



Leading the
Global Communication

SEMICONDUCTORS



WIN Semiconductors

Wireless • Information • Networking



2012 UBS Investor Conference



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- 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

Agenda



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Introduction

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Business highlights

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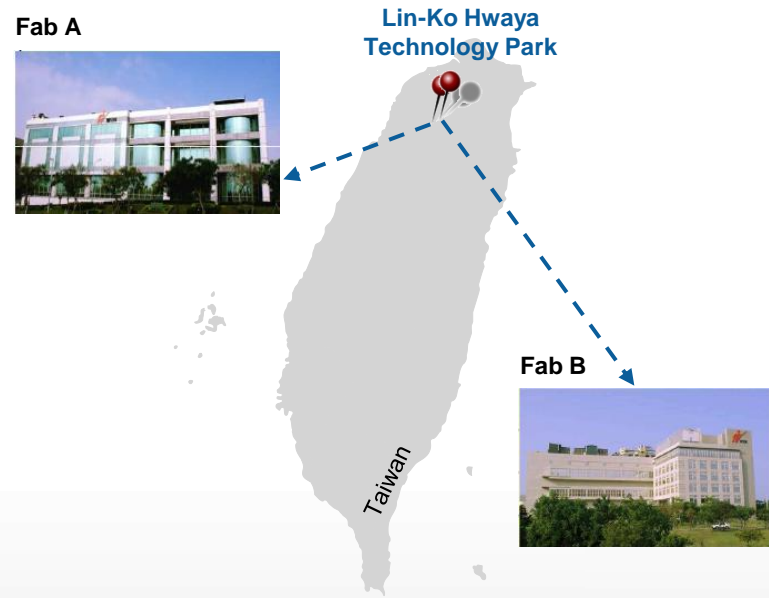
Q1 financial update

Corporate profile



- Founded Oct. 1999, Taipei, Taiwan
- Listed in GTSM on Dec. 13, 2011 (Ticker: 3105)
- ~1,450 employees
- **Two** installed 6-inch GaAs fabs with monthly capacity of 20,000 wafers.
- The **largest** pure-play GaAs wafer foundry service provider in the world. (Worldwide share ~20%, GaAs foundry share ~54%)
- Manufacturing semiconductor chips for **wireless communication** — delivered **2.2bn** RF chips for wireless communications in 2011

Volume Production Sites



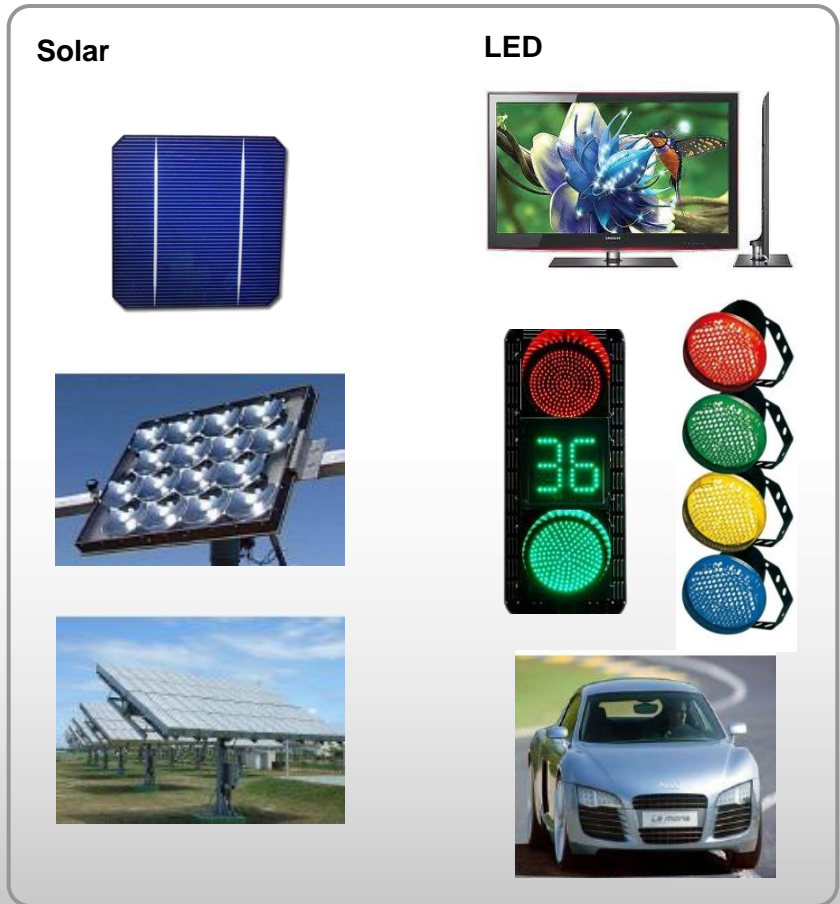
Compound semiconductor applications



High Speed Electronics (Wireless and Fiberoptics Communications)

