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

August 1, 2007

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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.
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Agenda

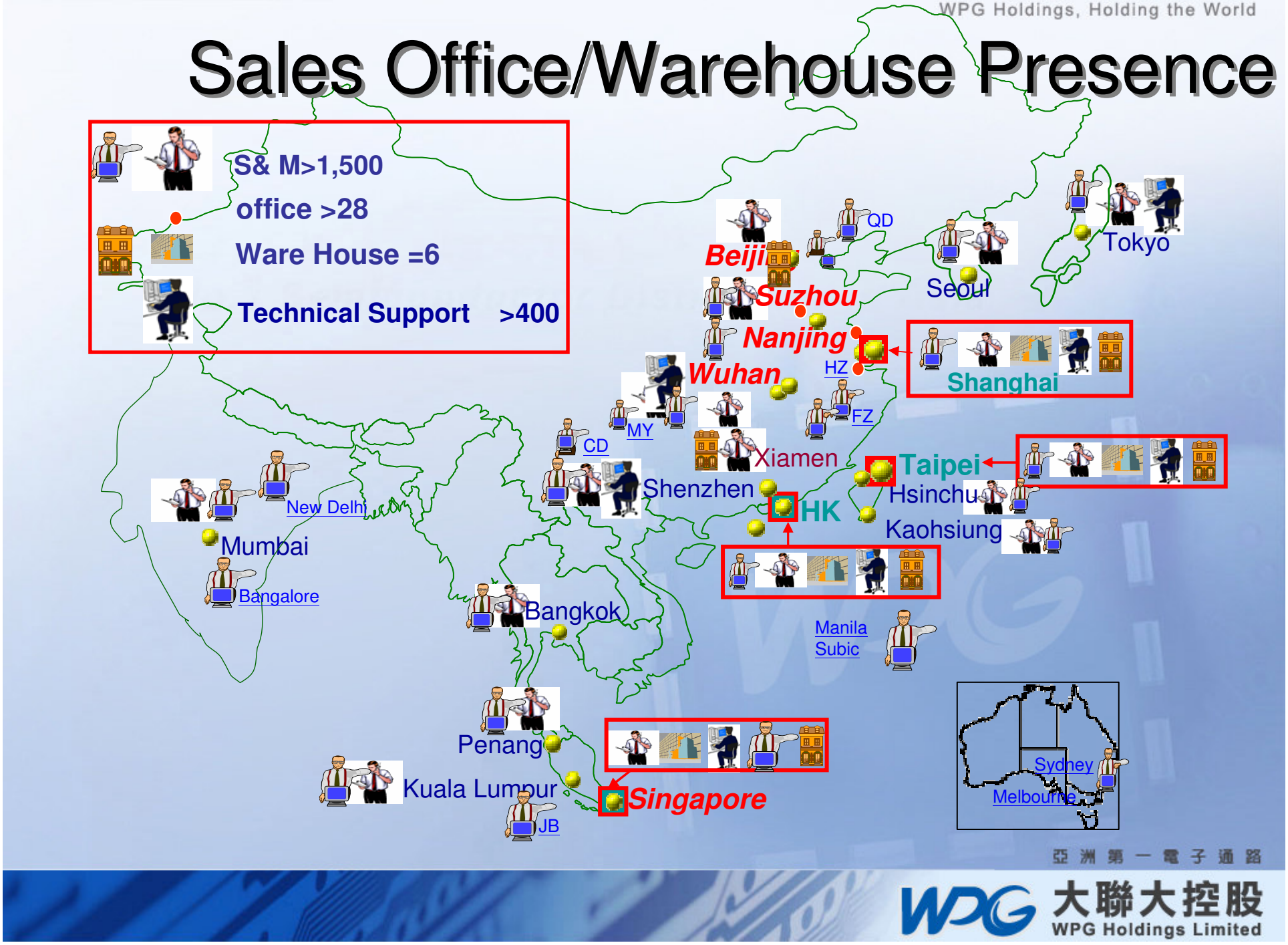
- Welcome
- Financial Highlights & Overview
- Q&A

Financial Highlights

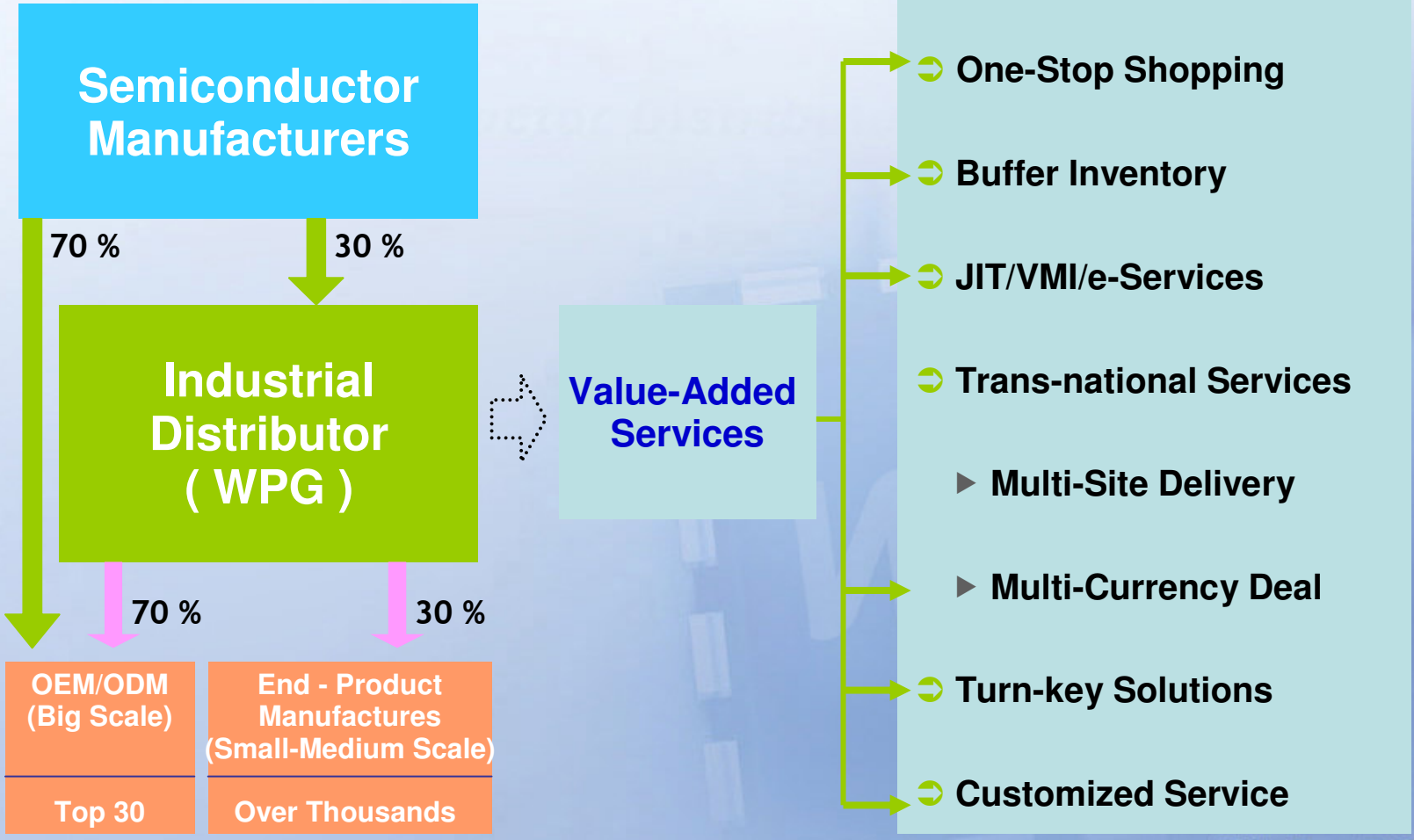
- Consolidated Sales of NT$ 33.16bn , +18.3% Q/Q & +23.3% Y/Y
- Net income to NT$ 572m, +44.9% Q/Q & +76.6% Y/Y , EPS record high to NT$0.85, Continued profit growth faster than sales
- ROWC(1) at 15.28%
  - Operating income (Inventory Provision & OBS included) increased 41% Y/Y to NT$918m , or 35 basis points.
  - Working Capital / Sales improved from 0.19 to 0.18
- Operating Cash Cycle improved 9 days to 68 days

