Citi Conference

May 9, 2012

Presented by

Steve Chang, VP of Sales
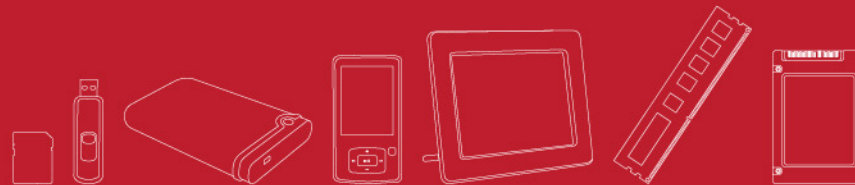
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Agenda

- **Company Overview**

- 2012 Q1 Financial Statements

- Product Portfolio

- Marketing Activities

- Transcend Strengths

- Q&A

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Company Overview

- Founded in 1988

- HQ in Taipei, Taiwan

- 13 offices in 8 countries

- Went public in Taiwan in May 2001

- Taiwan's Top 20 global brands

- 2400+ employees worldwide

Mr. Peter Shu
Chairman & CEO

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Worldwide Offices / Factories

United Kingdom (2005)

The Netherlands (1996)

Germany (1992)

Shanghai, China (2001)

Shanghai Factory (2006)

Beijing, China (2005)

Korea (2008)

Maryland, USA (2005)

Shenzhen, China (2005)

Hong Kong (2000)

Taiwan HQ (1988)

Taipei Factory (2011)

Japan (1997)

LA, USA (1990)

Miami, USA (2011)

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World Class Manufacturing

Taipei, Taiwan

- 11 High-speed SMT lines
- ISO9001 -Certified since year 1997
- ISO14001 -Certified since year 2006
- QC080000 -Certified since year 2006
- OHSAS18001-Certified since year 2009
- TOSHMS -Certified since year 2009

Shanghai, China

- 14 High-speed SMT lines
- ISO 9001-Certified since year 2007
- ISO 14001-Certified since year 2007
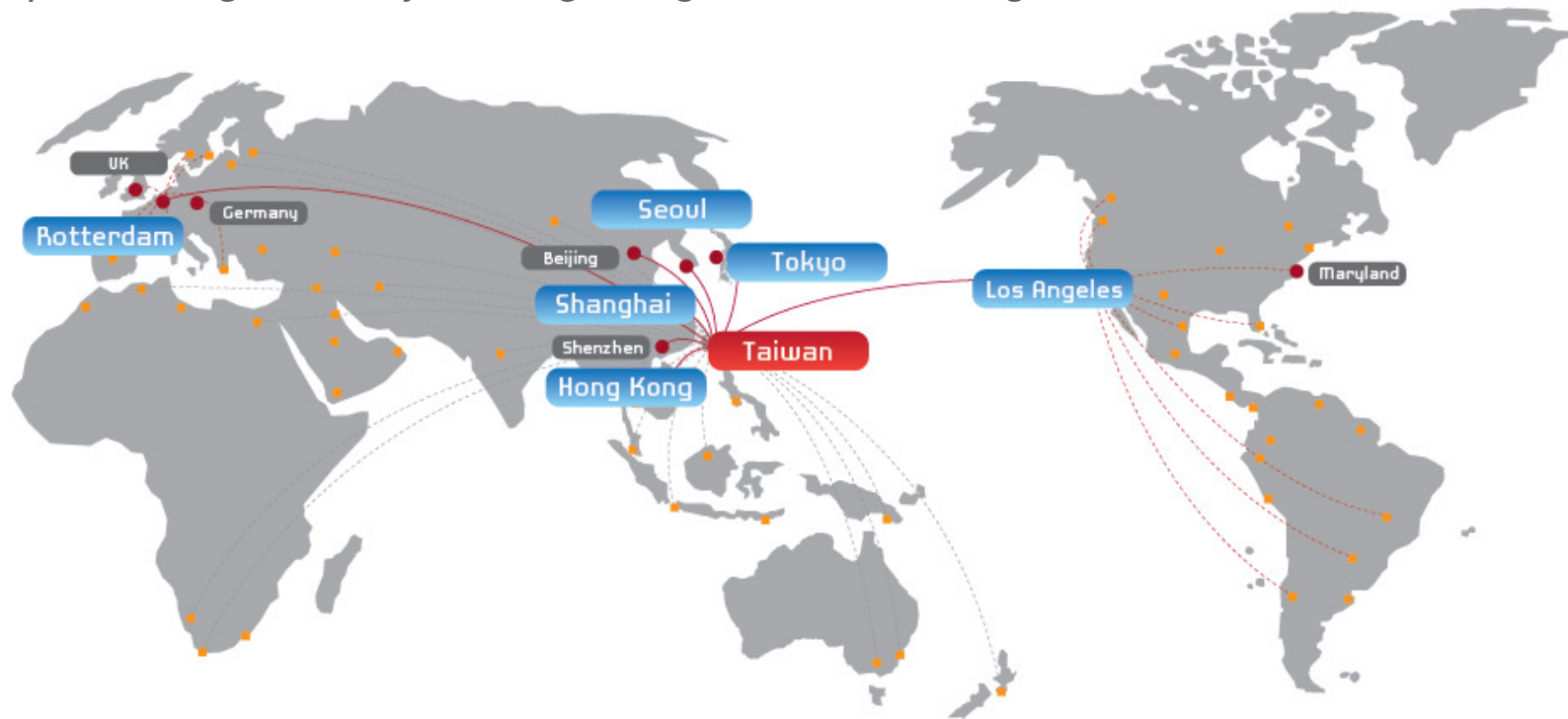- QC080000 -Certified since year 2008