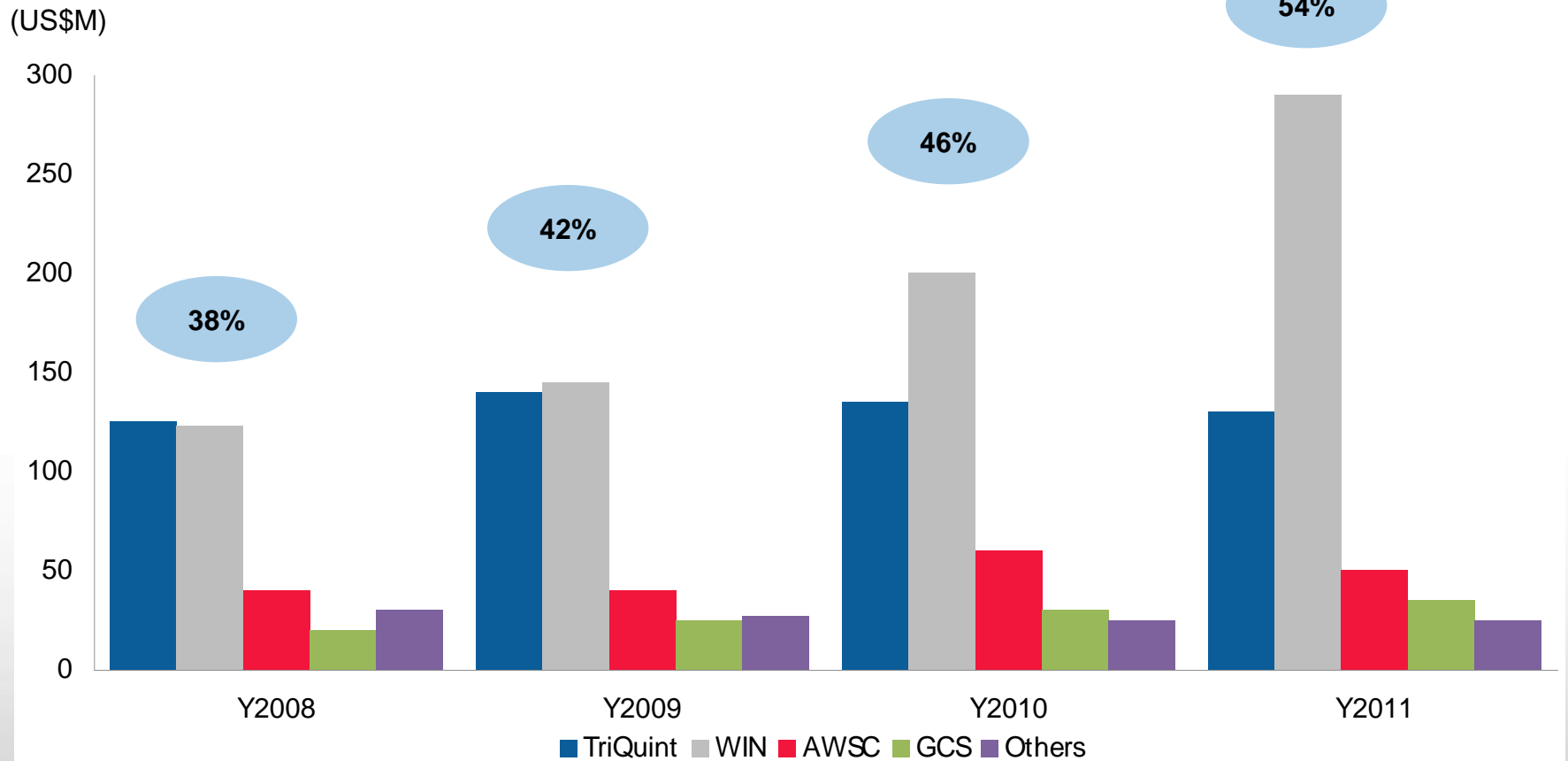


Optical Devices (Solar Cells, LED and Laser)




The world's largest GaAs foundry

GaAs Foundry Market (Y2011:US\$544M)



Source: Strategy Analytics, KGI research report

 WIN market share in GaAs foundry

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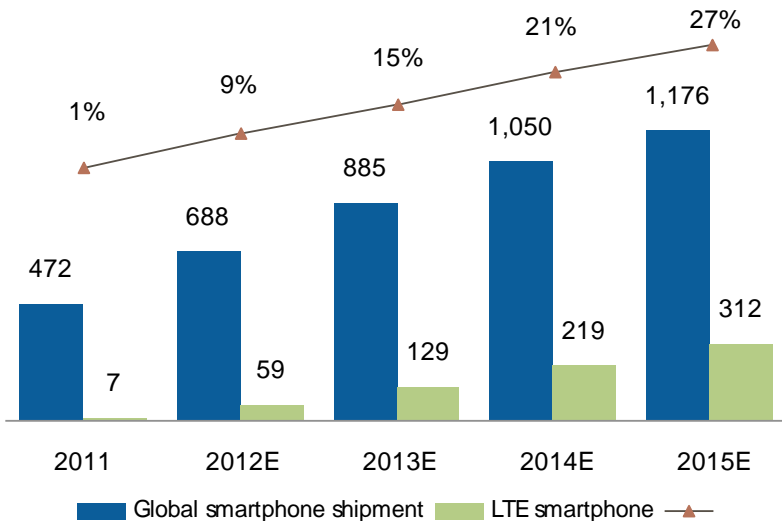
- 1 Strong secular growth drivers**
- 2 Dominant position in a market with high entry barriers**
- 3 Strong customer base of winning IDMs**
- 4 Broad portfolio of proprietary technologies**
- 5 Diversified end markets**
- 6 Strong growth momentum**

