WPG Holdings Ltd.
(TWEX:3702)
2007 1Q Earning Release

May 3 , 2007

Safe Harbor Notice

- These forward-looking statements, which may include statements regarding WPGnfuture results of operations, financial condition or business prospects, are subject to significant risks and uncertainties and are based on WPGf 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 (aROC GAAPR).

- 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
- Financial Highlights & Overview
- Q&A

Financial Highlights

- Consolidated Sales of NT$ 28.02bn , -2.5% Q/Q & +1% Y/Y
- Net income to NT$ 395m, +35% Q/Q & +85% Y/Y , EPS - diluted at high level at NT$0.61, Continued profit growth faster than sales
- ROWC at 13.60%
  - Operating income (Inventory Provision & OBS included) increased 42% Y/Y to NT$707m , or 73 basis points.
  - Working Capital / Sales improved from 0.21 to 0.19.
- Q1'07 generated NT$323m operating cash flow , Gearing % improved from 1.35 to 1.04.

ROWC=(Operating income - Inventory Provision & OBS) / (AR + Inventory - AP)

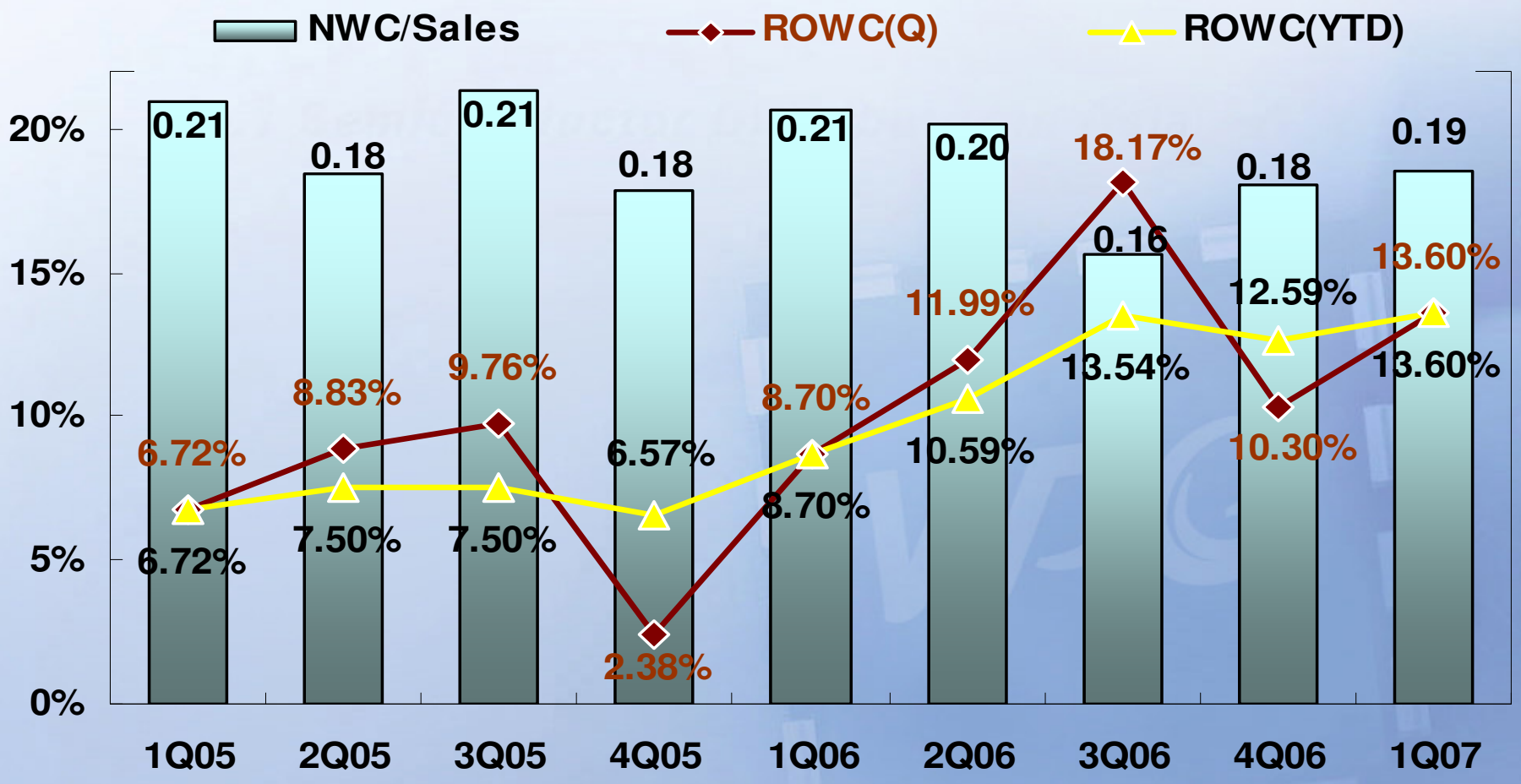
Result Highlights

Unit:NT$million	1Q07	4Q06	1Q06
item	*Amount*	*Amount*	*Amount*
Net Sales	28,022	28,730	27,748
Operating Income	757	608	520
Net Income	395	293	213
EPS - Diluted(NT$)	0.61	0.43	0.31
Total Assets	38,851	37,691	40,407
Total Liabilities	26,125	25,672	28,852
Total Equity	12,726	12,019	11,555
Net Working Capital	20,796	20,732	22,886
KEY Indices			
ROWC	*13.60%*	*10.30%*	*8.70%*
NWC/Sales	*0.19*	*0.18*	*0.21*
ROE	*12.42%*	*9.74%*	*7.39%*

