Safe Harbor Notice

The following pages contain projections & estimates of financial information as well as market and product developments for future periods. These projections & estimates are based on information currently available which we believe to be reliable, but they involve risks & uncertainties. Our actual results of operations & financial condition may differ significantly from those contained in the projections & estimates. The projections & estimates should not be interpreted as legally binding commitments, but rather as flexible information subject to change occasionally.
Agenda

- 2016Q4 & 2016 Financial Results
- Business Update
- New Opportunity- “Do”
- Q&A
2016Q4 & 2016 Financial Results (Un-audited)
Financial Highlights

• **Q4’16**
  - Revenue NT$524.7M, +31.1% Q/Q, -8.1% Y/Y
  - Gross Profit NT$454.6M, +29.6% Q/Q, -8.7% Y/Y. GP margin at 86.6%.
  - Operating Income NT$193.9M, +25.4% Q/Q and -18.3% Y/Y. OP margin at 37%
  - Net Income NT$118.2M and basic EPS after tax NT$1.24

• **2016**
  - Revenue NT$1,895.9M, -4.1% Y/Y. Gross profit NT$1,640.8M, -2.6% Y/Y.
  - Operating Income NT$736.6M, +16.7% Y/Y and operating margin reached 38.9%.
  - Net Income NT$303.5M, basic EPS after tax hit **$3.15**.

• **Balance Sheet**
  - Cash, cash equivalent & short-term investment at NT$3,534.9M as of end of 2016, accounting for 62.6% of total asset. No debt.
### Consolidated Income Statement Q4-2016

<table>
<thead>
<tr>
<th></th>
<th>Q4-2016</th>
<th>%</th>
<th>Q4-2015</th>
<th>%</th>
<th>Y/Y</th>
<th>Q3-2016</th>
<th>%</th>
<th>Q/Q</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>524,688</td>
<td>100.0%</td>
<td>570,726</td>
<td>100.0%</td>
<td>-8.1%</td>
<td>400,166</td>
<td>100.0%</td>
<td>31.1%</td>
</tr>
<tr>
<td><strong>Cost of goods Sold</strong></td>
<td>(70,065)</td>
<td>13.4%</td>
<td>(72,651)</td>
<td>12.7%</td>
<td>-3.6%</td>
<td>(49,269)</td>
<td>12.3%</td>
<td>42.2%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>454,623</td>
<td>86.6%</td>
<td>498,075</td>
<td>87.3%</td>
<td>-8.7%</td>
<td>350,897</td>
<td>87.7%</td>
<td>29.6%</td>
</tr>
<tr>
<td><strong>Operating Expense</strong></td>
<td>(260,672)</td>
<td>49.7%</td>
<td>(260,656)</td>
<td>45.7%</td>
<td>0.0%</td>
<td>(196,224)</td>
<td>49.0%</td>
<td>32.8%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>(100,588)</td>
<td>19.2%</td>
<td>(92,600)</td>
<td>16.2%</td>
<td>8.6%</td>
<td>(78,347)</td>
<td>19.6%</td>
<td>28.4%</td>
</tr>
<tr>
<td>S&amp;M</td>
<td>(124,381)</td>
<td>23.7%</td>
<td>(125,553)</td>
<td>22.0%</td>
<td>-0.9%</td>
<td>(95,833)</td>
<td>23.9%</td>
<td>29.8%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>(35,703)</td>
<td>6.8%</td>
<td>(42,503)</td>
<td>7.4%</td>
<td>-16.0%</td>
<td>(22,044)</td>
<td>5.5%</td>
<td>62.0%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>193,951</td>
<td>37.0%</td>
<td>237,419</td>
<td>41.6%</td>
<td>-18.3%</td>
<td>154,673</td>
<td>38.7%</td>
<td>25.4%</td>
</tr>
<tr>
<td><strong>Non Operating Income (Loss)</strong></td>
<td>25,519</td>
<td>4.9%</td>
<td>(31,453)</td>
<td>5.5%</td>
<td>181.1%</td>
<td>(94,260)</td>
<td>-23.6%</td>
<td>127.1%</td>
</tr>
<tr>
<td><strong>Income before Tax</strong></td>
<td>219,470</td>
<td>41.8%</td>
<td>205,966</td>
<td>36.1%</td>
<td>6.6%</td>
<td>60,413</td>
<td>15.1%</td>
<td>263.3%</td>
</tr>
<tr>
<td><strong>Income after Tax</strong></td>
<td>118,225</td>
<td>22.5%</td>
<td>157,640</td>
<td>27.6%</td>
<td>-25.0%</td>
<td>31,839</td>
<td>8.0%</td>
<td>271.3%</td>
</tr>
<tr>
<td><strong>Basic EPS after Tax (in NT$)</strong></td>
<td>1.24</td>
<td></td>
<td>1.62</td>
<td></td>
<td>-23.6%</td>
<td>0.33</td>
<td></td>
<td>276.0%</td>
</tr>
</tbody>
</table>
## Consolidated Income Statement 2016

