



2016 Q3 Results Conference

11/15/2016

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 2016 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.



Consolidated Income Statement Summary

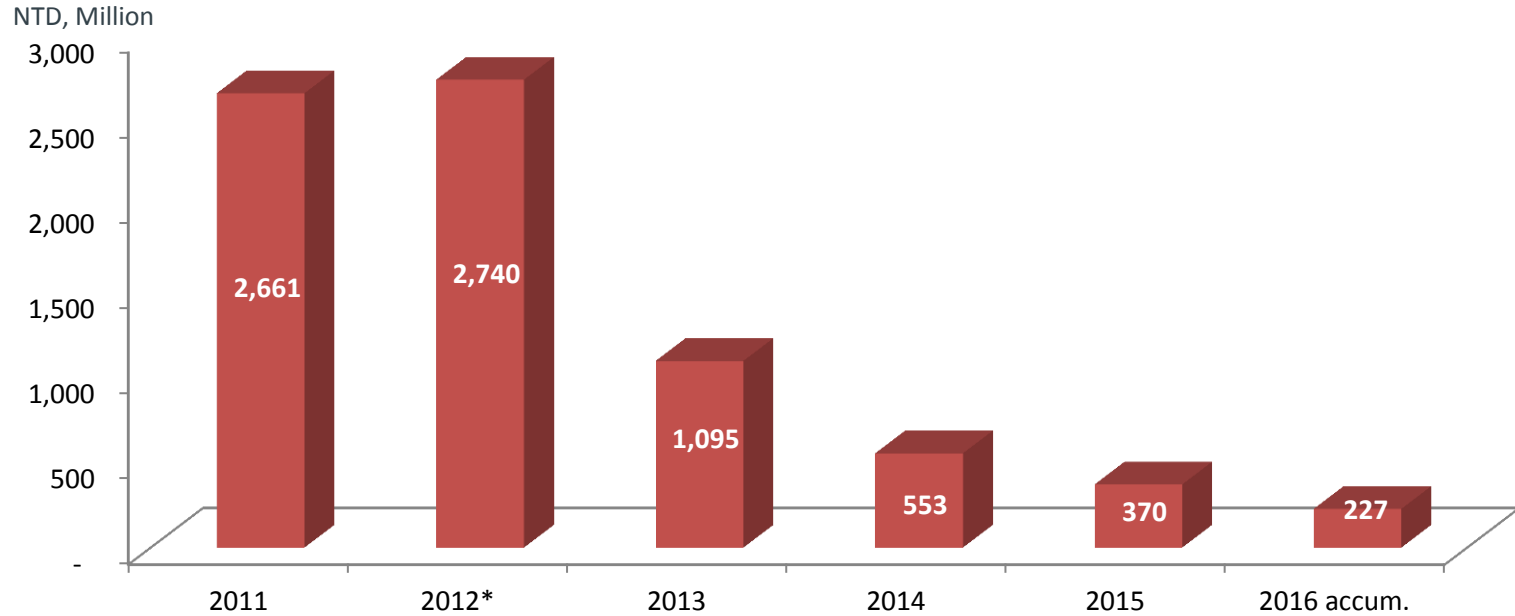
| NTD, Million | 16Q3 | 16Q2 | QoQ | 15Q3 | YoY | 16 YTD | 15 YTD | YoY |
|-----------------------------------|-------|-------|--------|-------|--------|--------|---------|--------|
| Net Sales | 4,444 | 3,585 | 24.0% | 4,321 | 2.8% | 10,532 | 10,509 | 0.2% |
| Gross Profit | 1,695 | 1,403 | 20.8% | 1,509 | 12.3% | 3,836 | 3,147 | 21.9% |
| Operating Expense | 1,263 | 1,231 | 2.6% | 1,155 | 9.4% | 3,728 | 3,408 | 9.4% |
| R&D Expense | 479 | 450 | 6.4% | 442 | 8.4% | 1,360 | 1,227 | 10.8% |
| Operating Profit (Loss) | 432 | 171 | 152.6% | 354 | 22.0% | 108 | (261) | |
| Non-Op Items | 178 | 879 | -79.7% | 745 | -76.1% | 1,385 | 1,876 | -26.2% |
| Pre-Tax Income | 610 | 1,050 | -41.9% | 1,099 | -44.5% | 1,494 | 1,614 | -7.4% |
| Tax Expense (Benefit) | 70 | 199 | -64.8% | 36 | 94.4% | 340 | 251 | 35.5% |
| Income from Continuing Operations | 540 | 851 | -36.5% | 1,063 | -49.2% | 1,154 | 1,363 | -15.3% |
| Discontinued Operations | (30) | (44) | | (254) | | (101) | (1,611) | |
| E Ink Net Income | 509 | 780 | -34.7% | 798 | -36.2% | 1,017 | (226) | |
| Minority Interest | 1 | 27 | -96.3% | 12 | -91.7% | 37 | (21) | |
| EPS (after-tax)* | 0.45 | 0.68 | | 0.70 | | 0.90 | (0.20) | |
| Continuing Operations | 0.48 | 0.72 | | 0.91 | | 0.98 | 1.14 | |

