

Wistron Corporation

Investor Presentation





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Company Overview

Section 1



Company overview



2009

◆ **Jun-09:** Business Week “Global Info Tech 100” (Rank #8)¹

2008

◆ **Jun-09:** Business Week “Taiwan Info Tech 100” (Rank #1)¹

◆ **Sep-09:** One of the Asian Fabulous 50 “The Best of Asia-Pacific's Biggest Listed Companies” – Forbes²

2007

2006

◆ **Aug-08:** Completed acquisition of monitor business of Lite-On Technology for ~NT\$9.2 billion

2005

◆ **Dec-06:** Asia Money “Best Overall Corporate Governance in Taiwan” (Rank #3)³

2004

2003

◆ **Aug-03:** Listed on Taiwan Stock Exchange

2002

◆ **Feb-02:** Spun off from Acer to take over its Design, Manufacturing & Services division

Company snapshot

- ◆ **Key products:** Notebook (“NB”) PCs, desktop (“DT”) PCs, LCD TVs, LCD monitors, handheld devices, servers, storage devices and services
- ◆ **Employees:** over 36,000⁴

Key financials (NT\$bn)

	2006	2007 ⁵	2008 ⁵
Revenue	221.1	286.8	445.1
Growth (%)	34.2%	29.7%	55.2%
Gross profit	14.7	18.4	24.9
Gross margin (%)	6.7%	6.4%	5.6%
Operating profit	7.0	8.0	8.6
Operating margin (%)	3.1%	2.8%	1.9%
Net income⁶	5.3	6.6	6.9
Net margin (%)	2.4%	2.3%	1.5%

Source: Company

Note: ¹ June 2009 issue of Business Week

² Recognized by Forbes from 2007-2009

³ December 2006 issue of Asia Money magazine

⁴ As of March 31, 2009

⁵ Under ROC SFAS No.7, financials include consolidation impact of AOpen from year 2007 onwards

⁶ After minority interest



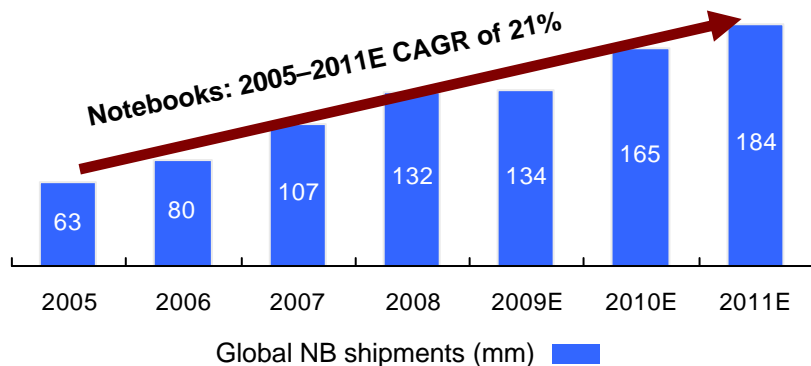
Investment highlights



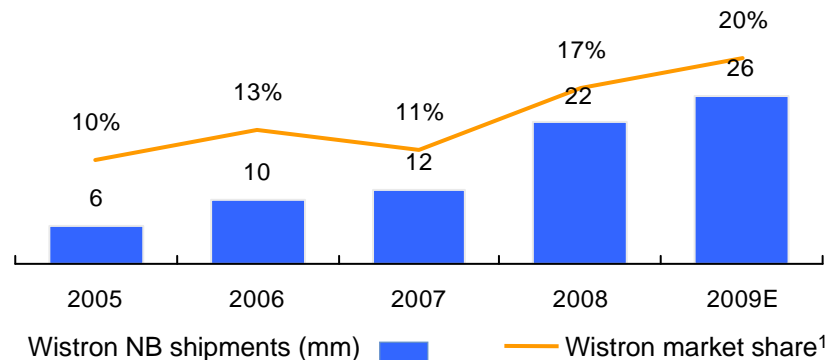
Well established market position in notebook

ODM

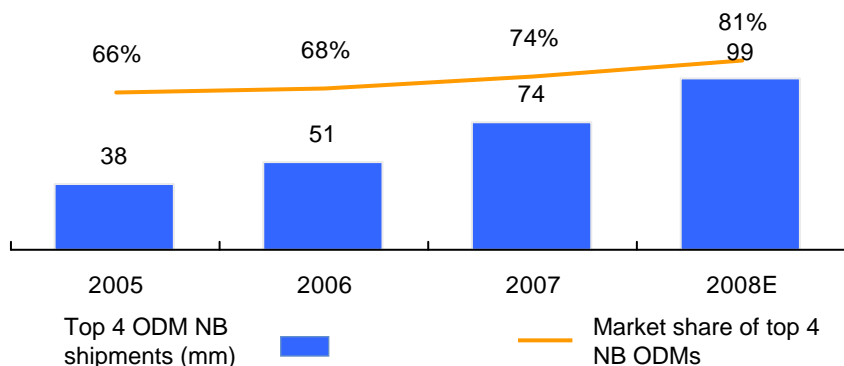
Global notebook industry shipments (mm units)



