Macronix International Co., Ltd.
Third Quarter 2016 Results

October 27, 2016

Disclaimer

The presentation and discussion contain certain forward-looking statements with respect to the results of operation, financial condition and current expectation. The forward-looking statements are subject to known and unknown uncertainties and risks that could cause actual results to differ materially from those expressed or implied by such statements.

Such risks and uncertainties include but are not limited to the impact of competitive products and pricing, timely design acceptance by our customers, timely introduction of new technologies, ability to ramp new products into volume, industry wide shifts in supply and demand for semiconductor products, industry overcapacity, availability of manufacturing capacity, financial stability in end markets, and other risks.

The forward-looking statements in this release reflect the current belief of Macronix as of the date of this release and Macronix undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such date.

Agenda

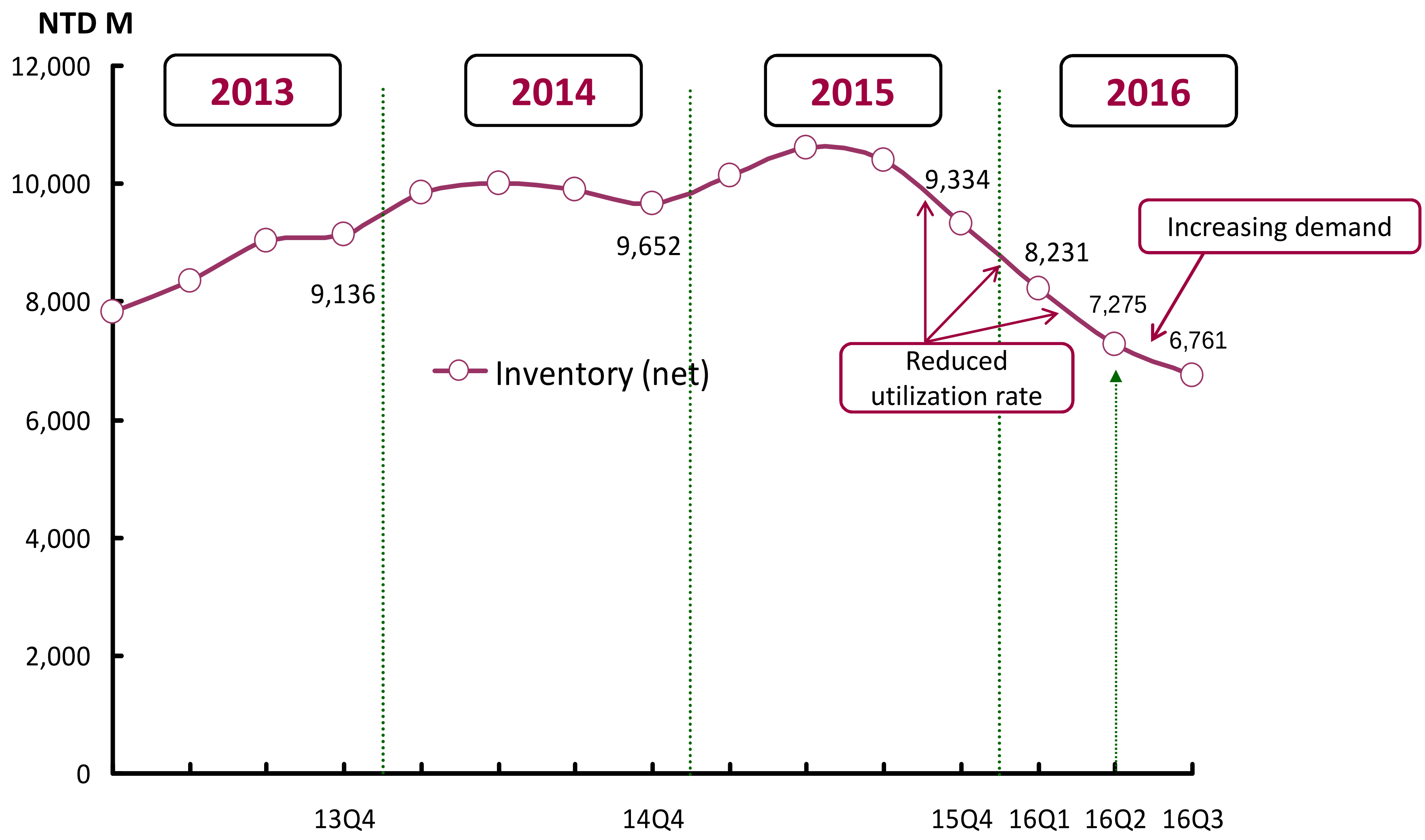
Welcome	**Miin Wu**
2016Q3 Financial Results	Paul Yeh
Business Update	Miin Wu
Remarks and Q&A	Miin Wu

Financial Highlights

	2016Q3 Actual	2016Q2 Actual
Revenue	NT$7.1 B	NT$ 5.2B
Gross margin %	31%	14%
Operating margin %	10%	-16%

- ✓ Revenue sequentially increased by 37% because of strong demand in ROM(+269% QoQ), NOR(+9%) and NAND(+40%) product lines
- ✓ Gross margin sequentially increased by 17ppt mainly because of reversal of inventory loss provision

Inventory trend



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Quarterly Consolidated Statements of Comprehensive Income

Unit: NTD Million (except EPS)

	2016/Q3	2016/Q2	2015/Q3	QoQ Change	YoY Change
Net Sales	7,092	5,181	5,647	37%	26%
Gross Profit	2,176	707	786	208%	177%
Gross Margin%	31%	14%	14%	17ppt	17ppt
Operating Expenses	(1,500)	(1,553)	(1,836)	(3%)	(18%)
Operating Income	676	(846)	(1,050)	-	-
Operating Margin%	10%	(16%)	(19%)	26ppt	29ppt
Net Non-Operating Income (Loss)	(41)	11	104		
Income Before Taxes	635	(835)	(946)	-	-
Income Taxes	(2)	144	(5)	-	-
Net Income	633	(691)	(951)	-	-
Other Comprehensive Income	187	(135)	(119)	-	-
Comprehensive Income	820	(825)	(1,070)	-	-
Net Income(Loss) Attributable to :					
Shareholders of the Parent	633	(689)	(949)	-	-
Noncontrolling Interests	(0)	(2)	(2)		
EPS* (NT$)	0.18	(0.19)	(0.27)	-	-
EBITDA	1,219	(237)	594		
Weighted Avg Outstanding Million Shares	*3,550*	*3,546*	*3,519*		

