



Investor Conference

2014/ 08/ 20

Safe Harbor Statement

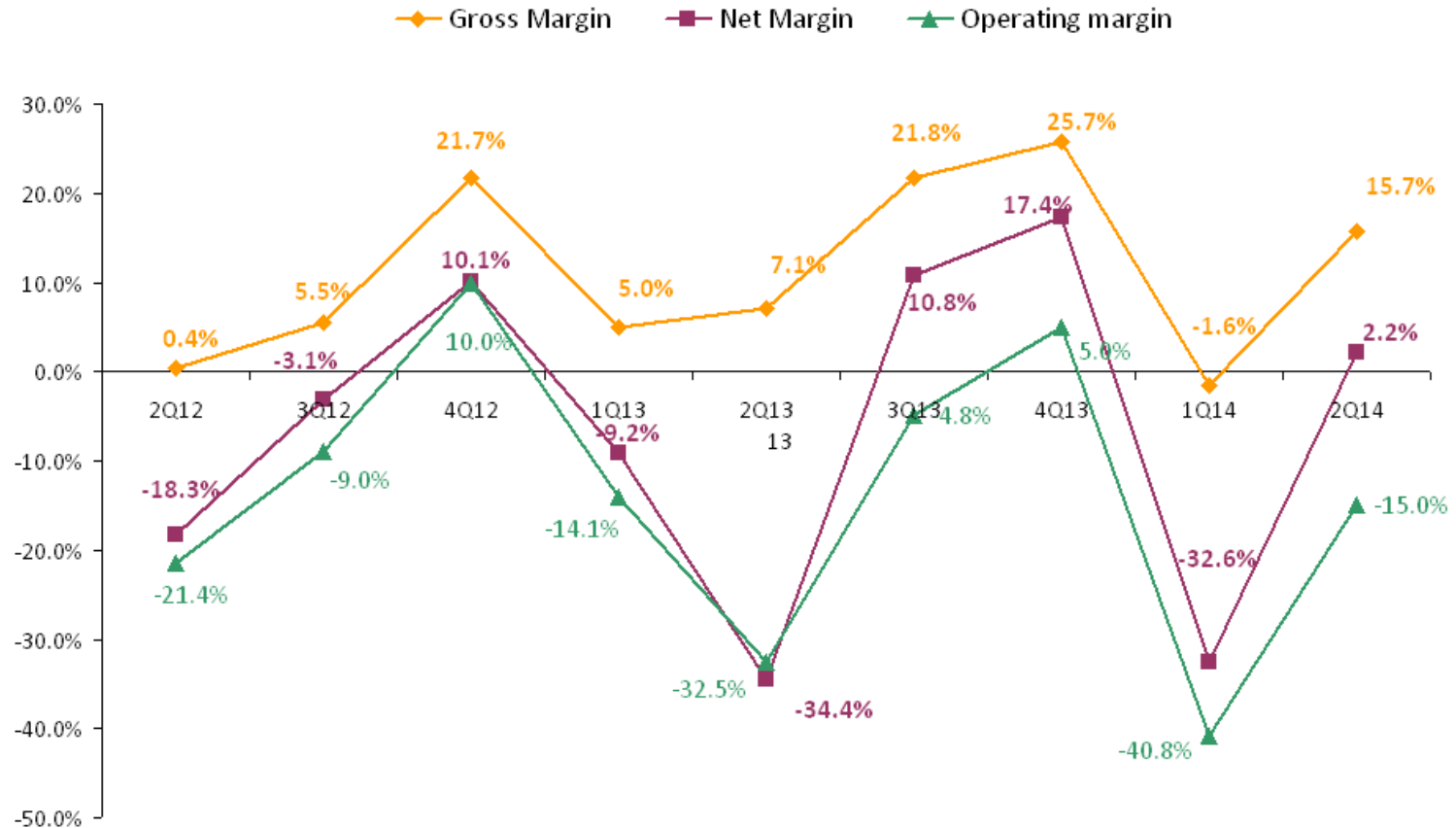
Statements in this presentation that are not strictly historical, including the statements regarding the market, economy, the Company's e Paper, LCD and other business, the Company's future product launches, the Company's positioning and expectations for 2014 and future periods, and any other statements 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 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 Q2 Consolidated Income Summary

(NT\$ million)	2Q14		1Q14		QoQ	2Q13		YoY
Net Sales	3,823	100.0%	2,962	100.0%	29%	2,928	100.0%	31%
Gross Profit	602	15.7%	(47)	-1.6%	--	209	7.1%	187%
Operating Expense	1,175	30.7%	1,162	39.2%	1%	1,162	39.7%	1%
R&D Expense	431	11.3%	422	14.2%	2%	398	13.6%	8%
Operating Profit	(573)	-15.0%	(1,209)	-40.8%	-53%	(953)	-32.5%	-40%
Non-Op Items	827	21.6%	326	11.0%	153.5%	(68)	-2.3%	--
Pre-Tax Income	254	6.6%	(883)	-29.8%	--	(1,021)	-34.9%	--
Tax	161	4.2%	97	3.3%	66%	126	4.3%	28%
Minority Interest	8	0.2%	(15)	-0.5%	--	(139)	-4.7%	--
E Ink Net Income	85	2.2%	(965)	-32.6%	--	(1,008)	-34.4%	--
EPS (after-tax)*	0.07		(0.85)			(0.93)		

