



Integrated Micro-Electronics, Inc.

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February 10, 2016

Securities and Exchange Commission
SEC Building, EDSA, Mandaluyong City

Attention: Hon. Vicente Graciano P. Felizmenio, Jr.
Director, Markets and Securities Regulation Department

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

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

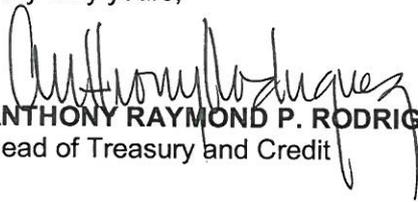
Subject: **FY 2015 Performance**

Integrated Micro-Electronics Inc. (IMI) today reported a full year 2015 net income of \$28.8 million (or P1.3 billion), almost flat from \$29.1 million in 2014 despite volatility in the foreign currency markets and weakness in China's economy.

The company's consolidated revenues of \$814.4 million (or P37 billion) went down by 4 percent year over year due mainly to a weak euro and the downturn in the computing and telecommunications segments.

Please refer to the attached press release. Thank you.

Very truly yours,


ANTHONY RAYMOND P. RODRIGUEZ
Head of Treasury and Credit



PRESS RELEASE

IMI Reports 2015 Income of \$28.8M or P1.3B

February 10, 2016, Laguna, Philippines — Integrated Micro-Electronics Inc. (IMI) today reported a full year 2015 net income of \$28.8 million (or P1.3 billion), almost flat from \$29.1 million in 2014 despite volatility in the foreign currency markets and weakness in China's economy.

IMI president and chief executive officer Arthur Tan said, "Against the backdrop of a challenging global marketplace, we expanded operating margin by 114 basis points and generated \$49.8 million of cash flow from operations by focusing on high-margin auto and industrial segments and continued productivity improvements."

The company's consolidated revenues of \$814.4 million (or P37 billion) went down by 4 percent year over year due mainly to a weak euro and the downturn in the computing and telecommunications segments. Excluding the impact of changes in currency exchange, automotive revenues climbed by 21 percent during the year and total revenues by 2 percent.

The revenue headwinds were offset by IMI's strong volume growth in the automotive segment. In particular, its advanced driver assistance systems or ADAS programs (such as automotive camera programs) posted a 66 percent increase in revenues in 2015.

IMI's China operations recorded \$279.3 million in revenues in 2015, a 14 percent decline from the previous year as the 4G telecommunications network rollout in China reaches its projected volume and the consumer electronics segment experiences a slowdown.

IMI's Europe and Mexico operations recorded combined revenues of \$267.4 million, flat from last year. The persistent weakness in the euro resulted in a 3 percent revenue decline for IMI's Bulgaria and Czech Republic factories. In Mexico, IMI revenues increased by 9 percent due to higher demand for plastic injection and assembly. Overall revenues for IMI's Europe and Mexico plants would have increased by 15 percent if not for the weak euro.

IMI's electronics manufacturing services operations in the Philippines posted \$225.3 million in revenues, a 10 percent growth from \$204.9 million in 2014 due to a strong demand for automotive cameras and security and access control devices.

Tan said, "We maintained profitability as we continue to make advances on the initiatives we started some five years ago-- focus on high-margin segments, full integration of acquisitions, rationalization of costs, expansion of global footprint, and development of human capital and equipment."

"These strategic activities have increased our new business pipeline. We had 207 program wins in 2015, up from 155 in 2014. Moving forward, we will continue to expand in Bulgaria, Mexico and Philippines as our automotive business grows, and we will intensify our play in industrial and other growing segments," Tan added.

The company's balance sheet at the end of 2015 remains strong. The current ratio and debt-to-equity ratio are at 1.54:1 and 0.48:1, respectively.

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 ranks 18th 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. For more information, visit www.global-imi.com.

