WPG Holdings Ltd.
(3702.TT/3702.TW)
4Q14 Earning Release

Feb. 3rd, 2015

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, beginning on January 1, 2013, any financial information contained here within is presented in conformity with TIFRS (International Financial Reporting Standards as endorsed for use in R.O.C.). We have historically presented our consolidated financial statements in accordance with ROC GAAP, including our consolidated financial statements for the year ended December 31, 2012. Consequently, the selected comparison financial information to be included in our quarterly earning releases in 2013 may differ materially from those released historically.**

- **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
- 4Q14 Financial Highlights & 1Q15 Outlook — Cliff Yuan
- Q&A — Scott Lin/ Cliff Yuan

Result Highlights

Unit:NT$million

item	4Q14	4Q14 Guidance	3Q14	4Q13	*QoQ(%)*	*YoY(%)*
Net Sales	117,171	107.5 ~ 112.5B	119,349	111,285	(1.8)	5.3
Gross Margin	4.32%	4.4% ~ 4.7%	4.45%	4.05%	-13 bp	+27 bp
Operating Expenses	(3,289)		(3,215)	(3,063)	2.3	7.4
Operating Income	1,776		2,098	1,442	(15.4)	23.1
Operating Margin	1.52%	1.5% ~ 1.7%	1.76%	1.30%	-24 bp	+22 bp
Net Income	1,330		1,555	1,005	(14.5)	32.3
EPS (NT$)(1)	0.80		0.94	0.61		
Net Book Value (NT$)(1)	27.19					
Total Assets	158,034		157,697	135,106		
Total Liabilities	112,949		115,992	95,169		
Total Equity	45,084		41,705	39,937		
Net Working Capital	88,651		81,601	68,438		
Free Cash Flow	(6,037)		(3,722)	1,408		
KEY Indices(2)						
ROWC	*8.0%*		*10.3%*	*8.4%*	-227 bp	-42 bp
NWC/Sales	*0.19*		*0.17*	*0.15*		
ROE	*12.5%*		*15.3%*	*10.3%*	-273 bp	+221 bp
Gearing	1.22		1.23	1.03		

(1).Weighted average shares outstanding

(2).Annualized

Unaudited, Prepared by WPG based on TIFRS.

Statements of Comprehensive Income

Unit:NT$million

Item	4Q14	3Q14	QoQ(%)	4Q13	YoY(%)
Net operating Revenue	117,171	119,349	(1.8)	111,285	5.3
COGS	(112,106)	(114,036)	(1.7)	(106,780)	5.0
Gross Profit	5,065	5,313	(4.7)	4,505	12.4
Gross Margin	4.32%	4.45%		4.05%	
Operating Expenses	(3,289)	(3,215)	2.3	(3,063)	7.4
Operating Income	1,776	2,098	(15.4)	1,442	23.1
Operating Margin	1.52%	1.76%		1.30%	
Net Non-operating Items	(140)	(241)	(41.9)	(214)	(34.6)
Net Financing costs	(322)	(299)	7.8	(258)	25.0
Others	182	57		44	
Profit Before Tax/Minority	1,635	1,856	(11.9)	1,228	33.2
Tax	(305)	(298)	2.3	(221)	38.0
Minority/Accounting Principle Change	(1)	(3)		(1)	
Profit After Tax/Minority	1,330	1,555	(14.5)	1,005	32.3
Net Margin	1.13%	1.30%		0.90%	
EPS (NT$)(1)	0.80	0.94		0.61	
Tax %	19%	16%		18%	

(1).Weighted average shares outstanding

Balance Sheet

Unit:NT$million	4Q14		3Q14		4Q13	
item	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
Cash & Marketable Securities	11,232	*7*	10,685	*7*	9,489	*7*
Accounts Receivable - Trade	82,015	*52*	80,061	*51*	71,705	*53*
Inventory	45,535	*29*	47,738	*30*	35,056	*26*
Current Assets	144,106	*91*	143,886	*91*	120,777	*89*
Others	13,928	*9*	13,811	*9*	14,329	*11*
Total Assets	158,034	*100*	157,697	*100*	135,106	*100*
Current Interest-bearing Debt	52,967	*34*	49,373	*31*	47,843	*35*
Accounts Payble	38,899	*25*	46,198	*29*	38,323	*28*
Accrued Liabilities and Others	6,522	*4*	6,562	*4*	4,975	*4*
Current Liabilities	98,389	*62*	102,133	*65*	91,142	*67*
Long-term Interest-bearing Debt	13,791	*9*	12,933	*8*	3,225	*2*
Others	769	*0*	926	*1*	803	*1*
Total Liabilities	112,949	*71*	115,992	*74*	95,169	*70*
Total Equity	45,084	*29*	41,705	*26*	39,937	*30*
KEY Indices(1)						
Net Working Capital (NT$million)	88,651		81,601		68,438	
AR Turnover Days	*63*		*59*		*58*	
Inventory Turnover Days	*38*		*36*		*32*	
AP Turnover Days	*35*		*35*		*34*	
Average Collection Periods Days	*66*		*60*		*56*	
Current Ratio	*146%*		*141%*		*133%*	
Gearing	*1.22*		*1.23*		*1.03*	

(1).Annualized

Unaudited, Prepared by WPG based on TIFRS.

