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## 4Q12 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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## Winbond Financial Results



## 4Q12 Income Statement- Consolidated

|                  | 4Q'12  |     | 3Q'12  |     | QoQ change |      |
|------------------|--------|-----|--------|-----|------------|------|
|                  | Amount | %   | Amount | %   | Amount     | %    |
| Unit: NT\$ mil   |        |     |        |     |            |      |
| Net Sales        | 7,869  | 100 | 8,540  | 100 | (671)      | (8)  |
| Gross Profit     | 1,161  | 15  | 1,546  | 18  | (385)      | (25) |
| Operating Income | (457)  | (6) | (102)  | (1) | (355)      | 348  |
| Pretax Income    | (513)  | (7) | (207)  | (2) | (306)      | 148  |
| Net Income       | (556)  | (7) | (325)  | (4) | (231)      | 71   |
| EPS (NTD)        | (0.15) |     | (0.09) |     | (0.06)     |      |
| EBITDA           | 1,706  | 22  | 2,123  | 25  |            |      |



## 4Q12 Balance Sheet- Consolidated

|                    | Dec 31 '12 |     | Sep 30 '12 |     | QoQ change |     |
|--------------------|------------|-----|------------|-----|------------|-----|
|                    | Amount     | %   | Amount     | %   | Amount     | %   |
| Unit: NT\$ mil     |            |     |            |     |            |     |
| Cash & Equivalents | 5,815      | 10  | 6,020      | 10  | (205)      | (3) |
| Net Fixed Assets   | 29,021     | 52  | 30,306     | 52  | (2,007)    | (6) |
| Total Assets       | 56,219     | 100 | 57,824     | 100 | (1,973)    | (4) |
| L-T Liabilities    | 6,550      | 12  | 5,100      | 9   | 1,450      | 28  |
| SH Equity          | 34,658     | 62  | 35,230     | 61  | (572)      | (2) |
| Current Ratio      | 1.41       |     | 1.26       |     |            |     |
| Debt/ Equity Ratio | 0.62       |     | 0.64       |     |            |     |



## 4Q12 Cash Flow Statement- Consolidated

|                               | 4Q'12   | 3Q'12   | QoQ change |
|-------------------------------|---------|---------|------------|
| Unit: NT\$ mil                | Amount  | Amount  | Amount     |
| Operating Cash Flow           | 2,198   | 739     | 1,459      |
| Investing Cash Flow           | (1,273) | (157)   | (1,116)    |
| Financing Cash Flow           | (852)   | (1,041) | 189        |
| Cash & Equivalents            | 5,815   | 6,020   | (205)      |
| Depreciation and Amortization | 2,163   | 2,225   | (62)       |
| CAPEX                         | 858     | 356     | 502        |



## 4Q12 Income Statement- Winbond alone

| Unit: NT\$ mil   | 4Q'12  |     | 3Q'12  |     | 4Q'11   |      | QoQ change |      | YoY change |       |
|------------------|--------|-----|--------|-----|---------|------|------------|------|------------|-------|
|                  | Amount | %   | Amount | %   | Amount  | %    | Amount     | %    | Amount     | %     |
| Net Sales        | 6,236  | 100 | 6,579  | 100 | 5,717   | 100  | (343)      | (5)  | 519        | 9     |
| Gross Profit     | 514    | 8   | 694    | 11  | (97)    | (2)  | (180)      | (26) | 611        | (630) |
| Operating Income | (506)  | (8) | (330)  | (5) | (1,164) | (20) | (176)      | 53   | 658        | (57)  |
| Pretax Income    | (556)  | (9) | (325)  | (5) | (1,230) | (22) | (231)      | 71   | 674        | (55)  |
| Net Income       | (556)  | (9) | (325)  | (5) | (1,189) | (21) | (231)      | 71   | 633        | (53)  |
| EPS (NTD)        | (0.15) |     | (0.09) |     | (0.32)  |      | (0.06)     |      | 0.17       |       |
| EBITDA           | 1,604  | 26  | 1,841  | 28  | 1,255   | 22   |            |      |            |       |



