



Leading
Global Communications
SEMICONDUCTORS



WIN Semiconductors

Wireless • Information • Networking

3Q 2014 Investor Conference

November 2014

Safe Harbor Notice



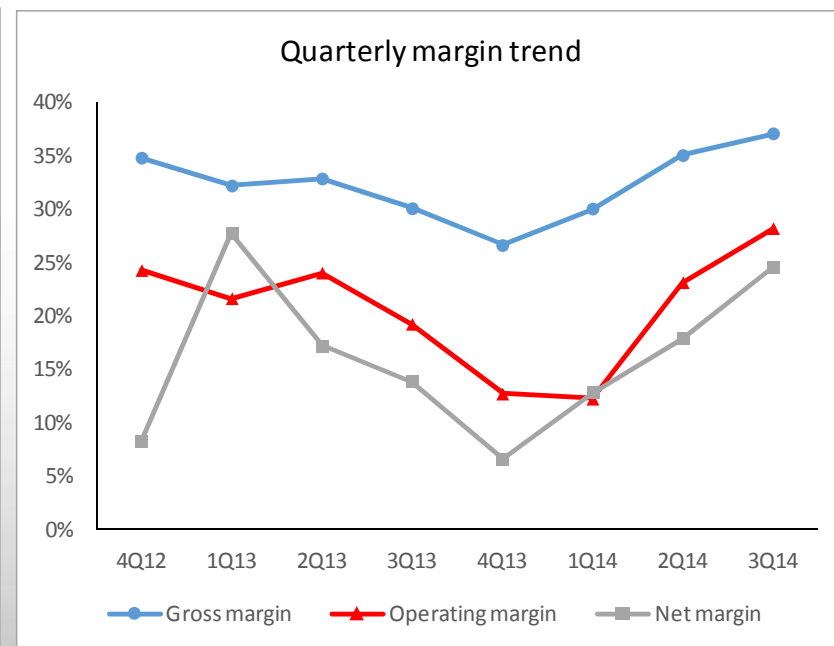
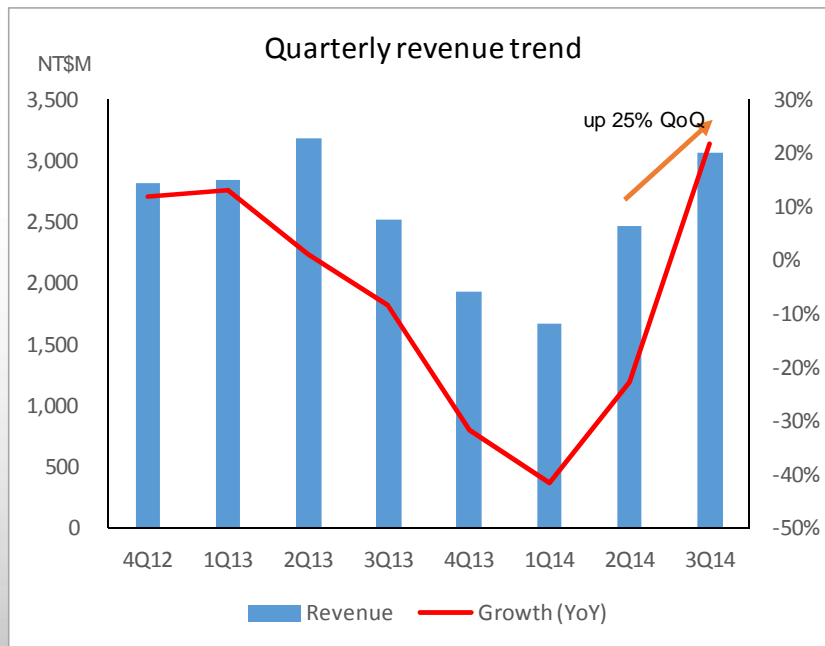
- *This presentation contains certain forward-looking statements that are based on current expectations and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements.*
- *Except as required by law, we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.*

Quarterly Results & Guidance

Revenue & Margin Trend



- 3Q14 revenue continued strong recovery of 25% QoQ thanks to customers' strong inventory pull.
- GM/OPM improved 2.0pp/5.1pp respectively to record high of 37.0%/28.2% on the back of top-line recovery and our continued improvements in efficiencies.