(1).Annualized for the quarter

(2). Weighted average shares outstanding (in K) 643,028

ROWC vs. NWC/Sales

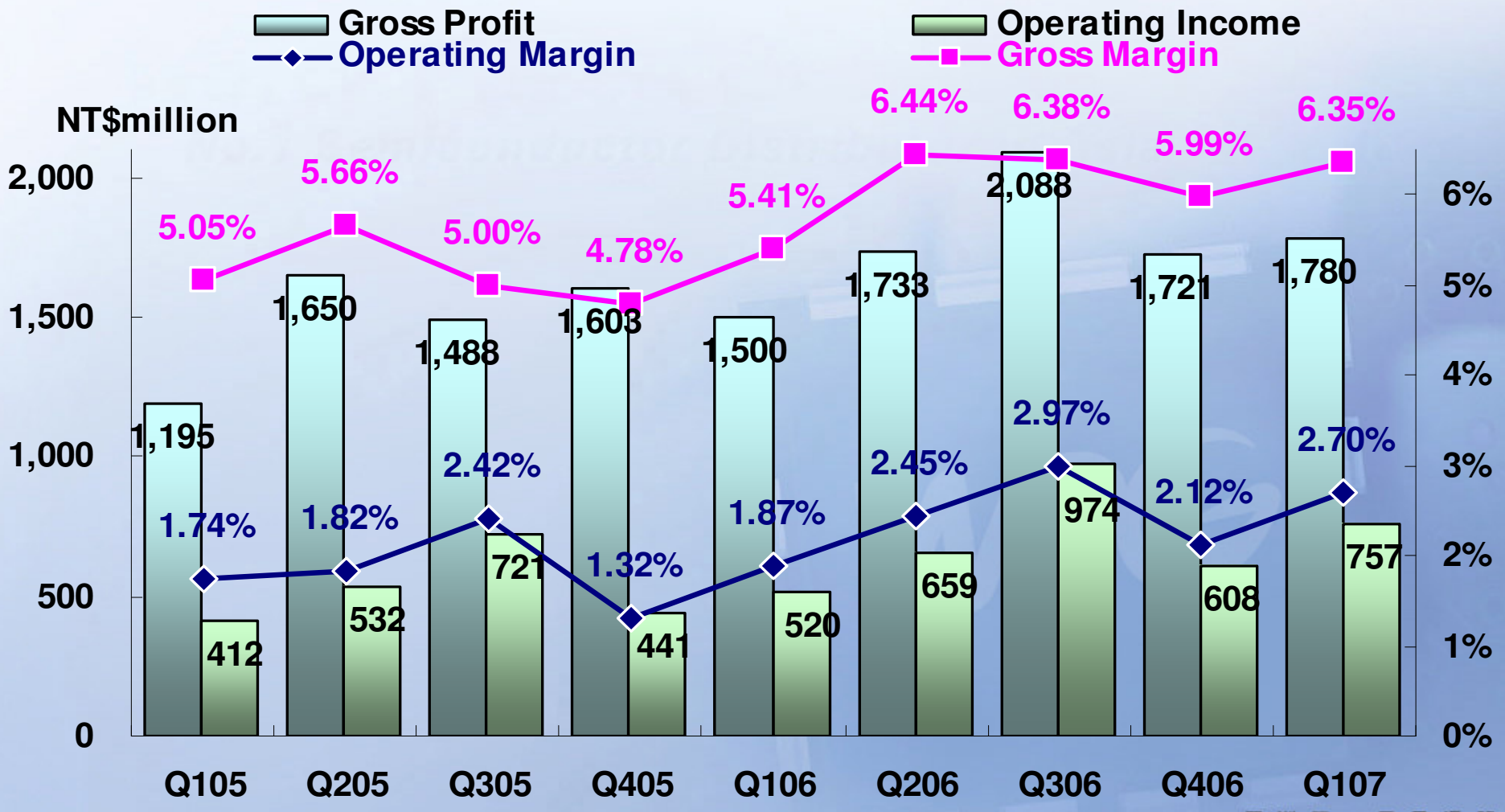


Income Statements

Unit:NT$K

Item	1Q07	4Q06	QoQ(%)	1Q06	YoY(%)
Net operating Revenue	28,022,261	28,729,586	(2.5)	27,747,895	1.0
COGS	(26,242,431)	(27,008,168)	(2.8)	(26,247,513)	(0.0)
Gross Profit	1,779,830	1,721,418	3.4	1,500,382	18.6
Gross Margin	6.4%	6.0%		5.4%	
Operating Expenses	(1,022,790)	(1,112,998)	(8.1)	(980,541)	4.3
Operating Income	757,040	608,420	24.4	519,841	45.6
Operating Margin	2.7%	2.1%		1.9%	
Net Non-operating Items	(219,776)	(226,244)	(2.9)	(204,647)	7.4
Net Financing costs	(202,853)	(195,824)	3.6	(215,620)	(5.9)
Inventory Provision & OBS	(50,227)	(74,407)	(32.5)	(22,303)	125.2
Others	33,304	43,987	(24.3)	33,276	0.1
Profit Before Tax/Minority	537,264	382,176	40.6	315,194	70.5
Tax	(123,565)	(88,315)	39.9	(110,705)	11.6
Minority/Accounting Principle Change	(18,675)	(1,322)	1,312.6	8,948	(308.7)
Profit After Tax/Minority	395,024	292,539	35.0	213,437	85.1
Net Margin	1.4%	1.0%		0.77%	
EPS (NTD)	0.61	0.43	41.3	0.31	99.5
