

Wistron Corporation

Investor Presentation





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Company Overview

Section 1





Company overview

- ◆ Spin-off in 2001
- ◆ Listed on the TSE in 2003
- ◆ Business Week¹ “Global Info Tech 100” (Ranks 40)
- ◆ 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)
- ◆ Acer Shareholding – 4.92%⁴

| Key financials | 2006 | 2007 ⁵ | 1-3Q'08 ^{5,6} |
|-------------------------|---------|-------------------|------------------------|
| Revenue | 221,054 | 286,754 | 300,575 |
| Gross Profit | 14,744 | 18,361 | 17,837 |
| <i>Gross Margin</i> | 6.7% | 6.4% | 5.9% |
| Operating Profit | 6,959 | 8,017 | 6,089 |
| <i>Operating Margin</i> | 3.1% | 2.8% | 2.0% |
| PBT | 6,524 | 8,038 | 6,520 |
| PAT | 5,327 | 6,605 | 5,307 |

Note:

1. July 2008 issue of Business Week

2. Sep 2008 issue of Forbes

3. Dec 2006 issue of Asia Money magazine

4. Inclusive of indirect holdings of Acer Investments as of Dec.31, 2008

5. Under ROC SFAS NO.7, 2005 financials include consolidation impact of Wistron NeWeb, and from 2007, the financials include consolidation impact of AOpen.

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

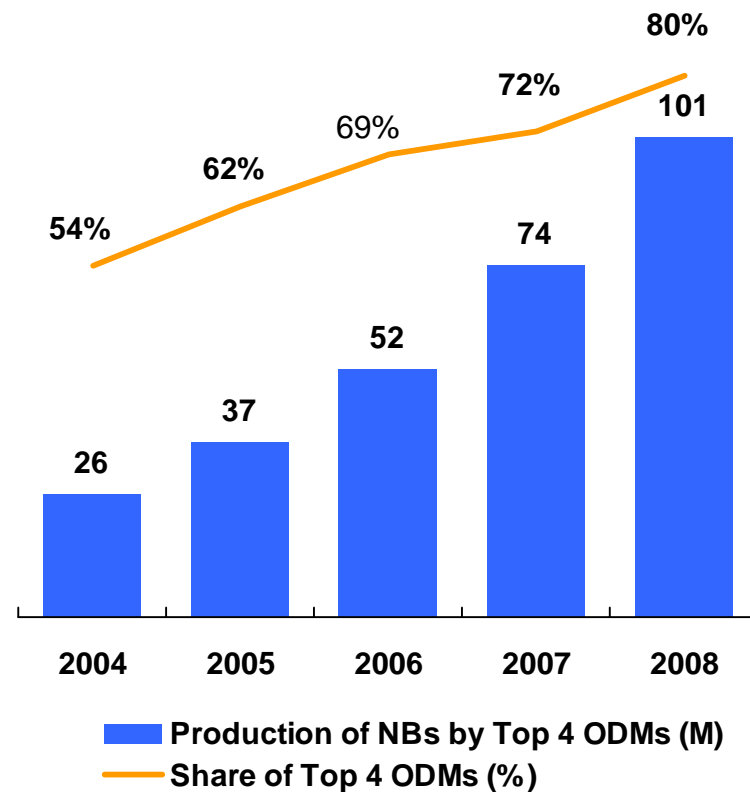
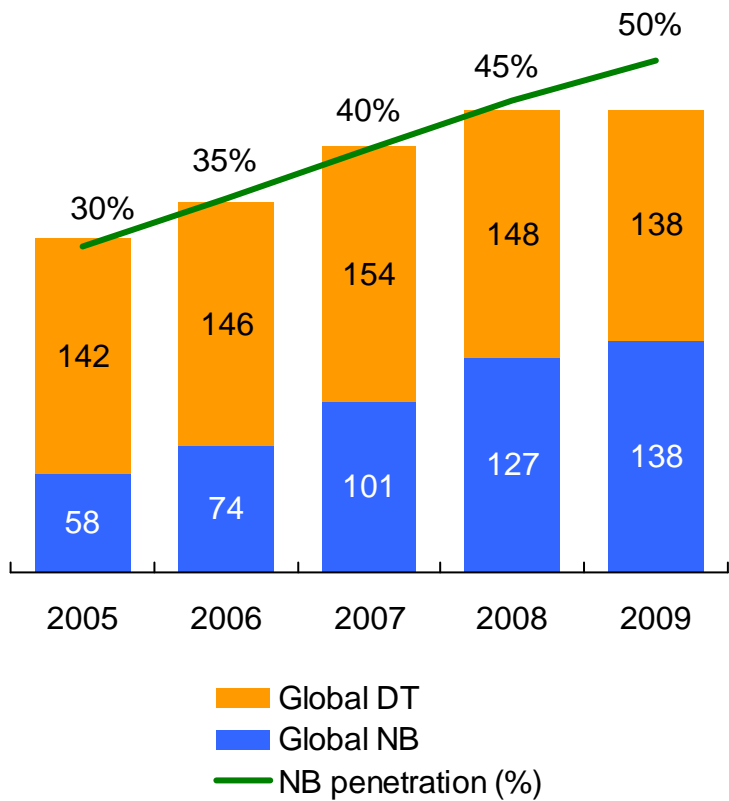
- 1 Steady industry growth outlook**
- 2 Well-established foundation in notebooks**
- 3 Growth strategy beyond notebooks**
- 4 Well-diversified tier 1 customer base**
- 5 Strong R&D and efficient manufacturing and services platform**
- 6 Strong financial performance and superior balance sheet management**



