



Investor Conference

AGENDA

- 2013 Financial Results
- Market status and 2014 outlook
- Q & A

Presented by

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Safe Harbor Statement

- **HMI'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.**
- **Please consider these forward-looking statements carefully because such statements are only our expectations or projections about future events, and actual results may differ materially from those expressed or implied by such statements.**
- **The forward-looking statements contained in this presentation are made only as of the date of this presentation and we undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances, except as required by law.**

2013 Highlight

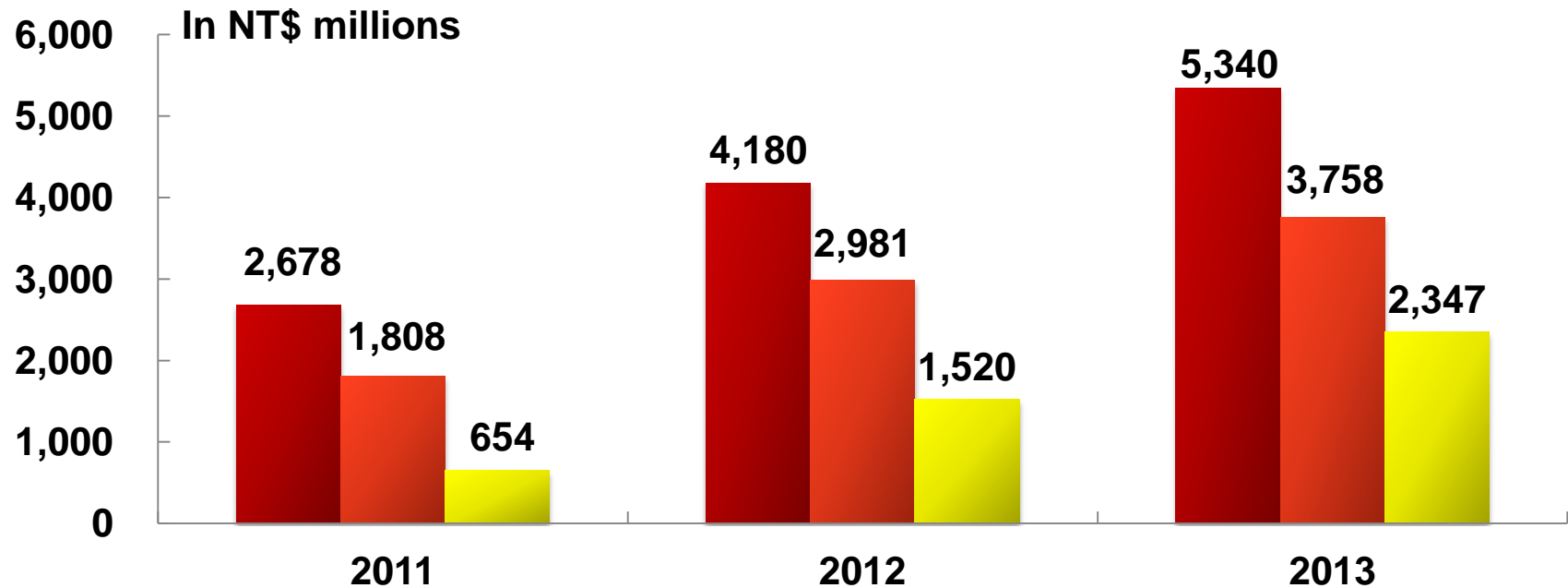
- 2013 was another record-breaking year for HMI,
- **revenue, shipment, earning**
- Successfully shipped the new generation tool, eScan500
- Continue to maintain market leadership position and
with >85% market share
- Received historical high booking in Q4 2013
- New manufacturing facility under construction
in Tainan Science Park

