



Nanya Technology

Nomura Taiwan Corporate Day

Presentation to Investors and Analysts 18 November 2014

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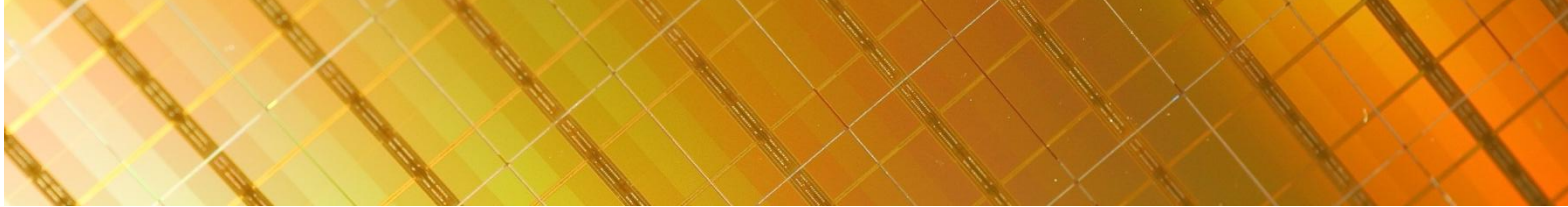
Agenda



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| 01. | 3Q'14 Highlights |
| 02. | 3Q'14 Revenue & Results |
| 03. | Business Highlights |
| 04. | Market Outlook |
| 05. | Business Outlook |



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3Q'14 HIGHLIGHTS

3Q'14 Highlights

Capital Reduction Completed

- Capital reduced from NT\$ 239.6B to NT\$ 23.96B
- Q1'14 ~ Q3'14 Net Income: NT\$ 19,674M
- EPS: NT\$8.21
- BVPS: NT\$13.45
- Accumulated Earnings: NT\$ 2.21B

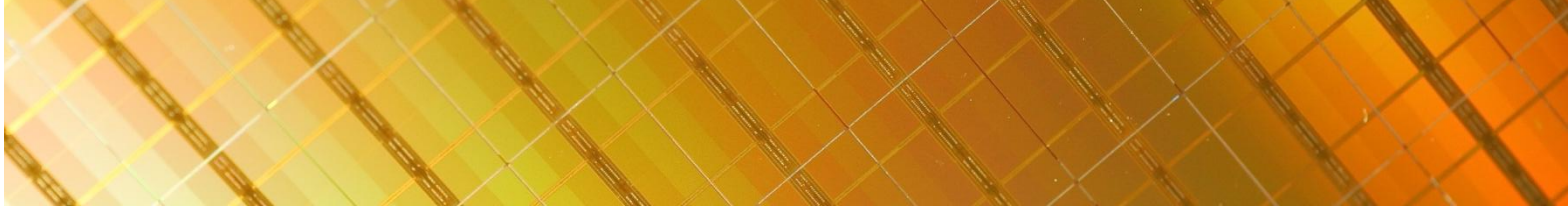
2015 Bit Growth Forecast

- 30nm Die Shrink Program
 - Ramping starts from Q4'14.
 - 30nm Die Shrink Products will increase 10~15% more bit.
- Production efficiency improve up to 10% wafer output.
- 2015 bit shipment estimates increase mid-teens yoy.

*BVPS: Book Value Per Share



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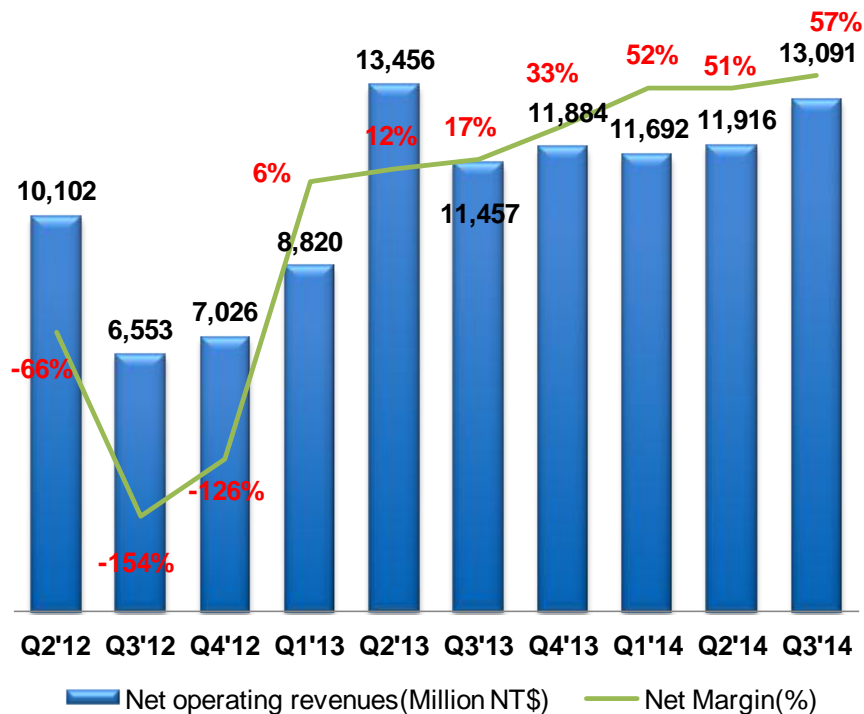


