

Wistron Corporation

Investor presentation





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.

This presentation is private and confidential and is being made available to the recipient on the express understanding that it will be kept confidential and that the recipient shall not copy, reproduce, distribute or pass to third parties this presentation in whole or in part at any time. This presentation is the property of Wistron and the recipient agrees that it will, on request, promptly return this presentation and all other information supplied in connection with the ideas and concepts presented herein, without retaining any copies.

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.



Table of contents

Section 1 Company Overview

**Section 2 The Acquisition of Monitor Business from
Lite-On Technology**

Section 3 Financial Summary

Company Overview

Section 1





Company overview

The leading provider of Design, Manufacturing and After-sales Service support for ICT products

- ◆ **Spin-off in 2002**
- ◆ **Listed on the TSE in 2003**
- ◆ **Business Week¹ “Global Info Tech 100” (Ranks 28)**
- ◆ **One of the Asian Fabulous 50 “The Best of Asia-Pacific’s Biggest Listed Companies” – Forbes²**
- ◆ **Asia Money³ “Best Overall Corporate Governance in Taiwan” (Ranks 3)**
- ◆ **Market Cap - NT\$73 billion (US\$2.4B)⁴**
- ◆ **Acer Shareholding – 9.13%⁵**

Key financials	2005 ⁶	2006	2007 ⁶	Q1'08 ^{6,7}
Revenue	164,732	221,054	286,754	86,810
Gross Profit	10,581	14,744	18,361	5,233
<i>Gross Margin</i>	6.4%	6.7%	6.4%	6.0%
Operating Profit	3,802	6,959	8,017	1,687
<i>Operating Margin</i>	2.3%	3.1%	2.8%	1.9%
PBT	3,275	6,524	8,038	2,117
PAT	3,182	5,327	6,605	1,677

Note:

1. July 2007 issue of Business Week
2. Sep 2007 issue of Forbes
3. Dec 2006 issue of Asia Money magazine
4. As of close of trading at April 30, 2008
5. Inclusive of indirect holdings of Acer Investments as of Dec.31, 2007
6. Under ROC SFAS NO.7, 2005 financials include consolidation impact of Wistron NeWeb, and from 2007, the financials include consolidation impact of AOpen.
7. Wistron booked NT\$313 million of employee bonus expense (for both employee bonus and director remuneration) in Q1'08.



Wistron's strategy

**Pursue best performance, not biggest -
Generate profitable growth**

+

**Drive for more high-value business
opportunities -
Reach top rank in desired business**

+

**Continue to enhance overall operation
efficiency and expertise in design &
manufacturing**

+

**Speed up supply chain integration
through M&A, JV or alliance**



wistron[®]



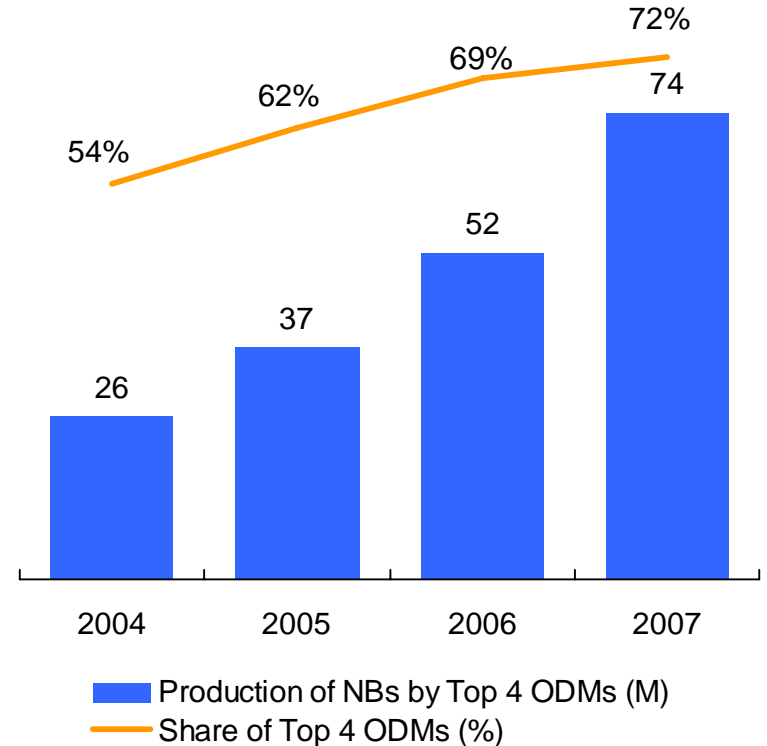
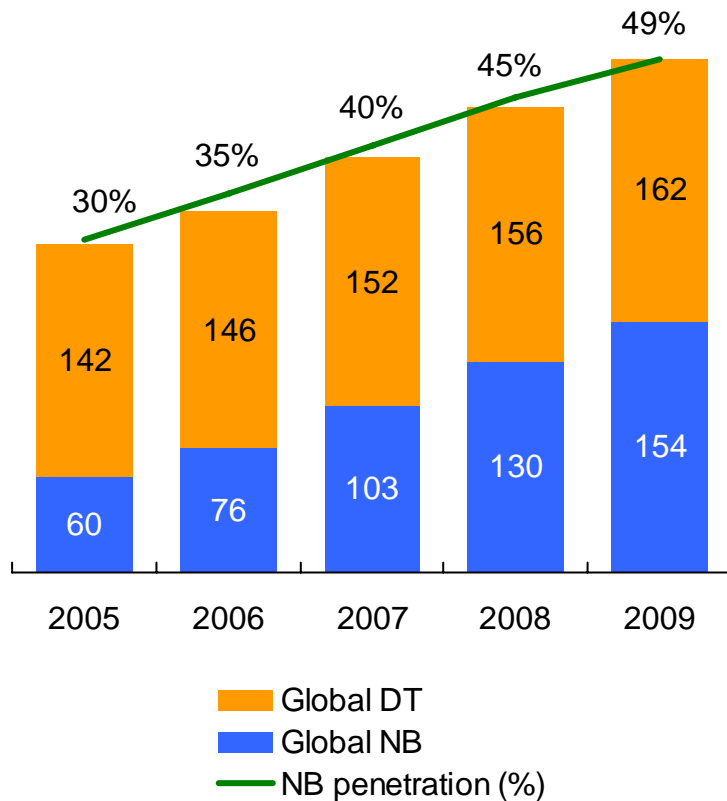
Key investment highlights

