



2015 Q1 Results Conference

05/22/2015

Safe Harbor Statement

Statements in this presentation that are not strictly historical, including the statements regarding the market, economy, the Company's e Paper, LCD and other business, the Company's future product launches, the Company's positioning and expectations for 2015 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 the securities 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.



2015 Q1 Consolidated Income Statement Summary

NTD, Million	15Q1	14Q4	QoQ	14Q1	YoY
Net Sales	2,709	3,450	-21.5%	2,754	-1.6%
Gross Profit	633	683	-7.3%	354	78.9%
Operating Expense	1,112	1,178	-5.7%	1,059	5.0%
R&D Expense	364	414	-12.0%	366	-0.6%
Operating Loss	(478)	(495)	-3.4%	(705)	-32.1%
Non-Op Items	412	1,660	-75.2%	319	29.0%
Pre-Tax Income	(67)	1,165	-105.7%	(386)	-82.8%
Tax Benefit (Expense)	(143)	241	-159.4%	(97)	47.9%
Income from Continuing Operations	(209)	1,405		(482)	
Discontinued Operations	(962)	(551)		(498)	
E Ink Net Income	(1,129)	793	-242.3%	(965)	17.0%
Minority Interest	(43)	61	576.9%	(15)	180.9%
EPS (after-tax)*	(0.99)	0.70		(0.85)	
Continuing Operations	(0.19)	1.15		(0.43)	

*Based on average outstanding shares



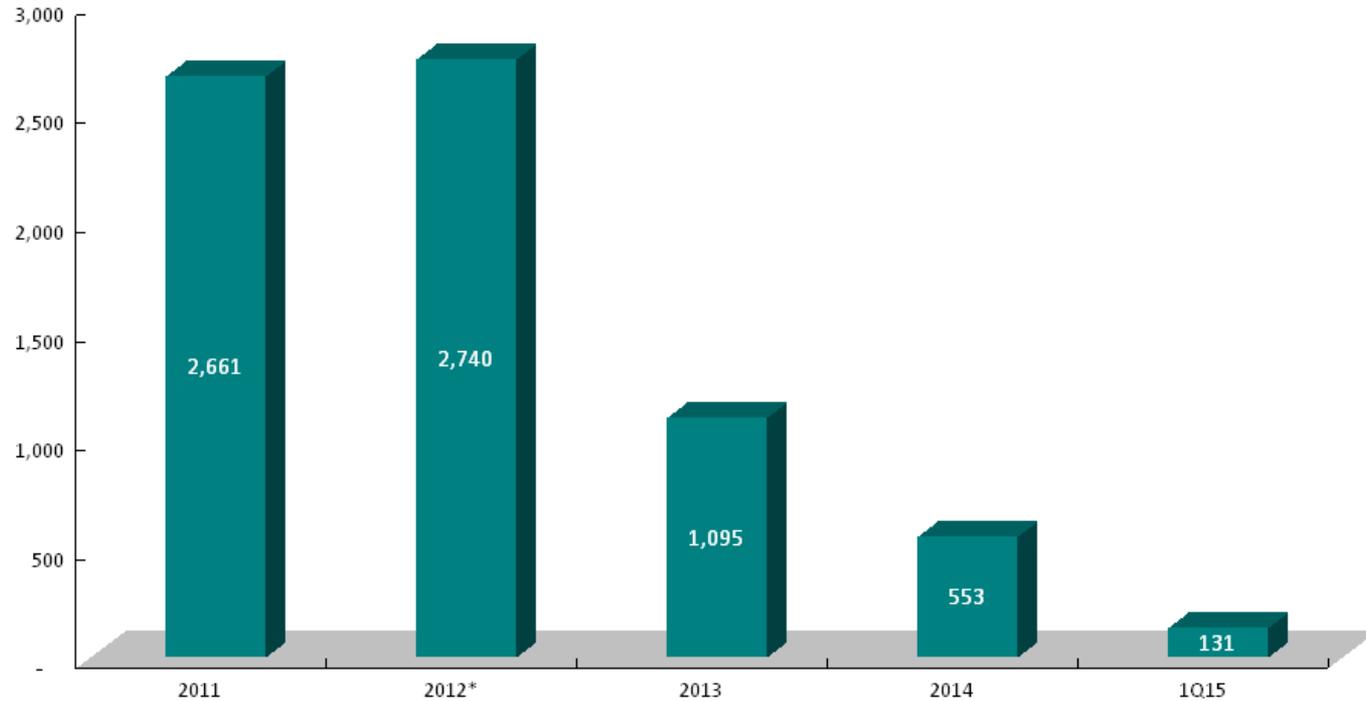
2015Q1 Consolidated Cash Flow Summary

NTD, Million	15Q1	14Q4	14Q1
Cash Flow from Operations	(204)	1,975	1,187
Cash Flow from Investing	249	983	(1,103)
Cash Flow from Financing	(1,165)	(1,454)	471
Effect of Exchange Rate Change	(49)	182	243
Net Increase in Cash	(1,169)	1,685	799
Cash at Quarter End	6,955	8,124	5,463
Depreciation & Amortization	450	490	514
Capital Expenditure	131	136	142
Free Cash Flow*	(335)	1,838	1,045