## 4Q12 Balance Sheet- Winbond alone

|                    | Dec 31 '12 |     | Sep 30 '12 |     | QoQ change |     |
|--------------------|------------|-----|------------|-----|------------|-----|
|                    | Amount     | %   | Amount     | %   | Amount     | %   |
| Unit: NT\$ mil     |            |     |            |     |            |     |
| Cash & Equivalents | 3,707      | 7   | 3,520      | 7   | 187        | 5   |
| Net Fixed Assets   | 28,396     | 53  | 29,687     | 54  | (1,291)    | (4) |
| Total Assets       | 53,559     | 100 | 54,968     | 100 | (1,409)    | (3) |
| L-T Liabilities    | 6,550      | 12  | 5,100      | 9   | 1,450      | 28  |
| SH Equity          | 33,472     | 62  | 34,098     | 62  | (626)      | (2) |
| Current Ratio      | 1.21       |     | 1.05       |     |            |     |
| Debt/ Equity Ratio | 0.60       |     | 0.61       |     |            |     |



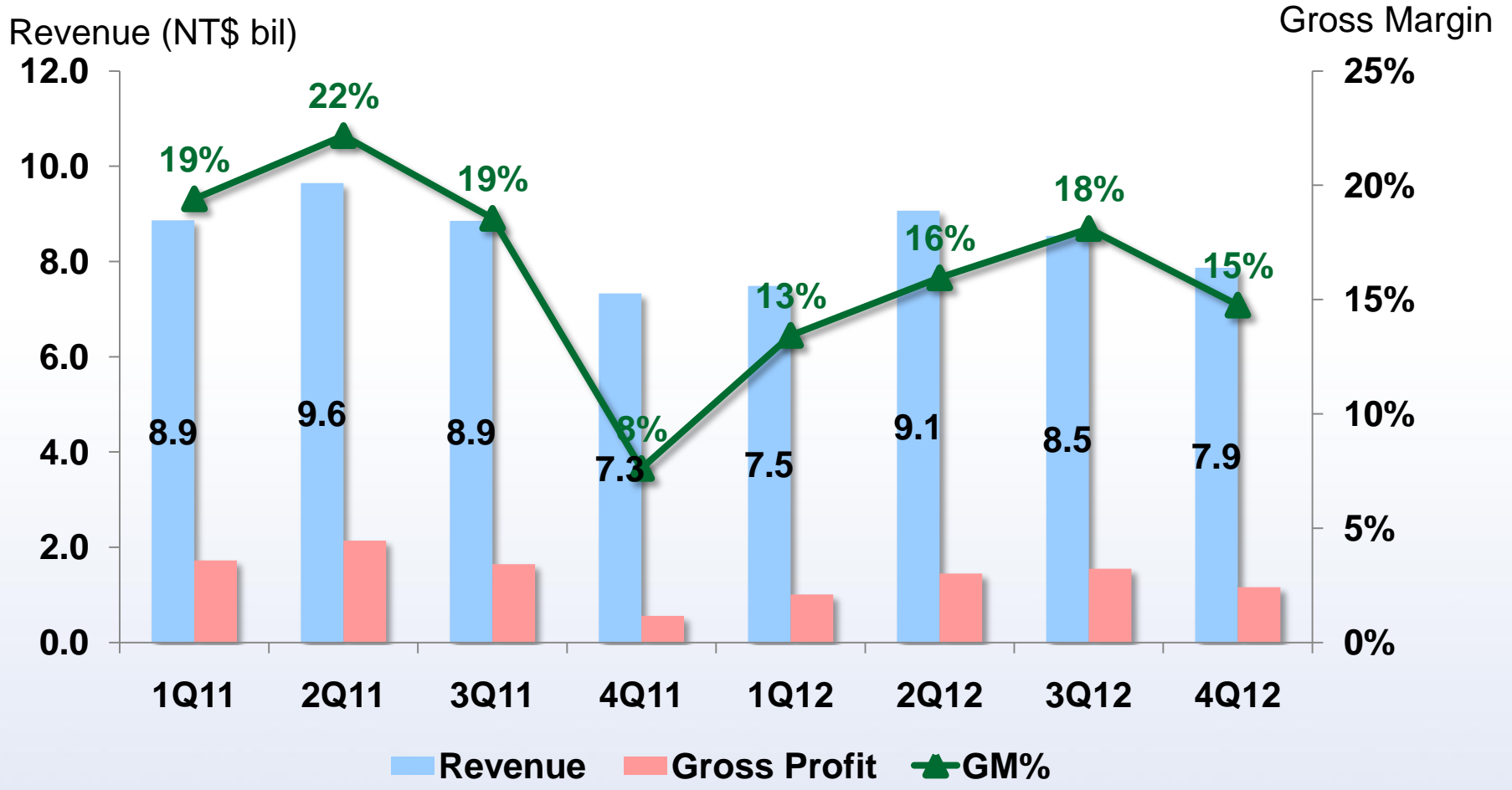


## 4Q12 Statement of Cash Flow- Winbond alone

|                               | 4Q'12   | 3Q'12  | QoQ change |
|-------------------------------|---------|--------|------------|
| Unit: NT\$ mil                | Amount  | Amount | Amount     |
| Operating Cash Flow           | 2,017   | 813    | 1,204      |
| Investing Cash Flow           | (1,042) | (313)  | (729)      |
| Financing Cash Flow           | (787)   | (835)  | 48         |
| Cash & Equivalents            | 3,707   | 3,520  | 187        |
| Depreciation and Amortization | 2,110   | 2,171  | (61)       |
| CAPEX                         | 843     | 318    | 525        |



