



**Motech Industries Inc.**

**Stock Code: 6244 TW**

**2011 First Quarter Investor Conference**



# Safe Harbor Notice

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Except for statements in respect of historical matters, the statements in this presentation are “forward-looking statements”. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual performance, financial condition or results of operations of Motech Industries, Inc. (Motech) to be materially different from any future such matters implied by such forward-looking statements. Investors are cautioned that actual events and results could differ materially from these statements as a result of a variety of factors, including conditions in the overall market and economy, acceptance and demand for products, and technological and development risks.

The financial statements included were prepared and published in accordance with ROC GAAP.

The financial forecasts and forward-looking statements in this release reflect the current belief of Motech as of the date of this release and Motech undertakes no obligation to update these forecasts and forward-looking statements for events or circumstances that occur subsequent to such date.

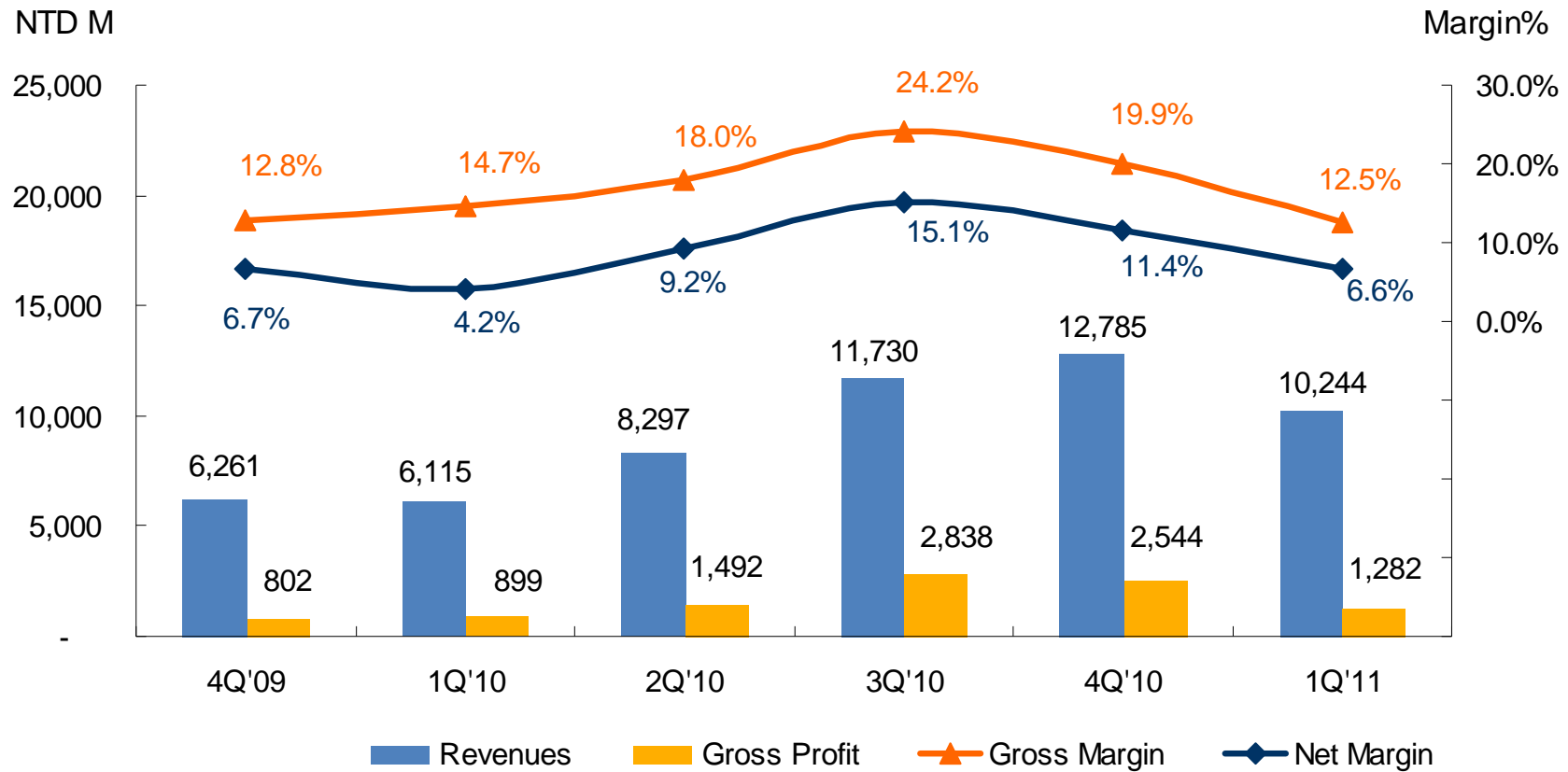


# Financial Performance

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# Quarterly Revenue and Margin Trend



Note: 1Q'11 financial numbers are unaudited.

