

Corporate Profile

November, 2007

AVerMedia Overview

Founded in 1990, Specializing in Designing, Manufacturing and Marketing of Multimedia Entertainment, Presentation and Digital Surveillance Products.

- ❑ Annual Turnover (2006) : **US\$ 104.9 Million**
- ❑ Consecutive profitable years : **16 years plus**
- ❑ Consecutive profitable quarters : **67 quarters**
- ❑ Employees (AVerMedia Group) : **1020**
- ❑ Branding / ODM with premium value : **70% / 30%**

Updated on Nov. 2007

2006 Taiwan Superior Brand



Based on the evaluation by the Taiwan Superior Brand Committee, the company is awarded for its outstanding performance and innovation in research and development, product quality, branding strategy, and branding achievement.

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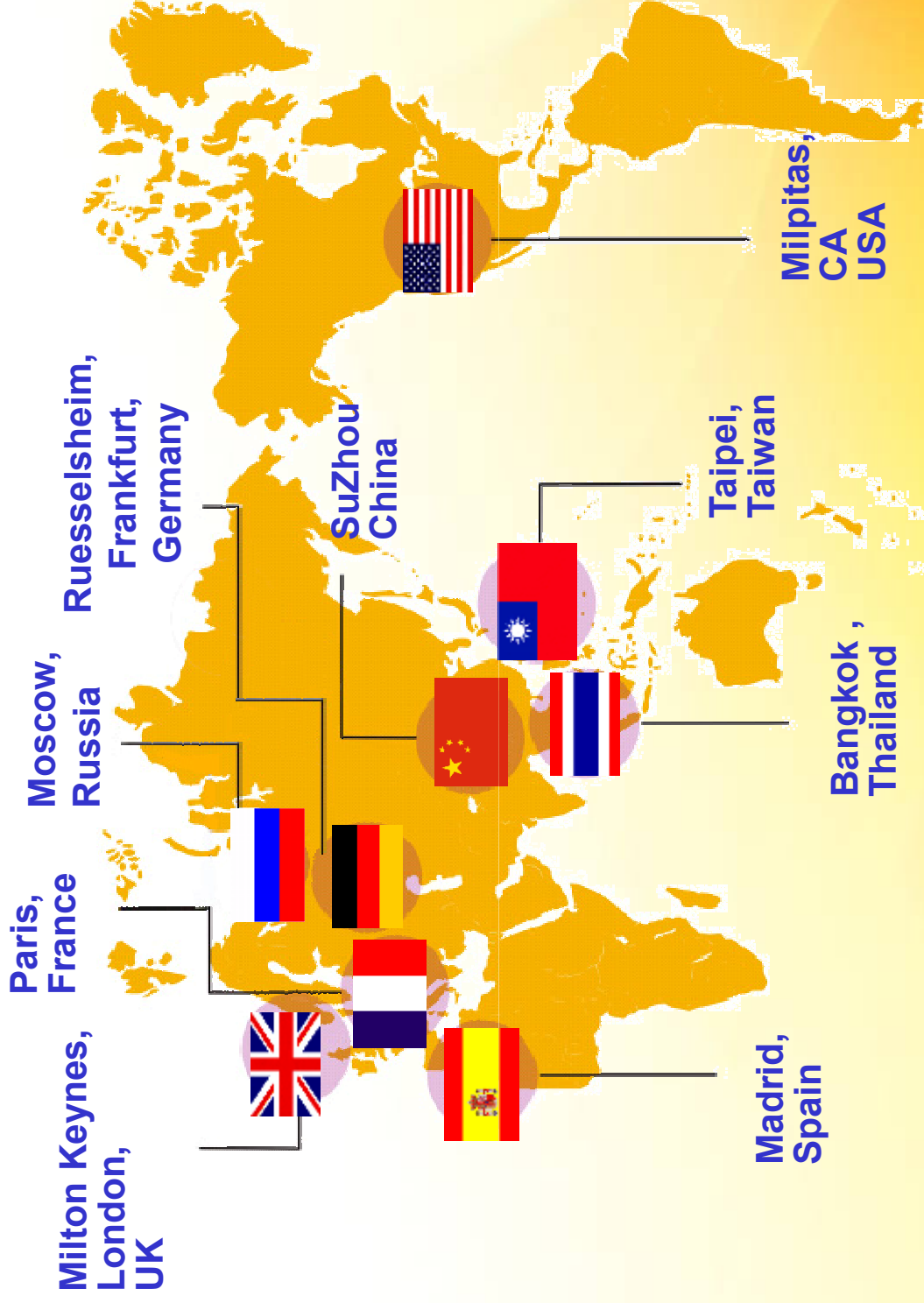
2007 第三屆

雜誌 企業社會責任獎



**AVerMedia Wins 2007
Corporate Social
Responsibility Award**

Global Marketing & Service Network



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

2007 3rd Quarter Financial Results, YoY

Amount : US\$ k

	2007 3rd-Q		2006 3rd-Q		YoY %
Net Sales	98,797	100 %	75,865	100 %	30 %
COGS	(53,798)	(54)%	(42,805)	(56)%	26 %
GP	44,999	46 %	33,060	44 %	36 %
Operating Expenses	(24,796)	(25)%	(22,848)	(30)%	9 %
Operating Income	20,204	20 %	10,212	13 %	98 %
Net Non-op Items	402	0 %	1,019	1 %	
Income before Tax	20,605	21 %	11,231	15 %	83 %
Income Tax Exp. (Ben.)	(1,160)	(1)%	(651)	(1)%	
Net Income	21,765	22 %	11,883	16 %	83 %
Fully Diluted EPS(NT\$)	3.55		1.96		81 %

Full consolidated base

Balance sheet highlights

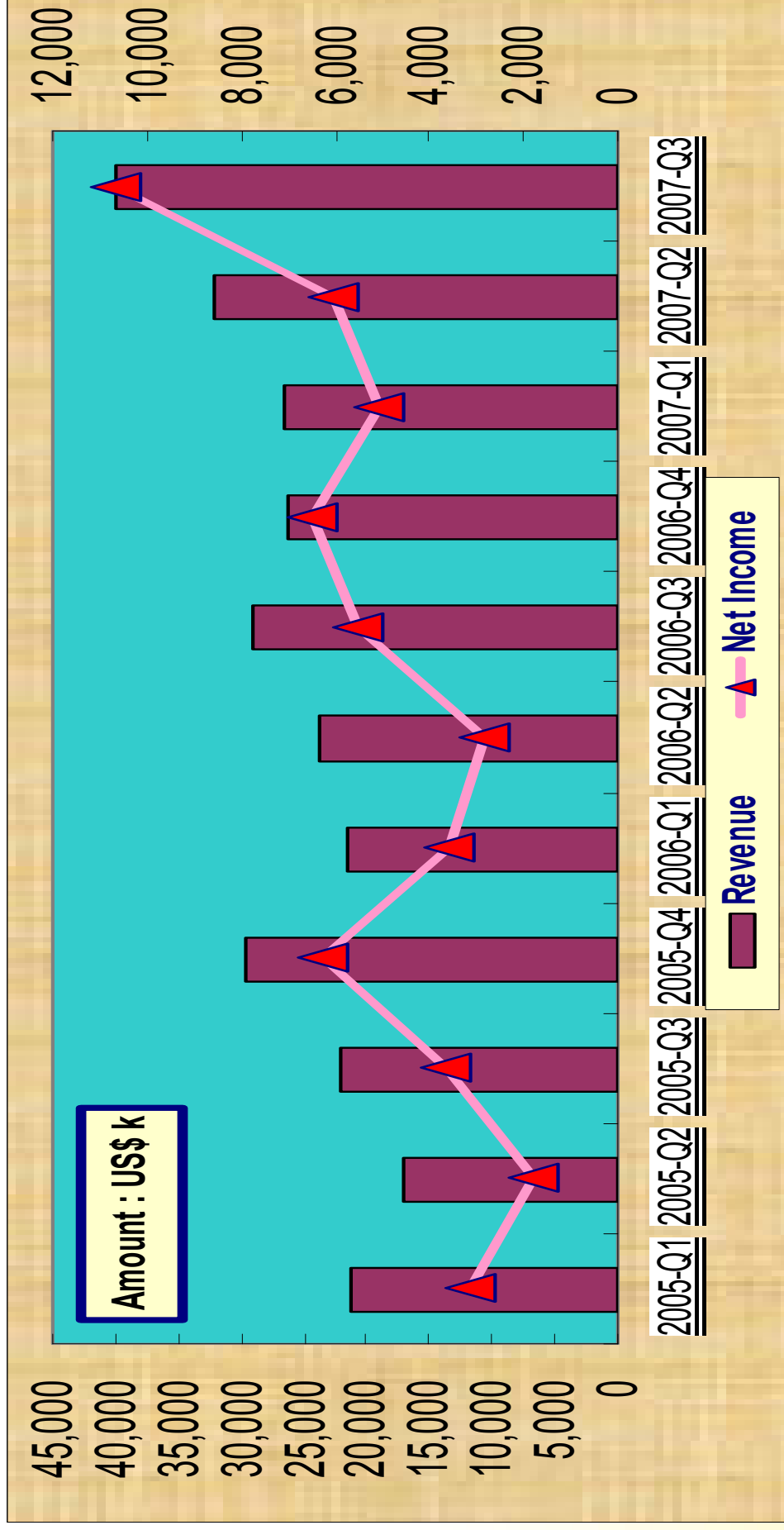
Amount : US\$ k	2007 3rd Q.	2006	2005
Cash & Equivalent	52,500	54,601	61,354
	36 %	41 %	49 %
Accounts Receivable	25,972	16,920	14,757
	18 %	13 %	12 %
Inventory	21,859	13,573	10,867
	15 %	10 %	9 %
L-T Investment	2,582	3,430	865
	2 %	3 %	1 %
Fixed Assets	27,419	28,434	20,695
	19 %	21 %	17 %
Total Assets	145,817	133,979	124,705
	100 %	100 %	100 %
Liabilities	36,507	34,788	36,765
	25 %	26 %	29 %
Equities	109,310	99,192	87,940
	75 %	74 %	71 %

