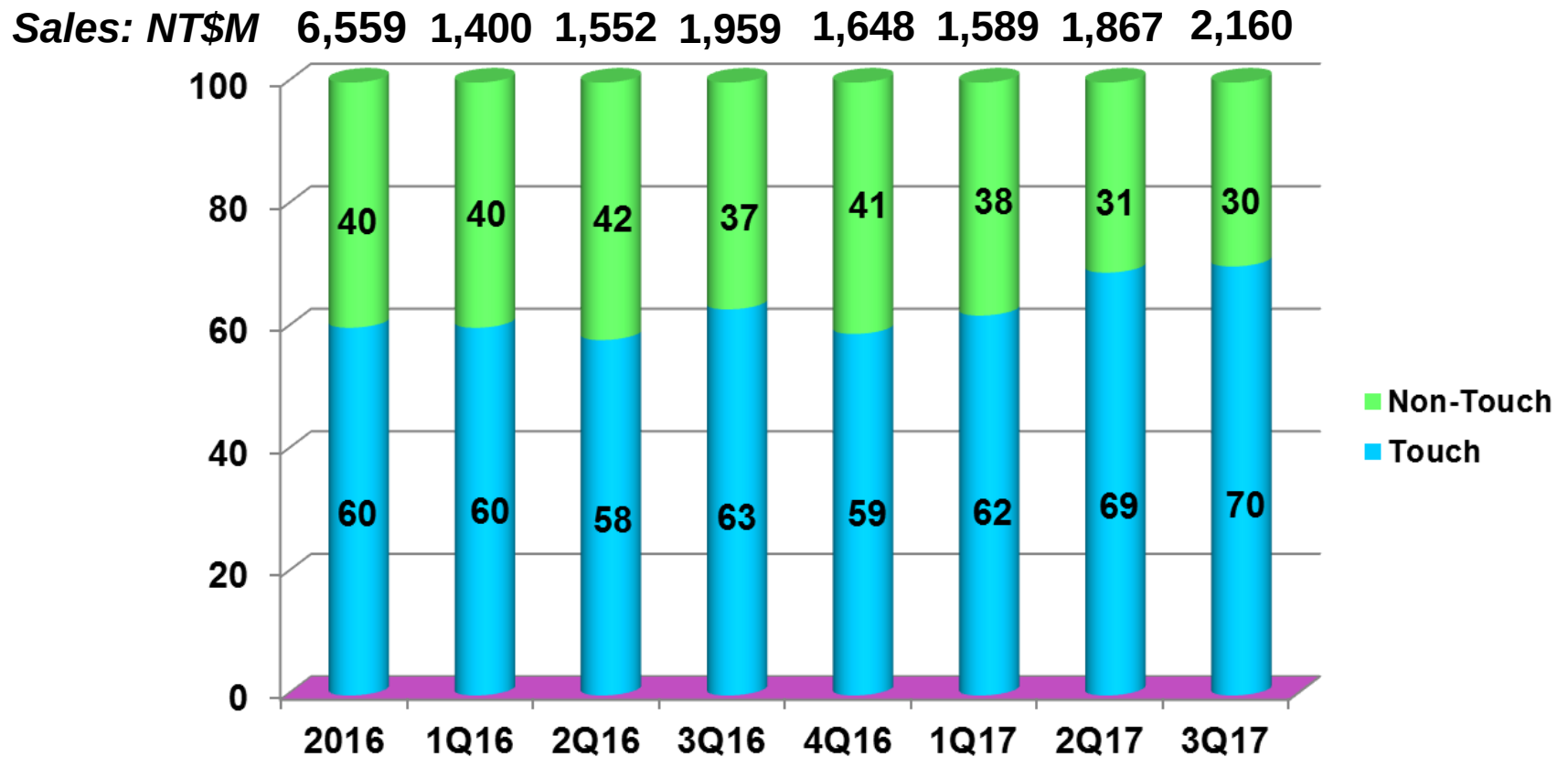


ELAN Microelectronics Corp.

