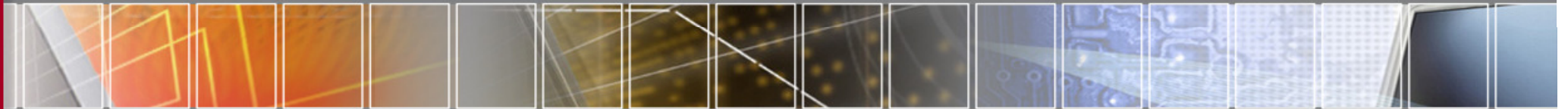元太科技工業股份有限公司
Prime View International Co., Ltd

Company Presentation

March 2010

Safe Harbor Notice

Prime View International's statement of its current expectations are forward-looking statements subject to significant risks and uncertainties. Actual results may differ materially from those contained in any forward-looking statements.

- **ePaper: a Green Technology**

  - Re-printable: Save paper, save trees

- **PVI provides the World's Best Reading Experience**

  - Market Leader: #1 global market share

  - Volume Leader: millions of units shipped

  - Technology Leader: most paper-like w/ best technology roadmap

- **With global blue-chip clients**

  - Customer includes most eBook makers

- **Also specialized in small and medium sized display modules**

  - Flexible Manufacturing

  - Niche Products

  - AFFS Technology

* EPD = Electronic Paper Display

1992   **Founded by Taiwan's leading paper making and printing group YFY and is the 1st TFT-LCD company in Taiwan**

2004   **Listed on Taiwan OTC**

2005   **Acquired EPD business from Philips**

2008   **Acquired Hydis (Korea) to expand capacity**

2009   **Acquired E Ink Corporation (USA) to integrate the supply chain**
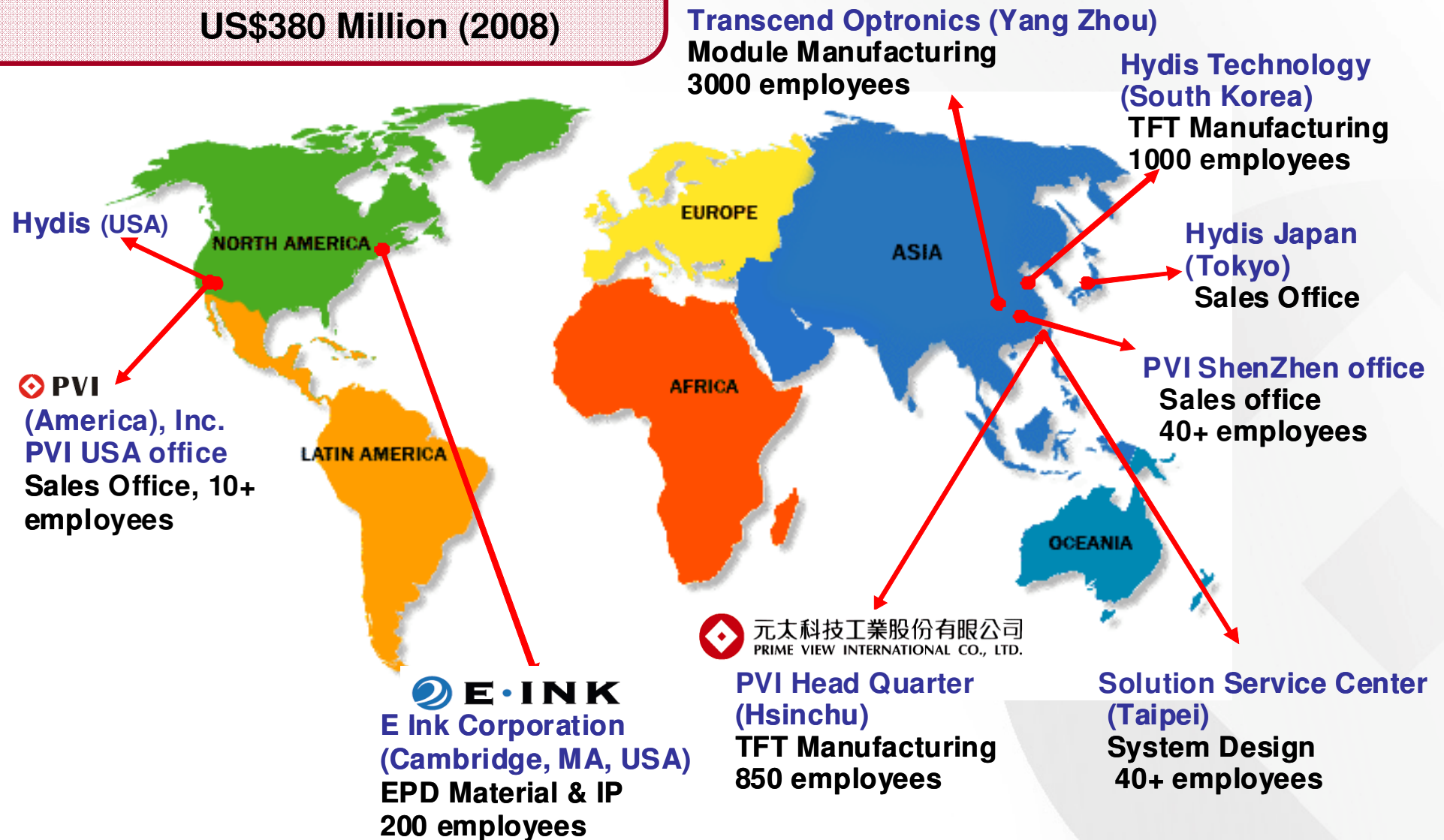
          Founded in 1997 based on research started at the MIT Media Lab, E Ink Corporation is the leader in electronic paper display materials and intellectual property. E Ink has a strong patent portfolio and has commercialized many different forms of "Electronic Paper" solutions over the past ten years.

