



Integrated Microelectronics, Inc.
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February 16, 2014

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 FY 2014**

Integrated Micro-Electronics Inc. (IMI) has announced today that its full year 2014 revenues rose 13 percent to \$844.5 million from \$745.0 million in 2013. The corresponding net income reached \$29.1 million, almost thrice that of last year's \$10.5 million.

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,

JAIME G. SANCHEZ

Vice President, Deputy CFO and Group Controller
Acting Compliance Officer



PRESS RELEASE

IMI's Revenues and Income Up in 2014

February 16, 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 full year 2014 revenues rose 13 percent to \$844.5 million from \$745.0 million in 2013. The corresponding net income reached \$29.1 million, almost thrice that of last year's \$10.5 million.

Arthur Tan, IMI president and chief executive officer, says, "The year 2014 was a banner year for IMI as we outperformed the EMS industry's single-digit growth rate and our financial targets. Our global presence and market diversity took advantage of the recovery of the international markets and electronics segments."

IMI China operations posted \$325.6 million revenues, up 17.5 percent from last year's primarily due to volume expansion in the telecommunications segment. The company benefitted from China's 4G rollout by way of increased demand for infrastructure devices.

The company's Europe and Mexico operations contributed 32 percent to the full year revenues. With the sustained expansion of the automotive business in IMI Bulgaria, revenues went up 14.4 percent to \$268.6 million year-over-year driven by the steady growth rate of global automotive production in 2014.

EMS operations in the Philippines recorded \$204.9 million in revenues, an 8.3 percent year-on-year growth bolstered by the expansion of businesses in storage device and automotive electronics.

PSi Technologies Inc., IMI's subsidiary, posted \$44.9 million in revenues, up 4.3 percent year-over-year due to increased demand for power semiconductors.

Tan says, "IMI will continue on a profitable growth track as we continue to grab opportunities for high-value outsourcing in the telecommunications infrastructure, automotive, industrial, and medical electronics markets."

The company's cash position at the end of 2014 is robust at \$117.6 million, supported by a follow-on offering that generated cash of P1.6 billion (\$36 million) and the sale of IMI's Singapore property that brought in \$17.2 million. Current ratio and debt-to-equity ratio are 1.7:1 and 0.4:1, respectively.

"IMI has been able to deliver on its long-term strategies and will continue to do so. We are a growth company playing in an industry that drives the global economy. The market for electronics is still underserved, and we have positioned ourselves in the right market segments," Tan adds.

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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INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	2014	2013
ASSETS		
Current Assets		
Cash and cash equivalents	\$117,625,491	\$49,042,599
Loans and receivables - net	195,122,068	178,464,742
Inventories	91,389,469	94,135,608
Other current assets	11,871,721	16,619,969
Total Current Assets	416,008,749	338,262,918
Noncurrent Assets		
Property, plant and equipment - net	81,687,930	85,654,052
Goodwill	46,876,213	54,355,193
Intangible assets	4,002,745	4,861,730
Available-for-sale financial assets	522,361	1,867,094
Deferred tax assets	1,731,656	644,543
Other noncurrent assets	1,877,753	2,583,286
Total Noncurrent Assets	136,698,658	149,965,898
	552,707,407	\$488,228,816
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	\$181,675,033	\$171,054,574
Trust receipts and loans payable	52,094,452	45,653,865
Current portion of long-term debt	2,800,640	2,903,408
Income tax payable	3,651,905	1,649,533
Derivative liabilities	-	40,606
Total Current Liabilities	240,222,030	221,301,986
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term debt	57,298,750	61,699,753
Obligation under finance lease	2,257,583	2,977,968
Deferred revenue	1,426,643	1,742,329
Net retirement liabilities	4,984,893	6,742,808
Deferred tax liabilities	1,434,399	3,091,890
Accrued rent	456,148	443,027
Other noncurrent liabilities	222,674	183,555
Total Noncurrent Liabilities	68,081,090	76,881,330
Total Liabilities	308,303,120	298,183,316

(Forward)

	2014	2013
EQUITY		
Equity Attributable to Equity Holders of the Parent Company		
Capital stock-common	\$34,876,616	\$30,016,551
Capital stock-preferred	26,601,155	26,601,155
Subscribed capital stock	1,797,638	1,229,926
Additional paid-in capital	80,619,603	51,263,933
Subscriptions receivable	(12,906,784)	(9,590,746)
Retained earnings:		
Appropriated for expansion	20,660,981	20,660,981
Unappropriated	109,481,277	83,503,457
Treasury stock	(1,012,586)	(1,012,585)
Reserve for fluctuation on available-for-sale financial assets	184,119	189,601
Cumulative translation adjustment	(10,709,346)	(1,425,142)
Remeasurement losses on defined benefit plans	(5,573,564)	(8,958,073)
Other reserves	170,714	170,714
	244,189,823	192,649,772
Equity Attributable to Non-controlling Interests in Consolidated Subsidiaries	214,464	(2,604,272)
Total Equity	244,404,287	190,045,500
	\$552,707,407	\$488,228,816

