




PEGATRON

2013 First Quarter Business Review

May 8, 2013



■ Financial Results

- 1Q13 Consolidated Financial Result
- 1Q13 DMS Pro Forma Financial Result (compiled by Pegatron)

■ Business Highlight

- Pegatron's statements of its current expectations are forward looking statements subject to significant risks and uncertainties and actual results may differ materially 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 a result of new information, future events, or otherwise.

1Q13 Consolidated Financial Result

Consolidated Income Statement

<i>(NT\$ Mn)</i>	1Q2013		1Q2012		YoY
Net Revenue	217,588	100%	171,960	100%	26.5%
COGS	205,584	94.5%	164,589	95.7%	24.9%
Gross Profit	12,004	5.5%	7,371	4.3%	62.9%
Operating Expense	7,114	3.3%	5,711	3.3%	24.6%
Operating Income (Loss)	4,890	2.2%	1,660	1.0%	194.6%
Net Non-Operating Income (Loss)	(205)	-0.1%	(483)	-0.3%	-57.6%
PBT	4,685	2.2%	1,177	0.7%	298.0%
Tax	1,232	0.6%	372	0.2%	231.2%
Net Income	3,453	1.6%	805	0.5%	328.9%
Net Income Attributable to the Parent	2,306	1.1%	64	0.0%	3503.1%
Other Comprehensive Income (Loss)	2,278	1.0%	(1,333)	-0.8%	-270.9%
Total Comprehensive Income (Loss)	5,731	2.6%	(528)	-0.3%	-1185.4%

Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	<u>1Q2013</u>	<u>4Q2012</u>	<u>QoQ</u>	<u>1Q2012</u>	<u>YoY</u>
Cash and Equivalents	67,897	60,157	7,740	50,189	17,708
AR (Net)	84,143	122,724	(38,581)	84,998	(855)
Inventory (Net)	104,435	92,678	11,757	75,301	29,134
Other Current Assets	36,077	29,057	7,020	15,941	20,136
Total Current Assets	292,552	304,616	(12,064)	226,429	66,123
Investment	3,504	3,389	115	3,855	(351)
Fixed Assets (Net)	74,430	72,994	1,436	70,792	3,638
Other Assets	11,068	10,543	525	10,769	299
Total Non-Current Assets	89,002	86,926	2,076	85,416	3,586
Total Assets	381,554	391,542	(9,988)	311,845	69,709
Short-term Borrowings	19,364	19,613	(249)	24,924	(5,560)
AP	149,463	172,381	(22,918)	107,853	41,610
Other Current Liabilities	48,827	42,296	6,531	26,064	22,763
Total Current Liabilities	217,654	234,290	(16,636)	158,841	58,813
Long-term Loan	23,998	26,644	(2,646)	30,922	(6,924)
Other Liabilities	3,938	2,970	968	3,771	167
Total Liabilities	245,590	263,904	(18,314)	193,534	52,056
Paid-in Capital	22,901	22,903	(2)	22,564	337
Capital Surplus	62,640	61,723	917	61,050	1,590
Retained Earnings	17,311	15,006	2,305	8,687	8,624
Others	(1,677)	(3,808)	2,131	(1,995)	318
Treasury Stocks	(26)	(19)	(7)	(19)	(7)
Net Equity	135,964	127,638	8,326	118,311	17,653
Total Liabilities and Net Equity	381,554	391,542	(9,988)	311,845	69,709
Current Ratio	134%	130%	-	143%	-
Debt Ratio (TTL Liabilities / TTL Assets)	64%	67%	-	62%	-
Interest-bearing Debt Ratio	11%	12%	-	18%	-

