

Array Networks

FY15 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\$25.56M (or NT\$811M) in revenue
- 73% gross profit margin
- -10% revenue growth vs. YTD 2014
- 35% revenue growth in ROW vs. YTD 2014
- -11% revenue growth in North America vs. YTD 2014
- -17% revenue growth in China vs. YTD 2014
- Headcount growth -5% vs. YTD 2014
- Operating expense no change vs. YTD 2014
- US \$1.62M (or NT48M) in Net Profit; growth of 284% vs. YTD 2014

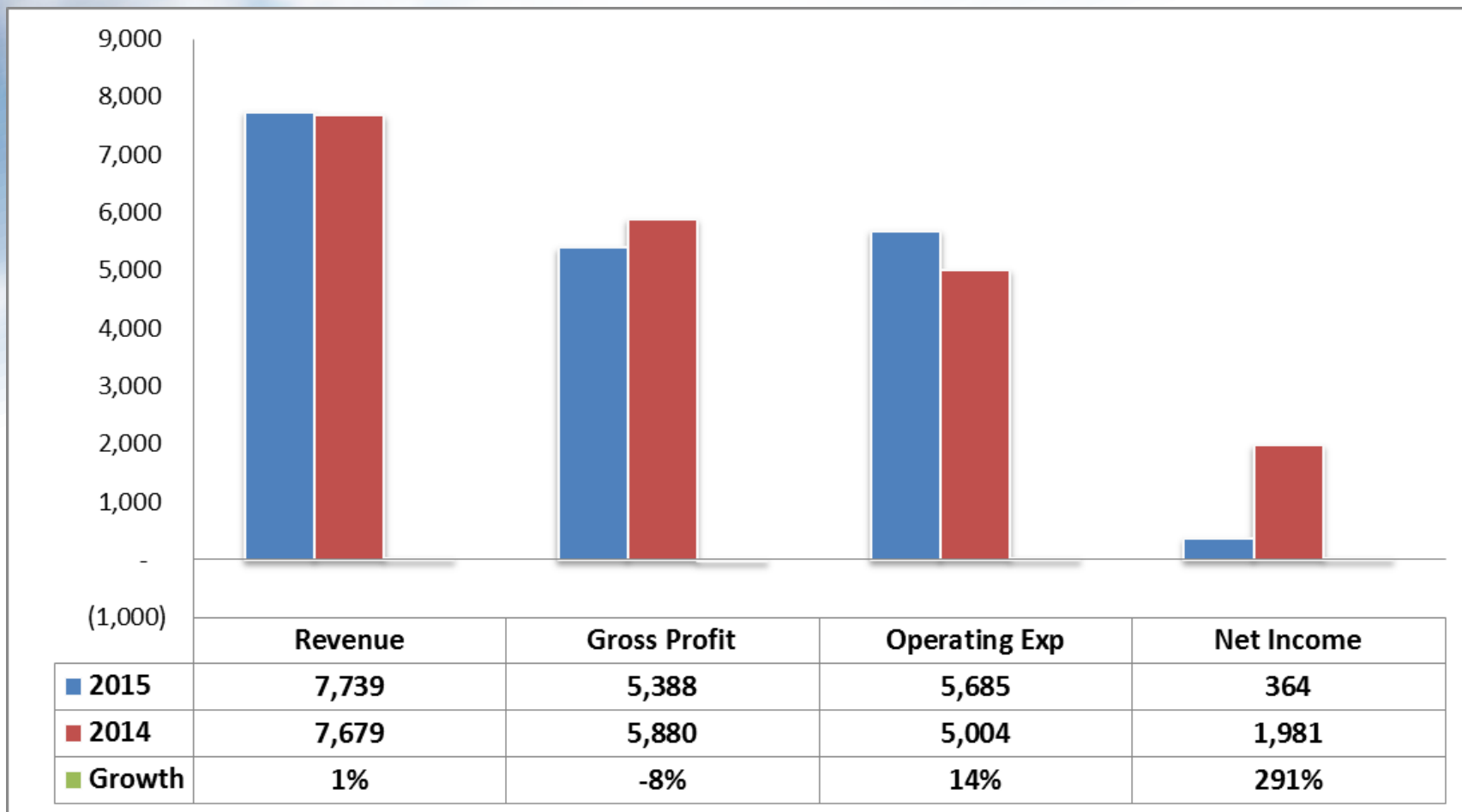
YTD Performance FY15 vs. FY14 (US\$M)