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2014	2013	2012
REVENUES			
Sale of goods	\$746,158,727	\$670,772,413	\$590,363,704
Sale of services	98,315,342	74,259,450	71,486,018
	844,474,069	745,031,863	661,849,722
COST OF SALES			
Cost of goods sold	664,495,465	607,557,635	541,811,352
Cost of services	86,045,599	69,545,328	63,102,067
	750,541,064	677,102,963	604,913,419
GROSS PROFIT	93,933,005	67,928,900	56,936,303
OPERATING EXPENSES	(64,232,479)	(55,794,676)	(49,523,632)
OTHERS - Net			
Gain on sale of property	14,506,946	-	-
Impairment loss on goodwill	(7,478,980)	-	-
Interest expense and bank charges	(2,814,803)	(2,879,941)	(3,021,473)
Rental income	1,262,717	1,077,971	565,434
Gains on insurance claim	334,695	-	-
Interest income	196,271	218,577	267,092
Foreign exchange gains (losses) - net	36,401	1,430,757	(106,197)
Mark-to-market gains from put and call options	-	-	121,185
Miscellaneous income (loss) - net	(552,482)	1,741,731	(346,976)
	5,490,765	1,589,095	(2,520,935)
INCOME BEFORE INCOME TAX	35,191,291	13,723,319	4,891,736
PROVISION FOR (BENEFIT FROM) INCOME TAX			
Current	8,927,759	5,408,640	4,687,578
Deferred	(2,727,851)	(881,359)	(728,268)
	6,199,908	4,527,281	3,959,310
NET INCOME	\$28,991,383	\$9,196,038	\$932,426
Net Income (Loss) Attributable to:			
Equity holders of the Parent Company	\$29,117,024	\$10,472,995	\$5,584,613
Non-controlling interests	(125,641)	(1,276,957)	(4,652,187)
	\$28,991,383	\$9,196,038	\$932,426
Earnings Per Share			
Basic and diluted	\$0.017	\$0.006	\$0.002

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2014	2013	2012
NET INCOME FOR THE YEAR	\$28,991,383	\$9,196,038	\$932,426
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:			
Exchange differences arising from translation of foreign operations	(9,284,204)	878,397	3,739,280
Fair value changes on available-for-sale financial assets	(5,482)	(8,293)	53,827
	(9,289,686)	870,104	3,793,107
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gains (losses) on defined benefit plans	3,384,509	(4,339,837)	1,593,523
	(5,905,177)	(3,469,733)	5,386,630
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$23,086,206	\$5,726,305	\$6,319,056
Total Comprehensive Income (Loss) Attributable to:			
Equity holders of the Parent Company	\$23,211,847	\$7,003,262	\$10,971,243
Non-controlling interests	(125,641)	(1,276,957)	(4,652,187)
	\$23,086,206	\$5,726,305	\$6,319,056

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 and 2012

	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	Remeasurement Gains (Losses) on Defined Benefit Plans	Other Reserves	Attributable to Non-controlling Interests	Total
Balances at January 1, 2014	\$30,016,551	\$26,601,155	\$1,229,926	\$51,263,933	(\$9,590,746)	\$20,660,981	\$83,503,457	(\$1,012,585)	\$189,601	(\$1,425,142)	(\$8,958,073)	\$170,714	(\$2,604,272)	\$190,045,500
Issued shares during the year	4,860,065	-	(70,580)	31,131,655	-	-	-	-	-	-	-	-	-	35,921,140
Subscriptions during the year	-	-	708,590	3,479,175	(4,187,765)	-	-	-	-	-	-	-	-	-
Public offering capitalized transaction costs	-	-	-	(1,502,981)	-	-	-	-	-	-	-	-	-	(1,502,981)
Cost of share-based payments	-	-	-	165,006	-	-	-	-	-	-	-	-	-	165,006
Accretion of subscriptions receivable	-	-	-	79,418	(79,418)	-	-	-	-	-	-	-	-	-
Collections on subscriptions	-	-	-	-	328,621	-	-	-	-	-	-	-	-	328,621
Forfeitures during the period	-	-	(70,298)	(552,226)	622,524	-	-	-	-	-	-	-	-	-
Acquisition of minority interest	-	-	-	(3,444,377)	-	-	-	-	-	-	-	-	2,944,377	(500,000)
Cash dividends	-	-	-	-	-	-	(3,139,204)	-	-	-	-	-	-	(3,139,204)
Acquisition of treasury	-	-	-	-	-	-	-	(1)	-	-	-	-	-	(1)
	34,876,616	26,601,155	1,797,638	80,619,603	(12,906,784)	20,660,981	80,364,253	(1,012,586)	189,601	(1,425,142)	(8,958,073)	170,714	340,105	221,318,081
Net income (loss)	-	-	-	-	-	-	29,117,024	-	-	-	-	-	(125,641)	28,991,383
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	(5,482)	(9,284,204)	3,384,509	-	-	(5,905,177)
Total comprehensive income (loss)	-	-	-	-	-	-	29,117,024	-	(5,482)	(9,284,204)	3,384,509	-	(125,641)	23,086,206
Balances at December 31, 2014	\$34,876,616	\$26,601,155	\$1,797,638	\$80,619,603	(\$12,906,784)	\$20,660,981	\$109,481,277	(\$1,012,586)	\$184,119	(\$10,709,346)	(\$5,573,564)	\$170,714	\$214,464	\$244,404,287

