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Nanya Technology

1Q' 2014 Investor Conference

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April 22, 2014

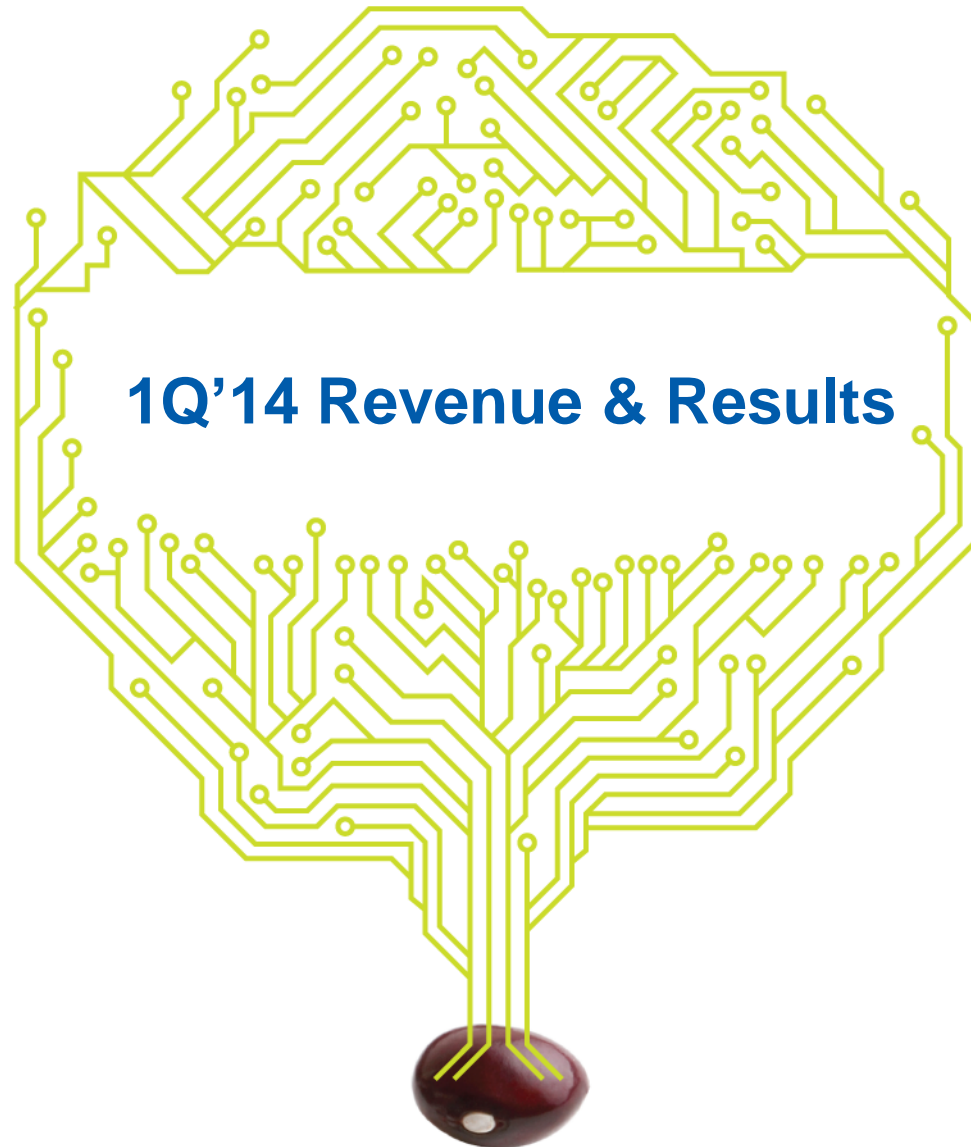


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Agenda

- **1Q'14 Revenue & Results**
- **Company Highlights**
- **Market Outlook**
- **Business Outlook**
- **Q&A**



