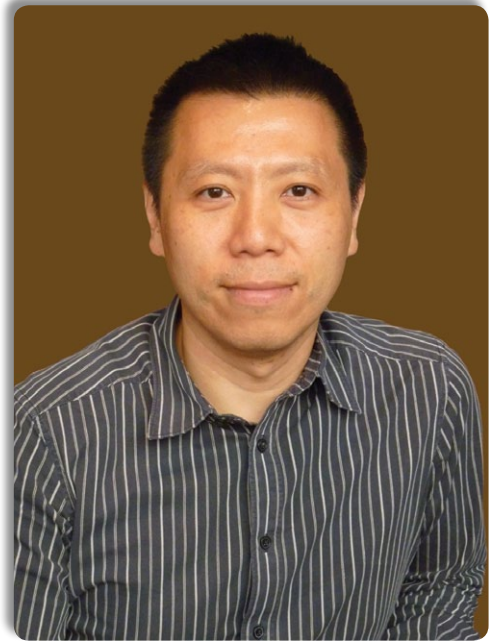


Tevii Tapping Into New Markets

Tevii – while being young of age – has already worked up a solid reputation for its PC cards and USB boxes and is now in the progress of launching a new range for new markets. Matthias Liu is the founder of Tevii and the company's top-scoring sales director. He reveals some future plans in a meeting we had with him in Munich, one of a number of global destinations he recently visited.



■ Matthias Liu – founder, president and sales director of Tevii

To start with, Matthias Liu gives us a brief account of where he comes from: "Up until 2006 I was employed as sales manager for a major company in the satellite industry. When this company was taken over by another player I took the decision to become self-employed." Some of his former colleagues were equally impressed with his envisaged business strategy and so they decided to jump on board as well. "Tevii started with a total workforce of only eight people," Matthias recalls on his walk down memory lane. "It's never easy to start from

scratch and the first item on our to-do list was the development of our own products. It was only in the following year, 2007, that we were able to generate a modest turnover." In case you're curious about the exact figure: it was 250,000 US\$ in 2007. Tevii has come a long way since and expects sales reaching 2.2 million US\$ in 2010 and even 3 million US\$ the year after. Talk about rock-solid business! Obviously, staff numbers have also increased so that "today we have 28 employees, a whopping 18 of which are engineers in Research and Development."

Matthias Liu can truly be proud of what he has been able to achieve in such a short period of time. But what exactly is Tevii all about?

"We have always focused on PC cards for satellite reception. And for laptop users our range includes USB boxes as well," Matthias Liu explains. Incidentally, Matthias himself has no engineering background, but a dependable gut feeling for what the market needs. "For each product we sit down and evaluate whether expected sales will justify – and ultimately pay for – development costs," he explains. It comes as now surprise, then, that the R&D department is the core element of the Tevii business model. Actual production is outsourced to third-party manufacturers in Taiwan as well in Shenzhen in mainland China. "The trick is to come up with the right product at the right time," Matthias Liu states and illustrates this credo with an example: "Right now there is so much talk about DVB-T2, for example, even though this is a technology that will only start to penetrate markets in about two years. By the time that happens our own DVB-T2 products will also be ready for take-off." There's no point in being the first, it is a waste of valuable resources that can only be brought to fruition if

used wisely. Deciding on the right time is the key to economic success.

A closer look at the Tevii product range lends additional support to that theory. When the company was established in 2007 it offered two products: the S400 DVB-S PC card and the S600 USB box for use with laptop computers. "Both products came with a tuner sourced from Sharp, which was replaced with a NIM tuner from Serit at the beginning of 2008." Since then the product designations have changed to S420 and S630. When the DVB-S era slowly came to an end and DVB-S2 was just around the corner Tevii launched successor models S464 as PC card and S660 as USB box for laptop use at the end of 2008. And – wouldn't you know it – the Tevii S470 was introduced in 2009 just when the whole world was turning to PCIe (PCI Express) slots as a replacement for older PC slots. At the end of 2010 new demand was met with the launch of a PC card with dual tuner – the model name is S480 and it sports two DVB-S2 tuners.

