ASUSTeK

4Q 2015 Investor Conference

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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.

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Agenda

- 4Q 2015 Financial Result
- Business Highlights
- Strategy & Outlook
- Q & A

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4Q 2015 Financial Result

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4Q 2015 Brand I/S (QoQ)

(unaudited brand consolidated financials)

in NT$ Mn	4Q 2015	%	3Q 2015	%	QoQ
Net Revenue	**123,989**	**100.0%**	**110,985**	**100.0%**	**12%**
COGS	(107,199)	(86.5%)	(95,081)	(85.7%)	13%
Gross Profit	**16,789**	**13.5%**	**15,904**	**14.3%**	**6%**
Operating Expenses	(11,212)	(9.0%)	(10,877)	(9.8%)	3%
Operating Income	**5,577**	**4.5%**	**5,027**	**4.5%**	**11%**
Non-OP Items	333	0.3%	109	0.1%	205%
Pre-Tax Income	**5,911**	**4.8%**	**5,136**	**4.6%**	**15%**
Tax	(1,367)	(1.1%)	(921)	(0.8%)	48%
Net Income	**4,544***	**3.7%**	**4,215**	**3.8%**	**8%**

* 4Q EPS = $6.12; 2015 EPS = $ 23.02

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4Q 2015 Brand I/S (YoY)

(unaudited brand consolidated financials)

in NT$ Mn	4Q 2015	%	4Q 2014	%	YoY
Net Revenue	**123,989**	**100.0%**	**127,059**	**100.0%**	**-2%***
COGS	(107,199)	(86.5%)	(111,036)	(87.4%)	-3%
Gross Profit	**16,789**	**13.5%**	**16,023**	**12.6%**	**5%**
Operating Expenses	(11,212)	(9.0%)	(10,197)	(8.0%)	10%
Operating Income	**5,577**	**4.5%**	**5,826**	**4.6%**	**-4%**
Non-OP Items	333	0.3%	135	0.1%	147%
Pre-Tax Income	**5,911**	**4.8%**	**5,961**	**4.7%**	**-1%**
Tax	(1,367)	(1.1%)	(1,452)	(1.1%)	-6%
Net Income	**4,544**	**3.7%**	**4,509**	**3.5%**	**1%**

* In constant currency basis (i.e., 4Q 2014 average exchange rates), 4Q 2015 revenue would have been +6% YoY

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2015 Brand I/S (YoY)

(unaudited brand consolidated financials)

in NT$ Mn	2015	%	2014	%	YoY
Net Revenue	**436,520**	**100.0%**	**436,264**	**100.0%**	**0.1%**
COGS	(376,117)	(86.2%)	(377,845)	(86.6%)	-0.5%
Gross Profit	**60,403**	**13.8%**	**58,418**	**13.4%**	**3%**
Operating Expenses	(40,357)	(9.2%)	(38,129)	(8.7%)	6%
Operating Income	**20,046**	**4.6%**	**20,289**	**4.7%**	**-1%**
Non-OP Items	1,853	0.4%	4,490	1.0%	-59%
Pre-Tax Income	**21,899**	**5.0%**	**24,779**	**5.7%**	**-12%**
Tax	(4,801)	(1.1%)	(5,309)	(1.2%)	-10%
Net Income	**17,097**	**3.9%**	**19,470**	**4.5%**	**-12%**

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4Q 2015 Non-OP Items

(unaudited brand consolidated financials)

Non-OP Items	4Q 2015	3Q 2015	QoQ	4Q 2014	YoY
Interest Income (net)	**122**	**30**	302%	**22**	449%
Investment Income	**124**	**321**	-61%	**630**	-80%
Askey	*(53)*	*148*	*-136%*	*218*	*-124%*
Others	*177*	*174*	*2%*	*412*	*-57%*
Exchange Gain / (Loss)	**2**	**(2,286)**	100%	**(713)**	100%
Dividend Income		**1,826**	-100%		
Other Income (net)	**85**	**217**	-61%	**196**	-57%
Total Non-OP items	**333**	**109**	**205%**	**135**	**147%**