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>%</th>
<th>2015</th>
<th>%</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>1,895,941</td>
<td>100.0%</td>
<td>1,976,411</td>
<td>100.0%</td>
<td>-4.1%</td>
</tr>
<tr>
<td><strong>Cost of goods Sold</strong></td>
<td>(255,185)</td>
<td>13.5%</td>
<td>(291,446)</td>
<td>14.7%</td>
<td>-12.4%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>1,640,756</td>
<td>86.5%</td>
<td>1,684,965</td>
<td>85.3%</td>
<td>-2.6%</td>
</tr>
<tr>
<td><strong>Operating Expense</strong></td>
<td>(904,175)</td>
<td>47.6%</td>
<td>(1,053,812)</td>
<td>53.4%</td>
<td>-14.2%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>(347,474)</td>
<td>18.2%</td>
<td>(405,712)</td>
<td>20.5%</td>
<td>-14.4%</td>
</tr>
<tr>
<td>S&amp;M</td>
<td>(434,011)</td>
<td>22.9%</td>
<td>(504,397)</td>
<td>25.6%</td>
<td>-14.0%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>(122,690)</td>
<td>6.5%</td>
<td>(143,703)</td>
<td>7.3%</td>
<td>-14.6%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>736,581</td>
<td>38.9%</td>
<td>631,153</td>
<td>31.9%</td>
<td>16.7%</td>
</tr>
<tr>
<td><strong>Non Operating Income (Loss)</strong></td>
<td>(232,601)</td>
<td>-12.3%</td>
<td>61,150</td>
<td>3.1%</td>
<td>-480.4%</td>
</tr>
<tr>
<td><strong>Income before Tax</strong></td>
<td>503,980</td>
<td>26.6%</td>
<td>692,303</td>
<td>35.0%</td>
<td>-27.2%</td>
</tr>
<tr>
<td><strong>Income after Tax</strong></td>
<td>303,496</td>
<td>16.0%</td>
<td>556,640</td>
<td>28.2%</td>
<td>-45.5%</td>
</tr>
<tr>
<td><strong>Basic EPS after Tax (in NT$)</strong></td>
<td>3.15</td>
<td></td>
<td>5.60</td>
<td></td>
<td>-43.8%</td>
</tr>
</tbody>
</table>
Gross Profit Breakdown

Create vs. Play

Create: Products of Creativity, burning, media management and others.

Play: Products of playback, media server/client, codec pack, etc.

B2B: Conventional hardware bundling.

B2C: Direct sales to end users, site license, project income, etc.

<table>
<thead>
<tr>
<th>Year</th>
<th>Create</th>
<th>Play</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>63%</td>
<td>37%</td>
</tr>
<tr>
<td>2014</td>
<td>59%</td>
<td>41%</td>
</tr>
<tr>
<td>2015</td>
<td>63%</td>
<td>37%</td>
</tr>
<tr>
<td>2016</td>
<td>60%</td>
<td>40%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>B2B</th>
<th>B2C&amp;Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>2014</td>
<td>54%</td>
<td>46%</td>
</tr>
<tr>
<td>2015</td>
<td>44%</td>
<td>56%</td>
</tr>
<tr>
<td>2016</td>
<td>39%</td>
<td>61%</td>
</tr>
</tbody>
</table>
Business Update
Key Updates

• Established as the market leader on Consumer Multimedia (CREATE & PLAY)
  • On both PC & Android mobile devices
• VR story – world leader to enable VR/360 on CREATE & PLAY
  • PowerDirector/ActionDirector already enabled 360/VR video editing
  • PowerDVD 17 will have full support on VR headsets (to release in Q2’17)
  • PhotoDirector 9 will support 360-degree photo editing/effects (to release in Q3’17)

• Will invest heavily again in a new field to re-start the growth engine
  • After a major investment in 2015 on Perfect Corp, we will invest heavily on Business Video Communications & Collaboration.
The 11th Time PCMag Editors’ Choice

- PowerDirector won “PC Mag Editors’ Choice”
  - 8 times in the past 9 years, 7 in a row
- CyberLink’s products have recognized as “PC Mag Editor’s Choice” for the 11th time.
The Best Photo Editing Software of 2017
PhD 8 – also winning good reviews from PC Mag