- 1** Steady industry growth outlook
- 2** Well-established foundation in notebooks
- 3** Growth strategy beyond notebooks
- 4** Well-diversified tier 1 customer base
- 5** Strong R&D and efficient manufacturing and services platform
- 6** Strong financial performance and superior balance sheet management

Strong growth outlook for the NB market

Notebooks - 27% 4 year CAGR

Strong growth outlook for Top ODMs



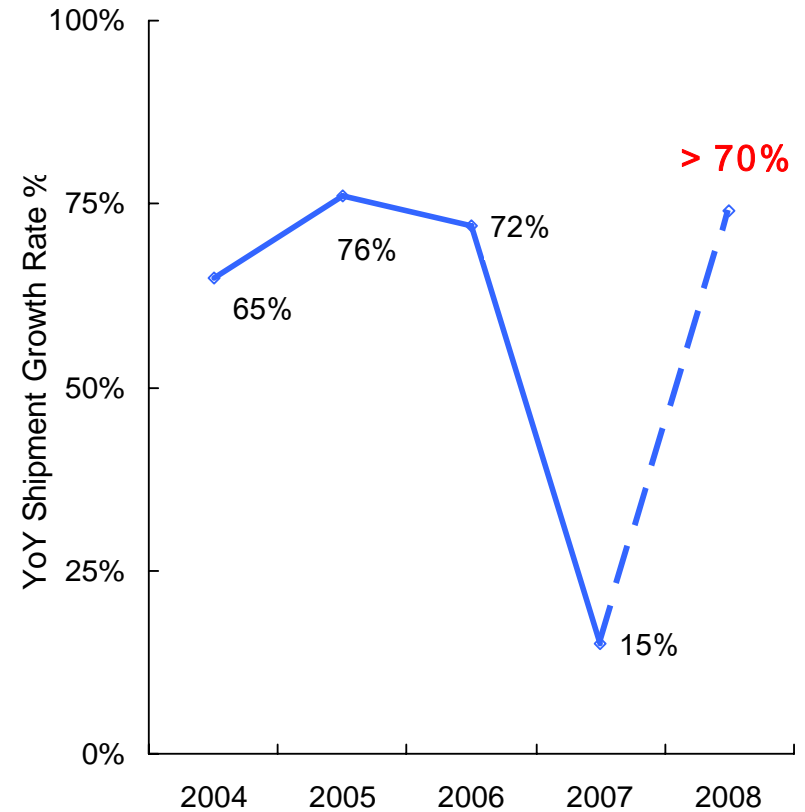
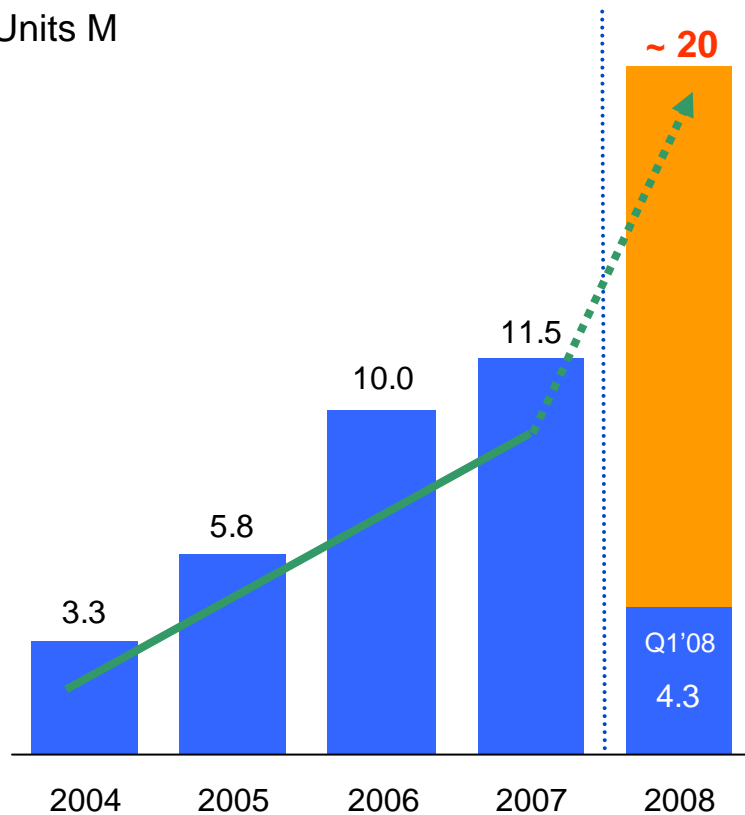
Source: IDC, Dec. 2007

