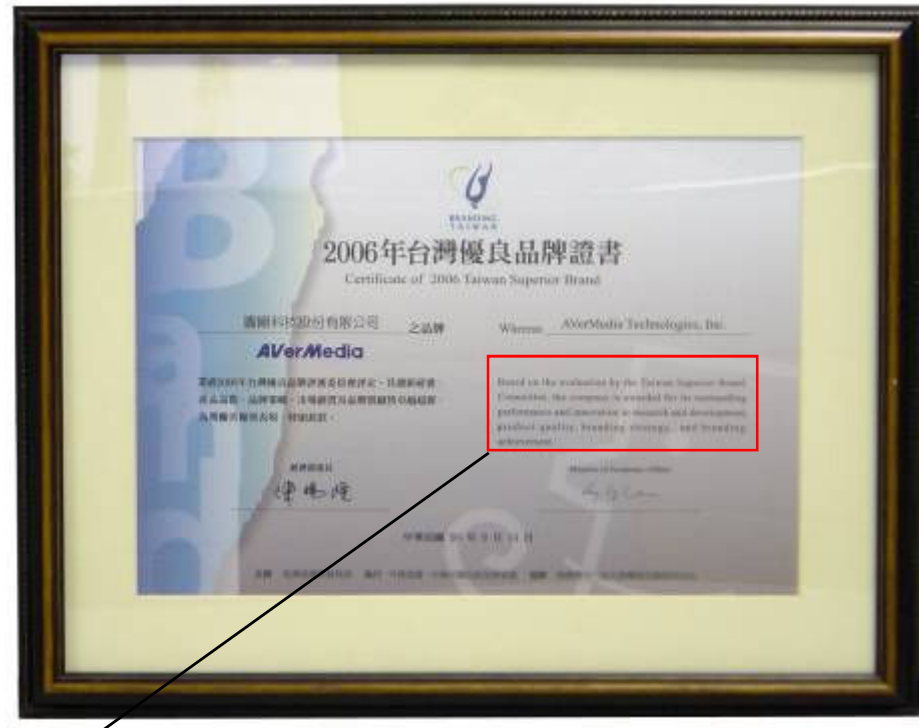


Corporate Profile

November, 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.

- Based on the evaluation by the 2006 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.

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

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

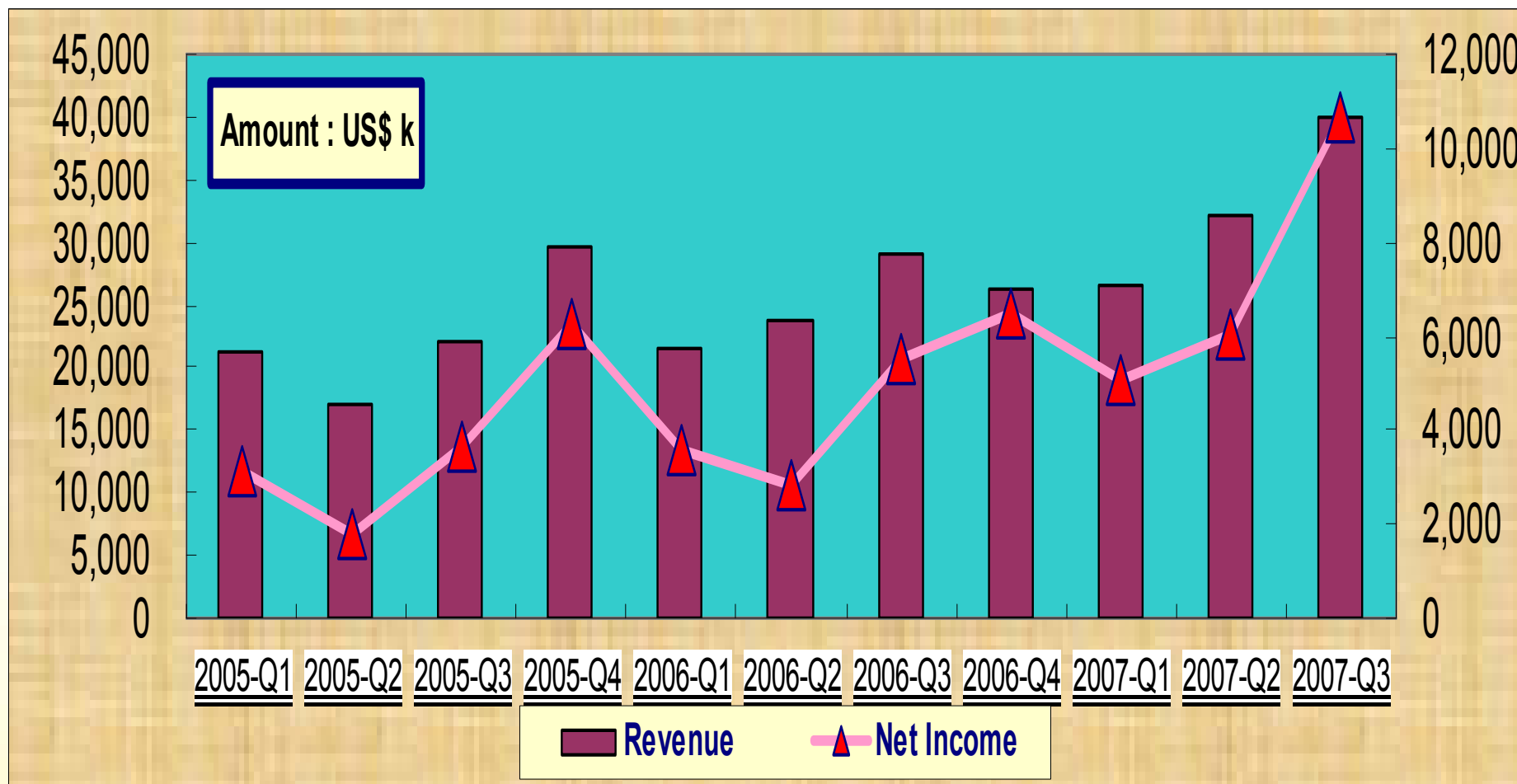
Amount : US\$ k	2007 3rd Q.		2006		2005	
Cash & Equivalent	52,500	36 %	54,601	41 %	61,354	49 %
Accounts Receivable	25,972	18 %	16,920	13 %	14,757	12 %
Inventory	21,859	15 %	13,573	10 %	10,867	9 %
L-T Investment	2,582	2 %	3,430	3 %	865	1 %
Fixed Assets	27,419	19 %	28,434	21 %	20,695	17 %
Total Assets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

