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**Winbond Electronics Corporation**



# 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.
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# **Winbond Financial Results**



# 4Q13 Statements of Comprehensive Income - Consolidated

	4Q'13		3Q'13		QoQ Change	
	Amount	%	Amount	%	Amount	%
Unit: NT\$ M						
Net Sales	8,305	100	8,309	100	(4)	(0)
Gross Profit	1,775	21	1,819	22	(44)	(2)
Operating Income	200	2	306	4	(106)	(35)
Pretax Income	96	1	239	3	(143)	(60)
Net Income	72	1	137	2	(65)	(47)
EPS (NTD)	0.02		0.04		(0.02)	
EBITDA	1,411	17	1,541	19	(130)	(8)

Note : 4Q13 financial results have not been audited



## 4Q13 Balance Sheets - Consolidated

	Dec. 31 '13		Sept. 30 '13		QoQ Change	
	Amount	%	Amount	%	Amount	%
Unit: NT\$ M						
Current Assets	22,524	40	20,757	39	1,767	9
Net Fixed Assets	24,804	44	24,938	46	(134)	(1)
Total Assets	56,027	100	53,827	100	2,200	4
L/T Debt	6,076	11	7,883	15	(1,807)	(23)
Total Equity	35,888	64	35,928	67	(40)	(0)
Current Ratio	1.80		2.37			
Debt / Equity Ratio	0.56		0.50			

Note : Financial results as of Dec. 31, 2013 have not been audited



## 4Q13 Statements of Cash Flows - Consolidated

	4Q'13	3Q'13	QoQ Change
Unit: NT\$ M	Amount	Amount	Amount
Operating Cash Flow	2,378	2,140	238
Investing Cash Flow	(1,483)	(483)	(1,000)
Financing Cash Flow	1,159	(1,712)	2,871
Cash & Equivalents	7,670	5,614	2,056
Depreciation and Amortization	1,211	1,235	(24)
CAPEX	1,288	392	896

Note : 4Q13 financial results have not been audited



# 4Q13 Statements of Comprehensive Income - Memory

Unit: NT\$ M	4Q'13		3Q'13		QoQ Change	
	Amount	%	Amount	%	Amount	%
Net Sales	6,725	100	6,506	100	219	3
Gross Profit	1,108	16	1,067	16	41	4
Operating Income	163	2	204	3	(41)	(20)
Pretax Income	62	1	136	2	(73)	(54)
Net Income	62	1	136	2	(73)	(54)
EPS (NTD)	0.02		0.04		(0.02)	
EBITDA	1,319	20	1,373	21	(54)	(4)





## 4Q13 Balance Sheets - Memory

	Dec. 31 '13		Sept. 30 '13		QoQ Change	
	Amount	%	Amount	%	Amount	%
Unit: NT\$ M						
Current Assets	17,791	33	16,485	32	1,306	8
Net Fixed Assets	24,132	45	24,296	47	(164)	(1)
Total Assets	53,204	100	51,161	100	2,043	4
L/T Debt	6,076	12	7,883	15	(1,807)	(23)
Total Equity	34,814	65	34,870	68	(56)	(0)
Current Ratio	1.60		2.19			
Debt / Equity Ratio	0.53		0.47			



