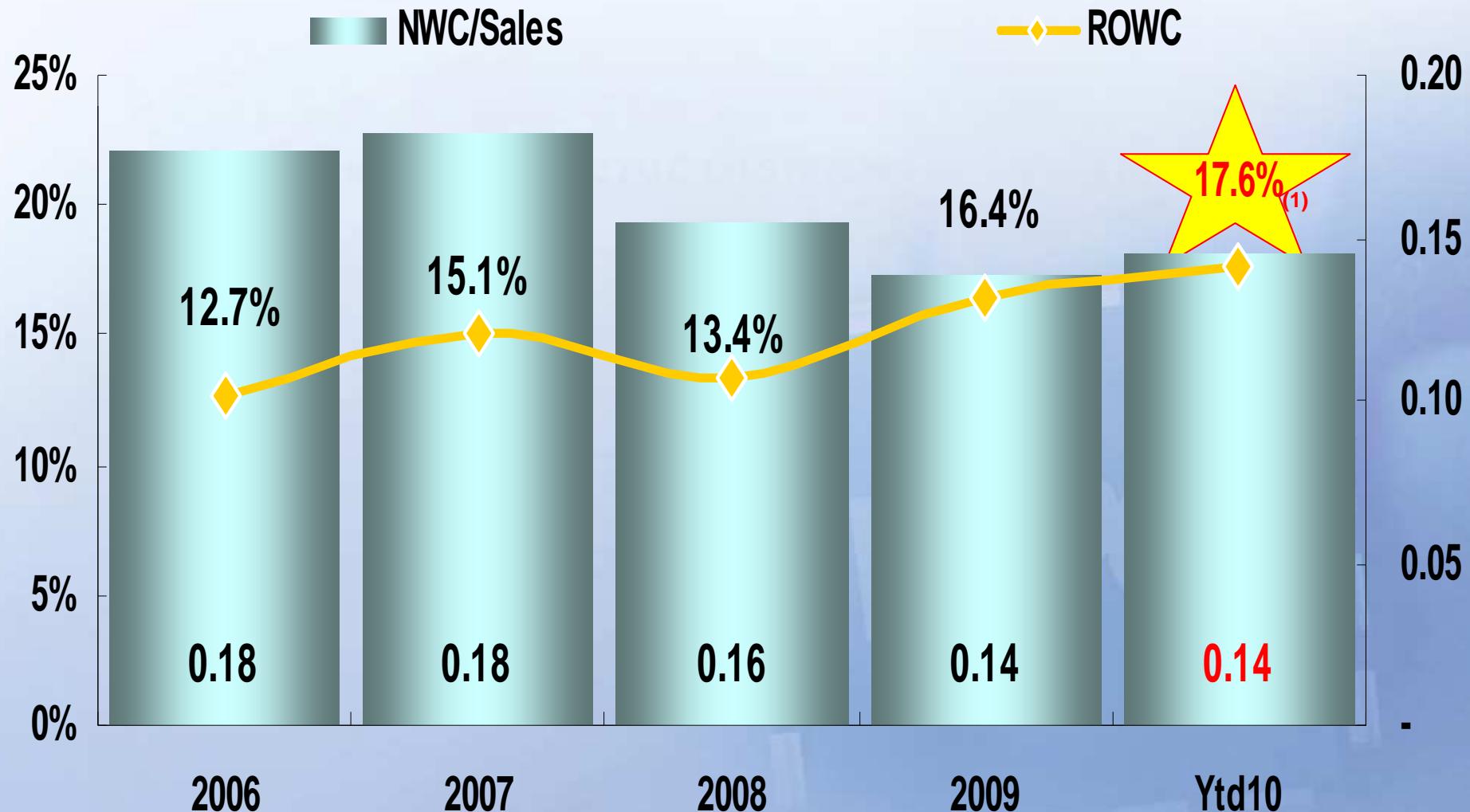


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Sales breakdown by Application/ Device Type



