Nanya Technology

4Q' 2014 Investor Conference

Presentation to Investors and Analysts 27 January 2015

Dr. Pei-Ing Lee , SVP & Spokesman

Agenda

01.	4Q'14 Revenue & Results
02.	2014 Revenue & Results
03.	Operations
04.	Market Outlook
05.	Business Outlook

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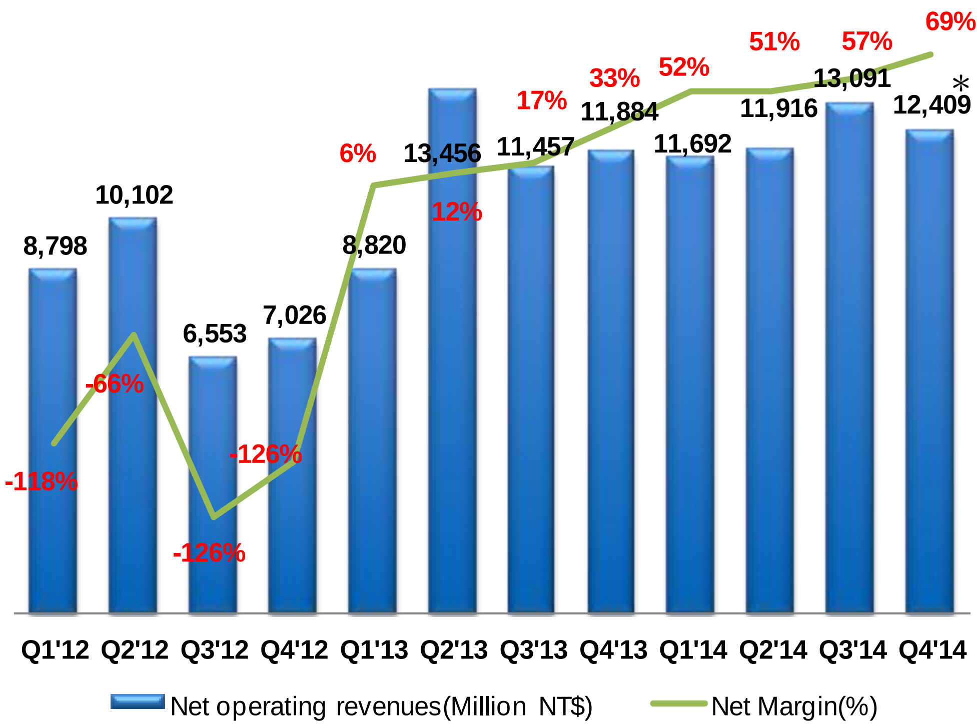
01

4Q’14 REVENUE & RESULTS

Financial Highlights

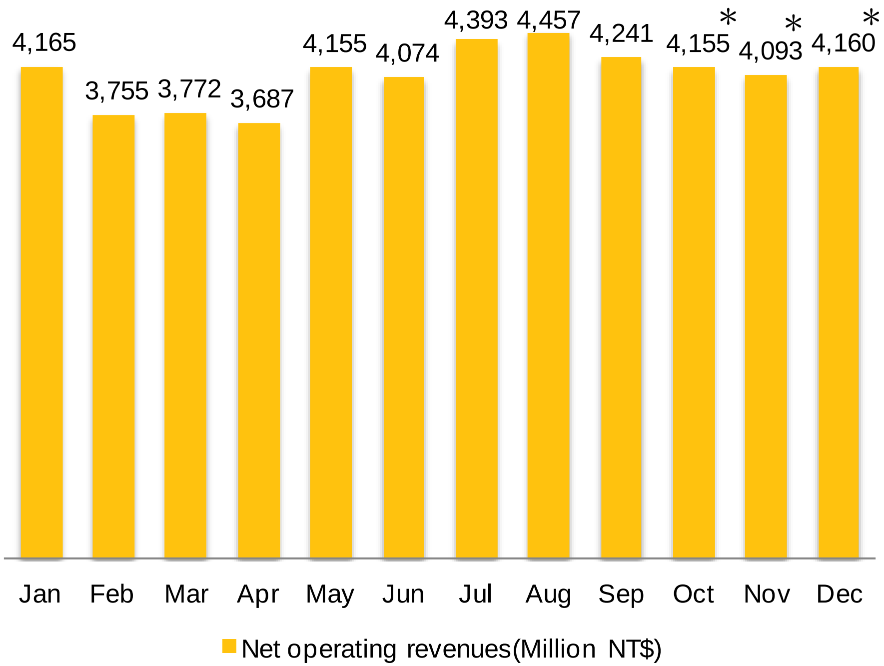
2012-2014 Quarterly Results

* Unaudited number



2014 Monthly Revenues

* Unaudited number



Quarterly Revenue Results

	QoQ Q4’14 vs. Q3’14	YoY Q4’14 vs. Q4’13
Revenue	-5.2%	3.8%
Shipment	-2.8%	2 %
ASP	-4.8%	-2.2%
Exchange Rate	2.5%	4.1%

- Q4’14 revenue decreased 5.2% QoQ.
- Q4’14 bit shipments decreased 2.8% QoQ.
- ASP decreased 4.8% QoQ.
- Revenue up 2.5% due to exchange rate.