Full consolidated base

Key Financial indicators

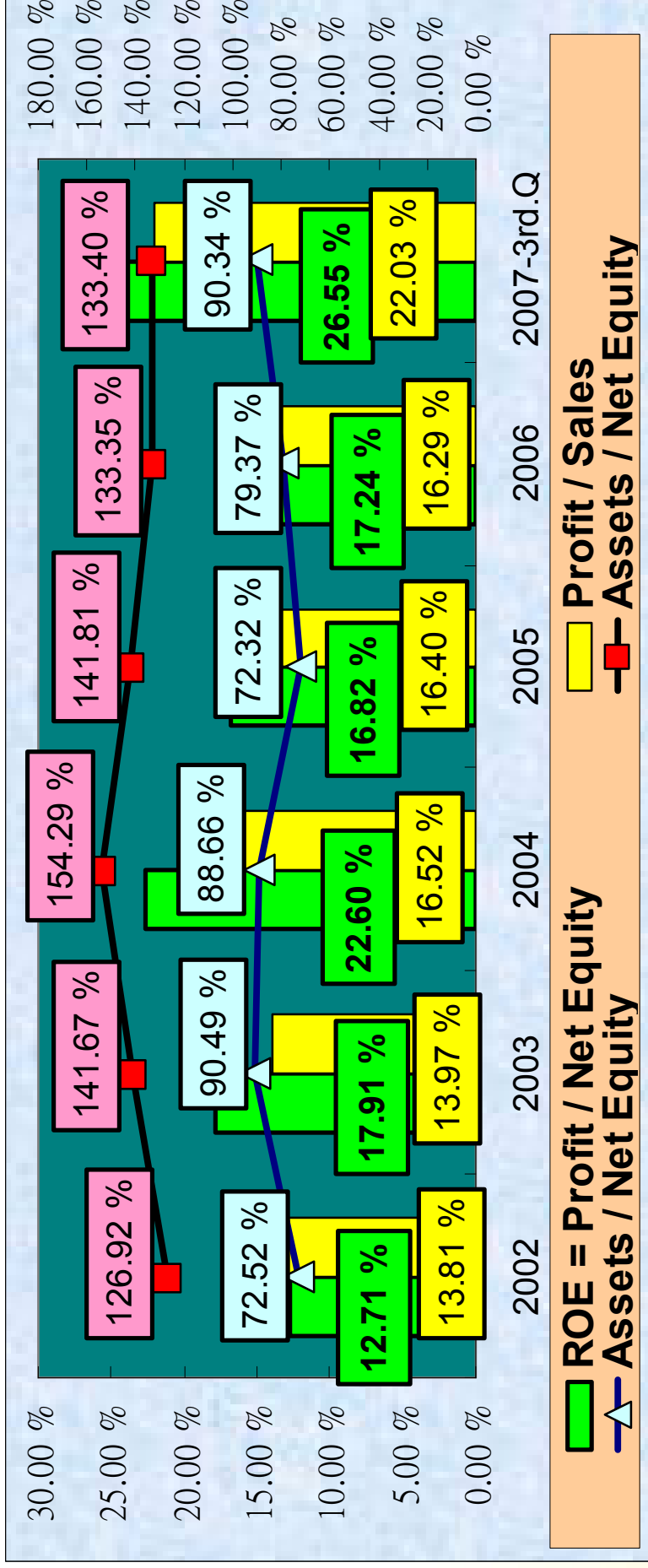
	2007 3rd-Q. (YTD)	2006	2005	2004
ROE	26.55 %	17.24 %	16.82 %	22.60 %
ROA	19.90 %	12.93 %	11.86 %	14.65 %
AR Turnover	64 days	57 days	60 days	42 days
Inventory Turnover	101 days	86 days	79 days	74 days
Debt ratio	25.04 %	25.96 %	29.48 %	40.67 %

2005~07-3Q Quarterly Revenue/Profit



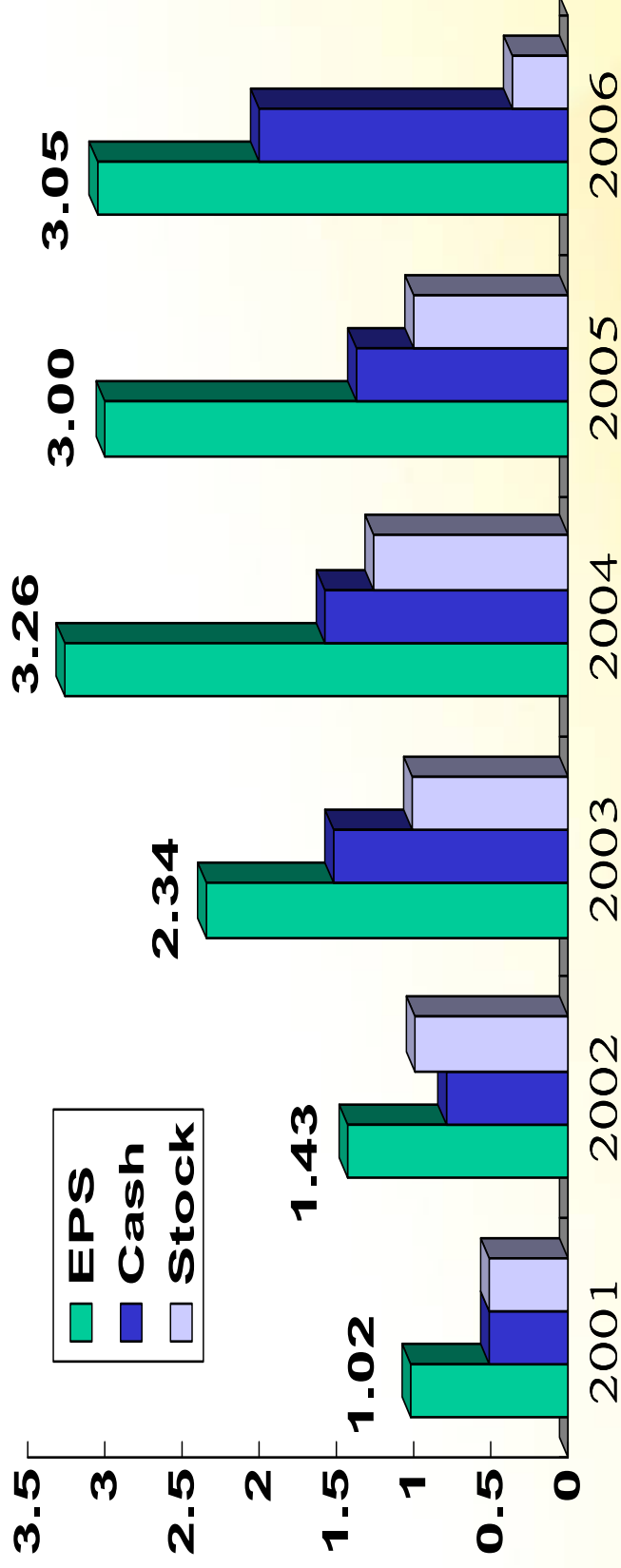
Amount : US\$ k	2005-Q1	2005-Q2	2005-Q3	2005-Q4	2006-Q1	2006-Q2	2006-Q3	2006-Q4	2007-Q1	2007-Q2	2007-Q3
Revenue	21,219	17,146	22,140	29,686	21,444	23,660	29,111	26,355	26,496	32,236	40,065
Net Income	3,150	1,780	3,636	6,230	3,546	2,826	5,500	6,516	5,064	6,041	10,660

