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# **4Q10 Quarterly Announcement**

**January 28, 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 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.

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

- ✓ **4Q10 Financial Results**
- ✓ **Business Recap & Outlook**
- ✓ **Q&A**

# 4Q10 Financial Results

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# 4Q10 Income Statement

## QoQ Comparison

Unit: NT\$ mil	4Q'10		3Q'10		QoQ change	
	Amount	%	Amount	%	Amount	%
Net Sales	7,737	100	8,574	100	(837)	(10)
Gross Profit	946	12	2,026	24	(1,080)	(53)
Operating Income	121	2	1,263	15	(1,142)	(90)
Pretax Income	30	0	1,901	22	(1,871)	(98)
Net Income	30	0	1,901	22	(1,871)	(98)
EPS (NTD)	0.01		0.52		(0.51)	(98)
EBITDA	2,915	38	4,025	47		
D&A	2,794	36	2,762	32		

Note: 1. All financial figures are unconsolidated, not been audited by CPA

# 4Q10 Income Statement

## YoY Comparison

Unit: NT\$ mil	4Q'10		4Q'09		YoY change	
	Amount	%	Amount	%	Amount	%
Net Sales	7,737	100	6,508	100	1,229	19
Gross Profit	946	12	1,053	16	(107)	(10)
Operating Income	121	2	355	5	(234)	(66)
Pretax Income	30	0	342	5	(312)	(91)
Net Income	30	0	342	5	(312)	(91)
EPS (NTD)	0.01		0.1		(0.09)	(90)
EBITDA	2,915	38	2,933	45		
D&A	2,794	36	2,578	40		

Note: 1. All financial figures are unconsolidated, not been audited by CPA

# Balance Sheet as of Dec. 31, 2010

## QoQ Comparison

Unit: NT\$ mil	Dec 31 '10		Sep 30 '10		QoQ change	
	Amount	%	Amount	%	Amount	%
Cash & Equivalents	4,231	7	5,977	9	(1,746)	(29)
Net Fixed Assets	38,633	60	40,489	58	(1,856)	(5)
Total Assets	63,790	100	69,191	100	(5,401)	(8)
L-T Liabilities	10,125	16	13,833	20	(3,708)	(27)
SH Equity	37,441	59	37,543	54	(102)	(0)
Current Ratio	0.95		1.06			
Net Debt/ Equity Ratio	0.43		0.47			

Note: 1. All financial figures are unconsolidated, not been audited by CPA

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

# 4Q10 Statement of Cash flow

## QoQ Comparison

Unit: NT\$ mil

	4Q'10	3Q'10	QoQ change
	Amount	Amount	Amount
Operating Cash Flow	3,803	2,834	969
Investing Cash Flow	(2,162)	(603)	(1,559)
Financing Cash Flow	(3,387)	(163)	(3,224)
Cash & Equivalents	4,231	5,977	(1,746)
Depreciation and Amortization	2,794	2,762	32
CAPEX	2,202	1,670	532