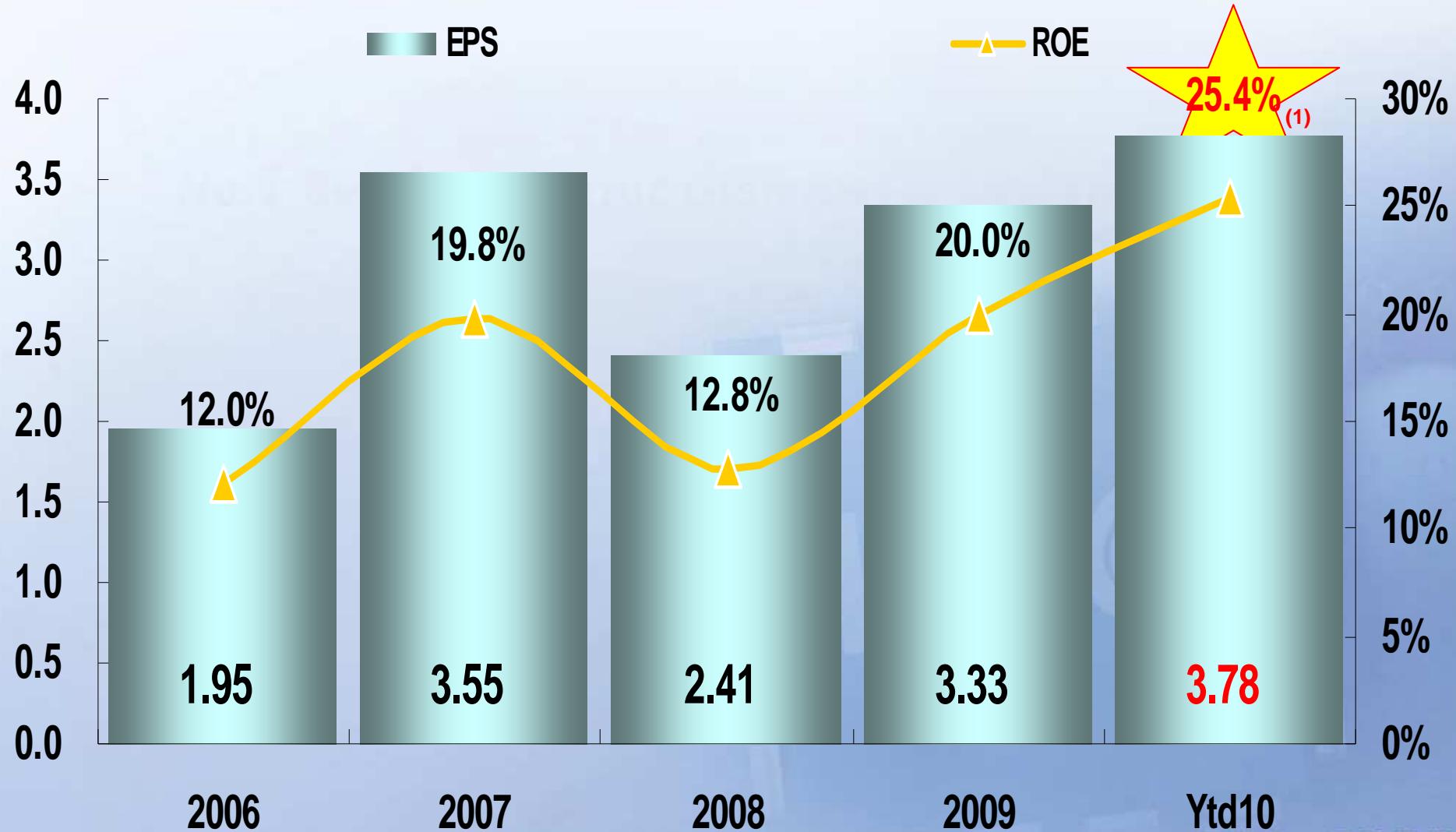
ROWC vs. NWC/Sales



Note 1 : Annualized