Breakdown of ROE



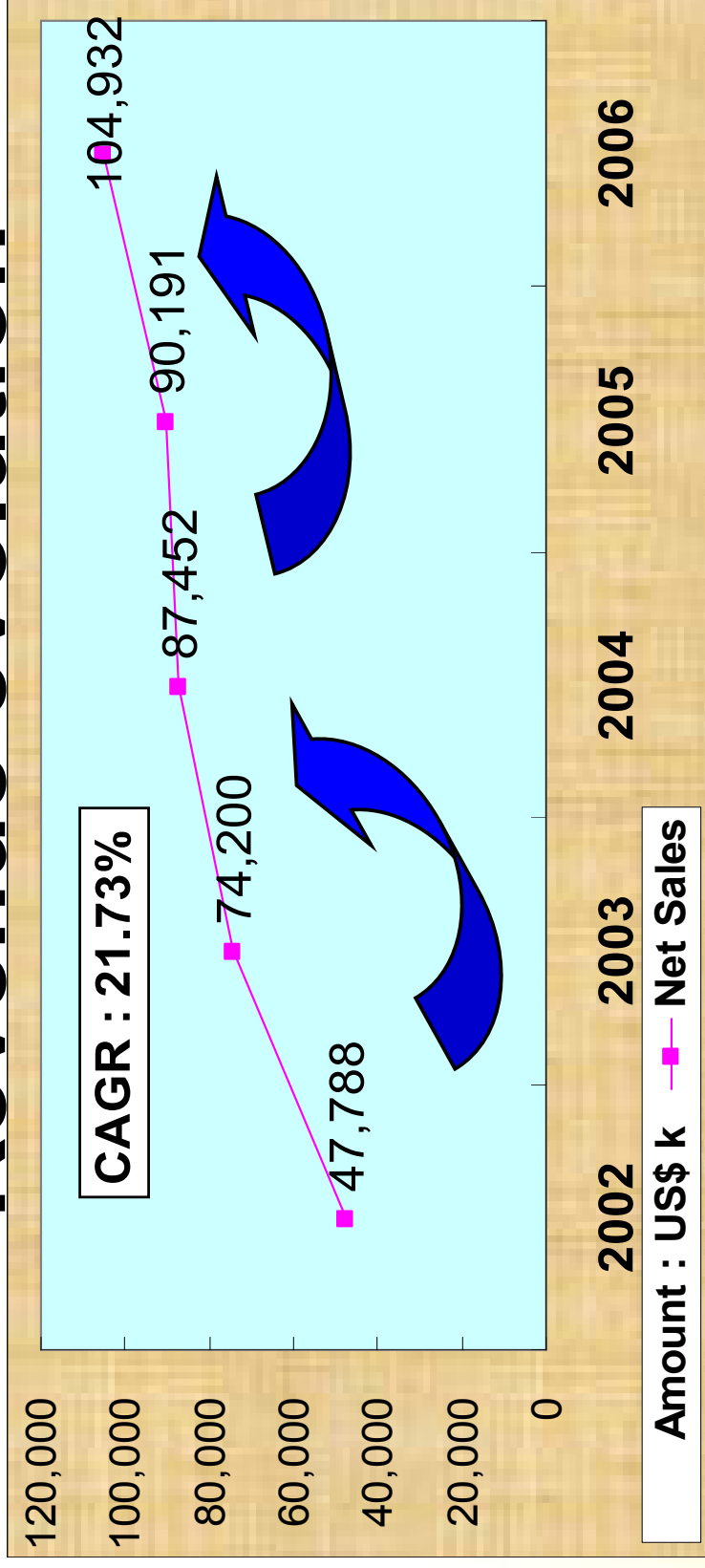
	2002	2003	2004	2005	2006	2007-3rd.Q
Profit / Sales	13.81 %	13.97 %	16.52 %	16.40 %	16.29 %	22.03 %
Sales / Assets	72.52 %	90.49 %	88.66 %	72.32 %	79.37 %	90.34 %
Assets / Net Equity	126.92 %	141.67 %	154.29 %	141.81 %	133.35 %	133.40 %
ROE = Profit / Net Equity	12.71 %	17.91 %	22.60 %	16.82 %	17.24 %	26.55 %

Dividends distribution



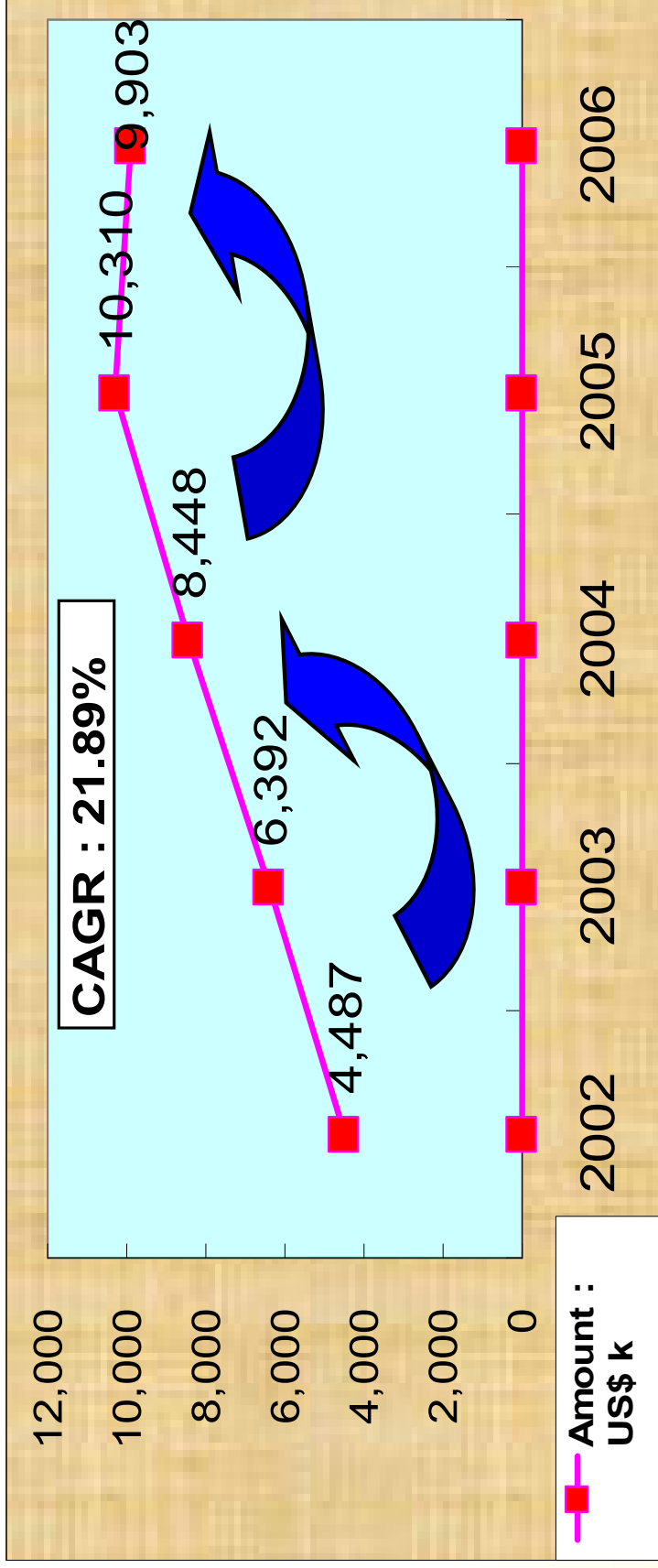
Year	Cash		Stock		Total
	Amount	Percentage	Amount	Percentage	
2006	2.00	85 %	0.365	15 %	2.365
2005	1.37	58 %	1.00	42 %	2.37
2004	1.57	55 %	1.26	45 %	2.83
2003	1.52	60 %	1.01	40 %	2.53
2002	0.79	44 %	0.99	56 %	1.78
2001	0.51	50 %	0.51	50 %	1.02

