Investor Update

March 10, 2011

Jeremy Wang, Chairman & CEO

Safe Harbor Notice

We have made forward-looking statements in the presentation. Our forward-looking statements contain information regarding, among other things, our financial conditions, future expansion plans and 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 events in the conference might 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

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 02/28/2011: 37.8M shares

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

- Worldwide 450+ employees

Growing WW Presence

Portland, USA | Boston, USA | Europe | Shanghai, China | Korea (Sales Office)

Austin, USA

Kunshan, China

Taipei, Taiwan

Japan

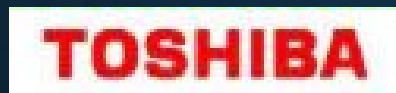|	
🟧	Insyde Office
🟦	Agent

Financial Stability

- Publicly traded stock since January 2003
- Very strong cash position
- Profitable each quarter since Q3 2006
- Healthy revenue growth
- Engineering hiring continues
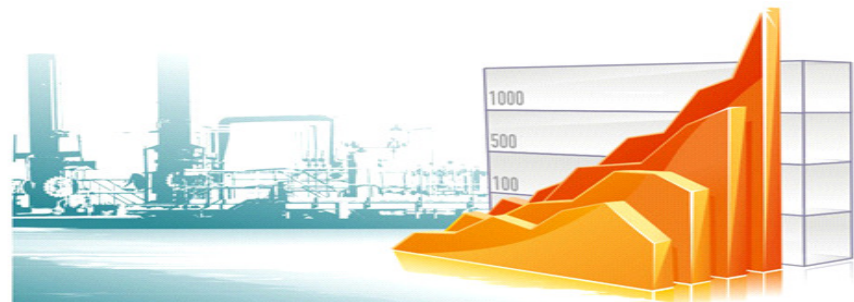
Insyde Customers are Industry Leaders

Insyde Customers Supply Industry Leaders

Product Portfolio

Insyde Product Portfolio

- **InsydeH2O™**
  - Industry leading UEFI firmware for PC, Embedded, and Server
  - H2ODDT, H2OVIP, H2Omium

- **Humanos™**
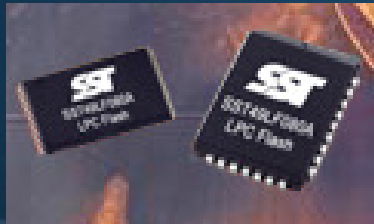 - Humanos for Chromium OS
  - Humanos for Android

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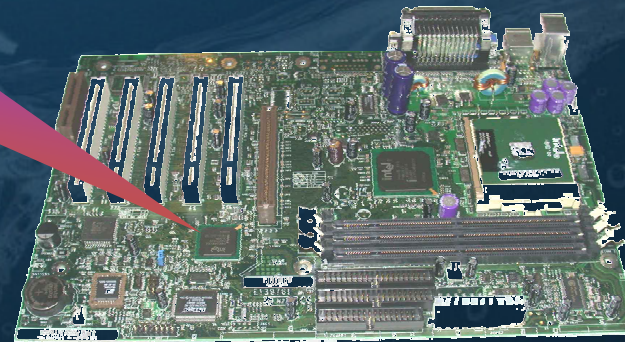 - Online applications store for Android-based devices

Computer BIOS – "Firmware"

NOR FLASH

BIOS is stored in NOR Flash

Difference between Legacy BIOS and UEFI Firmware

UEFI-Aware OS

Legacy OS

EFI1.1

USB

ACPI

Modified BIOS Core

APM

PNP

"PI"