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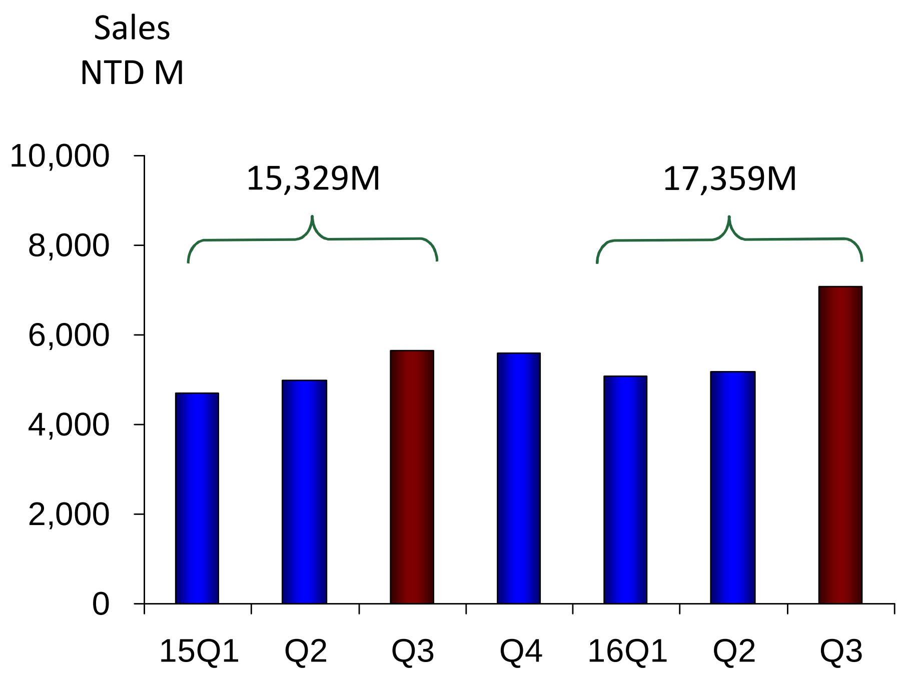
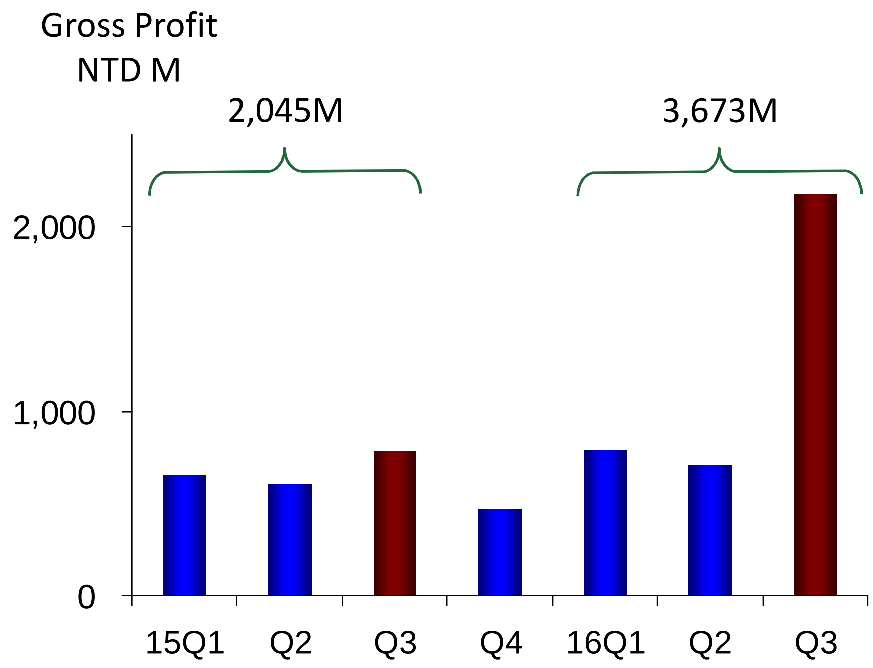
2016Q3 Financial Highlights

