

Needham and Co.
Growth Conference

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Gerry Perkel
President and CEO

Scott Hildebrandt
Vice President and CFO





Safe Harbor Provisions

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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
- History and Financials
- Opportunities
 - > Strategic Growth
 - > Shareholder Value Enhancement





Planar at a Glance

- Long history focused on flat panel displays
 - > Founded in 1983, I.P.O. in 1993 (*Nasdaq: PLNR*)
 - > EL Panel Manufacturing in Finland
 - > Fiscal 2005 Revenue = \$232M
- 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*)

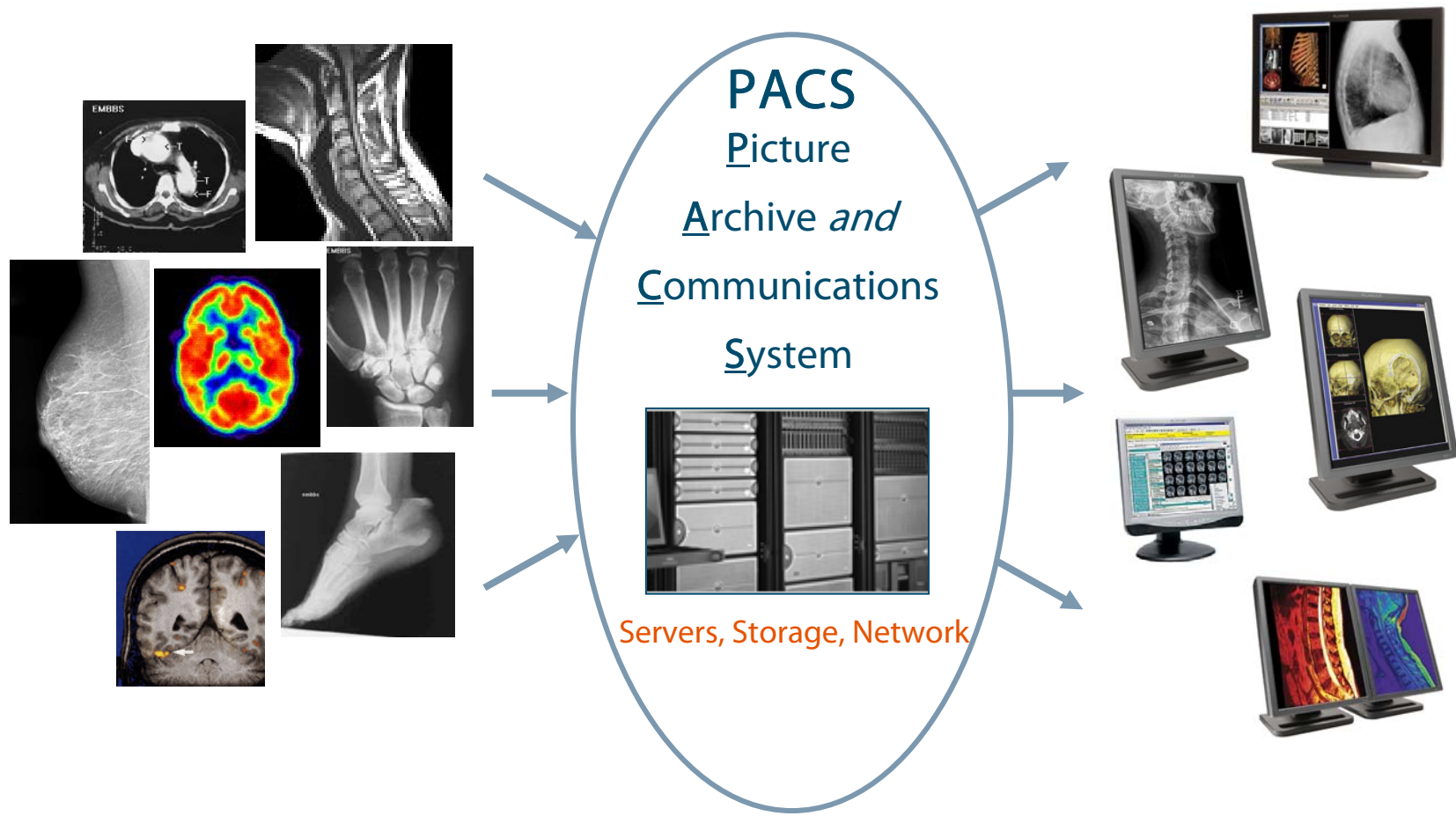




Medical Business Unit

FY 2005 - \$75M in Revenue

- OEM displays and monitors for medical applications → growing market
- Largest segment is Medical Digital Imaging Monitors