If you have read all the lines of this report so far, you can probably guess what comes next. DVB-T has picked up considerably the world over, which called for a USB box with one

TEVII
PC Card & Receiver Manufacturer, Taiwan
www.tevii.com



Company Details

Engineers in Research & Development | Total Number of Employees
0.....25.....50

Average Turnover (Previous, This, Next Year Estimates)
0.....2.5.....5 Mio US\$

Production Certificates
RoHS
Production Categories
OEM, ODM
Main Products
PC Cards for DVB-S/S2 and DVB-T/DMPEG-4, Boxes for DVB-S/S2, DVB-T/DMPEG-4, PC Sticks for DVB-S/S2

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Available online starting from 3 December 2010

tuner for DVB-S2 reception and a second tuner for DVB-T. Still, Matthias Liu has left the best for last: "We are currently also offering a quad tuner card for DVB-T MPEG-4 reception!" This particular product was developed for an Australian provider. "The quad tuner card is a huge seller in regions with a large DVB-T offering." Once again, Tevii has waited for the right moment. Up until very recently DVB-T had not been fully rolled out in many countries, and the regions with more than four DVB-T frequencies had been few and scattered.

So what's next in Tevii's pipeline? We can't wait to hear from Matthias Liu what his gut feeling is telling him. "At the beginning of 2011 we will launch our first fully-fledged conventional receiver!" It will be called B600 and will sport a DVB-S2 tuner, Linux operating system, PVR functionality, USB and Ethernet interfaces and – of course – HDMI, even though two scart euroconnectors will guarantee compatibility with older TV sets as well. CI and CA slots will round off the package. What made Tevii expand from the PC card segment to the receiver market? "It's actually quite simple," Matthias Liu replies. "PC cards are products for a niche market and now that we have achieved a rock-solid reputation in that niche market it's time to launch our brand in the receiver market as well."

This does not mean, however, that the PC card and USB box range is being neglected.



■ Matthias Liu uses his laptop computer to show us the brand new B600 receiver which will be launched shortly

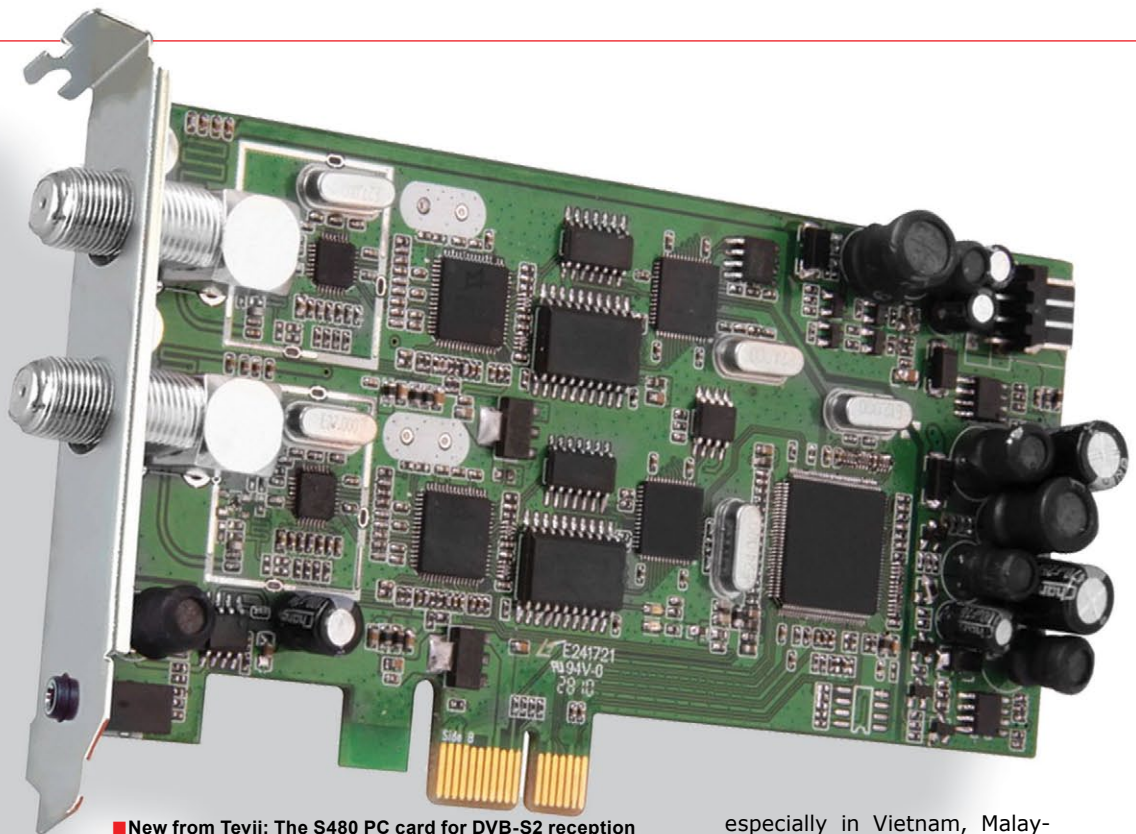


■ Not yet available: The first Tevii receiver for entering a new market segment. Specimen of the B600, a DVB-S2 HDTV receiver based on Linux