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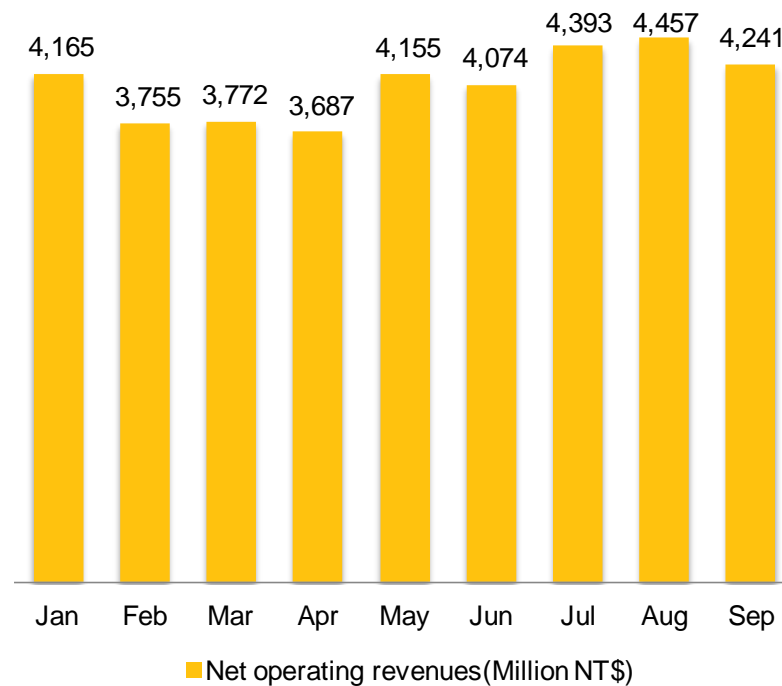
3Q'14 REVENUE & RESULTS

Financial Highlights

2012-2014 Quarterly Results



2014 Monthly Revenues



Quarterly Revenue Results

	QoQ Q3 '14 vs. Q2'14	YoY Q3'14 vs. Q3'13
Revenue	9.9%	14.3%
Shipment	7.3%	4.2%
ASP	3%	9.3%
Exchange Rate	-0.6%	0.3%

- Q3'14 revenue increased 9.9% QoQ.
- Q3'14 bit shipments increased 7.3% QoQ.
- ASP increased 3% QoQ.
- Healthy Inventories at end of the quarter.

3Q'14 Financial Results Summary

Amount in Million NT\$, except for EPS	Q3'14 Audited		Q2'14 Audited		QoQ	Q3'13 Audited		YoY
Net Sales	13,091	100%	11,916	100%	9.9%	10,940	100%	20%
Gross Margin (Loss) <i>Gross Margin(%)</i>	6,262	47.8%	5,220	43.8%	20%	1,535	14%	308%
Operating Income (Loss) <i>Operating Margin(%)</i>	5,452	41.6%	4,243	35.6%	28.5%	699	6%	680%
EBITDA* <i>EBITDA Margin (%)</i>	6,816	52%	5,622	47.2%	3.1%	2,370	21.7%	
Non-operating Income (Exp.)	2,883**	22%	2,178	18.3%		1,443	13%	
Income Tax Benefit (Expense)	-874***	-6.7%	-2	0.0%		-4	0%	
Net Income (Loss) <i>Net Margin (%)</i>	7,462	57%	6,083	51 %	22.7%	1,979	18%	277%
Earnings Per Share	3.11		2.54			0.82		
Shares Outstanding (million shares)	2,398		2,396			23,961		
Book Value Per Share	13.45		10.16			0.24		