Medical Business - Digital Imaging Update

□ Significant new product introductions in November

- > Six new products
- > First medically certified 4 mega pixel diagnostic color monitor (E4c)
- > Sales leads from RSNA tradeshow up 20% from previous year
- > Products shown in majority of PACS software vendor booths at RSNA

- ### □ New products, new selling resources and growing market offer opportunity to grow



New Dome E4c
4 mega pixel color display



Industrial Business Unit

FY 2005 - \$55M in Revenue

- Leverages core EL display technology
- Focused on applications where usage conditions are demanding
 - > Ruggedness, temperature tolerance, shock ...



High
Contrast



Wide Temp



Sunlight
Readable



Shock and Shake

Making modest investments to improve revenue trends



Commercial Business Unit

FY 2005 - \$102M in Revenue



□ Virtual business model

- > Sourced from Asian partners leveraging our display knowledge
- > Sold through resellers (CDW, Dell, Insight, ICG, Ingram ...)
- > B2B Focus
- > Modest expense structure

□ Differentiated through quality and support

- > Customer and partner responsiveness
- > Industry leading warranty and support

□ Current focus on profitability improvement

- > Higher margin products (i.e. touch screen monitors)
- > Good progress in 2nd half of fiscal '05



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 profitability returned
 - > 9¢ per share in Q3
 - > 12¢ per share in Q4 (non-GAAP)
- New CEO hired in Q4 with charter to focus on strategic growth and shareholder value enhancement



Income Statement Fiscal 2005

Non-GAAP

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

	Fiscal Year 2005	Fiscal Year 2005	
		Q3	Q4
Sales	\$231.8	\$53.2	\$54.5
Gross Margin	51.8	12.4	12.5
Operating Expenses			
Research and Development	9.8	2.2	2.2
Sales and Marketing	20.5	4.8	4.4
G&A	15.9	3.5	3.4
Amortization of Intangibles	1.7	0.3	0.2
Operating Income	<u>\$ 3.9</u>	<u>\$ 1.6</u>	<u>\$ 2.3</u>
EPS	<u>\$0.21</u>	<u>\$0.09</u>	<u>\$0.12</u>

* Non-GAAP amounts exclude one time charges for restructuring and impairment for Q4 and Fiscal 2005. GAAP EPS reported was a loss of (\$2.37) per share for 2005 and a loss of (\$2.18) per share for Q4 2005



Key Balance Sheet Metrics

Sept. 30 2005

Audited

<input type="checkbox"/> Cash and cash equivalents	\$65.2 M
<input type="checkbox"/> Total debt	\$0.8 M
<input type="checkbox"/> Current ratio	3.75 times
<input type="checkbox"/> Accounts receivable Days Sales Outstanding	35 days
<input type="checkbox"/> Tangible book value per share	\$7.63
<input type="checkbox"/> Market price per share	\$8.22
<input type="checkbox"/> Outstanding shares	14.8 M



Q1 2006 - Earnings Update

Quarter ended December 30, 2005

- Press release yesterday - Company announced updated outlook for Q1
- Previous Outlook:
 - > Sales = \$50 to \$55 million
 - > EPS = about breakeven (\$0.00) *
- Revised Outlook:
 - > Sales = \$56 to \$57 million
 - > EPS = \$0.08 to \$0.10 per share *
- Primary reason = Higher than anticipated sales of higher margin EL and AMLCD products to Industrial and Medical segments
- Earnings announcement and related conference call scheduled for January 26

** Including effects of new stock based compensation expense (~\$0.02)*



Current Focus and Direction

- New leadership hired in last 3 months (CEO, CFO)
 - > Goals are to continue profit and cash generation while developing a strategic plan for shareholder value enhancement
- New strategy team formed to evaluate opportunities
 - > Current businesses
 - > Other Planar technology assets



Strategic Growth and Shareholder Value Enhancement

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

Current Businesses:

- **Medical (MBU)** (*Fiscal 2005 sales - \$75M*)
 - > Leverage recent new product investments and launches to drive growth
 - > Examine potential for additional medical products
- **Industrial (IBU)** (*Fiscal 2005 sales - \$55M*)
 - > Strong operating margin business
 - > Investigate opportunities to make modest investments to drive revenue growth for EL and Custom AMLCD displays
- **Commercial (CBU)** (*Fiscal 2005 sales - \$102M*)
 - > Examine opportunity to expand margins and reduce profit fluctuations
 - Niche product and other product categories (i.e. touch screen monitors, large format monitors, etc.)