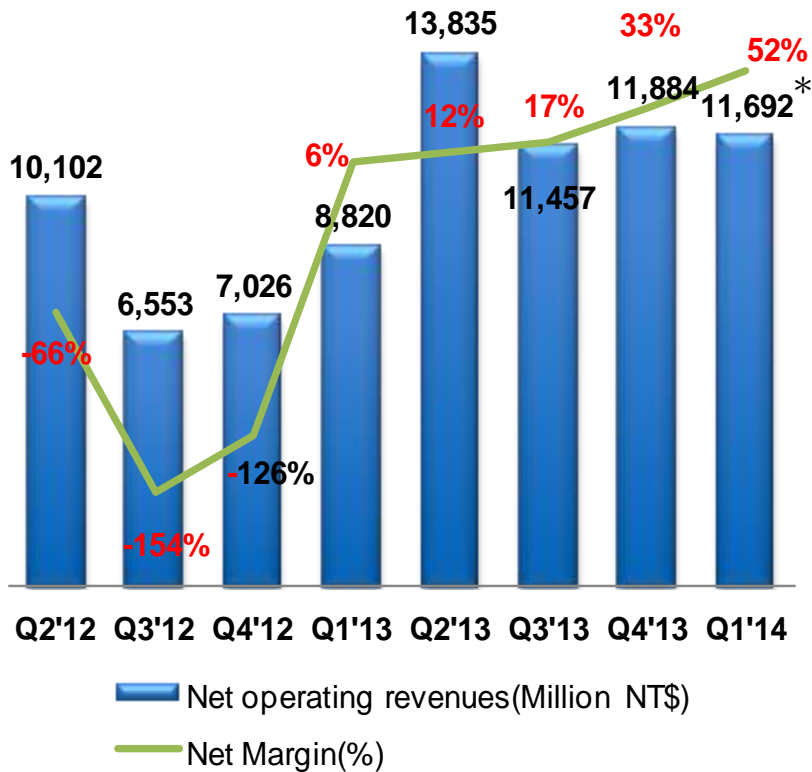
1Q'14 Revenue & Results

Financial Highlights



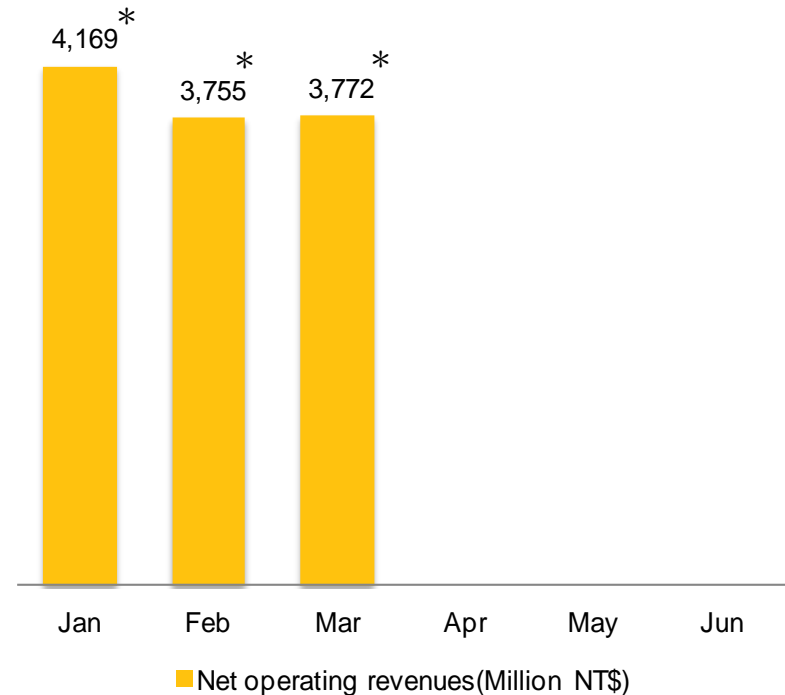
2012-2014 Quarterly Results

* Unaudited number



2014 Monthly Revenues

* Unaudited number



Quarterly Revenue Results

	QoQ Q1 '14 vs. Q4'13	YoY Q1'14 vs. Q1'13
Revenue	-1.6%	26.5%
Shipment	-6.4%	-10.9%
ASP	2.6%	38.1%
Exchange Rate	2.4%	2.8%

- Q1'14 revenue decreased 1.6% QoQ.
- Q1 bit shipments decreased 6.4% QoQ.
- ASP increased 2.6% QoQ due to supply disruption.
- Healthy Inventories at end of the first quarter.