*Based on average outstanding shares

Gross Margin, Op Margin, Net Margin Trend



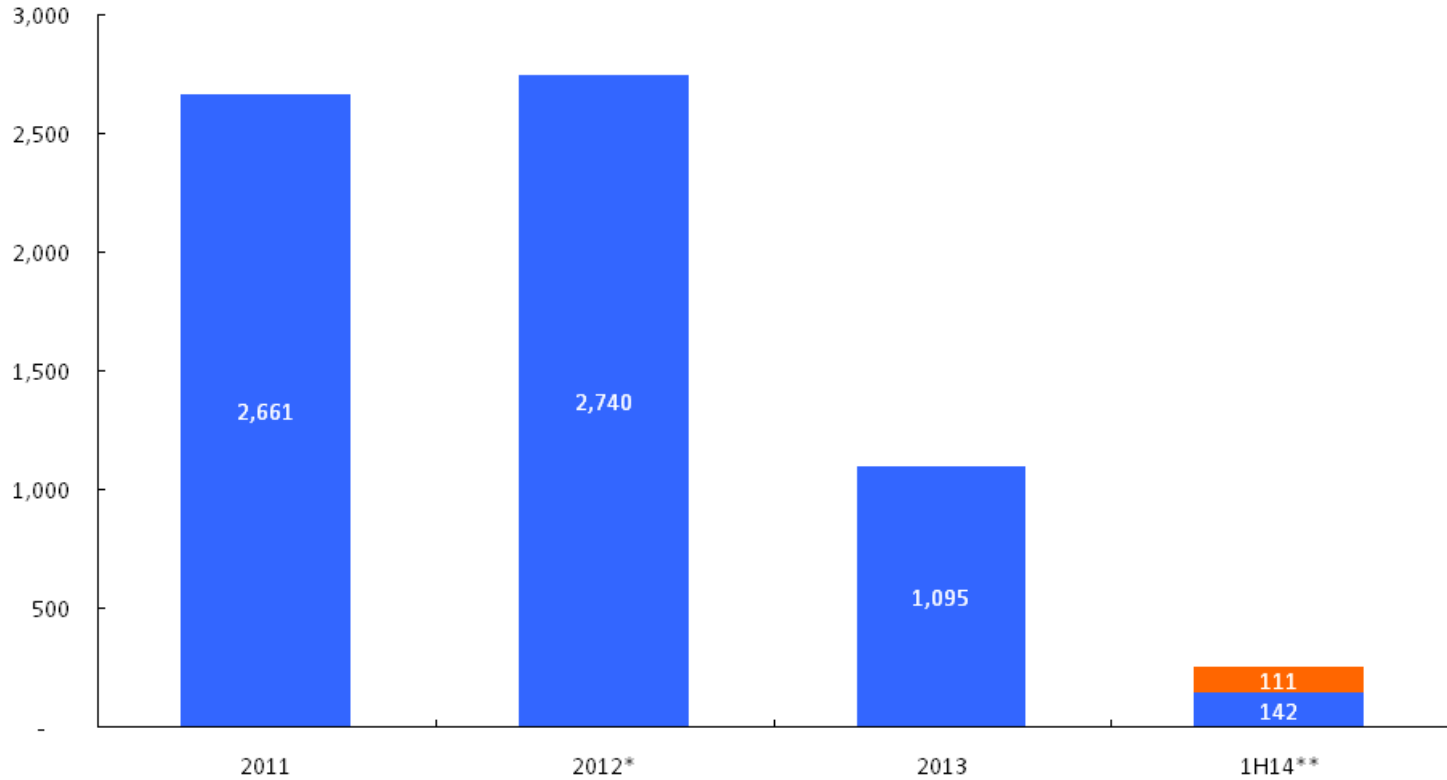
2014 Q2 Consolidated Cash Flow Summary

In NT\$ millions	2Q14	1Q14	2Q13
Cash Flow from Operations	308	1,187	(1,527)
Cash Flow from Investing	538	(1,103)	(114)
Cash Flow from Financing	327	471	(820)
Effect of Exchange Rate Change	(231)	243	(63)
Net Increase in Cash	942	799	(2,524)
Cash at Quarter End	6,405	5,463	5,053

In NT\$ millions	2Q14	1Q14	2Q13
Depreciation & Amortization	482	514	520
Capital Expenditure	111	142	183
Free Cash Flow*	197	1,045	(1,710)

*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 in 2012.

