



COSTAR
TECHNOLOGIES, INC.

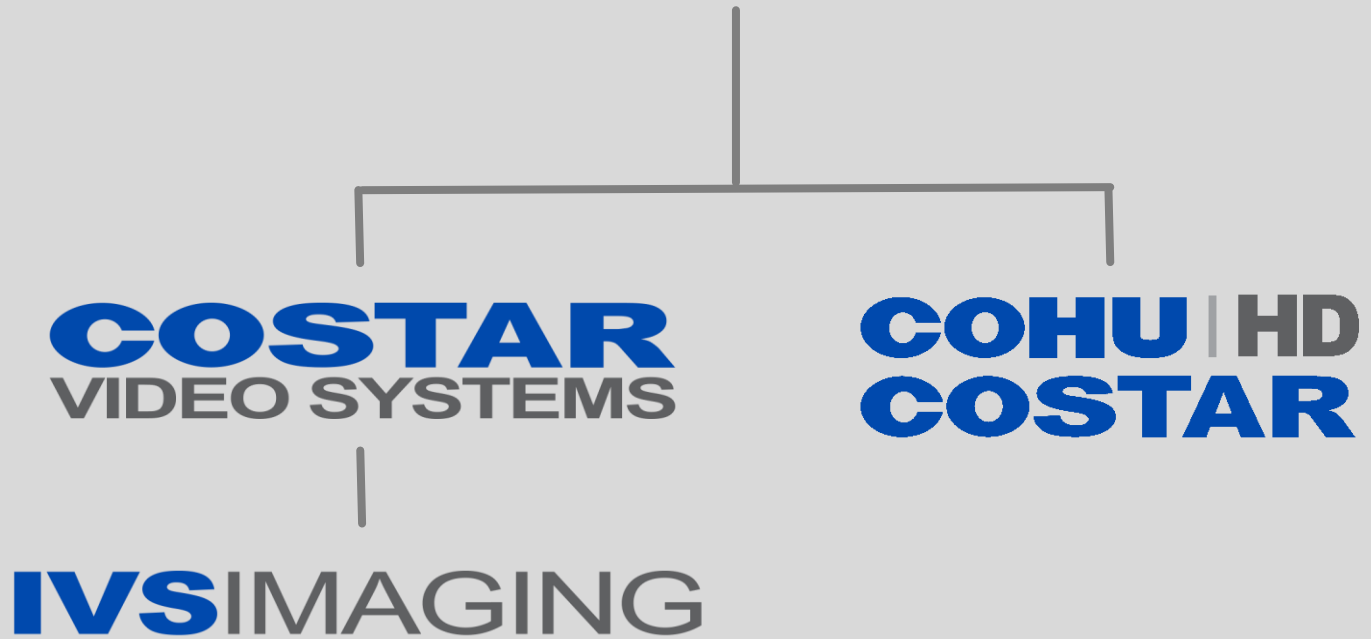
2015 In Review

Cautionary Statement Regarding Forward Looking Statements

This document contains forward-looking statements that involve risks and uncertainties, as well as assumptions, that if they never materialize or prove incorrect, could cause the results of the Company to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements generally are identified by the words “expects,” “anticipates,” “believes,” “intends,” “estimates,” “should,” “would,” “strategy,” “plan” and similar expressions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The risks, uncertainties and assumptions include developments in the marketplace for our products, competition, related products and services and general economic conditions, as well as other risks and uncertainties. Accordingly, we cannot give assurance that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of operations or financial condition of the Company.


COSTAR

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Security Market

asma Rankin & Associates 50th Anniversary **secutech VIETNAM** 21 – 24 September, 2016 Friendship Cultural Palace, Hanoi

