WPG Holdings
(3702 TT/3702.TW)
(http://www.WPGholdings.com)

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

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- **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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Result Highlights

Unit:NT$million

item	4Q10	4Q10 Guidance	3Q10	4Q09	*QoQ(%)*	*YoY(%)*
Net Sales	70,075	71~74B	66,858	53,411	4.8	31.2
Gross Margin	5.24%	*5.1% ~ 5.3%*	5.52%	5.50%	-28 bp	-26 bp
Operating Income	1,295		1,569	953	(17.5)	35.9
Operating Margin	1.85%	*1.5% ~ 1.7%*	2.35%	1.78%	-50 bp	+6 bp
Net Income	1,021		1,259	841	(18.9)	21.3
EPS (NT$)(1)	0.81		1.19	0.79	(31.7)	2.8
Net Book Value (NT$)	30.45					
Total Assets	93,374		75,463	59,912		
Total Liabilities	59,561		53,645	39,668		
Total Equity	33,812		21,819	20,244		
Net Working Capital	40,476		36,495	27,118		
Free Cash Flow	7,205		82	(423)		
KEY Indices(2)						
ROWC	*15.9%*		*17.2%*	*14.1%*	-132 bp	+182 bp
NWC/Sales	*0.13*		*0.14*	*0.13*		
ROE	*18.0%*		*24.0%*	*19.3%*	-599 bp	-129 bp
Gearing	0.44		0.77	0.44		

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

Income Statements

Unit:NT$million

Item	4Q10	3Q10	QoQ(%)	4Q09	YoY(%)
Net operating Revenue	70,075	66,858	4.8	53,411	31.2
COGS	(66,405)	(63,166)	5.1	(50,472)	31.6
Gross Profit	3,670	3,692	(0.6)	2,939	24.9
Gross Margin	5.24%	5.52%		5.50%	
Operating Expenses	(2,375)	(2,122)	11.9	(1,985)	19.6
Operating Income	1,295	1,569	(17.5)	953	35.9
Operating Margin	1.85%	2.35%		1.78%	
Net Non-operating Items	(76)	(36)	(113.0)	124	(161.2)
Net Financing costs	(137)	(90)	52.4	(62)	119.6
Others	61	54		186	
Profit Before Tax/Minority	1,219	1,534	(20.5)	1,077	13.2
Tax	(248)	(269)	(7.9)	(228)	8.5
Minority/Accounting Principle Change	49	(6)		(8)	
Profit After Tax/Minority	1,021	1,259	(18.9)	841	21.3
Net Margin	1.46%	1.88%		1.57%	
EPS (NTD)(1)	0.81	1.19	(31.7)	0.79	2.8
Tax %	20%	18%		21%	

(1).Weighted average shares outstanding

Balance Sheet

Unit:NT$million	4Q10		3Q10		4Q09	
item	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
Cash &Marketable Securities	7,784	*8*	5,339	*7*	6,670	*11*
Accounts Receivable - Trade	36,841	*39*	37,854	*50*	30,205	*50*
Inventory	28,842	*31*	24,347	*32*	15,644	*26*
Current Assets	83,401	*89*	72,348	*96*	56,905	*95*
Others	9,973	*11*	3,115	*4*	3,007	*5*
Total Assets	**93,374**	***100***	**75,463**	***100***	**59,912**	***100***
Current Interest-bearing Debt	25,251	*27*	20,996	*28*	12,195	*20*
Accounts Payble	25,208	*27*	25,707	*34*	18,731	*31*
Accured Liabilities and Others	6,878	*7*	4,736	*6*	3,736	*6*
Current Liabilities	57,336	*61*	51,438	*68*	34,663	*58*
Long-term Interest-bearing Debt	1,823	*2*	1,954	*3*	4,643	*8*
Others	402	*0*	253	*0*	363	*1*
Total Liabilities	**59,561**	***64***	**53,645**	***71***	**39,668**	***66***
Total Equity	**33,812**	***36***	**21,819**	***29***	**20,244**	***34***
KEY Indices(1)						
Net Working Capital ($)	40,476		36,495		27,118	
AR Turnover (Days)	*42*		*50*		*44*	
Inventory Turnover (Days)	*32*		*31*		*29*	
AP Turnover (Days)	*30*		*34*		*27*	
Average Collection Periods (Days)	*44*		*46*		*46*	
Current Ratio	*145%*		*141%*		*164%*	
Gearing Ratio	*0.44*		*0.77*		*0.44*	

(1).Annualized

Cash Flows

Unit:NT$million	4Q10	3Q10	4Q09
-Net Income(1)	971	1,265	849
-Changes of NWC	6,119	(2,079)	(928)
-Adjustment & Others	115	896	(344)
From Operation	**7,205**	**82**	**(423)**
-Financial Instrument	187	(45)	(228)
-Capital Expenditure	70	(28)	(40)
-Others	(55)	(302)	94
From Investment	**202**	**(376)**	**(175)**
-Financial Debt	(5,203)	2,079	698
-Cash Dividends	-	(1,789)	-
-ESOP	-	1	6
-Others	63	(25)	(9)
From Financing	**(5,140)**	**266**	**695**
Effect on changes of consolidated subsidiaries	**1,968**	**(45)**	**-**
Cumulative translation adjustments	**(1,895)**	**(502)**	**(299)**
Net Cash Position Change	**2,340**	**(575)**	**(201)**
Ending Cash Balance	**7,582**	**5,242**	**6,514**

(1).Minority interest is included.

Result Highlights

Unit:NT$million

item	2010	2009	YoY (%)
Net Sales	257,304	196,774	30.8
Gross Margin	5.65%	5.64%	+1 bp
Operating Income	6,072	4,455	36.3
Operating Margin	2.36%	2.26%	+10 bp
Net Income	5,010	3,473	44.3
EPS (NTD)(1)	4.52	3.33	35.7
Total Assets	93,374	59,912	
Total Liabilities	59,561	39,668	
Total Equity	33,812	20,244	
Net Working Capital	40,476	27,118	
Free Cash Flow	1,810	3,041	
KEY Indices(2)			
ROWC	*20.5%*	*16.4%*	+411 bp
NWC/Sales	*0.12*	*0.14*	
ROE	*23.8%*	*20.0%*	+383 bp
Gearing	0.44	0.44	

(1).Weighted average shares outstanding

(2).Annualized

Income Statements

Unit:NT$million

Item	2010	2009	YoY(%)
Net operating Revenue	257,304	196,774	30.8
COGS	(242,762)	(185,667)	30.8
Gross Profit	14,542	11,106	30.9
Gross Margin	5.65%	5.64%	
Operating Expenses	(8,471)	(6,652)	27.3
Operating Income	6,072	4,455	36.3
Operating Margin	2.36%	2.26%	
Net Non-operating Items	(30)	36	(184.1)
Net Financing costs	(339)	(324)	4.8
Others	309	360	(14.2)
Profit Before Tax/Minority	6,041	4,491	34.5
Tax	(1,061)	(1,010)	5.0
Extraordinary Gain	-	23	N/A
Minority/Accounting Principle Change	31	(30)	(200.8)
Profit After Tax/Minority	5,010	3,473	44.3
Net Margin	1.95%	1.76%	
EPS (NTD)(1)	4.52	3.33	35.72
Tax%	18%	23%	

