



COSTAR

TECHNOLOGIES, INC.

Company Overview

Security Market

ASIS International and IOFM Study Finds U.S. Security Industry to be \$350 Billion Market.

IHS Study says the security market grew by 10.8% in 2013. Consolidation appears to be premature, with the top 15 manufacturers accounting for only 22% of the overall market.

According to a new whitepaper from IHS, the global market for video surveillance equipment is expected to grow by more than 12 percent in 2014. In fact, the market research firm is forecasting that revenues this year will rise to nearly \$16 billion, up from \$14 billion in 2013. Market revenues are expected to top more than \$20 billion in 2017.

Source: SECURITYINFOWATCH.COM

COSTAR
VIDEO SYSTEMS

Security Market

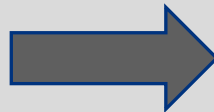
Early
Driver



Mid-and-large sized systems from 32-plus up to thousands of cameras per system have been leading the transition to IP. A major growth opportunity for IP is evolving as the small system market of 16 cameras or less per site are adopting IP. Key issues for these smaller installations are price, retaining existing analog, and easy to install, and easy to set up.

Companies that offer IP products that are easy to install, easy to operate, easy to maintain, retain analog while providing the flexibility of switching out pieces of a system while moving forward into the new technology, will see great success.

