



2014 Q4 Results Conference

03/31/2015

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 2014 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.



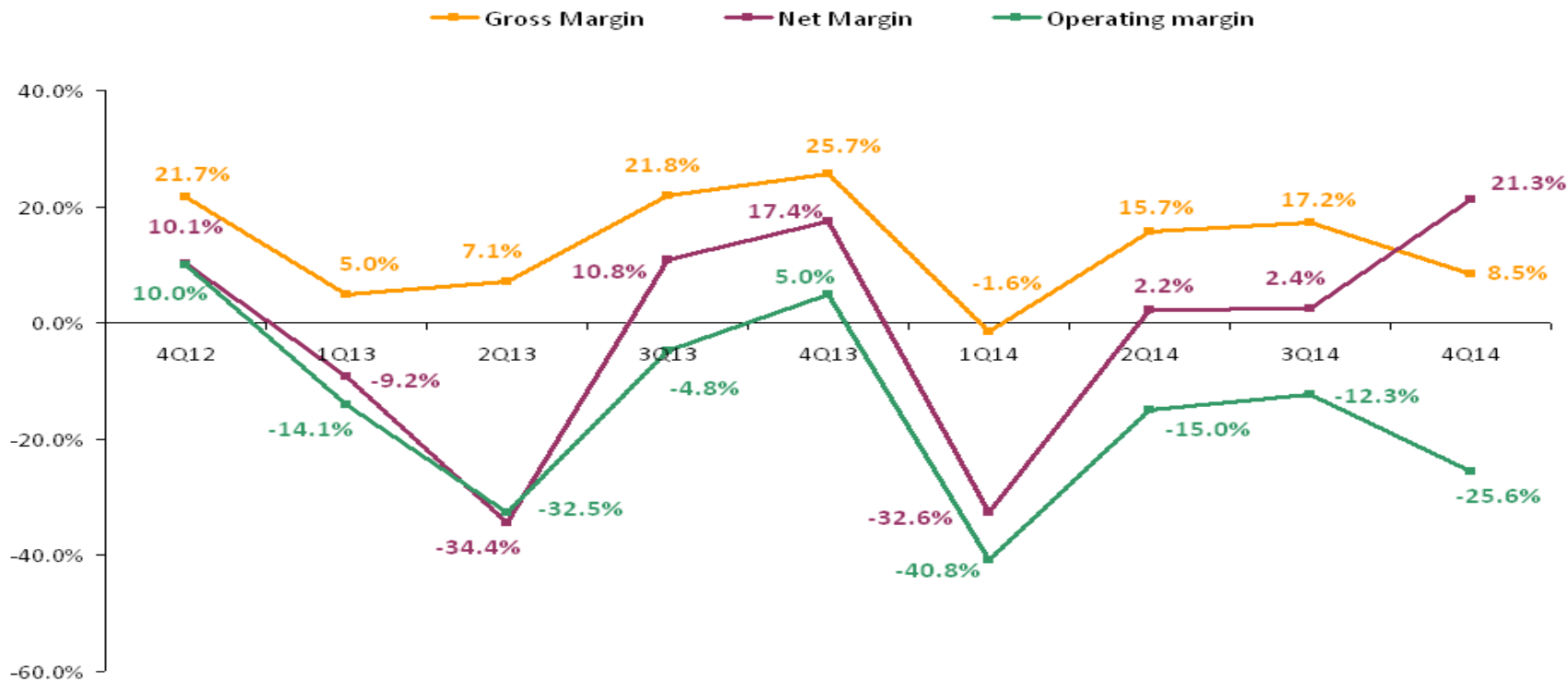
2014 Q4 Consolidated Income Statement Summary

