



2016 Q1 Results Conference

05/17/2016

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 2016 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 cyclicalities 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.



Consolidated Income Statement Summary

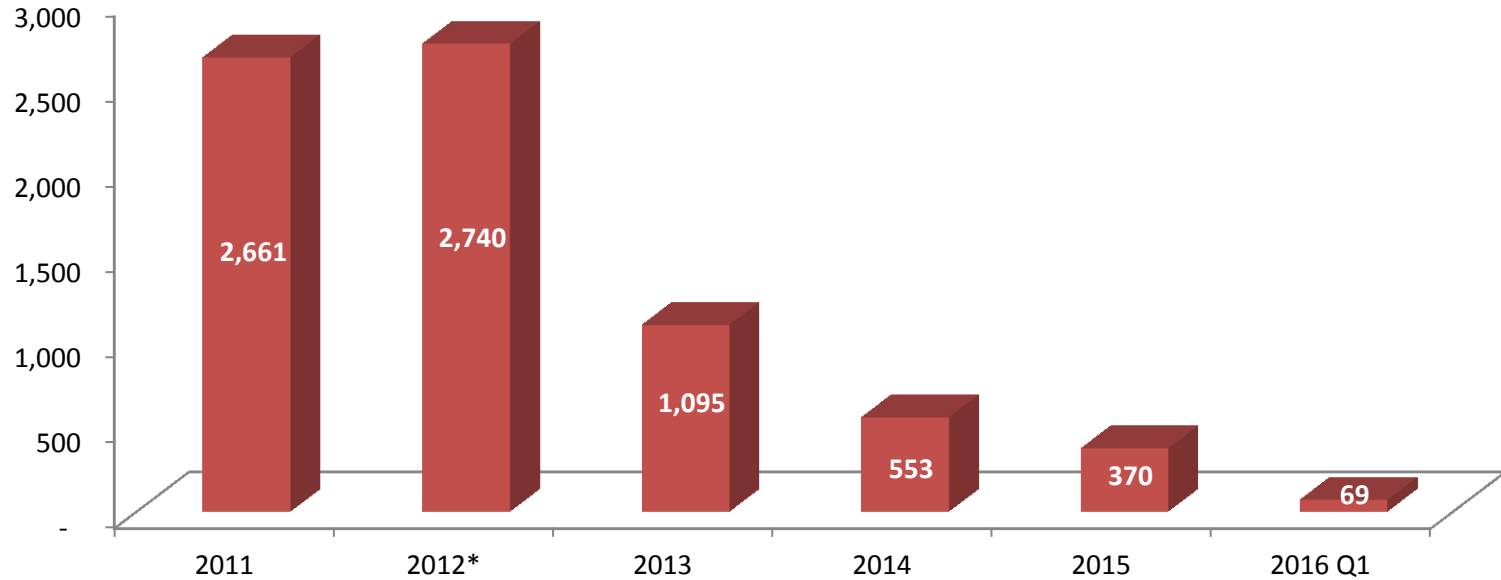
NTD, Million	16Q1	15Q4	QoQ	15Q1	YoY
Net Sales	2,503	2,798	-10.5%	2,709	-7.6%
Gross Profit	738	1,002	-26.3%	633	16.6%
Operating Expense	1,233	1,190	3.6%	1,112	11.0%
R&D Expense	432	490	-11.8%	364	18.7%
Operating Profit (Loss)	(495)	(188)		(478)	
Non-Op Items	328	1,321	-75.1%	412	-20.2%
Pre-Tax Income	(166)	1,133	-114.7%	(67)	150.4%
Tax Expense (Benefit)	71	67	6.3%	143	-50.5%
Income from Continuing Operations	(237)	1,066	-122.2%	(209)	13.2%
Discontinued Operations	(26)	(251)		(962)	
E Ink Net Income	(272)	766	-135.5%	(1,129)	-75.9%
Minority Interest	9	50	-82.5%	(43)	-120.4%
EPS (after-tax)*	(0.24)	0.67		(0.99)	
Continuing Operations	(0.22)	0.88		(0.19)	