PCI

Hardware

UEFI-Aware OS

Legacy OS

UEFI2.0 /EFI 1.1

Framework Drivers

Platform Drivers

Compatibility Support Module

The Framework Foundation

Architectural Protocols
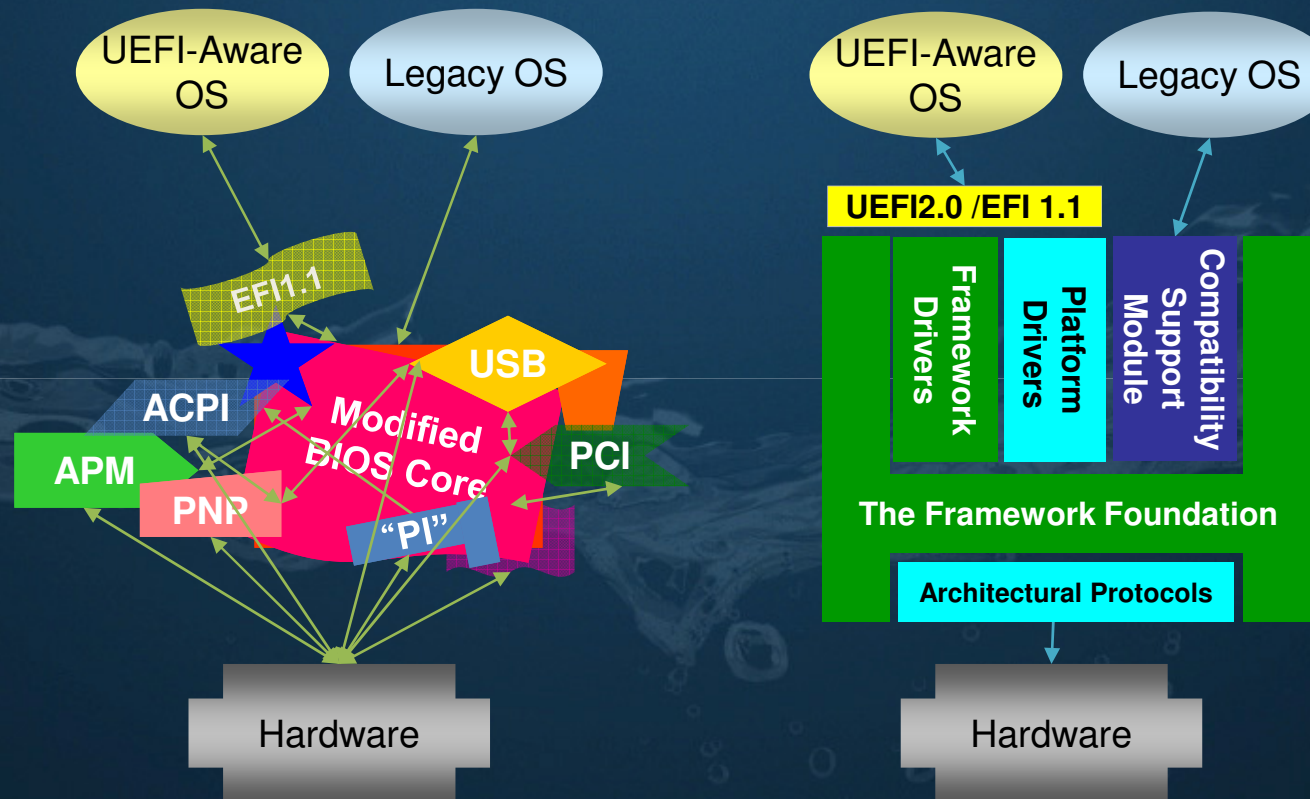
Hardware

Main Product - **InsydeH2O**™

- BIOS software that links <u>H</u>ardware-<u>2</u>-<u>O</u>perating Systems

- Binary licensed per device

- Source code licensed for customization

- Engineering support and deployment services

- Tools and components licensed separately

- Variety of training programs for customer retention

BIOS = Firmware = InsydeH2O

- BIOS - <u>B</u>asic <u>I</u>nput <u>O</u>utput <u>S</u>ystem
- To initialize hardware components including CPU, chipset and peripherals and more
- To boot operating systems: Windows 7, Vista, XP, Linux, and more

