win | SEMICONDUCTORS

Leading the Global Communication

WIN Semiconductors

Wireless • Information • Networking

Company Presentation

September 2013

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.

Outline

- ✓ Vision Statement
- ✓ The WIN Strategy
- ✓ Growth Drivers

Vision Statement

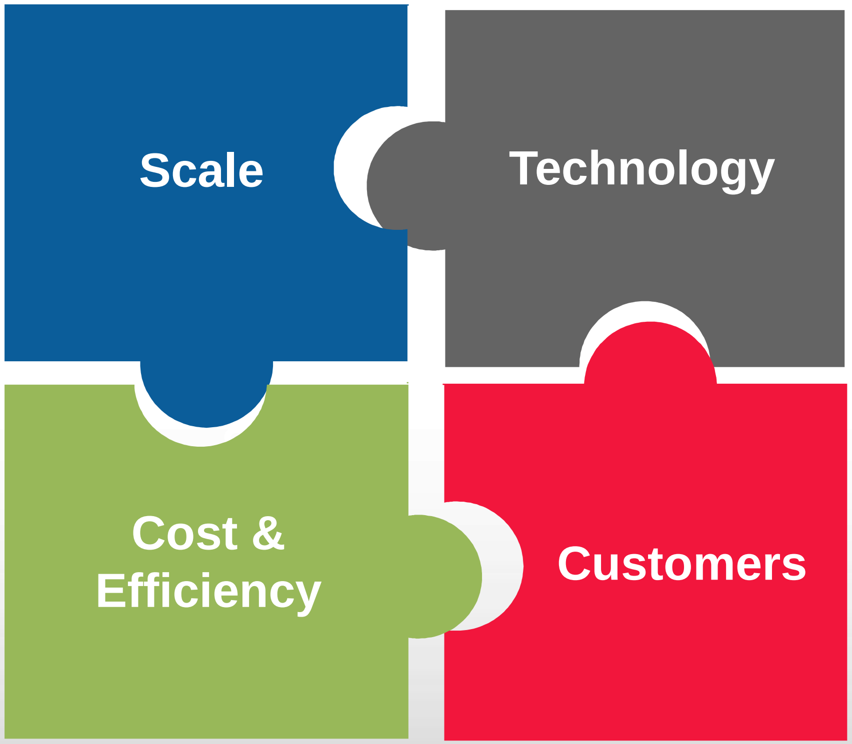
- We have achieved our goal of becoming the industry leader in the GaAs semiconductor foundry industry with 62% market share as of 2012.
- Our growth has been profitable. In the past five years, WIN Semi has delivered annual average top-line growth of 38% and bottom-line growth of 35%. ROE has averaged 13.5%.
- We continue to invest in capacity to retain our leading industry position, but remain focused on providing steady improvement in FCF generation.
- We continually strive to diversify our revenue base, increasing exposure to new rapidly growing device manufacturers and to new applications.

The WIN Strategy

WIN SEMICONDUCTORS

Invest in capacity to capture market growth and maintain leadership

Invest in technology to maintain competitive edge and penetrate into new markets

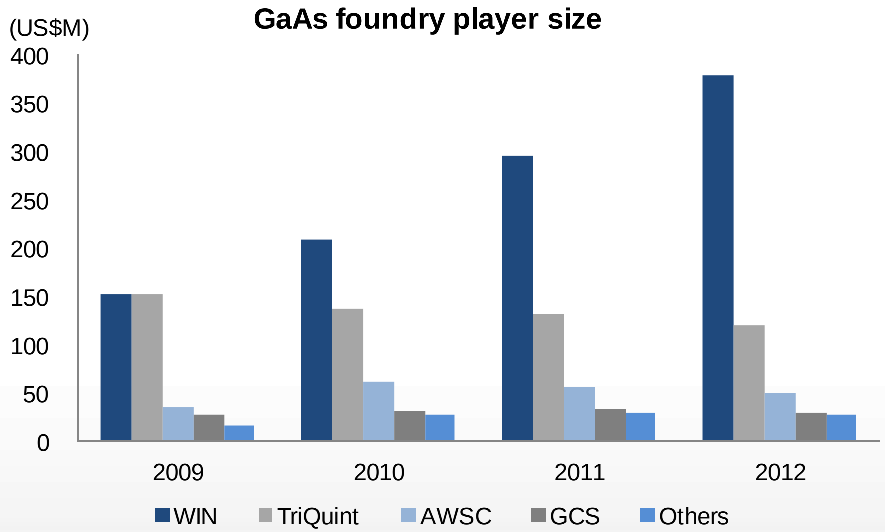


Leverage on technology and manufacturing expertise for continuous cost & efficiency improvement

