



TWSE : 6277

ATEN INTERNATIONAL

Investor Conference

▶ Disclaimer



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 risk, 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 Profile
- ▶ Product and Application
- ▶ Industry Trend
- ▶ Core Advantage
- ▶ Financial Result

Company Profile

▶ Company Profile

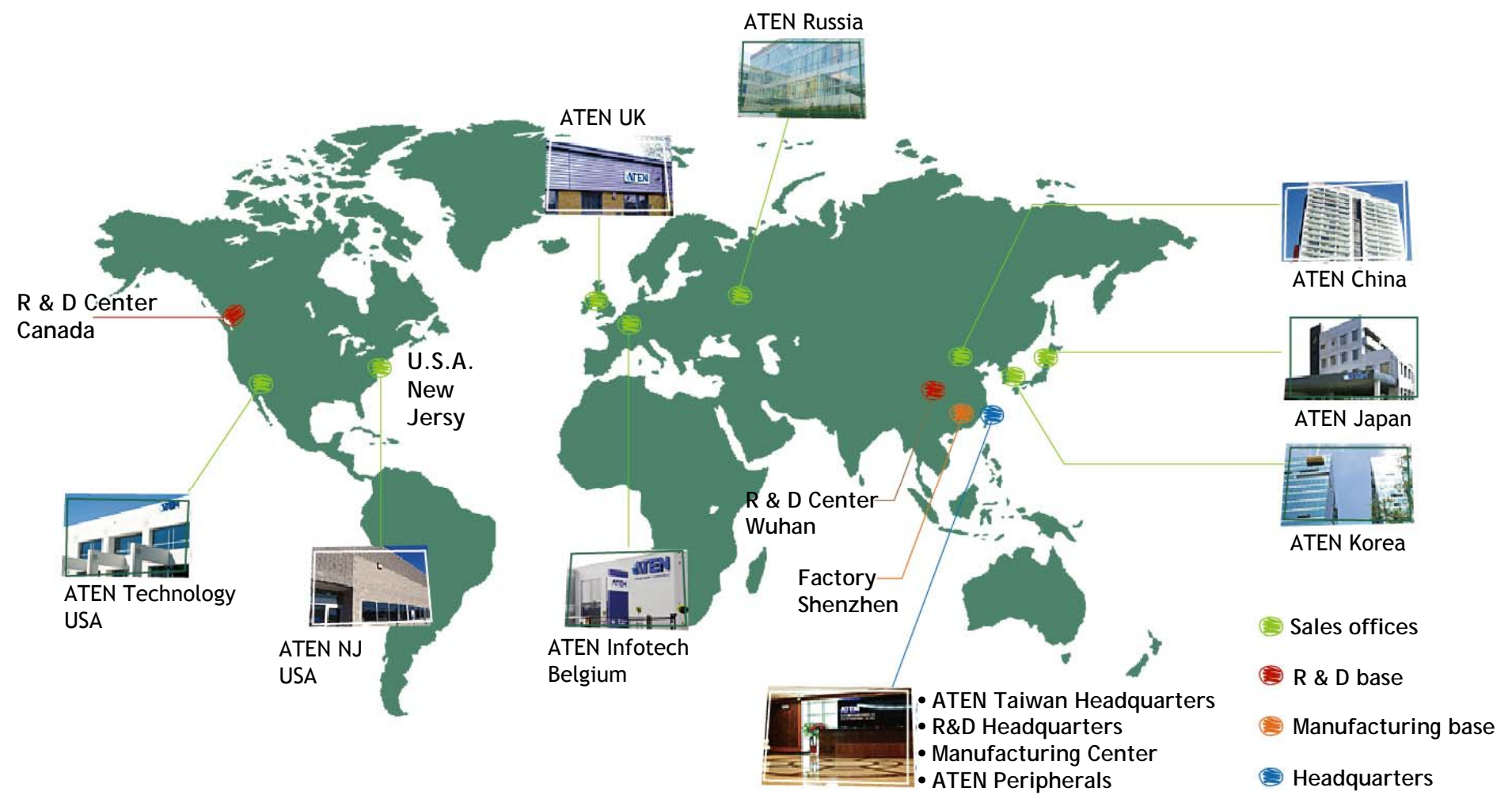
- ATEN International (TAIEX: 6277) is reputable as a provider of IT connectivity and management solutions among IT Infrastructure access management (KVM), Professional Audio/Video, and Energy Intelligence Power & Cooling Distribution System markets for 35 years
- Founded in 1979, the only publicly listed company in the World for IT Infrastructure Access Management Industry. (listed in the Taiwan Stock Exchange since October 2003)
- World's number 2 provider for IT Infrastructure Access Management solution.
- Global arrangement : 8 sales subsidiaries 、 3 RD center 、 3 factory
- Employees Worldwide: More than 1,600



integrity **C**aring **A**mbition **N**ovelty



Global Arrangement



▶ ATEN Brand



SOHO/ SMB Solutions



- KVM Switches
 - Cable KVM
 - Desktop KVM
 - Rack KVM
 - LCD KVM
- KVM Extenders
- Secure KVM
- USB Solutions
- Data Communications

Enterprise Solutions



- Over the NET™ Solutions
 - KVM Switches
 - Control Center
 - Serial
 - Power
- KVM Switches
 - Matrix KVM
 - High-Density KVM
 - Dual Rail LCD KVM

Professional Audio/ Video Solutions



- Media Distribution Solutions
- Media Matrix Solutions
- Video Switches
- Video Splitters
- Video Extenders
- Video Converters
- Video Matrix Switches

Green Energy Business



- Green Data Center
- Remote Energy Control
- Indoor Air Quality
- HVAC Balance System
- Smart Energy
- Resources Pipeline Distribution






Consumer Electronics



- A/V & Digital Home
- Connectivity Solutions
- Desktop Solutions
- Mobility Solutions
- Networking Solutions

Product and Application

IT Infrastructure Access Management Solution

Management 	Single Controlled Device (PC/Cloud server 、 DVR/NVR surveillance 、 Manufacture equipment 、 USB device) 	Multi-Controlled Device 
Single Console 	<ol style="list-style-type: none"> 1. USB extender 2. KVM extender 3. RS232/Serial extender 4. Converter/Emulator 	<ol style="list-style-type: none"> 1. Over-IP KVM Switch 2. Multi-View KVMP switch 3. LCD KVM Switch 4. HOME/SOHO/SMB KVM Switch 5. Mobile/PC Sharing Keyboard /Mouse Device
Multi-Console 	<ol style="list-style-type: none"> 1. Multi- Console KVM Switch 2. USB Peripheral Sharing Device 	<ol style="list-style-type: none"> 1. High-End Matrix KVM Switch 2. Over-IP Matrix KVM Switch 3. USB Peripheral Sharing Device

IT Infrastructure Access Management Product



1. Enterprise Data Center and Automation Solution

CC Software – CC2000 Centralized Management; CCVSR Video Session Recorder

SN – Serial Console Server
(8/16/32/48 ports)



KHi – Cat 5 KVM over IP
Switch (8/16 ports)



KN – Cat 5 KVM over IP Switch
(8/16/24/32/40 ports)



KM – Cat 5 KVM Matrix
(5/9 console, 32 ports)



KH – Cat 5 KVM Switch
(8/16 ports)



CL/KL – LCD Console
LCD KVM Switch
(8/16 port)



Cable KVM Switch
(2/4 ports)



Desktop KVM Switch
(2/4 ports)



Rack KVM Switch
(8/16 ports)



