

AVerMedia Corporate Profile

May, 2008

By

Moses Lee

AVerMedia Overview

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

- ❑ Annual Turnover (2007) : **US\$ 133.5 Million**
- ❑ Consecutive profitable years : **18 years Plus**
- ❑ Consecutive profitable quarters : **69 quarters**
- ❑ Employees (AVerMedia Group) : **1136**
- ❑ Branding / ODM with premium value : **70% / 30%**

Updated on May, 2008

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

指導單位

經濟部投資業

**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

2008-Q1 Annual Financial Results

Amount : US\$ k	2008 1st-Q		2007 1st-Q		YoY %
Net Sales	31,267	100 %	26,496	100 %	18 %
COGS	(16,148)	(52)%	(15,102)	(57)%	7 %
GP	15,118	48 %	11,394	43 %	33 %
Operating Expense	(11,230)	(36)%	(7,356)	(28)%	53 %
Operating Income	3,888	12 %	4,038	15 %	(4)%
Net Non-op Items	(876)	(3)%	413	2 %	
Income before Tax	3,012	10 %	4,451	17 %	(32)%
Income Tax Exp. (Ben.)	(519)	(2)%	(613)	(2)%	
Net Income	3,531	11 %	5,064	19 %	(30)%
Fully Diluted EPS(NT\$)	0.57		0.83		(31)%
Pre-Tax Net Income before [a. Ex-rate loss; b. Staffs' bonus & remuneration to Board members]	4,854	16 %	4,114	16 %	18%

2007 Annual Financial Results

Performance Comparison of 2007 to that of 2006 & 2005						
Amount : US\$ k	2007		2006		2005	
Net Sales	133,641	100 %	104,773	100 %	90,191	100 %
COGS	(71,113)	(53)%	(58,874)	(56)%	(49,806)	(55)%
GP	62,528	47 %	45,898	44 %	40,385	45 %
Operating Expense	(35,375)	(26)%	(29,965)	(29)%	(26,769)	(30)%
Operating Income	27,153	20 %	15,934	15 %	13,616	15 %
Net Non-op Items	1,645	1 %	1,603	2 %	43	0 %
Income before Tax	28,799	22 %	17,537	17 %	13,659	15 %
Income Tax	(434)	(0)%	185	0 %	1,137	1 %
Net Income	29,233	22 %	17,351	17 %	14,796	16 %
Fully Diluted EPS(NT\$)	4.77		3.04		3.00	
Sales Grew	28 %		16 %		3 %	
EPS Grew	57 %		1 %		(2)%	

Balance sheet highlights

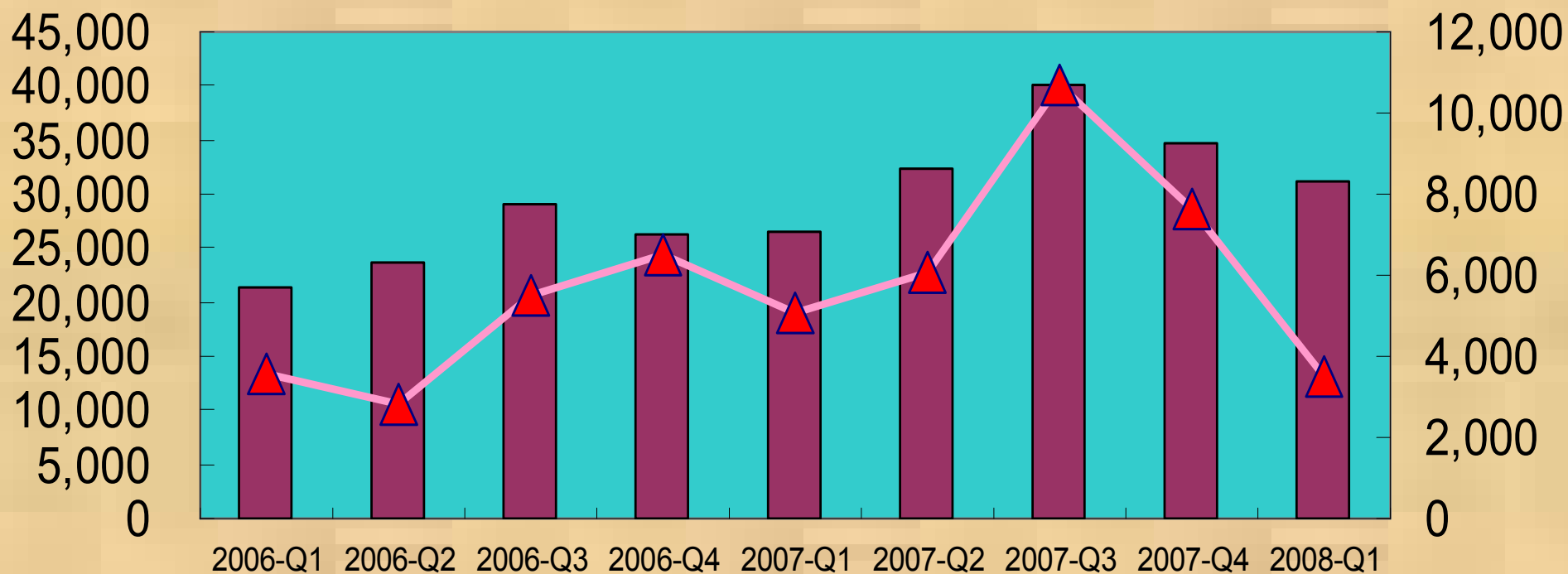
Amount : US\$ k	2008-Q1		2007		2006	
Cash & Equivalent	53,722	37 %	61,680	41 %	54,601	41 %
Accounts Receivable	16,163	11 %	17,849	12 %	16,920	13 %
Inventory	19,455	13 %	20,549	14 %	13,573	10 %
L-T Investment	160	0 %	160	0 %	3,430	3 %
Fixed Assets	31,022	21 %	29,523	20 %	28,434	21 %
Total Assets	145,436	100 %	149,713	100 %	133,979	100 %
Liabilities	25,806	18 %	29,484	20 %	34,788	26 %
Equities	119,629	82 %	120,228	80 %	99,192	74 %

