



Investor Update

May, 2010

Jeremy Wang, Chairman & CEO

Agenda

- Company Overview
- BIOS & UEFI Firmware Technology
- New Product Line
- Drivers of Growth
- Financial Review & Company Updates
- Q&A

Company Overview



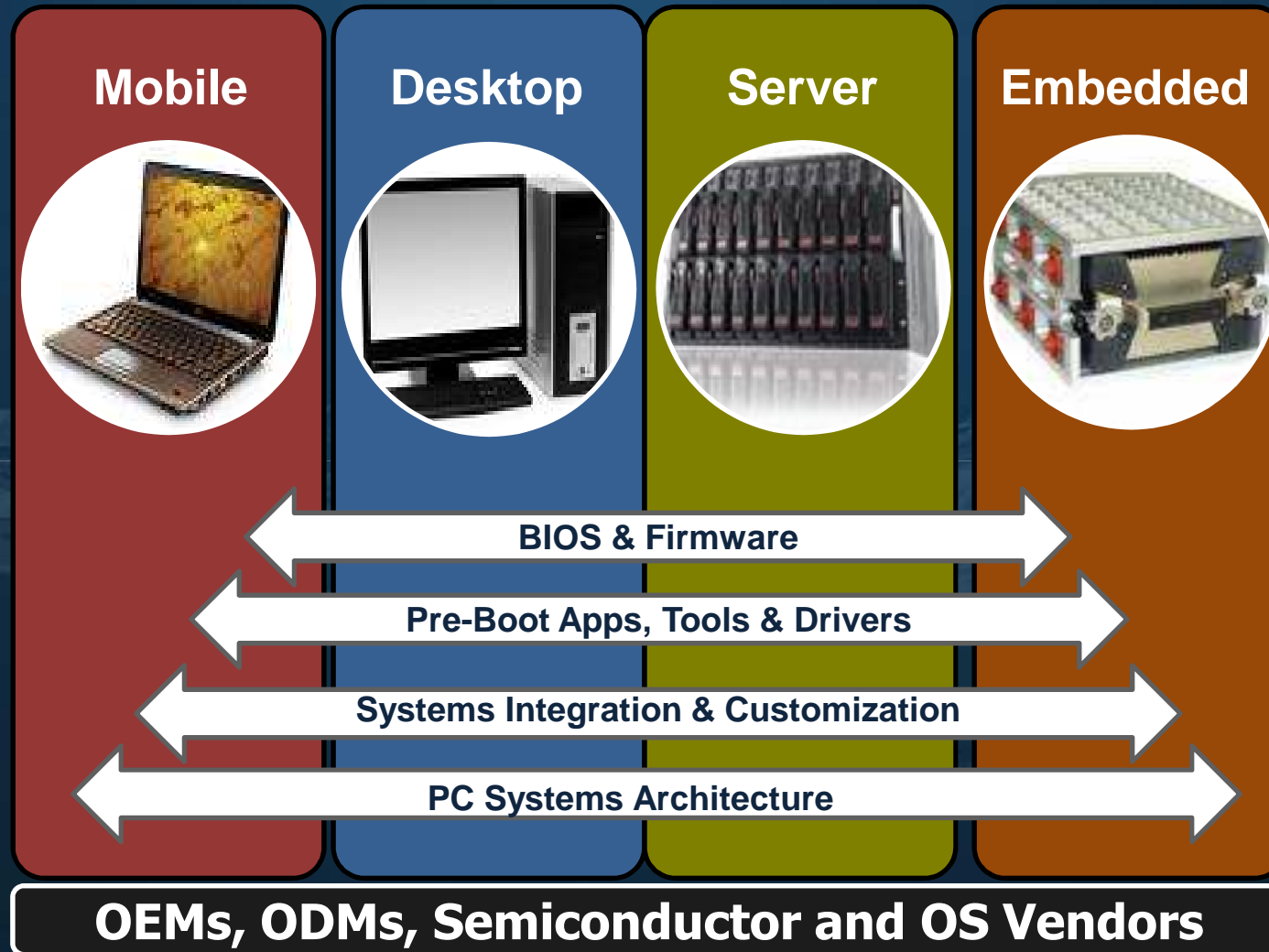
Insyde Software (6231.TW)

