

The background features a collage of four educational scenes: a classroom with students at desks, a teacher and student smiling, a student looking surprised at a computer, and a teacher standing in a classroom. A large orange circle with yellow curved lines is on the right side.

Corporate Profile

April, 2007

AVerMedia

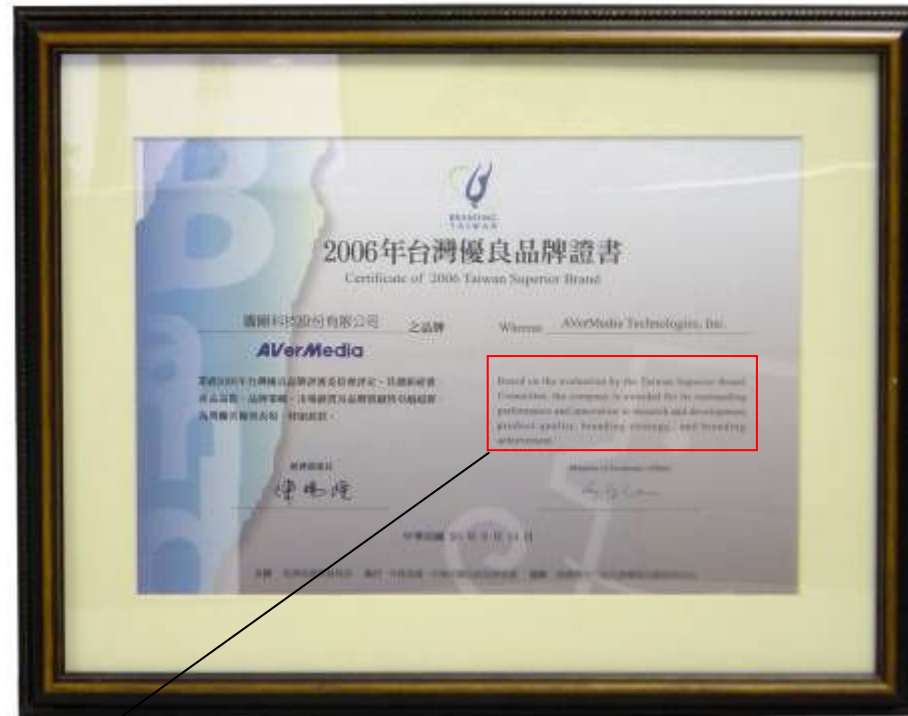
AVerMedia Overview

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**
- ☐ **Consecutive profitable quarters** : **64 quarters**
- ☐ **Employees (AVerMedia Group)** : **917**
- ☐ **Branding / ODM with premium value** : **70% / 30%**

Updated on Mar. 2007

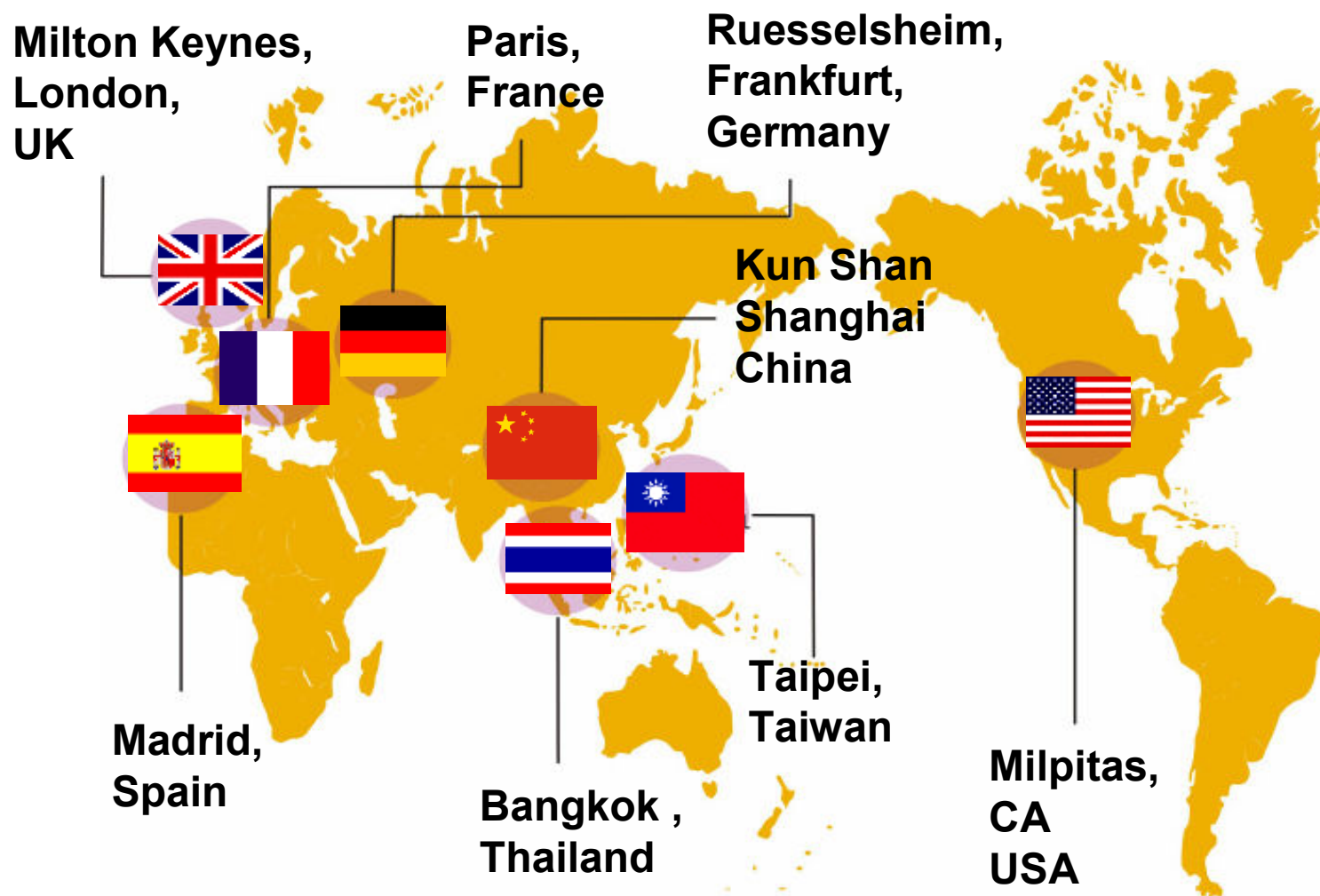
2006 Taiwan Superior Brand



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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Global Marketing & Service Network



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

Performance comparison 06/05/04

Amount : US\$ k	2006 ☆		2005		2004	
Net Sales	104,932	100 %	90,191	100 %	87,452	100 %
COGS	(58,184)	(55)%	(49,806)	(55)%	(49,705)	(57)%
GP	46,748	45 %	40,385	45 %	37,748	43 %
Operating Expense	(30,415)	(29)%	(26,769)	(30)%	(23,607)	(27)%
Operating Income	16,333	16 %	13,616	15 %	14,141	16 %
Net Non-op Items	233	0 %	43	0 %	513	1 %
Income before Tax	16,566	16 %	13,659	15 %	14,654	17 %
Income Tax	651	1 %	1,137	1 %	(205)	(0)%
Net Income	17,217	16 %	14,796	16 %	14,449	17 %
Fully Diluted EPS(NT\$)	3.03		3.00		3.06	※
Sales Grew	16 %		3 %		18 %	
EPS Grew	1 %		(2)%		30 %	

☆Y2006's results are before CPA's audit

※Y2004 EPS are converted to "Fully Diluted"

