



*Displaying your vision*

***Chunghwa Picture Tubes, Ltd.***

***2Q08 Investor Conference***





## Safe Harbor Statement



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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.



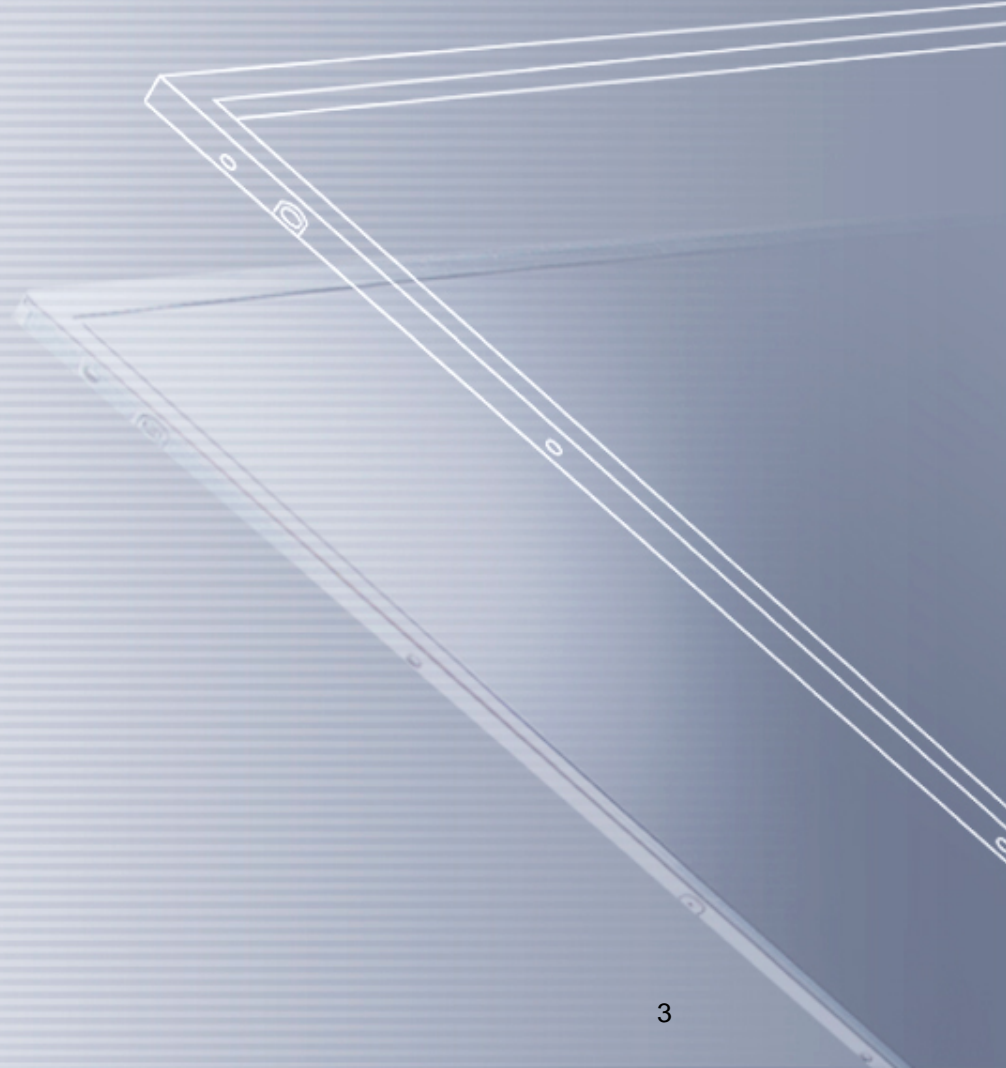


# Agenda



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





# Session 1



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## ✓ Opening

Mr. Kay Chiu  
President

- CPT Financials
- Market & CPT
- Q&A



## Session 2



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- Opening
- ✓ CPT Financials