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

Sales Office/Warehouse Presence



WPG Holdings Value-Added Services
Towards Total Satisfaction



Result Highlights

Unit:NT$million	2Q07	1Q07	2Q06
item	*Amount*	*Amount*	*Amount*
Net Sales	33,157	28,022	26,895
Operating Income	848	757	659
Net Income	572	395	324
EPS (NTD)	0.85	0.58	0.43
Total Assets	42,938	38,848	38,090
Total Liabilities	30,421	26,122	26,432
Total Equity	12,517	12,726	11,658
Net Working Capital	24,026	20,796	21,688
KEY Indices(1)			
ROWC	*15.28%*	*13.60%*	*11.99%*
NWC/Sales	*0.18*	*0.19*	*0.20*
ROE	*18.29%*	*12.42%*	*11.12%*

(1).Annualized

(2). Weighted average shares outstanding (in K)

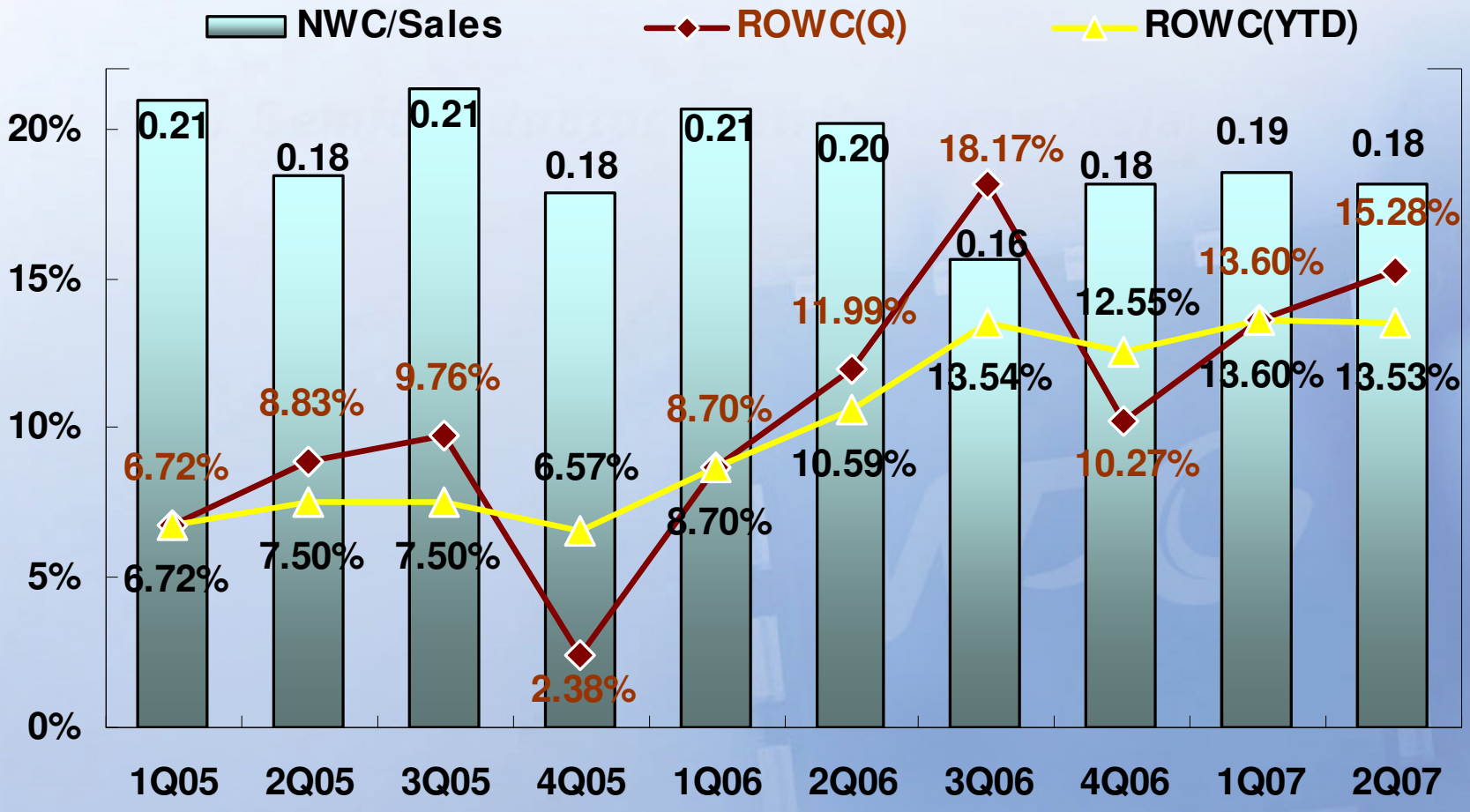
Result Highlights

Unit:NT$million item	1H07 *Amount*	1H06 *Amount*
Net Sales	61,179	54,643
Operating Income	1,605	1,179
Net Income	967	538
EPS (NTD)	1.43	0.74
Total Assets	42,938	38,090
Total Liabilities	30,421	26,432
Total Equity	12,517	11,658
Net Working Capital	24,026	21,688
KEY Indices(1)		
ROWC	*13.53%*	*10.59%*
NWC/Sales	*0.20*	*0.20*
ROE	*15.46%*	*9.22%*

