

Acer Inc.

Q3, 2009

Investor Conference

October 30, 2009

www.acer.com

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Consolidated Financial Results

Howard Chan

CFO

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Consolidated Income Statement (3rd Quarter)

(R.O.C. GAAP-comparison base)

(NT\$ Million)	3Q'09		3Q'08		Change
Revenue	167,617	100%	159,163	100%	+ 5%
Gross Profit	16,722	10.0%	16,065	10.1%	+ 4%
Operating Expenses	11,968	7.1%	11,415	7.2%	+ 5%
Operating Income - GAAP	4,754	2.8%	4,650	2.9%	+ 2%
Non-Operating Income	(20)		(503)		
PBT	<u>4,733</u>	2.8%	<u>4,147</u>	2.6%	
PAT – GAAP	<u>3,470</u>	2.1%	<u>3,043</u>	1.9%	+14%
EPS	1.32		1.22		

Note: Figures in 3Q'09 are un-audited

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Consolidated Income Statement (Q1-Q3)

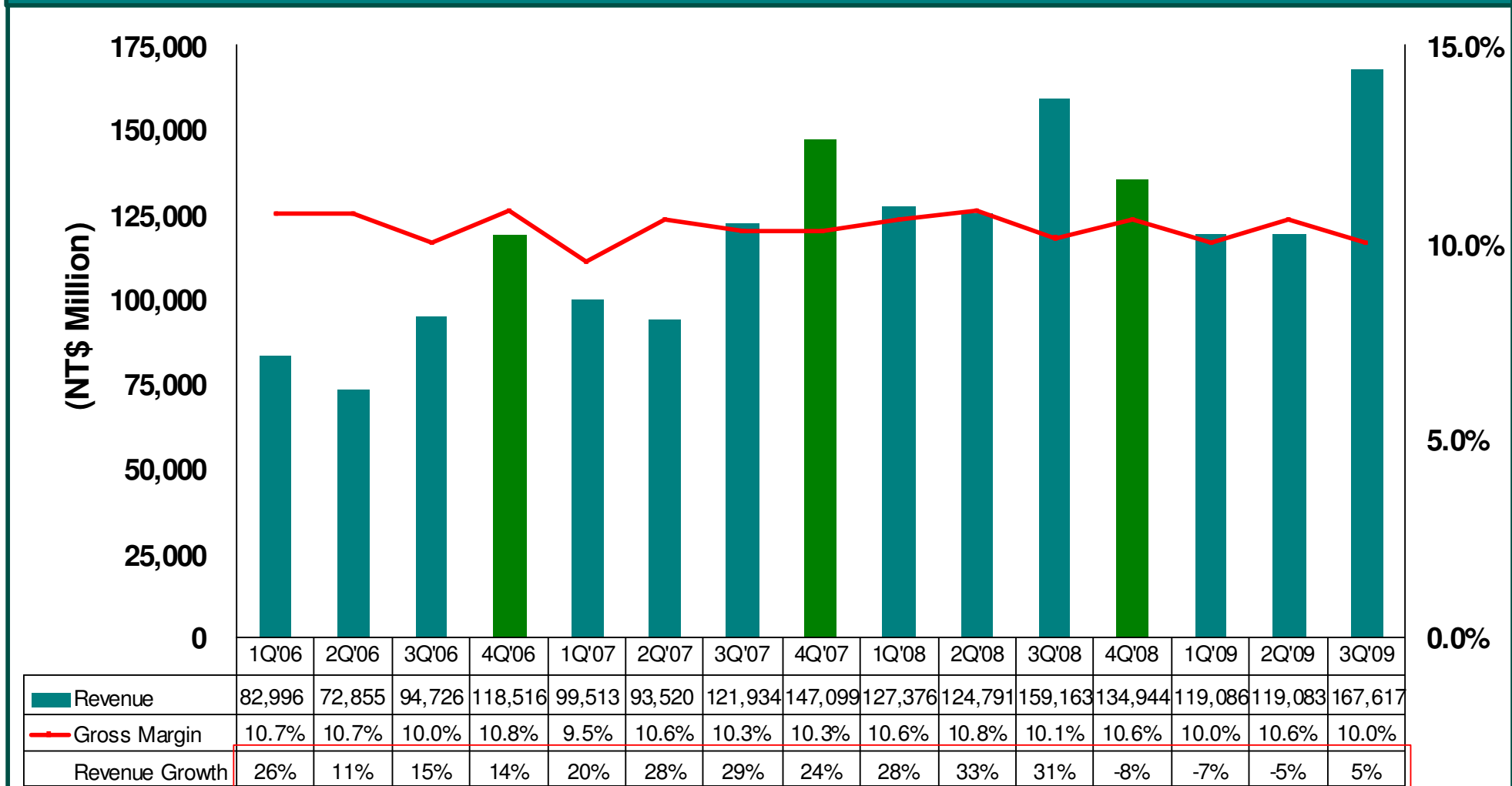
(ROC GAAP-comparison base)

