



Investor Update

Mar, 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





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

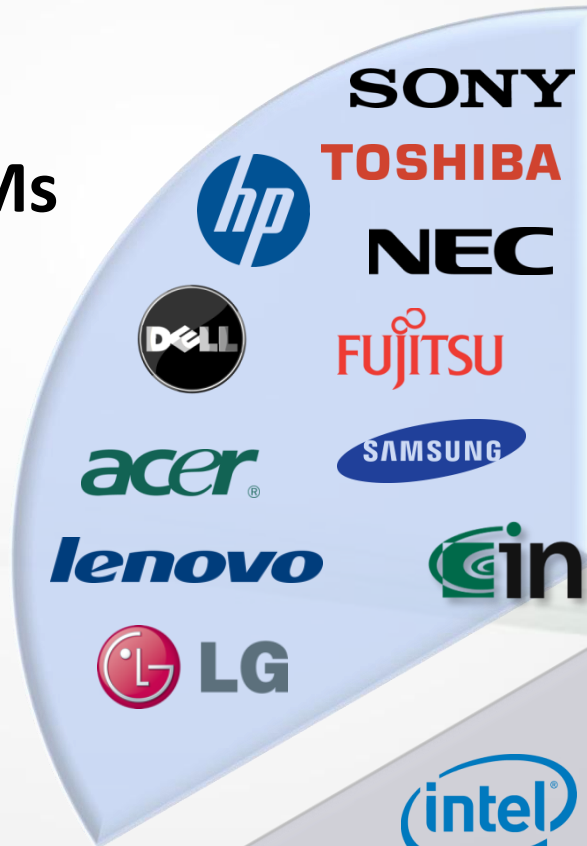
Insyde Software Provides Service to Markets Worldwide



Insyde Relationships

Sample of Customers and Industry Partners

OEMs



ODMs



3rd Parties



insyde[®]