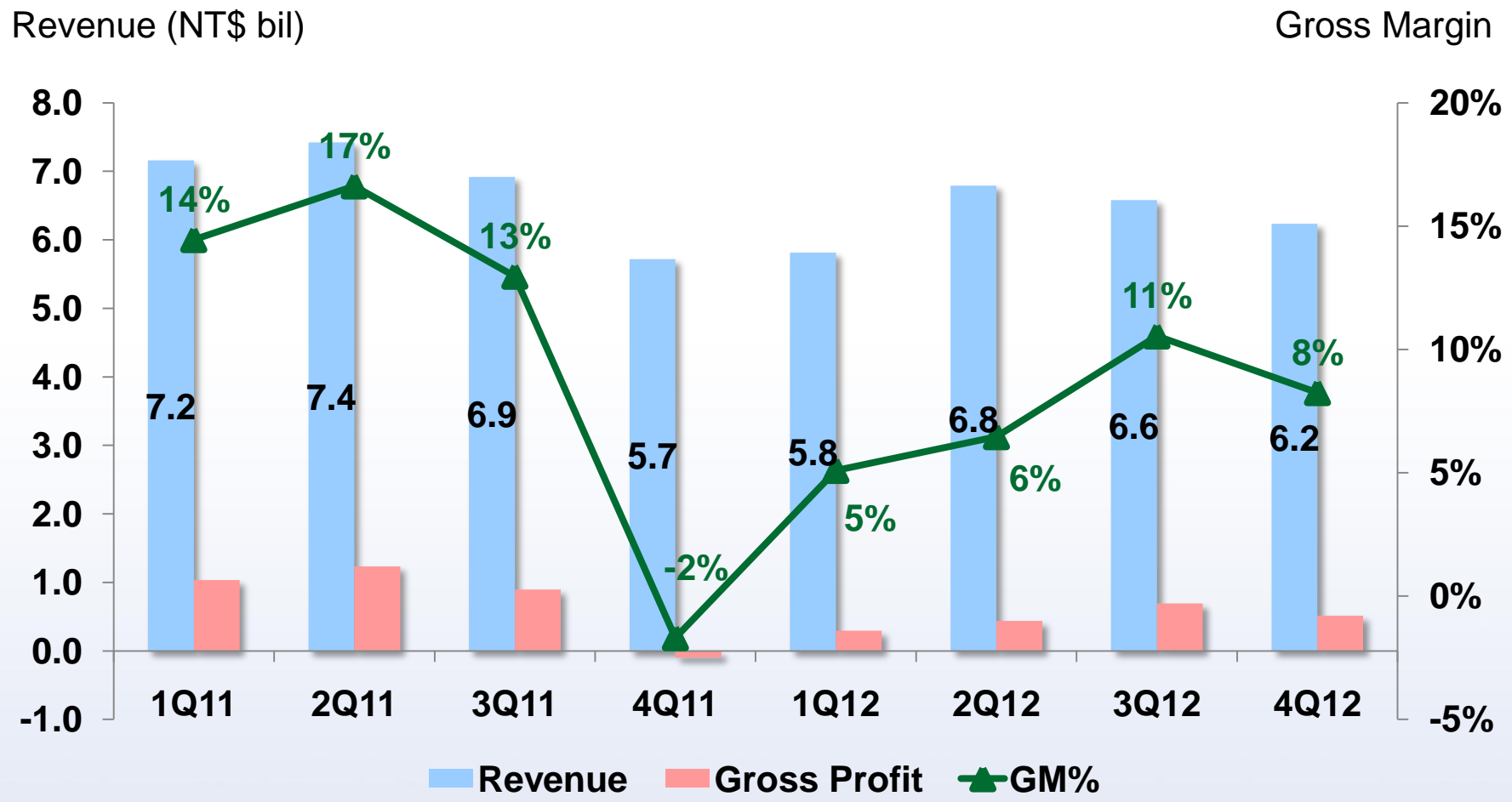
# Revenue and GM Trend- Consolidated



Note: Entities in the consolidated statements include Nuvoton, WEC America, WEC Japan, etc..



