



**Chunghwa Picture Tubes, Ltd.**  
**1H'11 Investor Conference**

# Safe Harbor Statement

The statements included in this presentation that are not historical in nature are forward-looking statements. These forward-looking statements which may include statements regarding CPT's future results of operations, financial condition, and investment plan are subject to significant risks and uncertainties and are based on CPT current expectations.

Actual results may differ materially from those expressed or implied in these forward-looking statements for a variety of reasons, including, among other things: the cyclical fluctuation and our gross margin affected by downward price pressures; our dependence on growth in the demand for our products; dependence on access to raw materials and components; general economic and political conditions, including those related to the TFT-LCD industry; possible disruptions in commercial activities caused by natural and human-induced disasters; and fluctuations in foreign currency exchange.

Additional information as to these and other factors that may cause actual results to differ materially from CPT forward-looking statements can be found in CPT annual report on Market Observe Post System in Security and Future Commission website.

# Agenda



- **Opening**
- **CPT Financials**
- **Market &CPT**
- **Q&A**

# 2Q11 Sales Results

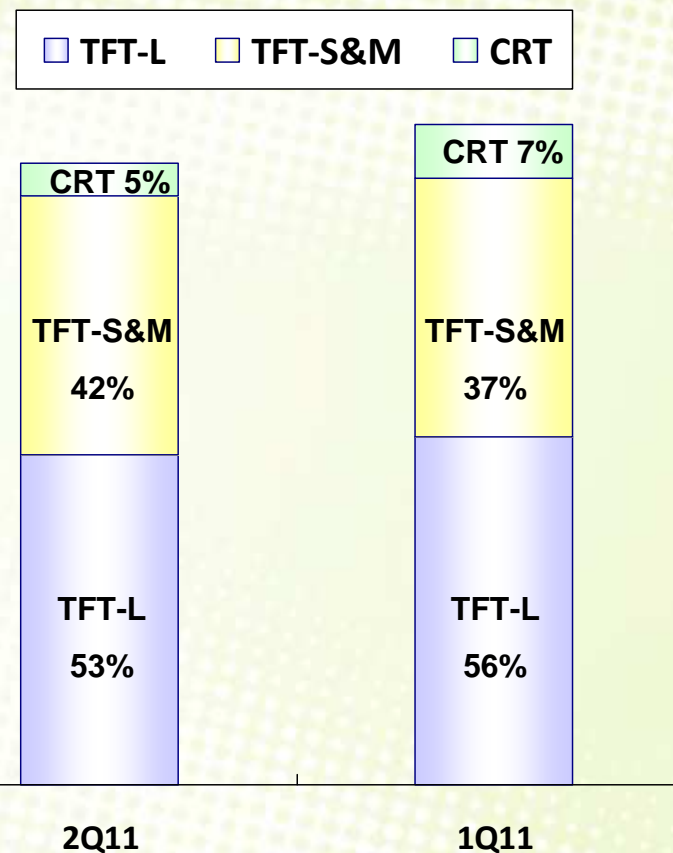


Unit: NT\$ M.

Revenue	2Q11	1Q11	QoQ%
<b>Group</b>	<b>15,929</b>	<b>16,948</b>	<b>(6.0%)</b>
<b>TFT-LCD</b>	<b>15,111</b>	<b>15,552</b>	<b>(2.8%)</b>
L	8,451	8,922	(5.3%)
S&M	6,660	6,630	0.5%

Revenue	2Q11	2Q10	YoY%
<b>Group</b>	<b>15,929</b>	<b>24,210</b>	<b>(34.2%)</b>
<b>TFT-LCD</b>	<b>15,111</b>	<b>21,697</b>	<b>(30.4%)</b>
L	8,451	15,724	(46.3%)
S&M	6,660	5,973	11.5%

