Investor Update

Jan, 2013
Chairman & CEO
Jeremy Wang

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) 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 12/31/2012: 37.8M shares

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

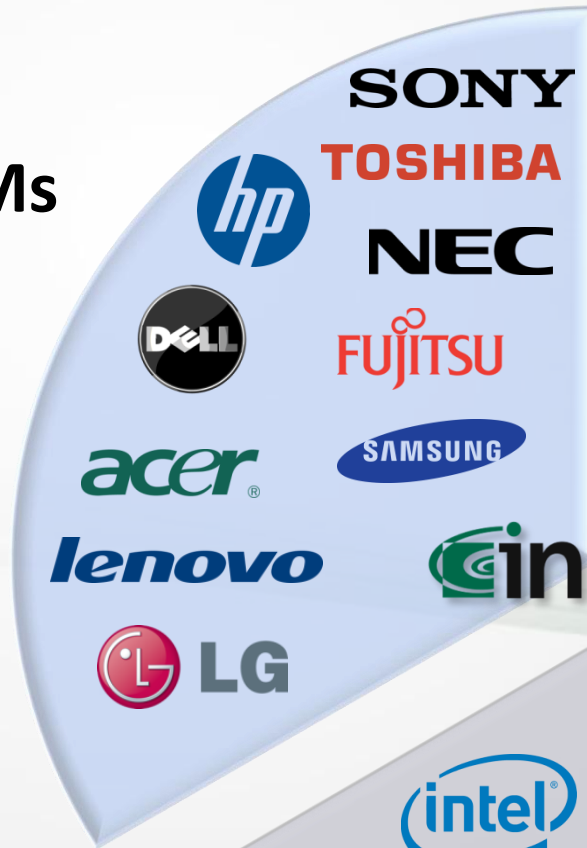- Worldwide 630+ employees

Growing Worldwide Presence

Insyde Software Provides Service to Markets Worldwide

Portland, USA

Boston, USA

Europe

Shanghai, China

Beijing, China

Seoul, Korea

Kunshan, China

Austin, USA

Japan

Shenzhen, China

Taipei, Taiwan

Taichung, Taiwan

Insyde Office
Partner

Insyde Relationships
Sample of Customers and Industry Partners

OEMs

SONY
TOSHIBA
hp
NEC
DELL
FUJITSU
acer
SAMSUNG
lenovo
insyde®
LG

ODMs

Quanta Computer
COMPAL
MiTAC eCentris Corporation
wistron®
Inventec
FOXCONN®
PEGATRON

intel Microsoft®
AMD Google
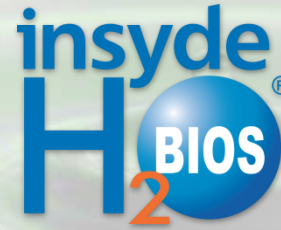TEXAS INSTRUMENTS
VIA we connect

3rd Parties

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Product Portfolio

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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®**