2013 Consolidated Income Statements

In NT\$ thousands

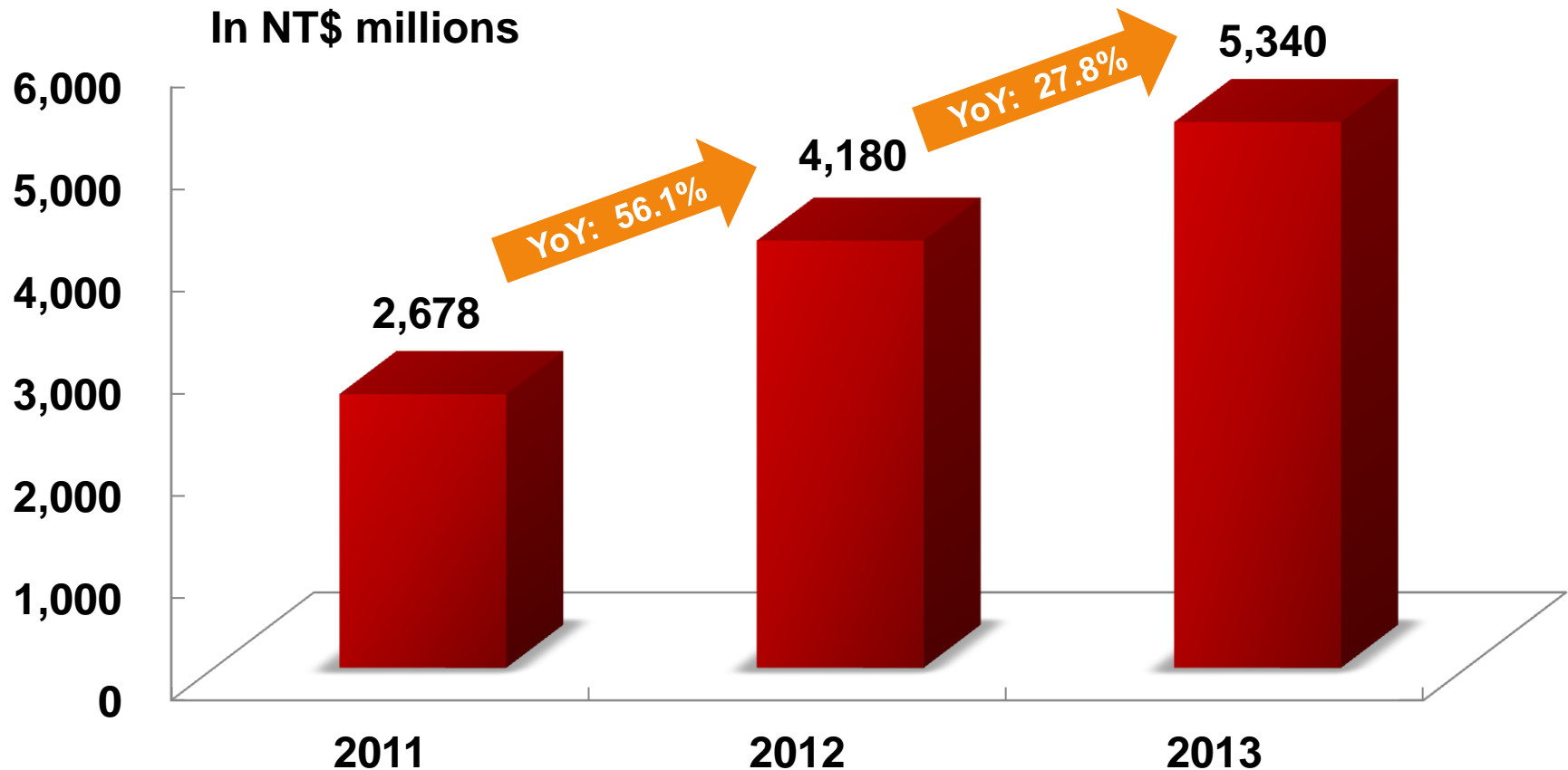
	1Q 2013	%	2Q 2013	%	3Q 2013	%	4Q 2013	%	2013	%
Net Revenue	1,211,870	100	1,287,964	100	1,401,908	100	1,438,301	100	5,340,043	100
Cost of Revenue	(358,497)	(30)	(381,866)	(30)	(416,986)	(30)	(424,235)	(29)	(1,581,584)	(30)
Gross Profit	853,373	70	906,098	70	984,922	70	1,014,066	71	3,758,459	70
Selling Expenses	(90,592)	(7)	(73,100)	(6)	(89,811)	(6)	(108,993)	(8)	(362,496)	(7)
G&A Expenses	(55,430)	(5)	(61,271)	(5)	(62,580)	(5)	(61,195)	(4)	(240,476)	(4)
R&D Expenses	(175,776)	(16)	(183,666)	(14)	(200,722)	(14)	(183,802)	(13)	(743,966)	(14)
Total Operating Expenses	(321,798)	(28)	(318,037)	(25)	(353,113)	(25)	(353,990)	(25)	(1,346,938)	(25)
Income from Operations	531,575	44	588,061	45	631,809	45	660,076	46	2,411,521	45
Non-operating Income and Expenses	38,731	3	60,455	5	(24,241)	(1)	69,065	5	144,010	3
Income before Income Tax	570,306	47	648,516	50	607,568	44	729,141	51	2,555,531	48
Income Tax Expenses	(38,767)	(3)	(90,899)	(7)	(51,839)	(4)	(26,751)	(2)	(208,256)	(4)
Net Income	531,539	44	557,617	43	555,729	40	702,390	49	2,347,275	44
Other Comprehensive Income	24,247	2	5,947	1	(9,184)	(1)	12,993	1	34,003	1
	555,786	46	563,564	44	546,545	39	715,383	50	2,381,278	45
Basic EPS	8.04		8.44		8.41		10.21		35.09	
Diluted EPS	8.04		8.42		8.40		10.20		35.04	

