

Accessing Global Value Chains in China & Japan

“Localization is Key to Global Success”

Presented by
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21 April 2010






Company Snapshot









- Innovative, fast-growing global company developing high performing antennas & RF antenna modules
- Core technology invented in 1998
 - Company established in 2000
- Strong IP Portfolio;
 - 58 patents and applications (31 granted to date)
 - ISO9001:2000 Certified with production facilities in Asia
- Successful acquisitions:
 - gigaANT from Perlos in August 2005
 - Acquired RF design team from Xindium in November 2006
- Continued steady growth
 - 2008 annual turnover grew by more than 85% from 2007
 - Annual units shipped grew by 35% in 2008
 - Annual product sales and shipment growth in 2009 over 2008
- Global presence with an international & highly experienced team

Target Markets



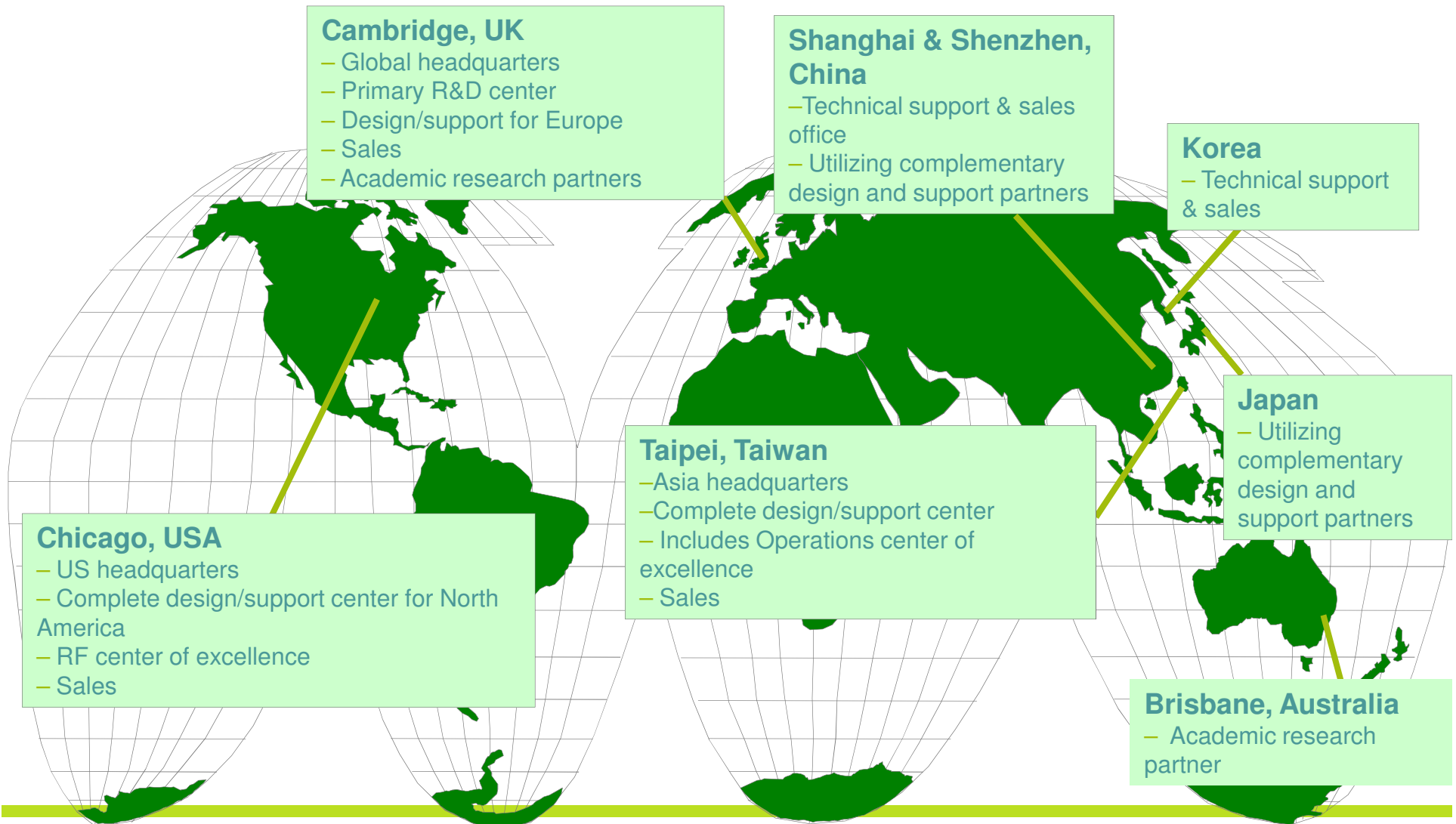
Product/Industry	Antenova Antenna or RF/Antenna Module
