



winbond

A Global Supplier of
Advanced Memory Solutions



2Q11 Investor Conference



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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.
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Agenda

- **2Q11 Financial Results**
- **Business Update & Outlook**
- **Q&A**

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2Q11 Financial Results



2Q11 Income Statement(QoQ)

	2Q'11		1Q'11		QoQ change	
	Amount	%	Amount	%	Amount	%
Unit: NT\$ mil						
Net Sales	7,420	100	7,159	100	261	4
Gross Profit	1,234	17	1,035	14	199	19
Operating Income	339	5	224	3	115	51
Pretax Income	324	4	142	2	182	129
Net Income	269	4	118	2	151	129
EPS (NTD)	0.08		0.03		0.05	167
EBITDA	2,841	38	3,058	43		

Note: 1. All financial figures are unconsolidated



2Q11 Income Statement(YoY)

	2Q'11		2Q'10		YoY change	
	Amount	%	Amount	%	Amount	%
Unit: NT\$ mil						
Net Sales	7,420	100	8,531	100	(1,111)	(13)
Gross Profit	1,234	17	2,119	25	(885)	(42)
Operating Income	339	5	1,290	15	(951)	(74)
Pretax Income	324	4	1,236	14	(912)	(74)
Net Income	269	4	1,236	14	(967)	(78)
EPS (NTD)	0.08		0.33		(0.25)	(76)
EBITDA	2,841	38	3,967	47		

Note: 1. All financial figures are unconsolidated



Balance Sheet as of Jun. 30, 2011

Unit: NT\$ mil	Jun 30 '11		Mar 31 '11		QoQ change	
	Amount	%	Amount	%	Amount	%
Cash & Equivalents	4,250	7	4,912	8	(662)	(13)
Net Fixed Assets	36,686	59	37,127	59	(441)	(1)
Total Assets	62,311	100	62,903	100	(592)	(1)
L-T Liabilities	8,792	14	9,200	15	(408)	(4)
SH Equity	37,366	60	37,349	59	17	0
Current Ratio	1.01		0.97			
Net Debt/ Equity Ratio	0.38		0.40			

