

Wistron Corporation

Investor Presentation





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▶ Table of contents

Section 1 Company Overview

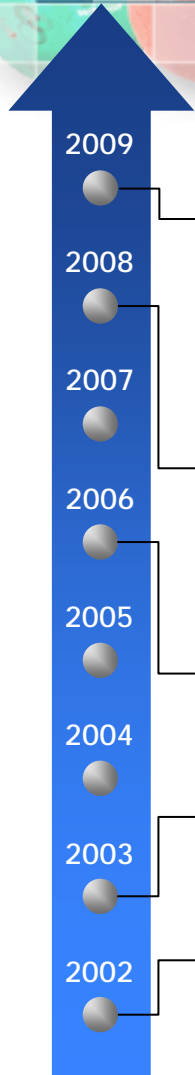
Section 2 Financial Summary

Company Overview

Section 1



Company overview



- 2009
 - ◆ **Jun-09:** Business Week “Global Info Tech 100” (Rank #8)¹
 - ◆ **Jun-09:** Business Week “Taiwan Info Tech 100” (Rank #1)¹
- 2008
- 2007
 - ◆ **Sep-08:** One of the Asian Fabulous 50 “The Best of Asia-Pacific’s Biggest Listed Companies” – Forbes²
 - ◆ **Aug-08:** Completed acquisition of monitor business of Lite-On Technology for ~NT\$9.2 billion
- 2006
- 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

Source: Company

Note: ¹ June 2009 issue of Business Week

² September 2008 issue of Forbes

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

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 income ⁶	5.3	6.6	6.9
Net margin (%)	2.4%	2.3%	1.5%