2016 YTD Sales = NTD 17,359M
+13% YoY

2016 YTD GP = NTD 3,673M
+80% YoY

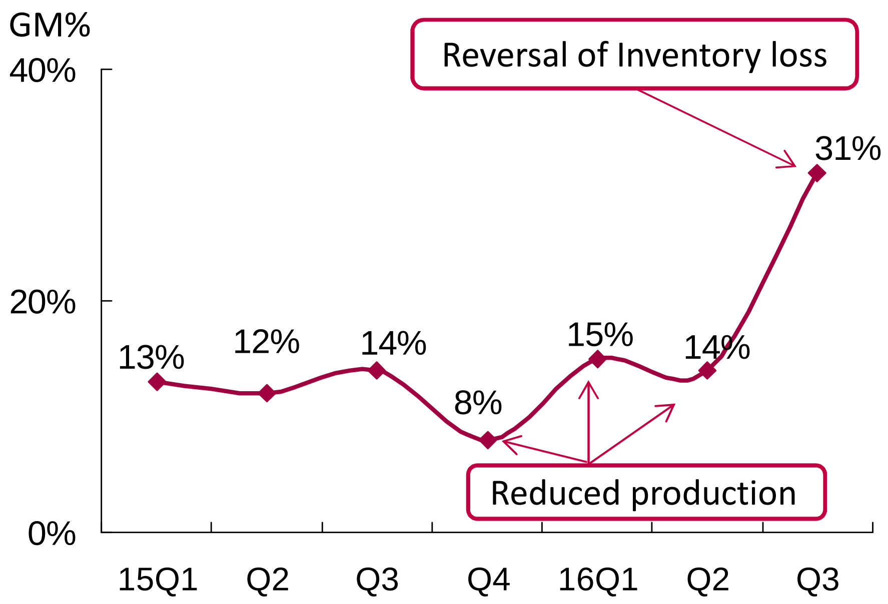




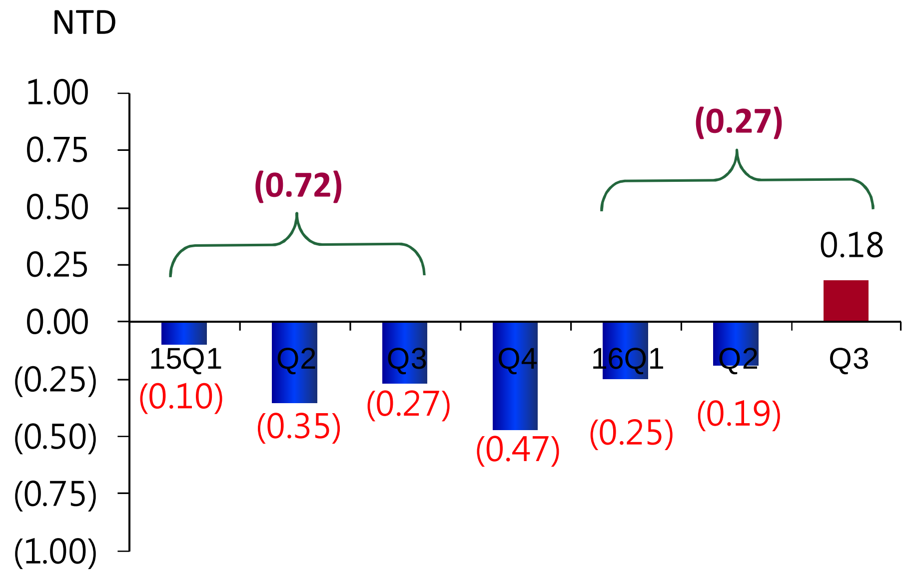
2016Q3 Financial Highlights

	2016Q3	2015Q3
Gross Margin (%)	31%	14%
EPS -- NT$	0.18	(0.27)

Gross Margin (%)



EPS



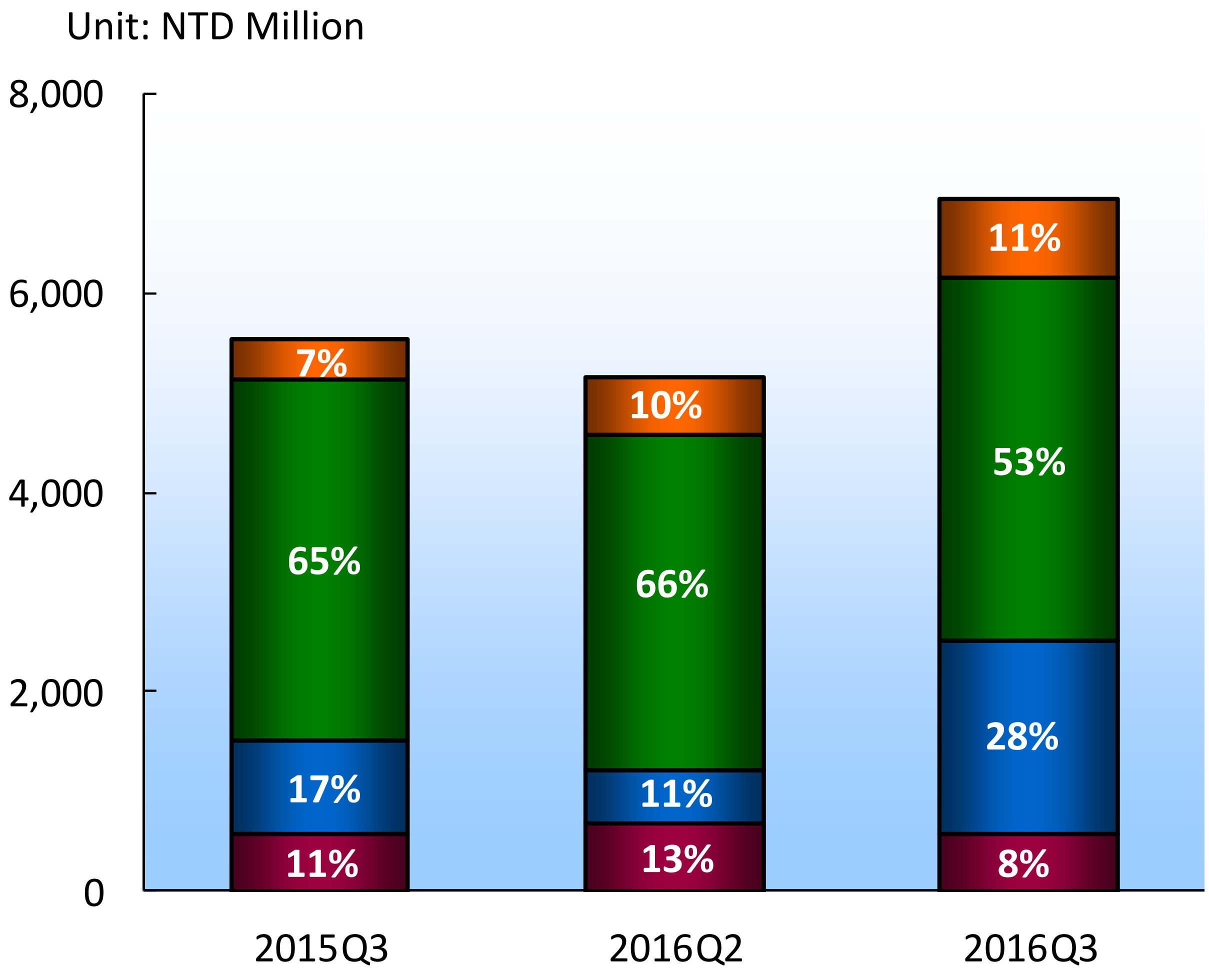
Quarterly Consolidated Balance Sheet / Cash Position

