



Leading the
Global Communication
SEMICONDUCTORS



WIN Semiconductors

Wireless • Information • Networking



dbAccess Taiwan Conference 2012



November 2012

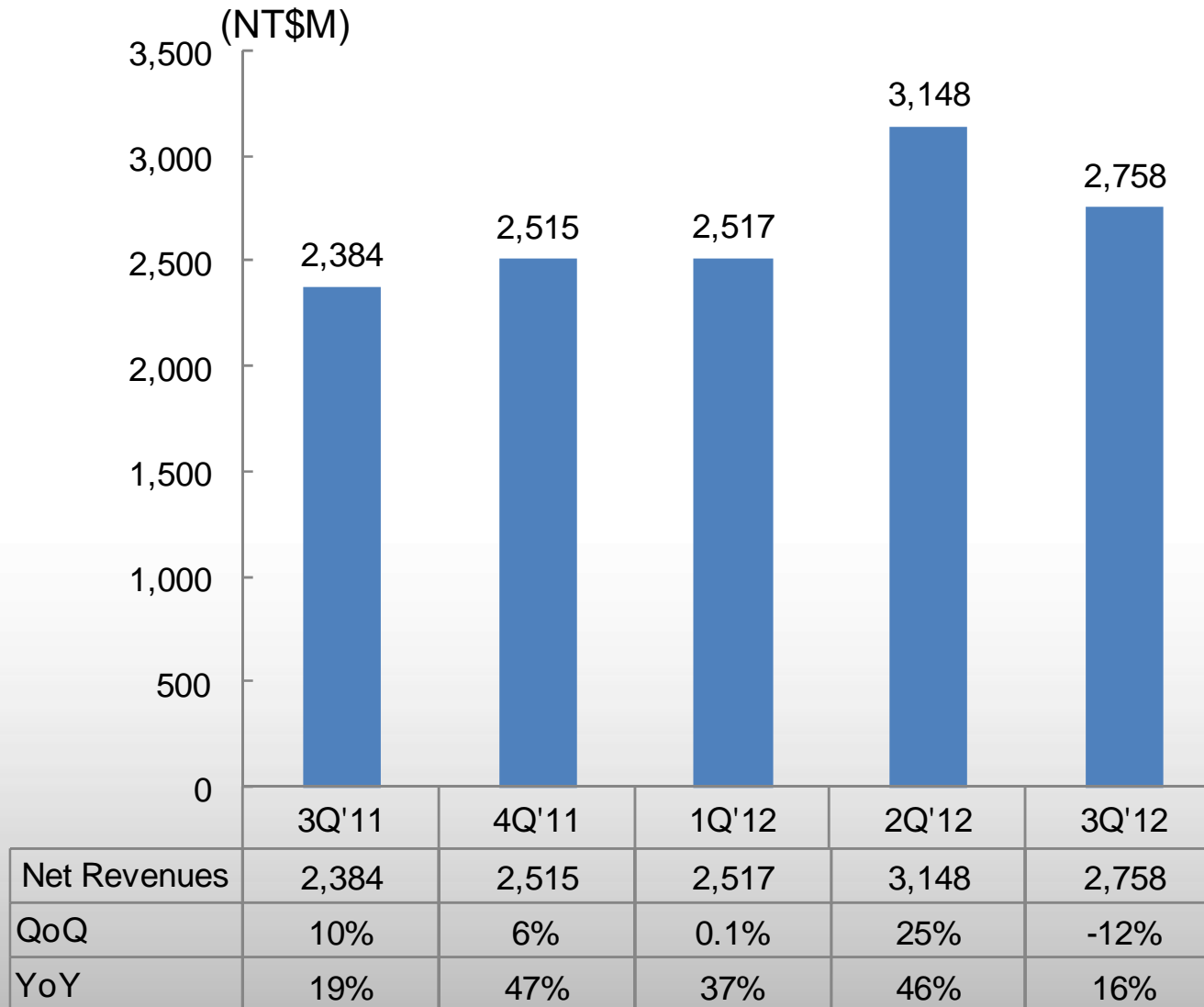
Safe Harbor Notice



- 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.

