WPG Holdings Ltd.
(3702 TT/3702.TW)
3Q09 Earning Release

Oct. 30th, 2009

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Agenda

Welcome	Kathryn Chen
3Q09 Financial Highlights & 4Q09 Outlook	Cliff Yuan
CEO Comments	Simon Huang
Q&A	Simon Huang/ Scott Lin/ Cliff Yuan

Result Highlights

Unit:NT$million

item	3Q09	3Q09 Guidance	2Q09	3Q08	*QoQ(%)*	*YoY(%)*
Net Sales	59,076	53.5~56.5B	47,096	41,874	25.4	41.1
Gross Margin	5.55%	*5.5% ~ 5.7%*	5.84%	5.73%	-29 bp	-18 bp
Operating Income	1,599		1,073	1,057	49.0	51.3
Operating Margin	2.71%	*2.35% ~ 2.6%*	2.28%	2.52%	+43 bp	+18 bp
Net Income	1,296		794	800	63.2	62.0
EPS (NT$)(1)	1.46		0.89	1.04	63.9	40.8
Net Book Value (NT$)	22.02					
Total Assets	62,212		54,313	51,954		
Total Liabilities	42,768		35,936	37,400		
Total Equity	19,443		18,376	14,553		
Net Working Capital	24,764		21,786	25,453		
Free Cash Flow	(1,088)		(1,200)	(288)		
KEY Indices(2)						
ROWC	*25.83%*		*19.71%*	*16.61%*	+613 bp	+922 bp
NWC/Sales	*0.10*		*0.12*	*0.15*		
ROE	*26.66%*		*17.28%*	*21.99%*	+938 bp	+467 bp
Gearing	0.41		0.26	0.92		

(1).Weighted average shares outstanding
(2).Annualized

Income Statements

Unit:NT$million

Item	3Q09	2Q09	QoQ(%)	3Q08	YoY(%)
Net operating Revenue	59,076	47,096	25.4	41,874	41.1
COGS	(55,799)	(44,347)	25.8	(39,476)	41.3
Gross Profit	3,277	2,750	19.2	2,398	36.6
Gross Margin	5.55%	5.84%		5.73%	
Operating Expenses	(1,678)	(1,676)	0.1	(1,341)	25.1
Operating Income	1,599	1,073	49.0	1,057	51.3
Operating Margin	2.71%	2.28%		2.52%	
Net Non-operating Items	73	(35)	307.3	(87)	184.8
Net Financing costs	(62)	(64)	(3.8)	(173)	(64.4)
Others	135	29		86	
Profit Before Tax/Minority	1,673	1,038	61.1	971	72.3
Tax	(360)	(238)	51.2	(167)	114.9
Minority/Accounting Principle Change	(17)	(6)		(3)	
Profit After Tax/Minority	1,296	794	63.2	800	62.0
Net Margin	2.19%	1.69%		1.91%	
EPS (NTD)(1)	1.46	0.89	63.9	1.04	40.8
Tax %	22%	23%		17%	

(1).Weighted average shares outstanding

Balance Sheet

Unit:NT$million	3Q09		2Q09		3Q08	
item	Amount	%	Amount	%	Amount	%
Cash &Marketable Securities	7,182	12	7,769	14	4,422	9
Accounts Receivable - Trade	31,879	51	25,506	47	25,338	49
Inventory	15,766	25	14,666	27	16,453	32
Current Assets	59,065	95	51,328	95	49,158	95
Others	3,147	5	2,985	5	2,796	5
Total Assets	**62,212**	**100**	**54,313**	**100**	**51,954**	**100**
Current Interest-bearing Debt	14,018	23	11,672	21	14,853	29
Accounts Payble	22,881	37	18,386	34	16,338	31
Accured Liabilities and Others	3,365	5	3,453	6	1,931	4
Current Liabilities	40,264	65	33,510	62	33,122	64
Long-term Interest-bearing Debt	2,121	3	2,127	4	3,976	8
Others	383	1	299	1	302	1
Total Liabilities	**42,768**	**69**	**35,936**	**66**	**37,400**	**72**
Total Equity	**19,443**	**31**	**18,376**	**34**	**14,553**	**28**
KEY Indices						
Net Working Capital ($)	24,764		21,786		25,453	
AR Turnover (Days)	47		46		59	
Inventory Turnover (Days)	30		33		41	
AP Turnover (Days)	32		31		36	
Average Collection Periods (Days)	45		48		64	
Current Ratio	147%		153%		148%	
Gearing Ratio	0.41		0.26		0.92	

Cash Flows

Unit:NT$million	3Q09 Amount	2Q09 Amount	3Q08 Amount
-Net Income(1)	1,289	800	803
-Changes of NWC	(2,928)	(1,771)	(1,500)
-Adjustment & Others	551	(229)	409
From Operation	**(1,088)**	**(1,200)**	**(288)**
-Financial Instrument	35	766	(142)
-Capital Expenditure	78	(4)	(52)
-Others	(221)	(37)	(14)
From Investment	**(109)**	**724**	**(207)**
-Financial Debt	2,341	1,108	2,384
-Cash Dividends	(1,286)	-	(1,556)
-ESOP	4	8	12
-Others	106	(20)	(22)
From Financing	**1,164**	**1,095**	**818**
Effect on changes of consolidated subsidiaries	-	-	133
Cumulative translation adjustments	(344)	(822)	694
Net Cash Position Change	**(376)**	**(203)**	**1,150**
Ending Cash Balance	**6,938**	**7,315**	**4,341**

(1).Minority interest is included.