* EBITDA = Operating income + Depreciation & Amortization Expenses

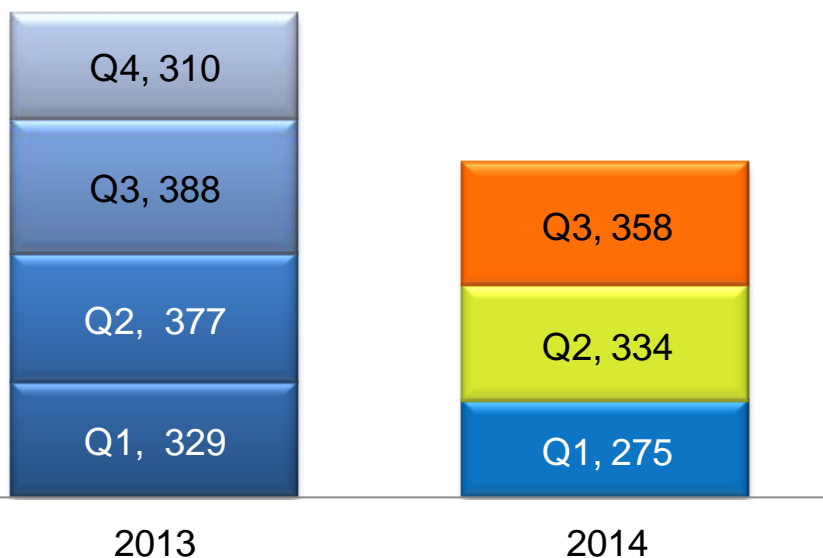
** Non-Operating income included NT\$ 2,859M from Inotera's profits in Q3

*** Q3'14 recognized tax expenses of NT\$ 0.87 billion from Deferred Income Tax Assets.

Operating Expenses

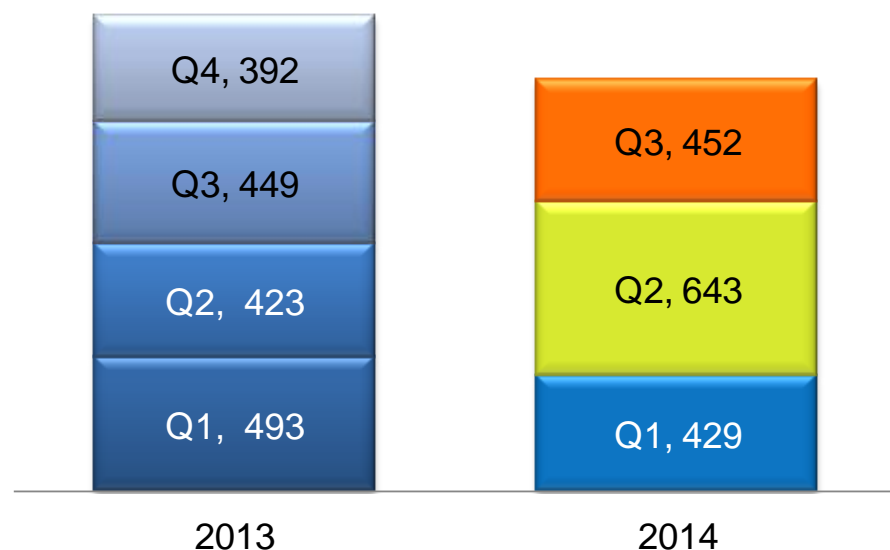
R&D Expenses

(Million NT\$)



SG&A Expenses

(Million NT\$)



Note: Q2'14 SG&A recognized NT\$ 217M from settling and clearing Sumpro employees' seniority of service.

