WPG Holdings Ltd.
(3702 TT/3702.TW)
2Q11 Earning Release

Jul. 29th, 2011

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	Kathryn Chen
2Q11 Financial Highlights & 3Q11 Outlook	Cliff Yuan
Q&A	Simon Huang/ Scott Lin/ Cliff Yuan

Result Highlights

Unit:NT$million

item	2Q11	2Q11 Guidance	1Q11	2Q10	*QoQ(%)*	*YoY(%)*
Net Sales	82,544	80~84B	79,776	62,324	3.5	32.4
Gross Margin	5.73%	*5.2% ~ 5.4%*	5.46%	6.08%	+27 bp	-34 bp
Operating Income	1,861		1,634	1,681	13.9	10.7
Operating Margin	2.26%	*1.7% ~ 1.9%*	2.05%	2.70%	+21 bp	-44 bp
Net Income	1,498		1,318	1,473	13.7	1.7
EPS (NT$)(1)	1.03		0.91	1.39		
EPS (NT$)(2)	0.95					
Net Book Value (NT$)(1)	22.82					
Total Assets	111,162		103,261	75,200		
Total Liabilities	77,259		67,761	53,976		
Total Equity	33,903		35,500	21,225		
Net Working Capital	53,342		46,380	34,534		
Free Cash Flow	(5,233)		(3,437)	(4,678)		
KEY Indices(3)						
ROWC	*14.0%*		*14.1%*	*19.5%*	-13 bp	-551 bp
NWC/Sales	*0.16*		*0.15*	*0.14*		
ROE	*18%*		*15.2%*	*28.6%*	+266 bp	-1,067 bp
Gearing	0.73		0.52	0.67		

(1).Weighted average shares outstanding
(2).Weighted average shares outstanding Ex-dividend
(3).Annualized

Income Statements

Unit:NT$million

Item	2Q11	1Q11	*QoQ(%)*	2Q10	*YoY(%)*
Net operating Revenue	82,544	79,776	*3.5*	62,324	*32.4*
COGS	(77,812)	(75,418)	*3.2*	(58,537)	*32.9*
Gross Profit	4,732	4,358	*8.6*	3,787	*25.0*
Gross Margin	*5.73%*	*5.46%*		*6.08%*	
Operating Expenses	(2,871)	(2,724)	*5.4*	(2,106)	*36.3*
Operating Income	1,861	1,634	*13.9*	1,681	*10.7*
Operating Margin	*2.26%*	*2.05%*		*2.70%*	
Net Non-operating Items	(60)	(34)	*(75.6)*	42	*(243.2)*
Net Financing costs	(128)	(135)	*(4.7)*	(63)	*103.4*
Others	69	101		105	
Profit Before Tax/Minority	1,802	1,600	*12.6*	1,722	*4.6*
Tax	(300)	(278)	*8.1*	(243)	*23.7*
Minority/Accounting Principle Change	(4)	(4)		(7)	
Profit After Tax/Minority	1,498	1,318	*13.7*	1,473	*1.7*
Net Margin	*1.81%*	*1.65%*		*2.36%*	
EPS (NTD)(1)	1.03	0.91		1.39	
EPS (NTD)(2)	0.95				
Tax %	17%	17%		14%	

(1).Weighted average shares outstanding

(2).Weighted average shares outstanding Ex-dividend

Balance Sheet

Unit:NT$million	2Q11		1Q11		2Q10	
item	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
Cash &Marketable Securities	7,202	*6*	7,670	*7*	5,895	*8*
Accounts Receivable - Trade	48,217	*43*	44,024	*43*	38,305	*51*
Inventory	36,787	*33*	33,616	*33*	23,184	*31*
Current Assets	101,047	*91*	93,241	*90*	72,255	*96*
Others	10,116	*9*	10,020	*10*	2,946	*4*
Total Assets	**111,162**	***100***	**103,261**	***100***	**75,200**	***100***
Current Interest-bearing Debt	33,352	*30*	26,908	*26*	16,301	*22*
Accounts Payble	31,663	*28*	31,260	*30*	26,955	*36*
Accured Liabilities and Others	9,553	*9*	7,022	*7*	5,888	*8*
Current Liabilities	74,567	*67*	65,190	*63*	49,144	*65*
Long-term Interest-bearing Debt	2,059	*2*	1,938	*2*	4,569	*6*
Others	633	*1*	633	*1*	263	*0*
Total Liabilities	**77,259**	***70***	**67,761**	***66***	**53,976**	***72***
Total Equity	**33,903**	***30***	**35,500**	***34***	**21,225**	***28***
KEY Indices(1)						
Net Working Capital ($)	53,342		46,380		34,534	
AR Turnover (Days)	*47*		*46*		*52*	
Inventory Turnover (Days)	*40*		*38*		*31*	
AP Turnover (Days)	*34*		*35*		*37*	
Average Collection Periods (Days)	*53*		*49*		*46*	
Current Ratio	*136%*		*143%*		*147%*	
Gearing Ratio	*0.73*		*0.52*		*0.67*	