Wistron is a major beneficiary of Notebook growth story

2008 NB shipment targets 20 million

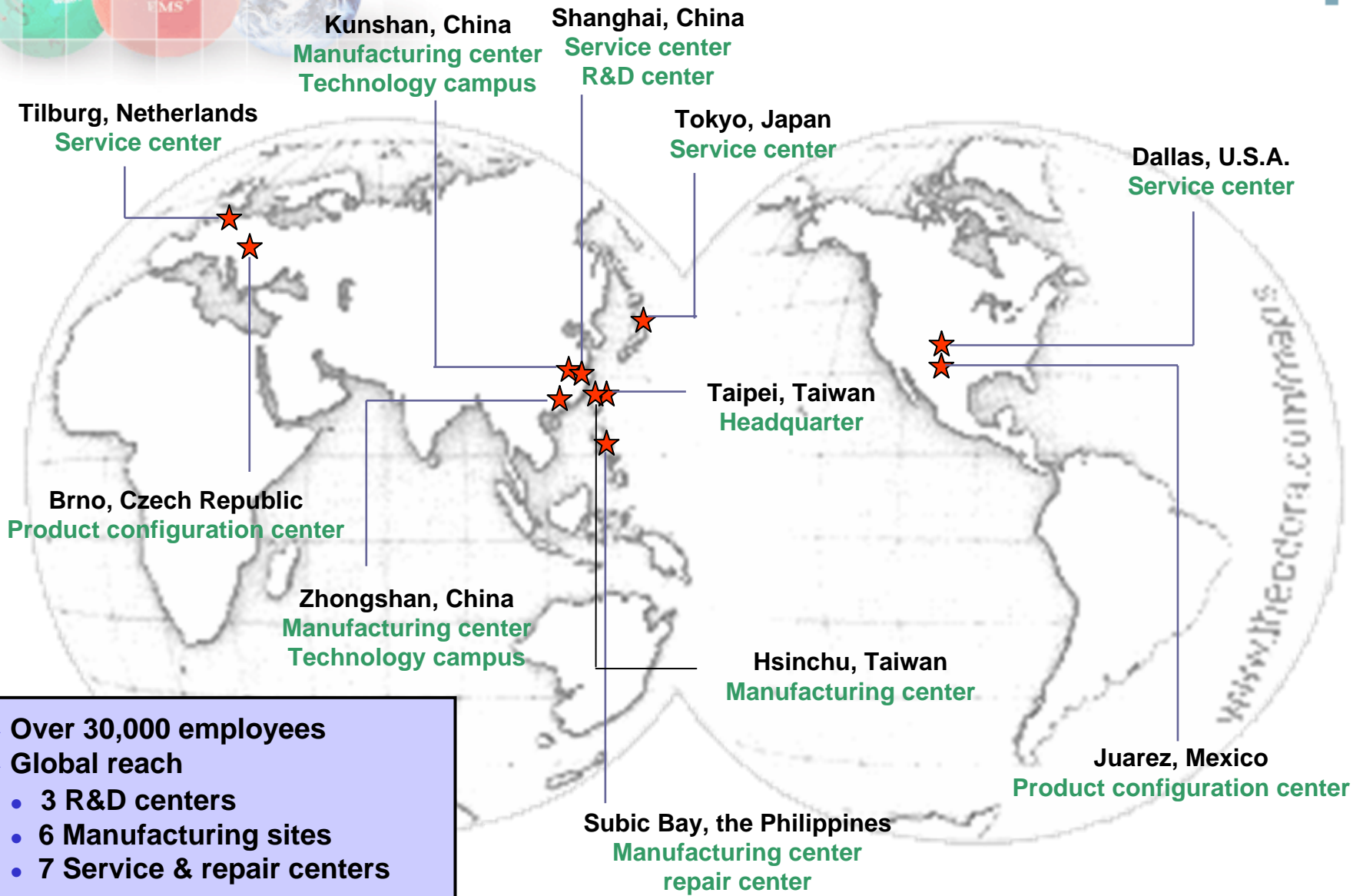
Continuous unit growth after spin-off

Units M





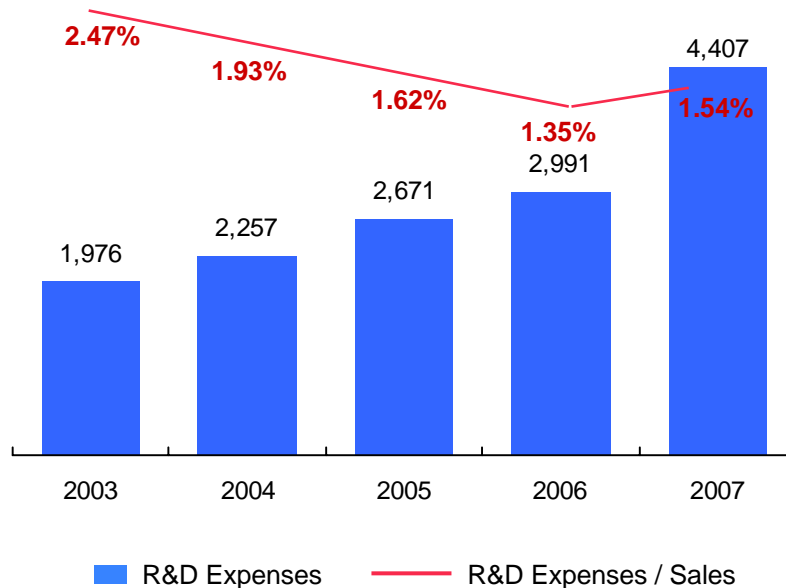
Wistron's global network with total solution



- ◆ Over 30,000 employees
- ◆ Global reach
 - 3 R&D centers
 - 6 Manufacturing sites
 - 7 Service & repair centers

