



ASTRO CORP.

Investor Briefing

April 2008

Forward-looking Statements

- ❖ This presentation and subsequent discussion may contain certain forward-looking statements with respect to the financial condition, results of operations and business of Astro Corp.

These forward-looking statements represent Astro's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties which could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

AGENDA



- **Astro Overview**
- **Product Development**
- **Core Competitiveness**
- **Strategy & Market Potentiality**
- **Annex (I): R&D and Technological Capability**
- **Annex (II): Financial Results**



ASTRO OVERVIEW

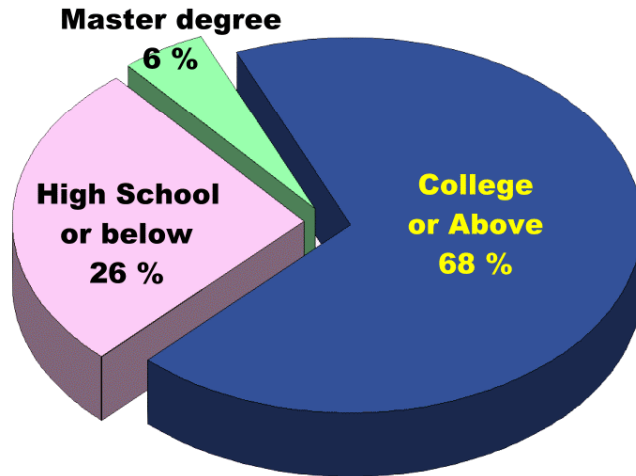
ASTRO CORP.

Company Profile

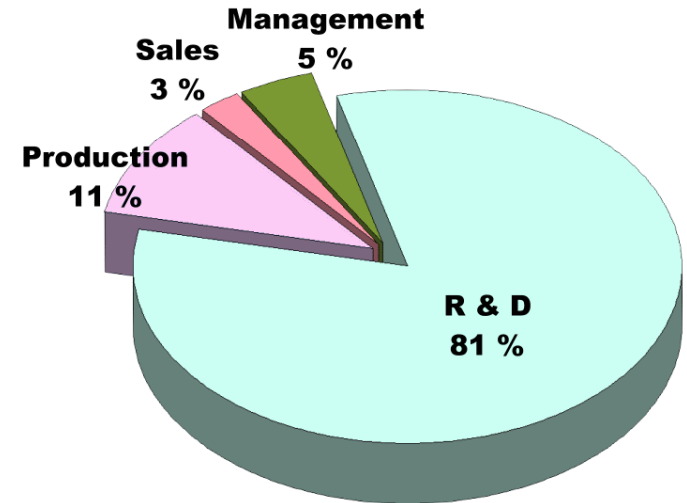


- **Established Date** : August 2nd, 2000
- **Address** : 10F, NO.111-1, Hsing De Rd., Sanchung 241, Taipei, Taiwan, R.O.C.
- **Paid-in Capital** : NTD 559,845,430 (US\$18.41 million)
- **Official Website** : www.astrocorp.com.tw
- **Number of Staff** : 311 total employees, (257 employees in 6 market-oriented R&D troops)
- **Company Orientation**
Professional Digital Gaming game development & total solution
- **Product and service Scope** :
 - Video Gaming Game (CGA 、VGA 、SVGA 、XGA)
 - CMS (Casino Management System)
 - Linking Jackpot system
 - VLT (Video Lottery Terminal)
 - Arcade Game 、On-Line Game
 - e-Gaming & mobile gaming
- **Stock Code** : 3064

