WPG Holdings Ltd.
(3702 TT/3702.TW)
1Q10 Earning Release

Apr. 30th, 2010

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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").
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Agenda

Welcome	Kathryn Chen
1Q10 Financial Highlights & 2Q10 Outlook	Cliff Yuan
CEO Comments	Simon Huang
Q&A	Simon Huang/ Scott Lin/ Cliff Yuan

Result Highlights

Unit:NT$million

item	1Q10	1Q10 Guidance	4Q09	1Q09	*QoQ(%)*	*YoY(%)*
Net Sales	58,045	51~54B	53,411	37,189	8.7	56.1
Gross Margin	5.84%	*5.3% ~ 5.5%*	5.50%	5.65%	+33 bp	+19 bp
Operating Income	1,514		953	748	58.8	102.3
Operating Margin	2.61%	*2.1% ~ 2.3%*	1.78%	2.01%	+82 bp	+60 bp
Net Income	1,258		841	542	49.6	132.3
EPS (NT$)(1)	1.41		0.93	0.64	50.6	119.4
Net Book Value (NT$)	23.72					
Total Assets	67,633		59,912	50,597		
Total Liabilities	46,283		39,668	31,244		
Total Equity	21,349		20,244	19,353		
Net Working Capital	28,159		27,118	20,019		
Free Cash Flow	(646)		(423)	6,318		
KEY Indices(2)						
ROWC	*21.50%*		*14.06%*	*14.95%*	+744 bp	+655 bp
NWC/Sales	*0.12*		*0.13*	*0.13*		
ROE	*24.20%*		*19.22%*	*12.70%*	+498 bp	+1149 bp
Gearing	0.45		0.44	0.17		

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

Income Statements

Unit:NT$million

Item	1Q10	4Q09	QoQ(%)	1Q09	YoY(%)
Net operating Revenue	58,045	53,411	8.7	37,189	56.1
COGS	(54,657)	(50,472)	8.3	(35,090)	55.8
Gross Profit	3,387	2,939	15.3	2,100	61.3
Gross Margin	5.84%	5.50%		5.65%	
Operating Expenses	(1,874)	(1,985)	(5.6)	(1,351)	38.7
Operating Income	1,514	953	58.8	748	102.3
Operating Margin	2.61%	1.78%		2.01%	
Net Non-operating Items	56	124	(55.0)	(44)	227.1
Net Financing costs	(50)	(62)	(19.4)	(121)	(58.7)
Others	106	186		77	
Profit Before Tax/Minority	1,570	1,077	45.7	704	122.9
Tax	(304)	(228)	33.3	(185)	64.9
Extraordinary Gain	-	-		23	
Minority/Accounting Principle Change	(7)	(8)		(1)	
Profit After Tax/Minority	1,258	841	49.6	542	132.3
Net Margin	2.17%	1.57%		1.46%	
EPS (NTD)(1)	1.41	0.93	50.6	0.64	119.4
Tax %	19%	21%		26%	

(1).Weighted average shares outstanding

Balance Sheet

Unit:NT$million	1Q10		4Q09		1Q09	
item	Amount	%	Amount	%	Amount	%
Cash &Marketable Securities	5,519	8	6,670	11	7,807	15
Accounts Receivable - Trade	33,994	50	30,205	50	19,999	40
Inventory	20,673	31	15,644	26	15,889	31
Current Assets	64,442	95	56,905	95	47,611	94
Others	3,191	5	3,007	5	2,986	6
Total Assets	**67,633**	**100**	**59,912**	**100**	**50,597**	**100**
Current Interest-bearing Debt	11,708	17	12,195	20	10,375	21
Accounts Payble	26,508	39	18,731	31	15,870	31
Accured Liabilities and Others	3,615	5	3,736	6	2,357	5
Current Liabilities	41,831	62	34,663	58	28,602	57
Long-term Interest-bearing Debt	4,160	6	4,643	8	2,300	5
Others	292	0	363	1	343	1
Total Liabilities	**46,283**	**68**	**39,668**	**66**	**31,244**	**62**
Total Equity	**21,349**	**32**	**20,244**	**34**	**19,353**	**38**

KEY Indices			
Net Working Capital ($)	28,159	27,118	20,019
AR Turnover (Days)	50	44	45
Inventory Turnover (Days)	30	29	39
AP Turnover (Days)	38	27	32
Average Collection Periods (Days)	43	46	52
Current Ratio	154%	164%	166%
Gearing Ratio	0.45	0.44	0.17