- 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 4/30/2010: 33.2M shares
- Headquarters: Taipei, Taiwan
 - US operations in Massachusetts and Oregon
 - Other offices in China, Taiwan and Korea
- Worldwide 400+ employees

Products & Services

- Main Product: **InsydeH2O™**
 - BIOS software that links Hardware-2-Operating 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

Core Competencies & Markets



Insyde Customers are Industry Leaders



Insyde Customers Supply Industry Leaders



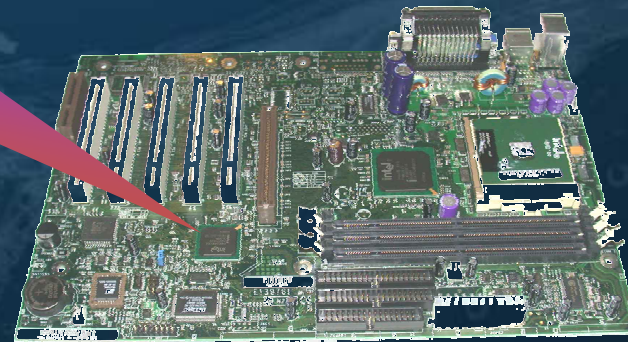
BIOS & UEFI Firmware

Computer BIOS – “Firmware”

NOR FLASH



BIOS is stored in NOR Flash



BIOS = Firmware = InsydeH2O

- BIOS - Basic Input Output System
- 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 Hardware-2-Operating system