Tax %	23%	23%		35%	
(1).No of Shares (in K)	643,028	673,021		693,180	

Gross Margin vs. Operating Margin

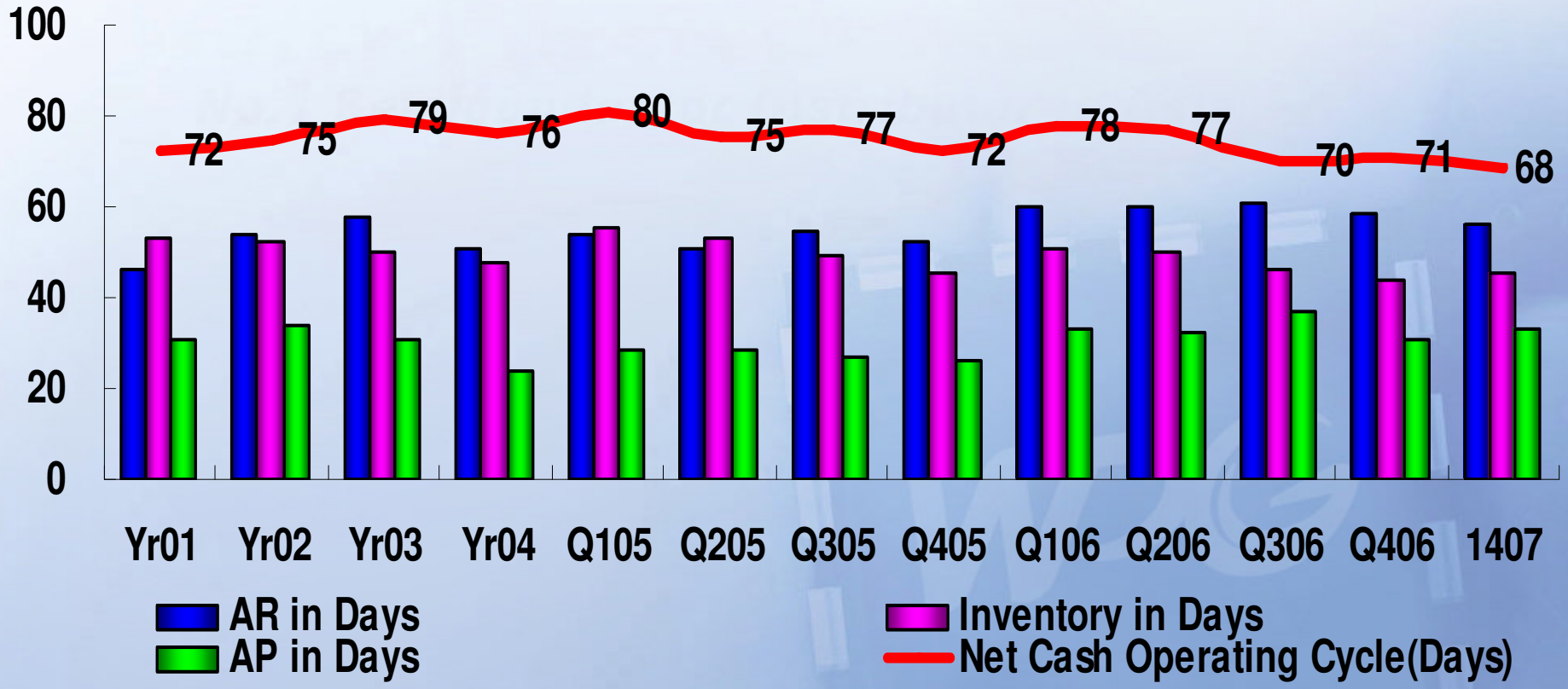


Balance Sheet

Unit:NT$million	1Q07		4Q06		1Q06	
item	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
Cash &Marketable Securities	3,071	*8*	2,969	*8*	*2,386*	*6*
Accounts Receivable - Trade	17,182	*44*	17,340	*46*	*16,990*	*42*
Inventory	14,033	*36*	12,109	*32*	*15,177*	*38*
Current Assets	36,353	*94*	35,185	*93*	*37,382*	*93*
Others	2,498	*6*	2,506	*7*	*3,025*	*7*
Total Assets	**38,851**	***100***	**37,691**	***100***	***40,407***	***100***
Current Interest-bearing Debt	8,721	*22*	9,356	*25*	*14,284*	*35*
Accounts Payble	10,419	*27*	8,717	*23*	*9,281*	*23*
Accured Liabilities and Others	1,446	*4*	2,180	*6*	1,404	*3*
Current Liabilities	20,586	*53*	20,253	*54*	*24,970*	*62*
Long-term Interest-bearing Debt	5,258	*14*	5,203	*14*	*3,605*	*9*
Others	281	*1*	216	*1*	*277*	*1*
Total Liabilities	**26,125**	***67***	**25,672**	***68***	***28,852***	***71***
Total Equity	**12,726**	***33***	**12,019**	***32***	***11,555***	***29***