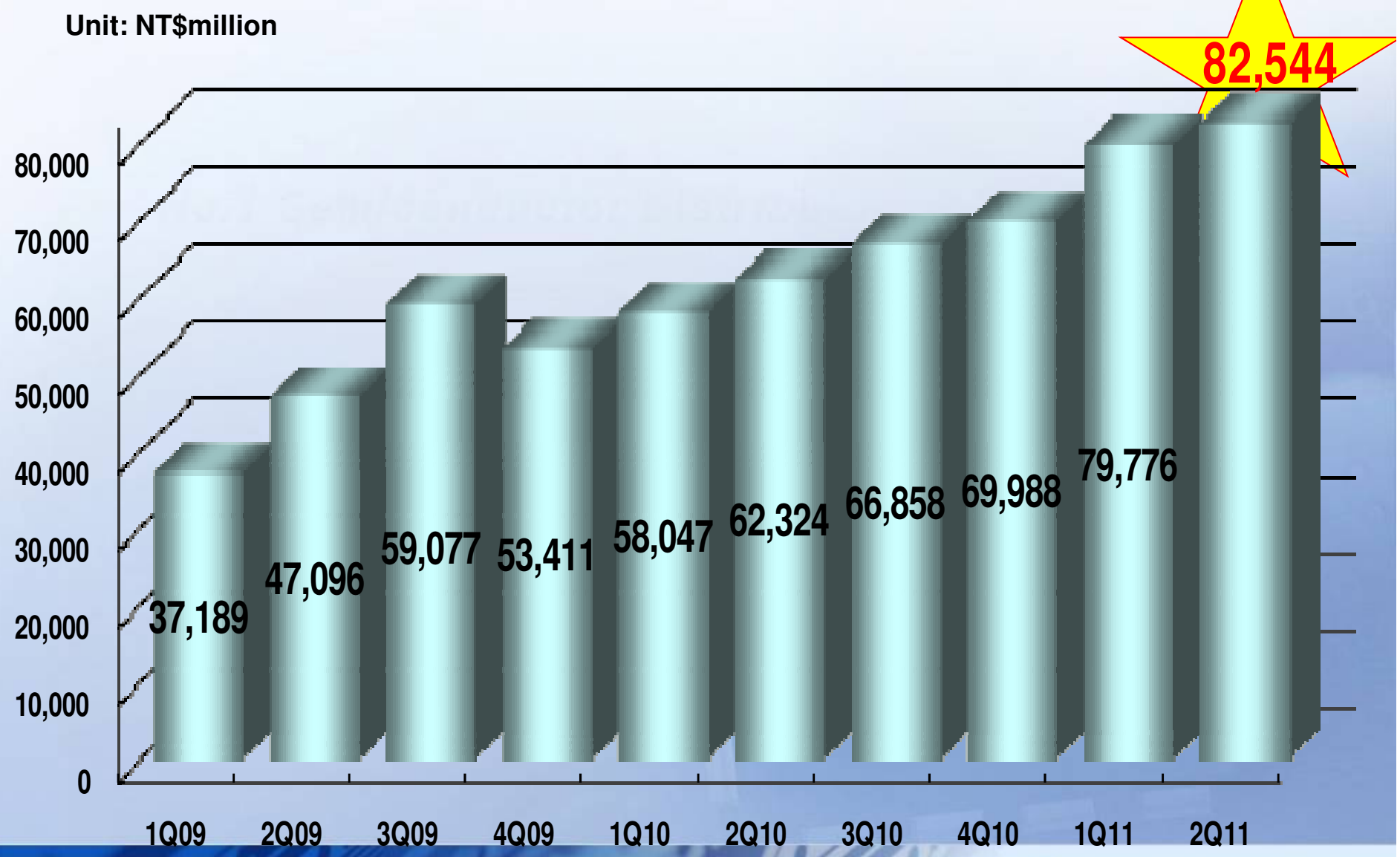
(1).Annualized

Cash Flows

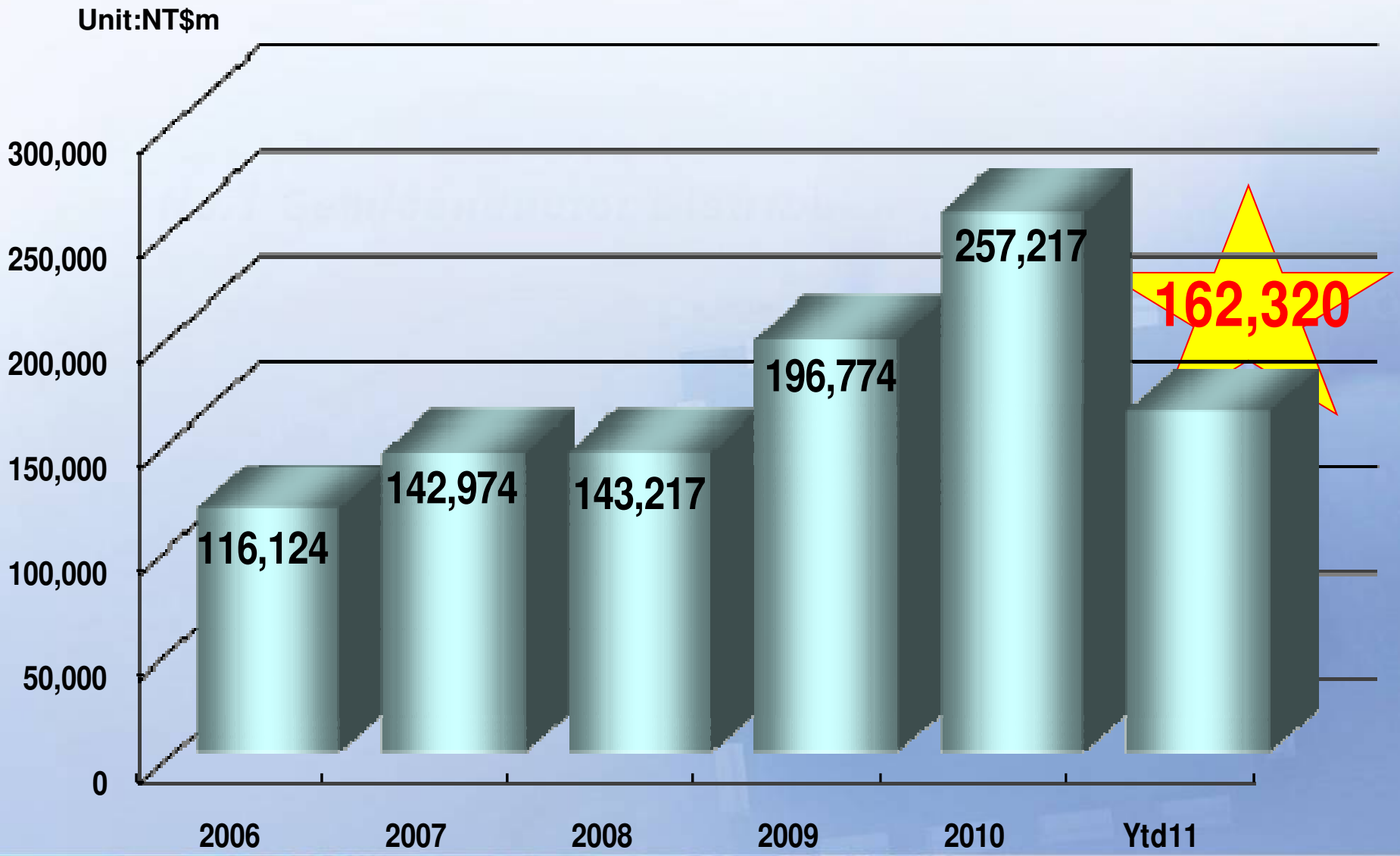
Unit:NT$million	2Q11	1Q11	2Q10
-Net Income(1)	1,502	1,322	1,480
-Changes of NWC	(5,533)	(6,403)	(6,253)
-Adjustment & Others	(1,202)	1,643	95
From Operation	**(5,233)**	**(3,437)**	**(4,678)**
-Financial Instrument	760	1,289	(128)
-Capital Expenditure	82	(50)	(14)
-Others	(297)	72	(33)
From Investment	**544**	**1,312**	**(175)**
-Financial Debt	4,459	1,837	5,002
-ESOP	-	-	2
-Others	(16)	28	(15)
From Financing	**4,443**	**1,864**	**4,989**
Effect on changes of consolidated subsidiaries	**381**	**48**	**-**
Cumulative translation adjustments	**(477)**	**59**	**258**
Net Cash Position Change	**(341)**	**(154)**	**394**
Ending Cash Balance	**7,078**	**7,419**	**5,817**

(1).Minority interest is included.