Note: 1. All financial figures are unconsolidated



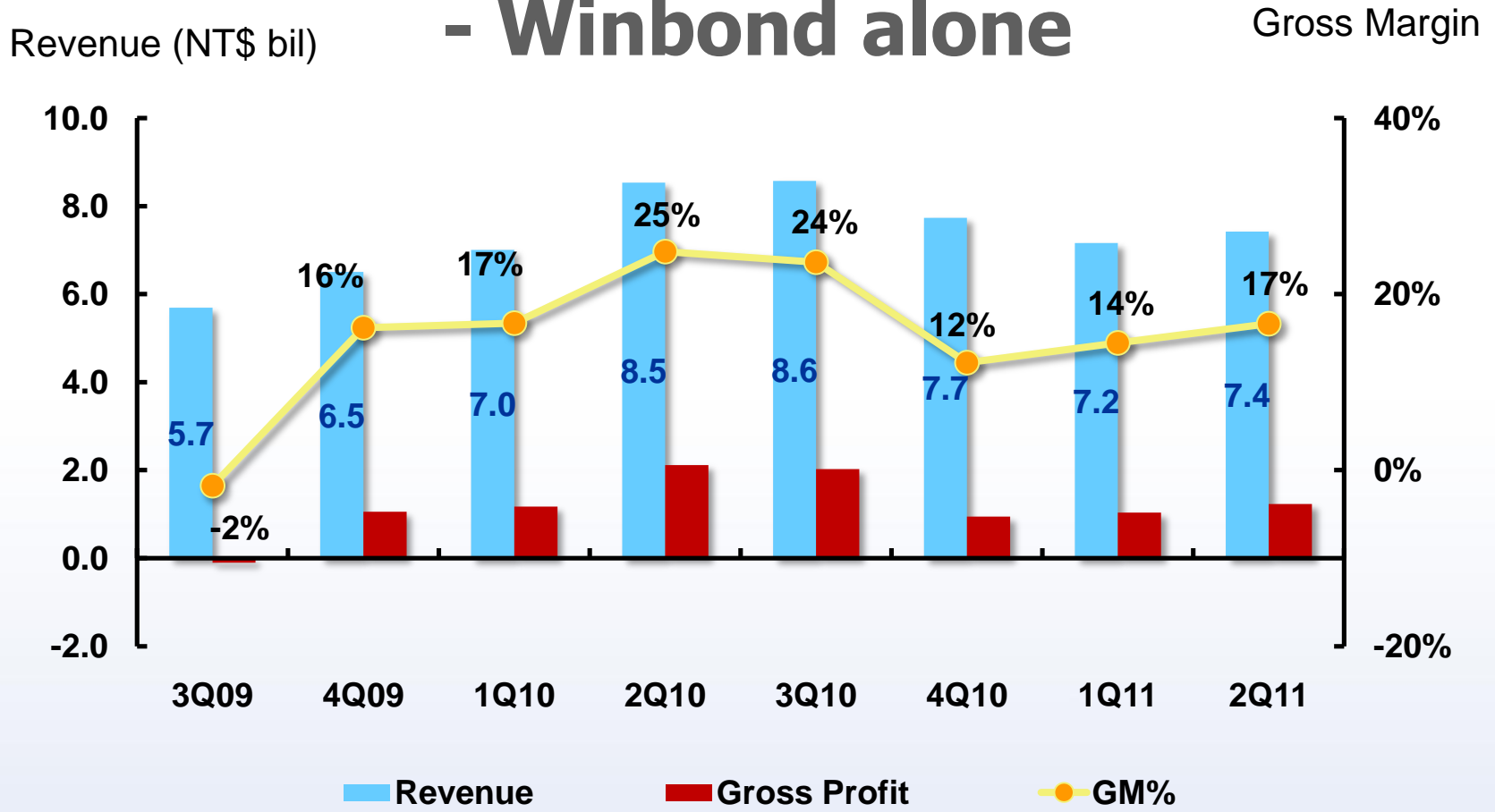
2Q11 Statement of Cash flow

	2Q'11	1Q'11	QoQ change
Unit: NT\$ mil	Amount	Amount	Amount
Operating Cash Flow	2,605	2,848	(243)
Investing Cash Flow	(1,842)	(1,929)	87
Financing Cash Flow	(1,425)	(239)	(1,186)
