



Promise Technology 2013 Investor Conference

Speaker: James Lee, CEO, Promise Technology
Date: May 2, 2013

- **PROMISE's** statements of its current expectations are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.
- **Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.**

Agenda

- **Situation**
- **Position**
- **Financial Data**
- **Strategy**
- **Execution**
- **Visio**

Situation –Infrastructure

(1)

● ● PROMISE OFFICE

PROMISE EMEA
PROMISE Netherlands



- MEMA
- ✓ Sales & Marketing
- ✓ Post service & support
- ✓ Logistic Hub

PROMISE China



- China
- ✓ Sales & Marketing
- ✓ Engineering
- ✓ Post service & support

PROMISE USA

- USA
- ✓ Sales, Marketing
- ✓ Engineering
- ✓ Quality Assurance
- ✓ Post service & support



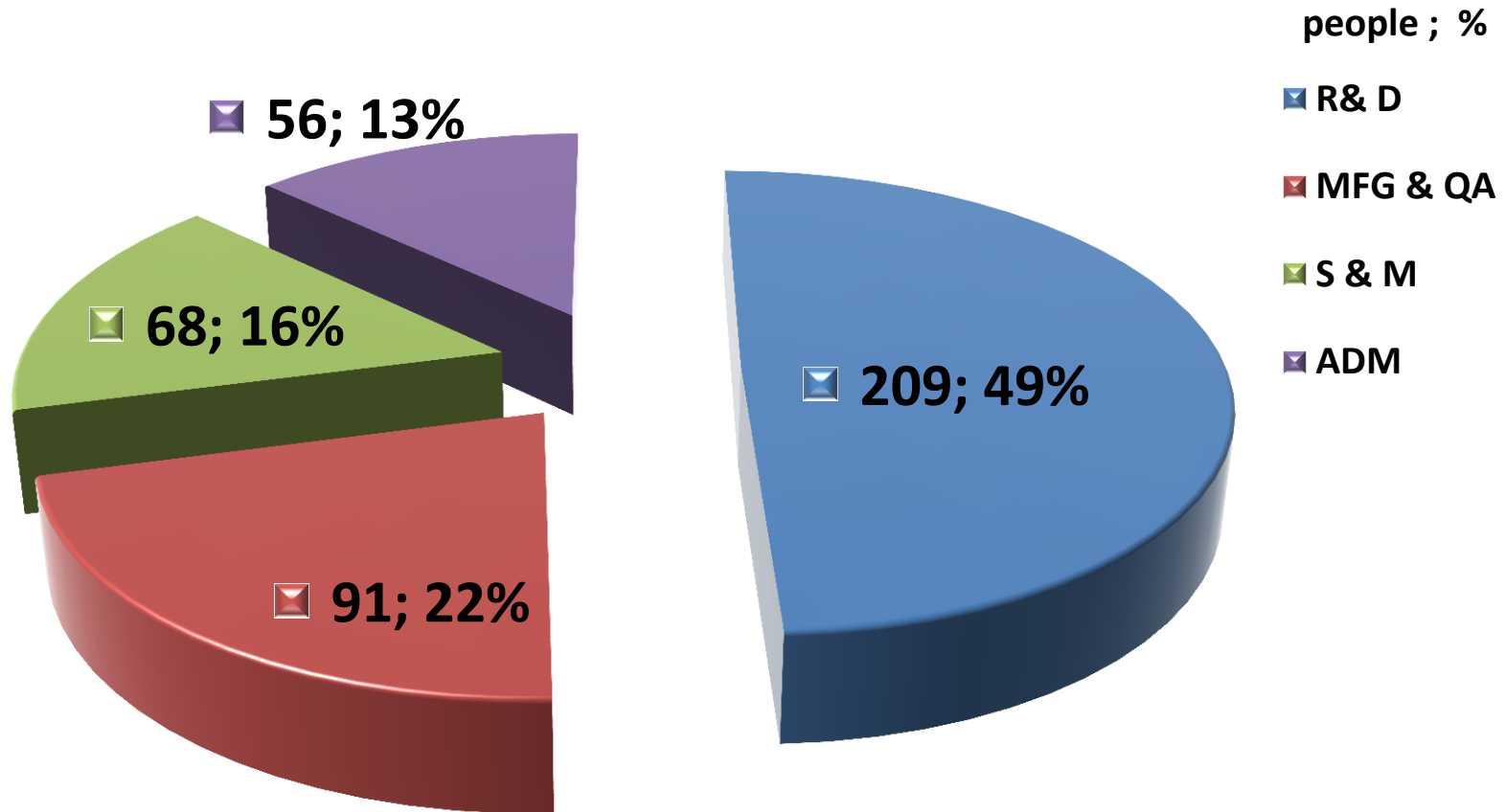
PROMISE Taiwan



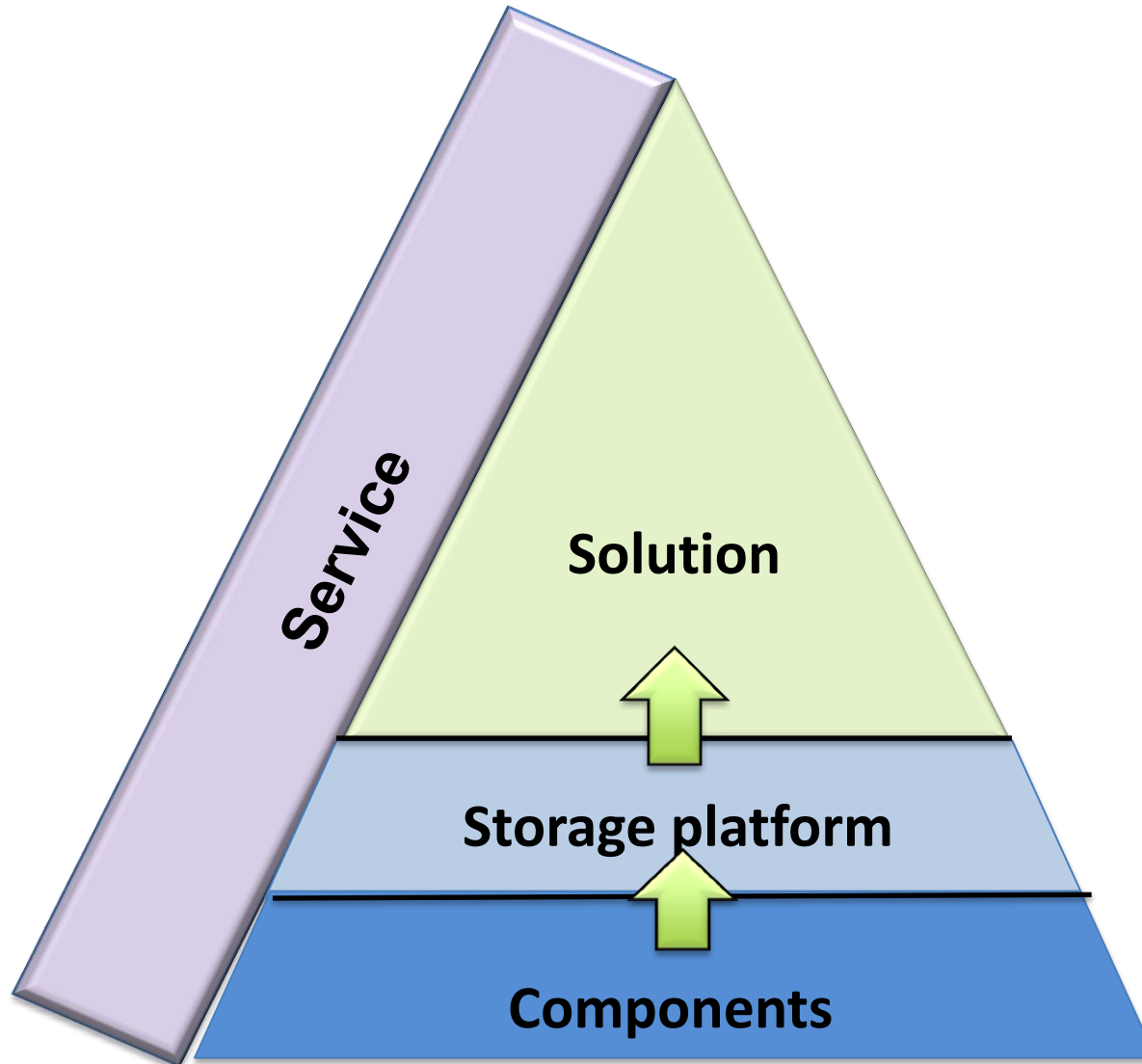
- HQ
- ✓ Sales & Marketing
- ✓ Engineering
- ✓ Manufacturing
- ✓ Quality Assurance
- ✓ Traded at TAIEX

Situation – Employee (2)

