

AVerMedia Corporate Profile

Aug. 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 quarters** : **72 quarters Plus**
- ❑ **Employees (AVerMedia Group)** : **1193**
- ❑ **RD Engineers (AVerMedia Group)** : **395**
- ❑ **Branding / ODM** : **70% / 30%**

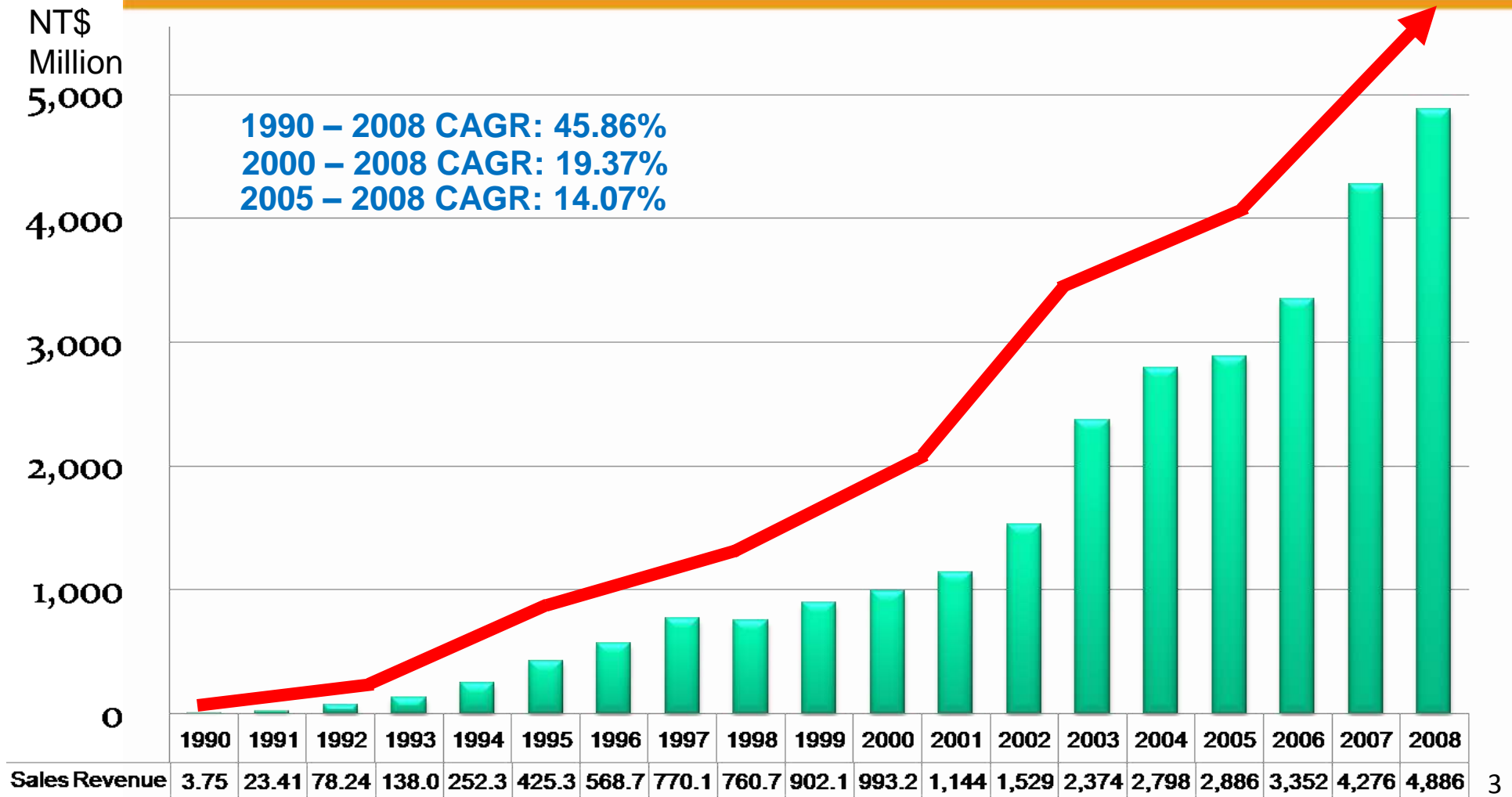
AVerMedia Group includes AVerMedia Technologies Inc., AVerMedia Information Inc., and all of the oversea affiliates.

Updated on July, 2009

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

2

Revenue (1990-2008)



consolidated

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.



4

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.

3

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.



Best Choice of COMPUTEX TAIPEI 2008/2009



2009 AVerTV TwinStar is the world's first dual Tuner and Tuner build-in in dongle.



2008 AVerTV Volar GPS805 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 TwinStar 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.



2009 CES Best of Innovations Award



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



Global Marketing & Service Network



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

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



New Office/Factory of AVerMedia



2009- Q1 Financial Results

Amount : US\$ k	2009-Q1		2008-Q1		YoY %
Net Sales	36,103	100 %	31,267	100 %	15 %
COGS	(18,567)	(51)%	(16,148)	(52)%	15 %
GP	17,536	49 %	15,118	48 %	16 %
Operating Expense	(12,090)	(33)%	(11,230)	(36)%	8 %
Operating Income	5,445	15 %	3,888	12 %	40 %
Net Non-op Items	511	1 %	(876)	(3)%	158 %
Income before Tax	5,956	16 %	3,012	10 %	98 %
Income Tax Exp. (Ben.)	221	1 %	(519)	(2)%	
Minority Interest	388		0		
Net Income	5,347	15 %	3,531	11 %	51 %
EPS(NT\$)	0.79		0.51		54 %

2008- Annual Financial Results

Amount : US\$ k	2008		2007		YoY %
Net Sales	154,253	100 %	133,649	100 %	15 %
COGS	<u>(83,300)</u>	<u>(54)%</u>	<u>(71,121)</u>	<u>(53)%</u>	17 %
GP	70,953	46 %	62,528	47 %	13 %
Operating Expense	<u>(47,578)</u>	<u>(31)%</u>	<u>(35,375)</u>	<u>(26)%</u>	34 %
Operating Income	23,376	15 %	27,153	20 %	(14)%
Net Non-op Items	<u>2,666</u>	2 %	<u>1,645</u>	1 %	
Income before Tax	26,041	17 %	28,799	22 %	(10)%
Income Tax Exp. (Ben.)	<u>2,877</u>	2 %	<u>(434)</u>	<u>(0)%</u>	
Net Income	<u>23,164</u>	15 %	<u>29,384</u>	22 %	(21)%
EPS(NT\$)	<u>3.40</u>		<u>4.77</u>		(29)%
Pre-Tax Net Income before [a. Ex-rate loss; b. Staffs' bonus and remuneration to the Board members c. Retirement fund paid-up]	31,345	20 %	28,299	21 %	11 %

3 Years Income Statement

Performance Comparison of 2008 to that of 2007 & 2006

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 %	45,898	44 %
Operating Expense	(47,578)	(32)%	(35,375)	(26)%	(29,965)	(29)%
Operating Income	23,376	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 %	28,799	22 %	17,537	17 %
Income Tax	2,877	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	15 %		28 %		16 %	
EPS Grew	(29)%		57 %		1 %	