- Only ranked behind Adobe and DxO

<table>
<thead>
<tr>
<th>Name</th>
<th>Adobe Photoshop CC</th>
<th>Adobe Photoshop Lightroom CC</th>
<th>Adobe Photoshop Elements</th>
<th>DxO OpticsPro 11</th>
<th>CyberLink PhotoDirector 8 Ultra</th>
<th>Phase One Capture One Pro</th>
<th>ACDSee Ultimate</th>
<th>Apple Photos (for macOS)</th>
<th>Corel PaintShop Pro X9</th>
<th>Microsoft Photos (for Windows 10)</th>
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</thead>
<tbody>
<tr>
<td>Lowest Price</td>
<td>$9.99</td>
<td>$9.99</td>
<td>$59.99</td>
<td>$159.99</td>
<td>$99.99</td>
<td>$299.00</td>
<td>$149.99</td>
<td>$0.00</td>
<td>$79.99</td>
<td>$0.00</td>
</tr>
<tr>
<td>Amazon</td>
<td>SEE IT</td>
<td>SEE IT</td>
<td>SEE IT</td>
<td>SEE IT</td>
<td>SEE IT</td>
<td>SEE IT</td>
<td>CSS</td>
<td>SEE IT</td>
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<tr>
<td>Editor Rating</td>
<td>★★★★★★★</td>
<td>★★★★★★★</td>
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<td>★★★★★★</td>
<td>★★★★★★</td>
</tr>
</tbody>
</table>

(Click for more information)
Winner of BCN Award for the 2\textsuperscript{nd} Consecutive Year

- PowerDVD, PowerDirector, Power2Go were recognized for the as the Best Products in Video Category in Japan for the 2\textsuperscript{nd} consecutive years.

- BCN is the most influential market research firm in Japan, and annually award the #1 vendors in terms of volume of sales through out the previous year.
PowerDVD continues leading the pack

PowerDVD 17
World’s No. 1 Movie & Media Player

• The world’s first and only software player certified for Ultra HD Blu-ray Disc Playback
• Fully support VR playback on all major HW headsets
Best Android Apps on Video/Photo Editing

- Rated highest (4.4) as a time-line video editor
- Nearly 20M downloads

- Rated highest (4.6) as a popular photo editor
- Nearly 30M downloads
Leading in Technology & Marketing on VR/360

• The world’s first 360 video with first-person VR experience of NYC Marathon

• Video of “26.2 in 360” was produced with CyberLink PowerDirector
When our communication media move from text to photo then to video now, there is a great opportunity for business also.
New business strategy

1. Re-start the growth engine by aggressively investing in New Business:
   • New frontier with high growth potential,
   • Cloud & Subscription based,
   • Use cases are for business scenario,
   • Leverage CL’s strength (technologies, products, and existing customer base)

2. New business focus: Business Video Communications & Collaboration
   • Video Meetings,
   • Video Webinars,
   • Anytime Collaboration (Messenger, File sharing, etc.)

3. Will reserve more earnings for new investment on
   • building a strong RD team and business team for new business, and
   • aggressive marketing campaign

4. Expected to launch service in Q3’17, expecting to see good results within 2 years.
Unified Communication & UCaaS

Web Conferencing & Webinar
We have done well in CREATE & PLAY, will invest heavily in new business: DO.

1. Not only on PC, now PDR and PhD are also best Android phone/tablet apps.
2. Both powerful PDR and easy-to-use ACD are winning PC & Android spaces.

PowerDVD continues doing well in v16 and will extend the success into v17 on UHD-BD and VR.

Business Video Communications & Collaboration
1. Video meetings
2. Video Webinars
3. Any-time Collaboration (U messenger)
WEBINARS
Ideal solution when you need a reliable, powerful and hassle-free way to host an online webinar.

REMOTE LEARNING
A flexible and robust platform to build effective e-learning systems on. Inexpensive set-up and maintenance, and optimized for teacher-learner interaction.

ARCHIVED TRAINING
Ensure workplace and organizational courses are recorded and saved for easy access by new employees and members. Efficient and effective.

TUTORIALS
Create effective and appealing tutorial videos using a range of media types to broadcast on YouTube or even your own PresenterLink channel.
Substantial Market Opportunity in “DO”

- Global Web conferencing market by 2020: $3.7B
- % of marketers using webinars in content marketing programs: 60%
- CAGR of Global E-learning market 2016-2020: 17.81%
Summary

• Q4-2016 basic EPS after tax was NT$1.24. 2016 delivered NT$3.15

• Continuous award recognition for CyberLink products

• Leading multimedia technologies on both PCs and mobiles

• Increasing investment in “DO” area to provide effective solutions for online video communications & collaboration
For more information about CyberLink:
www.CyberLink.com

For IR inquiries, suggestions and comments:
investor@cyberlink.com

Thank You!