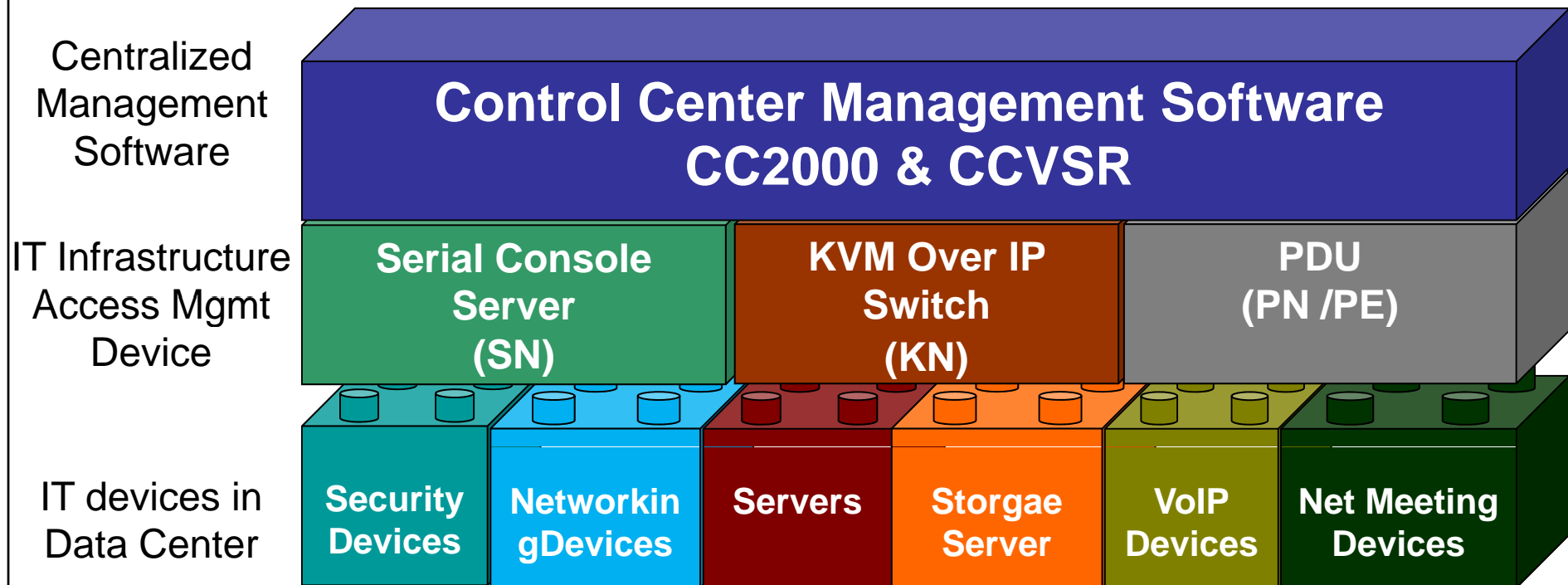
3. Enterprise and Professional User

2. SMB /Data Center Solution

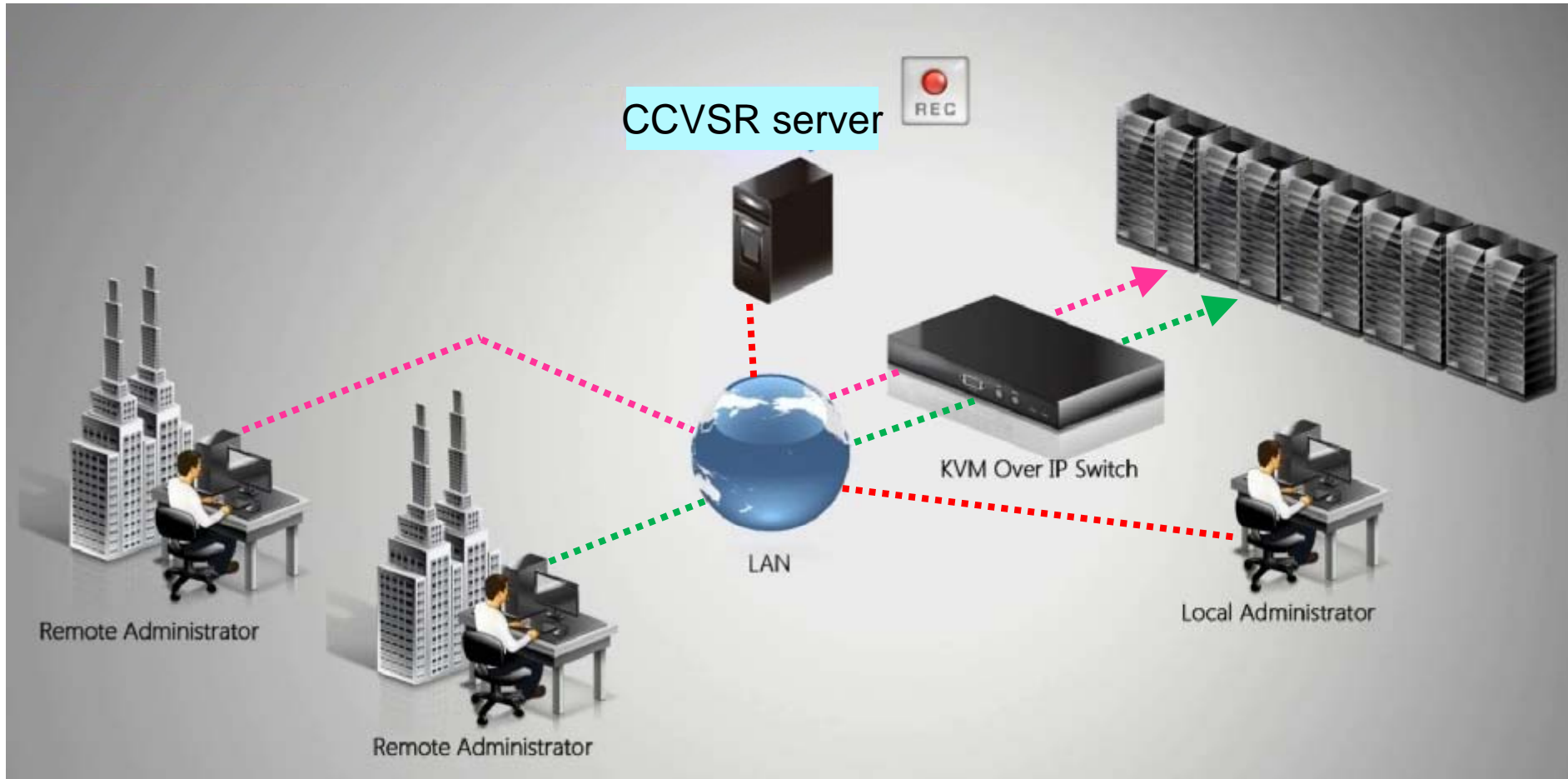
▶ Data Center Centralized Management Solution



ATEN DCCMS, using single IP address / single portal / single sign-on, allows centralized management of different IT devices with different interfaces



▶ CCVSR(Control Center Video Session Recorder)



