

Wistron Corporation

Investor Presentation





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Table of contents

Section 1 Company Overview

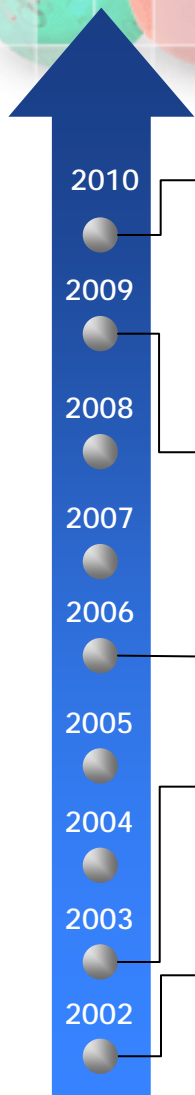
Section 2 Financial Summary

Company Overview

Section 1



Company overview



2010
 ♦ One of five selected for Forbes Global 2000 “Global High Performers” in technology & equip industry category – Forbes¹

2009
 ♦ Business Week “Global Info Tech 100” (Rank #8)²
 ♦ Business Week “Taiwan Info Tech 100” (Rank #1)²
 ♦ One of the Asian Fabulous 50 “The Best of Asia-Pacific’s Biggest Listed Companies” – Forbes¹

2008
 ♦ Asia Money “Best Overall Corporate Governance in Taiwan” (Rank #3)³

2007
 ♦ Listed on Taiwan Stock Exchange

2006
 ♦ Spun off from Acer to take over its Design, Manufacturing & Services division

2005
 ♦ Acer current shareholding - ~4%

Source: Company

Note: ¹ Recognized by Forbes from 2007-2010

² June 2009 issue of Business Week

³ December 2006 issue of Asia Money magazine

⁴ As of Dec 31, 2009

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

⁶ After minority interest

Company snapshot

- ♦ A major ICT R&D & TSP (technology service provider) company
- ♦ Key products: Notebook (“NB”) PCs, Desktop (“DT”) PCs, LCD TVs & Monitors, Handheld devices, Servers & Storage devices, and Services & Recycling

Key financials (NT\$bn)

| NT\$M | 2007 | 2008 | 2009 | Q1'10 |
|-----------------------------|-------|-------|-------|-------|
| Revenue | 286.8 | 445.1 | 546.6 | 143.3 |
| <i>Growth (%)</i> | 29.7% | 55.2% | 22.8% | 27.4% |
| Gross profit | 18.4 | 24.9 | 29.9 | 7.5 |
| <i>Gross margin (%)</i> | 6.4% | 5.6% | 5.5% | 5.3% |
| Operating profit | 8.0 | 8.6 | 10.7 | 3.1 |
| <i>Operating margin (%)</i> | 2.8% | 1.9% | 1.9% | 2.2% |
| Net income | 6.6 | 6.9 | 9.1 | 2.7 |
| <i>Net margin (%)</i> | 2.3% | 1.5% | 1.6% | 1.9% |

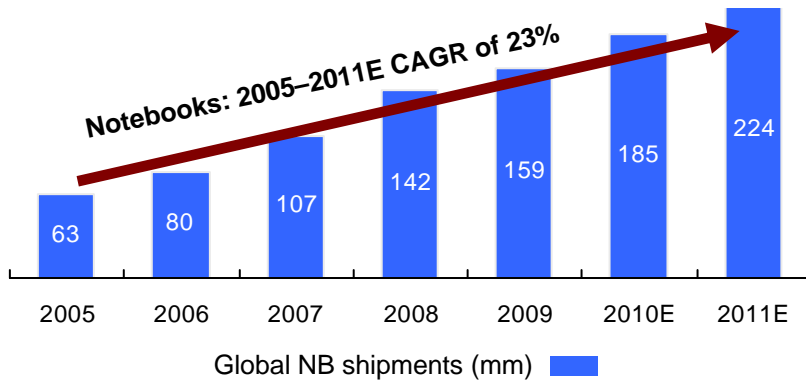


Investment highlights

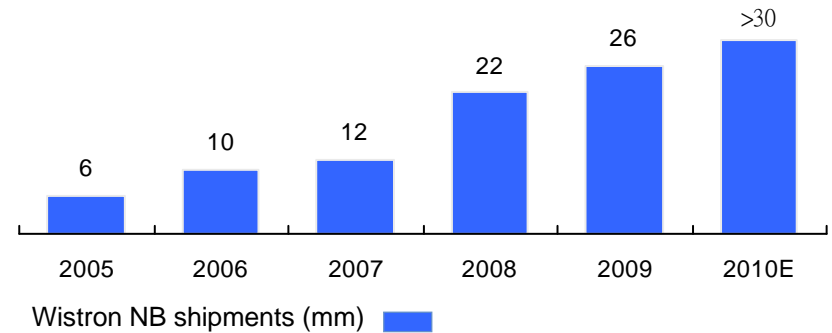


Solid position in notebook ODM

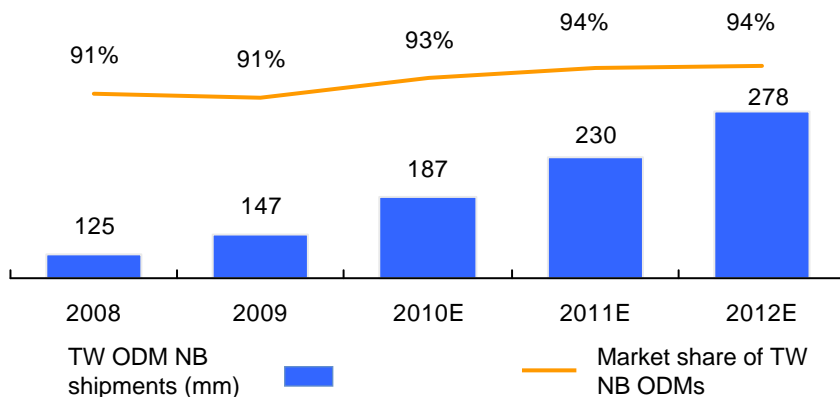
Global notebook industry shipments (mm units)