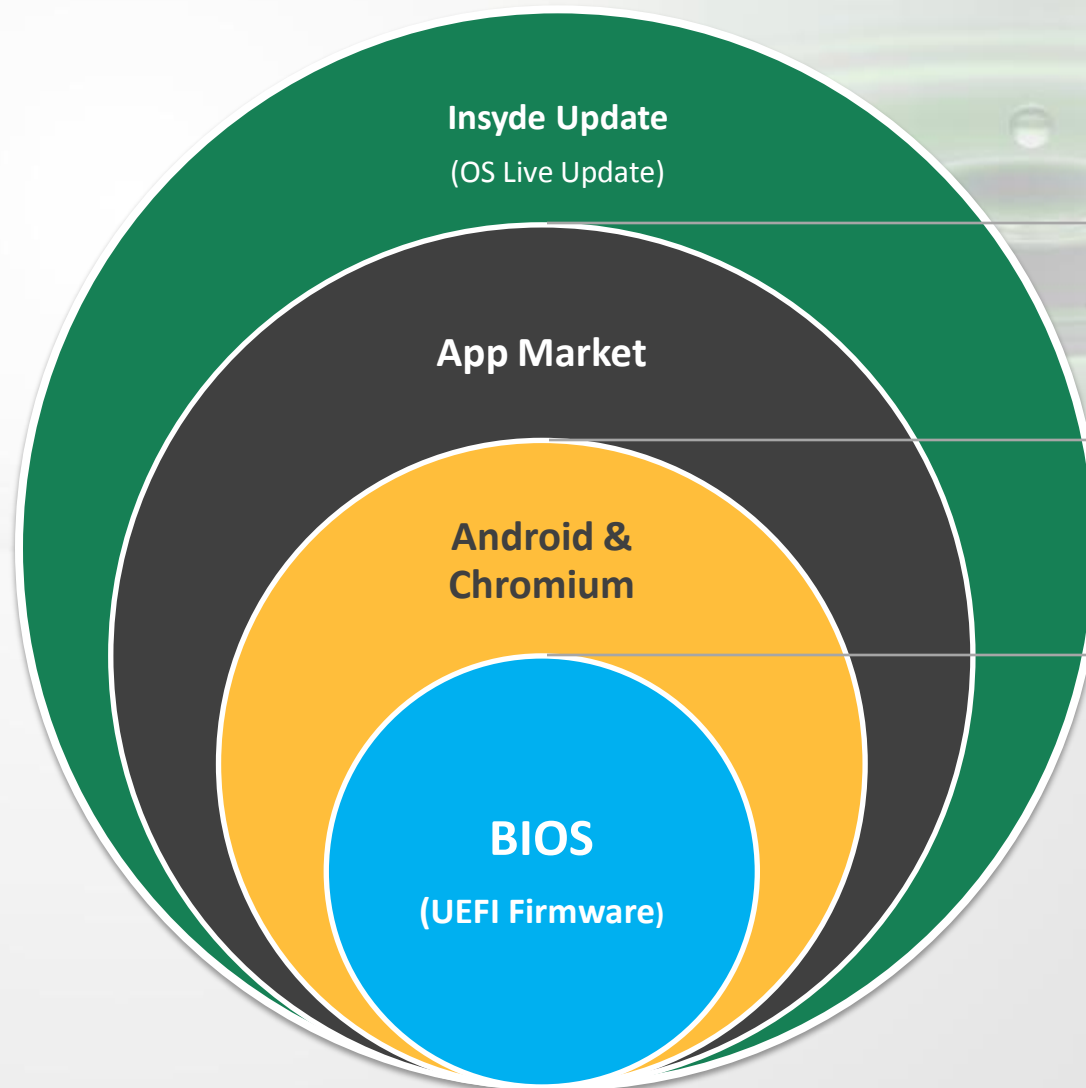 - Humanos for Android
  - Humanos for Chromium OS

