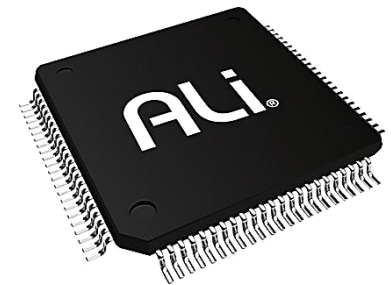


ALi Corporation (3041 TT)

Company Profile



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Agenda

- **Recent Updates**
- **Company Overview**
- **Financial Information**
- **Investment Highlight**

Recent Updates

Partner with NAGRA to Develop Pay-TV Market

ALi[®]

Partnership:

- ▶ Integrate Nagra On-Chip Security (**NOCS**) onto ALi chips
- ▶ Target Pay-TV operators in **emerging markets**
- ▶ ALi chips embedded with NOCS will be available in **2H13**



Strategic Rationales for Acquiring Abilis Systems

ALI[®]

Rationales:

► Broadcast to IP

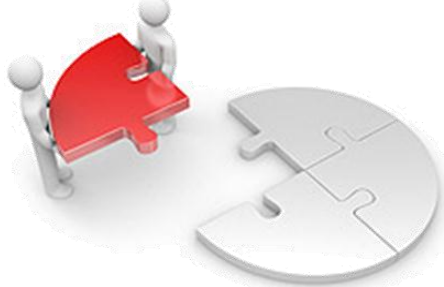
- ✓ New product segment with potentials
- ✓ High-end technology

► Secure Media Processors

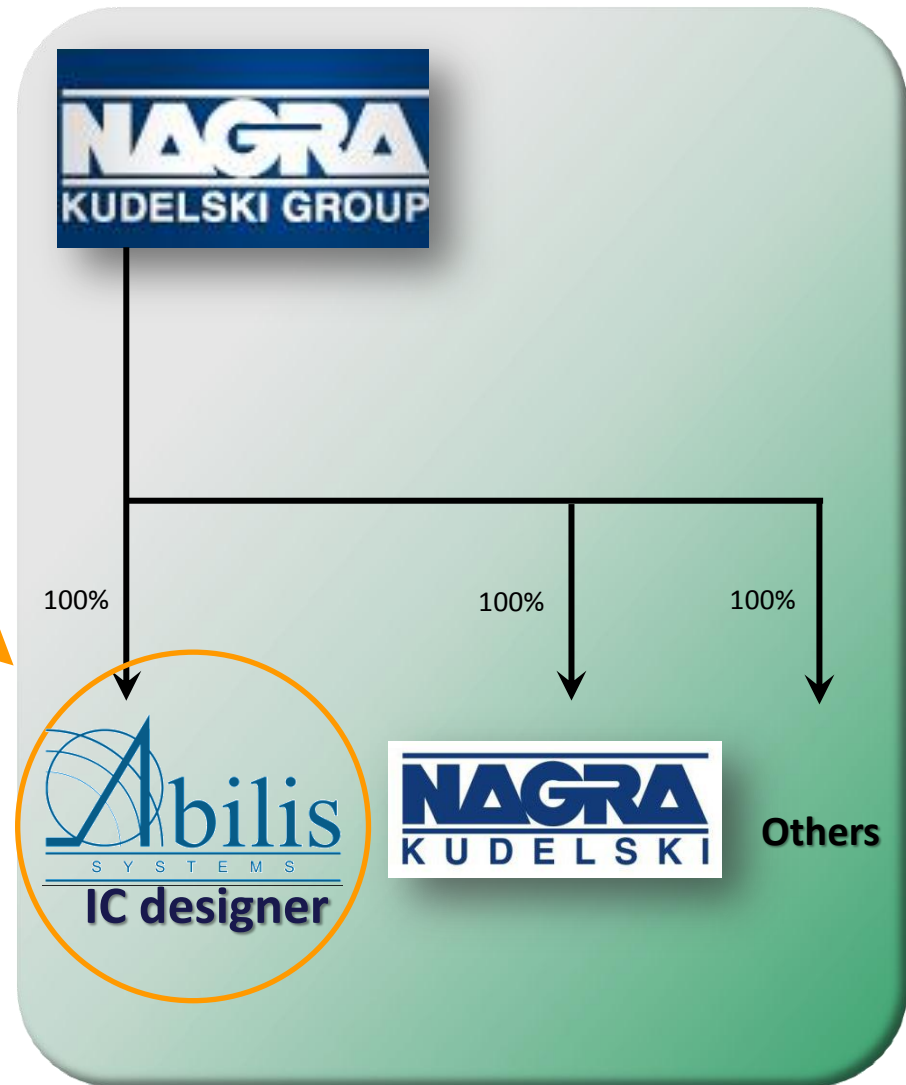
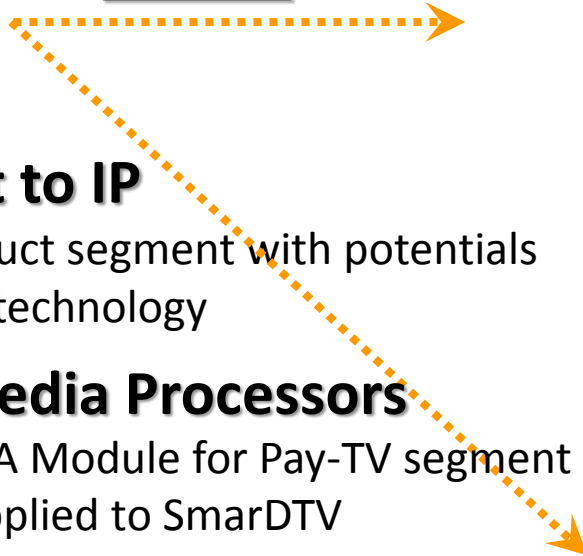
- ✓ Used in CA Module for Pay-TV segment
- ✓ Solely supplied to SmarDTV

