

AVerMedia Technologies Corporate Profile

2012.03.14

AVerMedia Technologies Overview

Founded in 1990, specializing in designing, manufacturing and marketing of Multimedia Entertainment Product, Consumer Electronics Products, Internet Video Streaming and Manufacturing.

- 2010 annual turnover (AVerMedia Group): **US\$ 183.74 million**
(AVT): **US\$ 90.19 million**
- Consecutive profitable years : **20 years**
- Employees : **557 (2011/12/31)**
- RD Engineers : **186**

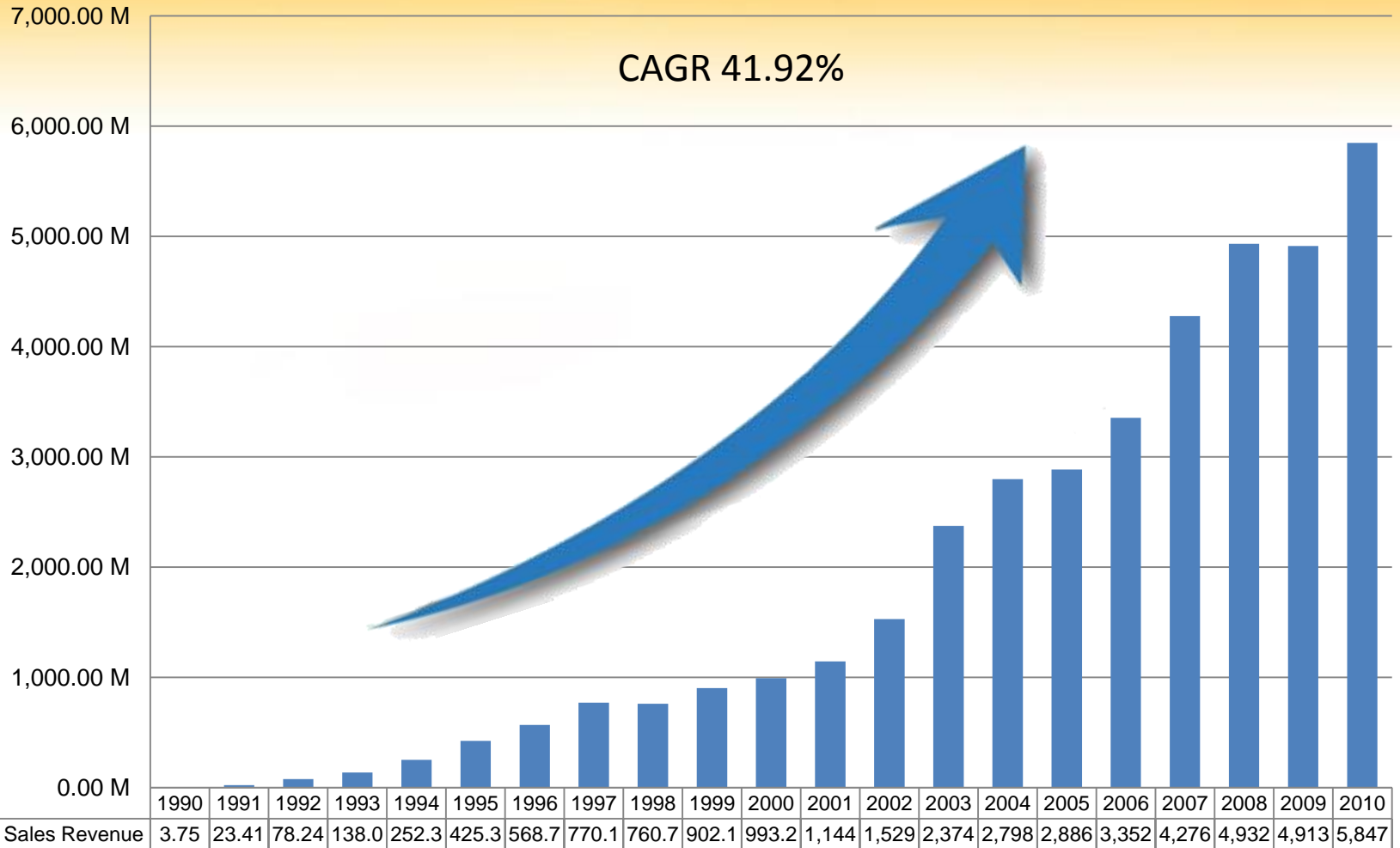
* AVer Information was not consider as the subsidiary of AVerMedia Technologies effective from 2011 April. We therefore make retroactive adjustment back to the consolidated revenue for prior year so that the consistent comparable information could fairly present the real operating performance between periods.

Global Marketing & Service Network



Subsidiaries and global network of distributors, system integrators, VARs, and ODMs over **75** countries.

Consolidated Sales Revenue by year from 1990 to 2010



**Unit: NTD\$
Million**

3 Years Consolidated Income Statement (Q3)

Amount : US\$ k	2011Q3		2010Q3		2009Q3	
Net Sales	73,688	100%	154,823	100%	115,131	100%
COGS	(40,096)	(54%)	(75,508)	(49%)	(55,553)	(48%)
GP	33,592	46%	79,315	51%	59,578	52%
Operating Expense	(30,102)	(41%)	(50,698)	(33%)	(40,878)	(36%)
Operating Income	3,490	5%	28,617	18%	18,699	16%
Net Non-op Items	23,560	32%	14,726	10%	9,979	9%
Income before Tax	27,050	37%	43,343	28%	28,678	25%
Income Tax	4,327	6%	8,089	5%	4,762	4%
Minority Interest	1,953	3%	5,660	4%	3,560	3%
Net Income	20,770	28%	29,594	19%	20,356	18%
Fully Diluted EPS(NT\$)	2.82		4.00		2.78	
Sales Grew	(52%)		34%		(6%)	

Exchange Rate: 1:30 (US\$:NT\$)

3 Years Consolidated Income Statement

Amount : US\$ k	2010		2009		2008	
Net Sales	195,985	100 %	163,773	100 %	164,537	100 %
COGS	(93,964)	(48)%	(82,730)	(51)%	(88,853)	(53)%
GP	102,021	52 %	81,044	49 %	75,684	47 %
Operating Expense	(66,794)	(34)%	(54,798)	(33)%	(50,750)	(32)%
Operating Income	35,226	18 %	26,245	16 %	24,933	15 %
Net Non-op Items	12,411	6 %	9,731	6 %	2,843	2 %
Income before Tax	47,637	24 %	35,976	22 %	27,777	17 %
Income Tax(Ben.)	7,719	4 %	4,198	3 %	3,069	2 %
Minority Interest	6,579	3 %	5,090	3 %	0	0 %
Net Income	33,339	17 %	26,687	16 %	24,709	15 %
Fully Diluted EPS(NT\$)	4.49		3.64		3.34	
Sales Grew	20 %		(0)%		15 %	

Exchange Rate: 1:30 (US\$:NT\$)