## Financial Performance



# Consolidated Financial Performance - Quarterly

(NTD M)	1Q'11	QoQ	4Q'10	3Q'10	2Q'10	1Q'10
Revenues	10,244	(20%)	12,785	11,730	8,297	6,115
<i>Gross Margin</i>	12.5%	(7.4ppt)	19.9%	24.2%	18.0%	14.7%
Operating Expense	(369)	(50%)	(737)	(709)	(502)	(461)
Operating Income	914	(49%)	1,807	2,129	989	438
<i>Operating Margin</i>	8.9%	(5.2ppt)	14.1%	18.2%	11.9%	7.2%
Others	(115)	146%	(47)	(28)	(69)	(157)
Tax	(119)	(60%)	(299)	(324)	(156)	(25)
Net Income	680	(54%)	1,461	1,777	765	256
<i>Net Margin</i>	6.6%	(4.8ppt)	11.4%	15.1%	9.2%	4.2%
Net Income Attributable to Parent Company	686	(56%)	1,553	1,863	830	308
EBITDA	1,343	(40%)	2,230	2,574	1,332	677
EBIT	831	(54%)	1,799	2,121	936	302
EPS (NT\$)	1.80	(57%)	4.15	5.02	2.26	0.87

Note: 1Q'11 financial numbers are unaudited.

Financial Performance

# Consolidated Financial Performance - YTD

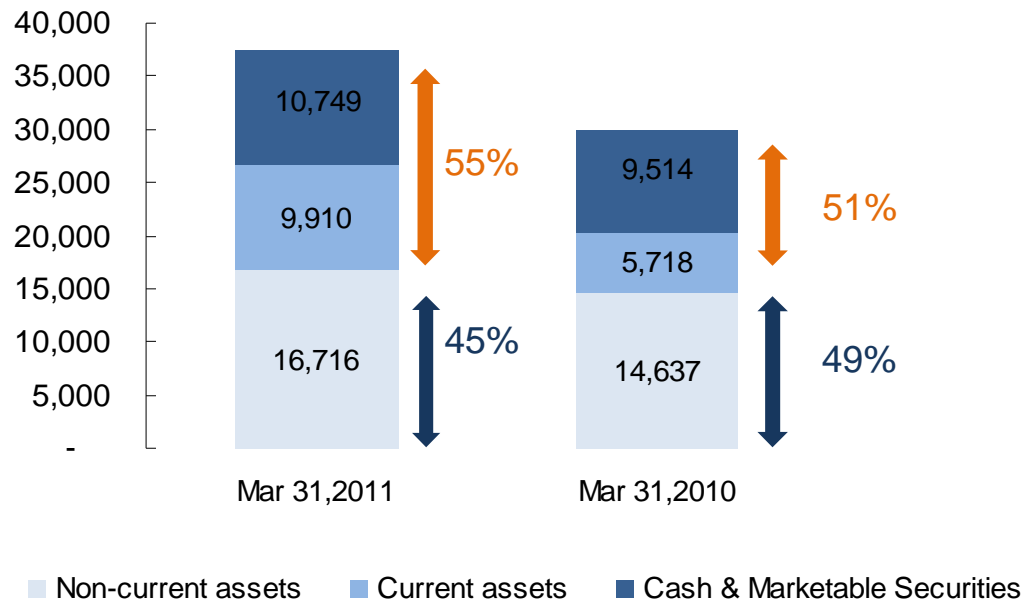
(NTD M)	1Q'11	YoY	1Q'10
Revenues	10,244	68%	6,115
<i>Gross Margin</i>	12.5%	(2.2ppt)	14.7%
Operating Expense	(369)	(20%)	(461)
Operating Income	914	108%	438
<i>Operating Margin</i>	8.9%	1.7ppt	7.2%
Others	(115)	(26%)	(157)
Tax	(119)	374%	(25)
Net Income	680	165%	256
<i>Net Margin</i>	6.6%	2.4ppt	4.2%
Net Income Attributable to Parent Company	686	123%	308
EBITDA	1,343	98%	677
EBIT	831	175%	302
EPS (NT\$)	1.80	107%	0.87
<b>ROE (Annualized)</b>	<b>11.6%</b>	<b>3.9ppt</b>	<b>7.7%</b>
<b>ROA (Annualized)</b>	<b>7.4%</b>	<b>3.6ppt</b>	<b>3.8%</b>

