Safe Harbor Notice

The following pages contain projections & estimates of financial information as well as market and product developments for future periods. These projections & estimates are based on information currently available which we believe to be reliable, but they involve risks & uncertainties. Our actual results of operations & financial condition may differ significantly from those contained in the projections & estimates. The projections & estimates should not be interpreted as legally binding commitments, but rather as flexible information subject to change occasionally.
Agenda

- Company Profile
- H1-2012 Financial Results
- Accounting and Business Notice
- Value Proposition of Investment in CyberLink
- Conclusion
- Q&A

Company Profile
Company Profile

- Founded in 1996, world leader in consumer multimedia software industry
- Headquartered in Taipei, with subsidiaries in US, Japan, and Netherlands, with about 600 employees
- Company went public in Taiwan stock market in 2000 with persistent strong financial performance
- More than 20 products for PC, Apple iPad/iPhone, Android tablet/phone, and Windows 8 Metro tablets.
- Over 127 patents globally in digital media domain

Sustainable Earnings & Consistent High Dividend Policy

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend Per Share</th>
<th>Payout Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>7.49</td>
<td>69.3%</td>
</tr>
<tr>
<td>2006</td>
<td>8.81</td>
<td>74.7%</td>
</tr>
<tr>
<td>2007</td>
<td>10.03</td>
<td>75.7%</td>
</tr>
<tr>
<td>2008</td>
<td>9.81</td>
<td>77.4%</td>
</tr>
<tr>
<td>2009</td>
<td>7.91</td>
<td>81.9%</td>
</tr>
<tr>
<td>2010</td>
<td>7.08</td>
<td>98.7%</td>
</tr>
<tr>
<td>2011</td>
<td>7.05*</td>
<td>99.3%</td>
</tr>
</tbody>
</table>

*NT$7.05 was calculated using 2011 net earnings divided by the number of shares outstanding as of end of 2011.
Due to the 20% capital reduction, 2011 basic EPS audited by CPA was NT$6.11 based on the weighted average number of shares in 2011.
Business Model
- Consumer Multimedia Software -

- Bundling with hardware devices (B2B)
  - We dominate this B2B market with majority market share
  - ALL Top 10 PC vendors are our customers

- Direct sales to end users via webstore & retail stores (B2C)
  - Best products (Editor’s Choices) in several categories


CyberLink has been awarded “Taiwan’s Top 20 Global Brands” for 3 consecutive years
Complete Solution on Video, Photo, & Music
for both PC & Devices (iPhone/iPad/Android/Win8 Metro)

- **Universal Player:** [PowerDVD 12](#) (similar to iTunes on PC with several unique features)
- **Content Creation:** mainly for professional & prosumer users
  - [PowerDirector 10](#) & [PhotoDirector 3](#)
  - (Two more new products in Q3 this year)
- **Burning & Backup**
  - [Power2Go 8](#) & [PowerProducer 5](#)
- **Content Organizer** with Enhance/Create capabilities, & [Webcam](#)
  - [MediaShow 6](#) & [YouCam 5](#)
  - [CyberLink Media Suite](#) (All-in-One)
- **Device apps:** iPhone/iPad/Android/Win8 Metro
  - PDVD Remote (iOS/Android), PDVD Mobile (iOS/Android), PDR Android
  - PDVD Metro, YouCam Metro, PDR Metro

Solution Across Form Factors and OS’

- Windows
  - PowerDVD 12
  - PowerDirector 10
  - PhotoDirector 3
  - Power2Go 8
  - YouCam 5
  - MediaShow 6

- iOS (iPhone/iPad)
  - PowerDVD Remote
  - PowerDVD Mobile

- Android
  - PowerDVD Remote
  - PowerDVD Mobile
  - PowerDirector

- Windows 8 (Metro)
  - PowerDVD Metro
  - PowerDirector Metro
  - YouCam Metro
Financial Highlights for H1-2012

- **Revenues**
  - Q2-12 NT$843.1M, -7.1% Q/Q and -4.2% Y/Y.
    - Met the previous guidance of -8% +/- 2% Q/Q.
  - H1-12 NT$1.75B, -10.5% Y/Y.