Financial Performance

Revenue Trend - Quarterly



Consolidated Income Statement

- Quarterly



(NTD M\$)	3Q'11	2Q'12	3Q'12	QoQ	YoY
Net revenue	2,384	3,148	2,758	-12%	+16%
Gross profit	807	1,014	998	-2%	+24%
<i>Gross margin (%)</i>	34%	32%	36%		
Operating expenses	(225)	(174)	(270)	+55%	+20%
<i>Operating expenses rate (%)</i>	-9%	-6%	-10%		
Operating income	582	840	728	-13%	+25%
<i>Operating margin (%)</i>	24%	27%	26%		
Non-operating incomes (expenses), net	(355)	(320)	(71)		
Income before income tax	227	520	657	+26%	+189%
Income tax (benefit) expense	-	(94)	(106)	+12%	n.a.
Net income	227	426	552	+30%	+143%
<i>Net margin (%)</i>	10%	14%	20%		
EPS (NT\$)	0.36	0.66	0.85	+29%	+136%
Annualized ROE(%)	10%	16%	21%		
Approx. Utilization (%)	87%	91%	80%		
Depreciation	246	311	318		
CAPEX	520	1,080	1,426		

Consolidated Income Statement

- Year-to-date



(NTD M\$)	1Q-3Q'11	1Q-3Q'12	YoY
Net revenue	6,386	8,423	+32%
Gross profit	2,023	2,657	+31%
<i>Gross margin (%)</i>	32%	32%	
Operating expenses	(661)	(892)	+35%
<i>Operating expenses rate (%)</i>	-11%	-11%	
Operating income	1,362	1,765	+30%
<i>Operating margin (%)</i>	21%	21%	
Non-operating incomes (expenses), net	(702)	(121)	-83%
Income before income tax	661	1,644	+149%
Income tax (benefit) expense	(1)	(211)	
Net income	660	1,433	+117%
<i>Net margin (%)</i>	10%	17%	
EPS (NT\$)	1.06	2.21	+108%
Annualized ROE(%)	10%	18%	
Approx. Utilization (%)	90%	80%	
Depreciation	722	936	
CAPEX	3,077	2,768	

Investment Gain or Loss



(NTD M\$)	3Q'12	1Q-3Q'12
Dividend income	28	29
Investment loss recognized under equity method	(19)	(68)
Loss on valuation of financial assets, net	(42)	(19)
Gain on disposal of investments, net	4	159
Impairment loss	-	(101)
Total	(29)	(0.6)

Consolidated Balance Sheet



(NTD M\$)	Major Items	2011/9/30		2012/9/30	
		\$	%	\$	%
	Cash and cash equivalents	740	4%	986	5%
	Financial assets at fair value through profit or loss	829	5%	944	4%
	Notes and accounts receivable, net	801	5%	859	4%
	Inventories	1,877	10%	2,622	12%
	Funds and investments	1,611	9%	1,448	7%
	Net property, plant and equipment	11,170	62%	13,098	62%
	Total Assets	18,191	100%	21,095	100%
	Current liabilities	3,341	18%	4,343	21%
	Long-term borrowings	5,687	32%	5,707	27%
	Total Liabilities	9,031	50%	10,056	48%
	Total Stockholders' Equity	8,946	50%	11,039	52%
	Book value per share (NT\$)	14.35		17.02	
	Key Indices				
	Current ratio	149%		145%	
	Debt ratio	50%		48%	

Note: Current ratio = Current assets / Current liabilities
 Debt ratio = Total liabilities / Total assets

Company Overview

Corporate Profile



- Founded in Oct. 1999, Taipei, Taiwan
- Listed in GTSM on Dec. 13, 2011 (Code: 3105)
- 1,471 employees as of Sep. 30, 2012
- Two installed 6-inch GaAs (Gallium Arsenide) fabs with monthly capacity of 22,500 wafers expected in 2012
- The largest pure-play GaAs wafer foundry service provider in the world (54% market share in GaAs foundry as of Dec 2011)
- Manufacturing semiconductor chips for wireless communication — delivered 2.2bn RF chips for wireless communications in 2011

