

# **SagePoint Equipment 115 Q2 2010 Performance Review**

An Analysis of Public Communications, IT and  
Consumer Electronics Equipment Companies  
from a Valuation and M&A Perspective

September 2010

Prepared By:



For more information contact David Michaels at (858) 926-5950 or [dmichaels@sagepointadvisors.com](mailto:dmichaels@sagepointadvisors.com)

## Table of Contents

---

<u>Section</u>	<u>Page</u>
• SagePoint Equipment 115 Universe	3-4
• SagePoint's Viewpoint – Key Takeaways	5-6
• Stock Performance	7-8
• Q1 Performance Versus Estimates	9-10
• Revenue & EPS Growth	11-14
• Margin Analysis	15-19
• Revenue Multiples	20-21
• EBITDA Multiples	22-23
• P/E Multiples	24-25
• Balance Sheet Strength	26
• Detailed Financial Metrics By Company	27-35
• Introduction to SagePoint	36-43

# SagePoint Equipment 115 Universe

## Q2 Adds:

- RealD
- Sunnada
- Zowee

		Market Segment										
	Tier 1 TEMs	Wireline Network	Data Storage	VoIP & IMS	Audio/Video	Wireless Network	Satellite & GPS	Wireless Handset	Servers/Computing	Consumer Electronics	Components & Subsystems	ODMs & EMS
1	3PAR		X									
2	AAC Acoustic										X	
3	Aastra			X								
4	Acme Packet			X								
5	ADC	X										
6	ADTRAN	X										
7	Alcatel-Lucent	X										
8	Allwin					X						
9	Anhui Sun Create					X						
10	Apple							X	X			
11	Arris Group				X							
12	Aruba				X							
13	Ascom Holding				X							
14	Axis				X							
15	Beijing BDStar					X						
16	Belden									X		
17	Blue Coat	X										
18	Brocade		X									
19	BYD Elec									X		
20	Calix	X										
21	Ceragon					X						
22	China Wireless							X				
23	China Zhenhua							X				
24	CIENA	X										
25	Cisco	X										
26	Comba Telecom									X		
27	CommScope									X		
28	Compal										X	
29	Compellent		X									
30	Comtech									X		

## Q2 Drops:

- Alpha Networks
- Aviat
- Sterlite

		Market Segment										
	Tier 1 TEMs	Wireline Network	Data Storage	VoIP & IMS	Audio/Video	Wireless Network	Satellite & GPS	Wireless Handset	Servers/Computing	Consumer Electronics	Components & Subsystems	ODMs & EMS
31	Corning										X	
32	Cray									X		
33	Cybertan											X
34	Datang Telecom					X						
35	Dell								X			
36	Digi					X						
37	D-Link									X		
38	DragonWave					X						
39	Echelon					X						
40	EMC		X									
41	Ericsson	X										
42	EVS Broadcast				X							
43	F5 Networks		X									
44	Fiberhome		X									
45	Finisar										X	
46	Flextronics											X
47	Foxconn											X
48	Garmin						X					
49	Gemtek											X
50	Geovision				X							X
51	GN Store Nord					X						
52	GoHigh Data			X								
53	Harmonic				X							
54	Harris				X							
55	HP									X		
56	IBM									X		
57	Infinera		X									
58	Isilon		X									
59	Jiangsu Zhongtian										X	
60	Juniper	X										

# SagePoint Equipment 115 Universe - Continued

	Market Segment											
	Tier 1 TEMs	Wireline Network	Data Storage	VoIP & IMS	Audio/Video	Wireless Network	Satellite & GPS	Wireless Handset	Servers/Computing	Consumer Electronics	Components & Subsystems	ODMs & EMS
61 JVC KENWOOD									X			
62 Lenovo								X				
63 LG								X		X		
64 Lite-On												X
65 Loral						X						
66 Melco												X
67 MiTAC												X
68 Motorola	X											
69 NEC	X											
70 Net Insight					X							
71 NetApp			X									
72 Netgear									X			
73 Ningbo Bird							X					
74 Nokia	X						X					
75 Pace					X							
76 Panasonic									X			
77 Philips Elec									X			
78 Pioneer									X			
79 Plantronics						X						
80 Polycom					X							
81 Powerwave										X		
82 Qisda												X
83 Quanta												X
84 Quantum			X									
85 Radware		X										
86 RealD					X							
87 RIM							X					
88 Riverbed		X										
89 Sandvine		X										
90 SeaChange					X							

	Market Segment											
	Tier 1 TEMs	Wireline Network	Data Storage	VoIP & IMS	Audio/Video	Wireless Network	Satellite & GPS	Wireless Handset	Servers/Computing	Consumer Electronics	Components & Subsystems	ODMs & EMS
91 Seagate			X									
92 Sharp											X	
93 ShoreTel				X								
94 Silicon Graphics									X			
95 Sonus Networks				X								
96 Sony											X	
97 Sunnada						X						
98 Sunwave					X							
99 Super Micro									X			
100 Sycamore		X										
101 TCS							X					
102 Technicolor					X							
103 Tekelec		X		X								
104 Tellabs		X										
105 TiVo					X							
106 TKH Group											X	
107 TomTom							X					
108 Trimble							X					
109 ViaSat							X					
110 Vtech										X		
111 Western Digital			X									
112 Wistron												X
113 Wuhan											X	
114 Zowee												X
115 ZTE	X											

## SagePoint's Viewpoint - Key Takeaways

---

- The Equipment 115 dropped as European economic concerns hit stocks in late April and has been slower than the SagePoint 400, NASDAQ and DJIA to rebound
  - SagePoint Equipment 115 companies posted a median drop of 5.3% since the beginning of Q2
  - Wireline Network again bucked the trend, up 16.9% with Data Storage and Satellite & GPS the only other segment showing an increase
- Equipment vendors are consistently meeting or beating revenue and EPS targets
  - 84% met or beat Q2 revenue targets with beats outnumbering misses more than 2.5 to 1
  - 80% met or beat Q2 EPS targets with 31% beating by 20% or more
- Q2 saw its second straight quarter of double digit revenue growth
  - Median revenue growth was ~19% with only Tier 1 TEMs posting significant contraction
  - Revenue growth is expected to continue with median growth of 14% over the next twelve months
  - The Wireless Handset and Components & Subsystems segments are expected to deliver 20+% growth
- Healthy earnings growth continues for the Equipment 115
  - Median EPS growth remains strong at 41%, though many companies are coming off low bases
  - Consumer Electronics led with 126% growth while Wireless Handsets, Wireline Network and ODMs & EMS also outperformed with 65%+ growth
  - EPS growth is expected to continue over the next twelve months at a more modest pace with 22% growth projected

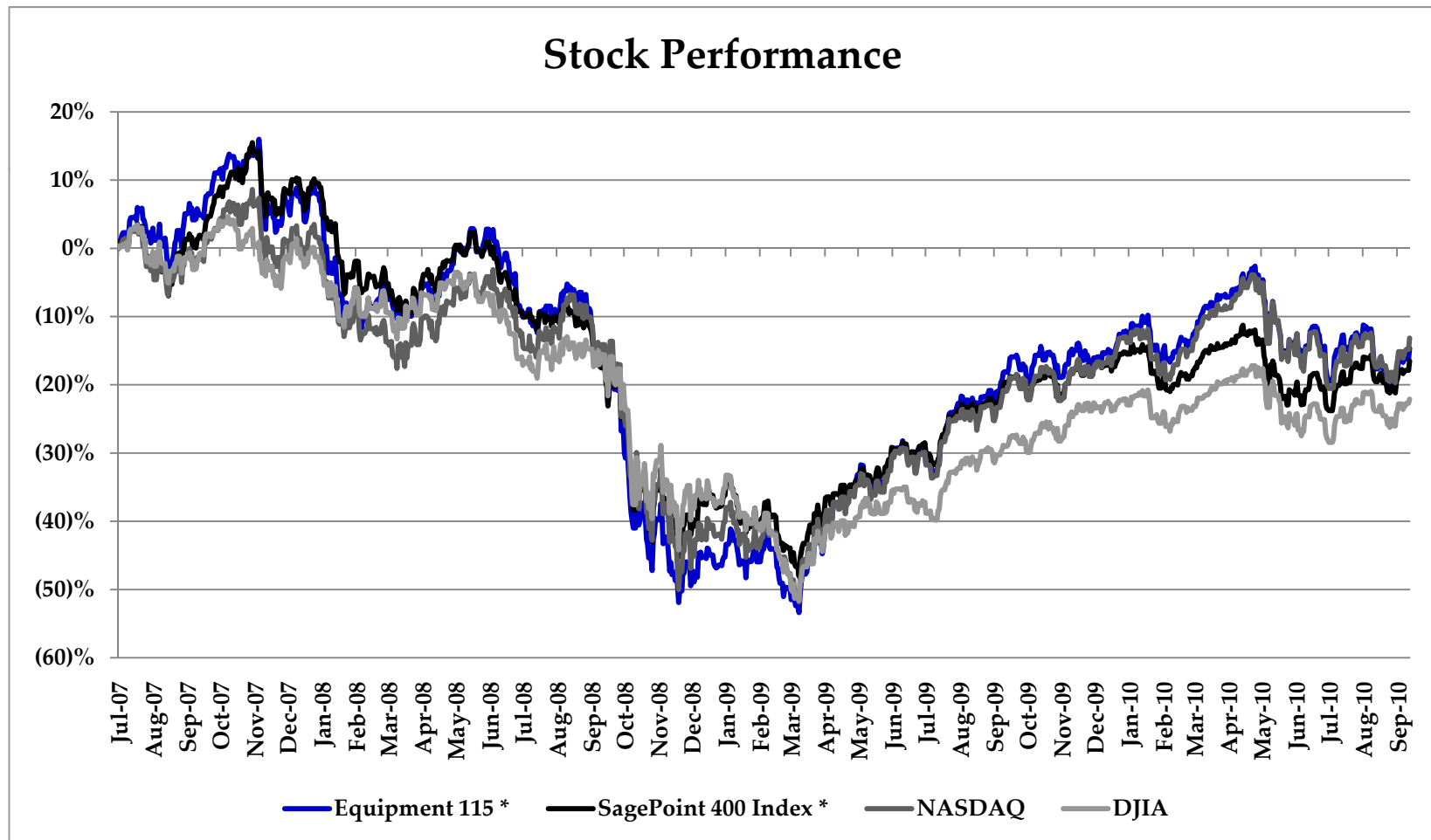
## SagePoint's Viewpoint - Key Takeaways Continued

---

- Equipment 115 operating models have been repaired for the most part although certain segments remain under pressure
  - Median gross margins rose slightly to 36.6% in Q2 to near three year highs
  - Median R&D dropped slightly to 10.1% of revenues as most companies return to investing in innovation
  - Median SG&A as a % of revenues also fell slightly to 18.9%
  - Q2 median net margin of 6.2% was up from 4.9% in Q1 on higher revenues improving opex scale and improved gross margins
- Valuation multiples fell sharply in Q2 due to European troubles but have rebounded in recent months, although not back up to Q1 levels
  - Median LTM revenue multiple currently at 1.3x after reaching 1.5x at the end of Q1
  - Median P/E of 18.4x improved from 16.4x at end of Q2, its lowest level since Q1'09
  - Wireline Network, Data Storage and Wireless Network segments trade at premium multiples
- M&A activity was stable in Q2, up significantly from Q2'09 and SagePoint expects M&A activity to remain relatively vibrant for the remainder of 2010 and into 2011
  - Notable Q2 transactions included Hewlett-Packard/Palm (\$1.8B), Panasonic/IPS Alpha (\$683M), Comtech/CPI (\$505M), Harmonic/Omneon (\$338M), Ericsson/Nortel's stake in LG-Nortel (\$242M)
  - OEM consolidation trend will continue in an effort to rebuild scale to drive margins
  - Balance sheet strength remains strong and several active buyers have cash war chests
  - Prior R&D spending cuts will drive more buy-vs-build decisions as buyers look to fill product gaps
  - Many buyers may look externally for growth to augment organic growth and quickly add scale

## SagePoint Equipment 115 Index Performance

- The Equipment 115 Index has dropped 7.2% since the beginning of Q2 as European economic concerns hit valuations hard with Equipment 115 slightly underperforming the Indices
- Since the end of Q2 the Equipment 115 has improved, up 4.5%, but has underperformed relative to SagePoint 400 (+7.7%), NASDAQ (+7%) and DJIA (+6%)

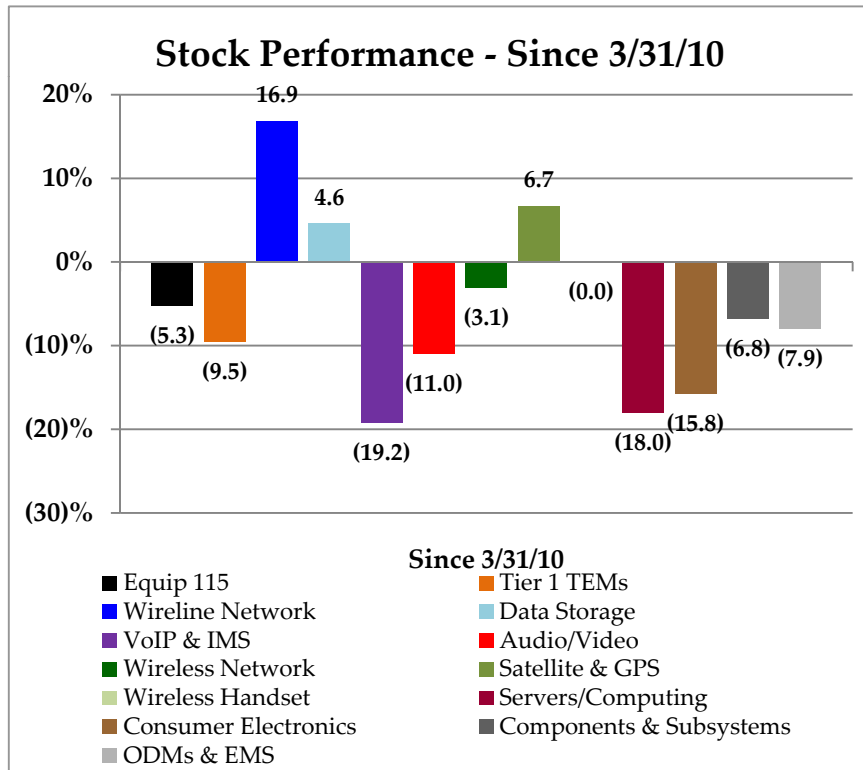


\* Market Value weighted index

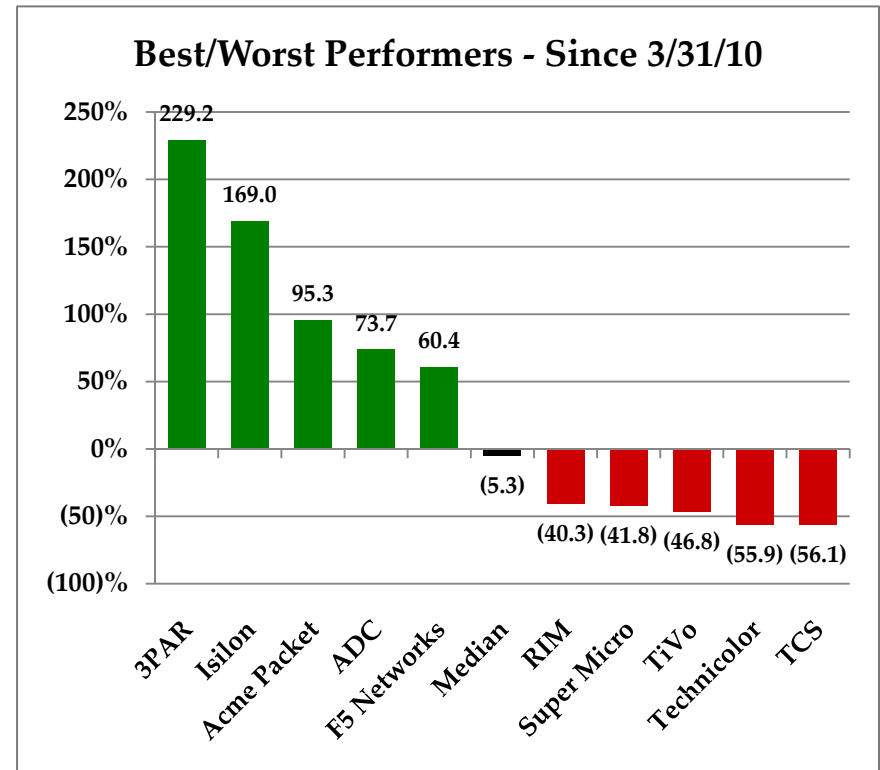
SagePoint Equipment 115 – Q2 2010

## Stock Performance Since Beginning of Q2

- The Equipment 115 was hurt by European economic concerns and has struggled to recover lost value with a median drop of 5.3% since the end of Q1
  - Wireline Network again bucked the trend, up 16.9% with Data Storage and Satellite & GPS the only other segment showing an increase
- Big winners included 3Par, Isilon, Acme Packet, ADC and F5, with Isilon and Acme Packet making the list for the second straight quarter
  - 3Par performance due to bidding war between HP and Dell driving up price



Source: SagePoint Advisors & Capital IQ

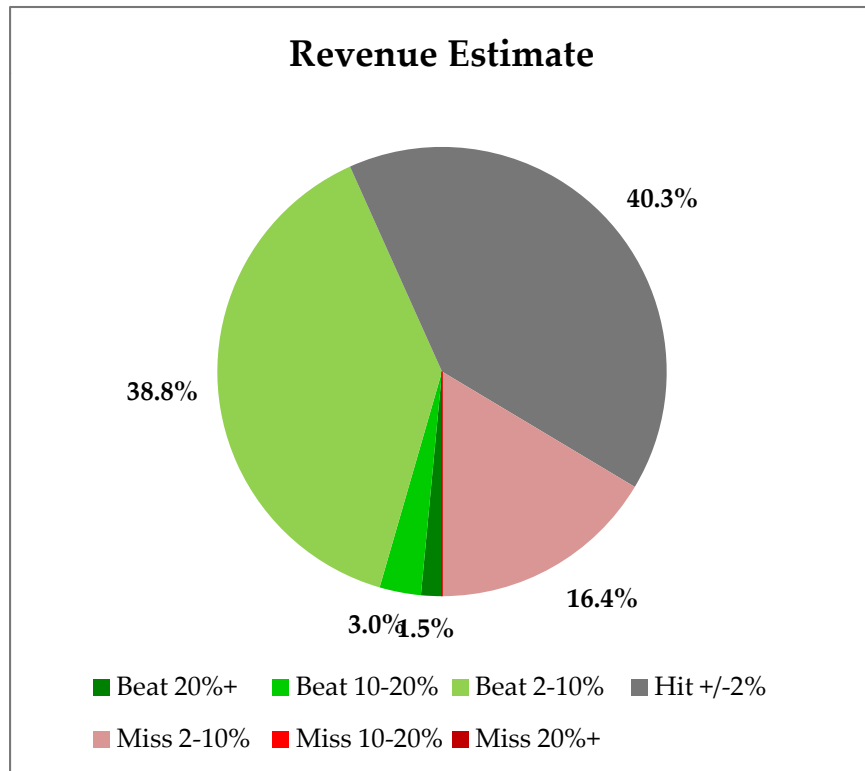


Source: SagePoint Advisors & Capital IQ

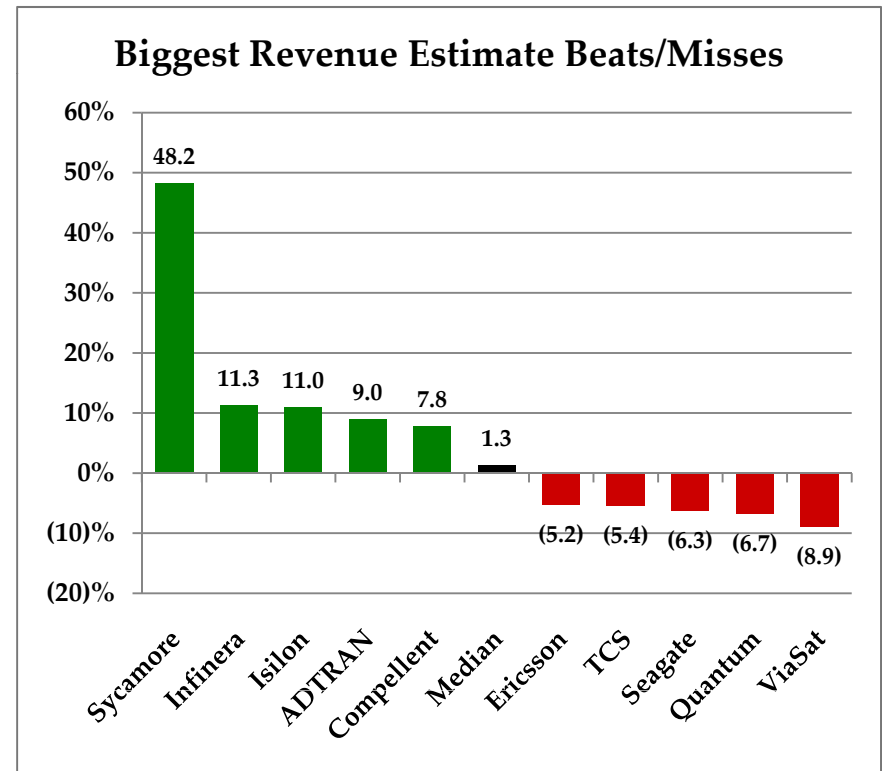


## Q2 Performance Versus Analyst Estimates – Revenue

- Positive news continues to dominate earnings season as 84% of the Equipment 115 met or beat revenue estimates with beats outnumbering misses 2.5 to 1
  - Sycamore blew away estimates, however analysts are more concerned with future potential for the new IQstream product than existing products
  - Infinera and Isilon were the only others beating expectations by double digits
  - None of the Equipment 115 missed estimates by more than 10%



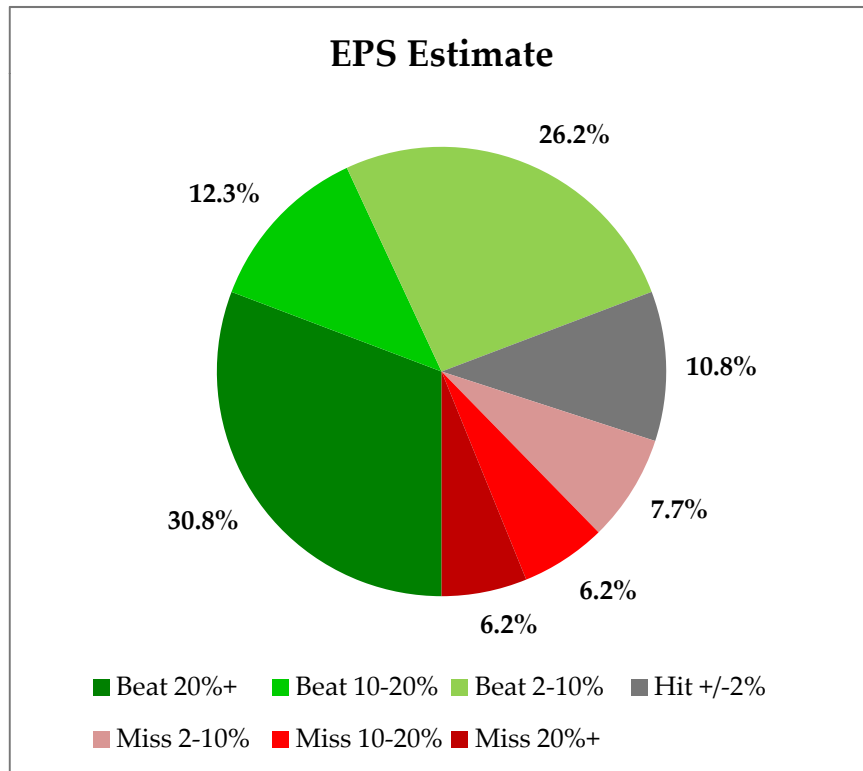
Source: SagePoint Advisors & Capital IQ



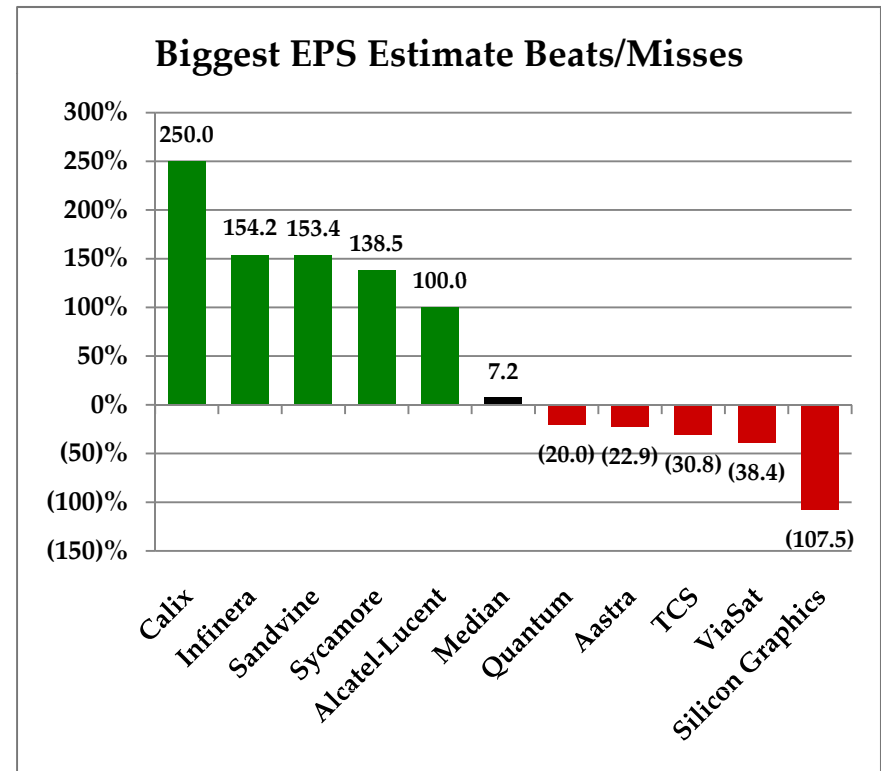
Source: SagePoint Advisors & Capital IQ

## Q2 Performance Versus Analyst Estimates – EPS

- The vast majority (80%) of the Equipment 115 beat or met estimates with 31% of the companies beating by more than 20%
  - Calix and Infinera’s big EPS surprise came on better than expected revenue and much better than expected GMs
  - Sandvine benefitted from a one-time item helping lower opex to drive EPS beat
  - Silicon Graphics large EPS miss comes from lower than expected revenue, weaker gross margins and higher opex due to internal IT change



