

Inspiration Innovation Intelligence



Bringing Technology Home



Pace Micro Technology AGM 2007 – Business Review



Neil Gaydon
Chief Executive Officer
19 October 2007



About Pace



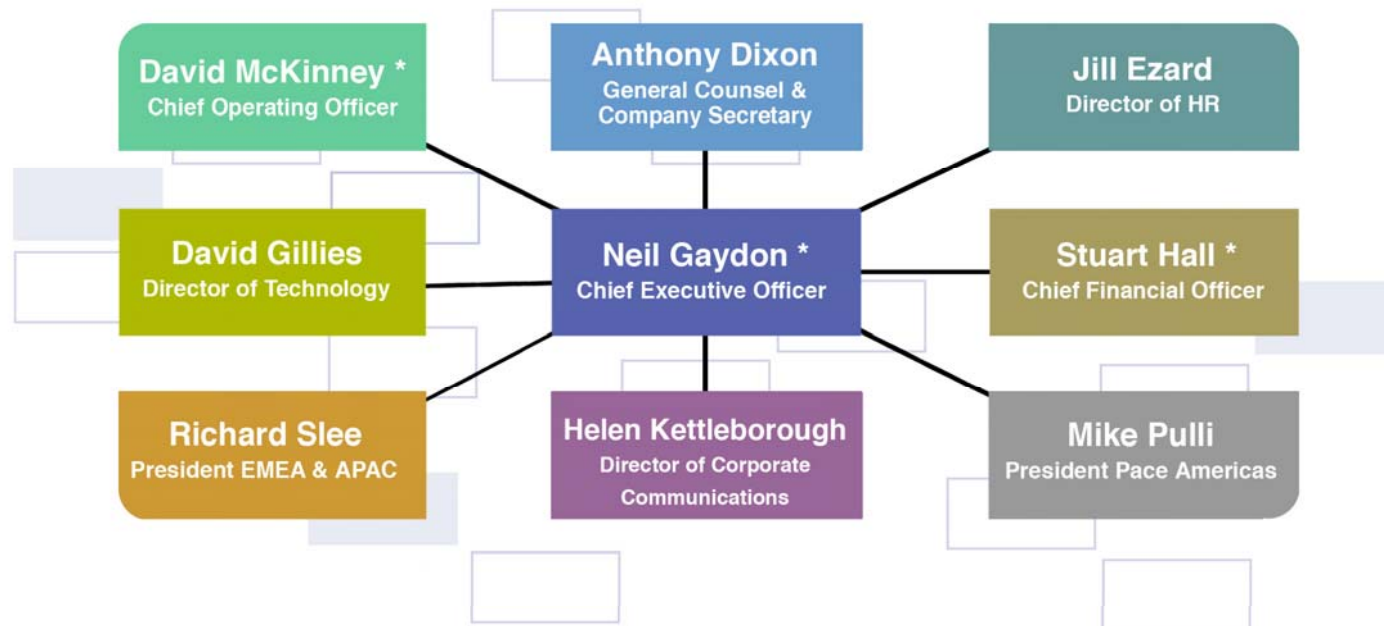
- **Pace is a specialist technology company providing products and services to the world's most successful payTV operators**
- **A total package is provided from strategic advice and product development to systems integration and after-sales service**
- **Pace's set-top box technology is installed in over 27 million homes worldwide**
- **Currently over 550 employees worldwide**
- **Listed on the London Stock Exchange**



Pace - An International Company



Your Management Team



* Denotes Board Director

Key business points



- Significant success in North America alongside solid ongoing performance from EMEA and APAC regions
- Growing operator demand for specialist high definition technology across all main payTV markets
- Increased consumer demand for digital TV, high definition and PVR products
- Company restructure and new management team are delivering results
 - Prelim results: profit before tax and exceptional items £6.1m (2006: loss £15.6m)
 - Operational efficiencies improving margin performance ahead of schedule
- New business wins continue – Multichoice and growing US cable customer base

