

AVerMedia Corporate Profile

March, 2009

By
Moses Lee

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 years : 18 years Plus
- Employees (AVerMedia Group) : 1174
- RD Engineers (AVerMedia Group) : 346
- Branding / ODM : 70% / 30%

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

Updated on Jan. 2009
Exchange Rate: 1:33 (US\$:NT\$)

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.

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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.

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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.



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Best Choice of COMPUTEX TAIPEI 2008



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 Volar GPS805 is the world's first DVB-T USB dongle receiver with integrated GPS capability



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2008 CES Innovations Design & Engineering Award



AVerTV Hybrid NanoExpress

AVerTV Hybrid Volar MAX

AVerTV Hybrid Volar MAX and AVerTV Hybrid NanoExpress were both selected as CES 2008 Innovations Design and Engineering Award Winner in the Video Accessories category. Each year, CES Innovations award winning products have been served as benchmark for the latest and most advanced in consumer technologies, showcasing the latest design and engineering innovations.

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| 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 by *CommonWealth* Magazine.

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Global Marketing & Service Network

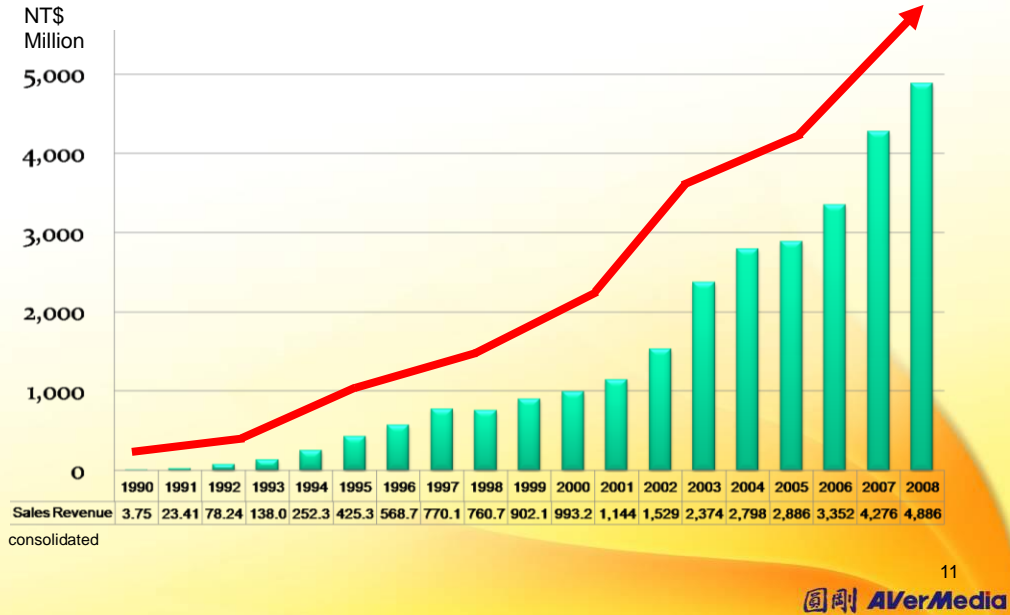


Subsidiaries and Global Network of Distributors, System Integrators, VARs, and ODMs Over 75 Countries

New Factory of AVerMedia



Revenue (1990-2008)



2008- Annual Financial Results

| Amount : US\$ k | 2008-☆ | | 2007 | | YoY % |
|--|----------|-------|----------|-------|-------|
| Net Sales | 152,736 | 100 % | 133,649 | 100 % | 14 % |
| COGS | (81,364) | (53)% | (71,121) | (53)% | 14 % |
| GP | 71,373 | 47 % | 62,528 | 47 % | 14 % |
| Operating Expense | (48,257) | (32)% | (35,375) | (26)% | 36 % |
| Operating Income | 23,116 | 15 % | 27,153 | 20 % | (15)% |
| Net Non-op Items | 2,806 | 2 % | 1,645 | 1 % | |
| Income before Tax | 25,922 | 17 % | 28,799 | 22 % | (10)% |
| Income Tax Exp. (Ben.) | 2,758 | 2 % | (434) | (0)% | |
| Net Income | 23,164 | 15 % | 29,384 | 22 % | (21)% |
| Fully Diluted EPS(NT\$) | 3.40 | | 4.77 | | (29)% |
| Pre-Tax Net Income before | | | | | |
| [a. Ex-rate loss; | | | | | |
| b. Staffs' bonus and remuneration to the Board members | 31,226 | 20 % | 28,299 | 21 % | 10 % |
| c. Retirement fund paid-up] | | | | | |