**1Q13 DMS Pro Forma Financial Result
(Compiled by Pegatron)**

Income Statement - DMS Pro Forma

<i>(NT\$ Mn)</i>	1Q2013 (TIFRS)		4Q2012 (ROC GAAP)		QoQ	1Q2012 (ROC GAAP)		YoY
Net Revenue	195,272	100%	238,831	100%	-18.2%	149,180	100%	30.9%
COGS	189,311	96.9%	232,073	97.2%	-18.4%	144,682	97.0%	30.8%
Gross Profit	5,961	3.1%	6,758	2.8%	-11.8%	4,498	3.0%	32.5%
Operating Expense	4,440	2.3%	6,121	2.6%	-27.5%	4,068	2.7%	9.1%
Operating Income (Loss)	1,521	0.8%	637	0.3%	138.8%	430	0.3%	253.7%
Net Non-Operating Income (Loss)	850	0.4%	2,278	1.0%	-62.7%	940	0.6%	-9.6%
Investment Income – Equity Method	1,238	0.6%	1,012	0.4%	22.3%	276	0.2%	348.6%
FX Gain (Loss)	299	0.2%	1,128	0.5%	-73.5%	491	0.3%	-39.1%
Others	(687)	-0.4%	138	0.1%	-597.8%	173	0.1%	-497.1%
PBT	2,371	1.2%	2,915	1.2%	-18.7%	1,370	0.9%	73.1%
Tax	(65)	0.0%	(263)	0.1%	-75.3%	(93)	0.1%	-30.1%
Net Income	2,306*	1.2%	2,652	1.1%	-13.0%	1,277	0.9%	80.6%

* 1Q2013 EPS of NT\$1.01 based on 2,290mn shares

Note: Major Difference between TIFRS and ROC GAAP

1. Valuation Loss of NT\$646Mn on Financial Instrument.
2. Disposal gain of NT\$117Mn from Casetek Holdings' IPO is recorded under Capital Surplus under TIFRS.

Balance Sheet - DMS Pro Forma

<i>(NT\$ Mn)</i>	<u>1Q2013</u> (TIFRS)	<u>4Q2012</u> (ROC GAAP)	<u>QoQ</u>	<u>1Q2012</u> (ROC GAAP)	<u>YoY</u>
Cash and Equivalents	38,425	34,414	4,011	24,827	13,598
AR (Net)	71,199	105,032	(33,833)	67,144	4,055
Inventory (Net)	93,195	79,587	13,608	60,769	32,426
Other Current Assets	27,679	23,225	4,454	12,373	15,306
Total Current Assets	230,498	242,258	(11,760)	165,113	65,385
Investment	41,387	39,005	2,382	39,321	2,066
Fixed Assets (Net)	33,748	32,128	1,620	29,897	3,851
Other Assets	4,758	4,389	369	4,010	748
Total Assets	310,391	317,780	(7,389)	238,341	72,050
Short-term Borrowings	14,018	14,781	(763)	16,231	(2,213)
AP	140,097	161,151	(21,054)	92,709	47,388
Other Current Liabilities	34,396	25,022	9,374	13,460	20,936
Total Current Liabilities	188,511	200,954	(12,443)	122,400	66,111
Long-term Loan	20,069	20,026	43	23,233	(3,164)
Other Liabilities	662	721	(59)	775	(113)
Total Liabilities	209,242	221,701	(12,459)	146,408	62,834
Paid-in Capital	22,901	22,903	(2)	22,564	337
Capital Surplus	62,640	64,560	(1,920)	63,841	(1,201)
Retained Earnings	17,311	12,412	4,899	7,585	9,726
Adjusted Items	(1,703)	(3,796)	2,093	(2,057)	354
Net Equity	101,149	96,079	5,070	91,933	9,216
Total Liabilities and Net Equity	310,391	317,780	(7,389)	238,341	72,050
Current Ratio	122%	121%	-	135%	-
Debt Ratio (TTL Liabilities / TTL Assets)	67%	70%	-	61%	-
Interest-bearing Debt Ratio	11%	11%	-	17%	-

