



Investor Conference

2013/ 11/ 13



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 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 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 cyclicalilty 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.

3Q13 Consolidated Financials

(NT\$ million)	3Q13		2Q13		QoQ	3Q12		YoY
Net Sales	4,732	100.0%	2,928	100.0%	62%	7,595	100.0%	-38%
Gross Profit	1,031	21.8%	209	7.1%	393%	417	5.5%	148%
Operating Expense	1,259	26.6%	1,162	39.7%	8%	1,099	14.5%	15%
R&D Expense	422	8.9%	398	13.6%	6%	458	6.0%	-8%
Operating Profit	(228)	-4.8%	(953)	-32.5%	-76%	(682)	-9.0%	-67%
Non-op items	459	9.7%	(68)	-2.3%	--	255	3.4%	80.0%
Pre-tax Income	231	4.9%	(1,021)	-34.9%	--	(428)	-5.6%	--
Tax	(413)	-8.7%	126	4.3%	--	(61)	-0.8%	580%
Minority Interest	134	2.8%	(139)	-4.7%	--	(133)	-1.8%	--
E Ink Net Income	511	10.8%	(1,008)	-34.4%	--	(234)	-3.1%	--
EPS (after-tax)*	0.45		(1.39)			(0.21)		

*based on average outstanding shares

3Q13 Consolidated Financials

(NT\$ million)	3Q13	2Q13
Cash	5,119	5,053
Inventory (Net)	3,793	3,013
Fixed Assets	10,014	10,102
Intangible Assets	9,898	9,998
Total Assets	40,542	37,888
Short-term Debt	4,913	5,460
Long-term Debt	4,871	4,900
Total Liabilities	16,195	15,133
	11,410	10,810
Total Equity	24,604	23,140

3Q13 Results

- 3Q13 consolidated sales was NT\$ 4.73 billion, up 62% QoQ
- 3Q13 GPM was 21.8%
- 3Q13 consolidated operating expense ratio decreased to 26.6%
- 3Q13 consolidated profit before tax was NT\$231 million
- 3Q13 profit after tax was NT\$511 million, EPS was NT\$0.45

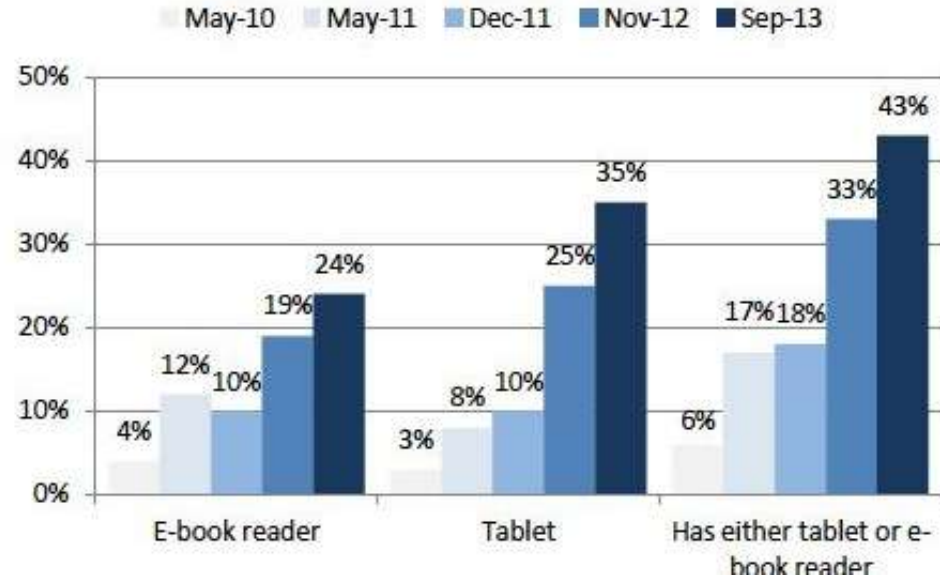
eBook Market Trend

% of Americans ages 16+ who owns:

- eReader: from 19% in YR2012 to 24% in YR2013
- Tablet: from 25% in YR2012 to 35% in YR2013
- Either eReader or Tablet: from 33% in YR2012 to 43% in YR2013

Tablet and e-reader ownership

% of Americans ages 16+ who own e-book readers, tablet computers, and at least one of those devices



