




PEGATRON

2012 Fourth Quarter Business Review

March 5, 2013



■ Financial Results

- 4Q12 & 2012 DMS Pro Forma Financial Result (compiled by Pegatron)
- 4Q12 & 2012 Consolidated Financial Result (unaudited)

■ 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.

**4Q12 & 2012 DMS Pro Forma Financial Result
(Compiled by Pegatron)**

Income Statement - DMS Pro Forma (2012 vs. 2011)

<i>(NT\$ Mn)</i>	2012		2011		YoY
Net Revenue	768,059	100%	500,566	100%	53.4%
COGS	746,220	97.2%	489,112	97.7%	52.6%
Gross Profit	21,839	2.8%	11,454	2.3%	90.7%
Operating Expense	20,100	2.6%	15,739	3.1%	27.7%
Operating Income (Loss)	1,739	0.2%	(4,285)	-0.9%	140.6%
Net Non-Operating Income (Loss)	5,241	0.7%	4,348	0.9%	20.5%
Investment Income – Equity Method	3,159	0.4%	1,990	0.4%	58.7%
FX Gain (Loss)	995	0.1%	1,263	0.3%	-21.2%
Others	1,087	0.1%	1,095	0.2%	-0.7%
PBT	6,980	0.9%	63	0.0%	10979.4%
Tax	(876)	0.1%	48	0.0%	-1925.0%
Net Income	6,104	0.8%	111	0.0%	5399.1%
Adjusted EPS	2.71		0.05		5320.0%

Income Statement - DMS Pro Forma (QoQ)

<i>(NT\$ Mn)</i>	4Q2012		3Q2012		QoQ	4Q2011		YoY
Net Revenue	238,831	100%	192,449	100%	24.1%	154,056	100%	55.0%
COGS	232,073	97.2%	187,287	97.3%	23.9%	149,127	96.8%	55.6%
Gross Profit	6,758	2.8%	5,162	2.7%	30.9%	4,929	3.2%	37.1%
Operating Expense	6,121	2.6%	5,002	2.6%	22.4%	4,424	2.9%	38.4%
Operating Income (Loss)	637	0.3%	160	0.1%	298.1%	505	0.3%	26.1%
Net Non-Operating Income (Loss)	2,278	1.0%	1,346	0.7%	69.2%	410	0.3%	455.6%
Investment Income – Equity Method	1,012	0.4%	964	0.5%	5.0%	241	0.2%	319.9%
FX Gain (Loss)	1,128	0.5%	(49)	0.0%	2402.0%	40	0.0%	2720.0%
Others	138	0.1%	431	0.2%	-68.0%	129	0.1%	7.0%
PBT	2,915	1.2%	1,506	0.8%	93.6%	915	0.6%	218.6%
Tax	(263)	0.1%	(153)	0.1%	-71.9%	60	0.0%	-538.3%
Net Income	2,652	1.1%	1,353	0.7%	96.0%	975	0.6%	172.0%
Adjusted EPS	1.18		0.60		96.7%	0.43		174.4%

Note : Number of outstanding shares increased from 2,256 mn shares to 2,290 mn shares in 4Q2012.

