insyde®

Investor Update

April 2012
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

insyde®

Company Overview

Insyde Software (6231.TW)

- Founded in September, 1998 by PCT (6270.TW) CEO Jeremy Wang and SystemSoft EVP 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 03/31/2012: 37.8M shares

- Headquarters: Taipei, Taiwan
  - US operations in Massachusetts and Oregon
  - Other offices in China, Taiwan and Korea
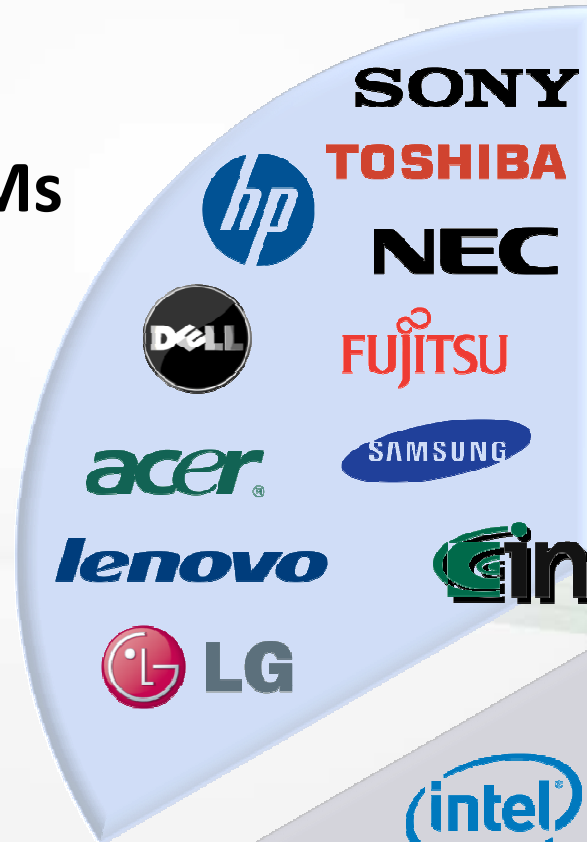
- Worldwide 570+ employees

Insyde Relationships
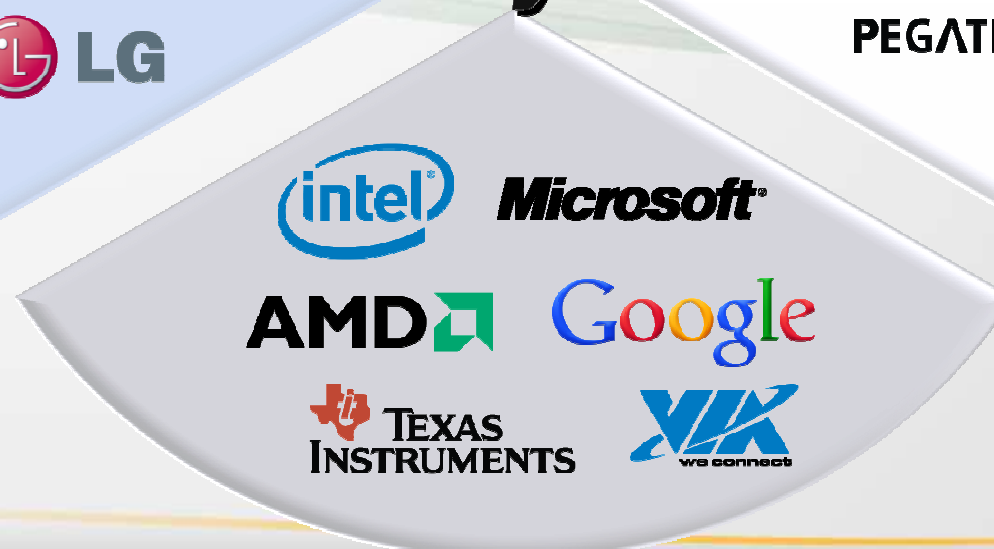## Sample of Customers and Industry Partners
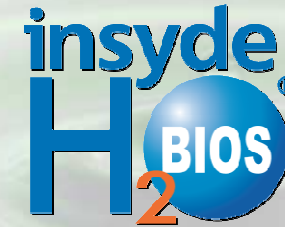

OEMs

ODMs

3rd Parties

Product Portfolio

Product Portfolio

Insyde Software Products Enable Innovation in the Computer Industry

- **InsydeH2O®**

  - Industry leading UEFI firmware for PCs, Embedded, and Servers
  - Tools for efficient development