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	Remeasurement Gains (Losses) on Defined Benefit Plans	Other Reserves	Attributable to Non-controlling Interests	Total
Balances at January 1, 2013	\$30,011,256	\$26,601,155	\$1,300,851	\$58,558,091	\$(9,650,842)	\$20,660,981	\$73,901,551	(\$1,012,585)	\$197,894	(\$2,303,539)	(\$4,618,236)	\$170,714	(\$5,867,862)	\$187,949,429
Acquisition of non-controlling interests	-	-	-	(7,522,432)	-	-	-	-	-	-	-	-	4,540,547	(2,981,885)
Issued shares during the year	5,295	-	(5,295)	-	-	-	-	-	-	-	-	-	-	-
Cost of share-based payments	-	-	-	14,852	-	-	-	-	-	-	-	-	-	14,852
Accretion of subscriptions receivable	-	-	-	795,542	(795,542)	-	-	-	-	-	-	-	-	-
Collections on subscriptions	-	-	-	-	207,888	-	-	-	-	-	-	-	-	207,888
Forfeitures during the year	-	-	(65,630)	(582,120)	647,750	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(871,089)	-	-	-	-	-	-	(871,089)
	30,016,551	26,601,155	1,229,926	51,263,933	(9,590,746)	20,660,981	73,030,462	(1,012,585)	197,894	(2,303,539)	(4,618,236)	170,714	(1,327,315)	184,319,195
Net income (loss)	-	-	-	-	-	-	10,472,995	-	-	-	-	-	(1,276,957)	9,196,038
Other comprehensive income (loss)	-	-	-	-	-	-	-	(8,293)	878,397	(4,339,837)	-	-	-	(3,469,733)
Total comprehensive income (loss)	-	-	-	-	-	-	10,472,995	-	(8,293)	878,397	(4,339,837)	-	(1,276,957)	5,726,305
Balances at December 31, 2013	\$30,016,551	\$26,601,155	\$1,229,926	\$51,263,933	\$(9,590,746)	\$20,660,981	\$83,503,457	(\$1,012,585)	\$189,601	(\$1,425,142)	(\$8,958,073)	\$170,714	(\$2,604,272)	\$190,045,500

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	Remeasurement Gains (Losses) on Defined Benefit Plans	Other Reserves	Attributable to Non-controlling Interests	Total
Balances at January 1, 2012	\$24,932,075	\$26,601,155	\$6,506,970	\$59,085,110	\$(10,395,200)	\$30,660,981	\$60,982,435	(\$1,012,585)	\$144,067	(\$6,042,819)	(\$6,211,759)	\$170,714	(\$1,200,211)	\$184,220,933
Issued shares during the year	5,079,181	-	(5,079,181)	-	-	-	-	-	-	-	-	-	-	-
Cost of share-based payments	-	-	-	70,490	-	-	-	-	-	-	-	-	-	70,490
Accretion of subscriptions receivable	-	-	-	676,304	(676,304)	-	-	-	-	-	-	-	-	-
Collections on subscriptions	-	-	-	-	19,911	-	-	-	-	-	-	-	-	19,911
Forfeitures during the year	-	-	(126,938)	(1,273,813)	1,400,751	-	-	-	-	-	-	-	-	-
Reversal of appropriation	-	-	-	-	-	(10,000,000)	10,000,000	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(2,665,497)	-	-	-	-	-	(15,464)	(2,680,961)
	30,011,256	26,601,155	1,300,851	58,558,091	(9,650,842)	20,660,981	68,316,938	(1,012,585)	144,067	(6,042,819)	(6,211,759)	170,714	(1,215,675)	181,630,373
Net income (loss)	-	-	-	-	-	-	5,584,613	-	-	-	-	-	(4,652,187)	932,426
Other comprehensive income	-	-	-	-	-	-	-	-	53,827	3,739,280	1,593,523	-	-	5,386,630
Total comprehensive income (loss)	-	-	-	-	-	-	5,584,613	-	53,827	3,739,280	1,593,523	-	(4,652,187)	6,319,056
Balances at December 31, 2012	\$30,011,256	\$26,601,155	\$1,300,851	\$58,558,091	\$(9,650,842)	\$20,660,981	\$73,901,551	(\$1,012,585)	\$197,894	(\$2,303,539)	(\$4,618,236)	\$170,714	(\$5,867,862)	\$187,949,429

