

USDC  
*Display Industry  
Investment Conference*

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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.

These statements speak only as of today and the company undertakes no obligation to update any such statements to reflect events or circumstances occurring after today.



# Presentation Focus Areas

- Current Lines of Business
- Financials
- Opportunities Moving Forward
  - > Current Businesses
  - > New Strategic Possibilities





# Planar at a Glance

- Long history focused on flat panel display businesses
  - > U.S. Based Company Founded in 1983 (*I.P.O. in 1993 - Nasdaq: PLNR*)
  - > EL Panel Manufacturing in Finland
- Strong balance sheet and profitable
- New leadership on board to drive shareholder value
- Three established business units
  - > Medical Displays - MBU (*Revenue = \$75M*)
  - > Industrial Displays - IBU (*Revenue = \$55M*)
  - > Commercial Desktop Monitors - CBU (*Revenue = \$102M*)





# Medical Business Unit

FY 2005 - \$75M in Revenue



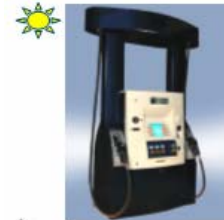
- Focused on high end Digital Imaging displays for medical applications
- Significant new product introductions in first quarter 2006
  - > E4C - First medically certified 4 mega pixel diagnostic color monitor
- New products, management and selling resources are in place.....
  - > Focused at the growing market for medical displays



# Industrial Business Unit

FY 2005 - \$55M in Revenue

- Leverages historical core competency in EL displays
- Strong operating margin business
- Focused on applications where usage conditions are very demanding:
  - > Rugged, temperature tolerance, shake/shock, etc.



High Contrast



Wide Temp



Sunlight Readable



Shock and Shake



# Commercial Business Unit

FY 2005 - \$102M in Revenue

- Virtual business model
  - > Products sourced from Asian partners - leveraging our display knowledge
  - > Sold through resellers (CDW, ICG, Insight, etc.) – B2B
  - > Lean and efficient structure
- Differentiated through quality and support and high end products
- Drives brand creation for Planar





# Financials – Past and Present

- Fiscal '03 and '04 had EPS of \$1.04 and \$0.62, respectively
- First half of Fiscal '05 saw large step down to breakeven level of Non-GAAP EPS
  - > Expense increase to fund growth initiatives
  - > Margin pressure, revenue challenges
- Cost actions to reduce ongoing overhead expenses were taken at end of Q2 (2005)
- Second half 2005/Q106 profitability returned
  - > 9¢ per share in Q305
  - > 12¢ per share in Q405 (non-GAAP)
  - > 10¢ per share in Q106



# Quarterly Income Statement

Non-GAAP\*

----- \$ in M (except per share data)-----

	Fiscal Year 2005		Fiscal Year 2006
	Q3	Q4	Q1
Sales	\$53.2	\$54.5	\$57.1
Gross Margin	12.4	12.5	14.3
Operating Expenses			
Research and Development	2.2	2.2	2.5
Sales and Marketing	4.8	4.4	5.2
G&A	3.5	3.4	4.4
Amortization of Intangibles	0.3	0.2	0.1
Operating Income	<u>\$ 1.6</u>	<u>\$ 2.3</u>	<u>\$ 2.0</u>
EPS	<u>\$0.09</u>	<u>\$0.12</u>	<u>\$0.10</u>

\* Non-GAAP amounts exclude one time charges for restructuring and impairment in Q4 2005. GAAP EPS reported was a loss of (\$2.18) per share for Q4 2005. Q106 G&A includes \$0.3M restructuring charge



## Key Balance Sheet Metrics

	<i>End Q4 2005</i>	<i>End Q1 2006</i>
□ Cash and cash equivalents (\$M)	\$65.2	\$71.7
□ Current Ratio	3.7	3.5
□ Inventory (\$M)	\$36.3	\$40.8
□ Inventory Turnover	4.6	4.2
□ Accounts Receivable (\$M)	\$22.5	\$19.7
□ Days Sales Outstanding (DSO)	38	31



# First Quarter 2006 - Cash Flow

(in \$M)

Cash Flow

		Cash Flow
PLANAR	Beginning Cash 9-30-05	\$ 65.2
	<b>Cash Flow from Operations:</b>	
	Net Income	1.5
	Capital Expenditures	(0.3)
	Depreciation & Amortization	1.9
	Stock Based Compensation	0.7
	Restructuring Charges	0.3
	<b>Total:</b>	<b>4.1</b>
	<b>Changes in Working Capital:</b>	<b>2.6</b>
	Other	(0.2)
Ending Cash 12-30-05	71.7	



# Evolving Strategy

- New leadership hired in last 6 months (CEO, CFO)
- Short term goal:
  - > Sustain profit and cash generation
  - > Develop a strategic plan for shareholder value enhancement
- New strategy team formed to evaluate opportunities
  - > Current businesses
  - > Other Planar technology assets



# Strategic Plan Evolution

## Current Businesses

- **Medical (MBU)** *(Fiscal 2005 sales - \$75M)*
  - > Leverage recent investments to drive Digital Imaging growth
  - > Examine potential for additional medical products and solutions
- **Industrial (IBU)** *(Fiscal 2005 sales - \$55M)*
  - > Initiated investments to drive revenue growth for EL and Custom AMLCD displays (Europe/China last year, U.S. this year)
- **Commercial (CBU)** *(Fiscal 2005 sales - \$102M)*
  - > Examine opportunity to expand margins and reduce profit fluctuations
  - > Evaluate leveraging new products (i.e. touch screen monitors, large format monitors, etc.)