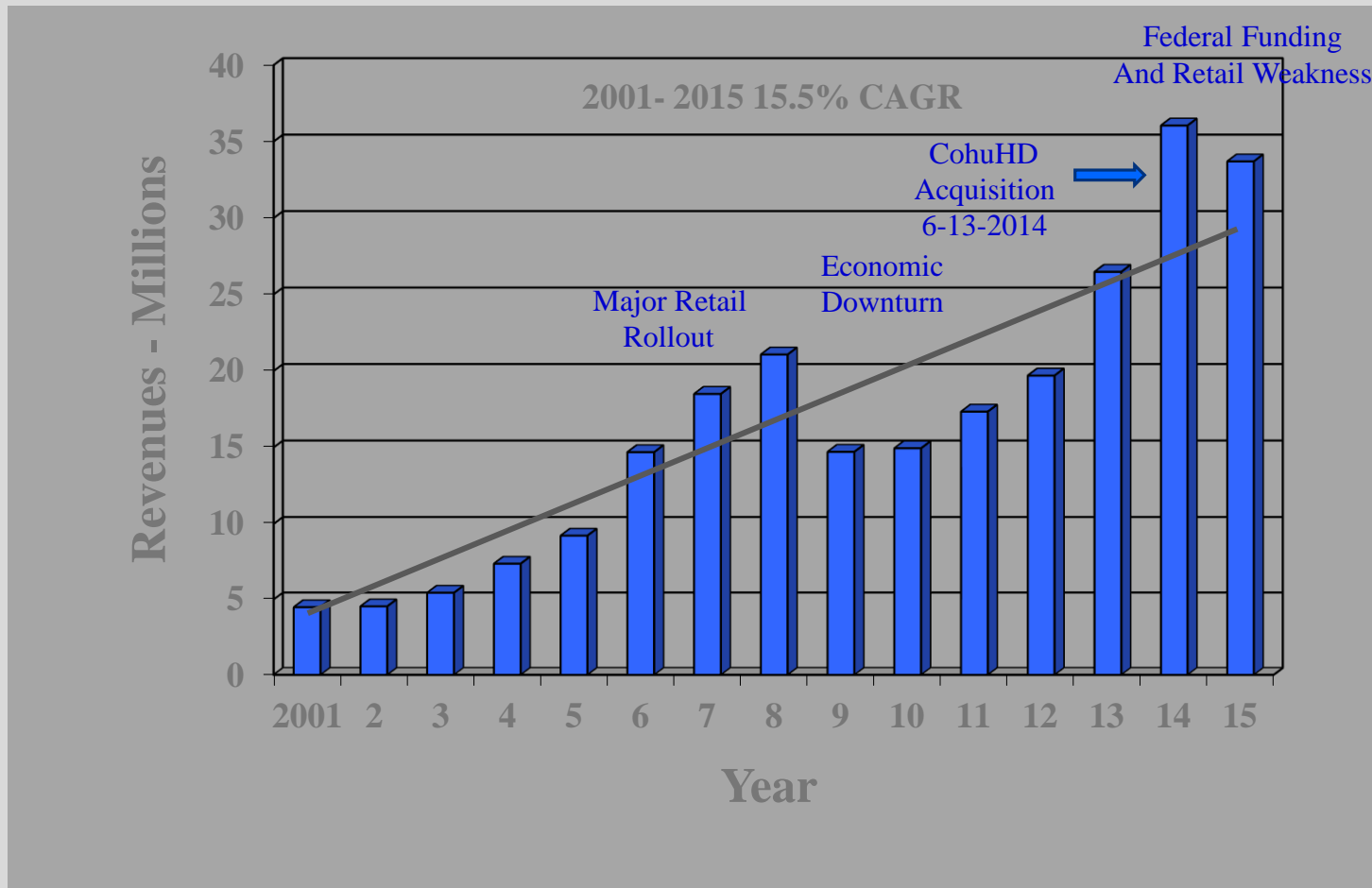
2015 Top Security 50		2015 Security 50 by Region		2015 Security 50 by Product Group	
'15	Company	Headquarters	Revenue (in US\$ millions) 2014	Revenue Growth 2013-2014	
Video Surveillance					
2	HIKVISION DIGITAL TECHNOLOGY	China	\$2,528.9	57.5%	
5	DAHUA TECHNOLOGY	China	\$1,145.3	35.5%	
8	FLIR SYSTEMS (Surveillance and Security)	U.S.	\$671.3	-0.1%	
9	SAMSUNG TECHWIN (Hanwha Techwin)	Korea	\$650.3	-1.2%	
17	INFINOVA	U.S.	\$153.0	2.0%	
19	VERINT SYSTEMS (Video Intelligence Segment)	U.S.	\$110.4	-8.3%	
20	VIVOTEK	Taiwan	\$107.0	-12.2%	
21	TAMRON (Commerical/Industrial use optics)	Japan	\$101.7	2.6%	
22	IDIS	Korea	\$99.3	-0.1%	
26	DYNACOLOR	Taiwan	\$83.7	18.3%	
28	GEOVISION	Taiwan	\$68.8	-1.6%	
29	MILESTONE SYSTEMS	 Denmark	\$68.0	12.5%	
30	GEUTEBRUCK	Germany	\$67.6	0.0%	
32	HITRON SYSTEMS	Korea	\$61.1	-25.4%	
33	AVTECH	Taiwan	\$59.4	-27.3%	
35	INDIGOVISION	U.K.	\$58.2	16.3%	
36	ITX SECURITY	Korea	\$57.1	-18.3%	
37	DALI TECHNOLOGY	China	\$56.6	38.5%	
38	HDPRO	Korea	\$55.9	-7.3%	
40	SYNECTICS (Systems Division)	U.K.	\$49.9	-28.8%	
42	CNB TECHNOLOGY	Korea	\$40.4	-27.3%	
45	INCON (Formerly Win4Net)	Korea	\$32.7	-7.8%	
46	C-PRO ELECTRONICS	Korea	\$32.5	-3.2%	
48	HI SHARP ELECTRONICS	Taiwan	\$23.6	-15.1%	
49	HUNT ELECTRONIC	Taiwan	\$22.8	-18.7%	
50	HANYANG HITAO (Formerly Huviron)	Korea	\$19.4	13.3%	

