



3Q12 Investor Conference

2012 / 10 / 31



Safe Harbor Statement

Statements in this presentation that are not strictly historical, including the statements regarding the market, economy, the Company's ePaper, LCD and other business, the Company's future product launches, the Company's positioning and expectations for 2012 and future periods, and any other statements regarding events or developments that we believe or anticipate will or may occur in the future, may be "forward-looking" statements within the meaning of thesecurities laws in Taiwan. There are a number of important factors that could cause actual events to differ materially from those suggested or indicated by such forward-looking statements and you should not place undue reliance on any such forward-looking statements. These factors include, among other things, the uncertainty in the economy, contractions or growth rates and cyclicity of markets we serve, competition, our ability to develop and successfully market new products and technologies and expand into new markets, our ability to successfully identify, consummate and integrate appropriate acquisitions, contingent liabilities relating to acquisitions, risks relating to potential impairment of goodwill and other long-lived assets, currency exchange rates, our compliance with applicable laws and regulations and changes in applicable laws and regulations, tax audits and changes in our tax rate and income tax liabilities, litigation and other contingent liabilities including intellectual property and environmental matters, risks relating to product defects and recalls, the impact of our debt obligations on our operations, raw material costs, our ability to adjust purchases and manufacturing capacity to reflect market conditions, legislative reforms and other changes in industry, labor matters, our relationships with and the performance of our customers and partners, risks relating to man-made and natural disasters, our ability to achieve projected cost reductions and growth, and international economic, political, legal and business factors. These forward-looking statements speak only as of the date of this presentation and the Company does not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise.

3Q12 Consolidated Financial (unaudited)

(NT\$Million)	3Q11		2Q12		3Q12		2012 1Q~3Q	
Net Sales	10,929	100.0%	4,478	100.0%	7,595	100.0%	15,909	100.0%
Gross Profit	3,874	35.4%	20	0.4%	438	5.8%	502	3.2%
Operating Expense	1,373	12.6%	978	21.8%	1,120	14.8%	3,027	19.0%
R&D Expense	411	3.8%	389	8.7%	459	6.0%	1,202	7.6%
Operating Profit	2,501	22.9%	(958)	-21.4%	(682)	-9.0%	(2,525)	-15.9%
Non-op items	16	0.1%	177	4.0%	255	3.4%	518	3.3%
Pre-tax Income	2,517	23.0%	(781)	-17.4%	(427)	-5.6%	(2,007)	-12.6%
Tax	368	3.4%	108	2.4%	(61)	-0.8%	86	0.5%
Minority Interest	(98)	-0.9%	(71)	-1.6%	(133)	-1.8%	(255)	-1.6%
E Ink Net Income	2,247	20.6%	(818)	-18.3%	(234)	-3.1%	(1,838)	-11.6%
EPS (after-tax)	2.08		(0.76)		(0.21)		(1.70)	

3Q12 Consolidated Financial (unaudited)

(NT\$Million)	3Q11	2Q12	3Q12
Cash	7,289	6,953	7,019
Inventory	7,525	5,439	4,585
Fixed Assets	9,317	8,932	8,813
Intangible Assets	9,294	8,973	8,863
Total Assets	50,372	41,095	43,176
Short-term Debt	3,474	3,155	5,475
Long-term Debt	8,407	6,322	7,276
Total Liabilities	23,243	17,917	20,356
Net Cash	(4,593)	(2,524)	(5,731)
Total Equity	27,129	23,179	22,820

3Q12 Results

- 3Q12 consolidated sales was NT\$7.6 billion, up 70% QoQ
- 3Q12 GPM was 5.8%, increased from the previous quarter due to the product mix change
- 3Q12 OPM was -9.0%, increased from the previous quarter
- 3Q12 Non-op income included royalty income, investment, FX gain, etc.
- 3Q12 consolidated loss after tax was NT\$234 million, improved by 71% QoQ
- 3Q12 EPS was NT\$ -0.21

E Ink/Hydis & AUO Signed Cross-Licensing Agreements

- E Ink Holdings and its south Korean subsidiary Hydis Technologies, have signed a 10-years patent cross-licensing agreement for TFT LCD products with AUO
- Under terms of this agreement, both companies are able to use each other's patents for the manufacture of LCDs.
- The two companies have agreed to expand a number of commercial cooperation. E Ink Holdings will make modules for AUO, while AUO will supply TFT backplanes to E Ink/Hydis for mobile devices.
- E Ink/Hydis has previously licensed FFS technology to several prominent display manufacturers who are already deploying this technology into tablets, mobile phones and other applications. We will continue to proactively seek licensing agreements with world-class display companies that wish to use the FFS technology in the next generation of electronic devices.

Thank You