

Etron Technology, Inc.

4Q 2007 Investor Conference

March 17, 2008

Design Technology Leader

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Outline

- Financial Results
- Sales, Application, Product, and Technology
- Messages
- Q&A



Highlights of 2007

Amount: NT\$M	2007	2006	YoY
Net Sales	13,219	10,481	26%
Gross Profit	2,507	1,402	79%
Operating Income	1,617	608	166%
Income Before Tax	1,264	727	74%
Net Income	1,286	673	91%
EPS (NT\$)	3.47	1.95	78%
Total Assets	11,680	11,032	6%
Total Liabilities	4,554	4,839	(6%)
Shareholder's Equities	7,126	6,193	15%
ROE (%)	19.3	11.8	

Income Statement of 2007

Amount: NT\$M	2007		2006		YoY
Net Sales	13,219	100%	10,481	100%	26%
COGS	(10,712)	(81%)	(9,079)	(87%)	18%
Gross Profit	2,507	19%	1,402	13%	79%
Operating Expense	(890)	(7%)	(794)	(7%)	12%
Operating Income	1,617	12%	608	6%	166%
Non-Operating Income (Loss)	(353)	(2%)	119	1%	(397%)
Income Before Tax	1,264	10%	727	7%	74%
Income Tax Benefit (Expense)	22	0%	(54)	(1%)	-
Net Income	1,286	10%	673	6%	91%
Capital	3,807		3,517		8%
Earnings Per Share (NT\$)	3.47		1.95		78%

Income Statement of Q4 2007

Amount: NT\$M	Q4'07		Q3'07		QtQ	Q4'06		YoY
Net Sales	3,439	100%	3,701	100%	(7%)	3,246	100%	6%
COGS	(2,756)	(80%)	(2,974)	(80%)	(7%)	(2,698)	(83%)	2%
Gross Profit	683	20%	727	20%	(6%)	548	17%	25%
Operating Expense	(249)	(7%)	(247)	(7%)	1%	(228)	(7%)	9%
Operating Income	434	13%	480	13%	(10%)	320	10%	36%
Non-Operating Income (Loss)	(153)	(5%)	(16)	0%	856%	(58)	(2%)	-
Income Before Tax	281	8%	464	13%	(39%)	262	8%	7%
Income Tax Benefits (Expense)	42	1%	(26)	(1%)	262%	(15)	-	-
Net Income	323	9%	438	12%	(27%)	247	8%	31%
Capital	3,807		3,840		(1%)	3,517		8%
Earnings Per Share (NT\$)	0.87		1.18		(26%)	0.72		21%

Balance Sheet of 2007

Amount: NT\$M	2007		2006		YoY
Cash & Equivalent	2,741	23%	2,929	27%	(6%)
Accounts Receivable	1,940	17%	1,765	16%	10%
Inventory	2,766	24%	2,505	23%	10%
L-T Investments	2,684	23%	2,330	21%	15%
Total Assets	11,680	100%	11,032	100%	6%
Current Liabilities	2,560	22%	2,541	23%	1%
Accounts Payable	1,938	17%	2,280	21%	(15%)
L-T Debt	1,939	17%	2,240	20%	(13%)
Total Liabilities	4,554	39%	4,839	44%	(6%)
Total Equities	7,126	61%	6,193	56%	15%

Key Indices (I)

	2007	2006	2005	2004	2003
Revenue Growth (YoY%)	26	56	6	44	44
Gross Profit Margin (%)	19	13	17	23	15
Operating Income Margin (%)	12	6	8	15	6
Net Income Margin (%)	10	6	8	6	4
EPS - Before Tax	3.41	2.11	1.74	1.41	0.71
EPS - After Tax	3.47	1.95	1.67	1.62	0.85

Key Indices (II)

	2007	2006	2005	2004	2003
A/R T/O Day	52	56	61	52	75
Inventory T/O Day	95	98	153	157	190
Asset Turnover	1.2	1.1	0.9	0.9	0.7
Current Ratio (%)	301	291	248	270	246
Equity Ratio (%)	61	56	64	63	47
ROE (%)	19.3	11.8	10.7	10.9	5.9