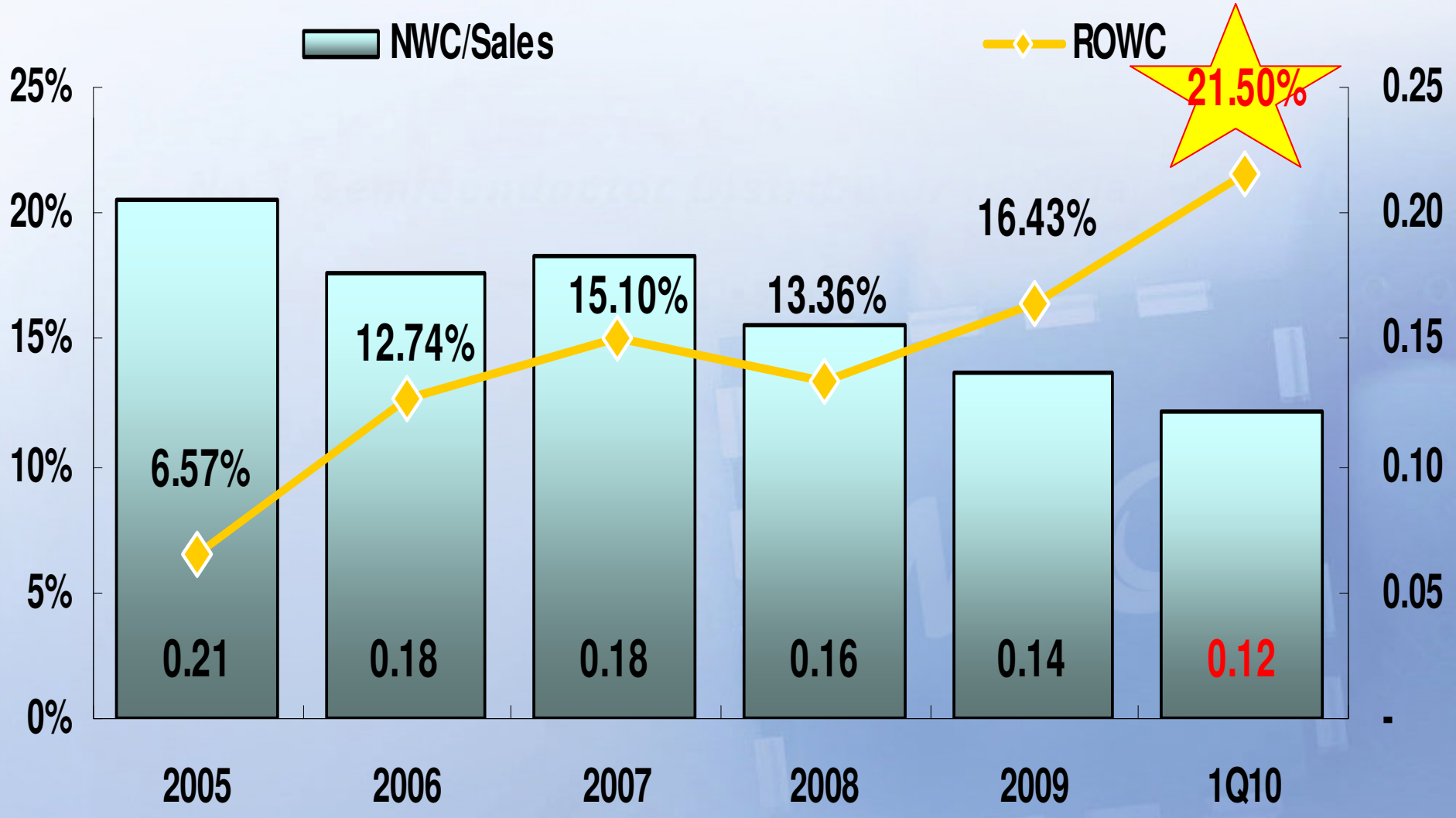
Cash Flows

Unit:NT$million

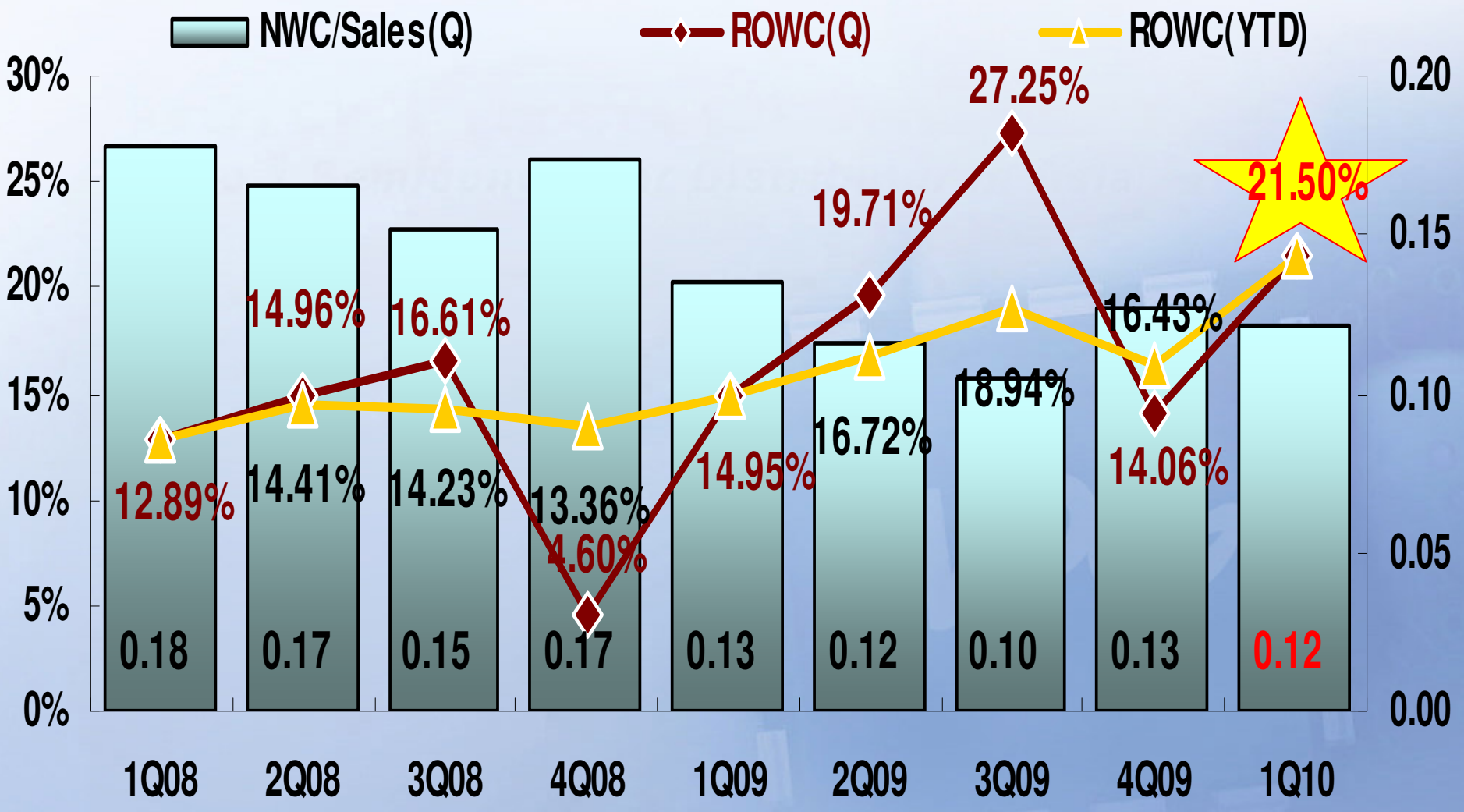
	1Q10	4Q09	1Q09
-Net Income(1)	1,258	849	542
-Changes of NWC	(1,041)	(928)	5,612
-Adjustment & Others	(863)	(344)	163
From Operation	**(646)**	**(423)**	**6,318**
-Financial Instrument	601	(228)	370
-Capital Expenditure	(69)	(40)	(8)
-Others	(21)	94	12
From Investment	**510**	**(175)**	**374**
-Financial Debt	(970)	698	(6,674)
-Cash Dividends	-	-	-
-ESOP	2	6	10
-Others	(9)	(9)	(32)
From Financing	**(978)**	**695**	**(6,695)**
Effect on changes of consolidated subsidiaries	-	-	703
Cumulative translation adjustments	(142)	(299)	730
Net Cash Position Change	**(1,255)**	**(201)**	**1,429**
Ending Cash Balance	**5,258**	**6,514**	**7,518**

(1).Minority interest is included.