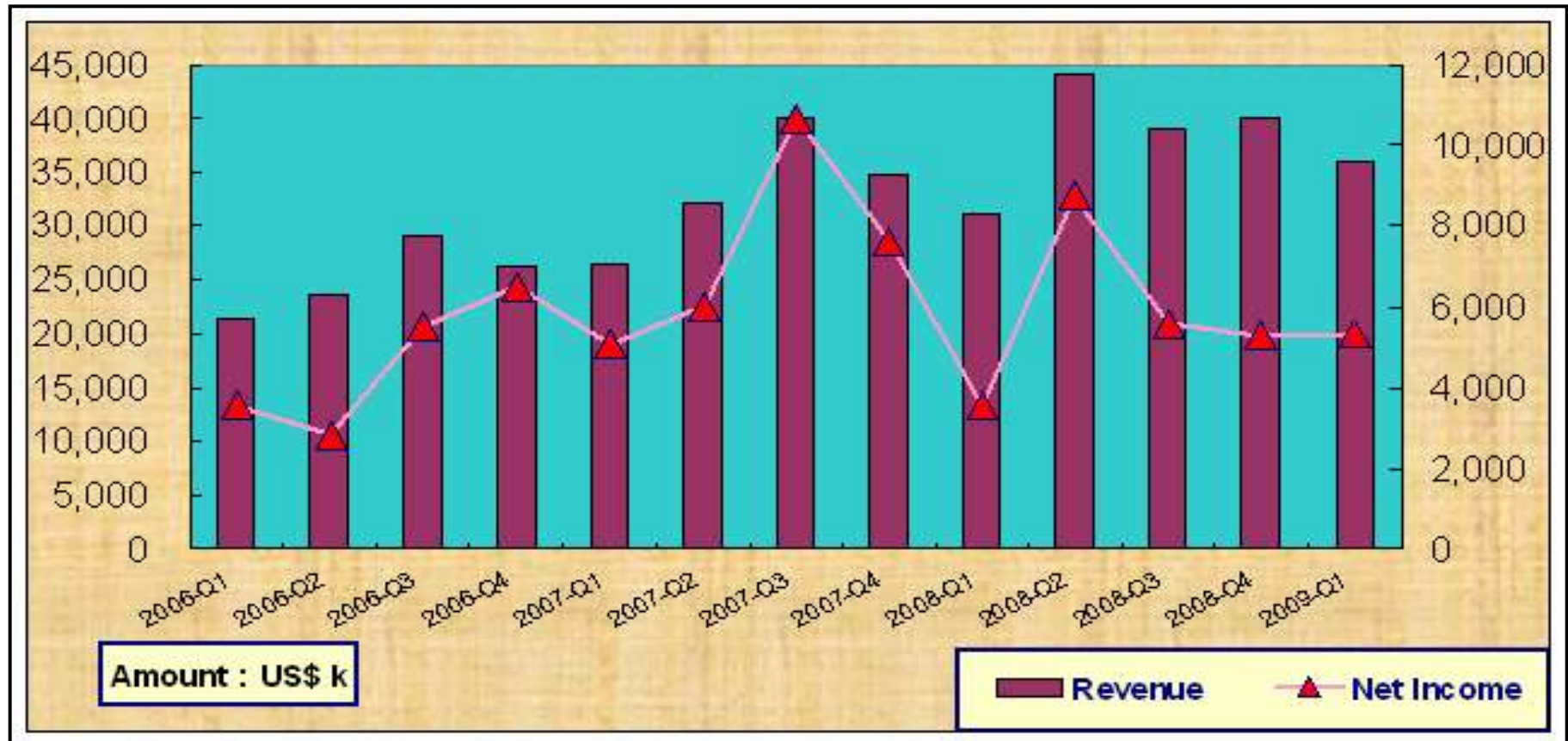
Balance sheet highlights-Q1

Amount : US\$ k	2009-Q1		2008		2007	
Cash & Equivalent	79,346	46 %	75,340	44 %	61,680	41 %
Accounts Receivable	18,534	11 %	18,365	11 %	17,849	12 %
Inventory	15,146	9 %	14,948	9 %	20,549	14 %
Fixed Assets	40,491	23 %	40,903	24 %	29,523	20 %
Total Assets	173,400	100 %	169,835	100 %	149,713	100 %
Liabilities	41,269	24 %	43,402	26 %	29,484	20 %
Equities	132,130	76 %	126,433	74 %	120,228	80 %

Key Financial indicators-Q1

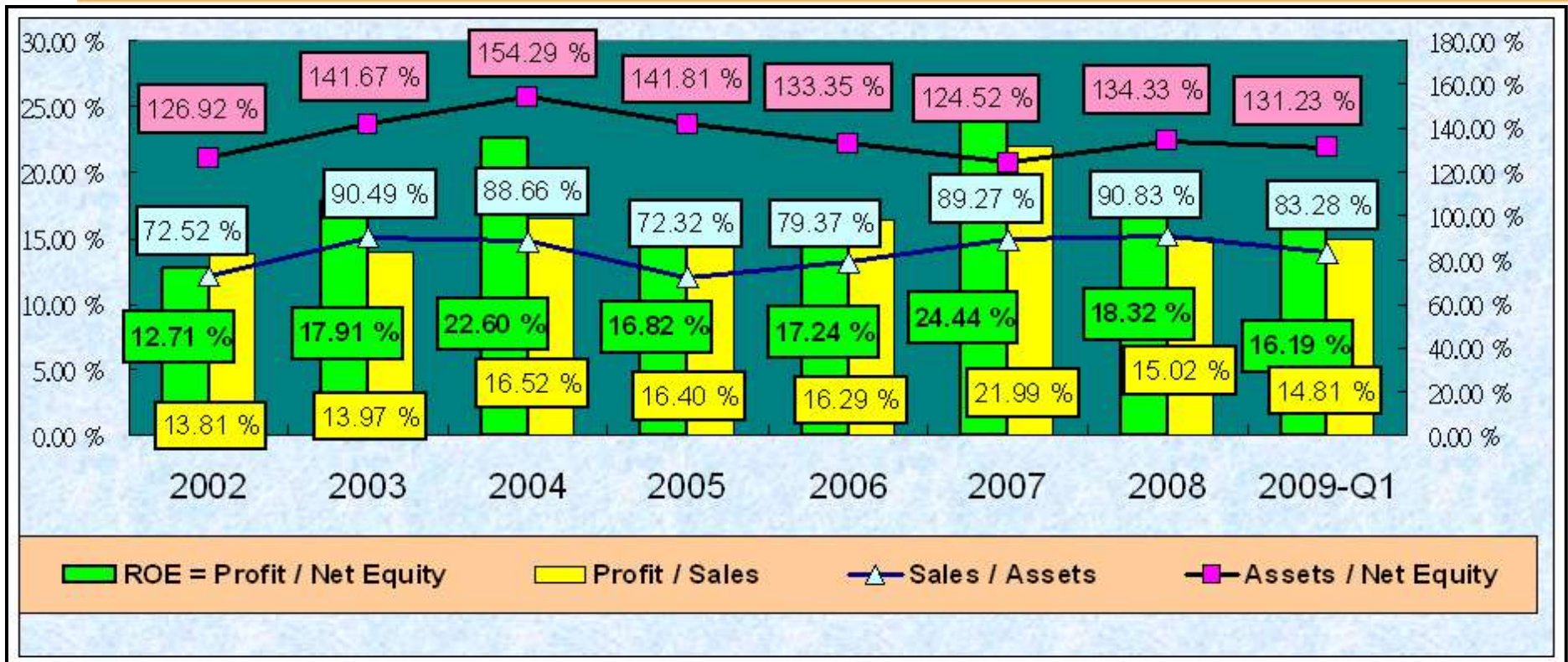
	<u>2009-Q1</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
ROE	16.19 %	18.32 %	24.31 %	17.24 %
ROA	12.33 %	13.64 %	19.53 %	12.93 %
AR Turnover	47 days	43 days	56 days	57 days
Inventory Turnover	74 days	65 days	107 days	86 days
Debt ratio	23.80 %	25.56 %	20.33 %	25.96 %