Worldwide Locations
Further integration to lower cost and support growth

- **Market Cap: US$ 2 Billion**
- **Revenue: US$347 Million (9M09)**
  US$380 Million (2008)

Transcend Optronics (Yang Zhou)
Module Manufacturing
3000 employees

**Hydis Technology
(South Korea)**
TFT Manufacturing
1000 employees

Hydis (USA)

**Hydis Japan
(Tokyo)**
Sales Office

EUROPE

NORTH AMERICA

ASIA

**PVI
(America), Inc.
PVI USA office**
Sales Office, 10+
employees

AFRICA

LATIN AMERICA

PVI ShenZhen office
Sales office
40+ employees

OCEANIA

E·INK
**E Ink Corporation
(Cambridge, MA, USA)**
EPD Material & IP
200 employees

元太科技工業股份有限公司
PRIME VIEW INTERNATIONAL CO., LTD.

**PVI Head Quarter
(Hsinchu)**
TFT Manufacturing
850 employees

**Solution Service Center
(Taipei)**
System Design
40+ employees

Key benefits of EPD
Highly Innovative & Eco Friendly Technology

Readability
- Innovative digital reading experience – **Paper-like**
- No eye strain
- Read fast from any angle
- Sunlight readable – no shade required

Portability
- Thin – so eBooks can be smaller than regular books
- Lightweight – like newspaper, unlike laptop
- Compact – a library in your pocket!