1Q'14 Consolidated Income Statement

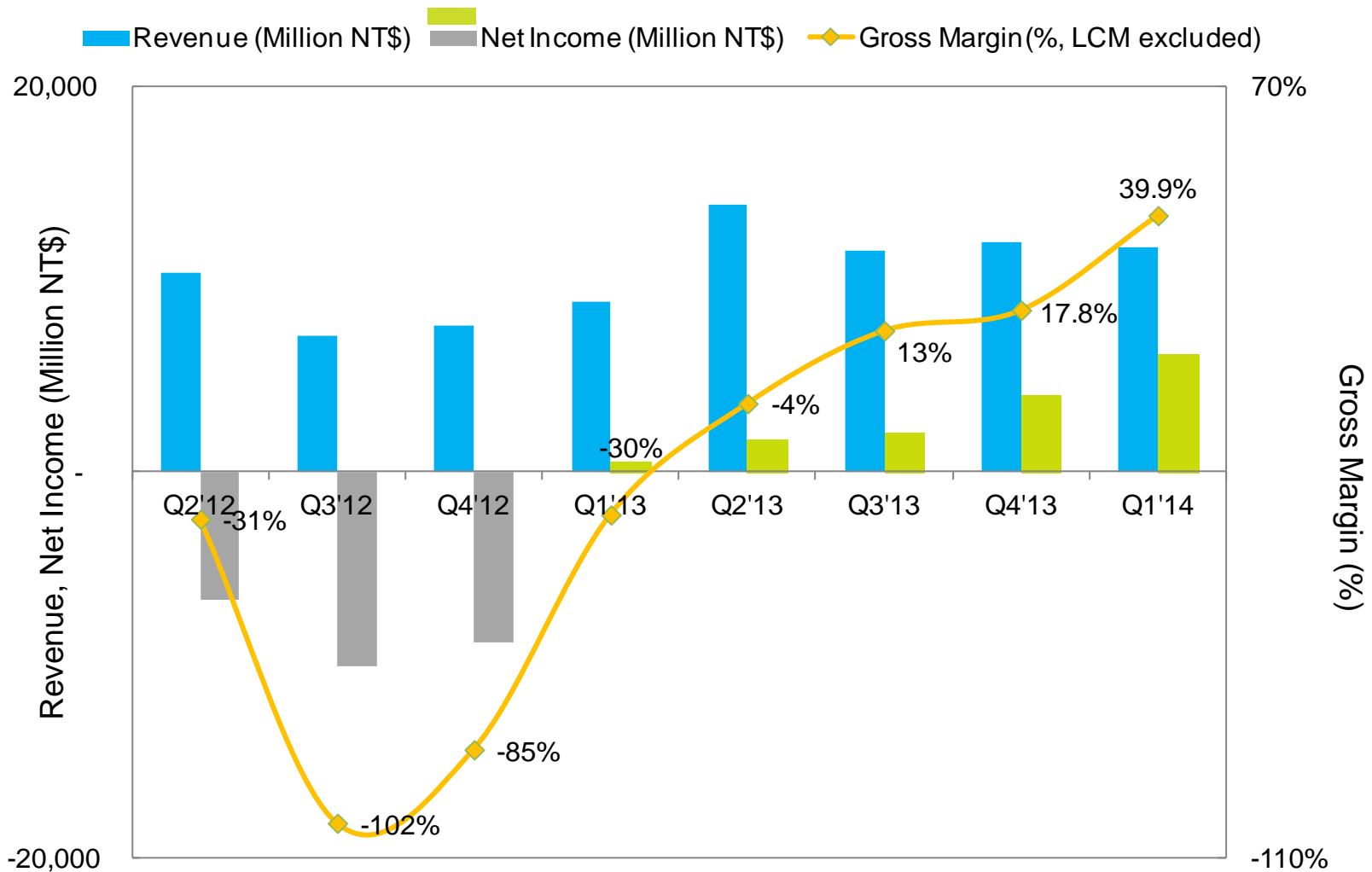
Amount: Million NT\$	Q1'14		Q4'13		QoQ	Q1'13		YoY
	Unaudited		Audited			Audited		
Net Sales	11,692	100%	11,884	100.0%	-1.62%	8,820	100%	33%
Cost of Goods Sold	7,028	60.1%	9,768	82.2%		6,914	78%	
Gross Margin	4,664	39.9%	2,116	17.8%	120%	1,907	22%	145%
SG&A Expenses	422	3.6%	385	3.2%		486	6%	
R&D Expenses	275	2.4%	310	2.6%		329	4%	
Operating Income	3,966	33.9%	1,421	12.0%	179%	1,091	12%	263%
Non-operating Income (Exp.)	3,146	26.9%	2,829	23.8%		-393	-4%	
Income before Tax	7,112	60.8%	4,250	35.8%	67%	698	8%	919%
Income Tax Benefit (Expense)	-2	0.0%	-28	-0.2%		-4	0%	
Profit from Continuing Operation	7,110	60.8%	4,222	35.5%		694	8%	
Income (Loss) from Discontinued Operation	-1,051	-9.0%	-285	-2.4%		-188	-2%	
Net income attributable to noncontrolling interests	-62	-0.5%	-21	-0.2%		-21	0%	
Net Income attributable to NTC	6,121	52.4%	3,957	33.3%	55%	526	6%	1064%
EPS(NT\$)	0.26		0.17			0.02		

1Q'14 Cash Flows

	1Q'14*	4Q'13	1Q'13
(Unit: Million NT\$)	Unaudited	Audited	Audited
Net Cash Provided by Operating Activities	5,912	5,157	-1,468
therein depreciation & amortization	1,510	1,722	1,684
Net Cash Used in Investing Activities	1,367	-94	-1,671
Free Cash Flow	7,280	5,063	-3,139
Free Cash Flow = Net Cash Provided by Operating Activities + Net Cash Used in Investing Activities			
Net Cash Provided by Financing Activities	-4,095	-4,202	-5,653

