

WPG Holdings Ltd.
(3702.TT/3702.TW)
3Q11 Earning Release

Oct. 28th, 2011

Safe Harbor Notice

World's No.1 Electronics Distributor

- 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

Asia's No.1 Electronics Distributor

■ **Welcome**

Kathryn Chen

■ **3Q11 Financial Highlights & 4Q11 Outlook**

Cliff Yuan

■ **Q&A**

Simon Huang/

Scott Lin/

Cliff Yuan

Result Highlights

No.1 Electronics Distributor

Unit:NT\$million

item	3Q11	3Q11 Guidance ⁽³⁾	2Q11	3Q10	QoQ(%)	YoY(%)
Net Sales	87,944	86.5~87.5B	82,524	66,858	6.6	31.5
Gross Margin	5.42%	5.4% ~ 5.6%	5.73%	5.52%	-32 bp	-11 bp
Operating Expenses	(2,884)		(2,878)	(2,122)	0.2	35.9
Operating Income	1,878		1,852	1,569	1.4	19.7
Operating Margin	2.14%	2.1% ~ 2.3%	2.24%	2.35%	-11 bp	-21 bp
Net Income	1,360		1,481	1,259	(8.1)	8.1
EPS (NT\$) ⁽¹⁾	0.86		0.93	1.09		
Net Book Value (NT\$) ⁽¹⁾	22.98					
Total Assets	122,431		110,884	75,463		
Total Liabilities	85,282		76,986	53,645		
Total Equity	37,149		33,898	21,819		
Net Working Capital	62,412		53,940	36,495		
Free Cash Flow	(6,970)		(4,986)	69		
KEY Indices⁽²⁾						
ROWC	12.0%		13.7%	17.2%	-169 bp	-516 bp
NWC/Sales	0.18		0.16	0.14		
ROE	15.5%		17.7%	24.0%	-219 bp	-855 bp
Gearing	0.89		0.74	0.77		

(1).Weighted average shares outstanding

(2).Annualized

(3).Revised

Income Statements

1 Electronics Distributor

Unit:NT\$million

Item	3Q11	2Q11	QoQ(%)	3Q10	YoY(%)
Net operating Revenue	87,944	82,524	6.6	66,858	31.5
COGS	(83,181)	(77,794)	6.9	(63,166)	31.7
Gross Profit	4,763	4,730	0.7	3,692	29.0
Gross Margin	5.42%	5.73%		5.52%	
Operating Expenses	(2,884)	(2,878)	0.2	(2,122)	35.9
Operating Income	1,878	1,852	1.4	1,569	19.7
Operating Margin	2.14%	2.24%		2.35%	
Net Non-operating Items	(189)	(67)	(181.9)	(36)	(430.8)
Net Financing costs	(174)	(122)	42.3	(90)	94.1
Others	(15)	55		54	
Profit Before Tax/Minority	1,689	1,785	(5.4)	1,534	10.1
Tax	(320)	(300)	6.4	(269)	18.9
Minority/Accounting Principle Change	(9)	(4)		(6)	
Profit After Tax/Minority	1,360	1,481	(8.1)	1,259	8.1
Net Margin	1.55%	1.79%		1.88%	
EPS (NTD) ₍₁₎	0.86	0.93		1.09	
Tax %	19%	17%		18%	

(1).Weighted average shares outstanding

Balance Sheet

Asia's No.1 Electronics Distributor

Unit:NT\$million

item	3Q11		2Q11		3Q10	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	7,739	6	7,194	6	5,339	7
Accounts Receivable - Trade	55,089	45	48,225	43	37,854	50
Inventory	39,952	33	37,238	34	24,347	32
Current Assets	112,130	92	100,866	91	72,348	96
Others	10,301	8	10,018	9	3,115	4
Total Assets	122,431	100	110,884	100	75,463	100
Current Interest-bearing Debt	39,148	32	33,403	30	20,996	28
Accounts Payable	32,628	27	31,524	28	25,707	34
Accrued Liabilities and Others	7,521	6	9,380	8	4,736	6
Current Liabilities	79,297	65	74,307	67	51,438	68
Long-term Interest-bearing Debt	5,376	4	2,013	2	1,954	3
Others	609	0	667	1	253	0
Total Liabilities	85,282	70	76,986	69	53,645	71
Total Equity	37,149	30	33,898	31	21,819	29

KEY Indices⁽¹⁾

Net Working Capital (\$)	62,412	53,940	36,495
AR Turnover (Days)	50	47	50
Inventory Turnover (Days)	39	40	31
AP Turnover (Days)	34	34	34
Average Collection Periods (Days)	55	53	46
Current Ratio	141%	136%	141%
Gearing Ratio	0.89	0.74	0.77

(1).Annualized

Cash Flows

Asia's No.1 Electronics Distributor

Unit:NT\$million

	3Q11	2Q11	3Q10
-Net Income ₍₁₎	1,369	1,484	1,265
-Changes of NWC	(8,472)	(5,810)	(2,071)
-Adjustment & Others	133	(660)	875
From Operation	(6,970)	(4,986)	69
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-Financial Instrument	(437)	766	(45)
-Capital Expenditure	41	2	(28)
-Others	(227)	(245)	(290)
From Investment	(623)	522	(364)
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-Financial Debt	9,108	4,356	2,079
-Cash Dividends	(3,051)	-	(1,789)
-ESOP	-	-	1
-Others	9	(42)	(25)
From Financing	6,065	4,315	266
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Effect on changes of consolidated subsidiaries	-	280	(45)
Cumulative translation adjustments	1,918	(482)	(502)
Net Cash Position Change	390	(351)	(575)
Ending Cash Balance	7,457	7,068	5,242

(1).Minority interest is included.

Result Highlights

World's No.1 Electronics Distributor

Unit:NT\$million

item	Ytd11	Ytd10	YoY (%)
Net Sales	250,243	187,229	33.7
Gross Margin	5.53%	5.81%	-27 bp
Operating Expenses	(8,486)	(6,096)	39.2
Operating Income	5,364	4,776	12.3
Operating Margin	2.14%	2.55%	-41 bp
Net Income	4,158	3,990	4.2
EPS (NTD) ₍₁₎	2.62	3.46	

Total Assets	122,431	75,463	
Total Liabilities	85,282	53,645	
Total Equity	37,149	21,819	
Net Working Capital	62,412	36,495	

Free Cash Flow	(15,393)	(5,395)	
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KEY Indices₍₂₎

ROWC	11.5%	17.5%	-599 bp
NWC/Sales	0.19	0.15	
ROE	15.8%	25.4%	-961 bp
Gearing	0.89	0.77	

(1).Weighted average shares outstanding

(2).Annualized

Income Statements

Asia's No.1 Electronics Distributor

Unit:NT\$million

Item	Ytd11	Ytd10	YoY(%)
Net operating Revenue	250,243	187,229	33.7
COGS	(236,393)	(176,357)	34.0
Gross Profit	13,850	10,872	27.4
Gross Margin	5.53%	5.81%	
Operating Expenses	(8,486)	(6,096)	39.2
Operating Income	5,364	4,776	12.3
Operating Margin	2.14%	2.55%	
Net Non-operating Items	(290)	46	(737.0)
Net Financing costs	(431)	(203)	112.5
Others	141	248	(43.4)
Profit Before Tax/Minority	5,073	4,822	5.2
Tax	(898)	(814)	10.4
Minority/Accounting Principle Change	(17)	(19)	(8.1)
Profit After Tax/Minority	4,158	3,990	4.2
Net Margin	1.66%	2.13%	
EPS (NTD) ₍₁₎	2.62	3.46	
Tax%	18%	17%	

