

Array Networks

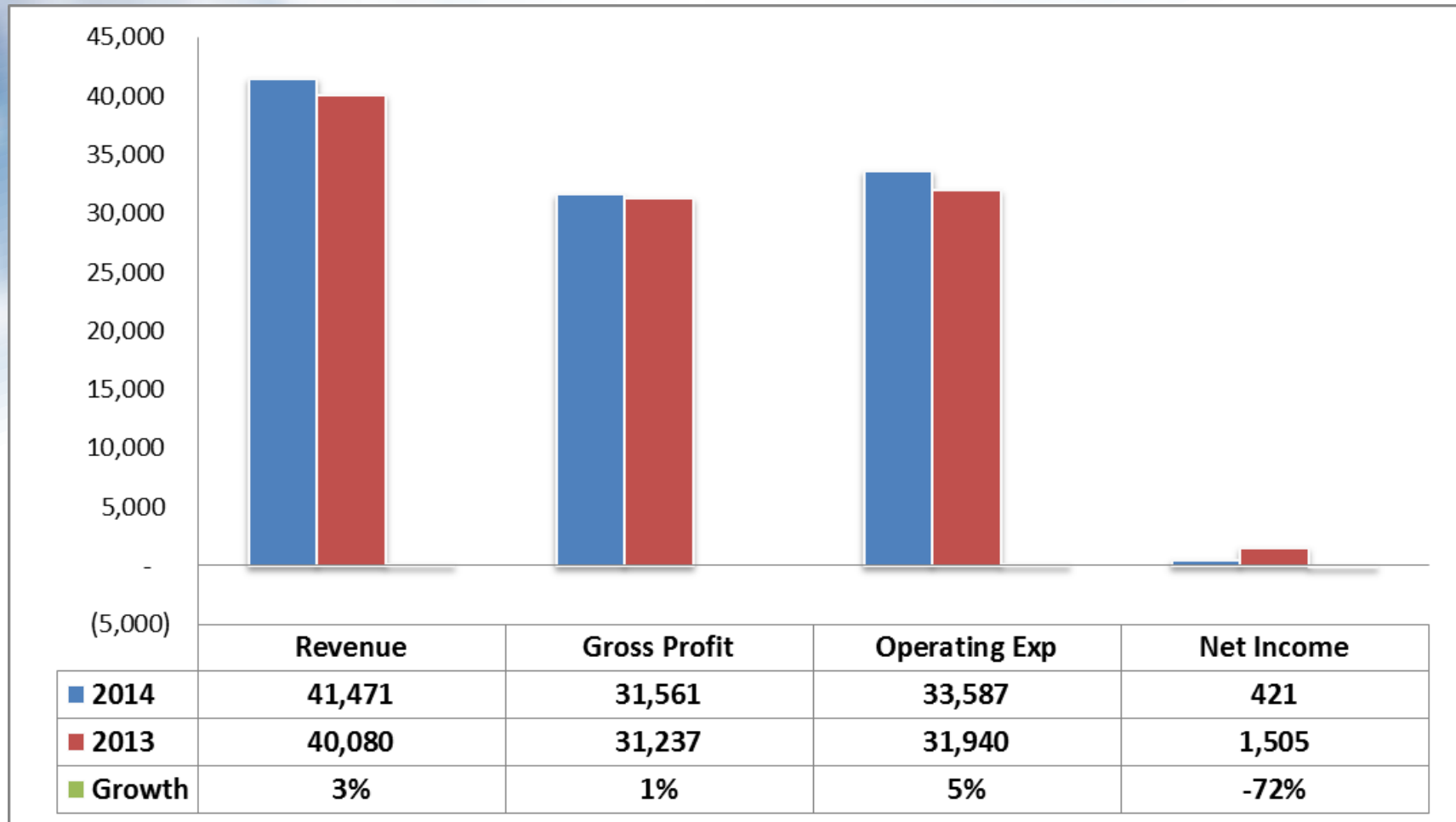
FY14 INVESTOR UPDATE

- 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\$41.47M (or NT\$1,259M) in revenue
- 76% gross profit margin
- 3% revenue growth vs. YTD 2013
- 26% revenue growth in North America vs. YTD 2013
- +7% revenue growth in China vs. YTD 2013
- Headcount growth 12% vs. YTD 2013
- Operating expense +5% vs. YTD 2013
- Profitable for 2014