Strong growth outlook for the NB market

Notebooks – 2005-2009 CAGR 30%

Strong growth outlook for Top ODMs



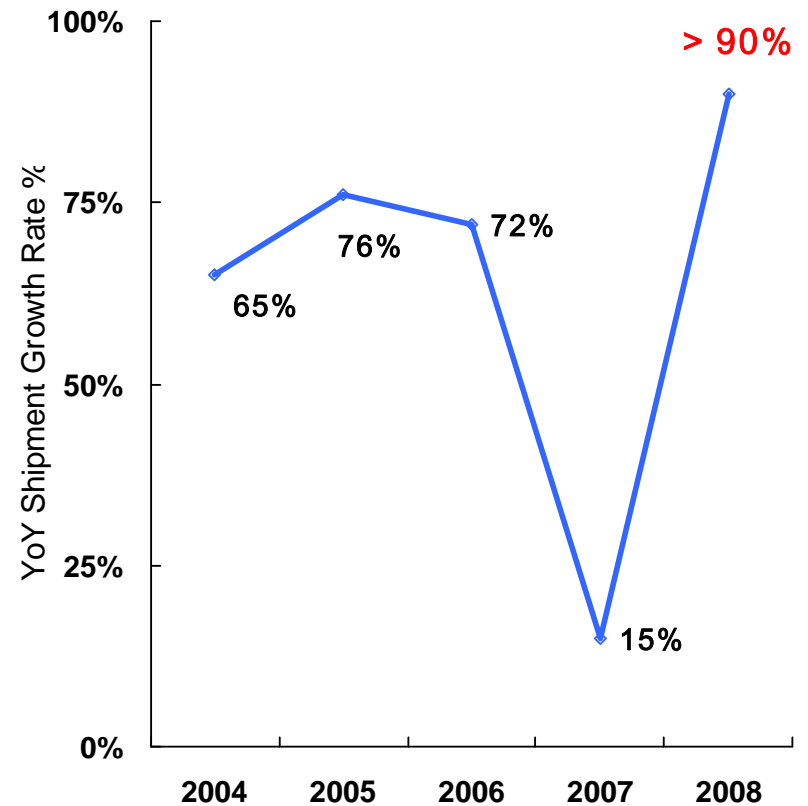
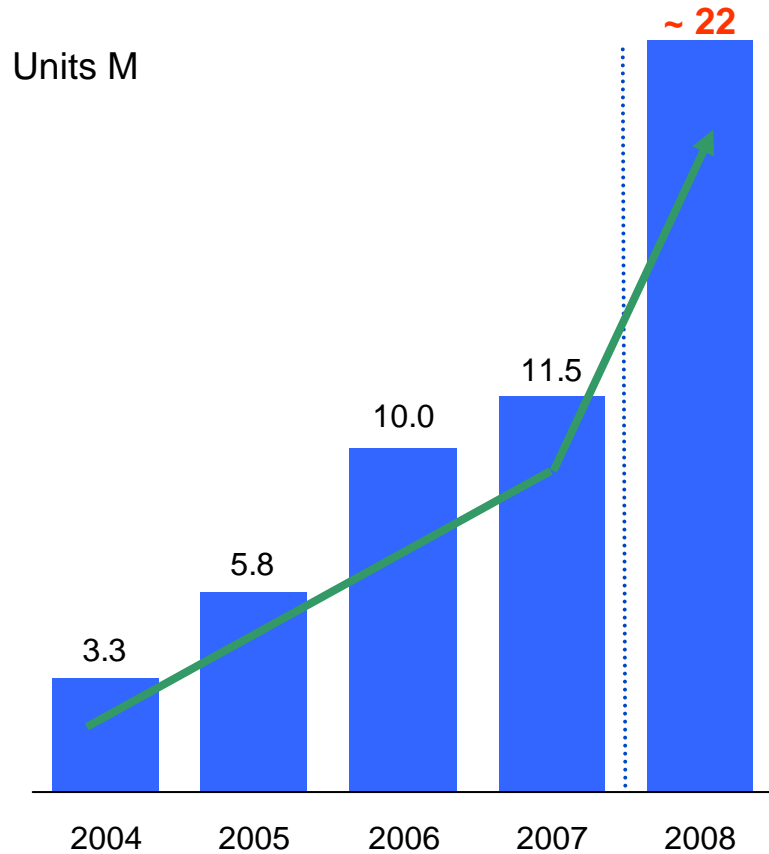
Source: IDC, Dec. 2008