Wistron has well established market position in NB ODM industry



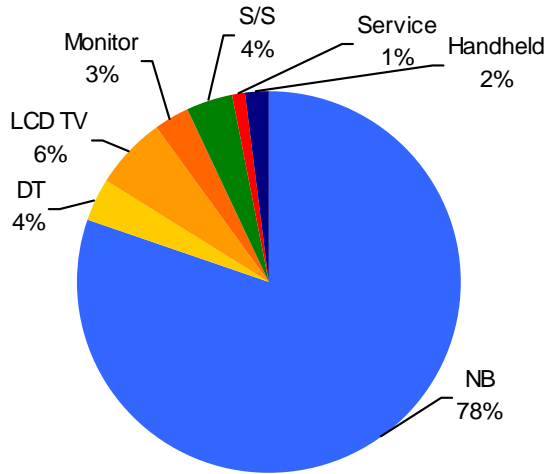
TW NB ODMs dominate the market



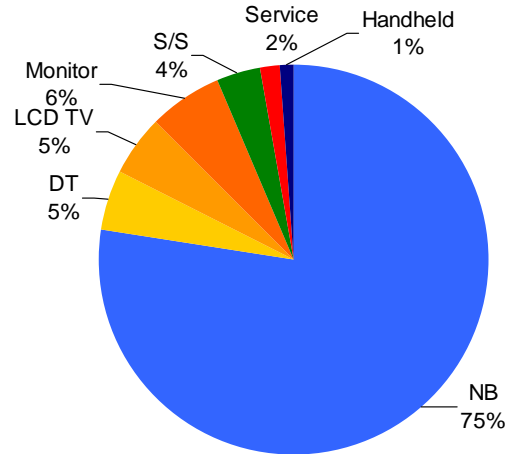
- ◆ Well established top 3 market position in global NB ODM industry
- ◆ Wistron's winning strategy has resulted in increase in its global mainstream NB ODM market share from 10% in 2005 to 19% in 2009
 - Strong design ability leads to more high-end products
 - Better performance yields more order wins
 - Cost advantage given economies of scale

