



Investor Update

Nov, 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 10/31/2013: 38.0M shares
- Headquarters: Taipei, Taiwan
 - US operations in Massachusetts and Oregon
 - Other offices in China, Taiwan and Korea

Growing Worldwide Presence

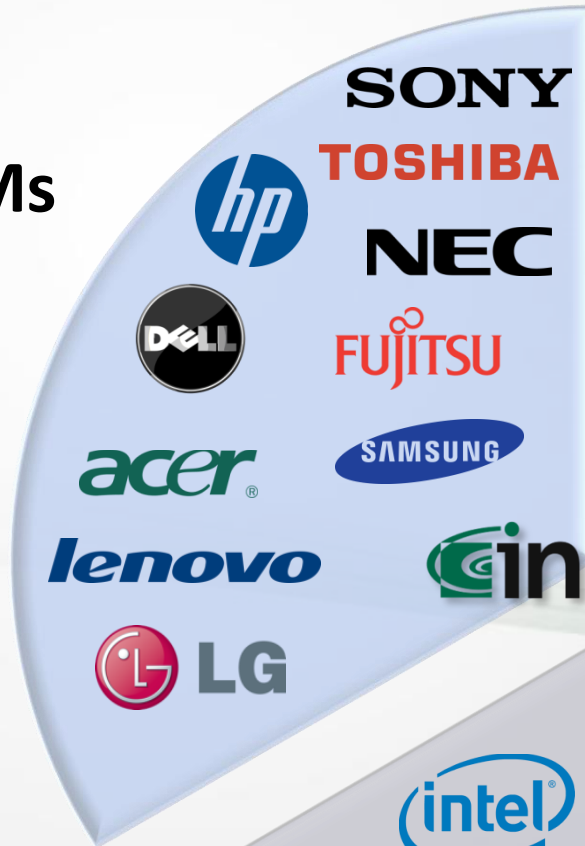
Insyde Software Provides Service to Markets Worldwide



