WPG Holdings
(3702 TT/3702.TW)

(http://www.WPGholdings.com)

WPI Group | SAC Group | RichPower Group | Pernas Group | AIT Group

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.**

Result Highlights

Unit:NT$million

item	2009	2008	YoY (%)
Net Sales	196,962	143,232	37.5
Gross Margin	5.65%	5.58%	+7 bp
Operating Income	4,495	2,987	50.5
Operating Margin	2.28%	2.09%	+20 bp
Net Income	3,484	1,841	89.2
EPS (NTD)(1)	3.94	2.41	63.7
Total Assets	59,396	42,522	
Total Liabilities	39,129	27,764	
Total Equity	20,267	14,758	
Net Working Capital	26,441	22,252	
Free Cash Flow	3,017	6,534	
KEY Indices(2)			
ROWC	*17.00%*	*13.43%*	+357 bp
NWC/Sales	*0.13*	*0.16*	
ROE	*19.89%*	*12.62%*	+728 bp
Gearing	0.43	0.64	

(1).Weighted average shares outstanding

(2).Annualized

Income Statements

Unit:NT$million

Item	2009	2008	YoY(%)
Net operating Revenue	196,962	143,232	37.5
COGS	(185,828)	(135,236)	37.4
Gross Profit	11,133	7,996	39.2
Gross Margin	5.65%	5.58%	
Operating Expenses	(6,639)	(5,008)	32.6
Operating Income	4,495	2,987	50.5
Operating Margin	2.28%	2.09%	
Net Non-operating Items	13	(528)	(102.4)
Net Financing costs	(326)	(780)	(58.2)
Others	339	251	34.6
Profit Before Tax/Minority	4,508	2,459	83.3
Tax	(1,020)	(607)	68.0
Extraordinary Gain	23	-	N/A
Minority/Accounting Principle Change	(27)	(11)	139.3
Profit After Tax/Minority	3,484	1,841	89.2
Net Margin	1.77%	1.29%	
EPS (NTD)(1)	3.94	2.41	63.74
Tax%	23%	25%	

(1).Weighted average shares outstanding

Balance Sheet

Unit:NT$million	4Q09		3Q09		4Q08	
item	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
Cash &Marketable Securities	6,962	*12*	6,958	*11*	6,137	*14*
Accounts Receivable - Trade	29,649	*50*	31,645	*51*	16,959	*40*
Inventory	15,411	*26*	15,793	*26*	14,054	*33*
Current Assets	56,430	*95*	58,731	*95*	39,744	*93*
Others	2,967	*5*	3,066	*5*	2,777	*7*
Total Assets	**59,396**	***100***	**61,797**	***100***	**42,522**	***100***
Current Interest-bearing Debt	12,195	*21*	14,019	*23*	14,993	*35*
Accounts Payble	18,620	*31*	22,784	*37*	8,760	*21*
Accured Liabilities and Others	3,332	*6*	3,100	*5*	1,788	*4*
Current Liabilities	34,146	*57*	39,904	*65*	25,541	*60*
Long-term Interest-bearing Debt	4,643	*8*	2,120	*3*	1,919	*5*
Others	340	*1*	342	*1*	303	*1*
Total Liabilities	**39,129**	***66***	**42,366**	***69***	**27,764**	***65***
Total Equity	**20,267**	***34***	**19,431**	***31***	**14,758**	***35***
KEY Indices						
Net Working Capital ($)	26,441		24,654		22,252	
AR Turnover (Days)	*43*		*46*		*50*	
Inventory Turnover (Days)	*29*		*30*		*39*	
AP Turnover (Days)	*27*		*32*		*27*	
Average Collection Periods (Days)	*45*		*45*		*62*	
Current Ratio	*165%*		*147%*		*156%*	
Gearing Ratio	*0.43*		*0.41*		*0.64*	

Cash Flows

Unit:NT$million

	2009	2008
-Net Income(1)	3,484	1,852
-Changes of NWC	(764)	3,611
-Adjustment & Others	296	1,072
From Operation	**3,017**	**6,534**
-Financial Instrument	826	20
-Capital Expenditure	8	(168)
-Others	(164)	24
From Investment	**670**	**(125)**
-Financial Debt	(2,527)	(2,980)
-Cash Dividends	(1,250)	(1,565)
-ESOP	28	37
-Others	25	29
From Financing	**(3,724)**	**(4,479)**
Effect on changes of consolidated subsidiaries	703	91
Cumulative translation adjustments	(440)	91
Net Cash Position Change	**226**	**2,112**
Ending Cash Balance	**6,315**	**6,089**

(1).Minority interest is included.

Result Highlights (pro forma)

Unit:NT$million

item	4Q09	4Q08	*YoY(%)*	2009	2008	YoY (%)
Net Sales	53,599	37,133	44.3	198,496	173,829	14.2
Operating Income	993	60	1,566.5	4,496	3,115	44.3
Net Income	852	(298)	386.3	3,492	1,458	139.5
EPS (NT$)(1)	0.95	(0.33)	386.0	3.90	1.63	139.2
Net Working Capital	26,441	25,605		26,441	25,605	
Bank Borrowing	16,838	20,226		16,838	20,226	
Free Cash Flow	(447)	3,871		2,720	7,174	
KEY Indices(2)						
ROWC	*15.03%*	*0.93%*	+1410 bp	*17.00%*	*12.16%*	+484 bp
NWC/Sales	*0.12*	*0.17*		*0.13*	*0.15*	
ROE	*17.66%*	*-6.53%*	+2419 bp	*18.08%*	*7.99%*	+1009 bp
Gearing Ratio	0.43	0.66		0.43	0.66	
Inventory Days	30	49		33	42	