Global total 424

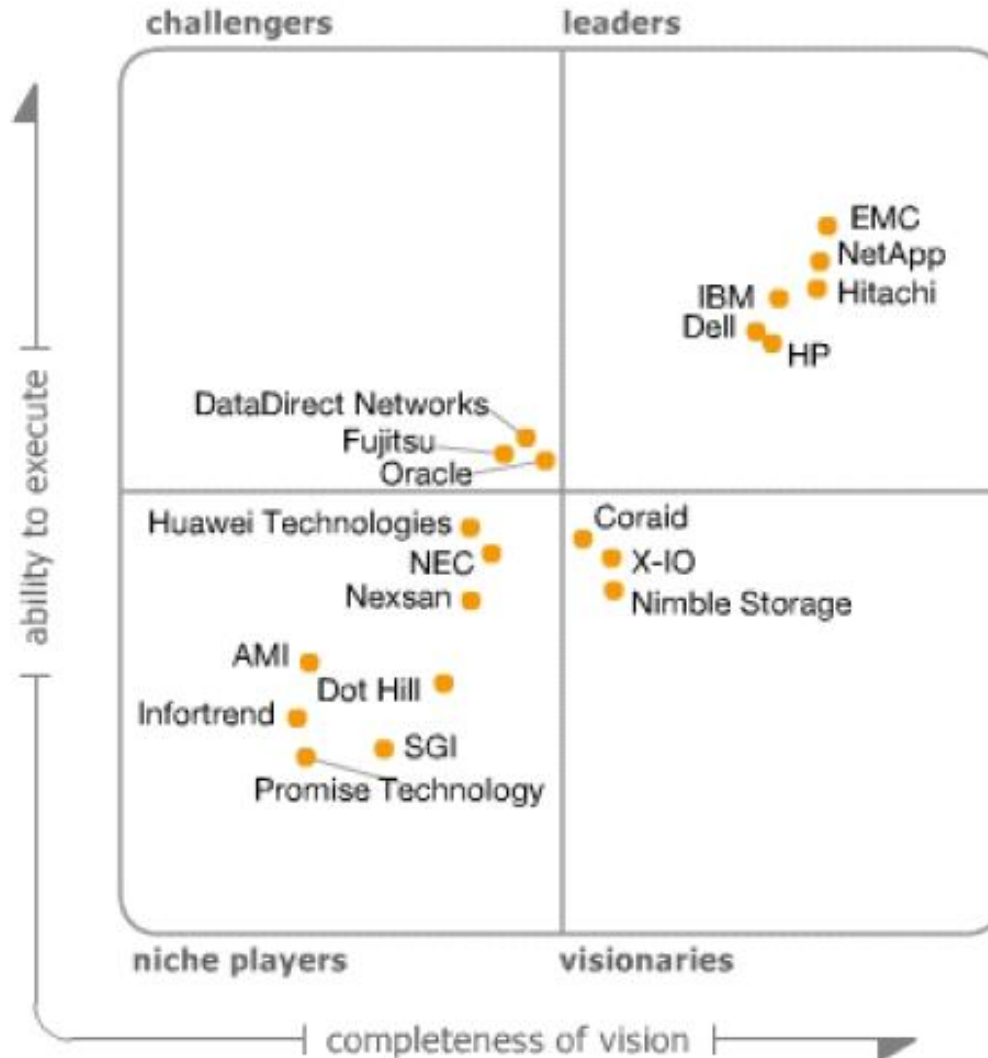


Situation – Storage value chain⁽³⁾



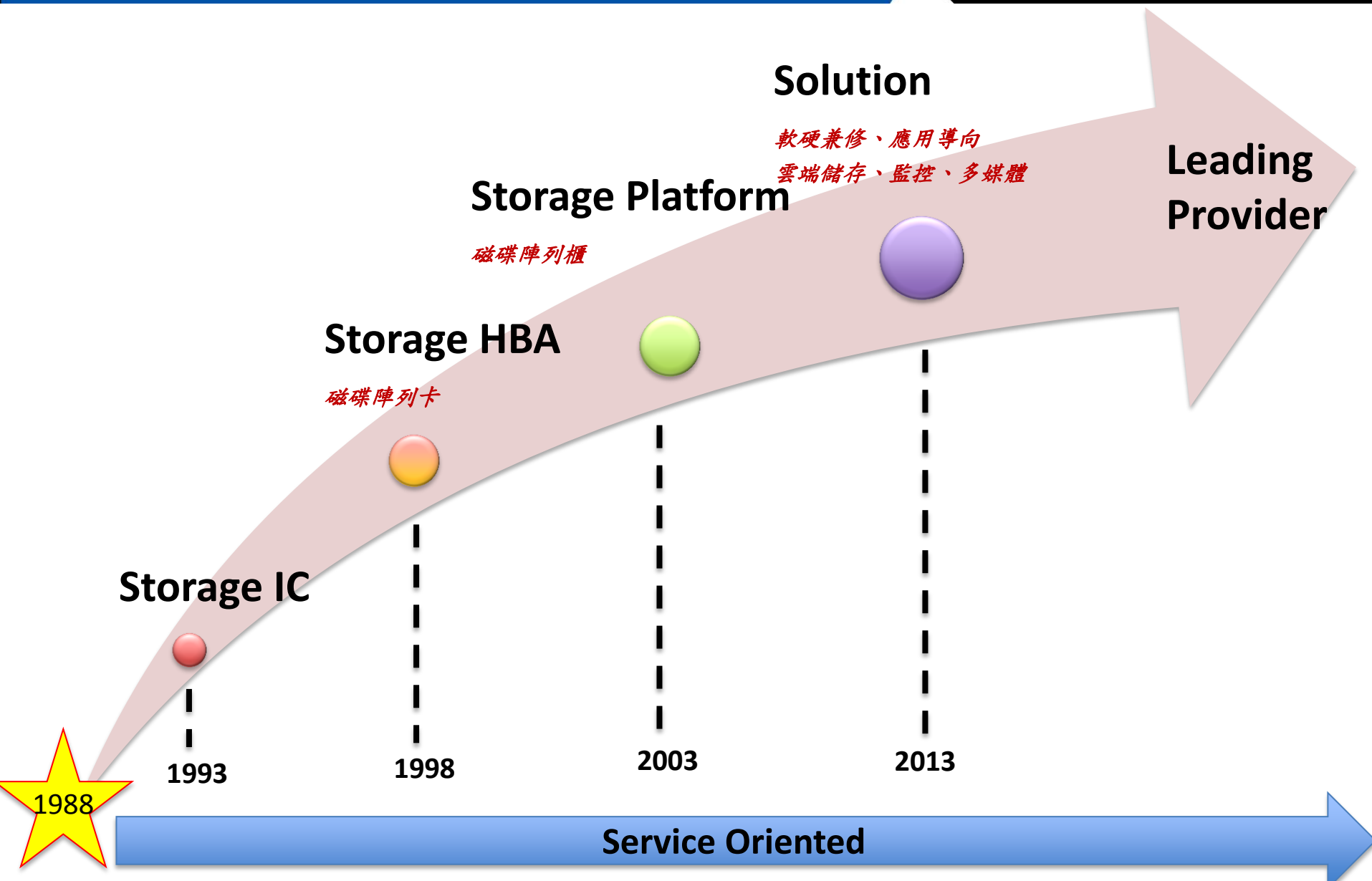
Position – in Storage industry⁽¹⁾

Source: Gartner Magic Quadrant for General Purpose Disk Arrays,
Published: Mar. 21, 2013



