



# **3Q11 Investor Conference**

**October 27, 2011**

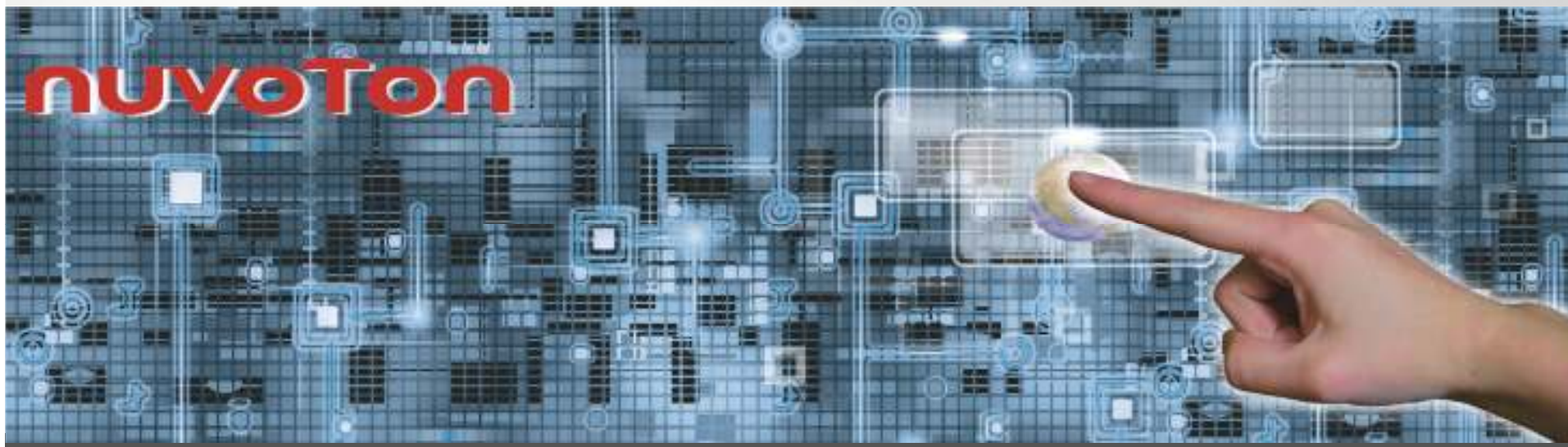
# Safe Harbor Notice

- We have made forward-looking statements in this presentation. Our forward-looking statements contain information regarding, among other things, our financial condition, future expansion plans and business strategies. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that these expectations and projects are reasonable, such forward-looking statements are inherently subject to risks, uncertainties and assumptions about us.
- We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future event or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this conference might not occur and our actual results could differ materially from those anticipated in these forward-looking statements.
- The information contained herein shall also not constitute an offer to sell or a solicitation of an offer to buy the company's securities nor shall there be any sale of such securities in any state or country in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or country.

# Agenda

- **3Q11 Financial Results**
- **Business Recap & Outlook**
- **Q&A**





# 3Q11 FINANCIAL RESULT

# 3Q11 Consolidated Income Statement

(In NT Millions unless otherwise noted)

	3Q11		2Q11		3Q10		QoQ Change		YoY Change	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Sales	1,905	100	2,190	100	2,089	100	(285)	(13)	(184)	(9)
Gross Profit	693	36	858	39	914	44	(165)	(19)	(221)	(24)
Operating Income	141	7	264	12	288	14	(123)	(47)	(146)	(51)
Net non-operating income	(9)	(0)	5	0	17	1	(14)	(263)	(25)	(153)
Pretax Income	132	7	270	12	304	15	(137)	(51)	(172)	(56)
Net Income	109	6	209	10	282	14	(100)	(48)	(173)	(61)
EPS (NT Dollar)	0.53		1.01		1.36					

Note: 3Q11 and 3Q10 figures have not been reviewed by the Company's auditors.