Operating System

BIOS

Hardware platform

- InsydeH2O provides the bridge from the <u>H</u>ardware-<u>2</u>-<u>O</u>perating system
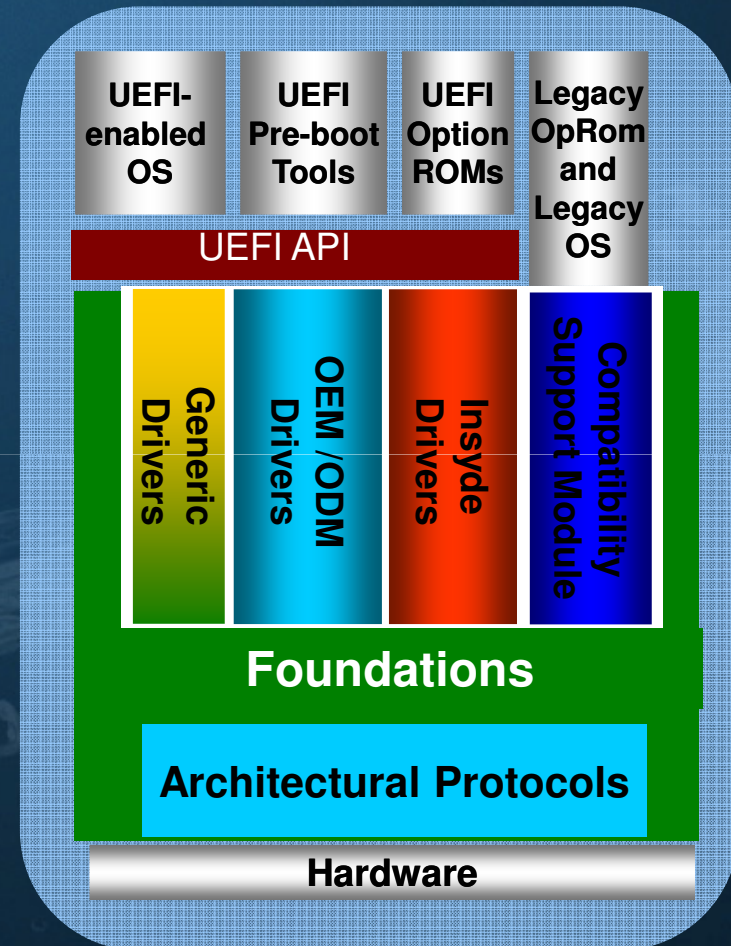
insyde H₂O BIOS ™

UEFI: Replacement for PC BIOS

- Original EFI specification developed by Intel, 1999 – 2001

- Specification taken over by non-profit, collaborative trade organization in 2005

- Original "Promoters" of UEFI
  - AMD, Intel, Microsoft
  - Apple, Dell, HP, IBM, Lenovo
  - AMI, Insyde, Phoenix

- Momentum for switch to UEFI began in 2006 as Apple selected UEFI for all Intel-based machines

- Microsoft Vista SP1, Windows 7 and Server 2008 support UEFI

- Computer industry transition to UEFI under way, with Intel mobile leading the way
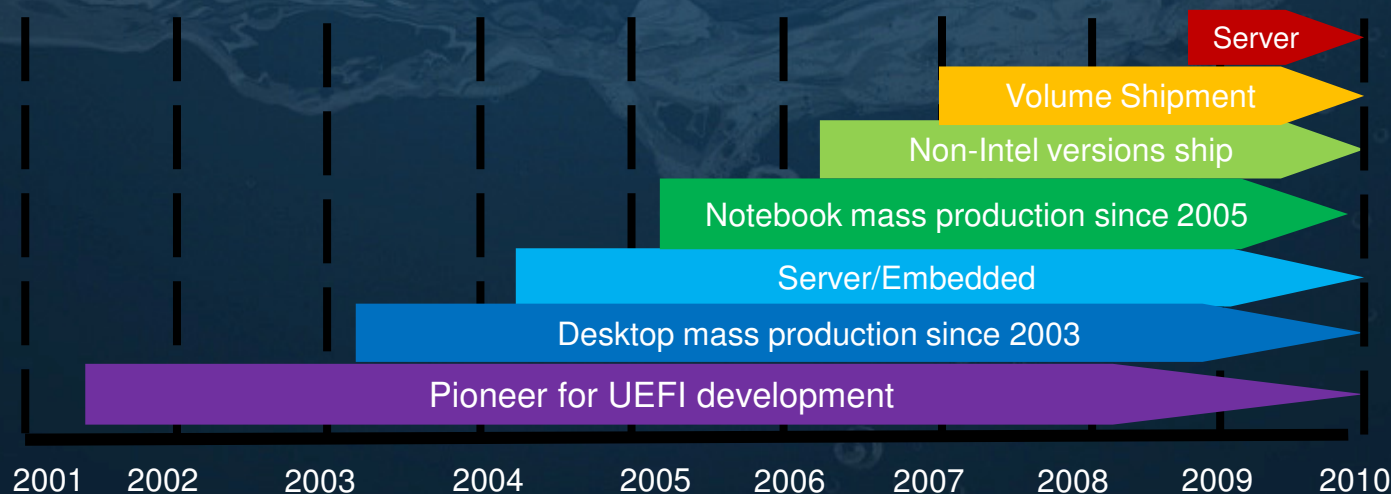
Key Benefits of UEFI Firmware