As of March 2013

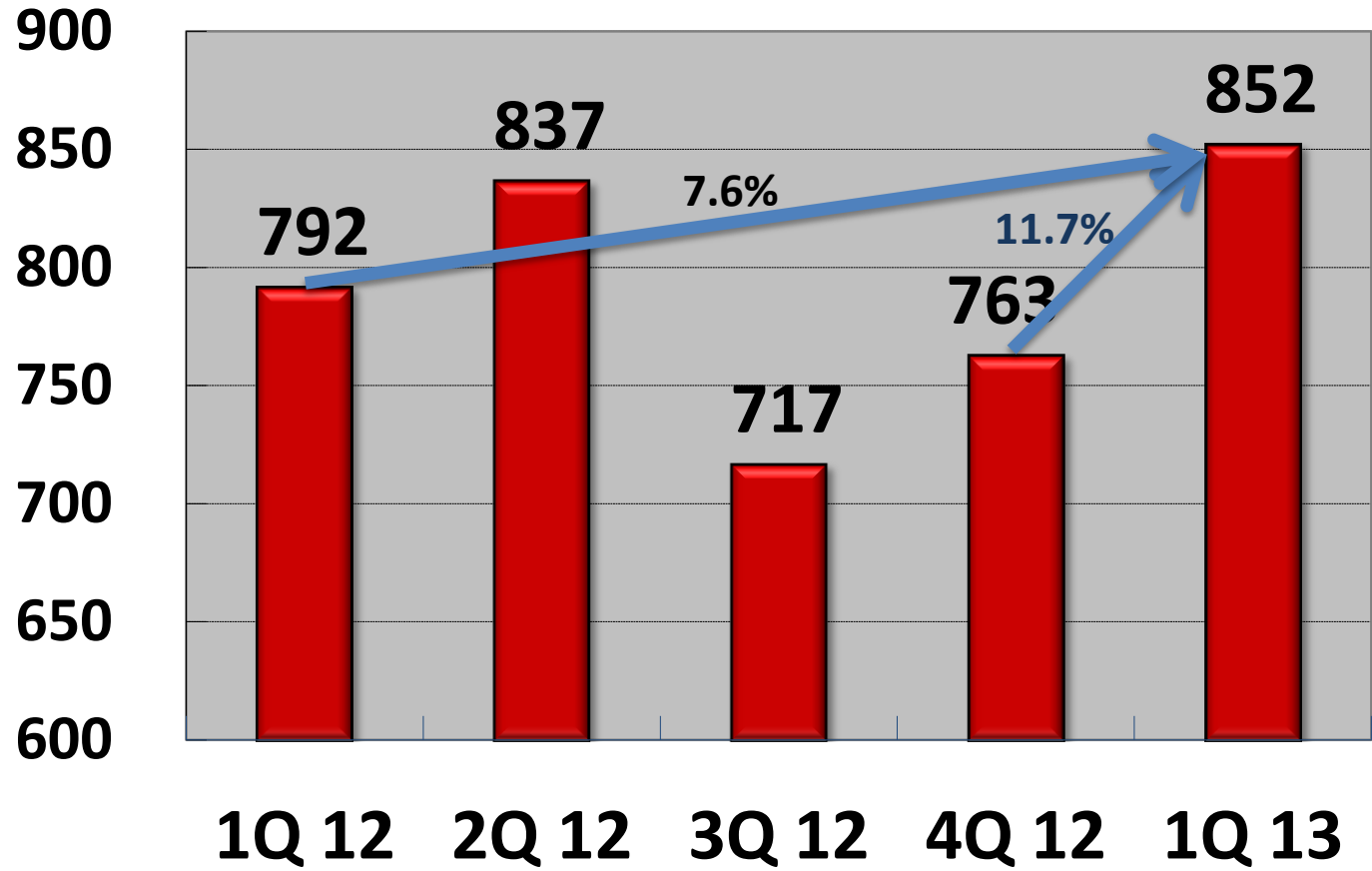
Position – Transformation Model (2)