*Based on average outstanding shares



Consolidated CAPEX and Long Term Investment Trend

PP&E and long term investment



* 2012 included NTD \$ 1.27B acquisition of SiPix



Selected Items from Balance Sheet

| NTD, Million | 16Q3 | 16Q2 | 15Q3 |
|--------------------------|---------|---------|---------|
| Selected Asset Items | | | |
| Cash | 7,042 | 7,390 | 7,299 |
| Inventory (Net) | 1,960 | 1,932 | 1,779 |
| Fixed Assets | 5,621 | 5,903 | 8,060 |
| Intangible Assets | 9,166 | 9,370 | 9,557 |
| Total Assets | 33,436 | 34,054 | 35,418 |
| Selected Liability Items | | | |
| Short-Term Debt | 608 | 1,860 | 4,095 |
| Long-Term Debt | 167 | 300 | 503 |
| Total Liabilities | 7,244 | 7,794 | 9,295 |
| Capital | 11,405 | 11,405 | 11,405 |
| Total Equity | 26,192 | 26,260 | 26,123 |
| Net Debt* to Equity | -23.93% | -19.92% | -10.34% |

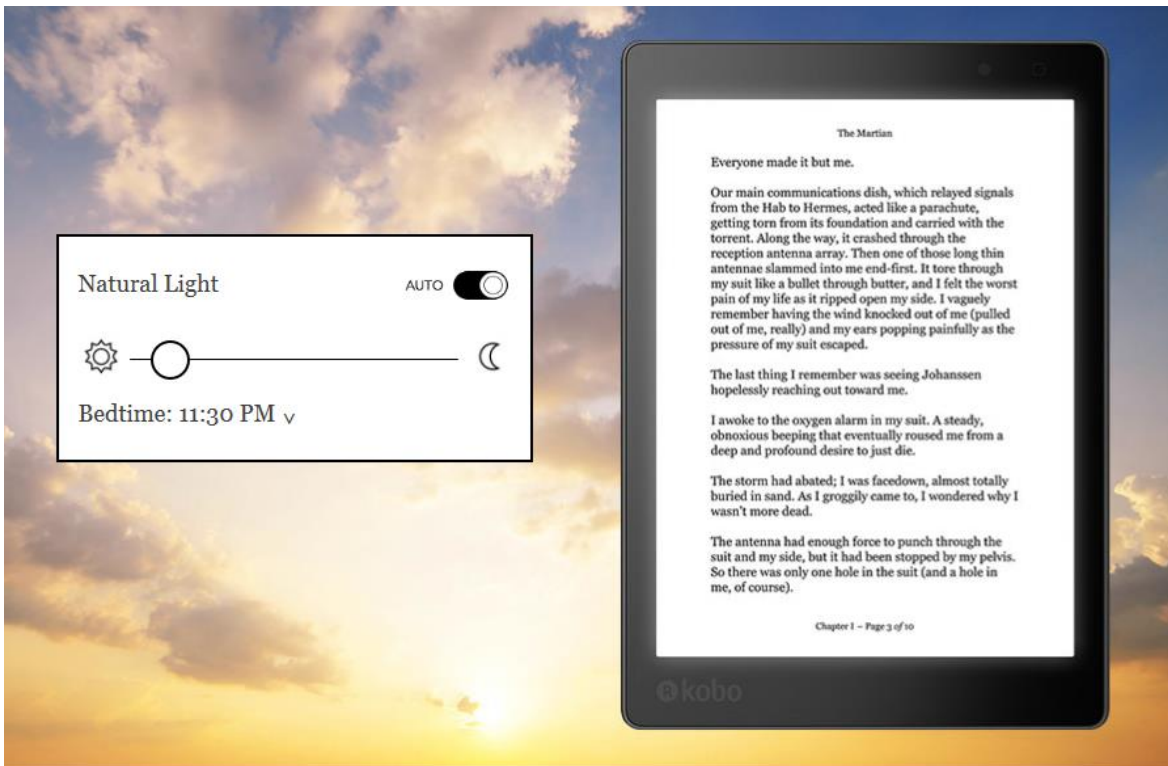
*Net Debt = (Short Term + Long Term Debts) - Cash

