AU Optronics Corp.
Fourth Quarter 2015 Results Investor Conference
友達光電
2015年第四季法人說明會

Jan. 28, 2016

Safe Harbor Notice

- The statements included in this presentation that are not historical in nature are "forward-looking statements" within the meaning of Section 27A of the United States Securities Act of 1933 and Section 21E of the United States Securities Exchange Act of 1934. These forward-looking statements, which may include statements regarding AU Optronics' future results of operations, financial condition or business prospects, are subject to significant risks and uncertainties and are based on AU Optronics' current expectations.

- Actual results may differ materially from those expressed or implied in these forward-looking statements for a variety of reasons, including, among other things: the cyclical nature of our industry; our dependence on introducing new products on a timely basis; our dependence on growth in the demand for our products; our ability to compete effectively; our ability to successfully expand our capacity; our dependence on key personnel; general economic and political conditions, including those related to the TFT-LCD industry; possible disruptions in commercial activities caused by natural and human-induced disasters, including terrorist activity and armed conflict; and fluctuations in foreign currency exchange rates.

- Beginning on January 1, 2013, we have adopted the International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") to the extent endorsed by the ROC Financial Supervisory Commission ("FSC") ("Taiwan IFRS") for reporting our annual and interim consolidated financial statements in the ROC in accordance with the requirements of the FSC. All financial information contained herewithin is presented in conformity with Taiwan IFRS. Readers should be cautioned that Taiwan IFRS differs in many material respects from IFRS including to the extent that any new or amended standards or interpretations applicable under IFRS may not be timely endorsed by the FSC.

- Our release of financial forecasts and forward-looking statements at any particular time does not create any duty of disclosure beyond that which is imposed by law, and we expressly disclaim any obligation to publicly update or revise any forecasts or forward-looking statements, whether as a result of new information, future events or otherwise.

Statement of Comprehensive Income

Selected Items from Statement of Comprehensive Income

Amount : NT$ Million

	4Q15		3Q15		QoQ %	4Q14	
Net Sales	**83,442**	**100.0%**	**89,299**	**100.0%**	**(6.6%)**	**105,449**	**100.0%**
Cost of Goods Sold	(78,954)	(94.6%)	(80,151)	(89.8%)	(1.5%)	(89,828)	(85.2%)
Gross Profit	**4,489**	**5.4%**	**9,148**	**10.2%**	**(50.9%)**	**15,621**	**14.8%**
Operating Expenses	(5,659)	(6.8%)	(5,755)	(6.4%)	(1.7%)	(6,798)	(6.4%)
Operating Profit (Loss)	**(1,171)**	**(1.4%)**	**3,393**	**3.8%**	–	**8,823**	**8.4%**
Net Non-operating Income(Expenses)	(6,859)	(8.2%)	515	0.6%	–	(890)	(0.8%)
Profit (Loss) before Tax	**(8,030)**	**(9.6%)**	**3,909**	**4.4%**	–	**7,933**	**7.5%**
Net Profit (Loss)	**(8,239)**	**(9.9%)**	**3,379**	**3.8%**	–	**6,575**	**6.2%**
Attributable to:							
Owners of Company	(8,182)	(9.8%)	3,463	3.9%	–	6,004	5.7%
Non-controlling Interests	(58)	(0.1%)	(84)	(0.1%)	(31.1%)	571	0.5%
Net Profit (Loss)	**(8,239)**	**(9.9%)**	**3,379**	**3.8%**	–	**6,575**	**6.2%**
Basic EPS (NT$)[(a)]	**(0.85)**		**0.36**		–	**0.62**	
Operating Profit + D&A	**9,371**	**11.2%**	**14,872**	**16.7%**	**(37.0%)**	**22,339**	**21.2%**
Display Segment Information:							
Net Sales	76,129	100.0%	82,236	100.0%	(7.4%)	99,385	100.0%
Operating Profit (Loss)	(735)	(1.0%)	3,615	4.4%	–	9,225	9.3%
Operating Profit + D&A	9,019	11.8%	14,372	17.5%	(37.2%)	21,831	22.0%
Unit Shipments (mn)[(b)]							
Large Size Panels	**27.6**		**26.3**		**4.8%**	**29.4**	
Small & Medium Size Panels	**33.4**		**48.7**		**(31.4%)**	**42.7**	