3Q'14 Cash Flows

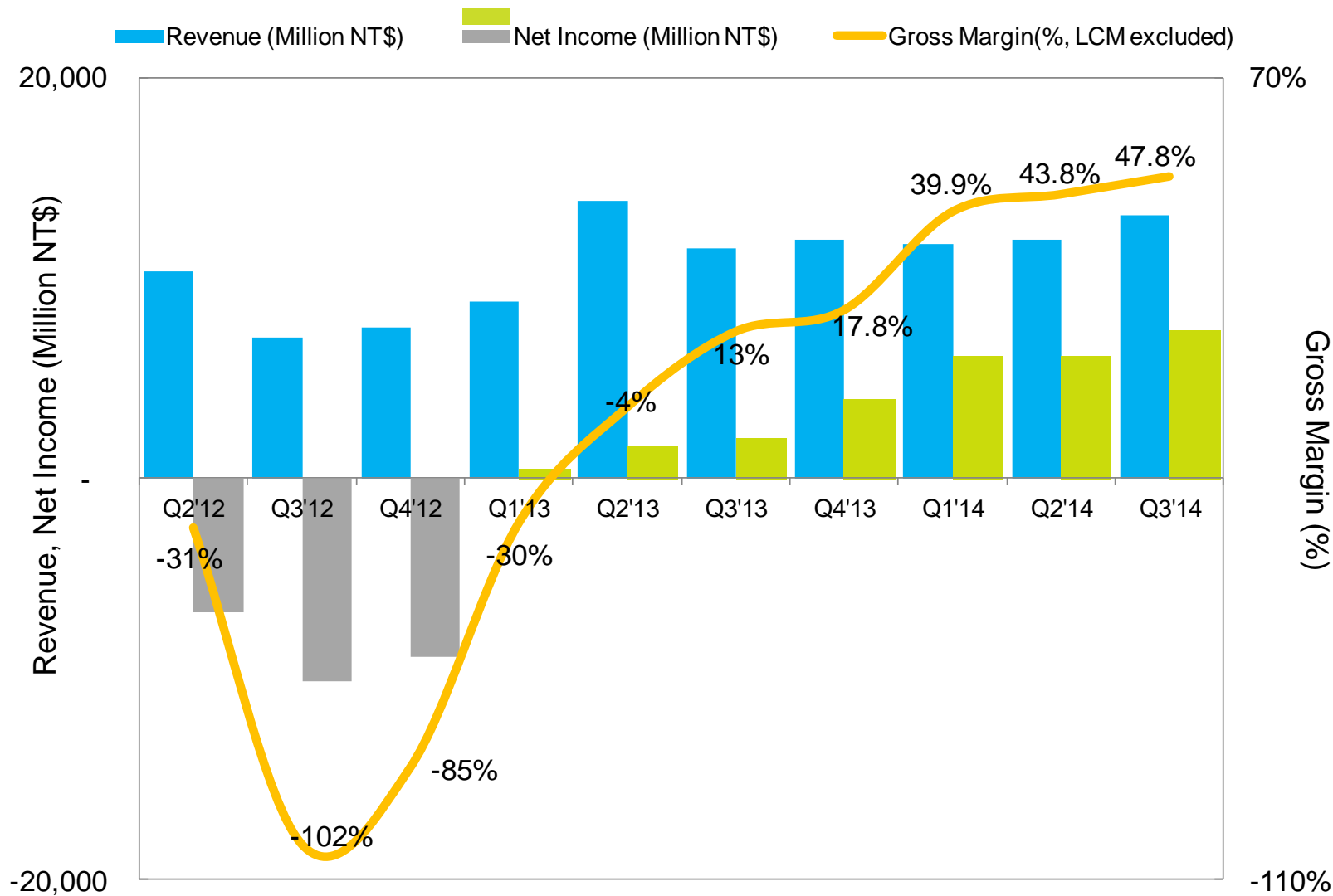
(Unit: Million NT\$)	Q3'14 Audited & Consolidated	Q2'14 Audited & Consolidated	Q1'14 Audited & Consolidated
Beginning Balance	7,422	7,109	3,996
Cash from Operating Activities	6,461	5,935	7,096
Capital expenditures	-3,933 *	-485	-128
Long-term & Short-term loans	-7,764	-5,005	-4,066
Investments and others	1,981***	-132	211
Ending Balance	4,167	7,422	7,109
Free Cash Flow **	2,528	5,450	6,968

*Capital expense on immersion in Q3'14.

