

A decorative graphic featuring two hands, one on the left and one on the right, reaching towards the center. The hands are positioned as if they are about to hold or release something. Surrounding the hands are various overlapping shapes in shades of blue, purple, and pink, creating a modern, abstract design.

Korea New Zealand Business Council

NextWindow - an example of a
NZ hi-tech company in Korea

2011



Agenda

- Company Overview
- Target Markets
- Our Customers
- Korea Strategy and Challenges



Company Overview



About NextWindow

- Founded in 2000 by CTO and private investors
- 130 employees, 65 in engineering
- Brief history
 - 2001: December – is this technology viable?
 - 2002: NZ Govt Grant (FRST - TBG) to miniaturize the technology
 - 2003: First product to market (optical for large displays)
 - 2005: Entered USA market
 - 2006: First major volume contract (HP TouchSmart AiO)
 - 2008: 2nd contract with HP
 - 2008: Established Taiwan office with ODM focus
 - 2010: Established Japanese and Korean offices
 - 2010: Acquired by SMART Technologies, Canada
- Currently focused on two touch screen markets
 - **Desktop:** Windows-7 consumer monitors & AiO computers
 - Over 1.8 million touch screens manufactured to date
 - **Large-Format:** Interactive-information display applications for signage and education





Business Summary

<i>March year</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>
<i>Revenue (USD m)</i>	<i>\$.2m</i>	<i>\$.25m</i>	<i>\$.5m</i>	<i>\$1m</i>	<i>\$3.6m</i>	<i>\$5.2m</i>	<i>\$31m</i>	<i>\$46m</i>
<i>People</i>	<i>9</i>	<i>12</i>	<i>14</i>	<i>16</i>	<i>20</i>	<i>26</i>	<i>68</i>	<i>120</i>

- SMART Technologies – Calgary, Canada
- NextWindow HQ - Auckland NZ
 - R&D, engineering, administration
- US Office – Pleasanton California
 - Sales, marketing, application engineering
- Sales Offices – Taiwan, South Korea, Japan
 - Sales, application engineering
- SGP Office – Singapore
 - Global Operations & supply chain management

- Product mix:
 - 80% small sensors / 20% large sensors



SMART Technologies (Parent Company)

- NextWindow acquired April 21, 2010
- Leading global provider of collaboration products - Interactive WhiteBoard (IWB) market for education and business – 50% market share
- Founded in 1987; shipped first SMART Board™ interactive whiteboard in 1991
- Revenue, year ended March 31, 2011: ~C\$780 MM, FY10; +22 % growth
- Over 1.6 million SMART Board interactive whiteboards shipped worldwide
- 1600+ employees
- 1 distributor in Korea
 - 6% market share in education market
- >300 patents issued & pending





Target Markets



Go-To-Market

Market Segment	Screen Size	Channel	Target Customers	Market Characteristics	Applications
PC high-volume touchscreens	15" - 30"	Direct to PC OEMs & ODMs	Consumers	Emerging applications & usage models	Win-7, games, photo manipulation, others TBD
Large-format interactive information touchscreens	32" - 52"	Direct to monitor OEMs (higher volume)	Enterprise	Distributed market, emerging applications	Wayfinding, directory, public information display, interactive digital signage
		Integrators (lower volume)			
Large-format education & conference room touchscreens	55" - 120"	OEM's and Integrators	Schools & enterprise	Geographically concentrated, government-influenced	Classroom training & education, conference & boardroom displays, interactive digital signage
Large-format overlays	32" - 85"	Distributors	Schools & enterprise	Distributed market, emerging applications	Education, interactive information, conference & boardroom displays
Vertical application touchscreens	15" - 30"	Direct & resellers	Enterprise	Entrenched competitors, slow growth	Retail POS, kiosk, ATM, medical imaging, gaming, industrial control, ticketing



Our Customers

With NextWindow Touch inside....



HP



Medion



Sony



NEC

With NextWindow Touch inside....



Dell



Lenovo



Medion



Sample End-User Applications...1





Sample End-User Applications...2





Sample End-User Applications...3





Sample End-User Applications...4





Sample End-User Applications...5



Sample End-User Applications...6





Korea Strategy



Why is South Korea important to NextWindow?

