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# **3Q10 Investor Conference**

**October 29, 2010**

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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 projections 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 events 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.

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# Agenda

- ✓ **3Q10 Financial Results**
- ✓ **Business Recap & Outlook**
- ✓ **Q&A**

# 3Q10 Financial Results

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# 3Q10 Income Statement

## QoQ Comparison

Unit: NT\$ mil	3Q'10		2Q'10		QoQ change	
	Amount	%	Amount	%	Amount	%
Net Sales	8,574	100	8,531	100	43	1
Gross Profit	2,026	24	2,119	25	(93)	-
Operating Income	1,263	15	1,290	15	(27)	-
Pretax Income	1,901	22	1,236	14	665	54
Net Income (loss)	1,901	22	1,236	14	665	54
EPS (NTD)	0.52		0.33		0.19	58
EBITDA	4,025	47	3,967	47		
D&A	2,762	32	2,677	31		

Note: All financial figures are unconsolidated

# 3Q10 Income Statement

## YoY Comparison

Unit: NT\$ mil	3Q'10		3Q'09		YoY change	
	Amount	%	Amount	%	Amount	%
Net Sales	8,574	100	5,694	100	2,880	51
Gross Profit	2,026	24	(100)	(2)	2,126	-
Operating Income	1,263	15	(701)	(12)	1,964	-
Pretax Income	1,901	22	(983)	(17)	2,884	-
Net Income (loss)	1,901	22	(983)	(17)	2,884	-
EPS (NTD)	0.52		(0.27)		0.79	-
EBITDA	4,025	47	1,876	33		
D&A	2,762	32	2,577	45		

Note: All financial figures are unconsolidated

# Balance Sheet as of Sep. 30, 2010

## QoQ Comparison

Unit: NT\$ mil	Sep 30 '10		Jun 30 '10		QoQ change	
	Amount	%	Amount	%	Amount	%
Cash & Equivalents	5,977	9	3,909	6	2,068	53
Net Fixed Assets	40,489	58	39,909	60	580	1
Total Assets	69,191	100	66,199	100	2,992	5
L-T Liabilities	13,833	20	13,833	21	0	0
SH Equity	37,543	54	35,232	53	2,311	7
Current Ratio	1.06		0.95			
Net Debt/ Equity Ratio	0.47		0.56			

