

# Annual Meeting of Shareholders

*January 29, 2004*



- Greg Turnbull, lead outside director
- Carl Neun
- Kay Stepp
- Steve Wynne
- Balaji Krishnamurthy, Chmn., Pres. & CEO

*Nominated for re-election:*

- Bill Walker
- Heinrich Stenger

- Chris King, EVP, CTO & Secretary
- Steve Buhaly, VP and CFO
- Carolyn McKnight, VP, Org. Dev. & HR
- Jack Ehren, Corporate Treasurer
- Jeff Siegal, Corporate Controller
- Doug Barnes, VP, Global Mfg. & Operations
- Matt Harris, VP, Marketing & Bus. Dev.
- Mark Ceciliani, VP & GM, Industrial BU
- Steve Flieder, VP & GM, Medical BU
- Erick Petersen, VP & GM, Commercial BU

Annual Meeting  
of Shareholders

*Formal Business*



# Business Update

January 29, 2004

*Balaji Krishnamurthy*  
Chairman, Pres. & CEO

*Steve Buhaly*  
Vice President and CFO





# Safe Harbor Provisions

This presentation contains forward-looking statements within the meaning of the Securities Litigation Reform Act of 1995 that are based on current expectations, estimates and projections about the Company's business, management's beliefs, and assumptions made by management. Words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", and variations of such words and similar expressions are intended to identify such forward-looking statements.

These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed in such forward-looking statements.

## Balaji Krishnamurthy, CEO:

- Q1'04 results
- Business segment details
  - > Medical
  - > Industrial
  - > Commercial
- Intangible assets

## Steve Buhaly, CFO:

- Financial results
- Performance metrics



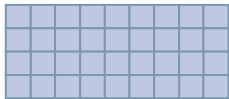
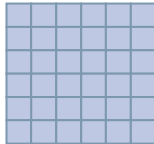
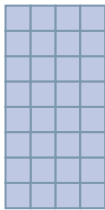


# First Quarter FY'04 Results

- **Overall results**
  - > Sales of \$63 million
  - > Net income of \$0.21 per share
- **Medical business shortfall**
  - > Digital imaging competitive landscape shift
  - > Supply constraints for medical panels
  - > Strategic adjustments in process
- **Industrial business steady**
- **Commercial business healthy**
- **Outlook for FY'04 updated Jan. 14**
  - > Sales of \$275 million
  - > Net income of \$1.00 per share



# Planar's Business Diversification

	Medical	Industrial	Commercial
<b>Revenue</b>			
FY'02 (\$206M total)	\$79M, 38%	\$72M, 35%	\$55M, 27%
FY'03 (\$252M total)	\$89M, 35%	\$66M, 26%	\$97M, 39%
Q1'04 (\$63M total)	\$18M, 28%	\$14M, 22%	\$31M, 49%
Gross Margin	High	Medium	Low
Operating Expense	High	Medium	Low
Operating Income	Med	High	Low
Asset Turns	Low	Medium	High
Return on Assets ( <i>Earns x Turns</i> )			

- FY'03 Revenue: \$89 million; 35% of total
- Channels: direct to OEMs, indirect to hospitals
- Sub-segments:
  - > *Embedded Components*<sup>1</sup>
    - Legacy business, managed for profitability
  - > *Healthcare Informatics Systems*<sup>2</sup>
    - HIPAA-driven systems for safety, security
    - SAM estimate: \$160M in 2004, 10-15% growth
  - > *Digital Imaging Systems*<sup>3</sup>
    - X-rays, CT scans, MRI images...going filmless
    - SAM estimate: \$173M in 2004\*, 15% growth

*\*Source: iSuppli*



# Medical Product Road Map

## Digital Imaging

*CXtra* Desktop  
Clinical



Referral



*Dome CXline*  
Diagnostic



Value - Capabilities

*Invitium* line  
Workstations



*VitalScreen* line  
Medical Monitors



## Informatics

Functionality

*\*in development*

- FY'03 Revenue: \$66M; 26% of total
- High-performance display sub-systems
  - > Specialties: brightness, contrast, ruggedness, temperature tolerance
- New, highly-configurable platforms
  - > Lever supply chain
  - > Speed time-to-market
  - > Target: kiosk opportunities
- FY'04 plan:
  - > Maintain excellent profitability
  - > Address emerging growth areas