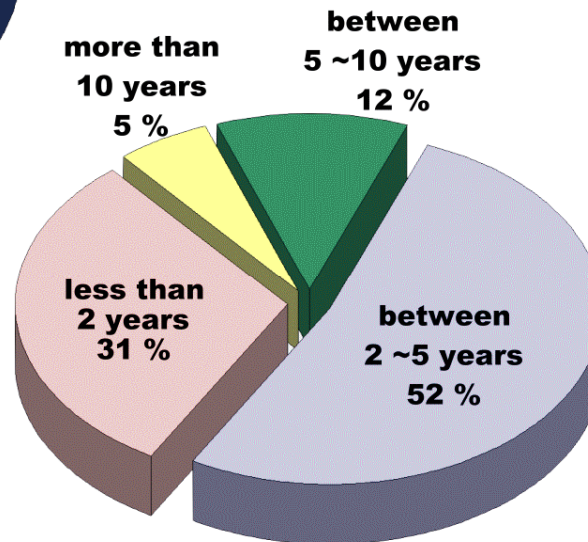
Human Resource



Education



Job Function



Relative Industrial Working Experience

Corporation Highlight



- Astro Corp. is a company who strongly focus on Casino equipment and Gaming game development, marketing, and base of operation. With strong and unshakable place in the world of games, Astro Corp. became the first Arcade & Gaming game company to successfully publicly traded its shares on the TAISDAQ since 2004.
- Astro was affirmed by GLI (Gaming Laboratories International) as the first pure Asia based Gaming game company who gained Full GLI approval of its Video Slot machine for Macau jurisdiction.
- AWARD:
 - Deloitte 2005 Technology Fast50 Taiwan Fast Profit Growth
 - Deloitte Technology Fast50 Taiwan 2006
 - FORBES Asia Top 200 Under a Billion 2006



PRODUCT DEVELOPMENT

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Key factors in successful Gaming game development



- Innovation products and related technology research
- Design high income-generating products
- Research and development new technology for the coming generation
- Develop all kind of intergraded system, software and hardware constantly.
- Connect with mainstream market via innovation gaming content
- Study and research constantly the cultures, rules and regulations worldwide

Product Ranked by Graphic Resolution



XGA
(IPC)
Casino



VGA
Arcade,
AWP



SVGA
(IPC)
Casino



CGA
Arcade

Own-brand Motherboard & IPC



Remus
VGA



Pallas
SVGA



Artemis
XGA / 3D

Own-brand Cabinets & ODM Machine



ARTEMIS

Upright Dual Screen



HERMIS

Slanttop Dual Screen



PARADISE BOX

Upright Tri Screen

Product Application : Machine & Game Kit



Club



Arcade Center



Casino

Product Application : CMS & Jackpot system



CMS (Casino Management System)



Single Slot



LAN



Wide Area Linking



CORE COMPETITIVENESS

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Significance of Core Technology to Gaming Industry



- **High Technical threshold industry, namely Digital gaming industry.**
- **No technology; no future!**
- **No technological innovation; no chance of surviving from the competition.**

The Industry Chain of Video Gaming Products

Hardware Provider

Output Device

Video System
Audio System
Jackpot Display

Input Device

Buttons
Joystick
Touch Panel

Essential Component

Motherboard
Cabinet
IPC Interface

Cash Handling Device

Bill Validator
Coin Selector / Hopper
Card Reader / Printer



Slot Machine

Content Provider

Game Designer
Programmer
Artist
Musician
Hardware Engineer
Test Engineer



System Provider

Programmer
Hardware Engineer
Network Engineer



CMS
Jackpot Controller
POS



Game Products



Homologation

GLI, BMM, TST, AAMS etc.
(Jurisdictions Varied)

distributor / Operator

Casino, Betting Sites
Regulated Gaming Markets
AWP Markets

Astro's position in Digital Gaming Industry



- We launch our own-brand gaming products to worldwide market.
- We are neither a supplier of electronic components nor an OEM manufacturer.
- We know all of the key know-how in gaming system developments.
- We are one of the most professional gaming companies in Taiwan.