– Unaudited, prepared by AUO based on Taiwan IFRS

a) Basic EPS in both 4Q15 and 3Q15 were calculated based on the weighted average outstanding shares of 2015 (9,624m shares); Basic EPS in 4Q14 was calculated based on the weighted average outstanding shares of 2014 (9,624m shares).

b) Large size refers to panels that are 10 inches and above

Statement of Comprehensive Income

Selected Items from Statement of Comprehensive Income

Amount : NT$ Million

	FY 2015		FY 2014		YoY %
Net Sales	**360,346**	**100.0%**	**408,179**	**100.0%**	**(11.7%)**
Cost of Goods Sold	(320,509)	(88.9%)	(359,668)	(88.1%)	(10.9%)
Gross Profit	**39,837**	**11.1%**	**48,511**	**11.9%**	**(17.9%)**
Operating Expenses	(22,316)	(6.2%)	(26,345)	(6.5%)	(15.3%)
Operating Profit	**17,521**	**4.9%**	**22,165**	**5.4%**	**(21.0%)**
Net Non-operating Expenses	(9,922)	(2.8%)	(2,185)	(0.5%)	354.1%
Profit before Tax	**7,599**	**2.1%**	**19,980**	**4.9%**	**(62.0%)**
Net Profit	**4,843**	**1.3%**	**18,065**	**4.4%**	**(73.2%)**
Attributable to:					
Owners of Company	4,932	1.4%	17,628	4.3%	(72.0%)
Non-controlling Interests	(89)	(0.0%)	436	0.1%	–
Net Profit	**4,843**	**1.3%**	**18,065**	**4.4%**	**(73.2%)**
Basic EPS (NT$)[(a)]	**0.51**		**1.83**		**(72.0%)**
Operating Profit + D&A	**65,267**	**18.1%**	**79,068**	**19.4%**	**(17.5%)**
ROE[(b)]	**2.7%**		**10.2%**		**(73.4%)**
Display Segment Information:					
Net Sales	333,392	100.0%	384,335	100.0%	(13.3%)
Operating Profit	19,226	5.8%	24,423	6.4%	(21.3%)
Operating Profit + D&A	64,016	19.2%	77,574	20.2%	(17.5%)
Unit Shipments (mn)[(c)]					
Large Size Panels	**105.7**		**116.9**		**(9.6%)**
Small & Medium Size Panels	**172.8**		**170.7**		**1.2%**

– Unaudited, prepared by AUO based on Taiwan IFRS

a) Basic EPS in both 2015 and 2014 were calculated based on the weighted average outstanding shares of 9,624m shares.

b) ROE was based on average equity attributable to shareholders of the parent company

c) Large size refers to panels that are 10 inches and above

Consolidated Balance Sheet Highlights

Amount : NT$ Million

	4Q15	3Q15	QoQ %	4Q14
Cash & ST Investment[a]	78,881	76,915	2.6%	81,965
Inventory	31,796	38,099	(16.5%)	36,420
Short Term Debt[b]	40,701	51,093	(20.3%)	56,998
Long Term Debt	68,537	68,008	0.8%	85,689
Equity	204,636	214,107	(4.4%)	200,370
Total Assets	425,554	450,168	(5.5%)	469,860
Inventory Turnover (Days)[c]	40	43		36
Net Debt to Equity[d]	14.8%	19.7%		30.3%

– Unaudited, prepared by AUO based on Taiwan IFRS

a) Excluding time deposit with maturity longer than 3 months (NT$9,998m in 4Q15 , NT$15,262m in 3Q15, and NT$2,100m in 4Q14)
b) Short term debt refers to all interest bearing debt maturing within one year
c) Calculated by dividing the average inventory into the annualized cost of goods sold during such period, then multiplying by 365 days
d) Net Debt to Equity = (Short Term Debt + Long Term Debt - Cash and ST Investment) / Equity