Revenue evolution



Amount : US\$ k	2002	2003	2004	2005	2006
Net Sales	47,788	74,200	87,452	90,191	104,932
Compound Annual Growth Rate : 21.73 %					

R&D Expenditures



Amount : US\$ k	2002	2003	2004	2005	2006
R&D Expenditures	4,487	6,392	8,448	10,310	9,903
Compound Annual Growth Rate : 21.89%					

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

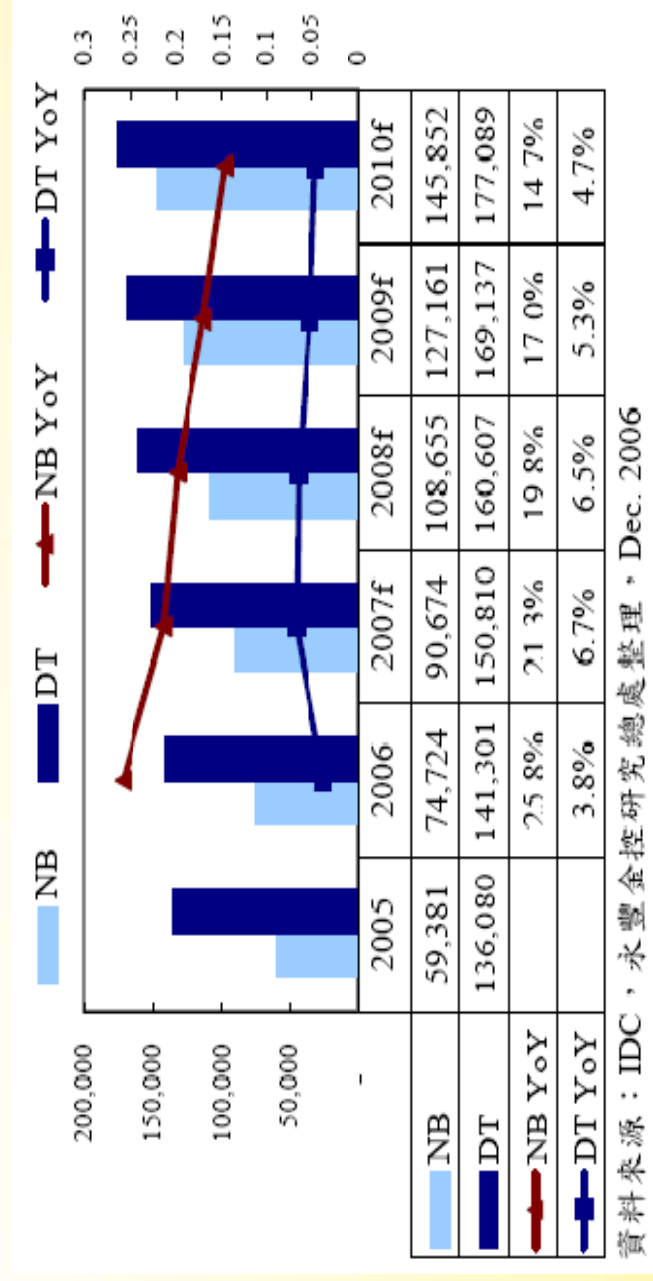
- Document Camera

Network Video Product

- Digital Video Surveillance

External marketing trend

- **Multimedia Products**
 - **Strong demand in Notebook PCs: annual demand of 75 million sets (less than 2% of attachment rate of TV Tuner in Notebook PCs except Japan)**



Notebook demands

2005=>2006

Business (企業) 64% 63%



Mobile Workstation

- z-ht: 1.3 - 1.8 in
- screen: 15W"-17"
- wt: 6 lbs+

16% 12%



Thin and Light

75% 76%

- z-ht: 1.0 - 1.4 in
- screen: 14.1W- 15.0"
- wt: 4 - 6 lbs



Mini- Note

- z-ht: 0.8 - 1.1 in
- screen: 10~12"
- wt: 2-4lb or less

8% 11%



Small Form Factor

- z-ht: 0.8 - 1.1 in
- screen: <10"
- wt: 1- 3 lbs

1% 1%

2005=>2006

Home (個人) 36% 37%



Mobile Entertainment

- z-ht: 1.7 - 1.8 in
- screen: 17W"-20"
- wt: 7.5 lbs+

3% 8%



Thin and Light

92% 84%

- z-ht: 1.0 - 1.4 in
- screen: 14.1W- 15.0"
- wt: 4 - 6 lbs



Mini- Note

- z-ht: 0.8 - 1.1 in
- screen: 12"
- wt: 2-4lb or less

4% 7%










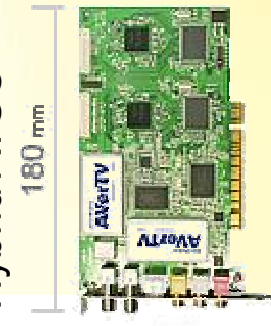
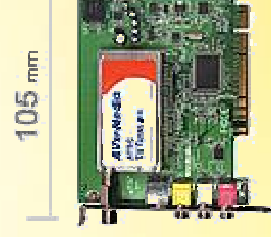
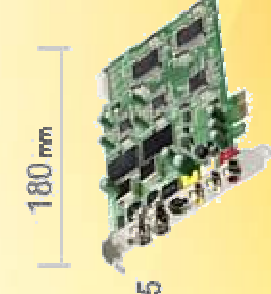




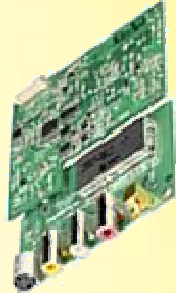




Small Form Factor

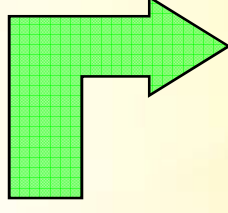
- z-ht: 0.8 - 1.1 in
- screen: 10-12"
- wt: 1- 3 lbs

1% 1%

ODM solution

 <p>50.8 mm</p>	 <p>29.85 mm</p>	 <p>50.8 mm</p>	 <p>85 mm</p>
Hybrid Mini card	DVB-T Mini card	DVB-H Mini card	DVB-H SDIO
 <p>59.75 mm</p>	 <p>59.75 mm</p>	 <p>59.75 mm</p>	 <p>59.75 mm</p>
Hybrid Mini PCI	Hybrid ATSC	Analog Worldwide	Hybrid DVB-T
 <p>165 mm</p>	 <p>180 mm</p>	 <p>105 mm</p>	 <p>180 mm</p>
Hybrid DVB-T	Analog Worldwide	ATSC	Hybrid PCIe
 <p>112 mm</p>	 <p>105 mm</p>	 <p>95.5 mm</p>	 <p>70 mm</p>
Analog Worldwide	Hybrid DVB-T	DVB-T	DVB-T USB
 <p>90 mm</p>	 <p>53 mm</p>	 <p>34 mm</p>	
Analog Worldwide	Hybrid DVB-T	DVB-T	

MiniPCI TV Tuner card for NB



ODM main customers



sony style
USA

TOSHIBA

FUJITSU

lenovoTM



Sony Notebook TV inside


VAIO | United Kingdom

VAIO recommends Windows® XP Media Center Edition.