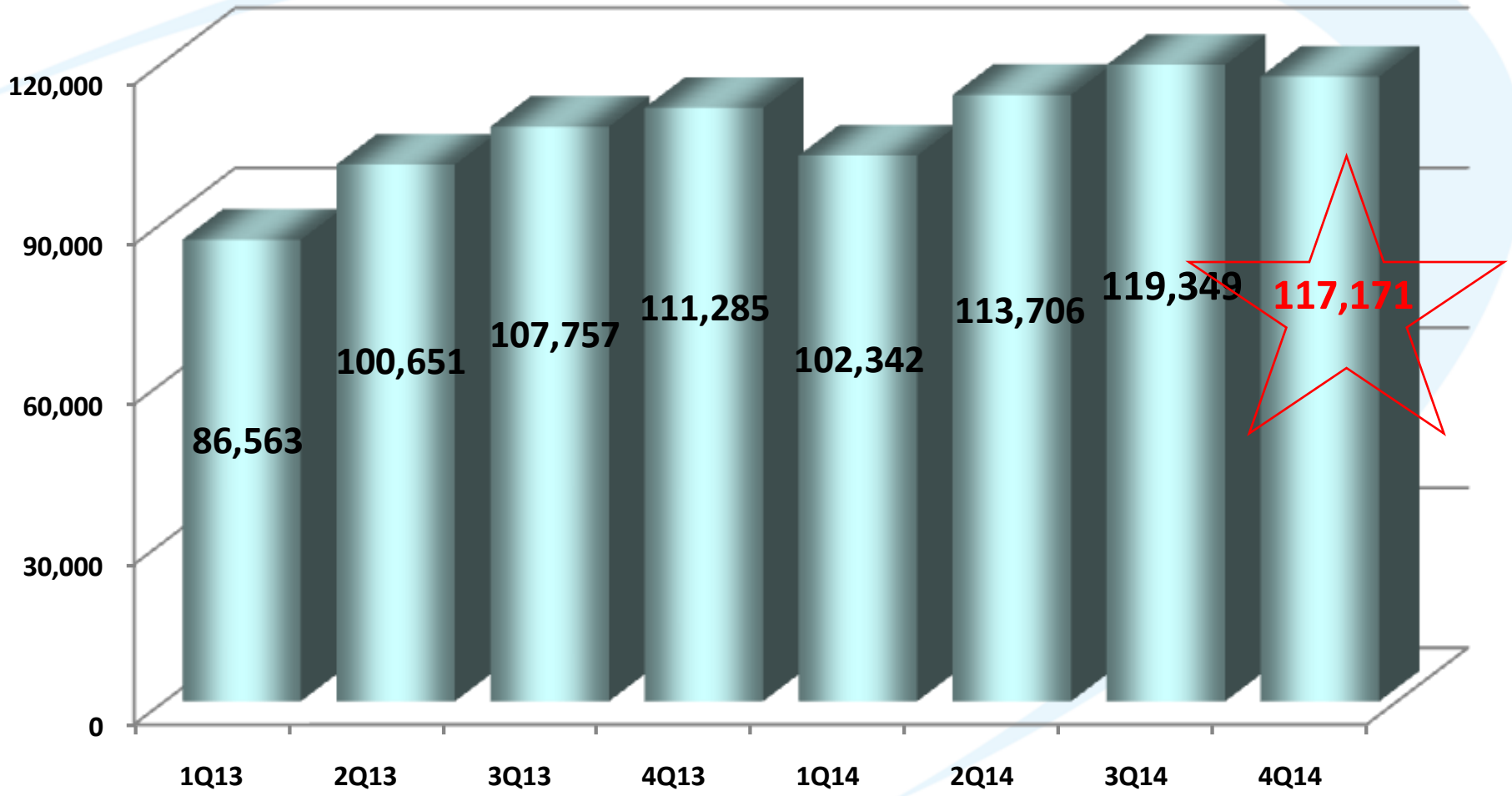
Cash Flows

Unit:NT$million

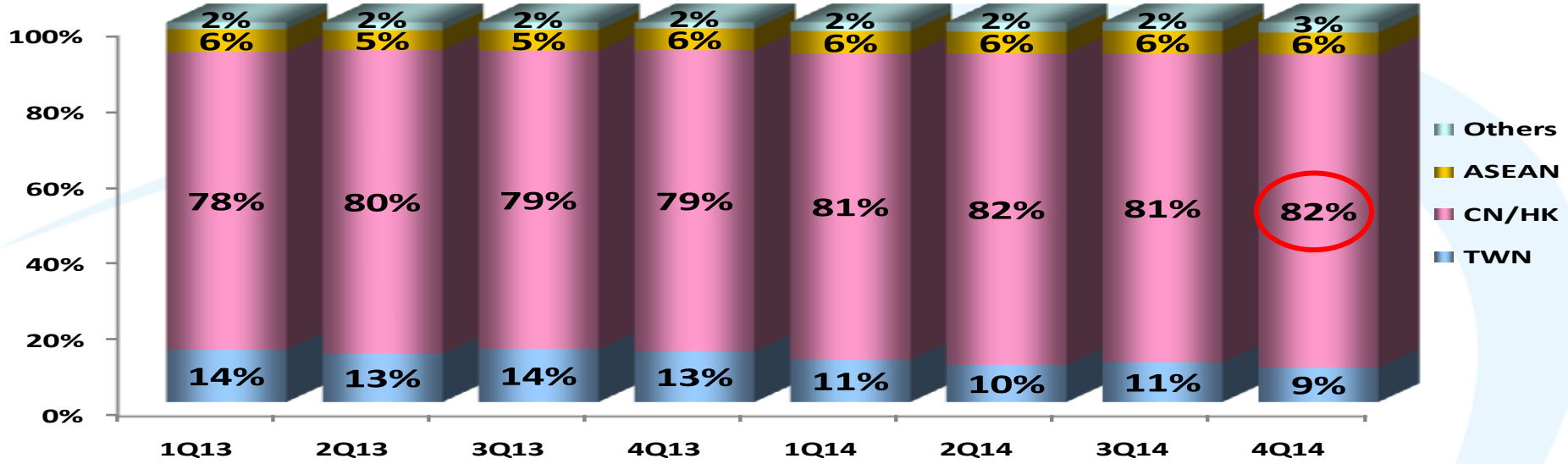
item	4Q14	3Q14	4Q13
-Income before Income Tax	1,635	1,856	1,228
-Changes of NWC	(7,050)	(6,653)	302
-Adjustment & Others	(623)	1,075	(122)
From Operation	**(6,037)**	**(3,722)**	**1,408**
-Financial Instrument	(90)	(167)	410
-Capital Expenditure	172	(24)	(79)
-Others	(125)	15	(1)
From Investment	**(42)**	**(176)**	**331**
-Financial Debt	4,433	8,035	(882)
-Cash Dividends	-	(3,808)	-
-Others	(53)	(20)	15
From Financing	**4,380**	**4,206**	**(867)**
Cumulative translation adjustments	**2,246**	**717**	**277**
Net Cash Position Change	**547**	**1,025**	**1,148**
Ending Cash Balance	**11,216**	**10,670**	**9,459**