(NT\$ Million)	2009 Q1-Q3		2008 Q1-Q3		Change
Revenue	405,786	100%	411,330	100%	- 1%
Gross Profit	41,206	10.2%	42,975	10.4%	- 4%
Operating Expenses	30,838	7.6%	32,877	8.0%	- 6%
Operating Income - GAAP	10,367	2.6%	10,097	2.4%	+ 3%
Non-Operating Income	(52)		1,401	0.3%	
PBT	10,315	2.5%	11,498	2.8%	
PAT – GAAP	7,836	1.9%	8,929	2.2%	
PAT – without stock disposal gains	7,810	1.9%	6,130	1.5%	+27%
EPS - GAAP	2.98		3.61		

Note: Figures in 3Q'09 are un-audited

Consolidated Revenue and Gross Margin

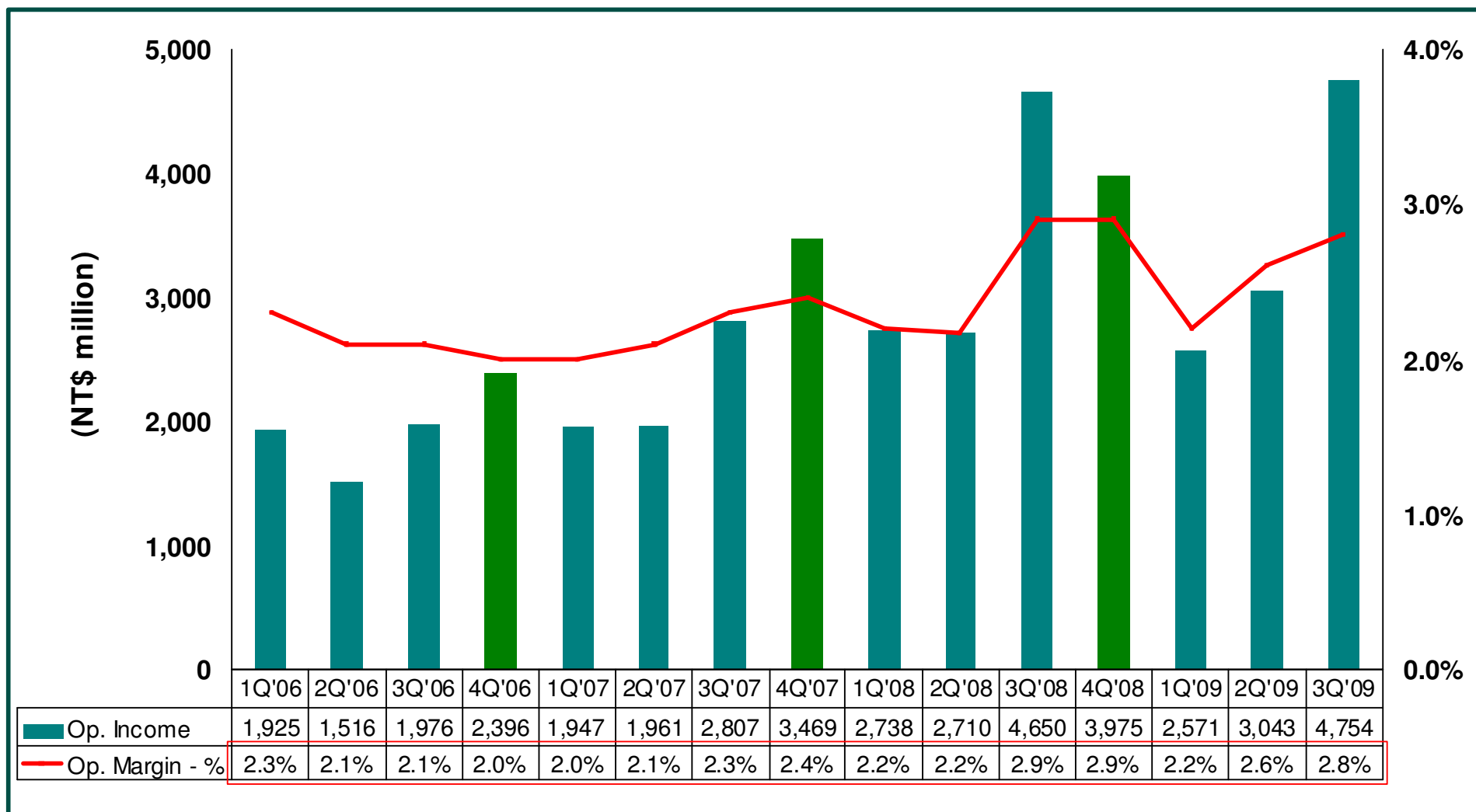
3Q, 2009 Revenue Growth: +5% Y/Y



Note: The figures include Gateway since 4Q'07, Packard Bell since 1Q '08 and E-ten since 3Q'08

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Consolidated Operating Income



Note: (a) The figures include Gateway since 4Q'07, Packard Bell since 1Q '08, and E-ten since 3Q'08

(b) The figures have expensed employee bonuses and board of directors' remuneration since 2008.

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Consolidated Balance Sheet (Y/Y Comparison)

(NT\$ Million)	Sept. 30, 2009		Sept. 30, 2008	
Current Assets				
Cash and cash equivalence	41,559	14%	28,232	10%
Notes & Account receivable	127,813	42%	132,160	47%
Financial Assets-Current	1,044	0%	4,490	2%
Inventory	52,642	17%	44,602	16%
Others	19,508	6%	12,869	5%
Total Current Assets	242,566	80%	222,353	80%
