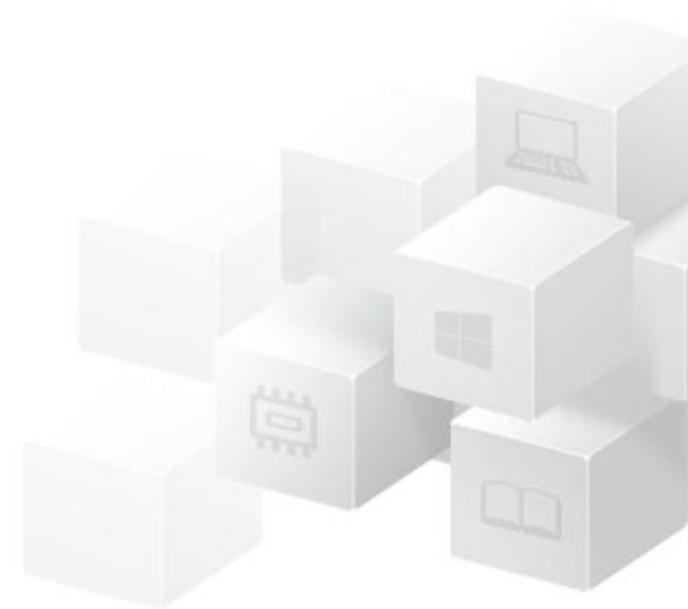


Total Embedded Solution Company

MDS Technology



Embedded Innovation

m^ds technology



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Trend of Embedded Industry

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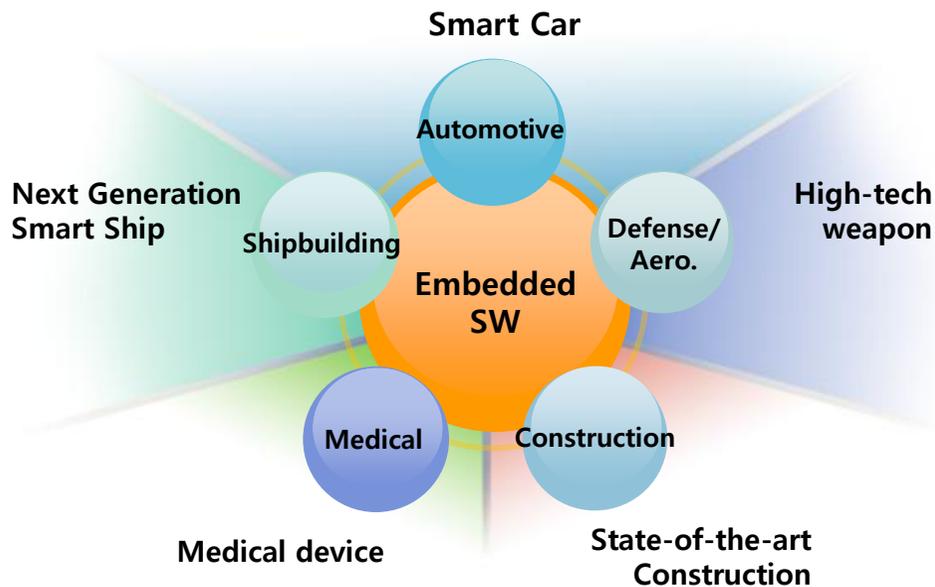
Investment Highlight

V

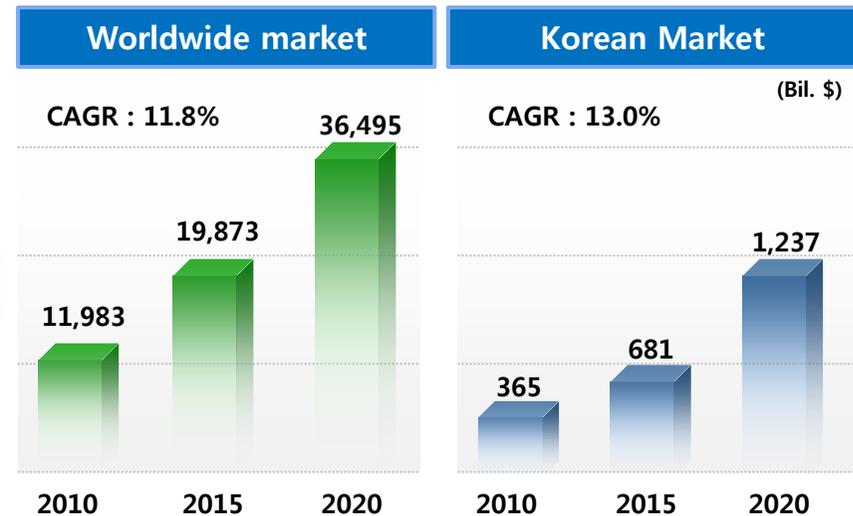
Financial Statement

Embedded SW & IT convergence are core items in IT Korea future strategy by government