Consolidated Cash Flow Highlights

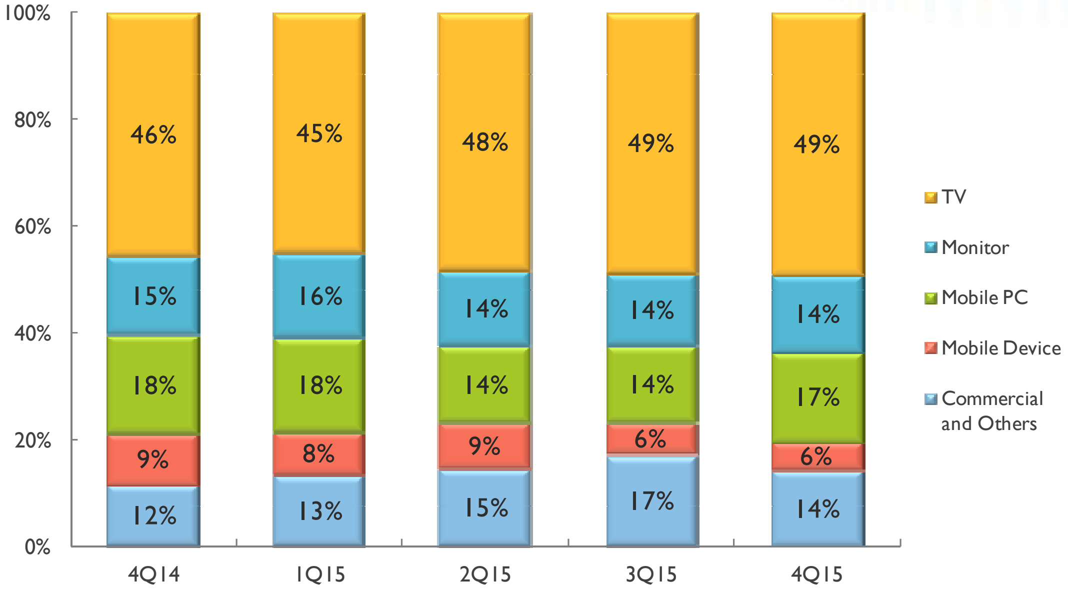
Amount : NT$ Million

	4Q15	3Q15	QoQ
From Operating Activities	**25,318**	**8,029**	**17,289**
Profit (Loss) before Tax	(8,030)	3,909	(11,939)
Depreciation & Amortization	10,542	11,478	(936)
Net Change in Working Capital	16,857	(9,069)	25,925
From Investing Activities	**(13,039)**	**(9,607)**	**(3,431)**
Capital Expenditure	(13,936)	(9,326)	(4,610)
From Financing Activities	**(10,112)**	**(12,350)**	**2,238**
Net Change in Debt	(9,685)	(12,908)	3,223
Net Change in Cash[a]	**1,965**	**(12,839)**	**14,804**

– Unaudited, prepared by AUO based on Taiwan IFRS

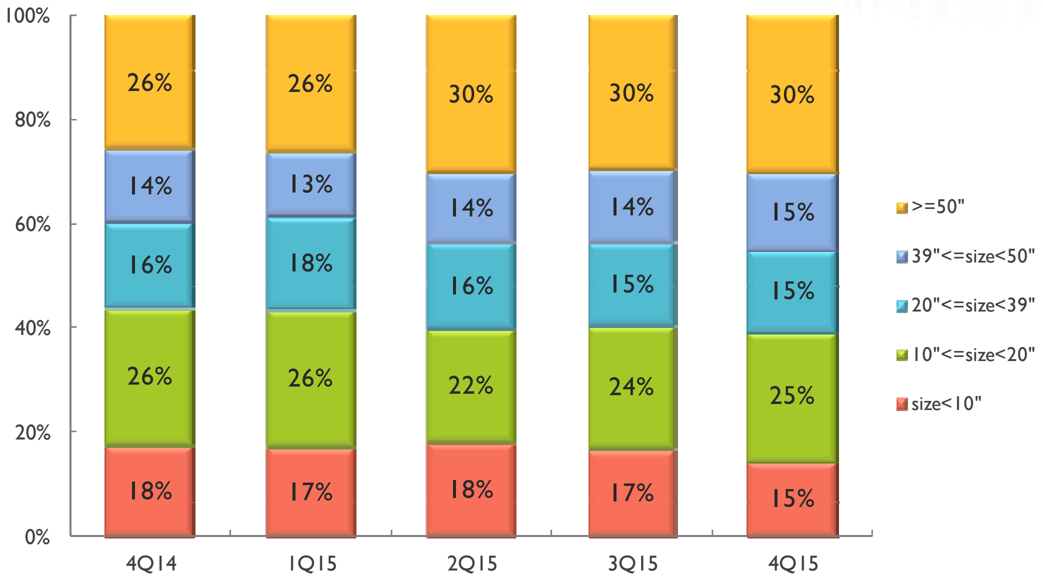
a) In addition to cash generated from operating, investing and financing activities, net change in cash also include effect on currency exchange of foreign subsidiaries