► RF Modulators

- ✓ Leading market share with high margin
- ✓ Global 1st tier customers



US\$18M



Disposal of Non-core Properties

- On Feb 8, ALi signed the agreement to dispose the 7th - 10th floors and corresponding parking and public spaces of NASA Building
- Keep the 4th - 6th floors as headquarters and for future expansion use
- Selling Price of NTD \$1.77888 billion
- Gain on disposal of NTD\$0.89 billion



Company Overview

ALi Corporation Overview

- Spun off from Acer in 1993
- Focused on set-top box chip design with leading global market share
- More than 120 global Pay-TV operators have deployed ALi's solutions
- 600 employees worldwide
- Listed on TWSE in 2002 with ticker : 3041
- Market Cap : US\$350 million (Mar 2013)
- "Asia's 200 Best Under A Billion" award by Forbes in 2010

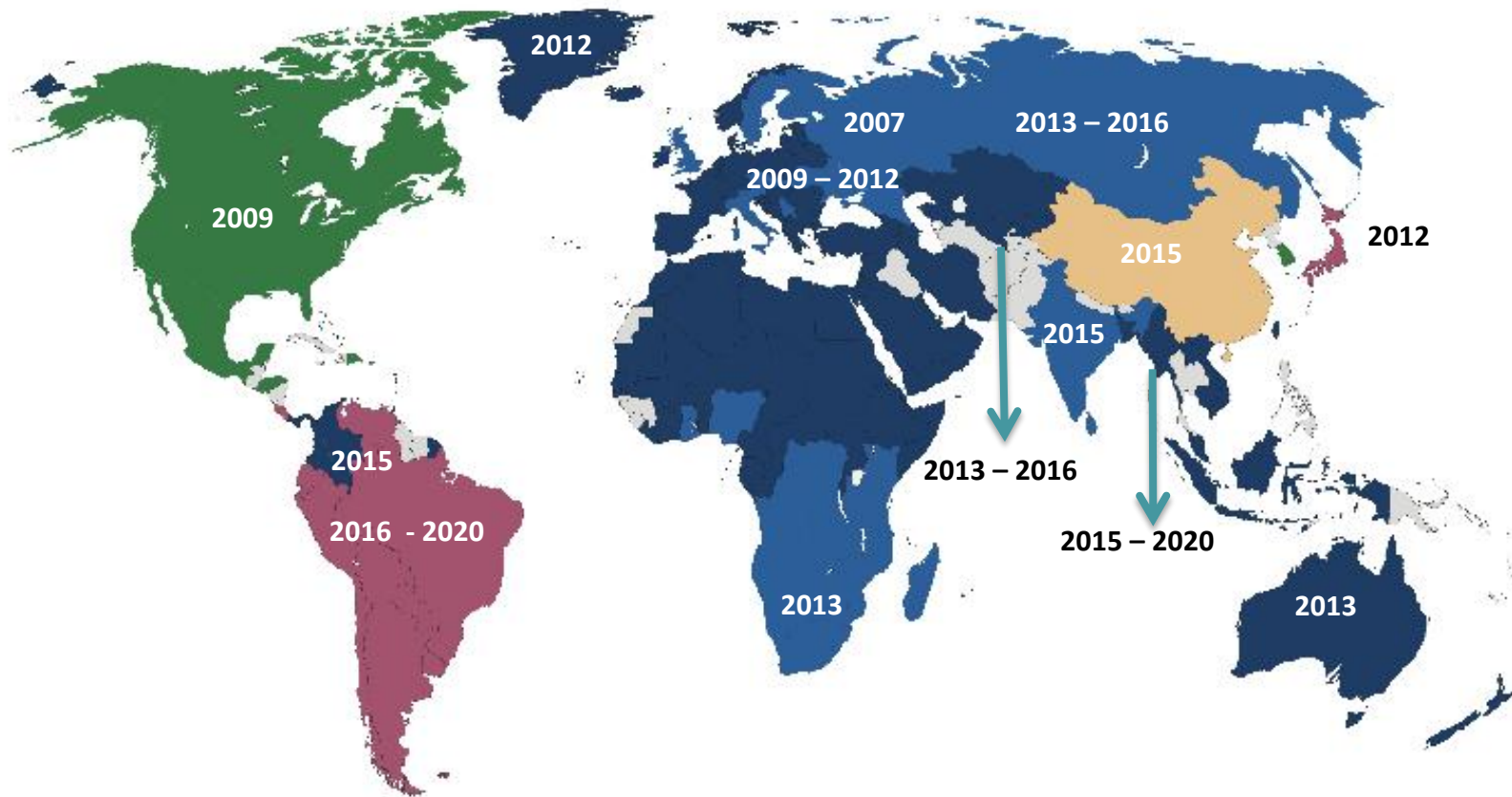


Global STB Standards



	NA	LATAM	EMEA	JPN	APAC	CN	KOR
Digital Satellite TV	DSS DVB-S	DSS DVB-S	DVB-S DVB-S2	ISDB-S	DVB-S	DVB-S ABS-S	DVB-S
Digital Cable TV	OpenCable	DVB-C	DVB-C DVB-C2	ISDB-C	DVB-C	DVB-C	DVB-C
Digital Terrestrial TV	ATSC	ISDB-T	DVB-T DVB-T2	ISDB-T	DVB-T	DTMB	ATSC

