




PEGATRON

2011 Fourth Quarter Business Review

March 21, 2012



■ Financial Results

- 4Q11 & 2011 Consolidated Financial Result
- 4Q11 & 2011 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.

4Q11 & 2011 Consolidated Financial Result

Consolidated Income Statements

<i>(NT\$ Mn)</i>	<u>4Q2011</u>		<u>3Q2011</u>		<u>QoQ</u>	<u>1Q~4Q2011</u>	
Net Revenue	177,306	100%	182,927	100%	-3.1%	599,943	100%
COGS	168,594	95.1%	175,321	95.8%	-3.8%	572,946	95.5%
Gross Profit	8,712	4.9%	7,606	4.2%	14.5%	26,997	4.5%
Operating Expense	7,458	4.2%	6,709	3.7%	11.2%	26,084	4.3%
Operating Income (Loss)	1,254	0.7%	897	0.5%	39.8%	913	0.2%
Net Non-Operating Income (Loss)	519	0.3%	865	0.5%	-40.0%	3,814	0.6%
PBT	1,773	1.0%	1,762	1.0%	0.6%	4,727	0.8%
Tax	(79)	0.0%	(417)	0.2%	81.1%	(1,422)	0.2%
Consolidated Net Income	1,694	1.0%	1,345	0.7%	25.9%	3,305	0.6%
Net Income (after minority interest)	975	0.5%	366	0.2%	166.4%	111	0.0%
Adjusted EPS	0.43		0.17		152.9%	0.05	

Consolidated Income Statements (2011 vs. 2010)

<i>(NT\$ Mn)</i>	<u>2011</u>		<u>2010</u>		<u>YoY</u>
Net Revenue	599,943	100%	530,531	100%	13.1%
COGS	572,946	95.5%	500,366	94.3%	14.5%
Gross Profit	26,997	4.5%	30,165	5.7%	-10.5%
Operating Expense	26,084	4.3%	21,471	4.0%	21.5%
Operating Income (Loss)	913	0.2%	8,694	1.6%	-89.5%
Net Non-Operating Income (Loss)	3,814	0.6%	4,276	0.8%	-10.8%
PBT	4,727	0.8%	12,970	2.4%	-63.6%
Tax	(1,422)	0.2%	(2,363)	0.4%	39.8%
Consolidated Net Income	3,305	0.6%	10,607	2.0%	-68.8%
Net Income (after minority interest)	111	0.0%	6,211	1.2%	-98.2%
Adjusted EPS	0.05		2.73		-98.2%

Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	<u>4Q2011</u>	<u>3Q2011</u>	<u>QoQ</u>	<u>4Q2010</u>	<u>YoY</u>
Cash and Equivalents	50,453	40,758	9,695	42,264	8,189
AR (Net)	84,246	90,193	(5,947)	52,920	31,326
Inventory (Net)	65,716	78,884	(13,168)	42,068	23,648
Other Current Assets	15,479	13,367	2,112	12,686	2,793
Total Current Assets	215,894	223,202	(7,308)	149,938	65,956
Investment	3,667	4,910	(1,243)	5,059	(1,392)
Fixed Assets (Net)	70,515	63,912	6,603	53,103	17,412
Other Assets	9,498	9,617	(119)	7,904	1,594
Total Assets	299,574	301,641	(2,067)	216,004	83,570
Short-term Borrowings	22,773	25,110	(2,337)	14,352	8,421
AP	100,016	108,649	(8,633)	55,069	44,947
Other Current Liabilities	28,702	25,123	3,579	17,683	11,019
Total Current Liabilities	151,491	158,882	(7,391)	87,104	64,387
Long-term Loan	29,179	24,752	4,427	11,860	17,319
Other Liabilities	707	400	307	422	285
Total Liabilities	181,377	184,034	(2,657)	99,386	81,991
Paid-in Capital	22,564	22,564	0	22,564	0
Capital Surplus	63,465	63,445	20	63,145	320
Retained Earnings	6,309	5,333	976	9,469	(3,160)
Adjusted Items	(735)	70	(805)	(4,328)	3,593
Treasury Stocks	(19)	(19)	0	(9)	(10)
Net Equity	118,197	117,607	590	116,618	1,579
Total Liabilities and Net Equity	299,574	301,641	(2,067)	216,004	83,570
Current Ratio	143%	140%	-	172%	-
Debt Ratio (TTL Liabilities / TTL Assets)	61%	61%	-	46%	-
Interest-bearing Debt Ratio	17%	17%	-	12%	-