Display Revenue Breakdown by Application



- Unaudited, prepared by AUO based on Taiwan IFRS
- Mobile PC : including Notebook and Tablet displays
- Mobile Device : including displays for mobile phones and other related products
- Commercial and Others: including displays for automobile, industrial PC, ATM, point of sale (POS), pachinko, and etc.

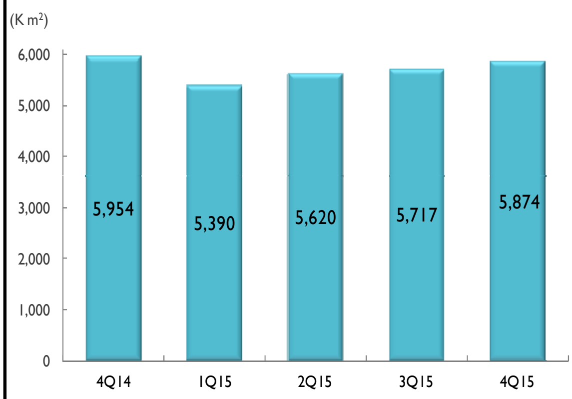
Display Revenue Breakdown by Size



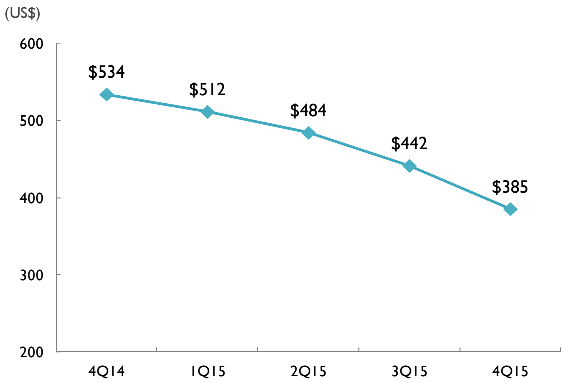
- Unaudited, prepared by AUO based on Taiwan IFRS

Consolidated Shipments & ASP by Area

Shipments in square meter



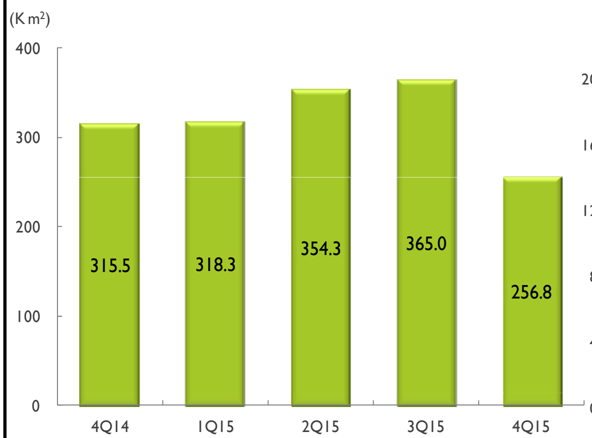
ASP per square meter



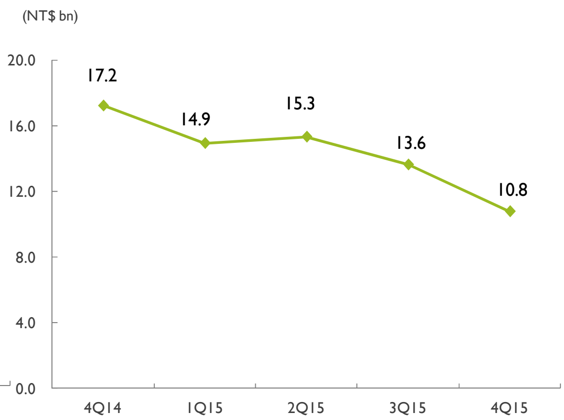
- Unaudited, prepared by AUO based on Taiwan IFRS
- ASP per square meter in US$ was translated from NT$ based on average exchange rates announced by Customs Administration, Ministry of Finance of each respective quarter