Cash Flows Statement - DMS Pro Forma

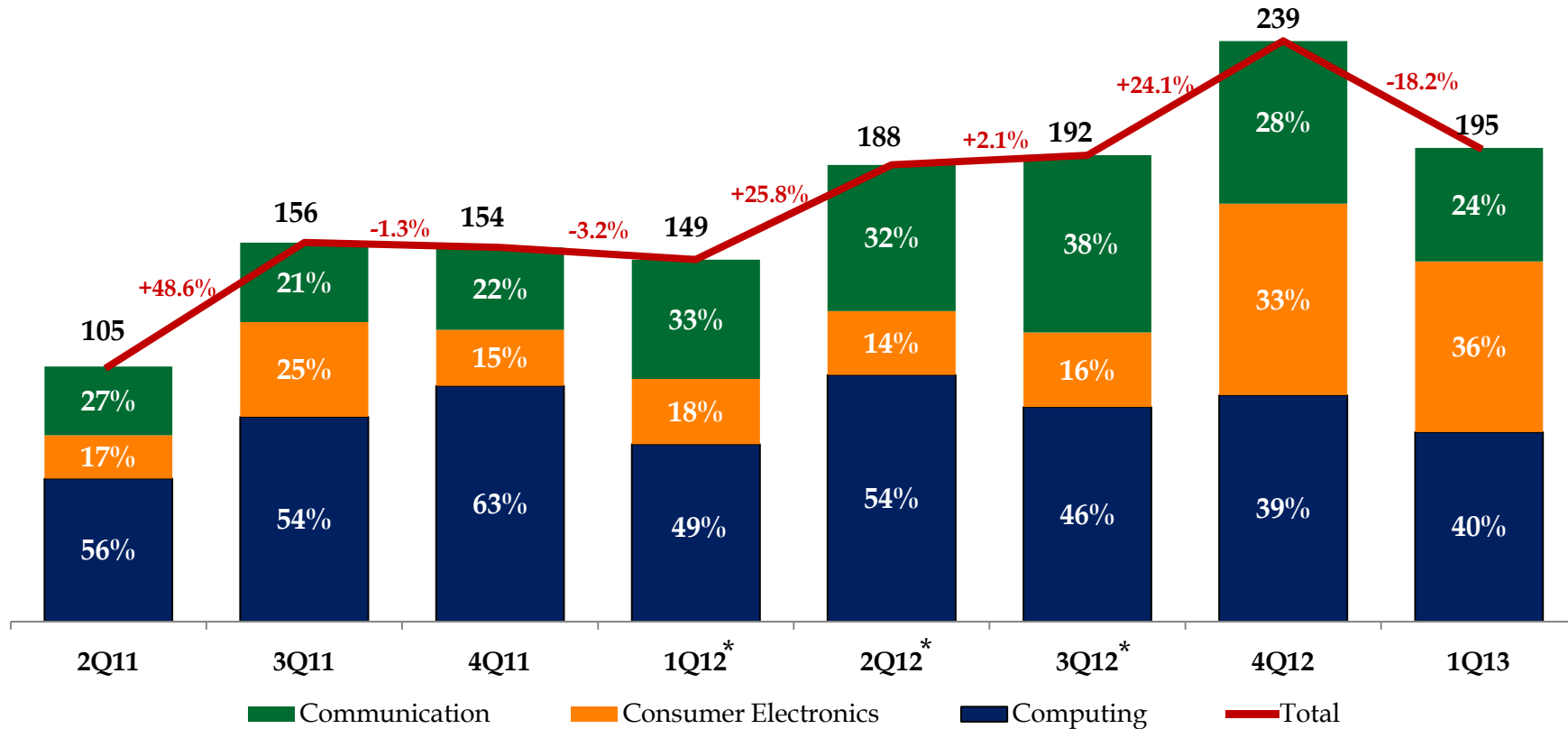
<i>(NT\$ Mn)</i>	<u>1Q2013</u>
Cash Flows from Operating Activities:	4,353
Cash Flows from Investing Activities:	(644)
Cash Flows from Financing Activities:	(834)
Impact from Changes in FX Rate	1,136
Net Increase in Cash	<u>4,011</u>
Cash, beginning of the period	34,414
Cash, end of the period	<u>38,425</u>