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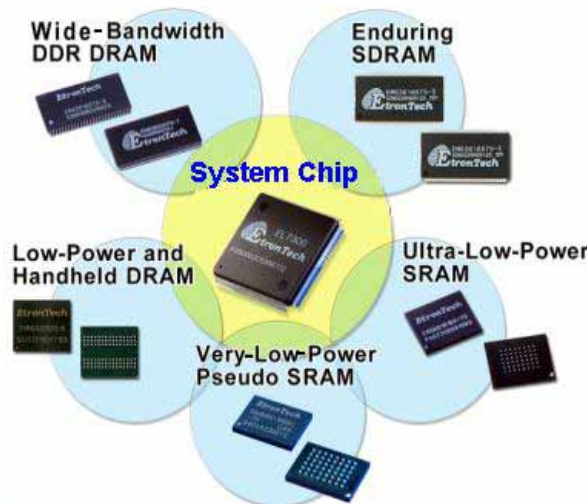


Etron Technology, Inc. (Taiwan Stock 5351)



- Fabless IC Design since 1991
- IPO in Taiwan, 1998
- Capital/Asset: US\$123M/360M
- Employee: 434
(2% Ph.D., 39% Master, 49% Bachelor)
- Employee Productivity: US\$1M per Employee (2007)
- Patents: USA/Total 72/141
- Headquarters
 - Hsinchu Science Park
- Branch Offices & Liaison
 - USA : Santa Clara, Boston
 - China : HK, Shanghai, Shenzhen
 - Japan : Tokyo

Product Focus: ADM (Application Driven Memory) and Custom-Design SIP (System in Package)



← 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



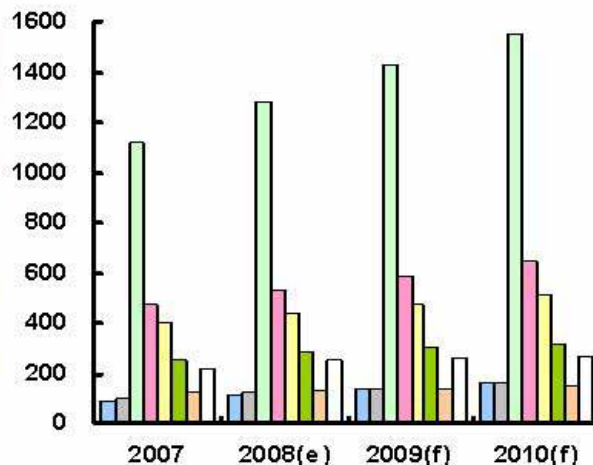
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Memory Application Markets: YoY

Application	'07~'10 CAGR
1 DTV	20.6%
2 Panel	19.3%
3 Cellular Phone	11.4%
4 HDD	10.6%
5 ODD+Player	8.5%
6 Communication	7.9%
7 DSC+DVC	7.1%
8 MP3+PMP	6.5%

Million Units



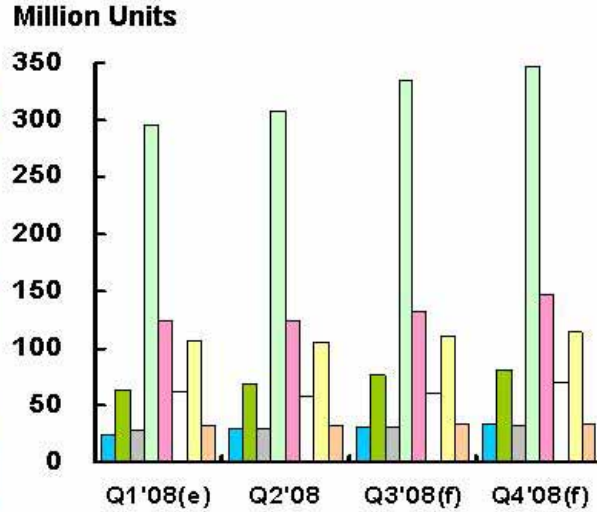
Sources: IDC (Dec'07), DisplaySearch (Q1'08), Gartner (Dec.'08); Etron (Mar.'08)