Consolidated Small & Medium Panel Shipments by Area & Revenues

Shipments in square meter



Revenues



- Unaudited, prepared by AUO based on Taiwan IFRS
- Small & Medium size refers to panels that are under 10 inches

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AU OPTRONICS CORP.
CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
For the Three Months Ended December 31, 2015 and 2014 and September 30, 2015

(Expressed in Millions of New Taiwan Dollars (NTD) and US Dollars (USD) except for per share amounts and shares outstanding)

	Year over Year Comparison					Sequential Comparison				
	4Q 2015			4Q 2014		4Q 2015			3Q 2015	
	USD	NTD	%	NTD	YoY%	USD	NTD	%	NTD	QoQ%
Net Sales	2,545	83,442	100.0	105,449	(20.9)	2,545	83,442	100.0	89,299	(6.6)
Cost of Goods Sold	2,408	78,954	94.6	89,828	(12.1)	2,408	78,954	94.6	80,151	(1.5)
Gross Profit	137	4,489	5.4	15,621	(71.3)	137	4,489	5.4	9,148	(50.9)
Operating Expenses	173	5,659	6.8	6,798	(16.7)	173	5,659	6.8	5,755	(1.7)
Operating Profit (Loss)	(36)	(1,171)	(1.4)	8,823	–	(36)	(1,171)	(1.4)	3,393	–
Net Non-Operating Income (Expense)	(209)	(6,859)	(8.2)	(890)	670.7	(209)	(6,859)	(8.2)	515	–
Profit (Loss) before Income Tax	(245)	(8,030)	(9.6)	7,933	–	(245)	(8,030)	(9.6)	3,909	–
Income Tax Expense	(6)	(209)	(0.3)	(1,358)	(84.6)	(6)	(209)	(0.3)	(529)	(60.5)
Net Profit (Loss)	(251)	(8,239)	(9.9)	6,575	–	(251)	(8,239)	(9.9)	3,379	–
Other Comprehensive Income (Loss)	(41)	(1,353)	(1.6)	1,854	–	(41)	(1,353)	(1.6)	2,566	–
Total Comprehensive Income (Loss)	(293)	(9,592)	(11.5)	8,429	–	(293)	(9,592)	(11.5)	5,945	–
Net Profit Attributable to:										
Owners of Company	(250)	(8,182)	(9.8)	6,004	–	(250)	(8,182)	(9.8)	3,463	–
Non-controlling Interests	(2)	(58)	(0.1)	571	–	(2)	(58)	(0.1)	(84)	(31.1)
Net Profit (Loss)	(251)	(8,239)	(9.9)	6,575	–	(251)	(8,239)	(9.9)	3,379	–
Total Comprehensive Income Attributable to:										
Owners of Company	(276)	(9,046)	(10.8)	7,462	–	(276)	(9,046)	(10.8)	5,864	–
Non-controlling Interests	(17)	(546)	(0.7)	967	–	(17)	(546)	(0.7)	82	–
Total Comprehensive Income (Loss)	(293)	(9,592)	(11.5)	8,429	–	(293)	(9,592)	(11.5)	5,945	–
Basic Earnings Per Share	(0.03)	(0.85)		0.62		(0.03)	(0.85)		0.36	
Basic Earnings Per ADS(3)	(0.26)	(8.50)		6.24		(0.26)	(8.50)		3.60	
Weighted-Average Shares Outstanding ('M)		9,624		9,624			9,624		9,624	

Note: (1) Unaudited, prepared by AUO based on Taiwan IFRS

(2) Amounts in New Taiwan dollars were translated into US dollars at the exchange rate of NTD 32.79 per USD as of December 31, 2015

(3) 1 ADS equals 10 common shares

AU OPTRONICS CORP.