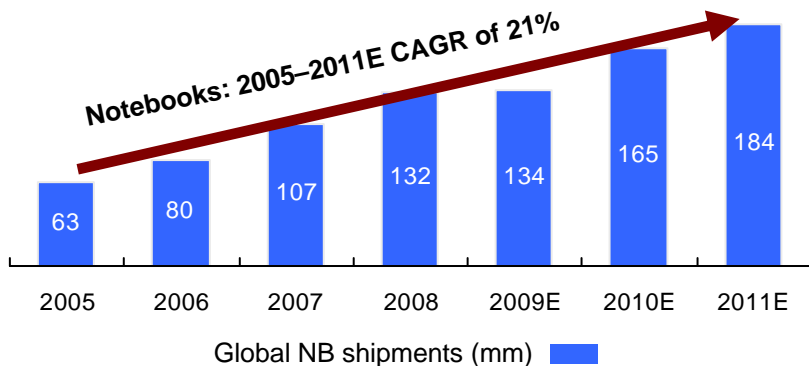


Investment highlights

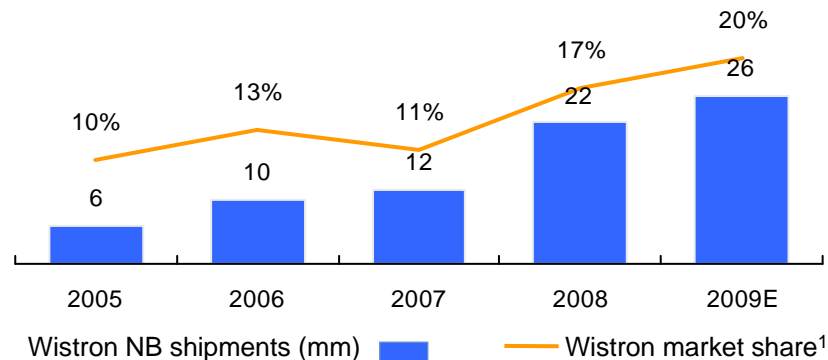


Well established market position in attractive notebook ODM industry

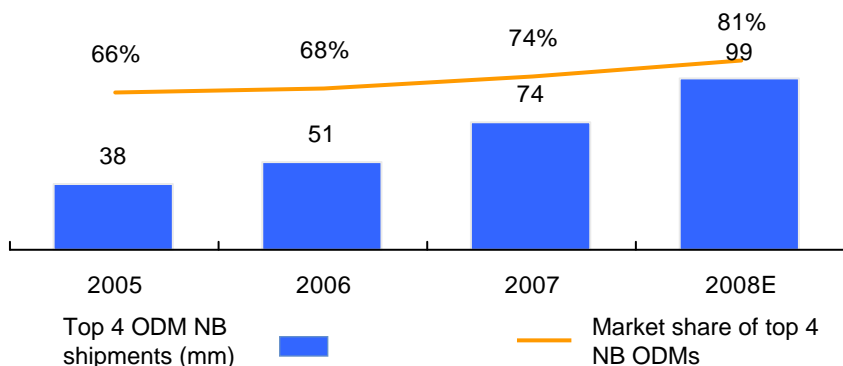
Global notebook industry shipments (mm units)



Wistron has well established market position in NB ODM industry



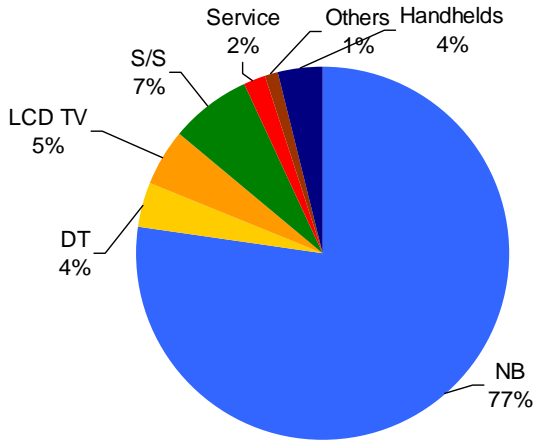
Strong performance of top 4 NB ODMs over time



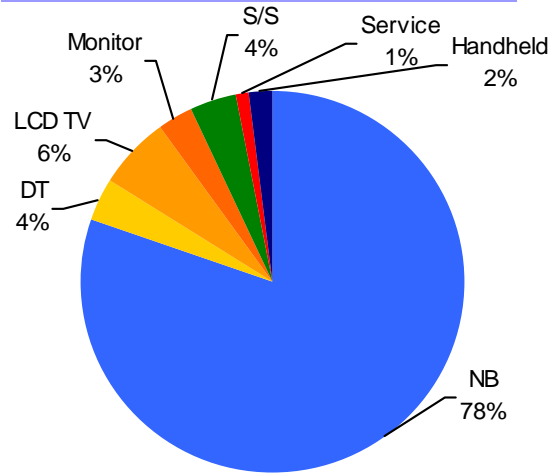
- ◆ Well established top 3 market position in global NB ODM industry
- ◆ Wistron's winning strategy has resulted in increase in its global NB ODM market share from 10% in 2005 to 18% in 2008
 - Strong design ability leads to more high-end products
 - Better performance yields more order wins
 - Cost advantage given economies of scale