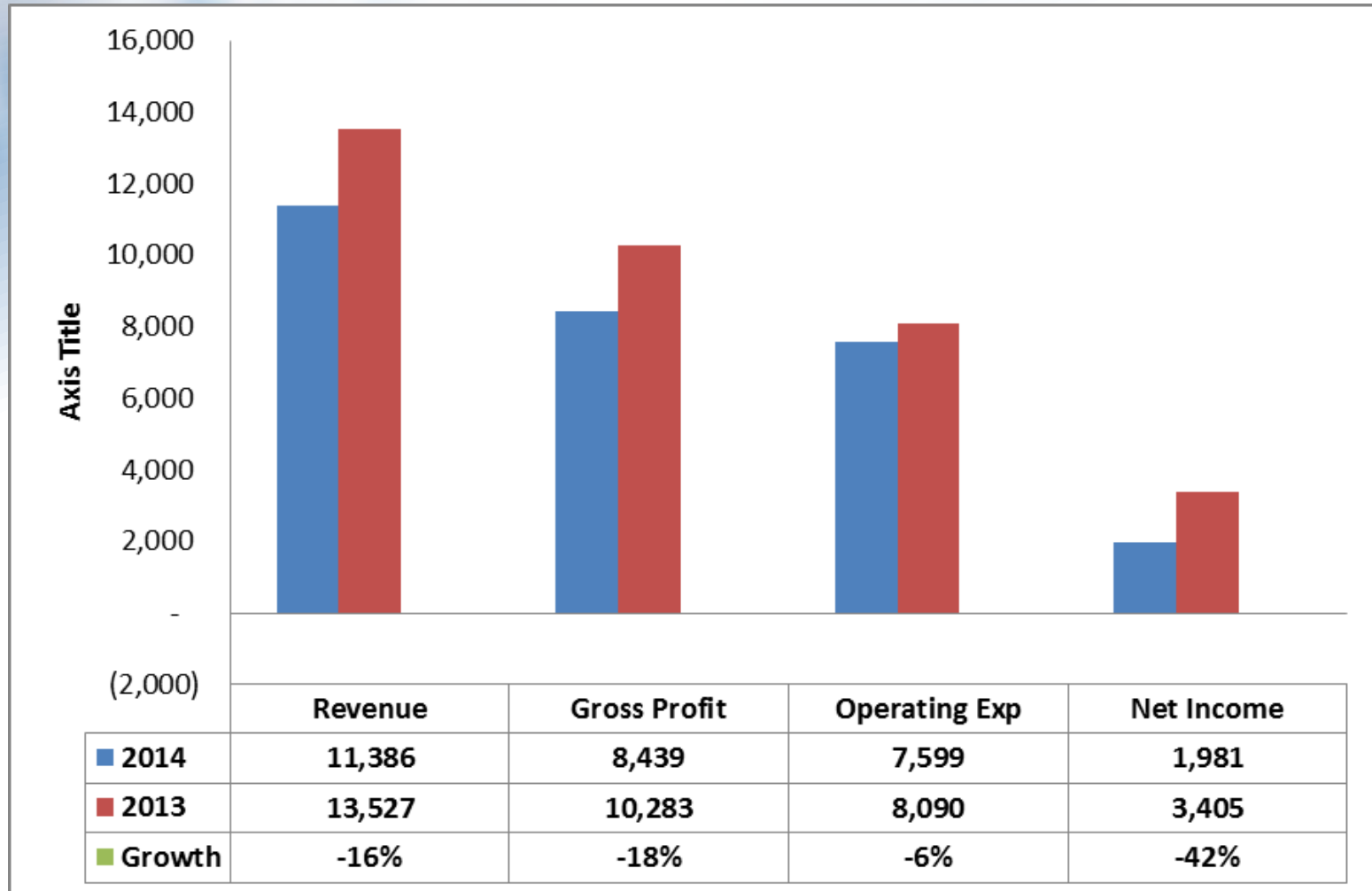
YTD Performance FY14 vs. FY13 (US\$M)



