

AVerMedia Corporate Profile

September, 2009

By
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AVerMedia

AVerMedia Group Overview

Founded in 1990, Specializing in Designing, Manufacturing and Marketing of Multimedia Entertainment(MPD), Presentation(PPD) and Digital Surveillance Products(NVD).

- ❑ **Annual Turnover (2008)** : **US\$ 148.1 Million**
- ❑ **Consecutive profitable quarters** : **72 quarters Plus**
- ❑ **Employees (AVerMedia Group)** : **1193**
- ❑ **RD Engineers (AVerMedia Group)** : **395**
- ❑ **Branding / ODM** : **70% / 30%**

AVerMedia Group includes AVerMedia Technologies Inc., AVerMedia Information Inc., and all of the oversea affiliates.

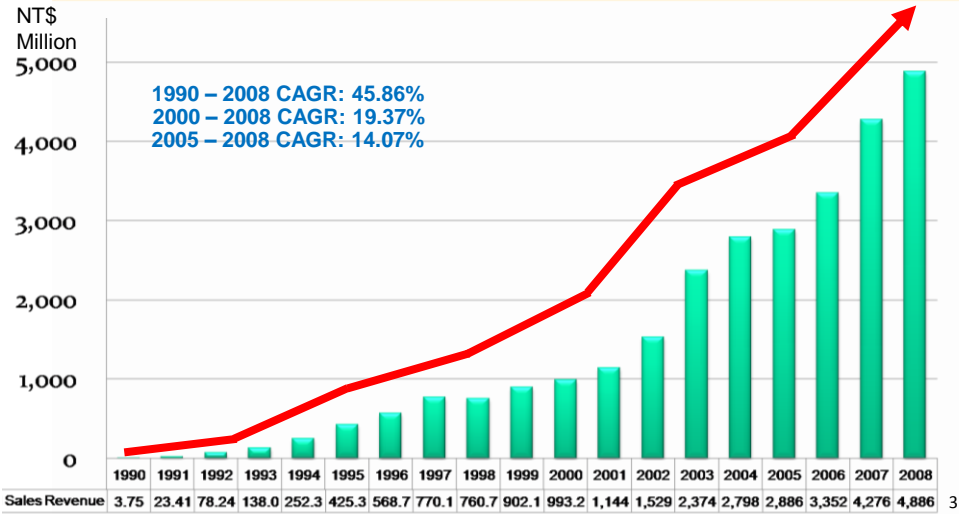
Updated on July, 2009

Exchange Rate: 1:33 (US\$:NT\$)

2

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Revenue (1990-2008)



consolidated

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Product Awards

2008 Outstanding I.T. Applications Product Award & 2009 iF Product Design Award

AVerVision CP300's achievements now inclusive of the 2008 Outstanding I.T. Applications Product Award and 2009 iF Product Design Award. AVerVision CP300 was chosen as one of the innovative products from the large pool of entries to receive this prestigious award, reinforcing its success in integrating cutting-edge electronics, optics, and mechanical technologies.

2008 Taiwan Excellence Gold Award

AVerMedia won the recognition of Taiwan Excellence Gold Awards with the new AVerVision SPB350 simplicity yet rich functionalities and user-friendly operation.

2009 CES Best of Innovations Award & two CES 2009 Innovations Design & Engineering Awards

- EB1704HB WiFi-4 security system entered the top echelon of cutting-edge products as a recipient of a CES 2009 Innovations, Design and Engineering Award in the Integrated Home Systems category. Not only was this system selected as a 2009 Innovations honoree, but was also recognized as a 2009 Best of Innovations product.
- AVerTV Hybrid TVBox 11 and AVerTV Hybrid PocketExpress were both selected as CES 2009 Innovations Design and Engineering Award Winners in the Video Accessories category.

Best Choice of COMPUTEX TAIPEI 2008/2009

2008 AVerTV TunerStar is the world's first dual Tuner and Tuner built-in in dongle.

2008 AVerTV Visor GP1805 is the world's first DVB-T USB Dongle receiver with integrated GPS capability.

Best Choice of COMPUTEX TAIPEI 2008 Award revealed the award list on June 3, 2008. According to the jury, because the categories are more complete and more closely in touch with the newest industry trend, the Best Choice this year can better illustrate the creativity, technical skills and specialty of the product itself.