"In the first quarter of 2011 we will introduce a CI extension for our USB boxes, which will be followed in the second quarter by the same extension for our PCIe cards." Looking even further ahead, Matthias Liu believes that 2012 will be a good year to launch yet another new product line: "We will then offer USB boxes for DVB-C cable reception." Tevii's clear focus on DVB is an indication for Europe being the company's most important market. Matthias Liu has all the numbers:

"We generate 40% of our sales in Western Europe, with another 40% in Eastern Europe, including Russia. The remaining 20% come from the Middle East and Egypt." There's a reason for Matthias

Liu to specifically mention Russia and Egypt, as Tevii ranks among the top-selling providers of PC cards and USB boxes in both countries. Yet, knowing Matthias Liu we can expect that he is hungry for more. "We're looking at ways to increase our sales in Asia,

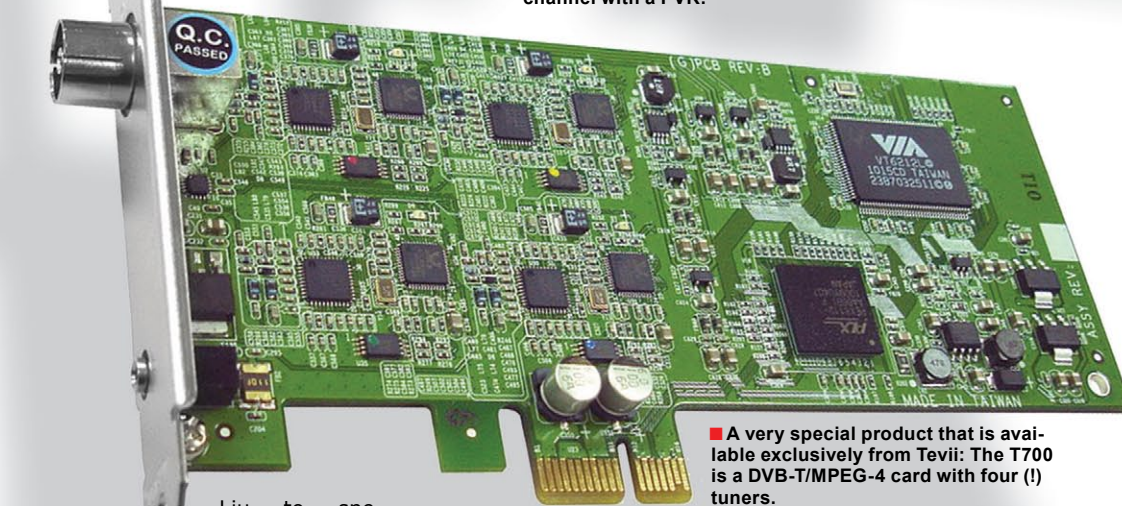


■ New from Tevii: The S480 PC card for DVB-S2 reception with two tuners. It can be used to watch one HDTV channel on screen while at the same time recording a second HDTV channel with a PVR.

especially in Vietnam, Malaysia, Singapore and Indonesia." And then there's one more important region in which Tevii is not yet present. "You're right, South America is still a kind of black spot on our map. But we're in the progress of developing products for the South American market as well," Matthias Liu reveals another of his long-term strategic expansion plans.

To finish off, we want to find out what made Matthias Liu decide on the brand name Tevii. "That's simple," he answers with a smile. "All our products have to do with TV one way or the other, and the way TV is pronounced in

■ A very special product that is available exclusively from Tevii: The T700 is a DVB-T/MPEG-4 card with four (!) tuners.