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2014	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	\$35,191,291	\$13,723,319	\$4,891,736
Adjustments for:			
Depreciation of property, plant and equipment	20,859,848	21,070,099	23,319,434
Gain on sale of property, plant and equipment	(14,506,946)	(125,172)	(132,752)
Impairment loss on goodwill	7,478,980	-	-
Provision for inventory obsolescence	3,737,353	2,123,145	282,948
Interest expense	2,814,803	2,879,941	3,021,473
Amortization of intangible assets	2,120,434	1,789,772	2,057,626
Net retirement expense	1,987,206	1,682,245	2,199,943
Provision for impairment loss on available-for-sale financial assets	1,753,589	-	-
Write-off of available-for-sale financial assets	1,350,368	-	-
Provision (reversal of provision) for doubtful accounts	(899,304)	(103,124)	441,498
Unrealized foreign exchange losses (gains) - net	385,512	(878,010)	1,315,751
Gain on insurance claims	(334,695)	-	-
Amortization of deferred revenue	(315,686)	(288,689)	(260,829)
Interest income	(196,271)	(218,577)	(267,092)
Cost of share-based payments	165,006	14,852	70,490
Loss (gain) on derivative transactions	(40,606)	479,062	(1,661,641)
Impairment loss on property, plant and equipment	12,139	4,991	225,521
Reversal of allowance for decline in value of inventories	-	(107,131)	-
Provision for restructuring	-	-	1,896,238
Operating income before working capital changes	61,563,021	42,046,723	37,400,344
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Loans and receivables	(21,107,537)	(26,275,532)	(16,858,982)
Inventories	(2,618,711)	(12,648,183)	(2,591,634)
Other current assets	4,748,248	(9,194,057)	1,428,690
Noncurrent receivables	-	-	213,577
Increase (decrease) in:			
Accounts payable and accrued expenses	7,165,456	30,429,189	(3,044,616)
Other noncurrent liabilities	135,627	96,946	(144,095)
Accrued rent	13,121	(142,381)	(328,280)
Net cash generated from operations	49,899,225	24,312,705	16,075,004
Income tax paid	(6,925,387)	(5,670,217)	(4,463,203)
Interest paid	(2,837,198)	(3,513,625)	(2,591,952)
Interest received	288,192	522,183	238,560
Net cash provided by operating activities	40,424,832	15,651,046	9,258,409

(Forward)

	Years Ended December 31		
	2014	2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property, plant and equipment	(\$24,594,207)	(\$17,819,927)	(\$16,026,776)
Intangible assets	(1,287,611)	(776,158)	(525,070)
Available-for-sale financial assets	-	(350,369)	(1,000,000)
Decrease (increase) in other noncurrent assets	705,533	(841,810)	(288,683)
Proceeds from sale of property, plant and equipment	18,829,692	2,868,782	3,710,103
Cash paid on acquisition of non-controlling interest	(500,000)	(124,875)	-
Net cash used in investing activities	(6,846,593)	(17,044,357)	(14,130,426)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from public offering	35,921,140	-	-
Availments of loans	24,299,485	6,134,943	43,697,044
Payments of:			
Loans payable	(16,301,258)	(4,468,943)	(32,780,287)
Long-term debt	(2,903,578)	(2,656,400)	-
Dividends paid to equity holders of the Parent Company	(3,099,043)	(2,661,415)	(2,468,881)
Public offering capitalized transaction costs	(1,502,981)	-	-
Decrease in obligations under finance lease	(720,385)	(523,260)	(800,671)
Separation/benefits paid	(457,120)	(1,286,407)	(1,870,152)
Collections of subscriptions receivable	328,621	207,888	19,911
Acquisition of treasury shares	(1)	-	-
Settlement of derivatives	-	(438,456)	1,568,981
Dividends paid to non-controlling interests	-	-	(15,464)
Net cash provided by (used in) financing activities	35,564,880	(5,692,050)	7,350,481
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS			
	(560,227)	(68,422)	(351,262)
NET INCREASE IN CASH AND CASH EQUIVALENTS	68,582,892	(7,153,783)	2,127,202
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	49,042,599	56,196,382	54,069,180
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$117,625,491	\$49,042,599	\$56,196,382