Long-term Investment	9,099	3%	7,714	3%
Property, plant and equipment	12,189	4%	12,711	5%
Intangible asset	36,197	12%	32,877	12%
Others	3,102	1%	3,174	1%
Total Asset	303,153	100%	278,829	100%
Short-term borrowings	1,144	0%	7,943	3%
Account payable	108,334	36%	106,891	38%
Other current liabilities	83,611	28%	67,168	24%
Current Liabilities	193,089	64%	182,002	65%
Long-term Debt	12,378	4%	8,848	3%
Total Liabilities	212,984	70%	197,962	71%
Total Shareholders' Equity	90,169	30%	80,868	29%

Consolidated Balance Sheet (Q/Q Comparison)

(NT\$ Million)	Sept. 30, 2009		June 30, 2009	
Current Assets				
Cash and cash equivalence	41,559	14%	43,191	16%
Notes & Account receivable	127,813	42%	98,992	37%
Financial Assets-Current	1,044	0%	286	0%
Inventory	52,642	17%	47,021	18%
Others	19,508	6%	15,063	6%
Total Current Assets	242,566	80%	204,554	77%
Long-term Investment	9,099	3%	8,043	3%
Property, plant and equipment	12,189	4%	12,172	5%
Intangible asset	36,197	12%	36,936	14%
Others	3,102	1%	3,174	1%
Total Asset	303,153	100%	264,879	100%
Short-term borrowings	1,144	0%	241	0%
Account payable	108,334	36%	82,432	31%
Other current liabilities	83,611	28%	77,697	29%
Current Liabilities	193,089	64%	160,370	60%
Long-term Debt	12,378	4%	12,374	5%
Total Liabilities	212,984	70%	180,040	68%
Total Shareholders' Equity	90,169	30%	84,840	32%

