

News From Innovation Road



The Hsinchu Science Park in Taiwan carries the name “park” appropriately: hidden behind the trees are the offices and production facilities for MTI.

The Taiwanese LNB manufacturer MTI could not have asked for a better street name. MTI was founded in 1983, and moved to Innovation Road in the Hsinchu Science Park in 1990. This technology park, which is said to be similar to California’s Silicon Valley, is occupied exclusively by high-tech companies. Hsinchu is strategically located in southwest of Taipei, roughly 1.5 train-hours from the capital and less than an hour from Taoyuan International Airport.

More than 700 employees work at the company’s headquarters in Hsinchu. 800 more employees are located in WuXi on the Chinese mainland where MTI founded Jupiter Techno-

logy in 2001. Much of their final processing takes place there. LNBs have been their mainstay product since the beginning; since then, product groups such as VSAT have come into

the picture. Sophie Su, MTI’s Senior Product Manager, is very proud of an original satellite telephone on display in the company’s showroom that Peter Arnett used to report on the first Gulf War for CNN. The photograph of him and the satellite telephone was at that time distributed around the world. Sophie remembers: “After this photo was made public, MTI’s stock price rose sharply.”

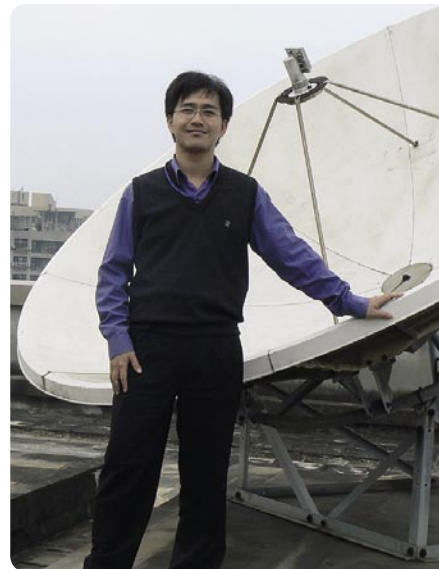
Eugene Wu, head of MTI’s LNB Business



Chih-Ling Chang is their European Sales Manager and provides support to European Sales Director John Scott in London and technical guru “Doctor” Dave Iredale.



Raised in Florida, Tindy Liu speaks perfect “American” and is responsible for MTI’s marketing. She’s a fan of Japanese Comic „Doraemon“



Jeff Lin, Sales Assistant Manager responsible for the Asian market, is seen here standing on the roof of the MTI building.



Allen Yen has been MTI's COO since 2005

Group explains today's situation: "Nearly 40% of our sales come from MTI's LNB division." One would expect larger sales from the commercial VSAT division, though. Eugene tries to put things into perspective: "We sell incredibly large numbers of LNBs." This helps to realize larger profit margins despite lowering LNB prices.

Aside from that, LNBs are part of MTI's quality products. Eugene provided us with a glimpse of the company's strategy: "Our largest market is the USA where we are the primary supplier to Echostar. We're looking to become part of other top satellite TV operators' business as well."

40% of the LNBs produced are for USA and the remaining 60% are distributed between Europe and Middle East. MTI is doing quite well in Europe with the large providers. Through local distribution partners, which includes E-tronix, located in Luxembourg, MTI supplies, for example, Canal Plus in France, Sky Italia in Italy, and BSKyB in England.

How does MTI explain their outstanding market position? "Quality and reliability," comments Eugene, "It also helps that MTI has been around since the very beginning. Our

customers trust us."