3Q17 Investor Conference

2017/10/31

Sales Breakdown by Product Line (Consolidated)



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

3Q17 Income Statement

YoY Comparison (Consolidated)

NT\$M

	3Q17	%	3Q16	%	YoY(%)
Sales	2,160	100	1,959	100	10
Gross profit	994	46	814	42	22
Sales expense	85	4	91	5	
G&A expense	80	4	71	4	
R&D expense	361	17	339	17	
Operating profit	468	21	313	16	50
Non-operating income & exp.	11	1	(31)	(2)	
Profit before tax	479	22	282	14	70
Net profit	390	18	228	11	71
Belong					
Parent company	400		243		
Non-Controlling Interests	(10)		(15)		
* EPS (NT\$)	0.96		0.59		63

* Based on the current 434 million shares (Unreviewed)

* Based on the weighted average number of shares outstanding

3Q17 Income Statement

QoQ Comparison (Consolidated)

NT\$M

	3Q17	%	2Q17	%	QoQ(%)
Sales	2,160	100	1,867	100	16
Gross profit	994	46	831	45	20
Sales expense	85	4	79	4	
G&A expense	80	4	77	4	
R&D expense	361	17	344	19	
Operating profit	468	21	331	18	41
Non-operating income & exp.	11	1	14	1	
Profit before tax	479	22	345	19	39
Net profit	390	18	280	15	39
Belong					
Parent company	400		292		
Non-Controlling Interests	(10)		(12)		
* EPS (NT\$)	0.96		0.70		37

* Based on the current 434 million shares (Unreviewed)

* Based on the weighted average number of shares outstanding

1Q17~3Q17 Income Statement

YoY Comparison (Consolidated)

NT\$M

	1Q17~3Q17	%	1Q16~3Q16	%	YoY(%)
Sales	5,616	100	4,911	100	14
Gross profit	2,522	45	2,012	41	25
Sales expense	230	4	230	5	
G&A expense	230	4	218	4	
R&D expense	1,036	18	980	20	
Operating profit	1,026	19	584	12	76
Non-operating income & exp.	(43)	(1)	(40)	(1)	
Profit before tax	983	18	544	11	81
Net profit	795	14	438	9	82
Belong					
Parent company	832		491		
Non-Controlling Interests	(37)		(53)		
* EPS (NT\$)	2.00		1.18		69

* Based on the current 434 million shares (Unreviewed)

* Based on the weighted average number of shares outstanding

Balance Sheets

September. 30, 2017 (Consolidated)

	NT\$M
Current assets	7,851
Cash and cash equivalents	2,084
Current financial assets	736
A/R&A/N	1,780
Inventory	1,049
Other current assets	59
Other current financial assets	2,143
Non-current financial assets	1,134
Fixed assets	570
Other non-current assets	342
Total Assets	9,897
Current liabilities	2,406
Non-current liabilities	446
Total Liabilities	2,852
Capital stock	4,341
Capital surplus	505
Retained earnings	2,145
Other equity interest	186
Treasury stock	(91)
Non-controlling interests	(41)
Total Stockholders' Equity	7,045

(Unreviewed)

Cash Flow Statement

September. 30, 2017 (Consolidated)

	NT\$M
Income before tax	983
Dep & Amort.	94
Dec.(Inc.) of A/R & N/R	(369)
Dec.(Inc.) of inventory	(47)
Inc.(Dec.) of A/P & N/P	94
Others	154
Operating cashflow	909
Inc.F/A	(26)
Dividend received	48
Dec.(Inc.) of investments	44
Dec.(Inc.) Time deposit with maturity over three-month	(86)
Acquisition of intangible assets	(77)
Others	(28)
Investment cashflow	(125)
Distribution of cash dividends	(654)
Inc.(Dec.) in short-term loans payable	110
Financing cashflow	(544)
Change in cash	240
Beg. Cash	1,844
End Cash	2,084

(Unreviewed)

4Q17 Guidance

Based on Current Assumptions of Future Prospects, ELAN Expects:

- *Consolidate Revenue to be Approximately between NT\$1.85 Billion and NT\$1.95Billion*
- *Gross Margin to be about 45% to 47%*
- *Operating Income Rate to be about 17% to 20%*

Microsoft Pen Demo



Over 1000 New Pen Apps in Microsoft Store



Microsoft Pen Protocol Devices with ELAN Inside



Asus Zenbook Flip S
13.3" 4K UHD



Asus Transformer T303
12.6" 3K



Asus Transformer T102
10.1" HD



Asus Transformer T305
12.6" 3K



HP Spectre x360 15
15.6" 4K UHD



HP Spectre x2 12.3" " 3K



HP Spectre x360 13
13.3" " 4K UHD



Acer Switch 5
12" 2160 X 1440



Acer Switch 3
12.2" 1920 X 1200



Lenovo 10.1"



