



TM

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VISIBILITY

2ND QUARTER UPDATE

NIVS IntelliMedia Technology Group, Inc.

(NYSE Amex: NIV)

SEPTEMBER 2, 2009 | TARGET PRICE: \$7.65 | RATING: BUY

INVESTMENT HIGHLIGHTS

Expanded marketing and distribution leads to healthy top-line growth.

Despite soft economic conditions and a stagnant consumer goods market, for the quarter ended June 30, 2009 (2Q09) NIV reported an impressive 64% year-over-year and a 39.4% sequential increase in total revenue to \$40.9 million. The Company reported net income of \$4.6 million, or EPS of \$0.11, higher than our estimate of \$3.6 million, or EPS of \$0.10. The prime reason for the healthy top- and bottom-line growth in 2Q09 was increased demand for NIV products due to an aggressive marketing campaign and the introduction of new products. We anticipate the Company will continue to maintain its growth momentum for the next couple of quarters due to its expanding marketing and distribution networks across China and Hong Kong.

New retailers and OEM agreements expand presence.

To increase market share and continue its sales growth, NIV is expanding its presence in domestic markets through new original equipment manufacturer (OEM) contracts and distribution agreements. The Company has entered into strategic alliances with home appliances chain retailers Gome Electronic Appliance Co. Ltd. (Gome) and Suning Appliance Co. Ltd. (Suning). Gome is the largest home appliance retailer in China with 151 distribution centers and more than 1,300 stores in 329 cities. Suning owns 700 stores in more than 150 cities in China. In addition, NIV has signed an agreement with online retailers Joyo.com, shop.bandao.cn and 360buy.com. We believe these online partnerships coupled with new distribution agreements with leading national retailers will increase the visibility of NIV products and help generate significant revenues going forward.

Robust brand building.

By the end of 2Q09, NIV had successfully completed the first two phases of its product road shows which are meant to boost interest and demand for its branded innovative intelligent and standard audio and video products. The road shows covered 28 provinces across China, including direct face-to-face interaction with consumers, which is beneficial for new product development. The road shows were well supported by CCTV advertising, online media marketing and various press conferences. According to management, the road shows have been very successful and already led to the Company securing orders for approximately 100,000 units of its newly launched digital home theater systems. The product has already achieved 31% of its annual sales target set by the Company and in light of the aggressive brand-building activities and the upcoming holiday season, we believe NIV will achieve its annual sales target for digital home theater systems well ahead of schedule.

New strategic alliances to accelerate Hong Kong sales. In the present scenario, where new technology-based products hit the market every quarter,

RESEARCH ANALYST

Abhinav Bhatnagar, MBA

AT A GLANCE

TICKER	NIV
FISCAL YEAR END	December
SECTOR	Electronic Equipment
RECENT PRICE	\$2.22
TARGET PRICE	\$7.65
MARKET CAP	\$90.3M
52-WEEK HIGH	\$5.50
52-WEEK LOW	\$2.03
PRICE/EARNINGS (TTM)	6.62x
PRICE/BOOK (MRQ)	1.45x
PRICE/SALES (TTM)	0.56x
BOOK VALUE PS (MRQ)	\$1.53
SHARES OUTSTANDING	40.68M
FLOAT	17.99M
AVG DAILY VOLUME (3 MOS)	70,869
INSIDER OWNERSHIP	46.4%
CEO	Tianfu Li