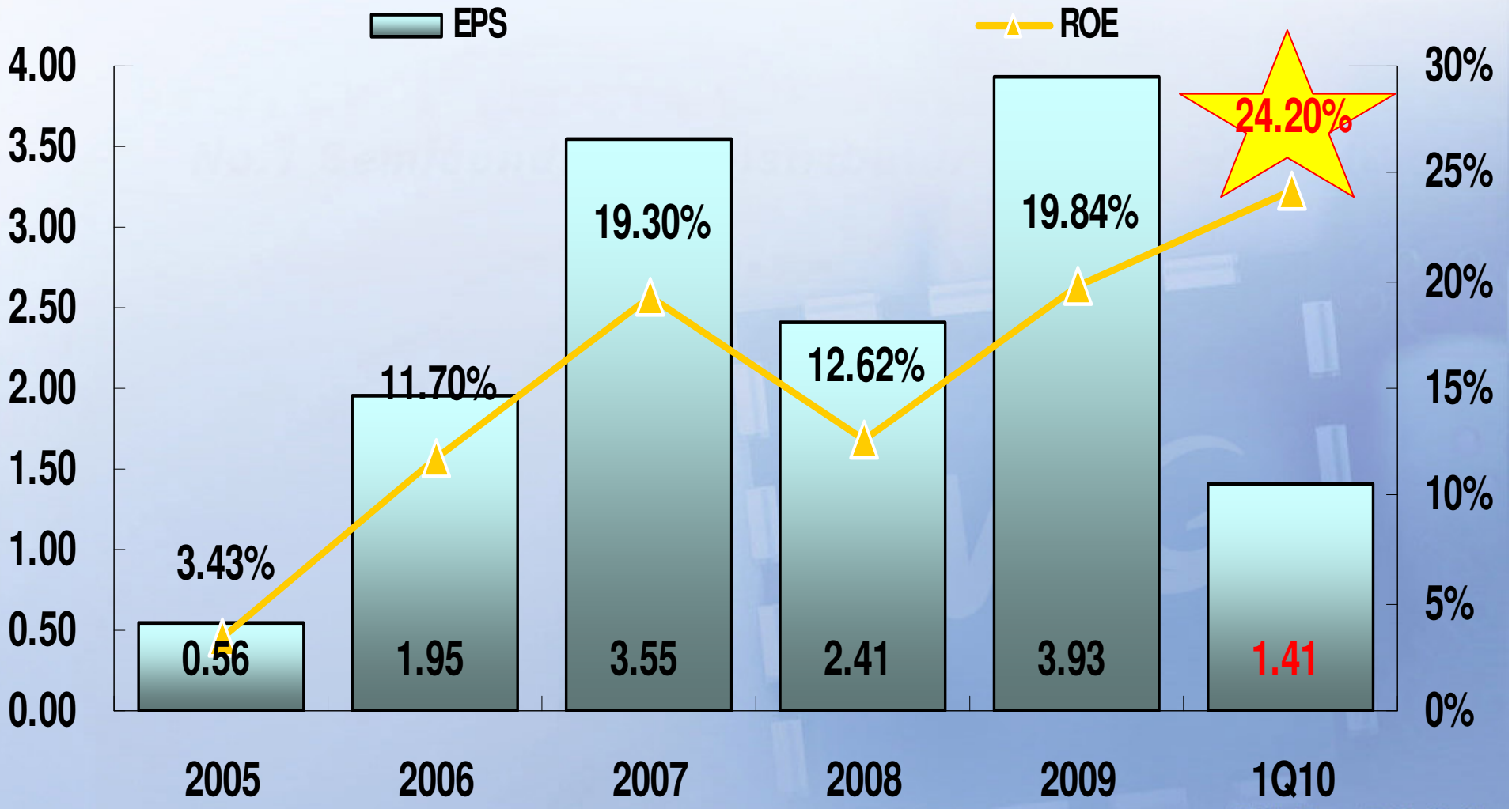
ROWC vs. NWC/Sales



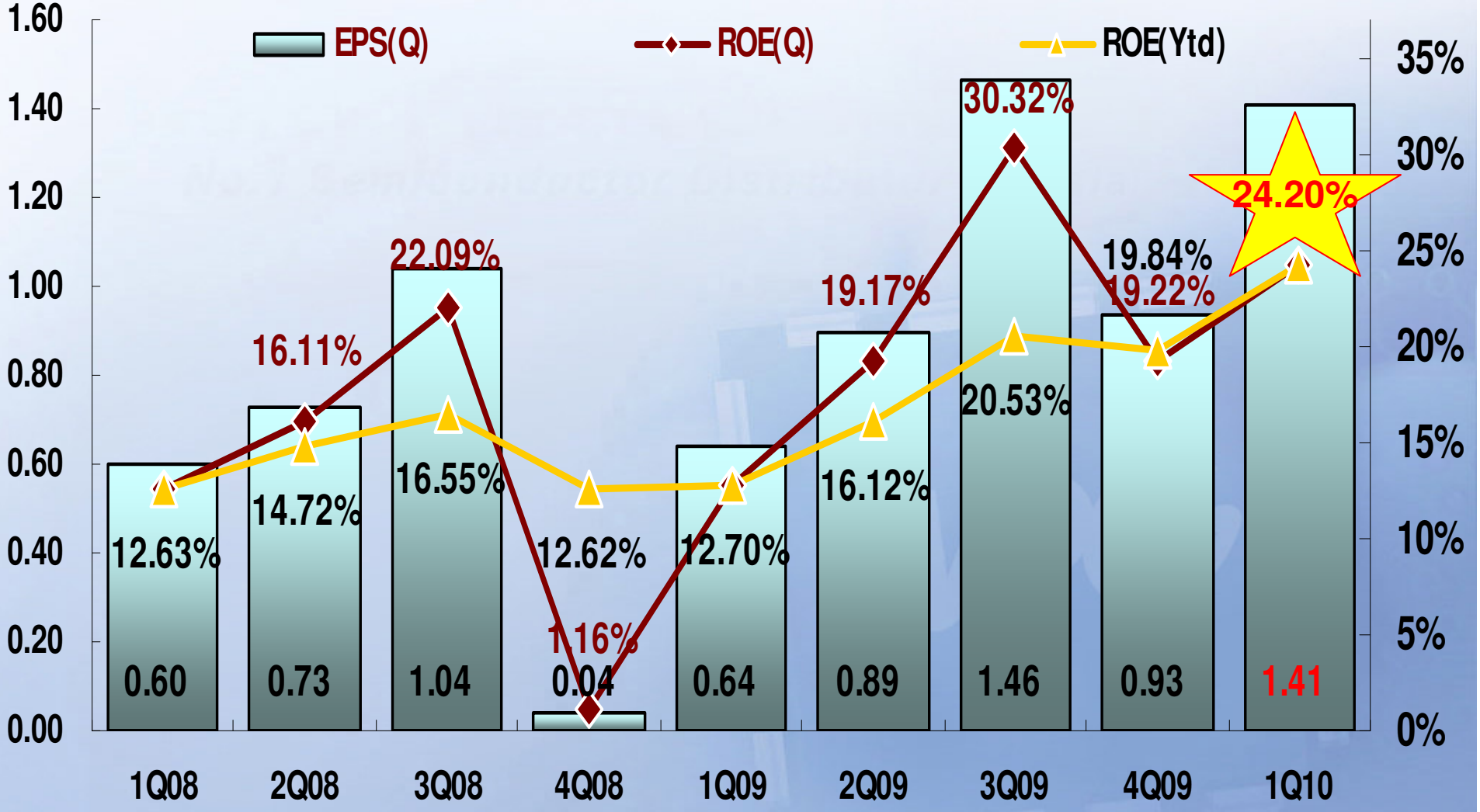
ROWC vs. NWC/Sales



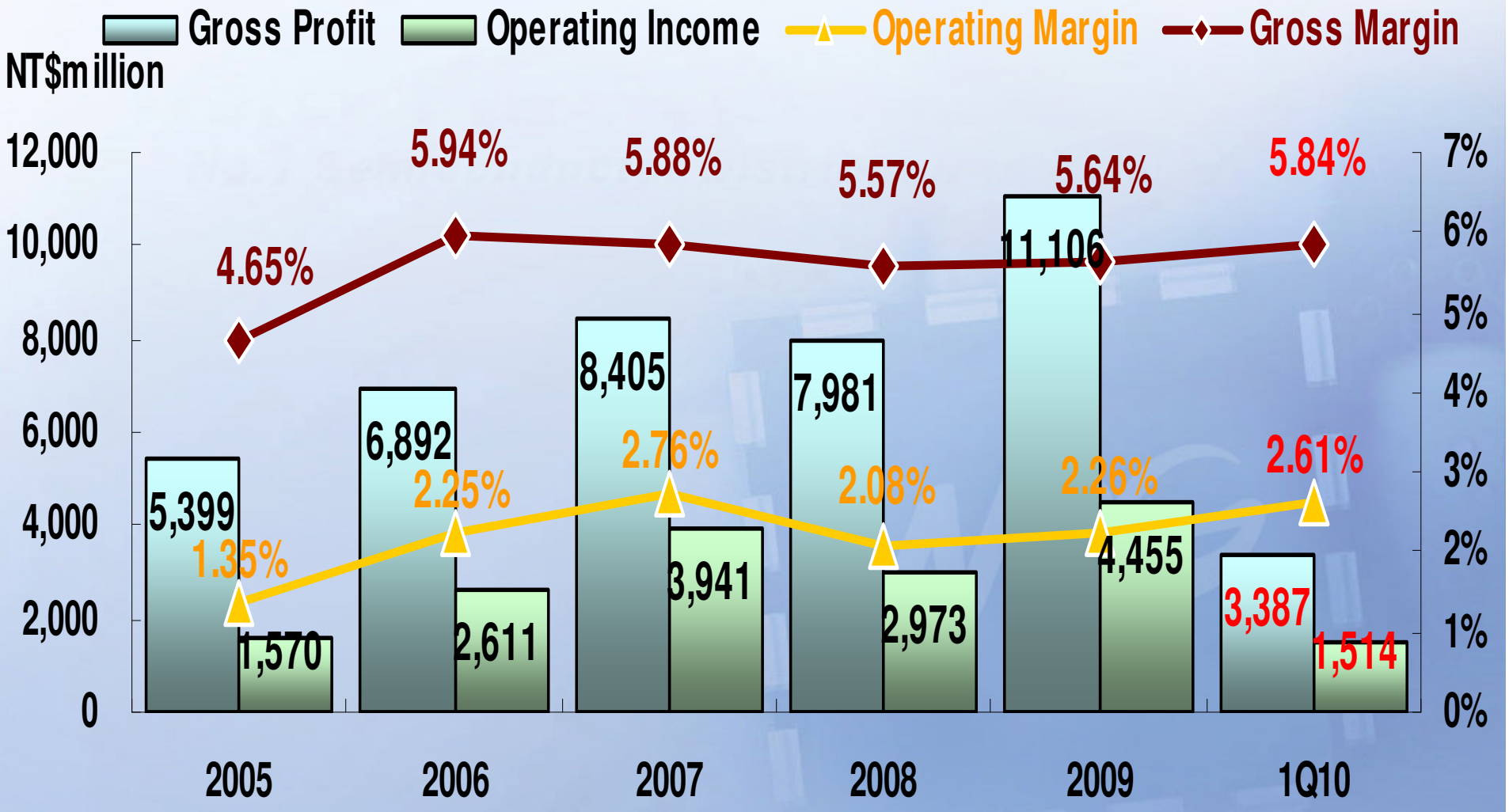
ROE vs. EPS


EPS
ROE
4.00
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
30%
25%
20%
15%
10%
5%
0%
3.43%
11.70%
19.30%
12.62%
19.84%
24.20%
0.56
1.95
3.55
2.41
3.93
1.41
2005
2006
2007
2008
2009
1Q10

