

Acer Inc.

Q1, 2007

Investor Conference

April 27, 2007

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Consolidated Financial Results

Howard Chan

CFO & V.P.

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Consolidated Income Statement (1st Quarter)

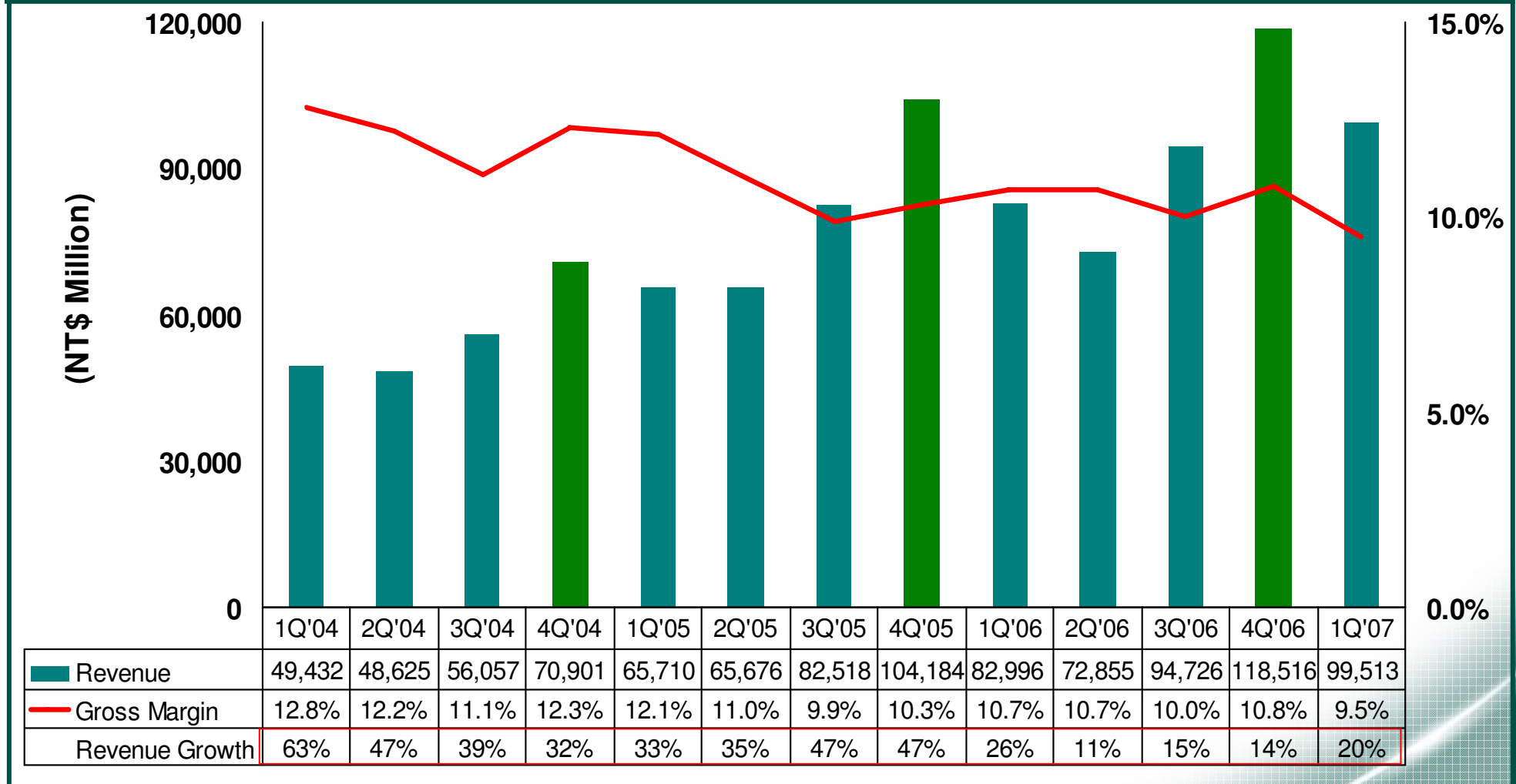
(NT\$ Million)	1Q'07		1Q'06		Change
Revenue	99,513 ^(b)	100%	82,996	100%	+20%
Gross Profit	9,458	9.5%	8,844	10.7%	+ 7%
Operating Expenses	7,510	7.5%	6,919	8.3%	+ 9%
Operating Income	1,947	2.0%	1,925	2.3%	+ 1%
Non-Operating Income	4,341	4.4%	3,307	4.0%	
PBT	6,289	6.3%	5,232	6.3%	
PAT	<u>5,663</u>	5.7%	<u>4,021</u>	4.8%	
EPS	2.47		1.82		