Easy to Install
Easy to Operate



Direct IP™

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Security Market

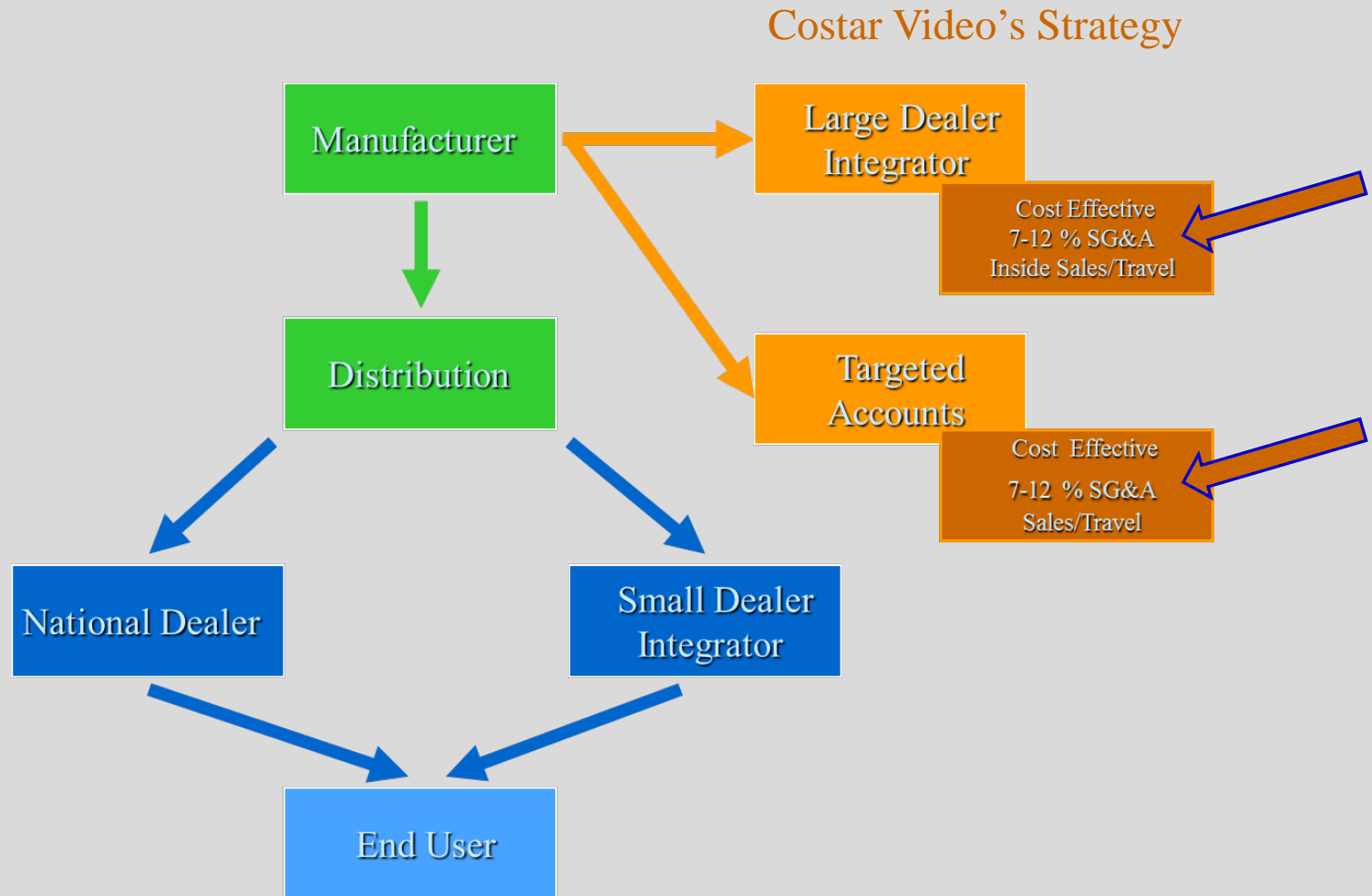
asma Rankin 8s 50		50 2013 SECURITY		2013 a&S Top Security 50 Rankings	
2013 Top Security 50		2013 Security 50 by Region		2013 Security 50 by Product Group	
'13	Company	Headquarters	Revenue (in US\$ millions) 2012	Revenue Growth 2011-2012	
Video Surveillance					
4	HIKVISION DIGITAL TECHNOLOGY	China	\$1,110.6	35.6%	
6	AXIS COMMUNICATIONS	Sweden	\$643.5	17.1%	
7	FLIR SYSTEMS (Thermal Vision and Measurement)	U.S.	\$628.0	-4.9%	
9	DAHUA TECHNOLOGY	China	\$575.5	60.1%	
15	IDIS	Korea	\$137.1	-4.2%	
17	INFINOVA	U.S.	\$123.5	113.5%	
18	VERINT SYSTEMS (VIDEO INTELLIGENCE)	U.S.	\$119.5	-13.4%	
19	VIVOTEK	Taiwan	\$116.0	20.7%	