- **Humanos®**

  - Humanos for Android
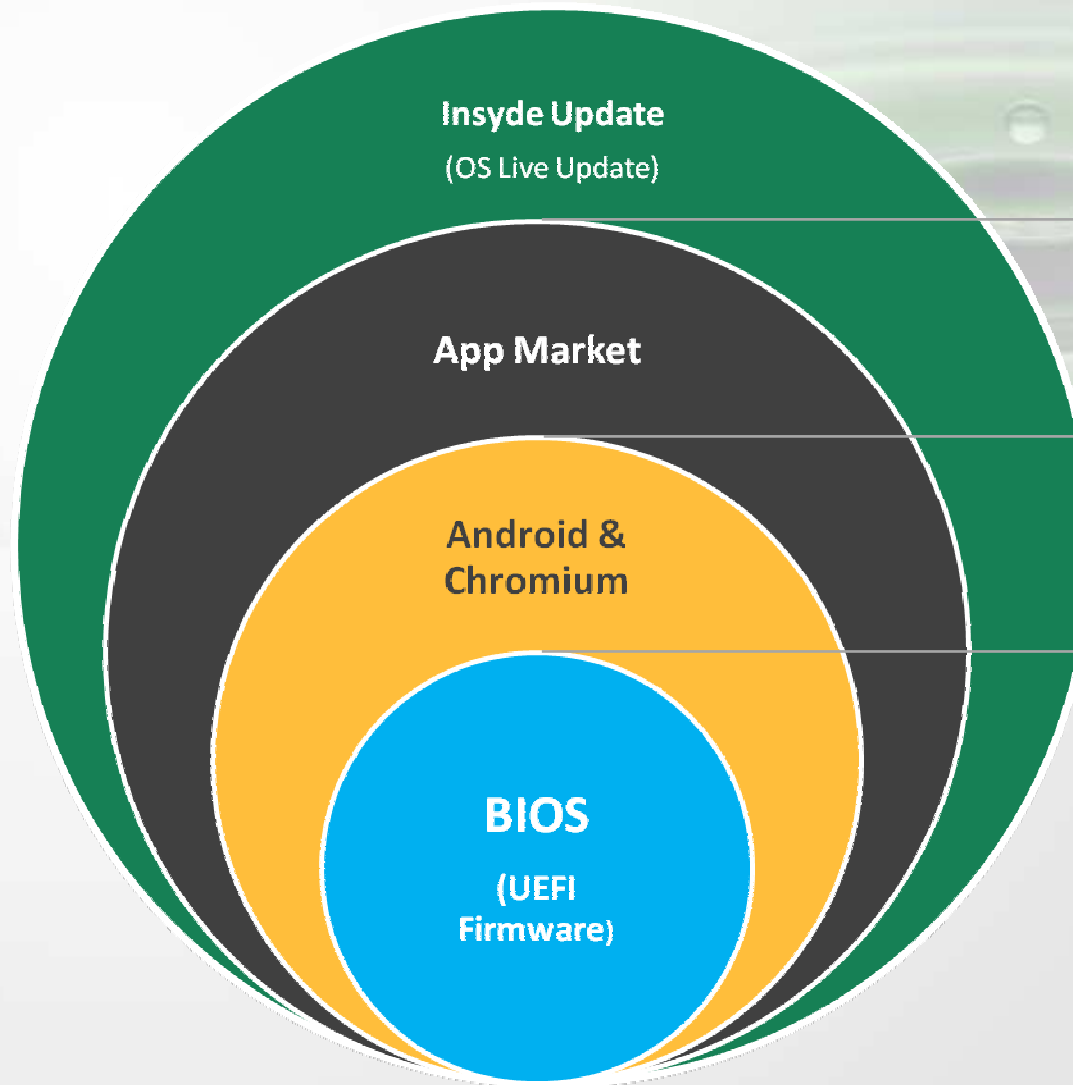 - Humanos for Chromium OS

- **Insyde Market™**

  - Online applications store for Android-based devices

Complete, Customizable Software and Service Solutions, From Firmware to Applications

Insyde Update
(OS Live Update)