Data Center Application : China Subway



Benefits

- Both remote and local control to enhance centralized management and efficiency

KVM+Green Energy Solution

Control Room



Server Room

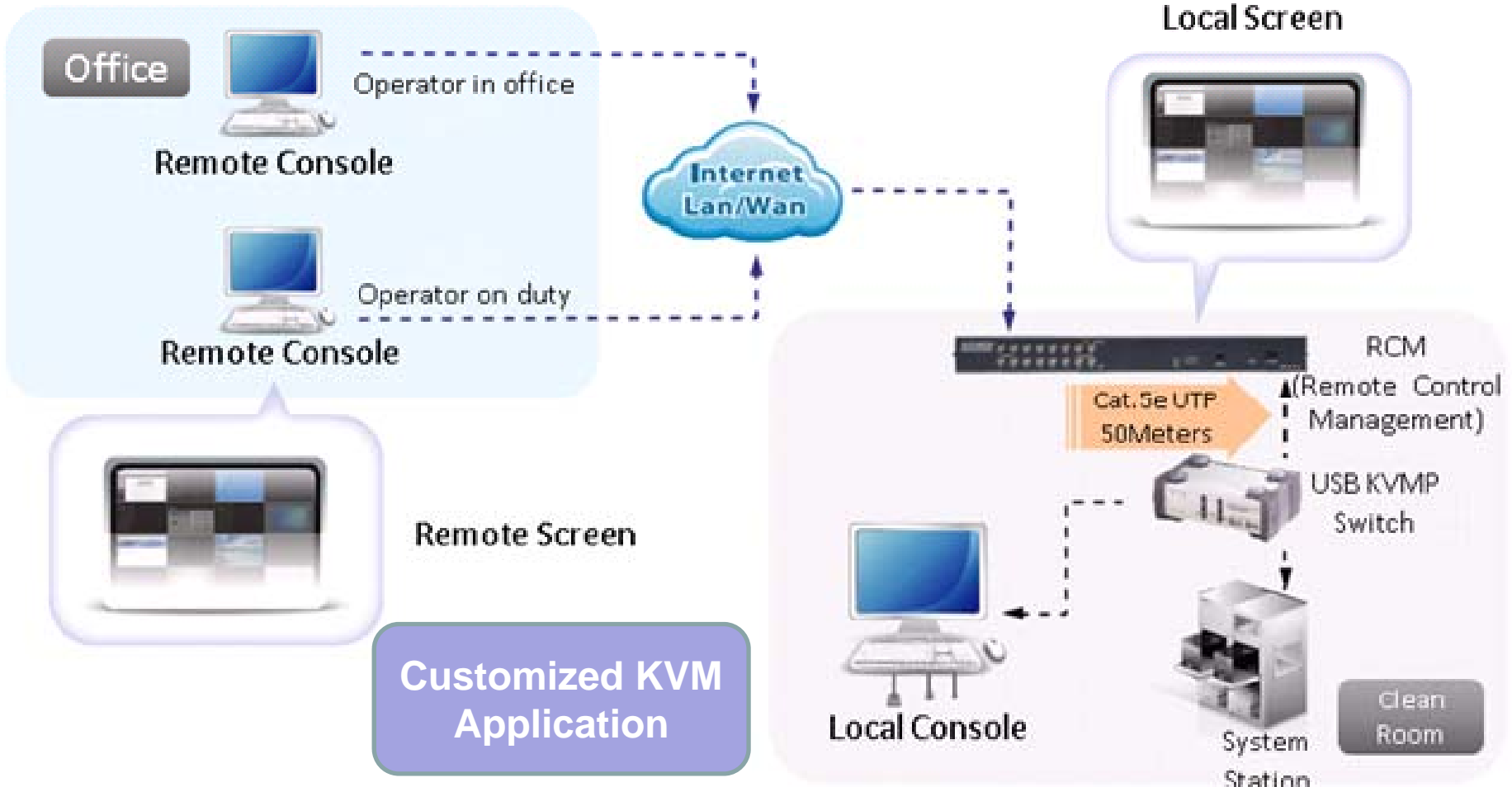


Automation Application : Foundry



Benefits

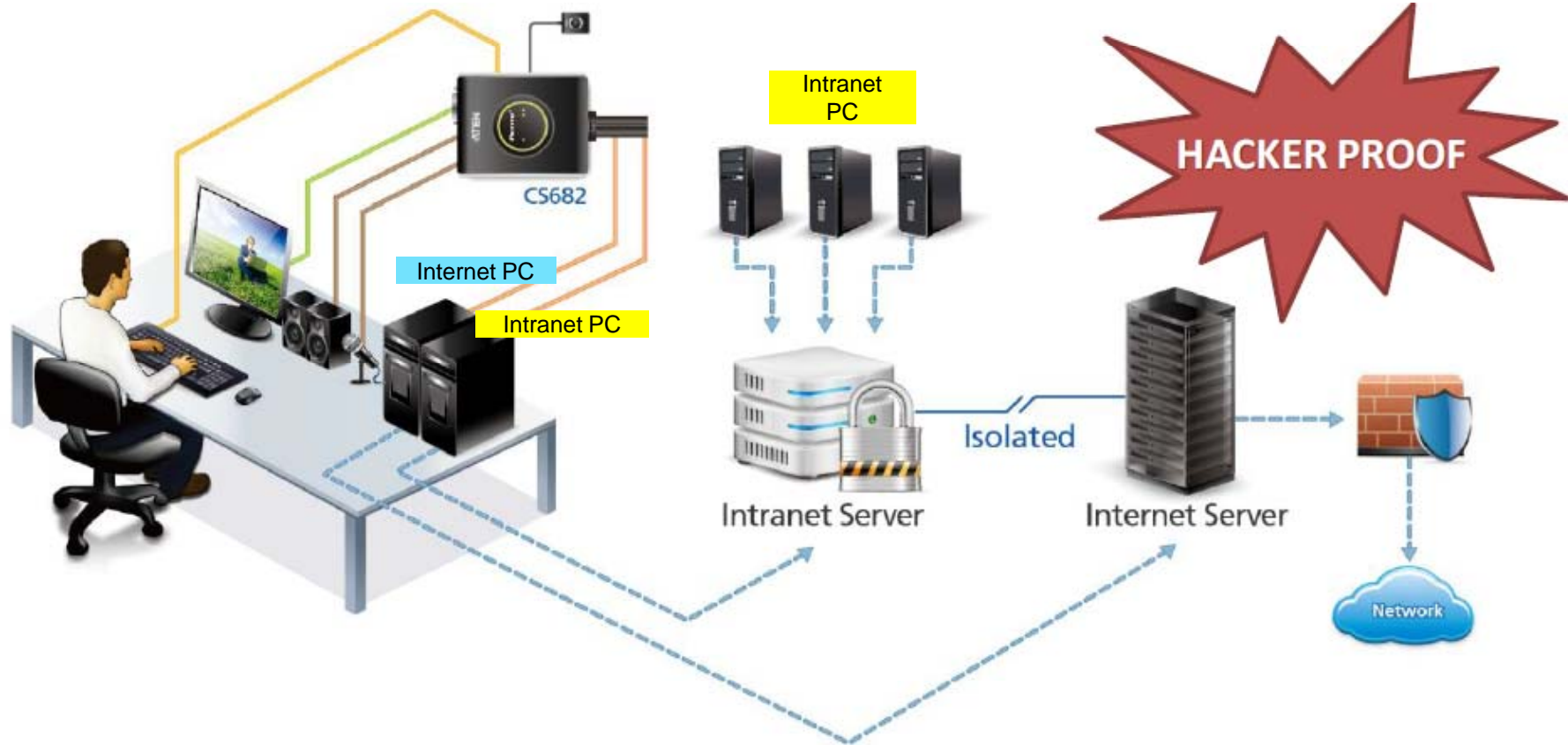
- Reduces the number of engineers working on fab production lines to save labor costs
- Panel Array Mode™ allows remote monitoring of multiple equipment simultaneously; engineers can remotely control equipment to boost efficiency



Isolation of Internet and Intranet : Banking

Benefits








- Completely secure from hacker/virus attacks



Unique KVM
Application

Professional Audio/Video Solution



<p>Video</p> 	<p>Single Display</p> 	<p>Multiple Display</p> 
<p>Single Source</p>  <p>or</p> 	<ol style="list-style-type: none"> 1. Wireless HDMI video extender 2. HDBaseT video extender 3. HDMI/DVI video extender 4. VGA video extender 5. Video interface converter 	<ol style="list-style-type: none"> 1. HDBaseT video splitter 2. Fiber video splitter 3. SDI video splitter 4. HDMI/DVI video splitter 5. VGA video splitter
<p>Multiple Source</p>  <p>and</p> 	<ol style="list-style-type: none"> 1. HDMI/DVI video switch 2. VGA video switch 3. Component Video Switch/Converter 4. Universal video switch 	<ol style="list-style-type: none"> 1. Modular matrix video switch(Seamless) 2. HDMI matrix video switch(Seamless) 3. HDMI wireless Matrix Switch 4. IP matrix video switch 5. HDMI matrix video switch 6. VGA matrix video switch

Professional Audio/Video Solution

3. Enterprise Video Solution

Digital Signage Solution

VP – Video Splitter
(2/4/8/16 ports ; Analogue / Digital)



VM– Video Matrix Switch /Modular Matrix Switches (4x4/8x8/16x16)



VE – Video Extender
(≤ 20 KM)



VC – Video Converter
(Analogue / Digital)



VW – Video Switch
(2/4/8/16 ports ; Analogue / Digital)