Balance sheet highlights

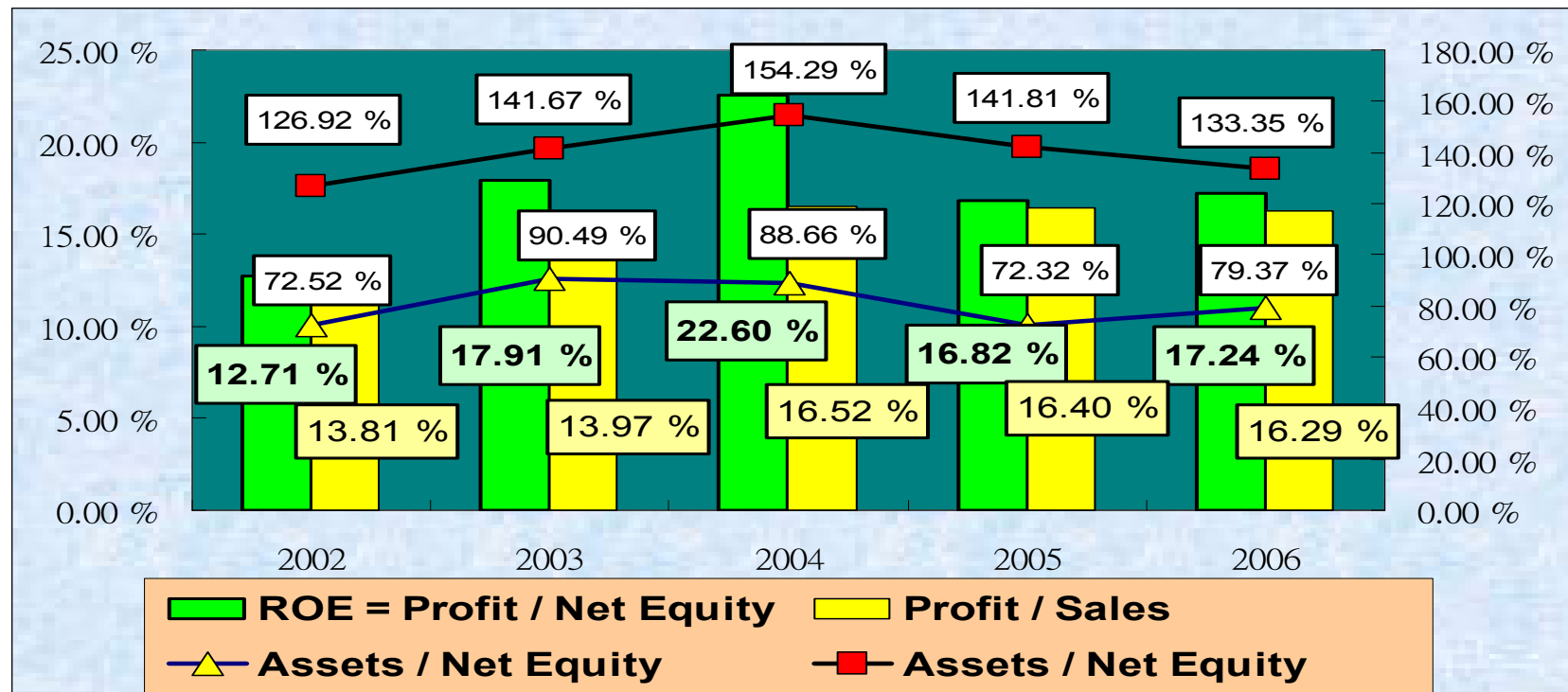
Amount : US\$ k	2006		2005		2004	
Cash & Equivalent	54,601	41 %	61,354	49 %	51,623	48 %
Accounts Receivable	16,920	13 %	14,757	12 %	9,776	9 %
Inventory	13,573	10 %	10,867	9 %	8,601	8 %
L-T Investment	3,430	3 %	5,277	4 %	5,408	5 %
Fixed Assets	28,434	21 %	20,695	17 %	20,586	19 %
Total Assets	133,979	100 %	124,705	100 %	107,759	100 %
Liabilities	34,788	26 %	36,765	29 %	43,827	41 %
Equities	99,192	74 %	87,940	71 %	63,932	59 %

Full consolidated base

Key Financial indicators

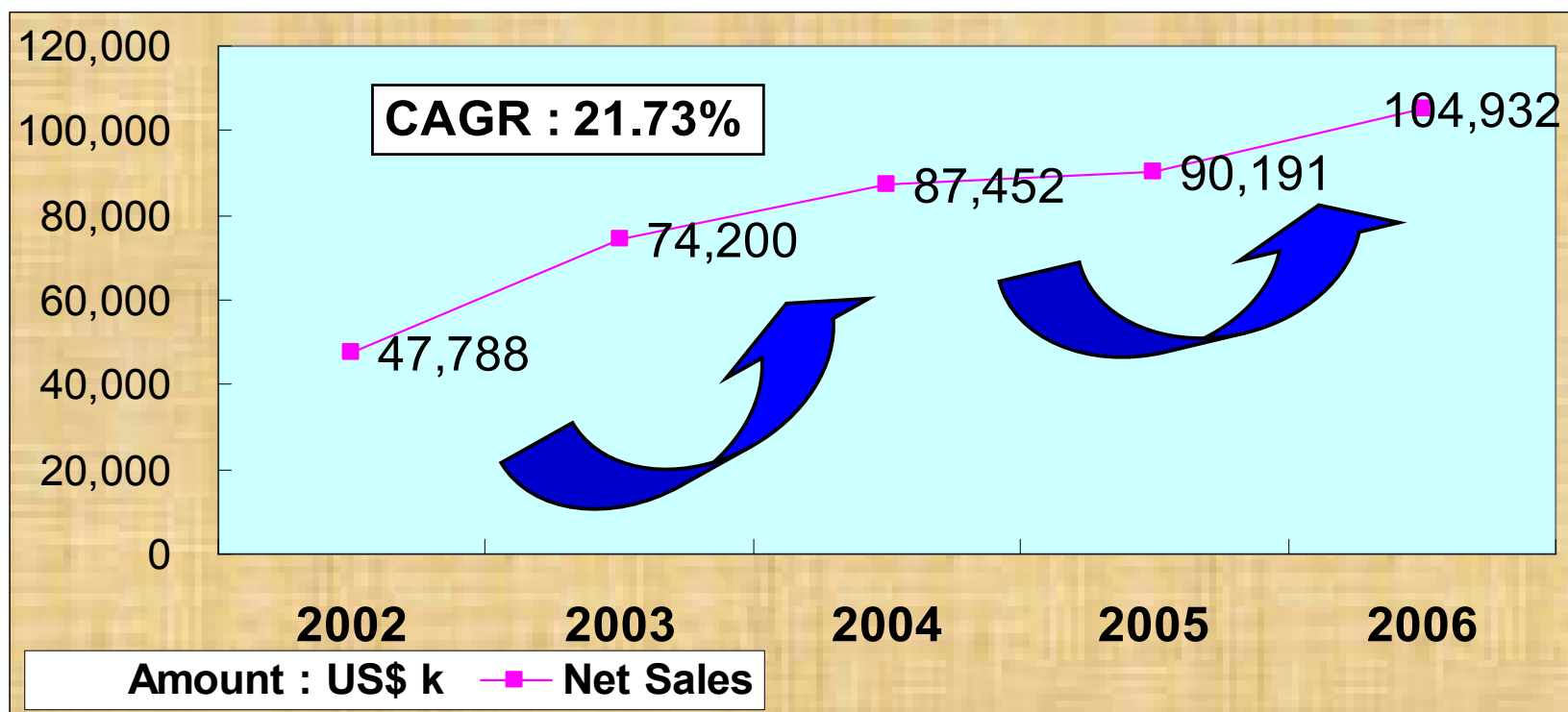
	2006	2005	2004
ROE	17.24 %	16.82 %	22.60 %
ROA	12.93 %	11.86 %	14.65 %
AR Turnover	57 days	60 days	42 days
Inventory Turnover	86 days	79 days	74 days
Debt ratio	25.96 %	29.48 %	40.67 %

Breakdown of ROE



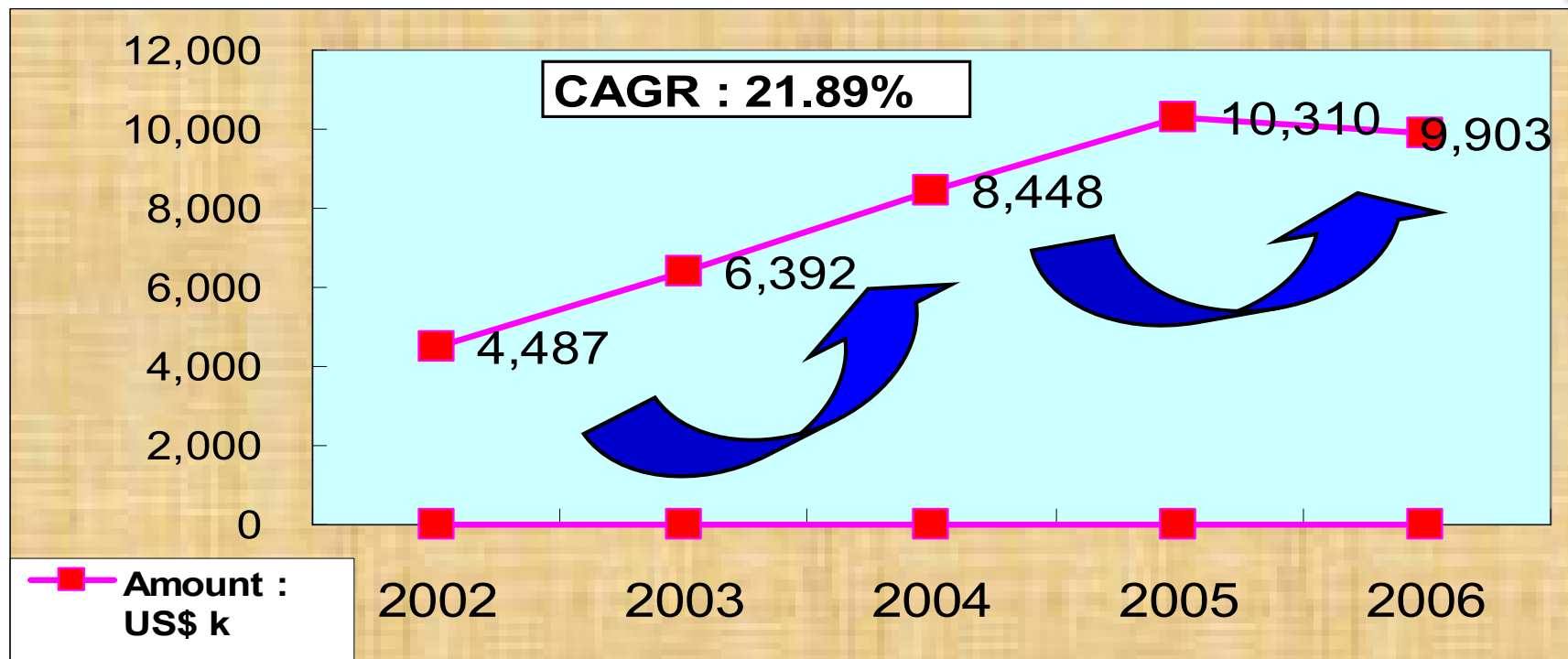
	2002	2003	2004	2005	2006
Profit / Sales	13.81 %	13.97 %	16.52 %	16.40 %	16.29 %
Sales / Assets	72.52 %	90.49 %	88.66 %	72.32 %	79.37 %
Assets / Net Equity	126.92 %	141.67 %	154.29 %	141.81 %	133.35 %
ROE = Profit / Net Equity	12.71 %	17.91 %	22.60 %	16.82 %	17.24 %

