



WIN Semiconductors

Wireless • Information • Networking



Company Presentation



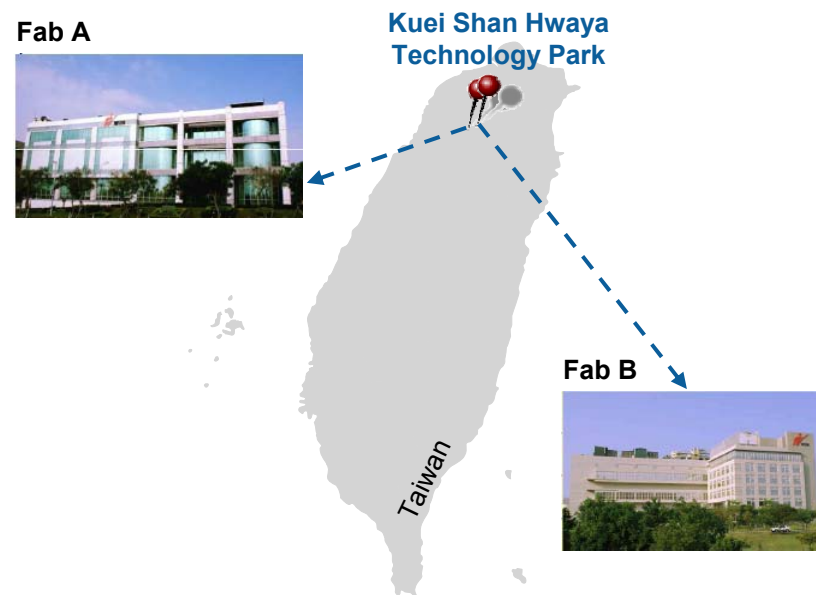
September 2012

Largest pure-play GaAs foundry in the world

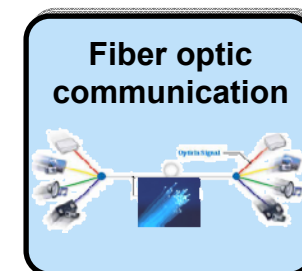
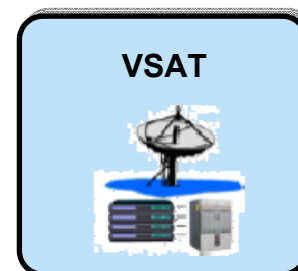


- Founded in Oct. 1999, Taipei, Taiwan
- Listed in GTSM on Dec. 13, 2011 (Code: 3105)
- Market cap: US\$838m¹
- 1,464 employees as of June 30, 2012
- Two installed 6-inch GaAs (Gallium Arsenide) fabs with capacity of 22,500 wpm expected by the end of 2012
- The largest pure-play GaAs wafer foundry service provider in the world (54% market share in GaAs foundry in 2011)

Volume Production Sites



Applications



Note:

¹ As of Sep 24, 2012, using conversion rate of US\$1=NT\$29.4

Competitive Strengths



Exposed to attractive end markets with strong secular growth outlook

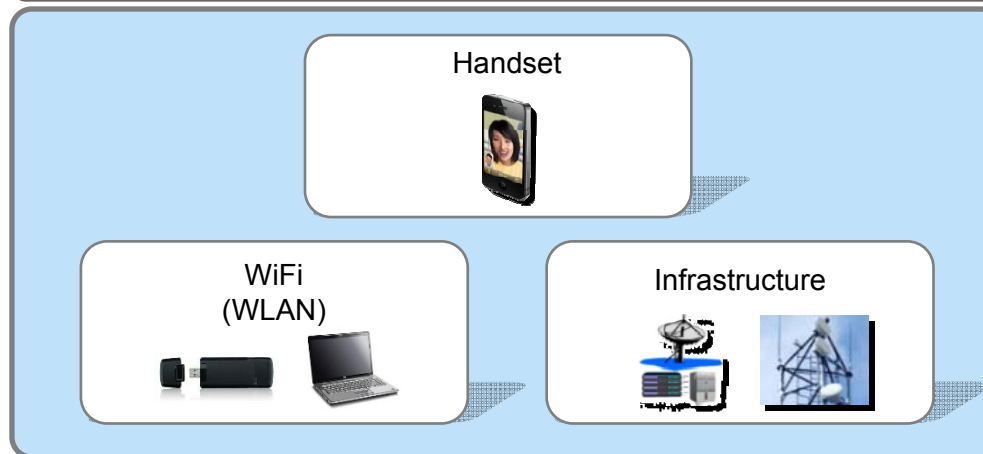
World's largest GaAs foundry with strong growth momentum

Superior technology and manufacturing capabilities

Diversified top tier customers and end markets

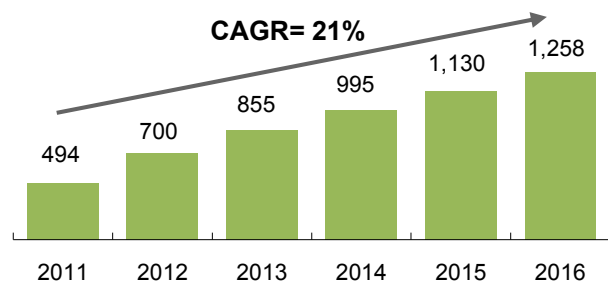
Strong and experienced management team with proven track record