* 1Q '14 numbers are unaudited

Financial Highlights



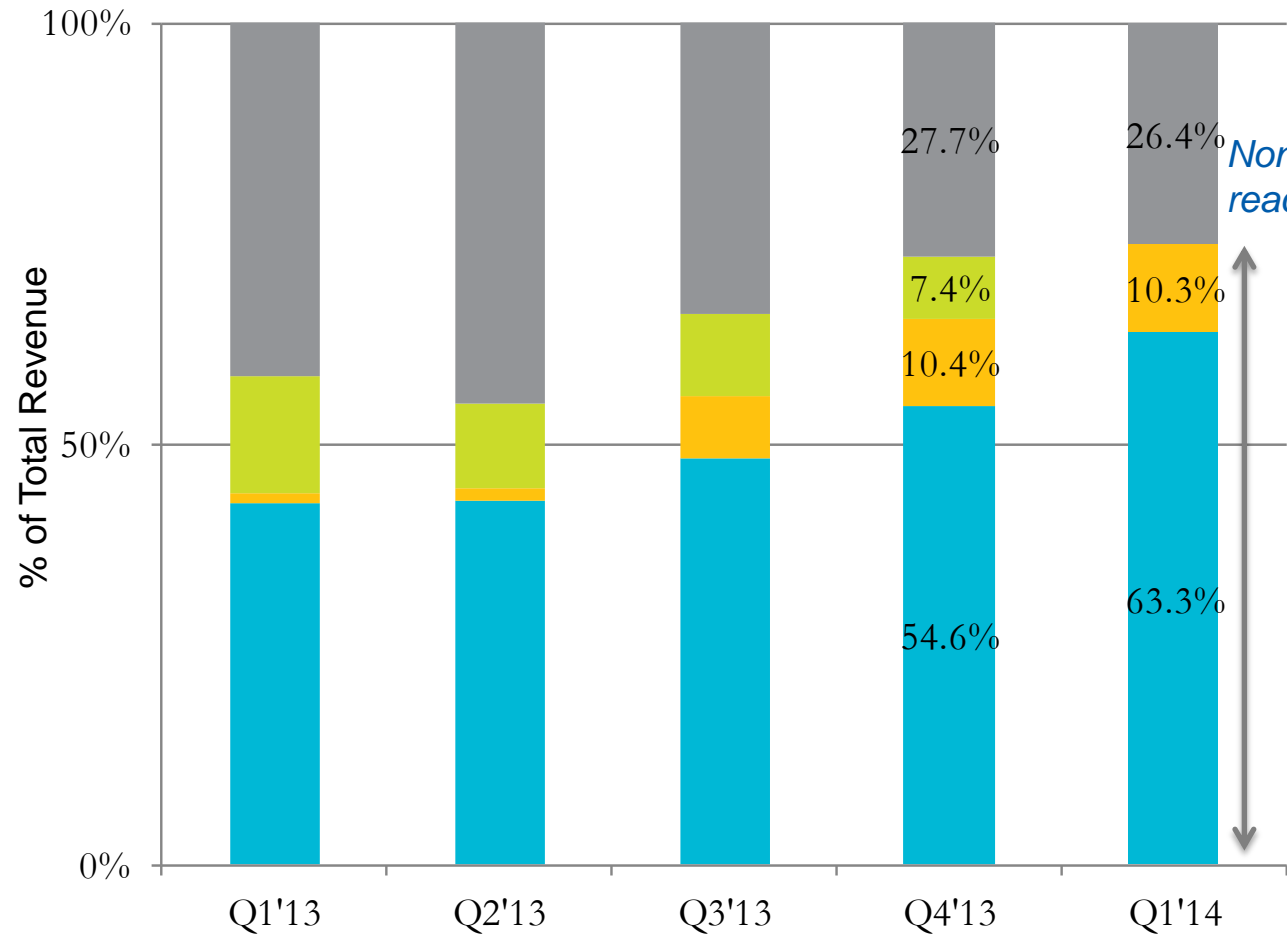
*LCM: Lower of cost or market.