Result Highlights

Unit:NT$million item	Ytd09 *Amount*	Ytd08 *Amount*	YoY (%)	
Net Sales	143,361	111,298	28.8	
Operating Income	3,421	2,717	25.9	
Net Income	2,632	1,799	46.3	
EPS (NTD)(1)	3.00	2.37	26.7	
Total Assets	62,212	51,954		
Total Liabilities	42,768	37,400		
Total Equity	19,443	14,553		
Net Working Capital	24,764	25,453		
Free Cash Flow	4,029	2,584		
KEY Indices(2)				
ROWC	*18.42%*	*14.23%*	+419 bp	
NWC/Sales	*0.13*	*0.17*		
ROE	*18.05%*	*16.48%*	+157 bp	
Gearing	0.41	0.92		

(1).Weighted average shares outstanding

(2).Annualized

Income Statements

Unit:NT$million

Item	Ytd 09	Ytd 08	YoY(%)
Net operating Revenue	143,361	111,298	28.8
COGS	(135,235)	(104,964)	28.8
Gross Profit	8,126	6,334	28.3
Gross Margin	5.67%	5.69%	
Operating Expenses	(4,705)	(3,618)	30.1
Operating Income	3,421	2,717	25.9
Operating Margin	2.39%	2.44%	
Net Non-operating Items	(6)	(348)	(98.3)
Net Financing costs	(247)	(556)	(55.6)
Others	241	208	15.8
Profit Before Tax/Minority	3,415	2,369	44.1
Tax	(782)	(548)	42.7
Extraordinary Gain	23	-	N/A
Minority/Accounting Principle Change	(24)	(23)	5.8
Profit After Tax/Minority	2,632	1,799	46.3
Net Margin	1.84%	1.62%	
EPS (NTD)(1)	3.00	2.37	26.73
Tax%	23%	23%	

(1).Weighted average shares outstanding

Cash Flows

Unit:NT$million	Ytd09 Amount	Ytd08 Amount
-Net Income(1)	2,632	1,821
-Changes of NWC	913	563
-Adjustment & Others	485	200
From Operation	**4,029**	**2,584**
-Financial Instrument	1,171	406
-Capital Expenditure	66	(160)
-Others	(247)	34
From Investment	**989**	**279**
-Financial Debt	(3,225)	(1,063)
-Cash Dividends	(1,286)	(1,556)
-ESOP	22	34
-Others	54	96
From Financing	**(4,436)**	**(2,489)**
Effect on changes of consolidated subsidiaries	703	91
Cumulative translation adjustments	(436)	(101)
Net Cash Position Change	**849**	**364**
Ending Cash Balance	**6,938**	**4,341**

(1).Minority interest is included.

Result Highlights (pro forma)