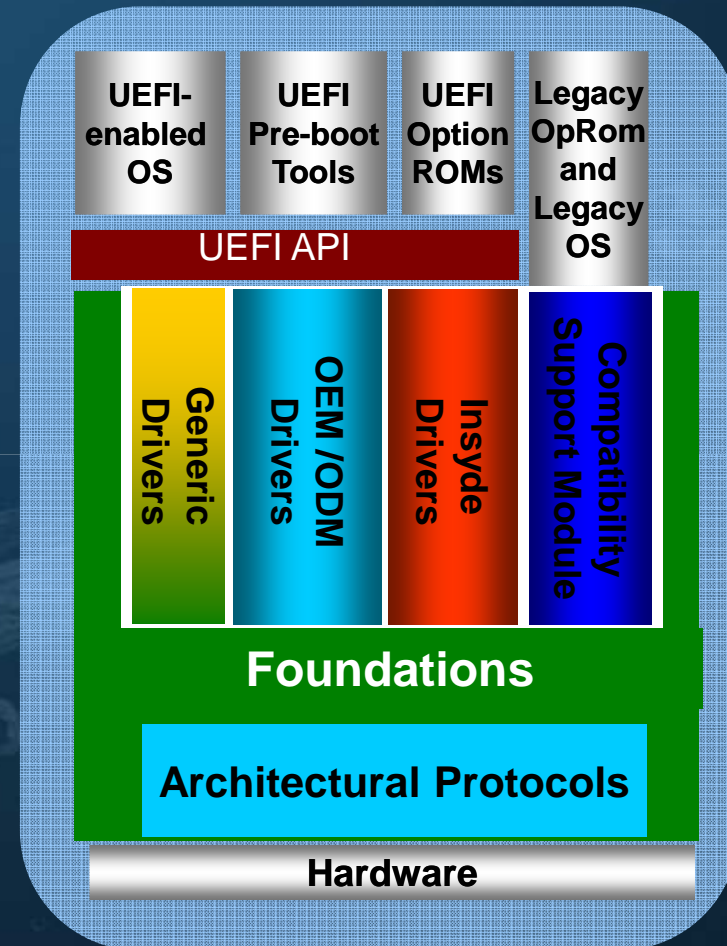
UEFI: Replacement for PC BIOS

- 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

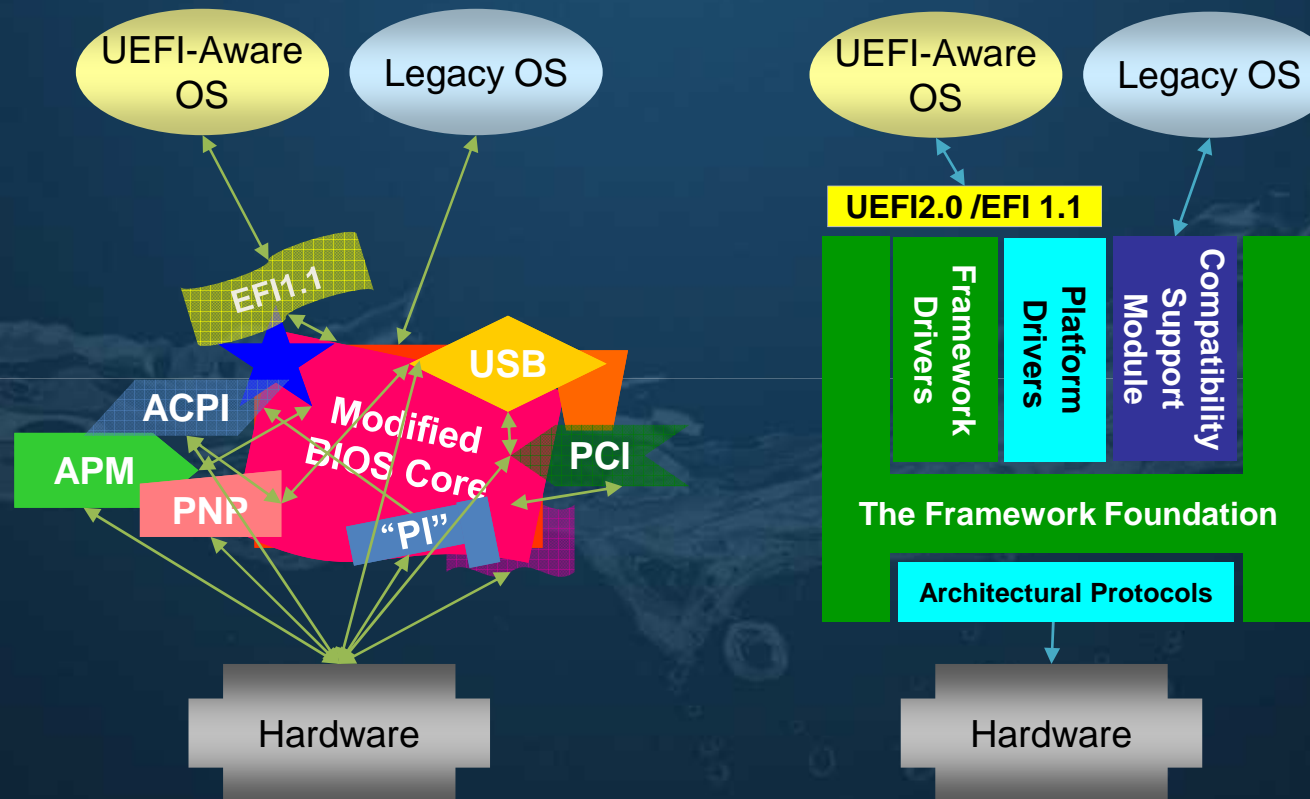


Key Benefits of UEFI Firmware

- 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!

