

Hermes Microvision Inc. (HMI)

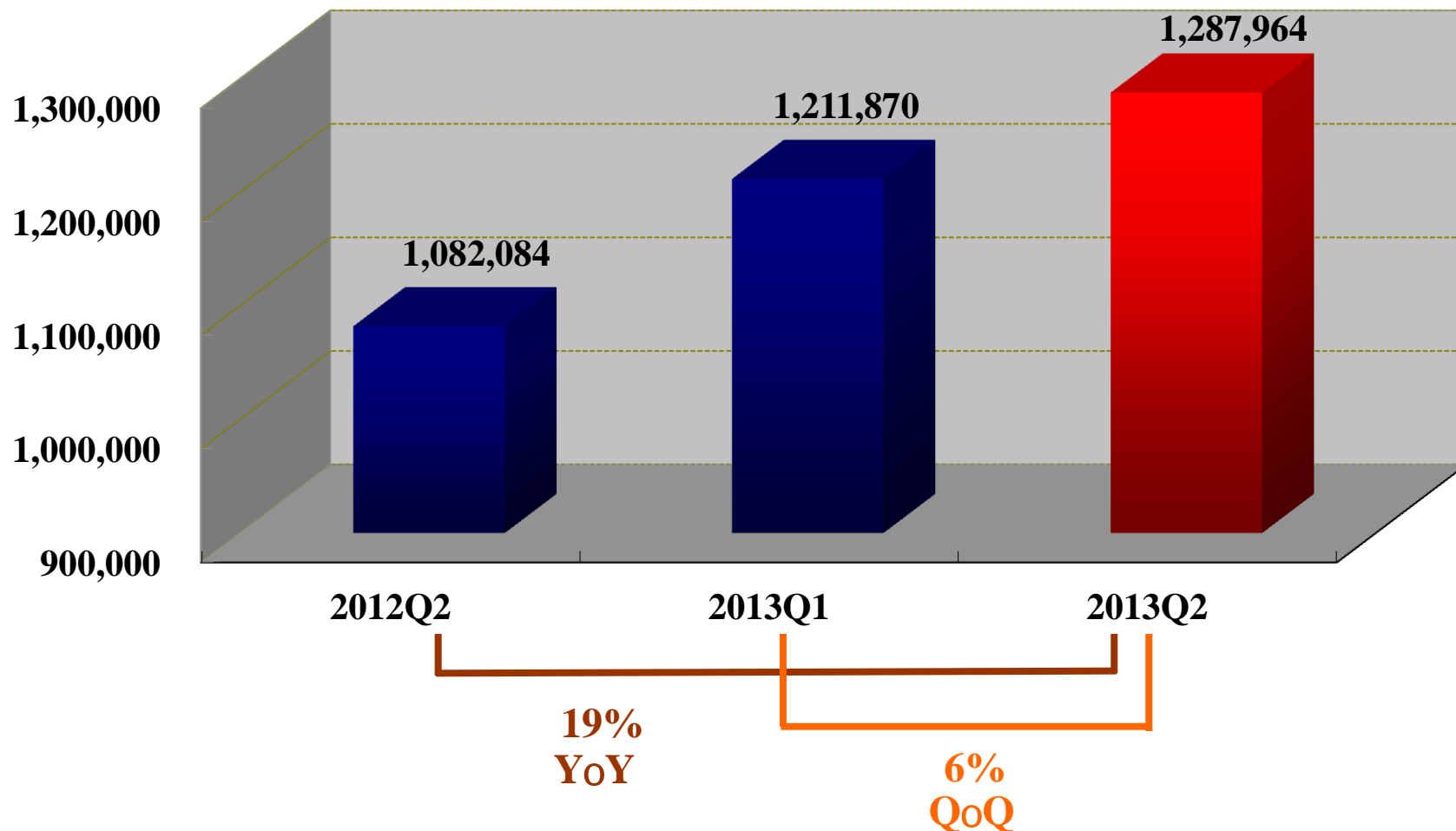
2013 Second Quarter Investor Conference

July 31, 2013

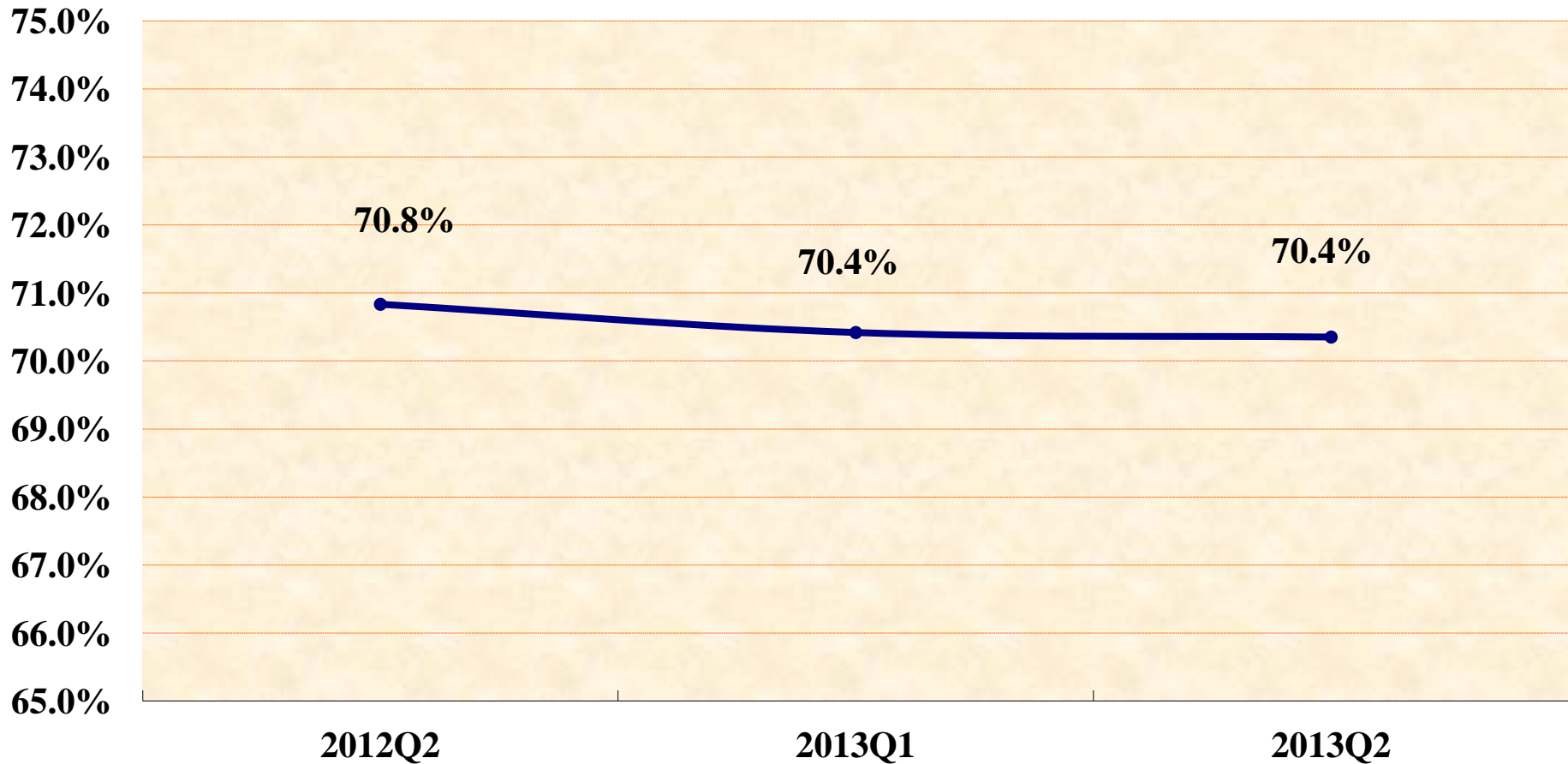
- This presentation contains forward-looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. HMI's forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements. You should 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.
- Our release of financial forecasts and forward-looking statements at any particular time does not create any duty of disclosure beyond that which is imposed by law, and we expressly disclaim any obligation to publicly update or revise any forecasts or forward-looking statements, whether as a result of new information, future events or otherwise.

