



# Company Presentation

1Q12



# 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 materiallyfrom 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.

# Worldwide Locations

*Further integration to lower cost and support growth*

- Market Cap: US\$1.2 Billion
- Revenue: US\$1.3 Billion (YR2011)

## Transcend Optronics (Yang Zhou)

Module Manufacturing

5000+ employees

**Founded in 2002**

Prime View  
Communications, Ltd  
Sales office

## Hydis Technologies (South Korea)

TFT Mfg & FFS IP

1000 employees

**Acquired in 2008**

Hydis Japan  
(Tokyo)  
Sales Office

## E Ink Corporation (Cambridge, MA)

ePaper Material & IP

200+ employees

**Acquired in 2009**

## E Ink Holdings HQ (Hsinchu)

TFT Manufacturing

900 employees

**Founded in 1992**

Solution Service Center  
(Taipei)  
System Design  
40+ employees



# Key benefits of EPD

*Highly Innovative & Eco Friendly Technology*

## Readability

- Innovative digital reading experience – **Paper-like**
- No eye strain
- Read fast from any angle
- Sunlight readable – no shade required

## Portability

- Thin – so eBooks can be smaller than regular books
- Lightweight – like newspaper, unlike laptop
- Compact – a library in your pocket!

## Power Saving

- **No backlight** – uses natural light, like paper
- **Bi-stable** – leave power cord at home!
- Ultra long battery life

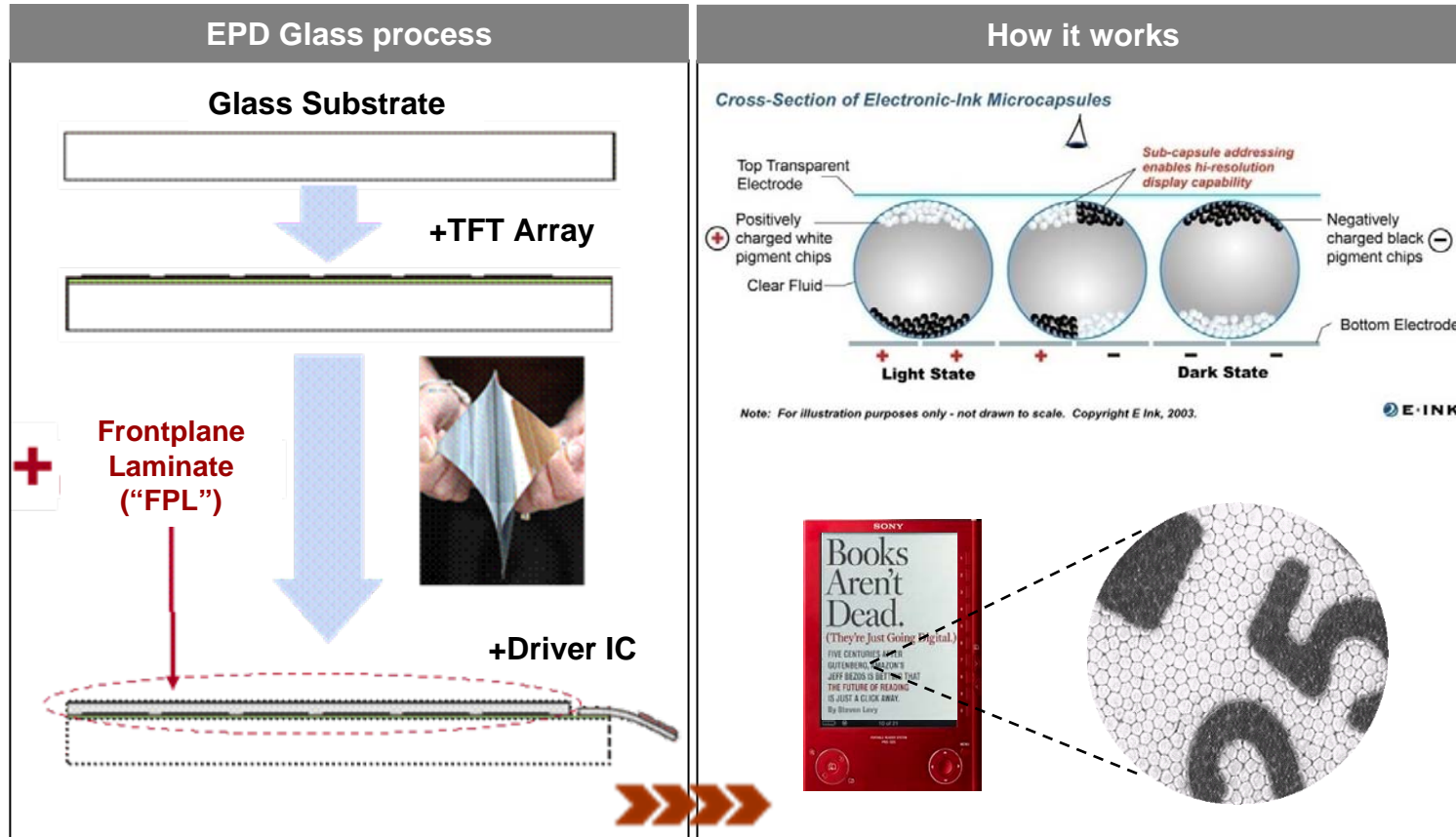
up to 14,800  
page turns  
(about 40  
books)

