



## NIVS IntelliMedia Technology Group, Inc. (AMEX: NIV)

### Corporate Profile

#### NIVS IntelliMedia Technology Group, Inc.

NIVS Industry Garden  
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### Select Financials (as of 9/4/2009)

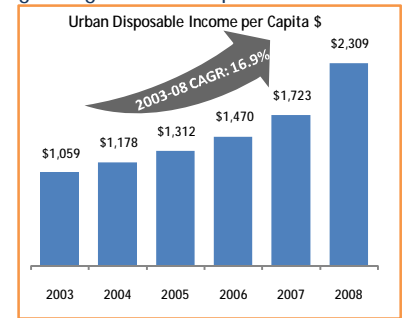
Fiscal Year End	Dec. 31st
Current Price	\$ 2.16
52-Week Range	\$ 2.03 – 5.50
Shares Outstanding	40.7 M
Market Cap	\$ 87.9 M
Avg. Volume (3-mth)	64,077.3
Enterprise Value	\$ 87.6 M

NIVS IntelliMedia Technology Group is an integrated consumer electronics company that designs, manufactures, markets and sells intelligent audio and video products in China, Greater Asia, Europe, and North America. The NIVS brand has received the "Most Popular Brand" distinction in China's acoustic industry for three consecutive years, among numerous other awards. Ranked 43rd on Forbes' Top 100 Chinese Research and Development Companies, NIVS has developed leading Chinese speech interactive technology, which forms a foundation for the Company's intelligent audio and visual systems, including digital audio, LCD televisions, digital video broadcasting ("DVB") set-top boxes, peripherals and more.

### Investment Highlights

#### Strong Demand

Along with the nation's economy, China's middle class is burgeoning, with an expected 630 million middle class population by 2025<sup>1</sup>. The resulting growth in disposable income – total urban DI is projected to reach US\$3.8 trillion by 2025<sup>1</sup> – will greatly benefit China's consumer electronics market, which is projected to grow at a 2007-11 CAGR of 12%, reaching \$261 billion by 2012<sup>2</sup>.



#### Branded Leadership

NIVS has an extensive distribution network that covers all of China and over 60 other countries. With over 8,000 points of sale in China, 300 service centers and a 24/7 support hotline, NIVS has built a strong and recognized brand name, cooperating with well-known retailers and online distributors and creating OEM agreements with such big names as Samsung, Hyundai, Haier, etc. With this strong network and state-of-the-art 2.7 million sq. ft. manufacturing facility, NIVS continues to be a leader in China's consumer electronics market.

#### Innovative R&D

NIVS is at the forefront of the Intelligent AV Products industry in China, aided by their joint ventures with the Institute of Automation, Chinese Academy of Sciences and team of over 100 dedicated R&D professionals, including 6 of the nation's chief industry technology experts. The Company established a modernized speech lab in 2002 and introduced their first speech-controlled product in 2007. As the demand for intelligent AV products and speech-controlled electronics grows, NIVS's advanced R&D capabilities keep the Company ahead of the competition in addressing the relatively complex challenges of Chinese language speech recognition technology.

#### Strong Financial Performance

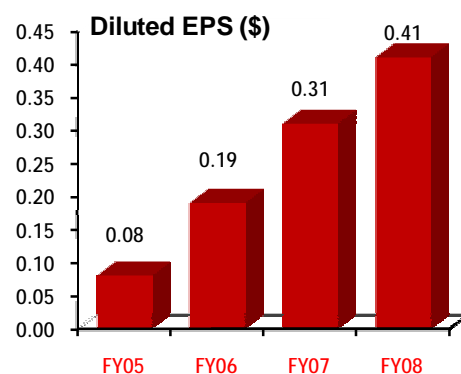
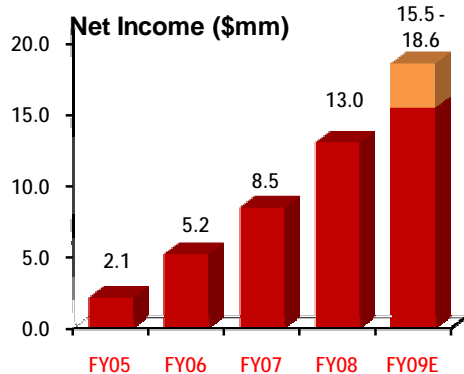
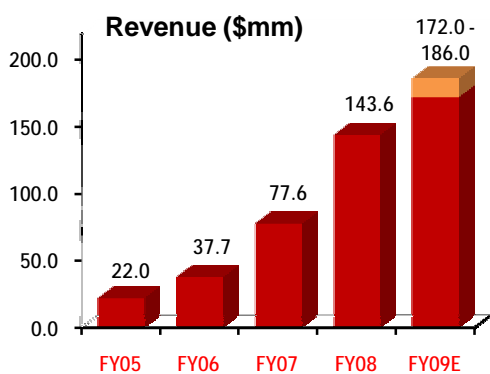
NIVS has demonstrated consistently solid financial performance. Revenue increased to \$143.6 million in 2008 from \$77.6 million in 2007 and \$1.8 million in 2003 and net income, representing a 5-year CAGR of 140%. Net income increased to \$13.0 million in 2008 from \$8.5 million 2007 and \$1.0 million in 2004. For the full year of 2009, the Company expects revenues of \$172-186 million, representing a year-over-year growth of 20-30%. In addition, NIVS continues to be undervalued compared to its peers, with 2008A and 2009E P/E ratios of 5.6x and 5.2x, respectively, compared to average peer P/E ratios of 22.0x and 20.0x, respectively.