As of September 1, 2009



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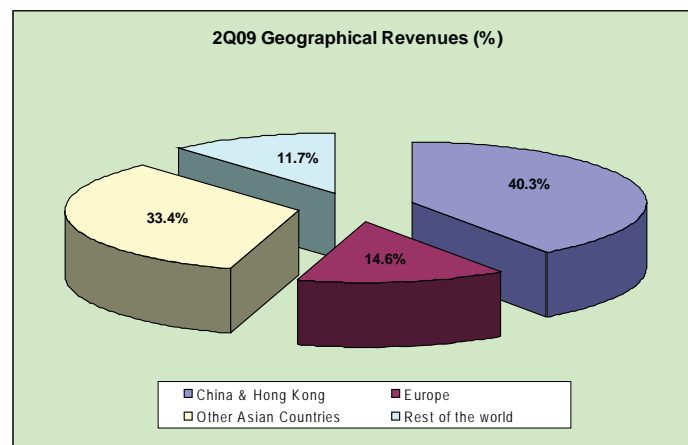
NIV's partnerships with Hong Kong-based Good Century Holdings Limited (Good Century) and Acoustic Research in the United States will drive domestic sales and help NIV gain maximum market share. Good Century, a renowned consumer electronic service agency, will lend its marketing and distribution services to NIV's product lines in the Hong Kong market. Management believes this partnership will generate \$2.6 million in revenue by the end of FY09 and significantly enhance the Company's presence in Hong Kong. Moreover, the Company has successfully bid on a \$20 million OEM contract to manufacture and assemble 30,000 notebooks for a Hong Kong-based distributor by the end of FY09. This was the first notebook contract received by the Company, and management sees this as an excellent opportunity to leverage its technical expertise in the new vertical market. In addition, OEM and original design manufacturer (ODM) service contracts signed with professional speaker manufacturer Acoustic Research, a subsidiary of Audiovox Corporation in the United States, will help NIV to leverage its distributor network. Along with OEM and ODM services, the Company will sell Acoustic Research products through its distributor network across China and Hong Kong.

Intelligent audio and video equipment picking up steam. Sales of NIV's intelligent audio and video equipment continues to increase, accounting for nearly 15% of revenue in 2Q09 compared to 11.6% in 2Q08. Management is investing heavily in the development of its speech-based intelligent equipment, which carries higher margins compared to standard audio products.

Addition to Russell 2000 and 3000 indexes increases visibility. After being listed on the NYSE Amex in March 2009, the Company's stock was added to the Russell 2000 and 3000 indexes in 2Q09. This will considerably enhance the stock's visibility among the investor community and will positively affect shareholder value going forward. We also believe the addition will further improve trading volume of NIV stock, as Russell indexes are broadly used as a benchmark for passive and active investment strategies by managers worldwide.

2Q09 FINANCIAL HIGHLIGHTS

NIV reported impressive revenue growth of 64.4% year-over-year for the quarter ended June 30, 2009. The Company reported total sales of \$40.9 million compared to \$25 million in 2Q08, mainly attributable to soaring demand for NIV's products and higher sales of digital equipments and LCD TVs. With the increase in LCD TV prices, total television sales reached \$6.4 million in 2Q09, representing a significant year-over-increase of 116%. Management believes revenue from LCD TVs will continue to grow due to the upgrades of its LCD TV lines coupled with the expanding distribution network. Demand for LCD TVs continues to grow in China, the second largest consumer electronics market in the world after the United States.





Sales of standard products increased 61.7% year-over-year to \$19.7 million in 2Q09 compared to \$12.2 million in 2Q08 due to increased sales volumes (1.6 million units sold in 2Q09 over 1.1 million in 2Q08). Sales of televisions rose 116.1% year-over-year to \$6.4 million from \$3.0 million in 2Q08 (0.6 million units sold in 2Q09 against 0.9 million in 2Q08). Revenue from intelligent equipment reached \$6.1 million versus \$2.9 million in the year-earlier quarter (2.3 million units sold in 2Q09 over 0.3 million in 2Q08), a significant year-over-year increase of 90.9%.

Cost of goods sold declined as a percentage of revenue to \$31.2 million, or 76% of total revenue, compared to \$19.2 million, or 77% of sales, in 2Q08. Accordingly, gross margins increased to 23.8% in 2Q09 from 23% in 2Q08. Increased prices of LCD TVs and standard audio equipment products during 2Q09 contributed to the improved margin.

The Company reported a decline in operating margins to 14.5% in 2Q09 from 17.9% in 2Q08. Total operating expenses increased to \$3.81 million in 2Q09 from \$1.28 million in the year-earlier quarter, representing a year-over-year increase of 197%. The increase in operating cost was mainly due to the following factors:

- Selling expenses were \$2.1 million in 2Q09 compared with \$0.7 million in 2Q08, representing a 186.3% year-over-year increase. The increase was primarily due to increased marketing and television advertising expenditures in the quarter.
- Research and development spending increased to \$0.8 million in 2Q09, an increase of \$0.5 million, or 202.3%, from \$0.25 million in 2Q08. The increase was mainly due to continued investment in the development of newer products and design offerings to meet customer requirements. Management expects these expenses will continue to rise.
- The Company reported general and administrative expenses of \$0.9 million in 2Q09 compared to \$0.3 million in 2Q08. The increase was the result of higher professional fees incurred from being a publicly listed company in the United States. Management anticipates these expenses will rise further given business expansion and additional professional fees.

