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Winbond Electronics Corporation



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Financial Results



2Q15 Statement of Comprehensive Income - Consolidated

Unit: NT\$ M	2Q'15		1Q'15		QoQ Change	
	Amount	%	Amount	%	Amount	%
Net Sales	9,252	100	9,724	100	(472)	(5)
Gross Profit	2,954	32	3,132	32	(178)	(6)
Operating Income	993	11	1,267	13	(274)	(22)
Pretax Income	1,055	11	1,281	13	(226)	(18)
Net Income	863	9	1,037	11	(174)	(17)
EPS (NT\$)	0.22		0.27		(0.05)	
EBITDA	2,490	27	2,679	28	(189)	(7)



2Q15 Balance Sheet - Consolidated

Unit: NT\$ M	Jun. 30 '15		Mar. 31 '15		QoQ Change	
	Amount	%	Amount	%	Amount	%
Current Assets	23,997	38	23,721	37	276	1
Net Fixed Assets	32,869	52	33,104	51	(235)	(1)
Total Assets	63,625	100	64,397	100	(772)	(1)
L/T Debt	10,012	16	9,814	15	198	2
Total Equity	39,637	62	39,977	62	(340)	(1)
Current Ratio	1.90		1.79			
Debt / Equity Ratio	0.61		0.61			



2Q15 Statement of Cash Flows - Consolidated

	2Q'15	1Q'15	QoQ Change
Unit: NT\$ M	Amount	Amount	Amount
Operating Cash Flow	1,696	1,898	(202)
Investing Cash Flow	(1,776)	(778)	(998)
Financing Cash Flow	(658)	(397)	(261)
Cash & Equivalents	6,915	7,676	(761)
Depreciation and Amortization	1,497	1,412	85
CAPEX	1,257	827	430



2Q15 Statement of Comprehensive Income - Memory

Unit: NT\$ M	2Q'15		1Q'15		QoQ Change	
	Amount	%	Amount	%	Amount	%
Net Sales	7,304	100	8,038	100	(734)	(9)
Gross Profit	2,085	29	2,338	29	(253)	(11)
Operating Income	815	11	1,134	14	(319)	(28)
Pretax Income	940	13	1,211	15	(271)	(22)
Net Income	801	11	1,000	12	(199)	(20)
EPS (NT\$)	0.22		0.27		(0.05)	
EBITDA	2,251	31	2,485	31	(234)	(9)



2Q15 Balance Sheet - Memory

	Jun. 30 '15		Mar. 31 '15		QoQ Change	
	Amount	%	Amount	%	Amount	%
Unit: NT\$ M						
Current Assets	18,752	31	18,739	30	13	0
Net Fixed Assets	32,197	53	32,442	53	(245)	(1)
Total Assets	60,426	100	61,471	100	(1,045)	(2)
L/T Debt	10,012	17	9,814	16	198	2
Total Equity	38,525	64	38,831	63	(306)	(1)
Current Ratio	1.70		1.57			
Debt / Equity Ratio	0.57		0.58			