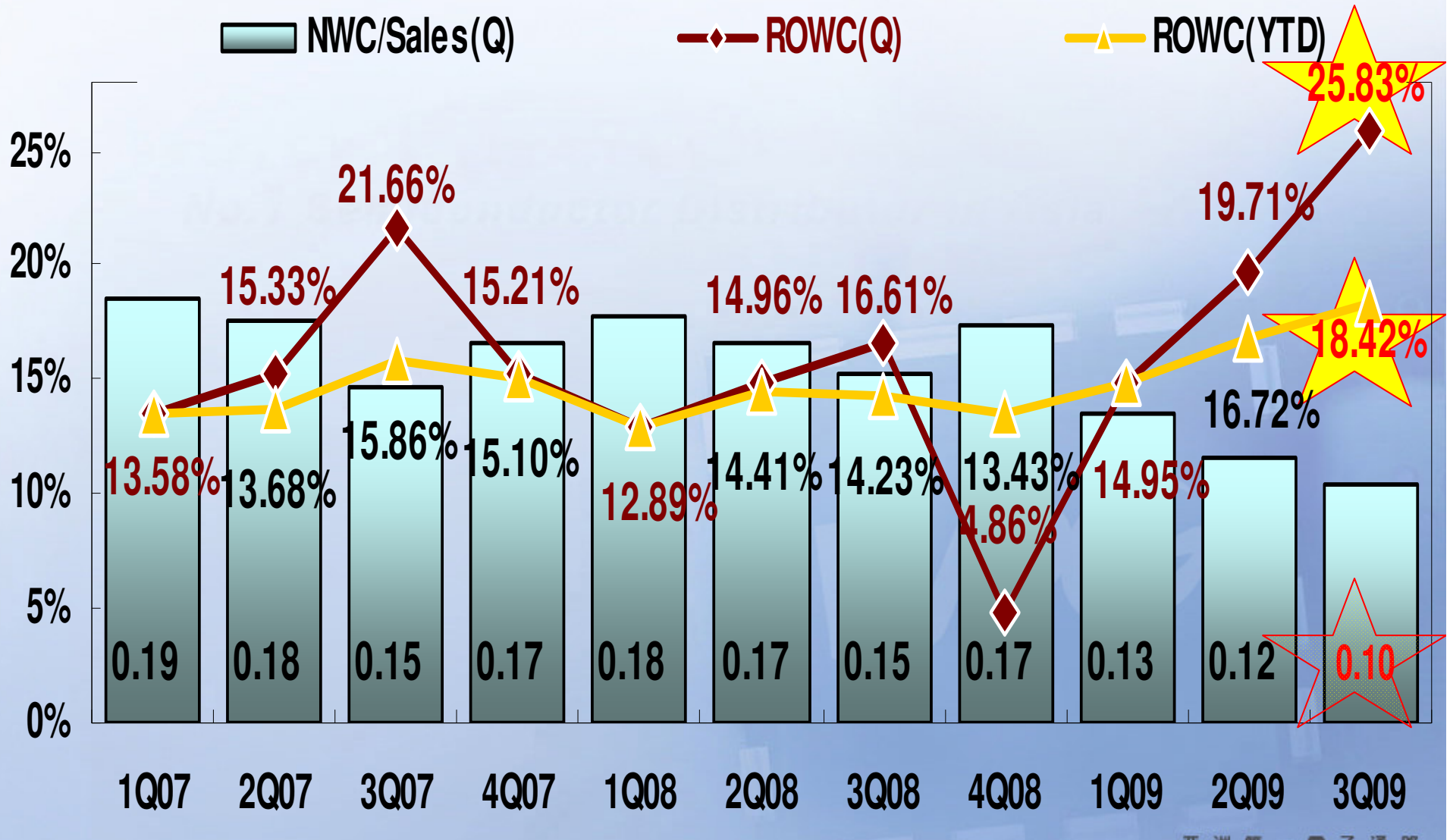
Unit:NT$million

item	3Q09	3Q08	*YoY(%)*	Ytd09	Ytd08	YoY (%)
Net Sales	59,076	52,060	13.5	144,895	136,696	6.0
Operating Margin	2.71%	2.39%	+32 bp	2.36%	2.24%	+13 bp
Net Income	1,296	805	60.9	2,639	1,756	50.3
EPS (NT$)(1)	1.45	0.90	60.8	2.95	1.96	50.2
Net Working Capital	24,764	29,774		24,764	29,774	
Bank Borrowing	16,139	22,170		16,139	22,170	
Free Cash Flow	(1,088)	(237)		3,544	3,303	
KEY Indices(2)						
ROWC	*25.83%*	*16.73%*	+910 bp	*18.43%*	*13.68%*	+474 bp
NWC/Sales	*0.10*	*0.14*		*0.13*	*0.16*	
ROE	*27.52%*	*17.65%*	+987 bp	*18.68%*	*12.83%*	+585 bp
Gearing Ratio	0.41	0.87		0.41	0.87	
Inventory Days	28	37		34	42	