AVerTV TunerStar was selected as a Best Choice of COMPUTEX TAIPEI 2009 Award in the Peripherals and Accessories category. This marks the second consecutive year that AVerMedia has won this award for its TV-tuner products.

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2009 CES Best of Innovations Award



The CES award announcement was displayed on the TV wall of Time Square in N.Y.

Corporate Social Responsibility

2009 天下企業公民
Excellence in Corporate Social Responsibility

2009	2008	2007	Medium-Sized Enterprises
1	1	1	Sinyi Realty Inc.
2	2	2	Everlight Chemical Industrial
3	3	4	Hiwin Technologies
4	-	-	ZyXEL Communications Corp.
5	10	-	PLANET Technology Corporation.
6	-	-	Phoenix Precision Technology Corporation
7	4	24	Advantech Co.
8	5	10	AVerMedia Technologies
9	-	-	ATEN International Co., Ltd.
10	8	-	Makalot Industrial

AVerMedia is ranked Taiwan's Top 50 Corporate Citizens for three years in a row by *CommonWealth Magazine*.

6

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Global Marketing & Service Network



10 Overseas offices and Global Network of Distributors, System Integrators, VARs, and ODMs Over 75 Countries

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Quality & Environment Management

- ❑ ISO 14001 Environment Manage System
- Lead – Free Process (by the end of 2006)
- ❑ ISO9001: 2000 Version Quality System
- ❑ OHSAS:18001
- ❑ Passed the Quality System Audit by first tier companies.
- ❑ Certificate of Sony Green Partner



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New Office/Factory of AVerMedia



9

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2009- H1 Financial Results

Amount : US\$ k	2009-H1		2008-H1		YoY %
Net Sales	70,344	100 %	71,698	100 %	(2)%
COGS	(34,771)	(49)%	(38,707)	(54)%	(10)%
GP	35,573	51 %	32,991	46 %	8 %
Operating Expense	(24,079)	(34)%	(22,720)	(32)%	6 %
Operating Income	11,493	16 %	10,271	14 %	12 %
Net Non-op Items	5,930	8 %	(441)	(1)%	1,444 %
Income before Tax	17,424	25 %	9,829	14 %	77 %
Income Tax Exp. (Ben.)	3,205	5 %	(248)	(0)%	
Minority Interest	1,660		0		
Net Income	12,559	18 %	10,078	14 %	25 %
EPS(NT\$)	1.81		1.47		23 %

*The gain is from the disposal of long-term investment \$5,847 K

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3 yrs Income Statement

Amount : US\$ k	2008		2007		2006	
Net Sales	154,253	100 %	133,649	100 %	104,773	100 %
COGS	(83,300)	(53)%	(71,121)	(53)%	(58,874)	(56)%
GP	70,953	47 %	62,528	47 %	45,899	44 %
Operating Expense	(47,578)	(32)%	(35,375)	(26)%	(29,965)	(29)%
Operating Income	23,375	15 %	27,153	20 %	15,934	15 %
Net Non-op Items	2,666	2 %	1,645	1 %	1,603	2 %
Income before Tax	26,041	17 %	28,798	22 %	17,537	17 %
Income Tax(Ben.)	2,877	2 %	(434)	(0)%	185	0 %
Net Income	23,164	15 %	29,232	22 %	17,352	17 %
Fully Diluted EPS(NT\$)	3.40		4.77		3.04	
Sales Grew	15 %		28 %		16 %	
EPS Grew	(29)%		57 %		1 %	

