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WIN Semiconductors

Wireless • Information • Networking

Company Presentation

November 2013

Safe Harbor Notice

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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.

Revenue Trend - Quarterly

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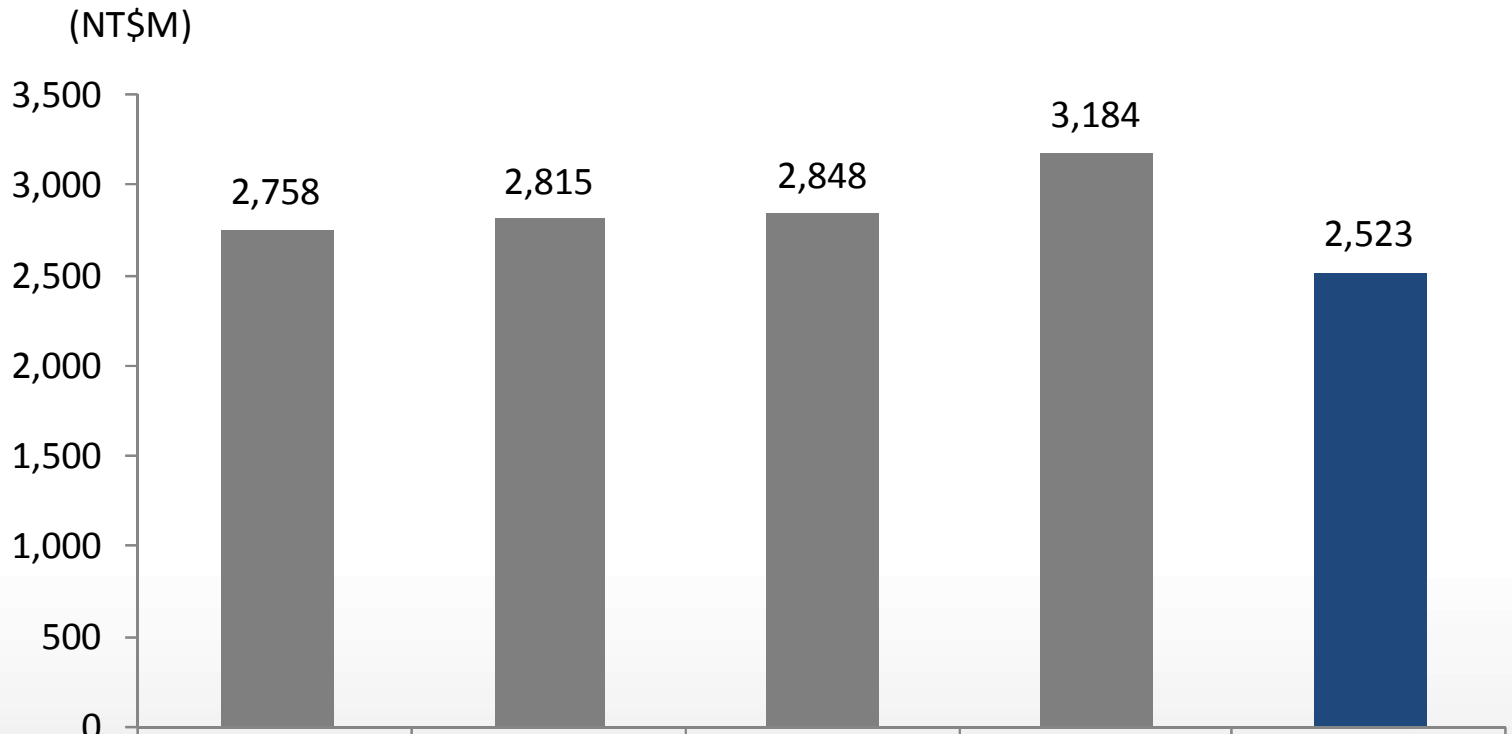
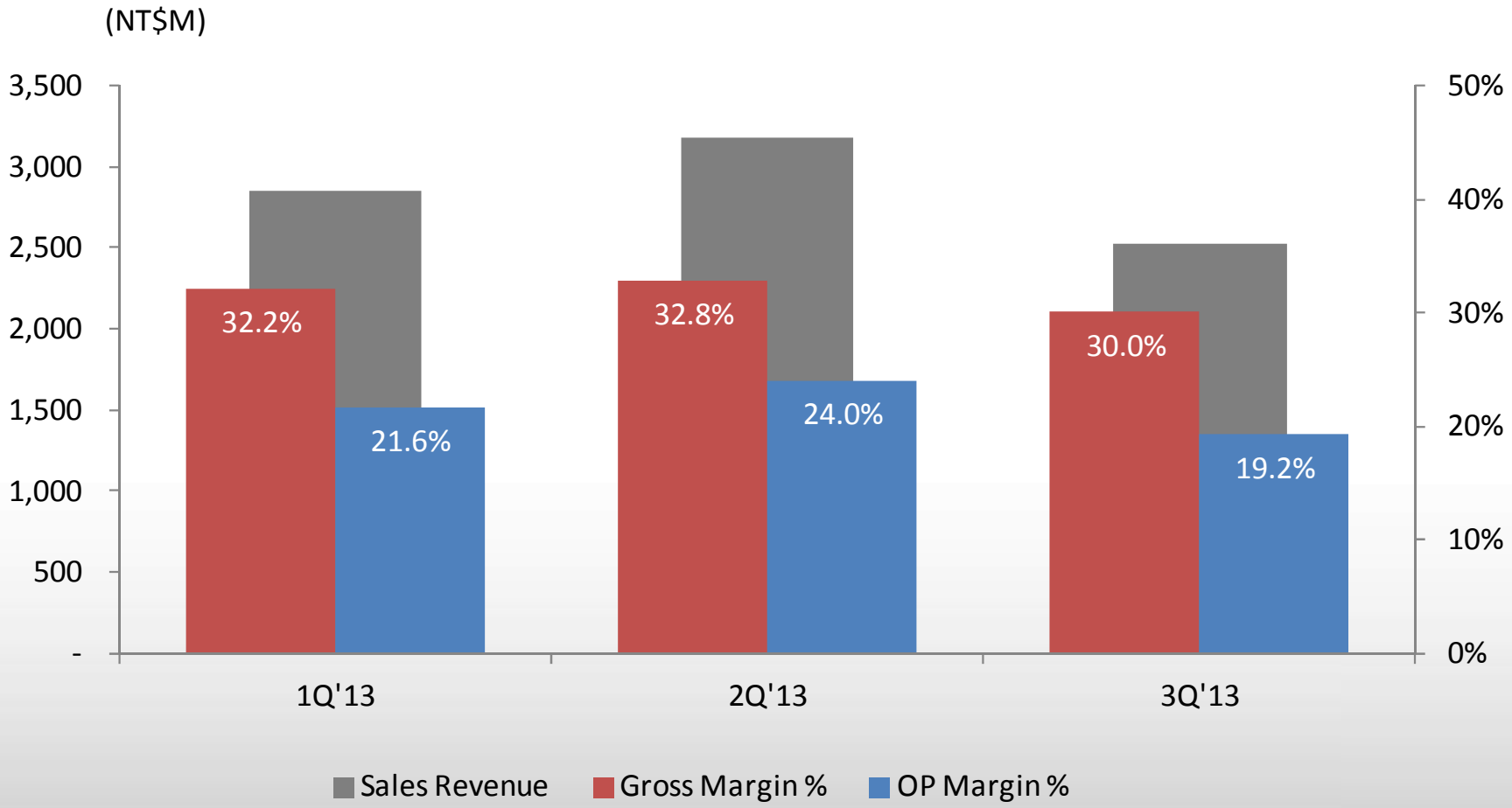


