



Promise introduction

Value, not volume

Transform storage device provider to solution provider

Chairman Office
Alan Cheng

- Industry Trend and Opportunities
- Promise's Global Operation
- Promise at a Glance
 - Customers ,partners and products
 - Financial status
- Growth Strategy
- Three Segments case study
- Q&A

AGENDA

IT Trend - IDC predictions 2013 (2012/11)

- 2013 WW IT spending: \$2.1T (up 5.7%)
- By 2020, when the ICT industry reaches \$5 trillion.
- The 5 key technologies drive 98% of future ICT growth: **IOT**, Mobile, **Cloud computing**, Social business and **Big Data** Analytics. (22% to 40%)
- Gartner: 80% couldn't get the benefit from Big Data by 2015.

**ICT Innovation
2005-2020+**

**ICT Innovation
1985-2005**



- ECB storage
 - WW ECB market size will be US\$ 30B (2017, CAGR 5.6%, Gartner)
- Cloud
 - WW cloud market: \$ 67.6B(2017, CAGR 38%)
 - WW cloud storage: \$ 12.1B (2018, CAGR 40%, Market and Market)
- Big Data
 - WW \$10B in 2013. \$20B in 2016. (CAGR 39%)
 - China : \$0.08B to \$0.6B in 2016 (CAGR 51% ,IDC)
 - Taiwan: \$0.024B in 2012 to 0.0365B by 2015.(CAGR 24% ,III MIC)
- Surveillance Storage
 - WW \$6.4B in 2015 (CAGR 19%, PIDA)
- Rich media Storage
 - WW \$ 11.9B in 2018 (CAGR 14%, Coughlin)

Snapshot of Promise

- Top 10 Storage vendor worldwide
- High Margin: 45.6% (entry barrier)
- RD/Rev. of Promise is 15% > Tier 1 IT vendor 6%~8%
- Promise brand v.s. ODM: 45% v.s. 55%
- 80%+ rev. from US & EMEA, WW brand, S&M, channel & service



Vendor	2013 Revenue US\$M	2013 Market Share	2013-2012 Growth rate
EMC	7,723.20	34.3%	3.69%
IBM	2,853.50	12.7%	-3.72%
NetApp	2,666.70	11.8%	6.32%
HP	2,081.30	9.2%	6.05%
Hitachi/HDS	1,997.00	8.9%	-6.60%
Dell	1,474.20	6.5%	-8.42%
Fujitsu	484.7	2.2%	5.90%
Oracle	223.6	1.0%	-30.06%
Promise	121.8	0.54%	15.92%

Income statement, 2010~2014 Q1

(In NT\$ Millions)	2010	2011	2012	2013	2014 H1
Net Revenue	2,614	2,828	3,108	3,617	1,852
Gross Margin	50.3%	40.2%	38.7%	42.2%	45.6%
Operating Expenses	1,301	1,253	1,052	1,156	630
Operating Margin	0.5%	-4.1%	4.9%	10.2%	11.5%
Net Income	6	(183)	101	331	178
Net Profit Margin	0.2%	-6.5%	3.2%	9.1%	9.6%
EPS(NT\$)	0.04	(1.25)	0.68	2.22	1.11
ROE	0.3%	-11.7%	6.4%	(1H 9.4%) 17.2%	8.1%
FX rate(NT\$/US\$)	31.518	29.390	29.574	29.689	30.182