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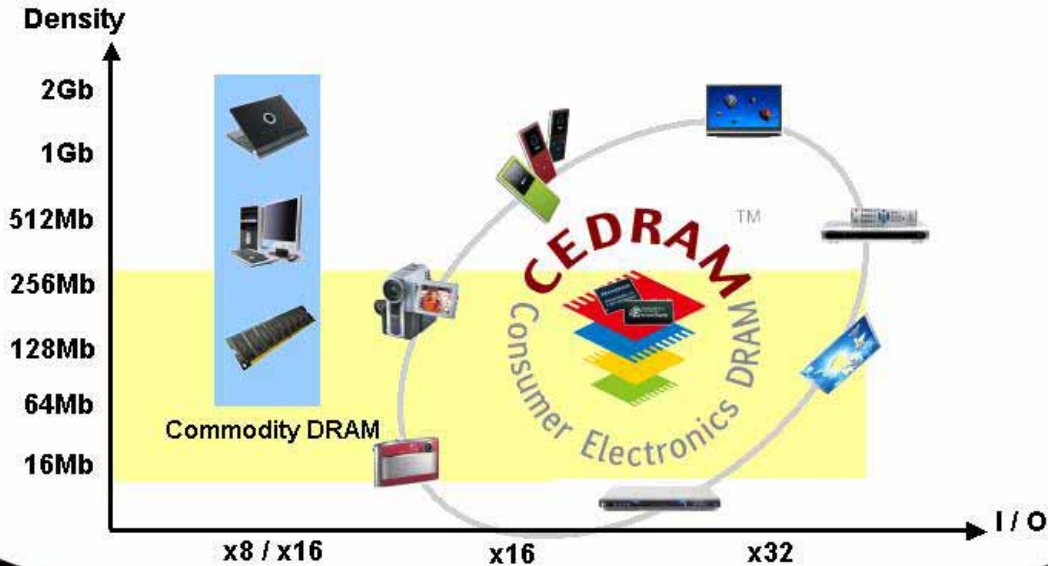
Memory Application Markets: QtQ

Application	Q1'08~Q4'08 CAGR
1 DTV	11.7%
2 Communication	7.7%
3 Panel	5.6%
4 Cellular Phone	5.5%
5 HDD	5.5%
6 MP3+PMP	3.9%
7 ODD+Player	2.2%
8 DSC+DVC	1.3%

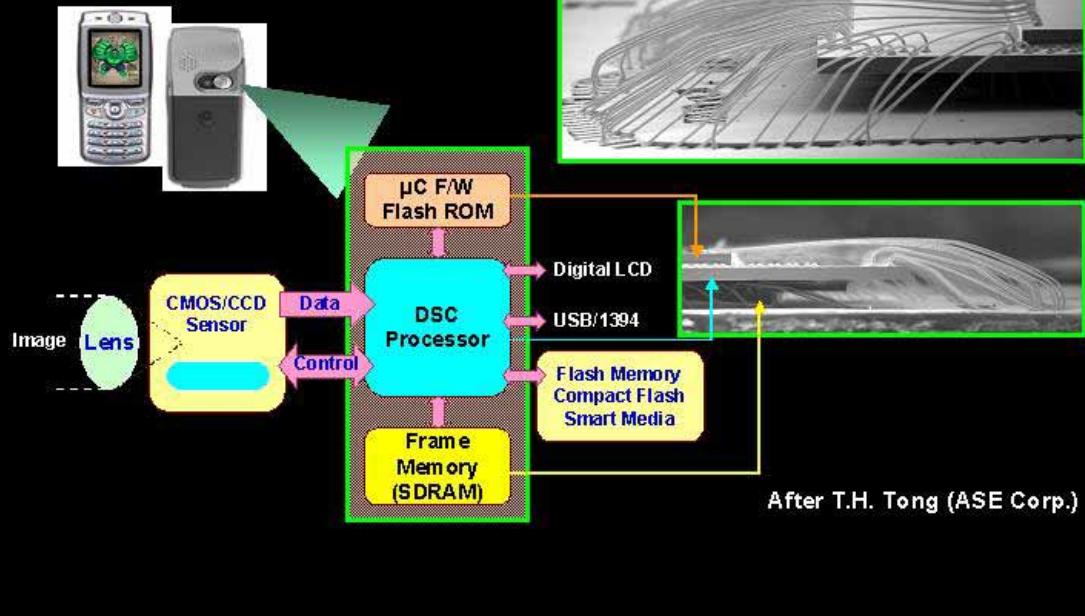


Sources: IDC (Dec'07), DisplaySearch (Q1'08), Gartner (Dec.'08); Etron (Mar.'08)