Consolidated Performance of the Past 3 Years



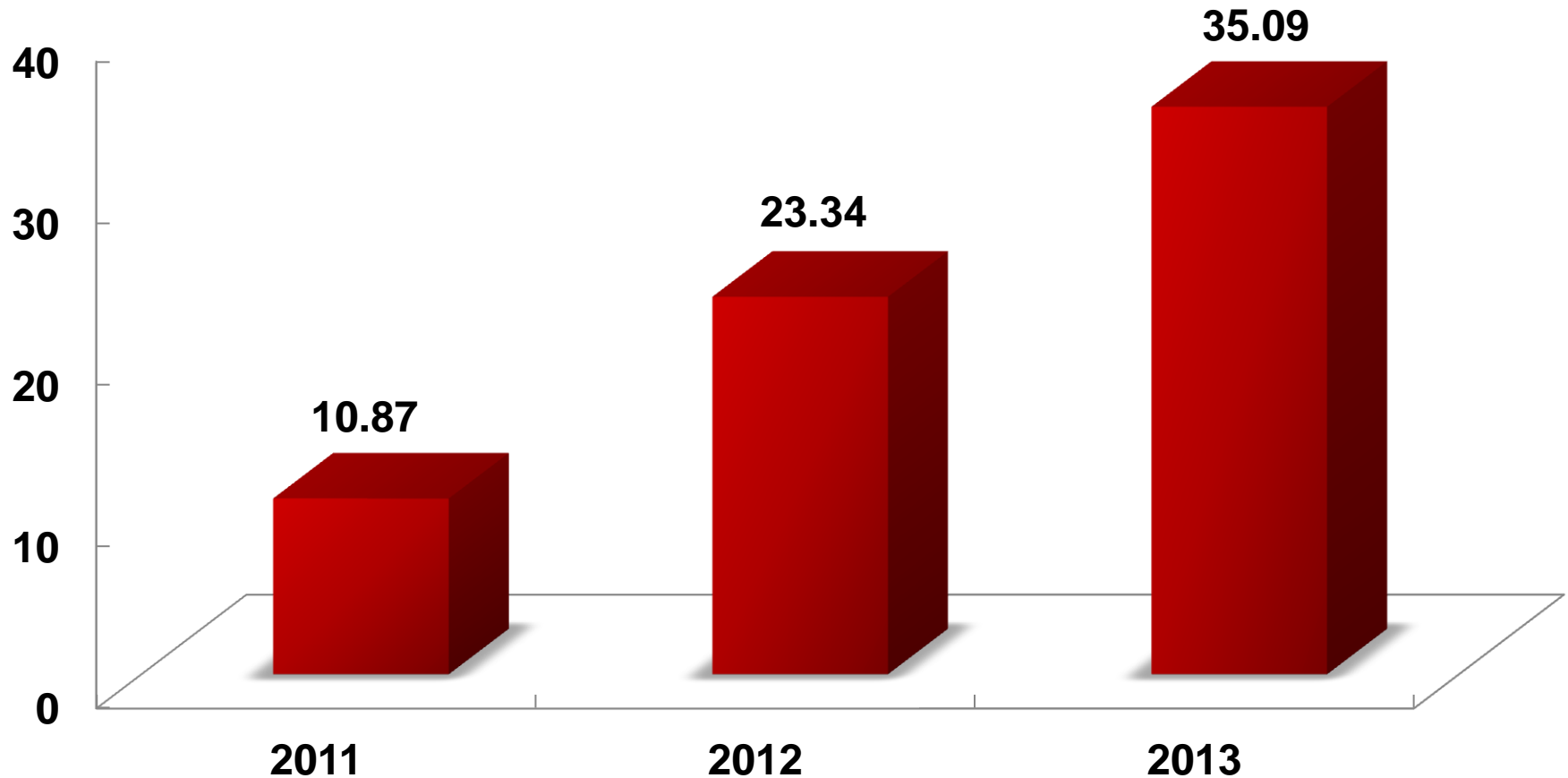
In NT\$ millions	2011		2012		2013	
■ Net Sales	2,678		4,180		5,340	
■ Gross Profit / Gross Profit Margin	1,808	68%	2,981	71%	3,758	70%
■ Net Income / Net Profit Margin	654	24%	1,520	37%	2,347	44%