Power Saving
- **No backlight** – uses natural light, like paper
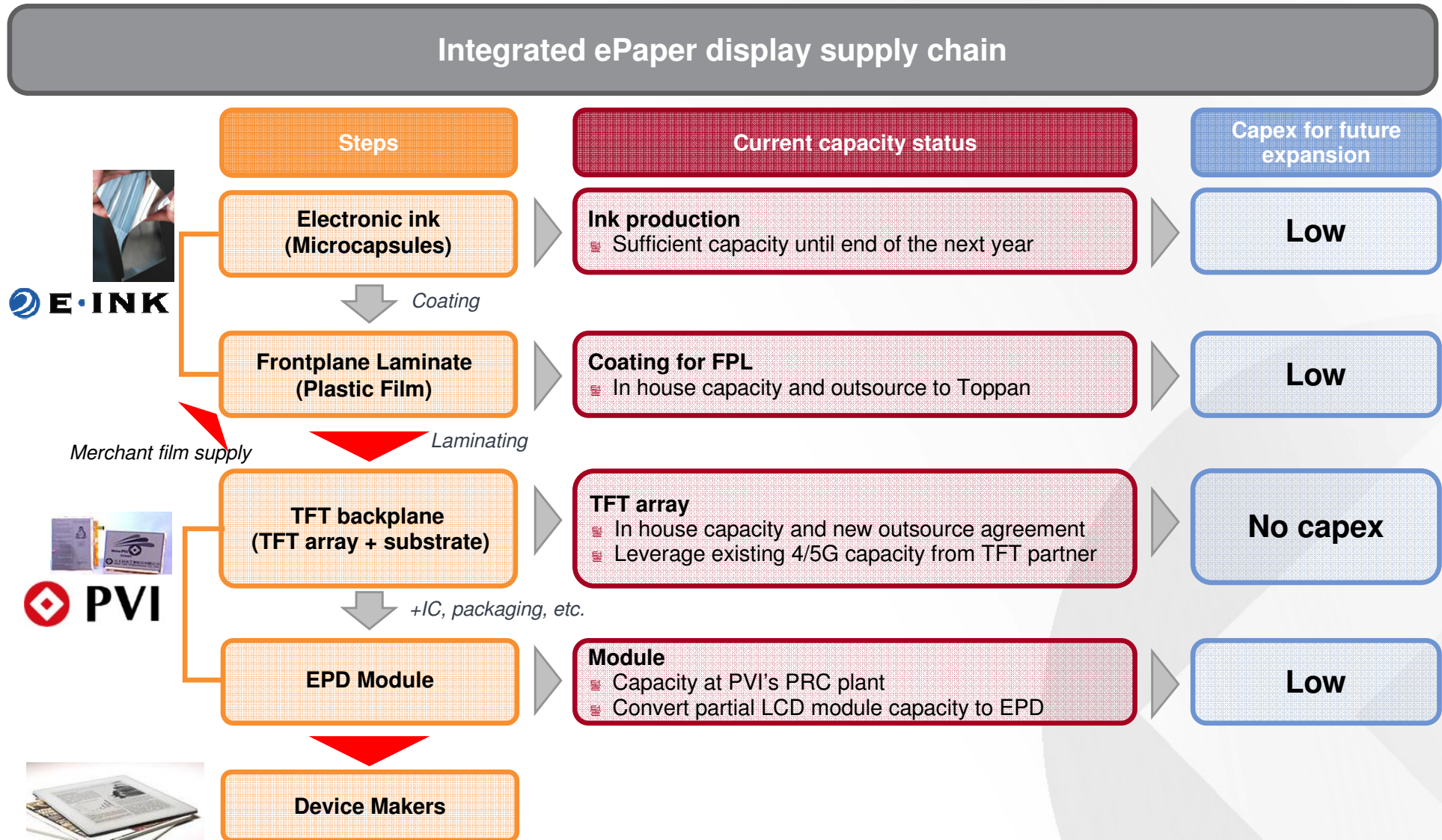- **Bi-stable** – leave power cord at home!
- Ultra long battery life

up to 14,800 page turns (about 40 books)

PVI aims to provide the world's best reading experience

Streamlined EPD supply chain
Expedite capacity expansion to meet market demand

Integrated ePaper display supply chain

| Steps	Current capacity status	Capex for future expansion
Electronic ink (Microcapsules)	**Ink production** ▪ Sufficient capacity until end of the next year	**Low**
Coating		
Frontplane Laminate (Plastic Film)	**Coating for FPL** ▪ In house capacity and outsource to Toppan	**Low**
Laminating		
TFT backplane (TFT array + substrate)	**TFT array** ▪ In house capacity and new outsource agreement ▪ Leverage existing 4/5G capacity from TFT partner	**No capex**
+IC, packaging, etc.		
EPD Module	**Module** ▪ Capacity at PVI's PRC plant ▪ Convert partial LCD module capacity to EPD	**Low**
Device Makers		

Merchant film supply

E·INK

PVI

Streamlined EPD supply chain allows growth on limited capex

E Ink technology overview
Reflective technology w/ high whiteness and contrast ratio

Technology based on moving black and white particles in tiny clear microcapsules using electric charges

