



Integrated Microelectronics, Inc.
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May 8, 2015

Securities and Exchange Commission
SEC Building, EDSA, Mandaluyong City

Attention: Ms. Justina F. Callangan
Director, Corporation & Finance Department

Philippine Stock Exchange
Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Subject: **IMI's Performance in Q1 2015**

Integrated Micro-Electronics Inc. (IMI) has announced today that its first quarter 2015 net income was \$6.8 million, up 36 percent year on year despite foreign exchange headwinds. Reported revenues of \$201.2 million, slightly declined by 2 percent year on year but increased by 3.5 percent quarter on quarter.

Attached are IMI's audited consolidated financial statements and press release for your reference.

The above information is being submitted in compliance with the disclosure rules of the Securities and Exchange Commission and the Philippine Stock Exchange.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'JAIME G. SANCHEZ', with a large, stylized flourish at the end.

JAIME G. SANCHEZ
Vice President, Deputy CFO and Group Controller
Compliance Officer

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES**UNAUDITED INTERIM CONSOLIDATED BALANCE SHEET****AS OF MARCH 31, 2015****(With Comparative Audited Figures as of December 31, 2014)****(In thousand dollars)**

	(Unaudited) Mar 31, 2015	(Audited) Dec 31, 2014
ASSETS		
Current Assets		
Cash and cash equivalents	\$111,771	\$117,626
Receivables - net	176,980	195,122
Inventories	95,019	91,389
Other current assets	10,159	11,872
Total Current Assets	393,929	416,009
Noncurrent Assets		
Property, plant and equipment - net	78,074	81,688
Goodwill	46,876	46,876
Intangible assets	3,446	4,003
Available-for-sale financial assets	566	522
Deferred tax assets	1,751	1,731
Other noncurrent assets	1,794	1,878
Total Noncurrent Assets	132,507	136,698
Total Assets	\$526,436	\$552,707
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	\$181,369	\$182,087
Trust receipts and loans payable	37,529	52,094
Current portion of long-term debt	2,476	2,801
Income tax payable	2,662	3,652
Total Current Liabilities	224,036	240,634
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term debt	55,194	57,299
Obligation under finance lease	1,802	2,258
Deferred revenue	1,350	1,443
Net retirement liabilities	4,533	4,711
Deferred tax liabilities	1,360	1,434
Accrued rent	473	481
Other noncurrent liabilities	182	182
Total Noncurrent Liabilities	64,894	67,808
Total Liabilities	288,930	308,442

(Forward)

	(Unaudited) Mar 31, 2015	(Audited) Dec 31, 2014
EQUITY		
Equity attributable to equity holders of the Parent Company		
Capital stock - common	\$34,877	\$34,877
Capital stock - preferred	26,601	26,601
Subscribed capital stock	1,798	1,798
Additional paid-in capital	80,960	80,481
Subscriptions receivable	(12,494)	(12,907)
Retained earnings:		
Appropriated for expansion	–	20,661
Unappropriated	129,069	109,481
Treasury stock	(1,013)	(1,013)
Reserve for fluctuation on available-for-sale financial assets	219	184
Cumulative translation adjustment	(17,313)	(10,709)
Other comprehensive loss	(5,574)	(5,574)
Other reserves	171	171
	237,301	244,051
Equity attributable to non-controlling interests in consolidated subsidiaries	205	214
Total Equity	237,506	244,265
	\$526,436	\$552,707

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014
(In thousand dollars, except Earnings per Share)

	Unaudited 2015 Jan to Mar	Unaudited 2014 Jan to Mar
REVENUES FROM SALES AND SERVICES	\$201,225	\$205,743
COST OF GOODS SOLD AND SERVICES	178,664	183,744
GROSS PROFIT	22,561	21,999
OPERATING EXPENSES	(14,088)	(16,075)
OTHERS - Net		
Foreign exchange gains	(804)	(192)
Interest and bank charges	(629)	(703)
Interest income	186	90
Rental income	85	329
Miscellaneous income - net	615	1,048
INCOME BEFORE INCOME TAX	7,926	6,496
PROVISION FOR INCOME TAX	(1,140)	(1,565)
NET INCOME	\$6,786	\$4,931
Net Income (Loss) Attributable to:		
Equity holders of the Parent Company	\$6,795	\$5,014
Non-controlling interests	(9)	(83)
	\$6,786	\$4,931
Earnings Per Share:		
Basic and diluted	\$0.004	\$0.003

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE
INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014
(In thousand dollars)