Revenue (Consolidated)

(NT\$K)



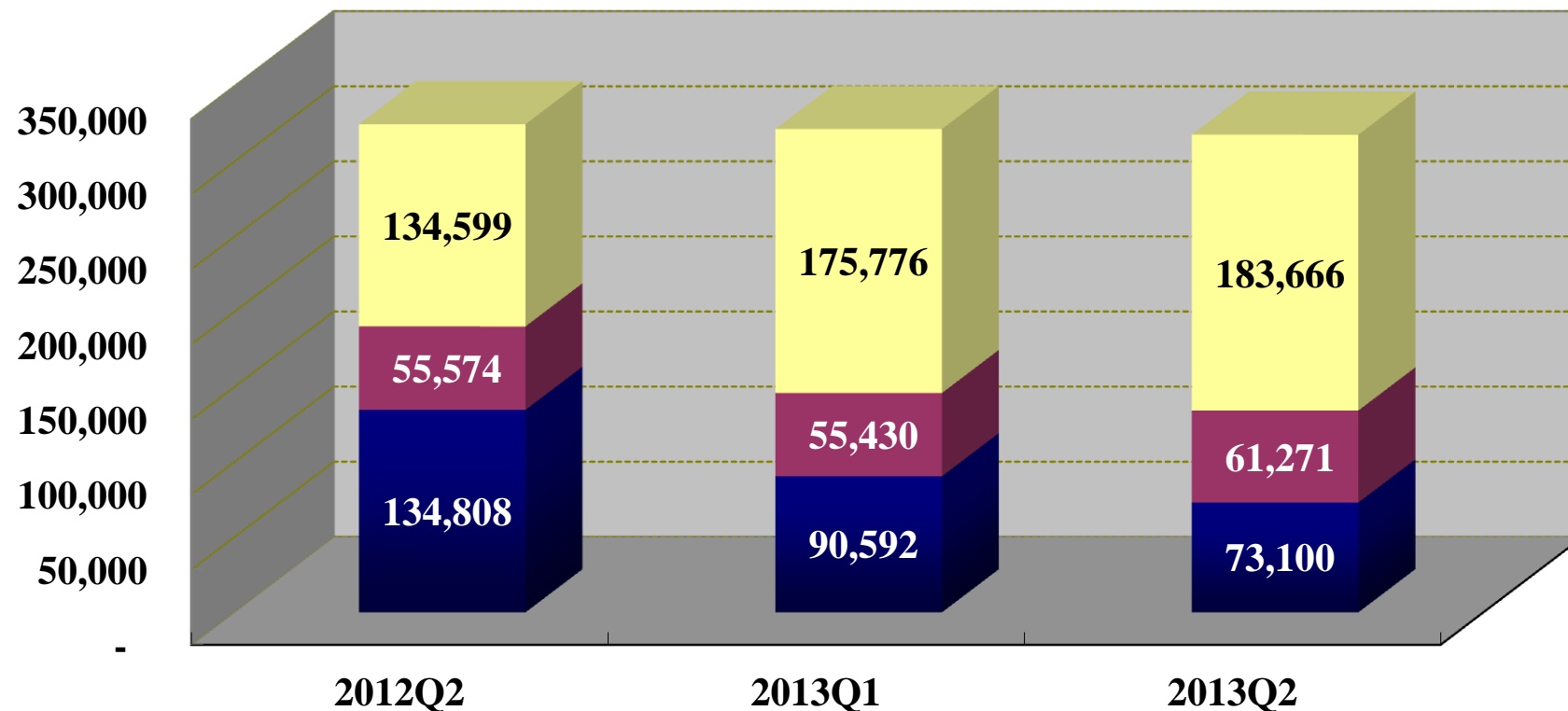
Gross Margin (Consolidated)



Operating Expenses (Consolidated)