EPD Glass process	How it works
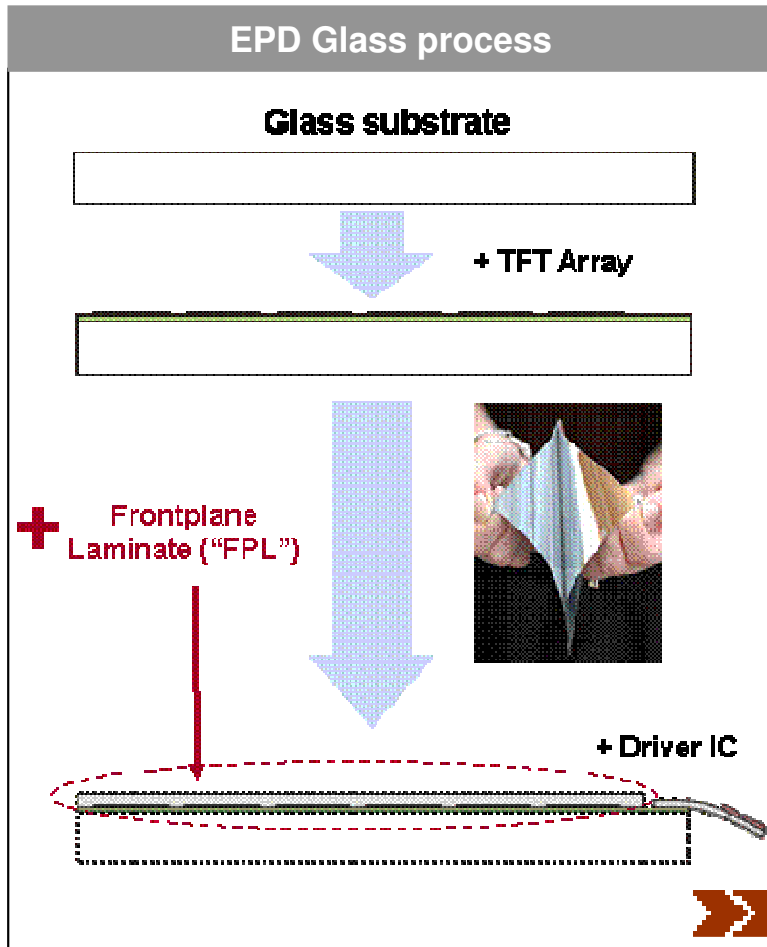
Paper-like

Ultra-Low Power

Thin & Flexible

E Ink is a leading company in electrophoretic technology

Solid relationship with the heavyweights in the e-reader industry

E Ink technology used in almost all eBooks

Vendor	Brand	
amazon	Kindle	✓
BARNES & NOBLE BOOKSELLERS	Nook	✓
Bookeen	Cybook Gen 3	✓
COOLREADERS	Cooler eReader	✓
IREX TECHNOLOGIES	iLiad	✓
iriver	iRiver Story	✓
SAMSUNG	SNE-50K eBook	✓
SONY	Reader	✓

Strong E Ink Brand Presence in the market

The market opportunity is huge for ePaper
Significant EPD growth and sales increase

ePaper market size forecast (by value)

(US$ million)

Year	Value
2008	129
2009	431
2010	1,095
2011	1,710
2012	2,395
2013	3,623
2014	4,854
2015	5,945
2016	7,082

