



# ***PixArt Imaging Inc.***

## **2010 Second Quarter Results Investor Conference**

Aug . 3, 2010



Welcome PixArt

# Income Statements I

Unit: In thousand NTD except EPS

	Q2/10	Q1/10	Q2/09	QoQ	YoY
Net Sales	1,184,828	1,079,566	841,489	9.8%	40.8%
COGS	645,091	605,879	452,027	6.5%	42.7%
Gross Profit	539,737	473,687	389,462	13.9%	38.6%
Plus: Realized Gross Profit	17	217	-		
Realized Gross Profit	539,754	473,904	389,462	13.9%	38.6%
<i>Gross Margin</i>	45.6%	43.9%	46.3%		
Operating Expense	248,807	223,820	204,301	11.2%	21.8%
Operating Income	290,947	250,084	185,161	16.3%	57.1%
<i>Operating Margin</i>	24.6%	23.2%	22.0%		
Non-Operating Income	6,438	4,063	(916)		
Non-Operating Expense	3,148	9,640	5,925		
Income before Tax	294,237	244,507	178,320	20.3%	65.0%
Income Tax Expense (Benefit)	9,000	9,000	9,057		
Net Income	285,237	235,507	169,263	21.1%	68.5%
<i>Net Margin</i>	24.1%	21.8%	20.1%		
EPS (NT\$)	2.21	1.83	1.36		
Weighted Avg. Outstanding shares	128,756	128,756	124,830		

# Income Statements II

Unit: In thousand NTD except EPS

	H1/10	H1/09	YoY
Net Sales	2,264,394	1,566,569	44.5%
COGS	1,250,970	817,526	53.0%
Gross Profit	1,013,424	749,043	35.3%
Plus: Realized Gross Profit	234	-	
Realized Gross Profit	1,013,658	749,043	35.3%
<i>Gross Margin</i>	44.8%	47.8%	
Operating Expense	472,627	399,642	18.3%
Operating Income	541,031	349,401	54.8%
<i>Operating Margin</i>	23.9%	22.3%	
Non-Operating Income	10,501	13,722	
Non-Operating Expense	12,788	8,711	
Income before Tax	538,744	354,412	52.0%
Income Tax Expense (Benefit)	18,000	18,139	
Net Income	520,744	336,273	54.9%
<i>Net Margin</i>	23.0%	21.5%	
EPS (NT\$)	4.04	2.69	
Weighted Avg. Outstanding shares	128,756	124,830	

# Operating Expenses

## Operating Expenses

Amount: NT\$ thousand	Q2/10	Q1/10	Q2/09	QoQ	YoY
Selling Expenses	31,111	26,548	22,172	17.2%	40.3%
ADM Expenses	68,651	64,503	61,416	6.4%	11.8%
R&D Expenses	149,045	132,769	120,713	12.3%	23.5%
Total Operating Expenses	248,807	223,820	204,301	11.2%	21.8%

## Non-GAAP Operating Expenses (Note)

Amount: NT\$ thousand	Q2/10	Q1/10	Q2/09	QoQ	YoY
Selling Expenses	24,205	20,573	17,755	17.7%	36.3%
ADM Expenses	52,793	49,437	50,617	6.8%	4.3%
R&D Expenses	76,339	74,912	79,219	1.9%	-3.6%
Total Operating Expenses	153,337	144,922	147,591	5.8%	3.9%

Note: Employee profit sharing expense & directors' and supervisors' remuneration expense have been excluded.

## Non-Operating Income (Loss)

Amount: NT\$ thousand	Q2/10	Q1/10	Q2/09	QoQ	YoY
Interest Income	6,137	4,011	5,205	53.0%	17.9%
Exchange Gain (Loss)	2,981	(3,571)	(8,963)	-183.5%	-133.3%
Investments (Loss)	(5,820)	(6,069)	(4,069)	-4.1%	43.0%
Other Income(Loss)	(8)	52	986	-115.4%	-100.8%
Total Non-Operating Income (Loss)	3,290	(5,577)	(6,841)	-159.0%	-148.1%

