

ASUSTeK

2Q 2016 Investor Conference

Disclaimer

ASUSTeK's presentation contains forward-looking statements subject to significant risks and uncertainties. Actual results may differ materially from those contained in the forward-looking statements.

The forward-looking statements in this release reflect the current belief of ASUS as of the date of this release, we undertake no obligation to update these forward-looking statements for new information, future events, or otherwise.

Agenda

- **2Q 2016 Financial Result**
- **Business Highlights**
- **Strategy & Outlook**
- **Q & A**

2Q 2016 Financial Result

2Q 2016 Brand I/S

(unaudited brand consolidated financials)

in NT\$ Mn	2Q 2016	1Q 2016	QoQ	2Q 2015	YoY
Net Revenue	93,938	110,050	-15%	99,366	-5%
COGS	(81,355)	(95,682)	-15%	(85,124)	-4%
Gross Profit	12,583	14,368	-12%	14,242	-12%
Operating Expenses	(8,820)	(9,671)	-9%	(9,522)	-7%
Operating Income	3,762	4,697	-20%	4,721	-20%
Non-OP Items	1,542	559	176%	1,372	12%
Pre-Tax Income	5,305	5,257	1%	6,093	-13%
Tax	(1,179)	(1,095)	8%	(1,435)	-18%
Net Income	4,125	4,161	-1%	4,658	-11%
EPS	5.6	5.6		6.3	
Gross Margin %	13.4%	13.1%		14.3%	
Operating Margin %	4.0%	4.3%		4.8%	

2Q 2016 Non-OP Items

(unaudited brand consolidated financials)

Non-OP Items	2Q 2016	1Q 2016	QoQ	2Q 2015	YoY
Interest Income (net)	194	152	28%	94	106%
Investment Income	145	181	-20%	101	44%
<i>Askey</i>	<i>(6)</i>	<i>64</i>	<i>-109%</i>	<i>104</i>	<i>-106%</i>
<i>Others</i>	<i>151</i>	<i>116</i>	<i>30%</i>	<i>(3)</i>	<i>4969%</i>
Exchange Gain/(Loss)	942	79	1092%	431	119%
Dividend Income	4		-	549	-
Other Income (net)	258	148	74%	198	30%
Total Non-OP items	1,542	559	176%	1,372	12%