20	MOBOTIX	Germany	\$108.5	11.5%	
21	HITRON SYSTEMS	Korea	\$105.2	-5.1%	
23	AVIGILON	Canada	\$97.7	67.0%	
24	TAMRON (COMMERCIAL & INDUSTRIAL)	Japan	\$92.9	11.6%	
25	AVTECH	Taiwan	\$88.6	-15.6%	
26	CNB TECHNOLOGY	Korea	\$87.2	-20.4%	
30	SYNECTICS	U.K.	\$74.5	28.7%	
32	HDPRO	Korea	\$70.3	29.8%	
33	DYNACOLOR	Taiwan	\$70.2	50.0%	
34	GEUTEBRUCK	Germany	\$69.9	-15.3%	
35	GEOVISION	Taiwan	\$67.4	21.4%	
37	MILESTONE SYSTEMS	Denmark	\$56.6	19.4%	
39	VICON	U.S.	\$49.7	5.2%	
41	INDIGOVISION	U.K.	\$46.6	-4.8%	
42	DALI TECHNOLOGY	China	\$44.4	-	
43	C-PRO ELECTRONICS	Korea	\$41.1	4.5%	
44	ITX SECURITY	Korea	\$40.6	-4.6%	
45	YOKO TECHNOLOGY	Taiwan	\$40.1	-24.3%	
46	WIN4NET	Korea	\$38.2	13.5%	
47	HI SHARP ELECTRONICS	Taiwan	\$34.1	-8.3%	
49	HUNT ELECTRONIC	Taiwan	\$28.7	4.0%	