**4Q11 & 2011 DMS Pro Forma Financial Result
(Compiled by Pegatron)**

Income Statement - DMS Pro Forma

<i>(NT\$ Mn)</i>	4Q2011		3Q2011		QoQ	1~4Q2011	
Net Revenue	154,056	100%	156,106	100%	-1.3%	500,566	100%
COGS	149,127	96.8%	152,816	97.9%	-2.4%	489,112	97.7%
Gross Profit	4,929	3.2%	3,290	2.1%	49.8%	11,454	2.3%
Operating Expense	4,424	2.9%	3,946	2.5%	12.1%	15,739	3.1%
Operating Income (Loss)	505	0.3%	(656)	-0.4%	177.0%	(4,285)	-0.9%
Net Non-Operating Income (Loss)	410	0.3%	909	0.6%	-54.9%	4,348	0.9%
Investment Income – Equity Method	241	0.2%	719	0.5%	-66.5%	1,990	0.4%
FX Gain (Loss)	40	0.0%	98	0.1%	-59.2%	1,263	0.3%
Others	129	0.1%	92	0.1%	40.2%	1,095	0.2%
PBT	915	0.6%	253	0.2%	261.7%	63	0.0%
Tax	60	0.0%	113	0.1%	-46.9%	48	0.0%
Net Income	975	0.6%	366	0.2%	166.4%	111	0.0%
Adjusted EPS	0.43		0.17		152.9%	0.05	

Income Statement - DMS Pro Forma (2011 vs. 2010)

<i>(NT\$ Mn)</i>	2011		2010		YoY
Net Revenue	500,566	100%	435,388	100%	15.0%
COGS	489,112	97.7%	419,695	96.4%	16.5%
Gross Profit	11,454	2.3%	15,793	3.6%	-27.5%
Operating Expense	15,739	3.1%	13,964	3.2%	12.7%
Operating Income (Loss)	(4,285)	-0.9%	1,829	0.4%	-334.3%
Net Non-Operating Income (Loss)	4,348	0.9%	5,486	1.3%	-20.7%
Investment Income – Equity Method	1,990	0.4%	2,853	0.7%	-30.2%
FX Gain (Loss)	1,263	0.3%	1,182	0.3%	6.9%
Others	1,095	0.2%	1,451	0.3%	-24.5%
PBT	63	0.0%	7,315	1.7%	-99.1%
Tax	48	0.0%	(1,104)	0.3%	104.3%
Net Income	111	0.0%	6,211	1.4%	-98.2%
Adjusted EPS	0.05		2.73		-98.2%