Products Solutions Support CLUB VAIO

Home / VAIO Laptops / AR Series / VGN-AR21M

VGN-AR21M



Powerful and versatile; the ideal desktop replacement for all your needs





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£ 1,199.01 at Sony Style

Similar products > VGN-AR21S

Technical specification summary

<ul style="list-style-type: none"> [-] CPU Section <ul style="list-style-type: none"> > Microprocessor Full Name [-] Operating System <ul style="list-style-type: none"> > Operating System 	<ul style="list-style-type: none"> Intel® Core™ 2 Duo Processor T5600, Supports Enhanced Intel® SpeedStep® Technology Genuine Windows® Media Center Edition 2005, " Vista
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 x-black LCD
 TV MODE
 POWER


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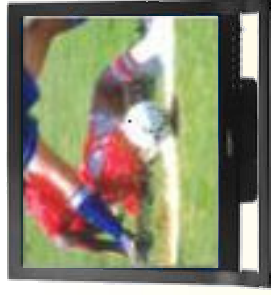
ULTRAVIOLET
AVAILABLE ON DVD, Blu-ray Disc AND THE PSP™

VAIO

Sony Desktop TV inside



RB Series - Home



ASUS Mobile TV Notebook Series

TV Set Free

Catch Your Favorite TV Shows on ASUS W1, W2 and A7 Mobile TV Notebook Series

With built-in DVB-T (Digital Video Broadcasting-Terrestrial) feature, wireless TV broadcast is possible right out of the notebook. You will never find yourself stranded in a meeting or trapped in the traffic wondering about the score! Tune in whenever and wherever.



TV-Inside



Watch TV Commercial

ASUS[®]
Rock Solid · Heart Touching
tw.asus.com

<http://event.asus.com/2006/nb/fullline/mobiletv/eng/>

acer Aspire TV Inside



Aspire 9520



Aspire 9800/9810



Aspire 9120



Aspire 5650/5670

DELL Desktop



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TV Tuner & Dell MCE remote control MUST be ordered with Genuine Microsoft Media Center 2005 Edition operating system. MCE = Microsoft Media Center Edition 2005

- Not included **[subtract £105.75]**
- Remote control for Genuine Media Centre Edition 2005 **[subtract £82.25]**
- Integrated Hybrid (Analogue/Digital) TV tuner PCIe x1 card and Dell™ MCE remote control **[included in Price]**



Sample image only



Speakers



Keyboard



Mouse



Floppy/CD/DVD Drives



Modems



Web Cams



TV Tuners



Wireless Routers

[Previous Component](#)

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XPS 210 (D01X25A)

From £684.74

£734.73 Includes VAT & Shipping

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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

Deadline of the digital TV broadcasting

Emerging digital TV broadcasting in the forthcoming years.

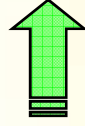
Area	Digital TV Broadcasting Standard			Deadline of Analog TV Broadcasting Terminated
	Terrestrial	Cable	Satellite	
USA	ATSC	Open Cable	DSS, DVB-S	2009
Europe	DVB-T	DVB-C	DVB-S	2010-2015
Japan	ISDB-T	DVB-C	DVB-S	2010
Taiwan	DVB-T	DVB-C	DVB-S	2008

Hybrid TV Tuner Card

- Watch Digital Terrestrial and Analog TV on PC



Analog TV



DVB-T



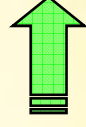
VCD/DVD Player



USB Solution



EXPRESS Card Solution



CardBus Solution

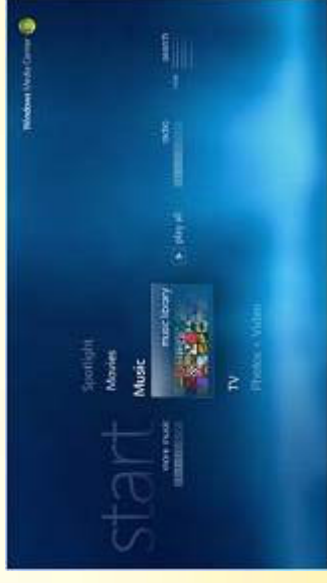


PCI Solution



Viiv & Windows Vista

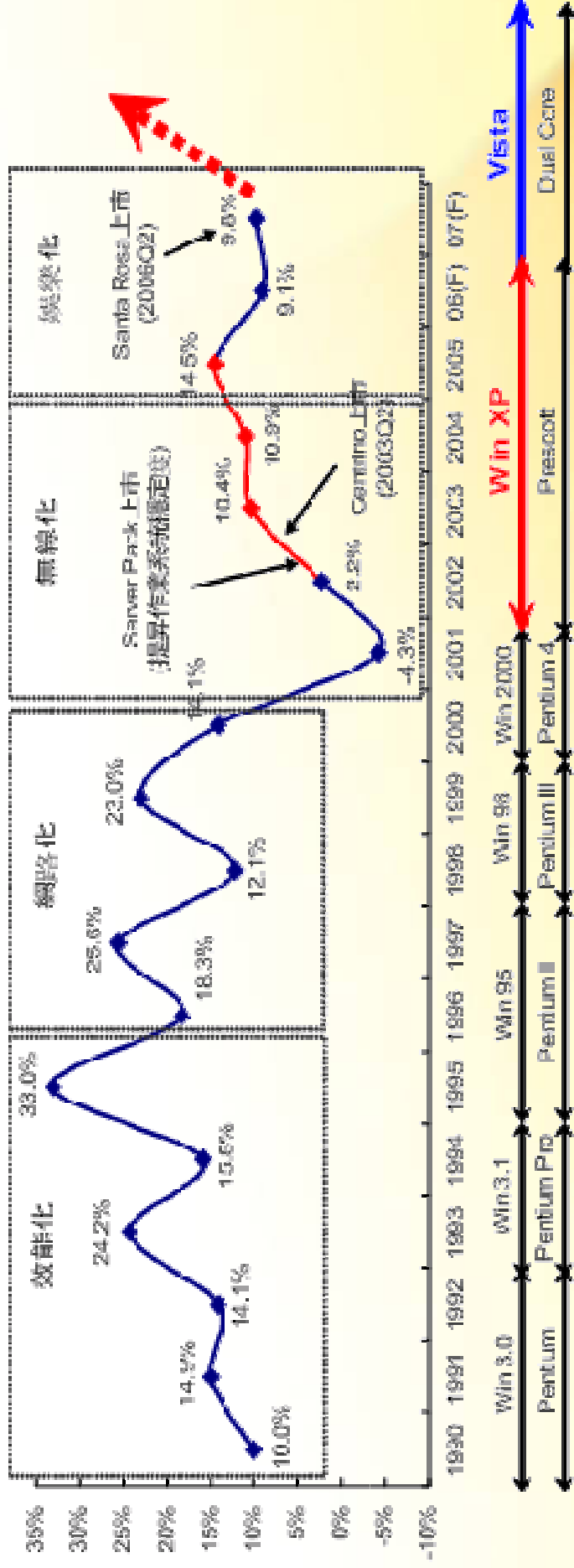
- Microsoft will launch Windows Vista at the beginning of 2007.
- Most significantly, Windows Vista includes all of the Windows Media Center capabilities for turning your PC into an all-in-one home entertainment center. Windows Media Center in Windows Vista provides new ways for you to enjoy your music, photos, DVD movies, and [record and watch your favorite TV shows \(even HDTV\)](#).