Notebook/Netbook	 <p>DATANOVA® 6, 7, 8 and 9-Band Mobile Broadband Antennas covering GSM/3G/Wi-Fi/Bluetooth/ WiMAX/UWB/GPS</p> <p>GPS RADIONOVA® RF Antenna Modules</p> <p>gigaNOVA 2.4 GHz & 2.4/5 GHz and 2.3 GHz WiMAX and 2.5 GHz WiMAX</p>
Cellular Phone	 <p>Tri-band + 3G HDA®</p> <p>Quad-band HDA®</p> <p>Penta-band HDA®</p> <p>4mm LP Penta-band HDA®</p> <p>Hexa-band HDA®</p> <p>Custom PIFA CDMA2000</p> <p>Cellular RADIONOVA®</p> <p>FM Antenna Module</p> <p>gigaNOVA® & MDA Standard GSM, Penta-band and 9-band LTE Antennas</p>
Access Point	 <p>Custom HDA® (CDMA-PAMR & UMTS – TDD)</p> <p>gigaNOVA 2.4 GHz & 2.4/5 GHz and 2.3 GHz WiMAX and 2.5 GHz WiMAX</p> <p>gigaNOVA® & MDA Standard GSM, Penta-band and 9-band LTE Antennas</p>
Digital Camera	 <p>GPS RADIONOVA® RF Antenna Modules</p> <p>GPS + BT RADIONOVA®</p> <p>gigaNOVA 2.4 GHz & 2.4/5 GHz and 2.3 GHz WiMAX and 2.5 GHz WiMAX</p>
Automotive	 <p>GPS RADIONOVA® RF Antenna Modules</p> <p>GPS + BT RADIONOVA®</p> <p>gigaNOVA 2.4 GHz & 2.4/5 GHz and 2.3 GHz WiMAX and 2.5 GHz WiMAX</p> <p>gigaNOVA® & MDA Standard GSM, Penta-band and 9-band LTE Antennas</p>