Strong secular growth drivers

Explosive growth of LTE handset market

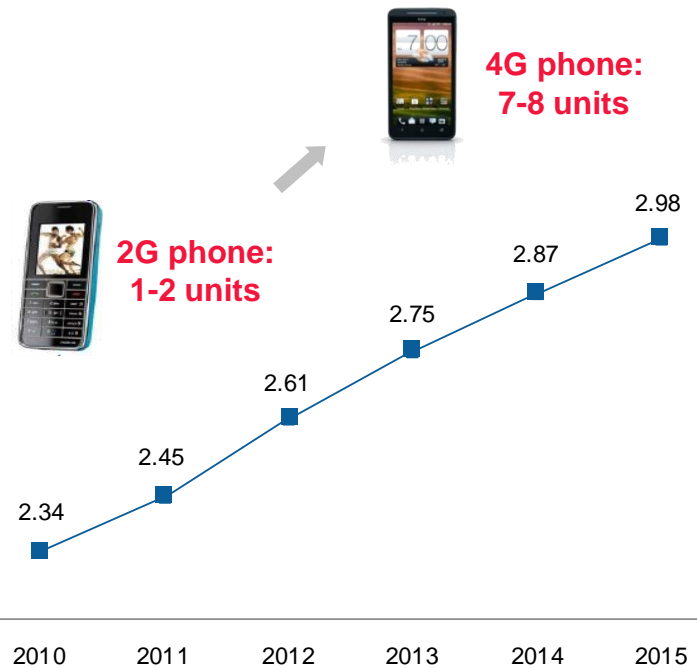
Smartphone and LTE smartphone shipment forecast (m)

LTE smartphone shipment CAGR: 158%



Handset 3G/4G migration increases PA content

Average PA IC usage/handset

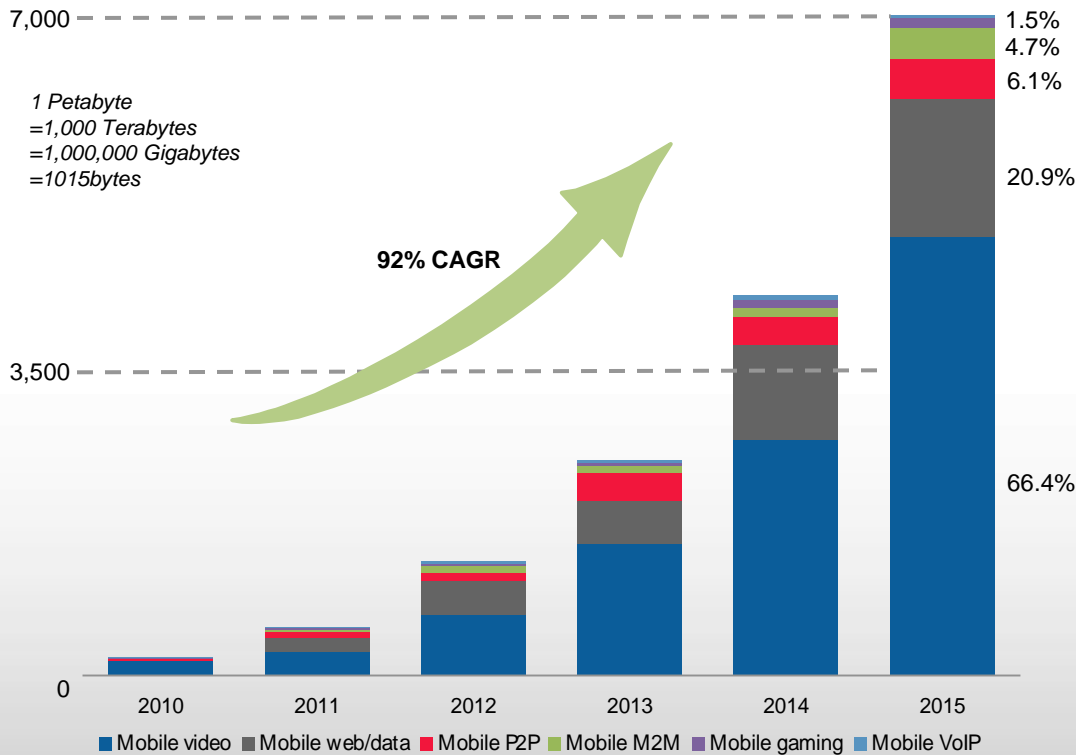


Source: JP Morgan estimates assuming base case scenario, IDC, Fubon research

Mobile Internet traffic driving growth momentum

Cloud computing boosts growth of data traffic

Global data traffic, petabyte/month



- Booming mobile web/data and video demand
- Improvement of cloud computing infrastructure and content
- Enormous data traffic growth of ~90% during 2011–15
- Accelerating build up of servers by telecom carriers boost telecom demand for GaAs PA

