

# **SagePoint Equipment 115**

## **Q3 2010 Performance Review**

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

December 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
• 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

## Q3 Adds:

- Fujian Star-Net

		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	AAC Acoustic											X	
2	Aastra				X								
3	Acme Packet			X									
4	ADC		X										
5	ADTRAN		X										
6	Alcatel-Lucent	X											
7	Allwin					X							
8	Anhui Sun Create					X							
9	Apple							X		X			
10	Arris Group					X							
11	Aruba					X							
12	Ascom Holding					X							
13	Axis				X								
14	Beijing BDStar						X						
15	Belden											X	
16	Blue Coat		X										
17	Brocade			X									
18	BYD Elec											X	
19	Calix		X										
20	Ceragon					X							
21	China Wireless							X					
22	China Zhenhua							X					
23	CIENA		X										
24	Cisco	X											
25	Comba Telecom											X	
26	CommScope											X	
27	Compal												X
28	Compellent			X									
29	Comtech											X	
30	Corning											X	

## Q3 Drops:

- 3PAR

		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	Cray									X			
32	Cybertan												X
33	Datang Telecom						X						
34	Dell								X				
35	Digi					X							
36	D-Link										X		
37	DragonWave					X							
38	Echelon					X							
39	EMC			X									
40	Ericsson	X											
41	EVS Broadcast					X							
42	F5 Networks		X										
43	Fiberhome		X										
44	Finisar											X	
45	Flextronics												X
46	Foxconn												X
47	Fujian Star-Net				X								
48	Garmin						X						
49	Gemtek												X
50	Geovision					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 Index rose 12.8% since the beginning of Q3 with all the gains coming since the start of September, outperforming the DJIA but underperforming the SagePoint 400 and NASDAQ
  - SagePoint Equipment 115 companies posted a median gain of 21.8% since the beginning of Q3 with all segments showing gains
- Positive news continues to dominate earnings season as Equipment vendors are consistently meeting or beating revenue and EPS targets
  - 77% met or beat Q3 revenue targets with beats outnumbering misses nearly 2 to 1
  - 78% met or beat Q3 EPS targets with 22% beating by 20% or more
- Median revenue growth of 16% in Q3 continues double digit growth for the third straight quarter
  - Revenue growth appears to be slowing, though that is due to improved PYQs as Q/Q revenue growth of 4.9% is higher than Q1 and Q2 Q/Q growth rates
  - Strong revenue growth is expected to continue for most segments with median growth of 14% over next twelve months
- Solid median EPS growth continues for the Equipment 115 at 24% as continued sales growth and reduced operating costs translate to strong earnings, though a mixed bag on a segment by segment basis
  - Median EPS growth of 27.6% is projected for the Equipment 115 for the next twelve months

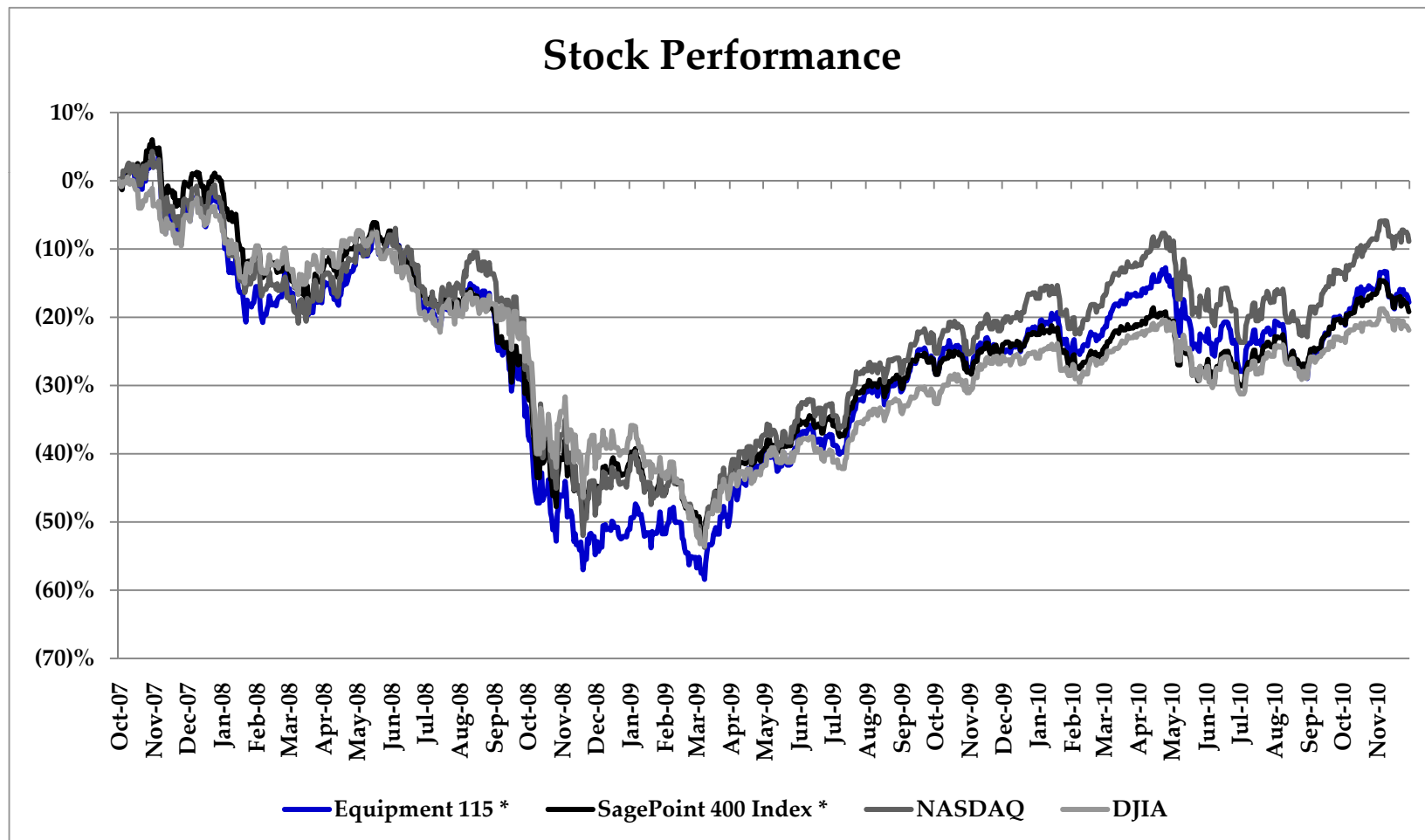
## SagePoint's Viewpoint - Key Takeaways Continued

---

- Equipment 115 operating models have generally been repaired with companies again looking to invest in R&D and SG&A to drive growth, matching revenue growth with increased spend
  - Median gross margins remain flat at three year high of 36.6% in Q3
  - Median R&D rose slightly to 10 % of revenues as most companies return to investing in innovation
  - Median SG&A as a % of revenues stayed flat at 19.2%
  - Q3 median net margin increased to 6.7%, near the three year high
- Valuation multiples have jumped since the end of Q2 when prices were depressed amid European economic concerns, surging in a strong rally starting in September
  - Median revenue multiples of 1.4x up 40% from 1.0x to end Q2 with valuation expansion outpacing revenue growth
  - Median P/E of 20.5x improved from 15.9x at end of Q2 on increased optimism and focus on future earnings projections
- M&A activity was up in Q3 for both dollar and deal volume and SagePoint expects M&A activity to remain relatively vibrant for the remainder of Q4 and through 2011
  - Notable Q3 transactions included Hewlett-Packard/3PAR (\$2.3B), Tyco/ADC (\$1.9B), Nokia/Motorola's Wireless Network Infrastructure Assets (\$1.2B), Pace/2Wire (\$475M), IBM/Blade Network (\$400M), 3M/Attenti (\$230M)
  - 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 are driving 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 rose 12.8% since the beginning of Q3 with all the gains coming since the start of September
- Since the start of Q3 the Equipment 115 has slightly outperformed the DJIA (+12.6%), but has underperformed relative to SagePoint 400 (+15.0%) and NASDAQ (+18.4%)

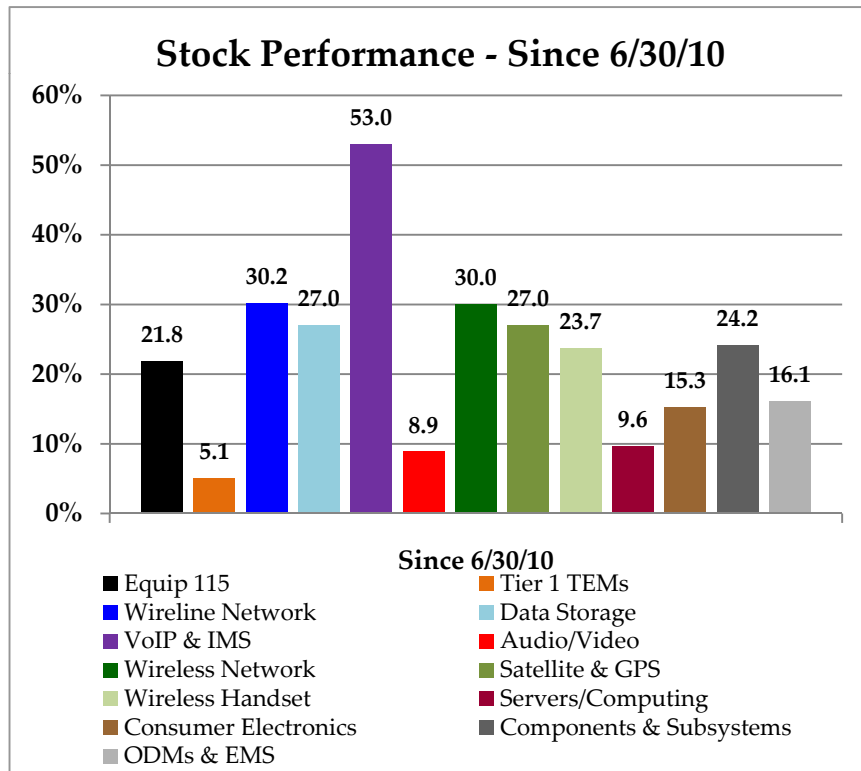


\* Market Value weighted index

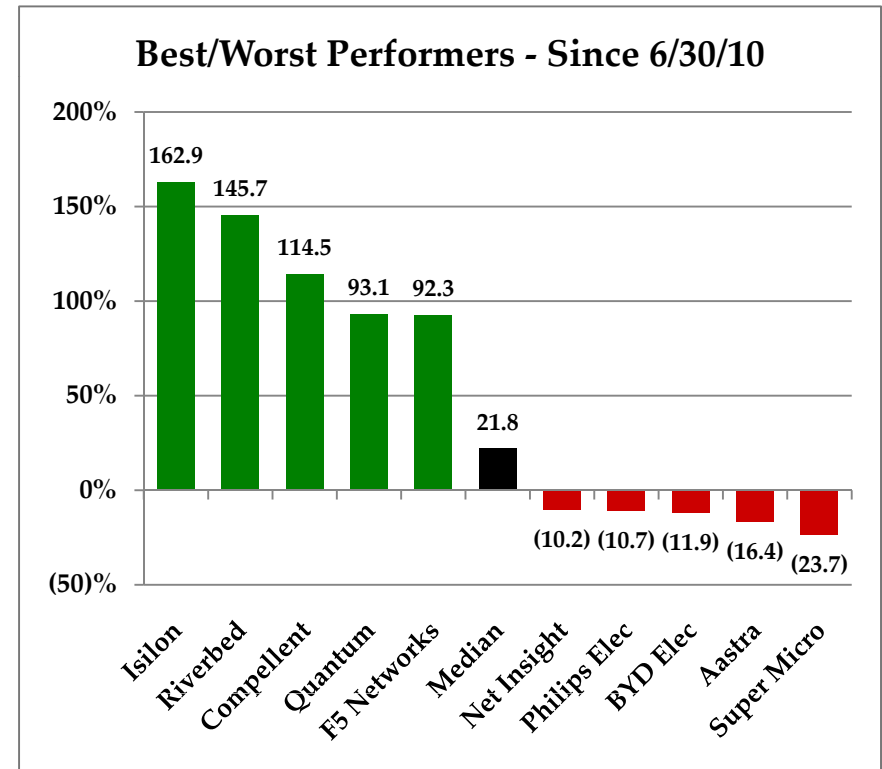
SagePoint Equipment 115 – Q3 2010

## Stock Performance Since Beginning of Q3

- The Equipment 115 has rallied since Sept. to reach a median gain of 21.8% since the start of Q3
  - 21.8% gains vs. 12.8% for market cap weighted Equip 155 Index as big caps were mostly below median
    - Cisco and Philips dropped on decent Q3 numbers but weak outlook on Q4 while Hurd's resignation hit HP hard
    - Apple actually beat the median with 23.7% growth
  - VoIP & IMS performed best, up over 50% despite three companies with dropping values
  - Tier 1 TEMs, Audio/Video and Servers/Computing lagged with single digit increases
- Big winners included Isilon and F5 who made the list for the second straight quarter with Riverbed, Compellent and Quantum rounding out the top 5 with 90%+ growth



Source: SagePoint Advisors & Capital IQ

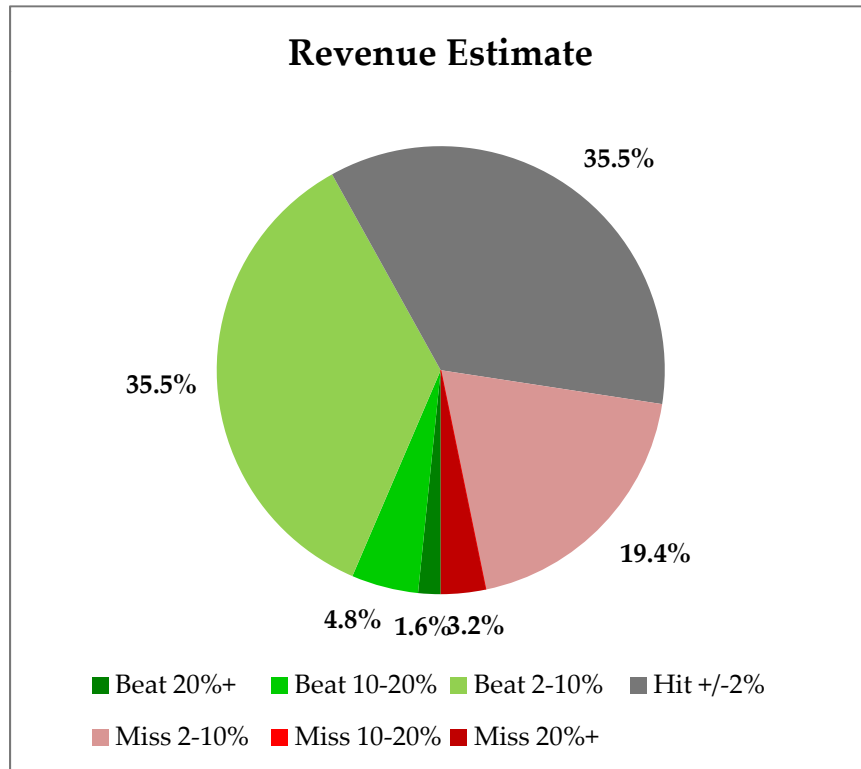


Source: SagePoint Advisors & Capital IQ

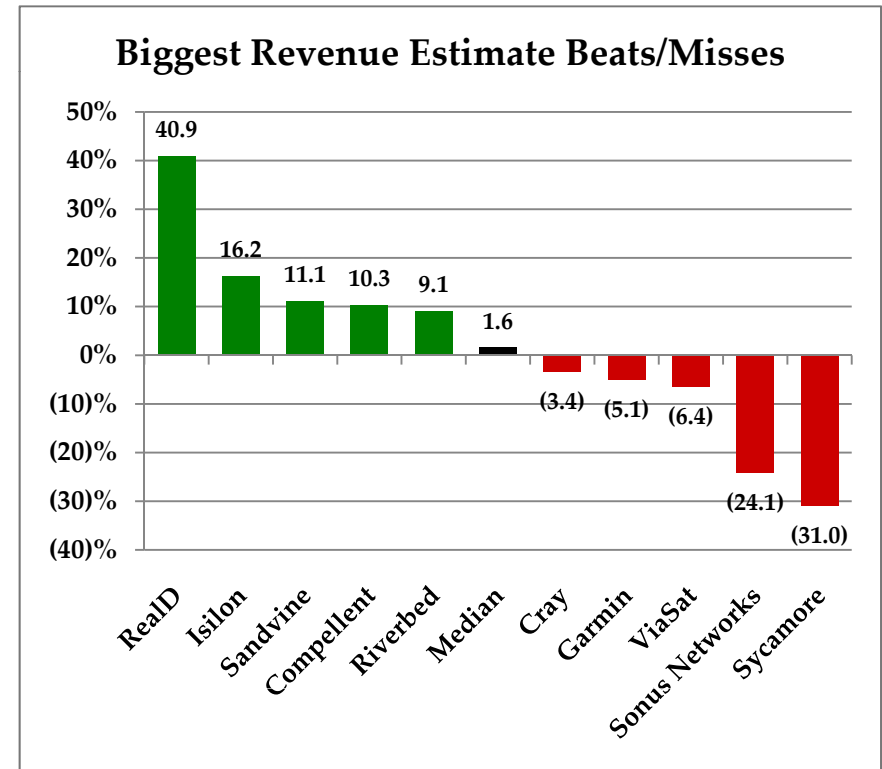


## Q3 Performance Versus Analyst Estimates – Revenue

- Positive news continues to dominate earnings season as 77.4% of the Equipment 115 met or beat revenue estimates with beats outnumbering misses nearly 2 to 1
  - RealD blew away numbers as the company almost tripled the number of RealD 3D screens
  - Isilon posted its second straight double digit beat on strong channel momentum and a surge in customer reorders, prompting EMC to put in a bid to acquire the company
  - After a big beat in the prior quarter, Sycamore significantly underperformed expectations as legacy business contracted and management announced revenue ramp from IQstream will be delayed
  - Sonus big miss due to NBS 5200 product line revenue taking longer than expected to materialize