Balance Sheet - DMS Pro Forma

<i>(NT\$ Mn)</i>	4Q2012	3Q2012	QoQ	4Q2011	YoY
Cash and Equivalents	34,414	27,686	6,728	24,074	10,340
AR (Net)	105,032	94,969	10,063	69,689	35,343
Inventory (Net)	79,587	78,962	625	51,899	27,688
Other Current Assets	23,225	16,141	7,084	8,602	14,623
Total Current Assets	242,258	217,758	24,500	154,264	87,994
Investment	39,005	38,089	916	39,402	(397)
Fixed Assets (Net)	32,128	32,327	(199)	30,223	1,905
Other Assets	4,389	6,167	(1,778)	3,716	673
Total Assets	317,780	294,341	23,439	227,605	90,175
Short-term Borrowings	14,781	18,094	(3,313)	15,919	(1,138)
AP	161,151	133,884	27,267	83,812	77,339
Other Current Liabilities	25,022	22,283	2,739	17,423	7,599
Total Current Liabilities	200,954	174,261	26,693	117,154	83,800
Long-term Loan	20,026	26,041	(6,015)	18,165	1,861
Other Liabilities	721	717	4	702	19
Total Liabilities	221,701	201,019	20,682	136,021	85,680
Paid-in Capital	22,903	22,564	339	22,564	339
Capital Surplus	64,560	64,047	513	63,465	1,095
Retained Earnings	12,412	9,761	2,651	6,309	6,103
Adjusted Items	(3,796)	(3,051)	(745)	(754)	(3,042)
Net Equity	96,079	93,321	2,758	91,584	4,495
Total Liabilities and Net Equity	317,780	294,341	23,439	227,605	90,175
Current Ratio	121%	125%	-	132%	-
Debt Ratio (TTL Liabilities / TTL Assets)	70%	68%	-	60%	-
Interest-bearing Debt Ratio	11%	15%	-	15%	-

Cash Flows Statement - DMS Pro Forma

<i>(NT\$ Mn)</i>	4Q2012	3Q2012	2012
Cash Flows from Operating Activities:	10,026	15,232	12,778
Cash Flows from Investing Activities:	(1,897)	(4,760)	(10,789)
Cash Flows from Financing Activities:	(2,971)	(4,784)	8,028
Impact from Changes in FX Rate	(389)	(889)	(1,636)
Net Increase in Cash	4,769	4,799	8,381
Cash, beginning of the period	27,686	22,887	24,074
Cash, end of the period	32,455	27,686	32,455

<i>Note:</i>	4Q2012	3Q2012	2012
Depreciation and amortization	1,591	1,498	5,869

**4Q12 & 2012 Consolidated Financial Result
(unaudited)**

Consolidated Income Statements (2012 vs. 2011)

<i>(NT\$ Mn)</i>	2012		2011		YoY
Net Revenue	881,895	100%	599,943	100%	47.0%
COGS	839,426	95.2%	572,946	95.5%	46.5%
Gross Profit	42,469	4.8%	26,997	4.5%	57.3%
Operating Expense	31,308	3.6%	26,084	4.3%	20.0%
Operating Income (Loss)	11,161	1.3%	913	0.2%	1122.5%
Net Non-Operating Income (Loss)	2,642	0.3%	3,814	0.6%	-30.7%
PBT	13,803	1.6%	4,727	0.8%	192.0%
Tax	(3,825)	0.4%	(1,422)	0.2%	-169.0%
Consolidated Net Income	9,978	1.1%	3,305	0.6%	201.9%
Net Income (after minority interest)	6,104	0.7%	111	0.0%	5399.1%
Adjusted EPS	2.71		0.05		5320.0%

Consolidated Income Statements (QoQ)

<i>(NT\$ Mn)</i>	4Q2012		3Q2012		QoQ	4Q2011		YoY
Net Revenue	267,751	100%	223,035	100%	20.0%	177,306	100%	51.0%
COGS	255,257	95.3%	212,034	95.1%	20.4%	168,594	95.1%	51.4%
Gross Profit	12,494	4.7%	11,001	4.9%	13.6%	8,712	4.9%	43.4%
Operating Expense	8,713	3.3%	8,165	3.7%	6.7%	7,458	4.2%	16.8%
Operating Income (Loss)	3,781	1.4%	2,836	1.3%	33.3%	1,254	0.7%	201.5%
Net Non-Operating Income (Loss)	1,564	0.6%	444	0.2%	252.3%	519	0.3%	201.3%
PBT	5,345	2.0%	3,280	1.5%	63.0%	1,773	1.0%	201.5%
Tax	(1,622)	0.6%	(822)	0.4%	-97.3%	(79)	0.0%	-1953.2%
Consolidated Net Income	3,723	1.4%	2,458	1.1%	51.5%	1,694	1.0%	119.8%
Net Income (after minority interest)	2,652	1.0%	1,353	0.6%	96.0%	975	0.5%	172.0%
Adjusted EPS	1.18		0.60		96.7%	0.43		174.4%