Windows Vista

Windows OS vs PC Shipment

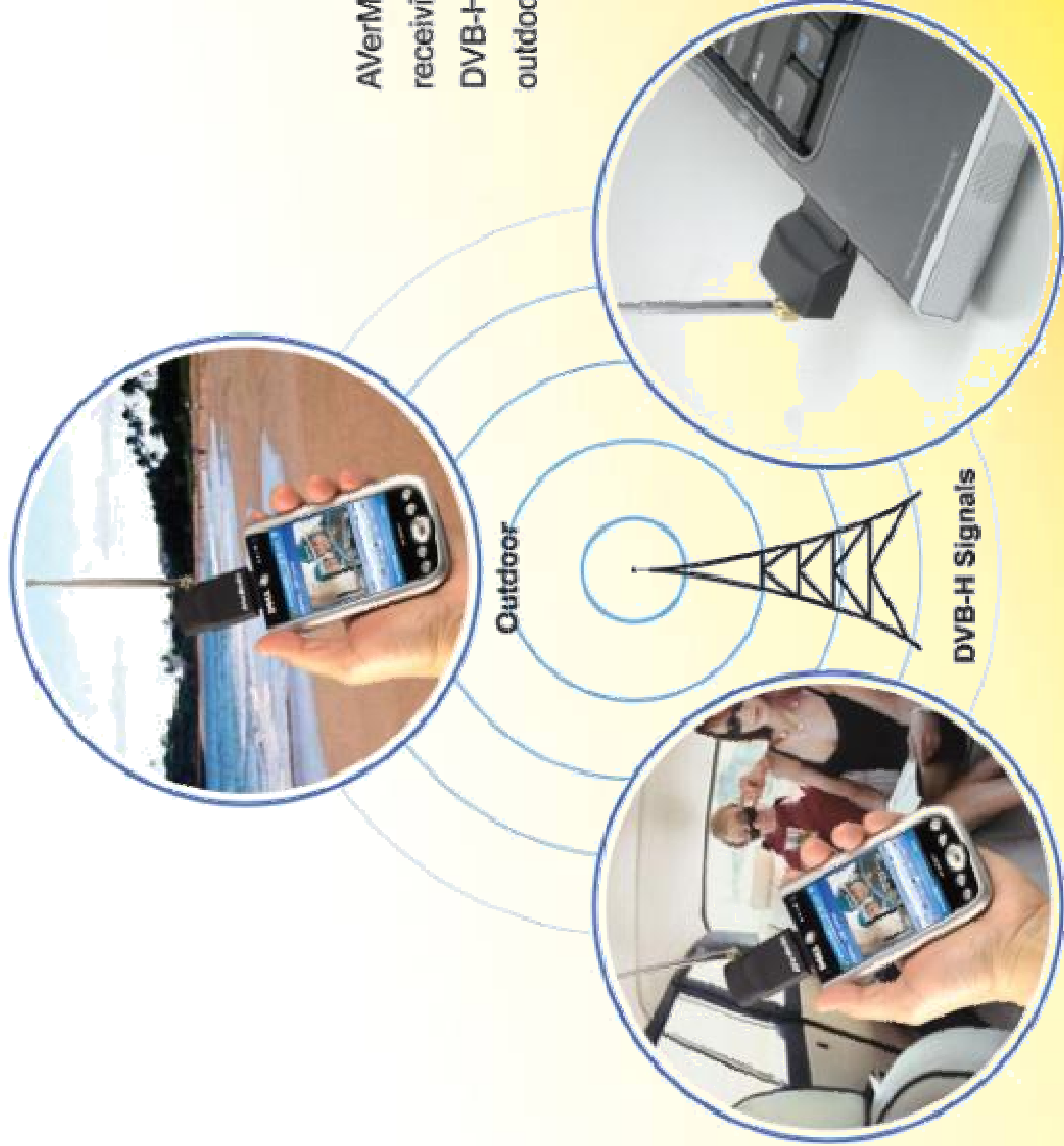
微軟作業系統與全球PC出貨量成長率關聯圖



Vista Version	Price	TV Function
Windows Vista Business	\$ 299 (199)	X
Windows Vista Enterprise	not available for retail	X
Windows Vista Home Premium	\$ 239 (159)	V
Windows Vista Home Basic	\$ 199 (99)	X
Windows Vista Ultimate	\$ 399 (259)	V

Santa Rosa

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.

Indoor

On the move

Outdoor

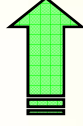
DVB-H Signals

External TV Tuner BOX

- Watch Digital Terrestrial TV on PC Monitor/TV



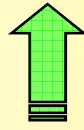
or



AVerTV DVB-T STB7

Digital Terrestrial TV Set-top-Box

- Watch Analog TV / Video on PC Monitor

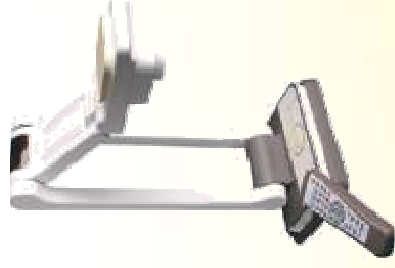


AVerTV DVI Box9

TV/Video viewing w/ high-definition 1920x1200 (WUXGA) TV Box

Portable Document Camera

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



AverVision SPC300

Digital Portable DocCam

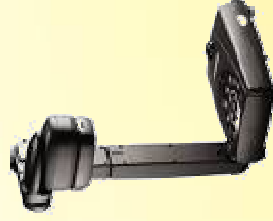
Super High Quality, Fast Auto Focus,

PIP & Spilt Screen, 48X total ZOOM



AverVision130

Gooseneck DocCam



AverVision300AF

Digital Portable DocCam

High Quality, Fast Auto Focus,

Excl. AVERZOOM™



AverVision330

Digital Portable DocCam

w/Optical Zoom, Smart Focus

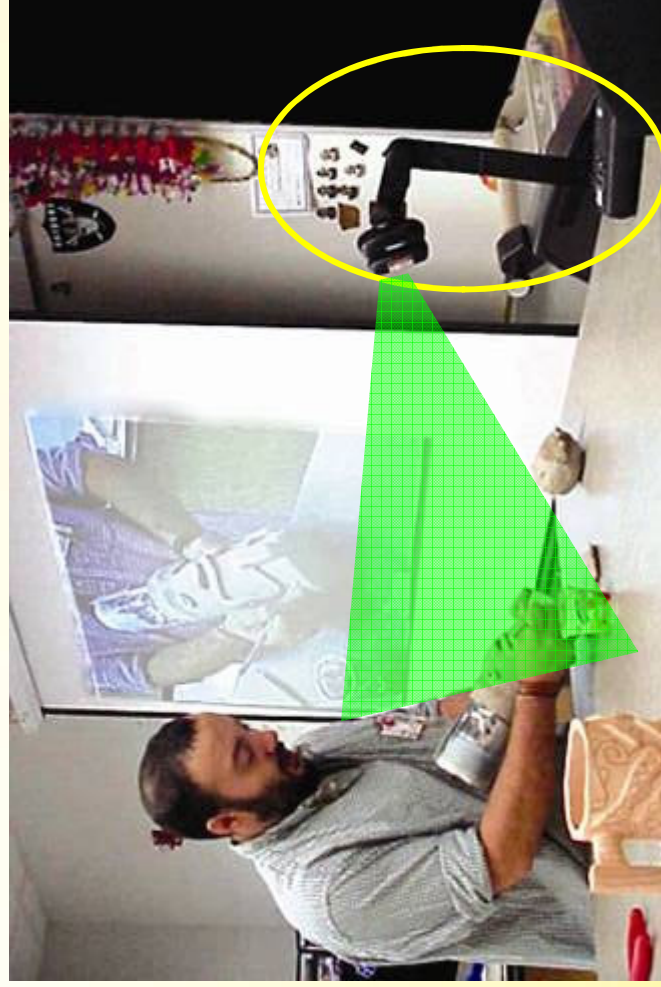
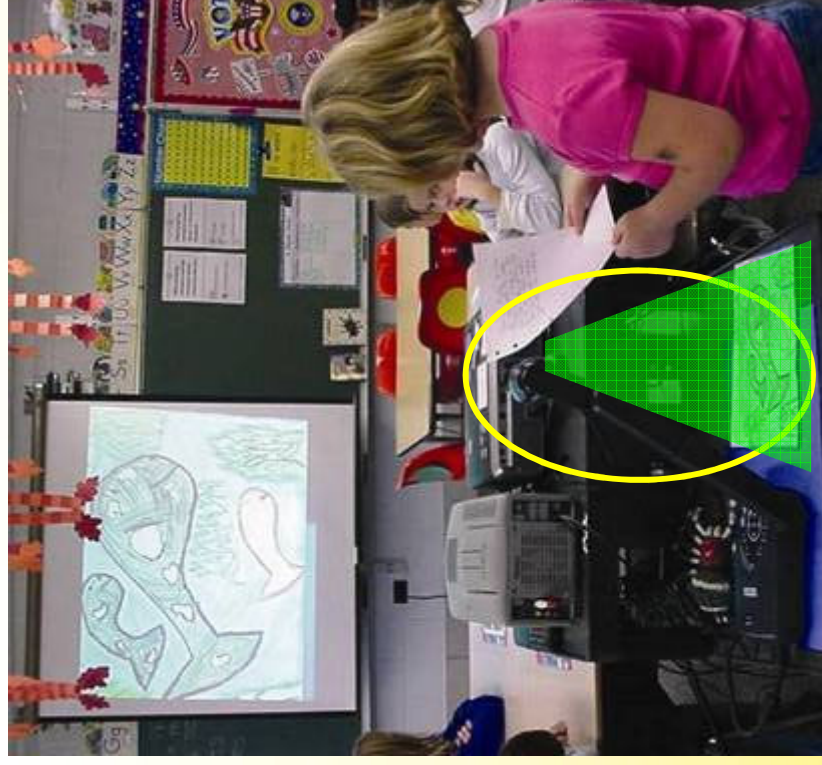