Insyde Relationships

Sample of Customers and Industry Partners

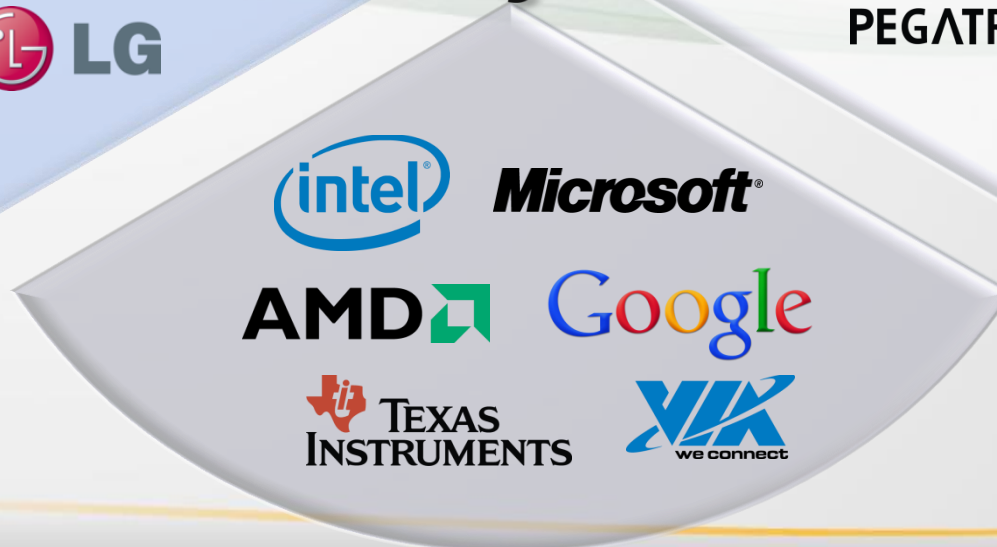
OEMs



ODMs



3rd Parties





Product Portfolio

Product Portfolio

Insyde Software Products Enable Innovation in the Computer Industry



Notebooks



Ultrabooks



Tablets