(1).Weighted average shares outstanding

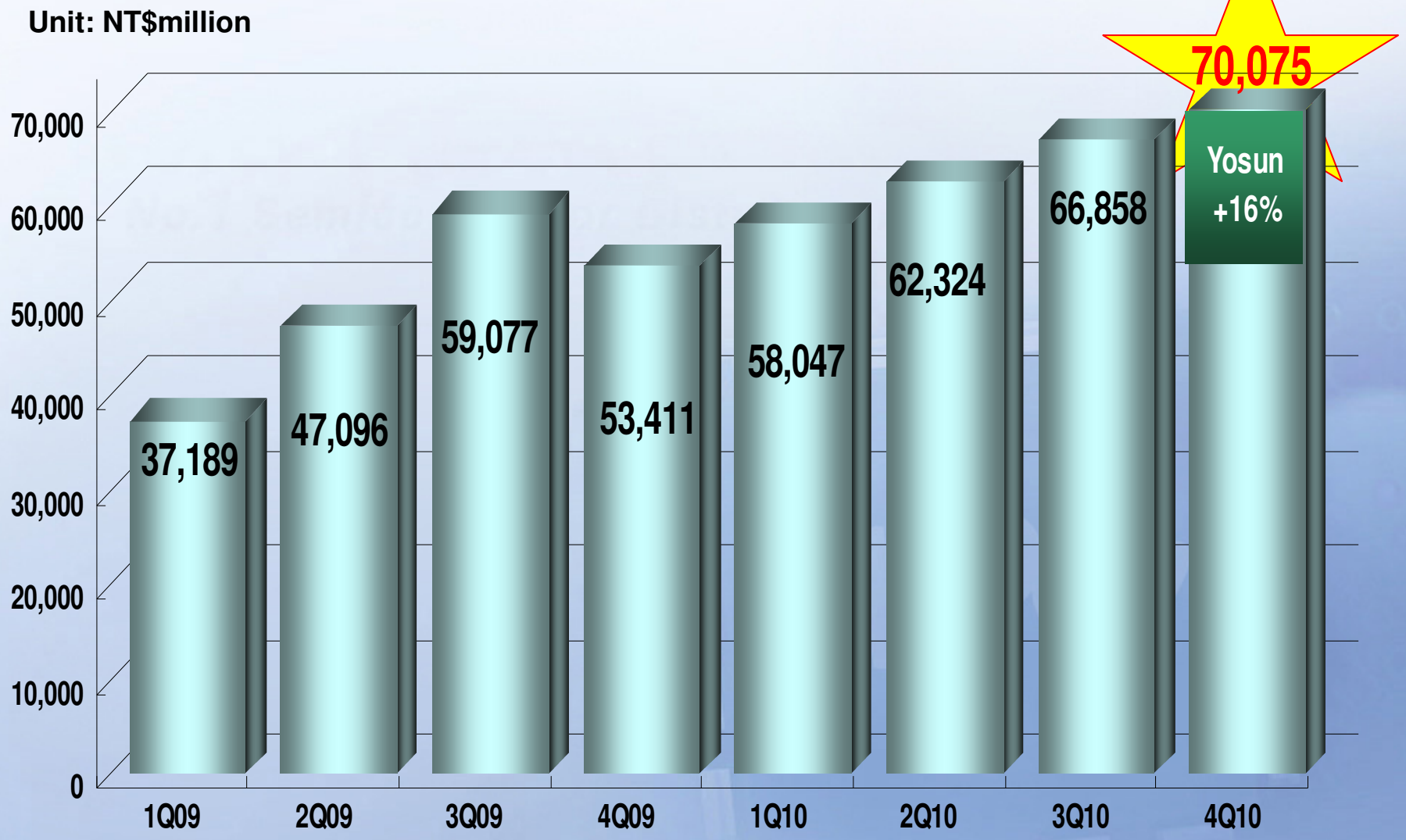
Cash Flows

Unit:NT$million

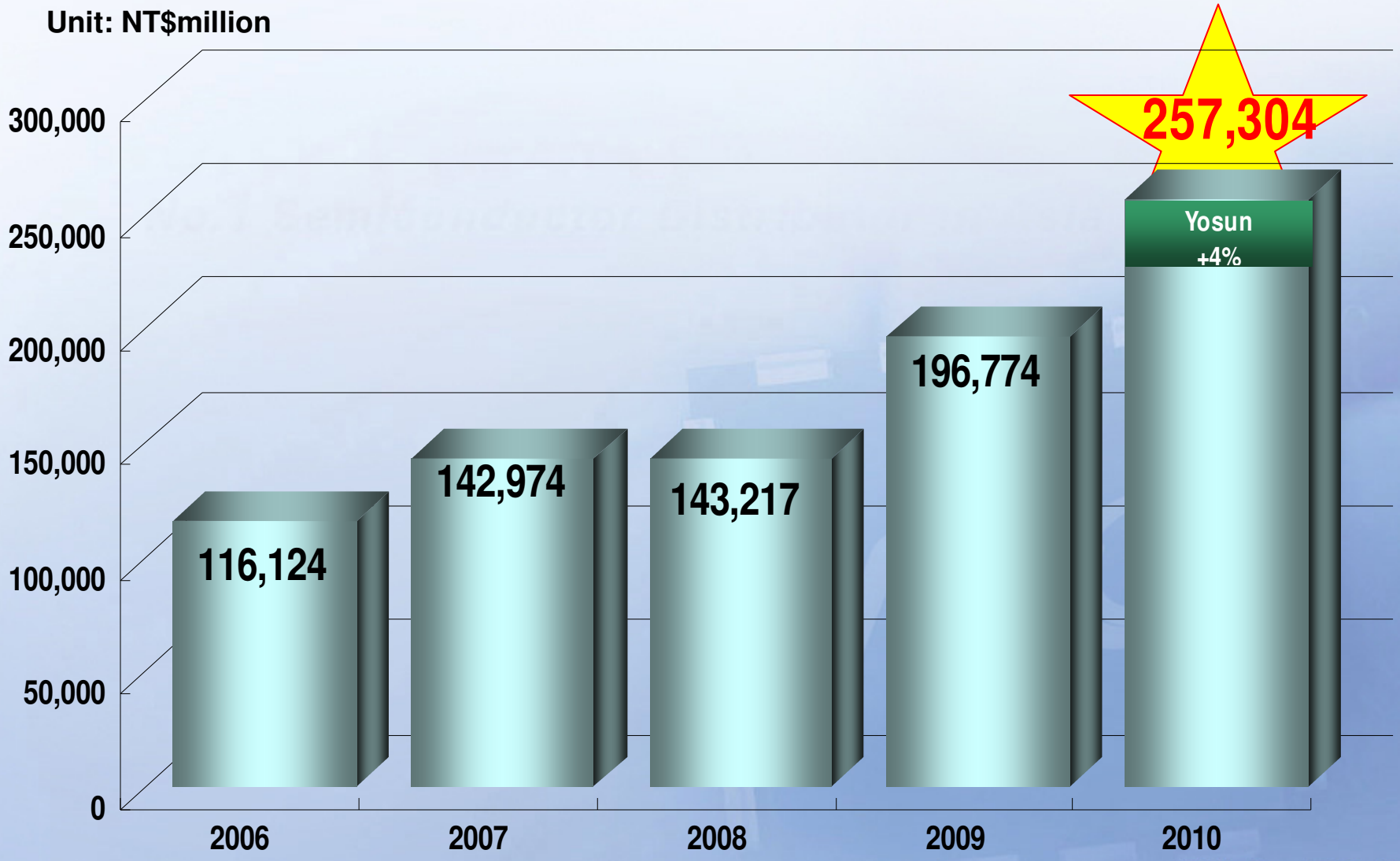
	2010	2009
-Net Income(1)	4,980	3,503
-Changes of NWC	(3,342)	(2)
-Adjustment & Others	172	(460)
From Operation	**1,810**	**3,041**
-Financial Instrument	715	1,029
-Capital Expenditure	-	(61)
-Others	(238)	57
From Investment	**478**	**1,025**
-Financial Debt	908	(2,527)
-Cash Dividends	(1,789)	(1,250)
-ESOP	5	28
-Others	(27)	(23)
From Financing	**(903)**	**(3,772)**
Effect on changes of consolidated subsidiaries	**1,923**	**703**
Cumulative translation adjustments	**(2,240)**	**(572)**
Net Cash Position Change	**1,068**	**425**
Ending Cash Balance	**7,582**	**6,514**