Transcend®
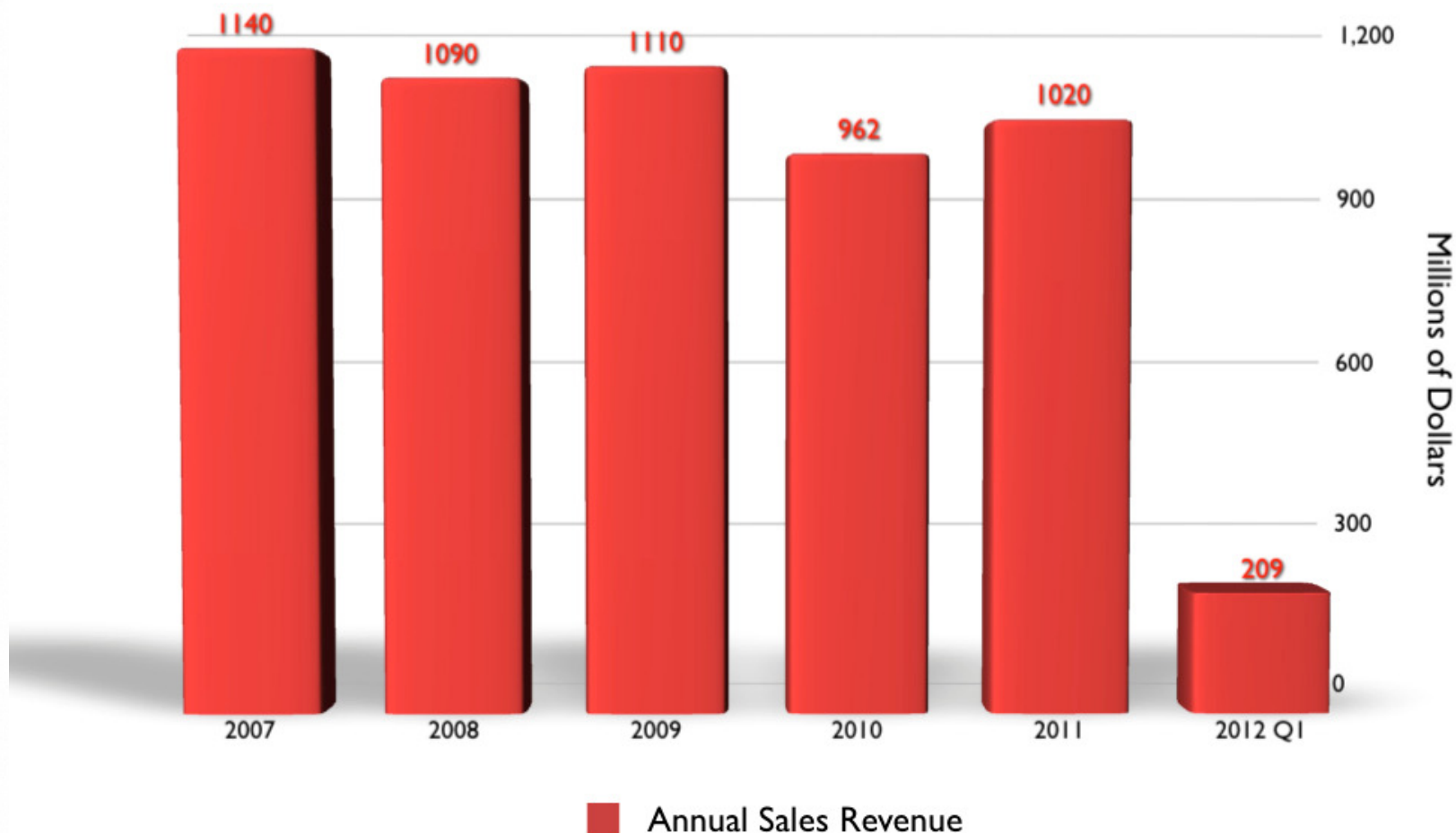*good memories start here*

Virtual Warehouse

Strong Global Supply Chain Network

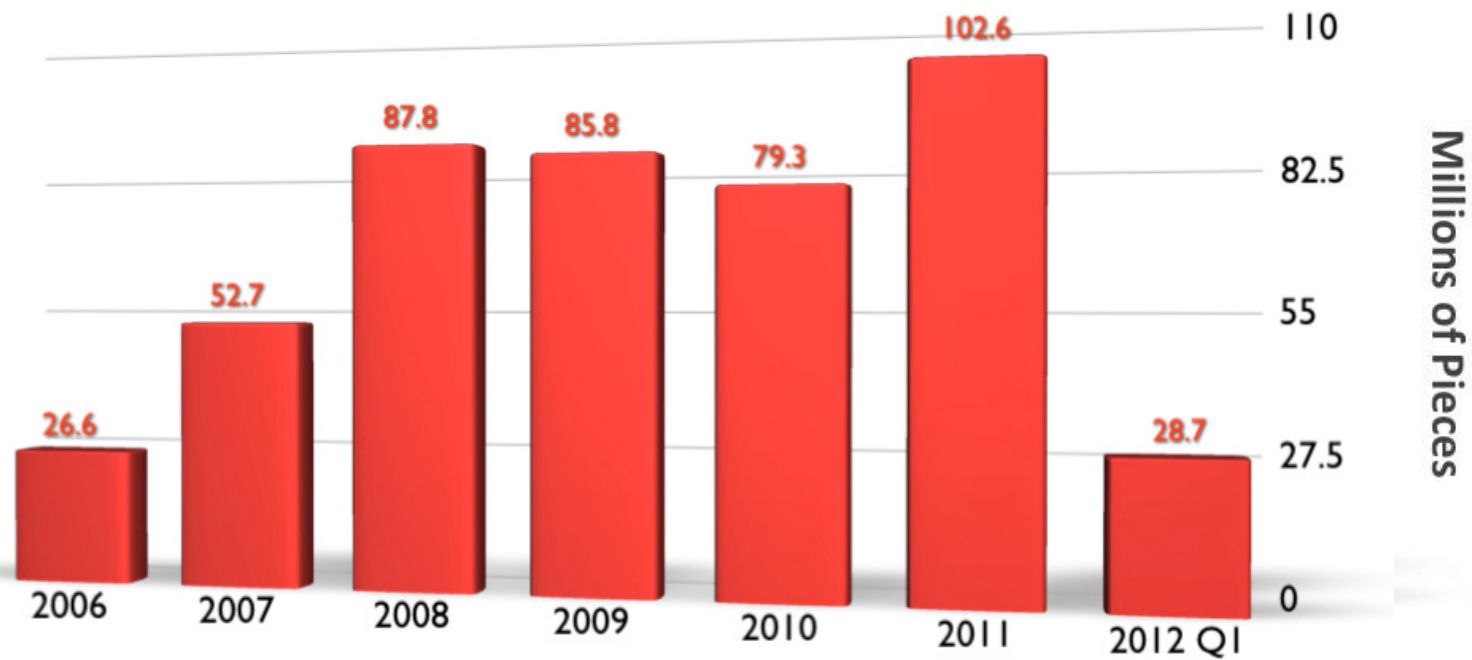- **Same-Day Delivery Service**

- **7 warehouses in major markets:**