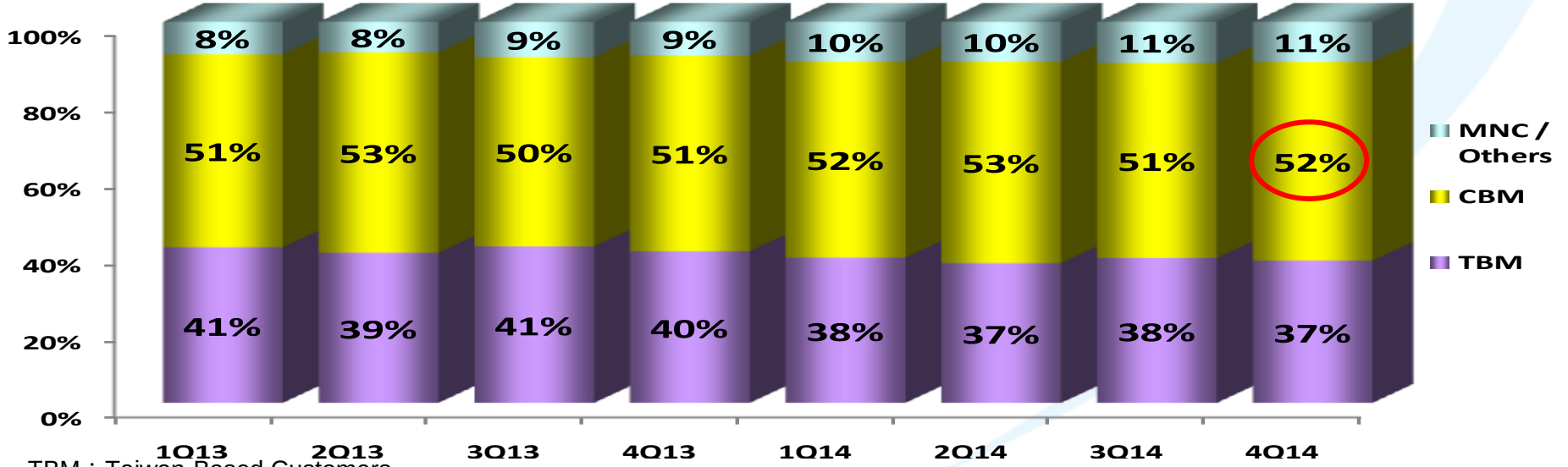
Consolidated Revenue

Unit: NT$million



Sales breakdown by Geography/ Customer



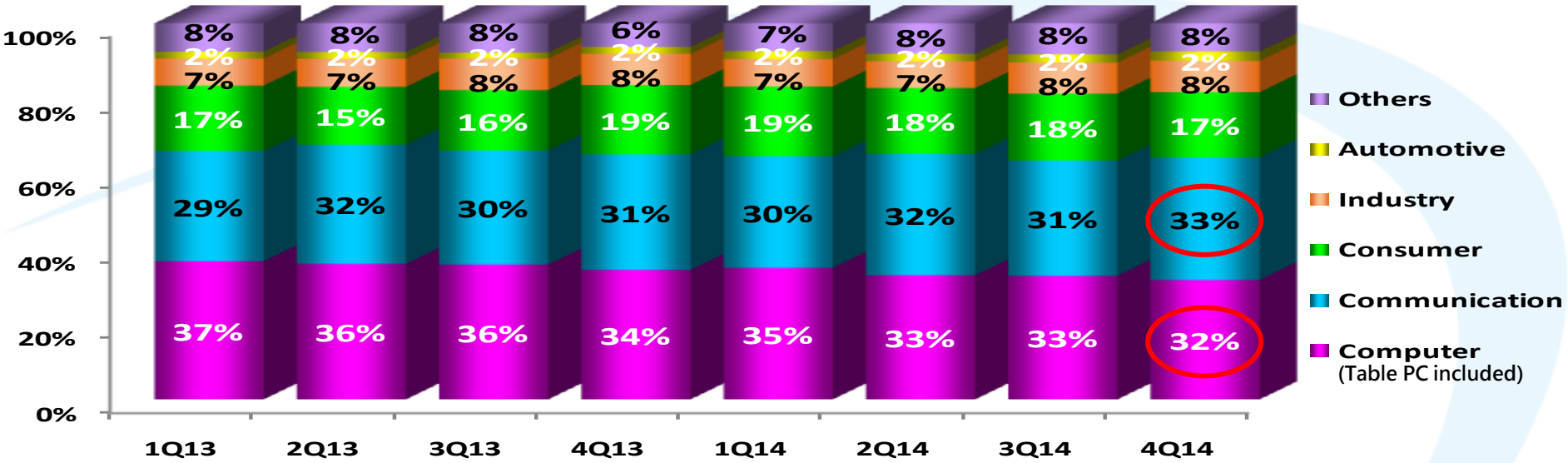


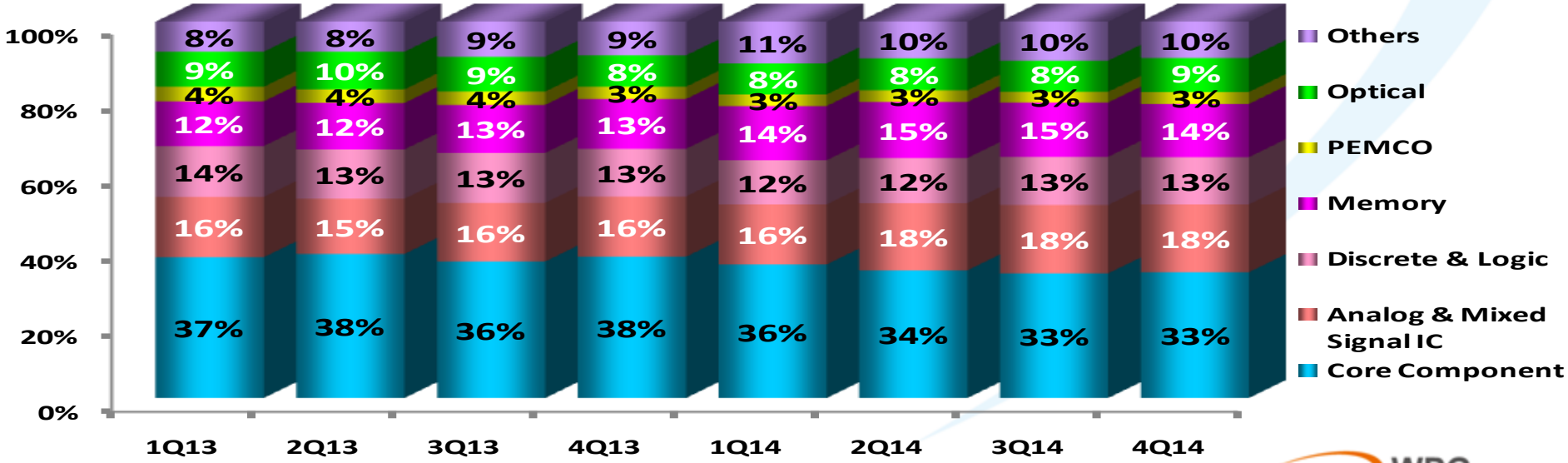
TBM：Taiwan-Based Customers

CBM：China Based Customers

Unaudited, Prepared by WPG based on TIFRS.

