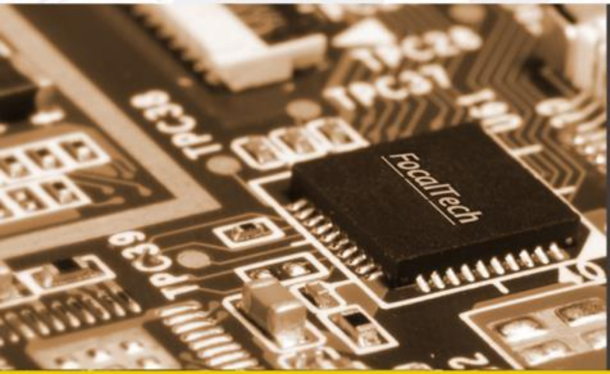
FocalTech

The world leader in human machine interface solutions



FocalTech Investors Conference 2015/08/05

Name

Date

2015 Q2 Financial/Business Summary

- After two quarters of loss, both operating income and net income turned profitable in Q2.

  Q2轉虧為盈，營業利益及淨利皆為獲利。

- The improved financial results in Q2 basically came from 1) market demand rebound, and 2) product mix improvement.

  Q2營運財報的改善，主要來自於市場需求回溫及產品組合變好。

- FocalTech total shipment of Touch Controllers and LCD drivers exceeded 300M units in the first 6 months of 2015. Among them, more than 235M units were for smart phones.

  上半年觸控和驅動IC出貨量超過300佰萬顆，其中超過235佰萬顆為智慧型手機的應用。

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2015 Q2 Financial/Business Summary

- Q2 Revenue is NT$ 3,202 million, up 32% QoQ. (NT$2,429 million in Q1)

  Q2營收為NT$3,202佰萬元，季增32%。

- Q2 Gross Margin is 16.8%, up 1.3% QoQ. (15.5% in Q1)

  Q2毛利為16.8%， 較Q1毛利15.5%提升1.3%。

- The operating expense is kept basically identical for two quarters, while the H1 R&D expense is maintained at a level ~11% of H1 total revenue.

  營業費用兩季基本上一致，其中上半年研發費用約占總營收之11%。

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Income Statement (Ticker 3545: FocalTech)

Unit in NT$ Million /單位: 新台幣佰萬元

	2015 Q1	2015 Q2	2015 H1
Revenue/ 營業收入	2,429	3,202	5,631
Gross Profit/ 營業毛利	376	539	915
Gross Margin/ 營業毛利率	***15.5%***	***16.8%***	***16.2%***
Operating Expense/ 營業費用	522	510	1,032
Operating Income/ 營業淨利	(146)	29	(117)
Non Operating Income/ 營業外收入	96	27	123
Profit before Tax/ 稅前盈餘	(50)	56	6
EPS(Basic)/ 每股盈餘(基本)	**(0.13)**	**0.15**	**0.02**