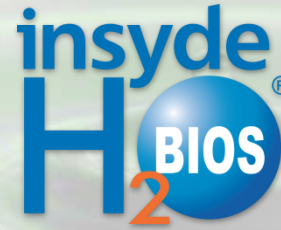
Product Portfolio

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

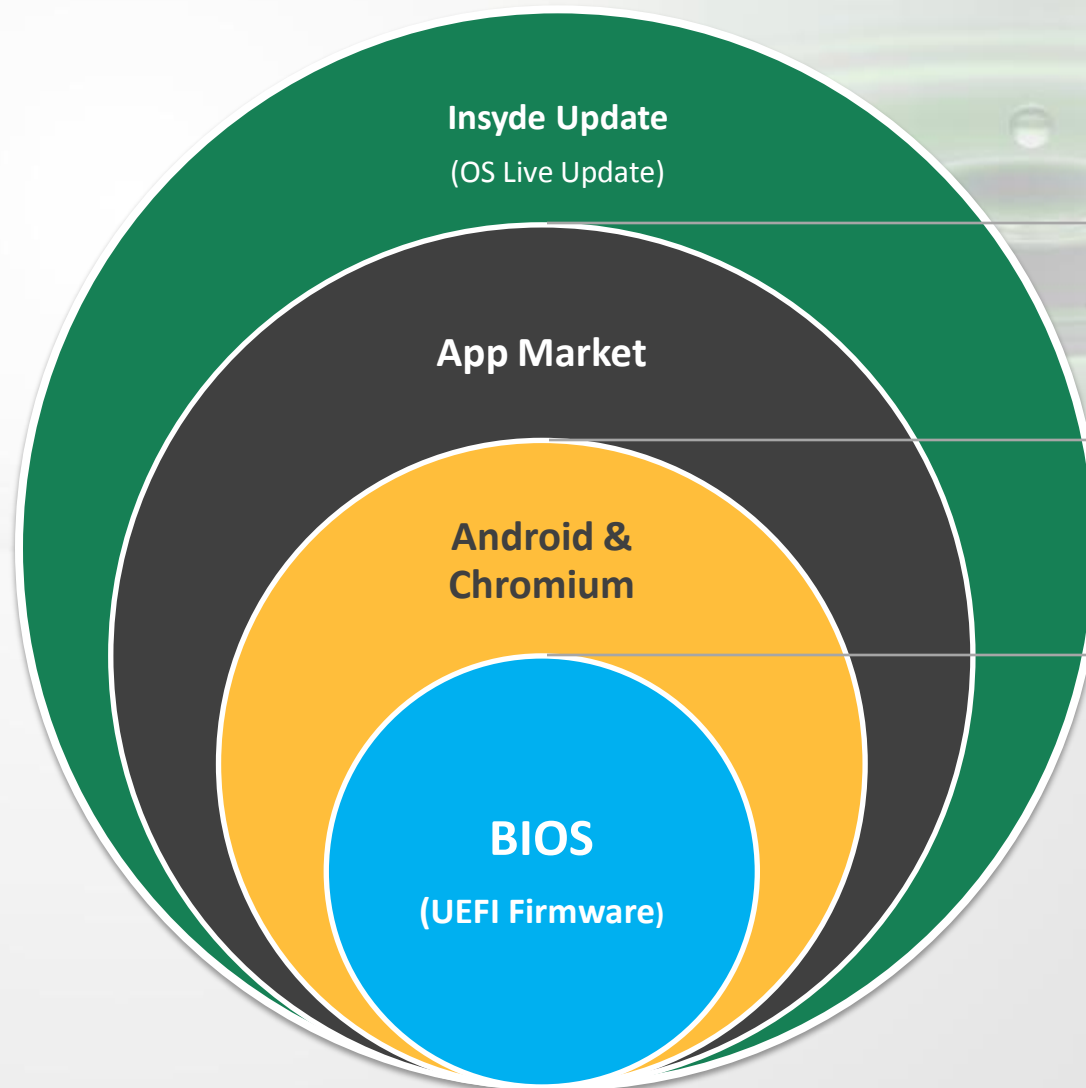


■ Insyde Market™