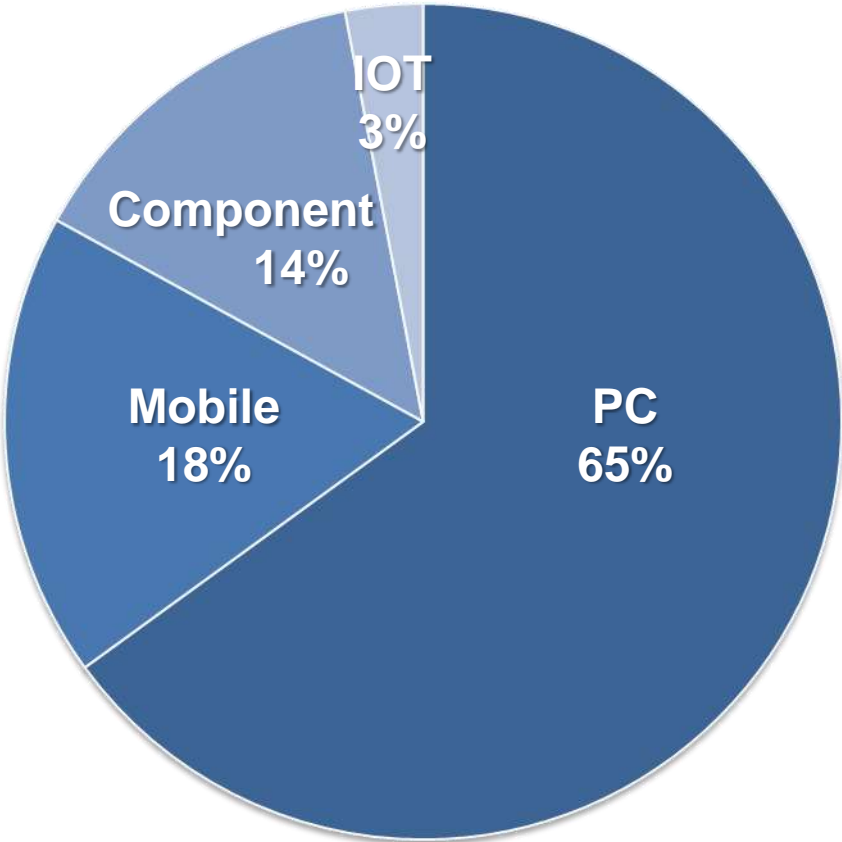
2Q 2016 Brand B/S

in NT\$ Mn	Jun 30, 2016	Mar 31, 2016	QoQ	Jun 30, 2015	YoY
Cash & equivalents	60,329	52,259	15%	72,404	-17%
Accounts receivable	69,362	75,180	-8%	66,692	4%
Inventories	81,463	85,992	-5%	91,758	-11%
Current Assets	220,751	221,811	-0.5%	239,186	-8%
Long-term investments	71,471	74,397		80,122	
Fixed assets	4,317	3,535		3,577	
Total Assets	307,306	310,653	-1%	332,294	-8%
Accounts payable	40,569	40,033	1%	69,657	-42%
Current Liabilities	133,130	128,921	3%	161,592	-18%
Total Liabilities	142,351	138,066	3%	168,532	-16%
Paid-in capital	7,428	7,428		7,428	
Stockholders' equity	164,954	172,587	-4%	163,763	1%
Avg. Days of Inventory	94	88		96	
Avg. Days of AR	70	62		59	
Avg. Days of AP	48	48		71	
Avg. CCC Days	116	103		83	