Worldwide customers and Partners



中華電信



政的大哥大
台灣大哥大



Microsoft



acer

AMD

ASUS



lenovo 联想

HITACHI
Inspire the Next

SONY

TOSHIBA
Leading Innovation >>>



Western
Digital

FUJITSU

SUPERMICRO

NEC

Kodak

AVNET



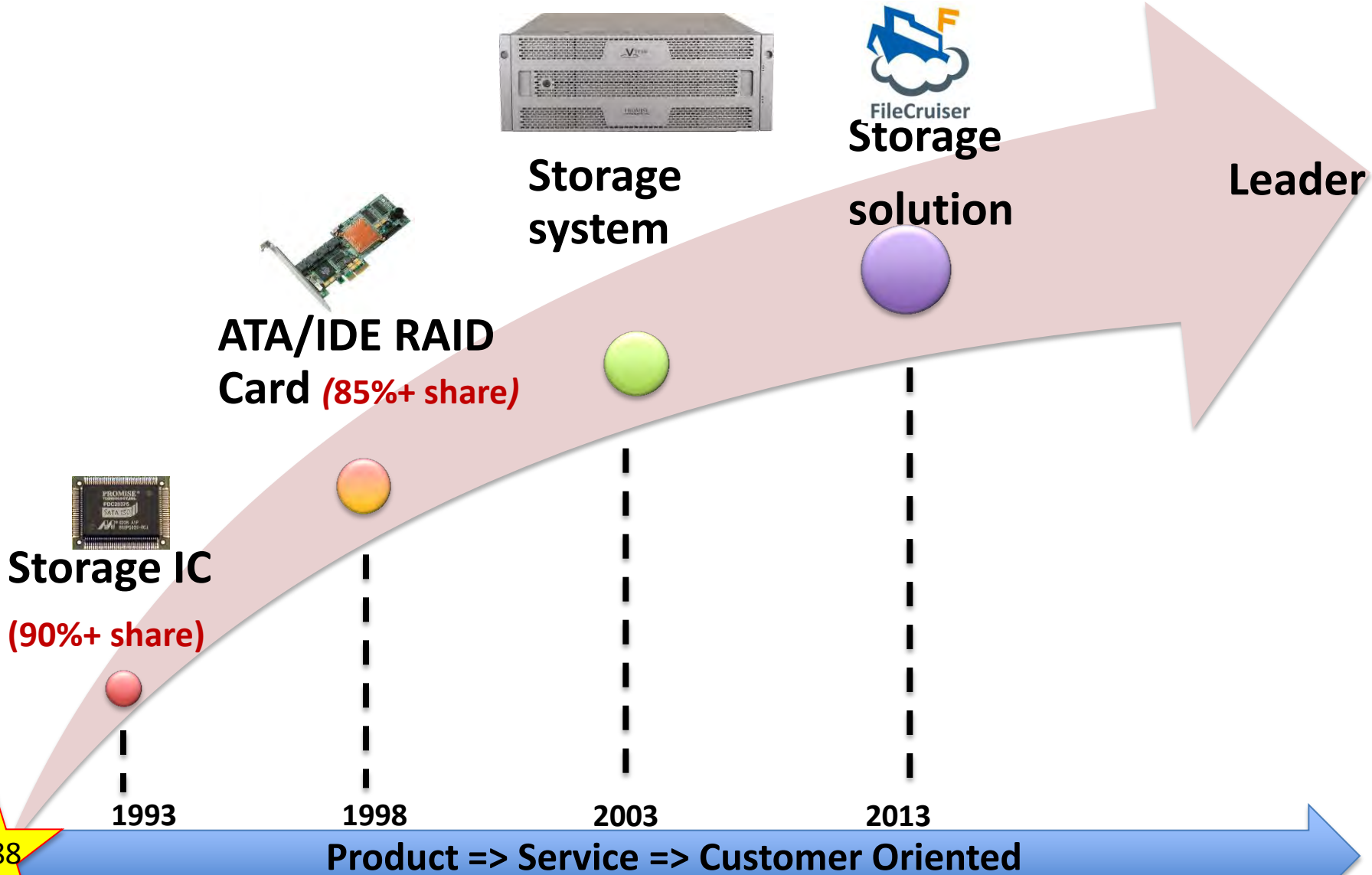
NOVA
DESIGN
浩漢設計

TYAN



同有 北京同有飞骥科技有限公司
TOYOU TOYOU FEIJI ELECTRONICS CO.,LTD.