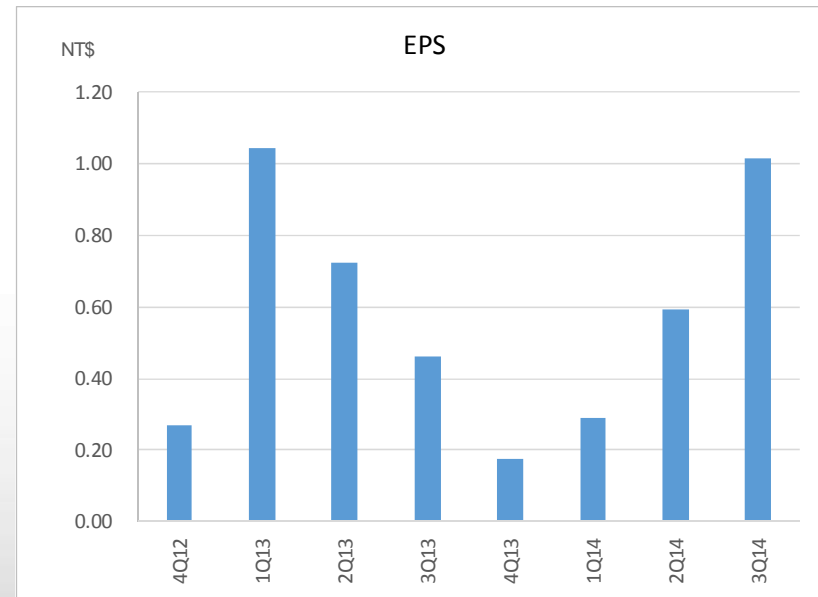
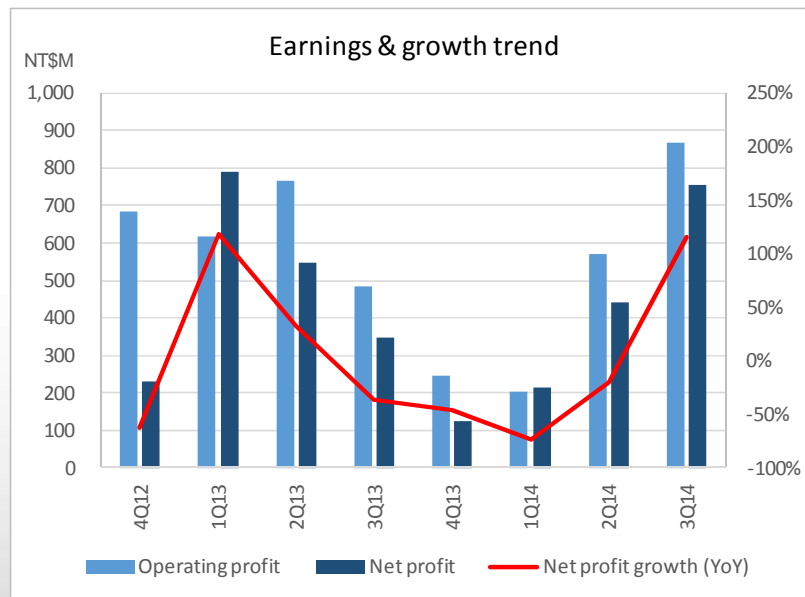


Source: company.

Earnings Trend



- Net profit for 3Q14 rose 71% QoQ to NT\$753 million, with YoY growth further improving to 116%.
- EPS for 3Q14 was NT\$1.02, up 73% from NT\$0.59 in 2Q14.