Competitive analysis

(ASTRO's prime products VS. International competitors)



- Strong R&D resource and technology, extraordinary mobility and flexibility in new product design, short lead time in introducing new products.
- Product quality, reliability and technology application are equivalent or superior to leading competitors.
- Astro's machine/games are high income-generating and are technically superior to name-brand products.
- Profit maximization with multi-platform application technologies.
- Solid channeling with supporting partners in terms of long run strategical partnership alliances.
- Ability to penetrate market trends and restrictions to create market-oriented lawful/ licensed products.
- Originality of our products often times lead the market creating further demands.

S.W.O.T



- Outstanding R&D teams; product development on a short time schedule.
- Competitive cost and price.
- High quality and efficiency products.
- Abundant and diversified product innovations.
- Prompt response to meet customer needs.
- Strong team culture.

Strength

- Booming gambling industry in Asia
- Clearer and loosening regulations and restrictions on gambling in world major markets
- Acquired several certifications

Opportunity

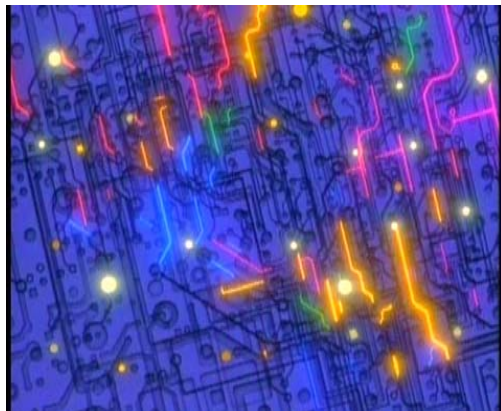
- High requirements of R&D; time-consuming to train qualified product designers.
- Difficult to overcome great obstacles caused by government regulation and control in gambling industry.
- World major markets still monopolized by European and North American countries

Weakness

- Renowned companies are eying covetously on the Asian markets and have formed strategic alliances.
- A-class casinos still hold doubts over low publicity companies.
- Digital products have shorter lifecycle; technology competition is unavoidable.

Threat

Our Patents



- **Patent approved**
 - Taiwan Patent : 16 objects
 - Overseas Patent : 2 object
- **Patent Filed**
 - Taiwan Patent : 20 objects
 - Overseas Patent : 50 objects



Strategy & Market Potentiality

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North America

US (AWP or Redemption)

- Market requiring still mostly CGA game contents. The outstanding profitability of Astro's SVGA game generates strong demand for new, quality, Casino alike AWP machines.
- Scheduled to release 12 new SVGA & XGA games in 2008 with competitive price structure.
- Contenting the mainstream of market demand with provision of 2 New CGA games to remain Astro's market leading position.

Latin America

(Casino and Bingo Hall)



- Strategic alliance with local distributors to compete with numerous worldwide suppliers
- In process of acquiring homologation in Peru and Panama to accommodate Video Slot machines to regulated casino markets in the area.
- Scheduled to release 12 new SVGA & XGA games in 2008 to uplift current market share.

Italy (AWP)

- The new Comma 6A regulation is expected to be implemented in Q2 2008 with potential expansion.
- The operation permit of current registered machines will be expired in schedule.
- Astro is well positioned to present three unique SVGA games to grasp immediately the new market share.

Spain (AWP)

- Potential growth of Video AWP % from current 18 of total machine install base. New regulations are favorable for competition and market expansion.
- Successfully acquired homologation for AWP game “Black Beard”.
- Well establish reliable references to excellent performance of Astro Game through marketing.
- New business opportunities, offer of cooperation, generated by good reputation and proved R&D strength.

Japan

(Amusement Medal Game)



- Co working with local distributor to penetrate kinds of Amusement Medal Game market with customized, market-orientated products.
- Received good responses from recent Japan AOU show, held in Feb. Sales started with 4 titles of SVGA Video Slot.
- Proceeding long-term market development plan to consolidate future sales.

Regulated Casino

- Obtained first GLI approval of Video Slot “Dragon Saga” for Macau jurisdiction by Nov. 2007.
- 100 units of “Dragon Saga” in operation with Astro CMS at Paradise Casino Macau.
- 10 new games including Dual Screen model are scheduled to be submitted for GLI gaming approval within 2008.
- Contracted with Orient Peal Ltd. for 560 units of electronic Bingo machine on revenue sharing basis in Manila area.
- Starting pilot run with 30 Bingo machines at two sites under permit of Philippine Amusement and Gaming Corporation (PAGCOR).