Key Financial indicators

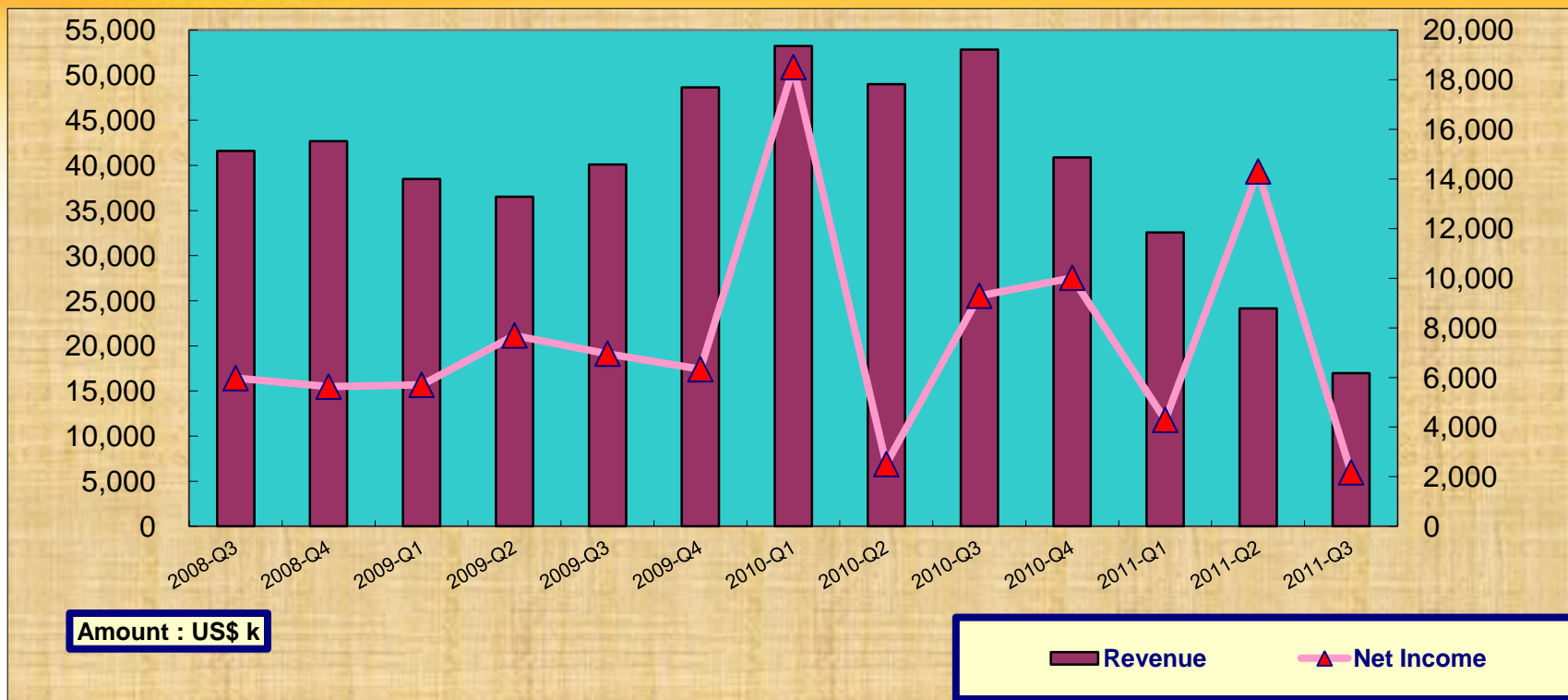
	2011Q3	2010Q3	2009Q3
ROE	18.90 %	21.43 %	17.46 %
ROA	16.37 %	17.33 %	13.50 %
AR Turnover	51 days	54 days	43 days
Inventory Turnover	37 days	80 days	75 days
Debt ratio	13.37 %	19.15 %	22.69 %

Balance sheet highlights

Amount : US\$ k	2011Q3		2010Q3		2009Q3	
Cash & Equivalent	71,060	42 %	80,510	35 %	88,704	44 %
Accounts Receivable	13,667	8 %	30,779	14 %	18,252	9 %
Inventory	5,359	3 %	22,139	10 %	15,146	8 %
Fixed Assets	18,004	11 %	50,834	22 %	41,799	21 %
Other Assets	61,045	36 %	43,482	19 %	37,116	18 %
Total Assets	169,134	100 %	227,743	100 %	201,016	100 %
Liabilities	22,608	13 %	43,618	19 %	45,610	23 %
Equities	146,527	87 %	184,125	81 %	155,407	77 %

Exchange Rate: 1:30 (US\$:NT\$)

2008-2011 Quarterly Revenue/Profit



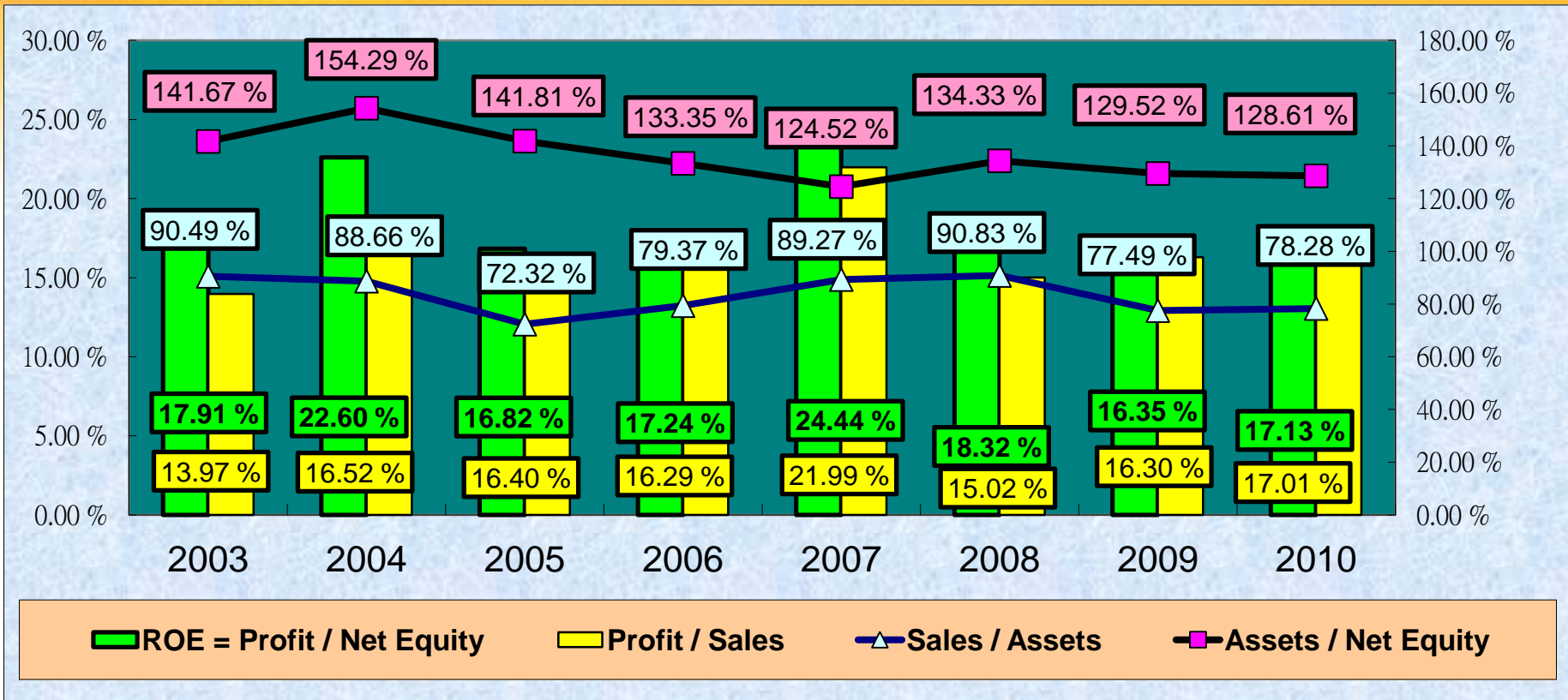
Amount : US\$ k	2008-Q3	2008-Q4	2009-Q1	2009-Q2	2009-Q3	2009-Q4	2010-Q1	2010-Q2	2010-Q3	2010-Q4	2011-Q1	2011-Q2	2011-Q3
Revenue	41,592	42,686	38,510	36,523	40,097	48,643	53,247	49,009	52,827	40,902	32,560	24,166	16,962
Net Income	5,972	5,632	5,703	7,693	6,959	6,332	18,508	2,508	9,292	10,017	4,289	14,305	2,176