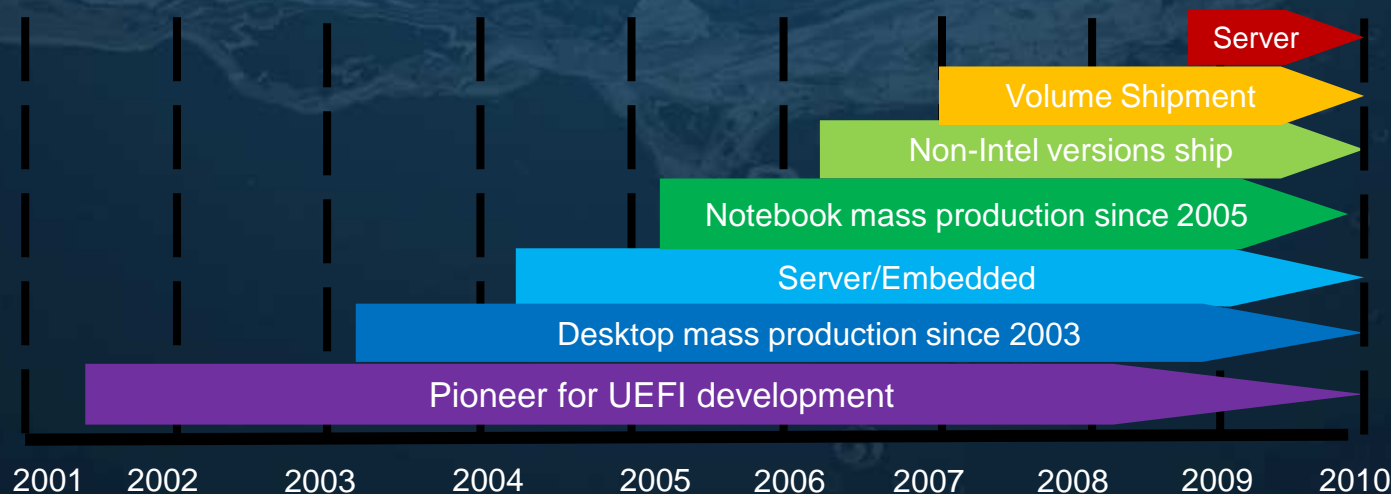


Difference between Legacy BIOS and UEFI Firmware



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





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

Insyde Android Solutions





Introducing Humanos™

- An Instant-On solution using Insyde's Quick Boot technology as start, plus
- Insyde's integration of Google's mobile phone Android OS provides an open, Instant-On environment for notebooks and netbooks
- Co-exists with Windows for PC platform
- 1st Android for netbooks – available October 2009