Unit: NTD Million

	2016/09/30	2016/06/30
Cash	5,393	5,409
Inventory(Net)	6,761	7,275
Property, Plant and Equipment	15,820	16,198
Total Assets	35,373	34,868
Interest bearing debt - short term	5,641	6,274
Interest bearing debt - long term	6,642	6,972
Total Liabilities	17,796	18,146
Shareholders' Equity	17,577	16,722
Debt Ratio (%)	50.3%	52.0%
Book Value -- NT$	4.87	4.63

Quarterly Highlight	2016/Q3	2016/Q2
Depreciation & Amortization	510	513
Capital Expenditures	(245)	(393)
Cash Flow from Operating	1,214	731

Quarterly Sales Breakdown by Products (Parent Company)



	QoQ Change	YoY Change
NAND	+40%	+93%
NOR	+9%	+1%
ROM	+269%	+109%
FBG	-18%	-3%

* FBG (foundry business group)

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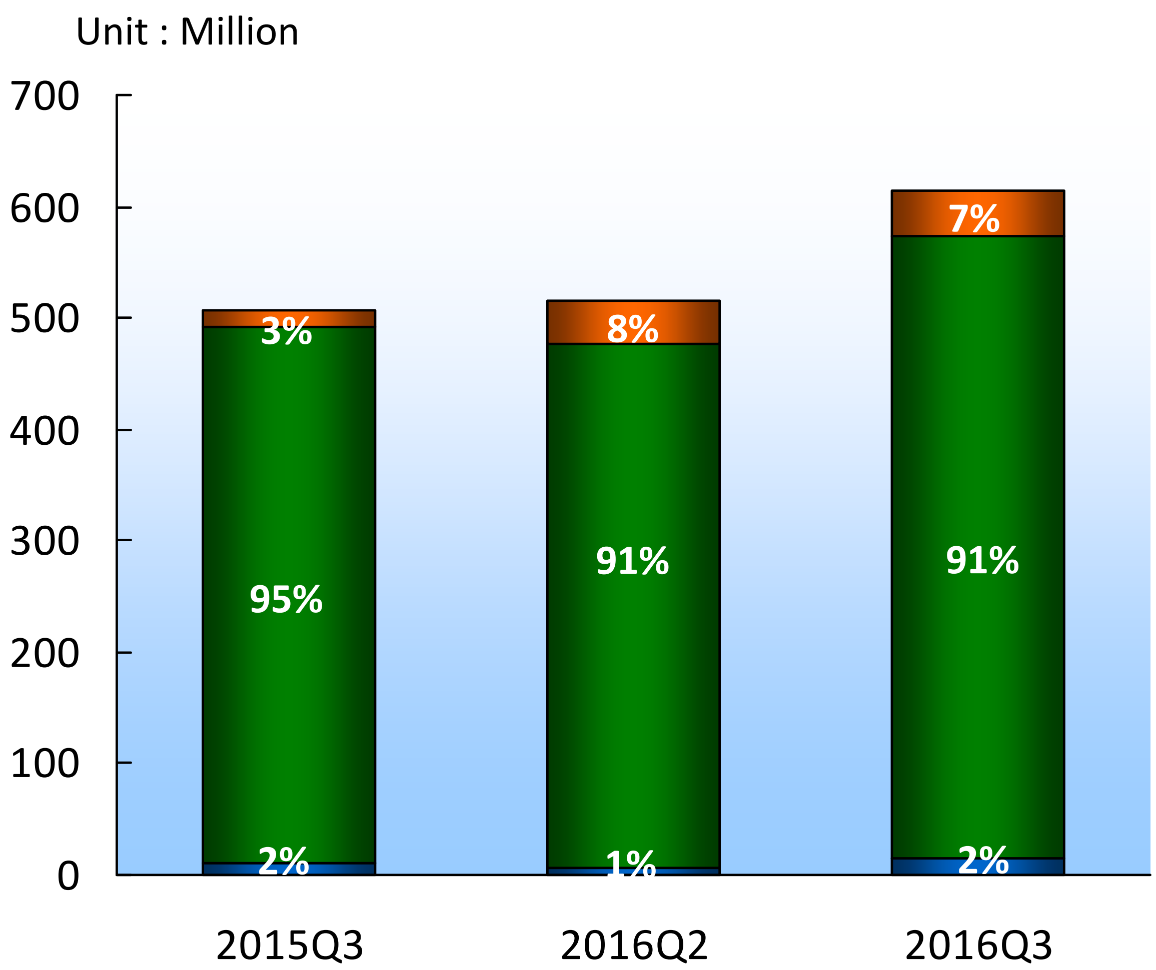
Quarterly Quantity Breakdown by Products (Parent Company)



	QoQ Change	YoY Change
NAND	+4%	+164%
NOR	+18%	+16%
ROM	+153%	+34%
FBG	-17%	+0%

* Equivalent 8" WF base for FBG (foundry business group)

