

Array Networks

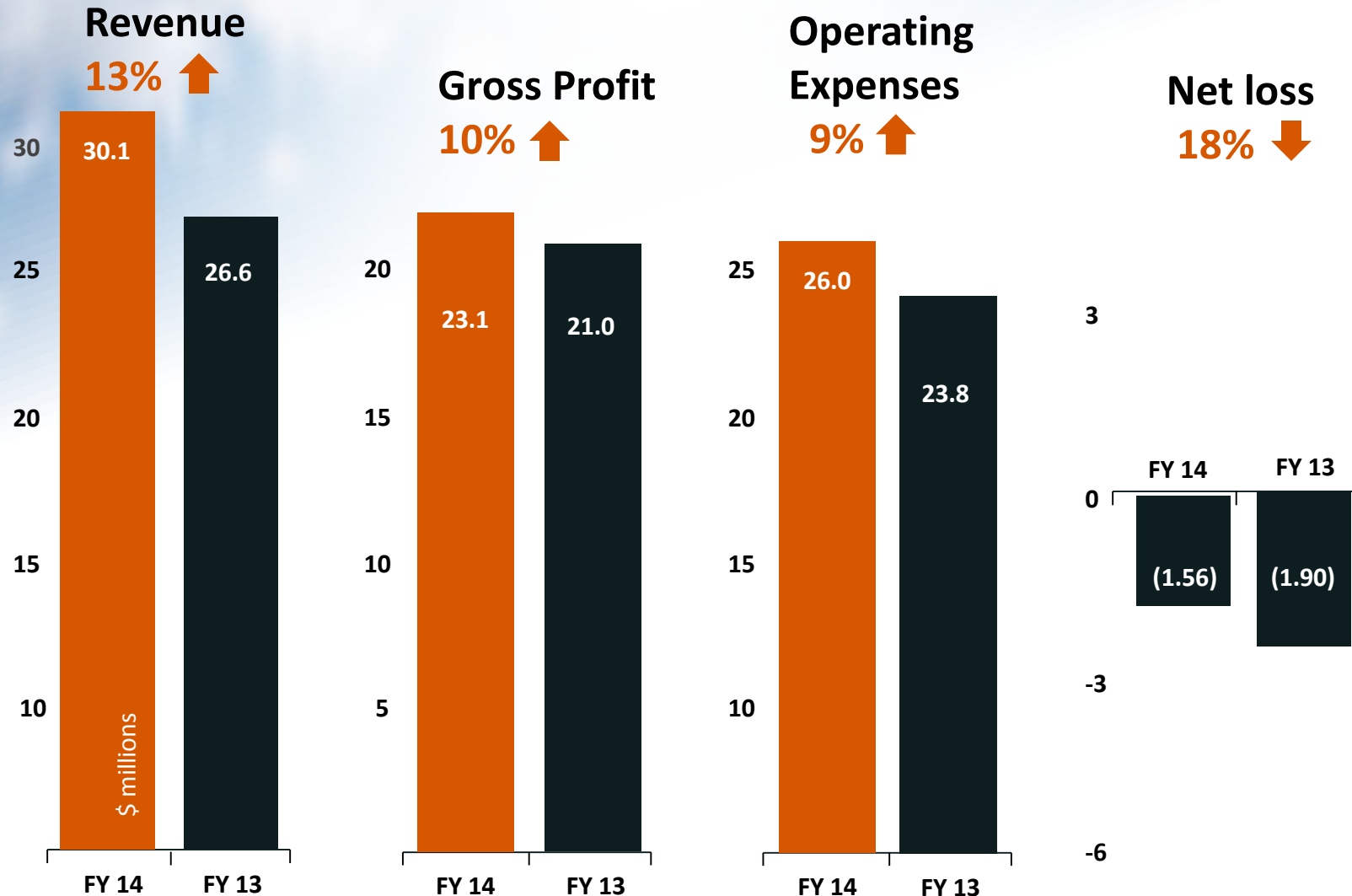
Q3 FY14 INVESTOR UPDATE

- This presentation may contain certain "forward-looking statements" concerning the business, operations and financial condition of Array, Inc. Although Array believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, there can be no assurance that its expectations will be realized.
- "Forward-looking statements" consist of all non-historical information, including the statements referring to the prospects and future performance of Array. Actual results could differ materially from those projected in Array forward-looking statements due to numerous known and unknown risks and uncertainties.
