

**YOUNG**Optics *Everyone's Optics*



# 2014 H2 Results Investor Conference

January 30, 2015

# Disclaimer

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*Everyone's Optics*

Except for historical information contained herein, the matters set forth in this presentation are forward-looking statements that are subject to significant risks and uncertainties and actual results may differ materially from those contained in any forward-looking statements.

The forward-looking statements in this release reflect the current belief of Young Optics as of the date of this release and Young Optics undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such date.

# Income Statement(Consolidated)\_QoQ

*Everyone's Optics*

*Amount: NT\$ Million Except Per Share Data*

	4Q'14		3Q'14		QoQ	4Q'13		YoY
<b>Net Sales</b>	<b>1,369</b>	<b>100%</b>	<b>1,180</b>	<b>100%</b>	<b>16.0%</b>	<b>1,154</b>	<b>100%</b>	<b>18.6%</b>
Cost of Goods Sold	(966)	(70.6%)	(844)	(71.5%)	14.5%	(856)	(74.2%)	12.9%
<b>Gross Profit</b>	<b>403</b>	<b>29.4%</b>	<b>336</b>	<b>28.5%</b>	<b>19.8%</b>	<b>298</b>	<b>25.8%</b>	<b>35.0%</b>
Operating Expenses	(306)	(22.3%)	(283)	(24.0%)	8.2%	(286)	(24.8%)	7.1%
<b>Operating Income</b>	<b>97</b>	<b>7.1%</b>	<b>53</b>	<b>4.5%</b>	<b>81.2%</b>	<b>12</b>	<b>0.9%</b>	<b>731.4%</b>
Non-operating Income, Net	15	1.1%	25	2.1%	(39.0%)	21	1.8%	(27.4%)
<b>Income Before Tax</b>	<b>112</b>	<b>8.2%</b>	<b>78</b>	<b>6.6%</b>	<b>44.7%</b>	<b>33</b>	<b>2.7%</b>	<b>243.2%</b>
<b>Net Income</b>	<b>78</b>	<b>5.7%</b>	<b>61</b>	<b>5.2%</b>	<b>27.6%</b>	<b>17</b>	<b>1.5%</b>	<b>359.1%</b>
<b>Basic EPS (NT\$)<sup>(a)</sup></b>	<b>0.67</b>		<b>0.54</b>			<b>0.13</b>		
<b>EBITDA</b>	<b>176</b>	<b>12.8%</b>	<b>147</b>	<b>12.5%</b>	<b>19.2%</b>	<b>98</b>	<b>8.5%</b>	<b>78.4%</b>

*Prepared by YoungOptics on a consolidated basis*

(a) Basic EPS was calculated based on the total weighted average outstanding shares of each quarter

# Income Statement(Consolidated)\_Quarterly Comparison

*Everyone's Optics*

*Amount: NT\$ Million Except Per Share Data*

	4Q'14		3Q'14		2Q'14		1Q'14	
<b>Net Sales</b>	<b>1,369</b>	<b>100%</b>	<b>1,180</b>	<b>100%</b>	<b>1,258</b>	<b>100%</b>	<b>1,199</b>	<b>100%</b>
Cost of Goods Sold	(966)	(70.6%)	(844)	(71.5%)	(941)	(74.8%)	(916)	(76.4%)
<b>Gross Profit</b>	<b>403</b>	<b>29.4%</b>	<b>336</b>	<b>28.5%</b>	<b>317</b>	<b>25.2%</b>	<b>283</b>	<b>23.6%</b>
Operating Expenses	(306)	(22.3%)	(283)	(24.0%)	(281)	(22.3%)	(267)	(22.3%)
<b>Operating Income</b>	<b>97</b>	<b>7.1%</b>	<b>53</b>	<b>4.5%</b>	<b>36</b>	<b>2.9%</b>	<b>16</b>	<b>1.3%</b>
Non-operating Income, Net	15	1.1%	25	2.1%	19	1.5%	19	1.6%
<b>Income Before Tax</b>	<b>112</b>	<b>8.2%</b>	<b>78</b>	<b>6.6%</b>	<b>55</b>	<b>4.4%</b>	<b>35</b>	<b>2.9%</b>
<b>Net Income</b>	<b>78</b>	<b>5.7%</b>	<b>61</b>	<b>5.2%</b>	<b>32</b>	<b>2.5%</b>	<b>22</b>	<b>1.9%</b>
<b>Basic EPS (NT\$)<sup>(a)</sup></b>	<b>0.67</b>		<b>0.54</b>		<b>0.28</b>		<b>0.20</b>	
<b>EBITDA</b>	<b>176</b>	<b>12.8%</b>	<b>147</b>	<b>12.5%</b>	<b>124</b>	<b>9.9%</b>	<b>103</b>	<b>8.5%</b>