*Free Cash Flow: Cash Flow from Operations – Capital Expenditure

Consolidated CAPEX and Long Term Investment Trend

purchases of property and equipment



* 2012 included NTD\$1.27B acquisition of Sipix

Selected Items from 2015 Q1 Balance Sheet

NTD, Million	15Q1	14Q4	14Q1
Selected Asset Items			
Cash	6,955	8,124	5,463
Inventory (Net)	2,168	1,989	2,973
Fixed Assets	8,616	9,041	9,612
Intangible Assets	9,542	9,676	9,758
Total Assets	35,854	38,954	38,737
Selected Liability Items			
Short-Term Debt	3,666	4,692	4,052
Long-Term Debt	2,462	2,566	5,376
Total Liabilities	10,873	12,441	13,831
Capital	11,405	11,405	11,410
Total Equity	24,981	26,513	24,906
Net Debt* to Equity	-3.31%	-3.27%	15.92%

*Net Debt = (Short-Term + Long-Term Debts) - Cash



2015 eReader Snapshot

- Refined eReader Options

 E-readers:
Best e-book readers of 2015



Current king of e-readers

Amazon Kindle Voyage

The Kindle Voyage is Amazon's best e-reader to date, and probably the best e-reader ever... but it doesn't come cheap.

Price: ~~\$199.00~~ [Check price](#)

★★★★ [on Amazon](#)



Best overall e-reader value

Amazon Kindle Paperwhite (2015)

Amazon's 2014 Paperwhite has the same integrated lighting scheme but its processor gets a speed bump to 1GHz processor and its internal memory goes from 2GB to 8GB for the same \$79.

Price: ~~\$79.00~~ [Check price](#)

★★★★ [on Amazon](#)



Best ad-free e-ink reader

Barnes & Noble Nook GlowLight

While it doesn't necessarily beat the Kindle Paperwhite, the \$219 Nook GlowLight is an excellent e-reader that's strongly worth considering if you don't want to buy into the Amazon ecosystem.

Price: ~~\$209.99~~ [Check price](#)

★★★★ [on Amazon](#)



Best bargain e-reader

Amazon Kindle (2014)

For those who can live without an integrated light, the Kindle (2014) offers the full Kindle e-ink e-reading experience with little compromise for a budget price.

Price: ~~\$79.00~~ [Check price](#)

★★★★ [on Amazon](#)



Excellent open e-reader

Kobo Glo

The Kobo Glo is an excellent Kindle alternative, especially for readers seeking EPUB compatibility and international editions.

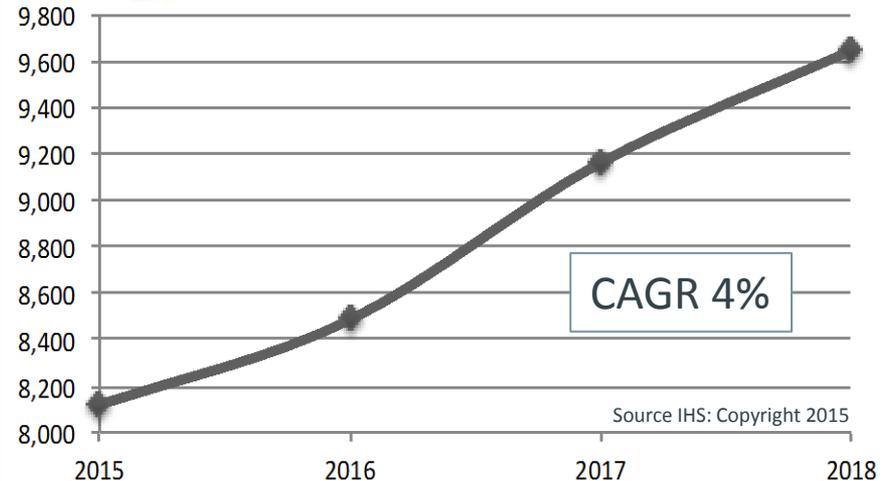
Price: ~~\$104.00~~ ~~\$128.99~~ [Check price](#)

★★★★ [on Amazon](#)

- Forecasted Market Growth



eReader Sales Forecasts



Kobo Glo HD approaches Laser Print Resolutions

E Ink Carta High Definition

1448 x 1072 Resolution at 300ppi



The image shows a Kobo Glo HD tablet on the left, displaying the 'Advanced' font settings screen. The screen shows options for font face (Georgia), font size, weight, and sharpness, along with a preview of the text. On the right, a promotional graphic features a calendar icon for 'MAY 1 2015' and a price tag for '\$129⁹⁹'. Below the price tag, it lists the regions: 'United States, Canada, Australia, New Zealand'.