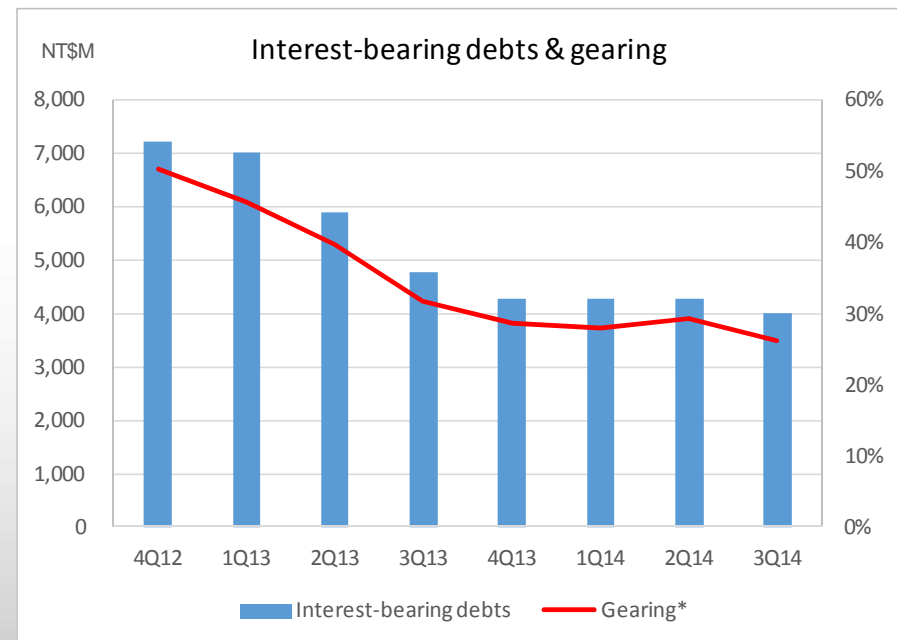
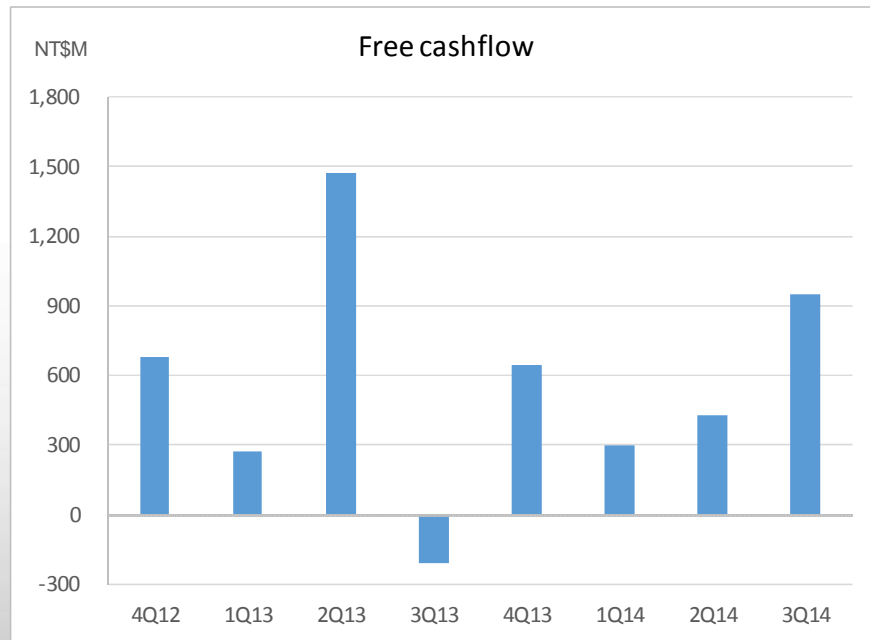


Source: company.

