



**Chairman's Address to the Annual General Meeting of Shareholders held on Thursday 28<sup>th</sup> of May 2015 at 9.30 am in the Barnet Room, The Westin Sydney, No. 1 Martin Place, Sydney NSW, 2000 Australia**

I would like to start by acknowledging and thanking all stakeholders (shareholders, employees, management, and executives) in helping to make Audio Pixels a first class international company.

Over the past year the company has made excellent progress advancing its third phase of its four-phase commercialization plan; advancing core product development and the manufacturing footprint of the MEMS, ASIC, and Package. A glimpse as to the success of phase-three was provided earlier this year with the public release of select performance specifications. The measured results, which have been validated by independent industry experts, demonstrate a better than two-octave improvement at targeted sound pressure levels. The significance of the result is the validation of the company's core claim to deliver far superior audio performance in an unrivalled form factor. Given these accomplishments and the positive response from customers we are confident that our approach will substantiate Audio Pixels position as the' global leader in digital speaker technologies.

As indicated the past year's activities has been primarily focused on the third phase of the previously detailed four-phase development plan. Fundamentally phase-three combines the critical technological findings that were exhaustively extracted from the prior two phases of development, into a full structured functioning chip. While still requiring some degree of optimization, nonetheless the results of phase-three have validated and de-risked the final product, and its manufacturability. Those familiar with MEMS product development can attest to the magnitude of accomplishment in deriving at a functioning chip in an inaugural fabrication run.

In sharp contrast to phases one through three, which were profoundly technological in nature, the objectives for phase-four is all about product. The goal of phase-four is to produce the world's first commercial digital micro-speaker. The accomplishments of Phase-three have enabled the company to commence the fourth and final stage of the commercialisation plan with a high degree of confidence as phase-three results have demonstrated that only relatively minor optimization is required to structures and manufacturing processes in order to improve performance, manufacturability, reliability and yield. We have received the first batch of the Application Specific Integrated Circuits (ASIC's) from our strategic supplier ICsense of Belgium, which are currently being tested and evaluated. In parallel we continue to work with our packaging suppliers optimizing the completed product as part of phase-four.



It is also noteworthy to highlight that the release of the performance specifications on 3<sup>rd</sup> March 2015 has amplified interest in Audio Pixels and also has resulted in numerous requests from industry players already under NDA to visit our site at Migdal Haemek in Israel to witness firsthand the results and measurements.

We have recently engaged MKR Group, an Investor Relations firm based in Los Angeles, to assist in creating market awareness in the US markets which will include briefing analysts, research reports and assisting in road shows. In support of these activities on May 19<sup>th</sup> 2015 we released to the markets in both Australia and the US a report titled “Market Overview May 2015”, which can also be found on our corporate website.

I would be happy to address any questions from shareholders. We are also fortunate enough to have our three senior executives from Israel (Danny Lewin – CEO, Yuval Cohen – Chief Technical Officer and Shay Kaplan – Chief Scientist) on the telephone conference line and they can respond directly to any technical questions shareholders may have, but before I do, I would like to remind everyone that Our company is destined to disrupt the status quo of a multi-billion-dollar industry spanning a diversity of companies and markets. For this reason we must continue to maintain a conservative approach to the release of technical information. Management would like to express its appreciation to its shareholders for their patience in allowing the judicious sharing of information as to best preserve the Company’s value, opportunities and competitive advantages.

Fred Bart  
Chairman



**AUDIO PIXELS HOLDINGS LIMITED**

**PROXY SUMMARY FOR ANNUAL GENERAL MEETING ON THURSDAY 28 MAY 2015**  
**AT 9.30 AM**

<b><u>RESOLUTION</u></b>	<b><u>MATTER FOR CONSIDERATION</u></b>	<b><u>TOTAL</u></b>	<b><u>FOR</u></b>	<b><u>AGAINST</u></b>	<b><u>DISCRETION</u></b>	<b><u>ABSTAIN</u></b>
2	RE-ELECTION OF IAN DENNIS	9,292,946	9,257,925	0	35,021	0
		100.00%	99.62%	0.00%	0.38%	0.00%
3	REMUNERATION REPORT	9,292,946	2,731,781	20,000	35,021	6,506,144
		100.00%	29.40%	0.22%	0.38%	70.00%