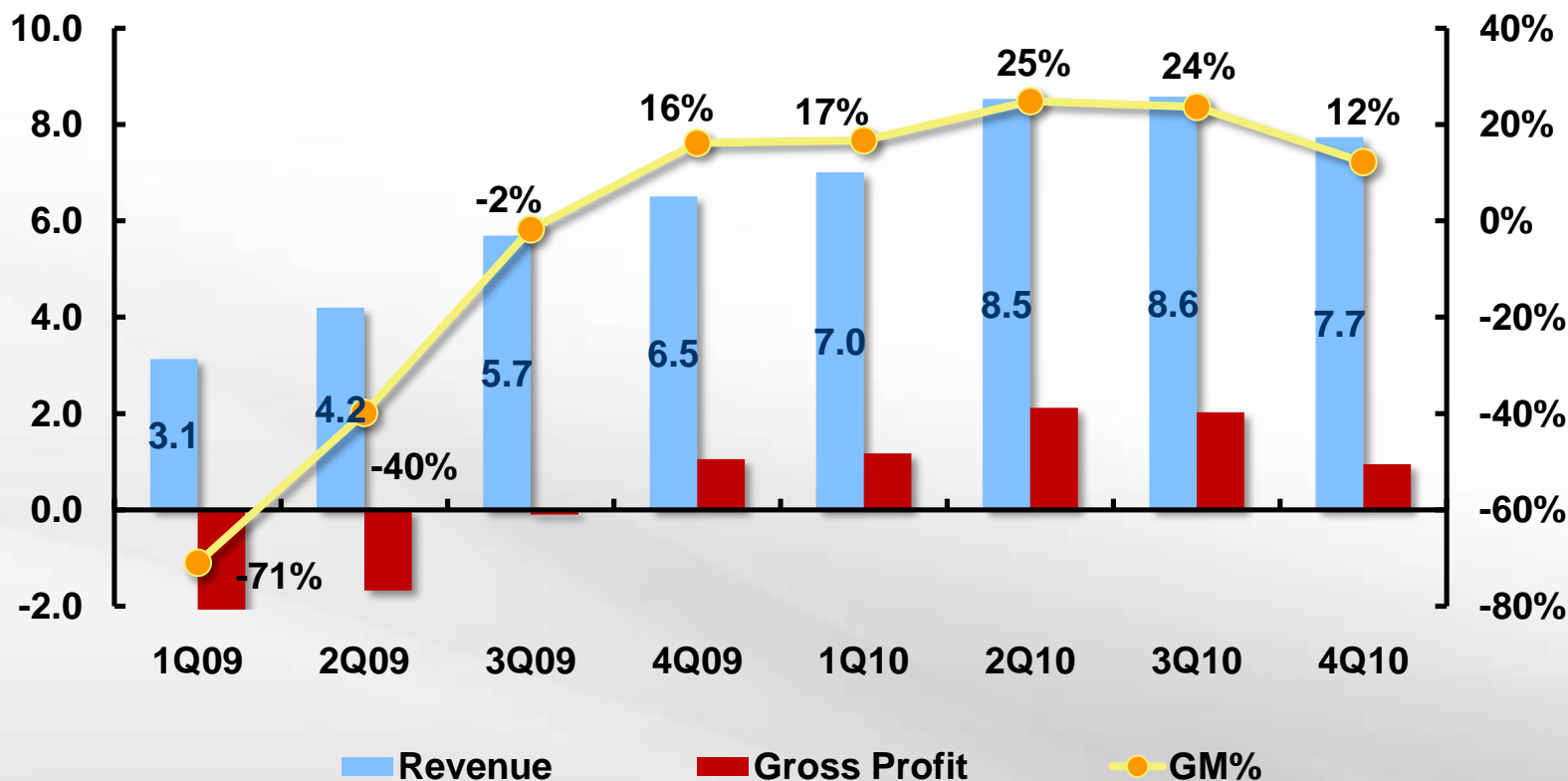
Note: 1. All financial figures are unconsolidated, not been audited by CPA