- Some of the major target OEM's for NextWindow are located in South Korea
- Korea education market is strongly flat panel display (FPD) focused
- NextWindow Korea strategy consistent with global strategy, focused on:
 - Desktop market – AiO, monitor, notebook, tablet
 - Large format market- Education, Digital Signage, TV
- Go-to-market is direct model
 - Direct to OEM's for desktop and large format monitors
 - Direct to integrators for digital signage and education
- Sizeable revenue opportunity for 2011/2012



Business to-date in Korea

- 2010 revenue - US\$3.2m
- 2011 revenue – US\$4.0m

- History of Korean involvement
 - 2006 - eSol and education
 - 2008 - Kortek as integrator
 - 2009 – 1st Samsung AiO
 - 2010 – Samsung 65"
 - YS Kim hired as Country Manager April 2010



Challenges

- Understanding the cultural differences
 - Channels to market
 - Expectations
 - Reward for perseverance
- Like anywhere, picking the right partners is important
- Relationships are important, and relationship expectations are more long-term
- but business is still business
- Our customers are typically larger, global companies... so they understand western business practices
- IP protection – we have many imitators in Korea



What has worked well

- It helped to have strong references – eg. HP
- Engagement with NZTE in country
- Early relationships in the education market
- Hiring local staff in Korea.... and having NZ-based Korean speaker
- Built good relationships with Korean integrators
- Ability to engage with the major brands – Samsung, LG



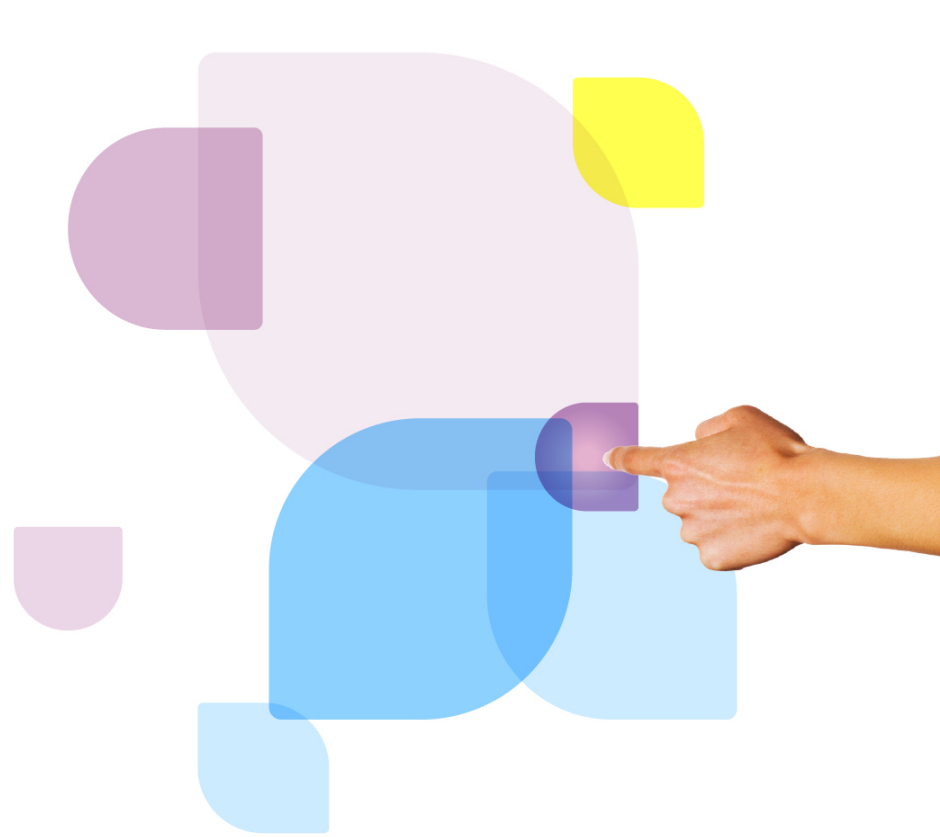
Market Factors and Key Trends

- Touch will continue to **grow** in the Desktop and in Large Format Segments
 - **Consume** OSs (Android, Lion), not **Create** (MS, Chrome) will lead
 - **TV Devices** will start to demand touch interfaces
 - **Consumer** drives touch, Commercial will follow
- **Slate** devices (iPad) have emerged rapidly and will grow in share and in size
- Product categories are blurring – smartphones, tablets and consumer PC's are becoming more similar
- More touches, lower costs, and improved ID (low profile) are a **market expectation**

Korea Market

Major opportunities in 2011/2012

- Optical touch is one of the few technologies suitable for large format
- B2B large format manufacturers are actively looking for touch ready display
- Major TV manufacturers considering smaller size of smart TV as PC replacement – potentially touch TV



Thank you