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4Q 2015 Brand B/S

in NT$ Mn	Dec 31, 2015	Sep 30, 2015	QoQ	Dec 31, 2014	YoY
Cash & cash equivalents	51,394	59,343	-13%	72,474	-29%
Accounts receivable	75,546	76,889	-2%	71,427	6%
Inventories	98,729	93,192	6%	94,725	4%
Current Assets	**234,515**	**238,804**	**-2%**	**246,547**	**-5%**
Long-term investments	70,625	77,647		74,731	
Fixed assets	3,576	3,632		3,698	
Other assets	10,458	10,014		9,466	
Total Assets	**319,174**	**330,097**	**-3%**	**334,441**	**-5%**
Accounts payable	52,529	67,114	-22%	77,499	-32%
Current Liabilities	**142,575**	**155,169**	**-8%**	**163,610**	**-13%**
Total Liabilities	**151,821**	**162,620**	**-7%**	**170,799**	**-11%**
Paid-in capital	7,428	7,428		7,428	
Stockholders' equity	**167,352**	**167,478**	**-0.1%**	**163,642**	**2%**
Avg. Days of Inventory	82	89		78	
Avg. Days of AR	56	59		49	
Avg. Days of AP	55	70		63	
Avg. CCC Days*	**82**	**78**		**64**	

*CCC calculation based on average of Inventory/AR/AP balances and quarterly unaudited brand financials