But Wistron not just a NB PC manufacturer

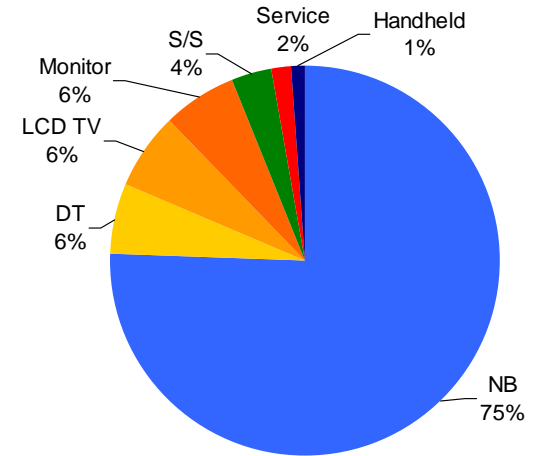
2007 : NT\$288.4B



2008 : NT\$445B

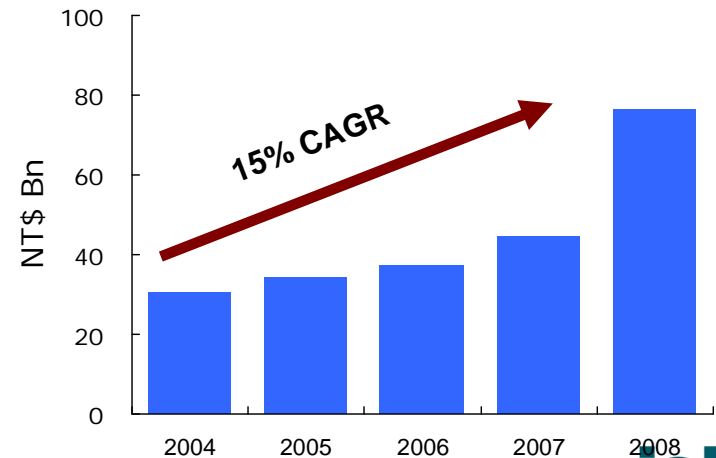


1H'09 : NT\$240B



- ◆ 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

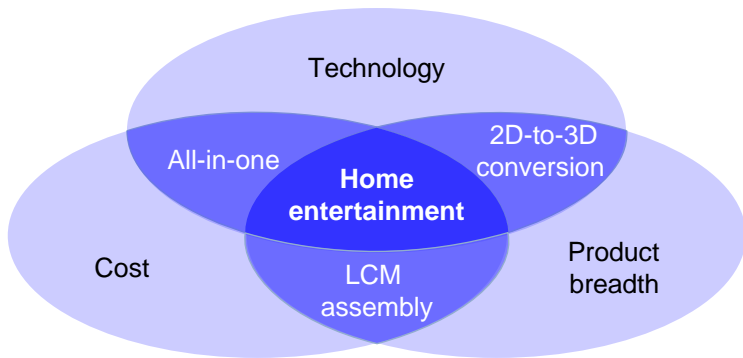
Non-NB Revenue Trend



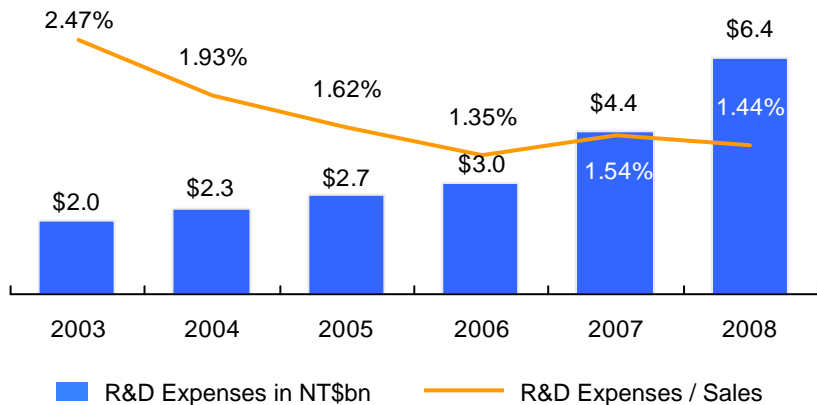
Leading innovation supported by R&D, design and quality