- **Earnings**
  - Q2-12 operating income NT$167.5M, -27.9% Q/Q and -7.3% Y/Y. Operating margin at 19.9%.
    - Met the guidance of 20% +/- 1.5%.
  - H1-12 operating income NT$399.7M, -9.7% Y/Y. Operating margin at 22.8%.
  - H1-12 income after tax NT$316.4M, -6.9% Y/Y. Net margin at 18.1%.
  - H1-12 basic EPS before tax at NT$4.47 and after tax NT$3.35.

- **Balance Sheet**
  - Cash, cash equivalent & short-term investment at NT$4,391.9M as of end of Q2-2012, accounting for 65.5% of total asset.
  - Solid finance and no debt.

- **Dividends**
  - For 2011 earnings, dividend of NT$7/share is approved in the annual shareholders’ meeting.
  - Last trading date: Aug. 16th, 2012.
  - Suspend transferring date: Aug. 18th~22nd, 2012.
  - Ex-dividend date: Aug. 22nd, 2012.
## Quarterly Revenue Trend

![Quarterly Revenue Trend Graph](image)

## Consolidated Income Statement

### Q2-2012 Y/Y

<table>
<thead>
<tr>
<th>In NT$K</th>
<th>Q2-2012</th>
<th>%</th>
<th>Q2-2011</th>
<th>%</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>843,133</td>
<td>100.0%</td>
<td>880,488</td>
<td>100.0%</td>
<td>-4.2%</td>
</tr>
<tr>
<td><strong>Cost of goods Sold</strong></td>
<td>(3,882)</td>
<td>0.5%</td>
<td>(4,860)</td>
<td>0.6%</td>
<td>-20.1%</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>839,251</td>
<td>99.5%</td>
<td>875,628</td>
<td>99.4%</td>
<td>-4.2%</td>
</tr>
<tr>
<td><strong>Operating Expense</strong></td>
<td>(671,750)</td>
<td>79.6%</td>
<td>(694,875)</td>
<td>78.9%</td>
<td>-3.3%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>(130,133)</td>
<td>15.4%</td>
<td>(147,663)</td>
<td>16.8%</td>
<td>-11.9%</td>
</tr>
<tr>
<td>S&amp;M</td>
<td>(503,368)</td>
<td>59.7%</td>
<td>(507,896)</td>
<td>57.7%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>(38,249)</td>
<td>4.5%</td>
<td>(39,316)</td>
<td>4.5%</td>
<td>-2.7%</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>167,501</td>
<td>19.9%</td>
<td>180,753</td>
<td>20.5%</td>
<td>-7.3%</td>
</tr>
<tr>
<td><strong>Non Operating Income</strong></td>
<td>22,879</td>
<td>2.7%</td>
<td>4,256</td>
<td>0.5%</td>
<td>437.9%</td>
</tr>
<tr>
<td><strong>Income before Tax</strong></td>
<td>190,380</td>
<td>22.6%</td>
<td>185,009</td>
<td>21.0%</td>
<td>2.9%</td>
</tr>
<tr>
<td><strong>Income after Tax</strong></td>
<td>139,626</td>
<td>16.6%</td>
<td>146,175</td>
<td>16.6%</td>
<td>-4.5%</td>
</tr>
<tr>
<td><strong>Basic EPS before Tax (in NT$)</strong></td>
<td>2.02</td>
<td></td>
<td>1.57</td>
<td></td>
<td>28.4%</td>
</tr>
<tr>
<td><strong>Basic EPS after Tax (in NT$)</strong></td>
<td>1.48</td>
<td></td>
<td>1.24</td>
<td></td>
<td>19.2%</td>
</tr>
</tbody>
</table>
## Consolidated Income Statement
### Q2-2012 Q/Q