# Balance Sheets and Cash Flows

## Condensed Balance Sheets

Amount: NT\$ thousand

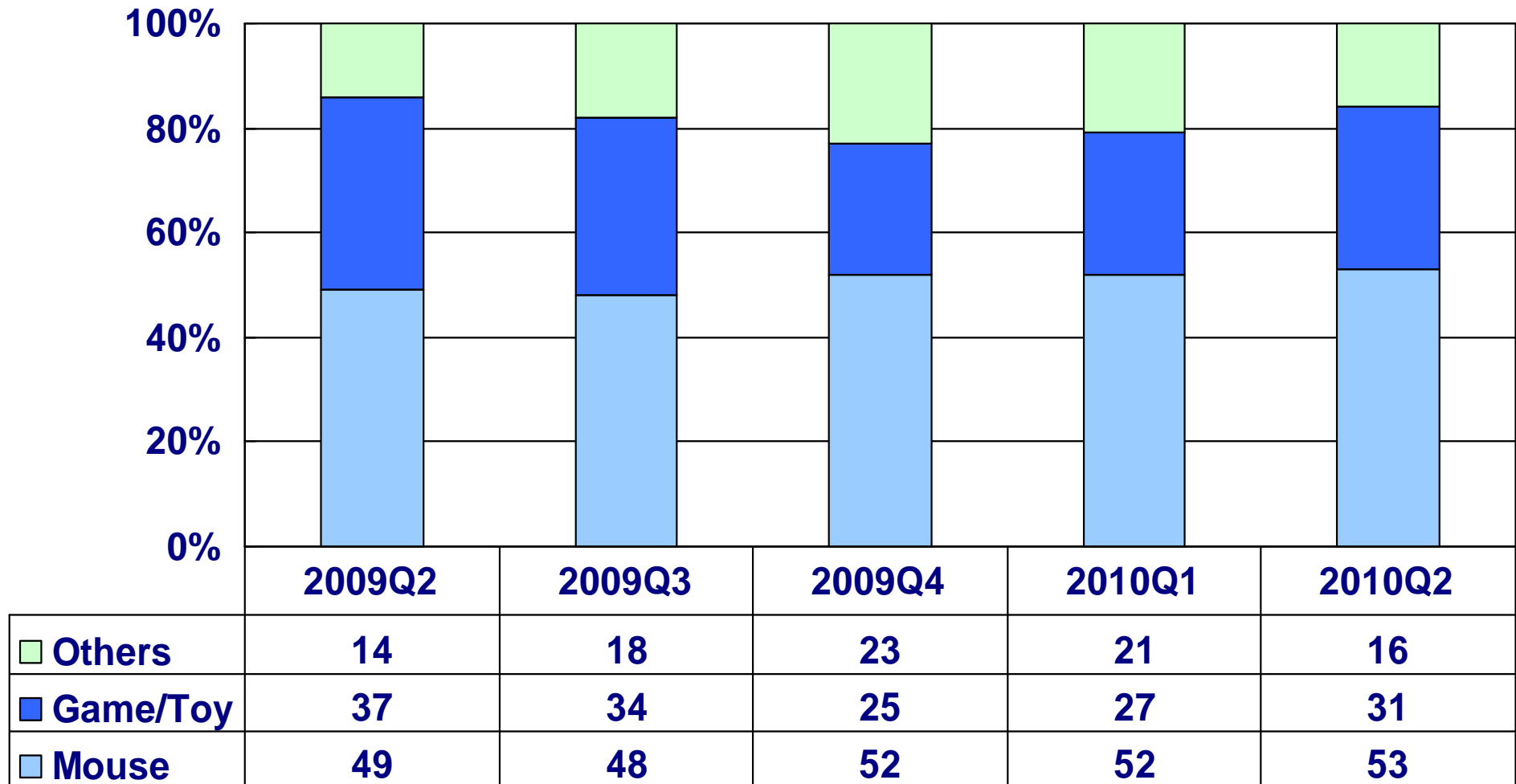
	<u>Q2/10</u>	<u>Q1/10</u>	<u>Q2/09</u>
Cash and Cash Equivalents	5,288,127	5,115,838	5,148,954
Notes and Accounts Receivable (Net)	571,921	532,384	346,529
Inventory (Net)	326,022	291,351	246,089
Total Current Assets	6,516,943	6,121,595	5,821,695
Funds and investments	1,015,688	1,025,736	616,489
Fixed Assets	270,482	270,389	252,033
Intangible Assets	34,051	40,292	38,543
Total Assets	7,863,529	7,485,208	6,770,212
Notes and Accounts Payable	430,570	401,201	390,426
Total Current Liabilities	2,048,344	1,311,863	1,725,856
Other Liabilities	6,076	6,093	6,906
Shareholders' Equity	<u>5,809,109</u>	<u>6,167,252</u>	<u>5,037,450</u>

## Condensed Statements of Cash Flows

Amount: NT\$ thousand

	<u>Q2/10</u>	<u>Q1/10</u>	<u>Q2/09</u>
Cash generated from operating activities	331,788	274,786	328,326
Cash used in investing activities	(159,499)	(8,163)	(67,748)
Cash generated from financing activities	0	83,209	0
Increase in Cash and Cash Equivalents	<u>172,289</u>	<u>349,832</u>	<u>260,578</u>

# Revenue Breakdown by Application



# Q&A

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