Strong commitment to R&D

Sustained R&D spending



Source: Company consolidated financials

Key R&D focus & Achievement

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

- ◆ Designing and developing new products and technologies, value-added features and functions
- ◆ Developing innovative, practical and high-quality manufacturing processes to improve efficiency and reduce costs
- ◆ Consistent quality execution recognized annually in industry (LAPTOP, PC World, PC Magazine)
- ◆ Over 4,000 engineers

Recent Awards

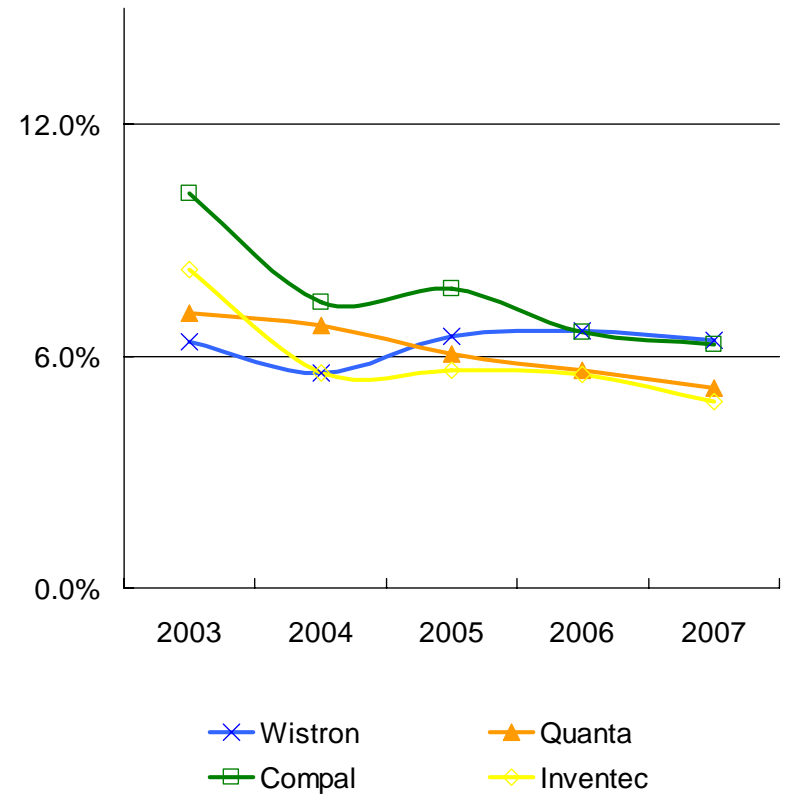
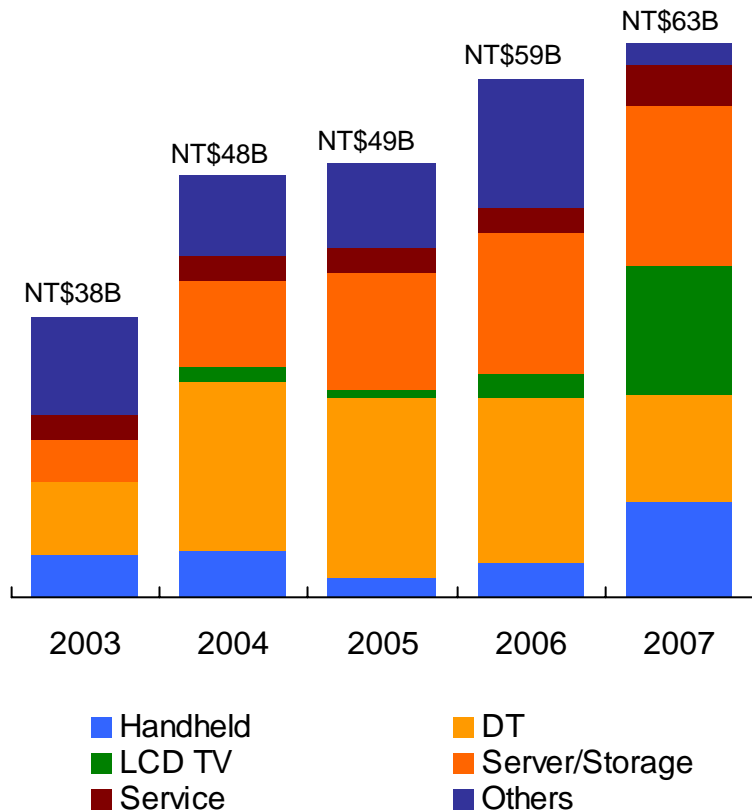
- ◆ Won Best Product of the Year awards for 2006 from both PC World and PC Magazine
- ◆ Won the CES Best of Innovations 2008 in the Computer Hardware category
- ◆ Time Magazine's Best Inventions edition listed three notebook PCs in its Tech Buyer's Guide, 3 out of 3 made by Wistron

Diversified product mix leading to stable margins



Increasing contribution from desirable businesses

Better GM trend vs. peers'

