



Promise Technology 2015 H1 Investor Conference

Speaker: James Lee, CEO, Promise
Technology
Date: MAY 08, 2015

- **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.**

Financial Date-Income Statement Q1 15

Selected Items from Statement of comprehensive Income_Q1 15

(In NT\$ Millions)	1Q15	1Q14	Yearly Change	4Q14	Quarterly Change
Net Revenue	880	885	-0.6%	1008	-12.7%
<i>Gross Margin</i>	43.0%	43.1%	-0.13ppts	47.0%	-4.08ppts
Operating Expenses	295	308	-4.0%	349	-15.3%
Operating Profit	83	74	12.2%	126	-34.1%
<i>Operating Margin</i>	9.4%	8.3%		12.5%	
Net Income	51	83	-38.6%	130	-60.6%
<i>Net Profit Margin</i>	5.8%	9.4%	-3.60ppts	12.9%	-7.09ppts
EPS(NT\$)	0.32	0.52	(0.20)	0.82	(0.50)
ROE	8.3%	14.6%		20.6%	
FX rate(NT\$/US\$)	31.51	30.27		30.84	

Balance Sheets & Key Indices

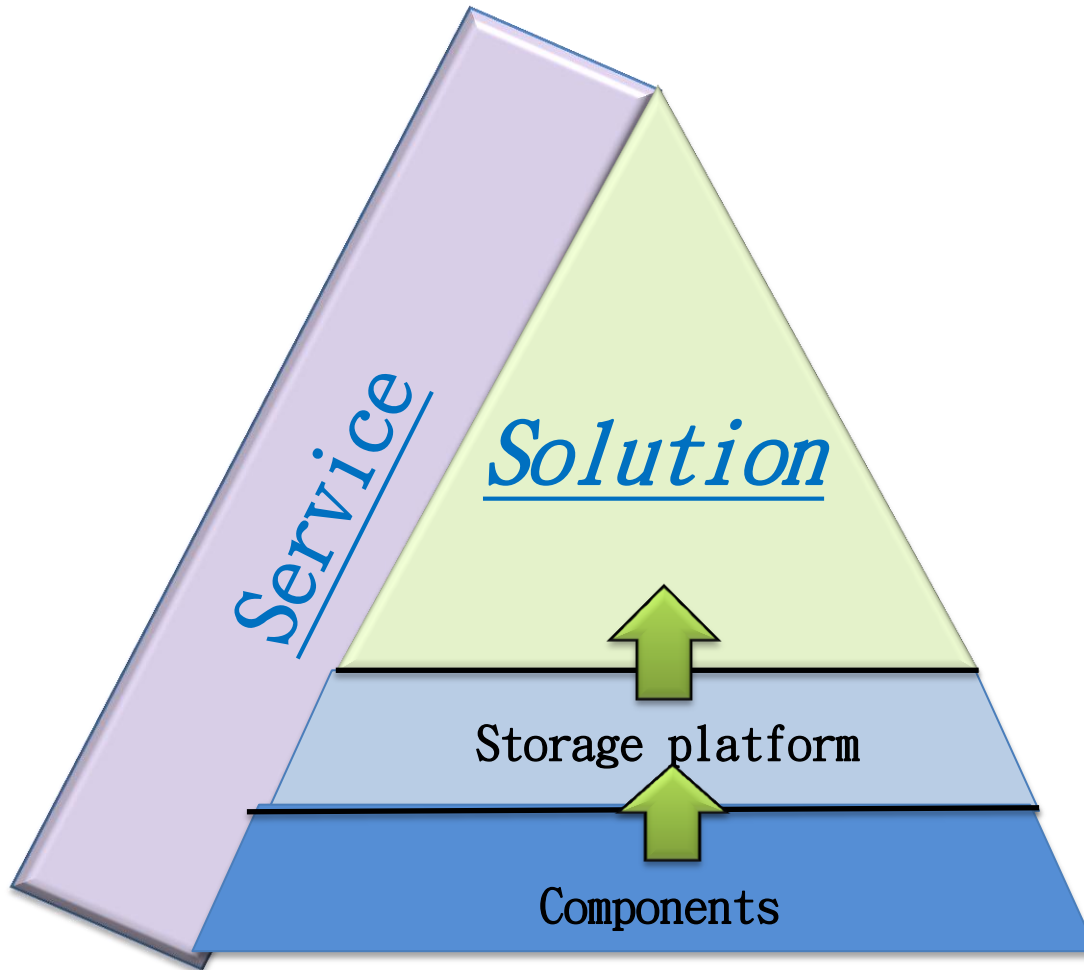
Selected Items from Balance sheets						
(In NT\$ Millions)	1Q15		4Q14		1Q14	
	Amount	%	Amount	%	Amount	%
Cash & Marketable Securities	1,178	38	1,093	35	936	30
Notes & Account Receivable	595	19	704	23	484	16
Inventories	561	18	534	17	613	20
Other Current Assets	103	3	62	2	103	3
Net PP&E	444	14	450	15	450	15
Deferred Expenses	333	11	341	11	370	12
Prepayment & Other assets	215	7	242	8	207	7
Total Assets	3,430	111	3,426	111	3,164	103
Total Liabilities	939	30	969	31	818	27
Total Shareholders' Equity	2,491	81	2,457	80	2,346	76
Key Indices						
AR Turnover Days	67		66		59	
Inventory Turnover Days	108		98		108	
Current Ratio(X)	2.72		2.63		2.97	
Acid Ratio(X)	1.98		1.97		1.97	