(1).Weighted average shares outstanding

(2).Annualized

Result Highlights

Unit:NT$million

item	4Q09	4Q09 Guidance	3Q09	4Q08	*QoQ(%)*	*YoY(%)*
Net Sales	53,599	50~53B	59,077	31,934	(9.3)	67.8
Gross Margin	5.53%	*5.3% ~ 5.5%*	5.62%	5.20%	-8 bp	+33 bp
Operating Income	993		1,680	270	(40.9)	267.5
Operating Margin	1.85%	*2.1% ~ 2.3%*	2.84%	0.85%	-99 bp	+101 bp
Net Income	852		1,296	42	(34.2)	1,912.4
EPS (NT$)(1)	0.95		1.46	0.04	(35.4)	2,124.7
Net Book Value (NT$)	22.80					
Total Assets	59,396		61,797	42,522		
Total Liabilities	39,129		42,366	27,764		
Total Equity	20,267		19,431	14,758		
Net Working Capital	26,441		24,654	22,252		
Free Cash Flow	(447)		(1,654)	3,950		
KEY Indices(2)						
ROWC	*15.03%*		*27.25%*	*4.86%*	-1,222 bp	+1017 bp
NWC/Sales	*0.12*		*0.10*	*0.17*		
ROE	*19.47%*		*30.32%*	*1.16%*	-1,085 bp	+1831 bp
Gearing	0.43		0.41	0.64		

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

Income Statements

Unit:NT$million

Item	4Q09	3Q09	QoQ(%)	4Q08	YoY(%)
Net operating Revenue	53,599	59,077	(9.3)	31,934	67.8
COGS	(50,633)	(55,759)	(9.2)	(30,273)	67.3
Gross Profit	2,966	3,319	(10.6)	1,661	78.5
Gross Margin	5.53%	5.62%		5.20%	
Operating Expenses	(1,972)	(1,639)	20.3	(1,391)	41.8
Operating Income	993	1,680	(40.9)	270	267.5
Operating Margin	1.85%	2.84%		0.85%	
Net Non-operating Items	101	(9)	1,263.6	(181)	155.8
Net Financing costs	(64)	(77)	(16.3)	(224)	(71.4)
Others	165	68		43	
Profit Before Tax/Minority	1,094	1,671	(34.5)	90	1,120.0
Tax	(238)	(360)	(33.9)	(59)	304.2
Minority/Accounting Principle Change	(4)	(16)		11	
Profit After Tax/Minority	852	1,296	(34.2)	42	1,912.4
Net Margin	1.59%	2.19%		0.13%	
EPS (NTD)(1)	0.95	1.46	(35.4)	0.04	2,124.7
Tax %	22%	22%		66%	