AverVision530

Digital Platform DocCam

32

Document Camera Applications

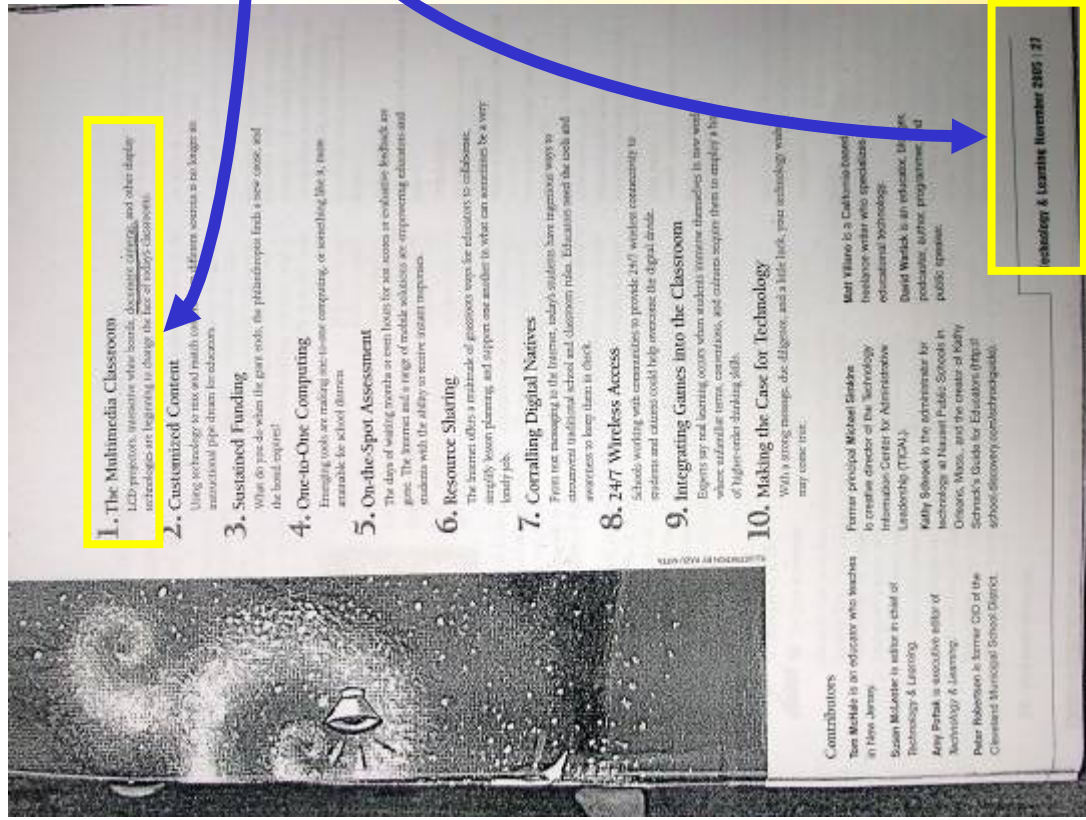


Top 10 wish list as selected by Americans in education field

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



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

2. Customized Content
Using technology to mix and match content so that learners receive no longer an unvarnished pipe dream for education.

3. Sustained Funding
What do you do when the grant ends, the philanthropist finds a new cause, and the bond expires?

4. One-to-One Computing
Bright tools are making one-to-one computing, or something like it, more available to school districts.

5. On-the-Spot Assessment
The days of waiting months or even longer for test scores in evaluative feedback are gone. The Internet and a range of mobile solutions are empowering educators and students with the ability to receive instant responses.

6. Resource Sharing
The Internet offers a treasure-trove of precious tools for educators to collaborate, strategically lesson plan, and support one another to what can sometimes be a very lonely job.

7. Corraling Digital Natives
From text messaging to the Internet, today's students have ingenious ways to circumvent traditional school and classroom rules. Educators need the tools and resources to keep them in check.

8. 24/7 Wireless Access
Schools working with communities to provide 24/7 wireless connectivity to students and citizens could help increase the digital divide.

9. Integrating Games into the Classroom
Experts say real learning occurs when students explore themselves in new ways, when authentic terms, contexts, and criteria require them to employ a host of higher-order thinking skills.

10. Making the Case for Technology
With a strong message, the dialogue, and a little luck, your technology wish list may come true.

Contributors
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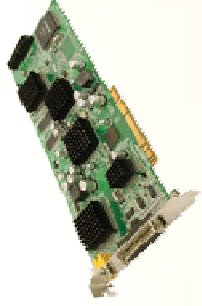
AverDigi Surveillance