2006~09-Q1 Quarterly Revenue/Profit



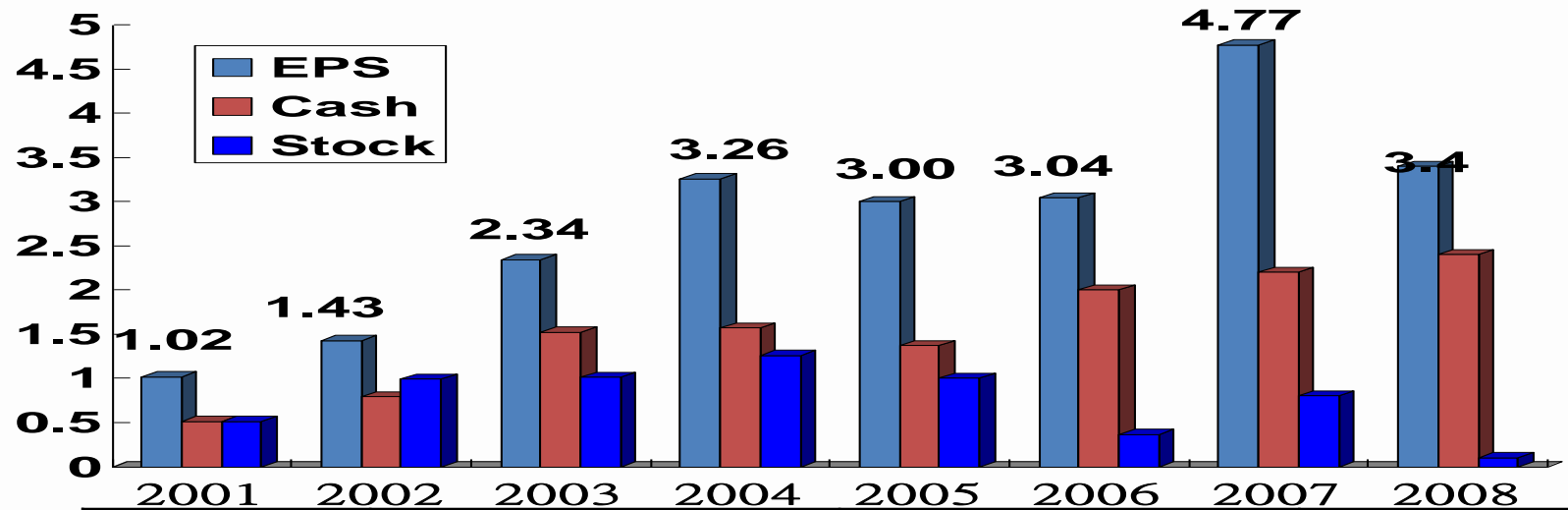
Amount : US\$ k	2006-Q1	2006-Q2	2006-Q3	2006-Q4	2007-Q1	2007-Q2	2007-Q3	2007-Q4	2008-Q1	2008-Q2	2008-Q3	2008-Q4	2009-Q1
Revenue	21,444	23,660	29,111	26,355	26,496	32,236	40,065	34,687	31,267	43,976	38,992	40,018	36,103
Net Income	3,546	2,826	5,500	6,516	5,064	6,041	10,660	7,619	3,531	8,754	5,599	5,280	5,347

Breakdown of ROE-Q1



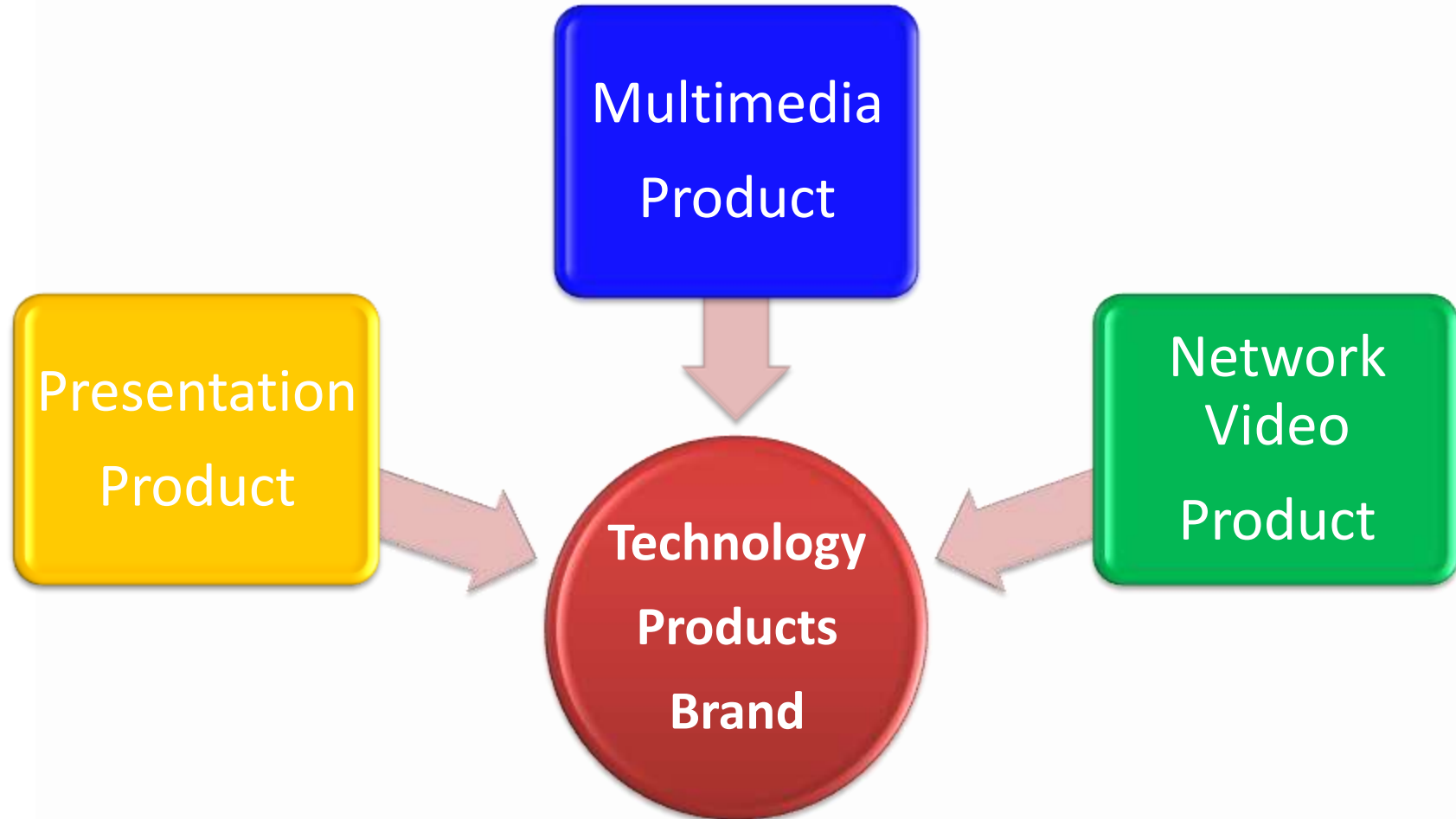
	2002	2003	2004	2005	2006	2007	2008	2009-Q1
Profit / Sales	13.81 %	13.97 %	16.52 %	16.40 %	16.29 %	21.99 %	15.02 %	14.81 %
Sales / Assets	72.52 %	90.49 %	88.66 %	72.32 %	79.37 %	89.27 %	90.83 %	83.28 %
Assets / Net Equity	126.92 %	141.67 %	154.29 %	141.81 %	133.35 %	124.52 %	134.33 %	131.23 %
ROE = Profit / Net Equity	12.71 %	17.91 %	22.60 %	16.82 %	17.24 %	24.44 %	18.32 %	16.19 %