- **Insyde Market™**

  - Online applications store for Android-based devices

Complete, Customizable Software and Service Solutions, From Firmware to Applications
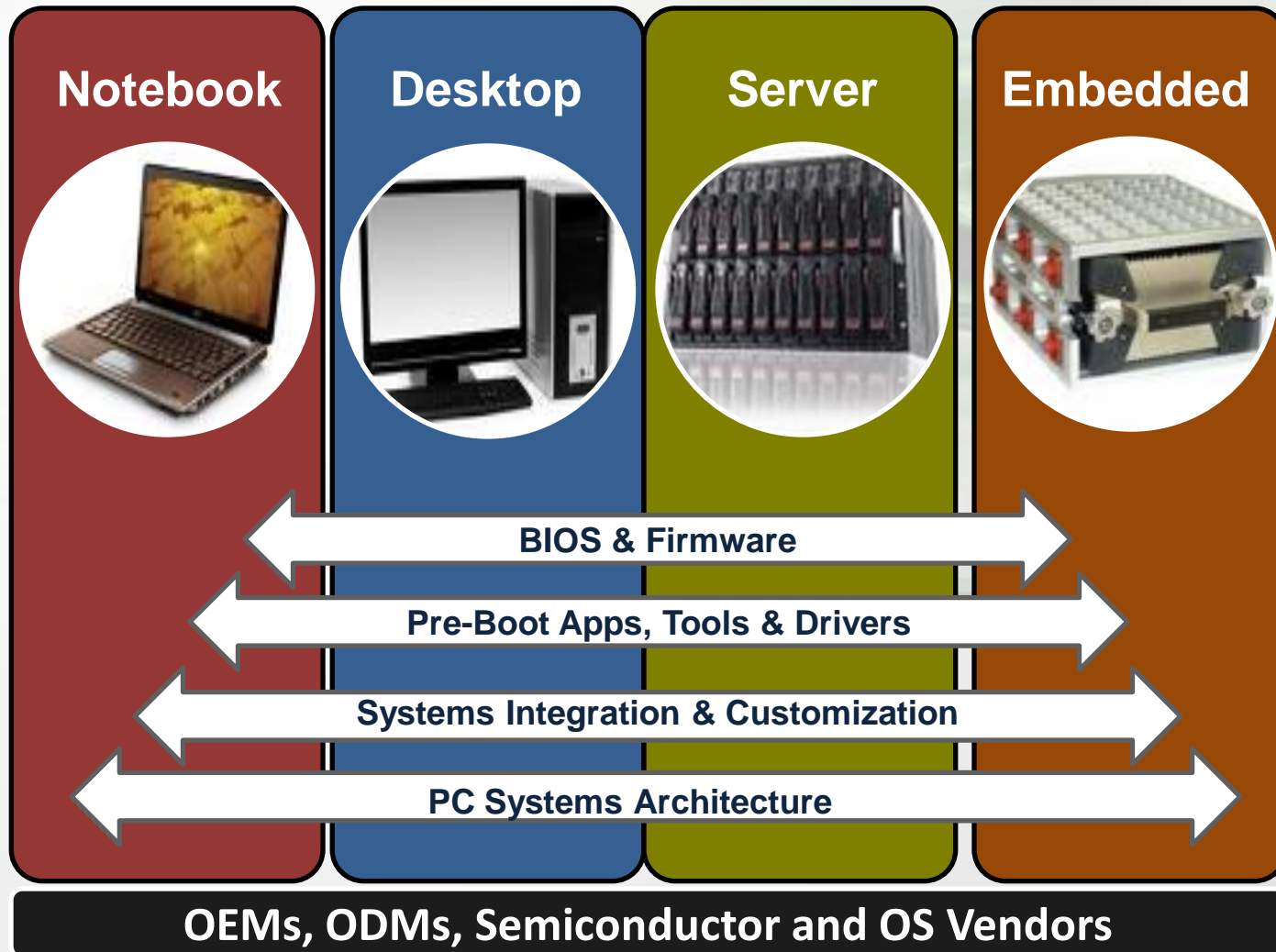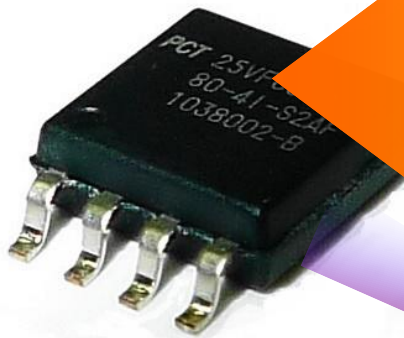
Core Competencies & Markets

