

LITE-ON TECHNOLOGY CORPORATION

A World-Class Company Striving for Excellence

Lite-On Technology

Andrew Lin

Chief Financial Officer

Aug 30, 2007



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.



2Q 2007 Financial Results

Report Card For 2Q 2007 Results

		Promised	Delivered	Grade
Financial	Sales Growth	5~10% QoQ	11% QoQ	A
	Operating Margin	4.0% \pm 30bp	3.4%	C
Operation	Enclosure	40~50% YoY	71% YoY	A
	Power	20 ~ 25% YoY	29% YoY	A
	LED	10 ~ 15% YoY	7% YoY	C
	Imaging	-30 ~ -40% YoY	-34% YoY	B

2Q 2007 Results - QoQ

(Lite-On Tech Pro Forma)

<i>In NT Millions</i>	2Q 2007		1Q 2007		QoQ
	Amount	%	Amount	%	%
Net Sales	42,325	100.0	38,138	100.0	11.0
COGS	38,263	90.4	34,181	89.6	11.9
Gross Profit	4,062	9.6	3,957	10.4	2.7
Operating Expense	2,613	6.2	2,625	6.9	-0.5
Operating Profit	1,449	3.4	1,332	3.5	8.8
Other Income/Expense	1,008	2.4	725	1.9	39.0
Profit Before Tax	2,457	5.8	2,057	5.4	19.4
Profit After Tax	2,158	5.1	1,737	4.6	24.2
After Tax EPS	0.79		0.64		

Note : EPS is calculated based on the paid-in capital of NT\$27.259B

* Historical EPS rebased with the current paid-in capital

2Q 2007 Results - YoY

(Lite-On Tech Pro Forma)

<i>In NT Millions</i>	2Q 2007		2Q 2006		YoY
	Amount	%	Amount	%	%
Net Sales	42,325	100.0	40,342	100.0	4.9
COGS	38,263	90.4	36,113	89.5	6.0
Gross Profit	4,062	9.6	4,229	10.5	-3.9
Operating Expense	2,613	6.2	2,615	6.5	-0.1
Operating Profit	1,449	3.4	1,614	4.0	-10.2
Other Income/Expense	1,008	2.4	508	1.3	98.4
Profit Before Tax	2,457	5.8	2,123	5.3	15.7
Profit After Tax	2,158	5.1	1,935	4.8	11.5
After Tax EPS	0.79		0.71		

Note : EPS is calculated based on the paid-in capital of NT\$27.259B

* Historical EPS rebased with the current paid-in capital

Highlights From 1H 2007

- ▣ **Worst is over:**
2Q saw revenue YoY growth, slightly earlier than expected. After-tax profit also grew 24% sequentially in 2Q
- ▣ **Strength in both core & non-core business:**
Power business grew 27% YoY and Enclosure business jumped 56% YoY; non-op delivered 128% YoY due to improving performance of subsidiaries and interest income
- ▣ **Improving shareholder value:**
Highest payout in history and lowest share-base dilution from bonus shares, in addition to a one-time special dividend

1H 2007 EPS Effectively Grew 26% YoY

<i>Unit: million shares</i>		Share Count – Beginning	Share Count - Ending
Capital Reduction	-873	2,910	2,037
<p><i>Using the new share count, 1H 2007 EPS was effectively NT\$1.91, up 26% yoy</i></p>			
LSE Share Swap	89	2,037	2,126
Earnings Distribution	55	2,126	2,181

*In the year of 2007, total share count
will be reduced by 25%*

Cash Yield at the Historical High of 7%

- ▣ Payout ratio significantly up from 72% to 81%
- ▣ Cash dividend greatly increased by 38% YoY
- ▣ Currently, cash yield at historical high of 7%

*After capital reduction, cash dividend per share adjusted from **NT\$2.4** to **NT\$3.3** per share*

	2003	2004	2005	2006	Average
Cash Div (NT\$)	1.4	2.0	2.4	3.3	2.3
Cash Yield	4.4%	6.1%	5.0%	6.9%	5.6%
Total Payout	72%	72%	72%	81%	74%