(1).Weighted average shares outstanding

Cash Flows

Asia's No.1 Electronics Distributor

Unit:NT\$million

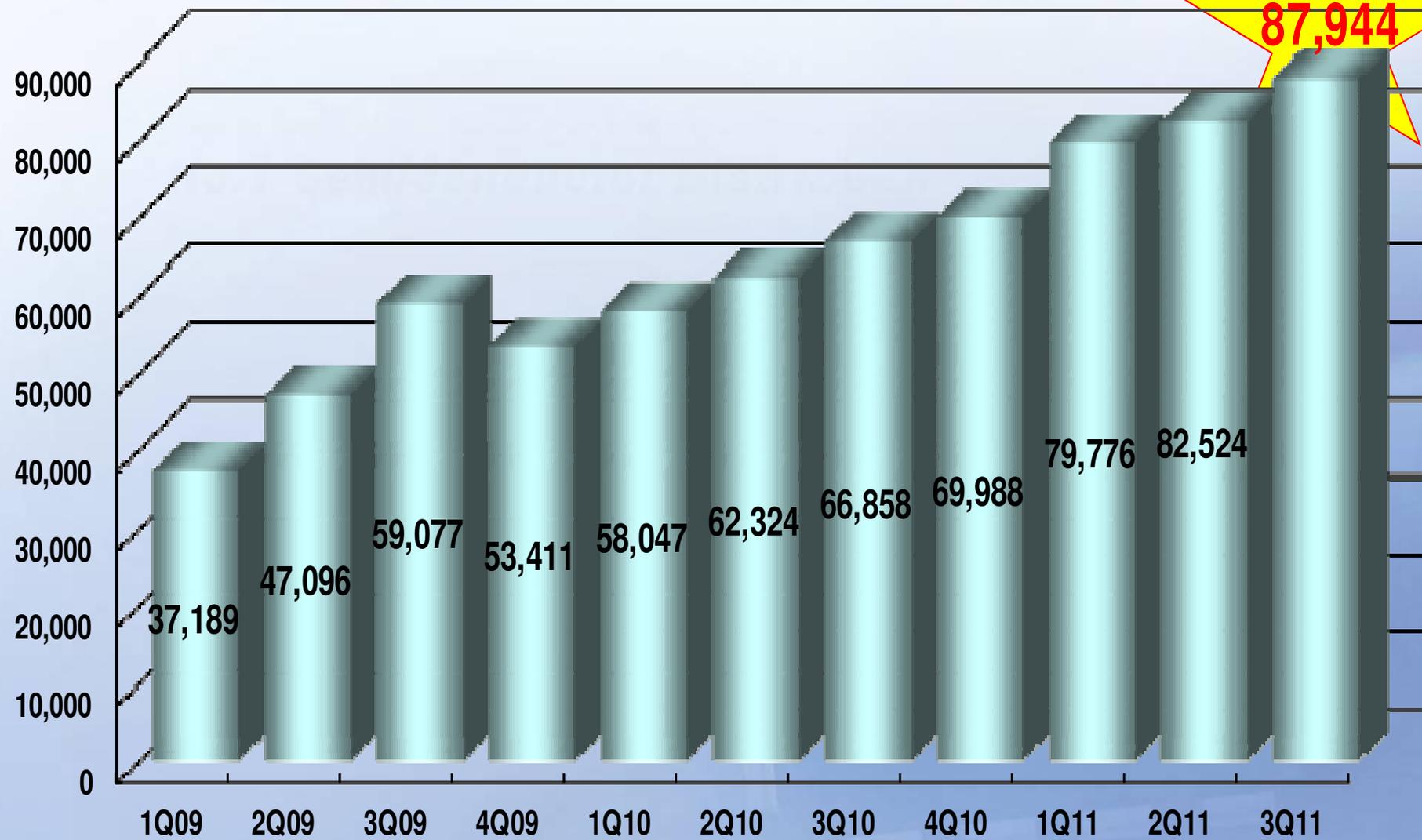
	<u>Ytd11</u>	<u>Ytd10</u>
-Net Income ₍₁₎	4,175	4,008
-Changes of NWC	(20,685)	(9,460)
-Adjustment & Others	1,116	57
From Operation	(15,393)	(5,395)
-Financial Instrument	1,618	528
-Capital Expenditure	(7)	(70)
-Others	(400)	(182)
From Investment	1,211	276
-Financial Debt	15,301	6,112
-Cash Dividends	(3,051)	(1,789)
-ESOP	-	5
-Others	(5)	(90)
From Financing	12,244	4,238
Effect on changes of consolidated subsidiaries	328	(45)
Cumulative translation adjustments	1,495	(345)
Net Cash Position Change	(116)	(1,272)
Ending Cash Balance	7,457	5,242

(1).Minority interest is included.

Consolidated Revenue

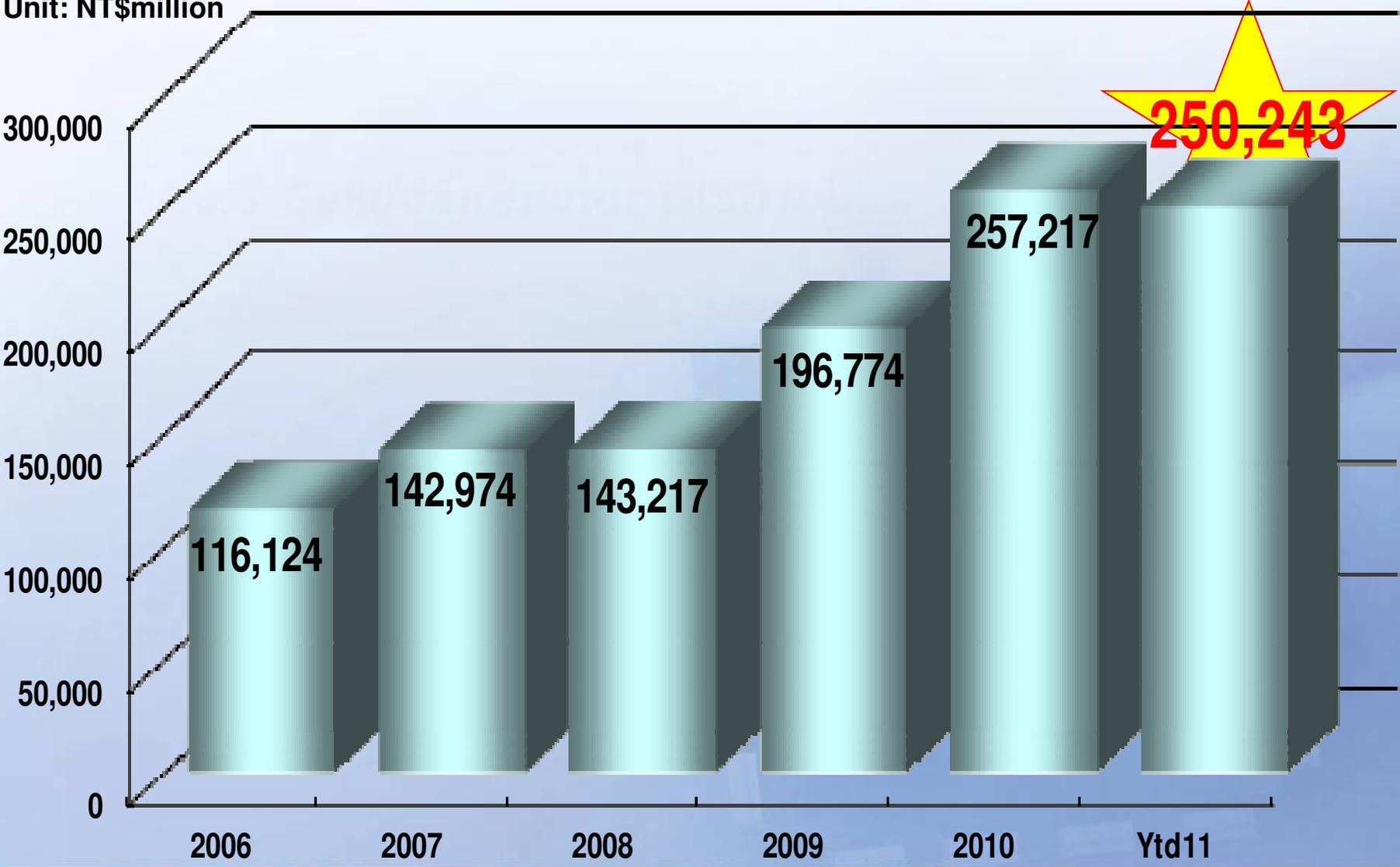
WPG Holdings Limited, an Electronics Distributor