But Wistron not just a NB PC manufacturer

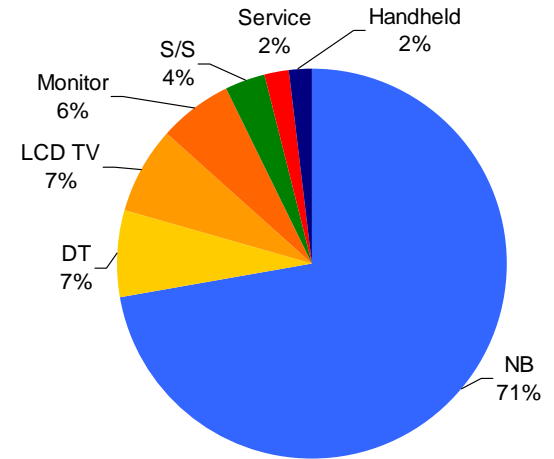
2008 : NT\$445B



2009 : NT\$547B

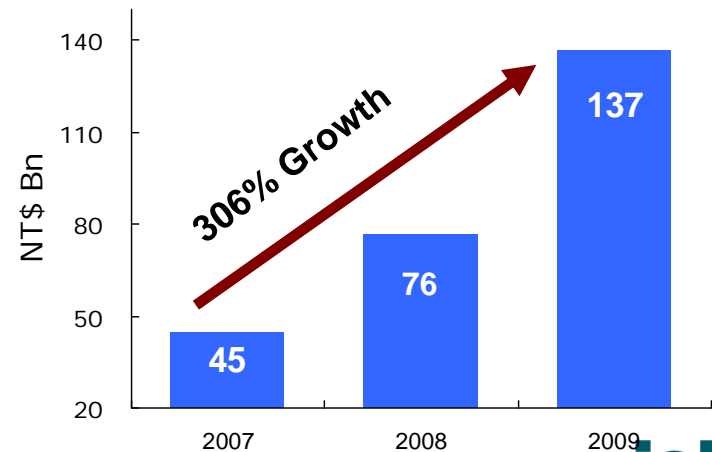


Q1'10 : NT\$143B

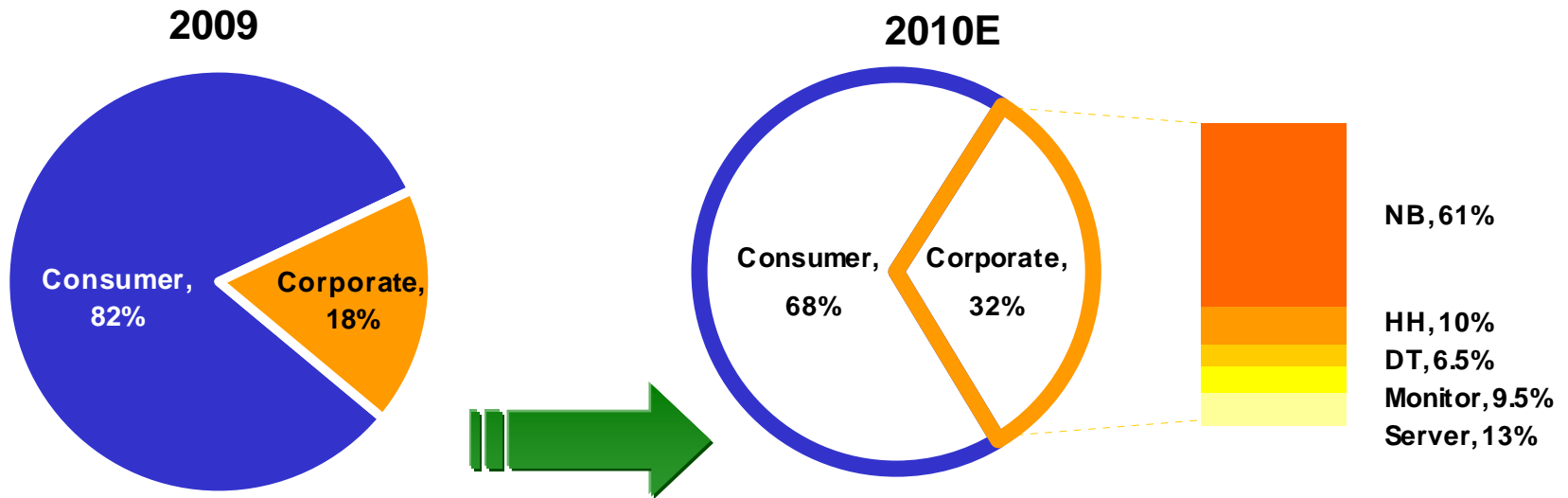


- ◆ Notebook PC remains one of the major growth drivers for the Company
- ◆ Other product lines (Display, Handheld devices, Desktop, Server/storage, VOIP, IPC and After-sales services) are also growing on track

Non-NB Revenue Trend



A potential beneficiary for the next corporate replacement cycle

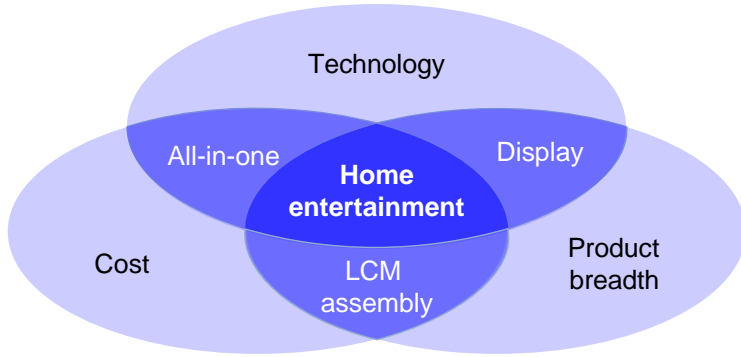


- Global Economic Recovery
- Increasing IT Spending
- Upgrade cycle for Windows 7

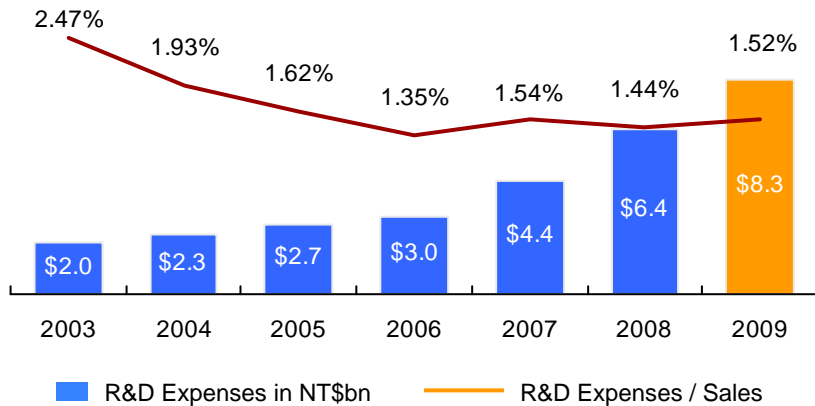
Leading innovation supported by R&D, design and quality