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



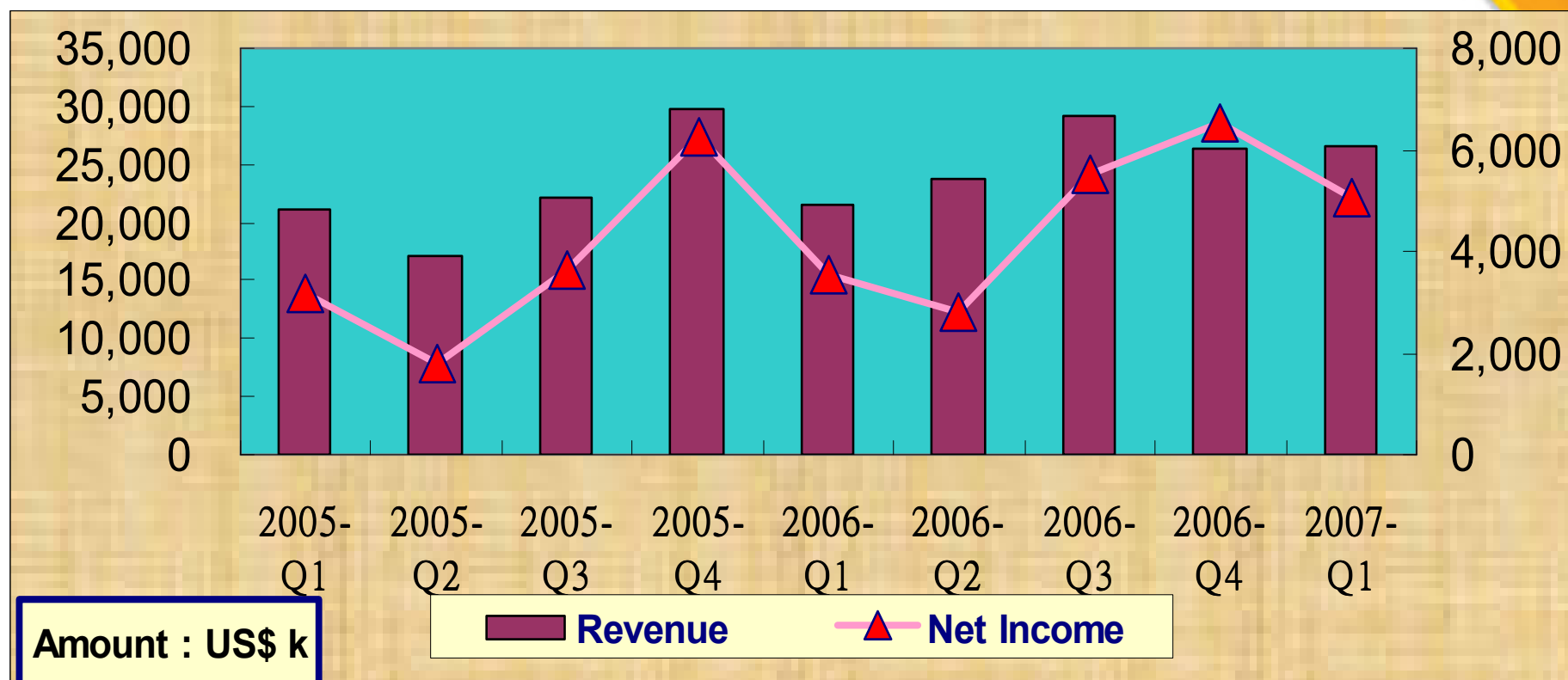
Amount : US\$ k	2002	2003	2004	2005	2006
R&D Expenditures	4,487	6,392	8,448	10,310	9,903
Compound Annual Growth Rate : 21.89%					

2007 1st Quarter Financial Results, YoY

2007 1st Quarter Financial Results, YoY

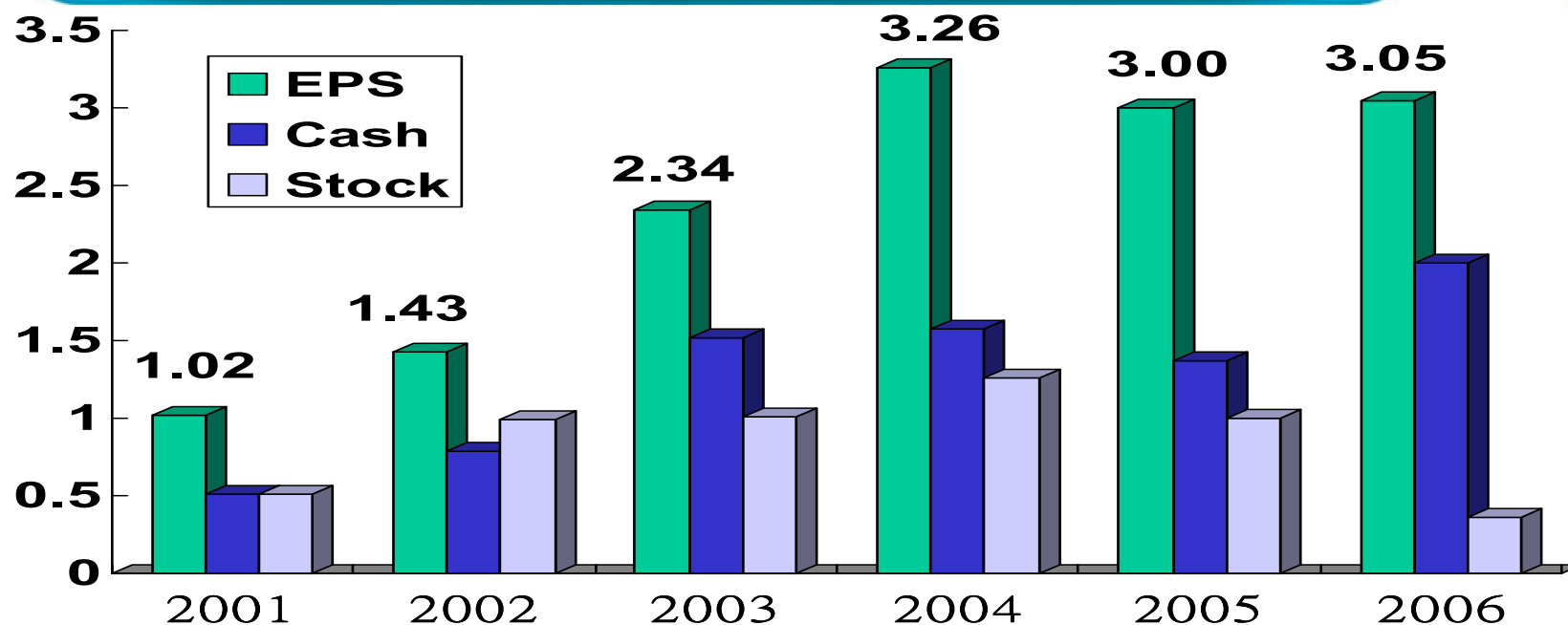
Amount : US\$ k	2007 1-Q [CPA-Draft]		2006 1-Q		YoY %
Net Sales	26,496	100 %	21,444	100 %	24 %
COGS	(16,229)	(61)%	(13,265)	(62)%	22 %
GP	10,267	39 %	8,179	38 %	26 %
Operating Expense	(5,043)	(19)%	(4,797)	(22)%	5 %
Operating Income	4,415	17 %	3,382	16 %	31 %
Net Non-op Items	38	0 %	(230)	(1)%	
Income before Tax	4,453	17 %	3,152	15 %	41 %
Income Tax	613	2 %	394	2 %	
Net Income	5,066	19 %	3,546	17 %	43 %
Fully Diluted EPS(NT\$)	0.88		0.62		43 %

2005~07-1Q Quarterly Revenue/Profit



Amount : US\$ k	2005- Q1	2005- Q2	2005- Q3	2005- Q4	2006- Q1	2006- Q2	2006- Q3	2006- Q4	2007- Q1
Revenue	21,219	17,146	22,140	29,686	21,444	23,660	29,111	26,355	26,496
Net Income	3,150	1,780	3,636	6,230	3,546	2,826	5,500	6,516	5,066