IT Convergence Business



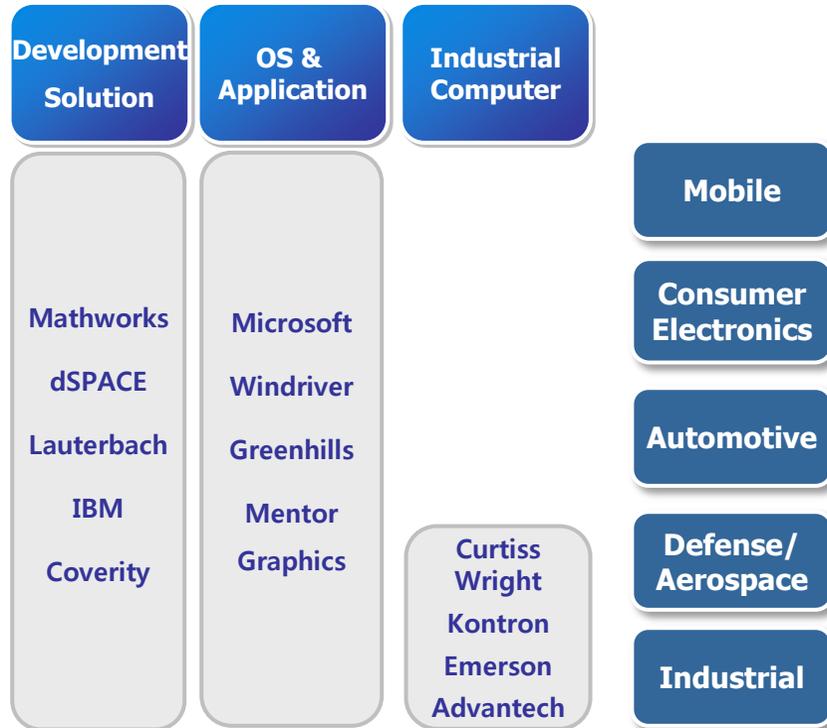
IT Convergence Market forecast



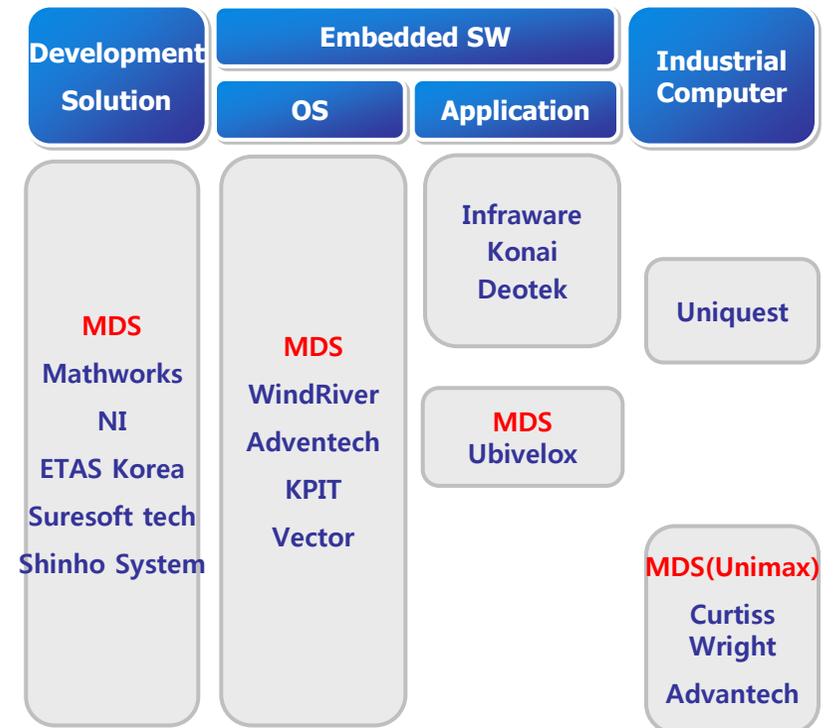
Source : ETRI

As a Market-dominant Enterprise of Korean Embedded Market, Driving entire Industry Growth.

Worldwide Embedded Market



Korean Embedded Market



■ Overview

CEO	Sangheon Lee
Date of Foundation	Mar, 1994.
Head Office Address	3FL. Hancorn Tower, Pangyo, Gyeonggi-do, Korea
Main Customers	
Sales/Operating Income(CY2013)	Separate : 70.9 Mil. / 8.8 Mil. Consolidated : 83.7Mil. / 9.1 Mil
Website	www.mdstec.com

■ Subsidiary

✓ Domestic :



✓ Overseas :