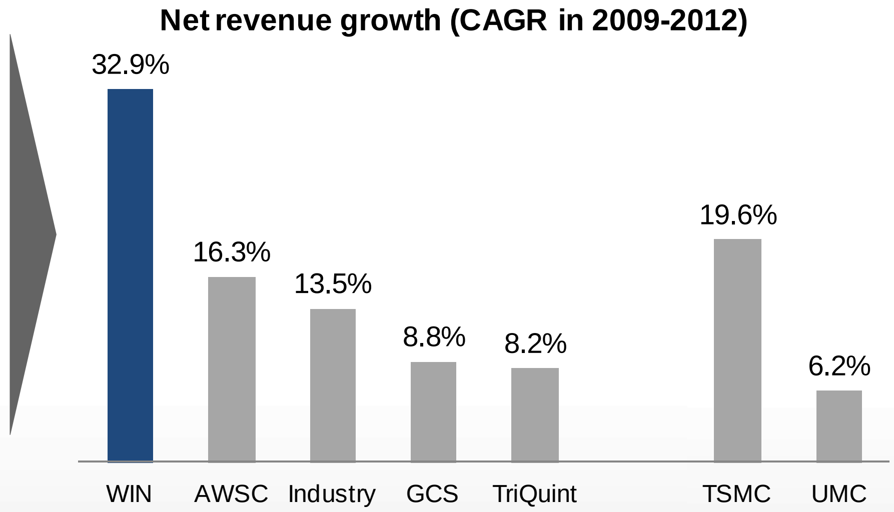
Grow and acquire new customer base in existing and new markets

Industry Leading GaAs Foundry with Strong Growth Momentum

Largest GaAs semiconductor foundry in the world



Fastest growing GaAs and foundry player



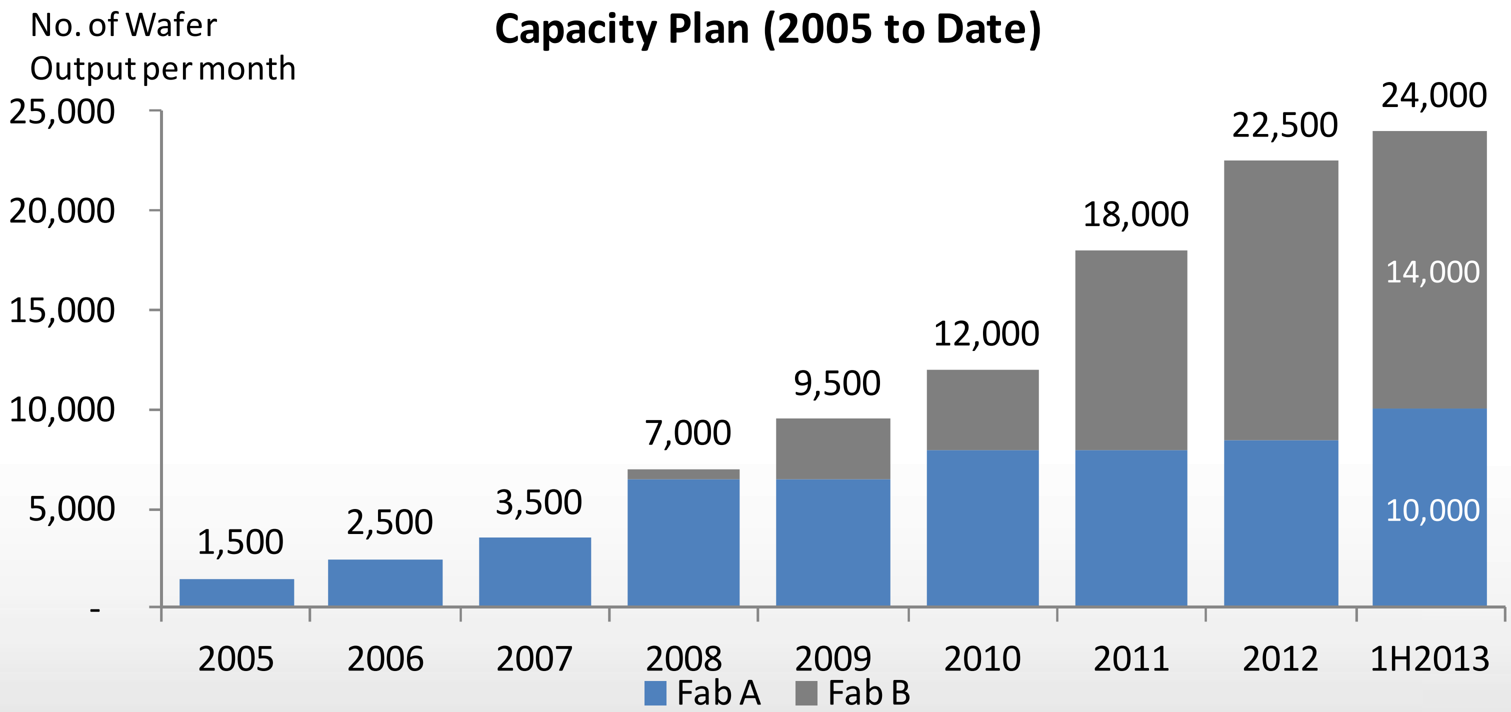
- ☑ Fastest growing semiconductor foundry with consistent share gains
- ☑ Ship approximately 2.2bn chips annually, accounting for 20% of worldwide demand
- ☑ Pure-play conflict-free model attracts both IDMs and fabless customers