Notebook — **Desktop** — **Server** — **Embedded**

← BIOS & Firmware →

← Pre-Boot Apps, Tools & Drivers →

← Systems Integration & Customization →

← PC Systems Architecture →

OEMs, ODMs, Semiconductor and OS Vendors

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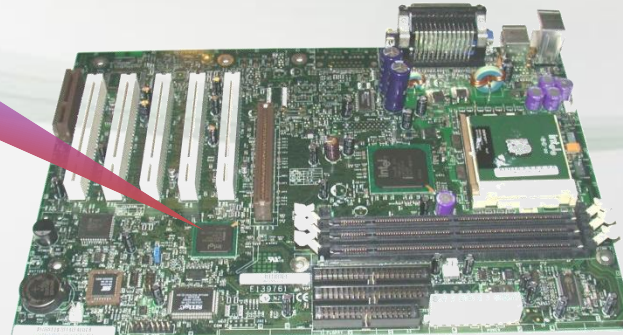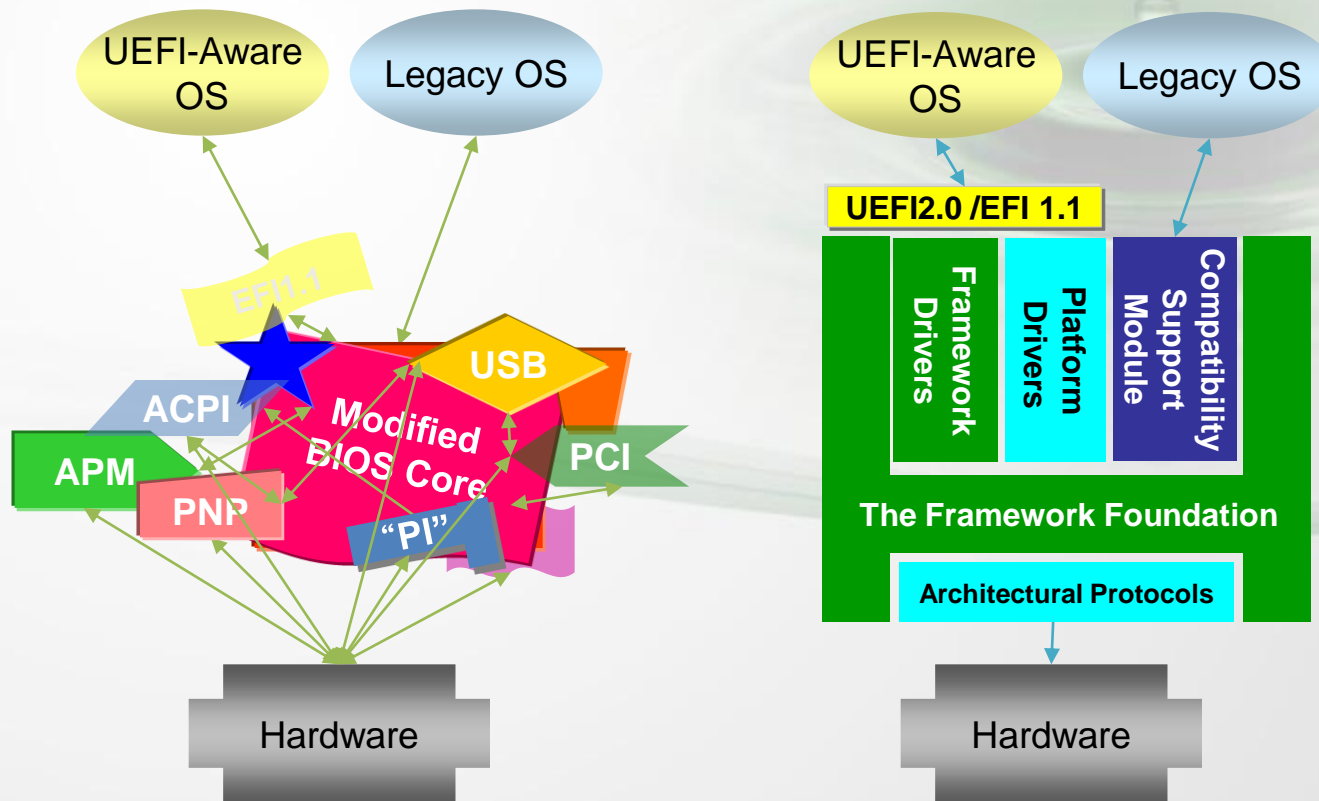
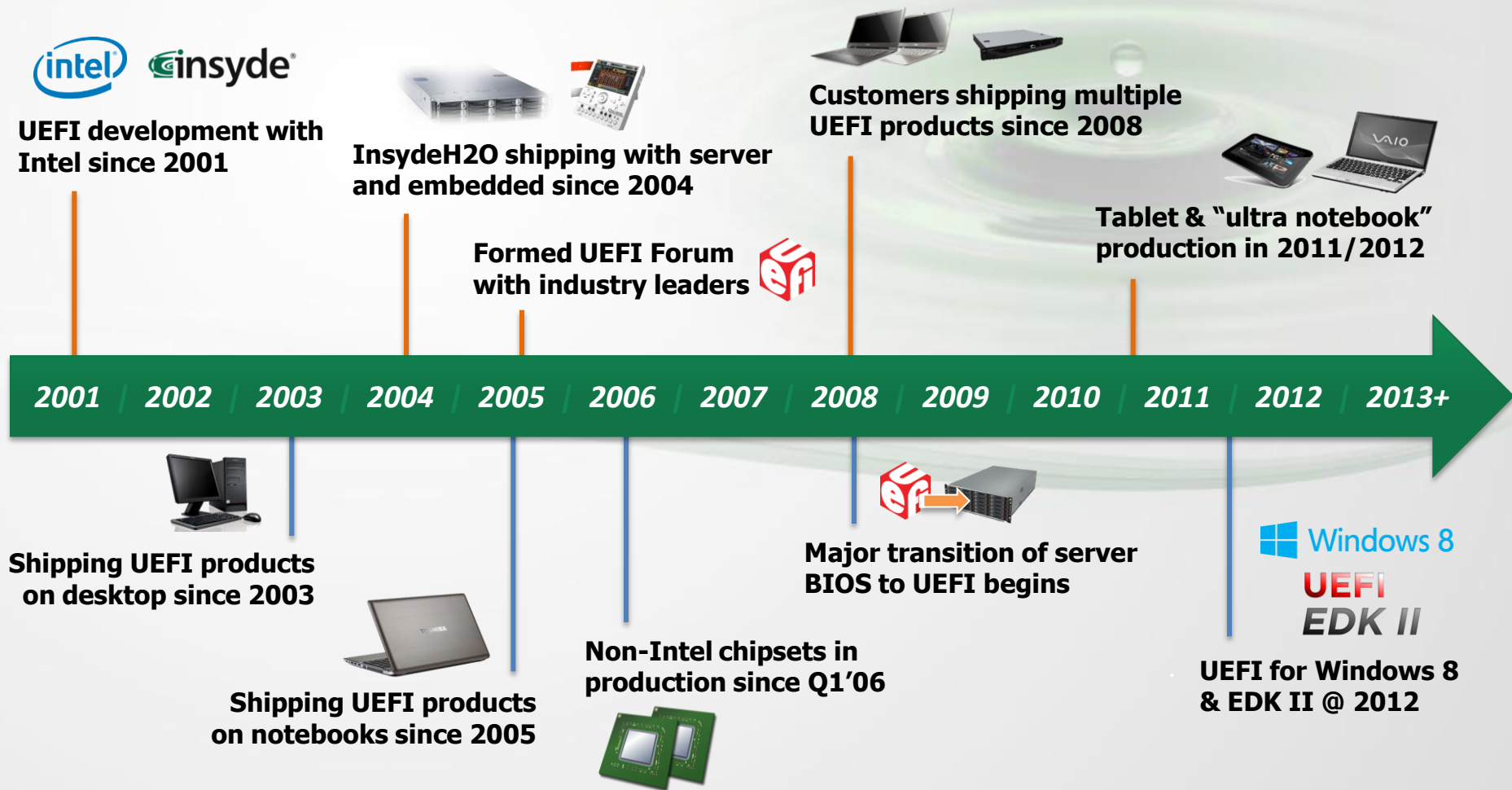# Computer BIOS – "Firmware"