App Market

Android & Chromium

BIOS
(UEFI Firmware)

insyde MARKET

HUMANOS®

HUMANOS®

insyde H₂O 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
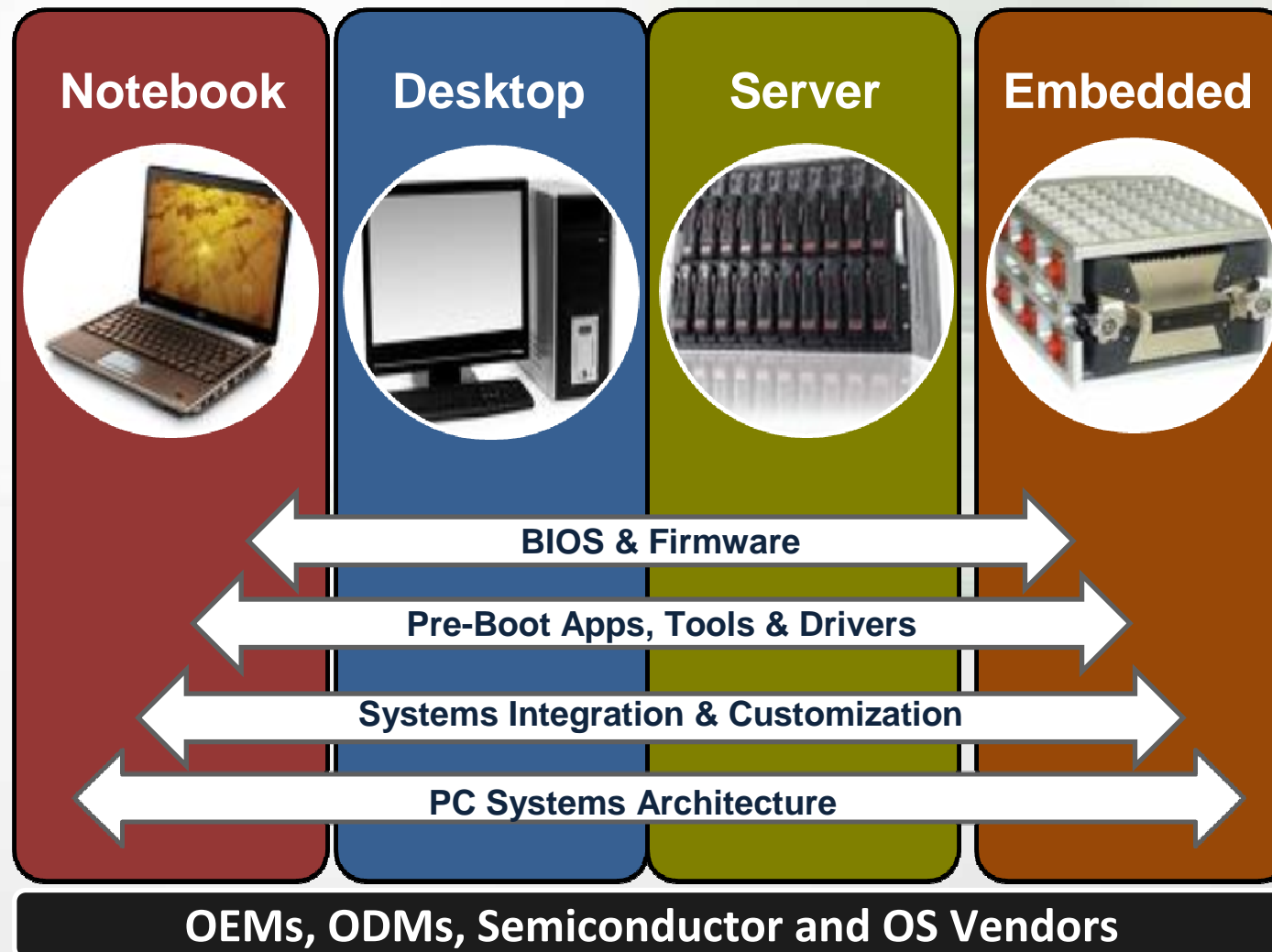
Computer BIOS – "Firmware"