VoIP traffic forecasted to be 0.4% of all mobile data traffic in 2015

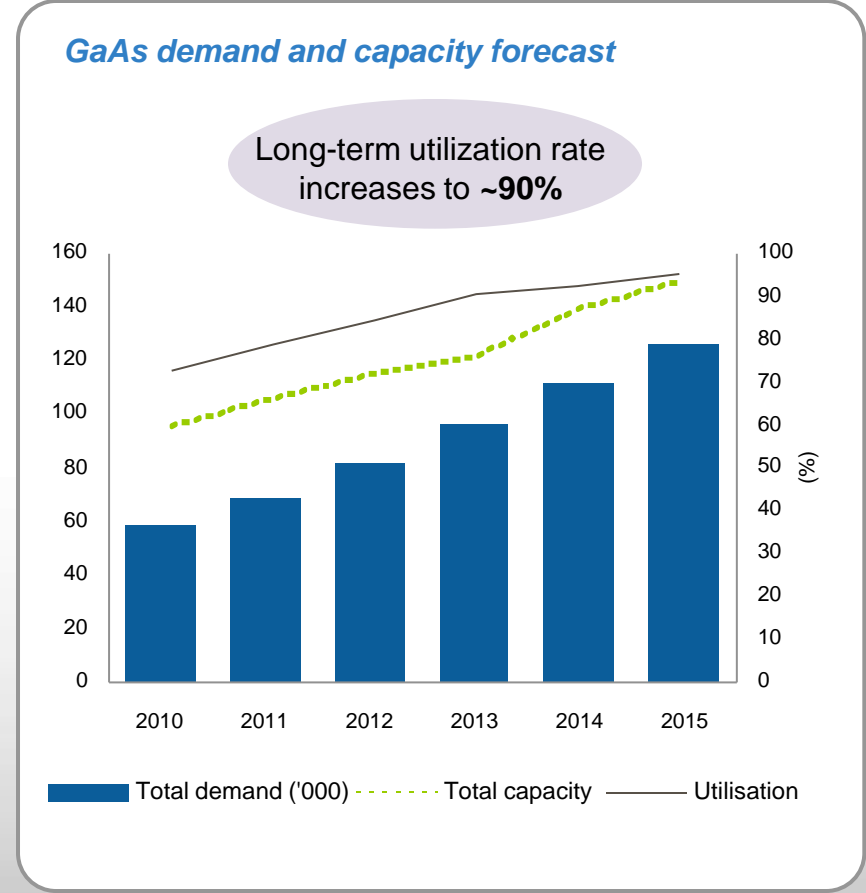
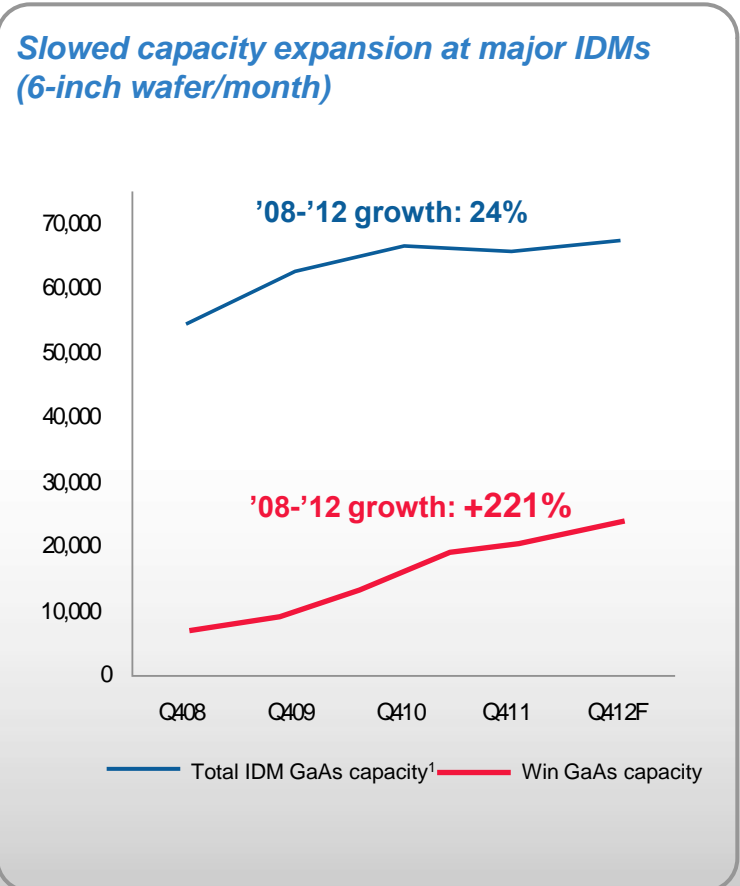
Source: Cisco VNI Mobile, 2011