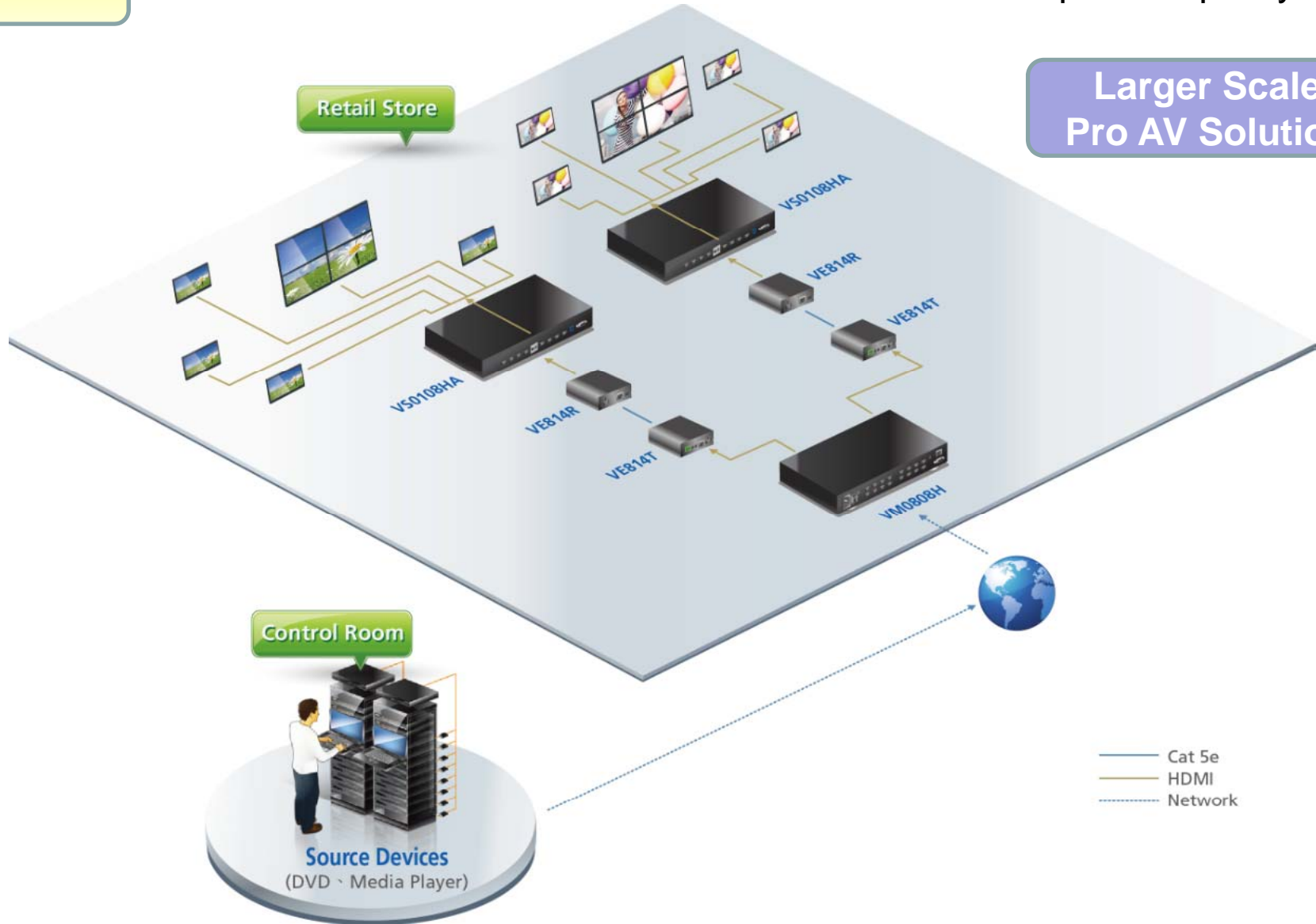


2. Manufacture/Home Theater Solution

Enterprise Pro-A/V Solution : Retail Industry

Benefits • ATEN Professional audio and video solution delivers perfect quality

Larger Scale Pro AV Solution

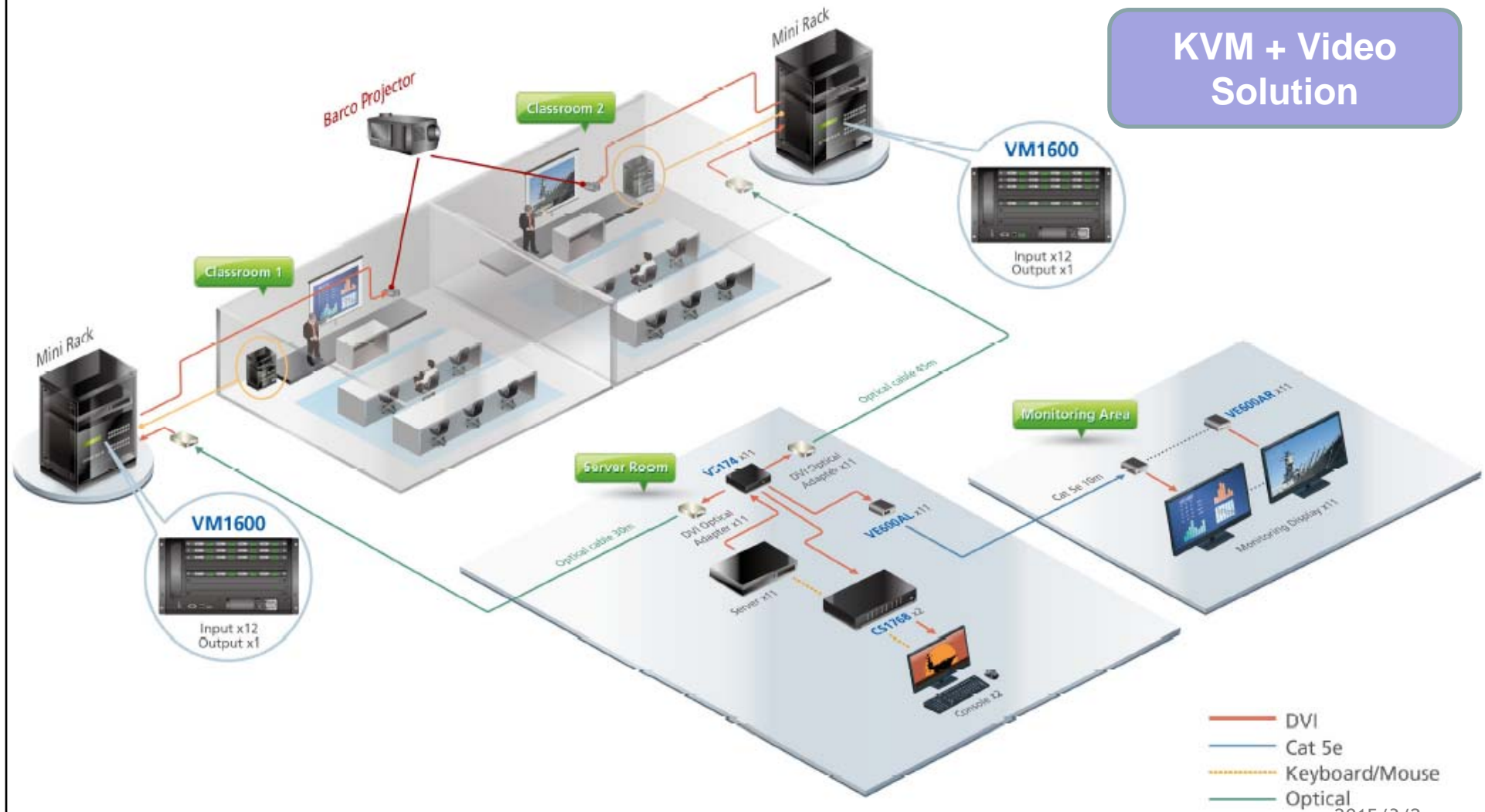


Enterprise Integrated Product Solution : Government

Benefits

- Reduce signal management cost
- Provide customized video solution and remote control management

