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)

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

(unaudited brand consolidated financials)

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

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

2Q 2016
- Mobile: 18%
- PC: 65%
- Component: 14%
- IoT: 3%

2Q 2015
- Mobile: 22%
- PC: 61%
- Component: 14%
- IoT: 3%
Region Mix

2Q 2016
- Americas: 23%
- EURP: 35%
- ASIA: 42%

2Q 2015
- Americas: 21%
- EURP: 30%
- ASIA: 49%
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
New Ubiquitous Computing Era

Cloud (Big Data)
- Generating
- Interacting
- Flowing

- Accessing
- Screening
- Sharing

PC
VR/AR
Mobile
IOT
Robotics
**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
World’s NO.1 Performing Gaming Notebook

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

1+1>2
Dual NV Pascal 1080 Graphics Cards

GT51

G31
<table>
<thead>
<tr>
<th>Quarter</th>
<th>YoY PC</th>
<th>Q2 YoY PC</th>
<th>16%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Q3 YoY PC (e)</td>
<td>98%</td>
</tr>
</tbody>
</table>

Zen PC
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

Top-notch Competition

Redefine Beauty and Performance of Superphone

Zenfone 3

$200
$100
Gen1

$249
$100
Gen2

$399
$100
Gen3

Zenfone 3 Deluxe

Zenfone 3 Ultra
Zenfone 3
Built for Photography
Zenfone 3

STRONG DEMAND

Vietnam
Taiwan
Thailand
Hong Kong
Malaysia
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

Invisible Antenna
Snapdragon 821 @2.4GHz
6GB RAM + 256GB UFS 2.0 ROM
Camera  Sony IMX 318

15:39
Mon, May 30, Taipei 8:00 AM, Sunny

Swipe to unlock

1

World’s 1st
Invisible Antenna
Snapdragon 821 @2.4GHz
6GB RAM + 256GB UFS 2.0 ROM
Camera  Sony IMX 318

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
Thank you