- Online applications store for Android-based devices



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

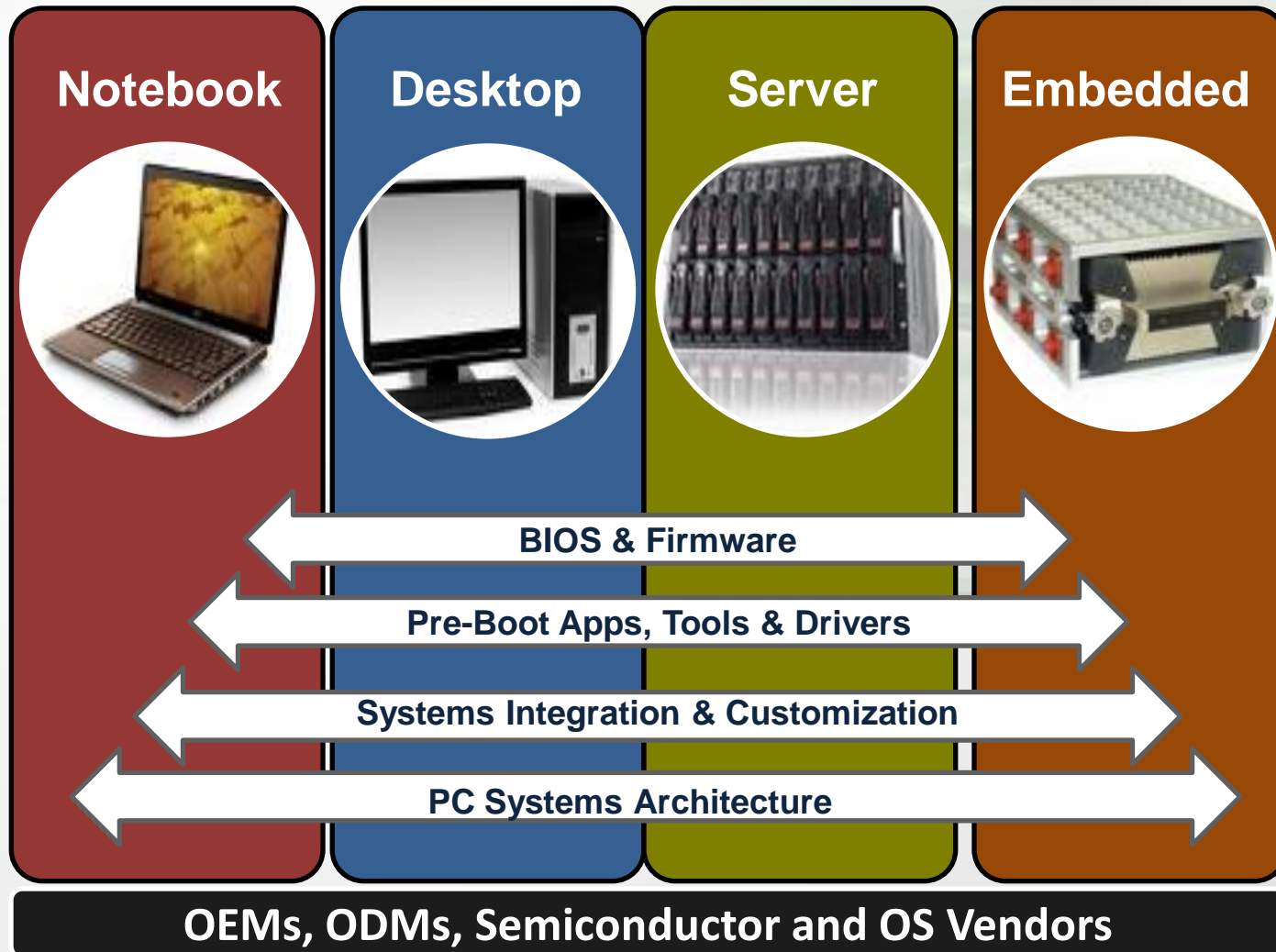


 **insyde**
MARKET

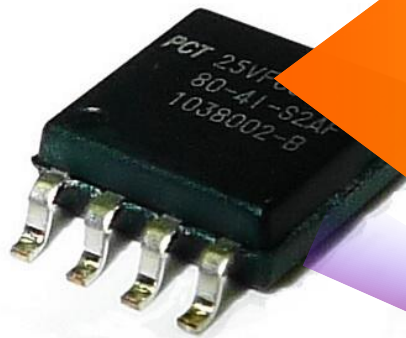