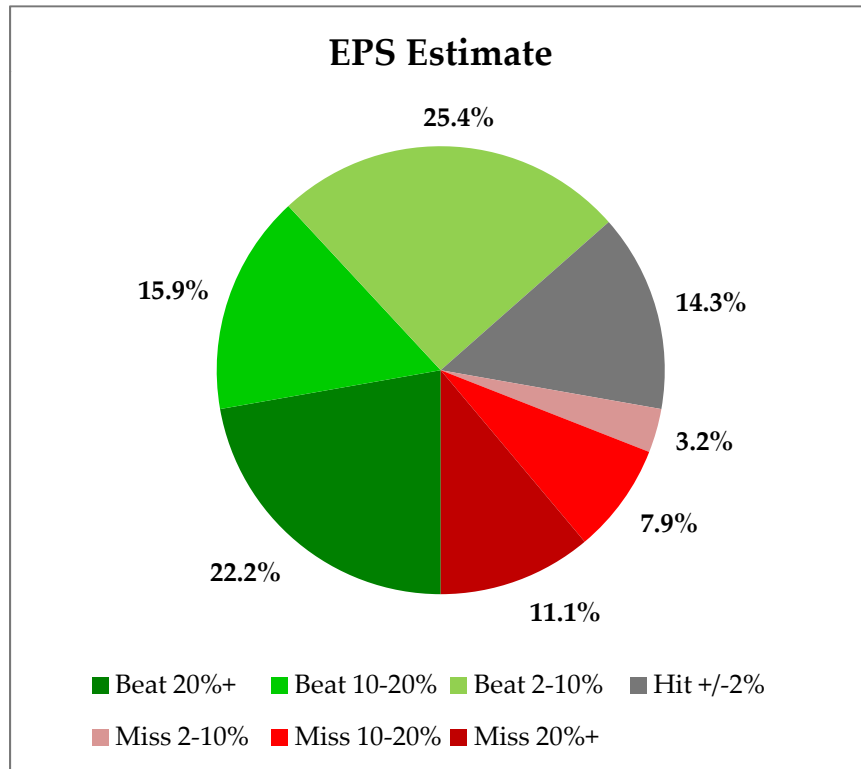
Source: SagePoint Advisors & Capital IQ



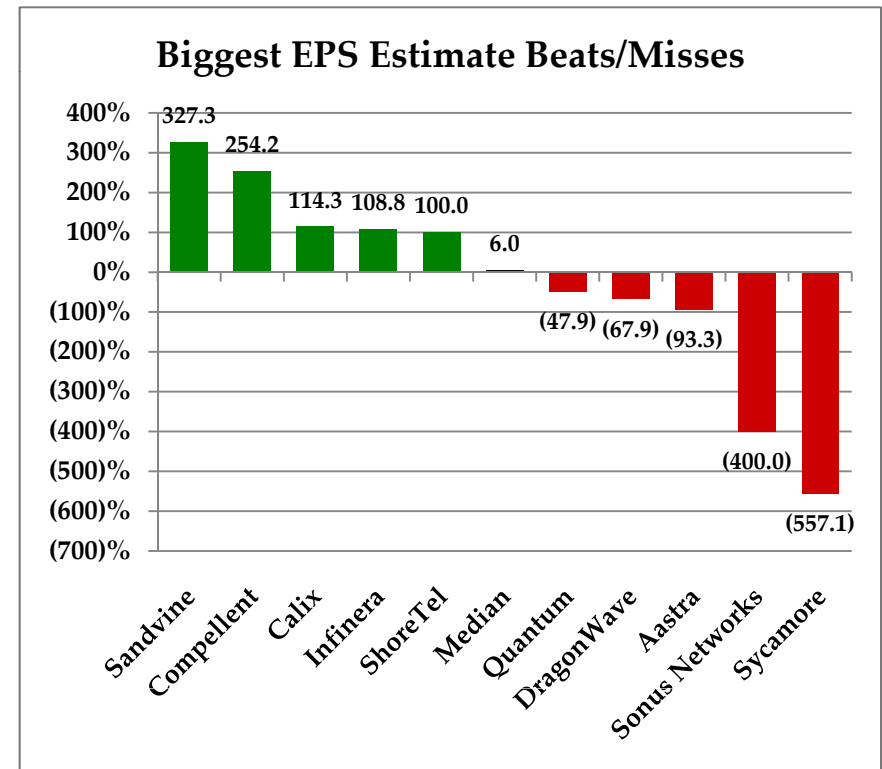
Source: SagePoint Advisors & Capital IQ

## Q3 Performance Versus Analyst Estimates – EPS

- The vast majority (78%) of the Equipment 115 beat or met estimates with 22% of the companies beating by more than 20%
  - Sandvine and Compellent continue to impress with better than expected revenue and margins leading to strong EPS
  - Calix's better than expected margins drove a big beat for the second straight quarter
  - Infinera beat again on high margin orders from Level 3 despite slowdown from other customers
  - Sycamore and Sonus revenue misses hit the bottom line hard



Source: SagePoint Advisors & Capital IQ

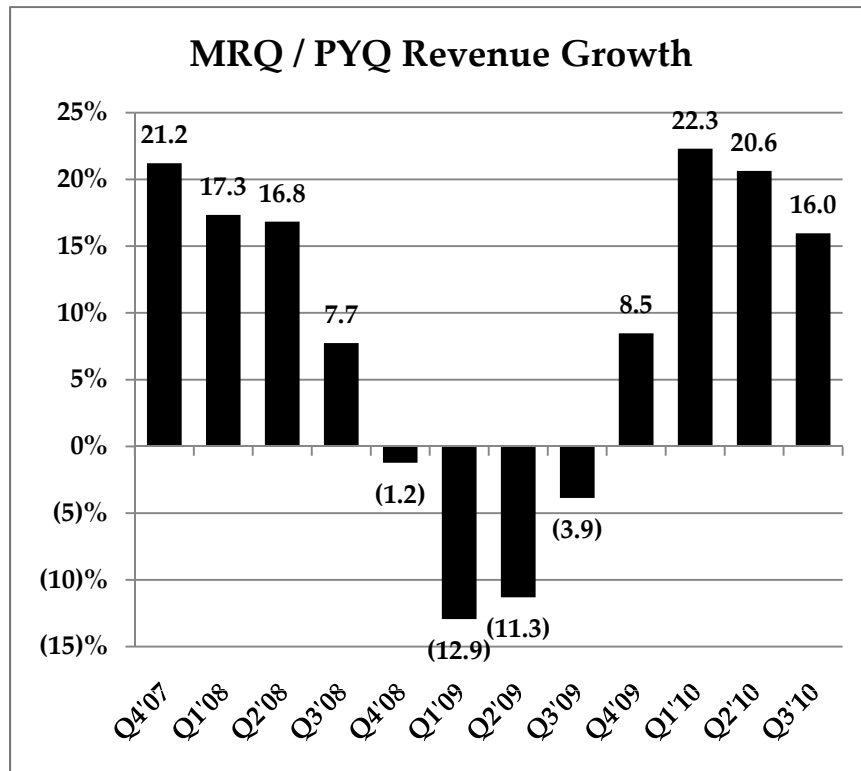


Source: SagePoint Advisors & Capital IQ

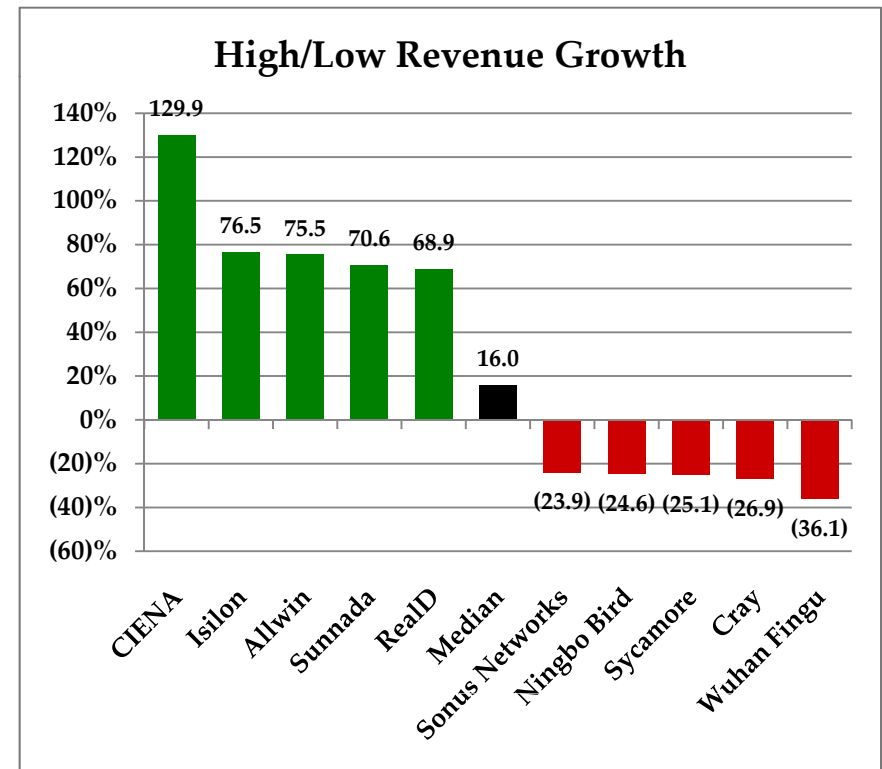
Note: Excludes companies projected to have a net margin between -1% and 1%

## Operating Metrics – Revenue Growth

- Median revenue growth of 16% in Q3 continues trend of double digit growth
  - Revenue growth appears to be slowing when compared to improving PYQs but sequential revenue growth of 4.9% is actually higher than Q1 and Q2 sequential growth rates
  - CIENA’s growth was from acquired Nortel business while core business revenue was below expectations
  - Isilon benefited from strong channel momentum and a surge in customer reorders
  - RealD tripled the number of screens showing RealD 3D
  - Wuhan Fingu down significantly from Q3’09, though in line with revenue for the past 3 quarters



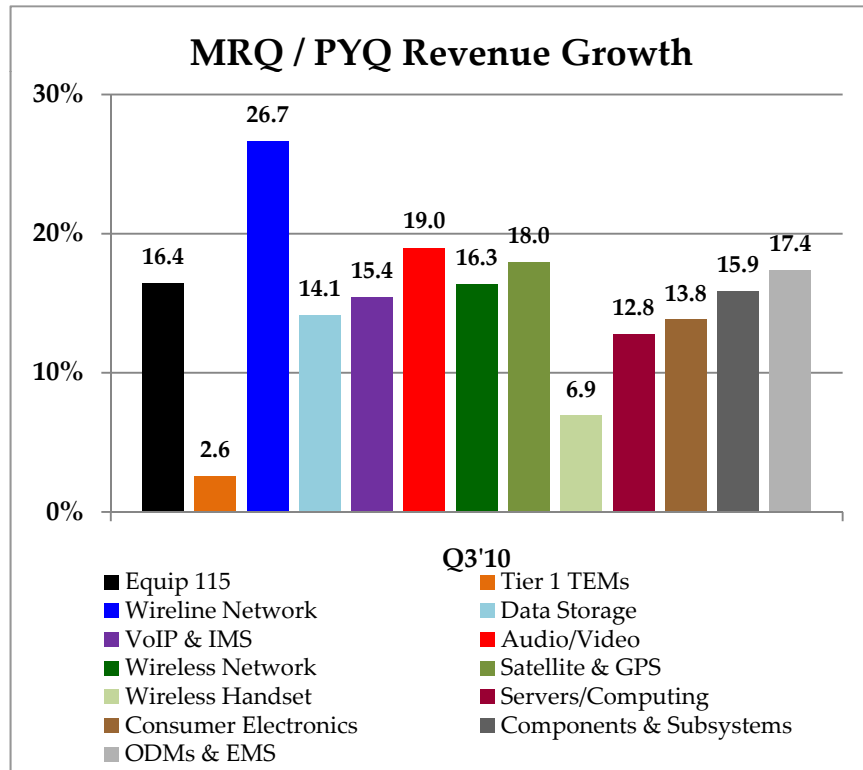
Source: SagePoint Advisors & Capital IQ



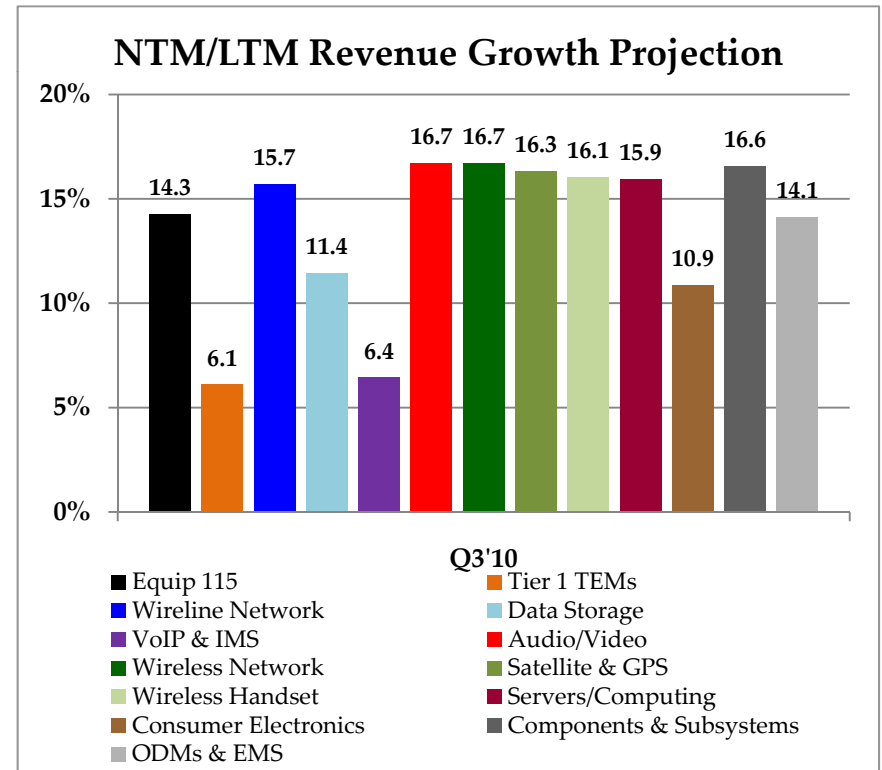
Source: SagePoint Advisors & Capital IQ

## Operating Metrics – Revenue Growth by Segment

- Most segments showed growth of 13-20%
  - Only Wireline Network generated over 20% growth
  - Wireless Handset and Tier 2 TEMs lagged with single digit growth
- Double digit revenue growth is expected to continue for most segments with median growth of 14% over next twelve months
  - Tier 1 TEMs and VoIP & IMS are the only segments significantly lagging in the single digits



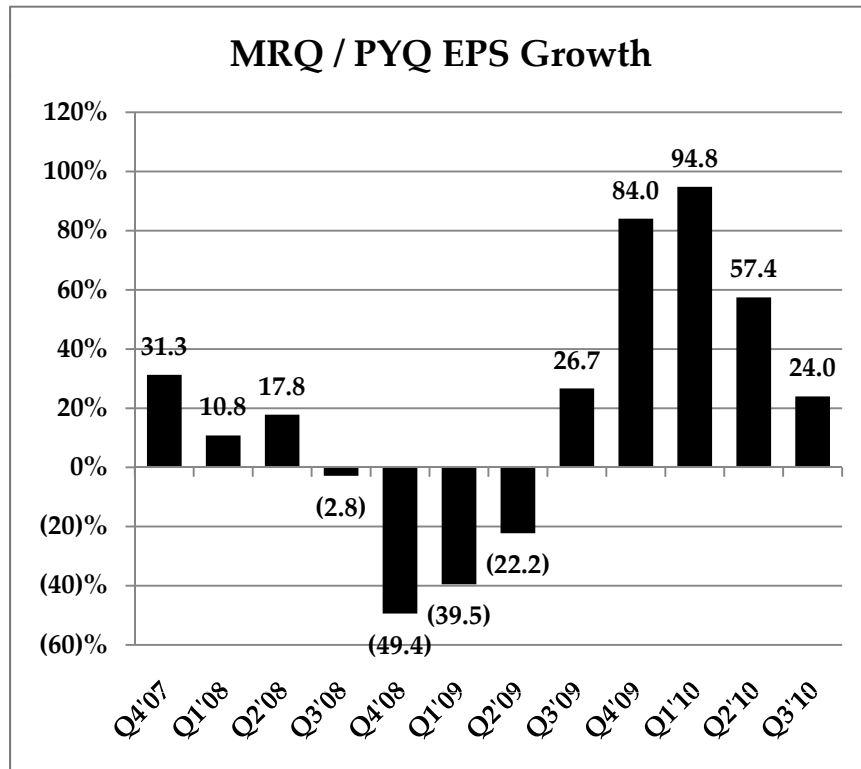
Source: SagePoint Advisors & Capital IQ



Source: SagePoint Advisors & Capital IQ

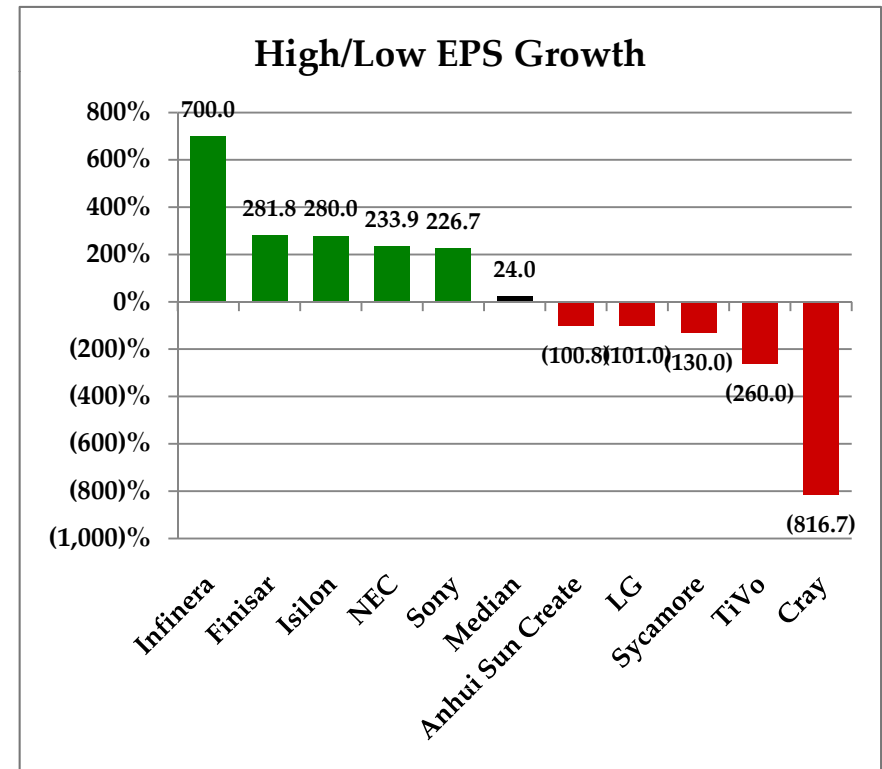
## Operating Metrics – EPS Growth

- Solid median EPS growth continues for the Equipment 115 at 24% as continued sales growth and reduced operating costs translate to strong earnings
  - Infinera turned from a loss to solid profit on strong margins and revenue growth
  - Finisar EPS growth driven by strong revenue growth and improved margins
  - Isilon strong revenue growth drove EPS growth
  - Tivo EPS drop on lower revenue from fewer subs, lower gross margins and higher operating costs pushing larger losses
  - Cray EPS contraction as revenue shortfall and rising opex drive increased losses