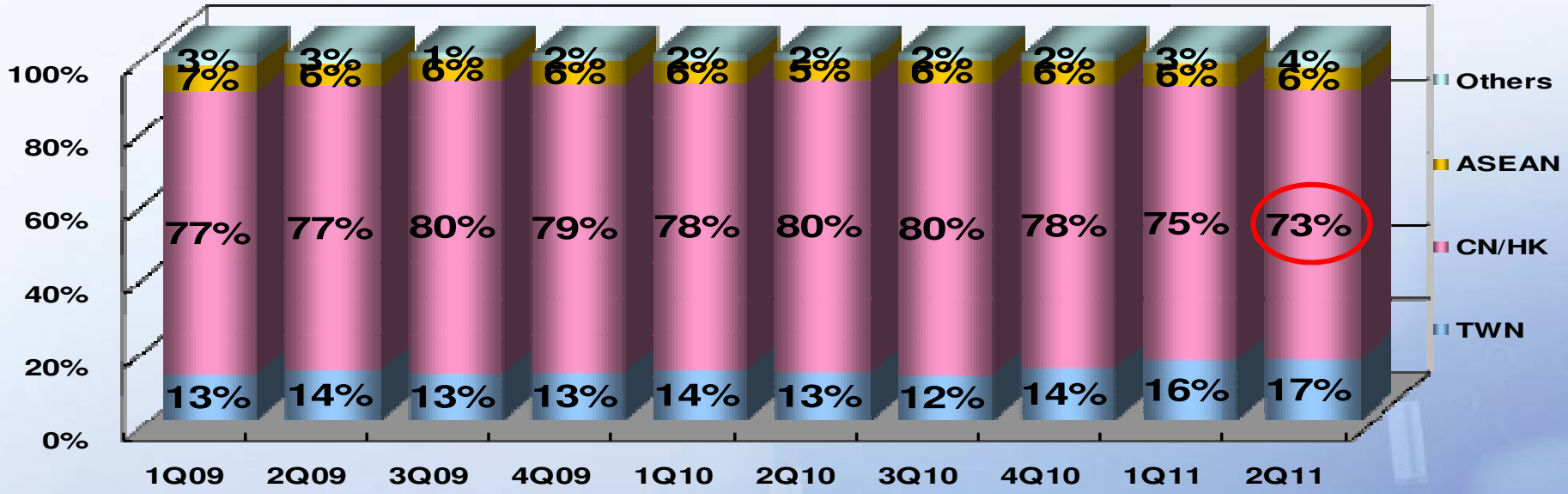
Consolidated Revenue

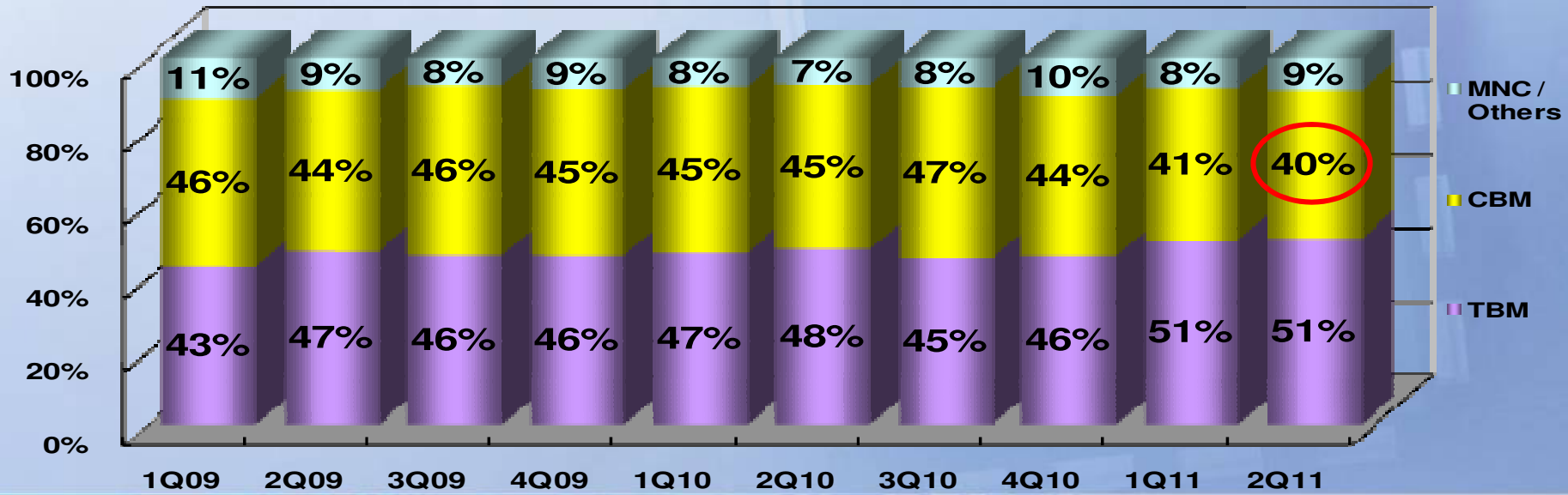


Consolidated Revenue



Sales breakdown by Geography/ Customer

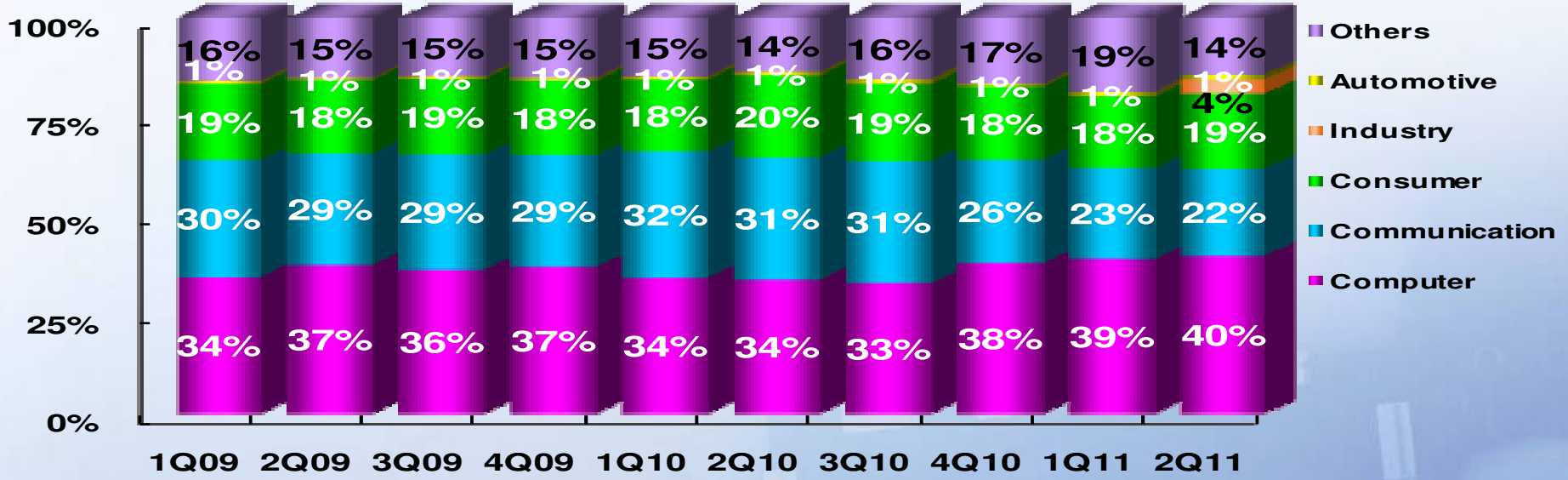


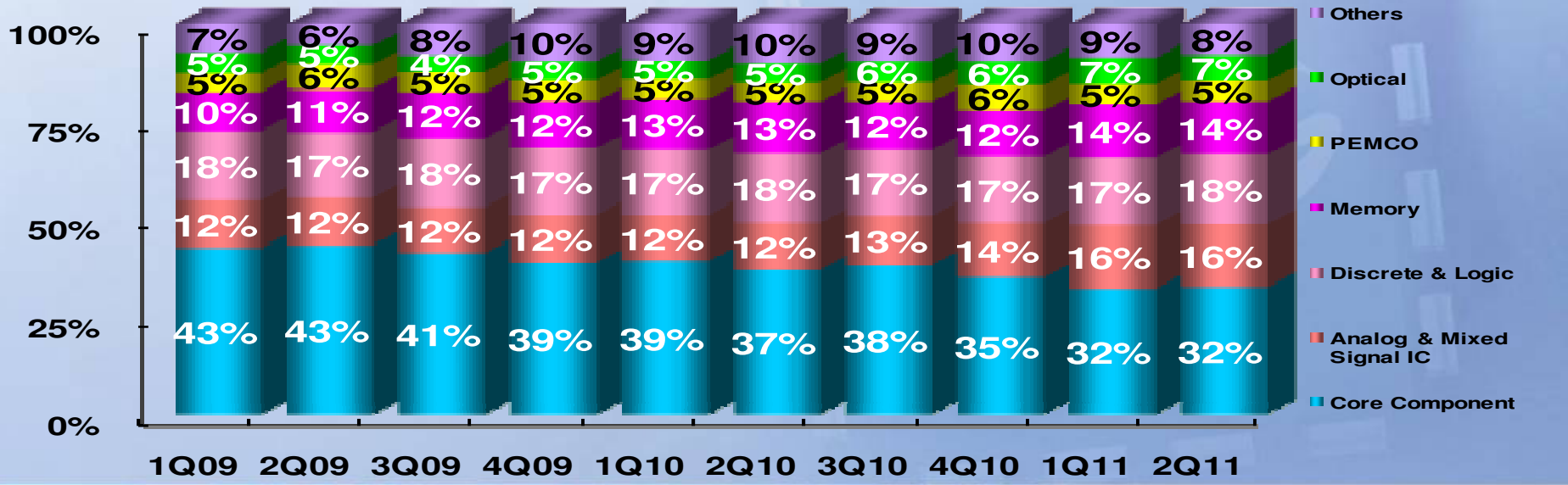


TBM：Taiwan-Based Customers
CBM：China Based Customers

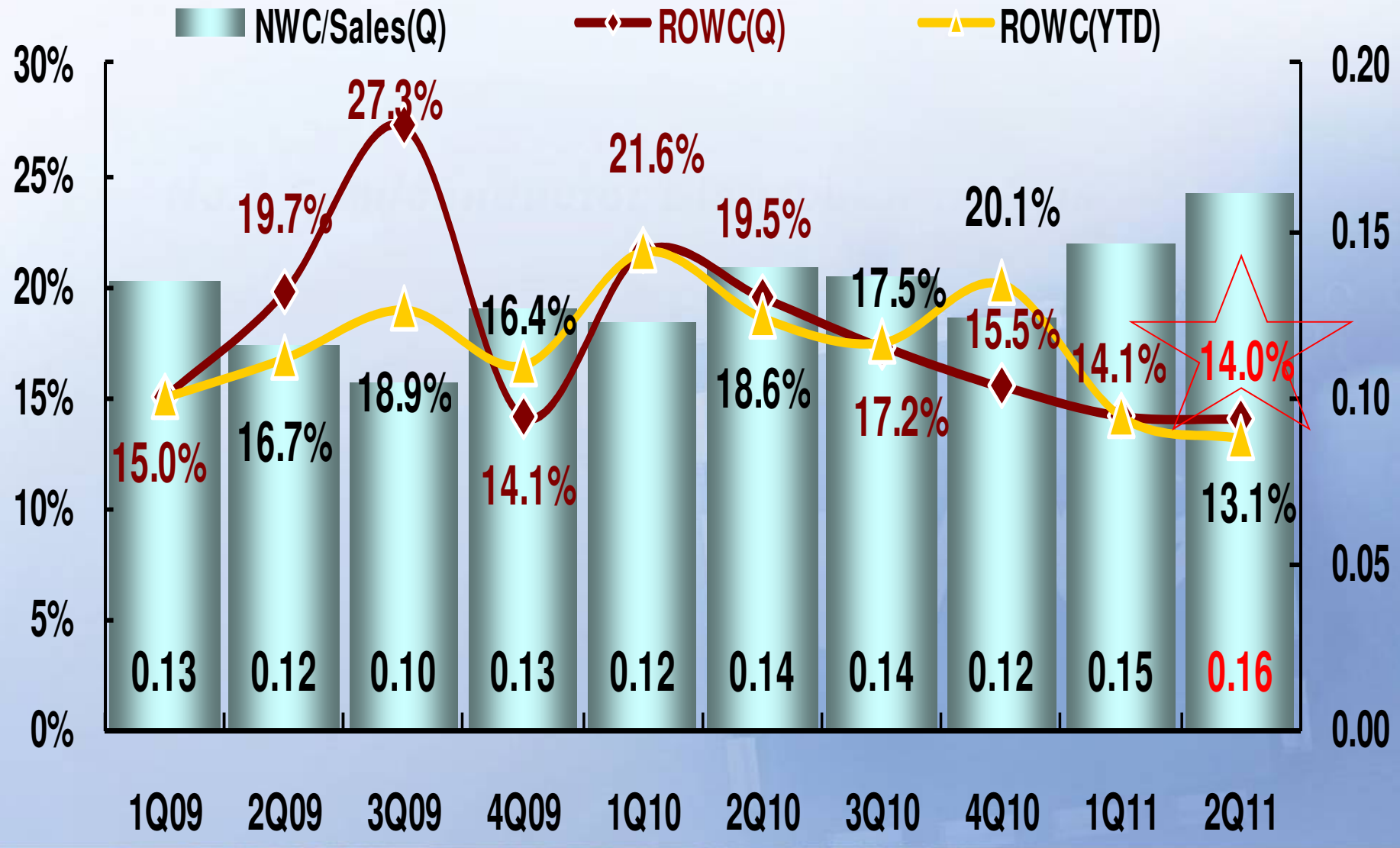
WPG Holdings Limited

Sales breakdown by Application/ Device Type



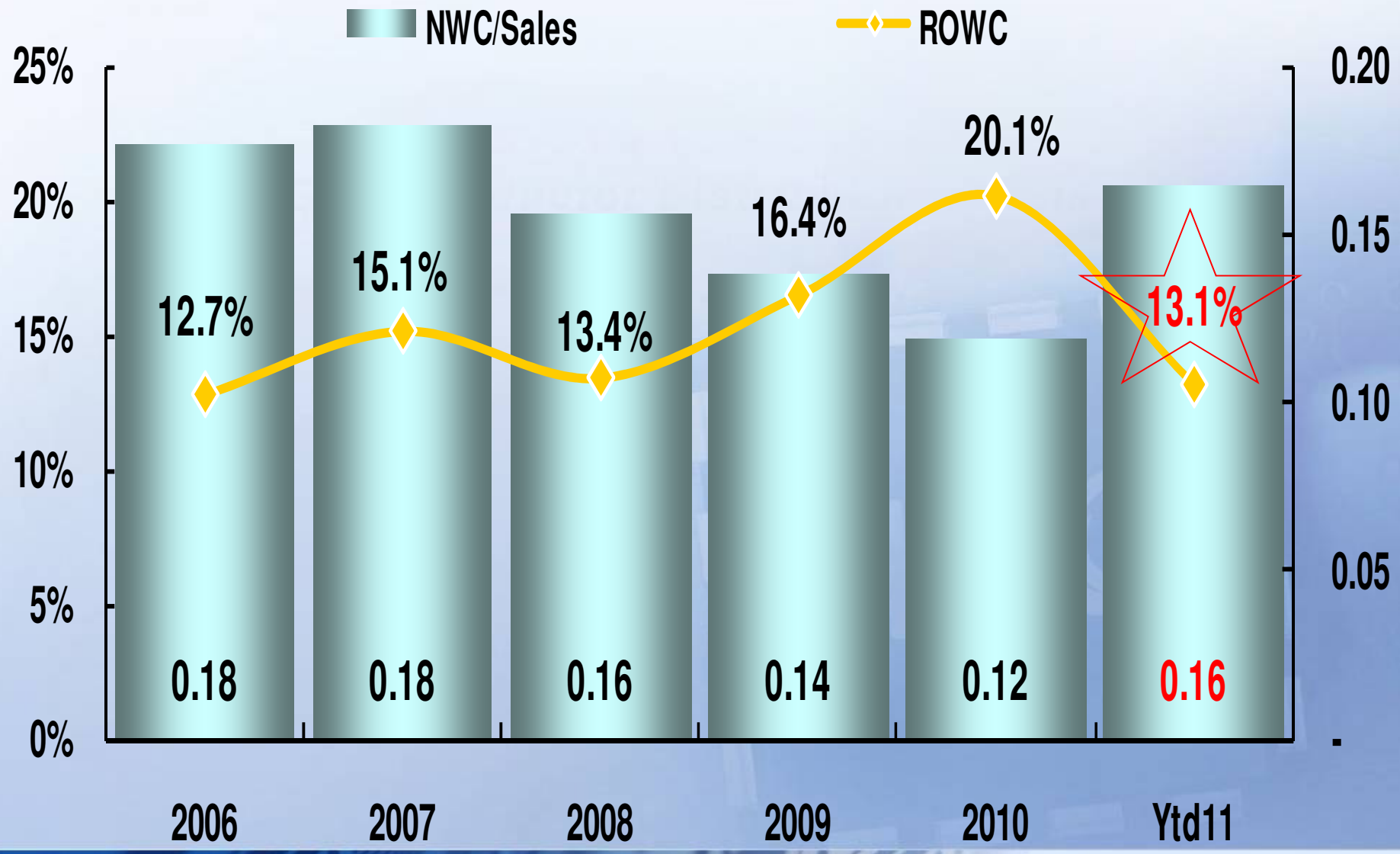


ROWC vs. NWC/Sales



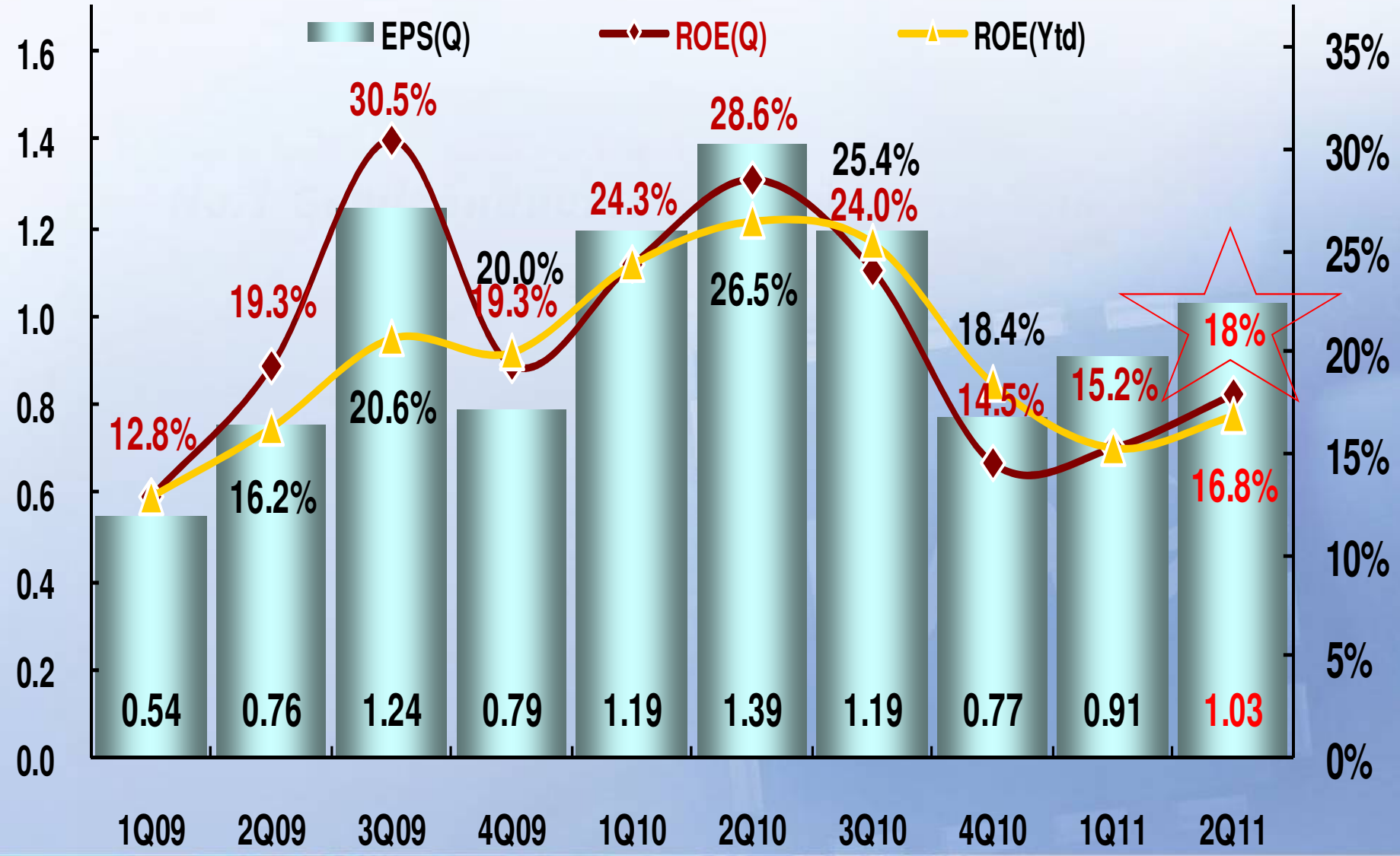
Note：Annualized

ROWC vs. NWC/Sales