'08-'16 CAGR = 65%
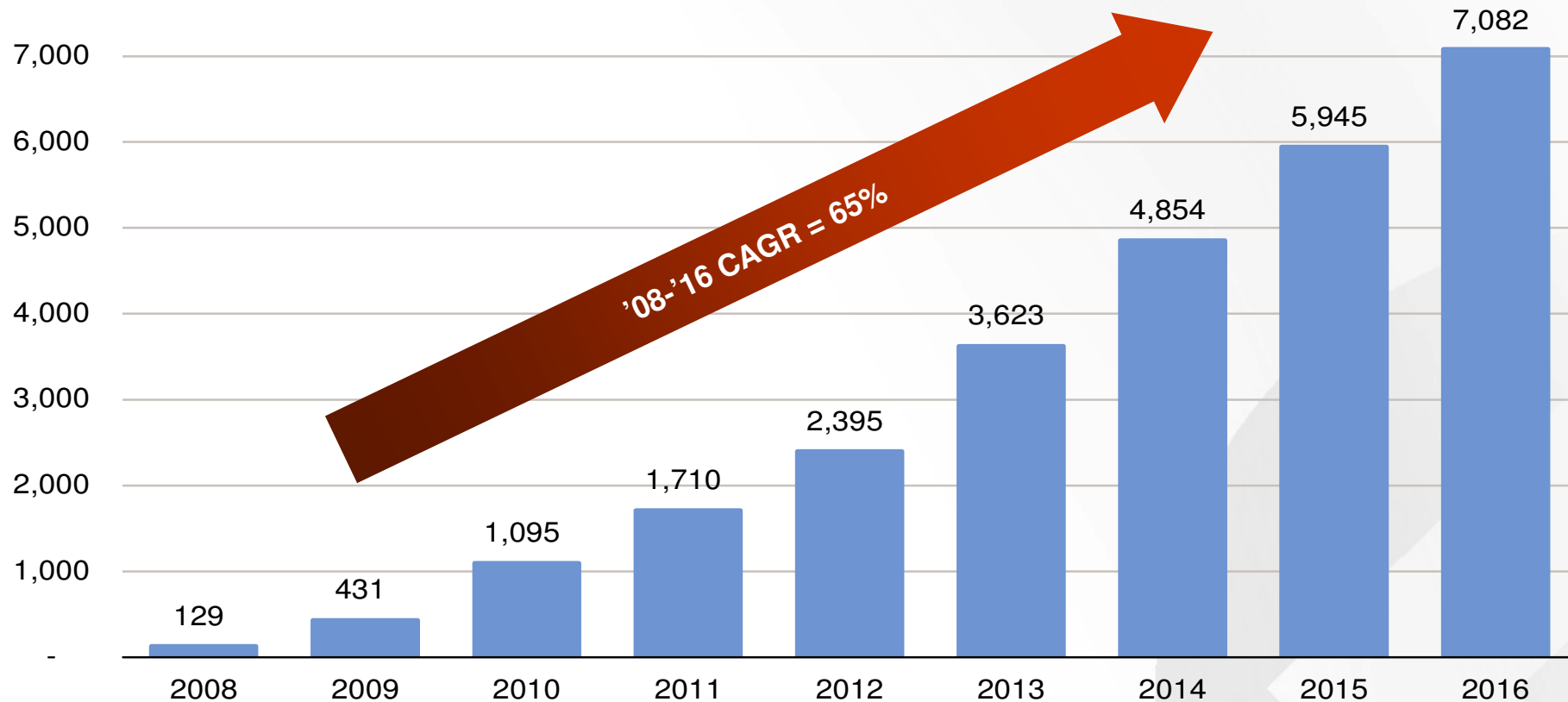
Source: DisplaySearch 2009

"...in 10 years ...there will be no newspapers, no magazines that are delivered in paper form. Everything gets delivered in an electronic form."

- Steve Ballmer, Microsoft CEO

"Our students still learn from instructional materials in formats made possible by Gutenberg's printing press. It's nonsensical — and expensive"

- Gov. Schwarzenegger
California digital textbook initiative

Technology roadmap
New products rolling out

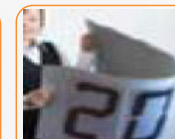**Flexible Technology Roadmap**

Unbreakable → Flexible

E-Tag E-Magazine E-Signage E-Map
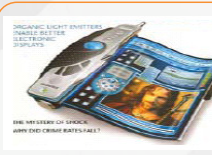
Color Technology Roadmap

High Contrast Ink → Full Color

E-Textbook Full color module E-Magazine
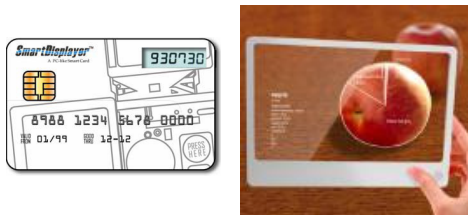
Planning Future/R&D