Unit: NT\$million

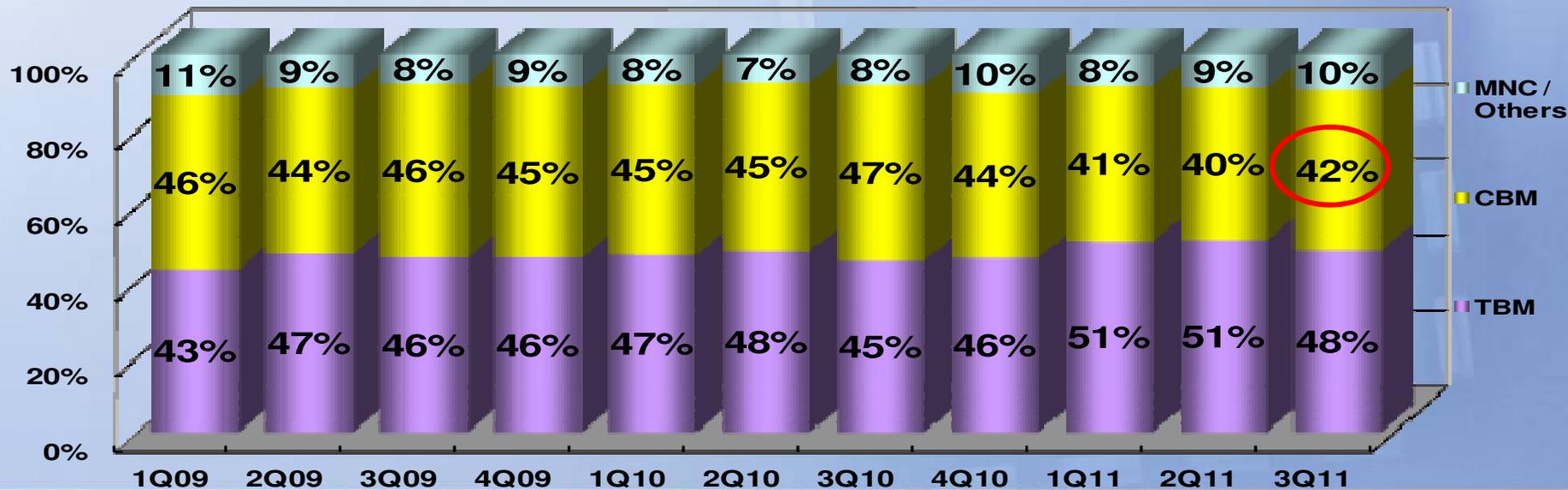
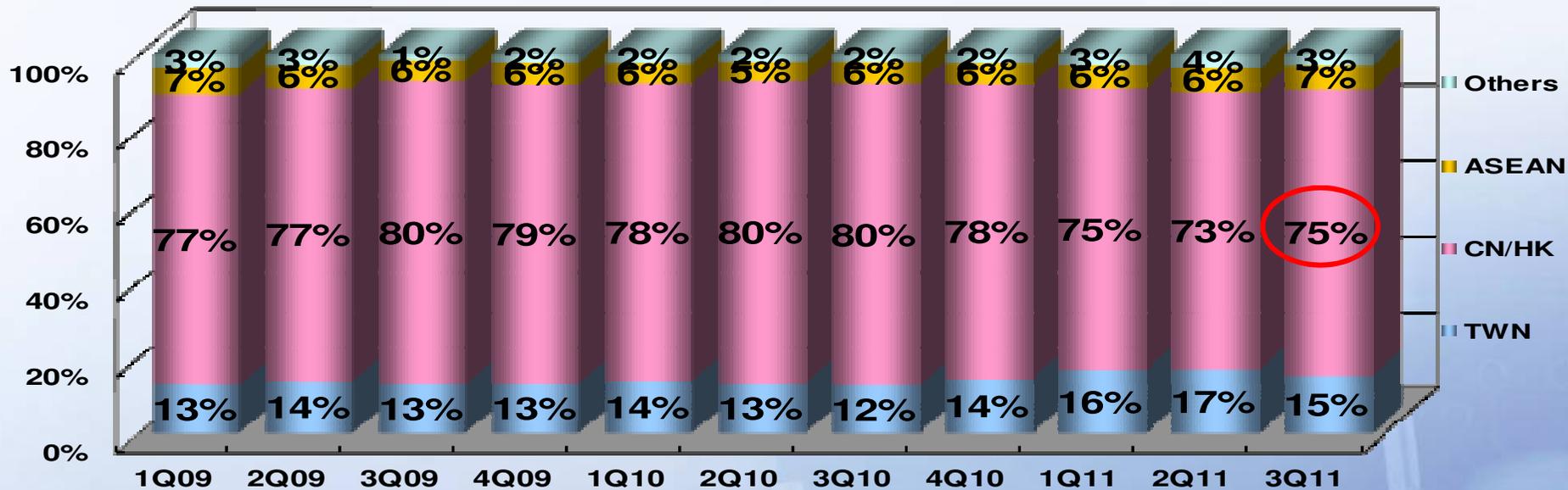


