



Promise Tech. (3057)
Business operation and strategy for Q1 of 2014

Speaker: James Lee

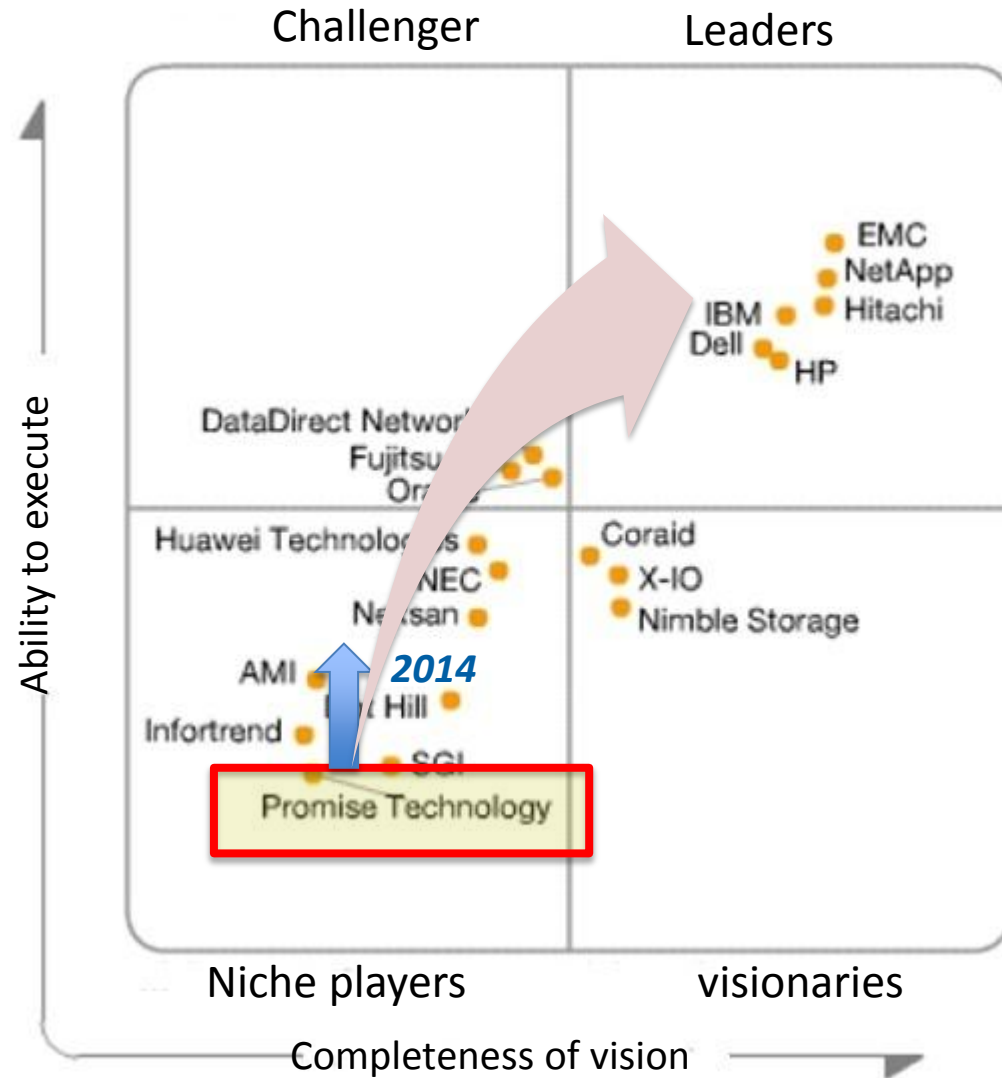
Chairman / CEO

Date: May 26, 2014

- **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.**

- **Current status**
- **Finance**
- **Market**
- **Prospect**
- **Conclusion**

Current status (1)



Strategy Partner:



SONY

NEC

Current status (2)



PROMISE OFFICE

- Taiwan Head Quarter** : Hsinchu, Taipei, Kaohsiung
- N. America Office** : Silicon Valley, California
- EMEA Offices** : The Netherlands, Germany, Dubai
- Japan Office** : Tokyo
- China Offices** : Beijing, Shanghai