DELL Inspiron 15 5000
13.3" 1920 X 1090



DELL Inspiron 15 7000
15.6" 1920 X 1090



DELL Inspiron 13 7000
13.3" 1920 X 1090

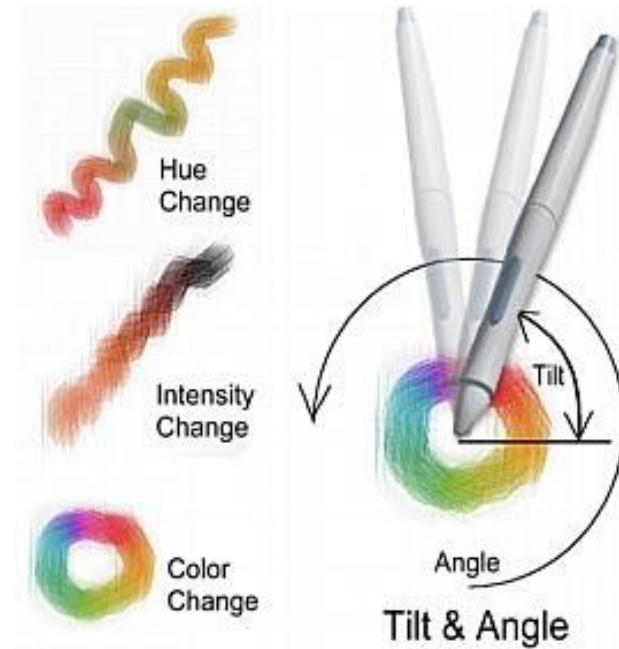
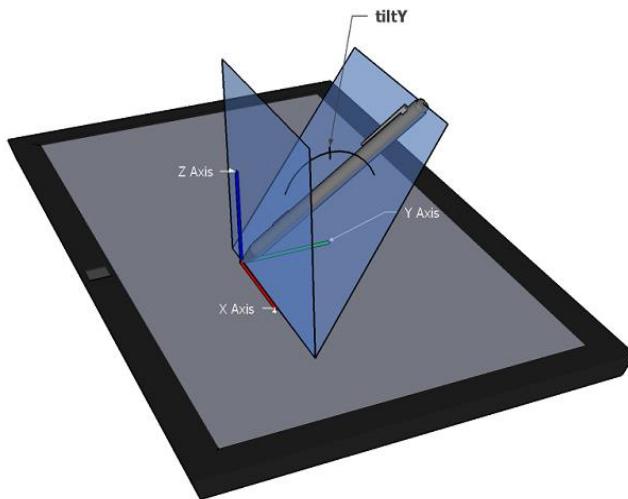
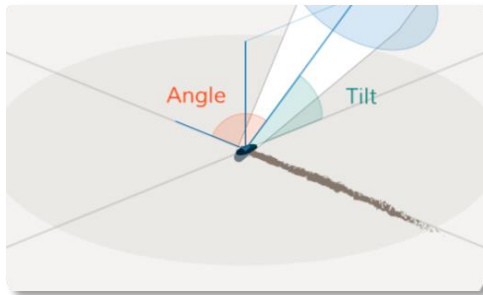
Demo: Simultaneous Pen and Touch with MPP