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Balance sheet highlights

Amount : US\$ k	2009-H1		2008		2007	
Cash & Equivalent	93,386	50 %	75,340	44 %	61,680	41 %
Accounts Receivable	17,068	9 %	18,365	11 %	17,849	12 %
Inventory	14,445	8 %	14,948	9 %	20,549	14 %
Fixed Assets	39,234	21 %	40,903	24 %	29,523	20 %
Other Assets	21,104	12 %	20,279	12 %	20,110	13 %
Total Assets	185,237	100 %	169,835	100 %	149,712	100 %
Liabilities	48,827	26 %	43,402	26 %	29,484	20 %
Equities	136,410	74 %	126,433	74 %	120,228	80 %

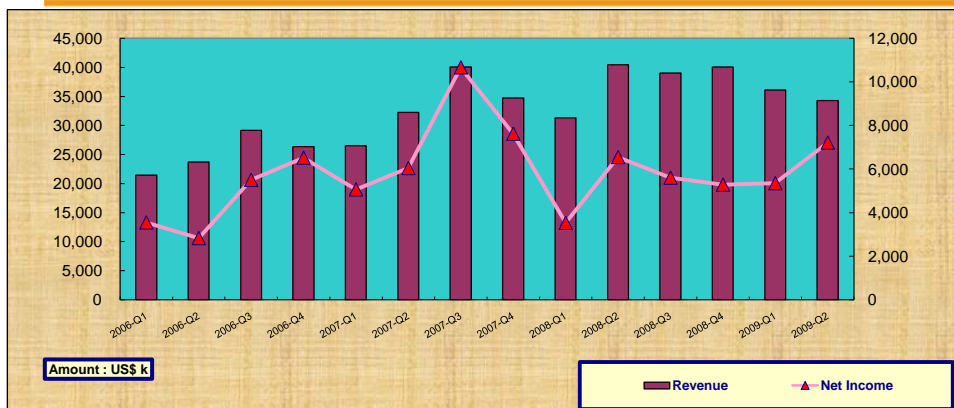
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Key Financial indicators

	2009-H1	2008	2007	2006
ROE	18.41 %	18.32 %	24.31 %	17.24 %
ROA	13.56 %	13.64 %	19.53 %	12.93 %
AR Turnover	44 days	43 days	56 days	57 days
Inventory Turnover	76 days	65 days	107 days	86 days
Debt ratio	26.36 %	25.56 %	20.33 %	25.96 %

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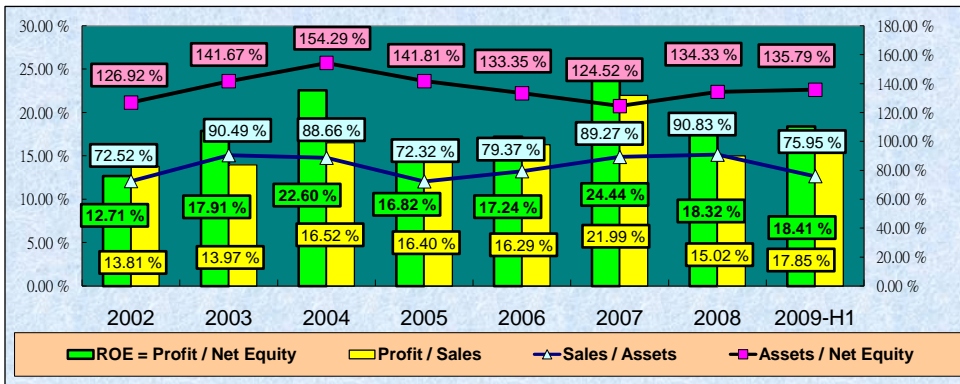
2006~09-Q2 Quarterly Revenue/Profit



Amount : US\$ k	2006-Q1	2006-Q2	2006-Q3	2006-Q4	2007-Q1	2007-Q2	2007-Q3	2007-Q4	2008-Q1	2008-Q2	2008-Q3	2008-Q4	2009-Q1	2009-Q2
Revenue	21,444	23,660	29,111	26,355	26,496	32,236	40,065	34,687	31,267	40,431	38,992	40,018	36,103	34,241
Net Income	3,546	2,826	5,500	6,516	5,064	6,041	10,660	7,619	3,531	6,546	5,599	5,280	5,347	7,212