Positioning Change



- Re-Positioning
 - Provide storage solutions to compete with worldwide storage vendors.
- How to achieve:
 - Worldwide partner:   **SONY**
 - Provide industry application, not IT application
 - Surveillance: Vess A-Class
 - Rich Media: VTrak A-Class
 - Cloud storage: FileCruiser, Object Storage, Block Storage.
 - Solution oriented: In-house design SW application and ally with 3rd ISVs.

Gartner Report 2013-03-21



Target Market / Solutions / Cases

Rich Media



Video Surveillance



Cloud & Datacenter



Product Line by Segment

SOHO & Home



Portable & Collaboration Storage

- Consumers/ProSumers
- Photographers
- Rich Media Post-Production
- Design Studios



Pegasus J2/J4

SMB



SMB Unified Storage

- Virtual Servers
- FC/iSCSI SAN, NAS
- Backup & Archive
- Surveillance



VessApp Series



Pegasus R4/R6




FileCruiser

Enterprise

Scale-Out Shared SAN

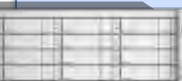
- Rich Media Integrated Appliance
- Post-Production/Broadcast




SANLink

Rich Media FC SAN Connectivity

- All Thunderbolt devices
- Pegasus to VTrak




VessRAID 2000 Series




SMB/Enterprise Cloud Storage

- Access Anytime Anywhere
- On-Site Private Cloud Security

Datacenter




VTrak Ex30/Jx30



VTrak A3800 Series

FC SAN

- Big Data, Cloud, Datacenter
- Data Asset Management
- Post-Production/Broadcast
- Archival
- File Sharing



Cloud strategy

Cloud strategy

SaaS



PaaS



IaaS



FileCruiser V.S. Other EFSS services

- Integrate with MS A.D. or LDAP
- Remote wipe
- Remote Replication
- Reasonable TCO

(USD)



Assumption:

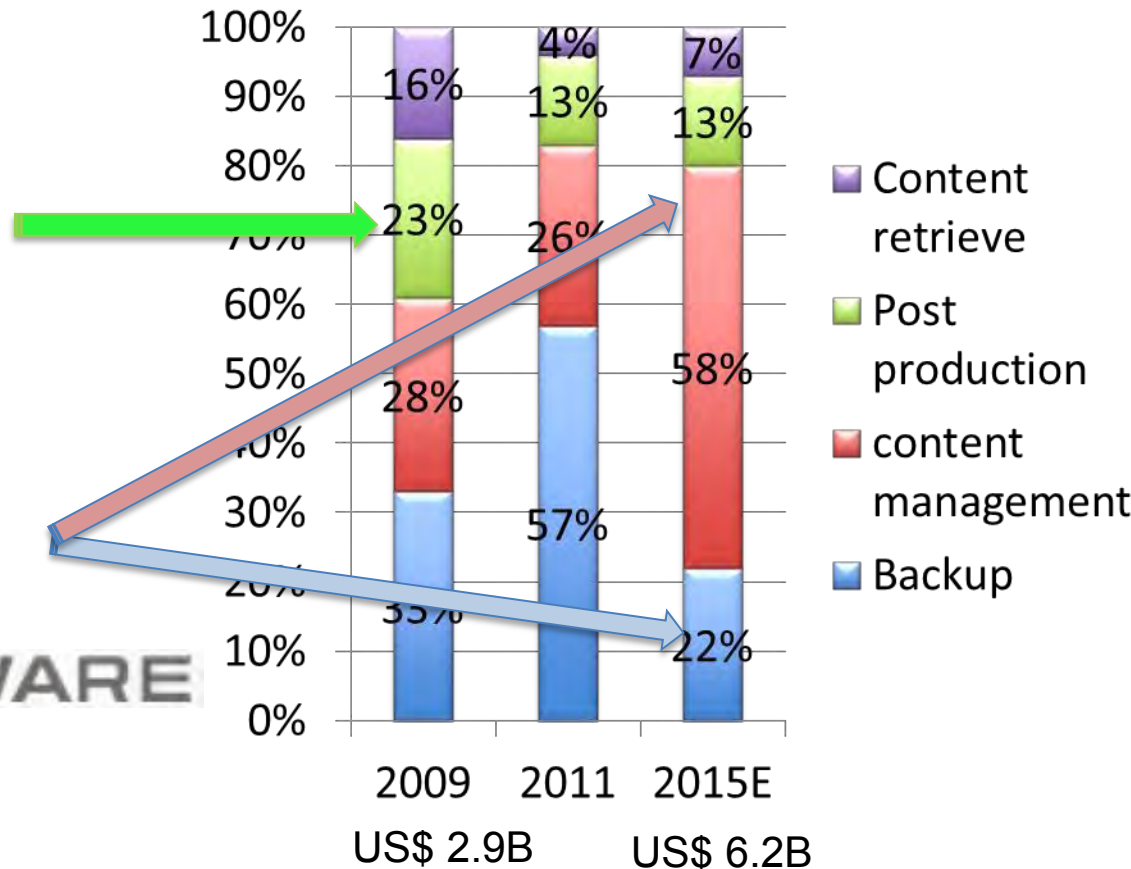
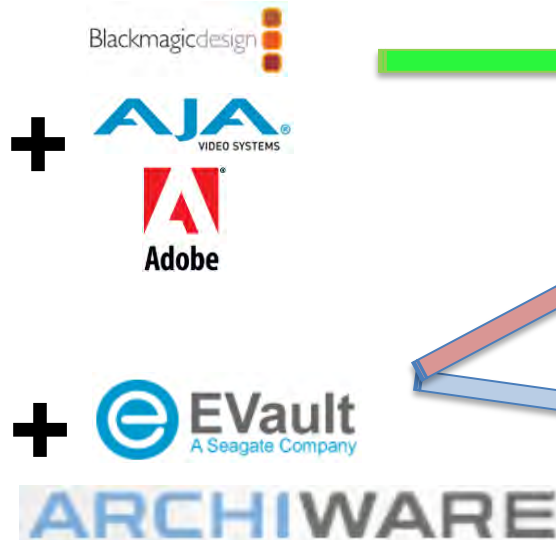
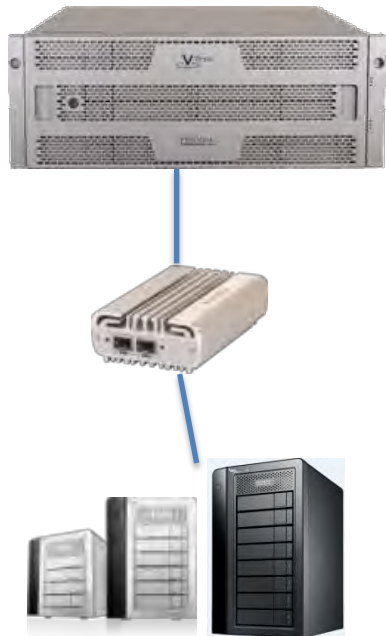
- Around 100GB per users
- 300 accounts in total
- 3 years total cost
- Compared to the business plan
- Survey in April 2014
- Supposes the maintenance cost is 30% of FileCruiser's cost

R&M Lab. & strategy



Rich media strategy

- Ally with third party ISV to penetrate R&M application portion.
- 4K/8K opportunity: Thunderbolt 2 product from SMB to enterprise.