KEY Indices			
Net Working Capital ($)	20,796	20,732	22,886
AR Turnover (Days)	*56*	*58*	*60*
Inventory Turnover (Days)	*45*	*44*	*51*
AP Turnover (Days)	*33*	*31*	*33*
Average Collection Periods (Day	*68*	*71*	*78*
Current Ratio	*177%*	*174%*	*150%*
Debt/Asset Ratio	*67%*	*68%*	*71%*
Gearing Ratio	*1.04*	*0.98*	*1.35*

Operating Cash Cycle



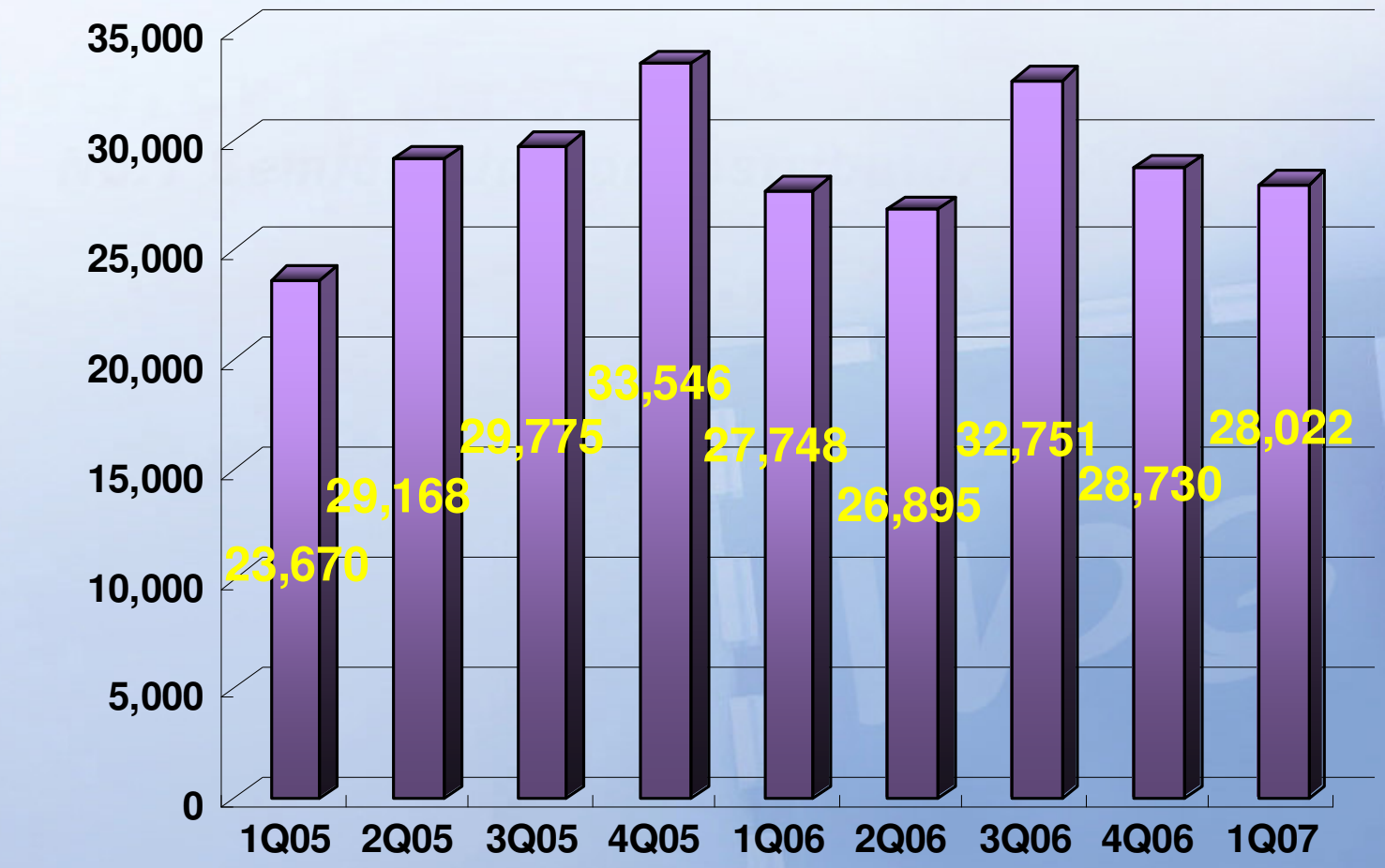
Cash Flows

Amount:NT$million	1Q07 *Amount*	4Q06 *Amount*	1Q06 *Amount*
-Net Income(Note)	413.7	294.0	207.9
-Changes of NWC	(379.6)	(46.3)	1,033.4
-Adjustment & Others	289.2	123.4	(30.4)