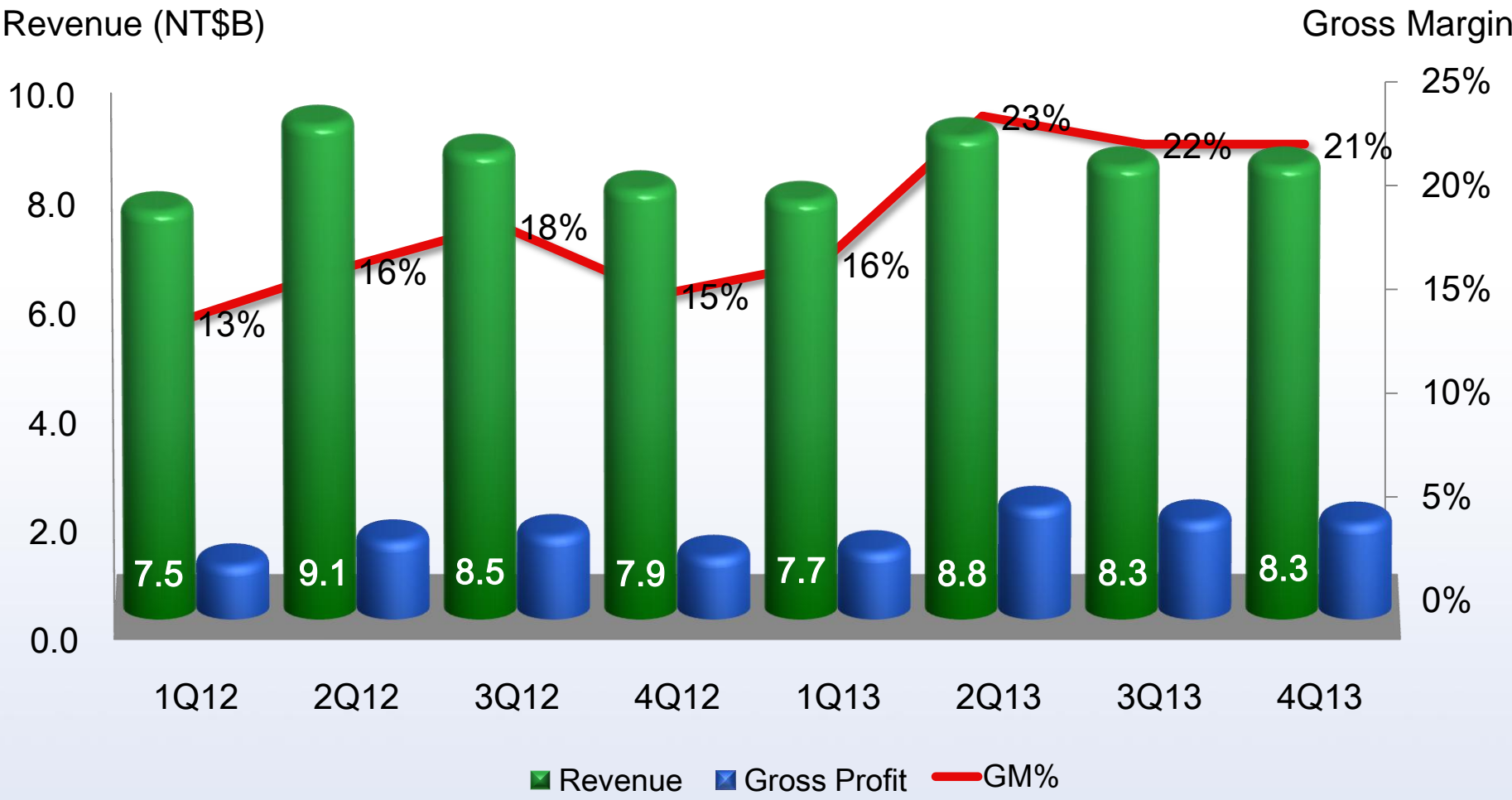


## 4Q13 Statements of Cash Flows-Memory

	4Q'13	3Q'13	QoQ Change
Unit: NT\$ M	Amount	Amount	Amount
Operating Cash Flow	2,203	1,984	219
Investing Cash Flow	(1,867)	(409)	(1,458)
Financing Cash Flow	974	(1,573)	2,547
Cash & Equivalents	4,958	3,648	1,310
Depreciation and Amortization	1,145	1,169	(24)
CAPEX	1,237	324	913