Wistron has well established market position in NB ODM industry



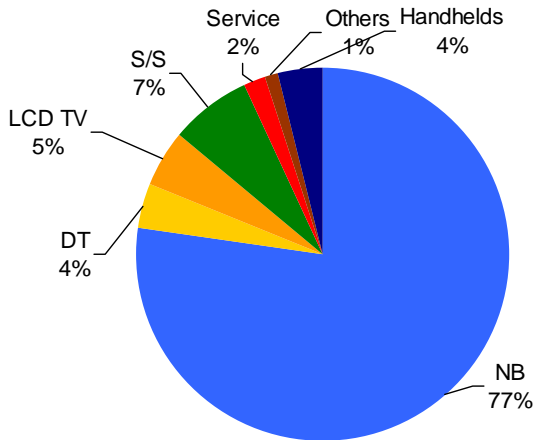
Strong performance of top 4 NB ODMs over time



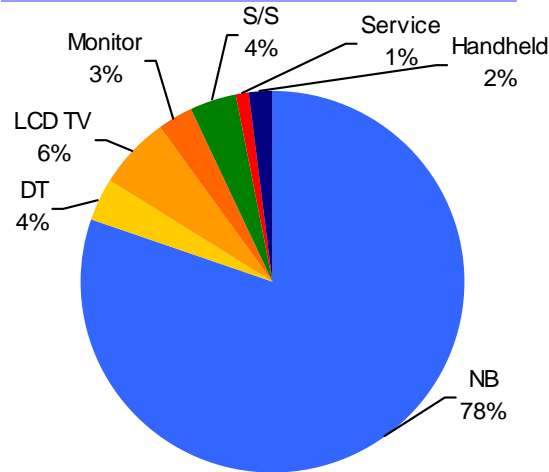
- ◆ Well established top 3 market position in global NB ODM industry
- ◆ Wistron's winning strategy has resulted in increase in its global NB ODM market share from 10% in 2005 to 17% in 2008
 - Strong design ability leads to more high-end products
 - Better performance yields more order wins
 - Cost advantage given economies of scale