E Ink Holdings aims to provide the world's best reading experience

# E Ink technology overview

Reflective technology with high whiteness and contrast ratio

Technology based on moving black and white particles in microcapsules using electric charges



Paper-like

Ultra-Low Power

Thin & Flexible

E Ink is the leading electrophoretic technology

# Leading market position

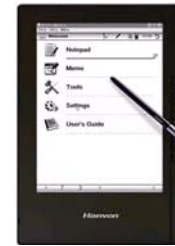
*With blue-chip customers and product leadership*

Solid relationship with the heavyweights in the e-reader industry

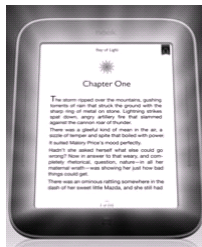
amazon.com



Bambook 锦书



Hanvon



BARNES & NOBLE



SONY



kobo  
EREADER

Bookeen



FOUNDER 方正



ECTACO

edon

enTourage eDGe™

iRiver



Strong E Ink Brand Presence in the market

# More EPD applications

## Application alternatives beyond eReaders

### Smart Surface



- Indicators
- Watches (Personal Accessories)
- Keypads
- Wireless Devices
- Retail Displays
- Cell Phones
- Smart Cards

### Future Applications (Conceptual Product Applications)



- At Home
- On the go
- Indoor/Outdoor Signage



The versatile properties of EPDs allow information to be printed on almost any surface

# 1Q12 Consolidated Financial (unaudited)

(NT\$Million)	1Q11		4Q11		1Q12	
<b>Net Sales</b>	10,086	100.0%	10,487	100.0%	3,836	100.0%
<b>Gross Profit</b>	2,913	28.9%	2,990	28.5%	32	0.8%
<b>Operating Expense</b>	1,058	10.5%	1,467	14.0%	916	23.9%
<b>R&amp;D Expense</b>	398	3.9%	574	5.5%	354	9.2%
<b>Operating Profit</b>	1,855	18.4%	1,523	14.5%	(885)	-23.1%
<b>Non-op items</b>	12	0.1%	(263)	-2.5%	86	2.2%
<b>Pre-tax Income(Loss)</b>	1,867	18.5%	1,260	12.0%	(799)	-20.8%
<b>Tax</b>	200	2.0%	1	0.0%	39	1.0%
<b>Minority Interest</b>	(9)	-0.1%	(19)	-0.2%	(51)	-1.3%
<b>E Ink Net income</b>	<b>1,677</b>	<b>16.6%</b>	<b>1,278</b>	<b>12.2%</b>	<b>(787)</b>	<b>-20.5%</b>
<b>EPS</b>	1.56		1.19		(0.73)	



**Thank You**