☆Y2008's consolidated annual results, except the bottom line, are before CPA's audit

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2008 Annual Financial Results

Performance Comparison of 2008 to that of 2007 & 2006

| Amount : US\$ k | 2008-☆ | | 2007 | | 2006 | |
|-------------------------|----------|-------|----------|-------|----------|-------|
| Net Sales | 152,736 | 100 % | 133,649 | 100 % | 104,773 | 100 % |
| COGS | (81,364) | (53)% | (71,121) | (53)% | (58,874) | (56)% |
| GP | 71,373 | 47 % | 62,528 | 47 % | 45,898 | 44 % |
| Operating Expense | (48,257) | (32)% | (35,375) | (26)% | (29,965) | (29)% |
| Operating Income | 23,116 | 15 % | 27,153 | 20 % | 15,934 | 15 % |
| Net Non-op Items | 2,806 | 2 % | 1,645 | 1 % | 1,603 | 2 % |
| Income before Tax | 25,922 | 17 % | 28,799 | 22 % | 17,537 | 17 % |
| Income Tax | 2,758 | 2 % | (434) | (0)% | 185 | 0 % |
| Net Income | 23,164 | 15 % | 29,384 | 22 % | 17,351 | 17 % |
| Fully Diluted EPS(NT\$) | 3.40 | | 4.77 | | 3.04 | |
| Sales Grew | 14 % | | 28 % | | 16 % | |
| EPS Grew | (29)% | | 57 % | | 1 % | |

☆Y2008's consolidated annual results, except the bottom line, are before CPA's audit

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Balance sheet highlights

| Amount : US\$ k | 2008-☆ | | 2007 | | 2006 | |
|---------------------|---------|-------|---------|-------|---------|-------|
| Cash & Equivalent | 75,324 | 45 % | 61,680 | 41 % | 54,601 | 41 % |
| Accounts Receivable | 19,545 | 12 % | 17,849 | 12 % | 16,920 | 13 % |
| Inventory | 17,553 | 10 % | 20,549 | 14 % | 13,573 | 10 % |
| Fixed Assets | 40,898 | 24 % | 29,523 | 20 % | 28,434 | 21 % |
| Total Assets | 167,592 | 100 % | 149,713 | 100 % | 133,979 | 100 % |
| Liabilities | 44,956 | 27 % | 29,484 | 20 % | 34,788 | 26 % |
| Equities | 122,637 | 73 % | 120,228 | 80 % | 99,192 | 74 % |

☆Y2008's consolidated annual results, except the bottom line, are before CPA's audit

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Key Financial indicators

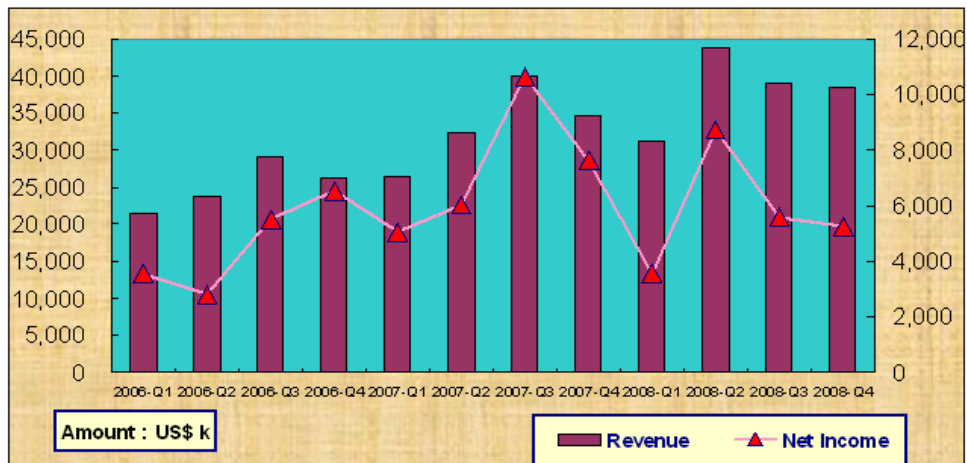
| | 2008-☆ | 2007 | 2006 | 2005 |
|--------------------|---------|----------|---------|---------|
| ROE | 18.89 % | 24.31 % | 17.24 % | 16.82 % |
| ROA | 13.82 % | 19.53 % | 12.93 % | 11.86 % |
| AR Turnover | 47 days | 56 days | 57 days | 60 days |
| Inventory Turnover | 79 days | 107 days | 86 days | 79 days |
| Debt ratio | 26.82 % | 20.33 % | 25.96 % | 29.48 % |