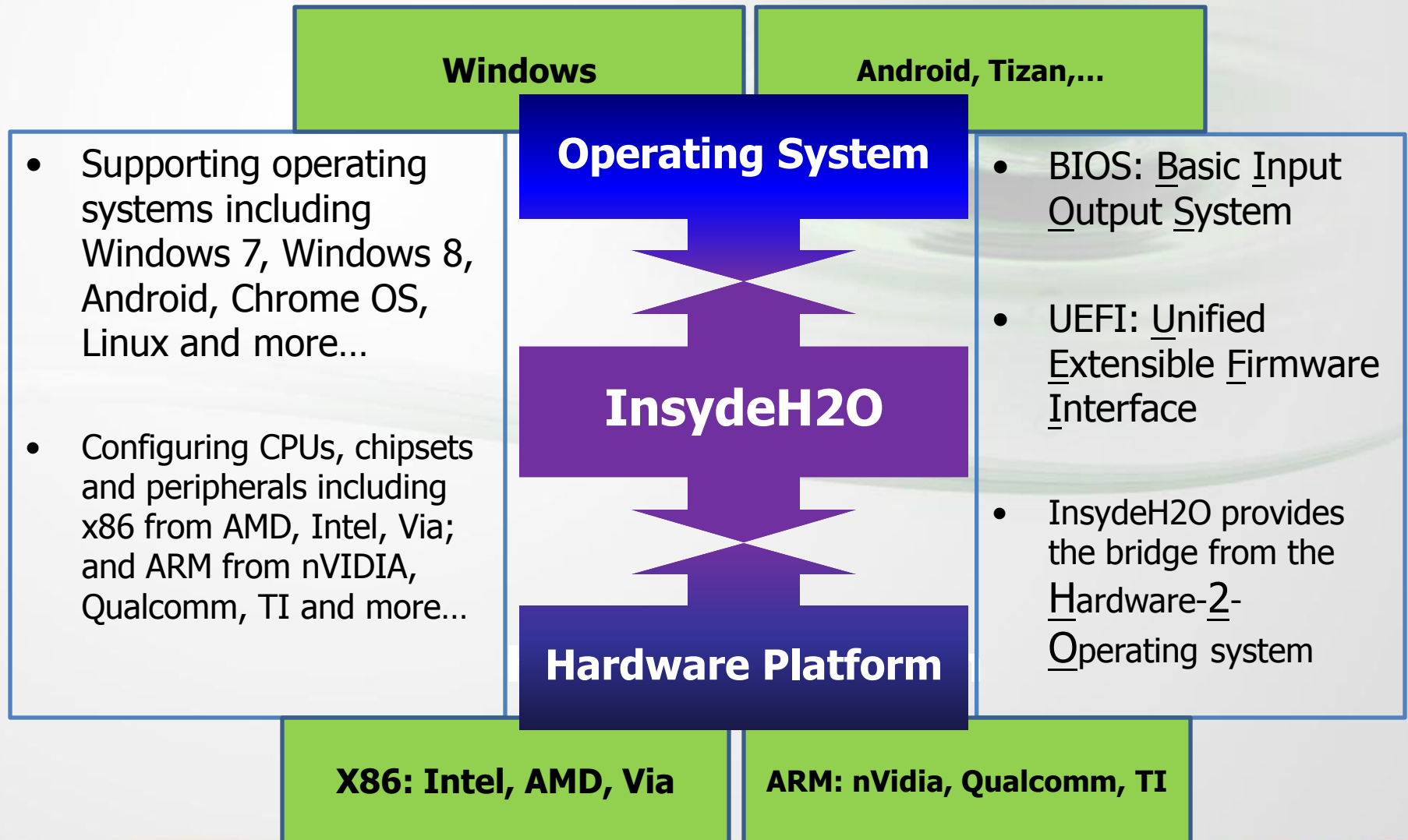BIOS is stored in NOR Flash

Difference between Legacy BIOS and UEFI Firmware

Insyde Has Led the Transition to UEFI

Transition Milestones from Over a Decade of Industry-Leading UEFI Experience

UEFI development with Intel since 2001

InsydeH2O shipping with server and embedded since 2004

Formed UEFI Forum with industry leaders

Customers shipping multiple UEFI products since 2008

Tablet & "ultra notebook" production in 2011/2012

| 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013+ |

Shipping UEFI products on desktop since 2003

Shipping UEFI products on notebooks since 2005

Non-Intel chipsets in production since Q1'06