Desktops



Servers



Embedded



Android

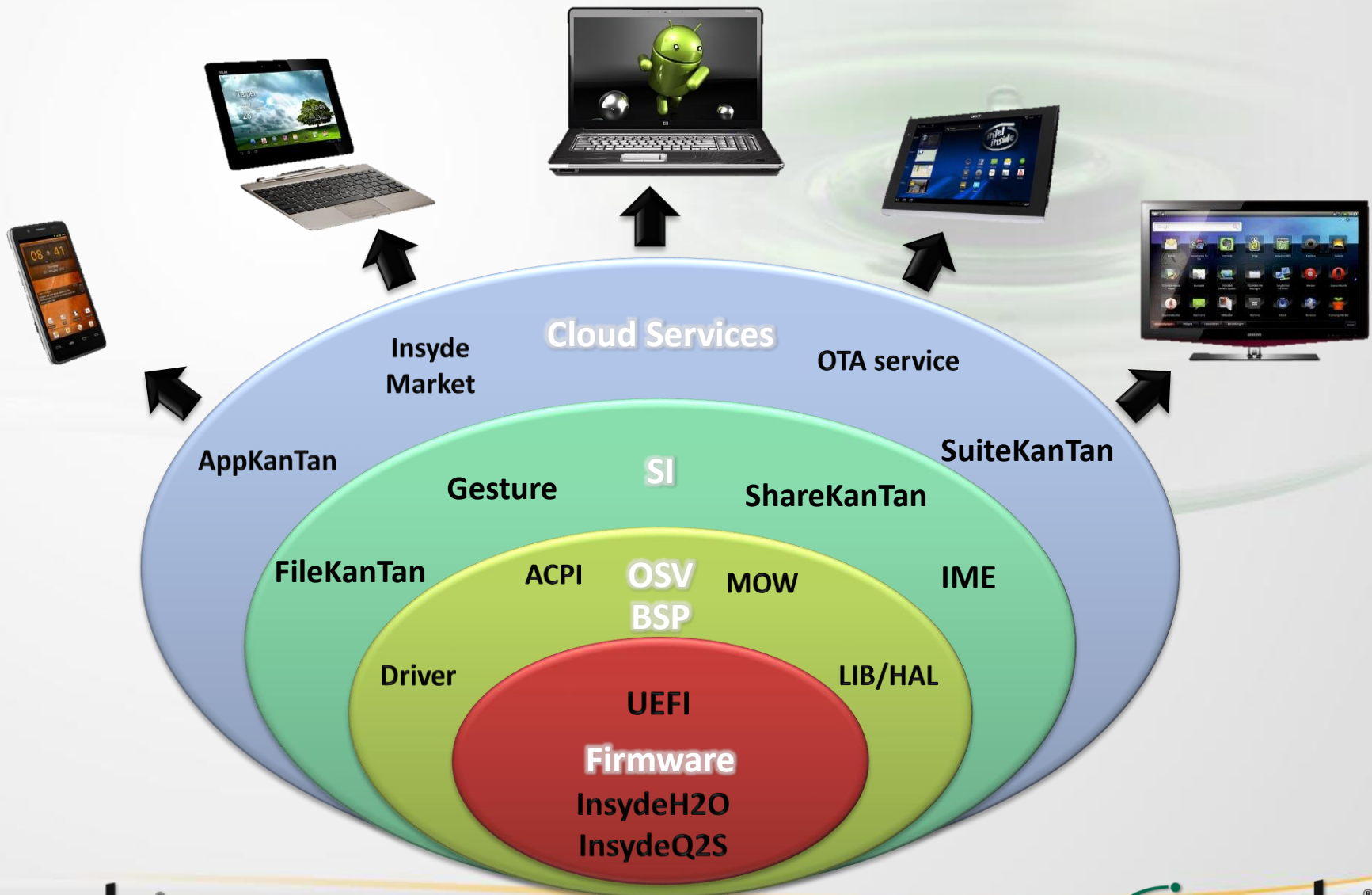


Android
Drivers &
Tools

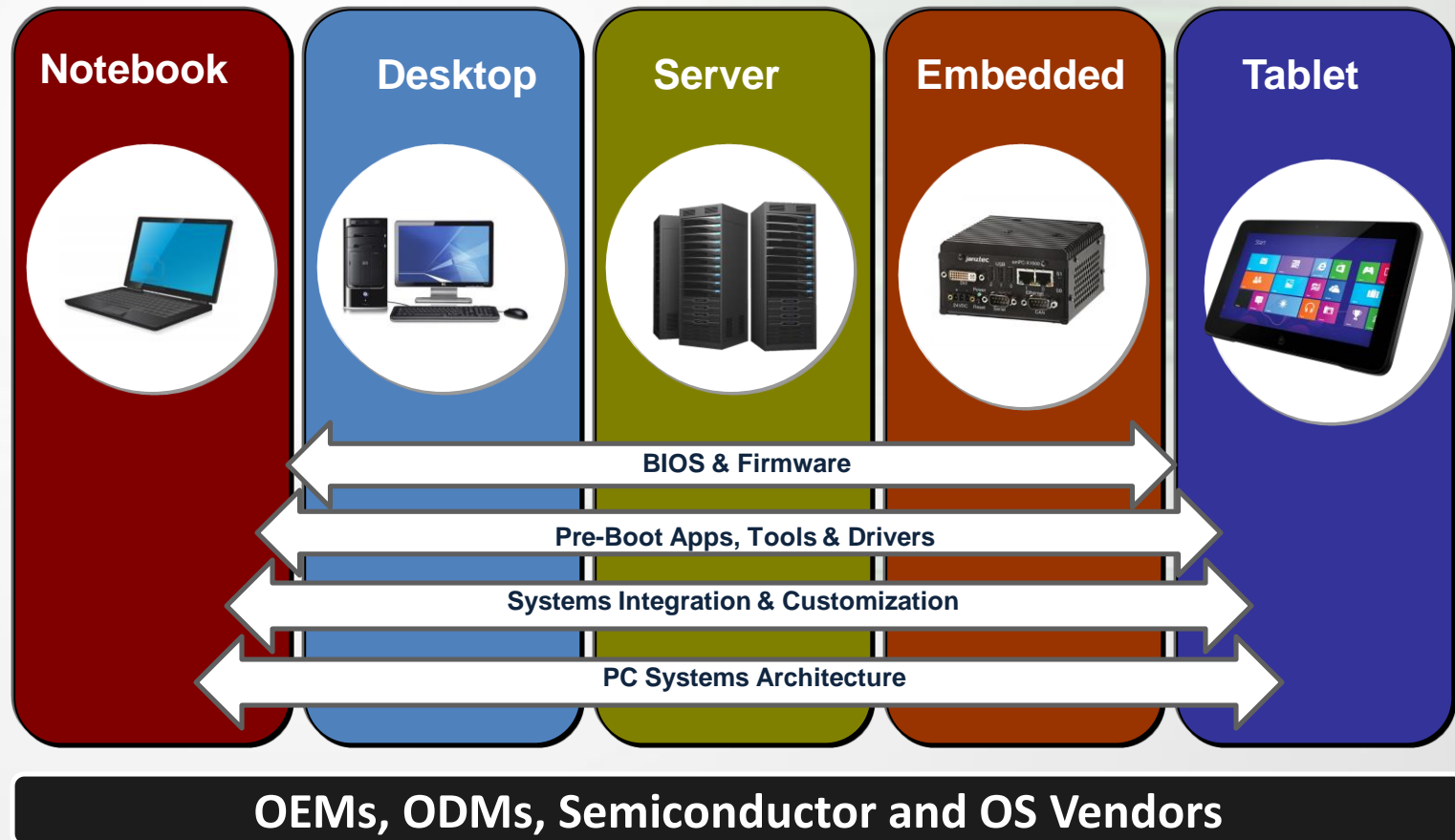


App Market

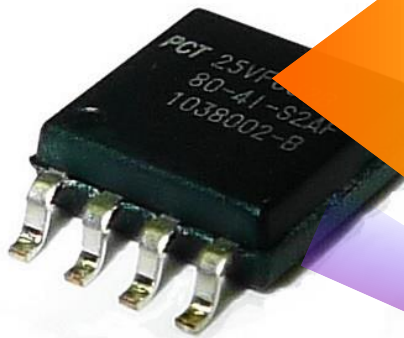
Complete, Customizable Software and Service Solutions, From Firmware to Applications