■ Human Resources



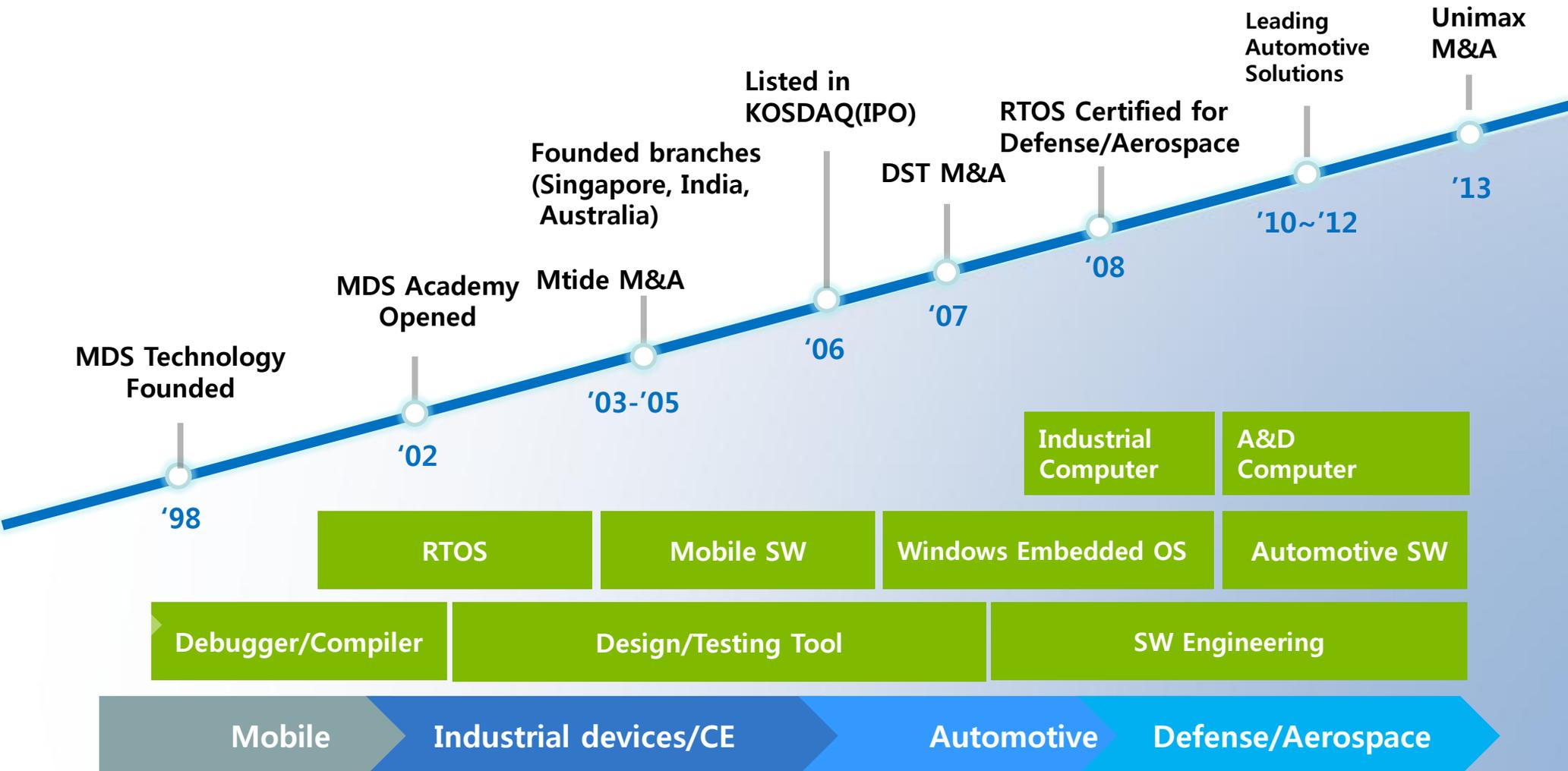
▲ 79% of total Employees has Engineering Background

■ Stock Info.

IPO	Sept. 26, 2006
Number of Share	8,722,565
Main Shareholder	Stick Korea Investment(38.7%)