Balance Sheet - DMS Pro Forma

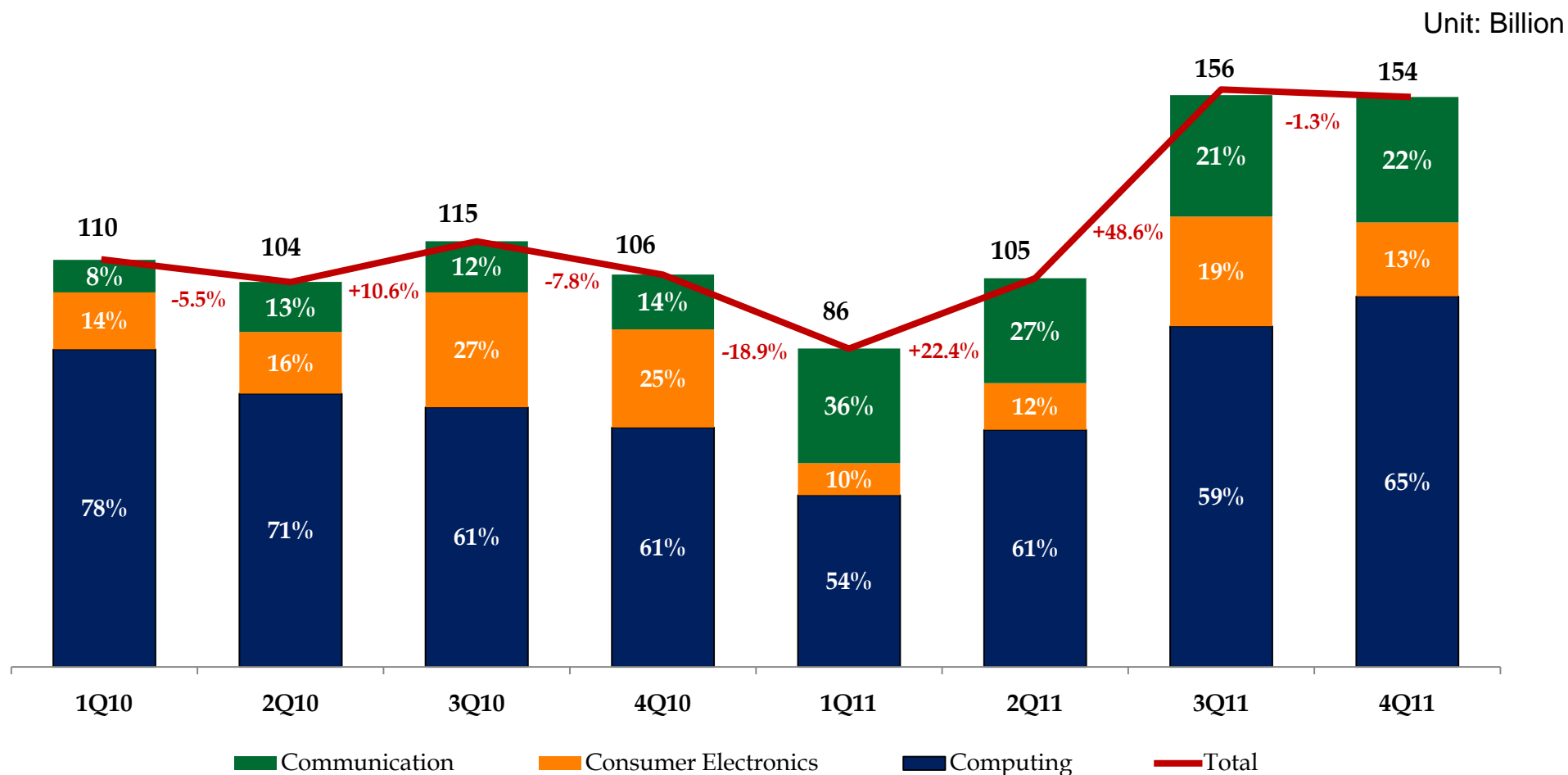
<i>(NT\$ Mn)</i>	<u>4Q2011</u>	<u>3Q2011</u>	<u>QoQ</u>	<u>4Q2010</u>	<u>YoY</u>
Cash and Equivalents	24,074	20,977	3,097	23,393	681
AR (Net)	69,689	67,615	2,074	39,885	29,804
Inventory (Net)	51,899	62,610	(10,711)	31,260	20,639
Other Current Assets	8,602	5,352	3,250	2,082	6,520
Total Current Assets	154,264	156,554	(2,290)	96,620	57,644
Investment	39,402	39,466	(64)	31,034	8,368
Fixed Assets (Net)	30,223	30,133	90	27,973	2,250
Other Assets	3,716	4,026	(310)	4,463	(747)
Total Assets	227,605	230,179	(2,574)	160,090	67,515
Short-term Borrowings	15,919	17,372	(1,453)	12,144	3,775
AP	83,812	87,188	(3,376)	40,615	43,197
Other Current Liabilities	17,423	15,276	2,147	8,925	8,498
Total Current Liabilities	117,154	119,836	(2,682)	61,684	55,470
Long-term Loan	18,165	18,345	(180)	6,991	11,174
Other Liabilities	702	605	97	574	128
Total Liabilities	136,021	138,786	(2,765)	69,249	66,772
Paid-in Capital	22,564	22,564	0	22,564	0
Capital Surplus	63,465	63,445	20	63,145	320
Retained Earnings	6,309	5,333	976	9,469	(3,160)
Adjusted Items	(754)	51	(805)	(4,337)	3,583
Net Equity	91,584	91,393	191	90,841	743
Total Liabilities and Net Equity	227,605	230,179	(2,574)	160,090	67,515
Current Ratio	132%	131%	-	157%	-
Debt Ratio (TTL Liabilities / TTL Assets)	60%	60%	-	43%	-
Interest-bearing Debt Ratio	15%	16%	-	12%	-