- Array does not undertake any obligation to publicly update any forward-looking statement to reflect events or circumstances after the date on which any such statement is made or to reflect the occurrence of unanticipated events.

Year-to-date results

- US\$30.09M (NT\$906M) in revenue
- 77% gross profit margin
- 13% revenue growth vs. YTD 2013
- +37% revenue growth in North America vs. YTD 2013
- +20% revenue growth in China vs. YTD 2013
- Headcount growth 12% vs. YTD 2013
- Operating expense +9% vs. YTD 2013

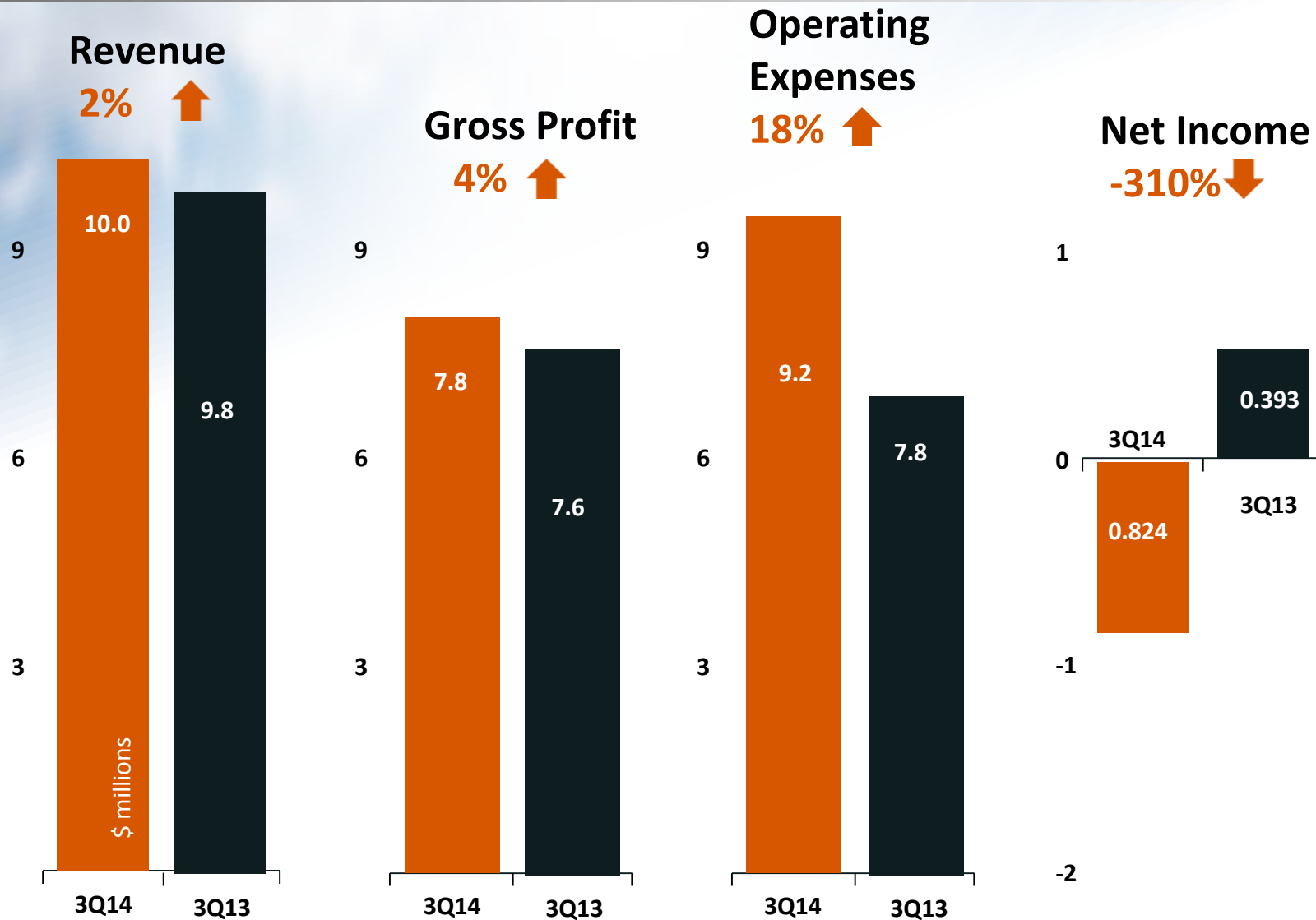
3Q YTD - Growth Trends FY14 vs. FY13 (US\$M)