Sales breakdown by Application/ Device Type

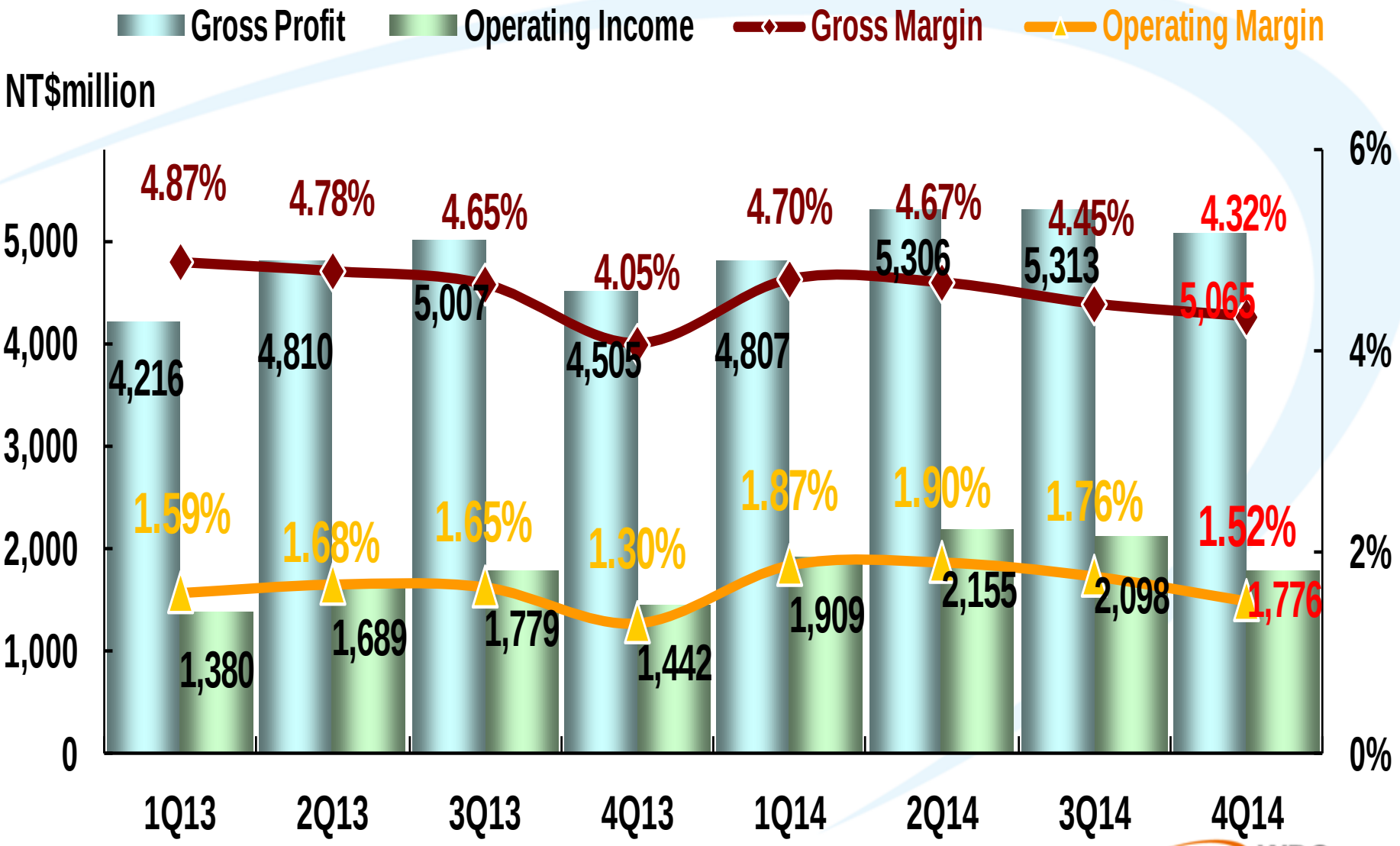




Unaudited, Prepared by WPG based on TIFRS.