# Revenue and GM Trend- Consolidated

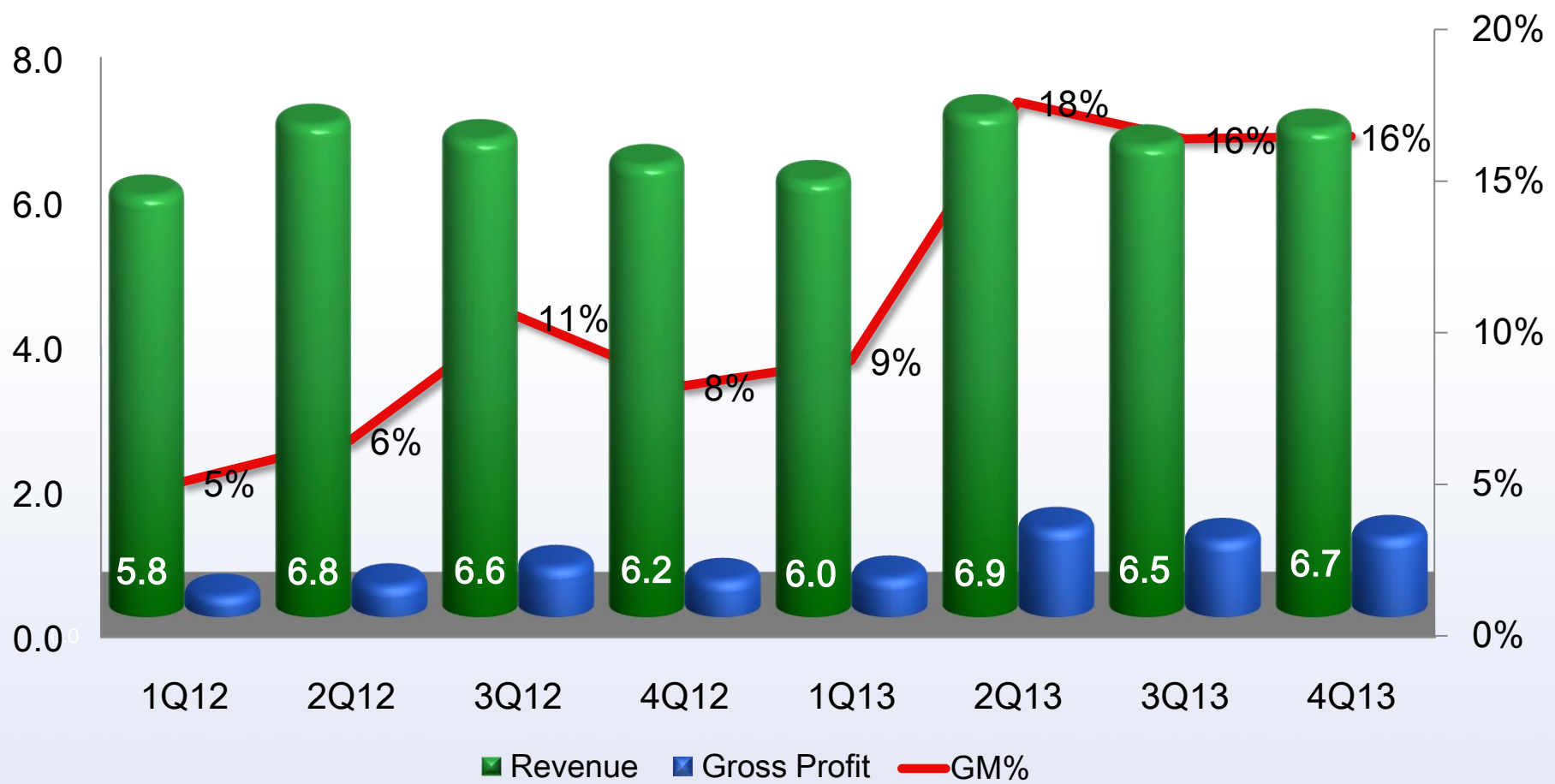




# Revenue and GM Trend- Memory

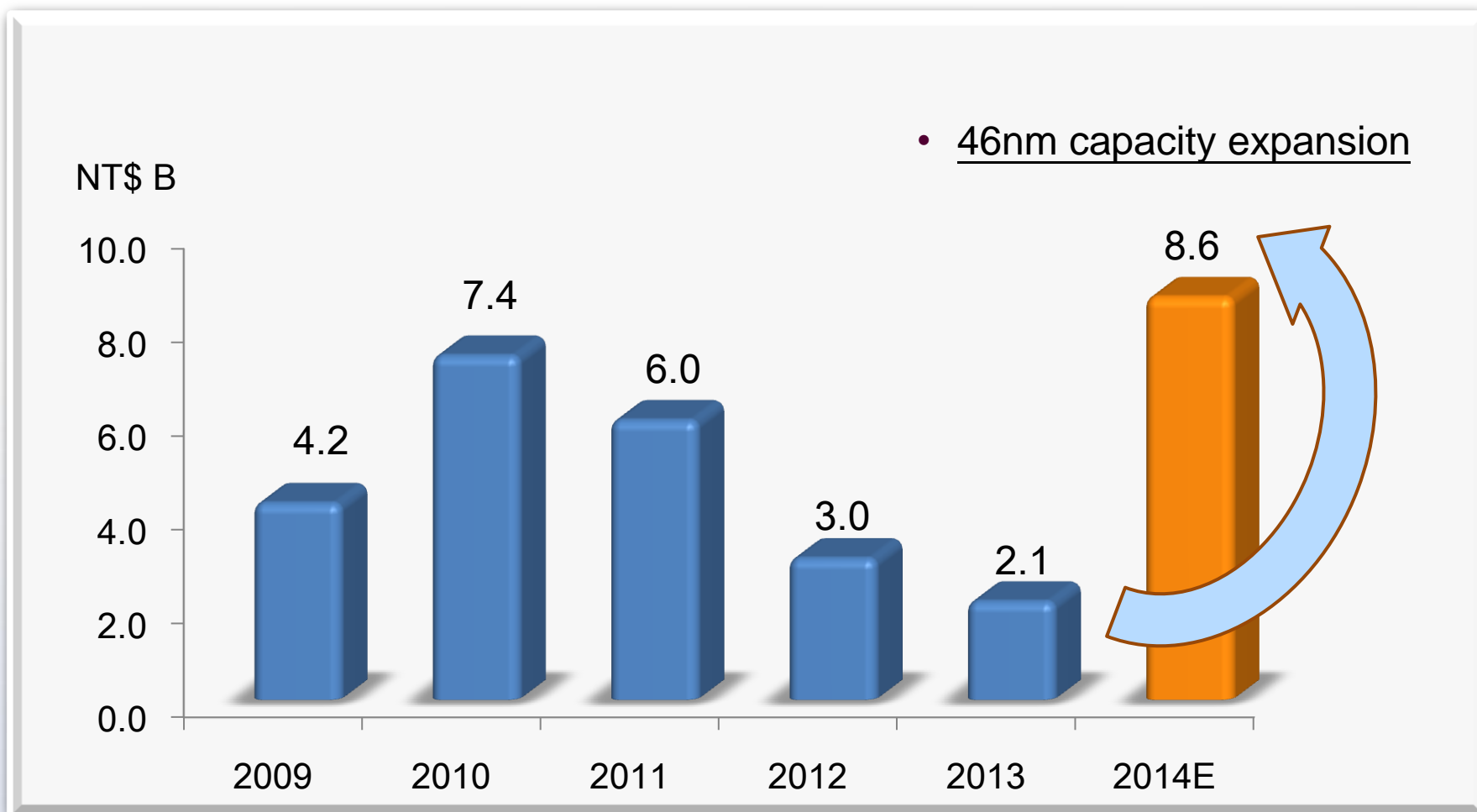
Revenue (NT\$B)

Gross Margin





# Y2014 Memory CAPEX



CAPEX(Cash Basis) as of 1/24/2014

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# **Winbond Business Update & Outlook**