In 2Q09, NIV reported net income of \$4.5 million, or EPS of \$0.11, compared to net income of \$3.2 million, or EPS of \$0.12, in 2Q08. The increase in net income was mainly driven by strong revenue growth in the quarter.

LIQUIDITY AND RESOURCES

As of June 30, 2009, the Company reported cash and cash equivalents of \$0.3 million on its balance sheet compared to \$2.2 million on March 31, 2009. NIV used \$2.93 million cash for its operations in 2Q09 against \$3.2 million cash earned from operation in 1Q09 primarily due to substantial increase in its working capital on account of increase in accounts receivables, inventories and restricted cash balance on the back of substantial jump in sales. However, account receivable days-on-hand reduced to 52 days on June 30, 2009, from 58 days on March 31, 2009 and was better than the Company's target of 60 days. Management believes that existing cash, cash generated from the collection of accounts receivable, funds available via financing and funds from increasing product sales will be sufficient to meet the Company's cash requirements for the next 12 months.



RECENT DEVELOPMENTS

OEM and ODM agreement with Acoustic Research. On August 18, 2009, NIV announced OEM and ODM service contracts with Acoustic Research (AR). AR is a professional speaker manufacturer and developer in the United States and a subsidiary of Audiovox Corporation. NIV will use AR's technology to manufacture and distribute AR speakers as well as provide OEM and ODM services in China and Hong Kong.

Assigned "AAA" credit rating. On July 30, 2009, China Export & Credit Insurance Corp (Sinasure) endowed its AAA credit rating to NIV. Sinasure is the only policy-oriented Chinese insurance company and assigned rating for solid legal status, business scale, credit history and for excellent business prospects.

NIV awarded key export brand. On July 23, 2009, the Department of Foreign Trade and Economic Corporation of Guangdong honored NIV with the title of "Key Export Brand to be Fostered and Developed."

New \$20 million notebook contract. In mid-July 2009, NIV successfully bid its first \$20 million contract to manufacture and supply 30,000 OEM notebook units to a Hong Kong-based distributor by the end of FY09.

Addition to Russell 3000 index. On June 29, 2009, NIV was added to the Russell 3000 index, which will increase the visibility of the Company's stock among the investor community.

New alliances to enlarge retail presence in China. On June 18, 2009, to expand its retail presence, NIV entered into strategic partnerships with home appliances chains Gome Electronic Appliance Co. Ltd. (Gome) and Suning Appliance Co. Ltd. (Suning). The Company has also signed agreements with online distributors Joyo.com and shop.bandao.cn. Management believes these alliances will enhance the penetration of NIV's product into the Chinese consumer market.

Partnership with Good Century. On June 12, 2009, NIV entered into a partnership with Good Century Holdings Limited to provide marketing and distribution services for NIV's LCD TV, stereo, DVD player and other high-end digital products in Hong Kong. Good Century is a Hong Kong-based agency providing marketing, distribution and promotion services for global consumer electronic brands.

Completed products roadshow with "Best Marketing Campaign" and "Best Buy" awards. On June 8, 2009, NIV completed the first phase of its products road show covering 15 provinces. Road shows greatly enhance the NIV brand among existing and prospective customers and boost sales of new products. The Company also received "Best Marketing Campaign" and "Best Buy" awards for stereo products from information vertical web portals PCPOP.COM and ZOL.COM.

Partnership with 360buy.com. On June 3, 2009, NIV entered into a strategic alliance with leading Chinese online retailer 360buy.com to expand its online retail presence. Initially 360buy.com will carry NIV consumer audio products and makes them available to 1.2 million shoppers.