Note: 1Q'11 financial numbers are unaudited.

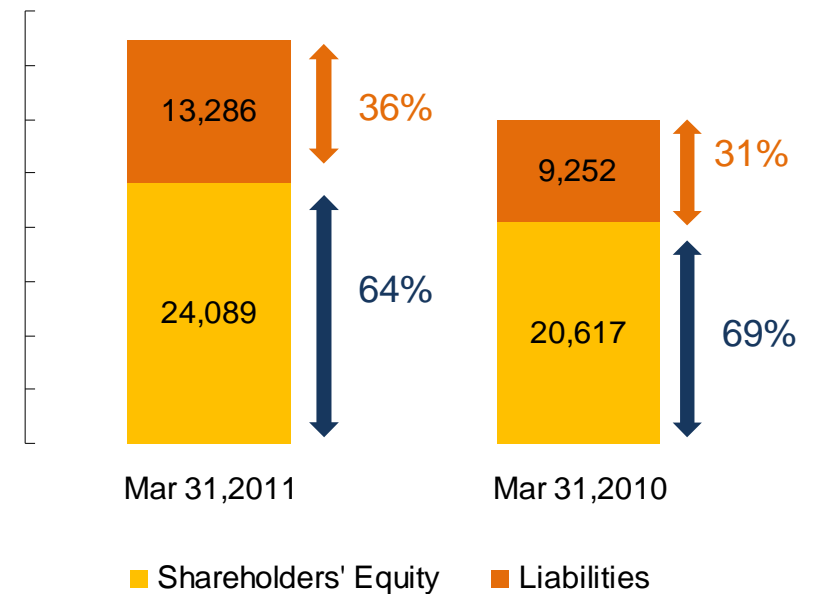
Financial Performance

# Capital Structure

Assets (NTD M)



Equity and Liabilities (NTD M)



Note: 1Q'11 financial numbers are unaudited.

## Financial Performance



# Consolidated Balance Sheet

(NTD M)	Mar 31, 2011	YoY	Mar 31, 2010
Cash and Marketable Securities	10,749	13%	9,514
Account Receivable	4,542	73%	2,623
Inventory	3,651	59%	2,298
Net Fixed Asset	10,479	1%	10,343
Prepayment	4,763	54%	3,083
<b>Total Asset</b>	<b>37,375</b>	<b>25%</b>	<b>29,869</b>
<b>Total Liabilities</b>	<b>13,286</b>	<b>44%</b>	<b>9,252</b>
<b>Total Shareholders' Equity</b>	<b>24,089</b>	<b>17%</b>	<b>20,617</b>

Note: 1Q'11 financial numbers are unaudited.