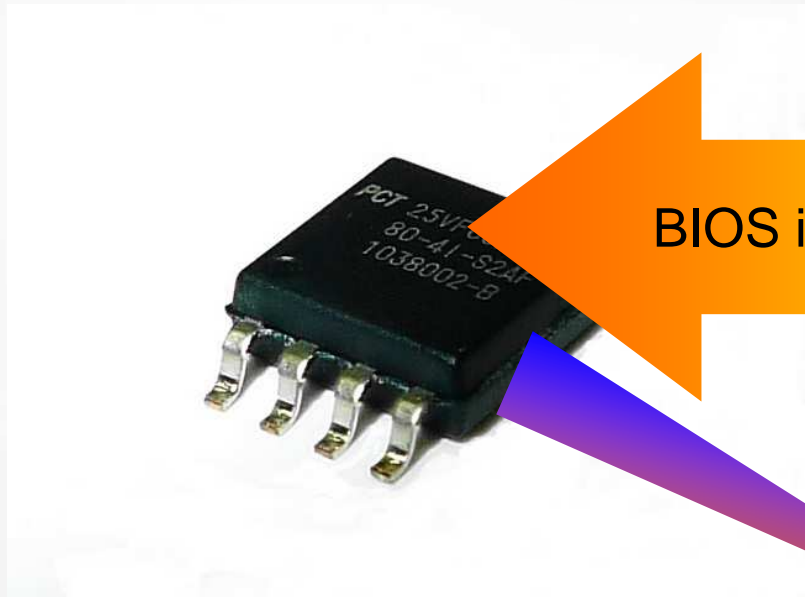
BIOS is stored in NOR Flash
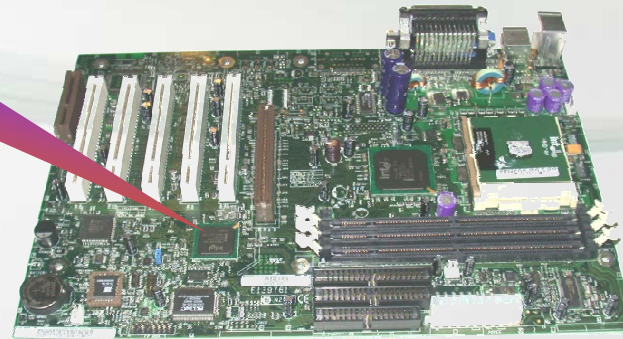
Difference between Legacy BIOS and UEFI Firmware
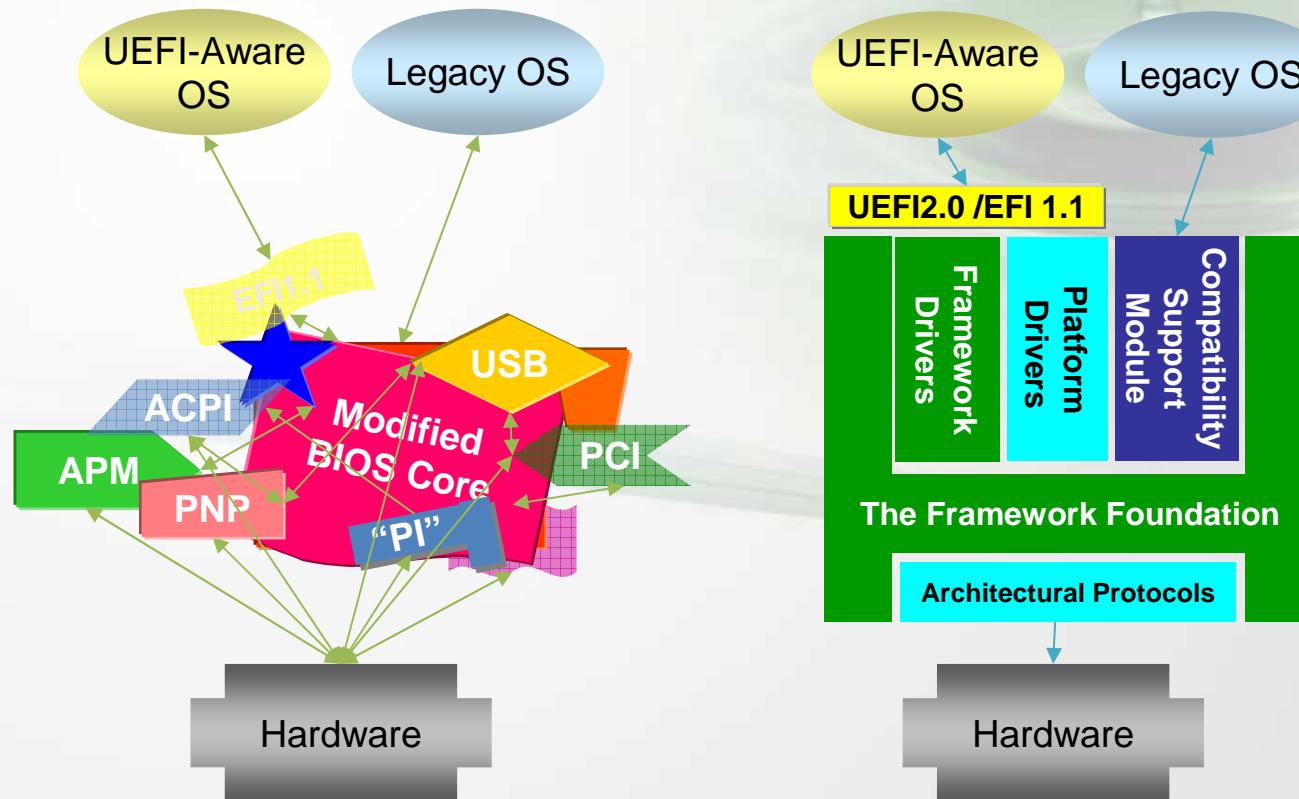
Insyde Has Led the Transition to UEFI