FCF & Gearing Trend



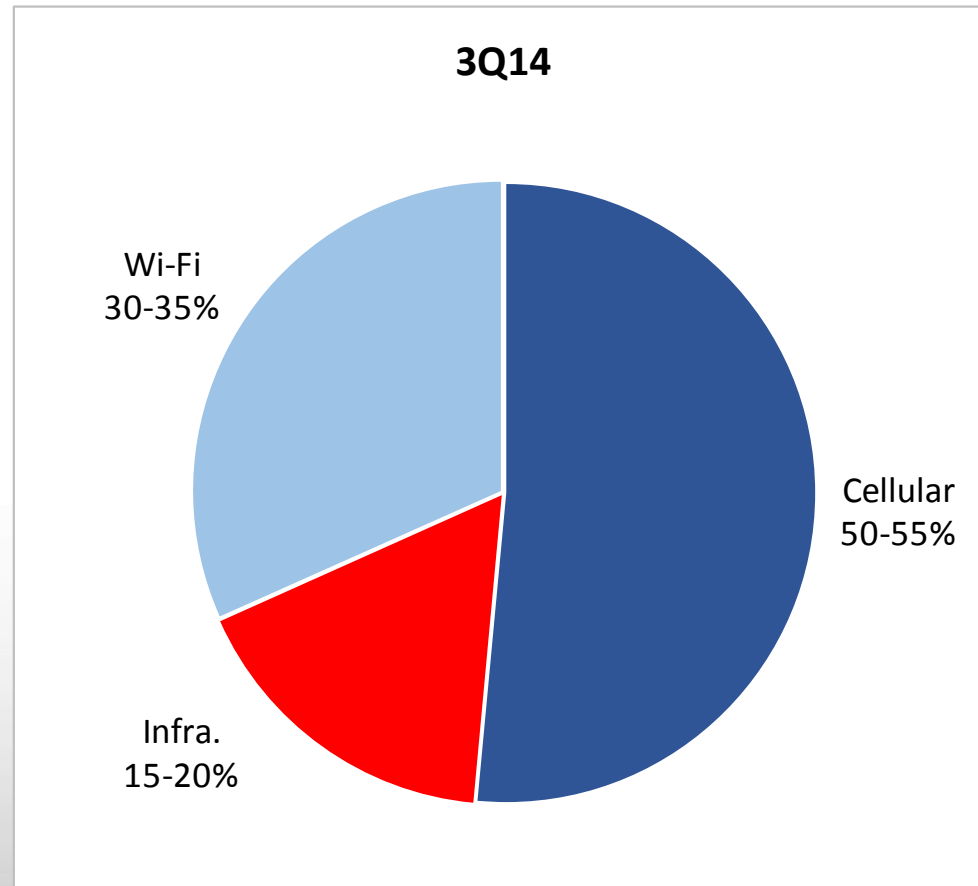
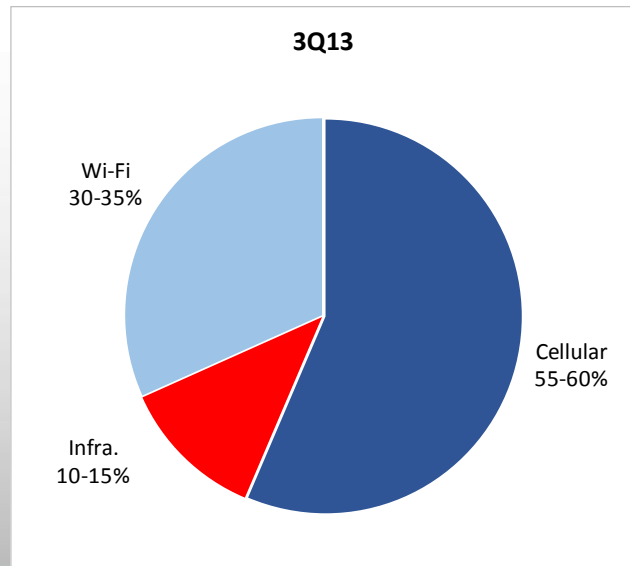
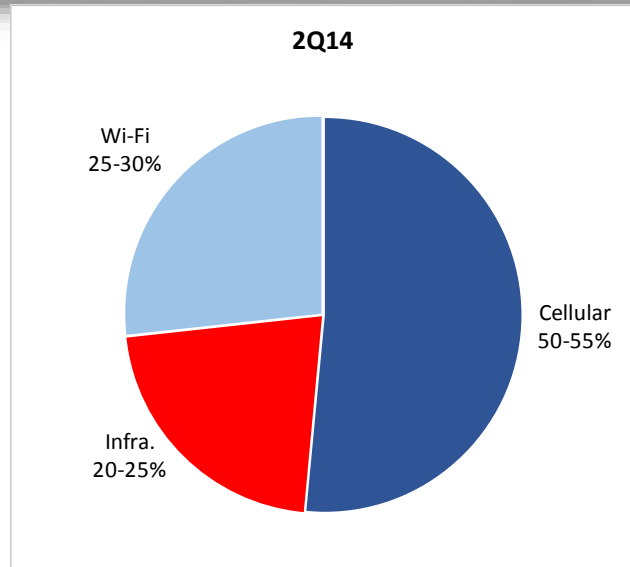
- Free cashflow (FCF) continued to be positive for the past 4 quarters as a result of our rigid control on capex and improvements in efficiency.
- Interest-bearing debts fell below NT\$4bn and gearings declined to historical low since listing, indicating our solid balance sheet position.



* Gearing = interest-bearing debts / equity

Source: company.

Product Mix



Source: company.

- We expect the fourth quarter to be the 2nd highest for the year in terms of revenue and net profit, although down on a QoQ basis owing to normal seasonality.
- Ongoing and consistent efforts in product diversification should support 4Q gross margins to come in no lower than 2Q14.