PROMISE EMEA
PROMISE Netherlands

PROMISE Germany



PROMISE China

PROMISE Japan

PROMISE USA



歐洲暨中東分公司
 ✓ Sales & Marketing
 ✓ Post service & support
 ✓ Logistic Hub

PROMISE Dubai

PROMISE Taiwan



喬鼎資訊
 ✓ Sales & Marketing
 ✓ Engineering
 ✓ Manufacturing
 ✓ Quality Assurance
 ✓ Traded at TAIEX

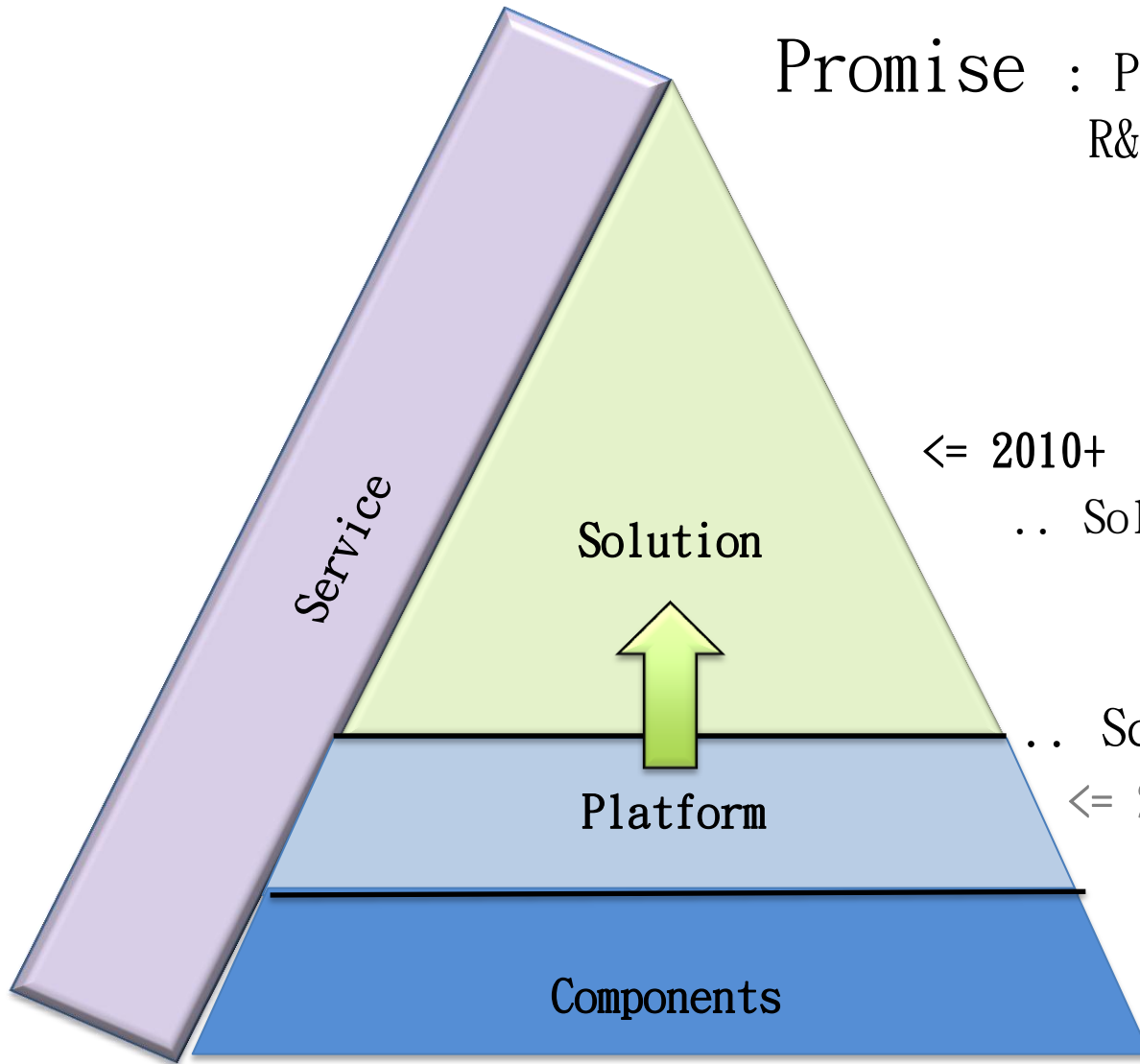
中國分公司
 ✓ Sales & Marketing
 ✓ Engineering
 ✓ Post service & support

