



# Investor Conference

2014/ 11/ 13

# 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.

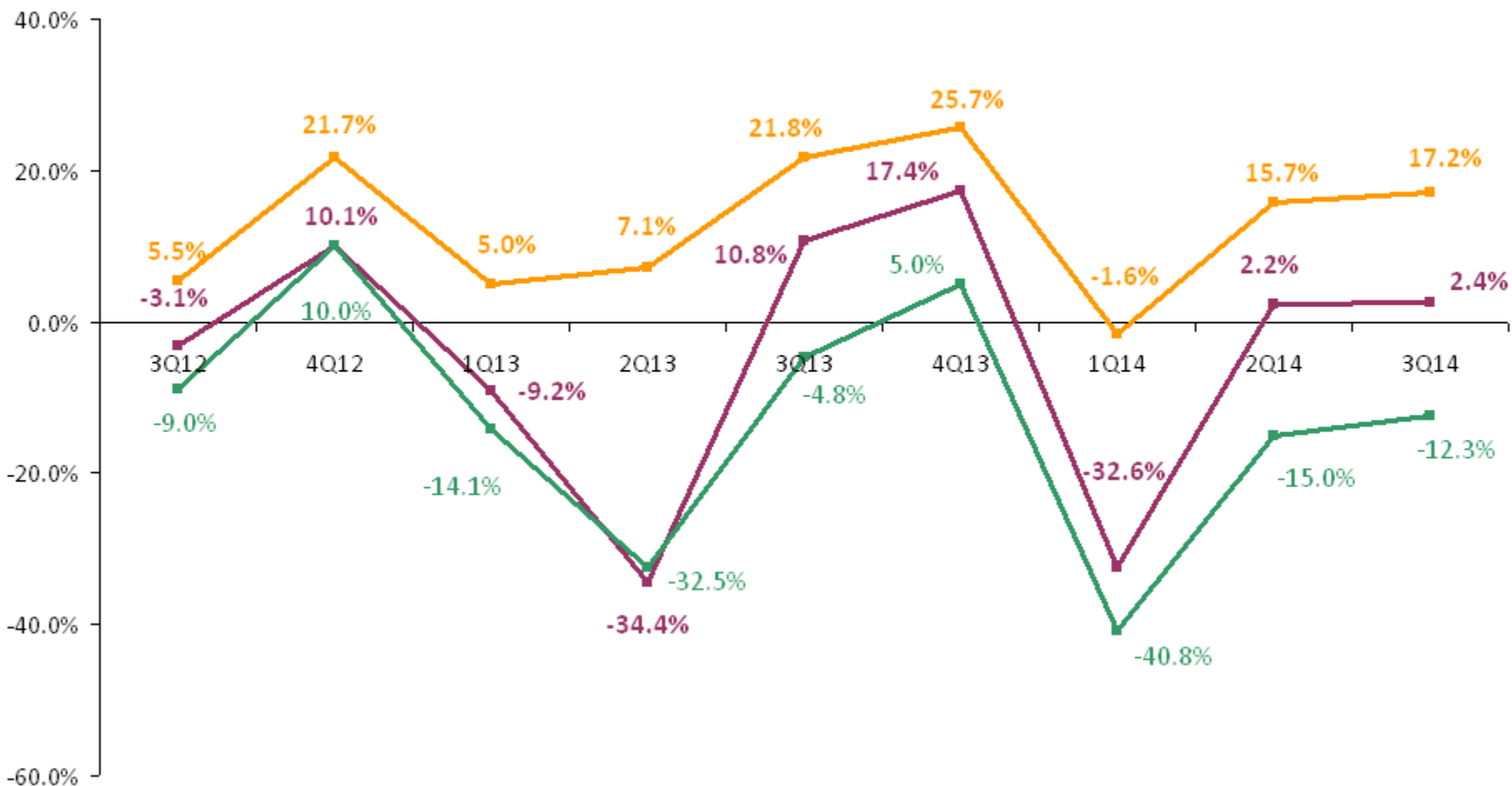
## 2014 Q3 Consolidated Income Summary

NT\$, Million	14Q3	14Q2	QoQ	13Q3	YoY
Net Sales	4,069	3,823	6.4%	4,732	-14.0%
Gross Profit	700	602	16.3%	1,031	-32.2%
Operating Expense	1,202	1,175	2.3%	1,259	-4.6%
R&D Expense	(427)	(431)	-0.9%	(422)	1.1%
Operating Profit	(502)	(573)	-12.4%	(228)	120.4%
Non-Op items	196	827	-76.3%	459	-57.2%
Pre-Tax Income	(306)	254		231	
Tax	393	161	144.4%	413	-4.9%
E Ink Net Income	100	85		510	
Minority Interest	(13)	8		134	
EPS ( after-tax)*	0.09	0.07		0.45	