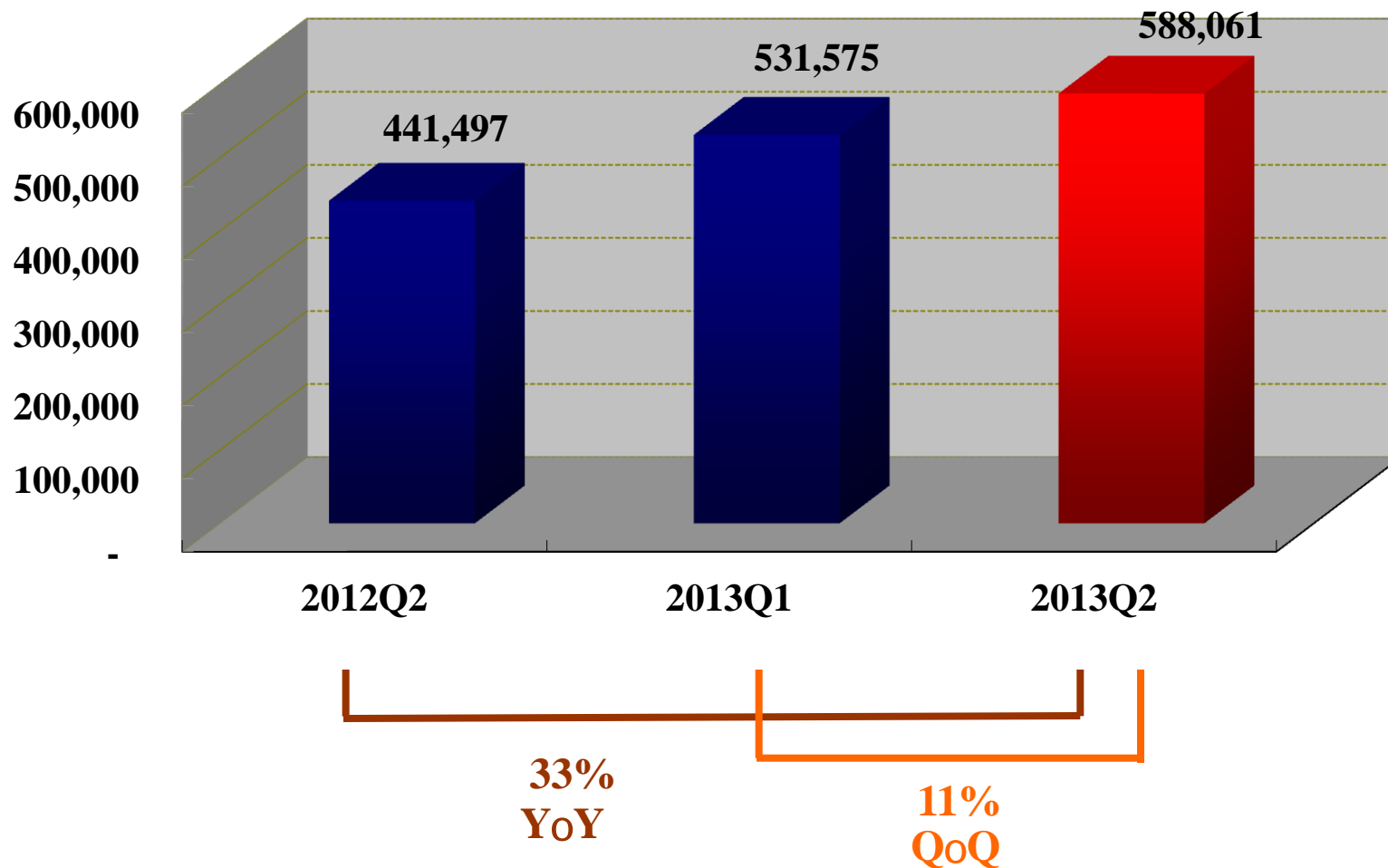
(NT\$K)