4Q'14 Financial Results Summary

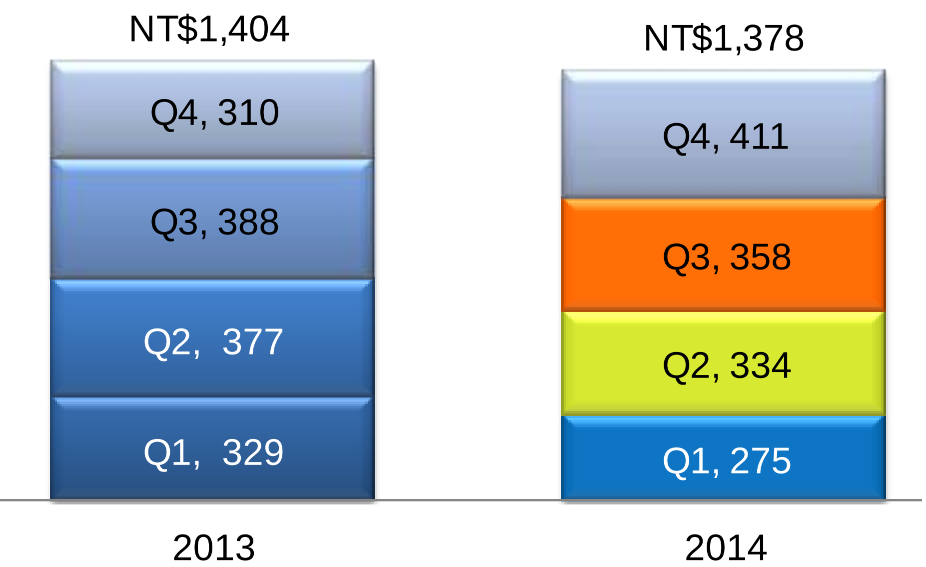
Amount in Million NT$, except for EPS	Q4'14 Unaudited		Q3'14 Audited		QoQ	Q4'13 Audited		YoY
Net Sales	12,409	*100%*	13,091	*100%*	-5.2%	10,950	*100%*	4%
Gross Margin (Loss) *Gross Margin(%)*	6,026	*48.6%*	6,262	*47.8%*	-3.8%	2,162	*18%*	179%
Operating Income (Loss) *Operating Margin(%)*	5,169	*41.7%*	5,452	*41.6%*	-5.2%	1,460	*12%*	254%
EBITDA* *EBITDA Margin (%)*	6,547	*52.8%*	6,816	*52%*	-3.9%	4,551	*41.6%*	44%
Non-operating Income (Exp.)	5,001**	*40.3%*	2,883	*22%*		2,829	*24%*	
Income Tax Benefit (Expense)	-1,595***	*-12.9%*	-874	*-6.7%*		-28	*0%*	
Net Income (Loss) *Net Margin (%)*	8,569	*69.1%*	7,462	*57%*	14.8%	3,957	*33%*	117%
Earnings Per Share	3.56		3.11			1.66		
Shares Outstanding (million shares)	2,410		2,398			23,961		
Book Value Per Share	17.17		13.45			0.41		

* EBITDA = Operating income + Depreciation & Amortization Expenses
** Non-Operating income included NT$ 4,739M from Inotera's profits in Q4
*** Q4'14 recognized tax expenses of NT$ 1.54 billion from Deferred Income Tax Assets.

Operating Expenses

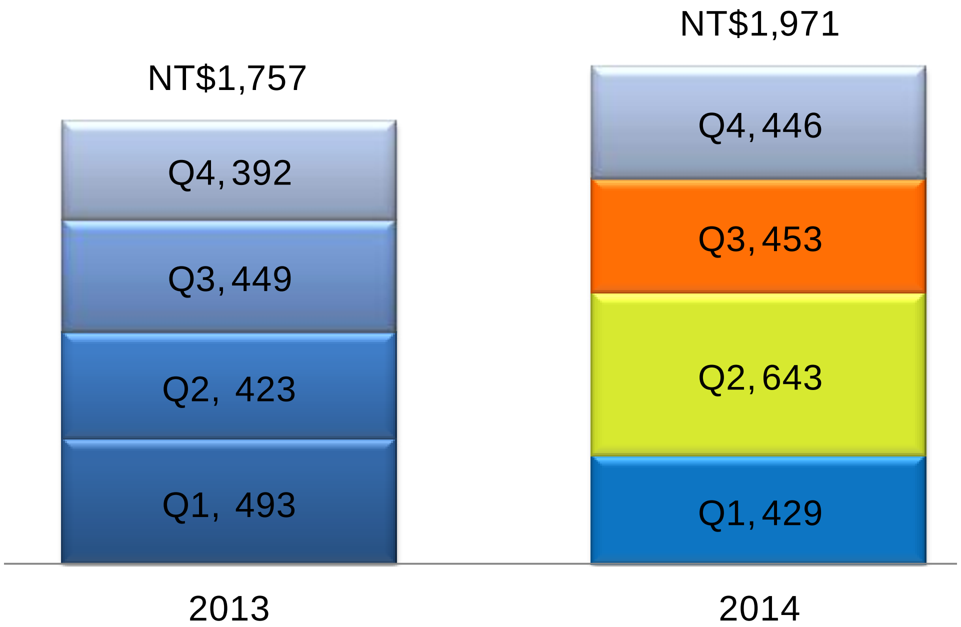
R&D Expenses

(Million NT$)