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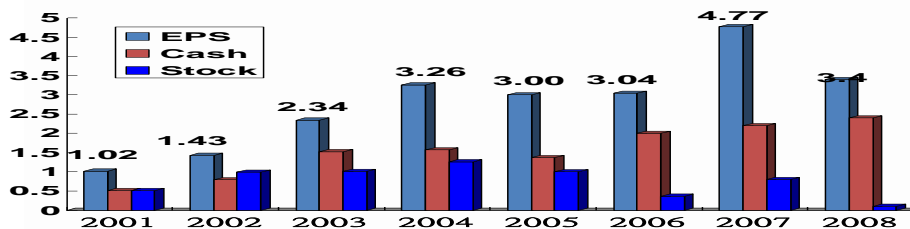
Breakdown of ROE



	2002	2003	2004	2005	2006	2007	2008	2009-H1
Profit / Sales	13.81%	13.97%	16.52%	16.40%	16.29%	21.99%	15.02%	17.85%
Sales / Assets	72.52%	90.49%	88.66%	72.32%	79.37%	89.27%	90.83%	75.95%
Assets / Net Equity	126.92%	141.67%	154.29%	141.81%	133.35%	124.52%	134.33%	135.79%
ROE = Profit / Net Equity	12.71%	17.91%	22.60%	16.82%	17.24%	24.44%	18.32%	18.41%

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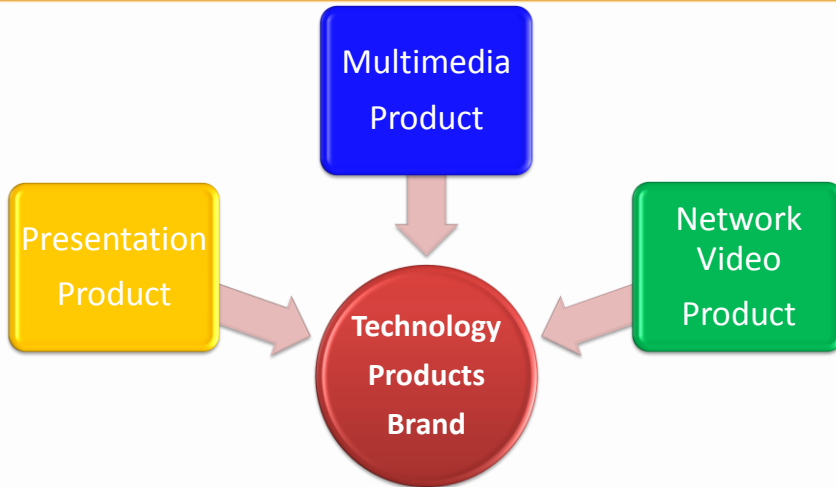
Dividends distribution



Year	Cash		Stock		Total
2008	2.40	96 %	0.10	4 %	2.50
2007	2.20	73 %	0.80	27 %	3.00
2006	2.00	85 %	0.365	15 %	2.365
2005	1.37	58 %	1.00	42 %	2.37
2004	1.57	55 %	1.26	45 %	2.83
2003	1.52	60 %	1.01	40 %	2.53
2002	0.79	44 %	0.99	56 %	1.78
2001	0.51	50 %	0.51	50 %	1.02

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Internal organization capability



Growth Drivers

17

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Technology

- Video conversion between analog and digital
- Leading technology for embedded TV tuners in the field of Notebook PCs
- Patents : **138** patents have been granted, while **247** patents are still in the process.
- Product awards



18

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Product Portfolio



Multimedia Product

- Watch TV on NB solution
- Analog TV Tuner
- Hybrid TV Tuner
- Digital TV Tuner
- Digital Home Solution (ViiV, MCE & Vista)
- External TV Tuner Box