Dominant position in a market with high entry barriers



Win is one of the few companies globally who continue to invest in capacity

Tight capacity amidst growing demand lead to high utilization in the industry



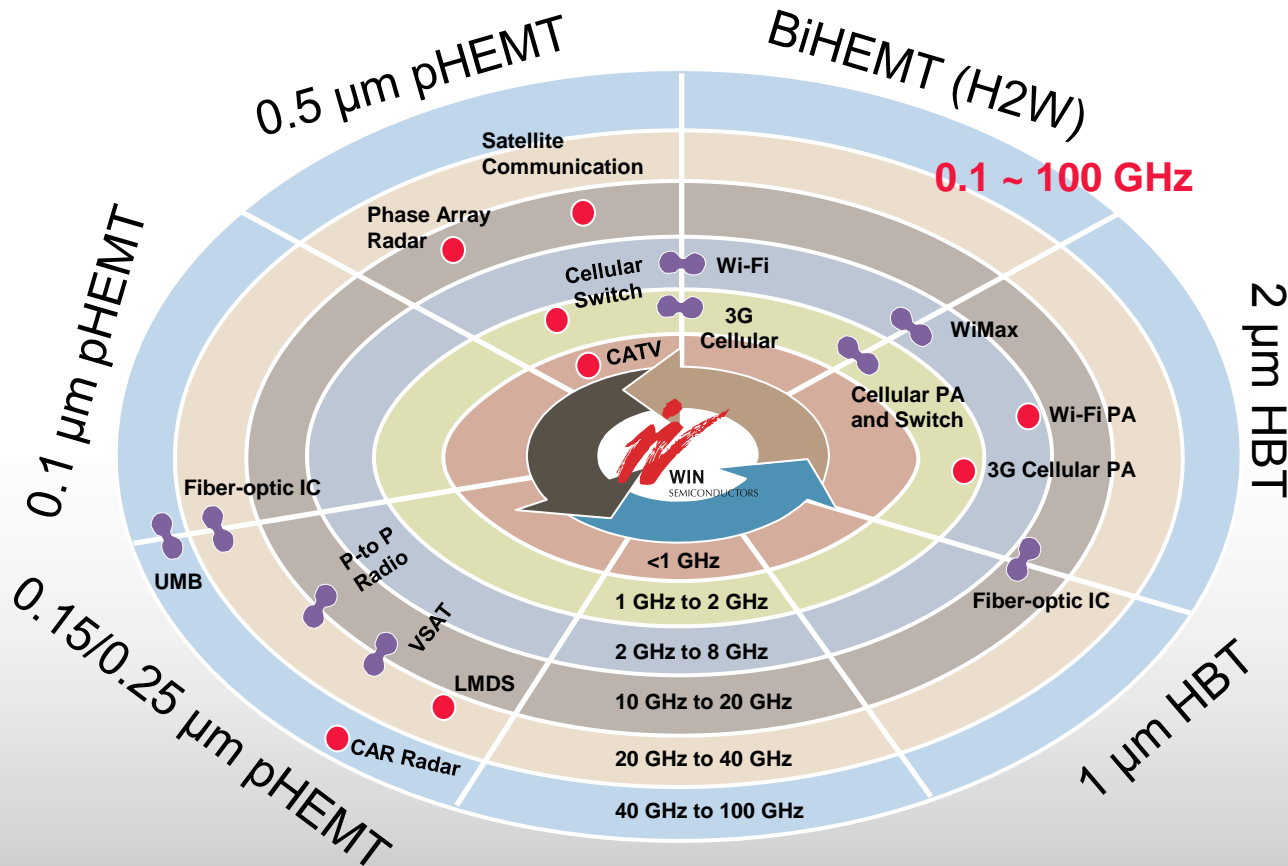
Source: IDC, Fubon Research
 Note:
 1. Total IDM capacity includes capacity from Anadigics, Avago, RFMD, Skyworks, and Triquint

Supplying to the world's leading wireless technology companies



Broad portfolio of proprietary technologies

The most complete technology portfolio

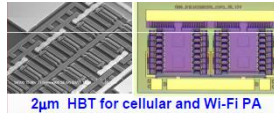


- Supports broad range of products such as PAs (from 1–100ghz), switches, and fiber optic IC for cellphones, WiFi, LMDS, Satellite and other applications
- Deep strength in III-V semis including HBT and pHEMT processes
- Ability to develop single chip solutions, e.g. PA+S/W
- Proprietary technology rather than co-development with other IDMs