Cash & Equivalents	4,250	4,912	(662)
Depreciation and Amortization	2,502	2,834	(332)
CAPEX	1,721	1,492	229

Note: 1. All financial figures are unconsolidated



Revenue and GM Trend - Winbond alone



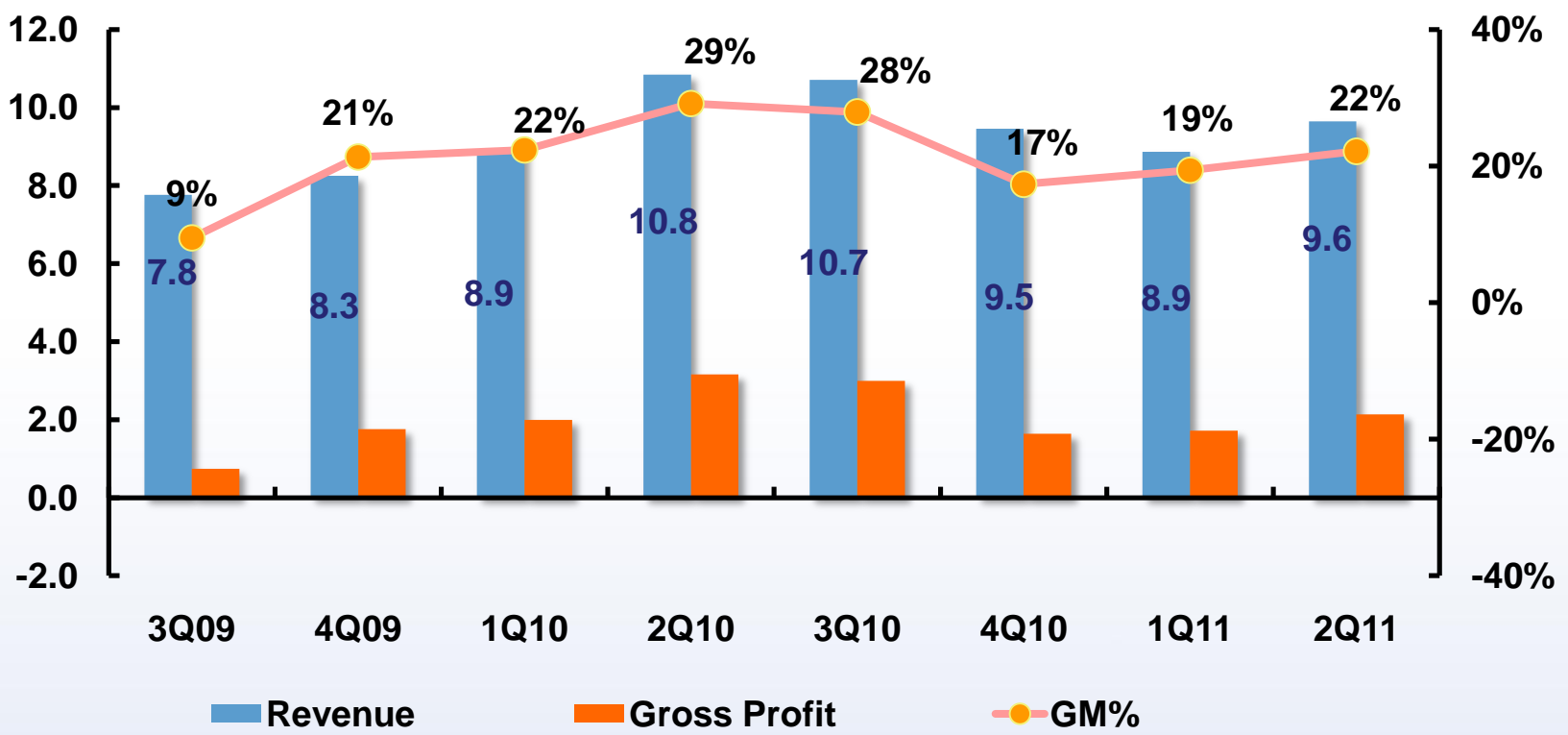
Note: 1. All financial figures are unconsolidated