NTD, Million	14Q4	14Q3	QoQ	13Q4	YoY	14YTD	13YTD	YTD
Net Sales	3,717	4,069	-8.7%	5,866	-36.6%	14,571	18,905	-22.9%
Gross Profit	316	700	-54.8%	1,510	-79.0%	1,571	3,019	-48.0%
Operating Expense	1,267	1,202	5.5%	1,217	4.1%	4,806	4,667	3.0%
R&D Expense	466	427	9.2%	407	14.6%	1,746	1,571	11.1%
Operating Profit	(951)	(502)	-89.5%	292	-425.3%	(3,235)	(1,648)	-96.3%
Non-Op Items	1,564	196	697.6%	820	90.7%	2,913	1,437	102.7%
Pre-Tax Income	613	(306)	300.6%	1,112	-44.9%	(322)	(211)	-52.1%
Tax Benefit	241	393	-38.7%	(61)	494.2%	376	175	114.2%
E Ink Net Income	793	100	696.4%	1,020	-22.2%	13	29	-54.0%
Minority Interest	61	(13)	576.9%	32	91.8%	41	(65)	162.4%
EPS (after-tax)*	0.70	0.09		0.93		0.01	0.03	

*Based on average outstanding shares



Gross Margin, Operating Margin, Net Margin Trends



2014Q4 Consolidated Cash Flow Summary

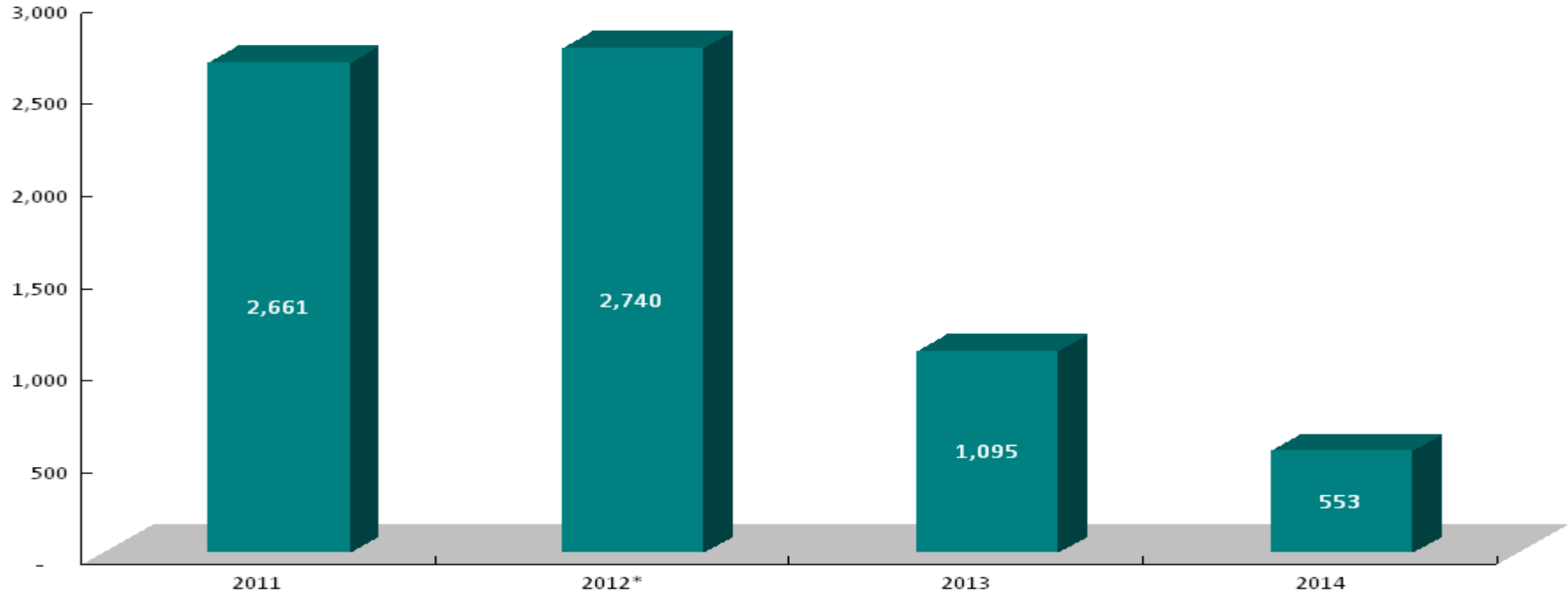
NTD, Million	14Q4	14Q3	13Q4	14YTD	13YTD
Cash Flow from Operations	1,975	732	1,430	4,201	2,923
Cash Flow from Investing	983	313	(126)	731	(815)
Cash Flow from Financing	(1,454)	(1,141)	(1,817)	(1,798)	(4,478)
Effect of Exchange Rate Change	182	130	58	325	144
Net Increase in Cash	1,685	34	(455)	3,460	(2,226)
Cash at Quarter End	8,124	6,439	4,664	8,124	4,664
Depreciation & Amortization	490	476	512	1,963	2,058
Capital Expenditure	136	164	193	553	1,095
Free Cash Flow*	1,838	568	1,237	3,649	1,827