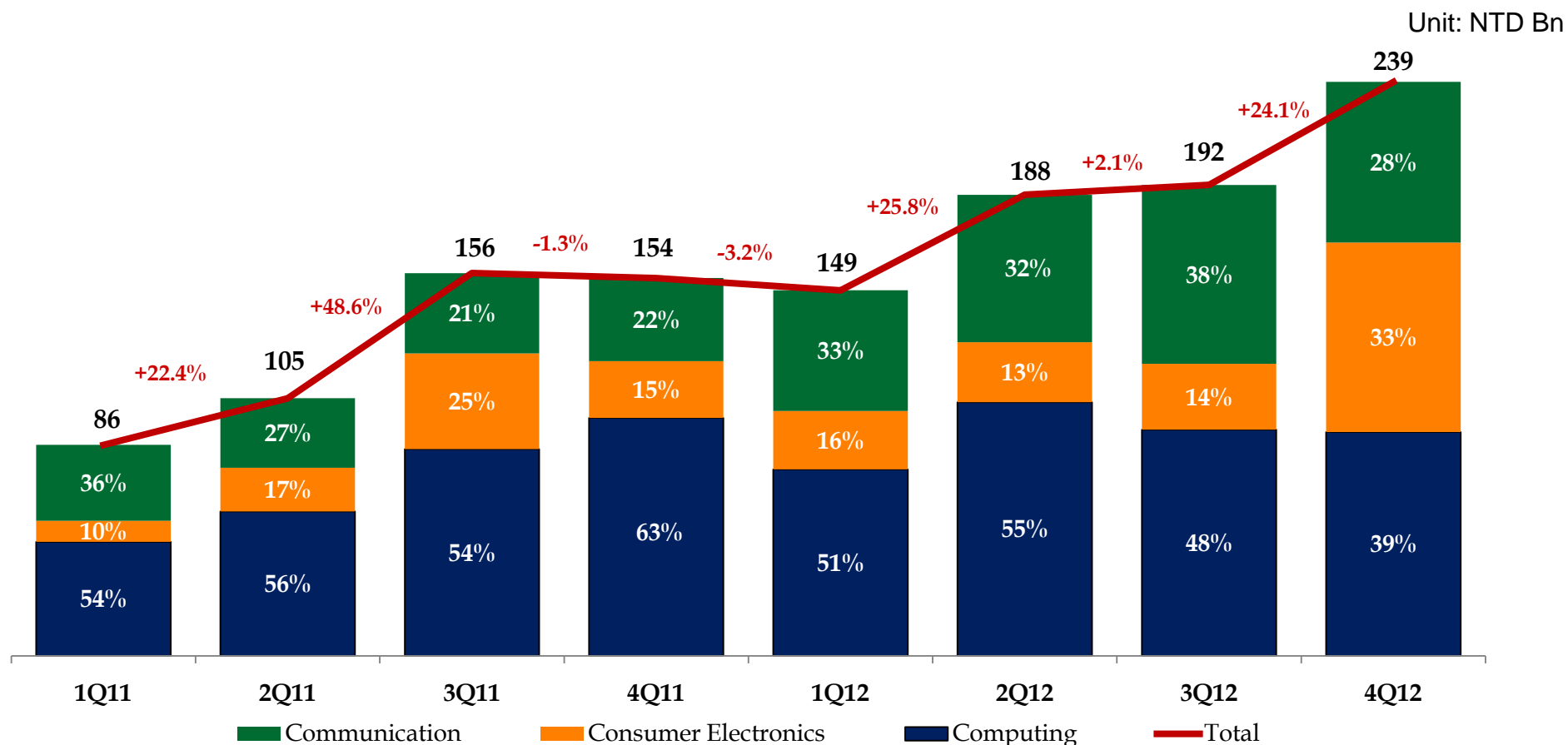
Note : Number of outstanding shares increased from 2,256 mn shares to 2,290 mn shares in 4Q2012.