*Prepared by YoungOptics on a consolidated basis*

(a) Basic EPS was calculated based on the total weighted average outstanding shares of each quarter

# Income Statement(Consolidated)\_YoY

*Everyone's Optics*

*Amount: NT\$ Million Except Per Share Data*

	2014		2013		YoY
<b>Net Sales</b>	<b>5,006</b>	<b>100%</b>	<b>5,259</b>	<b>100%</b>	<b>(4.8%)</b>
Cost of Goods Sold	(3,667)	(73.3%)	(3,904)	(74.2%)	(6.1%)
<b>Gross Profit</b>	<b>1,339</b>	<b>26.8%</b>	<b>1,355</b>	<b>25.8%</b>	<b>(1.1%)</b>
Operating Expenses	(1,137)	(22.7%)	(1,072)	(20.4%)	6.1%
<b>Operating Income</b>	<b>202</b>	<b>4.1%</b>	<b>283</b>	<b>5.4%</b>	<b>(28.8%)</b>
Non-operating Income, Net	78	1.5%	68	1.3%	14.2%
<b>Income Before Tax</b>	<b>280</b>	<b>5.6%</b>	<b>351</b>	<b>6.7%</b>	<b>(20.2%)</b>
Income tax expenses	87	1.7%	112	2.2%	(22.0%)
<b>Net Income</b>	<b>193</b>	<b>3.9%</b>	<b>239</b>	<b>4.5%</b>	<b>(19.3%)</b>
<b>Basic EPS (NT\$)<sup>(a)</sup></b>	<b>1.69</b>		<b>2.09</b>		
<b>EBITDA</b>	<b>550</b>	<b>11.0%</b>	<b>605</b>	<b>11.5%</b>	<b>(9.2%)</b>

*Prepared by YoungOptics on a consolidated basis*

(a) Basic EPS was calculated based on the total weighted average outstanding shares



# Balance Sheet Highlight(Consolidated)\_Quarterly Comparison

*Everyone's Optics*

*Amount: NT\$ Million*

	4Q'14	3Q'14	2Q'14	1Q'14
<b>Cash and Cash Equivalents</b>	<b>1,848</b>	<b>1,874</b>	<b>1,996</b>	<b>1,958</b>
<b>Notes &amp; Accounts Receivable, Net (including related)</b>	<b>990</b>	<b>763</b>	<b>939</b>	<b>781</b>
<b>Inventory</b>	<b>509</b>	<b>551</b>	<b>510</b>	<b>441</b>
<b>Short Term Debt <sup>(a)</sup></b>	<b>675</b>	<b>860</b>	<b>902</b>	<b>772</b>
<b>Equity</b>	<b>4,091</b>	<b>3,906</b>	<b>3,800</b>	<b>4,030</b>
<b>Total Assets</b>	<b>6,055</b>	<b>5,931</b>	<b>6,213</b>	<b>6,012</b>
<b>Inventory Turnover (Days) <sup>(b)</sup></b>	<b>50</b>	<b>57</b>	<b>46</b>	<b>47</b>
<b>Debt to Assets</b>	<b>32%</b>	<b>34%</b>	<b>39%</b>	<b>33%</b>
<b>Return on Equity <sup>(c)</sup></b>	<b>8%</b>	<b>6%</b>	<b>3%</b>	<b>2%</b>
<b>Net Worth Per Share (NT\$) <sup>(d)</sup></b>	<b>35.9</b>	<b>34.2</b>	<b>33.3</b>	<b>35.3</b>

*Prepared by YoungOptics on a consolidated basis*

(a) Short term debt = short term bank loan + current portion of long term loan

(b) Calculated by dividing the average inventory into the annualized cost of goods sold during such period, then multiplying by 365 days

(c) Calculated by dividing the average shareholders' equity of parent company into the annualized net income during such period

(d) Based on the outstanding shares of the balance sheet date: 4Q'14(114,059,785 shares),3Q'14(114,059,785 shares), 2Q'14(114,059,785 shares), 1Q'14(114,059,785 shares)

