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Winbond Electronics Corporation



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Financial Results



2Q14 Statement of Comprehensive Income - Consolidated

	2Q'14		1Q'14		QoQ Change	
	Amount	%	Amount	%	Amount	%
Unit: NT\$ M						
Net Sales	9,742	100	8,751	100	991	11
Gross Profit	2,772	28	2,255	26	517	23
Operating Income	895	9	521	6	374	72
Pretax Income	951	10	509	6	442	87
Net Income	784	8	397	5	387	97
EPS (NT\$)	0.19		0.10		0.09	
EBITDA	2,035	21	1,706	19	329	19



2Q14 Balance Sheet - Consolidated

Unit: NT\$ M	Jun. 30 '14		Mar. 31 '14		QoQ Change	
	Amount	%	Amount	%	Amount	%
Current Assets	21,526	36	21,522	37	4	0
Net Fixed Assets	29,544	49	28,671	49	873	3
Total Assets	59,819	100	58,687	100	1,132	2
L/T Debt	6,311	10	6,076	10	235	4
Total Equity	37,781	63	36,500	62	1,281	4
Current Ratio	1.49		1.45			
Debt / Equity Ratio	0.58		0.61			



2Q14 Statement of Cash Flows - Consolidated

	2Q'14	1Q'14	QoQ Change
Unit: NT\$ M	Amount	Amount	Amount
Operating Cash Flow	2,434	2,016	418
Investing Cash Flow	(4,905)	(1,828)	(3,077)
Financing Cash Flow	2,207	(1,353)	3,560
Cash & Equivalents	6,250	6,543	(293)
Depreciation and Amortization	1,140	1,185	(45)
CAPEX	4,546	1,445	3,101



2Q14 Statement of Comprehensive Income - Memory

	2Q'14		1Q'14		QoQ Change	
	Amount	%	Amount	%	Amount	%
Unit: NT\$ M						
Net Sales	7,794	100	7,093	100	701	10
Gross Profit	1,868	24	1,513	21	355	23
Operating Income	723	9	452	6	271	60
Pretax Income	842	11	467	7	375	80
Net Income	714	9	380	5	334	88
EPS (NT\$)	0.19		0.10		0.09	
EBITDA	1,798	23	1,572	22		



2Q14 Balance Sheet - Memory

Unit: NT\$ M	Jun. 30 '14		Mar. 31 '14		QoQ Change	
	Amount	%	Amount	%	Amount	%
Current Assets	16,749	29	16,669	30	80	0.5
Net Fixed Assets	28,866	51	27,975	50	891	3
Total Assets	56,842	100	55,721	100	1,121	2
L/T Debt	6,311	11	6,076	11	235	4
Total Equity	36,715	65	35,402	64	1,313	4
Current Ratio	1.29		1.24			
Debt / Equity Ratio	0.55		0.57			



