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Investor Update

Oct, 2011

Jeremy Wang, Chairman & CEO

Ready for the Next™

Safe Harbor Notice

We may make forward-looking statements in this presentation. Our forward-looking statements contain information regarding, among other things, our financial conditions, future expansion plans or business strategies. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties, and assumptions about us.

We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking information may not occur and our actual results could differ materially from those anticipated in these forward-looking statements.

Agenda

- Company Overview

- Product Portfolio

- Drivers of Growth

- Financial Review & Company Updates

- Q&A

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Company Overview

Insyde Software (6231.TW)

- Founded in September, 1998 by PCT (6270.TW) Chairman Jeremy Wang and Jonathan Joseph

- Business started via acquisition of SystemSoft's BIOS Division

- Early investors included Intel Corp. & China Development Industrial Bank in September 1999

- Shares Outstanding as of 09/30/2011: 37.8M shares

- Headquarters: Taipei, Taiwan
  - US operations in Massachusetts and Oregon
  - Other offices in China, Taiwan and Korea

- Worldwide 530+ employees

Growing WW Presence

Insyde Software Provides Service to Customers Worldwide

Portland, USA

Boston, USA

Europe

Shanghai, China

Beijing, China

Seoul, Korea

Kunshan, China

Austin, USA

Tokyo Japan

Shenzhen, China

Taipei, Taiwan

Taichung, Taiwan

Insyde Software's OEM Customers
Our Customers are Industry Leaders

Insyde's ODM Customers & Partners

www.insydesw.com

Product Portfolio

Product Portfolio

Insyde Software Enables Innovation in the Computer Industry

- ## InsydeH2O™
  - Industry leading UEFI firmware for PCs, Embedded, and Servers

- ## Humanos™
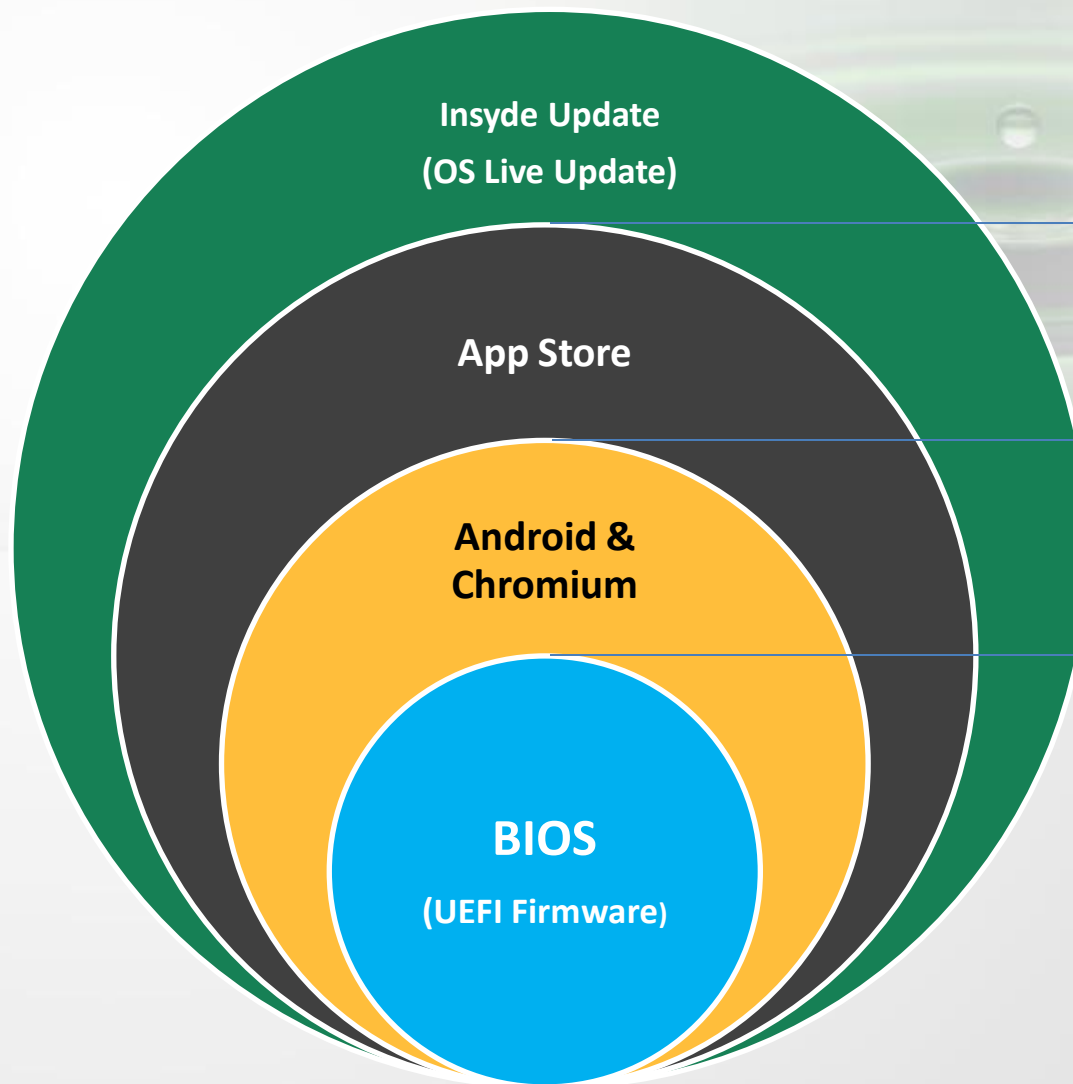 - Leading implementations of Android and Chromium OS

