

LITE-ON TECHNOLOGY CORPORATION

A World-Class Company Striving for Excellence

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# Lite-On Technology

## 3Q09 Results Presentation

October 28, 2009



# Agenda

- **Financial Results** **Julia Wang**  
IR/PR Director
- **Q&A**
  - KC Terng**  
Lite-On Tech CEO
  - Warren Chen**  
Lite-On Group Deputy CEO
  - Cor Saris**  
LITEONMOBILE/ Perlos CEO
  - Michael Chuang**  
Lite-On Green Technologies  
President



## Safe Harbor Notice

Lite-On Technology's statement of its current expectations are forward-looking statements which are subject to significant risks and uncertainties. Actual results may differ materially from those contained in any forward-looking statements.

# 3Q09 Results

(Lite-On Tech Pro Forma )

<i>In NT Millions</i>	3Q09		2Q09		QoQ	3Q08(w/o DD)		YoY
	Amount	%	Amount	%	%	Amount	%	%
<b>Net Sales</b>	<b>26,545</b>	<b>100.0</b>	<b>22,678</b>	<b>100.0</b>	<b>17</b>	<b>30,120</b>	<b>100.0</b>	<b>-12</b>
<b>COGS</b>	<b>22,724</b>	<b>85.6</b>	<b>19,450</b>	<b>85.8</b>	<b>17</b>	<b>25,838</b>	<b>85.8</b>	<b>-12</b>
<b>Gross Profit</b>	<b>3,821</b>	<b>14.4</b>	<b>3,228</b>	<b>14.2</b>	<b>18</b>	<b>4,281</b>	<b>14.2</b>	<b>-11</b>
<b>Operating Expense</b>	<b>2,048</b>	<b>7.7</b>	<b>1,822</b>	<b>8.0</b>	<b>12</b>	<b>2,311</b>	<b>7.7</b>	<b>-11</b>
<b>Operating Profit</b>	<b>1,773</b>	<b>6.7</b>	<b>1,406</b>	<b>6.2</b>	<b>26</b>	<b>1,970</b>	<b>6.5</b>	<b>-10</b>
<b>Other Income/Expense</b>	<b>944</b>	<b>3.6</b>	<b>463</b>	<b>2.0</b>	<b>104</b>	<b>540</b>	<b>1.8</b>	<b>75</b>
<b>Profit Before Tax</b>	<b>2,717</b>	<b>10.2</b>	<b>1,869</b>	<b>8.2</b>	<b>45</b>	<b>2,509</b>	<b>8.3</b>	<b>8</b>
<b>Profit After Tax</b>	<b>2,494</b>	<b>9.4</b>	<b>1,626</b>	<b>7.2</b>	<b>53</b>	<b>2,190</b>	<b>7.3</b>	<b>14</b>
<b>After Tax EPS</b>	<b>1.13</b>		<b>0.75</b>			<b>0.95</b>		

Note : EPS figures are calculated based on the weighted average share count of 2,204M, 2,173M, and 2,204M for 3Q09, 2Q09 and 3Q08, respectively.

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## Q1~Q3 09 Results (w/o DD)

NT\$ mn	Q1~Q3 2009		Q1~Q3 2008		YoY
	Amount	%	Amount	%	
NSB	68,669	100.0	80,150	100.0	-14.3
COGS	59,221	86.2	69,536	86.8	-14.8
GP	9,449	13.8	10,614	13.2	-11.0
OPEX	5,407	7.9	6,469	8.1	-16.4
OP	4,042	5.9	4,145	5.2	-2.5
OI/OE	1,038	1.5	1,231	1.5	-15.7
PBT	5,080	7.4	5,376	6.7	-5.5
PAT	4,493	6.5	4,484	5.6	0.2
EPS	2.04		2.03		

## Non-Operating Items

In NT\$ Millions	3Q09	YTD 09
Net Interest	(41)	(138)
FX	(2)	56
Investment Income	1,064	1,237
LOIT	321	476
Silitech	200	416
LOS	5	(84)
Perlos	162	10
Other Investment Income	376	420
Others	(77)	(116)
Total	944	1,038

## Perlos 3Q09 Results

In € Millions	3Q09	2Q09	QoQ	3Q08	YoY
<b>Net Sales</b>	123.1	104.0	18%	109.6	12%
<b>COGS</b>	105.0	91.5	15%	88.5	19%
<b>Gross Profit</b>	18.1	12.5	45%	21.1	-14%
<b>Operating Expense</b>	11.9	12.4	-3%	13.8	-14%
<b>Operating Profit</b>	6.2	0.1	4890%	7.3	-14%
<b>OI/OE</b>	(2.2)	6.3	--	(3.6)	41%
<b>PBT</b>	4.1	6.4	-37%	3.6	12%
<b>Tax</b>	0.6	0.4	62%	1.9	-69%
<b>PAT</b>	3.5	6.1	-43%	1.7	103%
<b>Gross Profit %</b>	14.7%	12.0%		19.2%	
<b>Operating Expense %</b>	9.7%	11.9%		12.6%	
<b>Operating Profit %</b>	5.0%	0.1%		6.6%	

Note : Historical figures are restated per ROC GAAP.

