

# Wistron Corporation

Q1'08

## Financial Summary



# Disclaimer

***This presentation is being delivered to the recipient. The sole purpose of this presentation is to assist the recipient in understanding Wistron. This presentation is not intended to form the basis of a decision to purchase securities or any other investment decision and does not constitute an offer, invitation or recommendation for the sale or purchase of securities. Neither the information contained in this presentation nor any further information made available in connection with the subject matter contained herein will form the basis of any contract.***

***This presentation does not purport to be comprehensive or to contain all the information that a prospective purchaser may need. The information contained herein is based on publicly available information and sources, which we believe to be reliable, but we do not represent it is accurate or complete. The recipient of this presentation must make its own investigation and assessment of the ideas and concepts presented herein. No representation, warranty or undertaking, express or implied, is or will be made or given and no responsibility or liability is or will be accepted by Wistron Corporation (“Wistron”) or by any of its directors, officers, employees, agents or advisers, in relation to the accuracy or completeness of this presentation or any other written or oral information made available in connection with the ideas and concepts presented herein. Any responsibility or liability for any such information is expressly disclaimed.***

***In furnishing this presentation, Wistron undertakes no obligation to provide the recipient with access to any additional information, or to update, or to correct any inaccuracies which may become apparent in, this presentation or any other information made available in connection with the ideas and concepts presented herein.***

# Income Statement

---

## Section 1





# Consolidated (Q1'08)

NT\$ M	Reported		Excluding Bonus Expense	
Net Revenue	86,810		86,810	
Realized gross profit	5,233	6.03%	5,284	6.09%
Operation Expenses	(3,546)	-4.08%	(3,284)	-3.78%
Operating Income	1,687	1.94%	2,000	2.30%
<b>Non-operating Income/(Loss)</b>				
Interest Expense, net	(124)		(124)	
Investment Income/(Loss) under equity method, net	75		75	
Exchange Gain/(Loss), net	221		221	
Other Income/(Expense), net	258		258	
PBT	2,117		2,430	
Tax	(411)	-19.42%	(411)	
Minority Interest	(29)		(29)	
PAT	1,677		1,990	

## Note:

- Wistron booked NT\$313 million of employee bonus expense (for both employee bonus and director remuneration) in Q1'08.
- Other income mainly resulted from rental income (NT\$32m), gain on disposal of investments (Playcoo, Hungary plant and bond funds, NT\$128m) and evaluation gain on financial instruments (NT\$15m).
- The exchange gain included a swap cost of NT\$53 million to save the company's overall interest expenses.

# ▶ Non-consolidated (2008 Q1 vs. 2007 Q4 & 2007 Q1)

NT\$ M	Q1'08		Q4'07		QoQ	Q1'07		YoY
Net Revenue	85,319		93,238		-8.49%	51,597		65.36%
Realized gross profit	4,425	5.19%	3,982	4.27%	11.12%	3,003	5.82%	47.32%
Operation Expenses	(3,058)	-3.58%	(2,652)	-2.84%	15.32%	(1,711)	-3.32%	78.72%
Operating Income - Reported	1,366	1.60%	1,329	1.43%	2.76%	1,292	2.50%	5.74%
Operating Income - excluding bonus expense	1,679	1.97%			26.29%			29.95%
Non-operating Income/(Loss)								
Interest Expense, net	(64)		(90)			(57)		
LT Investment Income/(Loss), net	627		1,630			51		
Exchange Gain/(Loss), net	(59)		33			(38)		
Other Income/(Expense)	175		(136)			40		
PBT - Reported	2,045		2,767		-26.11%	1,289		58.63%
PBT - excluding bonus expense	2,357				-14.81%			82.91%
Tax	(368)	-18.00%	(412)	-14.90%		(193)	-15.00%	
PAT - Reported	1,676		2,355		-28.81%	1,096		53.03%
PAT - excluding employee bonus expense	1,990				-15.49%			81.65%
Outstanding Shares (M)	1,382		1,382		0.00%	1,272		8.65%

# Balance Sheets & Cash Flows

## Section 2





# Consolidated Balance Sheets

NT\$M	2008/3/31		2007/12/31	
Cash & ST Investments	17,406	15%	7,560	7%
A/R	52,210	44%	54,643	50%
Inventory	25,188	21%	22,813	21%
Other current Assets	4,236	4%	3,759	3%
<b>Total Current Assets</b>	<b>99,040</b>	<b>84%</b>	<b>88,775</b>	<b>82%</b>
LT equity investments	3,469	3%	3,616	3%
Property, plant and equipment	13,289	11%	13,881	13%
Other assets	2,351	2%	2,388	2%
<b>Total Assets</b>	<b>118,149</b>	<b>100%</b>	<b>108,661</b>	<b>100%</b>
ST Borrowing	18,263	15%	10,069	9%
A/P	56,987	48%	57,379	53%
Other current liabilities	7,134	6%	6,687	6%
<b>Total Current Liabilities</b>	<b>82,384</b>	<b>70%</b>	<b>74,135</b>	<b>68%</b>
LT & Other liabilities	914	1%	776	1%
<b>Total Liabilities</b>	<b>83,298</b>	<b>71%</b>	<b>74,911</b>	<b>69%</b>
<b>Shareholders' Equity &amp; Minority Interest</b>	<b>34,851</b>	<b>29%</b>	<b>33,750</b>	<b>31%</b>