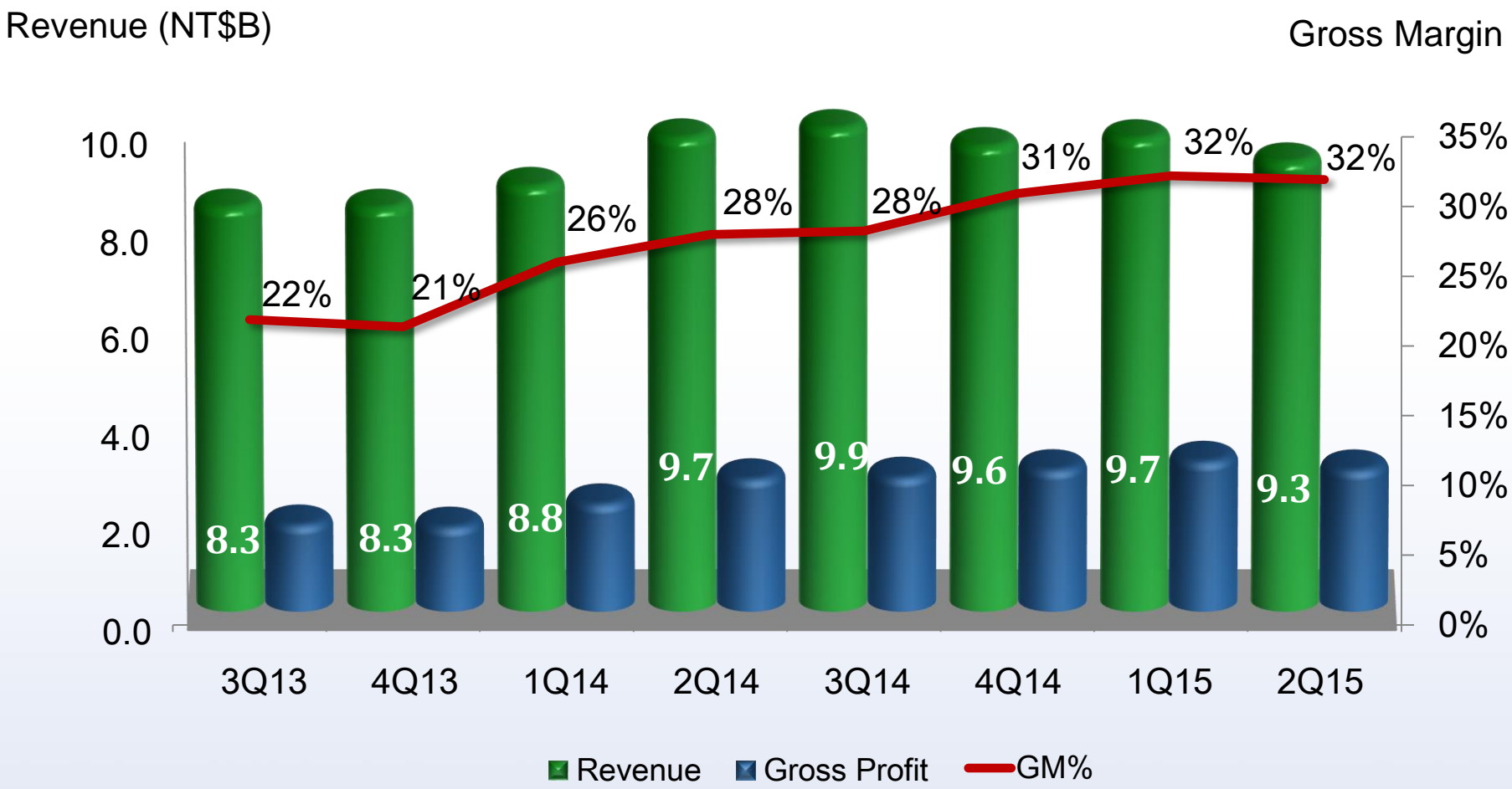


2Q15 Statement of Cash Flows-Memory

	2Q'15	1Q'15	QoQ Change
	Amount	Amount	Amount
Unit: NT\$ M			
Operating Cash Flow	1,469	1,834	(365)
Investing Cash Flow	(1,742)	(704)	(1,038)
Financing Cash Flow	(658)	(390)	(268)
Cash & Equivalents	3,955	4,886	(931)
Depreciation and Amortization	1,436	1,351	85
CAPEX	1,214	798	416