Key Financial indicators

Key Financial Indicators

	2008-Q1	2007	2006	2005
ROE	11.81 %	24.31 %	17.24 %	16.82 %
ROA	9.71 %	19.53 %	12.93 %	11.86 %
AR Turnover	47 days	56 days	57 days	60 days
Inventory Turnover	108 days	107 days	86 days	79 days
Debt ratio	17.74 %	20.33 %	25.96 %	29.48 %

2006~08-Q1 Quarterly Revenue/Profit

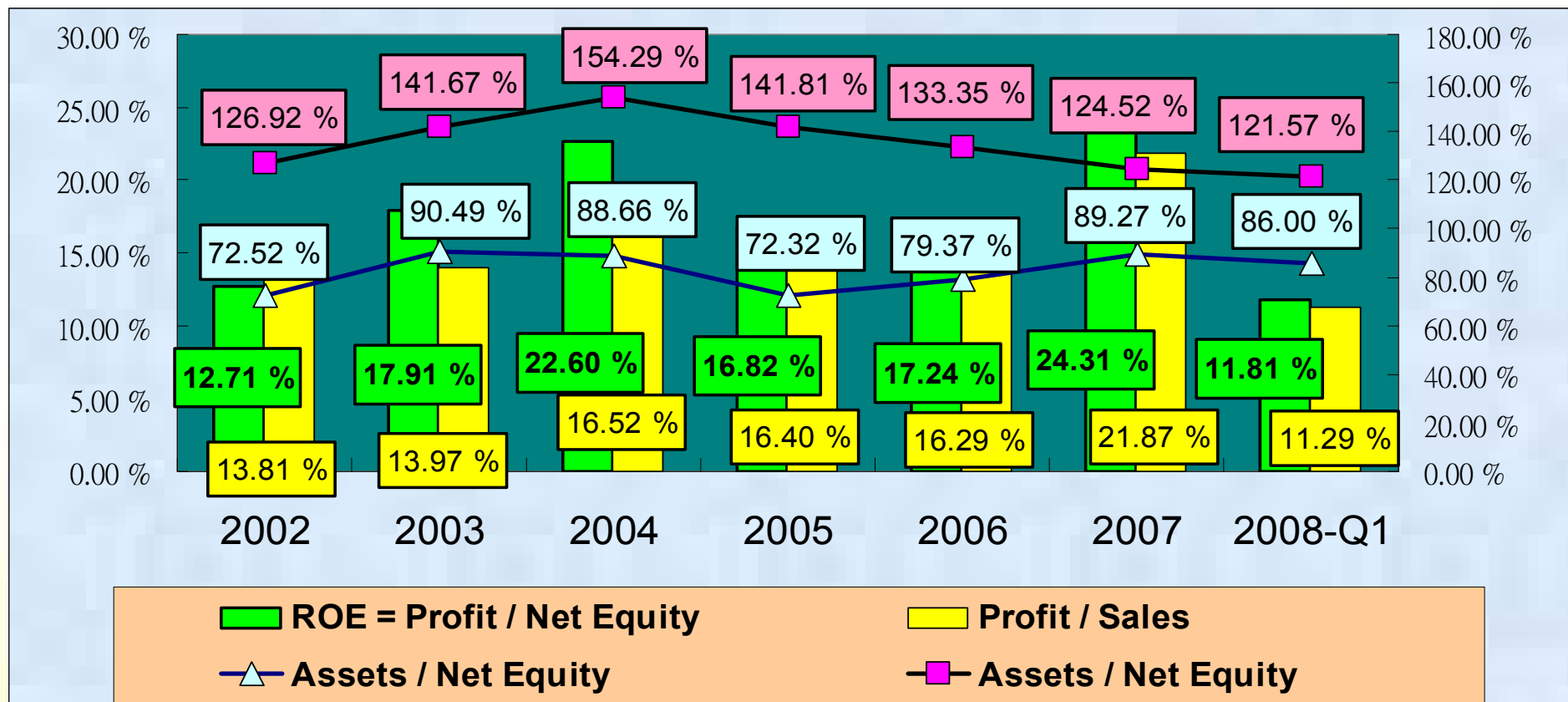


Amount : US\$ k

Revenue Net Income

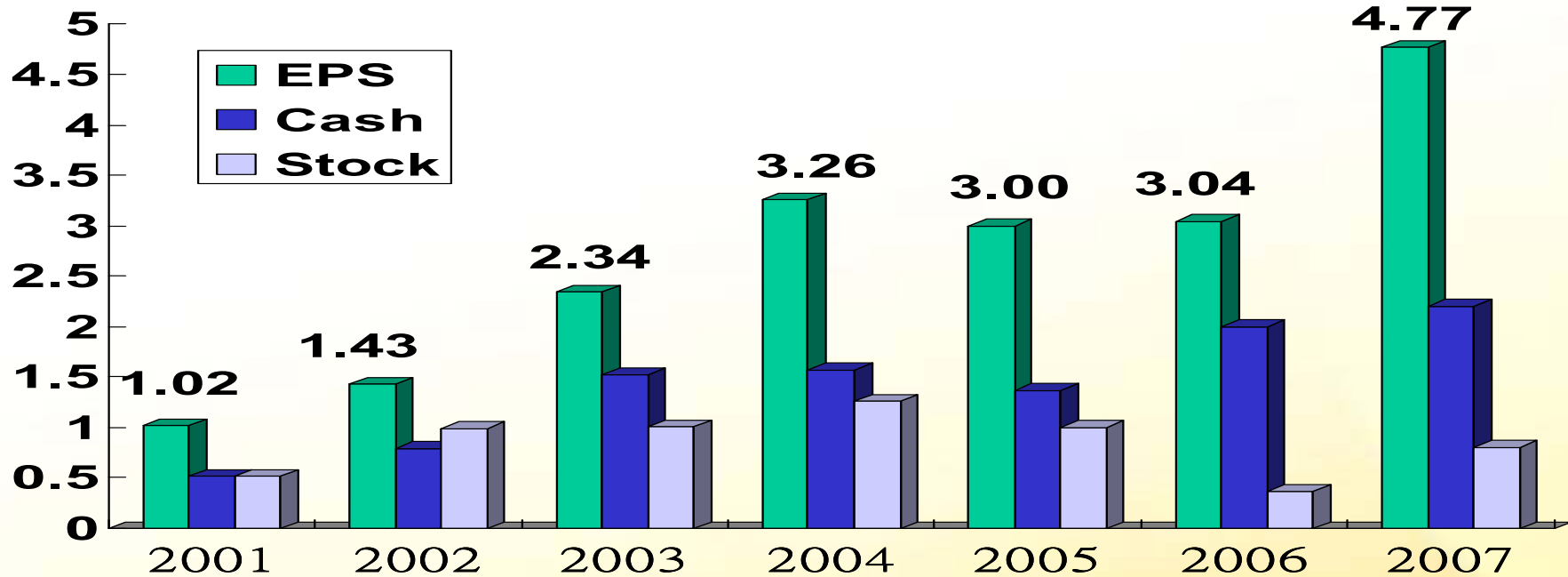
Amount : US\$ k	2006-Q1	2006-Q2	2006-Q3	2006-Q4	2007-Q1	2007-Q2	2007-Q3	2007-Q4	2008-Q1
Revenue	21,444	23,660	29,111	26,355	26,496	32,236	40,065	34,687	31,267
Net Income	3,546	2,826	5,500	6,516	5,064	6,041	10,660	7,619	3,531

Breakdown of ROE



	2002	2003	2004	2005	2006	2007	2008-Q1
Profit / Sales	13.81 %	13.97 %	16.52 %	16.40 %	16.29 %	21.87 %	11.29 %
Sales / Assets	72.52 %	90.49 %	88.66 %	72.32 %	79.37 %	89.27 %	86.00 %
Assets / Net Equity	126.92 %	141.67 %	154.29 %	141.81 %	133.35 %	124.52 %	121.57 %
ROE = Profit / Net Equity	12.71 %	17.91 %	22.60 %	16.82 %	17.24 %	24.31 %	11.81 %