  Taipei, Shanghai, Tokyo, Hong Kong, Seoul, Los Angeles, Rotterdam

Annual Sales Revenue
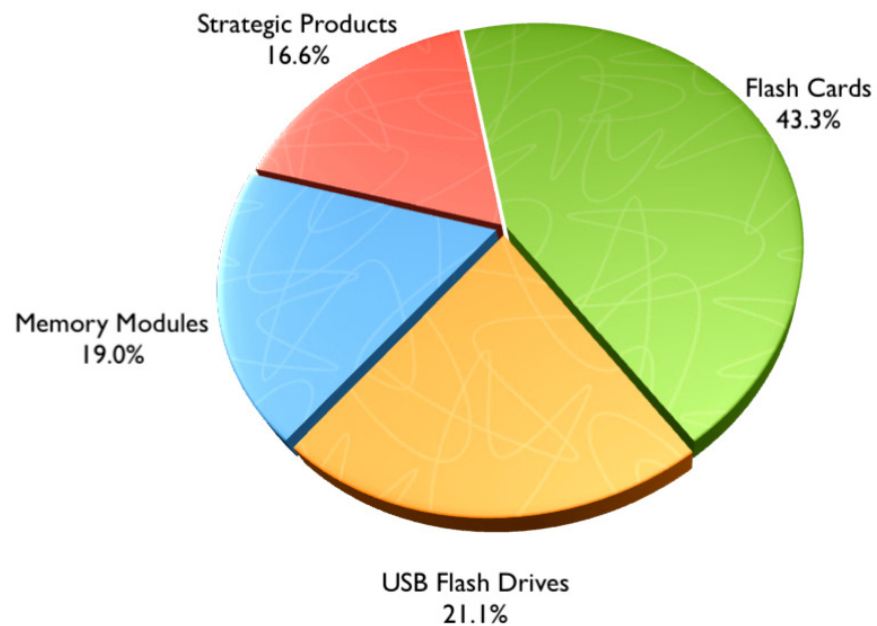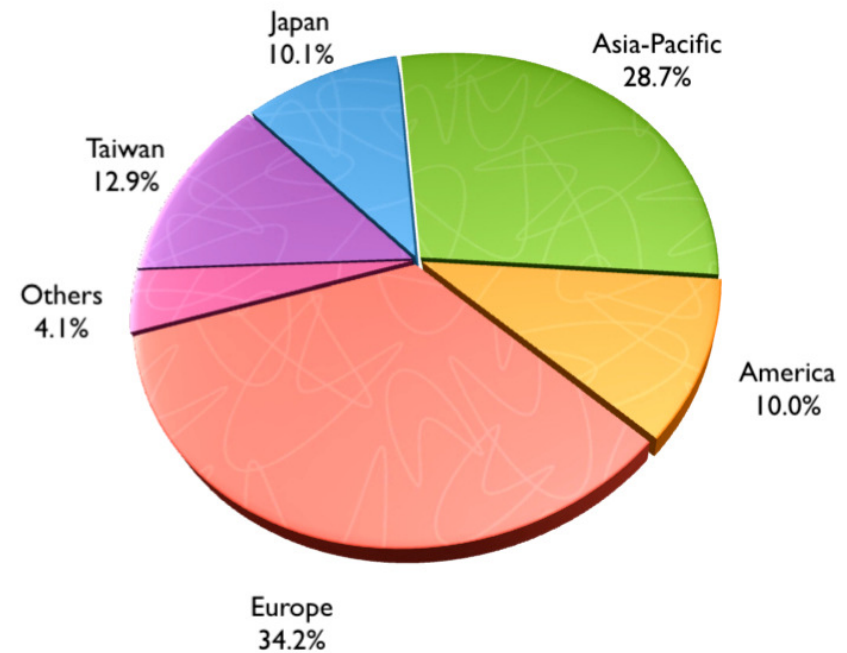

Annual Sales Revenue chart (Millions of Dollars):

Year	Annual Sales Revenue
2007	1140
2008	1090
2009	1110
2010	962
2011	1020
2012 Q1	209