# Balance Sheet Highlight(Consolidated)

*Everyone's Optics*

*Amount: NT\$ Million*

	4Q'14	3Q'14	QoQ	4Q'13
<b>Cash and Cash Equivalents</b>	<b>1,848</b>	<b>1,874</b>	<b>(1.4%)</b>	<b>1,792</b>
<b>Notes &amp; Accounts Receivable, Net (including related)</b>	<b>990</b>	<b>763</b>	<b>29.7%</b>	<b>766</b>
<b>Inventory</b>	<b>509</b>	<b>551</b>	<b>(7.8%)</b>	<b>504</b>
<b>Short Term Debt <sup>(a)</sup></b>	<b>675</b>	<b>860</b>	<b>(21.5%)</b>	<b>575</b>
<b>Equity</b>	<b>4,091</b>	<b>3,906</b>	<b>4.7%</b>	<b>3,975</b>
<b>Total Assets</b>	<b>6,055</b>	<b>5,931</b>	<b>2.1%</b>	<b>5,920</b>
<b>Inventory Turnover (Days)<sup>(b)</sup></b>	<b>50</b>	<b>57</b>		<b>50</b>
<b>Debt to Assets</b>	<b>32%</b>	<b>34%</b>		<b>33%</b>
<b>Return on Equity<sup>(c)</sup></b>	<b>8%</b>	<b>6%</b>		<b>2%</b>
<b>Net Worth Per Share (NT\$)<sup>(d)</sup></b>	<b>35.9</b>	<b>34.2</b>		<b>34.9</b>

*Prepared by YoungOptics on a consolidated basis*

(a) Short term debt = short term bank loan + current portion of long term loan

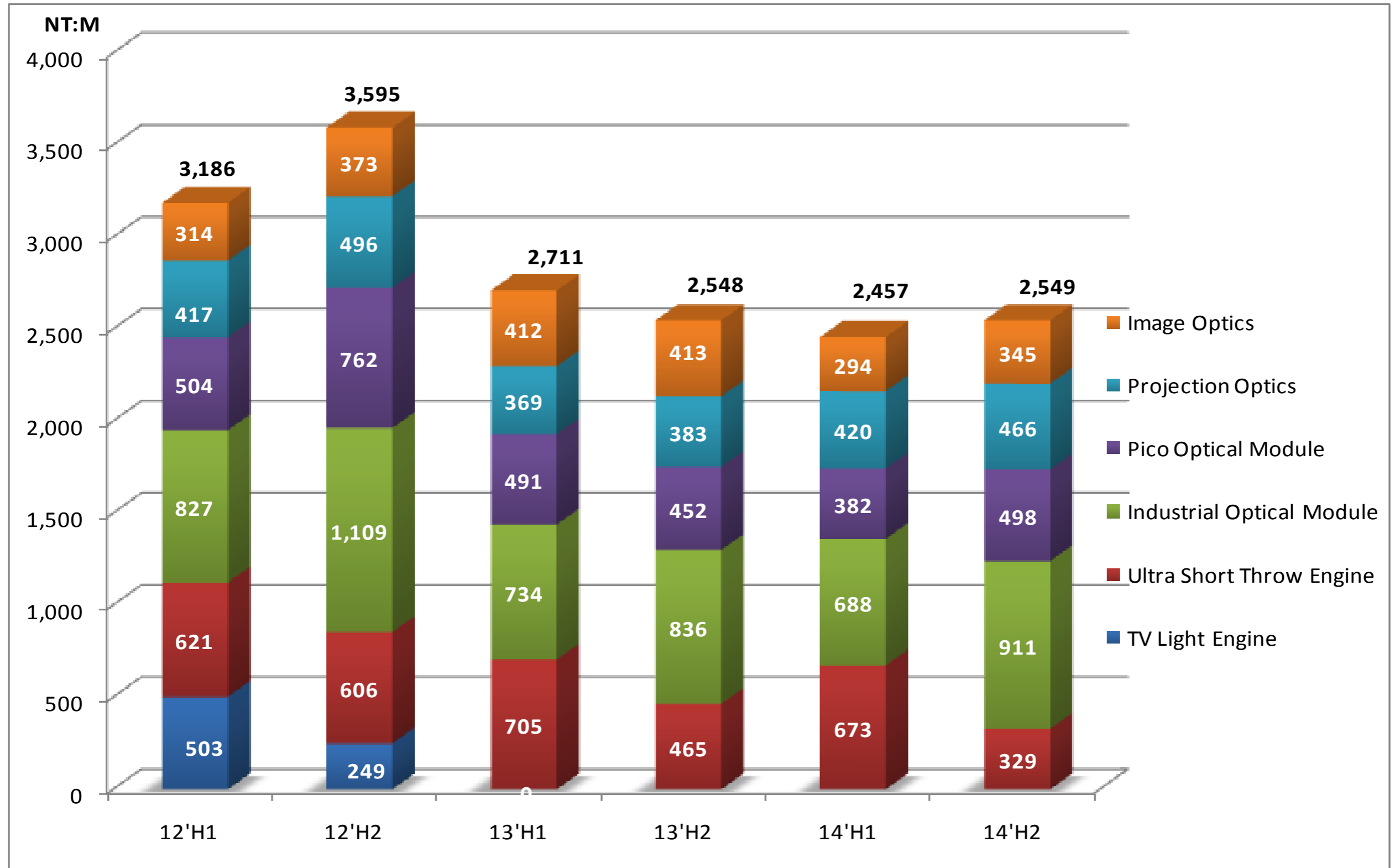
(b) Calculated by dividing the average inventory into the annualized cost of goods sold during such period, then multiplying by 365 days