But Wistron not just a NB PC manufacturer

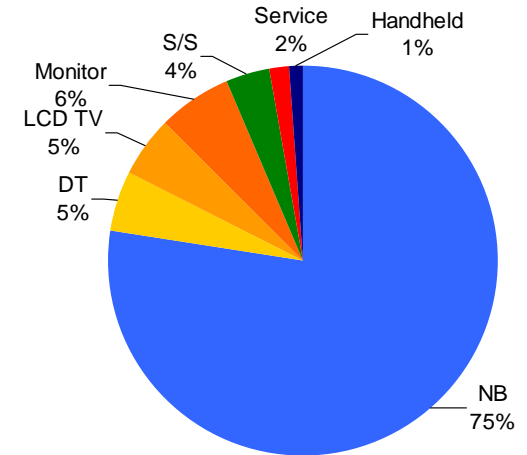
2007 : NT\$288.4B



2008 : NT\$445B

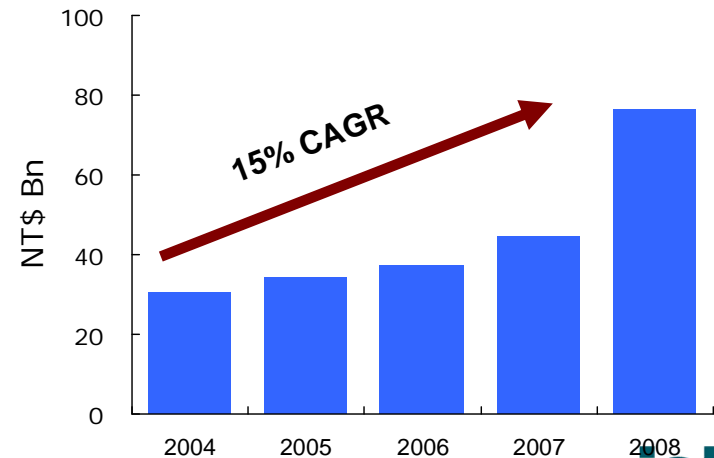


1-3Q'09 : NT\$386B

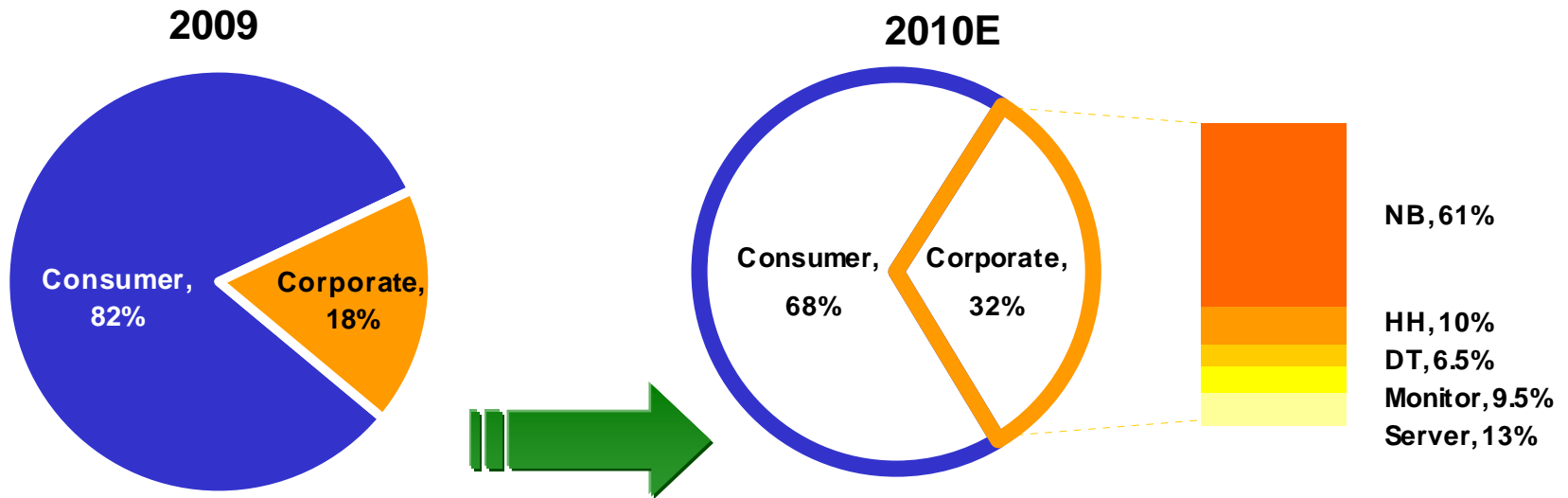


- ◆ Notebook PC remains one of the major growth drivers for the Company
- ◆ Other product lines (Display, Handheld devices, Desktop, Server/storage, VOIP, IPC and After-sales services) are also growing on track

Non-NB Revenue Trend



A potential beneficiary for the next corporate replacement cycle

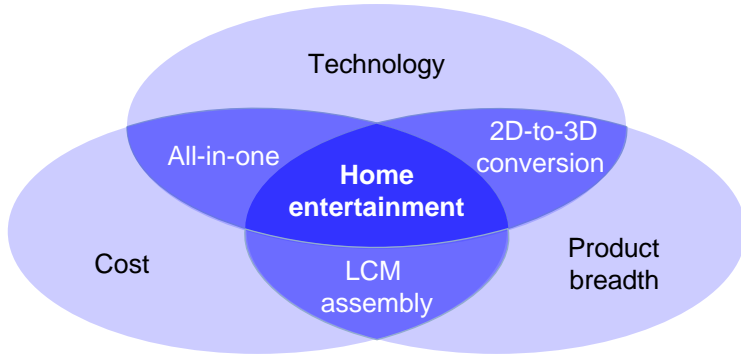


- Global Economic Recovery
- Increasing IT Spending
- Upgrade cycle for Windows 7

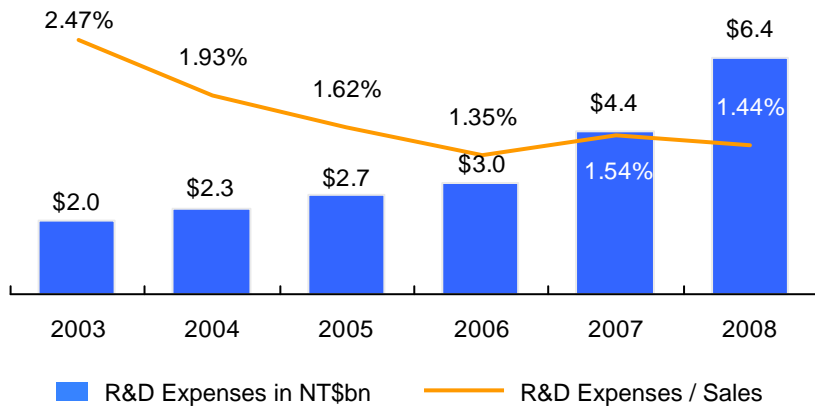
Leading innovation supported by R&D, design and quality



Formidable home entertainment platform due to innovation



Sustained R&D spending



Source: Company data

Key R&D focus

- InnoValue** {
 - Innovation - Scope, spec, features
 - Value - Cost, budget
- QualiSpeed** {
 - Quality - Reliability, ease-of-use
 - Speed - Schedule, time to market