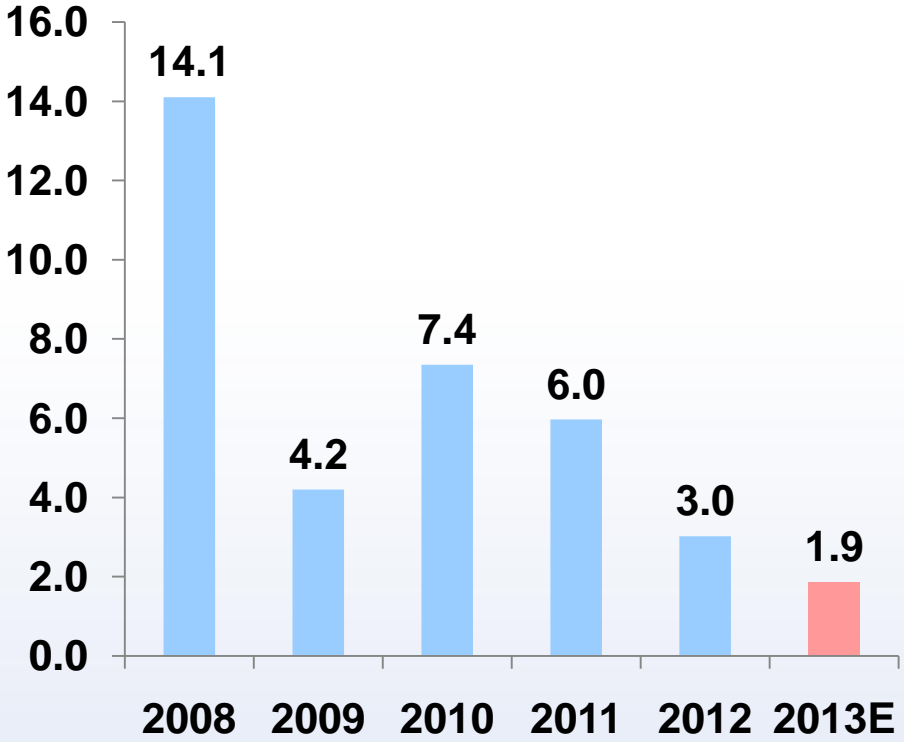
# Revenue and GM Trend- Winbond alone





# Y2013 Memory CAPEX

NT\$ B



## Y2013 CAPEX

- **Total Flash: 19K WPM**
  - 58nm Flash to 8K WPM
  - 46nm Flash to 3K WPM
- **Total DRAM: 16K WPM**
  - 46nm DRAM to 12K WPM

Cash Basis CAPEX as of 2/6/2013

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# Winbond Business Update & Outlook



## 4Q12 Business Wrap-Up

### □ Weaker business in 4Q12

- Inventory adjustment in channels at year end
- Enlarged price erosion due to conservative market sentiments
- Reduced Fab capacity (90% utilization)



## 2012 vs 2011

| NT\$B                | 2012        | 2011        | YoY %      |
|----------------------|-------------|-------------|------------|
| Flash                | 10.7        | 9.5         | 13%        |
| Specialty            | 11.4        | 11.9        | -4%        |
| Mobile               | 3.3         | 5.7         | -42%       |
| <b>Total Revenue</b> | <b>25.4</b> | <b>27.1</b> | <b>-6%</b> |