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

	December 31	
	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents	\$101,532,409	\$117,625,491
Receivables - net	169,291,581	195,122,068
Inventories	88,255,209	91,389,469
Other current assets	10,935,700	11,871,721
Total Current Assets	370,014,899	416,008,749
Noncurrent Assets		
Property, plant and equipment - net	93,101,971	81,687,930
Goodwill	46,876,213	46,876,213
Intangible assets	2,398,461	4,002,745
Available-for-sale financial assets	583,510	522,361
Deferred tax assets	1,527,537	1,731,656
Other noncurrent assets	2,032,068	1,877,753
Total Noncurrent Assets	146,519,760	136,698,658
	\$516,534,659	\$552,707,407
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	\$152,817,225	\$182,087,233
Trust receipts and loans payable	42,297,356	52,094,452
Current portion of long-term debt	42,953,009	2,800,640
Income tax payable	2,533,995	3,651,669
Total Current Liabilities	240,601,585	240,633,994
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term debt	34,648,756	57,298,750
Advances from customers	1,123,343	1,442,853
Obligation under finance lease	-	2,257,583
Net retirement liabilities	5,791,612	4,711,551
Deferred tax liabilities	1,358,303	1,434,399
Accrued rent	454,878	480,695
Other noncurrent liabilities	118,418	181,917
Total Noncurrent Liabilities	43,495,310	67,807,748
Total Liabilities	284,096,895	308,441,742

(Forward)

	December 31	
	2015	2014
EQUITY		
Equity Attributable to Equity Holders of the Parent Company		
Capital stock-common	\$34,933,728	\$34,876,616
Capital stock-preferred	-	26,601,155
Subscribed capital stock	1,907,584	1,797,638
Additional paid-in capital	82,527,542	80,480,981
Subscriptions receivable	(13,131,734)	(12,906,784)
Retained earnings:		
Appropriated for expansion	-	20,660,981
Unappropriated	149,437,014	109,481,277
Treasury stock	(1,012,586)	(1,012,586)
Reserve for fluctuation on available-for-sale financial assets	251,030	184,119
Cumulative translation adjustment	(16,544,691)	(10,709,346)
Other comprehensive loss	(6,295,673)	(5,573,564)
Other reserves	170,714	170,714
	232,242,928	244,051,201
Equity Attributable to Non-controlling Interests in Consolidated Subsidiaries		
	194,836	214,464
Total Equity	232,437,764	244,265,665
	\$516,534,659	\$552,707,407

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

	Years Ended December 31		
	2015	2014	2013
REVENUES			
Sale of goods	\$750,514,863	\$746,158,727	\$670,772,413
Sale of services	63,849,241	98,315,342	74,259,450
	814,364,104	844,474,069	745,031,863
COST OF SALES			
Cost of goods sold	663,659,753	664,495,465	607,557,635
Cost of services	56,672,880	86,045,599	69,545,328
	720,332,633	750,541,064	677,102,963
GROSS PROFIT	94,031,471	93,933,005	67,928,900
OPERATING EXPENSES	(56,098,525)	(64,232,479)	(55,794,676)
OTHERS - Net			
Interest expense and bank charges	(2,716,385)	(2,814,803)	(2,879,941)
Foreign exchange gains (losses) - net	(2,419,021)	36,401	1,430,757
Interest income	658,003	196,271	218,577
Rental income	472,395	1,262,717	1,077,971
Gain on sale and retirement of property, plant and equipment - net	165,776	14,506,946	125,172
Impairment loss on goodwill	-	(7,478,980)	-
Gains on insurance claims	-	334,695	-
Miscellaneous income (loss) - net	581,806	(552,482)	1,616,559
	(3,257,426)	5,490,765	1,589,095
INCOME BEFORE INCOME TAX	34,675,520	35,191,291	13,723,319
PROVISION FOR (BENEFIT FROM) INCOME TAX			
Current	5,731,204	8,927,759	5,408,640
Deferred	174,204	(2,727,851)	(881,359)
	5,905,408	6,199,908	4,527,281
NET INCOME	\$28,770,112	\$28,991,383	\$9,196,038
Net Income (Loss) Attributable to:			
Equity holders of the Parent Company	\$28,789,740	\$29,117,024	\$10,472,995
Non-controlling interests	(19,628)	(125,641)	(1,276,957)
	\$28,770,112	\$28,991,383	\$9,196,038
Earnings Per Share			
Basic and diluted	\$0.015	\$0.017	\$0.006