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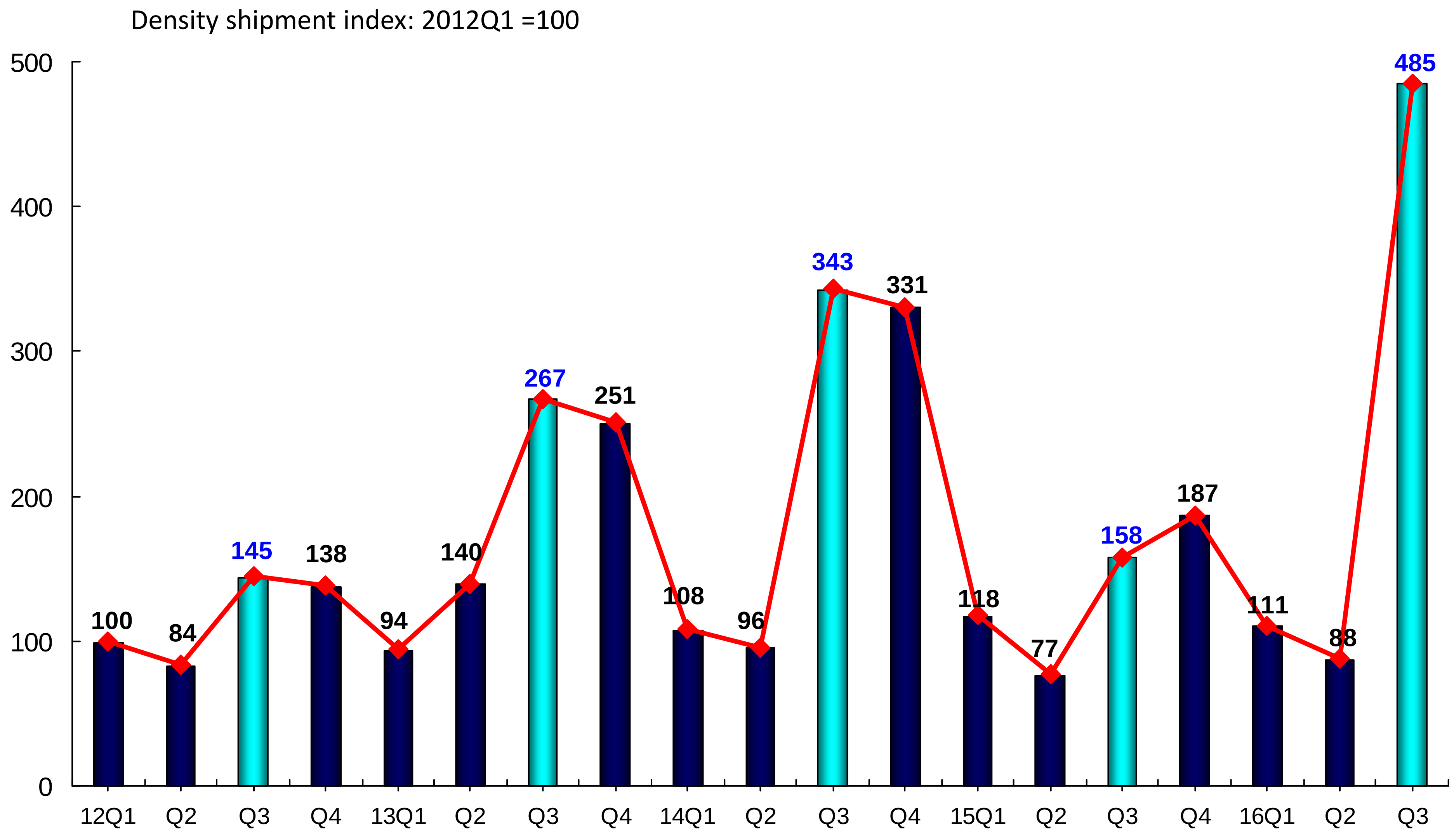
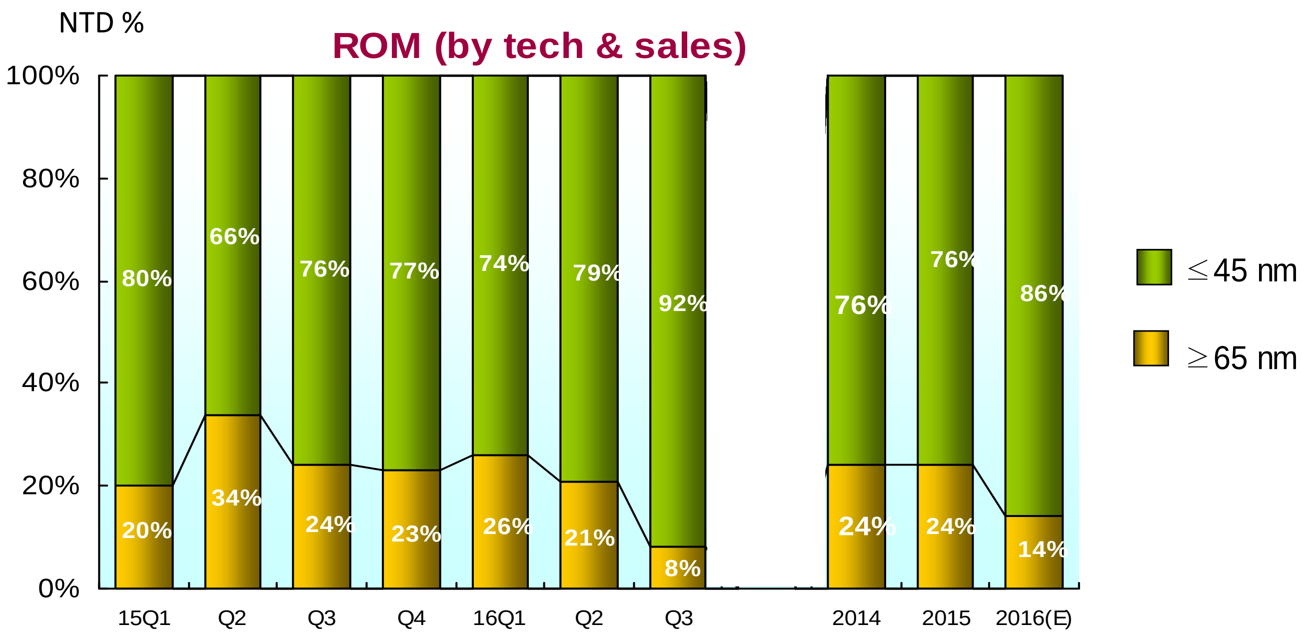
Business update - ROM equivalent density shipment



Current status of ROM memory business

➢ROM business

- ≤45nm products represented 92% of ROM business in 2016Q3
- ROM business is the key growth momentum in 2016Q3 because of big titles launched by key customer