Mr. James Wu  
CFO

- Market & CPT
- Q&A



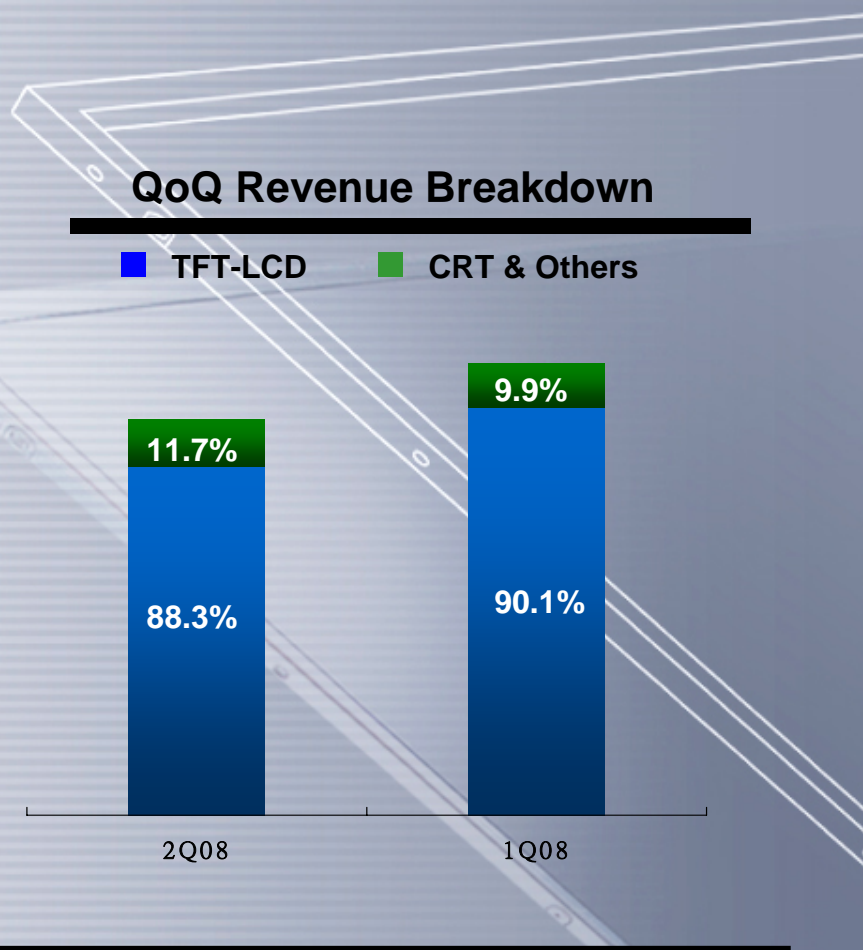


# 2Q08 Sales Results



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Unit: NT\$ M.			
Revenue	2Q08	1Q08	QoQ %
<b>Group</b>	<b>35,152</b>	<b>40,242</b>	<b>(12.6)</b>
<b>TFT-LCD</b>	<b>31,040</b>	<b>36,238</b>	<b>(14.3)</b>
(L)	27,205	30,444	(10.6)
(S&M)	3,502	4,764	(26.5)
<b>CRT &amp; Others</b>	<b>4,112</b>	<b>4,004</b>	<b>2.7</b>
Revenue	2Q08	2Q07	YoY %
<b>Group</b>	<b>35,152</b>	<b>37,575</b>	<b>(6.4)</b>
<b>TFT-LCD</b>	<b>31,040</b>	<b>33,932</b>	<b>(8.5)</b>
(L)	27,205	30,721	(11.4)
(S&M)	3,502	3,211	9.1
<b>CRT &amp; Others</b>	<b>4,112</b>	<b>3,663</b>	<b>12.3</b>



