



Investor Conference

2013/ 08/ 15



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 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.

2Q13 Consolidated Financials

(NT\$ million)	2Q13		1Q13		QoQ	2Q12		YoY
Net Sales	2,928	100.0%	5,378	100.0%	-46%	4,478	100.0%	-35%
Gross Profit	209	7.1%	268	5.0%	-22%	19	0.4%	1002%
Operating Expense	1,162	39.7%	1,028	19.1%	13%	977	21.8%	19%
R&D Expense	398	13.6%	344	6.4%	16%	389	8.7%	2%
Operating Profit	(953)	-32.5%	(760)	-14.1%	-25%	(958)	-21.4%	1%
Non-op items	(68)	-2.3%	226	-123.1%	-130%	177	4.0%	-199.9%
Pre-tax Income	(1,021)	-34.9%	(534)	-9.9%	-91%	(781)	-17.4%	-31%
Tax	126	4.3%	50	0.9%	150%	108	2.4%	17%
Minority Interest	(139)	-4.7%	(92)	-1.7%	-51%	(71)	-1.6%	-96%
E Ink Net Income	(1,008)	-34.4%	(492)	-1.7%	-105%	(818)	-18.3%	-23%
EPS (after-tax)*	(0.93)		(0.46)			(0.76)		

*based on average outstanding shares

2Q13 Consolidated Financials

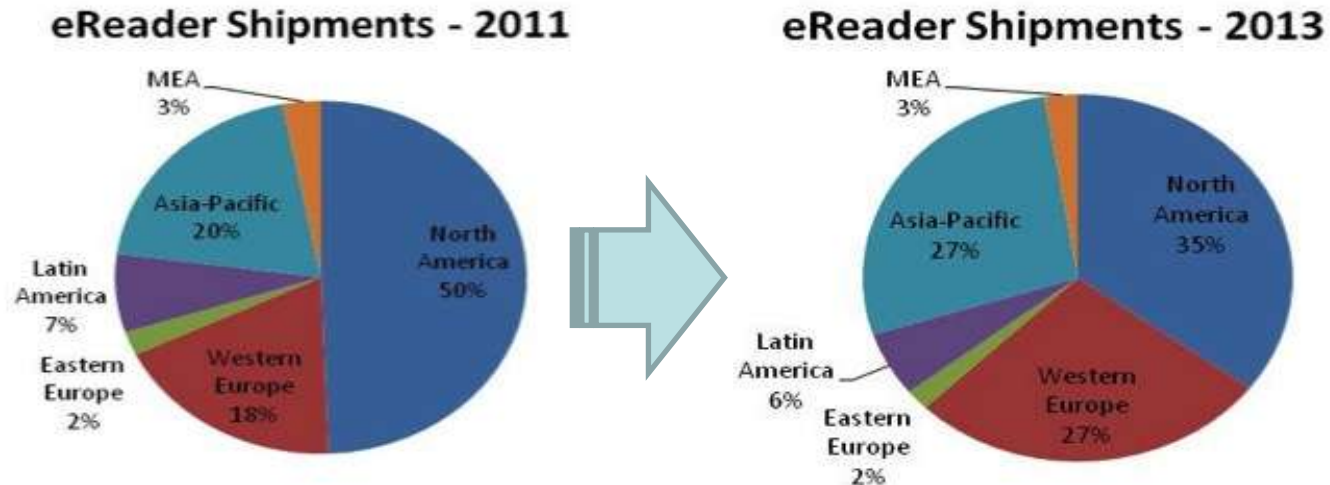
(NT\$ million)	2Q13	1Q13
Cash	5,053	7,577
Inventory (Net)	3,013	3,044
Fixed Assets	10,102	10,252
Intangible Assets	9,998	10,160
Total Assets	37,888	41,535
Short-term Debt	5,460	5,157
Long-term Debt	4,900	6,104
Total Liabilities	15,133	17,667
E Ink Total Equity	23,140	24,016

2Q13 Results

- 2Q13 consolidated sales was NT\$ 2.93 billion, down 46% QoQ
- 2Q13 GPM was 7.1 %
- 2Q13 consolidated operating expense was NT\$1.16 billion, up 13% QoQ
- 2Q13 consolidated operating loss was NT\$0.95 billion
- 2Q13 Non-Op loss was NT\$68 million
- 2Q13 consolidated loss before tax was NT\$1.02 billion
- 2Q13 loss after tax was NT\$1.01 billion, loss per share was NT\$0.93

eBook Market Trend

- eBook and eReader show significant growth in Western Europe and Asia Pacific markets. According to IHS, the combined eReader market share in these markets has increased from 38% in 2011 to 54% in 2013.
- Amazon Kindle has entered China and India markets.
- Kobo eReader sales in 1Q13 was up 145% YoY. With the successful launch of AURA HD in US and Europe, Kobo will expand its direct distribution into China, India, Russia, etc.
- Korea Epub will launch Crema Shine eReader in South Korea in August



Product Launch & Awards



E Ink 3-pigment ePaper Display

Won the **“Best in Show”** Award
at SID 2013



E Ink Triton II Colored ePaper Display

Won the **“Outstanding Photonics Award”**
at Display Taiwan 2013

E Ink: New Applications



13.3" E Ink Mobius Display on SONY Digital product



E Ink on Gajah's InkCase



1.73" E Ink Mobius Display on Sonostar Smartwatch



E Ink Luggage Tag on British Airways

Thank You

<http://www.einkgroup.com/>