



2000 Annual Report





The Company the Whole World Watches™

Chyron Corporation is a leading provider of broadcast hardware, software and services spanning television and the Internet. The Company develops, manufactures, markets and supports hardware and software products that facilitate the production and enhance the presentation of live and pre-recorded video, audio and other data. The Company is divided into four divisions, Chyron Graphics, Chyron Pro-Bel, and newly formed Chyron Streaming Services and Chyron Interactive.

Chyron Graphics, which has a particularly strong brand in the broadcast media industry, develops products that create and manipulate text, logos and other graphic images. Chyron's graphics products are used by broadcasting leaders to display such information as sports scores, logos, news flashes, weather flashes, election results and stock market quotes.

Chyron's UK-based division, Pro-Bel, develops products that manage, monitor and distribute video, audio and other data signals, and control edit processes and automate broadcast equipment. In the last year, Pro-Bel has introduced several new products including Clari-net, an application specific encoder for streaming media to the Internet.

Through Chyron Streaming Services, the Company is applying its broadcast expertise and professional standards to the emerging streaming media market. As more and more companies turn to the Internet as a vehicle for reaching millions of people with rich media content, there is a growing need for organizations with established broadcast skills. Leveraging the Company's considerable media expertise, Chyron Streaming Services will provide consulting, software and creative services to companies eager to offer the highest caliber of new media content. The division will also provide a turn-key solution which will ensure they are delivering the highest quality streamed media.

The Chyron Interactive division exploits the technologies of both the Chyron Graphics and Chyron Pro-Bel Divisions to promote solutions for the creation and delivery of interactive content. Again by leveraging the experience of live broadcast graphics and sophisticated automation, these solutions enable companies to easily add interactivity to their programming.

To Our Shareholders



Roger Henderson
Chief Executive Officer

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Fiscal 2000 was a transitional year for Chyron. We raised \$20 million to forge our way into two exciting new markets: streaming media and interactive TV. We also received a \$6 million investment from Microsoft, validating our expertise in these markets. We are positioning Chyron to capitalize on new opportunities produced by the changing broadcast landscape. And we are leveraging our expertise and our position as the premier provider of broadcast tools to catapult us to the forefront of these new, yet technologically similar, markets.

While we took important steps toward our goals in new markets, fiscal 2000 was a difficult year for Chyron financially. For the twelve months ended December 31, 2000, we reported revenues of \$56.3 million, a decline from the \$60.7 million we reported for fiscal 1999. Our net loss decreased to \$11.9 million, or \$0.34 per share, compared to a net loss of \$29.8 million, or \$0.93 per share for fiscal 1999.

The markets for our core graphics, signal distribution and automation products, continue to be weak due to all the uncertainties associated with the transition from analog to digital. Broadcasters in the U.S. and abroad have been slow to make sizeable investments in digital equipment as they wait for regulations to be clarified and until they determine when and how they will move forward with digital broadcasting. Nevertheless, we are maintaining our technology leadership in these markets by developing next-generation digital products. In addition to this market dynamic,

our revenues have been impacted by the product shift to newer enhanced versions of traditional products that carry a lower selling price.

With a customer base that consists of 80% of all television stations and networks in North America and Europe, Chyron remains at the forefront of the market for graphics and signal distribution and automation products. Although the market for these products is currently weak, it is important for us to maintain these businesses because our technology expertise is directly tied to our new media initiatives. Going forward, we have structured these businesses in such a way to weather this storm, with an emphasis on variable costs that gives us the ability to run a very lean operation. Maintaining these businesses effectively gives us a head start in the streaming media and interactive TV markets. Moreover, as bandwidth increases, allowing more data in more forms to reach homes via the Internet, we believe the line between television broadcast and Internet broadcast will blur.

In our new media initiatives, Chyron Streaming Services and Chyron Interactive, we made substantial progress during fiscal 2000, following through on ideas set in motion the preceding year. At the end of 1999, Chyron was working with Microsoft to provide the Microsoft TV platform with live interactive capabilities. Around the same time, we launched Clari-net, a product used to encode video and audio on the Internet, which marked our first foray into the streaming

media market. Together, these developments prompted our board of directors to approve in February a fundraising of \$20 million, which we completed in April 2000, to develop our Streaming Services division and to pursue Interactive TV opportunities. It made sense for us to enter these new markets because our core technical competencies are related to those inherent in streaming media and interactive capabilities. We view these markets as having tremendous growth potential, especially as bandwidth increases in homes and we are establishing our footing now in order to secure a leading position as demand for our services accelerates.