(1).Minority interest is included.

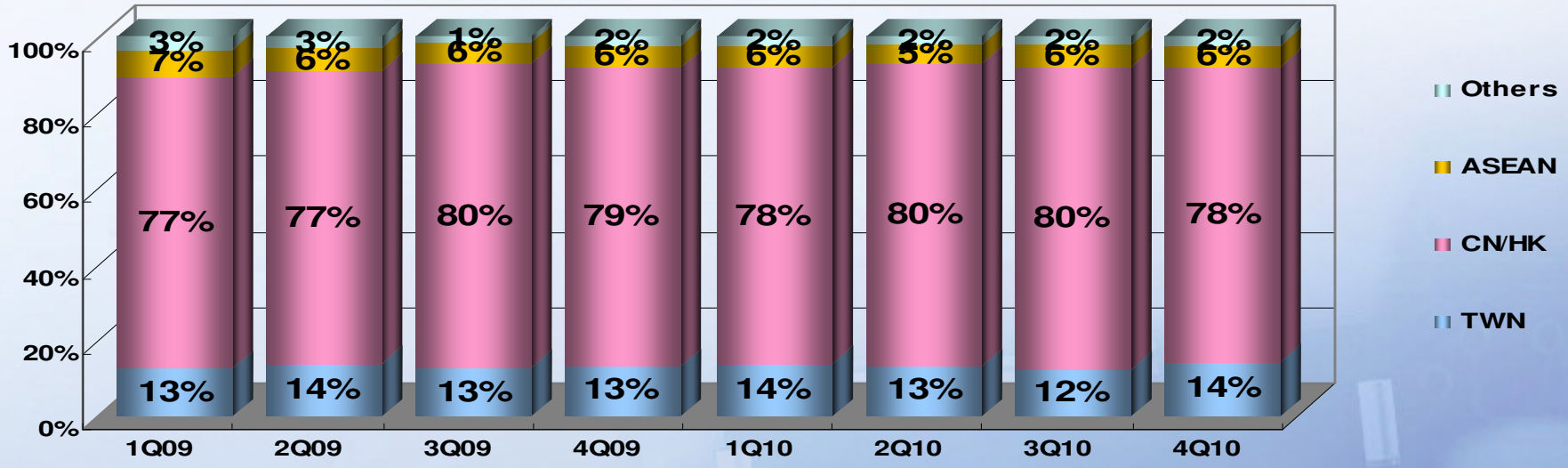
Consolidated Revenue

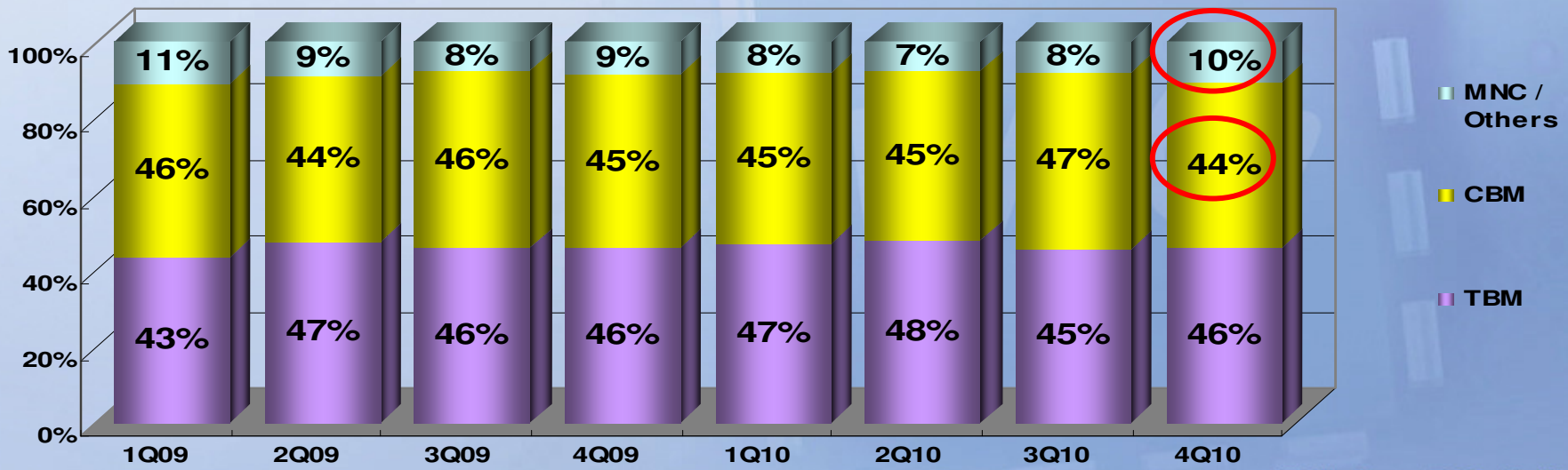


Consolidated Revenue



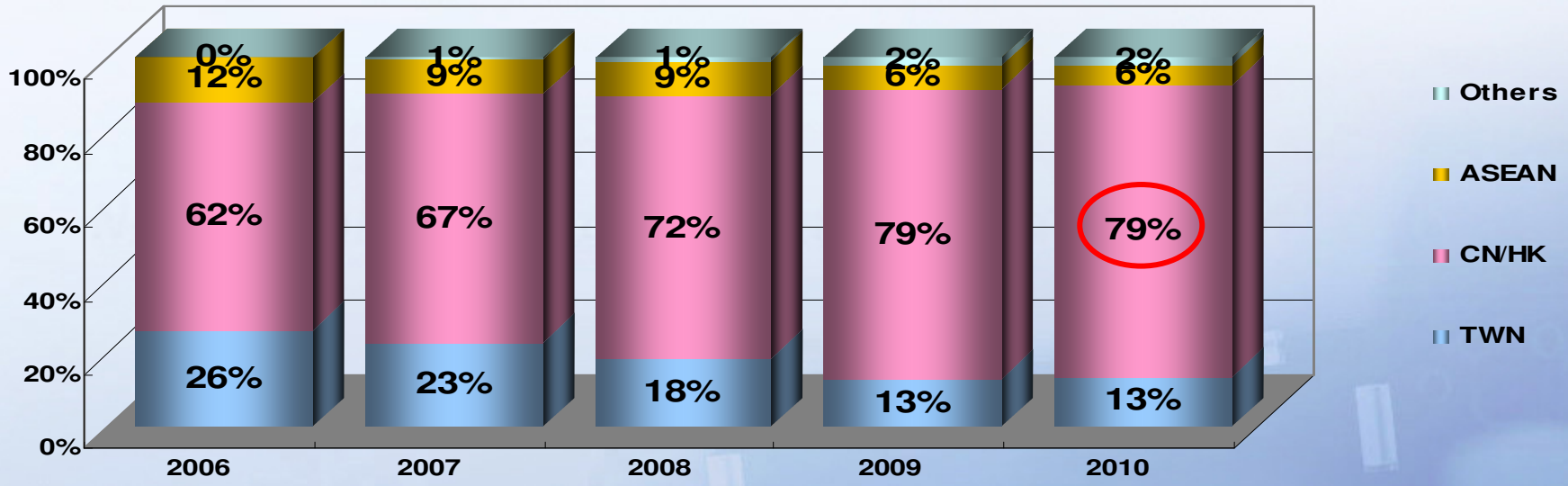