Full consolidated base

Key Financial indicators

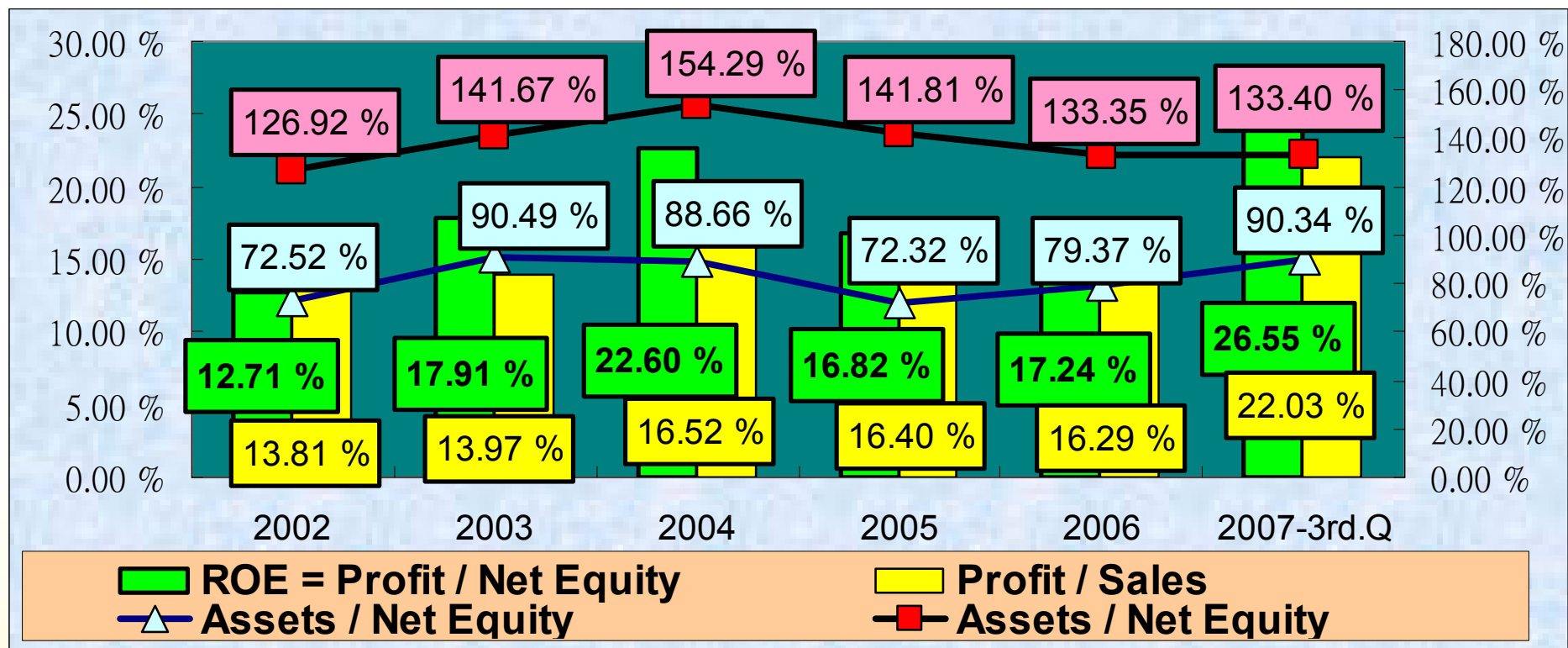
	2007 3rd-Q. (YTD)	2006	2005	2004
ROE	26.55 %	17.24 %	16.82 %	22.60 %
ROA	19.90 %	12.93 %	11.86 %	14.65 %
AR Turnover	64 days	57 days	60 days	42 days
Inventory Turnover	101 days	86 days	79 days	74 days
Debt ratio	25.04 %	25.96 %	29.48 %	40.67 %

2005~07-3Q Quarterly Revenue/Profit



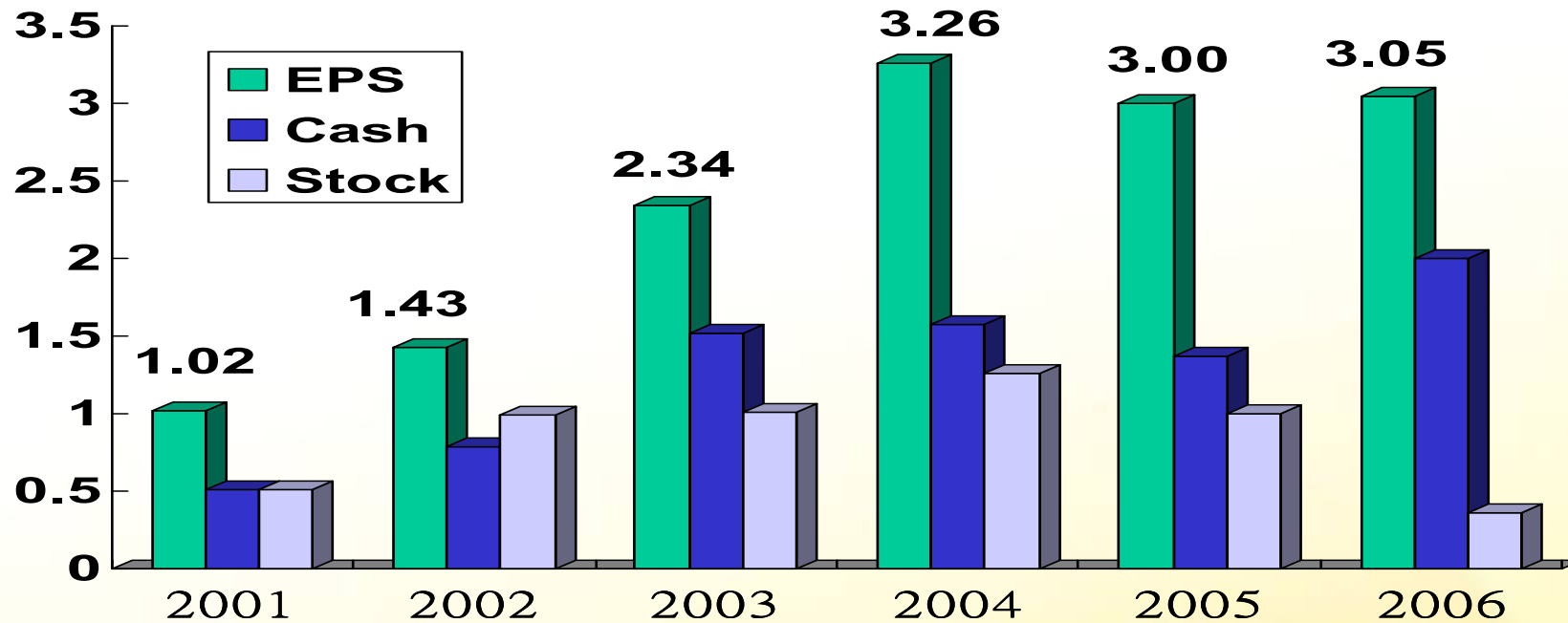
Amount : US\$ k	2005-Q1	2005-Q2	2005-Q3	2005-Q4	2006-Q1	2006-Q2	2006-Q3	2006-Q4	2007-Q1	2007-Q2	2007-Q3
Revenue	21,219	17,146	22,140	29,686	21,444	23,660	29,111	26,355	26,496	32,236	40,065
Net Income	3,150	1,780	3,636	6,230	3,546	2,826	5,500	6,516	5,064	6,041	10,660