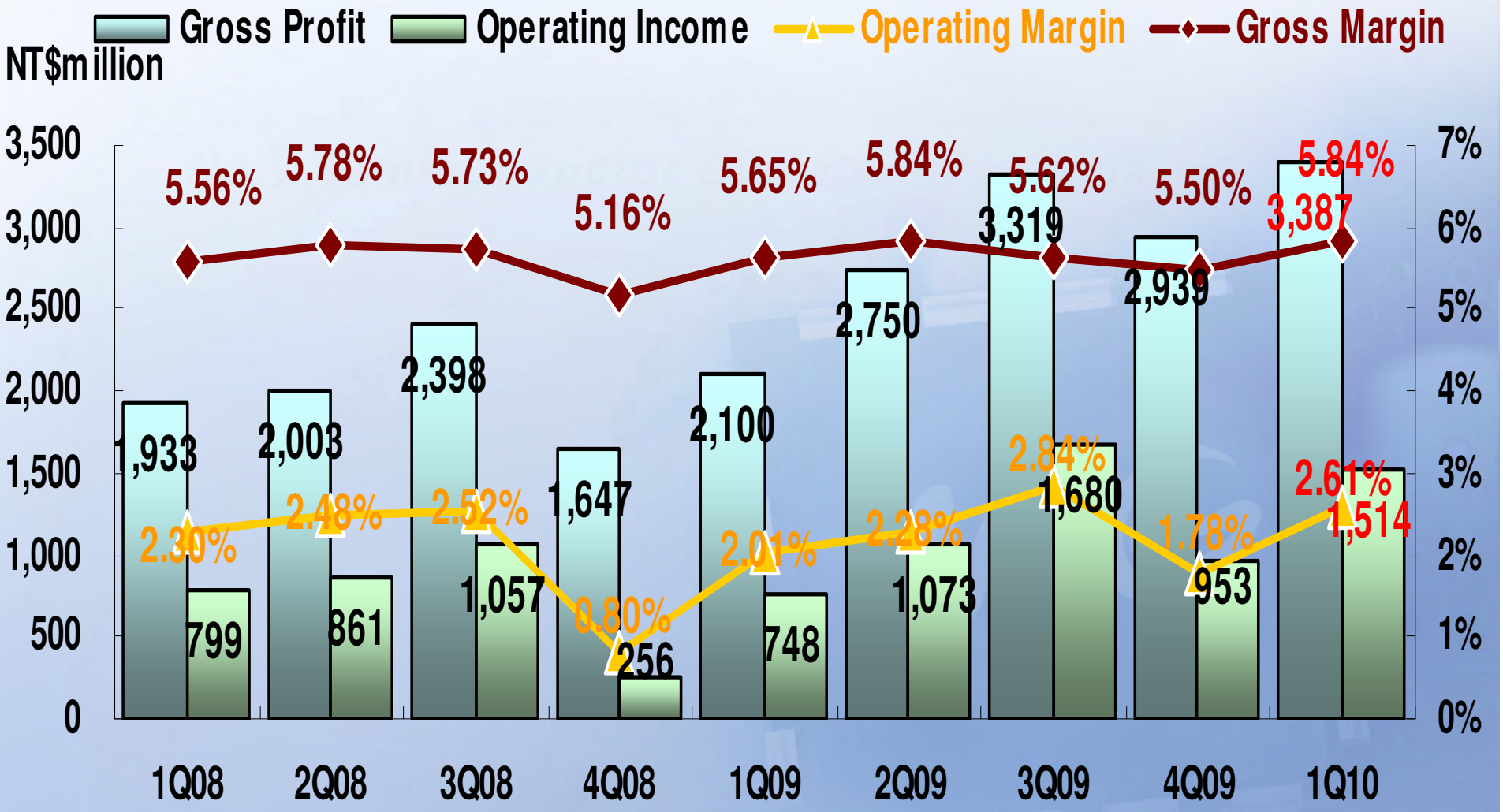
ROE vs. EPS


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%
12.63%
16.11%
14.72%
22.09%
16.55%
1.16%
12.62%
12.70%
19.17%
16.12%
30.32%
20.53%
19.84%
19.22%
24.20%
0.60
0.73
1.04
0.04
0.64
0.89
1.46
0.93
1.41
1Q08
2Q08
3Q08
4Q08
1Q09
2Q09
3Q09
4Q09
1Q10