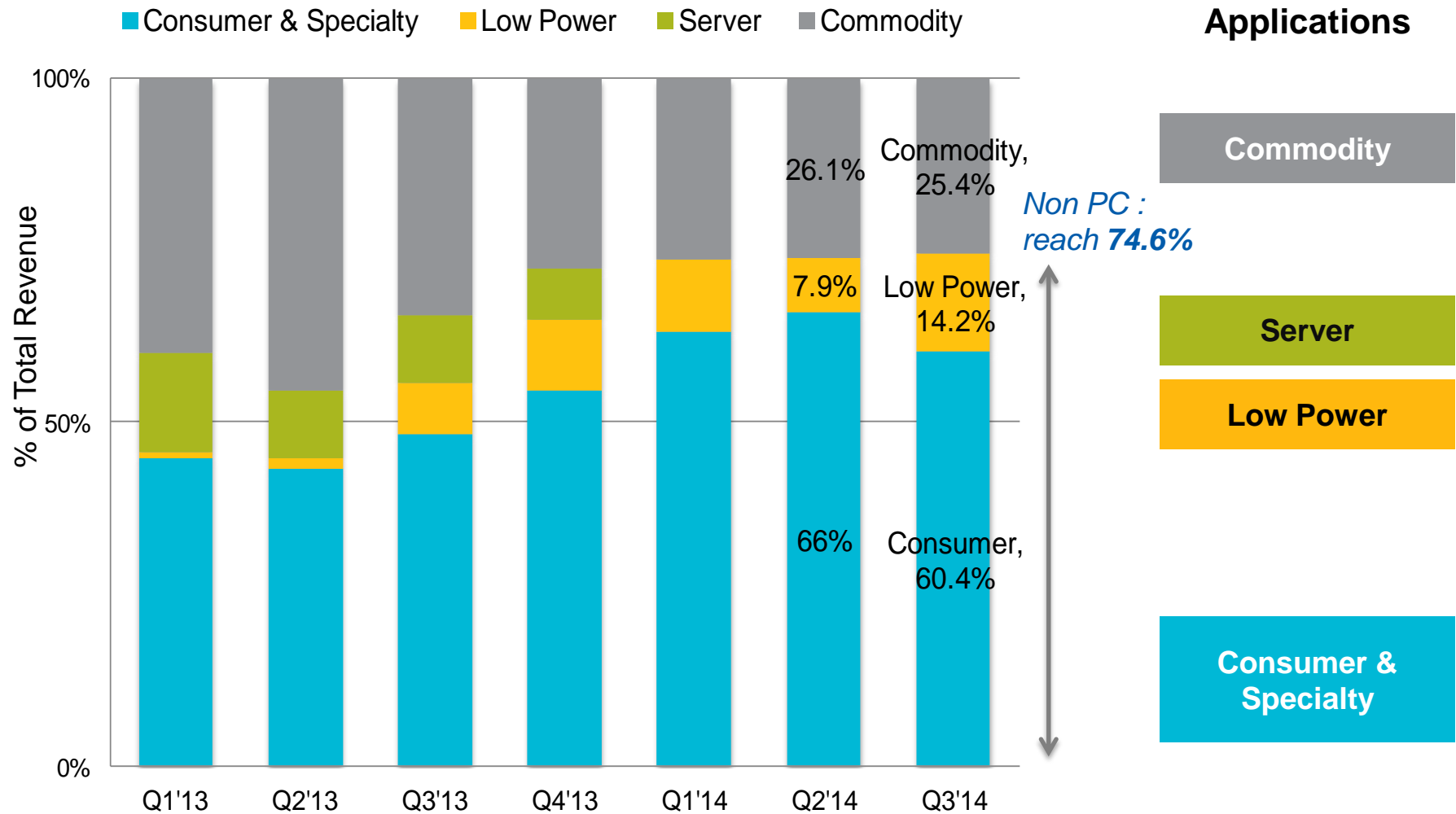
**Free Cash Flow = Cash from operating activities – Capital expenditures