Note: (a) Figures in 1Q'07 are un-audited

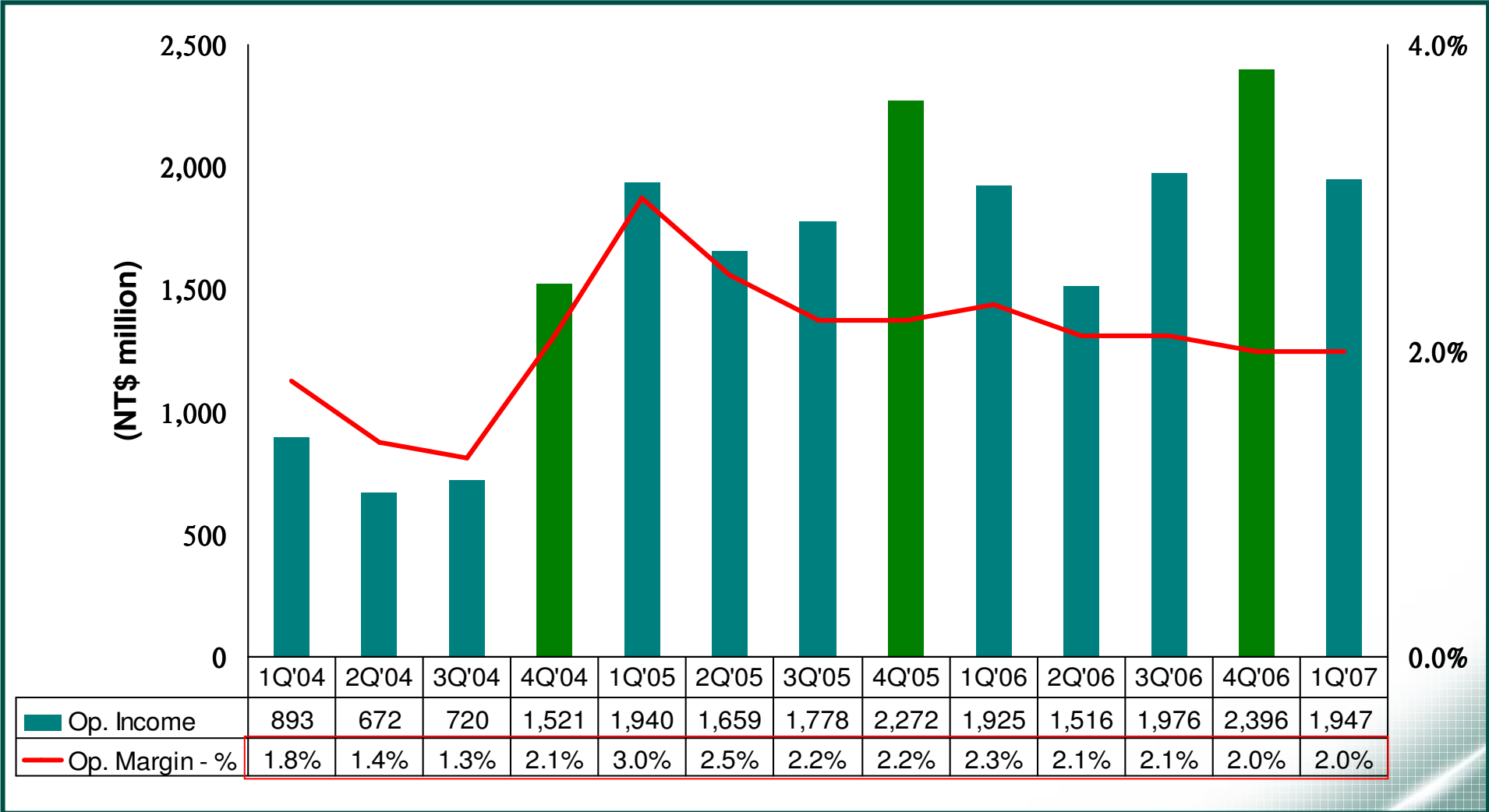
(b) Revenue in 1Q'07 excludes Sertek Corp.