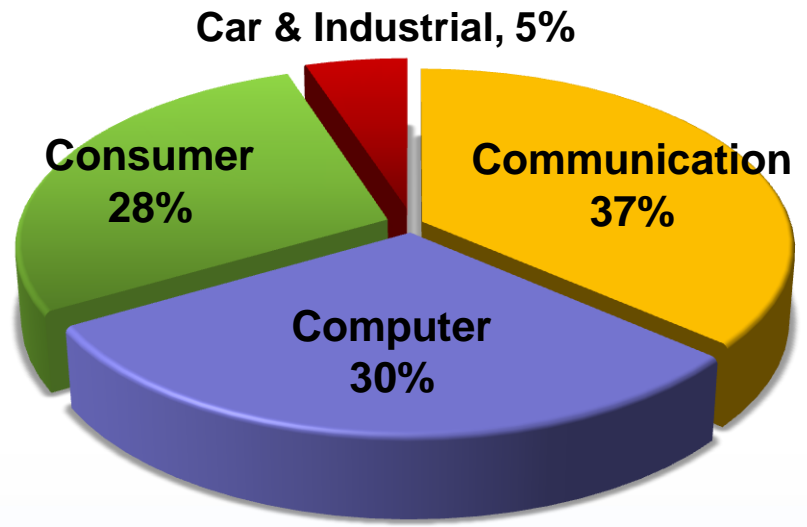
## 4Q13 Memory Business Recap

	QoQ	YoY
Revenue	3%	8%
Gross Profit	4%	115%

- Increased demand on Winbond's Specialty DRAM in many tier-1 customers/markets
- Double digit growth in shipment with technology migration in 46nm DRAM and 58nm Flash products