OUTLOOK FOR 3Q09

We maintain a strong outlook on NIV given its impressive revenue growth and new retailer agreements in 2Q09. Accordingly, we project total revenue of \$51.7 million for 3Q09E and \$178 million for FY09E. We



see growth primarily driven by new strategic alliances with distributors, massive marketing campaigns and the introduction of innovative products. We expect improvement in gross profit margins with COGS of 75–76% and selling expenses of 5–6% in FY09E. We estimate net income of \$5.3 million, or EPS of \$0.13, for 3Q09E. For FY09E we estimate net income of \$18.2 million, or EPS of \$0.45.

VALUATION AND CONCLUSION

Although the consumer electronics industry is growing at a slower pace, we believe NIV can maintain its healthy growth given the early success of its newly launched products, growth of its own branded products, and new OEM contracts. We believe NIV is poised to gain strong market standing with expected upsurge in market share as the result of its expanding product offerings and retail network. We reiterate our “Buy” rating on NIV and maintain our 12-month target price of \$7.65. The Company has managed to grow impressively while maintaining the pace with the rapid technological changes. We see the stock as a good opportunity for investors to accumulate at current levels.

Our 12-month target price of \$7.65 is derived using a discounted cash flow (DCF) model to value the stock. We have assumed cost of equity of 6.3% based on the capital asset pricing (CAPM) model. The equity risk-free rate and equity risk-premium used for the calculation are 1.5% and 6.4%, respectively. Adjusted beta of 0.57 was used for the model. For calculating terminal value, a perpetuity growth rate of 4% was used.

Assumption Inputs					
Rf (Risk free rate)					1.5%
Historical equity risk premium (Rm - Rf)					6.4%
Country Risk Premium					2.1%
Adjusted Beta					0.57
Cost of Equity					6.3%
After Tax Cost of Debt					4.0%
Market Value of Equity (In USD Million)					158.2
Market Value of Debt (In USD Million)					62.6
Actual WACC					5.7%
Terminal Value growth rate					4.0%
Tax					25.0%
Discounted Cash Flow Method					
	2009E	2010E	2011E	2012E	2013E
Net Income	18,169,166	24,904,619	26,547,792	28,934,554	32,100,300
D&A	5,664,107	6,241,673	6,680,119	8,312,740	9,763,394
<i>Cash flow from operations</i>	<i>23,833,274</i>	<i>31,146,291</i>	<i>33,227,911</i>	<i>37,247,293</i>	<i>41,863,694</i>
Working capital changes	(18,609,878)	(12,094,818)	(7,762,305)	(8,034,141)	335,809
Capital expenditures	(7,256,099)	(15,140,743)	(21,376,380)	(24,449,234)	(33,195,541)
Net Debt (New Debt-Repayments)	1,604,799	0	0	0	0
FCFE	(427,904)	3,910,730	4,089,226	4,763,918	9,003,963
PVFCFE	(402,374)	3,457,990	3,400,086	3,724,740	6,619,853
Terminal Value	293,588,356				
Cash	461,504				
Total Value to Equity Holders	310,850,155				
No. of Diluted Shares	40,648,149				
Value Per Share	7.65				



PEER ANALYSIS

NIV PEER GROUP COMPARISON								
Company	Symbol	Price	Market Cap.	Price to Sales (X)	Price to Book (X)	Forward P/E (X)	Rev's Per Share (TTM)	Book value Per Share
NIVS Intellmedia Inc.	NIV	\$2.28	\$92.74M	0.58	1.51	NA	\$4.36	\$1.53
Koninklijke Philips Electronics NV	PHG	\$22.99	21.29B	NA	NA	21.09	NA	\$0.00
Nuance Communications, Inc	NUAN	\$12.63	3.40B	3.62	1.81	11.18	\$3.87	\$7.00
Microsoft Corporation	MSFT	\$24.68	219.92B	3.76	5.56	12.92	\$6.53	\$4.44
Panasonic Corporation	PC	\$16.06	33.25B	0.43	1.13	NA	\$37.16	\$14.17
Sony Corporation	SNE	\$27.30	27.40B	0.35	0.86	26.5	\$78.26	\$31.61
Rockford Corp	ROFO.PK	\$0.35	3.00M	0.05	0.53	NA	\$6.82	\$0.66
Universal Electronics Inc.	UEIC	\$19.34	\$264.47M	0.87	1.63	14.22	\$22.23	\$11.90
Koss Corp.	KOSS	\$13.14	48.50M	1.21	1.97	NA	\$10.43	\$6.34
International Business Machines Corporation	IBM	\$118.22	\$154.97B	1.61	10.18	11.08	72.874	\$11.73