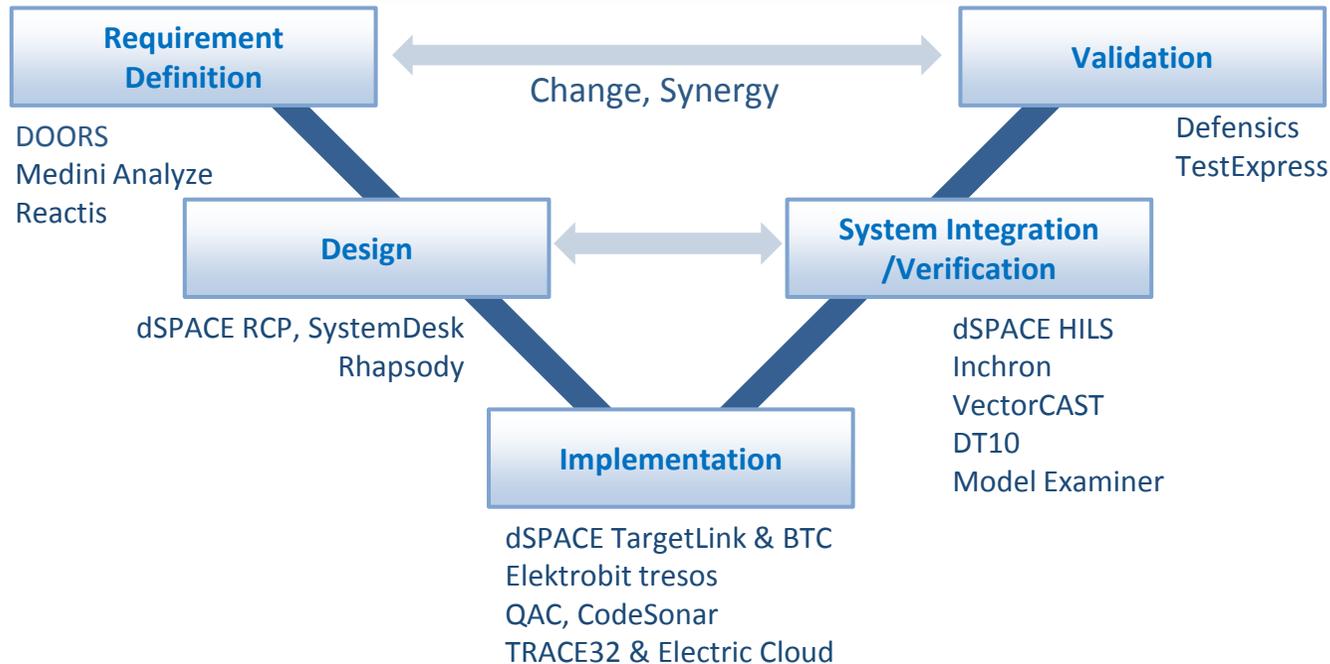
II. Company Information

Drive embedded industry growth since its establishment in 1994



One-stop solution and services that can provide the best SW engineering business methods and know-how

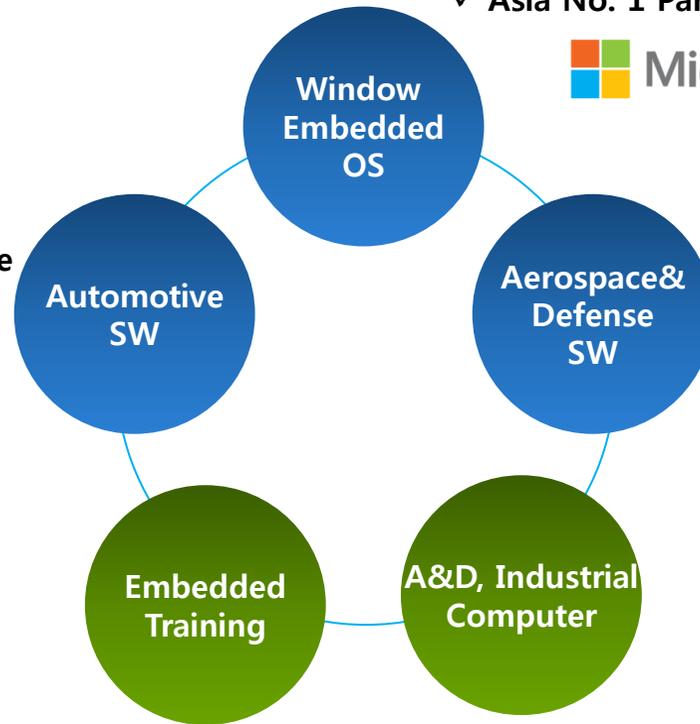
V-Cycle based Development Solutions (ISO 26262, DO-178B)



From consulting to maintenance, we support the whole development process

Based on OS and System SW development capability,
We are expanding our business areas. (IVI, M2M, A&D, industrial computing, and HW)