- Provides industry standard interfaces for CPUs, chipsets and platform features

- Modular source code base can be used across different products

- Pre-boot environment facilitates innovation

- Easier to implement new technologies and features

- Strongly encouraged by Intel!

UEFI-enabled OS

UEFI Pre-boot Tools

UEFI Option ROMs

Legacy OpRom and Legacy OS

UEFI API

Generic Drivers

OEM /ODM Drivers

Insyde Drivers

Compatibility Support Module

Foundations

Architectural Protocols

Hardware

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Insyde Has Led the Transition to UEFI

- 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
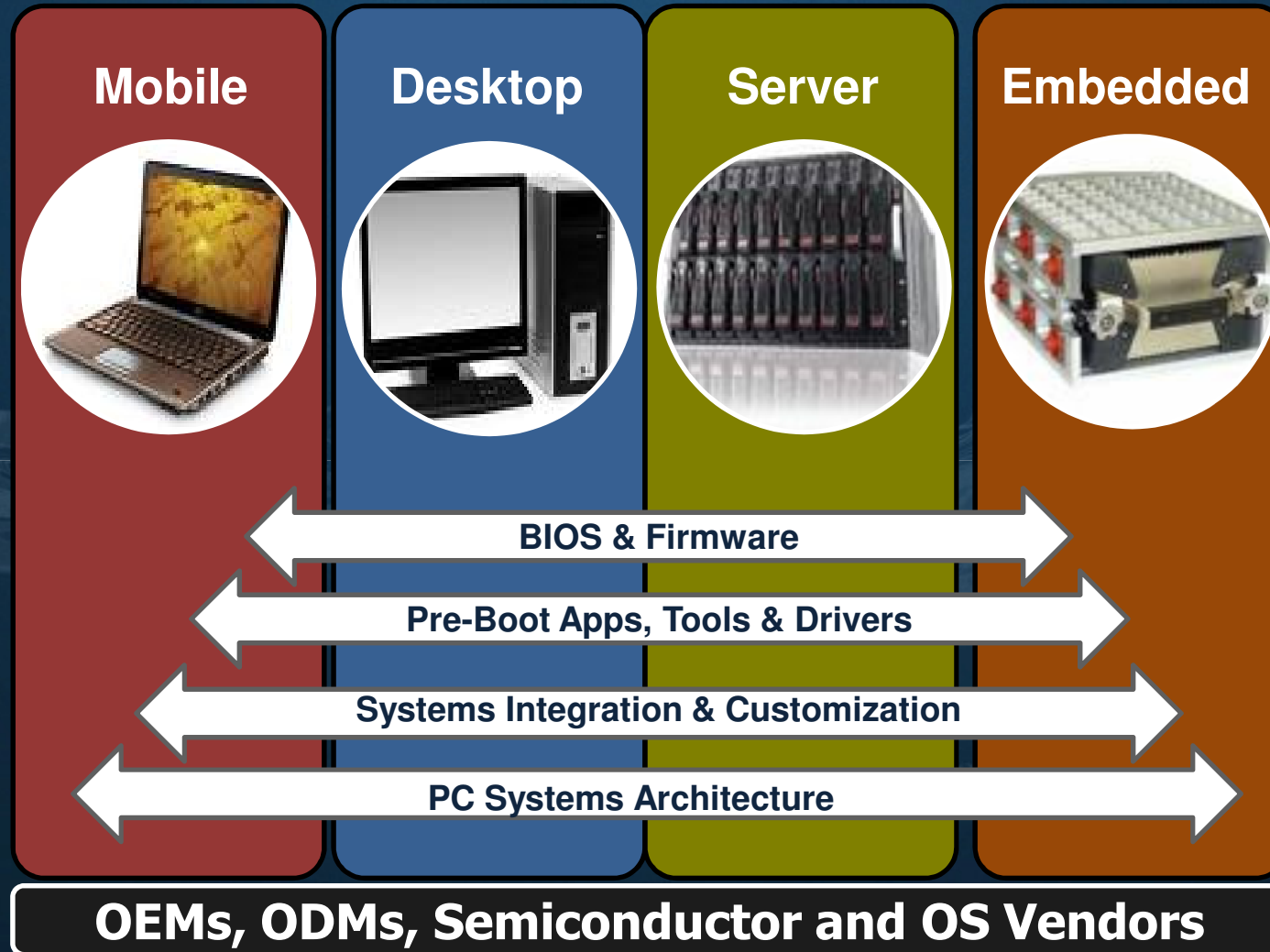
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InsydeH2O: The Safe Choice