2Q14 Statement of Cash Flows-Memory

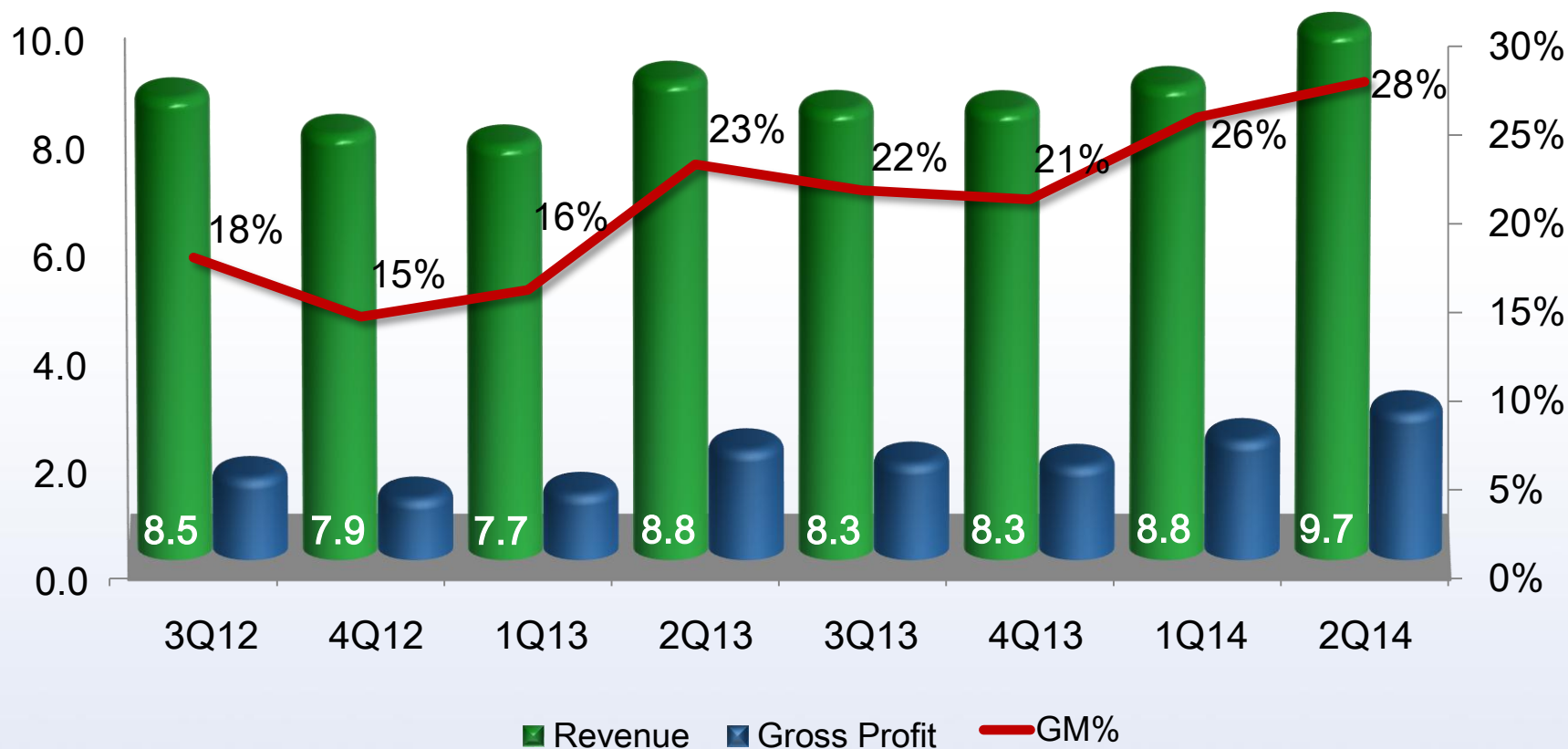
Unit: NT\$ M	2Q'14	1Q'14	QoQ Change
	Amount	Amount	Amount
Operating Cash Flow	2,384	1,691	693
Investing Cash Flow	(4,726)	(1,728)	(2,998)
Financing Cash Flow	2,212	(1,181)	3,393
Cash & Equivalents	3,610	3,740	(130)
Depreciation and Amortization	1,075	1,120	(45)
CAPEX	4,500	1,402	3,098



Revenue and GM Trend- Consolidated

Revenue (NT\$B)

Gross Margin





Revenue and GM Trend- Memory

Revenue (NT\$B)