# ▶ Non-consolidated Balance Sheets

NT\$M	2008/3/31		2007/12/31		2007/3/31	
Cash & ST Investments	11,046	12%	2,300	3%	12,662	23%
A/R	54,223	59%	55,293	68%	23,942	43%
Inventory	6,388	7%	5,544	7%	2,618	5%
Other current Assets	3,616	4%	1,793	2%	3,041	5%
<b>Total Current Assets</b>	<b>75,274</b>	<b>82%</b>	<b>64,930</b>	<b>80%</b>	<b>42,262</b>	<b>75%</b>
LT equity investments	12,173	13%	12,209	15%	9,445	17%
Property, plant and equipment	3,383	4%	3,317	4%	2,974	5%
Other assets	1,010	1%	965	1%	1,365	2%
<b>Total Assets</b>	<b>91,840</b>	<b>100%</b>	<b>81,422</b>	<b>100%</b>	<b>56,047</b>	<b>100%</b>
ST Borrowing	10,826	12%	4,731	6%	-	0%
A/P	41,180	45%	38,857	48%	20,682	37%
Other current liabilities	5,380	6%	4,576	6%	4,780	9%
<b>Total Current Liabilities</b>	<b>57,386</b>	<b>62%</b>	<b>48,164</b>	<b>59%</b>	<b>25,462</b>	<b>45%</b>
LT & Other liabilities	643	1%	520	1%	125	0%
<b>Total Liabilities</b>	<b>58,029</b>	<b>63%</b>	<b>48,684</b>	<b>60%</b>	<b>25,587</b>	<b>46%</b>
<b>Shareholders' Equity</b>	<b>33,811</b>	<b>37%</b>	<b>32,738</b>	<b>40%</b>	<b>30,460</b>	<b>54%</b>

# Cash Flows

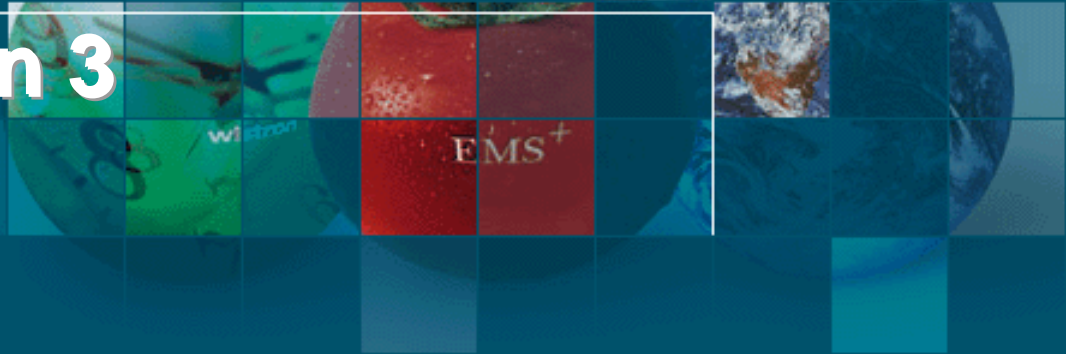
NT\$M	Consolidated	Non-Consolidated	
	Q1'08	Q1'08	Q1'07
<b>Cash* (Beginning of period)</b>	<b>7,560</b>	<b>2,300</b>	<b>10,899</b>
<b>Cash flow from Operation</b>			
<b>Net income</b>	<b>1,706</b>	<b>1,677</b>	<b>1,096</b>
Depreciation & amortization	762	332	249
(Income)/loss from equity method	(75)	(627)	(51)
Changes in A/R	3,378	829	1,594
Changes in A/P	(392)	2,323	(3,997)
Changes in inventories	(2,375)	(844)	852
Others	(1,000)	(40)	2,813
<b>Cash provided by operating activities</b>	<b>2,004</b>	<b>3,650</b>	<b>2,555</b>
<b>Cash flow from Investment</b>			
Capex	(682)	(394)	(217)
Others	330	(603)	(1,011)
<b>Cash provided by investing activities</b>	<b>(353)</b>	<b>(997)</b>	<b>(1,228)</b>
<b>Cash flow from Finance</b>			
Increase (decrease) in ST borrowings & LT debt	8,194	6,095	-
Issuance of common stock	-	-	-
Payment on cash dividends	-	-	-
Employee bonus	-	-	-
Payment on directors' and supervisors' remuneration	-	-	-
Others	1	-	437
<b>Cash provided by financing activities</b>	<b>8,195</b>	<b>6,095</b>	<b>437</b>
<b>Cash (End of period)</b>	<b>17,406</b>	<b>11,046</b>	<b>12,662</b>