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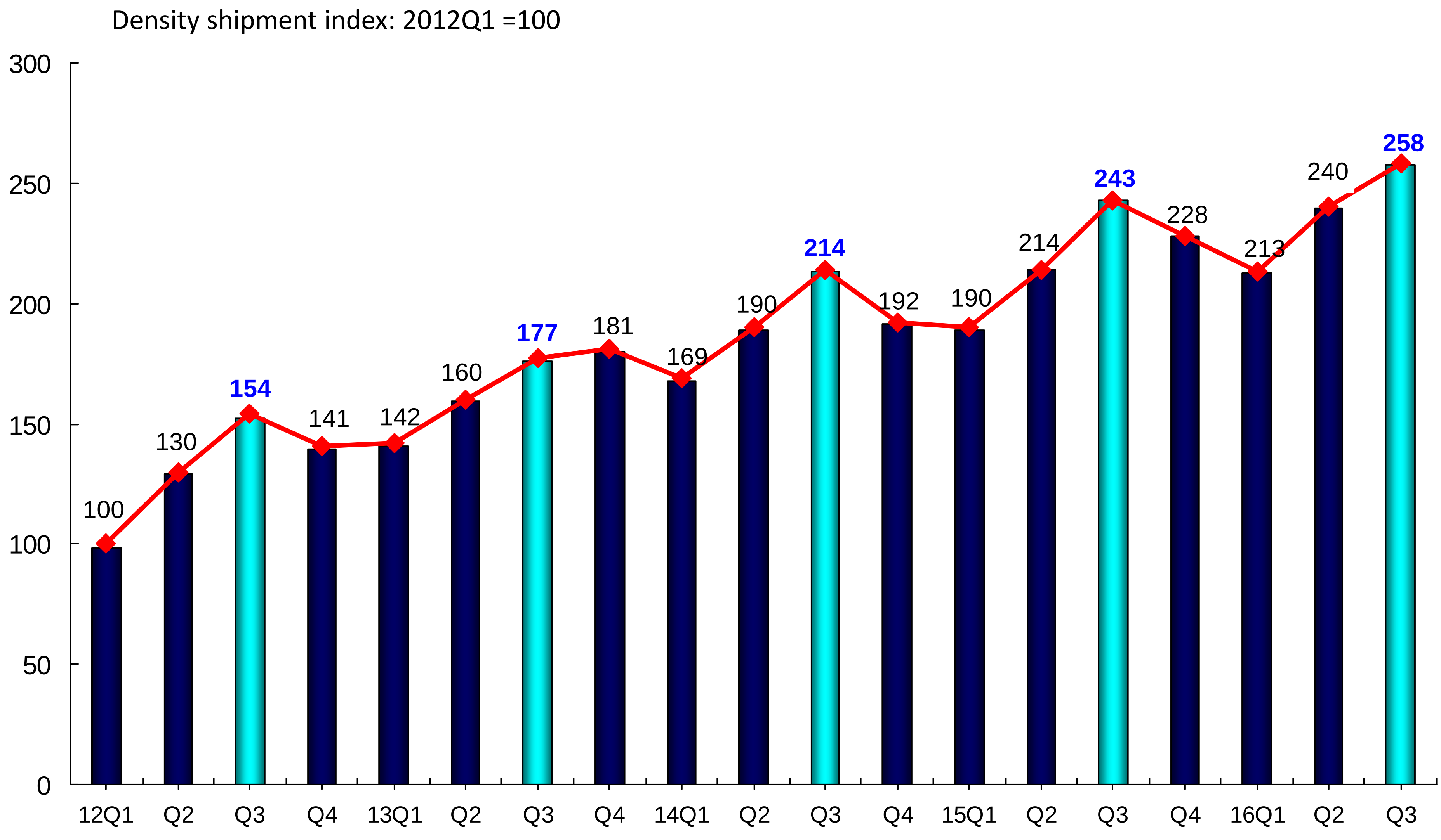
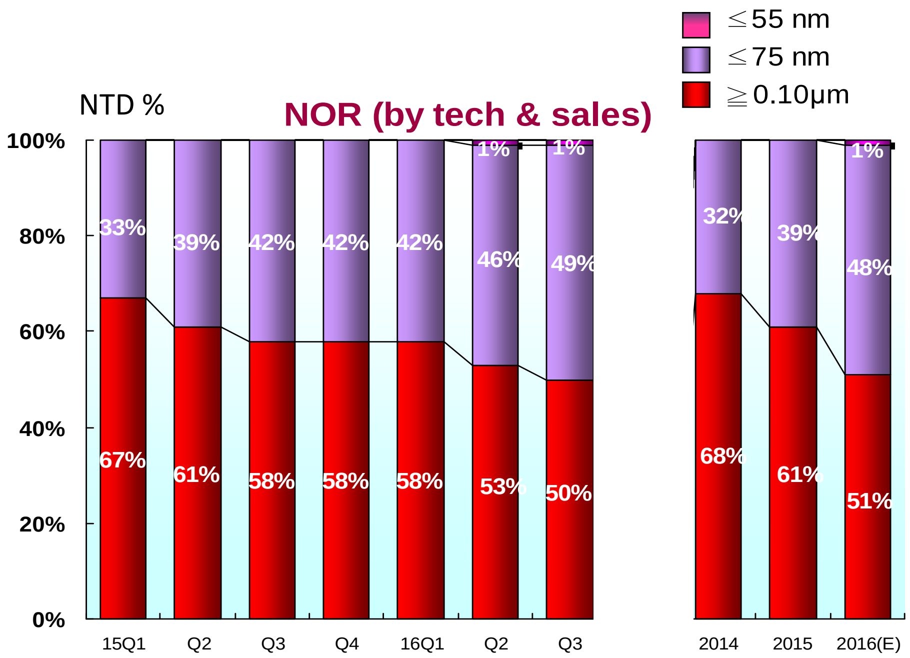
Business update – NOR equivalent density shipment