SG&A Expenses

(Million NT$)



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

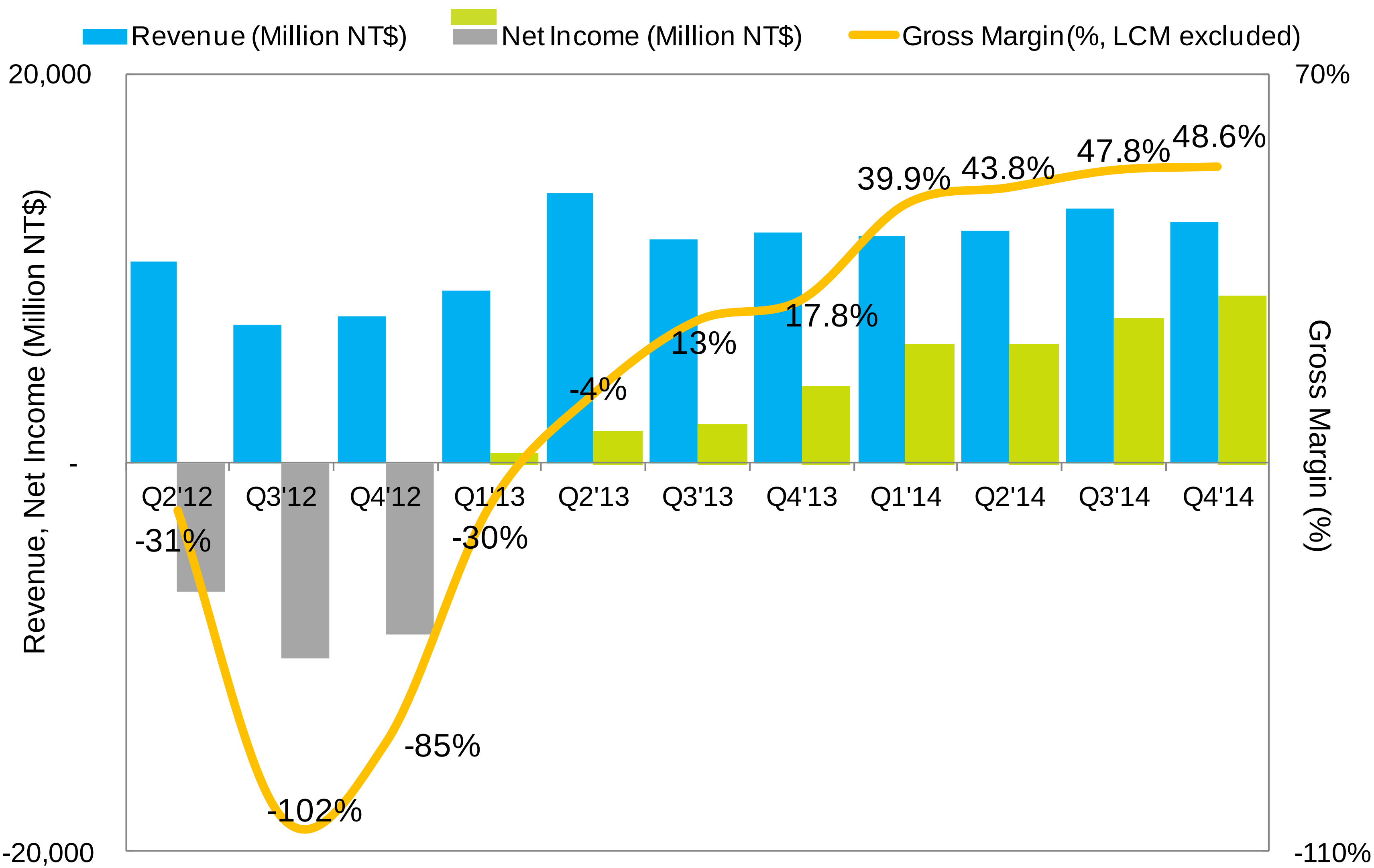
4Q'14 Cash Flows

(Unit: Million NT$)	Q4'14 **Unaudited & Consolidated**	Q3'14 **Audited & Consolidated**	Q2'14 **Audited & Consolidated**	Q1'14 **Audited & Consolidated**
Beginning Balance	**4,167**	**7,422**	**7,109**	**3,996**
Cash from Operating Activities	7,622	6,461	5,935	7,096
Capital expenditures	-1,251	-3,933*	-485	-128
Long-term & Short-term loans	-3,954	-7,764	-5,005	-4,066
Investments and others	680***	1,981**	-132	211
Ending Balance	**7,264**	**4,167**	**7,422**	**7,109**
Free Cash Flow (1)	**6,372**	**2,528**	**5,450**	**6,968**