Note 1: Industry growth represents GaAs foundry industry growth

Source: Strategy Analytics, Company filings, management estimates

Invest in Capacity to Capture Market Growth and Maintain Leadership

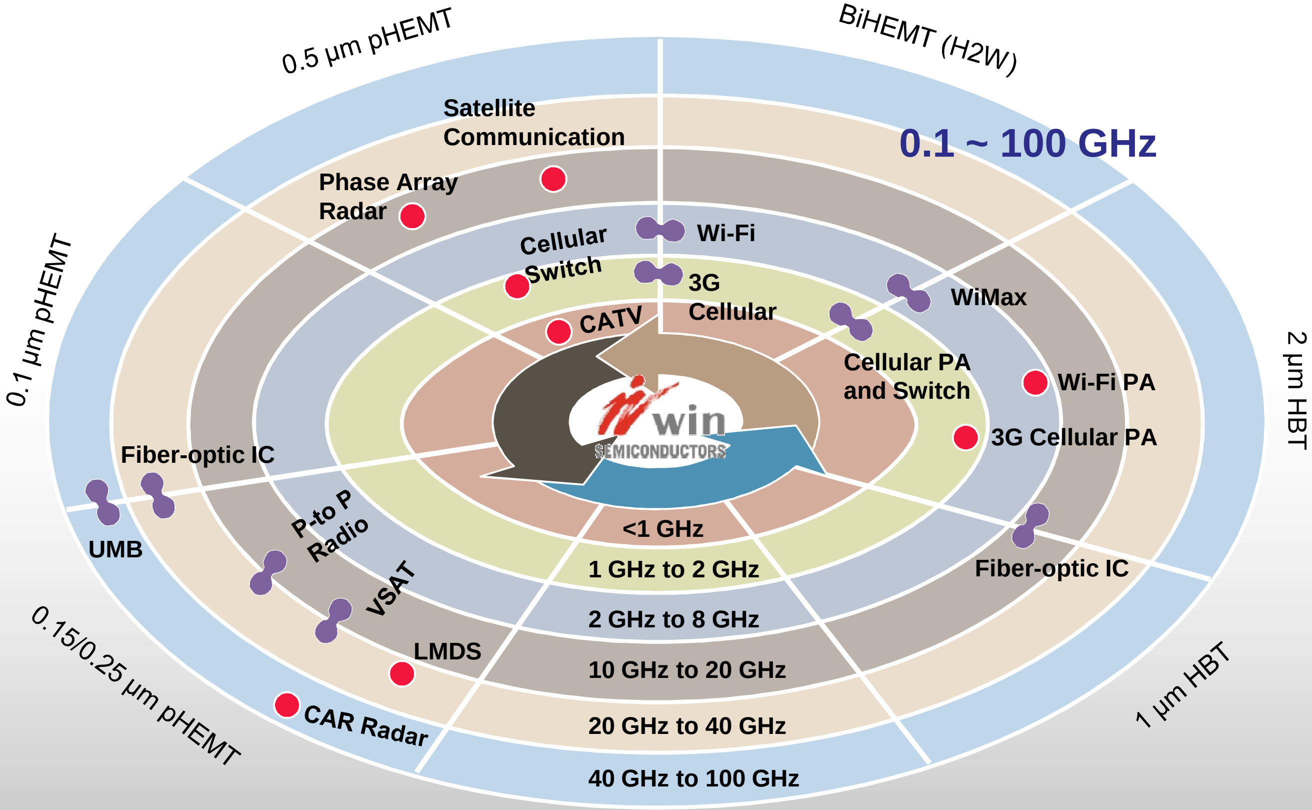
Largest manufacturing capacity among GaAs foundries in the world



- ☑ Installed capacity to reach 24,000 wafers per month in 1H2013
- ☑ Unparalleled manufacturing capacity a key competitive advantage to attract orders
- ☑ Continued trend of IDMs going fabless and fab-lite

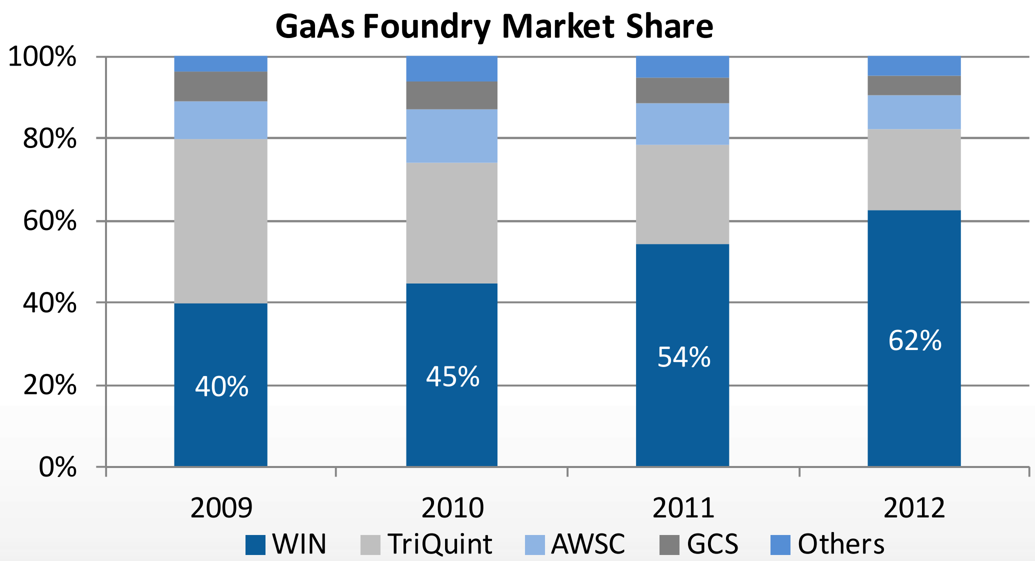
Broad Portfolio of Advanced Technologies