WIN plays in 3 LARGE and ATTRACTIVE end markets



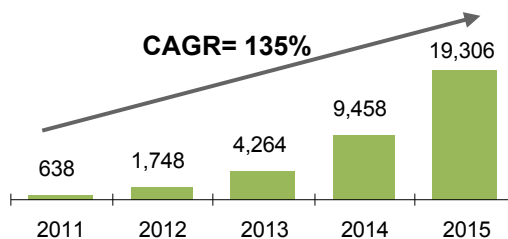
Strong growth continues in the smartphone market

Worldwide smartphone shipment (m units)



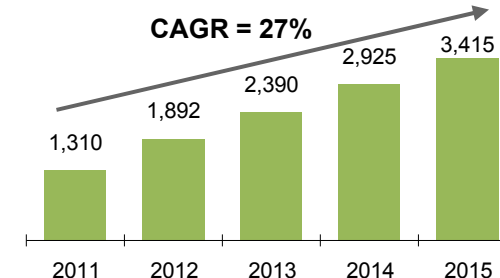
Cloud computing and content boost growth of data traffic

Mobile internet traffic (petabyte/month)



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

Wireless LAN shipments (m units)

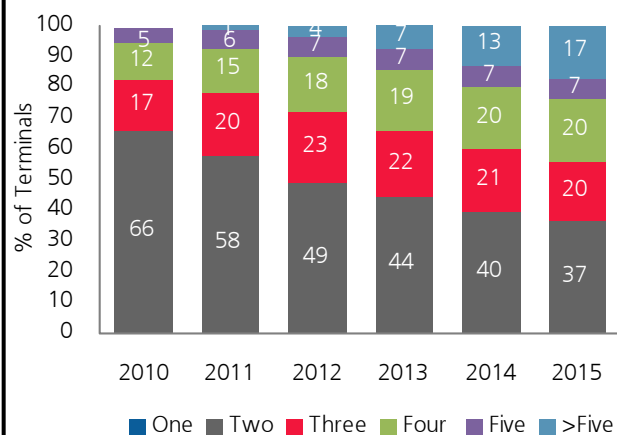


Increase in GaAs content per device



Handset

Number of non-contiguous bands¹ in handsets

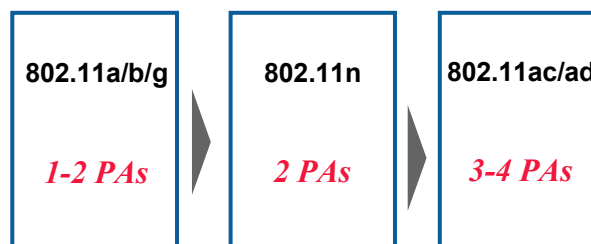


Note 1: Non-contiguous bands refer to GaAs die



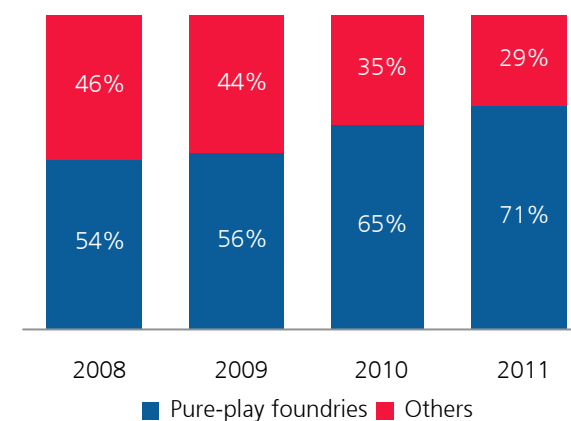
WiFi (WLAN)