(1) Free Cash Flow = Cash from operating activities – Capital expenditures

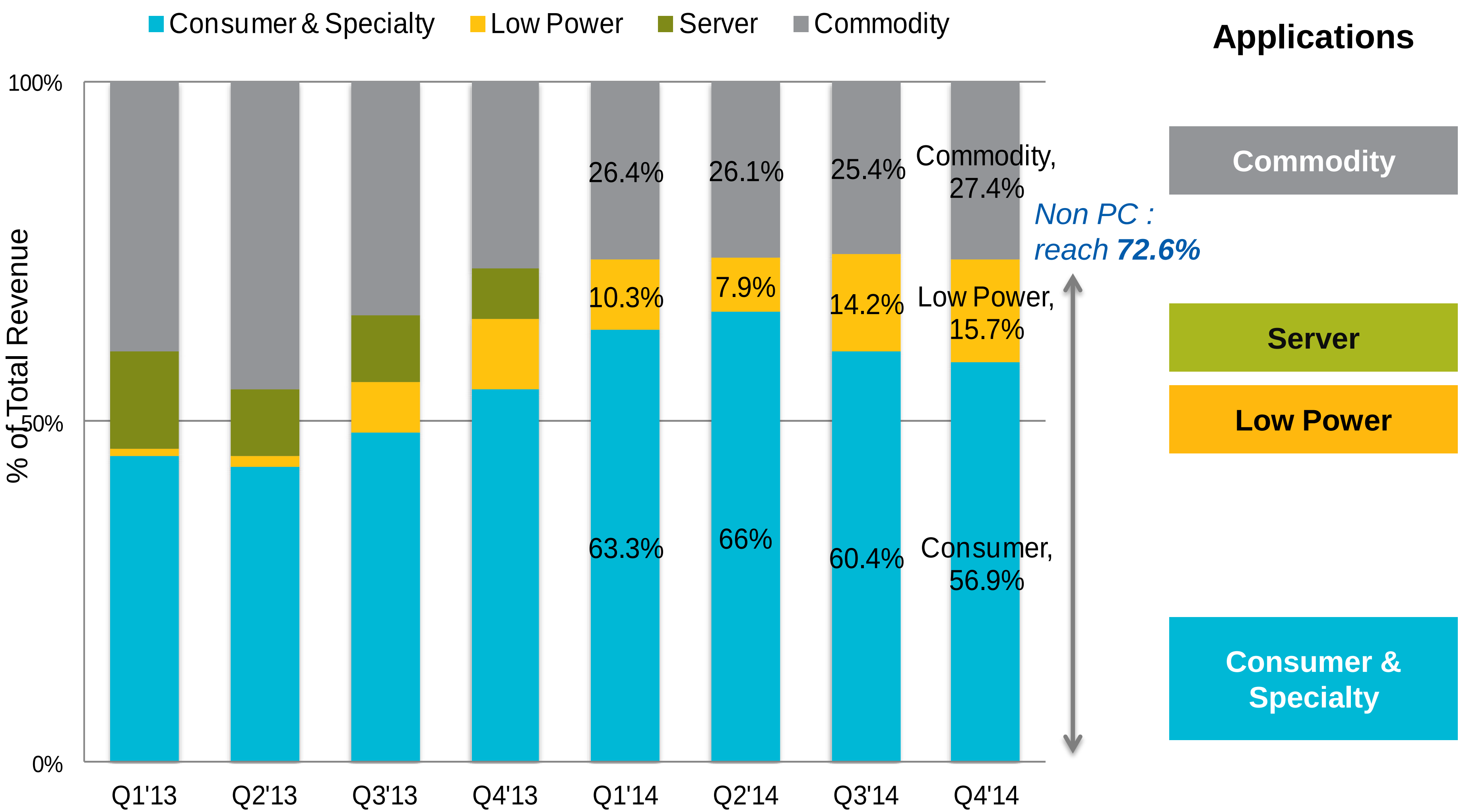
*Capital expense on immersion in Q3'14.
**Proceeds mainly from Sumpro's asset disposition.
*** Mainly from employee stock option execution.

Financial Highlights



**LCM: Lower of cost or market.*

Sales Breakdown by Application



** Revenue portion*

Financial Summary

Q4'14 Financial Highlights

- Net income of NT$8,569 million(M) , net margin 69.1%, EPS NT$ 3.56
- Improved Gross margin to 48.6% in Q4 from 47.8 % in Q3
- Recognized NT$ 4,739 M from Inotera's profits in Q4
- Cost per bit improved high-single digits in QoQ
- Shipment down 2.8% in Q4 due to seasonality reason.

Deferred Income Tax Assets

- Deferred Income Tax Asset balance NT$ 3,251M as of June 30, 2014.
- Q3'14 recognized tax expenses of NT$ 870M from Deferred Income Tax Assets; Q4'14 recognized tax expenses of NT$ 1,535M; balance of NT$ 846M on as of December 31.