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

Internal organization capability



Growth Drivers

Technology

Technology

Products

Brand

- 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

Product Portfolio



Technology
Products
Brand

+ Multimedia Product

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

+ Presentation Product

- Document Camera

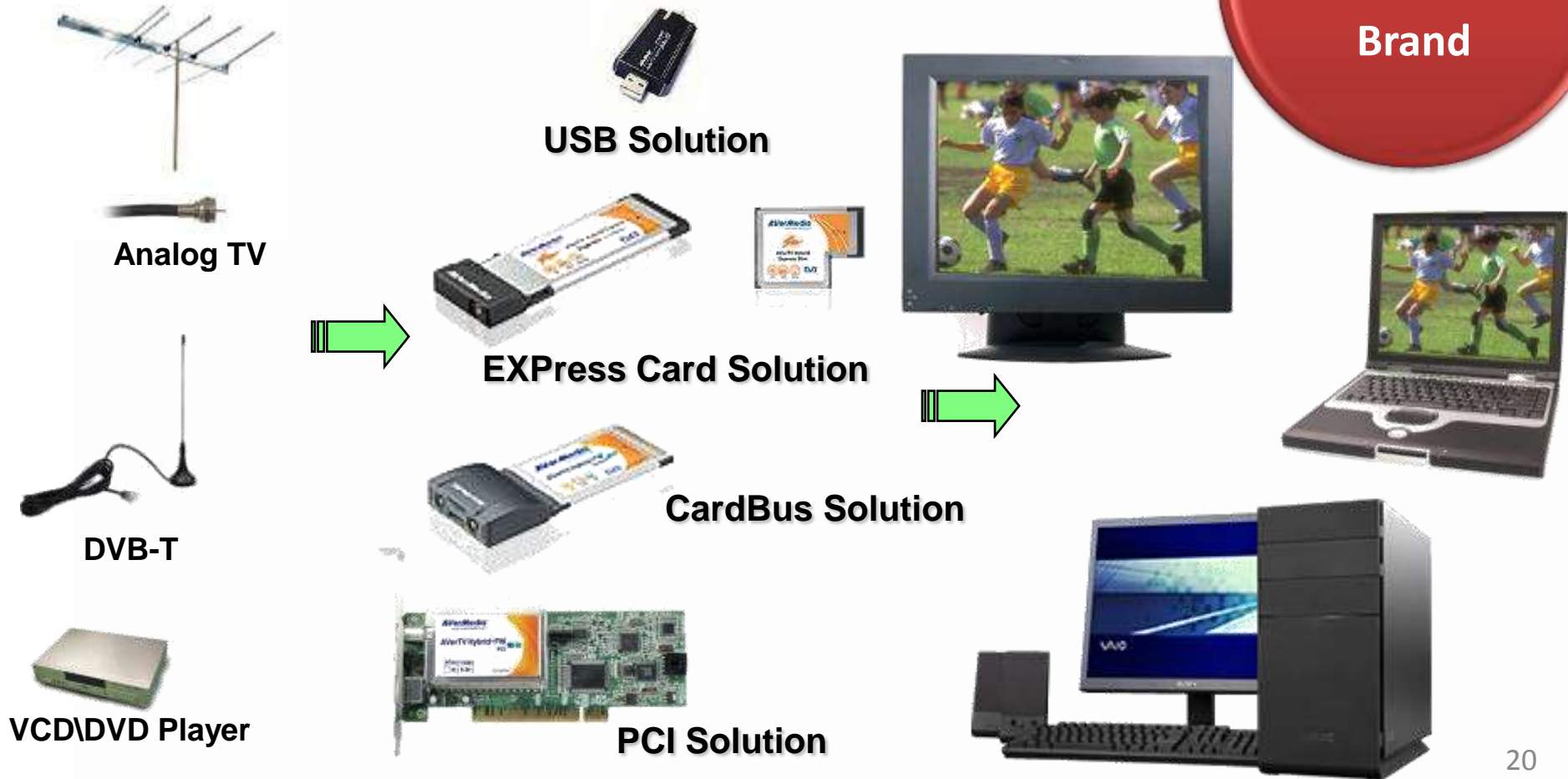
+ Network Video Product

- Digital Video Surveillance

Hybrid TV Tuner Card

Technology
Products
Brand

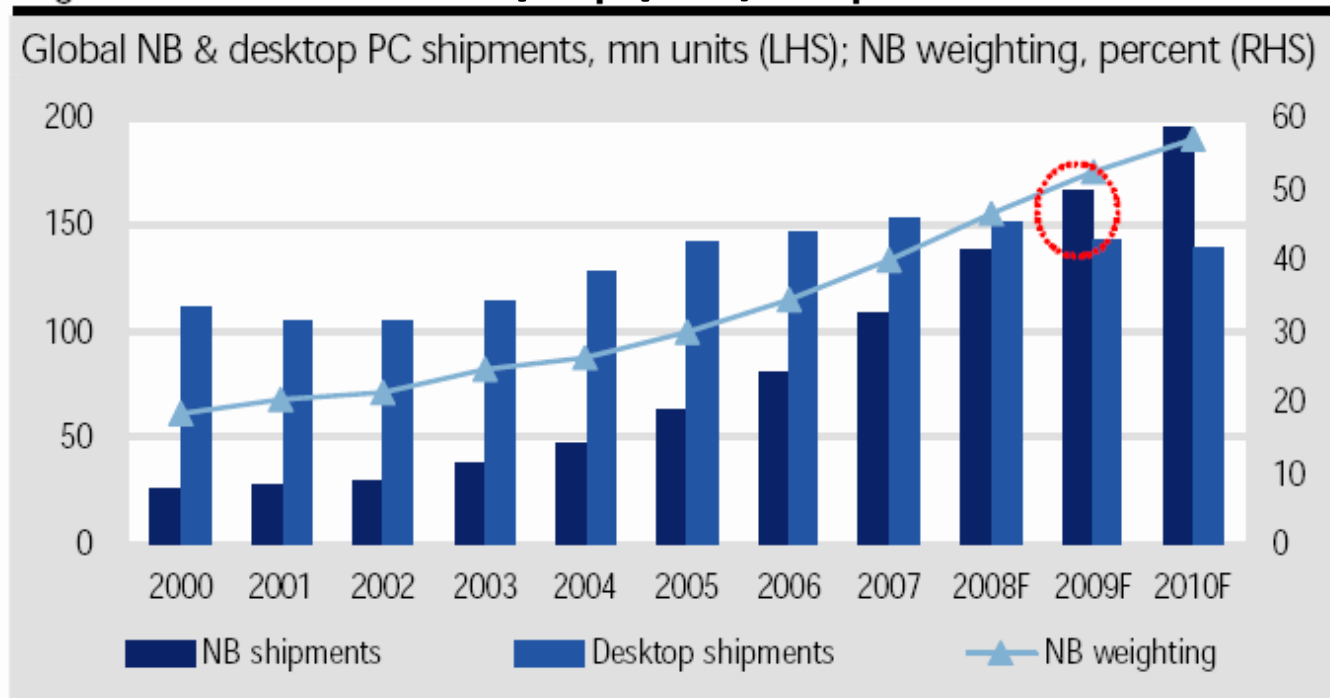
- Watch Digital Terrestrial and Analog TV on PC