Increasing number of PAs for different WiFi standards



Pure-play foundry capturing share

GaAs foundry market share breakdown



Note: Pure-play foundry includes market share of WIN, AWSC and GCS

GaAs is a superior technology to Silicon

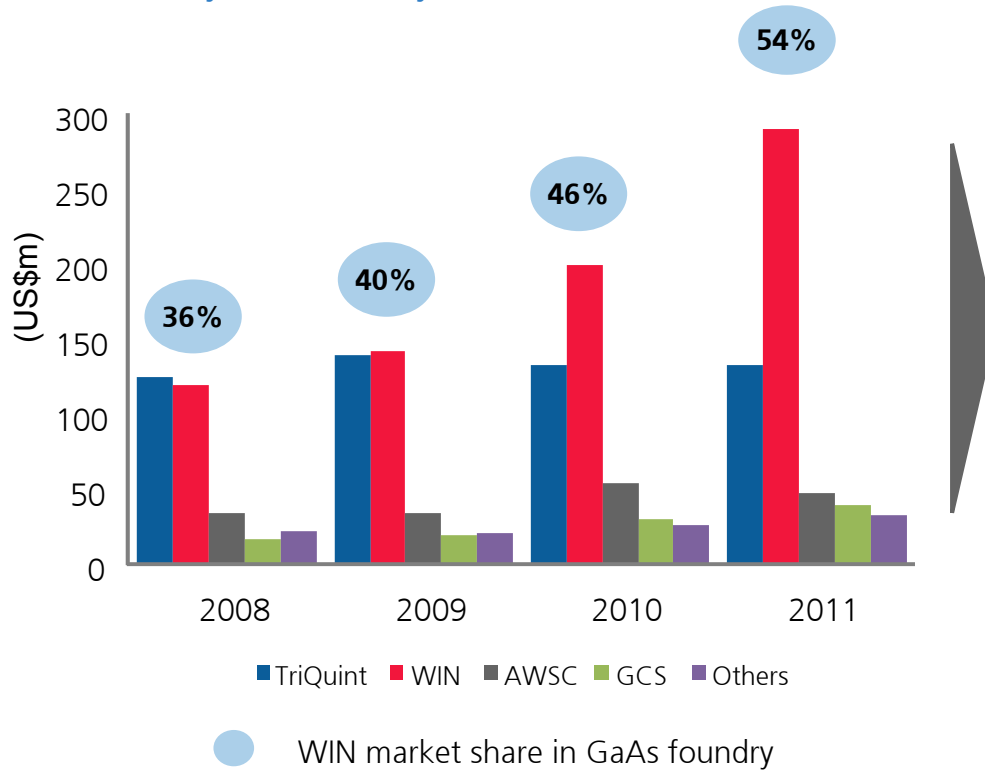
- 1 Superior physical properties**
 - Electrons can move up to 5x faster than those in silicon
 - Semi-insulating property
- 2 Improved electrical performance at higher frequencies**
 - Better linearity
 - Higher power efficiency
- 3 Permits integration in a single device of numerous functions**
- 4 Wide range of applications, especially in high power requirement devices/systems**

GaAs semiconductor manufacturing is a complex "art"

- A Complex compound semiconductor manufacturing process**
- B Deep material science and process chemistry know-how required**
- C Specialized knowledge in yield management**
- D Substantial investments in process-specific equipment**

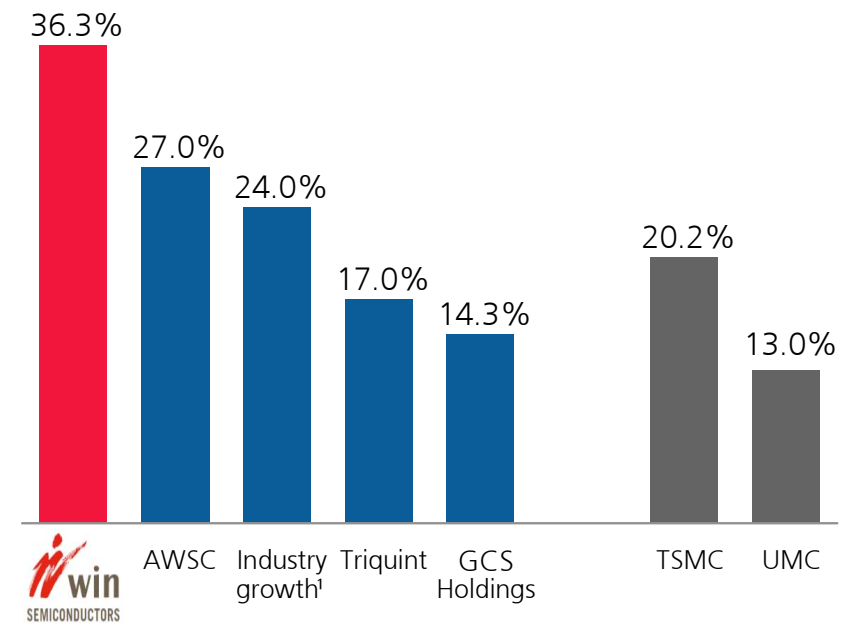
#1 Largest GaAs semiconductor foundry in the world