Data as of Aug 28, 2009

COMPANY OVERVIEW

NIVS IntelliMedia Technology Group, Inc., through its wholly subsidiary NIVS Holding Company Limited, designs, manufactures, sells and markets audio and video consumer products. The Company predominantly operates in China but also sells and ships its products to diverse markets in Europe, Southeast Asia and North America. The two primary product lines offered by NIVS include 250 “standard/traditional” products (including theater systems, speakers, shelf-stereo systems, DVD players, DVB set-top boxes, televisions, portable digital players and related products) and 30 “intelligent” audio and video products (including various standard products with integrated speech-controlled interface technology comprising speech-controlled home theater systems, televisions, DVD players, set-top boxes and shelf stereo systems). In addition, the Company offers an array of peripheral and accessory products consisting of remote controls, headphones sets and portable entertainment devices such as MP3/ MP4 players.

NIVS sells its products under its own brand name “NIVS” as well as to original equipment manufacturers. The Company has a distribution network in more than 60 countries including wholesalers, distributors (both provincial and regional), resellers, independent vendors, value-added resellers and hardware vendors. The Company has a 2.7 million-square-foot facility in China, including a 1.1 million square-foot production area and more than 1,400 full-time employees.



NIVS IntelliMedia Technology Group, Inc. (NIV)

6-MONTH PRICE CHART & FINANCIAL STATEMENTS

2ND QUARTER UPDATE

6-MONTH PRICE CHART



Income Statement

All Figures in US\$, except share data

FY Ending December 31,

	2Q08	3Q08	4Q08	1Q09	2Q09
Total revenues	24,953,756	49,576,407	42,676,292	29,347,800	40,921,099
Cost of revenues	(19,207,711)	(38,261,969)	(31,909,674)	(23,096,780)	(31,173,544)
Gross profit	5,746,045	11,314,438	10,766,618	6,251,020	9,747,555
Selling expenses	(742,892)	(1,286,796)	(2,726,183)	(1,141,223)	(2,126,889)
Total general and administrative expenses	(286,828)	(3,936,331)	(3,111,029)	(1,241,630)	(923,477)
Research and development expenses	(252,410)	(261,141)	(1,069,000)	(572,535)	(762,940)
Total operating expenses	(1,282,130)	(5,484,268)	(6,906,212)	(2,955,388)	(3,813,306)
Net operating income	4,463,915	5,830,170	3,860,406	3,295,632	5,934,249
Government grant	-	21,506	10,207	-	66,923
Write-down of inventory	-	-	(131,837)	-	-
Interest expense	(513,735)	250,664	(644,957)	(562,063)	(324,162)
Interest income	139	(517,857)	(393,855)	-	5
Imputed interest	(109,194)	(147,620)	(209,214)	-	-
Sundry income (expense), net	(6,559)	(31,544)	(29,344)	9,981	-
Income before income taxes	3,834,566	5,405,319	2,461,406	2,743,550	5,677,015
Income taxes benefit (expense)	(469,571)	(645,936)	(410,011)	(313,955)	(961,914)
Minority interest	(79,482)	(196,195)	(66,162)	-	(119,616)
Net income (loss)	3,285,513	4,563,188	1,985,233	2,429,595	4,595,485
Net income (loss) per share-diluted	0.12	0.13	0.06	0.06	0.11
Diluted weighted average shares outstanding	27,546,667	34,844,197	31,967,040	37,391,115	40,648,149



NIVS IntelliMedia Technology Group, Inc. (NIV)

