

LITE-ON TECHNOLOGY CORPORATION

A World-Class Company Striving for Excellence

# Lite-On Technology

## 1Q10 Results Presentation

April 29, 2010



## 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.



## 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

# 1Q10 Results

(Lite-On Tech Pro Forma )

<i>In NT Millions</i>	1Q10		4Q09		QoQ	1Q09		YoY
	Amount	%	Amount	%	%	Amount	%	%
<b>Net Sales</b>	<b>28,671</b>	<b>100.0</b>	<b>28,560</b>	<b>100.0</b>	<b>0</b>	<b>19,446</b>	<b>100.0</b>	<b>47</b>
<b>COGS</b>	<b>25,116</b>	<b>87.6</b>	<b>24,397</b>	<b>85.4</b>	<b>3</b>	<b>17,047</b>	<b>87.7</b>	<b>47</b>
<b>Gross Profit</b>	<b>3,555</b>	<b>12.4</b>	<b>4,163</b>	<b>14.6</b>	<b>-15</b>	<b>2,400</b>	<b>12.3</b>	<b>48</b>
<b>Operating Expense</b>	<b>2,061</b>	<b>7.2</b>	<b>2,087</b>	<b>7.3</b>	<b>-1</b>	<b>1,537</b>	<b>7.9</b>	<b>34</b>
<b>Operating Profit</b>	<b>1,494</b>	<b>5.2</b>	<b>2,076</b>	<b>7.3</b>	<b>-28</b>	<b>863</b>	<b>4.4</b>	<b>73</b>
<b>Other Income/Expense</b>	<b>679</b>	<b>2.4</b>	<b>886</b>	<b>3.1</b>	<b>-23</b>	<b>-369</b>	<b>--</b>	<b>--</b>
<b>Profit Before Tax</b>	<b>2,173</b>	<b>7.6</b>	<b>2,962</b>	<b>10.4</b>	<b>-27</b>	<b>494</b>	<b>2.5</b>	<b>340</b>
<b>Profit After Tax</b>	<b>1,807</b>	<b>6.3</b>	<b>2,559</b>	<b>9.0</b>	<b>-29</b>	<b>373</b>	<b>1.9</b>	<b>384</b>
<b>After Tax EPS</b>	<b>0.82</b>		<b>1.16</b>			<b>0.17</b>		

Note : EPS figures are calculated based on the weighted average share count of 2,204M, 2,204M, and 2,173M for 1Q10, 4Q09, and 1Q09, respectively.

