



# Investor Conference

2014/ 05/ 21

# Safe Harbor Statement

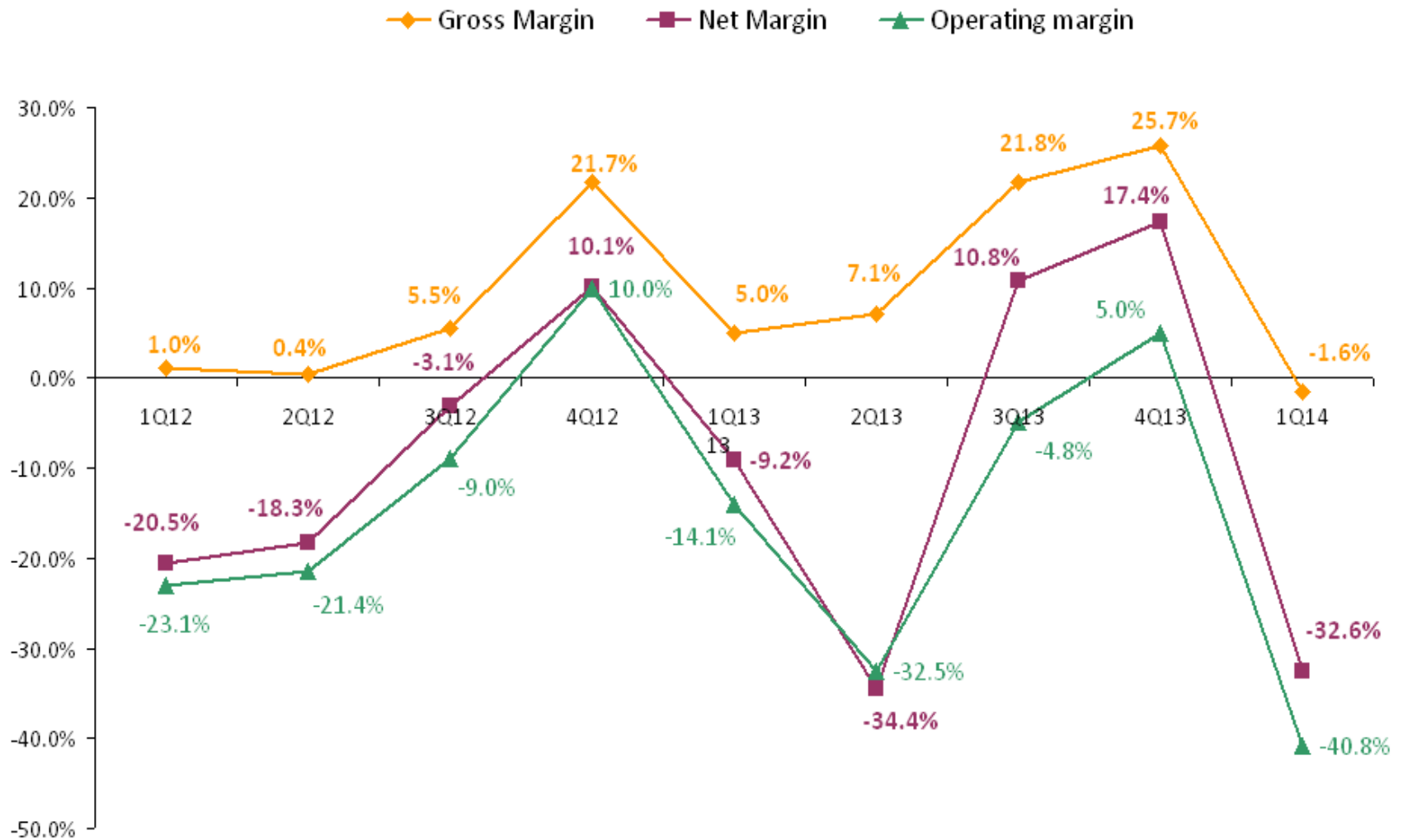
Statements in this presentation that are not strictly historical, including the statements regarding the market, economy, the Company's e Paper, LCD and other business, the Company's future product launches, the Company's positioning and expectations for 2013 and future periods, and any other statements 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.