(c) Calculated by dividing the average shareholders' equity of parent company into the annualized net income during such period

(d) Based on the outstanding shares of the balance sheet date: 4Q'14(114,059,785 shares),3Q'14(114,059,785 shares),4Q'13(114,059,785 shares)

# Sales Trend

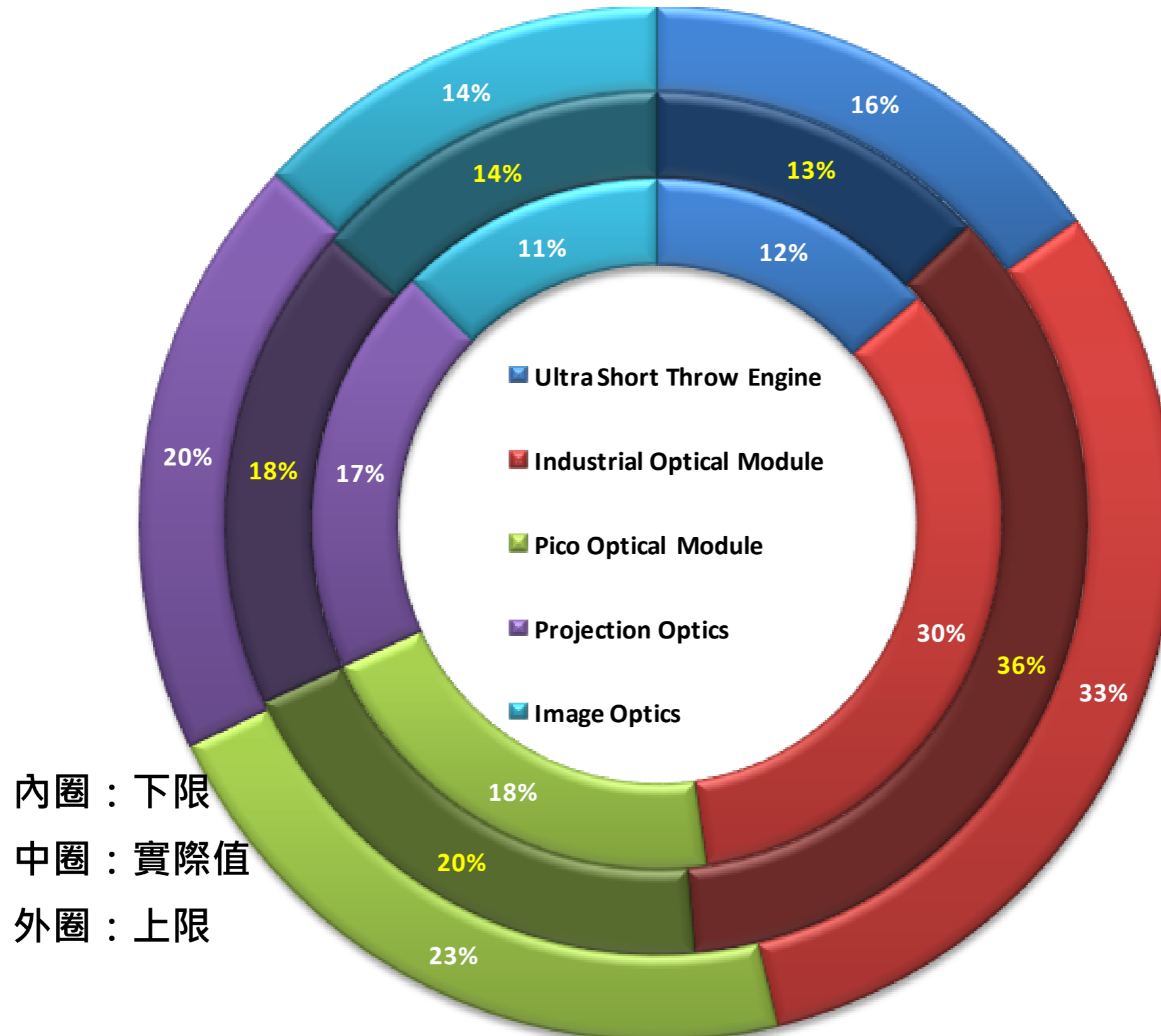