Source: SagePoint Advisors & Capital IQ

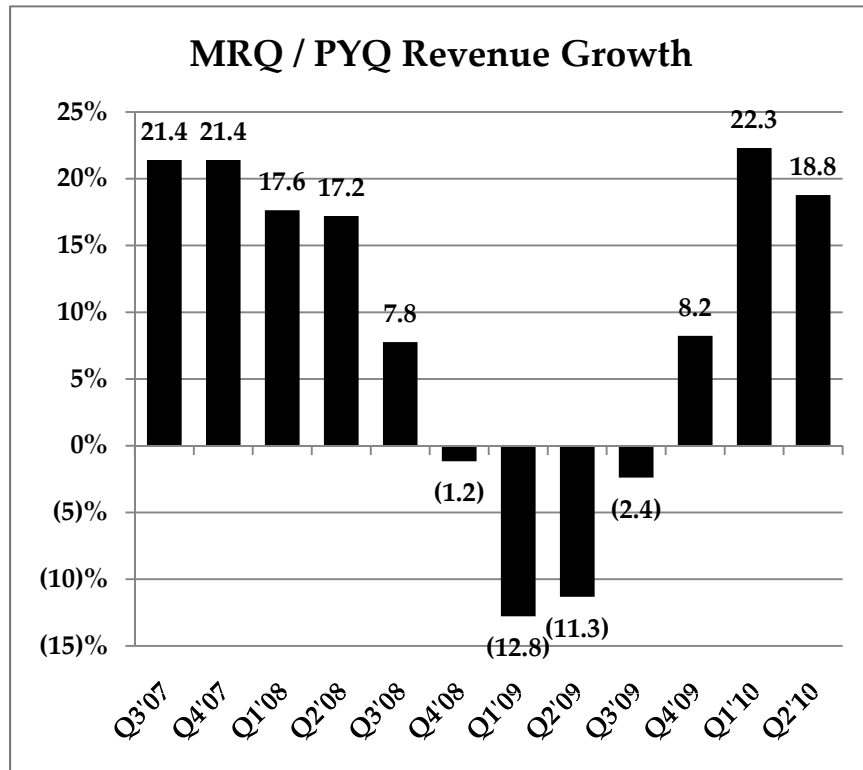


Source: SagePoint Advisors & Capital IQ

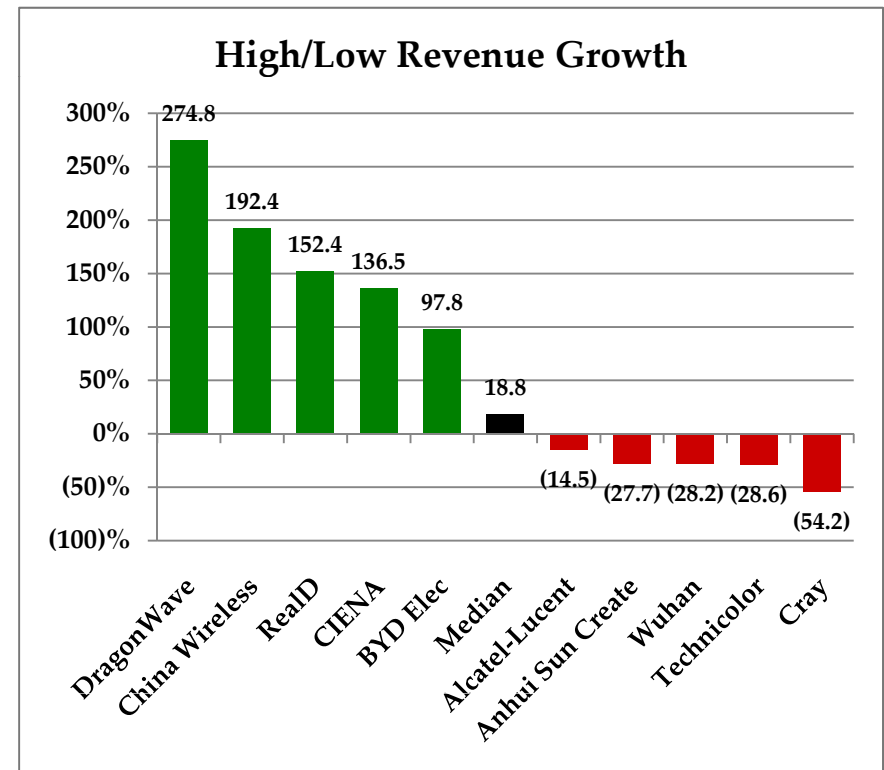
Note: Excludes companies projected to have a net margin between -1% and 1%

## Operating Metrics – Revenue Growth

- Median revenue growth of 19% in Q2 continues double digit growth
- Clearwire’s buildout continues to drive huge growth at DragonWave, but shares have dropped significantly since an early May announcement that Clearwire buildout may be slowing
- China Wireless posted impressive growth on strong 3G handset sales
- RealD revenue increase on additional 3D theaters and more 3D movies roll out
- Cray Y/Y revenue down significantly but flat Q/Q and Q3 guidance reaffirmed



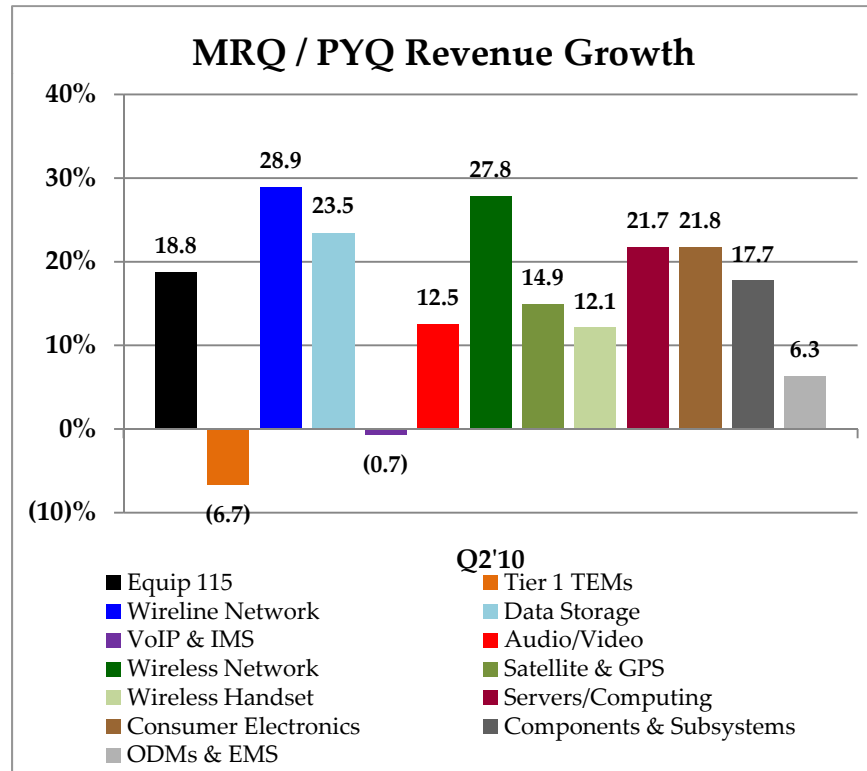
Source: SagePoint Advisors & Capital IQ



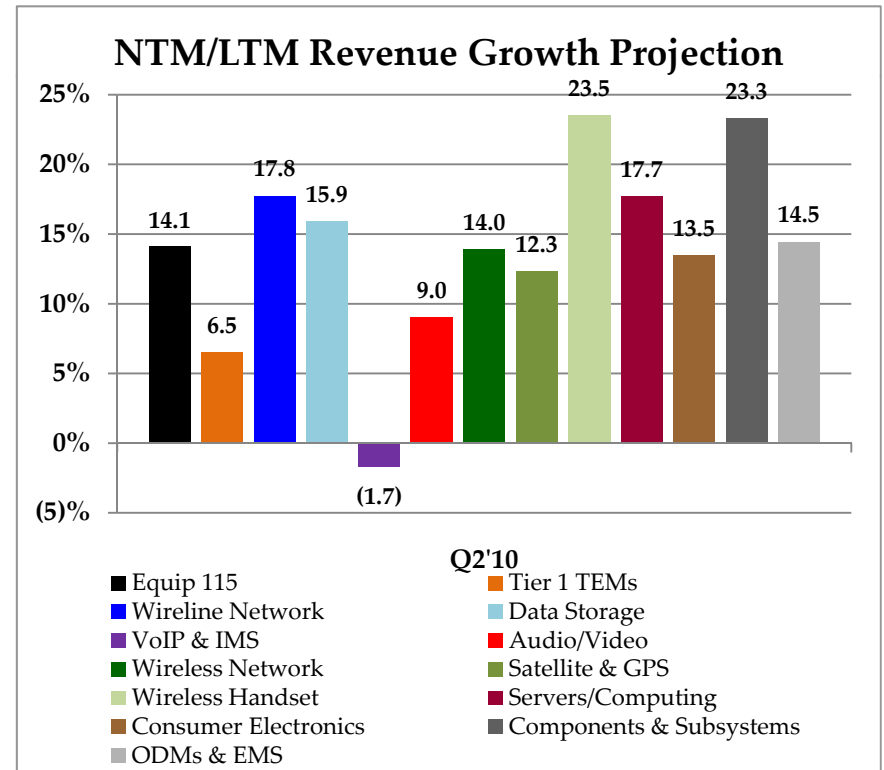
Source: SagePoint Advisors & Capital IQ

## Operating Metrics – Revenue Growth by Segment

- Strong growth of over 20% posted for Wireline Network, Data Storage, Wireless Network, Servers/Computing and Consumer Electronics as companies recover from weak sales in Q2'09
  - Only Tier 1 TEMs saw meaningful revenue contraction with VoIP & IMS contracting slightly
- Revenue growth is expected to continue with median growth of 14% over next twelve months
  - Wireless Handsets are expected to lead with 23.5% growth as consumers update handsets and Components & Subsystems is expected to return to strong growth after past sluggish sales
  - VoIP & IMS is the only segment projecting revenue contraction



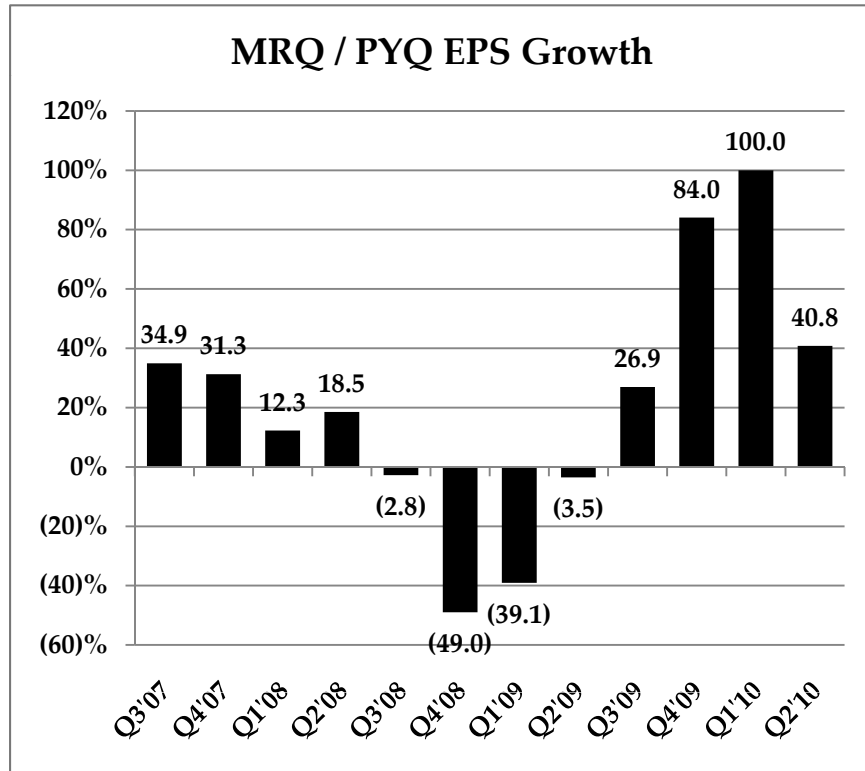
Source: SagePoint Advisors & Capital IQ



Source: SagePoint Advisors & Capital IQ

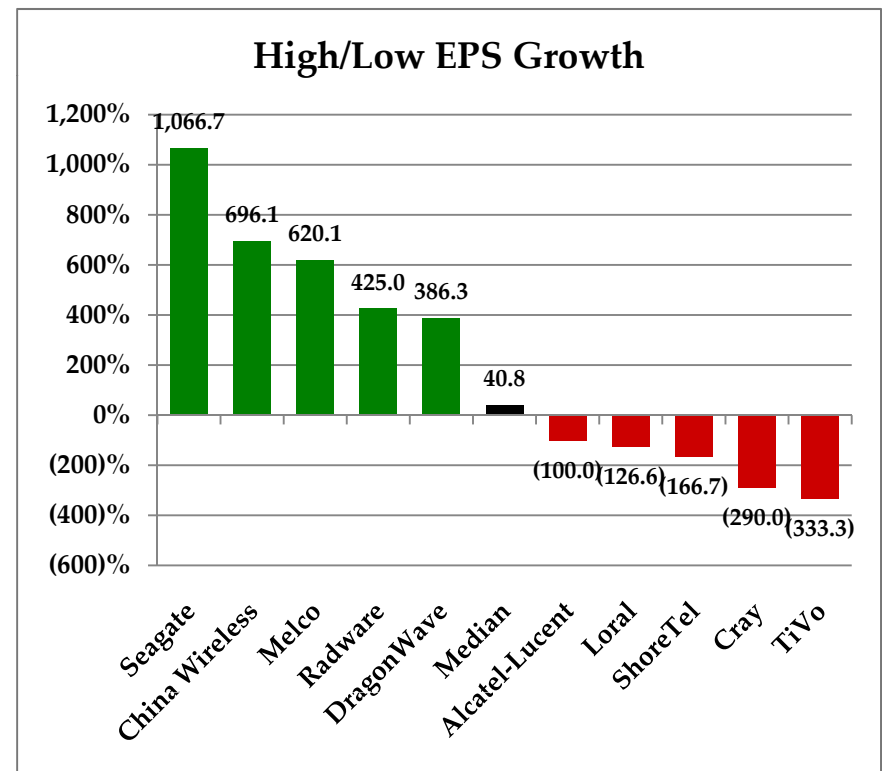
## Operating Metrics – EPS Growth

- Solid median EPS growth continues for the Equipment 115 at more than 40% as renewed sales growth and reduced operating costs translate to strong earnings relative to a weak Q2'09
  - Seagate EPS growth on 13% Y/Y revenue growth and 10 point improvement in gross margins, though Q2 came in below expectations
  - China Wireless EPS growth driven by increased revenue and better margins for 3G handsets
  - Tivo EPS drop on lower revenue from fewer subs, lower gross margins and higher operating costs
  - Cray EPS contraction as lumpy revenues result in 54% revenue contraction and impact margins



Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with a net margin between -1% and 1% in the PYQ

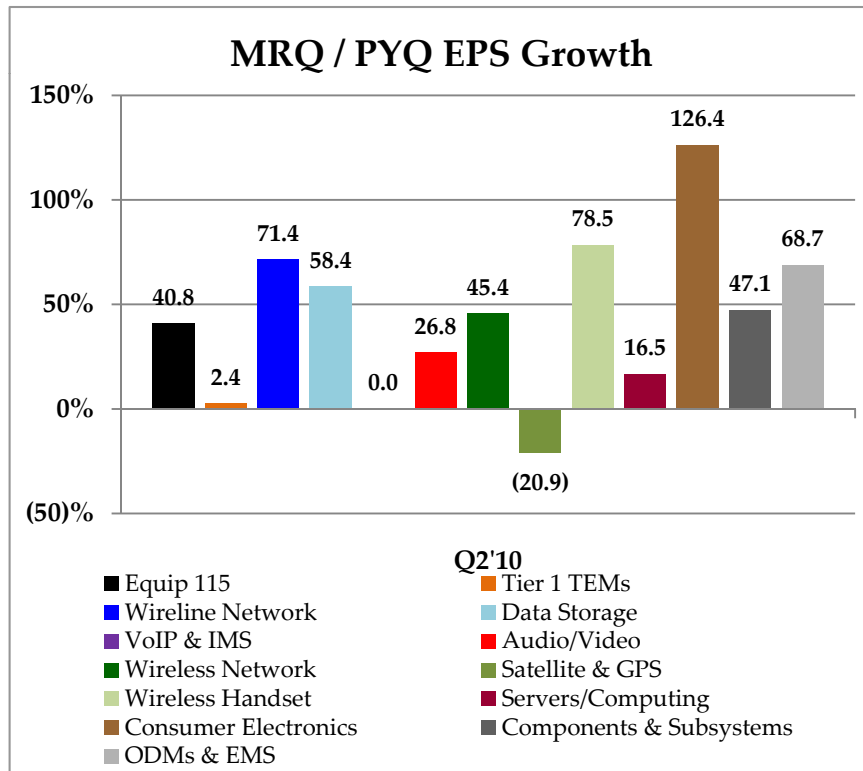


Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with a net margin between -1% and 1% in the PYQ

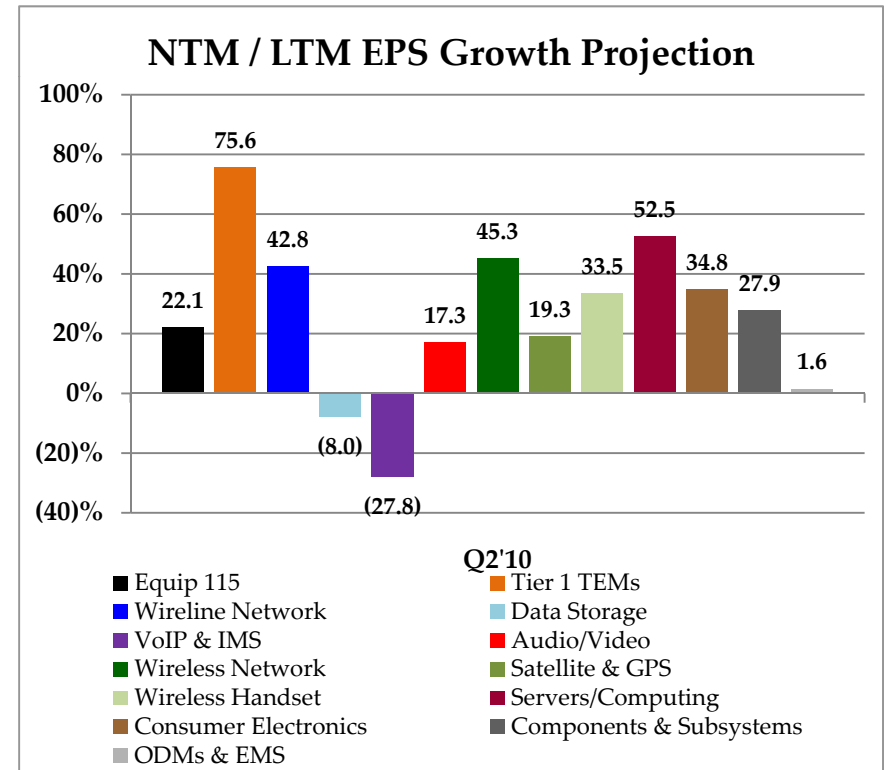
## Operating Metrics – EPS Growth by Segment

- Q2 EPS growth was strong, up a median 41% as the Equipment 115 rebounded from a very poor quarter the prior year
  - Consumer Electronics led with triple digit median growth while Wireless Handset, Wireline Network and ODM & EMS also posted 65-80% EPS growth
  - Satellite & GPS was the only segment with EPS contraction
- Median EPS growth of 22% is projected for the Equipment 115 for the next twelve months
  - Tier 1 TEMs are expected to return to EPS growth as revenue growth returns and cost cutting pays off



Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with a net margin between -1% and 1% in the PYQ