Financial Performance





# Consolidated Statement of Cash Flow

(NTD M)	1Q'11	1Q'10
<b>Cash Flow from Operating Activities</b>	<b>(837)</b>	<b>1,174</b>
Net Income	680	256
Depreciation & Amortization	512	375
Chg. In Working Capital and Others	(2,029)	543
<b>Cash Flow from Investing Activities</b>	<b>(1,713)</b>	<b>(3,935)</b>
Capital Expenditure	(1,683)	(1,238)
Others – Investment in MM Products	(30)	2,697
<b>Cash Flow from Financing Activities</b>	<b>732</b>	<b>5,238</b>
Bank Loans	724	(1,060)
Cash Dividends & Employee Bonus	-	-
Issuance of Common Stock	-	6,229
Others – chg. in minority interest (TOTAL)	8	69
Other Effects	30	(14)
<b>Net Cash Flow</b>	<b>(1,788)</b>	<b>2,463</b>
<b>Beginning Cash Balance</b>	<b>8,774</b>	<b>3,774</b>
<b>Ending Cash Balance</b>	<b>6,986</b>	<b>6,237</b>
<b>Free Cash Flow</b>	<b>(2,520)</b>	<b>(64)</b>

Note: 1Q'11 financial numbers are unaudited.

Financial Performance

# Consolidated Financial Ratios

(NTD M)	1Q'11	4Q'10	3Q'10	2Q'10	1Q'10
<b>Profitability :</b>					
ROA (Quarterly)	1.9%	4.1%	5.1%	2.4%	0.9%
ROE (Quarterly)	2.9%	6.9%	8.9%	4.2%	1.9%
Gross Profit	1,282	2,544	2,838	1,492	899
Net Margin	6.6%	11.4%	15.1%	9.2%	4.2%
<b>Leverage :</b>					
Debt-to Asset Ratio	35.5%	34.5%	32.8%	31.4%	31.0%
<b>Cash Flow :</b>					
EBITDA / Interest	40.88	57.04	133.47	84.23	32.61
<b>Liquidity :</b>					
Current Ratio (x)	2.36	2.49	2.95	3.46	4.56
Quick Ratio (x)	1.77	2.02	2.42	2.81	3.69

Note: 1Q'11 financial numbers are unaudited.

Financial Performance

# Annual Consolidated Financial Performance

(NTD M)	2010	2009	2008
Revenues	38,927	18,149	22,822
<i>Gross Margin</i>	20.0%	5.5%	14.6%
Operating Expense	(2,409)	(899)	(854)
Operating Income	5,364	104	2,485
<i>Operating Margin</i>	13.8%	0.6%	10.9%
Others	(301)	(1)	(133)
Tax	(804)	(69)	(61)
Net Income	4,259	33	2,291
<i>Net Margin</i>	10.9%	0.2%	10.0%
Net Income Attributable to Parent Company	4,555	132	2,302
EBITDA	6,812	1,432	3,264
EBIT	5,158	216	2,494
EPS (NT\$)	12.30	0.40	9.23

Financial Performance

# Annual Consolidated Balance Sheet

(NTD M)	2010	2009	2008
Cash and Marketable Securities	12,573	4,380	5,845
Account Receivable	3,731	2,652	1,466
Inventory	2,899	2,537	3,272
Net Fixed Asset	9,033	9,596	4,989
Prepayment	4,178	3,518	3,762
<b>Total Asset</b>	<b>35,616</b>	<b>24,643</b>	<b>21,803</b>
<b>Total Liabilities</b>	<b>12,282</b>	<b>10,514</b>	<b>7,900</b>
<b>Total Shareholders' Equity</b>	<b>23,334</b>	<b>14,129</b>	<b>13,903</b>