Source: SagePoint Advisors & Capital IQ

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

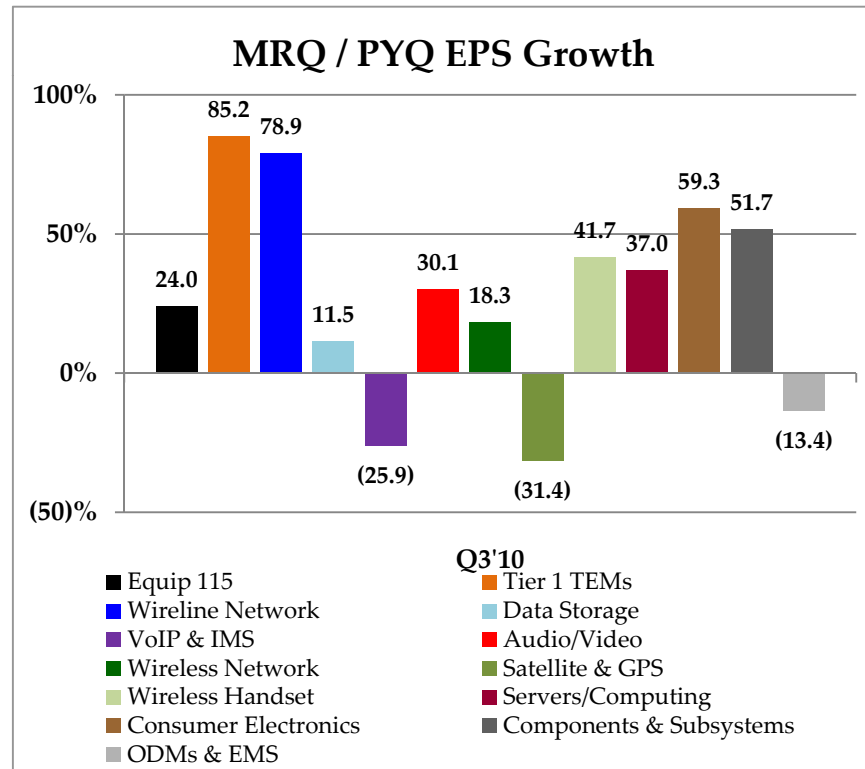


Source: SagePoint Advisors & Capital IQ

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

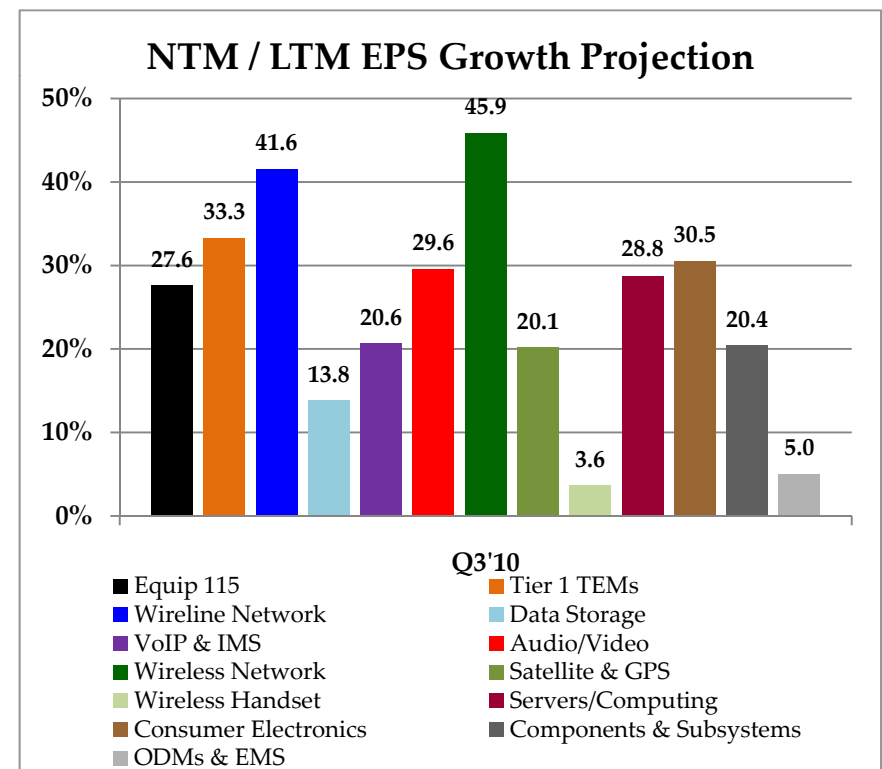
## Operating Metrics – EPS Growth by Segment

- Q3 EPS growth was up a median 24% at the Equipment 115, though a mixed bag on a segment by segment basis
  - Tier 1 TEMs led at 85% as improved scale drove higher margins with Wireline Network also strong at 79%
  - Consumer Electronics and Components & Subsystems also saw over 50% growth
  - VoIP & IMS, Satellite & GPS and ODMs & EMS all posted EPS contraction
- Median EPS growth of 27.6% is projected for the Equipment 115 for the next twelve months
  - Wireless and Wireline Networks are expected to lead, both projecting over 40% growth



Source: SagePoint Advisors & Capital IQ

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

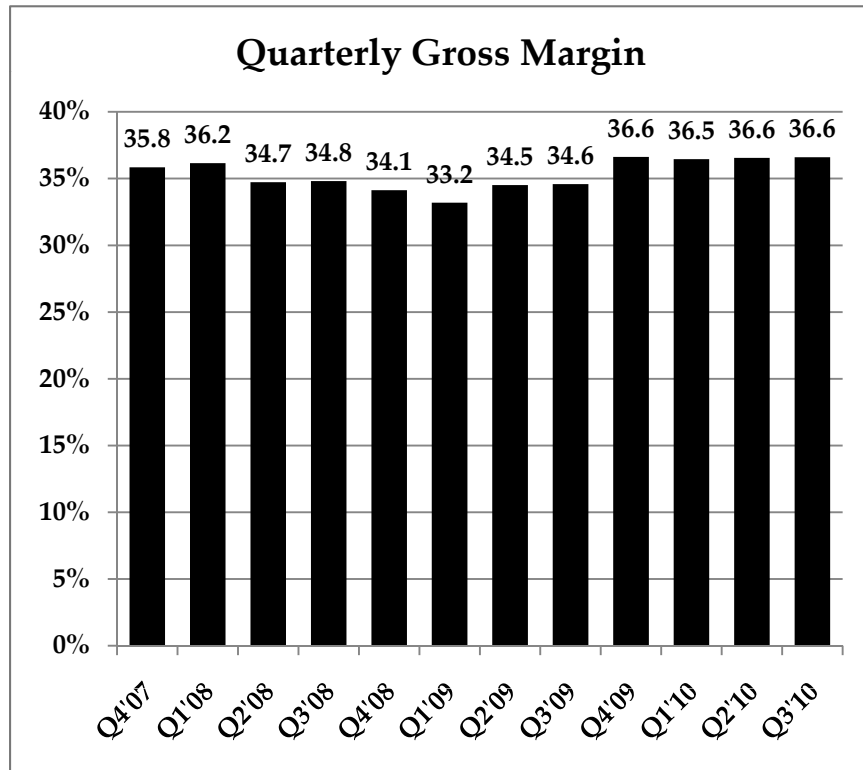


Source: SagePoint Advisors & Capital IQ

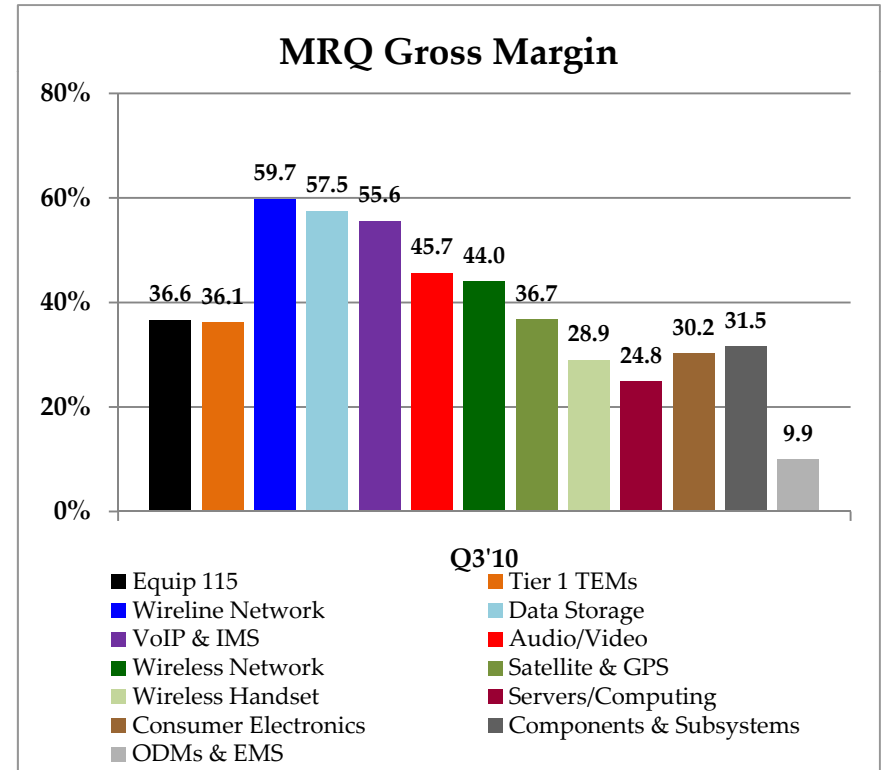
Note: Excludes companies with a net margin between -1% and 1% in the PYQ

## Operating Metrics – Gross Margins

- Median gross margins remain at their three year high of 36.6%
- Wireline Network, Data Storage and VOIP & IMS command premium gross margins of 55-60%
- Servers/Computing underperform while the ODMs & EMS segment generates very slim gross margins



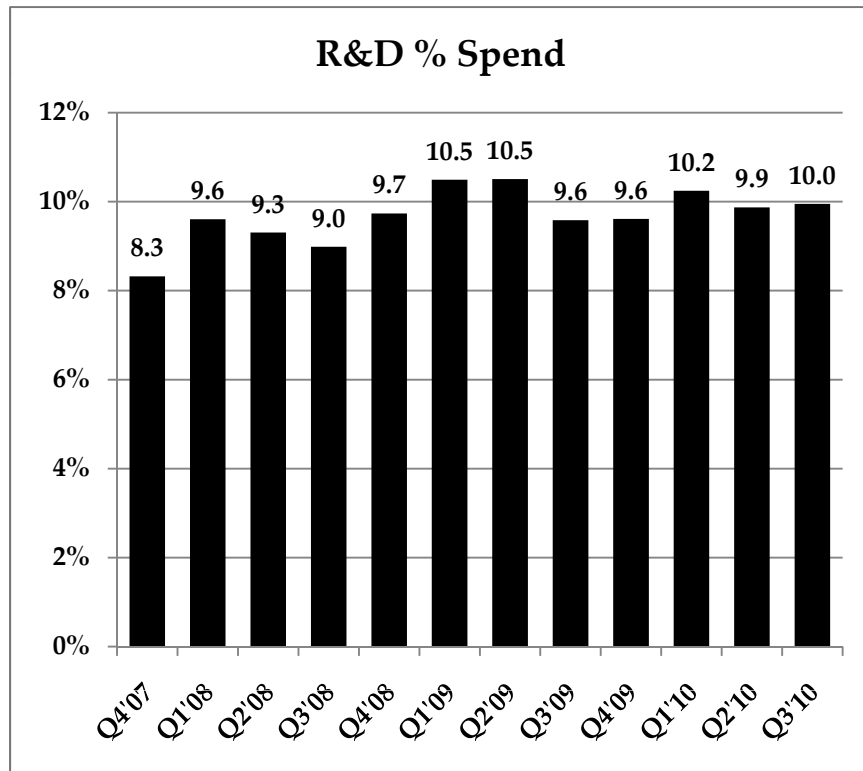
Source: SagePoint Advisors & Capital IQ



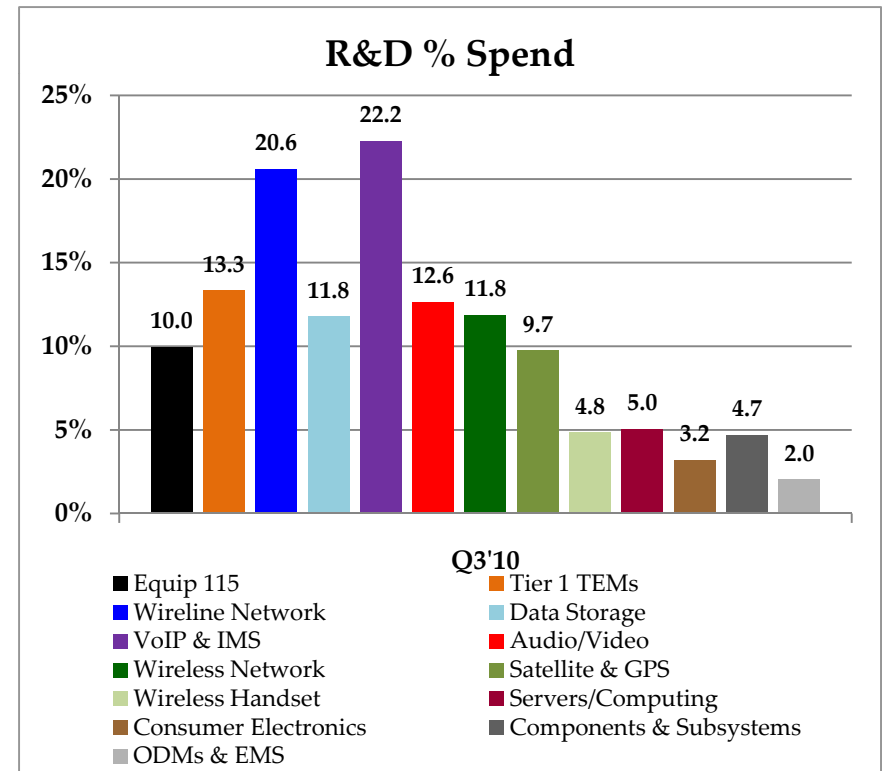
Source: SagePoint Advisors & Capital IQ

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

- Median R&D as a % of revenues was up slightly in Q3, remaining at the high end with spending increasing for most companies following deep cuts throughout '09
  - Aggregate R&D spending increased 4.5% with Wireless Handset aggregate spend up 13.9%
- In addition to increased R&D investment, we are seeing more M&A (buy instead of build), particularly for larger players that have significantly reduced R&D spend in an effort to quickly broaden or strengthen offerings