Consolidated Revenue

Unit: NT\$million

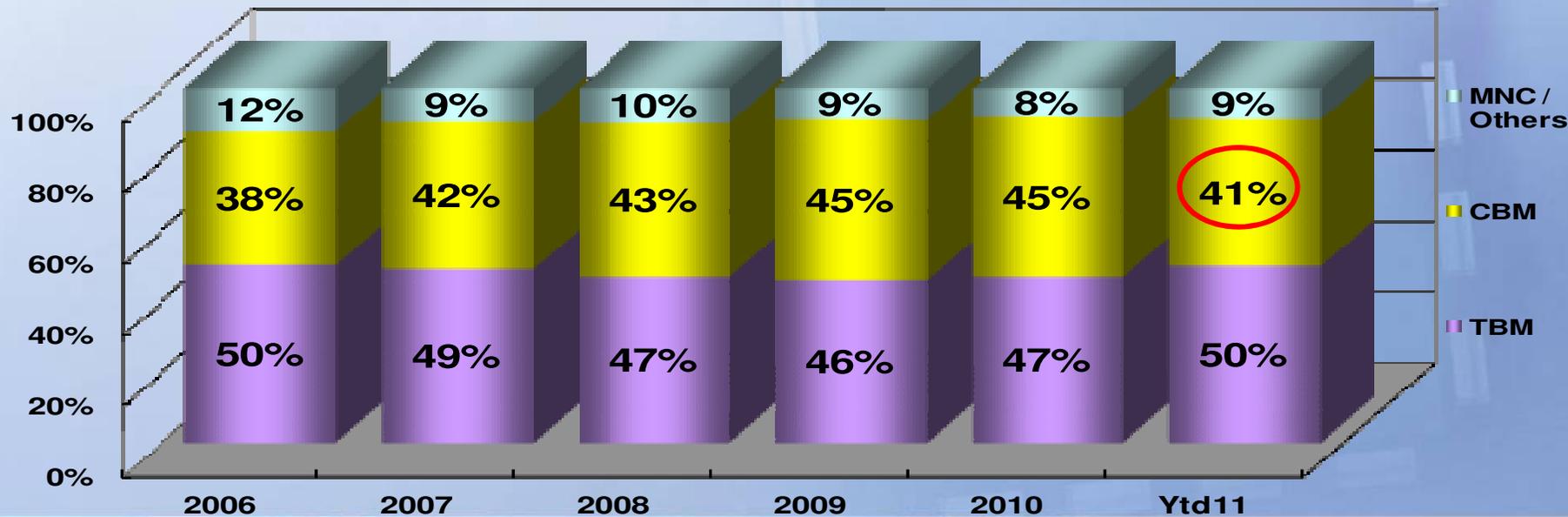
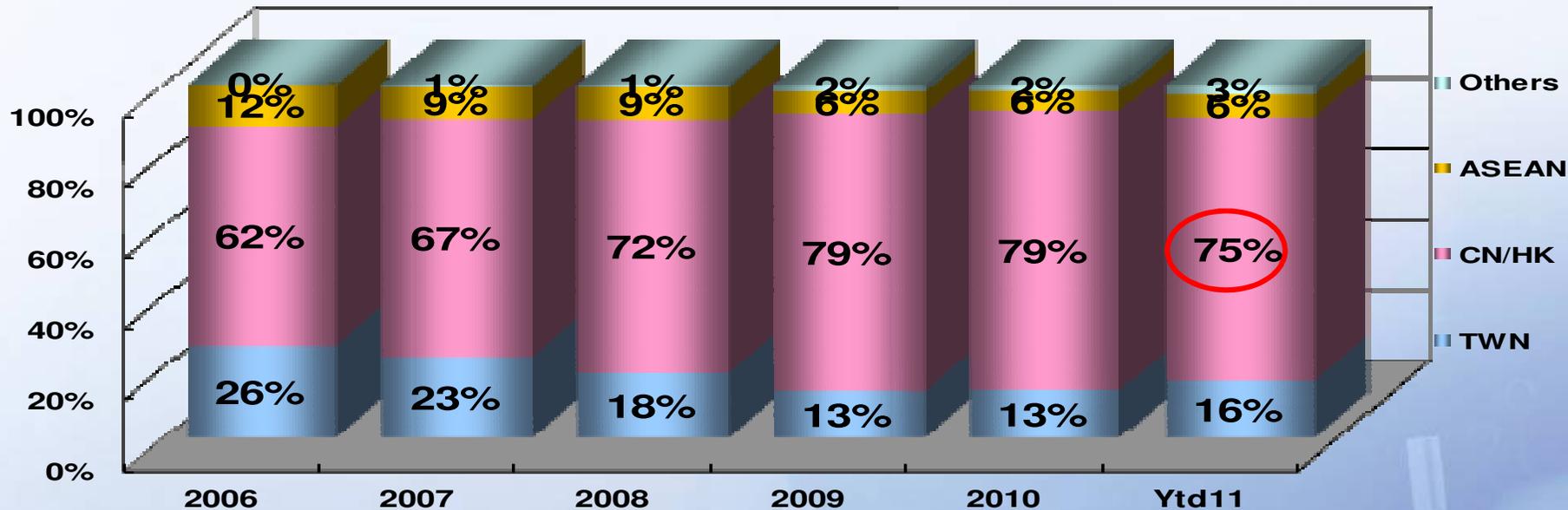


Sales breakdown by Geography/ Customer



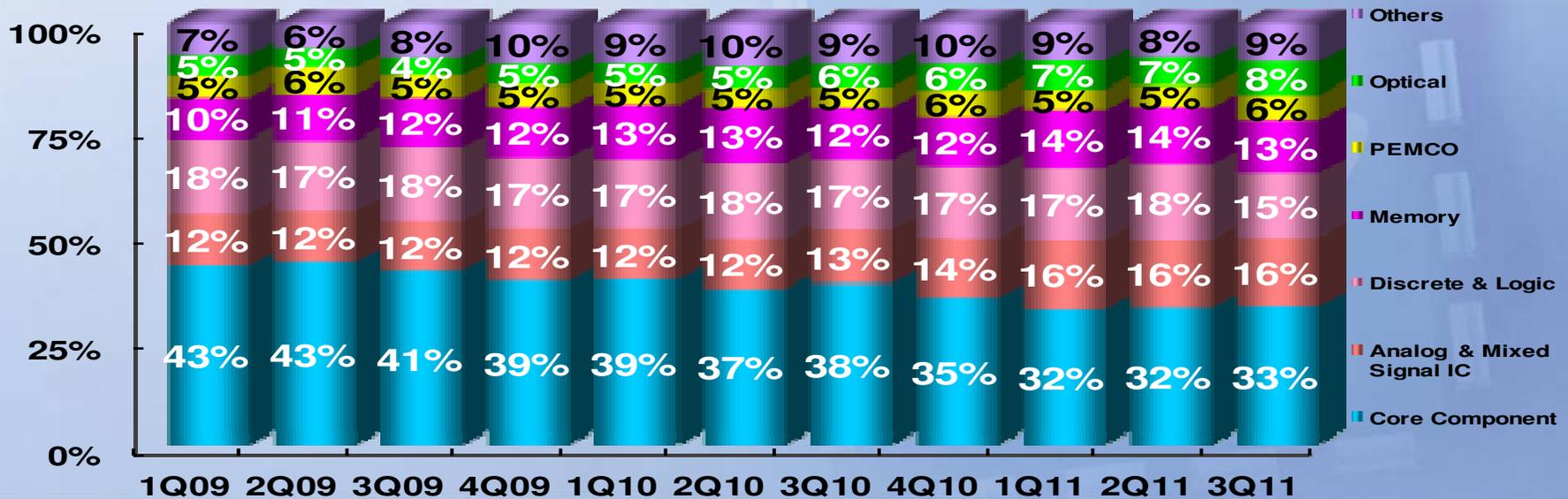
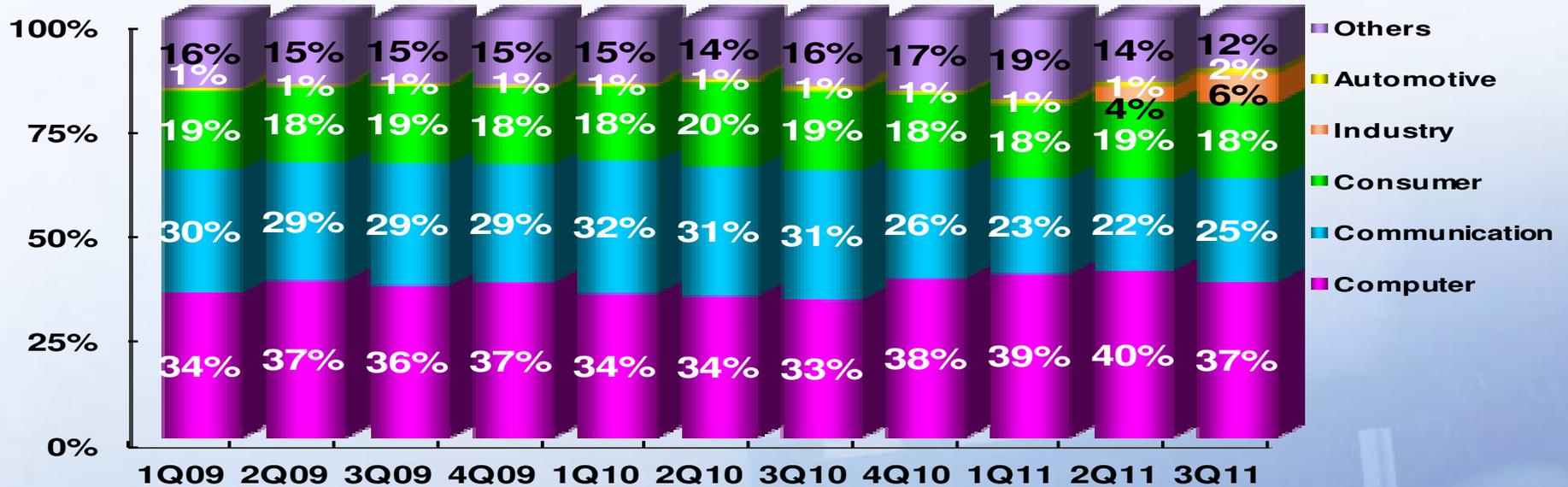
TBM : Taiwan-Based Customers
 CBM : China Based Customers