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)**

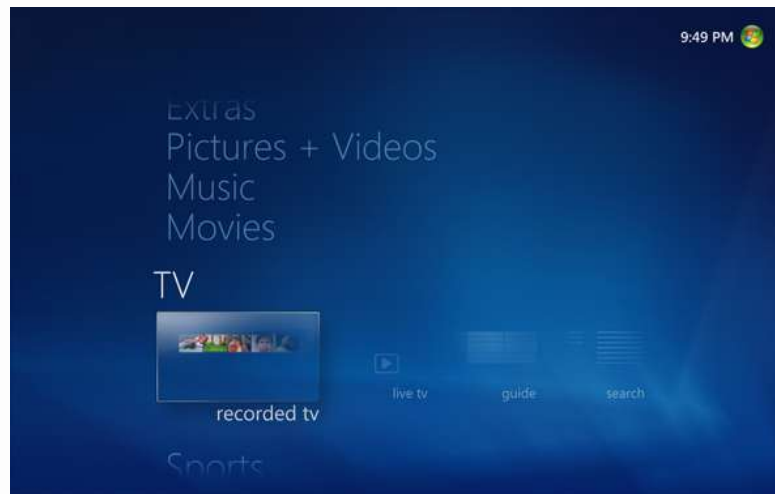


Windows 7 & Media Center TV pack 2008

- 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.