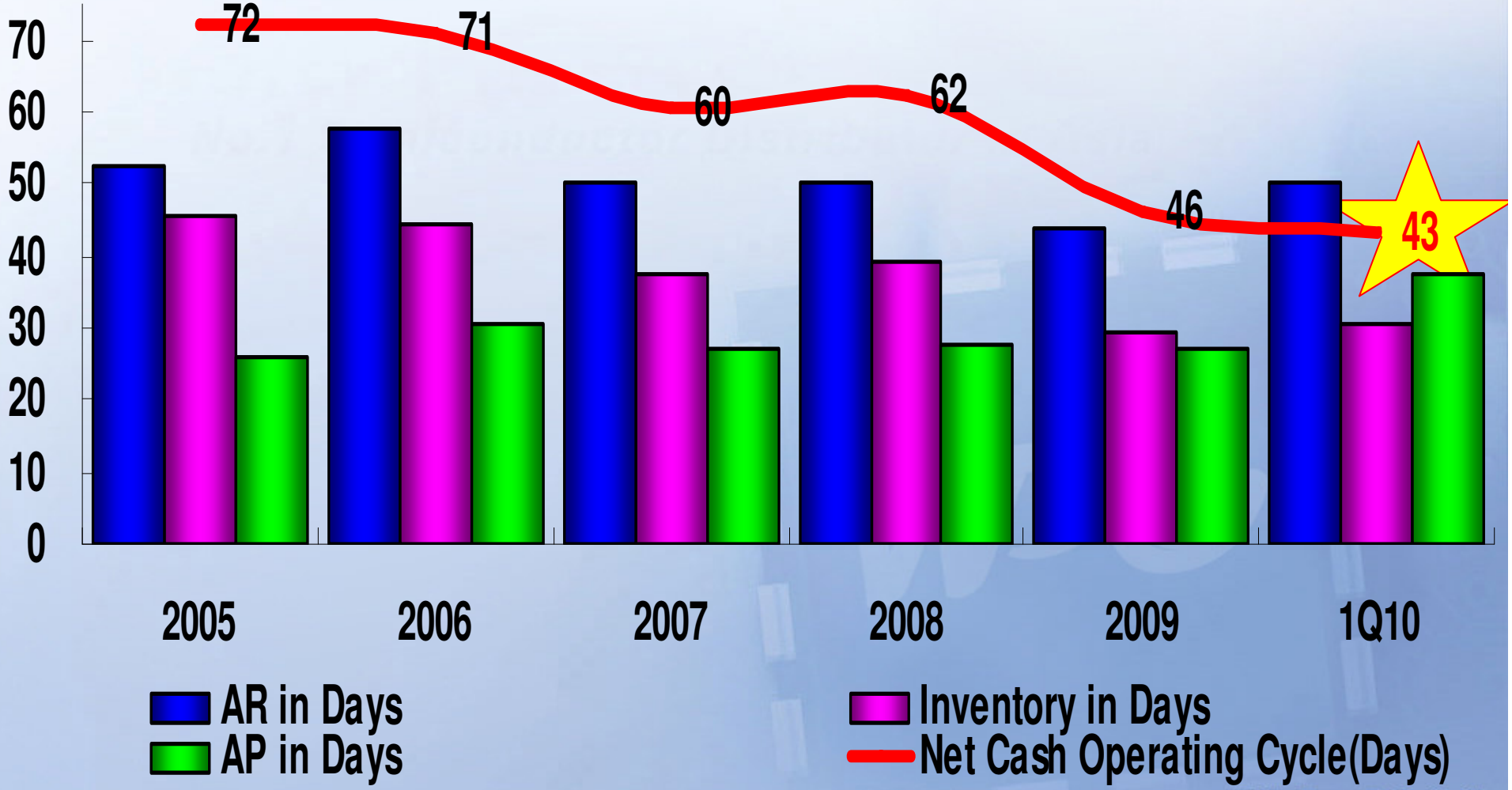
Gross Margin vs. Operating Margin



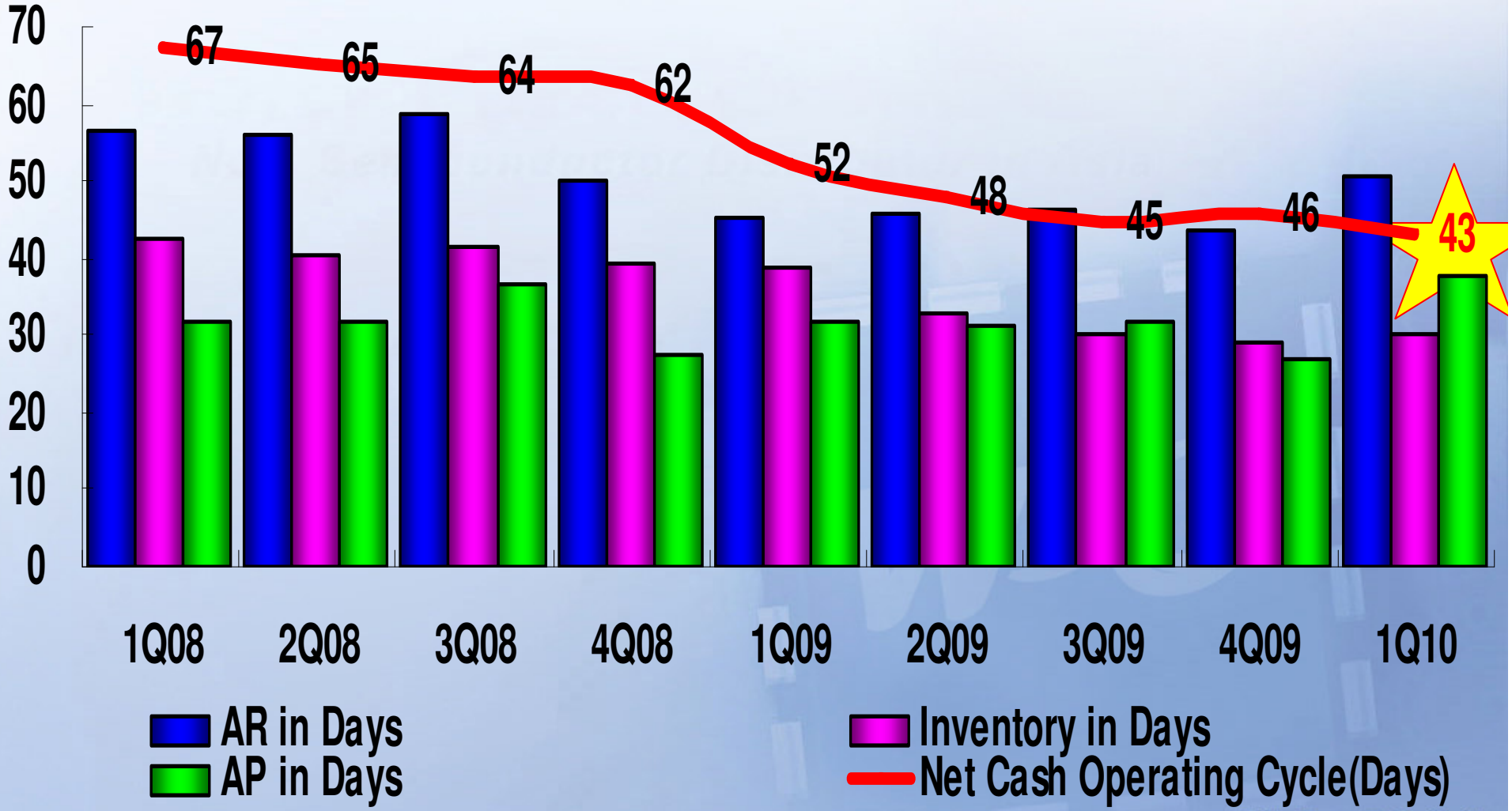
Gross Margin vs. Operating Margin



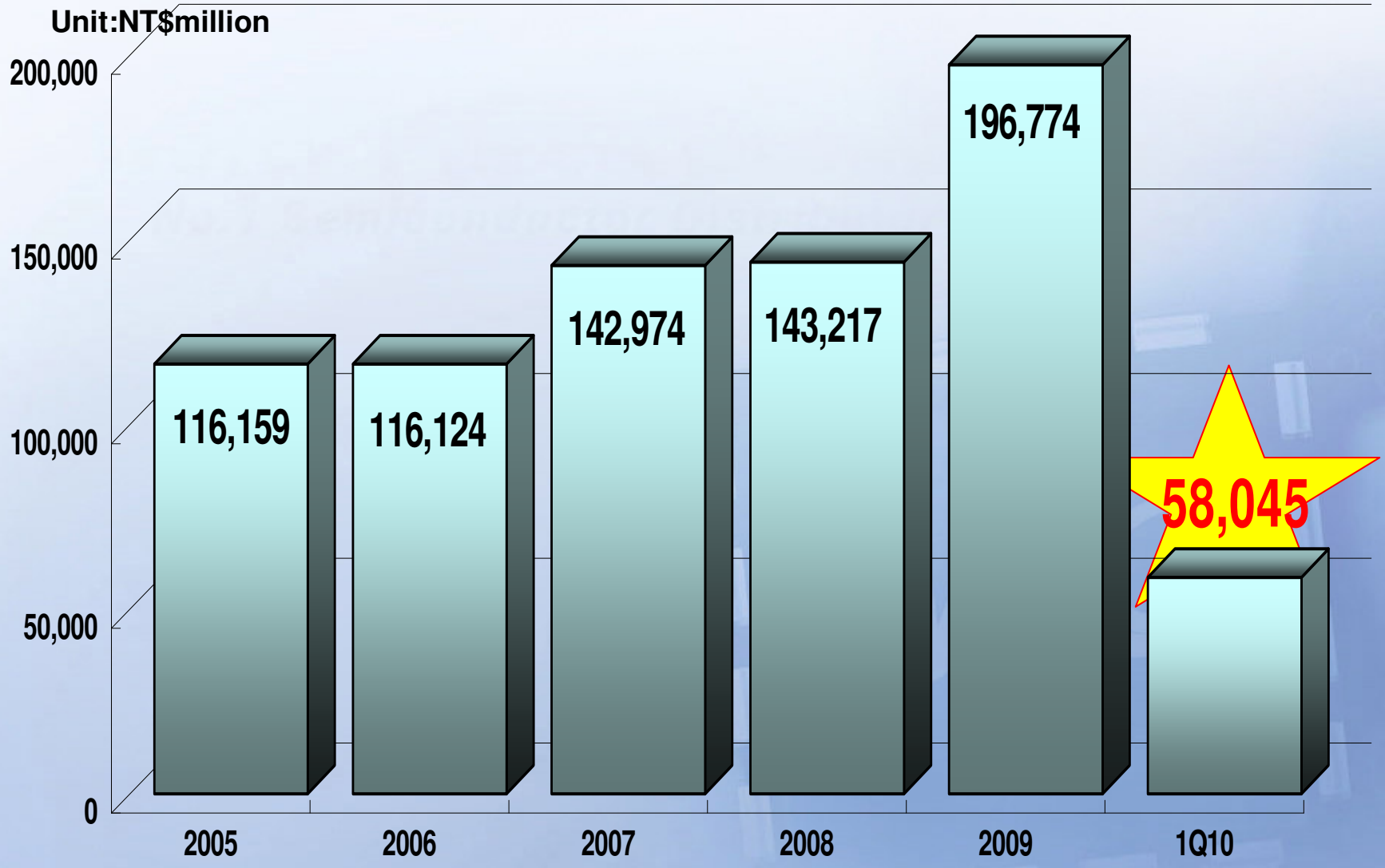
Operating Cash Cycle



Operating Cash Cycle

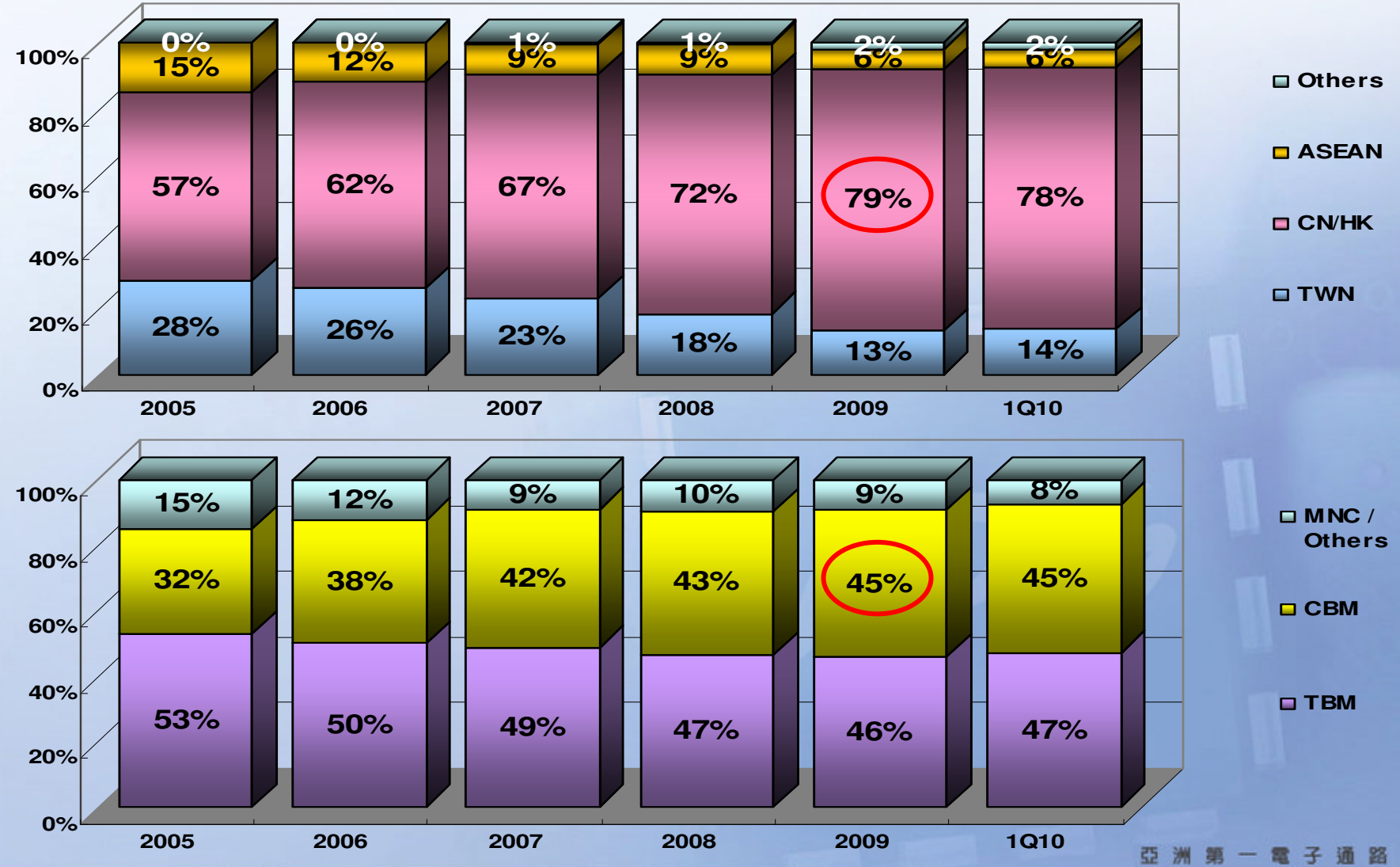