Consolidated Net Sales of the Past 3 Years



Consolidated EPS(AT) of the Past 3 Years

In NT\$



2013/12/31 Balance Sheet

In NT\$ thousands

	4Q13	%	2Q13	%	4Q12	%
Cash and cash equivalents	5,370,702	46	4,048,454	61	2,776,308	53
Bond investments without active markets -current	2,891,085	25	-	-	-	-
Accounts receivable	1,570,259	13	867,657	13	848,730	16
Other receivables	24,842	-	14,477	-	31,892	1
Inventory	1,516,157	13	1,373,488	21	1,278,613	25
Prepayments	37,678	-	51,657	1	32,862	1
Other current assets	33,751	-	13,558	-	3,154	-
Available-for-sale financial assets noncurrent	4,412	-	-	-	-	-
Property, plant and equipment	334,590	3	168,507	3	170,246	3
Intangible assets	10,632	-	10,177	-	10,717	-
Deferred income tax assets	48,626	-	32,192	0	27,020	1
Other noncurrent assets	8,803	-	7,969	-	8,117	-
Total assets	11,851,537	100	6,588,136	100	5,187,659	100
Accounts payable	150,031	1	124,740	2	93,112	2
Other payables	747,418	7	1,294,802	20	440,226	8
Current income tax liabilities	159,758	1	123,921	2	85,194	2
Provision for liability	972,259	8	721,215	11	577,257	11
Other current liabilities	4,939	-	2,209	-	2,873	-
Noncurrent Liabilities	84,100	1	91,151	1	88,954	2
Equity	9,733,032	82	4,230,098	64	3,900,043	75
Total liabilities and equity	11,851,537	100	6,588,136	100	5,187,659	100