Sales breakdown by Geography/Customer

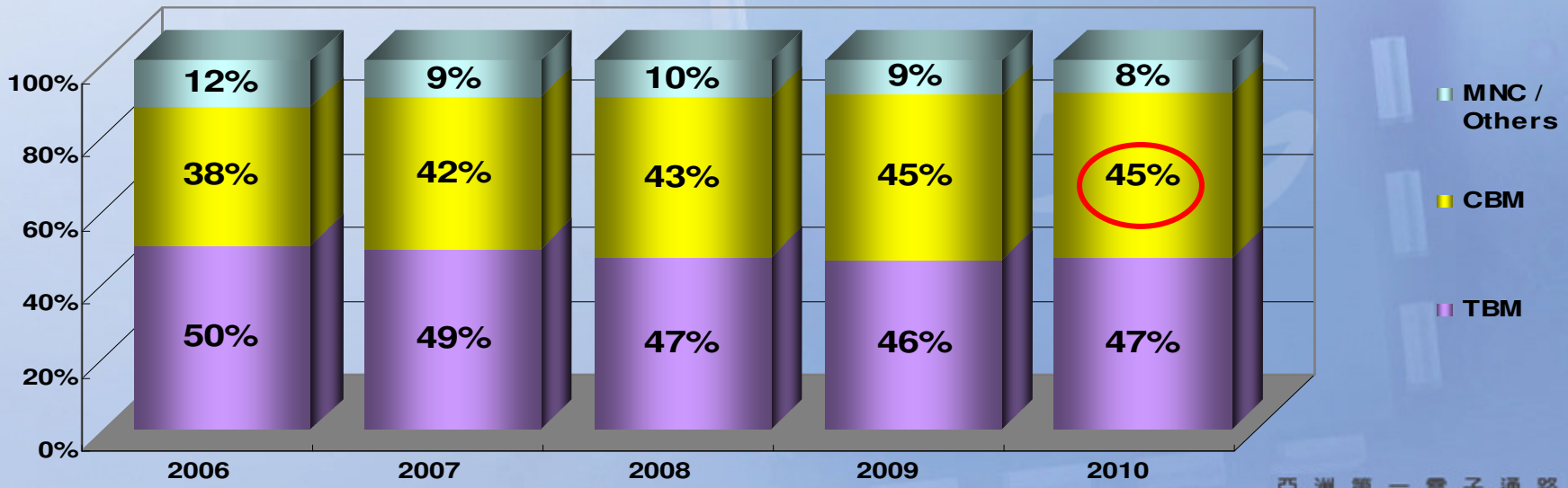




TBM：Taiwan-Based Customers
CBM：China Based Customers

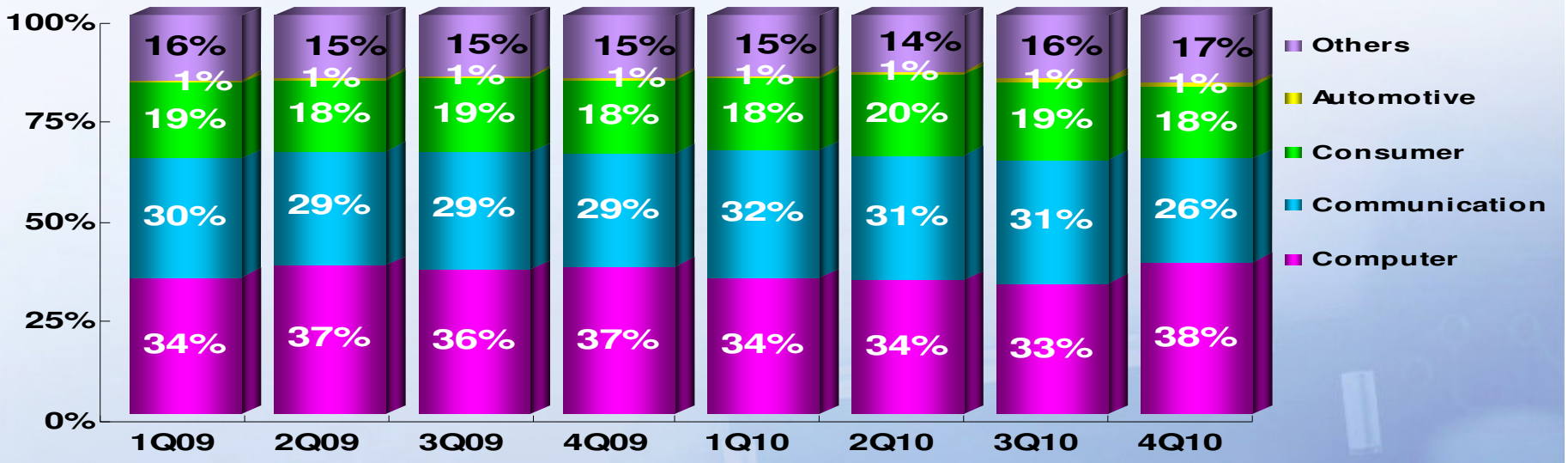
Sales breakdown by Geography/Customer