HUMANOS
HUMANOS

insyde
H₂ BIOS

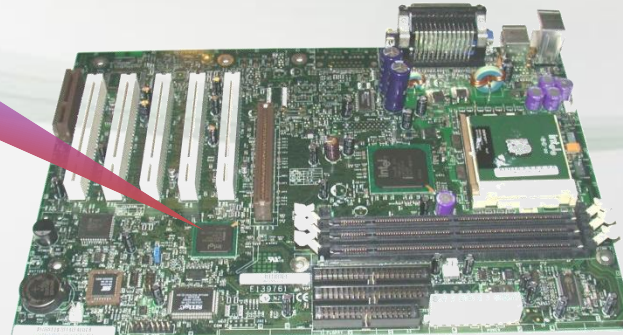
Core Competencies & Markets



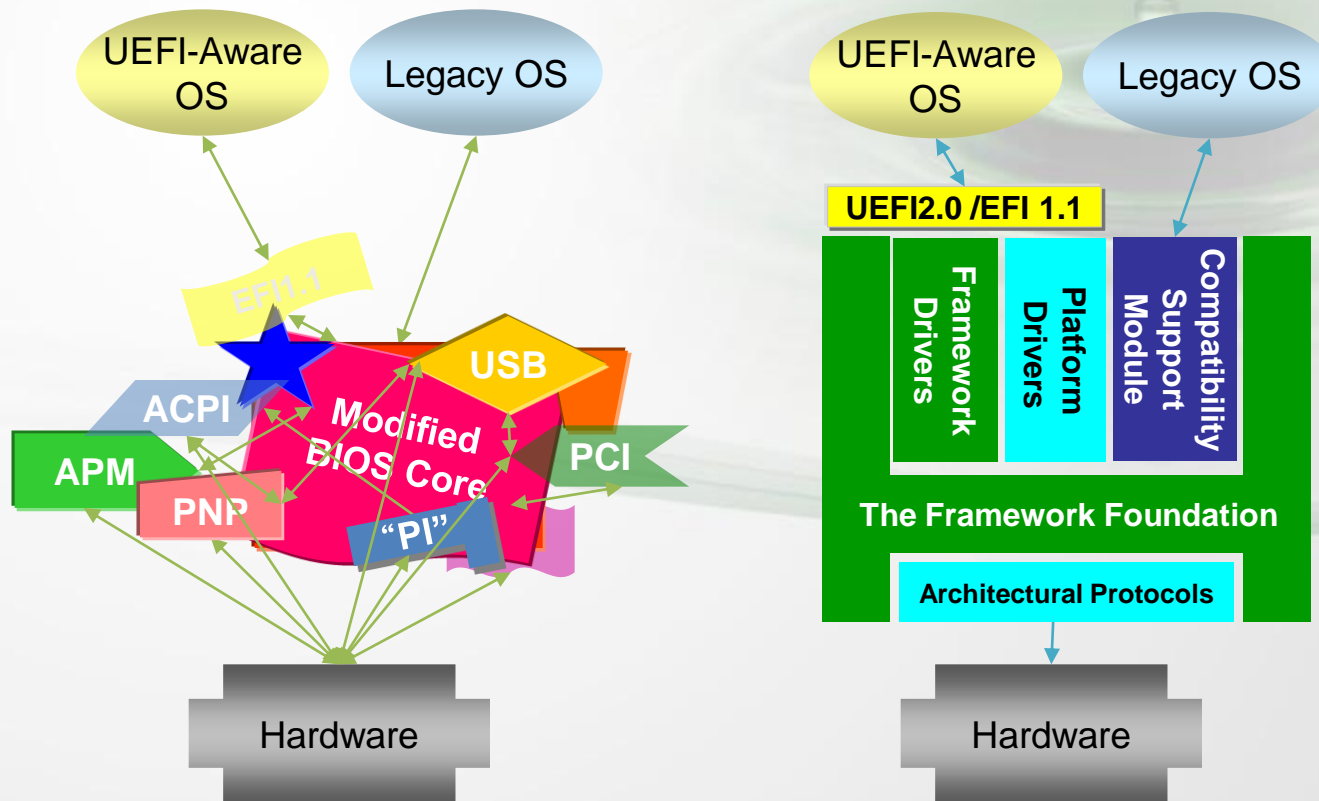
Computer BIOS – “Firmware”



