

Third Quarter 2016 Results Investor Conference

Gamma Optical
<http://www.gammaopto.com>



Safe Harbor Notice



This presentation and release contain “forward-looking statements” which may include projections of future results of operations, financial condition or business prospects based on our own information and other sources.

Actual results of operations, financial condition or business prospects may differ from those expressed or implied in these forward-looking statements for a variety of reasons, including but not limited to price fluctuations, competition, international economic conditions, exchange rate fluctuations, market demand, fluctuations and other risks and factors beyond our control.

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

Executive Summary



3Q 16 Financial Reporting

Business and Strategy Update

Aggregate Income Statement



NT\$ Thousand	16 Q3	16 Q2	QoQ %	15Q3	QoQ %	16YTD	15YTD	YoY%
Net Revenues	136,351	133,140	2%	172,012	-21%	387,827	544,892	-29%
Gross Profit	773	1,154	-33%	2,614	-70%	775	38,754	-98%
Operating Expenses	24,427	22,280	10%	32,661	-25%	67,322	98,109	-31%
Net Operating (Loss)	(23,654)	(21,126)	12%	(30,047)	-21%	(66,547)	(59,355)	12%
Other Income	372	538	-31%	551	-32%	1,374	2,312	-41%
Non-Operating Income (Expenses)	(11,173)	(1,658)	574%	18,060	-162%	(16,543)	11,876	-239%
Net LOSS	(34,455)	(22,246)	55%	(11,436)	201%	(81,716)	(45,167)	81%
Net Loss - Parent Company	(34,613)	(22,230)	56%	(11,422)	203%	(81,749)	(45,077)	81%
Minority Interest	158	(16)	-1088%	(14)	-1229%	123	(90)	-237%
EPS (NT\$)	(0.37)	(0.20)		(0.13)		(0.88)	(0.52)	

Consolidated Balance Sheet



Unit : NT\$ thousand	2016/9/30		2015/9/30	
Cash & Cash Equivalents	283,681	23%	151,126	13%
Accounts Receivable	257,679	21%	221,319	19%
Inventory (Net)	61,603	5%	101,184	9%
Property 、 Plant & Eduipment	433,329	35%	495,591	43%
Other Assets	197,919	16%	170,537	15%
Total Assets	1,234,211	100%	1,139,757	100%
Current Liabilities	411,862	33%	213,692	19%
Long-Term & Other Liabilities	24,739	2%	186,072	16%
Shareholders' Equity	797,610	65%	739,993	65%

Consolidated Cash Flow



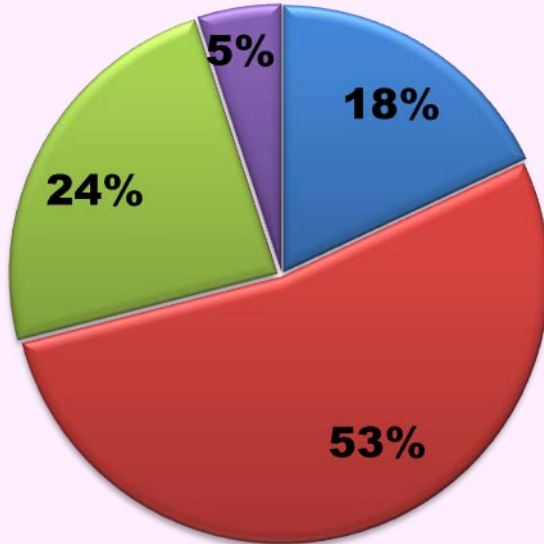
Unit : NT\$ thousand	2016/9/30	2015/9/30
Cash Equiv.-Beg	130,195	156,005
Cash Flow from Operations	2,097	53,371
Cash Flow from Investing	(34,032)	(25,660)
Cash Flow from Financing	187,122	(32,248)
Exchange Influence	(1,701)	(342)
Cash Equiv.-End	283,681	151,126

Customers Composition

Total revenue for the first 3 Qs of 2016 is NT\$388 million.