Sales breakdown by Geography/ Customer

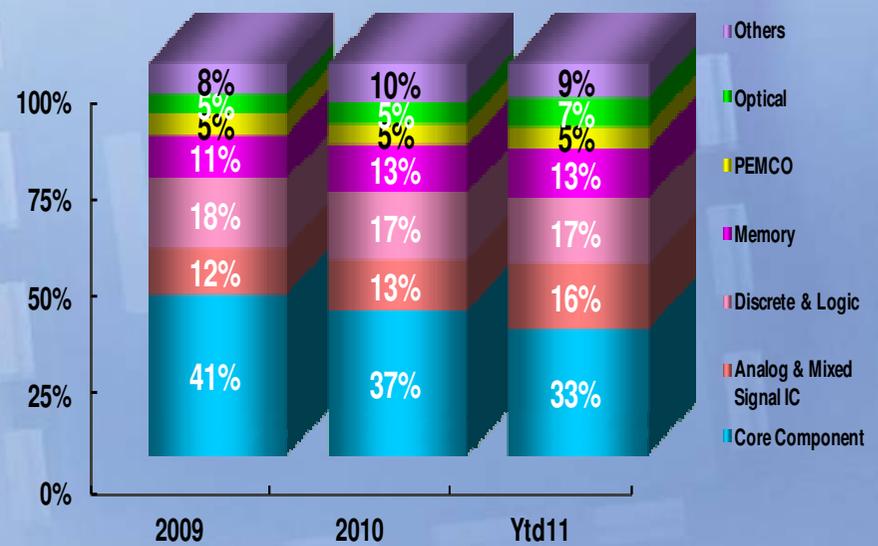
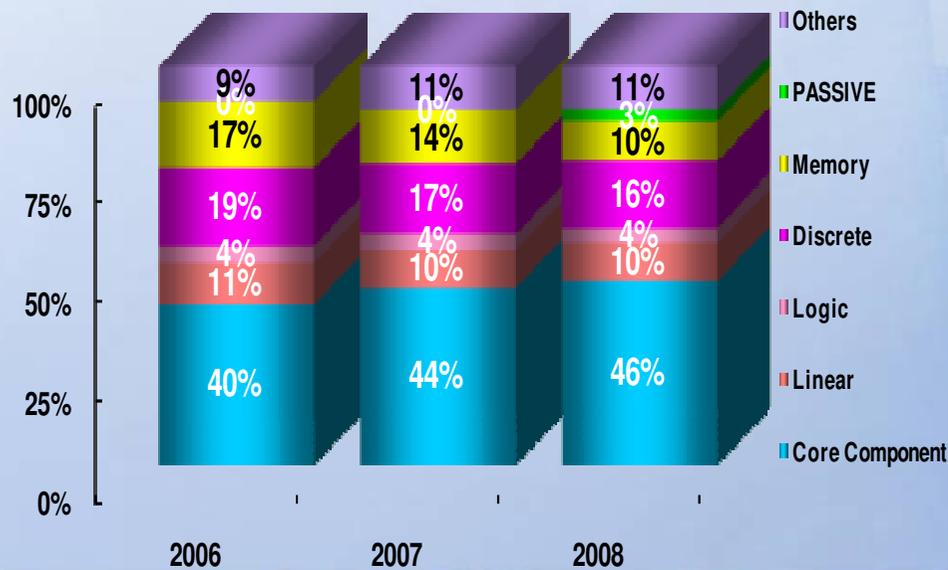
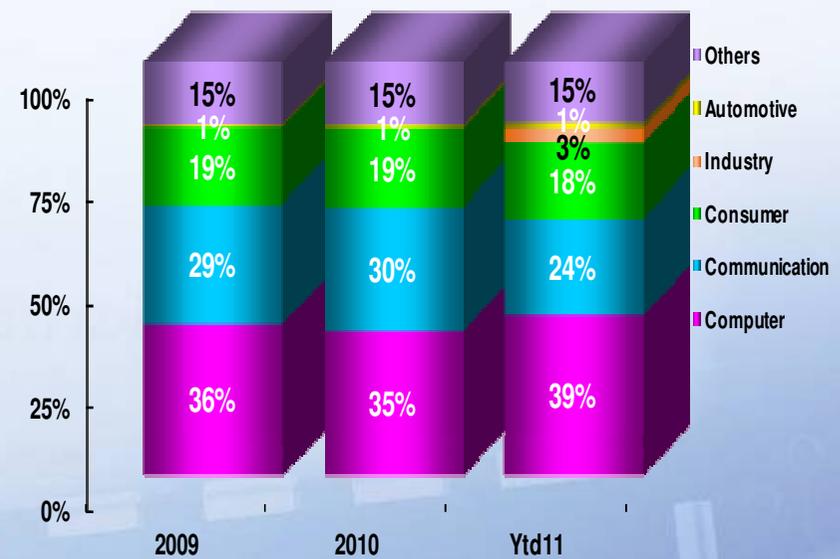
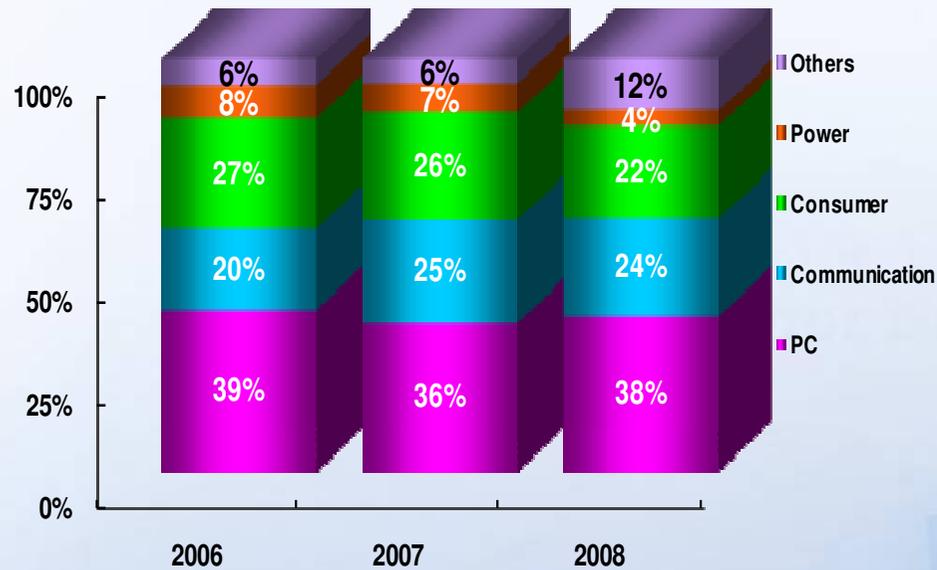