Presentation Product

- Document Camera

Network Video Product

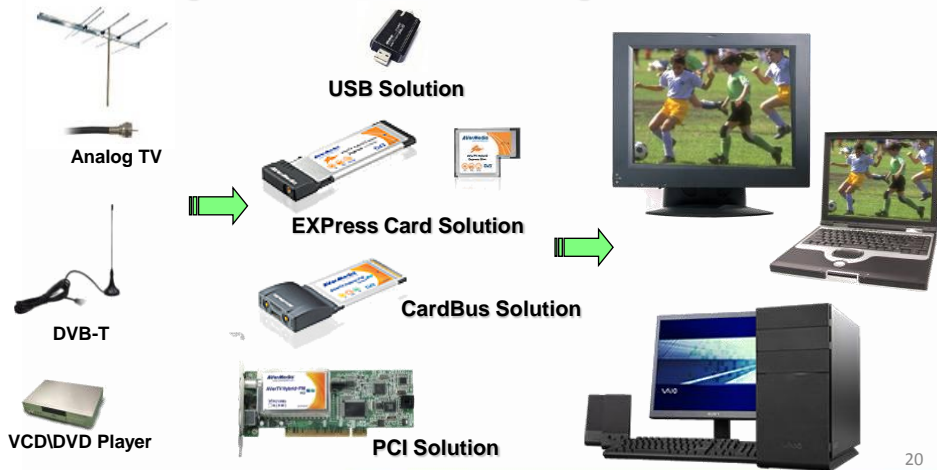
- Digital Video Surveillance

19

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Hybrid TV Tuner Card

- Watch Digital Terrestrial and Analog TV on PC



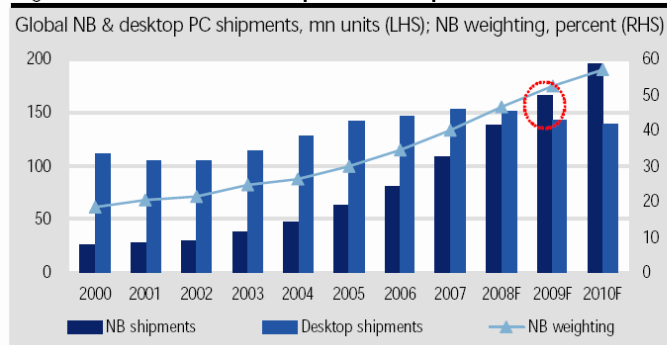
20

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External marketing trend

- **Multimedia Products**

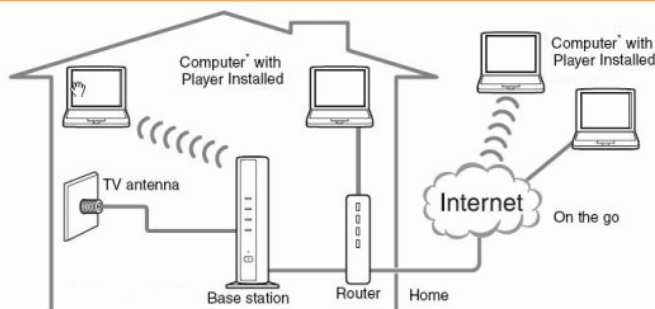
- Strong demand in Notebook PCs: annual demand of around 140 million sets (**less than 2% of attachment rate of TV Tuner in Notebook PCs except Japan**)



21

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Location Service Solution



1. connecting your TV antenna or video device output to the Base Station .
2. The Base Station grabs the TV or video signal from the source.
3. The digital media process converts the signal into digital data and compresses the data using a Windows- codec.
4. Then broadcasts the stream video in real time via the PC Ethernet port.
5. You access the stream via your home network or a broadband connection using the installed player on your computer.

22

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Windows 7 & Media Center TV pack 2008

- Microsoft will launch Windows 7 at 3Q of 2009.
- Windows 7 includes Windows Media Center TV pack 2008 features
- MCE TV Pack 2008 support Worldwide TV tuner solutions
- AVerMedia is listed Windows Media Center PBDA (Protected Broadcast Driver Architecture) Partners that announced at IBC 2008.