*BVPS: Book Value Per Share

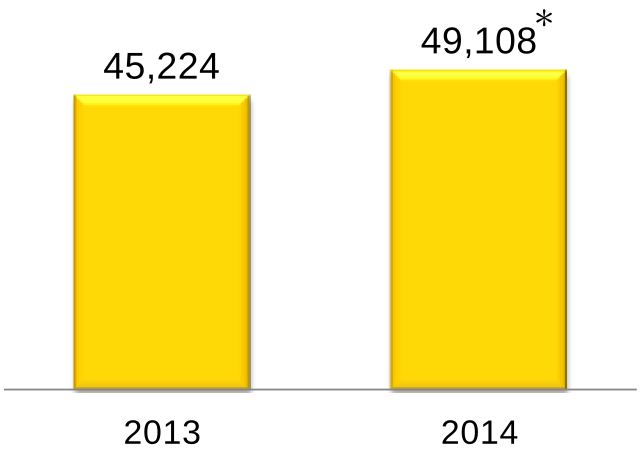
02

2014 REVENUE & RESULTS

2014 Financial Highlights

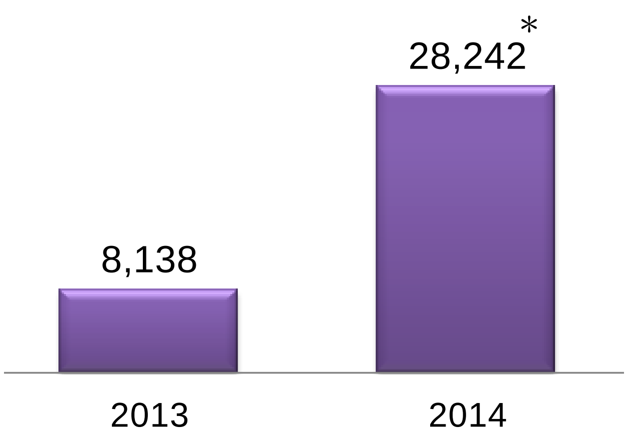
Sales Revenue

(Million NT$)



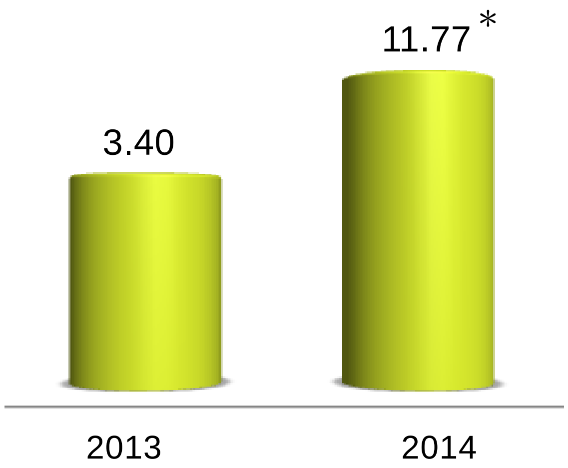
Net Income

(Million NT$)



Earnings Per Share

(NT$)



Y2014 Performance

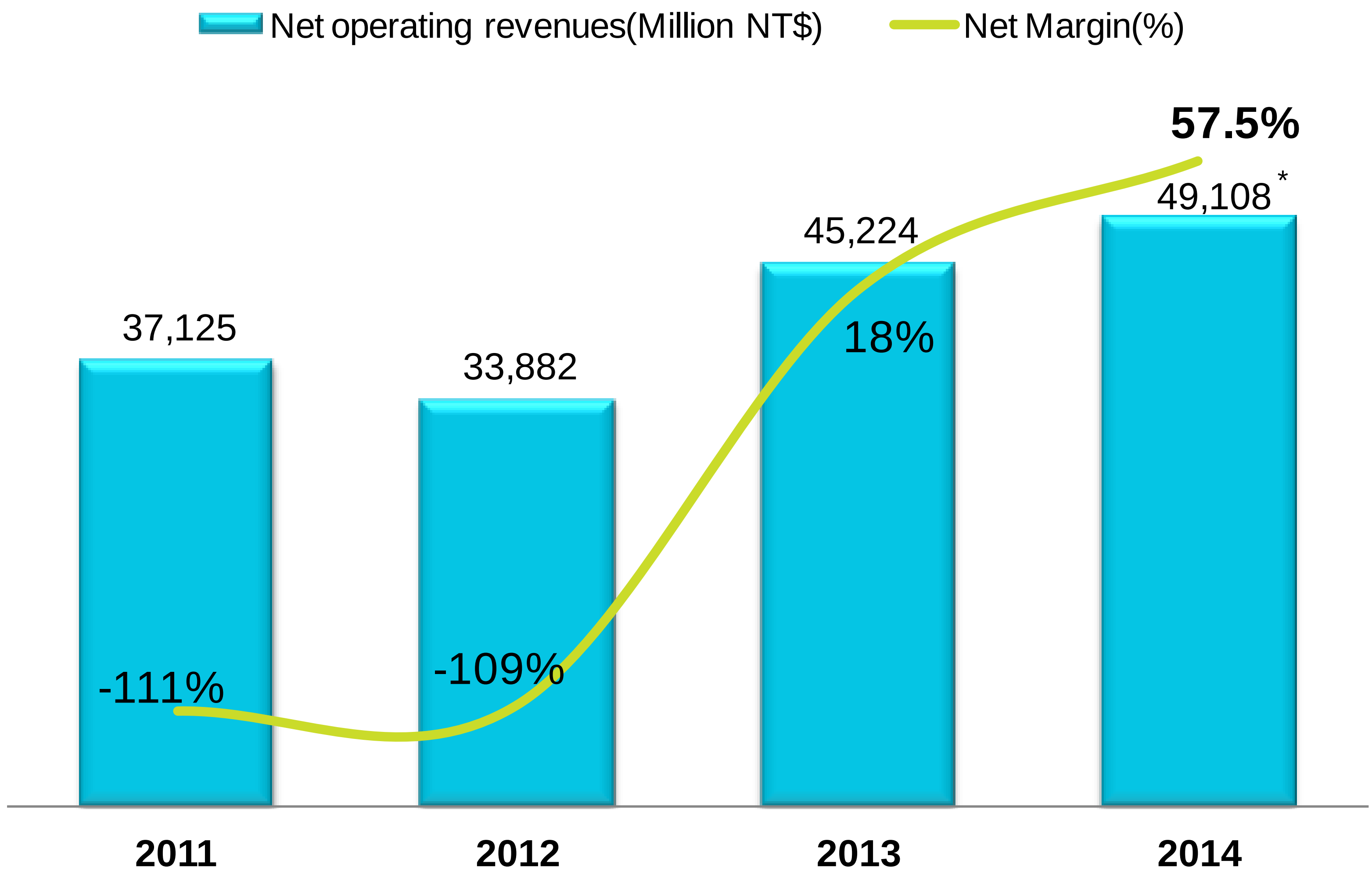
- Net income of NT$28.24 billion(B)
- Net Margin 57.5%
- EPS NT$ 11.77, BVPS NT$17.17
- Accumulated Earnings: NT$ 10.8B
- Debt ratio 60% vs. 89% in 2013