** 1Q14-NTD\$142M · 2Q14-NTD\$111M

Selected Items from 2014 Q2 Balance Sheet

(NT\$Million)	2Q14	1Q14	2Q13
Selected Asset Items			
Cash	6,405	5,463	5,053
Inventory (Net)	3,049	2,973	3,013
Fixed Assets	9,312	9,612	10,102
Intangible Assets	9,592	9,758	9,998
Total Assets	39,147	38,737	37,888
Selected Liability Items			
Short-Term Debt	5,427	4,052	5,460
Long-Term Debt	4,031	5,376	4,900
Total Liabilities	14,541	13,831	15,133
Capital	11,405	11,410	10,810
Total Equity	24,607	24,906	22,755
Net Debt* to Equity	12.4%	15.9%	23.3%

*Net debt = (Short Term Debt+Long Term Debt)-Cash

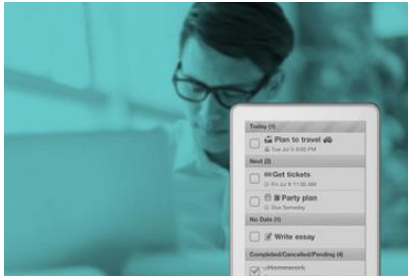
E Ink Smartphone Cover Resonates with Consumers

Kickstarter Smartphone Cover featuring an E Ink Display *Raises Over \$150,000 in 24Hr*

InkCase Plus from  OAXIS



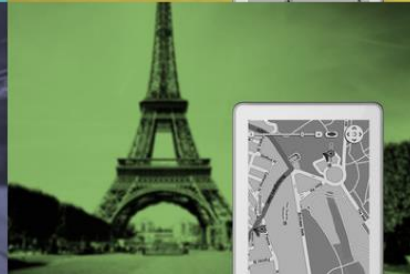
Task Lists



Tickets



Real-Time Marketing



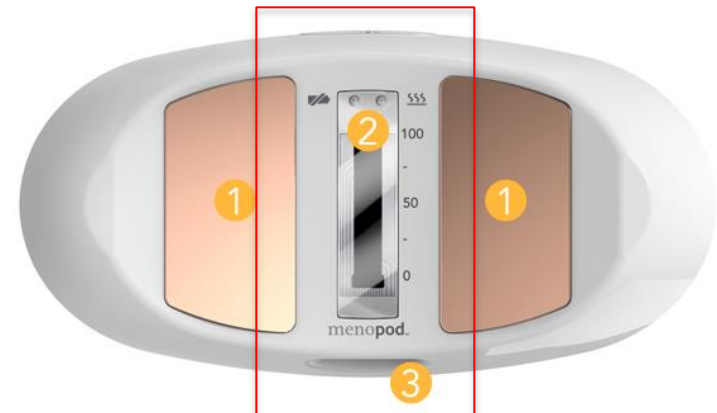
Maps




Winner of the Red Dot Award for Medical and Life Science



The Menopod™ is a patented electronic cooling device that provides instant relief for hot flashes.



①  Temp
Cools copper to 5 °C or 41 °F

②  eInk
eInk battery level display

③  USB
Convenient USB charging port

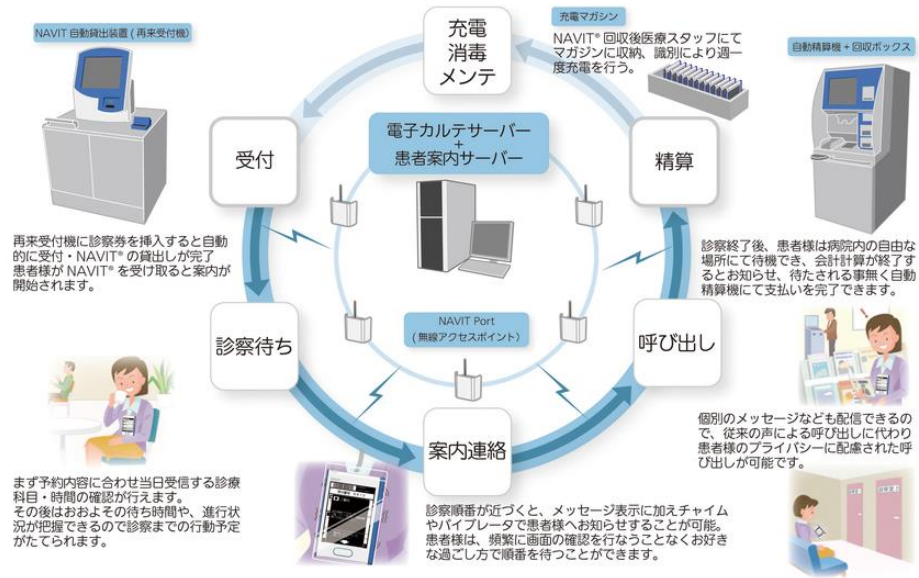
Fujitsu's Outpatient Task Manager

Fujitsu and Aichi Medical University Hospital have partnered to create the Navit feature E Ink display technology



Fujitsu's medical outpatient guidance system is lightweight and easy to see for patients requiring follow-up care

患者案内システム NAVIT® 運用の流れ / システム概要



GDS/E Ink Partnership offers ePaper Information Displays

GDS to offer High Contrast ePaper Information Displays



The entire display solution is ultra-lightweight and only 16.5mm thick



“... We believe this product can replace existing LCD and LED displays for many applications in the digital signage market as well as open up new markets that are looking for green display technology,”

Andrea Ongaro, CTO at GDS

Q&A

Thank You