- ## Insyde Market™
  - Online applications store for Android-based devices

Product Portfolio and Solution
Complete, Customizable Software and Service Solution

Insyde Update
(OS Live Update)

App Store

Android &
Chromium

BIOS
(UEFI Firmware)

insyde™ MARKET

HUMAN**O**S™

HUMAN**O**S™

insyde H₂ BIOS™

Core Competencies & Markets

Notebook	Desktop	Server	Embedded

BIOS & Firmware

Pre-Boot Apps, Tools & Drivers

Systems Integration & Customization

PC Systems Architecture

OEMs, ODMs, Semiconductor and OS Vendors
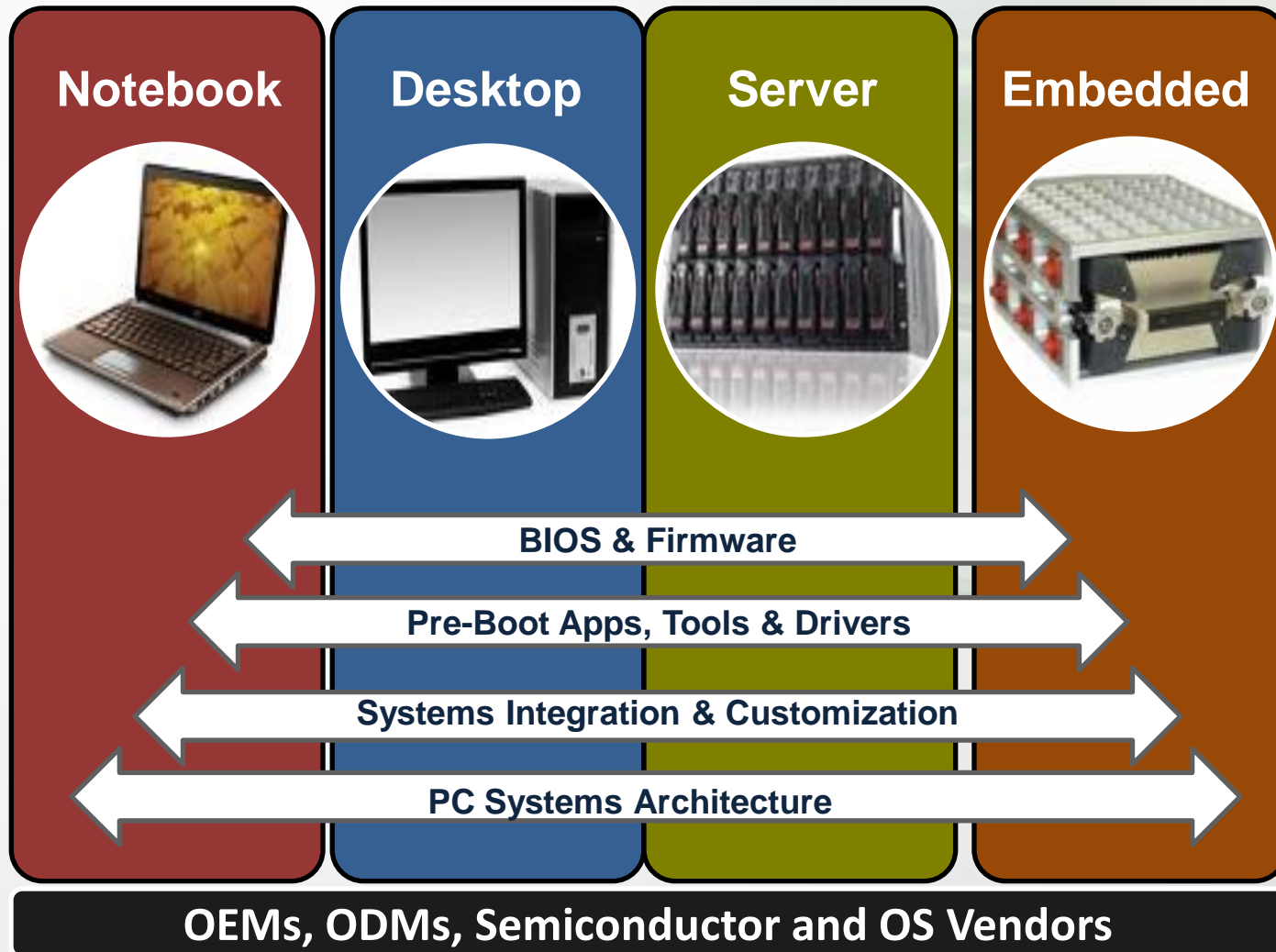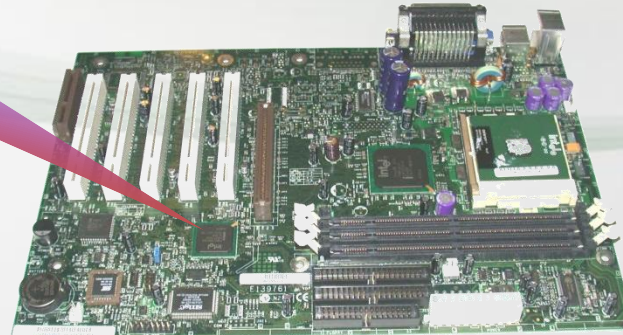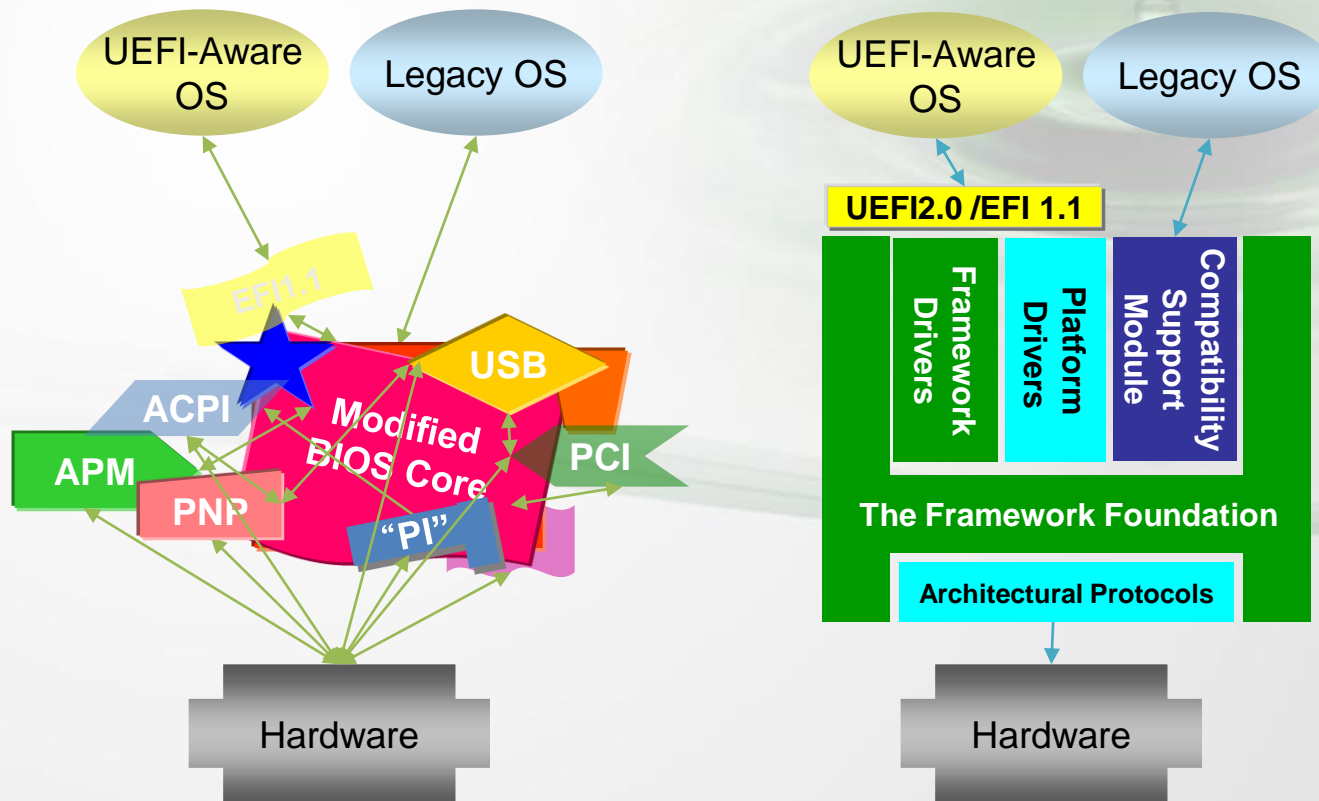
Computer BIOS – "Firmware"
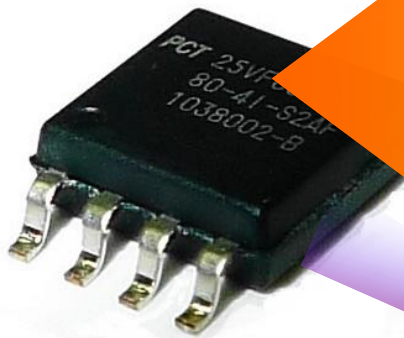
BIOS is stored in NOR Flash