Intel asked Insyde to participate after Intel invested late in 1999

ARM

Server Volume Shipment

Notebook Volume Shipment

Non-Intel production since 2006

Notebook production since 2005

Server/Embedded production since 2004

Desktop production since 2003

Pioneer for UEFI development

2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013
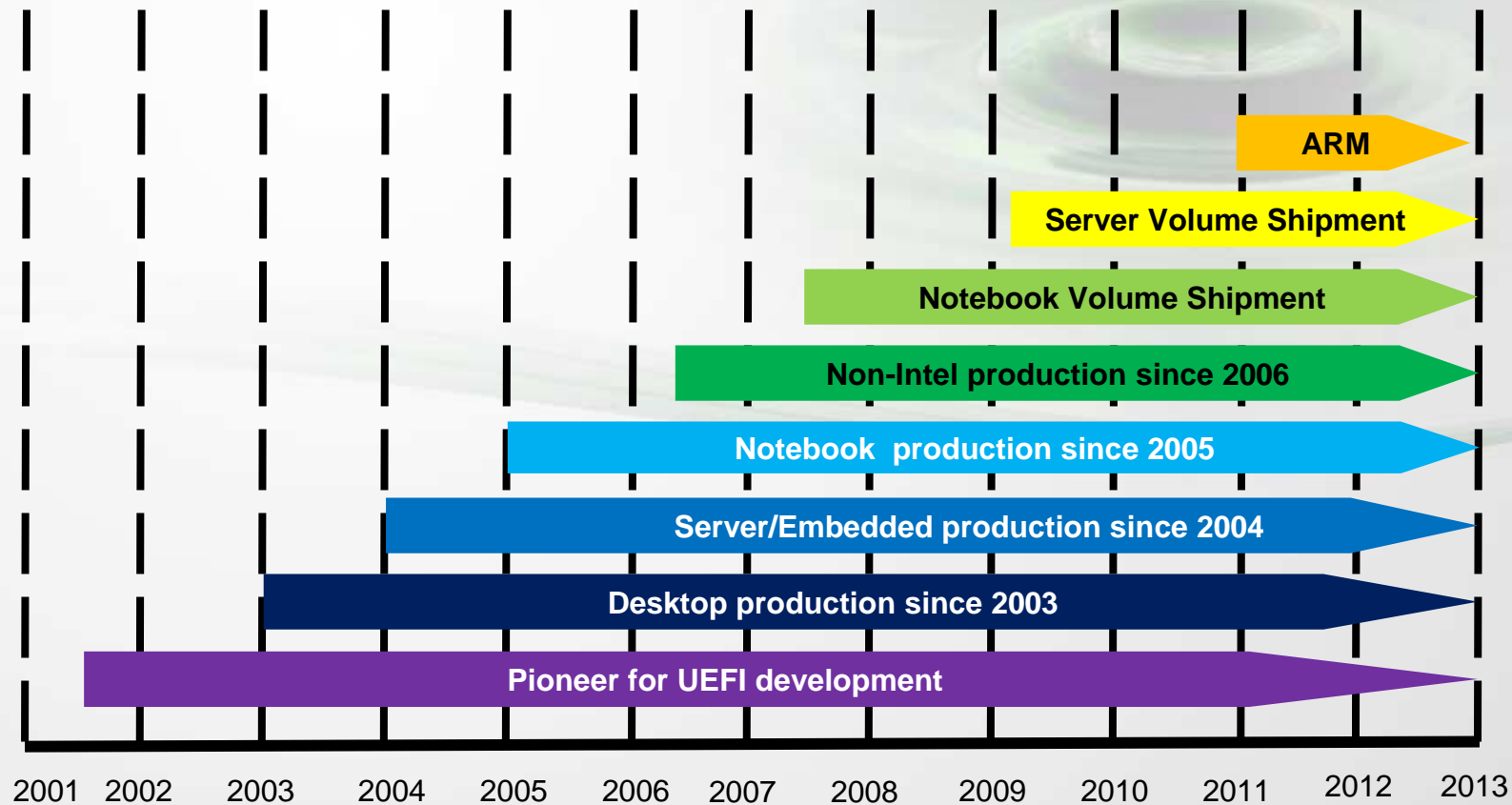
Making Connections in the Era of Platform Variation

Wider Range of Hardware Architectures and Wider Range of Operating Systems

Windows

Android, Tizan,...