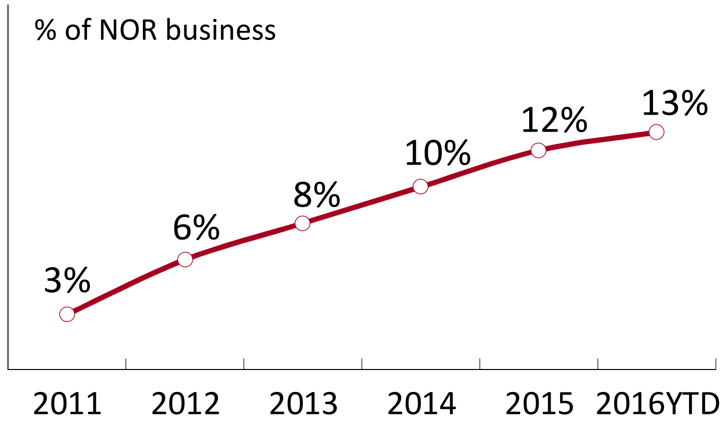
Current status of NOR memory business

➢NOR flash business

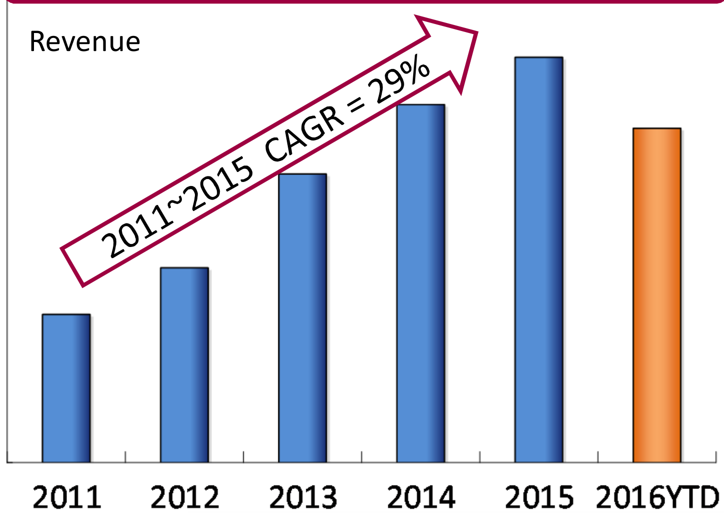
- ≤75nm products represented 50% of NOR business in 2016Q3
- Seeing strong demand in various applications



Rev contribution form automotive segment



Speedy growth in automotive segment



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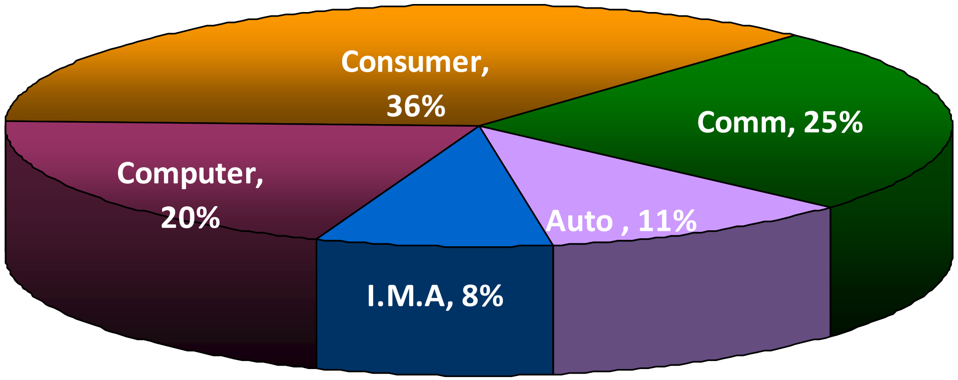
Business update – NOR flash breakdown

2016Q3 NOR Revenue breakdown

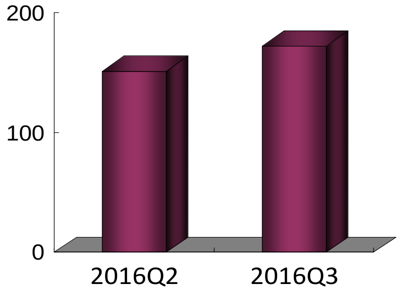


* **Comm:** including handsets
* **I**(Industrial), **M**(Medical), **A**(Aerospace-defense)

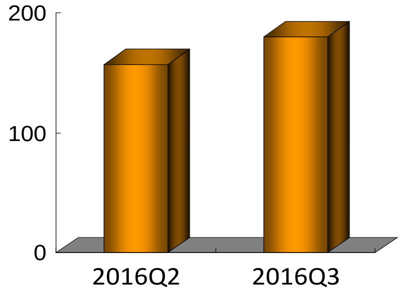
2016Q3 NOR QTY

QTY. (M ea)