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Business Highlights

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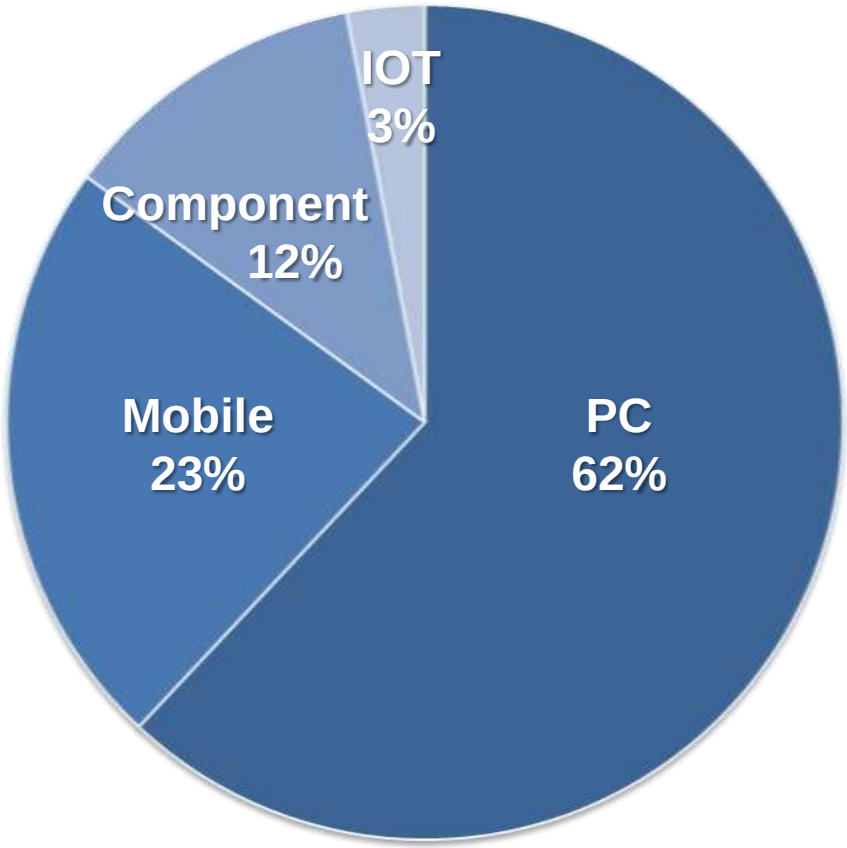
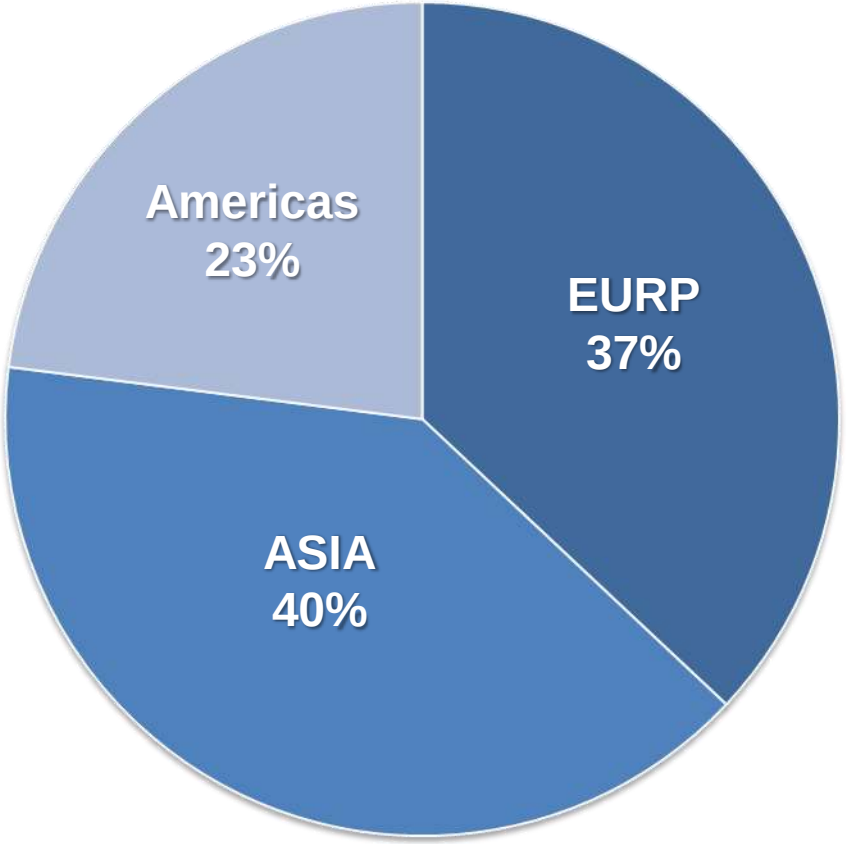
4Q 2015 Sales Mix