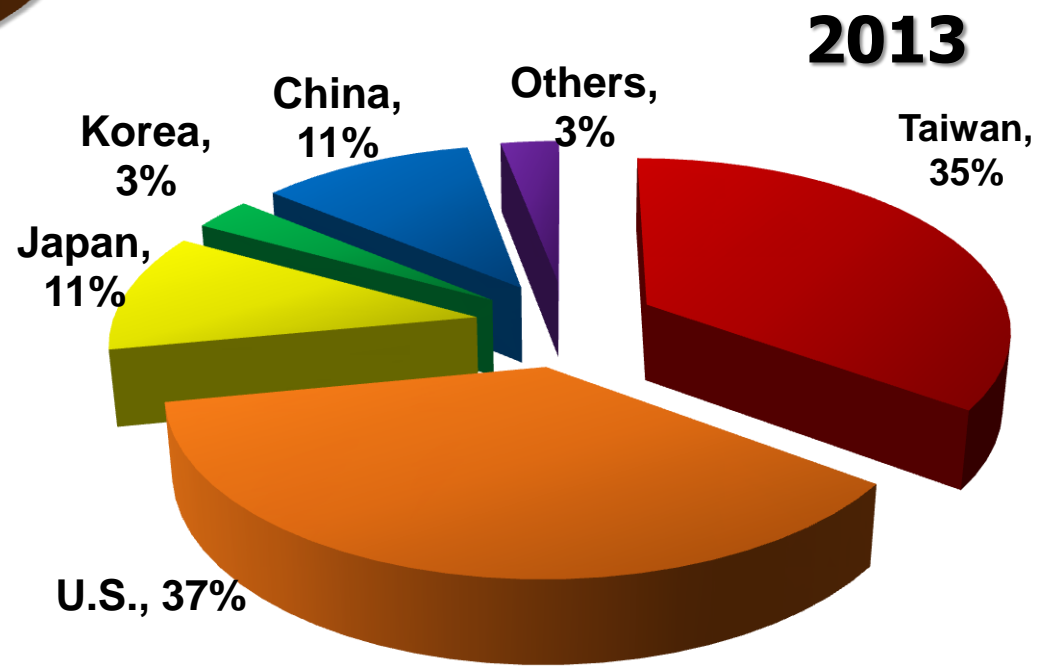
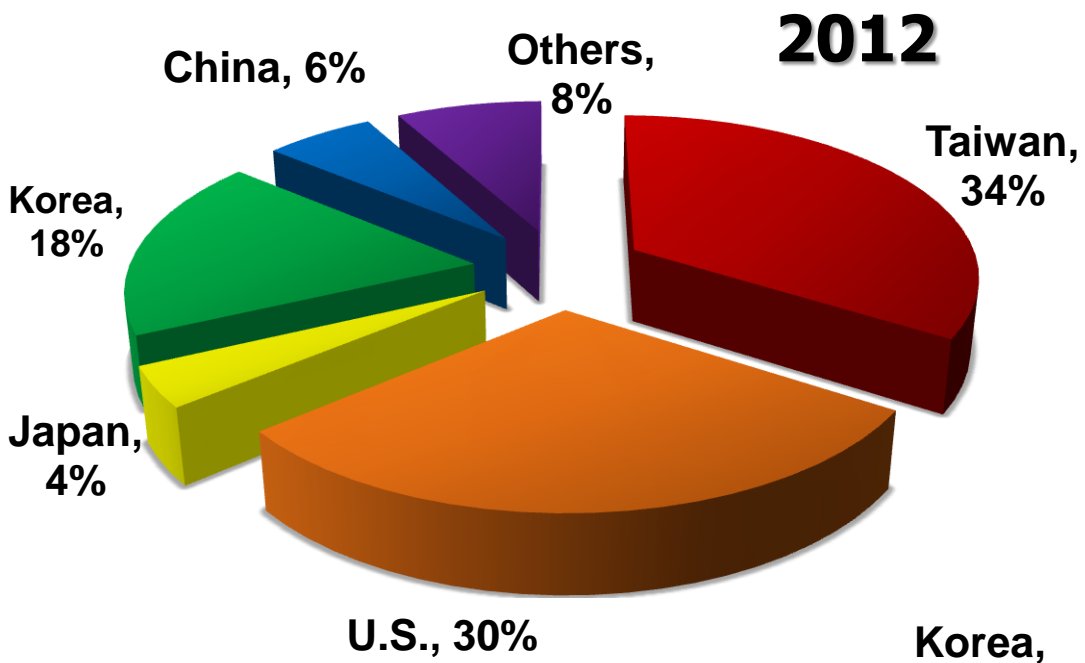
2013 Cash Flows