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

Innovative Display Technology



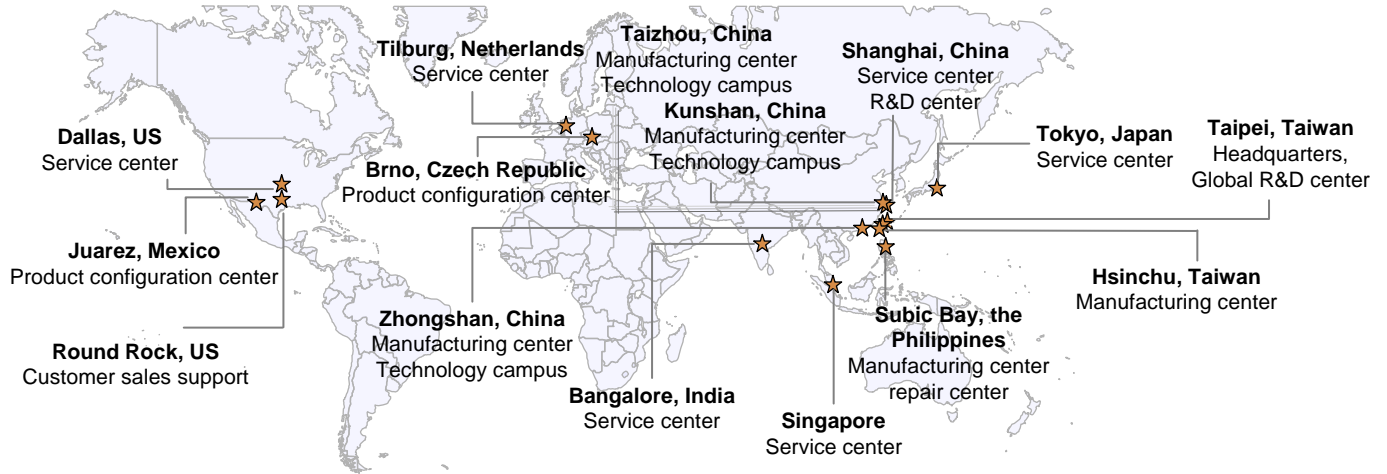
Industry recognition

- 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

- ◆ 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

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

Services Business Unit

Product quality feedback from customers

Mobile Business Group

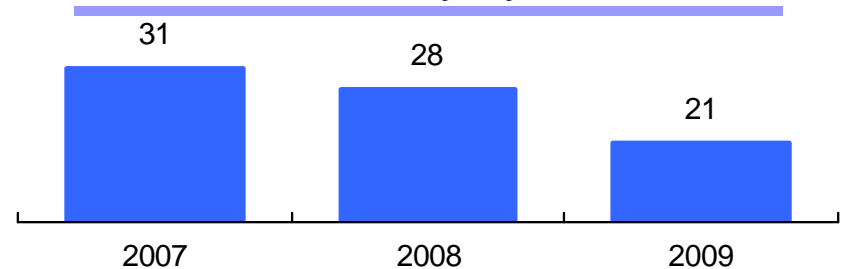
Digital Consumer Business Group

Enterprise Business Group

Inventory management

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

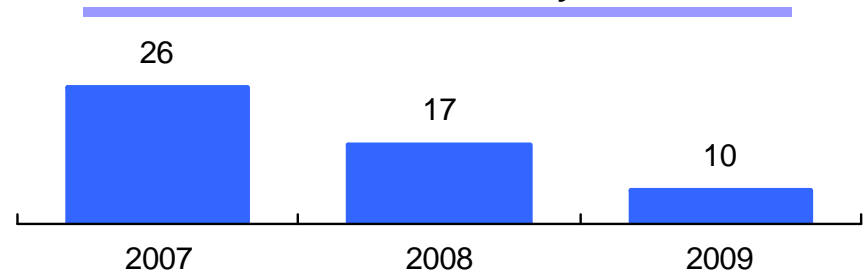
Inventory days



Cash flow management

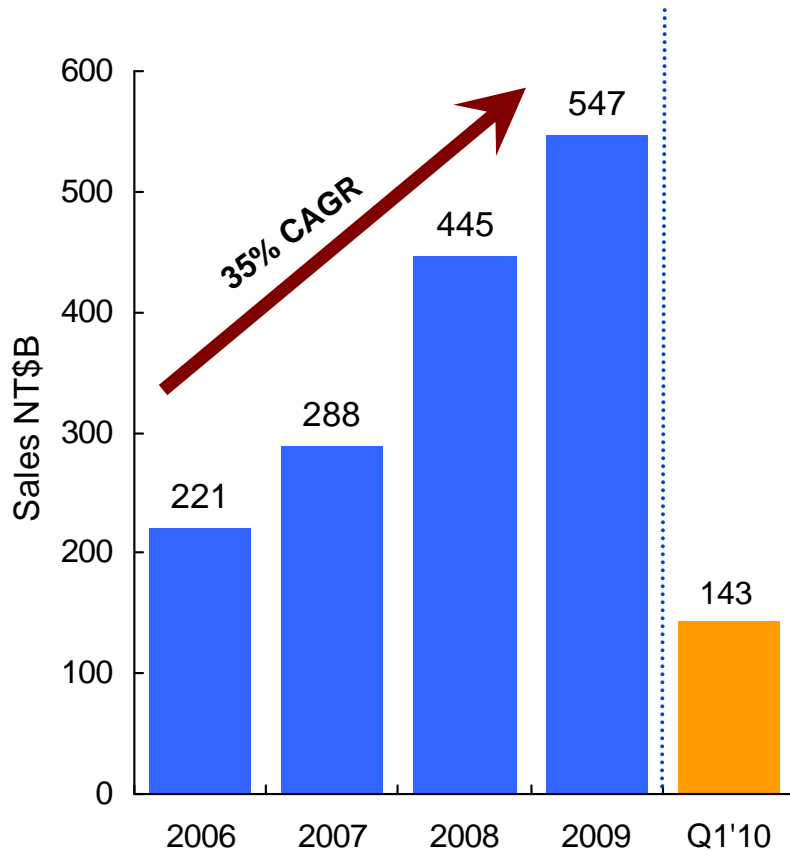
- ◆ Manage AR in more efficient way through factoring
- ◆ Expect to factor up to 40% of receivables