Cash Flows Statement - DMS Pro Forma

<i>(NT\$ Mn)</i>	4Q2011	3Q2011	1Q~4Q2011
Cash Flows From Operating Activities:	6,728	1,594	948
Cash Flows From Investing Activities:	(1,718)	(3,320)	(14,942)
Cash Flows From Financing Activities:	(1,438)	1,619	12,990
Impact from Changes in FX Rate	(475)	2,255	1,685
Net Increase in Cash	3,097	2,148	681
Cash, beginning of the period	20,977	18,829	23,393
Cash, end of the period	24,074	20,977	24,074
<i>Note:</i>	4Q2011	3Q2011	1Q~4Q2011
Depreciation and amortization	1,507	1,326	5,627

Business Highlight

DMS Revenue Trend

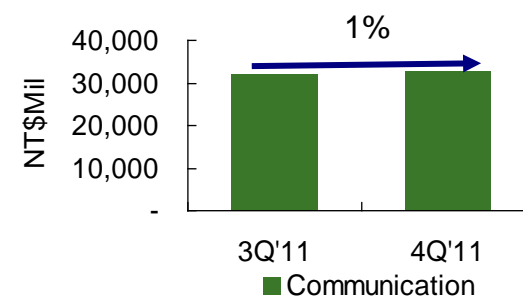
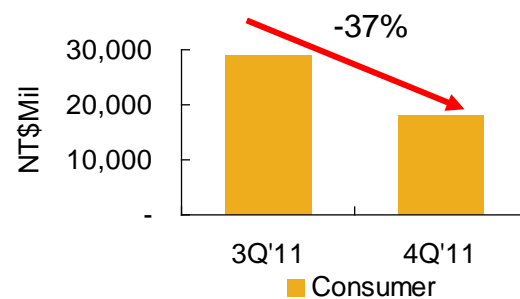
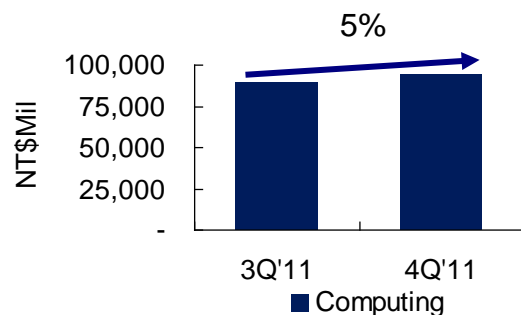
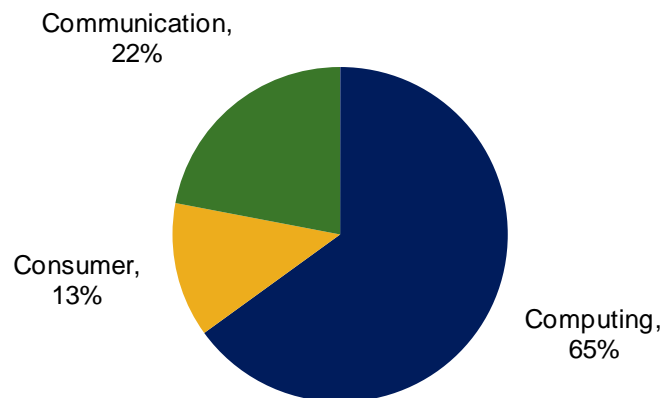
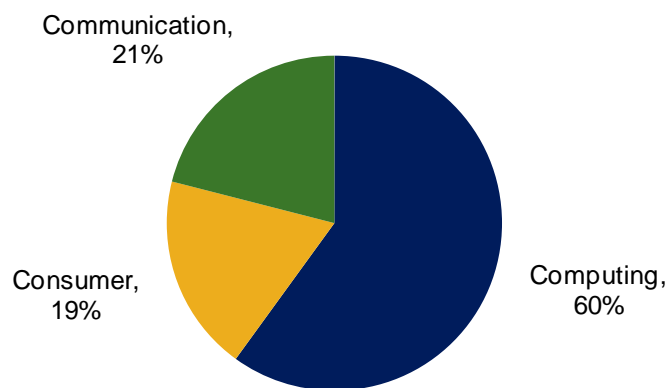


Revenue in 2011 totaled NT\$501Bn, a 15.2% increase as compared that of NT\$435Bn in 2010. The growth is mainly driven by significant revenue growth in 3Q and better than expected demand in NB and DT along with stable contribution from Communication segment in 4Q.