Major transition of server BIOS to UEFI begins

Windows 8 UEFI EDK II

UEFI for Windows 8 & EDK II @ 2012

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

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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

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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

- Windows 8 uncertainty

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

Financial Review & Company Update

Recent Revenue Trend

(In NT$ thousands)

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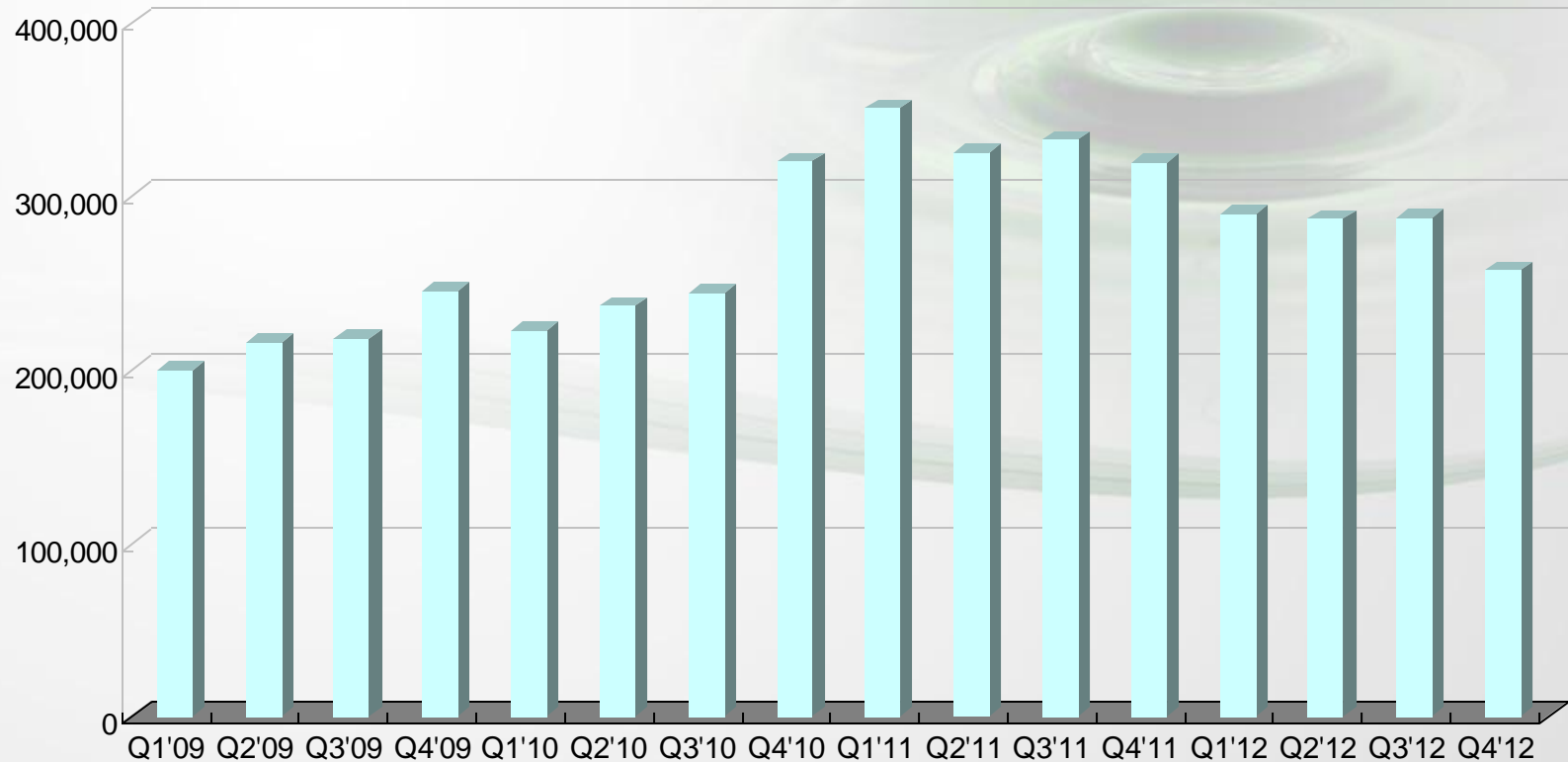
Consolidated Income Statement Quarterly