Consolidated Revenue



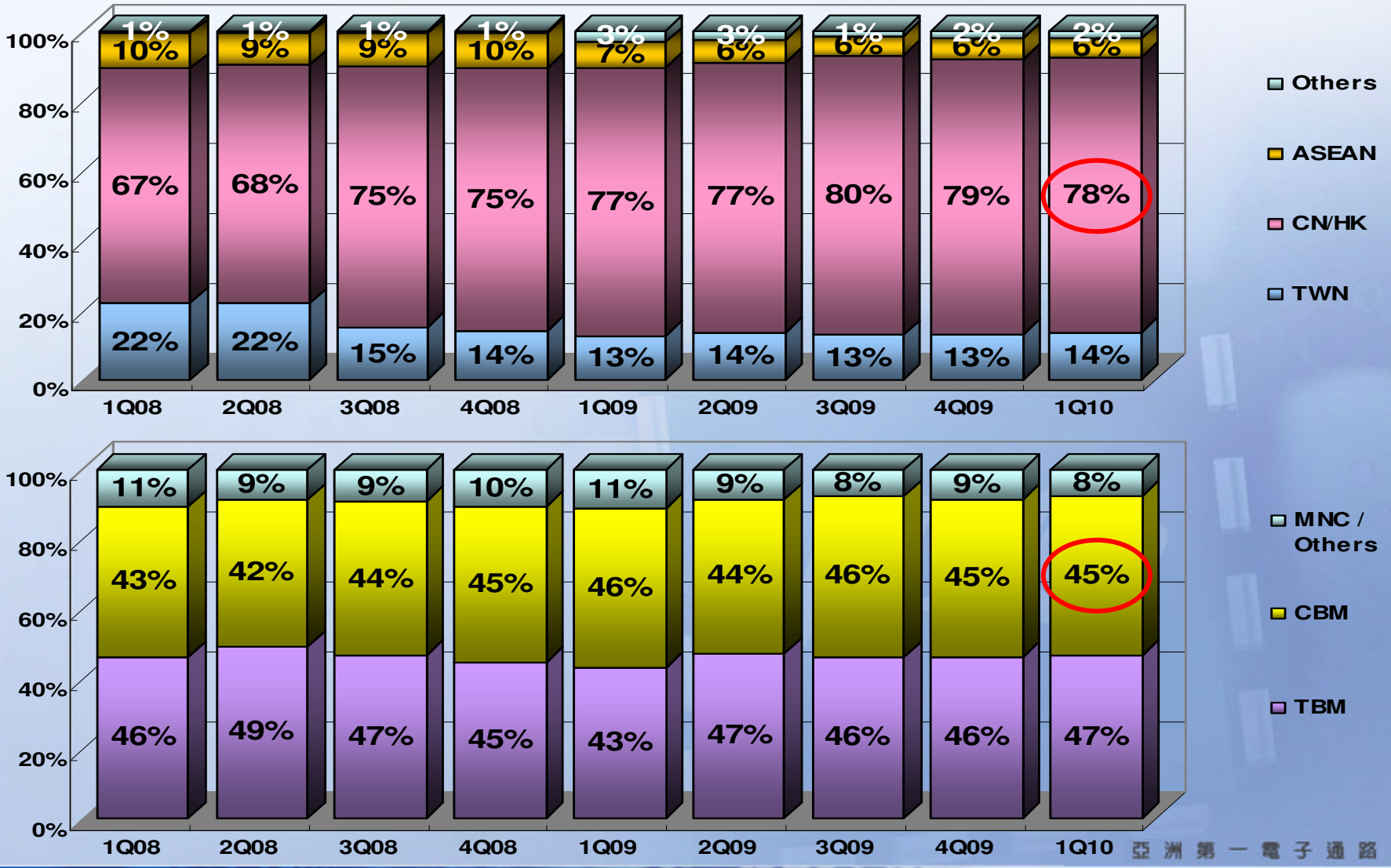
Consolidated Revenue

Sales breakdown by Geography/Customer



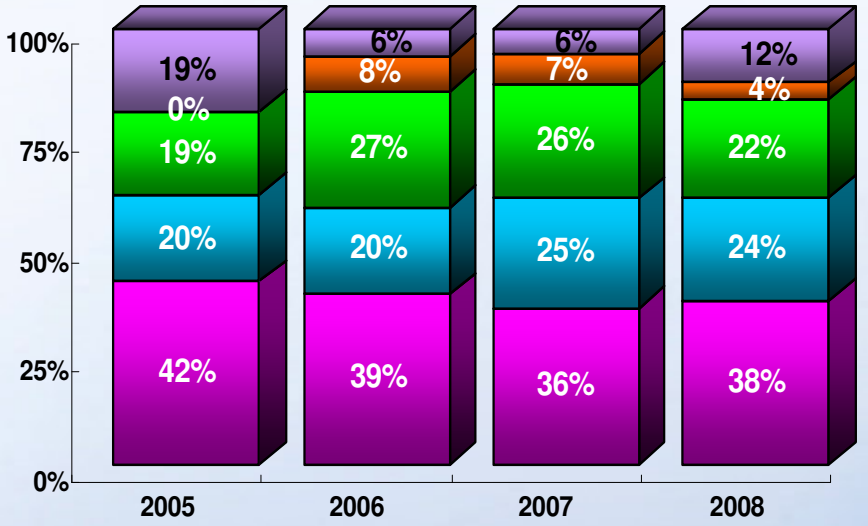
TBM：Taiwan-Based Customers
CBM：China Based Customers

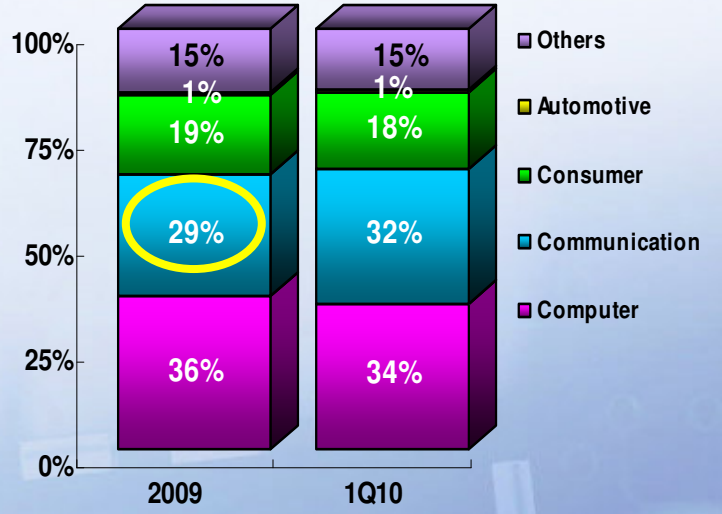
Sales breakdown by Geography/Customer