In NT\$ thousands

In NT\$ thousands

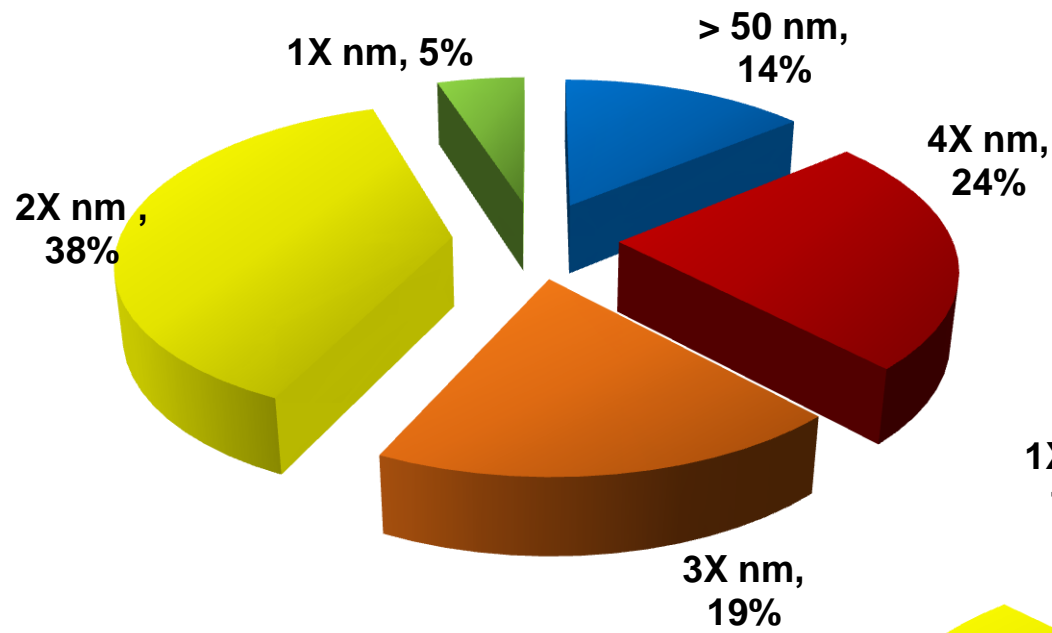
	2013	2012
Cash and cash equivalents at beginning of year	2,776,308	612,326
Cash inflow from operating activities	2,170,646	1,857,941
Acquisition of investments and financial assets	(2,895,497)	-
Capital Expenditure	(146,627)	(46,416)
Decrease in short-term loans	-	(657,000)
Net proceeds from issuance of new shares	4,238,036	1,248,000
Cash dividends paid	(792,000)	(264,000)
Others	19,836	25,457
Cash and cash equivalents at end of year	5,370,702	2,776,308