GaAs foundry market share by revenue



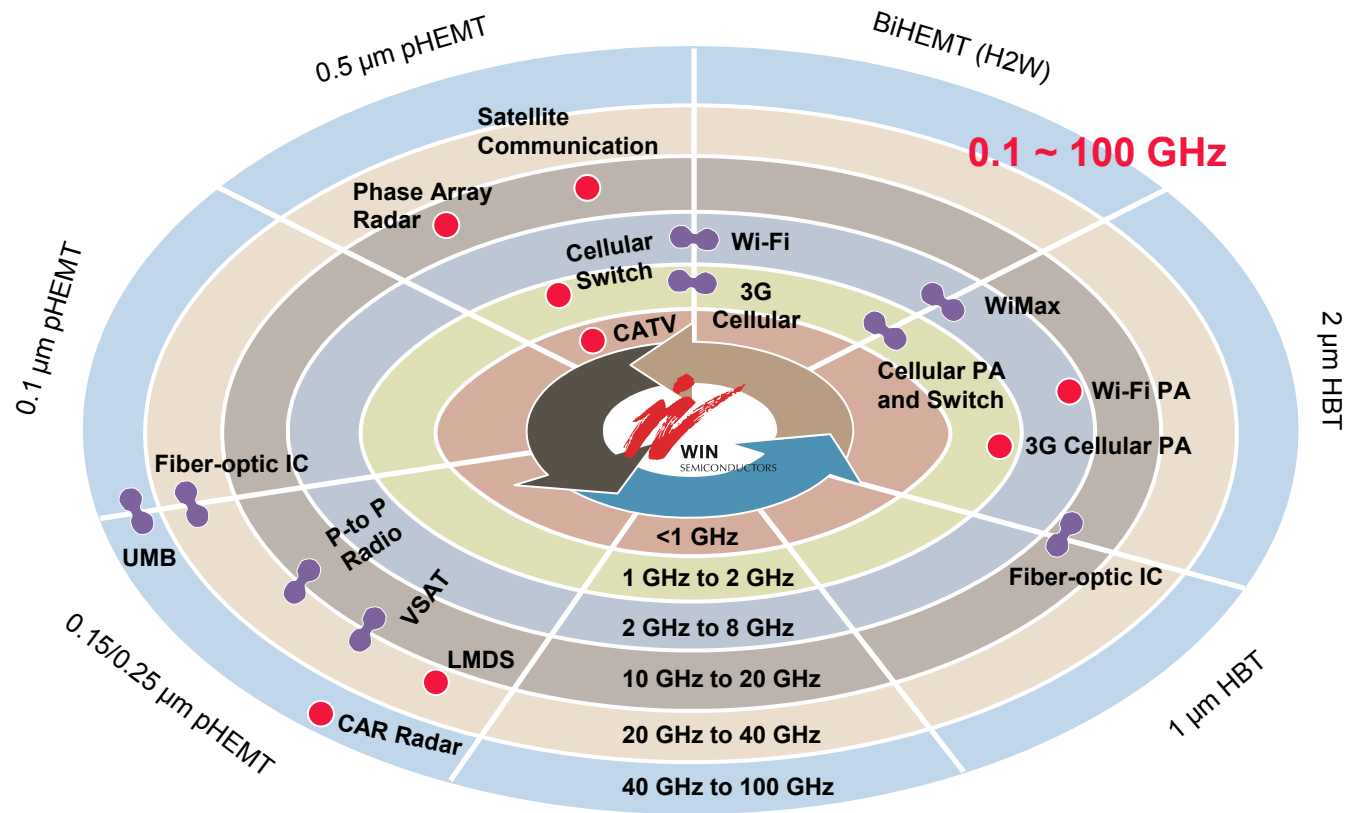
#1 Fastest growing GaAs and foundry player

Net revenue growth (CAGR in 2009–2011)