Reasons for Strong Year

- ASP up 16% YoY.
- Cost /bit improved 31% YoY.
- Recognized IMI's profit of NT$ 13.29B

* Unaudited number

Annual Revenue & Net Margin



* Unaudited number

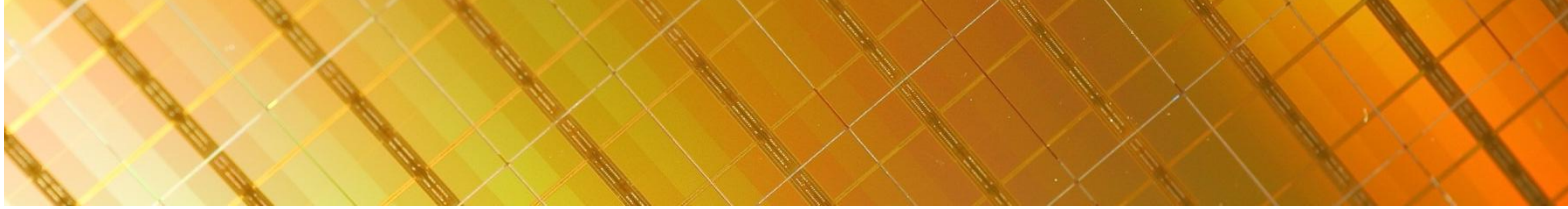
2014 Revenue Results

	2014 vs. 2013
Revenue	+8.6%
Shipment	-8.6%
ASP	+16.4%
Exchange Rate	+2%

- 2014 revenue increased 8.6% YoY.
- Bit shipments decreased 8.6% YoY.
- ASP increased 16.4% YoY.
- Revenue up 2% due to exchange rate.