# 2014 Q1 Consolidated Income Summary

In NT\$ millions	1Q14		4Q13		QoQ	1Q13		YoY
Net Sales	2,962	100.0%	5,866	100.0%	-49.5%	5,378	100.0%	-44.9%
Gross Profit	(47)	-1.6%	1,510	25.7%	--	268	5.0%	--
Operating Expense	1,162	39.2%	1,217	20.8%	-4.5%	1,028	19.1%	13.0%
Operating Profit	(1,209)	-40.8%	292	5.0%	--	(760)	-14.1%	59.1%
Non-op items	326	11.0%	820	14.0%	-60.2%	226	4.2%	44.3%
Pre-tax Income	(883)	-29.8%	1,112	19.0%	--	(534)	-9.9%	65.4%
Tax	97	3.3%	61	1.0%	58.4%	50	0.9%	91.4%
Minority Interest	(15)	-0.5%	32	0.5%	--	(92)	-1.7%	-83.5%
E Ink Net Income	(965)	-32.6%	1,019	17.4%	--	(493)	-9.2%	95.8%
EPS (after-tax)*	(0.85)		0.93			(0.46)		

\*based on average outstanding shares

# Gross Margin, Op Margin, Net Margin Trend



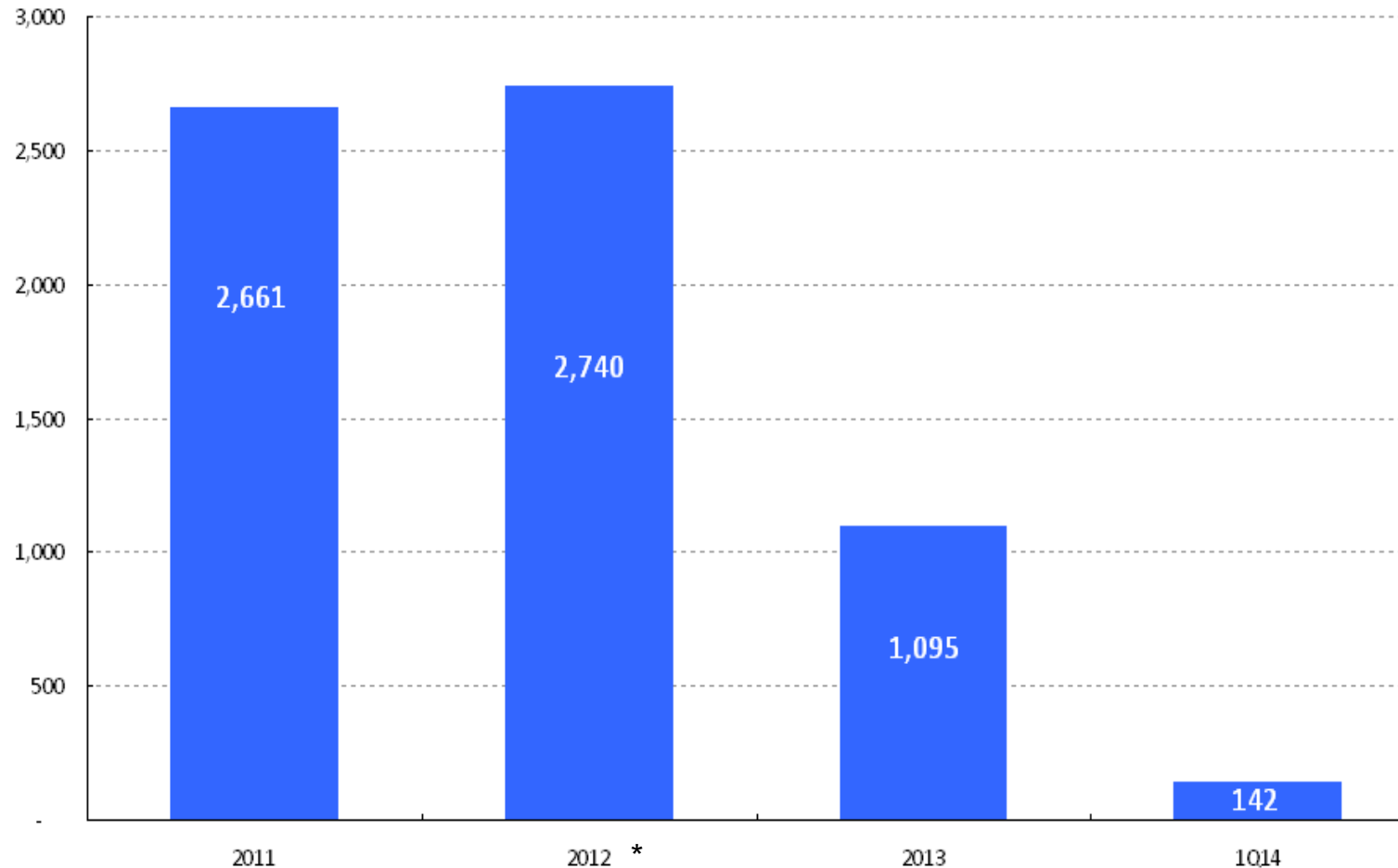
# 2014 Q1 Consolidated Cash Flow Summary