Breakdown of ROE



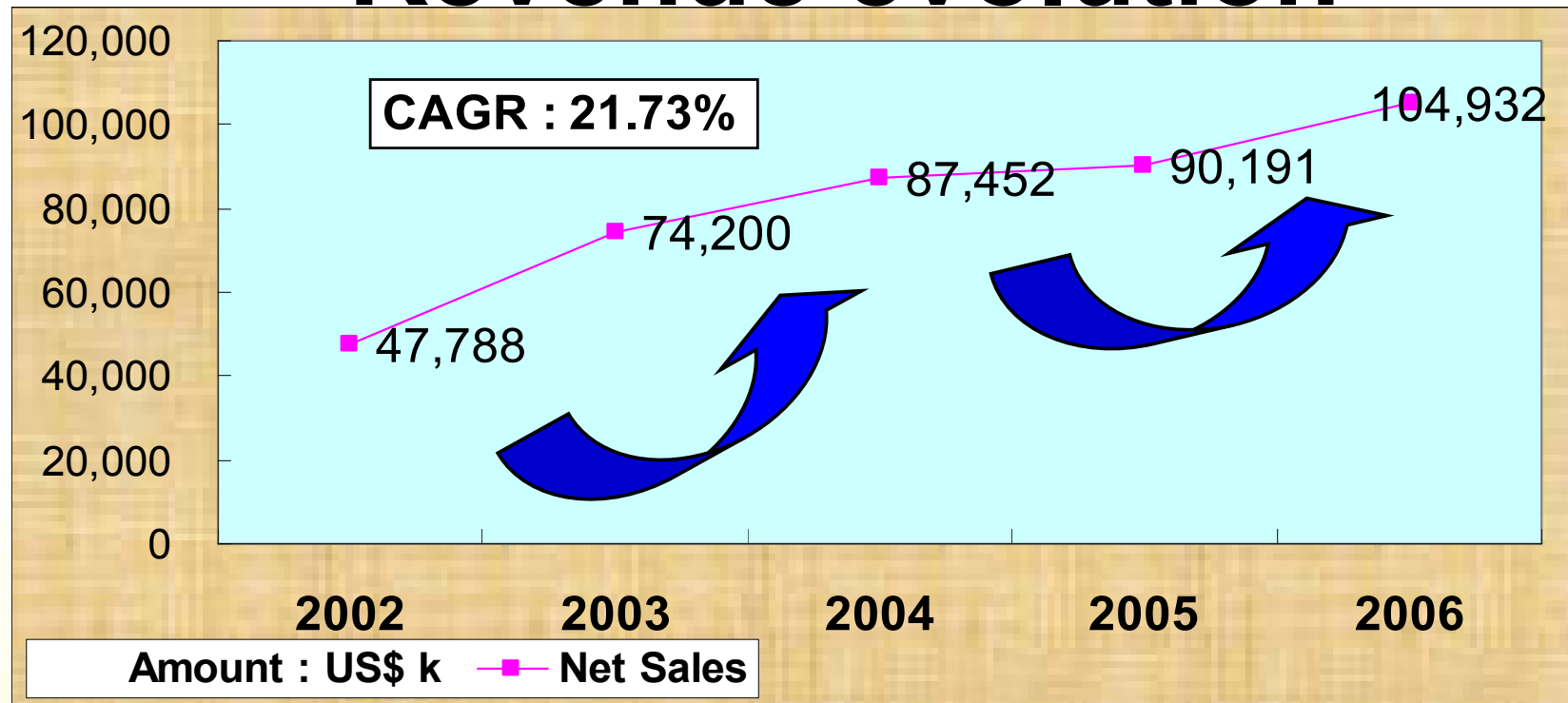
	2002	2003	2004	2005	2006	2007-3rd.Q
Profit / Sales	13.81 %	13.97 %	16.52 %	16.40 %	16.29 %	22.03 %
Sales / Assets	72.52 %	90.49 %	88.66 %	72.32 %	79.37 %	90.34 %
Assets / Net Equity	126.92 %	141.67 %	154.29 %	141.81 %	133.35 %	133.40 %
ROE = Profit / Net Equity	12.71 %	17.91 %	22.60 %	16.82 %	17.24 %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