## QoQ Revenue Breakdown



Source: Unaudited company data

# 2Q11 Consolidated Income Statement



Unit: NT\$ M.	2Q11	1Q11	QoQ Chg(%)	2Q10	YoY Chg(%)
<b>Net Sales</b>	15,929	16,948	(6.0%)	24,210	(34.2%)
<b>Gross Profit</b>	(1,371)	(1,639)	16.4%	1,372	(199.9%)
<b>Operating Income</b>	(3, 392)	(3,765)	41.1%	(1,238)	(174.0%)
<b>Pre-tax Income</b>	(2,937)	(2,081)	(42.9%)	(1,538)	(91.0%)
<b>Net Income</b>	(3,126)	(2,326)	(34.4%)	(1,500)	(108.4%)
<b>Adjusted EBITDA<sup>1</sup></b>	1,070	995	7.5%	4,690	(77.2%)
<b>EPS</b>	(0.48)	(0.36)		(0.23)	
<b>Margin (%)</b>					
<b>Gross Margin</b>	(8.6)	(9.7)	-	5.7	-
<b>Operating Margin</b>	(21.3)	(22.2)	-	(5.1)	-
<b>EBITDA Margin</b>	6.7	5.9	-	19.4	-

Source: Unaudited company data

Note 1: Adjusted EBITDA is defined as operating income plus depreciation and amortization.

# 2Q11 TFT BU Income Statement



Unit: NT\$ M.	2Q11	1Q11	QoQ Chg(%)	2Q10	YoY Chg(%)
<b>Net Sales</b>	15,111	15,552	(2.8%)	21,697	(30.4%)
<b>Gross Profit</b>	(1,252)	(1,476)	15.2%	1,053	(218.9%)
<b>Operating Income</b>	(3,144)	(3,336)	5.8%	(1,120)	(180.7%)
<b>Pre-tax Income</b>	(2,784)	(1,908)	(45.9%)	(1,331)	(109.2%)
<b>Adjusted EBITDA</b>	1,283	1,385	(7.4%)	4,810	(73.3%)
<b>Margin (%)</b>					
<b>Gross Margin</b>	(8.3)	(9.5)	-	4.9	-
<b>Operating Margin</b>	(20.8)	(21.5)	-	(5.2)	-
<b>EBITDA Margin</b>	8.5	8.9	-	22.2	-

Source: Unaudited company data

# 2Q11 Consolidated Balance Sheet



Unit: NT\$ M.	2Q11	1Q11	QoQ Chg(%)	2Q10	YoY Chg(%)
Cash & ST Investment	16,579	16,722	(0.9%)	18,251	(9.2%)
Inventory	7,196	6,243	15.3%	9,050	(20.5%)
Short-term Debt	22,485	22,666	(0.8%)	24,599	(8.6%)
Long-term Debt	18,143	21,135	(14.2%)	24,259	(25.2%)
Stockholders' Equity	43,986	47,112	(6.6%)	64,377	(31.7%)
Book Value per Share <sup>1</sup>	6.27	6.75		9.20	
<b>Ratios (%)</b>					
Debt / Equity	92	93		76	
Net Debt / Equity	55	57		48	
Inventory Turnover (days) <sup>2</sup>	37	31		37	

Source: Unaudited company data

Note 1: CPT implemented capital reduction at the end of 2Q'10. Excluding minority interests.

Note 2: Average period of the designated period divided by annualized and multiplied by 365 days.