Consolidated Revenue and Gross Margin

Q1, 2007 Revenue Growth: +20% Y/Y



Consolidated Operating Income



Note: (a) Operating Income in 1Q'05 includes one-time special gains



Consolidated Balance Sheet

(NT\$ Million)

Mar. 31, 2007

Current Assets

Cash and cash equivalence	48,743	25%
Notes & Account receivable	68,685	35%
Financial Assets-Current	12,314	6%
Inventory	25,361	13%
Others	19,121	10%

Total Current Assets **174,224** 89%

Long-term Investment 9,356 5%

Property, plant and equipment 10,091 5%

Others 2,283 1%

Total Asset **195,955** 100%

Account payable 66,166 34%

Other current liabilities 47,670 24%

Current Liabilities **113,836** 58%

Total Liabilities **116,921** 60%

Total Shareholders' Equity **79,034** 40%

Healthy Financial Ratio

- ◆ Current Ratio : 153%
- ◆ Quick Ratio : 123%
- ◆ Liability Ratio : 60%
- ◆ Liability / E Ratio : 148%

Holding & Investment Business

	Percentage of Ownership	Market Value (NT\$ M)	Book Value (NT\$ M)	Potential Gain (Apr. 24,2007)
Major Shareholdings				
BenQ	4.71%	1,552	1,384	168
Wistron	9.35%	6,057	2,718	3,339
TSMC	0.04%	797	217	580
Hon Hai	0.04%	508	65	443
CDFH	0.51%	759	623	136
Others*		7,868	5,290	2,578
Total		17,541	10,297	7,244

Note: The above numbers are valued on April 24, 2007

*Others include Venture Capital Business

Dividend & Employee Bonus

◆ Dividend Policy (NT\$ per share)

Year	EPS	Stock	Cash
2002	4.46	1.033	2.066
2003	3.61	0.505	2.525
2004	3.38	0.6	2.3
2005	3.83	0.2	3.0
2006	4.45	0.15	3.85

◆ Employee Bonus (Percentage of 90% PAT plus or minus Special Reserve)

Year	Stock	Cash
2002	7%	1%
2003	6.4%	1.6%
2004	6.4%	1.6%
2005	4.0%	4.0%
2006	3.52%	4.48%

* 10% for Legal Reserve



Business Review

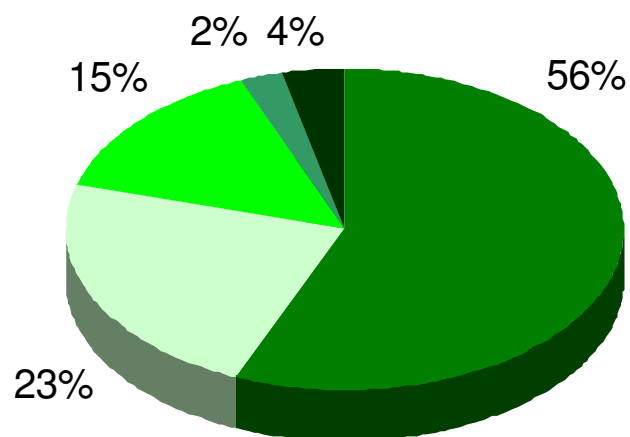
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President

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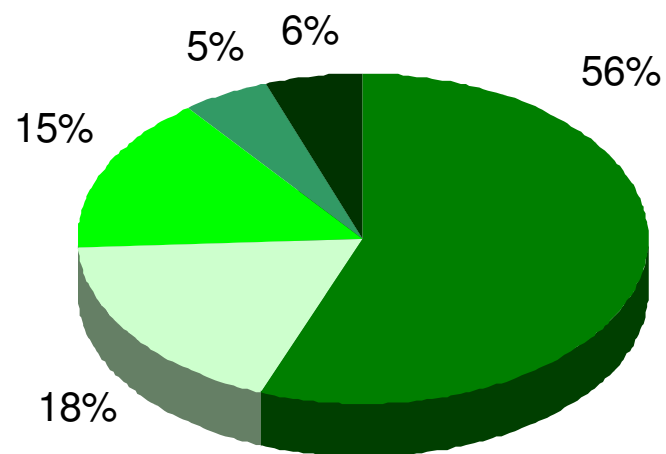
IT Product Revenue Breakdown by Geography