Dividends distribution



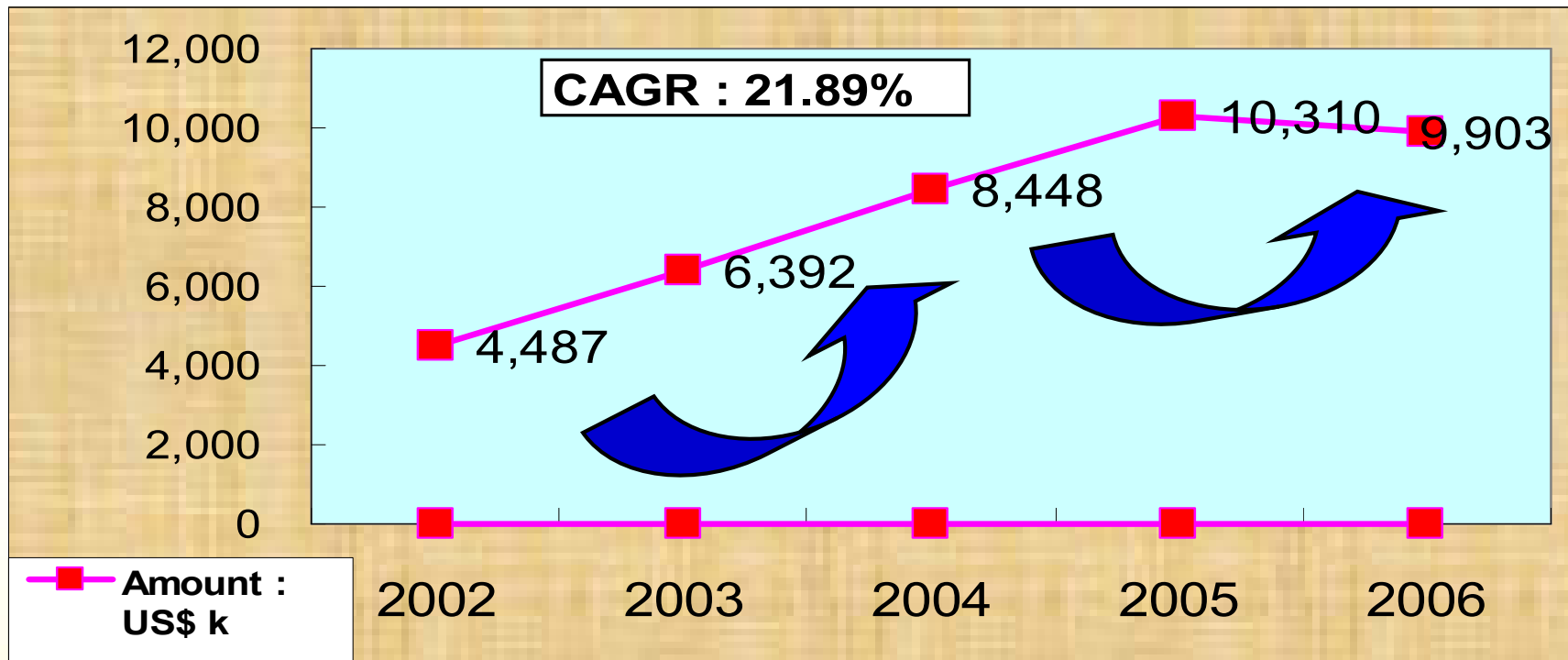
Year	Cash		Stock		Total
	Amount	Percentage	Amount	Percentage	
2006	2.00	85 %	0.365	15 %	2.365
2005	1.37	58 %	1.00	42 %	2.37
2004	1.57	55 %	1.26	45 %	2.83
2003	1.52	60 %	1.01	40 %	2.53
2002	0.79	44 %	0.99	56 %	1.78
2001	0.51	50 %	0.51	50 %	1.02