(1).Weighted average shares outstanding

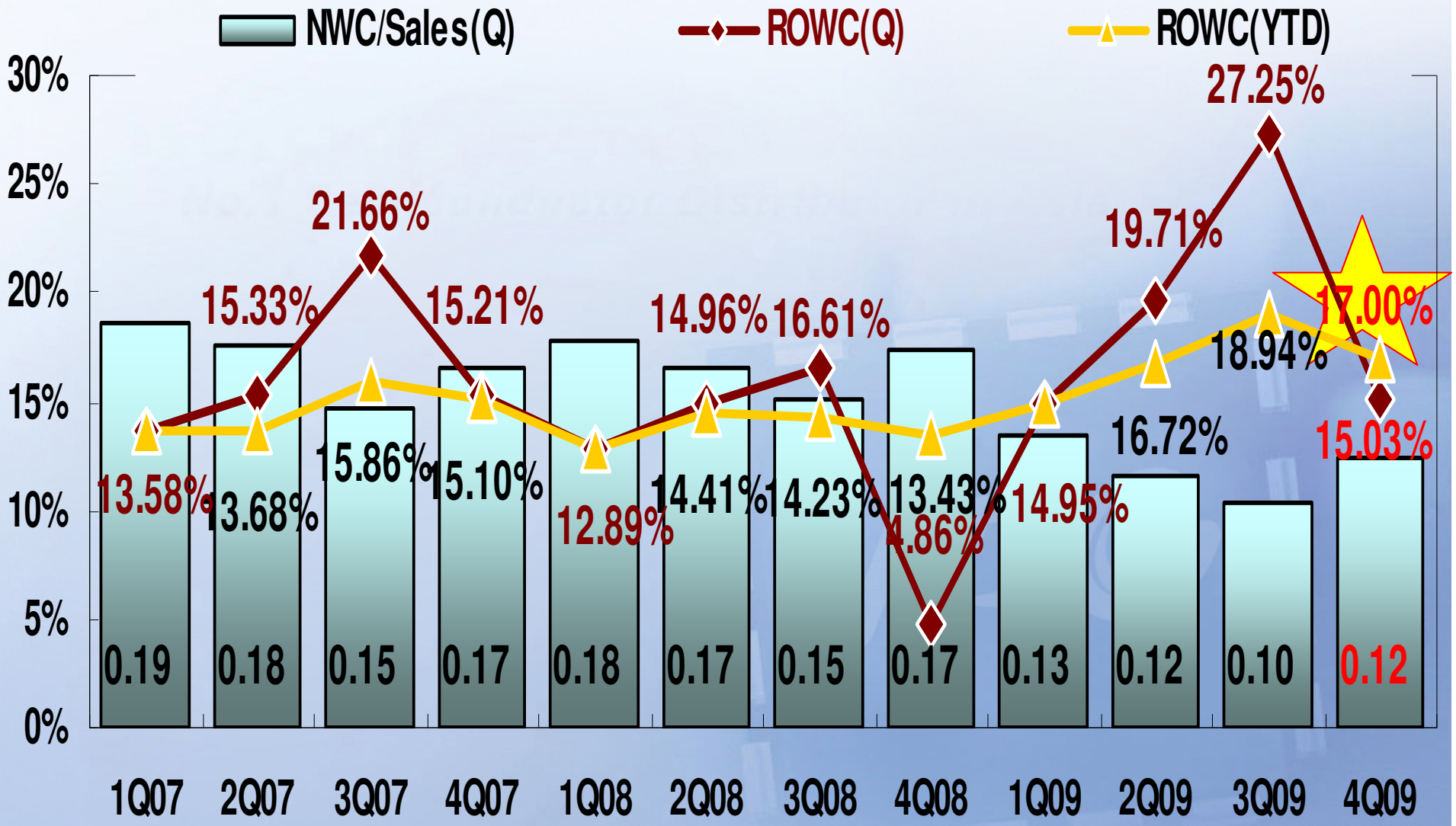
Cash Flows

Unit:NT$million

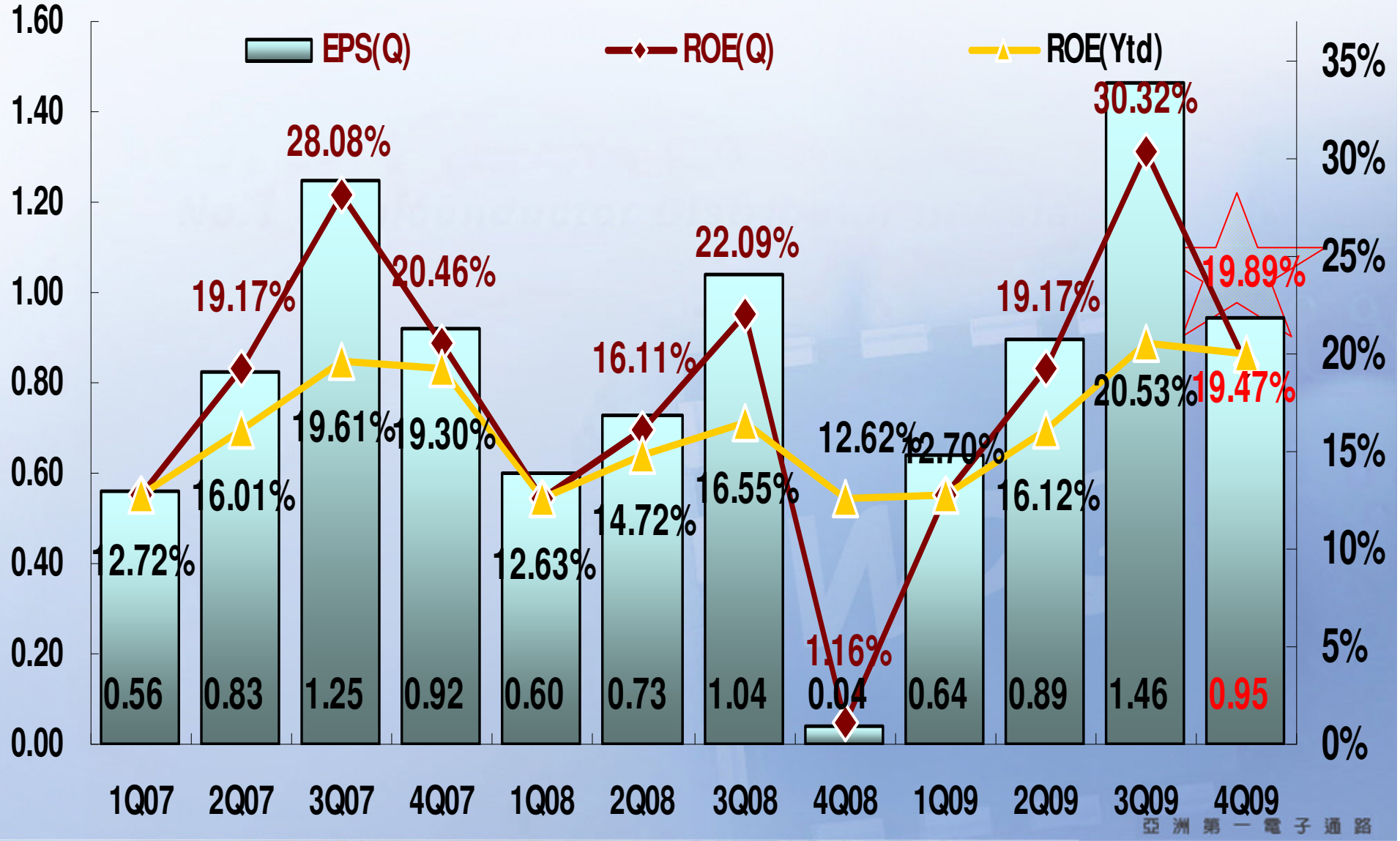
	4Q09	3Q09	4Q08
-Net Income(1)	830	1,311	31
-Changes of NWC	(1,690)	(2,915)	3,048
-Adjustment & Others	412	(50)	872
From Operation	**(447)**	**(1,654)**	**3,950**
-Financial Instrument	(431)	121	(386)
-Capital Expenditure	29	(9)	(8)
-Others	(127)	(11)	(10)
From Investment	**(529)**	**102**	**(404)**
-Financial Debt	698	2,341	(1,917)
-Cash Dividends	-	(1,250)	(9)
-ESOP	6	4	3
-Others	39	38	(67)
From Financing	**744**	**1,132**	**(1,990)**
Cumulative translation adjustments	(167)	(180)	192
Net Cash Position Change	**(399)**	**(600)**	**1,748**
Ending Cash Balance	**6,315**	**6,714**	**6,089**

(1).Minority interest is included.