☆Y2008's consolidated annual results, except the bottom line, are before CPA's audit

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2006~08-Q4 Quarterly Revenue/Profit

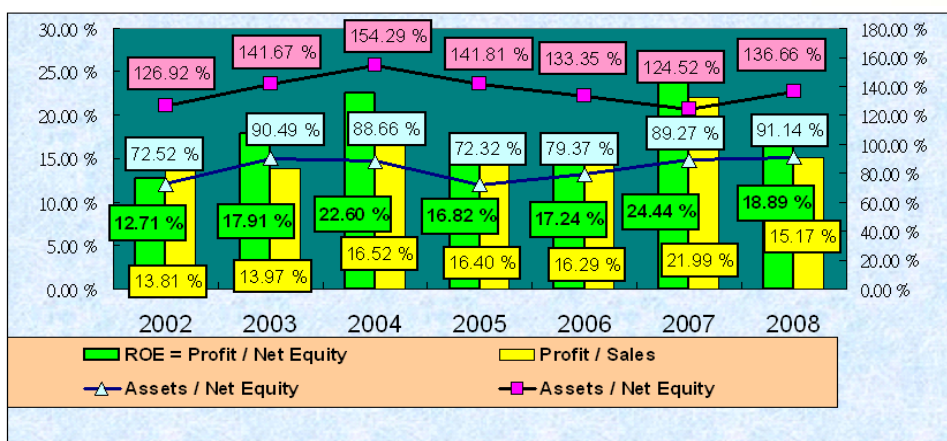


| Amount : US\$ k | 2006-Q1 | 2006-Q2 | 2006-Q3 | 2006-Q4 | 2007-Q1 | 2007-Q2 | 2007-Q3 | 2007-Q4 | 2008-Q1 | 2008-Q2 | 2008-Q3 | 2008-Q4 |
|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Revenue | 21,444 | 23,660 | 29,111 | 26,355 | 26,496 | 32,236 | 40,065 | 34,687 | 31,267 | 43,976 | 38,992 | 38,501 |
| Net Income | 3,546 | 2,826 | 5,500 | 6,516 | 5,064 | 6,041 | 10,660 | 7,619 | 3,531 | 8,754 | 5,599 | 5,280 |

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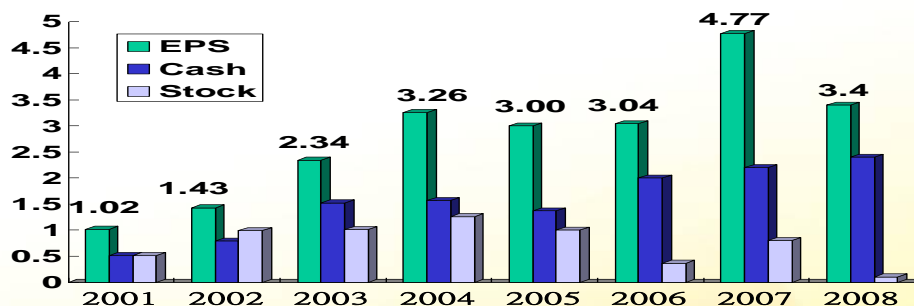
Breakdown of ROE



| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---------------------------|----------|----------|----------|----------|----------|----------|----------|
| Profit / Sales | 13.81 % | 13.97 % | 16.52 % | 16.40 % | 16.29 % | 21.99 % | 15.17 % |
| Sales / Assets | 72.52 % | 90.49 % | 88.66 % | 72.32 % | 79.37 % | 89.27 % | 91.14 % |
| Assets / Net Equity | 126.92 % | 141.67 % | 154.29 % | 141.81 % | 133.35 % | 124.52 % | 136.66 % |
| ROE = Profit / Net Equity | 12.71 % | 17.91 % | 22.60 % | 16.82 % | 17.24 % | 24.44 % | 18.89 % |

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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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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