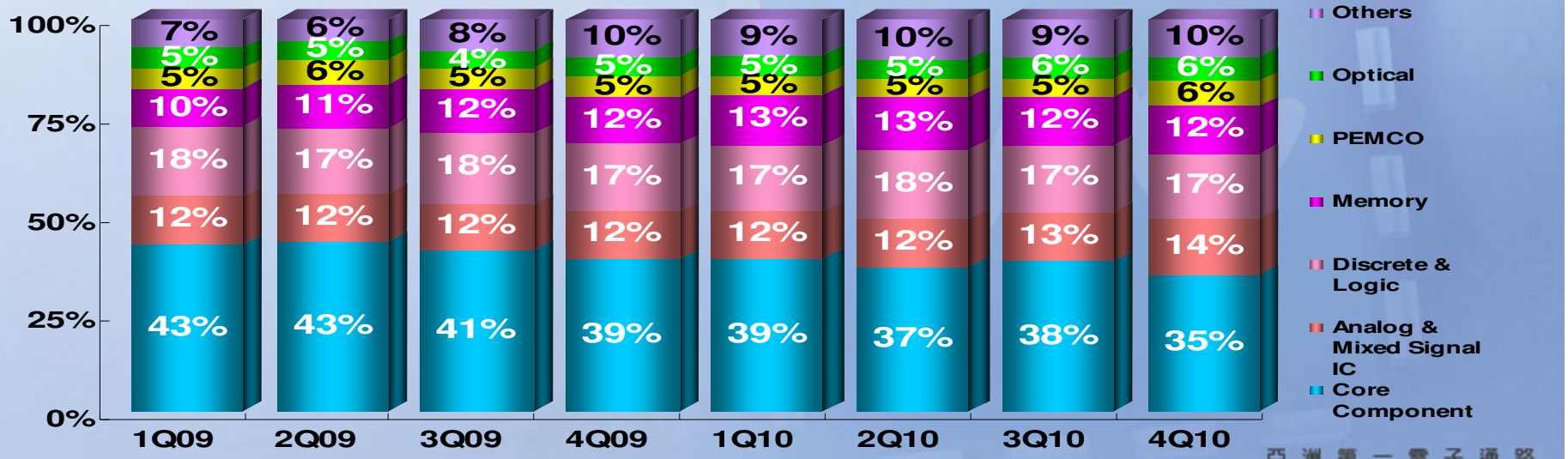




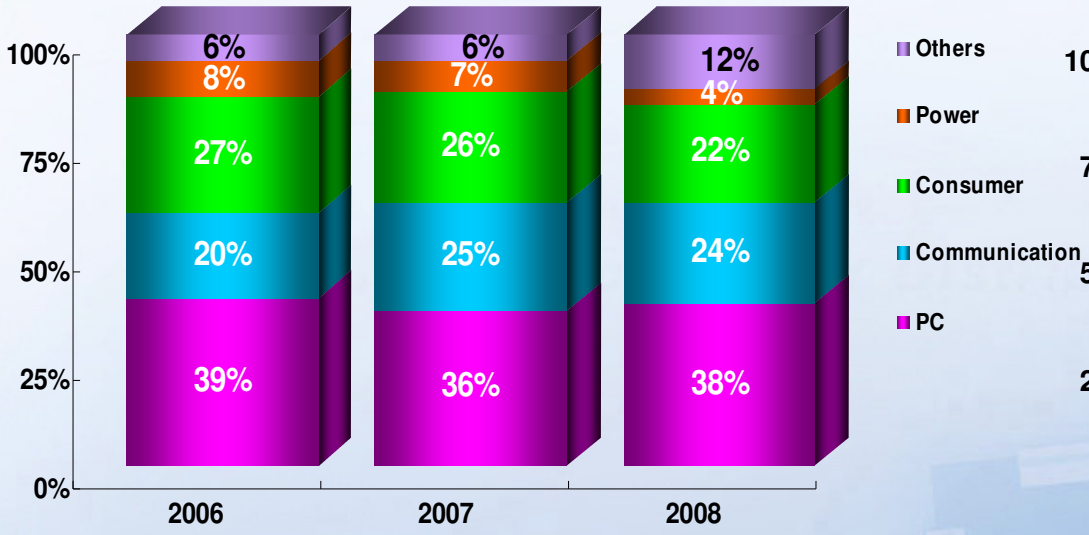
TBM：Taiwan-Based Customers
CBM：China Based Customers

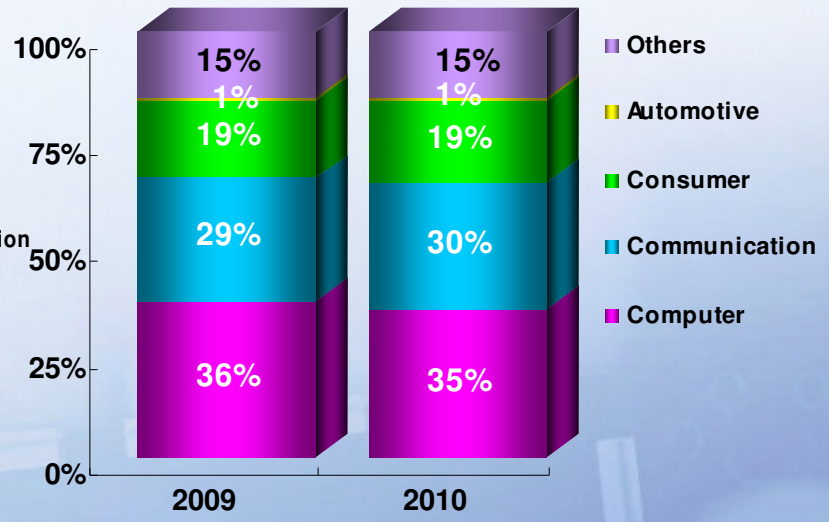
Sales breakdown by Application/ Device Type