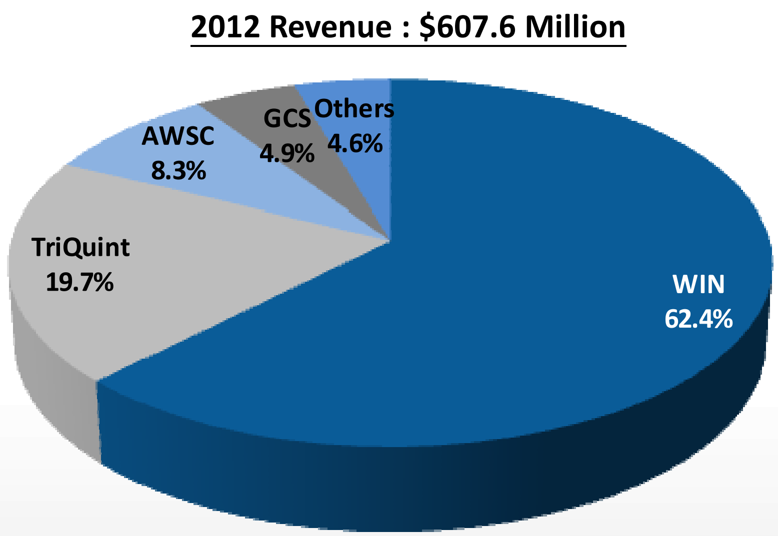
The most comprehensive technology portfolio in the industry enables customers to develop optimized products for a wide range of applications



- ☑ Dominant market share for high-performance HBT used in LTE PAs
- ☑ First and only foundry worldwide to commercially develop 0.1µm pHEMT on 6” GaAs wafer
- ☑ Industry leading 0.15–0.25µm pHEMT technology
- ☑ Leading BiHEMT technology for advanced integrated PA/switch chips
- ☑ Supports broad range of products such as PAs (from 50MHz–100GHz), switches, and fiber optic IC
- ☑ Developing GaN for high power devices (4G base station)