Difference between Legacy BIOS and UEFI Firmware

Insyde Has Led the Transition to UEFI

Intel is asking Insyde's EFI participation after Intel invested Insyde at 2000

UEFI development with Intel since 2001

Shipping UEFI products on Desktop since 2003

H2O shipping with Server and Embedded since 2004

Shipping UEFI products on notebooks since 2005

Non-Intel chipsets in production since Q1'06

Customers shipping multiple UEFI products since 2008

Major transition of server BIOS to UEFI begins

Server

Volume Shipment

Non-Intel versions ship

Notebook mass production since 2005

Server/Embedded

Desktop mass production since 2003

Pioneer for UEFI development

2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011

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Making Connections in the Era of Platform Variation

Wider Range of Hardware Architectures and Wider Range of Operating Systems

Window	Android, WebOS, Bada,…

Operating System

InsydeH2O

Hardware Platform

X86: Intel, AMD, Via	ARM: nVidia, Qualcomm, TI

- Supporting operating systems including Windows 7, Windows 8, Android, Chrome OS, Linux and more…

- Configuring CPUs, chipsets and peripherals including x86 from AMD, Intel, Via; and ARM from nVIDIA, Qualcomm, TI and more…

- BIOS: Basic Input Output System

- UEFI: Unified Extensible Firmware Interface

- InsydeH2O provides the bridge from the Hardware-2-Operating system

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Humanos™ for Chromium OS

HUMANOS™

- An Instant-On web browsing solution using Insyde's Quick Boot technology as start, plus

- Insyde's integration of Google's open source Chromium OS. Target is notebooks and netbooks

- Potential to leverage Google's (and others') Cloud-based applications

- Co-exists with Windows for PC platform initially

Humanos™ for Android

HUMANOS™

- An Instant-on widget-based OS solution using Insyde's Quick Boot technology as the start, plus
  - Insyde's integration of Google Android.
  - Insyde Market: Android Apps market
  - Full Chromium Brower: combines advantages of Android and Chrome OS
  - Superior IME (40+ languages)
  - Multi-touch with gesture support and handwriting
  - Utilities and tools for installation, testing and mass production