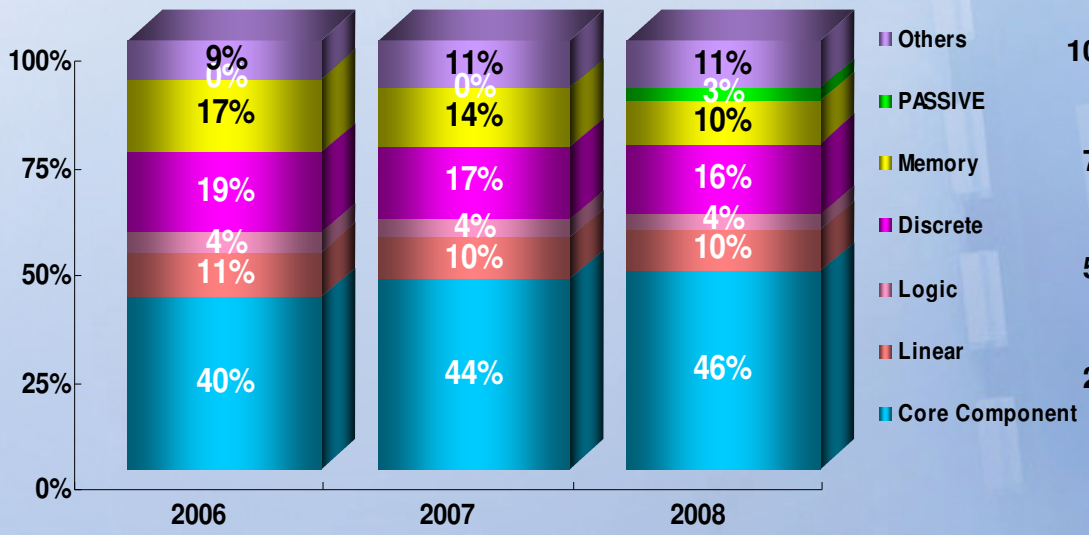


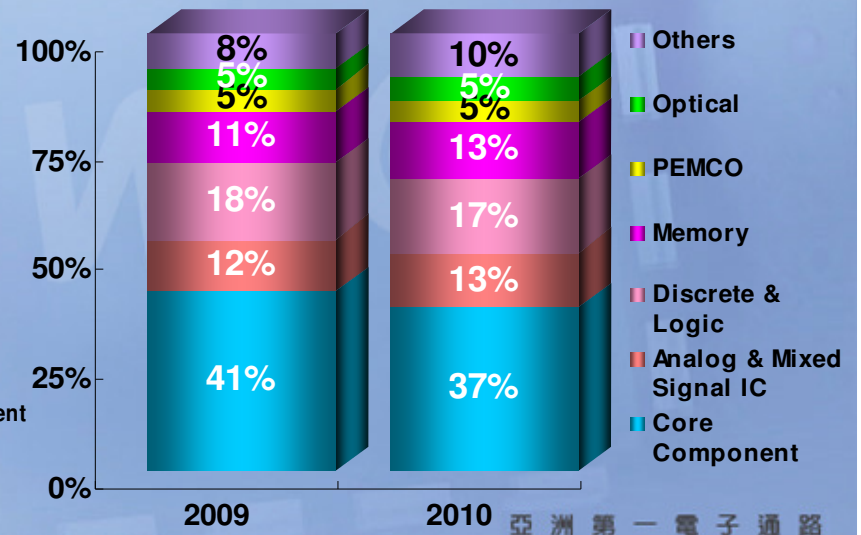


Sales breakdown by Application/ Device Type

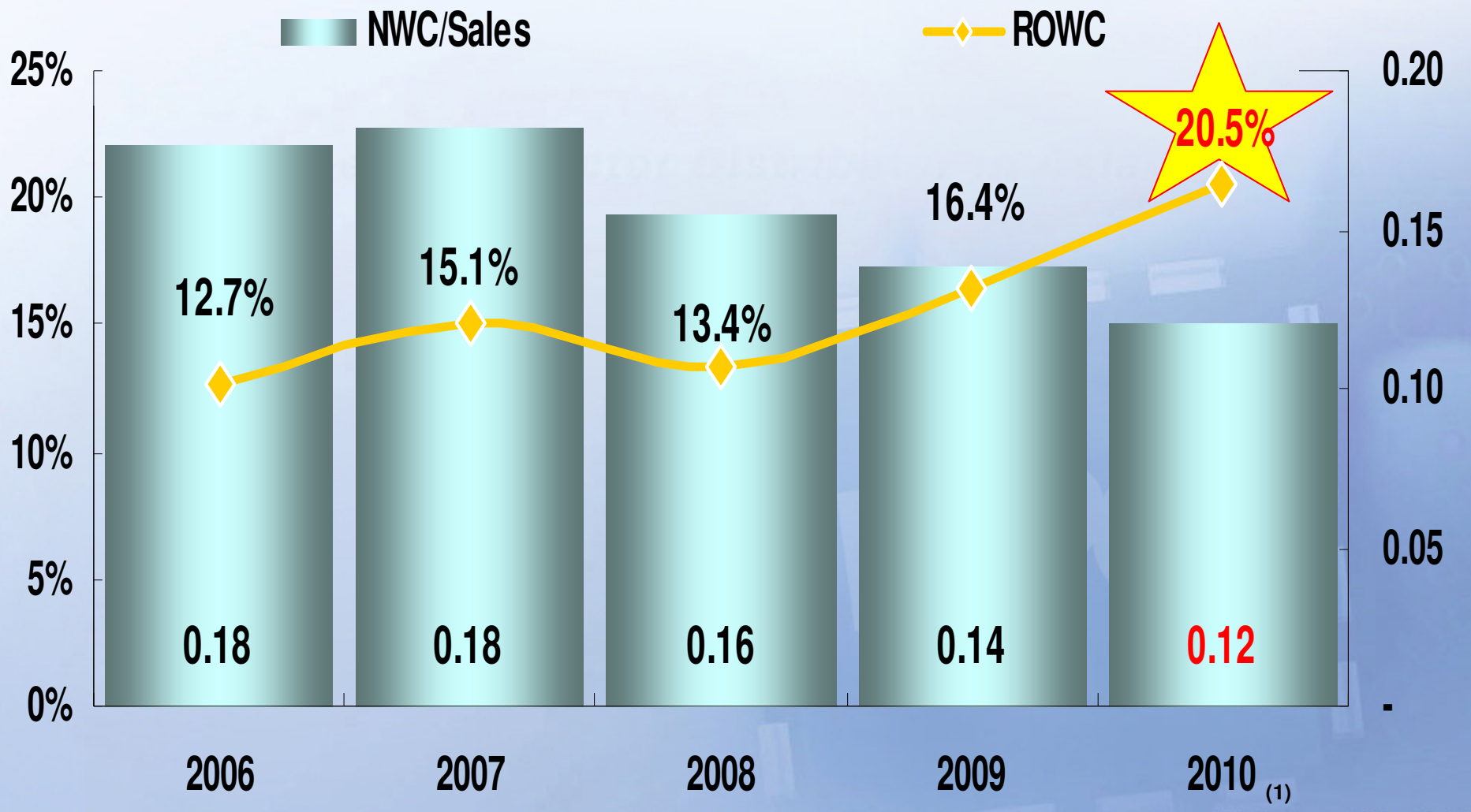






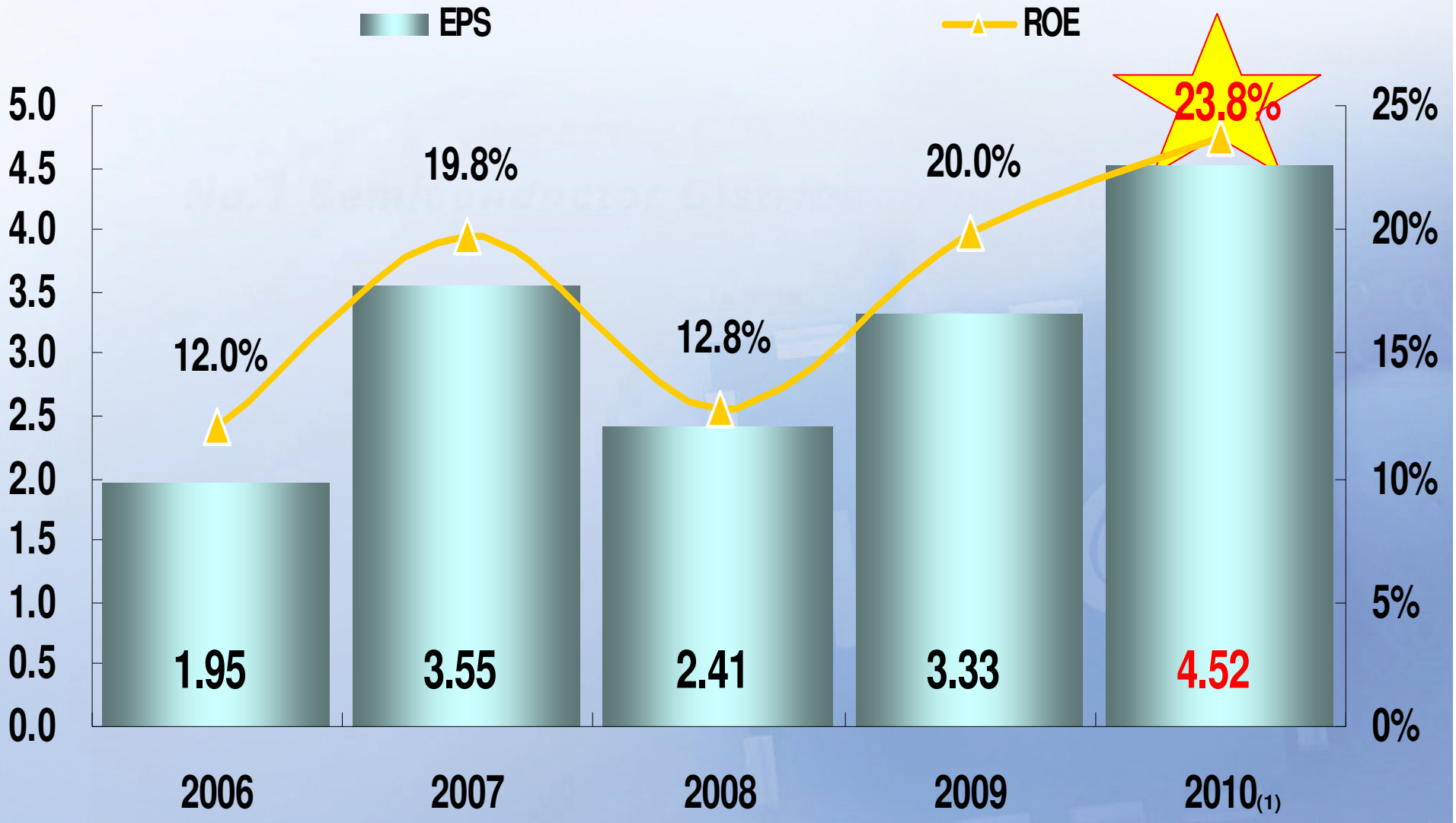


ROWC vs. NWC/Sales



Note 1：Annualized

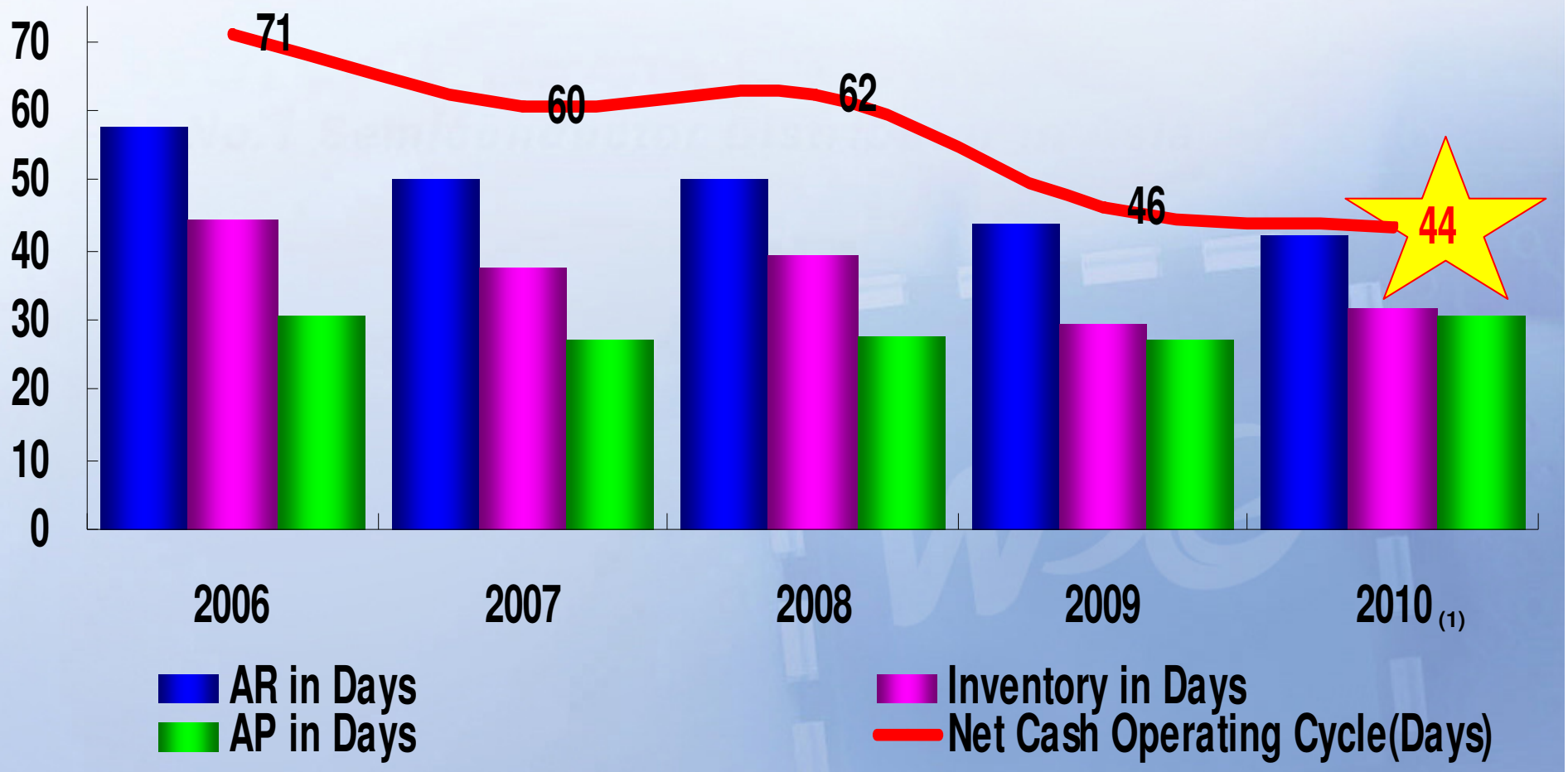
ROE vs. EPS



Note 1：Annualized

Gross Margin vs. Operating Margin

Operating Cash Cycle



Note 1：Annualized

1Q11 Guidance

Based on our current business outlook, management expects：

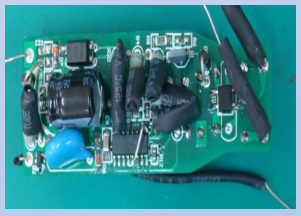
- **Revenues to be between NT$ 74 billion and NT$ 78 billion at a forecast FX rate of 29.1 NT dollars to 1 US dollar averaged over 1Q11.**
- **Gross profit margin to be between 5.3% and 5.5%**
- **Operating profit margin to be between 1.6% and 1.8%**

Recap of Recent Major Events

■ **45 Solutions Launched in 4Q10：**

▶ 力推适用于 LED TV 背光源解决方案	2010-12-29
▶ 推出 LED 应用最佳解决方案	2010-12-29
▶ 力推 LED 照明解决方案	2010-12-29
▶ 推出四个产线，多款 LED 照明方案	2010-12-29
▶ 力推高音質廣播技術系列產品	2010-12-01
▶ 推出平板電腦及電子書解決方案 優化成本 縮短開發週期	2010-10-20