Achievements



First NB ODM to design and manufacture tablet PC & 3D NB

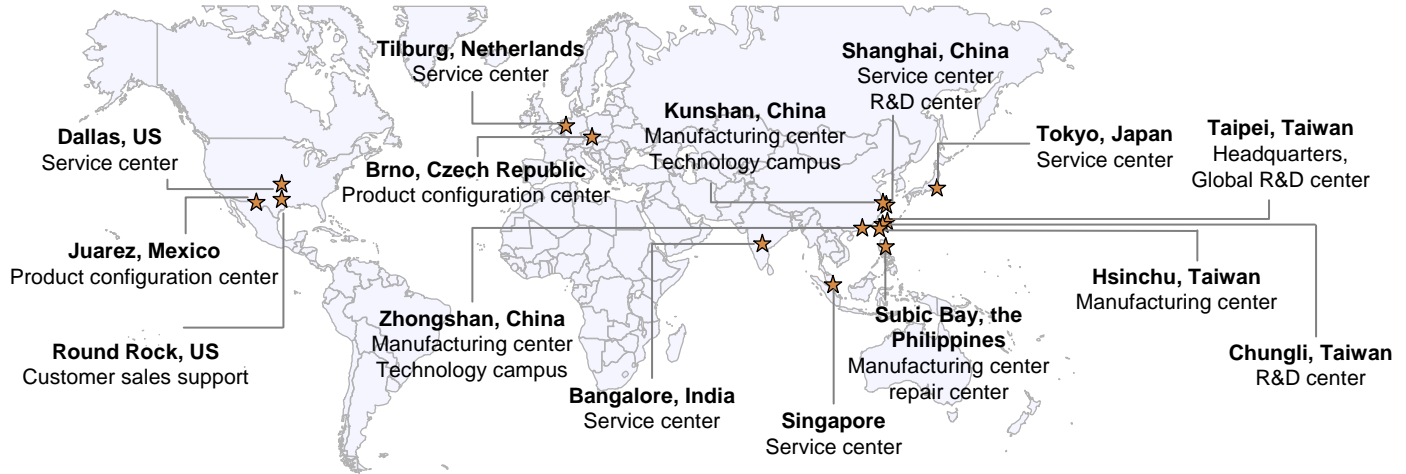
Industry recognition

-  **Won the CES Best of Innovations 2008 in the Computer Hardware Category**
-  **Time Magazine's Best Inventions edition listed 3 NB PCs in its Tech Buyer's Guide, 3/3 made by Wistron**
-  **Won Best Product of the Year awards for 2006 from both PC World and PC Magazine**

Globally synchronized manufacturing and service infrastructure

Wistron's manufacturing and after sales service centers footprint

- ◆ Unparalleled global manufacturing and service footprint
- ◆ Strategically located operations to support customers' product development requirements



Production

Research & Development

Service

Global **SAP** system to fully integrate various functions around the globe



Kunshan, China



Zhongshan, China



Taipei, Taiwan



Dallas, US



Tokyo, Japan

- ◆ Mass production at low-cost production facilities in the PRC

- ◆ Centralized research and development at headquarters in Taiwan

- ◆ Final configuration and after-sale service centers located close to our customers

Source: Company

Operational efficiency and reduce costs

Business Reorganization

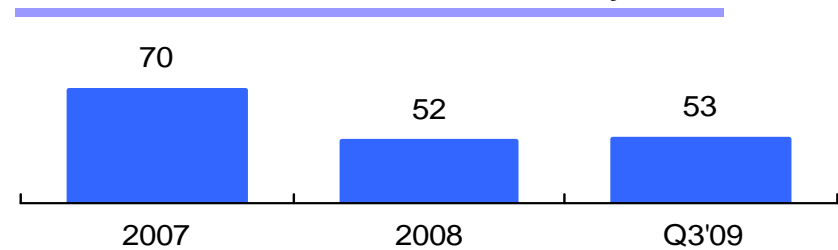
- ◆ Individual business units entrusted with end-to-end responsibilities focusing on customer needs
- ◆ Regular communication between business units



Notes and accounts receivable management

- ◆ Help leverage on credits of our global leading OEM customers
- ◆ Expect to factor up to 40% of receivables

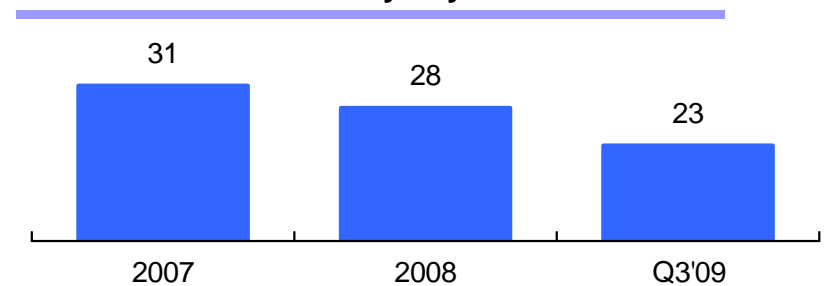
Notes and accounts receivable days



Inventory management

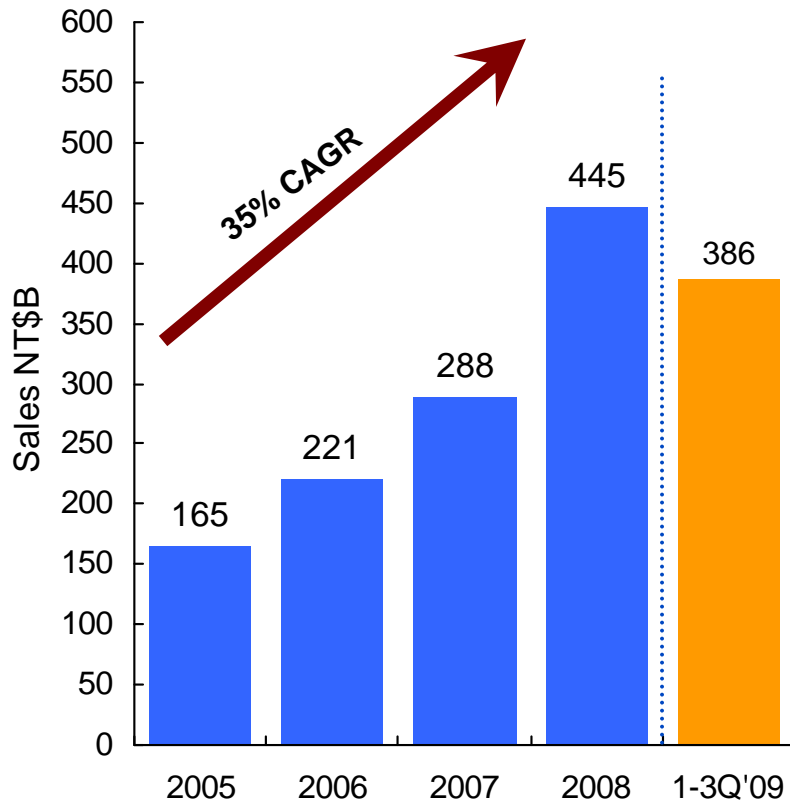
- ◆ Maintain inventories of key components on a just-in-time basis
- ◆ Improve product design and manufacturing process through R&D