Exchange Rate: 1:30 (US\$:NT\$)

Note 1 : 2011 Q1 and 2010 Q1 recognized gain (after 10% tax) on disposal of AVI shares USD\$3,350K and USD\$11,949K respectively.

Note 2 : 2010 Q2 adjusted for deferred income tax of USD\$3,037K.

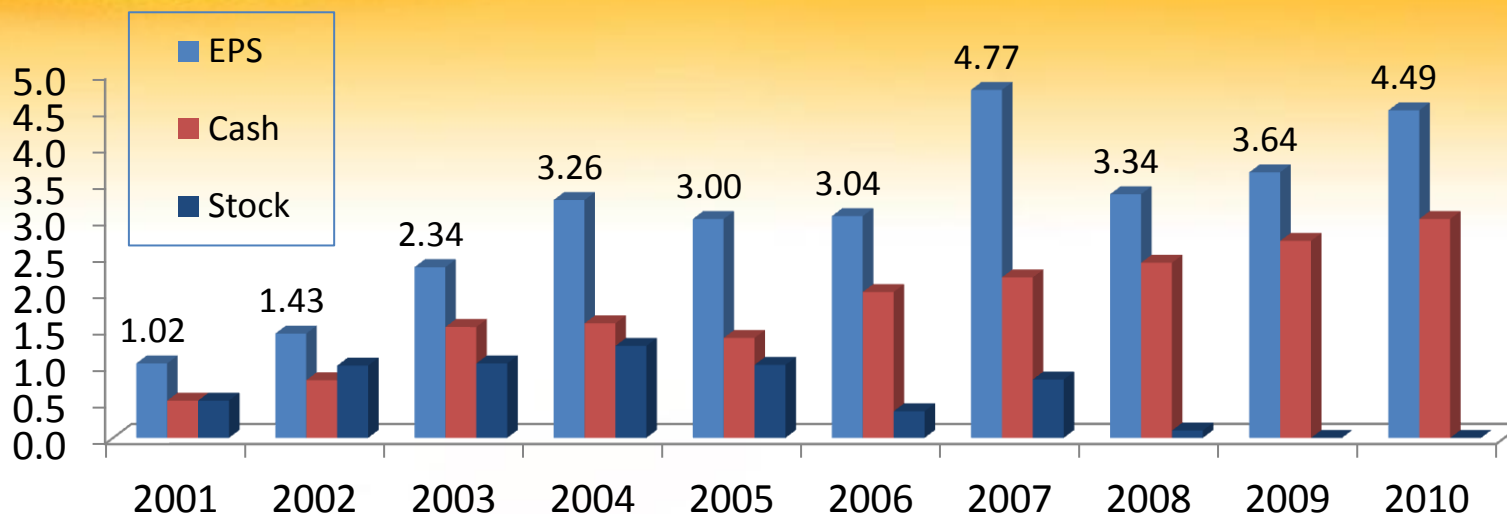
Breakdown of ROE



	2003	2004	2005	2006	2007	2008	2009	2010
Profit / Sales	13.97 %	16.52 %	16.40 %	16.29 %	21.99 %	15.02 %	16.30 %	17.01 %
Sales / Assets	90.49 %	88.66 %	72.32 %	79.37 %	89.27 %	90.83 %	77.49 %	78.28 %
Assets / Net Equity	141.67 %	154.29 %	141.81 %	133.35 %	124.52 %	134.33 %	129.52 %	128.61 %
ROE = Profit / Net Equity	17.91 %	22.60 %	16.82 %	17.24 %	24.44 %	18.32 %	16.35 %	17.13 %

Dividends distribution

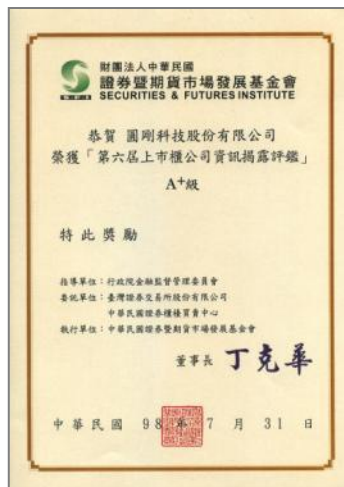
Amount : NT\$



Year	Cash		Stock		Total
	Amount	Percentage	Amount	Percentage	
2010	3.156	100%	0	0%	3.156
2009	2.70	100%	0	0%	2.70
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

Corporate Governance

Received Certificate of CG6005: Corporate Governance System Evaluation from Corporate Governance Association in Taiwan (TCGA)



Information Transparency and Disclosure Ranking Results in Taiwan

- AVerMedia was ranked as **A+** in 2009 and 2010
- Only 37 companies were ranked as A+ in 1,181 listed companies of TWSE and GTSM in 2009.
- Only 35 companies were ranked as A+ in 1,154 listed companies of TWSE and GTSM in 2010.

Awards-Corporation



國家品質獎
NATIONAL QUALITY AWARD

National Quality Award- Corporate Award

The highest national honor to bestow corporations with outstanding achievements in carrying out extensive quality control.

AVerMedia Technologies has received this award in 2011.

Outstanding Enterprise Innovation Award

The Excellence Enterprise Innovation Award is given to honor companies which are rigorously involved in industrial innovation and has an overall outstanding performance.

AVerMedia stood out from 100 well-known companies in Taiwan and garnered this award in 2010.