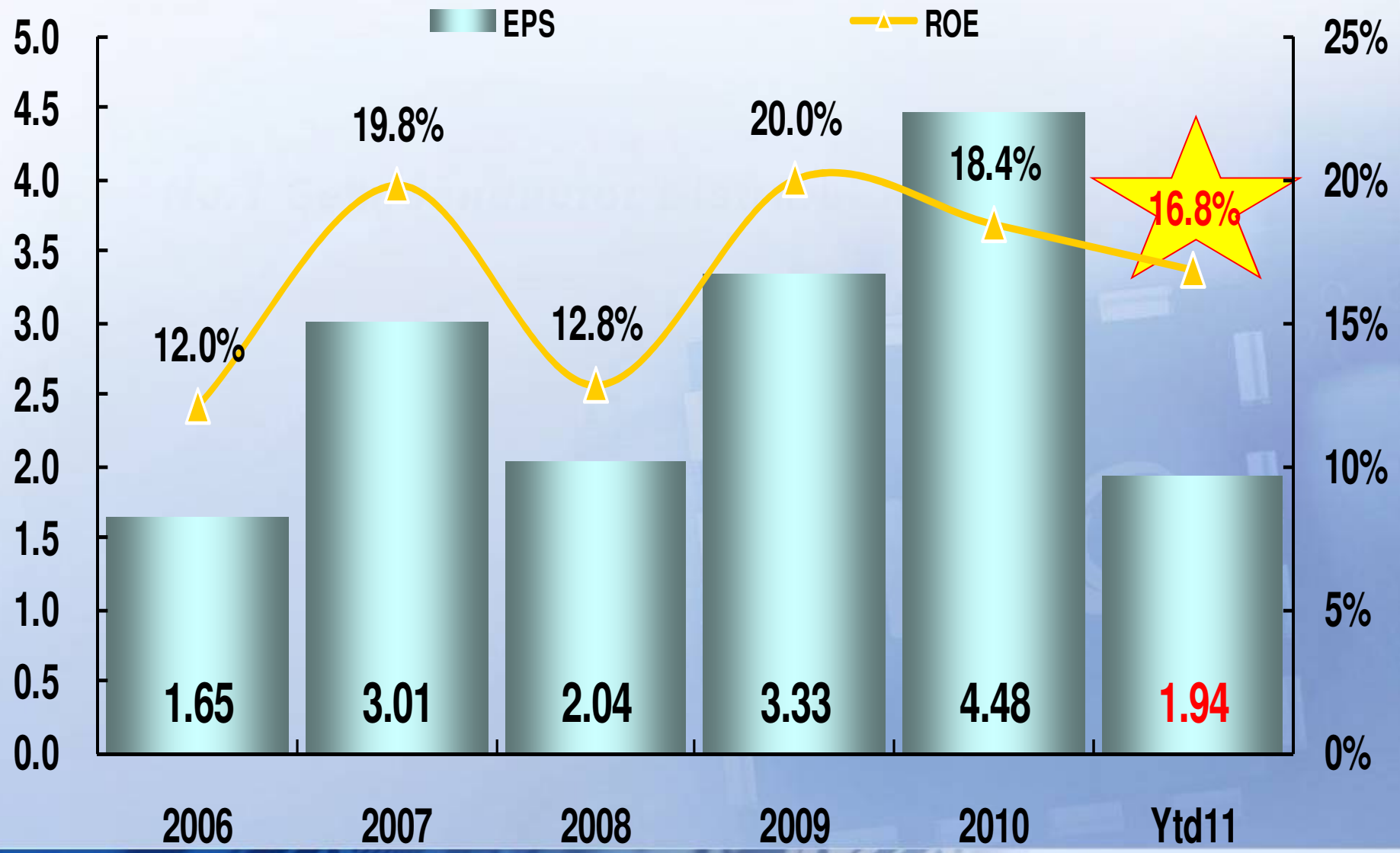
Note：Annualized

ROE vs. EPS



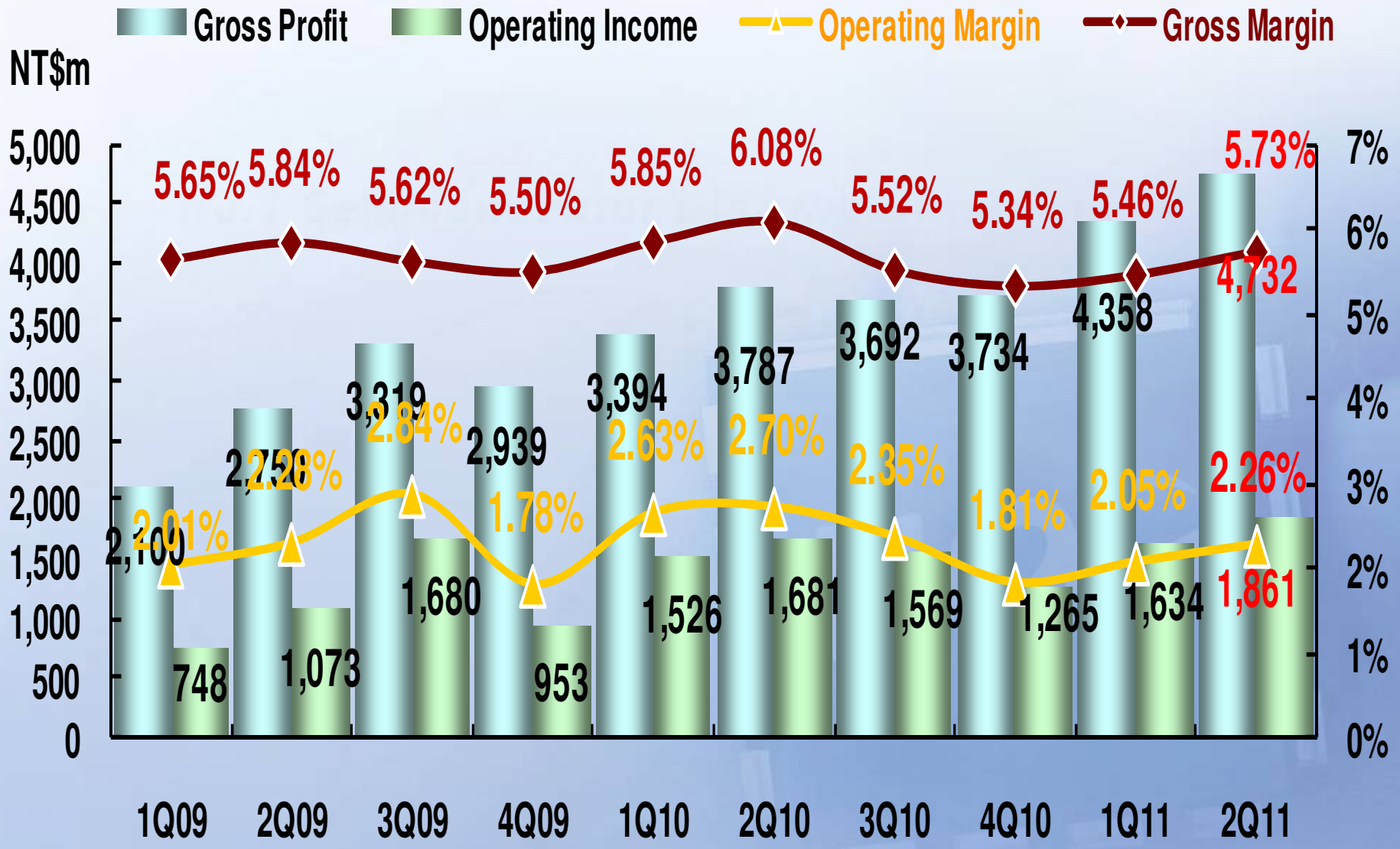
Note：Annualized

ROE vs. EPS



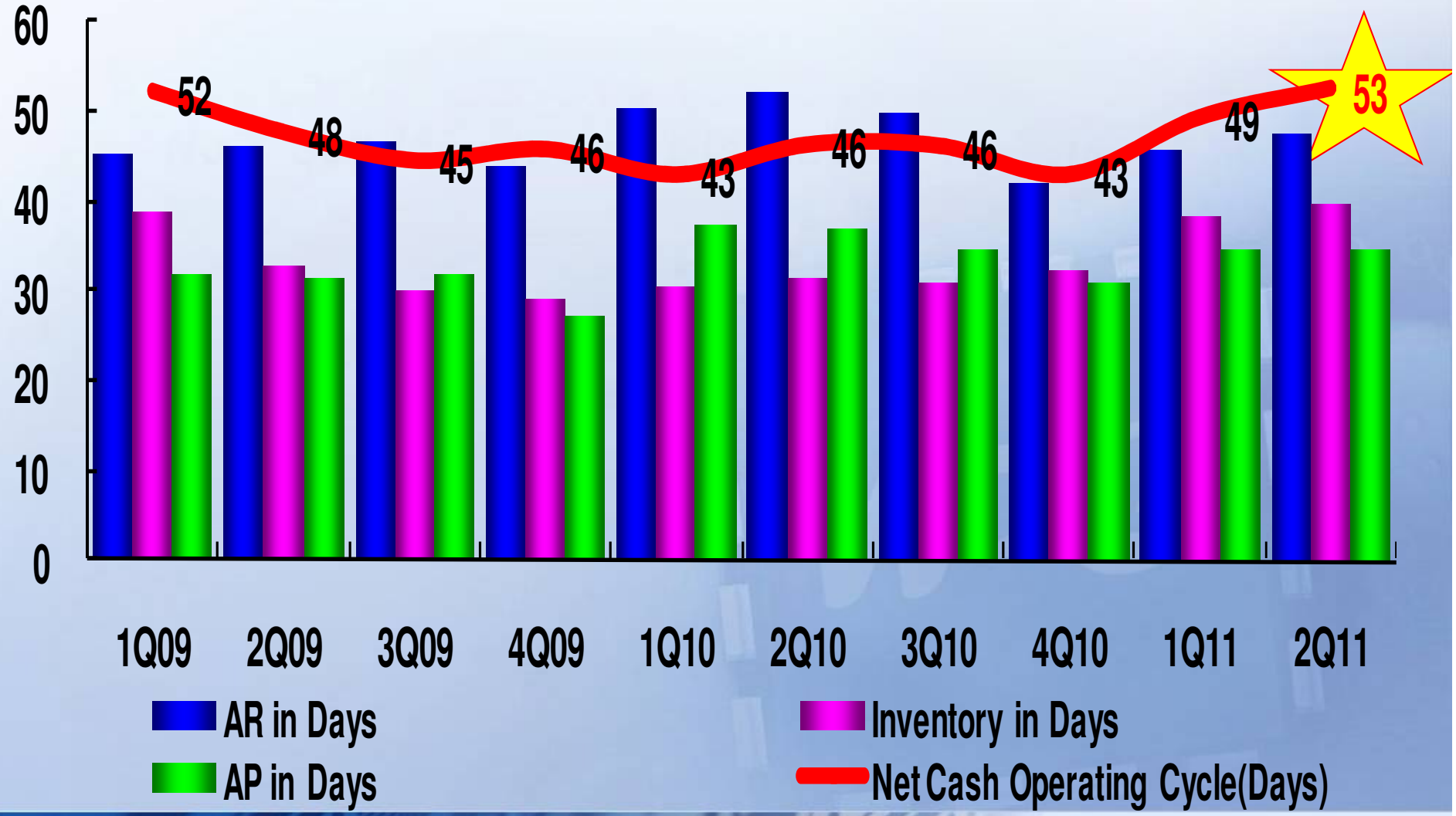
Note：Annualized

Gross Margin vs. Operating Margin



Gross Margin vs. Operating Margin

Operating Cash Cycle



Note：Annualized

Operating Cash Cycle

Note：Annualized

3Q11 Guidance

Based on our current business outlook, management expects：

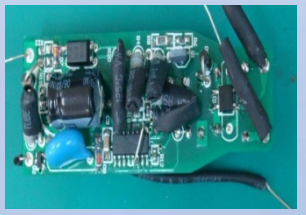
- **Revenues to be between NT$ 89 billion and NT$ 93 billion at a forecast FX rate of 28.8 NT dollars to 1 US dollar averaged over 3Q11.**