- FY'03 Rev.: \$97M; 39% of total
- Planar-branded products
  - >More than 30 models in 5 families
  - >Built by Asian partners
  - >Sold through online resellers
- Differentiated model
  - >Supply-chain leverage
  - >Responsiveness to partners
- Results
  - >Growth faster than robust market
  - >US market-share rank\*: 9<sup>th</sup> overall
  - >Profitability, EVA+ in Q1'04









\*Flat-panel displays, Source: *iSuppli* (Nov 2003)

# Commercial Business Synergies

- CBU's 30,000+ units per month create
  - > Pricing power
  - > Top-tier vendor relationships
  - > Supply diversification
- Leverage across businesses
  - > Offshore design capabilities, to-market
  - > Customer fulfillment flexibility
- Channel partner relationships
  - > New product opportunities
  - > Medical products now sold through online resellers



# Hierarchy of Intangible Assets



# Progress Developing Assets

**Brand Development**

**Planar Culture**

**Customer Intimacy**

**Market Focus**

**Operational Efficie**

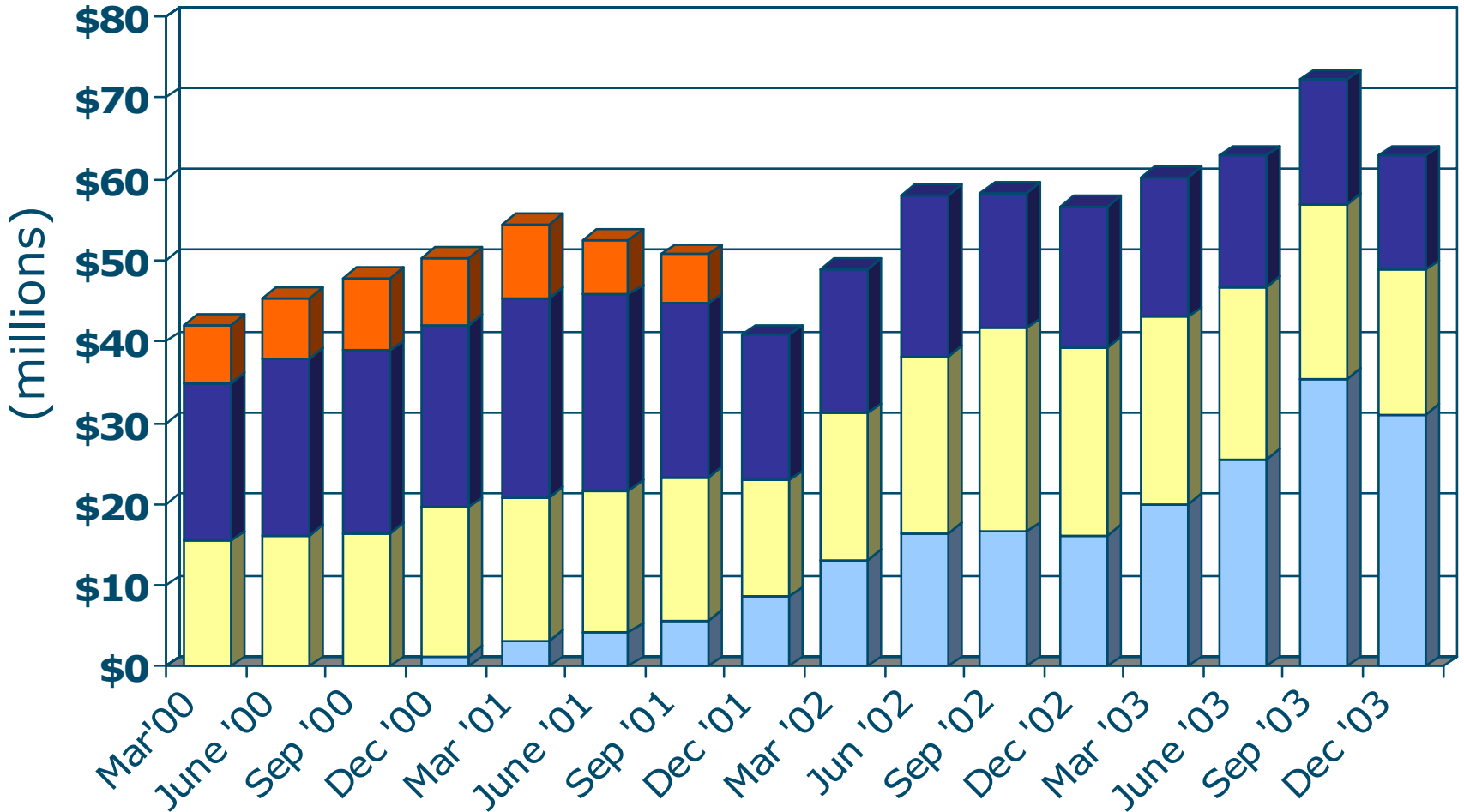
**Fiscal Discipl**



**Fiscal year '00 '01 '02 '03 '04 '05**

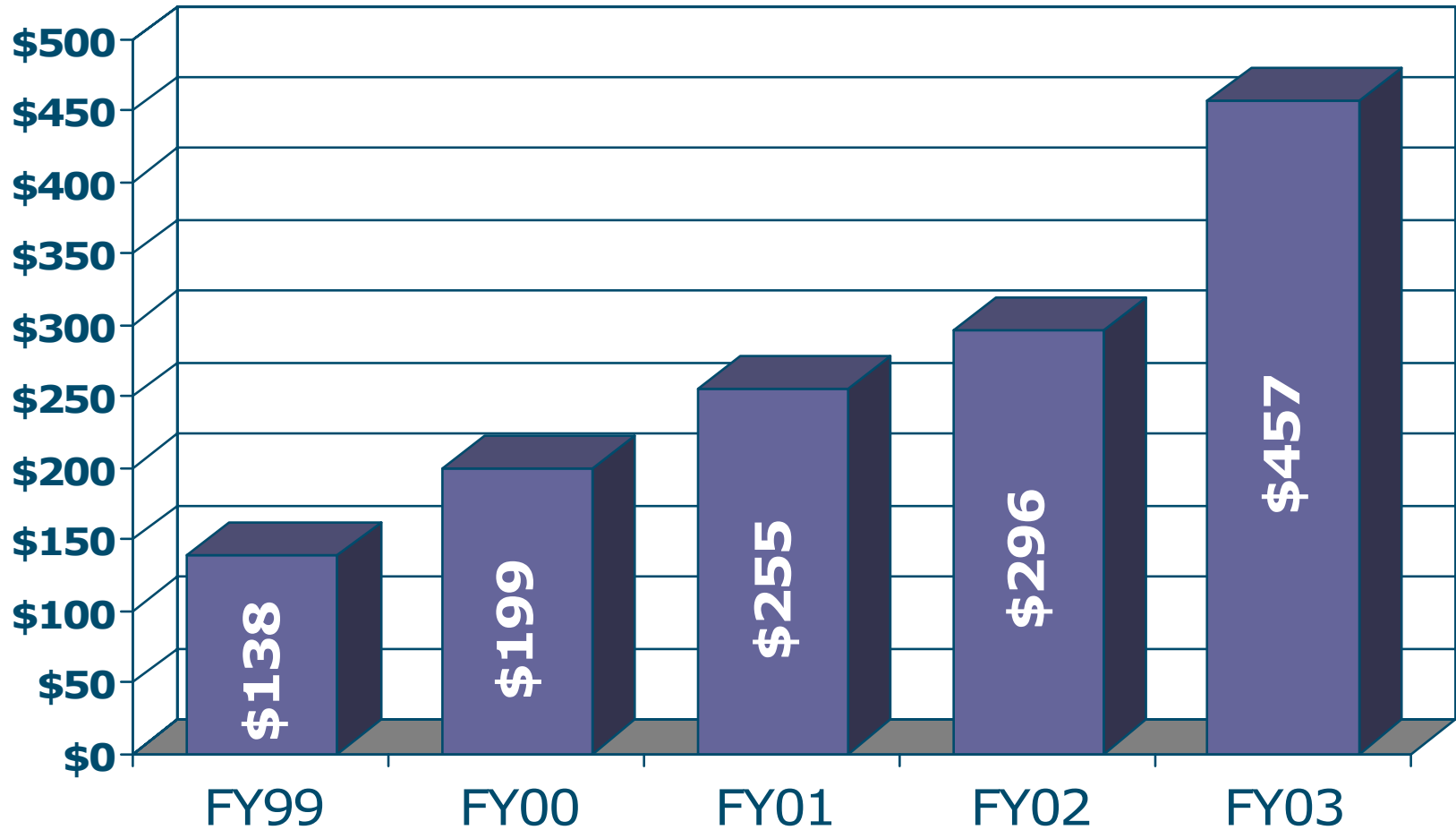