Insyde Market™

The only Android™ application market created exclusively for netbook computers



❖ Phase I Launched Oct 30, 2009

Coincides with Acer shipping Humanos™ on Aspire One netbooks

❖ Phase II Launched May 14, 2010

Add Paid-for applications
Opens revenue-share models

❖ Developer and Member participation growing daily

❖ Market growth indicators*

Netbook market to grow 25% to 40M units in 2010

Android Application Market to see a 5x Increase in the # of apps in 2010



Drivers of Growth



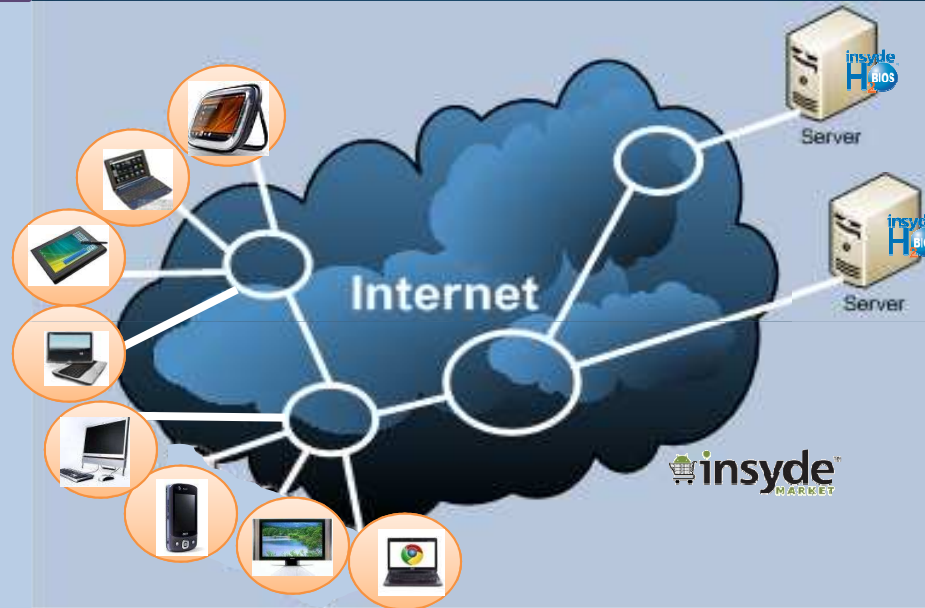
Poised to Leverage Market Drivers

- 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
- Intel's Atom grows x86 computer markets
- WW Server BIOS transition to UEFI
- 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
 - OEM libraries for each in production with InsydeH2O
 - ODMs: Compal, Inventec, Quanta, Wistron and others
 - High-touch/Mid-touch/Low-touch working models
- Continuous market-share growth in notebooks
 - Estimated share over next 12 months shipments > 40%
 - Leadership across both Intel and AMD mobile platforms

Growth Potential in Server Markets

- Worldwide: 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, Inspur is the country's largest server maker with competitors that include Dawning, Huawei, and Lenovo
- InsydeH2O selected by AMD as UEFI validation BIOS for servers
- Insyde's ROI on server investment will start in late 2010
 - Top-tier WW server OEM using InsydeH2O for next-gen servers
 - Taiwan's major server ODMs are Insyde current customers
 - Insyde is providing training and engaging top server manufacturers WW



Additional Growth Potential in Cloud Computing Era

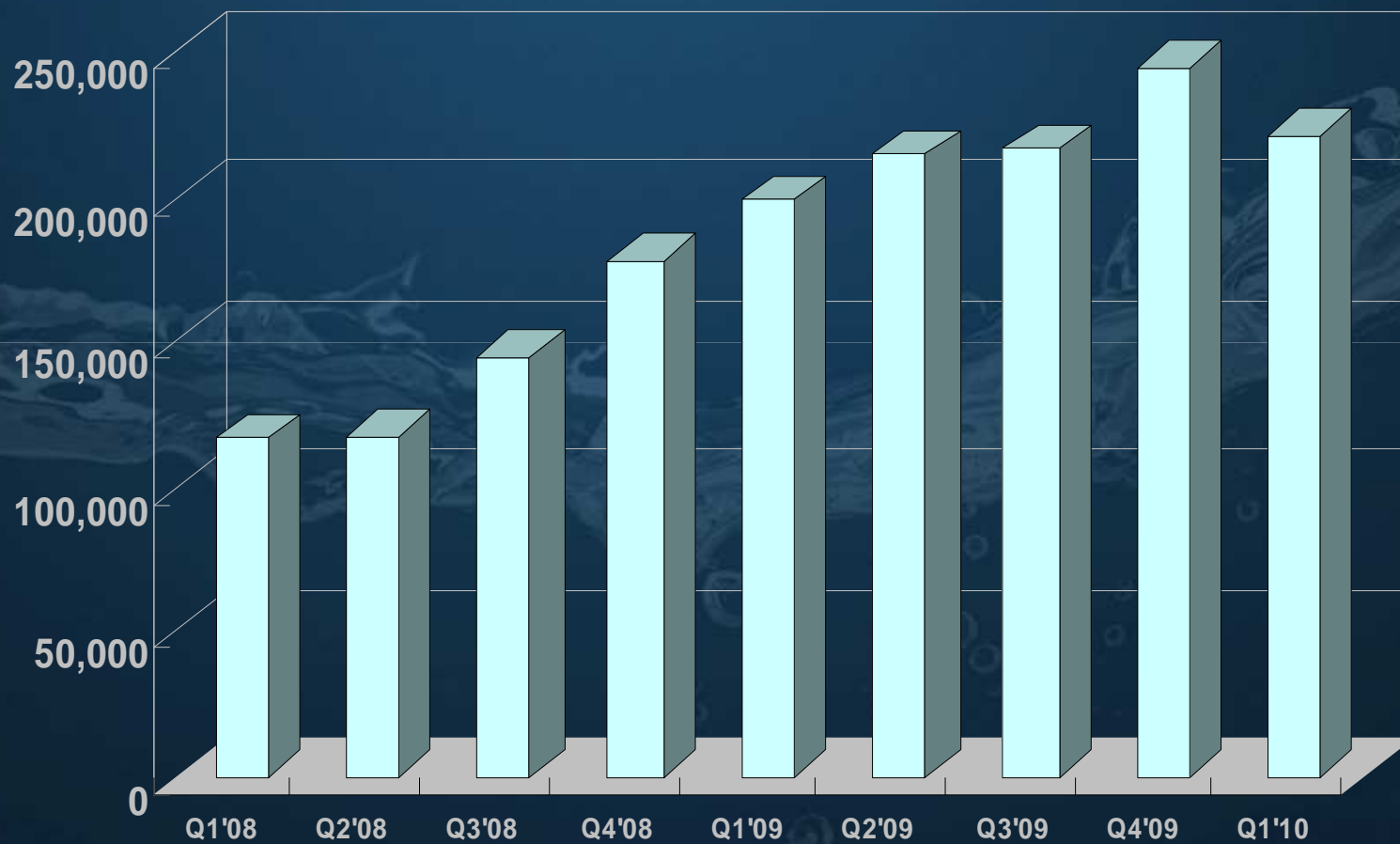
- Insyde's client-side Cloud Solutions
 - Extend Insyde Android solution
 - Follow Google's Chrome OS steps
 - Create Insyde's own Chromium OS solution
- Add Insyde's client-side Cloud Solutions to Windows PCs
- Expand Insyde's client-side Cloud Solutions to other devices, such as IPTV and iPad-like 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)	Q1'10	Q4'09	Q1'09	QoQ %	YoY%
Net Sales	222,284	245,024	199,290	-9%	12%
COGS	33,618	32,173	20,212	4%	66%
Gross Profit	188,666	212,851	179,078	-11%	5%
Gross margin	84.88%	86.87%	89.86%		
Operating Expense	142,390	152,449	117,088	-7%	22%
Operating Income	46,276	60,402	61,990	-23%	-25%
Operating Margin	20.82%	24.65%	31.11%		
Non-operating Inc/(Exp)	-405	-2,946	-543		
Income before Tax	45,871	57,456	61,447	-20%	-25%
Net Income	43,340	57,380	57,208	-24%	-24%
Net Margin	19.50%	23.42%	28.71%		
EPS (NT\$)	1.31	1.73	1.73		
Head counts	399	395	310		