# TFT-LCD Panel Shipment – (L)

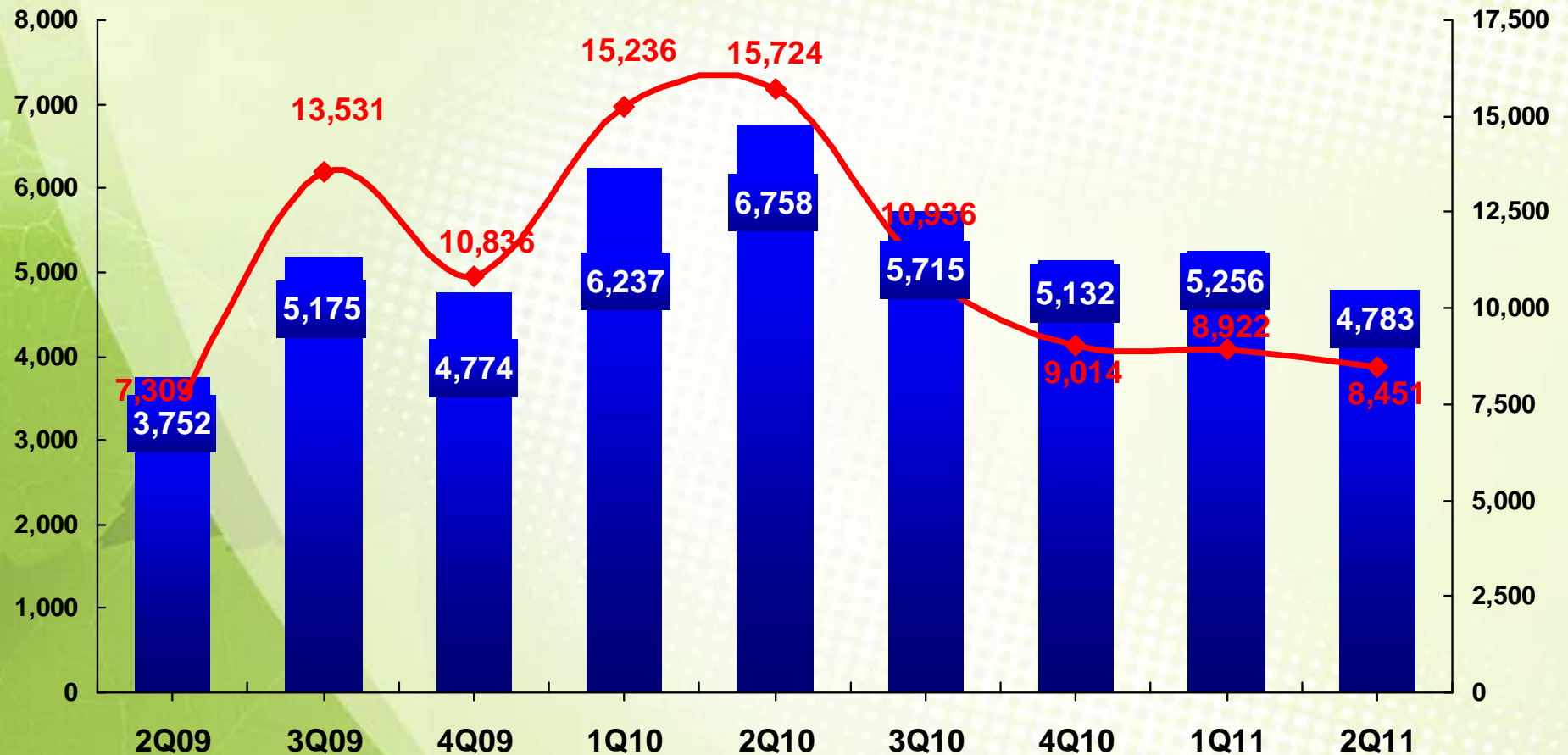


- In 2Q11, TFT-LCD large-sized panel shipments were around 4.8M, down 9.0% QoQ due to implement the transformation.