Pace business model

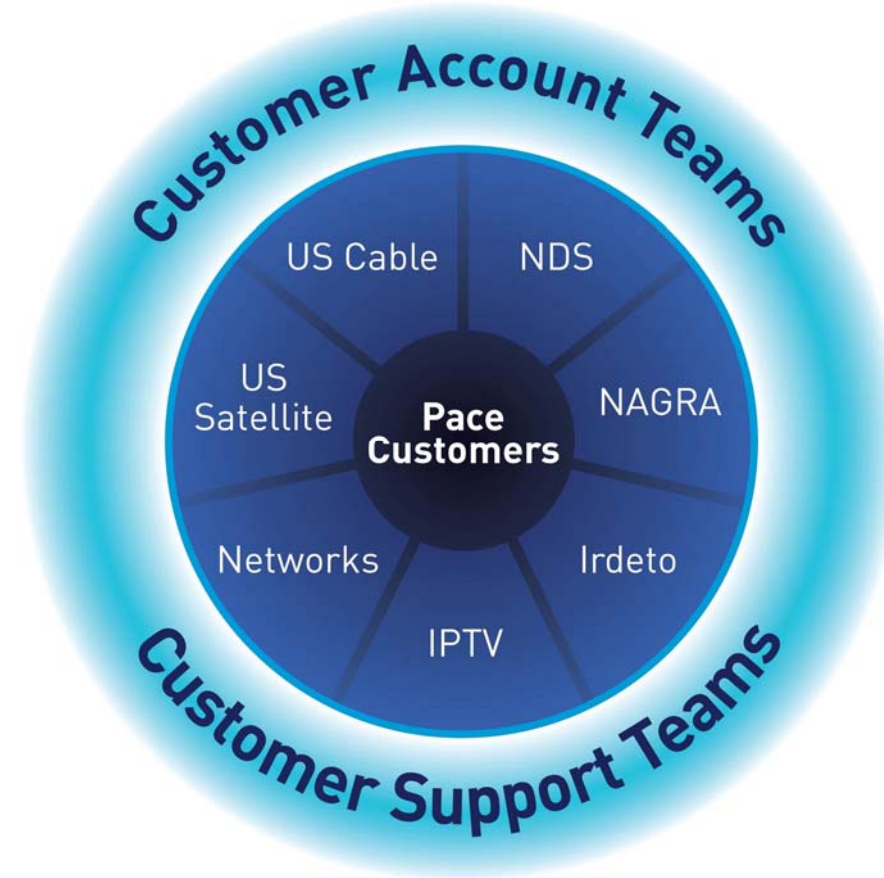


- Pace is a specialist technology company providing products and services to the world's most successful payTV operators
 - Deliver leading-edge products that create high value add for customers
 - Predict future requirements so customers have what they want, when they need it
- Provide a total package from strategic advice and product development to systems integration and after-sales service
- New operating model delivers best-in-class products while improving margins
- Investing in new digital TV related technologies to grow the Company