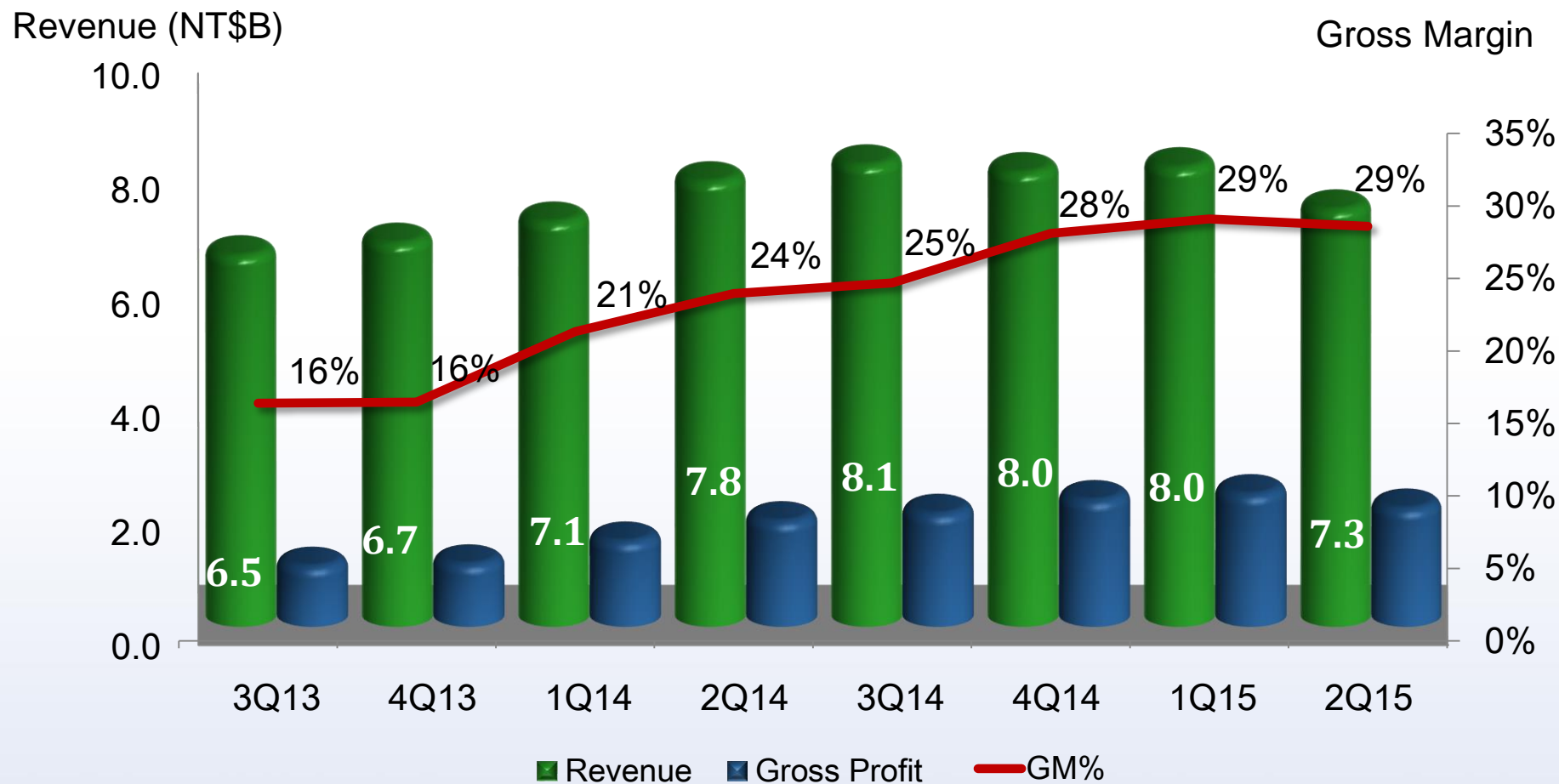


Revenue and GM Trend- Consolidated



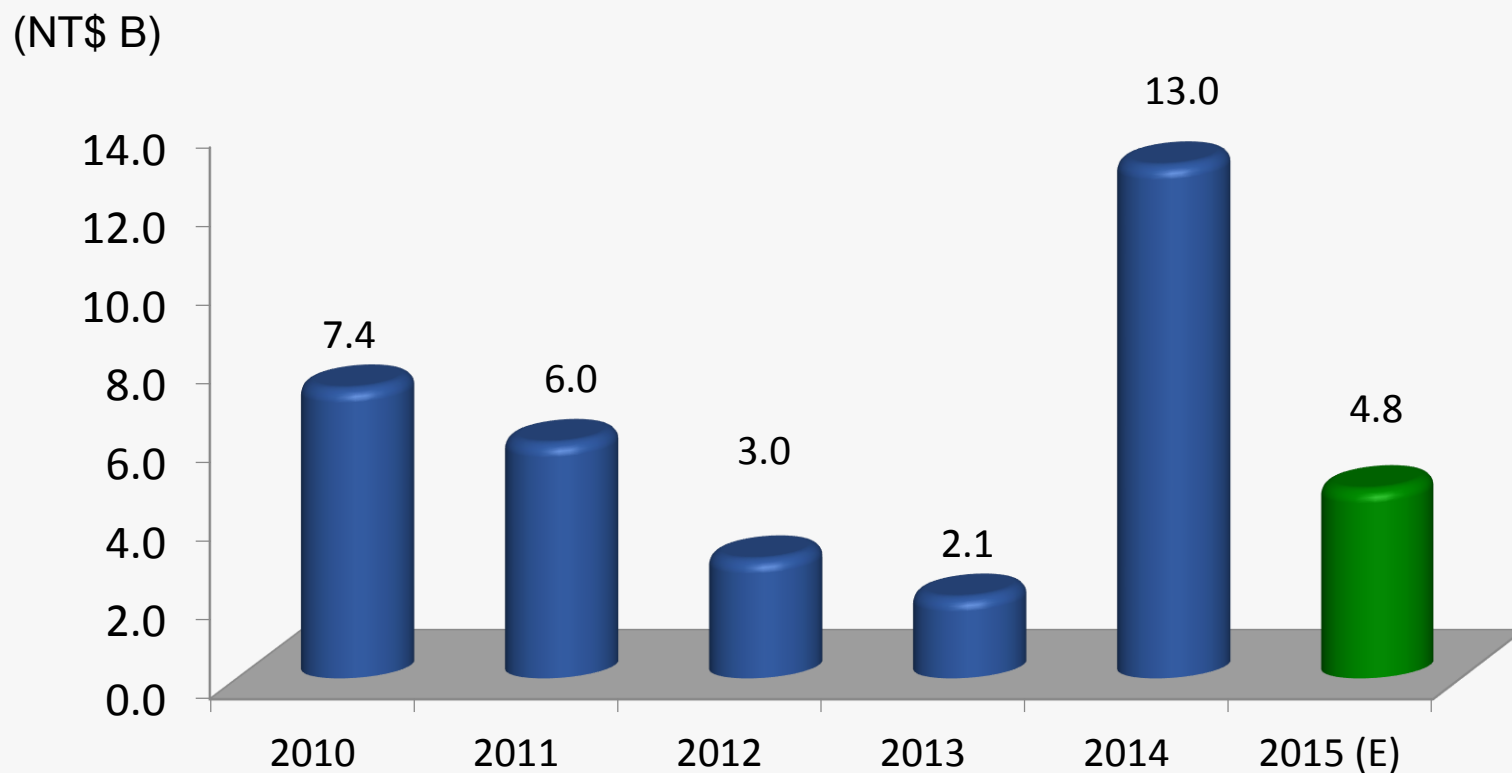


Revenue and GM Trend- Memory





Y2015 Memory CAPEX



CAPEX(Cash Basis) as of 07/31/2015

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Winbond Business Update & Outlook