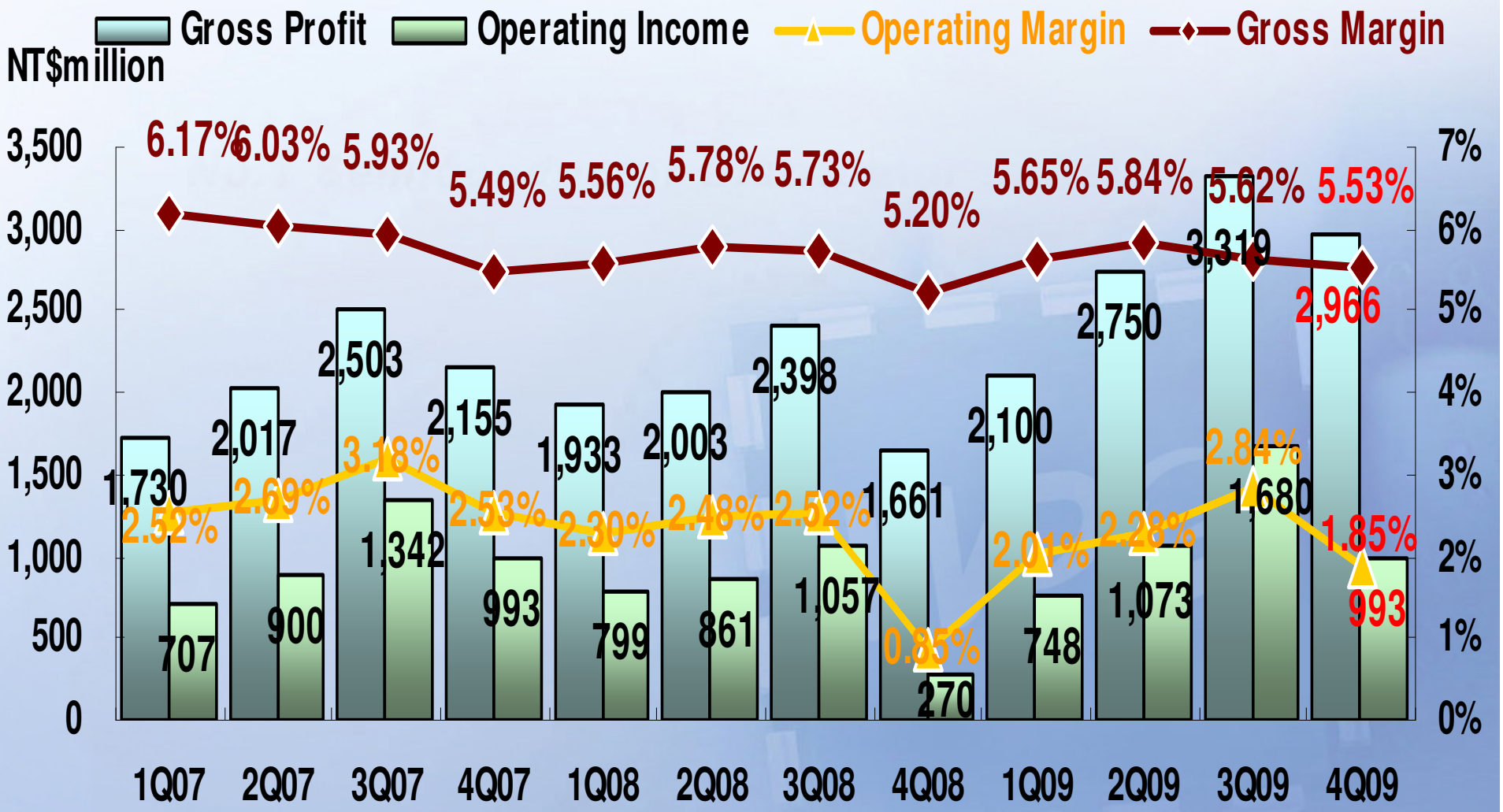
ROWC vs. NWC/Sales



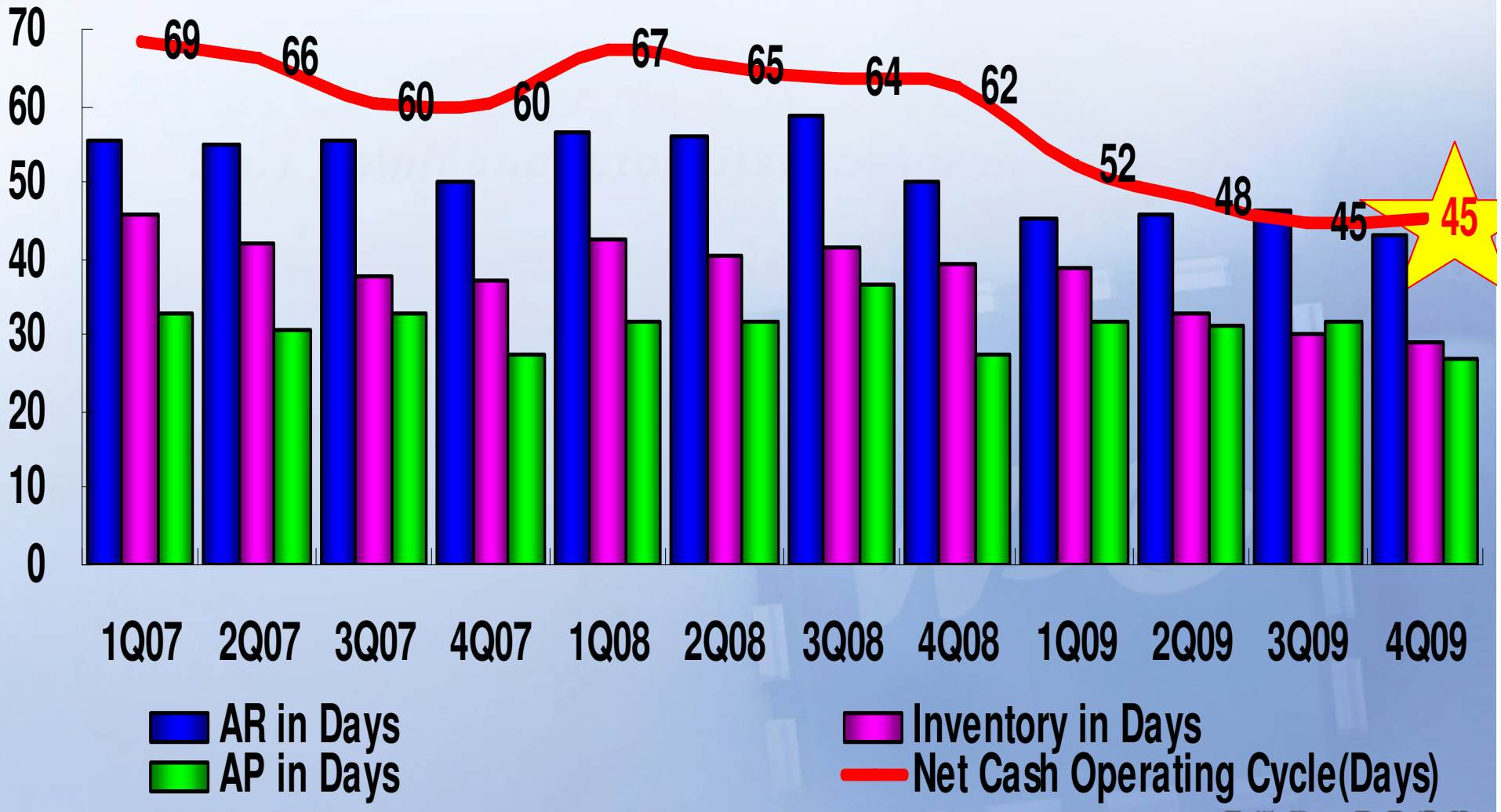
ROE vs. EPS


EPS(Q)
ROE(Q)
ROE(Ytd)
1.60
1.40
1.20
1.00
0.80
0.60
0.40
0.20
0.00
35%
30%
25%
20%
15%
10%
5%
0%
19.17%
28.08%
20.46%
16.11%
22.09%
1.16%
19.17%
30.32%
19.89%
12.72%
16.01%
19.61%
19.30%
12.63%
14.72%
16.55%
12.62%
12.70%
16.12%
20.53%
19.47%
0.56
0.83
1.25
0.92
0.60
0.73
1.04
0.04
0.64
0.89
1.46
0.95
1Q07
2Q07
3Q07
4Q07
1Q08
2Q08
3Q08
4Q08
1Q09
2Q09
3Q09
4Q09