Cash Conversion Cycle

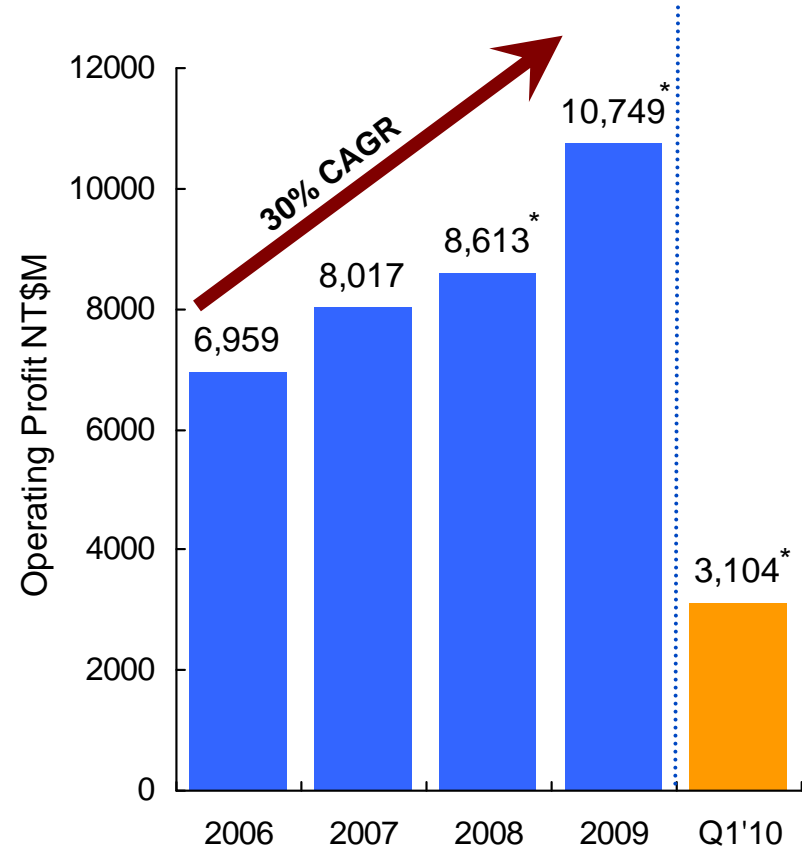


Track record of strong financial performance (1)

