

# *Etron Technology, Inc.*

**Q1 2007**

**Investor Conference**

**April 26, 2007**

# Safe Harbor Notice

**This following presentation contains forward-looking statements, which involve known and unknown risks and are subject to uncertainties that could cause actual performance, financial results, or operation conditions to be materially different from those contained in the forward-looking statements.**

**Except as required by law, we undertake no obligation to update any forward-looking statement, whether as result of new information, future events, or otherwise.**

# Outline

- **Financial Results**
- **Business Updates**
- **Messages**
- **Q&A**



# Highlights and Comparison of 2006

Amount: NT\$M	2006	2005	YoY
Net Sales	10,481	6,705	56%
Gross Profit	1,402	1,157	21%
Operating Income	608	532	14%
Income Before Tax	727	531	37%
Net Income	673	510	32%
EPS (NT\$)	1.95	1.67	17%
Total Assets	11,032	8,149	35%
Total Liabilities	4,839	2,902	67%
Shareholder's Equities	6,193	5,247	18%
ROE (%)	11.7	10.7	+1%Pts

# Income Statement of 2006

Amount: NT\$M	2006		2005		YoY
Net Sales	10,481	100%	6,705	100%	56%
COGS	(9,079)	(87%)	(5,548)	(83%)	64%
Gross Profit	1,402	13%	1,157	17%	21%
Operating Expenses	(794)	(7%)	(626)	(9%)	27%
Operating Income	608	6%	531	8%	14%
Non-Operating Income	119	1%	-	-	-
Income Before Tax	727	7%	531	8%	37%
Income Tax Benefit (Expense)	(54)	(1%)	(21)	-	153%
Net Income	673	6%	510	8%	32%
Earnings Per Share (NT\$)	1.95		1.67		0.28

# Balance Sheet of 2006

Amount: NT\$M	2006		2005		YoY
Cash & Equivalent	2,929	27%	1,329	16%	120%
Accounts Receivable	1,841	17%	1,462	18%	26%
Inventory	2,505	23%	2,285	28%	10%
L-T Investments	2,330	21%	1,521	19%	53%
<b>Total Assets</b>	<b>11,032</b>	<b>100%</b>	<b>8,149</b>	<b>100%</b>	<b>35%</b>
<b>Current Liabilities</b>	<b>2,541</b>	<b>23%</b>	<b>2,084</b>	<b>26%</b>	<b>22%</b>
Accounts Payable	2,280	21%	1,422	17%	60%
L-T Debt	2,240	20%	767	9%	192%
<b>Total Liabilities</b>	<b>4,839</b>	<b>44%</b>	<b>2,902</b>	<b>36%</b>	<b>67%</b>
<b>Total Equities</b>	<b>6,193</b>	<b>56%</b>	<b>5,247</b>	<b>64%</b>	<b>18%</b>

# Highlights and Comparison of Q1 2007

Amount: NT\$M	Q1'07	Q1'06	YoY
Net Sales	2,876	2,558	12%
Gross Profit	489	363	34%
Operating Income	291	200	45%
Income Before Tax	251	326	(23%)
Net Income	225	298	(24%)
EPS (NT\$)	0.65	0.92	(29%)
Total Assets	10,955	8,645	27%
Total Liabilities	4,117	2,535	62%
Shareholder's Equities	6,838	6,110	12%
ROE (%)	13.8	21.0	-7%Pts

# Income Statement of Q1 2007

Amount: NT\$M	Q1'07		Q4'06		QtQ	Q1'06		YoY
Net Sales	2,876	100%	3,246	100%	(11%)	2,558	100%	12%
COGS	(2,387)	(83%)	(2,698)	(83%)	(12%)	(2,195)	(86%)	9%
Gross Profit	489	17%	548	17%	(11%)	363	14%	34%
Operating Expenses	(198)	(7%)	(228)	(7%)	(13%)	(163)	(6%)	22%
Operating Income	291	10%	320	10%	(9%)	200	8%	45%
Non-Operating Income	(40)	(1%)	(58)	(2%)	(32%)	126	5%	(132%)
Income Before Tax	251	9%	262	8%	(4%)	326	13%	(23%)
Income Tax Benefit (Expense)	(26)	(1%)	(15)	-	74%	(28)	(1%)	(9%)
Net Income	225	8%	247	8%	(9%)	298	12%	(24%)
Capital	3,530		3,517			3,322		7%
Earnings Per Share (NT\$)	0.65		0.72			0.92		(29%)



