

台揚科技法人說明會

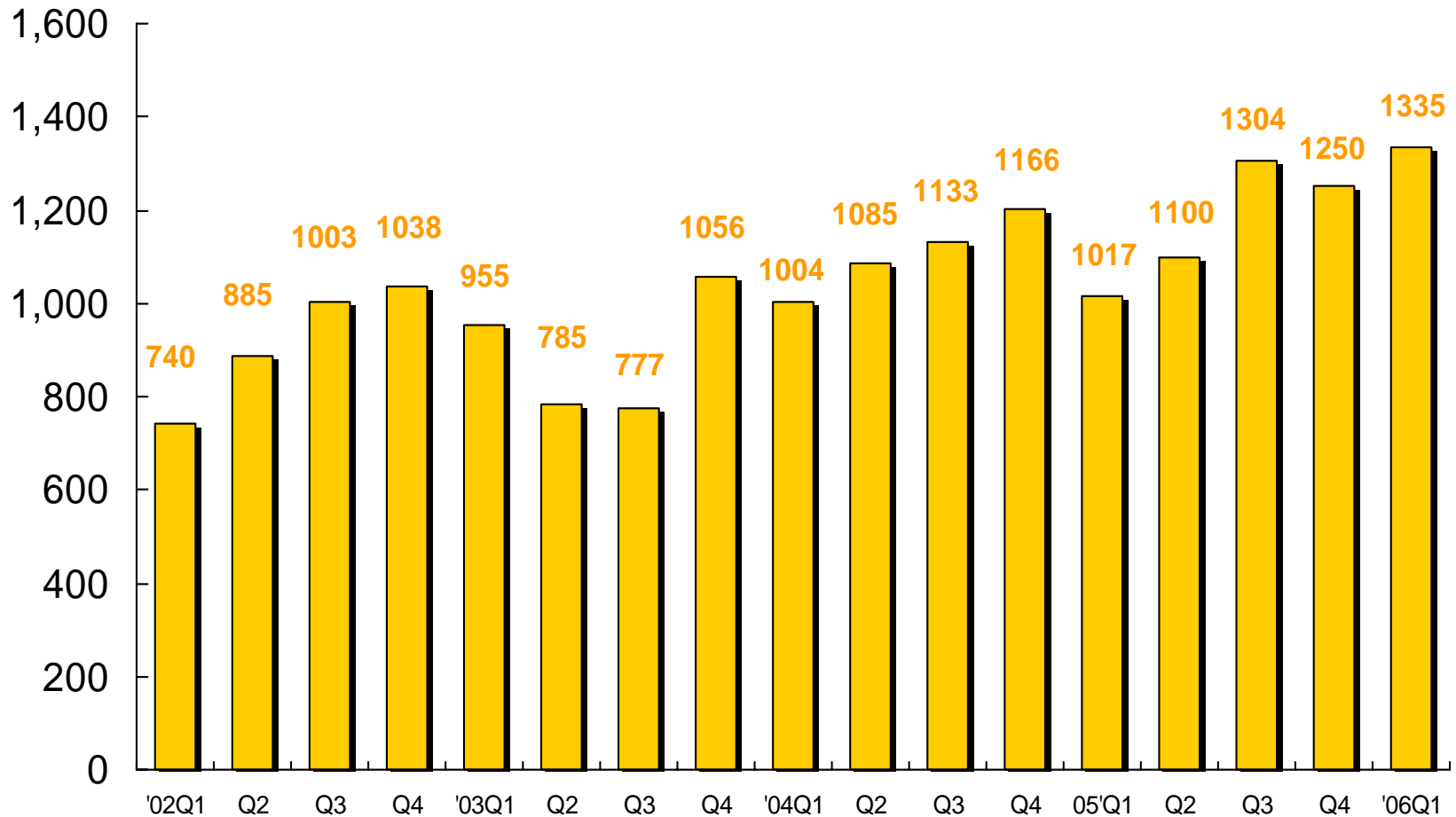
Apr 19, 2006

Revenue by Quarter

2002 – 2006 Q1

NT\$M

15 % CAGR in Revenue

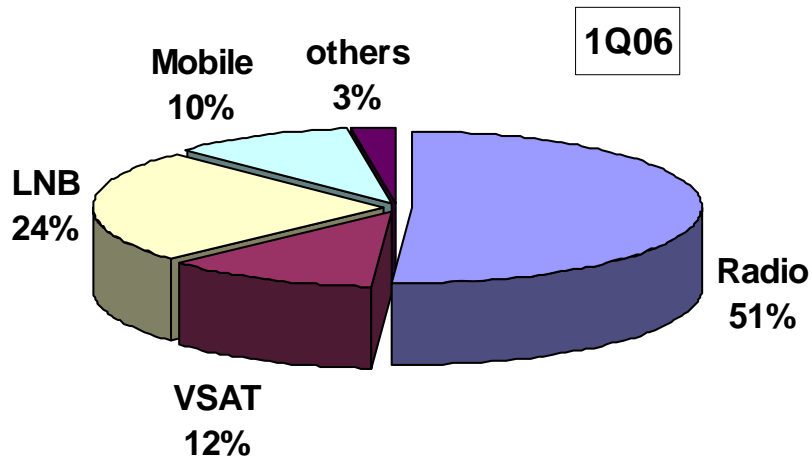


Revenue of Key Segments

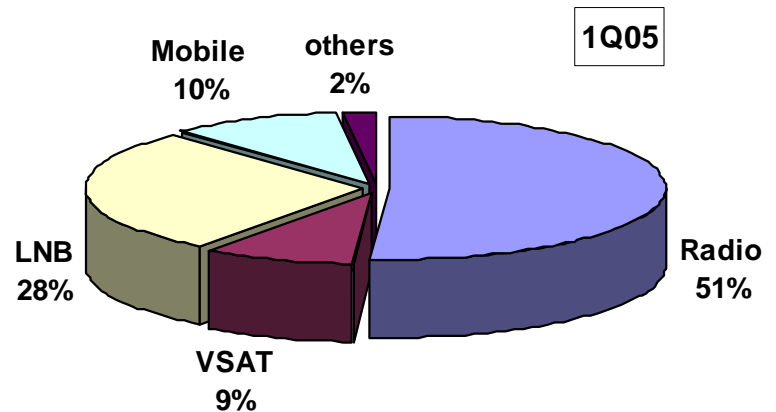
2006 Q1 vs. 2005 Q1

- 31% YoY growth in revenue
- 31% growth in Radio and Mobile business
- VSAT achieved 69% growth

2006 Q1 Revenue:
NT\$1,335M



2005 Q1 MTI Revenue:
NT\$1,017M



Q1 2006 Operating Results

- 31 % YoY growth in Revenue
- Ramping up GP: from 15.0% to 19.5%

Unit: in millions of NTD

	Q1 2006	Q1 2005	Growth
Revenue	1,335	1,017	31%
Gross Profit	260	153	70%
GP %	19.5%	15.0%	-
Operating Income	131	17	650%
Net Income before Tax	82	(5)	-

Strong Balance Sheet

■ Net cash position as of Q1 2006

Unit: in millions of NTD

	Q1 2006
Cash & Cash Equiv.	2,002
Total Debt	<u>1,083</u>
Net Cash	919

■ Positive operating cash flow in 5 consecutive quarters

Unit: in millions of NTD

	Q1 2005	Q2	Q3	Q4	Q1 2006 (un-audited)
Operating Cash Flow	224	110	15	506	200

■ Comfortable with current credit rating

- ◆ Have significant borrowing capacity
 - Short-term credit facilities: NTD 1.8 billion
 - Long-term credit facilities: NTD 1.2 billion

Enhanced Competitiveness

■ Leading Technology

- ◆ Microwave Radio ODU for 3G Back-haul
- ◆ Ka-band VSAT ODU Transceiver – Worldwide first & largest Ka-band Transceiver supplier
- ◆ WiMax ODU & CPE solutions

■ Supply Chain Management

- ◆ Cooperation with IBM since 2003
- ◆ Successful and effective inventory control

Unit: in millions of NTD

	2005Q1	Q2	Q3	Q4	2006Q1
Inventory	1,192	1,184	964	758	842
Inv. Turnover Days	115	110	92	81	68