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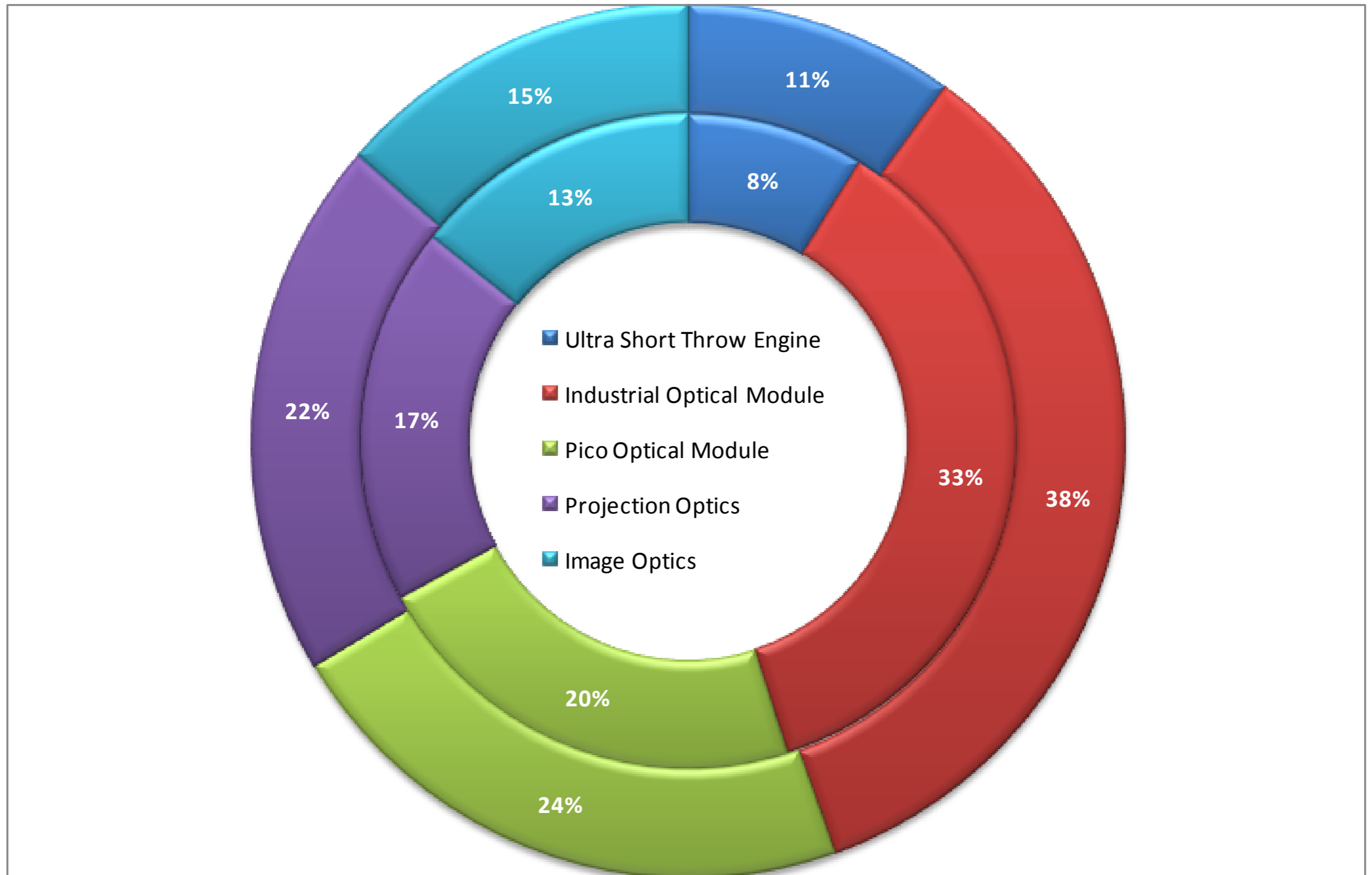
# 2014 H2 Biz Lines Achievement

(Compared with July 31, 2014 version)  
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# 2015 H1 Biz Lines Momentum

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# Thank You

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