Operating System

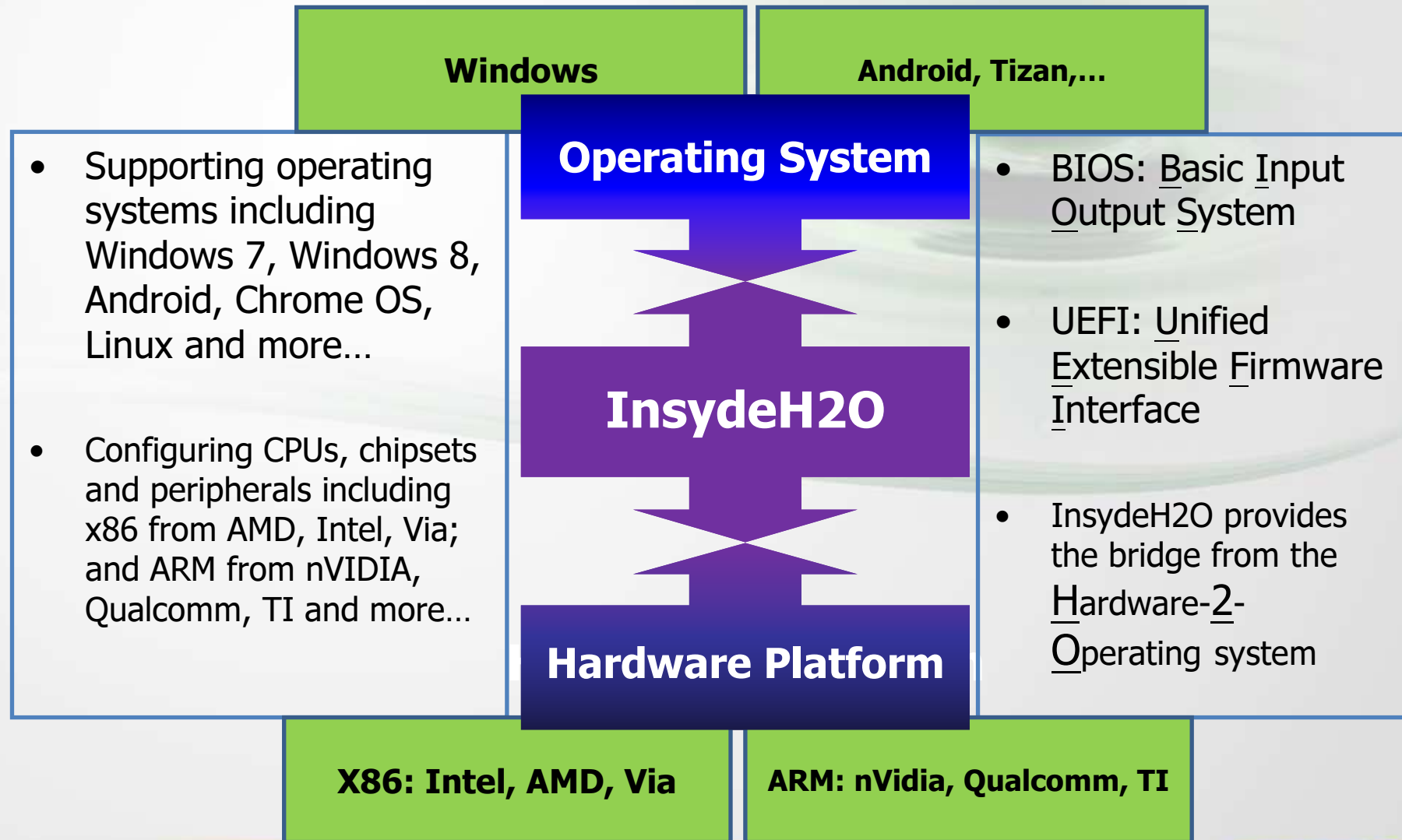**InsydeH2O**

Hardware Platform

- 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

X86: Intel, AMD, Via

ARM: nVidia, Qualcomm, TI

Humanos® for Android

- 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 6 generations production experience for top OEM
- Android BSP development for Intel
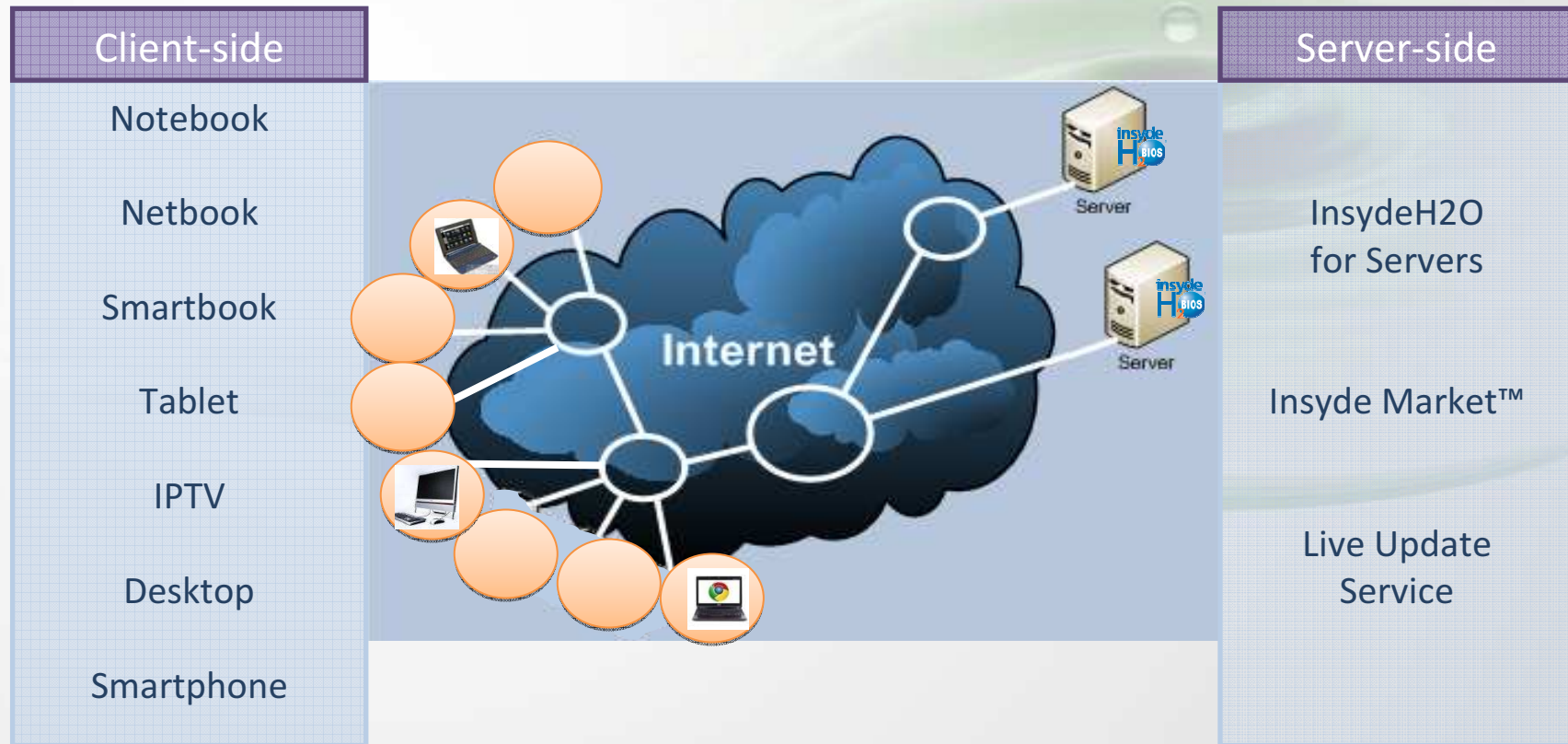
Drivers of Growth

insyde®

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/Medium-touch/Low-touch working models

- Continued market-share growth in notebooks

  - Leadership across both Intel and AMD mobile platforms

  - Competition getting stronger

Growth Potential in Server Markets

- Dell started using InsydeH2O for certain server models in middle of 2011. More models with InsydeH2O coming into production

- Some of China's largest server makers are Insyde's customers now, including Inspur and Huawei