WPG Holdings
Winning Partner Grouping

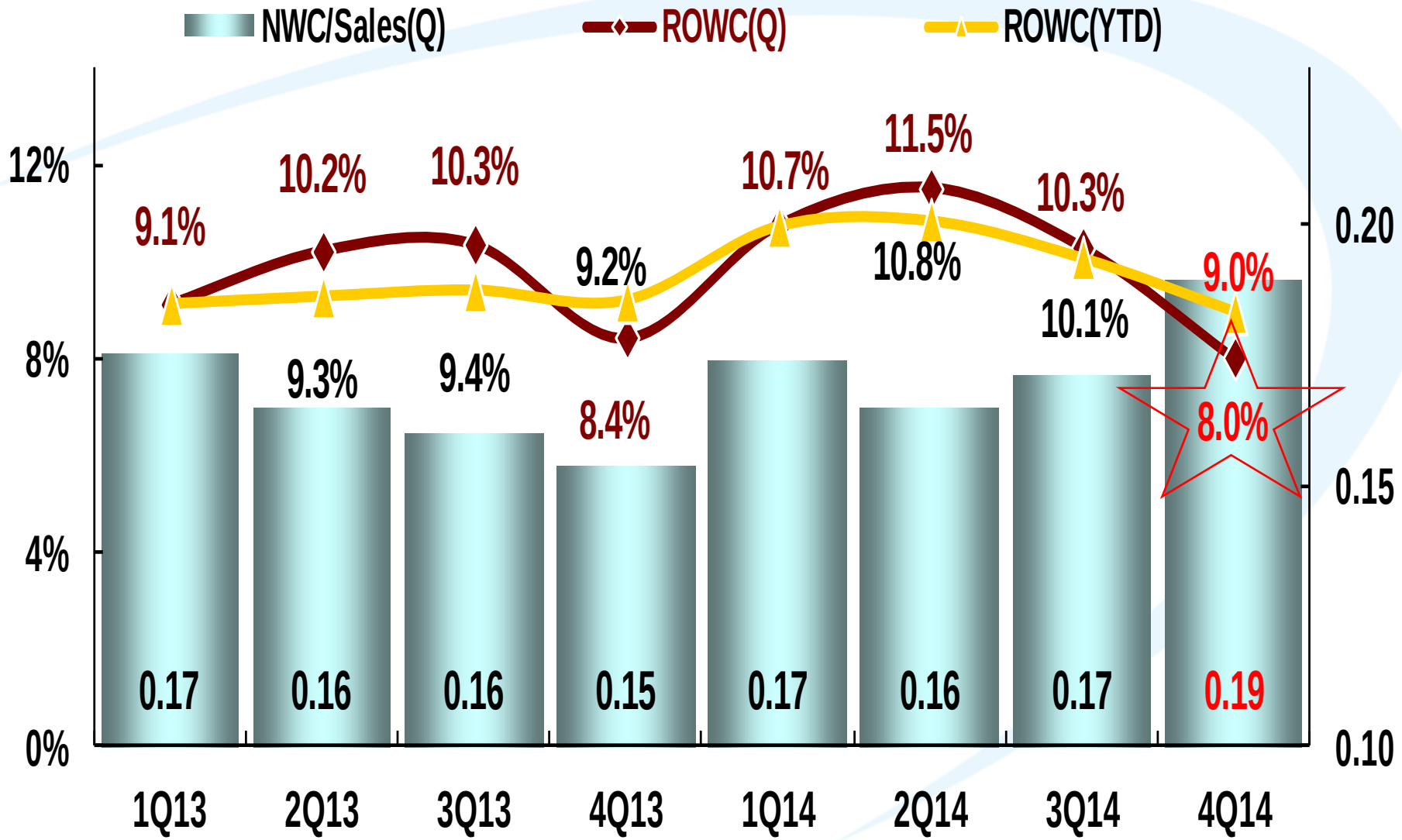
Gross Margin vs. Operating Margin



Unaudited, Prepared by WPG based on TIFRS.

WPG Holdings
Winning Partner Grouping

ROWC vs. NWC/Sales

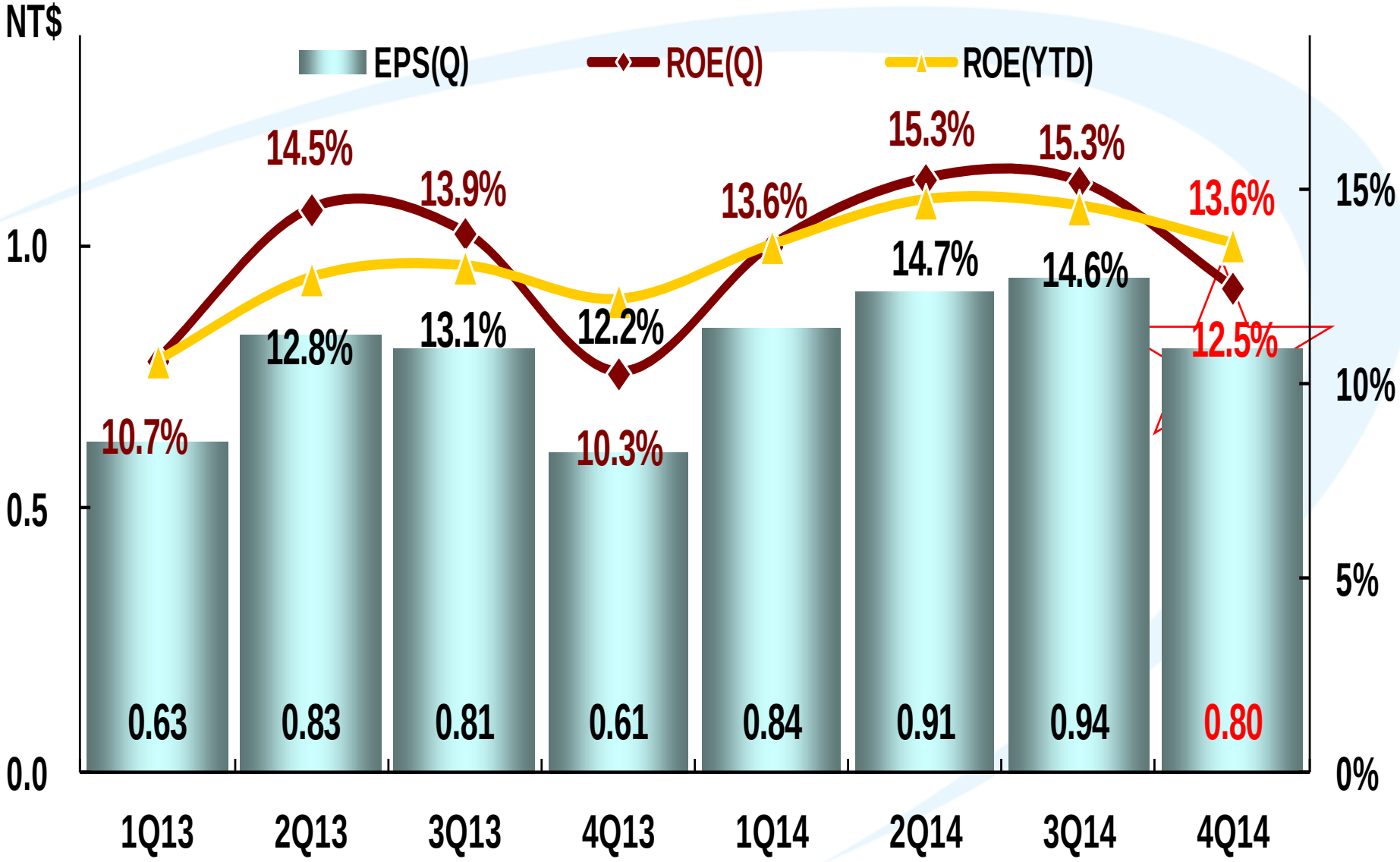


Note：Annualized

Unaudited, Prepared by WPG based on TIFRS.