Etron: A Pioneer & Leader in CEDRAM

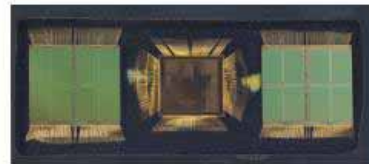


Stacked Die System Chip Needs Bare-Die Memory

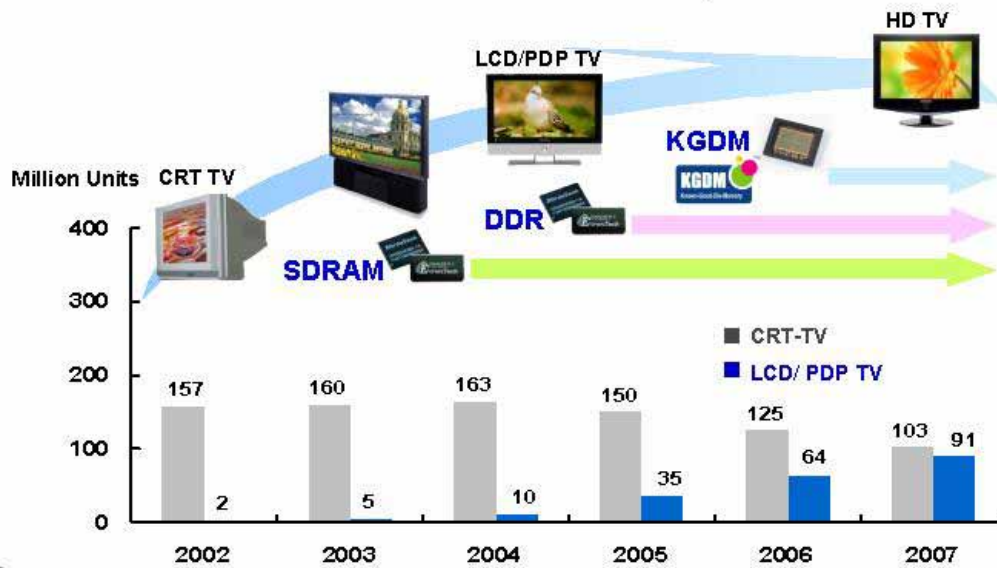


Etron: A Pioneer and Leader in KGD Memory

- Easy to make bare die but difficult to guarantee Known-Good-Die Memory for Lifetime
 - High Quality and Reliability
 - Tailored Services
 - Robust Design