FINANCIAL STATEMENTS

2ND QUARTER UPDATE

Balance Sheet					
All Figures in US\$					
FY Ending December 31,	2Q08	3Q08	4Q08	1Q09	2Q09
Assets:					
Current assets					
Cash and equivalents	984,981	3,114,058	461,504	2,181,215	281,638
Short-term investment, marketable securities	10,711	10,736	-	11,021	-
Trade receivable, net	5,416,746	20,971,383	20,364,356	18,607,892	23,083,224
VAT refundable	-	-	1,094,090	154,538	128,820
Inventories, net	18,830,860	6,847,852	11,279,832	16,756,860	20,594,280
Restricted cash	3,838,685	4,318,165	11,681,595	12,731,570	14,603,721
Prepaid expenses and deposits	82,754	2,587,701	81,690	356,462	27,255
Total current assets	29,164,737	38,243,814	44,963,067	50,799,558	58,718,938
Property and equipment, net	50,197,852	54,276,881	56,331,487	57,765,279	56,649,040
Advances to suppliers	28,180,770	23,975,026	15,286,028	11,957,095	13,068,347
Intangible assets	2,338,369	2,355,195	2,343,383	2,331,228	2,321,199
Total assets	117,548,644	118,850,916	118,923,965	122,853,160	130,757,524
Liabilities and shareholders' equity:					
Accounts payable	5,756,748	8,428,310	2,020,363	2,317,269	2,939,609
Customer deposit	20,987,293	3,134,519	1,393,171	188,077	402,421
Accrued liabilities and other payable	1,309,809	1,017,163	1,441,922	1,119,821	1,036,401
Various taxes payable	234,675	983,673	470,860	1,869,777	1,862,788
Short-term loans	31,597,195	36,118,646	35,871,715	34,982,857	37,839,638
Current portion of long-term bank loan payable	2,554,125	-	-	-	-
Wages payable	407,032	371,183	800,744	449,729	543,111
Bank notes payable	13,182,685	19,414,388	18,849,201	20,166,697	18,486,077
Corporate tax payable	2,840,543	2,330,045	2,744,518	3,055,105	4,017,046
Total current liabilities	78,870,105	72,365,990	63,592,494	64,149,332	67,127,091
Due to stockholder	9,843,657	9,133,637	7,842,780	-	-
Total liabilities	88,713,762	81,499,627	71,435,274	64,149,332	67,127,091
Minority interest	856,090	1,033,786	1,099,240	1,195,200	1,315,109
Shareholders' equity (SE):					
Common stock, paid-in capital	-	3,686	3,686	4,059	4,068
Retained deficit/earnings	22,817,185	26,498,243	26,193,371	28,561,838	33,157,323
Additional paid-in capital	-	12,454,299	12,663,513	21,513,357	21,717,239
Accumulated other comprehensive income	3,872,843	3,702,406	3,960,012	3,860,505	3,867,825
Statutory surplus reserve fund	1,278,764	1,278,764	3,568,869	3,568,869	3,568,869
Due from related parties	-	(7,619,895)	-	-	-
Total shareholders' equity	27,978,792	36,317,503	46,389,451	57,508,628	62,315,324
Total liabilities and shareholders' equity	117,548,644	118,850,916	118,923,965	122,853,160	130,757,524



NIVS IntelliMedia Technology Group, Inc. (NIV)