	3Q'12	4Q'12	1Q'13	2Q'13	3Q'13
Net Revenue	2,758	2,815	2,848	3,184	2,523
QoQ	-12%	+2%	+1%	+12%	-21%
YoY	+16%	+12%	+13%	+1%	-9%

Gross Margin Sustained by Product Mix



Continuous Improvement in Operating Expenses

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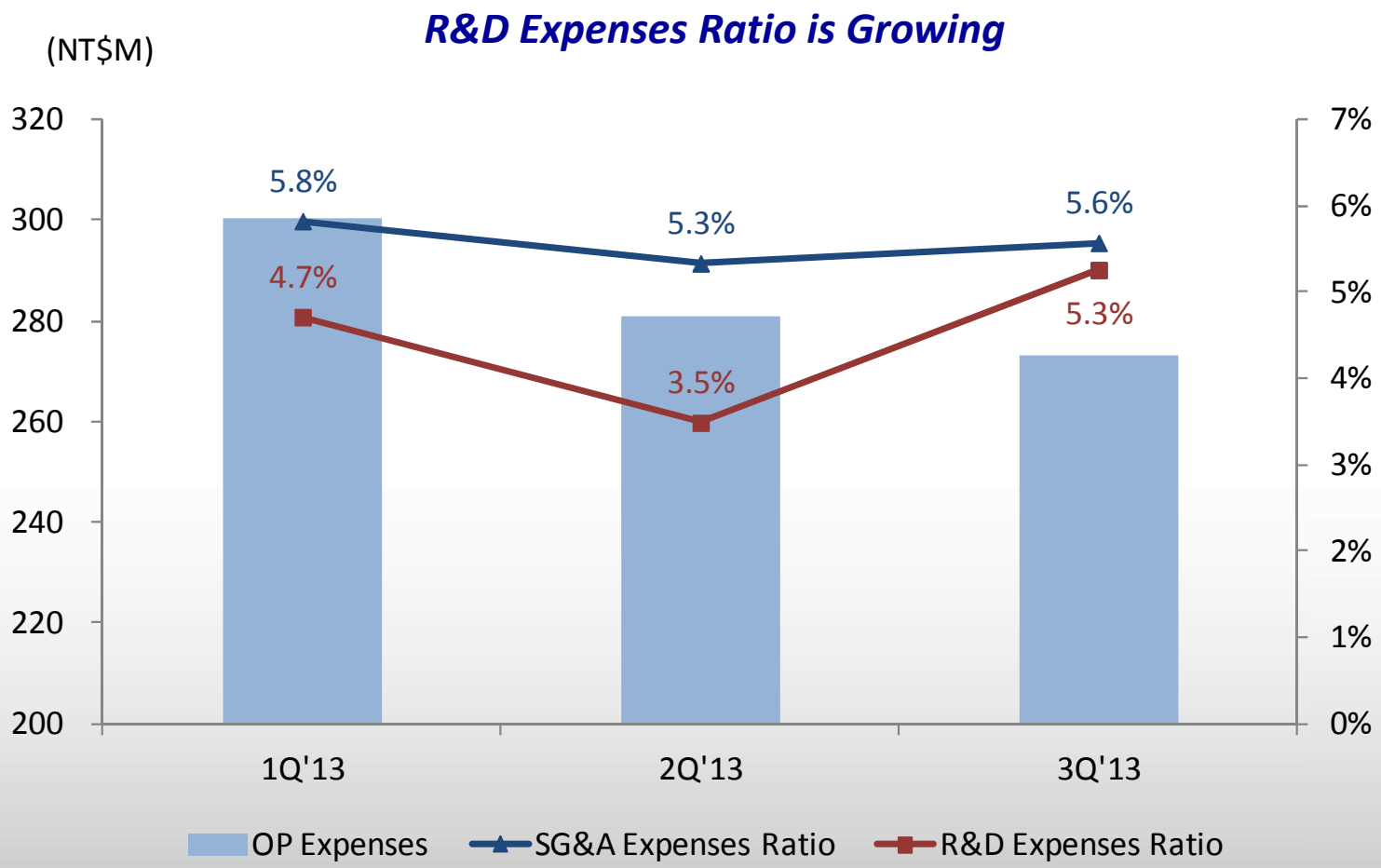
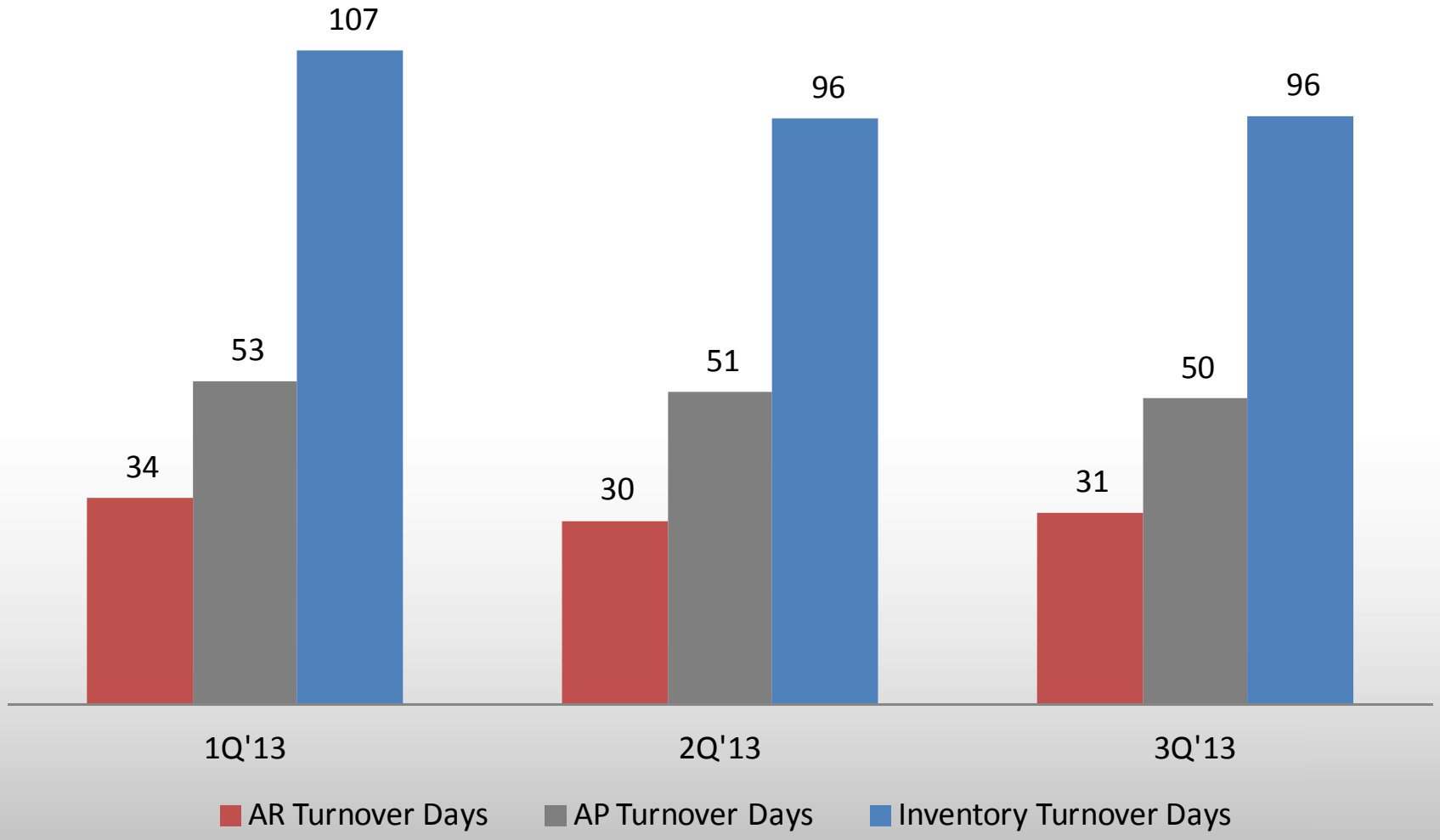