Dividends distribution



Year	Cash		Stock		Total
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

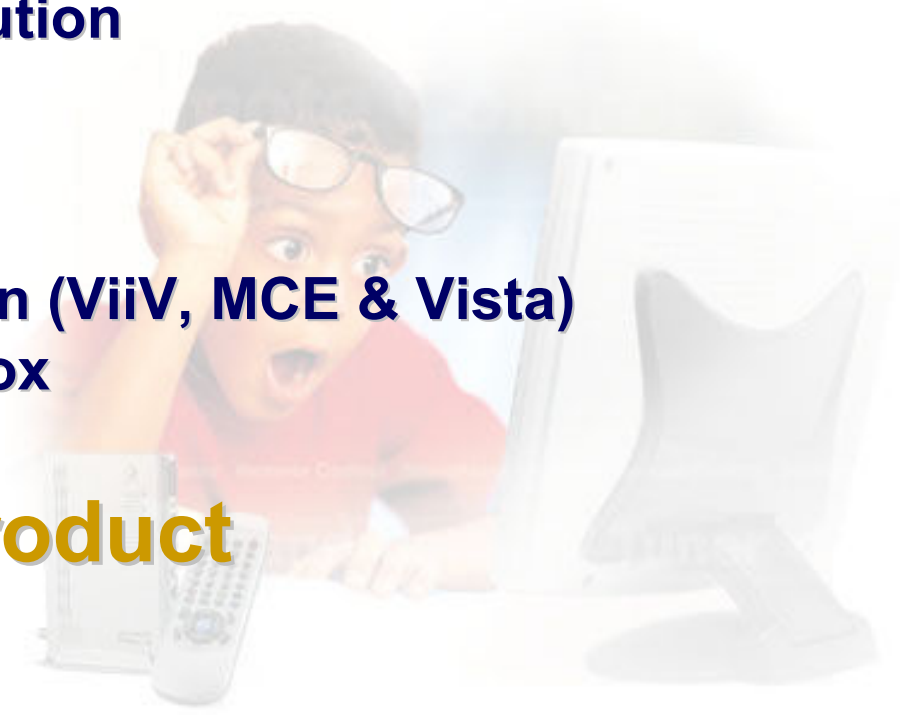
- Watch TV on NB solution
- Analog TV Tuner
- Hybrid TV Tuner
- Digital TV Tuner
- Digital Home Solution (ViiV, MCE & Vista)
- External TV Tuner Box

Presentation Product

- Document Camera

Network Video Product

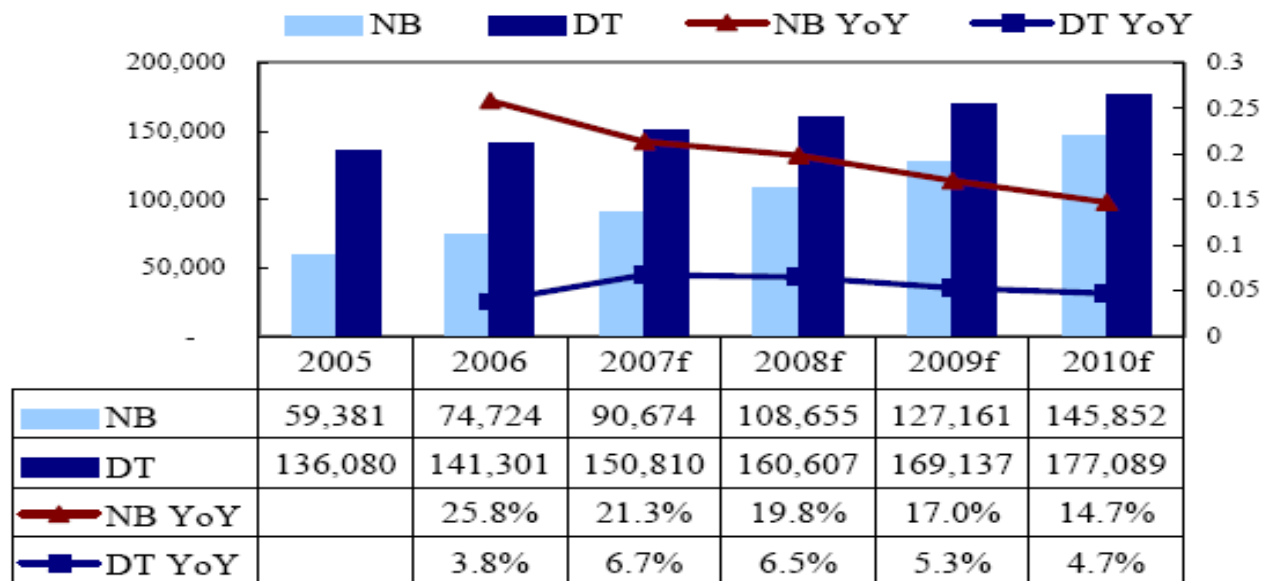
- Digital Video Surveillance



External marketing trend

- **Multimedia Products**

- **Strong demand in Notebook PCs: annual demand of 75 million sets (less than 5% of attachment rate of TV Tuner in Notebook PCs)**



資料來源：IDC，永豐金控研究總處整理，Dec. 2006

Notebook demands

2005=>2006

Business (企業)

64% ➡ 63%



Mobile Workstation

16% ➡ 12%

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



Thin and Light

75% ➡ 76%

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



Mini- Note

8% ➡ 11%

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



Small Form Factor

1% ➡ 1%

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

2005=>2006

Home (個人)