- ◆ OTD (On-time Delivery) implementation

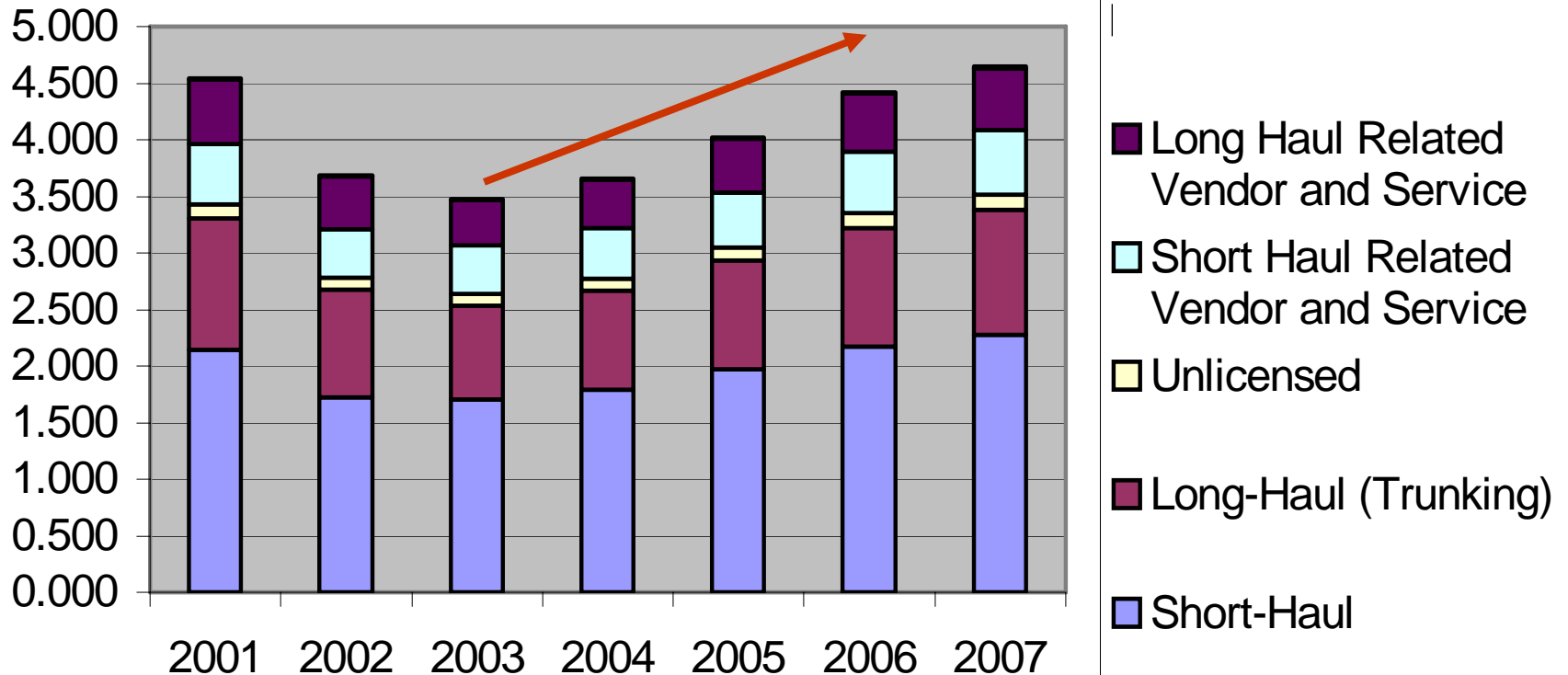
	2005Q1	Q2	Q3	Q4	2006Q1
On-time Delivery	95%	87%	89%	97%	92%

■ Strong Balance Sheet with substantial liquidity

- ◆ Sufficient cash on hand to support working capital demand and capital expenditure

Global Radio Market Information

Total Market in \$B (Eqmt, Service, and Ancil)