Target Markets

Product/Industry	Antenova Antenna or RF/Antenna Module
PNDs/PMPs	 <p>GPS RADIONOVA® RF Antenna Modules</p> <p>gigaNOVA® Standard GPS SMD Antennas</p> <p>FM Antenna Module</p>
Mobile TV	 <p>Tunable Internal Mobile TV Antenna</p> <p>Internal HDA® DVB-H Antenna</p>
WiMAX	 <p>gigaNOVA Standard 2.3 GHz WiMAX and 2.5 GHz WiMAX Antennas</p>
Games	 <p>GPS RADIONOVA® RF Antenna Modules</p> <p>GPS + BT RADIONOVA®</p> <p>gigaNOVA 2.4 GHz & 2.4/5 GHz and 2.3 GHz WiMAX and 2.5 GHz WiMAX</p> <p>gigaNOVA® Standard GPS SMD Antennas</p>
Set-top Boxes/HDTVs	 <p>gigaNOVA 2.4 GHz & 2.4/5 GHz and 2.3 GHz WiMAX and 2.5 GHz WiMAX</p>
Wireless Bluetooth Headsets	 <p>gigaNOVA Fusca and Rufa 2.4 GHz Antennas</p>

- Vision
 - To create a set of antenna & RF platforms to improve the development process & operation of wireless portable and consumer devices
- Strategy
 - Be the preferred antenna supplier for Tier 1 mobile device OEMs via strategic partners (e.g., EMS, CMs, ODMs, etc.)
 - Be the leader in providing integrated RF/Antenna Modules in the market segments we choose
- Approach
 - Use a variety of antenna & RF technologies & techniques to reduce the time & costs while improving performance to realize our vision
 - Engage with local industry partners

Antenova Worldwide Locations



- There are dramatic differences in doing business in Asia compared with the Western World
 - Language
 - Culture
 - Laws, political environment, tax situation, currency, etc.
 - Business culture, working ethics, time, etc.
 - Expectations
- While most of our customers sell/distribute globally, we must still manage them locally
- “Relationships” are by far the most key component – Lots of local face-to-face time, with local language spoken
- “Lunches” and “Dinners” are important!

- Many Global Tier1 companies utilize EMS, CMs and ODMs in China
- Fast paced engineering cycle – has its ups and downs!
- Design programs aren't as structured/disciplined – very little 'Project Management'
- Cost is probably the most important driving component
- Superb & experienced manufacturing processes
- Contract negotiation is more loose
- Often see longer & looser payment terms & conditions
- Less commitment/loyalty to suppliers
- More “churn” of companies
- Still lots of growth opportunities & projects – but select carefully!
- Many projects are interdependent (e.g., linkages with Taiwan, USA, etc) with poor market perception

- Many major household brand/name companies are Japanese
- Relationships are essential to engagement and success
- Very deliberate engineering process with attention to detail
- While cost is always important, Quality, Reliability and Performance are extremely key – *similar to Germans*
- Very long, consensus decision process
- Contracts, agreement details, QA etc. are lengthy procedures
- Good commitment terms & procedures
- Strong loyalty to suppliers, although Japanese companies are the preferred choice
- Generally very stable companies
- Projects are generally managed by Japanese headquarters and decisions made at senior level

China – Customer Example



- Working with a leading global computer company - OEM
 - Headquarters, product creation, performance approval and pricing based in the USA - OEM
 - Product module design, antenna integration and pricing based in Taiwan – ODM & OEM
 - Product & module assembly, final antenna integration, testing and purchasing based in China – CM, ODM & OEM
- Toughest price pressures emanate from China
- Toughest time pressures emanate from China
- P.O.'s and forecast emanate from Chinese CM's
- While projects were initiated by USA headquarters, most decisions on shipping allocation and future projects came mostly from China
- We utilize our own Chinese offices to support this business – *daily!*
- Resulted in a continual growth in laptop projects and market share
- Relationship with Chinese partners requires continual focus and attention to stay in front

Japan – Customer Example



- Large global, established Japanese headquartered corporation
- Very long “courtship” period – *over 2 years initially*
- Antenova utilized an agency for support & development of the relationship – ELJ
- Many, many long meetings over a period of time:
 - Met with all levels of their company
 - Detailed & technical sessions to demonstrate and test our products with their engineering groups
 - Long negotiation & contracting process
- Resulted in an excellent global licensing/joint development/manufacturing/customer management agreement
- Outstanding & loyal relationship ongoing
- This established a platform for a variety of additional, expanded business cooperation

Summary



- Antenova's value is in providing the broadest range of high-performance antenna solutions for our customers in **multiple wireless applications**
- We are a product and technology company

- China offers great potential with its abundance of EMS, CMS and ODMs for Tier 1 companies WW, plus many more:-
 - Very rarely do you deal with just the Chinese company
 - Less attention to detail
 - Cost is more important than relationship
 - Must have local speaking representation

- Japan offers over 1.5M companies of which 65 are in the Global 500 companies WW:-
 - Japanese companies control most aspects, and in detail
 - Relationship and quality are key to success
 - Loyalty has to be earned – *no fast 'buck' to be had in Japan*
 - *Local speaking representation is key, whilst an actual Japanese subsidiary is preferred*