# Balance Sheet of Q1 2007

Amount: NT\$M	Q1'07		Q4'06		QtQ	Q1'06		YoY
Cash & Equivalent	2,214	20%	2,929	27%	(24%)	1,942	22%	14%
Accounts Receivable	1,798	16%	1,841	17%	(2%)	1,396	16%	29%
Inventory	2,594	24%	2,505	23%	4%	1,716	20%	51%
L-T Investments	2,981	27%	2,330	21%	28%	2,083	24%	43%
<b>Total Assets</b>	<b>10,955</b>	<b>100%</b>	<b>11,032</b>	<b>100%</b>	<b>(1%)</b>	<b>8,645</b>	<b>100%</b>	<b>27%</b>
<b>Current Liabilities</b>	<b>1,819</b>	<b>17%</b>	<b>2,541</b>	<b>23%</b>	<b>(28%)</b>	<b>1,743</b>	<b>20%</b>	<b>4%</b>
Accounts Payable	1,599	15%	2,280	21%	(30%)	1,043	12%	53%
L-T Debt	2,240	20%	2,240	20%	-	745	9%	201%
<b>Total Liabilities</b>	<b>4,117</b>	<b>38%</b>	<b>4,839</b>	<b>44%</b>	<b>(15%)</b>	<b>2,535</b>	<b>29%</b>	<b>62%</b>
<b>Total Equities</b>	<b>6,838</b>	<b>62%</b>	<b>6,193</b>	<b>56%</b>	<b>10%</b>	<b>6,110</b>	<b>71%</b>	<b>12%</b>

# Key Indices - 1

	Q1'07	2006	2005	2004	2003
Revenue Growth (YoY%)	12	56	6	44	44
Gross Profit Margin (%)	17	13	17	23	15
Operating Income Margin (%)	10	6	8	15	6
Net Income Margin (%)	8	6	8	6	4
EPS - Before Tax	0.73	2.11	1.74	1.41	0.67
EPS - After Tax	0.65	1.95	1.67	1.62	0.81

# Key Indices - 2

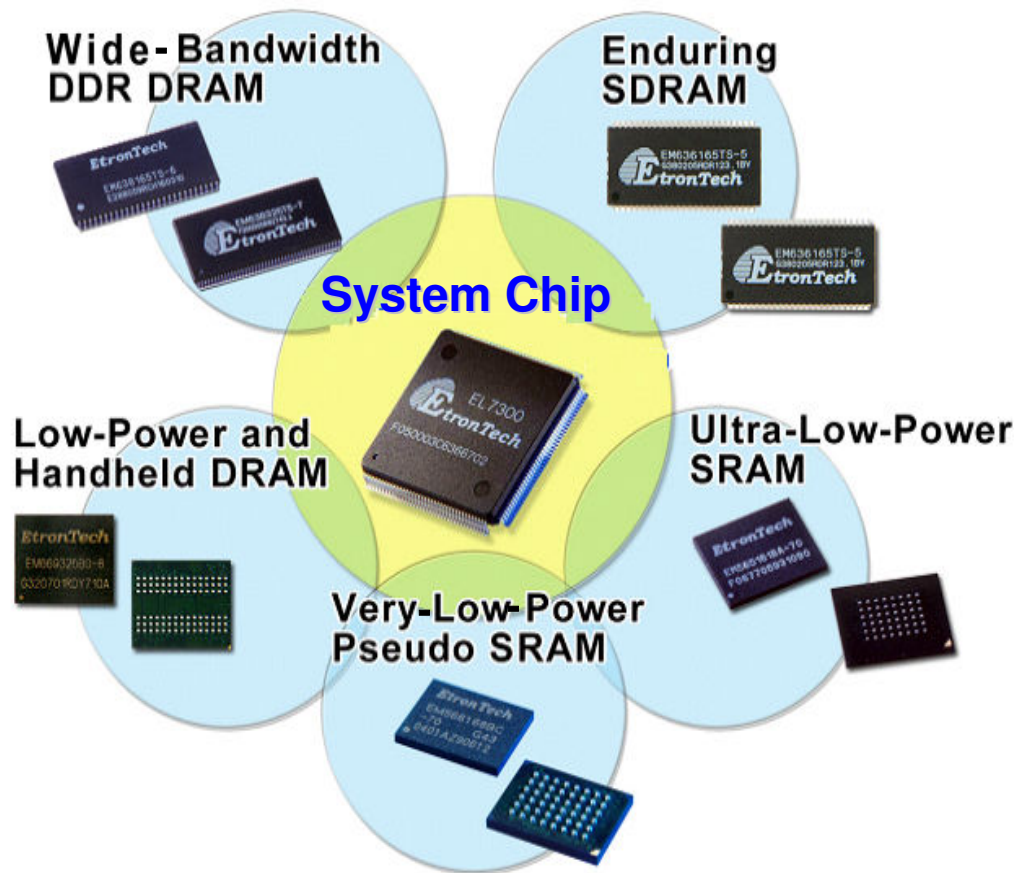
	Q1'07	2006	2005	2004	2003
A/R T/O Day	57	56	61	52	75
Inventory T/O Day	97	98	153	157	190
Asset Turnover	1.0	1.1	0.9	0.9	0.7
Current Ratio (%)	369	291	248	270	246
Equity Ratio (%)	62	56	65	63	47
ROE (%)	13.8	11.8	10.7	10.9	5.9