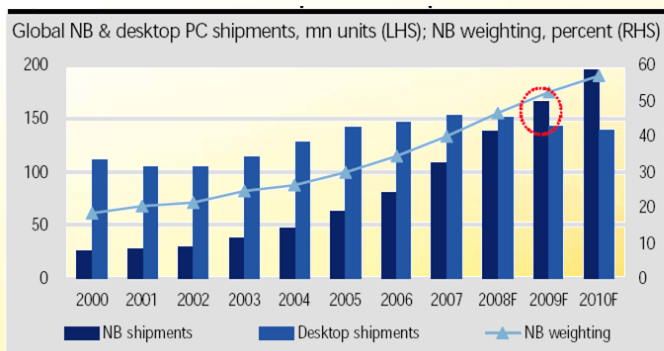
- Digital Video Surveillance

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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)



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ODM main customers



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Analog TV Tuner / PVR

- Watch, Record & Enjoy TV / Video on PC



- Desktop PC Solution
- Notebook PC Solution



AVerTV (Studio) 503
High-Quality TV Tuner Card

AVerMedia AVerTV PVR
TV Tuner Card, H/W compression

AVerTV Hybrid Express Slim
Express Tuner Card

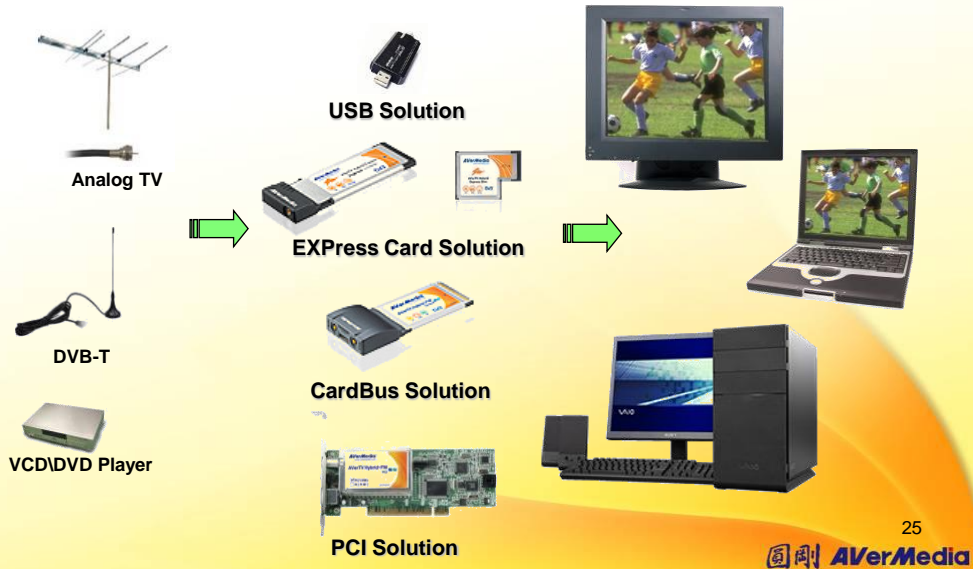
AVerTV USB MCE
USB TV Tuner,
H/W compression

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Hybrid TV Tuner Card

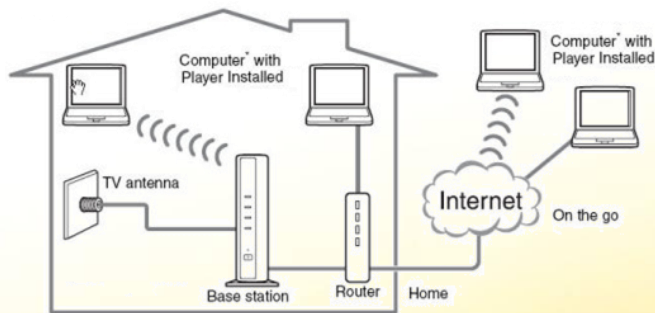
- Watch Digital Terrestrial and Analog TV on PC



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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.

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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

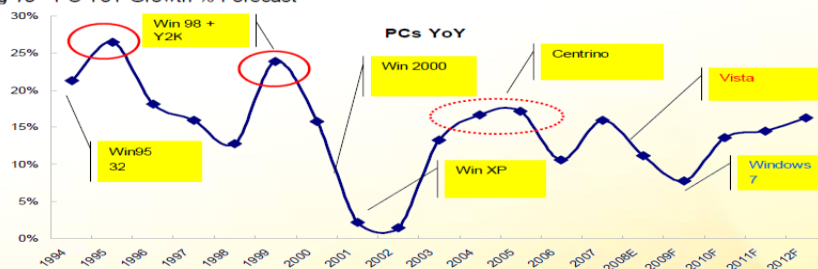


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Windows OS vs PC Shipment

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 | |

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Watch DVB-H TV Solution



AVerMedia DVB-H solutions provide superior receiving ability and allow users to watch DVB-H programs whether they are indoor, outdoor or even on the move.