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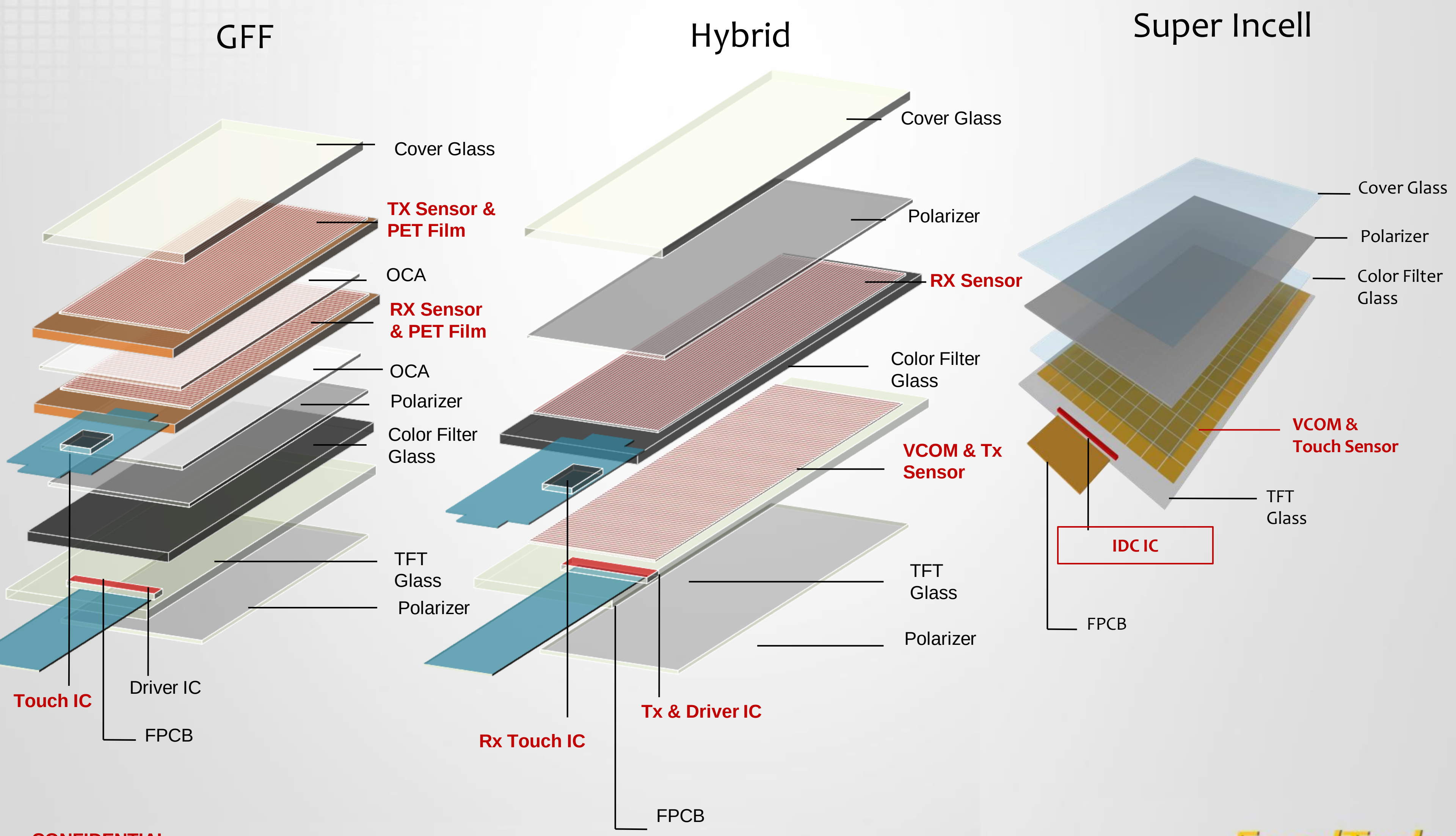
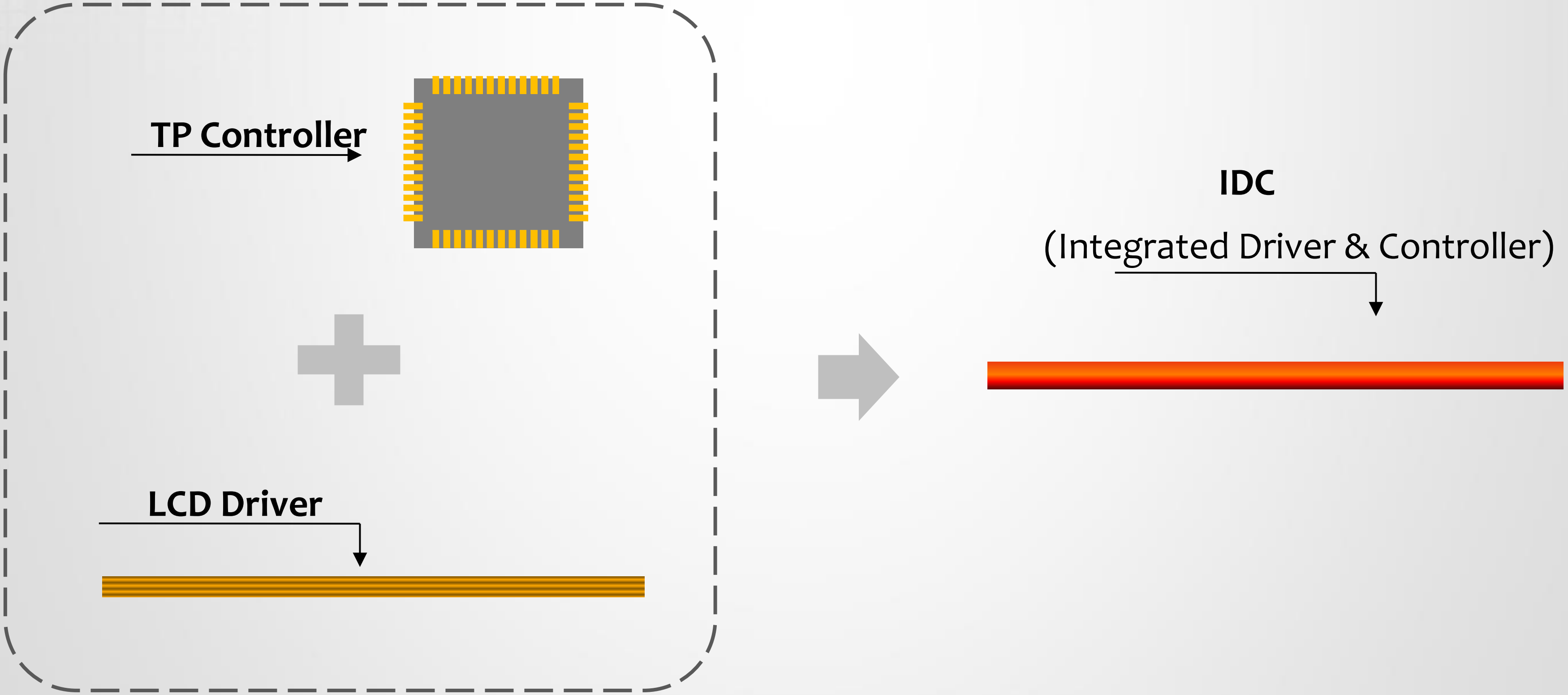
GFF, Hybird and Super In Cell Comparison