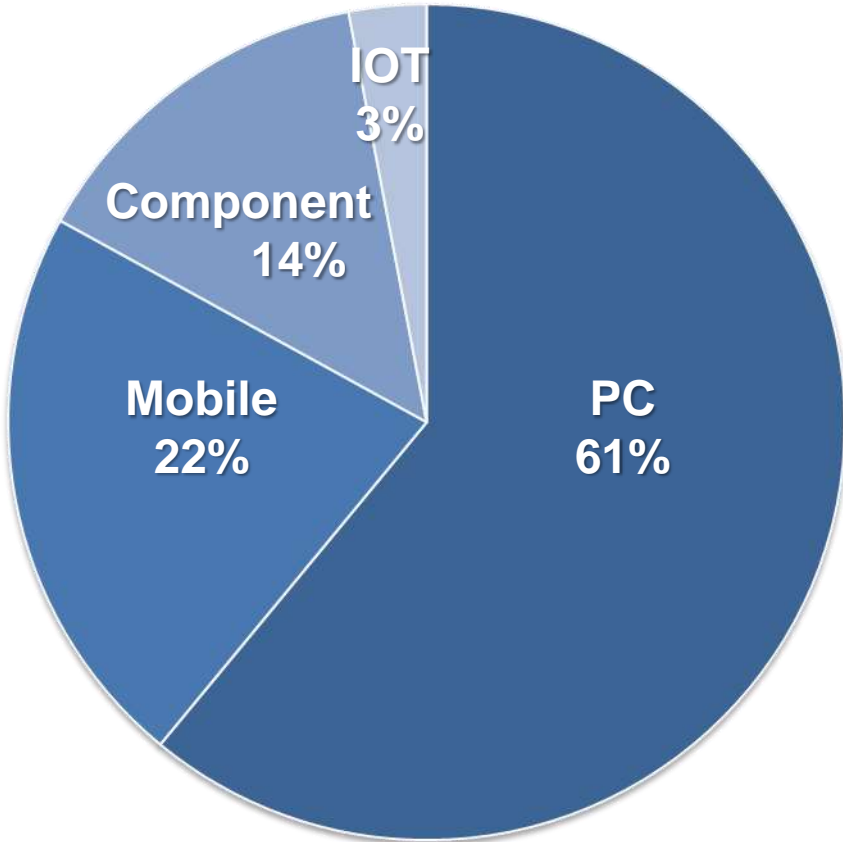
Business Highlights

Product Mix

2Q 2016

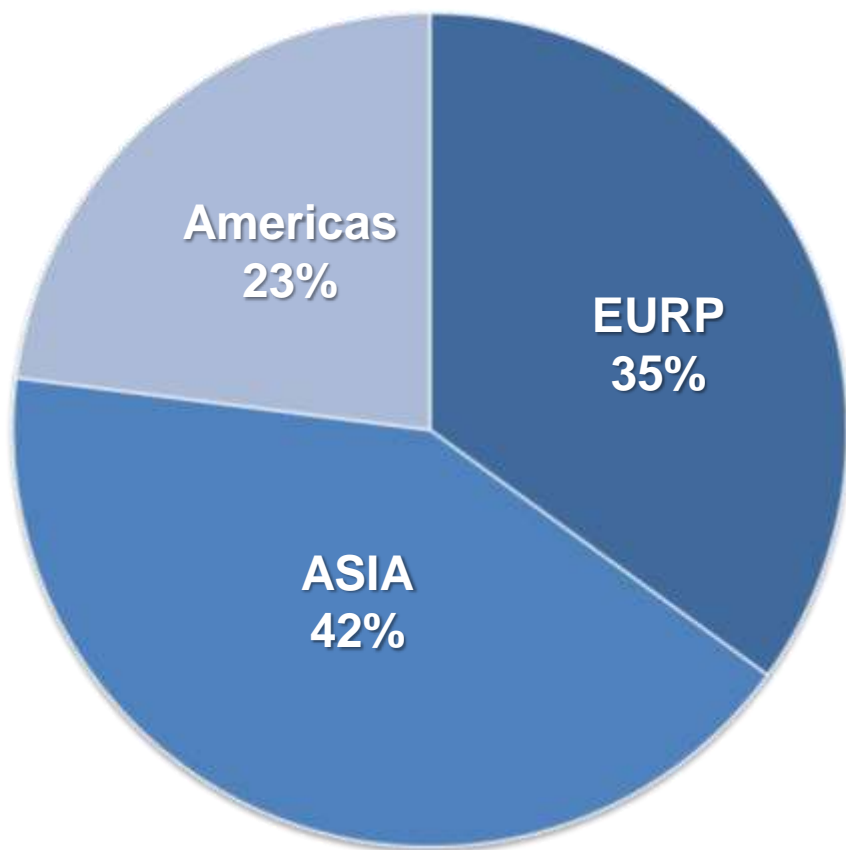


2Q 2015

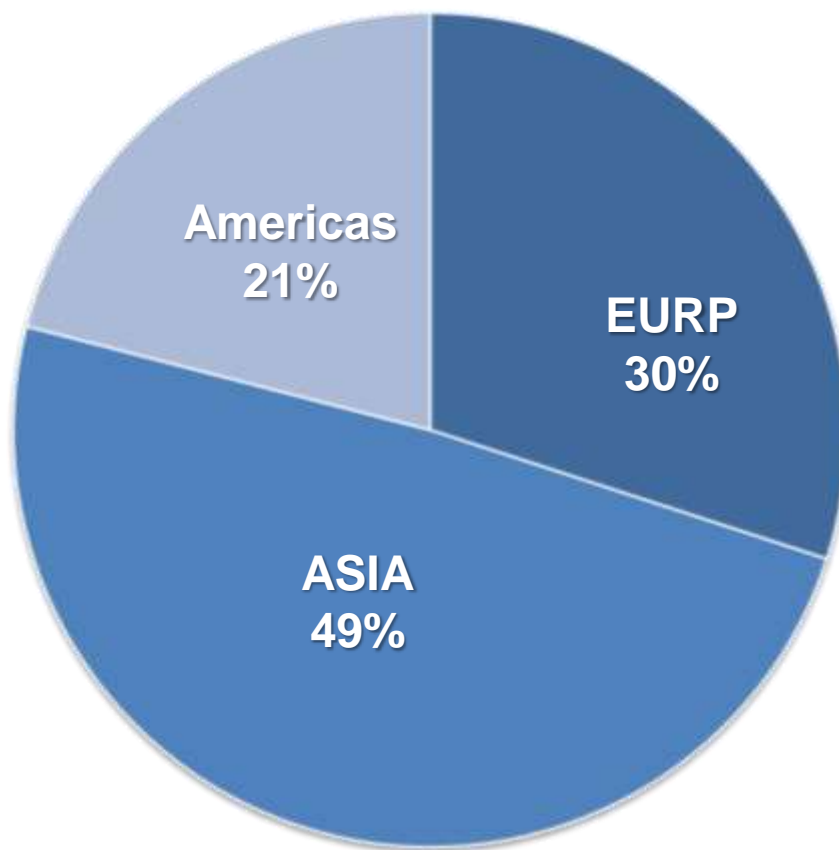


Region Mix

2Q 2016



2Q 2015



3Q 2016 Business Outlook

- **Brand revenue to be ~NT\$ 105bn ± 5bn**
 - PC revenue QoQ +10%~+15%, YoY flattish
 - Mobile revenue QoQ +10%~+15%, YoY ~ -20%
 - Component revenue QoQ +10%~+15%, YoY flattish
- **Gross profit margin to be ~13% ± 1%**
- **Operating profit margin to be ~4.0% ± 0.25%**

Strategy & Outlook

Ubiquitous Computing

Evolution. Revolution



New Ubiquitous Computing Era



PC Strategy

GENERATION 3 NB

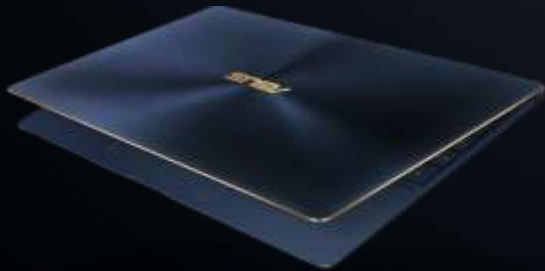
Top-notch Competition

GAMING

NO.1 Mind & Market share

MAINSTREAM

Sustaining Growth





Gaming

Q2 YoY PC

60%

Q3 YoY PC(e)

50%

To be Dominant Leader in NV
Pascal 1080/1070/1060



REPUBLIC OF
GAMERS

Gaming





World's NO. 1 Performing Gaming Notebook

Dual NV Pascal 1080 graphics cards
with ASUS exclusive liquid cooled technology



GX800

1 + 1 > 2



Dual NV Pascal 1080 Graphics Cards

GT51



G31

1st

Hybrid Thermal
Motherboard



ROG MAXIMUS
VIII FORMULA

1st

VGA with
LED-Lighting



ASUS
V9999
GAMER EDITION

1st

G-SYNC Gaming
Monitor with
Super-Narrow Bezel



ROG SWIFT
PG 278Q

1st

Liquid-Cooled
Gaming Laptop



ROG
GX700

Zen PC

Q2 YoY PC

16%

Q3 YoY PC (e)

98%



ASUS ZenBook 3

The World's Most Prestigious Laptop
with Unprecedented Performance

We've Put More Into Less

Thinner. Lighter. More powerful



ZenBook 3 910g

MacBook 920g

MacBook Air 1,350g

Crafted to Perfection

Supremely elegant, every detail counts



Unbelievably Powerful

Unimaginable performance in an ultra-thin laptop

Intel® Core™ i7 Processor

1TB PCIe® 3.0 x4 SSD

16GB 2133Mhz LPDDR3

USB Type-C support display

2in1

Q2 YoY NB

17 %

Q3 YoY NB (e)