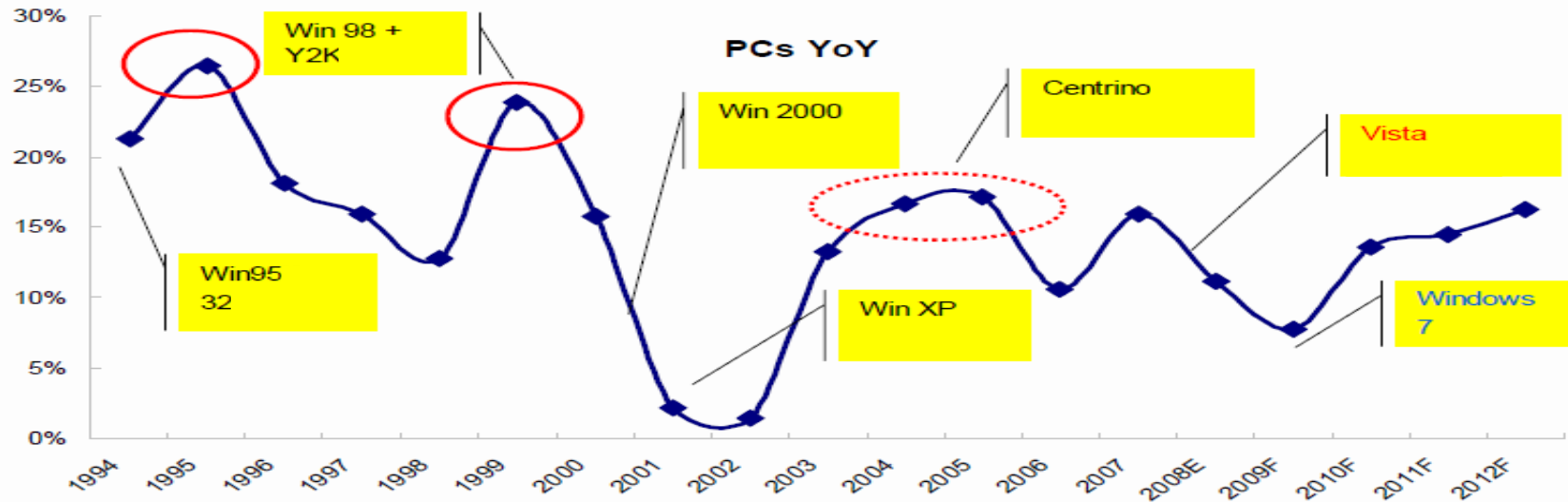


Source: Microsoft



Windows OS vs PC Shipment

Fig 18 PC YoY Growth % Forecast



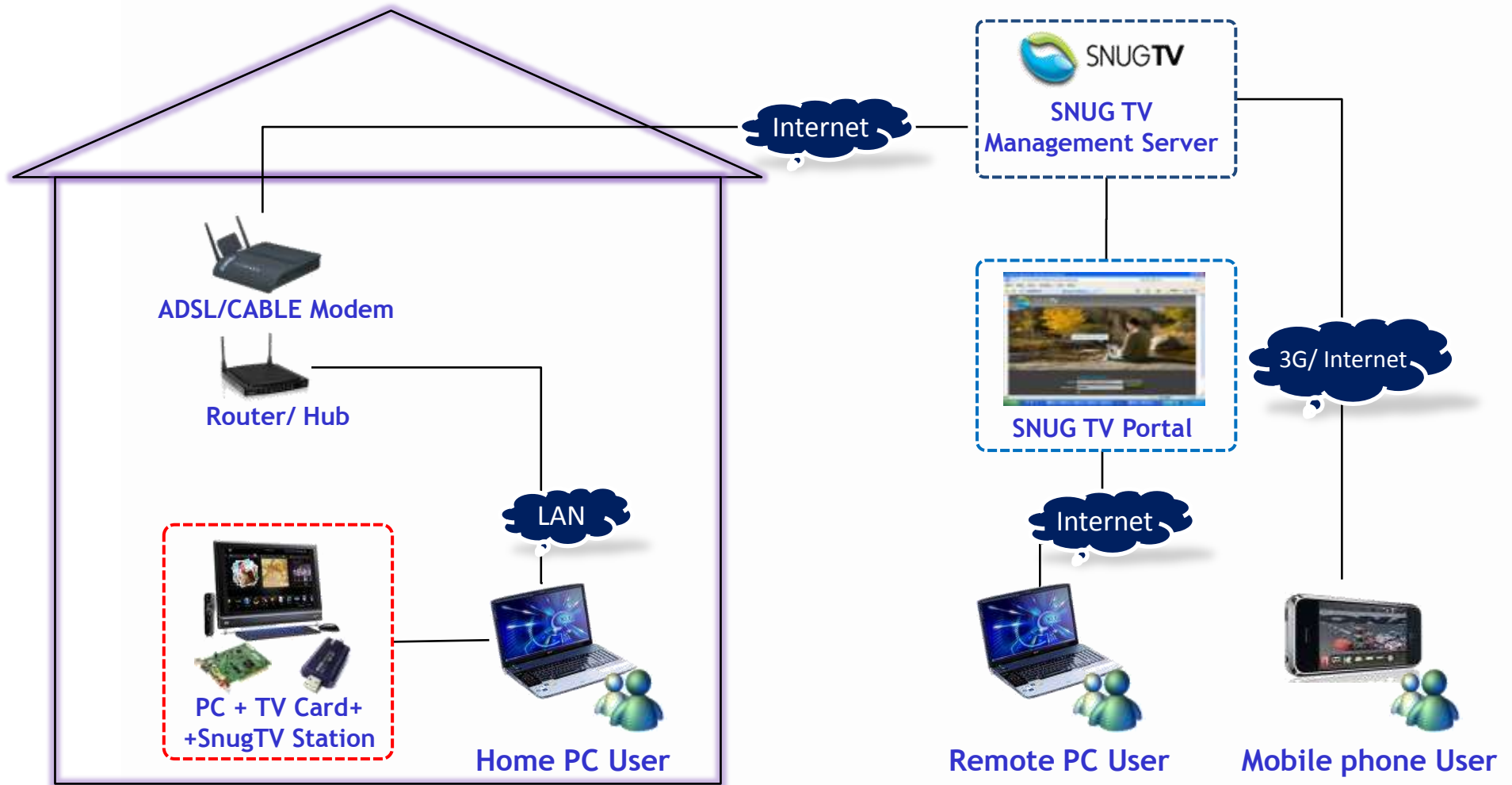
Source: Capital Securities estimates

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	

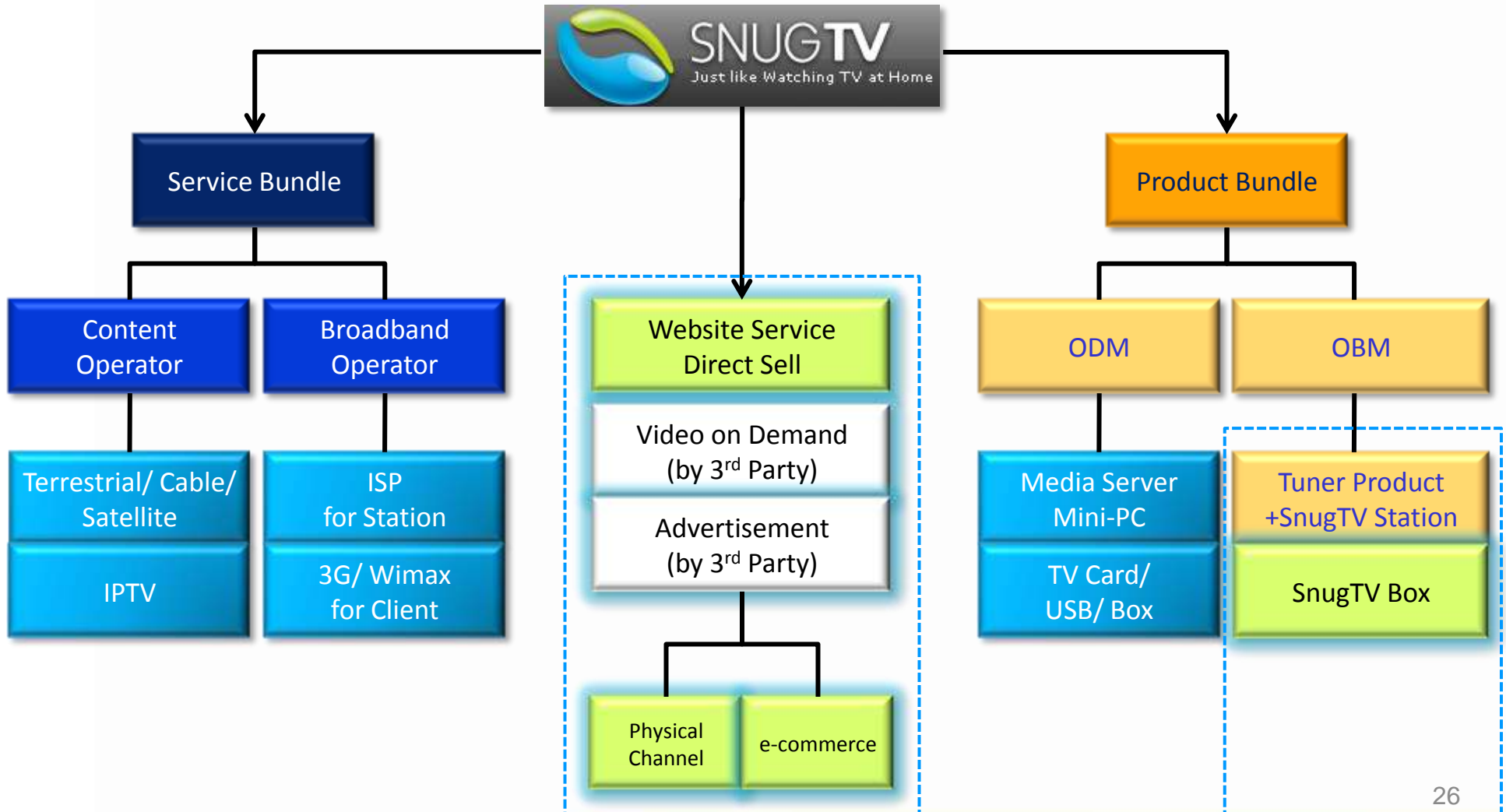
PC/TV Strategies- 3 Phases

- **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.

How SnugTV works?



SnugTV Business Blueprint



SnugTV Benefit to AVerMedia

- New revenue stream
- Create add-on value to OBM/ODM customers
 - Bundle promotion and cross selling
- Membership service to improve customer relationship and new product marketing
- Shift from device maker to “Watching TV” solution provider.
 - Device+Service & ATV+DTV+IPTV

Live TV – Station in Russia



Live TV – Station in China

The screenshot displays a web browser window with the URL <http://qq.snugtv.com/live.php>. The website is titled "SNUGTV" with the tagline "Just like Watching TV at Home". The interface includes a navigation bar with "LIVE" and "RECORDED" tabs, a left sidebar with a "CHANNEL" list, and a main content area. The main content area shows a live video feed of two cartoon pig characters eating, with the subtitle "哎呀 脏你个鬼呀". To the right of the video is a stock market ticker and two line graphs. The stock market ticker lists various companies and their stock prices, including 永鼎股份, 重庆路桥, 美尔雅, 亚盛集团, 彩虹精化, 利尔化学, 升达林业, and 伊立浦. The bottom of the browser window shows the Windows taskbar with the system tray displaying the date and time as 上午 10:57.

CHANNEL

- 9 CH 9
- 5 CH 5
- 6 CH 6
- 7 CH 7
- 8 CH 8
- 9 CH 9
- 10 CH 10
- 11 CH 11
- 12 CH 12
- 13 CH 13
- 14 CH 14
- 15 CH 15
- 16 CH 16
- 17 CH 17
- 18 CH 18
- 19 CH 19
- 20 CH 20
- 21 CH 21
- 22 CH 22

哎呀 脏你个鬼呀

永鼎股份	7.80	1.56	(404%)	彩虹精化	10.66	-1.11	(90%)
重庆路桥	9.73	-0.21	(973%)	利尔化学	38.00	0.00	(112%)
美尔雅	11.05	0.45	(666%)	升达林业	7.49	0.40	(170%)
亚盛集团	4.97	0.61	(1552%)	伊立浦	8.05	0.75	(103%)

沪 3287.59 0.65% 1022.41 亿 深 13171.60 0.77% 479.92 亿

Live TV – Station in Taiwan

The screenshot shows a Windows Internet Explorer browser window displaying the SNUGTV website. The address bar shows the URL http://portal.evermedia.com/snugtv_live.php. The website header includes the SNUGTV logo and the tagline "Just like Watching TV at Home". A navigation menu on the left lists various TV channels, with "4 公共電視 PTS" selected. The main content area features a live video stream of a Karate match. The match is identified as "Kumite -60 kg - Men -" between "K. FUJIMOTO" (JPN) and "D. DOMDJONI" (CRO). The score is 1-4. The match is part of the "2009 高雄世界運動會 空手道男子60公斤以下團體賽". The video player shows a "Buffer" progress bar at 100%. The browser's taskbar at the bottom shows the system tray with the date and time "上午 11:28".