Balance Sheet Summary

Selected Items from
Balance Sheet (NT\$ Millions)

	Q1'10		Q4'09		Q1'09	
	Amount	%	Amount	%	Amount	%
Current Assets	907.80	94.2%	855.55	94.4%	837.99	94.6%
Fixed Assets	36.22	3.8%	33.49	3.7%	26.36	3.0%
Net PP&E and other assets	19.37	2.0%	17.67	1.9%	21.13	2.4%
<u>Total Assets</u>	<u>963.39</u>	<u>100.0%</u>	<u>906.71</u>	<u>100.0%</u>	<u>885.48</u>	<u>100.00%</u>
Current Liabilities	286.85	29.7%	275.99	30.4%	299.71	33.8%
Long-Term Liabilities	0	0%	0	0%	55.87	6.3%
Other Liabilities	0	0.3%	0	0.3%	3.16	0.4%
<u>Total Liabilities</u>	<u>286.85</u>	<u>29.8%</u>	<u>275.99</u>	<u>30.4%</u>	<u>358.74</u>	<u>40.5%</u>
<u>Shareholders' Equity</u>	<u>676.54</u>	<u>70.2%</u>	<u>630.73</u>	<u>69.6%</u>	<u>526.74</u>	<u>59.5%</u>



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

Visit Insyde Software During Computex!



Come See

- The latest units shipping with InsydeH2O™
- InsydeH2O's Blink Boot™ technology demos at Microsoft Booth #L0108
- Innovative Android solutions for mobile computing platforms

Learn More

- We'll show you how Insyde Software is committed to leading the industry with innovation
- Find out why Insyde Software has the most reliable and trusted UEFI solutions for servers

Please Contact Your Sales Representative For More Information