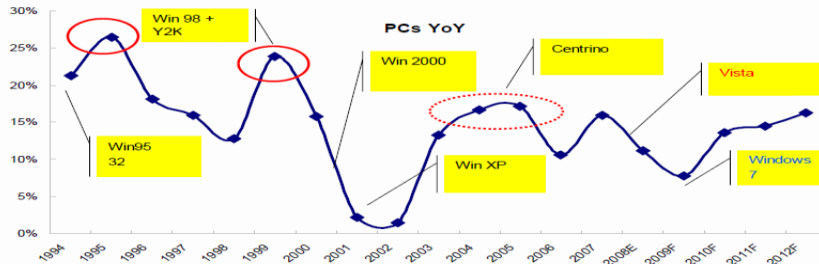
Source: Microsoft

23

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Windows OS vs PC Shipment

Fig 18 PC YoY Growth % Forecast



Source: Capital Securities estimates

Vista Version	Price (Est.)	TV Function (MCE TVPack)	Upgrade to TV Function
Windows 7 Home Starter		X	V
Windows 7 Home Basic	\$ 200	X	V
Windows 7 Home Premium	\$ 260	V	
Windows 7 Professional	\$ 300	V	
Windows 7 Ultimate	\$ 320	V	

24

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PC/TV Strategies- 3 Phases

- **How to enable PC/TV to penetrate into main stream market, the same as wireless/camera modules in PC plate form:**
 - 1) Incorporate PC/TV spec into PC standard through co-alliance with Microsoft and Intel.
 - 2) Leverage marketing power thru first tier PC international brand players to increase the PC/TV awareness to end users.
 - 3) Lower down the price of PC/TV to push it to the main stream market by activating the virtuous circle of supply/demand for larger economy scale with lower prices offering by vendors of key components.

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Portable Document Camera

- **Display 3D Objects or Documents on Projector / Monitor / TV**



26

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AVerVision Business Outlook

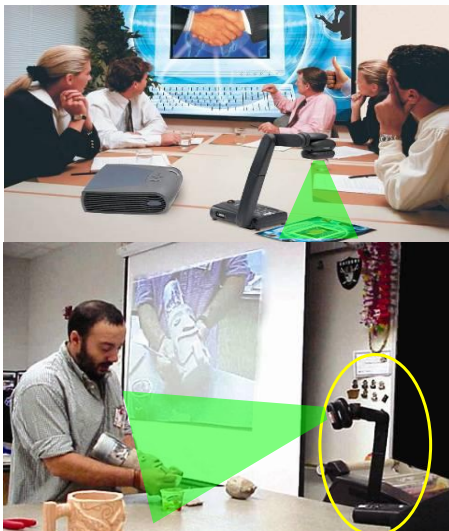


- Top **3** document camera brand worldwide
- Reap major market shares in USA, South Asia, and many key countries in Europe
- Offer most **complete product line** in the market from portable to platform
- Has delivered **double digit growth** for consecutive 6 years



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Document Camera Applications



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Document Camera Business Potential



- A huge market potential with double digit annual growth rate

- Vision:

- Long-term:

Equip every classroom a document camera

- Singapore: classroom attached rate around 90%

- Short-term:

Build up at least one multi-media classroom in every school with a document camera



29

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Reports indicate the trends

TOP 10 WISH LIST techLEARNING

TOP 1

The Multimedia Classroom

LCD projectors, interactive white boards, **document cameras**, and other display technologies are beginning to change the face of today's classroom.

Source : Technology & Learning November 15, 2005

2020 Vision

Report of the Teaching and Learning in 2020 Review Group

The new technologies have an impact on a school in three main areas:

- ...
- the creation and delivery of lesson materials, including teachers' and pupils' use of whiteboards, **visualizers**, handheld voting devices and tablet PCs to enable reproduction of and access to resources
- ...

Source : Report of the Teaching and Learning in 2020 Review Group, 2006

30

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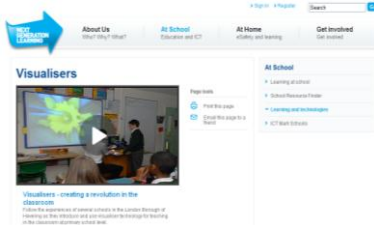
Technology receives UK Government Endorsement



BECTA, (British Educational Communications and Technology Agency) The government agency leading the national drive to ensure the effective and innovative use of technology throughout learning.