Wistron is a major beneficiary of Notebook growth story



2008 NB shipment targets 21 million

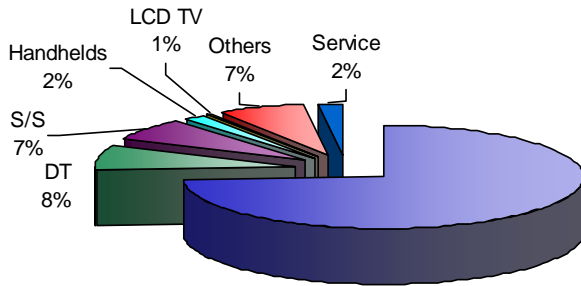
Continuous unit growth after spin-off



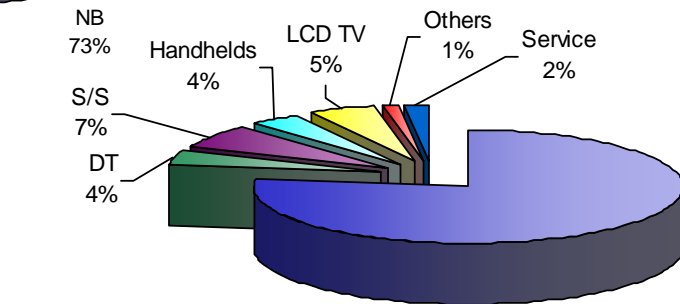


But Wistron not just a NB PC manufacturer

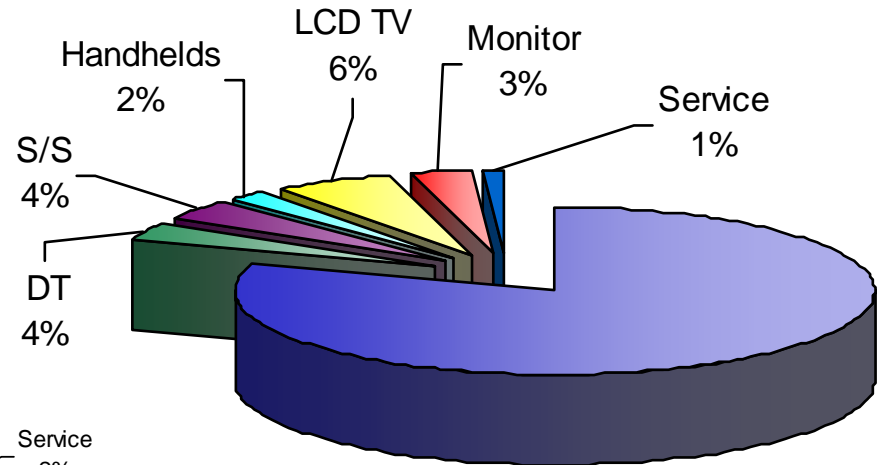
- ◆ Notebook PC remains one of the major growth drivers for the company
- ◆ Other product lines (Display, Handheld devices, Desktop, Server/storage, VOIP, IPC and After-sales services) are also growing on track