# Outline

- Financial Results
- Business Updates
- Messages
- Q&A



# Leading Solution Providers on Specialty DRAM, Known-Good-Die Memory, and Stacked System Chip



← **Various Package Types: TSOP, BGA, TQFP, CSP, etc.**

← **Classified Quality Grades including Known Good Dies**

← **Customized Solutions including Software and Multi-Dimensional Die Stacking**

# Etron's ICs Prevailing in 4C Areas

## Consumer Electronics



## Communication



## Computers

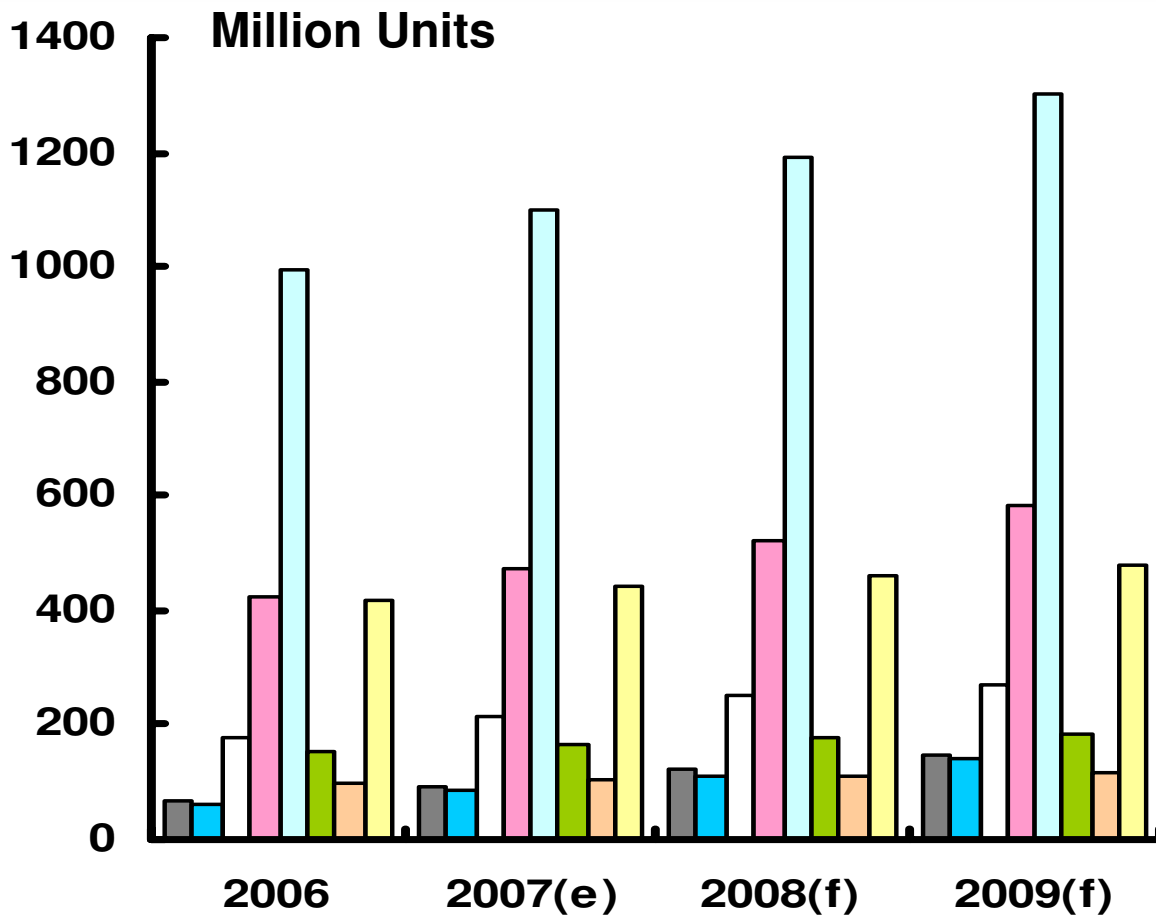


## Car/Mobile Vehicles



# Memory Application Markets: YoY

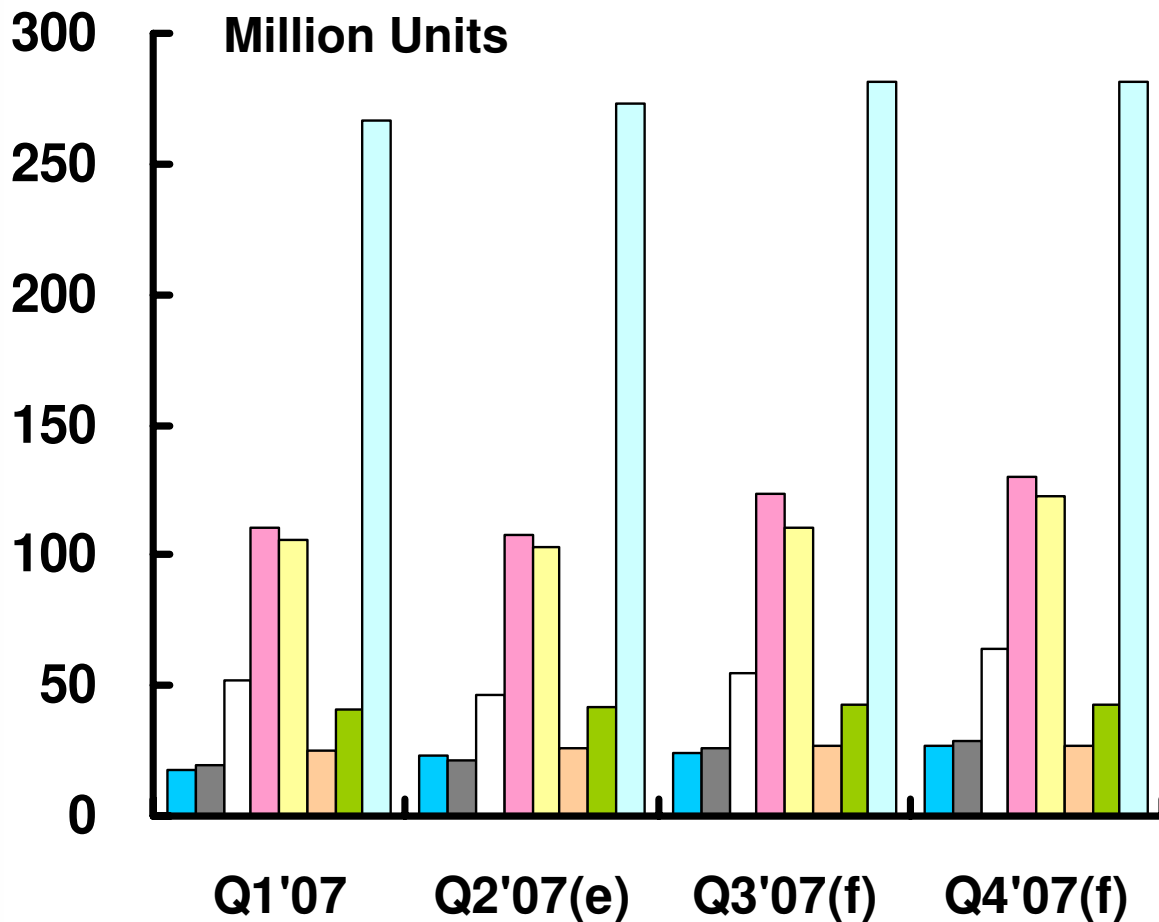
Application		'06~'09 CAGR
1	Panel	30.8%
2	DTV	30.7%
3	MP3+PMP	14.8%
4	HDD	11.0%
5	Cellular Phone	9.3%
6	Communication	7.2%
7	DSC+DVC	5.3%
8	ODD+Player	4.8%



Sources: IDC (Dec.'06), DisplaySearch (Mar.'07), Gartner Dataquest (Feb'07); Etron (Mar.'07)

# Memory Application Markets: QtQ

Application		Q1'07~Q4'07 CAGR
2	DTV	14.8%
1	Panel	14.6%
3	MP3+PMP	7.4%
4	HDD	5.5%
8	ODD+Player	4.9%
7	DSC+DVC	2.1%
6	Communication	1.9%
5	Cellular Phone	1.8%



Sources: IDC (Dec.'06), DisplaySearch (Mar.'07), Gartner Dataquest (Feb'07); Etron (Mar.'07)