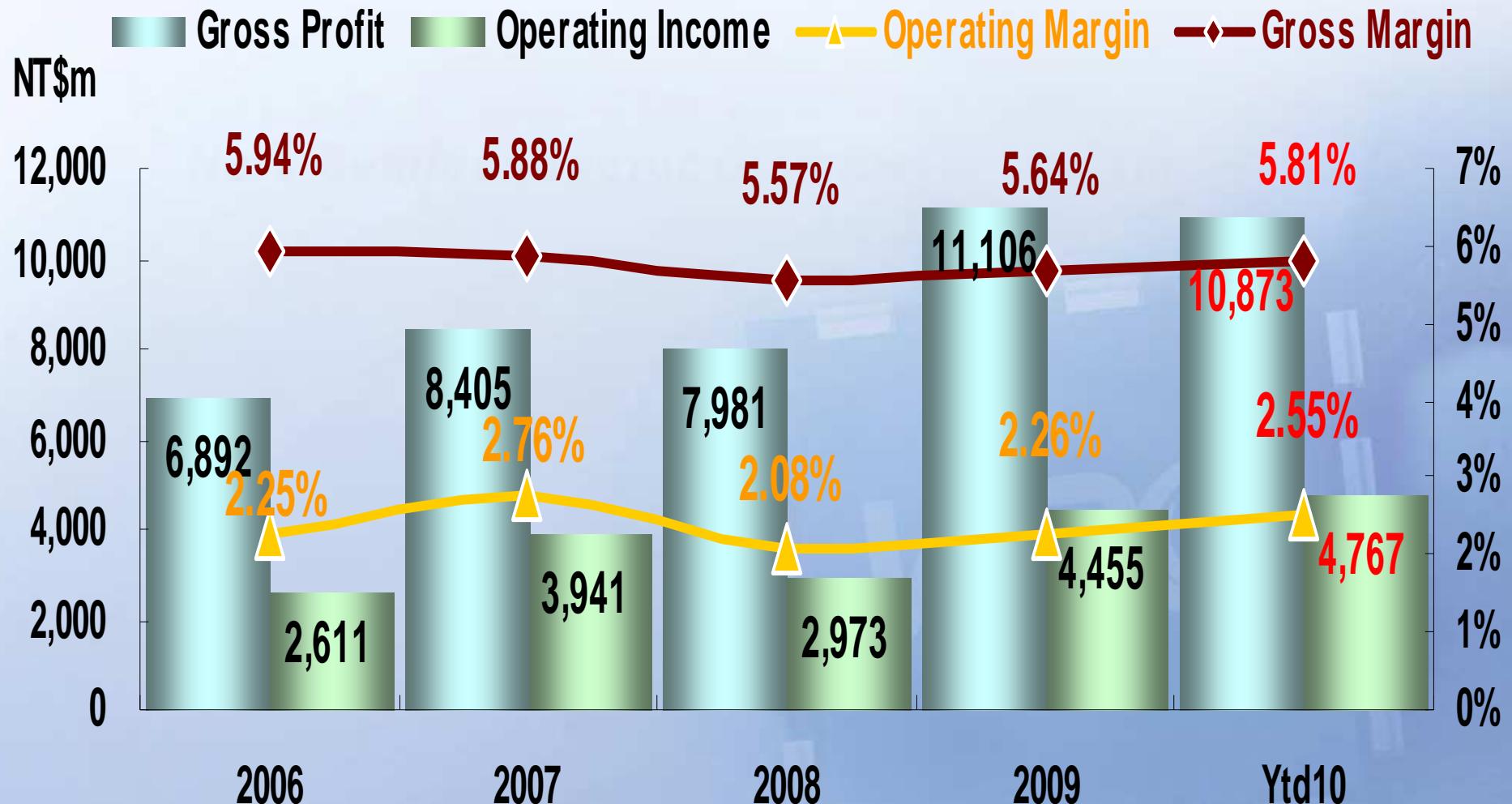
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ROE vs. EPS