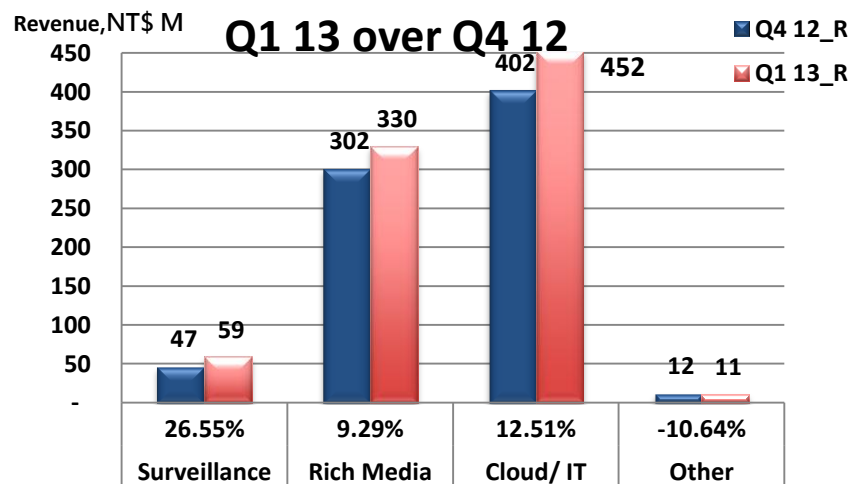
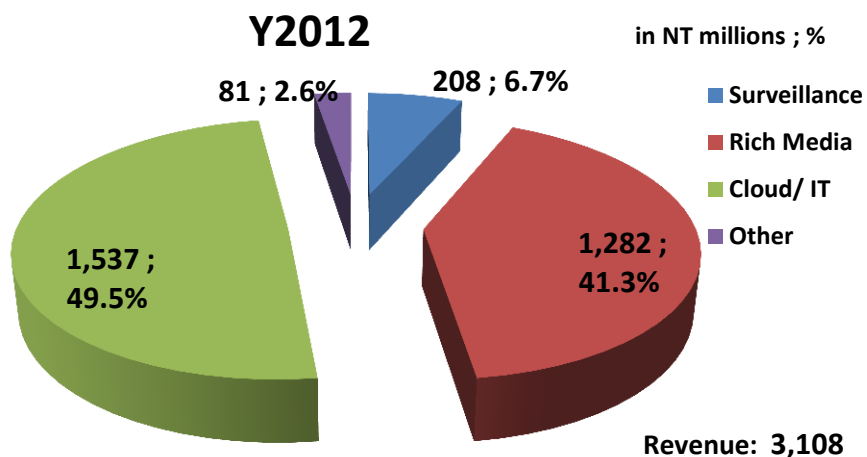
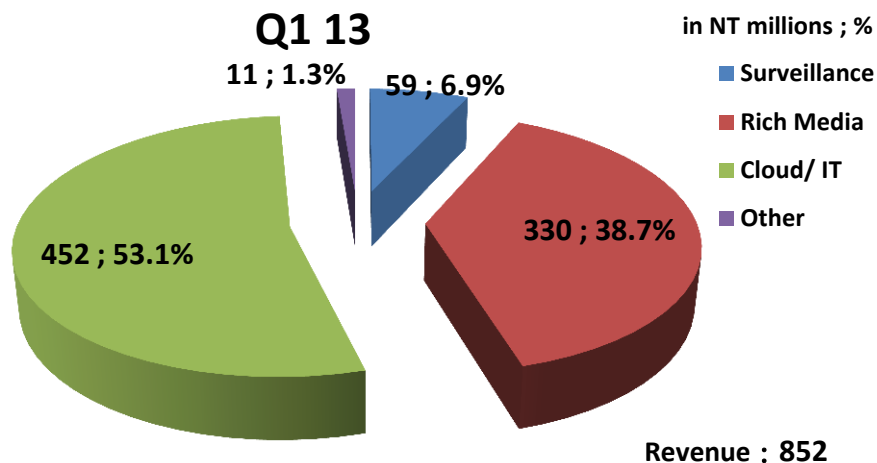
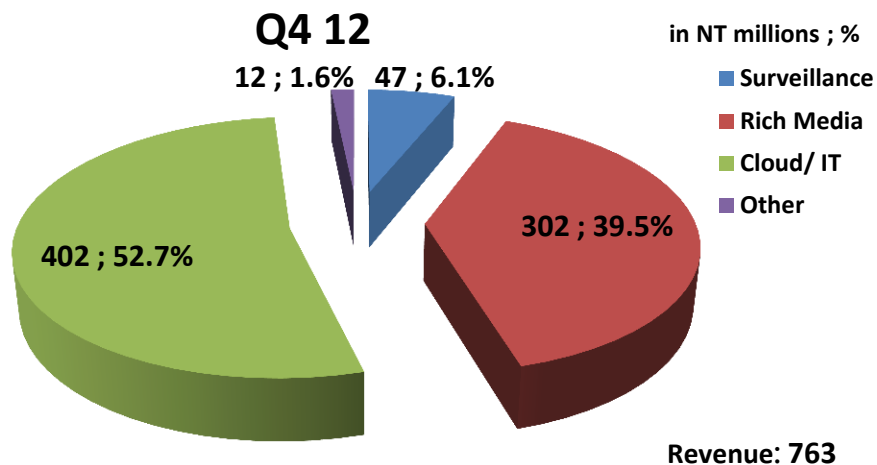
Financial Data-Income Statement ⁽¹⁾

(in NT millions)	1Q13	4Q12	1Q13 over 4Q12	1Q12	1Q13 over 1Q12	2012
Net Revenue	852	763	11.7%	792	7.6%	3,108
Gross Margin	39.7%	41.2%		36.5%		38.7%
Net Profit	65	47	39.2%	10	525.8%	100
Net Profit Margin	7.64%	6.13%		1.31%		3.23%
EPS(NTD)	0.44	0.32	39.0%	0.07	524.8%	0.68
ROE	3.85%	2.86%		0.67%		6.34%
Average Exchange Rate (NTD: USD)	29.48	29.57		29.70		29.57