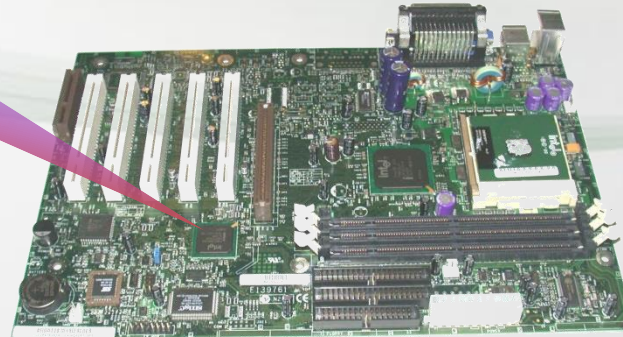
Core Competencies & Markets



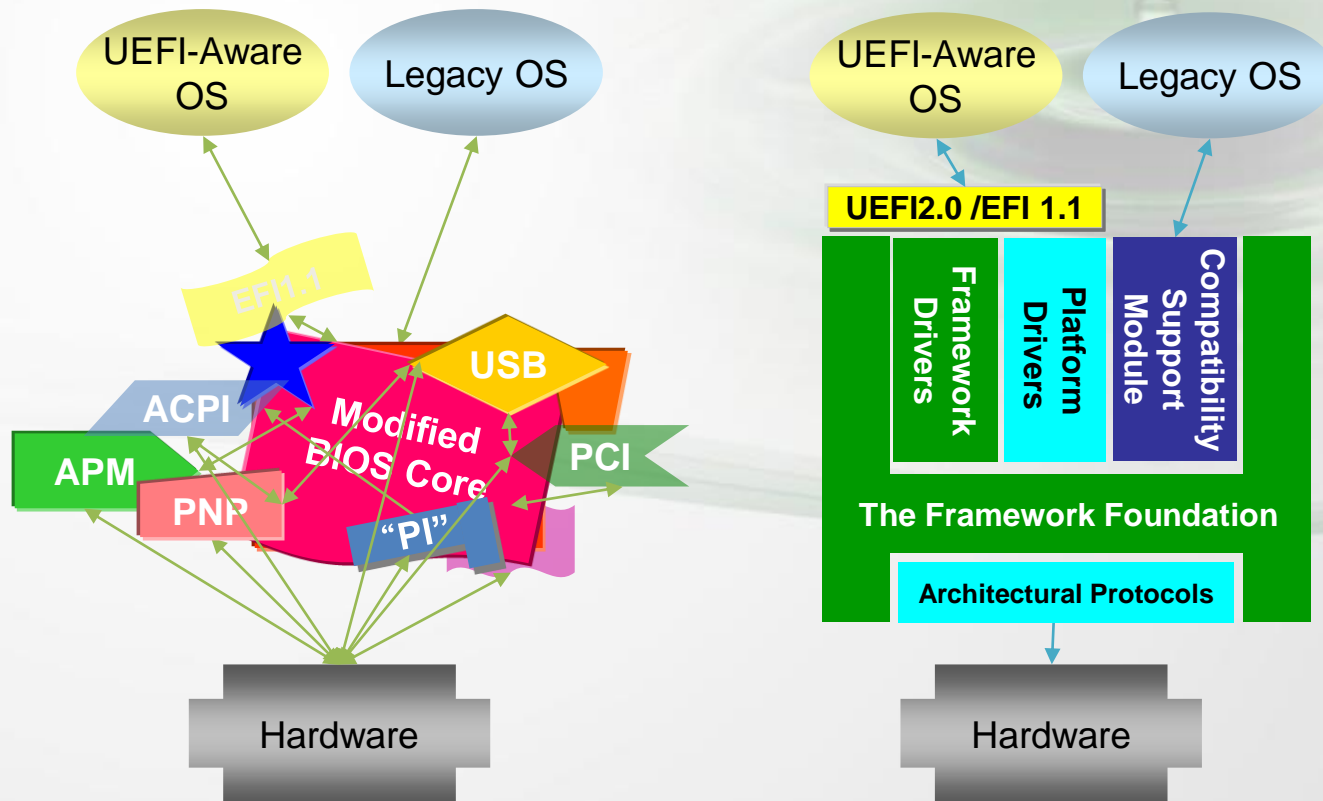
Computer BIOS – “Firmware”