Strong growth momentum in sales



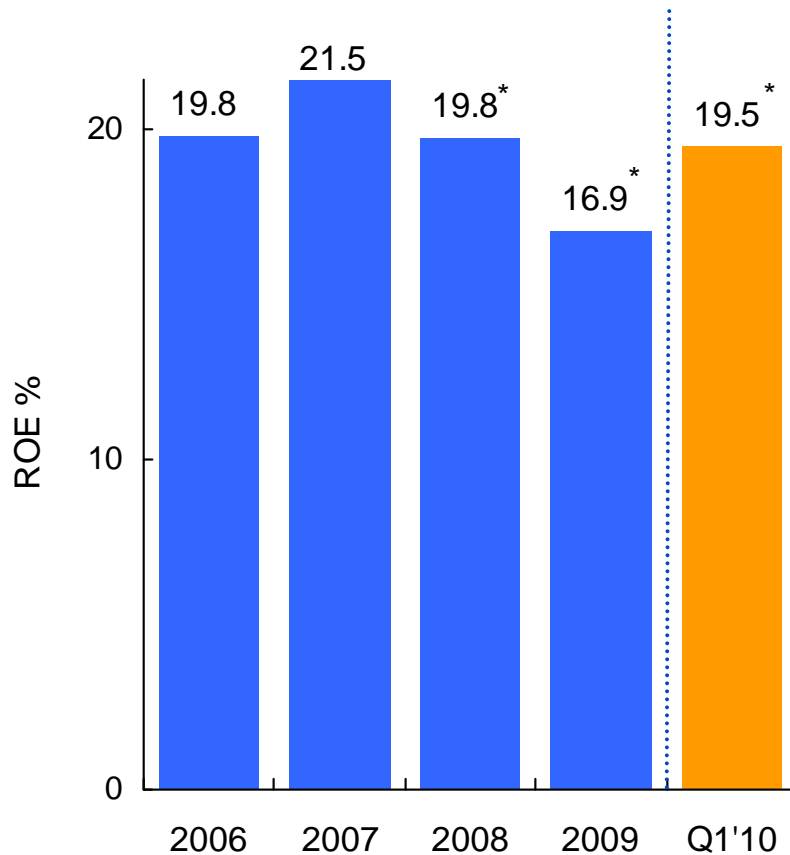
Continuously improving profitability



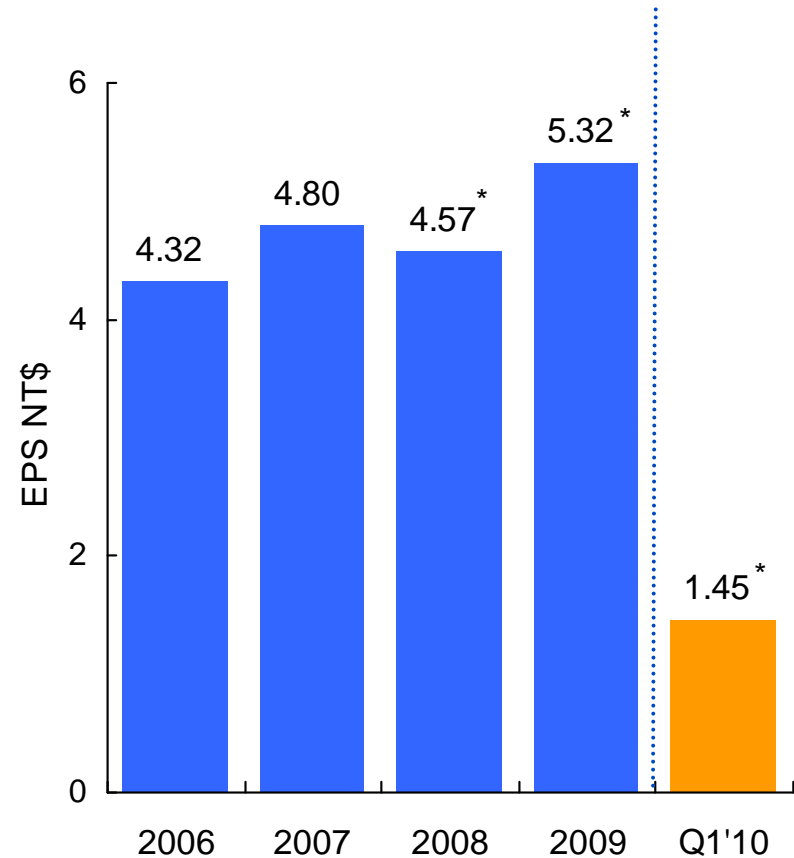
* Wistron started to book employee bonus expense since 2008 (NT\$ 1,044 million in 2008, NT\$ 1,279 million in 2009 & NT\$ 368 million in Q1'10)
Source: Company consolidated financials

Track record of strong financial performance (2)

ROE



EPS



* After bonus expense

Source: Company consolidated financials



Superior balance sheet management

(NT\$M)

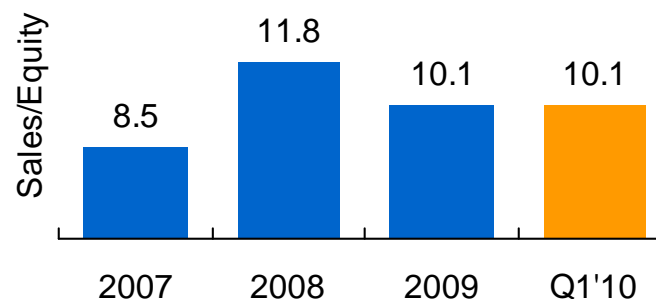
2008

2009

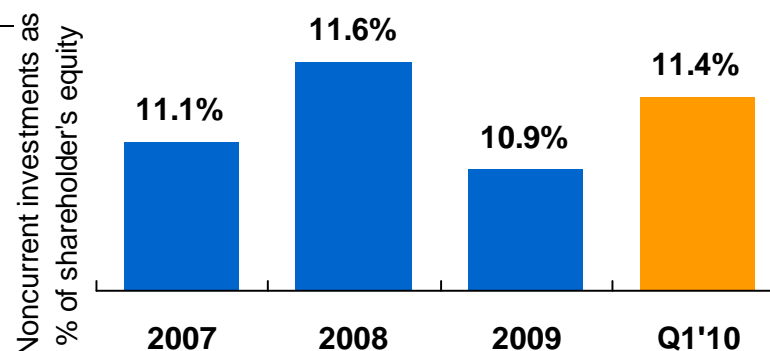
Q1'10

Efficient utilisation of capital

| | | | |
|---|---------|----------|----------|
| Total assets | 139,461 | 179,832 | 174,299 |
| Net debt (= Total debt - Cash & ST investments) | (446) | (12,894) | (15,846) |
| Shareholders' equity | 37,783 | 54,014 | 56,939 |
| LT investments | 4,388 | 5,861 | 6,467 |
| Net debt / Equity | -1% | -24% | -28% |



Higher focus on core business



Source: Company consolidated financials
TSEC Market Observation Post System



Historical earning distribution

- Dividend

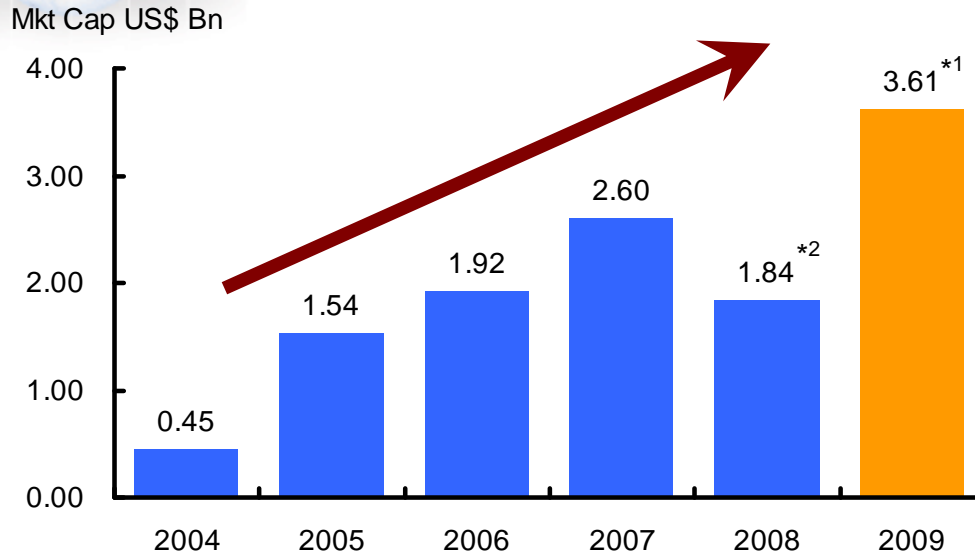
| | 2005 | 2006 | 2007 | 2008 | 2009* |
|----------------------------------|------|------|------|------|-------------|
| Stock (NT\$) | 0.50 | 0.6 | 0.5 | 1.08 | 0.5 |
| Cash (NT\$) | 1.50 | 2.2 | 2.7 | 1.08 | 2.7 |
| Diluted EPS (NT\$) | 3.02 | 4.31 | 4.8 | 4.57 | 5.23 |
| Total Dividend Payout (%) | 66% | 65% | 67% | 47% | 61% |
| Cash Dividend Payout (%) | 50% | 51% | 56% | 24% | 52% |