TBM : Taiwan-Based Customers
 CBM : China Based Customers

Sales breakdown by Application/ Device Type

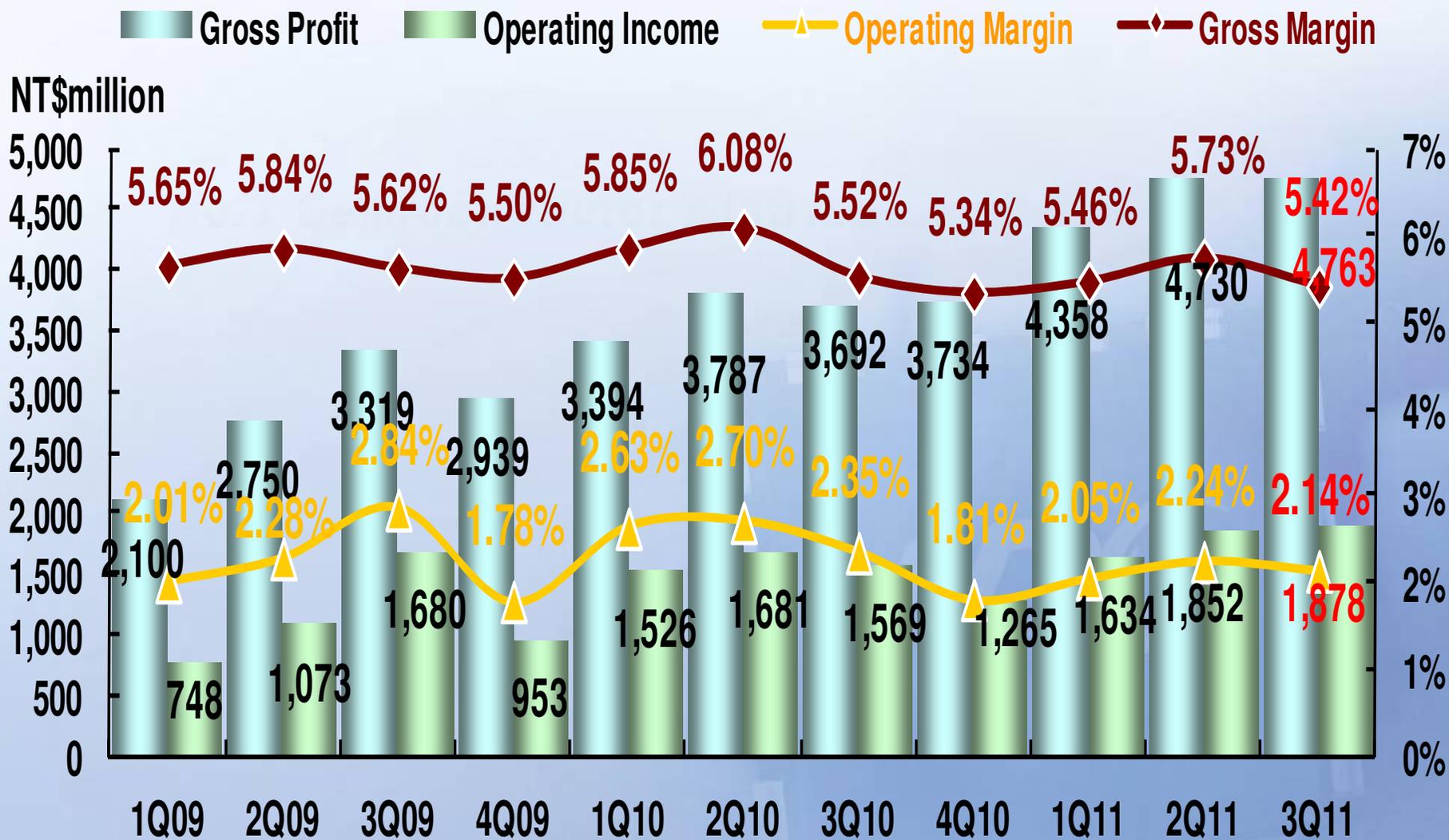


Sales breakdown by Application/ Device Type



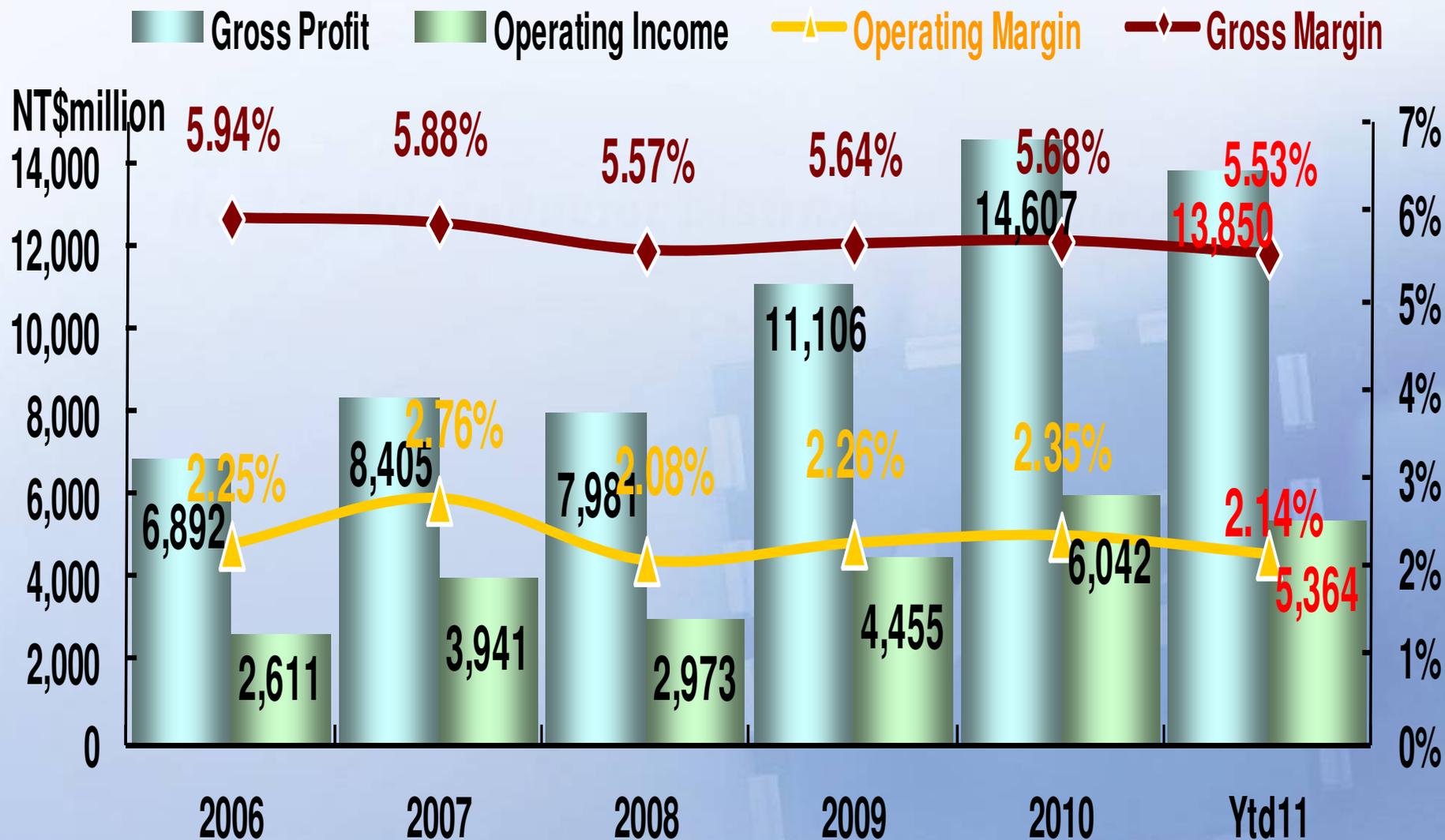
Note : Industrial included after 2Q11

Gross Margin vs. Operating Margin



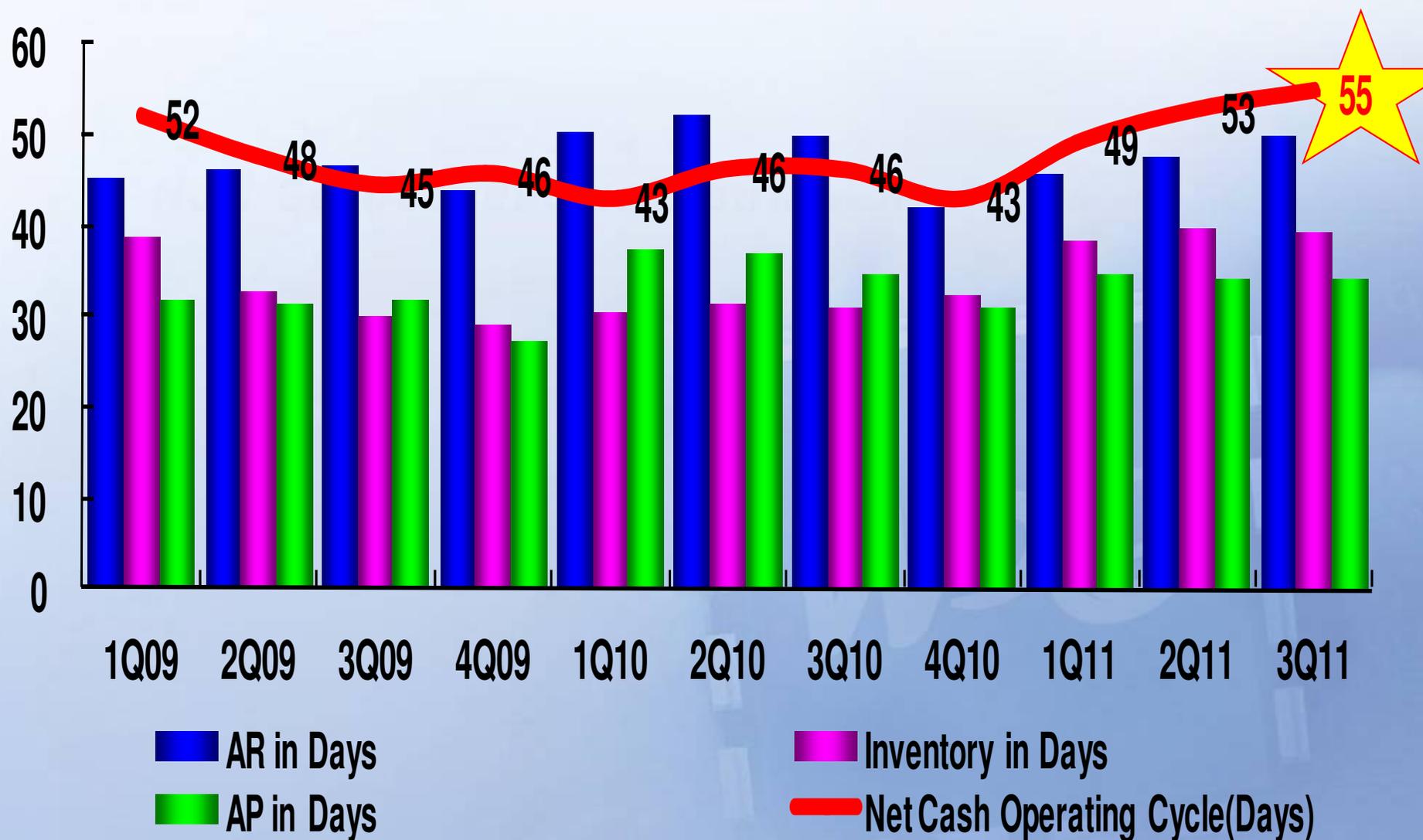
Note : Annualized

Gross Margin vs. Operating Margin



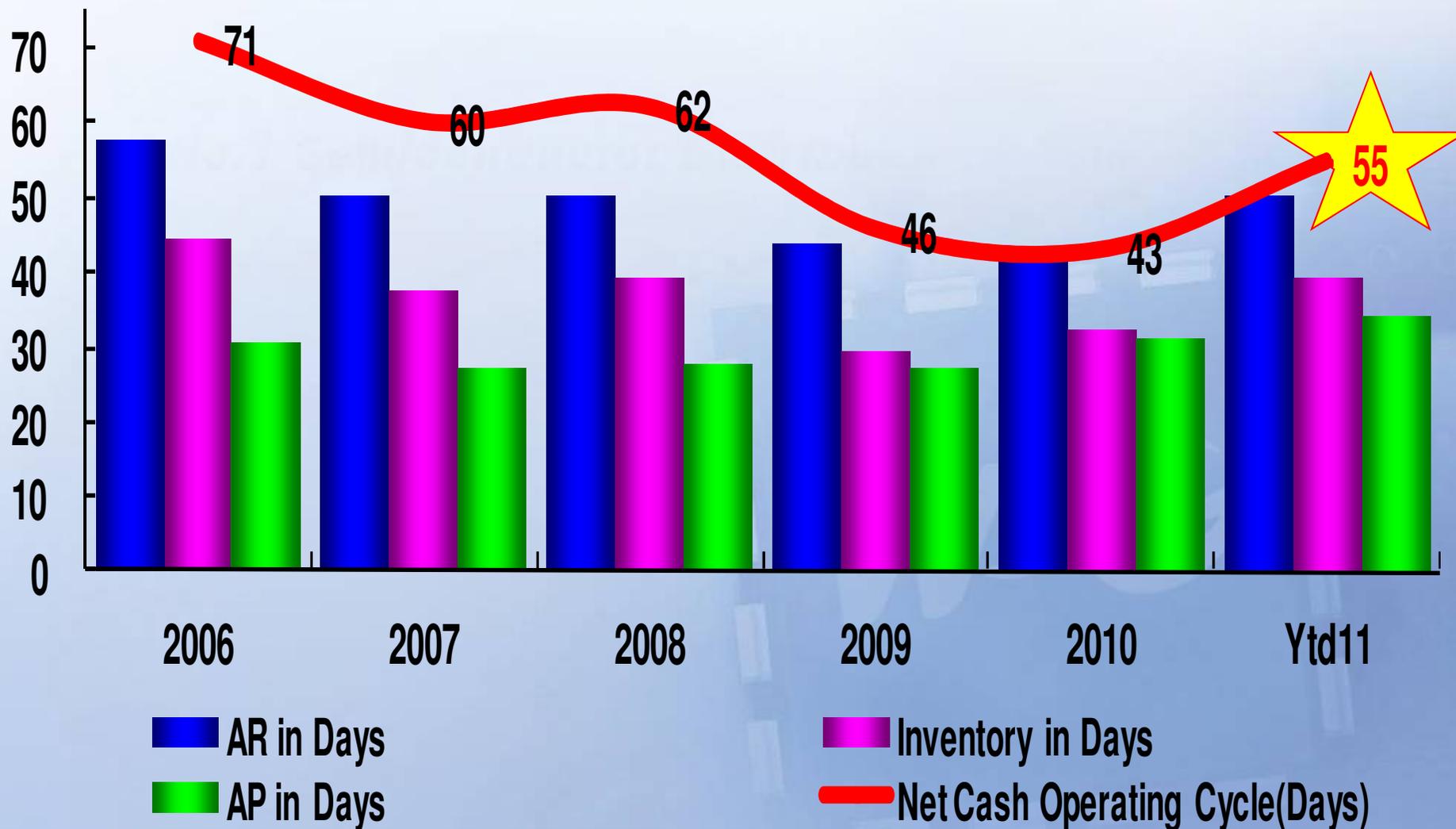
Operating Cash Cycle

WPG Holdings Limited
Electronics Distributor



Operating Cash Cycle

WPG Holdings Limited
Electronics Distributor



4Q11 Guidance

Taiwan's No.1 Electronics Distributor

Based on our current business outlook, management expects :

- Revenues to be between NT\$ **79** billion and NT\$ **83** billion at a forecast FX rate of 30 NT dollars to 1 US dollar averaged over 4Q11.