Business Review

Gianfranco Lanci

Acer Inc. CEO & President

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PC Market out-look

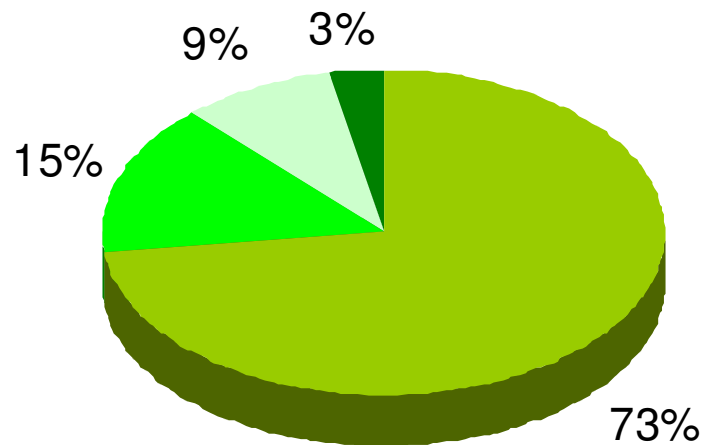
- PC demand strengthens as global economy recovers. Replacement activity increases. Demand remains price-sensitive, but buyers willing to pay for applications and features with demonstrated value-add
- Desk-based PCs — Replacements gradually accelerate .
Consumer interest continues to look for new designs (AIO), form factor (SFF) and features (Touch, 3D).
Gaming, entertainment, media center
- Mobile PCs — Mobile-for-desk-based substitution continues unabated.
Thin&light, battery life (8-10 hr), connectivity (3G)
Netbook will continue to spearhead mobile PC growth. Additional sales rather than cannibalization. MID new wave in 2H 2010

PC Market out-look

- Majority of sales still go to consumer but Education and Small Business will continue to grow
- PC ASP Declines to Decelerate as Units Recover and Dollar Subsidies
- Emerging Market will lead the growth again next year
- Windows 7 reducing the perception gap with Mac OS.
Positive impact on year end demand and on replacement cycle next year
but Android, Chrome can be a viable alternative to MS OS's for web application on different mobile devices