*** Proceeds mainly from Sumpro's asset disposition.

Financial Highlights

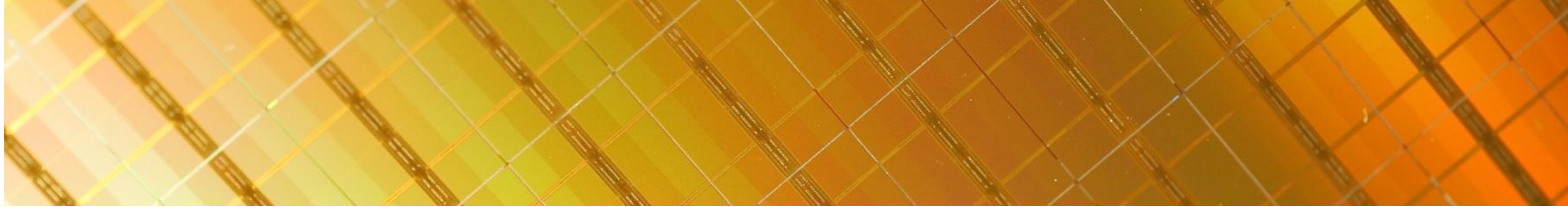


Sales Breakdown by Application





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BUSINESS HIGHLIGHTS

Financial Summary

Q3'14 Financial Highlights

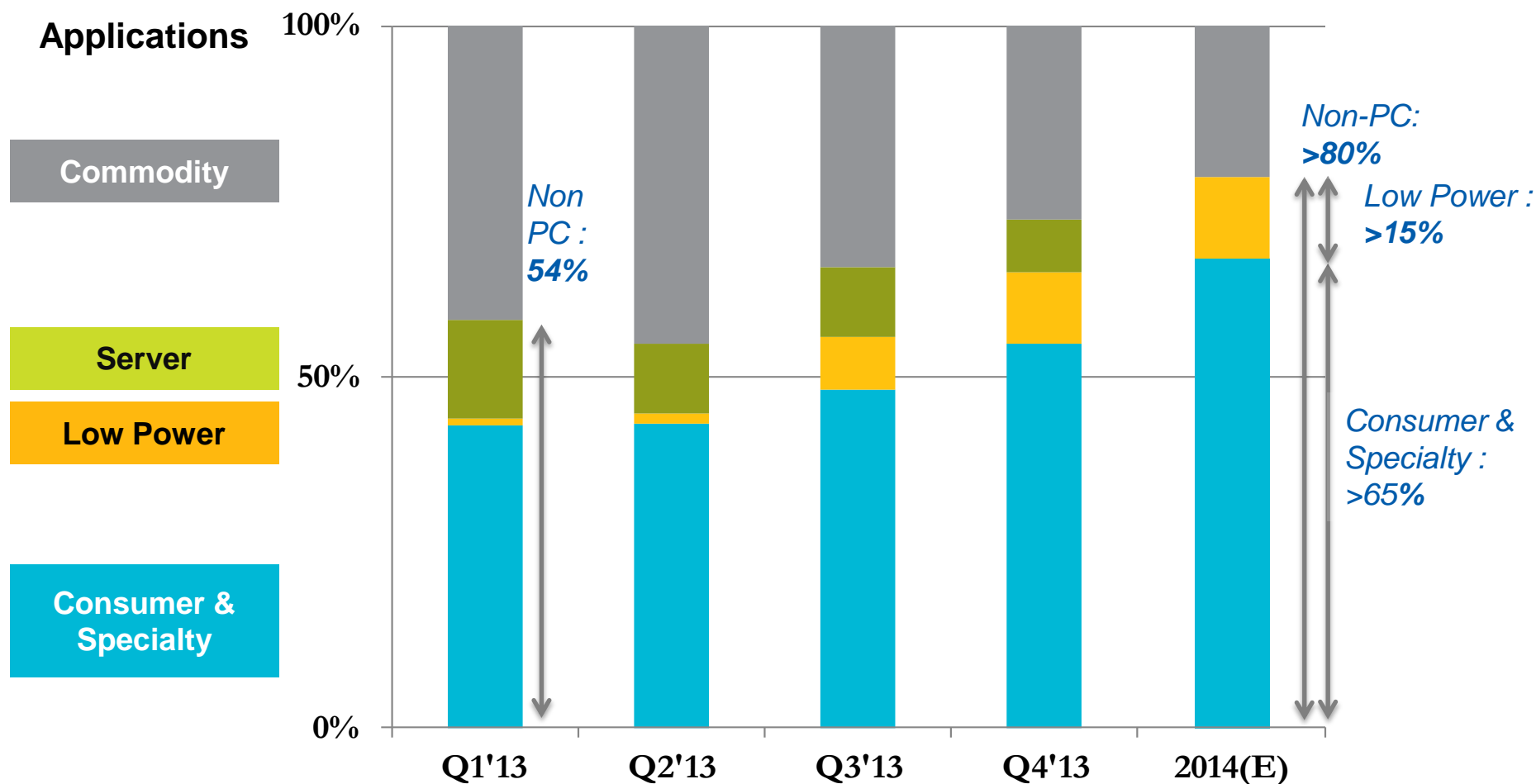
- Net income of NT\$7.46 billion, EPS NT\$ 3.11
- Improved Gross margin to 47.8% in Q3 from 43.8 % in Q2
- Recognized NT\$ 2,859M from Inotera's profits in Q3
- Cost per bit improved mid-single digits in Q3 QoQ

Deferred Income Tax Assets

- Deferred Income Tax Asset balance NT\$ 3.25 billion as of June 30.
- Q3'14 recognized tax expenses of NT\$ 0.87 billion from Deferred Income Tax Assets; balance of NT\$ 2.38 billion as of September 30.
- Continue to revalue Deferred Income Tax Assets and recognize tax expenses based on future operation results.