4K opportunity

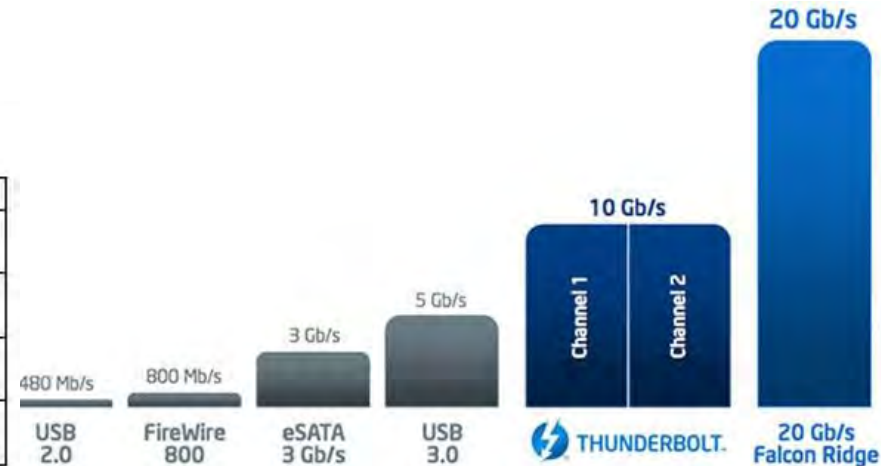
	2013	2014	2015
4K Panel size in 39" to 48"	1M pc	5M pc	10M pc
4K Panel size in 50"+	2M pc	8.5M pc	22.5M
4K panel / total Panel	1.3%	5.7%	13.8%



Source: TRI, 2013

Table 2. Feature Film Metrics (24 fps, 10-bit deep, 3-color file assumed)

	2K Resolution	4K Resolution
Size of Single Frame	8.3 MB	53 MB
Avg. Storage Size of Finished Film	2 TB	8 TB
Data Generated During Production	100-400 TB	400-1,600 TB
Typical Data Rate for Real-Time Film Playback	200 MB/s	1,274 MB/s



VTrak A-Class FC Shared SAN + NAS Gateway

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TECHNOLOGY, INC.

SAN Clients

Mac Pro



MacBook Pro

PC Workstation



SANLink2

Direct 10GBaseT connectivity



Fibre Channel



Portable backup for offsite production shoots

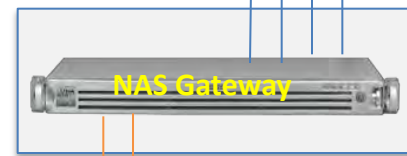


via THUNDERBOLT.

NAS Clients



1Gb Switch



NAS Gateway



Mac

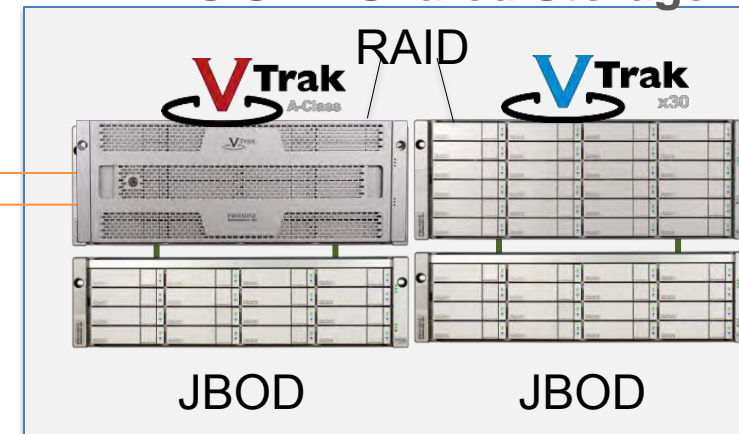


Linux



Windows

VTrak Scale-Out FC SAN Shared Storage



4K video editing and collaboration
(VTrak A-Class supports 4K streaming)