4Q FY15 results

- US\$7.74M (or NT\$251M) in revenue
- 70% gross profit margin
- 1% revenue growth in Q4, 2015 vs. Q4 2014
- 14% revenue growth in North America in Q4, 2015 vs. Q4, 2014
- 20% revenue growth in ROW in Q4, 2015 vs. Q4, 2014
- Operating Expense US\$5.69M
- 14% operating expense increase in Q4, 2015 vs. Q4 2014
- Net profit US\$364K (or NT10M)

4Q Performance FY15 vs. FY14 (US\$M)



FY15 vs. FY14 EPS

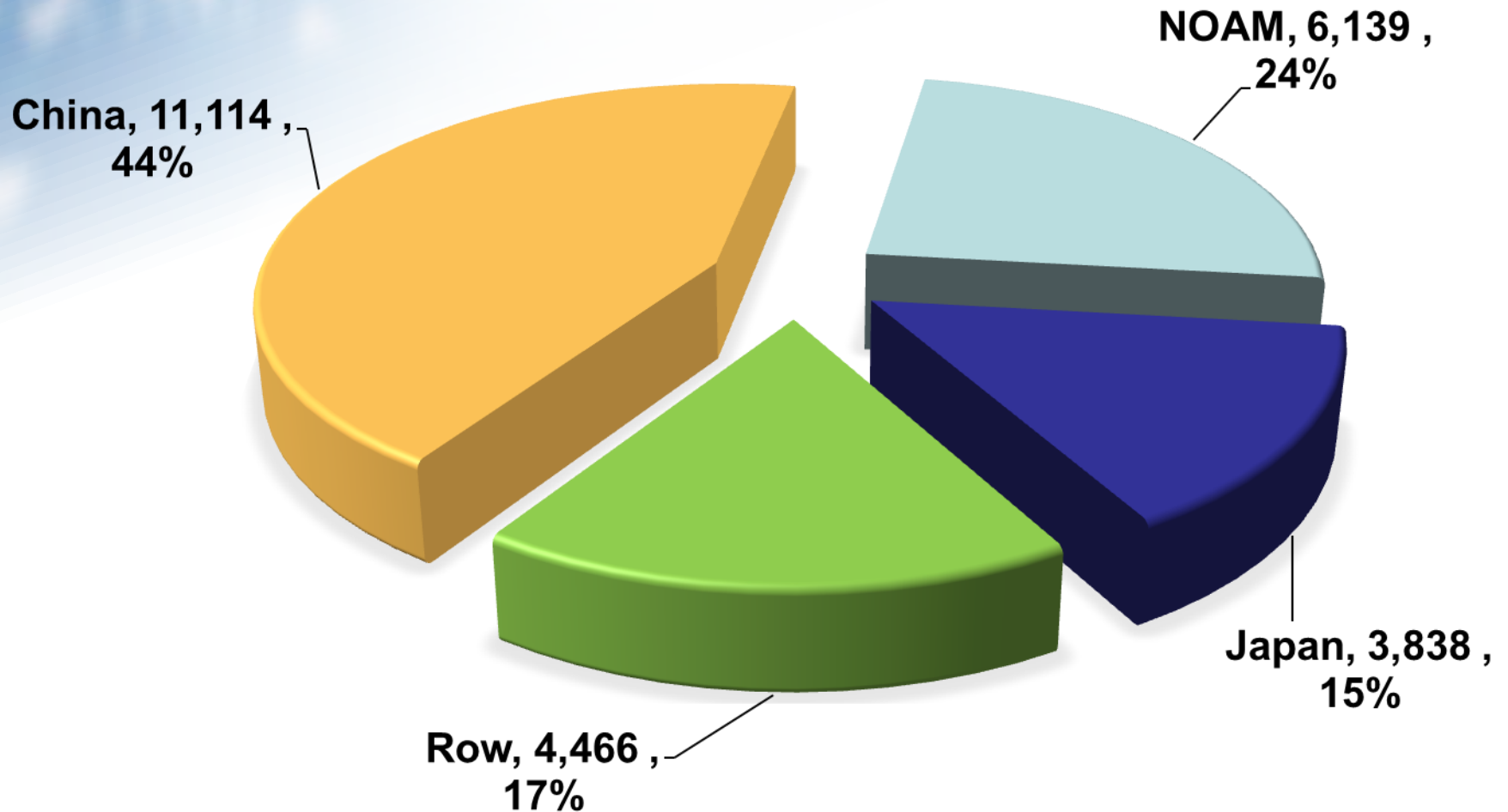
FY15	Net Income from continued operations (NT\$1,000)	Net Income from cont and discontd ops (NT\$1,000)	Shares (Denominator) (Thousands)	EPS (NP from continued operation) (NT \$)	EPS (NP from cont/ discont ops) (NT \$)
Basic EPS					
Income for the period attributable to common shareholders	(142,728)	47,922	77,209	(1.85)	0.62
Effect of dilutive potential common shares Stock options			750		
Diluted EPS	(142,728)	47,922	77,959	(1.85)	0.61
FY14	Net Income from continued operations (NT\$1,000)	Net Income from cont and discontd ops (NT\$1,000)	Shares (Denominator) (Thousands)	EPS (NP from continued operation) (NT \$)	EPS (NP from cont/ discont ops) (NT \$)
Basic EPS					
Income for the period attributable to common shareholders	(32,726)	12,757	76,062	(0.43)	0.17
Effect of dilutive potential common shares Stock options			1,993		
Diluted EPS	(32,726)	12,757	78,055	(0.43)	0.16