\* Cash = Cash + Cash equivalent + ST financial instruments

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

# 2007 Earning Distribution

## Section 3





**Cash Dividend: NT\$2.7**

**Stock Dividend: NT\$0.5** (50 shares for every 1,000 held)

- The proposal will be discussed and brought to a vote at the 2008 Company's shareholder's meeting scheduled for 9am on June 25, 2008.
- Wistron Dividend History

	2003	2004	2005	2006	2007
Stock (NT\$)	0.5	-	0.50	0.6	<b>0.5*</b>
<b>Cash (NT\$)</b>	0.5	-	1.50	2.2	<b>2.7*</b>
EPS (NT\$)	1.68	-0.89	3.02	4.31	<b>4.8</b>
<b>Total Dividend Payout (%)</b>	60%	-	66%	65%	<b>67%</b>
<b>Cash Dividend Payout (%)</b>	30%	-	50%	51%	<b>56%</b>

\* The board approved proposal



# Employee Profit Sharing

**Stock Bonus: 41,614,335 shares**

**Cash Bonus: NT\$ 178,347 thousand**

- Historical employee bonus vs. PBT & PAT

	2004	2005	2006	2007*
PBT (NT\$M)	(834)	3,212	6,574	7,771
PAT (NT\$M)	(824)	3,182	5,327	6,605
Cash Bonus (NT\$M)	-	114	144	178
Stock Bonus (000' Shares)	-	17,148	33,492	41,614
Closing price at the end of the year	14.1	41.9	44.5	60.3
<b>Employee Bonus / PBT</b>	<b>0.0%</b>	<b>25.9%</b>	<b>24.9%</b>	<b>34.6%</b>
<b>Employee Bonus / PAT</b>	<b>0.0%</b>	<b>26.2%</b>	<b>30.7%</b>	<b>40.7%</b>

\* The board approved proposal

# The Acquisition

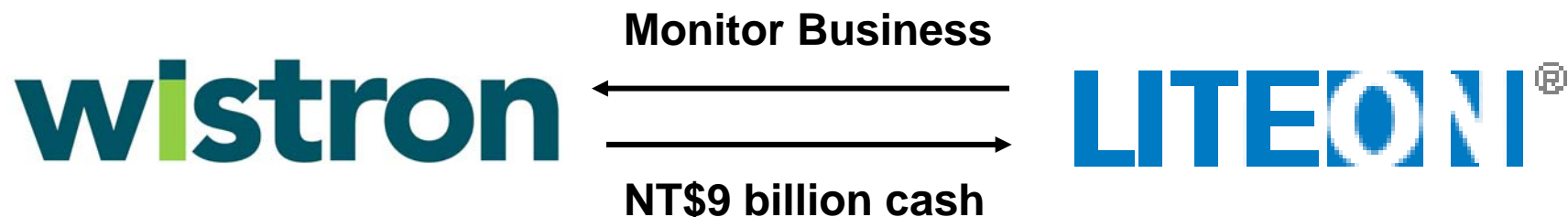
---

## Section 4





# Executive Summary (1)



## Purchase breakdown

<b>Inventory</b>	<b>7 billion</b>
<b>Machinery and Equipment</b>	<b>1 billion</b>
<b>Others (including IP, personnel...)</b>	<b>1.2 billion</b>
<b>Total</b>	<b>9.2 billion</b>



## ▶ Executive Summary (2)

---

- ▶ Wistron will acquire the monitor business of LiteOn Technology of Taiwan, for approximately NT\$9.2 billion in cash.
- ▶ The purchase mostly involves inventory, equipment, intellectual property and personnel. No land or manufacturing plants are included.
- ▶ The business represented approximate NT\$83 billion in revenue for LiteOne Technology, based on fiscal year 2007 financial results.
- ▶ According to current plan, the transition period for migrating this business is expected to be closed by the end of Q3'08.
- ▶ In the meantime, LiteOn will subscribe no more than 24 million Wistron's new shares through private placement, and the issuance price will be decided after the approval of shareholders' meeting.



## ▶ Consideration

---

- ▶ Enhance our existing line of LCD TVs and increase Wistron's presence in the display industry. Therefore, Wistron will be able to provide a broader platform of products to our existing customers.
- ▶ Expand our influence and position within the display industry to enjoy a better bargaining power in future.
- ▶ Plan for coming technology convergency to enable our participation in new market segments.