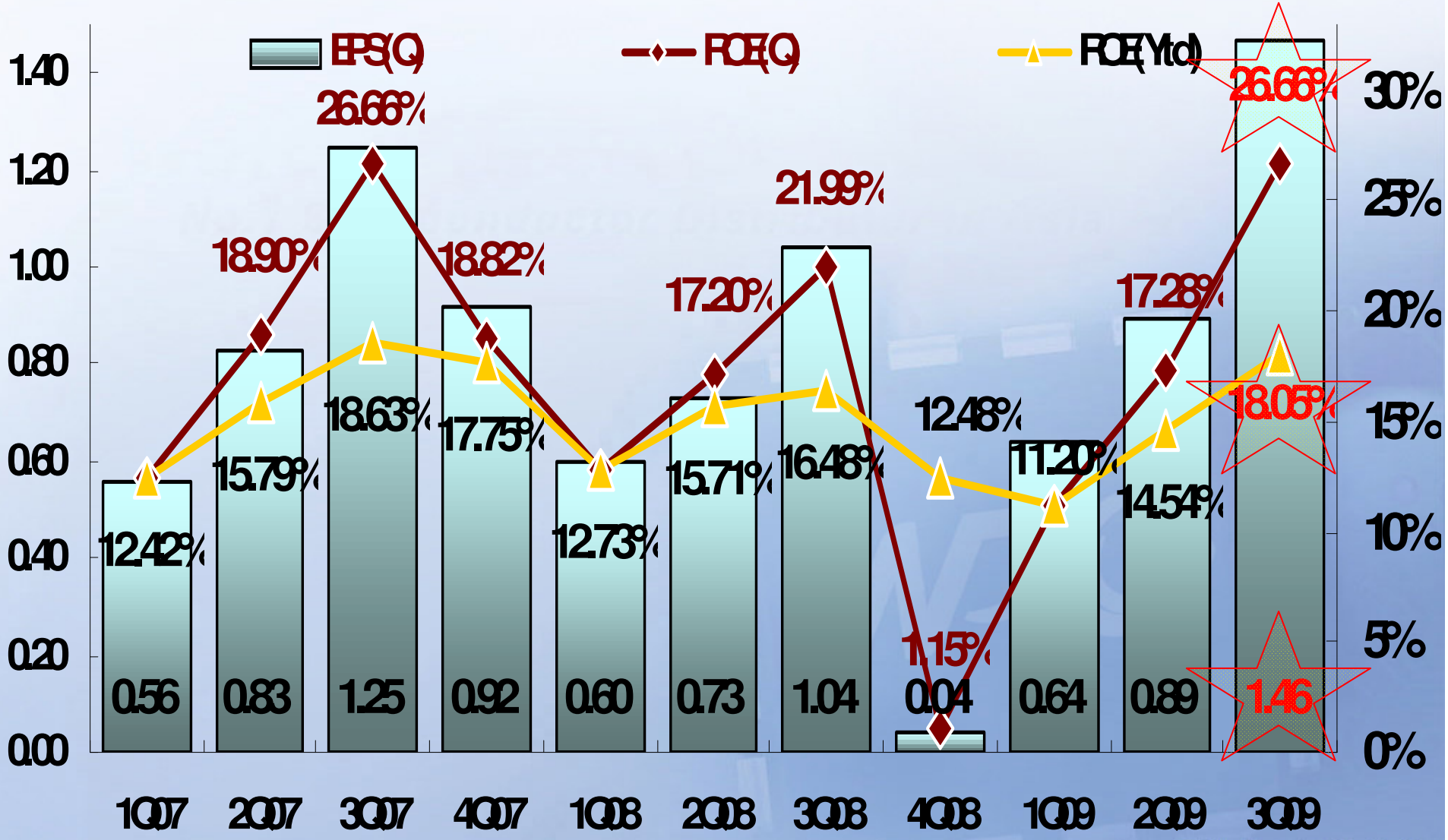
(1).Weighted average shares outstanding

(2).Annualized

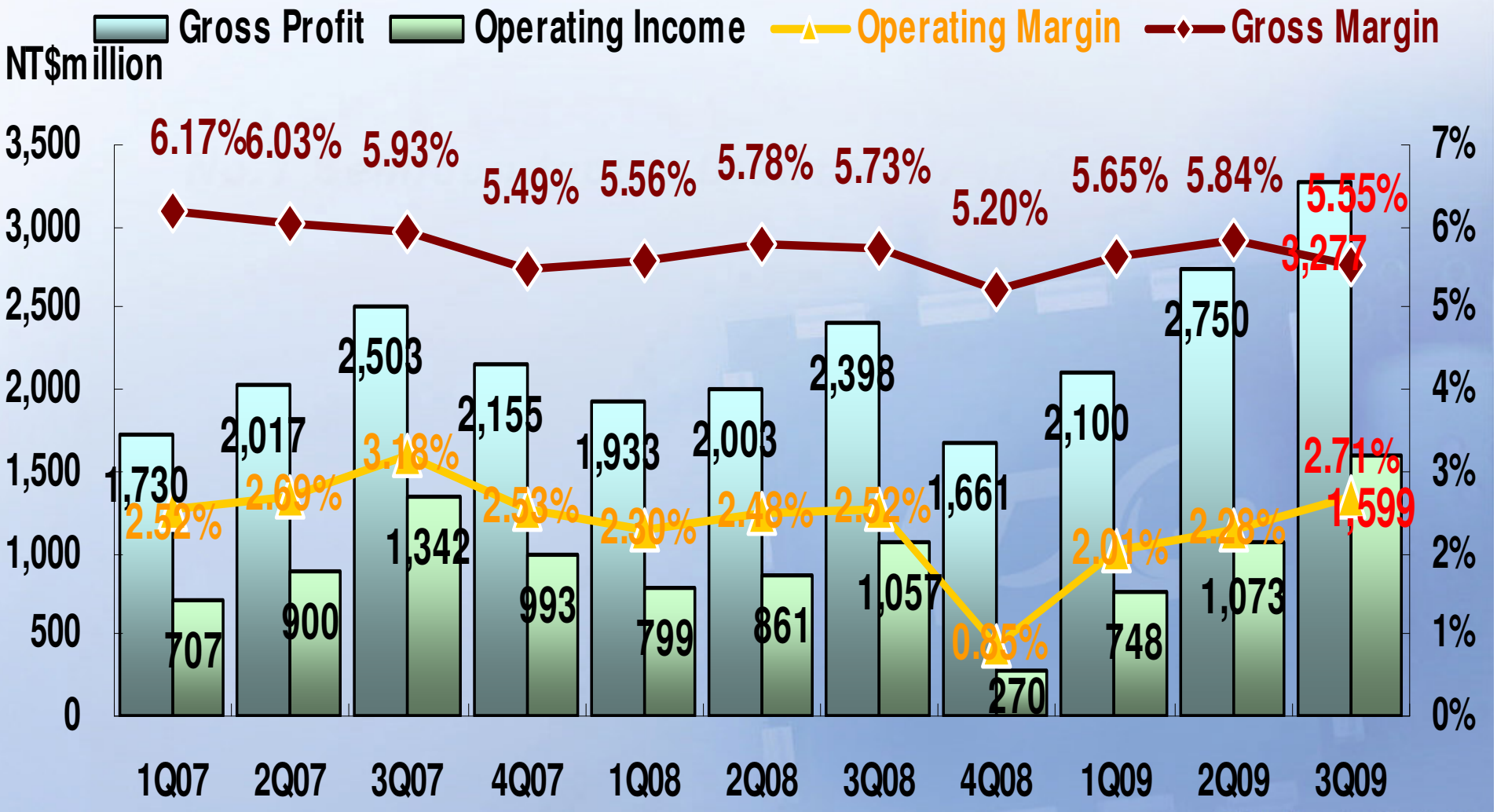
ROWC vs. NWC/Sales



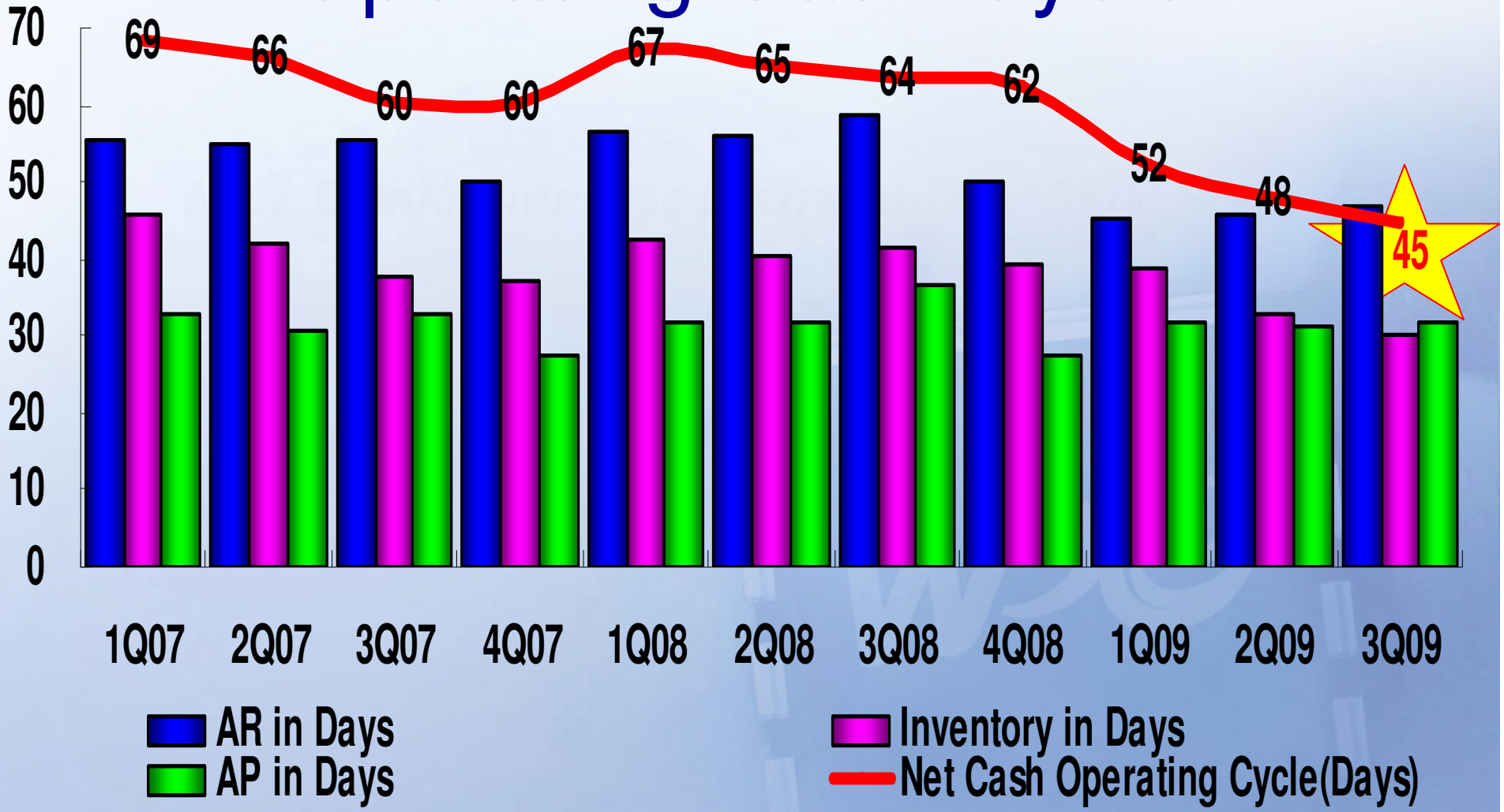
ROE vs. EPS


EPS(Q)
ROE(Q)
ROE(Ytd)
1.40
1.20
1.00
0.80
0.60
0.40
0.20
0.00
30%
25%
20%
15%
10%
5%
0%
0.56
0.83
1.25
0.92
0.60
0.73
1.04
0.04
0.64
0.89
1.46
12.42%
15.79%
18.63%
17.75%
12.73%
15.71%
16.48%
12.48%
11.20%
14.54%
18.05%
18.90%
26.66%
18.82%
17.20%
21.99%
1.15%
17.28%
26.66%
1Q07
2Q07
3Q07
4Q07
1Q08
2Q08
3Q08
4Q08
1Q09
2Q09
3Q09