FY15 vs. FY14 Income Statement

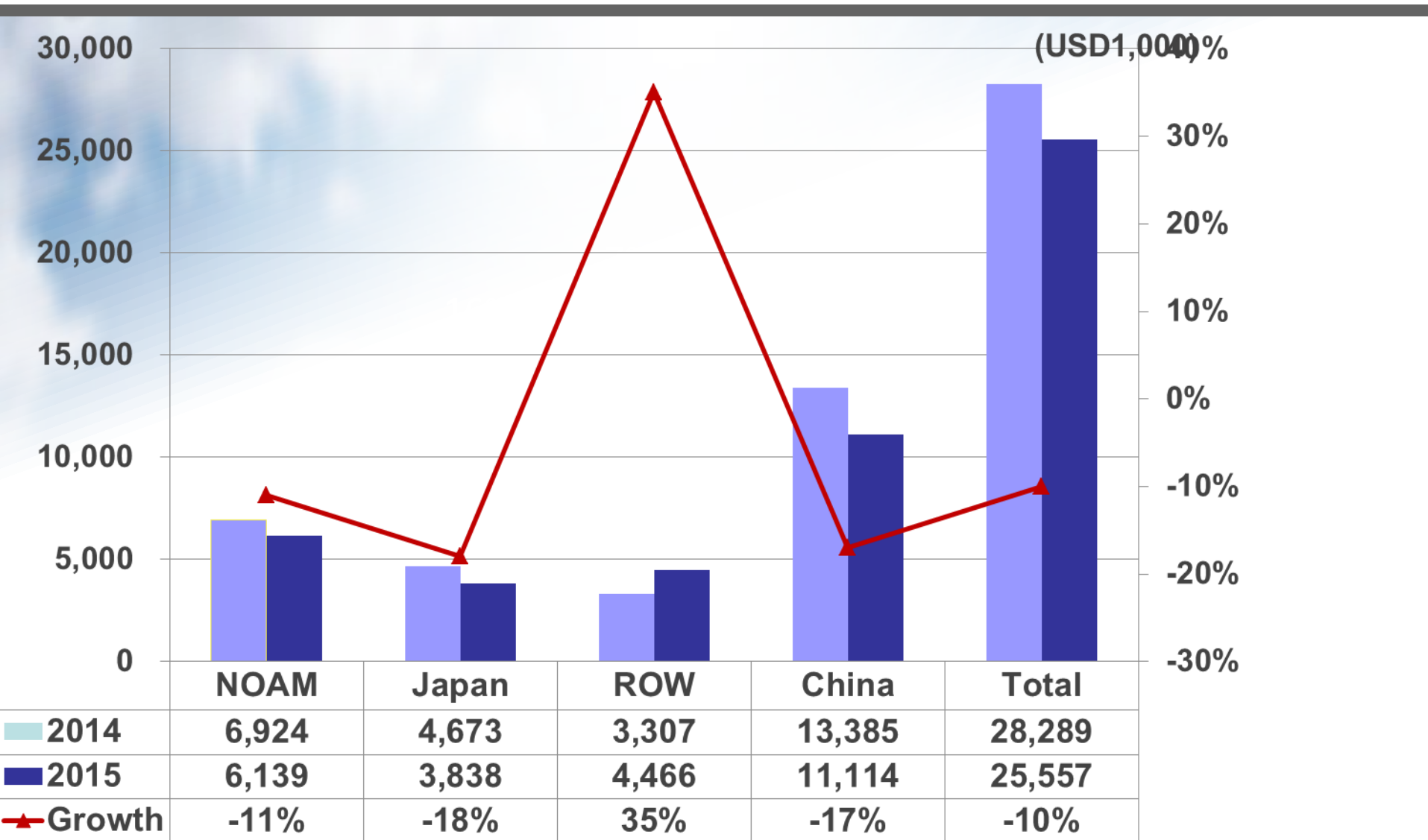
	FY15		FY14		Comparison	
	(US\$1,000)	% of Rev	(US\$1,000)	% of Rev	Diff	Y/Y Change
Net Sales	25,558		28,289		(2,731)	-10%
Gross Profit	18,601	73%	22,424	79%	(3,822)	-17%
Gross Margin	73%		79%			
Operating Expenses						
Sales	(11,328)	-44%	(12,667)	-45%	1,339	-11%
G&A	(4,009)	-16%	(3,665)	-13%	(344)	9%
R&D	(8,992)	-35%	(8,015)	-28%	(977)	12%
Total Operating Expenses	(24,329)	-95%	(24,347)	-86%	18	0%
Operating Income	(5,728)	-22%	(1,923)	-7%	(3,804)	198%
Other Income/(Expense)	1,370	5%	1,072	4%	298	28%
Net Income Before Tax	(4,358)	-17%	(851)	-3%	(3,506)	412%
Income Tax Expenses	(139)	-1%	(228)	-1%	89	-39%
Inc fm Disctd Operation	6,115	24%	1,501	5%	4,614	307%
Net Income	1,618	6%	421	1%	1,197	284%

FY15 Revenue By Region

(USD1,000)