From Operation	**323.2**	**371.1**	**1,211.0**
-Financial Instrument	310.0	(217.9)	141.8
-Capital Expenditure	(12.8)	(22.7)	1.9
-Others	(4.3)	(42.7)	66.8
From Investment	**293.0**	**(283.3)**	**210.5**
-Financial Debt	(516.1)	549.6	(1,803.8)
-Treasury Stock	0.0	(322.3)	(18.8)
-Cash Dividends	0.0	0	-
-Others	(12.6)	34.0	(2.7)
From Financing	**(528.6)**	**261.2**	**(1,825.3)**
Net Cash Position Change	**87.6**	**349.0**	**(403.8)**
Exchange Rate Change & Others	137.6	(167.5)	(264.3)
Ending Cash Balance	**3,070.7**	**2,845.5**	**2,250.9**

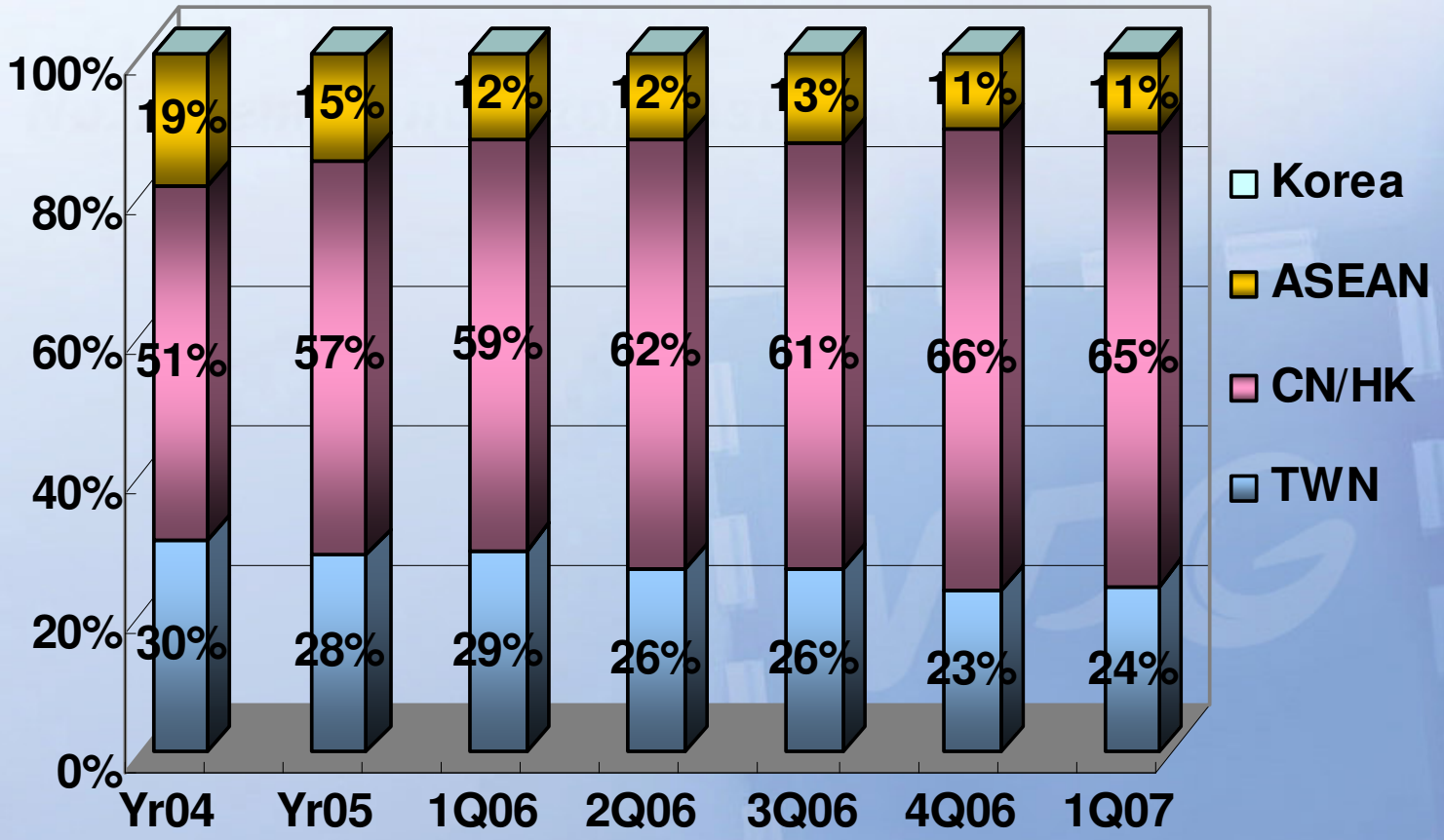
(1).Minority interest is included.