Consolidated Balance Sheet

<i>(NT\$ Mn)</i>	4Q2012	3Q2012	QoQ	4Q2011	YoY
Cash and Equivalents	60,157	53,080	7,077	50,453	9,704
AR (Net)	122,608	114,928	7,680	84,246	38,362
Inventory (Net)	92,678	94,053	(1,375)	65,716	26,962
Other Current Assets	30,707	19,473	11,234	15,479	15,228
Total Current Assets	306,150	281,534	24,616	215,894	90,256
Investment	3,424	3,560	(136)	3,667	(243)
Fixed Assets (Net)	71,813	72,549	(736)	70,515	1,298
Other Assets	10,054	11,834	(1,780)	9,498	556
Total Assets	391,441	369,477	21,964	299,574	91,867
Short-term Borrowings	19,613	22,562	(2,949)	22,773	(3,160)
AP	172,381	150,121	22,260	100,016	72,365
Other Current Liabilities	41,983	37,125	4,858	28,702	13,281
Total Current Liabilities	233,977	209,808	24,169	151,491	82,486
Long-term Loan	27,861	34,362	(6,501)	29,179	(1,318)
Other Liabilities	1,576	1,140	436	707	869
Total Liabilities	263,414	245,310	18,104	181,377	82,037
Paid-in Capital	22,903	22,564	339	22,564	339
Capital Surplus	64,560	64,047	513	63,465	1,095
Retained Earnings	12,412	9,761	2,651	6,309	6,103
Adjusted Items	(3,778)	(3,032)	(746)	(735)	(3,043)
Treasury Stocks	(19)	(19)	0	(19)	0
Net Equity	128,027	124,167	3,860	118,197	9,830
Total Liabilities and Net Equity	391,441	369,477	21,964	299,574	91,867
Current Ratio	131%	134%	-	143%	-
Debt Ratio (TTL Liabilities / TTL Assets)	67%	66%	-	61%	-
Interest-bearing Debt Ratio	12%	15%	-	17%	-