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



Portable Gooseneck

- AVerVision CP130
- AVerVision CP150
- AVerVision CP300



Portable Mechanical Arm

- AVerVision300e
- AVerVision300AF



Portable Dual Arm

- AVerVision SPC300



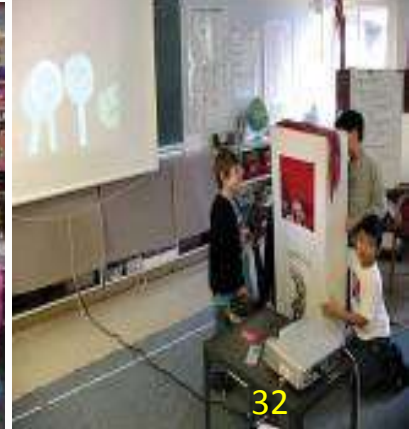
Platform DocCam

- AVerVision530

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



Document Camera Applications



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



Reports indicate the trends



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

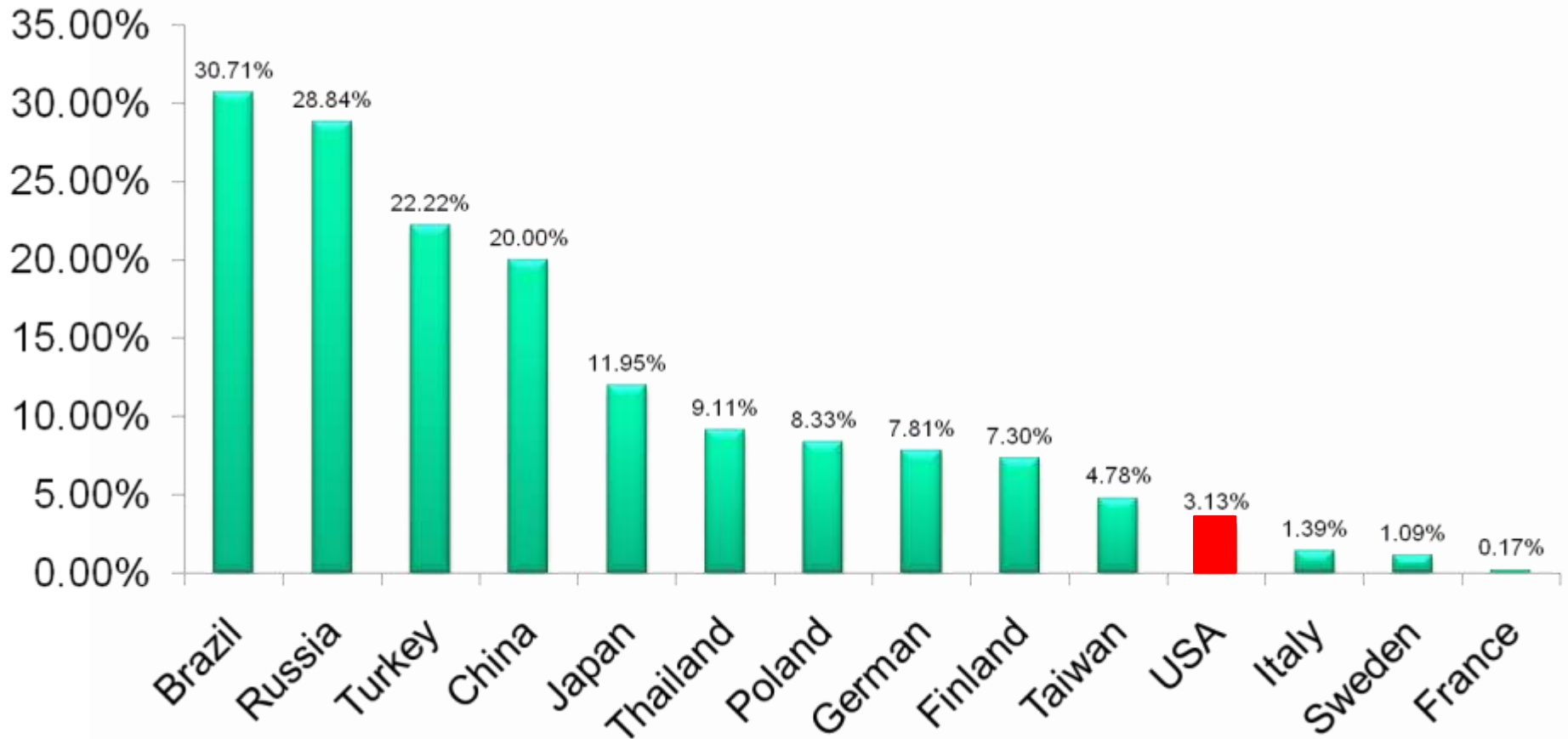
Report of the Teaching and Learning in 2020 Review Group

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

Educational Budget Growth %



AVerPen

Teach anywhere!
Learn everywhere!