Consolidated Revenue

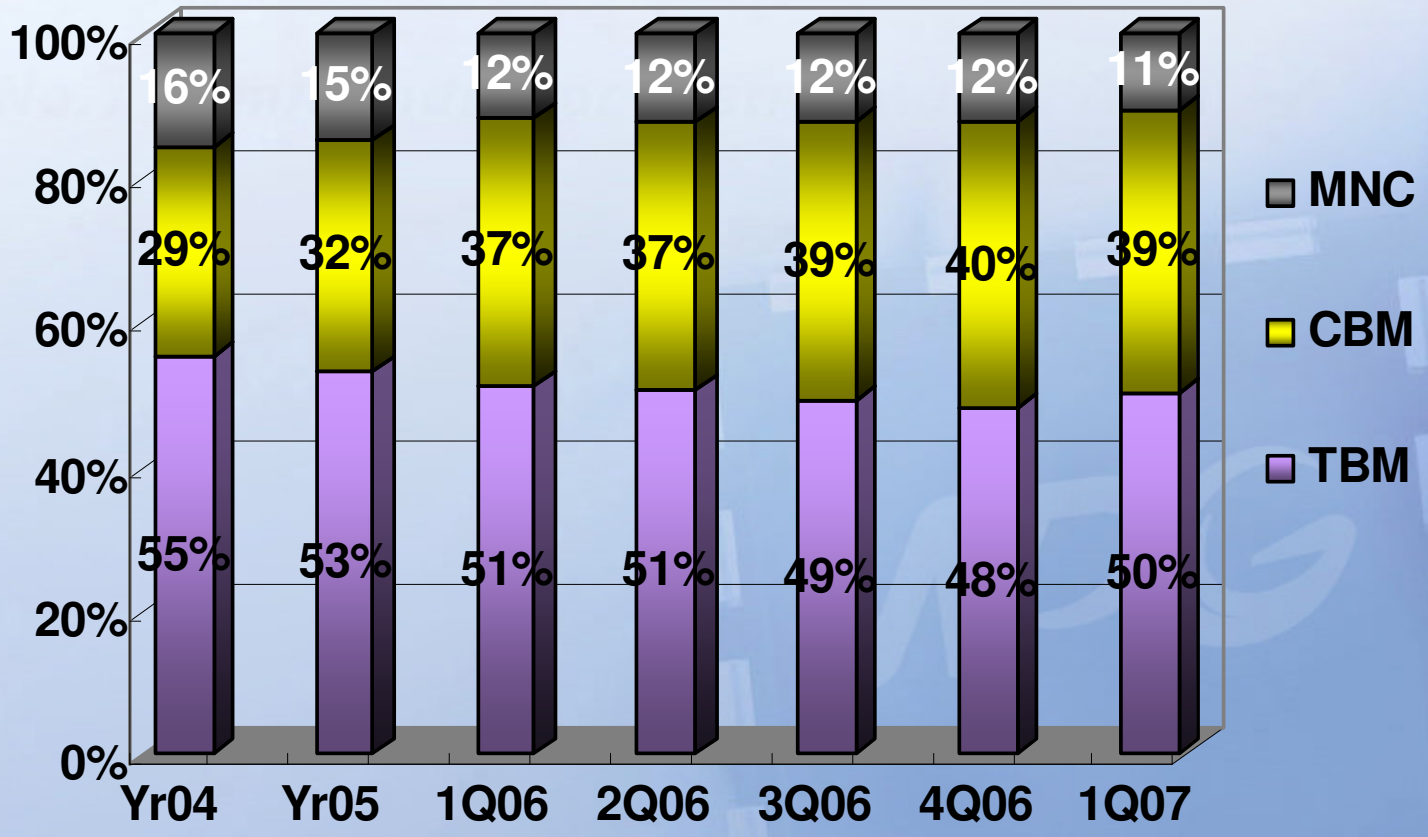
Unit:NT$milloin



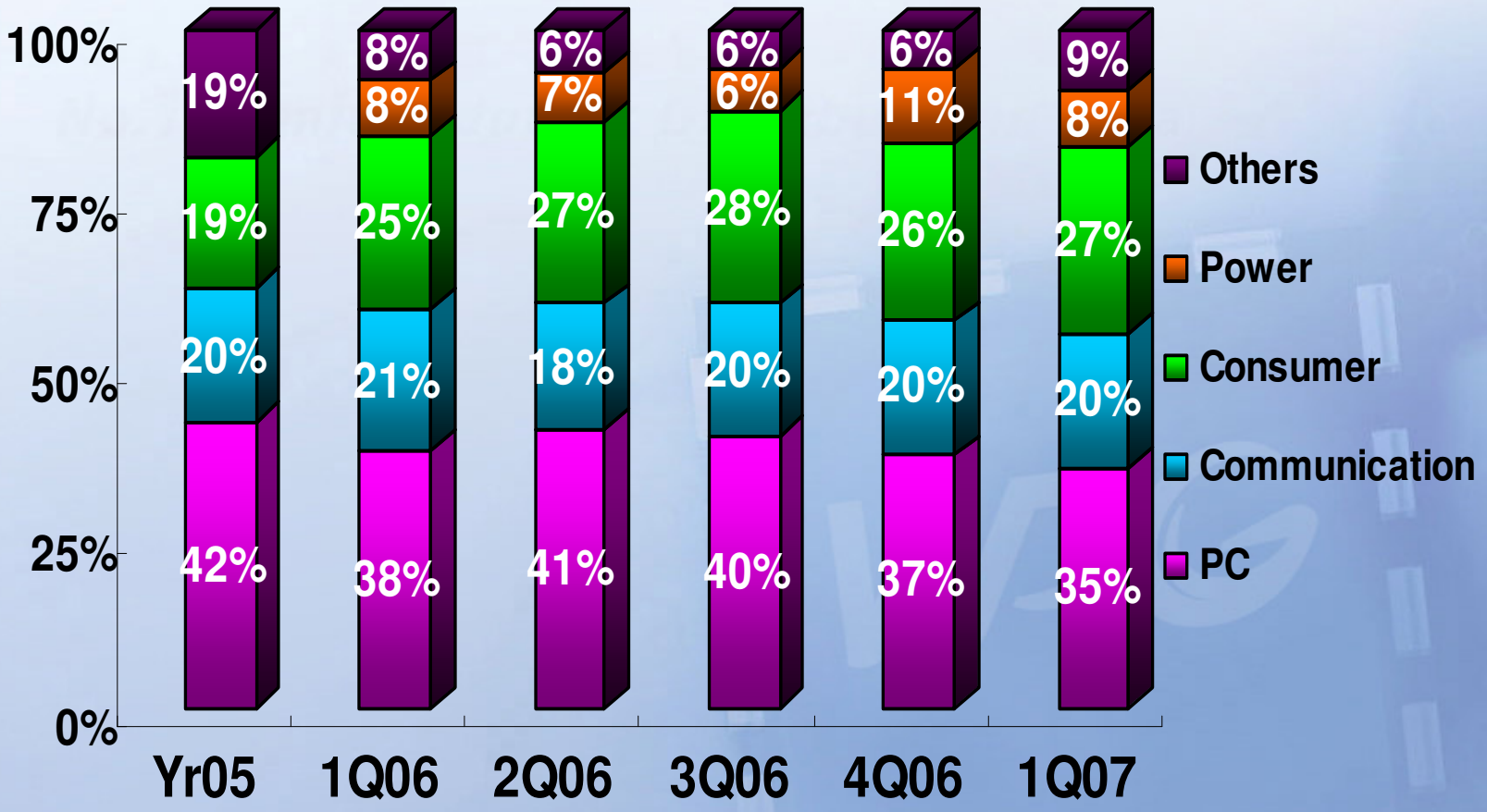
Sales breakdown by Geography



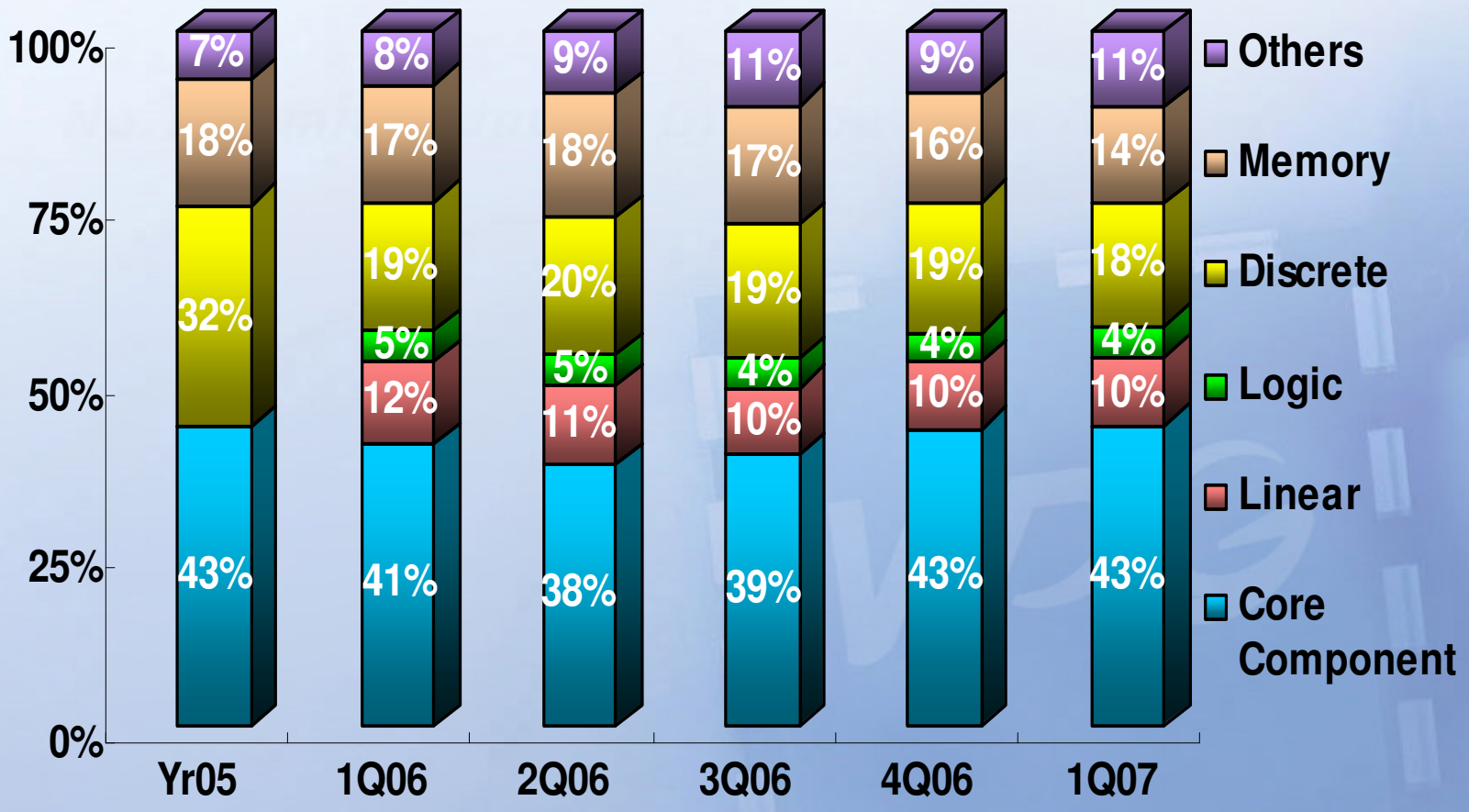