Unregulated Casino & Club

- Established strong business relationship with major distributor in Asia.
- Astro’s games have earned a good reputation in Cambodia, Malaysia, Indonesia and Vietnam. Exploiting business opportunities on revenue sharing.

China



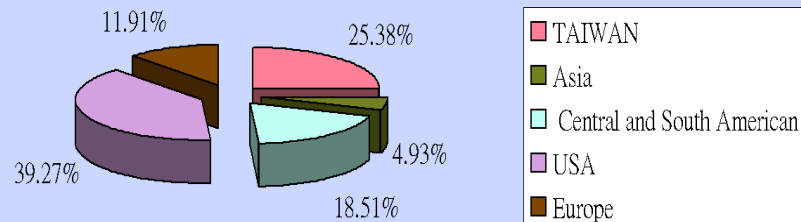
- A serial developing plans for Chinese lottery and gaming industry, the most flourishing market with huge potential.
- Strategic alliances with major local key players in lottery and gaming industry in China. Highly promoted Astro's image in the market and created business opportunities.
- Setting up joint ventures for R&D, marketing, manufacturing in China to increase Astro's competitiveness and for future penetration to the world largest lottery and gaming market.



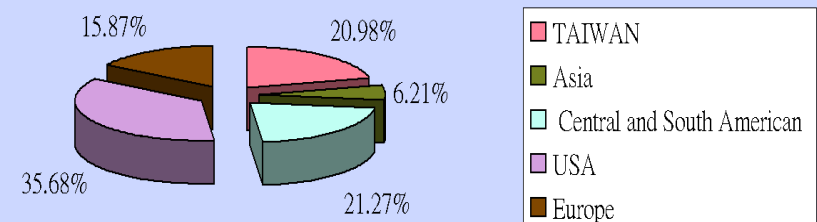
FY 07 Sales Breakdown by regional segment



FY 2007 Sales by Volume



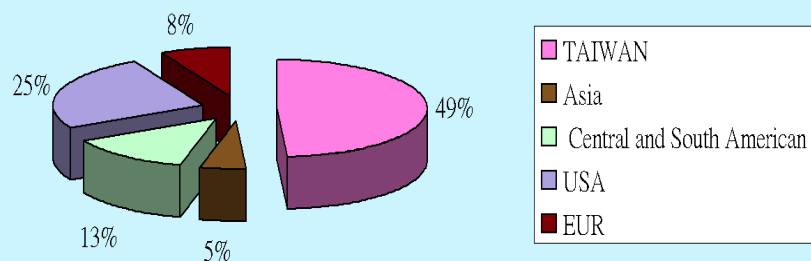
FY 2007 Sales by Values



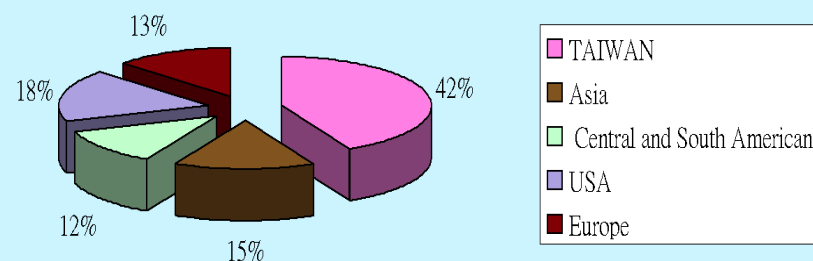
YTD Sales Breakdown by regional segment



YTD Sales by Volume(2008/1~3)



YTD Sales by Values(2008/1~3)





ANNEX I

R&D and Technological Capability

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Own customized IPC motherboards with powerful abilities

- A variety of specifications, to SXGA (1280*1024) at most

Dual Processors Security technique to prevent games from being duplicated.