By Product



By Region



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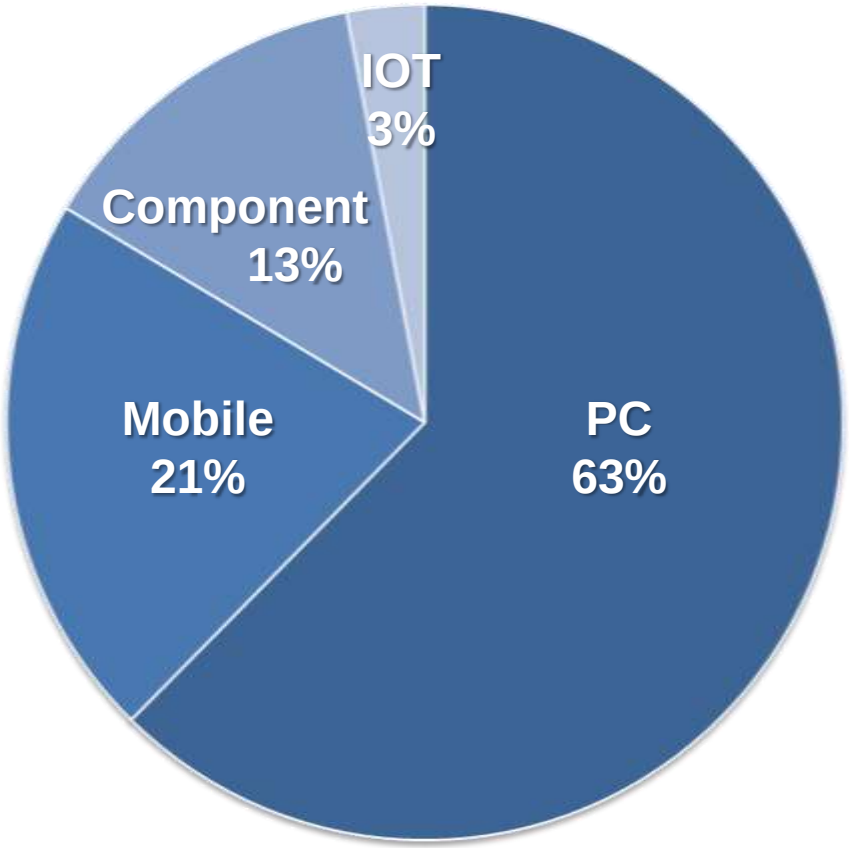
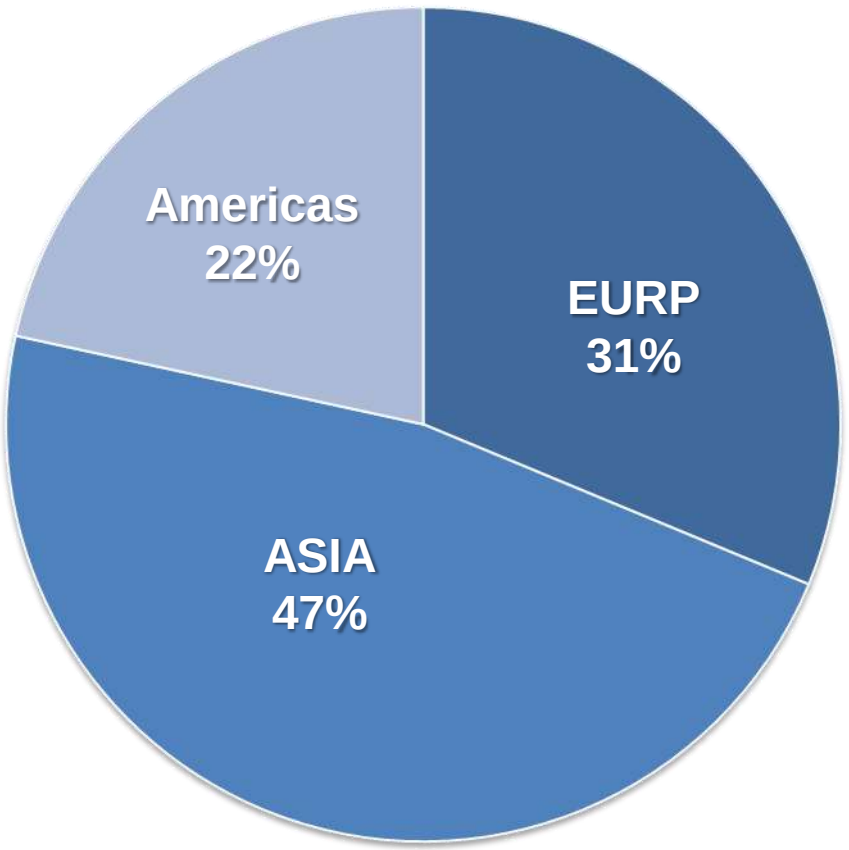
2015 Sales Mix

By Product



By Region



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2015 Shipment

	1Q	2Q	3Q	4Q	Total	YoY%
PC	**5.4m**	**4.8m**	**5.3m**	**6.0m**	**21.5m**	**-4%**
- NB	4.8m	4.3m	4.8m	5.4m	19.3m	-5%
Mobile	**4.5m**	**6.0m**	**7.1m**	**8.3m**	**25.9m**	**+45%**
- Phone	3.0m	5.0m	5.5m	6.5m	20.0m	+135%