WPG Holdings
Winning Partner Grouping

ROE vs. EPS



Note：Annualized

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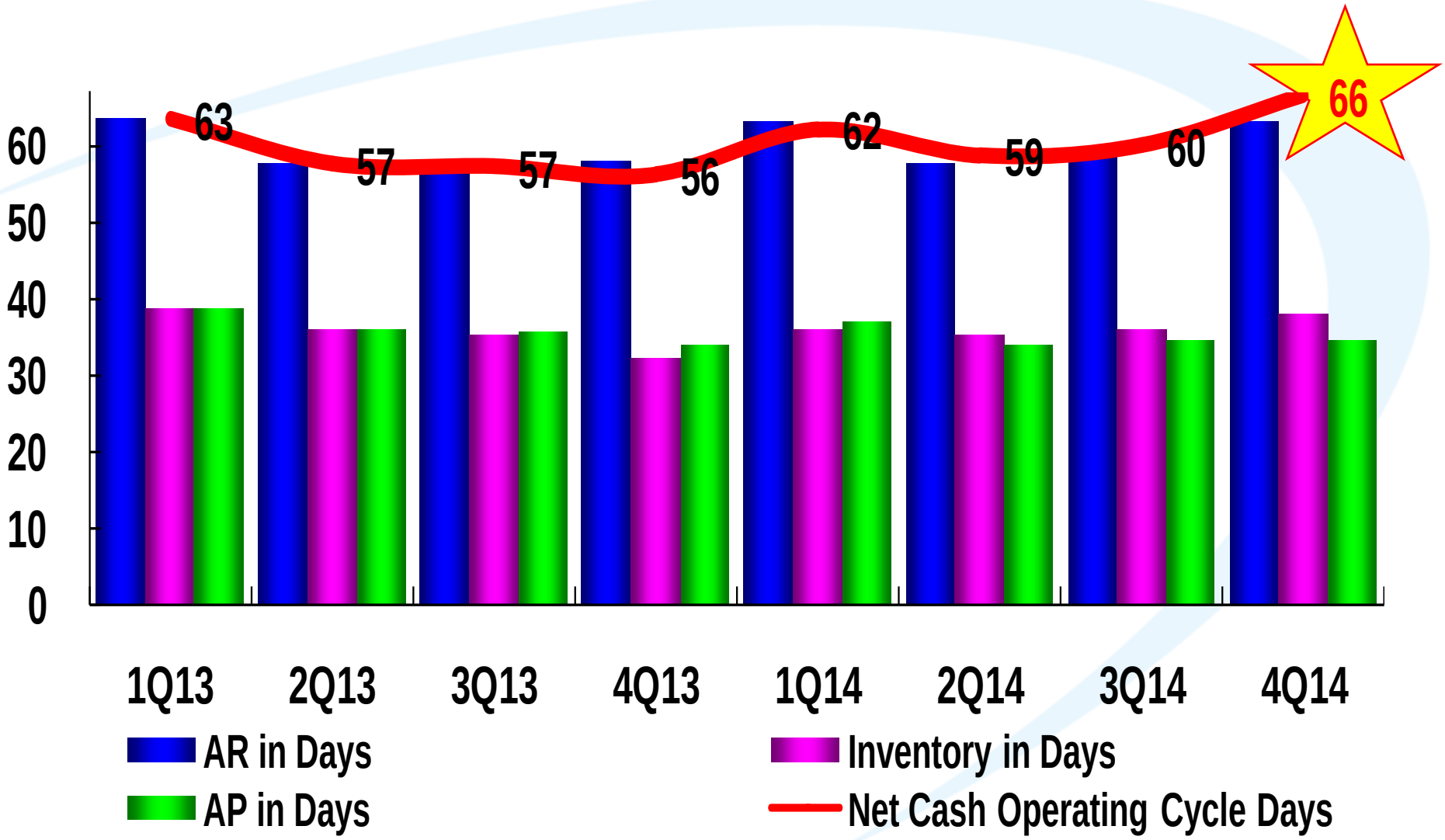
WPG Holdings
Winning Partner Grouping

Operating Cash Cycle



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WPG Holdings
Winning Partner Grouping

1Q15 Guidance

Based on our current business outlook, management expects：

- **Revenues to be between NT$ 108 billion and NT$ 113 billion at a forecast FX rate of 31.5 NT dollars to 1 US dollar averaged over 1Q15.**
- **Gross profit margin to be between 4.4% and 4.7%**
- **Operating profit margin to be between 1.6% and 1.8%**

76 Solutions Launched in 4Q14

工業電子

力推合工業電腦及周邊應用的Super IO IC	2014-11-26
推出工業電腦/伺服器應用解決方案	2014-11-26
推出Zigbee、WiFi無線感測器方案	2014-11-13
推出基於電能品質線上監測系統方案	2014-11-13
推出最新ADC產品系列，提供可攜式測量測試等工業應用	2014-11-12
推出1kV集成式功率開關解決方案	2014-11-12
力推適用工業電子之完整解決方案	2014-11-12
推出工業電子應用方案	2014-11-12
推出電機驅動IC解決方案	2014-11-12
推出整合式晶片組嵌入式高效能解決方案	2014-11-12
推出全新單核微控制器，為工業控制應用帶來高精度高性能16位ADC	2014-11-12

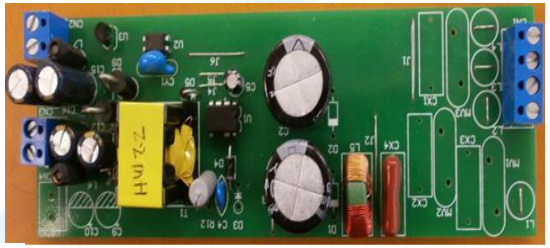
穿戴裝置

力推適用穿戴裝置之完整解決方案	2014-12-24
推出穿戴裝置應用方案	2014-12-24
力推紫外光感測器(UV Sensor)解決方案	2014-12-24
推出穿戴裝置解決方案	2014-12-24
推出運用MEMS感測技術，實現穿戴式裝置方案	2014-12-24
力推業界性價比最高的可穿戴產品解決方案	2014-12-24
針對穿戴裝置應用推出以MCU為主之一站式解決方案	2014-12-24
推出可穿戴設備上微信平臺解決方案	2014-12-24
推出新一代穿戴式裝置供電模組，尺寸僅 6.7 平方毫米比其它降壓轉換器小 75%	2014-12-24
推出智能穿戴式解決方案	2014-12-24
推出支援BLE連接的光學心率監視器參考設計	2014-12-24
推出基於Bluetooth 4.0 BLE智慧可穿戴方案	2014-12-22