#43 > \$41M

Source: www.asmag.com

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VIDEO SYSTEMS

Security Market Channels



Corporate Management Team

Jim Pritchett, President & CEO, was President /Executive Vice-President of **Ultrak** from 1988 to 1999 with Revenue Growth from \$1.7 Million to \$205 Million through internal growth and acquisitions, **Joined Costar 2001**

Scott Switzer, CFO, from 1998 to 2000 he was a consultant with Accenture, and was in Industrial Sales at **Ultrak** in 1998, **Joined Costar 2001**

Mathiew Bais, Chief Technical Officer, was President & CEO of Visual Defense with Revenues of \$45 Million from 2006 to 2008, from 1999 to 2006 he was President & CEO of Visonic Technologies, from 1995 to 1997 he was Managing Director of Product Development at **Ultrak**, **Joined Costar 2008**

Corporate Experience

In ten (10) years Ultrak grew from \$1.7 Million to \$205 Million through increased sales of existing products, sales of new products and acquisitions of businesses in the surveillance industry. Participated in Back-to-Back Secondary Offerings raising \$125 Million and acquired 14 companies in a five year span. Ultrak had 15 divisions worldwide in the US, Germany, Italy, France, United Kingdom, South Africa, Australia, China, Hong Kong and Japan (22 separate P/L's).

In 1995-1997 Ultrak was listed in several national magazines Fastest Growing Small Public Companies in America lists.

Honeywell acquired approximately 2/3 of Ultrak in 2002 primarily for the Wal-Mart and Diebold businesses.

Corporate Experience



1996 Forbes
200 Best Small
Companies
Number 92

1995 Fortune
America's Fastest
Growing Companies
Number 89

1996 Fortune
America's 100 Fastest
Growing Companies
Number 61

1995 Business Week
100 Best Small
Corporations
Number 22



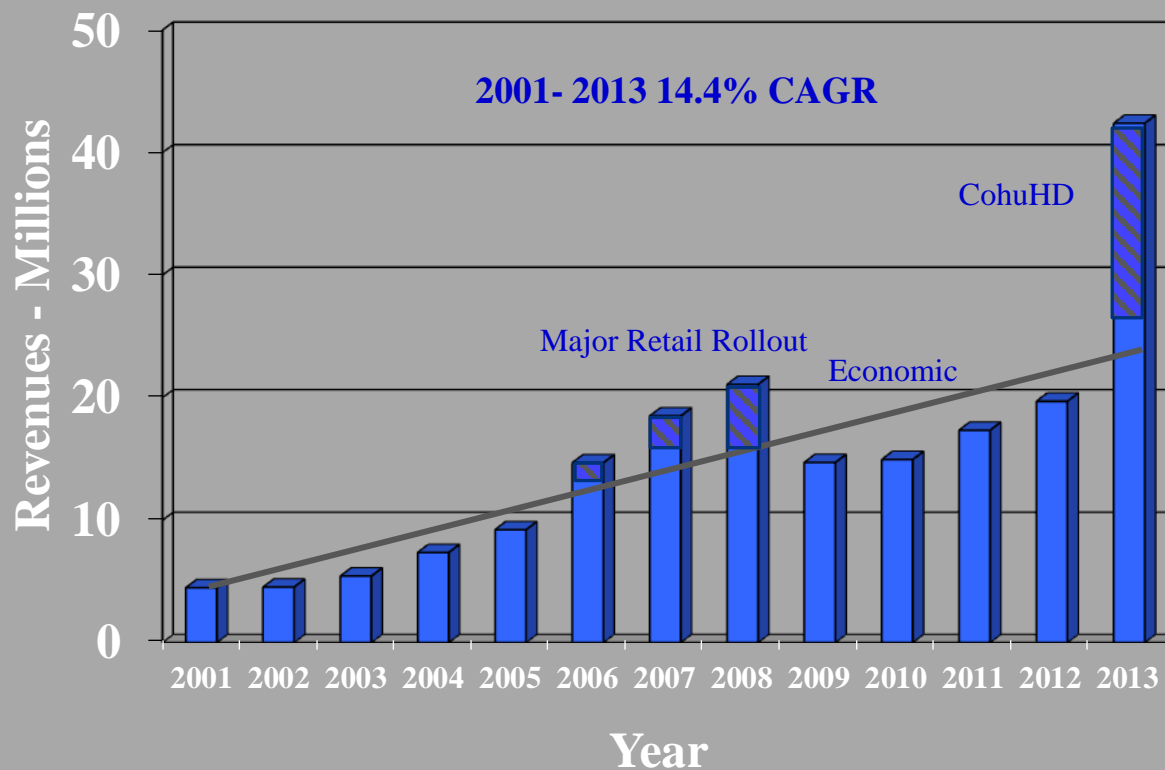
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IVSIMAGING