Source: Unaudited company data



## 2Q08 Consolidated Income Statement



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Unit: NT\$ M.	2Q08	1Q08	QoQ Chg (%)	2Q07	YoY Chg(%)
Net Sales	35,152	40,242	(12.6)	37,575	(6.4)
Gross Profit	5,933	7,388	(19.7)	3,866	53.5
Operating Income	2,458	3,782	(35.0)	1,164	111.2
Pre-tax Income	1,138	5,212	(78.2)	508	124.0
Net Income	1,020	5,118	(80.1)	455	124.2
Adjusted EBITDA <sup>1</sup>	9,340	10,676	(12.6)	7,515	24.3
EPS	0.11	0.54		0.06	
Margins (%)	2Q08	1Q08		2Q07	
Gross Margin	16.9	18.4		10.3	
Operating Margin	7.0	9.4		3.1	
EBITDA Margin	26.6	26.5		20.0	

Source: Unaudited company data

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



# 1H08 Consolidated Income Statement



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Unit: NT\$ M.	1H08	1H07	YoY Chg(%)
<b>Net Sales</b>	<b>75,395</b>	<b>67,387</b>	<b>11.9</b>
<b>Gross Profit</b>	<b>13,321</b>	<b>3,630</b>	<b>267.0</b>
<b>Operating Income</b>	<b>6,240</b>	<b>(1,347)</b>	<b>563.3</b>
<b>Pre-tax Income</b>	<b>6,350</b>	<b>(2,497)</b>	<b>354.3</b>
<b>Net Income</b>	<b>6,138</b>	<b>(2,543)</b>	<b>341.4</b>
<b>Adjusted EBITDA</b>	<b>20,027</b>	<b>11,236</b>	<b>78.2</b>
<b>EPS</b>	<b>0.65</b>	<b>(0.31)</b>	<b>309.8</b>
<b>Margins (%)</b>	<b>1H08</b>	<b>1H07</b>	
<b>Gross Margin</b>	<b>17.7</b>	<b>5.4</b>	
<b>Operating Margin</b>	<b>8.3</b>	<b>(2.0)</b>	
<b>EBITDA Margin</b>	<b>26.6</b>	<b>16.7</b>	

Source: Unaudited company data





## 2Q08 Consolidated Balance Sheet



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Unit: NT\$ M.	2Q08	1Q08	QoQ Chg (%)	2Q07	YoY Chg(%)
Cash & ST Investment	35,144	35,428	(0.8)	26,667	31.8
Inventory	17,048	12,060	41.4	13,706	24.4
Short term Debt	31,652	24,285	30.3	38,586	(18.0)
Long term Debt	40,718	49,110	(17.1)	56,077	(27.4)
Stockholders' Equity	101,221	106,876	(5.3)	87,425	21.3
Book Value per Share	10.68	11.3			
Ratios(%)	2Q08	1Q08		2Q07	
Debt / Equity	71	69		113	
Net Debt / Equity	37	36		82	
Inventory Turnover (days) <sup>2</sup>	54	37		37	

Source: Unaudited company data

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



## 2Q08 TFT BU Income Statement



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Unit: NT\$ M.	2Q08	1Q08	QoQ Chg (%)	2Q07	YoY Chg(%)
<b>Net Sales</b>	<b>31,040</b>	<b>36,238</b>	<b>(14.3)</b>	<b>33,905</b>	<b>(8.5)</b>
<b>Gross Profit</b>	<b>6,157</b>	<b>7,453</b>	<b>(17.4)</b>	<b>3,942</b>	<b>56.2</b>
<b>Operating Income</b>	<b>2,933</b>	<b>4,083</b>	<b>(28.2)</b>	<b>1,466</b>	<b>100.1</b>
<b>Pre-tax Income</b>	<b>1,520</b>	<b>5,359</b>	<b>(71.6)</b>	<b>744</b>	<b>104.3</b>
<b>Adjusted EBITDA</b>	<b>9,346</b>	<b>10,509</b>	<b>(11.1)</b>	<b>7,162</b>	<b>30.5</b>
<b>EBITDA per panel<sup>3</sup></b>	<b>1,369</b>	<b>1,529</b>	<b>(10.5)</b>	<b>1,031</b>	<b>32.8</b>
<b>Margins (%)</b>	<b>2Q08</b>	<b>1Q08</b>		<b>2Q07</b>	
<b>Gross Margin</b>	<b>19.8</b>	<b>20.6</b>		<b>11.6</b>	
<b>Operating Margin</b>	<b>9.4</b>	<b>11.3</b>		<b>4.3</b>	
<b>EBITDA Margin</b>	<b>30.1</b>	<b>29.0</b>		<b>21.1</b>	