# 3Q11 Consolidated Balance Sheet

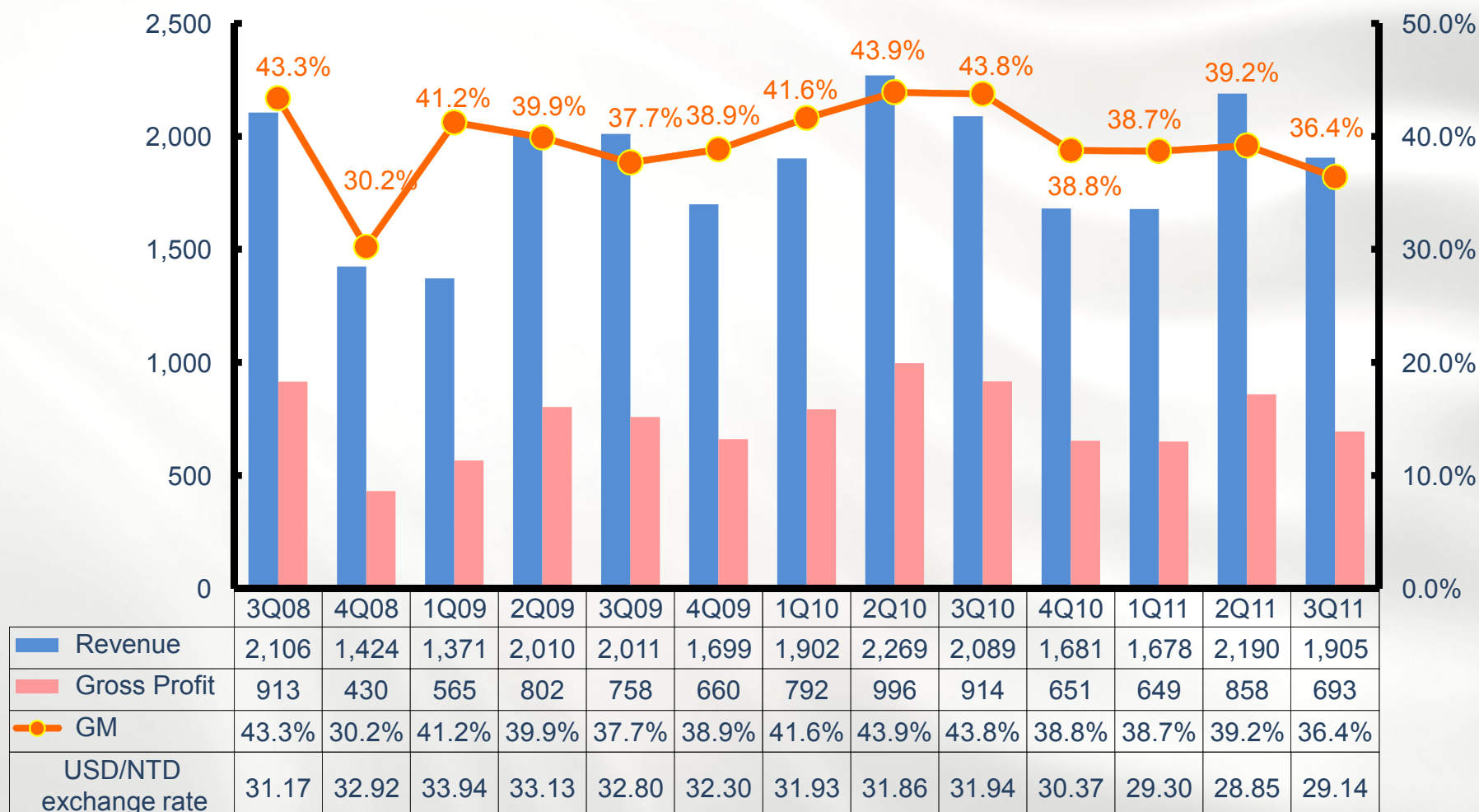
(In NT Millions unless otherwise noted)

	2011-09-30		2011-06-30		QoQ Change	
	Amount	%	Amount	%	Amount	%
Cash & Equivalents	1,416	31	1,672	33	(256)	(15)
Accounts Receivable	1,058	23	1,155	22	(97)	(8)
Inventory	914	20	953	19	(39)	(4)
Net Fixed Assets	506	11	514	10	(8)	(2)
Total Assets	4,614	100	5,113	100	(499)	(10)
Accounts Payable	790	17	776	15	14	2
Cash dividends payable	0	0	623	12	(623)	(100)
Other payable	694	15	778	15	(84)	(11)
Total Liabilities	1,856	40	2,498	49	(642)	(26)
Total Shareholders' Equity	2,758	60	2,615	51	143	5
Current Ratio	2.22		1.8			
Debt/Equity Ratio	0.67		0.96			