# Quarterly Revenue by Segment

■ Commercial   
 ■ Medical   
 ■ Industrial   
 ■ Military

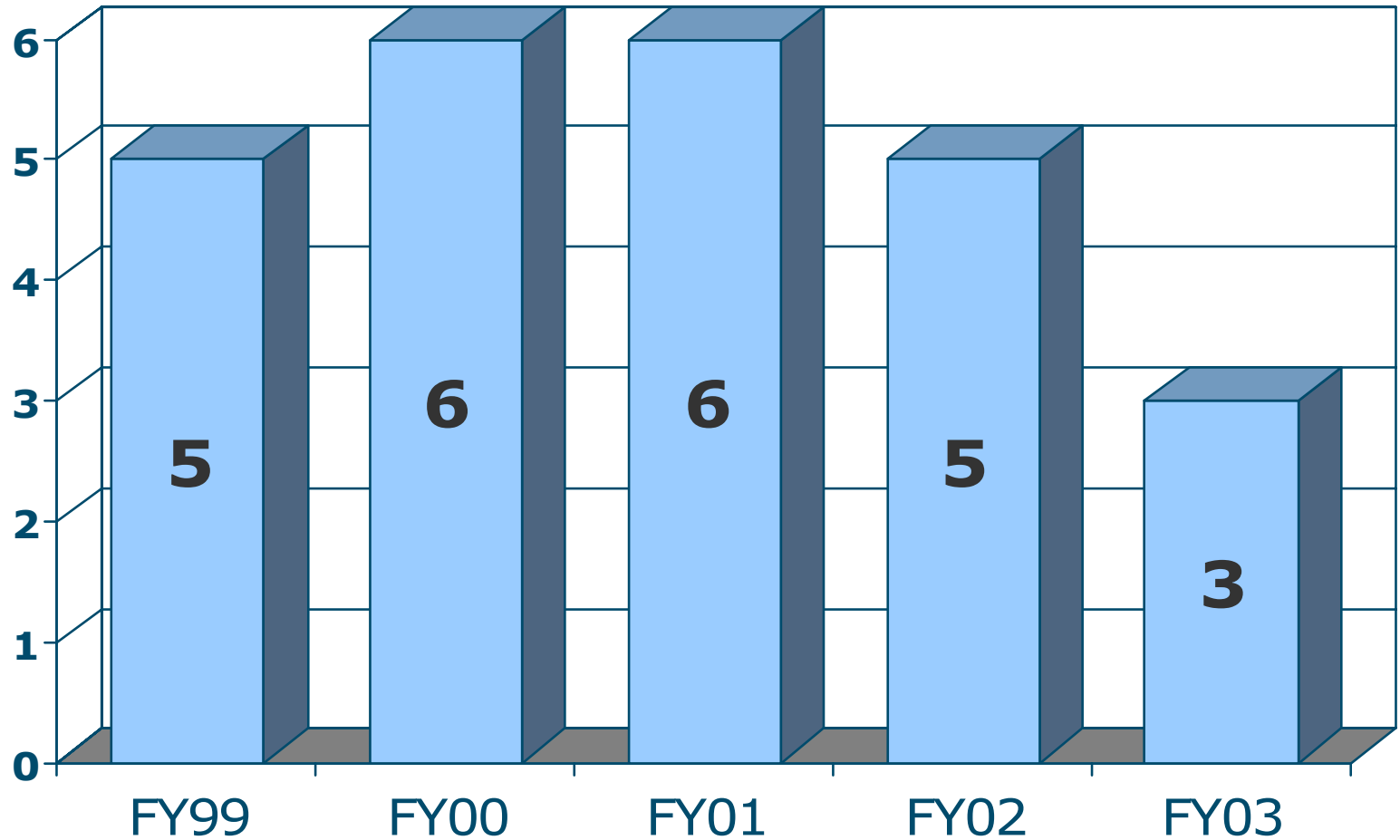


# Revenue per Employee

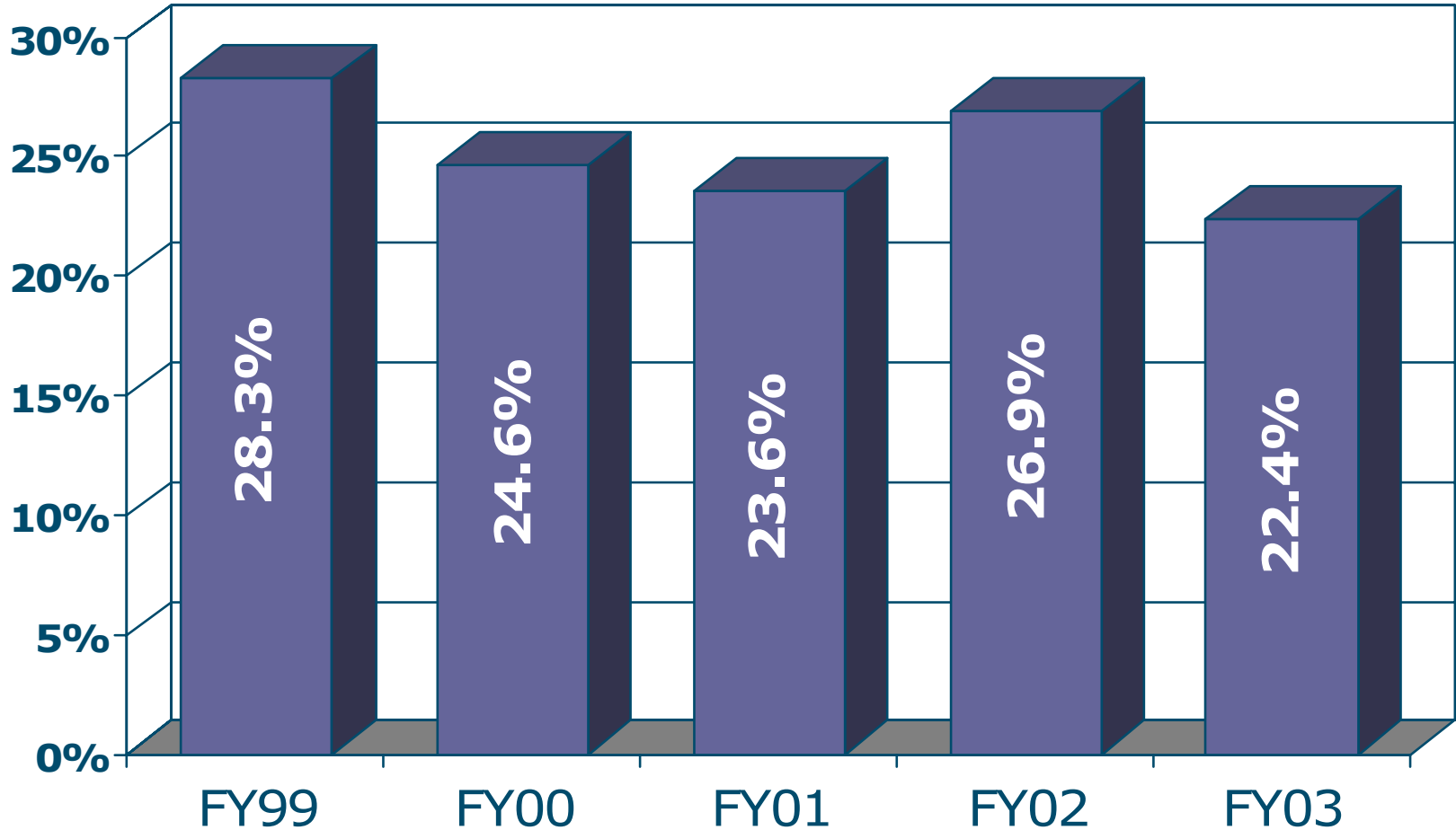
*Thousands, average headcount*



# Number of Production Plants



# Working Capital\* Percent of Revenue



\*  $A/R + Inv. - A/P$



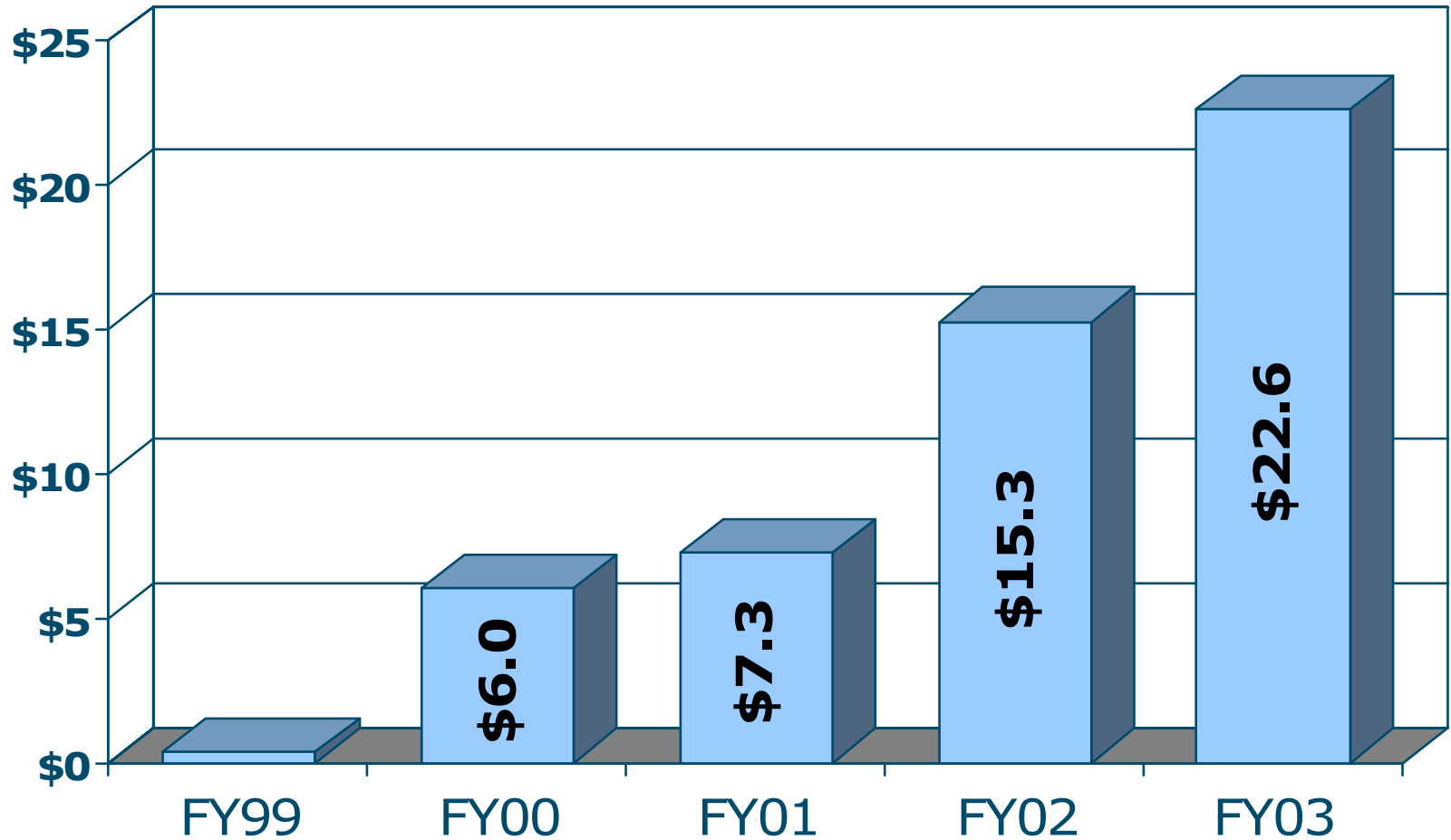
# Balance Sheet

*(millions, except per share)*

	<i>Dec. '03</i> Unaudited	<i>Sept. '03</i> Audited	<i>Sept. '02</i> Audited
□ Cash and cash equivalents	\$44.6	\$37.4	\$37.5
□ Total debt	\$10.4	\$15.6	\$51.2
□ Shareholders' equity	\$158.3	\$150.8	\$124.4
□ Debt to equity	7%	10%	41%
□ Book value per share	\$10.86	\$10.48	\$9.14
□ Tangible book value per share	\$6.83	\$6.34	\$4.56