*Based on average outstanding shares



Consolidated CAPEX and Long Term Investment Trend

Purchases of Property and Equipment



* 2012 included NTD \$ 1.27B acquisition of Sipix



Selected Items from Balance Sheet

NTD, Million	16Q1	15Q4	15Q1
Selected Asset Items			
Cash	7,798	6,582	6,955
Inventory (Net)	1,645	1,430	2,168
Fixed Assets	6,094	6,497	8,616
Intangible Assets	9,393	9,462	9,542
Total Assets	33,432	33,425	35,854
Selected Liability Items			
Short-Term Debt	2,446	2,231	3,666
Long-Term Debt	299	303	2,462
Total Liabilities	7,184	6,842	10,873
Capital	11,405	11,405	11,405
Total Equity	26,248	26,584	24,981
Net Debt* to Equity	-19.25%	-15.23%	-3.31%

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

Consolidated Cash Flow Summary

NTD, Million	16Q1	15Q4	15Q1
Cash Flow from Operations	895	1,342	(204)
Cash Flow from Investing	190	111	249
Cash Flow from Financing	204	(2,088)	(1,165)
Effect of Exchange Rate Change	(73)	(82)	(49)
Net Increase in Cash	1,216	(717)	(1,169)
Cash at Quarter End	7,798	6,582	6,955
Depreciation & Amortization	339	348	450
Capital Expenditure	69	54	131
Free Cash Flow*	826	1,287	(335)

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

Amazon Launches New E Ink eReader

kindle oasis

Reimagined design. Perfectly balanced.



WIRED

“The newest Kindle, the Oasis, is the best Kindle ever, the lightest and thinnest and most book-like Kindle of all.”

-David Pierce

New Key Features:

- Thinnest eReader at 0.13”
- Dual Battery offers 9-week runtime

E Ink releases Secondary Display Smartphone Design



- NFC Powered Design
- 2.9" Shatterproof Mobius Display
- Reduces NPD cycle time

Dai Nippon Printing Announces Strategic Partner with E Ink

DNP Plans to Develop products utilizing E Ink Prism and Mobius Technology

Promotional Signage



Credit - Dai Nippon Printing Co., LTD.

Smart Cards w/ Displays



http://www.dnp.co.jp/eng/news/_icsFiles/afieldfile/2014/07/18/FeliCa03.jpg

Digital Signage Expo 2016 Highlights



- March 16-17, Las Vegas, NV, USA
- Wide range of signage applications showcased
- Visionect announces 32" Signage Developers Kit

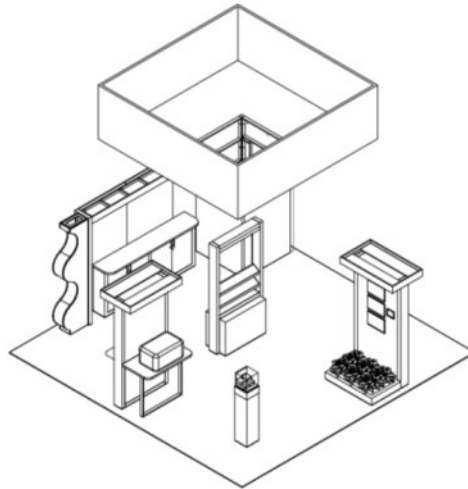
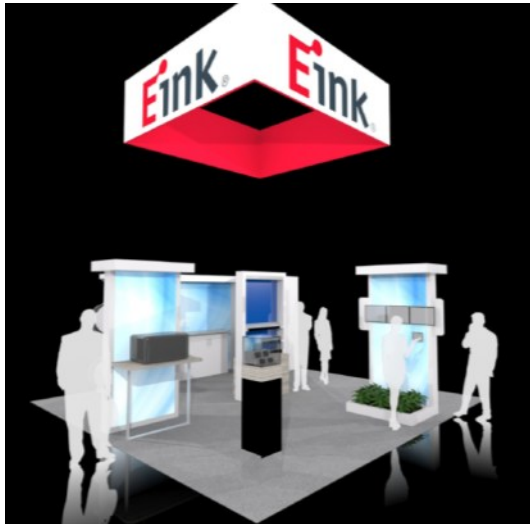


B/W: 2560 X 1440 pixels, 16-level grayscale
RGBW: 1280 X 720 pixels, 4096-level color

Society of Information Display



- May 24-26, San Francisco, CA, USA
- E Ink's 2016 Theme "Continuing Innovation"
- Featuring a variety of new display demos and customer applications
- Paul Apen, E Ink CSO, presenting at Business Conference on Digital Signage



Taiwan Pavilion at Venice Biennial 2016

Hosted by The National Museum of Fine Arts



Q&A



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PIONEER, AND
COMMERCIAL LEADER IN
ePAPER DISPLAYS.



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Thank you

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