AVerPen Product Concept



- **Group learning tool:**

Innovative multiple and simultaneous input device

- **Multiple features in 1 package:**

Less SW / HW to learn, lower learning curve

- **Many tools in 1 package:**

Cost-effective solution for the 21st century classroom

- **Integrates with existing classroom technologies:**

Such as PC, doc cam

- **Wireless:**

Write from anywhere

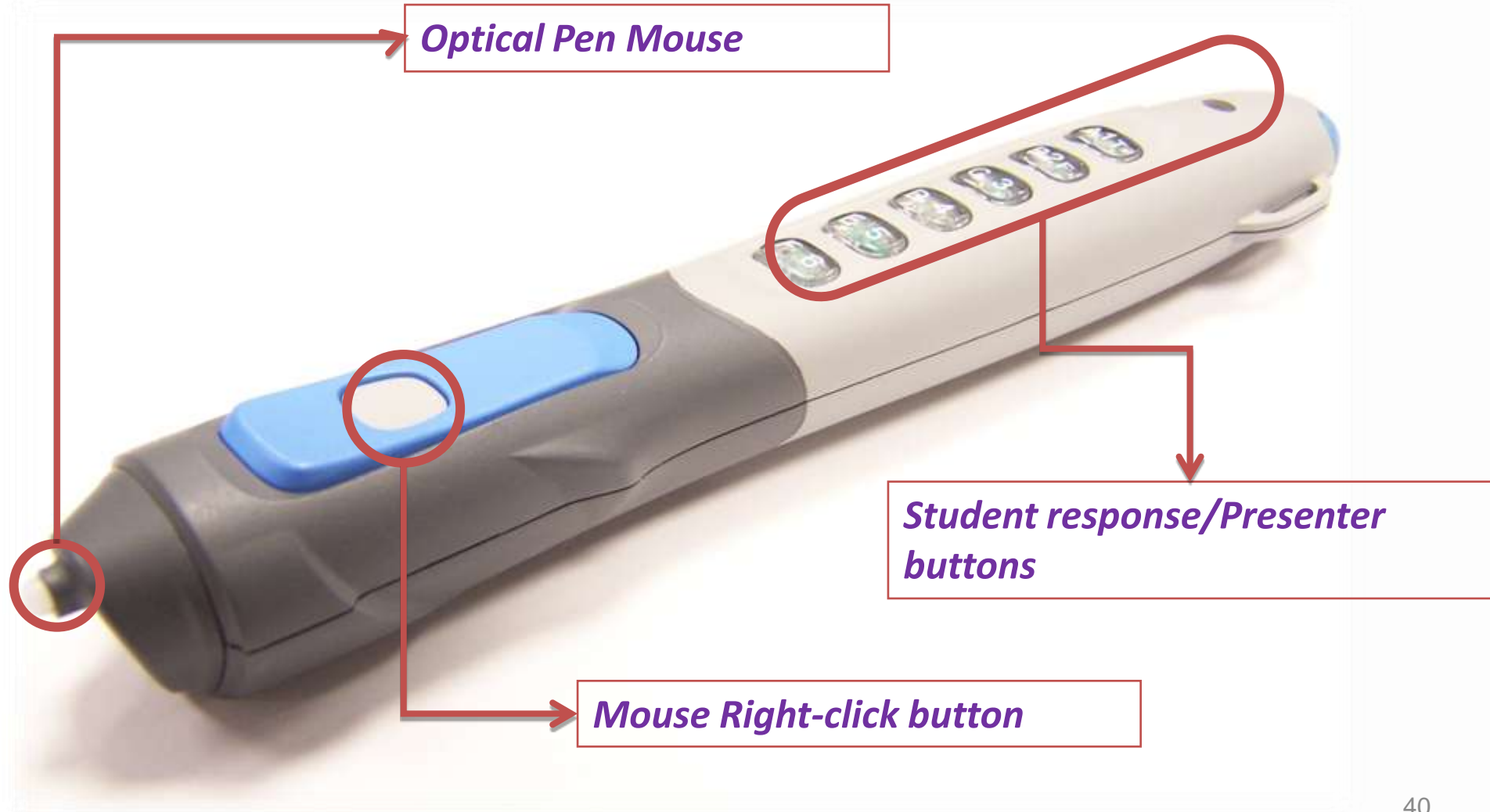
AVerPen setup



Teacher's AVerPen

Student's AVerPen

Main function introduction



2009 product application



Target

- **Countries implement group learning**
- **Classrooms sitting in groups**
- **Class size ≤ 40 students**
- **Student age from yr11 ~ yr13 / yr14 ~ yr17**
- **Teachers who have experience with doc cam, IWB or PC**
- **Classrooms looking for wireless slate / IWB + wireless slate / IWB + SRS**

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

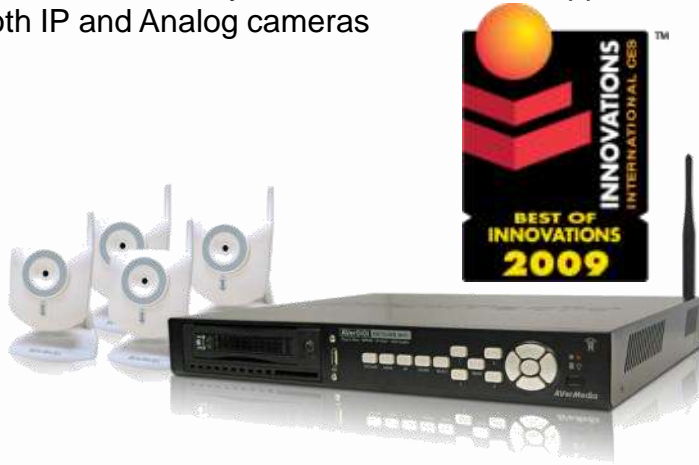


AVerDiGi Surveillance

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

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

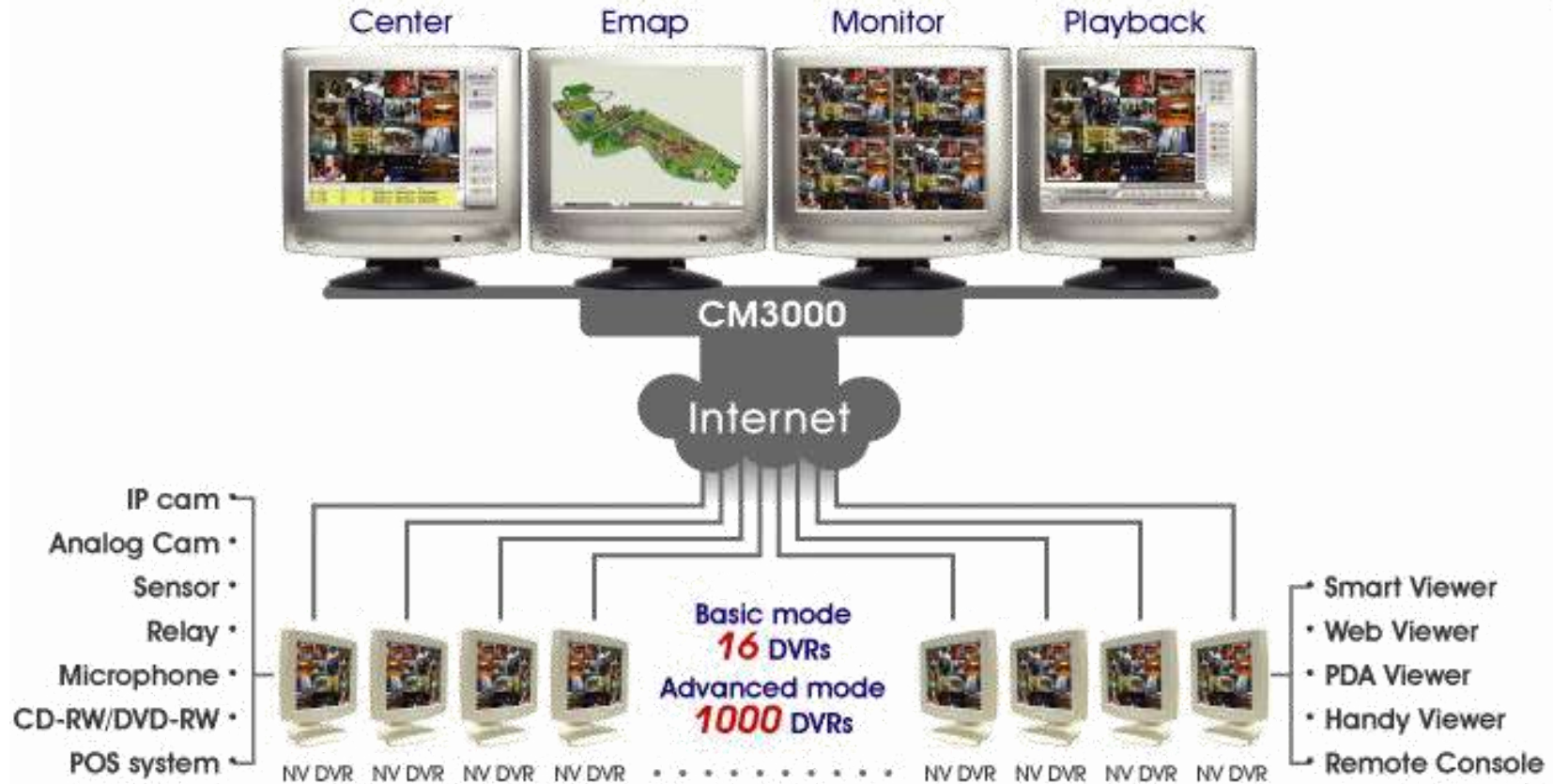
iStable software

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.

Brand

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



Technology
Products
Brand

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.



Volunteers in AVerMedia



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



Volunteer for story telling team

Clean up the World since 2002



2008 Charity Activities in Taiwan

2008 舞動奇蹟 (V)

婚禮的誓約 即將上演

無論富貴或貧窮 無論健康或疾病 我將永遠守候在你身邊 無論順境或逆境

『...☆尋找守護天使...☆』
六百元認養植物人 舞天使邀您看表演

we sponsor NPO Event



We clean up the Mountain



We Donate Blood



Beach cleaning



We Donate Money, Clothes, Toys, Books

奧萬大楓紅 松林茶飄香

SeWa! [青山之外·賽德克之村]

松林部落，位在奧萬大森林遊樂區北端，處於羅仁盛和的毗鄰村。賽德克族艾希德族人自三洲時代遷居於此，楓紅之外，山歌歐羅利松林環繞的Buter部落（賽德克語）。

Buy the tea for helping Aborigines

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 Innvision women's shelter.



California's Coastal Clean-Up Day

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

2008 EU Office charity activities



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



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.

Q&A