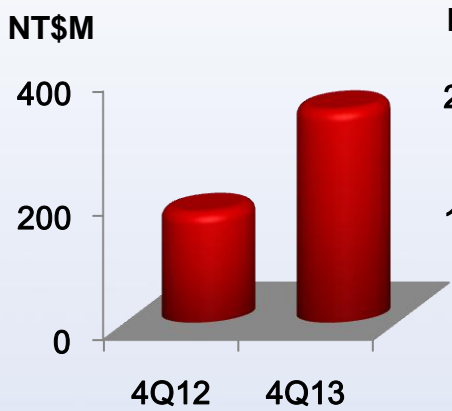


# 4Q13 Revenue Breakdown by Application

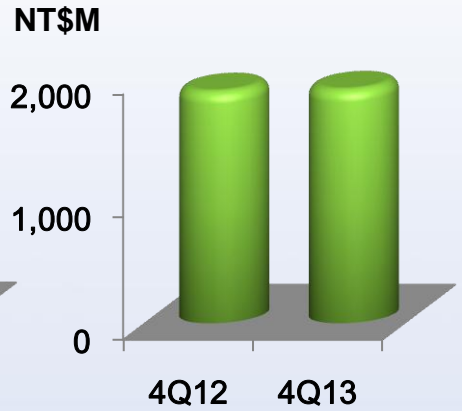


Note: Revenue excluded foundry and others

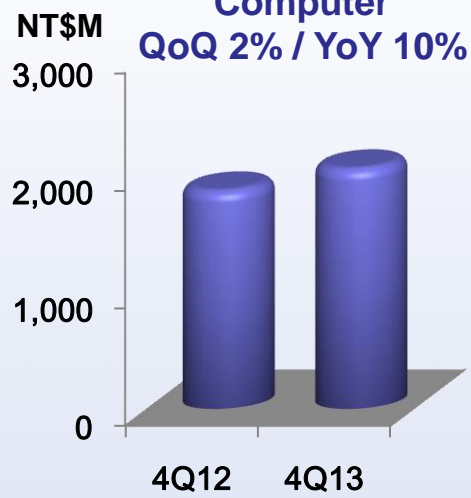
**Car & Industrial**  
QoQ 4% / YoY 93%



**Consumer**  
QoQ 3% / YoY 1%