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+

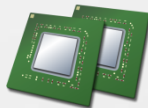


Shipping UEFI products on desktop since 2003



Shipping UEFI products on notebooks since 2005

Non-Intel chipsets in production since Q1'06



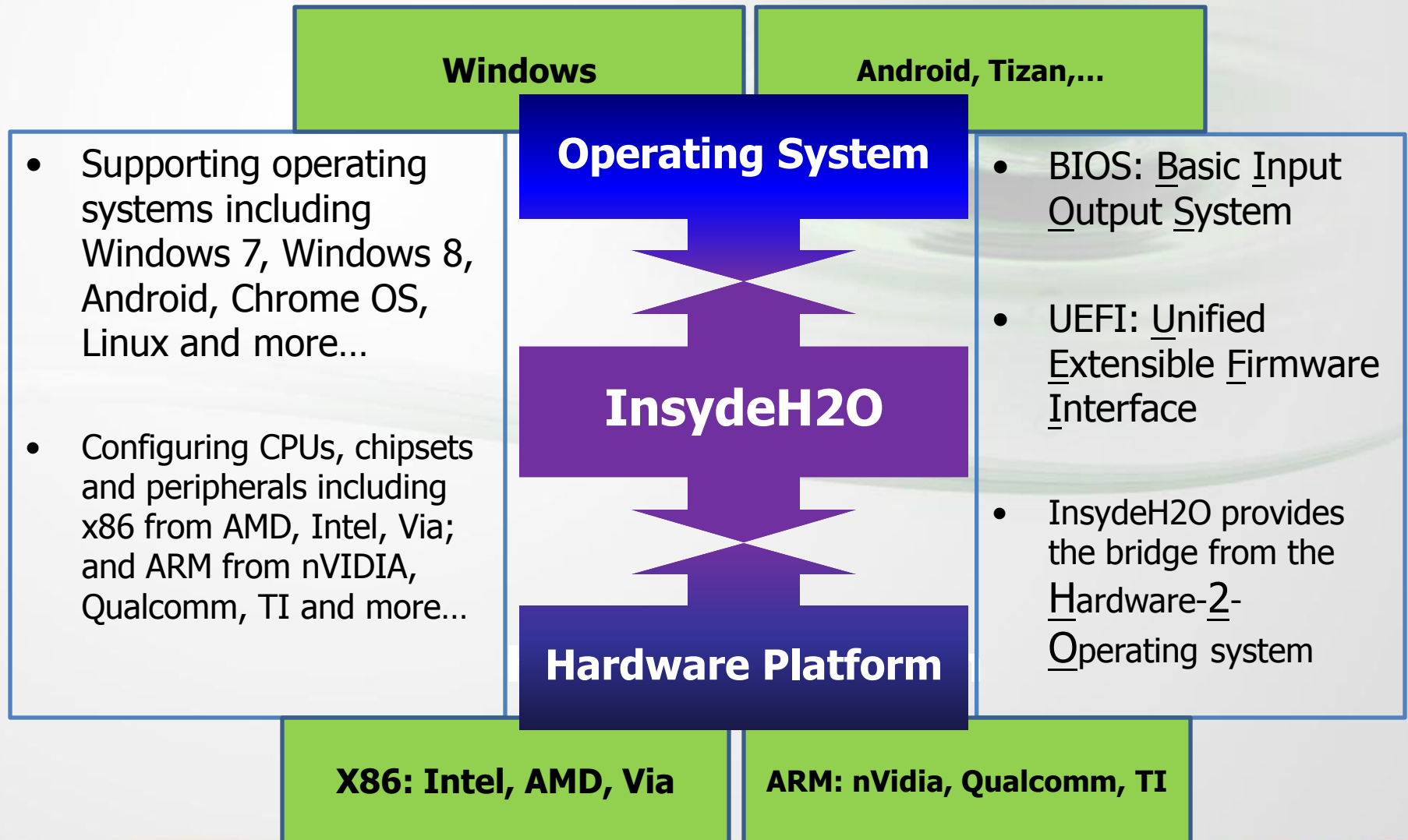
Major transition of server BIOS to UEFI begins