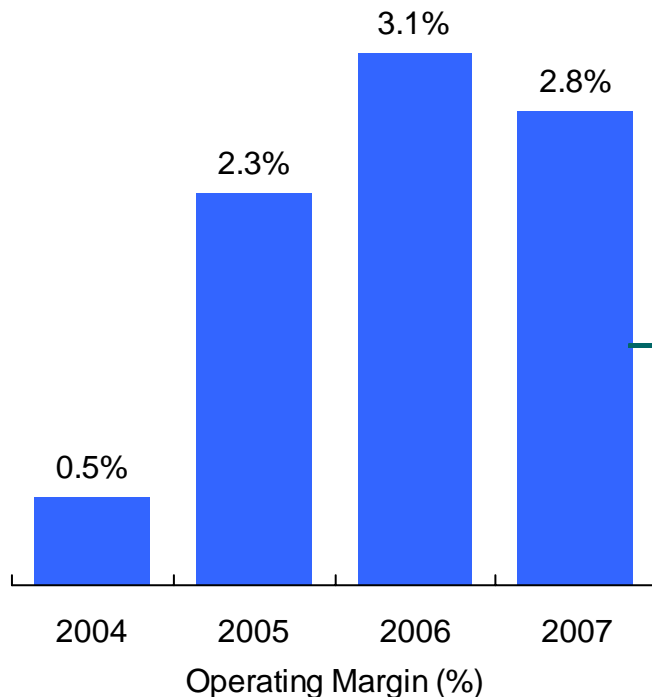


Source: Company financials & TSEC Market Observation Post System

Cost control and efficiency improvement strategy taking effect

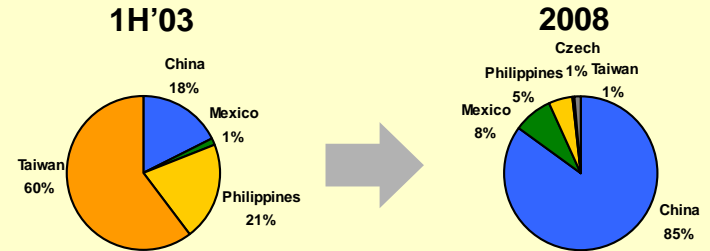


Maintain a quality cost and opex efficiency



Source: Company consolidated financials

Manufacturing consolidation



Diversified product portfolio

- ◆ Phased out low margin MBs and PDAs
- ◆ Emphasis product mix with more high-margin products

Increasing economies of scale

- ◆ Emergence as core supplier for top OEMs
- ◆ Tier 1 ODM procurement power due to scale and product focus

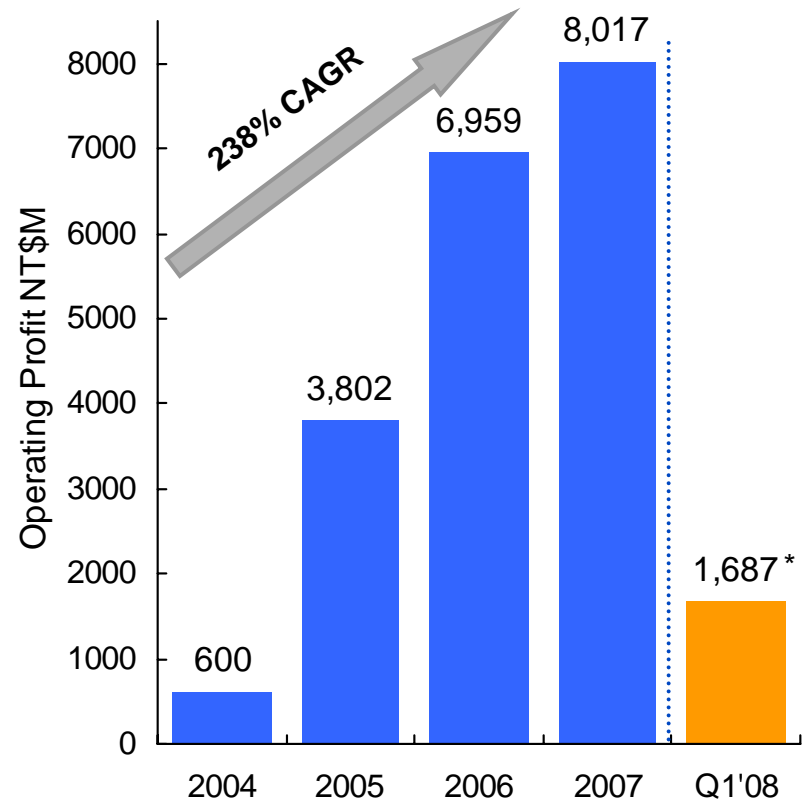
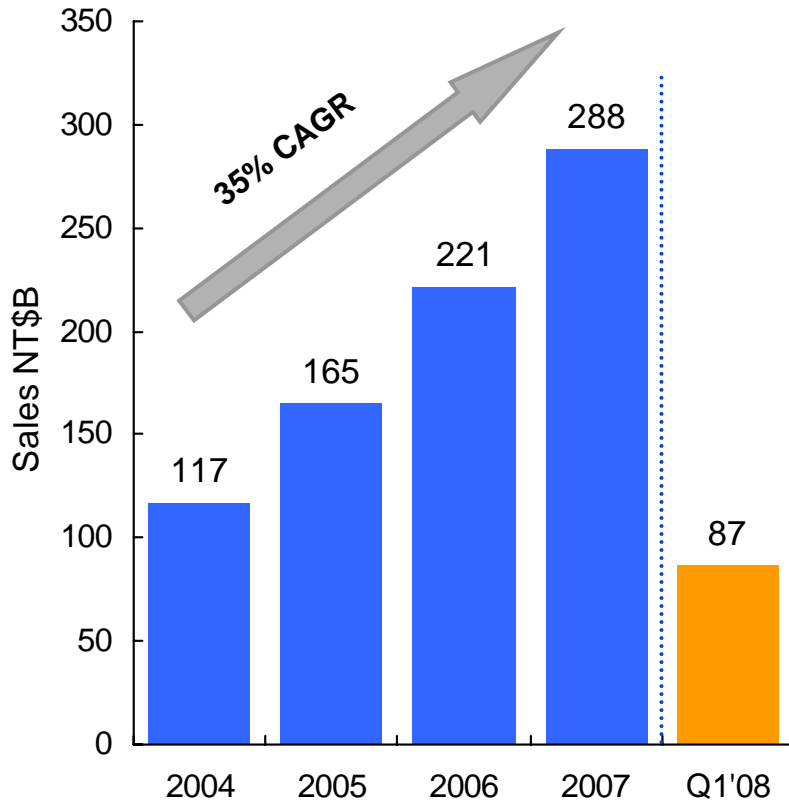
Improving production efficiency

- ◆ Apply 6-Sigma to achieve better operation quality – design to cost, inventory control, production yield, SMT output/utilization...