<table>
<thead>
<tr>
<th>In NT$K</th>
<th>Q2-2012</th>
<th>%</th>
<th>Q1-2012</th>
<th>%</th>
<th>Q/Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>843,133</td>
<td>100.0%</td>
<td>907,538</td>
<td>100.0%</td>
<td>-7.1%</td>
</tr>
<tr>
<td>Cost of goods Sold</td>
<td>(3,882)</td>
<td>0.5%</td>
<td>(5,100)</td>
<td>0.6%</td>
<td>-23.9%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>839,251</td>
<td>99.5%</td>
<td>902,438</td>
<td>99.4%</td>
<td>-7.0%</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>(671,750)</td>
<td>79.6%</td>
<td>(670,231)</td>
<td>73.9%</td>
<td>0.2%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>(130,133)</td>
<td>15.4%</td>
<td>(122,673)</td>
<td>13.5%</td>
<td>6.1%</td>
</tr>
<tr>
<td>S&amp;M</td>
<td>(503,368)</td>
<td>59.7%</td>
<td>(513,214)</td>
<td>56.6%</td>
<td>-1.9%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>(38,249)</td>
<td>4.5%</td>
<td>(34,344)</td>
<td>3.8%</td>
<td>11.4%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>167,501</td>
<td>19.9%</td>
<td>232,207</td>
<td>25.6%</td>
<td>-27.9%</td>
</tr>
<tr>
<td>Non Operating Income</td>
<td>22,879</td>
<td>2.7%</td>
<td>(401)</td>
<td>0.0%</td>
<td>5805.4%</td>
</tr>
<tr>
<td>Income before Tax</td>
<td>190,380</td>
<td>22.6%</td>
<td>231,806</td>
<td>25.5%</td>
<td>-17.9%</td>
</tr>
<tr>
<td>Income after Tax</td>
<td>139,626</td>
<td>16.6%</td>
<td>176,771</td>
<td>19.5%</td>
<td>-21.0%</td>
</tr>
</tbody>
</table>

## Consolidated Income Statement
### H1-2012 Y/Y

<table>
<thead>
<tr>
<th>In NT$K</th>
<th>H1-2012</th>
<th>%</th>
<th>H1-2011</th>
<th>%</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>1,750,671</td>
<td>100.0%</td>
<td>1,955,219</td>
<td>100.0%</td>
<td>-10.5%</td>
</tr>
<tr>
<td>Cost of goods Sold</td>
<td>(8,982)</td>
<td>0.5%</td>
<td>(9,376)</td>
<td>0.5%</td>
<td>-4.2%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>1,741,689</td>
<td>99.5%</td>
<td>1,945,843</td>
<td>99.5%</td>
<td>-10.5%</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>(1,341,981)</td>
<td>76.7%</td>
<td>(1,503,289)</td>
<td>76.9%</td>
<td>-10.7%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>(252,806)</td>
<td>14.4%</td>
<td>(306,983)</td>
<td>15.7%</td>
<td>-17.6%</td>
</tr>
<tr>
<td>S&amp;M</td>
<td>(1,016,582)</td>
<td>58.1%</td>
<td>(1,122,407)</td>
<td>57.4%</td>
<td>-9.4%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>(72,593)</td>
<td>4.1%</td>
<td>(73,899)</td>
<td>3.8%</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>399,708</td>
<td>22.8%</td>
<td>442,554</td>
<td>22.6%</td>
<td>-9.7%</td>
</tr>
<tr>
<td>Non Operating Income</td>
<td>22,478</td>
<td>1.3%</td>
<td>6,421</td>
<td>0.3%</td>
<td>250.1%</td>
</tr>
<tr>
<td>Income before Tax</td>
<td>422,186</td>
<td>24.1%</td>
<td>448,975</td>
<td>23.0%</td>
<td>-6.0%</td>
</tr>
<tr>
<td>Income after Tax</td>
<td>336,397</td>
<td>18.1%</td>
<td>339,843</td>
<td>17.4%</td>
<td>-6.9%</td>
</tr>
<tr>
<td>Basic EPS before Tax (in NT$)</td>
<td>4.47</td>
<td></td>
<td>3.81</td>
<td>17.4%</td>
<td></td>
</tr>
<tr>
<td>Basic EPS after Tax (in NT$)</td>
<td>3.35</td>
<td></td>
<td>2.89</td>
<td>16.2%</td>
<td></td>
</tr>
</tbody>
</table>
Q3-2012 Outlook

- Consolidated Q3-2012 guidance assuming FX 30:
  - Revenue (Q/Q): -2% +/- 2% vs. Q2-2012
  - Gross profit rate: over 99%
  - Operating margin: 20% +/- 1.5% or NT$150M~NT$181M

Notice about 2013 IFRS Adoption and Business Practice Change
Notice

• Due to the adoption of IFRS from 2013, our 3rd party royalties will be categorized to COGS from Sales & Marketing expenses.
• After Windows 8, Dolby will collect its royalty from OEMs directly, therefore our revenues and COGS will no longer contain Dolby royalty for OEM shipments.
• This will impact our **revenues, gross profit rate and operating profit rate** from 2013, but no impact on our **Earning**.
• We will start disclosing proforma gross profit margin so investors can better understand the change.