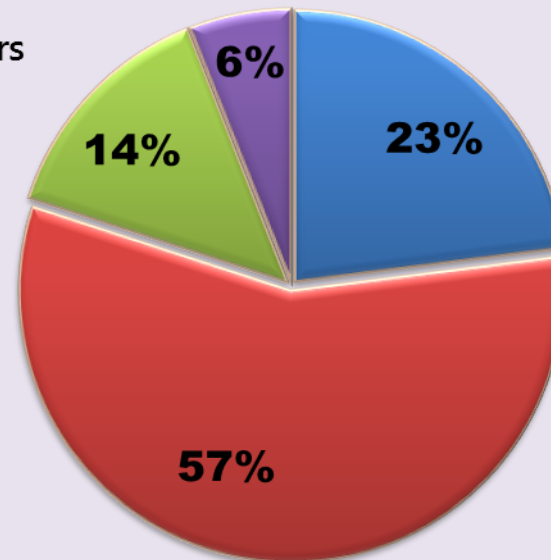
Product Application

■ Monitor ■ NB
■ S/M Size ■ Others



End Customers

■ Backlight Manufacturers in Southern China
■ Company I
■ Company A
■ Others



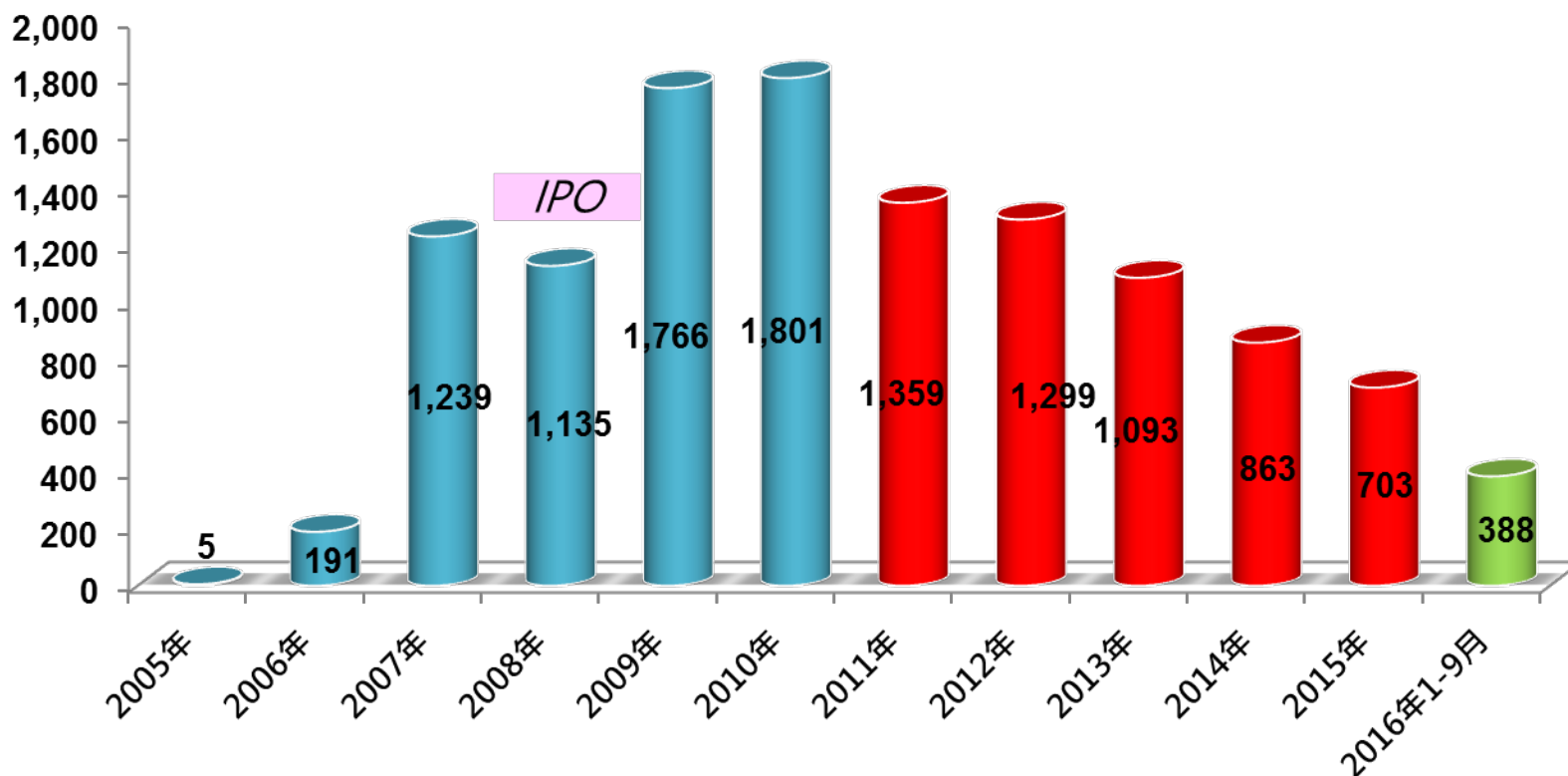
Financial Results



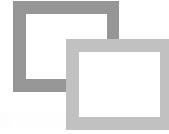
The large-sized TFT (TV/Monitor/NB/Tablet) market has been going through severe price competition since 2011.