Dividends distribution



Year	Cash		Stock		Total
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

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

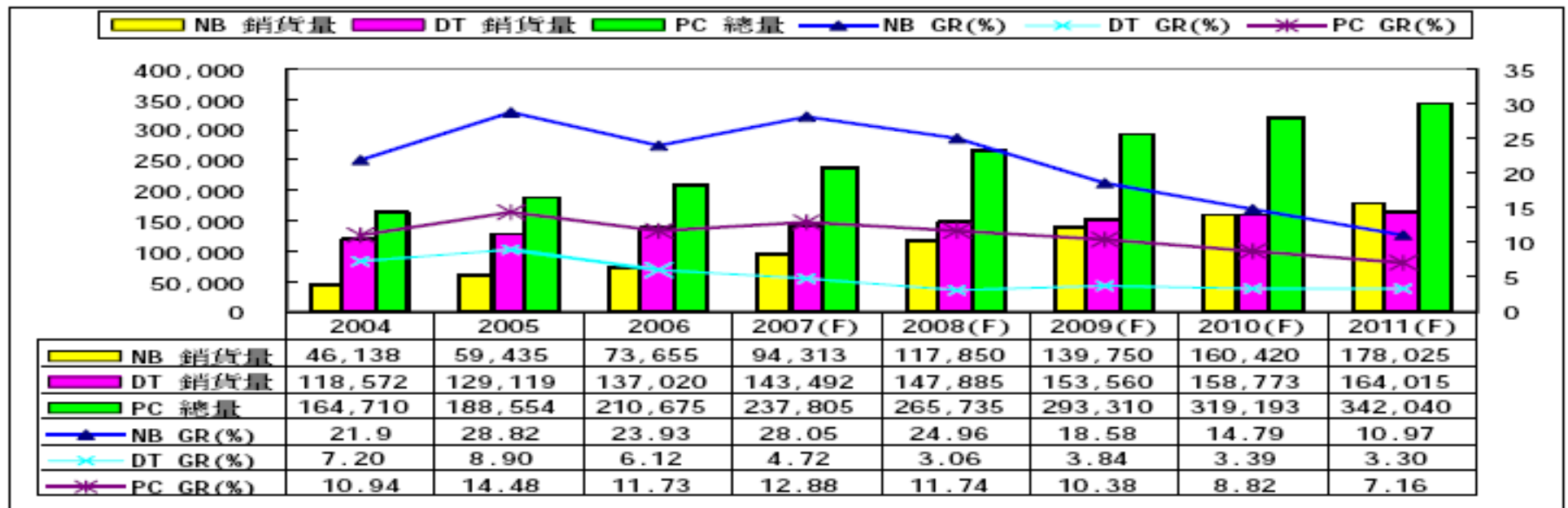
External marketing trend

• Multimedia Products

- Strong demand in Notebook PCs: annual demand of around 59 million sets (less than 2% of attachment rate of TV Tuner in Notebook PCs except Japan)

圖一：全球 PC 市場規模

(單位:千支;%)



資料來源：MIC，玉山投顧整理

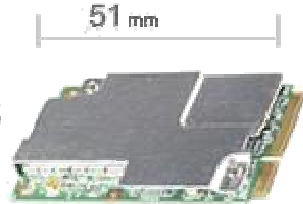
ODM solution



50.8 mm

29.85 mm

Hybrid Mini card



51 mm

30 mm

DVB-T Mini card



50.8 mm

29.9 mm

DVB-H Mini card



85 mm

30 mm

DVB-H SDIO

59.75 mm



70.85 mm

Hybrid Mini PCI

59.75 mm



50.95 mm

Hybrid ATSC

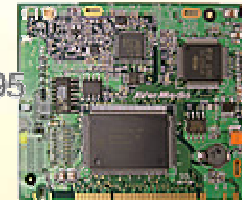
59.75 mm



50.95 mm

Analog Worldwide

59.75 mm



50.95 mm

Hybrid DVB-T

100 mm



50.95 mm

70 mm

DVB-T USB

165 mm



64.41 mm

Hybrid DVB-T

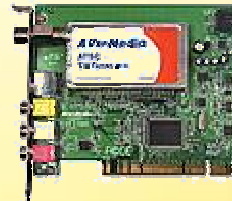
180 mm



100.33 mm

Analog Worldwide

105 mm



ATSC

180 mm

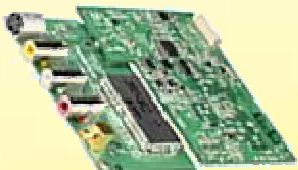


125 mm

Hybrid PCIe

105 mm

112 mm



90 mm

Analog Worldwide

105 mm



53 mm

Hybrid DVB-T

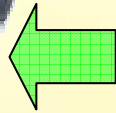
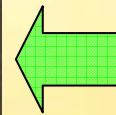
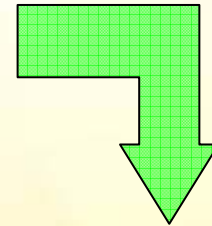
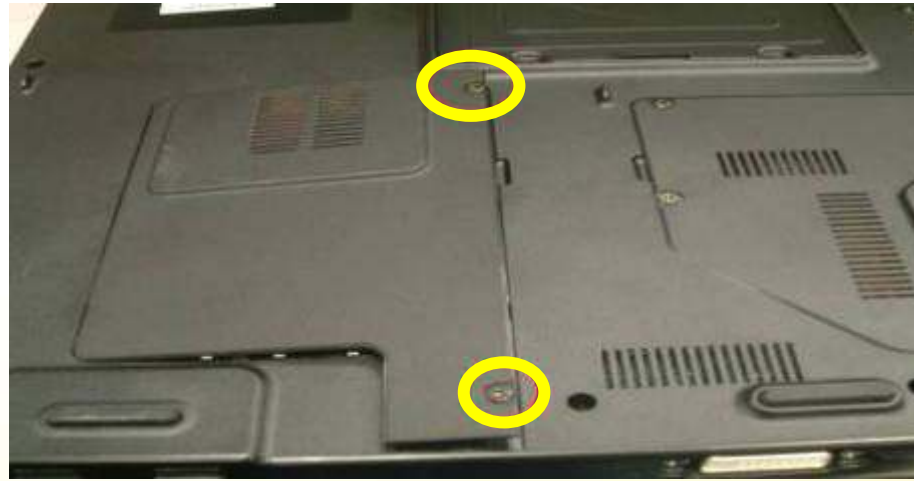
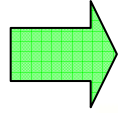
95.5 mm