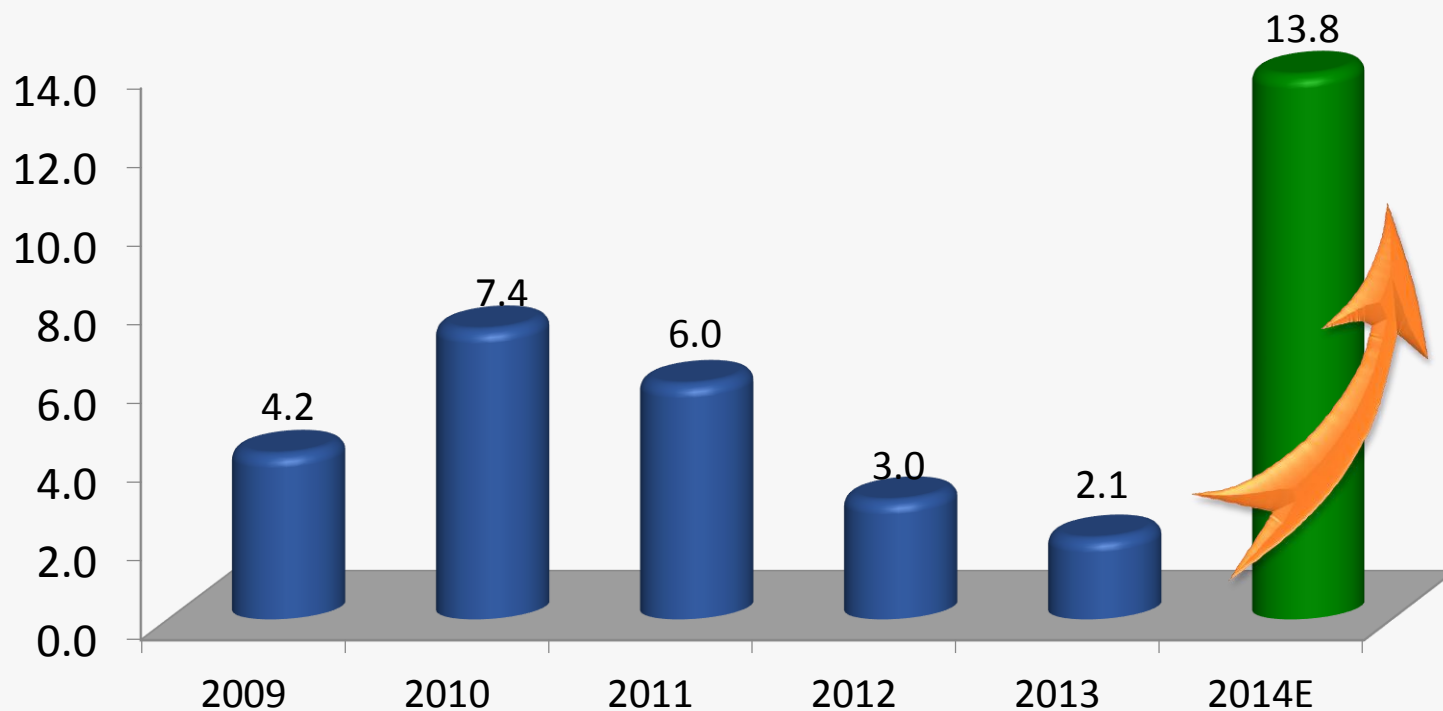
Gross Margin





Y2014 Memory CAPEX

(NT\$ B)



CAPEX(Cash Basis) as of 08/01/2014

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Winbond Business Update & Outlook



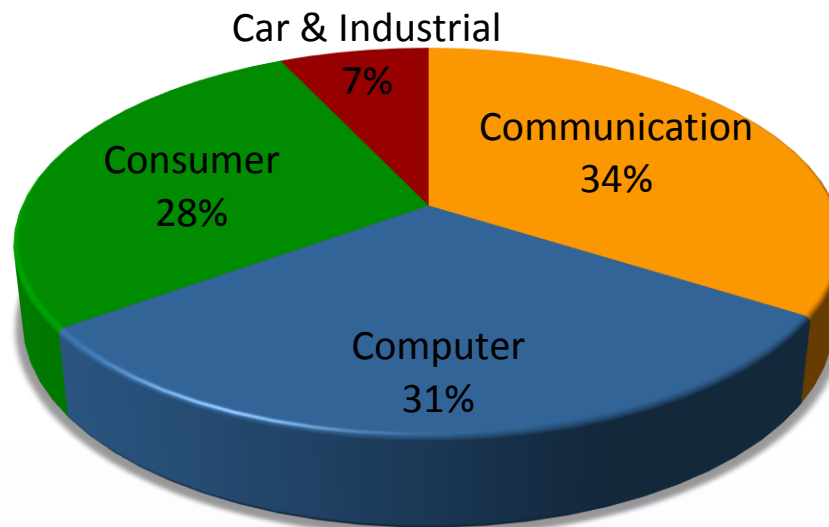
2Q14 Memory Business Recap

	QoQ	YoY
Revenue	10%	13%
Gross Profit	23%	53%

- Favorable market demand boosted ASP
- Better product and customer mix
- 46nm DRAM and 58nm Flash products accounted for 55% of total wafer shipments(vs. 51% in 1Q14)