3Q FY14 results

- **USD\$10.01M (NT\$300M) in revenue**
- **78% gross profit margin**
- **2% Q3 revenue growth vs. Q3 2013**
- **55% Q3 revenue growth in North America vs. Q3 2013**
- **China growth was flat vs. Q3 2013**
- **Operating Expense USD\$9.15M (NT\$275M)**

3Q - Growth Trends FY14 vs. FY13 (US\$M)

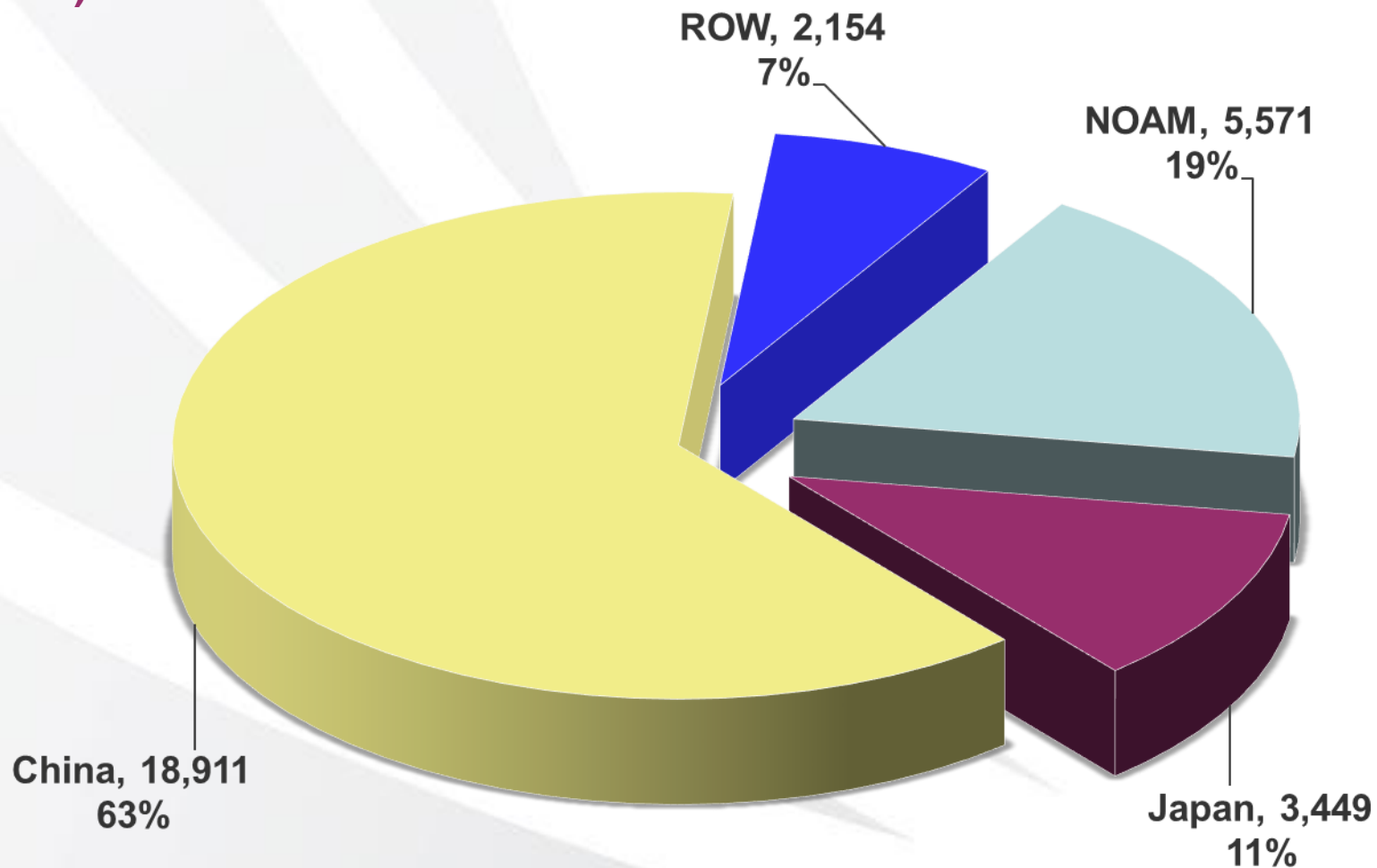


FY14 vs. FY13 Income Statement

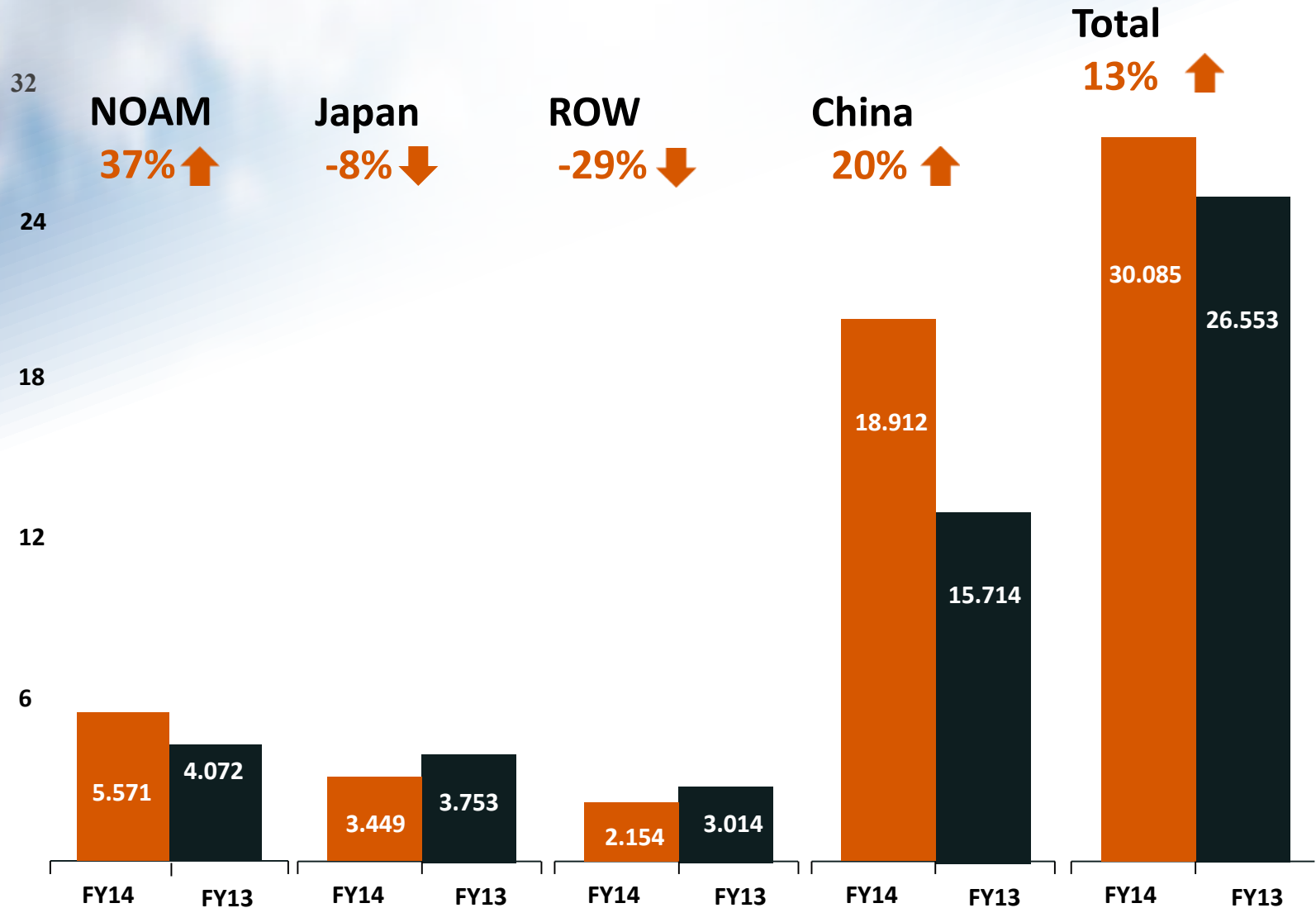
	FY14		FY13		Comparison	
	(US\$1,000)	% of Rev	(US\$1,000)	% of Rev	Diff	Y/Y Change
Net Sales	30,085		26,553		3,532	13%
Gross Profit	23,122	77%	20,954	79%	2,168	10%
Gross Margin	77%		79%			
Operating Expenses						
Sales	(14,342)	-48%	(11,856)	-45%	(2,486)	21%
G&A	(3,870)	-13%	(4,465)	-17%	595	-13%
R&D	(7,775)	-26%	(7,528)	-28%	(247)	3%
Total Operating Expenses	(25,987)	-86%	(23,849)	-90%	(2,138)	9%
Operating Income	(2,865)	-10%	(2,895)	-11%	30	-1%
Other Income/(Expense)	1,658	6%	1,170	4%	488	42%
Net Income Before Tax	(1,208)	-4%	(1,725)	-6%	518	-30%
Income Tax Expenses	(353)	-1%	(175)	-1%	(178)	101%
Net Income	(1,561)	-5%	(1,901)	-7%	340	-18%

Revenue by Region – 1H, 2014

(USD1,000)