Partnering with WINning Customers

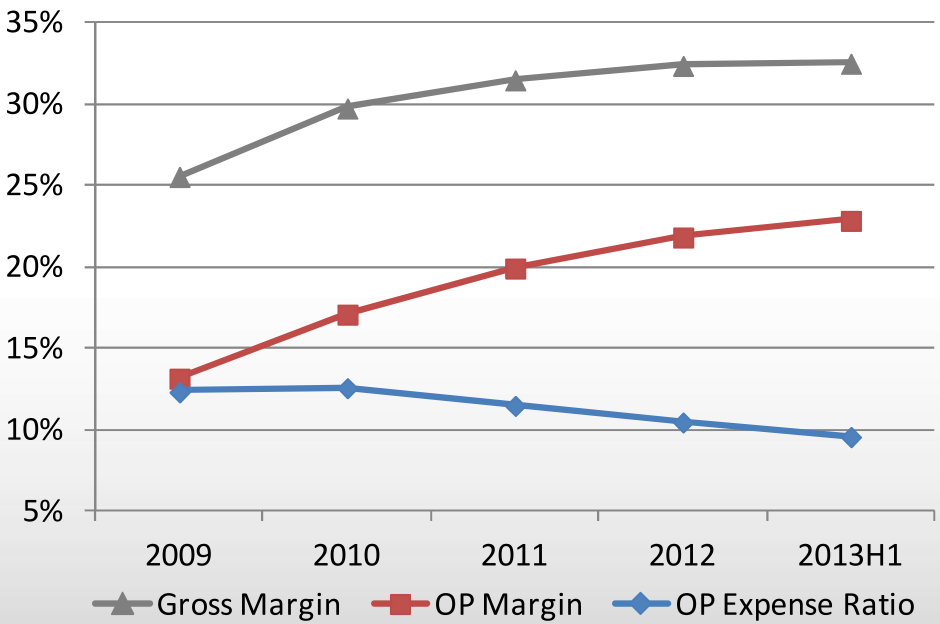


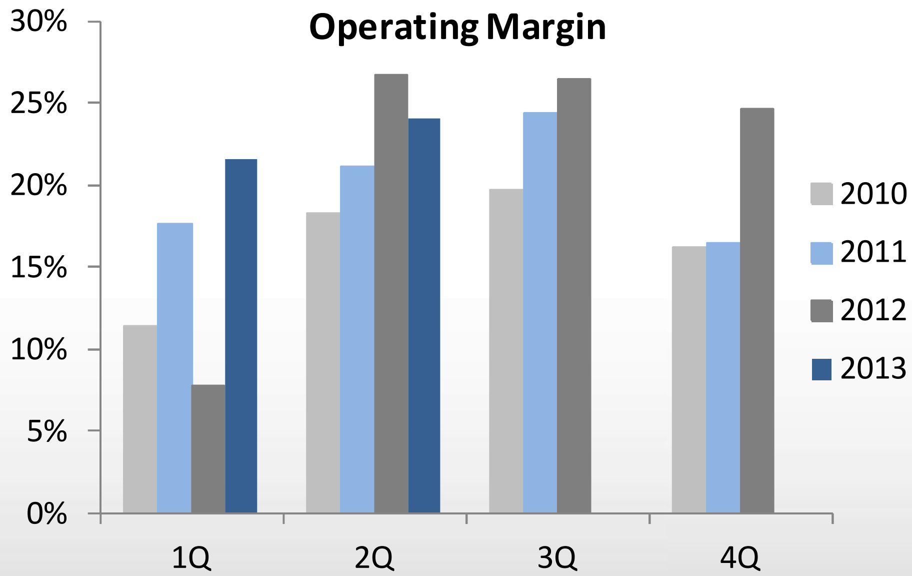


Source: Strategy Analytics 2013

Continuous Cost & Efficiency Improvement

Continuous Improvement in Operating Efficiency & Cost Control

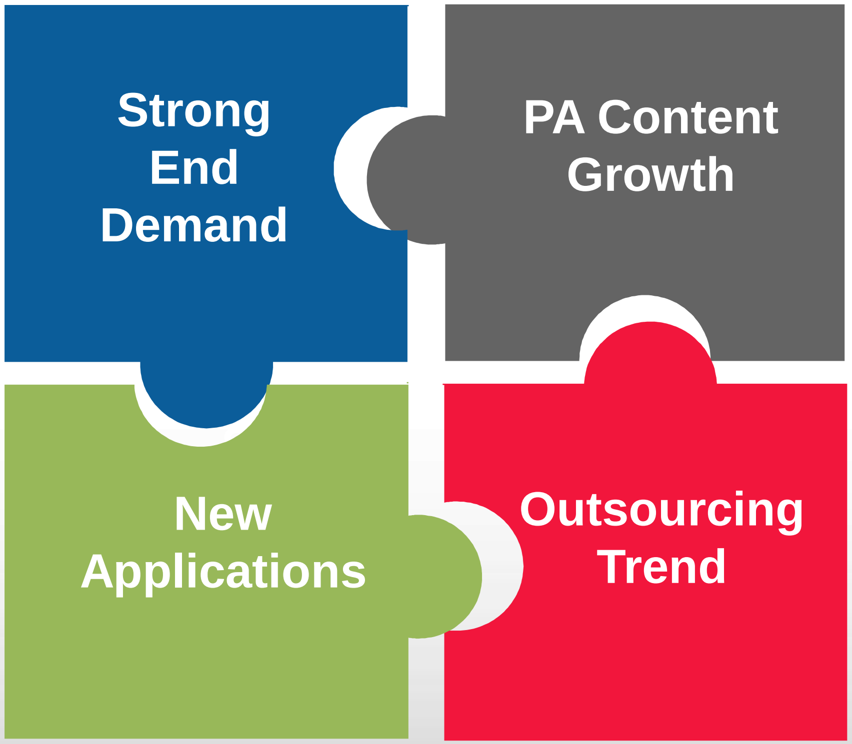




Growth Drivers

Increasing penetration of 4G LTE smartphones

GaAs content rises in both handset and Wi-Fi



Non-handset devices to drive future growth

Foundry taking share from IDM
Industry peers going fab-light

Three Strong End Markets

WIN plays in 3 LARGE and ATTRACTIVE end markets

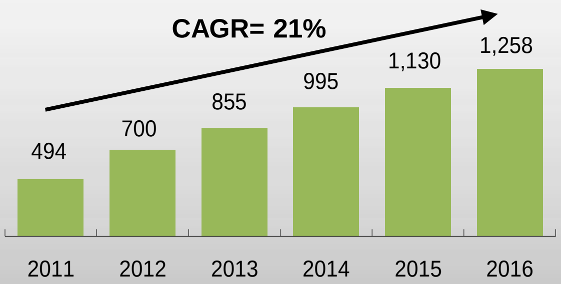
Handset

Wi-Fi
(WLAN)

Infrastructure

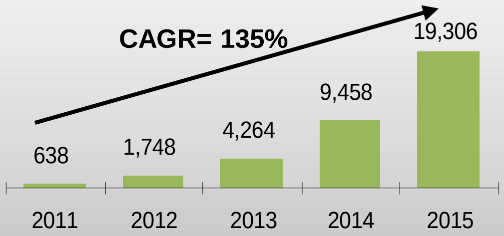
Strong growth continues in the smartphone market