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

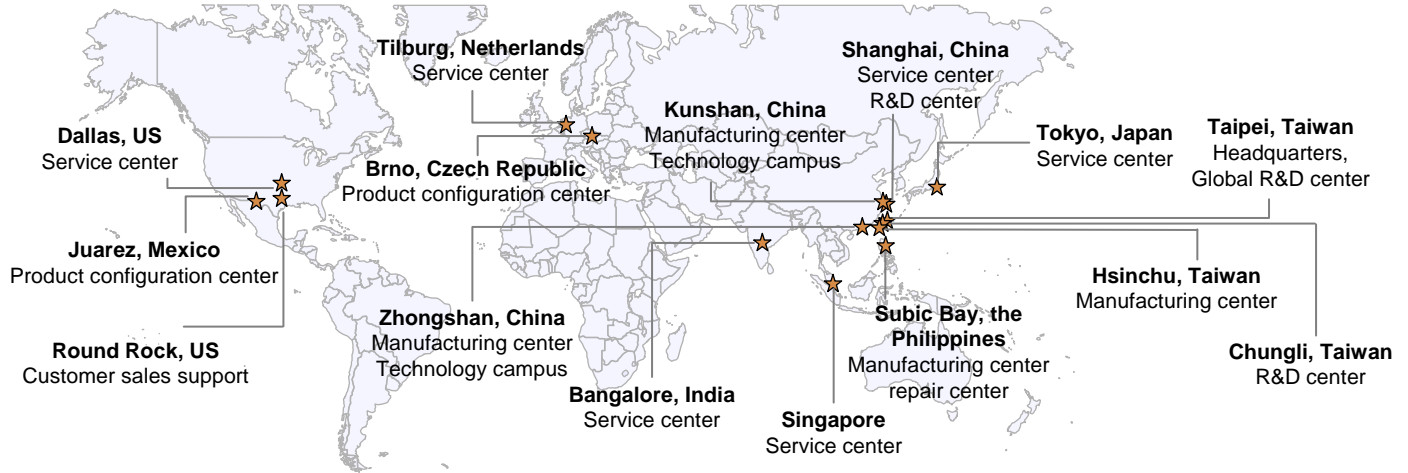
Industry recognition

- 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

Enhance 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

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



Zhongshan, China



Taipei, Taiwan

- ◆ Centralized research and development at headquarters in Taiwan



Dallas, US

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



Tokyo, Japan

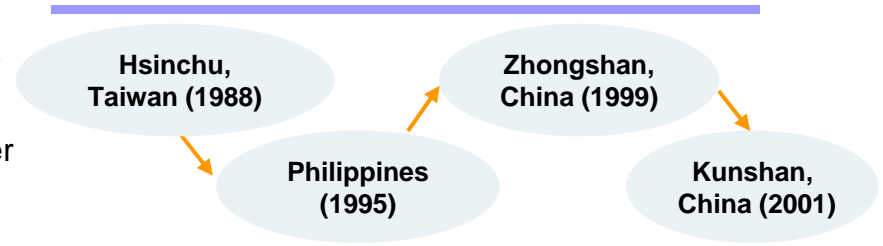
Source: Company

Improve operational efficiency and reduce costs

Production management

- ◆ Carefully expand high volume manufacturing facilities in PRC to reduce costs
- ◆ Maintain small volume production in other locations

Manufacturing facilities expansion



Business organization

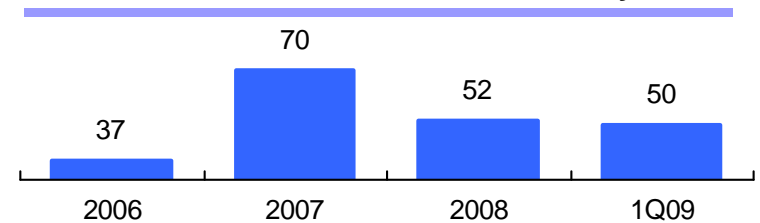
- ◆ Individual business units entrusted with end-to-end responsibilities focusing on customer needs
- ◆ Regular communication between business units