Source: Unaudited company data

Note: 3. The unit for EBITDA per "large-sized" panel is NT\$ .



## 1H08 TFT BU Income Statement



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Unit: NT\$ M.	1H08	1H07	YoY Chg(%)
<b>Net Sales</b>	<b>67,278</b>	<b>60,500</b>	<b>11.2</b>
<b>Gross Profit</b>	<b>13,610</b>	<b>3,979</b>	<b>242.0</b>
<b>Operating Income</b>	<b>7,016</b>	<b>(506)</b>	<b>1486.6</b>
<b>Pre-tax Income</b>	<b>6,879</b>	<b>(1,730)</b>	<b>497.6</b>
<b>Adjusted EBITDA</b>	<b>19,855</b>	<b>10,790</b>	<b>84.0</b>
<b>EBITDA per panel</b>	<b>1,449</b>	<b>1,613</b>	<b>(10.2)</b>
<b>Margins (%)</b>	<b>1H08</b>	<b>1H07</b>	
<b>Gross Margin</b>	<b>20.2</b>	<b>6.6</b>	
<b>Operating Margin</b>	<b>10.4</b>	<b>(0.8)</b>	
<b>EBITDA Margin</b>	<b>29.5</b>	<b>17.8</b>	

Source: Unaudited company data





## 2Q08 CRT BU Income Statement



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Unit: NT\$ M.	2Q08	1Q08	QoQ Chg (%)	2Q07	YoY Chg(%)
<b>Net Sales</b>	<b>4,015</b>	<b>3,942</b>	<b>1.9</b>	<b>3,670</b>	<b>9.4</b>
<b>Gross Profit</b>	<b>(233)</b>	<b>(139)</b>	<b>(67.6)</b>	<b>(99)</b>	<b>(135.4)</b>
<b>Operating Income</b>	<b>(468)</b>	<b>(359)</b>	<b>(30.4)</b>	<b>(253)</b>	<b>(85.0)</b>
<b>Pre-tax Income</b>	<b>(376)</b>	<b>(197)</b>	<b>(90.9)</b>	<b>(92)</b>	<b>(308.7)</b>
<b>Adjusted EBITDA</b>	<b>(13)</b>	<b>106</b>	<b>(112.3)</b>	<b>298</b>	<b>(104.4)</b>
<b>Margins (%)</b>	<b>2Q08</b>	<b>1Q08</b>		<b>2Q07</b>	
<b>Gross Margin</b>	<b>(5.8)</b>	<b>(3.5)</b>		<b>(2.7)</b>	
<b>Operating Margin</b>	<b>(11.7)</b>	<b>(9.1)</b>		<b>(6.9)</b>	
<b>EBITDA Margin</b>	<b>(0.3)</b>	<b>2.7</b>		<b>8.1</b>	

Source; Unaudited company data



# 1H08 CRT BU Income Statement



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Unit: NT\$ M.	1H08	1H07	YoY Chg(%)
<b>Net Sales</b>	7,956	6,885	15.6
<b>Gross Profit</b>	(372)	(370)	(0.5)
<b>Operating Income</b>	(827)	(715)	(15.7)
<b>Pre-tax Income</b>	(573)	(548)	(4.6)
<b>Adjusted EBITDA</b>	93	389	(76.1)
<b>Margins (%)</b>	<b>1H08</b>	<b>1H07</b>	
<b>Gross Margin</b>	(4.7)	(5.4)	
<b>Operating Margin</b>	(10.4)	(10.4)	
<b>EBITDA Margin</b>	1.2	5.6	

