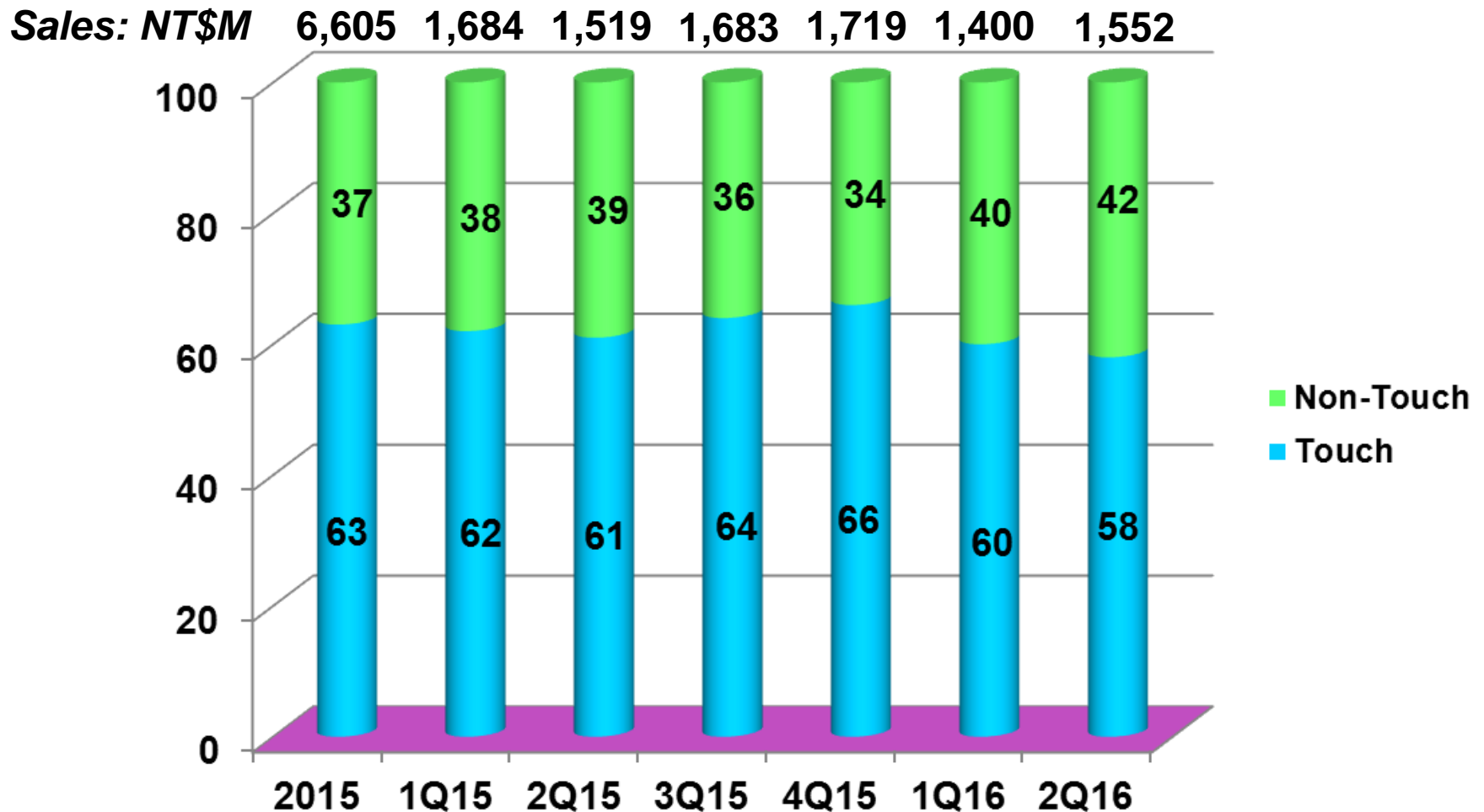


# ***ELAN Microelectronics Corp.***

## ***2Q16 Investor Conference***

***2016/08/10***

# Sales Breakdown by Product Line (Consolidated)



- **Touch:** Touchscreen Chip, Touchpad, Fingerprint ID
- **Non-touch:** MCU, PC Peripheral, Consumer, Pointing Stick, Affiliated Co. Products

# 2Q16 Income Statement

## YoY Comparison (Consolidated)

NT\$M

	2Q16	%	2Q15	%	YoY(%)
<b>Sales</b>	<b>1,552</b>	<b>100</b>	<b>1,519</b>	<b>100</b>	<b>2</b>
<b>Gross profit</b>	<b>632</b>	<b>41</b>	<b>643</b>	<b>42</b>	<b>(2)</b>
Sales expense	73	5	78	5	
G&A expense	75	5	80	5	
R&D expense	332	21	303	20	
<b>Operating profit</b>	<b>152</b>	<b>10</b>	<b>182</b>	<b>12</b>	<b>(16)</b>
<b>Non-operating income &amp; exp.</b>	<b>(2)</b>	<b>(0)</b>	<b>(2)</b>	<b>(0)</b>	
<b>Profit before tax</b>	<b>150</b>	<b>10</b>	<b>180</b>	<b>12</b>	<b>(17)</b>
<b>Net profit</b>	<b>120</b>	<b>8</b>	<b>144</b>	<b>9</b>	<b>(17)</b>
<b>Belong</b>					
Parent company	138		160		
Non-Controlling Interests	(18)		(16)		
<b>* EPS (NT\$)</b>	<b>0.33</b>		<b>0.38</b>		<b>(13)</b>