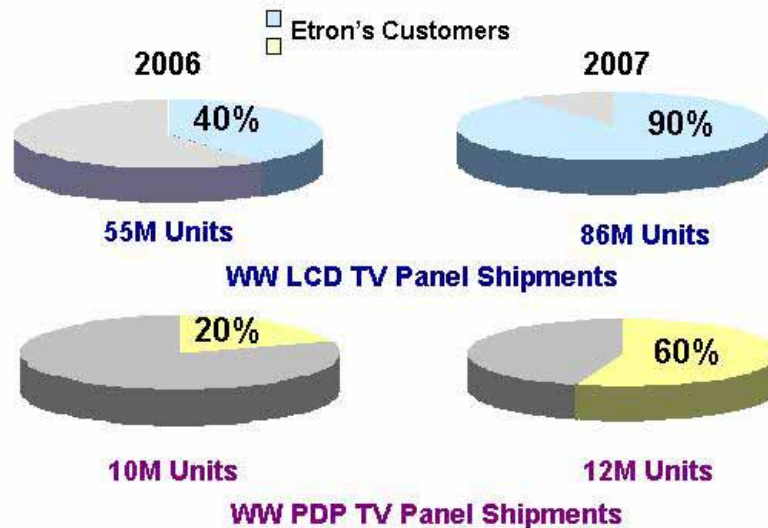


Evolution of TV and WW Shipment Volume

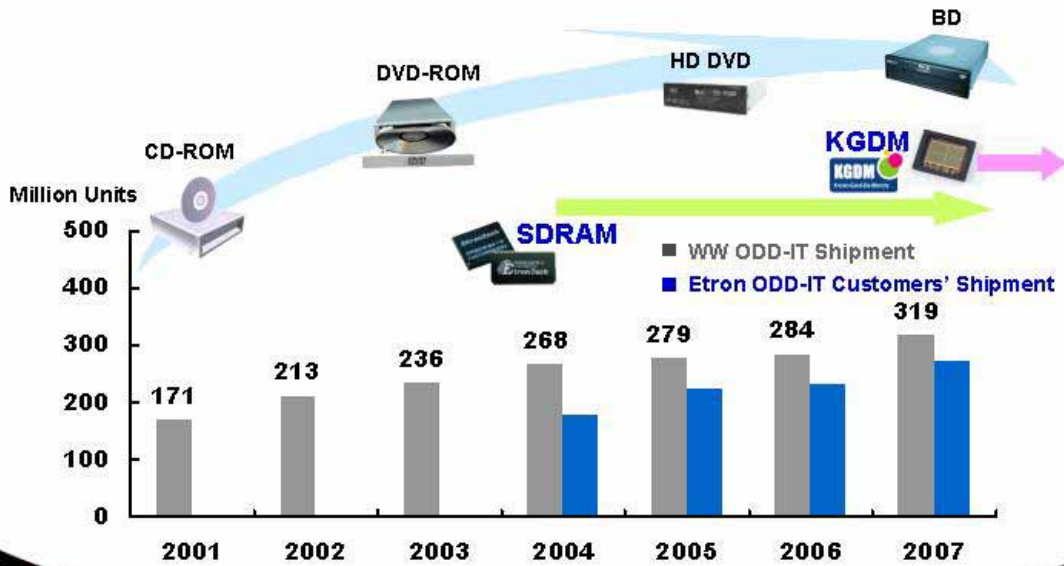


Sources: MIC; Display Search (Q4'07); Etron (March'08)

Market Share of Etron's Customers in Worldwide TV Panel Shipment Volume



Evolution of Optical Disc Drive for IT



Sources: ITRI; TSR(Q4'07); Etron (March'08)

Mastering Technologies for Robust Design

Mobility and Portability

Low Voltage
3.3V → 1.8V → 1.2V

Low Power
1mA → 0.001mA

Small Form Factor
TSOP, TQFP →
BGA, Known-Good-Die



Video, Audio and Multimedia

High Speed
133MHz → 400MHz, DDR I/II

High Integration
SOC → Multi-Chip Stack

High Density
16Mb → 256Mb

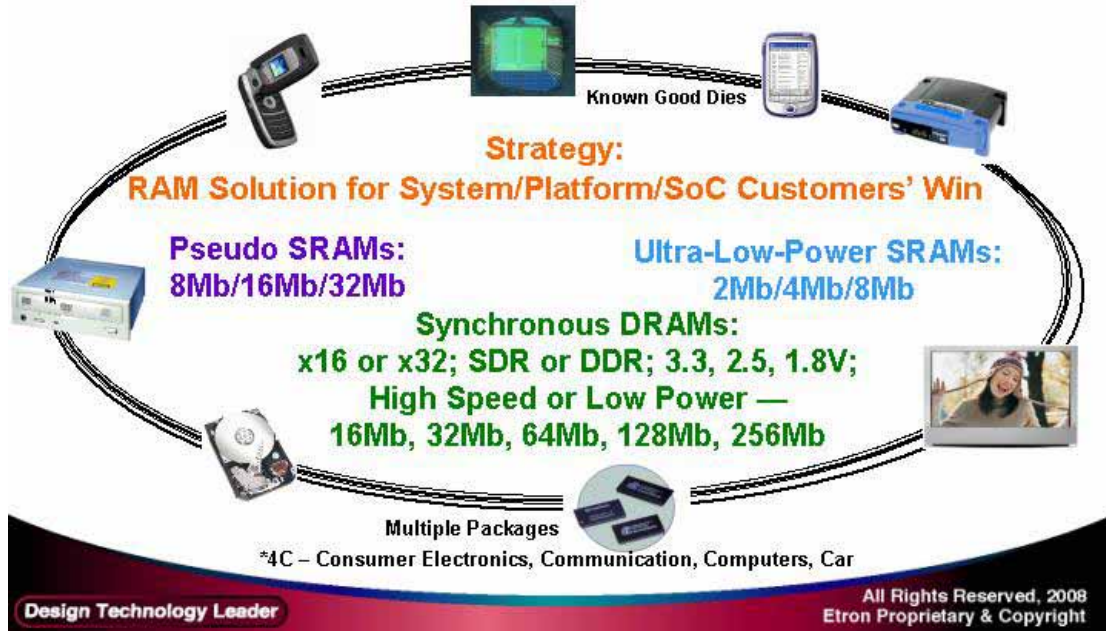
Low Cost and High Quality / Productivity