Awards-Product

Taiwan Excellence Award 2011

Taiwan Excellence represents Taiwan's ingenuity in product and technological innovation. 35 Taiwan ICT brands were selected to represent Taiwan Excellence. **8** products of AVerMedia received Taiwan Excellence Award in 2011.



台灣精品
2011



Outstanding IT Talents Award & Application Award

AVerMedia has once again proved its dedication in information technology for entertainment by receiving this award. **AVer3D Capture HD** and **SUNG TV** (IPTV solution) have received the honor in 2010.

Awards-Corporate Social Responsibility



天下企業公民
Excellence in Corporate Social Responsibility

2011 天下企業公民

Excellence in Corporate Social Responsibility

▲ 回專輯首頁

2011	2010	Company	Aggregate	Corporate Governance	Corporate Commitment	Social Engagement	Environmental Protection
1	4	Planet Technology	7.70	7.4	7.9	8.5	7.1
2	4	TXC Corporation	7.35	8.3	7.6	5.3	8.3
3	3	Everlight Chemical	6.53	4.6	7.1	7.3	7.2
4	2	HIWIN Technologies	6.36	5.3	5.9	7.4	6.8
5	7	AVerMedia Technologies	6.36	4.6	6.7	8.3	5.9
6	6	Inventec Besta	6.36	5.8	5.7	7.2	6.7
7		Walton Advanced Engineering	6.15	5.3	6.6	6.9	5.9
8		Merry Electronics	6.07	5.2	5.7	6.0	7.5
9		Advanced Analog Technology	6.00	7.5	5.3	5.2	6.1
10	8	CHC Resources	5.86	5.4	4.4	6.2	7.5

Core Technology

Technology

- Video conversion between analog and digital
- Digital/analog TV standard integration
- Streaming media technology
- Video codec technology
- Hardware, Software and Firmware development capability
- Leading technology for embedded TV tuners in the field of Notebook PCs

Patents

114 patents have been granted, while **69** patents are still in the process.

Products



Watching TV on
PC / mobile device

HD
Capture



Internet Video
Streaming

Watch TV on PC

- Watch Digital Terrestrial or/and Analog TV on PC

Analog TV

DVB-T

DVD/Blue-Ray Player

AVerMedia AVerTV TwinStar HD High-Resolution - Superior Quality

Mac

AVerTV Volar

USB Solution

TV Box Solution

HD H.264 & MPEG-2 HDV

AVerMedia AVerTV CAPTURE HD

AVerMedia TV on My PC

AVerMedia Watch & Record Live 3DTV Convert 2D Video to 3D

3D Experience the Power of 3D TV on Your PC



ASUS®

DELL™

acer®



Packard Bell.
Your digital playground



FUJITSU

intel®

TOSHIBA

SONY



MEDION®

BenQ

BUFFALO

FUJITSU COMPUTERS
SIEMENS



EPSON®



TG삼보컴퓨터



HD Capture



Video Capture & Complete SDK Solution for Professionals



Game Capture HD



Features:

- ✓ Capture HD game play without a PC
- ✓ Play and record in real-time
- ✓ Smart file management
- ✓ Take snapshots while gaming or playback

Seriously, who is playing games?

There are more than **170** million gamers in the US



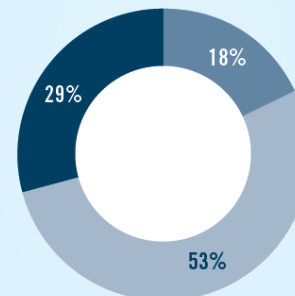
33%

of gamers say that playing computer or video games is their favorite entertainment activity

Some of the top reasons why gamers purchase a computer or video game: quality of game graphics, an interesting storyline, a sequel to a favorite game, word of mouth

The average game player age is:

37



AGE
of Game Players

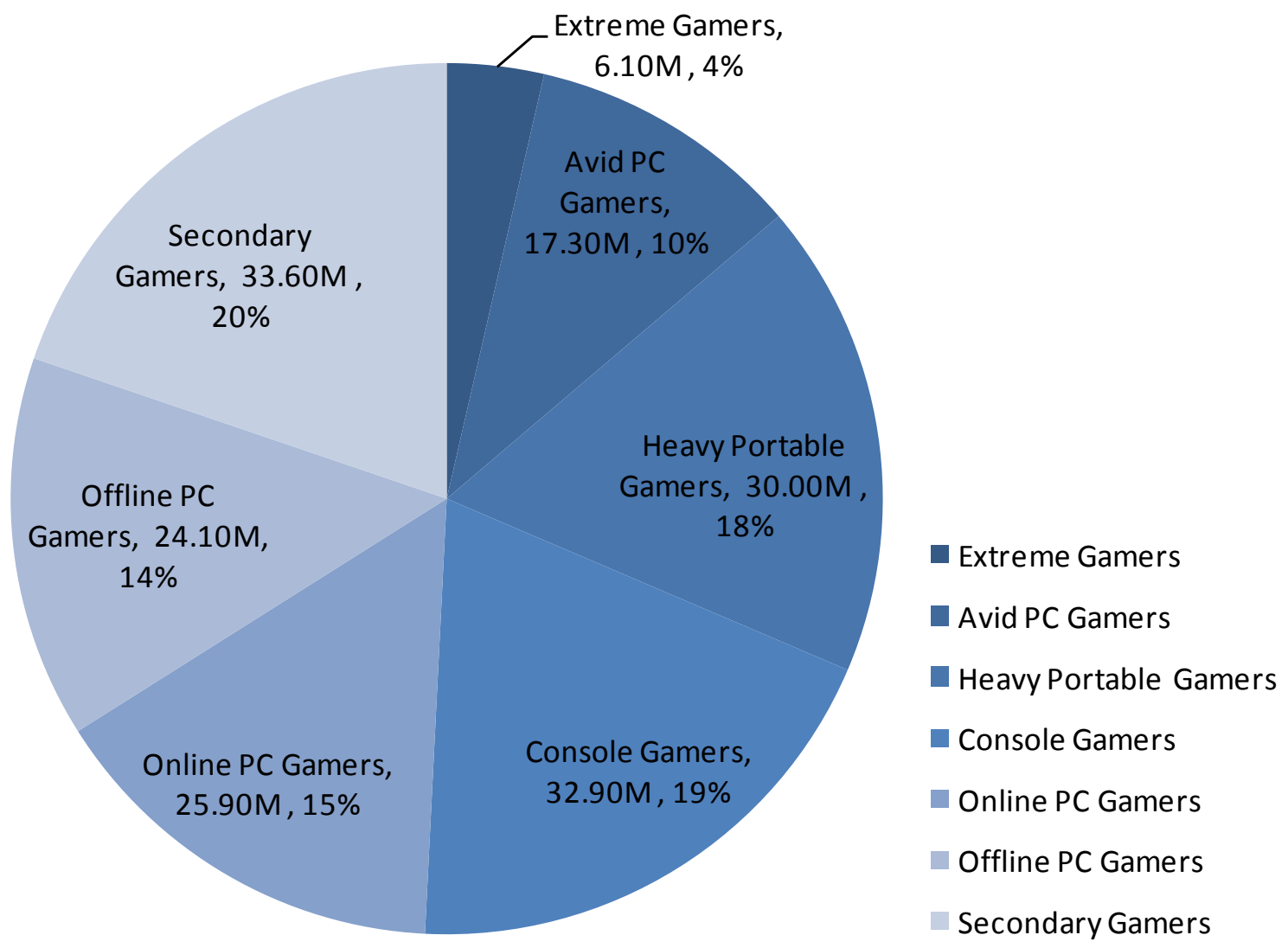
18% under 18 years
53% 18-49 years
29% 50+ years

ESA 2011 report, USA data

In USA, Extreme Gamers play **40** hrs/week in 2009, **48.5** hrs/week in 2010

in 2009, Console Gamers play **12** hrs/week

NPD, Gamer Segmentation 2009, 2010, 2011



Console War!



nexgenwars.com is estimating the number in Live.