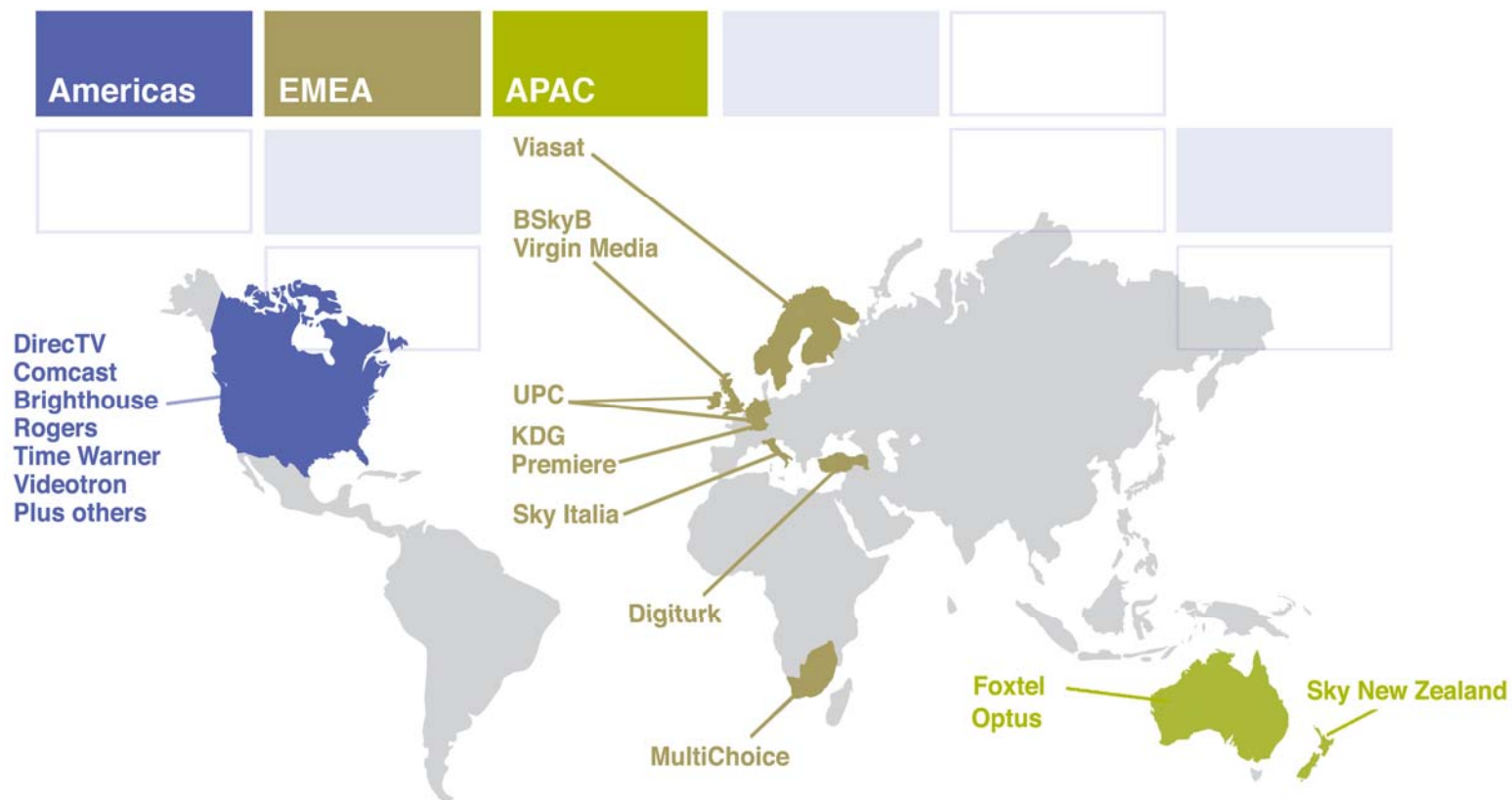
Customer focus



- The Leadership team is completely customer focussed
- Re-organisation is starting to deliver results and with positive customer feedback
- Gross margin benefits from new product designs and new operating model now being realised

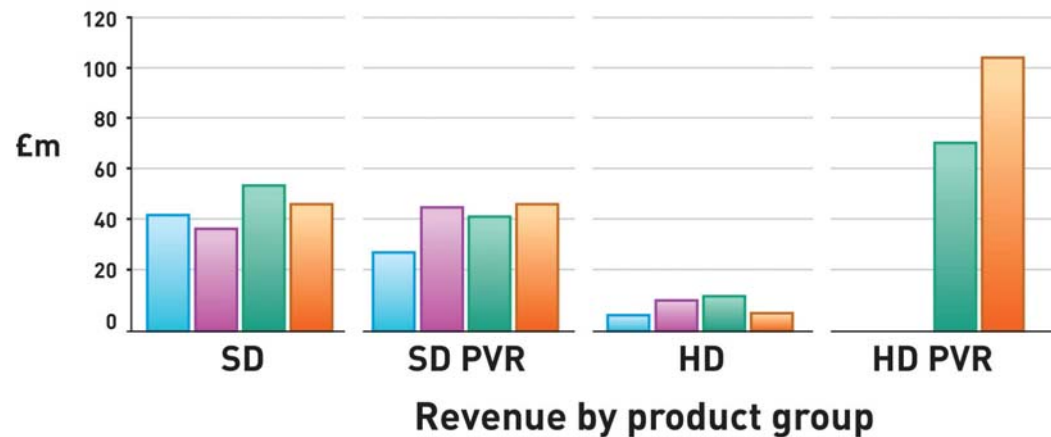
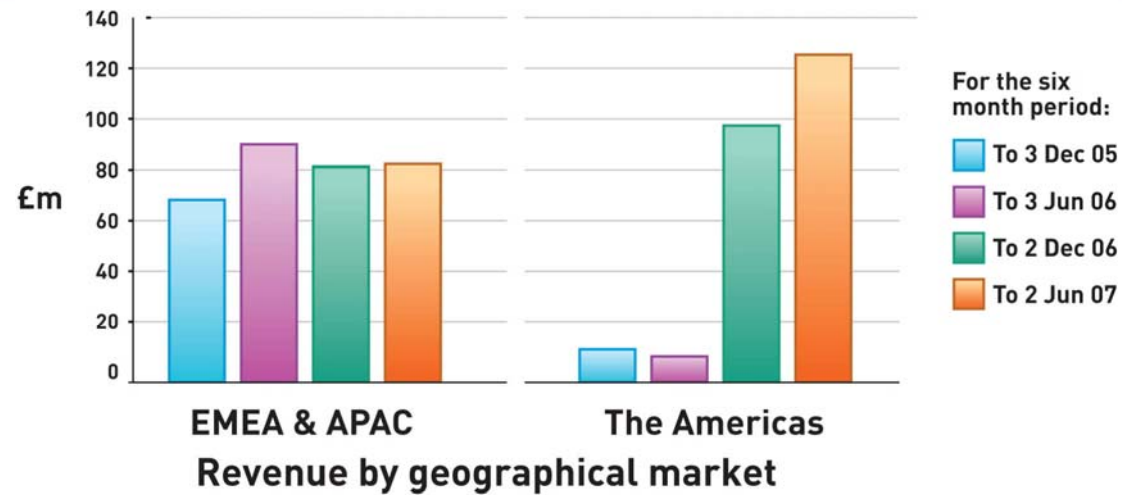