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

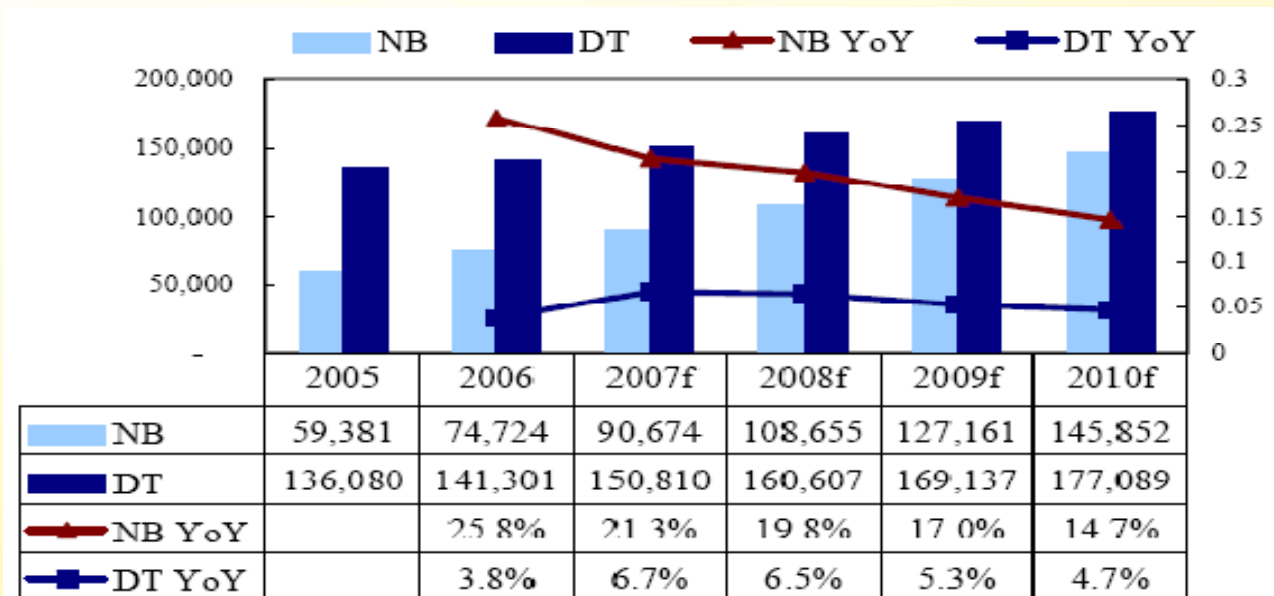
Network Video Product

- 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)**



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

- 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%

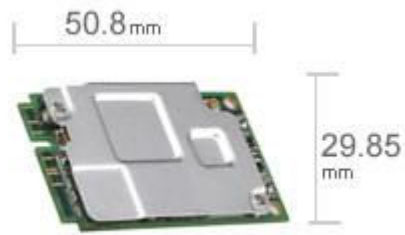


Small Form Factor

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

1% ➡ 1%

ODM solution



Hybrid Mini card



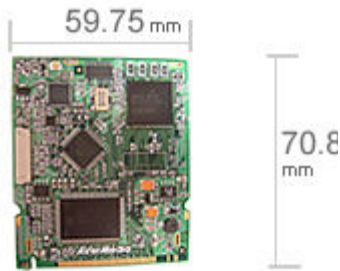
DVB-T Mini card



DVB-H Mini card



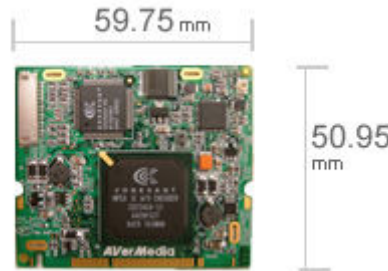
DVB-H SDIO



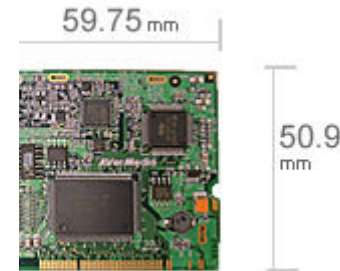
Hybrid Mini PCI



Hybrid ATSC



Analog Worldwide



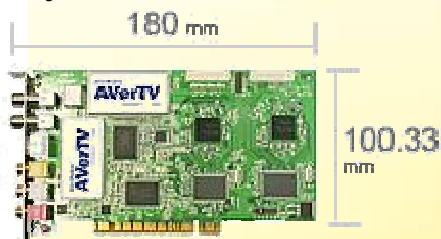
Hybrid DVB-T



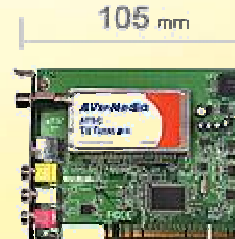
DVB-T USB



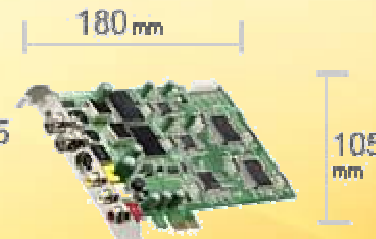
Hybrid DVB-T



Analog Worldwide



ATSC



Hybrid PCIe



Analog Worldwide

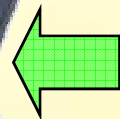
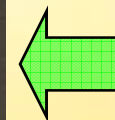
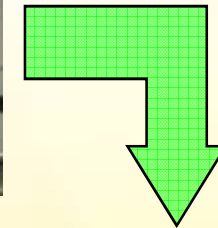
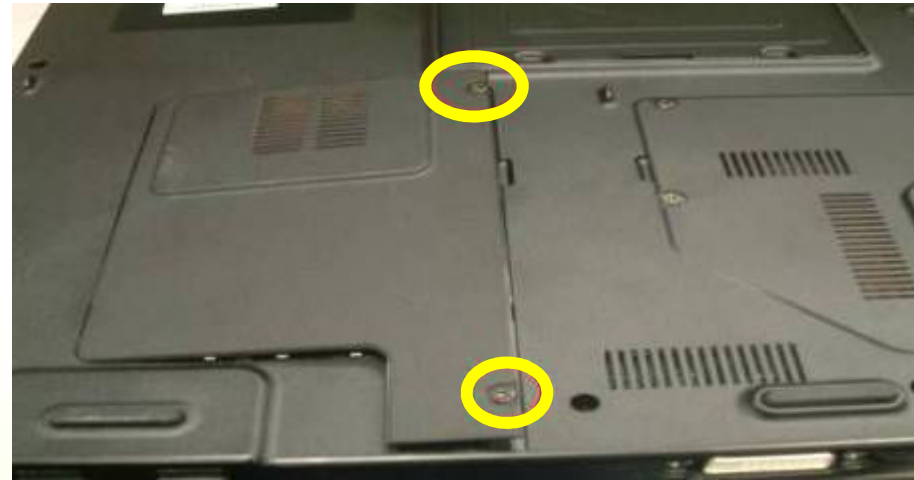
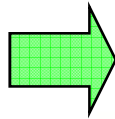


Hybrid DVB-T



DVB-T

MiniPCI TV Tuner card for NB



ODM main customers



TOSHIBA



FUJITSU



Sony Notebook TV inside

VAIO | United Kingdom

VAIO recommends Windows® XP Media Center Edition.

Products Solutions Support CLUB VAIO

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VGN-AR21M





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- > Technical specifications
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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	
		

POWER LITE TV MODE X-BLACK LCD

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Blu-ray disclaimer more

30 days free Mobile Broadband more



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/>



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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

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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