36% ➡ 37%



Mobile Entertainment

3% ➡ 8%

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



Thin and Light

92% ➡ 84%

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



Mini- Note

4% ➡ 7%

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

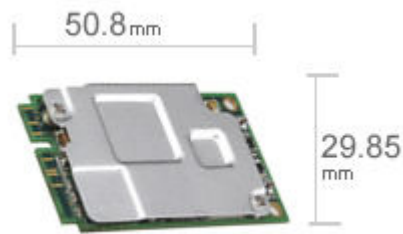


Small Form Factor

1% ➡ 1%

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

ODM solution



Hybrid Mini card



DVB-T Mini card



DVB-H Mini card



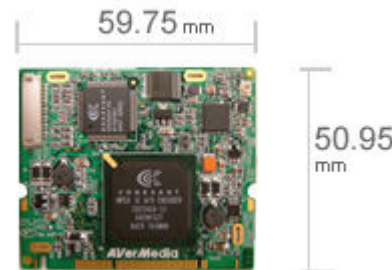
DVB-H SDIO
100 mm



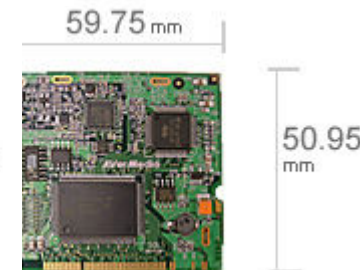
Hybrid Mini PCI



Hybrid ATSC



Analog Worldwide



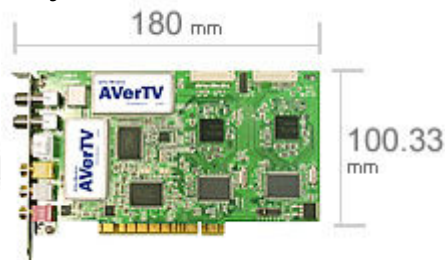
Hybrid DVB-T



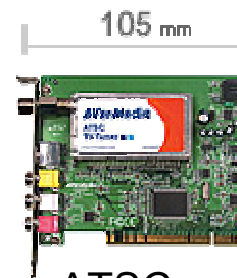
DVB-T USB



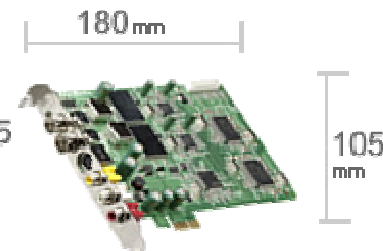
Hybrid DVB-T



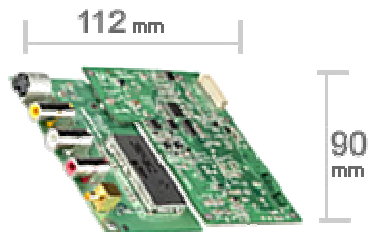
Analog Worldwide



ATSC



Hybrid PCIe



Analog Worldwide

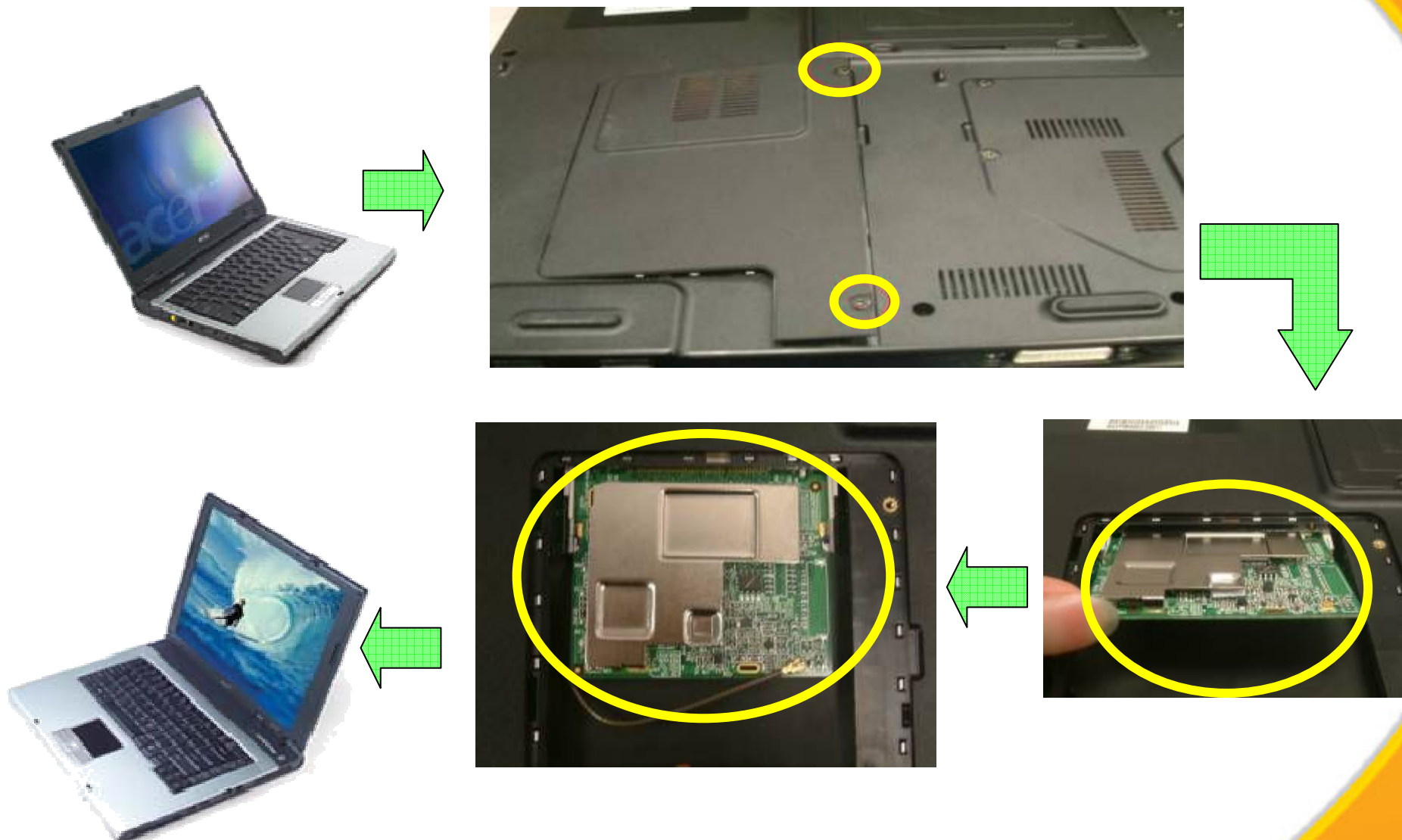


Hybrid DVB-T

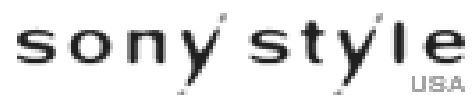


DVB-T

MiniPCI TV Tuner card for NB



ODM main customers



TOSHIBA



Sony Notebook TV inside

 | United Kingdom

VAIO recommends Windows® XP Media Center Edition.

Products | Solutions | Support | CLUB VAIO

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VGN-AR21M



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Similar products > VGN-AR21S

Technical specification summary

CPU Section	
> Microprocessor Full Name	Intel® Core™2 Duo Processor T5600, Supports Enhanced Intel® SpeedStep® Technology
Operating System	
> Operating System	Genuine Windows® Media Center Edition 2005; " Vista



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Sony Desktop TV inside



RB Series - Home



LS1 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.



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

W1J

W2J

A7J



TV-Inside



Watch TV Commercial

ASUS
Rock Solid · Heart Touching
tw.asus.com

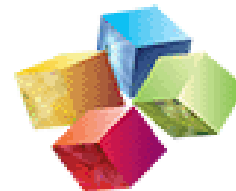
acer Aspire TV Inside



Aspire 9520



Aspire 9800/9810



Aspire 5650/5670



Aspire 9120

DELL Desktop



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Select: TV TUNERS

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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

[Previous Component](#)

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Speakers



Keyboard



Mouse



Floppy/Media
Drives



Modems



Web Cams



TV Tuners



Wireless Routers

XPS 210 (D01X25A)

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Analog TV Tuner / PVR

- Watch, Record & Enjoy TV / Video on PC



- Desktop PC Solution

- Notebook PC Solution



AVerTV PVR PCI
H/W MPEG II,
TV Tuner Card



AVerTV Studio
High-Quality TV Tuner Card



AVerTV CardBus
Notebook TV Tuner



AVerTV USB2.0
USB2.0 TV Tuner

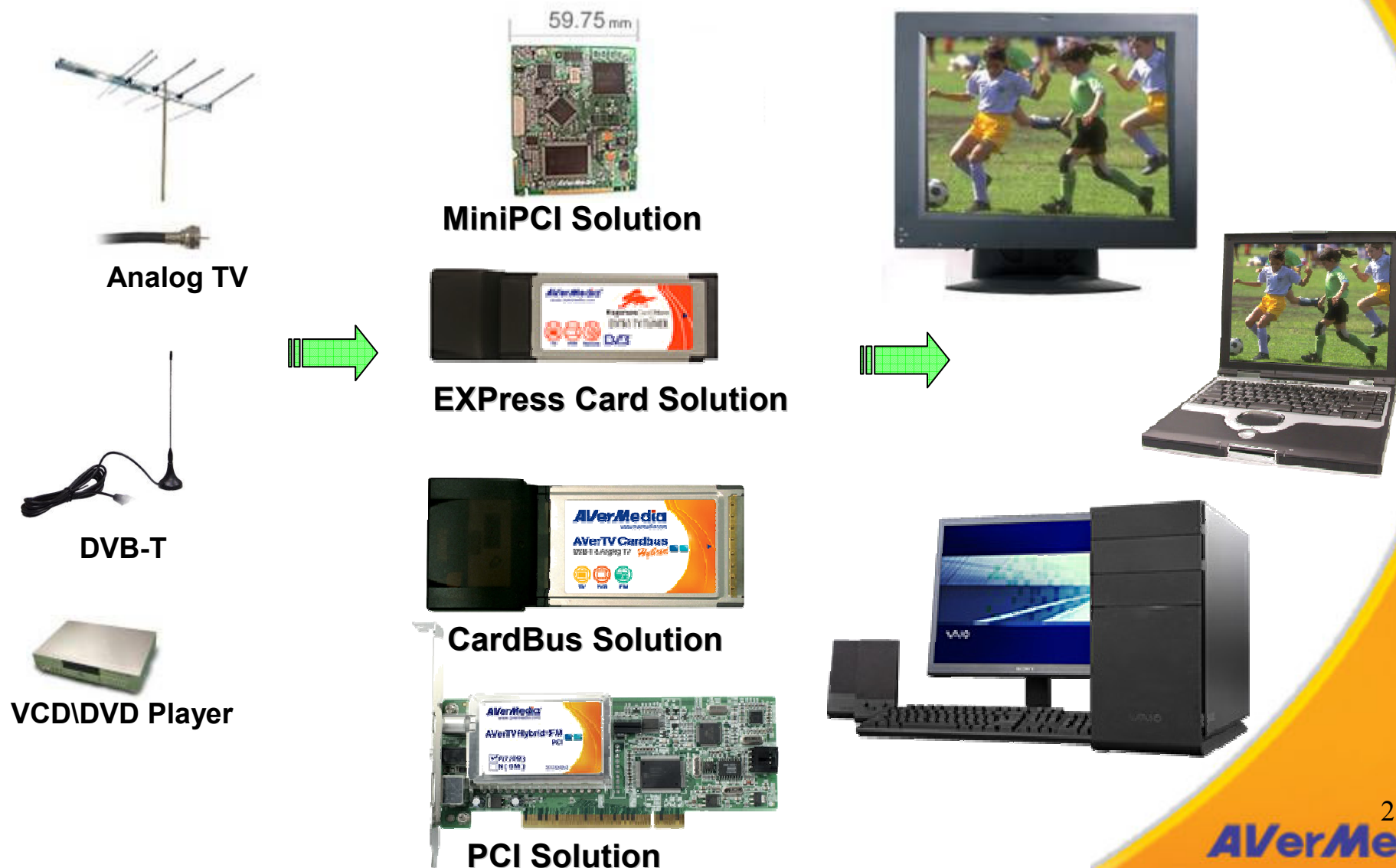
Deadline of the digital TV broadcasting

Emerging digital TV broadcasting in the forthcoming years.