2014 Revenue Breakdown Guidance

■ Consumer & Specialty ■ Low Power ■ Server ■ Commodity

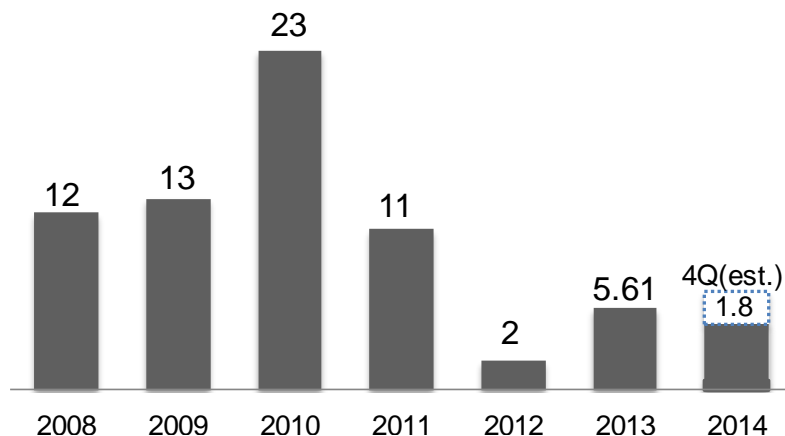


* Revenue portion by Application

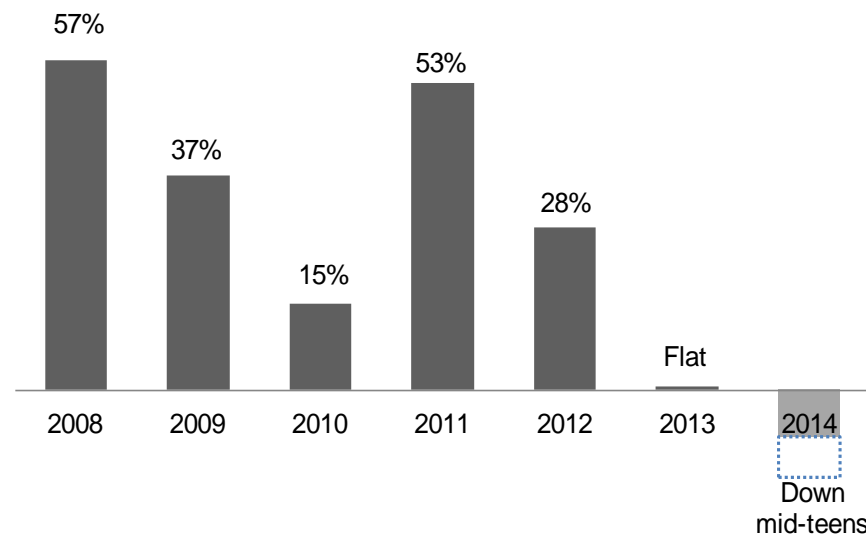
Capex & Bit Shipment

NT\$ Billion

Capex



Bit Shipment (YoY)



■ Capital Expenditure (Capex)

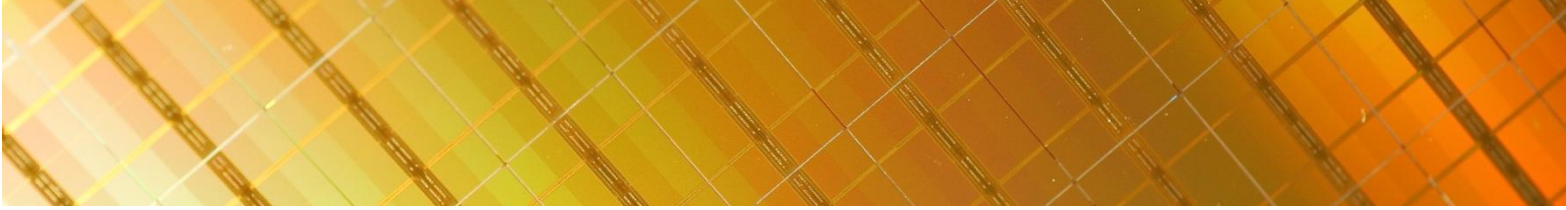
- NT\$3,933M Capex of Q3'14.
- Estimated NT\$6.69B for 2014 Capex.