BIOS is stored in NOR Flash

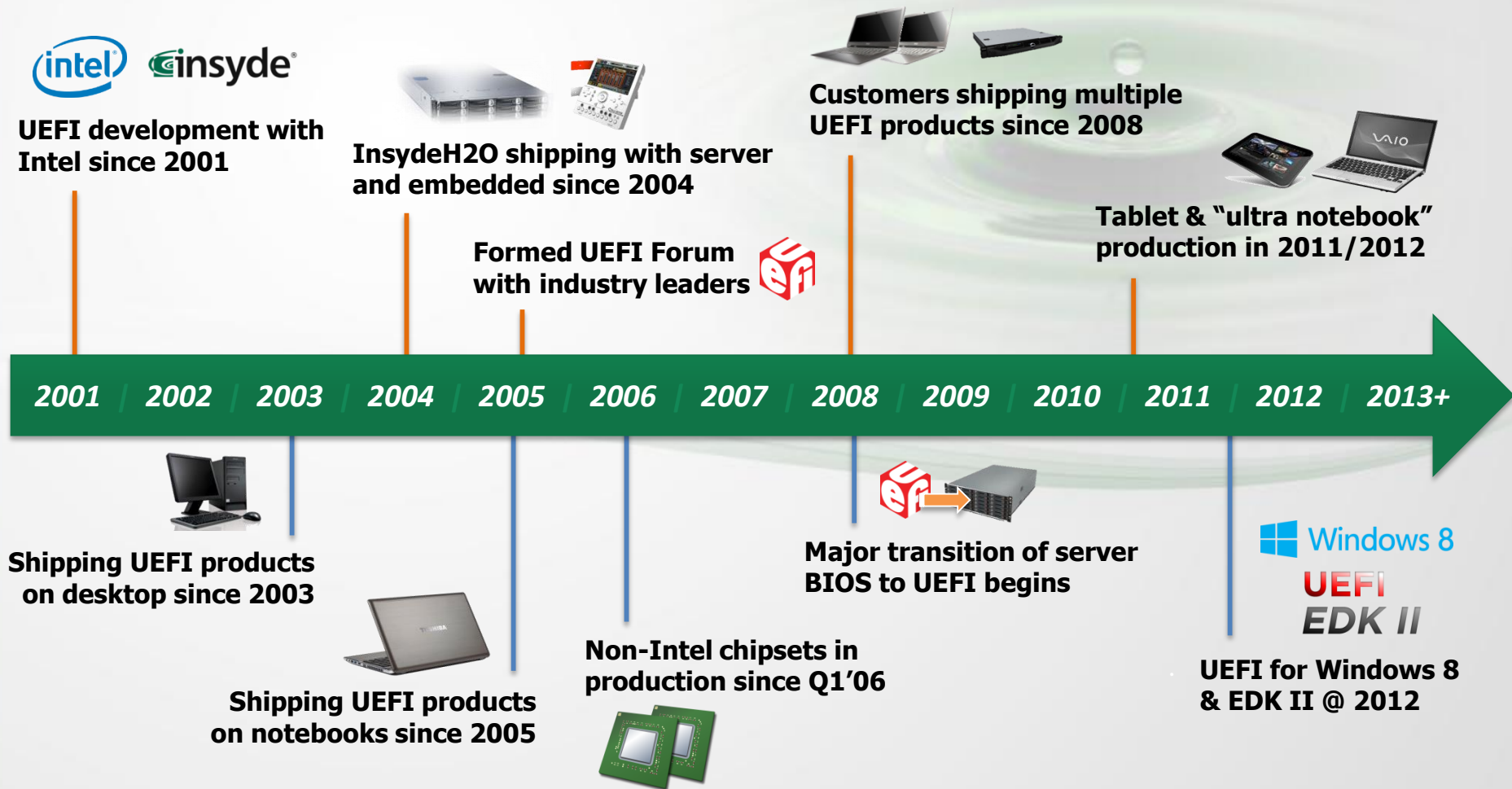


Difference between Legacy BIOS and UEFI Firmware



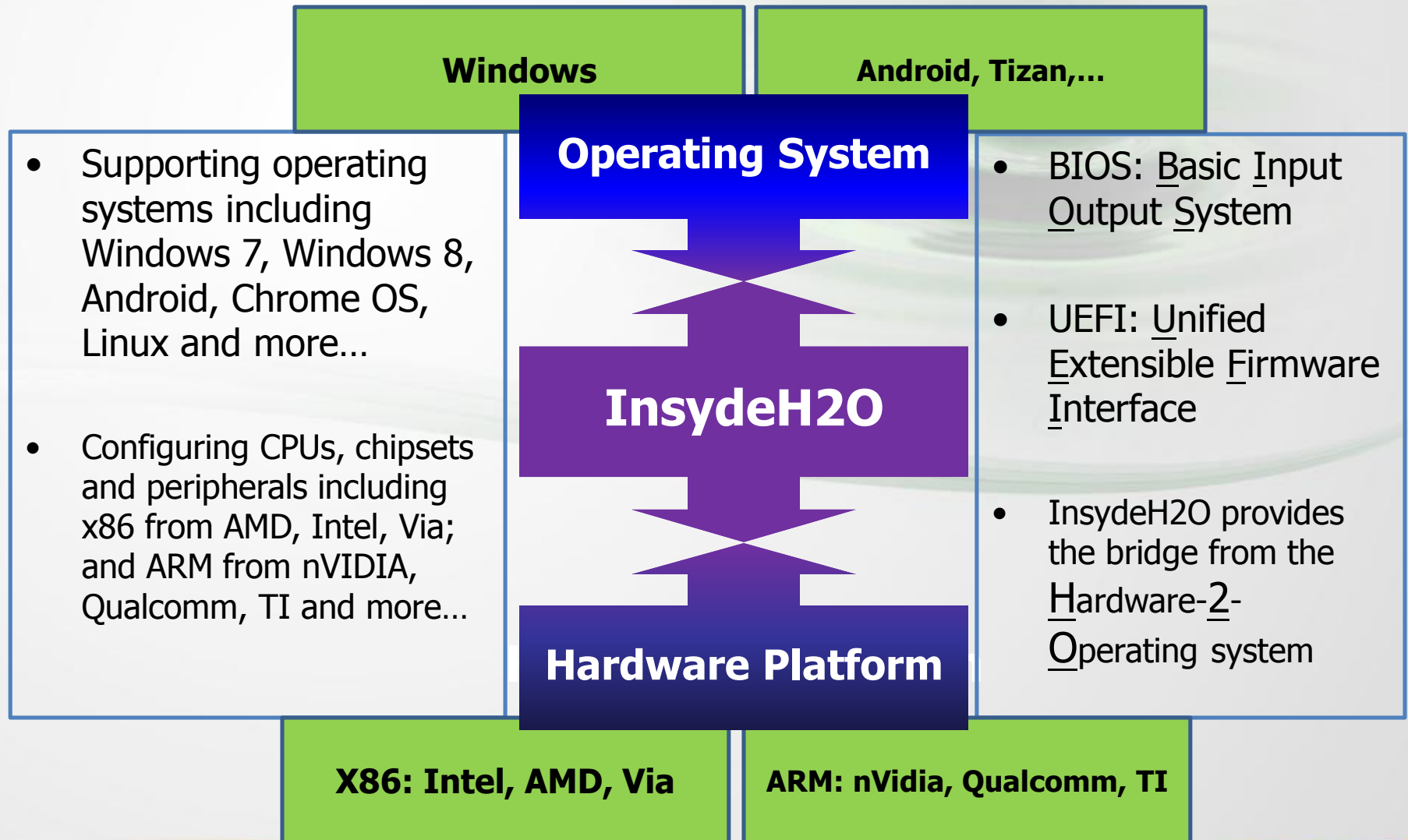