34 mm

DVB-T

MiniPCI TV Tuner card for NB



ODM main customers

acer

DELL™

ASUS

sony style
L&A

FUJITSU

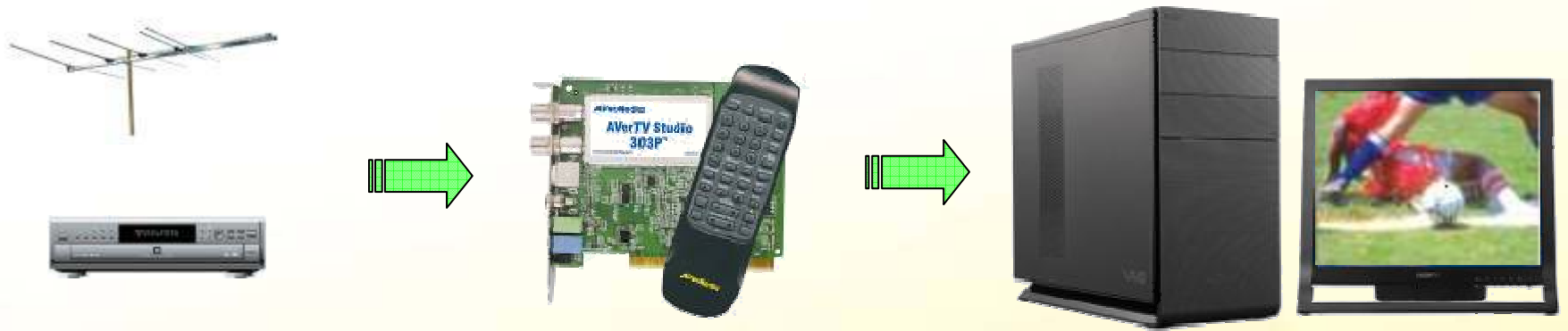
TOSHIBA

lenovo™



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

Hybrid TV Tuner Card

- Watch Digital Terrestrial and Analog TV on PC



Viiiv & Windows Vista

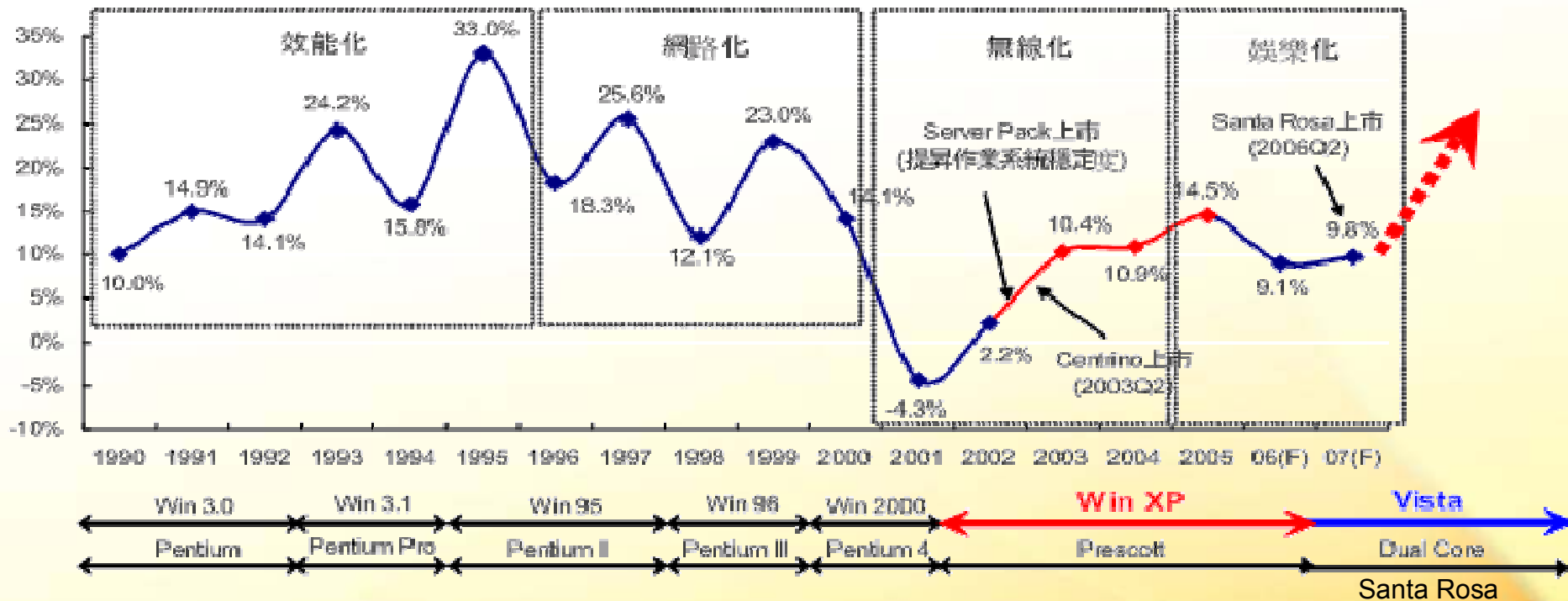
- Microsoft launched Windows Vista at the beginning of 2007.
- Most significantly, Windows Vista includes all of the Windows Media Center capabilities for turning your PC into an all-in-one home entertainment center. Windows Media Center in Windows Vista provides new ways for you to enjoy your music, 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 Home Premium	\$ 239 (159)	V
Windows Vista Home Basic	\$ 199 (99)	X
Windows Vista Ultimate	\$ 399 (259)	V

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.