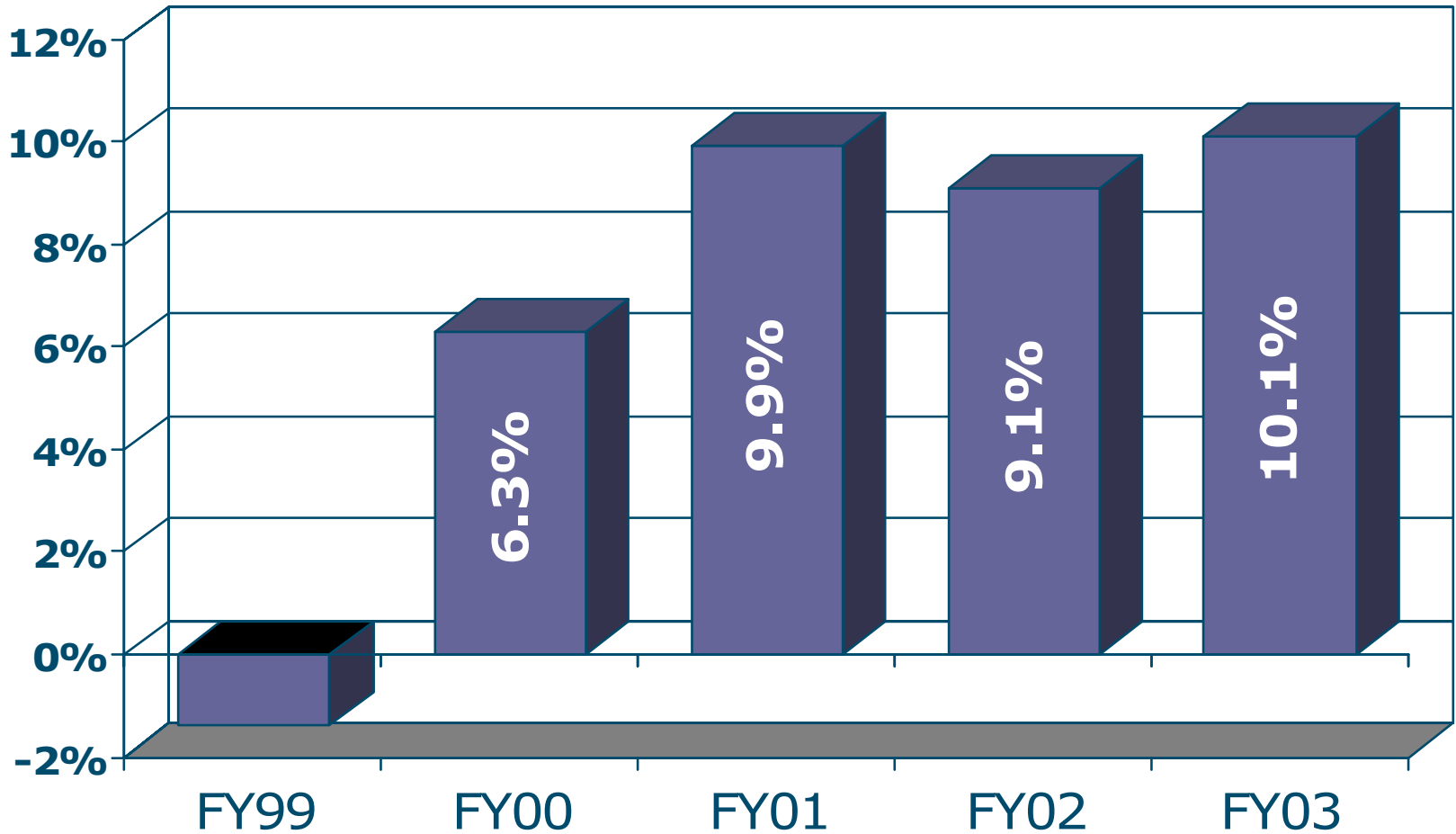
# Cash Income

Millions *(Excluding one-time events)*



# Op. Income Percent of Revenue

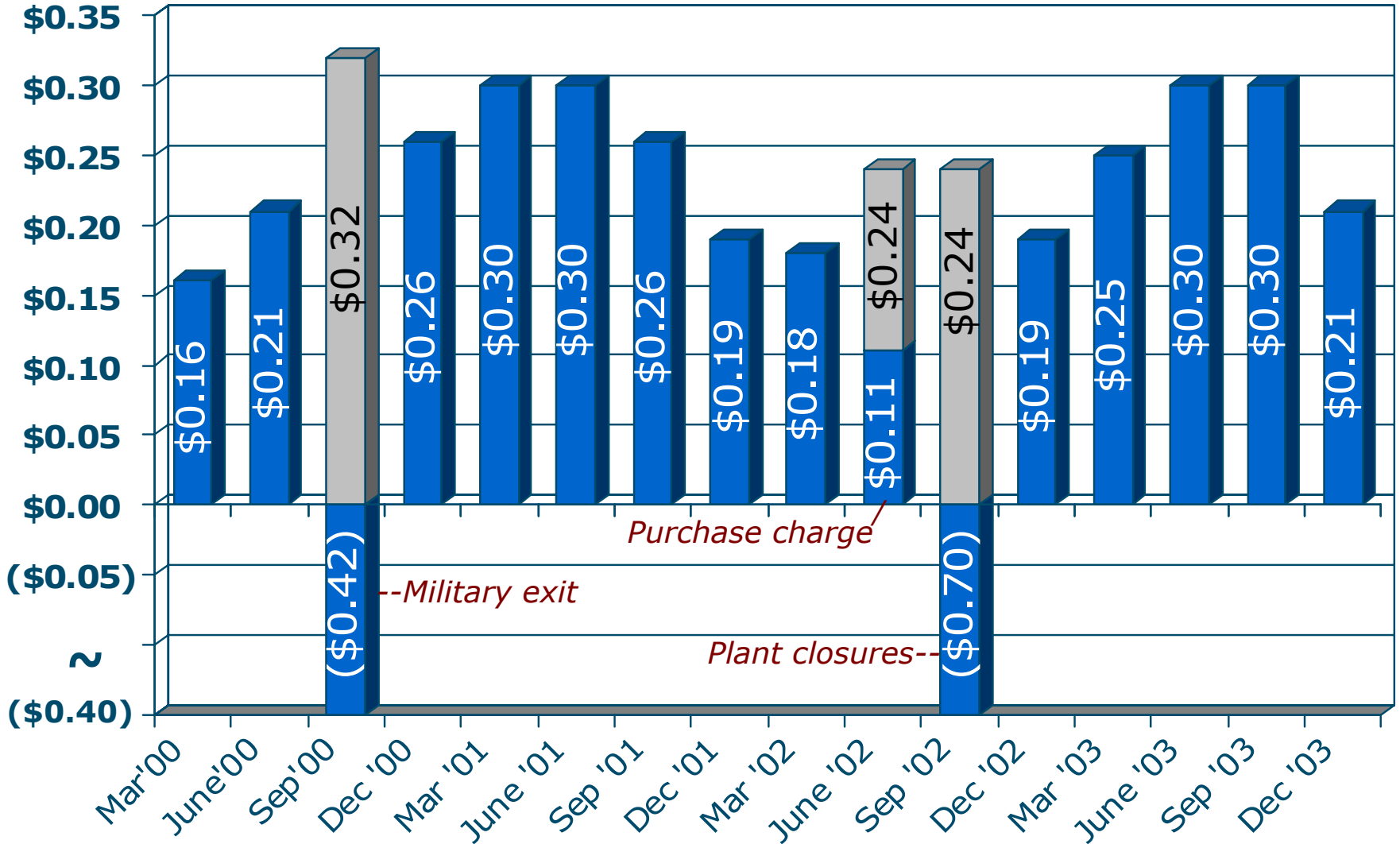
*(Excluding one-time events)*





# GAAP Net Income per Share

*Four-straight years of profitable quarters, excluding one-time events*



- Excellent market opportunities
- Clear, executable strategies
- Capable, committed team
- Strong financial performance
- Dynamic future



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