#43 at \$34M



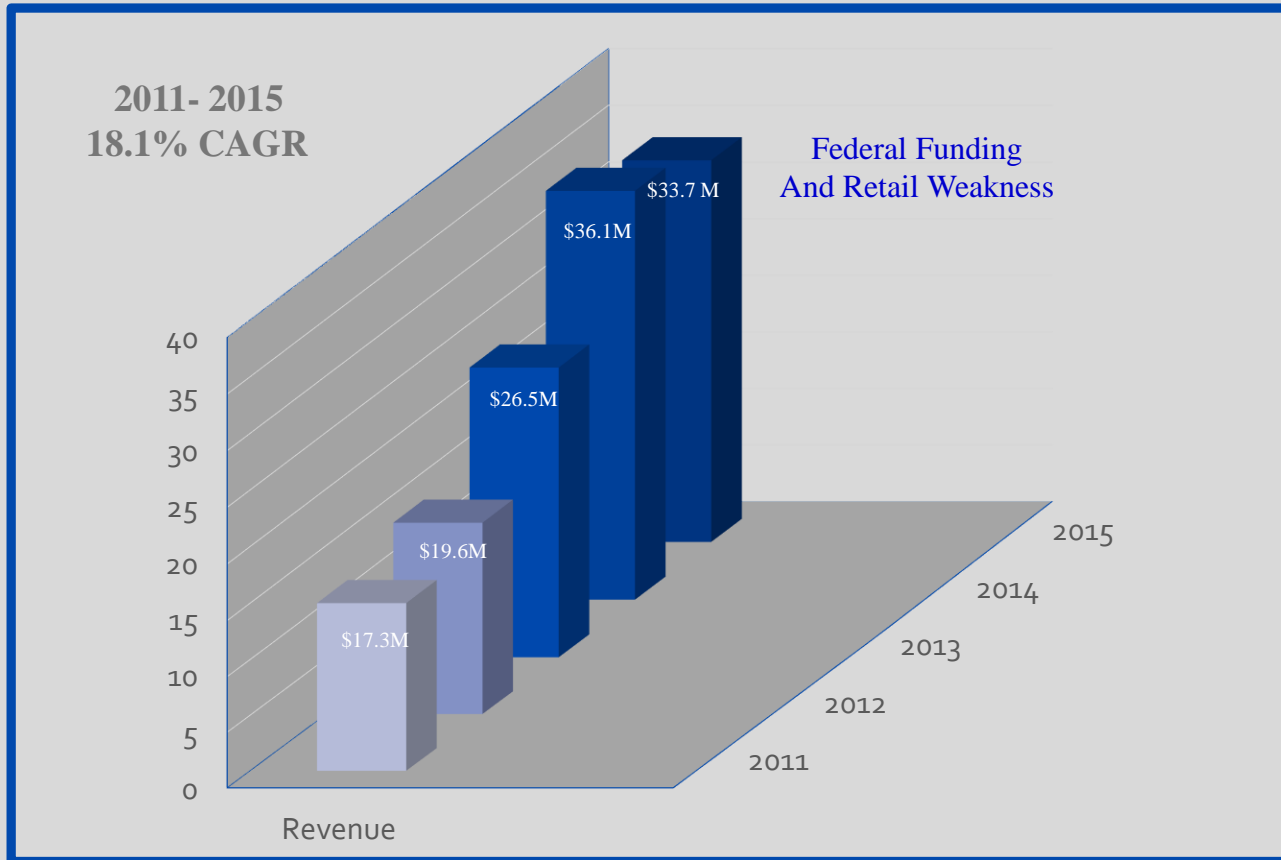
Source: www.asmag.com

Costar Technologies



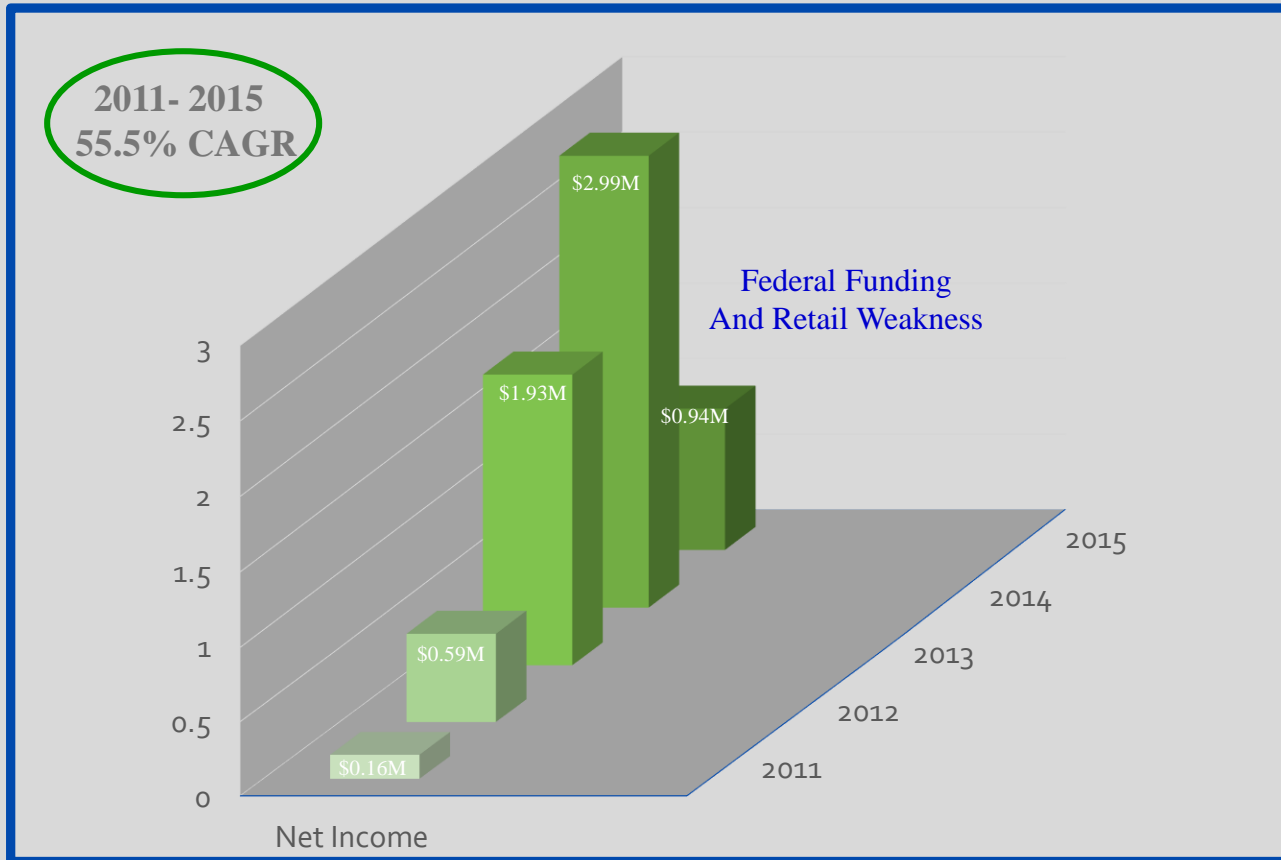
Costar Technologies

Revenue

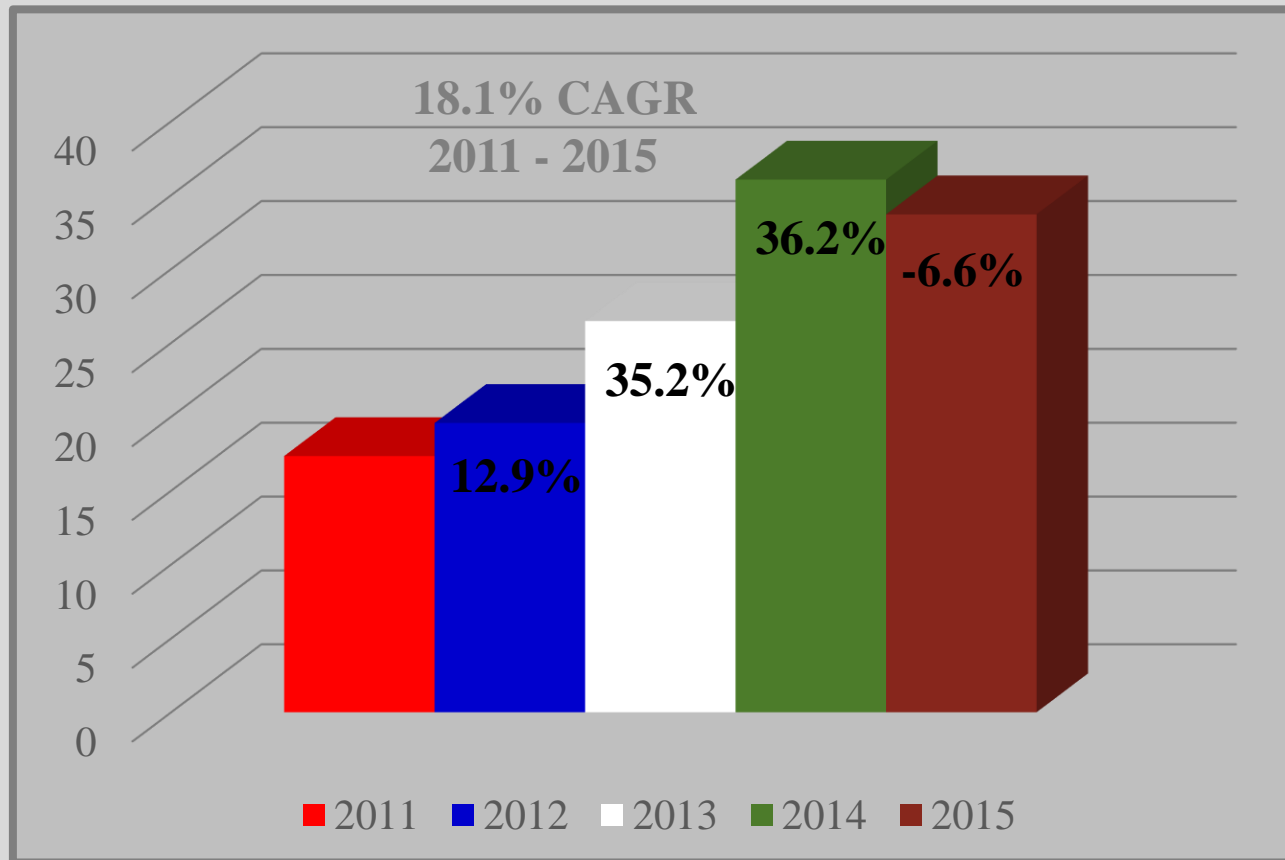


Costar Technologies

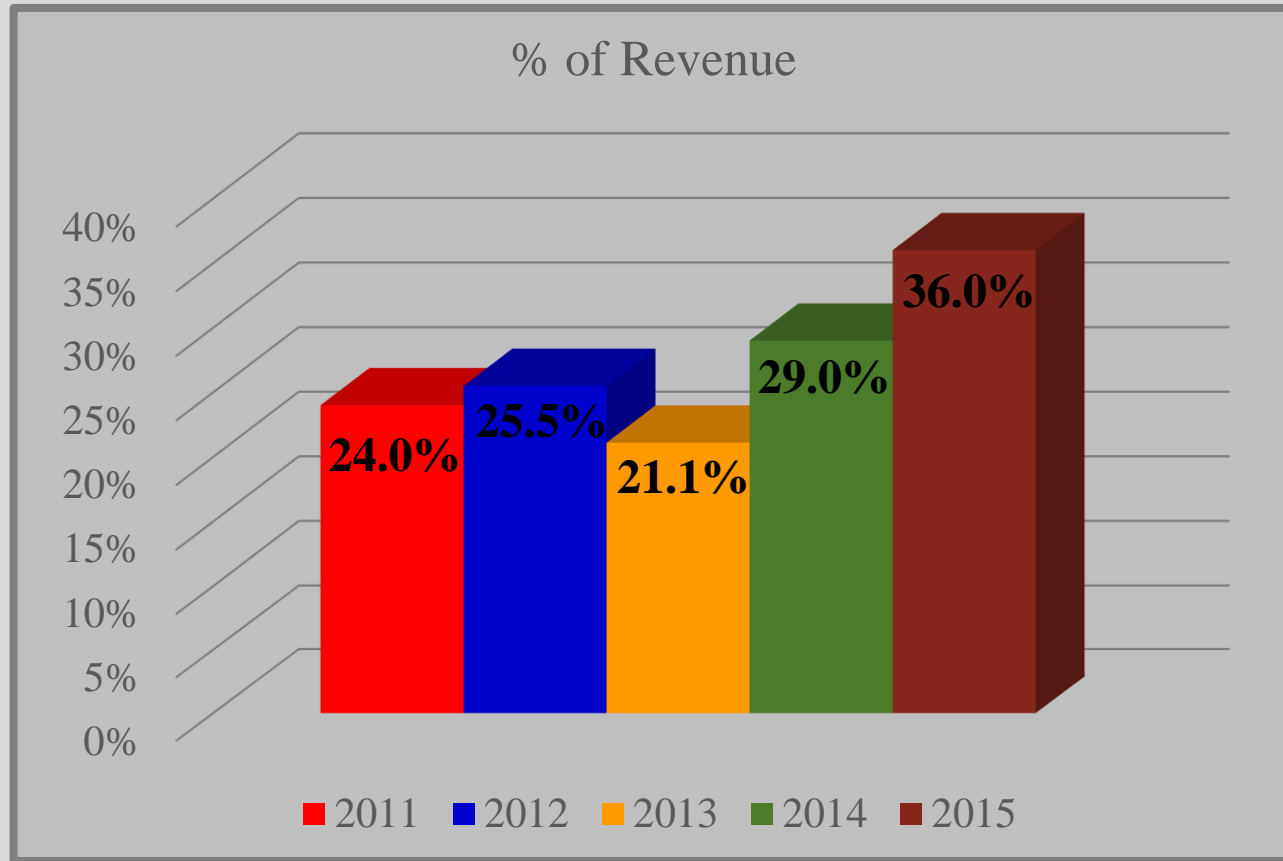
Net Income Before Taxes



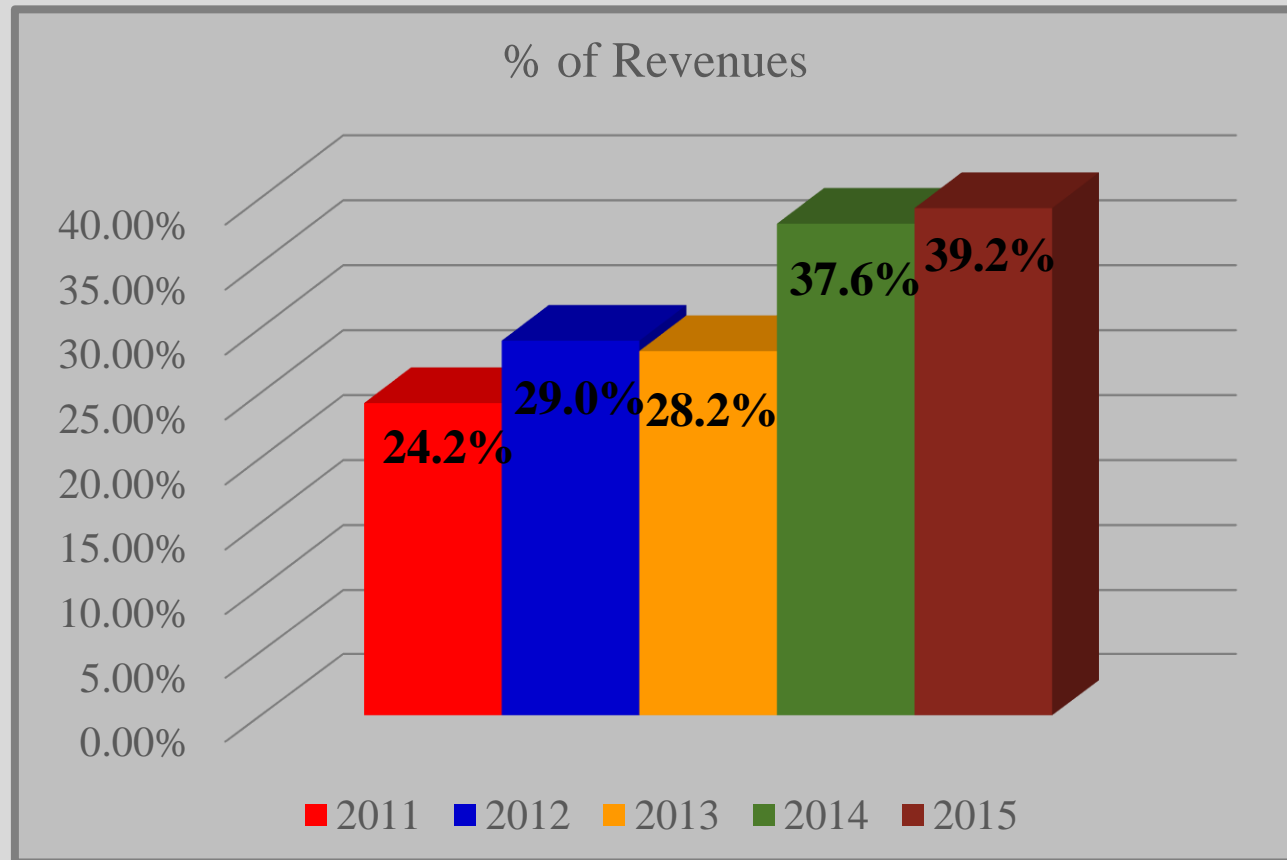
Year Over Year Revenue Growth



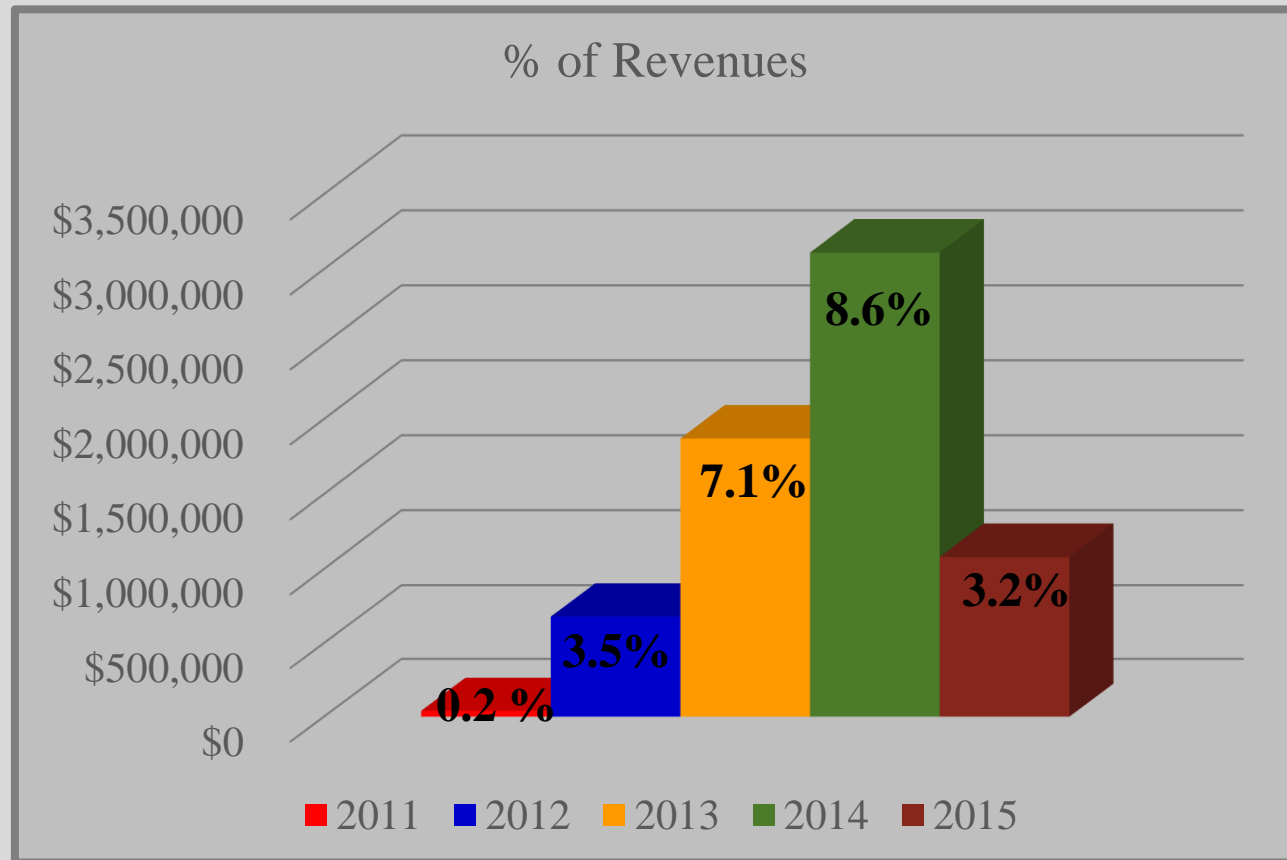
SG & A



Gross Profit Margin