2Q14 Revenue Breakdown by Application

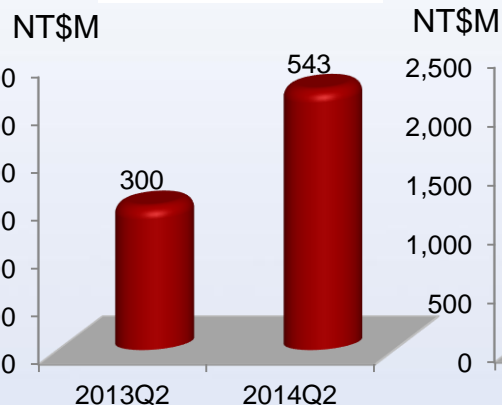


Note: Revenue excluded foundry and others

Car & Industrial

QoQ +42%

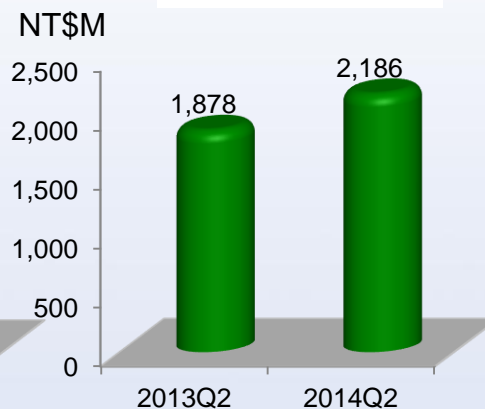
YoY +81%



Consumer

QoQ +29%

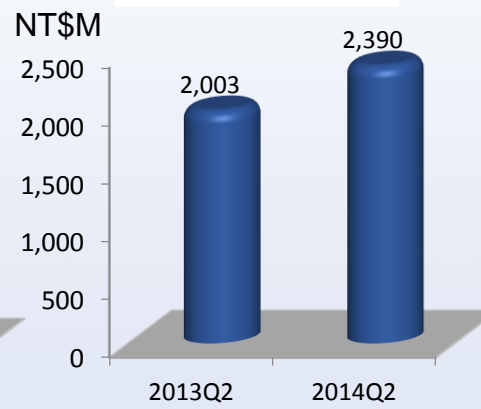
YoY +16%



Computer