Volume Production Sites

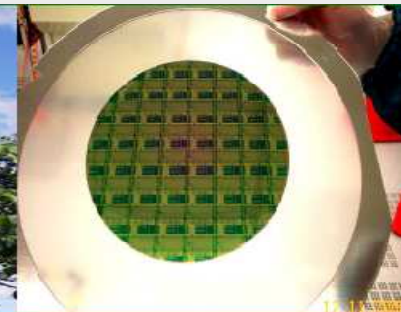
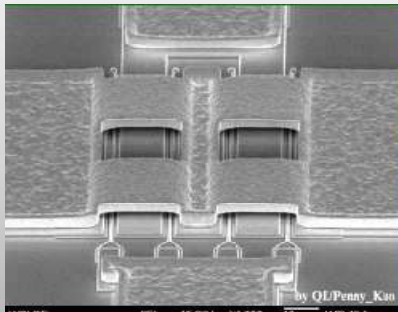
Fab A



Kuei Shan Hwaya Technology Park



Fab B



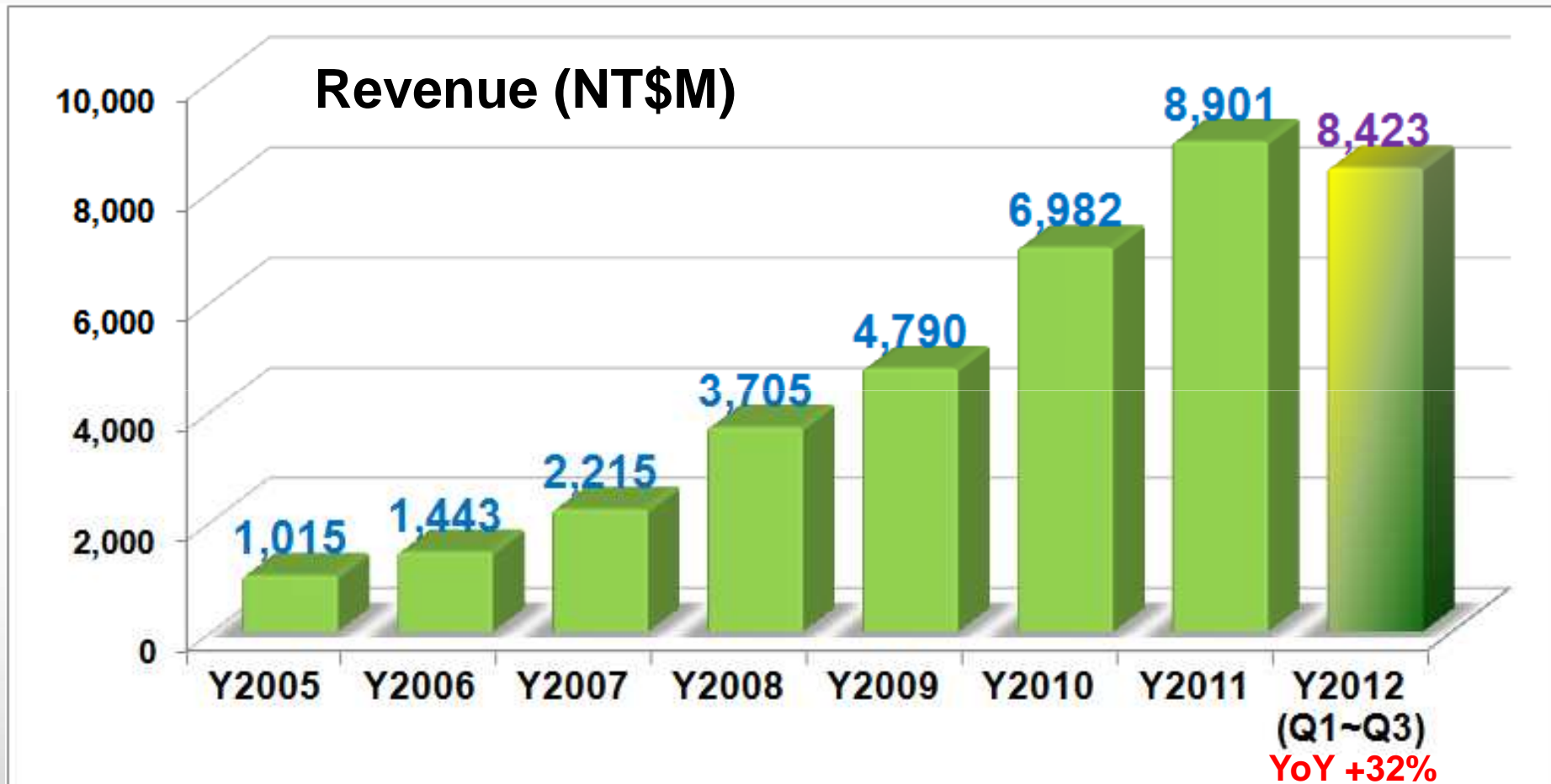
Compound Semiconductor Applications



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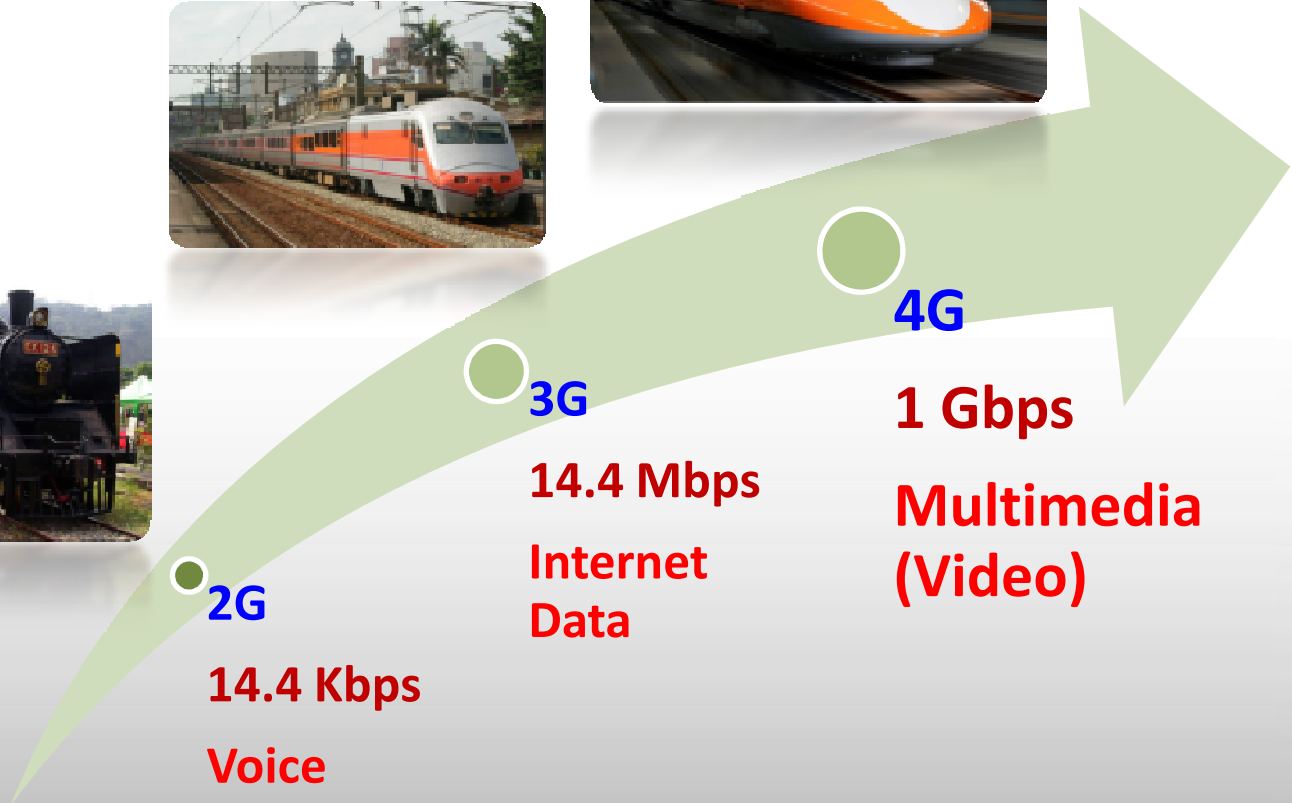