**Computer**  
QoQ 2% / YoY 10%



**Communication**  
QoQ 9% / YoY 14%

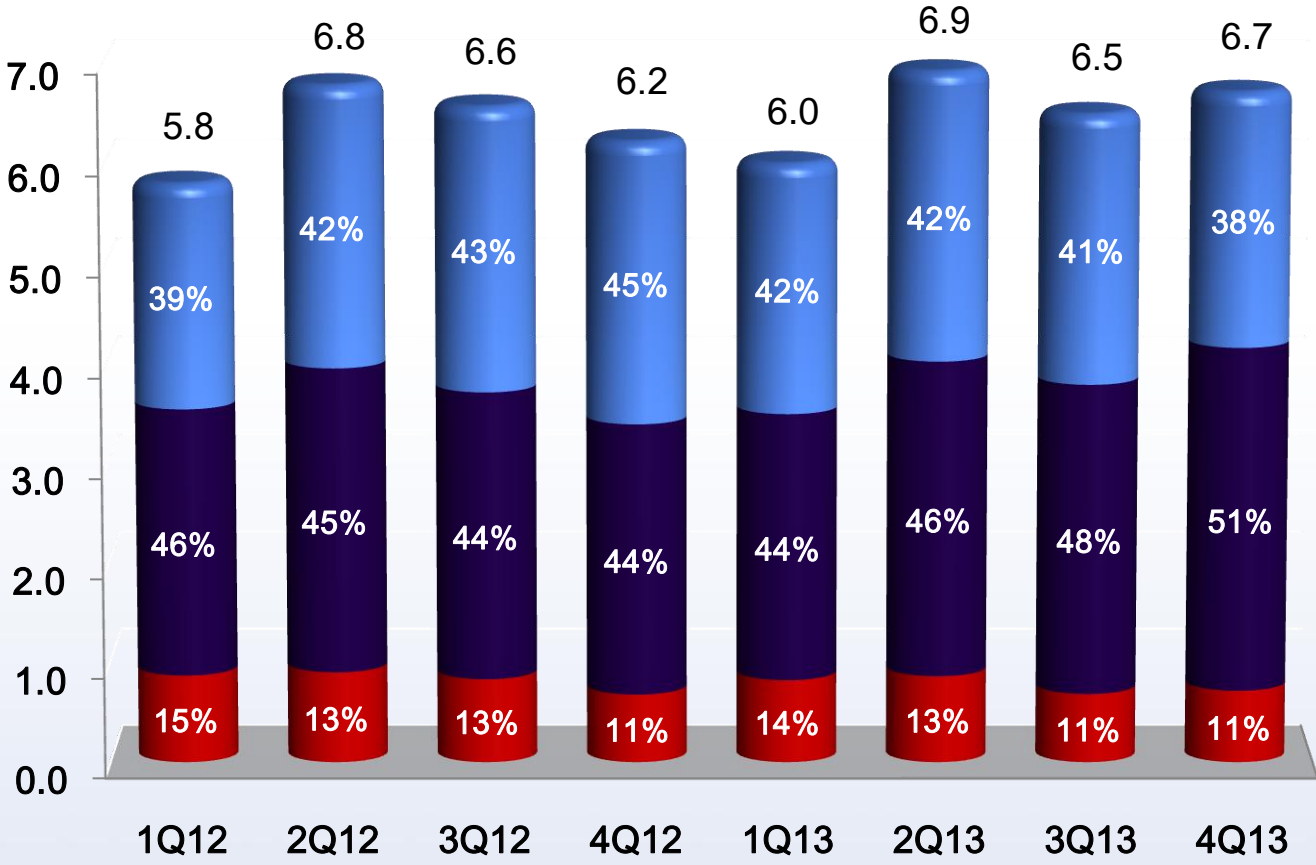






# 4Q13 Revenue Breakdown by Product

Revenue (NT\$B)



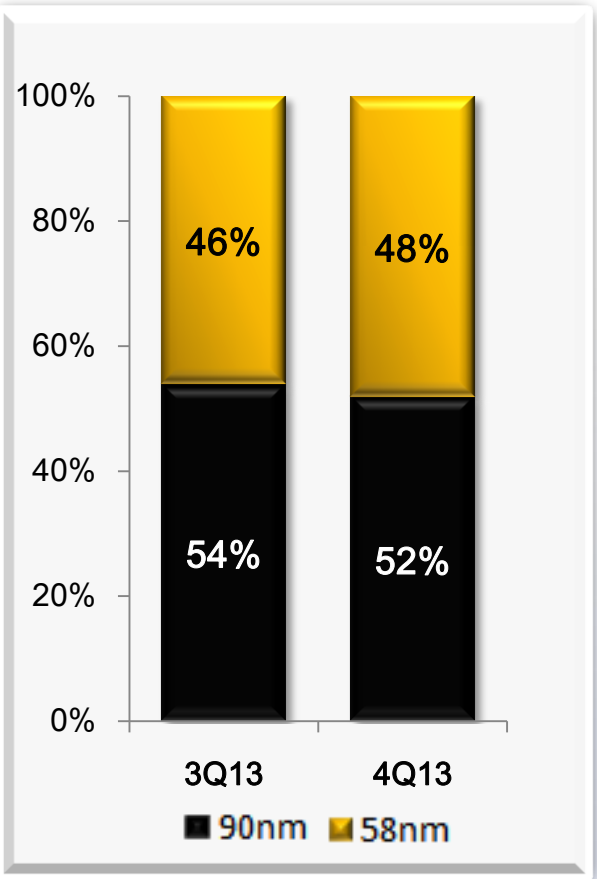
	QoQ	YoY
Flash	(5%)	(10%)
Specialty	11%	27%
Mobile	5%	6%