4Q FY14 results

- US\$11.39M (or NT\$350.42M) in revenue
- 74% gross profit margin
- -16% revenue decline in Q4, 2014 vs. Q4 2013
- Operating Expense US\$7.60M
- -6% operating expense decline in Q4, 2014 vs. Q4 2013
- Net profit US\$1.98M

4Q Performance FY14 vs. FY13 (US\$M)



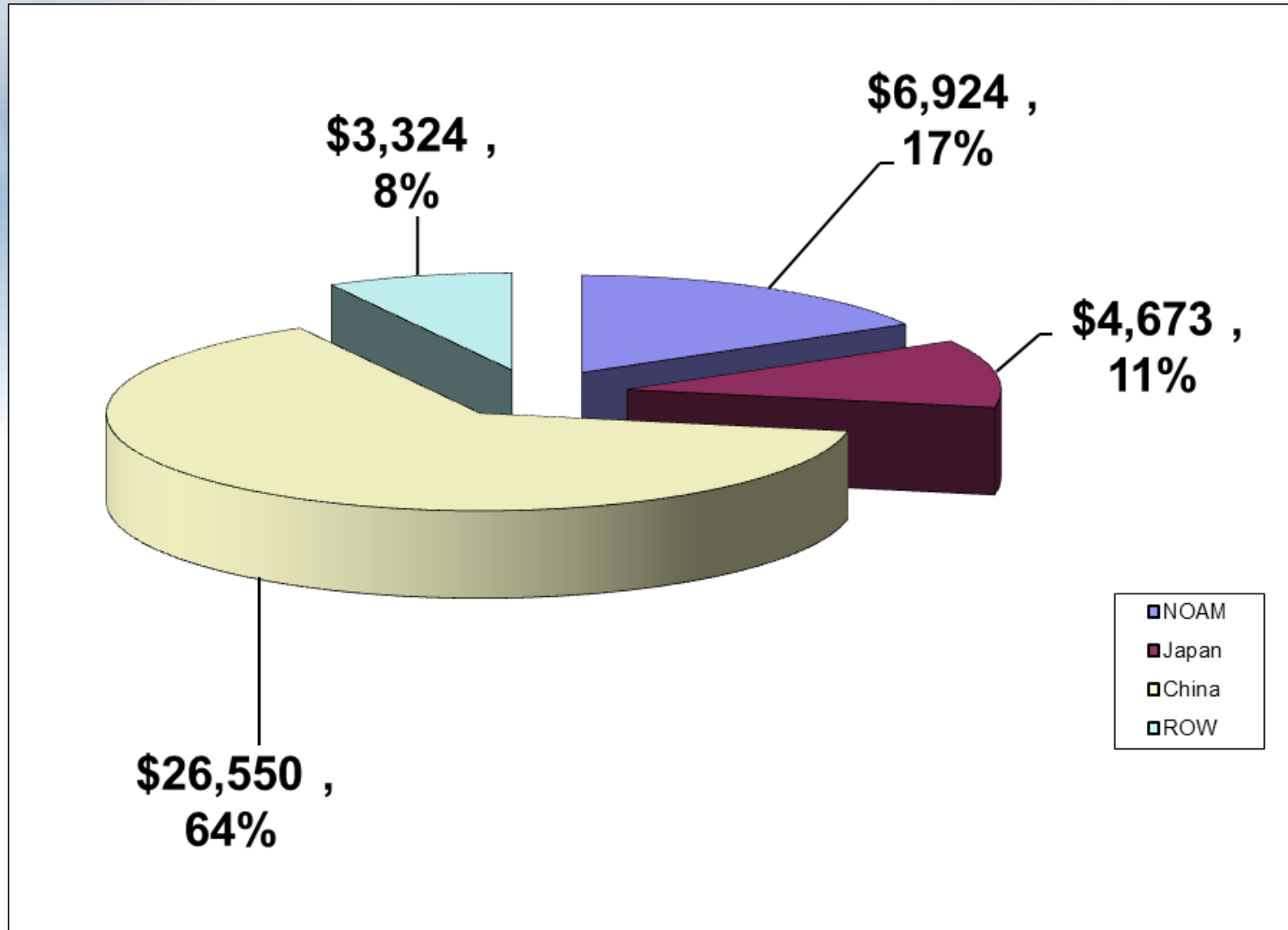
FY14 vs. FY13 EPS

FY14	Net Income Before Tax (NPBT) (NT\$1,000)	Net Income After Tax (NPAT) (NT\$1,000)	Shares (Denominator) (Thousands)	EPS (NPBT) (NT \$)	EPS (NPAT) (NT \$)
Basic EPS					
Income for the period attributable to common shareholders	22,973	12,756	76,062	0.30	0.17
Effect of dilutive potential common shares Stock options			1,993		
Diluted EPS	22,973	12,756	78,055	0.29	0.16
FY13	Net Income Before Tax (NPBT) (NT\$1,000)	Net Income After Tax (NPAT) (NT\$1,000)	Shares (Denominator) (Thousands)	EPS (NPBT) (NT \$)	EPS (NPAT) (NT \$)
Basic EPS					
Income for the period attributable to common shareholders	55,164	44,673	70,185	0.79	0.64
Effect of dilutive potential common shares Stock options			5,872		
Diluted EPS	55,164	44,673	76,057	0.73	0.59