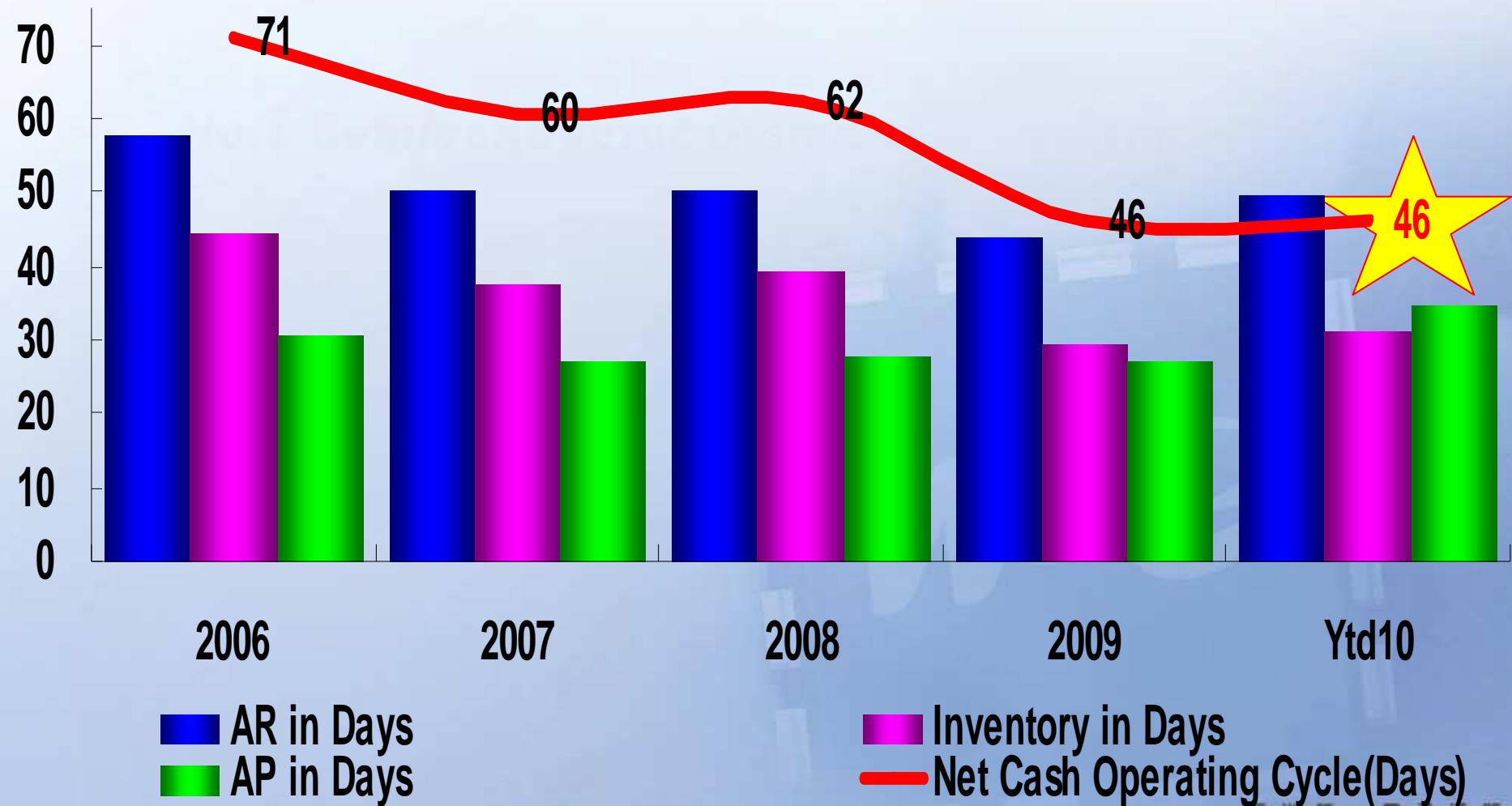


Note 1 : Annualized

Gross Margin vs. Operating Margin



Operating Cash Cycle



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4Q10 Guidance

Based on our current business outlook,
management expects :

- Revenues to be between NT\$ **71** billion and NT\$ **74** billion at a forecast FX rate of 30.5 NT dollars to 1 US dollar averaged over 4Q10.
- Gross profit margin to be between **5.1%** and **5.3%**
- Operating profit margin to be between **1.5%** and **1.7%**

Recap of Recent Major Events

■ 46 Solutions Launched in 3Q10 :