Note: 1. All financial figures are unconsolidated

2. Net debt = Long term & Short term debt - Cash & Cash equiv.

# 3Q10 Statement of Cash flow

## QoQ Comparison

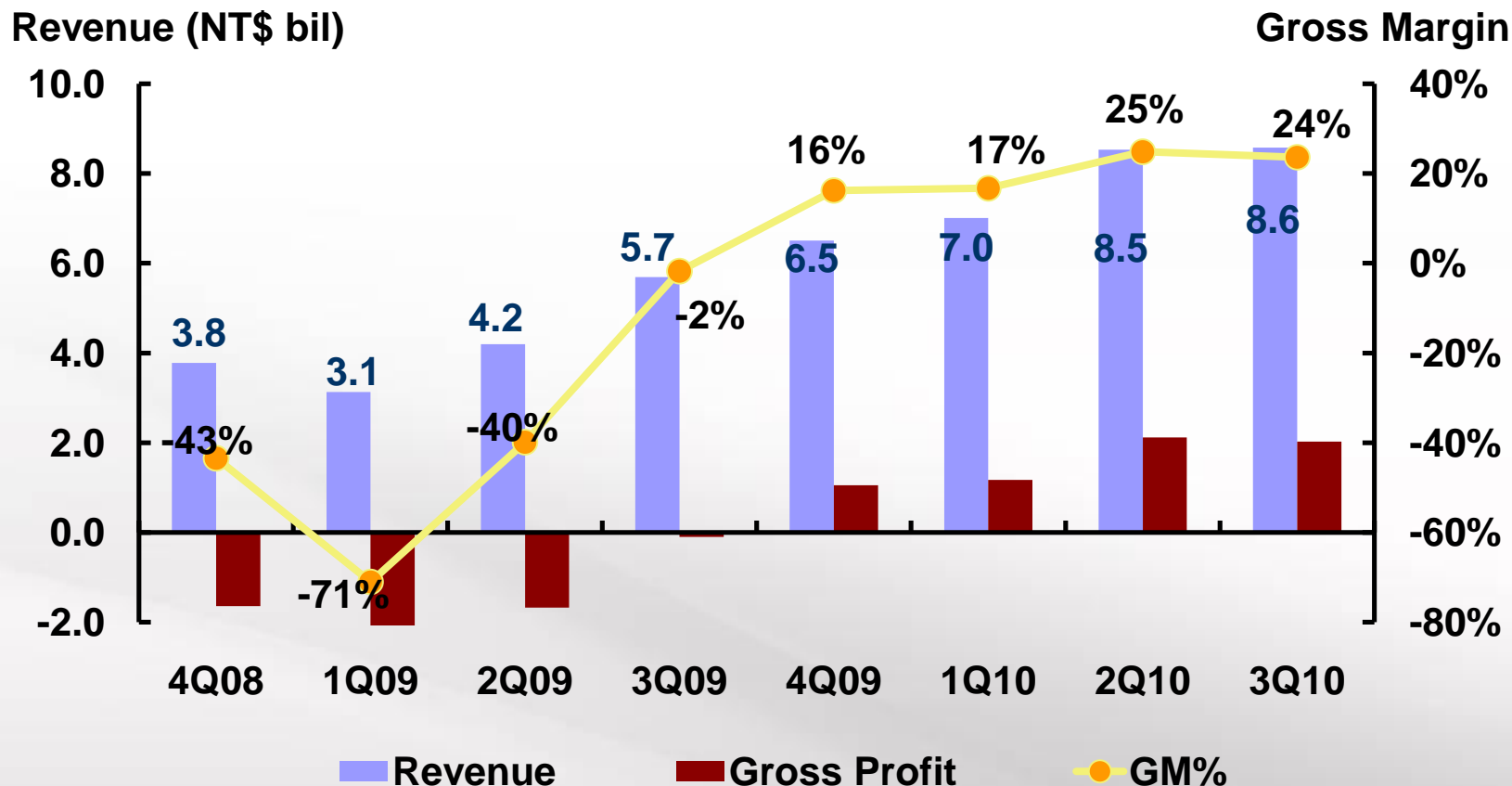
Unit: NT\$ mil

	3Q'10	2Q'10	QoQ change
	Amount	Amount	Amount
Operating Cash Flow	2,834	3,440	(606)
Investing Cash Flow	(603)	(1,186)	583
Financing Cash Flow	(163)	(1,880)	1,717
Cash & Equivalents	5,977	3,909	2,068
Depreciation and Amortization	2,762	2,677	85
CAPEX	1,670	1,126	544