■ Selling expenses ■ G&A expenses ■ R&D expenses

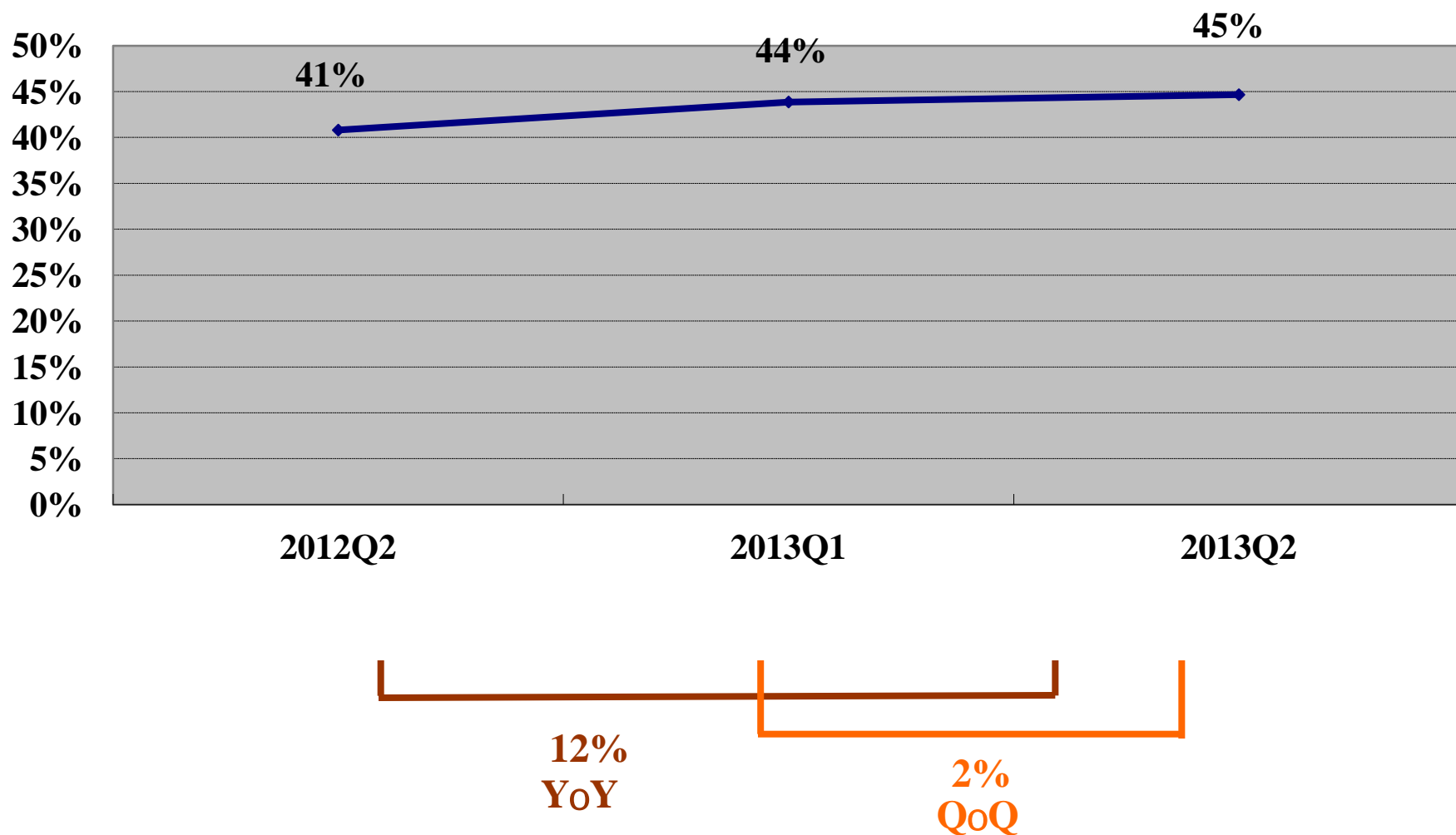


Operating Income (Consolidated)

(NT\$K)