The Main Source of Profits for Gamma: Large-sized TFT (NB/Monitor)

Unit : NT\$ million



Business Strategies



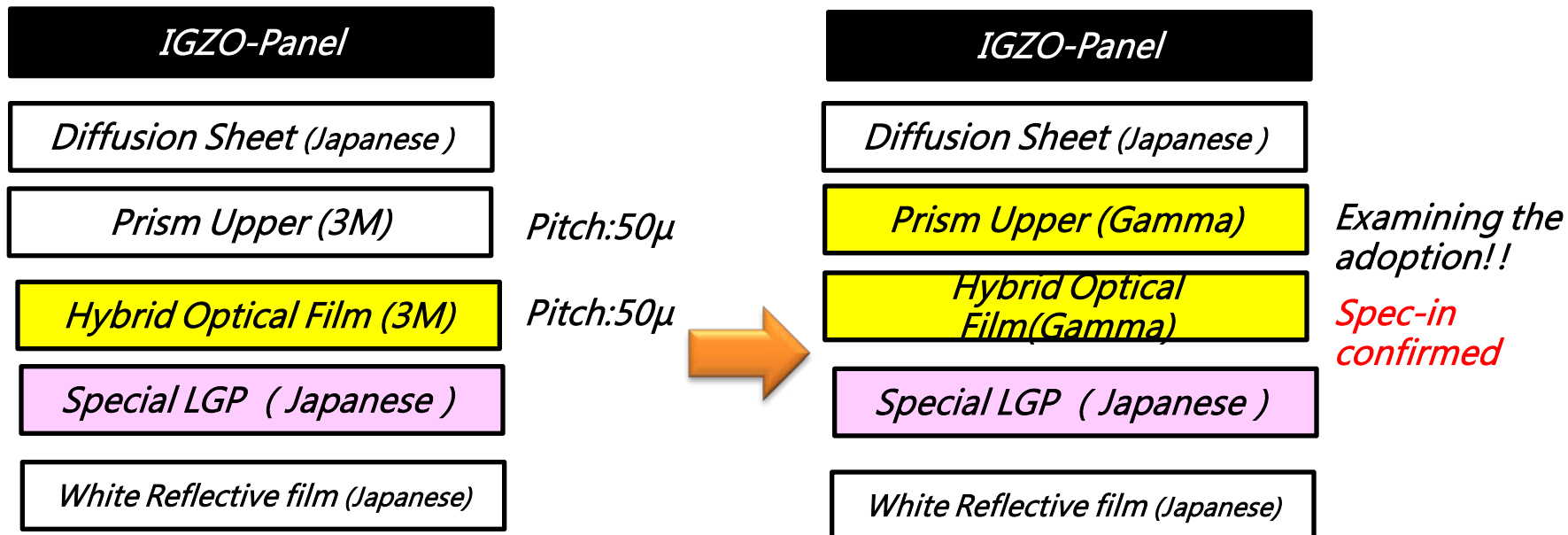
- Develop Prism Sheet for special applications.
- Develop and promote optical films or component products relating to small-sized Backlight Module.
- New Corporate Executive Board