Key technologies in production

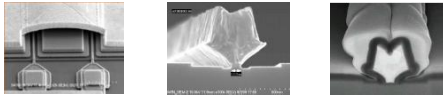
HBT

- 1 μ m HBT
- 2 μ m HBT



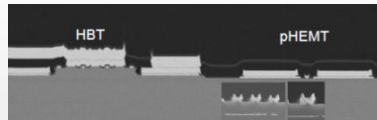
pHEMT

- 0.1 μ m, 0.15 μ m, 0.25 μ m pHEMT
- 0.5 μ m power pHEMT/HFET
- 0.5 μ m pHEMT switch



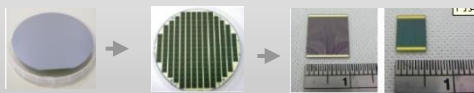
BiHEMT

- HBT+ pHEMT



CPV Solar Cells

- Epi-wafer \rightarrow Solar cell process \rightarrow Dicing

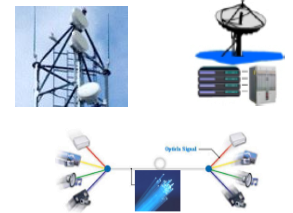


Applications / end products

- 4th generation power amplifier (4G LTE PA)
- 3rd generation power amplifier (3G PA; UMTS, W-CDMA, TD-SCDMA)
- Wi-Fi (WLAN) Power Amplifier (PA); 802.11x (a,b,g,n,ac)



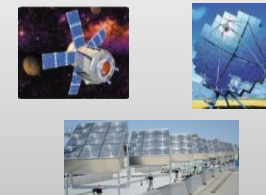
- 3G & 4G RF Switch
- Wi-Fi (WLAN) RF Switch
- High frequency (10-100 GHz) Power Amplifier (PA) and Low Noise Amplifier (LNA)



- Integrate PA and switch in same chip to reduce material and packaging cost and space
- LNA and control logic



- Tracker
- Concentration module
- Solar cell package



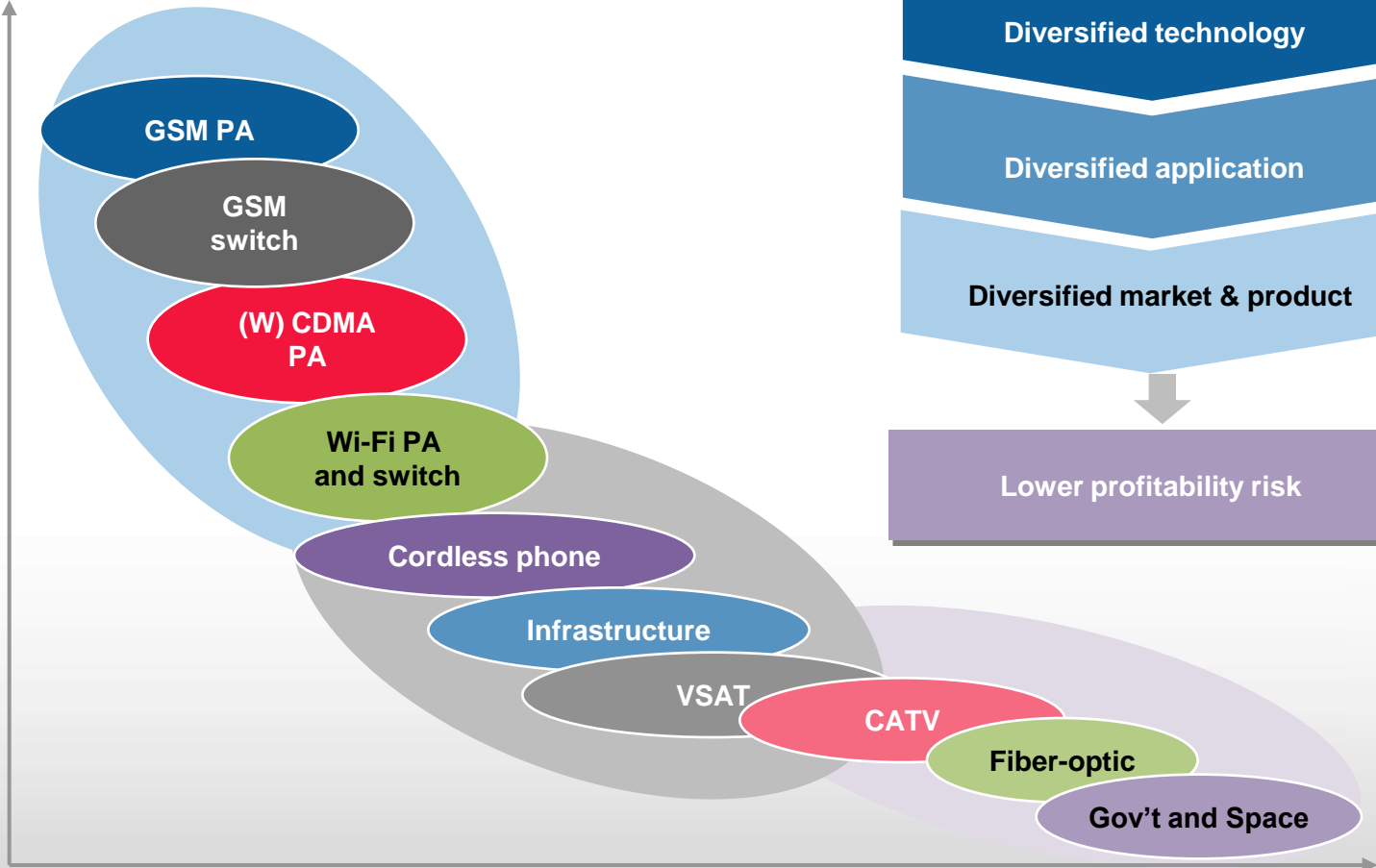
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Diversified end markets