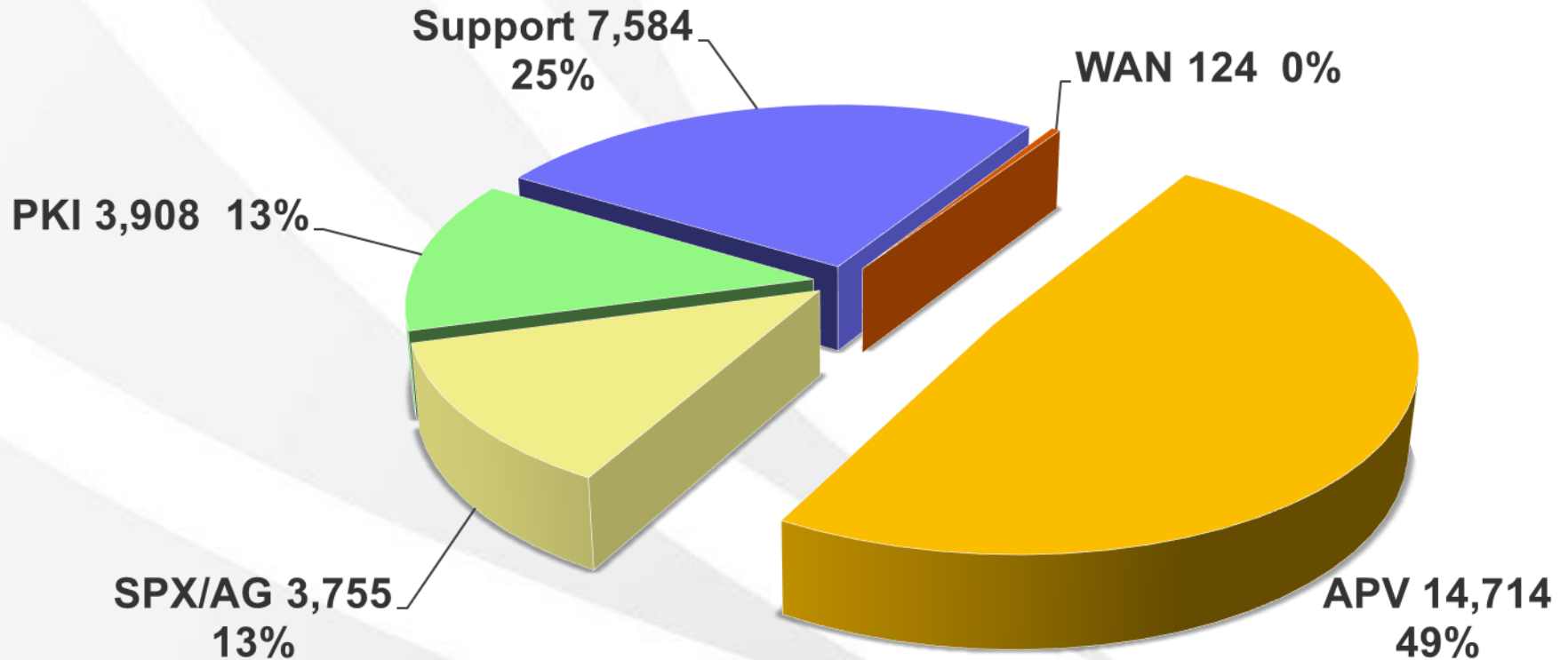


Performance by Region FY14 vs. FY13 (US\$M)