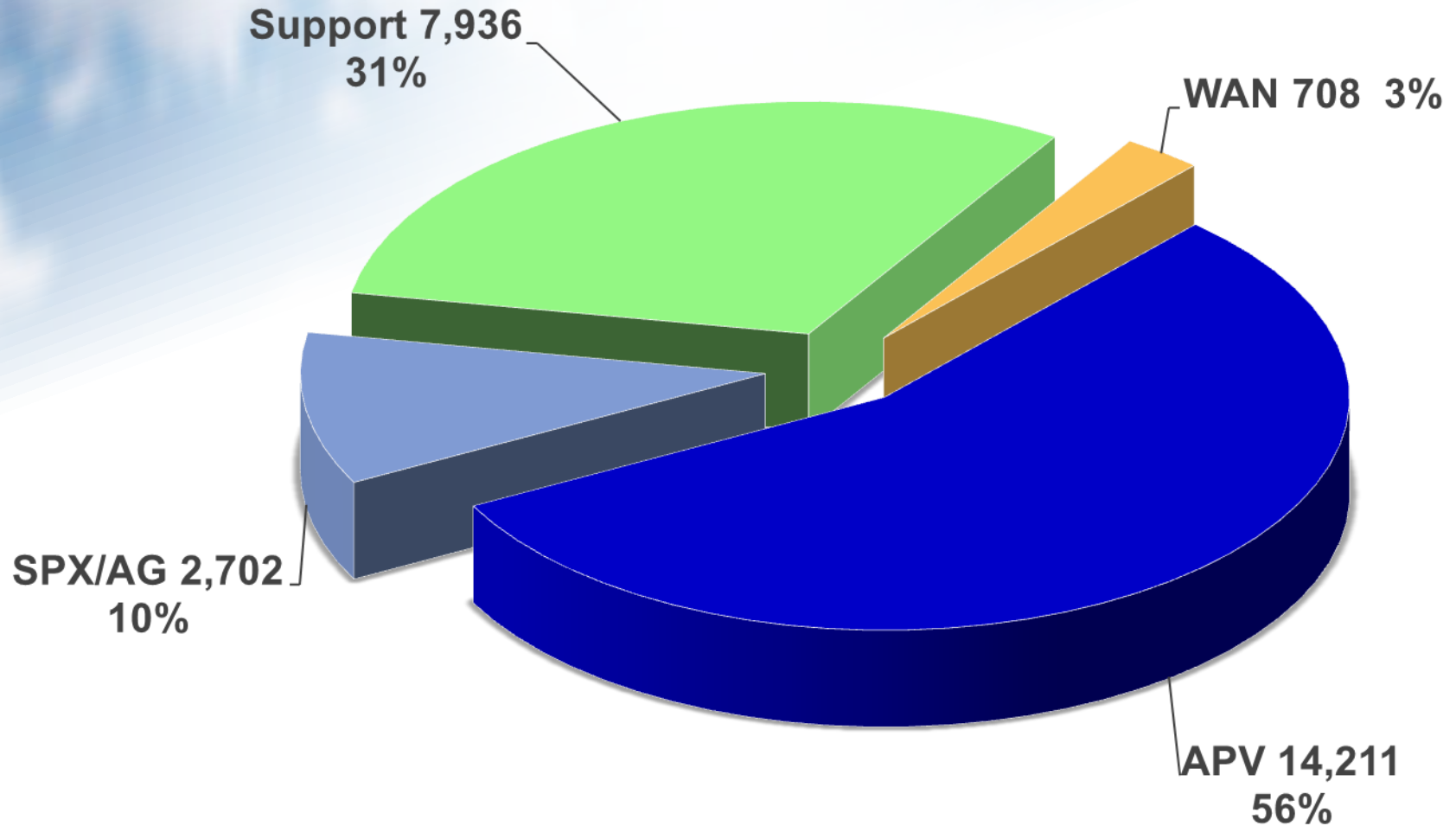


Growth by Region – FY15 vs. FY14



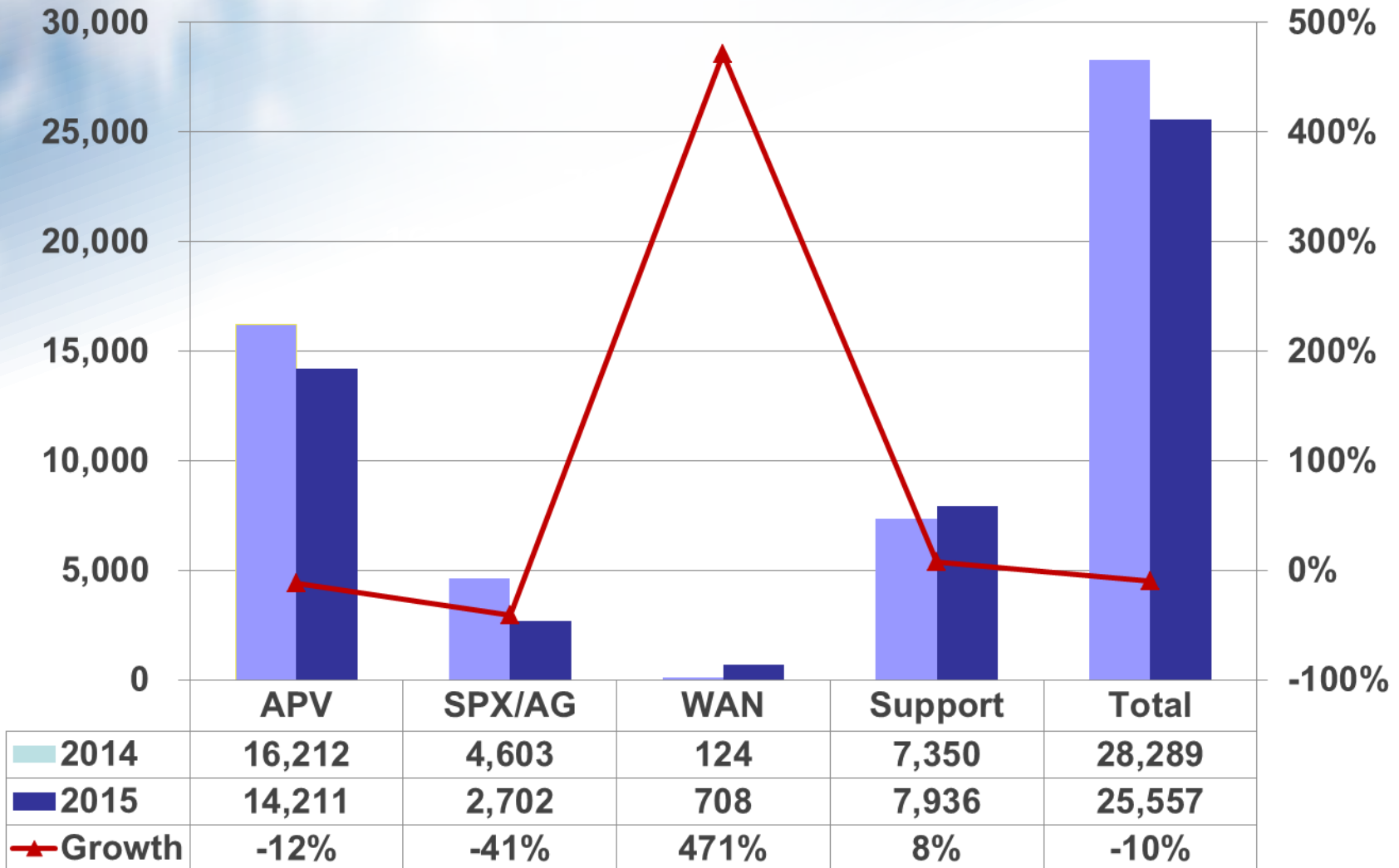
FY15 Revenue By Product

(USD1,000)



Performance By Product FY15 vs. FY14 (US\$M)

(USD1,000)



FY15 vs. FY14 Balance Sheet

	Dec FY15	Dec FY14
	(US\$1,000)	(US\$1,000)
Assets		
Cash and Available for Sale Securities	36,381	30,752
Notes & Accounts Receivable (net)	8,454	12,284
Inventory (net)	2,027	3,717
Other Current Assets	456	798
Fixed Assets (net)	951	1,572
Other Assets / Goodwill	5,046	8,735
Total Assets	53,315	57,858
Liabilities & Equity		
Accounts Payable	507	1,531
Other Current Liabilities	125	1,017
Accrued Liabilities	3,044	3,958
Deferred Revenue	8,674	9,982
Capital & Paid-in Capital	35,569	35,259
Retained Earnings	6,390	4,774
Treasury shares & other adjustments	(994)	1,337
Total Liabilities & Equity	53,315	57,858

FY15 vs. FY14 Operating Expense Growth

	2014	2015	Growth
Headcount	245	231	-5%
IFRS Operating Expense	24,347	24,329	0%
Option Expense	388	223	-43%
Additional AR Reserve	-66	203	406%
Operating exp. (Excluded AR reserve & Option exp.)	24,025	23,903	-1%

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THANK YOU!