Source; Unaudited company data

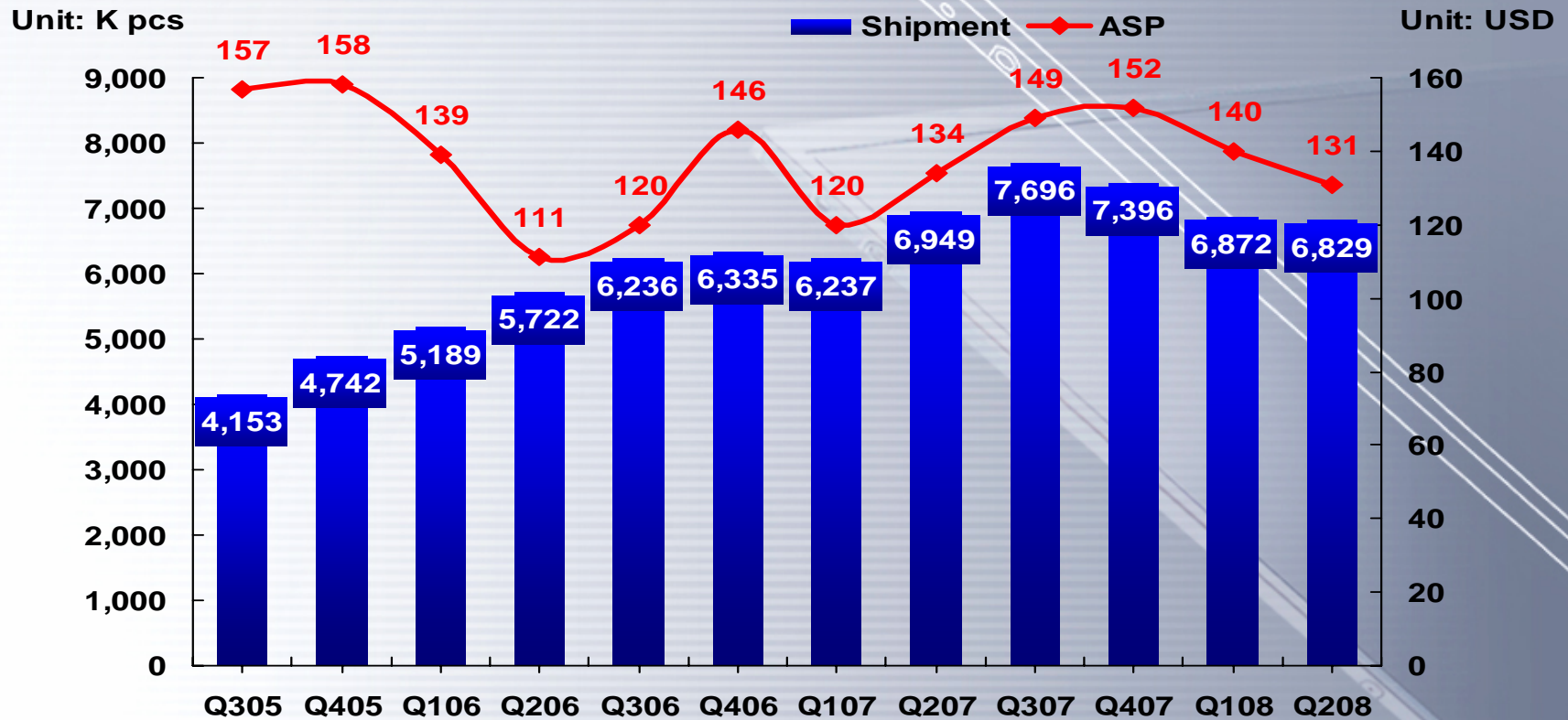


# TFT-LCD Panel Shipment –(L)



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- In 2Q08, TFT-LCD large-sized panel shipments were around 6.8M., down 0.6% QoQ.
- In 2Q08, blended ASP approximated US\$131, down 6% QoQ.