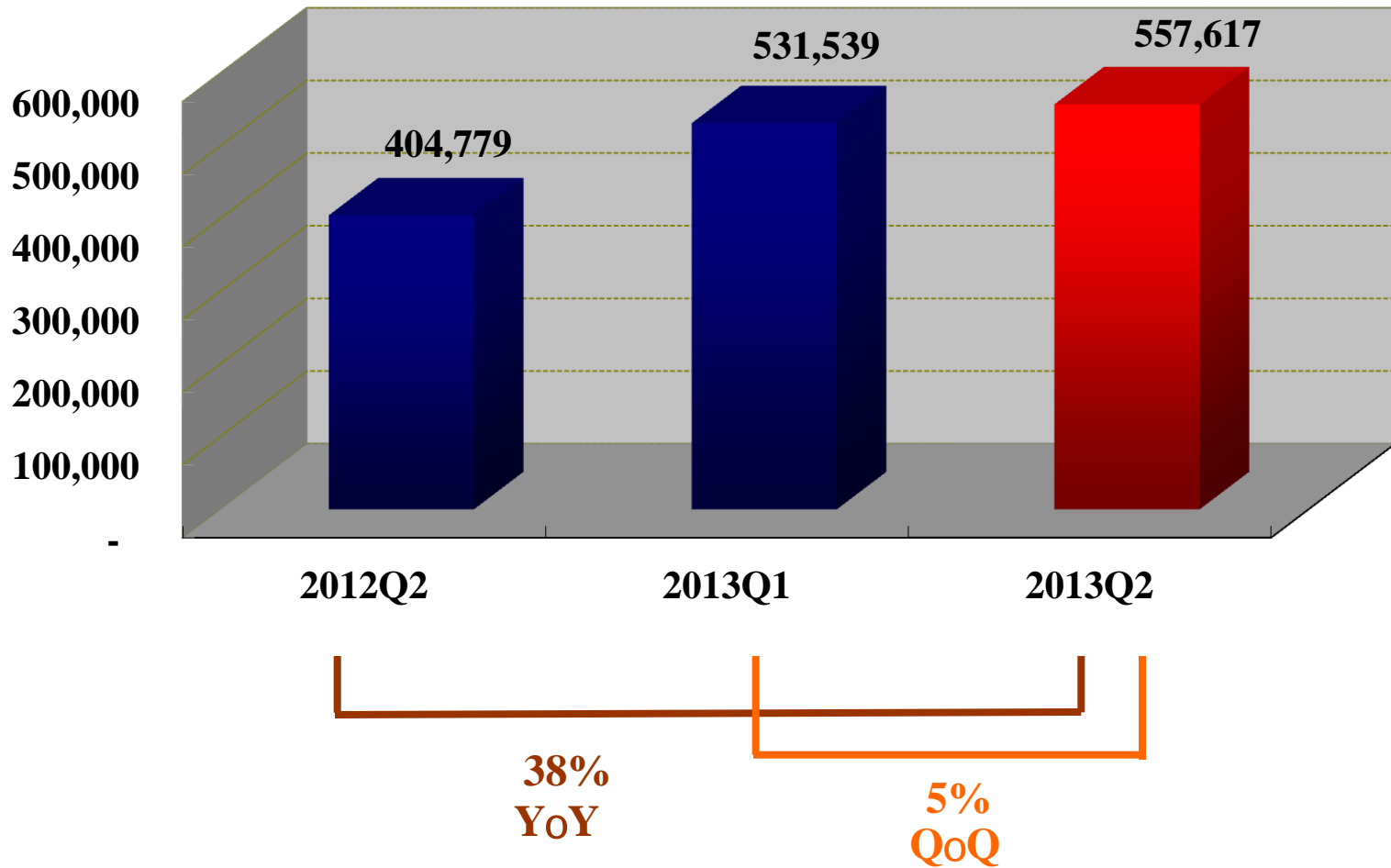


Operating Margin (Consolidated)