- Target Market is tablets, notebooks and netbooks
- 1st Android for netbooks – available October 2009
- More than 5 generations production experience for top OEM.
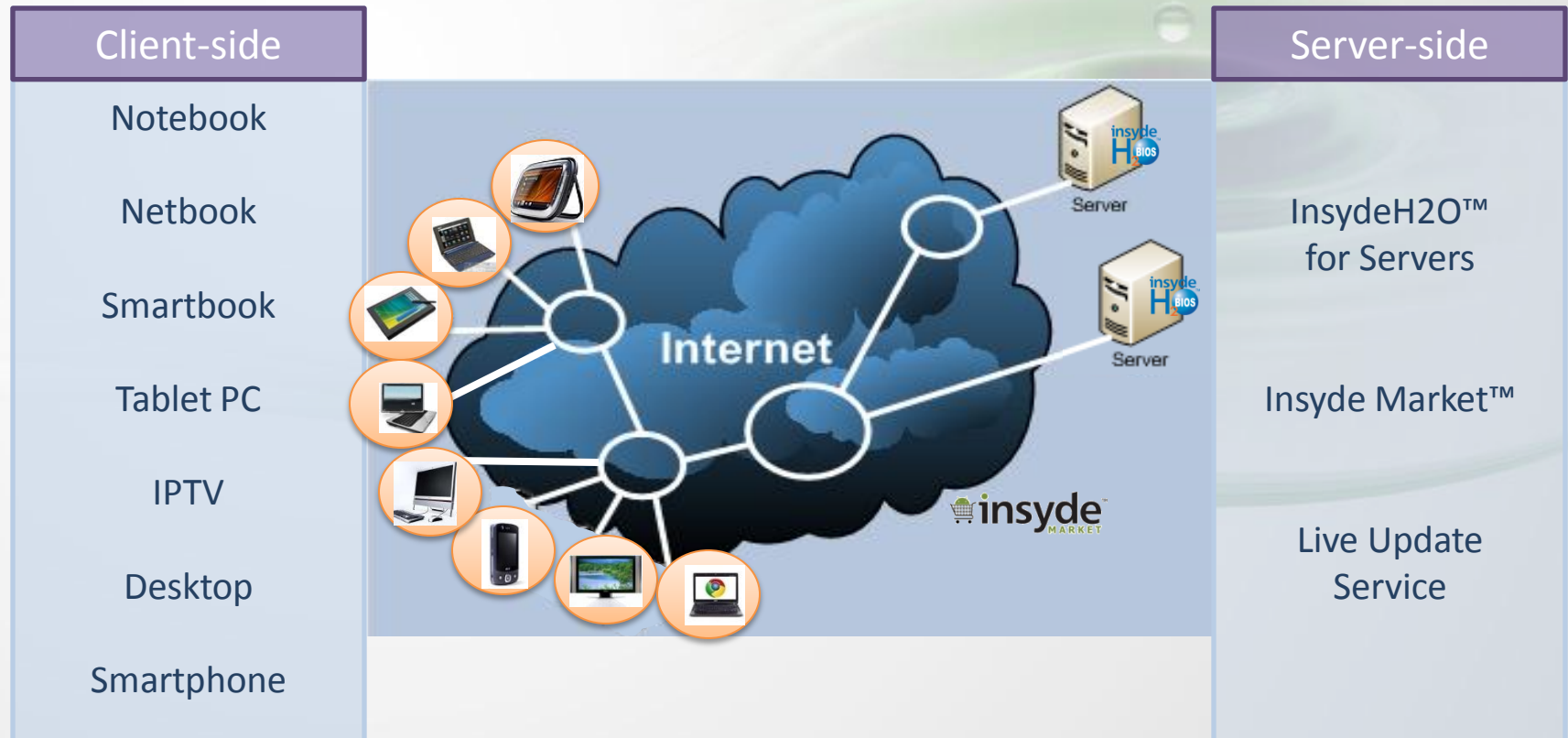
Drivers of Growth

Momentum in Mobile Computing Continues

- InsydeH2O widely used by major ODMs and OEMs

    - OEMs: Acer, Dell, HP, Lenovo, Sony, Toshiba and others

    - ODMs: Compal, Inventec, Pegatron, Quanta, Wistron and others

        - High-touch/Mid-touch/Low-touch working models

- Continuous market-share growth in notebooks

    - Leadership across both Intel and AMD mobile platforms

    - Competition getting stronger

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Growth Potential in Server Markets