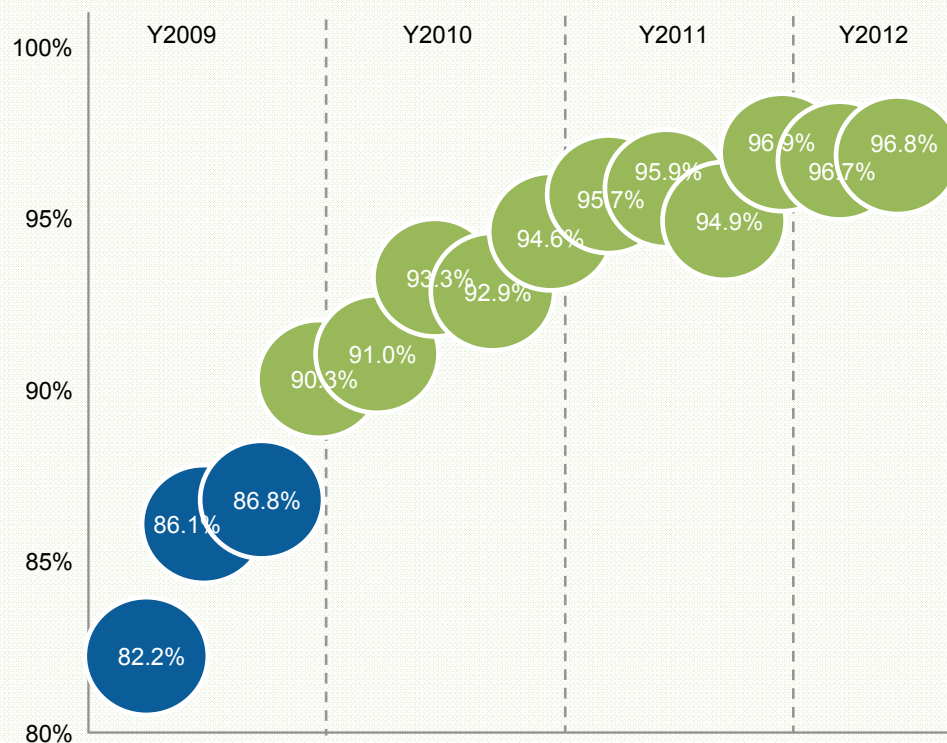


Note 1: Industry growth represents GaAs foundry industry growth

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



Company wide production yield

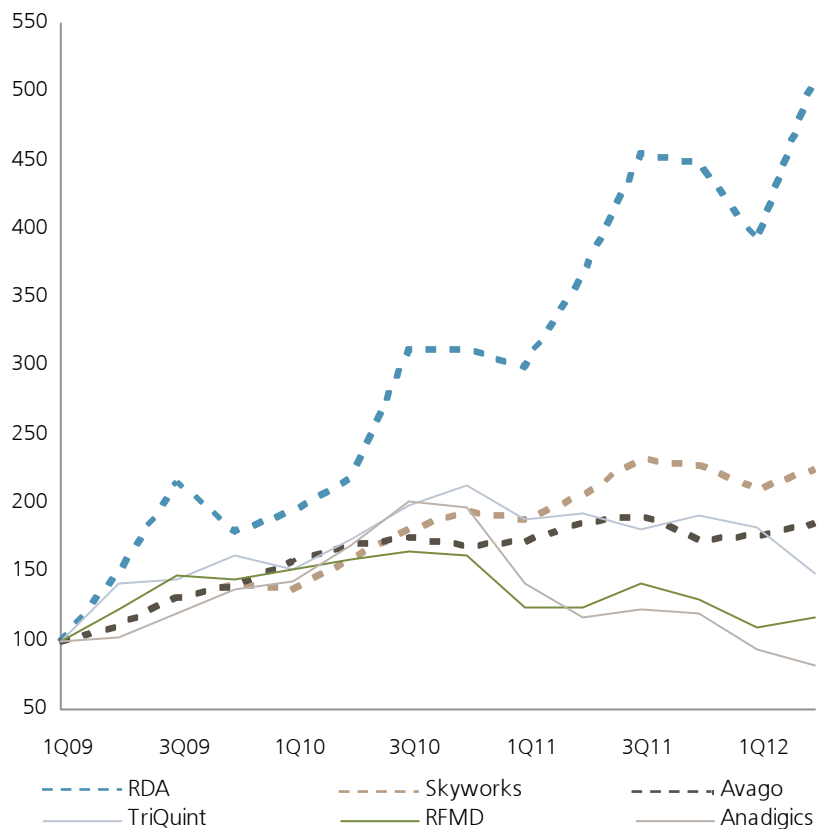


Note: Production yield defined as total units completed/(total units completed + units disposed)