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

	Years Ended December 31		
	2015	2014	2013
NET INCOME FOR THE YEAR	\$28,770,112	\$28,991,383	\$9,196,038
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	(5,835,345)	(9,284,204)	878,397
Fair value changes on available-for-sale financial assets	66,911	(5,482)	(8,293)
	(5,768,434)	(9,289,686)	870,104
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gains (losses) on defined benefit plans	(722,109)	3,384,509	(4,339,837)
	(6,490,543)	(5,905,177)	(3,469,733)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$22,279,569	\$23,086,206	\$5,726,305
Total Comprehensive Income (Loss) Attributable to:			
Equity holders of the Parent Company	\$22,299,197	\$23,211,847	\$7,003,262
Non-controlling interests	(19,628)	(125,641)	(1,276,957)
	\$22,279,569	\$23,086,206	\$5,726,305

INTEGRATED MICRO-ELECTRONICS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2015, 2014 and 2013

	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 Interests	Total
Balances at January 1, 2015	\$34,876,616	\$26,601,155	\$1,797,638	\$80,480,981	(\$12,906,784)	\$20,660,981	\$109,481,277	(\$1,012,586)	\$184,119	(\$10,709,346)	(\$5,573,564)	\$170,714	\$214,464	\$244,265,665
Issued shares during the year	57,112	-	(57,112)	-	-	-	-	-	-	-	-	-	-	-
Redemption of preferred shares	-	(26,601,155)	-	-	-	-	(1,627,019)	-	-	-	-	-	-	(28,228,174)
Subscriptions during the year	-	-	222,366	913,925	(1,136,291)	-	-	-	-	-	-	-	-	-
Collections on subscriptions	-	-	-	-	460,634	-	-	-	-	-	-	-	-	460,634
Forfeitures during the year	-	-	(55,308)	(395,399)	450,707	-	-	-	-	-	-	-	-	-
Cost of share-based payments	-	-	-	1,528,035	-	-	-	-	-	-	-	-	-	1,528,035
Reversal of appropriated retained earnings	-	-	-	-	-	(20,660,981)	20,660,981	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(7,867,965)	-	-	-	-	-	-	(7,867,965)
	34,933,728	-	1,907,584	82,527,542	(13,131,734)	-	120,647,274	(1,012,586)	184,119	(10,709,346)	(5,573,564)	170,714	214,464	210,158,195
Net income (loss)	-	-	-	-	-	-	28,789,740	-	-	-	-	-	(19,628)	28,770,112
Other comprehensive income (loss)	-	-	-	-	-	-	-	-	66,911	(5,835,345)	(722,109)	-	-	(6,490,543)
Total comprehensive income (loss)	-	-	-	-	-	-	28,789,740	-	66,911	(5,835,345)	(722,109)	-	(19,628)	22,279,569
Balances at December 31, 2015	\$34,933,728	\$-	\$1,907,584	\$82,527,542	(\$13,131,734)	\$-	\$149,437,014	(\$1,012,586)	\$251,030	(\$16,544,691)	(\$6,295,673)	\$170,714	\$194,836	\$232,437,764

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 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)	—	—	—	—	—	—	—	—	—
Transaction costs on shares issuance	—	—	—	(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 year	—	—	(70,298)	(552,226)	622,524	—	—	—	—	—	—	—	—	—
Acquisition of non-controlling interests	—	—	—	(3,582,999)	—	—	—	—	—	—	—	—	2,944,377	(638,622)
Cash dividends	—	—	—	—	—	—	(3,139,204)	—	—	—	—	—	—	(3,139,204)
Acquisition of treasury stock	—	—	—	—	—	—	—	(1)	—	—	—	—	—	(1)
	34,876,616	26,601,155	1,797,638	80,480,981	(12,906,784)	20,660,981	80,364,253	(1,012,586)	189,601	(1,425,142)	(8,958,073)	170,714	340,105	221,179,459
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	\$80,480,981	(\$12,906,784)	\$20,660,981	\$109,481,277	(\$1,012,586)	\$184,119	(\$10,709,346)	(\$5,573,564)	\$170,714	\$214,464	\$244,265,665

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 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
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	—	—	—	—	—	—	—	—	—
Acquisition of non-controlling interests	—	—	—	(7,522,432)	—	—	—	—	—	—	—	—	4,540,547	(2,981,885)
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