Notes and accounts receivable management

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

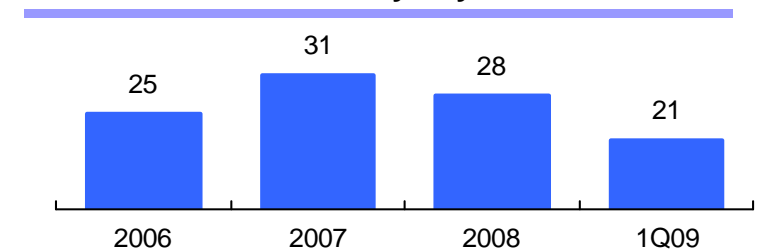
Notes and accounts receivable days



Inventory management

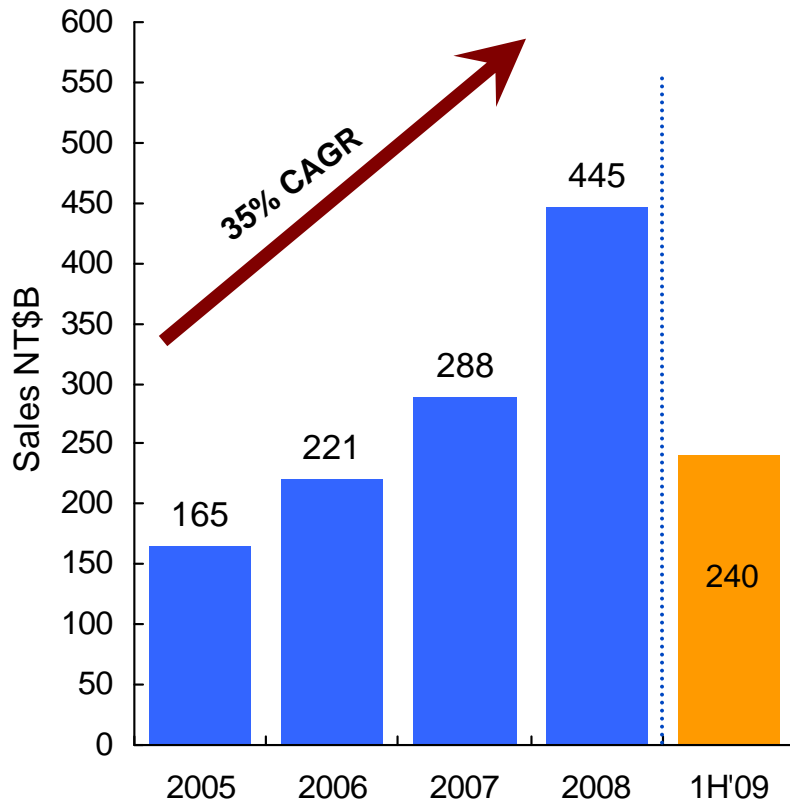
- ◆ Maintain inventories of key components on a just-in-time basis
- ◆ Improve product design and manufacturing process through R&D

Inventory days

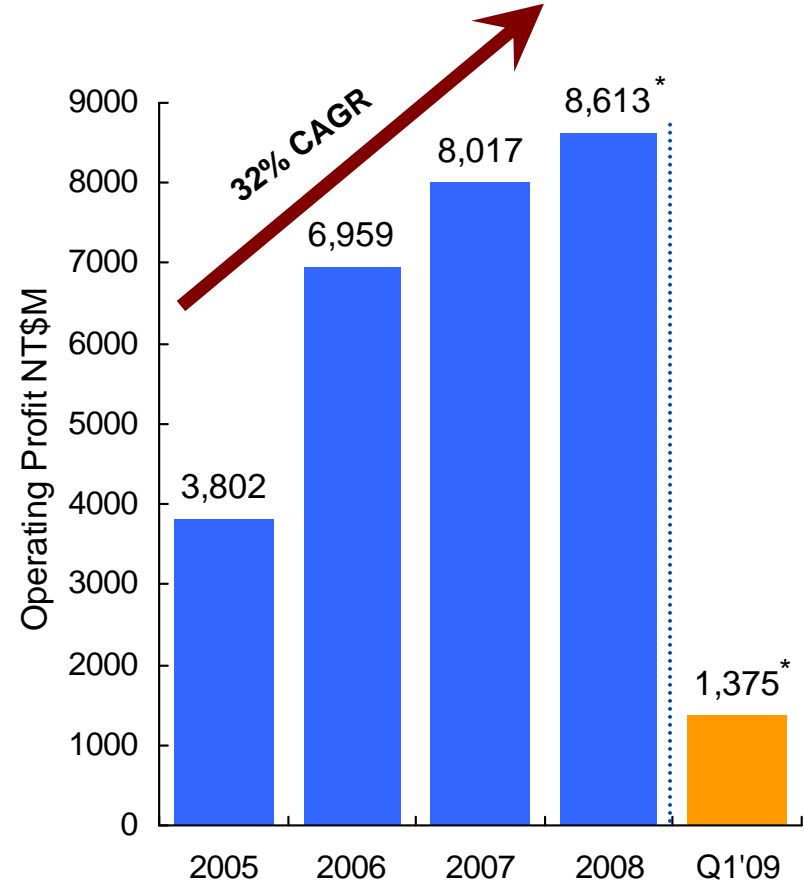


Track record of strong financial performance (1)