(1).Annualized

(2). Weighted average shares outstanding (in K)

ROWC vs. NWC/Sales



Income Statements

Unit:NT$K

Item	2Q07	1Q07	QoQ(%)	2Q06	YoY(%)
Net operating Revenue	33,156,527	28,022,261	18.3	26,894,986	23.3
COGS	(31,201,512)	(26,242,431)	18.9	(25,161,871)	24.0
Gross Profit	1,955,015	1,779,830	9.8	1,733,115	12.8
Gross Margin	5.9%	6.4%		6.4%	
Operating Expenses	(1,107,008)	(1,022,790)	8.2	(1,074,380)	3.0
Operating Income	848,008	757,040	12.0	658,735	28.7
Operating Margin	2.6%	2.7%		2.4%	
Net Non-operating Items	(121,768)	(219,776)	(44.6)	(201,734)	(39.6)
Net Financing costs	(193,682)	(198,917)	(2.6)	(202,084)	(4.2)
Inventory Provision & OBS	69,953	(50,227)	(239.3)	(8,371)	(935.7)
Others	1,961	29,368	(93.3)	8,721	(77.5)
Profit Before Tax/Minority	726,240	537,264	35.2	457,001	58.9
Tax	(131,552)	(123,565)	6.5	(131,208)	0.3
Minority/Accounting Principle Change	(22,297)	(18,675)	19.4	(1,642)	1,257.9
Profit After Tax/Minority	572,391	395,024	44.9	324,151	76.6
Net Margin	1.7%	1.4%		1.21%	
EPS (NTD)	0.85	0.58	44.9	0.43	96.4
Tax %	18%	23%		29%	

(1). Weighted average shares outstanding (in K)