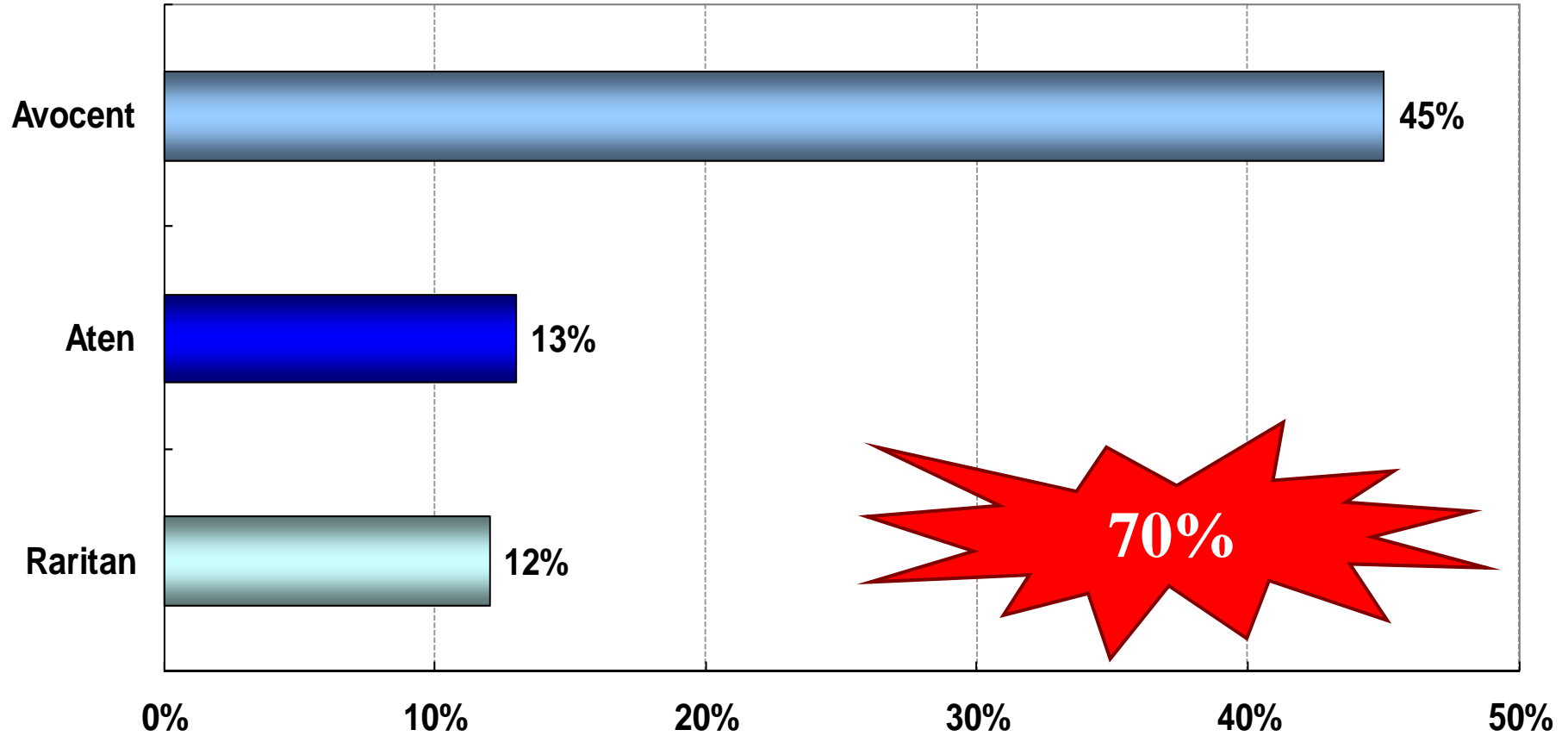
KVM + Video Solution



- DVI
 - Cat 5e
 - Keyboard/Mouse
 - Optical
- 2015/3/2

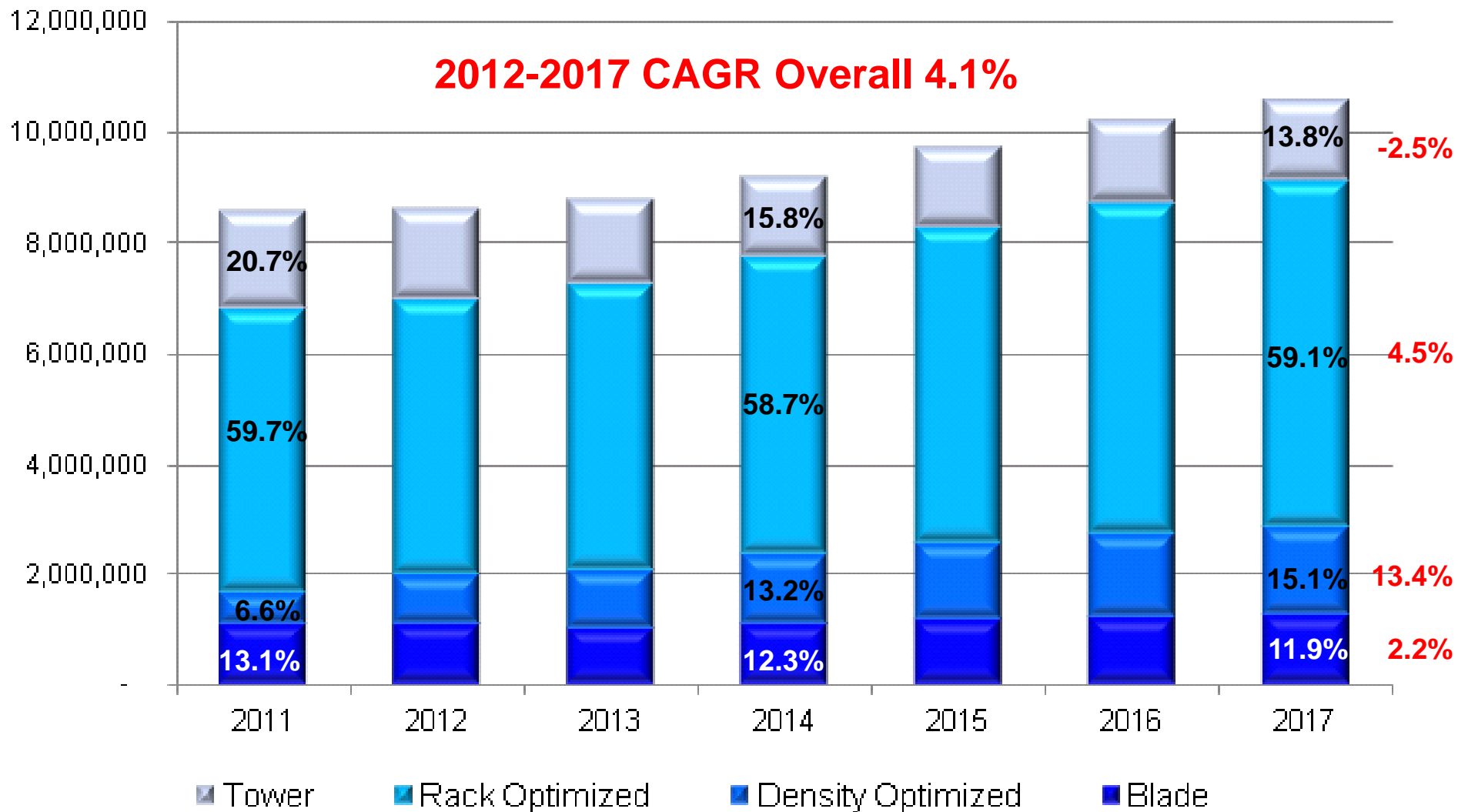
Industry Trend

KVM Major Vendor



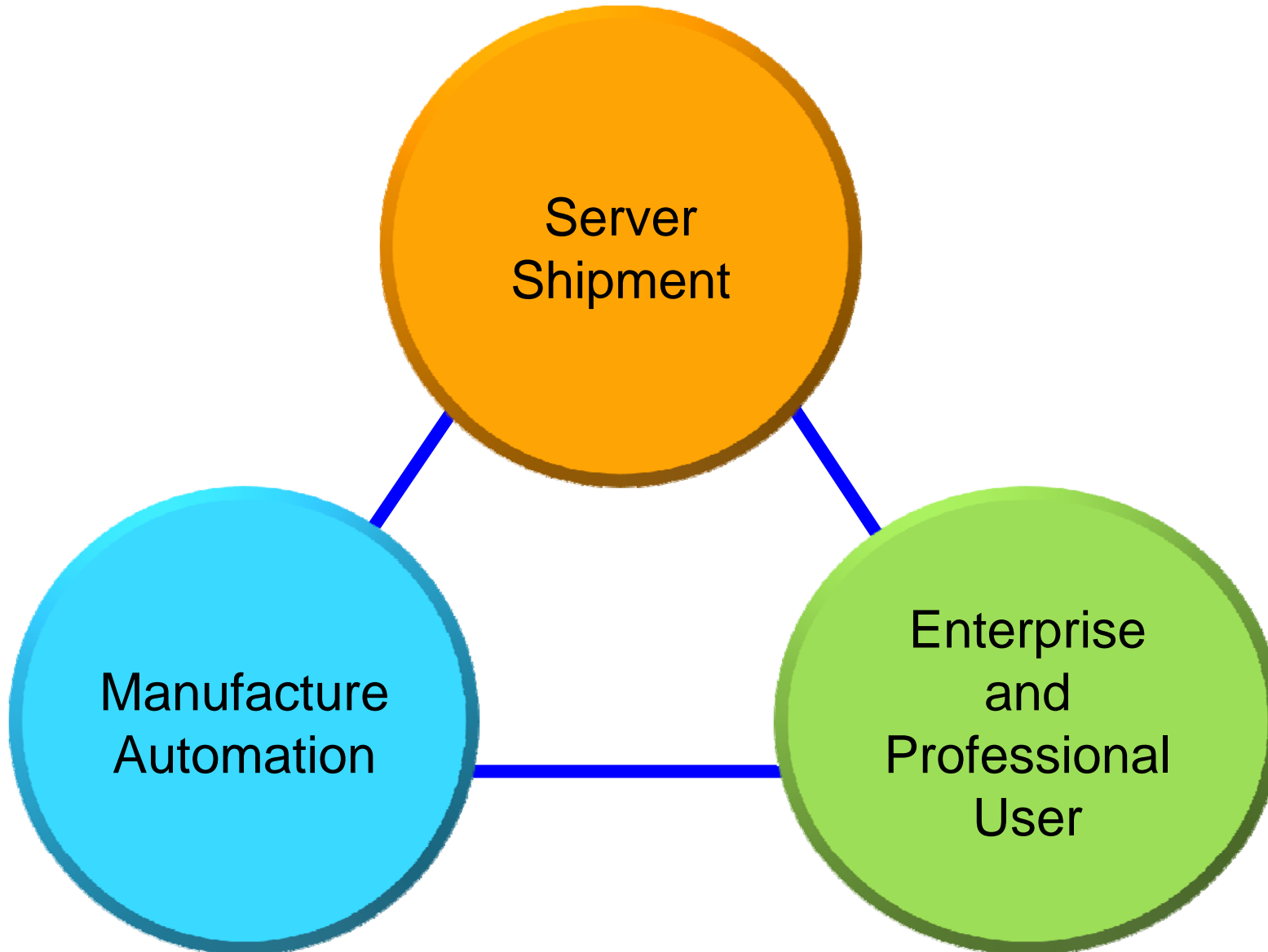
Source : VDC, 2007

Worldwide Server 2012-2017 Shipment Forecast



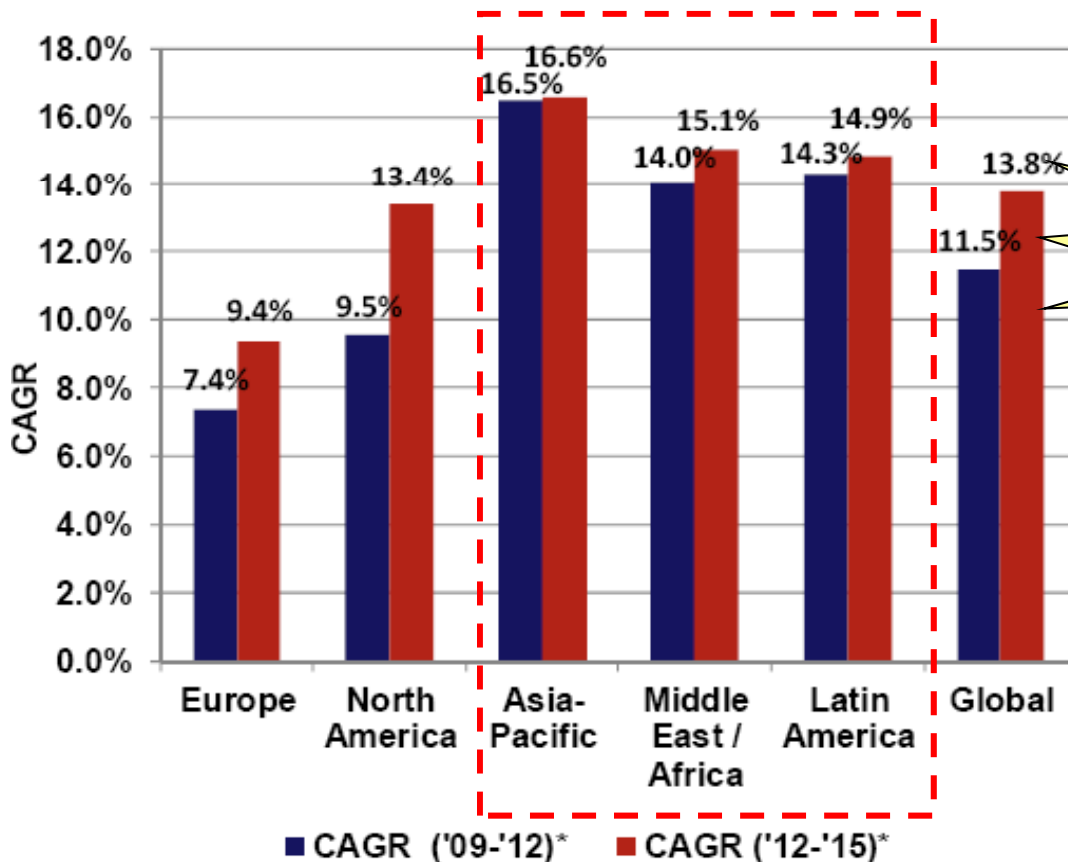
Source : IDC, 2014 Feb

Growth Driver of IT Infrastructure Access Management Market



▶ Global Pro-AV Market Growth Rates

Global: Pro-AV Market Growth Rates (2009 – 2015)

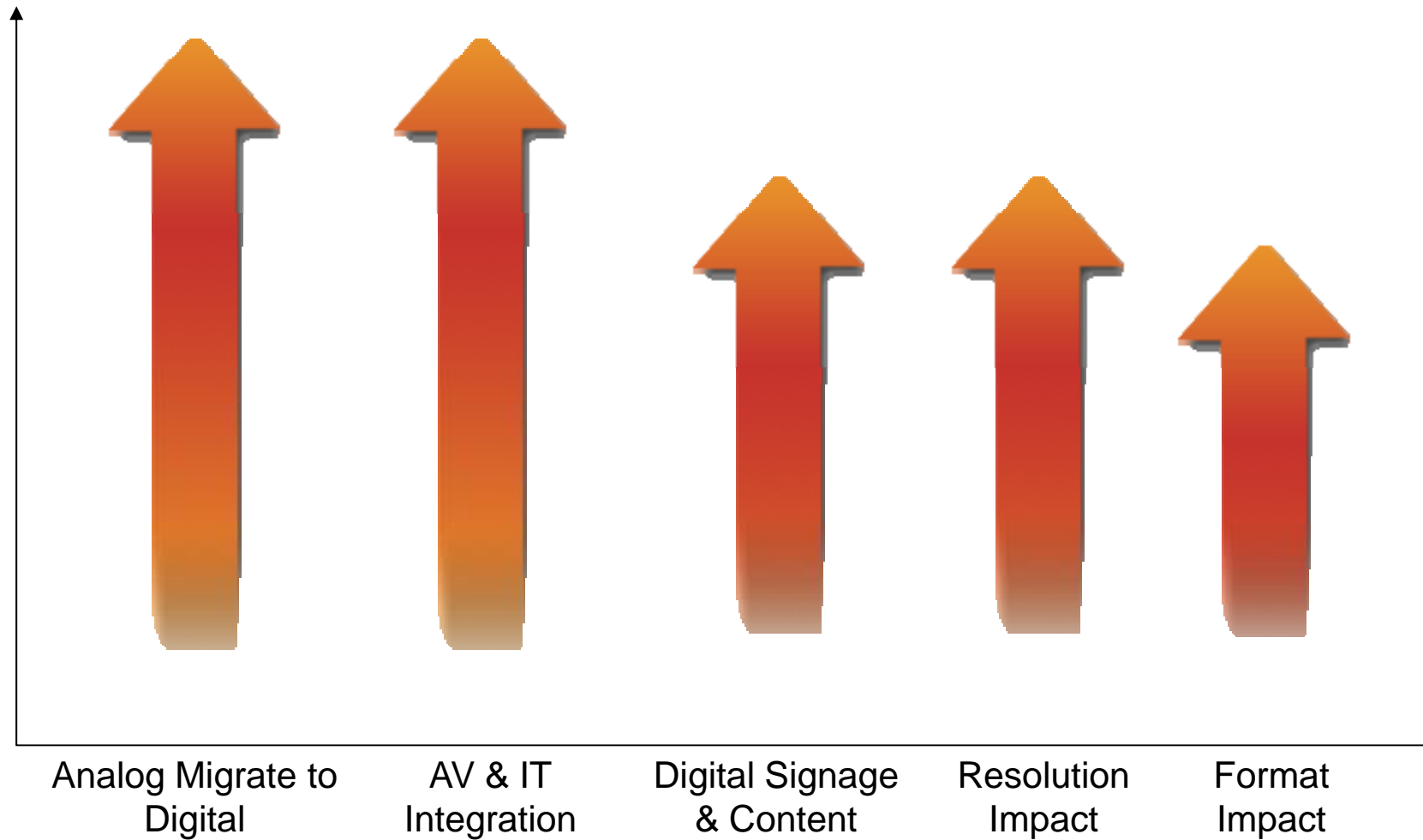


Double Digit Growth

Total CAGR
 2009-2012 : 11%
 2012-2015 : 14%
 2009-2015 : 13%

Source : InfoComm, 2012

▶ Growth Driver of Pro A/V Market



Core Advantage

▶ Complete Market Coverage



- ATEN is the only one provider that offers the most complete line of IT Infrastructure Access Management products, ranging from **entry-level products to the enterprise solutions**; providing **customized solutions** that effectively meet the various market demands.