In NT\$ millions	1Q14	4Q13	1Q13
Cash flow from operations	1,187	1,430	2,996
Cash flow from investing*	(1,103)	(126)	(449)
Cash flow from financing	471	(1,817)	(2,138)
Effect of exchange rate changes	243	58	279
Net increase in Cash	799	(455)	687
Cash at quarter end	5,463	4,664	7,577
Depreciation & Amortization	514	512	521
Capital Expenditure	142	193	466
Free Cash Flow* *	1,045	1,237	2,530

\* 1Q14 includes NTD\$922M of quasi cash

\*\*Free Cash Flow : Cash flow from operations – Capital Expenditure

# Consolidated Capex and Long term Investment Trend



*\* includes NT \$1.27bn for acquisition of Sipix Technologies Inc.*

## Selected Items from 2014 Q1 Balance Sheet

(NT\$ million)	1Q14	4Q13	1Q13
Selected Asset Items			
Cash	5,463	4,664	7,577
Inventory (Net)	2,973	3,198	3,044
Fixed Assets	9,612	9,835	10,252
Intangible Assets	9,758	9,798	10,160
Total Assets	38,737	40,085	41,535
Selected Liability Items			
Short-term Debt	4,052	3,313	5,177
Long-term Debt	5,376	4,878	6,104
Total Liabilities	13,831	14,533	17,667
Capital	11,410	11,410	10,810
Total Equity	24,906	25,552	23,868
Net Debt to Equity*	15.9%	13.8%	15.5%

\*Net Debt = (short term debt + long term debt)-cash

# Major Announcements and Launches

tolino  vision



8mm Thick & 178 grams

Featuring an E Ink Display

E Ink Carta, 6" 1024x758

PocketBook ULTRA

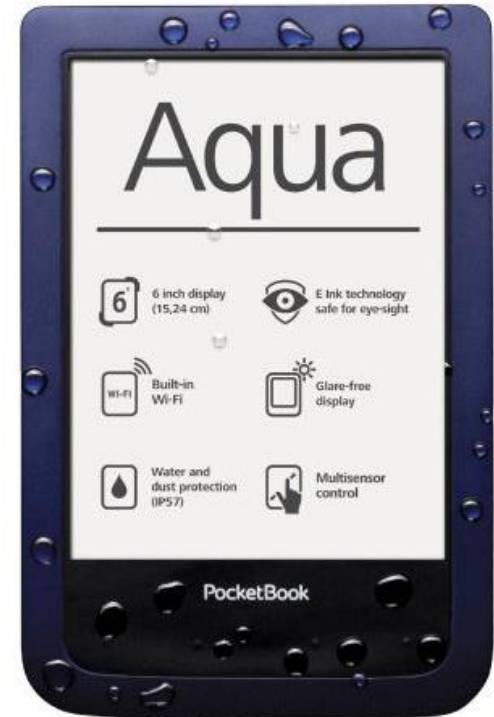


Camera + OCR

Featuring an E Ink Display

E Ink Carta, 6"

PocketBook Aqua



Waterproof (IP57)

Featuring an E Ink Display

E Ink Pearl, 6" 800x600



# Novel Applications and Concepts

## eContent Coffee Mug



Harvests energy from hot beverage to wirelessly drive E Ink 2.7" display

## Foldable Phone Concept



Innovative 3-panel form factor offers unique features in mobile usability

# Crowd Funding Pipeline



## The Screen That Doesn't Scream

Posted Apr 26, 2014 by [Natasha Lomas \(@riptari\)](#)

Tweet 225 Share 0



In a noisy room, trying to shout louder to make yourself heard just escalates the problem of being overwhelmed with sound.



## Introducing **aclock**.

It's very simply the best bedside alarm clock you can buy:

- Use App to Set Time, Calendar Events, Multiple Alarms, Variable Snooze**  
*Phone not required after setup - no distractions when sleeping!*
- E-ink Display, high visibility like Kindle**  
Tap to illuminate at night - adjustable low brightness backlight
- No buttons! - Double tap to snooze, Shake to turn off alarm**
- Use App to select clock face display style - customise the look
- Interchangeable Clock Faces - 4 included, choose from 3 different packs.**
- Bluetooth low energy for background sync up to 60 feet away
- Setup Unlimited Alarms**  
1 year battery life
- Free companion App for iOS and Android**



# Upcoming Events



Display Week: June 1-6, 2014

Exhibition: June 3-5, 2014



# Q&A

# Thank You