Operating Income

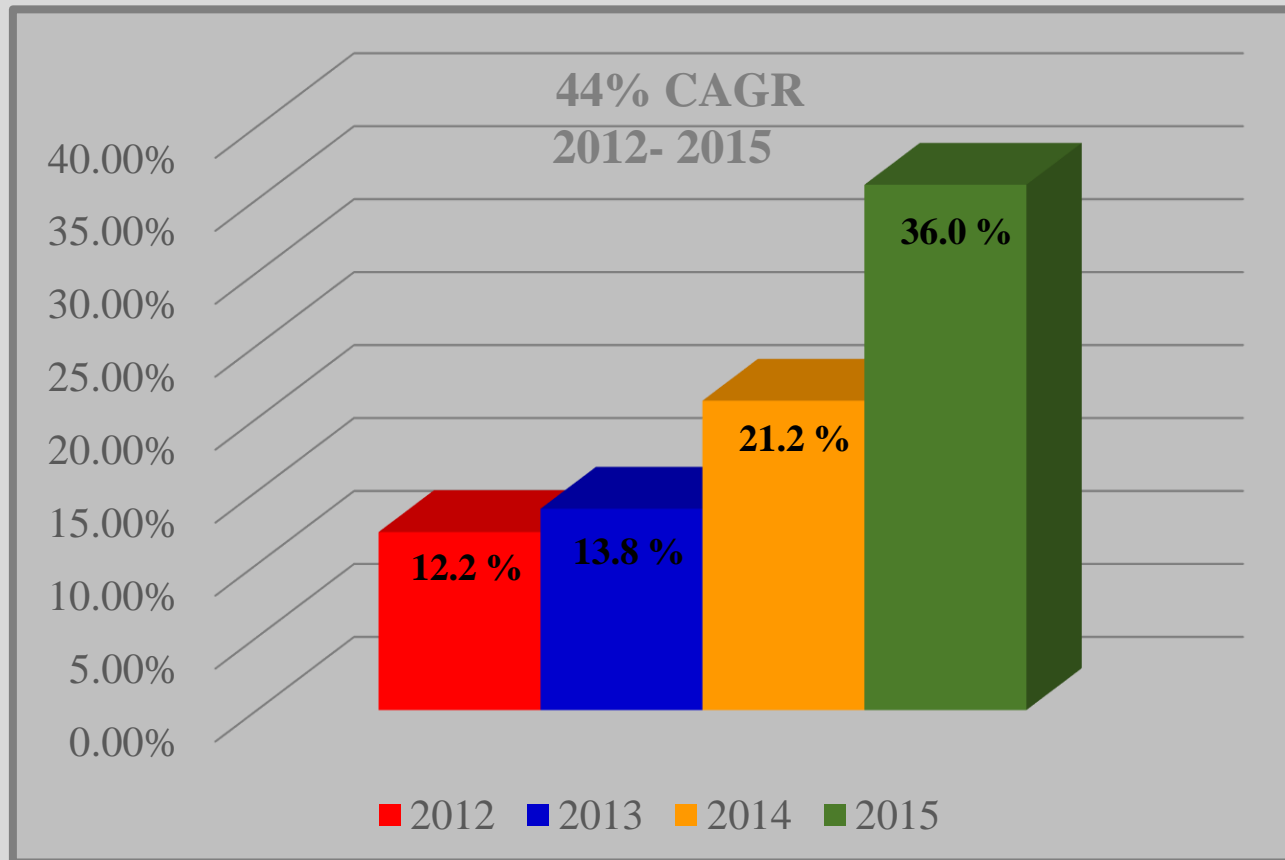


2013 - 2015

Year	2015	2014	2013	Variance
Revenues	\$ 33.68 M	\$ 36.05 M	\$ 26.48 M	-6.6 %
Gross Margin	\$ 13.20 M	\$ 13.56 M	\$ 7.47 M	-2.7 %
GM %	39.2 %	37.6 %	28.2 %	
Operating Expenses	\$ 12.12 M	\$ 10.45 M	\$ 5.60 M	16.0 %
Oper Exp %	36.0 %	29.0 %	21.1 %	
Operating Income	\$ 1.08 M	\$ 3.11 M	\$ 1.87 M	-65.3 %

Network Product Sales

Percent of CVS Revenues