Develop Prism Sheet for special applications



Use *Super-High-end-NB*
TFT *Japanese-Affiliated Companies*
Size *13.3/15.6inch*
BLM-Type *Special LGP-BlM (Japanese Technology)*
MP *Estimate 2Q 17*

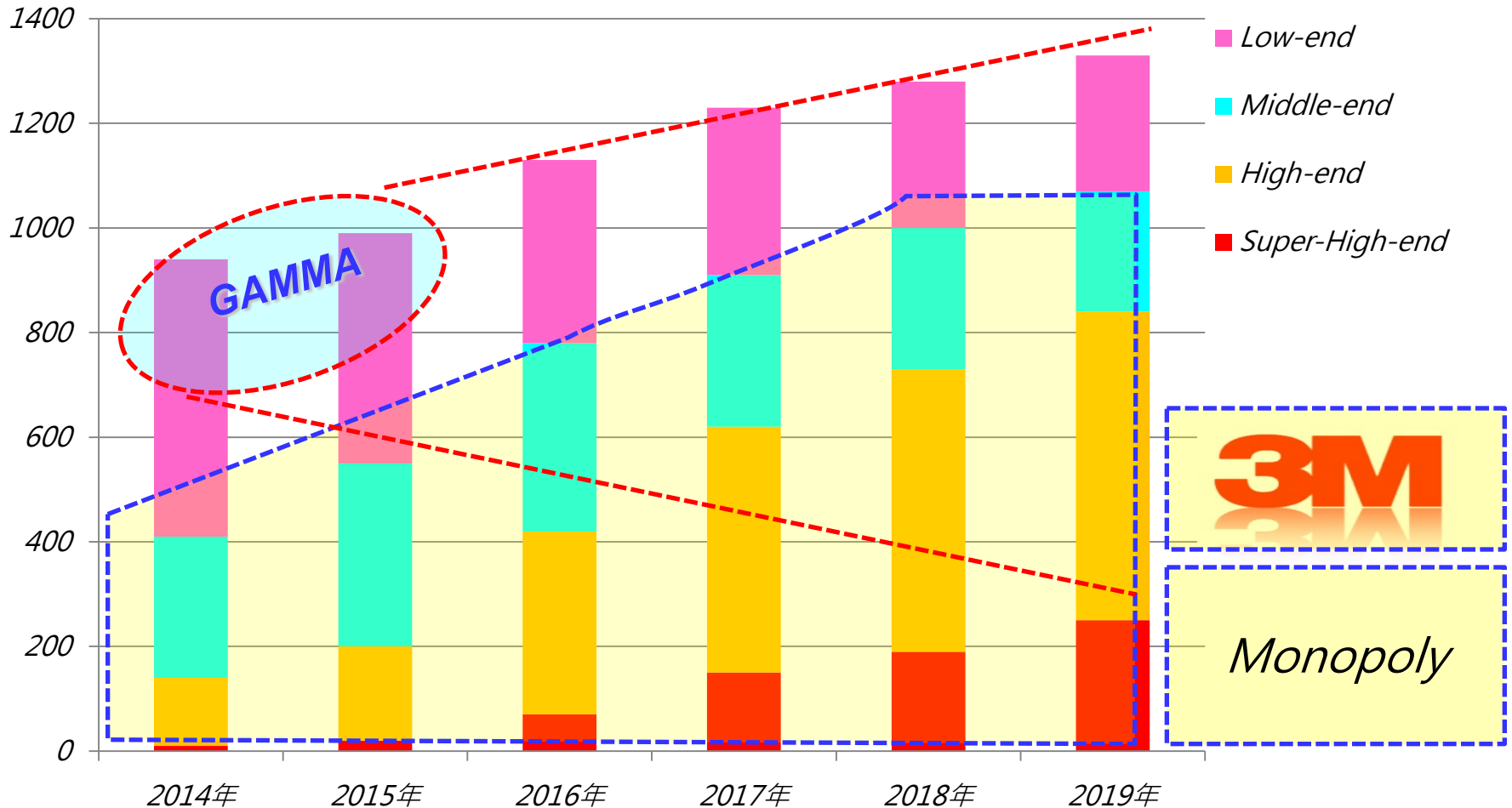
BLM structure customer specified material