\* Based on the current 441 million shares (Reviewed)

\* Based on the weighted average number of shares outstanding

# 2Q16 Income Statement

## QoQ Comparison (Consolidated)

NT\$M

	2Q16	%	1Q16	%	QoQ(%)
<b>Sales</b>	<b>1,552</b>	<b>100</b>	<b>1,400</b>	<b>100</b>	<b>11</b>
<b>Gross profit</b>	<b>632</b>	<b>41</b>	<b>566</b>	<b>40</b>	<b>12</b>
Sales expense	73	5	66	5	
G&A expense	75	5	72	5	
R&D expense	332	21	309	22	
<b>Operating profit</b>	<b>152</b>	<b>10</b>	<b>119</b>	<b>8</b>	<b>28</b>
<b>Non-operating income &amp; exp.</b>	<b>(2)</b>	<b>(0)</b>	<b>(7)</b>	<b>(0)</b>	
<b>Profit before tax</b>	<b>150</b>	<b>10</b>	<b>112</b>	<b>8</b>	<b>34</b>
<b>Net profit</b>	<b>120</b>	<b>8</b>	<b>90</b>	<b>6</b>	<b>33</b>
<b>Belong</b>					
Parent company	138		110		
Non-Controlling Interests	(18)		(20)		
<b>* EPS (NT\$)</b>	<b>0.33</b>		<b>0.26</b>		<b>27</b>

\* Based on the current 441 million shares (Reviewed)

\* Based on the weighted average number of shares outstanding

# 1H16 Income Statement

## YoY Comparison (Consolidated)

NT\$M

	1H16	%	1H15	%	YoY(%)
<b>Sales</b>	<b>2,952</b>	<b>100</b>	<b>3,203</b>	<b>100</b>	<b>(8)</b>
<b>Gross profit</b>	<b>1,198</b>	<b>41</b>	<b>1,425</b>	<b>45</b>	<b>(16)</b>
<b>Sales expense</b>	<b>139</b>	<b>5</b>	<b>177</b>	<b>6</b>	
<b>G&amp;A expense</b>	<b>147</b>	<b>5</b>	<b>161</b>	<b>5</b>	
<b>R&amp;D expense</b>	<b>641</b>	<b>22</b>	<b>618</b>	<b>19</b>	
<b>Operating profit</b>	<b>271</b>	<b>9</b>	<b>469</b>	<b>15</b>	<b>(42)</b>
<b>Non-operating income &amp; exp.</b>	<b>(9)</b>	<b>(0)</b>	<b>(11)</b>	<b>(0)</b>	
<b>Profit before tax</b>	<b>262</b>	<b>9</b>	<b>458</b>	<b>15</b>	<b>(43)</b>
<b>Net profit</b>	<b>210</b>	<b>7</b>	<b>366</b>	<b>12</b>	<b>(43)</b>
<b>Belong</b>					
<b>Parent company</b>	<b>248</b>		<b>406</b>		
<b>Non-Controlling Interests</b>	<b>(38)</b>		<b>(40)</b>		
<b>* EPS (NT\$)</b>	<b>0.60</b>		<b>0.97</b>		<b>(38)</b>

\* Based on the current 441 million shares (Reviewed)

\* Based on the weighted average number of shares outstanding

# Balance Sheets

## Jun. 30, 2016 (Consolidated)

NT\$M

<b>Current assets</b>	<b>7,085</b>
Cash and cash equivalents	1,147
Current financial assets	750
A/R&A/N	1,176
Inventory	955
Other current assets	26
Other current financial assets	3,031
<b>Non-current financial assets</b>	<b>1,207</b>
<b>Fixed assets</b>	<b>587</b>
<b>Other non-current assets</b>	<b>329</b>
<b>Total Assets</b>	<b>9,208</b>
<b>Current liabilities</b>	<b>2,296</b>
<b>Non-current liabilities</b>	<b>487</b>
<b>Total Liabilities</b>	<b>2,783</b>
<b>Capital stock</b>	<b>4,411</b>
<b>Capital surplus</b>	<b>791</b>
<b>Retained earnings</b>	<b>1,508</b>
<b>Other equity interest</b>	<b>165</b>
<b>Treasury stock</b>	<b>(471)</b>
<b>Non-controlling interests</b>	<b>21</b>
<b>Total Stockholders' Equity</b>	<b>6,425</b>

(Reviewed)