Note: SG&A expenses ratio = SG&A expenses / sales revenue
R&D expenses ratio = R&D expenses / sales revenue

Working Capital Management



Healthy Financial Structure

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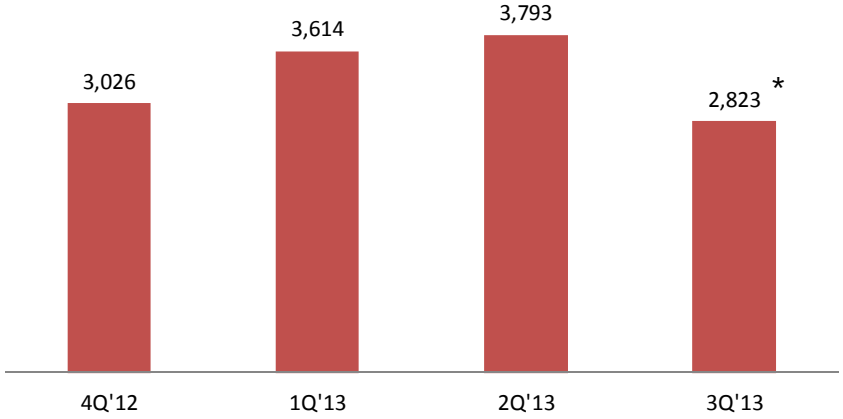
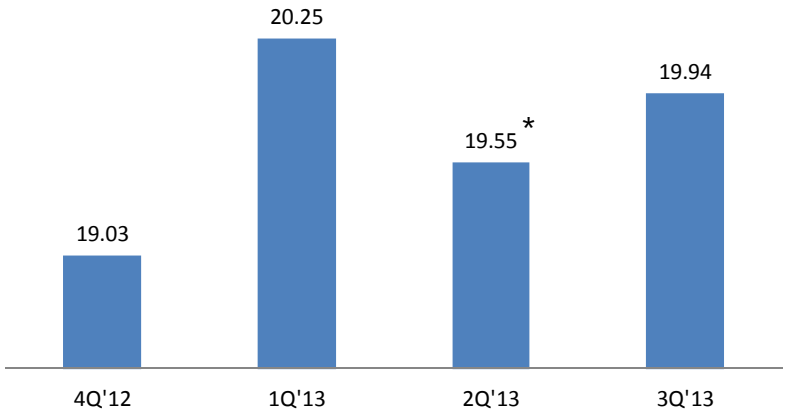
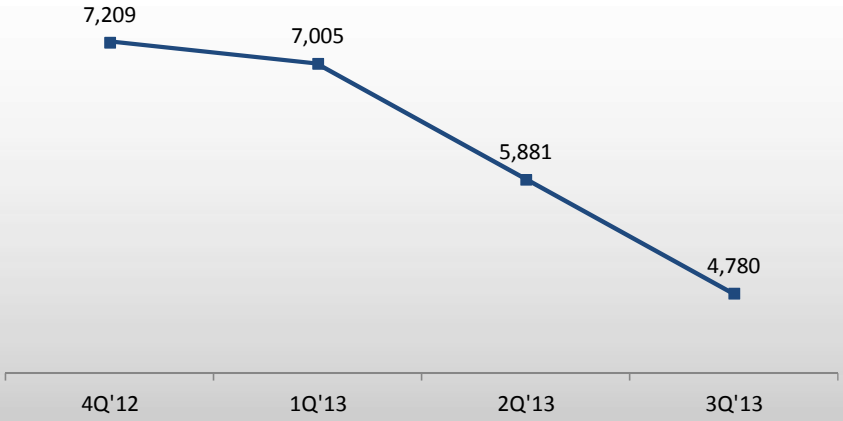
Cash and cash equivalents (NT$M)



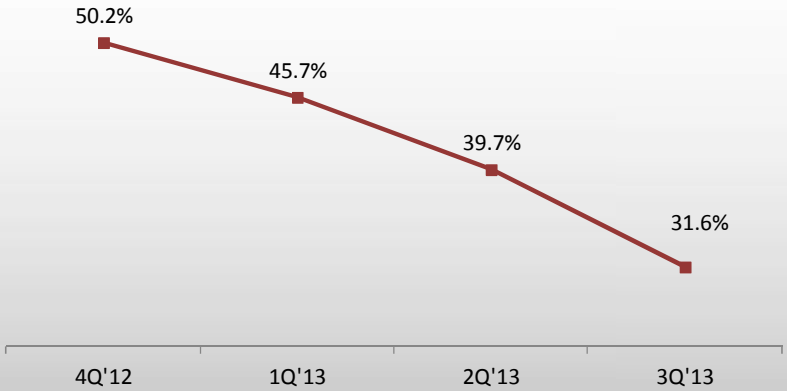
Book value per share (NT$)



Interest-bearing debt (NT$M)



Gearing ratio**



* A cash dividends was approved at the AGM on June 10th and paid on Sep. 6th, 2013.