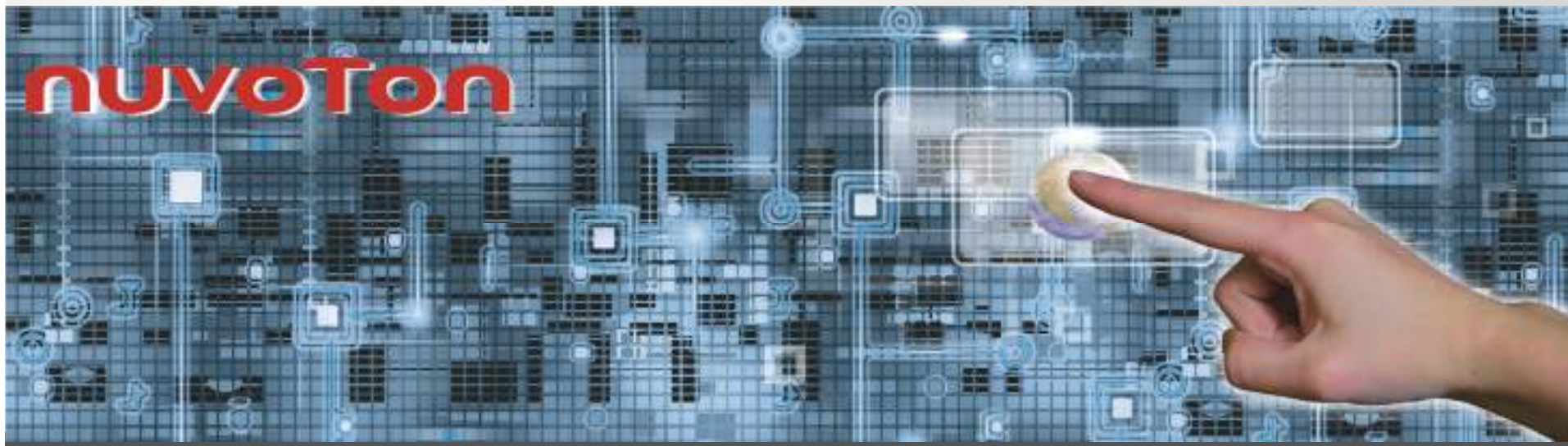
Note: 2011-09-30 figures have not been reviewed by the Company's auditors.

# Consolidated Revenue and GM Trend

Unit: NT\$ Millions







# **BUSINESS RECAP & OUTLOOK**



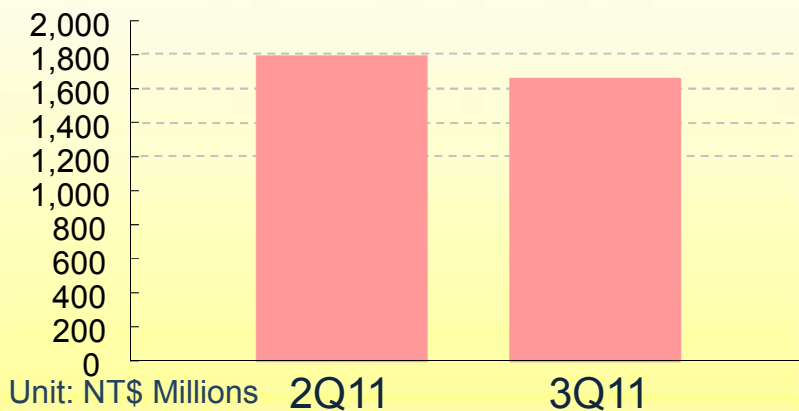
# 3Q11 Revenue Breakdown

3Q11 Revenue Breakdown



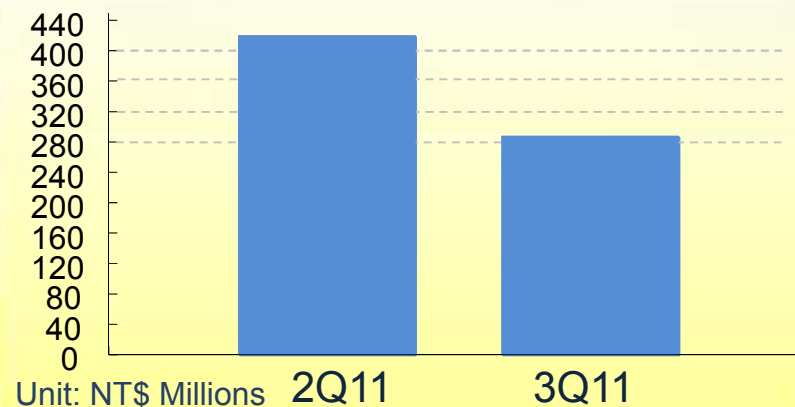
IC Business

QoQ -7.4%



Foundry Business

QoQ -31.8%



Note: Revenue data are based on standalone financial statements. Other income, sales returns and allowance are excluded.