- **Gross profit margin to be between 5.4% and 5.6%**
- **Operating profit margin to be between 2.1% and 2.3%**

Recap of Recent Major Events

■ **55 Solutions Launched in 2Q11：**

▶ 力推高亮度 LED 解決方案	2011-06-22
▶ 推出照明_Lighting 解決方案	2011-06-22
▶ 推出 LED 驅動方案及多款 LED 照明方案	2011-06-22
▶ 力推一系列 LED 照明解決方案	2011-06-22
▶ 推出照明 (Lighting)最佳解決方案	2011-06-22
▶ 推出 DVR & NVR 解決方案	2011-05-25
▶ 推出數位視訊錄影機之主、被動最佳解決方案	2011-05-25
▶ 力推 PCI express 介面轉換 IC, 可用於 DVR	2011-05-25
▶ 推出數位視訊錄影機產品的解決方案	2011-05-25
▶ 推出機上盒方案	2011-05-25
▶ 力推 HD DVB-S2 解決方案	2011-05-25
▶ 滿足三網融合熱潮推出 STB 晶片組	2011-05-25
▶ 推出機上盒(Set Top Box)最佳的主被動解決方案	2011-05-25
▶ 力推機上盒上的電源解決方案	2011-05-25

▶ 推出 Google TV 解決方案	2011-05-11
▶ 力推 HD IPTV 解決方案	2011-05-11
▶ 推出適用於行動電視網路電視等應用高效能 RF Switch 系列	2011-05-11
▶ 推出網路電視最佳元件解決方案	2011-05-11
▶ 力推 eMMC Flash...等系列產品，可用於網路電視	2011-05-11
▶ 推出全方位功能的網路協定電視 IPTV 解決方案	2011-05-11
▶ 推出 CMMB Mobile TV	2011-05-11
▶ 推出电子收音的 CMOS 单芯片，适用于 Mobile TV	2011-05-11
▶ 推出全方位功能的 MobileTV 解決方案	2011-05-11
▶ 推出 低成本、低功耗平板電腦	2011-04-27
▶ 力推加速傳感元件(G-Sensor)應用於遊戲機整合方案	2011-04-27
▶ 推出領先業界適用 PMP 清晰音頻及數位麥克風方案	2011-04-27
▶ 推出個人媒體播放器之主、被動組件最佳解決方案	2011-04-27
▶ 力推藍牙晶片及 SiRF 晶片於 PND 裝置,降低 BOM 的成本	2011-04-27
▶ 推出"個人媒體撥放器"之解決方案	2011-04-27
▶ 力推 MID 解決方案	2011-04-27
▶ 推出应用游戏摇杆陀螺仪 实现准确手势追踪	2011-04-27



LED Lighting with Dimming

Car TV

GPS Solution

GPS

Recap of Recent Major Events

■ **55 Solutions Launched in 2Q11：**

▶ 推出手持式娱乐之主、被动组件最佳解决方案	2011-04-27
▶ 推出适用 PMP 上 可自动调整萤幕背光源达到省电效果	2011-04-27
▶ 推出 USB 3.0 微投影解决方案	2011-04-13
▶ 推出 LED Projector 微投影機方案	2011-04-13
▶ 推出投影機 (Projector)之主、被動元件最佳解決方案	2011-04-13
▶ 力推 OFN(Optical Finger Navigation)適用於微投影機光學指向器	2011-04-13
▶ 推出 LCOS 便携式微型投影仪解决方案	2011-04-13
▶ 推出基于 Pico-projector 解决方案	2011-04-13
▶ 推出 EZCascade™技术，大大简化视频显示器设计	2011-04-13