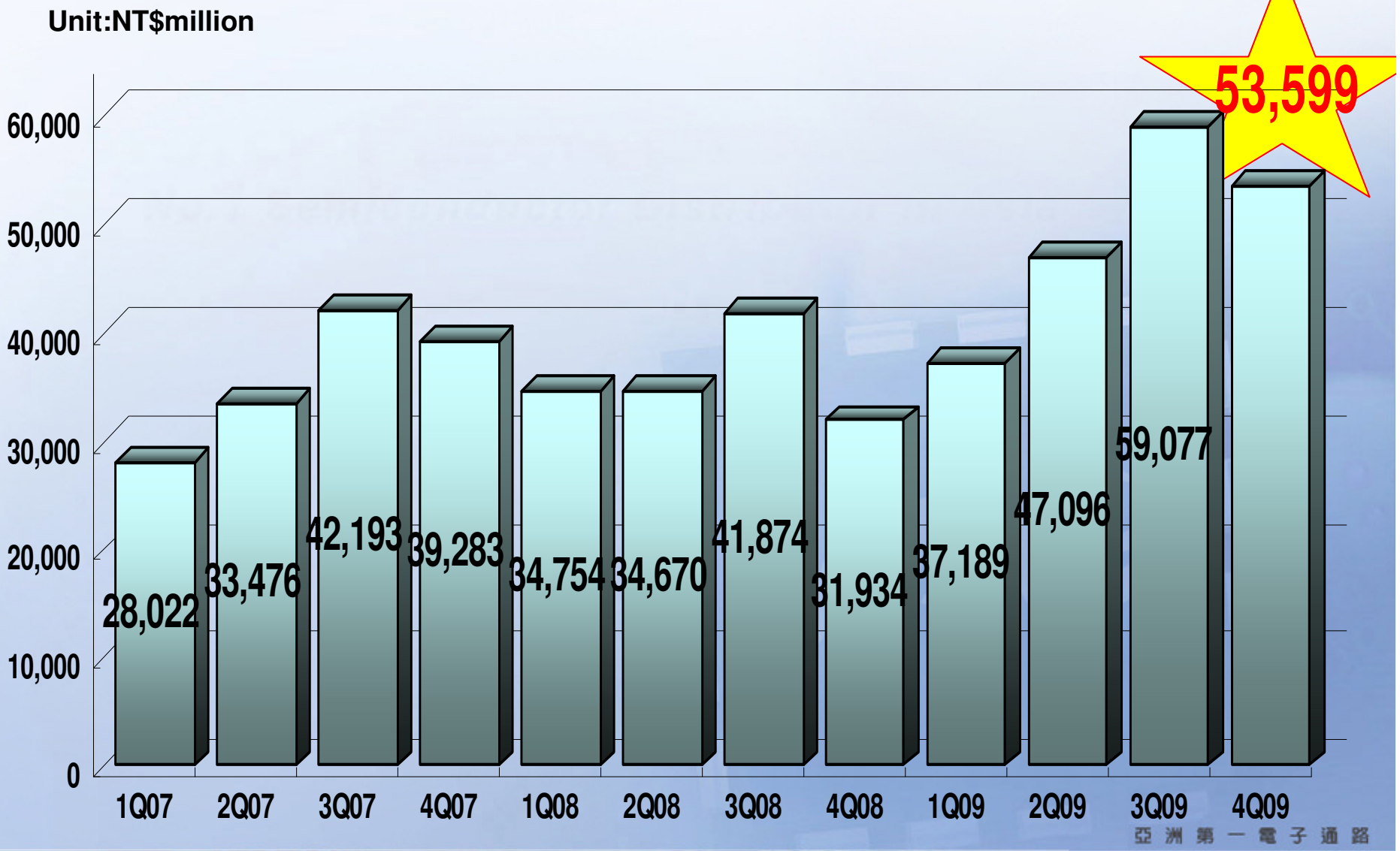
Gross Margin vs. Operating Margin



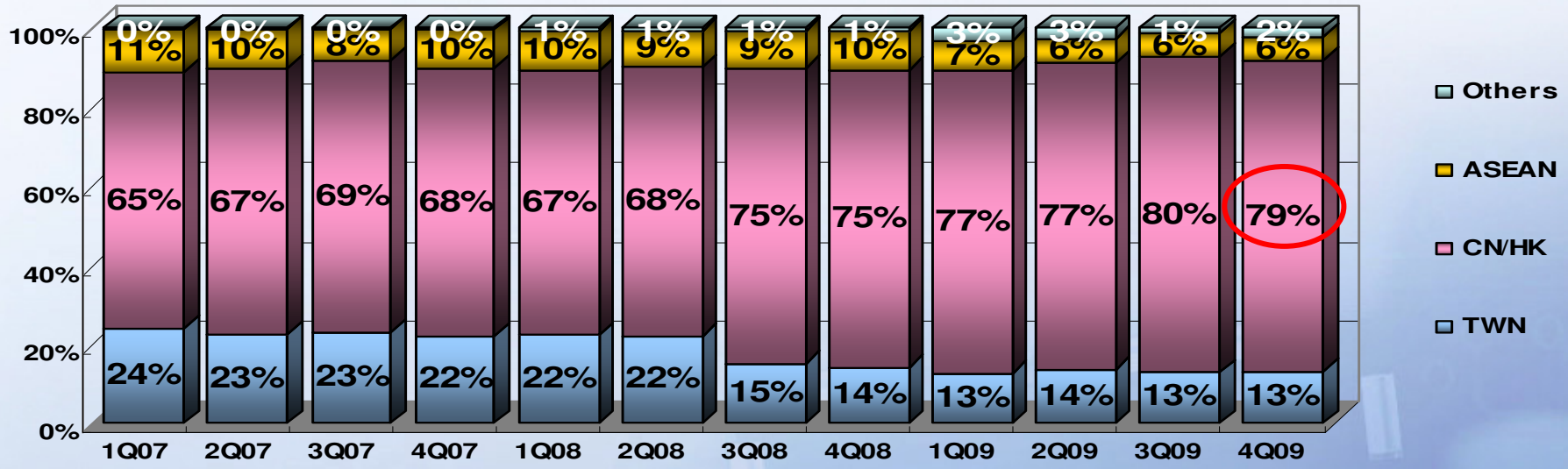
Operating Cash Cycle

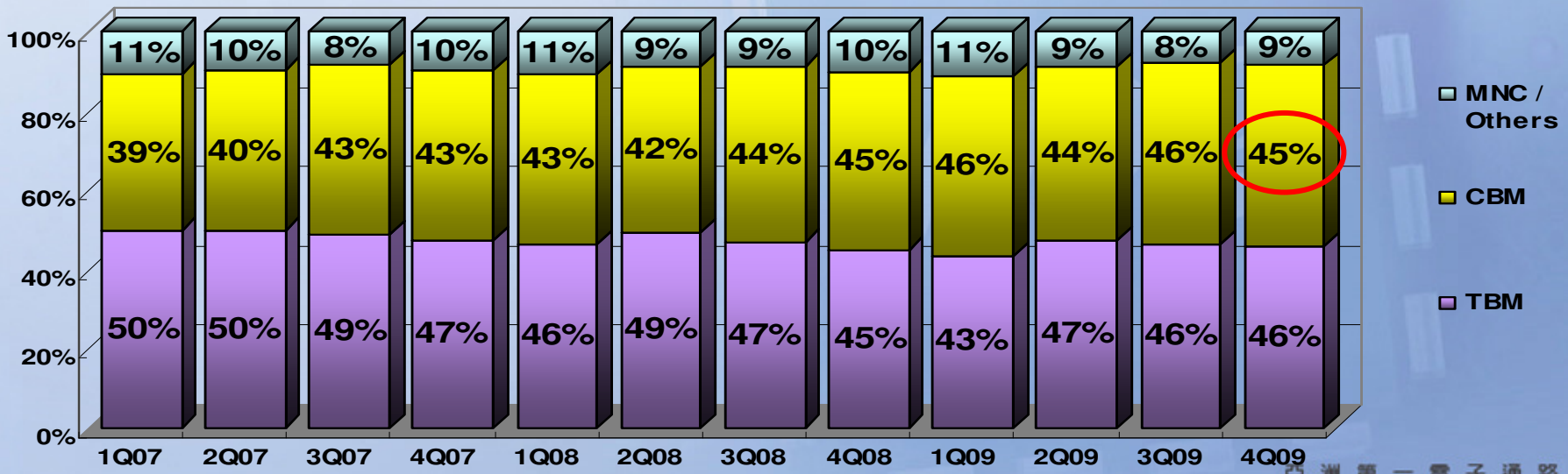


Consolidated Revenue

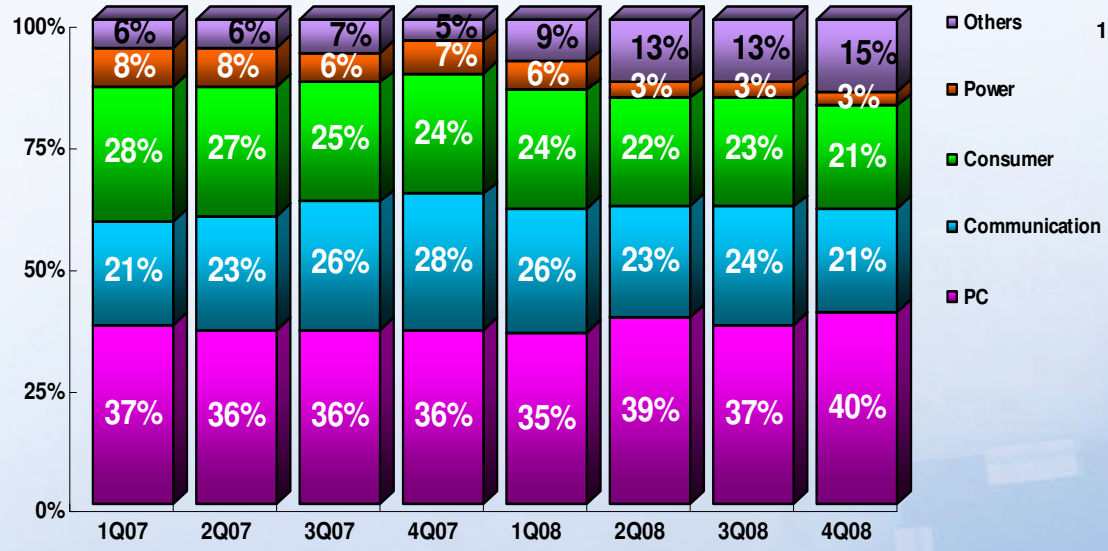


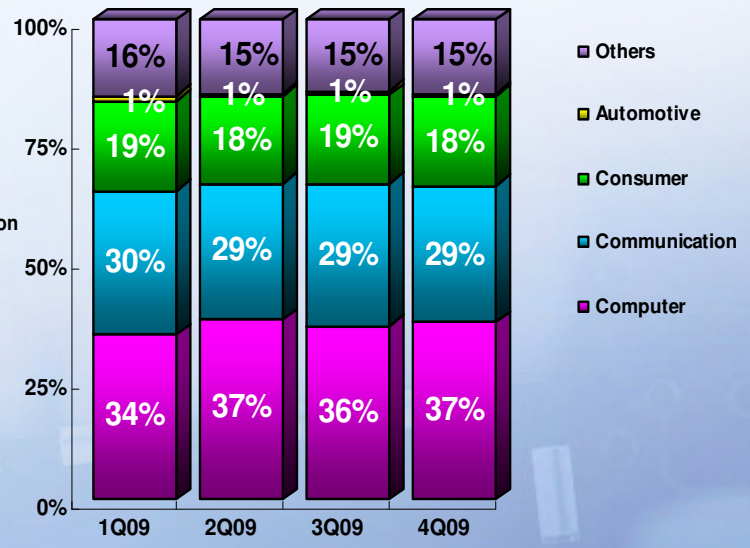
Sales breakdown by Geography/Customer

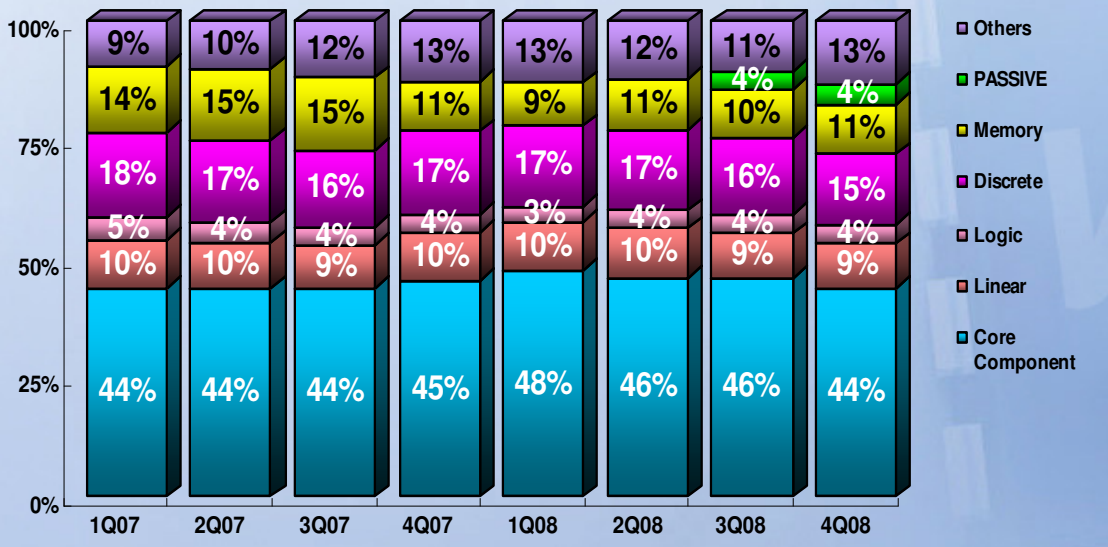


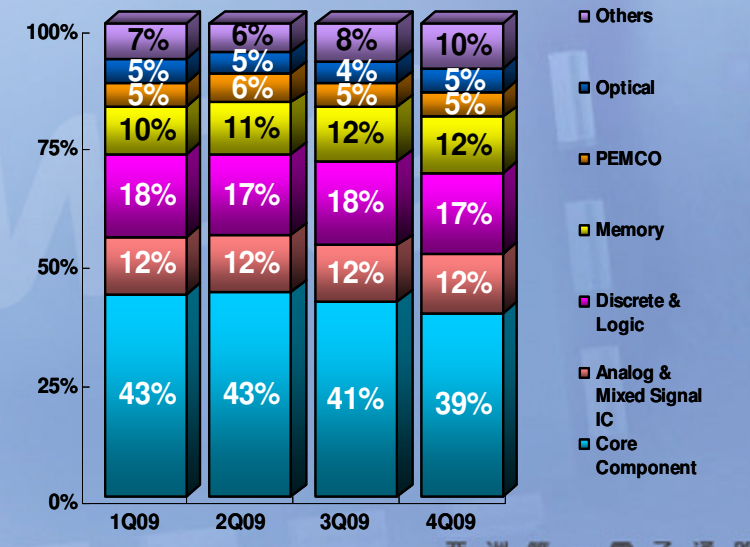


Sales breakdown by Application/ Device Type









1Q10 Guidance

Based on our current business outlook, management expects：

- **Revenues to be between NT$ 51 billion and NT$ 54 billion at a forecast FX rate of 31.75 NT dollars to 1 US dollar averaged over 1Q10.**