智能手機

推出智能手机LCD Driver IC解决方案	2014-12-10
推出LTE Soc智能手机及四模十一频LTE终端芯片	2014-12-10
推出NFC和TransferJet近場通信技術方案	2014-12-10
力推NFC解決方案	2014-12-10
力推红外遥控LED于智能手机领域应用	2014-12-10
力推適用智能手機之完整解決方案	2014-12-10
推出多款智慧手機解決方案	2014-12-10
推出Smart Audio 智慧功放方案	2014-12-10
推出手機應用方案	2014-12-10
力推3G四核智慧機WCDMA HSPA +晶片平臺解決方案	2014-12-10
推出智慧型手機OIS模組解決方案	2014-12-10
推出ADC效能優化功耗，應用在智慧型手機縮小控制應用的尺寸	2014-12-10
推出I2C方案於智能家居應用，NFC標籤實現更豐富的用戶體驗	2014-12-10
力推閃光燈及紅外線感測器於手機方案應用	2014-12-10
力推触控IC於 Smart Phone 上的解決方案	2014-12-10

Wearable Devices Solution



Industrial Solution

Smart Phone NFC Solution

76 Solutions Launched in 4Q14

行動上網裝置

- 推出多款平板电脑解决方案 2014-11-27
- 推出全新Wi-Fi器件率先成為晶片級Wi-Fi CERTIFIED™產品 2014-11-26
- 力推適用平板電腦之完整解決方案 2014-11-26
- 推出4核3G通話平板電腦解決方案 2014-11-13
- 力推適用MID移動上網之完整解決方案 2014-11-12
- 推出新一代超低功耗DSP，成為移動上網裝置的最佳選擇 2014-11-12
- 推出28nm四核Android平板电脑方案 2014-11-12
- 推出四核平板电脑芯片 2014-11-12
- 力推平板计算机平台 2014-11-12
- 推出基於平板電腦領域Gesture recognition產品方案 2014-11-12
- 推出Win8感測元件Sensor Hub Design 2014-11-12

電源

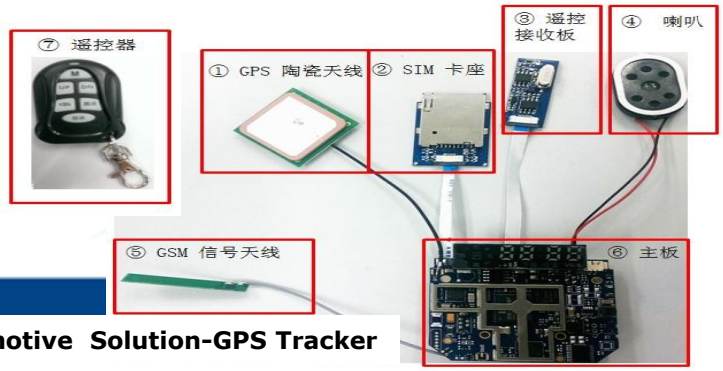
- 力推15W紧凑型电源适配器方案 2014-10-29
- 力推適用電源管理之完整解決方案 2014-10-29
- 推出鋰電池快速充電應用解決方案 2014-10-29
- 推出數位電源微控制器，讓雲端應用設計變得更節能環保 2014-10-29
- 推出電源應用方案 2014-10-29
- 推出首款全面整合型電源模組，幫助延長電池使用壽命 2014-10-29
- 力推高性能伺服器電源解決方案 2014-10-29
- 推出最小18-V eFuse電源保護開關實現高效系統保護 2014-10-29
- 力推高效率切換式電源充電器方案 2014-10-29
- 推出全集成型DC/DC電源解決方案支援匯流排供電應用 2014-10-29
- 力推Total Power Solution for NB/MB/Networking 2014-10-29
- 力推電源管理IC for MB/NB 解決方案 2014-10-29
- 推出高能效，低功耗的電源轉接器方案 2014-10-27
- 推出新一代數位電源解決方案 2014-10-27

汽车电子

- 推出WiFi 互联技术的车载影音智慧系统方案 2014-10-15
- 推出车联网云狗(GPS Tracker)解决方案 2014-10-15
- 力推适用车载娱乐系统之完整解决方案 2014-10-15
- 推出超低静态电流高电压，创造汽车影音系统新体验 2014-10-15
- 力推车载市场应用DCDC 2014-10-15
- 推出高端1080P行车记录仪之汽车电子解决方案 2014-10-15
- 力推遥控无钥匙进入及电机驱动控制一系列完整产品 2014-10-15
- 推出Power Architecture技术的电动座椅解决方案 2014-10-15
- 力推PEPS无钥匙进入解决方案 2014-10-15
- 力推32位单片机应用方案 2014-10-15