Business Highlight

DMS Revenue Trend



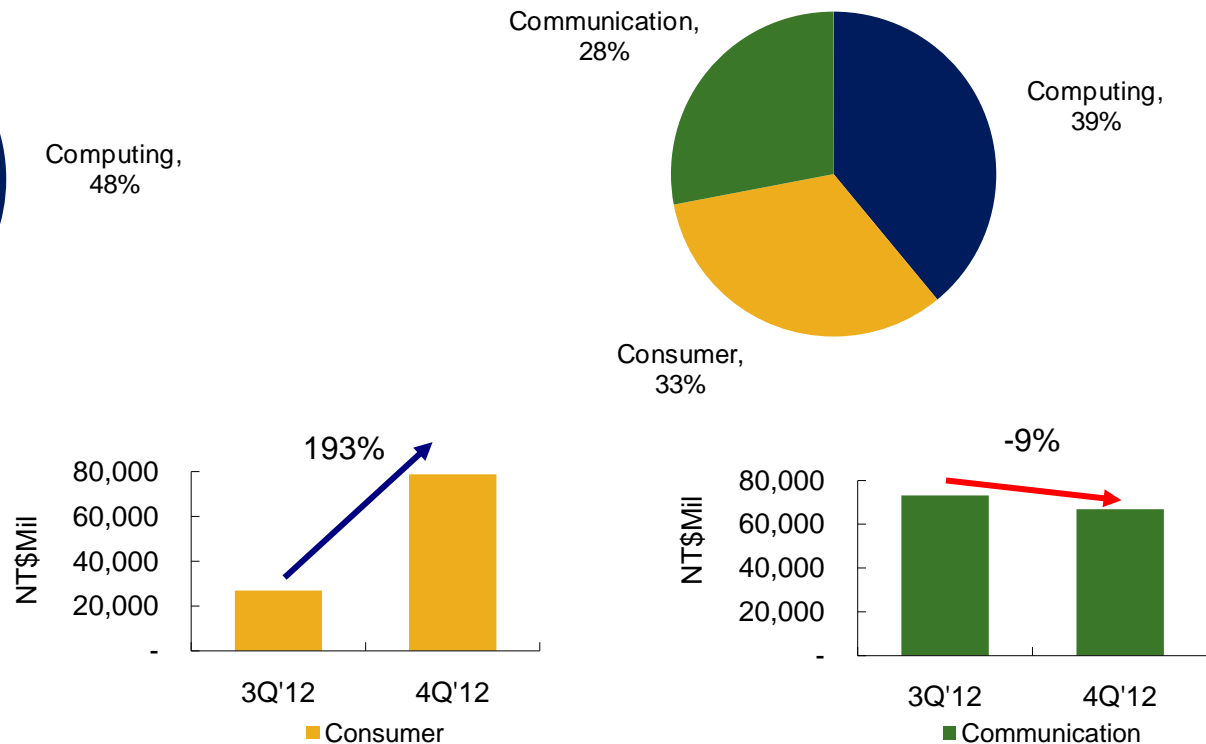
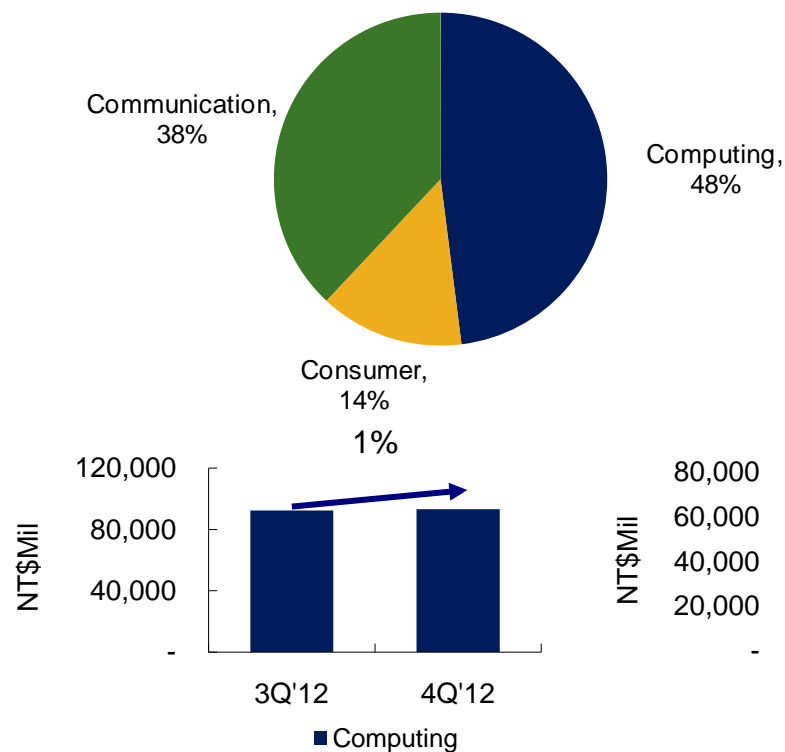
Revenue in 4Q2012 totaled NT\$239Bn, a 24.1% growth from NT\$192Bn in the previous quarter. The growth was driven mainly by the launch of new products as well as seasonal effect in Consumer Electronics segment and better than expected demands for Communication products.

Note: Since 3Q2012, tablet business has been moved to Consumer Electronics from Computing segment, and historical product mix percentages have been revised accordingly

Revenue Breakdowns by Products (Quarter-over-Quarter)