- **Gross profit margin to be between 5.3% and 5.5%**
- **Operating profit margin to be between 2.1% and 2.3%**

Recap of Recent Major Events

■ WPG Solutions Launched in 4Q09：

推出一系列針對 LCD TV 應用解決方案	2009-12-23
推出 LCD-TV 之主、被動元件最佳解決方案	2009-12-23
力推諸多產品線搭配 LCD TV Controller 提供完整液晶電視解決方案	2009-12-23
推出液晶電視解決方案	2009-12-23
代理產品線針對 TV 提出一系列解決方案	2009-12-23
推出 HD-DVR 機上盒系統級晶片解決方案_CX24500	2009-12-09
推出地磁感測器系列方案	2009-11-25
推出 HD-DVR 機上盒系統級晶片解決方案_CX24500	2009-12-09
力推高解析度 IP 與複合式數位電視機上盒整合方案	2009-12-09
推出 Set-Top Box 最佳的主被動解決方案	2009-12-09
力推適用機上盒(STB)之接收器單晶片 (a complete System-On-Chip)—A	2009-12-09

力推客製化 3G 手機觸控式面板解決方案	2009-11-25
推出智能手機方案	2009-11-25
推出智慧型手機充電 IC 解決方案	2009-11-25
推出智慧型手機之解決方案	2009-11-25

推出車用影音之最佳電源管理解決方案	2009-11-11
力推藍牙晶片(BC5MM)於車用免持及導航裝置之解決方案	2009-11-11
推出全方位車用及行動多媒體影音解決方案	2009-11-11
推出一系列車用電子解決方案	2009-10-14
推出 CMOS sensor MT9V126 倒車影像方案	2009-10-14
力推藍牙晶片(BC5MM)於車用免持及 PND 導航裝置之解決方案	2009-10-14
推出高效能儀表控制處理器	2009-10-14

推出一系列電源管理晶片	2009-10-28
推出高效能電源控制晶片 MC56F8000 系列案	2009-10-28
主諧振式電源控制器	2009-10-28
推出一系列 AC-DC Adaptor (≦ 65W)應用方案	2009-10-28

力推 MPS 在上網本電源解決方案	2009-10-28

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Recap of Recent Major Events

- WPG Electronics (HK) Limited, the logistic center of WPG in HK, won Hong Kong Logistics Award for Medium-sized Enterprise in November 2009.

http://www.WPGholdings.com