*Weighted average outstanding shares were 159,831,191 units on 3/31/2015

*Financial data are been audited by CPA.

- 2015 Q1 Operation report
- **5 years Winning strategy for mid-range of Storage company**
- Solution progress for 3 major market
- 2015 Operation perspective
- Q&A

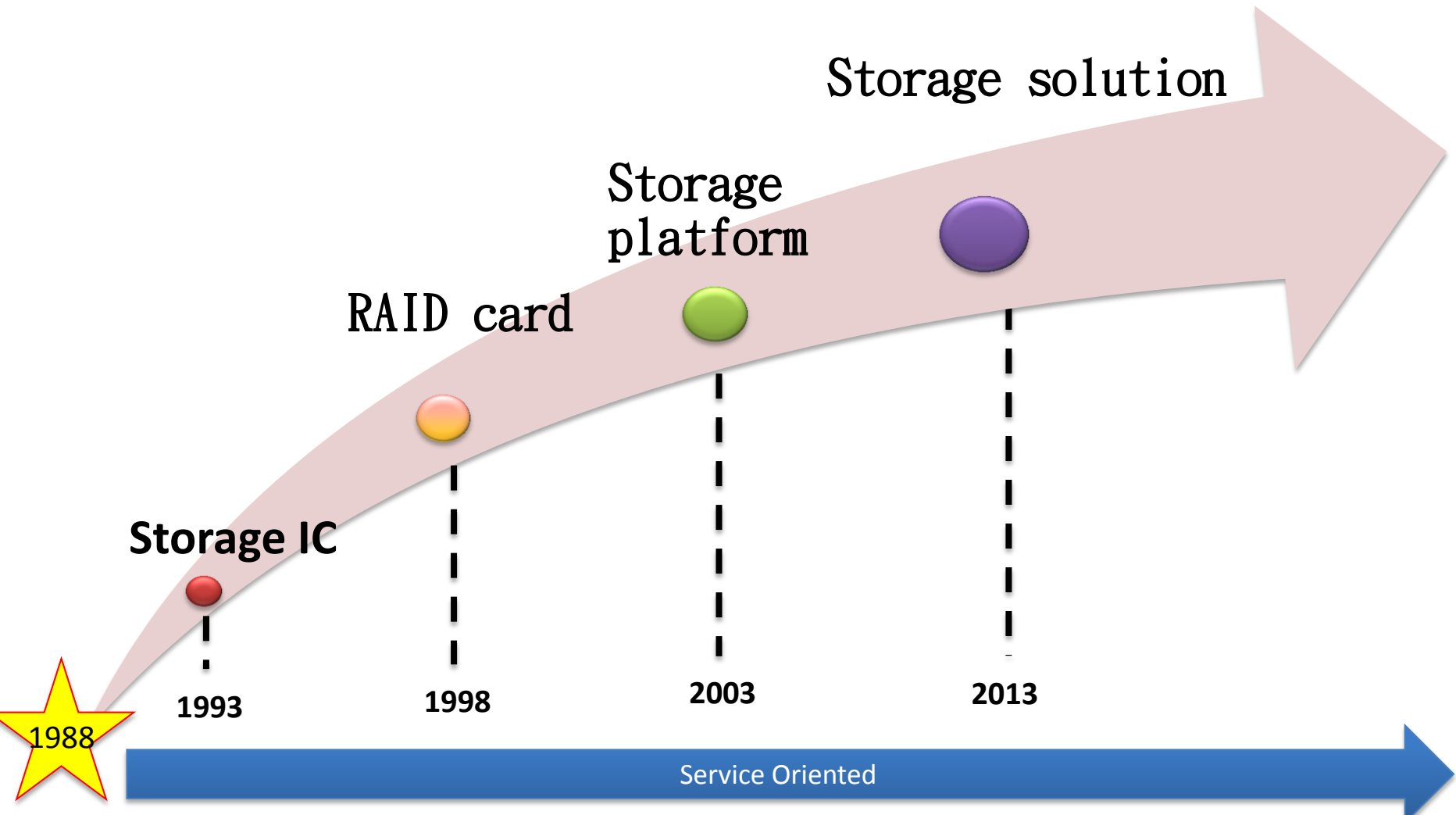
Value chain of storage industry



5 years Winning strategy for mid-range Storage company

PROMISE[®]
TECHNOLOGY, INC.

Transformation of Promise



Alliance Strategy

- **Vertical industry alliance**
 - Ally with vendors: HDD, IC and Components vendors
 - Ally with Regional professional VAN/SI
 - Surveillance vendor
 - Media and Entertainment vendor
 - Data Center vendor
 - Cloud service vendor
- **Horizon industry alliance**
 - Relative SW vendors
 - Surveillance VMS
 - File backup
 - M&E application
 - Cloud application
 - Big data and IOT platform

- 2015 Q1 Operation report
- 5 years Winning strategy for mid-range of Storage company
- **Solution progress for 3 major market**
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Solution progress for 3 major market **PROMISE[®]** TECHNOLOGY, INC.