美國分公司
 ✓ Sales, Marketing
 ✓ Engineering
 ✓ Quality Assurance
 ✓ Post service & support

Employee size ~ 500

R&D ~ 230 (46%): US, Taiwan, China S&M ~ 90 (18%)

Current status (3)



Promise : Past/Current/Future
R&M/Surveillance/Cloud

<= 2010+

.. Solutions :

Software Define Storage,

Virtualization & Applications

.. Scalability

<= 2000-2010

.. *Security : RAID*

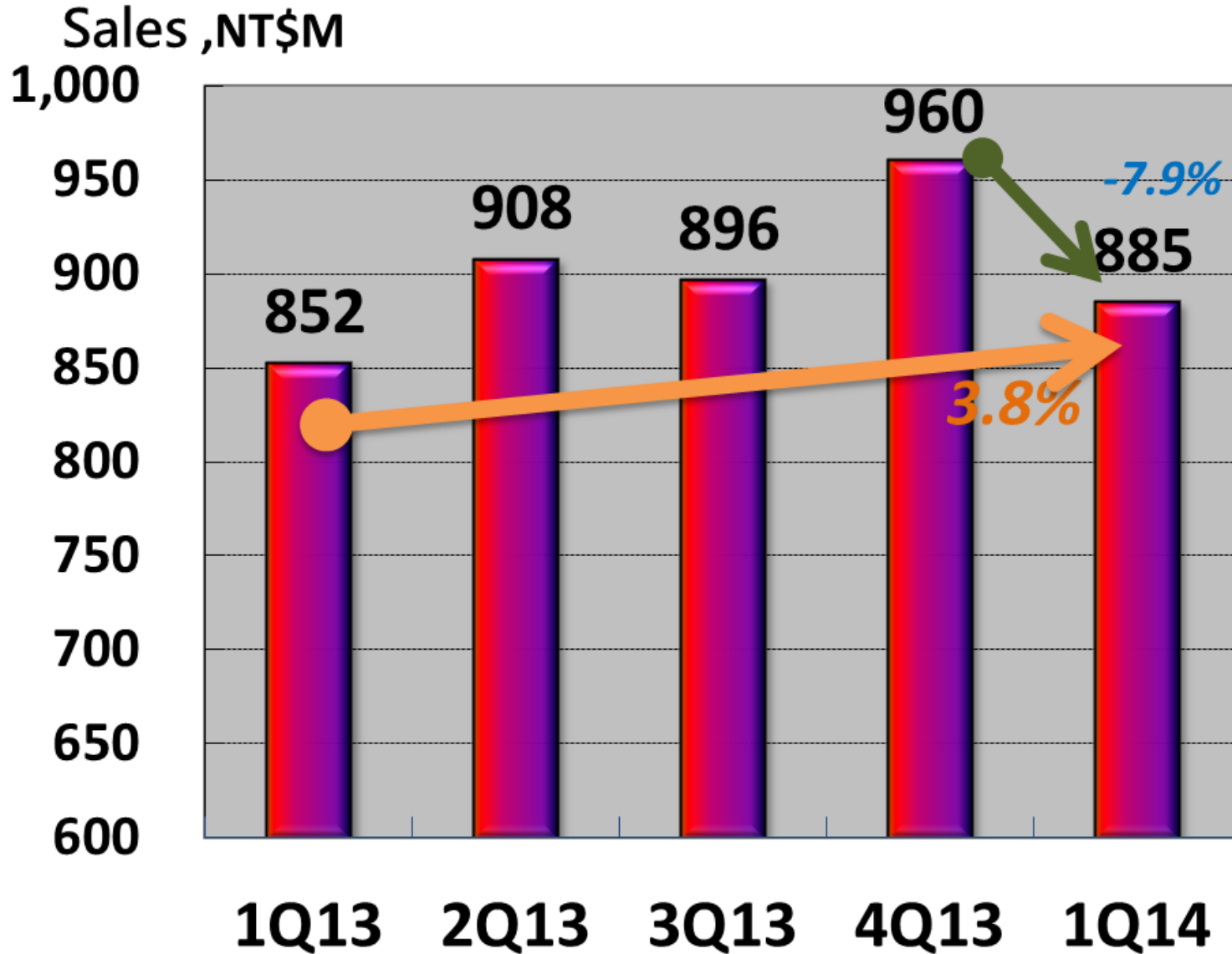
<= By 2000

.. *Speed*

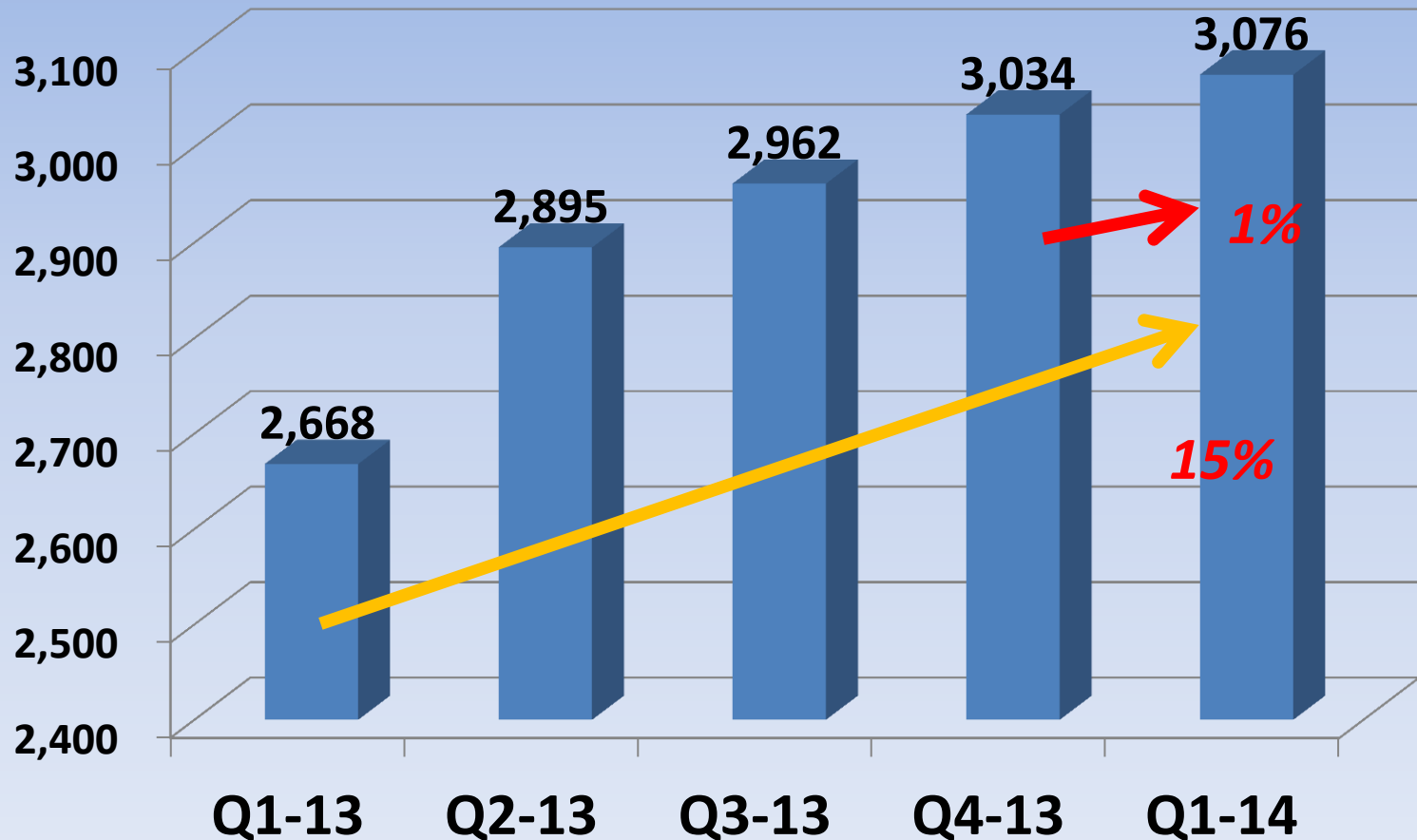
Finance: I/S 1Q 14, 2Q/4Q 13 (1)

(In NT\$ Millions)	1Q14	4Q13	Quarterly Change	1Q13	Yearly Change
Net Revenue	885	960	-7.9%	852	3.8%
<i>Gross Margin</i>	43.1%	42.5%	<i>0.62ppts</i>	39.7%	<i>3.38ppts</i>
Operating Expenses	308	303	1.4%	267	15.3%
<i>Operating Margin</i>	8.3%	10.9%		8.4%	
Net Income	83	98	-15.1%	65	28.1%
<i>Net Profit Margin</i>	9.4%	10.2%	<i>-0.80ppts</i>	7.6%	<i>1.79ppts</i>
EPS(NT\$)	0.52	0.66	(0.14)	0.44	0.09
ROE	14.6%	20.5%		15.7%	
FX rate(NT\$/US\$)	30.272	29.689		29.481	