Evaluate opportunities to leverage current businesses along with other technology assets at Planar to drive growth



# Strategic Plan Evolution

## Other Planar Technology Assets

### □ Atomic Layer Deposition (ALD)

- > Technology originating from Planar EL manufacturing process (20 year history)
- > Potential for broader applications (i.e. Nanotechnology)



### □ Kiosks/Digital Signage Display Systems

- > Recent investments have created software assets

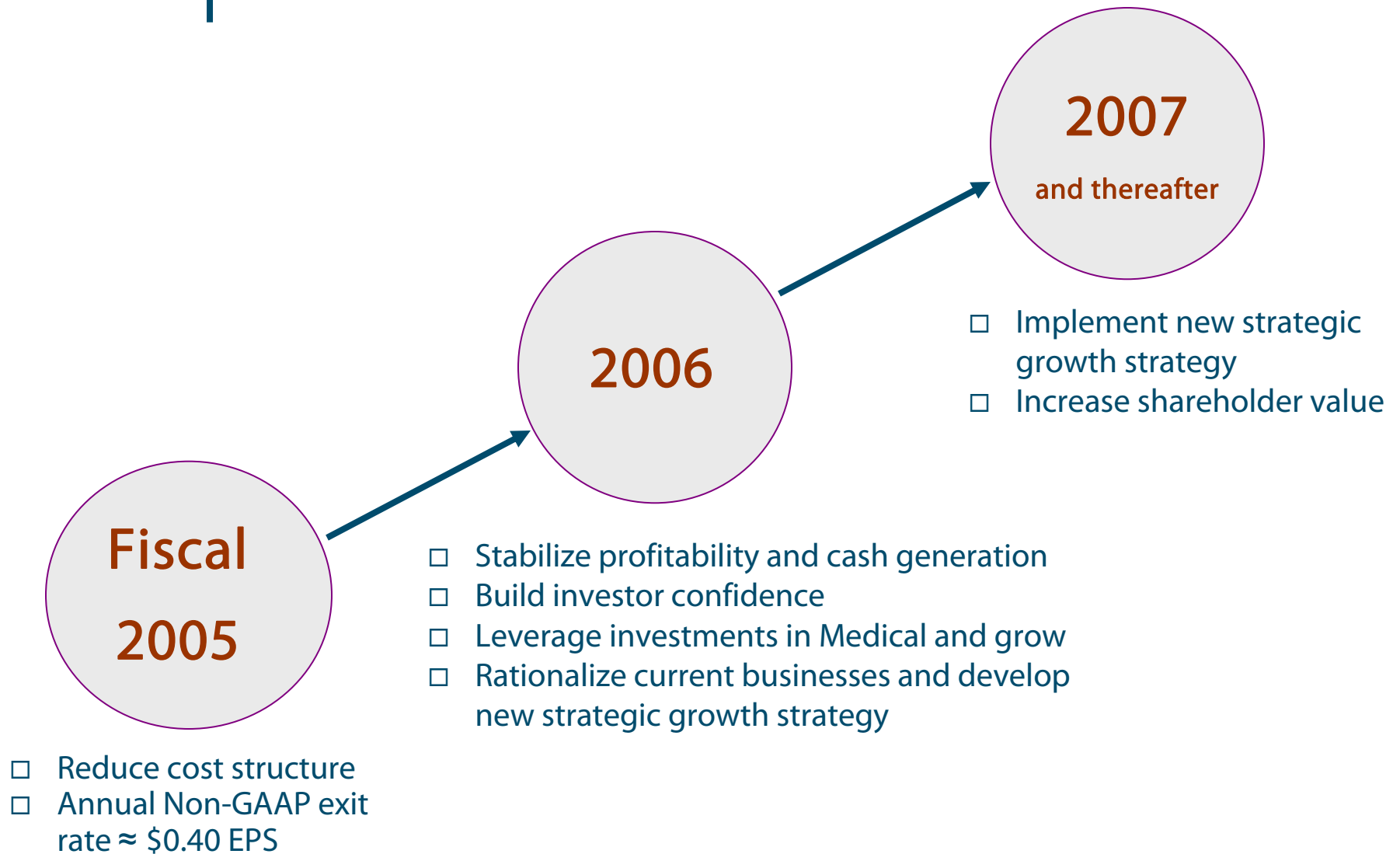
### □ Stereoscopic 3D Displays

- > Focused on Geospatial, Medical, Scientific Applications



Evaluate opportunities to leverage current businesses along with other technology assets at Planar to drive growth

# Current Strategic Timeline





# Summary

- Cost actions taken to solidify and sustain profitability
- Strong balance sheet, cash position and operating cash flow
  - > Utilization of cash position is under review
- New leadership hired to drive increased shareholder value
  - > Evaluation of existing lines of business focused on improving performance
  - > Investigation of other growth opportunities utilizing existing core competencies, resources and technology

Q&A