58 %



ASUS Transformer **3** Pro

The World's Most Versatile PC

Powerful • Convenient • Expandable

Ultimate Performance. To Go

Up to

Core™ i7 Intel® CPU

16GB 2133Mhz RAM

1TB PCIe® x4 SSD

Intel® Thunderbolt™ 3 port

The World's Most Versatile PC

A Masterpiece Awaits

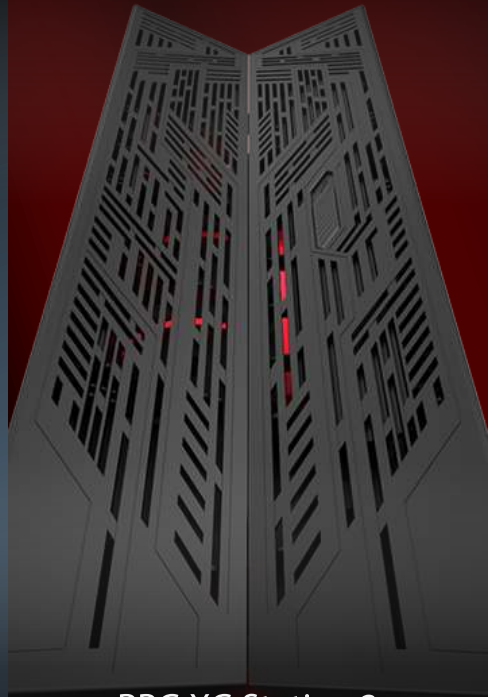
1,024 pressure levels to capture every nuance



The World's Most Versatile PC



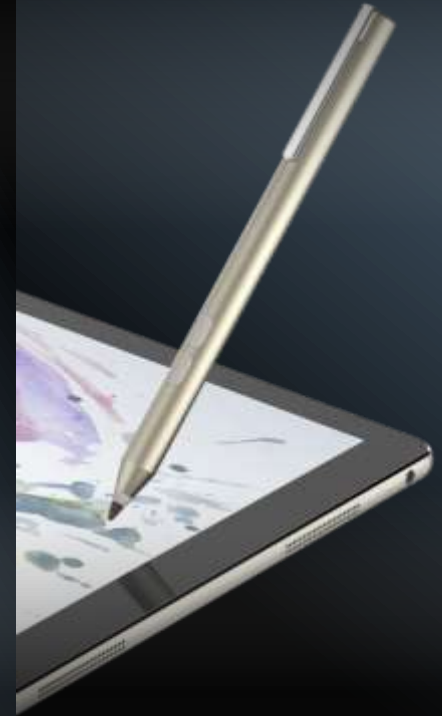
Universal Dock
Connect



RPG XG Station 2
Perform



Audio Pod
Enjoy



ASUS Pen
Create

Zenfone Strategy

Empower Luxury
for Everyone



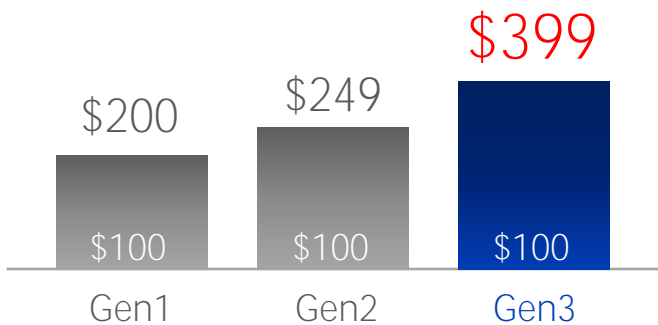
Zenfone 3

Top-notch
Competition



Zenfone 3 Deluxe

Zenfone 3 Ultra



Redefine
Beauty and Performance of Superphone

Zenfone™ **3**

Built for Photography



Zenfone™ 3

STRONG DEMAND



Zenfone™ 3

COMING SOON





Zenfone™ 3 Deluxe

All Metal. Pure Beauty

World's 1st

Invisible Antenna

Snapdragon 821 @2.4GHz

6GB RAM + 256GB UFS 2.0 ROM

Camera Sony IMX 318

Zenfone™ 3 Ultra

Ultra Vision. Ultra Sound

World's 1st

4K TV image processor

DTS virtual 7.1 surround

Display Port over USB Type-C





**IN SEARCH OF
INCREDIBLE**

ASUSTeK

2Q 2016 Investor Conference

Thank you