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

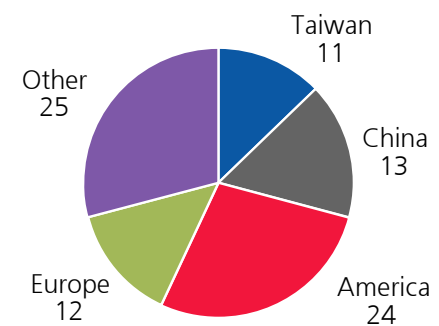
Partnering with winning customers

Revenue growth rebased to 100, dotted lines represent major customers of WIN

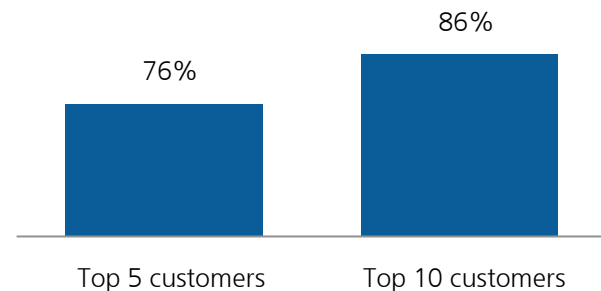


Diversified customer and end markets leading to more stability

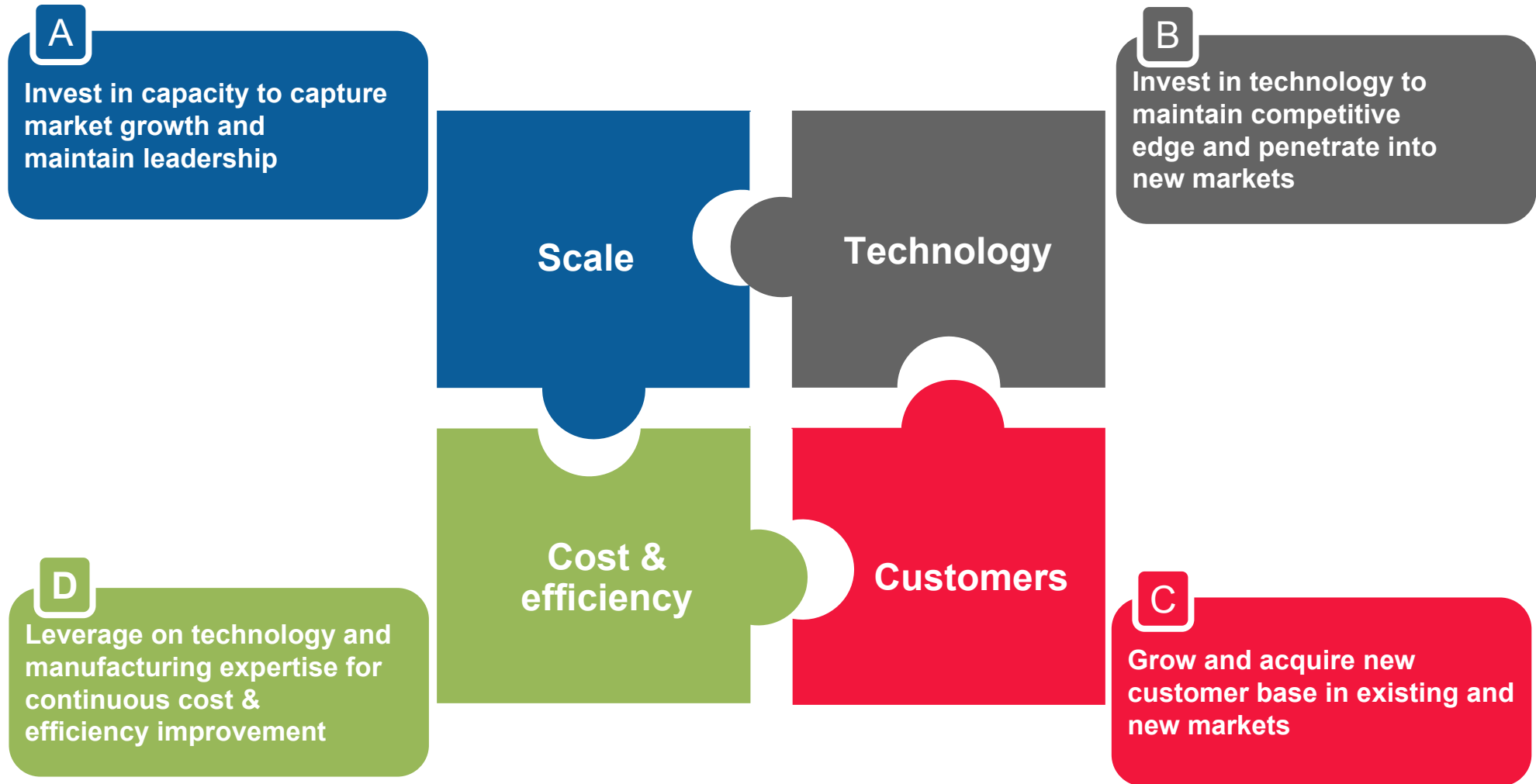
Number of customer by geography (June 30, 2012)



Revenue concentration by customer (2011)