Inventory days

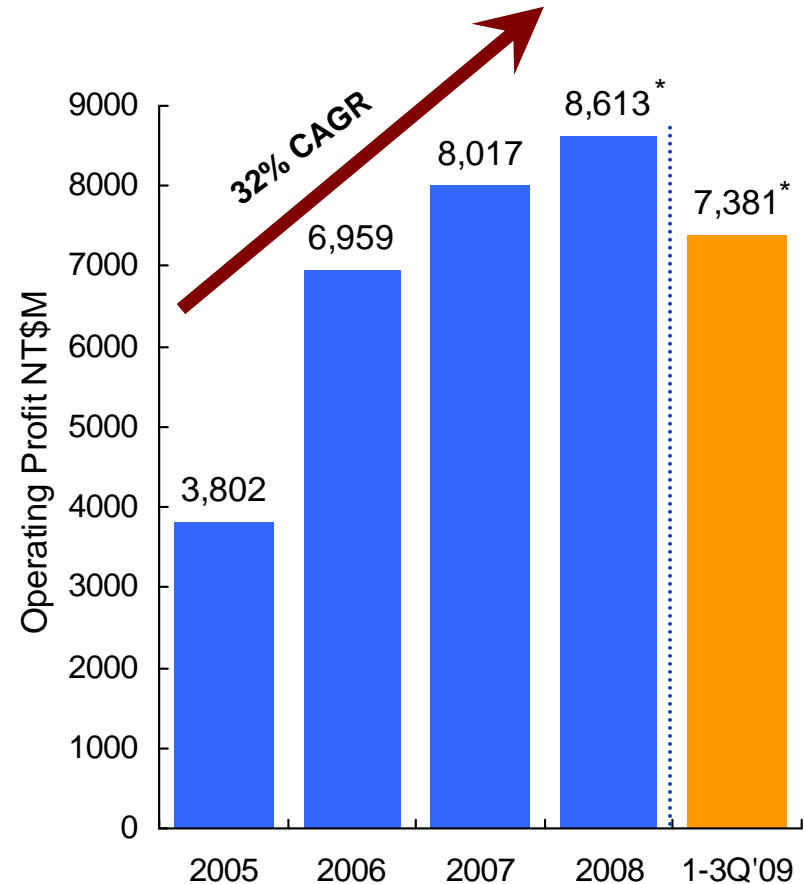


Track record of strong financial performance (1)