Insyde Has Led the Transition to UEFI

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



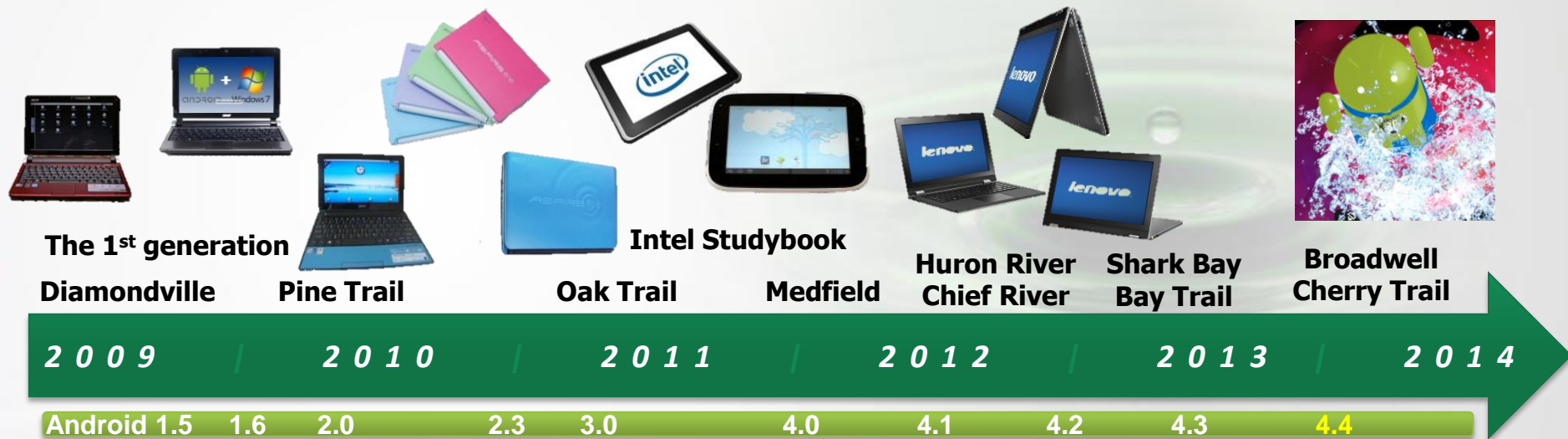
Making Connections in the Era of Platform Variation