Financial Summary

Consolidated Statements of Comprehensive Income - Quarterly



Unit: NTD Million	3Q'13	2Q'14	3Q'14	QoQ	YoY
Net revenue	2,523	2,461	3,069	+25%	+22%
Gross profit	758	862	1,137	+32%	+50%
<i>Gross margin (%)</i>	30.0%	35.0%	37.0%		
Operating expenses	(273)	(293)	(271)	-7%	-1%
<i>Operating expenses rate (%)</i>	-11%	-12%	-9%		
Operating income	485	569	865	+52%	+78%
<i>Operating margin (%)</i>	19.2%	23.1%	28.2%		
Non-operating incomes and expenses	(31)	6	24		
Income before income tax	453	575	889	+55%	+96%
Income tax expense	(105)	(135)	(136)		
Net income	349	440	753	+71%	+116%
<i>Net margin (%)</i>	13.8%	17.9%	24.5%		
EPS (NT\$)	0.46	0.59	1.02	+73%	+122%
Other comprehensive income, net	(49)	(4)	(74)		
Comprehensive income	300	436	680	+56%	+126%
Annualized ROE(%)	9%	12%	20%		
Approx. Utilization (%)	80%	70%	90%		
Depreciation	450	462	465		
CAPEX	1,277	131	92		

Consolidated Statements of Comprehensive Income - YTD



Unit: NTD Million	1-3Q'13	1-3Q'14	YoY
Net revenue	8,555	7,197	-16%
Gross profit	2,720	2,499	-8%
<i>Gross margin (%)</i>	31.8%	34.7%	
Operating expenses	(854)	(861)	+1%
<i>Operating expenses rate (%)</i>	-10%	-12%	
Operating income	1,865	1,638	-12%
<i>Operating margin (%)</i>	21.8%	22.8%	
Non-operating incomes and expenses	240	76	
Income before income tax	2,105	1,714	-19%
Income tax expense	(420)	(308)	
Net income	1,685	1,406	-17%
<i>Net margin (%)</i>	19.7%	19.5%	
EPS (NT\$)	2.23	1.90	-15%
Other comprehensive income, net	129	43	
Comprehensive income	1,814	1,449	-20%
Annualized ROE(%)	15%	12%	
Approx. Utilization (%)	70%	70%	
Depreciation	1,337	1,386	
CAPEX	2,353	455	

Non-operating Items



Unit: NTD Million	3Q'13	3Q'14	1-3Q'13	1-3Q'14
Foreign exchange gains (losses)	(13)	21	104	22
Gains (losses) on disposals of property, plant and equipment	-	-	307	(0)
Gains (losses) on disposals of investments	27	9	(377)	(44)
Gains on financial assets (liabilities) at fair value through profit or loss, net	7	(30)	393	103
Share of loss of associates and joint ventures accounted for using equity	(29)	(14)	(77)	(16)
Others	(24)	38	(108)	11
Total	(31)	24	240	76

Consolidated Balance Sheets



(Unit: NTD Million)	Major Item	2013/9/30		2014/6/30		2014/9/30	
		\$	%	\$	%	\$	%
	Cash and cash equivalents	2,823	13%	1,842	8%	1,965	9%
	Current financial assets at fair value through profit or loss	798	4%	2,142	10%	1,168	5%
	Current available-for-sale financial assets	534	2%	704	3%	704	3%
	Notes and accounts receivable, net	693	3%	856	4%	1,017	5%
	Inventories	1,642	7%	1,563	7%	1,642	8%
	Long-term investments	958	4%	1,179	5%	1,198	6%
	Net property, plant and equipment	14,103	64%	13,462	60%	13,181	61%
	Total Assets	21,986	100%	22,287	100%	21,650	100%
	Current liabilities	2,959		3,796		3,225	
	Long-term borrowings	3,721		3,724		2,938	
	Total Liabilities	6,861	31%	7,705	35%	6,353	29%
	Common stock	7,586		7,406		7,421	
	Total Equity	15,125	69%	14,581	65%	15,297	71%
	Book value per share (NT\$)	19.94		19.69		20.61	
	Key Indices						
	Current ratio (<i>Current assets / Current liabilities</i>)	225%		197%		220%	
	Debt ratio (<i>Total liabilities / Total assets</i>)	31%		35%		29%	

Q & A

For more information regarding WIN
www.winfoudry.com

For all inquiries, suggestions, and comments
ir@winfoundry.com