XBOX 360
pick the 360 consoles sold
32,517,853

PLAYSTATION 3
pick the PS3 consoles sold
25,099,207

Wii
pick the Wii consoles sold
53,590,162

US and Europe Installed Base

Current Gen. Platforms	12/31/09 Installed Base	Estimated CY2010 Increase	Estimated 12/31/10 Installed Base
Xbox 360	32M	8M	40M
Playstation 3	23M	9M	32M
Wii	51M	12M	63M
Handhelds	112M	18M+	130M+
Total	218M	47M+	265M+

Here's Activision's estimates, based on NPD, Charttrack and GfK data in 2010.

AVerMedia Gamer Zone @ YouTube

The screenshot displays the YouTube channel page for AVerMedia Gamer Zone. At the top, the YouTube logo and search bar are visible. The channel header includes the AVerMedia logo, the channel name 'AVerMedia Gamer Zone', and a '訂閱' (Subscribe) button. Statistics show 1,919 subscribers and 124,875 video views. Below the header, there are navigation tabs for '精選' (Featured), '資訊提供' (Information), and '影片' (Videos). A search bar is also present. The main content area features a video player with a thumbnail titled 'Direct Record Your Gameplay from Graphics Card'. The video title is 'Best Solution to Record and Stream Full HD PC gameplay: AVerMedia Live Gamer HD' with 6,001 views. The channel name 'AVerMedia Gamer Zone' is displayed below the video. The right-hand sidebar contains information about the channel, including the website 'avermedia.com', the creator 'AVerMediaGamerZone', and the latest activity date '2012-02-11'. There is also a '發佈' (Post) button and a '更多' (More) dropdown menu.

<http://www.youtube.com/AVerMediaGamerZone>

HomeFree Series Watch Live TV on your iPad

FEATURE STORIES

- What is HomeFree?
- Live TV on the iPad!
- Advanced HomeFree Products



ISSUE 1
JUNE 2011
HomeFree.AVerMedia.com

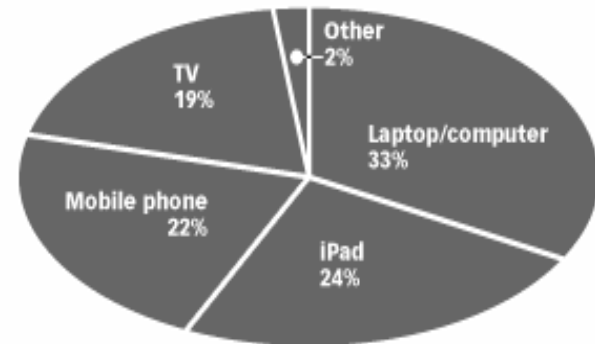
AVerMedia[®]

AVerMedia[®]



Primary Entertainment Device Among UK iPad Owners, Aug 2010

% of respondents



Source: Cooper Murphy Webb, "iPad Consumer Usage Study," Aug 12, 2010

118846

www.eMarketer.com

HomeFree Series



How does HomeFree Duet work?

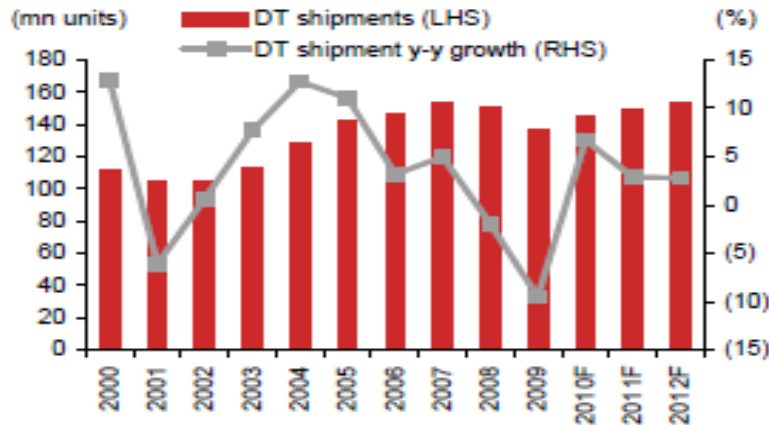


5 Steps to Enjoy HomeFree!

- 1 Connect digital TV antenna
- 2 Connect HomeFree & wireless router with Ethernet cable
- 3 Insert the power adapter of HomeFree & turn on the power switch
- 4 Connect PC & wireless router with Ethernet cable/ Wi-Fi
- 5 Install AVerTV 6 HomeFree or Windows 7 Media Center on your PC, or HomeFree Player on your iPad. Run the TV-viewing software & Scan TV channels.