▶ Strong Commitment to R&D



- **Superior R&D Capability**

- About 10% of annual revenue is invested in R&D
- Average of 30-50 new products per year
- Industry leading technology : 611 global patent, 444 patent approval, as of 2014/12
- Professional video processing and communications technique



- **ASIC Core Technology**

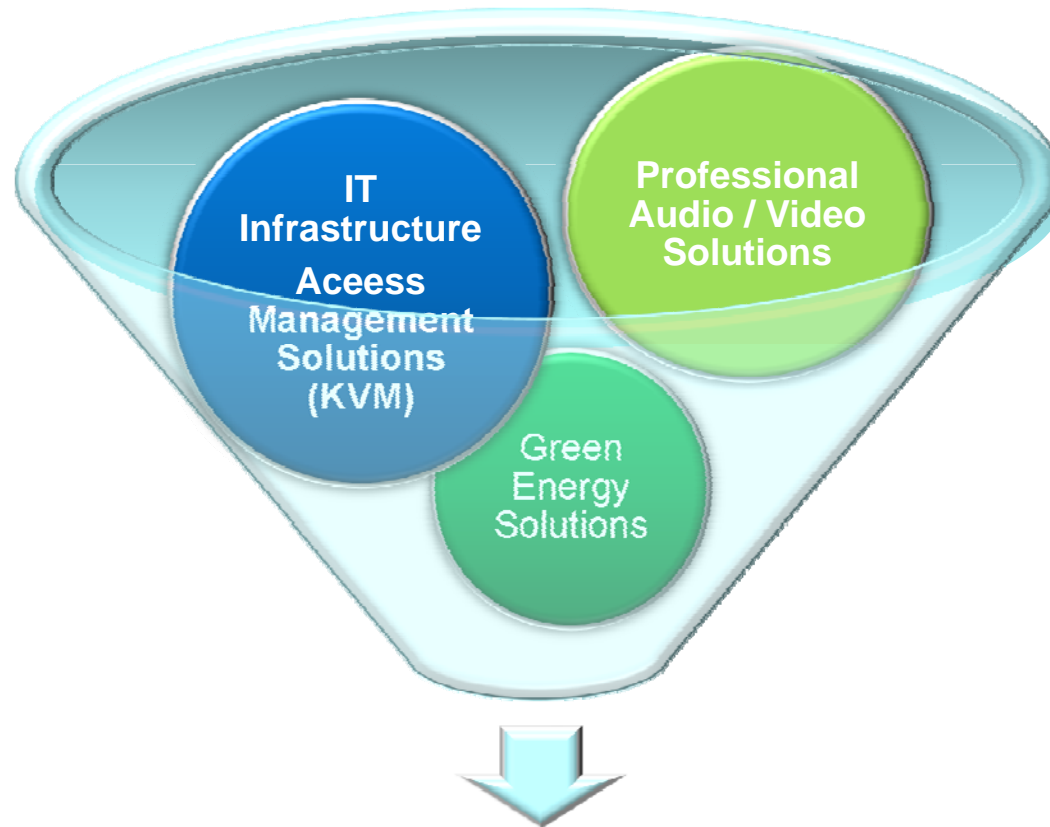
- ATEN develops its own patented ASIC chip, effectively lowering costs while furthering product capabilities.

- **IP-Based Remote Control**

- **High Compatibility**

- With 30 years industry experience, ATEN's KVM products support various market brands of monitors, keyboards and mice, as well as different system platforms(WIN / SUN / MAC / LINUX cross-platform simulation technology)

▶ Integrated Product Solution



Integrated Product Solution

Simple

Versatile

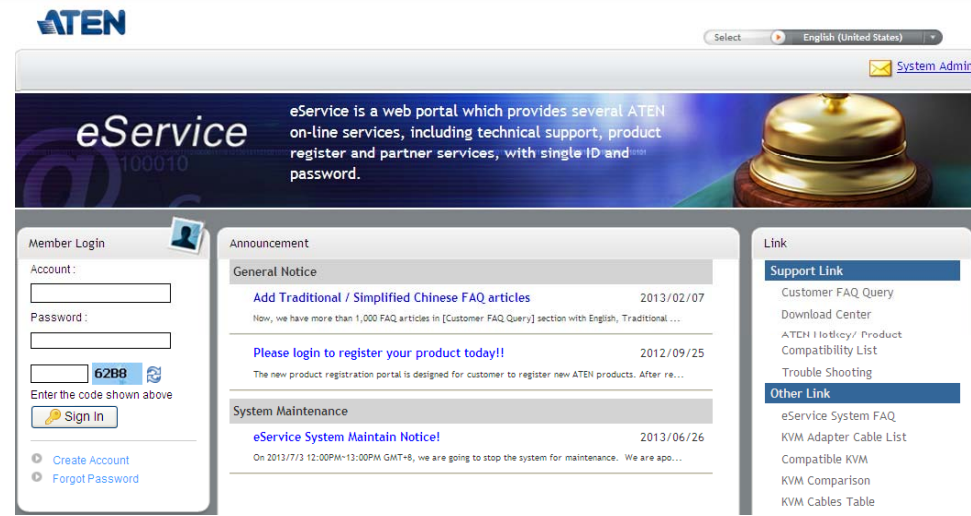
Flexible

Customer Service and Marketing Resource



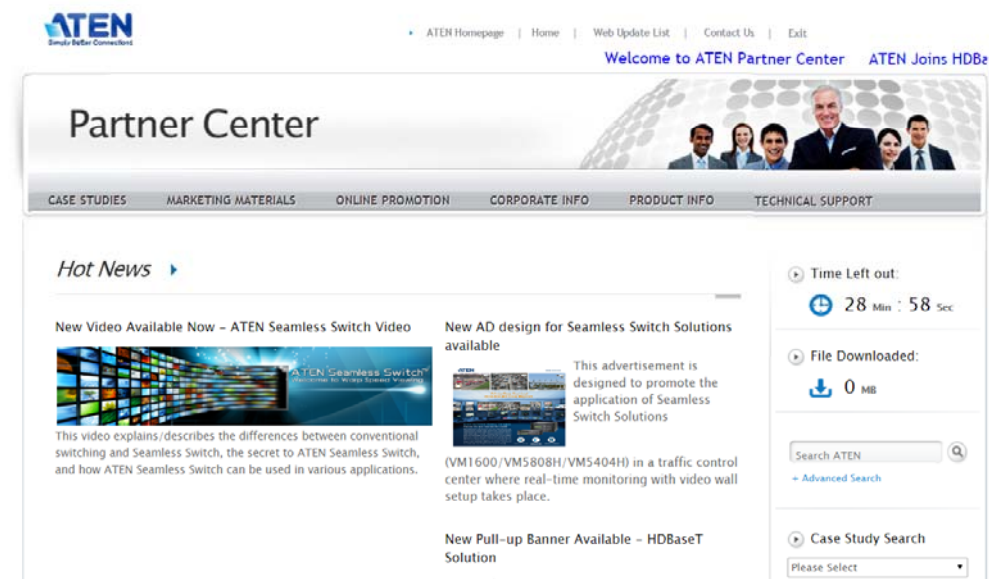
- e-Service Platform**

eService is a web portal which provides several ATEN on-line services, including technical support, product registration and partner services, with single ID and password.