Sales Breakdown by Application



■ Consumer & Specialty
 ■ Low Power
 ■ Server
 ■ Commodity

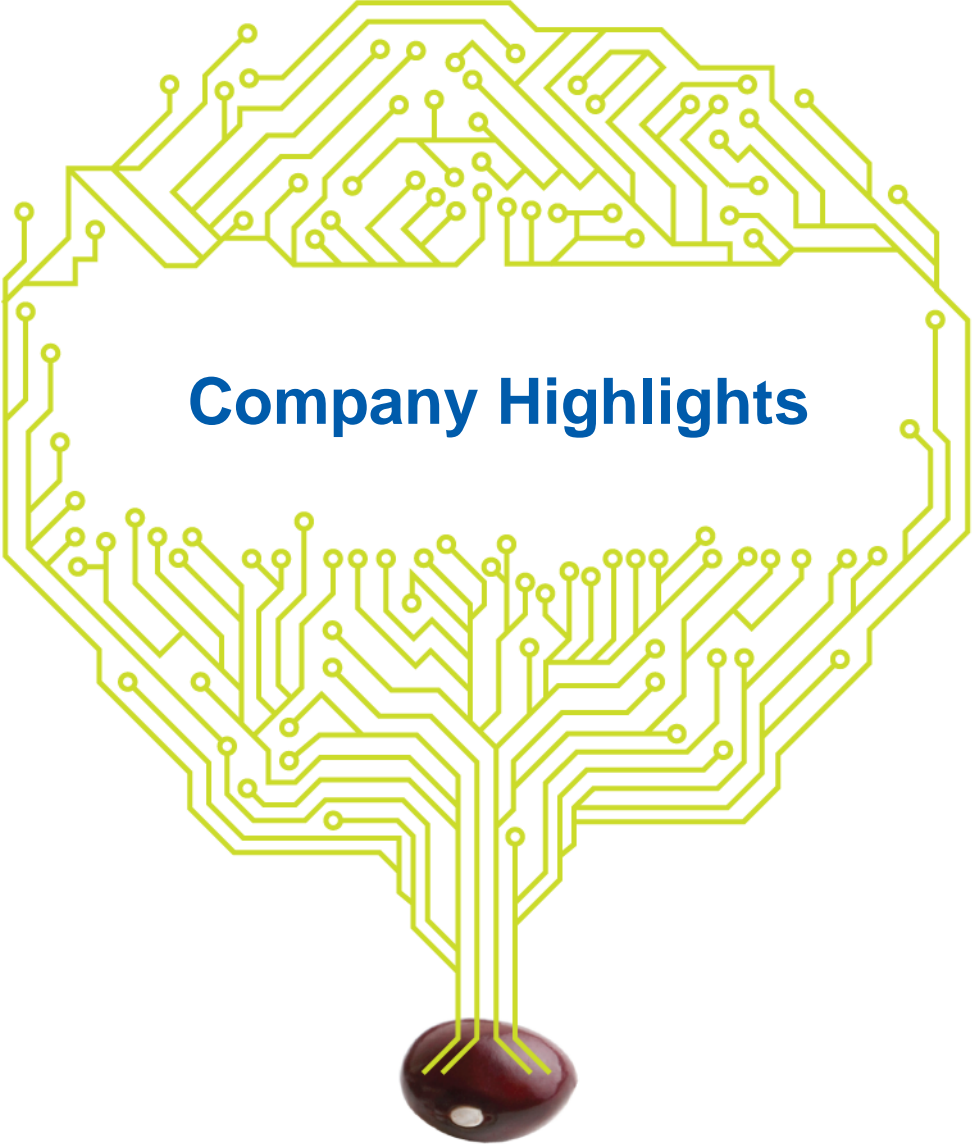
Applications



Non PC :
reach 73.6%



* Revenue portion



Business Highlights

Q1 Financial Results

- Significantly improved Gross Margin to 39.9%.
- Cost per bit improved 20.9% QoQ.
- Reached 73.6% revenue in non PC products in Q1'14.
- Recognized NT\$ 2.956 billion from Inotera's profits.
- Recognized Sumpro's asset disposal loss NT\$ 690 million and operating loss NT\$ 361 million.
- Net Income of NT\$ 6.121B; Net Margin at 52.4 % in Q1'14.