Source: Pew Research

eBook Market Trend

EU

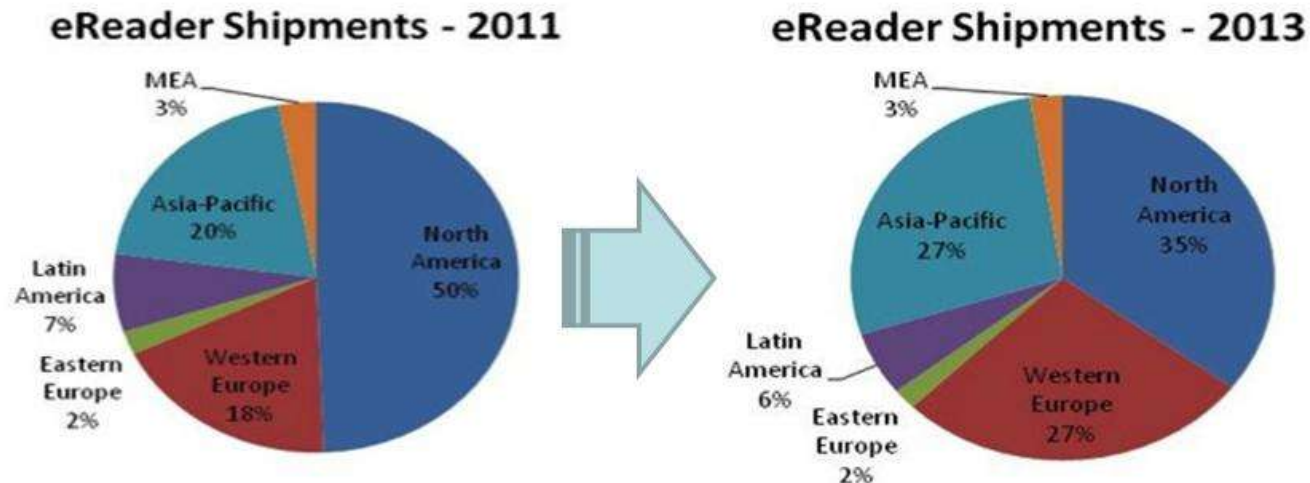
- UK: Stable growth
- Germany: 21% of people read eBooks (source: Aris)
50% of book sales are eBooks

Latin America

- Brazil: eBook sales increased by 350% in 2012

Asia Pacific

- New Zealand: Book sales dropped by 15% while eBook sales grew



Source: IHS

Holiday Season Ramp-up

- **Key customers continue to aggressively market holiday eReaders**



“The company intends to continue to design and develop cutting-edge Nook black and white and color devices. We will continue to offer our award-winning line of Nook products at the best values in the marketplace,”

-Michael Huseby,
Pres. of Barnes & Noble, Inc., and CEO of NOOK Media LLC

Major Brands Launched New eReaders

- Amazon: New Kindle Paperwhite with E Ink Carta display, being rated as **“the best eReader ever”** by CNN Money
- Rakuten: Kobo Aura
- SONY: PRS-T3
- Barnes & Noble: New Nook

Amazon Kindle Paperwhite
(special offers, 2013)
First from The New York Times for The Publisher



Market Expansion:

- Kobo eReaders in Philippines, Italy, India, and Ireland.
- SONY PRS-T3 in Japan.
- New Kindle Paperwhite in Australia

E Ink Applications



Electronic Shelf Labels



TESCO



Nebraska Furniture Mart

Mobile Applications



TCL 5.17" Flip-cover for Smartphone



Yota 4.34" Dual-screen Smartphone



Onyx 4.3" Reader Phone



**(Left) Gajah's Inkcase for smartphone
(Right) popSLATE, Netronix**

Flexible Applications



CST-01 Watch



Sonostar Smart Watch



**IATA Permanent Bag Tag
(Right) ViewTag**



SONY 13" DPS-T1

Q&A

In compliance with applicable laws and regulations, non-disclosure agreements, and company policy, we will not respond or comment on the following topics:

- Forward-looking financial numbers
- Product ASP and shipment quantity
- Product mix / customer mix
- Customers' and partners' future product plans (schedule, specifications, pricing, costs, etc.)
- Other companies or components in our customers' supply chain

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