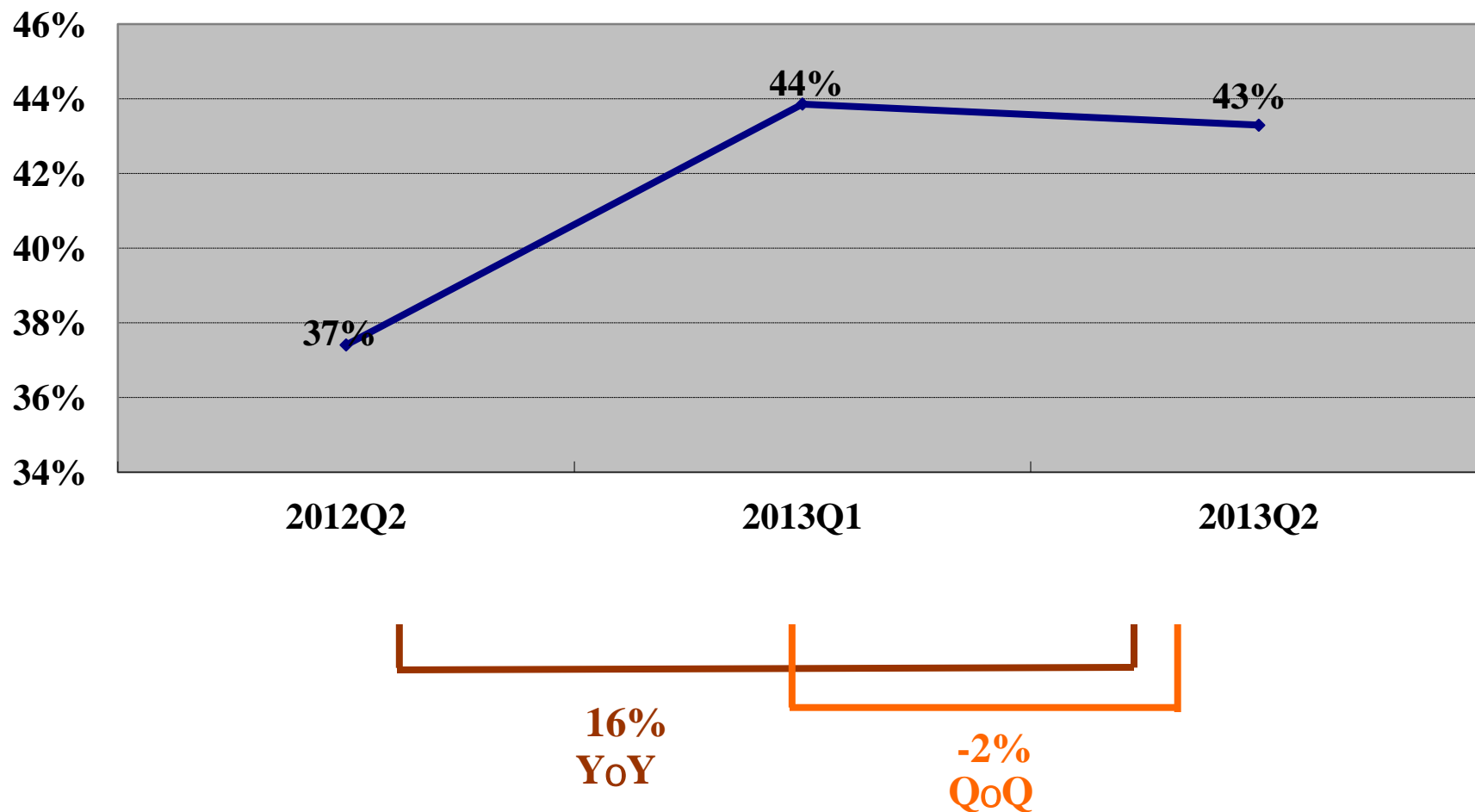


Net Income after tax (Consolidated)

(NT\$K)

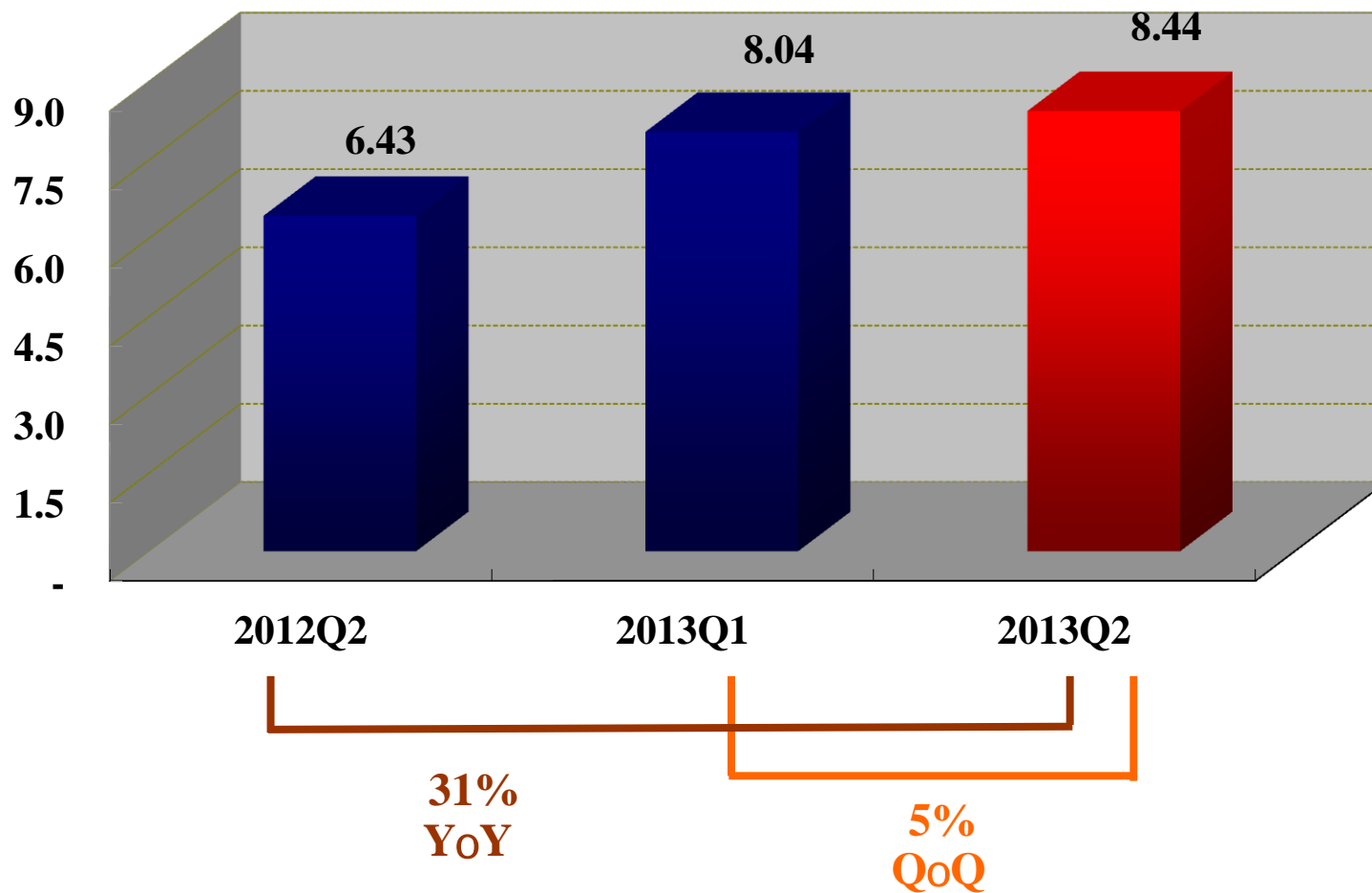


Margin of Net Income after tax (Consolidated)