Strong growth momentum in sales



Continuously improving profitability



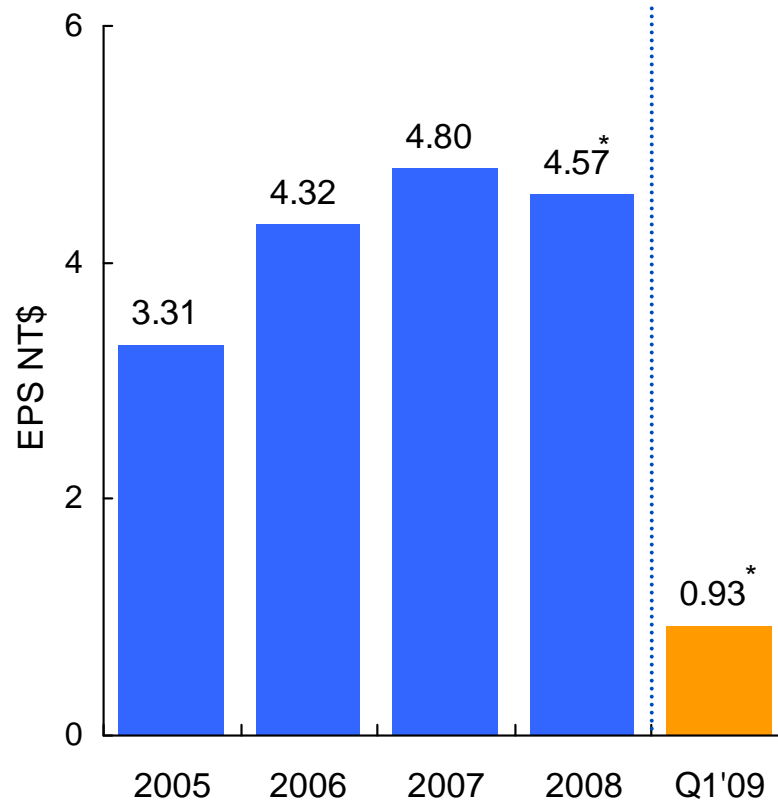
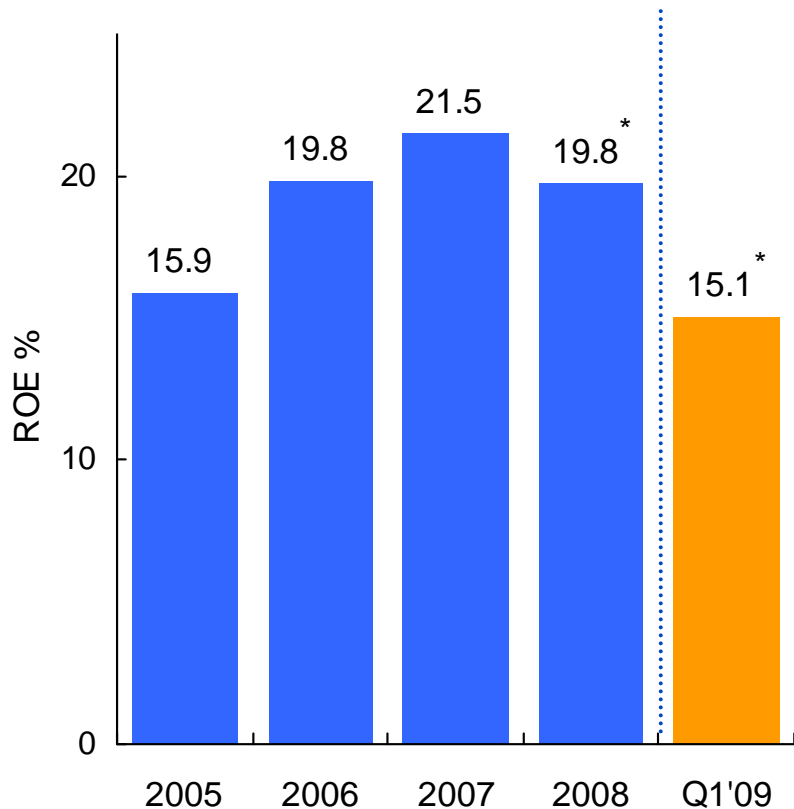
* After bonus expense
Source: Company consolidated financials