Track record of strong financial performance - 1

Strong growth momentum in sales

Continuously improving profitability

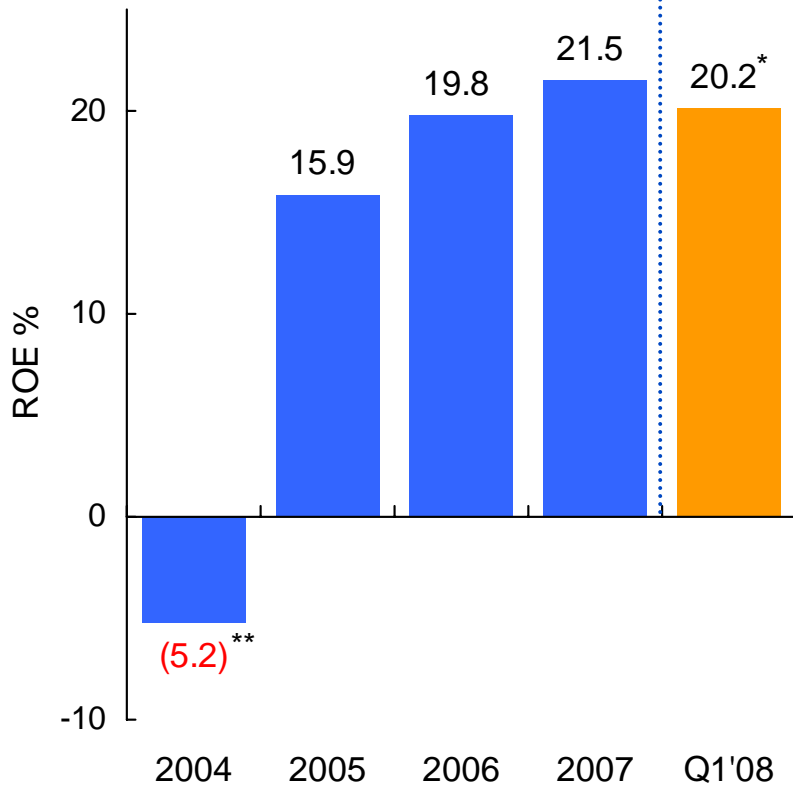


* As Wistron booked a NT\$313 million of employee bonus expense (for both employee bonus and director remuneration) in Q1'08, before the booking, the operating income would have been NT\$2,000 million.

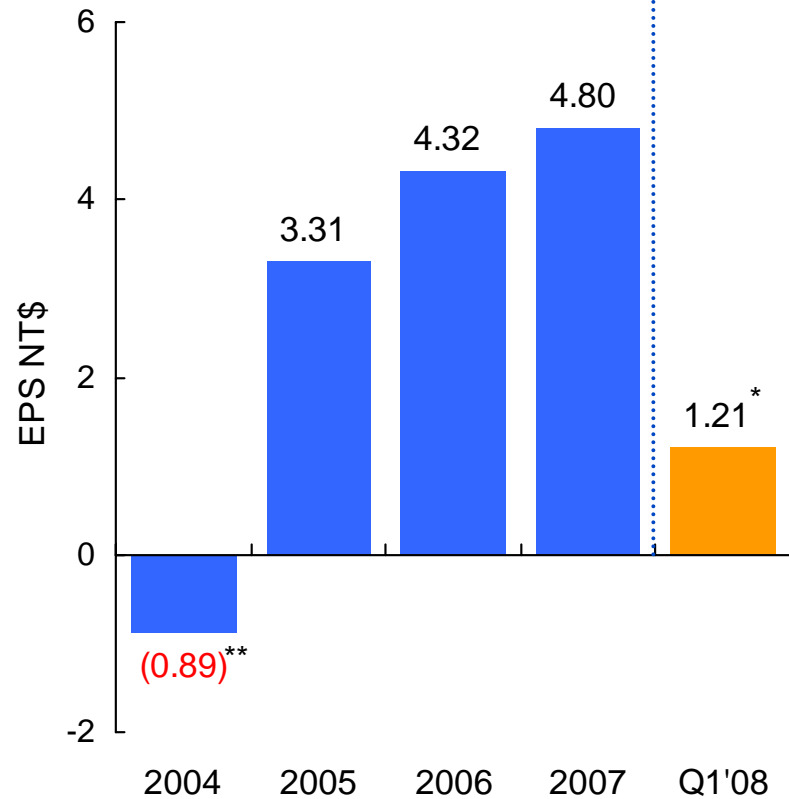
* Source: Company consolidated financials