QoQ +8%

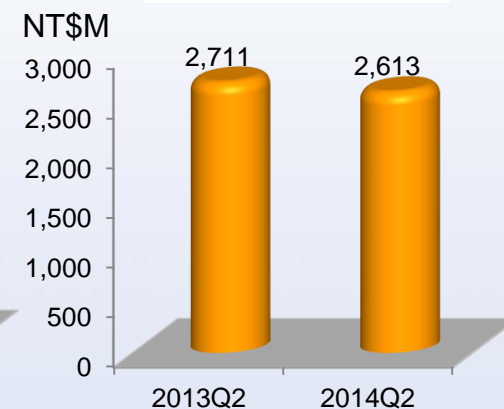
YoY +19%



Communication

QoQ -4%

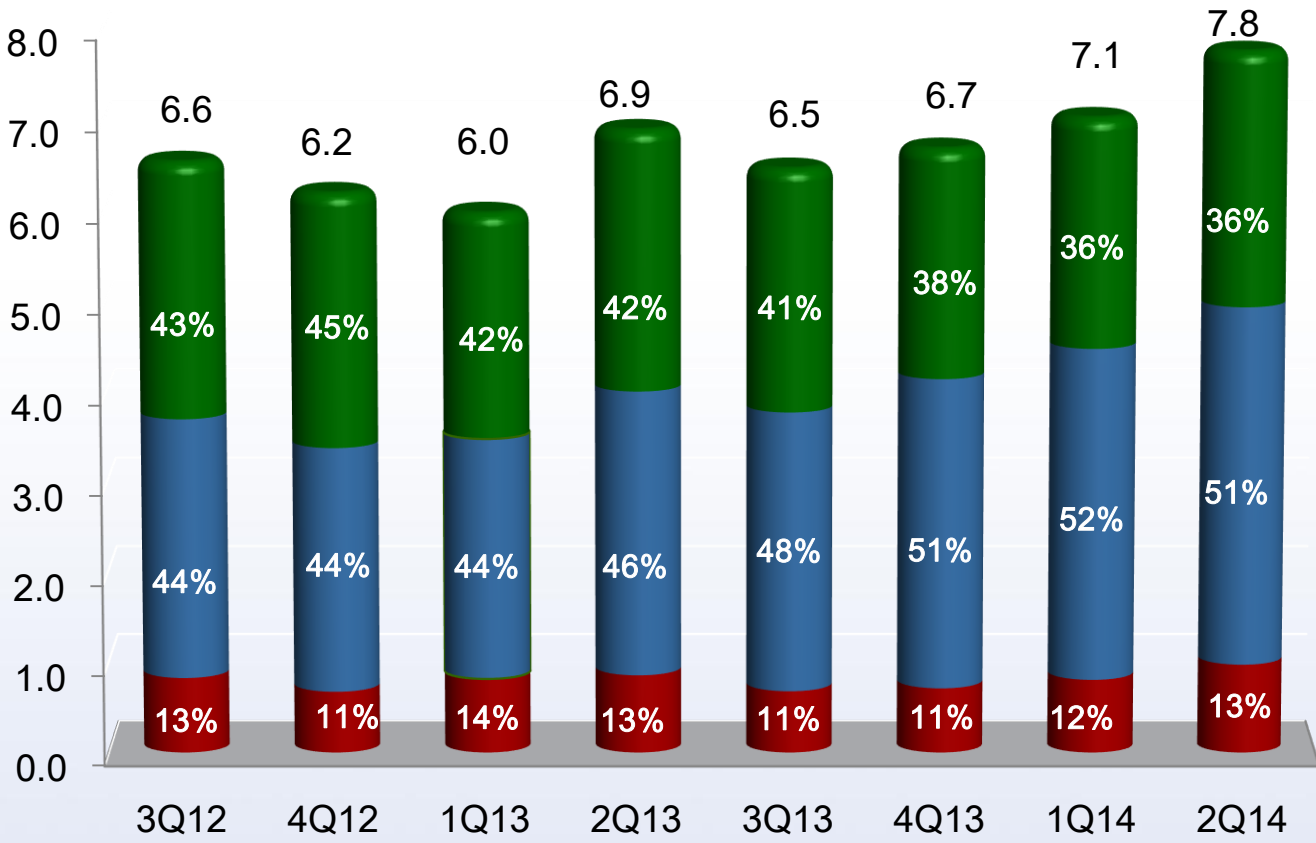
YoY -4%





2Q14 Revenue Breakdown by Product

Revenue (NT\$B)



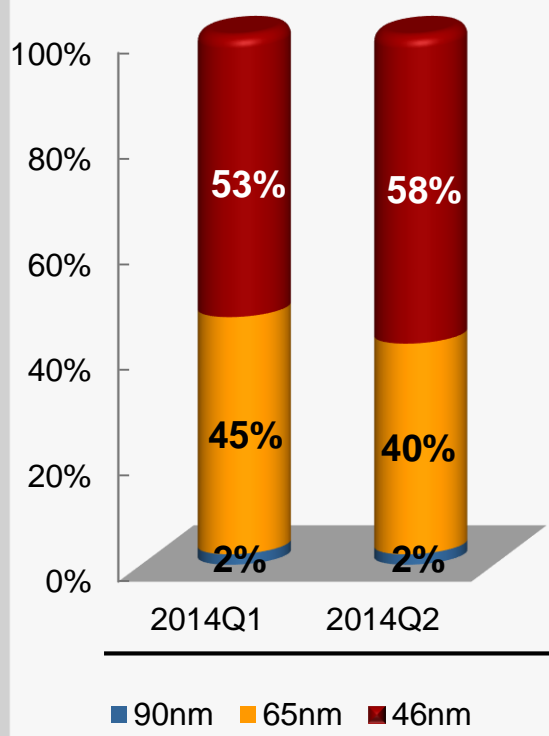
	QoQ	YoY
Flash	11%	(2%)
Specialty	8%	26%
Mobile	21%	14%