Worldwide Terrestrial ASO Schedule



DVB-T

DVB-T2

ATSC

ISDB-T

DTMB

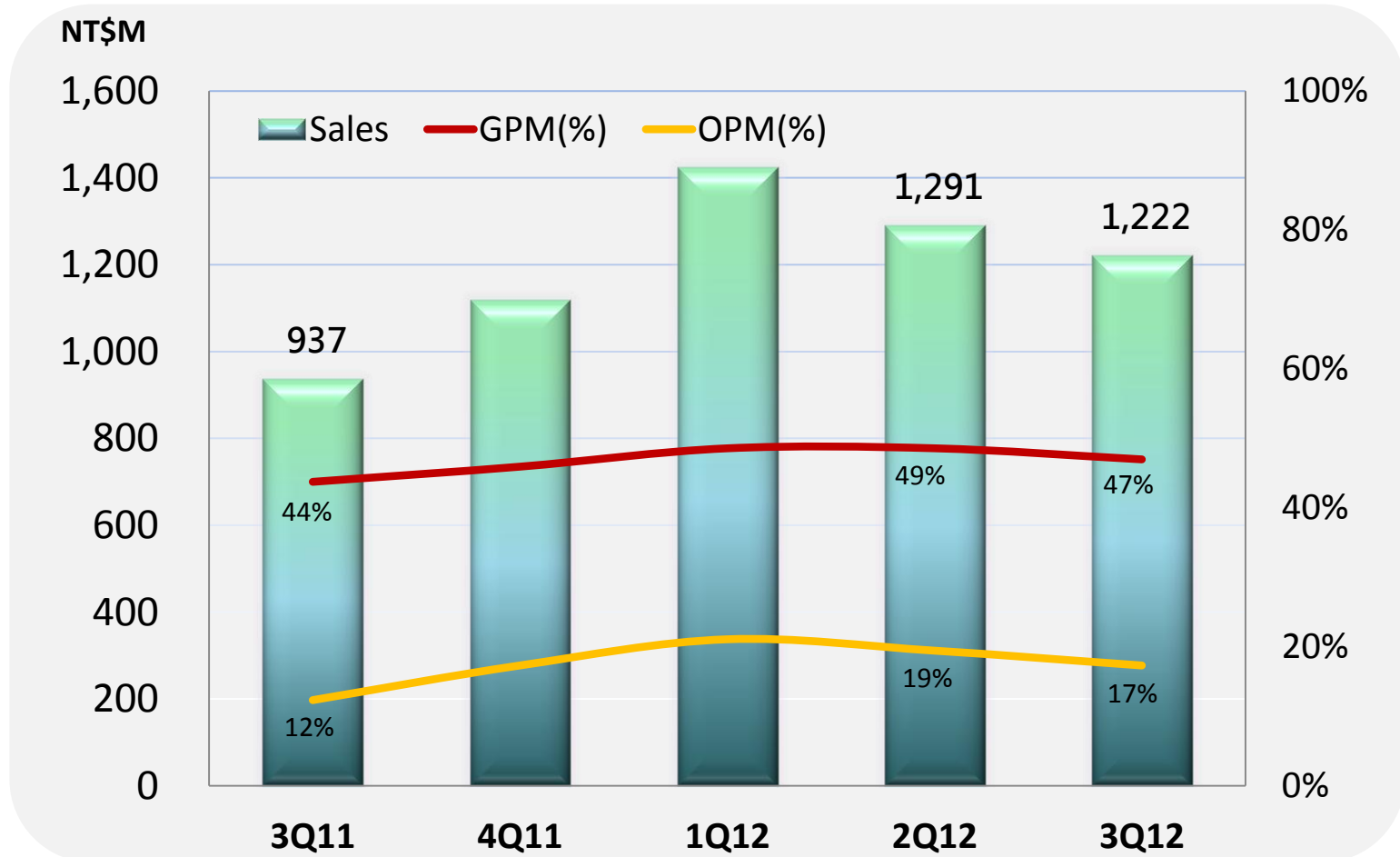
Sources : DVB Org, 2011, ALi internal

Note : The Cited year represented ASO transition completion

Financial Information

3Q12 Consolidated Quarterly Results

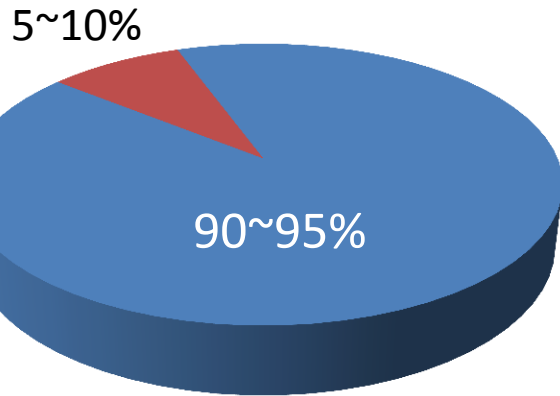
- 3Q12 consolidated revenue reached to NT\$1,222 million, QoQ -5%, YoY+30%
- Consolidated gross profit margin was 47%
- Consolidated operating profit margin was 17%