# 3Q11 Business Recap (IC Business)

- **Revenue QoQ -7.4% ; YoY -4.9%**
- **Key reasons for QoQ and YoY revenue decrease**
  - ✓ Traditional high season for low-end consumer ICs was impacted by weak global economy especially in US and Europe
  - ✓ NTD YoY appreciates 8.8% against USD
- **New products continue shipment**
  - ✓ ARM® Cortex™ — M0 32 bit MCU won Multi-Touch designs for Tablet
  - ✓ ELA (Education Learning Aid) shipment
  - ✓ New Trusted Platform Module shipment
  - ✓ Embedded Controller won Tablet and Ultrabook designs
  - ✓ Embedded SIO won Data center and Business Computer designs

Note1: Revenue data are based on standalone financial statements. Other income, sales returns and allowance are excluded.

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# 3Q11 Business Recap (Foundry Business)

- **Revenue QoQ -31.8% ; YoY -25.3%**
- **Key reasons for QoQ and YoY revenue decrease**
  - ✓ Traditional high season for low-end consumer ICs was impacted by weak global economy especially in US and Europe
  - ✓ Rush orders due to Japan earthquake in 2Q11

Note: Revenue data are based on standalone financial statements. Other income, sales returns and allowance are excluded.

# 4Q11 Business Outlook

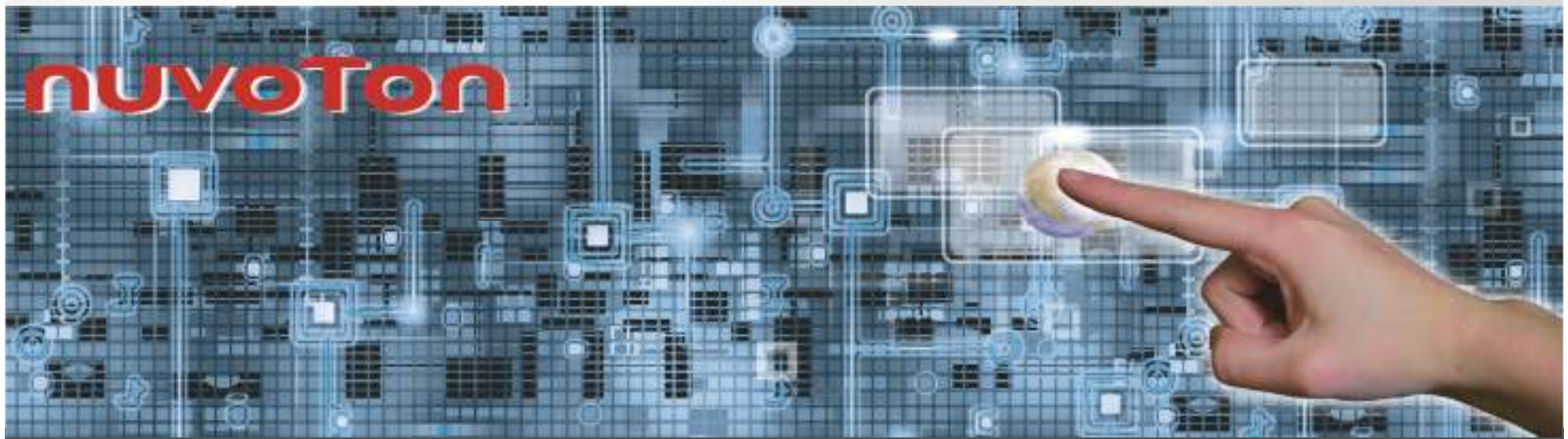
## ➤ 4Q11 Industry Outlook

- ✓ 4Q is traditionally a low season for Consumer IC, Computer IC and Foundry industry
- ✓ Demands are uncertain and affected by EU and US economies

## ➤ 4Q11 New Product

- ✓ ARM® Cortex™—M0 32 bit MCU new Products- NuMicro Mini51
- ✓ Audio-Enhancement IC for TV and Sound Bar





**Q&A**