Note: All financial figures are unconsolidated



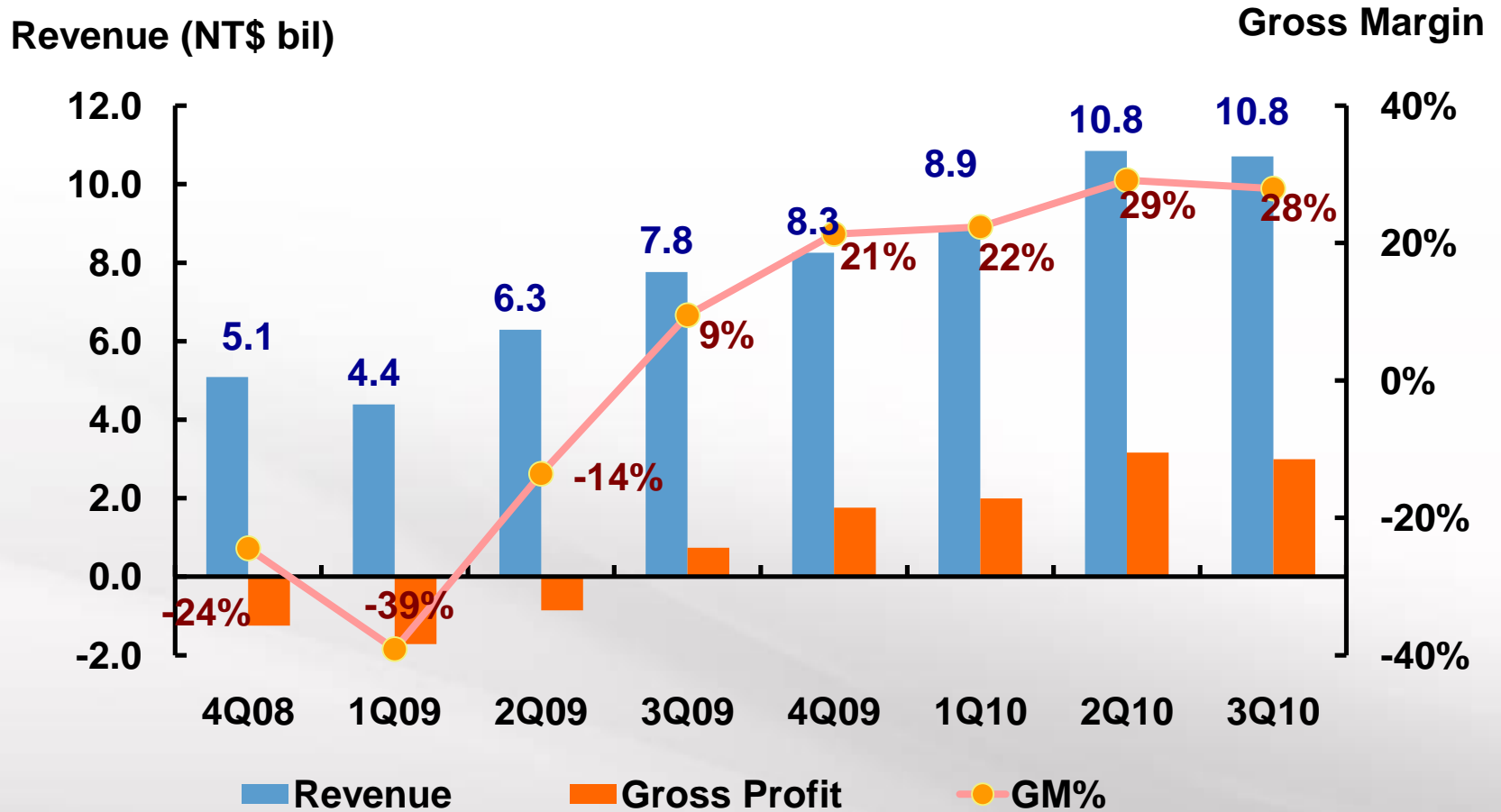
# Revenue and GM Trend- Winbond alone



Note: 1. All financial figures are unconsolidated.