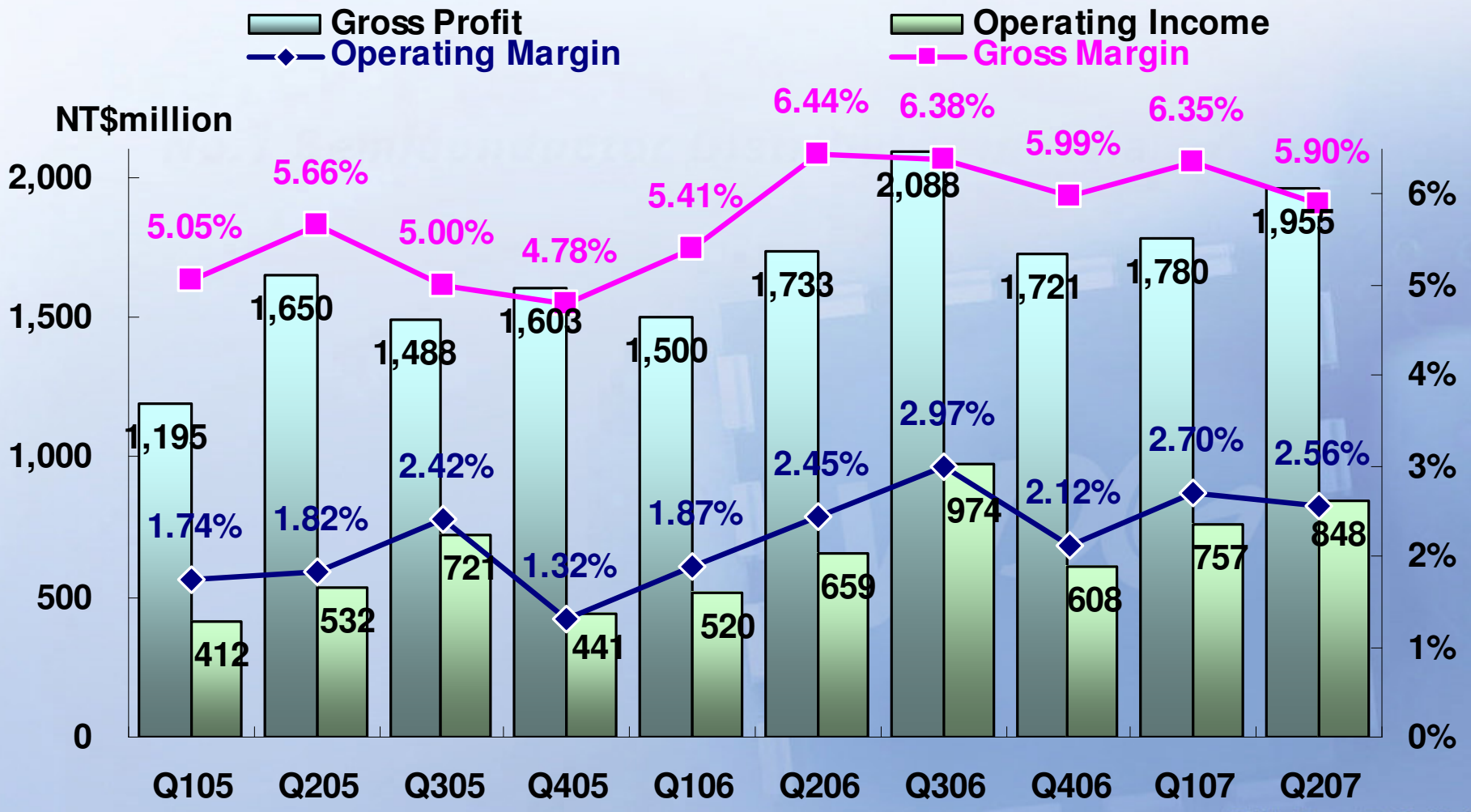
Income Statements

Unit:NT$K

Item	1H07	1H06	YoY(%)
Net operating Revenue	61,178,788	54,642,881	12.0
COGS	(57,443,943)	(51,409,384)	11.7
Gross Profit	3,734,845	3,233,497	15.5
Gross Margin	6.1%	5.9%	
Operating Expenses	(2,129,798)	(2,054,921)	3.6
Operating Income	1,605,048	1,178,576	36.2
Operating Margin	2.6%	2.2%	
Net Non-operating Items	(341,544)	(406,381)	(16.0)
Net Financing costs	(392,599)	(417,704)	(6.0)
Inventory Provision & OBS	19,726	(30,674)	(164.3)
Others	31,329	41,997	(25.4)
Profit Before Tax/Minority	1,263,504	772,195	63.6
Tax	(255,117)	(241,913)	5.5
Minority/Accounting Principle Change	(40,972)	7,306	(660.8)
Profit After Tax/Minority	967,415	537,588	80.0
Net Margin	1.58%	0.98%	60.7
EPS (NTD)	1.43	0.74	93.7
Tax%	20%	31%	(35.5)

(1). Weighted average shares outstanding (in K)

Gross Margin vs. Operating Margin



Balance Sheet

Unit:NT$million	2Q07		1Q07		2Q06	
item	*Amount*	*%*	*Amount*	*%*	Amount	*%*
Cash &Marketable Securities	3,369	*8*	3,071	*8*	2,558	*7*
Accounts Receivable - Trade	20,689	*48*	17,182	*44*	16,066	*42*
Inventory	14,066	*33*	14,033	*36*	14,273	*37*
Current Assets	40,223	*94*	36,350	*94*	35,219	*92*
Others	2,715	*6*	2,498	*6*	2,871	*8*
Total Assets	42,938	*100*	38,848	*100*	38,090	*100*
Current Interest-bearing Debt	11,295	*26*	8,721	*22*	11,719	*31*
Accounts Payble	10,730	*25*	10,419	*27*	8,651	*23*
Accured Liabilities and Others	3,145	*7*	1,446	*4*	1,440	*4*
Current Liabilities	25,169	*59*	20,586	*53*	21,810	*57*
Long-term Interest-bearing Debt	5,010	*12*	5,258	*14*	4,291	*11*
Others	242	*1*	279	*1*	331	*1*
Total Liabilities	30,421	*71*	26,122	*67*	26,432	*69*
Total Equity	12,517	*29*	12,726	*33*	11,658	*31*

KEY Indices			
Net Working Capital ($)	24,026	20,796	21,688
AR Turnover (Days)	*56*	*56*	*60*
Inventory Turnover (Days)	*42*	*46*	*50*
AP Turnover (Days)	*31*	*33*	*33*
Average Collection Periods (Day	*68*	*69*	*77*
Current Ratio	*160%*	*177%*	*161%*
Debt/Asset Ratio	*71%*	*67%*	*69%*
Gearing Ratio	*1.25*	*1.04*	*1.17*

Balance Sheet

Unit:NT$million	1H07		1H06	
item	*Amount*	*%*	*Amount*	*%*
Cash &Marketable Securities	3,369	*8*	2,558	*7*
Accounts Receivable - Trade	20,689	*48*	16,066	*42*
Inventory	14,066	*33*	14,273	*37*
Current Assets	40,223	*94*	35,219	*92*
Others	2,715	*6*	2,871	*8*
Total Assets	42,938	*100*	38,090	*100*
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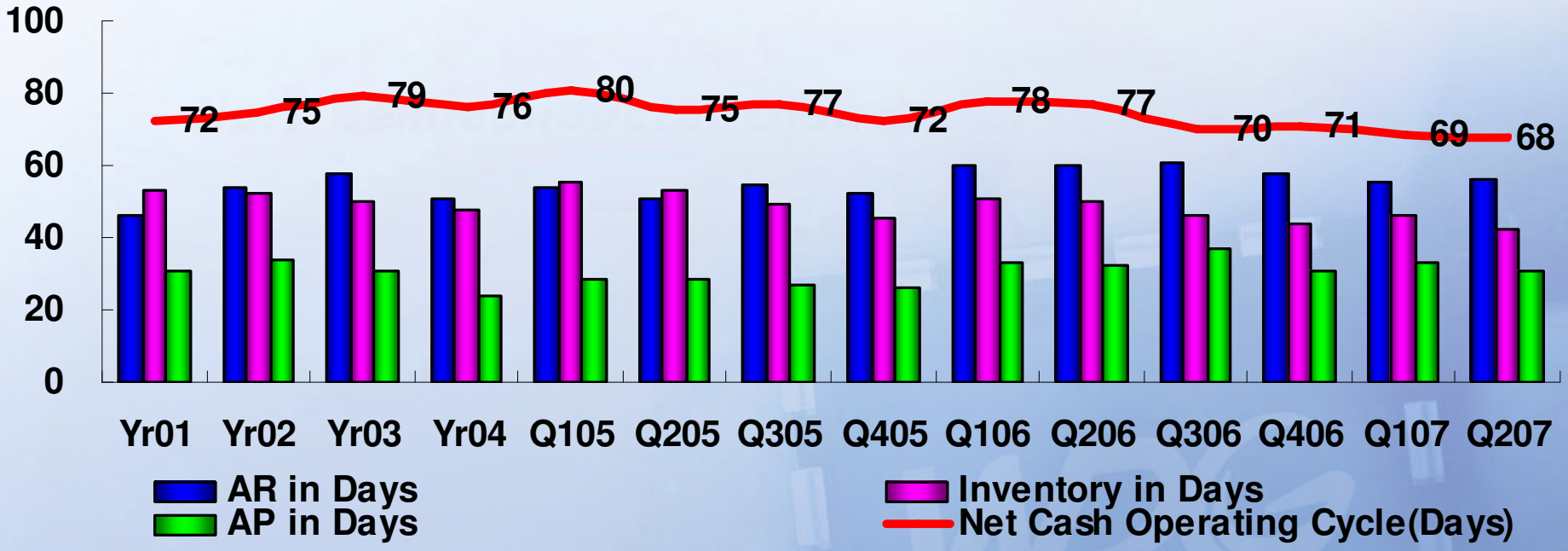
Others	242	*1*	331	*1*
Total Liabilities	30,421	*71*	26,432	*69*
Total Equity	12,517	*29*	11,658	*31*