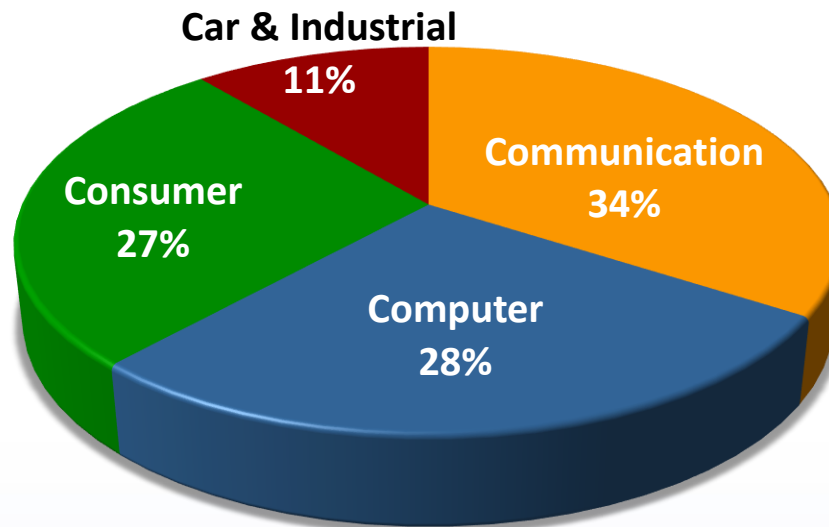
2Q15 Memory Business Recap

	QoQ	YoY
Revenue	(9%)	(6%)
Gross Profit	(11%)	12%

- Revenue and Gross Profit declined due to weak market demand
- Impact on Winbond business was less severe due to our focus on specialty memory markets and diversified product portfolio.