Area	Digital TV Broadcasting Standard			Deadline of Analog TV Terminated
	Terrestrial	Cable	Satellite	
USA	ATSC	Open Cable	DSS, DVB-S	2008
Europe	DVB-T	DVB-C	DVB-S	2010-2015
Japan	ISDB-T	DVB-C	DVB-S	2010
Taiwan	DVB-T	DVB-C	DVB-S	2006

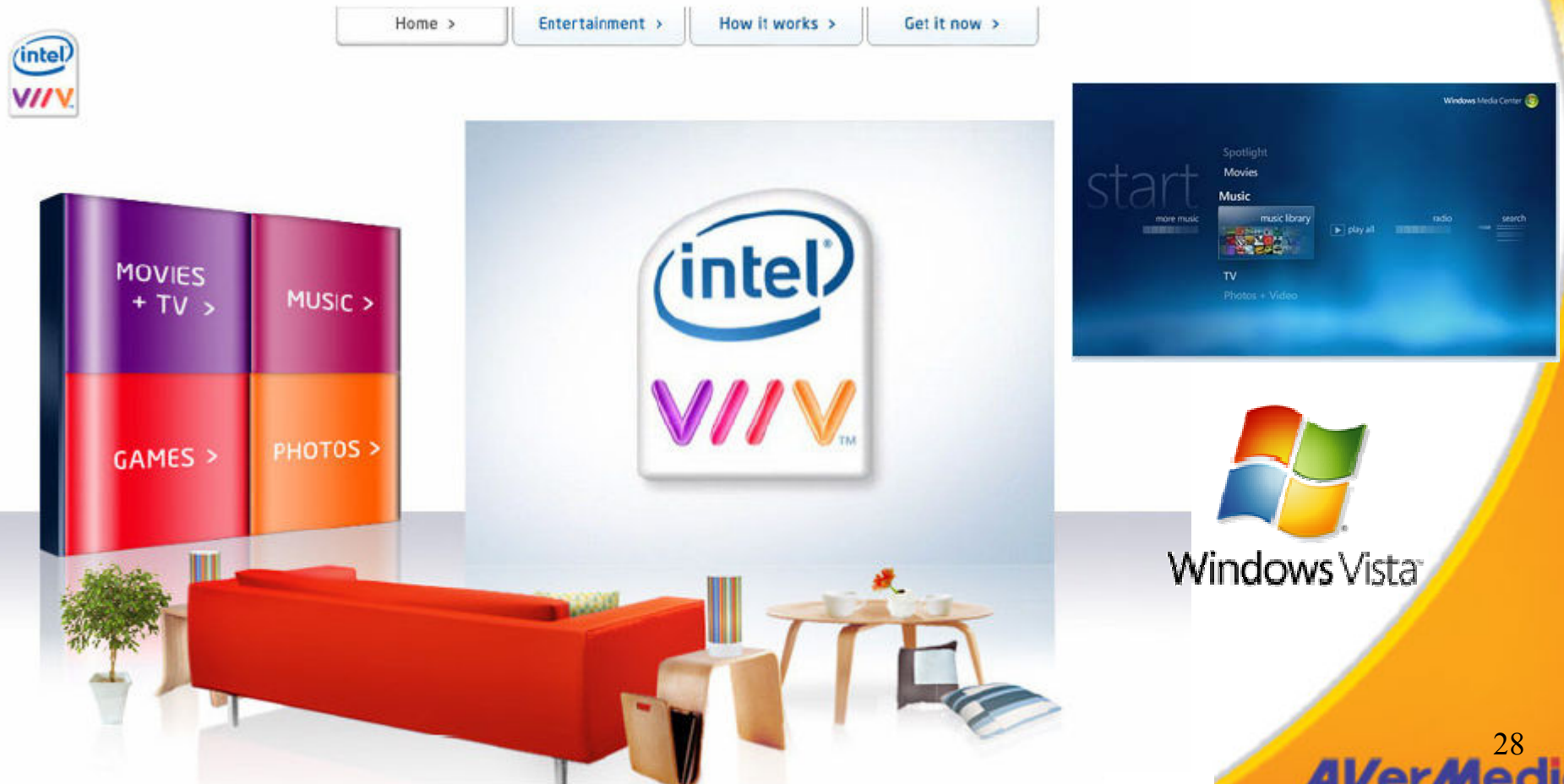
Hybrid TV Tuner Card

- Watch Digital Terrestrial and Analog TV on PC



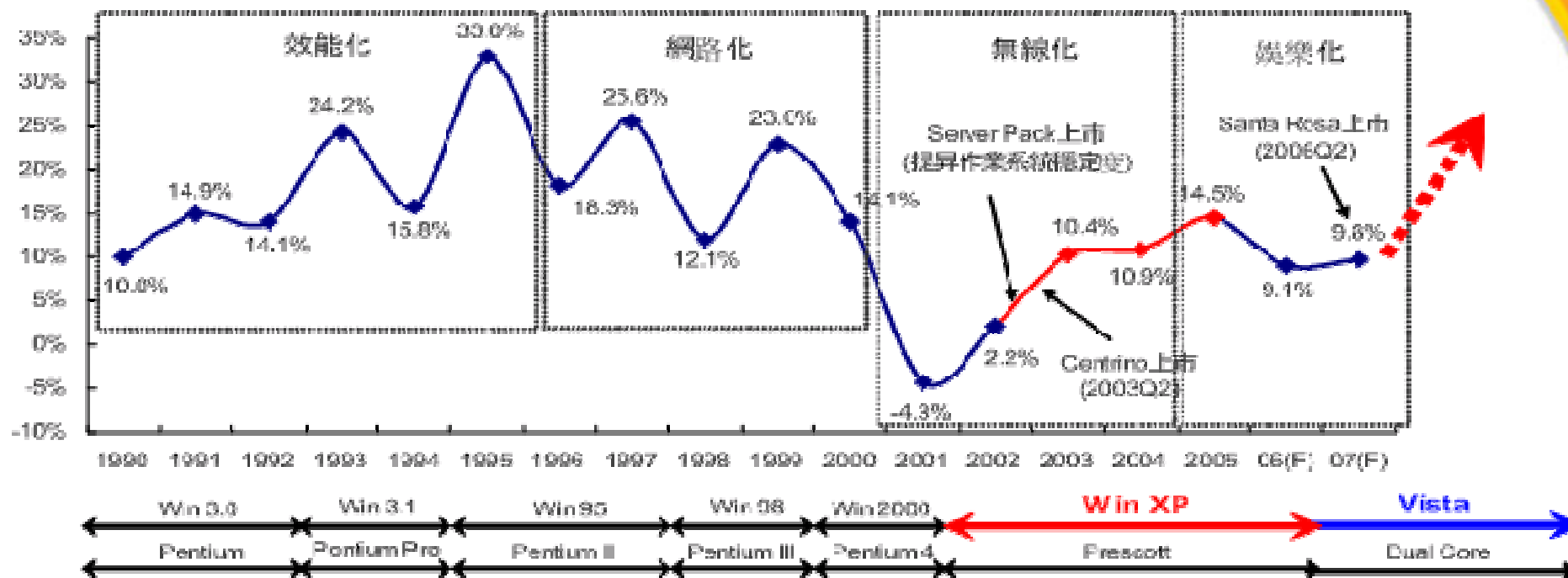
Viiv & Windows Vista

- 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 OS vs PC Shipment

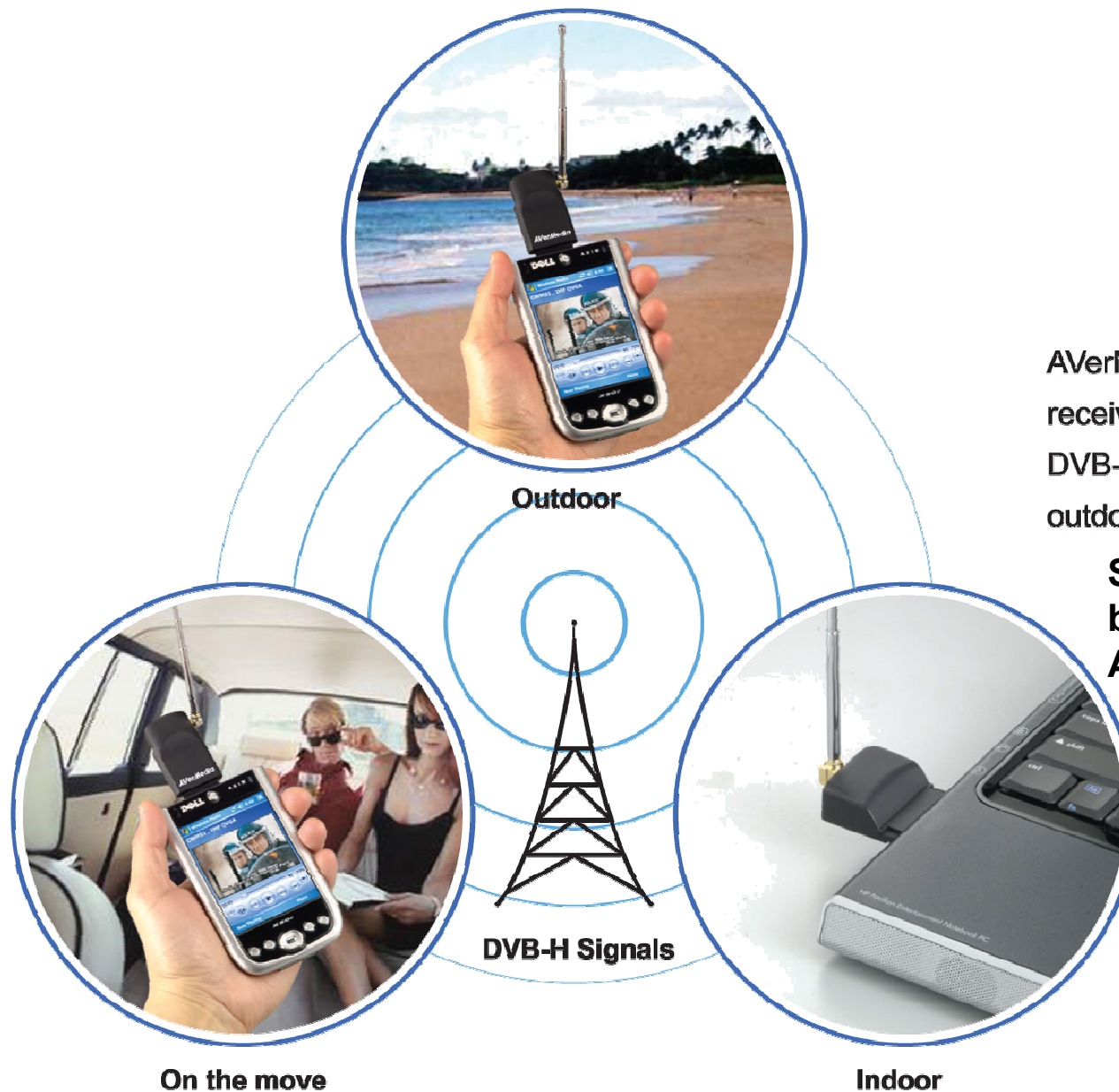
微軟作業系統與全球PC出貨量成長率關聯圖



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 is start to
broadcast trial stage
AVerMedia DVB-H solution is**