Track record of strong financial performance (2)

ROE

EPS



* After bonus expense

Source: Company consolidated financials



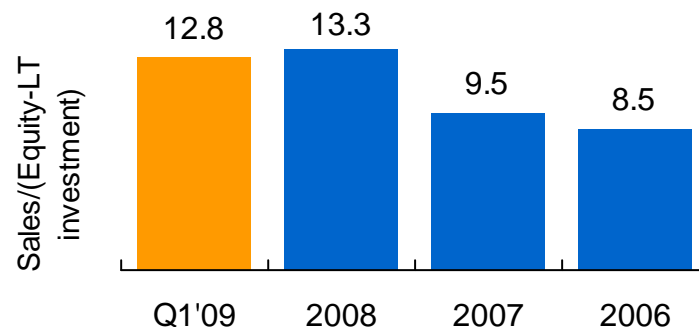
Superior balance sheet management

(NT\$M)

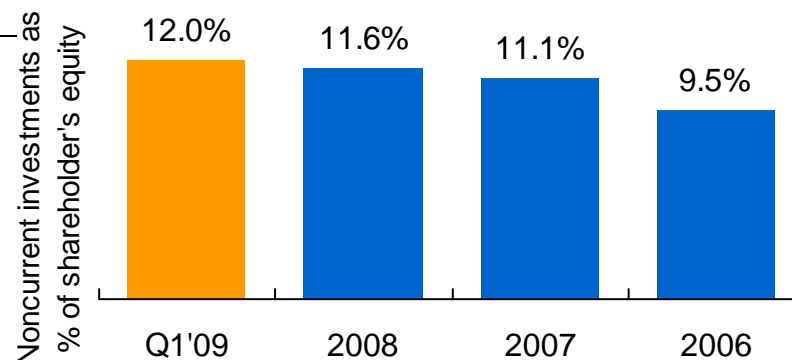
2007 2008 Q1'09

Efficient utilisation of capital

	2007	2008	Q1'09
Total assets	108,661	139,461	133,364
Net debt (= Total debt - Cash & ST investments)	2,509	(446)	(7,449)
Shareholders' equity	32,738	37,783	39,746
LT investments	3,616	4,388	4,769
Net debt / Equity	8%	-1%	-19%



Higher focus on core business



Source: Company consolidated financials
TSEC Market Observation Post System

Financial Summary

Section 2





Income statements

NT\$ M	2005		2006		2007		2008*		Q1'09*	
Net Revenue	164,732		221,054		286,754		445,118		112,524	
Realized gross profit	10,581	6.42%	14,745	6.67%	18,361	6.40%	24,866	5.59%	5,565	4.95%
Operating Expenses										
Selling	(3,120)	-1.89%	(3,623)	-1.64%	(4,417)	-1.54%	(7,654)	-1.72%	(1,850)	-1.64%
Administrative	(988)	-0.60%	(1,171)	-0.53%	(1,520)	-0.53%	(2,171)	-0.49%	(600)	-0.53%
Research and Development	(2,671)	-1.62%	(2,991)	-1.35%	(4,407)	-1.54%	(6,428)	-1.44%	(1,740)	-1.55%
Total Operating Expenses	(6,779)	-4.12%	(7,785)	-3.52%	(10,344)	-3.61%	(16,253)	-3.65%	(4,190)	-3.72%
Operating Income	3,802	2.31%	6,959	3.15%	8,017	2.80%	8,613	1.94%	1,375	1.22%
Non-operating Income/(Loss)										
Interest Expense, net	(526)		(989)		(628)		(662)		(110)	
Investment Income/(Loss)	(288)		152		287		239		72	
Exchange Gain/(Loss), net	(199)		268		(161)		(38)		342	
Other Income/(Expense)	486		133		524		705		1,488	
PBT	3,276		6,524		8,038		8,857		1,792	
Tax	(39)	-1.20%	(1,249)	-19.15%	(1,322)	-16.44%	(1,958)	-22.11%	(372)	-20.78%
Minority Interest	(54)		52		(111)		(21)		5	
PAT	3,182		5,327		6,605		6,878		1,424	
Outstanding Shares (M)	1,178		1,272		1,382		1,517		1,517	

* Wistron booked NT\$186 million and 1,044 million of employee bonus expense (for both employee bonus and director remuneration) in Q1'09 and 2008 respectively.