Integrated Driver & Controller



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In-Cell in Short

Performance

- **Thinner & Lighter**
- **Better Optical Performance**

Cost & Reliability

- **Simpler Structure: Easier to Make& More Reliable**
- **More Integration, Easier Supply Chain**
- **More Cost Benefits**

Fingerprint Sensor Development

- Fingerprint Sensor development continues to be one of the focuses

  敦泰持續開發指紋辨識感應IC

- We will concentrate on the area type of sensors

  其中以按壓式感應器為主

- Will pursue both types of module with either coating or cover lens

  並搭配Coating (薄膜) 或Cover lens(玻璃)兩種型式模組

- Fingerprint sensor module with coating type is being sampled now. We are aiming to have the first MP within 6 months.

  薄膜按壓式之指紋辨識模組已進行送樣，預計半年內量產。

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Business Outlook

- The business outlook for the 2H of 2015:
  - Business showed a seasonal dip in July but anticipate to rebound in the 2nd half of Q3
  - 2H will be better than 1H.

2015下半年展望：7月營運稍為下降但Q3中旬開始回升；下半年會比上半年好。

- More new products of both touch controllers and LCD drivers will be introduced to improve product mix.
  - Touch controllers with better margins will continue to roll out in 2H.
  - For LCD drivers, shipment units of FHD will start to pick up momentum by end of Q3.

觸控和驅動IC新產品持續導入市場以改善產品組合。

多款新改良的觸控IC亦將陸續於下半年推出。

FHD驅動IC於Q3季底出貨量將顯著提升

Business Outlook

- In-Cell Market: The volume production of our first IDC in HD resolution will start this quarter. The 2nd IDC product with FHD resolution is being sampled and volume production will be in Q4 of this year.

  In Cell 產品：敦泰第一顆整合單晶片HD IDC於第3季量產，另FHD IDC已送樣並預計於第4季量產。

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Thank you !

www.focaltech-systems.com