

LITE-ON TECHNOLOGY CORPORATION

A World-Class Company Striving for Excellence

Lite-On Technology

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Chief Financial Officer

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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.



1Q 2007 Financial Results

Report Card For 1Q 2007 Results

		Promised	Delivered	Grade
Financial	Sales Growth	Decline 10 ~ 15% QoQ	Decline 9% QoQ	A
	Operating Margin	3.5 ~ 4.0%	3.5%	B
Operation	Enclosure	30 ~ 35% YoY	40% YoY	A
	Power	20 ~ 25% YoY	25% YoY	B
	LED	10 ~ 15% YoY	12% YoY	B
	Imaging	-30 ~ -40% YoY	-35% YoY	B

1Q 2007 Results - QoQ

(Lite-On Tech Pro Forma)

<i>In NT Millions</i>	1Q 2007		4Q 2006		QoQ
	Amount	%	Amount	%	%
Net Sales	38,138	100.0	41,916	100.0	-9.0
COGS	34,181	89.6	37,058	88.4	-7.8
Gross Profit	3,957	10.4	4,858	11.6	-18.5
Operating Expense	2,625	6.9	2,647	6.3	-0.9
Operating Profit	1,332	3.5	2,211	5.3	-39.7
Other Income/Expense	725	1.9	541	1.3	34.0
Profit Before Tax	2,057	5.4	2,752	6.6	-25.2
Profit After Tax	1,737	4.6	2,306	5.5	-24.7
After Tax EPS	0.60		0.80		

Note : EPS is calculated based on the paid-in capital of NT\$28.714B

* Historical EPS rebased with the current paid-in capital

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1Q 2007 Results - YoY

(Lite-On Tech Pro Forma)

<i>In NT Millions</i>	1Q 2007		1Q 2006		YoY
	Amount	%	Amount	%	%
Net Sales	38,138	100.0	43,033	100.0	-11.4
COGS	34,181	89.6	38,544	89.6	-11.3
Gross Profit	3,957	10.4	4,488	10.4	-11.8
Operating Expense	2,625	6.9	2,505	5.8	4.8
Operating Profit	1,332	3.5	1,983	4.6	-32.8
Other Income/Expense	725	1.9	248	0.6	192.1
Profit Before Tax	2,057	5.4	2,231	5.2	-7.8
Profit After Tax	1,737	4.6	2,059	4.8	-15.6
After Tax EPS	0.60		0.72		

Note : EPS is calculated based on the paid-in capital of NT\$28.714B

* Historical EPS rebased with the current paid-in capital

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Highlights From 1Q 2007

- ▣ **High-margin products showed strength in slowest quarter of 2007**
 - LED up 12% YoY
 - Power Supply up 25% YoY
 - Enclosure saw record-high quarter with 40% YoY growth

- ▣ **Excluding the increasing cost in labor and raw material, OP would have been 30-40bp higher**

- ▣ **Non-operating items also improving**
 - Worst is over for Lite-On IT, returning to growth phase in 2Q 2007
 - Investment income from LSE/Logah totaled NT\$50mn in 1Q vs. NT\$100mn in the year of 2006
 - Disposed 3.5mn shares of Logah, booking NT\$190mn in 1Q; payback period was less than 10 months

2007 Cash Dividend Yield At 13%

*Disciplined capital management:
returning excess cash to shareholders
via Capital Reduction*

		2003	2004	2005	2006	Average
Cash Dividend (NT\$)	Regular	1.4	2.0	2.4	2.4	2.1
	Special	-	-	-	3.0	-
	Total	1.4	2.0	2.4	5.4	2.8
Cash Yield		4%	6%	5%	13%	7%
Total Payout		72%	72%	72%	81%	74%

Historical-high payout ratio

Committed To Increase Shareholder Value

	Lite-On	Compal	Wistron	Delta	Asustek	Hon Hai
2006 EPS (NT\$)	3.04	2.35	4.32	5.76	5.65	11.47
Dividend Payout	81%	74%	65%	87%	35%	44%
Stock Dividend (NT\$)	0.05	0.05	0.60	0.50	0.50	2.00
Cash Dividend (NT\$)	2.40	1.70	2.20	4.50	1.50	3.00
Cash Ratio	98%	97%	79%	90%	75%	60%
Employee Bonus (Lots)	40,000	35,444	33,492	38,500	70,000	89,000
Share Base Dilution	1%	1%	3%	2%	2%	2%
Earnings Dilution	19%	12%	30%	35%	28%	33%
Capital (NT\$B)	28.7	38.1	12.7	19.7	34.1	51.7
Price (NT\$)	41.7	31.45	50	103.5	76	218
Market Cap (NT\$B)	121.4	119.9	63.6	203.8	259.3	1,126.7
Cash Yield	6%	5%	4%	4%	2%	1%
QFII holding	59%	57%	64%	70%	29%	60%

Note: Total cash yield in 2007 is 13%, including the special dividend.

All market info based on data from April 27, 2007

2007 Powered By New Growth Engines

- ▣ **“Customer-Centric Growth” strategy starts showing results**
 - 1Q 2007 begins diversifying customer base
 - Extend footprint into high-growth, non-PC markets
 - Focus on 2 new customers for one-stop shopping service

- ▣ **Growth accelerates in 2H as new projects launch**
 - High-end power projects kickoff
 - Casing business penetrates server and game console
 - Greater exposure to high-margin products expected to enhance GP

- ▣ **Increasing dividend payout and lowering employee bonus shares**
 - Dividend payout up from 72% to 81% with 98% in cash
 - Regular and special dividend together offer 13% cash yield
 - Employee bonus shares significantly lowered by 23% to 40mn shares



Appendix

1Q 2007 Balance Sheet – QoQ

<i>In NT Millions</i>	1Q 2007		4Q 2006		QoQ
	Amount	%	Amount	%	%
Cash & Equivalent	32,596	26.5	34,091	26.9	-4.4
Accounts Receivable	31,972	26.0	34,922	27.5	-8.4
Inventories	18,134	14.7	18,906	14.9	-4.1
Total Assets	123,074	100.0	126,842	100.0	-3.0
Short Term Debt	7,865	6.4	9,938	7.8	-20.9
Accounts Payable	39,921	32.4	43,531	34.3	-8.3
Long Term Debt	1,600	1.3	1,600	1.3	0.0
Total Liabilities	57,849	47.0	63,891	50.4	-9.5
Equities	65,225	53.0	62,951	49.6	3.6

1Q 2007 Balance Sheet – YoY

<i>In NT Millions</i>	1Q 2007		1Q 2006		YoY
	Amount	%	Amount	%	%
Cash & Equivalent	32,596	26.9	34,756	30.1	-6.2
Accounts Receivable	31,972	27.5	30,582	23.7	4.5
Inventories	18,134	14.9	22,251	15.8	-18.5
Total Assets	123,074	100.0	124,139	100.0	-0.9
Short Term Debt	7,865	7.8	10,462	7.3	-24.8
Accounts Payable	39,921	34.3	41,230	38.5	-3.2
Long Term Debt	1,600	1.4	2,914	1.2	-45.1
Total Liabilities	57,849	50.4	67,644	54.1	-14.5
Equities	65,225	49.6	56,495	45.9	15.5

Non-Operating Income Details

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