HD, 4K cameras



www.shutterstock.com - 8148307

Surveillance Lab. & strategy



Surveillance strategy

- VMS Certification



- Optimized Performance

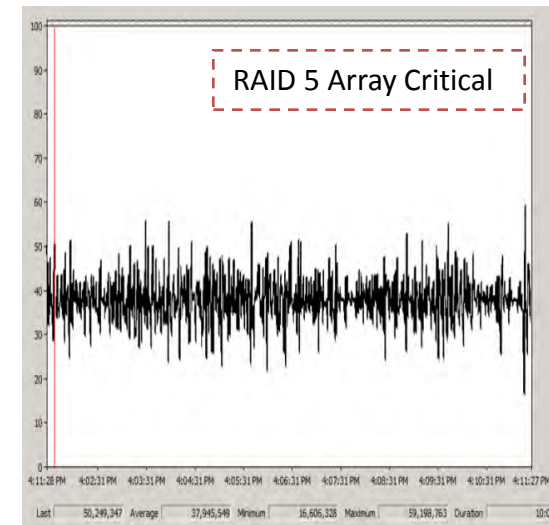
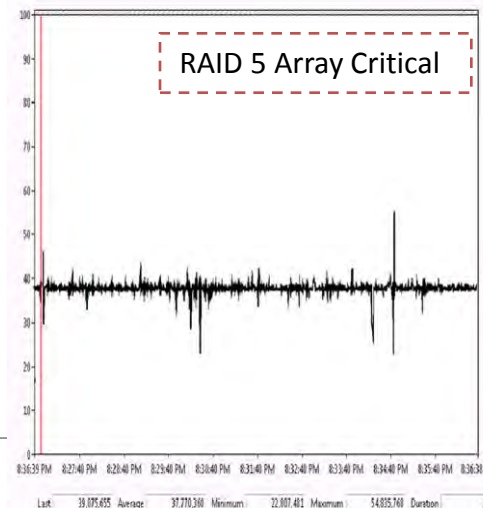
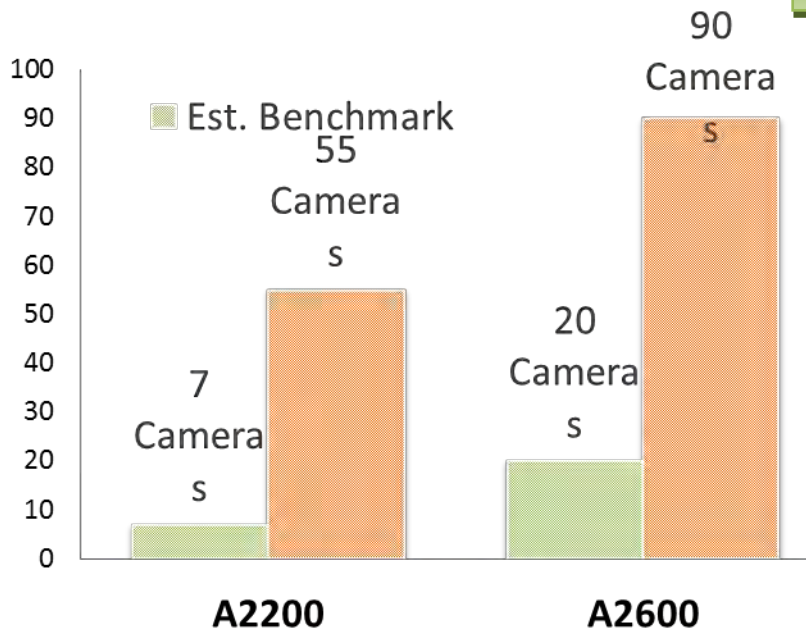
- “Milestone XProtect VMS system at a level that is **four times higher** than the benchmark levels determined by the Server and Storage Calculator.”

- Minimize the frame lost issue

- Quotation only to SI.

Vess A2000 Sur. RAID Mode

Other Non-optimized Solution



Marketing Presence

PROMISE[®]
TECHNOLOGY, INC.