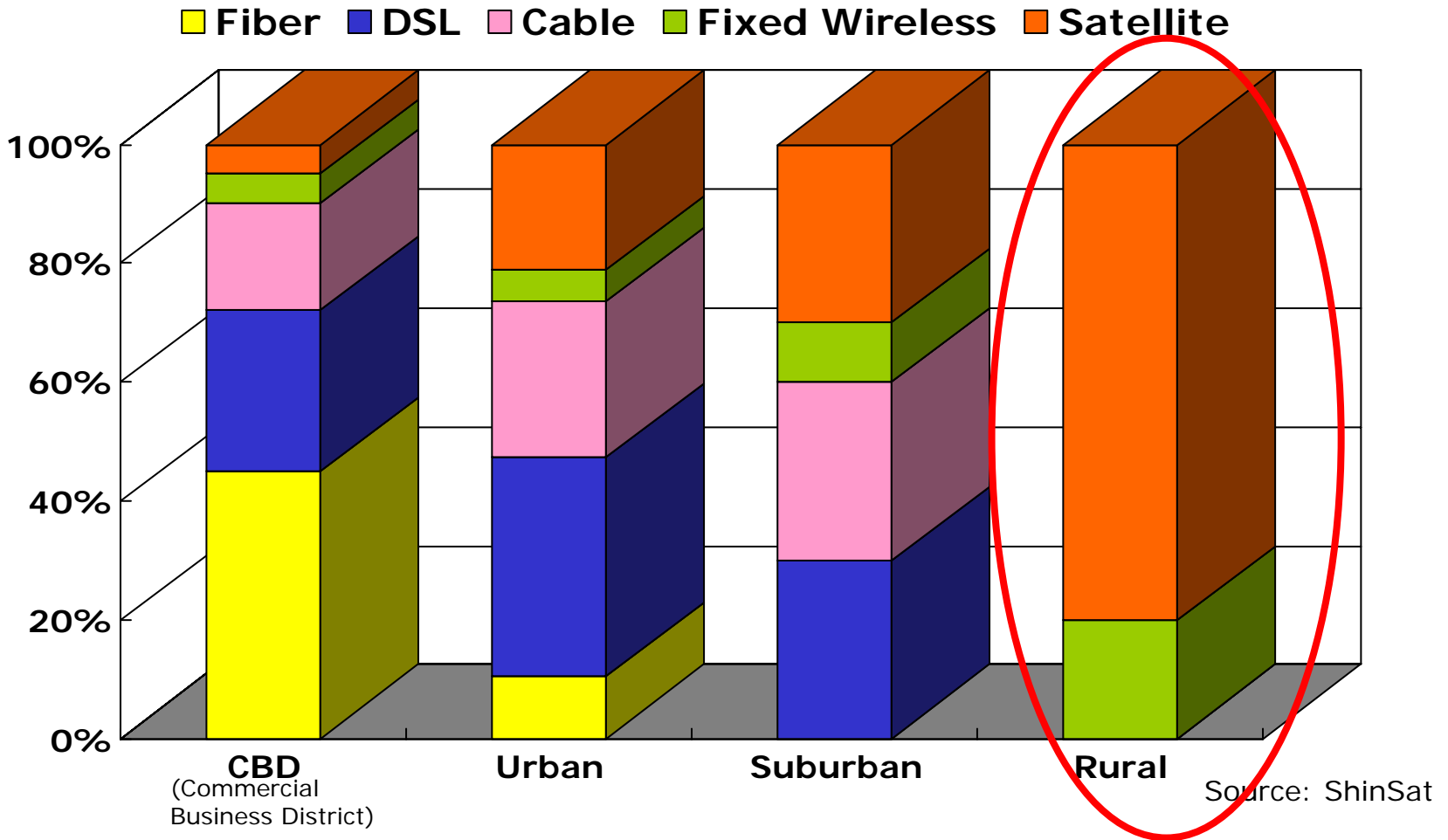
Siemens Business Relationship

- Business started since 2001
- 1st shipment in 2003
- Two major products in mass production
- Three more new products in development
 - ◆ Extends to 2 product platforms for low & medium capacity
 - ◆ Will launch production in Q2 & Q3
- MTI received Siemens Supply Chain Award 2005