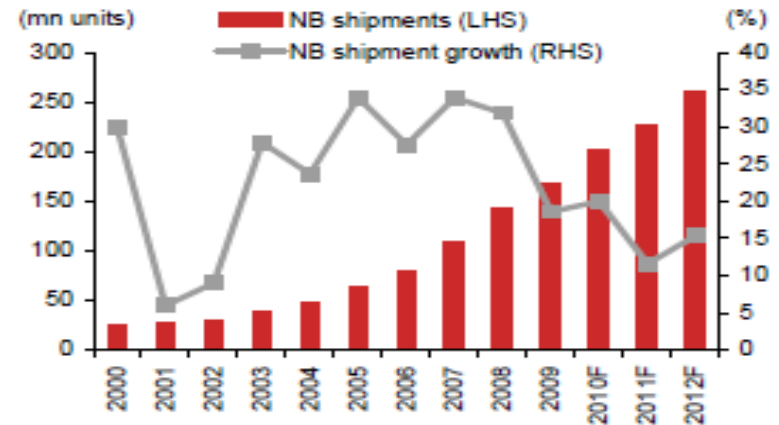
External Market Trend

Exhibit 26. DT shipments and growth



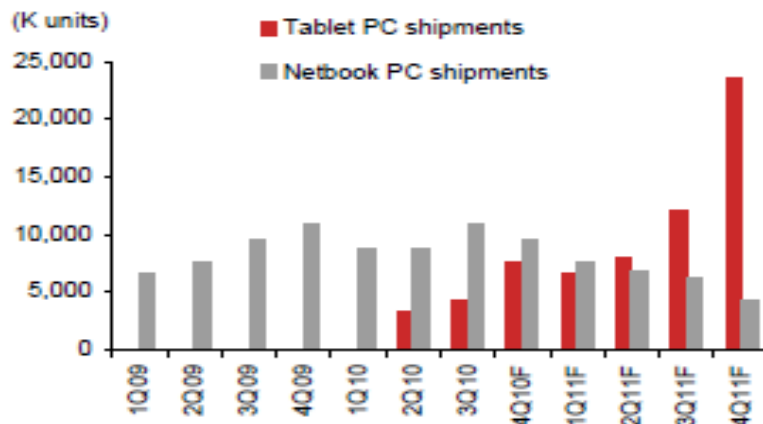
Source: IDC; Nomura estimates

Exhibit 27. NB shipments and growth



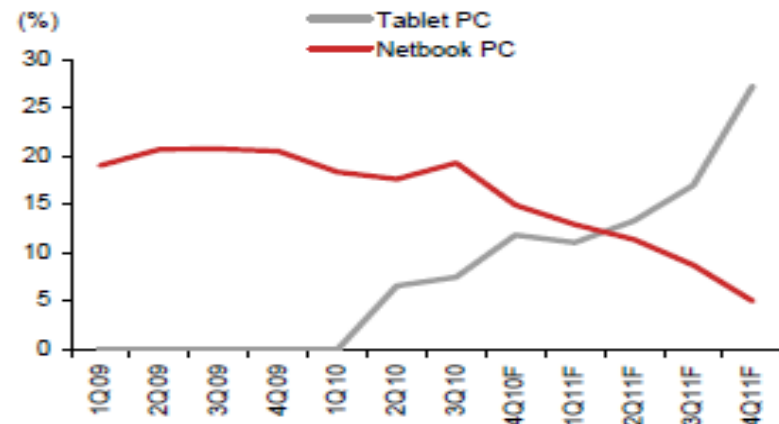
Source: IDC; Nomura estimates

Exhibit 28. Tablet PC and netbook shipments



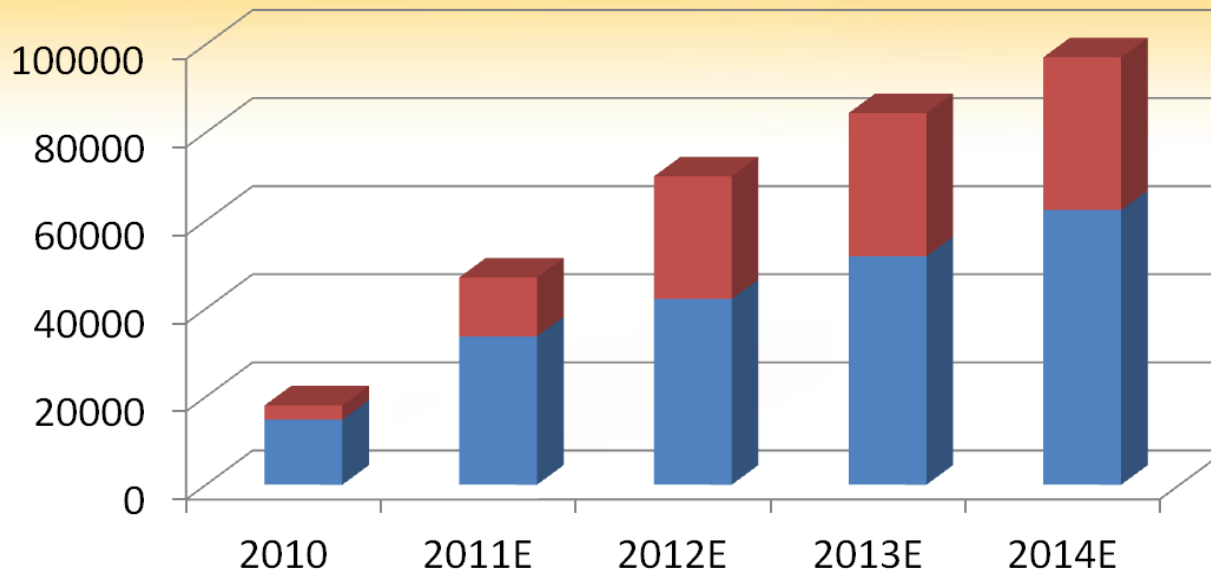
Source: IDC, Nomura estimates

Exhibit 29. Tablet PC/netbook to total portable PC



Source: IDC, Nomura estimates

Tablet PC Shipment forecast



■ Android Pad
■ iPad

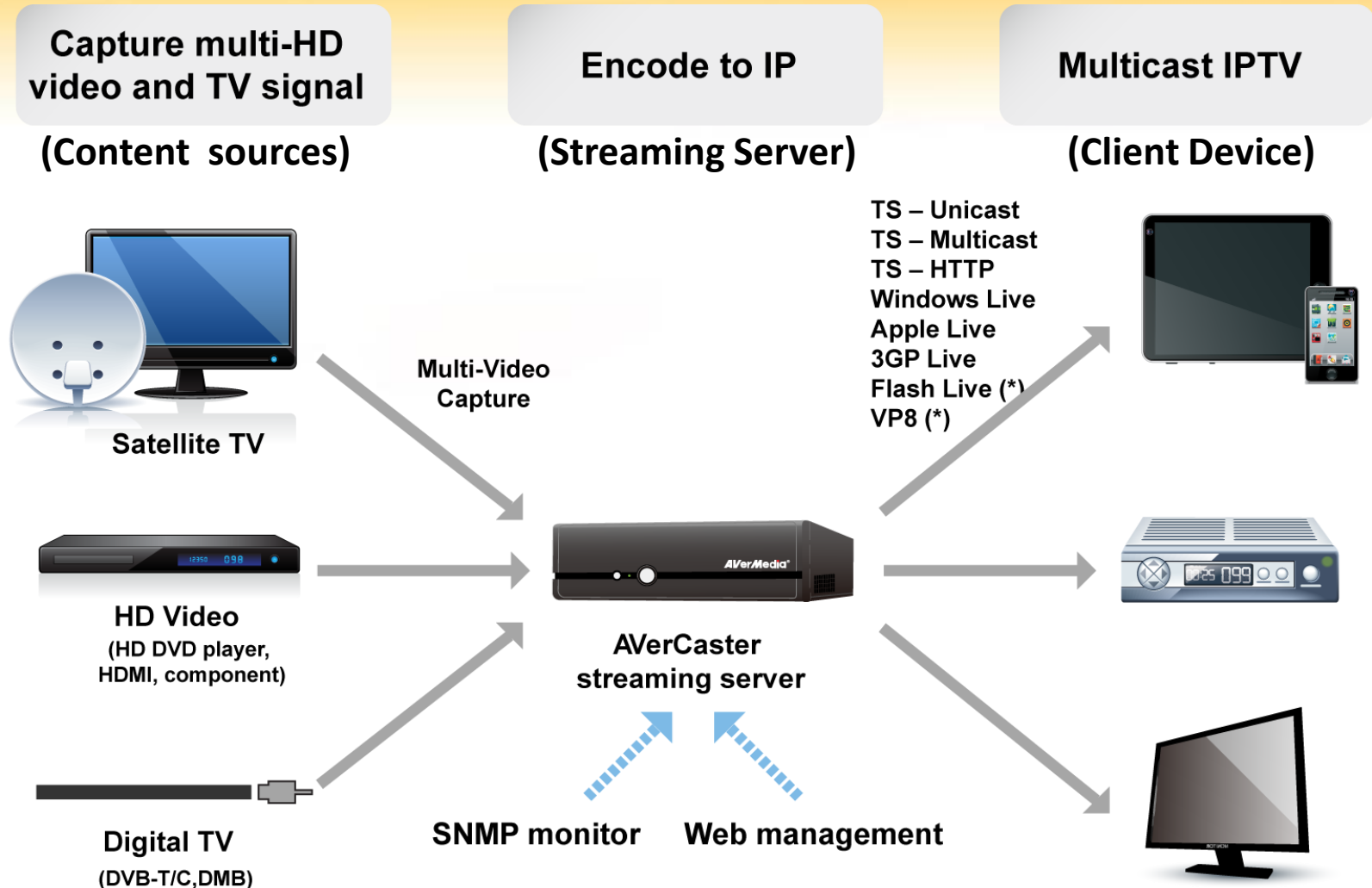
Units: K

Barclays Capital's tablet PC shipment forecasts

Units in ('000)	2010	1Q11E	2Q11E	3Q11E	4Q11E	2011E	2012E	2013E	2014E
Apple iPad Forecast	14,789	5,132	7,338	9,026	12,185	33,681	42,174	51,887	62,378
q/q change	-	-30%	43%	23%	35%	-	-	-	-
y/y change	-	-	124%	116%	66%	128%	25%	23%	20%
% Unit Share	82%	78%	77%	75%	64%	72%	60%	61%	64%
Other Tablets	3,211	1,418	2,162	2,974	6,815	13,369	27,826	32,488	34,654
q/q change	-	-41%	52%	38%	129%	-	-	-	-
y/y change	-	-	840%	429%	182%	316%	108%	17%	7%
Total Tablet Forecast	18,000	6,550	9,500	12,000	19,000	47,050	70,000	84,375	97,031
q/q change	-	-33%	-47%	83%	100%	-	-	-	-
y/y change	-	-	171%	153%	95%	161%	49%	21%	15%