2014 NAB Las Vegas



2014 Cloud Expo Japan



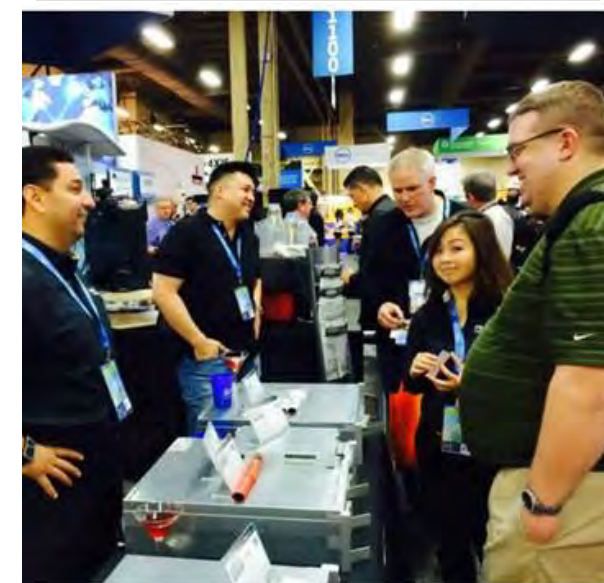
2014 Computex Taipei



2014 Security Show in Japan



2014 Intersec Dubai



2014 Interop Las Vegas, US

Partner's Words



“The high level of storage integration and energy-efficient performance of the Intel Xeon processor C5500/3500 provides a strong foundation for storage systems to manage the explosive growth of data. The performance and storage capabilities of this family of processors enables PROMISE to deliver faster processing and greater availability in a dense form factor.”

David Tuhy, general manager, Intel Storage Group

“Intel is excited about the superior performance and simplicity Thunderbolt technology and PROMISE’s Pegasus family of products will bring to consumers and media professionals trying to keep up with the explosion of digital media”

Jason Ziller

*Director, Thunderbolt Planning and Marketing,
Intel Corporation*

“Thunderbolt sets new standards for speed, flexibility and expansion. The new Pegasus RAID with Thunderbolt delivers pro-level performance in an affordable package, perfect for use on location or in the studio.”

Ron Okamoto

Apple's vice president of Worldwide Developer Relations

“As a leading provider of top notch security solutions, Sony is pleased to partner PROMISE Technology in offering to our customers, the iSCSI storage solutions, which are a perfect complement to our comprehensive range of security solutions.”

Yoshikazu Hirano

General Manager of Security Solutions Asia Pacific, SONY

Summary – Promise's competitive advantages



Q&A

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Promise in Apple store

The screenshot shows the Apple Store website interface. At the top, there is a navigation bar with the Apple logo and links for Store, Mac, iPod, iPhone, iPad, iTunes, and Support. Below this is a search bar with the text "Search Promise" and a "Search" button. To the right of the search bar are links for "Chat Now", "1-800-MY-APPLE", "Account", and "Cart".

The main content area displays six Promise storage products in a grid layout:

- Promise 2TB SATA Drive Module**: \$799.00. Free Shipping | Available to ship: Within 24 hours. All Mac Storage Products ▶
- PROMISE Pegasus2 R Series 2TB SATA...**: \$229.00. Free Shipping | Available to ship: Within 24 hours. All Mac Storage Products ▶
- Promise VTrak x30 Series 3U Expansion...**: \$1,399.00. Free Shipping | Available to ship: Within 24 hours. All Mac Storage Products ▶
- PROMISE VTrak x30 Series 180TB (60x...**: \$69,999.00. Free Shipping | Available to ship: 1-2 weeks. All Mac Storage Products ▶
- PROMISE VTrak x30 Series 64TB (16 by...**: \$29,999.00. Free Shipping | Available to ship: Within 24 hours. All Mac Server Accessories ▶
- PROMISE VTrak x30 Series 3TB SAS Dri...**: \$899.00. Free Shipping | Available to ship: Within 24 hours. All Mac Storage Products ▶