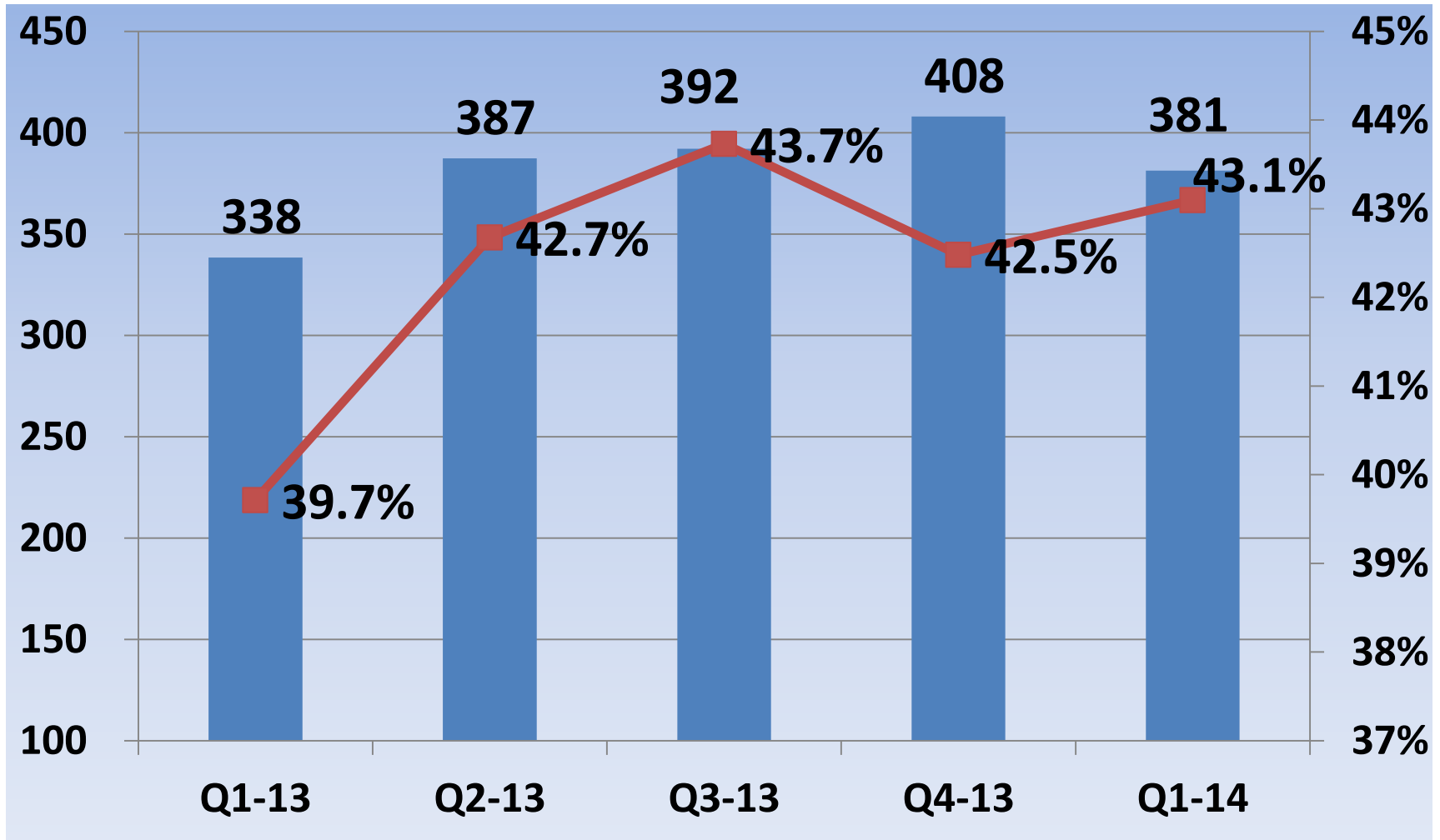
Finance – Revenue analysis (2)