▶ 力推全球最小加速感測器 於電子閱讀器應用	2010-10-20
▶ 推出領先業界 HQV™ MotionSMART™及 3D 處理器 FRC 解決方案	2010-10-20
▶ 推出新興閱讀介面之主、被動元件最佳元件解決方案	2010-10-20
▶ 力推藍光 Blue-ray DVD 電源管理 IC 讓您節省成本與空間	2010-10-20

▶ 推出車用影音系統 SSD 控制晶片	2010-12-01
▶ 力推藍牙晶片於車用娛樂裝置解決方案	2010-12-01
▶ 推出穩定、低成本的系列車載音頻播放器解決方案	2010-12-01
▶ 提出低功耗及高擴充性的 Car - PC 解決方案	2010-12-01
▶ 推出 Prima Car-Infotainment 解決方案 优化成本及缩短开发周期	2010-11-17
▶ 力推电动汽车解决方案	2010-11-17
▶ 推出领先业界高集成度低成本 AM/FM 接收器完整方案	2010-11-17
▶ 推出汽车电子应用之主被动元件最佳解决方案	2010-11-17
▶ 力推提供车用高能源效率解决方案	2010-11-17

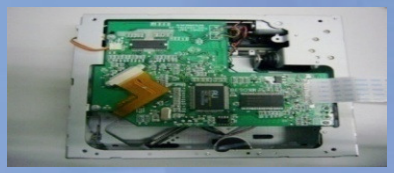


LED Lighting with Dimming

Car TV

GPS Solution

GPS

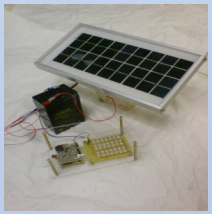


Car-CD MP3 Solution

Recap of Recent Major Events

- **45 Solutions Launched in 4Q10：**

▶ 力推近距感應及亮度感測 IC	2010-11-17
▶ 推出高階手機應用之主、被動組件最佳解決方案	2010-11-17
▶ 推出業界第一針對智慧手機內建運動處理 MPU-3000™系列產品	2010-11-17
▶ 推出一系列智慧型手機應用解決方案 滿足各式設計需求	2010-11-17
▶ 推出 OMAP™ 4 平台智慧型手機與 MID 方案	2010-11-17
▶ 推出双卡双待多媒体功能手机	2010-10-20
▶ 力推适用 TD-SCDMA 终端的 Solution	2010-10-20
▶ 力推客制化 3G 手机触控式面板解决方案	2010-10-20