### □ Flash

- Worldwide #1 Serial Flash supplier in 2012

### □ Specialty DRAM

- Relatively stable business with improved customer/product mix

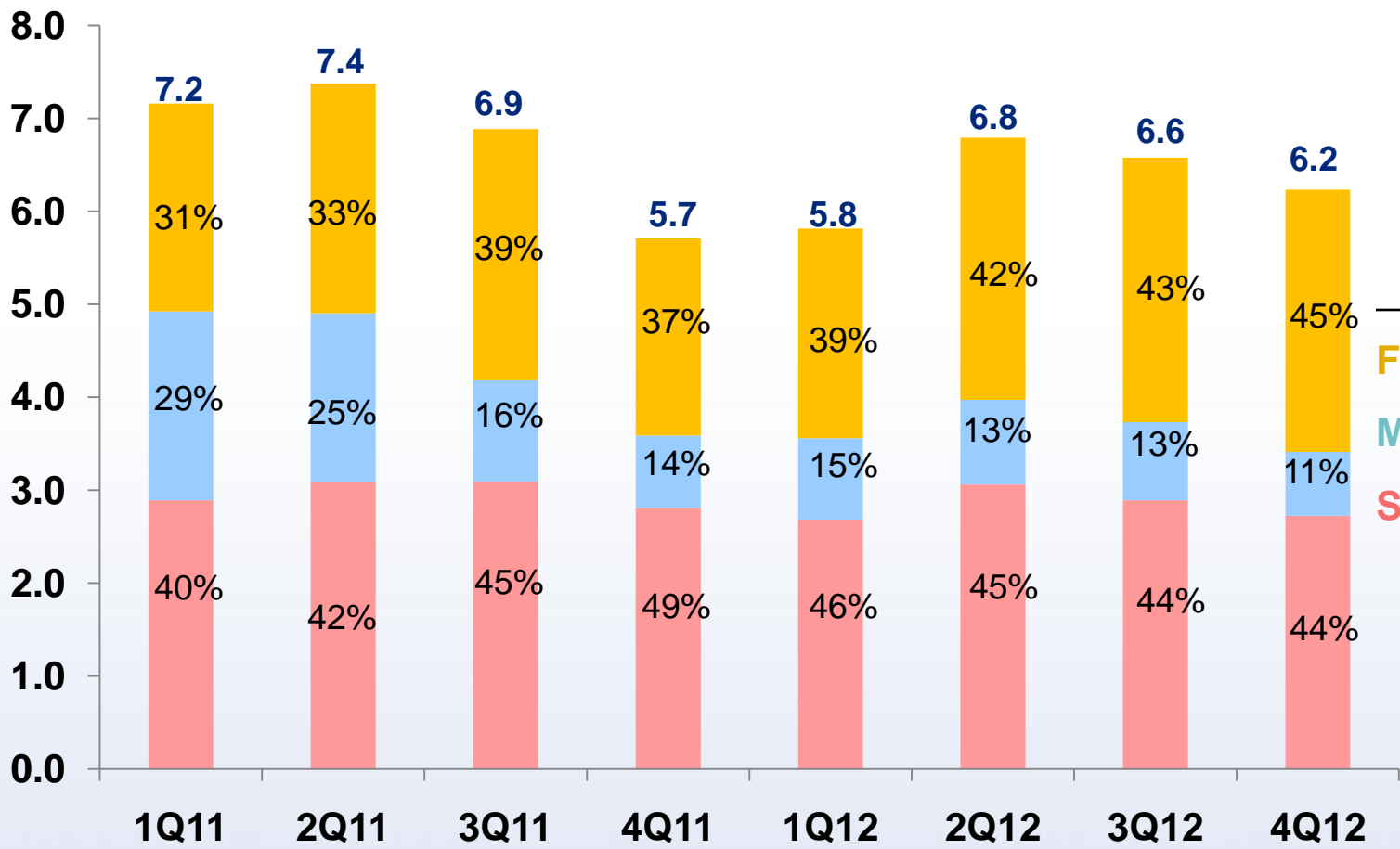
### □ Mobile DRAM

- Under transition from Pseudo RAM to Low Power DRAM



# Memory Revenue Breakdown

Revenue (NT\$ bil)



Specialty Mobile Flash

|           | QoQ  | YoY  |
|-----------|------|------|
| Flash     | -1%  | 33%  |
| Mobile    | -19% | -12% |
| Specialty | -6%  | -3%  |

Note: Specialty including Graphic





## 4Q12 Flash Memory Business

□ **-1% QoQ / +33% YoY**

- Inventory adjustment in mobile phone customers
- Embedded Flash business stayed normal
- Enlarged price erosion in Q4
- 58nm products accounted for > 20% Flash sales (from 15% in Q3)



# 4Q12 DRAM Memory Business

## Specialty DRAM

□ **-6% QoQ / -3% YoY**

- 46nm products accounted for > 25% of Specialty DRAM sales (from 20% in Q3)
- KGD accounted for > 20% of Specialty DRAM sales

## Mobile RAM

□ **-19% QoQ / - 12% YoY**

- Low power DRAM contributed > 35% of mobile RAM business (< 20% in 1H)
- Pseudo RAM migrating to 46nm



## 2013 Market Outlook

- **“Smart phone”, “Tablets”, “LCD TV” and “Networking” will trigger demand in 2H**
  - Opportunities to Winbond:
    - Medium/low density memory in peripheral modules
- **Feature phone market continues to shrink, while brand name phone makers will gain more share**
- **“Personal computing” is trending toward “mobile computing”**
- **DRAM industry consolidation will lead to more stable and healthy market**



# 2013 Winbond Business Outlook

## □ Flash

- Further expand product portfolio from “Serial Flash” to “Code Storage Flash” markets

## □ DRAM

- Price dynamics in “Specialty DRAM” will lag behind “PC DRAM” due to nature of business with tier-1 customers
- Low-power business will warm up in 2H and show strong growth in 2014

- **“Stable and good product quality”, “stable supply” and “excellent customer service”** are keys to drive Winbond business upside

# QUESTIONS & ANSWERS

## Company website

- Winbond: [www.winbond.com](http://www.winbond.com)
- Nuvoton: [www.nuvoton.com](http://www.nuvoton.com)