Source: SagePoint Advisors & Capital IQ

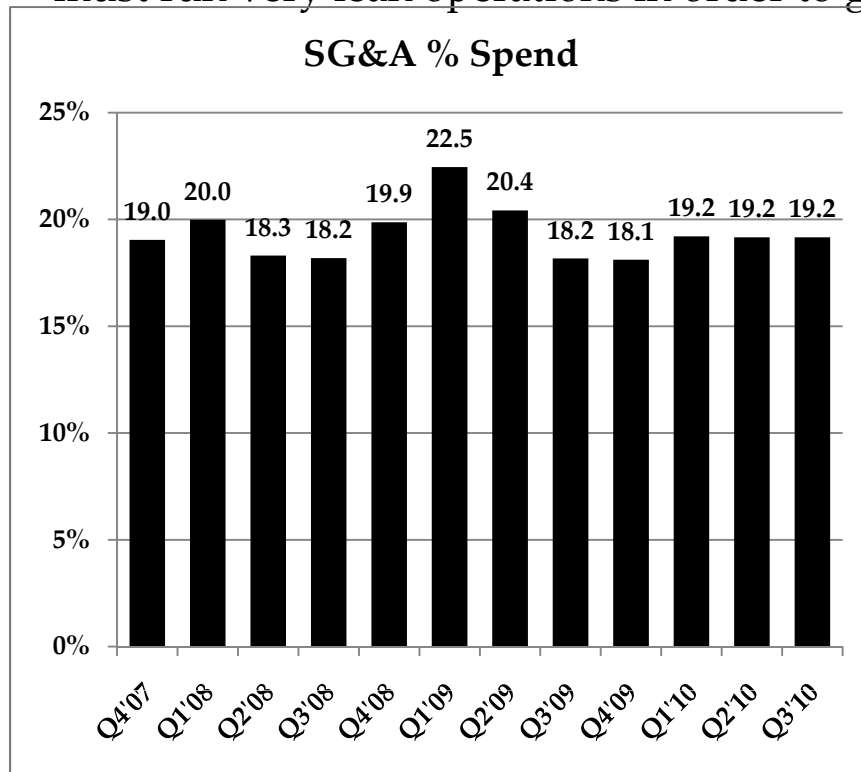


Source: SagePoint Advisors & Capital IQ

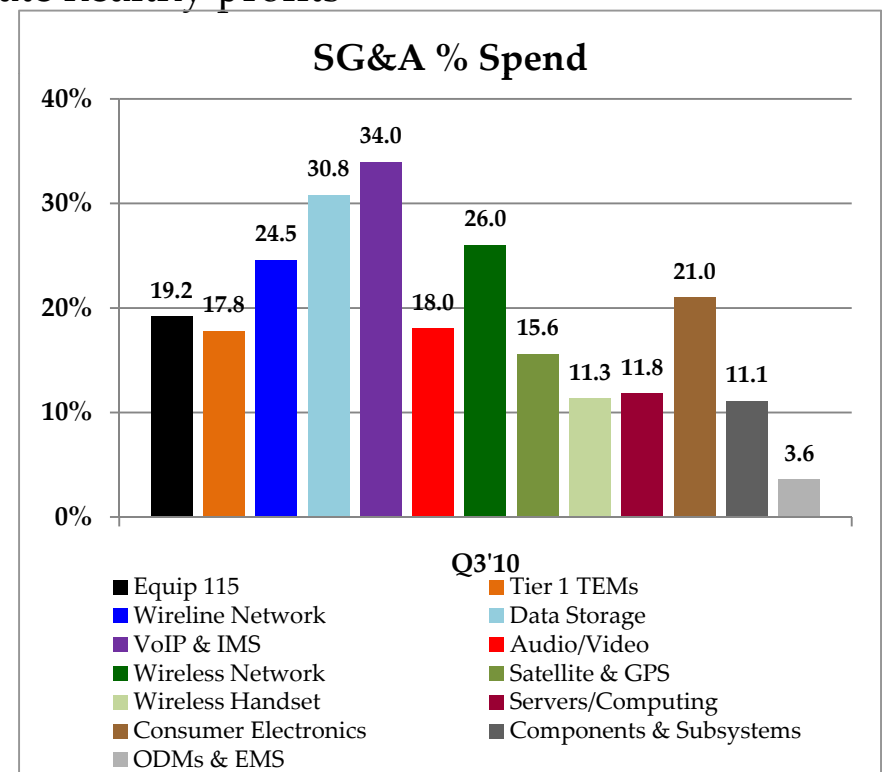


## Operating Metrics – SG&A as a % of Revenues

- Median SG&A as a % of revenues stayed flat at 19.2%, within historic norms
  - Aggregate SG&A increased 3.9% in Q3
- VoIP & IMS, Data Storage, Wireless Network and Wireline Network median SG&A as a % of revenues is 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



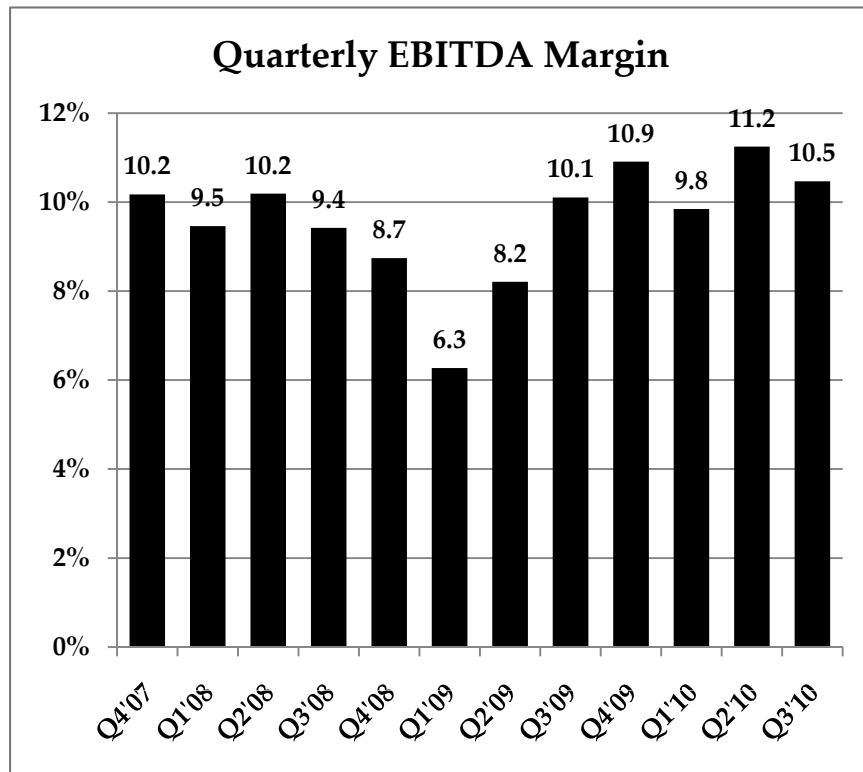
Source: SagePoint Advisors & Capital IQ



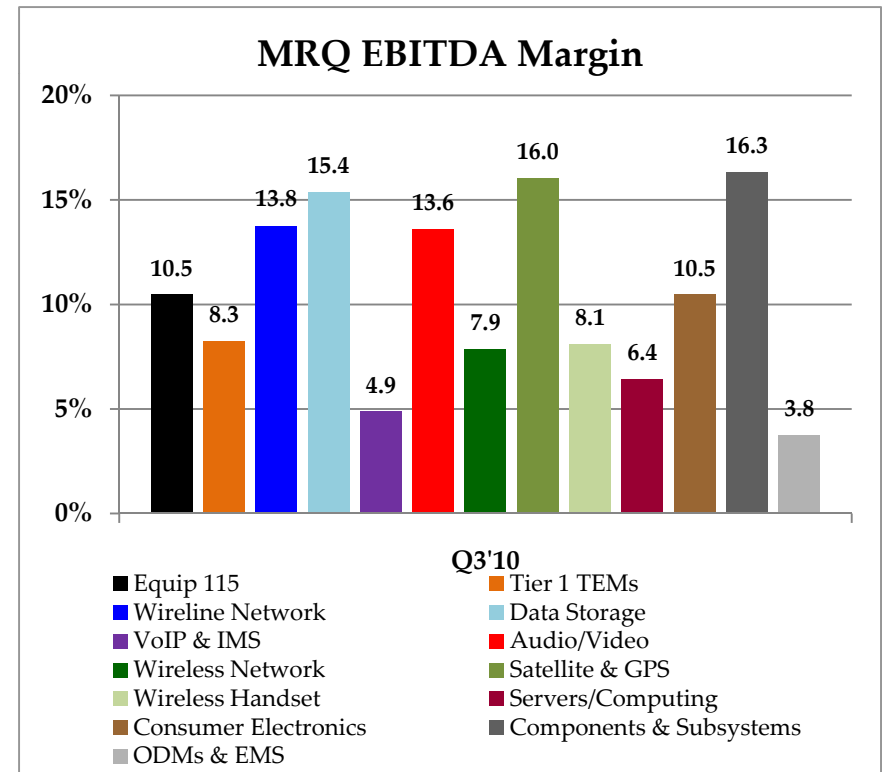
Source: SagePoint Advisors & Capital IQ

## Operating Metrics – EBITDA Margins

- Median EBITDA margins fell slightly as vendors opened the purse strings a little and begin to reinvest after several quarters of deep cost cutting
  - However, EBITDA margins remain near historic highs
- Data Storage, Satellite & GPS and Components & Subsystems outperform with 15-16% margins
- ODMs & EMS, VoIP & IMS and Servers/Computing post slim median EBITDA margins of 4-6%



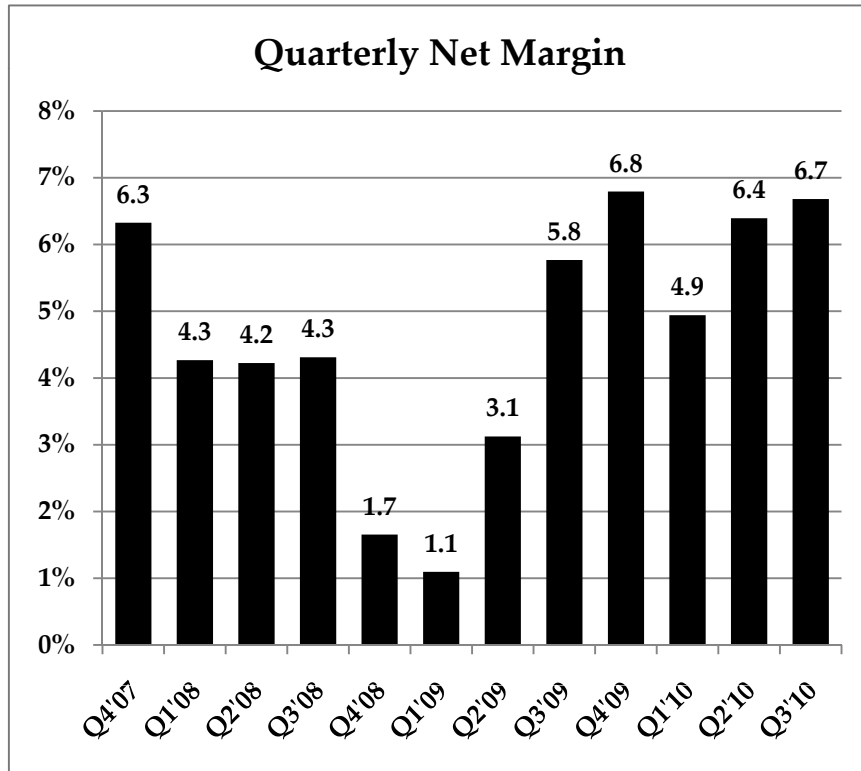
Source: SagePoint Advisors & Capital IQ



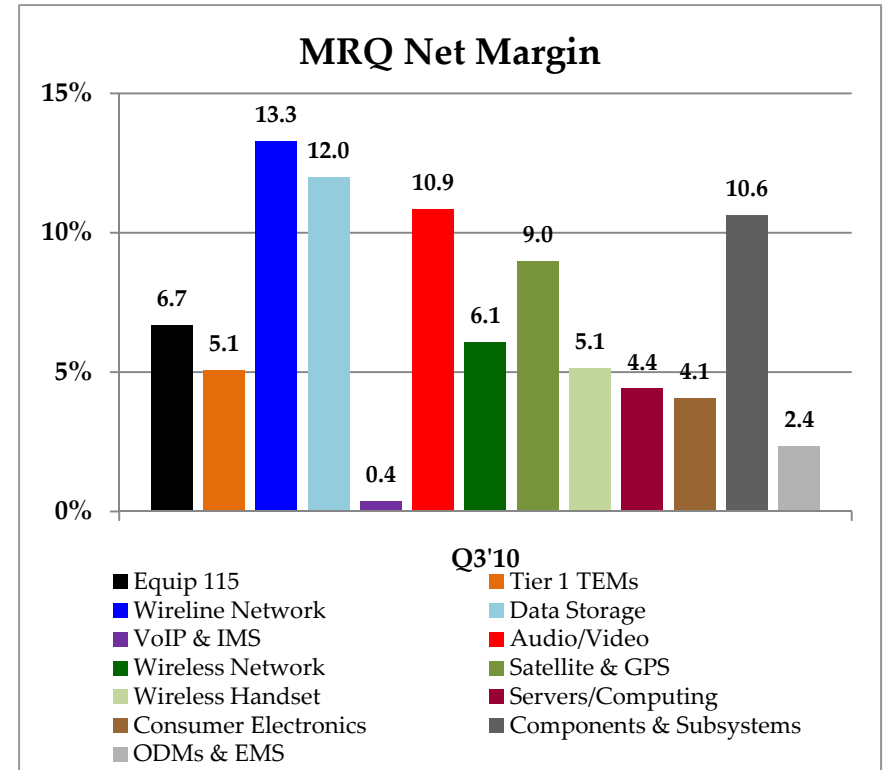
Source: SagePoint Advisors & Capital IQ

## Operating Metrics – Net Margins

- Median net margins are near their highest levels in the past three years
- Wireline Network, Data Storage, Audio/Video and Components & Subsystems achieved median net margins of 10-13% with Satellite & GPS close behind
- No segments posted a median net loss, though VoIP & IMS was barely positive and ODMs & EMS margins remain weak at 2.4%



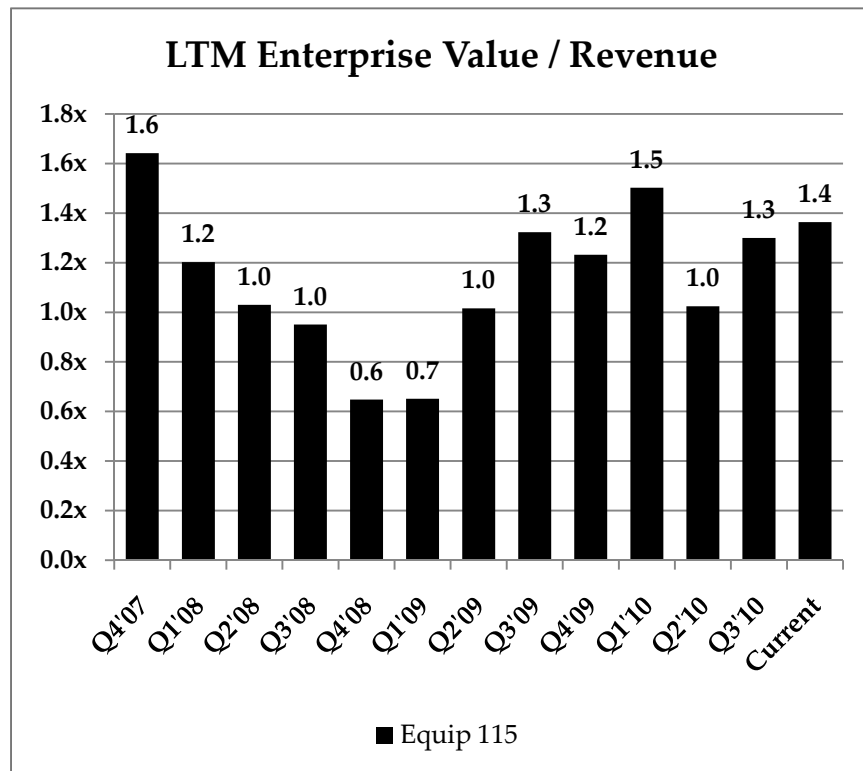
Source: SagePoint Advisors & Capital IQ



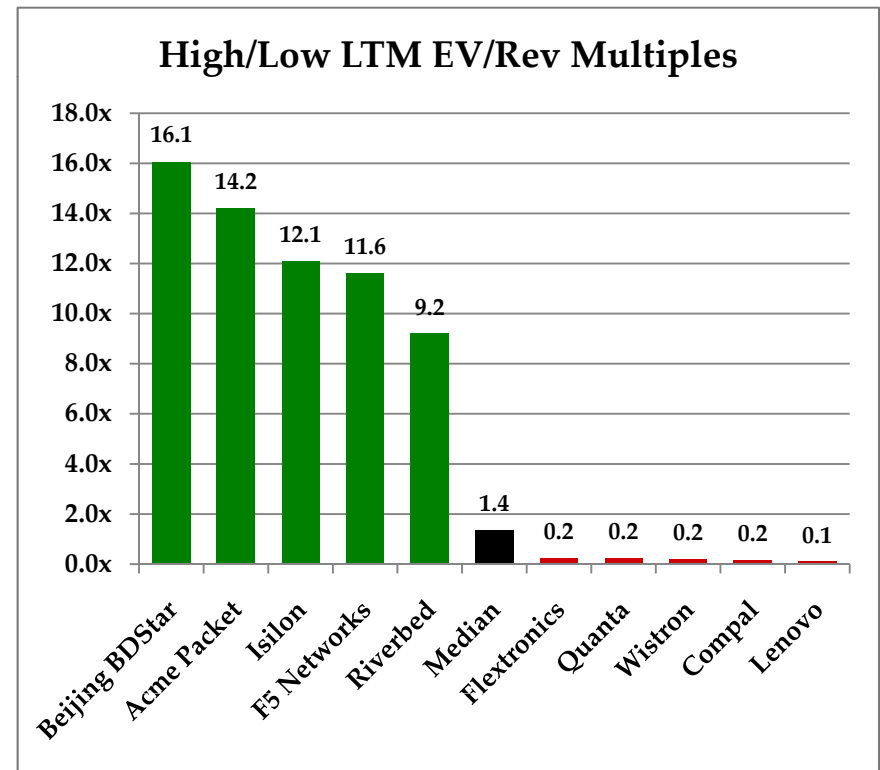
Source: SagePoint Advisors & Capital IQ

## Valuation Metrics – LTM Revenue Multiples

- Median revenue multiples were up slightly as post-September rally just outpaced quarterly revenue growth
- Strong growth projections of 30%+ for Beijing BDStar, Acme Packet and F5 lead to high multiples while Isilon multiple driven by EMC's nearly 30% premium take out offer
- 28 of the Equipment 115 still trade at 0.5x revenues or less, 8 of which are in ODMs & EMS