Revenue Breakdowns by Products (Quarter-over-Quarter)

3Q2011

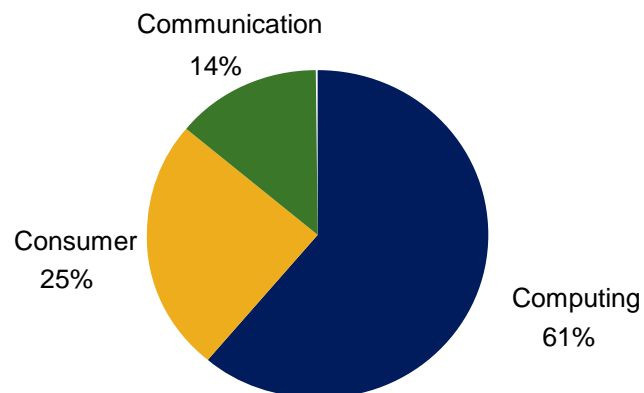
4Q2011



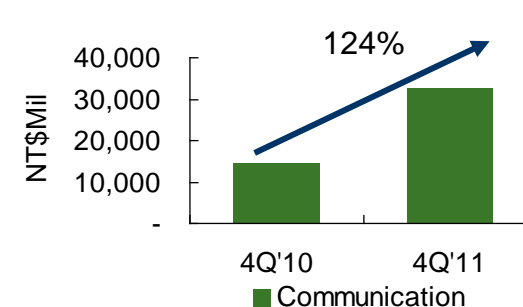
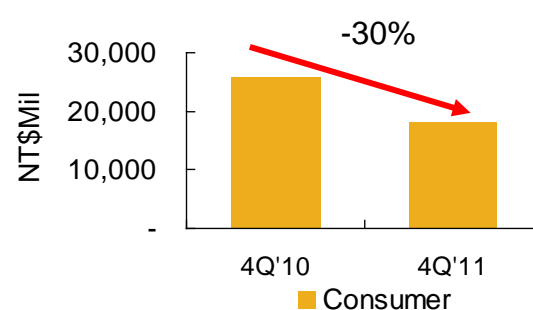
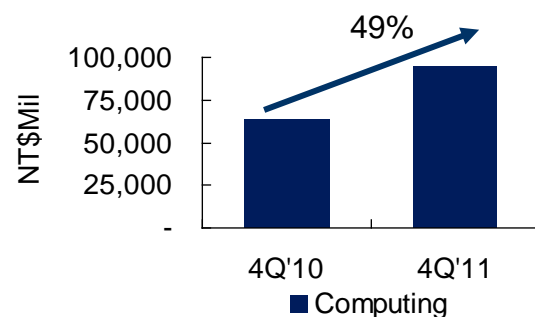
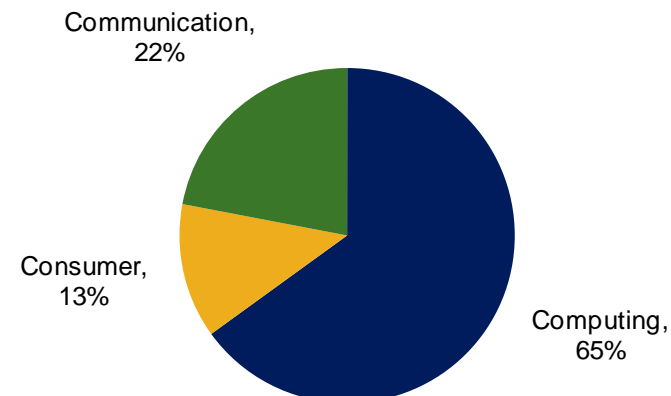
Due to a better product mix (more reg. NB & DT), QoQ sales for Computing segment increased by 5%, while QoQ sales for Consumer Electronics dropped by 37% as a result of HDD shortage. Revenue in Communication segment was relatively stable with 1% QoQ growth.

Revenue Breakdowns by Products (Year-over-Year)

4Q2010



4Q2011



YoY sales for both Computing and Communication segments increased substantially in 4Q2011 by 49% and 124% respectively. Growth of Computing was driven by better penetration rate in customers development, whilst growth of Communication was driven by smartphone shipment. As to Consumer Electronics, YoY sales dropped by 30% due to component shortage.

Visit our Company Website:

www.pegatroncorp.com

www.pegadesign.com

IR Mail Box:

ir@pegatroncorp.com