Sales breakdown by Customer



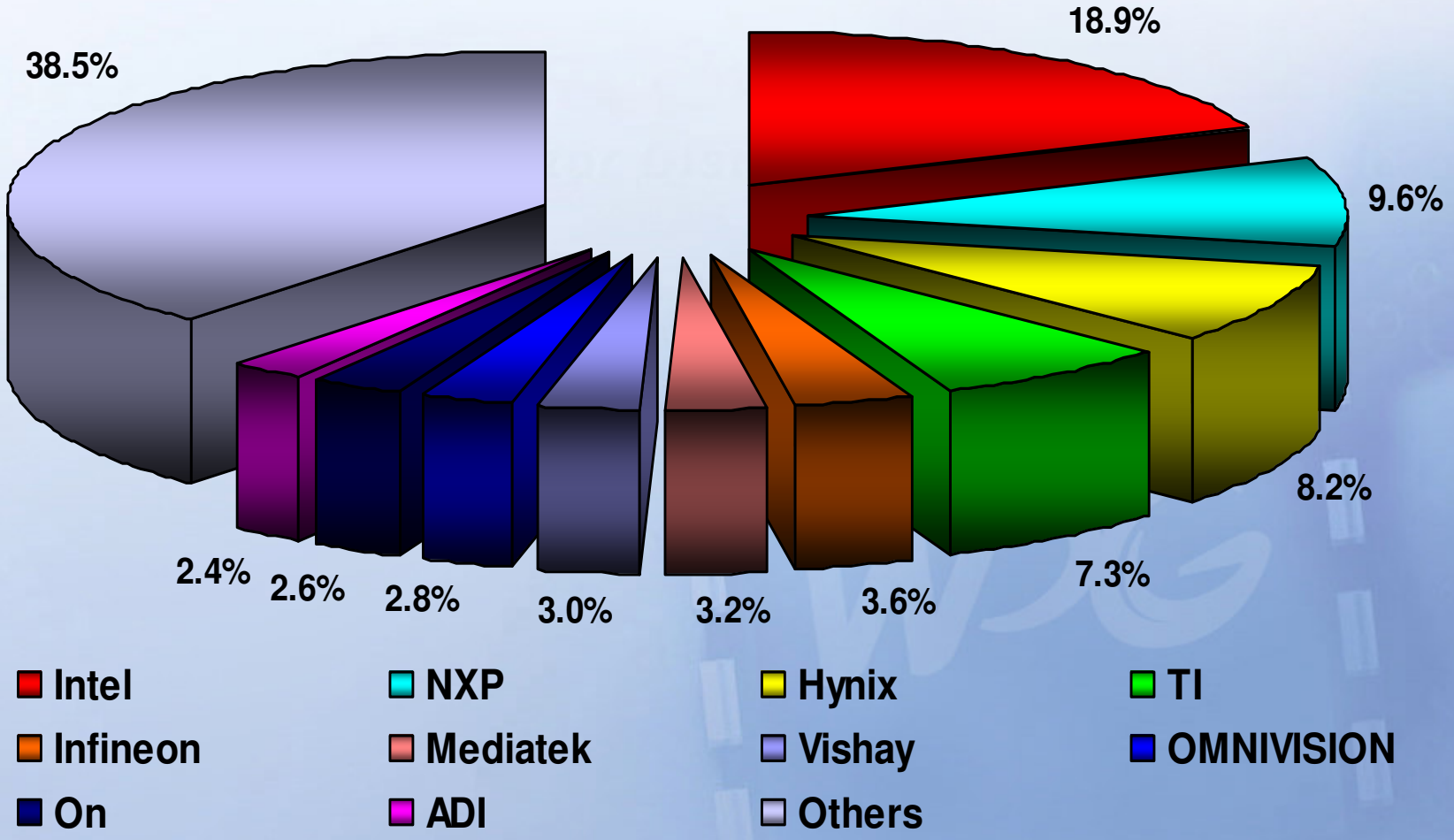
Sales breakdown by Application



Sales breakdown by Device Type



1Q07 Top 10 Product Lines



2Q07 Guidance

- Revenues to be between NT$29 billion and NT$31 billion;
- Gross profit margin to reach between 5.9% and 6.1%;
- Operating profit margin to be approximately 2.2~2.4%

Q & A