External TV Tuner BOX

- Watch Digital Terrestrial TV on PC Monitor/TV



- Watch Analog TV / Video on PC Monitor



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



AVerVision CP300
Gooseneck DocCam



AVerVision300AF
Digital Portable DocCam
High Quality, Fast Auto Focus,
Excl. AVERZOOM™

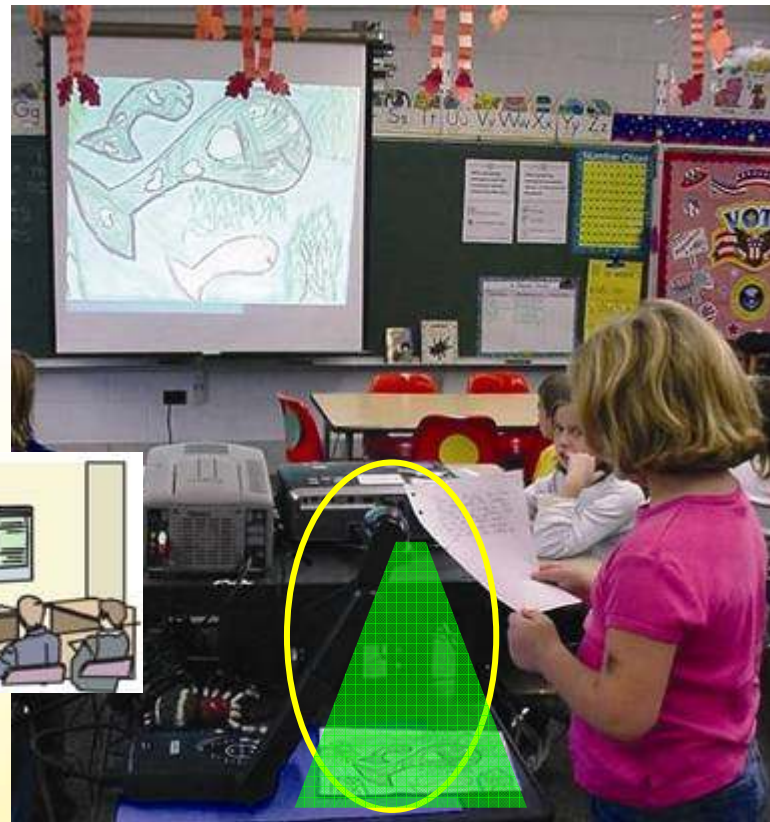


AVerVision330
Digital Portable DocCam
w/Optical Zoom, Smart Focus



AVerVision SPB350
Digital Platform DocCam

Document Camera Applications



Top 10 wish list as selected by Americans in education field

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 from different sources is no longer an instructional pipe dream for educators.

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

Emerging tools are making one-to-one computing, or something like it, more attainable for school districts.

5. On-the-Spot Assessment

The days of waiting months or even longer for test scores or 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 of ingenious ways for educators to collaborate, simplify lesson planning, and support one another in 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 awareness to keep them in check.

8. 24/7 Wireless Access

Schools working with communities to provide 24/7 wireless connectivity to systems and content could help overcome the digital divide.

9. Integrating Games into the Classroom

Experts say real learning occurs when students immerse themselves in new world where adversarial terms, conversations, and cultural require them to employ a bit of higher-order thinking skills.

10. Making the Case for Technology

With a strong message, clear digestor, and a little luck, your technology wish may come true.

Contributors

Tom McHale is an educator who teaches in New Jersey.

Buzian McEntee is editor in chief of Technology & Learning.

Andy Pataik is executive editor of Technology & Learning.

Peter Robertson is former CEO of the Cleveland Municipal School District.

Former principal Michael Sinkins is creative director of the Technology Information Center for Administrative Leadership (TICAL).

Kathy Schrock is the administrator for technology at Nazaret Public Schools in Orleans, Mass., and the creator of Kathy Schrock's Guide for Educators (<http://school.discovery.com/techrockguide/>).

Matt Wilcox is a California-based freelance writer who specializes in educational technology.

David Warlick is an educator, blogger, podcaster, author, programmer, and public speaker.

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.

Technology & Learning November 2005 | 27

The screenshot shows the Seattle Times website interface. At the top, there's a search bar and navigation links for Traffic, Weather, Your account, Movies, Restaurants, and Today. The main content area features an article titled "Document camera enlarges learning" by Linda Knapp, dated Saturday, January 13, 2007. The article discusses how Seattle passed a school levy in 2006 to fund new display technology for secondary schools. A sidebar on the left contains various site navigation options like Home, Local, National, and Business. A right sidebar includes a "Marketplace" section with links for Jobs, Autos, Homes, and Rental.