Annual Sales Quantity

2012 Q1 Revenue Distribution

Breakdown by Product

Strategic Products
16.6%

Flash Cards
43.3%

Memory Modules
19.0%

USB Flash Drives
21.1%

Breakdown by Region

Japan
10.1%

Asia-Pacific
28.7%

Taiwan
12.9%

Others
4.1%

America
10.0%

Europe
34.2%

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2010 Worldwide Ranking

World's No.3

USB Flash Drive manufacturer
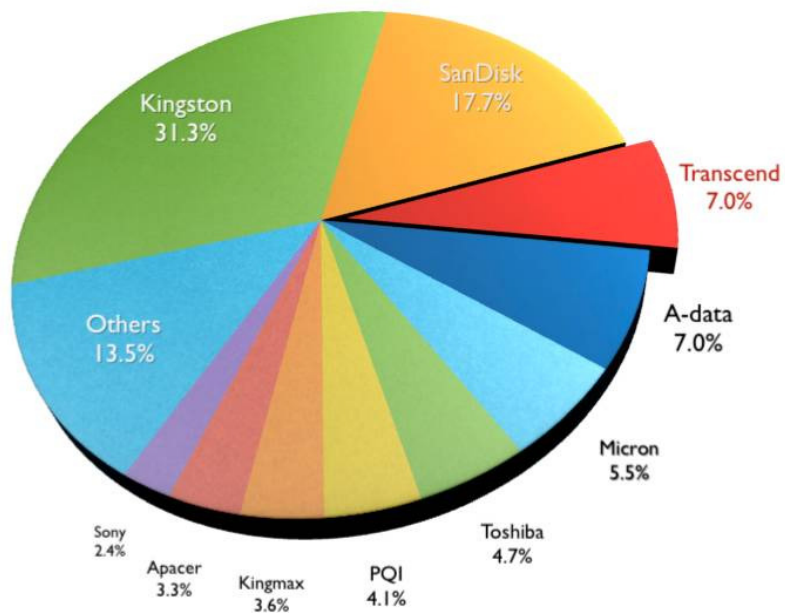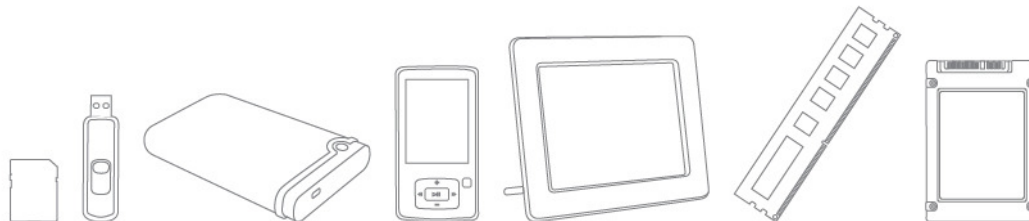
World's No.5

Flash Card manufacturer
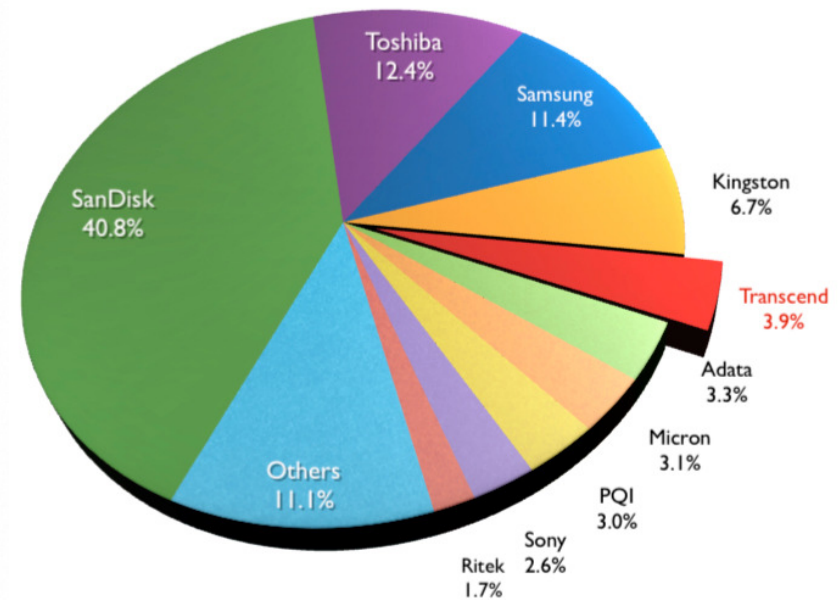
Kingston 31.3%
SanDisk 17.7%
Transcend 7.0%
A-data 7.0%
Micron 5.5%
Toshiba 4.7%
PQI 4.1%
Kingmax 3.6%
Apacer 3.3%
Sony 2.4%
Others 13.5%

Toshiba 12.4%
Samsung 11.4%
Kingston 6.7%
Transcend 3.9%
Adata 3.3%
Micron 3.1%
PQI 3.0%
Sony 2.6%
Ritek 1.7%
Others 11.1%
SanDisk 40.8%

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Source: **Gartner** (March 2011)

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Consolidated Income Statement

Unit: NT$億元

	1Q12	4Q11	QoQ%	1Q11	YoY%
Sales	61.98	71.54	-13.4%	80.48	-22.99%
Gross Profit	11.14	14.69	-24.2%	13.05	-14.6%
Gross Margin	**18.0%**	**20.5%**	**-2.56%**	**16.2%**	**1.8%**
Operating Expense	3.53	4.99	-29.26%	3.79	-6.86%
Opearting Profit	7.62	9.70	-21.4%	9.26	-18%
Operating Margin	**12.3%**	**13.6%**	**-1.26%**	**11.5%**	**0.8%**
Non-Opearting Income	-0.69	-0.80	14%	0.41	-268.3%
Pre-Tax Profit	6.93	8.90	-22.1%	9.67	-28.3%
Tax Expense	0.76	1.71	-55.6%	0.80	-5%
Net Income	6.17	7.19	-14.2%	8.88	-30.5%
Net Margin	**10.0%**	**10.1%**	**-0.10%**	**11.0%**	**-1.1%**
EPS(dollars/per share)	1.43	1.68		2.09	