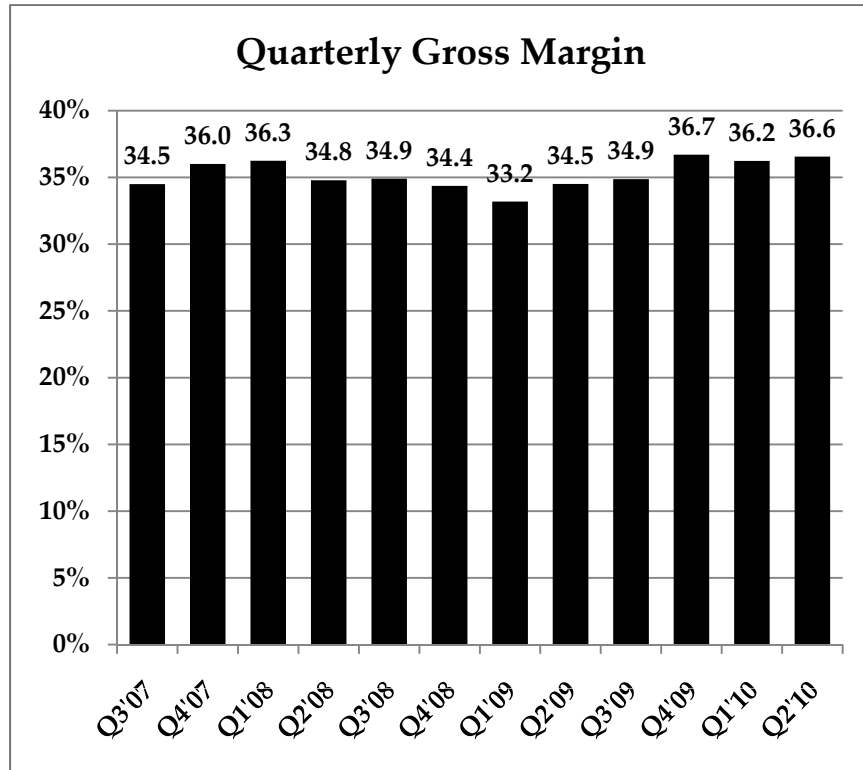


Source: SagePoint Advisors & Capital IQ

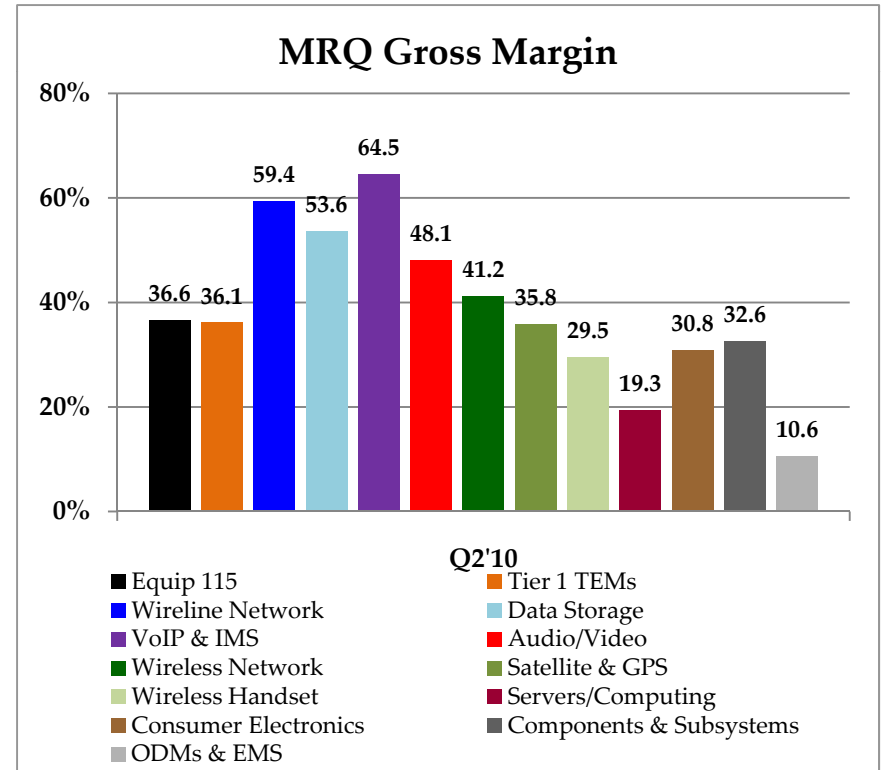
Note: Excludes companies with a net margin between -1% and 1% in the PYQ

## Operating Metrics – Gross Margins

- Median gross margins improved to a near three year high of 36.6%
- VOIP & IMS and Wireline Network command premium gross margins of 64.5% & 59.4%
  - Data Storage and Audio/Video also outperform at 54% and 48%, respectively
- Servers/Computing underperform at just above half the median while the ODMs & EMS segment generates very slim gross margins



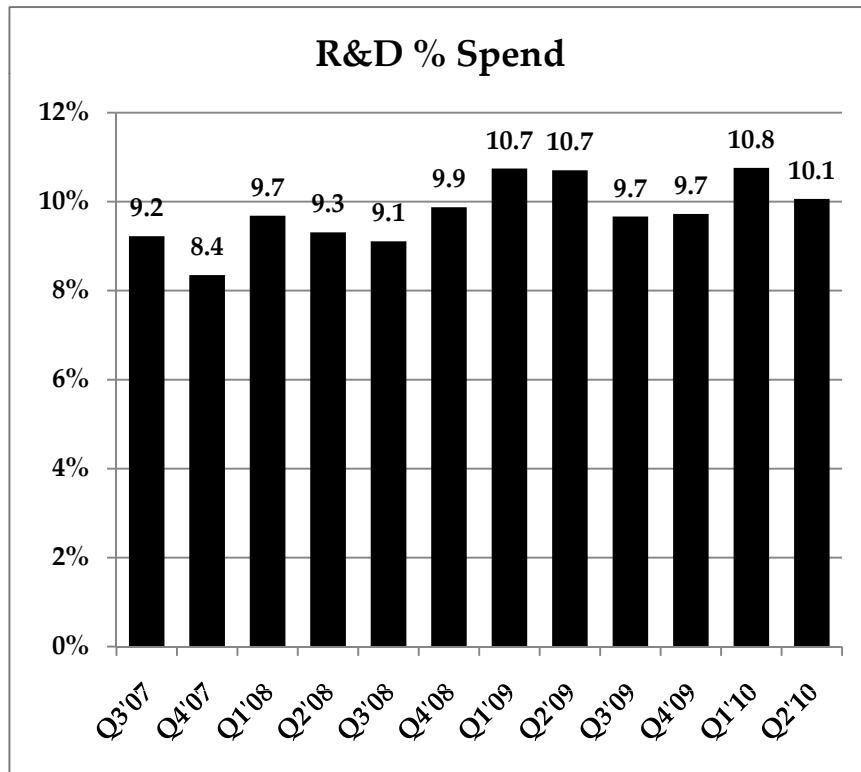
Source: SagePoint Advisors & Capital IQ



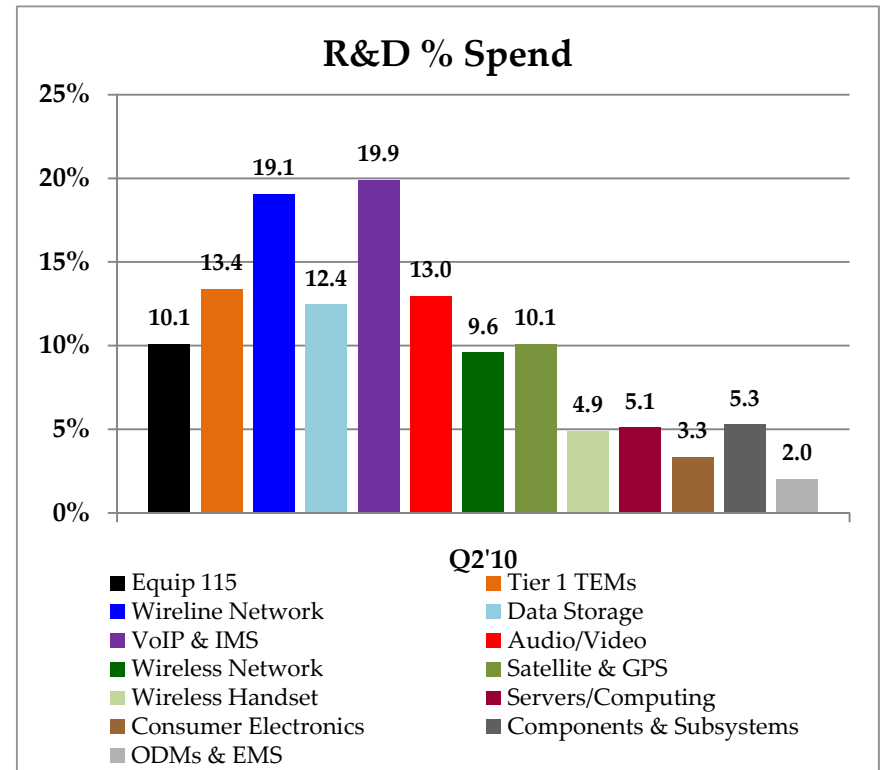
Source: SagePoint Advisors & Capital IQ

## Operating Metrics – R&D as a % of Revenues

- Median R&D as a % of revenues was down slightly in Q2, but remains towards the high end of historic levels as spending resumes for most companies following deep cuts throughout '09
  - Aggregate R&D spending actually decreased 3.5% as many larger players continue to cut R&D spending
- Reduced R&D investment will continue to drive more M&A (buy instead of build), particularly for larger players that have significantly reduced R&D spend in an effort to drive near term profits



Source: SagePoint Advisors & Capital IQ

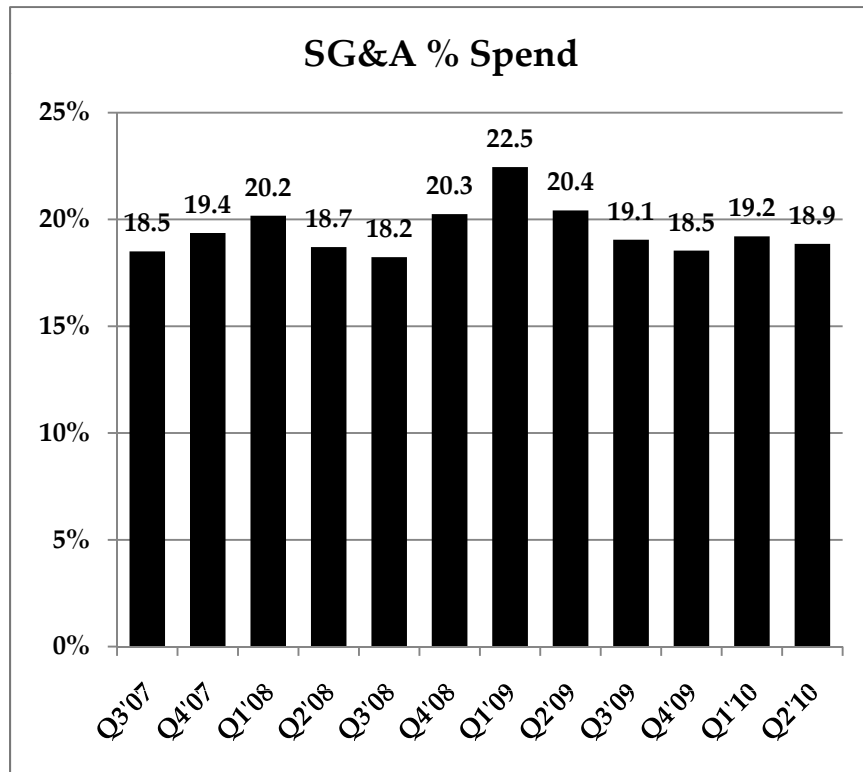


Source: SagePoint Advisors & Capital IQ

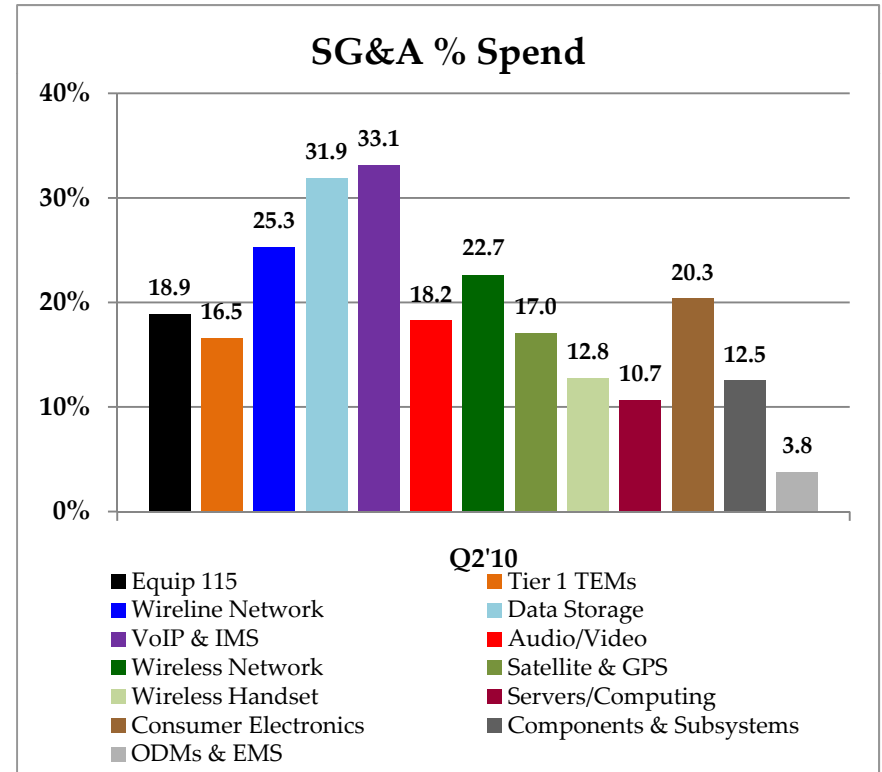


## Operating Metrics – SG&A as a % of Revenues

- Median SG&A as a % of revenues fell slightly to 18.9%, within historic norms
  - Aggregate SG&A increased 4.2% in Q2 with Apple, Cisco, Sony and Sharp boosting SG&A substantially
- Data Storage, VoIP & IMS and Wireline Network median SG&A as a % of revenues remains well above industry norms although those segments also enjoy above average gross margins
- ODMs & EMS, Wireless Handset, Servers/Computing and Components & Subsystems vendors must run very lean operations in order to generate healthy profits



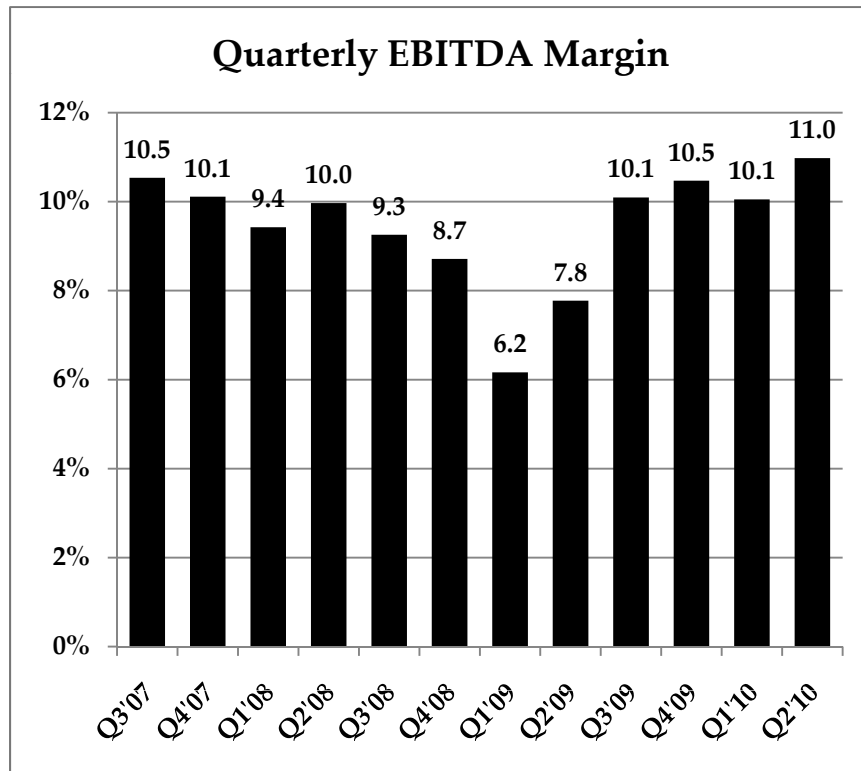
Source: SagePoint Advisors & Capital IQ



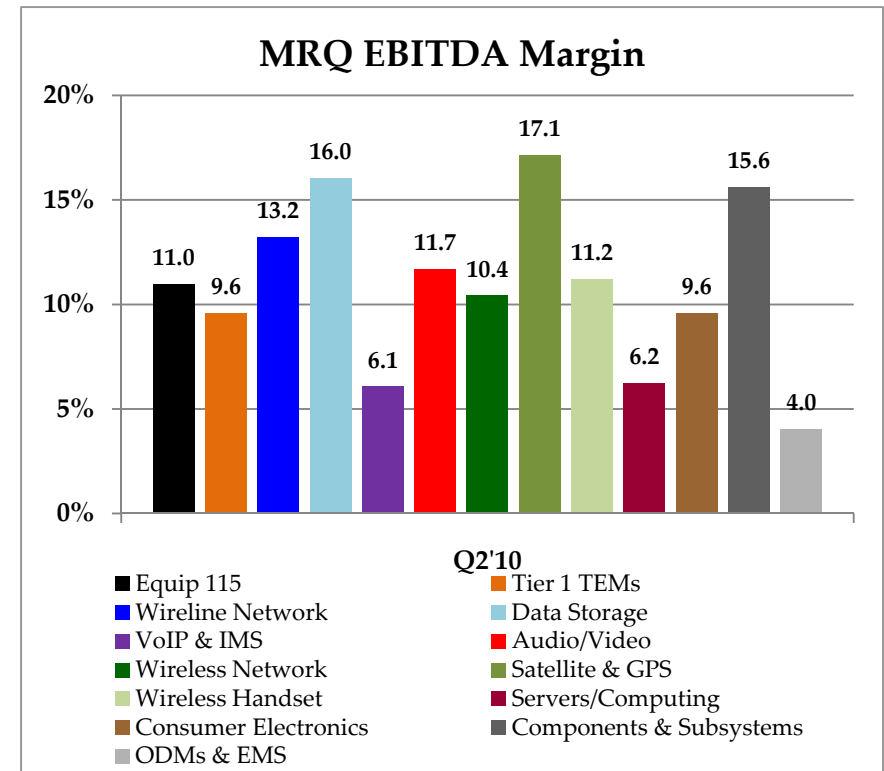
Source: SagePoint Advisors & Capital IQ

## Operating Metrics – EBITDA Margins

- Median EBITDA margins rose to their highest levels in recent years following a slight contraction in Q1 on higher gross margins and improved operating margins benefiting from increased scale
- Data Storage, Satellite & GPS and Components & Subsystems outperform with 15-17% margins
- ODMs & EMS, VoIP & IMS & Servers/Computing post slim median EBITDA margins of 4-6%



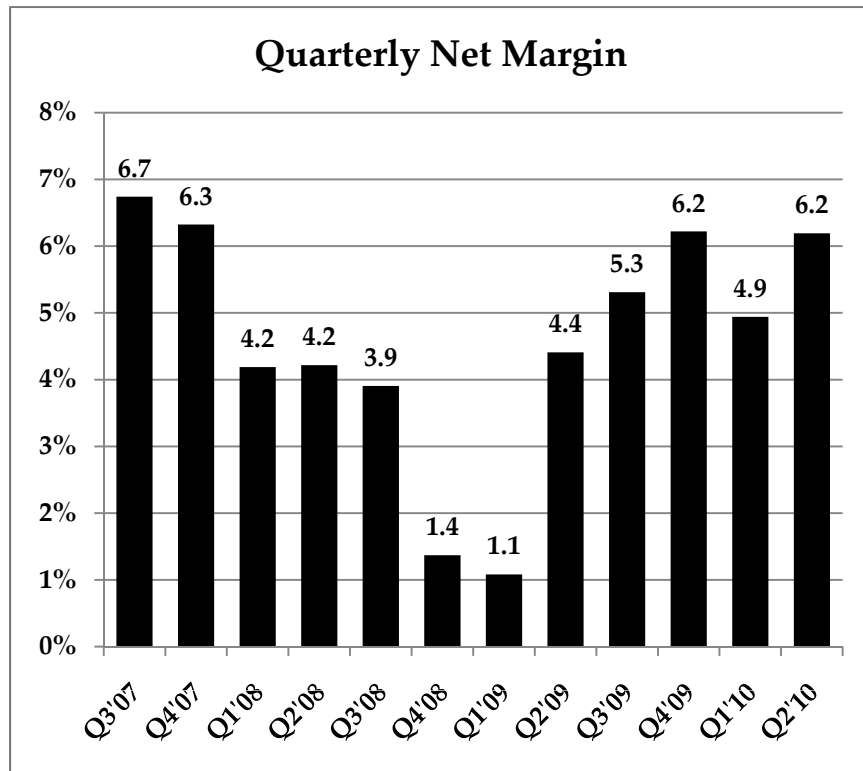
Source: SagePoint Advisors & Capital IQ



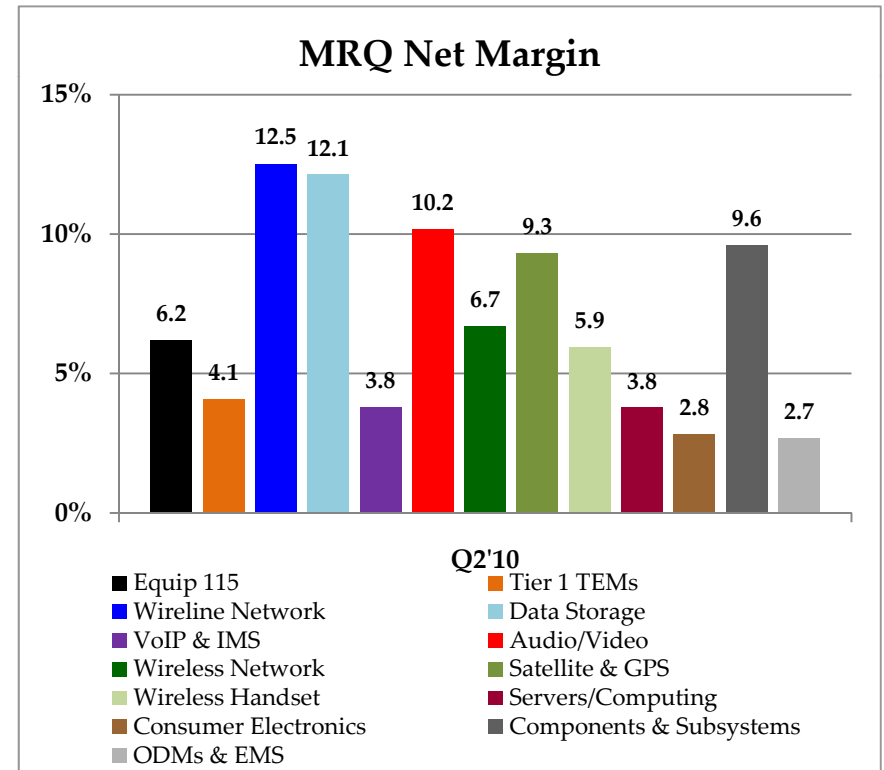
Source: SagePoint Advisors & Capital IQ

## Operating Metrics – Net Margins

- Median net margins rose to their highest levels in the past two years
- Data Storage, Satellite & GPS, Wireline Network and Audio/Video achieved median net margins of 10-12.5% with Components & Subsystems and Satellite & GPS close behind
- No segments posted a median net loss, though Tier 1 TEMs, ODMs & EMS, Consumer Electronics, Servers/Computing and VoIP & IMS margins remain weak at 2.5-4%