- Worldwide, Server vendors including HP, Dell, IBM and Sun combine for over 70% market-share in server shipments

- In Taiwan, ODMs including Quanta, Mitac, Inventec, Foxconn, Wistron and Flextronics are the lead server makers

- In China, OEMs including Dawning, Huawei, Inspur and Lenovo are the country's largest server makers

- Insyde's ROI on server investment will start in late 2011
  - Dell using InsydeH2O for recent servers
  - Taiwan's major server ODMs are Insyde current customers
  - Top-tier China server makers starting to use InsydeH2O
  - Insyde is gaining design wins and engaging server manufacturers

Leveraging Cloud Computing Growth
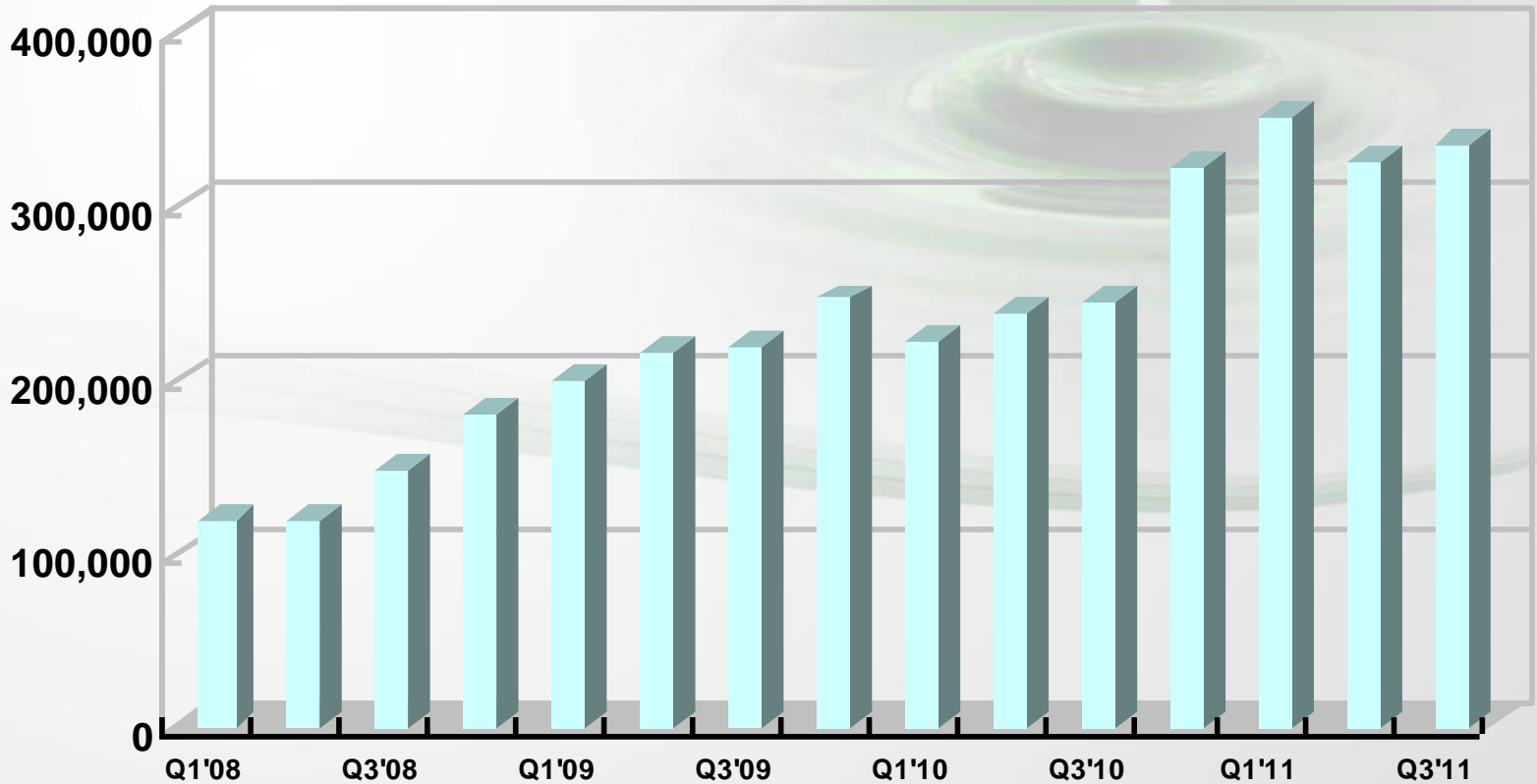

Client-side

Notebook

Netbook

Smartbook

Tablet PC

IPTV

Desktop

Smartphone

Server-side

InsydeH2O™
for Servers

Insyde Market™

Live Update
Service

Financial Review & Company Updates

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Recent Revenue Growth

Consolidated Income Statement Quarterly

(In NT$ Thousands)	Q3'11	Q2'11	Q3'10	QoQ %	YoY%
Net Sales	332,242	324,721	243,673	2%	36%
COGS	38,860	40,269	40,081	-3%	-3%
Gross Profit	293,382	284,452	203,592	3%	44%
Gross margin	88.30%	87.60%	83.55%		
Operating Expense	189,093	188,785	147,153	0%	29%
Operating Income	104,289	95,667	56,439	9%	85%
Operating Margin	31.39%	29.46%	23.16%		
Non-Op Inc/(Exp)	3,998	1,585	-899		
Income before Tax	108,287	97,252	55,540	11%	95%
Net Income	92,502	86,258	52,178	7%	77%
Net Margin	27.84%	26.56%	21.41%		
EPS (NT$)	2.45	2.28	1.37		

*Q3'11 quarterly after-tax EPS is NT$ 2.45 and accumulated year-to-date after-tax EPS is NT$ 7.5

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Consolidated Balance Sheet Summary

Selected Items from Balance Sheet (NT$ Millions)	Q3'11		Q2'11		Q3'10	
	Amount	%	Amount	%	Amount	%
Current Assets	1,311.6	96.0%	1,389.9	96.3%	954.1	94.6%
Fixed Assets	32.2	2.4%	29.2	2.0%	31.5	3.1%
Net PP&E and other assets	21.7	1.6%	24.5	1.7%	23.5	2.3%