In developing our Streaming Services division over the course of 2000, we built up our infrastructure as well as our personnel. We completed new engineering facilities in the U.K. and brought on board key executives, engineering and sales staff. We signed on our first customers and delivered services, including consultancy, equipment installation, encoding, monitoring, storage and streaming. In January 2001, we acquired Interocity Development Corporation, a New York-based Internet services company, which gives us an 18 month jump from where we were before the acquisition. Interocity, which generated \$3 million in revenues in 2000, brings us an impressive customer base, including T. Rowe Price, TD Waterhouse, BarnesandNoble.com and Westvaco, and an expertise in rich media content, complementing our own rich media delivery capabilities. But the value of this acquisition does not stop at Interocity's complementary

services and customer base. We appointed Rebecca Howland, Interocity's co-founder and chief executive officer, president of Chyron Streaming Services. Rebecca has emerged as a leading figure in the market for rich media, and she has demonstrated her ability to run a profitable business in this space. We are excited about our enhanced suite of content design and streaming services and we look forward to addressing a growing market for these services in the coming year.

Our Interactive TV efforts progressed during fiscal 2000 as well. We launched our Interactive division in November to address the growing demand from broadcasters to deliver interactive capabilities to their viewers. In this capacity, we have been working with Microsoft for over a year. Microsoft's investment in Chyron in November is a testament to our expertise in this exciting new market.

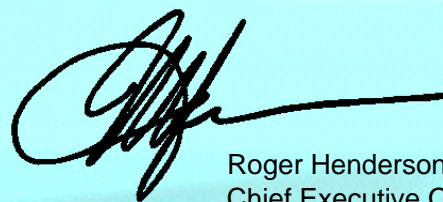
We actively promoted our new products at trade shows throughout the year, demonstrating our Interactive products with The Weather Channel at the National Association of Broadcasters (NAB) in April, with Microsoft at the National Cable Television Association (NCTA) in May, and again with Microsoft at the Western Cable 2000 Trade Show and Convention in November.

On New Year's Day 2001, we teamed with Home & Garden Television to deliver interactive capabilities to the Microsoft

WebTV network during the live broadcast of the 112th Tournament of Roses Parade, the first broadcast using Chyron's Interactive products. This marked the first time that live synchronous enhanced television content was delivered without adding operational staff or equipment.

In closing, I would like to extend my sincere gratitude to Chyron employees in our core operations for having the integrity to weather the storm, and in our new divisions for their hard work in expanding our opportunities. Their dedication and contribution continue to be vital to the success of our Company and I thank them all.

In fiscal 2001, we plan to follow through on our new media investments based on available resources. Our goal is to increase shareholder value and we believe we are taking the right steps to do that. The market potential for streaming services and interactive TV is great, but the growth of this market, and our growth strategy, is long-term. I believe your patience will pay off.



Roger Henderson
Chief Executive Officer

Board of Directors

Michael I. Wellesley-Wesley
Executive Chairman†
Previously Chief Executive Officer of Chyron Corporation
and Managing Director of Stephen Rose & Partners Ltd.

Charles M. Diker**†
Chairman of the Board of Cantel Industries, Inc.
Non-managing Principal of Weiss, Peck & Greer, LLC

Joseph A. Flaherty
Senior Vice President Technology, CBS Corporation

Donald P. Greenberg
Jacob Gould Schurman Professor
of Computer Graphics and Director, Program of Computer
Graphics at Cornell University

Roger Henderson
President and Chief Executive Officer

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Previously Co-Chairman of the Board and Co-Chief Executive
Officer of Data Broadcasting Corporation

Christopher R. Kelly
President of Fortuna Investments

Wesley W. Lang, Jr.†
Principal of Weiss, Peck & Greer, LLC

Eugene M. Weber*
Managing partner of Weber Capital Management, LLC

* Member of Audit Committee

† Member of Compensation and Stock Option Committee

Officers

Roger Henderson
President and Chief Executive Officer

Anthony Armstrong
Vice President, Business Development

Rebecca Howland
Senior Vice President
and President Chyron Streaming Services

Dawn Johnston
Senior Vice President and Chief Financial Officer

Michael Knight
Finance Director of Chyron Pro-Bel

James Paul
Executive Vice President

Graham Pitman
Senior Vice President
and Managing Director of Chyron Pro-Bel

Kenneth Schwenk
Senior Vice President and President of Chyron Graphics

Shareholder and Investor Information

Chyron's SEC filings, quarterly results and press releases are available by accessing Chyron's home page on the Internet via <http://www.chyron.com>

For prompt assistance on address changes, consolidation of duplicate accounts or related matters, registered shareholders should contact Chyron's Registrar and Transfer Agent:

American Stock Transfer and Trust Company
40 Wall Street
New York, New York 10005
800-937-5449

Annual Meeting:

The Annual Meeting of Shareholders will be held on Wednesday, May 16, 2001 at the Metropolitan Hotel, 569 Lexington Avenue, New York, NY, 10022, at 9:30 a.m.

Legal Counsel: Akin, Gump, Strauss, Hauer & Feld LLP

Independent Auditors: PricewaterhouseCoopers LLP

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Symbol: CHY

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