Business Growth



- WIN 2005-2011 CAGR is 44%
- GaAs industry average CAGR is 13% in the same period of time

The 4th Generation Wireless Communication



2G
14.4 Kbps
Voice

3G
14.4 Mbps
Internet
Data

4G
1 Gbps
Multimedia
(Video)

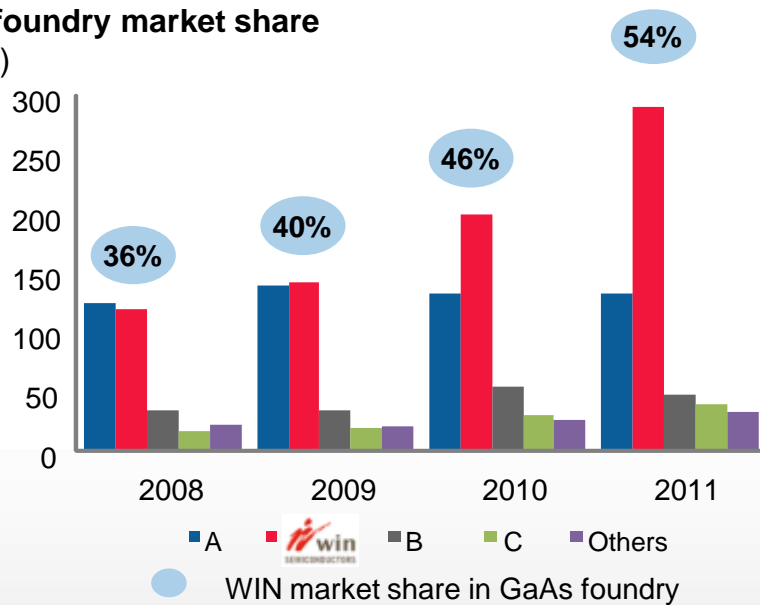
Industry Leading GaAs Foundry with Strong Growth Momentum



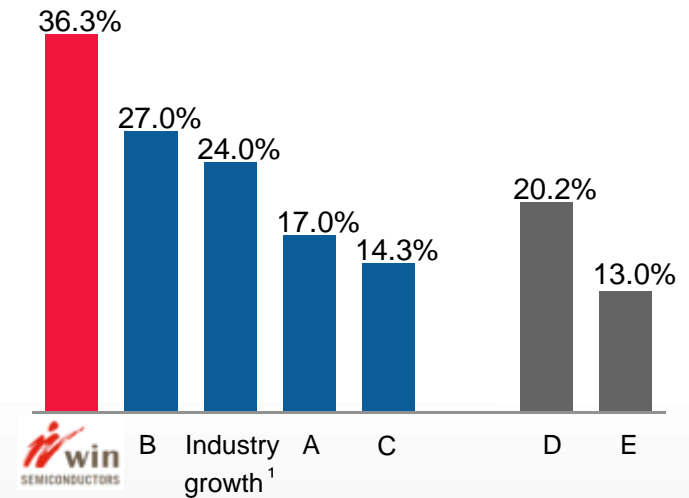
#1 Largest GaAs semiconductor foundry in the world

#1 Fastest growing GaAs and foundry player

GaAs foundry market share (US\$M)



Net revenue growth (CAGR in 2009–2011)