✓ Asia No. 1 Partner of Microsoft



✓ DO-178B Level A-certified RTOS for Aerospace/Defense



✓ Data Distribution Service Middleware - NeoDDS

✓ Computer & Board specialized in A&D, Industrial



✓ AUTomotive Open System Architecture - AUTOSAR

✓ Link between IVI & Smartphone - NeoLink

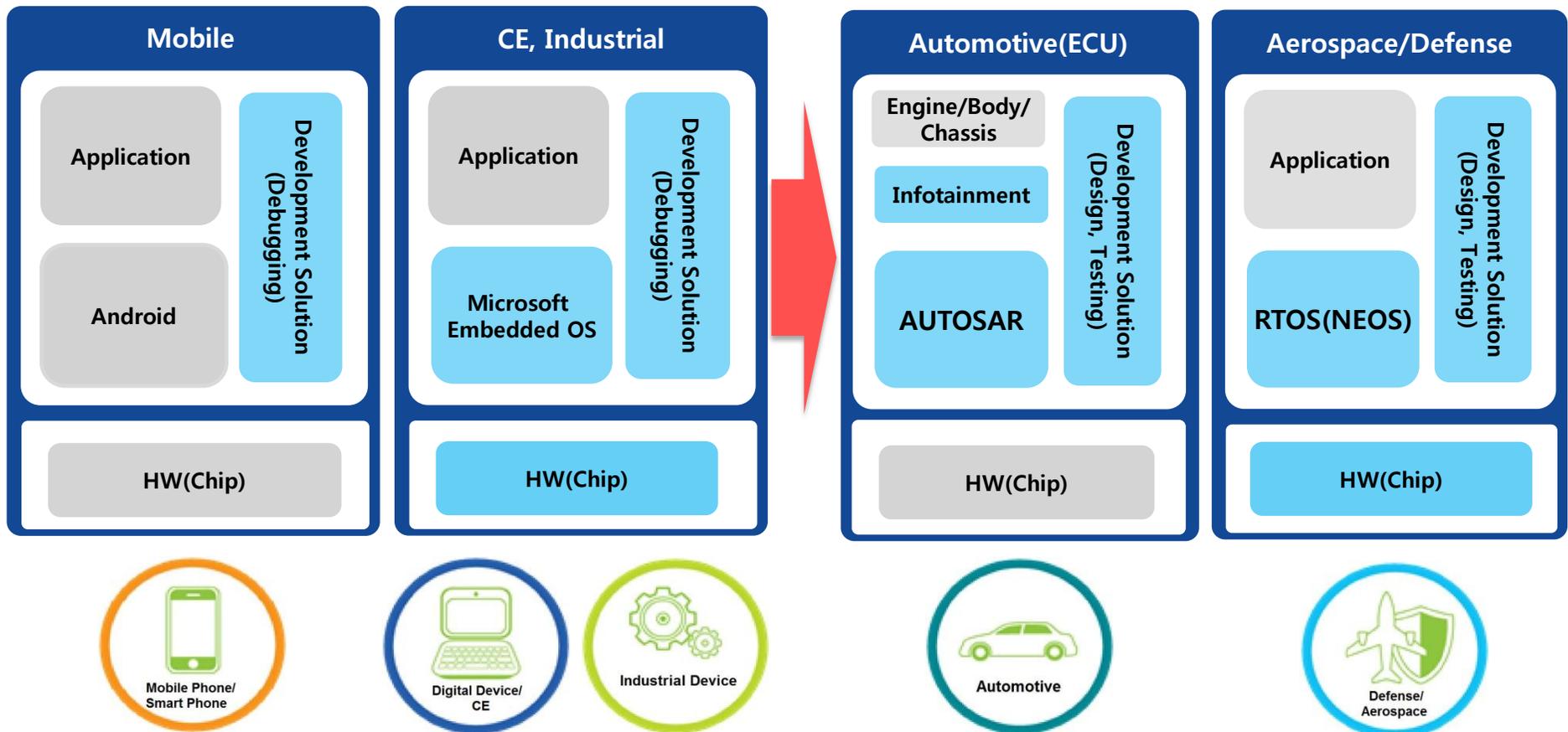


✓ Embedded Training Center

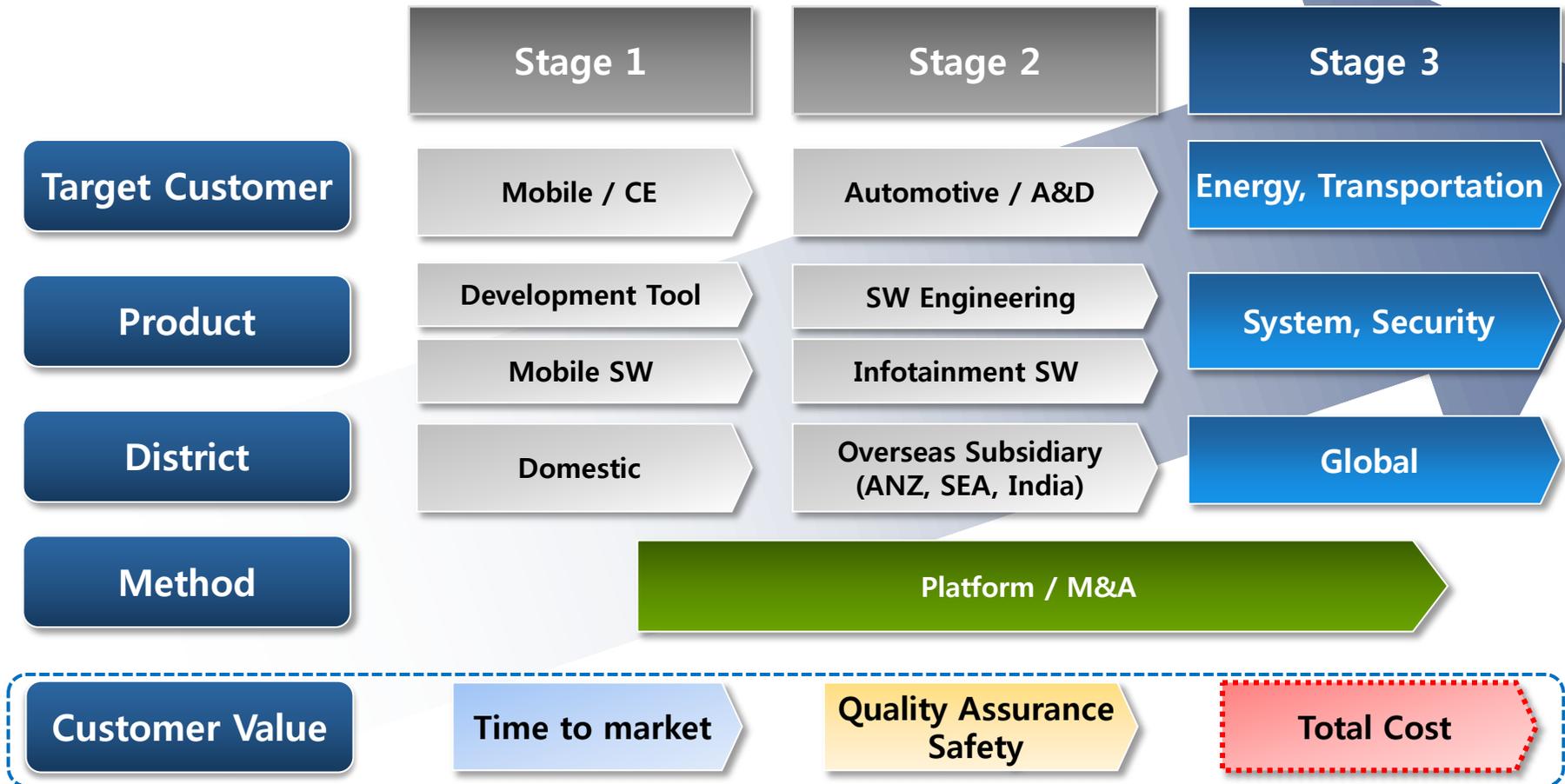


III. Business Overview - Business area (Domain)

- Enlarged Market : Mobile, Digital/Industrial Device → Automotive, Defense /Aerospace
- Change of Development Solution : Debugging → Design & Testing + SW Engineering Service