External TV Tuner BOX

- Watch Digital Terrestrial TV on PC Monitor/TV



- Watch Analog TV / Video on PC Monitor

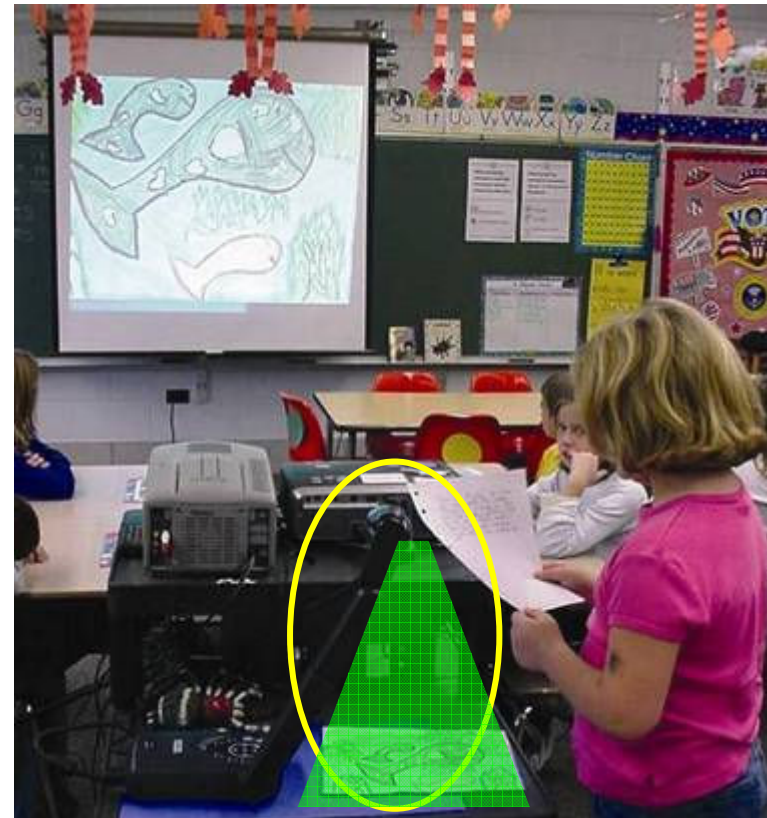


Portable Document Camera

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



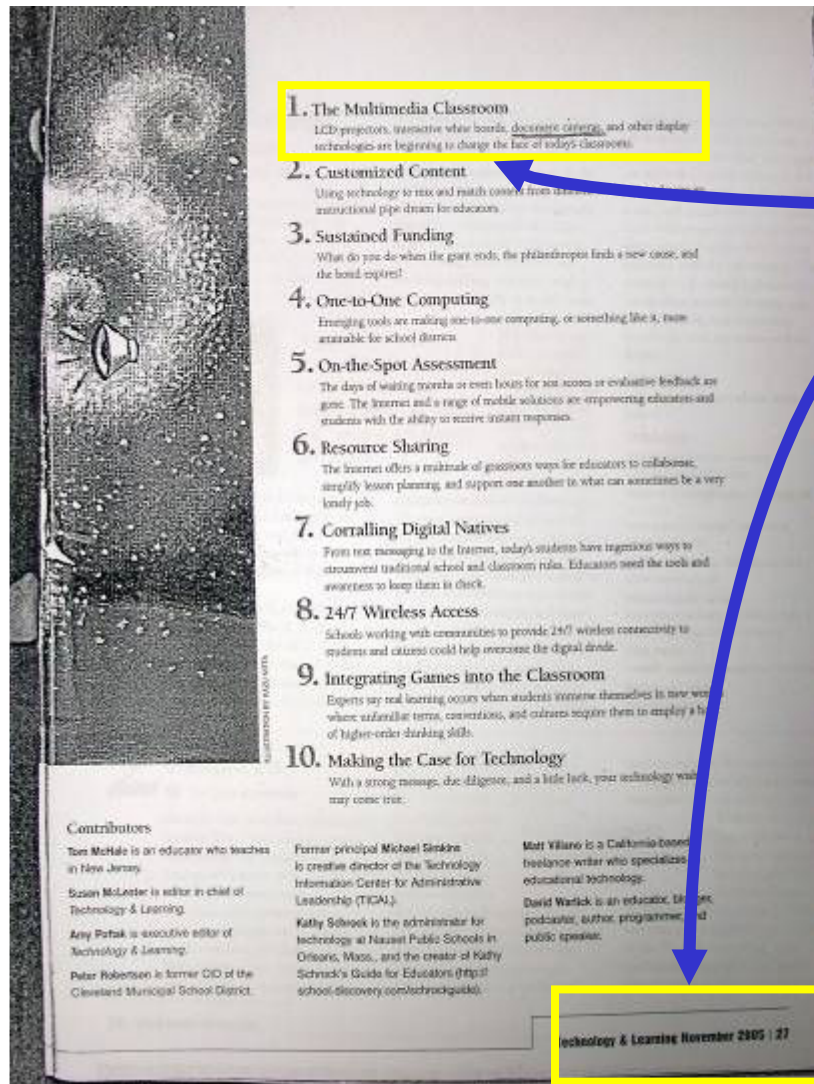
DocCam Application



Top 10 wish list as selected by Americans in education field

1. The Multimedia Classroom

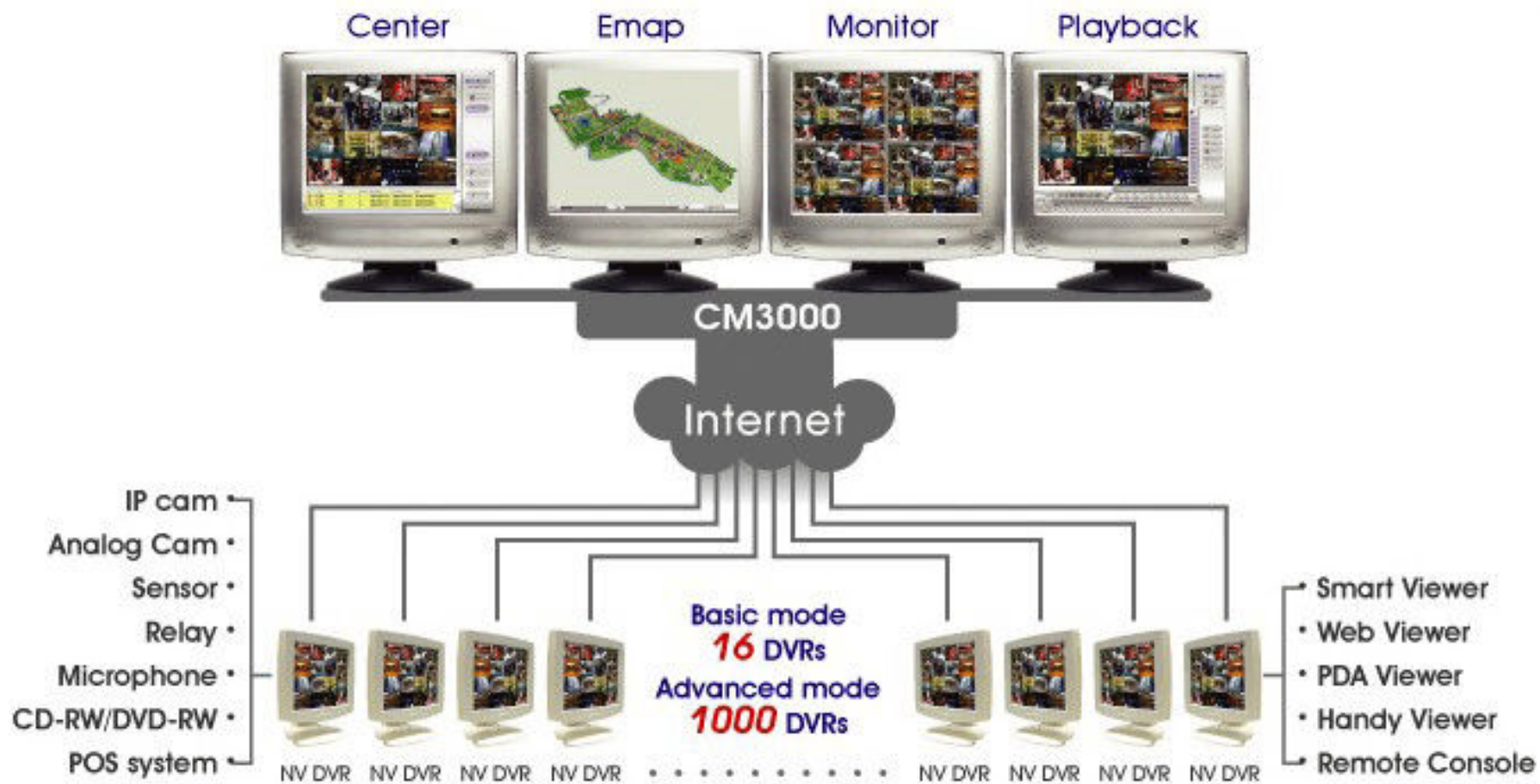
LCD projectors, interactive white boards, document cameras, and other display technologies are beginning to change the face of today's classrooms.



Technology & Learning November 2005 | 27



Central Monitoring System Software



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.

Network Video Surveillance



NV Series



MP Series



Eyes Pro Series

Windows PVRs

AVerDiGi SA6416/SA6216

- Hybrid Standalone DVR

- 16-CHANNEL REAL TIME DIGITAL VIDEO RECORDER



NEW

AVerDiGi EB1504 MPEG4

- Embedded Standalone DVR with audio

- ADVANCED REAL TIME MPEG4 DIGITAL VIDEO RECORDER



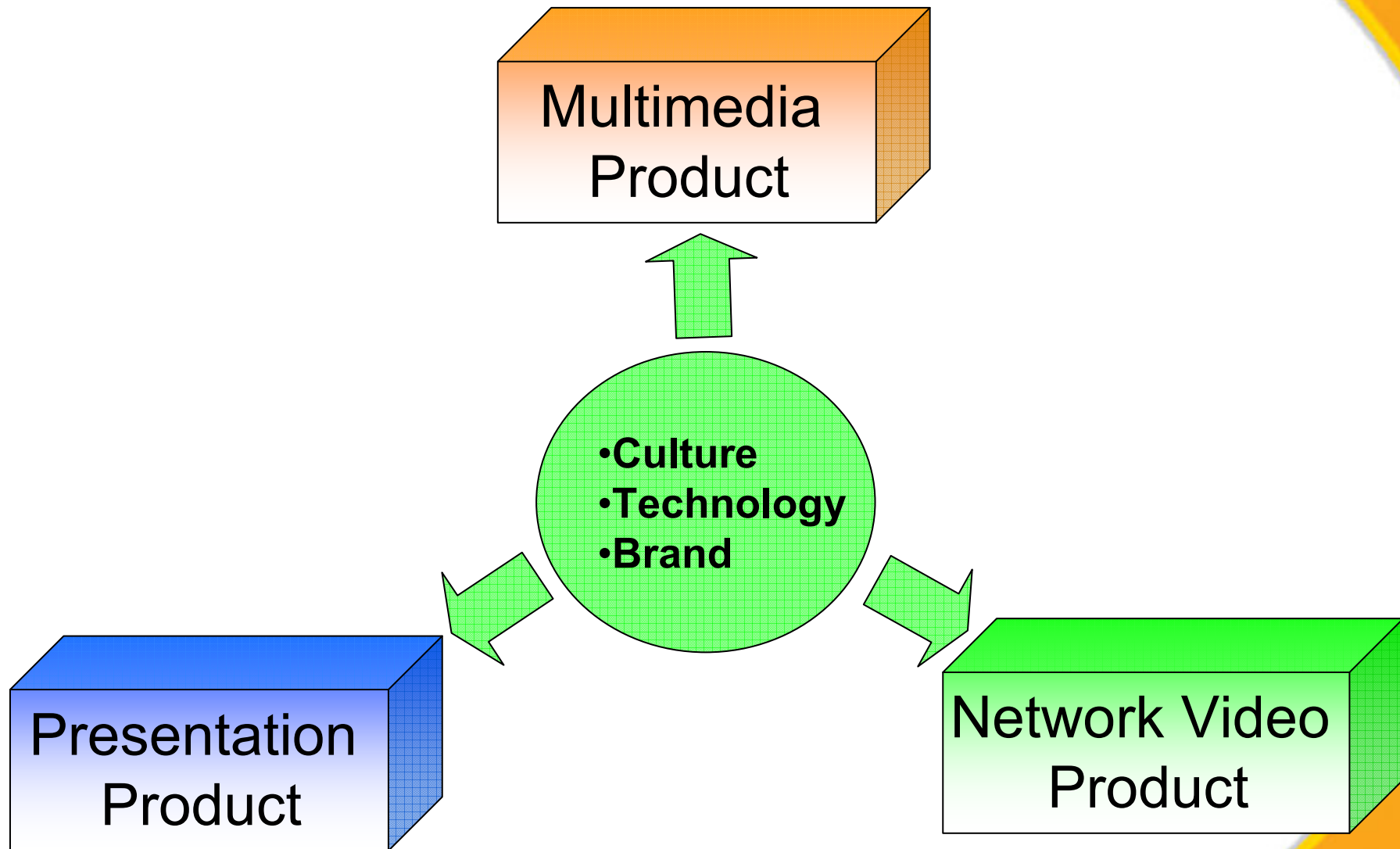
NEW



EB 1304 Series

Standalone PVRs

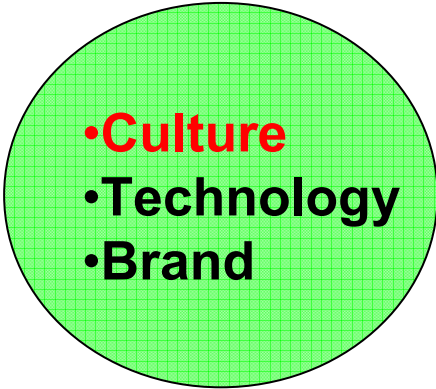
Internal organization capability