BECTA website:

<http://emergingtechnologies.becta.org.uk/index.php?section=etn&rid=14742>



Next Generation Learning is a government campaign initiated by Becta. It is our ambition to use technology to create a more exciting, rewarding and successful experience for learners of all ages and abilities.

Next Generation Learning Website:

<http://www.nextgenerationlearning.org.uk:8080/At-School/Technology/Visualisers/>

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Excerpt from the website -1

Visualisers - creating a revolution in the classroom

How they are used in school

When visualisers are used in teaching English, for instance, the teacher can place a book under the camera. As the class discusses the text on the screen, the teacher can make notes – on the page or on the whiteboard.

- In maths, the teacher can show the correct use of apparatus e.g. a protractor.
- In geography, everyone can see how to plot grid references accurately on a map.
- In science, all pupils can watch an experiment or observe living creatures.
- In arts and crafts, students can follow and copy skills more easily.

One in 30 UK school classrooms now have a visualiser - this will increase to one in 10 by the year 2010.

"There was a collective 'wow' from the children. They could see all the parts we had been learning about. It really brought the facts home and the lesson to life." St. Mary's School

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Excerpt from the website -2

Benefits of visualisers

One of the big benefits of visualisers is for presenting and discussing pupils' work. With the work up on the screen, the teacher or the student can talk with the rest of the class about what's good and what could be better.

"Children are engaged by viewing each other's work." Bonneville School

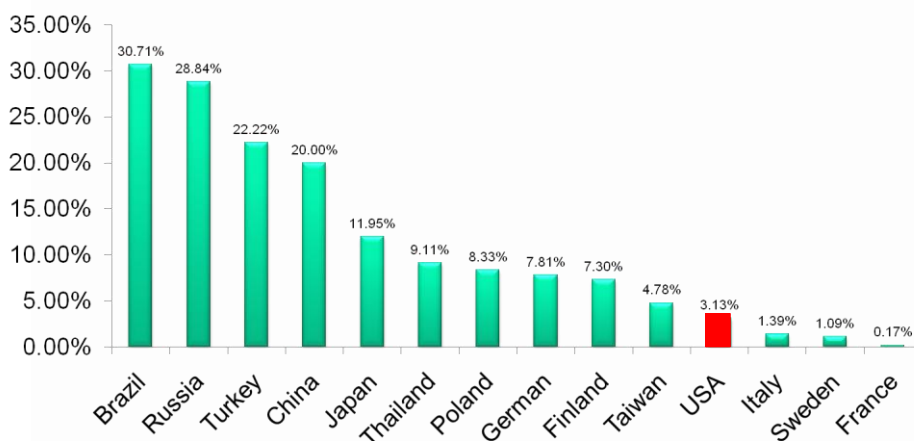
Visualisers have many other benefits, too, including:

- **saving the teacher time** on demonstrations
- **enlarging visuals for children** with impaired sight
- making lessons more **hands-on**
- **motivating all children** of all abilities.

"A huge sense of excitement as everyone wanted to be involved." Hillmead School

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Educational Budget Growth %



34

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AVerDiGi Surveillance

Standalone DVRs

AVerDiGi SA9000E Pro

- Advanced 16 Ch. hybrid embedded DVR with video loop out ports.



AVerDiGi SA6032E RACK

- 16CH-32CH Hybrid and Real-Time Standalone NVR



Windows DVRs

AVerDiGi NV9000E

-16CH D1 Real-Time h/w compress Hybrid DVR Solution



AVerDiGi NV8416 E4

-World's No.1 PCI-e x 4 interface capture card for faster data streaming



AVerDiGi NV6480 Express

-Single 16 Ch. DVR PCI Express, 480fps display/recording



AVerDiGi NV5000

-Up to 16 Ch., 120-240fps display/recording, remote monitoring via internet or PDA