Business Highlights

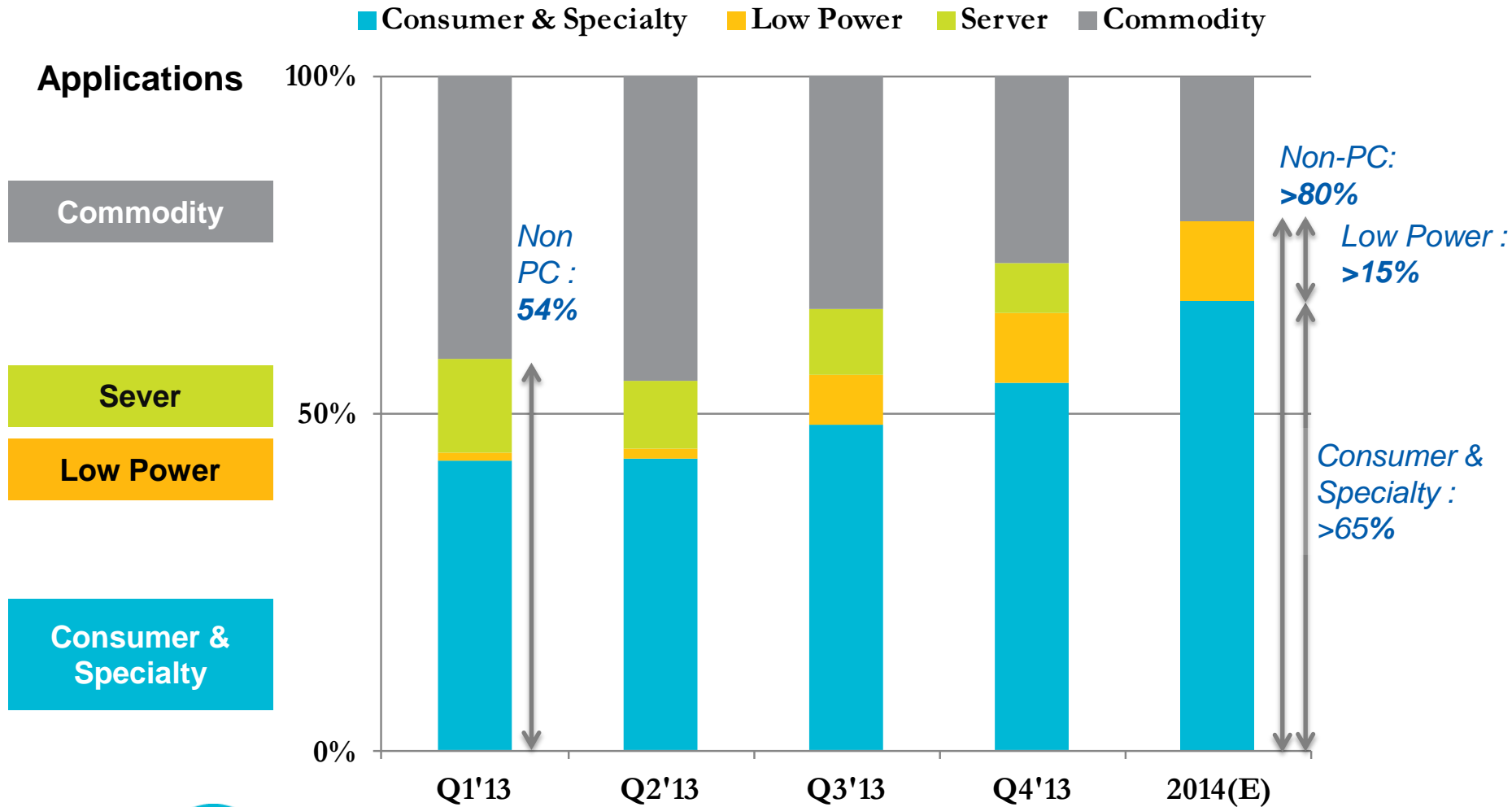
Improve Financial Structure

- **Nanya BOD approved 90% Capital Reduction Plan.**
- **Nanya BOD approved VIS' acquisition of Sumpro's 8-inch Fab at approximately NT\$ 2.18 billion.**

License Agreement

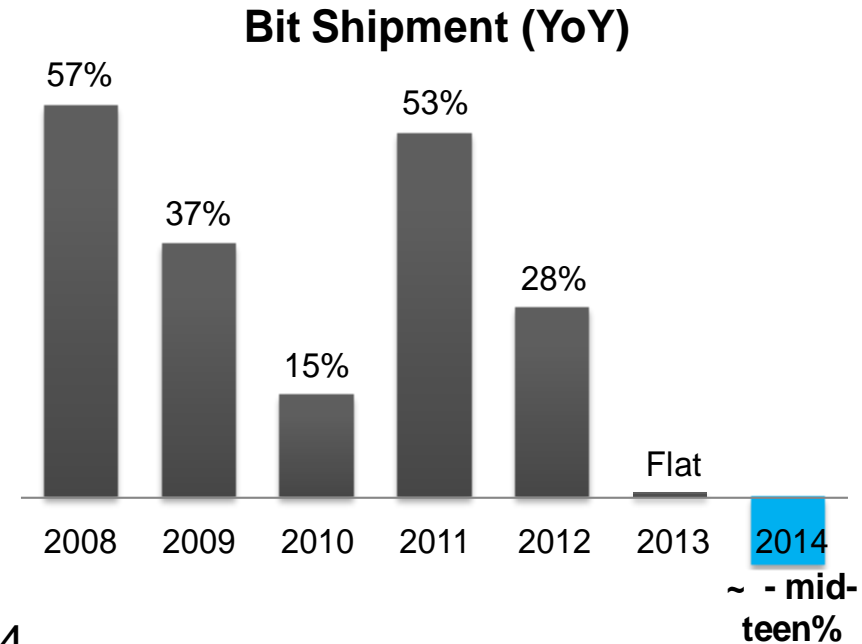
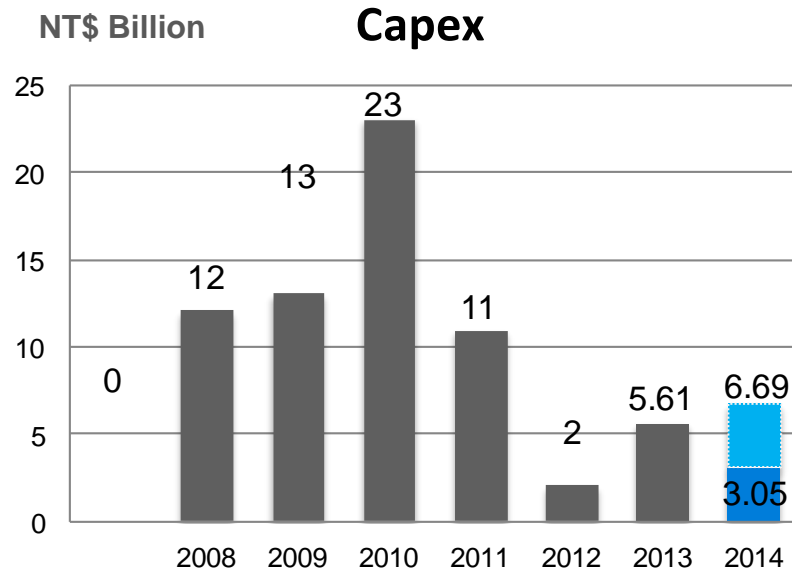
- **Signed Patent License Agreement with Rambus.**