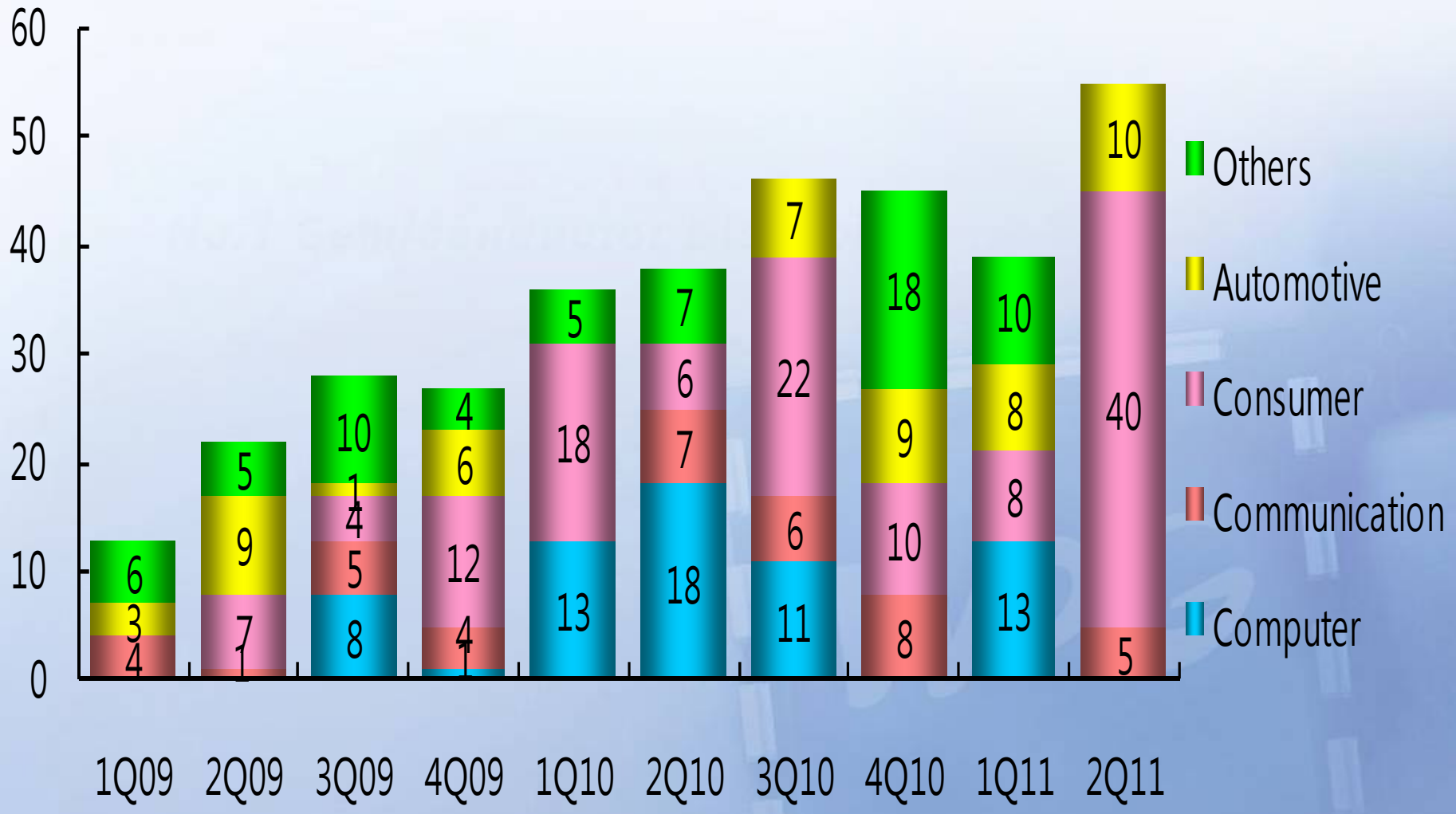
▶ 力推双频段射频功率放大器适用所有 3G 手机平台	2011-06-22
▶ 推出智慧型手机方案	2011-06-22
▶ 推出 TD-3G Mobile	2011-06-22
▶ 推出智慧手机单芯片解决方案 高集成度低成本促进 TD 智慧型终端产业链发展	2011-06-22
▶ 推出智慧型手机及通讯之主、被动元件最佳解决方案	2011-06-22

▶ 推出汽車電子之主被動元件最佳解決方案	2011-06-08
▶ 力推藍牙晶片於車用音訊之解決方案	2011-06-08
▶ 推出汽車電子週邊解決方案	2011-06-08
▶ 提出低功耗及高擴充性的 Car - PC 解決方案	2011-06-08
▶ 力推嵌入式低功耗無鑰匙方案	2011-06-08
▶ 推出採用 CMOS sensor 行車紀錄器方案	2011-06-08
▶ 力推车用高能源效率解决方案	2011-06-08
▶ 推出 Car-Infotainment 解决方案优化成本缩短开发周期	2011-06-08
▶ 力推高端 Tuner 应用于车载娱乐方案	2011-06-08
▶ 代理汽车收音机调谐器 IC 满足低成本设计需求	2011-06-08

Solar charging Beacon system

Car-CD MP3 Solution

More Solutions Launched …



http://www.WPGholdings.com/wpgtechonline.php

Recap of Recent Major Events

- WPG Holdings ranked "Worldwide No.3, APAC No.1 in 2011 TOP 25 Global Distributors" by EETimes (2011/05)
- WPG Holdings ranked "The Best Overseas Semiconductor Distributor" by ESMC (2011/06)
- WPG Annual Shareholder meeting Approved NT$2.1 Cash Dividend Per Share & 9 percent Stock Dividend (90 shares for every 1,000 owned) (2011/06/22)
- AIT, subgroup of WPG, Proposes FlyCastle business acquisition in Cash (2011/06/27)

Appendix

Result Highlights

Unit:NT$million

item	1H11	1H10	YoY (%)
Net Sales	162,320	120,371	34.8
Gross Margin	5.60%	5.97%	-37 bp
Operating Income	3,495	3,207	9.0
Operating Margin	2.15%	2.66%	-51 bp
Net Income	2,815	2,731	3.1
EPS (NTD)(1)	1.94	2.59	
EPS (NTD)(2)	1.78		
Total Assets	111,162	75,200	
Total Liabilities	77,259	53,976	
Total Equity	33,903	21,225	
Net Working Capital	53,342	34,534	
Free Cash Flow	(8,671)	(5,477)	
KEY Indices(3)			
ROWC	*13.1%*	*18.6%*	-547 bp
NWC/Sales	*0.16*	*0.14*	
ROE	*16.8%*	*26.5%*	-966 bp
Gearing	0.73	0.67	

(1).Weighted average shares outstanding

(2).Weighted average shares outstanding Ex-dividend

(3).Annualized

Income Statements

Unit:NT$million

Item	1H11	1H10	YoY(%)
Net operating Revenue	162,320	120,371	34.8
COGS	(153,230)	(113,191)	35.4
Gross Profit	9,090	7,181	26.6
Gross Margin	5.60%	5.97%	
Operating Expenses	(5,595)	(3,974)	40.8
Operating Income	3,495	3,207	9.0
Operating Margin	2.15%	2.66%	
Net Non-operating Items	(93)	81	(215.0)
Net Financing costs	(263)	(113)	132.6
Others	170	194	(12.7)
Profit Before Tax/Minority	3,402	3,288	3.5
Tax	(578)	(545)	6.1
Minority/Accounting Principle Change	(8)	(12)	(32.8)
Profit After Tax/Minority	2,815	2,731	3.1
Net Margin	1.73%	2.27%	
EPS (NTD)(1)	1.94	2.59	
EPS (NTD)(2)	1.78		
Tax%	17%	17%	

(1).Weighted average shares outstanding

(2).Weighted average shares outstanding Ex-dividend

Cash Flows

Unit:NT$million

	1H11	1H10
-Net Income(1)	2,824	2,744
-Changes of NWC	(11,936)	(7,381)
-Adjustment & Others	441	(839)
From Operation	**(8,671)**	**(5,477)**
-Financial Instrument	2,049	574
-Capital Expenditure	32	(42)
-Others	(225)	120
From Investment	**1,856**	**651**
-Financial Debt	6,295	4,032
-ESOP	-	4
-Others	12	(65)
From Financing	**6,307**	**3,972**
Effect on changes of consolidated subsidiaries	**430**	**-**
Cumulative translation adjustments	**(417)**	**157**
Net Cash Position Change	**(495)**	**(697)**
Ending Cash Balance	**7,078**	**5,817**

(1).Minority interest is included.