

# Wistron Corporation

1-3Q'08 & Q3'08

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## Financial Summary



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# Income Statement

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## Section 1



# Consolidated (1-3Q'08)

NT\$ M	Reported		Excluding Bonus Expense	
Net Revenue	300,575		300,575	
Realized gross profit	17,837	5.93%	17,837	5.93%
Operation Expenses	(11,749)	-3.91%	(11,749)	-3.91%
Operating Income	6,089	2.03%	7,031	2.34%
<b>Non-operating Income/(Loss)</b>				
Interest Expense, net	(380)		(380)	
Investment Income/(Loss) under equity method, net	189		189	
Exchange Gain/(Loss), net	164		164	
Other Income/(Expense), net	458		458	
PBT	6,520		7,462	
Tax	(1,158)	-17.76%	(1,158)	-15.52%
Minority Interest	(55)		(55)	
PAT	5,307		6,249	

## Note:

- Wistron booked NT\$942 million of employee bonus expense (for both employee bonus and director remuneration) in 1H'08.
- The exchange gain included a swap cost of NT\$163 million to save the company's overall interest expenses.

## Consolidated (2008 Q3 vs. 2008 Q2)

NT\$ M	Q3'08		Q2'08		QoQ
Net Revenue	121,681		92,084		32.14%
Realized gross profit	6,827	5.61%	5,777	6.27%	18.17%
Operation Expenses	(4,366)	-3.59%	(3,837)	-4.17%	13.78%
Operating Income - Reported	2,462	2.02%	1,940	2.11%	26.89%
Operating Income - excluding bonus expense	2,844	2.34%	2,187	2.38%	30.01%
Non-operating Income/(Loss)					
Interest Expense, net	(115)		(141)		
LT Investment Income/(Loss), net	59		55		
Exchange Gain/(Loss), net	187		(244)		
Other Income/(Expense)	58		142		
PBT - Reported	2,650		1,753		51.21%
PBT - excluding bonus expense	3,032		2,000		
Tax	(443)	-16.72%	(304)	-17.34%	45.74%
Minority Interest	(7)		(19)		
PAT - Reported	2,200		1,430		53.90%
PAT - excluding employee bonus expense	2,582		1,677		
Outstanding Shares (M)	1,517		1,493		

- Wistron booked NT\$382 million of employee bonus expense (for both employee bonus and director remuneration) in Q3'08, and NT\$942 million in 1-3Q'08.

# ▶ Non-consolidated (2008 1-3Q vs. 2008 1H )

NT\$ M	1-3Q'08		1-3Q'07		YoY
Net Revenue	294,257		183,621		60.25%
Realized gross profit	15,824	5.38%	10,725	5.84%	47.54%
Operation Expenses	(10,289)	-3.50%	(5,940)	-3.23%	73.21%
Operating Income - Reported	5,287	1.80%	4,785	2.61%	10.48%
Operating Income - excluding bonus expense	6,229				
Non-operating Income/(Loss)					
Interest Expense, net	(253)		(201)		
LT Investment Income/(Loss), net	851		410		
Exchange Gain/(Loss), net	198		(334)		
Other Income/(Expense)	239		343		
PBT - Reported	6,323		5,040		25.45%
PBT - excluding bonus expense	7,265				
Tax	(1,016)	-16.07%	(753)	-14.94%	
PAT - Reported	5,307		4,251		24.84%
PAT - excluding employee bonus expense	6,249				
Outstanding Shares (M)	1,517		1,382		

# ▶ Non-consolidated (2008 Q3 vs. 2008 Q2 & 2007 Q3)

NT\$ M	Q3'08		Q2'08		QoQ	Q3'07		YoY
Net Revenue	116,628		92,310		26.34%	76,875		51.71%
Realized gross profit	6,231	5.34%	5,062	5.48%	23.09%	4,218	5.49%	47.72%
Operation Expenses	(3,864)	-3.31%	(3,366)	-3.65%	14.79%	(2,231)	-2.90%	73.17%
Operating Income - Reported	2,224	1.91%	1,696	1.84%	31.11%	1,727	2.25%	28.76%
Operating Income - excluding bonus expense	2,606		1,944					
Non-operating Income/(Loss)								
Interest Expense, net	(125)		(64)			(170)		
LT Investment Income/(Loss), net	269		(45)			308		
Exchange Gain/(Loss), net	270		(12)			15		
Other Income/(Expense)	33		32			57		
PBT - Reported	2,599		1,679		54.81%	1,937		34.19%
PBT - excluding bonus expense	2,981		1,926					
Tax	(399)	-15.35%	(249)	-14.81%	60.48%	(648)	-33.47%	-38.46%
PAT - Reported	2,200		1,430		53.82%	1,289		70.72%
PAT - excluding employee bonus expense	2,582		1,677					
Outstanding Shares (M)	1,517		1,493			1,272		