Consolidated Cash Flow Summary

| NTD, Million | 16Q3 | 16Q2 | 15Q3 |
|--------------------------------|---------|-------|---------|
| Cash Flow from Operations | 1,840 | 428 | 1,399 |
| Cash Flow from Investing | 124 | (176) | 787 |
| Cash Flow from Financing | (2,091) | (634) | (1,436) |
| Effect of Exchange Rate Change | (222) | (26) | 100 |
| Net Increase in Cash | (349) | (408) | 850 |
| Cash at Quarter End | 7,042 | 7,390 | 7,299 |
| Depreciation & Amortization | 322 | 336 | 436 |
| Capital Expenditure | 69 | 89 | 86 |
| Free Cash Flow* | 1771 | 339 | 964 |

*Free Cash Flow: Cash Flow from Operations – Capital Expenditure

Kobo Aura One with ComfortLight PRO



“...the Kobo Aura One is another solid eReader from Kobo.”

Features:

- E Ink 7.8” Carta Display
- 300 PPI
- Blue Light Reduction
- IPX8 Water Proof

Bedtime readers rejoice with ComfortLight PRO

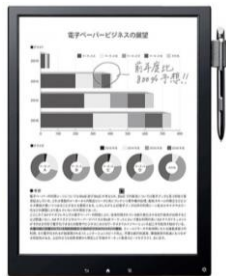
Touch Taiwan 2016

E Ink Showcases the Latest Product Applications and Designs

Smart Tags



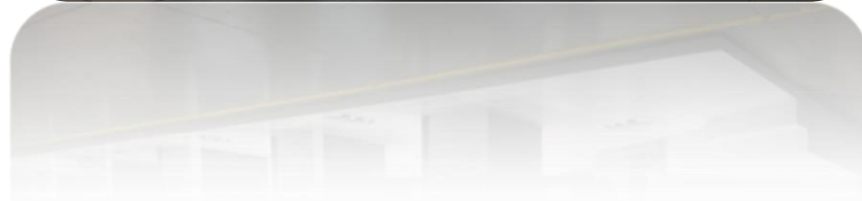
eNote



Price Signage



Touch Taiwan 2016



Display Innovation Taiwan Conference 2016

Dr. Frank Ko, E Ink Chairman & CEO



"E Ink
Makes
Every
Surface
Smart"

Outstanding Industry Contribution at Gold Panel Award

Dr. CC Tsai, E Ink's CTO, granted outstanding industry contribution award at Gold Panel Award 2016



2016 Excellence Product by the Digital Signage Multimedia Alliance in Taiwan



E Ink's 32" ePaper Color Signage
Product Award Recipient



World's Largest Full-Color, Flexible "Electronic Paper" Display



A Technology Milestone in Flexible displays

**Announced at the
Auto-ID & Communication Expo**

In Partnership between

TOPPAN

Eink

Wayfinding Signage in the Estonia National Museum

Using NFC and a special visitor badge, guests enjoy information in their preferred language



Q&A



E INK IS THE ORIGINATOR,
PIONEER, AND
COMMERCIAL LEADER IN
ePAPER DISPLAYS.



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