2006 : NT\$221.1B



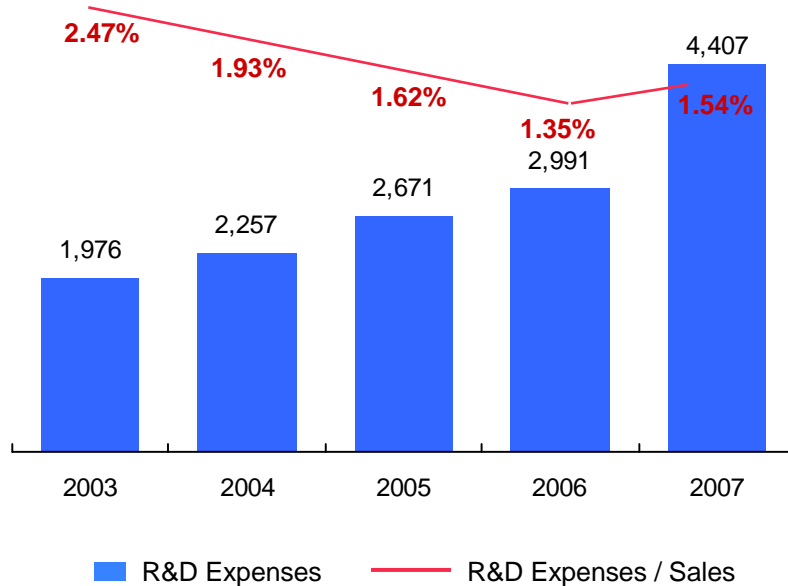
2007 : NT\$288.4B



2008 : NT\$445B

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

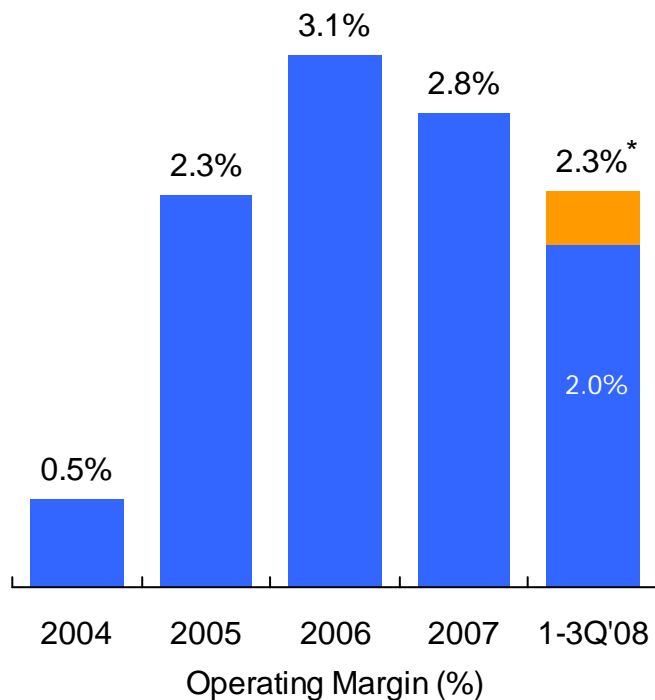
Recent Awards

- ◆ 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



Cost control and efficiency improvement

Maintain a quality cost and opex efficiency



Improving production efficiency