The WIN Semi Strategy



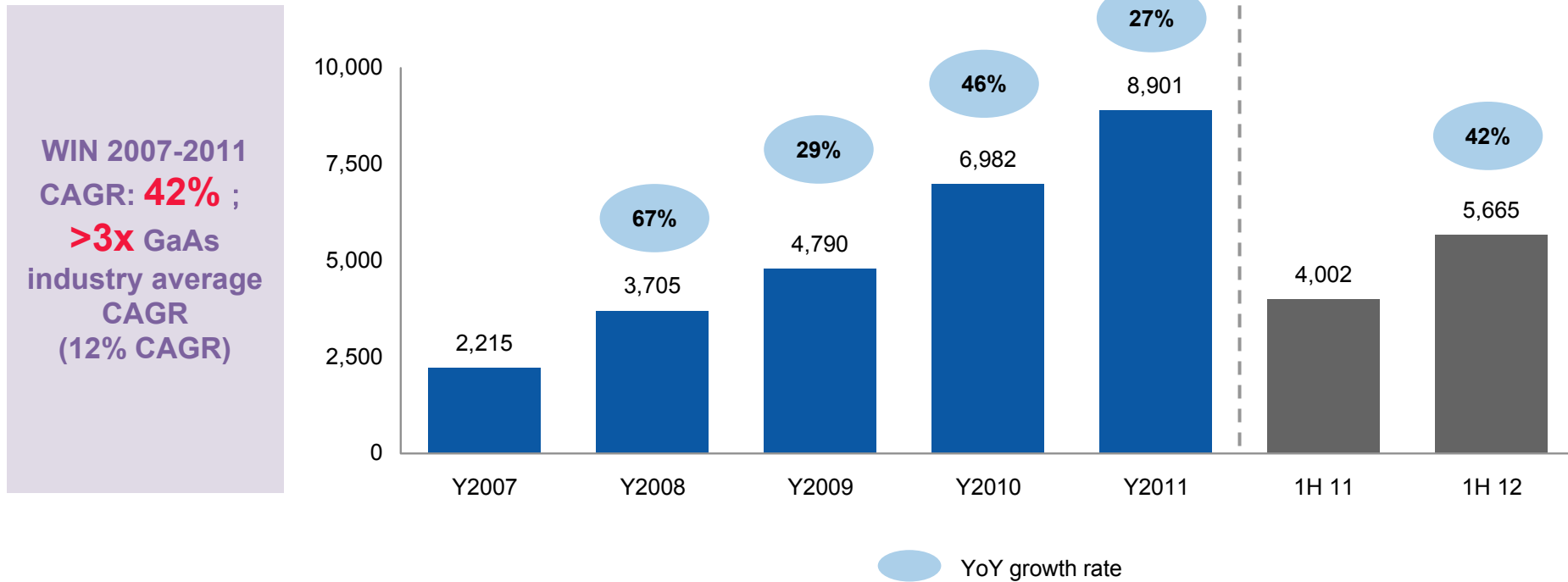
Financial Performance



Strong revenue growth



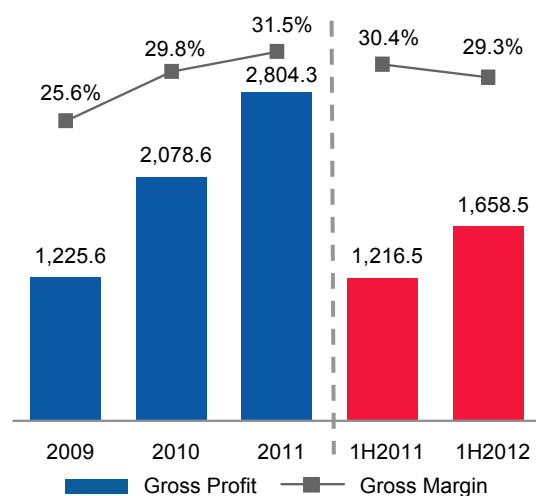
Net revenue (NT\$m)



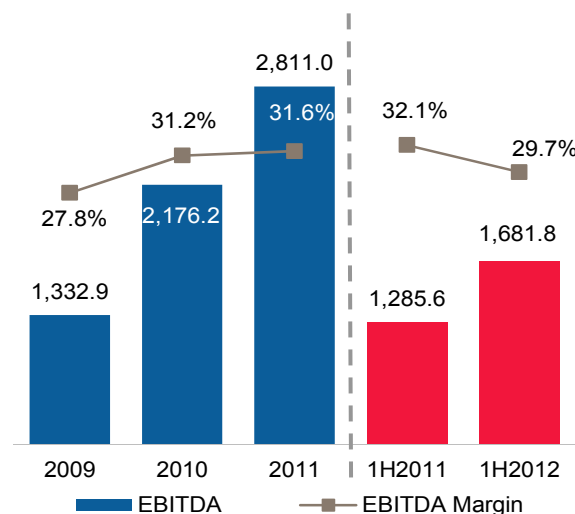
Strong profit and margin profile



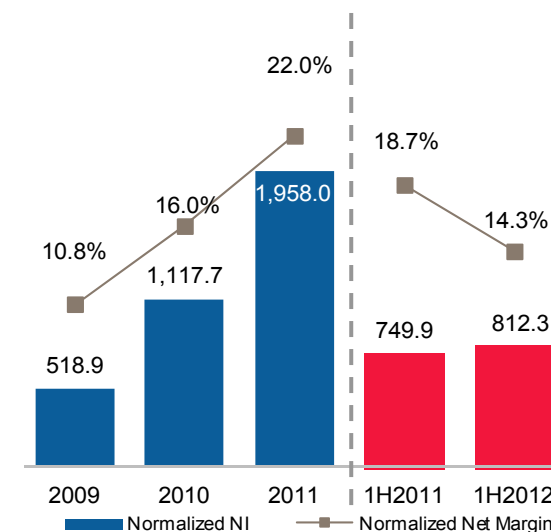
Gross Profit and Gross Margin (NT\$m)



EBITDA and EBITDA Margin² (NT\$m)



Normalized Net Income and Net Margin³ (NT\$m)



Note 1: Margins are calculated as % of sales

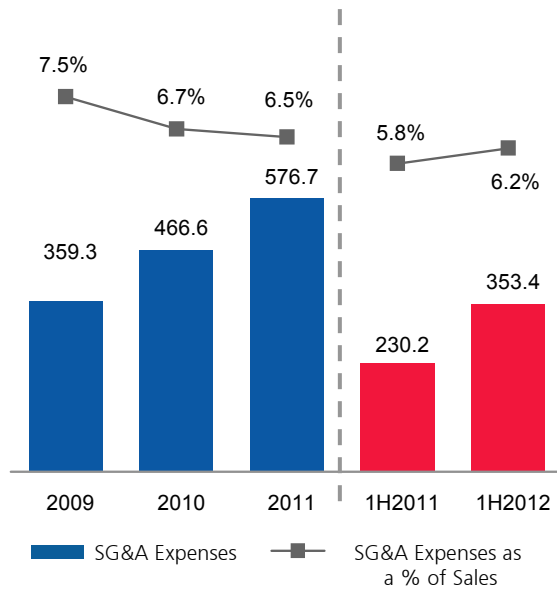
2: EBITDA is calculated as operating income + depreciation & amortization

3: Normalized Net Income = Net income - (Gains on disposal of investments + Gain on valuation of financial assets - Loss on valuation of financial assets - Impairment loss) × (1 - effective tax rate)