Track record of strong financial performance - 2

ROE



EPS



* After bonus expense

** Primarily due to asset write-off

*** Source: Company consolidated financials

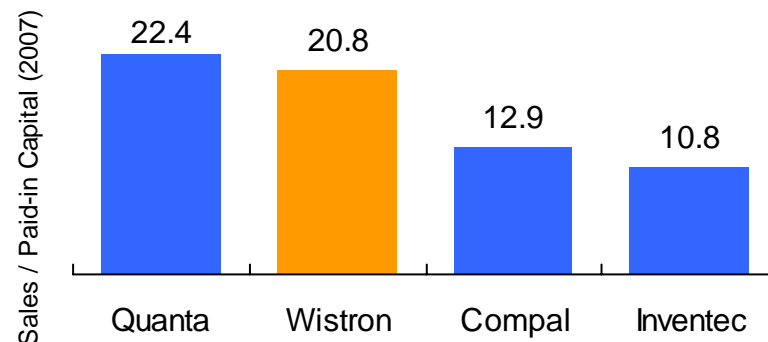


Superior balance sheet management

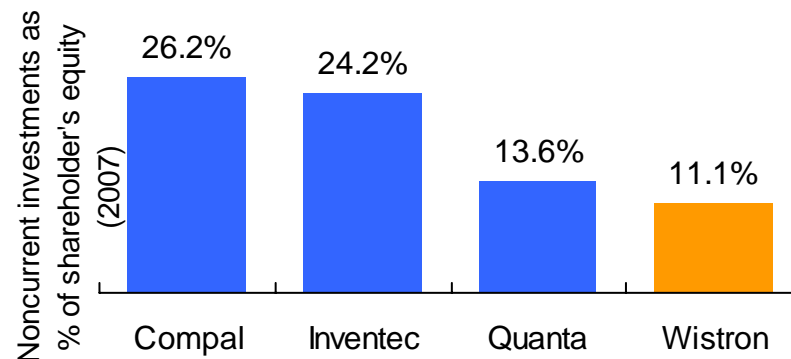
(NT\$M)	2006	2007	Q1'08
Total assets	73,652	108,661	118,486
Net debt (= Total debt - Cash & ST investments)	(9,916)	2,509	857
Shareholders' equity	28,726	32,738	33,811
LT investments	2,727	3,616	3,469
Net debt / Equity	-35%	8%	3%

Source: Company consolidated financials
TSEC Market Observation Post System

Efficient utilisation of capital

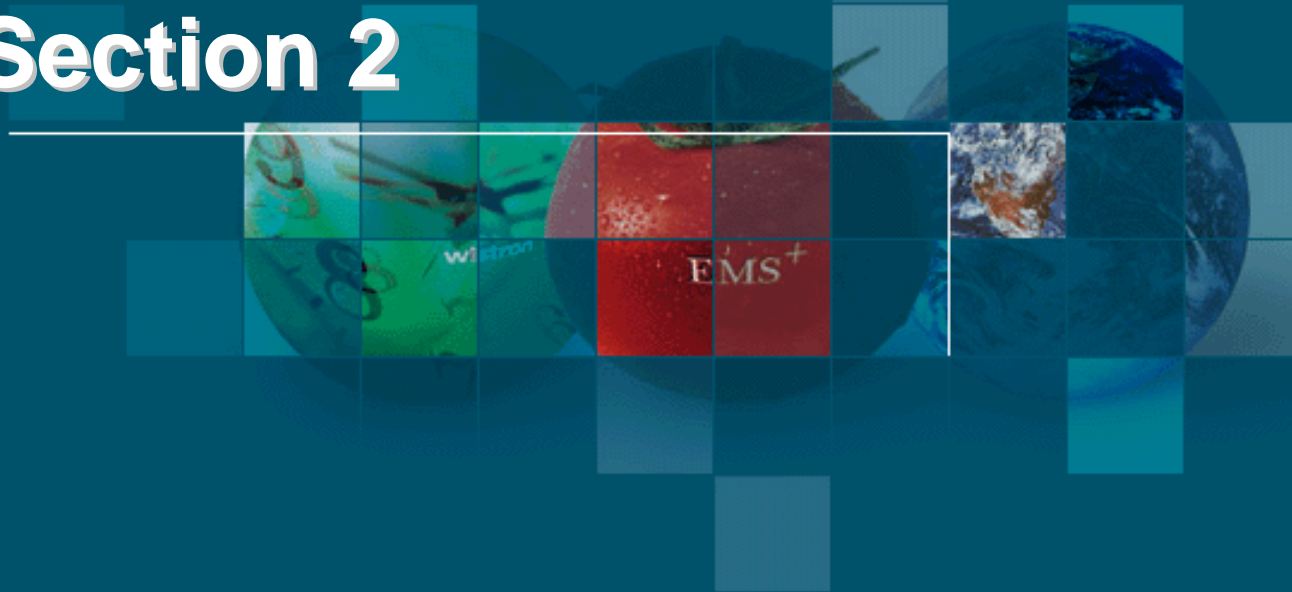


Higher focus on core business



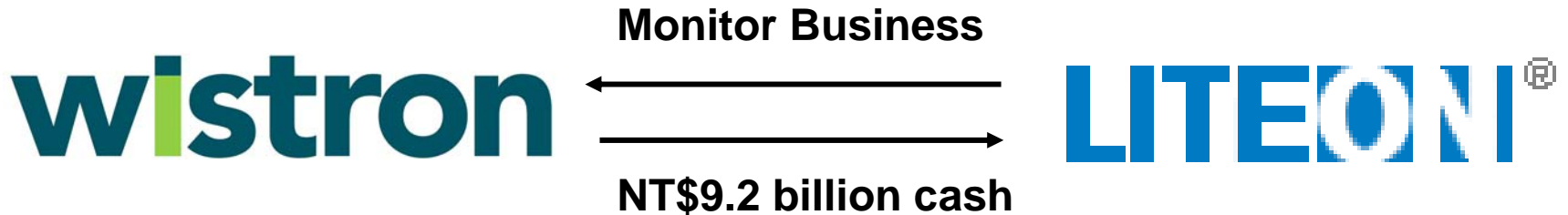
The Acquisition of Monitor Business from Lite-On Technology

Section 2





▶ Executive Summary (1)



Purchase breakdown

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

Can be converted into cash in 2 months with no price risk



▶ Executive Summary (2)

- Wistron will acquire the monitor business of Lite-On 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 Lite-On 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, Lite-On 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.