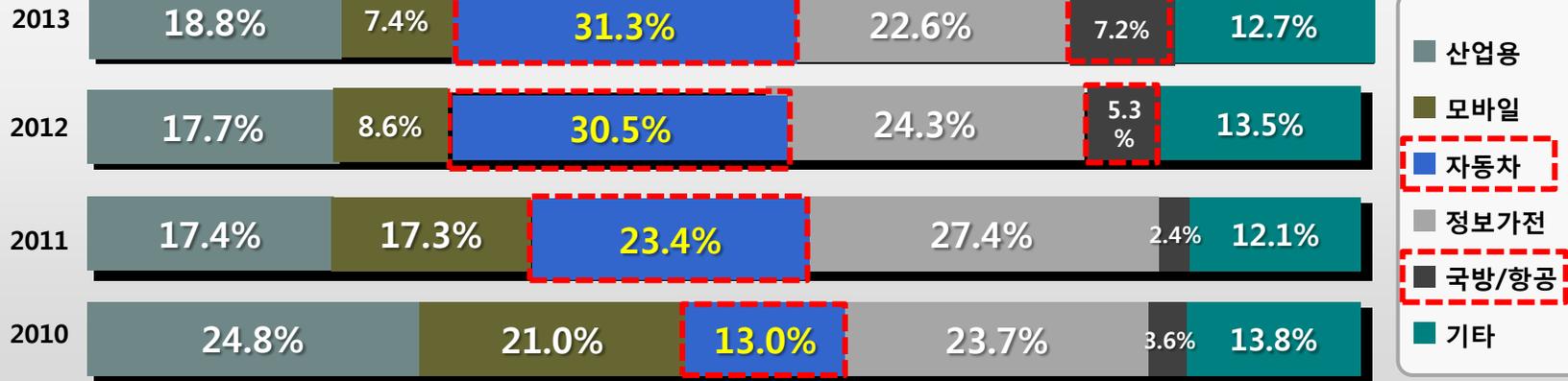


Expand business domain and pursue the advancement of business, by embedded technology-based platform



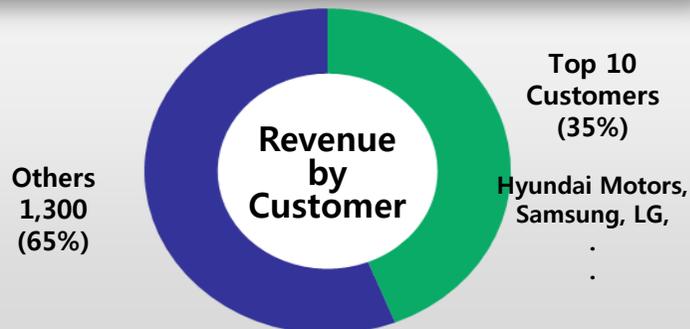
Stable revenue proportion from various customers in each industry
(14 years continuous Surplus)

Revenue by Industry

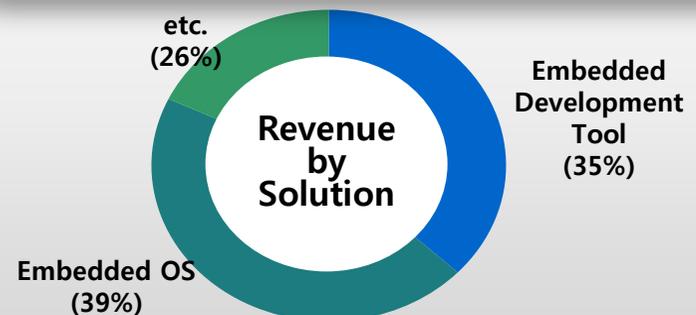


* Separated

Revenue by customers (2013)

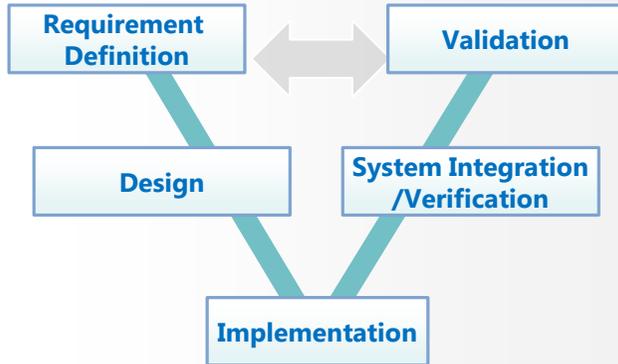


Revenue by Solution(2013)