- ▶ 针对 Mobile TV 推出 USB 2.0 Dongle 解决方案 2010-08-04
- ▶ 推出应用于行动电视(Mobile TV)之多媒體解决方案 2010-08-04
- ▶ 推出适用于行动电视等多種應用之高效能 RF Switch 系列 2010-08-04
- ▶ 推出行动电视之主、被動元件最佳解决方案 2010-08-04
- ▶ 力推 ATLab DPI7 系列，電容式觸控按鍵解决方案 2010-08-04
- ▶ 整合旗下各产线推出 PND 应用整合方案 2010-08-04
- ▶ 积极推广 Generalplus SPMP8000 系列行动多媒体解决方案 2010-08-04
- ▶ 推出低成本、低功耗 CSR A5 电子书 2010-08-04
- ▶ 推出多款 LED 照明方案 2010-07-21
- ▶ 力推一系列 LED 照明方案 2010-07-21
- ▶ 推出一系列針對室內及室外 LED 照明應用解决方案 2010-07-21
- ▶ 推出照明 (Lighting) 之主、被動元件最佳解决方案 2010-07-21
- ▶ 力推室內及室外 LED 照明解决方案 2010-07-21
- ▶ 推出一系列针对 LED 市场的升降压电源管理芯片 2010-07-21
- ▶ 推出最新离线型 LED 调光 IC 方案 2010-07-21



**LED
Lighting
with
Dimming**



**Solar
charging
Beacon
system**

- ▶ 推出一系列高性价比 LED 驱动电源解决方案,覆盖 250W 以下中小功率等级应用 2010-07-21
- ▶ 推出液晶電視解决方案 2010-07-07
- ▶ 推出一系列 LCD TV 應用解决方案 2010-07-07
- ▶ 推出應用於電視機等多種介面之最新 WHDI 無線傳輸方案 2010-07-07
- ▶ 推出電視機 (TV) 之主、被動元件最佳解决方案 2010-07-07
- ▶ 力推 LCD TV 之解决方案 2010-07-07
- ▶ 提出最新 3DTV 运算技术解决方案_PNX5130 2010-07-07



- ▶ 推出数字与网络电话 最佳解决方案 2010-09-15
- ▶ 推出高效率及高功率以太网供电 (PoE)控制器 效率达 90% 以上 2010-09-15
- ▶ 推出智能手机 U6715,U8500 WCDMA/T6718 TD-SCDMA 2010-08-18
- ▶ 力推 Mobile WiMAX 单晶片解决方案 2010-08-18
- ▶ 力推適用中國移動 TD-SCDMA 終端的 Solution 2010-08-18
- ▶ 提出计算机储存设备 NAS & SSD 解决方案 2010-08-18

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Recap of Recent Major Events

■ 46 Solutions Launched in 3Q10 :



- ▶ 提出電腦儲存設備技術方案 2010-09-15
- ▶ 力推 USB3.0 ESD 防護解決方案 2010-09-15
- ▶ 推出寫入效能領先業界 RealSSD P300 固態硬碟產品 2010-09-15
- ▶ 推出電腦儲存應用之主、被動元件最佳解決方案 2010-09-15
- ▶ 力推)SSD 控制晶片-AU7510/AU7511 2010-09-15
- ▶ 推出 PC CAM 解決方案 2010-09-01
- ▶ 為 PC-TV 應用提供 HDMI PCI Express 橋接產品 2010-09-01
- ▶ 推出電腦週邊最佳元件解決方案 2010-09-01
- ▶ 力推 2.4GHz 無線滑鼠/鍵盤解決方案 2010-09-01
- ▶ 提出计算机储存设备 NAS & SSD 解决方案 2010-09-01
- ▶ 提出计算机储存设备技术方案 2010-09-01



- ▶ 提出低功耗及高擴充性 Car - PC 解決方案 2010-09-29
- ▶ 力推車用安全解決方案於汽車防盜應用 2010-09-29
- ▶ 力推加強型無線接收發射器件 於汽車遙控應用方案 2010-09-29
- ▶ 推出採用 MT9M114 CMOS sensor 行車紀錄器方案 2010-09-29
- ▶ 推出車電保全應用產品之主被動元件最佳解決方案 2010-09-29
- ▶ Passive Keyless Entry 完全解决方案 新增车门 Touch 开关功能 2010-09-29
- ▶ 推出汽车车锁 IMMO/RKE/PKE 解决方案 2010-09-29

**GPS
Solution**



GPS

Car TV



**Car-CD MP3
Solution**

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