2014 Revenue Breakdown Guidance



* Revenue portion by Application

Business Update

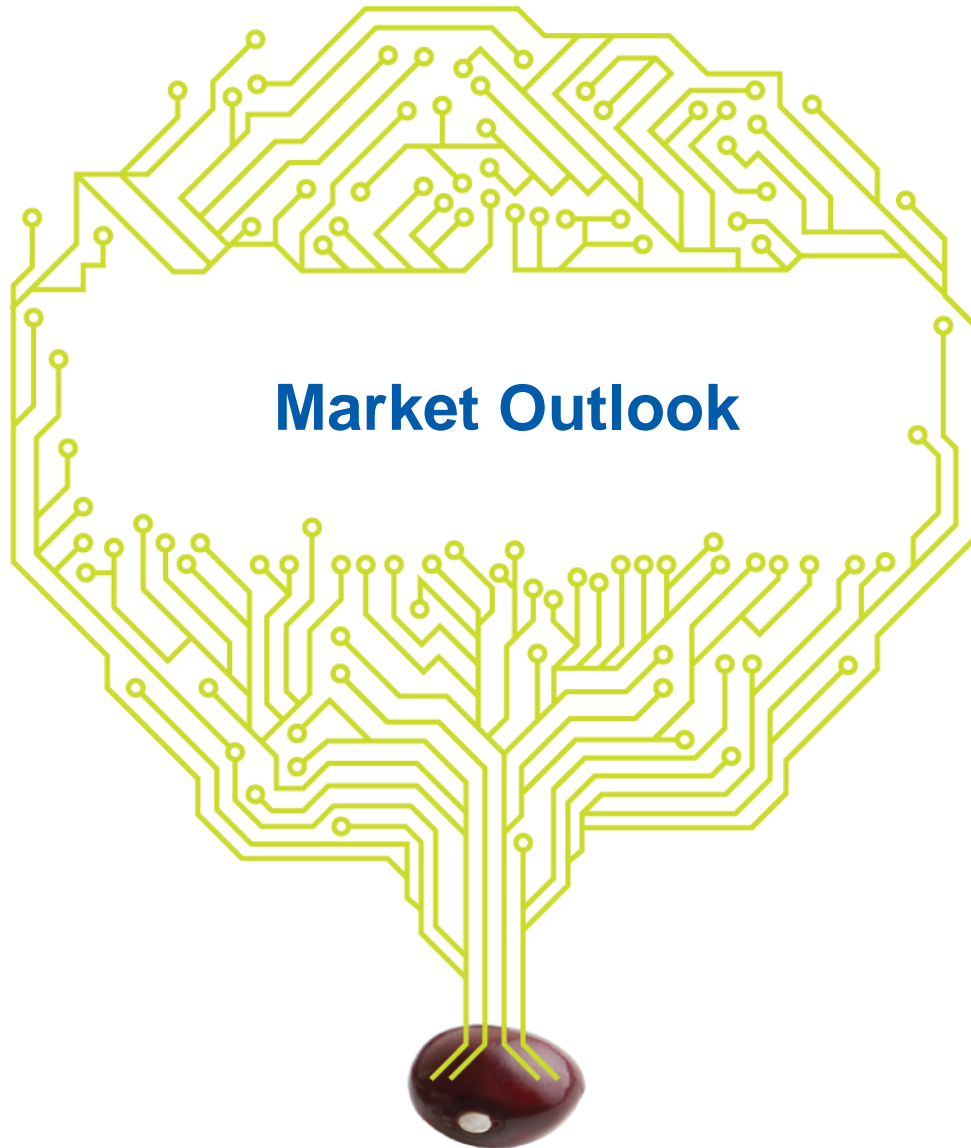


■ Capex

- NT\$156M Capex of Q1'14.
- Estimated NT\$6.69B for 2014 Capex increased from NT\$3.05B. (Plan to add 1 immersion tool to reduce cycle time and to relieve capacity bottlenecks.)

■ Bit Shipment

- Q1'14 bit shipment decrease 6.4% QoQ.
- Estimated up to mid-teen% bit shipment decrease in 2014.