"Technology Window" between Customers and Partners

V-Cycle based SW Development Solution



- Total solutions that cover the entire development process
- Consulting Service based on accumulated experience

Broad Business Network

Customers



Partners



- More than 1,300 customers in all industry sectors
- Partnership with world-leading Embedded companies

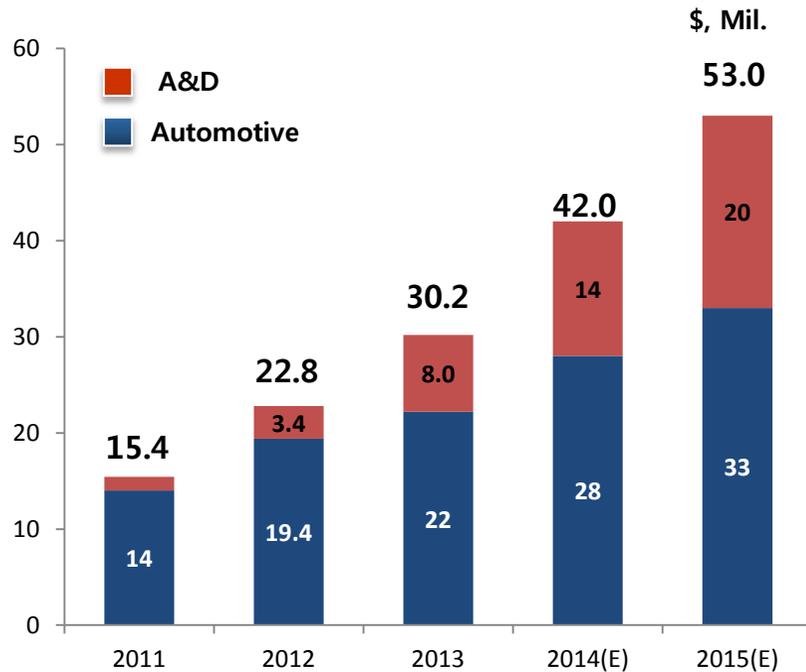
Embedded specialized Technology & Knowhow



- Technical expertise for the Defense / Aerospace RTOS
- ISO 26262, AUTOSAR Consulting
- Korea's largest embedded training center : MDS Academy

Earnings growth by Automotive and Aerospace & Defense Market expansion

■ Revenue of Automotive, A&D Market



* Consolidated

■ Market Growth Momentum

Increasing Projects & SW Engineers
(Automotive / A&D Market)

Sales units are bigger than mobile market

Increase Solution Business
(SW + Engineering Service)

Start A&D Mass Production('14)

■ Financial Info. (K-IFRS, Consolidated)

m d s technology
(\$ / mil , 1\$=1,000won)

Subjects	2010년	2011년	2012년	2013년	growth rate
Sales	70,611	70,690	72,716	83,701	15.1%
Operating Income	9,348	8,937	8,805	9,099	3.3%
Ordinary Income	10,895	12,486	12,148	10,734	-11.6%
Net Income	8,545	9,707	10,119	8,853	-12.5%
EPS	994	1,158	1,197	1,031	-13.9%

■ Financial Info. (K-IFRS, Separated)

Subjects	2010년	2011년	2012년	2013년	growth rate
Sales	62,136	61,065	63,492	70,862	11.6%
Operating Income	8,851	7,783	8,107	8,750	7.9%
Ordinary Income	10,435	11,167	11,172	10,379	-7.1%
Net Income	8,299	8,827	9,402	8,751	-6.9%
EPS	907	1,053	1,112	1,006	-10.5%

■ Balance Sheets (Consolidated)

Subjects	2010	2011	2012	2013
Current Assets	39.8	58.0	69.7	77.3
Fixed Assets	28.6	19.8	19.6	25.5
Total Assets	68.4	77.7	89.4	102.8
Current Liabilities	12.0	16.2	14.4	19.4
Long-term Liabilities	1.5	2.1	3.3	4.3
부채총계	13.5	18.3	17.6	23.7
Capital Stock	4.8	4.8	4.8	4.8
Capital Surplus	18.7	18.7	21.1	21.4
Capital Adjustment	-0.6	-2.9	0.5	0.5
Other Comprehensive Income	0.7	0.5	0.3	-0.3
Earned Surplus	31.4	38.4	45.1	52.0
minority interest	-	-	-	0.7
Total Capital	54.9	59.4	71.8	79.1

* Cashable assets: 49.1('13)

■ Balance Sheets (Separated)

(\$ / mil , 1\$=1,000won)

Subjects	2010	2011	2012	2013
Current Assets	35.2	51.1	64.9	69.6
Fixed Assets	29.3	20.7	20.3	24.0
Total Assets	64.5	71.8	85.2	93.6
Current Liabilities	9.8	12.7	13.0	14.6
Long-term Liabilities	1.3	2.0	3.2	3.2
부채총계	11.1	14.7	16.2	17.7
Capital Stock	4.8	4.8	4.8	4.8
Capital Surplus	18.7	18.7	21.1	21.4
Capital Adjustment	-0.6	-2.9	0.5	0.5
Other Comprehensive Income	0.2	0.0	0.0	0.0
Earned Surplus	30.4	36.5	42.6	49.2
Total Capital	53.4	57.1	68.9	75.9

* Cashable assets: 47.4('13)

Provides total solution for ECU development & Infotainment system

Embedded SW Development Solution

SW Engineering Service

- ✓ Consulting
- ✓ Development Tool (Design, Debugging, Testing)
- ✓ Embedded Training



(MirrorLink Solution)

Infotainment

- ✓ MirrorLink
- ✓ M2M Platform
- ✓ ECU Virtualization
- ✓ Smart Car Solution



(M2M)

ECU (Engine/Body/Chassis)

- EPS(Power Steering)
- EPB(Parking Brake)
- ESC(Stability Control)
- Air-bag / Air-Suspension
- MCU(Motor Control Unit)
- BMS ...