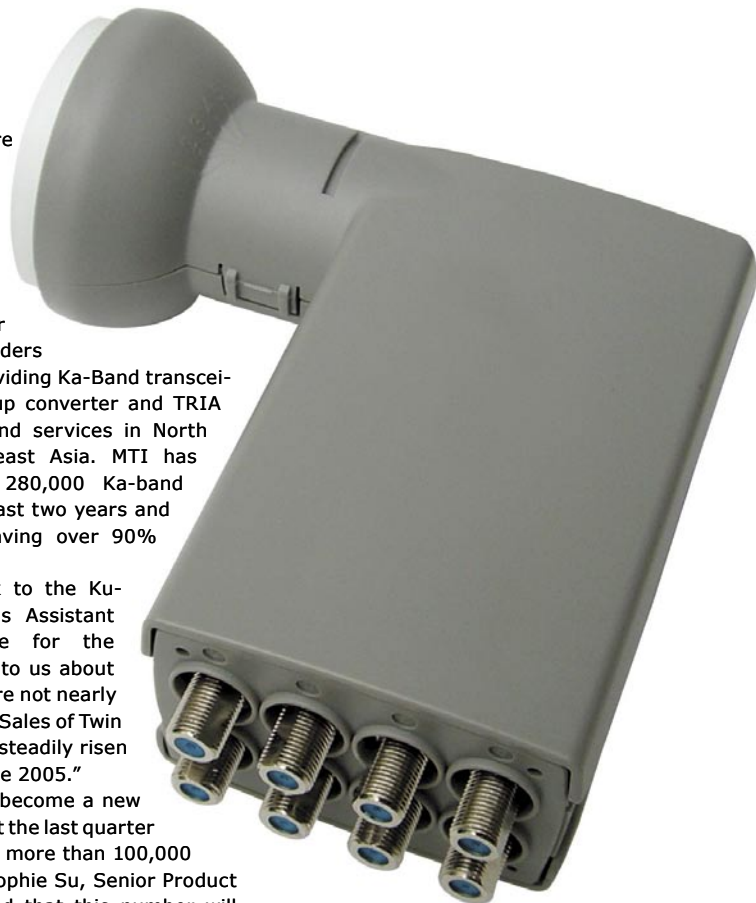
Not only that, there are 50 engineers that are constantly working on improvements. Eugene let us in on something new: "MTI is also teaming with major VSAT system providers and operators by providing Ka-Band transceiver, Ku-Band block up converter and TRIA for satellite broadband services in North America and Southeast Asia. MTI has manufactured over 280,000 Ka-band transceivers in the past two years and is very proud of having over 90% market shares."

But let's get back to the Ku-band. Jeff Lin, Sales Assistant Manager responsible for the Asian market, spoke to us about sales: "Single LNBs are not nearly as popular anymore. Sales of Twin and Quad LNBs have steadily risen 5-10% each year since 2005."

India has recently become a new market for MTI. In just the last quarter of 2006, MTI shipped more than 100,000 LNBs to India. And Sophie Su, Senior Product Manager, is convinced that this number will increase as soon as India's large TV carriers can get their operating licenses.

Will you find MTI at satellite trade shows? Tindy Liu, Market Planning Specialist, informed us that MTI will be at ANGA. "Whether or not we will be at IBC, CABSAT and SBCA has not yet been decided." However, the Sales Team employees have been visiting all of the important trade shows.

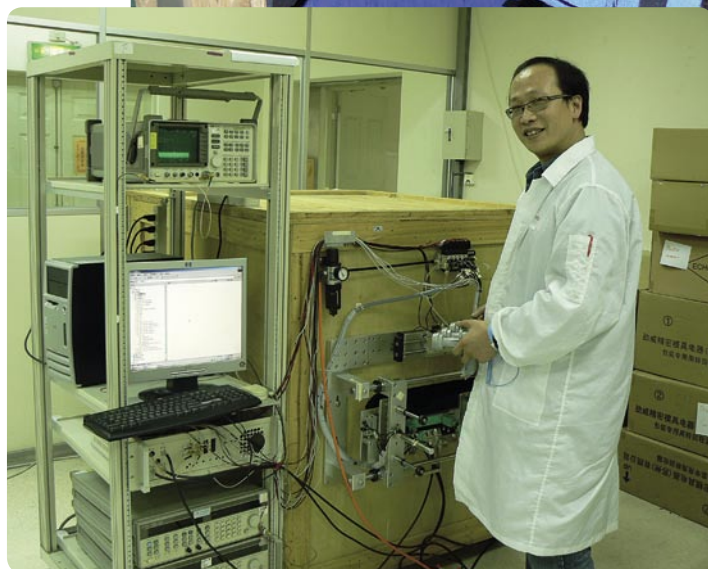
MTI presents itself as a company that certainly lives up to the name of the street: Innovations for more than 24 years have placed MTI at the head of the class.



One of MTI's latest innovations is this Octo LNB



Eugene Wu, LNB Group Business Head, with one of the new Octo LNBs in the MTI showroom.



Pan Yuonan is one of the developmental engineers. Here he is testing a newly designed triple monoblock LNB for its cross-modulation resistance in an echo-free chamber. The inside of the test chamber can be seen through the open door in top picture.