Global Customer Base

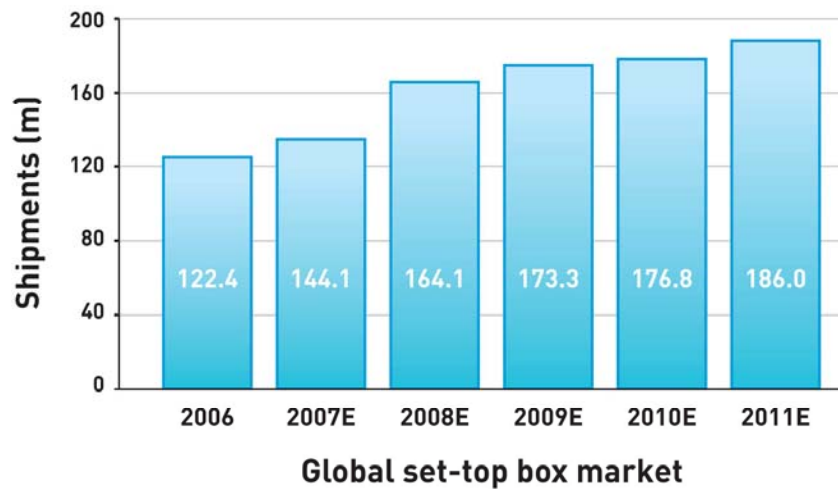


Pace supplies 50% of the top 20 global payTV operators

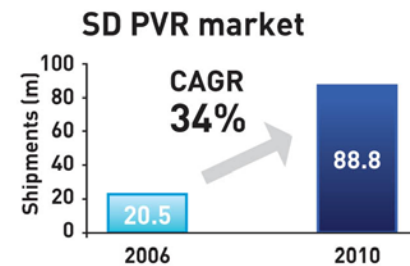
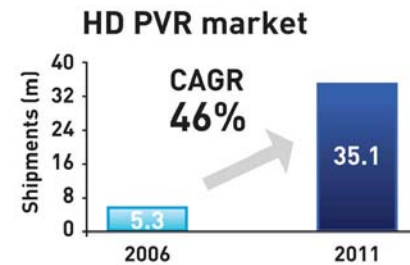
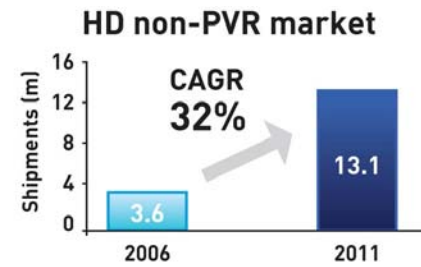
Revenue analysis