Q1, 2007
US\$2,791M
(NT\$91,856 M)



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

Q1, 2006
US\$2,222M
(NT\$71,782 M)



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

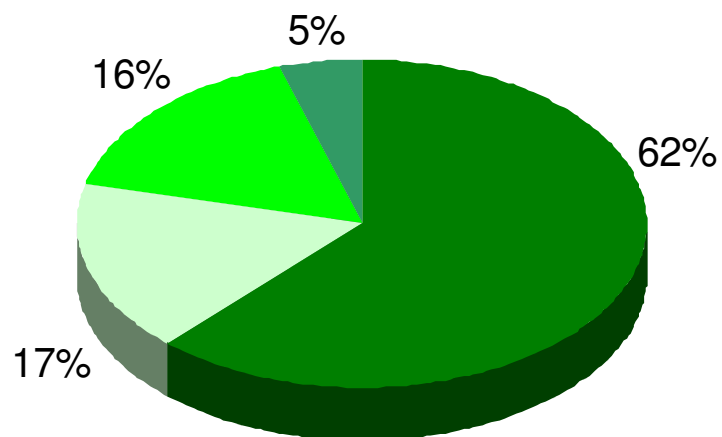
Note: (a) Asia Pacific excludes Greater China (Taiwan, HK, and Mainland China)

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

(c) China includes HK from Q3 '06

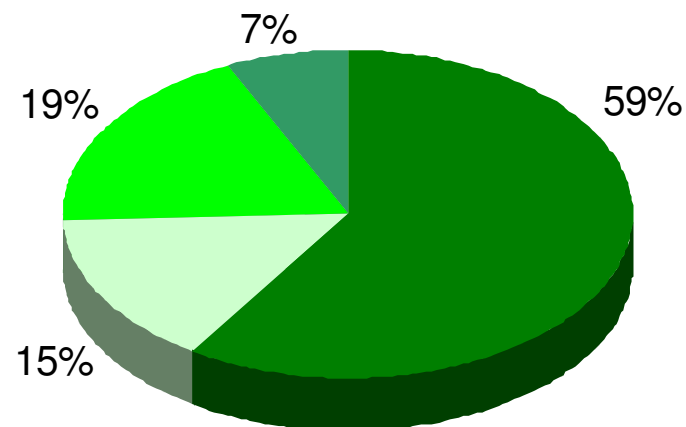
IT Product Revenue Breakdown

Q1, 2007
US\$2,791M
(NT\$91,856 M)