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

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

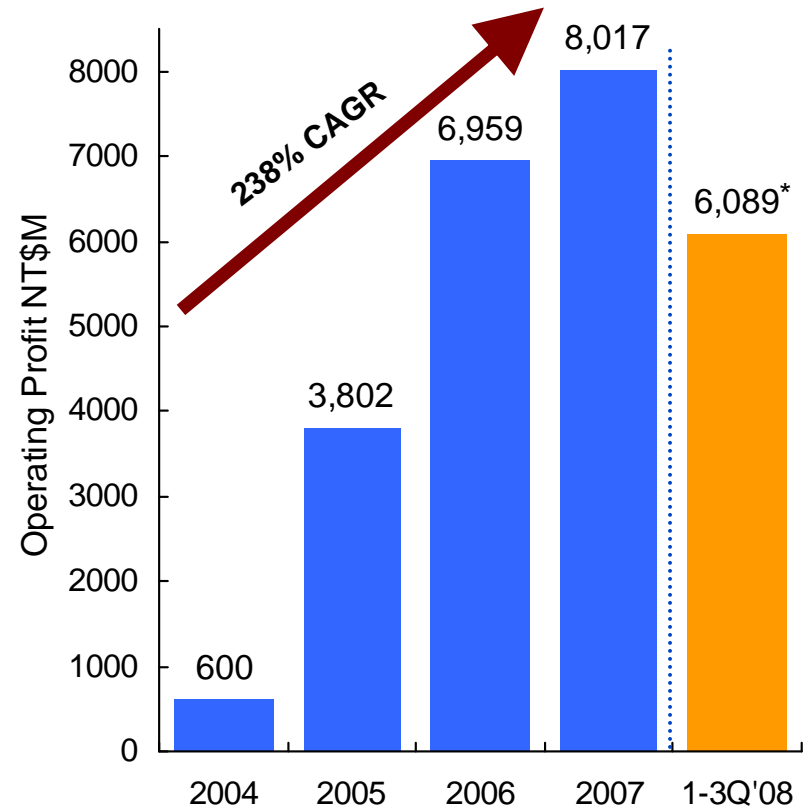
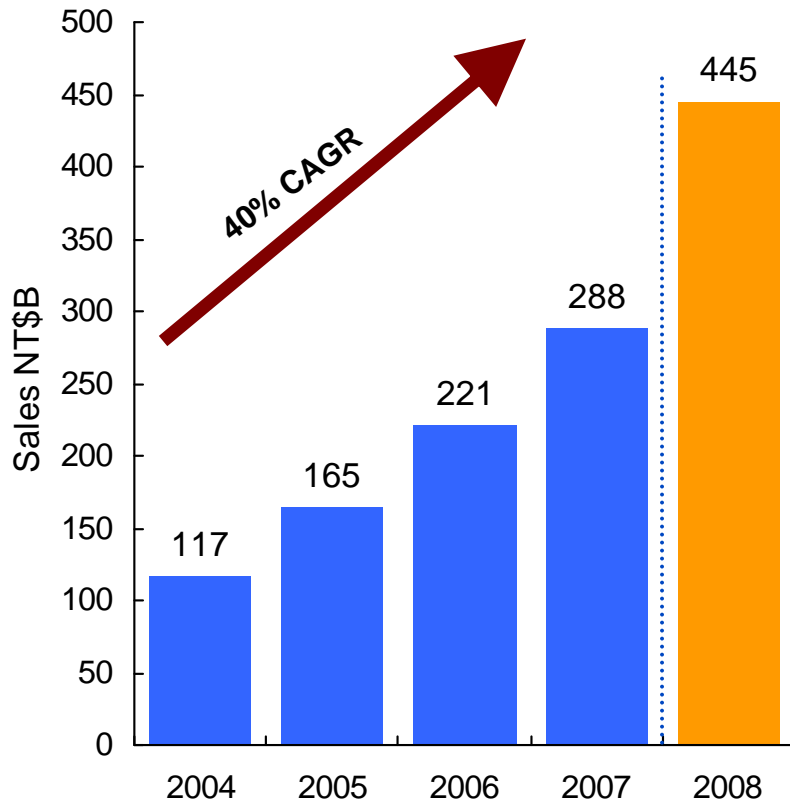
Source: Company consolidated financials

* As Wistron booked a NT\$942 million of employee bonus expense (for both employee bonus and director remuneration) in 1-3Q'08, before the booking, the operating income would have been NT\$7,031 million.