Costar Technologies Sales



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IVSIMAGING

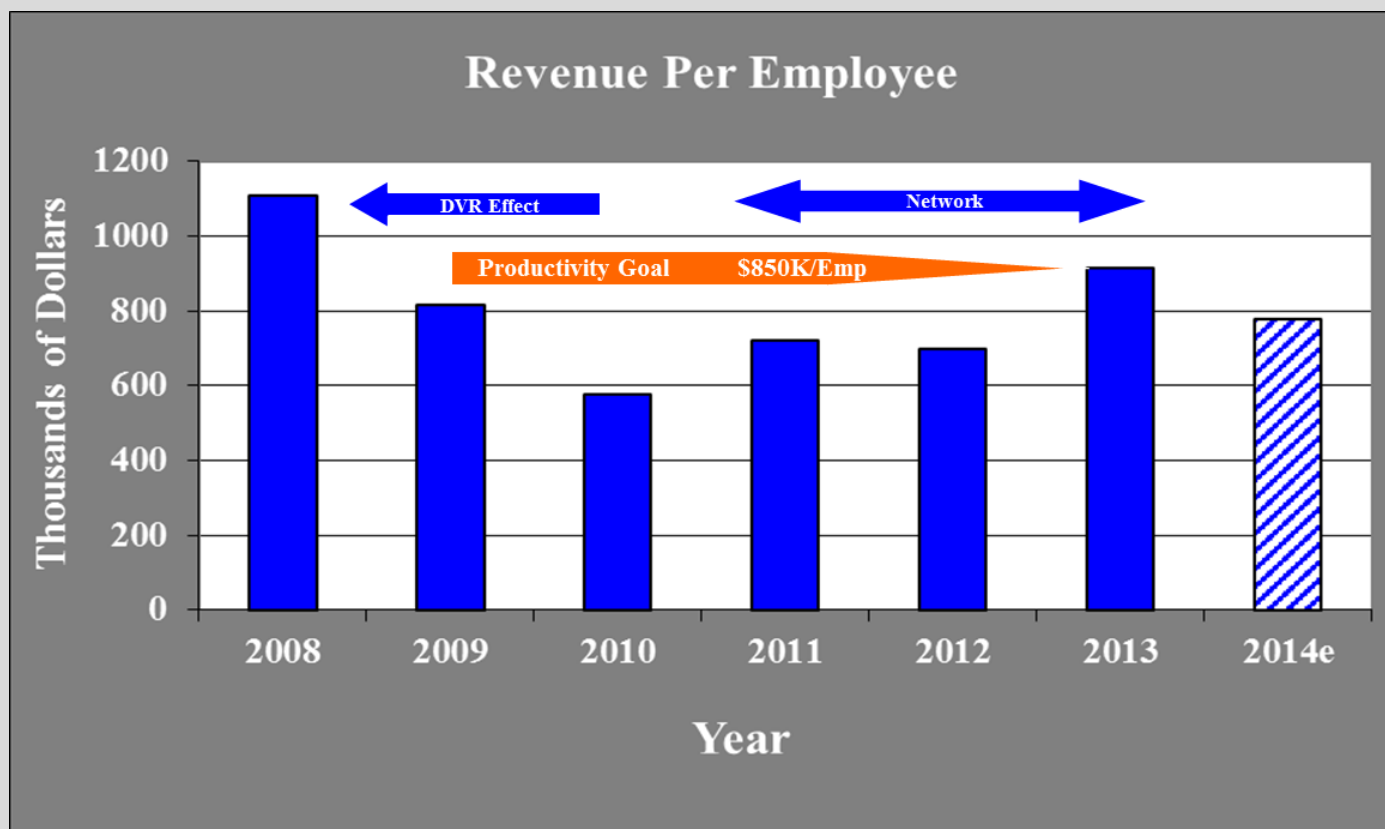


Headquarters in Coppell, Texas

Costar Video Systems

Costar Video Systems designs, manufactures, and distributes electronic products for the security & surveillance, and industrial video markets. Our strategy is to develop and/or form relationships to acquire the most comprehensive family of world-class electronic products and system solutions for the security & surveillance and industrial video markets. Our goal is to lead the industry in product value, innovation technology, and quality of customer service. To be a world-class competitor in operating efficiency.

Costar Video



Costar Video

2013 Industry Productivity Comparisons

Tyco	\$151K per employee
UTC	\$302K per employee
Honeywell	\$305K per employee
W.W. Grainger	\$431K per employee
Textron	\$398K per employee
GE	\$477K per employee
Flir	\$521K per employee

Security Industry Competitors – 2014 CSIMarket.com

Costar Video



Costar Video Facility

Open Office



Video Training Room



Video Training Room



DVR Assembly Room
Hardware Assembly/Software



Costar Video Customers





IVSIMAGING

**Master Distributor for Sony,
Hitachi, Panasonic Cameras
Lenses
Teleconferencing Cameras
LED/LCD Displays
Mobile DVR's
iBlock Cameras HDMI, HD/SDI**

Products



Proprietary Control Boards iBlock HDMI, HD-SDI



Proprietary Flexible Configurations

iBlock Housings



iBlock HD Long Range Camera



2.1 Mile Zoom



**Facility in Poway, California
Acquired June 6, 2014**



CohuHD is a leading manufacturer of video surveillance camera systems for use in mission-critical, sensitive environments. Integrating the latest video compression and High Definition IP technology into its innovative, rugged video camera systems. Cohu's line of high quality HD cameras and management software can be found on the international space station, monitoring the busiest freeways and ports, military bases, U.S. Navy ships, oil refineries, nuclear reactors, mines, and other critical installations around the globe.



60 years young...

The leader for outdoor, sensitive environments

Who uses CohuHD cameras:

- ☐ Highways in 27+ States
- ☐ Nuclear reactors, utilities, mines, oil/gas
- ☐ U.S. Navy shipboard applications
- ☐ Military base security
- ☐ Missile guidance systems
- ☐ Border Patrol
- ☐ Cape Canaveral and SpaceX launches