*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 2014 Q4 Balance Sheet

NTD, Million	4Q14	3Q14	4Q13
Selected Asset Items			
Cash	8,124	6,439	4,664
Inventory (Net)	1,989	2,724	3,198
Fixed Assets	9,041	9,134	9,835
Intangible Assets	9,676	9,572	9,798
Total Assets	38,954	39,396	40,085
Selected Liability Items			
Short-Term Debt	4,692	4,648	3,313
Long-Term Debt	2,566	3,843	4,878
Total Liabilities	12,441	14,516	14,533
Capital	11,405	11,405	11,410
Total Equity	26,513	24,880	25,552
Net Debt* to Equity	-3.27%	8.25%	13.80%

*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](#)
★★★★★ OUTSTANDING



Best overall e-reader value

Amazon Kindle Paperwhite (2013)

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 4GB for the same \$119.

Price: ~~\$119.00~~ [Check price](#)
★★★★★ EXCELLENT



Best ad-free e-ink reader

Barnes & Noble Nook GlowLight

While it doesn't necessarily beat the Kindle Paperwhite, the \$119 Nook GlowLight is an excellent e-reader that's strongly worth considering if you don't want to buy into the Amazon ecosystem.

Price: ~~\$109.99~~ [Check price](#)
★★★★★ EXCELLENT



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](#)
★★★★★ VERY GOOD



Excellent open e-reader

Kobo Glo

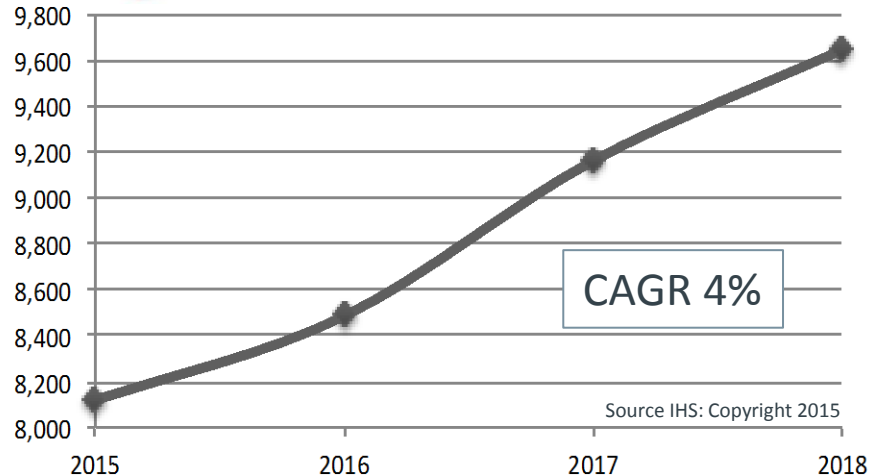
The Kobo Glo is an excellent Kindle alternative, especially for readers seeking EPUB compatibility and international options.