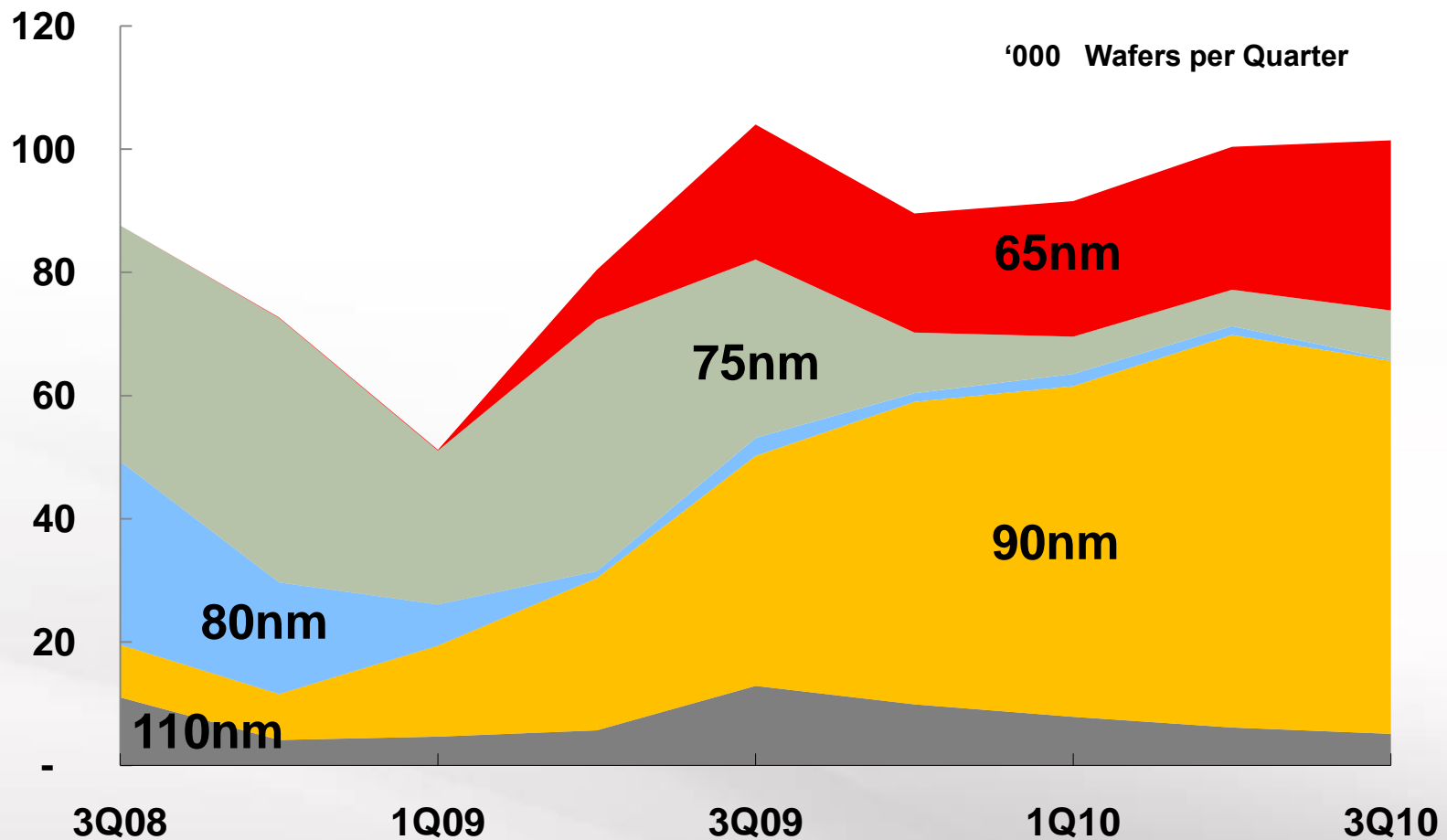
2. Figures before Y2009 are re-classified in accordance with SFAS NO.10

# Revenue and GM Trend- Consolidated



Note: 1. Entities in the consolidated statements include Nuvoton, WEC America, WEC Japan, etc..  
 2. Figures before Y2009 are re-classified in accordance with SFAS NO.10

# Geometry Breakdown in 12" Fab (by wafer shipment)



- **Memory Geometry in 3Q10 :**

5% in 110nm, 60% in 90nm, 8% in 75nm, and 27% in 65nm.

# Treasury Shares and ESOP Updates

## Treasury Shares

Unit: Mil Shares, Cost: NT\$/Share	Bought		Transferred		Cancelled/Sold		End Balance	
	Shares	Cost	Shares	Cost	Shares	Cost	Shares	Cost
Baystar							8	14