- Gross profit margin to be between **5.2%** and **5.4%**
- Operating profit margin to be between **1.6%** and **1.8%**

Recap of Recent Major Events

■ 55 Solutions Launched in 3Q11 :



- ▶ 推出機頂盒方案 2011-09-14
- ▶ 推出 Android 機上盒整體方案 2011-09-14
- ▶ 推出針對巴西市場的機頂盒晶片組 2011-09-14
- ▶ 推出機上盒 (Set Top Box)主、被動最佳解決方案 2011-09-14
- ▶ 力推適用於 STB(機上盒)解決方案 2011-09-14
- ▶ 推出機上盒的參考解決方案 2011-09-14
- ▶ 力推高清数字电视方案 2011-09-14
- ▶ 力推 3D TV 智能背光控制方案 2011-07-20
- ▶ 推出應用於電視機等多種介面最新 WHDI 無線傳輸方案 2011-07-20
- ▶ 推出電視暨周邊應用方案 2011-07-20
- ▶ 力推針對 LCD TV 之高性能 Power IC 解決方案 2011-07-20
- ▶ 推出以 MCU 為主的電視暨外圍應用解決方案 2011-07-20
- ▶ 推出 Google TV 解決方案 2011-07-20
- ▶ 力推 3D TV 眼鏡的發射和接收解決方案 2011-07-20
- ▶ 推出全制式 Silicon Tuner 及 DVB 系列 Demodulator 產品解決方案 2011-07-20