CONSOLIDATED INCOME STATEMENT

For the Year Ended December 31, 2015 and 2014

(Expressed in Millions of New Taiwan Dollars (NTD) and US Dollars (USD) except for per share amounts and shares outstanding)

	Year over Year Comparison				
	2015			2014	
	USD	NTD	%	NTD	YoY%
Net Sales	10,990	360,346	100.0	408,179	(11.7)
Cost of Goods Sold	9,775	320,509	88.9	359,668	(10.9)
Gross Profit	1,215	39,837	11.1	48,511	(17.9)
Operating Expenses	681	22,316	6.2	26,345	(15.3)
Operating Profit	534	17,521	4.9	22,165	(21.0)
Net Non-Operating Expenses	(303)	(9,922)	(2.8)	(2,185)	354.1
Profit before Income Tax	232	7,599	2.1	19,980	(62.0)
Income Tax Expense	(84)	(2,756)	(0.8)	(1,916)	43.9
Net Profit	148	4,843	1.3	18,065	(73.2)
Other Comprehensive Income(Loss)	(23)	(768)	(0.2)	1,878	–
Total Comprehensive Income	124	4,075	1.1	19,942	(79.6)
Net Profit Attributable to:					
Owners of Company	150	4,932	1.4	17,628	(72.0)
Non-controlling Interests	(3)	(89)	(0.0)	436	–
Net Profit	148	4,843	1.3	18,065	(73.2)
Total Comprehensive Income Attributable to:					
Owners of Company	148	4,839	1.3	19,087	(74.6)
Non-controlling Interests	(23)	(764)	(0.2)	855	–
Total Comprehensive Income	124	4,075	1.1	19,942	(79.6)
Basic Earnings Per Share	0.02	0.51		1.83	
Basic Earnings Per ADS(3)	0.16	5.12		18.32	
Weighted-Average Shares Outstanding ('M)		9,624		9,624	

Note: (1) Unaudited, prepared by AUO based on Taiwan IFRS

(2) Amounts in New Taiwan dollars were translated into US dollars at the exchange rate of NTD 32.79 per USD as of December 31, 2015

(3) 1 ADS equals 10 common shares

AU OPTRONICS CORP.
CONSOLIDATED BALANCE SHEET
December 31, 2015 and 2014
(Expressed in Millions of New Taiwan Dollars (NTD) and US Dollars (USD))

	December 31, 2015			December 31, 2014		YoY	
ASSETS	USD	NTD	%	NTD	%	NTD	%
Cash and Cash Equivalents	2,406	78,881	18.5	81,965	17.4	(3,085)	(3.8)
Notes & Accounts Receivables	1,063	34,840	8.2	59,621	12.7	(24,781)	(41.6)
Other Current Financial Assets	364	11,948	2.8	3,157	0.7	8,791	278.4
Inventories	970	31,796	7.5	36,420	7.8	(4,625)	(12.7)
Other Current Assets	138	4,527	1.1	4,450	0.9	77	1.7
Total Current Assets	4,940	161,992	38.1	185,615	39.5	(23,622)	(12.7)
Long-term Investments	444	14,550	3.4	14,874	3.2	(324)	(2.2)
Net Fixed Assets	6,367	208,786	49.1	231,815	49.3	(23,029)	(9.9)
Other Assets	1,227	40,227	9.5	37,557	8.0	2,670	7.1
Total Assets	12,978	425,554	100.0	469,860	100.0	(44,305)	(9.4)
LIABILITIES							
Short-term Borrowings	49	1,594	0.4	381	0.1	1,212	317.9
Accounts Payable	1,874	61,443	14.4	74,881	15.9	(13,438)	(17.9)
Current Installments of Long-term Borrowings	1,193	39,108	9.2	41,507	8.8	(2,399)	(5.8)
Current Installments of Bonds Payable	0	0	0.0	15,110	3.2	(15,110)	(100.0)
Current Financial Liabilities	17	554	0.1	233	0.0	321	137.7
Accrued Expense & Other Current Liabilities	946	31,029	7.3	35,832	7.6	(4,802)	(13.4)
Machinery and Equipment Payable	232	7,622	1.8	4,497	1.0	3,125	69.5
Total Current Liabilities	4,311	141,349	33.2	172,440	36.7	(31,091)	(18.0)
Long-term Borrowings	2,090	68,537	16.1	85,689	18.2	(17,152)	(20.0)
Non Current Financial Liabilities	0	11	0.0	7	0.0	4	51.4
Other Long-term Liabilities	336	11,020	2.6	11,353	2.4	(333)	(2.9)
Total Long-term Liabilities	2,427	79,568	18.7	97,049	20.7	(17,481)	(18.0)
Total Liabilities	6,737	220,918	51.9	269,490	57.4	(48,572)	(18.0)
EQUITY							
Common Stock	2,935	96,242	22.6	96,242	20.5	0	0.0
Capital Surplus	1,837	60,250	14.2	59,258	12.6	992	1.7
Retained Earnings	622	20,407	4.8	20,529	4.4	(122)	(0.6)
Other Equity	155	5,086	1.2	4,946	1.1	140	2.8
Non-Controlling Interests	691	22,651	5.3	19,395	4.1	3,256	16.8
Total Equity	6,241	204,636	48.1	200,370	42.6	4,266	2.1
Total Liabilities & Equity	12,978	425,554	100.0	469,860	100.0	(44,305)	(9.4)