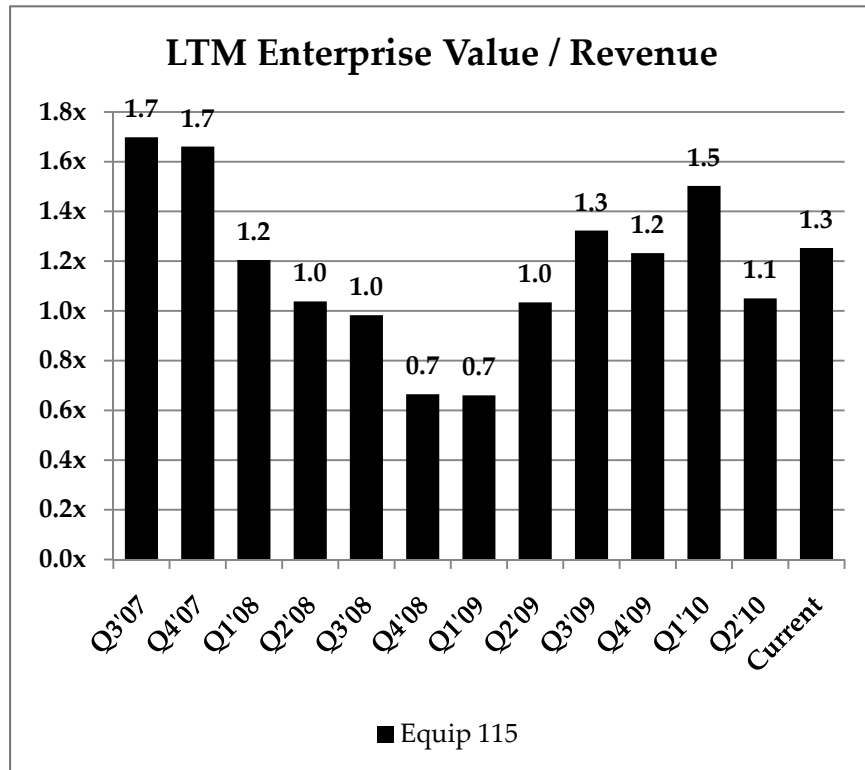
Source: SagePoint Advisors & Capital IQ



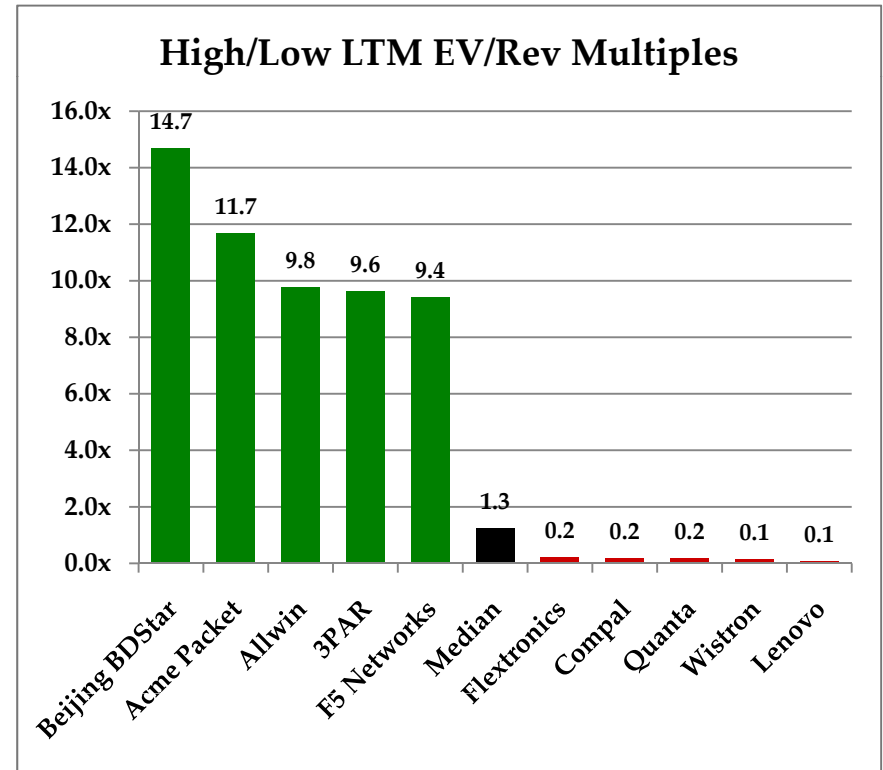
Source: SagePoint Advisors & Capital IQ

## Valuation Metrics – LTM Revenue Multiples

- Median revenue multiples posted strong growth in Q1 then crumbled in Q2 amid European economic concerns, though valuations have begun to rebound in recent months
- Strong growth projections of 30%+ for Beijing BDStar, Acme Packet and F5 lead to high multiples
  - Allwin generated nearly 100% Y/Y revenue growth in Q2
- 26 of the Equipment 115 still trade at 0.5x revenues or less, 8 of which are in ODMs & EMS



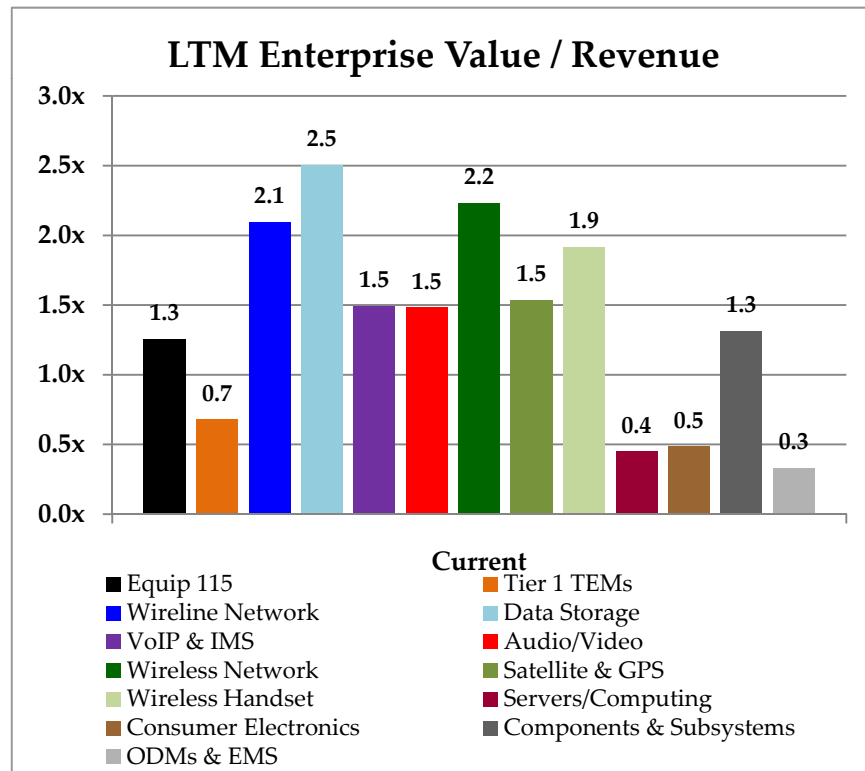
Source: SagePoint Advisors & Capital IQ



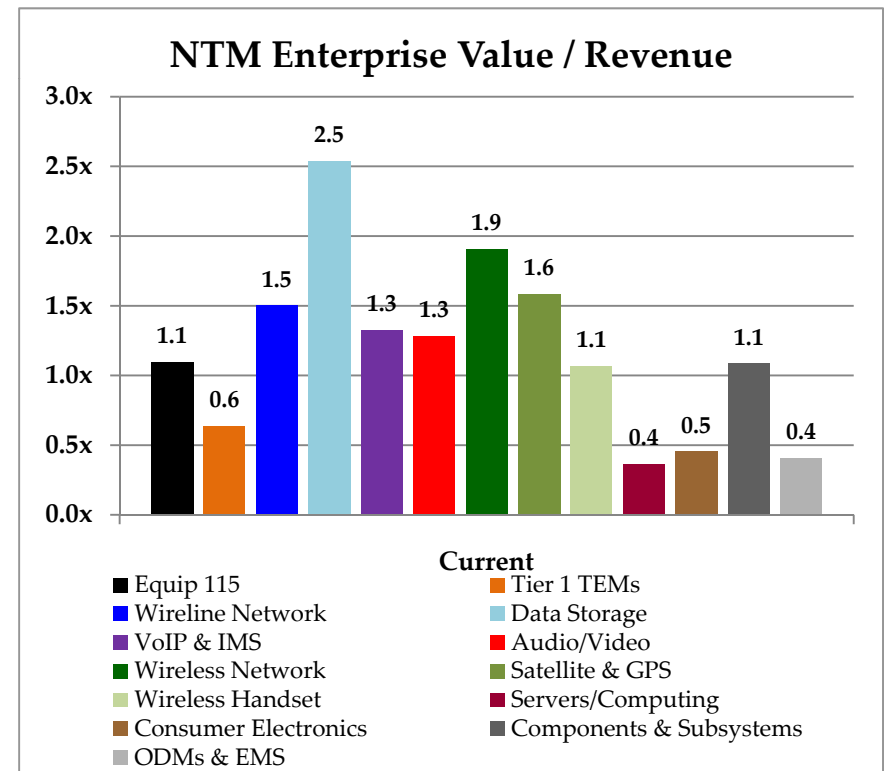
Source: SagePoint Advisors & Capital IQ

## Valuation Metrics – Revenue Multiples By Segment

- Data Storage, Wireless Network and Wireline Network segments trade at premium LTM multiples of 2.0x or higher with Wireless Handsets close behind
  - Data Storage and Wireless Network expect strong EBITDA growth NTM
  - Wireless Handset segment is expected to deliver 23.5% NTM revenue growth
- Trading below 1x are Tier 1 TEMs, Consumer Electronics, Servers/Computing and ODMs & EMS due to weak margins and/or below median growth expectations



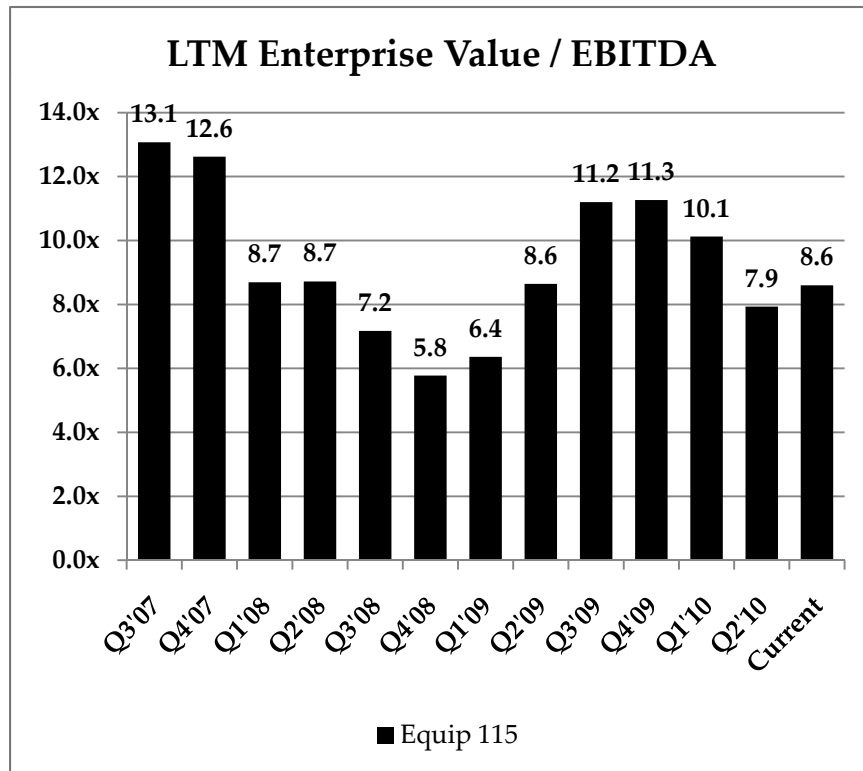
Source: SagePoint Advisors & Capital IQ



Source: SagePoint Advisors & Capital IQ

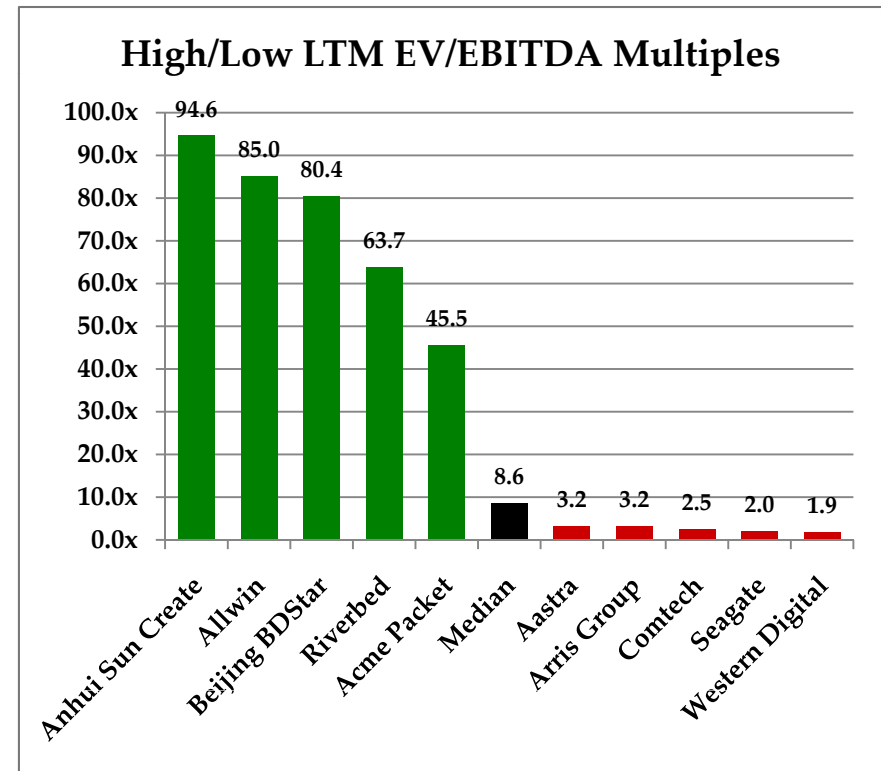
## Valuation Metrics – LTM EBITDA Multiples

- Median LTM EBITDA multiples fell sharply to end Q2 but have begun to recover
- Analysts are expecting triple digit EBITDA growth at Beijing BDStar, Riverbed and Acme Packet
  - Investors appear to be expecting similar growth from Anhui Sun and Allwin
- 19 companies in the Equipment 115 trade at less than 5x EBITDA



Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with an LTM EBITDA margin below 5% and >20x mult

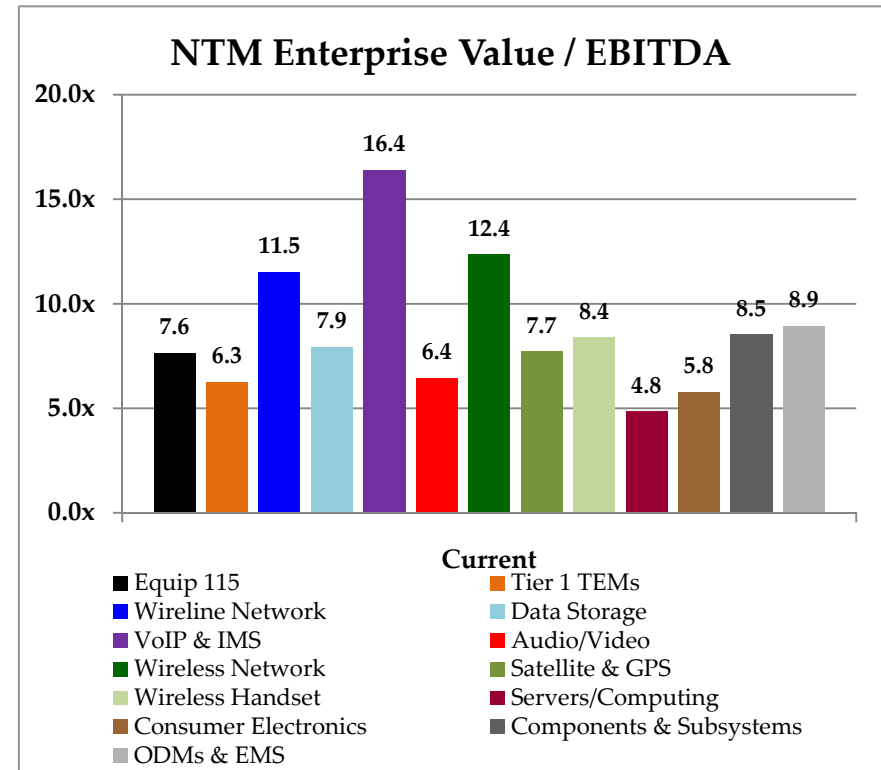
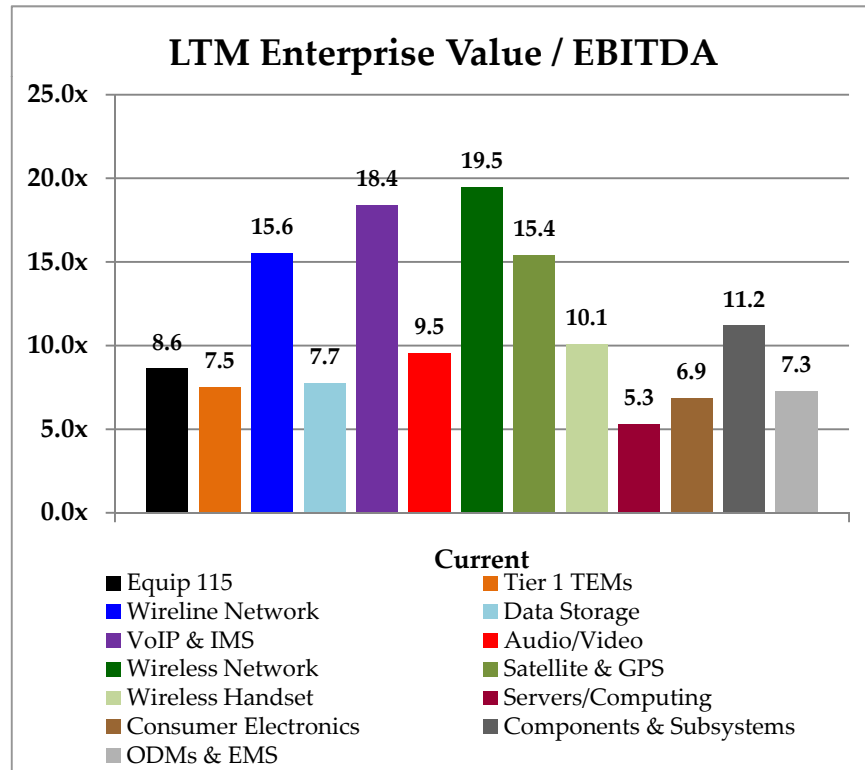


Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with an LTM EBITDA margin below 5% and >20x mult

## Valuation Metrics – EBITDA Multiples By Segment

- Most Equipment segments trade at median NTM EBITDA multiples of 6-9x
  - Wireline Network trades at a premium on strong EBITDA growth prospects and margins
  - VoIP & IMS segment trades at inflated EBITDA multiples with only Acme profitable and projecting EBITDA growth
  - Wireless Network segments trade at premium multiples on expectations of continued growth



Source: SagePoint Advisors & Capital IQ

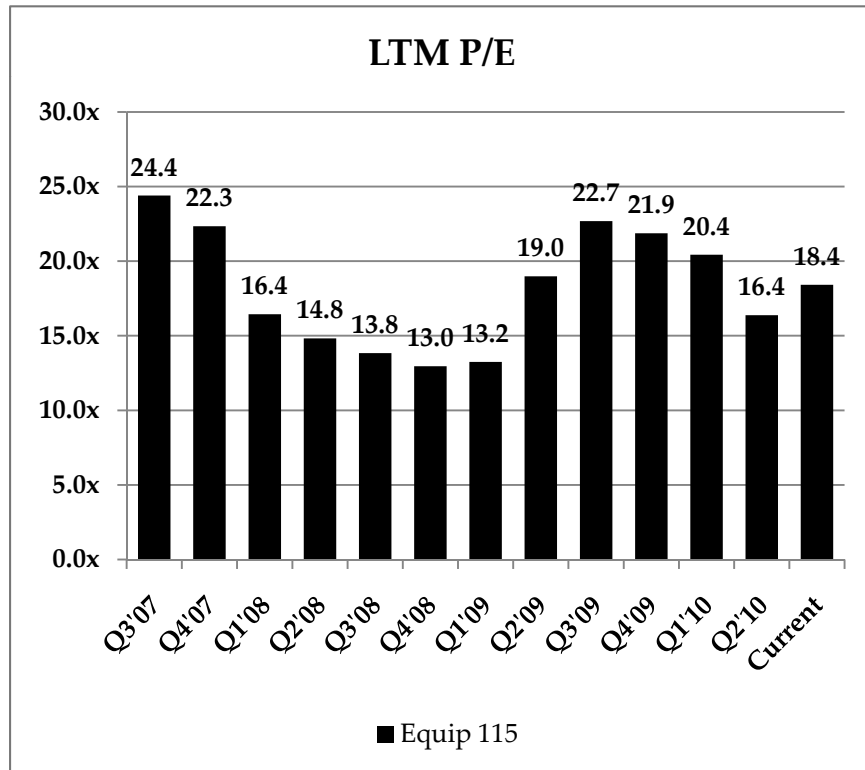
Note: Excludes companies with an LTM EBITDA margin below 5% and >20x mult

Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with a NTM EBITDA margin below 5% and >20x mult

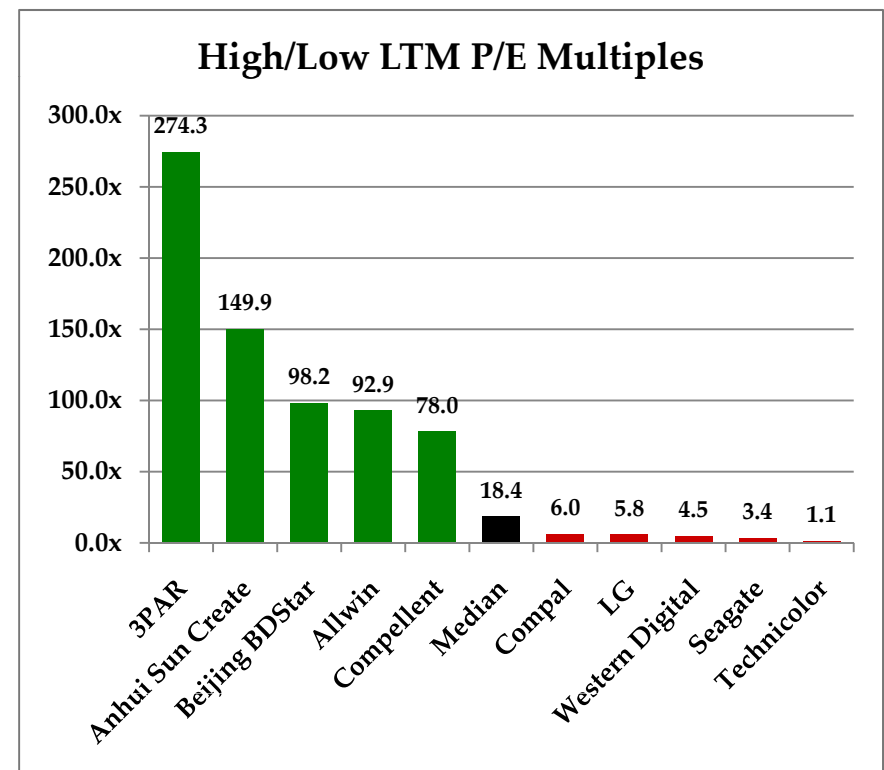
## Valuation Metrics – LTM P/E Multiples

- Median P/E multiples dropped precipitously to end Q1 due to European economic concerns but have regained half of the loss
  - 3PAR valuation driven up by bidding war between Dell and HP
  - Anhui Sun and Beijing BDStar expect strong EPS growth
- 24 companies trade at P/Es below 10x, typically demonstrating weak EPS growth prospects



Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with an LTM net margin below 2.5% and P/E >40x



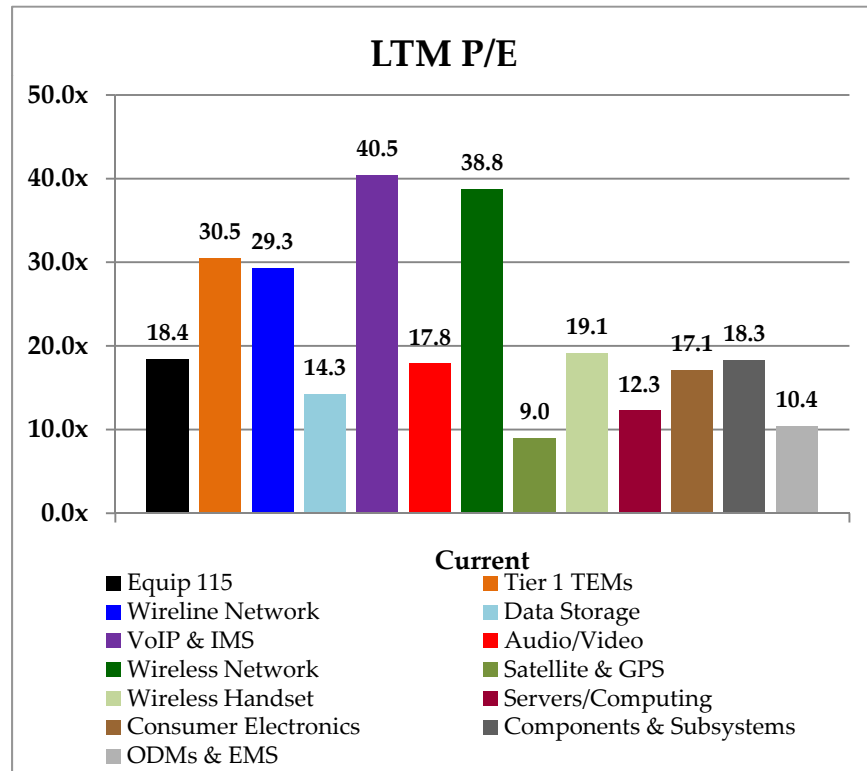
Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with an LTM net margin below 2.5% and P/E >40x