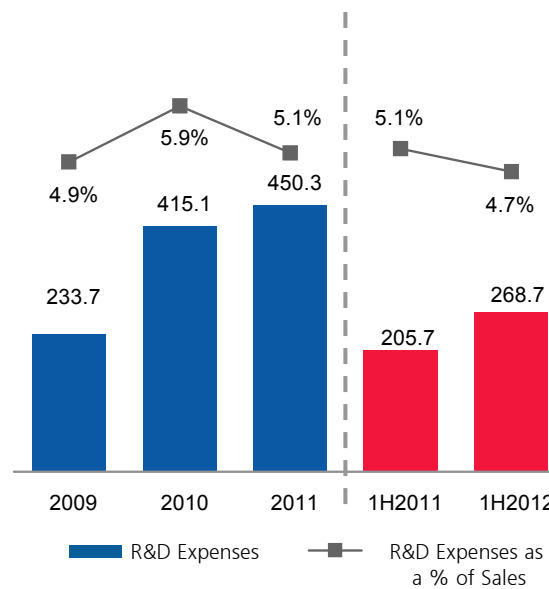
Disciplined control on operating expenses and capex



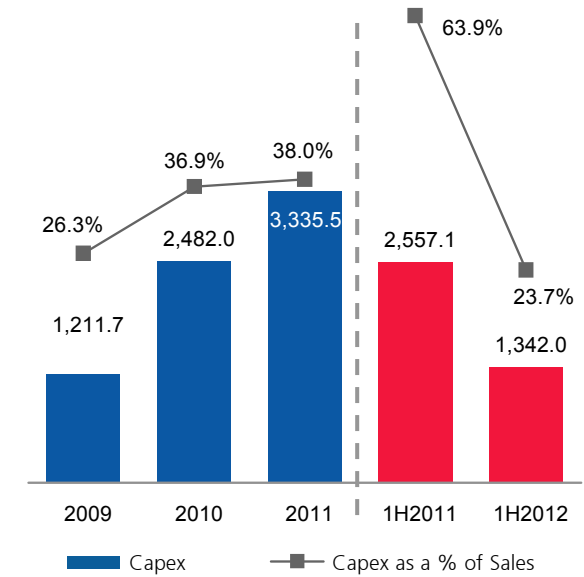
Selling, General & Admin. Expenses (NT\$m)



R&D Expenses (NT\$m)



Capital Expenditure (NT\$m)



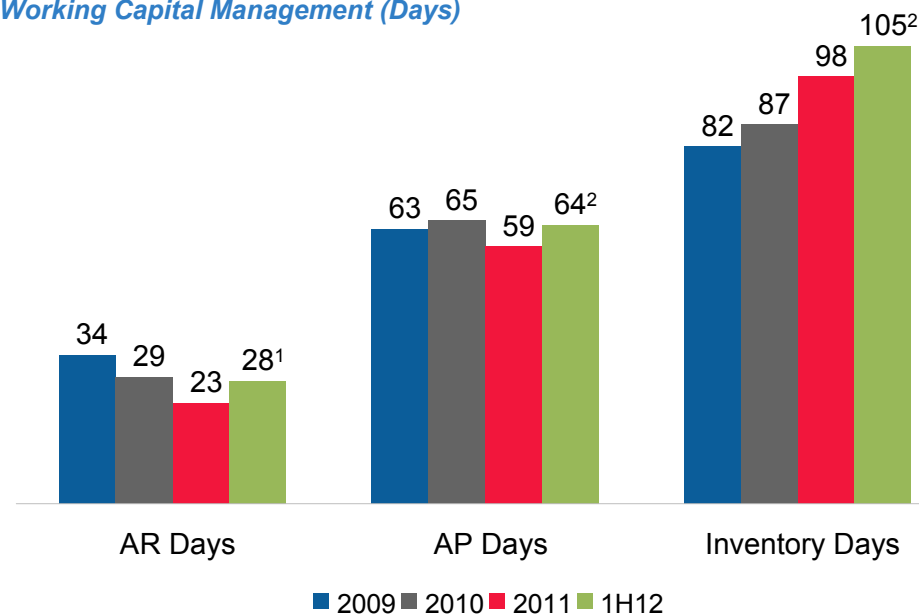
Disciplined balance sheet management



Key Balance Sheet Items

(NT\$ mm)	2009	2010	2011	1H12
Cash	471.1	408.8	799.4	710.6
PP&E	7,263.9	8,738.9	11,266.7	11,964.1
Total Assets	11,598.4	14,888.9	18,598.7	20,380.1
Total Debt	3,506.9	4,415.8	6,491.3	6,724.3
Total Liabilities	4,727.2	6,015.0	8,553.6	9,889.6
Equity	6,871.2	8,873.9	10,045.1	10,490.5

Working Capital Management (Days)



Note 1. Sales is annualized

Note 2. COGS is annualized, AR days calculated as average AR/net revenue \times 365; AP days calculated as average AP/COGS \times 365; Inventory days calculated as average inventory/COGS \times 365

Thank You