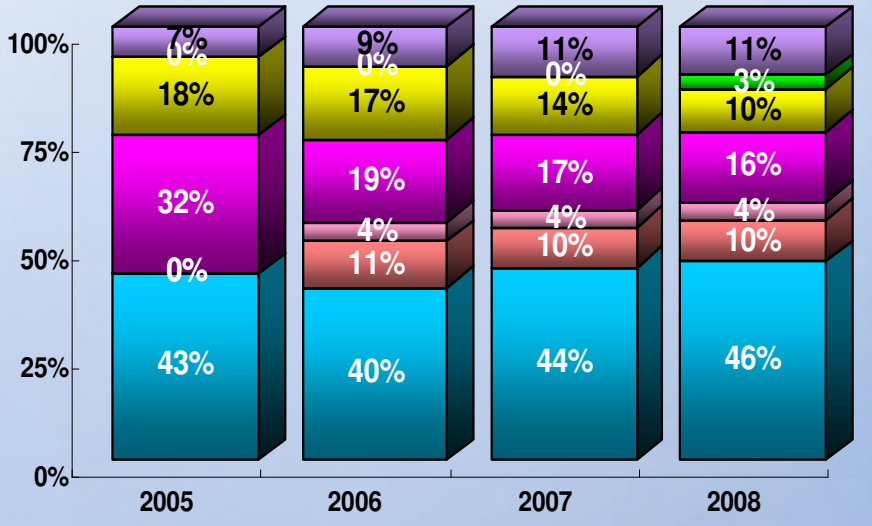


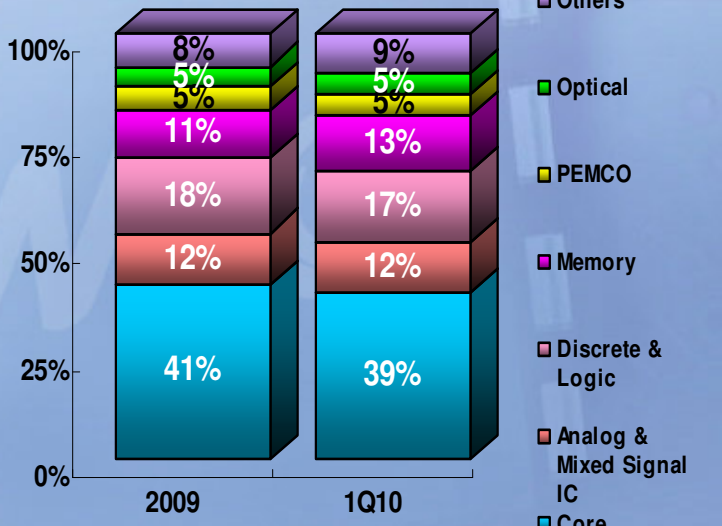
TBM：Taiwan-Based Customers
CBM：China Based Customers

Sales breakdown by Application/ Device Type









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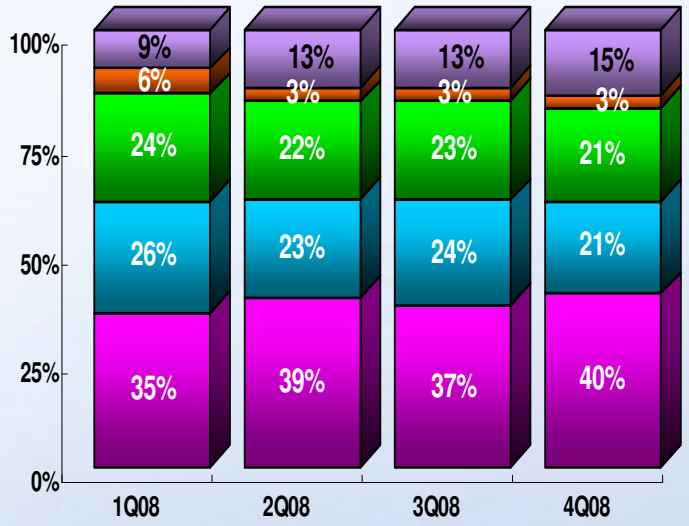