Strong growth momentum in sales



Continuously improving profitability



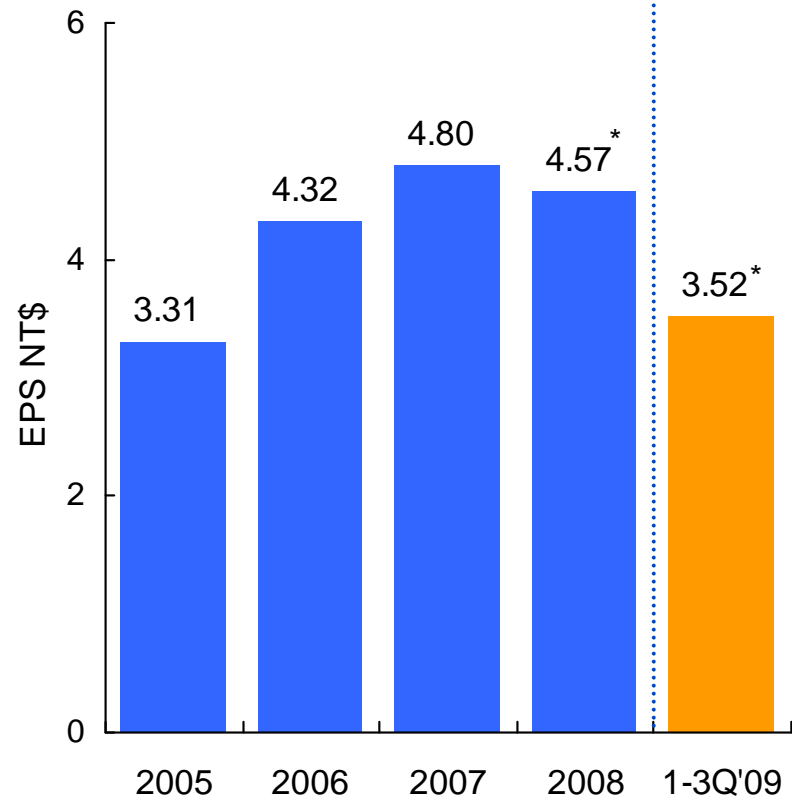
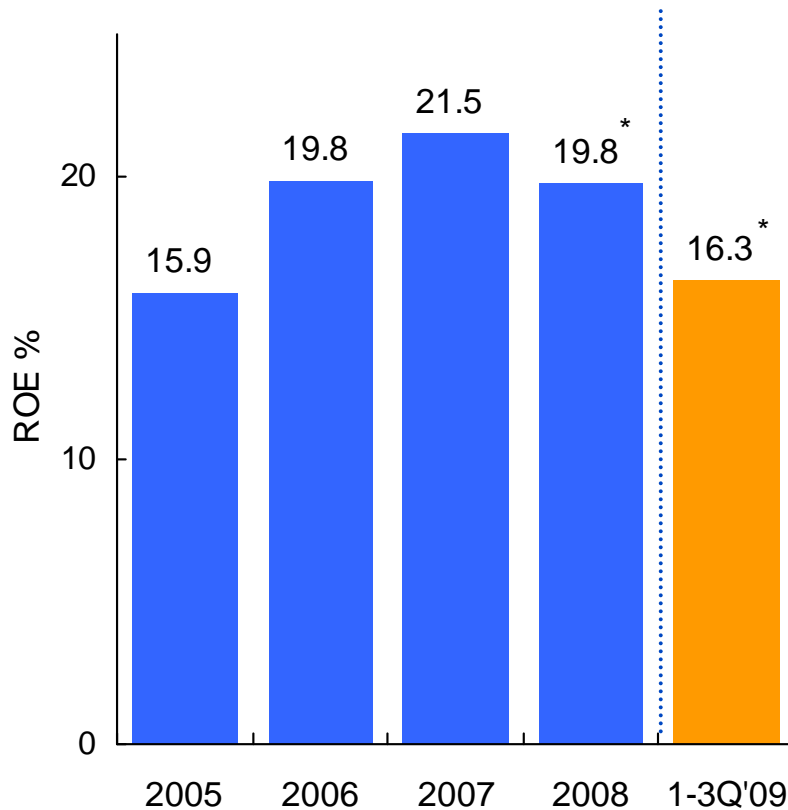
* Wistron booked NT\$ 820 million and 1,044 million of employee bonus expense (for both employee bonus and director remuneration) in 1-3Q'09 and 2008 respectively. Before the booking, the operating income should be NT\$ 6,837 million and 9,657 million

Source: Company consolidated financials

Track record of strong financial performance (2)

ROE

EPS



*Before bonus expense: 2008 1-3Q'09
 ROE 20.5% 18.1%
 EPS NT\$ 5.14 3.96



Superior balance sheet management

(NT\$M)

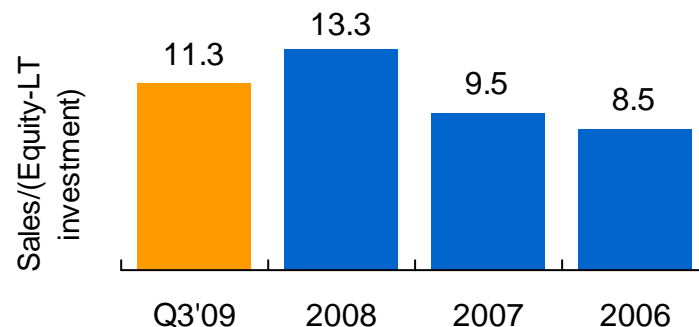
2007

2008

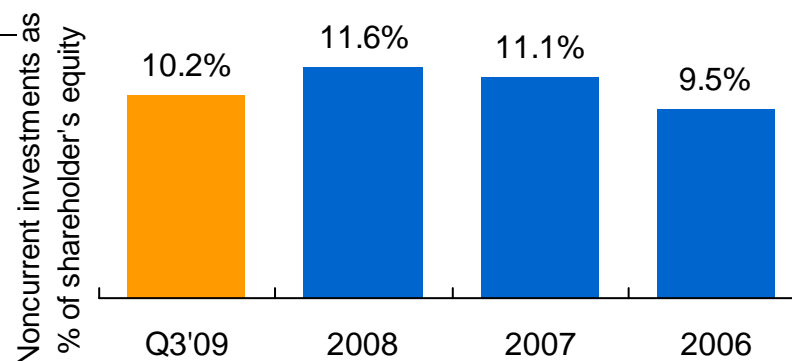
Q3'09

Efficient utilisation of capital

Total assets	108,661	139,461	172,301
Net debt (= Total debt - Cash & ST investments)	2,509	(446)	(13,724)
Shareholders' equity	32,738	37,783	50,442
LT investments	3,616	4,388	5,135
Net debt / Equity	8%	-1%	-27%