2014 Income Statement

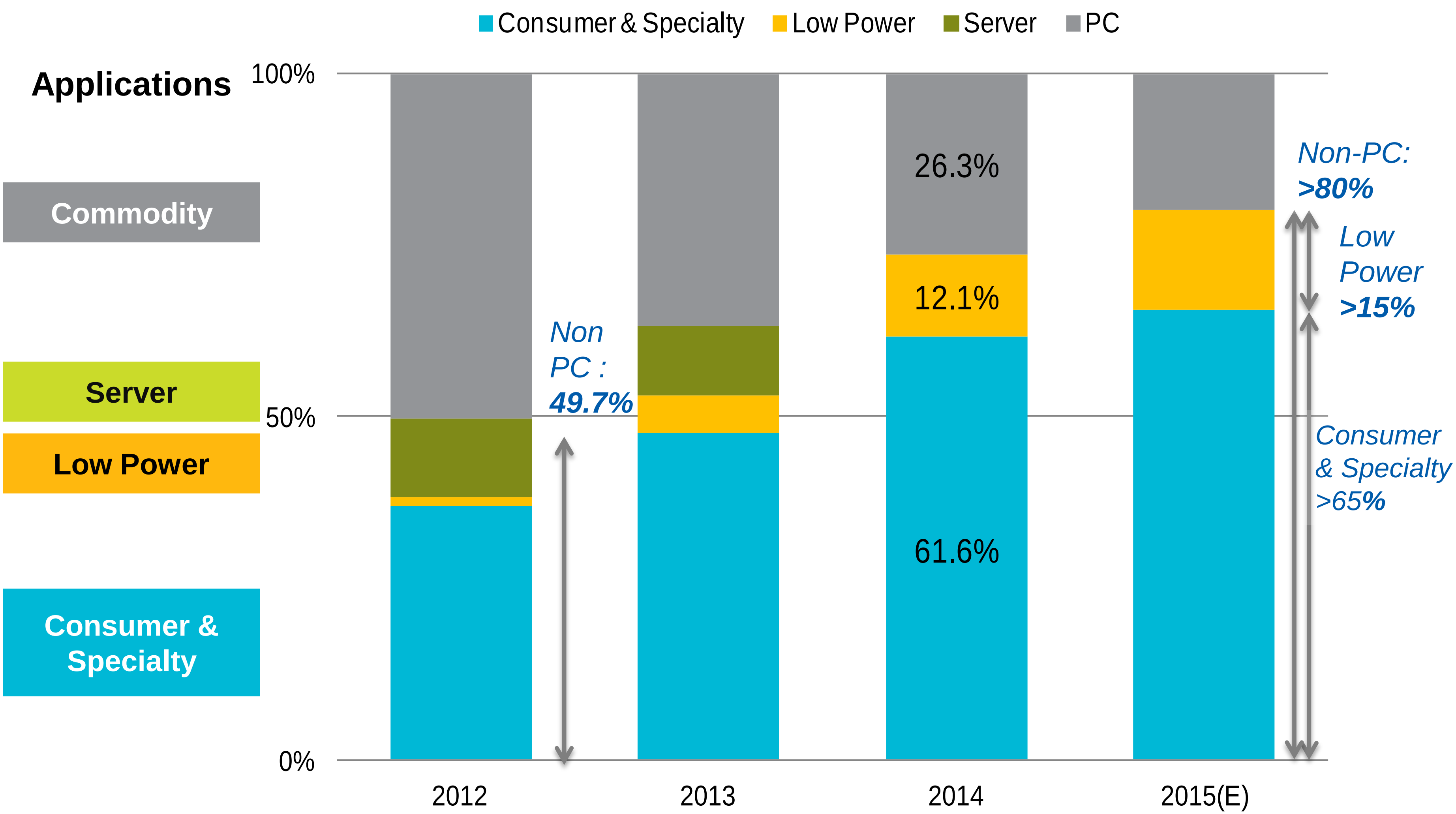
Amount: Million NT$	Y2014 Unaudited & Consolidated		Y2013 Audited & Consolidated		YoY
Net Sales	49,108	100%	45,224	100%	8.6%
Cost of Goods Sold	26,939	54.9%	37,102	82%	
Gross Margin	22,169	45.1%	8,122	18%	173%
SG&A Expenses	1,971	4.0%	1,757	4%	
R&D Expenses	1,378	2.8%	1,404	3%	
Operating Income	18,820	38.3%	4,961	11%	279%
Non-operating Income (Exp.)	12,921	26.3%	4,099	9%	
Income before Tax	31,741	64.6%	9,060	20%	250%
Income Tax Benefit (Expense)	-2,472	-5.0%	-39	0%	
Profit from Continuing Operation	29,269	59.6%	9,021	20%	
Income (Loss) from Discontinued Operation	-1,074	-2.2%	-910	-2%	
Net income attributable to noncontrolling interests	-47	-0.1%	-27	0%	
Net Income attributable to NTC	28,242	57.5%	8,138	18%	247%
EPS(NT$)	11.77		3.40		