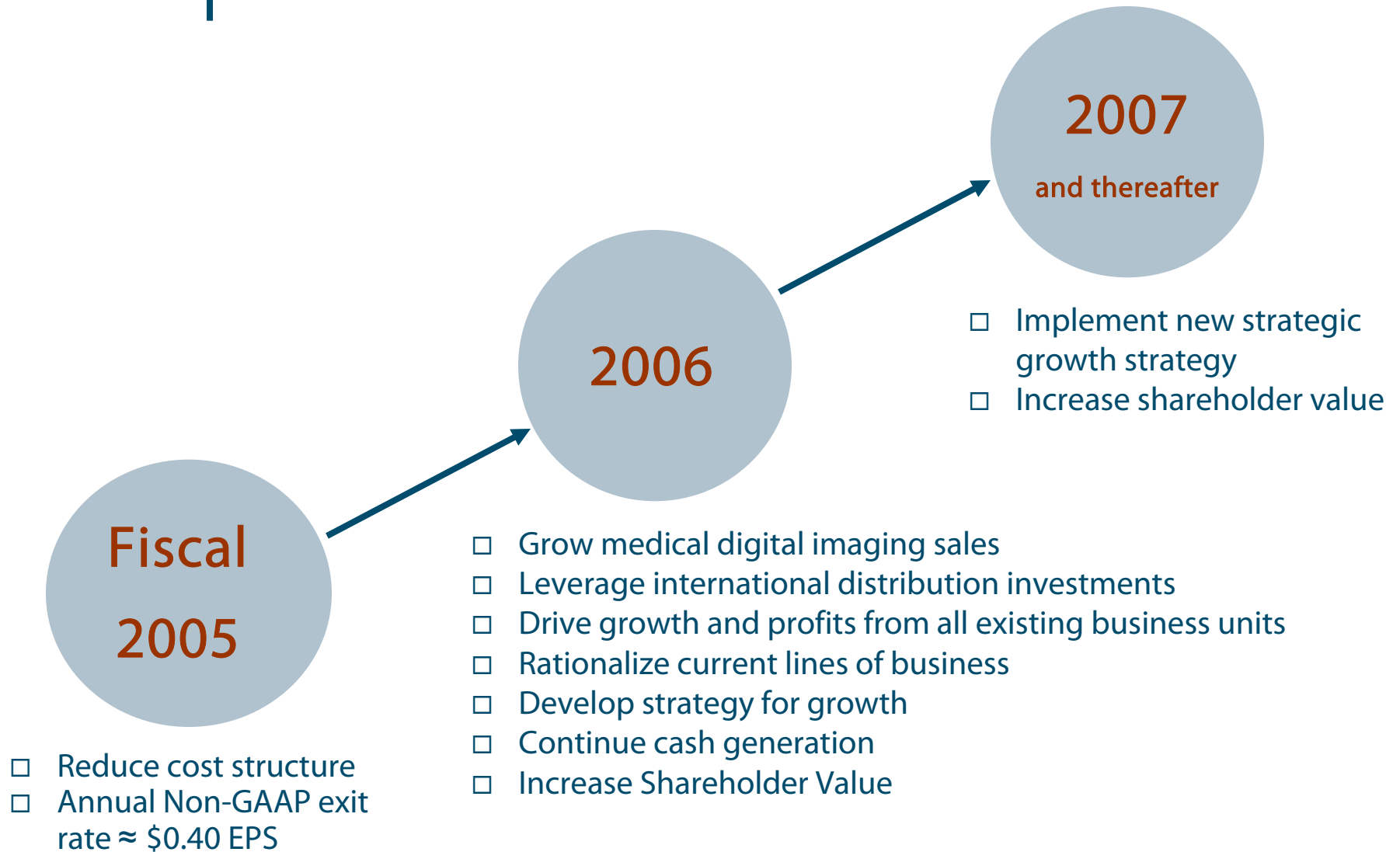
Strategic Growth and Shareholder Value Enhancement

Other Technology Assets:

- Atomic Layer Deposition (ALD)
 - > Technology originating from Planar EL core competency
 - > Potential for broader applications (i.e. Nanotechnology)
- Kiosks/Digital Signage
 - > Recent investments have created software assets
- Stereoscopic 3-D Displays
- New touch screen technology



Current Key Deliverable 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