35

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AVerDiGi Surveillance

Embedded DVRs

AVerDiGi EB1704HB WiFi-4/ WiFi-4 LITE

- 4CH Embedded Hybrid NVR which can support both IP and Analog cameras



AVerDiGi EB1304NET SATA

- 4CH Light Weight Standalone DVR



AVerDiGi EH5116 Pro

- The First 16CH Full Functional Embedded Hybrid DVR in The World



AVerDiGi SEB5116

- Super slim 16CH embedded real-time DVR with GUI



36

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AVerDigi Surveillance

AVerDiGi EB1704Hybrid
- 4 Ch. standalone security digital video recorder w/ network access



AVerDiGi EB1304NET
- 4CH Multiplex Networking DVR



Standalone DVRs



AVerDiGi EB1304 MOB
4CH Mobile DVR

iStable software

iStable software is free bundled video stabilizer software which provides smooth video quality

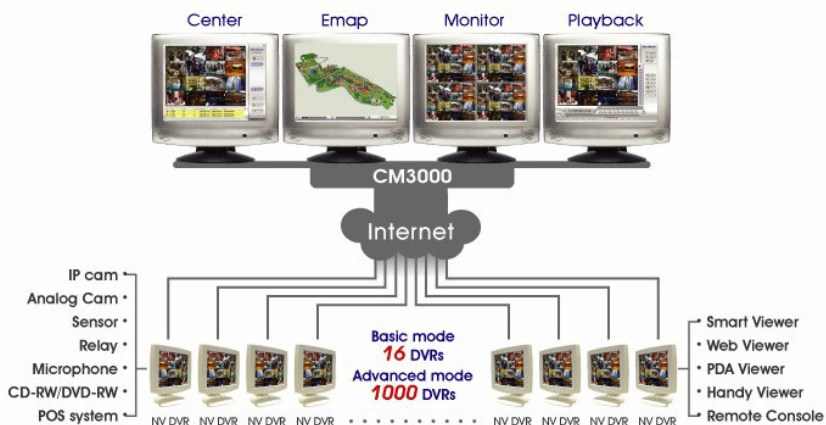


Mobile DVRs

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37

Surveillance Application



The AVerDiGi Central Monitoring System Software (CM3000) enables users to access and monitor multiple DVRs simultaneously for a wide range of applications. Features include: instant notification on DVR latest status or events, supports remote PTZ and I/O control for alarm events, up to quad monitor outputs, full remote DVR control, etc.

38

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Brand

- **Multimedia products:**
Brand premium in certain geographical areas, like **Spain, Russia and East Europe** etc.

Culture
Technology
Brand

- **Document Camera:**
Distinguished as one of the first movers with strong presence in **K-12. Education market in the U.S. , UK, Singapore** etc. with brand recognition inherited from the glamour of previous product lines.

39

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AVerMedia Culture

- **Core Value**
 - Down-to-Earth
 - Value Creation
 - Self- Devotion
 - Service to Society
- **Humanity based- Self -awareness / Self Transcendence / Honesty & Integrity**
- **Excellence in Corporate Social Responsibility**
 - Not only to donate money, we **physically contribute** ourselves by offering our help to those who really need.
 - Earth protection and environmental friendly activities under **worldwide** basis.



40

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Volunteers in AVerMedia



After-class accompanied study to those children from lower income family weekly



Volunteer for story telling team

41

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Clean up the World since 2002



42

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2008 Charity Activities in Taiwan



We sponsor NPO Event



We clean up the Mountain



We Donate Blood



Beach cleaning



We Donate Money, Clothes, Toys, Books



Buy the tea for helping Aboriginies

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43

2008 US Office charity activities



Making Strides Against Breast Cancer on October 25th in San Jose



AverMedia Scholarship to make the environment a better place and is conscious about its corporate practices.



Each month, employees donate their time to read and interact with children at the San Jose Invision women's shelter.



California's Coastal Clean-Up Day

44

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2008 Thailand Office charity activities



Mangrove Restoration

800 Seedlings were planted by AVerMedia Thai.



Donated AVerVision130 to the Rural Schools



Blind School Donation



Blood Donation

45

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2008 EU Office charity activities



Pupils have lots of fun interacting with staff at Fairfields Special School



46

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47

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Q&A



48

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