- Employee Bonus Dilution

| | 2005 | 2006 | 2007 | 2008 | 2009* |
|--------------------------------------|--------------|--------------|--------------|--------------|---------------|
| PBT (NT\$M) | 3,212 | 6,574 | 7,771 | 8,857 | 11,496 |
| PAT (NT\$M) | 3,182 | 5,327 | 6,605 | 6,878 | 9,135 |
| Cash Bonus (NT\$M) | 114 | 144 | 178 | - | 1,196 |
| Stock Bonus (000' Shares) | 17,148 | 33,492 | 41,614 | 20,182 | - |
| Market value of Bonus (NT\$M) | 719 | 1,492 | 2,410 | 982 | - |
| Closing price | 41.9 | 44.5 | 57.9 | 48.7 | 55.0 |
| Employee Bonus / PBT | 25.9% | 24.9% | 33.3% | 11.1% | 10.4% |
| Employee Bonus / PAT | 22.6% | 28.0% | 36.5% | 14.3% | 13.1% |

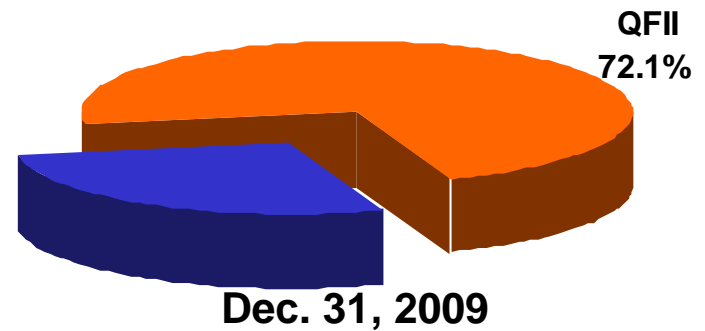
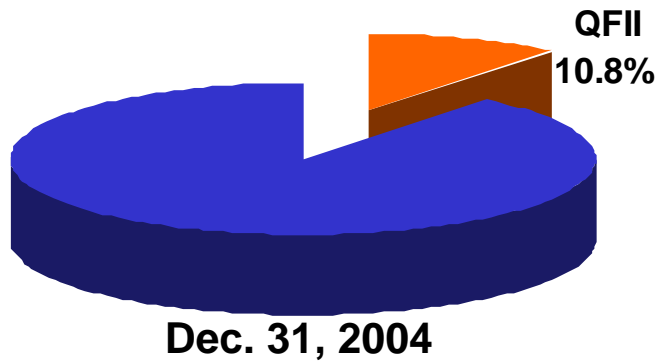


Growing Market Cap. & QFII Holding



*1 As of Dec. 31, 2009

*2 Due to financial crisis



Financial Summary

Section 2



Income statements

| NT\$ M | 2006 | 2007 | 2008* | 2009* | Q1'10* |
|-----------------------------|---------|----------|----------|----------|---------|
| Net Revenue | 221,054 | 286,754 | 445,118 | 546,666 | 143,355 |
| Realized gross profit | 14,745 | 18,361 | 24,866 | 29,949 | 7,553 |
| Operating Expenses | | | | | |
| Selling | (3,623) | (4,417) | (7,654) | (8,651) | (1,883) |
| Administrative | (1,171) | (1,520) | (2,171) | (2,263) | (533) |
| Research and Development | (2,991) | (4,407) | (6,428) | (8,287) | (2,033) |
| Total Operating Expenses | (7,785) | (10,344) | (16,253) | (19,200) | (4,449) |
| Operating Income | 6,959 | 8,017 | 8,613 | 10,749 | 3,104 |
| Non-operating Income/(Loss) | | | | | |
| Interest Expense, net | (989) | (628) | (662) | (294) | (48) |
| Investment Income/(Loss) | 152 | 287 | 239 | 341 | 73 |
| Exchange Gain/(Loss), net | 268 | (161) | (38) | 211 | 127 |
| Other Income/(Expense) | 133 | 524 | 705 | 489 | 81 |
| PBT | 6,524 | 8,038 | 8,857 | 11,496 | 3,337 |
| Tax | (1,249) | (1,322) | (1,958) | (2,325) | (636) |
| Minority Interest | 52 | (111) | (21) | (36) | 5 |
| PAT | 5,327 | 6,605 | 6,878 | 9,135 | 2,706 |
| Outstanding Shares (M) | 1,272 | 1,382 | 1,517 | 1,864 | 1,870 |

* Wistron started to book employee bonus expense since 2008 (NT\$ 1,044 million in 2008, NT\$ 1,279 million in 2009 & NT\$ 368 million in Q1'10)
Source: Company consolidated financials