Financial Performance

# Annual Consolidated Statement of Cash Flow

(NTD M)	2010	2009	2008
<b>Cash Flow from Operating Activities</b>	<b>6,259</b>	<b>1,814</b>	<b>2,209</b>
Net Income	4,259	33	2,291
Depreciation & Amortization	1,654	1,216	770
Chg. In Working Capital and Others	345	565	(852)
<b>Cash Flow from Investing Activities</b>	<b>(8,200)</b>	<b>(2,658)</b>	<b>(4,494)</b>
Capital Expenditure	(4,833)	(4,011)	2,629
Others – Investment in MM Products	(3,367)	1,353	(1,865)
<b>Cash Flow from Financing Activities</b>	<b>7,014</b>	<b>487</b>	<b>1,088</b>
Bank Loans	1,111	1,149	2,659
Cash Dividends & Employee Bonus	(339)	(749)	(1,614)
Issuance of Common Stock	6,229	-	-
Others – chg. in minority interest (TOTAL)	12	87	42
Other Effects	(73)	(31)	1
<b>Net Cash Flow</b>	<b>5,000</b>	<b>(387)</b>	<b>(1,197)</b>
<b>Beginning Cash Balance</b>	<b>3,774</b>	<b>4,161</b>	<b>5,358</b>
<b>Ending Cash Balance</b>	<b>8,774</b>	<b>3,774</b>	<b>4,161</b>
<b>Free Cash Flow</b>	<b>1,426</b>	<b>(2,197)</b>	<b>(420)</b>

Financial Performance

# Annual Consolidated Financial Ratios

(NTD M)	2010	2009	2008
<b>Profitability :</b>			
ROA	14.1%	0.1%	11.6%
ROE	25.3%	1.0%	16.8%
Gross Profit	7,773	1,002	3,339
Net Margin	10.9%	0.2%	10.0%
<b>Leverage :</b>			
Debt-to Asset Ratio	34.5%	42.7%	36.2%
<b>Cash Flow :</b>			
EBITDA / Interest	71.76	12.63	22.98
<b>Liquidity :</b>			
Current Ratio (x)	2.49	2.29	3.69
Quick Ratio (x)	2.02	1.54	2.43

Financial Performance

# Market and Company Update

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# 1Q'11 Highlights

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- Cell Capacity reached 1.3GWp
- Gross Margin dropped in the past 3 months
- Internally grown wafer contribution expanded
- 1Q shipment was 306MW
- Efficiency continued to Improve
  - Multi Cells 17.2% & Mono Cells 18.7% at R&D level
- Motech-brand modules: IM60-240W in US and IM54-205W in JP
- TPSi, GET, Motech MOU
- Syndicated loan USD240M & NTD7.2B