Worldwide smartphone shipment (m units)



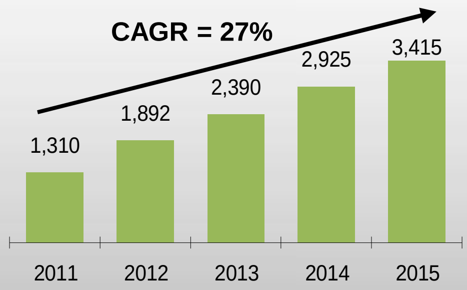
Cloud computing and content boost growth of data traffic

Mobile internet traffic (petabyte/month)



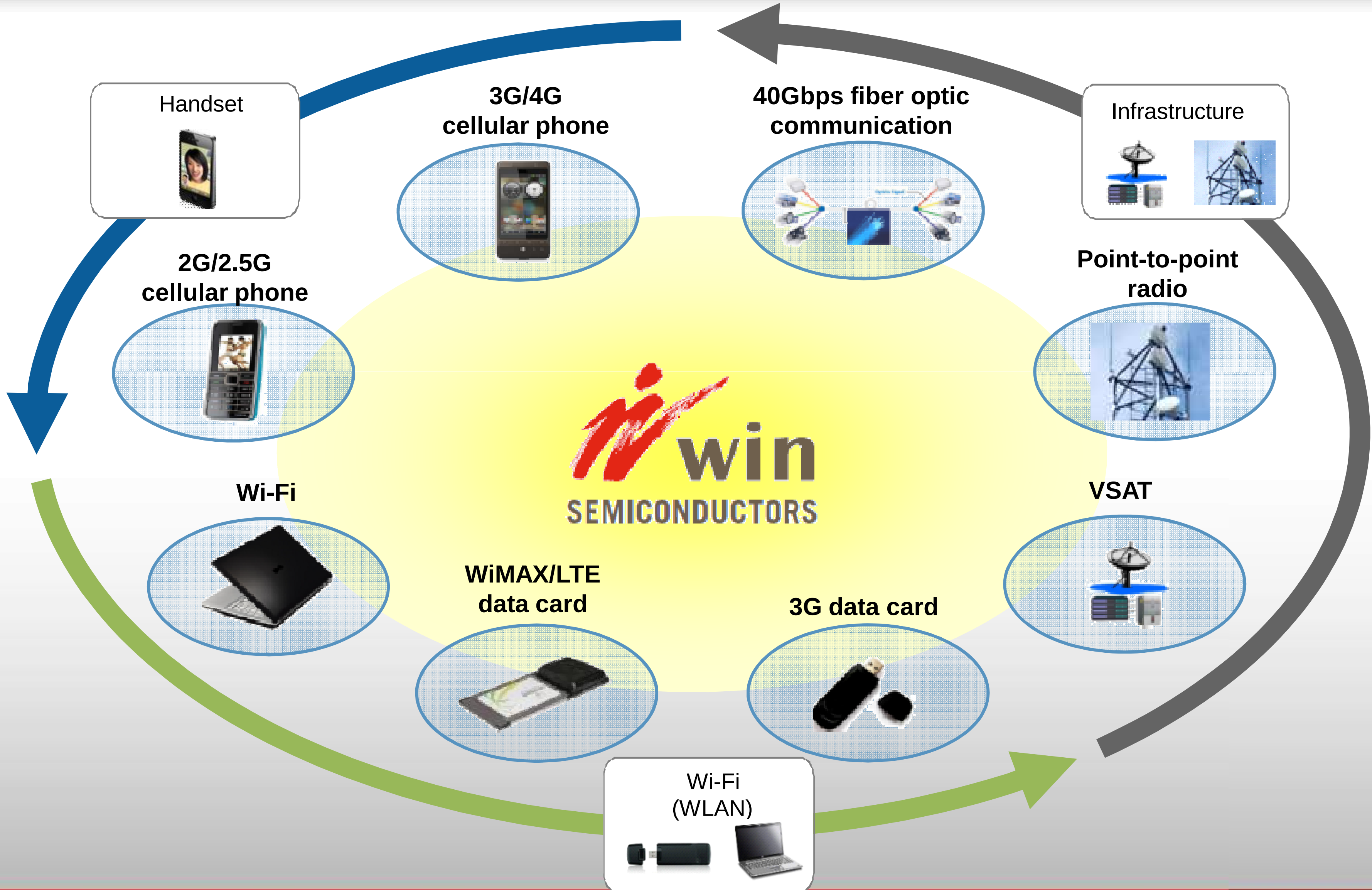
Double-digit growth driven by Wi-Fi in mobility devices and consumer electronics

Wireless LAN shipments (m units)