#### Sustainable Growth Strategy

NIVS's growth strategy capitalizes on its existing distribution network and R&D capabilities to create greater long-term sustainable expansion. The Company continues to introduce new intelligent AV products with enhanced functionality by creating partnerships with new and existing OEM and private label customers. In doing so, NIVS will also increase their global distribution channels and sales networks, expanding the market availability of their products throughout China and even in export markets. Meanwhile, the Company is actively strengthening their marketing and promotion efforts, including intensive advertising on CCTV and participating in nationwide product road shows, conferences and electronics trade shows, all of which contribute to making NIVS a household brand name.

Sources:  
1: McKinsey Global Institute  
2: Consumer Electronics: Global Industry Guide by Datamonitor





## Management Team

### Tianfu Li

CEO and Chairman of the Board of Directors

- Over 19 years of industry experience
- Founded NIVS PRC in 1998
- Previously served in numerous engineering positions at Sino-European (Huizhou) Electronics
- Received his bachelor's degree in radio communication from the South China University of Technology

### Simon Zhang

Interim CFO

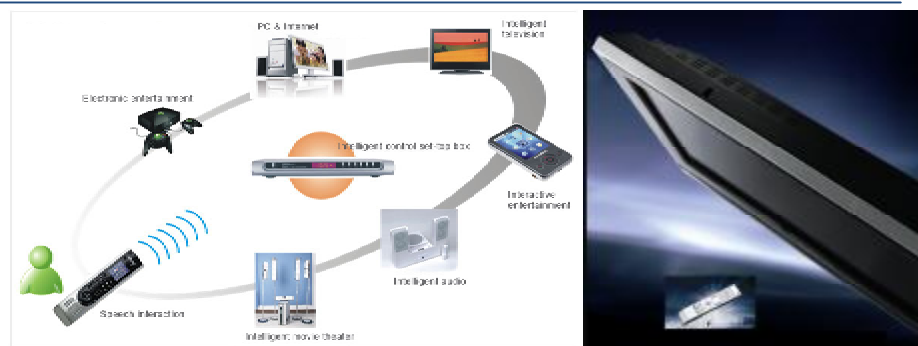
- 18 years of experience
- US Chartered CPA
- Prior to NIVS, served as CFO of Yinlips Technology and Evergreen Investment and financial controller of Kapila Corporation
- Received diploma of Financial Management from British Columbia Institute of Technology and Master of Science from Wuhan University

### Bin Wang

CTO

- 8 years of industry experience
- Became CTO of NIVS BVI in 2002
- Master's degree in computer science from Qinghua University

## Products



NIVS has a portfolio of 20 product lines, including voice interaction platforms for LCD TVs, speaker systems, DVD players and GPS systems, and is a leading manufacturer of 230 different products, specializing in intelligent AV products such as:

- Intelligent TV, featuring an intelligent voice recognition system and full HD format
- Intelligent Audio, with elegant style and advanced technology
- On-board Bluetooth, a multitask speech-controlled mobile phone system
- Intelligent Set-Top Box, with source chasing and intelligent memory expansion
- Intelligent Speech Remote Control System, which can control numerous different systems simultaneously using multi-channel universal RF remote control technology



These intelligent AV products feature NIVS's advanced technology and, aside from enjoying less peer competition, allow high profit margins compared to standard AV products.

## Financial Highlights

(US \$)	2Q09	2Q08	% YoY
Revenue	40,921,099	24,953,756	64.0%
Cost of Goods Sold	31,173,544	19,207,711	62.3%
Gross Profit	9,747,555	5,746,045	69.6%
Operating Expenses	3,813,306	1,282,130	197.4%
Operating Income	5,934,249	4,463,915	32.9%
Net Income	4,595,485	3,285,513	39.9%
Diluted EPS	0.11	0.12	(5.2%)

This release contains certain "forward-looking statements" relating to the business of the Company and its subsidiary companies. These forward looking statements are often identified by the use of forward-looking terminology such as "believes, expects" or similar expressions. Such forward looking statements involve known and unknown risks and uncertainties, including, but not limited to the Company's reliance on its major customers for a large portion of its net sales; the Company's ability to develop and market new products; the Company's ability to continue to borrow and raise additional capital to fund its operations; the Company's ability to collect aging trade receivables and the effect of a growing doubtful account allowance; the Company's ability to accurately forecast amounts of supplies needed to meet customer demand; exposure to market risk through sales in international markets; the market acceptance of the Company's products; exposure to product liability and defect claims; fluctuations in the availability of raw materials and components needed for the Company's products; protection of the Company's intellectual property rights; changes in the laws of the PRC that affect the Company's operations; development of a public trading market for the Company's securities; and the cost of complying with current and future governmental regulations and the impact of any changes in the regulations on the Company's operations. Investors should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including the discussed above and in the Company's periodic reports that are filed with the Securities and Exchange Commission and available on its website ([www.sec.gov](http://www.sec.gov)). All forward-looking statements attributable the Company or to persons acting on its behalf are expressly qualified in their entirety by these factors other than as required under the securities laws. The Company does not assume a duty to update these forward-looking statements.