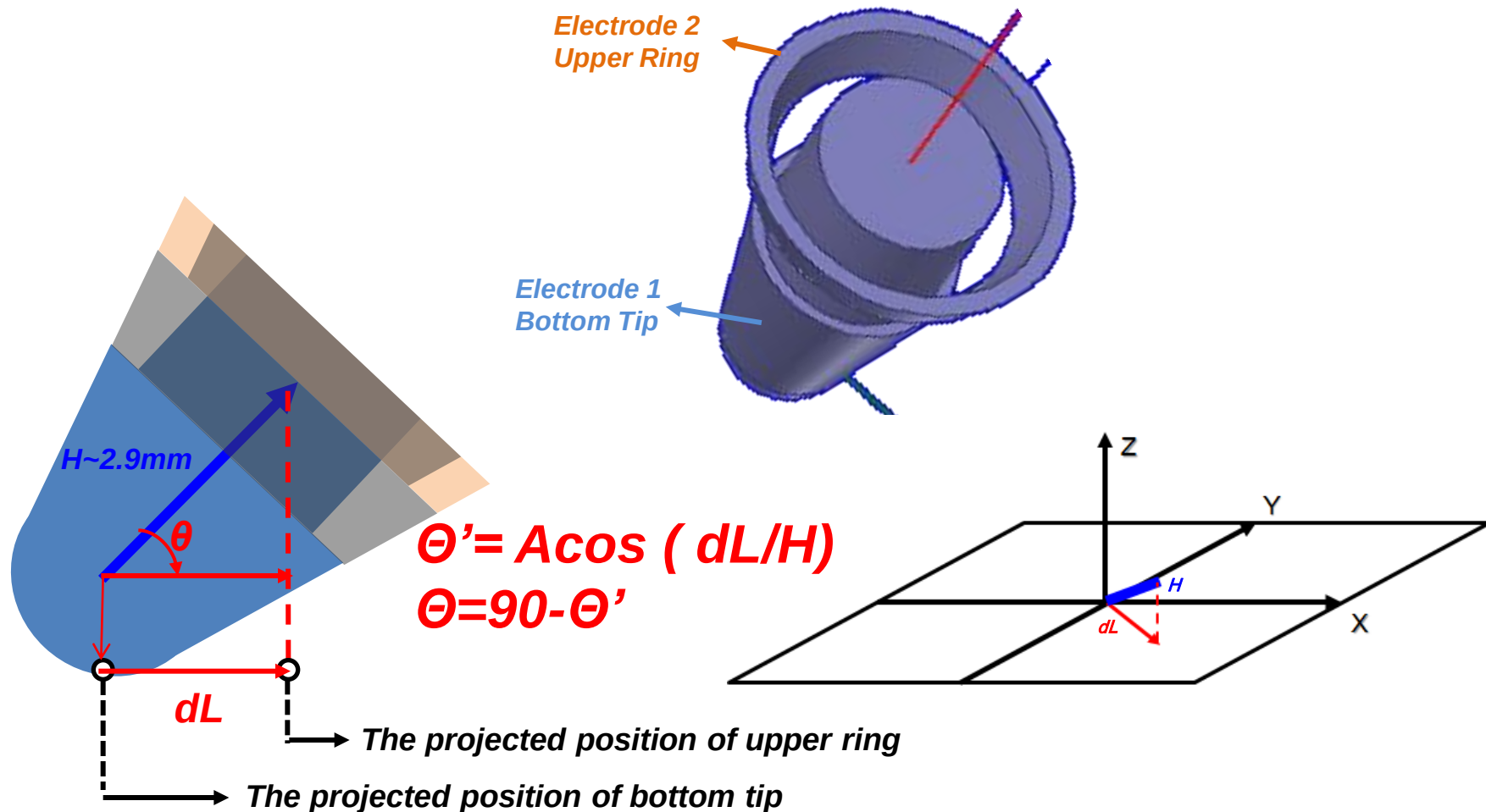
Microsoft Pen's Pressure Sensor on Windows Platform



New Feature: Tilt Enabled within Windows



Using Dual Electrode Pen Design for Tilt & Angle Detection



Compensation for Non-Linear Sensor Pattern Through ELAN's Algorithm



AES / MPP Protocol Update

	AES 1.0	AES 2.0	MPP 1.51 *Surface Pro 4	MPP 1.8 *Surface Pro 2017
Communication	1-Way	2-Way	1-Way	1-Way
Report Rate	200Hz	240Hz	133Hz	266Hz
Simultaneous Pen & Touch	N/A	Yes	Yes	Yes
Pressure Level	4096	4096	1024	4096
Tilt Sensitivity	N/A	Yes	N/A	Yes
Latency	End 2 End – OS/System Dependent			
Down Frequency	1.8MHz	1.8MHz	below 250kHz	below 250kHz
Protocol Released Date	Released	N/A	Released	December 2017

*Specification by reverse analysis on New Surface Pro



Q & A

Smart-Touchscreen™



Active Pen
Passive Pen



Moisture Proof



Support Glove

Smart-ClickPad™



Smart-Touch™



Fingerprint Smart-ID™



360° Camera