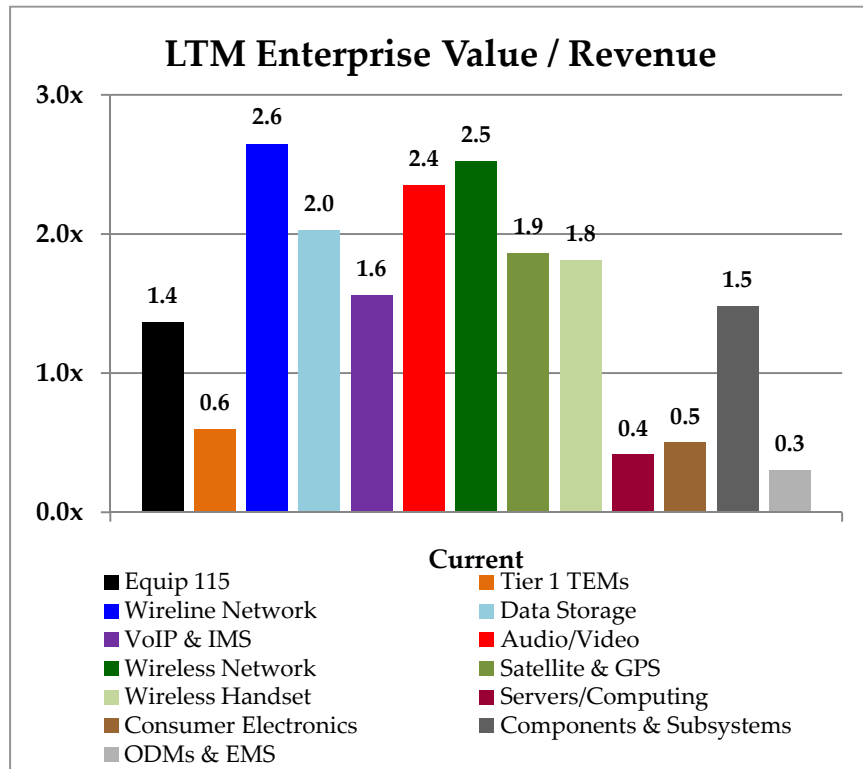
Source: SagePoint Advisors & Capital IQ



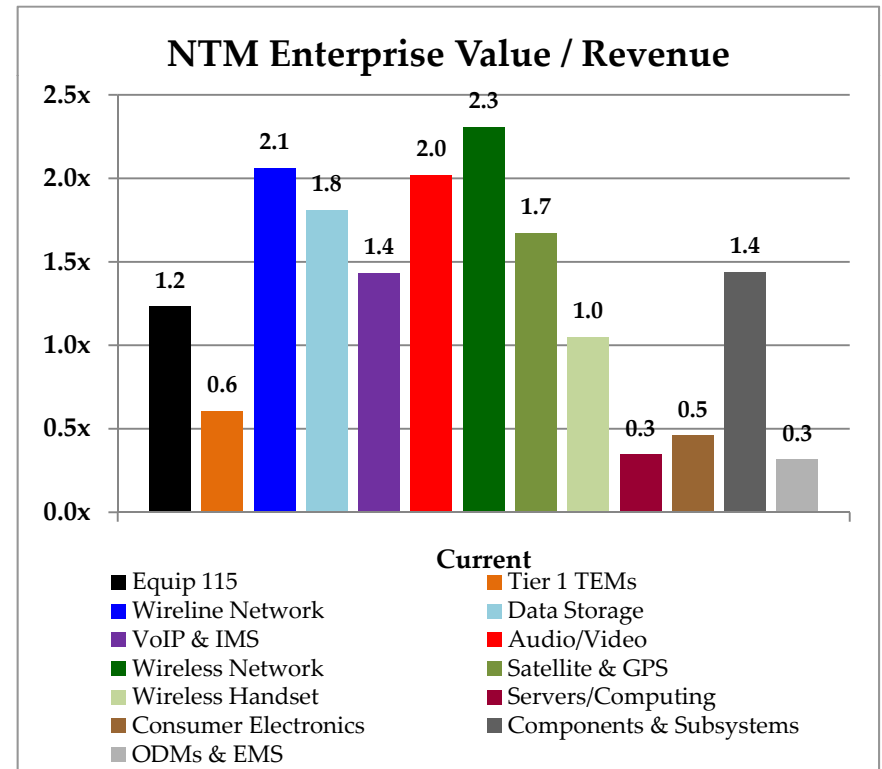
Source: SagePoint Advisors & Capital IQ

## Valuation Metrics – Revenue Multiples By Segment

- Wireline Network, Wireless Network, Audio/Video and Data Storage segments trade at premium LTM multiples of 2.0x or higher with Satellite & GPS and Wireless Handsets close behind
- Trading below 1x are Tier 1 TEMs, Consumer Electronics, Servers/Computing and ODMs & EMS due to weak margins and/or below median growth expectations



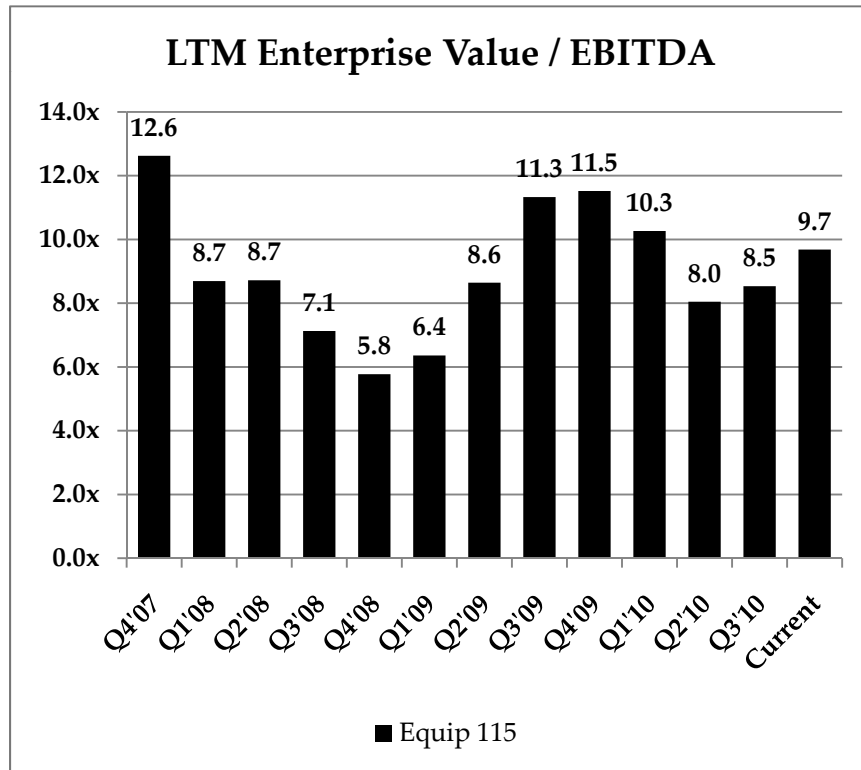
Source: SagePoint Advisors & Capital IQ



Source: SagePoint Advisors & Capital IQ

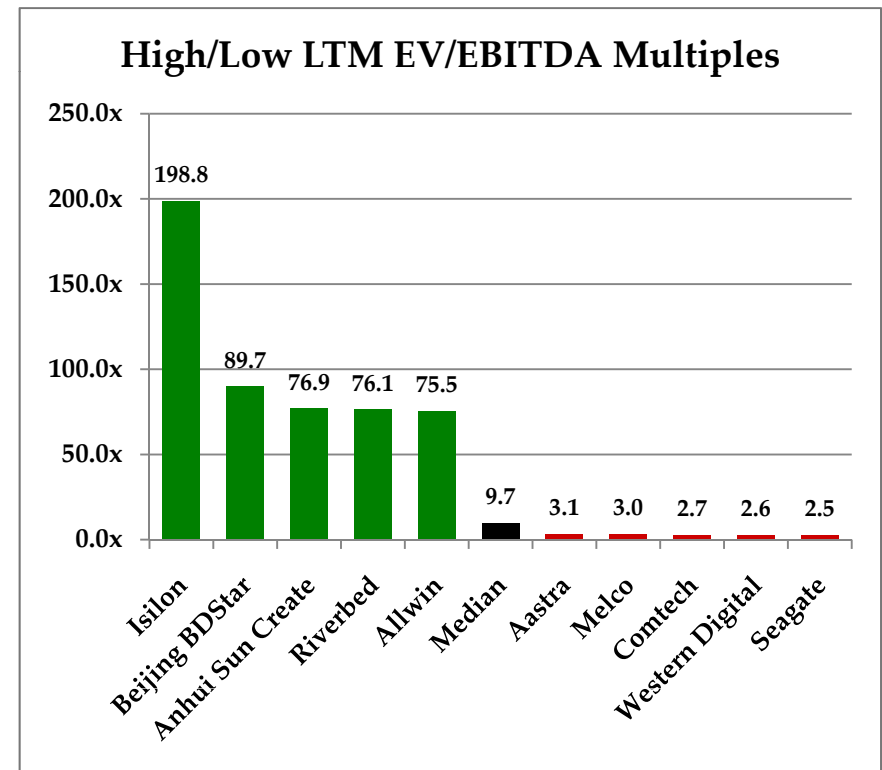
## Valuation Metrics – LTM EBITDA Multiples

- Median LTM EBITDA multiples jumped since start of Q3 as valuations have rallied since start of September while EBITDA margins softened on resumed opex spending
  - Isilon valuation due to projected 140+% EBITDA growth coupled with EMC premium buyout offer
  - Analysts are expecting triple digit EBITDA growth at Beijing BDStar and Riverbed
  - Investors appear to be expecting similar growth from Anhui Sun and Allwin
- 22 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%

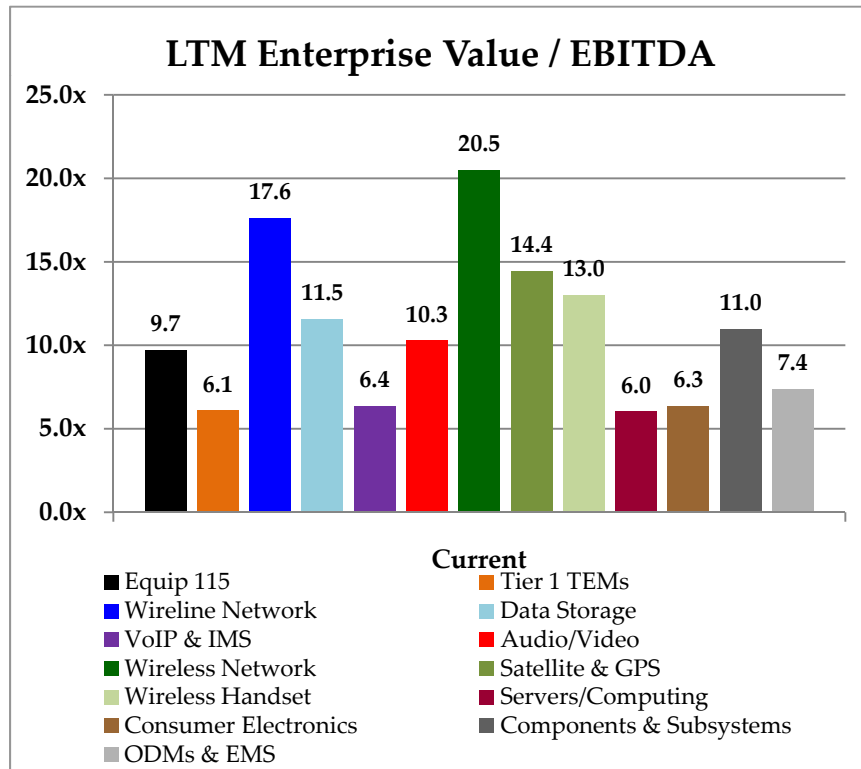


Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with an LTM EBITDA margin below 5%

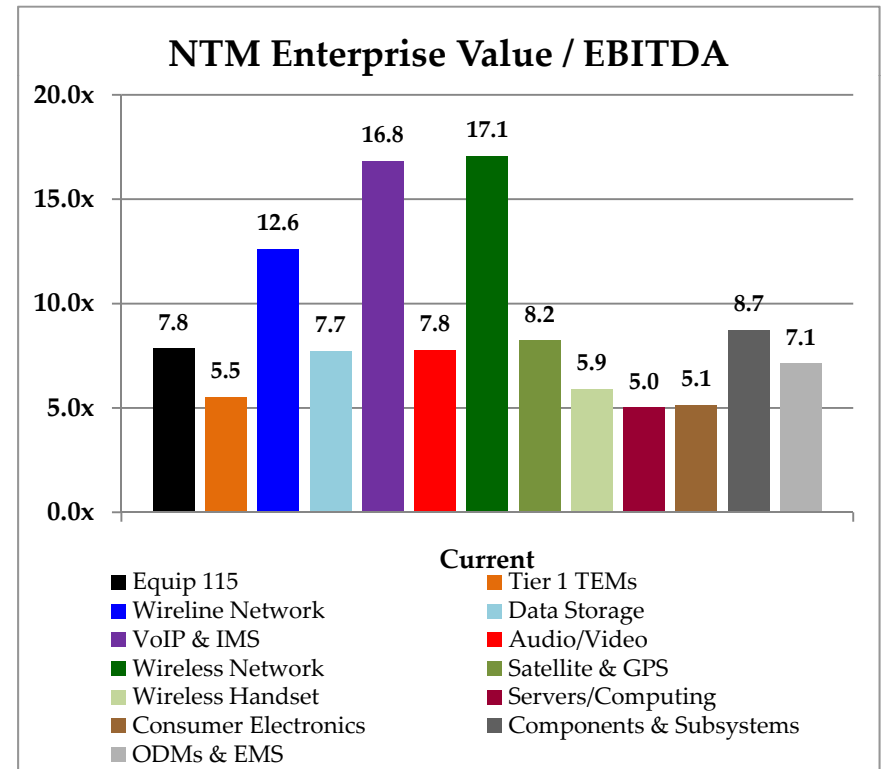
## Valuation Metrics – EBITDA Multiples By Segment

- Most Equipment segments trade at median NTM EBITDA multiples of 5-9x
  - Wireless Network segments trade at premium multiples on expectations of EBITDA growth of 50%
  - VoIP & IMS segment trades at inflated EBITDA multiples with only Acme both profitable and projecting EBITDA growth
  - Wireline Network trades at a premium on strong EBITDA growth prospects and margins



Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with an LTM EBITDA margin below 5%

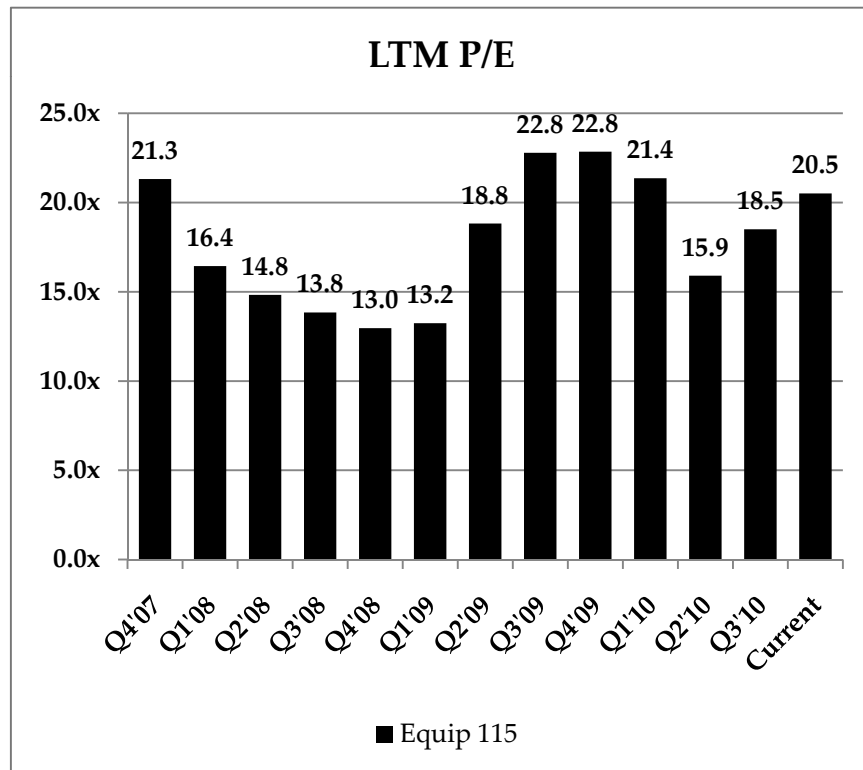


Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with a NTM EBITDA margin below 5%

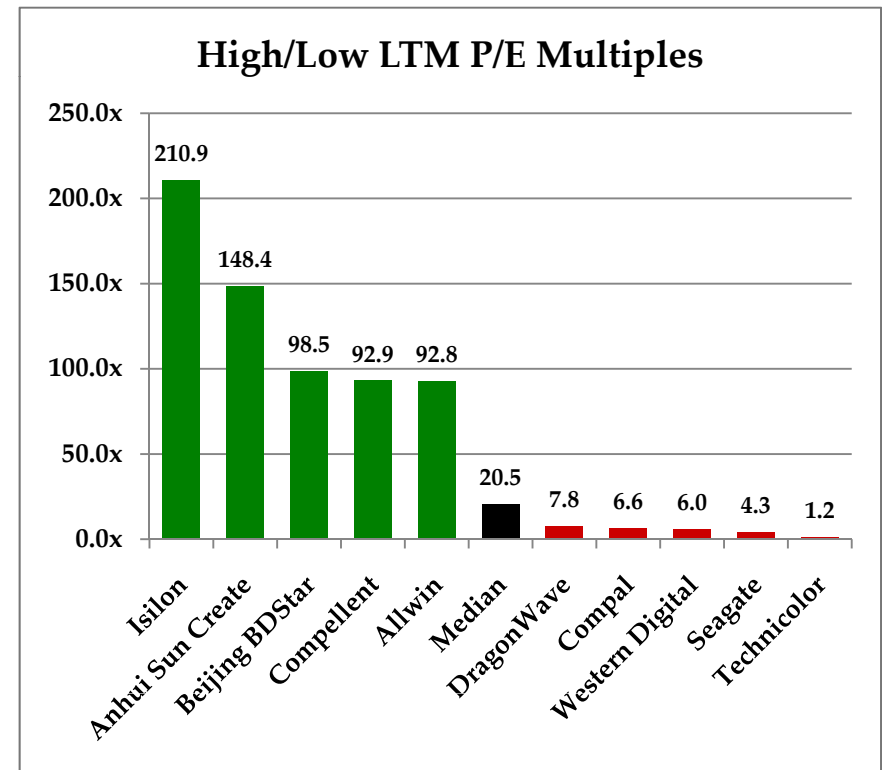
## Valuation Metrics – LTM P/E Multiples