NV Series

AVerDiGi NV7000H

- Single 8 Ch. DVR card, 240fps display/recording, H/W H264 compression



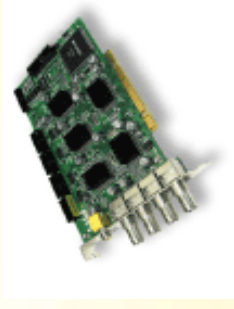
AVerDiGi NV6480 Express

- 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



Windows DVRs

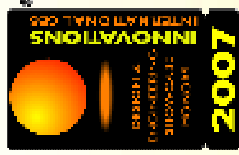
AVerDiGi SA6416

- Hybrid standalone DVR, 16 Ch. Real Time Digital Video Recorder



AVerDiGi SA6000E Pro

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



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

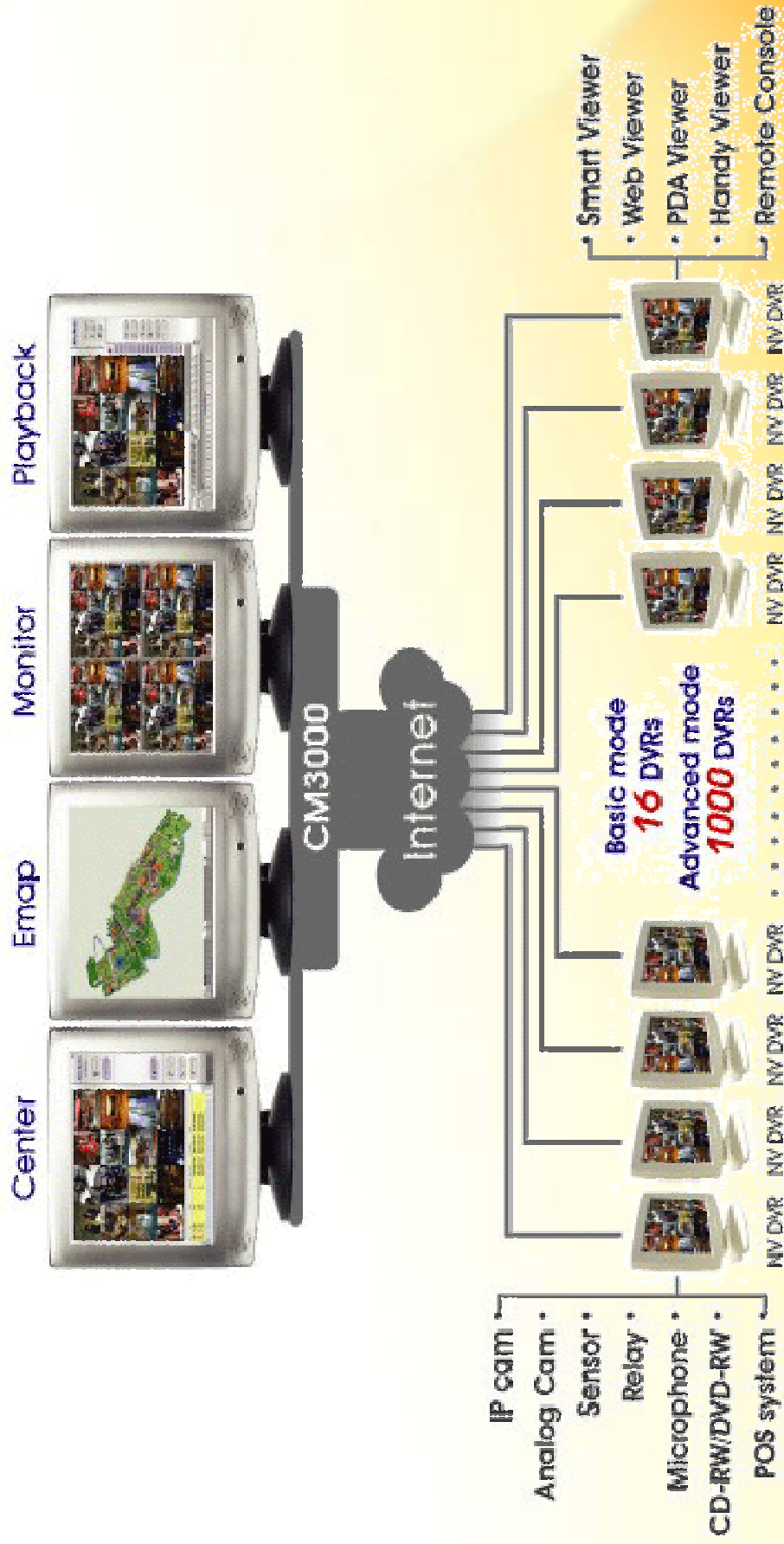
iStable software

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



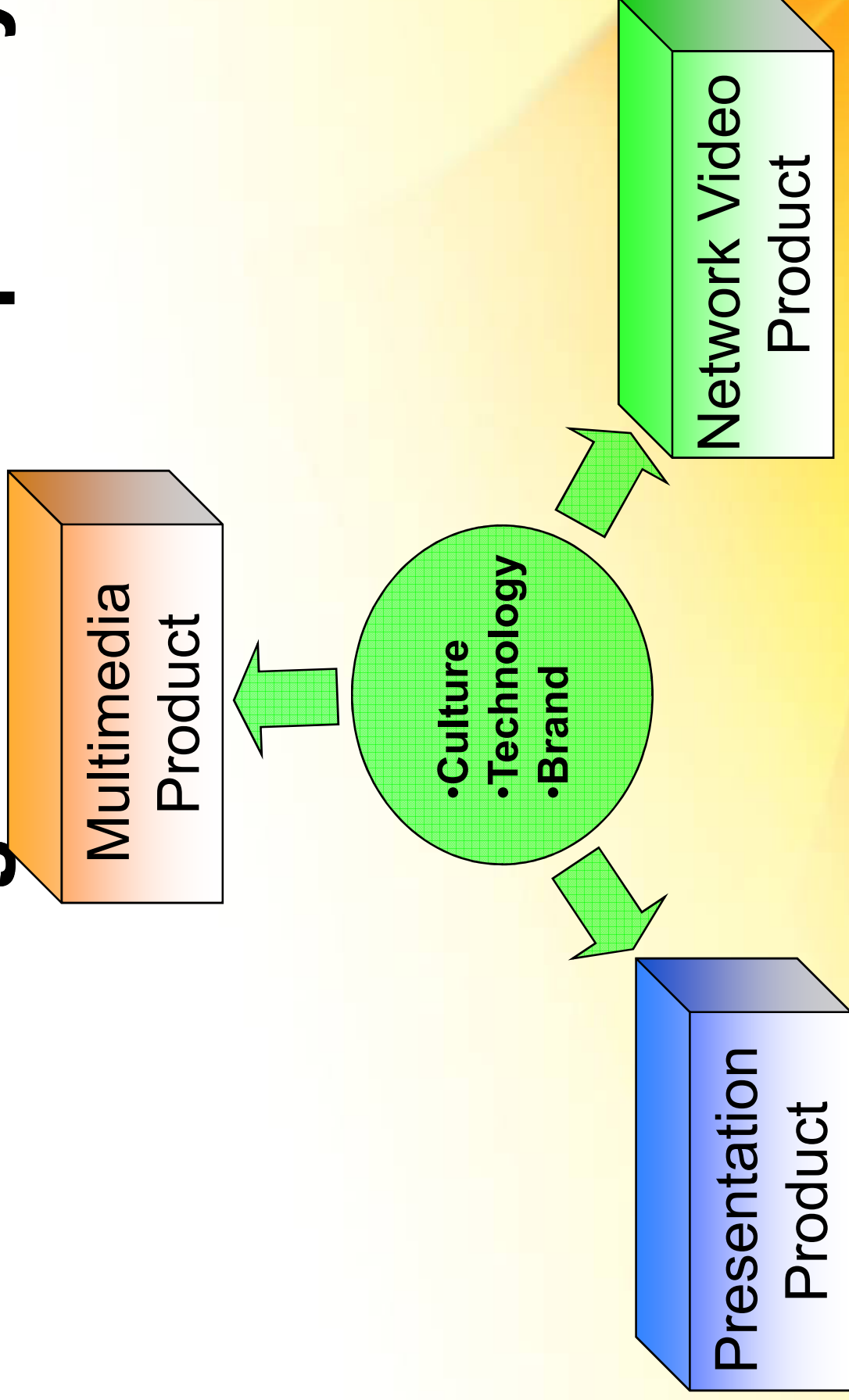
Mobile DVRs

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.

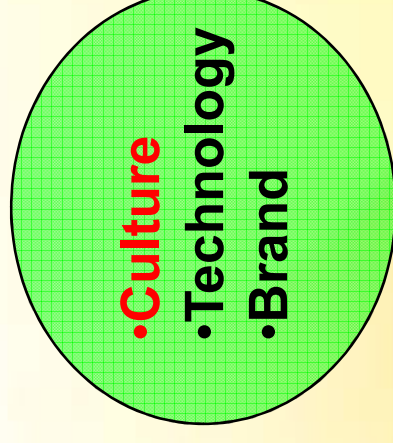
Internal organization capability



Growth Drivers

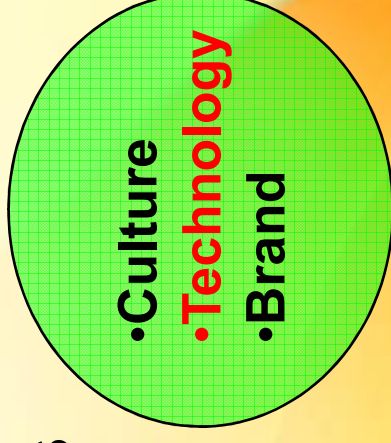
Culture

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



Technology

- Video conversion between analog and digital
- Leading technology for TV tuners in the field of Notebook PCs
- Patents : **93** of patents being granted, **234** of patents application in the process
- Product awards



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.**



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.