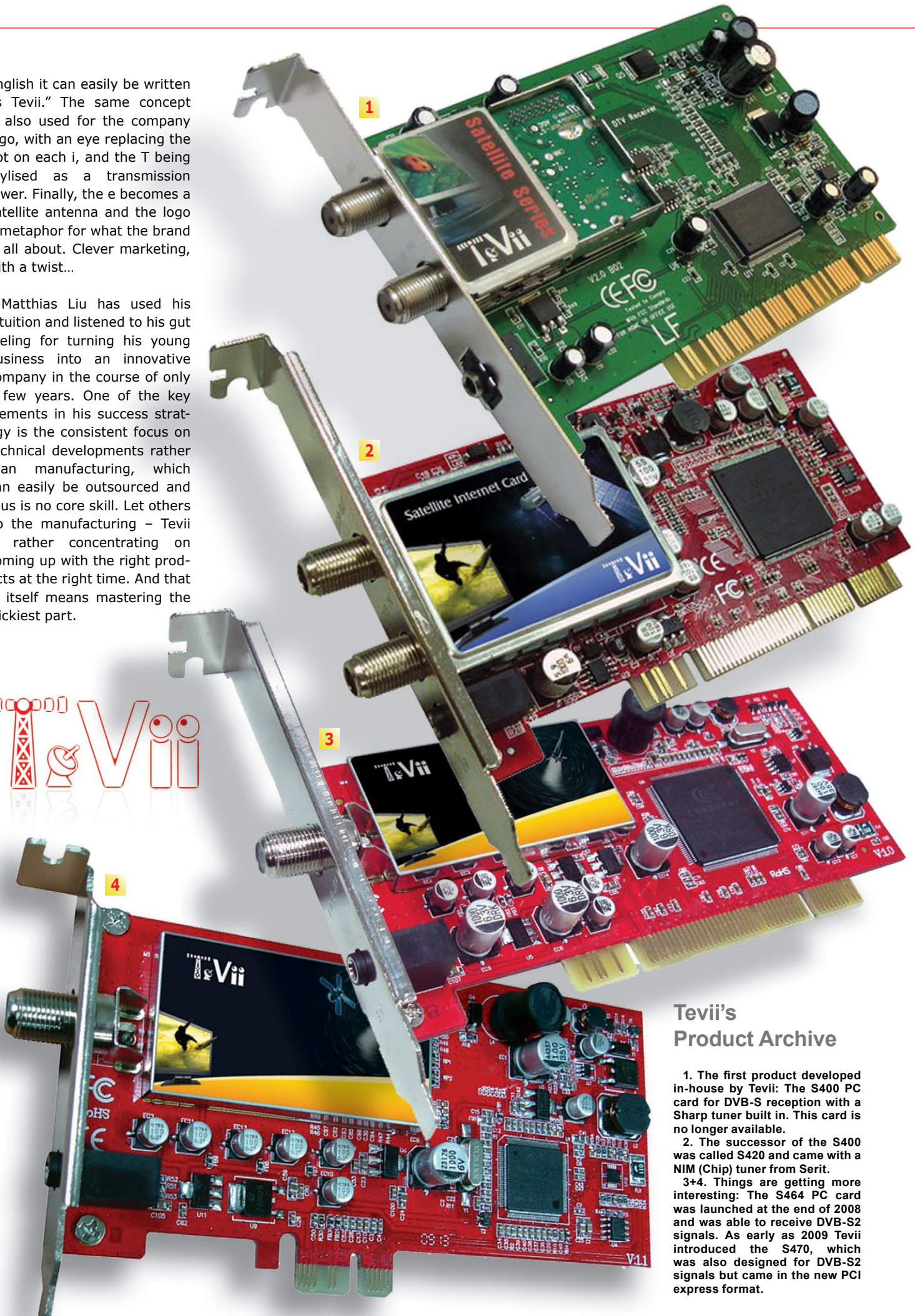


■ In the pipeline at Tevii: A combi receiver for DVB-S2 and DVB-T/MPEG-4.



English it can easily be written as Tevii.” The same concept is also used for the company logo, with an eye replacing the dot on each i, and the T being stylised as a transmission tower. Finally, the e becomes a satellite antenna and the logo a metaphor for what the brand is all about. Clever marketing, with a twist...

Matthias Liu has used his intuition and listened to his gut feeling for turning his young business into an innovative company in the course of only a few years. One of the key elements in his success strategy is the consistent focus on technical developments rather than manufacturing, which can easily be outsourced and thus is no core skill. Let others do the manufacturing – Tevii is rather concentrating on coming up with the right products at the right time. And that in itself means mastering the trickiest part.



Tevii's Product Archive

1. The first product developed in-house by Tevii: The S400 PC card for DVB-S reception with a Sharp tuner built in. This card is no longer available.
2. The successor of the S400 was called S420 and came with a NIM (Chip) tuner from Serit.
- 3+4. Things are getting more interesting: The S464 PC card was launched at the end of 2008 and was able to receive DVB-S2 signals. As early as 2009 Tevii introduced the S470, which was also designed for DVB-S2 signals but came in the new PCI express format.