- In Taiwan, several leading ODMs are using InsydeH2O, but not exclusively

- Insyde's ROI on server investment has started: strong revenue growth in 2011

Leveraging Cloud Computing Growth

Client-side

Notebook

Netbook

Smartbook

Tablet

IPTV

Desktop

Smartphone

Server-side

InsydeH2O
for Servers

Insyde Market™

Live Update
Service

Financial Review & Company Update

Consolidated Income Statement Quarterly

(In NT$ Thousands)	Q4'11	Q3'11	Q4'10	QoQ %	YoY%
Net Sales	318,952	332,242	319,668	-4.0%	-0.2%
COGS	59,172	38,860	45,734	52.3%	29.4%
Gross Profit	259,780	293,382	273,934	-11.5%	-5.2%
Gross margin	81.45%	88.30%	85.69%		
Operating Expense	173,654	189,093	177,911	-8.2%	-2.4%
Operating Income	86,126	104,289	96,023	-17.4%	-10.3%
Operating Margin	27.00%	31.39%	30.04%		
Non-Op Inc/(Exp)	4,936	3,998	-3,555		
Income before Tax	91,062	108,287	92,468	-15.9%	-1.5%
Net Income	73,855	92,502	84,430	-20.2%	-12.5%
Net Margin	23.16%	27.84%	26.41%		
Earnings per Share	1.95	2.86	2.45		

Annual Consolidated Income Statement

(In NT$ Thousands)	2011	2010	YoY %
Net Sales	1,326,146	1,021,958	29.8%
COGS	179,219	150,148	19.4%
Gross Profit	1,146,927	871,810	31.6%
Gross margin	86.49%	85.31%	
Operating Expense	742,512	615,485	20.6%
Operating Income	404,415	256,325	57.8%
Operating Margin	30.50%	25.08%	
Non-Op Inc/(Exp)	21,678	-2,240	
Income before Tax	426,093	254,085	67.7%
Net Income	357,204	241,911	47.7%
Net Margin	26.94%	23.67%	
Earnings per Share	9.45	6.54	

Consolidated Balance Sheet Summary

Selected Items from Balance Sheet (NT$ Millions)	Q4'11		Q3'11		Q4'10	
	Amount	%	Amount	%	Amount	%
Current Assets	1685.8	97.1%	1,311.6	96.0%	995.51	94.5%
Fixed Assets	29.4	1.7%	32.2	2.4%	33.02	3.1%
Net PP&E and other assets	21.0	1.2%	21.7	1.6%	25.03	2.4%
Total Assets	1736.2	100.0%	1,365.5	100.0%	1053.6	100.0%
Current Liabilities	464.0	26.7%	538.8	39.5%	309.46	29.4%
Long-Term Liabilities	359.4	20.7%	2.3	0.2%	0	0%
Other Liabilities	6.9	0.4%	0.5	0%	0	0%
Total Liabilities	830.3	47.8%	541.6	39.7%	309.5	29.4%
Shareholders' Equity	905.9	52.2%	823.9	60.3%	744.1	70.6%

Annual Dividend History

Year/NT$	Per 1,000 Shares		EPS	Payout
	Cash Dividend	Stock Dividend		
2011	7.5	0.0	9.45	79%
2010	5.5	0.0	6.54	84%
2009	5.0	1.0	6.85	88%
2008	2.0	0.0	3.84	52%

*5.2% dividend yield, compared with stock price of NT$144 on 2012/04/06

Intel Capital Invests NT$300m
Collaboration on UEFI BIOS and Android for Tablets and Ultrabooks

Insyde Software Announces Latest Investment by Intel Capital

Reinforces Long-Standing Relationship with Additional Collaboration on UEFI BIOS and Android for Tablets and Ultrabooks

TAIPEI, TAIWAN, NOVEMBER 22, 2011

Insyde Software, an Intel Capital portfolio company and leading provider of Unified Extensible Firmware Interface (UEFI) -based firmware and customized Android distributions, today announced an investment worth NT$300 million by Intel Capital, Intel Corporation's global investment and M&A organization.

"The proliferation of mobile devices and applications demands new features and capabilities. Insyde Software is uniquely positioned to provide the software building blocks that will help hardware makers bring these innovative, new products to market."

Keith Larson, vice president and managing director, manufacturing sector and Taiwan and Korea regions, at Intel Capital.

"Intel is pleased to announce our collaboration with Insyde Software to help drive additional software innovation for Intel platforms. Insyde's computing solutions optimized for Intel architecture will bring increased value to our shared customers."

Doug Fisher, corporate vice president and general manager of Intel's Software and Services Group's Systems Software Division.

Thank you!

IR@insydesw.com

insyde®