Revenue Distribution by Regions

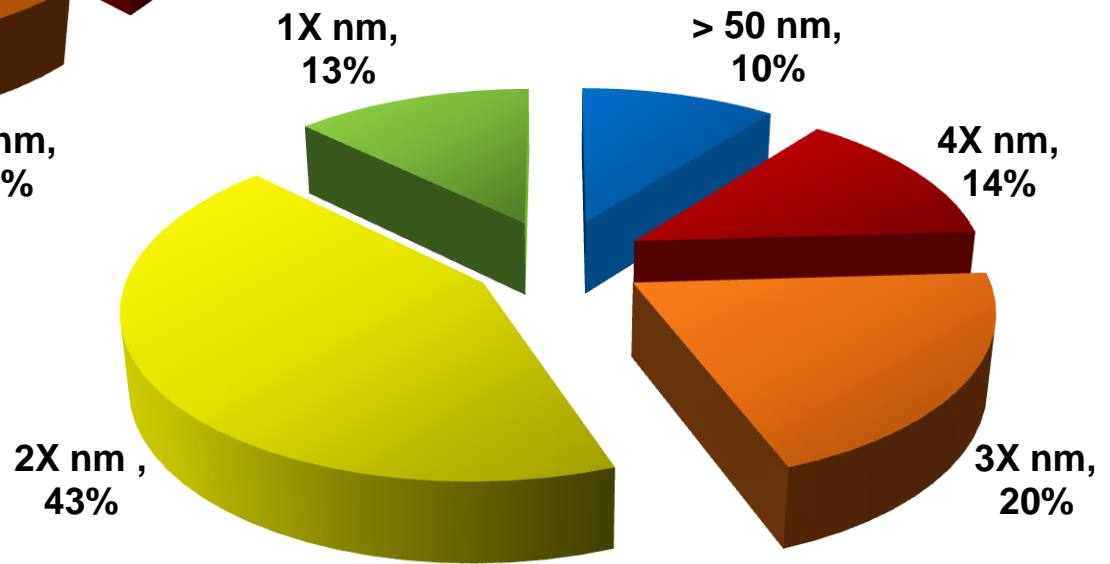


Tool Usage by Technology Nodes

2012

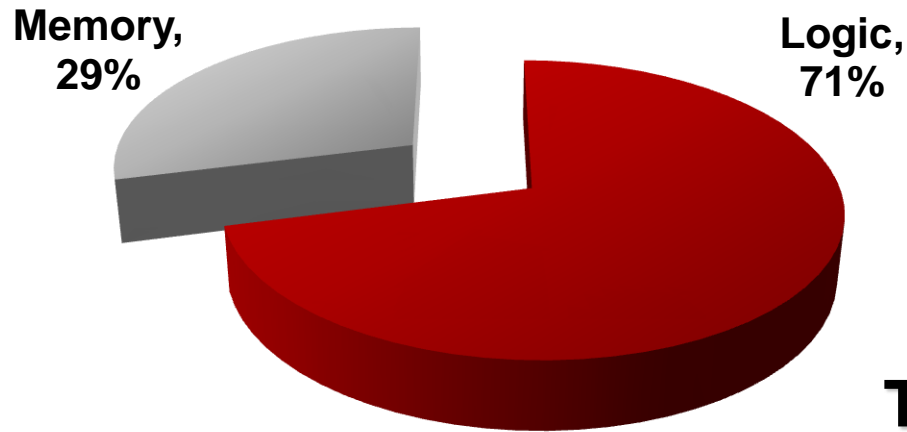


2013

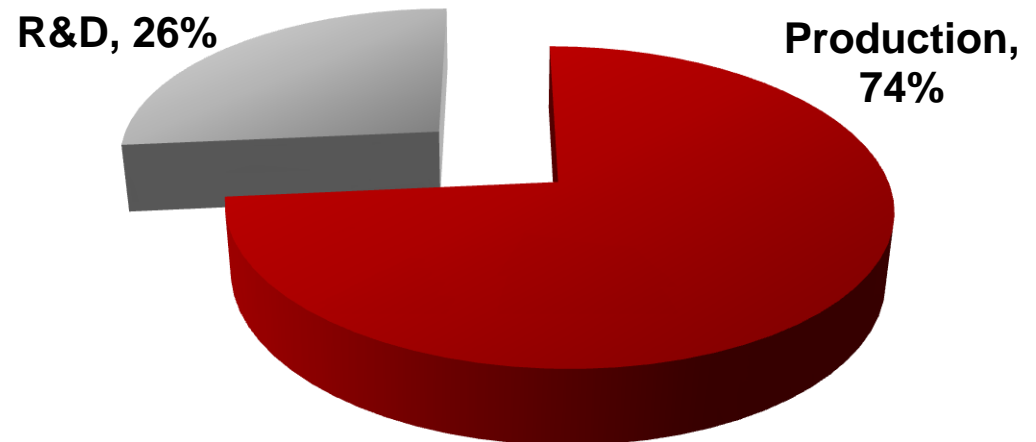


Revenue/ Tool Usage Distribution

2013 Revenue Distribution



Tool Usage Distribution



2014 Outlook

- Semiconductor equipment market is forecasted to grow with top fabs competing to lead the advanced tech nodes
- Strong demand on EBI tools for fab's 1x nodes development
- Growing market demand on E-beam technology for **metrology, overlay, OPC, . . and many more applications**
- Continue sales growth, and maintain margin and profitability
weak Q1 (due to new product transition)
strong Q2
2H better than 1H
- Manufacturing utilization reach all time high until the new Tainan factory starts operation by year end
- Invest heavily in R&D for new generation tools, technologies and exploration of new applications

Q & A

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