■ Notebook ■ Desktop PC
 ■ Display ■ Others

Q1, 2006
US\$2,222M
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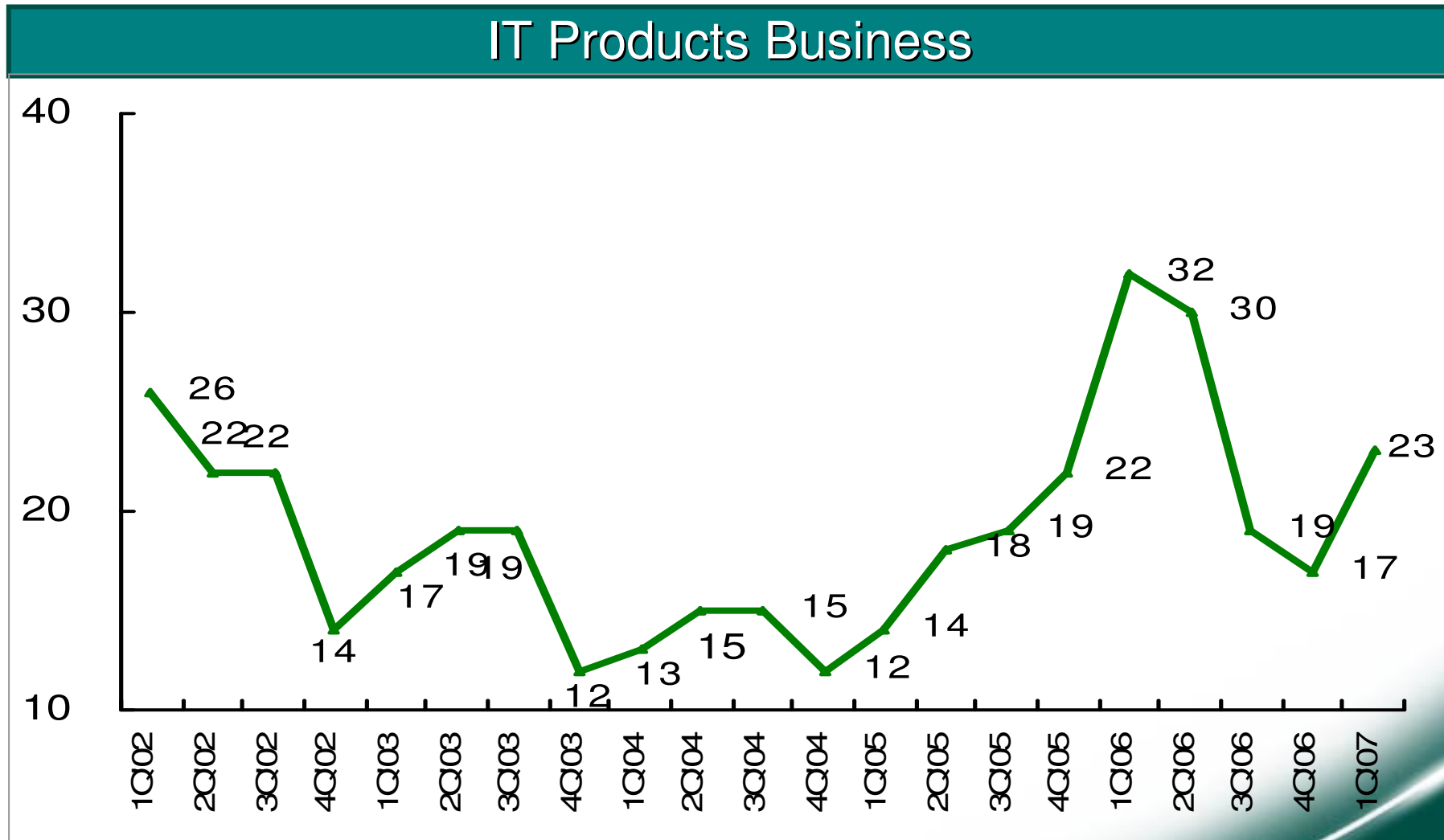


■ Notebook ■ Desktop PC
 ■ Display ■ Others

Note: Others include servers, projector and IA products



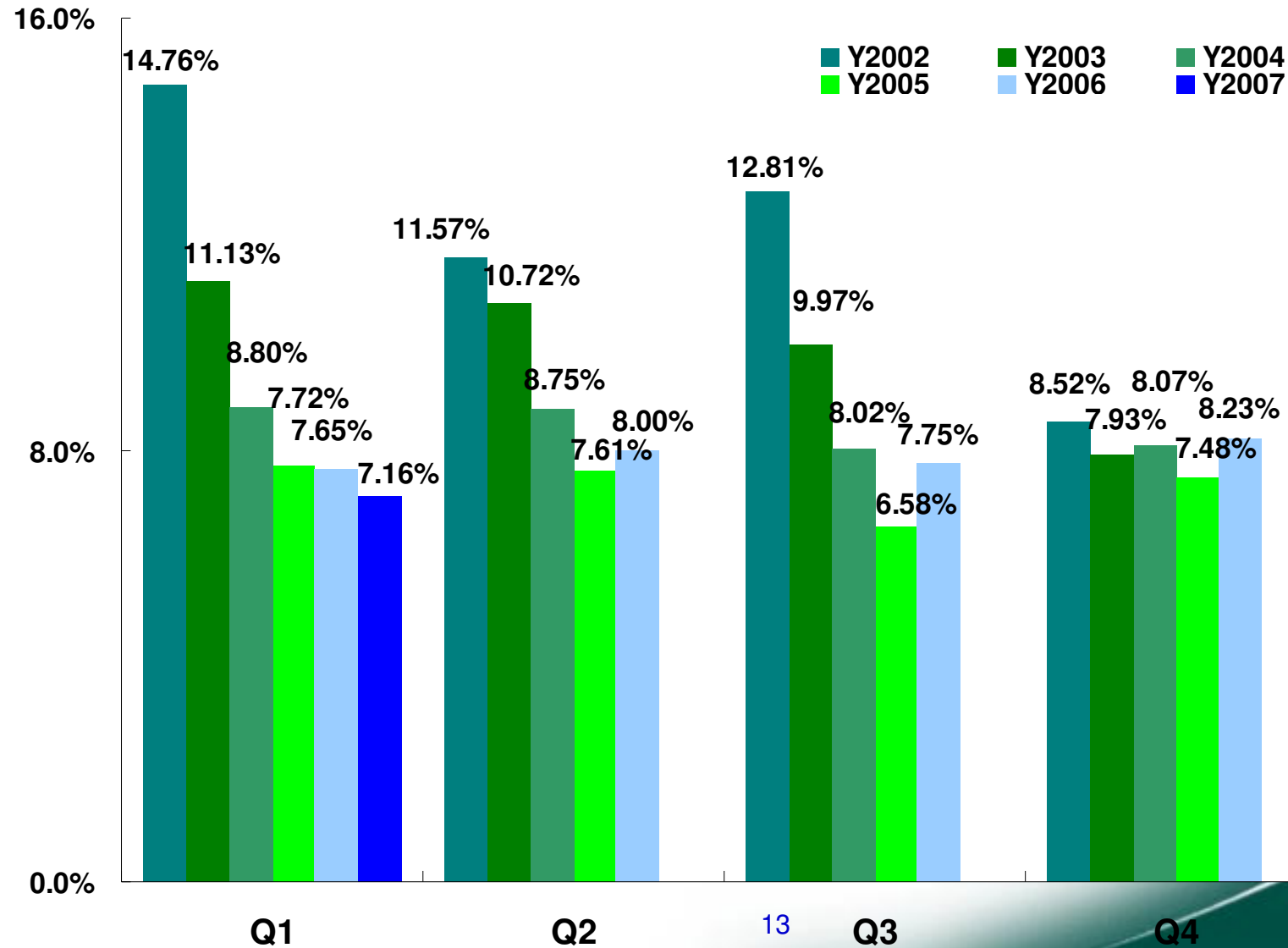
Inventory Turnover Days (ADS)