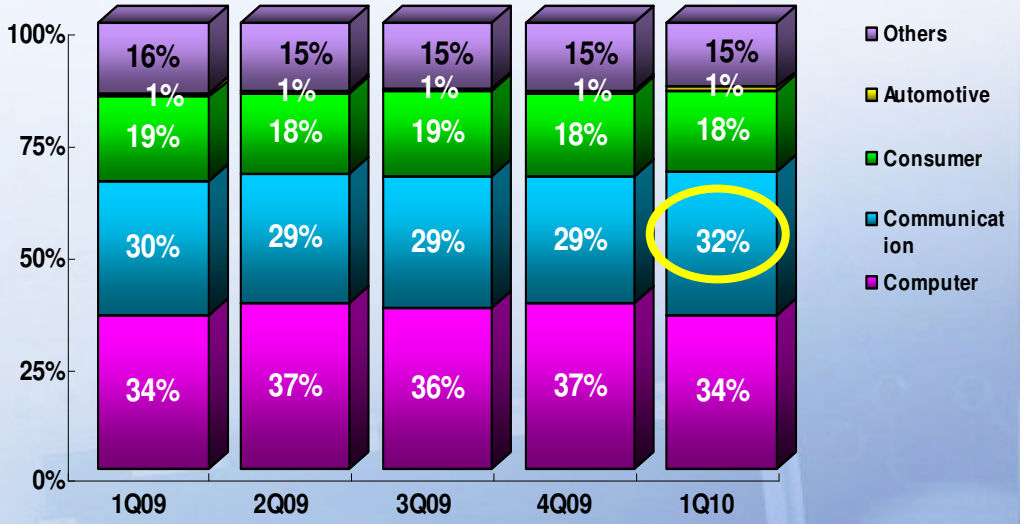

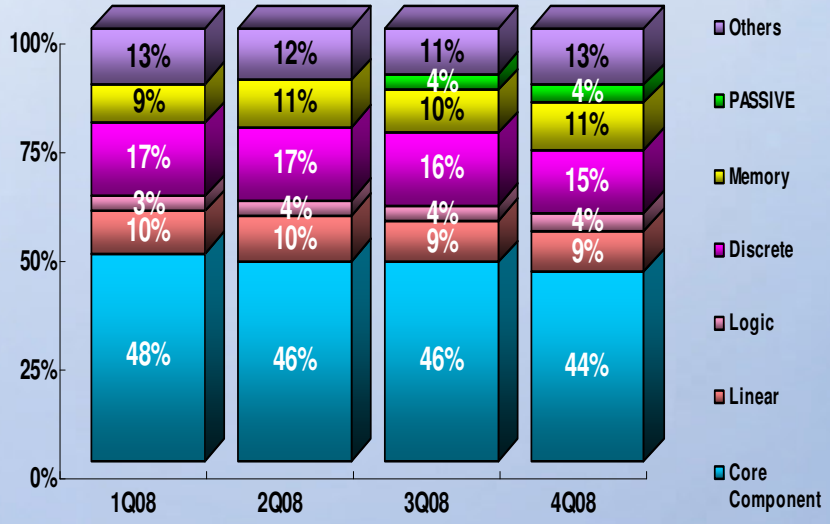

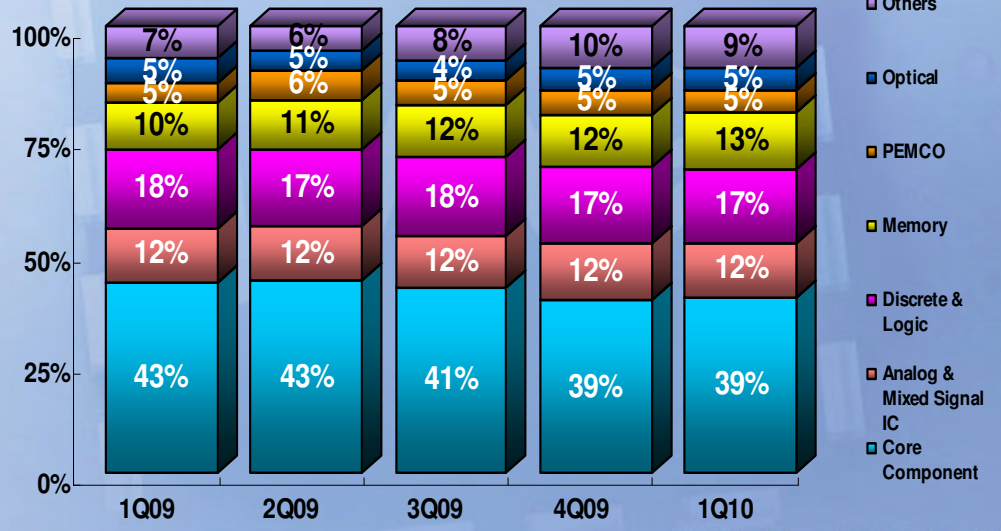

2Q10 Guidance

Based on our current business outlook, management expects：

- **Revenues to be between NT$ 60 billion and NT$ 63 billion at a forecast FX rate of 31.50 NT dollars to 1 US dollar averaged over 2Q10.**
- **Gross profit margin to be between 5.6% and 5.8%**
- **Operating profit margin to be between 2.5% and 2.7%**

Recap of Recent Major Events

■ 36 Solutions Launched in 1Q10：

推出游戏机 (Video Game Controls)之主、被动组件最佳解决方案	2010-03-31
提出游戏机技术方案	2010-03-31
力推加速传感组件(G-Sensor)应用于游戏机整合方案	2010-03-31
推出可应用于 PND 个人导航仪 GPS 接收器方案	2010-03-17
推出個人導航機之主、被動組件最佳解決方案	2010-03-17
力推藍牙晶片 BC5MM 及 Discrete &SoC 於 PND 裝置之解決方案	2010-03-17
提出個人導航機技術方案	2010-03-17
力推 PND 解決方案	2010-03-17
推出 MP3 之主、被动组件最佳解决方案	2010-03-03
推出 Set-Top Box 最佳的主被动解决方案	2010-01-20
提供完整机顶盒(STB)电源解决方案	2010-01-20
提供完整数字机顶盒 (STB) 解决方案	2010-01-20
推出 1080P HD 机顶盒 STB236 开发套件	2010-01-20
推出 STB H.264 系列产品方案	2010-01-20
推出最新相機影像感測器應用方案	2010-01-06
針對 DV/DSC 提出一系列解決方案	2010-01-06
力推加速度感測元件(G-sensor)應用於 DSC 之整合方案	2010-01-06
推出一系列針對中低端 DSC/DV 的低成本應用解決方案	2010-01-06

力推藍牙晶片與 802.11n 整合方案針對筆電之解決方案	2010-03-31
提出筆記型電腦解決方案	2010-03-31
推出一系列針對筆記型電腦應用整合方案	2010-03-31
推出筆記型電腦(NB)之主、被動元件最佳解決方案	2010-03-31
推出一系列針對桌上型電腦應用整合方案	2010-03-31
推出桌上型電腦之主、被動元件最佳解決方案	2010-03-03
力推 2.4GHz 無線滑鼠/鍵盤解決方案	2010-03-03
提出桌上型電腦解決方案	2010-03-03
推出投影機 (Projector)之主、被動元件最佳解決方案	2010-01-20
力推 LSP3131 可用在投影機之降壓轉換器方案	2010-01-20
提出微型投影機技術方案	2010-01-20
提出 DLP 正投影系統解決方案	2010-01-20
推出一系列針對多媒體微型投影機方案	2010-01-20

提出透析器解決方案	2010-02-03
提出血糖檢測儀技術方案	2010-02-03
力推加速度感測元件(G-sensor)應用於醫療看護、復健保健之整合方案	2010-02-03
推出應用於醫療器材之無線發射接收器件	2010-02-03
推出醫療電子之主、被動元件最佳解決方案	2010-02-03

Recap of Recent Major Events

- **New Franchise in 1Q10：**

  Trident -Trident Microsystems, Inc. (NASDAQ: TRID) is a leading force in the digital home entertainment market, delivering innovative semiconductor solutions for digital televisions and set-top boxes - at the heart of today's digital home. A pioneer in the consumer electronics and TV markets for the past 20 years.

- **WPG Board Proposes YOSUN acquisition by share swap (2010/03/20)**

- **WPI, subgroup of WPG, Proposes AIO acquisition in Cash (2010/03/30)**

- **WPG Board of Directors Proposes NT$2.0 Cash Dividend Per Share & 18 percent Stock Dividend (180 shares for every 1,000 owned) (2010/04/27)**

http://www.WPGholdings.com