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# Highlights

## **Strong growth in Q3**

- Q3 sales up 17% Q/Q, attributable to new product launches, market share gain with seasonal growth, mainly in Power Supply (+18%), Opto-LED (+16%), HIS-PC Keyboard (+30%) and Enclosure (+19%)

## **Well control and reduction in COGS and OPEX**

- COGS % down 0.2% Q/Q, given the increasing commodity prices, thanks to the upturn in productivity and utilization
- Q3 Opex %(pre-bonus) was 6.1%, reduced by 0.8% Q/Q and 0.4% Y/Y, well on schedule

## **Margins expansion on the uptrend**

- Q3 GP and OP Margin reached 14.4% and 6.7%, up 0.2% and 0.5% Q/Q, respectively, higher than Q308 level





## Highlights (Cont'd)

### **Sustainable sales momentum and margins in Q4**

- Thanks to our concentration in East China, long-lasting cost competitiveness and on-going market share gain, the sustainable sales momentum and margins is expected in Q4

### **Effective Cash Management**

- Net Cash reached NT\$9.8 billion in Q3, resulting from solid cash position, positive free cash flow (FCF) and strict control in the Inventory and Account Receivables continuously

### **Disposal of 6.6% stake in Silitech**

- To enhance LiteOn return on investment and improve Silitech shareholder structure, the Board has approved the disposal of 6.6% stake in Silitech to some quality QFIs on October 16<sup>th</sup>



## Perlos 3Q09 Highlights

### **Continuing Improvement in Operating Performance in 3Q09**

- Sales increase by 18% Q/Q and 12% Y/Y
- Gross margin continuing to improve due to increasing utilization
- Operating expense % down 2% Q/Q and 3% Y/Y as Asian migration benefits realized
- Hence, 5% operating margin and 3% net margin resulting from strong operational improvement

### **Staying Positive for 2009**

- Momentum continues into Q4 in sales, thanks to ongoing programs ramp-ups and higher utilization; expect equal or better revenue level
- Maintaining growth and profitability targets for 2009

## 3Q09 Balance Sheet

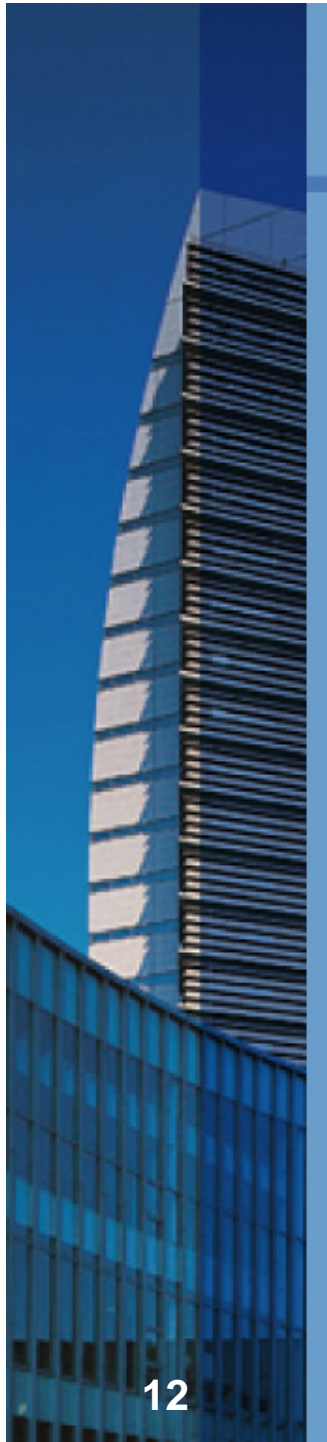
<i>In NT Millions</i>	3Q09		2Q09		3Q08	
	Amount	%	Amount	%	Amount	%
Cash & Equivalent	25,458	21%	22,771	20%	21,405	17%
Accounts Receivable	24,531	20%	20,267	18%	★31,550	25%
Inventories	10,775	9%	9,548	9%	★11,496	9%
Total Assets	119,877	100%	111,752	100%	126,516	100%
Short Term Debt	58	0%	53	0%	3,862	3%
Accounts Payable	36,888	31%	30,244	27%	★45,785	36%
Long Term Debt	15,617	13%	16,121	14%	10,938	9%
Total Liabilities	58,838	49%	53,423	48%	69,295	55%
Equities	61,039	51%	58,328	52%	57,236	45%

### Key Indices

★ Without DD BU

A/R Turnover Days	72	77	82
Inventory Turnover Days	33	34	35
Current Ratio (x)	1.49	1.50	1.21
Quick Ratio (x)	1.23	1.24	1.01

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**Thank You!**