South of Taiwan starts broadcasting to enter into the trial stage. AVerMedia provides DVB-H platform as part of the solutions.

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External TV Tuner BOX

- Watch Digital Terrestrial TV on PC Monitor/TV



- Watch Analog TV / Video on PC Monitor

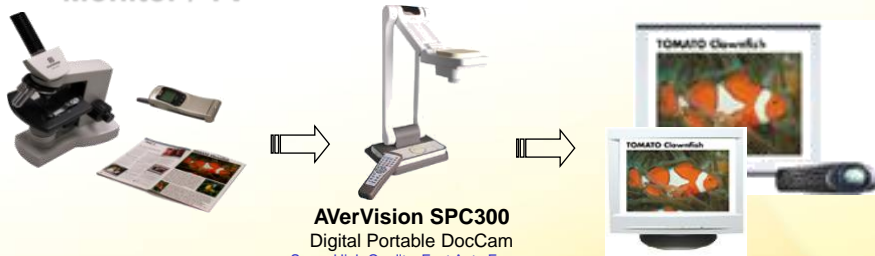


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Portable Document Camera

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



AVerVision SPC300
Digital Portable DocCam
Super High Quality, Fast Auto Focus,
PIP & Split Screen, 48X total ZOOM



Portable Gooseneck

- AVerVision CP130
- AVerVision CP150
- AVerVision CP300



Portable Mechanical Arm

- AVerVision300e
- AVerVision300AF



Portable Dual Arm

- AVerVision SPC300



Platform DocCam

- AVerVision530

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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



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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:

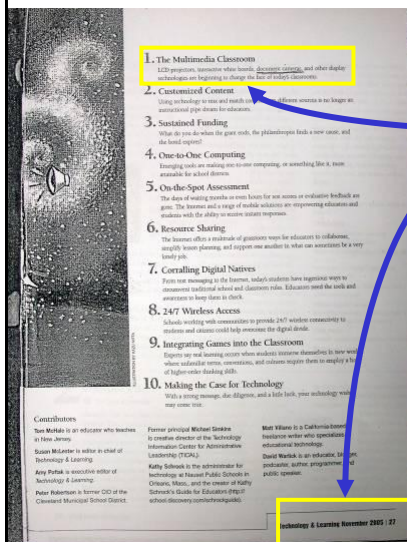
- ...
- the creation and delivery of lesson materials, including teachers' and pupils' use of *whiteboards*, **visualizers**, *handheld voting devices* and *tablet PCs* to enable reproduction of and access to resources
- ...

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

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Top 10 wish list as selected by Americans in education field



I. The Multimedia Classroom

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

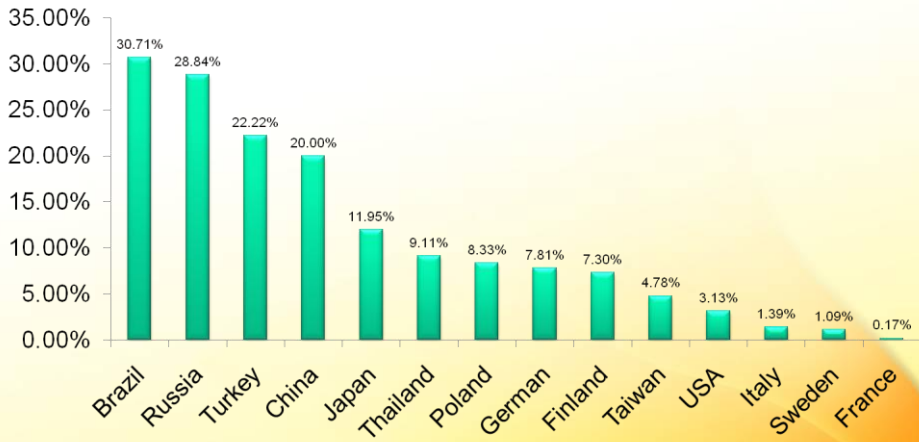
Technology & Learning November 2005 | 27

TOP 10 WISH LIST techLEARNING

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Educational Budget Growth %



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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

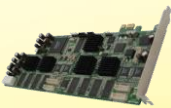
- 16CH-32CH Hybrid and Real-Time Standalone NVR



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



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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 SEB5116
 - Super slim 16CH embedded real-time DVR with GUI