Revenue, NT\$M



Net Revenue by Market Segment⁽³⁾

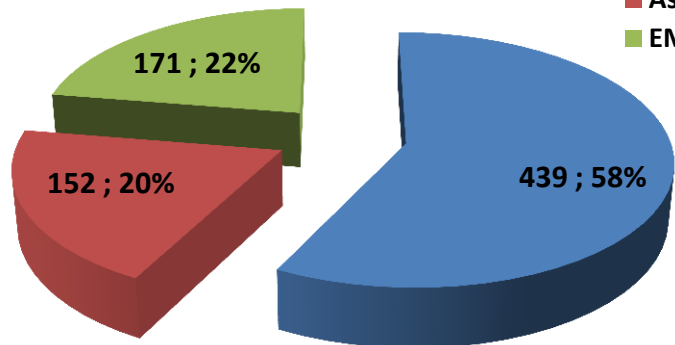


Net Revenue by Geography⁽⁴⁾

Q4 12

in NT millions ; %

- America
- Asia & Pacific
- EMEA

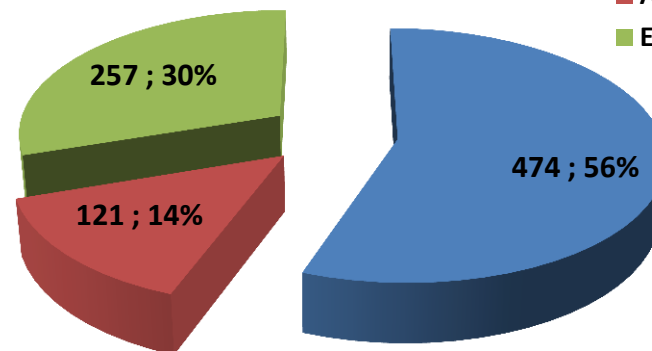


Revenue : 763

Q1 13

in NT millions ; %

- America
- Asia & Pacific
- EMEA

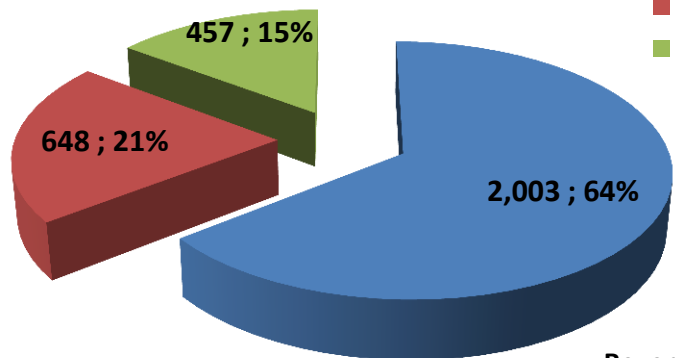


Revenue : 852

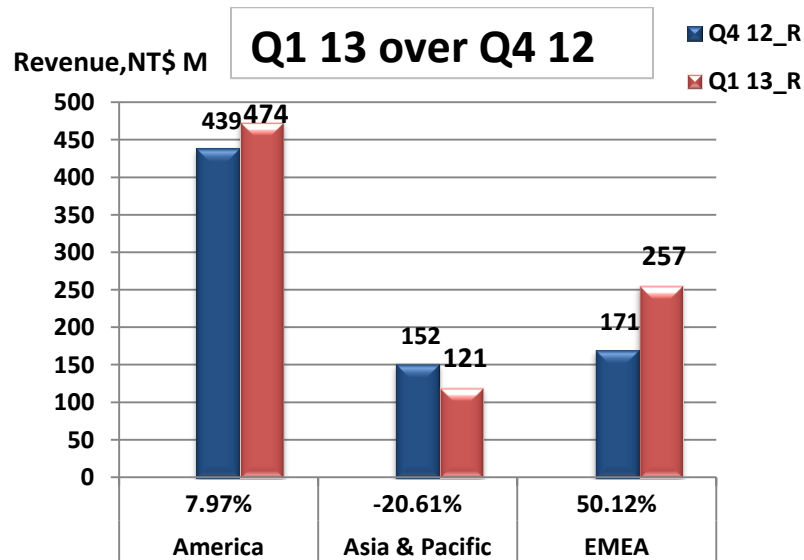
Y2012

in NT millions ; %

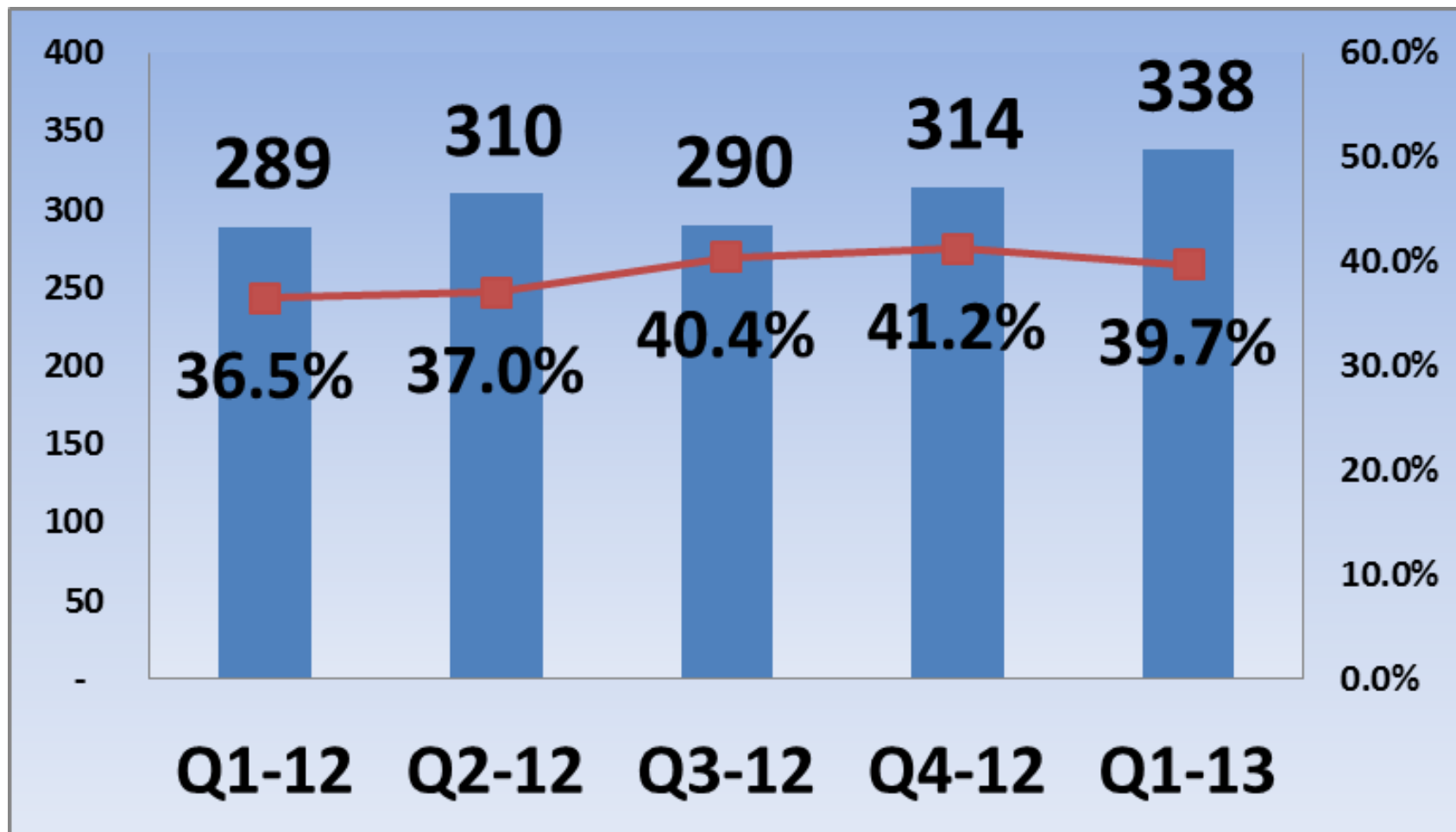
- America
- Asia & Pacific
- EMEA



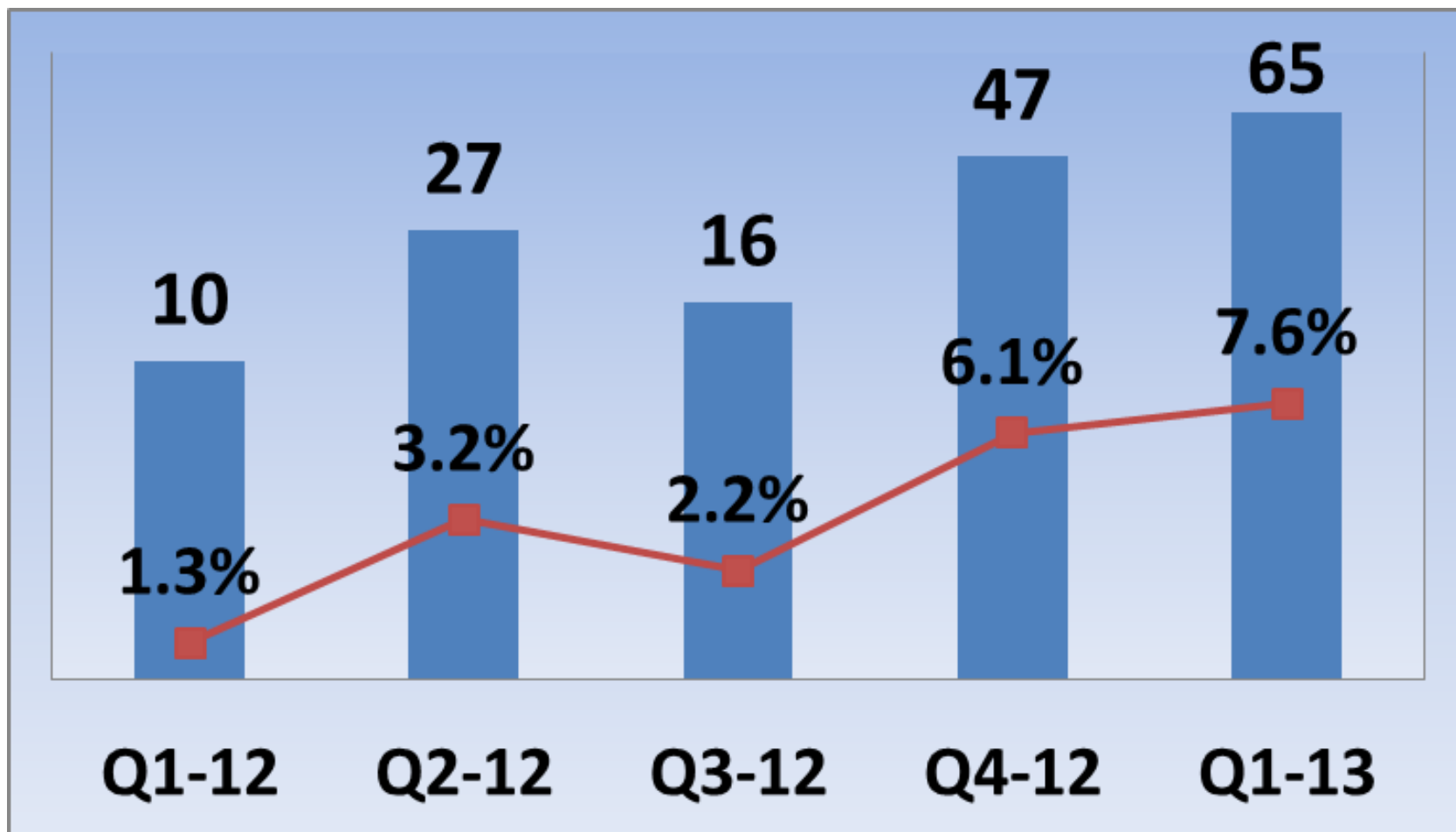
Revenue : 3,108



In NT millions ; of revenue %



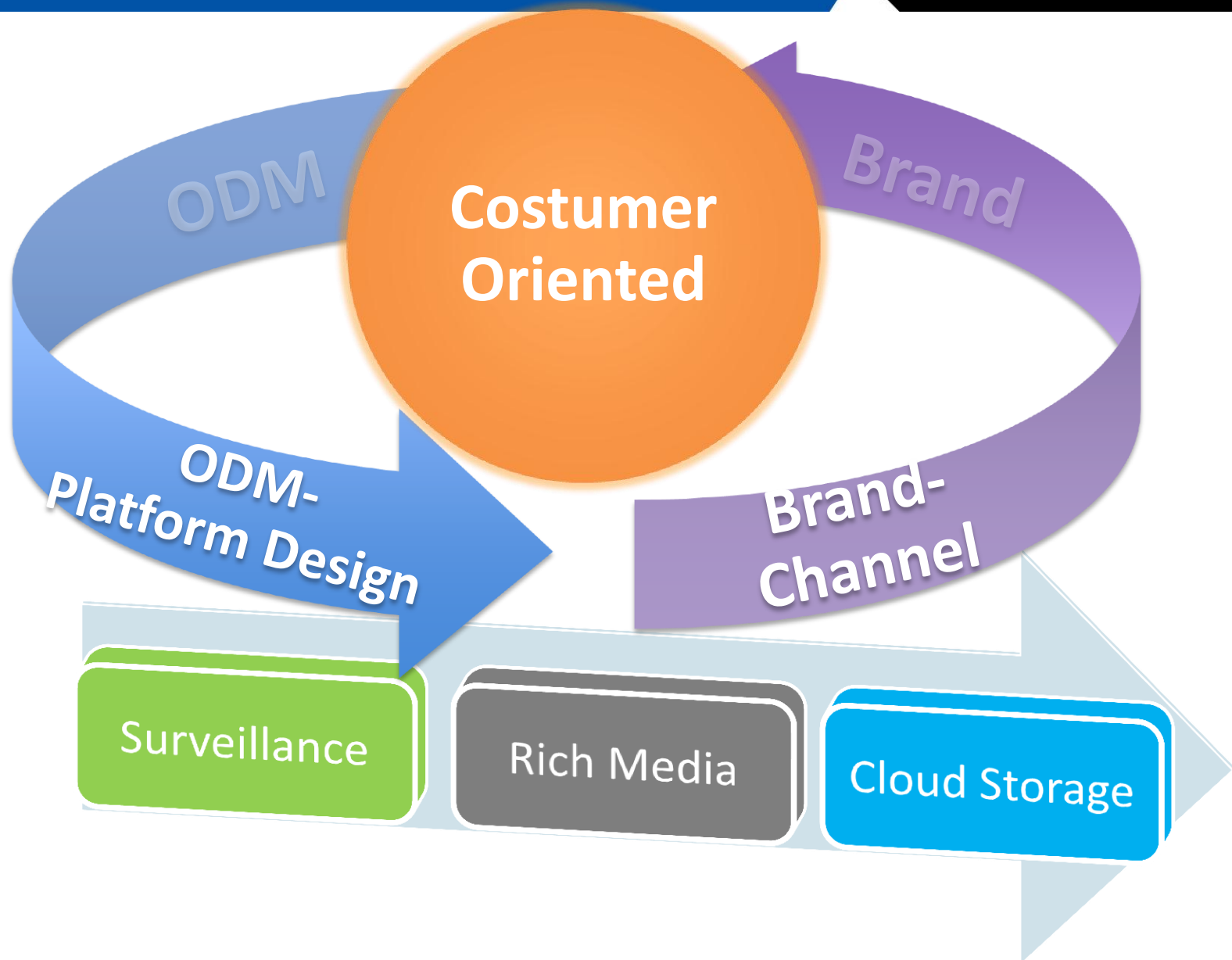
In NT millions ; of revenue %



Balance Sheets & Key Indices ⁽⁷⁾

Selected Items from Balance Sheets	1Q13		4Q12		1Q12	
(In NT millions)	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	540	19	469	17	412	14
Notes & Account Receivable	244	8	168	6	97	3
Inventories	621	21	656	23	852	28