Note: Q2' 03 and Q3' 03 inventory rose due to increased sourcing of key components in order to avoid anticipated shortages

Operating Expenses as % of Total Revenue

IT Product Business




Acer Business Status & Strategy

J.T. Wang

Chairman & CEO


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Top 5 PC Brands Worldwide (1Q'07)

Rank		Market Share			Unit Growth
		1Q'07	4Q'06	1Q'06	YoY
1	HP	17.6%	17.4%	14.9%	28.7%
2	Dell	13.9%	14.0%	16.4%	- 7.8%
3		6.8%	7.1%	5.1%	46.1%
4	Lenovo	6.3%	7.1%	5.9%	16.1%
5	Toshiba	4.1%	3.9%	3.8%	15.3%
Overall Market					8.9%

Source: Gartner Source

Top 5 PC Brands Worldwide (1Q'07)

Rank		Market Share			Unit Growth
		1Q'07	4Q'06	1Q'06	YoY
1	HP	19.1%	18.4%	16.5%	28.2%
2	Dell	15.2%	14.9%	18.2%	- 6.9%
3	Lenovo	6.7%	7.4%	6.4%	17.4%
4		6.7%	7.1%	5.3%	41.4%
5	Toshiba	4.3%	3.9%	4.3%	12.8%
Overall Market					10.9%

Source: IDC Source



Acer Strategy after Top 3 Achieved

1. Continued growth through organic growth, M&A and strategic alliances.
2. Emphasize growth in the desktop PC market more aggressively by investing more resources while sustaining strong growth in the notebook PC market.
3. No set target date to achieve strategic point No. 2. Our priority is to enhance operation efficiency, profitability and sustainability.
4. High priority of balance sheet optimization.

HP Patent Law Suits

Facts

1. Acer emphasizes the development of its own intellectual property and respects the intellectual property rights of others. Acer owns approximately one thousand worldwide PC related patents.
2. Acer products are designed following open industrial standards. Acer buys fully assembled products from the same group of ODM manufacturers & key component suppliers as the other major PC brand companies.

3. Acer's ODM manufacturers are obligated to indemnify Acer from claims of patent infringement.

4. Notwithstanding our opinion discussed above, Acer will be subject to legal proceedings carried out in the US.

HP Patent Law Suits

Present Assessment

Acer Products should continue to be available through its established sales channels in the U.S.A. to serve US consumers.

Q & A

April 27, 2007

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