---

**Current gross profit rates. Only material cost in COGS. 3rd party royalties in S&M expenses.**

**Proforma gross profit rates if moving 3rd party royalties to COGS**

**Proforma gross profit rates if moving 3rd party royalties to COGS and excluding OEM Dolby from revenues & COGS**

**Simulation of IFRS compliance**

**Simulation of IFRS compliance & Dolby cost change after Windows 8**
## Proforma Consolidated IS H1-2012 Y/Y
Simulation of IFRS compliance & Dolby cost change after Windows 8

<table>
<thead>
<tr>
<th></th>
<th>H1-2012</th>
<th>%</th>
<th>H1-2011</th>
<th>%</th>
<th>Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>1,163,782</td>
<td>100.0%</td>
<td>1,271,526</td>
<td>100.0%</td>
<td>-8.5%</td>
</tr>
<tr>
<td>Cost of goods Sold</td>
<td>(180,679)</td>
<td>15.5%</td>
<td>(208,506)</td>
<td>16.4%</td>
<td>-13.3%</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>983,103</td>
<td>84.5%</td>
<td>1,063,020</td>
<td>83.6%</td>
<td>-7.5%</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>(583,395)</td>
<td>50.1%</td>
<td>(620,466)</td>
<td>48.8%</td>
<td>-6.0%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>(252,806)</td>
<td>21.7%</td>
<td>(306,983)</td>
<td>24.1%</td>
<td>-17.6%</td>
</tr>
<tr>
<td>S&amp;M</td>
<td>(257,996)</td>
<td>22.2%</td>
<td>(239,584)</td>
<td>18.8%</td>
<td>7.7%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>(72,593)</td>
<td>6.2%</td>
<td>(73,899)</td>
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<td>-6.0%</td>
</tr>
<tr>
<td>Income after Tax</td>
<td>316,397</td>
<td>27.2%</td>
<td>339,843</td>
<td>26.7%</td>
<td>-6.9%</td>
</tr>
<tr>
<td>Basic EPS before Tax (in NTS)</td>
<td>4.47</td>
<td></td>
<td>3.81</td>
<td>17.4%</td>
<td></td>
</tr>
<tr>
<td>Basic EPS after Tax (in NTS)</td>
<td>3.35</td>
<td></td>
<td>2.89</td>
<td>16.2%</td>
<td></td>
</tr>
</tbody>
</table>

### Notes:
- Revenues don’t contain OEM Dolby royalty
- COGS consists of material cost and 3rd party royalties excluding OEM Dolby
- Rates against revenues would change, but no impact to the amounts of operating profit and items below

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## Value Proposition of Investment in CyberLink
Value Proposition of Investment in CyberLink

- **Existing Business**
  - Sustainable Earnings
  - Consistent high dividend policy
  - Solid financial structure and strong cash position

- **New Opportunities & Upside**
  - Upcoming Windows 8 opportunities
  - Winning both B2B & B2C, with a strong synergy in between
  - A huge trend in consumer multimedia usages
  - We reaffirm our world #1 market position
Sustainable Earnings & Consistent High Dividend Policy

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<td>77.4%</td>
</tr>
<tr>
<td>2009</td>
<td>7.91</td>
<td>81.9%</td>
</tr>
<tr>
<td>2010</td>
<td>7.08</td>
<td>98.7%</td>
</tr>
<tr>
<td>2011</td>
<td>7.05*</td>
<td>99.3%</td>
</tr>
</tbody>
</table>

*NT$7.05 was calculated using 2011 net earnings divided by the number of share outstanding as of end of 2011. Due to the 20% capital reduction, 2011 basic EPS audited by CPA was NT$6.11 based on the weighted average number of shares in 2011.