Source: IDC, Gartner, Barclays Capital estimates

AVerMedia Streaming Server Solution



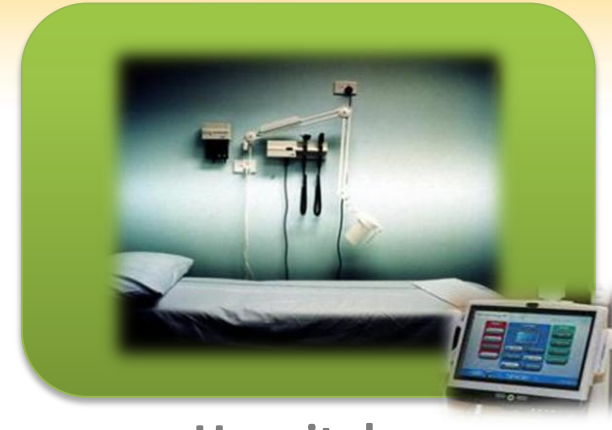
Server Application Streaming



Government



Restaurant



Hospital



Hotel



Education



Broadcast industry

Education

AVerCaster Combo



■ Application Profile ■

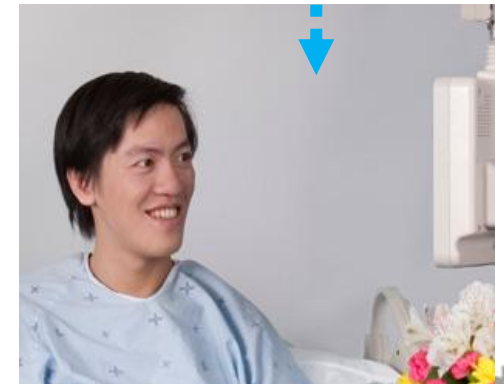
- Event : professor's lecture
- Input source : video camera
- Benefit : no need for an expensive broadcasting solution, AVerCaster allows students to listen to the live lecture online everywhere in the campus

Hospital

Application Profile

- Event : infotainment
- Input source :
 - media player - medical commercial
 - DVB-T - news etc.
- Benefit : with small amount of investment, patients can enjoy infotainment in each sick room.

AVerCaster Pro



Public Station

■ Application Profile ■

- Event : Breaking News
- Input source : Digital TV (DVB-T)
- Benefit : no need for extra cabling work, passengers can stop and watch Live breaking news on every screen in the station without time delay

AVerCaster Combo



DVB-T

Multicast

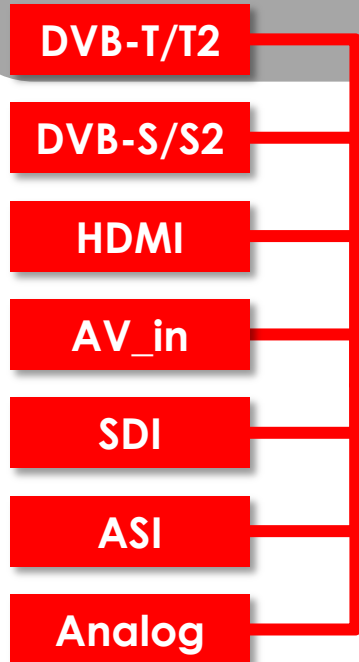
LAN



Broadcasting industry

■ Application Profile ■

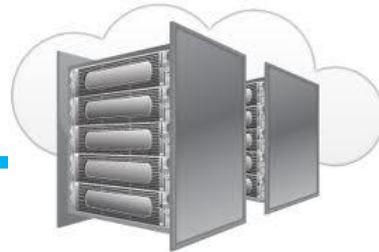
• Input source : DVB-T/T2, DVB-S/S2, HDMI, AV-in, SDI, ASI, Analog