Source: IDC; Company data

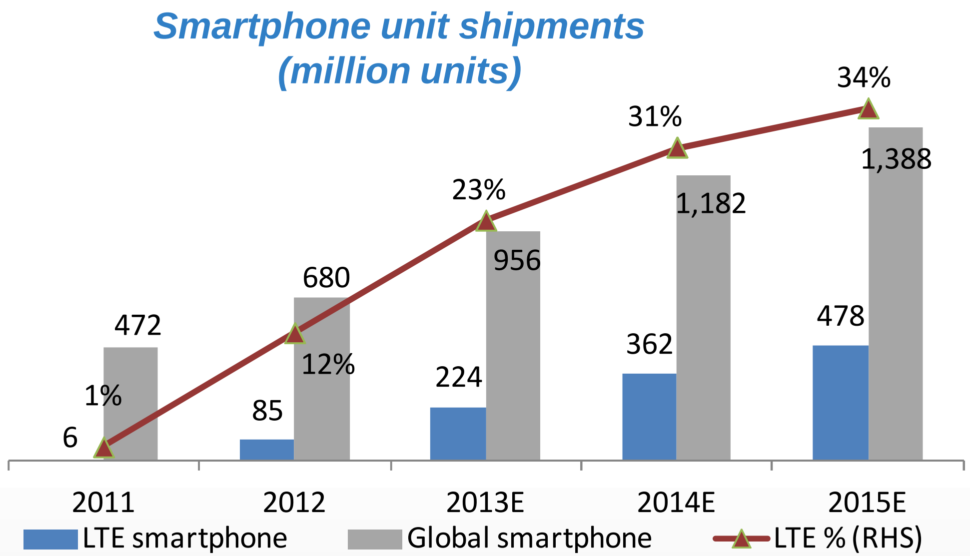
Compound Semiconductor Applications



LTE Smartphone Driving Demand

win SEMICONDUCTORS

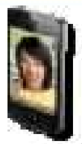
4G LTE Smartphone Penetration Forecast



Source: Goldman Sachs Research estimates

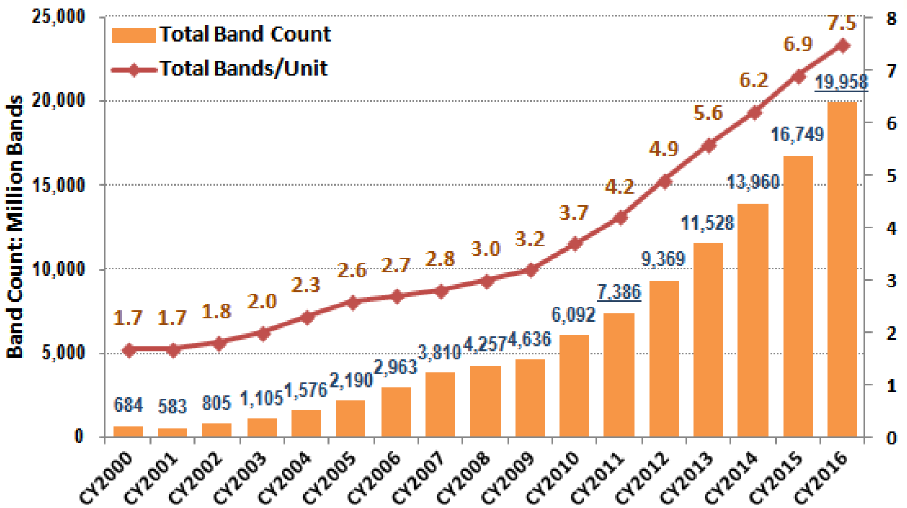
Rising GaAs PA Module Usage

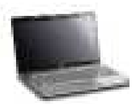
Increase in GaAs content per device



Handset

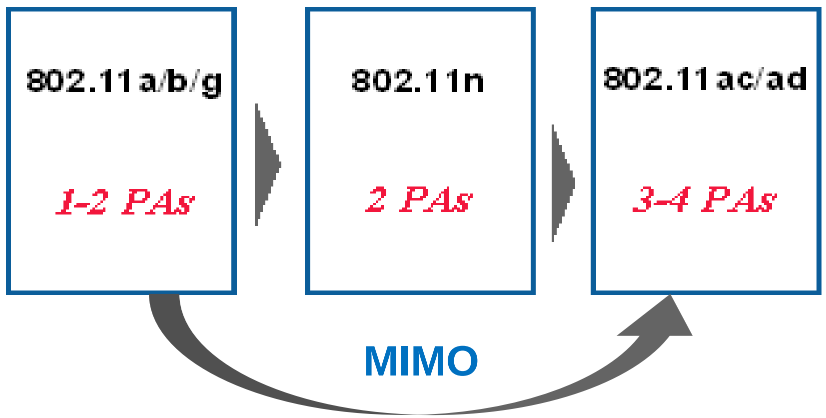
Increasing number of PAs with increasing band count per device