Multiple Foundry Alliance
DRAM, SRAM, Logic

Large Wafer Size
8 inch → 12 inch

Advanced Process Technology
SRAM: 0.15μm → 0.11μm
DRAM: 0.15μm → 90nm → 70nm

Hundreds of Products across Various 4C* Applications

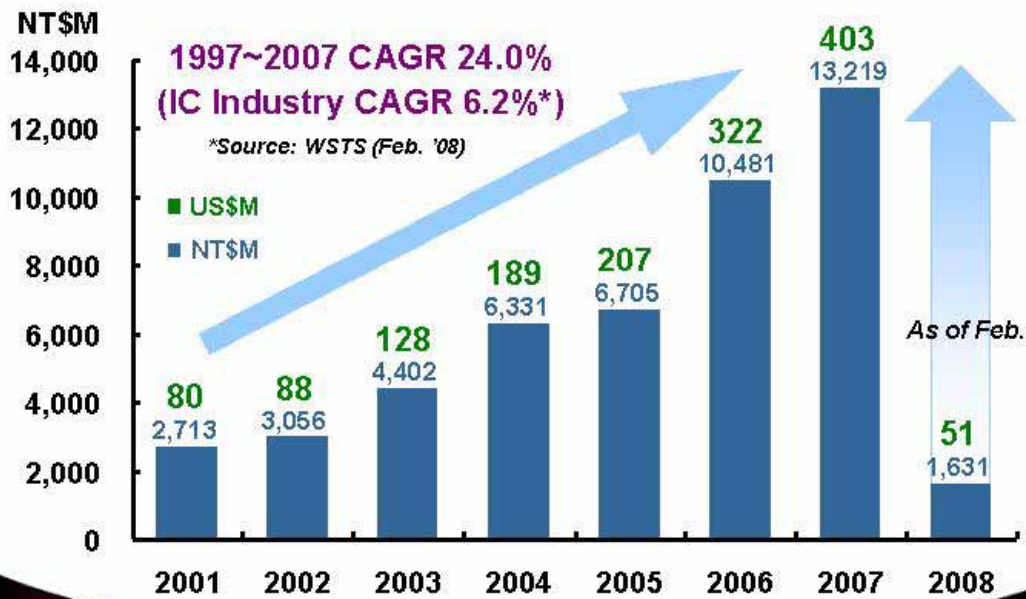


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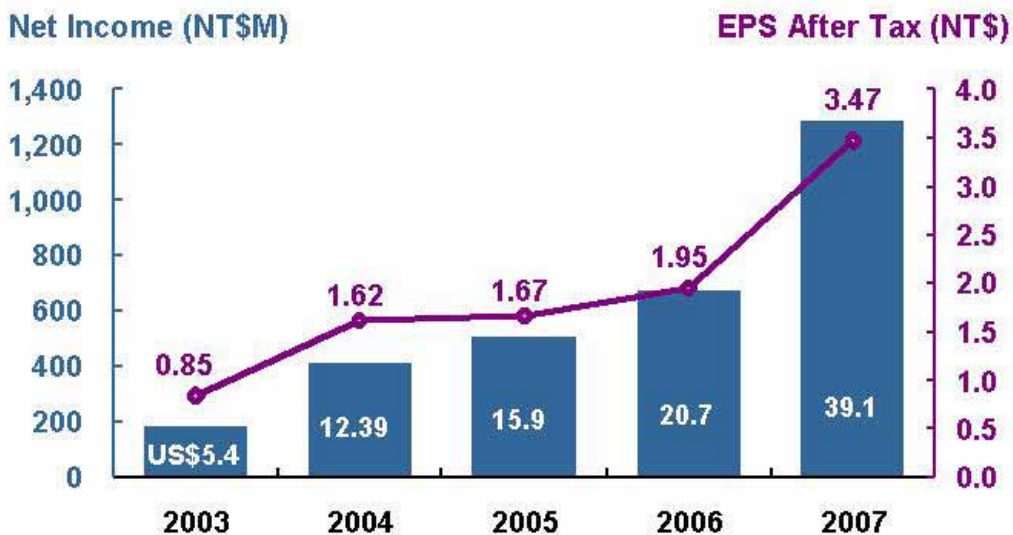
Revenue Growth of Etron