- CPU/Chipset Drivers for all major Si vendors
- CSM – Most mature Compatibility Support Module
- Source-level Software Debug Tool - H2O*DDT*
- Robust Power Management
- True EFI-based Setup program
- Full feature USB Legacy support
- Proprietary VROM Technology
- Library of Pre-boot Apps
- Customer Training Materials
- Hundreds of Production Quality enhancements

Why leading OEMs/ODMs Select InsydeH2O

Core Competencies & Markets

Mobile	Desktop	Server	Embedded

BIOS & Firmware

Pre-Boot Apps, Tools & Drivers

Systems Integration & Customization

PC Systems Architecture

OEMs, ODMs, Semiconductor and OS Vendors

Humanos™ for Chromium OS

- 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

- An Instant-On widget-based OS solution using Insyde's Quick Boot technology as start, plus

- Insyde's integration of Google Android, mobile phone OS.
  - Provides Android Apps downloadable environment
  - Target is notebooks, netbooks and tablets

- Co-exists with Windows on PC platform

- Extends to Tablets, TV and more....

- 1st Android for netbooks – available October 2009

Insyde Market™

- **www.insydemarket.com**

- Devices Supported:
  – The only Android™ application market created exclusively for big Android (5" + LCD devices)
  – Supports Android smart phones
  – Supports including non-Insyde Android devices

- Supports Private label Business model

Drivers of Growth

Poised to Leverage Market Drivers

- Industry's continued adoption of UEFI
- OEMs outsourcing of BIOS to ODM suppliers
- Microsoft's Windows 7 adoption
- Google's Chrome OS and Chromium OS
- Google's Android operating system
- WW Server BIOS transition to UEFI
- Touch-based devices
- Market's acceptance of new form factors
  - Tablet, Netbook, Smartbook, Mobile Internet Devices