3Q2012

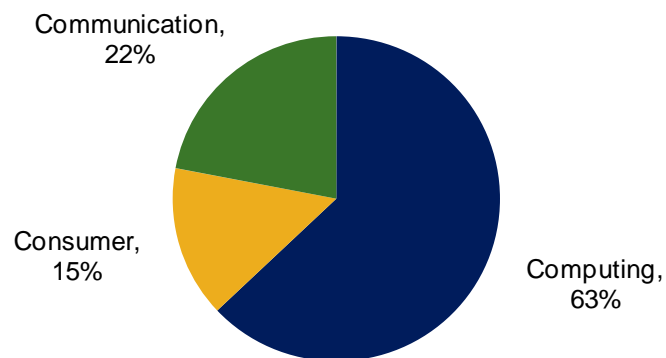
4Q2012



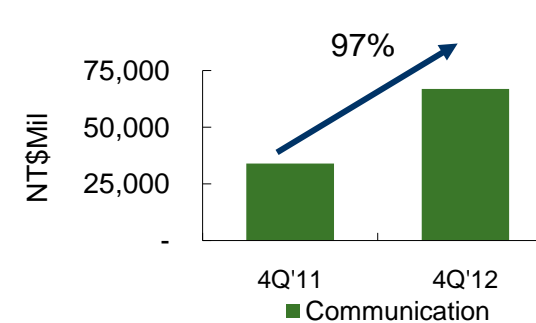
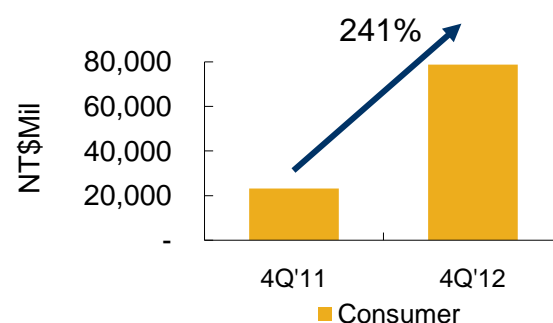
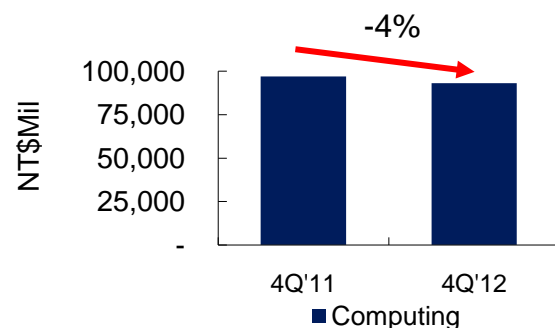
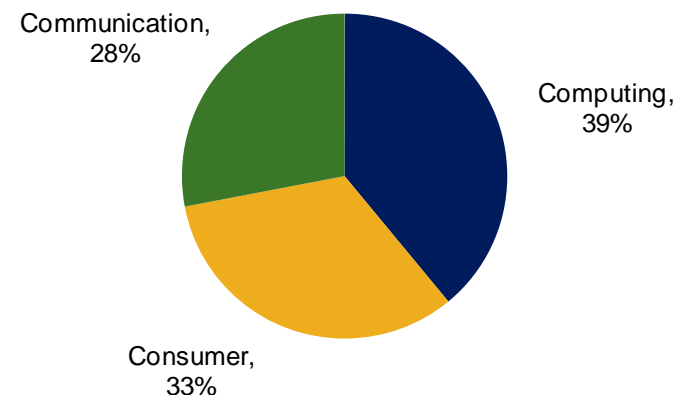
Due to continuous sluggish demand in Computing products, revenue in Computing segment remained flattish in 4Q12 with merely 1% growth QoQ. Driven by new products launch and seasonal effect, revenue in Consumer Electronics segment grew by 193% QoQ, while revenue in Communication segment declined by 9% QoQ.

Revenue Breakdowns by Products (Year-over-Year)

4Q2011



4Q2012



Revenue in Computing segment declined by 4% YoY due to weakening demand resulting from increasing competition from mobile devices. Benefiting from new products launch, revenue in Consumer Electronics segment grew substantially by 241% YoY. Sales in Communication segment grew by 97% on a YoY basis.

- NB shipment volume to decline by 20%~25%
- DT+MB shipment volume to decline by 30%~35%
- Revenue of consumer electronics to be flat to 5% decline
- Revenue of communication to decline by 30%~35%

Note: Starting from 3Q2012, tablet business has been moved to Consumer Electronics segment from Computing segment.

Q & A

Visit our Company Website:

www.pegatroncorp.com

www.pegadesign.com

IR Mail Box:

ir@pegatroncorp.com