Future technology roadmap based on two pillars of innovation: flexible and color

Further EPD applications
Application alternatives beyond publishing

The versatile properties of EPDs allow information to be printed on almost any surface

- Architectural (Smart Glass)
- Defense / Security
- Rewriteable Films / Printing
- Out-Licensing

Smart Surface

- Changeable Keypads
- In-Store Signage
- Outdoor Signage
- Indicators
- Smart Labels
- Mobile Device Accessories

Mobile Information

Publishing
- eBooks
- eNewspapers
- eTextbooks

Others
- Mobile Phones
- Mobile Internet Devices
- Handheld Data Collection
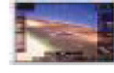- GPS
- Secondary Displays
- Tablet PCs
- eNotepads

EPD can be applied to various applications in addition to publishing

Strong TFT-LCD fundamentals
Stable cash generating business

Premier small-to-medium sized TFT-LCD product mix – Niche products focused

Application	Size	Photo	Niche
Portable DVD players, digital photoframes	2.45" to 10.2"		
Automotive applications, global positioning devices, car navigation / entertainment devices	3.5" to 9.0"		✓
Mobile phone devices	1.3" to 3.0" / 1.5" to 2.8"		
Industrial uses: aviation and marine applications	2.3" to 15.0"		✓
Ultra-mobile PC	4.0" to 4.3"		✓
Avionic products, industrial products	5.0" to 12.1", 15.0"		✓
Medical products	15.0"		✓
Tablet PC and notebook PCs	10.4" to 14.1"		

Reducing exposure to commodity handset devices

Highly customized niche products

Niche TFT-LCD fundamentals provides a solid platform to grow ePaper business

Strong R&D capabilities
Rich R&D pipeline and patent portfolio

FFS technology ("Fringe Field Switching")

- ✓ Sunlight readability
- ✓ Wide viewing angle technology
- ✓ AFFS technology

◆ PVI & Hydis

- ✓ **TFT-LCD Patents**
- ✓ ~3,000+ issued
- ✓ ~2,000+ pending

E·INK

- ✓ **TFT-EPD Patents**
- ✓ 160+ US patents
- ✓ 70+ foreign issued patents

- ✓ Research began at MIT Media Lab
- ✓ Electrophoretic technology

EPD technology leader

We have a rich patent portfolio to support and protect our leadership position

- Expand **customer** base

- Develop **new products/applications** for E-paper Displays

- Adjust **product portfolio** to maximize profitability

- Maintain technology leadership through investment in **R&D**

- Strengthen relationships with **Eco-System** partners
  - LG Display, Texas Instrument, MARVELL, Freescale, Wacom, Epson, CMO, etc.

- Leverage competiveness of **Strategic Alliance** partners

  - Utilize **CMO**'s 5G fabs

  - Launch comprehensive cooperation with **LG Display**

    - "Bond" through investment

    - Cross Licensing

    - Capacity sharing

PVI Financials

Consolidated (NTD Million)	2008	1Q09	2Q09	3Q09
Net Sales	12,161	2,571	4,200	4,341
COGS	11,266	2,981	4,380	3,898
Gross Profit	895	(410)	(180)	443
Operating Expenses	1,739	457	470	473
SG&A	1,054	229	267	256
R&D	685	228	203	217
Operating Profit (Loss)	(844)	(867)	(650)	(30)
Non-op items	(347)	(92)	(339)	5
Income Tax	40	(8)	(36)	58
Net Income (Loss)	(1,231)	(950)	(954)	(83)
EPS	-1.31	-1.03	-0.9	0.13
Cash	2,018	947	1,669	5,998
Investments	3,606	3,481	3,602	3,803
Fixed Assets	10,849	10,504	10,106	9,934
Total Debt	12,169	10,910	11,476	12,685
Net Debt	10,152	9,963	9,807	6,687
Key Rations				
Gross Margin	7.4%	-15.9%	-4.3%	10.2%
Operating Margin	-6.9%	-33.7%	-15.5%	-0.7%
Total Debt/Equity	159.7%	150.0%	172.6%	123.5%
Net Debt/Equity	133.2%	136.9%	147.5%	65.1%