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

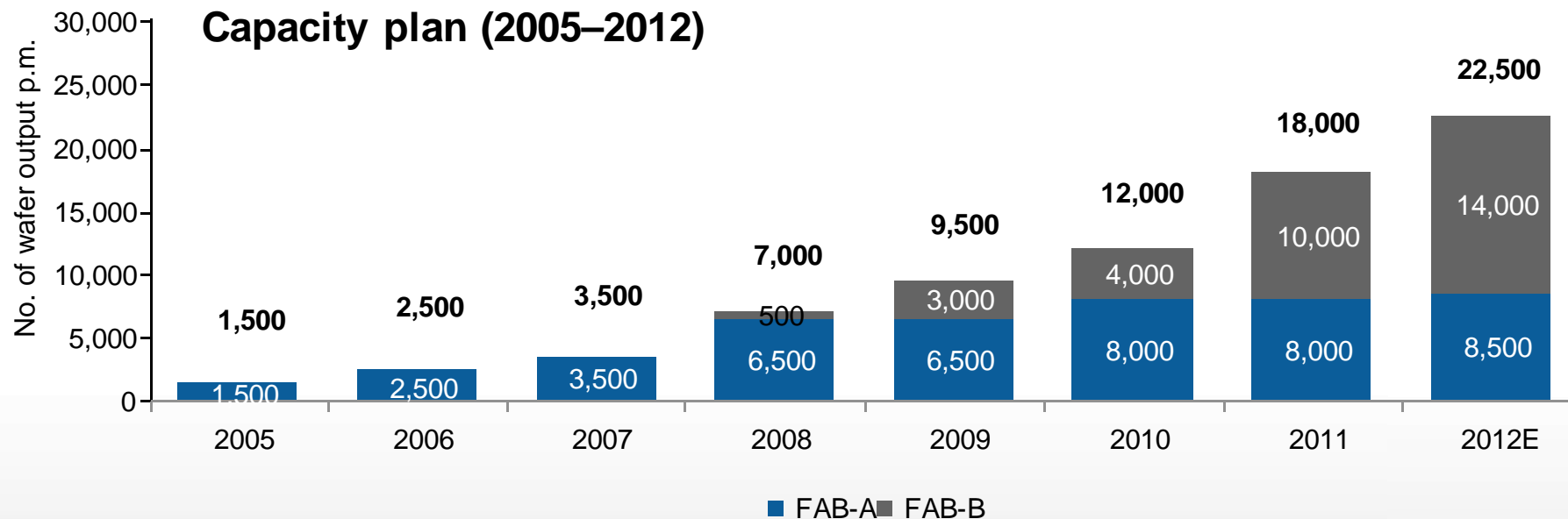
Note 1: Industry growth represents GaAs foundry industry growth

Source: Strategy Analytics, Company filings, management estimates

Industry Leading GaAs Foundry with Strong Growth Momentum



#1 Largest manufacturing capacity among GaAs foundries in the world

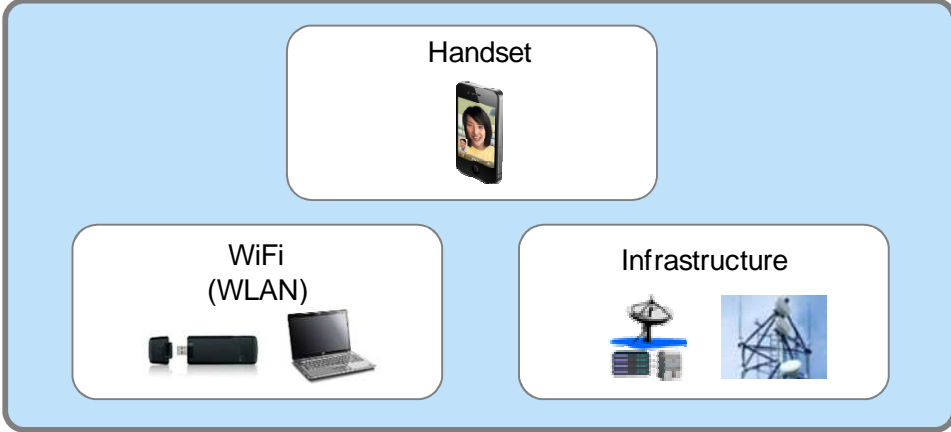


- ✓ Monthly wafer output will be reaching 22,500 in the end of 4Q'12
- ✓ Unparalleled manufacturing capacity a key competitive advantage to attract orders
- ✓ Continued trend of IDMs going fabless and fablite