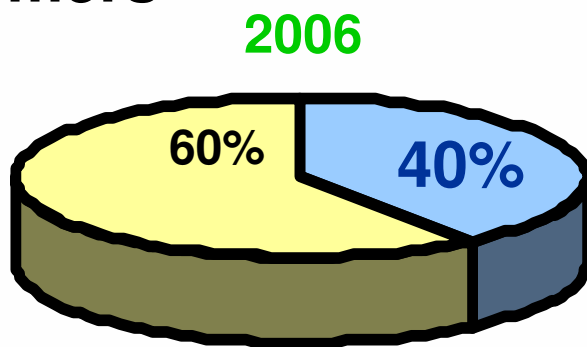


# Etron's Penetration in WW LCD TV Panel Market

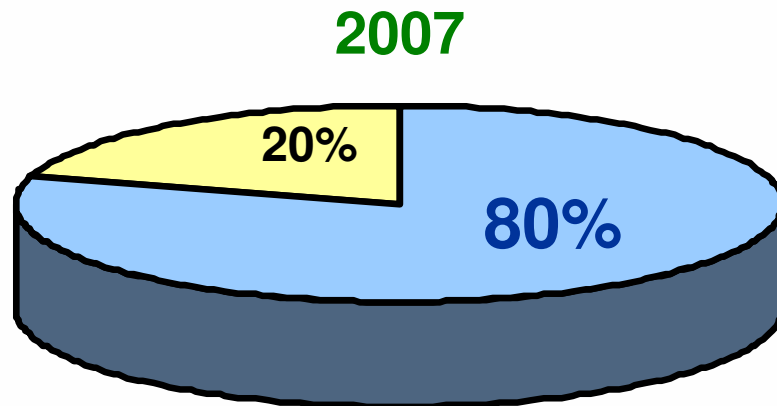
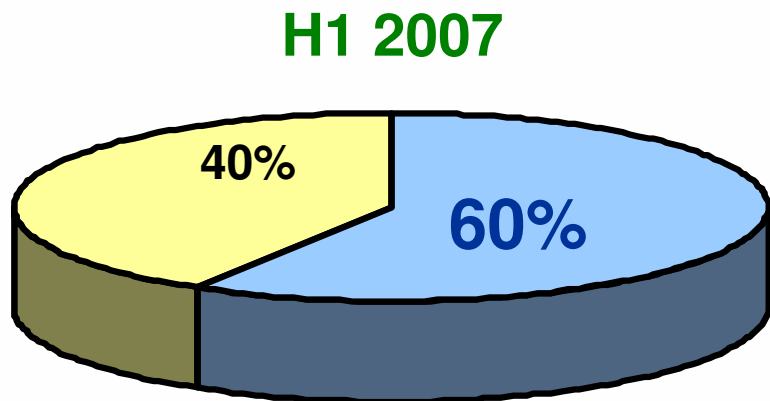
Market Share by

■ Etron's Customers

■ Others



2006 Global Shipment Volume: 55M Units



2007 Global Shipment Volume: 81M Units

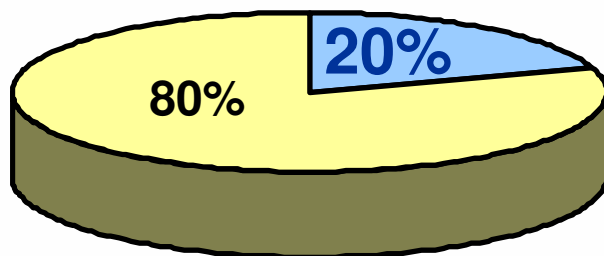
# Etron's Penetration in WW PDP TV Panel Market

Market Share by

■ Etron's Customers

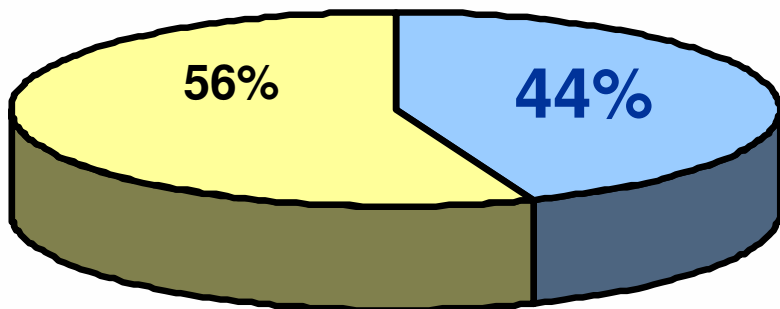
■ Others

2006

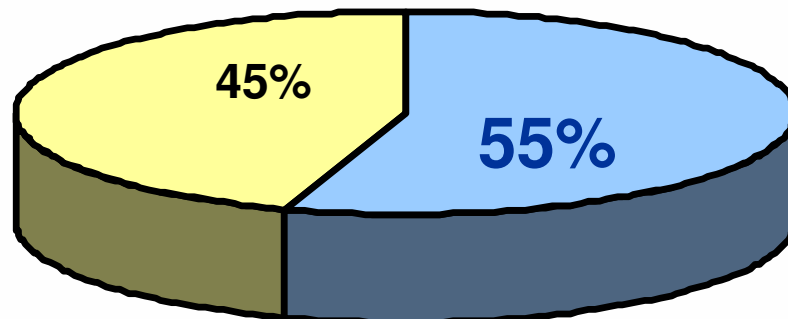


2006 Global Shipment Volume: 10M Units

H1 2007



2007



2007 Global Shipment Volume: 13M Units

# Mastering Technologies for Robust Design

## Mobility and Portability

### Low Voltage

3.3V □ 1.8V

### Low Power

1mA □ 0.001mA

### Small Form Factor

TSOP, TQFP □

BGA, Known-Good-Die



## Video, Audio and Multimedia

### High Speed

133MHz □ 300MHz DDR

### High Integration

SOC □ Multi-Chip Stack

### High Density

16Mb □ 256Mb, Stacked Dies

## Low Cost and High Quality / Productivity

### Multiple Foundry Alliance

DRAM, SRAM, Logic

### Large Wafer Size

8 inch □ 12 inch

### Advanced Process Technology

SRAM: 0.15μm □ 0.11μm

DRAM: 0.165μm □ 90nm

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# Major Achievements in 2006