Smart-Phone Market Trend

Unit : million

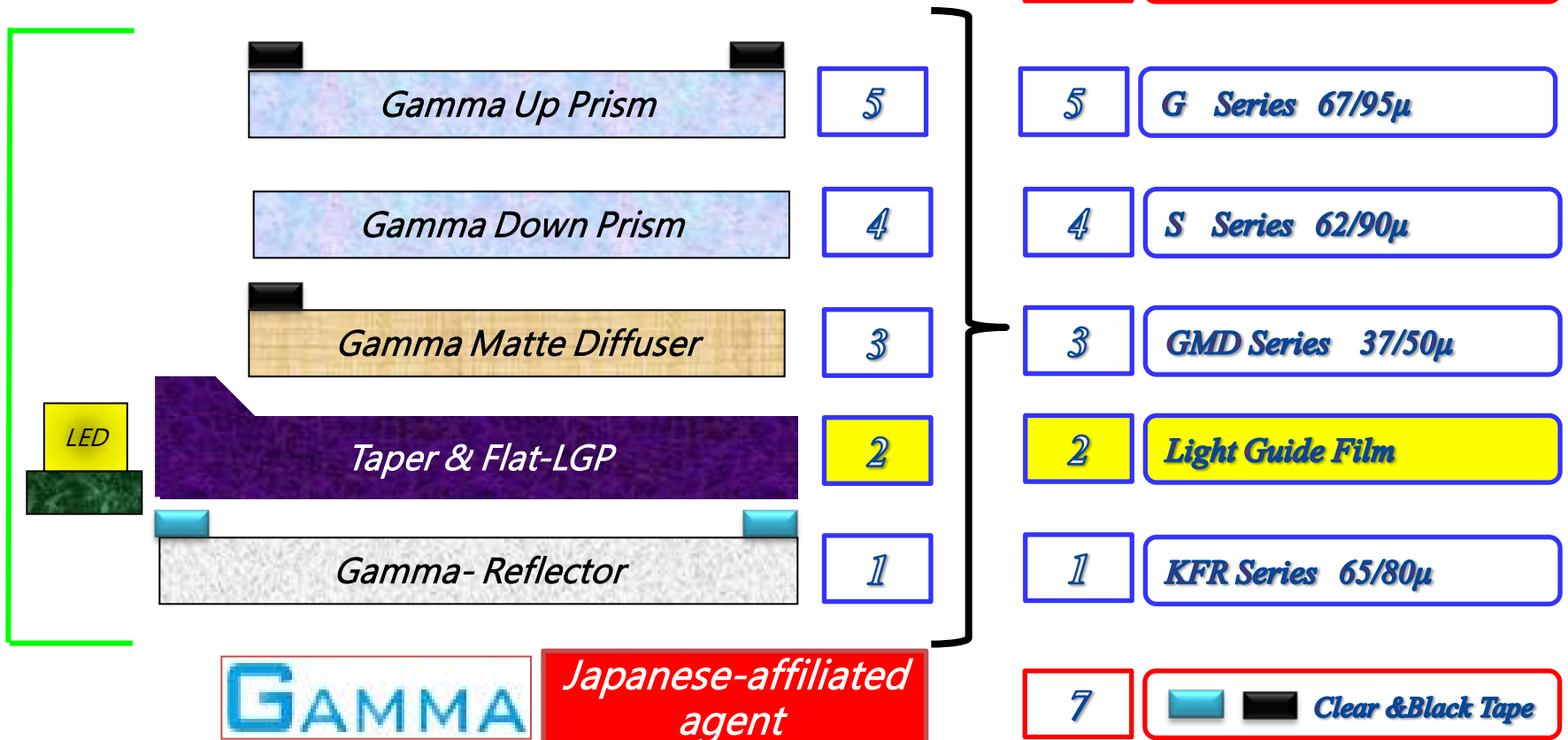
(apple/OLED excluding)