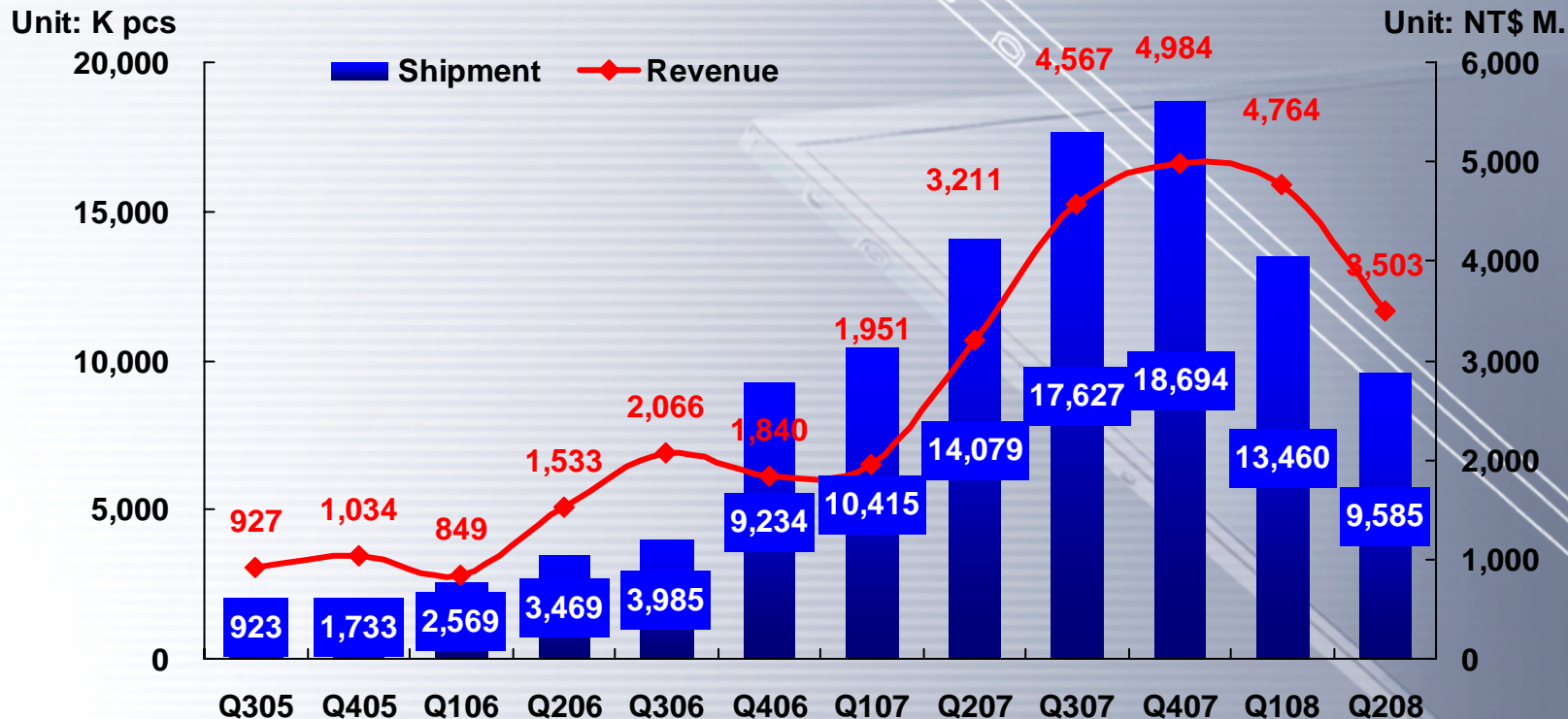


# TFT-LCD Panel Shipment – (S&M)



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- In 2Q08, TFT-LCD small- and medium-sized panel shipments were around 9.6M, down 28.8% QoQ.
- In 2Q08, the revenue generated from this sector was NT\$ 3,503 M, down 26.5% QoQ.