<i>Note:</i>	<u>1Q2013</u>
Depreciation and amortization	<u>1,609</u>

Business Highlight

DMS Revenue Trend

Unit: NTD Bn



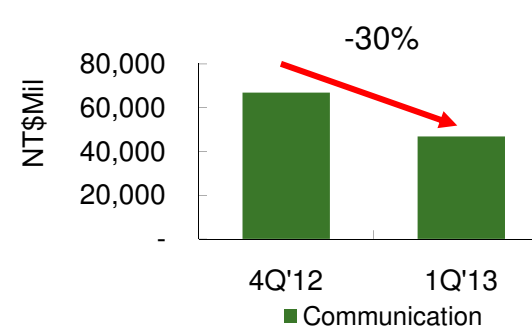
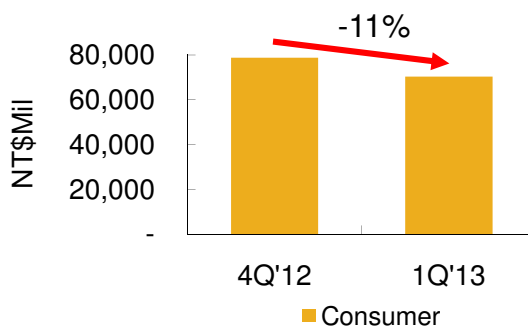
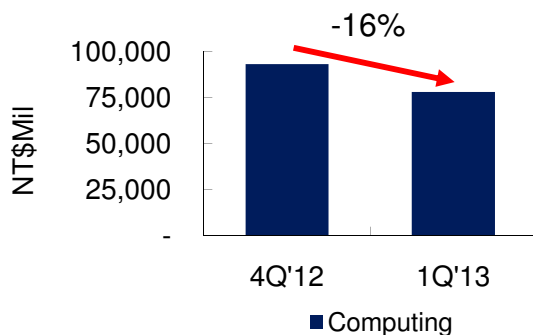
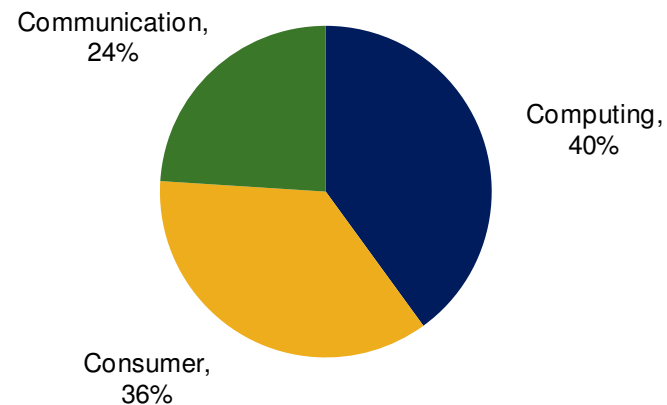
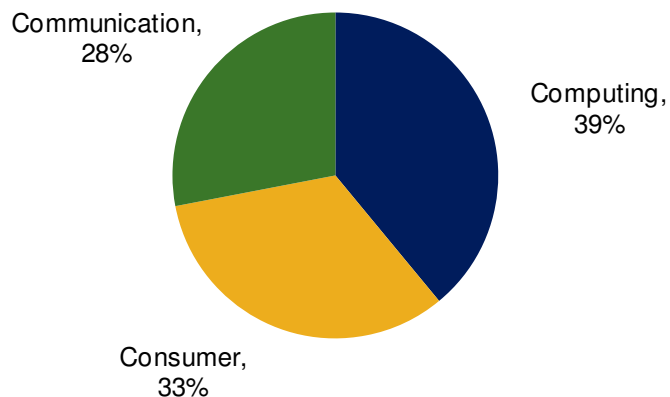
Revenue in 1Q2013 totaled NT\$195Bn, a 18.2% decline from NT\$239Bn in the previous quarter. The decline was attributable to the effect of low season across three product segments. Communication segment, coming down from the high base in 4Q2012, experienced the biggest QoQ decline, while Consumer Electronics segment, benefitting from improving operation efficiency, experienced the least QoQ decline.

* Minor adjustment made on the revenue breakdown percentage of Computing & Consumer Electronics segments.