Wider Range of Hardware Architectures and Wider Range of Operating Systems



Expertise and Experience - Android on X86

From BSP, OSV, SI to Apps Design



- Developed **Android BSP** for Diamondville, Pine Trail, Chief River, Huron River and Shark Bay.
- Cooperated with Intel NTG to develop Oak Trail BSP
- Deep knowledge and skills on from Android 1.5 to Android 4.3
- Obtained Google **CTS/GTS** certificate for Android on X86

Over 4 million devices shipped

Total Tablet Solutions that are Always Ready for the Next[®]



insyde[®]

Ready for the Next[®]

Insyde's Successful Showcase @ IDF13 SFO



- Key message – **1 BIOS** + **2 OSes**
 - InsydeQ2S (Dual OS Switching) & Android Multiple Open Windows
- Aligned with Intel's 2-in-1 market strategy
 - Insyde's OS Switching was recommended by Intel PCCG in IDF presentation
 - <http://intelstudios.edgesuite.net/idf/2013/sf/aep/EXPS004/EXPS004.html> 40:35'

- Strong interest from visitors and bloggers



"Insyde Software OS switching is very close to the holy grail for running Windows and Android on the same system"

- Steve Chippy Paine http://youtu.be/NeYyaaOj4_g



"I finally found a reason for BIOS to be sexy, and it's found in Insyde's InsydeH2O UEFI BIOS and OS switching" - Nicole Scott <http://youtu.be/u6mYtnz9VQs>



"デュアルOSソリューションで3種類のアプリケーションが1つのハードウェアで"
- 笠原一輝 http://pc.watch.impress.co.jp/docs/column/ubiq/20130926_616841.html





Drivers of Growth

Momentum Building on Android for X86

- Intel starting to push 2-in-1 on X86
- Google CTS certificate for Android on X86 available
- Android becoming the biggest OS across platforms
- Humanos® Special Features for Android
 - Native Dual-OS Switching – multiple ways to perform OS switching between Windows and Android (or Linux)
 - Multiple Open-Windows support
 - Full-Featured Browser – Better experience including FLASH
 - Superior IME (40+ languages) – Software keyboard with Handwriting integration
 - Applications– AppKanTan™, FileKanTan , ShareKanTan, SuiteKanTan, SyncKanTan, SAMBA, FTP, RDP
 - OTA Live Update
 - Mass Production utilities

Growth Potential in Server and Embedded Markets

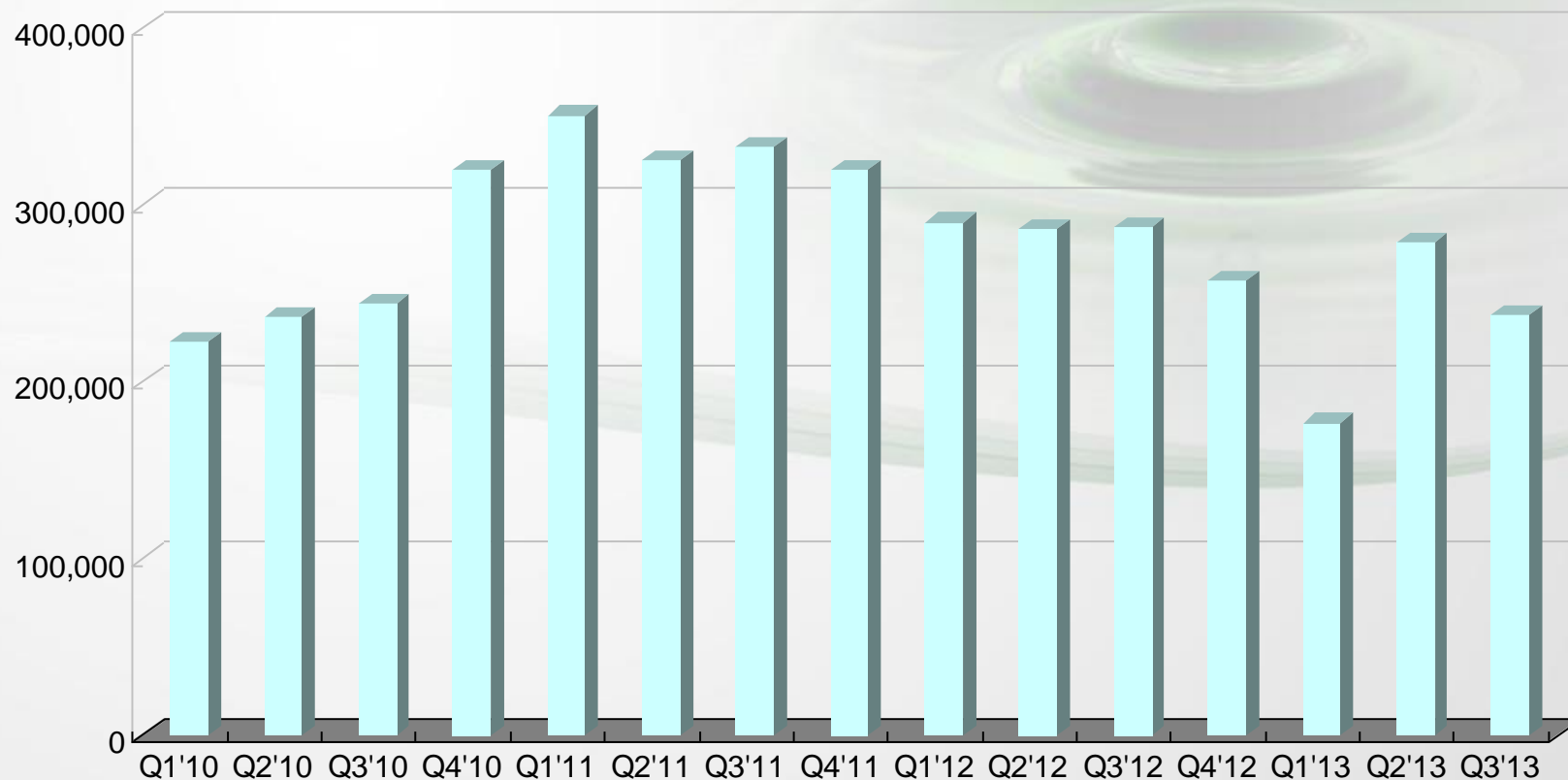
- Smartphones and tablets driving growth of datacenters worldwide
 - Datacenters need servers
 - These servers all need UEFI BIOS. Insyde is one of two external vendors for this UEFI BIOS
- More and more “smart” devices which talk over the internet -- “The internet of things”
- Intel just formed a new business group to focus on this segment. Insyde is one of two UEFI firmware vendors focused on this growing market.
- Cisco, Dell, Huawei, Siemens, Wistron, ZTE and many others using Insyde’s BIOS for these markets, although not exclusively