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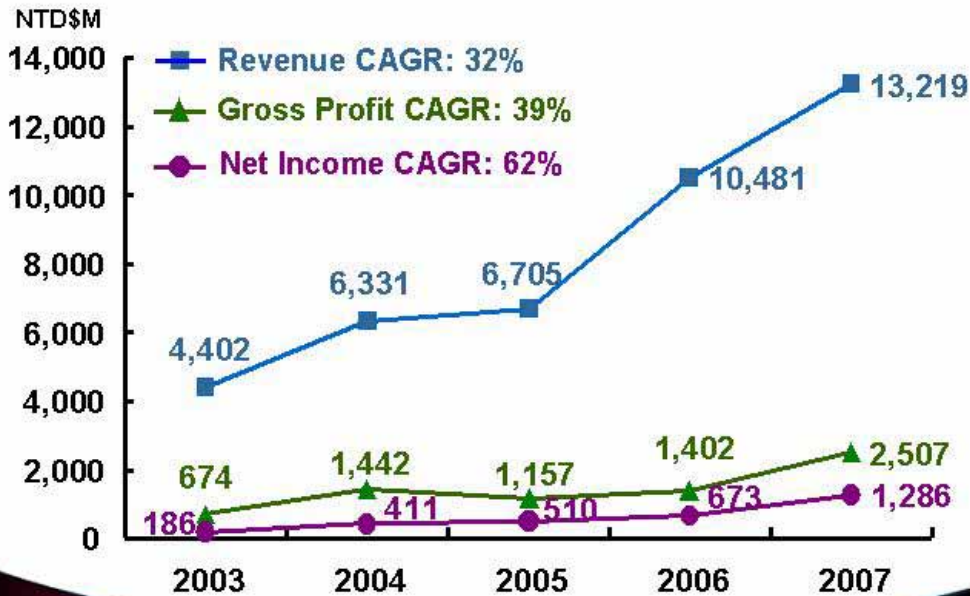
Net Income and EPS After Tax (2003-2007)



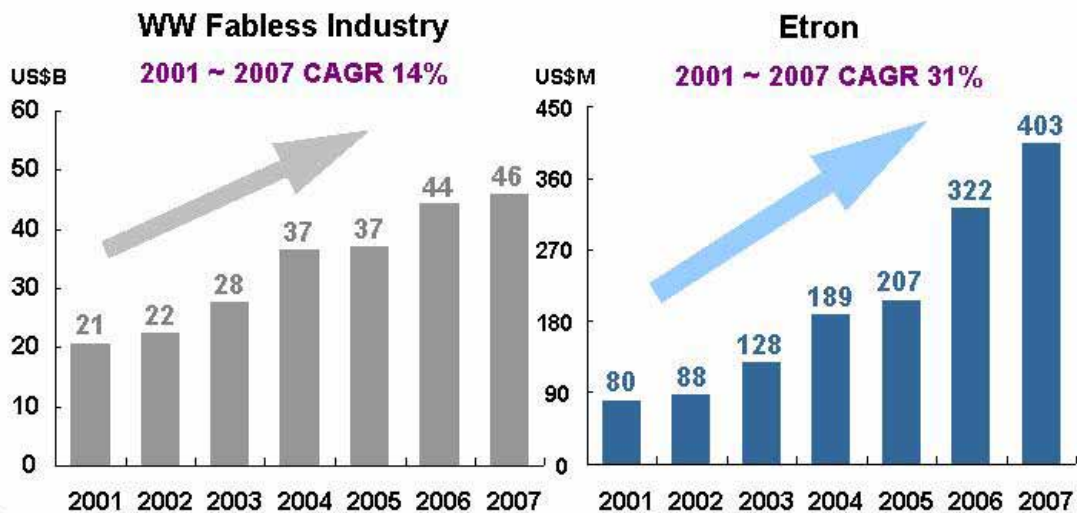
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Revenue, Gross Profit and Net Income (2003-2007)