- Game content is never cracked by the competitors successfully.

Completed peripheral device to support expansion functions.

- Including cash flow, input and output devices.
- Can be collocated with variety peripheral to meet up with market expectation.

Own customized version of Linux OS.

- High security and help to decrease the cost by fully grasping the code.

High efficiency and flexibility module component architecture.

- Graphic, sound effects, system and peripheral device are completed in program module.

Safe and friendly data storage architecture

- Improving the mode and accuracy of data recording, even power failure.

Consummation and Effective GAME SCRIPT main game flow architecture.

- Accelerating products development and reducing the difference of cross-platform development.

Network Technologies



Strong system Stable cross-platform network communication frame.

- Base on UDP/TPC and support Win32/Linux environment.

Meet up with international standard gaming machine linking frame and environment.

- Not only support SAS protocol but also develop own communication protocol.

Wide area linking technology via VPN and databank

- Wide area linking can be realized

High safety server message communication

- Using one code to encrypt and condense all packets

System Integration Technologies



CMS

- Get real-time machine status and process automatic meter reading and data compiling at the same time.

Jackpot Link System and Management System

- Support Progressive/Mystery JP and External Bonus.

Member Customer Service Management System and Cash Flow Management System

- Provide member customers with fee calculation, value-adding service and information management.

Digital Remote Sites Automation Updating Technology and Version Control

- Provide customers with new games update service or versions

Other Key Technologies

3D Engine and 3D Animation

- Include scenes, materials, terrains, objects, action management and images
- Have the capability of collision detection and support related common math functions.

Video Streaming

- Images captured from video cameras can be sent instantly.

Smart Card Encryption and Operation Management System

- Provide a range of choices about encryption levels to secure clients' data.



ANNEX

Financial Results

ASTRO CORP.

Summaries of Financial Results

FY 07



- 2007 year revenue totaled US\$15.67 million compared to US\$11.63 million in the prior year quarters
- Gross profit of US\$8.91 million, or 56.88% gross margin
- Income from operations and related EPS, US\$1.97 million and NT\$1.07
- 35% growth in revenues year-to-date