# Cash Flow Statement

## Jun. 30, 2016 (Consolidated)

	NT\$M
Income before tax	262
Dep & Amort.	78
Dec.(Inc.) of A/R & N/R	34
Dec.(Inc.) of inventory	132
Dec.(Inc.) of investments-trading	(13)
Inc.(Dec.) of A/P & N/P	(158)
Others	24
<b>Operating cashflow</b>	<b>359</b>
Inc.F/A	(10)
Dec.(Inc.) of investments	53
Dec.(Inc.)Time deposit with maturity over three-month	(278)
Acquisition of intangible assets	(43)
Others	3
<b>Investment cashflow</b>	<b>(275)</b>
Inc.(Dec.) in short-term loans payable	(43)
Others	18
<b>Financing cashflow</b>	<b>(25)</b>
<b>Change in cash</b>	<b>59</b>
Beg. Cash	1,088
End Cash	1,147

(Reviewed)

## 3Q16 Revenue Forecast

*Based on current assumptions of future prospects, ELAN expects:*

- *Consolidate revenue to be approximately between NT\$1.8 billion and NT\$1.9 billion*
- *Gross margin to be about 41% to 42%*
- *Operating income rate to be about 15% to 17%*

# ELAN Smart-ID™ Solutions Update

## Coating Solutions

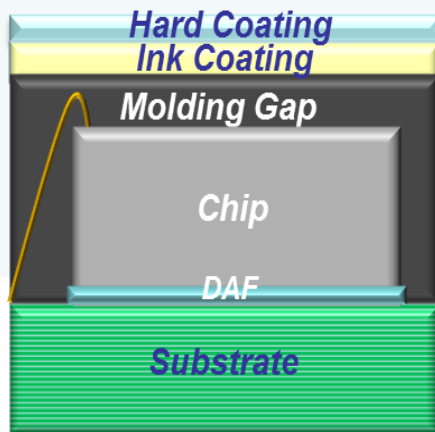
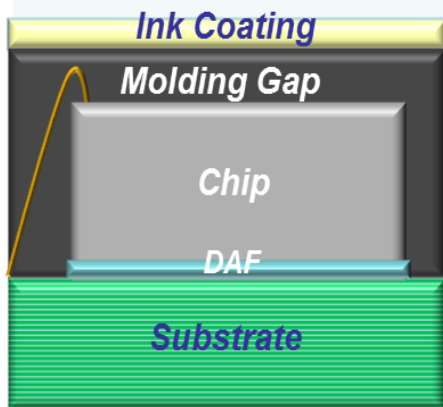
*Matt*

*Glossy*

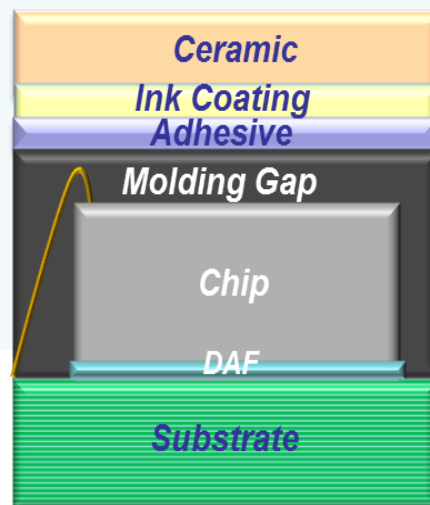
## Cover Solutions

*Ceramic*

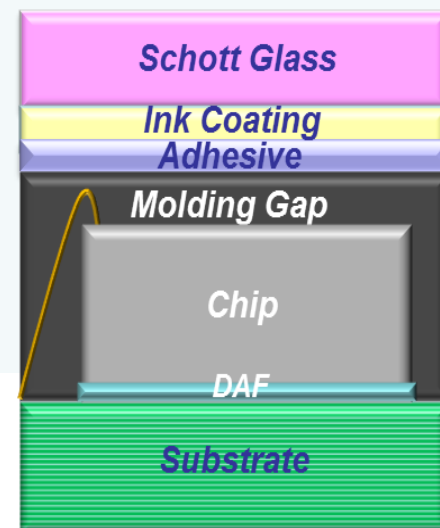
*Schott Glass*



*Demo*



*Demo*



*Demo*

# ELAN Smart-ID™ Latest Models

*ELAN's Fingerprint Solution already on the market across multiple countries:*

- America
- China
- Europe
- India



**Micromax CANVAS unite 4**



**Wiko**

# New 360° Fisheye Camera Design

Demo



Left Camera

+



Right Camera

=



Stitched 360° Panorama



Playback in VR



# Q & A

## Smart-Touchscreen™



Active Pen  
Passive Pen

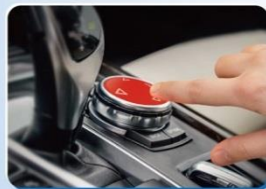


Moisture Proof



Support Glove

## Smart-ClickPad™



## Smart-Touch™



## Fingerprint Smart-ID™



## 360° Camera