Revenue by Product

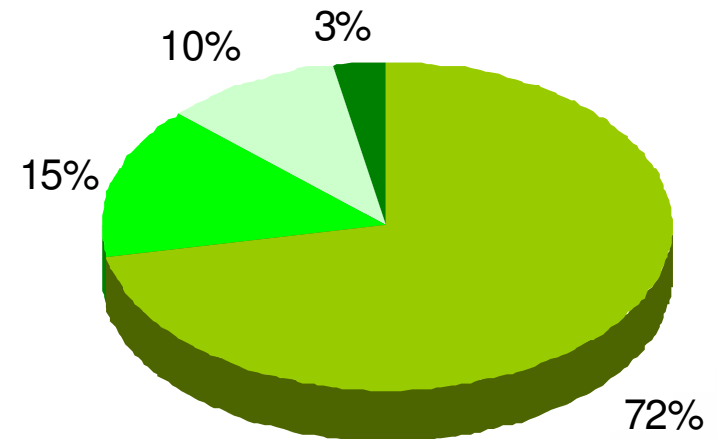
Q3, 2009
US\$4,968M



Notebook+Netbook
Desktop PC
Display
Others

Note: Others include servers, projector and IA products

Q3, 2008
US\$4,982 M

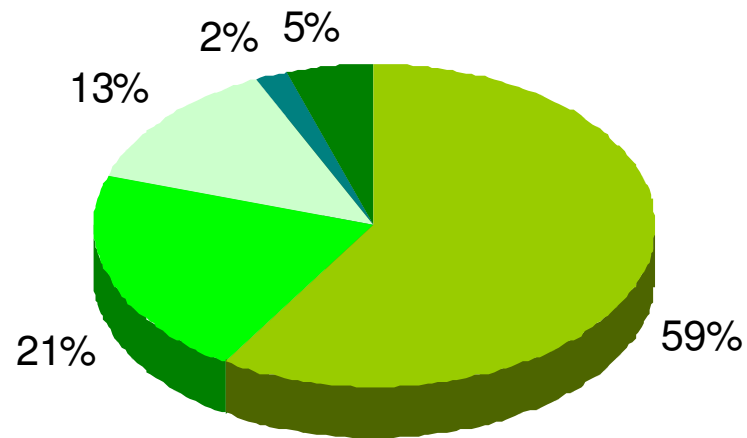


Notebook+Netbook
Desktop PC
Display
Others

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Revenue by Region

Q3, 2009
US\$4,968M

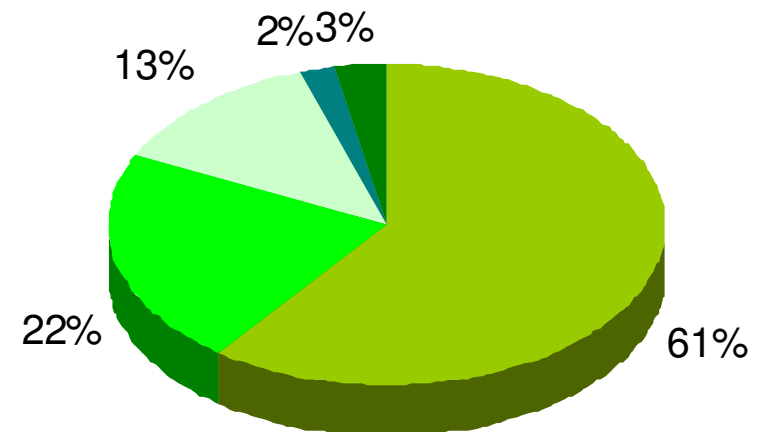


■ EMEA ■ Pan America
■ Asia Pacific ■ Taiwan
■ China

Note: (a) Asia Pacific excluding Greater China (Taiwan, HK, and Mainland China)