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

- Forecasted Market Growth



eReader Sales Forecasts



E Ink at the Digital Signage Expo, 2015



Industrial and Indoor Information Displays

Connected Signage ePaper Applications



Smart restaurant menu improves average table turnaround



Conference room assistant provides clear door signage



Sainsbury's swaps pricing labels for E Ink displays in one London store



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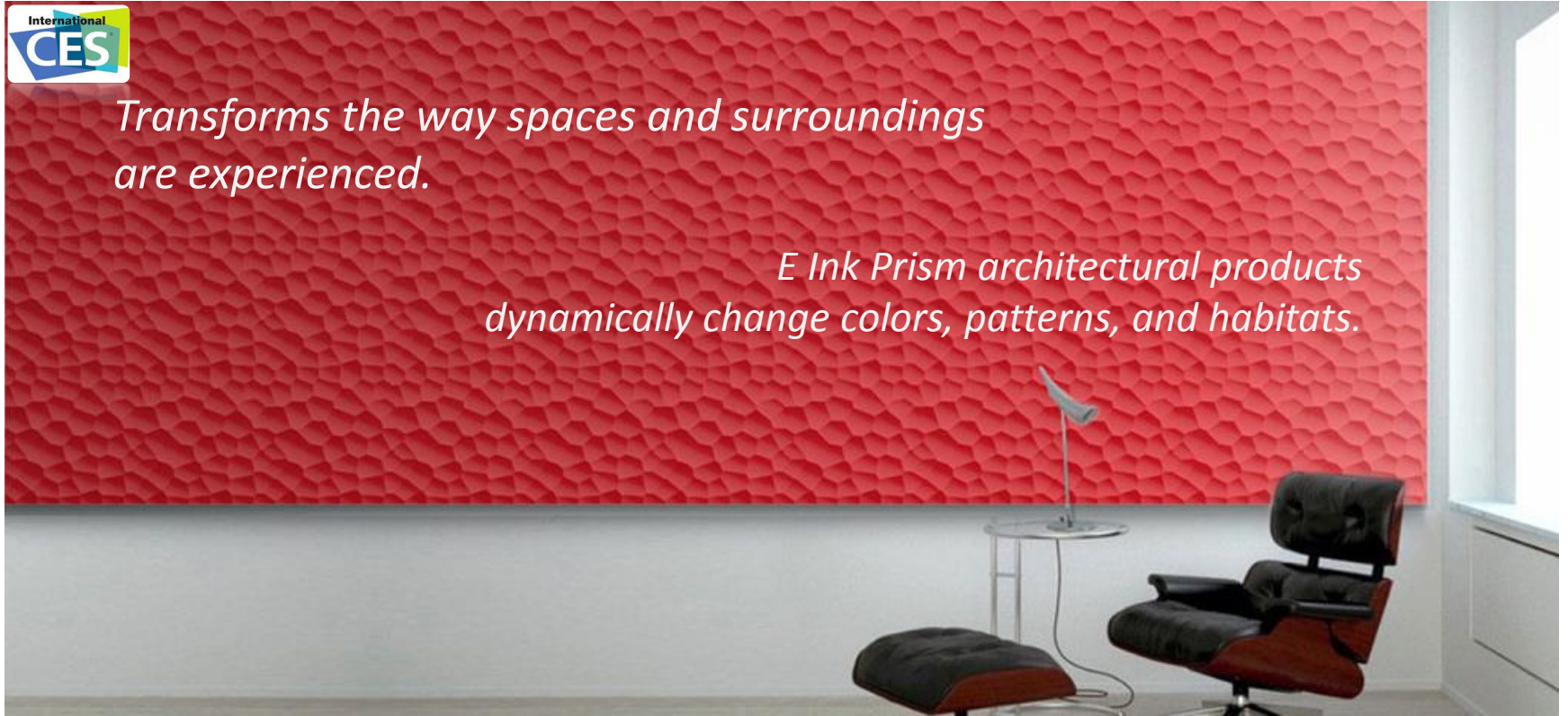


Announced at CES 2015 – E Ink Prism Architectural Film



*Transforms the way spaces and surroundings
are experienced.*

*E Ink Prism architectural products
dynamically change colors, patterns, and habitats.*




Forbes, 2014's Most Disruptive Technology

Forbes

Ewan Spense

“Yota has brought something new for consumers in the smartphone world.”



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December 2014

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Q&A



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