Financial Review & Company Update

Recent Revenue Trend

(In NT\$ thousands)



Consolidated Income Statement Quarterly

(In NT\$ Thousands)	Q3'13	Q2'13	Q3'12	QoQ %	YoY%
Net Sales	237,025	278,186	286,737	-15%	-17%
COGS	46,019	51,533	55,846	-11%	-18%
Gross Profit	191,006	226,653	230,891	-16%	-17%
Gross margin	80.58%	81.48%	80.52%		
Operating Expense	184,753	175,577	197,137	5%	-6%
Operating Income	6,253	51,076	33,754	-88%	-81%
Operating Margin	2.64%	18.36%	11.77%		
Non-Op Inc/(Exp)	-815	2,147	2,361	-	-135%
Income before Tax	5,438	53,223	36,115	-90%	-85%
Net Income	2,304	47,807	28,026	-95%	-92%
Net Margin	0.97%	17.19%	9.77%		
EPS	0.10	1.26	0.79		

*Q3'13 quarterly after-tax EPS is NT\$ 0.10 and accumulated year-to-date after-tax EPS is NT\$ 0.12

Consolidated Balance Sheet Summary

Selected Items from Balance Sheet (NT\$ Millions)

	Q3'13		Q2'13		Q3'12	
	Amount	%	Amount	%	Amount	%
Current Assets	1062.1	81.4%	1130.5	81.9%	1307.9	96.2%
Fixed Assets	20.5	1.6%	22.4	1.6%	28.6	2.1%
Net PP&E and other assets	222.2	17.0%	226.8	16.5%	22.8	1.7%
<u>Total Assets</u>	<u>1304.8</u>	<u>100%</u>	<u>1379.7</u>	<u>100%</u>	<u>1359.3</u>	<u>100%</u>
Current Liabilities	342.8	26.3%	410.8	29.8%	286.9	21.1%
Non Current Liabilities	324.2	24.8%	333.4	24.1%	353.7	26.0%
<u>Total Liabilities</u>	<u>667.0</u>	<u>51.1%</u>	<u>744.2</u>	<u>53.9%</u>	<u>640.6</u>	<u>47.1%</u>
<u>Shareholders' Equity</u>	<u>637.8</u>	<u>48.9%</u>	<u>635.5</u>	<u>46.1%</u>	<u>718.7</u>	<u>52.9%</u>

Thank you!

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www.insyde.com