Revenue and GM Trend - Consolidated

Revenue (NT\$ bil)

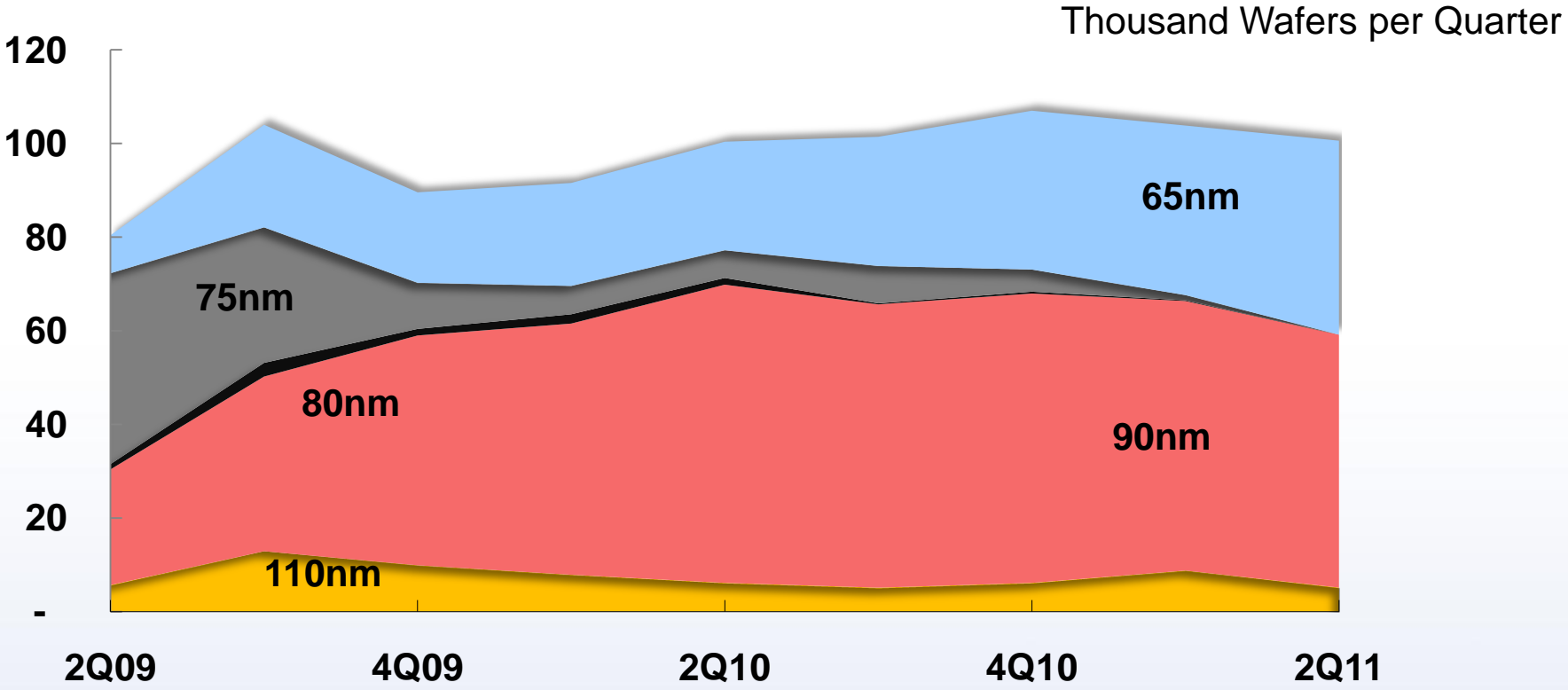
Gross Margin



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



Geometry Breakdown

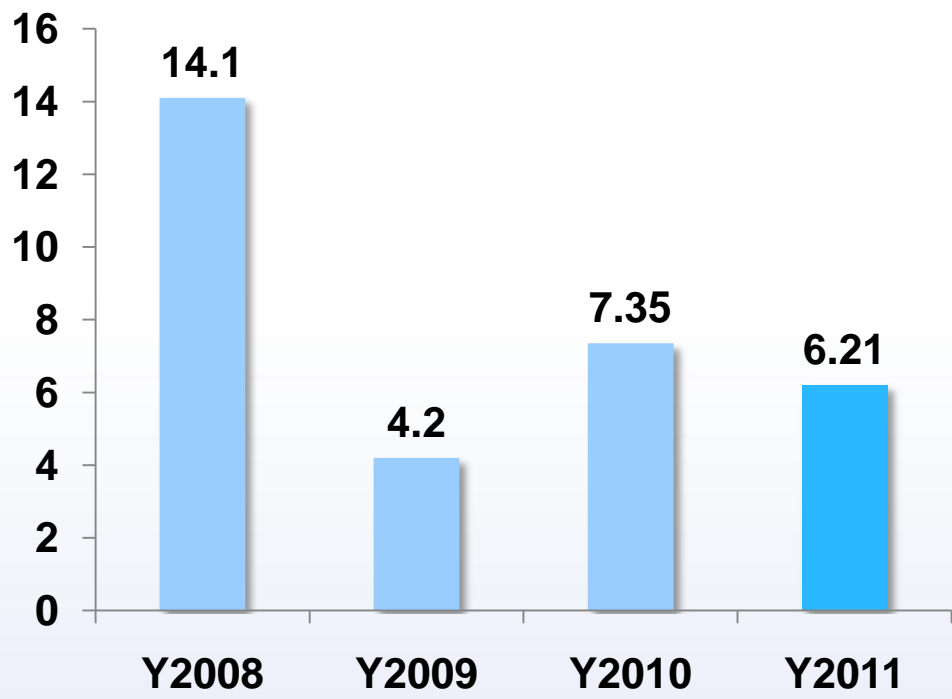


- Memory Geometry in 2Q11 :
5% in 110nm, 54% in 90nm and 41% in 65nm.



Y2011 CAPEX

NT\$ Billion



- Purposes of Y2011 CAPEX :
- 90nm & 58nm Flash capacity to 14K WPM
 - 65 & 46nm DRAM capacity to 20K WPM.