* PC = NB + DT; Mobile = Phone + Pad

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1Q 2016 Shipment Outlook

	1Q	2016 target	YoY%
PC	**5.3m**	**22~24m**	Outgrow industry by 5~10%
- NB	4.8m	~20m	
Mobile	**~5m**	**30~31m**	Outgrow industry by 10~20%
- Phone	~4m	~25m	

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Strategy & Outlook

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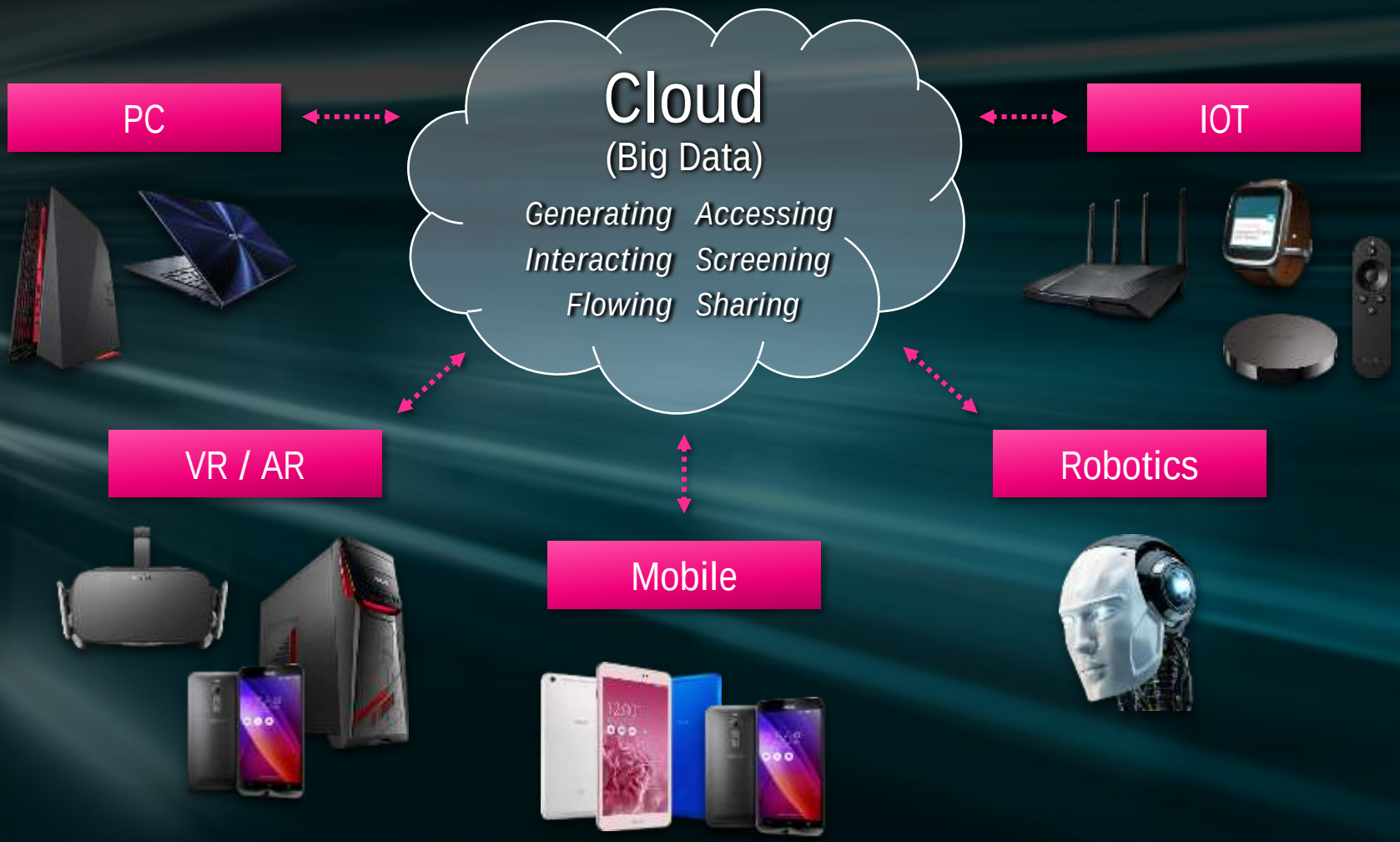
創新迎戰 變中求勝
In Search Of Incredible
2016 / 2 / 17