Note: Specialty included Graphic

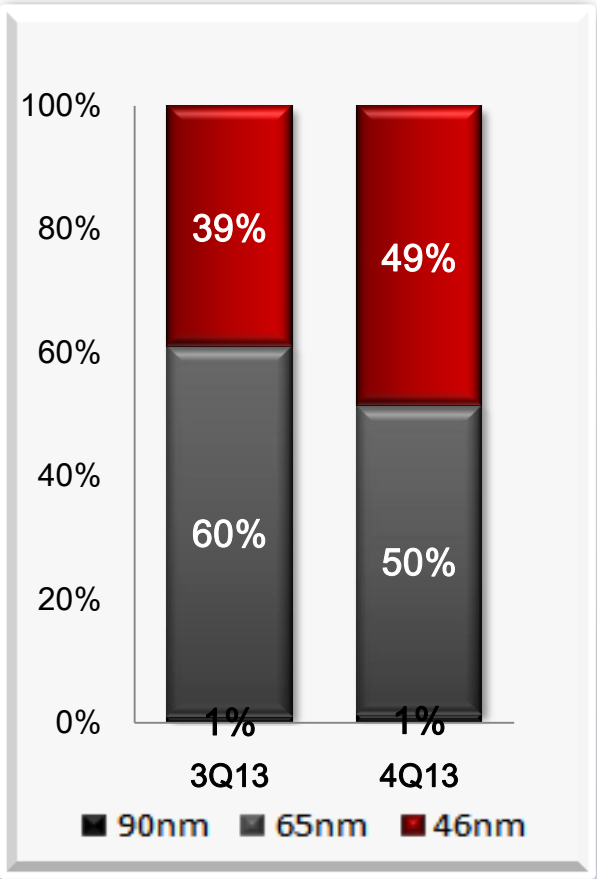


# Revenue Breakdown by Geometry

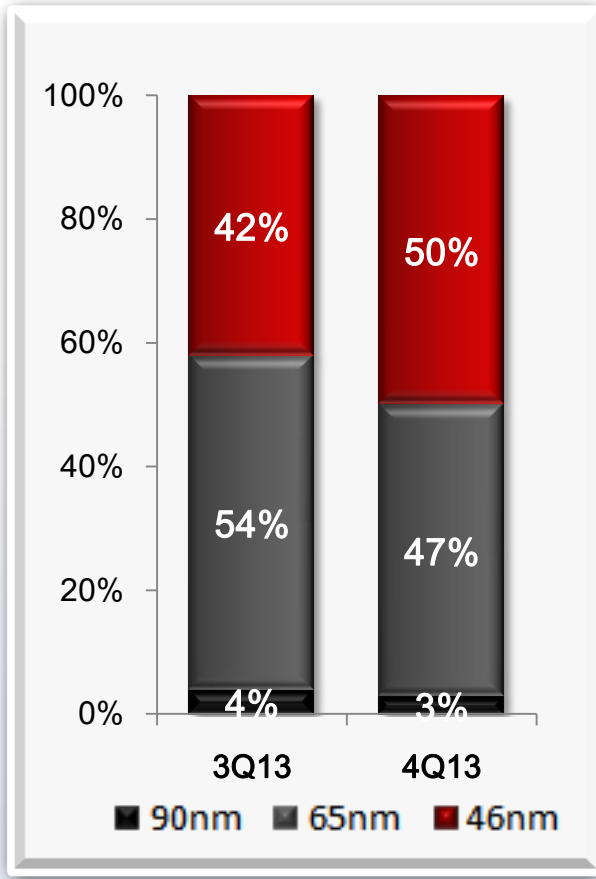
## Flash Memory



## Mobile DRAM



## Specialty DRAM



Note: Specialty including Graphic



## 4Q13 Flash Memory Business

	QoQ	YoY
Revenue	(5%)	(10%)

- **Price erosion continued due to market over-supply**
  - Winbond maintains leading market position
- **Market demand remained healthy**
  - Increasing applications using SPI Flash
- **Business in handheld increased 15% QoQ**



## 4Q13 Specialty DRAM Business

	QoQ	YoY
Revenue	11%	27%

- **Increased demand from tier-1 customers/markets**
  - Handheld, networking, set-top box and digital display
- **Continuous improvement in gross margin**
- **46nm products accounted for 50% revenue (vs. 42% in 3Q13)**