- Enable Wistron to provide a broader platform of products to our existing customers.
- Expand our influence and position within the display industry to create a cost synergy with our existing line of LCD TVs. In addition, the expected better scale could speed up the actualization of Wistron’s plan for vertical integration (e.g. plastic injection, LCM...).
- Leverage Wistron’s innovative and technology convergence capabilities for more value-added designs, with the company’s established execution ability to further enhance the business’ return.



Financial Summary

Section 3





Income Statements

NT\$ M	2004		2005		2006		2007		Q1'08*	
Net Revenue	116,752		164,732		221,054		286,754		86,810	
Realized gross profit	6,488	5.56%	10,581	6.42%	14,745	6.67%	18,361	6.40%	5,233	6.03%
Operating Expenses										
Selling	(2,573)	-2.20%	(3,120)	-1.89%	(3,623)	-1.64%	(4,417)	-1.54%	(1,683)	-1.94%
Administrative	(1,058)	-0.91%	(988)	-0.60%	(1,171)	-0.53%	(1,520)	-0.53%	(467)	-0.54%
Research and Development	(2,257)	-1.93%	(2,671)	-1.62%	(2,991)	-1.35%	(4,407)	-1.54%	(1,396)	-1.61%
Total Operating Expenses	(5,888)	-5.04%	(6,779)	-4.12%	(7,785)	-3.52%	(10,344)	-3.61%	(3,546)	-4.08%
Operating Income	600	0.51%	3,802	2.31%	6,959	3.15%	8,017	2.80%	1,687	1.94%
Non-operating Income/(Loss)										
Interest Expense, net	(181)		(526)		(989)		(628)		(124)	
Investment Income/(Loss)	(444)		(288)		152		287		75	
Exchange Gain/(Loss), net	(12)		(199)		268		(161)		221	
Other Income/(Expense)	(947)		486		133		524		258	
PBT	(985)		3,276		6,524		8,038		2,117	
Tax	14	-1.41%	(39)	-1.20%	(1,249)	-19.15%	(1,322)	-16.44%	(411)	-19.43%
Minority Interest	140		(54)		52		(111)		(29)	
PAT	(823)		3,182		5,327		6,605		1,676	
Outstanding Shares (M)	9,493		1,178		1,272		1,382		1,382	

* Wistron booked NT\$313 million of employee bonus expense (for both employee bonus and director remuneration) in Q1'08.

* Company consolidated financials



Non-consolidated I/S (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

NT\$M	2008/3/31		2007/12/31		2006/12/31	
Cash & ST Investments	17,406	15%	7,560	7%	12,722	17%
A/R	52,210	44%	54,643	50%	22,477	31%
Inventory	25,188	21%	22,813	21%	14,044	19%
Other current Assets	4,236	4%	3,759	3%	7,312	10%
Total Current Assets	99,040	84%	88,775	82%	56,554	77%
LT equity investments	3,469	3%	3,616	3%	2,727	4%
Property, plant and equipment	13,289	11%	13,881	13%	11,993	16%
Other assets	2,351	2%	2,388	2%	2,378	3%
Total Assets	118,149	100%	108,661	100%	73,652	100%
ST Borrowing	18,263	15%	10,069	9%	2,805	4%
A/P	56,987	48%	57,379	53%	35,834	49%
Other current liabilities	7,134	6%	6,687	6%	6,006	8%
Total Current Liabilities	82,384	70%	74,135	68%	44,645	61%
LT & Other liabilities	914	1%	776	1%	178	0%
Total Liabilities	83,298	71%	74,911	69%	44,823	61%
Shareholders' Equity & Minority Interest	34,851	29%	33,750	31%	28,829	39%

* Company consolidated financials

Cash Flows

NT\$M	Q1'08	2007	2006
Cash* (Beginning of period)	7,560	12,722	10,845
Cash flow from Operation			
Net income	1,706	6,716	5,275
Depreciation & amortization	762	2,736	2,230
(Income)/loss from equity method	(75)	(287)	(152)
Changes in A/R*	3,378	(31,610)	(7,398)
Changes in A/P	(392)	20,883	4,380
Changes in inventories	(2,375)	(8,240)	4,427
Others	(1,000)	4,217	(1,039)
Cash provided by operating activities	2,004	(5,584)	7,724
Cash flow from Investment			
Capex	(682)	(5,066)	(3,658)
Others	330	837	495
Cash provided by investing activities	(353)	(4,229)	-3,164
Cash flow from Finance			
Increase (decrease) in ST borrowings & LT debt	8,194	6,053	(496)
Issuance of common stock	-	-	14
Payment on cash dividends	-	(2,789)	(1,765)
Employee bonus	-	(144)	(114)
Payment on directors' and supervisors' remuneration	-	(48)	(29)
Others	1	1,579	(293)
Cash provided by financing activities	8,195	4,651	(2,683)
Cash (End of period)	17,406	7,560	12,722

* 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

* The factoring outstanding amount reduced from US\$612M on Dec. 31, 2006 to US\$181M on Dec. 31, 2007

* Company consolidated financials



Historical Earning Distribution

- Dividend

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

- Employee Bonus Dilution

	2004	2005	2006	2007*
PBT (NT\$M)	(834)	3,212	6,574	7,771
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
Employee Bonus / PBT	0.0%	25.9%	24.9%	34.6%

* The board approved proposal