- Median P/E multiples have showed strong increase since the beginning of Q3 due to recent rally
  - Isilon valuation due to 145% projected EPS growth and EMC premium bid
  - Anhui Sun and Beijing BDStar expect strong EPS growth
- 26 companies trade at P/E multiples of 10x or less, typically demonstrating weak EPS growth prospects



Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with an LTM net margin below 2.5%



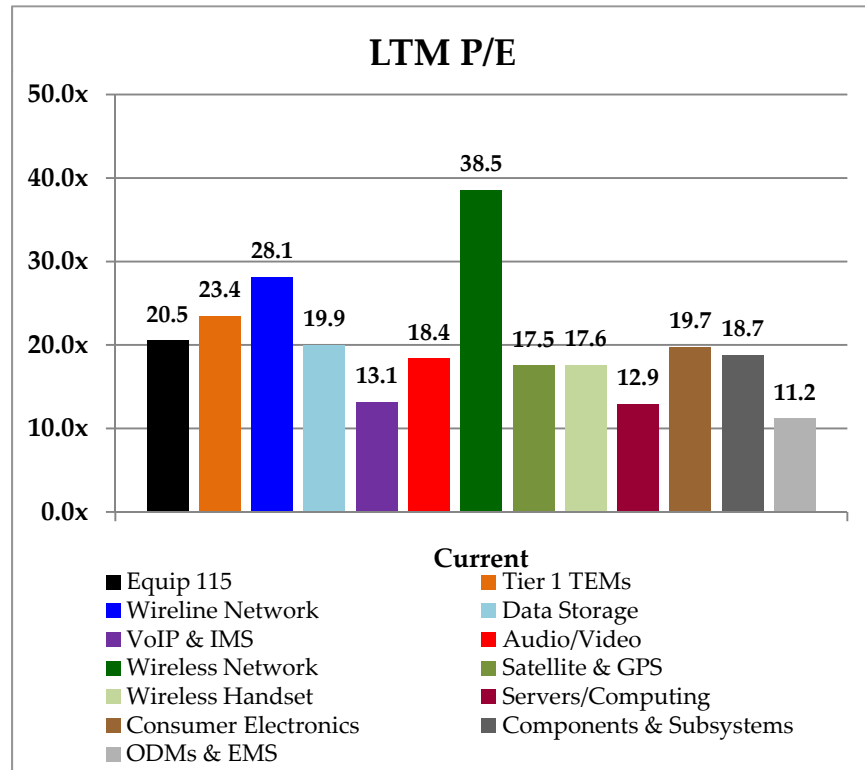
Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with an LTM net margin below 2.5%



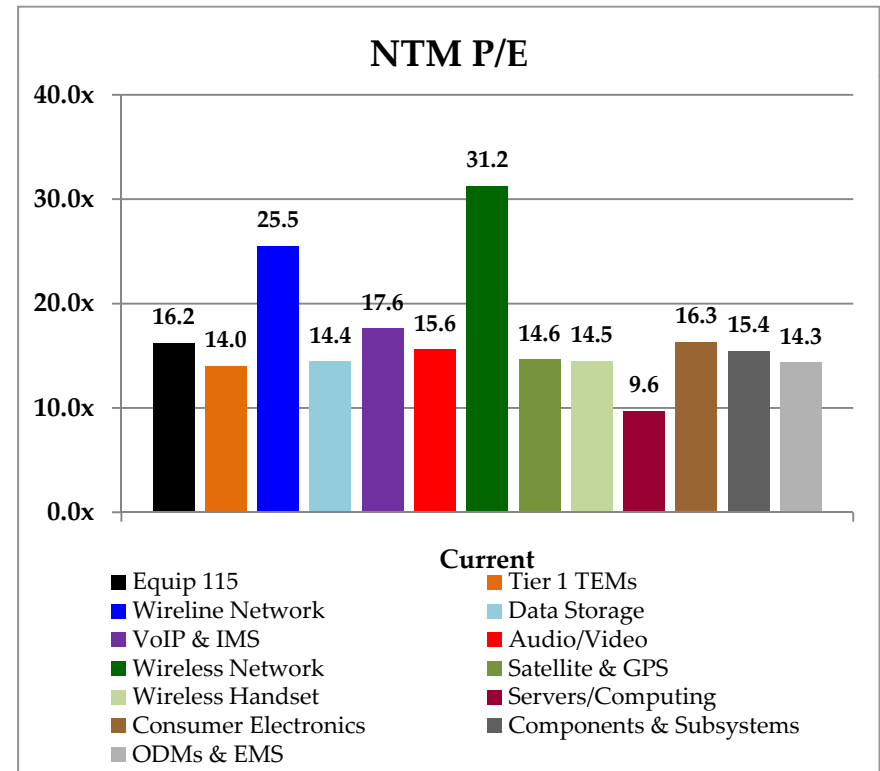
## Valuation Metrics – P/E Multiples By Segment

- 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 NTM multiple increases as only Acme projects EPS growth while other companies with projections expect earnings contraction
- Most other segments are trading in a rationale range of 14-18x forward earnings with Consumer Electronics the only laggard at 9.6x despite solid projected revenue and EPS growth



Source: SagePoint Advisors & Capital IQ

Note: Excludes companies with an LTM net margin below 2.5%

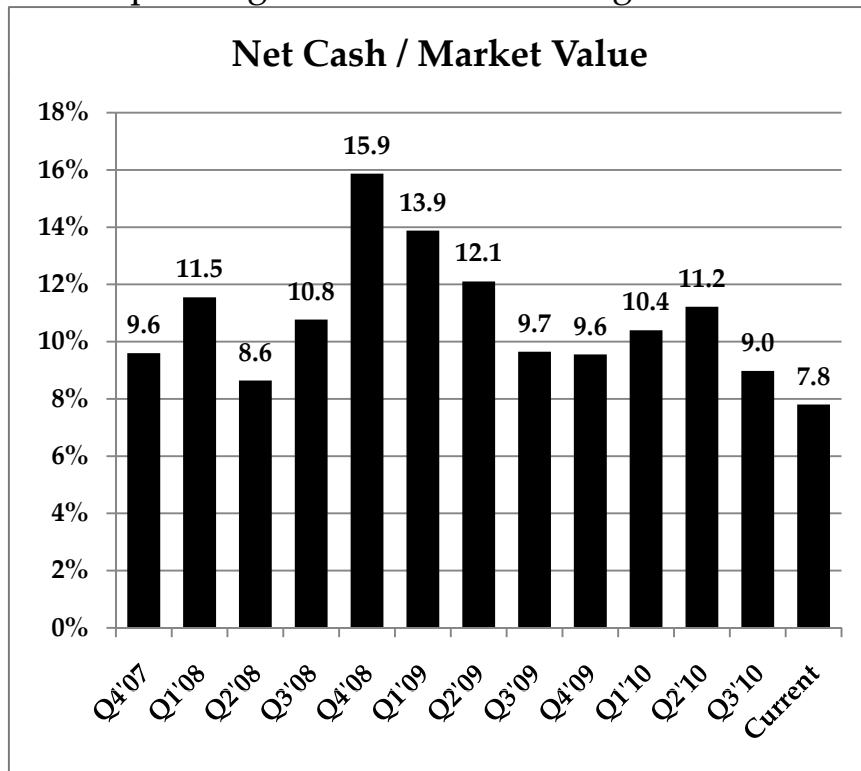


Source: SagePoint Advisors & Capital IQ

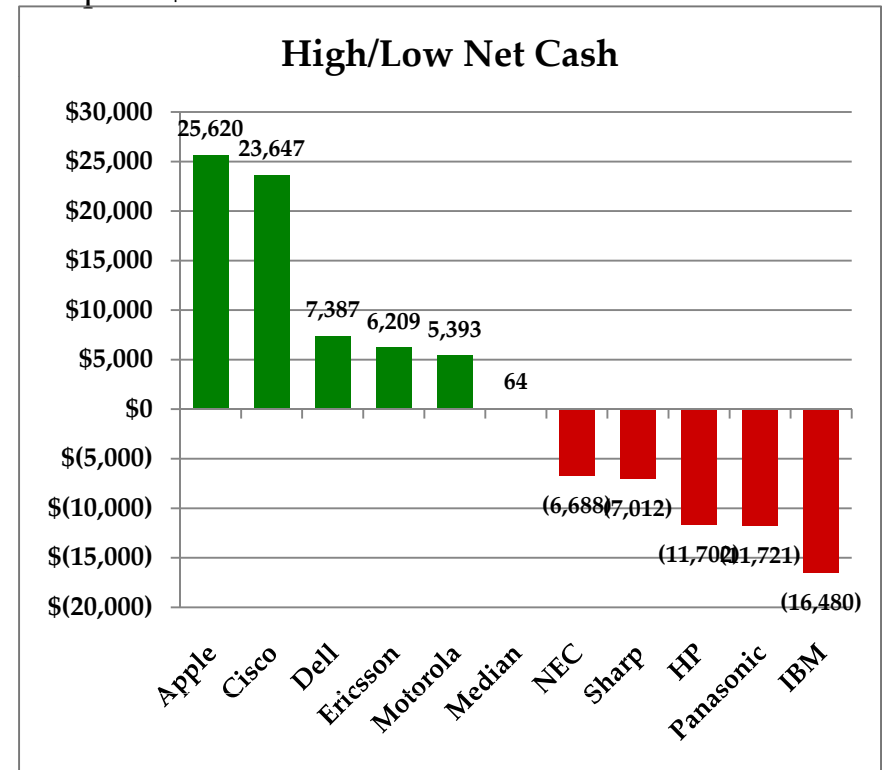
Note: Excludes companies with an NTM net margin below 2.5%

## Balance Sheet Strength – Net Cash Position

- Median net cash position relative to market cap has fallen since start of Q3 as valuations rally
  - Aggregate net cash rose, led by Consumer Electronics companies which return to generating cash
- Several Equipment players have significant cash reserves to draw upon for M&A and we have seen EMC, Cisco, Apple, Ericsson, Dell, Motorola and Nokia all make acquisitions recently
- IBM, HP and the Asian conglomerates are highly leveraged, but have significant cash on hand
  - HP and IBM haven't let high debt loads stop them from paying cash for large acquisitions with HP spending \$4B in cash on ArcSight and 3PAR while IBM paid \$1.7B in cash for Netezza



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 6/30/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash /	Net Debt /	SG&A /	R&D /
	11/30/10	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Mkt Cap	EBITDA	Revenue	Revenue
<b>Equipment 115</b>																			
Equipment 115 Mean	10,608	10,340	2,239	1,971	28.5 %	2.4 x	2.0 x	17.4 x	11.9 x	29.0 x	23.7 x	1.3 %	30.4 %	3.0 %	0.5%	(5.9) x	20.5 %	11.9 %	
Equipment 115 Median	1,369	1,426	244	74	21.8 %	1.4 x	1.2 x	9.7 x	7.8 x	20.5 x	16.2 x	1.6 %	6.8 %	6.0 %	7.8%	(0.8) x	19.2 %	10.0 %	

<b>Tier 1 TEM s</b>																			
Alcatel-Lucent	2.73	6,163	6,955	5,945	6,737	4.7 %	0.3 x	0.3 x	5.5 x	3.4 x	NM	NM	5.6 %	25.6 %	NA	(12.9)%	0.6 x	17.8 %	17.6 %
Cisco	19.16	106,199	82,552	38,925	15,278	(10.1)%	2.0 x	1.9 x	7.1 x	6.2 x	11.5 x	11.8 x	0.1 %	3.9 %	6.0 %	22.3%	(2.0) x	26.6 %	13.3 %
Ericsson	10.34	32,973	26,763	11,227	5,017	(8.0)%	1.0 x	0.9 x	5.9 x	5.5 x	25.6 x	14.0 x	(2.3)%	13.4 %	16.1 %	18.8%	(1.4) x	12.1 %	15.2 %
Motorola	7.66	17,996	12,603	8,894	3,501	17.5 %	0.6 x	0.6 x	6.9 x	5.2 x	21.3 x	16.0 x	2.1 %	(14.9)%	47.2 %	30.0%	(2.9) x	16.6 %	13.0 %
NEC	2.77	7,186	13,873	1,932	8,619	5.1 %	0.4 x	0.3 x	6.1 x	5.9 x	31.8 x	NM	NA	NA	NA	(93.1)%	2.9 x	21.7 %	5.3 %
Nokia	9.27	34,401	30,031	14,487	10,118	12.6 %	0.5 x	0.5 x	4.3 x	5.3 x	10.6 x	12.7 x	2.8 %	0.9 %	47.5 %	12.7%	(0.6) x	11.3 %	13.7 %
ZTE	3.98	11,257	14,201	1,409	4,353	40.4 %	1.5 x	1.1 x	26.2 x	12.7 x	30.1 x	19.9 x	NA	NA	NA	(26.1)%	5.4 x	20.7 %	9.6 %
Mean	30,882	26,711	11,831	7,660	8.9 %	0.9 x	0.8 x	8.9 x	6.3 x	21.8 x	14.9 x	1.7 %	5.8 %	29.2 %	(6.9)%	0.3 x	18.1 %	12.5 %	
Median	17,996	14,201	8,894	6,737	5.1 %	0.6 x	0.6 x	6.1 x	5.5 x	23.4 x	14.0 x	2.1 %	3.9 %	31.6 %	12.7%	(0.6) x	17.8 %	13.3 %	

(\$ 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	2,598	10,217	12,145	336	1,345	1,776	0.28	1.06	1.30	19.2%	36.3%	35.5%	15.3%	49.8%	42.3%	37.5 %	10.7 %	7.1 %
Equipment 115 Median	228	872	1,076	26	115	181	0.09	0.31	0.46	16.0%	25.8%	24.0%	14.3%	24.1%	27.6%	36.6 %	10.5 %	6.7 %

<b>Tier 1 TEM s</b>																		
Alcatel-Lucent	5,530	20,287.7	21,134.4	456	1,259.4	2,062.9	0.04	(0.09)	0.16	2.6%	173.8%	146.5%	NA	NA	NA	36.1 %	8.3 %	0.0 %
Cisco	10,750	41,769.0	44,529.4	2,904	11,563.0	13,279.3	0.42	1.67	1.62	19.2%	13.7%	16.7%	6.6%	14.8%	(3.1)%	62.8 %	27.0 %	22.2 %
Ericsson	6,998	27,601.8	29,723.6	1,219	4,534.0	4,861.0	0.20	0.40	0.74	5.4%	21.2%	24.0%	7.7%	7.2%	82.8%	39.0 %	17.4 %	9.2 %
Motorola	4,890	21,071.0	20,832.4	420	1,829.0	2,406.4	0.16	0.36	0.48	(10.3)%	(3.0)%	NM	(1.1)%	31.6%	33.3%	36.6 %	8.6 %	7.8 %
NEC	9,594	37,813.4	39,915.0	552	2,279.8	2,350.0	0.07	0.09	0.12	(1.9)%	33.7%	233.9%	5.6%	3.1%	NM	29.7 %	5.8 %	2.0 %
Nokia	13,953	56,292.6	58,191.5	1,132	6,956.8	5,653.1	0.19	0.87	0.73	(2.7)%	(17.6)%	186.7%	3.4%	(18.7)%	(16.5)%	28.9 %	8.1 %	5.1 %
ZTE	2,291	9,359.3	12,563.6	84	542.0	1,119.7	0.03	0.13	0.20	3.4%	(36.0)%	15.7%	34.2%	106.6%	50.9%	34.7 %	3.7 %	3.2 %
Mean	7,715	30,599	32,413	967	4,138	4,533	0.16	0.49	0.58	2.2%	26.6%	103.9%	9.4%	24.1%	29.5%	38.3 %	11.3 %	7.1 %
Median	6,998	27,602	29,724	552	2,280	2,406	0.16	0.36	0.48	2.6%	13.7%	85.2%	6.1%	11.0%	33.3%	36.1 %	8.3 %	5.1 %