Solar charging Beacon system

▶ 提出高效率、高省電及超低功耗的 POS 解決方案	2010-12-29
▶ 力推可信任安全平台模組(TPM)於 POS 整合方案應用	2010-12-29
▶ 推出 POS 銷售點管理系統最佳解決方案	2010-12-29
▶ 推出太陽能與電能計量之綠色節能解決方案	2010-12-15
▶ 力推應用於太陽能電池、燃料電池的低功耗 MPPT 解決方案	2010-12-15
▶ 推出世界最小可編輯線性式鋰電池充電晶片	2010-12-15
▶ 推出綠色節能之主、被動組件最佳解決方案	2010-12-15
▶ 力推創新電源管理解決方案能提供最高效率的控制器和電壓調節模組	2010-12-15
▶ 提出电动车多节电池组系统智能电池技术提供保护与管理	2010-12-15
▶ 力推太阳能控制器	2010-12-15
▶ 推出可程式逻辑控制解决方案提供高精密度控制	2010-12-01
▶ 推出系列 MCU 的医疗用多参数监护仪解决方案，满足高中低端监护仪产品的应用	2010-12-01
▶ 推出視訊 SoC 爲視訊監控與視訊通訊提供業界最佳嵌入式視訊效能	2010-11-03
▶ 力推業界最高效能 DVR/ IP Camera 監控 IC	2010-11-03
▶ 推出監控影像感測器 實現高畫質高感光性效果	2010-11-03
▶ 推出安全監控系統之主、被動元件最佳解決方案	2010-11-03
▶ 力推視訊監控應用產品線 多通道解碼器 帶來業界最低的功率消耗	2010-11-03
▶ 力推高清多路 DVR/NVR 解決方案	2010-11-03

Recap of Recent Major Events

- **New Franchise in 4Q10：**

  BlackSand™ TECHNOLOGIES - solutions for the wireless industry by combining sensitive analog and powerful digital circuits in silicon.

- **Closing announcement of YOSUN acquisition (2010/11/15)**

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