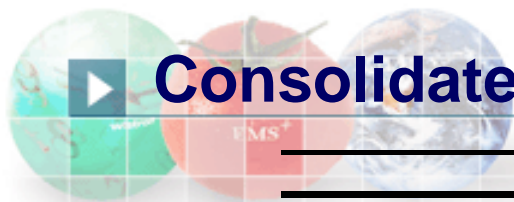
Consolidated (2010 Q1 vs. 2009 Q4 & 2009 Q1)

| NT\$ M | Q1'10 | | Q4'09 | | QoQ | Q1'09 | | YoY |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| Net Revenue | 143,355 | | 160,449 | | -10.65% | 112,524 | | 27.40% |
| Realized gross profit | 7,553 | 5.27% | 8,758 | 5.46% | -13.75% | 5,571 | 4.95% | 35.59% |
| Selling | (1,883) | -1.31% | (2,239) | -1.40% | -15.93% | (1,850) | -1.29% | 1.77% |
| Administrative | (533) | -0.37% | (568) | -0.35% | -6.22% | (600) | -0.42% | -11.21% |
| Research & Development | (2,033) | -1.42% | (2,582) | -1.61% | -21.24% | (1,740) | -1.21% | 16.87% |
| Total Operation Expenses | (4,449) | -3.10% | (5,389) | -3.36% | -17.45% | (4,190) | -3.72% | 6.18% |
| Operating Income | 3,104 | 2.17% | 3,369 | 2.10% | -7.84% | 1,381 | 1.23% | 124.87% |
| Non-operating Income/(Loss) | | | | | | | | |
| Interest Expense, net | (48) | | (51) | | | (110) | | |
| LT Investment Income/(Loss), net | 73 | | 158 | | | 72 | | |
| Exchange Gain/(Loss) | 127 | | 155 | | | 372 | | |
| with Evaluation gain on financial instruments, net | | | | | | | | |
| Other Income/(Expense) | 81 | | 239 | | | 78 | | |
| PBT | 3,337 | | 3,870 | | -13.77% | 1,792 | | 86.25% |
| Tax | (636) | -19.05% | (746) | -19.27% | -14.75% | (372) | -20.78% | 70.82% |
| Minority Interest | 5 | | (7) | | | 5 | | |
| PAT | 2,706 | | 3,117 | | -13.19% | 1,424 | | 89.98% |
| Outstanding Shares (M) | 1,870 | | 1,864 | | | 1,517 | | |



Consolidated Balance Sheets

| NT\$M | 2010/3/31 | | 2009/12/31 | | 2009/3/31 | |
|----------------------------------|----------------|-------------|----------------|-------------|----------------|------------|
| Cash & ST Investments | 23,367 | 13% | 20,545 | 12% | 16,083 | 9% |
| A/R | 85,266 | 49% | 99,379 | 57% | 61,698 | 35% |
| Inventory | 31,764 | 18% | 27,669 | 16% | 24,321 | 14% |
| Other current Assets | 5,177 | 3% | 4,417 | 3% | 4,816 | 3% |
| Total Current Assets | 145,574 | 84% | 152,010 | 87% | 106,919 | 61% |
| LT equity investments | 6,467 | 4% | 5,861 | 3% | 4,769 | 3% |
| Property, plant and equipment | 18,256 | 10% | 17,900 | 10% | 17,600 | 10% |
| Other assets | 4,002 | 2% | 4,061 | 2% | 4,076 | 2% |
| Total Assets | 174,299 | 100% | 179,832 | 103% | 133,364 | 77% |
| ST Borrowing | 1,794 | 1% | 1,885 | 1% | 2,529 | 1% |
| A/P | 91,609 | 53% | 101,725 | 58% | 74,168 | 43% |
| Other current liabilities | 16,604 | 10% | 14,861 | 9% | 9,347 | 5% |
| Total Current Liabilities | 110,007 | 63% | 118,471 | 68% | 86,044 | 49% |
| LT Debt | 5,727 | 3% | 5,765 | 3% | 6,105 | 4% |
| Other liabilities | 1,626 | 1% | 1,581 | 1% | 1,468 | 1% |
| Total Liabilities | 117,360 | 67% | 125,818 | 72% | 93,618 | 54% |
| Shareholders' Equity | 56,939 | 33% | 54,014 | 31% | 39,746 | 23% |



Consolidated Cash Flows

| NT\$M | Q1'10 | Q1'09 |
|--|----------|---------|
| Cash* (Beginning of period) | 20,545 | 13,179 |
| Cash flow from Operation | | |
| Consolidated net income | 2,701 | 1,419 |
| Depreciation & amortization | 1,184 | 1,258 |
| (Income)/loss from equity method | (72) | (72) |
| Changes in A/R | 14,113 | 2,020 |
| Changes in A/P | (10,116) | (3,793) |
| Changes in inventories | (4,095) | 7,571 |
| Others | 1,115 | (16) |
| Cash provided by operating activities | 4,831 | 8,387 |
| Cash flow from Investment | | |
| Capex | (2,234) | (1,284) |
| Others | 55 | (146) |
| Cash provided by investing activities | (2,179) | (1,430) |
| Cash flow from Finance | | |
| Increase (decrease) in ST borrowings | (91) | (346) |
| LT debt | (38) | (3,753) |
| Issuance of common stock | - | - |
| Payment on cash dividends | - | - |
| Payment on directors' and supervisors' remuneration | - | - |
| Employee stock option | 258 | - |
| Others | (4) | 4 |
| Cash provided by financing activities | 125 | (4,095) |
| Effect of exchange rate change & subsidiaries consolidated | 44 | 42 |
| Cash (End of period) | 23,367 | 16,083 |

* 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