# Revenue and GM Trend- Winbond alone

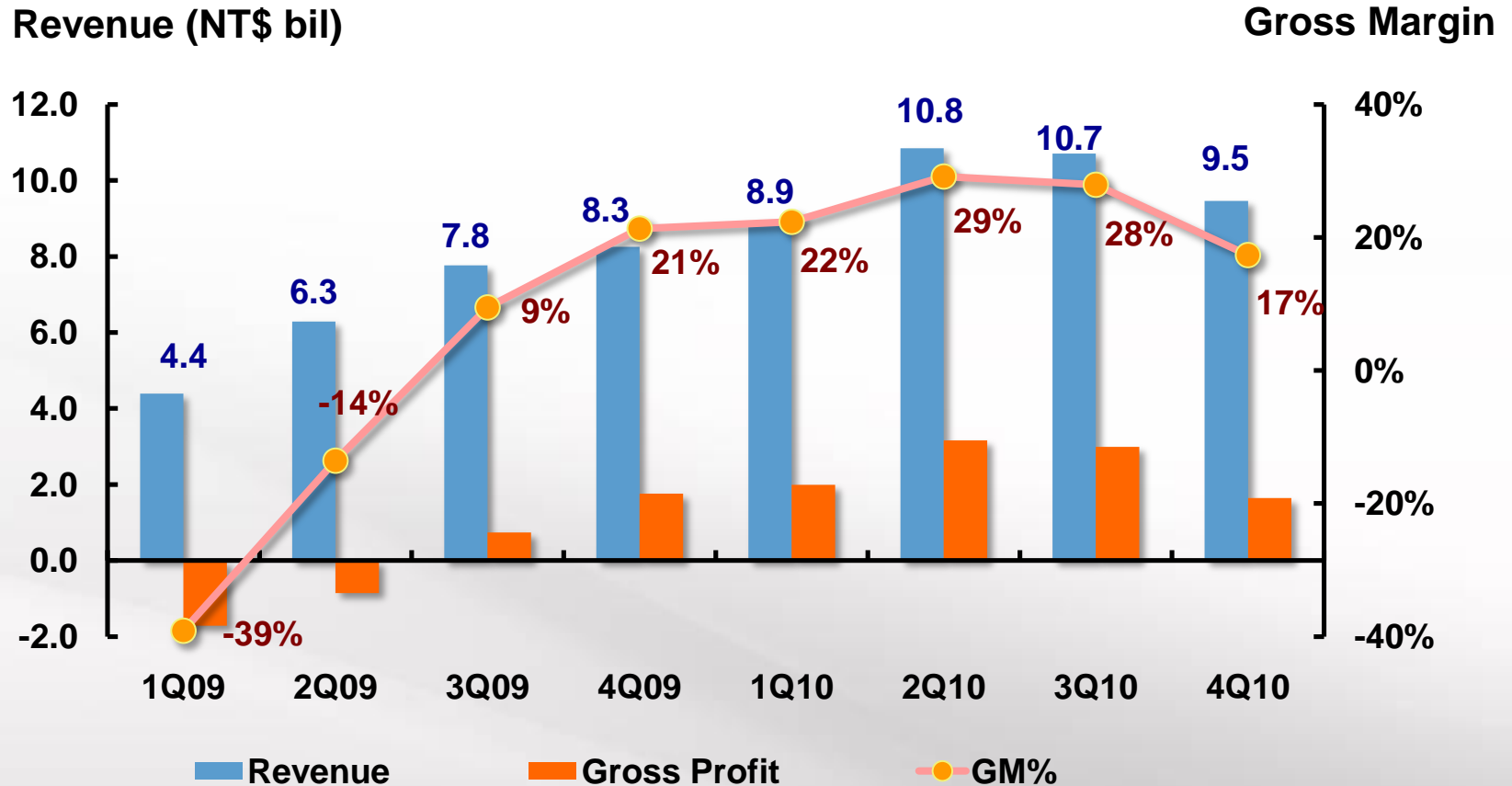
Revenue (NT\$ bil)