FINANCIAL STATEMENTS

2ND QUARTER UPDATE

Quarterly Cash Flow Statement

All Figures in US\$

FY Ending December 31,	2Q08	3Q08	Annualized 4Q08	1Q09	2Q09
Cash flows from operating activities					
Net income	6,345,427	11,048,180	13,033,413	2,368,467	6,963,952
Adjustments to reconcile net income					
Minority interest	163,555	363,328	416,488	61,128	180,744
Imputed interest	299,333	446,953	656,167	-	0
Bad debts	384,102	808,401	2,531,479	-	-
Depreciation	2,347,467	3,575,811	4,887,386	1,420,781	2896131
Amortization	33,488	51,491	68,788	17,445	35,793
Stock-based compensation	-	765,000	765,000	-	0
Write-down of inventory	-	-	131,837	-	-
Changes in operating assets and liabilities					
Account receivable-trade	(1,290,015)	(17,268,951)	(18,385,002)	1,756,464	(2,718,868)
Interest receivable	-	(393,919)	-	-	0
Advance to suppliers for purchases	(13,789,120)	(9,583,376)	(894,378)	3,328,933	2,217,681
Prepaid expenses and deposits	(64,169)	(2,569,116)	(63,105)	(274,772)	54435
Inventories, net	(1,483,490)	10,499,518	6,067,538	(5,477,028)	(9,314,448)
Restricted cash	(1,617,120)	(2,334,918)	(9,698,348)	(1,049,975)	-2922126
VAT refundable	-	-	(1,094,090)	939,552	965,270
Accounts payable and accrued liabilities	10,548,123	(4,925,735)	(12,650,271)	(1,230,289)	-477025
Various taxes payable	46,964	795,962	283,149	1,398,917	1,391,928
Wages payable	(201,190)	(237,039)	192,522	(351,015)	-257633
Corporate tax payable	1,114,778	604,280	1,018,753	310,587	1,272,528
Net cash provided by operating activities	2,838,133	(8,354,130)	(12,719,672)	3,219,195	288362
Cash flows from investing activities					
Purchases of property and equipment	(2,899,305)	(8,176,812)	(13,113,744)	(2,919,384)	-3270839
Increase (decrease) in construction in progress	-	-	(1,480,627)	-	0
Purchases of intangible assets	-	(28,674)	(28,830)	(8,937)	-16973
Due from related parties	-	(5,406,525)	2,213,370	-	0
Due to related parties	-	568,063	-	-	0
Short-term investment, marketable securities	-	-	-	(11,021)	0
Net cash used in investing activities	(2,899,305)	(13,043,948)	(12,409,831)	(2,939,342)	-3287812
Cash flows from financing activities					
Increase (decrease) in loans payable	(1,449,192)	3,020,190	3,230,239	(888,858)	1967923
Increase (decrease) in notes payable	6,908,728	10,607,071	12,744,638	1,317,496	-363124
Net proceeds of share issuance	-	-	-	1,008,436	1212374
Net proceeds from private placement	-	10,487,474	10,487,474	-	0
Due to shareholder	(1,165,113)	(1,875,133)	(3,165,990)	-	0
Due from related parties	(5,453,546)	-	-	-	0
Net cash provided by (used in) financing activities	(1,159,123)	22,239,602	23,296,361	1,437,074	2817173
Effect of exchange rate changes on cash	766,625	833,883	855,995	4,784	2411
Net increase (decrease) in cash and cash equivalents	(453,670)	1,675,407	(977,147)	1,719,711	-179866
Cash and cash equivalents, beginning of period	1,438,651	1,438,651	1,438,651	461,504	461504
Cash and cash equivalents, end of period	984,981	3,114,058	461,504	2,181,215	281638



NIVS IntelliMedia Technology Group, Inc. (NIV)

PROJECTED FINANCIAL STATEMENTS

2ND QUARTER UPDATE

Projected Income Statement 2009

All Figures in US\$, except share data

FY Ending December 31,	1Q09	2Q09	3Q09E	4Q09E	2009E
Total revenues	29,347,800	40,921,099	51,696,361	56,057,123	178,022,383
Cost of revenues	(23,096,780)	(31,173,544)	(38,984,413)	(41,996,809)	(135,251,546)
Gross profit	6,251,020	9,747,555	12,711,948	14,060,313	42,770,836
Selling expenses	(1,141,223)	(2,126,889)	(2,998,389)	(3,307,370)	(9,573,871)
Total general and administrative expenses	(1,241,630)	(923,477)	(1,447,498)	(1,681,714)	(5,294,319)
Research and development expenses	(572,535)	(762,940)	(1,292,409)	(1,289,314)	(3,917,198)
Total operating expenses	(2,955,388)	(3,813,306)	(5,738,296)	(6,278,398)	(18,785,388)
Net operating income	3,295,632	5,934,249	6,973,652	7,781,916	23,985,449
Government grant	-	66,923	-	-	-
Interest expense	(562,063)	(324,162)	(506,931)	(450,606)	(1,843,762)
Interest income	-	5	-	-	-
Sundry income (expense),net	9,981	-	-	-	-
Income before income taxes	2,743,550	5,677,015	6,466,721	7,331,310	22,141,687
Income taxes benefit (expense)	(313,955)	(961,914)	(1,067,009)	(1,209,666)	(3,552,544)
Minority interest	-	(119,616)	(119,616)	(119,616)	(419,976)
Net income (loss)	2,429,595	4,595,485	5,280,096	6,002,028	18,169,166
Net income (loss) per share-diluted	0.06	0.11	0.13	0.15	0.45
Diluted weighted average shares outstanding	37,391,115	40,648,149	40,648,149	40,648,149	40,648,149

REDCHIP VISIBILITY DISCLOSURE

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