High volume

Economies of scale

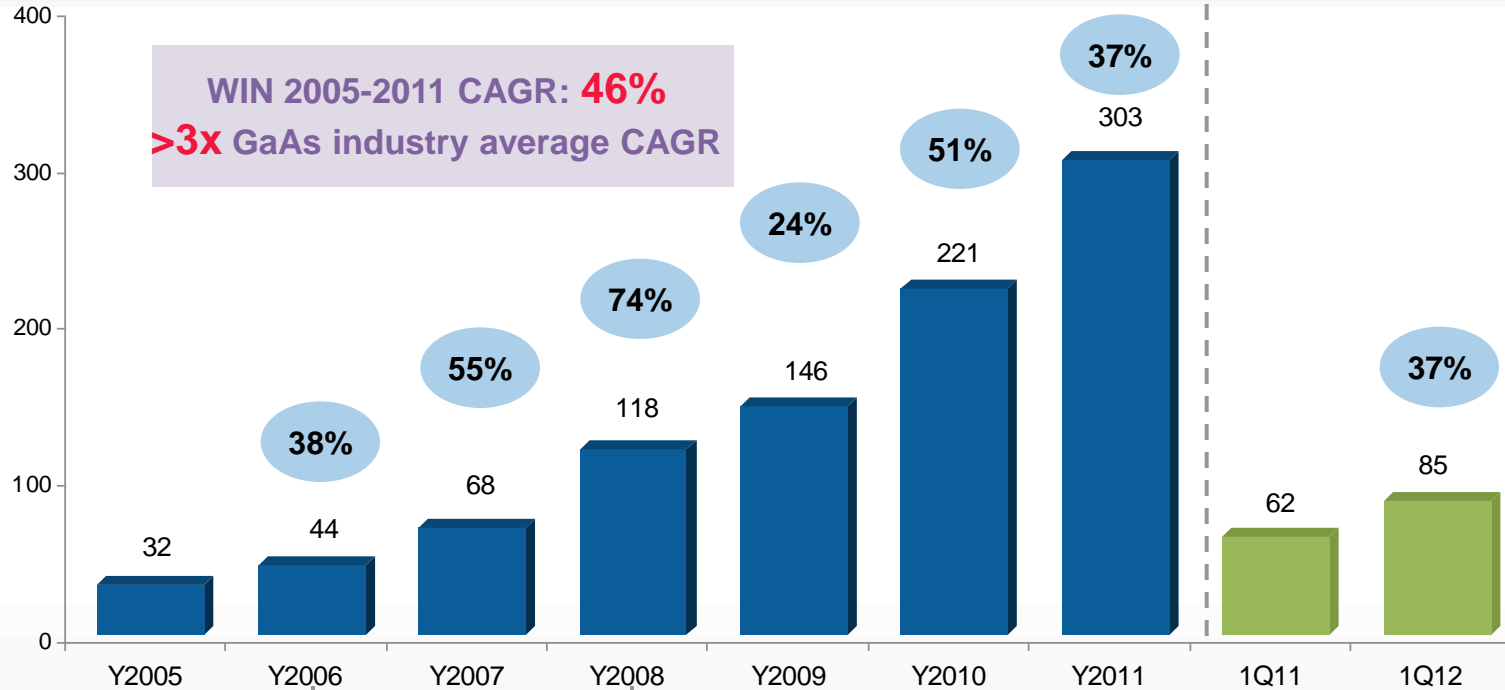


Economies of scope

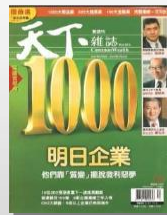
Low volume

Strong growth momentum

Revenue (US\$m)



WIN 2005-2011 CAGR: **46%**
>3x GaAs industry average CAGR



- Fastest growing company #1000



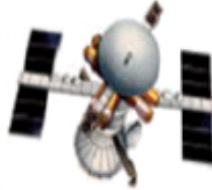
- Fastest growing company #591
- Highest performance company: #22



- Fastest growing company #398
- Highest performance company: #9



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



P-t-P, satellite, fiberoptic communications



4G LTE, femto cell, and Wimax

Long-term

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

Mid-term

- **Entry level smartphones** replacing 2G feature phones
- **4G LTE** launch
- 802.11ac MIMO