## 4Q13 Mobile DRAM Business

	QoQ	YoY
Revenue	5%	6%

- Increased business in handheld and digital display
- Low power DRAM accounted for 63% Mobile DRAM revenue (vs. 61% in 3Q13)
- Many low power DRAM design-ins ongoing



## Y2013 vs Y2012

NT\$B	Y2013	Y2012	YoY
Flash	10.6	10.7	-1%
Specialty	12.4	11.4	9%
Mobile	3.1	3.3	-6%
<b>Total Revenue</b>	<b>26.2</b>	<b>25.4</b>	<b>3%</b>

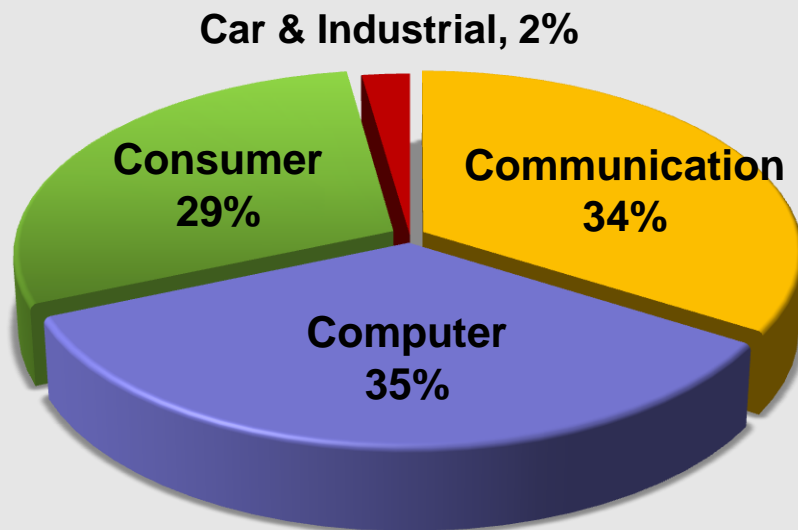
- ***Specialty DRAM***
  - Stable DRAM market
  - Increased share in tier-1 customers/applications
- ***Mobile DRAM***
  - Business growth in low power DRAM, while PSRAM declined
- ***Flash***
  - Severe price erosion due to market over-supply



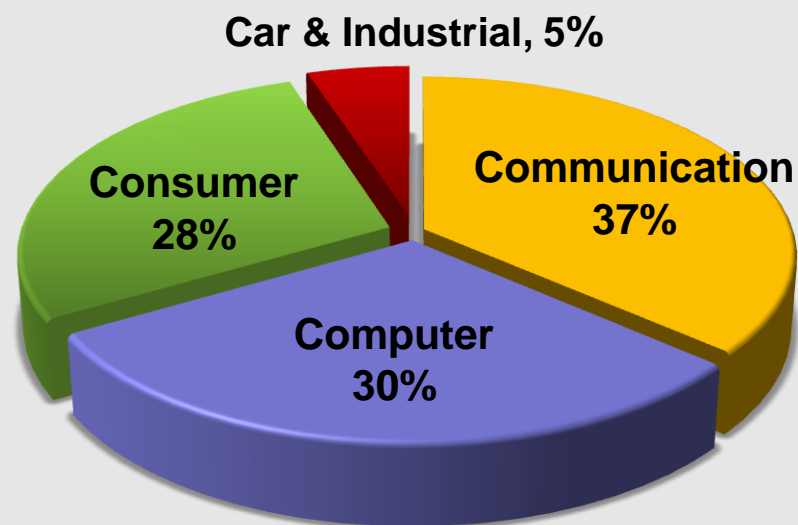
# Revenue Breakdown by Application

*Growing business in Car and Industrial*

**Y2012**



**Y2013**



Note: Revenue excluded foundry and others





# 2014 Winbond Business Outlook

## DRAM Business

- Healthy DRAM market supports stable/reasonable ASP and GM
- Increasing business from tier-1 customers and automotive segment
- Increasing output from technology migration and DRAM outsourcing
- Significant growth in low power DRAM business

## Flash Business

- Maintain leading market position, while severe competition continues
- Increasing business in (brand-name) mobile phones
- Business of 1Gb code-storage Flash ramps up in 2H

# Questions & Answers

## Company website

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