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Consolidated Balance Statement

Unit: NT$億元

Selected Items from Balance Sheet	1Q 12		4Q 11	
	Amount	%	Amount	%
Cash & Marketable Securities	104.47	46.8%	97.08	43.8%
Account Receivable	22.64	10.2%	25.39	11.5%
Inventory	37.94	17.0%	45.02	20.3%
Current Asset	174.93	78.4%	172.78	78.0%
Fixed Asset	37.84	17.0%	40.52	18.3%
Total Asset	223.03	100.0%	221.43	100.0%
Account Payable	12.28	5.5%	17.13	7.7%
Current Liabilities	23.28	10.4%	27.62	12.5%
Total Liabilities	26.69	12.0%	31.15	14.1%
Total Shareholder's Equity	196.34	88.0%	190.28	85.9%

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Product Portfolio

Premium

Memory Modules	Flash Cards	Flash Drives	Strategic Products
aXeRam™	CompactFlash®	USB 3.0	Portable Wireless Drive
Proprietary	SDXC	High-speed	Solid State Drive
Standard	SDHC/SD	Security	Digital Photo Frame
JetRam®	microSDHC/SD	Shockproof	Digital Music Player
	miniSD	Luxury	External Hard Drive
	MMC	Capless	Card Reader
		Classic	