* Company consolidated financials



Consolidated (2009 Q1 vs. 2008 Q4 & 2008 Q1)

NT\$ M	Q1'09		Q4'08		QoQ	Q1'08		YoY
Net Revenue	112,524		144,543		-22.15%	86,810		29.62%
Realized gross profit	5,565	4.95%	7,028	4.86%	-20.82%	5,233	6.03%	6.34%
Operation Expenses	(4,190)	-3.72%	(4,504)	-3.12%	-6.98%	(3,546)	-4.08%	18.16%
Operating Income	1,375	1.22%	2,524	1.75%	-45.53%	1,687	1.94%	-18.50%
Non-operating Income/(Loss)								
Interest Expense, net	(110)		(281)			(124)		
LT Investment Income/(Loss), net	72		50			75		
Exchange Gain/(Loss), net	342		(202)			221		
Other Income/(Expense)	113		246			258		
PBT	1,792		2,337		-23.35%	2,117		-15.36%
Tax	(372)	-20.78%	(801)	-34.25%	-53.50%	(411)	-19.42%	-9.43%
Minority Interest	5		34			(29)		
PAT	1,424		1,571		-9.32%	1,676		-15.00%
Outstanding Shares (M)	1,517		1,517			1,382		



Consolidated Balance Sheets

NT\$M	2009/3/31		2008/12/31		2008/3/31	
Cash & ST Investments	16,083	12%	13,179	9%	17,406	15%
A/R	61,698	46%	63,718	46%	52,210	44%
Inventory	24,321	18%	31,892	23%	25,188	21%
Other current Assets	4,816	4%	4,776	3%	4,236	4%
Total Current Assets	106,919	80%	113,565	81%	99,040	84%
LT equity investments	4,769	4%	4,388	3%	3,469	3%
Property, plant and equipment	17,600	13%	17,421	12%	13,289	11%
Other assets	4,076	3%	4,088	3%	2,351	2%
Total Assets	133,364	100%	139,461	100%	118,149	100%
ST Borrowing	2,529	2%	2,875	2%	18,263	15%
A/P	74,168	56%	77,961	56%	56,987	48%
Other current liabilities	9,347	7%	9,582	7%	7,134	6%
Total Current Liabilities	86,044	65%	90,418	65%	82,384	70%
LT Debt	6,105	5%	9,858	7%	-	0%
Other liabilities	1,468	1%	1,402	1%	914	1%
Total Liabilities	93,618	70%	101,678	73%	83,298	71%
Shareholders' Equity	39,746	30%	37,783	27%	34,851	29%



Cash Flows

NT\$M	Q1'09	Q1'08
Cash* (Beginning of period)	13,179	7,560
Cash flow from Operation		
Consolidated net income	1,419	1,706
Depreciation & amortization	1,258	762
(Income)/loss from equity method	(72)	(75)
Changes in A/R	2,020	2,433
Changes in A/P	(3,793)	(392)
Changes in inventories	7,571	(2,375)
Others	(16)	(55)
Cash provided by operating activities	8,387	2,004
Cash flow from Investment		
Capex	(1,284)	(682)
Others	(146)	111
Cash provided by investing activities	(1,430)	(571)
Cash flow from Finance		
Increase (decrease) in ST borrowings	(346)	8,194
LT debt	(3,753)	-
Issuance of common stock	-	-
Payment on cash dividends	-	-
Payment on directors' and supervisors' remuneration	-	-
Others	4	(1)
Cash provided by financing activities	(4,095)	8,193
Effect of exchange rate change & subsidiaries consolidated	42	220
Cash (End of period)	16,083	17,406

* 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



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	20,181
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%