Note: (1) Unaudited, prepared by AUO based on Taiwan IFRS

(2) Amounts in New Taiwan dollars were translated into US dollars at the exchange rate of NTD 32.79 per USD as of December 31, 2015

(3) Cash and Cash Equivalents excluding time deposit with maturity longer than 3 months

AU OPTRONICS CORP.

CONSOLIDATED STATEMENT OF CASH FLOW

For the Period Ended December 31, 2015 and 2014

(Expressed in Millions of New Taiwan Dollars (NTD) and US Dollars (USD))

	2015		2014
	USD	NTD	NTD
Cash Flow from Operating Activities:			
Profit before Income Taxes	232	7,599	19,980
Depreciation & Amortization	1,456	47,746	56,903
Share of Profit of Equity-Accounted Investees	(14)	(449)	(500)
Changes in Working Capital	10	320	(13,068)
Changes in Others	207	6,788	77
Net Cash Provided by Operating Activities	1,891	62,003	63,393
Cash Flow from Investing Activities:			
Acquisition of Property, Plant and Equipment	(1,020)	(33,440)	(16,971)
Proceeds from Disposal of Property, Plant and Equipment	54	1,762	2,003
Acquisition of Equity-Accounted Investees and Financial Assets Carried at Cost	(3)	(85)	(2,531)
Proceeds from Disposal of Equity-Accounted Investees and Financial Assets Carried at Cost	3	100	1,148
Decrease(Increase) in Other Financial Assets	7	227	(84)
Increase in Intangible Assets	(9)	(303)	(291)
Decrease in Other Assets	0	5	515
Cash Increase Resulting from Change in Consolidated Entity	0	0	3,104
Net Cash Used in Investing Activities	(968)	(31,735)	(13,107)
Cash Flow from Financing Activities:			
Increase(Decrease) in Short-term Borrowings	37	1,212	(3,076)
Decrease in Long-term Borrowings and Bonds Payable	(1,085)	(35,580)	(40,404)
Increase(Decrease) in Guarantee Deposits	5	157	(87)
Cash Dividends and Cash Distributed from Capital Surplus	(147)	(4,812)	(1,444)
Changes in Non-Controlling Interests and Others	145	4,745	(31)
Net Cash Used by Financing Activities	(1,045)	(34,277)	(45,041)
Effect of Exchange Rate Changes on Cash	28	924	409
Net Increase(Decrease) in Cash and Cash Equivalents	(94)	(3,085)	5,653
Cash and Cash Equivalents at Beginning of Period	2,500	81,965	76,312
Cash and Cash Equivalents at End of Period	2,406	78,881	81,965

Note: (1) Unaudited, prepared by AUO based on Taiwan IFRS

(2) Amounts in New Taiwan dollars were translated into US dollars at the exchange rate of NTD 32.79 per USD as of December 31, 2015