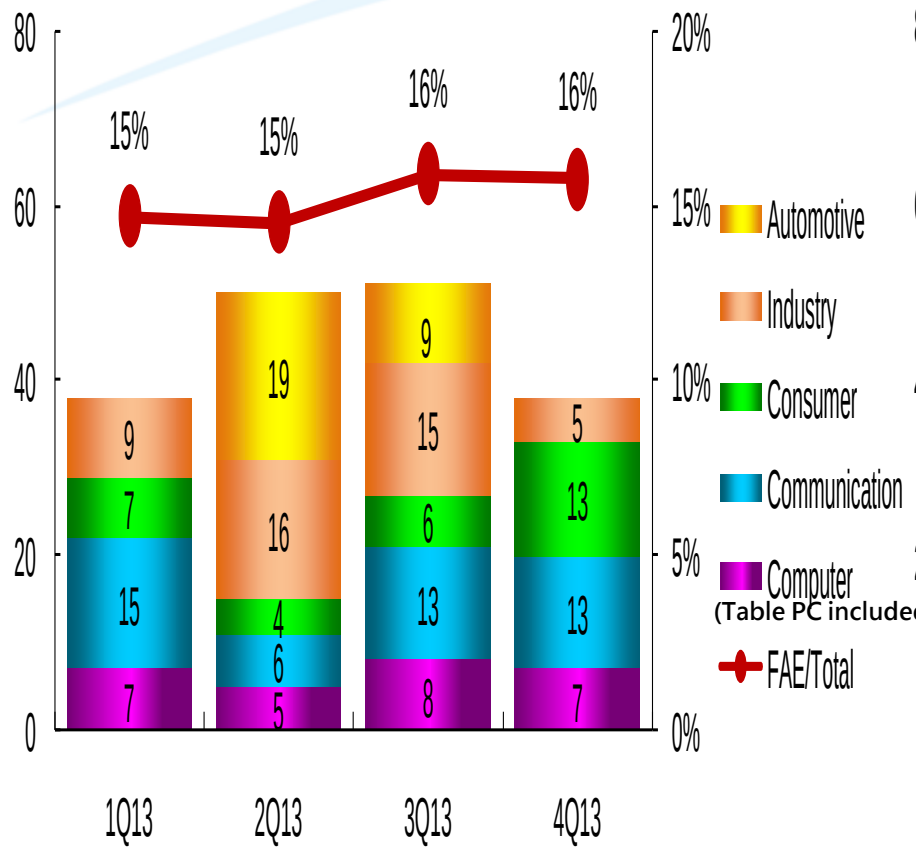
能源

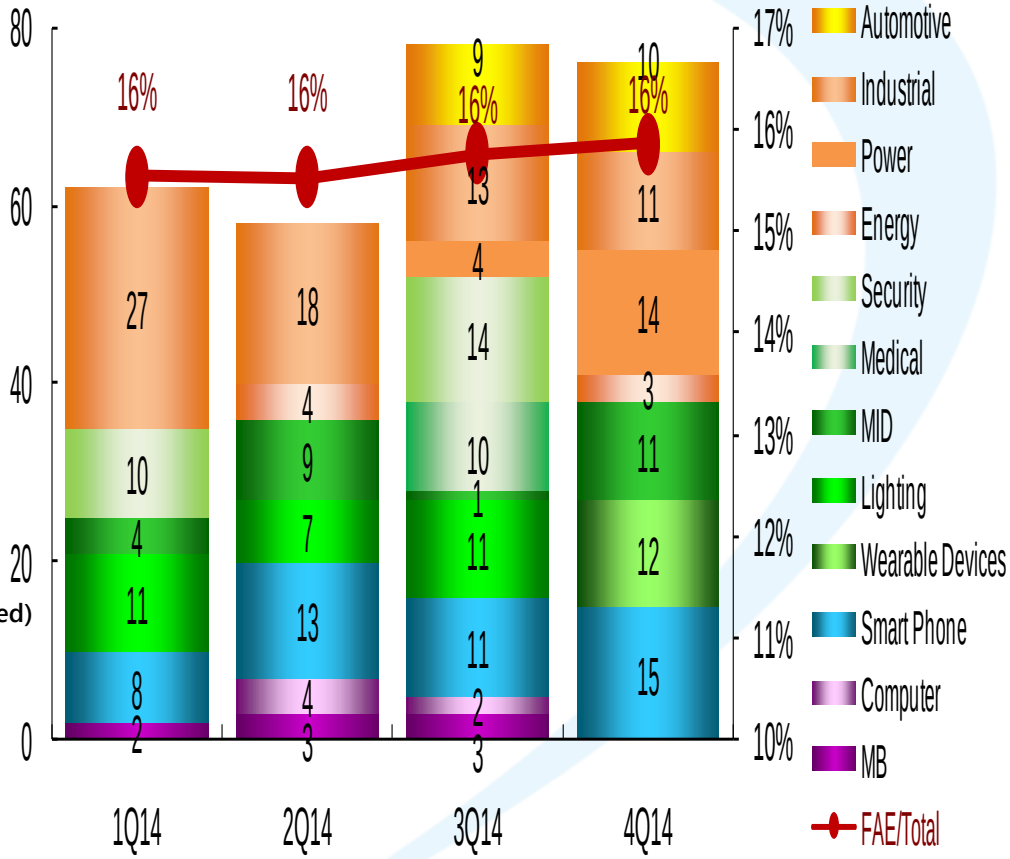
- 推出MCU，可提升太陽能逆變器執行速度 2014-12-10
- 力推適用太陽能逆變器的分離式元件之解決方案 2014-12-10
- 推出太陽能微型逆變器方案 2014-12-10



Automotive Solution-GPS Tracker

More Solutions Launched …





http://www.wpgholdings.com/hotchannel/index/zhtw

WPG Holdings
Winning Partner Grouping

Result Highlights

Unit:NT$million

item	2014	2013	YoY (%)
Net Sales	452,567	406,256	11.4
Gross Margin	4.53%	4.56%	-4 bp
Operating Expenses	(12,553)	(12,249)	2.5
Operating Income	7,937	6,289	26.2
Operating Margin	1.75%	1.55%	+21 bp
Net Income	5,791	4,756	21.8
EPS (NT$)(1)	3.50	2.87	
Total Assets	158,034	135,106	
Total Liabilities	112,949	95,169	
Total Equity	45,084	39,937	
Net Working Capital	88,651	68,438	
Free Cash Flow	(13,448)	(4,709)	
KEY Indices			
ROWC	*9.0%*	*9.2%*	-24 bp
NWC/Sales	*0.20*	*0.17*	
ROE	*13.6%*	*12.2%*	+143 bp
Gearing	1.22	1.03	

(1).Weighted average shares outstanding

Unaudited, Prepared by WPG based on TIFRS.

Statements of Comprehensive Income

Unit:NT$million

Item	2014	2013	YoY(%)
Net operating Revenue	452,567	406,256	11.4
COGS	(432,077)	(387,718)	11.4
Gross Profit	20,490	18,538	10.5
Gross Margin	4.53%	4.56%	
Operating Expenses	(12,553)	(12,249)	2.5
Operating Income	7,937	6,289	26.2
Operating Margin	1.75%	1.55%	
Net Non-operating Items	(834)	(483)	72.6
Net Financing costs	(1,188)	(878)	35.3
Others	354	395	
Profit Before Tax/Minority	7,104	5,806	22.3
Tax	(1,308)	(1,047)	25.0
Minority/Accounting Principle Change	(5)	(3)	
Profit After Tax/Minority	5,791	4,756	21.8
Net Margin	1.28%	1.17%	
EPS (NT$)(1)	3.50	2.87	
Tax%	18%	18%	

(1).Weighted average shares outstanding

Cash Flows

Unit:NT$million

item	2014	2013
-Income before Income Tax	7,104	5,806
-Changes of NWC	(20,213)	(8,795)
-Adjustment & Others	(339)	(1,721)
From Operation	**(13,448)**	**(4,709)**
-Financial Instrument	(56)	1,051
-Capital Expenditure	115	(1,130)
-Effect on changes of consolidated subsidiaries	-	(6)
-Others	121	5
From Investment	**179**	**(80)**
-Financial Debt	15,894	8,518
-Cash Dividends	(3,808)	(3,974)
-Others	4	(1)
From Financing	**12,090**	**4,543**
Cumulative translation adjustments	**2,937**	**833**
Net Cash Position Change	**1,758**	**586**
Ending Cash Balance	**11,216**	**9,459**

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