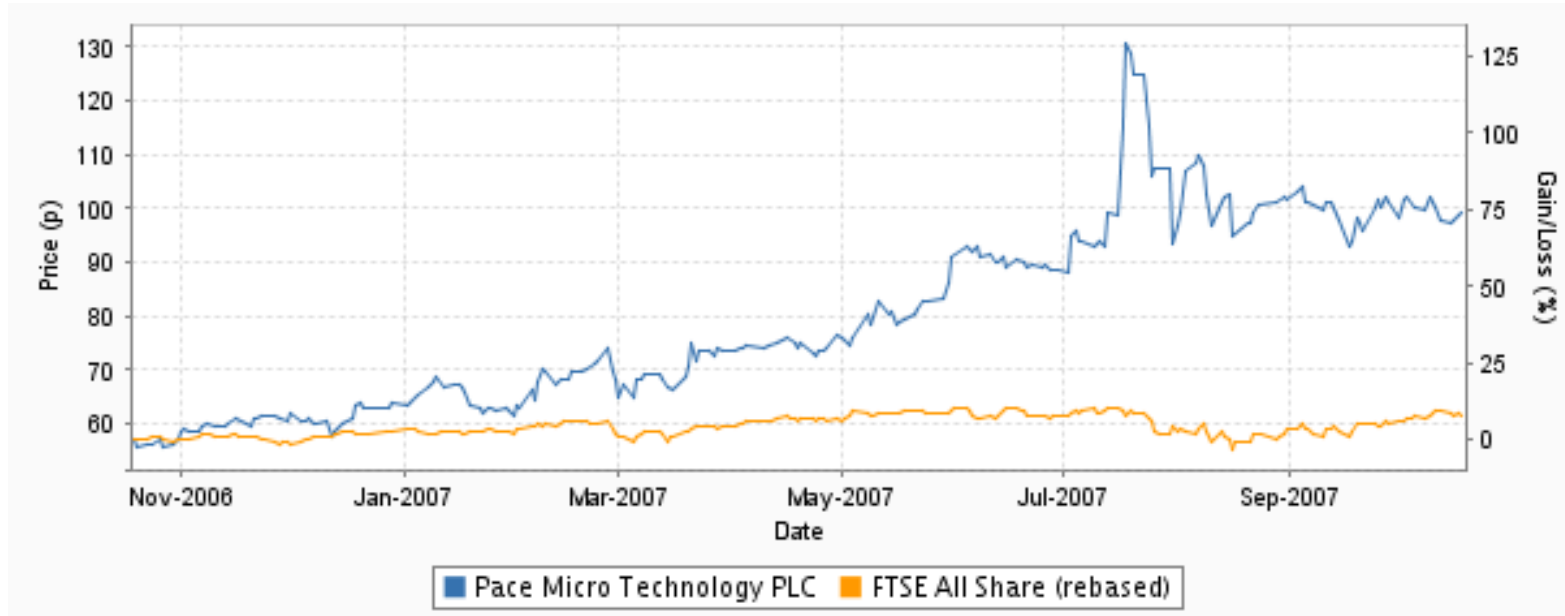
Market growth forecasts



Source: IMS Research 2006 & 2007



Share price performance





- North American business continues to deliver exceptional performance for 2007
- In 2006* North American market comprised 82m cable homes and 32m satellite homes
 - Between 2006 and 2011
 - Digital cable homes will grow by 20m to 55.5m
 - Digital satellite homes will grow by 6m to 38m



- DirecTV, the world's largest satellite operator
 - Successful customer relationship and shipments on plan
 - Pace executed well with new high definition MPEG-4 PVR
 - Order visibility through to mid-2008

Comcast the USA's largest cable operator

- Successful shipments of SD PVR
- Committed orders for rest of 2007 in place
- Over 30 North American cable customers
- Launched five new CableCARD products in June 2007
 - Anticipated impact of CableCARD on typical operator buying patterns
 - Have complete CableCARD product range for all customer requirements
 - First new CableCARD products now shipping

EMEA and APAC



- Ongoing strong markets, with good solid performance & repeat orders
- New customer win with Multichoice of South Africa
- Deep relationships with News Corp companies and others continue
 - BSkyB, Digiturk, Foxtel, Sky Italia, Sky New Zealand, UPC & Viasat
 - HD gaining traction and working with key operators to launch HD PVR
 - Increasing demand for high definition products continues
- Full product range in place
- Analogue switch-off opportunity becoming more clearly defined
- Integrated satellite/IP enabled hybrid solutions starting to come through

Summary



- We are building on new foundations and executing against plan
- We have successfully restructured the company and are delivering against expectations: revenues, profit and cash
- Our global customer portfolio includes some of the world's leading payTV operators, providing better balance to the business
- We are establishing operational excellence to improve gross margins and market competitiveness
- We are investing in technologies to build a sustainable long term business