Restricted Assets	134	5	498	18	480	16
Net PP&E	433	15	433	15	472	16
Deffered Expenses	408	14	418	15	449	15
Prepayment & Other assets	515	18	197	7	237	8
Total Assets	2,895	100	2,838	100	2,998	100
Total Liabilities	1,169	40	1,183	42	1,433	48
Total Shareholders' Equity	1,726	60	1,655	58	1,565	52
Key Indices						
AR Turnover Days	50		46		40	
Inventory Turnover Days	113		149		159	
Current Ratio(X)	1.84		1.74		1.47	
Quick Ratio(X)	1.05		0.84		0.57	
*Weighted average outstanding shares were 147,861,784 units in 1Q13						

Strategy –Market Segment ⁽¹⁾



Execution – Resulted and Progress

Surveillance

Resulted – Obtained certificates from global well-known surveillance and IP cam will companies and completed various installation bases globally.

Progress - Corporate with well-known surveillance company – VMS – in technology integration and partnership.

Cloud

Resulted – More than 5 customers had installed Promise Cloud data centers solutions already.

Progress – Expand Cloud software RD team to develop B2B/B2G cloud solutions, integrate technology and application, and install and certify at enterprise cloud system.

Rich Media

Resulted – cooperated with many US Media companies in Sales and built up global image, obtained certificates, recognition and trust.

Progress – strengthen HW/SW technology, provide based to higher end products.

Vision – Growth Driver

Surveillance

will incorporate with well-known surveillance company – VMS - through technology integration and partnership. This will promote company image, enhance sales/channel capability, and expand customer base.

Cloud

will base on current customers base, execute strategy implementation with two digits growth target.

Rich Media

It expects 15 – 25% growth as HW/SW technology enhancement, all functional products launch, market maturity, and global customer recognition.



Thank You!