(In NT$ Thousands)	Q4'12	Q3'12	Q4'11	QoQ %	YoY%
Net Sales	257,067	286,737	318,952	-10%	-19%
COGS	-	55,846	59,172		
Gross Profit	-	230,891	259,780		
Gross margin	-	80.52%	81.45%		
Operating Expense	-	192,915	173,654		
Operating Income	13,868	37,976	86,126	-63%	-84%
Operating Margin	5.39%	13.24%	27.00%		
Non-Op Inc/(Exp)	-1,577	2,361	4,936	-167%	-132%
Income before Tax	12,291	40,337	91,062	-70%	-87%
Net Income	-	34,177	73,855		
Net Margin	-	11.92%	23.16%		
Pre-tax EPS	0.32	1.07	2.31		

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Annual Consolidated Income Statement

(In NT$ Thousands)	2012	2011	YoY %
Net Sales	1,119,745	1,326,146	-16%
COGS		179,219	
Gross Profit		1,146,927	
Gross margin		86.49%	
Operating Expense		742,512	
Operating Income	154,820	404,415	-62%
Operating Margin	13.83%	30.50%	
Non-Op Inc/(Exp)	6,808	21,678	-69%
Income before Tax	161,628	426,093	-62%
Net Income		357,204	
Net Margin		26.94%	
Pre- tax EPS	4.12	10.94	

*2012 pre-tax EPS NT$4.12 is un-audited number

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Consolidated Balance Sheet Summary

Selected Items from Balance Sheet (NT$ Millions)	Q3'12		Q2'12		Q3'11	
	Amount	%	Amount	%	Amount	%
Current Assets	1,313.2	96.5%	1,701.9	97.1%	1,311.6	96.1%
Fixed Assets	28.7	2.1%	30.5	1.7%	32.2	2.3%
Net PP&E and other assets	19.6	1.4%	20.0	1.2%	21.7	1.6%
Total Assets	1,361.5	100%	1,752.4	100%	1,365.5	100.0%
Current Liabilities	280.0	20.6%	695.1	39.6%	538.8	39.5%
Long-Term Liabilities	334.4	24.6%	344.3	19.7%	2.3	0.2%
Other Liabilities	10.8	0.7%	9.1	0.5%	0.5	0%
Total Liabilities	625.2	45.9%	1,048.5	59.8%	541.6	39.7%
Shareholders' Equity	736.3	54.1%	703.9	40.2%	823.9	60.3%

Windows 8 Launch @ Taipei

OEM Showcase:
Acer, Dell, HP, Lenovo, Sony & Toshiba

Windows 8 Launch @ Taipei

Thank you!

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