KEY Indices		
Net Working Capital ($)	*24,026*	*21,688*
AR Turnover (Days)	*56*	*60*
Inventory Turnover (Days)	*42*	*50*
AP Turnover (Days)	*31*	*33*
Average Collection Periods (Day	*68*	*77*
Current Ratio	*160%*	*161%*
Debt/Asset Ratio	*71%*	*69%*
Gearing Ratio	*1.25*	*1.17*

Operating Cash Cycle



Cash Flows

Amount:NT$million	2Q07 *Amount*	1Q07 *Amount*	2Q06 *Amount*
-Net Income(Note)	595	414	326
-Changes of NWC	(2,848)	(380)	1,198
-Adjustment & Others	325	289	303
From Operation	**(1,928)**	**323**	**1,826**
-Financial Instrument	154	310	322
-Capital Expenditure	(25)	(13)	(12)
-Others	(147)	(4)	(13)
From Investment	**(18)**	**293**	**297**
-Financial Debt	2,328	(516)	(1,918)
-Treasury Stock	0	0	(96)
-Cash Dividends	0	0	0
-ESOP	52	6	0
-Others	2	(19)	(35)
From Financing	**2,382**	**(529)**	**(2,049)**
Net Cash Position Change	**436**	**88**	**74**
Exchange Rate Change & Others	(138)	138	70
Ending Cash Balance	**3,369**	**3,071**	**2,395**

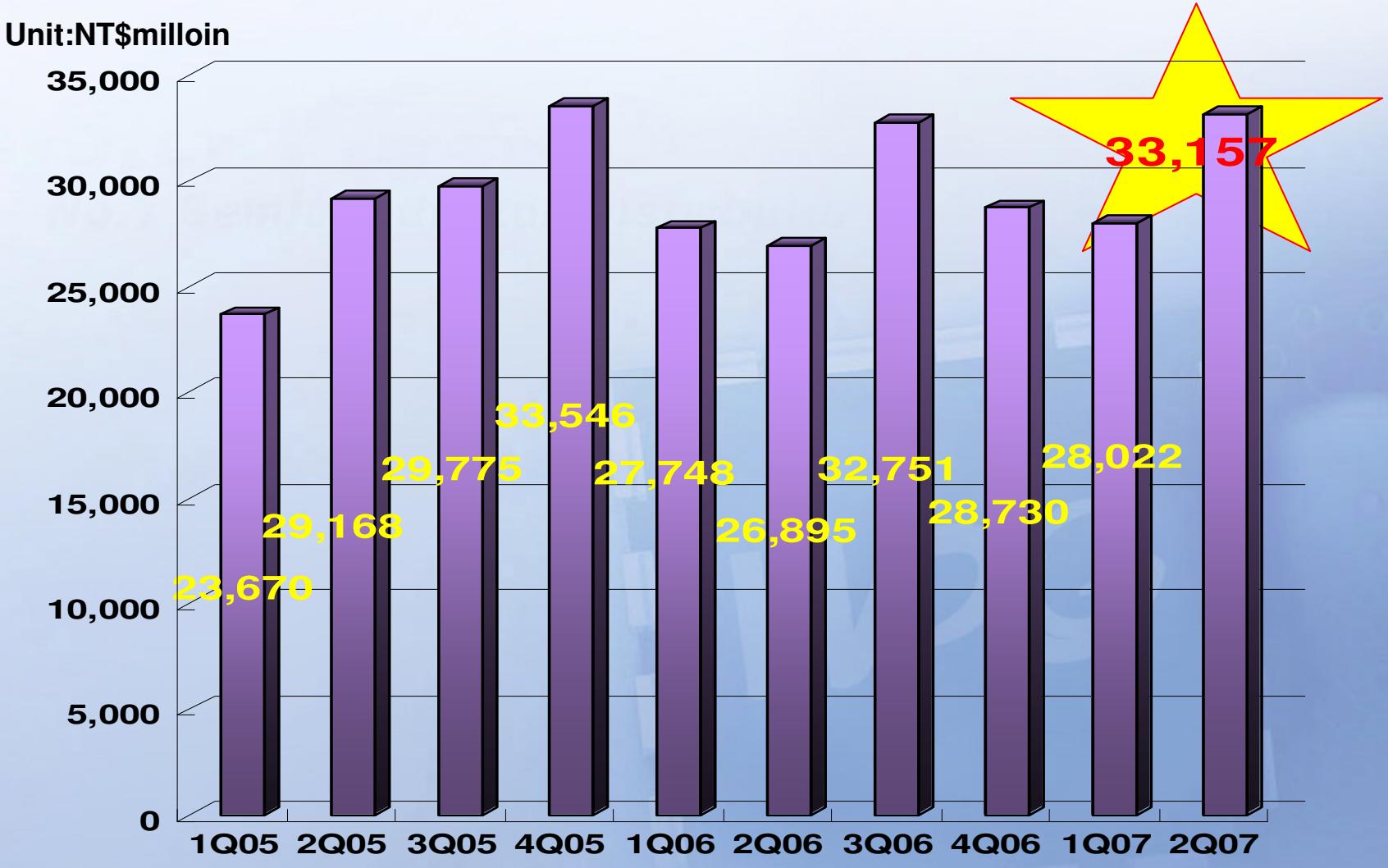
(1).Minority interest is included.