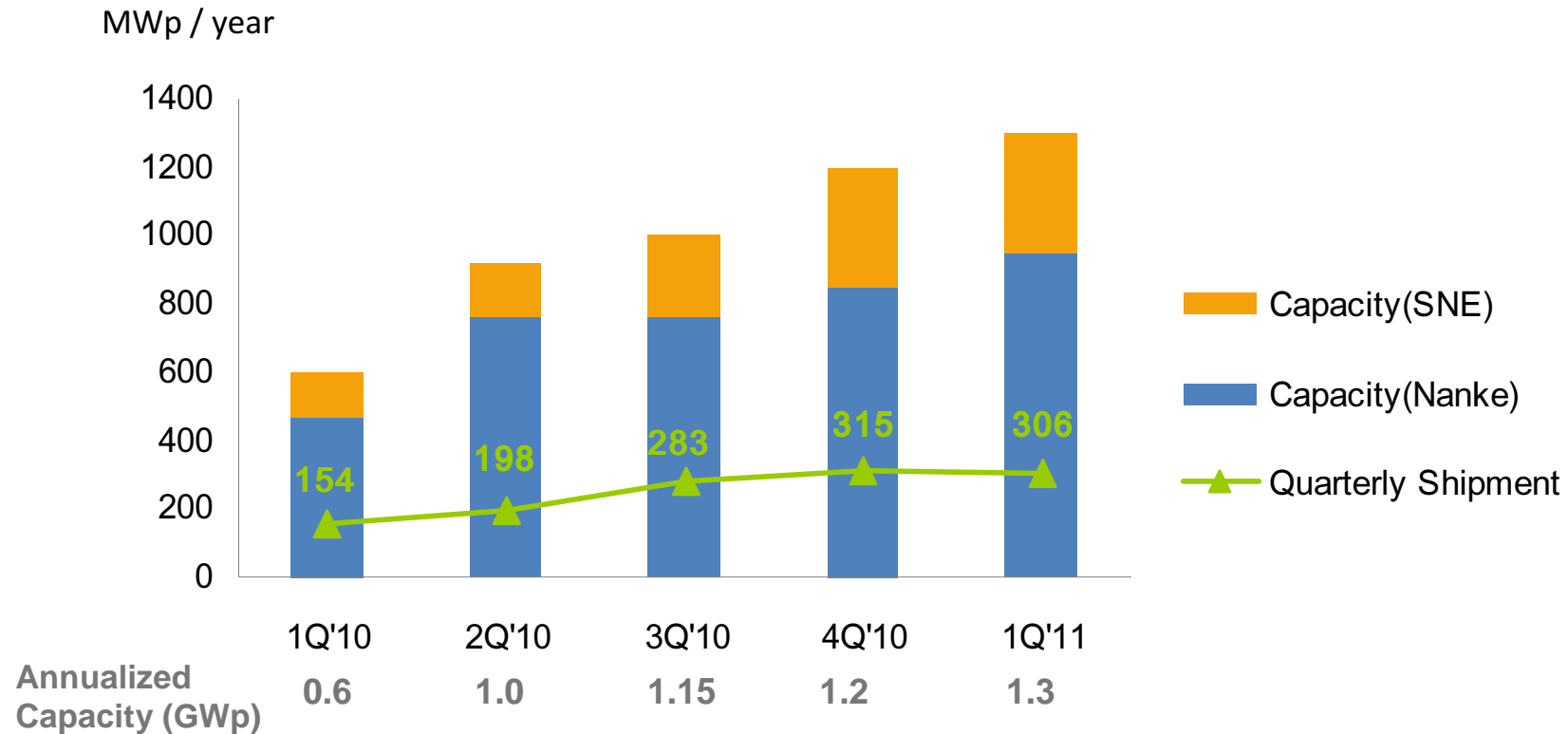
Market and Company Update





# Motech's Capacity and Shipment

- 1Q'11 capacity was 1.3GWp/ per year.
- 1Q shipment was 306 MW.



Market and Company Update

# Business Expansion

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- CAPEX Plan
  - 2011 expansion plan – focus on upstream integration targeting lower cost and better quality wafers
  - Midstream expansion – keep up with market growth
  - Downstream expansion – boost local presence
- R&D Plan
  - Continuous efficiency improvement with minimum cost
- Maintain strong financial structure
  - Oversubscribed syndicated loan to backup capex/working capital

Market and Company Update

# Market Outlook

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- Cautious toward 2Q'11 demand with slight ASP decline
- Downward pricing trend in the long run is necessary for PV market development
- ASPs along PV value chain is decided by effective demand and supply, rather than total demand and supply

Market and Company Update





## Years Of Experience

Motech's top quality, high performance solar cells, modules, and inverters are shining examples of our 30 years of excellence in manufacturing. Let our experience take you to a level above and beyond your imagination.

Together we will Power Forward to a greener and brighter future.

*Motech proposes a toast to the celebration of 30 years and wishes you continued success in 2011.*

**Thanks for your attention**

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