(b) EMEA stands for Europe, Middle East and Africa

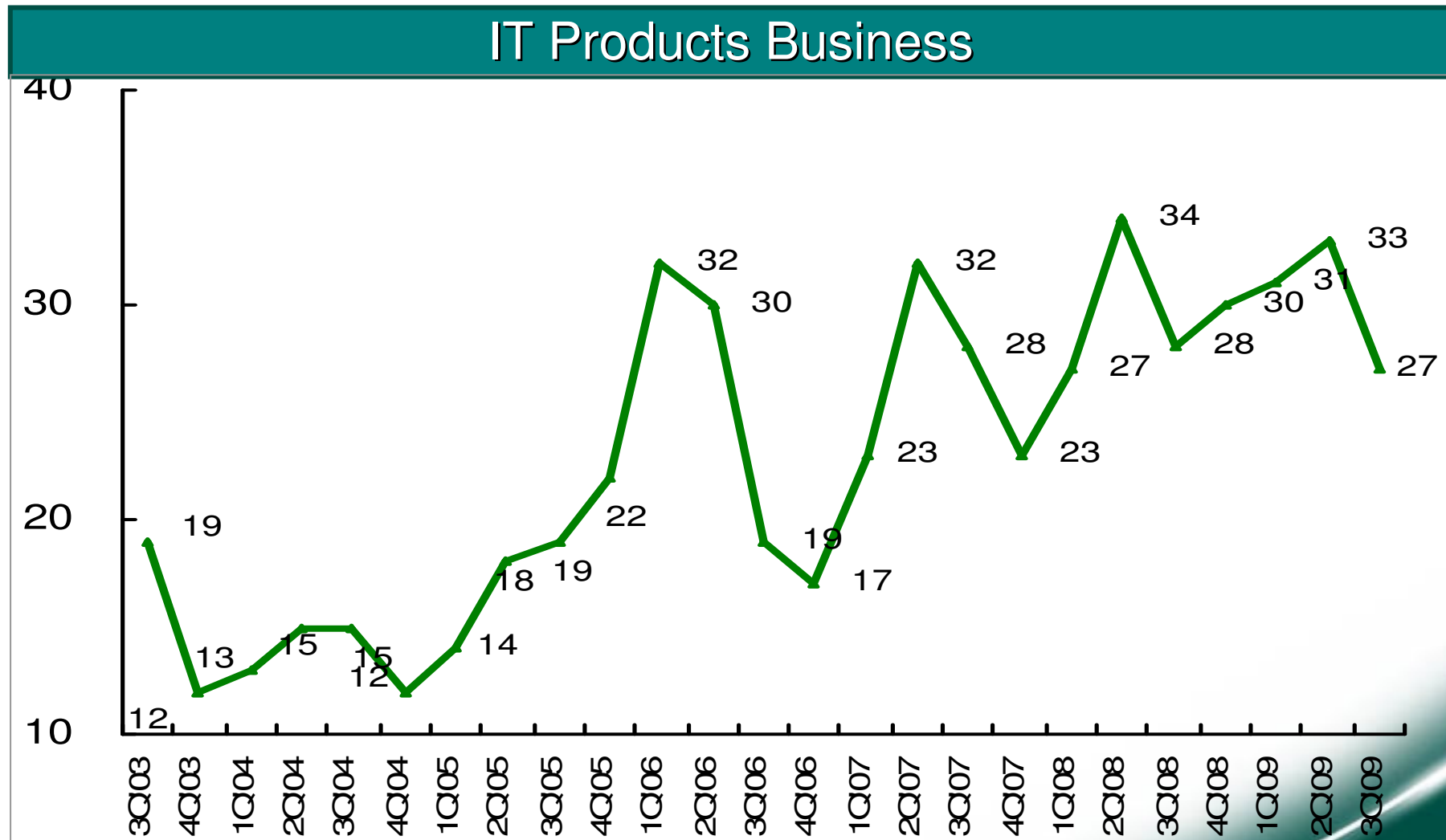
Q3, 2008
US\$4,982 M



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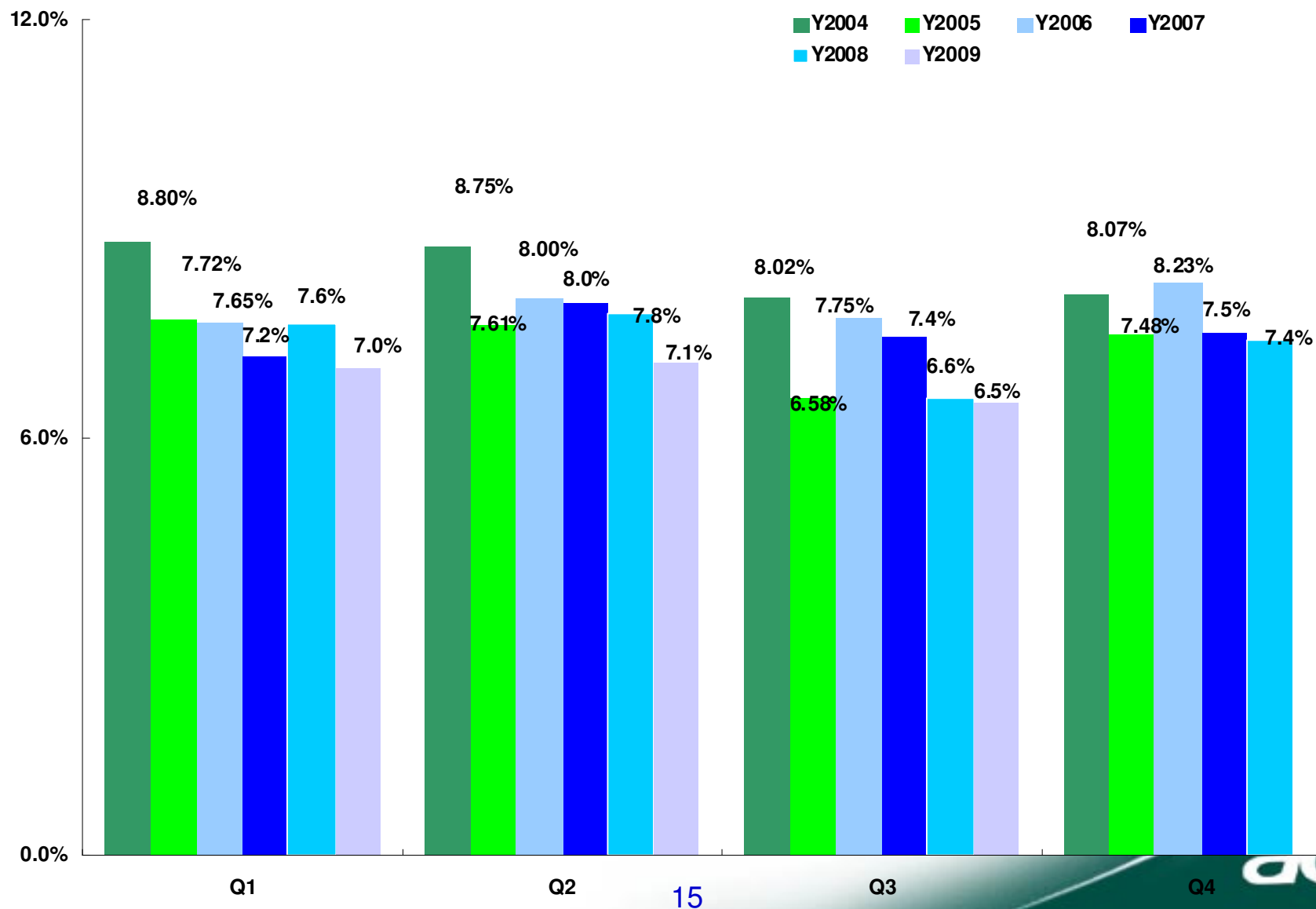
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Inventory Turnover Days (ADS)



Operating Expenses as % of Total Revenue

IT Product Business



FROM 2009 ACER IS TOP SPONSOR

**2010 Olympic Winter Games in Vancouver and
2012 Olympic Games in London**

**Acer Group is also IOC, NOCs, LOCOG
preferred supplier**



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Acer Business Status & Strategy

J.T. Wang

Chairman & Acer Group CEO

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- 1. Mobile PC has higher potential of growth**
- 2. Multi-brand strategy is working well**
- 3. Mobile PC #1 in 2010**

1. Mobile PC has higher potential of growth

PC quantity forecast

Year	<u>2009</u>	<u>2014</u>
Mobile PC	156M	372M
Desktop PC	130M	143M
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Total PC	286M	515M

Source: Gartner 2009 Data

2. Multi-brand strategy works effectively to gain market share

- Over 30% market share is no longer impossible
- Multi-brand strategy does not cause promotion expenditure % to increase
- Confidence to gain market share and profit simultaneously

Source: Gartner 2009 Data

Acer Mobile PC market share / ranking

	2008,Q2	2009,Q2		2008,Q2	2009,Q2
Worldwide	15.6%	20.1%			
acer	2	2			
U.S.A.	9.4%	18.2%	France	29.7%	34.5%
	5	3		1	1
EMEA	22.3%	27.8%	Germany	16.9%	22.2%
	1	1		1	1
Taiwan	23.8%	33.3%	Spain	32.0%	39.8%
	2	1		1	1
Malaysia	31.3%	38.3%	U.K.	16.8%	24.0%
	1	1		3	1
Denmark	28.4%	46.1%	Mexico	20.5%	30.0%
	1	1		2	1

Source: Gartner Q2, 2009 Data

3. Mobile PC #1 is achievable in 2010

- Worldwide netbook PC quantity will grow 40-50% in 2010.
- Thin & Light 8+ hr notebook PC quantity will grow significantly.
- Acer commercial notebook PC, netbook PC will be ready for the market booming.

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Q & A

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