Total Assets	1,365.5	100.0%	1,443.6	100.0%	1009.1	100.0%
Current Liabilities	538.8	39.5%	713.6	49.4%	342.2	33.9%
Long-Term Liabilities	2.3	0.2%	2.7	0.2%	0	0%
Other Liabilities	0.5	0%	0	0%	0	0%
Total Liabilities	541.6	39.7%	716.3	49.6%	342.2	33.9%
Shareholders' Equity	823.9	60.3%	727.3	50.4%	666.9	66.1%

Thanks!

IR@insydesw.com

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Backup

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Insyde's plan to accept Intel 4th investment

A Strong Strategic Investor

- Not the first time Intel has invested in Insyde
  - 1st investment in 1999 for NTD38.4MNTD
  - 2nd investment in 2001 for NTD12.0MNTD
  - 3rd investment in 2004 for NTD49.0MNTD
- Intel is a good investor
  - Intel capital will **NOT**
    - Take a Board of Directors seat
    - Influence Insyde NOT to support Intel's competitor, such as AMD and Via.
  - Intel capital **ALWAYS** strategically helps with
    - Finding the right contacts within Intel product groups
    - Engages Insyde in early development with particular Intel groups, such as Tiano (rename as UEFI later, which makes Insyde as a BIOS market leader)

Why Does Intel want to invest in Insyde for a 4th time?

- Good results from the past Insyde investment
  - Good return financially
  - Good results strategically
- Why is Intel investing now?
  - ARM solution seems getting popular
  - Andy Rubin(Android team leader at Google) and Paul Otellini(Intel CEO) Promise That Android Will Natively Support Intel Processors at IDF2011
  - Insyde has done good work on Android for Intel platforms
- Together, we plan to work for mutual benefit

Insyde's 2011 2nd Private placement CB

本發行可轉換公司債主要條件一

發行年度	2011	2007	2004
發行對象	Intel或其他國際性大廠	SST	Intel
發行金額	3 億	0.5億	0.7億
期間	3.5年	5年	五年
票面利率	<=1%	0%	0%
轉換溢價率	>=81%*	100%	100%
投資人之賣回權	YTP(3)=0%	YTP(3,4)=2%	YTP(3,4)=2%
本公司之贖回權	發行滿3年後, 面額贖回(股價連續30日高於轉換價格**160%**	發行滿3年後, 面額贖回(股價連續30日高於轉換價格150%	發行滿3年後, 面額贖回(股價連續30日高於轉換價格150%)