Short term

- **Fast growth of 3G Smartphones** (30~40% YoY)

The largest GaAs IC manufacturing capacity in the world

Capacity plan (Y2005–Y2012)



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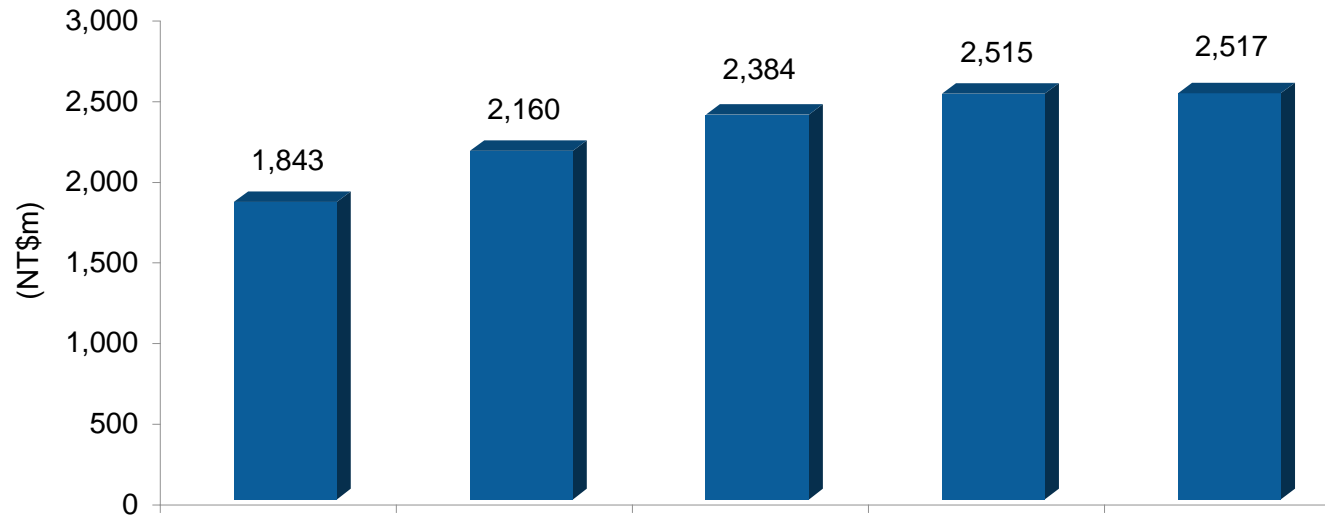
Financial highlight



(NT\$m)	Q1 2012	Q4 2011	Q1 2011
Net revenues	2,517	2,515	1,843
<i>Gross margin (%)</i>	26	31	29
<i>Operating margin (%)</i>	8	16	17
EPS (NT\$)	0.70	0.98	0.51
Total stockholders' equity	10,712	10,045	9,250
Book value per share (NT\$)	16.51	15.49	14.90
<i>ROE (%)</i>	18	26	14
<i>Utilisation (%)</i>	74	93	74
Capex	262	252	1,385
Depreciation	307	224	215

Note: ROE figures are annualised

Revenue trend—quarterly



	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Revenue	1,843	2,160	2,384	2,515	2,517
QoQ (%)	7.6	17.2	10.4	5.5	0.1
YoY (%)	36	13	19	47	37

Consolidated income statement—*win* SEMICONDUCTORS quarterly

(NT\$m)	Q1 2012	Q4 2011	Q1 2011	QoQ (%)	YoY (%)
Net revenues	2,517	2,515	1,843	0	37
Gross profit	644	781	531	(18)	21
<i>Gross margin (%)</i>	26	31	29		
Operating expenses	(448)	(366)	(210)	22	113
Operating income	196	415	321	(53)	(39)
<i>Operating margin (%)</i>	8	16	17		
Non-operating income (expenses), net	270	94	(7)	187	3,973
Income before income tax	466	509	315	(8)	48
Net income	455	618	315	(26)	45
<i>Net margin (%)</i>	18	25	17		
EPS (NT\$)	0.70	0.98	0.51	(26)	45

ESOP evaluation loss (198) —

- COGS/revenue (%) 1.6 ↑
- Operating Exp/revenue (%) 6.3 ↑

Consolidated balance sheet



(NT\$m)	31-Mar-12		31-Mar-11	
	Amount	(%)	Amount	(%)
Cash and cash equivalents	881	5	557	3
Financial assets at fair value through profit or loss	1,860	10	1,624	9
Accounts receivable, net	845	4	824	5
Inventories	1,827	9	1,678	10
Fund and investments	1,428	7	1,891	11
Fixed assets, net	11,214	57	10,005	57
Total assets	19,550	100	17,511	100
Current liabilities	3,780	19	3,509	20
Long-term loans	5,053	26	4,748	27
Total liabilities	8,839	45	8,260	47
Total stockholders' equity	10,712	55	9,250	53
Key indices				
<i>Current ratio (%)</i>	175		149	
<i>Debt ratio (%)</i>	45		47	

Many Thanks



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