Cash Basis CAPEX as of 8/5/2011

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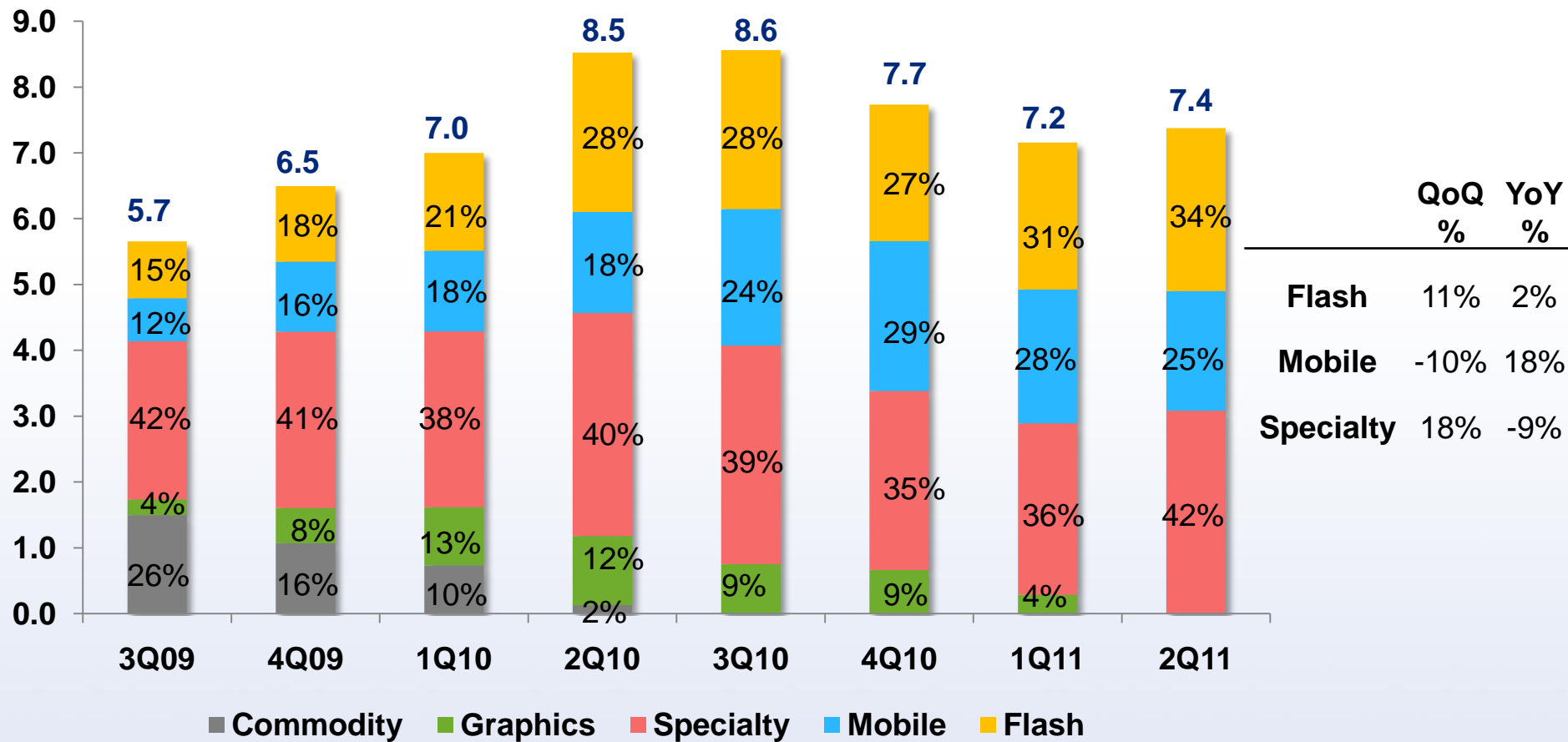