Exposure to Attractive End Markets with Strong Long-term Growth Outlook

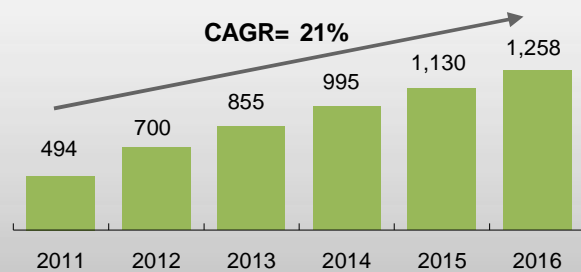


WIN plays in 3 LARGE and ATTRACTIVE end markets



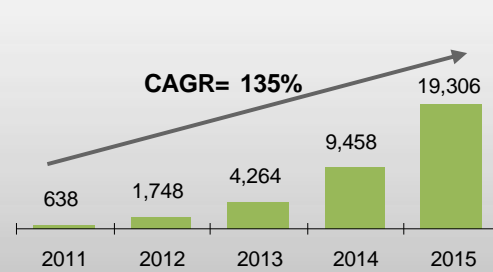
Strong growth continues in the smartphone market

Worldwide smartphone shipment (m units)



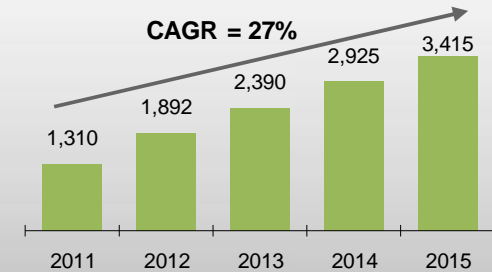
Cloud computing and content boost growth of data traffic

Mobile internet traffic (petabyte/month)



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

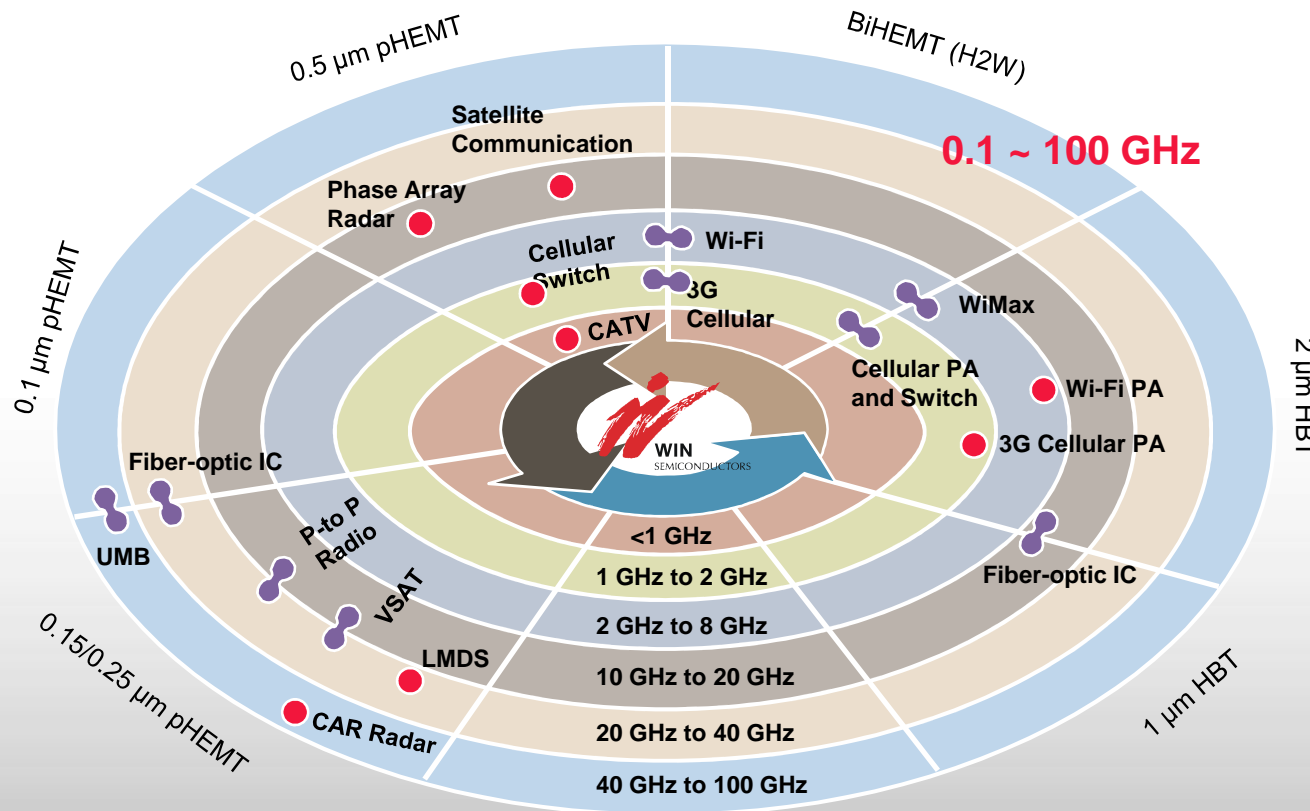
Wireless LAN shipments (m units)