Track record of strong financial performance (1)

Strong growth momentum in sales

Continuously improving profitability



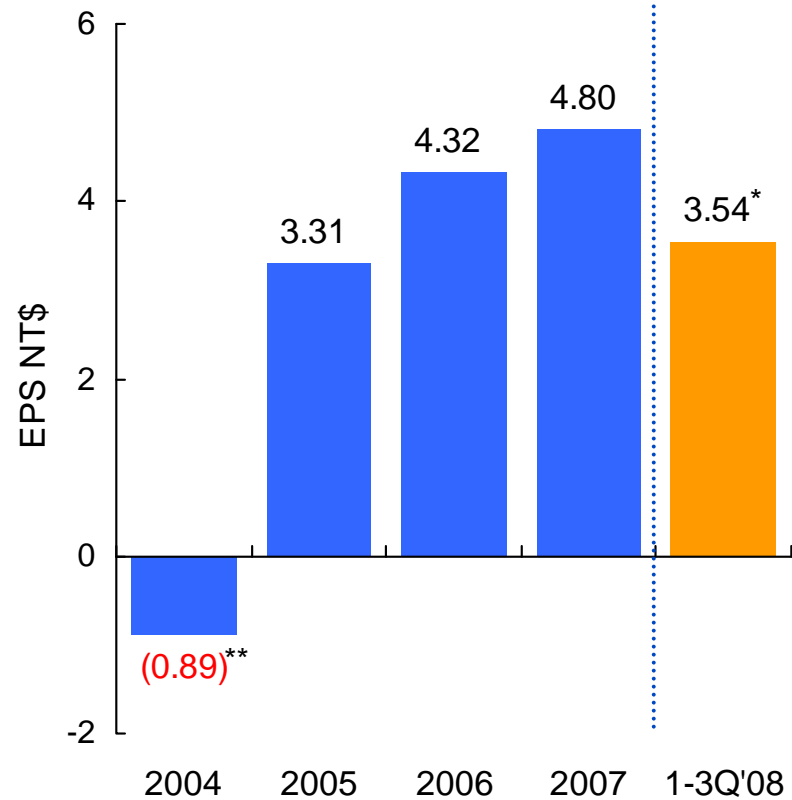
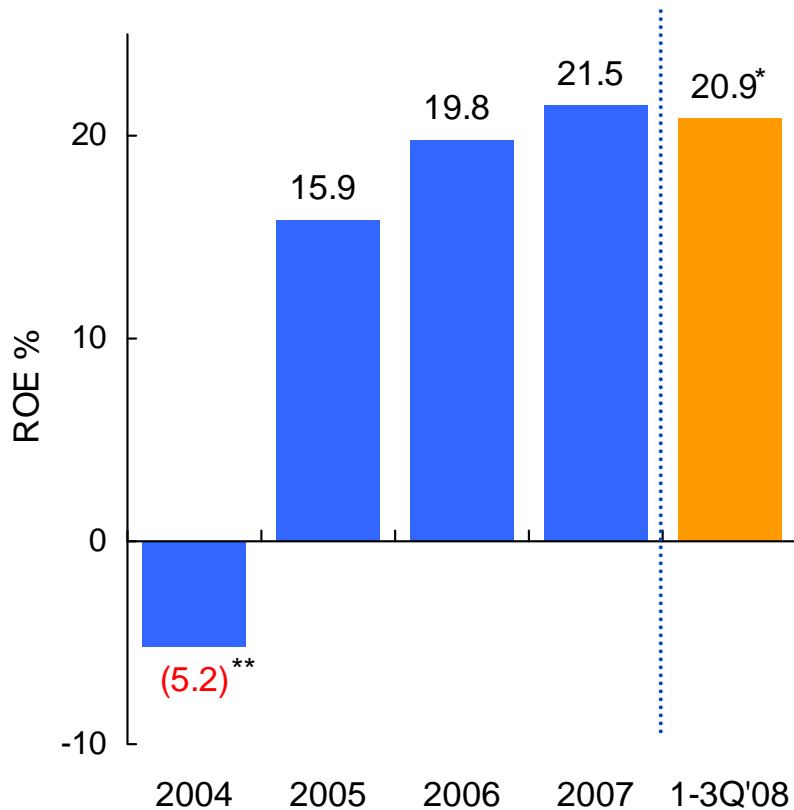
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Source: Company consolidated financials