■ Bit Shipment

- Q3'14 bit shipment increase 7.3% QoQ.
- Estimated bit shipment down high single digits to mid-teens in 2014.



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MARKET OUTLOOK

DRAM Market Outlook

Market Outlook

Supply

- Supply growth by 2Xnm conversion peak at Q2, slow down in Q4.

Demand

- Ongoing strong demand from Server and cloud computing applications.
- PC shipment meets expectation.
- Consumer sectors remains strong for various applications from gaming, Industrial grade, networking, M2M, infotainment. However, TV and STB demand in China lower than expectation.
- Low Power DRAM demand to increase driven by new mobile devices launch, such as iPhone 6, iPad Air 2 and other major brands, and increase of 4G/LTE shipment in China.

Price

- QoQ, DRAM pricing is anticipated to remain stable in Q4, contract price in PC and Server sector up slightly, and pricing in consumer sector expects to have minor correction in Q4.



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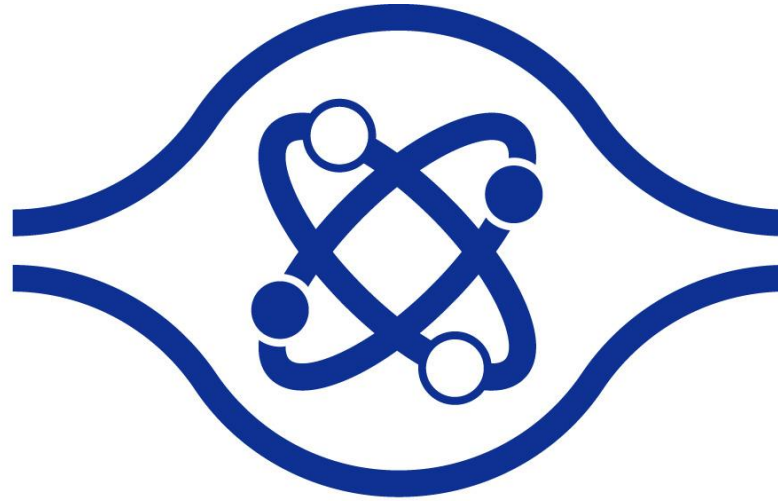


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BUSINESS OUTLOOK

Business Outlook

- **Q4'14 bit shipments will remain flat.**
- **Bit growth increase by expanding 30nm Die Shrink Program and improving production efficiency in 2015.**
- **30nm Die Shrink Products ramp up from 4Q'14.**
- **Small volume shipment on low density MCP in Q4'14.**
- **DDR4 DRAM products volume production.**
- **Target stock trading back to normal trading in November 2014.**



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Thanks & Questions

“The slides herein and the presentation made during the conference contain forward-looking statements and are provided for information purposes only. Neither Nanya Technology Corp. nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements or undertakes duty to update the statements. Investor(s) is urged to review carefully the information provided herein and shall make investment decision after conducting their own investigation.”

3Q'14 Consolidated Income Statement

Amount: Million NT\$	Q3'14 Audited		Q2'14 Audited		QoQ	Q3'13 Audited		YoY
Net Sales	13,091	100.0%	11,916	100.0%	9.9%	10,940	100%	20%
Cost of Goods Sold	6,828	52.2%	6,696	56.2%		9,405	86%	
Gross Margin	6,262	47.8%	5,220	43.8%	20%	1,535	14%	308%
SG&A Expenses	453	3.5%	643	5.4%		449	4%	
R&D Expenses	358	2.7%	334	2.8%		388	4%	
Operating Income	5,452	41.6%	4,243	35.6%	28.5%	699	6%	680%
Non-operating Income (Exp.)	2,883	22.0%	2,178	18.3%		1,443	13%	
Income before Tax	8,335	63.7%	6,421	53.9%	29.8%	2,142	20%	289%
Income Tax Benefit (Expense)	-874	-6.7%	-2	0.0%		-4	0%	
Profit from Continuing Operation	7,461	57.0%	6,419	53.9%		2,138	20%	
Income (Loss) from Discontinued Operation	4	0.0%	-334	-2.8%		-161	-1%	
Net income attributable to noncontrolling interests	3	0.0%	2	0.0%		-2	0%	
Net Income attributable to NTC	7,462	57.0%	6,083	51.0%	22.7%	1,979	18%	277%
EPS(NT\$)	3.11		2.54			0.82		
Book Value Per Share	13.45		10.16			0.24		