2Q15 Revenue Breakdown by Application

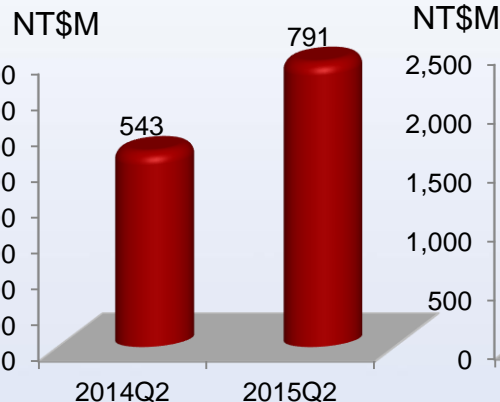


Note: Revenue excluded foundry and others

Car & Industrial

QoQ - 2%

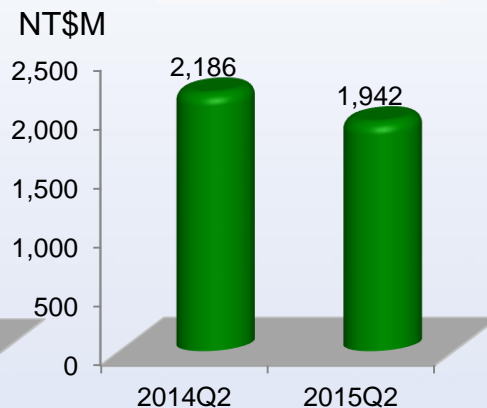
YoY + 46%



Consumer

QoQ - 14%

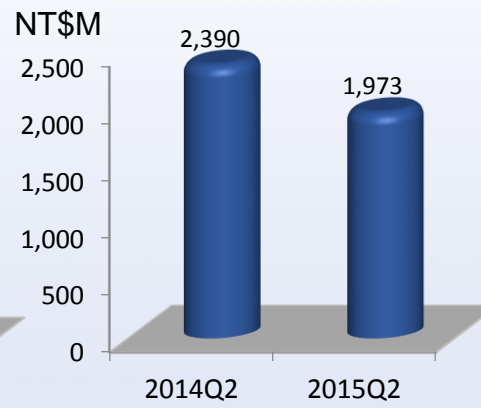
YoY - 11%



Computer

QoQ - 11%

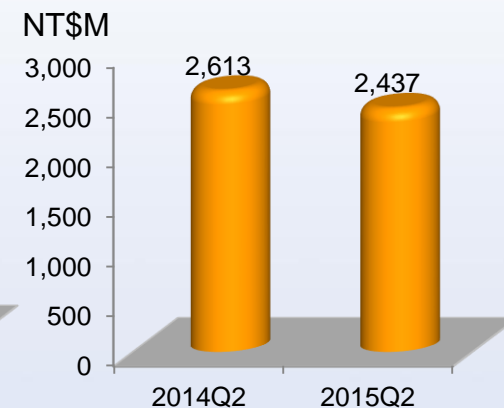
YoY - 17%



Communication

QoQ - 8%

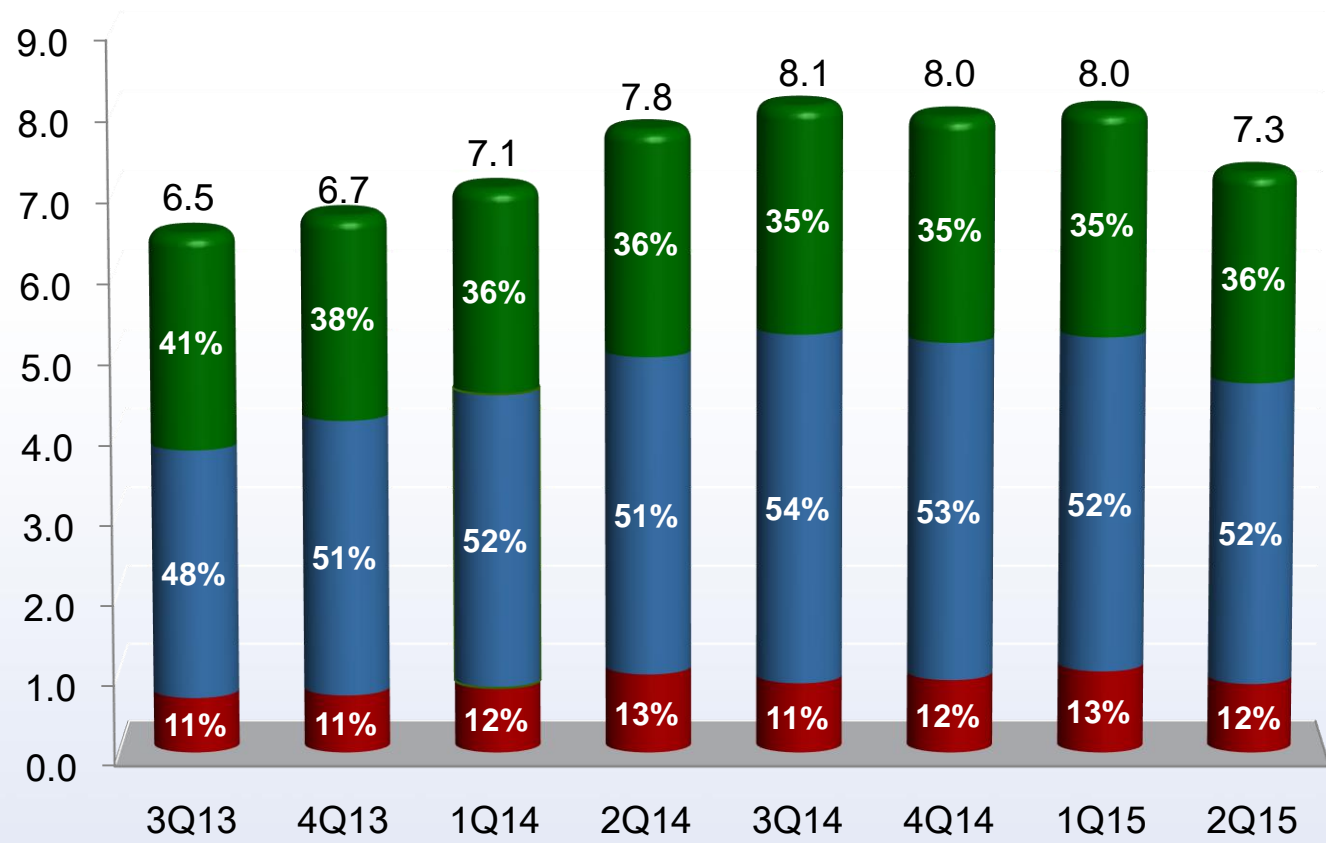
YoY - 7%





2Q15 Revenue Breakdown by Product

Revenue (NT\$B)