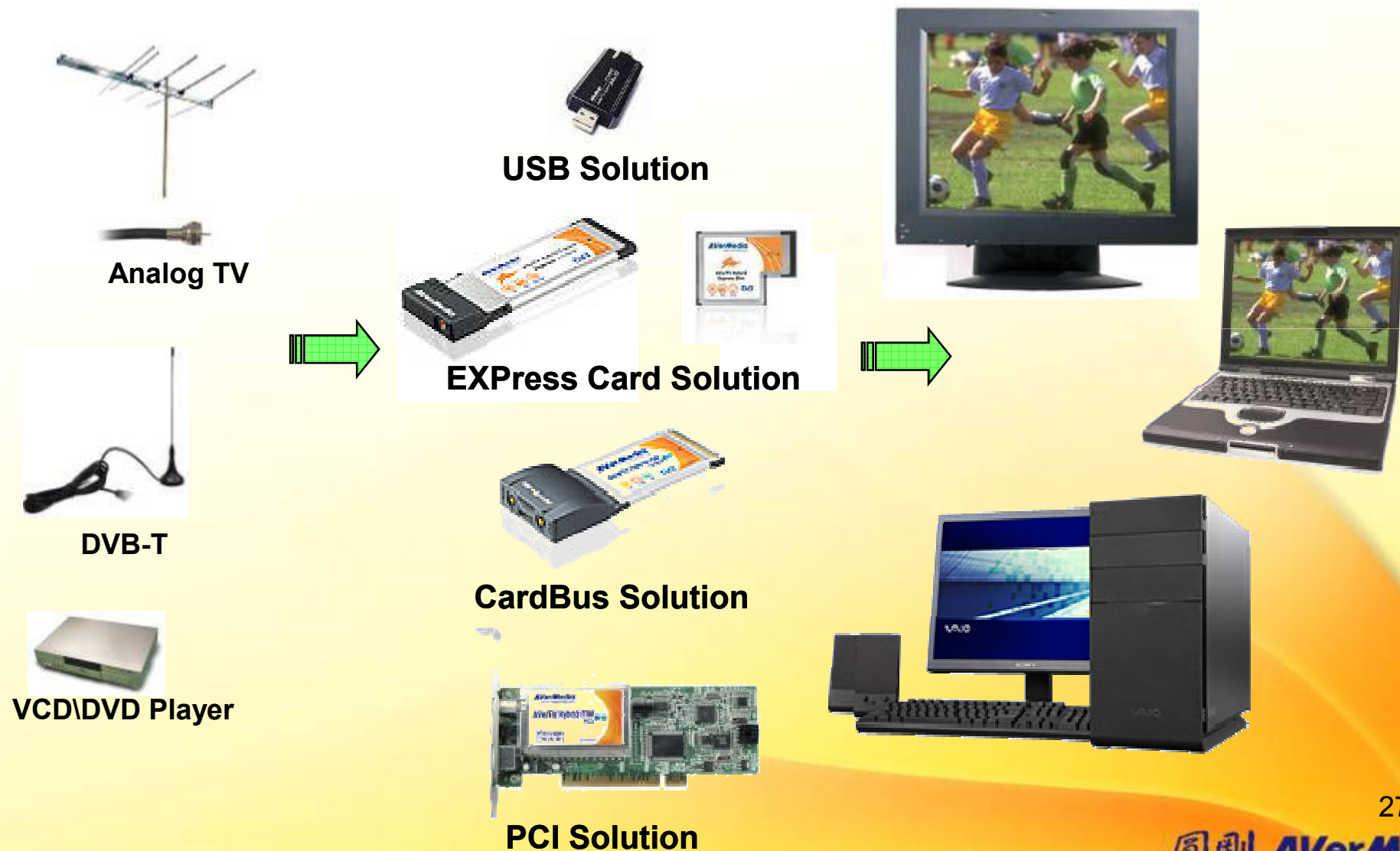
Deadline of the digital TV broadcasting

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



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).

Home > Entertainment > How it works > Get it now >

intel
VIIV

MOVIES + TV > MUSIC >

GAMES > PHOTOS >

intel
VIIV

start

Spotlight
Movies
Music
more music
music library
play all
TV
Photos + Video

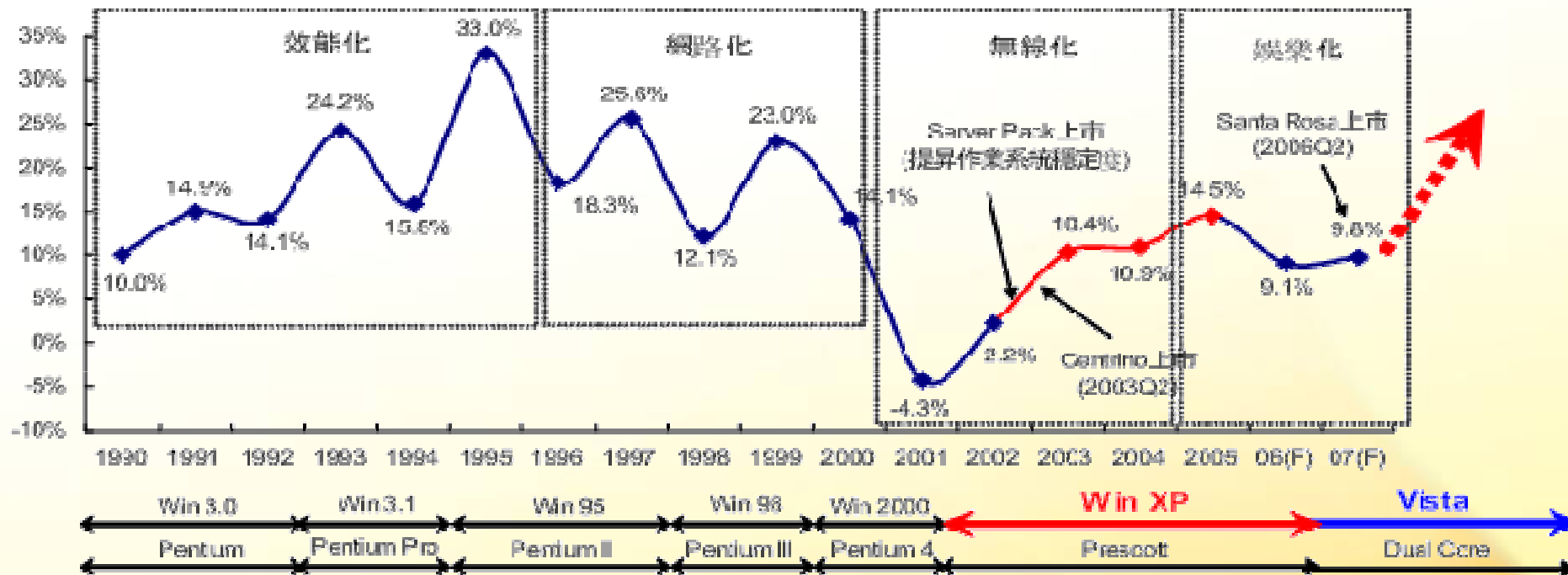
Windows Vista

28

圓剛 AVerMedia

Windows OS vs PC Shipment

微軟作業系統與全球PC出貨量成長率關係圖



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.