## ESOP

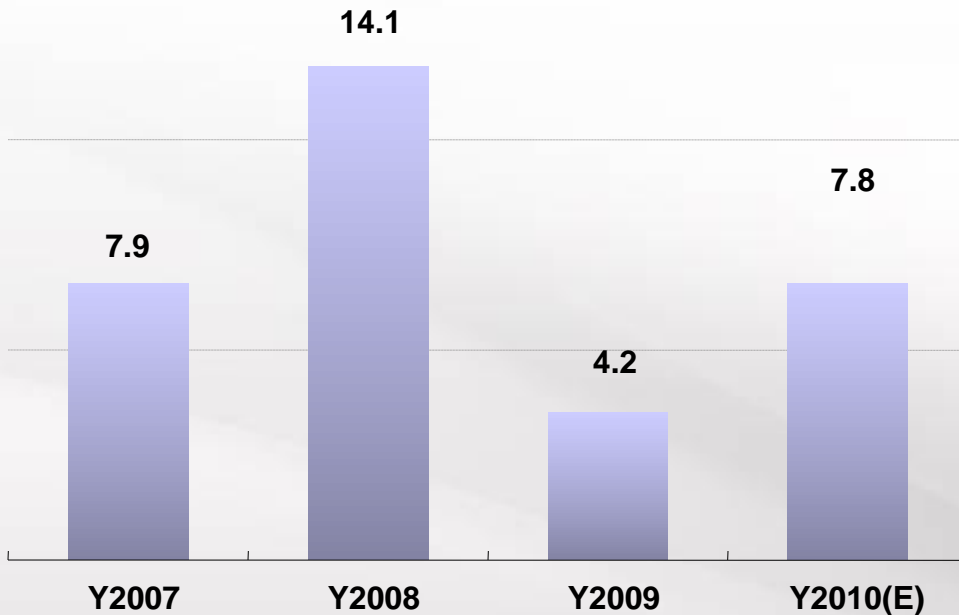
Unit: Mil Shares	New grant	Exercised	Invalid	End Balance
	-	-	0.4	41
	Vested Not Exercised			
		-		

Note1: Total outstanding shares: 3,656M

2: Based on Sep. 30, 2010 figures

# Y2010 CAPEX Updates

NT\$ Billion



Cash Basis CAPEX

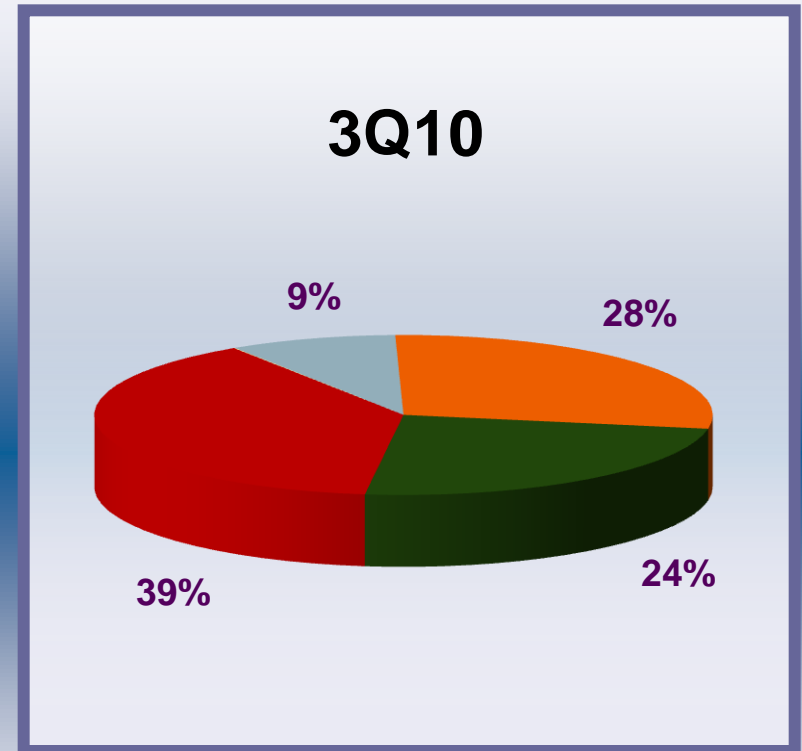
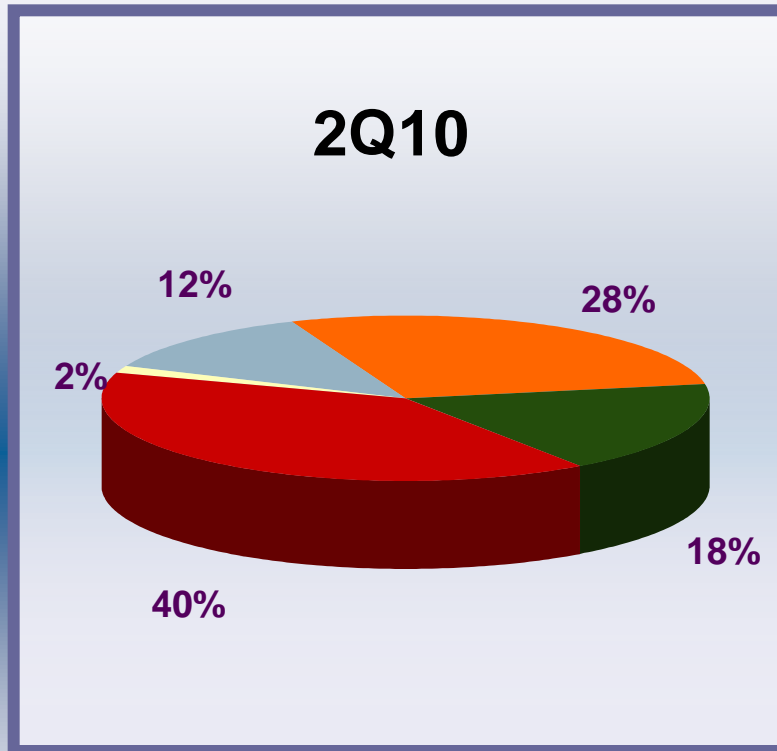
## Purposes of Y2010 CAPEX :