Basic EPS (Consolidated)

(NT\$)



Income Statement (Consolidated)

(NT\$K)

	2013Q2	%	2013Q1	%	2012Q2	%	QoQ	YoY
Sales revenue	1,287,964	100	1,211,870	100	1,082,084	100	6%	19%
Operating costs	(381,866)	(30)	(358,497)	(30)	(315,606)	(29)		
Operating margin	906,098	70	853,373	70	766,478	71	6%	18%
Selling expenses	(73,100)	(6)	(90,592)	(7)	(134,808)	(13)		
G&A expenses	(61,271)	(5)	(55,430)	(5)	(55,574)	(5)		
R&D expenses	(183,666)	(14)	(175,776)	(16)	(134,599)	(12)		
Total operating expenses	(318,037)	(25)	(321,798)	(28)	(324,981)	(30)	-1%	-2%
Operating income	588,061	45	531,575	44	441,497	41	11%	33%
Non-operating G&L	60,455	5	38,731	3	27,349	3	56%	121%
Profit before income tax	648,516	50	570,306	47	468,846	43		
Income tax expense	(90,899)	(7)	(38,767)	(3)	(64,067)	(6)		
Net income	557,617	43	531,539	44	404,779	38	5%	38%
Other comprehensive income	5,947	1	24,247	2	2,698	0		
	563,564	44	555,786	46	407,477	38		
Basic EPS	8.44		8.04		6.43		5%	31%

Balance Sheet (Consolidated)

(NT\$K)

	2013 Q2	%	2013 Q1	%	2012 Q2	%
Cash	4, 048, 454	62	2, 954, 252	51	2, 170, 897	47
Accounts receivable	867, 657	13	1, 252, 858	21	895, 397	19
Other receivables	14, 477	–	21, 132	–	31, 260	1
Inventories	1, 373, 488	21	1, 356, 273	23	1, 244, 112	27
Prepayments	51, 657	1	33, 493	1	26, 855	1
Other current assets	13, 558	–	13, 925	–	675	–
Property, plant and equipment	168, 507	3	158, 314	3	178, 226	4
Intangible assets	10, 177	–	10, 358	–	12, 514	–
Deferred income tax assets	32, 192	–	32, 191	1	27, 330	1
Other non-current assets	7, 969	–	8, 084	–	8, 105	0
Total assets	6, 588, 136	100	5, 840, 880	100	4, 595, 371	100
Short-term borrowings	–	–	–	–	200, 000	4
Accounts payable	124, 740	2	102, 960	2	29, 741	1
Other payables	1, 294, 802	20	419, 374	7	589, 757	13
Current income tax liabilities	123, 921	2	117, 163	2	80, 959	2
Provision for liabilities-current	721, 215	11	648, 613	11	398, 856	9
Other current liabilities	2, 209	–	–	–	144, 480	3
Non-current liabilities	91, 151	1	95, 925	2	62, 584	1
Total equity	4, 230, 098	64	4, 456, 845	76	3, 088, 994	67
Total liabilities and equity	6, 588, 136	100	5, 840, 880	100	4, 595, 371	100

Statement of Cash flow (Consolidated)

(NT\$K)

	2013 Q2	2013 Q1	2012 Q2
Cash at beginning of period	2, 776, 308	2, 776, 308	612, 326
Cash inflow from operating activities	1, 277, 432	158, 271	776, 784
Acquisition of PP&E	(30, 927)	(8, 021)	(22, 404)
Short-term debt payments	–	–	(457, 000)
Proceeds from issuance of common stock	–	–	1, 248, 000
Other activities	25, 641	27, 694	13, 191
Cash at end of period	4, 048, 454	2, 954, 252	2, 170, 897
Financing activities not affecting cash flows			
Declaration of dividends (shown in other payables)	792, 000	–	264, 000

- Moderate growth in revenue.
- New products development on schedule.
- Increasing demand of EBI from technology node migration.

Q & A

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