Standard
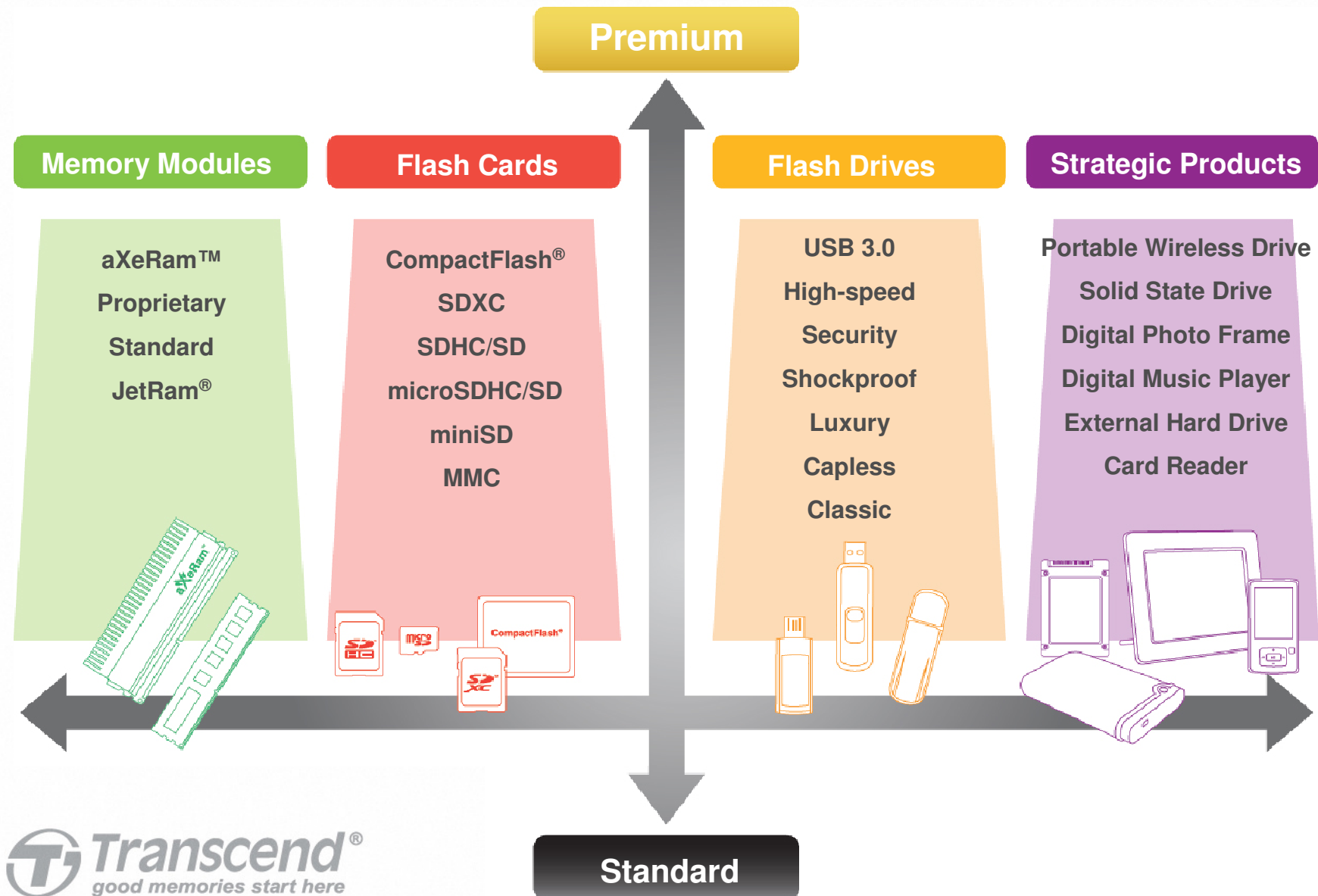
Flash Memory Everywhere

Industrial Applications

IT

Consumer Electronics

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SATA III SSD

SandForce DRIVEN™

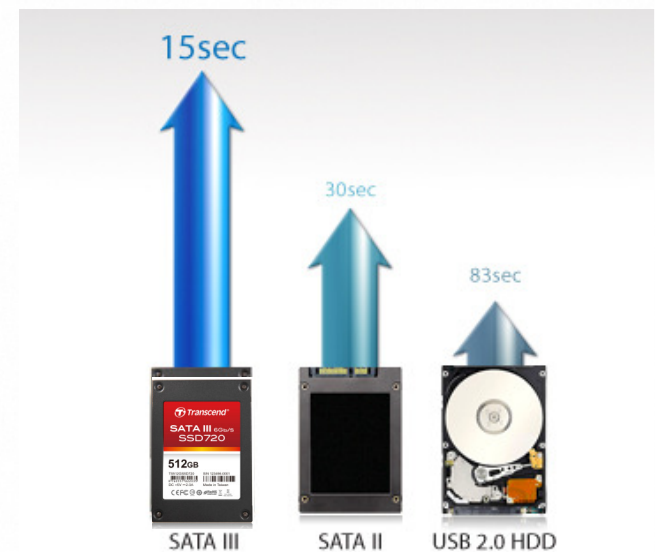## SSD720

- **Next Generation SATA III 6Gb/s Interface**
- **Backwards compatible with SATA II / SATA I**
- **Powerful SandForce Controller**
- **Intelligent Block Management and Wear Leveling**
- **Build-in ECC protection for long data retention**
- **Supports NCQ (up to 32 commands)**
- **Supports S.M.A.R.T. and TRIM Command**
- **AES 256-bit Hardware Encryption**
- **Three-year Limited Warranty**

Capacity:
64-512GB

Performance:
Read up to 560MB/s, write up to 540MB/s

Perfect for Ultrabooks

9.5 mm   7.0 mm

standard   slim design

7mm Ultra-slim form factor

SSD 24s
HDD 82s

Windows 7™

Windows 7 Boot

15sec
30sec
83sec

SATA III   SATA II   USB 2.0 HDD

Lightning-fast transfer
of full 4.7GB DVD
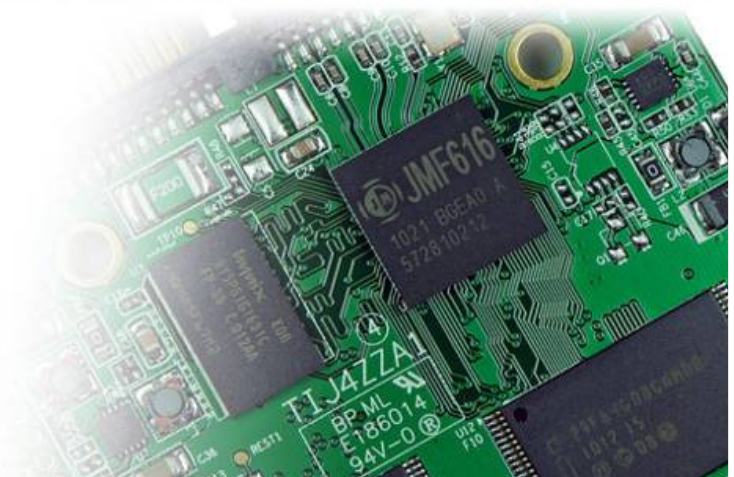
SLC SATA II SSD

SSD500
Durable SLC chip
100,000 erase/write cycles

Performance:
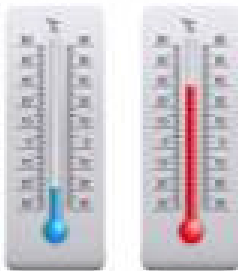**Read up to 260MB/s, write up to 230MB/s**

- **Fully compatible with devices and OS that support the SATA II 3Gb/s standard**
- **Non-volatile Flash Memory for outstanding data retention**
- **Built-in ECC (Error Correction Code) functionality**
- **Wear-leveling algorithm**
- **Support Trim and NCQ command**
- **Support Hardware Purge function**
- **RoHS compliant**

Capacity: 16-64GB

Working Temperature

☐ **0℃ ~ 70℃**

☐ **- 40℃ ~ 85℃ (Optional)**

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Industrial SATA II SSD

SSD25S-MI

Performance:
MLC - Read up to 190MB/s, Write up to 100MB/s

- **Built-in ECC and wear-leveling to ensure reliable data transfer**
- **Supports hot swapping in AHCI mode**
- **Supports Trim command**
- **Supports security, S.M.A.R.T, and HW purge functions (optional)**

Capacities:
32GB / 64GB

Extreme Working Temperature
-25℃ ~85℃

Long-term operation

Transportation system

Portable Wireless Drive

StoreJet Cloud
Your Personal Cloud

32GB/64GB

- Stream different content on 5 devices at the same time
- Supports iOS, Android, Windows, and Mac OSX
- Special App for iOS and Android devices
- Li-Battery supports 6hrs playback and 8hrs standby
- Connect to the Internet and StoreJet Cloud simultaneously
- Email files as attachments
- No need to transfer file formats

Connects up to 5 devices

iOS and Android Apps available

1.8" Portable USB 3.0 SSD

SSD 18C3

Performance:
Read up to 260MB/s, write up to 140MB/s

- **SuperSpeed USB 3.0 and USB 2.0 connection options**
- **One Touch auto-backup button**
- **Dimensions: 98.7mm × 65.7mm × 17.45mm**
  Weight : 70g

台灣精品2012
TAIWAN EXCELLENCE

Elite Transcend®
Data Management

Compatible with
Windows® 7

(64GB / 128GB)

2X FASTER
than USB 3.0 Hard Drives

USB 3.0 SSD
260MB/s

USB 3.0 HDD
115MB/s

17.45 mm   65.7 mm

98.7 mm

A ♠ A

One Touch Auto-Backup Button

Helps backup and synchronize data instantly.
Enabled by the bundled Backup Manager software.