AVerCaster pro



Internet



Content management server



TV System Service for Medium-sized Hotel

Integrate Satellite TV and DVB-T TV signal Input

DVB-T



DVB-S + CAM



AVerCaster Pro Streaming Server

100/1000 Switch

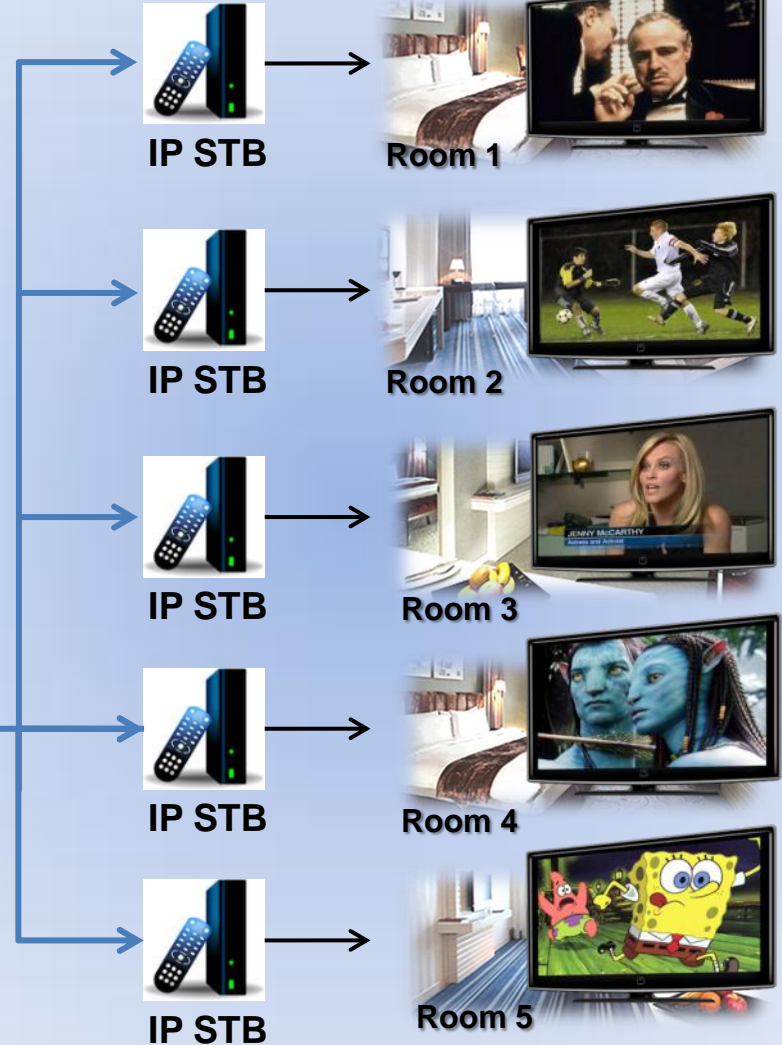


Third-party
•Room service system
•VOD system

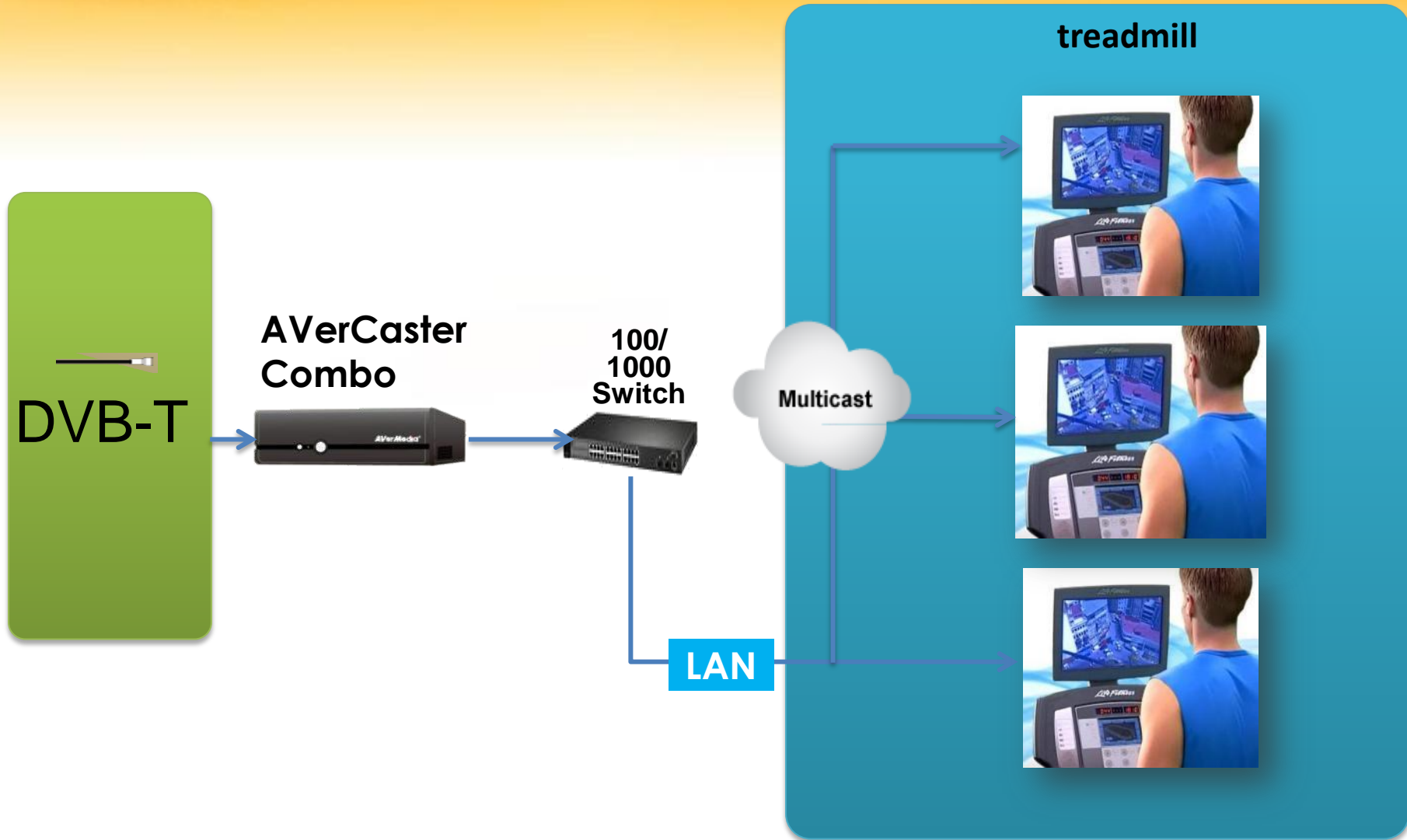
Over 30 TV channels

LAN Multicast

Watch different channels



Fitness Club



AVerMedia Corporate 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 :**

- Besides money donations, we contribute ourselves by offering the help to those who really need.
- Earth protection and environmental friendly activities under **worldwide** basis.



Our Mission

- We are committed to enriching entertainment experiences and promoting effective communication among people.
- We strive to be a global corporate citizen that contributes to society.



Charity Activities in Taiwan

- Weekly after-class accompanied study to children from low-wage family
- Story-telling to children in remote area
- Book donation to aboriginal children



Charity Activities in Taiwan



Clean up the World in Taiwan

Charity Activities in the World

Caring about disabilities

Blind School · Thailand

Fund Raising and Donation
for Blind School in Thailand



Caring about Education

Scholarship · USA

Support the students who
dedicate to environment



Caring about children

Fairfield's Special School
United Kingdom

Interaction with pupils at
the special school



Q&A

Thank you

AVerMedia®