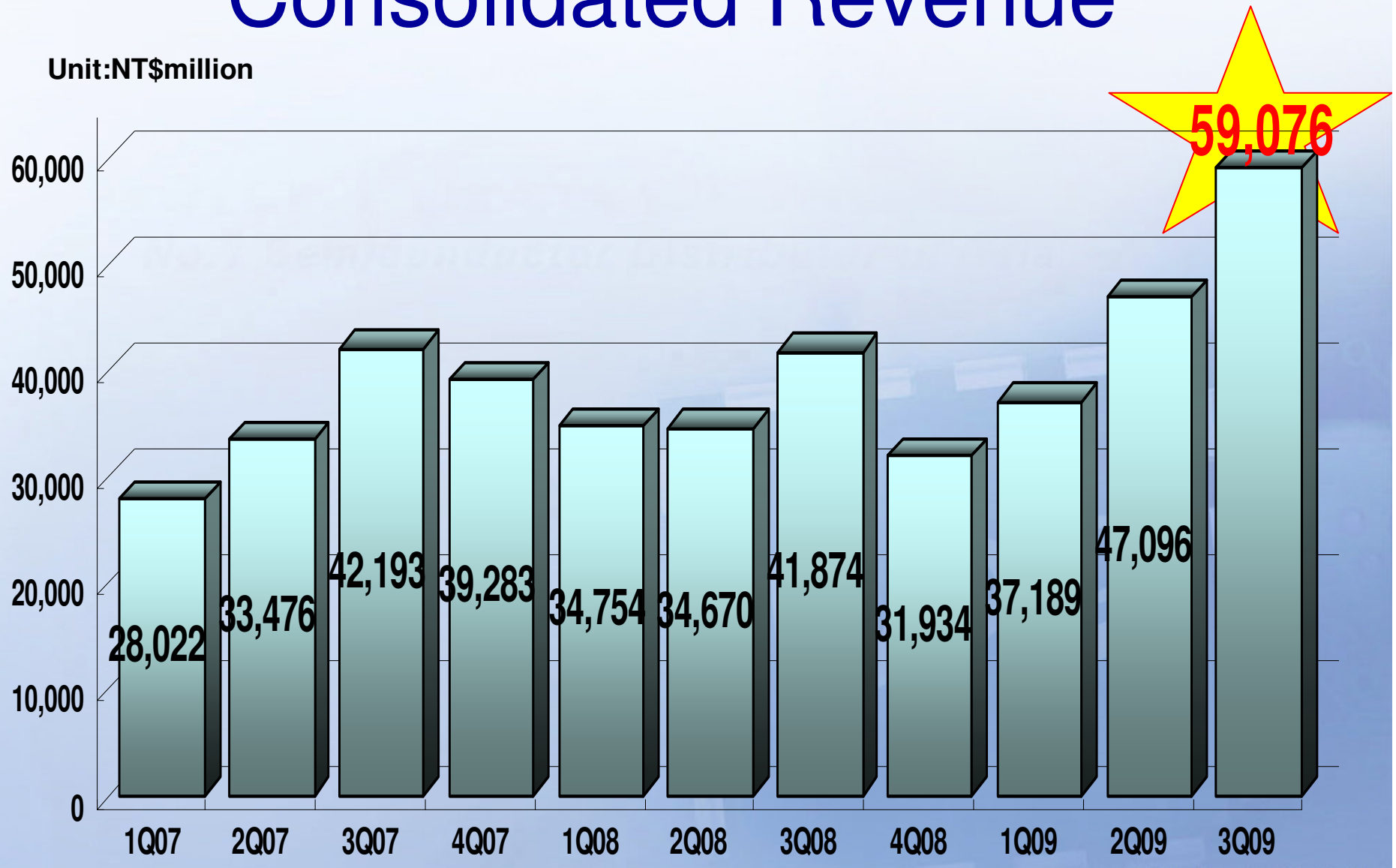
Gross Margin vs. Operating Margin



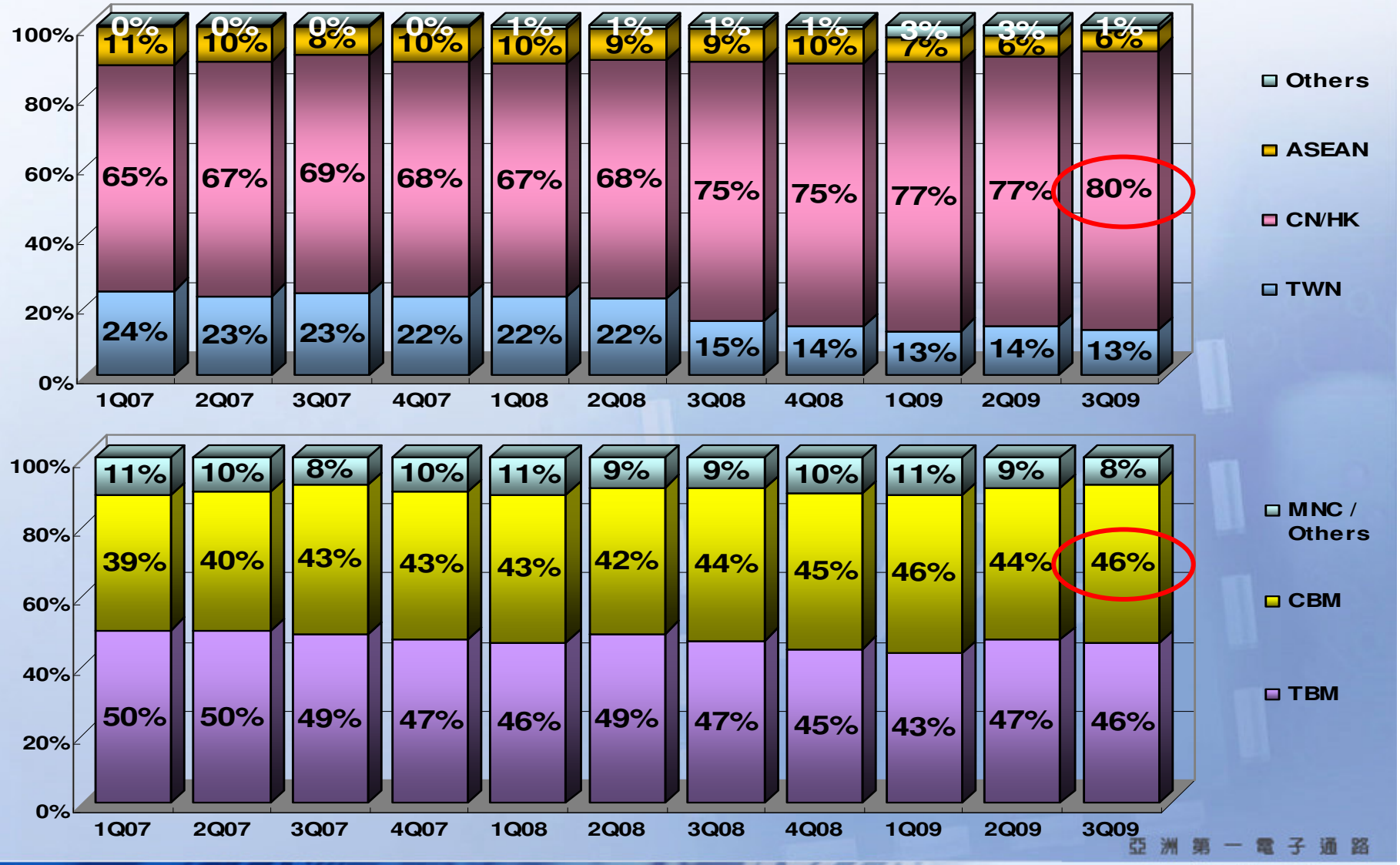
Operating Cash Cycle



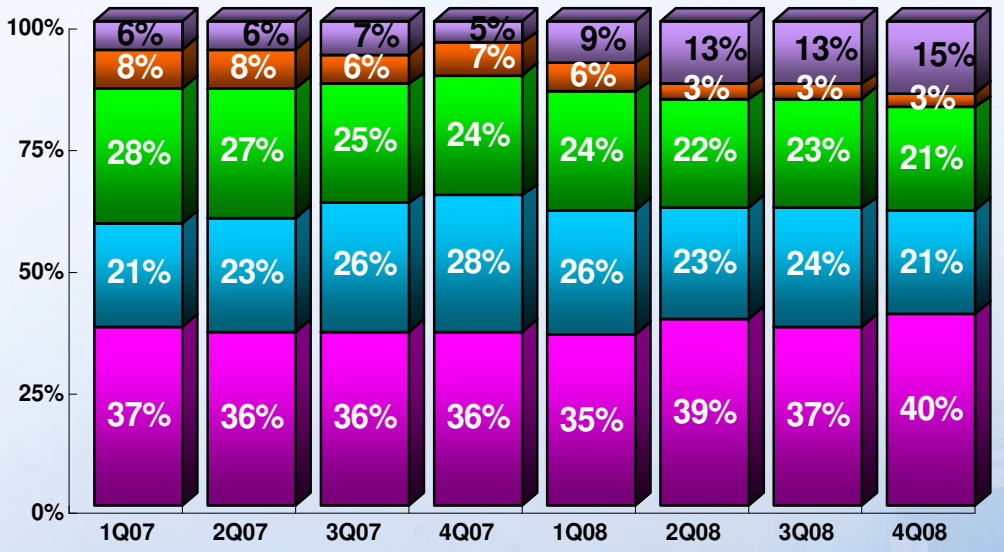
Consolidated Revenue

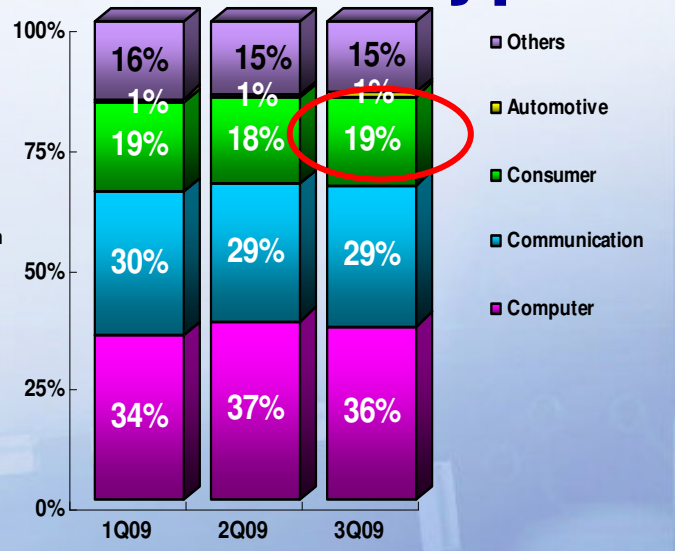


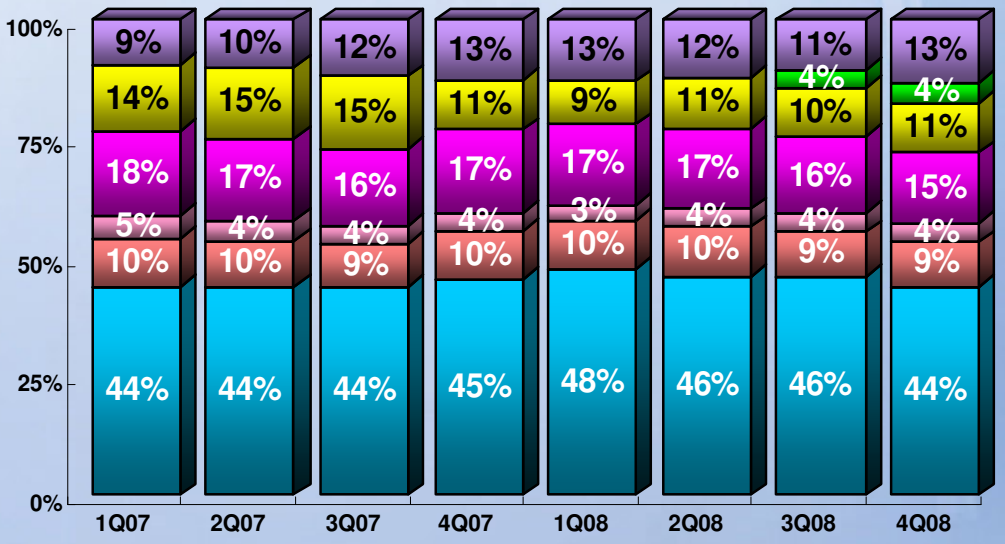
Sales breakdown by Geography/Customer

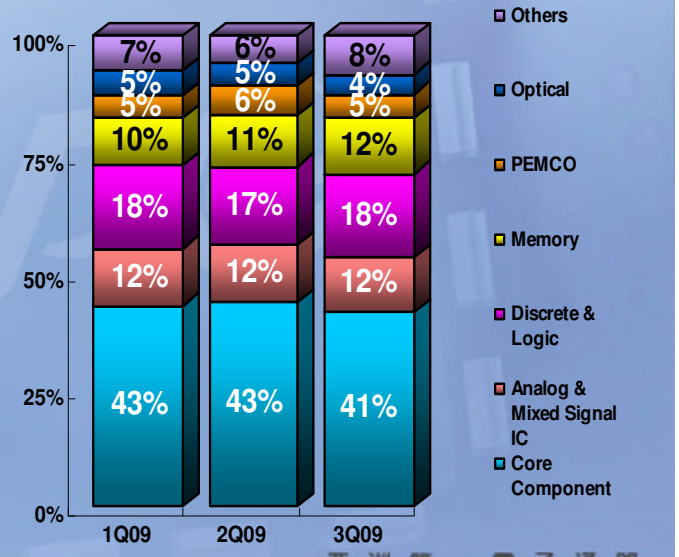


Sales breakdown by Application/ Device Type









4Q09 Guidance

- **Revenues is expected to be between NT$50 billion and NT$53 billion at a forecast of FX rate of 32.5 NT dollars to 1 US dollar averaged over 4Q09.**

- **Gross profit margin is expected to be between 5.3% and 5.5%**

- **Operating profit margin is expected to be between 2.1% and 2.3%**

Recap of Recent Major Events