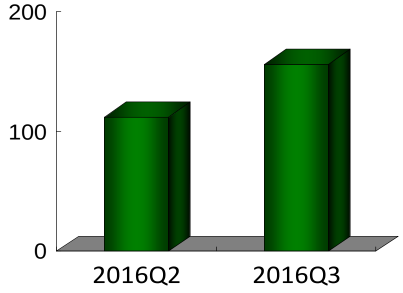
Computer
+14% QoQ
+29% YoY



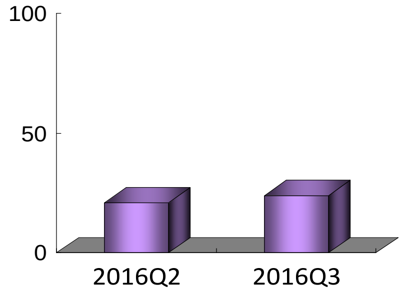
Consumer
+14% QoQ
+9% YoY



Communication
+39% QoQ
+22% YoY



Automotive
+12% QoQ
+11% YoY

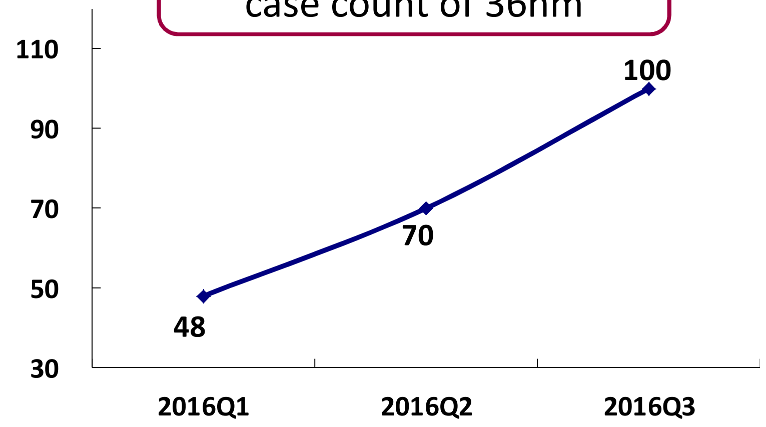


Business update – SLC NAND breakdown & outlook

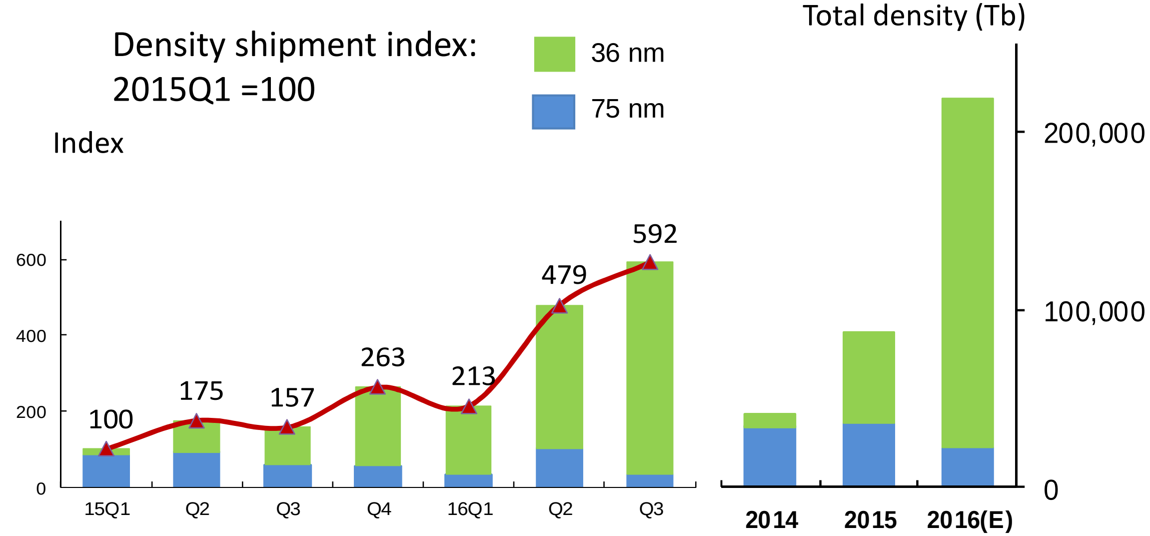
➢SLC NAND flash business

- Increasing design-win cases of advanced technology is the growth driver
- Keeps on robust growth and will be a key growth momentum of company

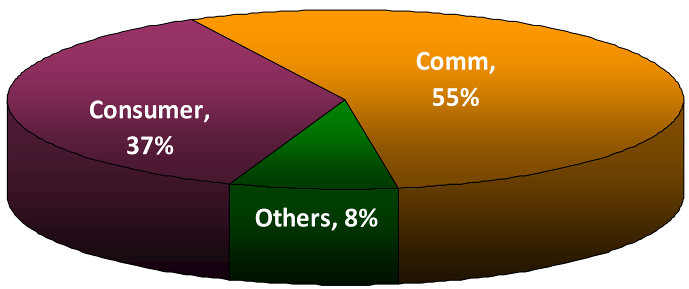
Quarterly design-win case count of 36nm



SLC NAND Flash equivalent density shipment



2016Q3 NAND Revenue breakdown

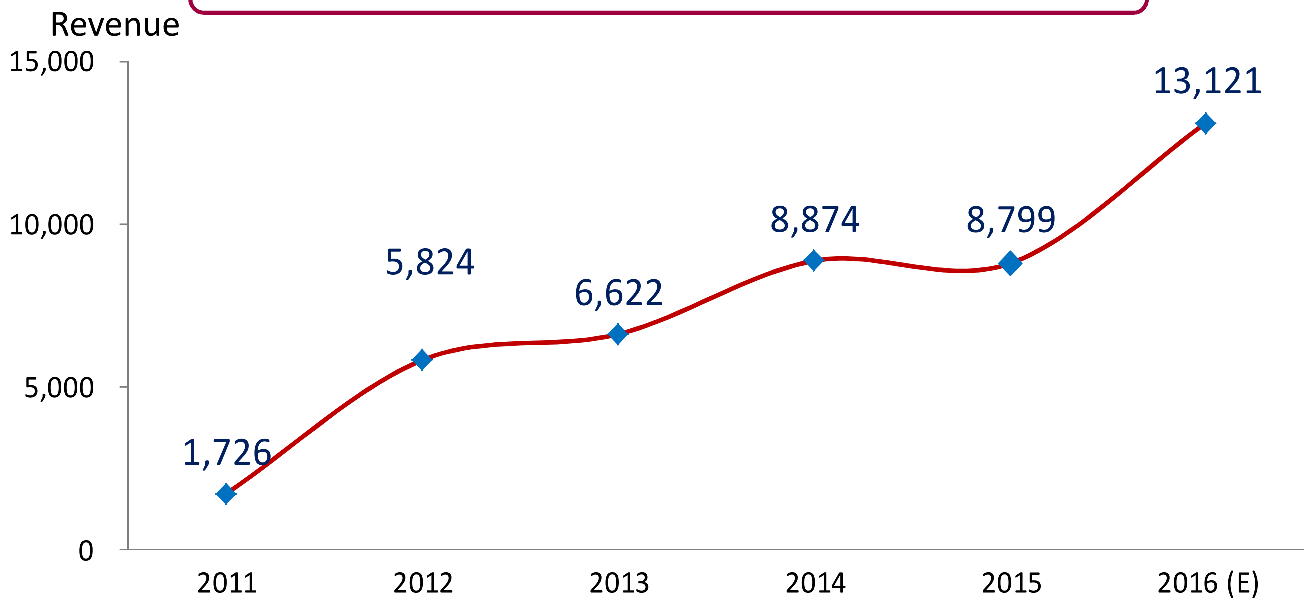


Prudent capex plan

➢Prudent investment for bottleneck breakthrough of capacity

- Capacity is reaching fully utilized and shipment is in allocation mode
- Additional capex of NTD650M approved by BOD for advanced technology and high-end products
- With proper arrangement, capacity of advanced technology will increase by ~4K wafers/month

The competence of Fab5 (12") is taking off



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For more information regarding Macronix
http://www.macronix.com

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