03

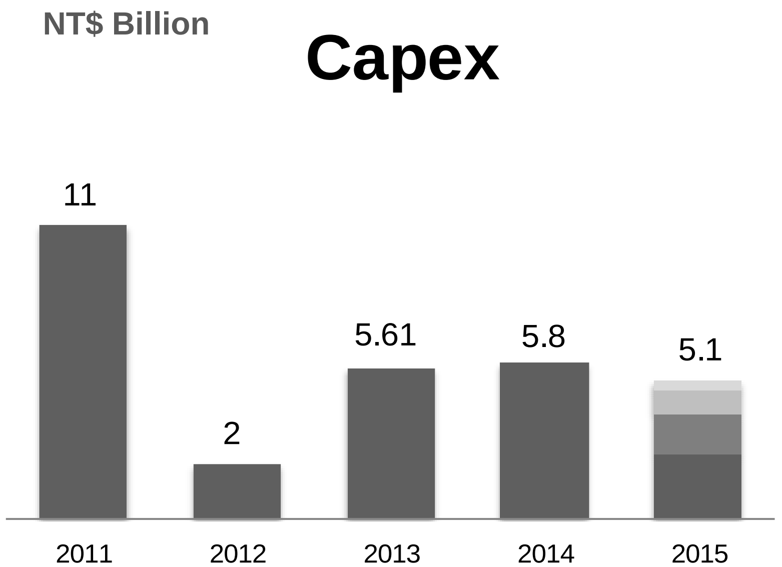
OPERATIONS

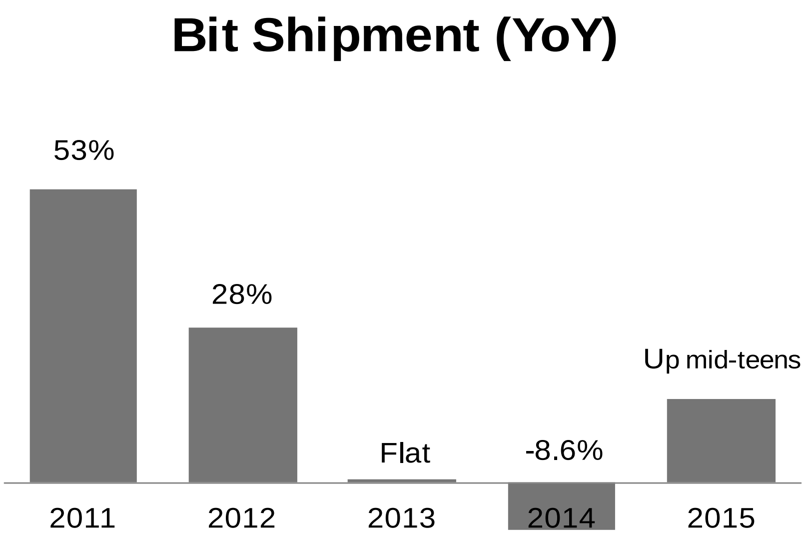
2015 Revenue Breakdown Guidance



** Revenue portion by Application*

Capex & Bit Shipment





- **Capital Expenditure** (Capex)
  - NT$5,796M Capex of 2014.
  - NT$2,385M Capex of Q1'15.
  - Estimated NT$5,091M for 2015 Capex. (Guidance will be updated after 20nm decision made in Q1'15.)
- **Bit Shipment**
  - Q4'14 bit shipment decrease 2.8% QoQ.
  - Estimated bit shipment up low single digits in Q1'15.
  - 2015 bit shipment estimates increase mid-teens yoy.

04

MARKET OUTLOOK

DRAM Market Outlook

Market Outlook	
Supply	■ Majority 25nm conversion completed in 2014, increasing technological complexity and rational vendors behavior leading to slower bit growth in 2015.
Demand	■ Server and cloud computing demand strong; while DDR4 adoption increase. ■ PC shipment flattish in Q1’2015, Window 10 introduced 2H’2015. ■ 2015 CES shows consumer applications continuing grow, including 4K TV, digital STB, 4K video recording, game console, drone, smart robot, automotive telematics, infotainment, prognosis, M2M, IoT, wearable electronics, and internet applications, which will further stimulate DRAM demand. ■ New iPhone models may double its DRAM content to 2GB, and other major brands flagship models equipped with 3GB. 4G LTE subscription increased, and overall smart phone shipment and content per box grow in healthy rate in 2015.
Price	■ Q1’15, ASP is expected to decline due to seasonal weakness in PC, Consumer and Low Power sectors. However, Server ASP may increase as DDR4 portion increase. ■ Expect DRAM price to stabilize from Q2’15.

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BUSINESS OUTLOOK

Business Outlook

- **Estimate 2015 mid-teens shipment increase yoy by expanding 30nm Design Shrink and improving production efficiency.**
- **Plan to convert 30nm Design Shrink over 50% in 2H15.**
- **20nm decision will be made in Q1’15. 20nm technology conversion will require additional Capex and fund raising.**
- **Dividend distribution will be discussed in BoD Meeting in Q1’15.**

Thanks & Questions

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4Q’14 Consolidated Income Statement

Amount: Million NT$	Q4'14 Unaudited		Q3'14 Audited		QoQ	Q4'13 Audited		YoY
Net Sales	12,409	100%	13,091	100.0%	-5.2%	11,950	100%	4%
Cost of Goods Sold	6,384	51.4%	6,828	52.2%		9,787	82%	
Gross Margin	6,026	48.6%	6,262	47.8%	-3.8%	2,162	18%	179%
SG&A Expenses	446	3.6%	453	3.5%		392	3%	
R&D Expenses	411	3.3%	358	2.7%		310	3%	
Operating Income	5,169	41.7%	5,452	41.6%	-5.2%	1,460	12%	254%
Non-operating Income (Exp.)	5,001	40.3%	2,883	22.0%		2,829	24%	
Income before Tax	10,170	82%	8,335	63.7%	22.0%	4,290	36%	137%
Income Tax Benefit (Expense)	-1,595	-12.9%	-874	-6.7%		-28	0%	
Profit from Continuing Operation	8,575	69.1%	7,461	57.0%		4,261	36%	
Income (Loss) from Discontinued Operation	0	0.0%	4	0.0%		-325	-3%	
Net income attributable to noncontrolling interests	6	0.0%	3	0.0%		-21	0%	
Net Income attributable to NTC	8,569	69.1%	7,462	57.0%	14.8%	3,957	33%	117%
EPS(NT$)	3.56		3.11			1.66		
Book Value Per Share	17.17		13.45			0.41		