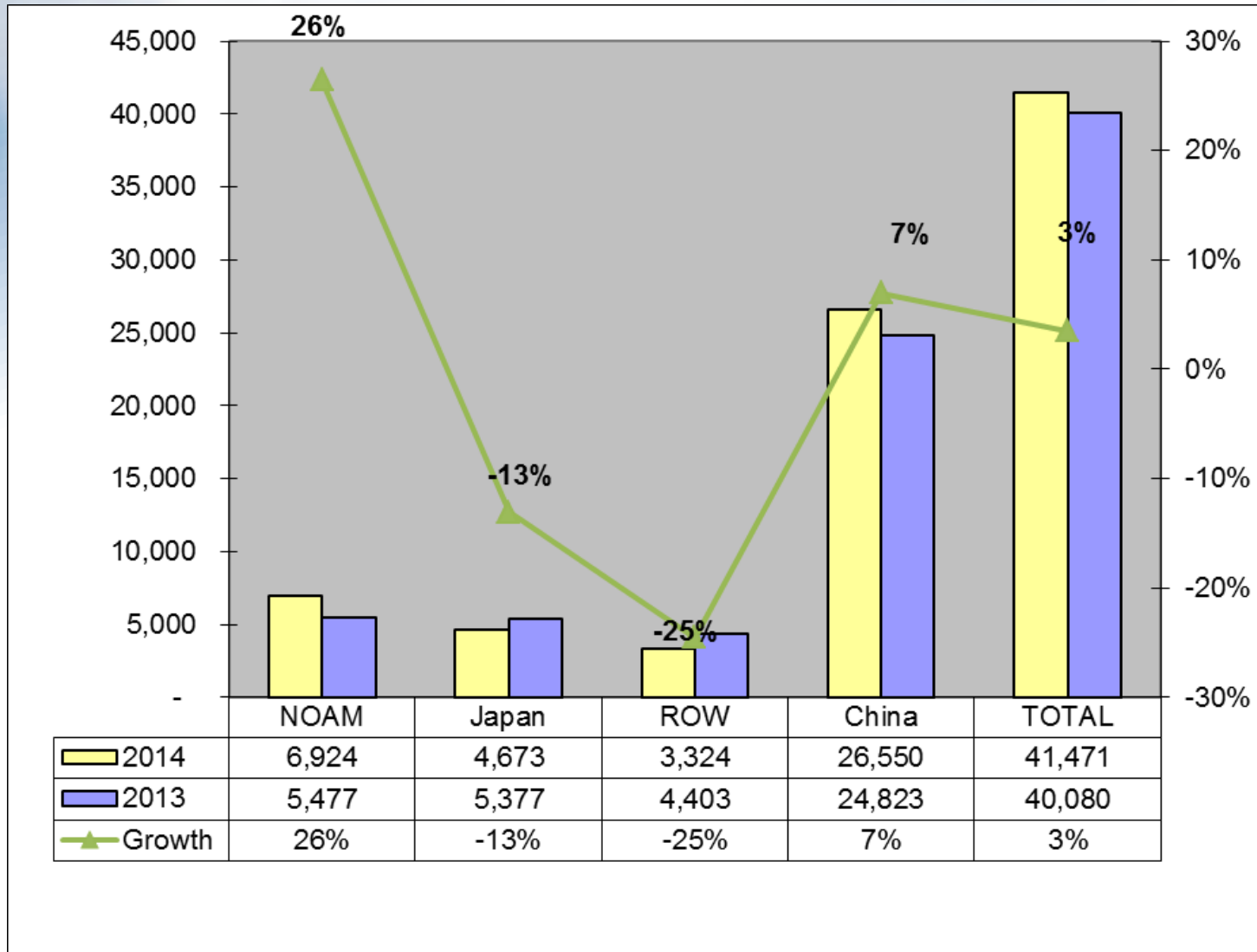
FY14 vs. FY13 Income Statement

	FY14		FY13		Comparison	
	(US\$1,000)	% of Rev	(US\$1,000)	% of Rev	Diff	Y/Y Change
Net Sales	41,471		40,080		1,391	3%
Gross Profit	31,561	76%	31,237	78%	324	1%
Gross Margin	76%		78%			
Operating Expenses						
Sales	(19,157)	46%	(16,491)	41%	(2,667)	16%
G&A	(4,336)	10%	(5,367)	13%	1,031	-19%
R&D	(10,094)	24%	(10,082)	25%	(12)	0%
Total Operating Expenses	(33,587)	81%	(31,940)	80%	(1,647)	5%
Operating Income	(2,026)	-5%	(702)	-2%	(1,323)	188%
Other Income/(Expense)	2,784	7%	2,560	6%	223	9%
Net Income Before Tax	758	2%	1,858	5%	(1,100)	-59%
Income Tax Expenses	337	1%	353	1%	16	-5%
Net Income	421	1%	1,505	4%	(1,084)	-72%