- Revenues NT\$10.48B (US\$322 M), up 56% from 2005
- Net Income NTD\$673M (US\$21M), up 32% from 2005
- Total Shipments Exceed 315M Pieces (> 26M/months)
- Known-Good-Die Shipments Exceed 57M Pieces
- Ranked the 7<sup>th</sup> among Taiwanese Fabless Companies;  
the 9<sup>th</sup> among Worldwide DRAM Suppliers
- Application Widely Distributed in the 4C Areas; Total Customer Number Reaching 174
- 0.11-micron, 12-inch Wafer Technology in Mass Production;  
90nm Design Ongoing; 8-inch Wafer Volume Production  
Continuing for Strategic Customers

# Worldwide Top Ten DRAM Suppliers by Revenues

Ranking	Company	2006	2005	YoY
		Revenues (US\$M)	Revenues (US\$M)	Growth Rate
1	Samsung/三星	9,479	7,460	27.1%
2	Hynix/海力士	5,637	4,117	36.9%
3	Qimonda/奇夢達	5,369	3,226	66.4%
4	Micron/美光	3,740	3,813	-1.9%
5	Elpida/爾必達	3,527	1,776	98.6%
6	Nanya/南亞科	2,241	1,509	48.5%
7	Powerchip/力晶	1,573	1,241	26.8%
8	ProMOS/茂德	1,382	860	60.7%
9	Etron/鈺創	285	161	77.0%
10	Winbond/華邦電	172	133	29.3%

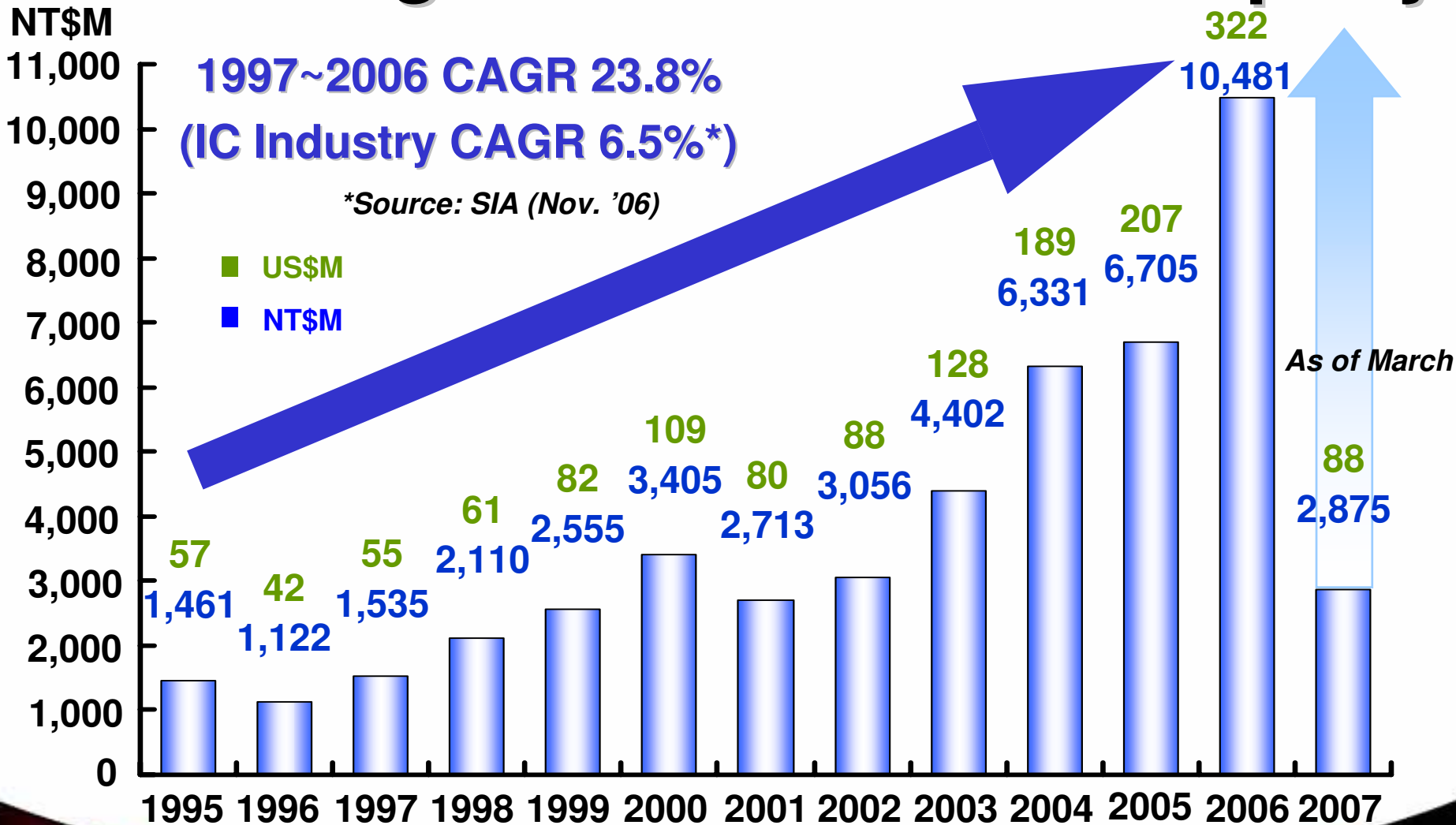
Source: iSuppli (February 2007)

