



1Q12 Investor Conference

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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 2011 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.

1Q12 Consolidated Financial (unaudited)

(NT\$Million)	1Q11		4Q11		1Q12	
Net Sales	10,086	100.0%	10,487	100.0%	3,836	100.0%
Gross Profit	2,913	28.9%	2,990	28.5%	32	0.8%
Operating Expense	1,058	10.5%	1,467	14.0%	916	23.9%
R&D Expense	398	3.9%	574	5.5%	354	9.2%
Operating Profit	1,855	18.4%	1,523	14.5%	(885)	-23.1%
Non-op items	12	0.1%	(263)	-2.5%	86	2.2%
Pre-tax Income(Loss)	1,867	18.5%	1,260	12.0%	(799)	-20.8%
Tax	200	2.0%	1	0.0%	39	1.0%
Net Income	1,668	16.5%	1,259	12.0%	(838)	-21.8%
E Ink Net income	1,677	16.6%	1,278	12.2%	(787)	-20.5%
EPS	1.56		1.19		(0.73)	

1Q12 Results

- 1Q12 consolidated sales was NT\$3.84 billion, down 63% QoQ
- 1Q12 GPM was 0.83%, decreased from the previous quarter due to the seasonality on both EPD and LCD products
- 1Q12 OPM was -23.1%, with OPEX decreased 38% from the previous quarter
- 1Q12 EPS was NT\$ -0.73

Thank You