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

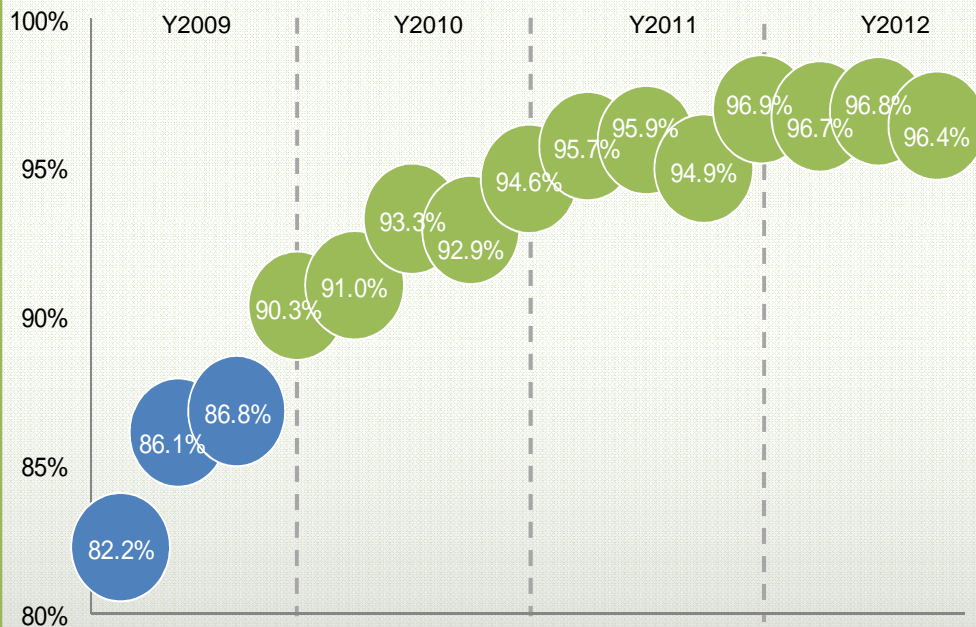


- ✓ Dominant market share for high-performance HBT used in LTE PAs
- ✓ First and only foundry worldwide to commercially develop 0.1μm pHEMT on 6” GaAs wafer
- ✓ Industry leading 0.15–0.25μm pHEMT technology
- ✓ Leading BiHEMT technology for advanced integrated PA/switch chips
- ✓ Supports broad range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

...and Superior Manufacturing Capabilities



Company wide production yield



Note: Production yield defined as total units completed/(total units completed + units disposed)

- ✓ Largest GaAs capacity in the industry
- ✓ Longest history of production on 6" wafer in industry
- over 10 years experience in GaAs
- ✓ Short cycle times to help customers shorten products' time to market
- ✓ Excellent track record of on-time delivery
- ✓ One of the highest production yields in industry

Manufacturing capacity, process reliability, product quality and operation efficiency enables WIN to manage ASP erosion

- In 3Q 2012, WIN has reached the 2nd highest record quarterly revenue with significantly better gross margin, net income and ROE for both QoQ and YoY.
- We continue to see the GaAs industry and market are growing rapidly and the value chain is moving toward a very healthy direction.
- Mobile devices (smartphones, tablets, ... etc.) are major drivers for the growth of GaAs and GaAs content in each mobile device is growing >20% CAGR.
- WIN has a solid track record to exceed the average GaAs industry growth rate.
- The silicon threat to GaAs is very limited in low end phone.

Q & A

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