\*Based on average outstanding shares

# Gross Margin, Op Margin, Net Margin Trend

Gross Margin    Net Margin    Operating margin



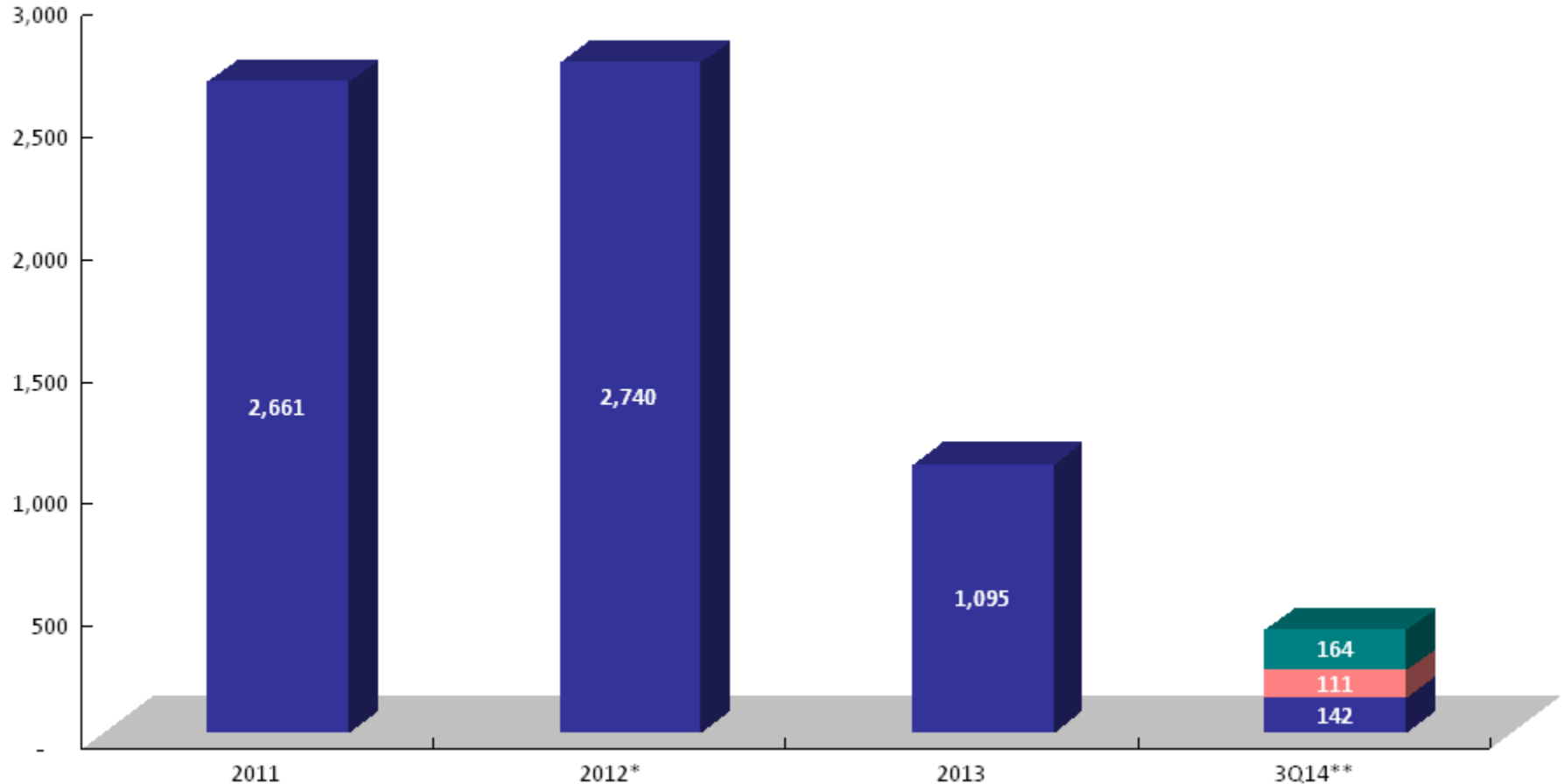
## 2014 Q3 Consolidated Cash Flow Summary