- ATEN Partner Center**

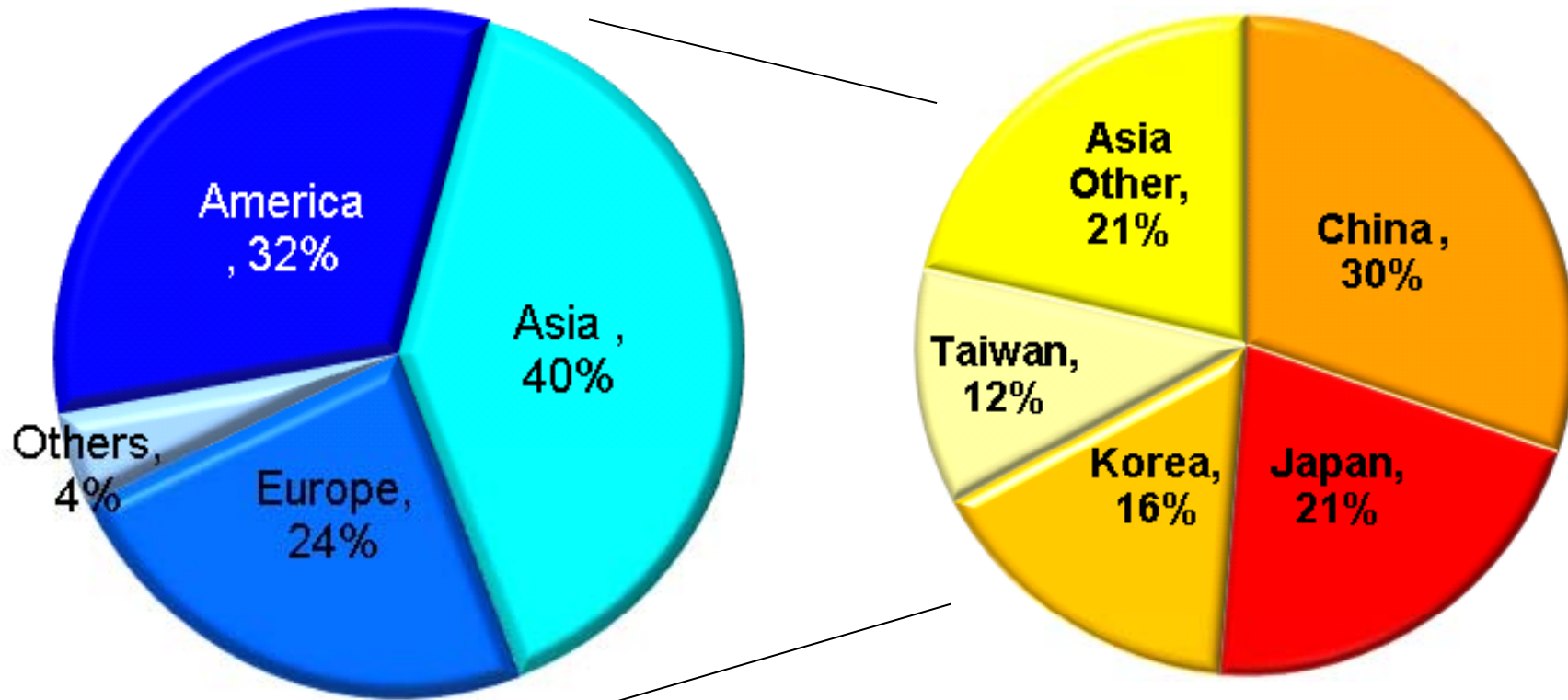
ATEN provides our business partners with all the necessary assistance, knowledge and tools to succeed. At Partner Center, you will be able to access the product information, marketing information, sales tools and others.