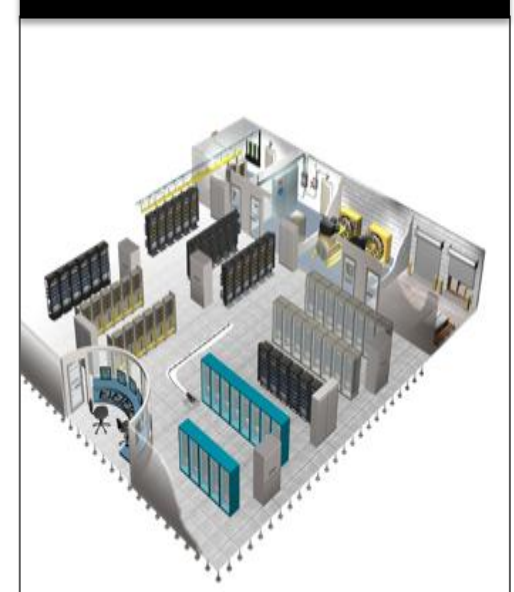
M&E Solution



Surveillance solution



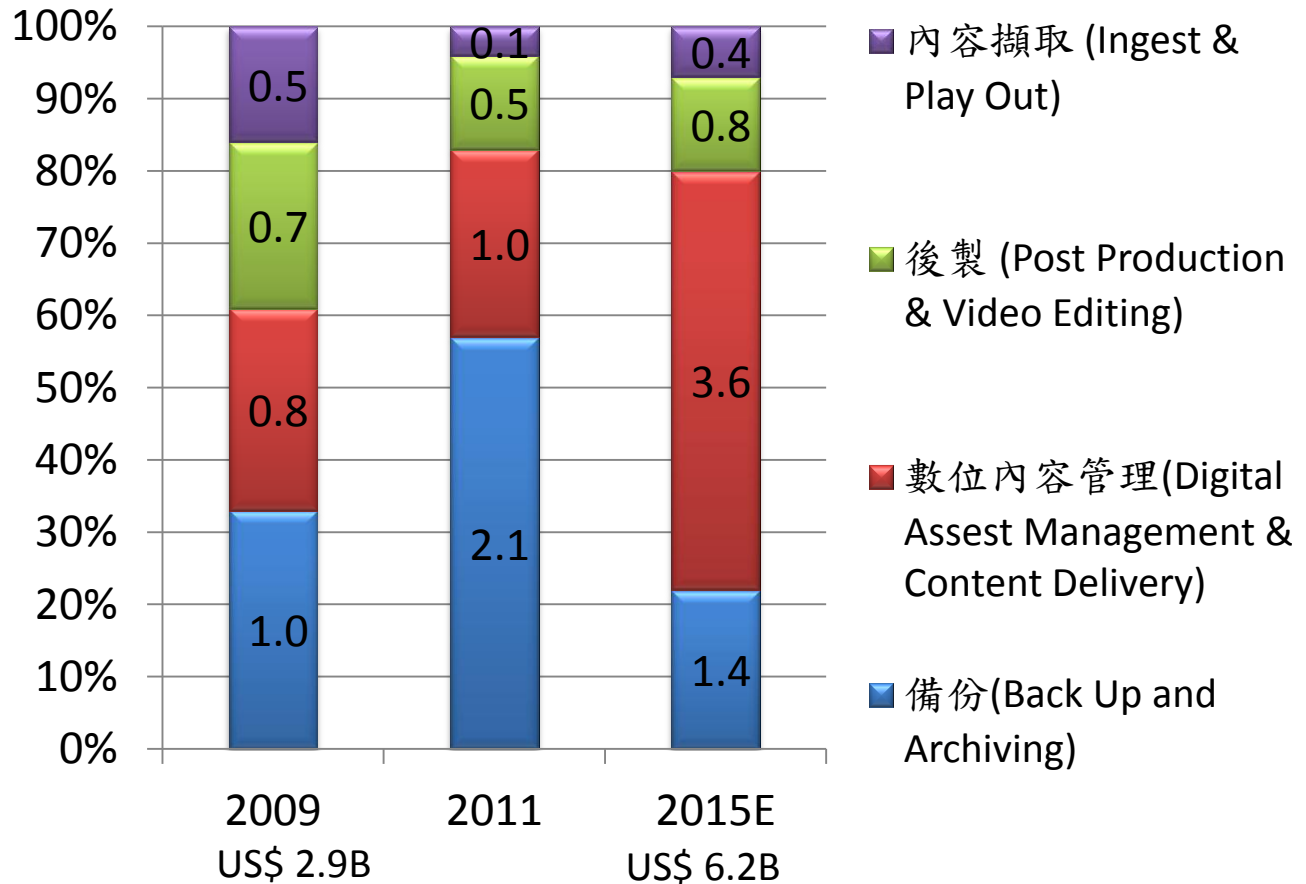
Cloud storage solution



M&E solution



M&E application opportunity



M&E Solution



M&E Solution progress

Solution

SW vendor

*Profession
system
assembling*

*Post-Production
& Video Editing*

*Apple - Final Cut
Pro and XSan*

*TelSxxxx &
MelRxxxxac*

*Digital Assets
Management &
Content Delivery*

Prixxxxxxx

東xxx

*Archiving
& Back Up*

Arxxxxxxx

Surveillance solution



Surveillance solution progress

Solution

ISVs

Value added reseller

Server-Based NVR



Genetec



CSVi

***Dxxx, Melxxxxxxx,
Sxxxxxx, Axxxx,
Bxxx, Uxxx, etc***