NT\$ Million	14Q3	14Q2	13Q3
Cash Flow from Operations	732	308	(38)
Cash Flow from Investing	313	538	(63)
Cash Flow from Financing	(1,141)	327	297
Effect of Exchange Rate Change	130	(231)	(129)
Net Increase in Cash	34	942	66
Cash at Quarter End	6,439	6,405	5,119
Depreciation & Amortization	476	482	505
Capital Expenditure	164	111	253
Free Cash Flow*	568	197	(291)

\*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

\*\* 1Q14-NTD\$142M , 2Q14-NTD\$111M , 3Q14-NTD\$164M

## Selected Items from 2014 Q3 Balance Sheet

NT\$ Million	3Q14	2Q14	3Q13
Selected Asset Items			
Cash	6,439	6,405	5,119
Inventory (Net)	2,724	3,049	3,793
Fixed Assets	9,134	9,312	10,014
Intangible Assets	9,572	9,592	9,898
Total Assets	39,396	39,147	40,542
Selected Liability Items			
Short-Term Debt	4,648	5,427	4,913
Long-Term Debt	3,843	4,031	4,871
Total Liabilities	14,516	14,541	16,195
Capital	11,405	11,405	11,405
Total Equity	24,880	24,607	24,347
Net Debt* to Equity	8.25%	12.41%	19.16%

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

# Amazon Launches the Kindle Voyage

*"Amazon's Kindle is a tech-industry miracle. That sounds over-the-top; it's not."*

-Farhad Manjoo, New York Times

## New Product Feature

- E Ink Carta Display
- Ultra-High 300ppi resolution
- Adaptive Frontlight
- Flush bezel design
- Pressure sensitive page-turn buttons
- Haptic feedback



## Voyage's Stellar



Amazon Kindle Voyage review:

**Amazon's best e-reader yet**



**Review: Avid Readers Will Love Kindle Voyage**

GRAPEVINE, Texas — Oct 27, 2014, 3:16 PM ET  
By ANICK JESDANUN AP Technology Writer



STATE OF THE ART

**Amazon Kindle Voyage, a High-End E-Reader That Beats Hardcovers**

By FARHAD MANJOO OCTOBER 20, 2014 9:00 AM 400 Comments



# The World' s First Waterproof eReader



Source: [http://urbanmoms.ca/wp-content/uploads/2014/08/10610498\\_10152303676782592\\_1777802003923875000\\_n.jpg](http://urbanmoms.ca/wp-content/uploads/2014/08/10610498_10152303676782592_1777802003923875000_n.jpg)

**Kobo' s New Aura H2O is IP67 Certified.**

*Waterproof for up to 30 minutes in 1M of water with port cover closed.*

# Curved Display Wearable Applications



*Featuring:*

**E Ink Mobius Flexible Display**

Geometry: 1.4" , Curved

Resolution: 296x128, 192 ppi

**SONY**

SmartBand Talk SWR30

<https://www.youtube.com/watch?v=tPCKzkrIVbw>



# Always On SmartPhone Display

E Ink' s Secondary Display is an Smartphone App Game changer



## You can always count on me

You can always count on the always-on display, even if the battery is drained. Save a map or a boarding pass. Place your theatre tickets there. Use it the way you want.

## YOTAPHONE2



# Global Leaders Experience YotaPhone 2



Putin presented the president of the People's Republic of China with a set of Russian [YotaPhone 2 smartphones](#) at the Asia-Pacific Economic Cooperation summit in Beijing

Source: RIA Novosti / Michael Klimentyev

# Checkout Divider Point-of-Purchase Displays

## Simple and Effective




Launching the Motion e-bar™

*Motion*  
DISPLAY

E Ink Segmented Display  
Enables an Attractive In-Store Advertising Opportunity

# E Ink Products on Kickstarter & Makuake

FES Watch on  Makuake

24の表情をもつ  
FES Watch



InkCase Plus on **KICKSTARTER**



**1,513**  
backers  
**\$206,743**  
pledged of \$100,000 goal  
**0**  
seconds to go

ClockOne on **KICKSTARTER**



**125**  
Backers  
**\$51,792**  
pledged of \$200,000 goal  
**27**  
days to go

# Q&A

# Thank You