External TV Tuner BOX

- Watch Digital Terrestrial TV on PC Monitor/TV

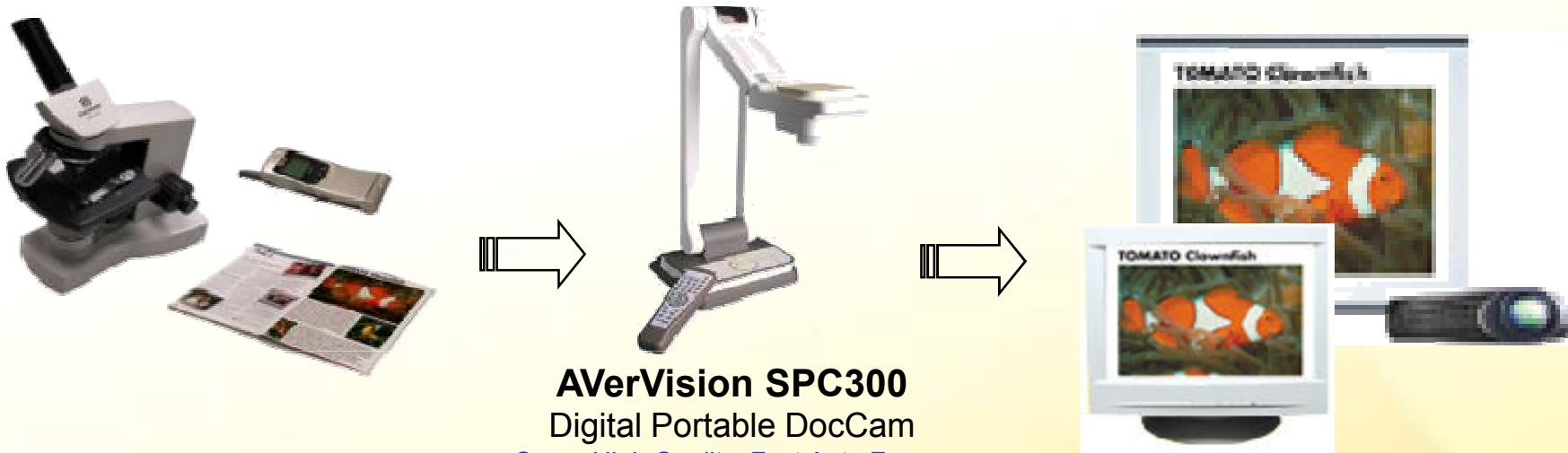


- Watch Analog TV / Video on PC Monitor



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



AVerVision130
Gooseneck DocCam



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

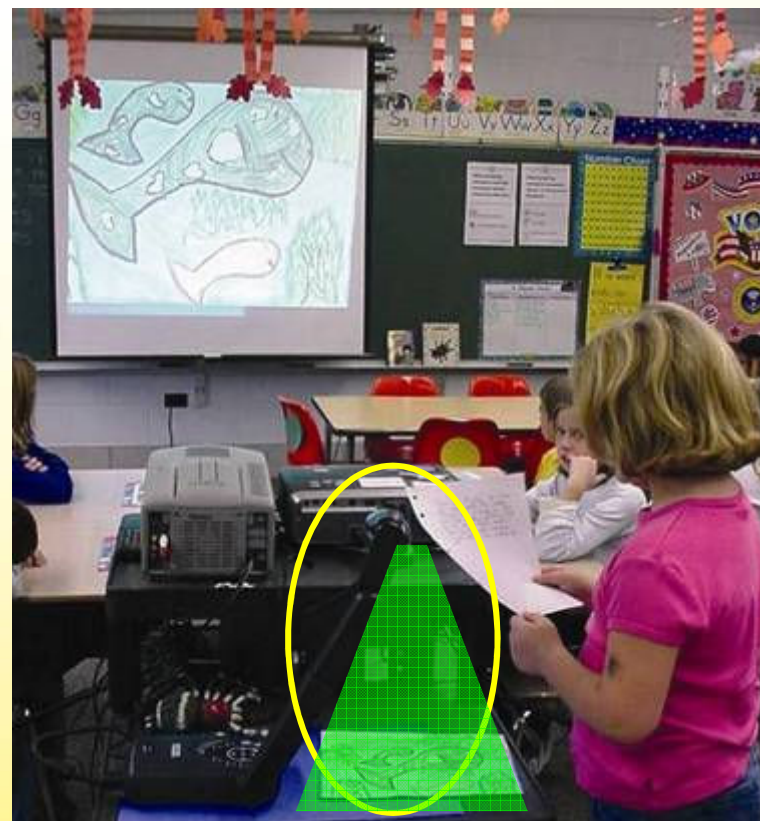


AVerVision330
Digital Portable DocCam
w/Optical Zoom, Smart Focus



AVerVision530
Digital Platform DocCam 32

Document Camera Applications



Top 10 wish list as selected by Americans in education field

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 funds 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 multitude of grassroots ways for educators to collaborate, simplify lesson planning, 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 awareness to keep them in check.

8. 24/7 Wireless Access
Schools working with constraints to provide 24/7 wireless connectivity to systems and content could help increase the digital divide.

9. Integrating Games into the Classroom
Experts say real learning occurs when students immerse themselves in new worlds where unfamiliar terms, conventions, and cultures require them to employ a host of higher-order thinking skills.

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

Contributors
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David Wartick 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

Document camera enlarges learning
By Linda Kinapp
Special to The Seattle Times

Early in 2006, Seattle passed a school levy providing funds for new display technology for every Seattle secondary-school classroom. By the beginning of school last fall, many classrooms were equipped and teachers ready to begin using new document cameras and LCD projectors.

Compared with other districts using levy funds to provide laptops for all kids, this classroom-focused equipment is easy to learn, easy to use and easily adaptable to teachers' content curriculums. The district's goal is to use this new equipment to support and enhance teaching and student learning in Seattle schools.

What is a document camera, and what can it do?
The AVerMedia document camera (300i and 300p models) looks a little like a standard overhead projector but does a whole lot more.

When connected to an LCD projector, the teacher can place a sheet of paper (black, or with text, graphs or images on it) under the camera's lens and view a projected or digital image on the screen.

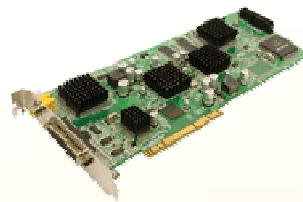
AVerDigi Surveillance



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.