Cash Flows

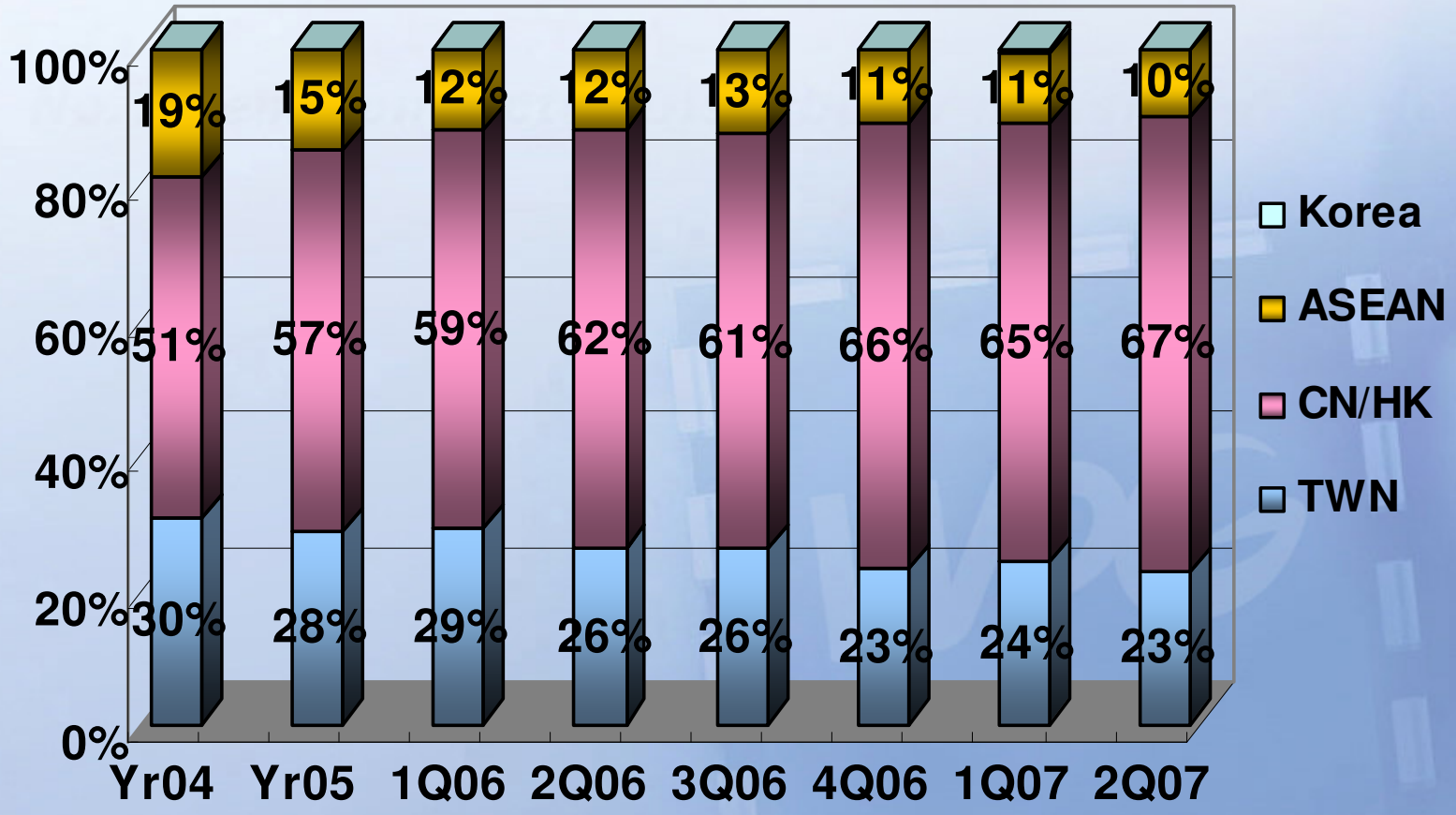
Amount:NT$million	1H07	1H06
	Amount	*Amount*
-Net Income(Note)	1,008	534
-Changes of NWC	(3,227)	2,231
-Adjustment & Others	614	272
From Operation	**(1,605)**	**3,037**
-Financial Instrument	464	464
-Capital Expenditure	(38)	(10)
-Others	(151)	54
From Investment	**275**	**507**
-Financial Debt	1,812	(3,722)
-Treasury Stock	0	(115)
-Cash Dividends	0	0
-ESOP	58	0
-Others	(17)	(38)
From Financing	**1,853**	**(3,874)**
Net Cash Position Change	**524**	**(330)**
Exchange Rate Change & Others	0	(194)
Ending Cash Balance	**3,369**	**2,395**

(1).Minority interest is included.