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

	Years Ended December 31		
	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	\$34,675,520	\$35,191,291	\$13,723,319
Adjustments for:			
Depreciation of property, plant and equipment	21,016,819	20,859,849	21,070,099
Interest expense	2,716,385	2,739,455	2,743,244
Amortization of intangible assets	2,231,851	2,120,434	1,789,772
Net retirement expense	1,850,281	2,061,727	1,682,245
Cost of share-based payments	1,528,035	165,006	14,852
Provision for (reversal of):			
Allowance for inventory obsolescence	1,591,170	3,737,353	2,123,145
Impairment on available-for-sale financial assets		1,753,589	-
Doubtful accounts	438,344	(899,304)	(103,124)
Allowance for decline in value of inventories	100,000	84,267	(107,131)
Impairment on property, plant and equipment	-	-	4,991
Interest income	(658,003)	(196,271)	(218,577)
Unrealized foreign exchange losses (gains) - net	412,921	385,512	(878,010)
Loss on derivative transactions	225,162	35,096	479,062
Gain on sale and retirement of property, plant and equipment	(165,776)	(14,506,946)	(125,172)
Write-off of:			
Receivables	44,059	83,562	-
Available-for-sale financial assets	-	1,350,368	-
Impairment loss on goodwill	-	7,478,980	-
Operating income before working capital changes	66,006,768	62,144,492	41,910,026
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Receivables	17,955,679	(21,189,248)	(26,275,532)
Inventories	364,432	(3,036,540)	(12,648,183)
Other current assets	936,021	4,748,248	(9,194,057)
Increase (decrease) in:			
Accounts payable and accrued expenses	(26,210,108)	7,529,186	30,429,189
Advances from customers	(301,952)	(299,476)	(288,689)
Other noncurrent liabilities	(63,499)	(1,638)	96,946
Accrued rent	(25,817)	37,668	(142,381)
Net cash generated from operations	58,661,524	50,232,168	24,176,008
Income tax paid	(6,848,877)	(6,925,623)	(5,670,217)
Interest paid	(2,656,663)	(2,761,850)	(3,376,928)
Interest received	667,492	288,192	522,183
Net cash provided by operating activities	49,823,476	40,832,887	15,651,046

(Forward)

	Years Ended December 31		
	2015	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Property, plant and equipment	(\$35,120,182)	(\$24,213,138)	(\$17,819,927)
Intangible assets	(659,794)	(1,287,611)	(776,158)
Available-for-sale financial assets	-	-	(350,369)
Proceeds from sale and retirement of property, plant and equipment	672,955	19,193,171	2,868,782
Decrease (increase) in other noncurrent assets	(154,315)	705,533	(841,810)
Net cash used in investing activities	(35,261,336)	(5,602,045)	(16,919,482)
CASH FLOWS FROM FINANCING ACTIVITIES			
Availments of loans	50,465,041	24,299,485	6,134,943
Payments of:			
Loans payable	(38,053,777)	(16,301,258)	(4,468,943)
Long-term debt	(2,397,400)	(2,903,578)	(2,656,400)
Redemption of preferred shares	(28,435,799)	-	-
Dividends paid to equity holders of the Parent Company	(8,559,041)	(3,099,043)	(2,661,415)
Decrease in obligations under finance lease	(2,257,583)	(1,452,792)	(523,260)
Separation/benefits paid	(1,202,919)	(662,992)	(1,286,407)
Collections of subscriptions receivable	460,634	328,621	207,888
Settlement of derivatives	(169,612)	(75,702)	(438,456)
Proceeds from shares issuance	-	35,921,140	-
Transaction costs on shares issuance	-	(1,502,981)	-
Cash paid on acquisition of non-controlling interests	-	(638,622)	(124,875)
Acquisition of treasury shares	-	(1)	-
Net cash provided by (used in) financing activities	(30,150,456)	33,912,277	(5,816,925)
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	(504,766)	(560,227)	(68,422)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,093,082)	68,582,892	(7,153,783)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	117,625,491	49,042,599	56,196,382
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$101,532,409	\$117,625,491	\$49,042,599