	Unaudited 2015 Jan to Mar	Unaudited 2014 Jan to Mar
NET INCOME FOR THE PERIOD	\$6,786	\$4,931
OTHER COMPREHENSIVE INCOME (LOSS)		
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:		
Exchange differences arising from translation of foreign operations	(6,604)	(402)
Fair value changes on available-for-sale financial assets	35	8
	(6,569)	(394)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$217	\$4,537
Total Comprehensive Income (Loss) Attributable to:		
Equity holders of the Parent Company	\$226	\$5,360
Non-controlling interests	(9)	(823)
	\$217	\$4,537

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014 (in thousand dollars)

Attributable to Equity Holders of the Parent Company														
	Capital Stock - Common	Capital Stock - Preferred	Subscribed Capital Stock	Additional Paid-in Capital	Subscriptions Receivable	Retained Earnings Appropriated for Expansion	Retained Earnings Unappropriated	Treasury Stock	Reserve for Fluctuation on Available-for-Sale Financial Assets	Cumulative Translation Adjustment	Other Comprehensive Loss	Other Reserves	Attributable to Non-controlling Interest	Total
Balances at January 1, 2015	\$34,877	\$26,601	\$1,798	\$80,481	(\$12,907)	\$20,661	\$109,481	(\$1,013)	\$184	(\$10,709)	(\$5,574)	\$171	\$214	\$244,265
Issued shares during the period	0	-	(0)	-	-	-	-	-	-	-	-	-	-	-
Cost of share-based payments	-	-	-	479	-	-	-	-	-	-	-	-	-	479
Collections on subscriptions	-	-	-	-	413	-	-	-	-	-	-	-	-	413
Reversal of appropriation	-	-	-	-	-	(20,661)	20,661	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(7,868)	-	-	-	-	-	-	(7,868)
	34,877	26,601	1,798	80,960	(12,494)	-	122,274	(1,013)	184	(10,709)	(5,574)	171	214	237,289
Net income (loss)	-	-	-	-	-	-	6,795	-	-	-	-	-	(9)	6,786
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	35	(6,604)	-	-	-	(6,569)
Total comprehensive income (loss)	-	-	-	-	-	-	6,795	-	35	(6,604)	-	-	(9)	217
Balances at March 31, 2015	\$34,877	\$26,601	\$1,798	\$80,960	(\$12,494)	\$-	\$129,069	(\$1,013)	\$219	(\$17,313)	(\$5,574)	\$171	\$205	\$237,506

Attributable to Equity Holders of the Parent Company														
	Capital Stock - Common	Capital Stock - Preferred	Subscribed Capital Stock	Additional Paid-in Capital	Subscriptions Receivable	Retained Earnings Appropriated for Expansion	Retained Earnings Unappropriated	Treasury Stock	Reserve for Fluctuation on Available-for-Sale Financial Assets	Cumulative Translation Adjustment	Other Comprehensive Loss	Other Reserves	Attributable to Non-controlling Interest	Total
Balances at January 1, 2014	\$30,017	\$26,601	\$1,230	\$51,264	(\$9,591)	\$20,661	\$83,503	(\$1,013)	\$190	(\$1,425)	(\$8,958)	\$171	(\$2,604)	\$190,046
Refund of subscriptions	-	-	-	-	(9)	-	-	-	-	-	-	-	-	(9)
Accretion of subscriptions	-	-	-	3	(3)	-	-	-	-	-	-	-	-	-
Forfeitures of subscriptions	-	-	(6)	-	6	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(2,288)	-	-	-	-	-	-	(2,288)
	30,017	26,601	1,224	51,267	(9,597)	20,661	81,215	(1,013)	190	(1,425)	(8,958)	171	(2,604)	187,749
Net income (loss)	-	-	-	-	-	-	5,014	-	-	-	-	-	(83)	4,931
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	8	(402)	-	-	-	(394)
Total comprehensive income (loss)	-	-	-	-	-	-	5,014	-	8	(402)	-	-	(83)	4,537
Balances at March 31, 2014	\$30,017	\$26,601	\$1,224	\$51,267	(\$9,597)	\$20,661	\$86,229	(\$1,013)	\$198	(\$1,827)	(\$8,958)	\$171	(\$2,687)	\$192,286

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014
(In thousand dollars)

	Unaudited	
	Mar 31, 2015	Mar 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$7,926	\$6,496
Adjustments for:		
Depreciation of property, plant and equipment	6,177	5,073
Unrealized foreign exchange losses - net	950	442
Net retirement expense	779	708
Interest expense	629	703
Amortization of intangible assets	532	449
Cost of share-based payments	479	-
Provision for inventory obsolescence	432	401
Interest income	(186)	(90)
Provisions for doubtful accounts	117	19
Amortization of deferred revenue	(93)	(74)
Gains on sale of property, plant and equipment	(55)	(19)
Gains on derivative transactions	-	(59)
Operating income before working capital changes	17,687	14,049
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Loans and receivables	15,435	(590)
Inventories	(5,040)	(8,479)
Other current assets	1,713	1,165
Increase (decrease) in:		
Accounts payable and accrued expenses	(3,627)	16,764
Retirement liabilities and other long-term benefits	(957)	(156)
Accrued rent	(7)	44
Net cash generated from operations	25,204	22,797
Interest received	189	204
Interest paid	(561)	(643)
Income tax paid	(2,264)	(1,109)
Net cash provided by operating activities	22,568	21,249
(Forward)		