** Gearing ratio = (Short-term borrowings + Long-term borrowings) / Total Equity

Consolidated Statements of Comprehensive Income - Quarterly (IFRSs)

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(NTD M$) Selected Items	3Q'12	2Q'13	3Q'13	QoQ	YoY
Net revenue	**2,758**	**3,184**	**2,523**	**-21%**	**-9%**
Gross profit	1,000	1,045	758	-27%	-24%
Gross margin (%)	*36.3%*	*32.8%*	*30.0%*		
Operating expenses	(270)	(281)	(273)	-3%	+1%
Operating expenses rate (%)	*-9%*	*-9%*	*-11%*		
Operating income	**730**	**764**	**485**	**-37%**	**-34%**
Operating margin (%)	*27.5%*	*24.0%*	*19.2%*		
Non-operating incomes (expenses), net	(76)	(97)	(31)		
Income before income tax	654	667	453	-32%	-31%
Income tax expense	(106)	(120)	(105)		
Net income	**548**	**547**	**349**	**-36%**	**-36%**
Net margin (%)	*19.9%*	*17.2%*	*13.8%*		
EPS (NT$)	**0.85**	**0.72**	**0.46**	**-36%**	**-46%**
Other comprehensive income (net of tax)	(75)	62	(49)		
Comprehensive income	**474**	**608**	**300**	**-51%**	**-37%**
Annualized ROE(%)	20%	15%	9%		
Approx. Utilization (%)	80%	90%	70%		
Depreciation	318	446	450		
CAPEX	1,426	301	1,277		

Consolidated Statements of Comprehensive Income - YTD (IFRSs)

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(NTD M$) Selected Items	1Q-3Q'12	1Q-3Q'13	YoY
Net revenue	**8,423**	**8,555**	**+2%**
Gross profit	2,657	2,720	+2%
Gross margin (%)	*31.5%*	*31.8%*	
Operating expenses	(892)	(854)	-4%
Operating expenses rate (%)	*-11%*	*-10%*	
Operating income	**1,765**	**1,865**	**+6%**
Operating margin (%)	*21.0%*	*21.8%*	
Non-operating incomes (expenses), net	(231)	240	
Income before income tax	1,534	2,105	+37%
Income tax expense	(212)	(420)	
Net income	**1,322**	**1,685**	**+27%**
Net margin (%)	*15.7%*	*19.7%*	
EPS (NT$)	**2.04**	**2.23**	**+9%**
Other comprehensive income (net of tax)	(68)	129	
Comprehensive income	**1,254**	**1,814**	**+45%**
Annualized ROE(%)	17%	15%	
Approx. Utilization (%)	80%	80%	
Depreciation	936	1,337	
CAPEX	2,768	2,353	

Investment Gain or Loss

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(NTD M$) Selected Items	3Q'13	1Q-3Q'13
Dividend income	32	34
Gains (losses) on disposals of investments	27	(377)
Gains on financial assets (liabilities) at fair value through profit or loss, net	7	393
Share of loss of associates and joint ventures accounted for using equity method	(29)	(77)
Subtotal	**38**	**(28)**
Other comprehensive income, before tax, available-for-sale financial assets	(45)	123
Total	**(7)**	**95**

Consolidated Balance Sheets (IFRSs)

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(NTD M$) Selected Items	2012/9/30		2013/6/30		2013/9/30	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	986	5%	3,793	15%	2,823	13%
Current financial assets at fair value through profit or loss	946	4%	2,175	9%	798	4%
Current available-for-sale financial assets	311	1%	665	3%	534	2%
Notes and accounts receivable, net	859	4%	1,037	4%	693	3%
Inventories	2,622	12%	2,069	8%	1,642	7%
Long-term investments	1,435	8%	957	4%	958	5%
Net property, plant and equipment	13,098	62%	13,185	54%	14,103	64%
Total Assets	**21,097**	**100%**	**24,560**	**100%**	**21,986**	**100%**
Current liabilities	4,365		4,860		2,959	
Long-term borrowings	5,707		4,699		3,721	
Total Liabilities	**10,104**	**48%**	**9,744**	**40%**	**6,861**	**31%**
Common stock	6,487		7,579		7,586	
Total Equity	**10,993**	**52%**	**14,816**	**60%**	**15,125**	**69%**
Book value per share (NT$)	16.95		19.55		19.94	
Key Indices						
Current ratio *(Current assets / Current liabilities)*	138%		208%		225%	
Debt ratio *(Total liabilities / Total assets)*	48%		40%		31%	

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