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Insyde's 2011 2nd Private placement CB

本發行可轉換公司債主要條件二

- Investment size: NTD300MNTD
- Estimated ownership: 8.24%
- Schedule:
  - 9/16   Insyde BOD approved the 2011 2nd CB
  - 11/10   Insyde Shareholder to approve the 2011 2nd CB
  - xx/xx   Intel will make the investment
- Condition: NOT a firm deal yet

  本次私募國內無擔保可轉換公司債以策略性投資人為限，目前已洽談暫定對象為美商英特爾公司(該公司係以本公司現有市場狀況下決定投資，惟若未來市場狀況未如其所預期，仍有暫緩或放棄之可能)或其他國際性大廠

On Insyde's 13th Anniversary at Sep 18th:

Very healthy operation

- Capital (7/31):   NTD   378 MNTD
- Market value(9/9 @NTD108):   NTD4,082 MNTD
- Cash status (8/12):   NTD1,283 MNTD
- Worldwide Head count: 510+
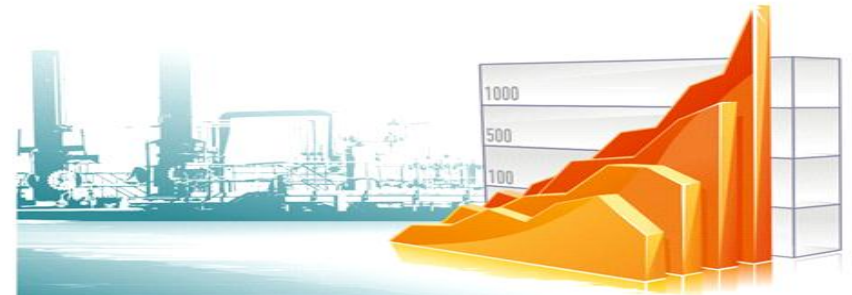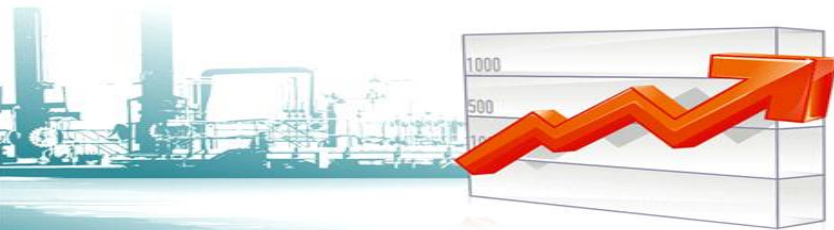
The Insyde Future

Insyde UEFI and Windows 8 at Computex

At Computex, **Michael Angiulo**, Corporate Vice President of the Planning, Hardware and PC Ecosystem team at Microsoft Corporation, briefly talked about the role of UEFI with Microsoft's next-gen OS.

Watch the clip on Youtube

Quote:

"UEFI is another important area to talk about. It's a major shift--a very important direction for all PCs.

It's required here on ARM and it's going to be required on any PC that addresses a drive that's bigger than 2.2 terabytes, but it's got some real benefits as well. A more secure boot, and a boot sequence that doesn't have a lot of screens that flash.

Insyde, one of our firmware vendors, reports a 40% performance gain on the same hardware running Windows 7 with BIOS and Windows 8 with UEFI. I've seen some of these systems with solid state disks that are fast. They completely cold-boot in 6 or 7 seconds, so our UEFI engagement is another important one."

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Making Connections in the Era of Platform Variation

Wider Range of Hardware Architectures and Wider Range of Operating Systems

| Window | Android, WebOS, Bada,… |

Operating System

InsydeH2O

Hardware Platform

| X86: Intel, AMD, Via | ARM: nVidia, Qualcomm, TI |

- Supporting operating systems including Windows 7, Windows 8, Android, Chrome OS, Linux and more…

- Configuring CPUs, chipsets and peripherals including x86 from AMD, Intel, Via; and ARM from nVIDIA, Qualcomm, TI and more…

- BIOS: Basic Input Output System

- UEFI: Unified Extensible Firmware Interface

- InsydeH2O provides the bridge from the Hardware-2-Operating system