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



- 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

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

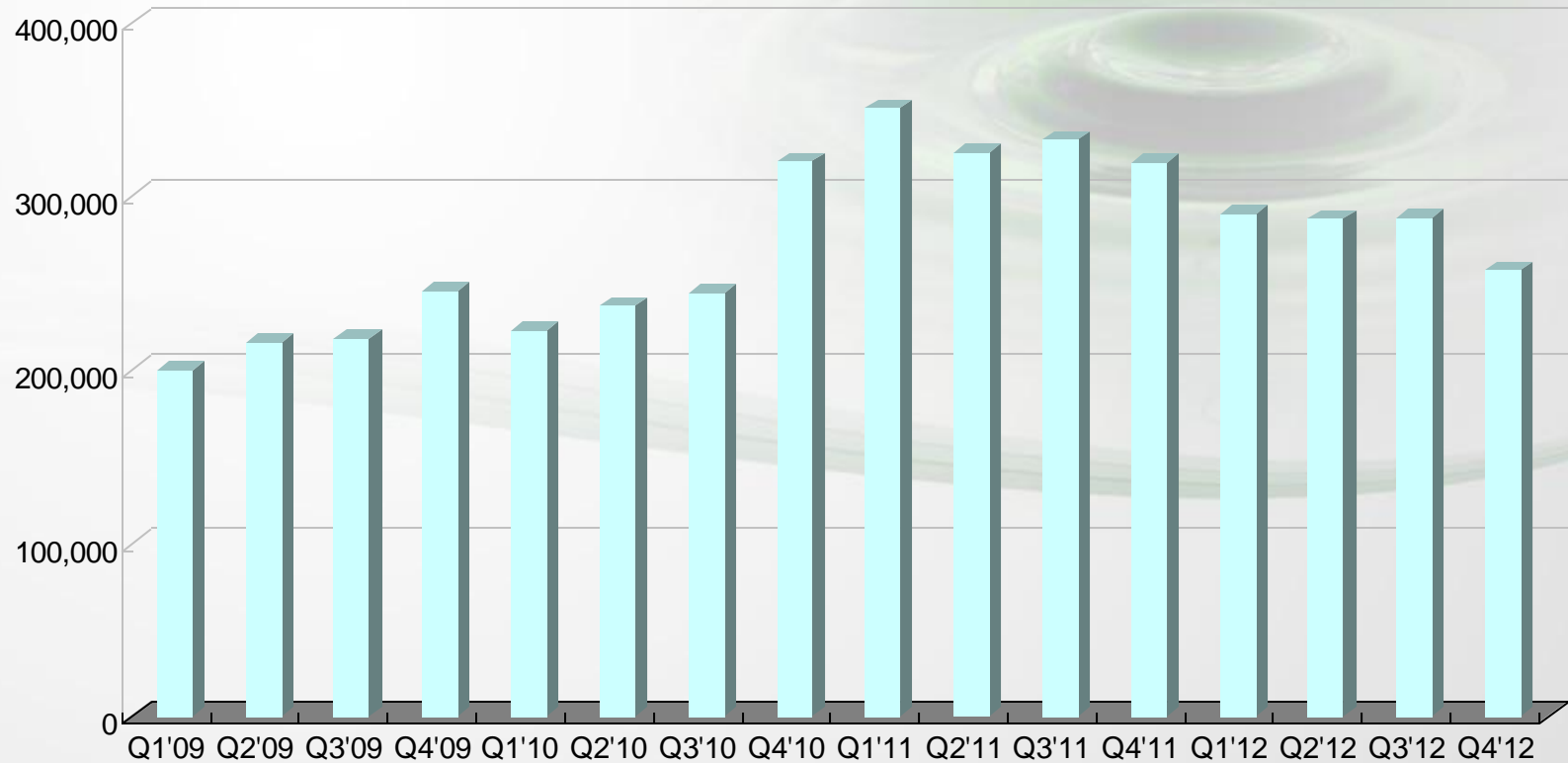
- Dell started using InsydeH2O for certain server models in middle of 2011. More models with InsydeH2O coming into production
- Some of China's largest server makers are Insyde's customers now, including Inspur and Huawei
- In Taiwan, several leading ODMs are using InsydeH2O, but not exclusively
- Insyde's ROI on server investment has started: strong revenue growth in 2011



Financial Review & Company Update

Recent Revenue Trend

(In NT\$ thousands)



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		

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

Consolidated Balance Sheet Summary

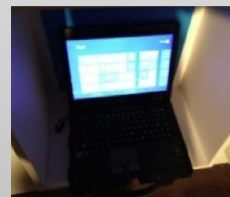
Selected Items from Balance Sheet (NT\$ Millions)