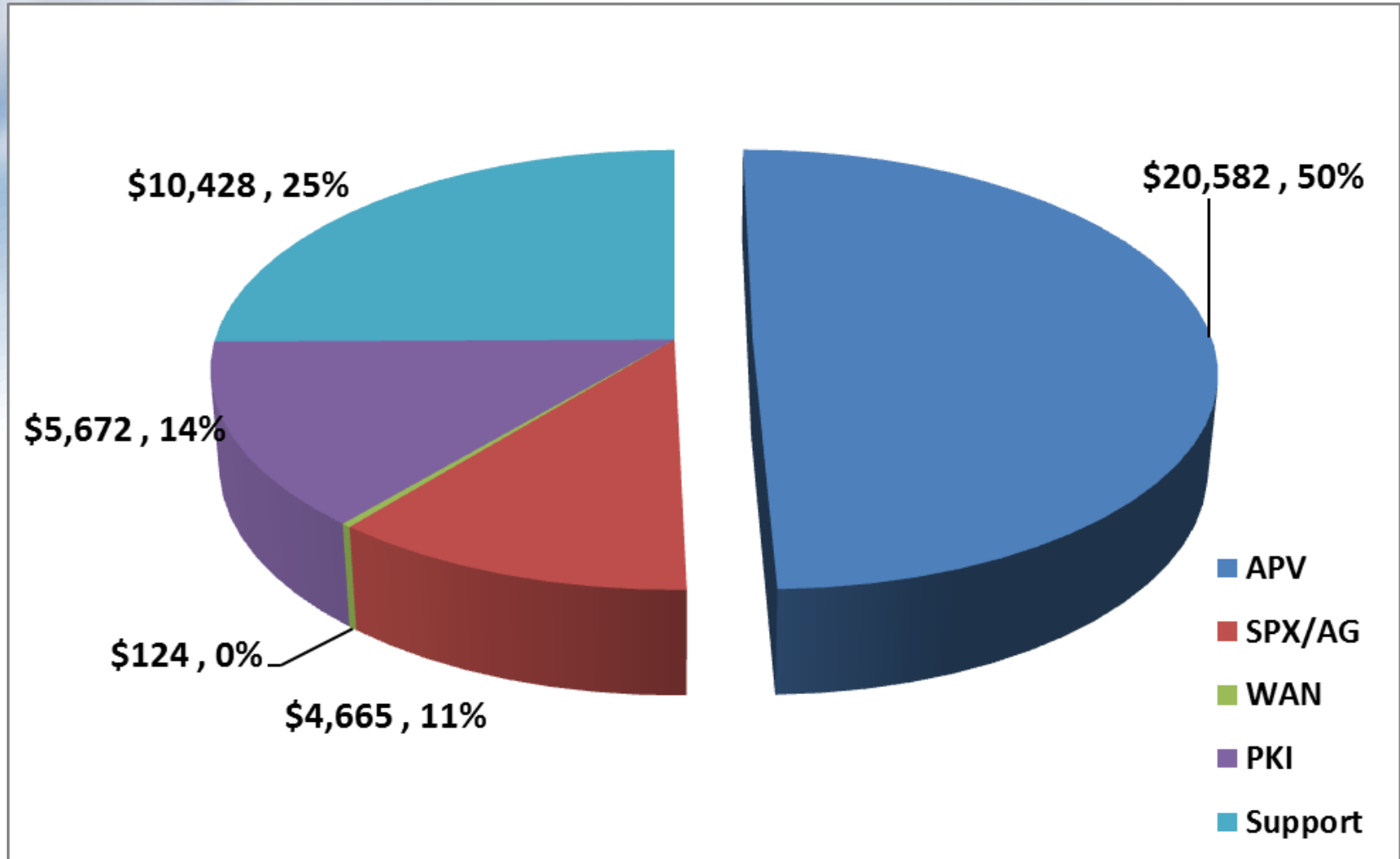
FY14 Revenue By Region



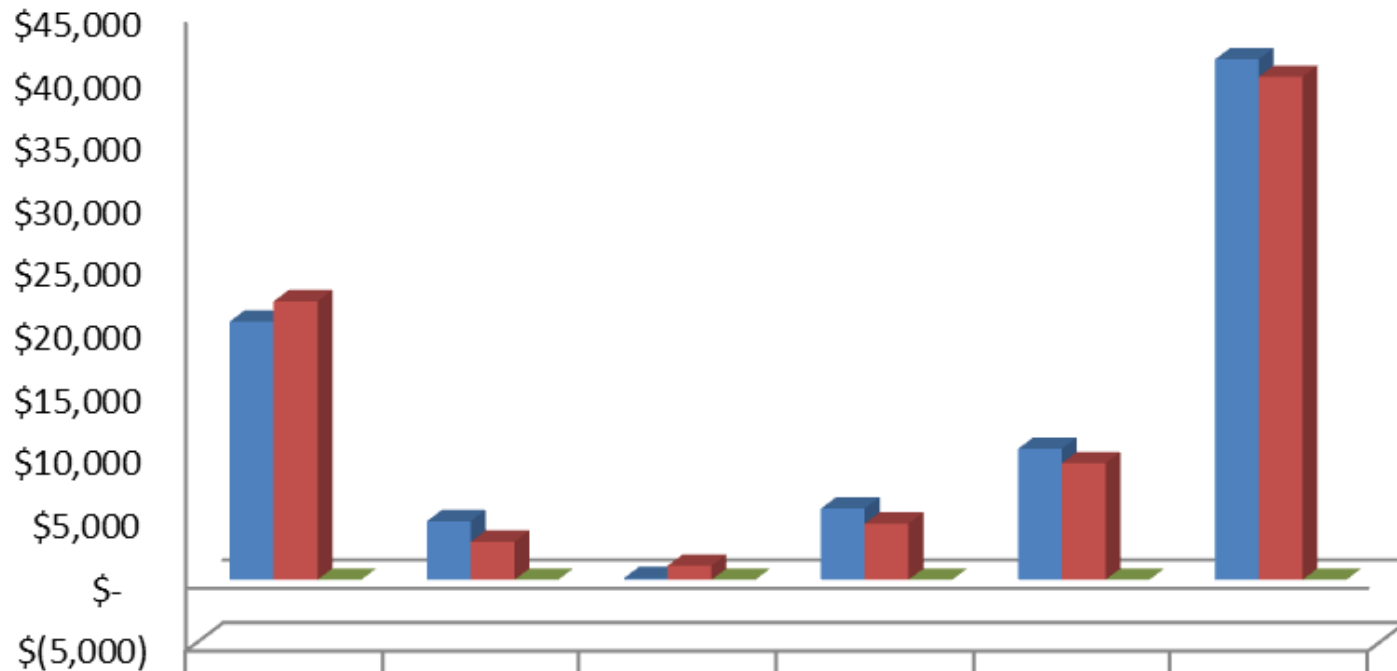
Performance by Region FY14 vs. FY13 (US\$M)



FY14 Revenue By Product



Performance By Product FY14 vs. FY13 (US\$M)



	APV	SPX/AG	WAN	PKI	Support	TOTAL
2014	\$20,582	\$4,665	\$124	\$5,672	\$10,428	\$41,471
2013	22,184	3,025	1,124	4,470	9,277	40,080
% Growth	-7%	54%	-89%	27%	12%	3%

FY14 vs. FY13 Balance Sheet

	Dec FY14	Dec FY13
	(US\$1,000)	(US\$1,000)
Assets		
Cash and Available for Sale Securities	30,752	27,327
Notes & Accounts Receivable (net)	12,284	15,684
Inventory (net)	3,717	3,262
Other Current Assets	798	751
Fixed Assets (net)	1,572	1,399
Other Assets / Goodwill	8,735	8,966
Total Assets	57,858	57,389
Liabilities & Equity		
Accounts Payable	1,531	3,272
Other Current Liabilities	1,017	377
Accrued Liabilities	3,958	4,724
Deferred Revenue	9,982	8,589
Capital & Paid-in Capital	35,259	34,677
Retained Earnings	4,035	4,352
Treasury shares & other adjustments	2,076	1,398
Total Liabilities & Equity	57,858	57,389

FY14 vs. FY13 Operating Expense Growth

	June FY14	June FY13	Change
	2014	2013	Growth
Headcount	417	379	12%
IFRS Operating Expense	33,587	31,940	5%
Option Expense (reversal)	387	75	416%
Additional AR Reserve	59	1,113	-95%
Operating exp. (Excluded AR reserve & Option exp.)	33,141	30,752	8%

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THANK YOU!