- 90nm Flash capacity to 12K WPM
- 65nm DRAM capacity to 16K WPM.
- Graphics DRAM equipment
- Immersion scanner

# Business Recap and Outlook

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# 3Q10 Business Recap- Revenue Breakdown



■ Specialty DRAM   ■ NOR Flash  
■ Commodity DRAM

■ Mobile RAM   ■ Graphics DRAM

Note: 1. Graphics DRAM includes DDR2x16,DDR3 x16, and GDDR  
2. All financial figures are unconsolidated

# 3Q10 Business Recap

## MOBILE RAM

- 35% QoQ, 218% YoY
- Cell phone market remained strong in Q3, driving strong demand of PSRAM

## NOR FLASH

- Flat QoQ, 179%YoY
- No traditional hot season demand in PC and inventory adjustment in distribution channels
- Increasing penetration and share in world leading tier-1 customers



# 3Q10 Business Recap (cont'd)

## SPECIALTY DRAM

- Flat QoQ , 38%YoY
- Weak demand in LCD TV, networking and STB, robust HDD demand
- Increasing revenue from 65nm products

## GRAPHICS DRAM

- Weak demand due to weak PC demand and inventory adjustment

# 4Q10 Activity Focus

- ✓ Expect slower business due to seasonality and price erosion
- ✓ Accelerating technology migration, new product and new business roll out

## MOBILE RAM

- Complete portfolio of 65nm PSRAM products (32Mb – 256Mb) release for customer qualification
- Get LP DRAM design-win

# 4Q10 Activity Focus (cont'd)

## NOR Flash

- 1.8V Serial Flash products
- 3V Parallel Flash
- Enter cell phone market with 3V/1.8V Serial Flash and SF MCP

## SPECIALTY DRAM

- 65nm products will be mainstream at year end
- New business in automotive segment

# Process Technology Migration

- Immersion tool received in September
- Will start 46nm DRAM pilot run in November
- Will develop 45nm/4F<sup>2</sup> DRAM technology
- 58nm Flash will be in mass production in 2H11

Questions

&

Answers

Website: [www.winbond.com](http://www.winbond.com)