# Taiwan Top Ten Fabless Companies by Revenues

Ranking	Company	Q1 2007	2006	2005
		Revenues (NTD\$M)	Revenues (NTD\$M)	Revenues (NTD\$M)
1	MediaTek/聯發科技	14,897	52,942	40,491
2	Novatek/聯詠科技	7,620	31,428	25,984
3	Phison/群聯電子	4,123	12,452	6,308
4	VIA/威盛電子	3,880	21,441	19,134
5	Realtek/瑞昱半導體	3,244	12,423	10,636
6	Etron/鈺創科技	2,876	10,481	6,705
7	Sunplus/凌陽科技	2,804	17,076	18,781
8	CoAsia/擎亞科技	1,976	10,110	6,340
9	GUC/創意電子	1,812	3,359	1,591
10	ESMT/晶豪科技	1,349	5,817	5,710

Source: 公開資訊觀測站

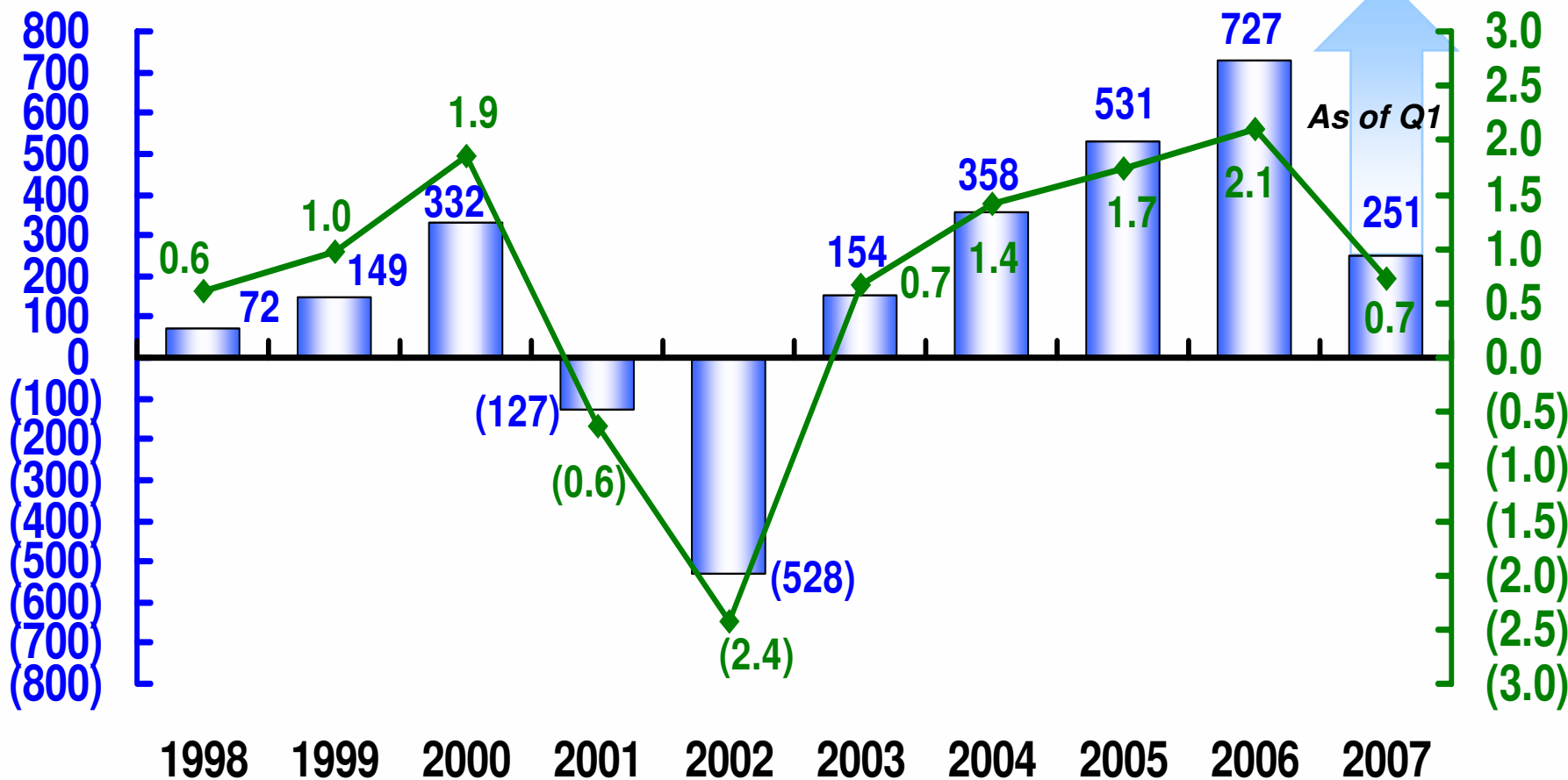
# Continuing Growth of The Company





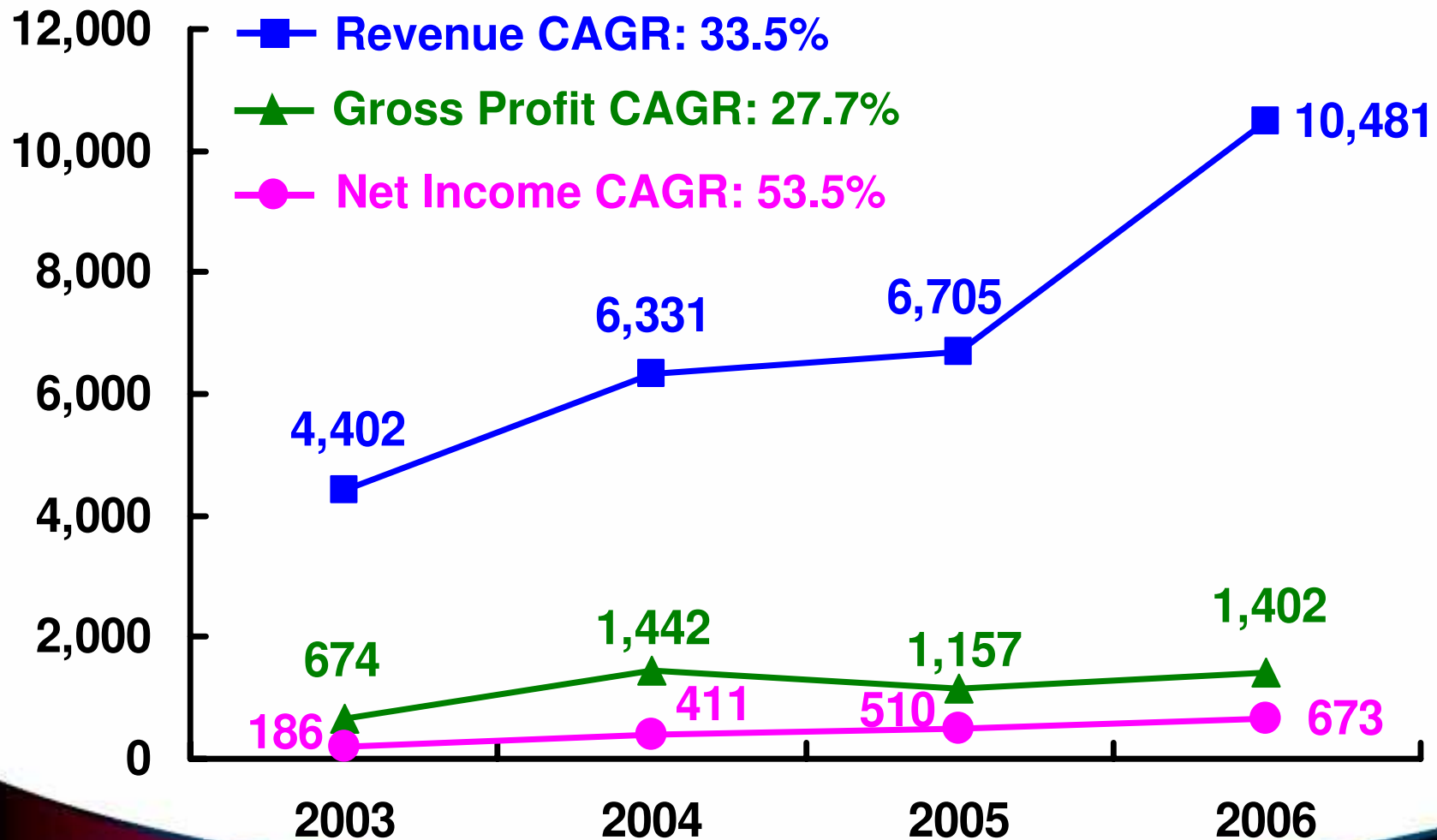
# Income and EPS Before Tax (1998-2007)

Income Before Tax (NT\$M)



# Revenue, Gross Profit and Net Income (2003-2006)

NTD\$M



# An Outlook of 2007

- Revenue Stably Growing
- Gross Profit Margin Improving Year by Year
- Net Income Maintained Healthy
- More New Products & Expanded Customer Portfolio

# Q & A

*For complete financial and press release,  
please visit: <http://www.etrone.com>*