Unit: K pcs

■ Shipment ◆ Revenue

NT\$ Million

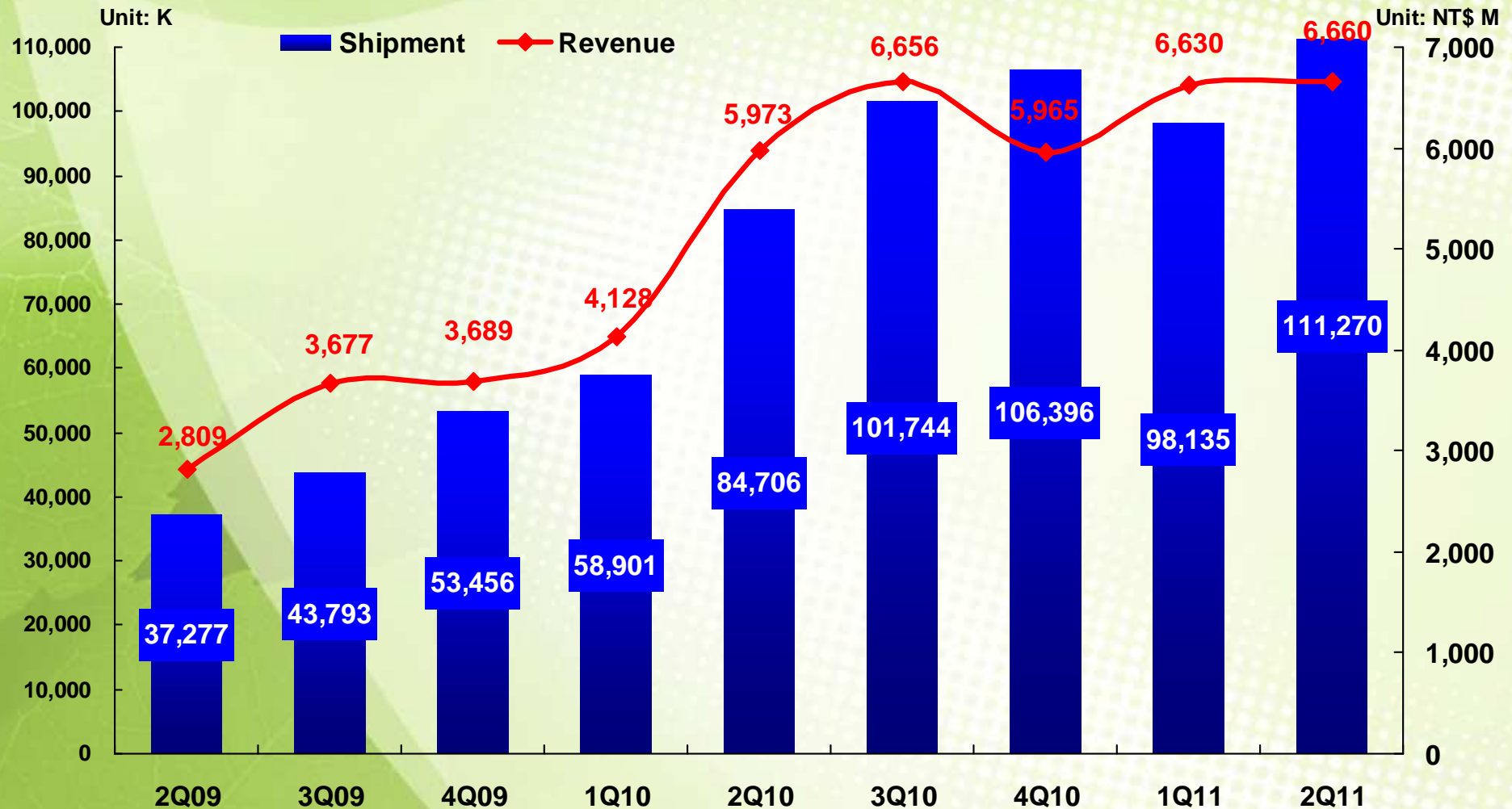


Source: Unaudited company data

# TFT-LCD Panel Shipment – (S&M)



- In 2Q11, TFT-LCD S&M-sized panel shipments were around 111.3M, up 13.4% QoQ.