Higher focus on core business



Source: Company consolidated financials
TSEC Market Observation Post System



Historical earning distribution

- Dividend

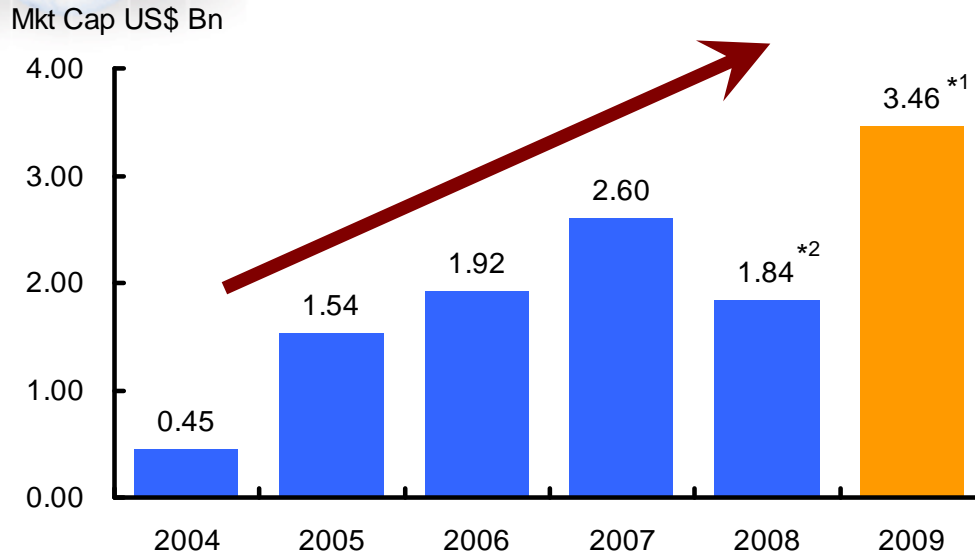
	2003	2004	2005	2006	2007	2008
Stock (NT\$)	0.5	-	0.50	0.6	0.5	\$0.98
Cash (NT\$)	0.5	-	1.50	2.2	2.7	\$0.98
Diluted EPS (NT\$)	1.68	-0.89	3.02	4.31	4.8	4.57
Total Dividend Payout (%)	60%	-	66%	65%	67%	47%
Cash Dividend Payout (%)	30%	-	50%	51%	56%	21%

- Employee Bonus Dilution

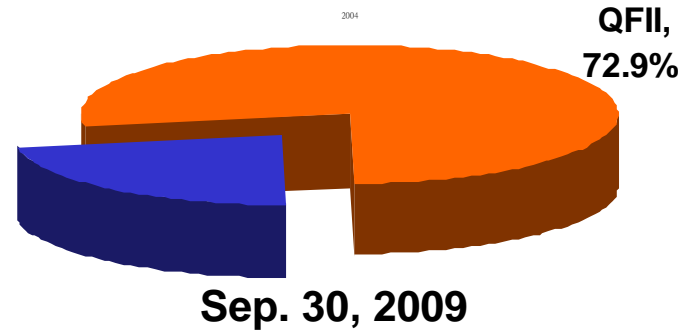
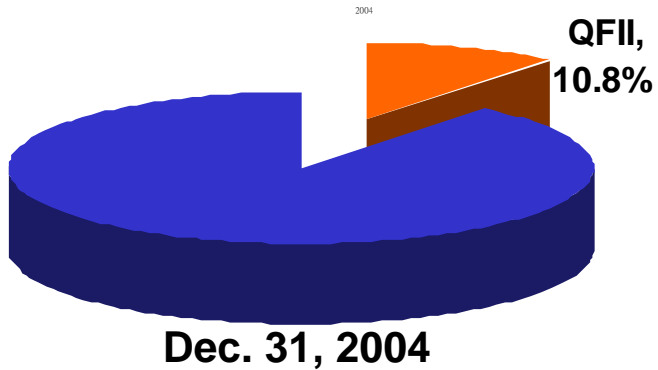
	2005	2006	2007	2008
PBT (NT\$M)	3,212	6,574	7,771	8,388
PAT (NT\$M)	3,182	5,327	6,605	6,878
Cash Bonus (NT\$M)	114	144	178	-
Stock Bonus (000' Shares)	17,148	33,492	41,614	20,182
Reference Share Price	41.9	44.5	60.3	48.7
Market Value of Bonus (NT\$M)	833	1,635	2,688	982
Employee Bonus / PBT	25.9%	24.9%	34.6%	11.7%
Employee Bonus / PAT	26.2%	30.7%	40.7%	14.3%



Growing Market Cap. & QFII Holding



*1 As of Sep. 30, 2009
 *2 Due to financial crisis



Financial Summary

Section 2



Income statements

NT\$ M	2005		2006		2007		2008*		1-3Q'09*	
Net Revenue	164,732		221,054		286,754		445,118		386,217	
Realized gross profit	10,581	6.42%	14,745	6.67%	18,361	6.40%	24,866	5.59%	21,192	5.49%
Operating Expenses										
Selling	(3,120)	-1.89%	(3,623)	-1.64%	(4,417)	-1.54%	(7,654)	-1.72%	(6,412)	-1.66%
Administrative	(988)	-0.60%	(1,171)	-0.53%	(1,520)	-0.53%	(2,171)	-0.49%	(1,694)	-0.44%
Research and Development	(2,671)	-1.62%	(2,991)	-1.35%	(4,407)	-1.54%	(6,428)	-1.44%	(5,705)	-1.48%
Total Operating Expenses	(6,779)	-4.12%	(7,785)	-3.52%	(10,344)	-3.61%	(16,253)	-3.65%	(13,811)	-3.58%
Operating Income	3,802	2.31%	6,959	3.15%	8,017	2.80%	8,613	1.94%	7,381	1.91%
Non-operating Income/(Loss)										
Interest Expense, net	(526)		(989)		(628)		(662)		(243)	
Investment Income/(Loss)	(288)		152		287		239		183	
Exchange Gain/(Loss), net	(199)		268		(161)		(38)		(41)	
Other Income/(Expense)	486		133		524		705		347	
PBT	3,276		6,524		8,038		8,857		7,626	
Tax	(39)	-1.20%	(1,249)	-19.15%	(1,322)	-16.44%	(1,958)	-22.11%	(1,579)	-20.71%
Minority Interest	(54)		52		(111)		(21)		(30)	
PAT	3,182		5,327		6,605		6,878		6,017	
Outstanding Shares (M)	1,178		1,272		1,382		1,517		1,851	