# Balance Sheets & Cash Flows

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## Section 2



# Consolidated Balance Sheets

NT\$M	2008/9/30		2008/6/30	
Cash & ST Investments	10,868	6%	11,011	9%
A/R	71,959	42%	59,320	47%
Inventory	47,721	28%	28,645	23%
Other current Assets	13,625	8%	4,014	3%
<b>Total Current Assets</b>	<b>144,174</b>	<b>84%</b>	<b>102,991</b>	<b>81%</b>
LT equity investments	4,295	3%	4,006	3%
Property, plant and equipment	15,636	9%	13,934	11%
Other assets	7,294	4%	6,082	5%
<b>Total Assets</b>	<b>171,399</b>	<b>100%</b>	<b>127,012</b>	<b>100%</b>
ST Borrowing	18,509	11%	7,926	6%
A/P	94,922	55%	64,640	51%
Other current liabilities	11,489	7%	12,035	9%
<b>Total Current Liabilities</b>	<b>124,919</b>	<b>73%</b>	<b>84,601</b>	<b>67%</b>
LT Debt	9,639	6%	9,106	7%
Other liabilities	885	1%	875	1%
<b>Total Liabilities</b>	<b>135,444</b>	<b>79%</b>	<b>94,582</b>	<b>74%</b>
<b>Shareholders' Equity &amp; Minority Interest</b>	<b>35,955</b>	<b>21%</b>	<b>32,430</b>	<b>26%</b>

## ▶ Non-consolidated Balance Sheets

NT\$M	2008/9/30		2008/6/30		2007/9/30	
Cash & ST Investments	2,387	2%	6,177	6%	4,513	7%
A/R	119,545	76%	63,372	65%	42,726	62%
Inventory	4,498	3%	7,222	7%	3,310	5%
Other current Assets	10,711	7%	2,936	3%	3,867	6%
<b>Total Current Assets</b>	<b>137,140</b>	<b>87%</b>	<b>79,707</b>	<b>82%</b>	<b>54,415</b>	<b>79%</b>
LT equity investments	14,983	9%	12,548	13%	10,449	15%
Property, plant and equipment	3,680	2%	3,390	4%	3,195	5%
Other assets	2,348	1%	1,177	1%	939	1%
<b>Total Assets</b>	<b>158,151</b>	<b>100%</b>	<b>96,822</b>	<b>100%</b>	<b>68,998</b>	<b>100%</b>
ST Borrowing	6,343	4%				
A/P	97,467	62%	23,787	25%	33,967	49%
Other current liabilities	8,861	6%	31,988	33%	4,335	6%
<b>Total Current Liabilities</b>	<b>112,672</b>	<b>71%</b>	<b>55,775</b>	<b>58%</b>	<b>38,302</b>	<b>56%</b>
LT & Other liabilities	10,466	7%	9,805	10%	51	0%
<b>Total Liabilities</b>	<b>123,137</b>	<b>78%</b>	<b>65,580</b>	<b>68%</b>	<b>38,353</b>	<b>56%</b>
<b>Shareholders' Equity</b>	<b>35,014</b>	<b>22%</b>	<b>31,242</b>	<b>32%</b>	<b>30,645</b>	<b>44%</b>

# Cash Flows

NT\$M	Consolidated	Non-Consolidated	
	1-3Q'08	1-3Q'08	1-3Q'07
<b>Cash* (Beginning of period)</b>	7,560	2,300	10,899
<b>Cash flow from Operation</b>			
<b>Net income</b>	5,362	5,307	4,251
Depreciation & amortization	2,385	1,082	830
(Income)/loss from equity method	(74)	(740)	(261)
Changes in A/R	(17,318)	(64,387)	(17,191)
Changes in A/P	37,545	58,610	9,517
Changes in inventories	(24,908)	1,046	160
Others	(5,782)	(4,690)	1,533
<b>Cash provided by operating activities</b>	<b>(2,791)</b>	<b>(3,771)</b>	<b>(1,161)</b>
<b>Cash flow from Investment</b>			
Capex	(4,318)	(3,378)	(1,926)
Others	(5,334)	(1,835)	(1,283)
<b>Cash provided by investing activities</b>	<b>(9,652)</b>	<b>(5,213)</b>	<b>(3,209)</b>
<b>Cash flow from Finance</b>			
Increase (decrease) in ST borrowings	8,440	1,612	
LT debt	9,639	9,639	
Issuance of common stock			
Payment on cash dividends	(3,295)	(3,295)	(2,789)
Payment on directors' and supervisors' remuneration	(59)	(59)	(48)
Others	1,009	1,134	762
<b>Cash provided by financing activities</b>	<b>15,733</b>	<b>9,032</b>	<b>(2,075)</b>
<b>Cash (End of period)</b>	<b>10,850</b>	<b>2,347</b>	<b>4,454</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