AVerDigi Surveillance



NV Series

AVerDiGi NV7000H

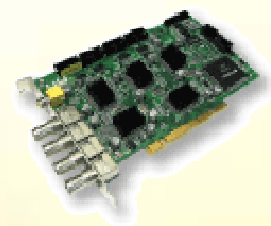
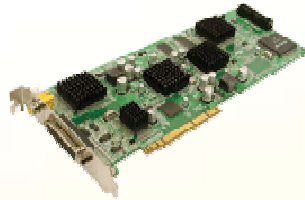
-Single 8 Ch. DVR card,
240fps display/recording,
H/W H264 compression

AVerDiGi NV6480 Express

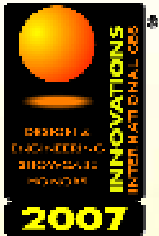
-Single 16 Ch. DVR PCI Express,
480fps display/recording

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 SA6032E Pro

- Advanced 32 Ch. hybrid embedded
Dual-Monitor and Spot-Monitor output.



Standalone DVRs – PC base

AVerDigi Surveillance

AVerDiGi EB1704Hybrid

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



AVerDiGi EB1304NET

- 4CH Multiplex Networking DVR



Standalone DVRs



iStable software

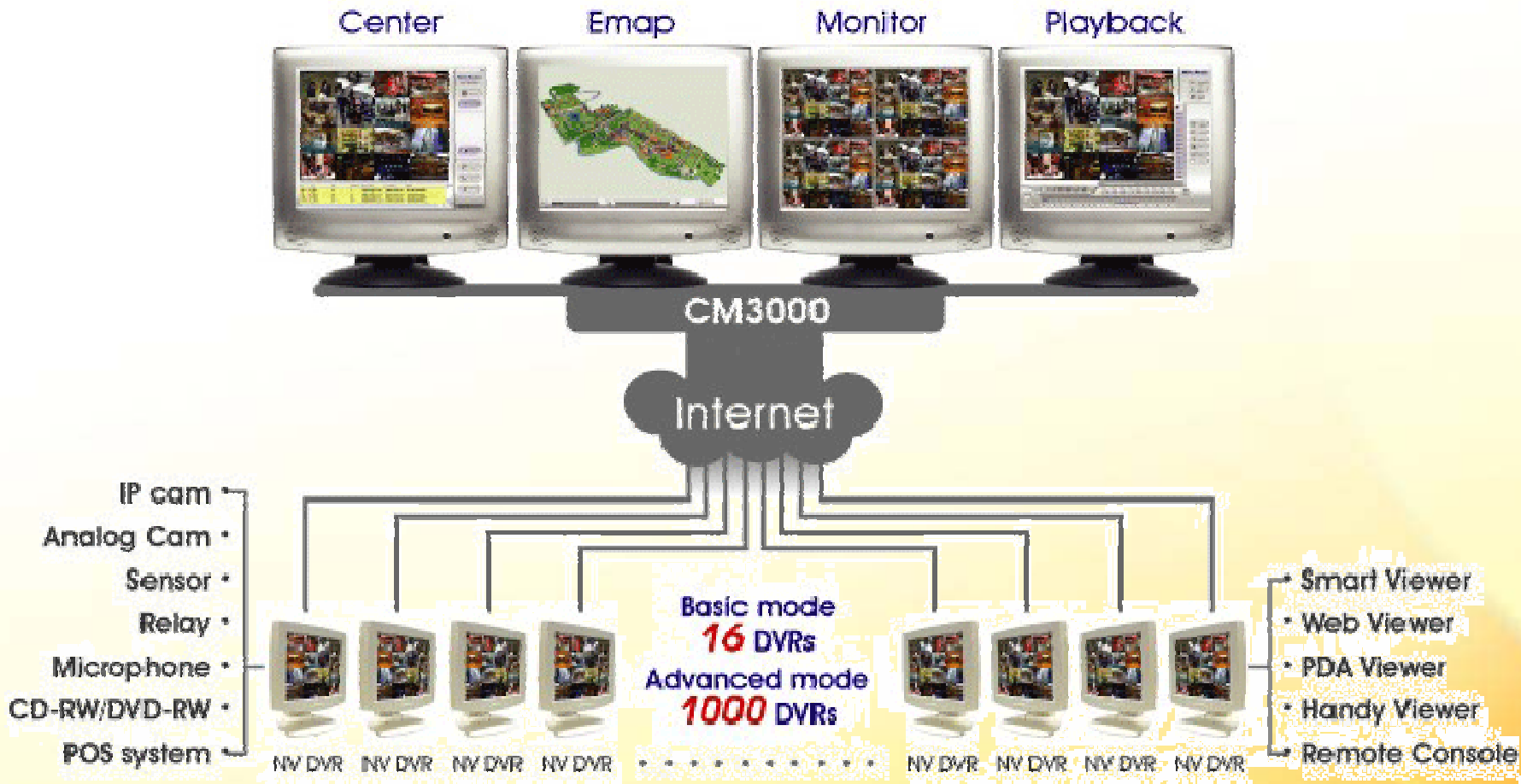
iStable software is free bundled video stabilizer software which provides smooth video quality