Note: Specialty included Graphic

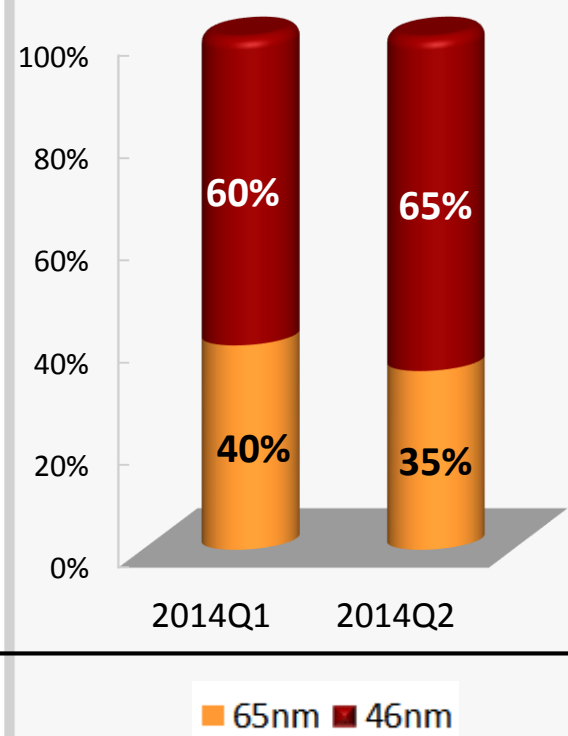


Revenue Breakdown by Geometry

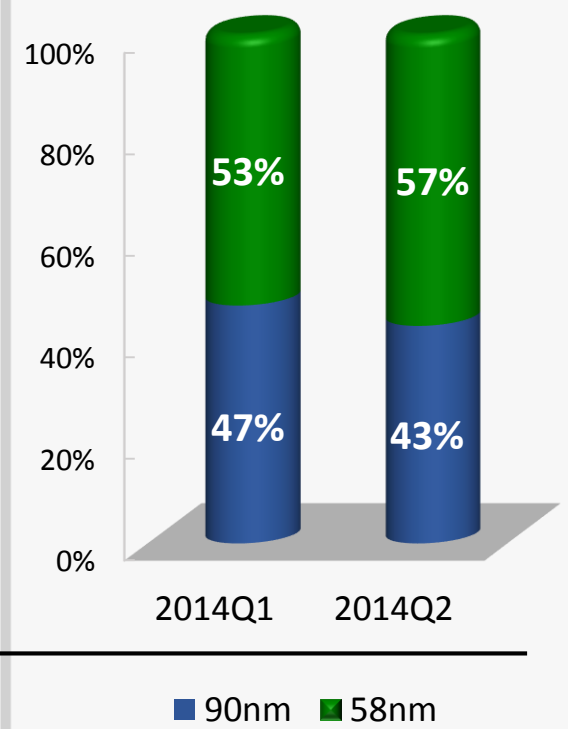
Specialty DRAM



Mobile DRAM



Flash Memory



Note: Specialty including Graphic



2Q14 Specialty DRAM Business

	QoQ	YoY
Revenue	8%	26%

- Favorable DRAM market condition in Q2
- Strong demand in KGD, TV and HDD
- Continuous business growth in automotive segment
- Many business opportunities were affected by limited Fab capacity



2Q14 Mobile DRAM Business

	QoQ	YoY
Revenue	21%	14%

- Strong demand of medium density low power DRAM in mobile devices



2Q14 Flash Memory Business

	QoQ	YoY
Revenue	11%	(2%)

- Both wafer ASP and gross margin improved
- Higher density product shipment increased
- Increasing demand of low density Flash from wearable devices
- Revenue drop YoY due to severe price erosion



Market Outlook

- Consumer's demand looks healthy in Q3 and Q4
- Model change of electronic devices may create fluctuation in IC demand in Q4
- No significant change in DRAM supply within next one year
- IoT and wearable devices stimulate demand in mid/low density memory
- Increasing memory content per device/box due to increasing functions added in electronic devices
- Low density SLC NAND Flash is replacing some sockets of high density NOR Flash, while increasing opportunities for mid/low density NOR Flash in IoT/wearable devices