OS

H/W(Chip)

ECU_Infotainment

Infotainment
Application

OS
(Android, WinCE)

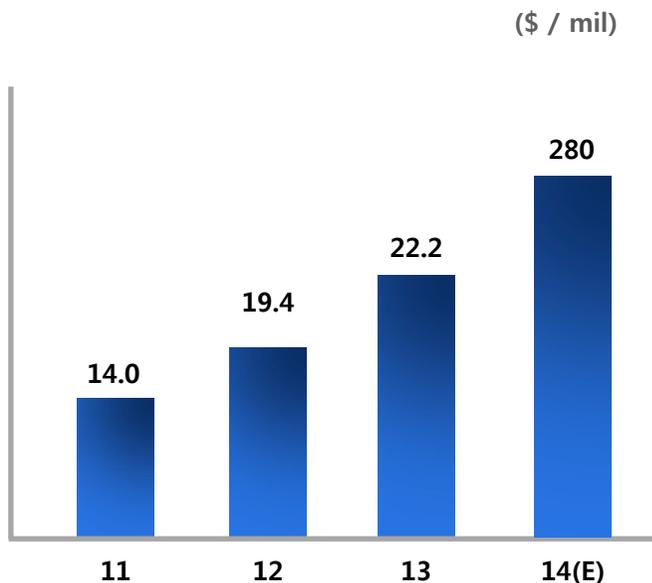
H/W(Chip)

Embedded OS

- ✓ AUTOSAR Platform

As Automotive SW market growth, we'll penetrate automotive market with lined up solution

Sales & Proportion of Automotive Market



Development Solution

- ECU Solution
- Debugger, Compiler
- ISO 26262 Solution

Infotainment Solution

- In-Vehicle Infotainment
- ECU Virtualization
- MirrorLink

Embedded OS

- AUTOSAR Solution
- OSEK OS

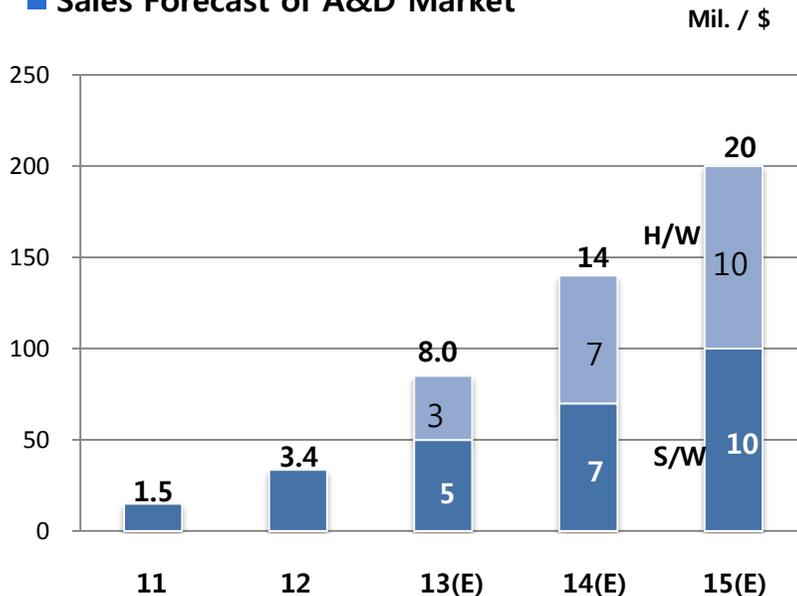
Compare Automotive Industry with Mobile Industry

	Mobile SW	Automotive SW	
		AS-IS	TO-BE
Cost of Development Environment (by Person)	\$10,000	\$25,000	\$50,000 ~ \$100,000
SW Developers	25,000	1,500	5,000
Ratio of SW Developers	50%	11%	30%
Tool usage	Debugger	Debugger, Design Tool	Debugger, Design/Testing Tool

- AUTOSAR: AUTomotive Open System ARchitecture) : open and standardized automotive software architecture
- ISO 26262 : Automotive Functional Safety standard

Based on Technical expertise for the Aerospace & Defense RTOS,
We provide RTOS & embedded system development solution

■ Sales Forecast of A&D Market



- Increase High-tech weapon development
- Weapon localization plan by government
- Enlarge portion of embedded SW in weapon



- Active investment in HW Business (UNIMAX M&A)
- Synergy effect between SW and HW Business

Embedded Development Solution

- EC/ECU development Tool
- Debugging/Design/Testing

Embedded OS

- NEOS RTOS

Aerospace/Defense HW

- Industrial Computer
- COTS System