- **New Franchise in 3Q09：**

– Single chip for True surround sound in small form factor device, Microphone array, Noise & Echo cancelation.

– Solutions for simple, secure, high-performance networking throughout the home over the existing wires.

– Attack power consumption from both the chip and system levels with innovative programmable logic solutions.

– Hand-held consumer electronics. Ultra-portable projectors, or Pico projectors, allow consumers to enjoy a large screen experience in portable electronics.

Recap of Recent Major Events

■ WPG Solutions Launched in 3Q09：

推出 SiRF PND + CMMB (含 CA)解決方案	2009-09-09
推出全球首款用於便攜式電視的超低功耗矽調諧器	2009-09-09
推廣高效能 RF Switch 系列應用於行動電視	2009-09-09
力推 CMMB 移動電視解調器及解碼晶片	2009-09-09

推薦汽車 LED 照明完整解決方案	2009-07-29

推出 CULV(Ultra-Thin)筆電解決方案	2009-09-23
推出一系列針對筆記型電腦應用整合方案	2009-09-23
力推 Notebook&Netbook MOSFET 解決方案	2009-09-23
推出一系列 PC(主機板及筆記型電腦)電源管理解決方案，提供客戶多元的選擇與彈性方案的整合	2009-07-01

推出低功耗、高性能之(R+V) CMMB 手機解決方案	2009-09-09
全力推廣 TD 3G FEATURE PHONES 解決平台_T7210	2009-08-26
推出 OMAP3530 + Android 智能手機方案	2009-08-26
主打應用於 Smart phone 系列之電源管理解決方案	2009-08-26
力推客製化 3G 手機觸控式面板解決方案	2009-08-26
推出四款主流 IP Camera 解決方案	2009-08-12
提供省去外接電源的乙太網路電源架構 Power over Ethernet	2009-07-01

提供完整安防主系統解決方案	2009-08-12
主打一系列 SoC 安全監控元件	2009-08-12
力推一系列影像處理及 HDMI 輸出晶片	2009-08-12
力推監控系統解決方案	2009-08-12
推出 LED 檯燈完整解決方案	2009-07-29
推出多款 CREE LED 照明方案	2009-07-29
力推 25W LED Dimming Driver IC Solution	2009-07-29
力推高亮度 LED 解決方案	2009-07-29
主打可調光 LED 電源驅動 IC 解決方案	2009-07-01

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