Gamma Total Solution



For Smart-Phone



Current Backlight Module Structure VS Corresponding Products of Gamma



Current Structure

3M

UP Prism Sheet

3M

Down Prism Sheet

Diffuser-Sheet (Japanese)

Light Guide Plate

3M

ESR



VS

Gamma Total Solution

GAMMA

Up Prism Sheet

5

GAMMA

Down Prism Sheet

4

GAMMA

Diffuser Sheet

3

GAMMA

Light Guide Film

2

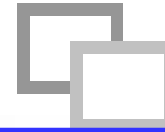


*Japanese-affiliated
company
Reflection Film*

1



Gamma Tape Series



3

Gamma OCA Tape

5

Gamma BLACK Tape

8

Gamma BLACK Tape

10

Gamma BLACK Tape

12

Gamma Clear Tape

- ① 液晶画面保護シート
- ② スマートフォン筐体
- ③ 衝撃吸収材クッション材 "STM"
- ④ 加飾ガラスプレート
- ⑤ 光学用基材レス粘着テープ "MHM"
- ⑥ ハードコートPET光学粘着フィルム
- ⑦ ITO
- ⑧ 光学用基材レス粘着テープ "MHM"
- ⑨ ITO
- ⑩ 光学用基材レス粘着テープ "MHM"
- ⑪ LCDモジュール
- ⑫ 遮光両面粘着テープ "NE-B/BW"
- ⑬ レンズフィルム
- ⑭ 拡散フィルム
- ⑮ 透明両面粘着テープ "Neo Fix"
- ⑯ 導光フィルム
- 当社製品





New Board Directors



Title	Legal Representative	Name	Current Post	Educational Background	Experience
Director	DIGITAL SOLUTION INVESTMENTS LIMITED	Jang-huei Tai	IIH ASSETS MANAGEMENT COMPANY LIMITED Chairman & Founding Partner	MBA, Columbia University. PhD Candidate, Brown University	Managing Director of CSFB and Salomon Brothers
Director	DIGITAL SOLUTION INVESTMENTS LIMITED	Chao-feng Lin	IIH ASSETS MANAGEMENT COMPANY LIMITED Founding Partner	M.S. degree in Economics from Tufts University. B.S. degree in Economics From National Taiwan University	SVP and CFO of La Kaffa International Co., Ltd.
Director	SUPER DOMAIN INVESTMENTS LIMITED	Ming-shang Chen	Jian-hang Shipping Agency Chairman	B.A. degree in Japanese Language and Literature from Chinses Culture University	Business Manager of Jardine Matheson & CO., LTD.
Director	SUPER DOMAIN INVESTMENTS LIMITED	Yi-chun Hsueh	Wisdom Marine Lines Co., Limited CFO	B.S. degree in Economics From National Taiwan University Dual master's degree from UC Berkeley	Project Supervisor of Taiwan Economic Data Center
Independent Director	-	Yu-liang Chen	Jheding International Law Offices Attorney In Charge	B.A. degree in Law From National Taiwan University MBA , Queensland University of Technology. M.L. from The University of Melbourne	Attorney of Chien Yeh Law Office Partner of Solomon Law Office
Independent Director	-	Ying-lang Chou	-	Master Degree from National Taiwan Ocean University	VP in Shipping Dept. of Eastern Media International
Independent Director	-	Hau-min Chu	NCCU Department Of Money And Banking Profesor	PhD in Economics from Brown University	Head of NCCU Dept. of Money and Banking President of CTBC Financial Management College Director of Taiwan Futures Exchange Director of Taiwan Financial Holdings Co., Ltd Managing Director OF The Export-Import Bank of the Republic of China Managing Director Of Land Bank of Taiwan Independent Director of MAKALOT INDUSTRIAL CO., LTD.



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