H1’2012 EPS = 3.35

Solid financial Structure and Strong Cash Position

- Cash* (Cash + Cash Equivalent + Short term Investment) remains over NT$4B, or over 60% of total asset.
- Zero debt and no Capex
- Besides current company location, we own an office building in Taipei City which generates about NT$10M non-operating income per quarter. Estimated 3% annual yield rate.
New Opportunities & Upside

Upcoming Windows 8 Opportunities
Market Development to CyberLink’s Great Advantage

• Both Windows 8 specifications and the competition landscape are to our great advantage:
  – Windows 8 will not support Dolby-for-Disc and MPEG-2 such that user cannot playback DVD movies or burn DVD movie discs.
  – To provide the same media experience as in Windows 7, PC OEMs have to bundle digital media solutions from software vendors, such as CyberLink.
  – All top 10 PC vendors (excluding Apple) have awarded Win8 projects to CyberLink. Each OEM adopts more than 3 CyberLink products.
  – With the strong penetration in OEMs after Win8, we will reach out to massive end users for upgrade sales and cross sales (B2C).
  – Both CyberLink B2B and B2C will benefit from Win 8 for the high B2B installation base will drive more B2C sales.
Winning Both B2B & B2C with a Strong Synergy in Between

• Most PC OEMs bundle OEM versions while we offer retail versions with full spec on our website.
• After Windows 8, the OEM installation base will be much bigger than today.
• We can fully leverage the OEM installation base as an excellent gateway to reach massive OEM users and encourage more upgrade and cross-sale of our retail versions.

Increasing B2C Contribution in Net Gross Profit (NGP)

• We continue making good progress to achieve a more balanced B2B/B2C business model.
• Our B2C contribution to total NGP continues to increase and reached 37.3% in H1-2012.
• By the end of Q3-12, we will launch a new flagship editing suite to B2C market.

• Net Gross Profit (NGP): An internal performance indicator which is sales less 3rd party royalties & material costs.
Increasing Brand Value

- Our 2011 rank advanced from No. 18 to No. 15
- An increase of brand value from USD$104 million in 2010 to USD$140 million in 2011, a significant 34% growth.

Top Taiwan Global Brands Survey is conducted annually and organized by the Taiwan External Trade Development Council (TAITRA) with help from BusinessNext and Interbrand.
http://www.brandingtaiwan.org/TopTwenty/en/Index.html

The Huge Trend in Multimedia Usages

A great opportunity for video & photo software!

Over 100 billion PHOTOS posted to Facebook in Year 2011*
4.5 million PHOTO UPLOADS to Flickr each day*
6 billion PHOTOS hosted on Flickr in the year 2011*
72 hours of VIDEO uploaded to YouTube every minute†
1 trillion VIDEO PLAYBACKS on YouTube in 2011*

Technologies are lining up to drive this new trend.
Multimedia Software

- **Professional Market**
  - Target customers are mostly professional users, such as graphic designers, photographers, media producers, etc.
  - Demands focus on creative software
  - Software price range US$600~US$4,000
  - Software tend to be complicated and difficult to comprehend. Require more practices and professional trainings. Entry barrier is normally high.
  - Representative company - Adobe

- **Consumer Market**
  - Target customers from novices, hobbyists, enthusiasts, to prosumers
  - Demands cover total multimedia solutions, from playback, media management, burning to creativity. Day-to-day uses for fun.
  - Software price < US$150
  - Stress on the user experience. Software have to be easy-to-use, intuitive and enjoyable.
  - Representative company : CyberLink

### Summary

- Q2-12 revenues and operating margin both met our previous guidance
- Q2-12 basic EPS after tax hit NT$1.48 and H1-12 NT$3.35
- Will be changes in revenues and some margin rates after IFRS from 2013 and Windows 8 but no impact to net profit amounts
- CyberLink investment proposition
  - Very Strong Existing Business
  - New Opportunities and Upside include:
    - Windows 8 advantages
    - Strong synergy between B2B and B2C
    - Huge trend in consumer multimedia usages to help us reaffirm our world #1 market position
For more information about CyberLink:
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Thank You!