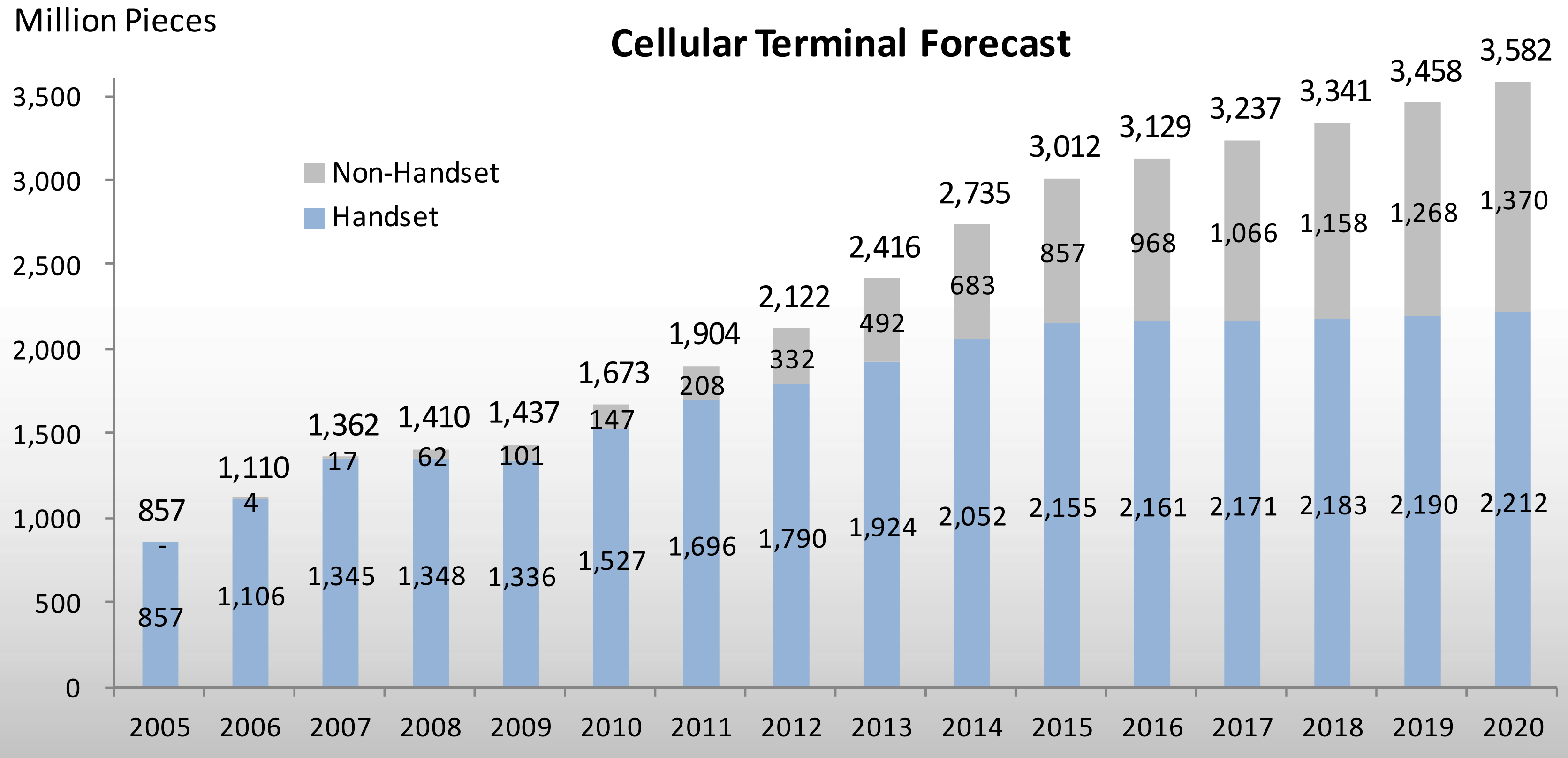
Wi-Fi (WLAN)

Increasing number of PAs for different Wi-Fi standards



Source: Navian Inc.

Demand from New Applications is Growing Rapidly



2011-2020 CAGR

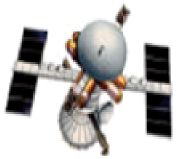
23.3%

3.0%

Source: Navian Inc.

Summary of Growth Momentum

WIN SEMICONDUCTORS



Wi-Fi widely used in cellular phone, notebook, tablet PC, home entertainment

P-t-P, satellite, fiberoptic communications

4G LTE, femto cell, and WiMAX

Short Term:
Fast growth of 3G smartphones (30~40% YoY)

Mid-Term:

1. Entry level smartphones replacing 2G feature phones
2. 4G LTE launch
3. 802.11ac MIMO

Long Term:

Machine-to-Machine (M2M). Smart grid, smart traffic, smart city… etc.

Summary

- Driven by strong demand from smartphones and tablets, WIN's 2012 revenue grew 26% YoY, yet AGAIN reaching a new record high.
- We continue to see the GaAs industry growing rapidly and the value chain is moving in a very healthy direction.
- Mobile devices (smartphones, tablets, … etc.) are major drivers for growth in demand for GaAs. This growth should be further augmented by the fact that GaAs content per device is growing significantly.
- The silicon threat to GaAs is very limited, and almost exclusively in low to mid end phones.

For more information regarding WIN

www.winfoudry.com

For all inquiries, suggestions, and comments

ir@winfoundry.com