2007 Builds Future Growth Engines

- ▣ **“Customer-Centric Growth” strategy starts showing results**
 - Zoom in on high-growth customers for further penetration
 - Extend footprint into untapped non-PC and high-growth markets
 - Revenue growth turned positive slightly earlier than expected

- ▣ **2007 ~ 2008 the first turning point for Lite-On Tech**
 - 2007 launching new projects with new customers
 - 2008 to begin the full-scale expansion
 - Core business coupled with strategic M&A to fuel the strength

- ▣ **Improving capital management and shareholder value**
 - Effectively reduced 25% of share count since 2006 year-end
 - Book value per share increased 27% from NT\$22 to NT\$28
 - Cash dividend up 38% YoY; bonus shares lowered by 23% YoY



Appendix

1H 2007 Results - YoY

(Lite-On Tech Pro Forma)

<i>In NT Millions</i>	1H 2007		1H 2006		YoY
	Amount	%	Amount	%	%
Net Sales	80,463	100.0	83,375	100.0	-3.5
COGS	72,444	90.0	74,657	89.5	-3.0
Gross Profit	8,019	10.0	8,718	10.5	-8.0
Operating Expense	5,238	6.5	5,121	6.1	2.3
Operating Profit	2,782	3.5	3,597	4.3	-22.7
Other Income/Expense	1,733	2.2	757	0.9	128.9
Profit Before Tax	4,515	5.6	4,354	5.2	3.7
Profit After Tax	3,895	4.8	3,994	4.8	-2.5
After Tax EPS	1.43		1.47		

Note : EPS is calculated based on the paid-in capital of NT\$27.259B

* Historical EPS rebased with the current paid-in capital

2Q 2007 Balance Sheet – QoQ

<i>In NT Millions</i>	2Q 2007		1Q 2007		QoQ
	Amount	%	Amount	%	%
Cash & Equivalent	35,480	27.5	32,596	26.5	8.8
Accounts Receivable	34,592	26.8	31,972	26	8.2
Inventories	18,216	14.1	18,134	14.7	0.5
Total Assets	129,126	100	123,074	100	4.9
Short Term Debt	8,033	10.3	7,865	6.4	2.1
Accounts Payable	60,405	77.7	39,921	32.4	51.3
Long Term Debt	1,600	2.1	1,600	1.3	0
Total Liabilities	77,757	60.2	57,849	47	34.4
Equities	51,369	39.8	65,225	53	-21.2

2Q 2007 Balance Sheet – YoY

<i>In NT Millions</i>	2Q 2007		2Q 2006		YoY
	Amount	%	Amount	%	%
Cash & Equivalent	35,480	27.5	38,150	30.2	-7
Accounts Receivable	34,592	26.8	31,087	24.6	11.3
Inventories	18,216	14.1	18,726	14.8	-2.7
Total Assets	129,126	100	126,384	100	2.2
Short Term Debt	8,033	10.3	9,645	13.4	-16.7
Accounts Payable	60,405	77.7	47,482	66.2	27.2
Long Term Debt	1,600	2.1	2,915	4.1	-45.1
Total Liabilities	77,757	60.2	71,758	56.8	8.4
Equities	51,369	39.8	54,626	43.2	-6

Non-Operating Income Details

<i>NT\$M</i>	1Q06	2Q06	3Q06	4Q06	1Q07	2Q07
Net Interest	-1	8	32	79	93	158
FX	9	4	181	127	51	50
Disposal Gains	-71	9	7	351	219	202
Inv Income	308	384	229	-192	297	478
LOIT	142	237	8	-200	127	171
Silitech	101	112	136	118	97	136
LOS	64	24	47	40	19	39
LSE	0	8	16	11	16	22
Logah	0	2	27	36	30	30
Others	0	0	-5	-197	9	80
Others	3	103	86	176	65	120
Total	248	508	535	541	725	1,008

Year-end Cash Position

<i>NT\$B</i>	2007(E)
Gross Cash*	35.5
- Capital Reduction	(8.7)
- Cash Dividend Payout	(7.0)
- Acquisition of Perlos	(12.5)
Net Gross Cash	2.8
+ Cash Inflow	7.0
Year-end Gross Cash	9.8
- Net Debt	9.6
Net Cash	0.2

- Cash generation ability
- Subsidiaries