Business Update and Outlook



Revenue Breakdown by Product

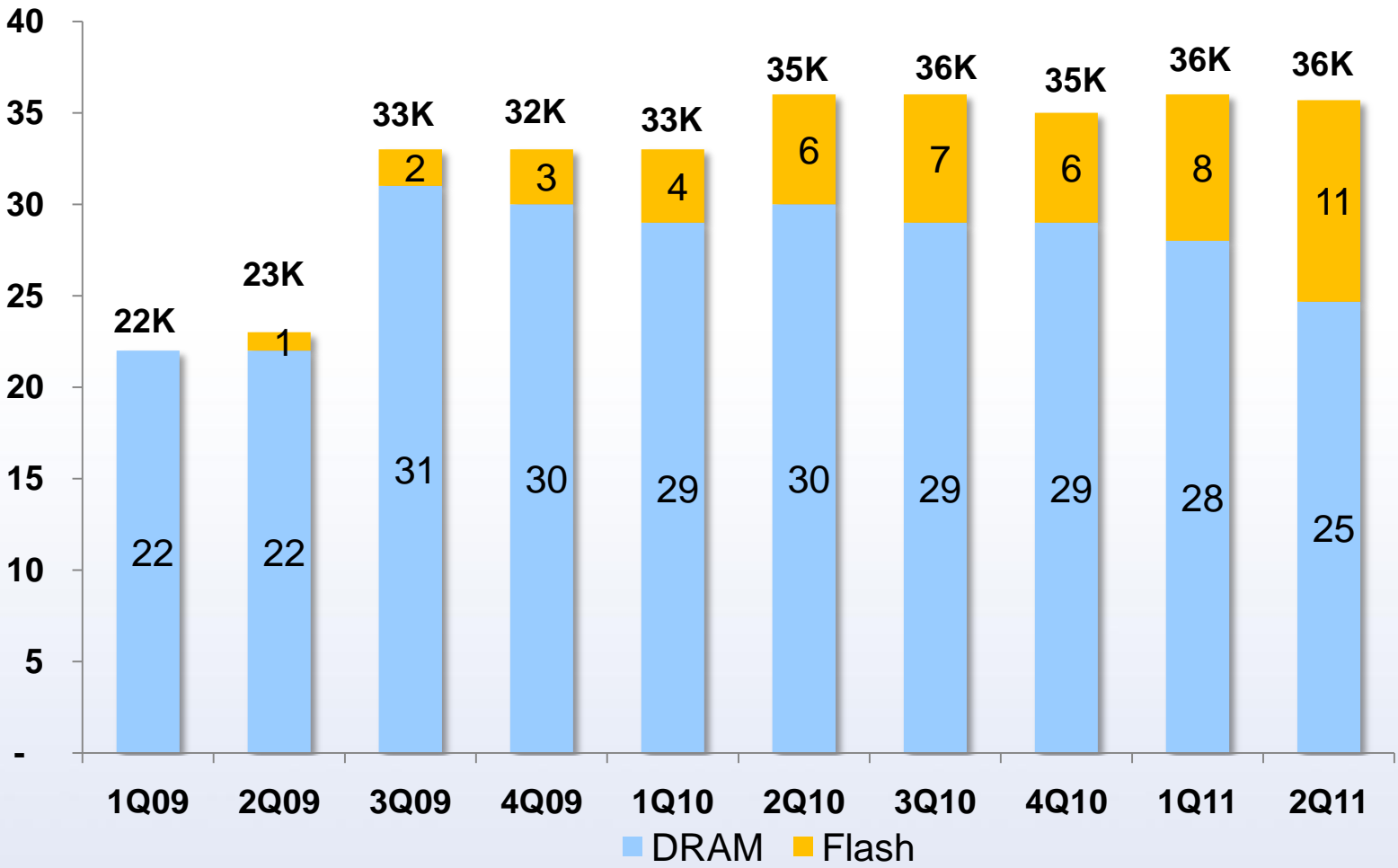
Revenue (NT\$ bil)





12" Fab Output by Product

Wafer out (K pcs)





Flash Memory Business

- **+11% QoQ / +2% YoY**
- Mobile phone application accounted for 10% revenue in Q2
- **Serial Flash**
 - Provide complete serial Flash solution in new mobile phone platforms
 - 58nm product released for customer design-in
- **Parallel Flash**
 - Many design-in's completed in 1H
 - Business ramps up in 2H



Mobile RAM Business

- **-10%** QoQ/ **+18%** YoY
- **Pseudo RAM**
 - Increasing price pressure due to weak mobile phone demand in China and MCP-to-SiP platform migration
 - 65nm products accounted for 40% revenue in June
 - Slow demand remains in Q3
- **Low Power DRAM**
 - Ongoing promotion in networking and handheld applications



Specialty DRAM Business

- **18%** QoQ / **-9%** YoY
- Strong demand in HDD and Printer drove growth in Q2
- 65nm products accounted for 80% revenue in June
- Continuous improvement in product mix and customer mix
- 46nm 2Gb DDR3 product vehicle achieved satisfactory yield
 - Own-design specialty 46nm DRAM products to be introduced in Q4



Market Challenges Ahead

- **Global economy slows down**
- **NTD appreciation erodes profit**
- **Oversupply is driving down component price**
 - Slower demand growth
 - Output increases driven by technology migration
- **Impacts on Winbond 2H business**
 - Price pressure in all product segments
 - Mobile RAM: Inventory adjustment and platform shift
 - Specialty DRAM: Stay flat with diversified business base



Opportunities to Winbond

➤ **Product cost down**

- 65nm DRAM production increases to 20K wafers/mo in Q3
- Flash production increases to 14K wafers/mo in Q3
- 58nm Flash products into mass production in Q4
- 46nm DRAM products to be introduced in Q4

➤ **Business expansion into new markets**

- Fast business growth in mobile phone segment
- Steady business growth in KGD, industrial and automotive applications



Questions

&

Answers

Website: www.winbond.com