Track record of strong financial performance (2)

ROE

EPS



* After bonus expense

** Primarily due to asset write-off

Source: Company consolidated financials

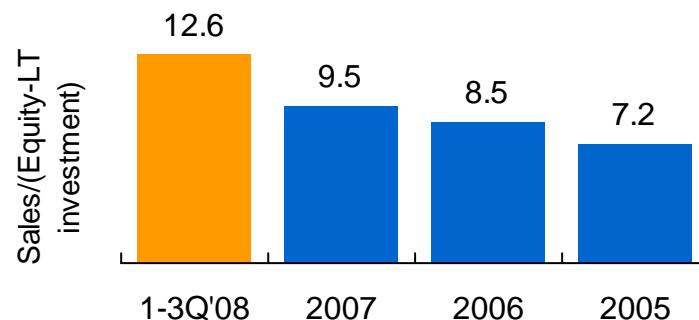


Superior balance sheet management

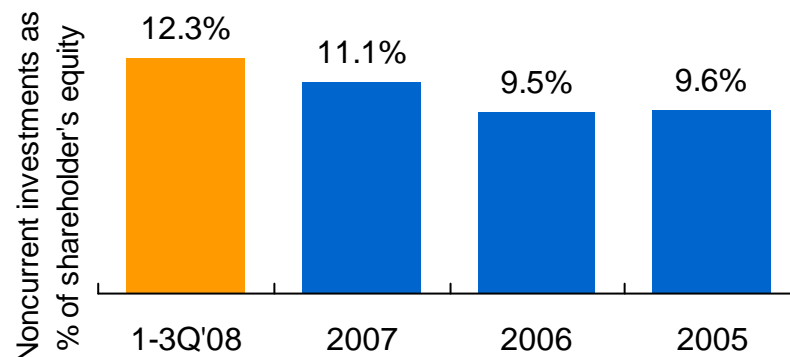
| (NT\$M) | 2006 | 2007 | 3Q'08 |
|--|---------|---------|---------|
| Total assets | 73,652 | 108,661 | 171,399 |
| Net debt (= Total debt - Cash & ST investments) | (9,916) | 2,509 | 17,279 |
| Shareholders' equity | 28,726 | 32,738 | 35,955 |
| LT investments | 2,727 | 3,616 | 4,295 |
| Net debt / Equity | -35% | 8% | 48% |

Source: Company consolidated financials
TSEC Market Observation Post System

Efficient utilisation of capital



Higher focus on core business



Financial Summary

Section 2





Income statements

| NT\$ M | 2004 | | 2005 | | 2006 | | 2007 | | 1-3Q'08* | |
|-----------------------------|---------|--------|---------|--------|---------|---------|----------|---------|----------|---------|
| Net Revenue | 116,752 | | 164,732 | | 221,054 | | 286,754 | | 300,575 | |
| Realized gross profit | 6,488 | 5.56% | 10,581 | 6.42% | 14,745 | 6.67% | 18,361 | 6.40% | 17,837 | 5.93% |
| Operating Expenses | | | | | | | | | | |
| Selling | (2,573) | -2.20% | (3,120) | -1.89% | (3,623) | -1.64% | (4,417) | -1.54% | (5,478) | -1.82% |
| Administrative | (1,058) | -0.91% | (988) | -0.60% | (1,171) | -0.53% | (1,520) | -0.53% | (1,605) | -0.53% |
| Research and Development | (2,257) | -1.93% | (2,671) | -1.62% | (2,991) | -1.35% | (4,407) | -1.54% | (4,666) | -1.55% |
| Total Operating Expenses | (5,888) | -5.04% | (6,779) | -4.12% | (7,785) | -3.52% | (10,344) | -3.61% | (11,749) | -3.91% |
| Operating Income | 600 | 0.51% | 3,802 | 2.31% | 6,959 | 3.15% | 8,017 | 2.80% | 6,089 | 2.03% |
| Non-operating Income/(Loss) | | | | | | | | | | |
| Interest Expense, net | (181) | | (526) | | (989) | | (628) | | (380) | |
| Investment Income/(Loss) | (444) | | (288) | | 152 | | 287 | | 189 | |
| Exchange Gain/(Loss), net | (12) | | (199) | | 268 | | (161) | | 164 | |
| Other Income/(Expense) | (947) | | 486 | | 133 | | 524 | | 458 | |
| PBT | (985) | | 3,276 | | 6,524 | | 8,038 | | 6,520 | |
| Tax | 14 | -1.41% | (39) | -1.20% | (1,249) | -19.15% | (1,322) | -16.44% | (1,158) | -17.76% |
| Minority Interest | 140 | | (54) | | 52 | | (111) | | (55) | |
| PAT | (823) | | 3,182 | | 5,327 | | 6,605 | | 5,307 | |
| Outstanding Shares (M) | 9,493 | | 1,178 | | 1,272 | | 1,382 | | 1,517 | |