Financial Result

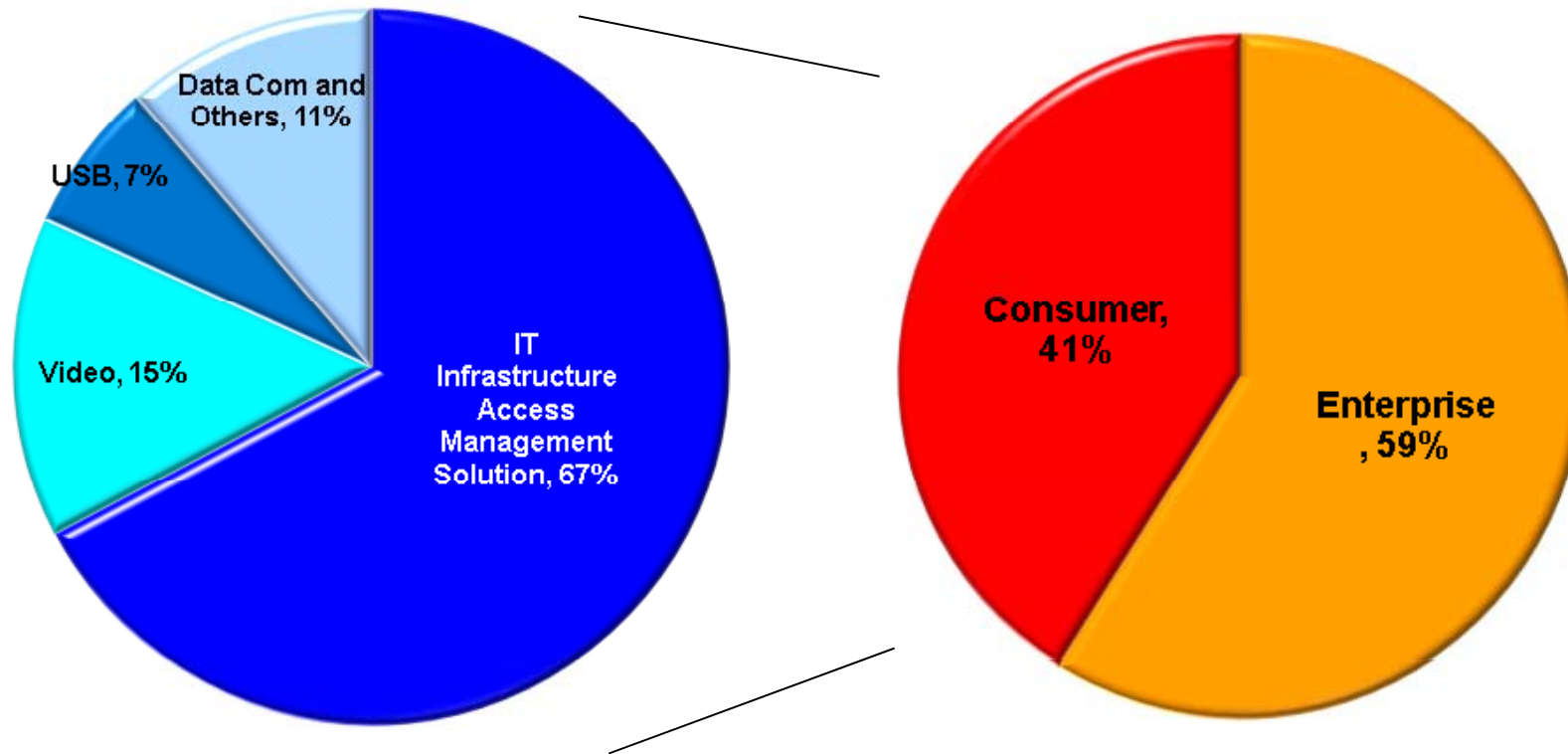
Sales Breakdown by Region

2014 Jan. to Dec. Consolidated Basis



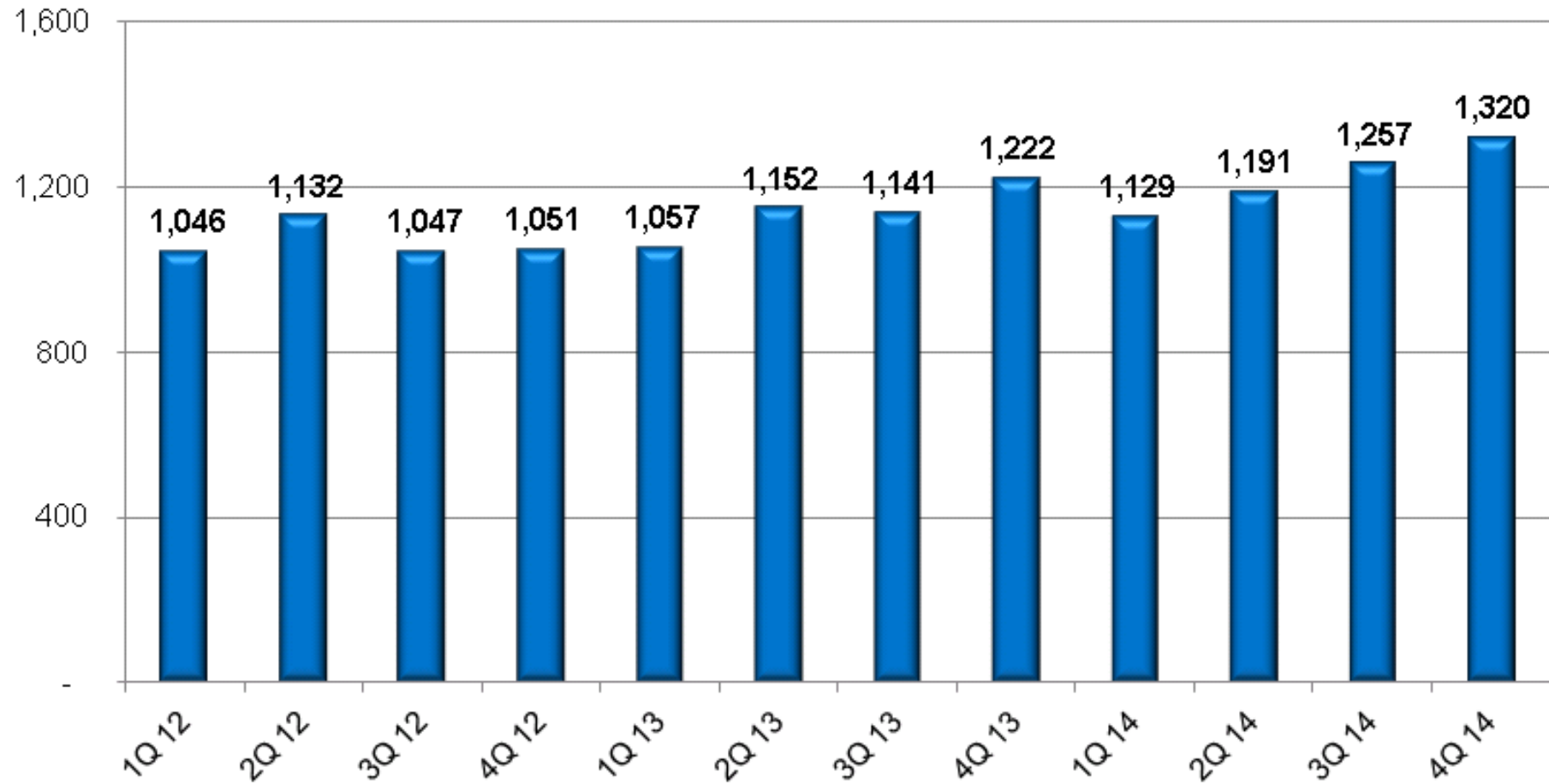
Sales Breakdown by Product Mix

2014 Jan. to Dec. Consolidated Basis



▶ Quarterly Consolidated Revenue

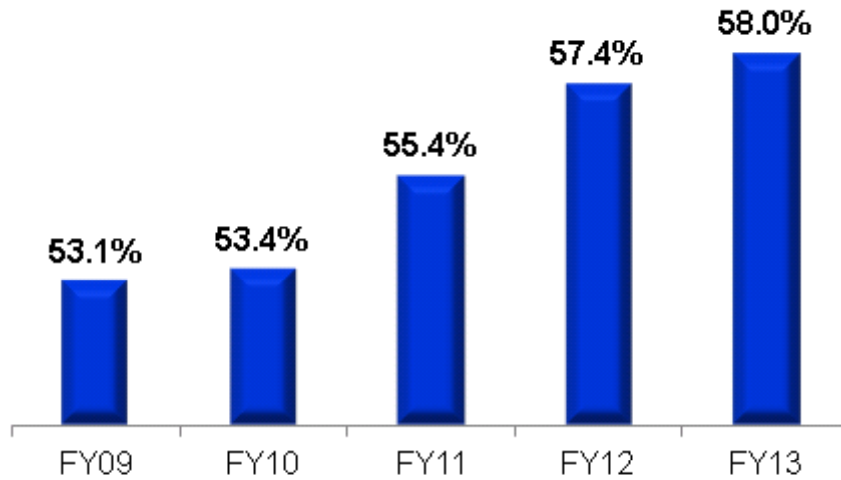
Unit : NTD Million



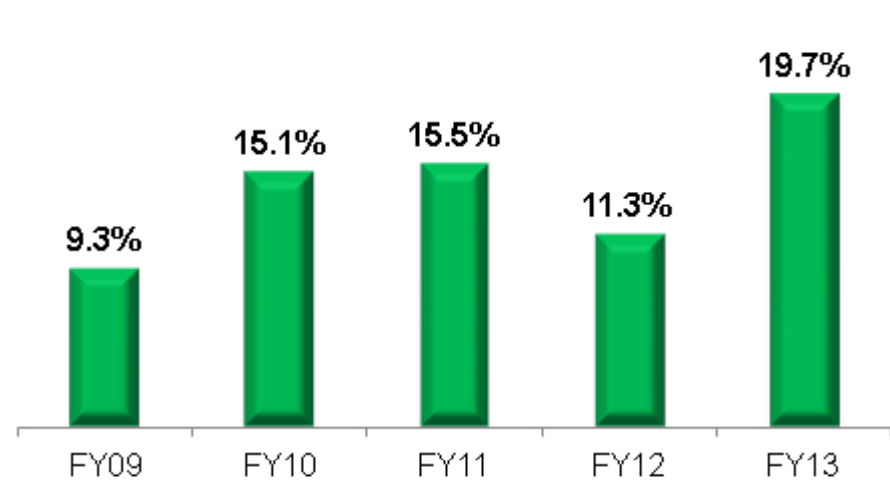
Financial Performance



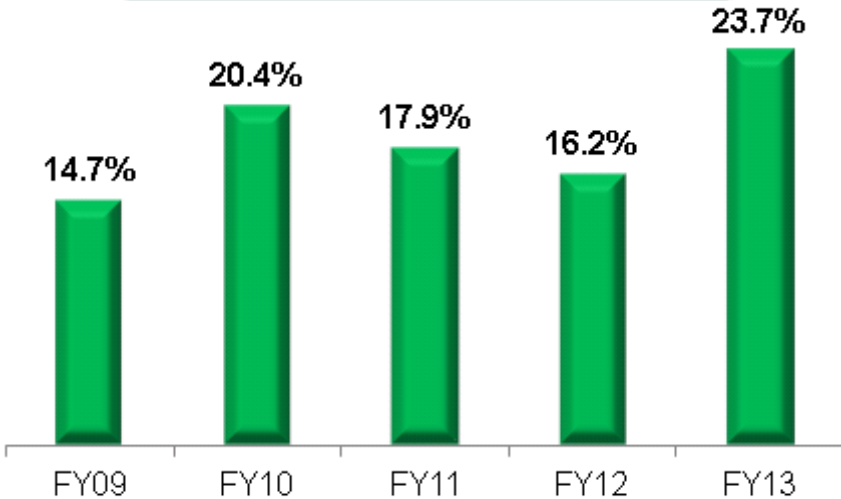
Gross Margin Rate



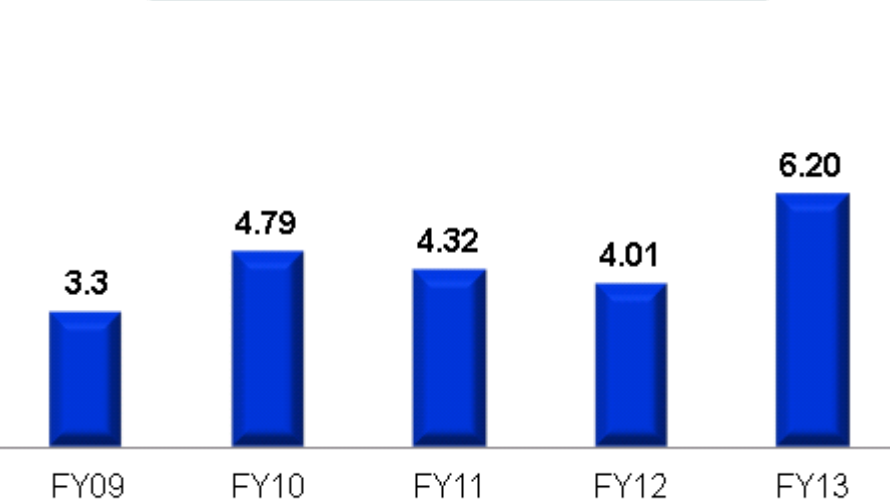
Operating Income Rate



ROE



EPS



► Income Statement – Jan.~ Sep. 2014 (YoY)

In NT Millions	Jan. ~ Sep. '14		Jan. ~ Sep. '13		YoY
	Amount	%	Amount	%	
Net Sales	3,578	100	3,349	100	6.83
COGS	(1,460)	(41)	(1,410)	(42)	3.50
Gross Profit	2,118	59	1,939	58	9.26
Operating Expense	(1,370)	(38)	(1,290)	(39)	6.27
Operating Income	748	21	649	19	15.18
Net Non-Operating Income and expenses	42	1	23	1	81.32
Income Before Tax	789	22	672	20	17.44
Net Income	576	16	550	16	4.59
Comprehensive Income	567	16	563	16	0.71
Net Income Attributable to Shareholders of the Parent Company	564	16	541	16	4.27
EPS(NT\$) (After Tax)	4.72	-	4.53	-	4.19

Note : Taiwan Consolidated Basis

2015/3/2

► Balance Sheet – Sep. 2014 (YoY)



In NT Millions	Sep. '14		Sep. '13	
	Amount	%	Amount	%
Cash & Financial Assets	1,424	26	986	20
Account Receivable	614	11	553	11
Inventory	755	14	739	15
Total Current Asset	2,900	53	2,422	49
Long-Term Investment	78	2	64	1
Property, plant and equipment	2,080	38	2,114	42
Total Non-Current Assets	2,572	47	2,583	51
Total Asset	5,471	100	5,005	100
Short-Term Borrowings	632	12	414	8
Account Payable	846	15	820	16
Total Current Liabilities	1,671	30	1,393	27
Long-Term Borrowings	118	2	138	3
Total Non-Current Liabilities	462	8	437	9
Total Liabilities	2,133	38	1,829	36
Total Equity Attributable to parent company	3,250	60	3,093	62
Non-Controlling Interests	88	2	82	2

Note : Taiwan Consolidated Basis

Cash Flow – Jan.~ Sep. 2014 (YoY)



In NT Millions	Jan.~Sep. '14	Jan.~Sep. '13
	Amount	Amount
Cash and cash in banks at beginning of year	852	851
From Operating	601	299
Net Profit before Tax	789	672
Depreciation and Amortization	66	75
Investment income under equity method	(18)	(8)
Financial assets held for trading	30	(105)
Inventory	(38)	(118)
Other Operation Sources / (Uses)	(228)	(217)
From Investing	(78)	(19)
Property, plant and equipment	(51)	(23)
Other Investing Sources / (Uses)	(27)	4
From Financing	(546)	(450)
Short-Term Borrowings	77	(21)
Long-Term Borrowings	(14)	(12)
Other Financing Sources	(610)	(406)
Effect of exchange rate changes on cash and cash equivalents	1	(11)
Cash and cash equivalents at end of Jun.	(12)	12
Cash and cash in banks at beginning of year	818	693

Note : Taiwan Consolidated Basis

▶ Dividend Policy



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EPS (NT\$)*	6.1	6.99	8.85	6.29	3.51	3.3	4.79	4.32	4.03	6.2
Dividend per share (NT\$)	6.0	5.0	6.0	5.0	3.2	3.0	4.1	3.5	3.3	5.0
Cash Dividend (NT\$)	5.5	4.4	5.5	4.5	2.5	3.0	4.1	3.5	3.3	5.0
Stock Dividend (NT\$)	0.5	0.6	0.5	0.5	0.7	0.0	0.0	0.0	0.0	0.0
Cash Dividend Payout Ratio	90%	63%	62%	72%	71%	91%	86%	81%	82%	81%
* EPS in previous year										

► Potential Market and Application Industry **ATEN**



Casino



**Electricity
Factory**



**Central Surveillance
Data center**



Hospital

And More to Be Explored...

▶ Our Customers



J.P.Morgan



中国南方电网
CHINA SOUTHERN POWER GRID



厦门轨道交通集团
XIAMEN RAIL TRANSIT GROUP



Q&A

Simply Better Connections



Integrity



Caring



Ambition



Novelty