LED Lighting with Dimming



Car TV



GPS Solution



GPS



- ▶ 推出多重選擇電容式觸摸屏平板電腦解決方案 2011-08-31
- ▶ 推出 Android 平板電腦整體方案 2011-08-31
- ▶ 推出 Tablet PC total solution 2011-08-31
- ▶ 推出平板電腦之主、被動元件最佳解決方案 2011-08-31
- ▶ 力推 G-sensor 重力加速感應器 已應用於平板電腦上 2011-08-31
- ▶ 推出平板電腦上的解決方案 2011-08-31
- ▶ 力推平板计算机解決方案·最完整的創新選擇 2011-08-31
- ▶ 推出 Display Port & USB 3.0 專題筆記型電腦整合方案 2011-07-06
- ▶ 力推筆記型電腦 DC-DC 電源整體方案 2011-07-06
- ▶ 推出全系列指紋感測器應用於 NB、PC、行動產品與門禁系統 2011-07-06
- ▶ 推出筆記型電腦暨週邊之主、被動元件最佳解決方案 2011-07-06
- ▶ 力推針對 Notebook MOSFET 之解決方案 2011-07-06
- ▶ 推出筆記型電腦週邊設計運用完整方案 2011-07-06
- ▶ 力推 Netbook 解決方案 2011-07-06

Recap of Recent Major Events

■ 55 Solutions Launched in 3Q11 :



- ▶ 推出以 AMR CPU 的 PND 方案與推出的極簡型全功能行車紀錄器解決方案 2011-09-28
- ▶ 提出 Car - PC 解決方案 2011-09-28
- ▶ 力推車用導航方案 2011-09-28
- ▶ 推出 Car Audio 解決方案 2011-09-28
- ▶ 推出車用娛樂主、被動最佳解決方案 2011-09-28
- ▶ 力推藍牙晶片於車用音訊之解決方案 2011-09-28
- ▶ 推出高品質車載娛樂影音解決方案 2011-09-28
- ▶ 力推 Car Tuner 方案 2011-09-28
- ▶ 推出汽車安全系列方案 2011-08-17
- ▶ 力推適用於車用導航方案視頻處理器 2011-08-17
- ▶ 推出應用於汽車安全等多種 CMOS sensor 應用方案 2011-08-17
- ▶ 推出汽車安全之主、被動元件最佳解決方案 2011-08-17
- ▶ 力推藍牙晶片及 Discrete & SoC 於 PND 裝置之解決方案 2011-08-17
- ▶ 推出以汽車安全解決方案 2011-08-17
- ▶ 推出 超性价比之行车记录仪方案 2011-08-17
- ▶ 推出 Passive Keyless Entry (PKE) 完全解決方案 2011-08-17
- ▶ 力推車用高能源效率解決方案 2011-08-17



- ▶ 推出安全監控系統技術方案 2011-08-03
- ▶ 主打一系列 SoC 安全監控元件 2011-08-03
- ▶ 推出監控影像感測器實現高畫質高感光性效果 2011-08-03
- ▶ 推出安全監控系統最佳解決方案 2011-08-03
- ▶ 推出強化視訊監控應用產品線多通道解碼器帶來業界最低的功率消耗 2011-08-03
- ▶ 推出 安全監控解決方案 2011-08-03
- ▶ 推出超性价比之专业 mini DV 方案 2011-08-03
- ▶ 力推 DVR 方案 2011-08-03
- ▶ 推出新一代 VGA 图像传感器，为客户提供高质量影像解決方案 2011-08-03

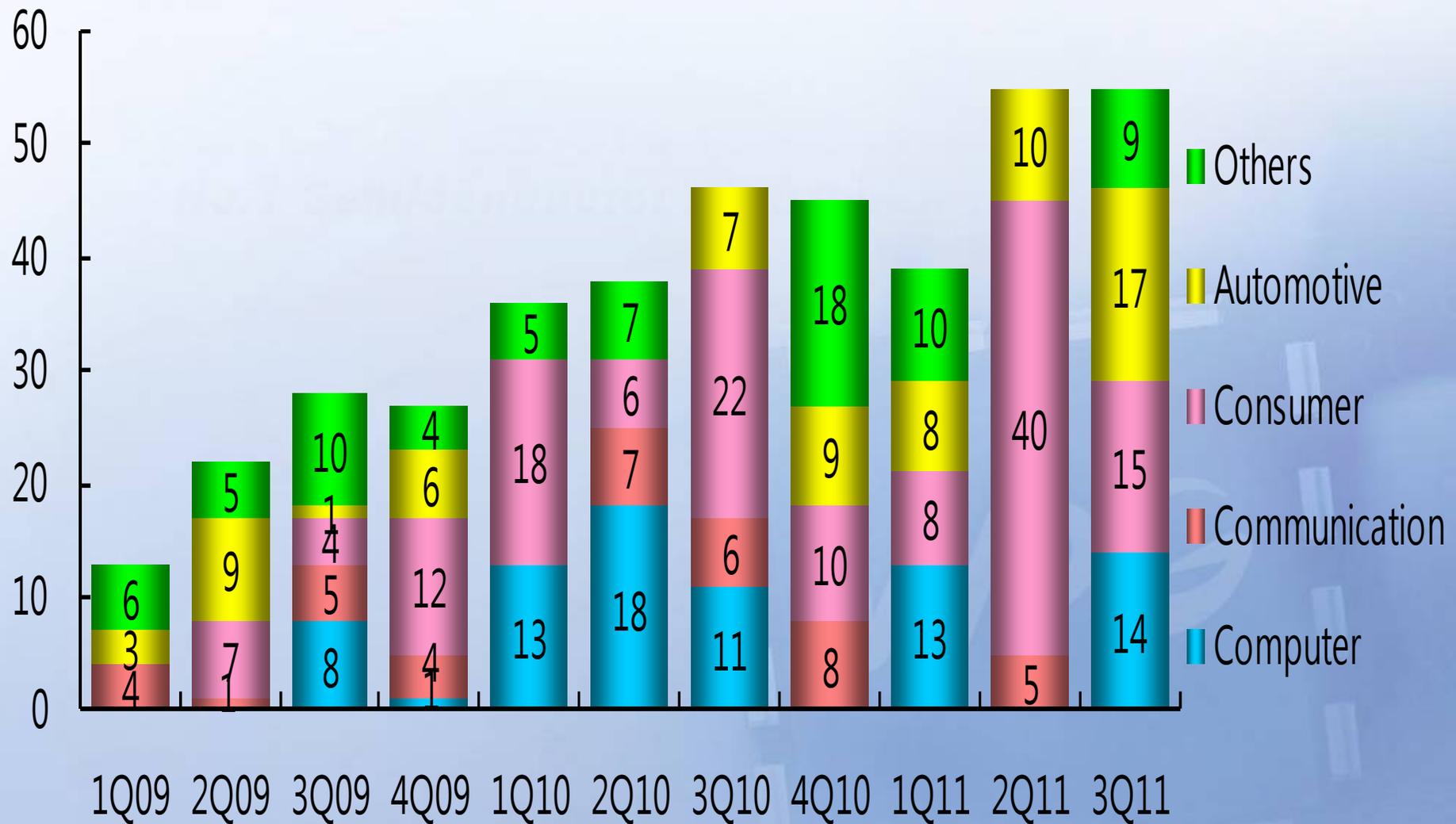


Solar charging Beacon system



Car-CD MP3 Solution

More Solutions Launched ...



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

Recap of Recent Major Events

- SAC, subgroup of WPG, Proposes Wintek business acquisition in Cash (2011/09/28)
- WPG Board Proposes AECO(6119.TT) acquisition by share swap (2011/10/04)

Asia's No.1 Electronics Distributor

<http://www.WPGholdings.com>