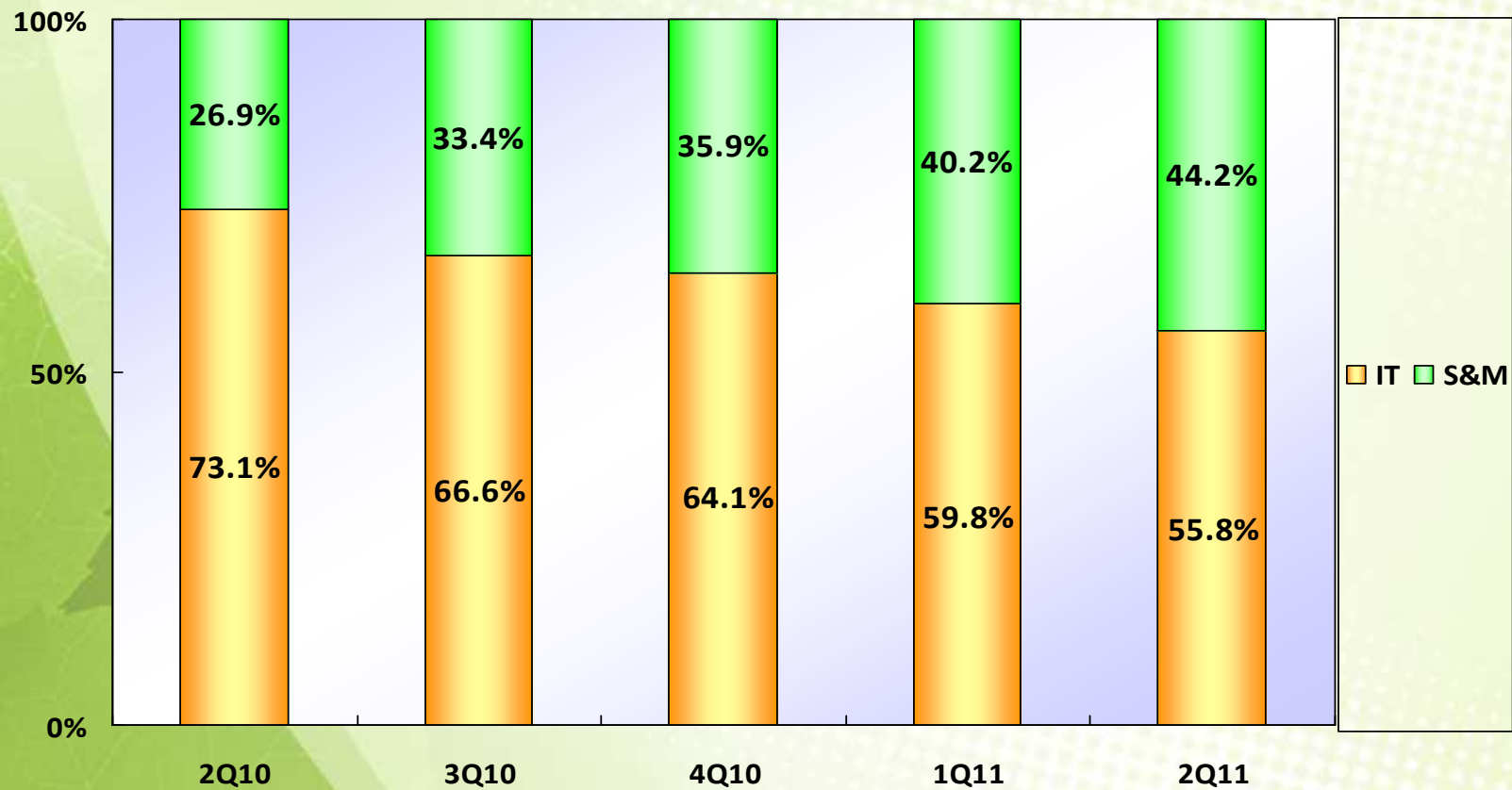
Source: Unaudited company data

# Product Mix by Shipment Area



## ● The Change of Shipment Area Shows:

CPT's Ongoing Effort to Transform to a Dedicated S&M-TFT Player



Source: Unaudited company data



*Displaying your vision!*

**Thank you.**