	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%
<u>Total Assets</u>	<u>1,361.5</u>	<u>100%</u>	<u>1,752.4</u>	<u>100%</u>	<u>1,365.5</u>	<u>100.0%</u>
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%
<u>Total Liabilities</u>	<u>625.2</u>	<u>45.9%</u>	<u>1,048.5</u>	<u>59.8%</u>	<u>541.6</u>	<u>39.7%</u>
<u>Shareholders' Equity</u>	<u>736.3</u>	<u>54.1%</u>	<u>703.9</u>	<u>40.2%</u>	<u>823.9</u>	<u>60.3%</u>

Windows 8 Launch @ Taipei



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



Windows 8 Launch @ Taipei

Windows 8

Microsoft

Windows 8 新聞附件一：來自獨立硬體開發商的全力支持

Windows 8 於全球盛大上市，特別感謝台灣產業鏈合作夥伴們全力支持，從系統韌體、多點觸控裝置、顯示器面板、感應器裝置、通訊網路裝置、USB3.0、觸控板裝置、手寫筆裝置、儲存裝置、以及安全晶片裝置等開發商，領先業界率先取得眾多 Windows 8 認證，皆是 Windows 8 上市的幕後主要推手。來自於產業鏈夥伴的強力後援，將是我們持續深耕台灣的最大動力。

- USB3.0 ■ Asmedia 祥碩科技
- 顯示器面板開發商 ■ AUO 友達光電
- 感應器裝置開發商 ■ Capella 凌耀科技
- 系統韌體開發商 ■ Insyde 系微
- 通訊網路裝置開發商 ■ MediaTek 聯發科技
- Realtek 瑞昱半導體
- 多點觸控裝置開發商 ■ Elan 義隆電子

Windows 8

Microsoft

感應器裝置開發商

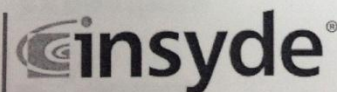


凌耀科技為類比 IC 設計業者，目前主力產品線包括環境光源感測器(Ambient Light Sensor)、紅外線數據傳輸(IrDa)、光學編碼(Optical Encoder)、光儲存感測元件(PDIC)、距離感測器(Proximity Sensor)、色彩感測器(Color Sensor)及紫外線感測器(UV Sensor)。

環境光源感測器(Ambient Light Sensor)傳統上的應用多數實現在電視、螢幕、平板電腦與手持式裝置上，藉由監控環境光強弱變化，進而調整螢幕背光亮度，以達到節能省電與視覺舒適滿意兩大目標。軟體系統的連接通常以嵌入式系統為主，因此在應用上系統整合商與使用者所能調整與感受到的相關體驗經常受到限制。由於開發平台不夠完整，容易造成系統整合商在定義與實現環境光源感測器所帶來的功能時有一定的難度。

在 Windows 8 平台上，除了有完善的光感測器規格選擇建議，光感測器亦能提供應用的實現方式、相容性與可靠度的標準驗證；提供可調整的系統功能參數設定，讓系統開發商能順利的調整出符合產品特色的調光功能。使用者可直接在 Windows 8 裝置上，選取自己感覺最舒適的螢幕背光亮度，作業系統會針對當時環境亮度與使用者偏好的設定，規劃出在不同環境亮度時，使用者的喜愛偏好，這是傳統上其他光感測器的應用所無法做到。

系統韌體開發商



系微個人電腦事業群總經理莊鈴文先生表示：「作為 Windows 8 早期的開發合作夥伴，系微感到非常榮幸能與微軟合作，為 Windows 8 的使用者大幅改進 PC 的「Boot Experience」。」莊先生補充說明：「InsydeH2O UEFI 架構的 Windows 8 Boot Experience，能強化開機速度、增加安全性結構整合及更具視覺上的吸引力。恭喜微軟在 PC 產業上又立下重要的里程碑。」

Thank you!

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