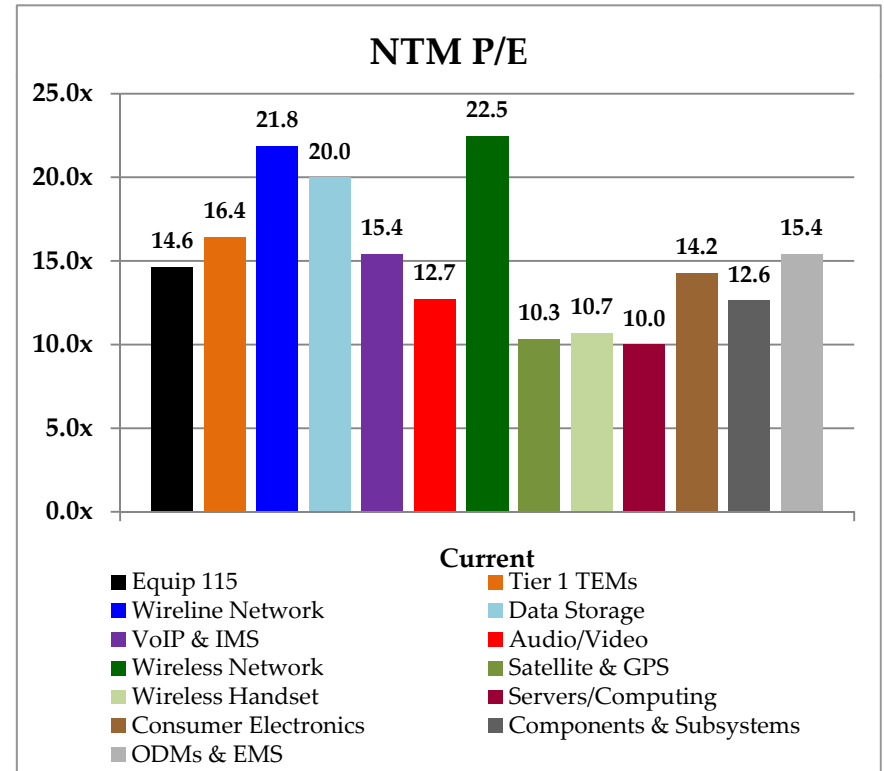
## Valuation Metrics – P/E Multiples By Segment

- Wireless Network and Wireline Network segments trade at a strong premium on both LTM and NTM basis with strong EPS growth of 40%+ expected
- VoIP & IMS LTM multiples inflated with only Acme profitable and expecting EPS growth
- Data Storage NTM multiple inflated with EPS contraction forecasted
- Most other segments are trading in a very rationale range of 10-16x forward earnings



Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with an LTM net margin below 2.5% and P/E >40x

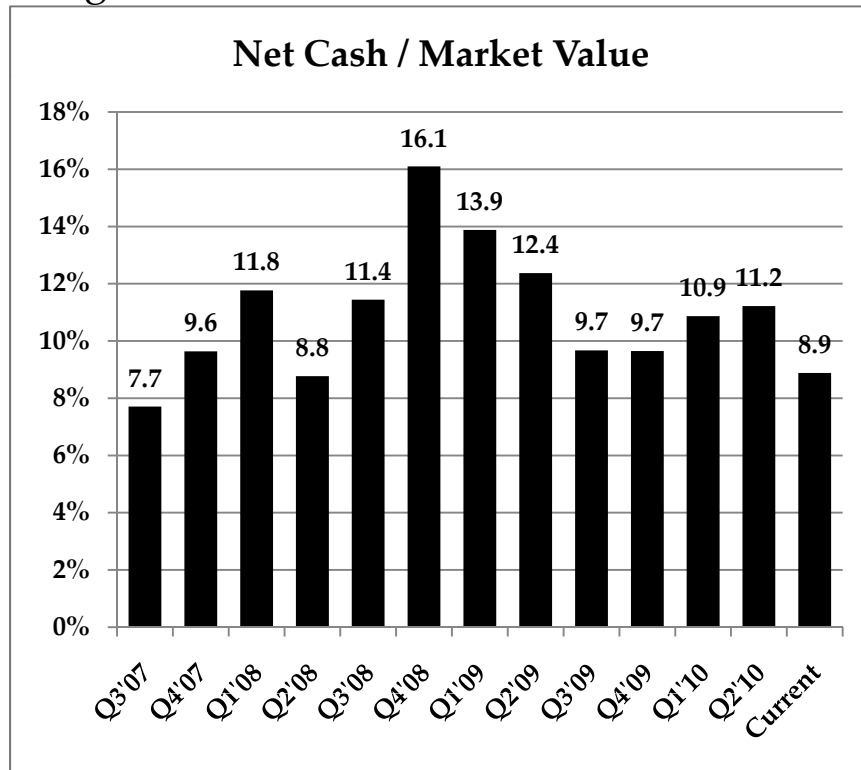


Source: SagePoint Advisors & Capital IQ

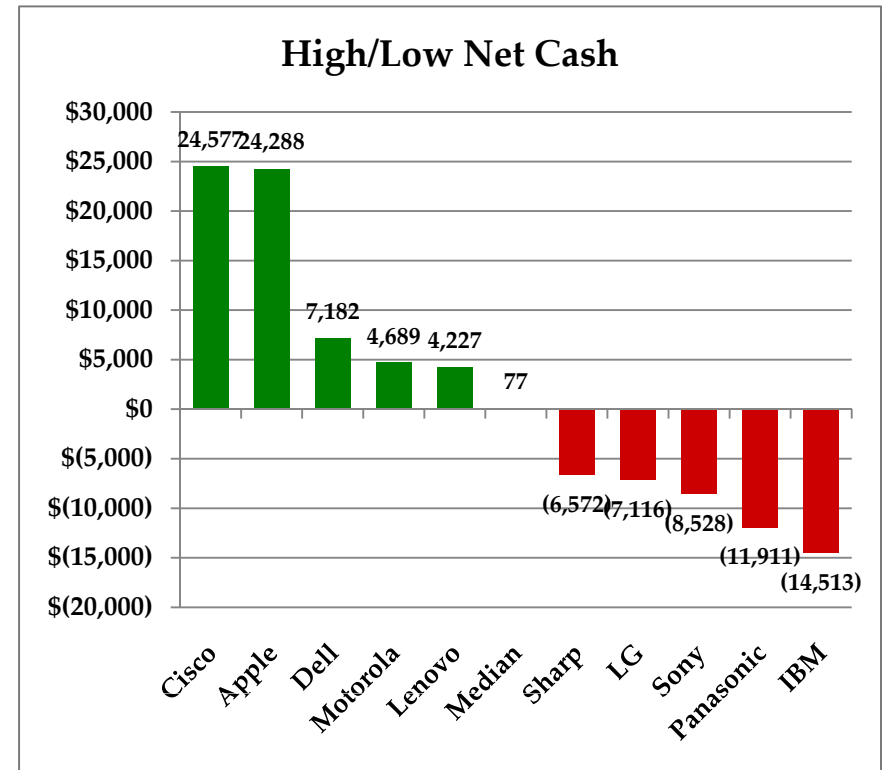
Note: Excludes companies with an NTM net margin below 2.5% and P/E >40x

## Balance Sheet Strength – Net Cash Position

- Median net cash position relative to market cap rose to end Q2 as valuations fell
  - Aggregate net cash fell as Consumer Electronics companies continue to bleed money
- Several Equipment players have significant cash reserves to draw upon for M&A and we have seen Cisco, Apple, Ericsson, Dell, Motorola, Nokia and HP all make acquisitions recently
- IBM and the Asian conglomerates are highly leveraged and may have more difficulty financing large acquisitions given that debt markets remain somewhat challenging, though all have significant amounts of cash on hand



Source: SagePoint Advisors & Capital IQ



Source: SagePoint Advisors & Capital IQ

# Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price	Market	Enterprise	Cash	Debt	% Change 3/31/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash /	Net Debt /	SG&A /	R & D /
	9/13/10	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Mkt Cap	EBITDA	Revenue	Revenue
<b>Equipment 115</b>																			
Equipment 115 Mean		9,860	9,618	2,065	1,824	0.5 %	2.2 x	1.9 x	14.6 x	11.8 x	28.1 x	21.5 x	2.1 %	22.3 %	27.5 %	(0.6) %	(5.6) x	20.2 %	11.4 %
Equipment 115 Median		1,232	1,339	246	78	(5.3) %	1.3 x	1.1 x	8.6 x	7.6 x	18.4 x	14.6 x	1.3 %	4.8 %	7.2 %	8.9 %	(0.9) x	18.9 %	10.1 %
<b>Tier 1 TEM s</b>																			
Alcatel-Lucent	2.86	6,474	7,266	5,945	6,737	(9.5) %	0.4 x	0.4 x	7.5 x	4.5 x	NM	NM	4.6 %	(47.3) %	100.0 %	(12.2) %	0.8 x	17.8 %	17.6 %
Cisco	21.26	120,237	95,660	39,861	15,284	(18.3) %	2.4 x	2.1 x	8.5 x	7.0 x	13.2 x	12.4 x	(0.4) %	(1.4) %	3.1 %	20.4 %	(2.2) x	27.2 %	12.8 %
Ericsson	11.14	35,531	31,385	8,706	4,560	5.4 %	1.2 x	1.1 x	6.9 x	6.5 x	30.5 x	14.6 x	(5.2) %	(0.5) %	(12.4) %	11.7 %	(0.9) x	14.1 %	14.9 %
Motorola	8.28	19,325	14,636	8,231	3,542	17.9 %	0.7 x	0.6 x	7.9 x	5.9 x	37.6 x	17.8 x	5.0 %	26.8 %	14.3 %	24.3 %	(2.5) x	16.5 %	14.1 %
NEC	2.63	6,822	12,382	2,596	8,156	(12.7) %	0.3 x	0.3 x	5.8 x	4.2 x	NM	NM	NA	NA	NA	(81.5) %	2.6 x	25.8 %	6.8 %
Nokia	10.16	37,669	34,391	12,093	8,816	(34.9) %	0.6 x	0.6 x	4.5 x	6.3 x	21.9 x	16.4 x	(0.1) %	(0.5) %	(1.4) %	8.7 %	(0.4) x	11.7 %	13.4 %
ZTE	4.05	11,542	13,866	1,849	4,173	(2.4) %	1.5 x	1.1 x	23.5 x	13.6 x	31.2 x	21.9 x	NA	NA	NA	(20.1) %	3.9 x	16.5 %	11.5 %
Mean		33,943	29,941	11,326	7,324	(7.8) %	1.0 x	0.9 x	9.2 x	6.8 x	26.9 x	16.6 x	0.8 %	(4.6) %	20.7 %	(7.0) %	0.2 x	18.5 %	13.0 %
Median		19,325	14,636	8,231	6,737	(9.5) %	0.7 x	0.6 x	7.5 x	6.3 x	30.5 x	16.4 x	(0.1) %	(0.5) %	3.1 %	8.7 %	(0.4) x	16.5 %	13.4 %

(\$ in millions, except per share data)

Company Name	Revenue			EBITDA			EPS			MRQ/PYQ Growth			NTM / LTM Growth			LQ Margin		
	MRQ	LTM	NTM	MRQ	LTM	NTM	MRQ	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	EPS	Gross	EBITDA	Net
<b>Equipment 115</b>																		
Equipment 115 Mean	2,419	9,873	11,186	308	1,315	1,660	0.29	1.03	1.29	26.4 %	91.0 %	78.3 %	15.7 %	37.0 %	46.8 %	37.9 %	11.8 %	7.8 %
Equipment 115 Median	212	800	1,022	27	100	165	0.10	0.26	0.52	18.8 %	42.4 %	40.8 %	14.1 %	26.4 %	22.1 %	36.6 %	11.0 %	6.2 %
<b>Tier 1 TEM s</b>																		
Alcatel-Lucent	4,682	20,149.7	20,553.6	257	969.6	1,601.3	0.00	(0.22)	0.10	(14.5) %	86.8 %	(100.0) %	2.0 %	65.2 %	147.1 %	36.1 %	5.5 %	0.0 %
Cisco	10,836	40,040.0	45,226.0	2,953	11,212.0	13,744.1	0.43	1.61	1.71	27.0 %	51.5 %	38.7 %	13.0 %	22.6 %	6.4 %	62.7 %	27.3 %	23.0 %
Ericsson	6,179	27,246.1	29,871.0	958	4,536.3	4,806.8	0.14	0.37	0.76	(8.1) %	(13.5) %	16.5 %	9.6 %	6.0 %	108.7 %	39.0 %	15.5 %	7.1 %
Motorola	5,414	21,634.0	23,050.2	519	1,842.0	2,479.3	0.09	0.22	0.46	(1.5) %	65.3 %	NM	6.5 %	34.6 %	110.9 %	37.1 %	9.6 %	3.9 %
NEC	7,540	38,001.3	40,130.0	(38)	2,140.7	2,970.0	(0.19)	(0.04)	0.13	(6.7) %	NM	(8.0) %	5.6 %	38.7 %	NM	28.7 %	(0.5) %	(6.5) %
Nokia	12,283	56,685.0	54,702.7	1,377	7,718.0	5,496.4	0.14	0.46	0.62	(11.6) %	(19.3) %	(3.6) %	(3.5) %	(28.8) %	33.5 %	31.4 %	11.2 %	4.1 %
ZTE	2,575	9,284.1	12,075.3	225	589.3	1,020.8	0.04	0.13	0.19	9.7 %	42.4 %	8.5 %	30.1 %	73.2 %	42.6 %	34.1 %	8.7 %	4.4 %
Mean	7,073	30,434	32,230	893	4,144	4,588	0.09	0.36	0.57	(0.8) %	35.5 %	(8.0) %	9.0 %	30.2 %	74.9 %	38.4 %	11.0 %	5.1 %
Median	6,179	27,246	29,871	519	2,141	2,970	0.09	0.22	0.46	(6.7) %	47.0 %	2.4 %	6.5 %	34.6 %	75.6 %	36.1 %	9.6 %	4.1 %

# Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price	Market	Enterprise	Cash	Debt	% Change 3/31/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash /	Net Debt /	SG&A /	R&D /
	9/13/10	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Mkt Cap	EBITDA	Revenue	Revenue
<b>Wireline Network</b>																			
ADC	12.70	1,232	1,273	630	671	73.7 %	1.2 x	1.1 x	11.1 x	9.3 x	32.6 x	18.0 x	1.5 %	(6.3)%	10.1 %	(3.3)%	0.4 x	23.6 %	5.3 %
ADTRAN	33.86	2,120	1,988	180	48	28.5 %	3.8 x	3.3 x	15.4 x	12.1 x	24.9 x	20.5 x	9.0 %	21.0 %	26.3 %	6.2%	(1.0) x	18.9 %	14.8 %
Blue Coat	21.90	936	752	262	78	(29.4)%	1.5 x	1.5 x	7.9 x	6.2 x	15.0 x	13.9 x	(1.7)%	7.8 %	7.7 %	19.6%	(1.9) x	44.9 %	16.2 %
Calix	13.16	491	389	102	0	(2.2)%	1.5 x	1.3 x	NM	NM	NM	NM	3.2 %	NA	250.0 %	20.7%	NA	24.6 %	18.3 %
CIENA	14.74	1,379	2,083	470	1,175	(3.4)%	2.1 x	1.2 x	NM	NM	NM	NM	0.9 %	NA	71.7 %	(51.1)%	NA	21.8 %	25.9 %
F5 Netw orks	98.87	7,956	7,558	398	0	60.4 %	9.4 x	7.2 x	34.8 x	20.3 x	44.1 x	34.0 x	5.7 %	2.5 %	12.3 %	5.0%	(1.8) x	41.2 %	13.4 %
Fiberhome	5.10	2,254	2,390	130	266	16.9 %	3.1 x	2.4 x	36.7 x	24.3 x	49.3 x	35.2 x	NA	NA	NA	(6.0)%	2.1 x	18.3 %	NA
Infinera	10.47	1,043	775	268	0	22.9 %	2.0 x	1.5 x	NM	NM	NM	28.4 x	11.3 %	NA	154.2 %	25.7%	NA	25.3 %	26.0 %
Juniper	29.22	15,192	12,970	2,223	1	(4.8)%	3.5 x	3.0 x	15.7 x	11.0 x	26.1 x	21.8 x	2.5 %	6.1 %	6.1 %	14.6%	(2.7) x	25.4 %	23.0 %
Radware	27.87	553	484	70	0	26.2 %	3.7 x	3.2 x	32.4 x	NA	38.7 x	26.6 x	2.3 %	NA	5.0 %	12.6%	(4.7) x	52.8 %	22.0 %
Riverbed	44.19	3,204	2,842	362	0	55.6 %	6.3 x	5.0 x	63.7 x	22.2 x	53.2 x	NA	5.8 %	(27.5)%	8.8 %	11.3%	(8.1) x	50.4 %	16.4 %
Sandvine	1.60	219	132	87	0	(16.7)%	1.8 x	1.4 x	NM	12.6 x	NM	30.6 x	0.2 %	3.8 %	153.4 %	39.9%	(414.1) x	32.3 %	23.7 %
Sycamore	30.30	861	306	555	0	50.7 %	4.5 x	3.8 x	NM	NM	NM	NM	48.2 %	NA	138.5 %	64.4%	NA	22.5 %	33.6 %
Tekelec	11.80	808	582	226	0	(35.0)%	1.3 x	1.3 x	5.2 x	8.7 x	11.1 x	15.4 x	(1.9)%	59.6 %	26.3 %	28.0%	(2.0) x	28.3 %	19.9 %
Tellabs	7.46	2,845	1,651	1,418	223	(1.5)%	1.0 x	1.0 x	5.8 x	4.7 x	18.2 x	14.0 x	0.3 %	34.9 %	29.1 %	42.0%	(4.2) x	16.3 %	16.9 %
<b>Mean</b>		<b>2,740</b>	<b>2,412</b>	<b>492</b>	<b>164</b>	<b>16.1 %</b>	<b>3.1 x</b>	<b>2.5 x</b>	<b>22.9 x</b>	<b>13.1 x</b>	<b>31.3 x</b>	<b>23.5 x</b>	<b>6.2 %</b>	<b>11.3 %</b>	<b>64.2 %</b>	<b>15.3%</b>	<b>(39.8) x</b>	<b>29.8 %</b>	<b>19.7 %</b>
<b>Median</b>		<b>1,232</b>	<b>1,273</b>	<b>268</b>	<b>0</b>	<b>16.9 %</b>	<b>2.1 x</b>	<b>1.5 x</b>	<b>15.6 x</b>	<b>11.5 x</b>	<b>29.3 x</b>	<b>21.8 x</b>	<b>2.4 %</b>	<b>6.1 %</b>	<b>26.3 %</b>	<b>14.6%</b>	<b>(2.0) x</b>	<b>25.3 %</b>	<b>19.1 %</b>

(\$ in millions, except per share data)

Company Name	Revenue			EBITDA			EPS			MRQ/PYQ Growth			NTM / LTM Growth			LQ Margin		
	MRQ	LTM	NTM	MRQ	LTM	NTM	MRQ	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	EPS	Gross	EBITDA	Net
<b>Wireline Network</b>																		
ADC	304	1,027.9	1,203.8	40	114.5	137.5	0.21	0.39	0.71	4.9%	(3.8)%	23.5%	17.1%	20.1%	81.2%	37.1 %	13.2 %	8.4 %
ADTRAN	150	529.7	611.7	41	129.5	164.6	0.44	1.36	1.65	23.7%	44.0%	46.7%	15.5%	27.2%	21.4%	59.4 %	27.4 %	18.6 %
Blue Coat	122	502.6	507.1	26	95.6	120.4	0.40	1.46	1.58	5.6%	96.8%	73.9%	0.9%	25.9%	8.0%	78.7 %	21.6 %	14.3 %
Calix	72	267.8	305.6	(1)	(2.8)	8.1	0.14	(3.77)	(0.19)	49.8%	85.6%	106.4%	14.1%	NM	94.9%	41.6 %	(1.2)%	7.3 %
CIENA	390	995.3	1,713.0	(17)	(55.3)	53.9	(0.09)	(0.64)	(0.09)	136.5%	(197.6)%	(80.0)%	72.1%	197.5%	86.4%	37.0 %	(4.3)%	(2.1)%
F5 Netw orks	230	802.8	1,044.9	66	217.3	371.4	0.66	2.24	2.91	45.7%	75.7%	65.0%	30.1%	70.9%	30.0%	80.7 %	28.6 %	23.2 %
Fiberhome	214	762.2	999.1	20	65.2	98.2	0.04	0.10	0.15	21.5%	23.8%	20.3%	31.1%	50.7%	40.0%	26.5 %	9.4 %	8.8 %
Infinera	111	380.7	517.2	(6)	(48.7)	14.8	0.03	(0.13)	0.37	61.6%	74.3%	115.8%	35.8%	130.5%	383.6%	42.4 %	(5.4)%	2.7 %
Juniper	978	3,656.3	4,325.4	223	823.8	1,183.1	0.30	1.12	1.34	24.4%	58.3%	57.9%	18.3%	43.6%	19.4%	67.5 %	22.8 %	16.5 %
Radware	35	129.6	149.4	4	14.9	NA	0.21	0.72	1.05	30.0%	730.8%	425.0%	15.2%	NA	45.5%	79.9 %	12.0 %	12.5 %
Riverbed	126	453.6	573.3	15	44.6	128.2	0.24	0.83	NA	38.7%	347.8%	71.4%	26.4%	187.5%	NA	75.5 %	12.3 %	14.5 %
Sandvine	21	74.7	95.1	4	0.2	10.5	0.02	(0.01)	0.05	54.1%	203.0%	166.1%	27.3%	NM	1,006.0%	74.1 %	18.0 %	12.0 %
Sycamore	22	68.6	80.8	1	(7.6)	(11.0)	0.05	(0.16)	(0.01)	28.9%	111.7%	125.0%	17.8%	(45.4)%	91.7%	54.3 %	4.6 %	6.4 %
Tekelec	110	463.9	438.6	24	111.8	66.7	0.25	1.06	0.77	(4.1)%	(7.4)%	0.0%	(5.5)%	(40.4)%	(27.8)%	66.6 %	22.3 %	15.7 %
Tellabs	423	1,581.0	1,726.0	98	284.2	352.1	0.16	0.41	0.53	9.7%	108.5%	128.6%	9.2%	23.9%	29.8%	53.5 %	23.2 %	14.8 %
<b>Mean</b>	<b>221</b>	<b>780</b>	<b>953</b>	<b>36</b>	<b>119</b>	<b>193</b>	<b>0.20</b>	<b>0.33</b>	<b>0.77</b>	<b>35.4%</b>	<b>116.8%</b>	<b>89.7%</b>	<b>21.7%</b>	<b>57.7%</b>	<b>136.4%</b>	<b>58.3 %</b>	<b>13.6 %</b>	<b>11.6 %</b>
<b>Median</b>	<b>126</b>	<b>503</b>	<b>573</b>	<b>20</b>	<b>65</b>	<b>109</b>	<b>0.21</b>	<b>0.41</b>	<b>0.62</b>	<b>28.9%</b>	<b>75.7%</b>	<b>71.4%</b>	<b>17.8%</b>	<b>35.4%</b>	<b>42.8%</b>	<b>59.4 %</b>	<b>13.2 %</b>	<b>12.5 %</b>

# Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price 9/13/10	Market Cap	Enterprise Value	Cash	Debt	% Change 3/31/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash / Mkt Cap	Net Debt / EBITDA	SG&A / Revenue	R&D / Revenue
							LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS				
<b>Data Storage</b>																			
3PAR	32.92	2,068	1,964	104	0	229.2 %	9.6 x	8.0 x	NM	129.7 x	274.3 x	180.4 x	0.4 %	NA	(11.1)%	5.0%	(16.1) x	43.0 %	24.0 %
Brocade	5.97	2,707	3,369	296	957	4.6 %	1.6 x	1.6 x	8.7 x	6.3 x	10.0 x	11.0 x	(0.9)%	(16.3)%	5.6 %	(24.4)%	1.7 x	23.6 %	17.1 %
Compellent	17.93	571	513	58	0	2.2 %	3.7 x	3.1 x	NM	36.2 x	78.0 x	84.7 x	7.8 %	161.8 %	422.9 %	10.1%	(13.2) x	42.1 %	12.4 %
EMC	20.40	41,889	38,884	6,800	3,795	13.1 %	2.5 x	2.2 x	11.9 x	7.9 x	18.6 x	15.9 x	0.9 %	(7.5)%	1.2 %	7.2%	(0.9) x	31.9 %	11.9 %
Isilon	23.13	1,521	1,421	100	0	169.0 %	9.3 x	7.1 x	NM	NM	NM	102.6 x	11.0 %	345.4 %	3.8 %	6.6%	(16.7) x	43.0 %	13.5 %
NetApp	48.10	17,176	14,368	3,921	1,113	47.8 %	3.4 x	2.8 x	19.2 x	14.4 x	27.3 x	24.0 x	1.0 %	17.4 %	5.9 %	16.3%	(3.8) x	36.1 %	13.1 %
Quantum	1.57	342	574	97	329	(40.3)%	0.8 x	NA	6.8 x	NA	6.4 x	NA	(6.7)%	NA	(20.0)%	(67.9)%	2.7 x	27.9 %	11.1 %
Seagate	11.24	5,303	5,290	2,515	2,502	(38.4)%	0.5 x	0.5 x	2.0 x	2.7 x	3.4 x	5.4 x	(6.3)%	(6.7)%	(8.0)%	0.2%	(0.0) x	4.3 %	8.2 %
Western Digital	27.04	6,201	3,867	2,734	400	(30.6)%	0.4 x	0.4 x	1.9 x	2.5 x	4.5 x	7.4 x	(2.4)%	(3.6)%	(9.2)%	37.6%	(1.1) x	2.6 %	6.5 %
<b>Mean</b>		8,642	7,806	1,847	1,011	39.6 %	3.5 x	3.2 x	8.4 x	28.5 x	52.8 x	53.9 x	0.5 %	70.1 %	43.5 %	(1.0)%	(5.3) x	28.3 %	13.1 %
<b>Median</b>		2,707	3,369	296	400	4.6 %	2.5 x	2.5 x	7.7 x	7.9 x	14.3 x	20.0 x	0.4 %	(3.6)%	1.2 %	6.6%	(1.1) x	31.9 %	12.4 %

<b>VoIP &amp; IMS</b>																			
Aastra	22.22	312	235	98	22	(29.9)%	0.3 x	0.3 x	3.2 x	3.5 x	9.2 x	9.3 x	0.8 %	(6.4)%	(22.9)%	24.6%	(1.0) x	26.9 %	9.7 %
Acme Packet	37.65	2,346	2,129	217	0	95.3 %	11.7 x	8.8 x	45.5 x	24.1 x	71.0 x	48.7 x	3.7 %	16.8 %	13.9 %	9.3%	(4.6) x	37.9 %	16.2 %
GoHigh Data	1.68	560	545	62	47	(15.6)%	1.7 x	NA	NM	NA	NM	NA	NA	NA	NA	2.6%	(1.5) x	11.0 %	NA
ShoreTel	5.10	232	116	116	0	(22.8)%	0.8 x	0.6 x	NM	NM	NM	NM	1.7 %	NA	59.0 %	49.9%	NA	51.2 %	23.5 %
Sonus Networks	3.49	961	607	353	0	32.7 %	2.4 x	2.5 x	31.6 x	37.2 x	69.8 x	NM	4.1 %	NA	NA	36.8%	(18.4) x	38.2 %	24.7 %
Tekelec	11.80	808	582	226	0	(35.0)%	1.3 x	1.3 x	5.2 x	8.7 x	11.1 x	15.4 x	(1.9)%	59.6 %	26.3 %	28.0%	(2.0) x	28.3 %	19.9 %
<b>Mean</b>		870	702	179	11	4.1 %	3.0 x	2.7 x	21.4 x	18.4 x	40.3 x	24.5 x	1.7 %	23.3 %	19.0 %	25.2%	(5.5) x	32.3 %	18.8 %
<b>Median</b>		684	563	167	0	(19.2)%	1.5 x	1.3 x	18.4 x	16.4 x	40.5 x	15.4 x	1.7 %	16.8 %	20.1 %	26.3%	(2.0) x	33.1 %	19.9 %

(\$ in millions, except per share data)

Company Name	Revenue			EBITDA			EPS			MRQ/PYQ Growth			NTM / LTM Growth			LQ Margin		
	MRQ	LTM	NTM	MRQ	LTM	NTM	MRQ	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	EPS	Gross	EBITDA	Net
<b>Data Storage</b>																		
3PAR	54	204.1	244.9	1	6.5	15.1	0.02	0.12	0.18	22.0%	NM	NM	20.0%	134.4%	52.1%	64.1 %	2.0 %	2.3 %
Brocade	504	2,065.7	2,173.2	81	388.1	533.9	0.13	0.60	0.54	2.1%	13.3%	8.3%	5.2%	37.6%	(9.9)%	49.8 %	16.0 %	12.4 %
Compellent	36	136.8	164.4	1	4.4	14.2	0.04	0.23	0.21	27.1%	NM	(20.0)%	20.2%	223.6%	(8.0)%	53.6 %	1.5 %	3.5 %
EMC	4,023	15,532.0	17,464.4	883	3,260.0	4,912.6	0.28	1.10	1.28	23.5%	61.1%	55.0%	12.4%	50.7%	16.4%	58.6 %	21.9 %	14.8 %
Isilon	45	152.4	199.8	3	6.0	9.8	0.03	0.02	0.23	55.5%	278.6%	160.0%	31.1%	64.4%	NM	62.0 %	7.8 %	4.8 %
NetApp	1,138	4,231.2	5,051.9	205	748.0	995.3	0.49	1.76	2.00	35.8%	176.5%	121.4%	19.4%	33.1%	13.7%	63.7 %	18.0 %	16.0 %
Quantum	163	684.3	NA	16	84.4	NA	0.04	0.24	NA	1.8%	(1.3)%	0.0%	NA	NA	NA	41.3 %	9.9 %	5.3 %
Seagate	2,657	11,396.0	11,212.5	586	2,643.0	1,956.0	0.70	3.32	2.09	12.9%	120.3%	1,066.7%	(1.6)%	(26.0)%	(37.1)%	27.4 %	22.1 %	13.2 %
Western Digital	2,382	9,850.0	9,715.9	453	2,062.0	1,541.2	1.23	6.04	3.67	23.5%	50.5%	61.8%	(1.4)%	(25.3)%	(39.3)%	22.5 %	19.0 %	12.1 %
<b>Mean</b>	1,223	4,917	5,778	248	1,022	1,247	0.33	1.49	1.27	22.7%	99.9%	181.7%	13.2%	61.6%	(1.7)%	49.2 %	13.1 %	9.4 %
<b>Median</b>	504	2,066	3,613	81	388	765	0.13	0.60	0.91	23.5%	61.1%	58.4%	15.9%	44.1%	(8.0)%	53.6 %	16.0 %	12.1 %

<b>VoIP &amp; IMS</b>																		
Aastra	161	723.3	694.6	13	73.5	67.8	0.35	2.41	2.40	(4.8)%	10.0%	1.4%	(4.0)%	(7.8)%	(0.4)%	44.1 %	8.0 %	3.1 %
Acme Packet	53	182.0	241.3	17	46.8	88.3	0.18	0.53	0.77	62.3%	226.8%	157.1%	32.6%	88.8%	45.9%	82.0 %	31.5 %	22.7 %
GoHigh Data	70	314.3	NA	0	10.0	NA	(0.00)	0.01	NA	NA	NA	NA	NA	NA	NM	10.7 %	0.5 %	(1.9)%
ShoreTel	42	148.5	186.8	(3)	(10.3)	(1.0)	(0.02)	(0.05)	(0.07)	30.4%	(83.7)%	(166.7)%	25.8%	90.3%	(37.5)%	66.0 %	(7.0)%	(2.1)%
Sonus Networks	61	248.5	244.2	3	19.2	16.3	0.01	0.05	(0.01)	(0.7)%	(47.6)%	(50.0)%	(1.7)%	(15.2)%	(120.0)%	62.9 %	4.1 %	4.5 %
Tekelec	110	463.9	438.6	24	111.8	66.7	0.25	1.06	0.77	(4.1)%	(7.4)%	0.0%	(5.5)%	(40.4)%	(27.8)%	66.6 %	22.3 %	15.7 %
<b>Mean</b>	83	347	361	9	42	48	0.13	0.67	0.77	16.6%	19.6%	(11.6)%	9.5%	23.2%	(28.0)%	55.4 %	9.9 %	7.0 %
<b>Median</b>	66	281	244	8	33	67	0.10	0.29	0.77	(0.7)%	(7.4)%	0.0%	(1.7)%	(7.8)%	(27.8)%	64.5 %	6.1 %	3.8 %

# Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price 9/13/10	Market Cap	Enterprise Value	Cash	Debt	% Change 3/31/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash / Mkt Cap	Net Debt / EBITDA	SG&A / Revenue	R & D / Revenue
							LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS				
<b>Audio/Video</b>																			
Arris Group	9.13	1,143	692	663	213	(24.0)%	0.6 x	0.6 x	3.2 x	4.0 x	8.7 x	11.2 x	(2.4)%	(8.4)%	(1.8)%	39.4%	(2.1) x	12.3 %	12.7 %
Axis	13.01	903	891	11	0	(12.7)%	2.5 x	2.2 x	13.0 x	13.5 x	23.9 x	21.2 x	NA	NA	NA	1.3%	(0.2) x	23.9 %	14.0 %
EVS Broadcast	57.30	774	728	49	3	0.8 %	5.9 x	NA	11.3 x	NA	17.8 x	NA	NA	NA	NA	6.0%	(0.7) x	15.0 %	13.3 %
Geovision	3.18	153	125	37	9	(22.4)%	3.2 x	2.9 x	8.8 x	8.8 x	15.1 x	12.7 x	NA	NA	NA	18.2%	(2.0) x	18.2 %	14.2 %
Harmonic	6.76	659	382	278	0	7.1 %	1.1 x	1.0 x	9.5 x	6.4 x	25.0 x	20.9 x	5.7 %	23.8 %	30.9 %	42.1%	(6.9) x	22.7 %	17.8 %
Harris	43.61	5,628	6,375	460	1,208	(8.2)%	1.2 x	1.1 x	5.8 x	5.4 x	9.8 x	9.3 x	(2.3)%	(0.2)%	0.7 %	(13.3)%	0.7 x	18.2 %	NA
Net Insight	0.58	227	201	27	0	(11.4)%	6.1 x	4.5 x	44.8 x	21.4 x	53.9 x	19.4 x	NA	NA	NA	11.8%	(6.0) x	42.7 %	7.0 %
Pace	3.16	960	819	141	0	8.3 %	0.4 x	0.4 x	5.2 x	4.2 x	10.1 x	8.6 x	NA	NA	NA	14.7%	(0.9) x	5.4 %	5.7 %
Polycom	27.37	2,334	1,877	457	0	(10.5)%	1.7 x	1.5 x	13.5 x	8.0 x	21.6 x	17.3 x	2.5 %	13.8 %	6.4 %	19.6%	(3.3) x	38.9 %	12.3 %
RealD	16.40	789	868	20	99	NA	NA	3.7 x	NA	15.7 x	NM	NA	7.2 %	4.8 %	65.0 %	(10.0)%	NA	16.0 %	4.6 %
SeaChange	7.25	228	160	68	0	1.0 %	0.8 x	0.7 x	10.2 x	4.5 x	35.9 x	12.7 x	(4.4)%	NA	(4.0)%	29.7%	(4.3) x	22.0 %	23.7 %
Technicolor	5.15	407	1,976	511	2,080	(55.9)%	0.5 x	0.4 x	3.6 x	3.2 x	1.1 x	NM	NA	NA	NA	(385.9)%	2.9 x	13.1 %	5.2 %
TiVo	9.11	1,064	822	243	0	(46.8)%	3.4 x	4.7 x	NM	NM	NM	NM	1.0 %	NA	9.6 %	22.8%	NA	42.9 %	37.5 %
<b>Mean</b>		<b>1,175</b>	<b>1,224</b>	<b>228</b>	<b>278</b>	<b>(14.6)%</b>	<b>2.3 x</b>	<b>2.0 x</b>	<b>11.7 x</b>	<b>8.7 x</b>	<b>20.3 x</b>	<b>14.8 x</b>	<b>1.1 %</b>	<b>6.7 %</b>	<b>15.3 %</b>	<b>(15.7)%</b>	<b>(2.1) x</b>	<b>22.4 %</b>	<b>14.0 %</b>
<b>Median</b>		<b>789</b>	<b>819</b>	<b>141</b>	<b>0</b>	<b>(11.0)%</b>	<b>1.5 x</b>	<b>1.3 x</b>	<b>9.5 x</b>	<b>6.4 x</b>	<b>17.8 x</b>	<b>12.7 x</b>	<b>1.0 %</b>	<b>4.8 %</b>	<b>6.4 %</b>	<b>14.7%</b>	<b>(2.0) x</b>	<b>18.2 %</b>	<b>13.0 %</b>

(\$ in millions, except per share data)

Company Name	Revenue			EBITDA			EPS			MRQ/PYQ Growth			NTM / LTM Growth			LQ Margin		
	MRQ	LTM	NTM	MRQ	LTM	NTM	MRQ	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	EPS	Gross	EBITDA	Net
<b>Audio/Video</b>																		
Arris Group	280	1,122.8	1,126.6	49	218.3	171.3	0.24	1.05	0.81	0.7%	(7.8)%	(11.1)%	0.3%	(21.5)%	(22.6)%	40.4 %	17.5 %	11.2 %
Axis	87	350.0	406.4	15	68.4	65.9	0.10	0.54	0.62	24.9%	35.2%	56.8%	16.1%	(3.7)%	13.1%	50.0 %	16.9 %	7.8 %
EVS Broadcast	37	123.3	NA	20	64.1	NA	1.01	3.21	NA	41.8%	65.7%	98.5%	NA	NA	NA	78.5 %	54.5 %	37.2 %
Geovision	10	39.3	42.9	4	14.1	14.2	0.05	0.21	0.25	8.0%	2.5%	(2.4)%	9.0%	0.3%	18.8%	65.5 %	34.7 %	23.7 %
Harmonic	96	350.9	390.4	11	40.0	59.3	0.09	0.27	0.32	17.5%	513.8%	200.0%	11.3%	48.1%	19.9%	47.8 %	11.7 %	9.2 %
Harris	1,456	5,206.1	5,935.1	311	1,106.8	1,185.0	1.24	4.45	4.67	12.5%	31.5%	36.3%	14.0%	7.1%	5.0%	36.6 %	21.4 %	11.0 %
Net Insight	9	33.1	44.6	2	4.5	9.4	0.00	0.01	0.03	13.9%	9.1%	9.5%	34.6%	108.9%	177.3%	66.4 %	17.2 %	12.2 %
Pace	475	1,930.3	1,966.2	39	159.0	197.2	0.08	0.31	0.37	9.7%	26.1%	26.8%	1.9%	24.0%	17.3%	18.6 %	8.2 %	5.0 %
Polycom	295	1,081.7	1,262.1	33	139.2	233.6	0.34	1.27	1.58	27.7%	(4.9)%	17.2%	16.7%	67.8%	24.3%	58.0 %	11.2 %	10.2 %
RealD	65	NA	232.7	7	NA	55.2	0.10	(1.59)	NA	152.4%	263.8%	124.3%	NA	NM	NA	27.9 %	11.4 %	4.8 %
SeaChange	52	212.5	224.7	3	15.7	35.5	0.12	0.20	0.57	11.0%	30.6%	NM	5.7%	126.7%	182.2%	48.1 %	5.7 %	7.4 %
Technicolor	901	4,387.0	4,412.9	87	545.6	620.4	1.89	4.78	0.49	(28.6)%	(35.6)%	NM	0.6%	13.7%	(89.8)%	20.0 %	9.7 %	13.5 %
TiVo	52	238.2	174.0	(13)	(39.6)	(41.7)	(0.13)	(0.40)	(0.59)	(10.5)%	NM	(333.3)%	(27.0)%	(5.4)%	(48.5)%	50.3 %	(25.6)%	(28.7)%
<b>Mean</b>	<b>293</b>	<b>1,256</b>	<b>1,352</b>	<b>44</b>	<b>195</b>	<b>217</b>	<b>0.39</b>	<b>1.10</b>	<b>0.83</b>	<b>21.6%</b>	<b>77.5%</b>	<b>20.2%</b>	<b>7.6%</b>	<b>33.3%</b>	<b>27.0%</b>	<b>46.8 %</b>	<b>15.0 %</b>	<b>9.6 %</b>
<b>Median</b>	<b>87</b>	<b>350</b>	<b>398</b>	<b>15</b>	<b>66</b>	<b>63</b>	<b>0.10</b>	<b>0.31</b>	<b>0.49</b>	<b>12.5%</b>	<b>28.3%</b>	<b>26.8%</b>	<b>9.0%</b>	<b>13.7%</b>	<b>17.3%</b>	<b>48.1 %</b>	<b>11.7 %</b>	<b>10.2 %</b>

# Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price 9/13/10	Market Cap	Enterprise Value	Cash	Debt	% Change 3/31/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash / Mkt Cap	Net Debt / EBITDA	SG&A / Revenue	R&D / Revenue
							LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS				
<b>Wireless Network</b>																			
Allw in	2.15	345	320	26	0	17.4 %	9.8 x	NA	85.0 x	NA	92.9 x	NA	NA	NA	NA	7.3%	(6.7) x	20.8 %	NA
Anhui Sun Create	7.24	852	861	10	19	27.6 %	8.8 x	7.2 x	94.6 x	39.0 x	149.9 x	51.7 x	NA	NA	NA	(1.1)%	1.0 x	17.3 %	NA
Aruba	20.27	1,897	1,742	155	0	48.4 %	6.5 x	5.0 x	NM	36.8 x	72.4 x	40.2 x	4.8 %	17.4 %	7.1 %	8.2%	NA	48.8 %	18.0 %
Ascom Holding	11.20	389	354	105	70	5.2 %	0.6 x	0.6 x	5.6 x	5.5 x	13.9 x	11.4 x	NA	NA	NA	9.0%	(0.6) x	28.6 %	9.5 %
Ceragon	9.46	343	274	69	0	(13.4)%	1.3 x	1.1 x	19.9 x	12.4 x	24.9 x	17.6 x	(0.7)%	14.7 %	22.6 %	20.2%	(5.1) x	19.6 %	9.5 %
Datang Telecom	2.71	1,188	1,289	57	157	(2.7)%	2.5 x	NA	39.4 x	NA	NM	NA	NA	NA	NA	(8.5)%	3.1 x	16.3 %	NA
Digi	8.39	210	131	78	0	(21.1)%	0.8 x	0.7 x	7.4 x	4.7 x	36.5 x	22.7 x	0.7 %	0.6 %	38.5 %	37.3%	(4.4) x	29.7 %	15.2 %
DragonWave	7.34	267	151	116	0	(20.5)%	0.8 x	1.5 x	3.5 x	NM	6.5 x	17.9 x	(1.1)%	20.7 %	8.5 %	43.4%	(2.7) x	13.8 %	9.6 %
Echelon	8.37	347	299	72	25	(6.7)%	2.8 x	2.4 x	NM	NM	NM	NM	5.6 %	NA	27.7 %	13.8%	NA	37.4 %	29.1 %
GN Store Nord	7.69	1,553	1,720	34	202	28.3 %	2.0 x	1.9 x	19.0 x	12.3 x	51.9 x	22.3 x	NA	NA	NA	(10.8)%	1.9 x	40.5 %	8.2 %
Plantronics	30.18	1,439	1,076	363	0	(3.5)%	1.6 x	1.5 x	8.3 x	6.8 x	15.0 x	14.0 x	4.5 %	28.8 %	17.2 %	25.2%	(2.8) x	22.7 %	8.7 %
Sunnada	3.42	410	340	94	24	NA	NA	4.6 x	NA	NA	NA	38.0 x	NA	NA	NA	17.0%	NA	30.8 %	NA
Sunw ave	2.48	531	559	34	62	(9.6)%	4.1 x	3.0 x	29.9 x	21.4 x	41.0 x	27.5 x	NA	NA	NA	(5.3)%	1.5 x	18.9 %	NA
<b>Mean</b>		<b>752</b>	<b>701</b>	<b>93</b>	<b>43</b>	<b>4.1 %</b>	<b>3.5 x</b>	<b>2.7 x</b>	<b>31.3 x</b>	<b>17.4 x</b>	<b>50.5 x</b>	<b>26.3 x</b>	<b>2.3 %</b>	<b>16.5 %</b>	<b>20.3 %</b>	<b>12.0%</b>	<b>(1.5) x</b>	<b>26.6 %</b>	<b>13.5 %</b>
<b>Median</b>		<b>410</b>	<b>354</b>	<b>72</b>	<b>19</b>	<b>(3.1)%</b>	<b>2.2 x</b>	<b>1.9 x</b>	<b>19.5 x</b>	<b>12.4 x</b>	<b>38.8 x</b>	<b>22.5 x</b>	<b>2.6 %</b>	<b>17.4 %</b>	<b>19.9 %</b>	<b>9.0%</b>	<b>(1.6) x</b>	<b>22.7 %</b>	<b>9.6 %</b>

(\$ in millions, except per share data)

Company Name	Revenue			EBITDA			EPS			MRQ/PYQ Growth			NTM / LTM Growth			LO Margin		
	MRQ	LTM	NTM	MRQ	LTM	NTM	MRQ	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	EPS	Gross	EBITDA	Net
<b>Wireless Network</b>																		
Allw in	7	32.7	NA	1	3.8	NA	0.01	0.02	NA	95.6%	NM	31.3%	NA	NA	NA	30.3 %	11.2 %	12.0 %
Anhui Sun Create	19	98.1	118.8	2	9.1	22.1	0.01	0.05	0.14	(27.7)%	(1.1)%	11.8%	21.1%	142.7%	189.7%	25.3 %	10.0 %	6.7 %
Aruba	77	266.5	350.3	3	(1.4)	47.4	0.10	0.28	0.50	45.0%	294.0%	233.3%	31.4%	NM	79.9%	67.7 %	4.3 %	14.1 %
Ascom Holding	131	553.6	563.0	14	63.0	63.9	0.23	0.81	0.99	20.6%	161.6%	45.4%	1.7%	1.4%	22.3%	46.9 %	10.4 %	6.1 %
Ceragon	61	218.6	255.7	5	13.7	22.2	0.13	0.38	0.54	44.1%	NM	333.3%	17.0%	61.1%	41.5%	35.3 %	8.0 %	7.8 %
Datang Telecom	149	513.1	NA	13	32.7	NA	0.01	0.02	NA	35.0%	44.9%	322.8%	NA	NA	NA	17.6 %	9.0 %	3.3 %
Digi	47	175.3	198.7	5	17.7	28.1	0.09	0.23	0.37	6.2%	(0.7)%	0.0%	13.3%	59.1%	60.9%	52.4 %	10.8 %	4.8 %
DragonWave	49	194.3	102.4	11	43.3	2.9	0.26	1.13	0.41	274.8%	1,504.5%	386.3%	(47.3)%	(93.3)%	(63.8)%	43.6 %	21.6 %	20.3 %
Echelon	27	107.6	123.3	(5)	(22.1)	(18.8)	(0.17)	(0.72)	(0.67)	19.0%	28.3%	26.1%	14.6%	14.9%	7.4%	41.2 %	(18.6)%	(26.0)%
GN Store Nord	212	879.2	901.5	27	90.4	139.4	0.06	0.15	0.35	(5.8)%	250.3%	NM	2.5%	54.2%	132.8%	58.0 %	12.8 %	5.9 %
Plantronics	171	666.3	696.6	40	129.3	157.9	0.58	2.01	2.15	6.6%	66.0%	61.1%	4.5%	22.1%	7.1%	52.4 %	23.2 %	16.9 %
Sunnada	8	NA	74.1	0	NA	NA	0.00	NA	0.09	NA	NA	NA	NA	NM	NA	36.2 %	5.1 %	5.9 %
Sunw ave	33	136.7	188.1	4	18.7	26.2	0.01	0.06	0.09	38.8%	18.8%	11.5%	37.6%	39.9%	49.2%	30.3 %	11.6 %	8.5 %
<b>Mean</b>	<b>76</b>	<b>320</b>	<b>325</b>	<b>9</b>	<b>33</b>	<b>49</b>	<b>0.10</b>	<b>0.37</b>	<b>0.45</b>	<b>46.0%</b>	<b>236.7%</b>	<b>133.0%</b>	<b>9.7%</b>	<b>33.6%</b>	<b>52.7%</b>	<b>41.3 %</b>	<b>9.2 %</b>	<b>6.6 %</b>
<b>Median</b>	<b>49</b>	<b>206</b>	<b>199</b>	<b>5</b>	<b>18</b>	<b>27</b>	<b>0.06</b>	<b>0.19</b>	<b>0.37</b>	<b>27.8%</b>	<b>55.5%</b>	<b>45.4%</b>	<b>14.0%</b>	<b>39.9%</b>	<b>45.3%</b>	<b>41.2 %</b>	<b>10.4 %</b>	<b>6.7 %</b>

# Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price	Market	Enterprise	Cash	Debt	% Change	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash /	Net Debt /	SG&A /	R&D /
	9/13/10	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Mkt Cap	EBITDA	Revenue	Revenue
<b>Satellite &amp; GPS</b>																			
Beijing BDStar	7.13	649	634	19	5	20.1 %	14.7 x	8.8 x	80.4 x	34.2 x	98.2 x	59.4 x	NA	NA	NA	2.2%	(1.8) x	(15.9)%	NA
Garmin	29.76	5,791	4,599	1,192	0	(23.0)%	1.5 x	1.6 x	5.0 x	5.9 x	8.1 x	10.3 x	7.7 %	35.3 %	16.4 %	20.6%	(1.3) x	16.0 %	10.1 %
Loral	52.81	1,595	1,453	142	0	50.4 %	1.4 x	1.3 x	15.4 x	NA	9.0 x	7.5 x	NA	NA	NA	8.9%	(1.5) x	7.6 %	NA
TCS	3.22	171	257	97	184	(56.1)%	0.7 x	0.6 x	5.6 x	3.2 x	7.4 x	7.9 x	(5.4)%	(13.6)%	(30.8)%	(50.6)%	1.9 x	17.0 %	7.1 %
TomTom	6.02	1,334	1,837	480	983	(28.9)%	0.9 x	1.0 x	3.8 x	5.5 x	6.8 x	8.1 x	NA	NA	NA	(37.7)%	1.0 x	20.9 %	11.1 %
Trimble	30.63	3,650	3,555	262	167	6.7 %	3.0 x	2.6 x	19.0 x	15.0 x	25.1 x	20.6 x	3.0 %	(10.6)%	4.0 %	2.6%	(0.5) x	23.3 %	11.0 %
ViaSat	38.08	1,544	1,792	57	306	10.0 %	2.5 x	2.0 x	17.3 x	9.5 x	26.3 x	21.9 x	(8.9)%	(13.6)%	(38.4)%	(16.1)%	2.4 x	20.0 %	3.8 %
<b>Mean</b>		<b>2,105</b>	<b>2,018</b>	<b>321</b>	<b>235</b>	<b>(3.0)%</b>	<b>3.5 x</b>	<b>2.5 x</b>	<b>20.9 x</b>	<b>12.2 x</b>	<b>25.8 x</b>	<b>19.4 x</b>	<b>(0.9)%</b>	<b>(0.6)%</b>	<b>(12.2)%</b>	<b>(10.0)%</b>	<b>0.0 x</b>	<b>12.7 %</b>	<b>8.6 %</b>
<b>Median</b>		<b>1,544</b>	<b>1,792</b>	<b>142</b>	<b>167</b>	<b>6.7 %</b>	<b>1.5 x</b>	<b>1.6 x</b>	<b>15.4 x</b>	<b>7.7 x</b>	<b>9.0 x</b>	<b>10.3 x</b>	<b>(1.2)%</b>	<b>(12.1)%</b>	<b>(13.4)%</b>	<b>2.2%</b>	<b>(0.5) x</b>	<b>17.0 %</b>	<b>10.1 %</b>
<b>Wireless Handset</b>																			
Apple	267.04	243,958	219,670	24,288	0	13.6 %	3.7 x	2.9 x	11.5 x	9.5 x	21.7 x	15.9 x	6.4 %	6.1 %	12.0 %	10.0%	(1.3) x	9.2 %	3.0 %
China Wireless	0.48	1,008	1,005	60	56	10.3 %	2.0 x	1.1 x	16.6 x	8.4 x	16.5 x	10.7 x	NA	NA	NA	0.3%	(0.1) x	17.5 %	NA
China Zhenhua	1.87	670	681	72	83	1.2 %	1.9 x	NA	32.3 x	NA	NM	NA	NA	NA	NA	(1.7)%	0.5 x	12.8 %	NA
LG	83.95	12,079	19,195	1,874	8,990	(17.4)%	0.4 x	0.7 x	8.7 x	9.6 x	5.8 x	7.6 x	NA	NA	NA	(58.9)%	3.2 x	18.5 %	2.7 %
Ningbo Bird	0.73	563	529	47	12	(0.0)%	3.0 x	NA	NM	NA	51.1 x	NA	NA	NA	NA	6.2%	(9.8) x	7.9 %	NA
Nokia	10.16	37,669	34,391	12,093	8,816	(34.9)%	0.6 x	0.6 x	4.5 x	6.3 x	21.9 x	16.4 x	(0.1)%	(0.5)%	(1.4)%	8.7%	(0.4) x	11.7 %	13.4 %
RIM	44.13	23,146	20,798	2,348	0	(40.3)%	1.3 x	1.1 x	4.6 x	4.2 x	9.2 x	7.7 x	(2.6)%	4.7 %	4.1 %	10.1%	(0.5) x	13.3 %	6.8 %
<b>Mean</b>		<b>45,585</b>	<b>42,324</b>	<b>5,826</b>	<b>2,565</b>	<b>(9.6)%</b>	<b>1.8 x</b>	<b>1.3 x</b>	<b>13.0 x</b>	<b>7.6 x</b>	<b>21.0 x</b>	<b>11.7 x</b>	<b>1.2 %</b>	<b>3.4 %</b>	<b>4.9 %</b>	<b>(3.6)%</b>	<b>(1.2) x</b>	<b>13.0 %</b>	<b>6.5 %</b>
<b>Median</b>		<b>12,079</b>	<b>19,195</b>	<b>1,874</b>	<b>56</b>	<b>(0.0)%</b>	<b>1.9 x</b>	<b>1.1 x</b>	<b>10.1 x</b>	<b>8.4 x</b>	<b>19.1 x</b>	<b>10.7 x</b>	<b>(0.1)%</b>	<b>4.7 %</b>	<b>4.1 %</b>	<b>6.2%</b>	<b>(0.4) x</b>	<b>12.8 %</b>	<b>4.9 %</b>

(\$ in millions, except per share data)

Company Name	Revenue			EBITDA			EPS			MRQ/PYQ Growth			NTM / LTM Growth			LQ Margin		
	MRQ	LTM	NTM	MRQ	LTM	NTM	MRQ	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	EPS	Gross	EBITDA	Net
<b>Satellite &amp; GPS</b>																		
Beijing BDStar	13	43.2	72.1	2	7.9	18.6	0.02	0.07	0.12	31.7%	(7.5)%	(20.9)%	67.0%	135.2%	65.2%	(3.0)%	14.1 %	12.3 %
Garmin	729	3,000.5	2,906.8	232	920.1	778.9	0.85	3.68	2.88	8.9%	5.5%	2.4%	(3.1)%	(15.3)%	(21.7)%	53.7 %	31.8 %	23.3 %
Loral	280	1,018.3	1,131.0	31	94.5	NA	(0.66)	5.89	7.03	3.1%	NM	(126.6)%	11.1%	NA	19.3%	15.5 %	11.0 %	(7.1)%
TCS	93	346.0	441.8	11	46.4	81.7	0.06	0.43	0.41	38.0%	(13.7)%	(78.6)%	27.7%	76.1%	(5.9)%	35.8 %	11.7 %	3.6 %
TomTom	444	2,105.7	1,867.2	93	484.2	331.6	0.19	0.88	0.74	(13.9)%	(22.8)%	1.3%	(11.3)%	(31.5)%	(15.9)%	51.1 %	20.8 %	9.3 %
Trimble	333	1,199.6	1,347.5	59	187.0	237.1	0.42	1.22	1.49	14.9%	18.1%	35.5%	12.3%	26.8%	21.9%	49.0 %	17.8 %	15.6 %
ViaSat	192	721.7	910.3	33	103.6	188.7	0.23	1.45	1.74	21.2%	86.0%	(30.3)%	26.1%	82.1%	20.1%	30.3 %	17.1 %	5.0 %
<b>Mean</b>	<b>298</b>	<b>1,205</b>	<b>1,240</b>	<b>66</b>	<b>263</b>	<b>273</b>	<b>0.16</b>	<b>1.95</b>	<b>2.06</b>	<b>14.9%</b>	<b>10.9%</b>	<b>(31.0)%</b>	<b>18.5%</b>	<b>45.6%</b>	<b>11.9%</b>	<b>33.2 %</b>	<b>17.8 %</b>	<b>8.9 %</b>
<b>Median</b>	<b>280</b>	<b>1,018</b>	<b>1,131</b>	<b>33</b>	<b>104</b>	<b>213</b>	<b>0.19</b>	<b>1.22</b>	<b>1.49</b>	<b>14.9%</b>	<b>(1.0)%</b>	<b>(20.9)%</b>	<b>12.3%</b>	<b>51.5%</b>	<b>19.3%</b>	<b>35.8 %</b>	<b>17.1 %</b>	<b>9.3 %</b>
<b>Wireless Handset</b>																		
Apple	15,700	59,407.0	76,712.8	4,507	19,108.0	23,008.0	3.51	12.33	16.81	61.3%	60.2%	160.0%	29.1%	20.4%	36.4%	39.1 %	28.7 %	20.7 %
China Wireless	135	514.1	900.8	17	60.6	120.1	0.01	0.03	0.05	192.4%	543.2%	696.1%	75.2%	98.3%	54.9%	29.5 %	12.6 %	13.0 %
China Zhenhua	91	355.1	NA	6	21.1	NA	0.00	0.01	NA	NA	NA	NA	NA	NA	NA	16.3 %	7.1 %	1.4 %
LG	11,788	48,796.9	27,520.0	343	2,215.3	2,000.0	4.87	14.38	11.08	0.5%	(70.1)%	27.9%	(43.6)%	(9.7)%	(23.0)%	22.4 %	2.9 %	5.9 %
Ningbo Bird	34	177.5	NA	3	3.5	NA	0.00	0.01	NA	(4.8)%	154.8%	116.1%	NA	NM	NA	14.2 %	8.1 %	2.2 %
Nokia	12,283	56,685.0	54,702.7	1,377	7,718.0	5,496.4	0.14	0.46	0.62	(11.6)%	(19.3)%	(3.6)%	(3.5)%	(28.8)%	33.5%	31.4 %	11.2 %	4.1 %
RIM	4,235	15,765.1	19,477.3	1,166	4,481.0	4,901.0	1.38	4.78	5.71	23.7%	42.4%	40.8%	23.5%	9.4%	19.4%	45.4 %	27.5 %	18.2 %
<b>Mean</b>	<b>6,324</b>	<b>25,957</b>	<b>35,863</b>	<b>1,060</b>	<b>4,801</b>	<b>7,105</b>	<b>1.41</b>	<b>4.57</b>	<b>6.85</b>	<b>43.6%</b>	<b>118.5%</b>	<b>172.9%</b>	<b>16.2%</b>	<b>17.9%</b>	<b>24.3%</b>	<b>28.3 %</b>	<b>14.0 %</b>	<b>9.4 %</b>
<b>Median</b>	<b>4,235</b>	<b>15,765</b>	<b>27,520</b>	<b>343</b>	<b>2,215</b>	<b>4,901</b>	<b>0.14</b>	<b>0.46</b>	<b>5.71</b>	<b>12.1%</b>	<b>51.3%</b>	<b>78.5%</b>	<b>23.5%</b>	<b>9.4%</b>	<b>33.5%</b>	<b>29.5 %</b>	<b>11.2 %</b>	<b>5.9 %</b>



# Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price 9/13/10	Market Cap	Enterprise Value	Cash	Debt	% Change 3/31/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash / Mkt Cap	Net Debt / EBITDA	SG&A / Revenue	R&D / Revenue
							LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS				
<b>Servers/Computing</b>																			
Cray	5.99	213	133	80	0	0.7 %	0.6 x	0.4 x	NM	NA	NM	14.6 x	(4.2)%	NA	59.6 %	37.7%	NA	36.9 %	24.5 %
Dell	12.31	23,939	16,757	12,438	5,256	(18.0)%	0.3 x	0.3 x	4.4 x	3.6 x	11.0 x	9.1 x	2.2 %	(2.2)%	6.2 %	30.0%	(1.9) x	10.7 %	1.0 %
HP	38.28	86,809	92,432	14,723	20,346	(28.0)%	0.7 x	0.7 x	5.3 x	4.8 x	8.7 x	7.8 x	1.3 %	(5.8)%	0.2 %	(6.5)%	0.3 x	10.3 %	2.4 %
IBM	129.61	163,474	177,987	12,254	26,767	1.1 %	1.8 x	1.8 x	7.4 x	7.3 x	12.3 x	11.0 x	(1.8)%	NA	1.7 %	(8.9)%	0.6 x	21.3 %	6.2 %
Lenovo	0.60	5,849	1,622	4,691	463	(12.7)%	0.1 x	0.1 x	3.9 x	NM	30.0 x	NM	NA	NA	NA	72.3%	(10.0) x	7.3 %	1.3 %
Silicon Graphics	7.60	233	104	129	0	(28.9)%	0.3 x	0.2 x	NM	NA	NM	NM	0.9 %	NA	(107.5)%	55.4%	NA	30.1 %	18.7 %
Super Micro	10.06	375	322	73	20	(41.8)%	0.4 x	0.4 x	6.9 x	4.9 x	15.2 x	10.0 x	1.3 %	(13.1)%	(17.2)%	14.3%	(1.2) x	4.6 %	5.1 %
<b>Mean</b>		<b>40,128</b>	<b>41,337</b>	<b>6,341</b>	<b>7,550</b>	<b>(18.2)%</b>	<b>0.6 x</b>	<b>0.5 x</b>	<b>5.6 x</b>	<b>5.2 x</b>	<b>15.4 x</b>	<b>10.5 x</b>	<b>(0.1)%</b>	<b>(7.0)%</b>	<b>(9.5)%</b>	<b>27.8%</b>	<b>(2.4) x</b>	<b>17.3 %</b>	<b>8.5 %</b>
<b>Median</b>		<b>5,849</b>	<b>1,622</b>	<b>4,691</b>	<b>463</b>	<b>(18.0)%</b>	<b>0.4 x</b>	<b>0.4 x</b>	<b>5.3 x</b>	<b>4.8 x</b>	<b>12.3 x</b>	<b>10.0 x</b>	<b>1.1 %</b>	<b>(5.8)%</b>	<b>0.9 %</b>	<b>30.0%</b>	<b>(1.2) x</b>	<b>10.7 %</b>	<b>5.1 %</b>

<b>Consumer Electronics</b>																			
Apple	267.04	243,958	219,670	24,288	0	13.6 %	3.7 x	2.9 x	11.5 x	9.5 x	21.7 x	15.9 x	6.4 %	6.1 %	12.0 %	10.0%	(1.3) x	9.2 %	3.0 %
D-Link	0.84	541	379	228	66	(19.1)%	0.4 x	0.3 x	8.8 x	NM	15.9 x	9.3 x	NA	NA	NA	30.0%	(3.8) x	29.1 %	2.6 %
JVC KENWOOD	2.65	256	919	493	1,156	(36.5)%	0.2 x	0.2 x	7.3 x	3.5 x	NM	NM	NA	NA	NA	(258.8)%	5.3 x	28.7 %	5.2 %
LG	83.95	12,079	19,195	1,874	8,990	(17.4)%	0.4 x	0.7 x	8.7 x	9.6 x	5.8 x	7.6 x	NA	NA	NA	(58.9)%	3.2 x	18.5 %	2.7 %
Netgear	24.03	851	620	231	0	(7.9)%	0.8 x	0.7 x	6.9 x	5.8 x	17.1 x	14.3 x	0.0 %	NA	(5.4)%	27.1%	(2.6) x	19.8 %	4.9 %
Panasonic	12.91	26,730	38,641	14,182	26,094	(15.6)%	0.4 x	0.4 x	5.7 x	5.0 x	NM	NM	4.4 %	45.9 %	NA	(44.6)%	1.8 x	23.4 %	NA
Philips Elec	30.98	29,283	29,499	5,902	6,118	(3.5)%	0.9 x	0.9 x	6.5 x	6.6 x	19.0 x	14.2 x	(1.0)%	14.1 %	(8.0)%	(0.7)%	0.0 x	24.2 %	6.4 %
Pioneer	3.09	992	1,843	1,009	1,859	(15.8)%	0.4 x	0.3 x	5.5 x	3.1 x	NM	NM	NA	NA	NA	(85.7)%	2.6 x	20.3 %	NA
Sharp	9.96	10,864	17,436	3,256	9,828	(20.3)%	0.5 x	0.5 x	4.5 x	3.9 x	27.6 x	NM	NA	NA	NA	(60.5)%	1.7 x	16.2 %	1.4 %
Sony	29.96	30,069	38,596	8,822	17,350	(21.8)%	0.5 x	0.4 x	6.0 x	6.0 x	NM	NM	(1.1)%	27.9 %	NA	(28.4)%	1.3 x	21.7 %	NA
Vtech	10.25	2,543	2,162	383	2	(5.3)%	1.4 x	NA	8.3 x	NA	12.3 x	NA	NA	NA	NA	15.0%	(1.5) x	19.2 %	3.7 %
<b>Mean</b>		<b>32,561</b>	<b>33,542</b>	<b>5,515</b>	<b>6,497</b>	<b>(13.6)%</b>	<b>0.9 x</b>	<b>0.7 x</b>	<b>7.3 x</b>	<b>5.9 x</b>	<b>17.1 x</b>	<b>12.3 x</b>	<b>1.8 %</b>	<b>23.5 %</b>	<b>(0.5)%</b>	<b>(41.4)%</b>	<b>0.6 x</b>	<b>20.9 %</b>	<b>3.7 %</b>
<b>Median</b>		<b>10,864</b>	<b>17,436</b>	<b>1,874</b>	<b>1,859</b>	<b>(15.8)%</b>	<b>0.5 x</b>	<b>0.5 x</b>	<b>6.9 x</b>	<b>5.8 x</b>	<b>17.1 x</b>	<b>14.2 x</b>	<b>0.0 %</b>	<b>21.0 %</b>	<b>(5.4)%</b>	<b>(28.4)%</b>	<b>1.3 x</b>	<b>20.3 %</b>	<b>3.3 %</b>

(\$ in millions, except per share data)

Company Name	Revenue			EBITDA			EPS			MRQ/PYQ Growth			NTM / LTM Growth			LQ Margin		
	MRQ	LTM	NTM	MRQ	LTM	NTM	MRQ	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	EPS	Gross	EBITDA	Net
<b>Servers/Computing</b>																		
Cray	29	203.9	326.4	(4)	(10.8)	NA	(0.19)	(0.51)	0.41	(54.2)%	(159.1)%	(290.0)%	60.0%	NA	180.4%	39.4 %	(14.1)%	(22.6)%
Dell	15,534	58,204.0	64,148.6	1,048	3,791.0	4,645.3	0.32	1.12	1.35	21.7%	9.3%	14.3%	10.2%	22.5%	20.3%	16.7 %	6.7 %	4.0 %
HP	30,729	123,705.0	129,897.5	4,258	17,398.0	19,395.8	1.08	4.41	4.89	11.4%	11.7%	18.7%	5.0%	11.5%	10.8%	23.8 %	13.9 %	8.4 %
IBM	23,723	97,379.0	100,089.3	5,771	24,157.0	24,244.8	2.62	10.58	11.80	2.0%	2.2%	12.9%	2.8%	0.4%	11.5%	45.6 %	24.3 %	14.3 %
Lenovo	5,147	18,294.0	21,530.4	138	420.8	572.2	0.01	0.02	0.04	48.9%	NM	NM	17.7%	36.0%	99.4%	10.2 %	2.7 %	1.1 %
Silicon Graphics	102	403.7	563.8	(22)	(67.0)	NA	(0.55)	(1.40)	(0.04)	74.0%	NA	22.5%	39.6%	NA	97.1%	19.3 %	(21.5)%	(16.3)%
Super Micro	202	721.4	887.6	13	46.5	65.7	0.18	0.66	1.01	63.4%	165.9%	200.0%	23.0%	41.4%	52.5%	15.3 %	6.2 %	3.8 %
<b>Mean</b>	<b>10,781</b>	<b>42,702</b>	<b>45,349</b>	<b>1,600</b>	<b>6,534</b>	<b>9,785</b>	<b>0.50</b>	<b>2.13</b>	<b>2.78</b>	<b>23.9%</b>	<b>6.0%</b>	<b>(3.6)%</b>	<b>22.6%</b>	<b>22.3%</b>	<b>67.4%</b>	<b>24.3 %</b>	<b>2.6 %</b>	<b>(1.1)%</b>
<b>Median</b>	<b>5,147</b>	<b>18,294</b>	<b>21,530</b>	<b>138</b>	<b>421</b>	<b>4,645</b>	<b>0.18</b>	<b>0.66</b>	<b>1.01</b>	<b>21.7%</b>	<b>9.3%</b>	<b>16.5%</b>	<b>17.7%</b>	<b>22.5%</b>	<b>52.5%</b>	<b>19.3 %</b>	<b>6.2 %</b>	<b>3.8 %</b>

<b>Consumer Electronics</b>																		
Apple	15,700	59,407.0	76,712.8	4,507	19,108.0	23,008.0	3.51	12.33	16.81	61.3%	60.2%	160.0%	29.1%	20.4%	36.4%	39.1 %	28.7 %	20.7 %
D-Link	254	1,041.7	1,178.2	6	43.0	58.8	0.01	0.05	0.09	18.7%	4.2%	8.4%	13.1%	36.8%	71.2%	30.8 %	2.5 %	2.8 %
JVC KENWOOD	1,002	4,349.9	4,495.0	54	125.2	265.0	(0.05)	(1.60)	(1.25)	(2.0)%	NM	95.2%	3.3%	111.7%	22.3%	31.4 %	5.4 %	(0.5)%
LG	11,788	48,796.9	27,520.0	343	2,215.3	2,000.0	4.87	14.38	11.08	0.5%	(70.1)%	27.9%	(43.6)%	(9.7)%	(23.0)%	22.4 %	2.9 %	5.9 %
Netgear	196	797.4	908.1	24	90.4	107.3	0.30	1.41	1.68	35.4%	444.3%	NM	13.9%	18.8%	19.7%	35.5 %	12.5 %	5.5 %
Panasonic	24,410	87,617.7	107,376.0	1,955	6,756.7	7,689.4	0.24	(0.02)	0.65	47.4%	312.0%	189.7%	22.6%	13.8%	NM	27.3 %	8.0 %	2.0 %
Philips Elec	7,794	34,127.3	34,625.0	948	4,542.1	4,482.0	0.43	1.63	2.17	6.0%	90.5%	NM	1.5%	(1.3)%	33.3%	36.8 %	12.2 %	5.2 %
Pioneer	1,241	4,969.8	5,707.5	119	332.4	602.5	0.02	(2.79)	0.39	24.8%	NM	109.7%	14.8%	81.3%	114.1%	22.5 %	9.6 %	0.5 %
Sharp	8,376	31,823.0	36,610.0	960	3,855.2	4,440.0	0.10	0.36	0.56	34.9%	128.0%	143.1%	15.0%	15.2%	54.4%	18.7 %	11.5 %	1.4 %
Sony	18,761	79,718.6	89,908.7	1,612	6,427.5	6,418.0	0.29	0.24	1.05	13.0%	112.9%	175.5%	12.8%	(0.1)%	NM	25.0 %	8.6 %	1.6 %
Vtech	397	1,532.3	NA	71	260.7	NA	0.23	0.83	NA	NA	NA	NA	NA	NA	NA	38.4 %	17.9 %	14.5 %
<b>Mean</b>	<b>8,175</b>	<b>32,198</b>	<b>38,504</b>	<b>964</b>	<b>3,978</b>	<b>4,907</b>	<b>0.90</b>	<b>2.44</b>	<b>3.32</b>	<b>24.0%</b>	<b>135.2%</b>	<b>113.7%</b>	<b>8.3%</b>	<b>28.7%</b>	<b>41.0%</b>	<b>29.8 %</b>	<b>10.9 %</b>	<b>5.4 %</b>
<b>Median</b>	<b>7,794</b>	<b>31,823</b>	<b>31,073</b>	<b>343</b>	<b>2,215</b>	<b>3,220</b>	<b>0.24</b>	<b>0.36</b>	<b>0.85</b>	<b>21.8%</b>	<b>101.7%</b>	<b>126.4%</b>	<b>13.5%</b>	<b>17.0%</b>	<b>34.8%</b>	<b>30.8 %</b>	<b>9.6 %</b>	<b>2.8 %</b>

# Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price 9/13/10	Market Cap	Enterprise Value	Cash	Debt	% Change 3/31/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash / Mkt Cap	Net Debt / EBITDA	SG&A / Revenue	R&D / Revenue
							LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS				
<b>Components &amp; Subsystems</b>																			
AAC Acoustic	1.97	2,419	2,201	273	55	17.8 %	5.5 x	3.7 x	15.2 x	10.4 x	20.5 x	14.1 x	NA	NA	NA	9.0%	(1.5) x	9.1 %	7.0 %
Belden	25.14	1,177	1,482	246	551	(8.4)%	0.9 x	0.9 x	8.8 x	6.7 x	17.3 x	13.6 x	3.5 %	3.2 %	29.9 %	(25.9)%	1.8 x	17.5 %	3.1 %
BYD Elec	0.54	1,207	1,040	167	0	(34.9)%	0.6 x	0.4 x	5.7 x	4.7 x	9.5 x	8.9 x	NA	NA	NA	13.8%	(0.9) x	2.8 %	4.6 %
Comba Telecom	1.17	1,389	1,410	67	87	0.3 %	2.5 x	1.9 x	15.3 x	9.7 x	18.3 x	13.0 x	NA	NA	NA	(1.5)%	0.2 x	19.0 %	3.9 %
CommScope	21.94	2,078	2,886	577	1,385	(21.7)%	0.9 x	0.9 x	5.9 x	5.6 x	11.3 x	10.7 x	1.3 %	11.2 %	3.2 %	(38.9)%	1.7 x	13.9 %	3.6 %
Comtech	24.70	699	331	568	200	(22.9)%	0.4 x	0.4 x	2.5 x	2.4 x	12.1 x	12.0 x	NA	NA	0.0 %	52.7%	(2.8) x	11.4 %	5.3 %
Corning	16.81	26,251	23,993	4,259	2,001	(16.8)%	3.8 x	3.5 x	11.2 x	9.3 x	8.6 x	8.3 x	3.8 %	8.7 %	11.6 %	8.6%	(1.1) x	14.4 %	8.4 %
Finisar	16.17	1,237	1,192	192	147	3.3 %	1.7 x	1.3 x	14.0 x	7.6 x	20.0 x	11.5 x	3.6 %	45.9 %	37.7 %	3.6%	(0.5) x	9.7 %	12.8 %
Jiangsu Zhongtian	3.59	1,152	1,339	89	275	(3.2)%	2.3 x	1.8 x	15.0 x	14.4 x	21.0 x	18.4 x	NA	NA	NA	(16.2)%	2.1 x	8.7 %	NA
Powerwave	1.98	263	475	61	273	58.4 %	0.9 x	0.7 x	11.1 x	11.1 x	NM	12.3 x	(1.3)%	305.9 %	131.5 %	(80.6)%	5.0 x	13.6 %	10.8 %
TKH Group	19.81	731	849	13	132	(5.2)%	0.8 x	0.8 x	9.7 x	7.7 x	33.0 x	13.9 x	NA	NA	NA	(16.2)%	1.4 x	20.2 %	NA
Wuhan	2.55	1,418	1,254	170	7	(15.3)%	7.7 x	4.4 x	20.6 x	11.8 x	31.3 x	23.2 x	NA	NA	NA	11.5%	(2.7) x	3.6 %	NA
<b>Mean</b>		<b>3,335</b>	<b>3,204</b>	<b>557</b>	<b>426</b>	<b>(4.0)%</b>	<b>2.4 x</b>	<b>1.7 x</b>	<b>11.2 x</b>	<b>8.5 x</b>	<b>18.4 x</b>	<b>13.3 x</b>	<b>2.2 %</b>	<b>75.0 %</b>	<b>35.7 %</b>	<b>(6.7)%</b>	<b>0.2 x</b>	<b>12.0 %</b>	<b>6.6 %</b>
<b>Median</b>		<b>1,222</b>	<b>1,297</b>	<b>181</b>	<b>174</b>	<b>(6.8)%</b>	<b>1.3 x</b>	<b>1.1 x</b>	<b>11.2 x</b>	<b>8.5 x</b>	<b>18.3 x</b>	<b>12.6 x</b>	<b>3.5 %</b>	<b>11.2 %</b>	<b>20.8 %</b>	<b>1.1%</b>	<b>(0.1) x</b>	<b>12.5 %</b>	<b>5.3 %</b>

(\$ in millions, except per share data)

Company Name	Revenue			EBITDA			EPS			MRQ/PYQ Growth			NTM / LTM Growth			LO Margin			
	MRQ	LTM	NTM	MRQ	LTM	NTM	MRQ	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	EPS	Gross	EBITDA	Net	
<b>Components &amp; Subsystems</b>																			
AAC Acoustic	108	397.7	588.9	37	145.0	210.7	0.03	0.10	0.14	64.0%	62.6%	80.1%	48.1%	45.3%	45.9%	45.0 %	34.4 %	29.0 %	
Belden	426	1,569.4	1,714.4	54	169.2	222.4	0.50	1.45	1.86	23.9%	30.1%	47.1%	9.2%	31.5%	27.9%	30.6 %	12.6 %	5.6 %	
BYD Elec	550	1,639.4	2,623.1	47	183.7	222.2	0.01	0.06	0.06	97.8%	49.4%	59.4%	60.0%	NM	6.6%	12.2 %	8.5 %	4.8 %	
Comba Telecom	129	571.6	758.2	24	92.3	145.4	0.01	0.06	0.09	12.7%	23.4%	14.2%	32.6%	NM	40.9%	40.2 %	18.9 %	13.9 %	
CommScope	838	3,058.6	3,301.6	132	489.5	513.5	0.55	1.95	2.06	6.9%	(15.0)%	(17.9)%	7.9%	4.9%	5.6%	30.1 %	15.7 %	7.0 %	
Comtech	239	759.9	762.6	37	130.4	137.4	0.56	2.04	2.06	95.6%	106.2%	168.7%	0.4%	5.4%	0.9%	34.6 %	15.5 %	10.6 %	
Corning	1,712	6,276.0	6,943.6	643	2,140.0	2,568.2	0.58	1.96	2.03	22.7%	56.1%	48.7%	10.6%	20.0%	3.6%	48.3 %	37.6 %	53.6 %	
Finisar	208	709.0	924.1	33	85.5	156.2	0.31	0.81	1.40	61.5%	NM	NM	30.3%	82.7%	72.9%	34.7 %	16.0 %	13.2 %	
Jiangsu Zhongtian	176	572.5	734.7	27	89.5	93.2	0.05	0.17	0.20	6.1%	18.1%	5.1%	28.3%	4.1%	13.9%	22.7 %	15.3 %	8.6 %	
Powerwave	145	540.7	639.6	13	42.6	42.7	0.02	(0.01)	0.16	6.2%	77.1%	NM	18.3%	0.2%	NM	29.5 %	9.1 %	1.9 %	
TKH Group	258	1,028.7	1,111.8	23	87.1	110.1	0.26	0.60	1.43	4.3%	49.2%	NM	8.1%	26.4%	138.2%	38.7 %	8.9 %	3.7 %	
Wuhan	34	163.0	286.5	11	61.0	106.3	0.01	0.08	0.11	(28.2)%	(13.7)%	(17.6)%	75.8%	74.3%	35.1%	28.7 %	34.1 %	23.0 %	
<b>Mean</b>		<b>402</b>	<b>1,441</b>	<b>1,699</b>	<b>90</b>	<b>310</b>	<b>377</b>	<b>0.24</b>	<b>0.77</b>	<b>0.97</b>	<b>31.2%</b>	<b>40.3%</b>	<b>43.1%</b>	<b>27.5%</b>	<b>29.5%</b>	<b>35.6%</b>	<b>32.9 %</b>	<b>18.9 %</b>	<b>14.6 %</b>
<b>Median</b>		<b>223</b>	<b>734</b>	<b>843</b>	<b>35</b>	<b>111</b>	<b>151</b>	<b>0.15</b>	<b>0.39</b>	<b>0.80</b>	<b>17.7%</b>	<b>49.2%</b>	<b>47.1%</b>	<b>23.3%</b>	<b>23.2%</b>	<b>27.9%</b>	<b>32.6 %</b>	<b>15.6 %</b>	<b>9.6 %</b>

# Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price 9/13/10	Market Cap	Enterprise Value	Cash	Debt	% Change 3/31/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash / Mkt Cap	Net Debt / EBITDA	SG&A / Revenue	R&D / Revenue
							LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS				
<b>ODMs &amp; EMS</b>																			
Compal	1.17	5,037	4,355	2,064	1,382	(8.8)%	0.2 x	NA	4.4 x	NA	6.0 x	NA	NA	NA	NA	13.5%	(0.7) x	1.2 %	1.1 %
Cybertan	1.09	360	214	149	3	(21.7)%	0.5 x	NA	13.0 x	NA	20.3 x	NA	NA	NA	NA	40.6%	(8.9) x	2.9 %	3.4 %
Flextronics	5.63	4,422	5,085	1,731	2,394	(28.2)%	0.2 x	0.2 x	4.9 x	NM	8.7 x	NM	2.2 %	(8.8)%	7.2 %	(15.0)%	0.6 x	3.0 %	NA
Foxconn	3.10	3,438	3,259	800	621	(3.6)%	0.7 x	0.8 x	8.2 x	11.9 x	15.8 x	15.5 x	NA	NA	NA	5.2%	(0.4) x	2.0 %	1.1 %
Gemtek	1.54	419	458	84	123	(3.0)%	0.9 x	0.7 x	16.1 x	9.8 x	26.0 x	15.4 x	NA	NA	NA	(9.4)%	1.4 x	4.6 %	5.9 %
Lite-On	1.23	2,732	2,263	1,723	1,253	(7.1)%	0.3 x	0.6 x	3.7 x	6.7 x	9.5 x	10.2 x	NA	NA	NA	17.2%	(0.8) x	7.4 %	2.0 %
Melco	35.33	785	517	275	8	59.4 %	0.4 x	0.3 x	4.1 x	NA	10.9 x	11.8 x	NA	NA	NA	34.1%	(2.1) x	12.9 %	NA
MTAC	0.41	626	498	242	114	(11.4)%	0.3 x	NA	19.7 x	NA	19.3 x	NA	NA	NA	NA	20.4%	(5.0) x	8.6 %	4.7 %
Qisda	0.64	1,236	1,980	342	1,086	13.9 %	0.4 x	0.4 x	10.9 x	8.0 x	9.9 x	NM	NA	NA	NA	(60.2)%	4.1 x	7.9 %	2.7 %
Quanta	1.54	5,882	5,748	4,178	4,044	(20.5)%	0.2 x	0.2 x	7.3 x	NM	8.0 x	NM	NA	NA	NA	2.3%	(0.2) x	1.4 %	0.8 %
Wistron	1.69	3,295	2,731	991	427	(2.1)%	0.1 x	0.1 x	4.7 x	NM	9.3 x	NM	NA	NA	NA	17.1%	(1.0) x	1.9 %	1.5 %
Zowee	4.93	493	417	80	4	(12.5)%	NA	2.8 x	NA	NA	40.0 x	31.8 x	NA	NA	NA	15.5%	NA	5.4 %	NA
<b>Mean</b>		2,394	2,294	1,055	955	(3.8)%	0.4 x	0.7 x	8.8 x	9.1 x	15.3 x	17.0 x	2.2 %	(8.8)%	7.2 %	6.8%	(1.2) x	4.9 %	2.6 %
<b>Median</b>		1,984	2,121	571	524	(7.9)%	0.3 x	0.4 x	7.3 x	8.9 x	10.4 x	15.4 x	2.2 %	(8.8)%	7.2 %	14.5%	(0.7) x	3.8 %	2.0 %

(\$ in millions, except per share data)

Company Name	Revenue			EBITDA			EPS			MRQ/PYQ Growth			NTM / LTM Growth			LO Margin		
	MRQ	LTM	NTM	MRQ	LTM	NTM	MRQ	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	EPS	Gross	EBITDA	Net
<b>ODMs &amp; EMS</b>																		
Compal	7,209	24,447.6	NA	265	980.0	NA	0.04	0.19	NA	NA	NA	105.9%	NA	NA	NA	5.4 %	3.7 %	2.8 %
Cybertan	94	397.0	NA	4	16.4	NA	0.01	0.05	NA	(2.5)%	(47.9)%	(61.7)%	NA	NA	NA	9.9 %	4.3 %	1.9 %
Flextronics	6,566	24,893.9	28,113.3	269	1,042.5	1,336.0	0.19	0.65	0.81	13.5%	59.0%	137.5%	12.9%	28.2%	24.0%	5.6 %	4.1 %	2.4 %
Foxconn	932	4,568.8	4,106.1	94	398.7	274.2	0.04	0.20	0.20	(5.8)%	11.6%	52.1%	(10.1)%	(31.2)%	1.6%	9.9 %	10.1 %	4.4 %
Gemtek	138	537.7	694.0	5	28.5	46.6	0.01	0.06	0.10	(0.9)%	(49.5)%	(23.7)%	29.1%	63.5%	68.7%	11.3 %	3.9 %	2.6 %
Lite-On	1,834	6,886.7	3,972.9	164	617.5	336.7	0.03	0.13	0.12	39.8%	6.1%	53.5%	(42.3)%	(45.5)%	(6.9)%	15.7 %	8.9 %	4.2 %
Melco	342	1,307.8	1,612.5	36	127.1	NA	0.95	3.24	2.98	18.0%	357.7%	620.1%	23.3%	NA	(7.9)%	22.5 %	10.5 %	6.2 %
MTAC	442	1,928.2	NA	12	25.3	NA	0.01	0.02	NA	(4.1)%	NM	203.2%	NA	NM	NA	13.6 %	2.7 %	2.1 %
Qisda	1,006	4,467.1	4,860.2	29	182.4	246.7	0.01	0.06	0.05	(10.4)%	(27.6)%	304.2%	8.8%	35.2%	(23.1)%	11.4 %	2.9 %	2.8 %
Quanta	9,130	32,464.2	37,657.5	160	791.8	849.8	0.04	0.19	0.16	65.4%	(29.0)%	5.7%	16.0%	7.3%	(17.4)%	3.4 %	1.8 %	1.7 %
Wistron	4,608	18,703.0	22,993.8	146	581.2	646.0	0.05	0.18	0.21	18.8%	29.0%	68.7%	22.9%	11.2%	15.6%	5.8 %	3.2 %	2.0 %
Zowee	29	NA	148.8	3	NA	NA	0.03	0.12	0.16	NA	NA	NA	NA	NM	25.8%	14.8 %	10.9 %	8.8 %
<b>Mean</b>	2,694	10,964	11,573	99	436	534	0.12	0.43	0.53	13.2%	34.4%	133.2%	7.6%	9.8%	8.9%	10.8 %	5.6 %	3.5 %
<b>Median</b>	969	4,569	4,106	65	399	337	0.04	0.16	0.16	6.3%	6.1%	68.7%	14.5%	11.2%	1.6%	10.6 %	4.0 %	2.7 %



# Introduction to SagePoint Advisors

---

## Introduction to SagePoint Advisors

*SagePoint Advisors is a boutique investment banking firm providing merger, acquisition and strategic advisory services to technology and telecom companies and their venture backers.*

<b>Mission</b>	To deliver the senior-level attention, trusted relationships and market insight on \$10-100 million M&A transactions that other investment banks reserve only for much larger transactions.
<b>Services</b>	Sell Side Advisory; Divestitures; Buy Side Advisory; Strategic Investments
<b>Industry Focus</b>	Software, hardware and services in the Wireless, VoIP, IP Video, Networking, Internet, Telecom Equipment, IT Infrastructure and Enabling Technology sectors
<b>Offices</b>	San Diego, CA

### David P. Michaels - Founder & Managing Director



Prior to founding SagePoint Advisors in 2008, David Michaels was a Co-Founder, Partner and Managing Director at Montgomery & Co., a leading investment bank focused on serving emerging-growth technology companies and their venture backers. Mr. Michaels co-founded Montgomery's investment banking business in 1996 as the lead banker and played an instrumental role in building the business to over \$50 million in revenues and 80 employees. Mr. Michaels launched Montgomery's San Diego office in 2003 and established Montgomery as the dominant brand in the region. Mr. Michaels also ran the firm's Communications and Digital Media Technology practice areas for several years prior to his departure. During his 14 year tenure at Montgomery, Mr. Michaels advised CEOs and Boards on more than 75 corporate strategy, M&A and fund raising engagements.

Mr. Michaels has intimate knowledge of the strategic landscape, market dynamics and technology underpinnings of several high technology market segments including wireless infrastructure, software and services, voice, video and data infrastructure, software and services, storage infrastructure and software, networking equipment, Internet software and services and semiconductors. Prior to co-founding Montgomery's investment banking business, Mr. Michaels managed strategic consulting assignments for the firm including market entry analysis, acquisition search studies and strategic portfolio assessments.

Prior to joining the Montgomery in 1994, Mr. Michaels held various investment banking positions including a position within Bankers Trust Corporate Finance Department, where he helped execute merger and acquisition assignments such as sale mandates and valuation analyses. Prior to that, Mr. Michaels worked as a structural engineer at General Dynamics, where he assisted on the Advanced Tactical Fighter program. Mr. Michaels received an M.B.A. with an emphasis in marketing and entrepreneurship from the Anderson School of Management at UCLA and holds a B.S. in Mechanical Engineering from the University of Michigan.

### Teak Murphy - Senior Associate



Prior to joining SagePoint, Teak worked as a Senior Associate with Enterprise Partners Venture Capital, the largest Southern California based VC firm, where he evaluated investment opportunities and worked closely with senior management and board members to successfully grow portfolio companies. Prior to Enterprise Partners, Teak worked as an Associate in technology investment banking at Montgomery & Co. where he spent three years working closely with SagePoint's founder David Michaels on buy-side and sell-side M&A transactions. Prior to Montgomery, Teak worked at Cowen & Co. advising technology companies on M&A and IPO transactions.

Teak's experience working on fund raising, mergers and acquisitions, and initial public offerings as both an advisor and investor provides unique insight into the needs of venture-backed companies. Teak graduated from the University of Southern California with honors, receiving a B.S. in Business Administration and Finance .

## Primary Industry Focus – Communications & Networking

Value Chain	Wireless	VoIP	Video	Data
Services	Mobile messaging, content, search, LBS, social networking, gaming, etc.	VoIP service providers, voice search, website voice enablement, etc.	Cable & DBS, Internet video, conferencing, video delivery networks, etc.	Internet access, web hosting, co-location, SaaS delivery networks, etc.
Software	Mobile and fixed wireless application and infrastructure software, etc.	VoIP softphone client and server software, FMC software, etc.	Video encoding, transcoding, editing, sharing and player software, etc.	Networking & Internet client and server software, etc.
Equipment	Handsets and modules, fixed and mobile wireless equipment, etc.	VoIP handsets, gateways, IP-PBXs, SBCs, media servers, etc.	Cable & IPTV equipment, video conferencing, VOD, DVRs, STBs, etc.	WAN, LAN and optical data networking and telecom equipment, etc.
Semiconductors	3G/4G, WiMax, WLAN, & WPAN RF & BB ICs, etc.	VoIP DSPs and ASICs	Video encode/decode, processing and transport ICs, etc.	WAN, LAN, I/O storage and security networking ICs

# Transaction Experience of SagePoint Team

 <i>has been acquired by</i>  August 2009	 <i>has been acquired by</i> Undisclosed Buyer November 2008	 <i>has sold certain assets to</i> Undisclosed Handset OEM October 2008	 Buyside Advisory 2008	 <i>has been acquired by</i>  April 2008	 <i>has sold its assets to</i>  \$10,000,000 October 2007	 <i>has been acquired by</i>  \$34,875,000 September 2007
 Initial Public Offering \$82,500,000 Co-manage June 2007	 <i>has been acquired by</i>  January 2007	 Initial Public Offering \$167,440,000 Co-manager September 2006	 <i>has been acquired by</i>  August 2006	 <i>has been acquired by</i>  August 2006	 Senior Convertible Debentures \$5,000,000 Financial Advisor and Placement Agent July 2006	 <i>has sold its SRAM assets to</i>  January 2006
 Private Investment in Public Equity \$14,400,000 Co-Agent January 2006	 <i>has been acquired by</i>  October 2005	 <i>has agreed to the sale of their NAS Software Intellectual Property to</i>  \$50,000,000 May 2005	 <i>has sold a minority stake to</i> Strategic Investor 2005	 <i>has been acquired by</i>  August 2004	 <i>has been acquired by</i>  \$122,500,000 April 2004	 <i>has been acquired by</i>  March 2004
 <i>has been acquired by</i>  August 2003	 <i>has been acquired by</i>  December 2003	 <i>has been acquired by</i>  February 2003	 <i>has been acquired by</i>  April 2002	 Private Placement \$9,900,000 Placement Agent July 2001	 Private Placement \$11,000,000 Placement Agent May 2000	 <i>has merged with</i>  \$157,000,000 March 2000




















































## Transaction Experience by Market Segment

*SagePoint's Founder has led more than 75 M&A and fund raising engagements with deal experience across the entire communications and networking value chain.*

Value Chain	Wireless	VoIP	Video	Data
Services	<ul style="list-style-type: none"> <li>• Sale of Xumii to Myriad Group</li> <li>• Capital Raise for InfoSonics</li> </ul>	<ul style="list-style-type: none"> <li>• Sale of AccessLine to Telanetix</li> <li>• Strategic Advisory for Voice 2.0 Service Provider</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Advisory for DirecTV Reseller</li> </ul>	<ul style="list-style-type: none"> <li>• Sale of Compute Intensive to Verio</li> <li>• Sale of GeoNet to Level 3</li> <li>• Capital Raise for Speakeasy</li> </ul>
Software	<ul style="list-style-type: none"> <li>• Sale of Neven Vision to Google</li> <li>• Sale of SKY MobileMedia;</li> </ul>	<ul style="list-style-type: none"> <li>• Sale of CrystalVoice to Global IP Solutions</li> <li>• Buyside Advisory for VOIP Softphone Vendor</li> </ul>	<ul style="list-style-type: none"> <li>• IPO for Divx</li> <li>• Strategic Advisory for Mobile Video SW Vendor</li> </ul>	<ul style="list-style-type: none"> <li>• Sale of LVL7 to Broadcom</li> <li>• Sale of Neteon to CA</li> </ul>
Equipment	<ul style="list-style-type: none"> <li>• Sale of Strix to Idream</li> <li>• Sale of Aiprime to Sierra Wireless</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Advisory for Unified Messaging Vendor</li> <li>• Strategic Advisory for IP-PBX Vendor</li> </ul>	<ul style="list-style-type: none"> <li>• Sale of Gyration to Philips</li> <li>• Sale of TIR to Philips</li> </ul>	<ul style="list-style-type: none"> <li>• Sale of Network Physics to OpNet</li> <li>• Capital Raise for Raptor Networks</li> <li>• Sale of Procom to Sun</li> </ul>
Semis	<ul style="list-style-type: none"> <li>• Sale of CommAsic to Freescale</li> <li>• Peregrine Strategic Investment</li> <li>• Sale of Synad to ST</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Advisory for Noise Cancellation IC Vendor</li> </ul>	<ul style="list-style-type: none"> <li>• Sale of Vativ to Entropic</li> <li>• Strategic Advisory for Video Processing IC Vendor</li> </ul>	<ul style="list-style-type: none"> <li>• Strategic Advisory for Storage Networking IC Vendor</li> </ul>

# Representative Buyer Relationships

Internet / Media	Service Providers	Communications Software / SaaS	Communications Equipment	Communications Semiconductors
         	         	         	        	         

## Why Work With SagePoint?

---

- SagePoint delivers the senior-level attention, trusted relationships and market insight on \$10-100M transactions that larger investment banks reserve only for much larger transactions
- SagePoint's domain knowledge is world-class across the entire communications and networking value chain
- SagePoint has developed trusted relationships with the most active strategic buyers across the communications value chain
- SagePoint has the M&A expertise that comes only from decades of experience focusing on strategic transactions
- SagePoint's unwavering integrity and commitment to intellectual honesty ensures that we tell our clients what they need to hear to make sound business decisions
- At SagePoint, we offer sage advice that points our clients in the right direction to ensure an optimal outcome