**LITEON**<sup>®</sup>

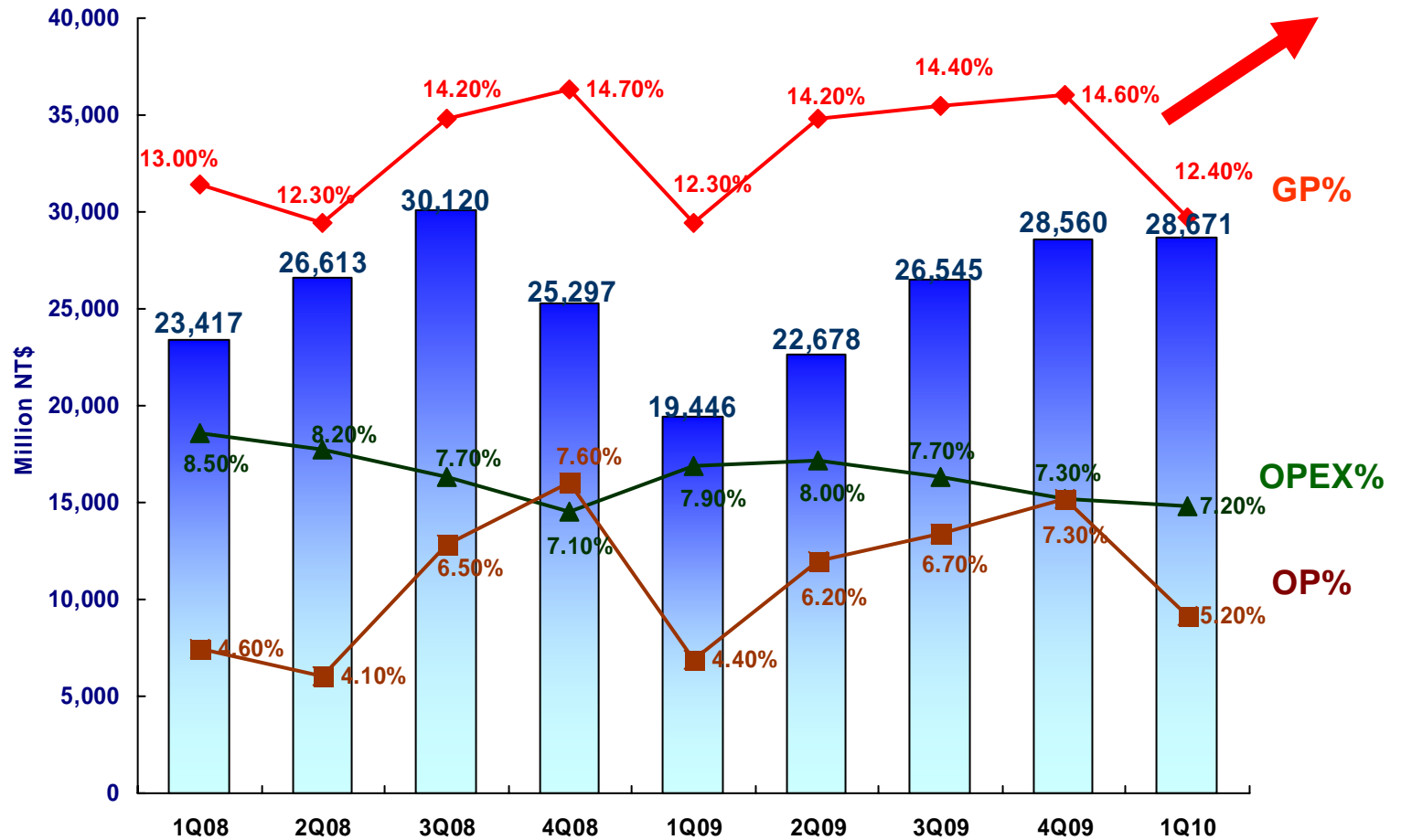
## Non-Operating Items

In NT\$ Millions	1Q10
Net Interest	(26)
FX	(16)
Investment Income	735
LOIT	344
Silitech	114
LOS	21
Perlos	228
Other Investment Income	28
Others	(14)
<b>Total</b>	<b>679</b>

## Perlos 1Q10 Results

In € Millions	1Q10	4Q09	QoQ	1Q09	YoY
<b>Net Sales</b>	133.1	130.0	2%	71.3	87%
<b>COGS</b>	112.9	112.8	0%	66.4	70%
<b>Gross Profit</b>	20.2	17.1	18%	4.9	312%
<b>Operating Expense</b>	11.8	13.0	-9%	12.1	-2%
<b>Operating Profit</b>	8.3	4.1	102%	(7.3)	--
<b>OI/OE</b>	(1.2)	(1.7)	28%	(2.0)	39%
<b>PBT</b>	7.1	2.4	196%	(9.3)	--
<b>Tax</b>	1.9	6.4	-70%	0.6	216%
<b>PAT</b>	5.2	(4.0)	--	(9.9)	--
<b>Gross Profit %</b>	15.2%	13.2%		6.9%	
<b>Operating Expense %</b>	8.9%	10.0%		17.0%	
<b>Operating Profit %</b>	6.2%	3.2%		-10.2%	

# Margins: bottomed out in Q1



# 1Q10 Balance Sheet

<i>In NT Millions</i>	1Q10		4Q09		1Q09	
	Amount	%	Amount	%	Amount	%
Cash & Equivalent	26,924	21%	27,820	23%	22,026	22%
Accounts Receivable	25,502	20%	24,193	20%	10,394	10%
Inventories	11,453	9%	11,522	9%	7,863	8%
<b>Total Assets</b>	<b>125,299</b>	<b>100%</b>	<b>123,383</b>	<b>100%</b>	<b>100,560</b>	<b>100%</b>
Short Term Debt	349	0%	248	0%	447	0%
Accounts Payable	37,796	30%	37,395	30%	17,806	18%
Long Term Debt	14,506	12%	14,513	12%	16,129	16%
<b>Total Liabilities</b>	<b>60,126</b>	<b>48%</b>	<b>59,140</b>	<b>48%</b>	<b>41,160</b>	<b>41%</b>
Equities	65,174	52%	64,243	52%	59,415	59%

## Key Indices

A/R Turnover Days	70	76	74
Inventory Turnover Days	31	34	34
CCC Days	-7	-5	-15
Current Ratio (x)	1.52	1.52	1.80
Quick Ratio (x)	1.26	1.25	1.47
Net Cash (NT Millions)	12,069	13,060	5,450





# Highlights

## **Solid revenue growth in Q1**

Q1 sales up 0.4% Q/Q, 47% Y/Y, posted a sequential growth in the 5th consecutive quarter, ahead of market

## **Higher cost pressure in Q1, OPEX remained on Schedule**

- COGS up 2.2% Q/Q temporarily, due to higher commodity prices and labor cost at the beginning of this year
- Q1 OPEX slightly down 0.1% Q/Q and 0.7% Y/Y, thanks to strong operating efficiency and business scale

## **Further expansion in Q2 sales and profit**

- Strong sales growth is expected in core businesses overall, thanks to better product mix with ongoing market share gains
- Substantial Gross and Operating margin improvements in Q2, resulting from better product mix, higher productivity and operating efficiency

## **Robust Balance Sheet**

- Net cash stayed at NT\$12 billion with CCC in 7days in a healthy level



## Perlos Highlights

### Strong performance in Q1

- Sales increase by 2% Q/Q and 87% Y/Y, record high since 2007
- Record gross margin performance in 6 quarters at 15.2% resulting from continued productivity improvement
- Operating margin improved to 6.2% thanks to stringent cost control

### Sustainable performance level in Q2 and confident in 2010

- Business development sustainable in Q2, thanks to continuous new program ramp-ups
- Striving productivity improvement to offset rising labor cost
- Confident in overall 2010 top and bottom-line performance

## Strong Commitment to Shareholder Value

- Lite-On is committed to maintaining a stable and generous dividend policy, aiming to maximize returns to shareholders
- 2009 payout ratio remains 72 %, with regular cash dividend of NT\$ 2.25 per share and stock dividend of NT\$ 0.05 per share
- Cash yield reaches 5.4 %, better than peers

<i>Regular Dividend</i>	2004	2005	2006	2007	2008	2009
<b>Payout Ratio</b>	72%	72%	85%	87%	72%	72 %
<b>Cash Yield</b>	5.9%	5.4%	6.4%	8.2%	5.7%	5.4 %



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**Thank You!**