Font settings

Advanced

Adjust the weight and sharpness of the currently selected font face.

Font face: Georgia

Font size: [Slider]

Weight: [Slider]

Sharpness: [Slider]

Preview

Lauren ipsum dolor sit amet, consectetur adipiscing elit. Nam in lacinia pulvinar. Maecenas purus libero, molestiae a odio. Nulla consetetur elit nec at. Aliquam in massa tellus. Lorem ipsum dolor sit amet, consectetur adipiscing elit. Nam in lacinia pulvinar. Maecenas purus libero, molestiae a odio. Nulla consetetur elit nec at. Aliquam in massa tellus. Lorem ipsum dolor sit amet, consectetur adipiscing elit. Nam in lacinia pulvinar. Maecenas purus libero, molestiae a odio. Nulla consetetur elit nec at. Aliquam in massa tellus.

LAUNCH DATE

MAY

1

2015

LAUNCH PRICE

\$129⁹⁹

United States, Canada, Australia, New Zealand

Huawei's Flagship Smartphone features E Ink Accessory

- Newly announced P8 Smartphone has E Ink Secondary Display option
- Dual Display features expands Smartphone functionality



PopSlate Secondary Display for iPhone 6

**Always on.
Infinite possibilities.**

The Second Screen For iPhone 6



Everything you need, at a glance.

Access what's important to you, without having to unlock your phone. By using a super low-power ePaper screen, instead of your power-hungry iPhone screen, you save your phone's battery.



"— it's, dare we say, fun."



REFINERY29

"a super cool idea that actually works, is pretty damn easy, and unique in the market"

GIZMODO

"...popping is the way of the future"

readwrite

E Ink Health and Medical

medGadget

Abbott's Freestyle Precision Neo Glucometer Cleared by FDA

by EDITORS on Apr 20, 2015 • 11:53 am



Clear, sharp, sunlight visible, E Ink screen



Highlights when your blood glucose patterns need attention



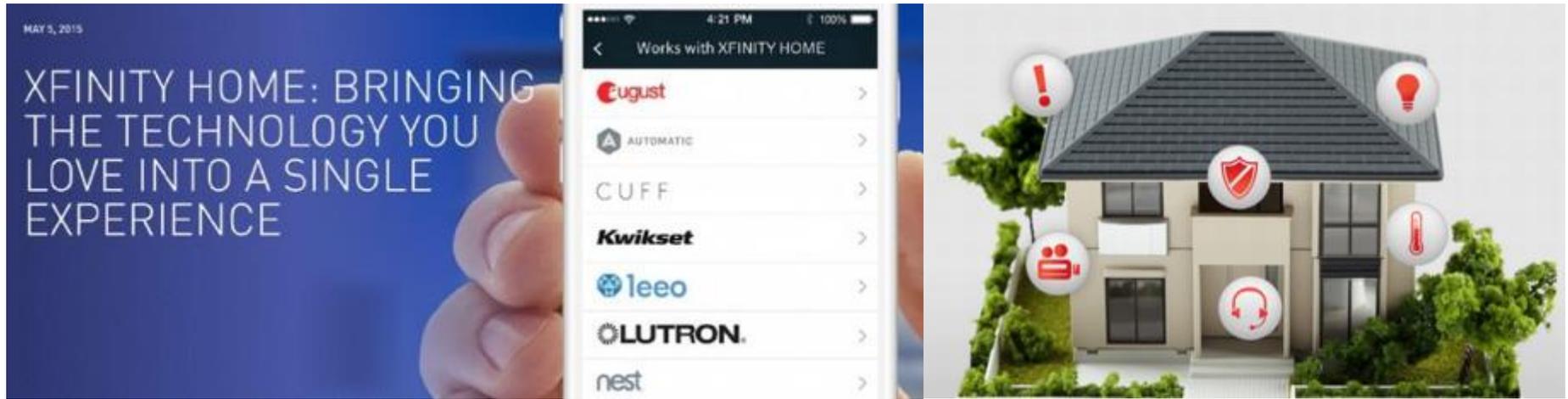
Lets you log insulin doses you have taken
Quick blood glucose testing



Quick, accurate blood glucose testing

Comcast Reveals Portfolio IoT Devices at INTX

E Ink Displays enable a slew of new Comcast Xfinity Home Devices



Upcoming Tradeshow: SID 2015

E Ink Sessions at the Society of Information Display Conference

Predicting the Viewing-Direction
Performance of e-Paper Displays
with Front Light under Ambient
Lighting Conditions

Power: The Elephant in
the Room



Front Light for Color Electrophoretic
Display Applications

Organic TFT Driven Backplane for
Flexible Electrophoretic Display

Measuring the Optical Performance of
Flexible Displays under Hemispherical
Diffuse Illumination

Q&A



E INK IS THE ORIGINATOR,
PIONEER, AND
COMMERCIAL LEADER IN
ePAPER DISPLAYS.



E Ink

Thank you

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