Unaudited
Mar 31, 2015 Mar 31, 2014

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of:		
Property, plant and equipment	(\$5,445)	(\$4,419)
Intangible assets	(13)	(16)
Proceeds from sale of property, plant and equipment	213	786
Decrease in other noncurrent assets	84	100
Net cash used in investing activities	(5,161)	(3,549)

CASH FLOWS FROM FINANCING ACTIVITIES

Availment of loans	4,387	3,740
Payment of loans	(18,952)	(6,813)
Dividends paid to equity holders of the Parent Company	(8,107)	(2,385)
Increase (decrease) in obligations under finance lease	(456)	734
Collections (refund) of subscriptions receivable	413	(9)
Net cash used in financing activities	(22,715)	(4,733)

**NET FOREIGN EXCHANGE DIFFERENCE IN CASH
AND CASH EQUIVALENTS**

(547) **(227)**

**NET INCREASE (DECREASE) IN CASH AND CASH
EQUIVALENTS**

(5,855) 12,740

CASH AND CASH EQUIVALENTS AT JANUARY 1

117,626 49,042

CASH AND CASH EQUIVALENTS AT MARCH 31

\$111,771 **\$61,782**

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.



PRESS RELEASE

IMI's Income Up 36% in Q1 2015

May 8, 2015, Laguna, Philippines — Integrated Micro-Electronics Inc. (IMI), one of the leading worldwide providers of electronics manufacturing services (EMS) and power semiconductor assembly and test services, today announced that its first quarter 2015 net income was \$6.8 million, up 36 percent year on year despite foreign exchange headwinds. Improvement in net income was mainly driven by the company's focus on higher margin segments, productivity and cost saving efforts. Reported revenues of \$201.2 million, slightly declined by 2 percent year on year but increased by 3.5 percent quarter on quarter.

Arthur Tan, IMI president and chief executive officer, says, "Our net income for the quarter increased year on year as we continue to strive to be at the forefront of innovation and maintain industry leadership."

"As we press on, we look forward to line expansions in Bulgaria, Jiaxing and Mexico to cater to increased demand in our target market of automotive electronics," Tan adds.

The company's Europe and Mexico operations generated \$68.9 million revenues in the first quarter, a 3 percent improvement year on year, even as a weaker euro tempered gains from the company's growing automotive business in Bulgaria. Excluding the impact of year over year changes in foreign exchange rates, total revenue in the region would have increased by 19 percent.

IMI China's \$68.8 million revenues saw a 5.9 percent reduction year over year due to slower growth of the country's 4G telecommunications sector after the strong ramp up of the 4G rollout to major cities in 2014.

The EMS operations in the Philippines posted \$52.7 million in revenues, a decrease of 3.7 percent from that of the same period of last year due to softer demand from the computing sector.

Jerome Tan, IMI chief finance officer, says, "The weakness in euro affects the company's revenues, but due to our strategy to match our costs with the same currency and our global diversification, its impact on our profit is lessened. Our new business pipeline remains healthy, and we expect to be on track for the medium term growth with significant multisite new businesses awarded recently."

The company's balance sheet at the end of March 2015 remains strong, with improvement in the current ratio and debt-to-equity ratio of 1.76:1 and 0.35:1, respectively, from 1.73:1 and 0.41:1 at the end of December 2014.

IMI earlier reported that it now ranks 18th, having moved up from its previous rank of 21st, on the latest list of *Manufacturing Market Insider* for the top 50 EMS providers in the world based on the 2014 EMS-related revenues of companies. It also ranks 8th among the top 10 EMS providers in the automotive market based on 2013 EMS revenues according to *New Venture Research Corp.*

About IMI

Integrated Micro-Electronics Inc. (IMI) is one of the leading global providers of electronics manufacturing services (EMS) and power semiconductor assembly and test services with manufacturing facilities in Asia, Europe, and North America. It serves diversified markets that include those in the automotive, industrial, medical, telecommunications infrastructure, storage device, and consumer electronics industries. Committed to cost-effective and innovative customized solutions (from design and product development to manufacturing and order fulfillment), the company's comprehensive capabilities and global manufacturing presence allow it to take on specific outsourcing needs. A subsidiary of Ayala Corporation, IMI is listed on the Philippine Stock Exchange. For more information, visit www.global-imi.com.

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