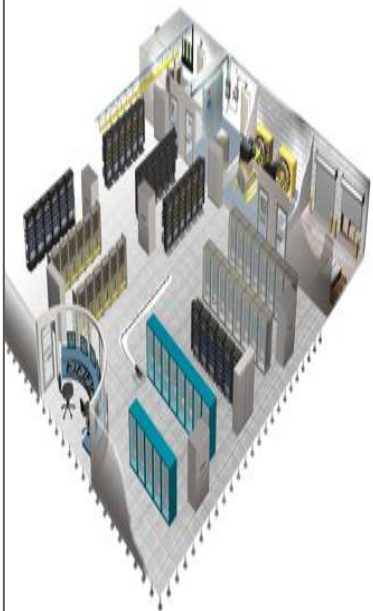
Cloud-Based Surveillance System



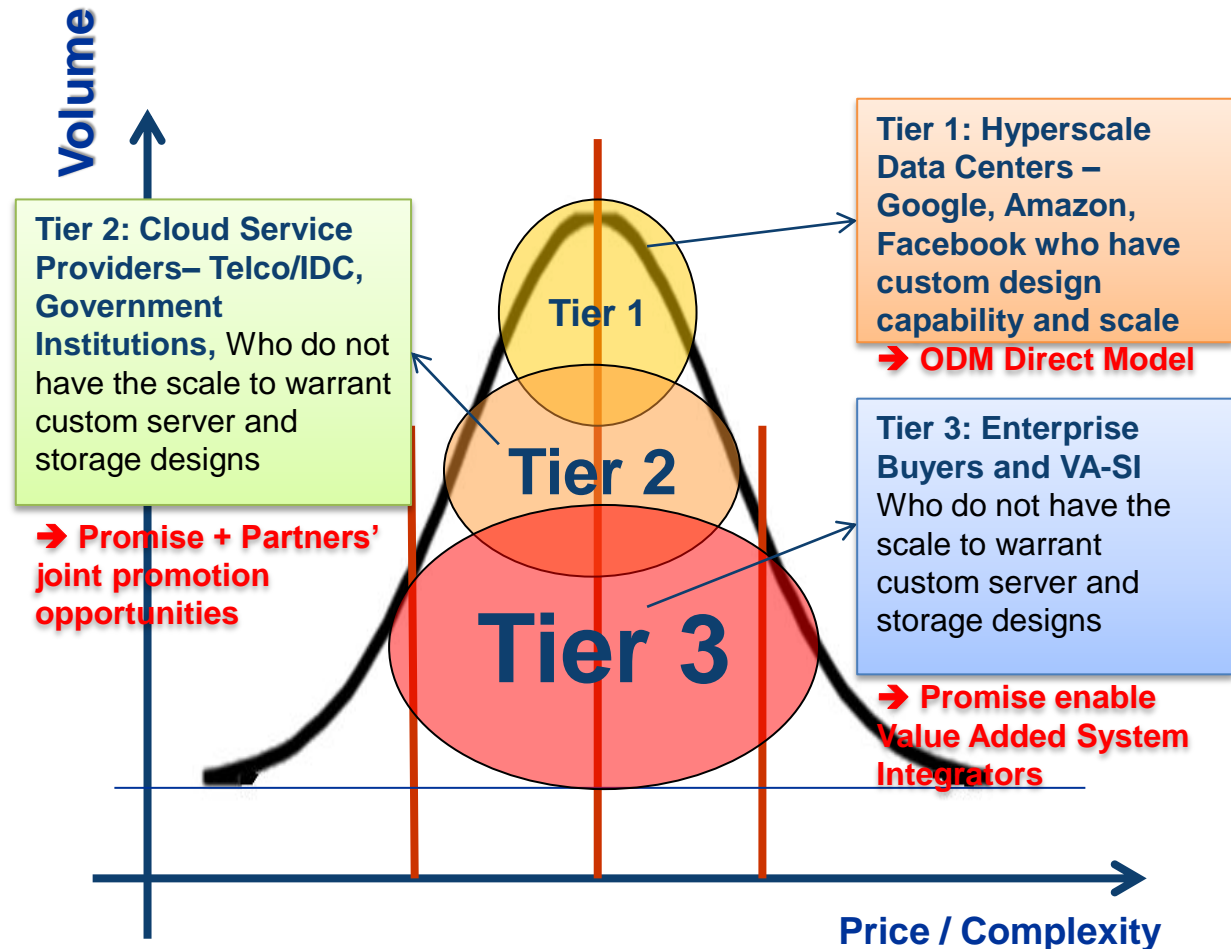
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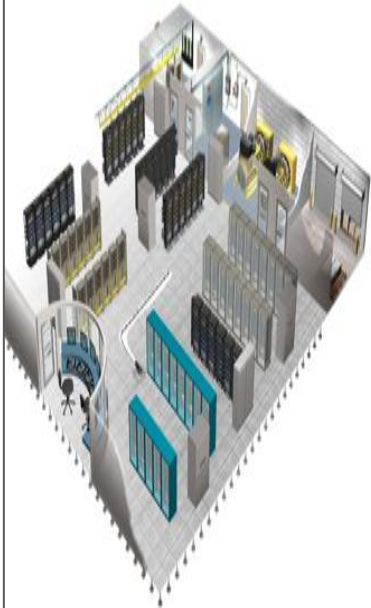
Cloud solution



Cloud Storage opportunity



Cloud solution



Cloud solution progress

Solution

ISV

Value added reseller

Cloud infra-
Converged
Infrastructure

Surveillance, Education,
Medicare, Enterprise,
BIGDATA, IOT, etc.

ODMs, Sis, Cloud
Service Providers

Cloud/IT infra-
Scale Out
Storage

Surveillance, Rich Media,
BackUp and Archiving,
etc.

SIs for Surveillance,
Governments, Rich
Media

Cloud file
sharing
File Sync. and
Sharing

ODM/SIs for
Education, Rich Media,
Cloud Service
Providers

- 2015 Q1 Operation report
- 5 years Winning strategy for mid-range of Storage company
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2015 Q2 & H2 perspective

- **Q2 operation result may be under expectation**
 - New / Old product transmitted issue
 - Re-build Solution Channel will be impacted shortly
 - One of Promise customer adjust inventory and order delay
- **H2 operation perspective**
 - Business will be getting better to get rid of Q2 issues
 - Business will grow, because new product launch shortly
 - Ally strategy return will come to more customer bases.
 - The revenue of 2015 still grow than last year.

Q & A

Promise (3057)



Thank You!