* Wistron booked NT\$820 million and 1,044 million of employee bonus expense (for both employee bonus and director remuneration) in 1-3Q'09 and 2008 respectively.

* Company consolidated financials

Consolidated (2009 Q3 vs. 2009 Q2 & 2008 Q3)



NT\$ M	Q3'09		Q2'09		QoQ	Q3'08		YoY
Net Revenue	146,452		127,241		15.10%	121,681		20.36%
Realized gross profit	8,250	5.63%	7,376	5.80%	11.85%	6,840	5.62%	20.61%
Selling	(2,251)	-1.54%	(2,311)	-1.82%	-2.61%	(2,116)	-1.74%	6.38%
Administrative	(545)	-0.37%	(549)	-0.43%	-0.78%	(608)	-0.50%	-10.35%
Research & Development	(2,052)	-1.40%	(1,913)	-1.50%	7.27%	(1,642)	-1.35%	24.95%
Total Operation Expenses	(4,848)	-3.31%	(4,773)	-3.75%	1.56%	(4,366)	-3.59%	11.03%
Operating Income	3,403	2.32%	2,603	2.05%	30.72%	2,475	2.03%	37.50%
Non-operating Income/(Loss)								
Interest Expense, net	(47)		(85)			(115)		
LT Investment Income/(Loss), net	58		53			59		
Exchange Gain/(Loss)	(69)		(246)			26		
with Evaluation gain on financial instruments, net								
Other Income/(Expense)	130		36			206		
PBT	3,474		2,361		47.13%	2,650		31.06%
Tax	(736)	-21.20%	(471)	-19.94%	56.34%	(443)	-16.72%	66.20%
Minority Interest	(20)		(14)			(7)		
PAT	2,717		1,876		44.83%	2,200		23.50%
Outstanding Shares (M)	1,851		1,667			1,517		



Consolidated Balance Sheets

NT\$M	2009/9/30		2009/6/30		2008/9/30	
Cash & ST Investments	21,942	13%	26,226	17%	10,868	6%
A/R	87,722	51%	66,293	42%	71,959	42%
Inventory	29,033	17%	29,227	19%	47,721	28%
Other current Assets	7,464	4%	9,479	6%	13,625	8%
Total Current Assets	146,160	85%	131,225	83%	144,174	84%
LT equity investments	5,135	3%	5,035	3%	4,295	3%
Property, plant and equipment	17,112	10%	17,136	11%	15,636	9%
Other assets	3,893	2%	4,088	3%	7,294	4%
Total Assets	172,301	100%	157,484	100%	171,399	100%
ST Borrowing	2,423	1%	2,161	1%	18,509	11%
A/P	99,364	58%	87,802	56%	94,922	55%
Other current liabilities	12,900	7%	12,405	8%	11,489	7%
Total Current Liabilities	114,687	67%	102,368	65%	124,919	73%
LT Debt	5,796	3%	5,907	4%	9,639	6%
Other liabilities	1,375	1%	1,260	1%	885	1%
Total Liabilities	121,858	71%	109,535	70%	135,444	79%
Shareholders' Equity	50,442	29%	47,948	30%	35,955	21%

Consolidated Cash Flows

NT\$M	1-3Q'09	1-3Q'08
Cash* (Beginning of period)	13,179	7,560
Cash flow from Operation		
Consolidated net income	6,047	5,362
Depreciation & amortization	3,896	2,385
(Income)/loss from equity method	(117)	(74)
Changes in A/R	(27,799)	(17,318)
Changes in A/P	25,965	37,545
Changes in inventories	2,148	(24,908)
Others	1,753	(5,782)
Cash provided by operating activities	11,892	(2,791)
Cash flow from Investment		
Capex	(4,079)	(4,318)
Others	(116)	(5,266)
Cash provided by investing activities	(4,194)	(9,584)
Cash flow from Finance		
Increase (decrease) in ST borrowings	(451)	8,440
LT debt	(4,062)	9,639
Issuance of common stock	7,234	1,134
Payment on cash dividends	(1,638)	(3,295)
Payment on directors' and supervisors' remuneration	-	(59)
Others	4	(126)
Cash provided by financing activities	1,087	15,733
Effect of exchange rate change & subsidiaries consolidated	(23)	(50)
Cash (End of period)	21,942	10,868

* Cash = Cash + Cash equivalent + ST financial instruments

* Capex = Additions to property, plant and equipments + Increase in long-term equity investment
+ Increase in advance payments for investment