AVerDiGi EB1304 MOB
4CH Mobile DVR

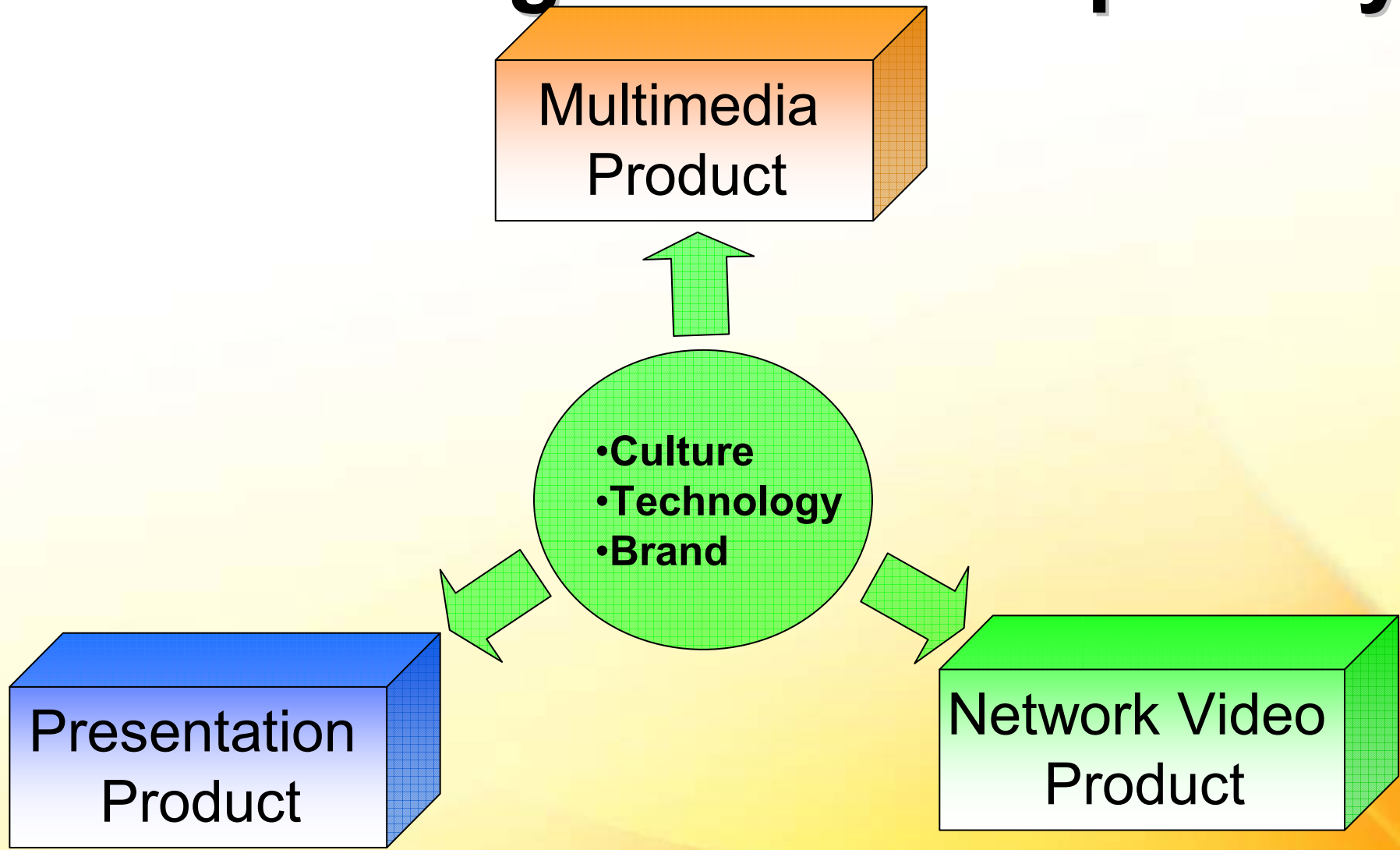
Mobile DVRs

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.

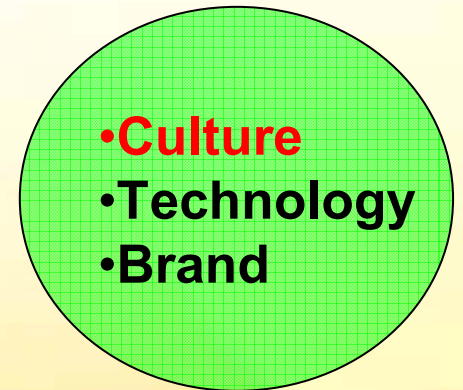
Internal organization capability



Growth Drivers

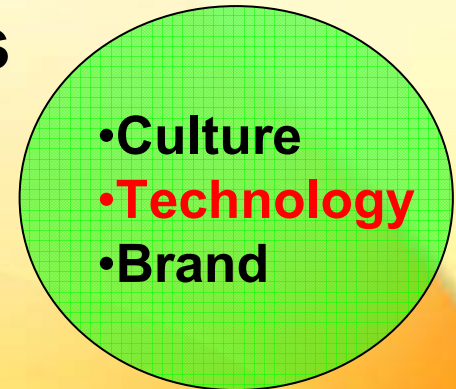
Culture

- **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 : **101** of patents being granted, **224** 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.**



- Culture
- Technology
- Brand

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.

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.



Q&A