Costar Video Systems

Strategy

- * **Diversify Our Customer Base to Compensate For Revenues Lost From Our Largest Customer Due to a Decrease In Their Security Spend**
- * **Position Ourselves to Win a Portion of Our Largest Customer's IP Camera Business From a Brand Name Supplier in Their 2017 Bid For 2018/19 as They Look to Reduce Costs**

Costar Video Systems

Strategy

- * **Generate Leads From Smaller Dealers And Integrators**
- * **Utilize Our Efficient Market Channel Economics and Established Channel Partners to Grow Our Non-concentrated Customer Base**

Costar Video Systems

Strategy

- * **Provide Superior Customer Service, Engineering Design, Sales, Technical Support, and Training To Our Internal and External Customers**
- * **Expand Our Market Presence Via The Addition of a West Coast Sales Representative in the Fall of 2016**

Costar Video Systems

Strategy

- * Identify Efficiencies and Best Practices To Increase Productivity and Profitability
- * Growth Through Acquisition of Complimentary Businesses

CohuHD

Strategy

- * **Grow Traffic Market, Particulary in States With Large Competitive Install Bases (Add 2-3 States/Year)**
- * **Increase Brand Awareness and Revenue Derived From Military Contracts and International Customers**

CohuHD



Rugged Innovation with Superior Endurance

- Advanced Optics
- Long Range
- Low Light
- Dynamic Stream
- Power over Ethernet
- Video Analytics
- Rugged: -40 to 75 Degrees C
- IP67 Sealed and Pressurized
- Hurricane Level Holding Torque



COHU | HD
COSTAR

IVS Imaging

Strategy

- * Increase Sales With New Mobile System & Wearables, and Flashlight Camera
- * Utilize Sony Relationship to Increase Sales Of Our Sony HDMI Interface Boards
- * Special Projects – Profit Optical, Stryker, Optex (Military Periscope Camera)