***Best Logistics and
Quality Performance in
Microwave Business !***

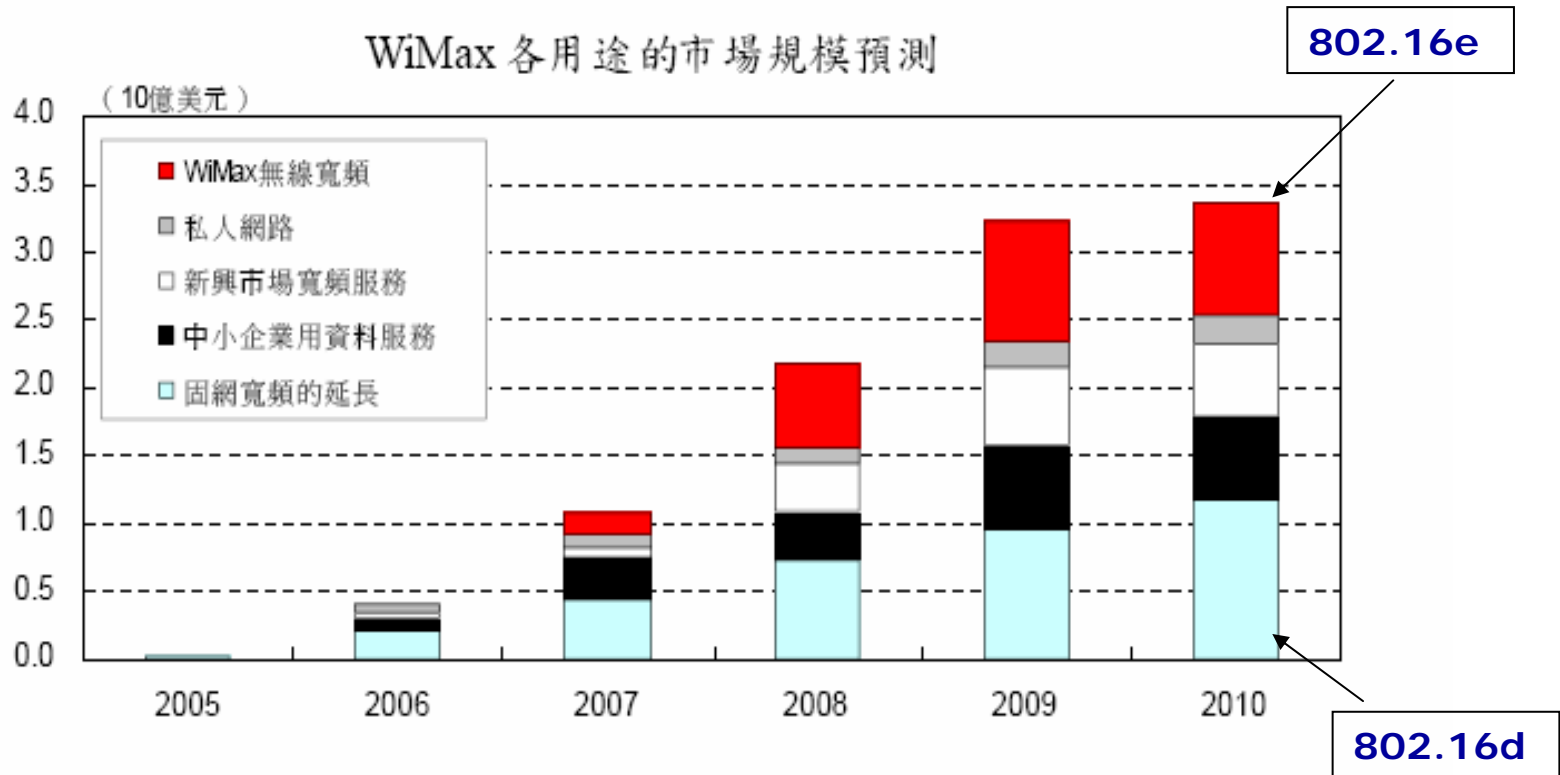


Broadband Market Share



■ *Satellite Broadband is target for Suburban and Rural area*

WiMAX Revenue Segment



資料來源：Gartner Dataquest，2005/11/15

- **802.16d WiMAX is focused on fixed wireless network**
- **802.16e will be the driver for portable and mobile broadband access**

MTI's Unique Value in WiMAX

■ WiMAX provides enhanced features that current WiFi can not fulfill

- ◆ QOS
- ◆ Advance Antenna System (AAS)
- ◆ Collision Free uplink MAC
- ◆ OFDMA Subchannelization
- ◆ Adaptive Modulation

■ Natural migration path for WiFi

■ Hardware

- ◆ Shares similar block diagram with MTI's outdoor WiFi box
- ◆ Leverage MTI's radio core competence in design & mfg

■ Software

- ◆ Identical software structure with MTI existing WiFi
- ◆ Leverage strong partnership with SRT

Potential Uncertainties

- Frequency license & regulation in different regions/countries
- Success of major satellite launches
- Market acceptance of WiMAX new technology & business model
- Availability of alternative solutions
- Telecom consolidations