Growth Drivers

Culture

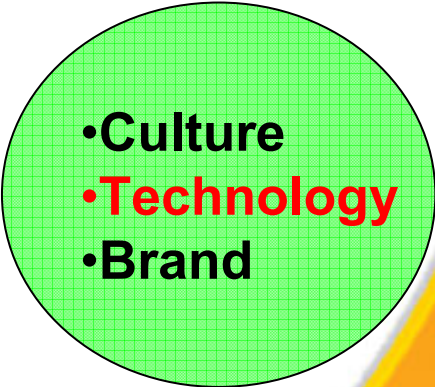
- **Core Value**
 - **Down-to-Earth**
 - **Value Creation**
 - **Self- Devotion**
 - **Service to Society**
- **Humanity- Self Awareness / Transcendence / Honesty & Integrity**



•**Culture**
•**Technology**
•**Brand**

Technology

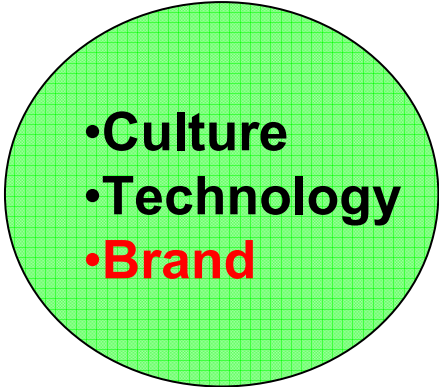
- Video conversion between analog and digital
- Leading technology for TV tuners in the field of Notebook PCs
- Patents : **77** of patents being granted, **234** of patents application in the process
- Product awards



- Culture
- Technology**
- Brand

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 K12.
- **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.
 - **Market of Projectors:** 30% of projectors will go to institutions every year, considering the sales data of projectors from 2004 to 2006, it will be around 1M to 1.3M units a year as its potential market size.
 - **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 with about 48 millions students. If we assume each school has 20 classrooms and each classroom shall install one DocCam, the potential market is 1.8 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.