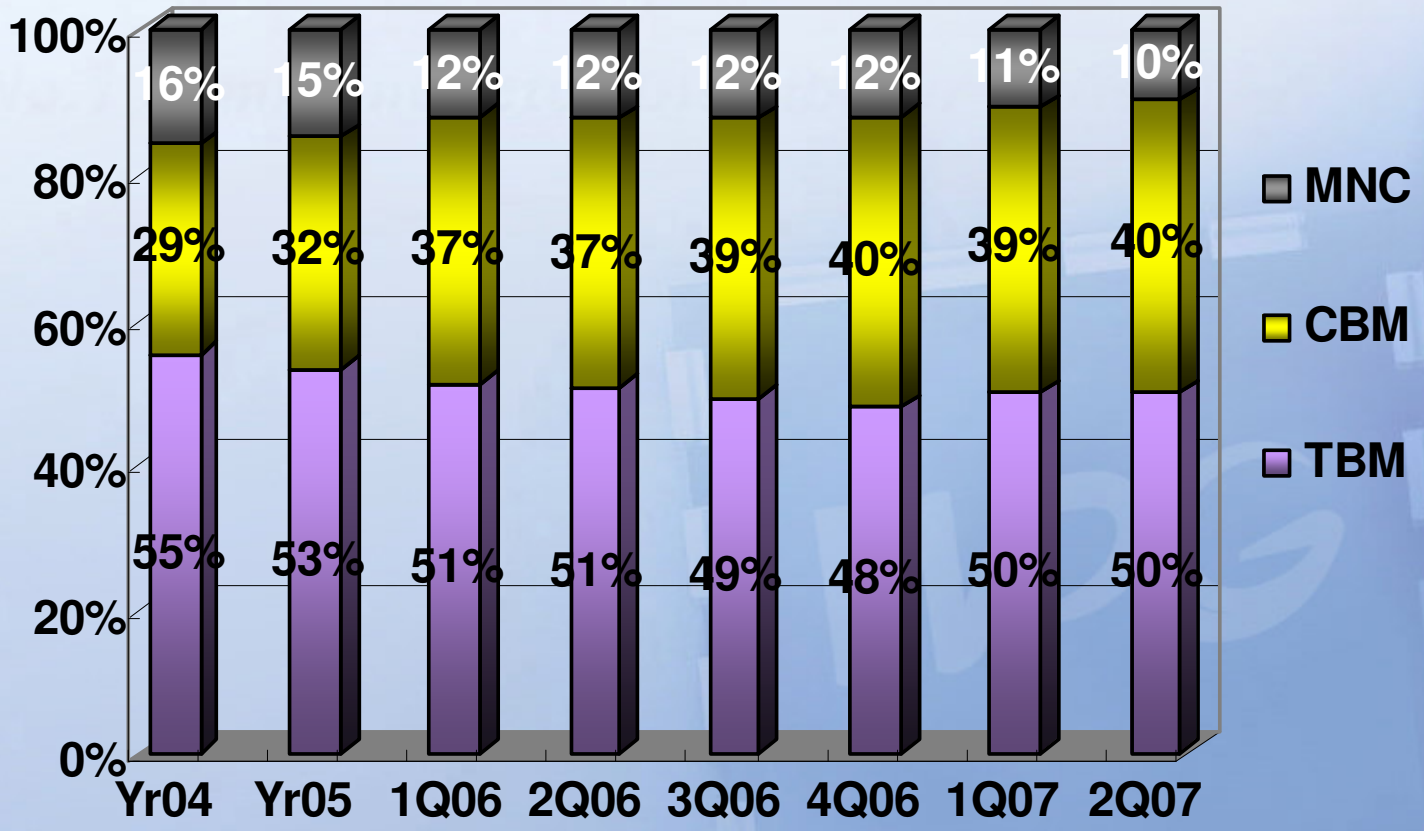
Consolidated Revenue



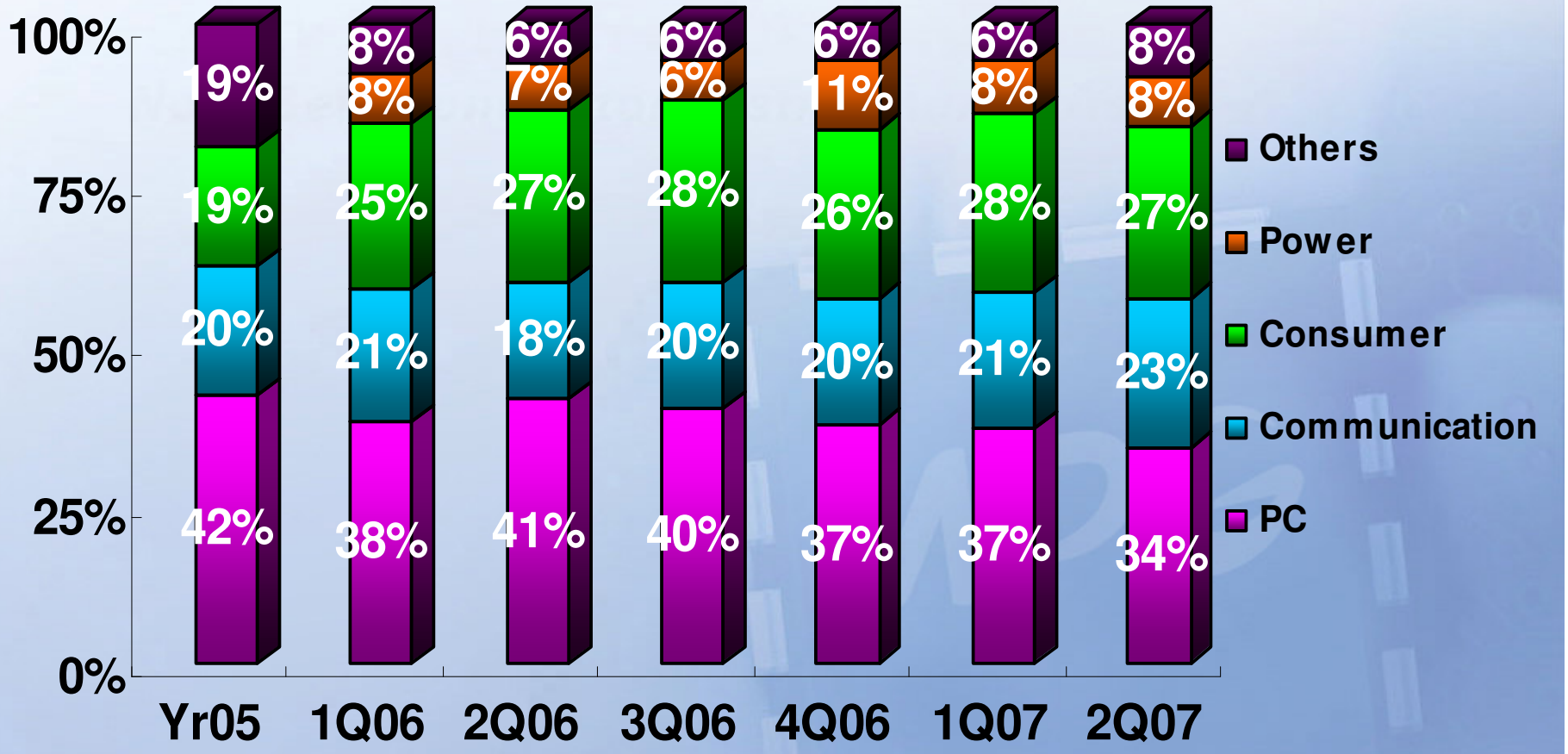
Sales breakdown by Geography



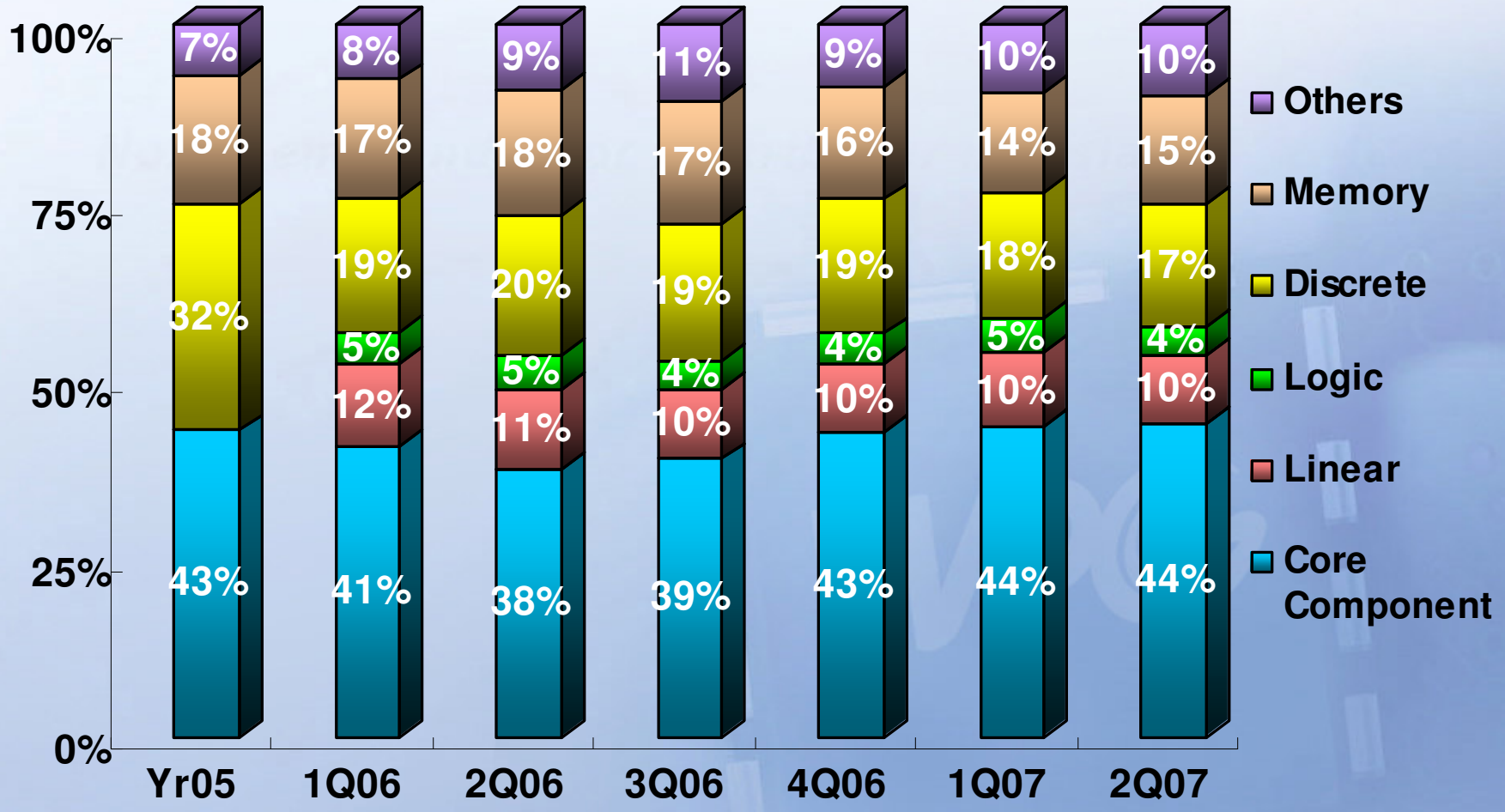
Sales breakdown by Customer



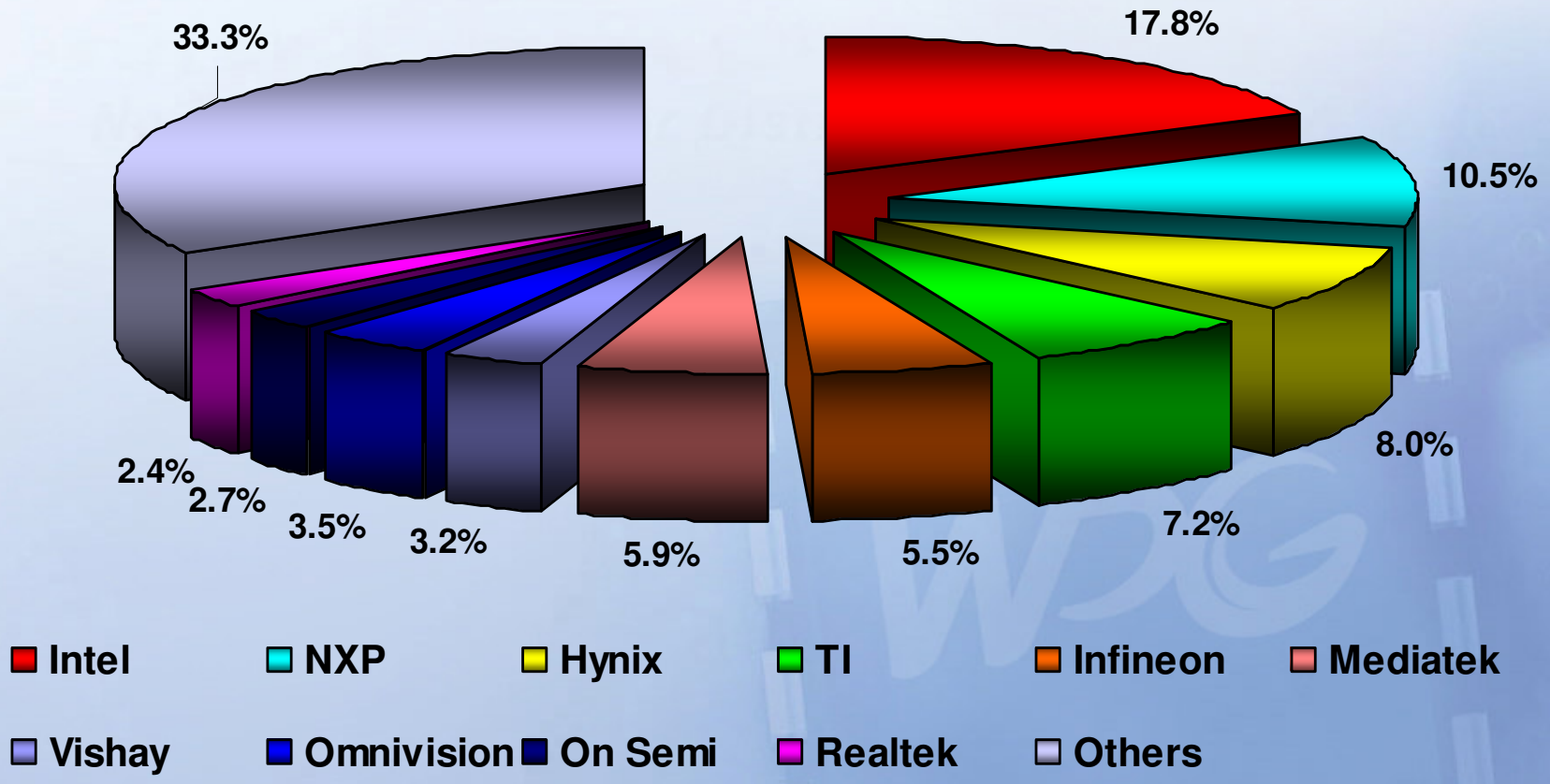
Sales breakdown by Application



Sales breakdown by Device Type



2Q07 Top 10 Product Lines



3Q07 Guidance

- Revenues to be between NT$36 billion and NT$38 billion;
- Gross profit margin to reach between 5.9% and 6.1%;
- Operating profit margin to be approximately 2.7~2.9%

Q & A