Leveraging Cloud Computing Growth

Client-side

Notebook

Netbook

Smartbook

Tablet PC

IPTV

Desktop

Smartphone
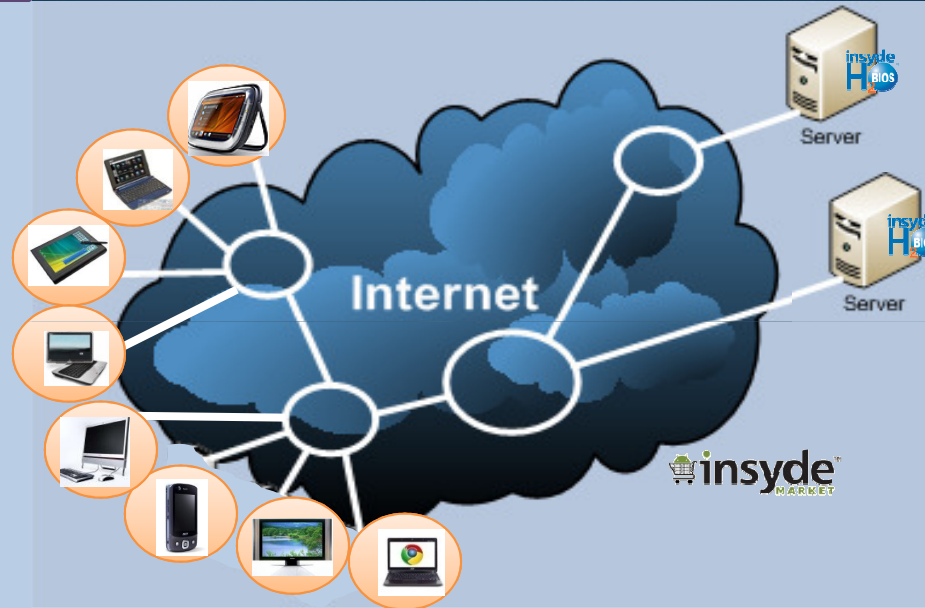
Server-side

InsydeH2O™
for Servers

Insyde Market™

Live Update
Service

Momentum in Mobile Continues

- InsydeH2O widely used by major ODMs and OEMs
  - OEMs: Acer, Dell, HP, Lenovo, Sony, Toshiba and others

  - ODMs: Compal, Inventec, 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

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
  - Top-tier WW server OEM using InsydeH2O for next-gen servers
  - Taiwan's major server ODMs are Insyde current customers
  - Top-tier China server makers start to use InsydeH2O
  - Insyde is gaining design wins and engaging server manufacturers WW

Additional Growth Potential in Cloud Computing Era

- Insyde's client-side Cloud Solutions
  - Extend Insyde Android solution: Humanos™ for Android
  - Follow Google's Chrome OS steps
  - Create Insyde's own solution: Humanos™ for Chromium OS

- Add Insyde's client-side Cloud Solutions to Windows PCs

- Expand Insyde's client-side Cloud Solutions to other devices, such as IPTV and tablet devices

- Extend Insyde Market offerings from free apps to paid apps

Financial Review

Recent Revenue Growth

(In NT$ thousands)

Consolidated Income Statement Quarterly

(In NT$ Thousands)	Q3'10	Q2'10	Q3'09	QoQ %	YoY%
Net Sales	243,673	236,333	217,341	3%	12%
COGS	40,081	30,715	30,066	30%	33%
Gross Profit	203,592	205,618	187,275	-1%	9%
Gross margin	83.55%	87.00%	86.17%		
Operating Expense	147,153	148,031	130,868	-1%	12%
Operating Income	56,439	57,587	56,407	-2%	0%
Operating Margin	23.16%	24.37%	25.95%		
Non-operating Inc/(Exp)	-899	-2,619	-1,556		
Income before Tax	55,540	60,206	54,851	-8%	1%
Net Income	52,178	61,963	56,067	-16%	-7%
Net Margin	21.41%	26.22%	25.80%		
EPS (NT$)	1.37	1.63	1.70		

*Q410 Quarterly EPS NT$ 2.24 and 2010 Yearly EPS NT$ 6.54 are un-audited numbers.

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Balance Sheet Summary

Selected Items from Balance Sheet (NT$ Millions)	Q3'10		Q2'10		Q3'09	
	Amount	%	Amount	%	Amount	%
Current Assets	954.06	94.55%	1094.32	95.12%	789.98	93.64%
Fixed Assets	31.52	3.12%	33.95	2.95%	34.76	4.12%
Net PP&E and other assets	23.48	2.33%	22.15	1.93%	18.86	2.24%
Total Assets	1009.06	100.0%	1150.42	100.0%	843.60	100.00%
Current Liabilities	342.17	33.91%	570.04	49.56%	270.49	32.06%
Long-Term Liabilities	0	0%	0	0%	0	0%
Other Liabilities	0	0%	0	0%	0	0%
Total Liabilities	342.17	33.91%	570.04	49.56%	270.49	32.06%
Shareholders' Equity	666.89	66.09%	580.38	50.44%	573.11	67.94%

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Insyde Software Strengths

- ## Most experienced provider of UEFI Firmware:
  - 9 years of UEFI cooperation with Intel makes Insyde the top choice for computer makers switching to UEFI
  - Good position to continue capturing market share with computer industry transition to UEFI Firmware

- ## System Integration and Supporting Services
  - Many years experience supporting Windows, Linux and Mac OS
  - Instant-On Solution based on Android
  - New product line provides opportunities for additional growth

- ## Cost structure to remain competitive