Gross Margin



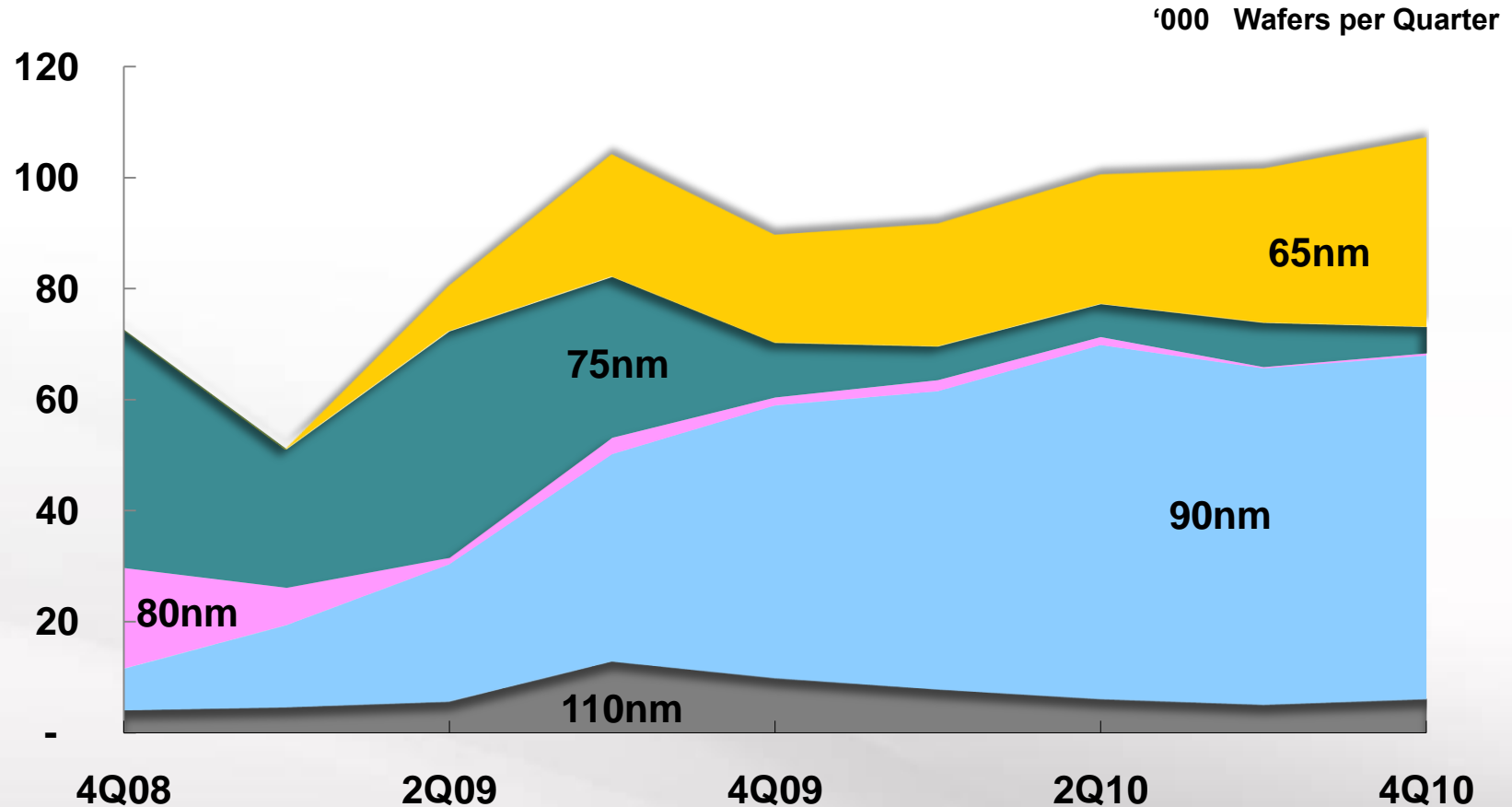
Note: 1. All financial figures are unconsolidated, not been audited by CPA

# Revenue and GM Trend- Consolidated



- Note: 1. Entities in the consolidated statements include Nuvoton, WEC America, WEC Japan, etc..  
 2. All financial figures not been audited by CPA  
 3. Figures before Y2009 were re-classified in accordance with SFAS NO.10

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



- **Memory Geometry in 4Q10 :**

6% in 110nm, 58% in 90nm, 4% in 75nm, and 32% 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