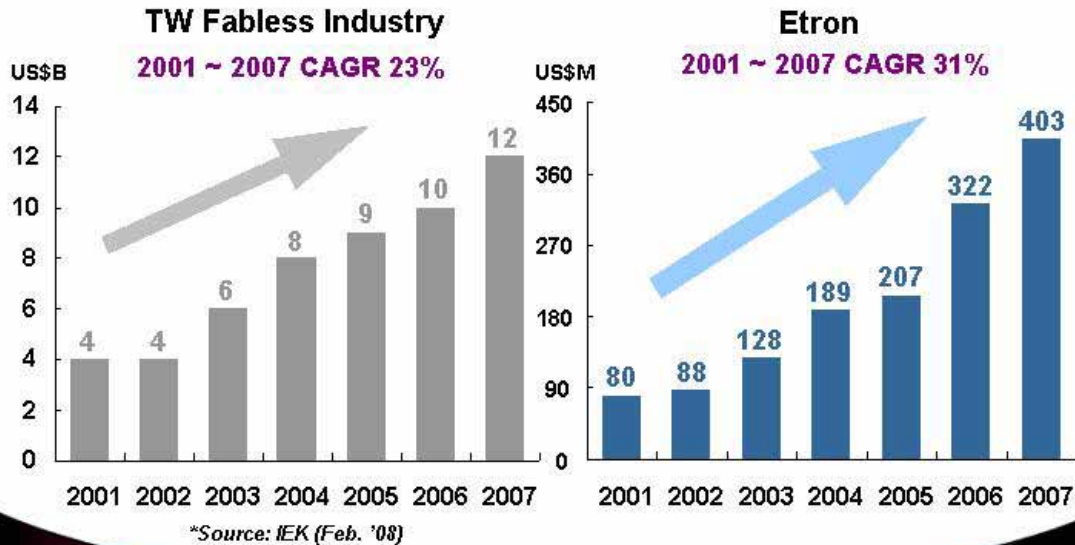


Revenue Growth Comparison (I)



*Source: WSTS, IEK (Feb. '08)

Revenue Growth Comparison (II)



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DRAM Market Update in 2007

Q4 Rank	Company	Q4'07	QoQ	2007	2006	YoY
		Revenues (US\$M)	Sequential Growth	Revenues (US\$M)	Revenues (US\$M)	Sequential Growth
1	Samsung (三星)	1,680	-13.1%	7,886	9,032	-12.7%
2	Hynix (海力士)	1,204	-31.8%	6,689	5,664	18.1%
3	Micron (美光)	860	1.4%	3,700	4,153	-10.9%
4	Elpida (爾必達)	831	-12.8%	3,864	3,478	11.1%
5	Qimonda (奇夢達)	743	-24.1%	4,033	5,350	-24.6%
6	Nanya (南亞科)	269	-10.9%	1,367	2,200	-37.8%
7	Powerchip (力晶)	187	-21.9%	1,117	1,793	-37.7%
8	ProMOS (茂德)	185	-24.5%	1,060	1,167	-9.2%
9	Etron (鈺創)	106	-5.7%	403	322	25.2%
10	Winbond (華邦電)	45	-39.6%	282	310	-9.0%

Source: DRAMeXchange (January 2008)

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Taiwan Top Ten Fabless Companies by Revenues

Ranking	Company	2007	2006	2005
		Revenues (NTD\$M)	Revenues (NTD\$M)	Revenues (NTD\$M)
1	MediaTek/聯發科技	74,644	52,942	46,491
2	Novatek/聯詠科技	36,129	31,428	25,984
3	Phison/群聯電子	20,258	12,452	6,308
4	RealTek/瑞昱半導體	15,709	12,423	10,636
5	VIA/威盛電子	14,684	21,441	19,134
6	Etron/鈺創科技	13,219	10,481	6,705
7	CoAsia/華亞科技	11,813	10,110	6,340
8	Sunplus/凌陽科技	9,214	17,076	18,781
9	GUC/創意電子	6,989	3,359	1,591
10	ESMT/晶豪科技	6,851	5,817	5,710

Source: 公開資訊觀測站

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Summary (I): Major Achievements in 2007

■ Historical Record Highs in Revenues and Net Income

- Revenues: NT13,219 M (US\$403 M), up 26% YoY
- Net Income: NT\$1,286 M (US\$39 M), up 91% YoY

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Summary (II): Major Achievements in 2007

- **Ranked the 6th among Taiwanese Fabless Companies; the 9th among Worldwide DRAM Suppliers**
- **Application Widely Distributed in the 4C Areas; Total Customer Number Continue to Grow**
- **90nm, 12-inch Wafer Technology Production Increasing; 70nm Development Ongoing; 8-inch Wafer Volume Production Continuing for Strategic Customers**

An Outlook of 2008

- **Targeting at Growing Annual Revenue; Revenue of January Plus February Shown -11% than that of 2007; Expect to Have Improved Supply and Demand Coming in H2 for Global Semiconductor Industry**
- **Manage Volume Growth and Enhance Added Values of Products to Cope with Stringent Pricing Competition**
- **Develop More Customer-Driven New Products with Scaled Technologies; Continuously Improve Customer Satisfaction and Help Customer on More Wins**
- **Continue to Grow as a Global Leader in KGDM and CEDRAM in Worldwide Markets**



Q & A

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