auto-backup ➤➤➤

One Touch

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mSATA SSD

MSA310 (MLC) MSA500 (SLC)

- 40bit/1KB BCH hardware ECC
- Compliant with SATA-IO specifications
- Fully compatible with the SATA 3Gb/s standard
- Supports AHCI mode, TRIM and NCQ commands
- Advanced S.M.A.R.T drive health monitoring
- Advanced Power Shield (built-in)
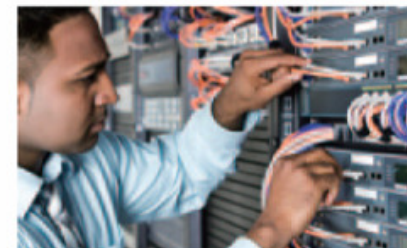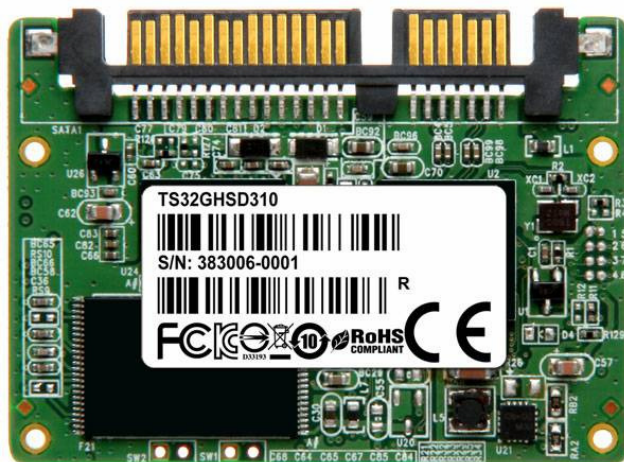- Write protect & HW purge functions (built-in)

Capacities:
SLC- 1GB / 2GB / 4GB / 8GB / 16GB
MLC- 16GB / 32GB / 64GB

Performance:
MLC - Read up to 140MB/s, Write up to 65MB/s
SLC - Read up to 100MB/s, Write up to 90MB/s

Form factor: MO-300A
Operating temperature: 0°C ~ 70°C
Dimensions: 50.8mm x 29.85mm x 4.85mm
MTBF: 1,000,000 hrs

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Tablet PCs

Vehicle computers

Surveillance system

Embedded storage applications

Half-slim SSD

HSD310 / 310I

70% Smaller than standard 2.5" form factor

- Advanced global Wear-Leveling and Block Management for reliability
- S.M.A.R.T. (Self-Monitoring, Analysis and Reporting Technology)
- TRIM and NCQ (Native Command Queuing) support
- 64MB DRAM cache
- 40bit/1KB BCH hardware ECC
- Advanced Power Shield (built-in)
- Write protect & HW purge functions (built-in)
- SLC solution (Optional)

Capacities:
8GB / 16GB / 32GB / 64GB
Performance:
MLC - Read up to 140MB/s, Write up to 65MB/s
SLC - Read up to 100MB/s, Write up to 90MB/s

Form factor: Half-slim MO-297
Operating temperature:
0°C ~ 70°C
-25°C ~ 85°C (Industrial grade, MLC)
-40°C ~ 85°C (Industrial grade, SLC)
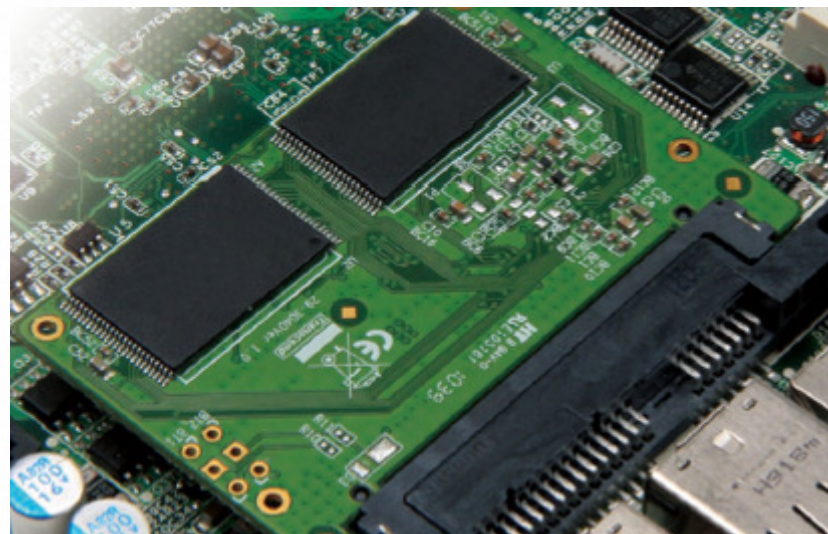**Dimensions:** 54mm x 39mm x 4mm
MTBF: 1,000,000 hrs

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Flash Cards – Speed-driven

Ultimate Series

A great camera deserves a great card.

Whether your camera uses SD or CF cards, you can always find the right high-performance solution from our "Ultimate" series memory cards.

Model	SDHC Class 10 UHS-I	SDXC Class 10	SDHC Class 10	600X CF	400X CF
Transfer Rate (Max)	85MB/s	25MB/s	20MB/s	90MB/s	60MB/s
Capacity	8GB~16GB	64GB	4GB~32GB	8GB~64GB	8GB~64GB

SDHC Class 10 UHS-I Card

(8GB - 16GB)

4X Faster!