AVerDiGi EH5116 Pro
 - The First 16CH Full Functional Embedded Hybrid DVR in The World



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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

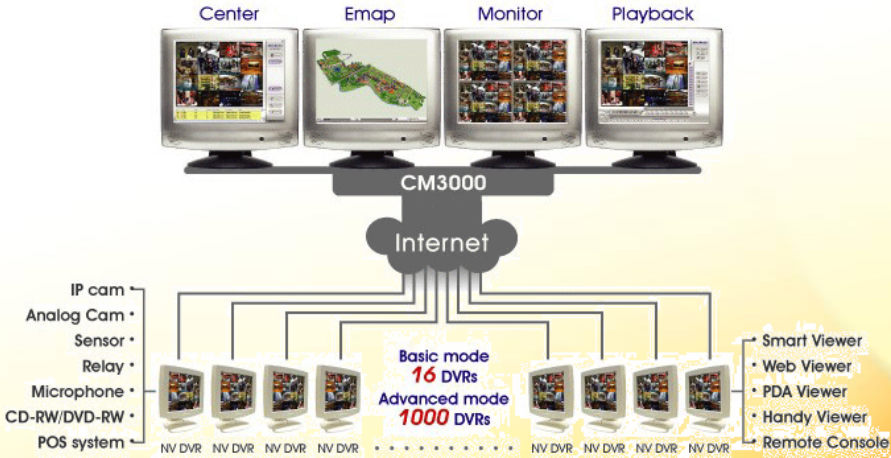


Mobile DVRs

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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.

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Surveillance Awards & Certifications



With the honor from CES, AVerDiGi EB1704HB WiFi-4 LITE became a bright start in Time Square, NY



TAIWAN EXCELLENT AWARD



GOLD MEDAL (Poznań International Fair)



"Editor's Choice" by SDM



"Gold Award" by HWM



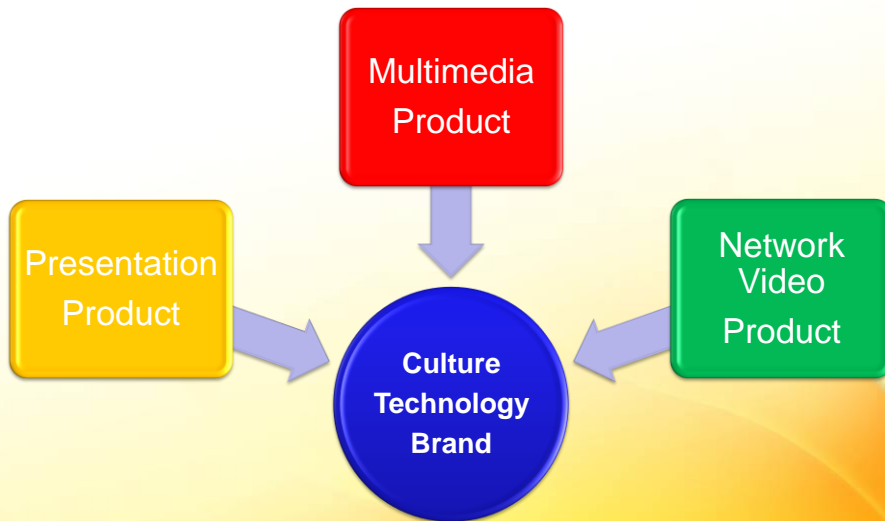
BuyCOMs' "Gold award"



CocoonTech.com – "Home Security Software of the Year."

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Internal organization capability



Growth Drivers

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Culture

- Core Value
 - Down-to-Earth
 - Value Creation
 - Self- Devotion
 - Service to Society
- Humanity- Self Awareness / Transcendence / Honesty & Integrity



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Technology



- Video conversion between analog and digital
- Leading technology for TV tuners in the field of Notebook PCs
- Patents : **135** of patents being granted, **242** of patents application in the process
- Product awards

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Brand



- **MultiMedia products: Brand premium in certain geographical areas, like **Spain, Russia and East Europe** etc.**
- **DoCam: Distinguished as one of the first movers with strong presence in K-12. Education market in the U.S. with brand recognition inherited from the glamour of previous product lines.**

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Presentation Products Potential market size

- No statistic data investigating the market size of DocCam.
 - **Number of schools:** the maximum market size can be derived from number of schools. Take USA as an example, there are 90,792 K-12 schools in the US. If we assume each school has 30 to 40 classrooms and each classroom shall install one DocCam, the potential market is 3 M units in total.

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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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Q&A