Source: Unaudited company data



# Product Mix by Application-Shipments

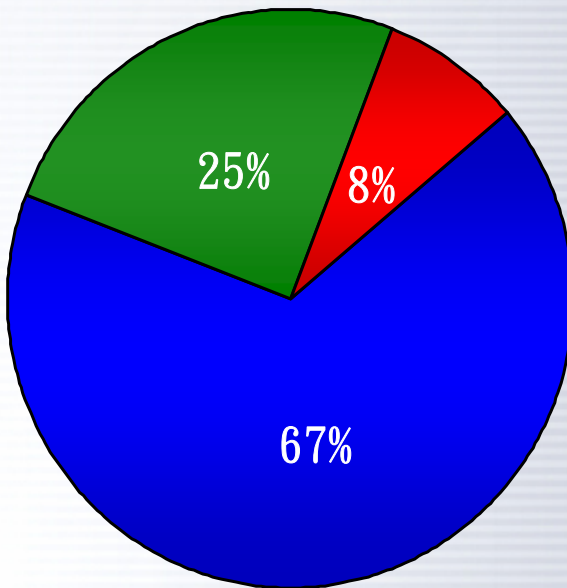


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• In 2Q08, NB shipment portion increased to 25% in TFT-LCD large-sized panel.

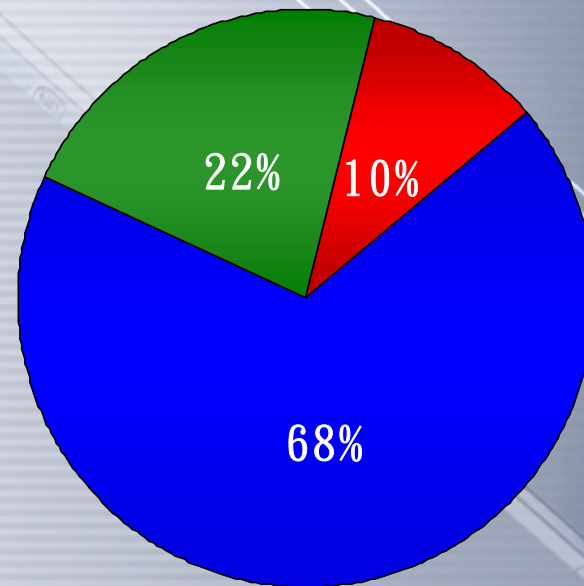
2Q08 TFT-LCD Product Mix

■ Monitor ■ NB ■ TV



1Q08 TFT-LCD Product Mix

■ Monitor ■ NB ■ TV



Source: Unaudited company data



# Shipments Breakdown by Size

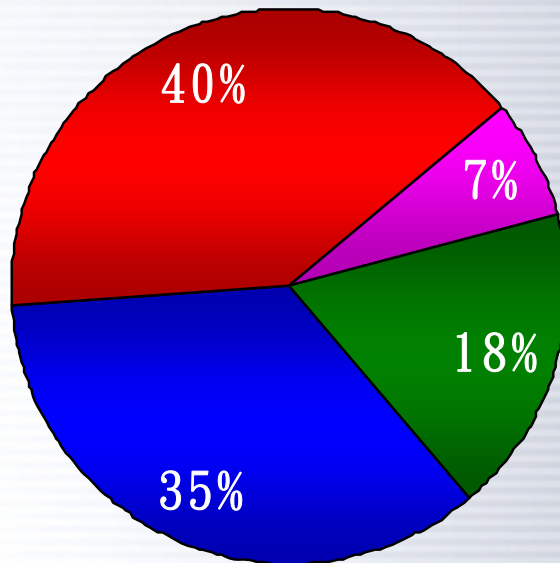


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- In 2Q08, the portion of TFT-LCD large-sized shipments below 15" increased to 7%.