16GB		SDHC UHS-I	SDHC Class 10
	Read	**85MB/s**	**20MB/s**
	Write	**45MB/s**	**18MB/s**

Pro-level Cameras

Sony	**Nikon**	**Nikon**	**Fujifilm**	**Canon**	**Olympus**
α77	D7000 / D5100	V1 / J1	HS20EXR	550D / 60D	E-P3

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Flash Cards – Capacity-driven

SDHC™ V3.0	microSDHC™ V3.0	CompactFlash 4.1

SDHC™   **SDXC™**

Class 10   **Class 10**

microSDHC Class 10

CF600X

(4GB - 32GB)   (64GB)

(4GB - 32GB)

(8GB - 64GB)

Capacity Requirements

	SD	microSD	CompactFlash
2011 Avg. Quantity	7.73GB	3.67GB	11.3GB
2012 Expected Quantity	**12GB**	**6GB**	**14GB**

USB 3.0 External Hard Drives

StoreJet 25H3P

500GB-1TB

- **3-stage Shockproof**
- **115MB/s ; 105MB/s**

StoreJet 25M3

500GB-1TB

- **3-stage Shockproof**
- **115MB/s ; 105MB/s**

StoreJet 25A3

500GB-1TB

- **Internal Suspension**
- **115MB/s ; 105MB/s**

3.5" StoreJet 35T3

2TB

- **130MB/s ; 125MB/s**

3X FASTER
than USB 2.0 HDDs

USB 3.0 HDD
115MB/s

USB 2.0 HDD
38MB/s

USB 3.0 USB Flash Drives

JetFlash 700

Entry-level
- Read: 52MB/s
  Write: 30MB/s
- 4GB-32GB

JetFlash 760

Capless Design
- Read: 52MB/s
  Write: 30MB/s
- 4GB-32GB

JetFlash 780

Advanced Transfer
- Read: 140MB/s
  Write: 40MB/s
- 8GB-16GB

4X FASTER
than USB 2.0 Flash Drive

USB 3.0 Flash Drive
140 MB/s

USB 2.0 Flash Drive
32MB/s

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Industrial Products

Industrial PC Applications

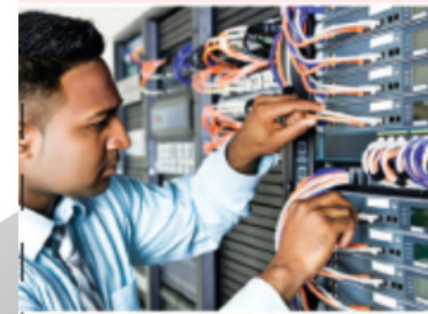Transportation

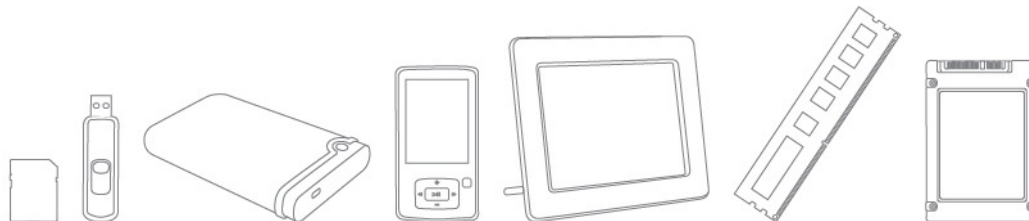Medical

Automation

Military

Gaming

Networking

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- **Marketing Activities**

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Industrial Expositions

embedded world Exhibition & Conference ... it's a smarter world

Germany

ESEC 18th EMBEDDED SYSTEMS EXPO

Japan

Learn today. Design tomorrow. **ESC**

USA

global gaming expo G2E

USA

Transcend® good memories start here

Taiwan Tradeshows

COMPUTEX
TAIPEI

安控展

CompoSec

台北電腦應用展

資訊月

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Sports Sponsorship in Schools

HBL - High school Basketball
(Dec 2011 ~ March 2012)

Total **55** live matches

Max. **211,600** viewers per game

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Transcend Strengths

- **Brand Premium**
    - Local service, global presence
    - Efficient R&D and Tech Support teams
    - Diverse Marketing Activities
- **Niche Market**
    - Industrial products
    - High-end/Specialty products
- **Virtual Warehouse**
    - Same-day delivery service
    - 7 hubs worldwide
- **Effective Management**

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Growth Strategies

- **Increase Production Capacity**

  - **Growing manufacturing capabilities**

  - **Manpower expansion plans:**

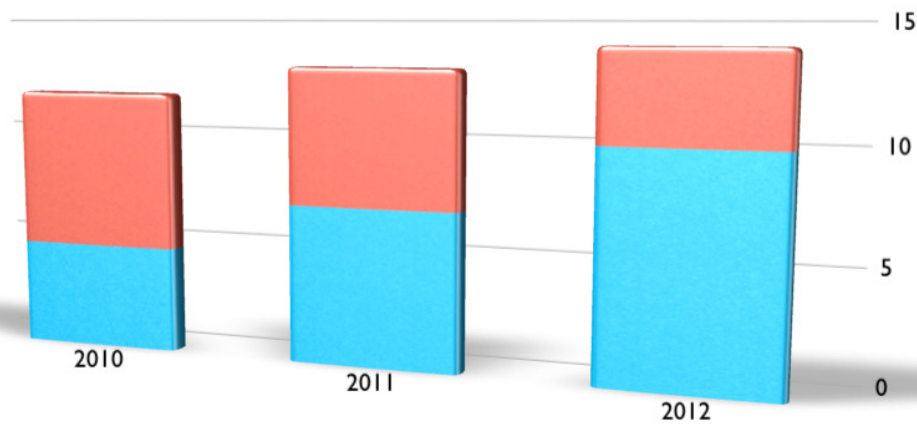   - 1500 persons in Taipei Headquarters

    - 2600+ persons worldwide

Shanghai, China

Taipei, Taiwan
(New factory completed in May 2011)

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Legend: ■ Taiwan ■ China (KKpcs/Month)

Q & A