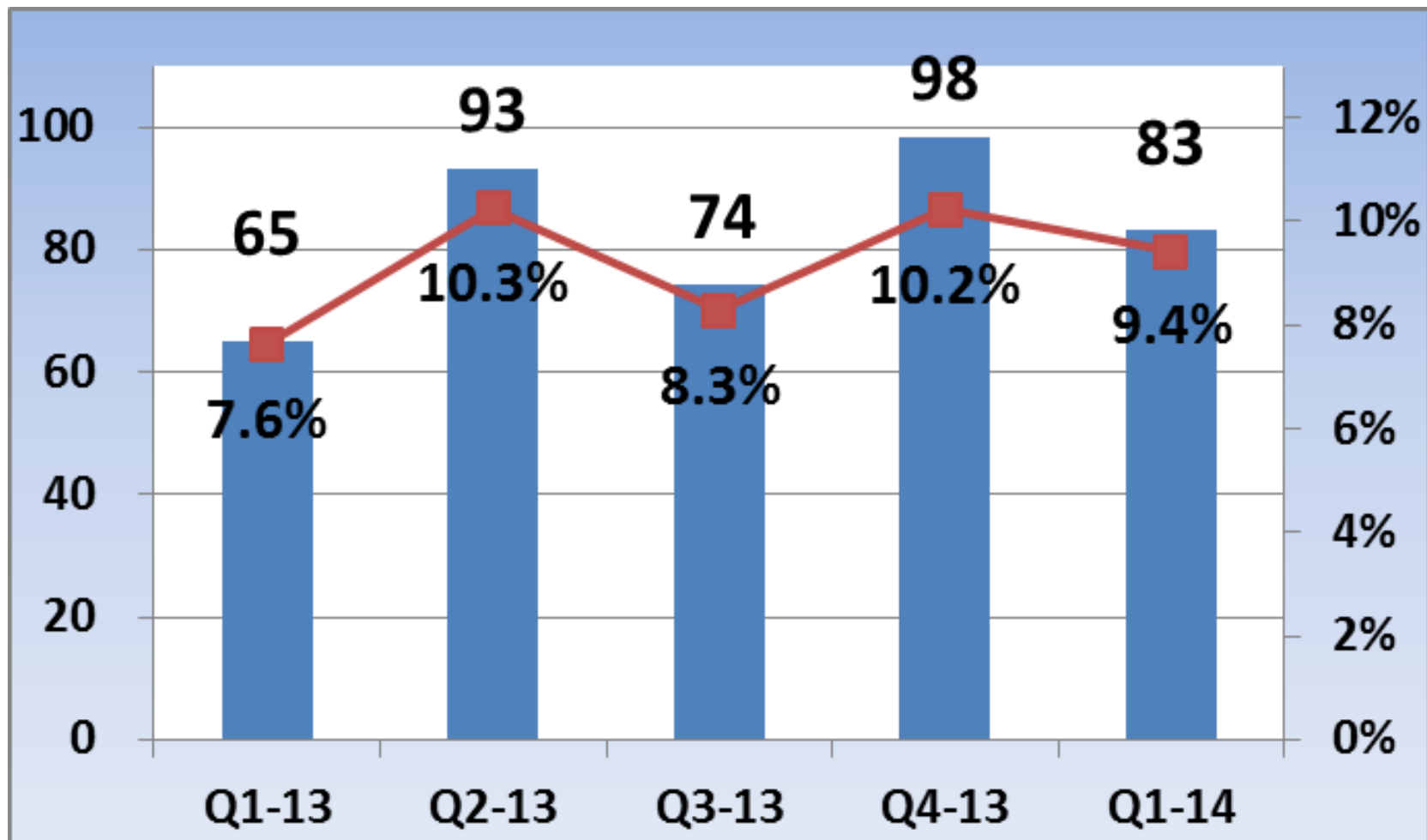
Operation Expense(NT\$M)