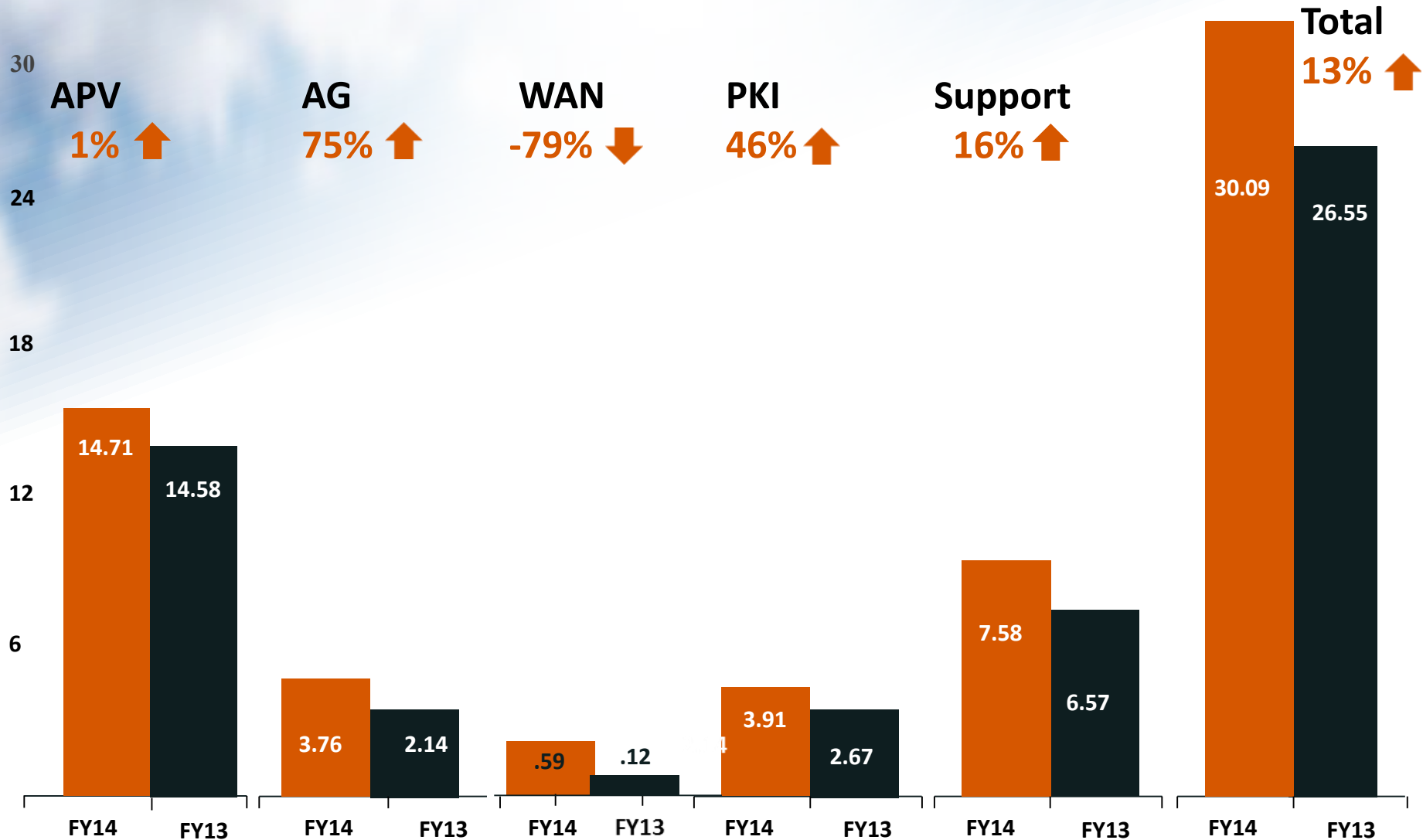


FY14 Revenue By Product

(USD1,000)



Revenue by Product FY14 vs. FY13 (US\$M)



FY14 vs. FY13 Balance Sheet

	Sept FY14	Sept FY13
	(US\$1,000)	(US\$1,000)
Assets		
Cash and Available for Sale Securities	28,403	22,534
Notes & Accounts Receivable (net)	10,680	13,379
Inventory (net)	4,412	3,245
Other Current Assets	755	836
Fixed Assets (net)	1,495	1,509
Other Assets / Goodwill	8,797	9,036
Total Assets	54,542	50,539
Liabilities & Equity		
Accounts Payable	1,620	2,060
Other Current Liabilities	349	399
Accrued Liabilities	3,120	3,252
Deferred Revenue	9,023	8,374
Capital & Paid-in Capital	35,459	34,392
Retained Earnings	2,794	946
Other equity and adjustments	2,465	2,472
Treasury shares	(288)	(1,356)
Total Liabilities & Equity	54,542	50,539

FY14 vs. FY13 Operating Expense Growth

(US\$1,000)

September 30	2014	2013	Growth
Headcount	417	371	12%
GAAP Operating Expense	25,987	23,849	9%
Stock Option Expense (reversal)	598	55	987%
Additional AR Reserve	308	1,312	-76%
Non-GAAP Operating Expense (excluding AR reserve)	25,081	22,482	12%

FY14 vs. FY13 Headcount Growth

Department	9/30/2014	9/30/2013	Growth
Engineering	157	156	1%
Sales	140	107	31%
Customer Support	61	49	24%
Marketing	9	13	-31%
Operations	9	8	13%
G&A	41	38	8%
TOTAL	417	371	12%

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THANK YOU!