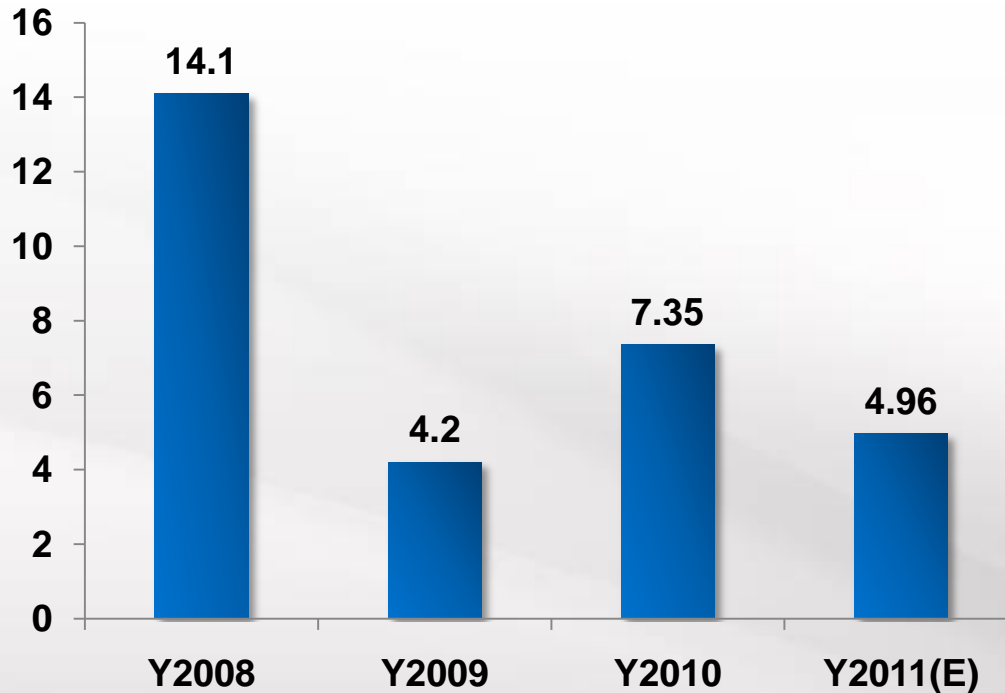
## ESOP

Unit: Mil Shares	New grant	Exercised	Invalid	End Balance
	-	13	0.3	40
	Vested Not Exercised			
		7		

- Note: 1. All financial figures are unconsolidated, not been audited by CPA  
 2. Total outstanding shares: 3,662M  
 3. Based on Dec. 31, 2010 figures

# Y2010 CAPEX Updates

NT\$ Billion



Cash Basis CAPEX

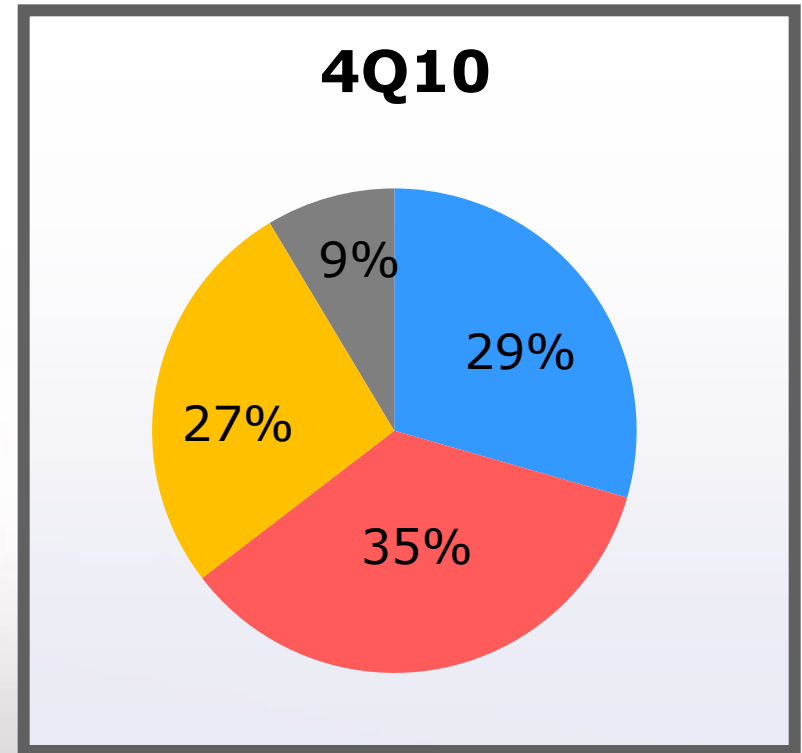
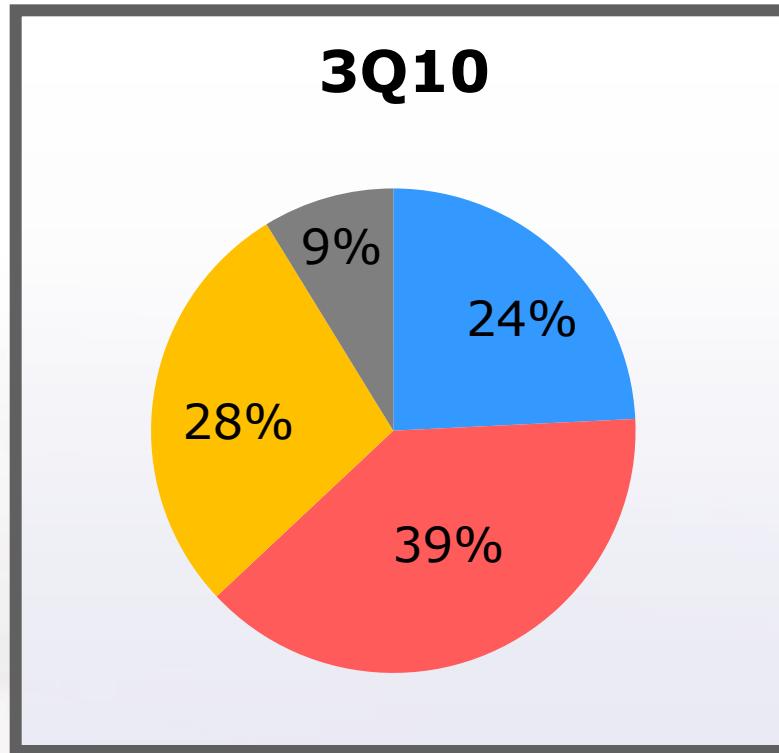
## Purposes of Y2011 CAPEX :