Balance Sheet & Financial Statistics



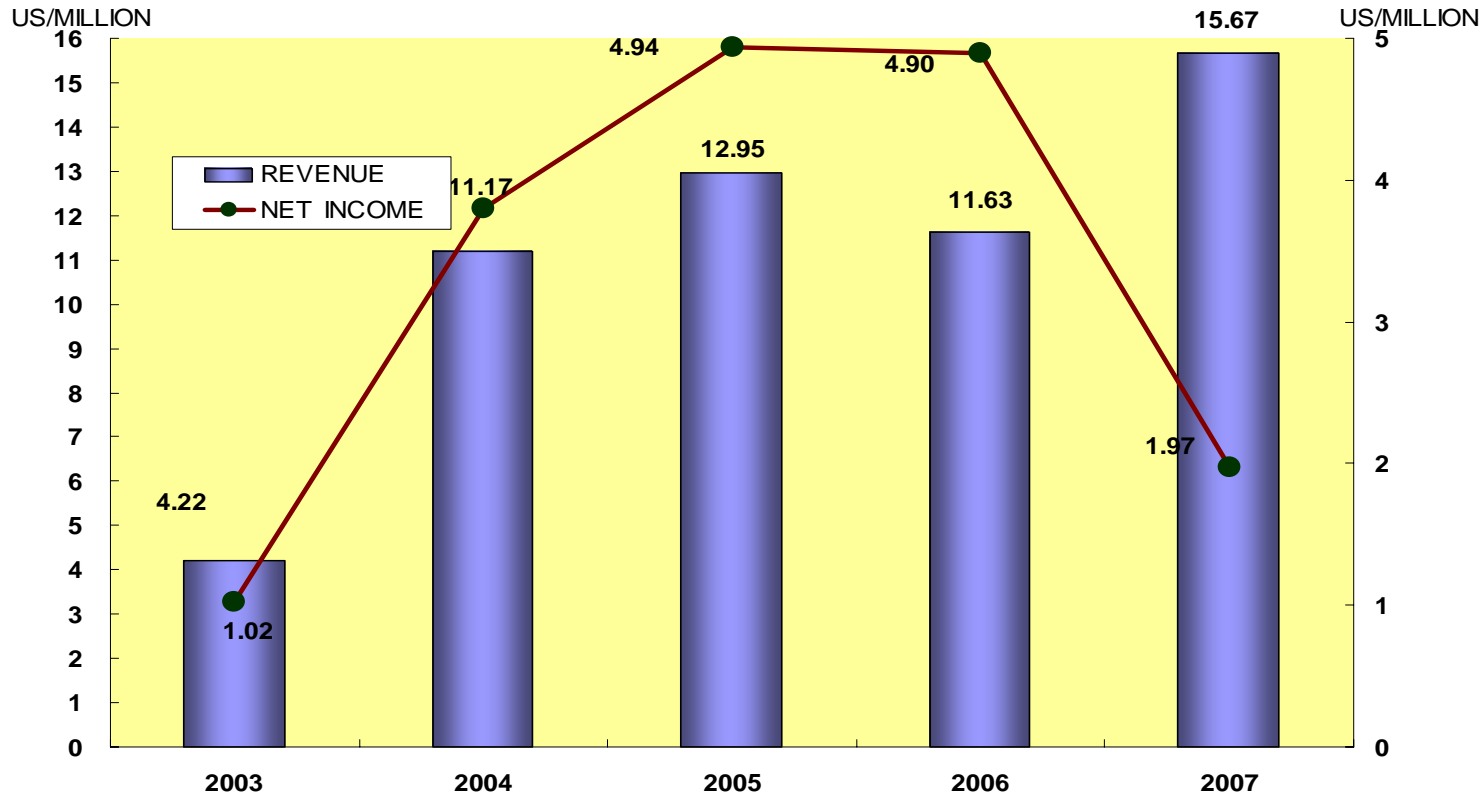
US/MILLION	Dec-06	Dec-07
Cash, Equivalents & Investments	8.91	10.08
Inventory--net	2.27	3.88
- Turns	1.15X	1.54X
Total Receivables, net	1.10	2.17
- ADSO	33days	44days
Total Debt	5.54	7.89
Total Equity	18.82	21.94
Total Debt / EBITDA TTM	1.03X	3.11X
Interest Coverage Ratio TTM	36.34X	10.02X

Profit and Loss Statement

UNIT :US MILLION	2005		2006		2007	
	Amount	%	Amount	%	Amount	%
SALES REVENUE	\$12.95	100.00	\$11.63	100.00	\$15.67	100.00
COST OF GOODS SOLD	(3.58)	(27.65)	(2.72)	(23.35)	(6.76)	(43.12)
GROSS PROFIT	9.37	72.35	8.91	76.65	8.91	56.88
OPERATING EXPENSES	(3.48)	(26.90)	(4.61)	(39.63)	(6.94)	(44.27)
INCOME FROM OPERATIONS	5.89	45.45	4.30	37.02	1.98	12.61
NON-OPERATING REVENUE AND GAINS	0.20	1.57	1.33	11.43	0.80	5.09
NON-OPERATING EXPENSES AND LOSSES	(0.47)	(3.64)	(0.34)	(2.90)	(1.06)	(6.78)
INCOME BEFORE TAX	5.62	43.38	5.30	45.55	1.71	10.92
INCOME TAX BENEFIT(OR EXPENSE)	(0.68)	(5.25)	(0.40)	(3.43)	0.26	1.66
NET INCOME	4.94	38.13	\$4.90	42.12	\$1.97	12.58

Financial results over the years

Revenue & Net Income



Financial results over the years

Capital & EPS