Unit : NT\$ M / Margin rate



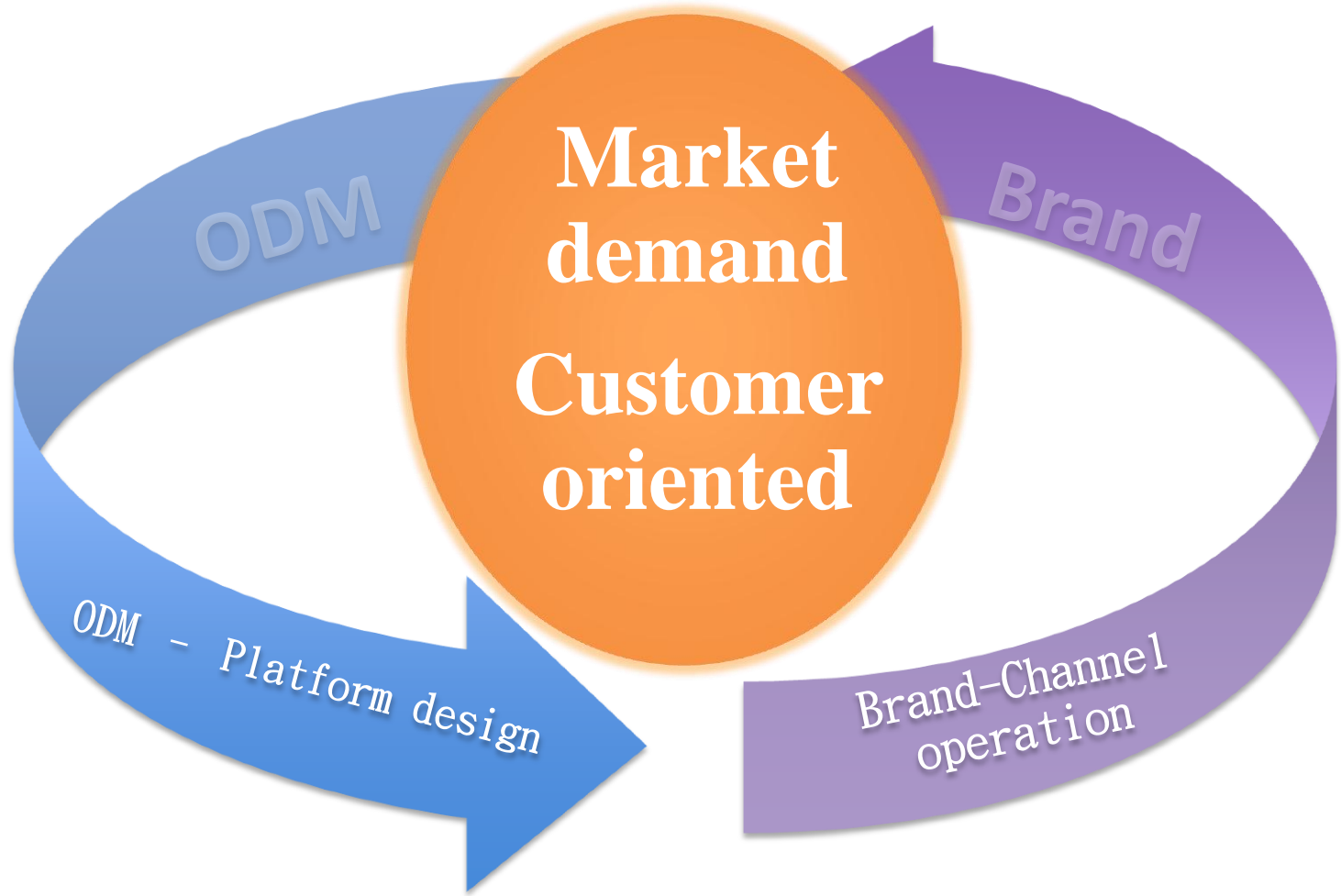
Unit : NT\$ M / Net profit rate



(In NT\$ Millions)	3Q13		3Q13		3Q13		3Q12		1Q12	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	733	24	733	24	733	24	422	15	412	14
Notes & Account Receivable	238	8	238	8	238	8	407	14	341	11
Inventories	639	21	639	21	639	21	732	25	852	28
Restricted Assets	135	4	135	4	135	4	235	8	235	8
Net PP&E	427	14	427	14	427	14	445	15	472	16
Defferred Expenses	398	13	398	13	398	13	429	15	449	15
Prepayment & Other assets	514	17	514	17	514	17	230	8	237	8
Total Assets	3,084	100	3,084	100	3,084	100	2,900	100	2,998	100
Total Liabilities	1,259	41	1,259	41	1,259	41	1,301	45	1,433	48
Total Shareholders' Equity	1,825	59	1,825	59	1,825	59	1,599	55	1,565	52
Key Indices										
AR Turnover Days	237,828		237,828		237,828		44		40	
Inventory Turnover Days	656,020		656,020		656,020		153		159	
Current Ratio(X)	1.83		1.83		1.83		1.56		1.47	
Acid Ratio(X)	1.11		1.11		1.11		0.70		0.57	

*Weighted average outstanding shares were 147,867,004 units at 9/30/2013□

*Financial data are not audited by CPA.