CohuHD Facility

**SMT and Wave Flow
Soldering Machines**



**Demand Flow
Technology Production Line**



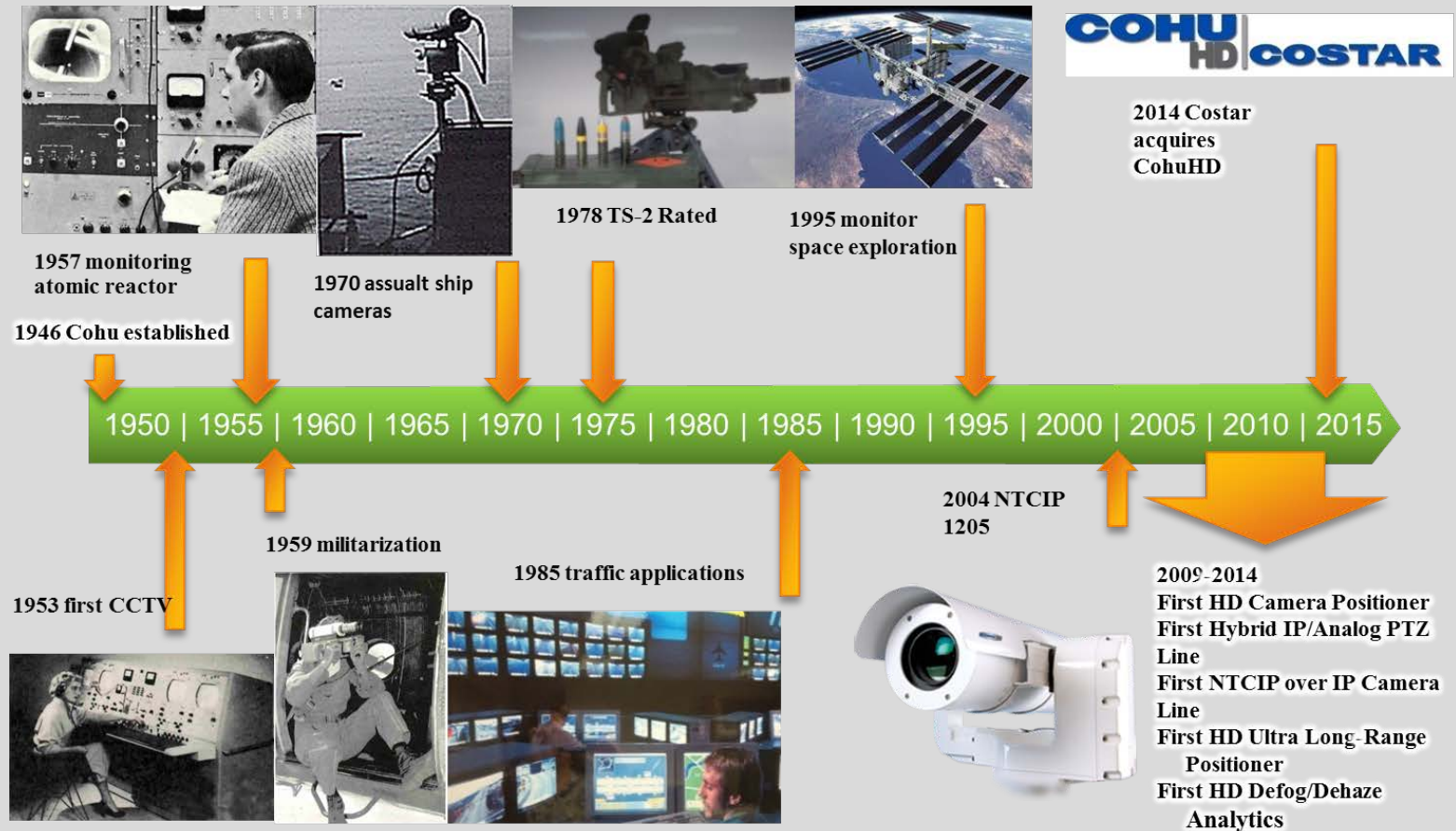
**Demand Flow
Technology Production Line**



**Demand Flow
Technology Production Line**



CohuHD Firsts



CohuHD Customers

Defense



Transportation



Critical Infrastructure



CohuHD Installations



- Freeways of Rio
- Golden Gate Bridge
- Skyway Bridge Tampa, FL
- Saudi Oil Fields
- International Space Station
- German Train Stations
- Kennedy Space Center
- Stryker Armored Vehicles
- Protecting Borders Around the World

CohuHD

Long Range HD Optics

- ❑ 137x zoom
- ❑ Human Detection to 30 miles
- ❑ Lens Options to suit application



Ruggedized Environmental

- ❑ IP67/IP66, -40° to +60° C Operation



808nm Laser Illumination at 2Km

Complete Product Solutions

Critical Infrastructure			Commercial Security	VMS Control
IP67 "Flagship" 3900 Series Hybrid Operation   	IP67 LWIR Thermal 5900 Series  Ultra-Long-range 8800HD Series 	High Performance IP Series 3700 Series  3100 Series 	Indoor, Outdoor Multi-Megapixel      	Video Management Software  Video Recording  

Comprehensive end-to-end product solutions

New Market Opportunities