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



AVerDiGi EB1304 MOB
4CH Mobile DVR

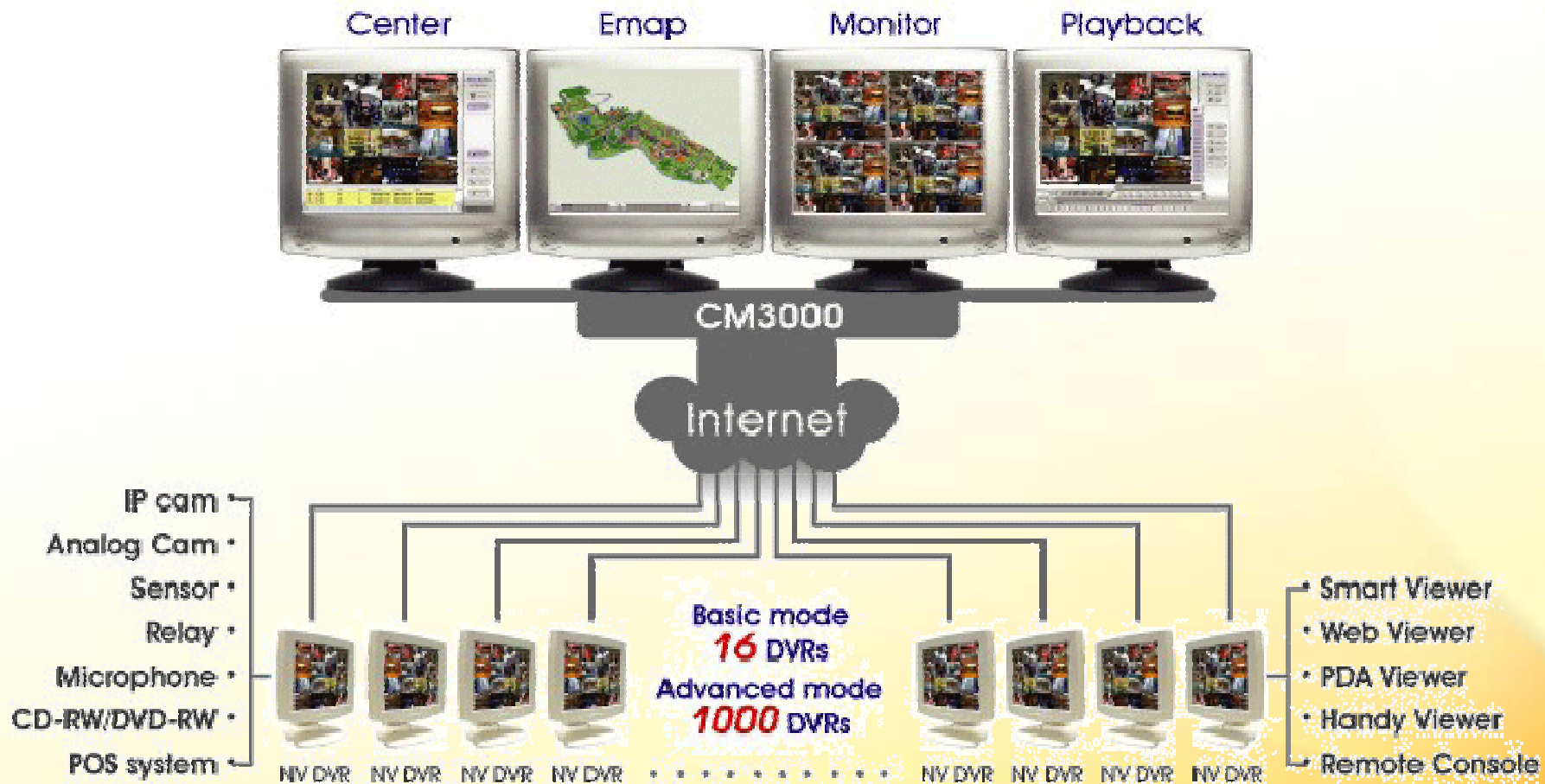
iStable software

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



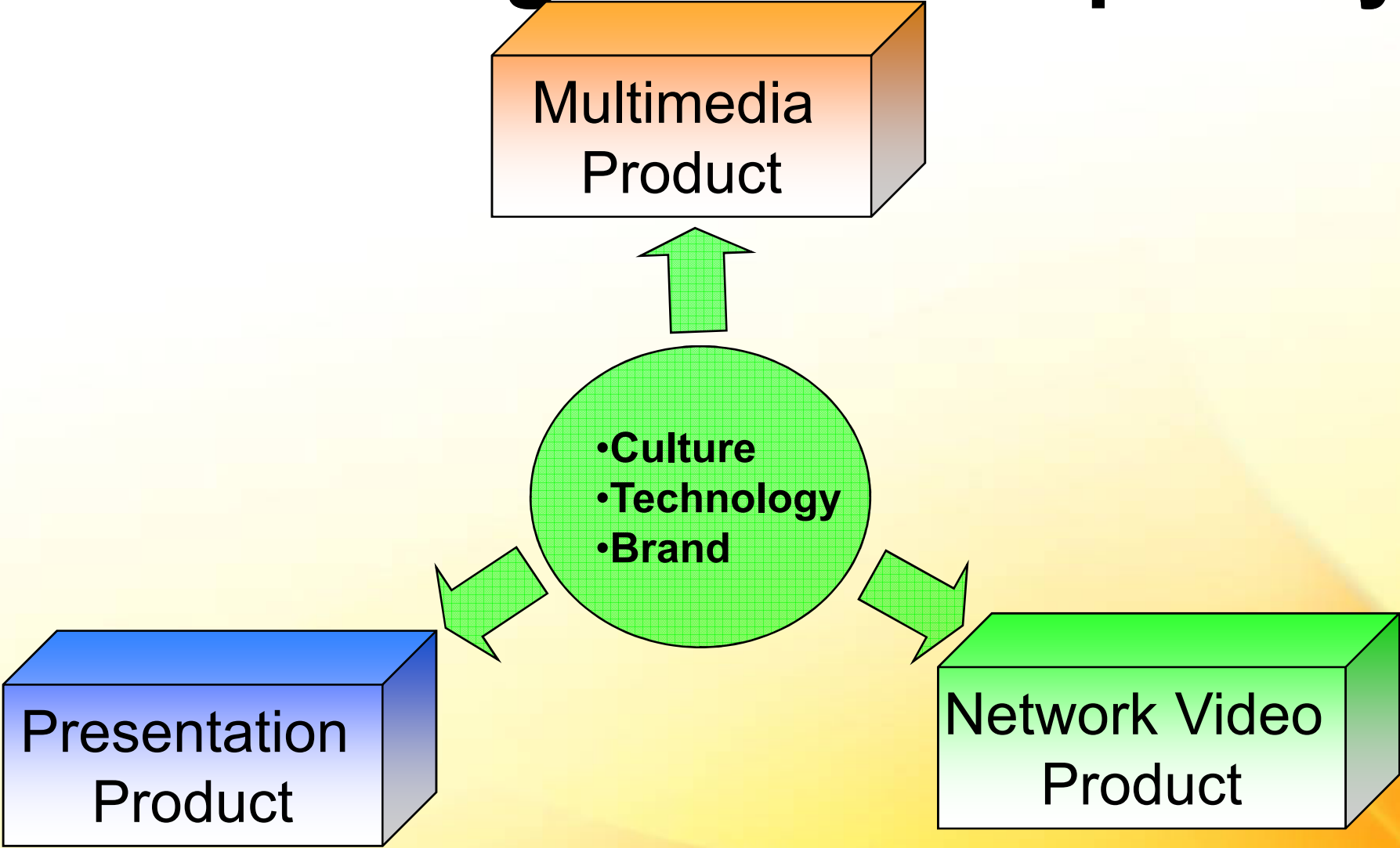
Mobile DVRs

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.

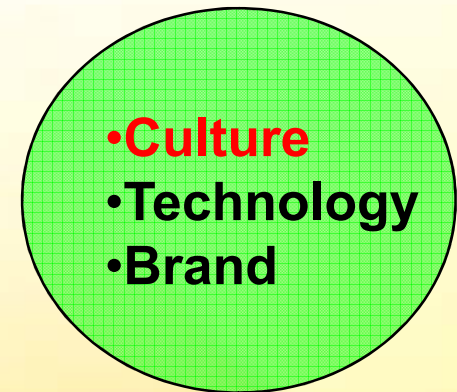
Internal organization capability



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



- 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 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.