Brand : ODM ; Sales portion ~ 50 : 50

Market – 3 Target segment

(2)

PROMISE
TECHNOLOGY, INC.

Rich Media



Video Surveillance



Cloud & Datacenter





VTrak series

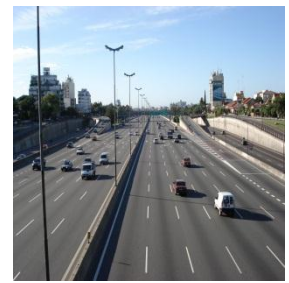


Broadcasting, Post Production, Archiving, Replication and 4K/8K Video

Market – Video Surveillance

Storage for NVR (Network Video Recorder)

(4)



- Airports
- Banks
- Casinos
- Governments
- Highways
- Hospitals
- Metro & Trains
- Mines
- Oil companies
- Prisons
- Shopping malls
- Warehouses

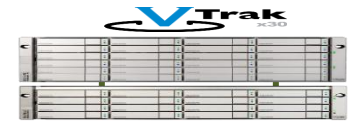
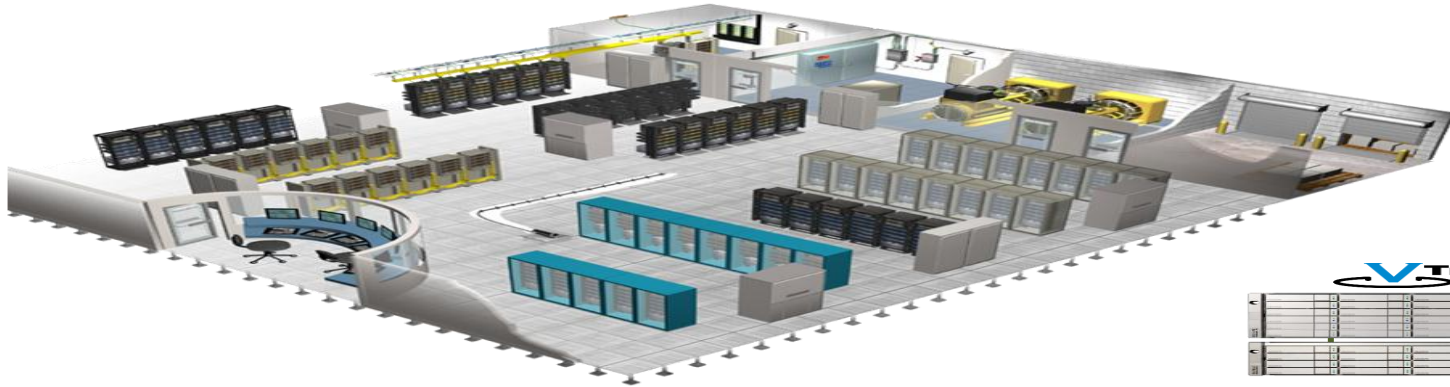


EcoSystem Partners Security



The Open Platform Company





- CERN's Data Centers



- Academia Sinica Grid Computing Center (ASGC)

- 4 new products launched in 2013
 - Surveillance: VessA
 - R&M: Vtrak A class; Pegasus 2 (4K ready)
 - Cloud: FileCruiser
- New geography / customer acquisition
 - South America / Canada / Mid East / Africa / Russia
 - New ODM customers acquisition
- New ISV alliances
 - Asset management in R&M market
 - Backup applications in R&M and Cloud market
 - VMS certifications
 - Big Data partners engagement
- Solution team setup

Promise business guidance

Envisioning the trends, seizing the moment and executing

Enabling PROMISE to become a world-class storage solution provider

Cultivating markets, developing talent, and expanding our technology

Developing fully integrated technology and training international talent are key parts of our goal of becoming one of the top three in the market

Creating brand value, growing the value of our solutions, and building win-win-win situations

Applying the demands of the market to create customer oriented solutions and enhanced service to build brand value and grow our sales and value of our production

Creating win-win-win situations by pursuing the mutual satisfaction of all our employees, customers, and shareholders



Thank You!