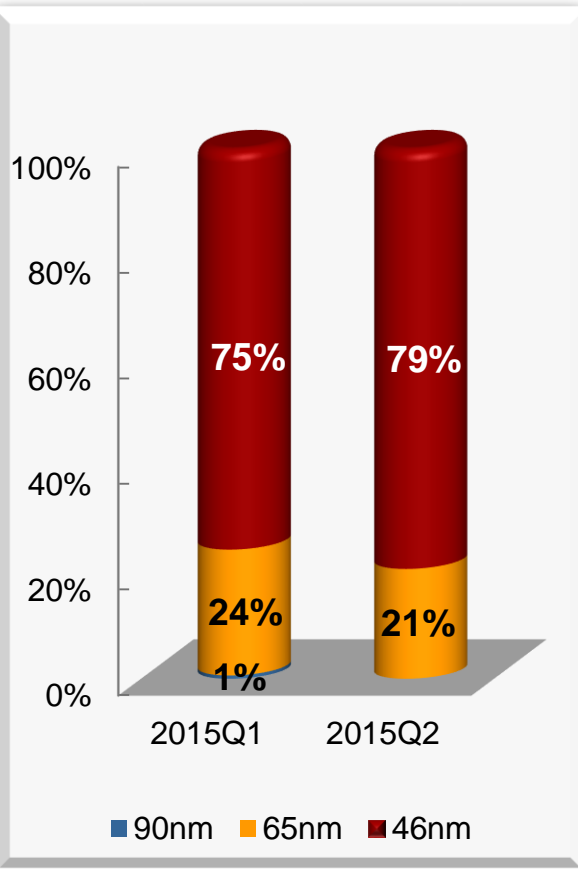
	QoQ	YoY
Flash	-7%	-7%
Specialty	-9%	-5%
Mobile	-16%	-12%