Revenue Breakdowns by Products (Quarter-over-Quarter)

4Q2012

1Q2013

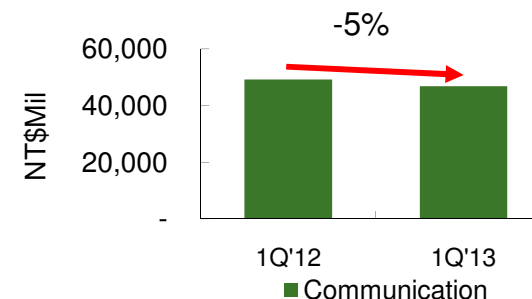
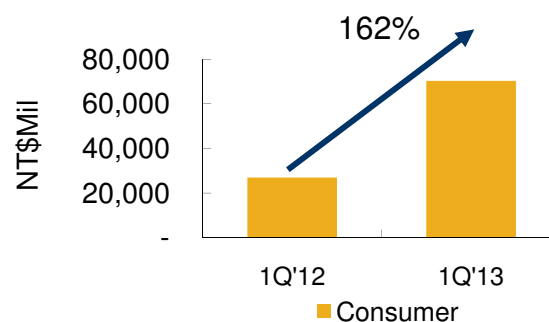
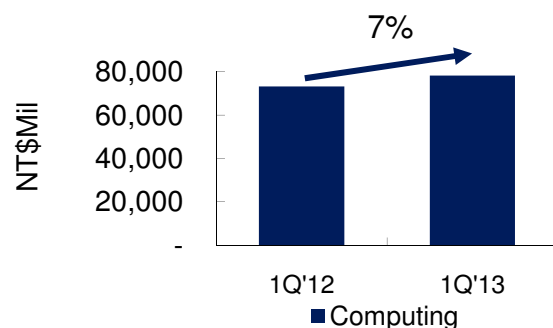
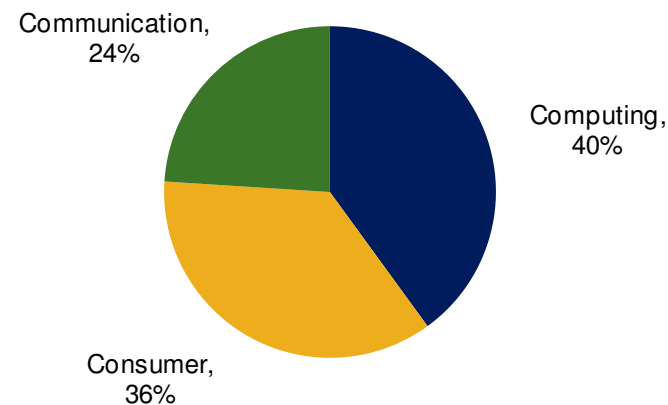
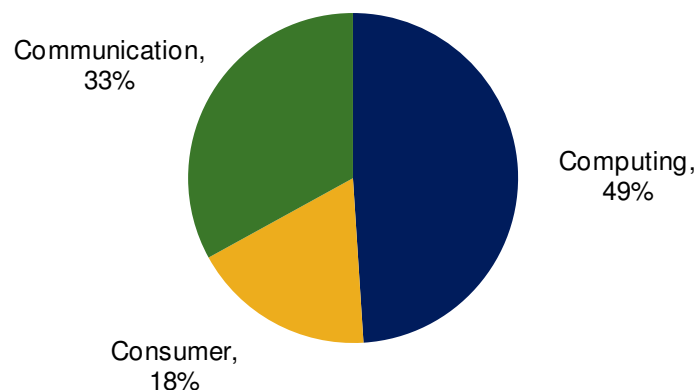


Impacted by seasonal effect, all three product segments experienced QoQ decline in 1Q2013 with Communication segment declining the most by 30% from the high base in 4Q2012. Decline in Computing segment was inline with its seasonal pattern, while Consumer Electronics segment experienced the least decline due to improving operation efficiency.

Revenue Breakdowns by Products (Year-over-Year)

1Q2012

1Q2013



Benefitting from increasing shipment in tablets, revenue from Consumer Electronics segment grew by 162% on a YoY basis and its revenue contribution in 1Q2013 increased to 36% from 18% in a-year-ago quarter. Consequently, revenue contribution from Computing segment declined to 40% while Communication segment declined to 24% in 1Q2013.

- NB shipment to grow by 5% ~ 10%
- MB & DT shipment to grow by 5% ~ 10%
- Revenue of consumer electronics to decline by 25% ~ 30%
- Revenue of communication to remain flat

Q & A

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