- 90nm Flash capacity to 12K WPM
- 65 & 46nm DRAM capacity to 20K WPM.

# Business Recap and Outlook

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# 4Q10 Business Recap- Revenue Breakdown



■ Specialty DRAM   ■ NOR Flash   ■ Mobile RAM   ■ Graphics DRAM

Note: 1. Graphics DRAM includes DDR2x16,DDR3 x16, and GDDR  
2. All financial figures are unconsolidated, not been audited by CPA

# 4Q10 Business Recap

## Mobile RAM

- +10% QoQ/ +114% YoY
- Strong demand of pseudo CRAM for MCP in cellphone and custom Low-Power DRAM

## NOR Flash

- **-14%** QoQ/ +80% YoY
- Shipment increased QoQ. ASP drop caused revenue decrease
- Volume shipment of Serial Flash for cellphone
- Worldwide Serial Flash market share (by unit) increases to 32% in 2010 from 19% in 2009



# 4Q10 Business Recap (cont'd)

## Specialty DRAM

- **-18%** QoQ / +1% YoY
- Inventory in customer side back to normal
- > 60% business from 65nm process in December

# Major Progress in Baseline Technology

## ✓ 46nm DRAM

- Pilot run demonstrated satisfactory yield
- Yield improvement progress on schedule
- Mass production is expected on schedule (early Q3)

## ✓ 58nm Flash

- Pilot run of Serial Flash product demonstrated yield

# 2011 Business Focus

- ✓ **A Specialty Memory Solution Provider well recognized by tier-1 customers**
  - Specialized in medium and low density DRAM and Flash
    - Packaged IC, KGD and custom products
  - High quality, stable delivery and long-term commitment
- ✓ **Expand product portfolio with technology migration**

# 2011 Business Focus (cont'd)

## Mobile RAM

- 65nm migration
- Low-power DRAM business ramp up
- 46nm LP DRAM product development

## NOR Flash

- Fast business expansion in “Communication” and “Consumer” with complete product portfolio
  - 3V Serial Flash, 1.8V Serial Flash, 3V Parallel Flash, .....
- 58nm migration in 2H
- Joint development with ITRI (工研院電光所) on RRAM

# 2011 Business Focus (cont'd)

## Specialty DRAM

- Focus on tier-1 customers and quality-demanding applications
  - HDD, KGD, industrial, automotive, ...
- 46nm migration in 2H

Questions

&

Answers

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