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

* Company consolidated financials

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 | | 2,187 | 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.

Consolidated Balance Sheets

| NT\$M | 2008/9/30 | | 2008/6/30 | | 2007/12/31 | |
|---|----------------|-------------|----------------|-------------|----------------|------------|
| Cash & ST Investments | 10,868 | 6% | 11,011 | 9% | 7,560 | 6% |
| A/R | 71,959 | 42% | 59,320 | 47% | 54,643 | 43% |
| Inventory | 47,721 | 28% | 28,645 | 23% | 22,813 | 18% |
| Other current Assets | 13,625 | 8% | 4,014 | 3% | 3,759 | 3% |
| Total Current Assets | 144,174 | 84% | 102,991 | 81% | 88,775 | 70% |
| LT equity investments | 4,295 | 3% | 4,006 | 3% | 3,616 | 3% |
| Property, plant and equipment | 15,636 | 9% | 13,934 | 11% | 13,881 | 11% |
| Other assets | 7,294 | 4% | 6,082 | 5% | 2,388 | 2% |
| Total Assets | 171,399 | 100% | 127,012 | 100% | 108,661 | 86% |
| ST Borrowing | 18,509 | 11% | 7,926 | 6% | 10,069 | 8% |
| A/P | 94,922 | 55% | 64,640 | 51% | 57,379 | 45% |
| Other current liabilities | 11,489 | 7% | 12,035 | 9% | 6,687 | 5% |
| Total Current Liabilities | 124,919 | 73% | 84,601 | 67% | 74,135 | 58% |
| LT Debt | 9,639 | 6% | 9,106 | 7% | | |
| Other liabilities | 885 | 1% | 875 | 1% | 776 | 1% |
| Total Liabilities | 135,444 | 79% | 94,582 | 74% | 74,911 | 59% |
| | | | | | | |
| Shareholders' Equity & Minority Interest | 35,955 | 21% | 32,430 | 26% | 33,750 | 27% |



Cash Flows

| NT\$M | Consolidated | |
|---|----------------|----------------|
| | 1-3Q'08 | 1H'08 |
| Cash* (Beginning of period) | 7,560 | 7,560 |
| Cash flow from Operation | | |
| Net income | 5,362 | 3,155 |
| Depreciation & amortization | 2,385 | 1,548 |
| (Income)/loss from equity method | (74) | (16) |
| Changes in A/R | (17,318) | (4,461) |
| Changes in A/P | 37,545 | 9,197 |
| Changes in inventories | (24,908) | (7,111) |
| Others | (5,782) | 307 |
| Cash provided by operating activities | (2,791) | 2,617 |
| Cash flow from Investment | | |
| Capex | (4,318) | (2,396) |
| Others | (5,334) | (4,171) |
| Cash provided by investing activities | (9,652) | (6,567) |
| Cash flow from Finance | | |
| Increase (decrease) in ST borrowings | 8,440 | 7,269 |
| LT debt | 9,639 | 128 |
| Issuance of common stock | | |
| Payment on cash dividends | (3,295) | |
| Payment on directors' and supervisors' remuneration | (59) | |
| Others | 1,134 | 4 |
| Cash provided by financing activities | 15,859 | 7,401 |
| Cash (End of period) | 10,975 | 11,011 |

* 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 |
|----------------------------------|------|-------|------|------|------------|
| 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 | 57.9 |
| Employee Bonus / PBT | 0.0% | 25.9% | 24.9% | 33.3% |