New Ubiquitous Cloud Computing Era



ASUS PC

Commercial
DT / NB / Tablet / Chromebook

Gaming (ROG)
NB / DT / MB / VGA / Monitor

Zen AiO Pro / ZenBook
ZenBook 303 / 305 / 501

2-in-1
Flip / Transformer

Mainstream
VivoBook / Vivo AiO

PC Goal

22M~24M in 2016(e)

ASUS PC YoY : TAM YoY + (5%~10%)

ASUS Gaming NB

100% YoY in 2016(e)

NO.1 Market Share in Top 5 Countries

CN / USA / FR / DE / RU (over 70% of total TAM)

Source : GFK

ASUS ZenBook

100% YoY in 2016(e)

An Evolution of Everything

Beauty, Sound and Performance

ASUS 2-in-1

50% YoY in 2016(e)

ASUS AiO

100% YoY in 2016(e)

ASUS VR / AR

PC based VR
Facebook Oculus Rift

Phone based VR / AR
（2016 Q4）

ASUS Mobile

ZenPad / ZenPad Theater

Empowering Luxury
for Everyone

ZenFone

Empowering Luxury
for Everyone

Hero Model • Hero Country

Phone Goal

25M in 2016(e)

(excluding China Market)

Worldwide **No.5** in 2016(e)

(excluding China Players)

The New ZenFone

ZenFone – Leading

1st 4GB RAM

(ZenFone 2 Deluxe & ZenFone Zoom)

World's Thinnest 3X Optical-Zoom

(ZenFone Zoom)

Zenfone™ Zoom

A New Era of Mobile Photography

GOOD DESIGN

Good Design Award
Oscar award in design industry

3X Optical-Zoom, 12X Total Zoom
World-class camera technology

4 Stops OIS
OIS empowers shake-free photos

0.03s Light-speed Photography
Equipped with Laser auto-focus system

Incredible PixelMaster Features
32s long exposure, 5cm macro focusing,
52MP photos, 4X sensitivity & contrast

PC-Grade Performance
Intel 64-bit Z3590 Super Quad Core CPU 2.5Ghz
World's first 4GB RAM smartphone

60% Battery Capacity in 39 mins
BoostMaster fast charging technology

Zenfone™ Zoom

Zenfone™ Zoom with 3X optical-zoom

Zenfone Zoom

Zenfone Zoom with 3X optical-zoom

Zenfone Zoom with 3X optical-zoom

Zenfone™ Zoom with 3X optical-zoom

Zenfone Zoom

Zenfone Zoom

Zenfone Zoom

Zenfone Zoom

Zenfone Zoom

ZenUI Apps Instant Update

Instant Update via Google Play Store

- ZenUI Apps over 440,000,000 downloads
- Total 38 Apps in Google Play
- Average 4.5 rating
- 5 ZenUI apps got 4.7 amazing high rating

  (ASUS Launcher, File Manager, Flashlight, Calculator, What's Next)

ZenFone Accessory

ZenPower Duo
(10,500mAh)

ZenTripod

ZenBeam

ZenFlash

LolliFlash

Zenny Selfie Stick

View Flip Cover

ZenFone 3 & Robotics

Never Ending Quest in Perfection

COMING SOON

(2016 Computex)

ASUS **VISION**

The world's most admired
leading enterprise in the new digital era.

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