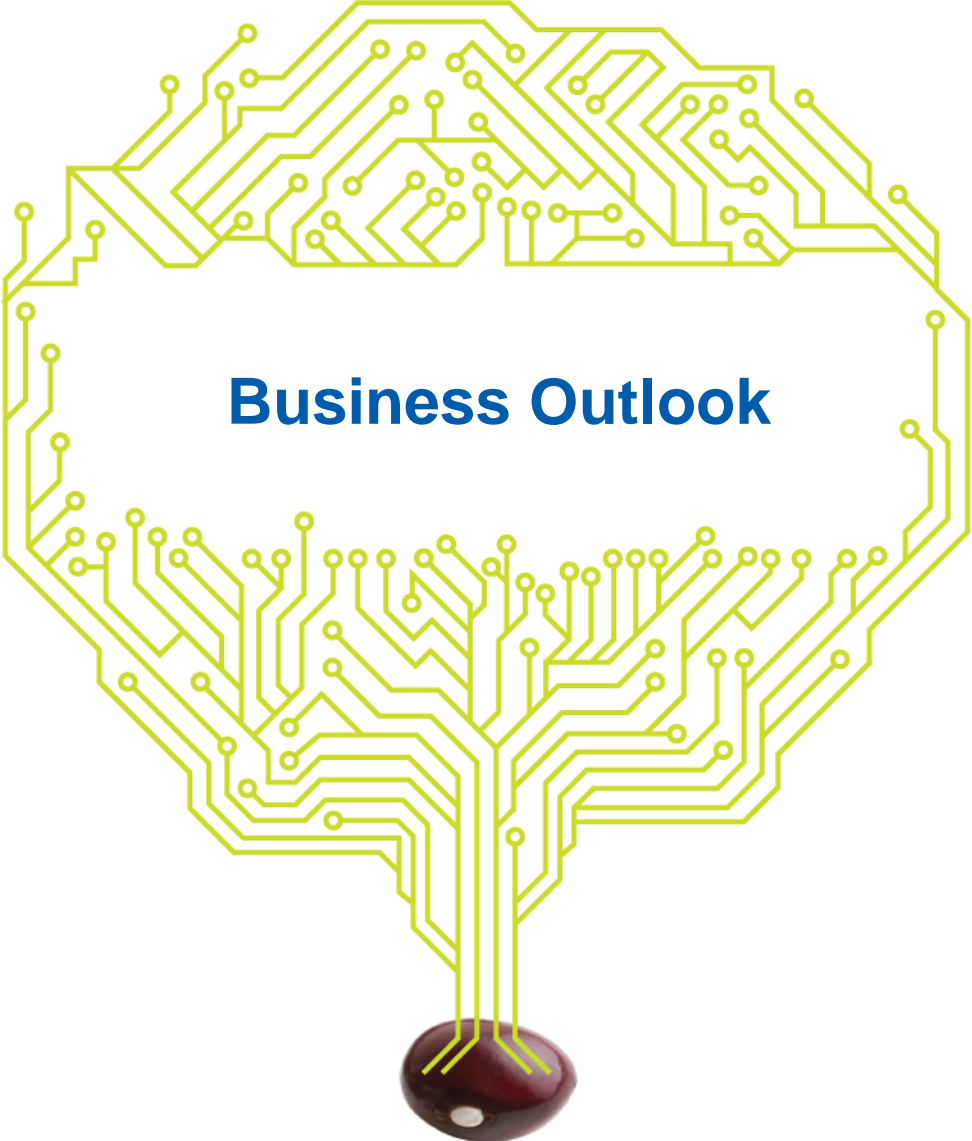


Market Outlook

DRAM Market Outlook

Market Outlook

- | | |
|--------|--|
| Supply | <ul style="list-style-type: none">■ Q2'14 supply growth is expected due to Wuxi recovery.■ 2X nm conversion lead to additional bit per wafer and less production capacity. |
| Demand | <ul style="list-style-type: none">■ DRAM demand continuously stimulated by various applications from Internet of Things, servers, smartphones, tablets, wearable devices, networking, M2M, infotainment, game machines, smart TV and STB.■ Increasing ratio in 4K/2K and smart TV and OTT high end settop box.■ Windows XP expired in April will stimulate enterprise PC replacement.■ New game consoles increase the Graphic DRAM and DDR3 demand.■ Sever continues to remain strong. |
| Price | <ul style="list-style-type: none">■ Pricing will remain healthy and stable throughout 2014. |



Business Outlook

- Q2'14 bit shipments up mid-single digits.
- Non-PC sales revenue targeted 80% in 2014.
- 90% Capital Reduction Plan will summit to AGM for approval on 6/6/2014.
 - Accumulated deficit will decrease to NTD 17.4 billion.
 - Improve net value per share and EPS.
 - Target stock trading released from the full-cash delivery restriction in Q4'14.
- Sumpro's 8-inch Fab transaction is target to close on 7/1/2014.



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Q & A

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