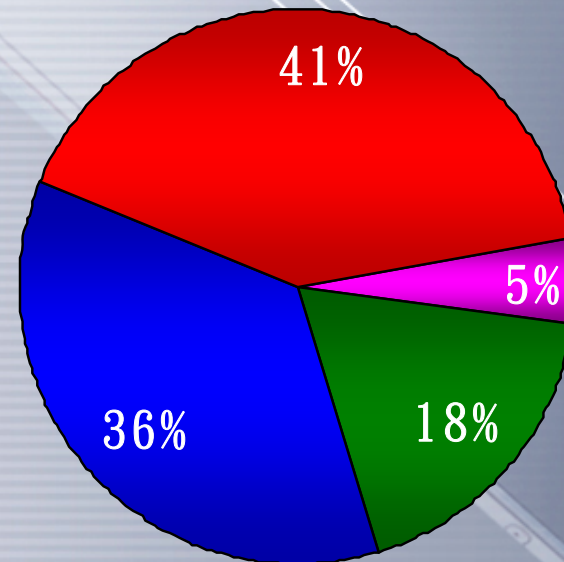
2Q08 TFT-LCD Breakdown by Size

■ <15" 
 ■ 15"/15.4" 
 ■ 17"/19" 
 ■ >=20.1"



1Q08 TFT-LCD Breakdown by Size

■ <15" 
 ■ 15"/15.4" 
 ■ 17"/19" 
 ■ >=20.1"



Source: Unaudited company data





# CPT 2Q08 Highlight



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All Fabs reached full capacity.

	Substrate Size (mm)	Capacity (k /m)
T2	680*880	72,600
L1A	730*920	90,000
L1B	730*920	90,000
L2	1500*1850	90,000
Y1 (CF)	730*920	220,000
Y2 (CF)	1500*1850	40,000
H1 (CF)	620*750	60,000
H2 (CF)	680*880 / 730*920	75,000

2Q08

Sales: NT\$ 35.2 B.

Large-sized Panel Shipments:

6.8 M.

Small- & Medium-sized Panel Shipments:

9.6 M.

◆ 2008 CAPEX: NT\$ 15.9 B.

*Since July 1<sup>st</sup>, 2008*

Source: Unaudited company data



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**Chunghwa Picture Tubes, Ltd.**



**Thank you.**



# Appendix:



## 2Q08 Unconsolidated Income Statement

Unit: NT\$ m	2Q08	1Q08	QoQ Chg (%)	2Q07	YoY Chg (%)
<b>Net Sales</b>	<b>30,950</b>	<b>36,109</b>	<b>(14.3)</b>	<b>33,683</b>	<b>(8.1)</b>
<b>Gross Profit</b>	<b>5,662</b>	<b>6,041</b>	<b>(6.3)</b>	<b>838</b>	<b>575.7</b>
<b>Operating Income</b>	<b>2,920</b>	<b>3,183</b>	<b>(8.3)</b>	<b>(1,310)</b>	<b>322.9</b>
<b>Net Income</b>	<b>1,020</b>	<b>5,118</b>	<b>(80.1)</b>	<b>526</b>	<b>93.9</b>
<b>Adjusted EBITDA</b>	<b>9,028</b>	<b>9,302</b>	<b>(2.9)</b>	<b>4,220</b>	<b>113.9</b>
<b>EPS</b>	<b>0.11</b>	<b>0.54</b>		<b>0.06</b>	
<b>Margins(%)</b>	<b>2Q08</b>	<b>1Q08</b>		<b>2Q07</b>	
<b>Gross Margin</b>	<b>18.3</b>	<b>16.8</b>		<b>2.5</b>	
<b>Operating Margin</b>	<b>9.4</b>	<b>8.9</b>		<b>(3.9)</b>	
<b>EBITDA Margin</b>	<b>29.2</b>	<b>25.8</b>		<b>12.5</b>	

Source: Unaudited company data