Note: Specialty including Graphic

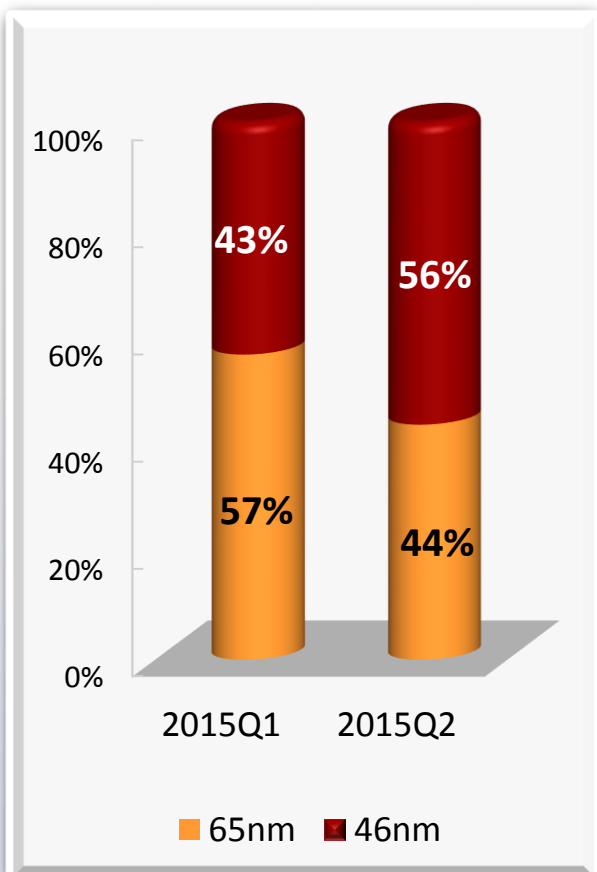


2Q15 Revenue Breakdown by Geometry

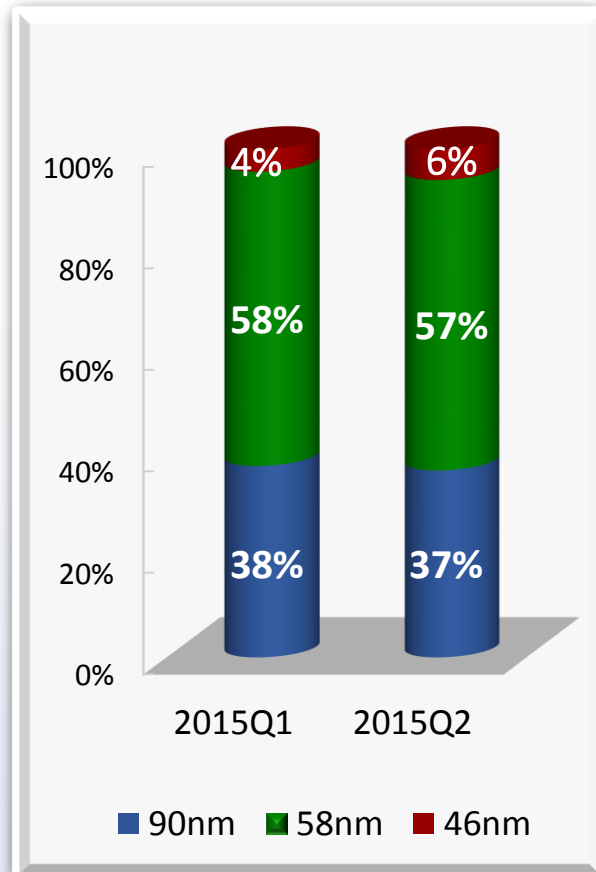
Specialty DRAM



Mobile DRAM



Flash Memory



Note: Specialty including Graphic



2Q15 Specialty DRAM Business

	QoQ	YoY
Revenue	(9%)	(5%)

- Revenue dropped due to slow demand in HDD and STB
- Stable demand from Networking segment
- 46nm products accounted for 79% Specialty DRAM revenue (vs. 75% in 1Q15)



2Q15 Mobile DRAM Business

	QoQ	YoY
Revenue	(16%)	(12%)

- Revenue decreased resulting from customer's inventory adjustment



2Q15 Flash Memory Business

	QoQ	YoY
Revenue	(7%)	(7%)

- Revenue declined mainly due to weaker demand in feature phone market
- 1Gb Code Storage Flash accounted for 6% Flash revenue (vs. 4% in 1Q15)



Global GDP Forecast (2015-2016)

Region	GDP Forecast (IMF)					GDP Forecast (Most Likely)	
	2014	2015F (Jan)	2015F (Apr)	2015F (Jul)	2016F	2015F	2016F
USA	2.4%	3.6%	2.9%	2.5%	3.0%	2.0%	1.8%
Euro Area	0.8%	1.2%	1.4%	1.5%	1.7%	1.4%	1.2%
China	7.4%	6.8%	6.5%	6.8%	6.3%	6.8%	6.0%
Japan	0.2%	0.6%	0.6%	0.8%	1.2%	1.2%	1.0%
RoW	4.2%	4.2%	4.1%	4.1%	5.1%	4.0%	3.8%
Global	3.2%	3.5%	3.3%	3.3%	3.8%	3.1%	2.9%



Applications Demand Forecast

Application	2013	2014	2015 (Apr)	2015 (Jul)
Smartphone	38%	13%	13%	11%
PC	-10%	-2%	-7%	-8%
Tablet	75%	7%	0%	-10%
TV	-1%	3%	3%	0%
STB	8%	7%	1%	1%
HDD	-4%	1%	-7%	-8%
Wearable			412%	256%
IoT	long term story			



Market and Business Outlook

❑ Overall market

- ❖ Weak demand and inventory digestion impact seasonality in Q3
- ❖ Expect relatively stable Q4

❑ DRAM

- ❖ Slight oversupply in 2H15 due to weak market demand

❑ Code Storage Flash market

- ❖ NOR Flash remains stable with growing opportunities in IoT and automotive
- ❖ SLC NAND market is growing and will be gradually accelerated by NAND Flash MCP

❑ Winbond business

- ❖ Diversified products help alleviate the impact of weak market demand
- ❖ KGD business remains healthy