Source: Company data

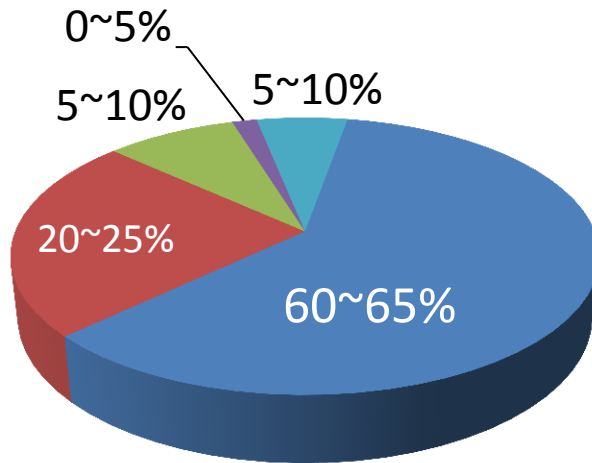
3Q12 Revenue Breakdown

STB v.s. Others



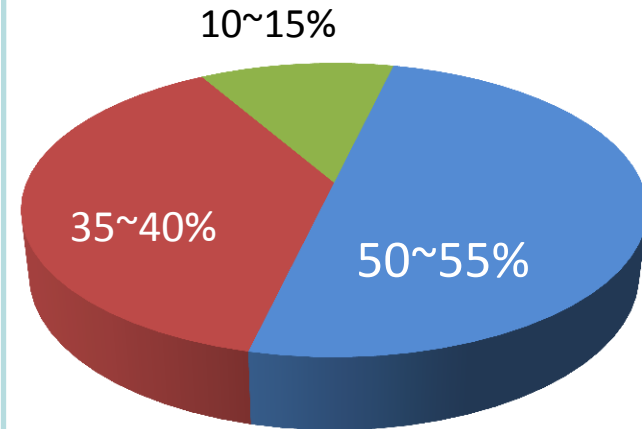
■ STB ■ Others

STB by End Market



■ Retail HD (S+T) ■ Retail SD Satellite
 ■ Retail SD Terrestrial ■ Retail IP STB (OTT)
 ■ Pay TV

STB by Region



■ China ■ Emerging Market ■ Europe and US

Source: Company data

4Q12 Guidance

- ❑ Consolidated revenue to be between NT\$ 1,160million and NT\$1,280 million
- ❑ Consolidated gross profit margin to be between 45.0% and 47.0%
- ❑ Consolidated operating profit margin to be between 15.0% and 17.0%

Thank you



Appendix : Financial Statements

3Q12 Consolidated Income Statement

(Amounts in thousand New Taiwan Dollars)	3Q12		2Q12		3Q11		QoQ	YoY
Gross sales	1,225,480		1,295,708		941,518		-5%	30%
Less : Sales returns and discounts	(3,538)		(4,500)		(4,125)		-21%	-14%
Net sales	<u>1,221,942</u>	100%	<u>1,291,208</u>	100%	<u>937,393</u>	100%	-5%	30%
Cost of goods sold	(648,046)		(664,188)		(527,419)		-2%	23%
Gross profits	<u>573,896</u>	47%	<u>627,020</u>	49%	<u>409,974</u>	44%	-8%	40%
Operating expenses								
Selling expenses	(69,462)		(73,499)		(59,918)		-5%	16%
Administrative expenses	(66,733)		(67,184)		(53,095)		-1%	26%
Research and development expenses	(226,246)		(235,410)		(181,469)		-4%	25%
Total operating expenses	<u>(362,441)</u>	-30%	<u>(376,093)</u>	-29%	<u>(294,482)</u>	-31%	-4%	23%
Operating income	211,455		250,927		115,492		-16%	83%
Non-operating income and gain (expense & loss)	26,009		15,468		199,571		68%	-87%
Income before income tax	237,464		266,395		315,063		-11%	-25%
Income tax(expense)benefit	(48,393)		(53,018)		(37,858)		-9%	28%
Net income	<u>189,071</u>	15%	<u>213,377</u>	17%	<u>277,205</u>	30%	-11%	-32%
Earnings Per Share (in New Taiwan Dollars)	<u>0.64</u>		<u>0.73</u>		<u>0.94</u>			

3Q12 Consolidated Balance Sheet

(Amounts in thousand New Taiwan Dollars except Key Indices)

	Sep 30, 2012	Jun 30, 2012	Sep 30, 2011
Selected Items from Balance Sheet :			
Cash & financial asset current	3,942,245	4,590,560	3,142,360
Notes and accounts receivable	663,654	428,802	569,385
Inventory (net)	375,785	311,444	288,717
Other current asset	101,604	133,598	302,278
Total current asset	5,083,288	5,464,404	4,302,740
Funds and Investments	49,308	50,168	20,749
Net PP&E	553,226	558,305	567,196
Intangible assets	101,039	112,398	128,597
Other assets	1,079,488	1,021,731	1,170,280
Total assets	6,866,349	7,207,006	6,189,562
<hr/>			
Notes & accounts payable	641,041	667,224	414,373
Other current liabilities	610,595	1,119,115	455,263
Other liabilities	10,126	10,865	12,108
Total liabilities	1,261,762	1,797,204	881,744
<hr/>			
Total shareholders' equity	5,604,587	5,409,802	5,307,818
<hr/>			
Key Indices			
A/R Turnover Days	41	39	45
Inventory Turnover Days	52	45	66
Current Ratio	4.1	3.1	4.9

(Total outstanding shares were 297,526,071 shares as of Sep 30, 2012)