# 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 /
	11/30/10	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Mkt Cap	EBITDA	Revenue	Revenue
<b>Wireline Network</b>																			
ADC	12.72	1,236	1,195	697	656	71.7 %	1.0 x	1.0 x	9.8 x	10.1 x	26.5 x	17.2 x	2.7 %	NA	(21.6)%	3.3%	(0.3) x	24.3 %	6.5 %
ADTRAN	31.14	1,965	1,829	183	48	14.2 %	3.2 x	2.8 x	12.6 x	10.2 x	20.5 x	16.9 x	4.4 %	9.2 %	13.7 %	6.9%	(0.9) x	18.1 %	14.0 %
Blue Coat	26.60	1,149	938	289	78	30.2 %	1.9 x	1.8 x	9.1 x	8.6 x	17.2 x	17.7 x	0.1 %	38.9 %	3.1 %	18.3%	(2.1) x	45.9 %	17.3 %
Calix	12.77	477	368	109	0	24.5 %	1.3 x	1.2 x	NM	NM	NM	34.7 x	4.0 %	NA	114.3 %	22.9%	NA	23.5 %	18.9 %
CIENA	15.13	1,416	2,120	470	1,175	19.3 %	1.7 x	1.2 x	NM	18.1 x	NM	NM	NA	NA	0.0 %	(49.7)%	NA	21.8 %	25.9 %
F5 Networks	131.88	10,662	10,234	428	0	92.3 %	11.6 x	8.9 x	40.3 x	22.6 x	52.1 x	38.1 x	2.0 %	11.6 %	11.8 %	4.0%	(1.7) x	39.2 %	12.4 %
Fiberhome	6.30	2,782	2,948	143	309	71.5 %	3.8 x	2.8 x	44.9 x	25.8 x	52.6 x	41.0 x	NA	NA	NA	(6.0)%	2.5 x	19.1 %	NA
Infinera	8.18	828	555	273	0	27.2 %	1.3 x	1.1 x	NM	NM	NM	40.1 x	2.9 %	NA	108.8 %	33.0%	NA	23.4 %	23.0 %
Juniper	34.02	17,799	15,701	2,099	1	49.1 %	4.1 x	3.4 x	17.6 x	12.6 x	28.1 x	23.4 x	(0.6)%	2.2 %	3.4 %	11.8%	(2.4) x	24.5 %	22.8 %
Radware	31.03	616	536	80	0	51.6 %	3.9 x	3.4 x	28.5 x	20.2 x	36.1 x	25.5 x	1.6 %	NA	7.2 %	13.1%	(4.3) x	50.2 %	22.4 %
Riverbed	33.93	4,987	4,594	393	0	145.7 %	9.2 x	7.0 x	76.1 x	25.4 x	69.2 x	46.8 x	9.1 %	19.1 %	26.1 %	7.9%	(6.5) x	46.4 %	14.9 %
Sandvine	2.22	304	220	84	0	15.5 %	2.6 x	2.1 x	35.9 x	12.6 x	80.8 x	27.3 x	11.1 %	68.6 %	327.3 %	27.6%	(13.7) x	30.5 %	28.5 %
Sycamore	30.02	856	262	595	0	80.6 %	4.0 x	3.4 x	NM	NA	NM	NM	(31.0)%	NA	(557.1)%	69.4%	NA	40.4 %	62.4 %
Tekelec	12.35	847	624	223	0	(6.7)%	1.4 x	1.4 x	6.4 x	6.7 x	13.1 x	17.6 x	1.9 %	112.9 %	(8.2)%	26.3%	(2.3) x	30.8 %	22.2 %
Tellabs	6.31	2,328	1,158	1,401	231	(1.3)%	0.7 x	0.7 x	3.6 x	4.5 x	12.6 x	16.2 x	0.4 %	(0.0)%	11.1 %	50.3%	(3.6) x	15.7 %	17.8 %
<b>Mean</b>	<b>3,217</b>	<b>2,886</b>	<b>498</b>	<b>167</b>	<b>45.7 %</b>	<b>3.5 x</b>	<b>2.8 x</b>	<b>25.9 x</b>	<b>14.8 x</b>	<b>37.2 x</b>	<b>27.9 x</b>	<b>0.7 %</b>	<b>32.8 %</b>	<b>2.8 %</b>	<b>15.9%</b>	<b>(3.2) x</b>	<b>30.3 %</b>	<b>22.1 %</b>	
<b>Median</b>	<b>1,236</b>	<b>1,158</b>	<b>289</b>	<b>0</b>	<b>30.2 %</b>	<b>2.6 x</b>	<b>2.1 x</b>	<b>17.6 x</b>	<b>12.6 x</b>	<b>28.1 x</b>	<b>25.5 x</b>	<b>2.0 %</b>	<b>15.4 %</b>	<b>9.2 %</b>	<b>13.1%</b>	<b>(2.3) x</b>	<b>24.5 %</b>	<b>20.6 %</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	313	1,156.6	1,217.8	32	121.4	118.6	0.15	0.48	0.74	7.3%	27.8%	150.0%	5.3%	(2.3)%	54.3%	36.1 %	10.1 %	4.8 %
ADTRAN	163	564.6	652.7	48	145.6	180.2	0.50	1.52	1.84	27.2%	51.5%	47.1%	15.6%	23.7%	21.0%	59.7 %	29.3 %	19.7 %
Blue Coat	121	503.2	512.1	24	102.7	109.2	0.38	1.55	1.50	0.5%	42.7%	31.0%	1.8%	6.3%	(3.0)%	78.5 %	19.6 %	15.0 %
Calix	75	283.7	318.7	(2)	(4.1)	14.4	0.15	(1.92)	0.37	26.7%	(0.6)%	108.9%	12.3%	NM	119.1%	40.2 %	(2.3)%	7.4 %
CIENA	405	1,224.3	1,710.3	5	(37.8)	117.2	(0.16)	(0.68)	(0.10)	129.9%	139.3%	(37.1)%	39.7%	409.7%	84.8%	37.0 %	1.2 %	(2.1)%
F5 Networks	254	882.0	1,151.0	82	253.8	452.5	0.79	2.53	3.46	45.2%	79.9%	58.0%	30.5%	78.2%	36.8%	81.6 %	32.3 %	25.2 %
Fiberhome	220	785.2	1,065.4	14	65.7	114.2	0.04	0.12	0.15	11.7%	(23.2)%	82.2%	35.7%	73.9%	28.2%	24.0 %	6.2 %	7.4 %
Infinera	130	427.4	489.1	8	(29.0)	2.9	0.18	0.08	0.20	55.9%	194.1%	700.0%	14.4%	110.1%	155.1%	49.5 %	6.1 %	14.6 %
Juniper	1,012	3,844.8	4,551.0	237	890.7	1,246.7	0.32	1.21	1.45	22.9%	39.4%	39.1%	18.4%	40.0%	20.1%	66.9 %	23.4 %	16.9 %
Radware	37	137.2	158.7	5	18.8	26.5	0.26	0.86	1.22	25.8%	324.3%	116.7%	15.7%	40.8%	41.6%	79.7 %	13.8 %	15.5 %
Riverbed	148	499.4	651.9	26	60.3	180.7	0.17	0.49	0.72	44.8%	148.7%	78.9%	30.5%	199.6%	47.9%	76.5 %	17.8 %	18.2 %
Sandvine	23	83.1	106.9	3	6.1	17.5	0.02	0.03	0.08	57.7%	232.7%	182.4%	28.6%	184.9%	196.2%	73.8 %	14.7 %	9.2 %
Sycamore	12	64.7	78.1	(6)	(9.4)	NA	(0.23)	(0.29)	0.06	(25.1)%	(46.3)%	(130.0)%	20.7%	NA	121.8%	41.2 %	(48.0)%	(55.9)%
Tekelec	108	457.3	435.1	14	98.1	92.8	0.15	0.94	0.70	(5.8)%	(49.0)%	(44.4)%	(4.9)%	(5.3)%	(25.3)%	62.4 %	13.2 %	9.5 %
Tellabs	429	1,620.9	1,664.4	84	324.2	254.9	0.15	0.50	0.39	10.2%	91.3%	150.0%	2.7%	(21.4)%	(22.0)%	50.2 %	19.5 %	13.3 %
<b>Mean</b>	<b>230</b>	<b>836</b>	<b>984</b>	<b>38</b>	<b>134</b>	<b>209</b>	<b>0.19</b>	<b>0.49</b>	<b>0.85</b>	<b>29.0%</b>	<b>83.5%</b>	<b>102.2%</b>	<b>17.8%</b>	<b>87.6%</b>	<b>58.5%</b>	<b>57.1 %</b>	<b>10.5 %</b>	<b>7.9 %</b>
<b>Median</b>	<b>148</b>	<b>503</b>	<b>652</b>	<b>14</b>	<b>66</b>	<b>116</b>	<b>0.15</b>	<b>0.49</b>	<b>0.70</b>	<b>25.8%</b>	<b>51.5%</b>	<b>78.9%</b>	<b>15.7%</b>	<b>40.8%</b>	<b>41.6%</b>	<b>59.7 %</b>	<b>13.8 %</b>	<b>13.3 %</b>



# Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price 11/30/10	Market Cap	Enterprise Value	Cash	Debt	% Change 6/30/10	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	10.01	1,237	800	640	204	(1.8)%	0.7 x	0.7 x	3.9 x	4.5 x	10.1 x	13.7 x	(1.8)%	15.1 %	0.9 %	35.3%	(2.1) x	12.4 %	12.8 %
Axis	15.03	1,043	1,031	12	0	29.7 %	2.7 x	2.3 x	14.1 x	15.1 x	25.3 x	20.6 x	NA	NA	NA	1.2%	(0.2) x	21.9 %	12.4 %
EVS Broadcast	58.98	795	773	25	3	45.1 %	6.3 x	NA	12.1 x	NA	18.4 x	NA	NA	NA	NA	2.8%	(0.3) x	12.9 %	13.3 %
Geovision	3.18	153	135	28	10	(6.1)%	3.3 x	2.8 x	9.5 x	8.8 x	14.5 x	11.3 x	NA	NA	NA	11.7%	(1.3) x	16.6 %	15.1 %
Harmonic	6.76	757	647	110	0	24.3 %	1.7 x	1.2 x	18.7 x	6.7 x	24.2 x	15.6 x	5.5 %	15.0 %	(19.4)%	14.6%	(3.2) x	24.8 %	18.1 %
Harris	44.24	5,675	6,786	341	1,452	6.2 %	1.3 x	1.1 x	5.7 x	5.7 x	9.0 x	9.4 x	(2.7)%	1.4 %	2.8 %	(19.6)%	0.9 x	18.0 %	NA
Net Insight	0.50	197	167	30	0	(10.2)%	4.8 x	3.6 x	38.2 x	17.9 x	39.2 x	22.4 x	NA	NA	NA	15.3%	(6.9) x	40.2 %	7.3 %
Pace	2.89	878	737	141	0	19.2 %	0.4 x	NA	4.6 x	NA	9.3 x	NA	NA	NA	NA	16.1%	(0.9) x	5.4 %	5.7 %
Polycom	37.01	3,160	2,696	465	0	24.2 %	2.4 x	2.0 x	18.7 x	10.5 x	27.6 x	21.1 x	2.0 %	22.1 %	9.5 %	14.7%	(3.2) x	37.9 %	12.4 %
RealID	28.48	1,382	1,333	54	6	NA	6.2 x	4.8 x	NM	17.8 x	NM	174.4 x	40.9 %	114.7 %	43.9 %	3.5%	NA	17.9 %	5.2 %
SeaChange	8.04	253	185	68	0	(2.3)%	0.9 x	0.8 x	10.3 x	5.2 x	32.2 x	14.1 x	NA	NA	0.0 %	26.8%	(3.8) x	22.0 %	23.7 %
Technicolor	5.50	435	2,004	511	2,080	(2.8)%	0.5 x	0.4 x	3.7 x	3.2 x	1.2 x	NM	NA	NA	NA	(360.8)%	2.9 x	13.1 %	5.2 %
TiVo	8.23	955	728	227	0	11.5 %	3.1 x	4.3 x	NM	NM	NM	NM	(0.0)%	NA	(13.8)%	23.8%	NA	46.6 %	40.2 %
<b>Mean</b>		<b>1,301</b>	<b>1,386</b>	<b>204</b>	<b>289</b>	<b>11.4 %</b>	<b>2.6 x</b>	<b>2.2 x</b>	<b>12.7 x</b>	<b>9.6 x</b>	<b>19.2 x</b>	<b>33.6 x</b>	<b>7.3 %</b>	<b>33.7 %</b>	<b>3.4 %</b>	<b>(16.5)%</b>	<b>(1.6) x</b>	<b>22.3 %</b>	<b>14.3 %</b>
<b>Median</b>		<b>878</b>	<b>773</b>	<b>110</b>	<b>0</b>	<b>8.9 %</b>	<b>2.4 x</b>	<b>2.0 x</b>	<b>10.3 x</b>	<b>7.8 x</b>	<b>18.4 x</b>	<b>15.6 x</b>	<b>1.0 %</b>	<b>15.1 %</b>	<b>0.9 %</b>	<b>14.6%</b>	<b>(1.3) x</b>	<b>18.0 %</b>	<b>12.6 %</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	274	1,121.3	1,085.7	39	203.4	176.1	0.19	0.99	0.73	(0.5)%	(27.7)%	(24.0)%	(3.2)%	(13.4)%	(26.4)%	37.2 %	14.1 %	8.8 %
Axis	109	377.4	441.5	24	73.3	68.1	0.19	0.59	0.73	33.6%	25.8%	37.6%	17.0%	(7.1)%	22.7%	50.4 %	22.0 %	12.0 %
EVS Broadcast	37	123.3	NA	20	64.1	NA	1.01	3.21	NA	NA	NA	NA	NA	NA	NA	79.4 %	54.5 %	37.2 %
Geovision	11	40.5	47.5	4	14.2	15.4	0.07	0.22	0.28	12.3%	2.8%	19.2%	17.2%	8.1%	28.4%	64.1 %	33.3 %	36.7 %
Harmonic	105	371.8	530.0	8	34.7	96.0	0.06	0.28	0.43	24.9%	44.5%	18.0%	42.5%	177.0%	55.6%	45.4 %	7.2 %	5.6 %
Harris	1,405	5,408.5	6,040.6	318	1,200.9	1,190.5	1.28	4.90	4.71	16.8%	42.0%	54.2%	11.7%	(0.9)%	(3.9)%	37.3 %	22.6 %	11.6 %
Net Insight	10	34.9	45.8	1	4.4	9.3	0.00	0.01	0.02	21.2%	(7.9)%	96.2%	31.4%	114.0%	74.8%	61.1 %	14.3 %	16.3 %
Pace	475	1,930.3	NA	39	159.0	NA	0.08	0.31	NA	NA	NA	NA	NA	NA	NA	18.6 %	8.2 %	5.0 %
Polycom	308	1,146.7	1,335.0	42	144.1	256.1	0.38	1.34	1.75	26.8%	13.2%	22.6%	16.4%	77.8%	30.8%	59.3 %	13.6 %	10.9 %
RealID	65	215.7	278.1	0	(14.4)	74.8	(0.12)	(1.47)	0.16	68.9%	NM	49.8%	28.9%	621.3%	111.1%	21.4 %	0.4 %	(7.6)%
SeaChange	51	210.6	224.8	6	18.0	35.5	0.08	0.25	0.57	(3.7)%	57.6%	150.0%	6.7%	97.2%	128.0%	48.1 %	12.5 %	7.4 %
Technicolor	901	4,387.0	4,517.8	87	545.6	620.0	1.89	4.78	0.28	NA	NA	NM	NA	NA	NA	20.0 %	9.7 %	13.5 %
TiVo	51	232.2	170.9	(19)	(53.5)	(64.4)	(0.18)	(0.53)	(0.84)	(10.6)%	(293.7)%	(260.0)%	(26.4)%	(20.4)%	(58.6)%	45.7 %	(36.7)%	(40.4)%
<b>Mean</b>	<b>293</b>	<b>1,200</b>	<b>1,338</b>	<b>44</b>	<b>184</b>	<b>225</b>	<b>0.38</b>	<b>1.15</b>	<b>0.80</b>	<b>19.0%</b>	<b>(15.9)%</b>	<b>16.4%</b>	<b>14.2%</b>	<b>105.4%</b>	<b>36.2%</b>	<b>45.2 %</b>	<b>13.5 %</b>	<b>9.0 %</b>
<b>Median</b>	<b>105</b>	<b>372</b>	<b>441</b>	<b>20</b>	<b>64</b>	<b>75</b>	<b>0.08</b>	<b>0.31</b>	<b>0.43</b>	<b>19.0%</b>	<b>13.2%</b>	<b>30.1%</b>	<b>16.7%</b>	<b>43.0%</b>	<b>29.6%</b>	<b>45.7 %</b>	<b>13.6 %</b>	<b>10.9 %</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 /
	11/30/10	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Mkt Cap	EBITDA	Revenue	Revenue
<b>Wireless Network</b>																			
Allw in	2.21	354	332	23	1	45.3 %	9.0 x	NA	75.5 x	NA	92.8 x	NA	NA	NA	NA	6.1%	(4.9) x	20.8 %	NA
Anhui Sun Create	5.92	697	707	19	30	15.9 %	7.0 x	5.6 x	76.9 x	29.3 x	148.4 x	52.6 x	NA	NA	NA	(1.5)%	1.2 x	23.3 %	NA
Aruba	21.24	2,073	1,899	174	0	49.2 %	6.5 x	5.0 x	NM	36.7 x	59.0 x	37.0 x	3.2 %	7.6 %	9.1 %	8.4%	(38.7) x	48.8 %	20.6 %
Ascom Holding	12.95	450	415	105	70	45.3 %	0.7 x	NA	6.6 x	NA	16.1 x	NA	NA	NA	NA	7.8%	(0.6) x	28.6 %	9.5 %
Ceragon	10.66	387	335	52	0	44.1 %	1.4 x	1.2 x	18.9 x	11.9 x	22.2 x	16.3 x	1.7 %	53.8 %	26.0 %	13.4%	(2.9) x	19.8 %	9.9 %
Datang Telecom	3.19	1,398	1,578	55	234	42.3 %	3.0 x	2.3 x	48.6 x	NA	NM	53.1 x	NA	NA	NA	(12.8)%	5.5 x	15.5 %	NA
Digi	9.60	241	153	88	0	16.1 %	0.8 x	0.7 x	7.8 x	5.0 x	33.1 x	21.3 x	(2.5)%	(10.8)%	12.5 %	36.3%	(4.5) x	27.4 %	15.0 %
DragonWave	7.53	264	166	98	0	25.2 %	0.9 x	1.4 x	4.2 x	27.6 x	7.8 x	30.3 x	5.6 %	448.4 %	(67.9)%	37.2%	(2.5) x	26.0 %	13.7 %
Echelon	9.53	399	349	74	24	30.0 %	3.1 x	2.7 x	NM	NM	NM	NM	1.5 %	NA	5.0 %	12.6%	NA	39.7 %	31.1 %
GN Store Nord	8.33	1,681	1,863	31	212	18.5 %	2.1 x	2.0 x	22.1 x	12.2 x	75.8 x	20.3 x	NA	NA	NA	(10.8)%	2.1 x	45.0 %	9.0 %
Plantronics	35.77	1,704	1,344	359	0	25.1 %	2.0 x	1.9 x	9.1 x	8.2 x	16.3 x	15.8 x	(2.6)%	NA	17.6 %	21.1%	(2.4) x	23.2 %	9.6 %
Sunnada	3.58	430	369	82	21	13.2 %	NA	4.5 x	NA	NA	NA	37.7 x	NA	NA	NA	14.1%	NA	29.2 %	NA
Sunwave	2.73	586	613	28	55	49.4 %	4.4 x	3.0 x	32.6 x	21.9 x	43.9 x	32.1 x	NA	NA	NA	(4.6)%	1.4 x	22.0 %	NA
<b>Mean</b>		<b>820</b>	<b>779</b>	<b>91</b>	<b>50</b>	<b>32.3 %</b>	<b>3.4 x</b>	<b>2.7 x</b>	<b>30.2 x</b>	<b>19.1 x</b>	<b>51.5 x</b>	<b>31.7 x</b>	<b>1.2 %</b>	<b>124.8 %</b>	<b>0.4 %</b>	<b>9.8%</b>	<b>(4.2) x</b>	<b>28.4 %</b>	<b>14.8 %</b>
<b>Median</b>		<b>450</b>	<b>415</b>	<b>74</b>	<b>21</b>	<b>30.0 %</b>	<b>2.5 x</b>	<b>2.3 x</b>	<b>20.5 x</b>	<b>17.1 x</b>	<b>38.5 x</b>	<b>31.2 x</b>	<b>1.6 %</b>	<b>30.7 %</b>	<b>10.8 %</b>	<b>8.4%</b>	<b>(2.4) x</b>	<b>26.0 %</b>	<b>11.8 %</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>Wireless Network</b>																		
Allw in	10	37.1	NA	1	4.4	NA	0.00	0.02	NA	75.5%	NM	19.6%	NA	NA	NA	25.8 %	5.9 %	5.8 %
Anhui Sun Create	13	101.2	127.0	1	9.2	24.1	(0.00)	0.04	0.11	(16.9)%	(56.4)%	(100.8)%	25.5%	162.5%	181.8%	22.6 %	4.3 %	(0.1)%
Aruba	83	292.1	380.6	4	4.5	51.7	0.12	0.36	0.57	44.4%	272.5%	200.0%	30.3%	NM	59.6%	70.0 %	4.5 %	16.3 %
Ascom Holding	131	553.6	NA	14	63.0	NA	0.23	0.81	NA	NA	NA	NA	NA	NA	NA	46.9 %	10.4 %	6.1 %
Ceragon	62	236.2	273.9	5	17.7	28.2	0.15	0.48	0.65	39.3%	257.6%	200.0%	15.9%	59.2%	36.2%	36.6 %	8.8 %	8.7 %
Datang Telecom	123	533.6	683.9	7	32.5	NA	0.00	0.02	0.06	19.9%	(13.8)%	(63.5)%	28.2%	NA	291.4%	19.5 %	5.7 %	1.1 %
Digi	47	182.5	205.6	6	19.6	30.7	0.09	0.29	0.45	18.1%	51.7%	200.0%	12.6%	56.7%	55.2%	52.7 %	12.0 %	4.8 %
DragonWave	27	189.2	119.6	2	39.4	6.0	0.03	0.97	0.25	(16.2)%	(66.8)%	(85.0)%	(36.8)%	(84.7)%	(74.4)%	44.0 %	7.1 %	3.9 %
Echelon	27	111.1	130.5	(5)	(21.3)	(16.3)	(0.19)	(0.71)	(0.58)	14.6%	13.5%	5.0%	17.5%	23.2%	18.5%	46.0 %	(19.0)%	(29.1)%
GN Store Nord	228	889.1	944.5	18	84.3	152.2	0.07	0.11	0.41	4.5%	7.0%	27.6%	6.2%	80.5%	273.1%	58.4 %	7.9 %	6.1 %
Plantronics	158	657.2	718.0	38	147.7	163.2	0.58	2.19	2.27	9.6%	43.9%	45.0%	9.3%	10.5%	3.6%	54.3 %	23.9 %	17.8 %
Sunnada	16	NA	82.5	2	NA	NA	0.02	NA	0.10	70.6%	74.5%	2.0%	NA	NM	NA	43.3 %	12.9 %	13.3 %
Sunwave	33	140.7	206.9	4	18.8	28.0	0.01	0.06	0.09	14.1%	(17.3)%	16.9%	47.0%	49.3%	36.6%	34.0 %	12.0 %	8.6 %
<b>Mean</b>	<b>74</b>	<b>327</b>	<b>352</b>	<b>7</b>	<b>35</b>	<b>52</b>	<b>0.09</b>	<b>0.39</b>	<b>0.40</b>	<b>23.1%</b>	<b>51.5%</b>	<b>38.9%</b>	<b>15.6%</b>	<b>44.6%</b>	<b>88.1%</b>	<b>42.6 %</b>	<b>7.4 %</b>	<b>4.9 %</b>
<b>Median</b>	<b>47</b>	<b>213</b>	<b>207</b>	<b>4</b>	<b>19</b>	<b>28</b>	<b>0.03</b>	<b>0.20</b>	<b>0.25</b>	<b>16.3%</b>	<b>13.5%</b>	<b>18.3%</b>	<b>16.7%</b>	<b>53.0%</b>	<b>45.9%</b>	<b>44.0 %</b>	<b>7.9 %</b>	<b>6.1 %</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 /
	11/30/10	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Mkt Cap	EBITDA	Revenue	Revenue
<b>Components &amp; Subsystems</b>																			
AAC Acoustic	2.76	3,384	3,166	277	60	91.6 %	7.2 x	4.4 x	19.2 x	12.7 x	25.9 x	16.2 x	NA	NA	NA	6.4%	(1.3) x	4.2 %	5.9 %
Belden	33.28	1,562	1,817	296	551	51.3 %	1.1 x	1.0 x	10.0 x	7.8 x	20.7 x	16.2 x	(0.4)%	1.0 %	6.2 %	(16.3)%	1.4 x	17.4 %	3.6 %
BYD Elec	0.49	1,111	945	167	0	(11.9)%	0.4 x	NA	4.4 x	NA	9.1 x	NA	NA	NA	NA	15.0%	(0.8) x	2.8 %	4.6 %
Comba Telecom	1.11	1,471	1,492	67	87	9.7 %	2.5 x	NA	14.6 x	NA	18.7 x	NA	NA	NA	NA	(1.4)%	0.2 x	19.0 %	3.9 %
CommScope	31.61	3,005	3,706	671	1,372	33.0 %	1.2 x	1.1 x	7.6 x	7.4 x	16.1 x	15.2 x	(2.1)%	5.4 %	20.6 %	(23.3)%	1.4 x	12.5 %	3.6 %
Comtech	29.66	820	413	608	200	(0.9)%	0.5 x	0.7 x	2.7 x	3.4 x	12.3 x	15.4 x	NA	NA	0.0 %	49.7%	(2.7) x	10.0 %	4.7 %
Corning	17.66	27,600	25,037	5,029	2,466	9.3 %	3.9 x	3.8 x	11.4 x	10.8 x	8.6 x	9.5 x	(0.5)%	0.3 %	(1.6)%	9.3%	(1.2) x	15.6 %	9.2 %
Finisar	19.09	1,471	1,426	192	147	28.1 %	1.8 x	1.4 x	12.8 x	8.7 x	17.0 x	11.2 x	NA	NA	0.0 %	3.0%	(0.4) x	9.7 %	12.8 %
Jiangsu Zhongtian	4.27	1,369	1,542	102	275	67.2 %	2.5 x	2.0 x	16.6 x	15.5 x	22.1 x	19.5 x	NA	NA	NA	(12.6)%	1.9 x	9.2 %	NA
Powerwave	2.10	280	484	70	274	36.4 %	0.9 x	0.7 x	10.1 x	7.5 x	NM	10.4 x	(1.0)%	NA	45.5 %	(73.0)%	4.3 x	12.2 %	10.0 %
TKH Group	21.63	798	916	13	132	18.2 %	0.9 x	NA	10.5 x	NA	36.0 x	NA	NA	NA	NA	(14.8)%	1.4 x	20.2 %	NA
Wuhan Fingu	2.34	1,300	1,123	184	7	20.2 %	7.9 x	4.7 x	21.5 x	9.5 x	34.6 x	24.0 x	NA	NA	NA	13.6%	(3.4) x	5.2 %	NA
<b>Mean</b>		<b>3,681</b>	<b>3,505</b>	<b>640</b>	<b>464</b>	<b>29.3 %</b>	<b>2.6 x</b>	<b>2.2 x</b>	<b>11.8 x</b>	<b>9.2 x</b>	<b>20.1 x</b>	<b>15.3 x</b>	<b>(1.0)%</b>	<b>2.2 %</b>	<b>11.8 %</b>	<b>(3.7)%</b>	<b>0.1 x</b>	<b>11.5 %</b>	<b>6.5 %</b>
<b>Median</b>		<b>1,420</b>	<b>1,459</b>	<b>188</b>	<b>174</b>	<b>24.2 %</b>	<b>1.5 x</b>	<b>1.4 x</b>	<b>11.0 x</b>	<b>8.7 x</b>	<b>18.7 x</b>	<b>15.4 x</b>	<b>(0.7)%</b>	<b>1.0 %</b>	<b>3.1 %</b>	<b>0.8%</b>	<b>(0.1) x</b>	<b>11.1 %</b>	<b>4.7 %</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>Components &amp; Subsystems</b>																		
AAC Acoustic	143	440.6	719.6	57	164.6	249.9	0.03	0.11	0.17	43.0%	53.6%	44.1%	63.3%	51.8%	59.7%	45.5 %	39.7 %	29.5 %
Belden	411	1,625.7	1,746.0	50	181.6	234.1	0.43	1.61	2.05	15.9%	31.6%	59.3%	7.4%	28.9%	27.5%	31.0 %	12.1 %	5.0 %
BYD Elec	550	2,180.4	NA	47	214.3	NA	0.01	0.05	NA	NA	NA	NA	NA	NA	NA	12.2 %	8.5 %	4.1 %
Comba Telecom	129	601.0	NA	24	102.1	NA	0.01	0.06	NA	NA	NA	NA	NA	NA	NA	40.2 %	19.1 %	13.9 %
CommScope	822	3,130.1	3,238.7	142	488.0	502.4	0.62	1.96	2.08	9.5%	(1.0)%	1.6%	3.5%	2.9%	6.0%	30.3 %	17.3 %	8.0 %
Comtech	167	811.4	624.8	32	153.3	120.7	0.54	2.41	1.92	24.8%	61.9%	79.0%	(23.0)%	(21.3)%	(20.1)%	32.1 %	19.0 %	9.1 %
Corning	1,602	6,399.0	6,653.2	538	2,198.0	2,324.7	0.51	2.05	1.86	8.3%	13.0%	21.4%	4.0%	5.8%	(9.4)%	45.2 %	33.6 %	50.3 %
Finisar	241	804.1	990.5	37	111.8	163.5	0.42	1.12	1.71	65.3%	224.3%	281.8%	23.2%	46.3%	52.7%	34.7 %	15.4 %	13.2 %
Jiangsu Zhongtian	156	621.5	775.4	22	93.0	99.7	0.06	0.19	0.22	45.9%	29.4%	60.0%	24.8%	7.2%	13.3%	21.5 %	14.1 %	12.1 %
Powerwave	157	558.4	651.1	18	47.9	64.8	0.06	0.04	0.20	12.8%	79.3%	NM	16.6%	35.3%	NM	30.1 %	11.5 %	6.6 %
TKH Group	258	1,028.7	NA	23	87.1	NA	0.26	0.60	NA	NA	NA	NM	NA	NA	NA	38.7 %	8.9 %	3.7 %
Wuhan Fingu	38	141.7	239.8	11	52.1	118.5	0.01	0.07	0.10	(36.1)%	(45.3)%	(52.4)%	69.2%	127.4%	44.4%	26.0 %	28.6 %	18.7 %
<b>Mean</b>	<b>389</b>	<b>1,529</b>	<b>1,738</b>	<b>83</b>	<b>324</b>	<b>431</b>	<b>0.25</b>	<b>0.86</b>	<b>1.15</b>	<b>21.0%</b>	<b>49.6%</b>	<b>61.9%</b>	<b>21.0%</b>	<b>31.6%</b>	<b>21.7%</b>	<b>32.3 %</b>	<b>19.0 %</b>	<b>14.5 %</b>
<b>Median</b>	<b>204</b>	<b>808</b>	<b>775</b>	<b>34</b>	<b>133</b>	<b>164</b>	<b>0.16</b>	<b>0.40</b>	<b>1.71</b>	<b>15.9%</b>	<b>31.6%</b>	<b>51.7%</b>	<b>16.6%</b>	<b>28.9%</b>	<b>20.4%</b>	<b>31.5 %</b>	<b>16.3 %</b>	<b>10.6 %</b>

# Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price 11/30/10	Market Cap	Enterprise Value	Cash	Debt	% Change 6/30/10	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	1.24	5,417	4,804	1,745	1,132	5.9 %	0.2 x	0.2 x	4.7 x	NM	6.6 x	NM	NA	NA	NA	11.3%	(0.6) x	1.4 %	1.1 %
Cybertan	1.35	447	316	134	3	28.6 %	0.8 x	NA	NM	NA	41.2 x	NA	NA	NA	NA	29.3%	(9.9) x	2.0 %	3.9 %
Flextronics	7.22	5,532	5,976	1,788	2,233	28.9 %	0.2 x	0.2 x	5.4 x	NM	9.6 x	NM	5.8 %	(2.5)%	17.3 %	(8.0)%	0.4 x	2.7 %	NA
Foxconn	3.28	3,646	3,278	976	608	12.3 %	0.7 x	0.7 x	8.1 x	7.4 x	16.2 x	15.0 x	NA	NA	NA	10.1%	(0.9) x	3.1 %	0.9 %
Gemtek	1.51	388	486	72	169	10.6 %	0.8 x	0.6 x	18.2 x	10.0 x	25.7 x	14.3 x	NA	NA	NA	(25.0)%	3.6 x	4.0 %	5.0 %
Lite-On	1.30	2,885	2,618	1,668	1,401	18.5 %	0.4 x	0.6 x	4.4 x	6.8 x	9.9 x	10.2 x	NA	NA	NA	9.2%	(0.4) x	7.9 %	2.1 %
Melco	33.29	740	410	338	8	4.5 %	0.3 x	0.3 x	3.0 x	2.9 x	9.7 x	10.6 x	NA	NA	NA	44.6%	(2.4) x	14.7 %	NA
MTAC	0.43	655	533	272	150	13.7 %	0.3 x	NA	19.9 x	NA	24.5 x	NA	NA	NA	NA	18.7%	(4.6) x	8.3 %	5.8 %
Qisda	0.66	1,268	2,100	340	1,172	33.0 %	0.5 x	0.4 x	13.3 x	NM	11.2 x	NM	NA	NA	NA	(65.6)%	5.3 x	5.6 %	2.0 %
Quanta	1.96	7,499	7,733	5,219	5,454	8.4 %	0.2 x	0.2 x	10.3 x	NM	10.3 x	NM	NA	NA	NA	(3.1)%	0.3 x	1.0 %	0.8 %
Wistron	2.02	3,943	3,838	1,148	1,043	44.4 %	0.2 x	0.2 x	6.6 x	NM	11.1 x	NA	NA	NA	NA	2.7%	(0.2) x	1.8 %	1.6 %
Zowee	6.18	618	558	63	2	41.7 %	NA	3.2 x	NA	NA	53.9 x	34.8 x	NA	NA	NA	9.7%	NA	4.4 %	NA
<b>Mean</b>		2,753	2,721	1,147	1,115	20.9 %	0.4 x	0.6 x	9.4 x	6.8 x	19.2 x	17.0 x	5.8 %	(2.5)%	17.3 %	2.8%	(0.9) x	4.7 %	2.6 %
<b>Median</b>		2,076	2,359	658	825	16.1 %	0.3 x	0.3 x	7.4 x	7.1 x	11.2 x	14.3 x	5.8 %	(2.5)%	17.3 %	9.5%	(0.4) x	3.6 %	2.0 %

(\$ 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>ODMs &amp; EMS</b>																		
Compal	6,854	28,436.9	30,942.8	204	1,014.6	768.3	0.03	0.19	0.17	17.8%	(11.3)%	(22.3)%	8.8%	(24.3)%	(12.0)%	4.8 %	3.0 %	1.8 %
Cybertan	86	394.7	NA	4	13.2	NA	0.01	0.03	NA	(2.6)%	(45.5)%	(65.0)%	NA	NA	NA	9.4 %	4.4 %	4.3 %
Flextronics	7,422	26,484.5	29,574.2	296	1,111.7	1,321.3	0.23	0.75	0.90	27.3%	30.5%	76.9%	11.7%	18.9%	19.6%	5.4 %	4.0 %	2.4 %
Foxconn	1,064	4,554.7	5,006.6	107	404.1	441.7	0.06	0.20	0.22	(1.3)%	5.3%	9.5%	9.9%	9.3%	7.8%	11.1 %	10.1 %	6.4 %
Gemtek	197	614.2	792.3	7	26.7	48.7	0.01	0.06	0.11	63.7%	(21.8)%	(22.0)%	29.0%	82.4%	79.4%	10.3 %	3.5 %	1.2 %
Lite-On	1,880	7,160.3	4,165.9	167	599.5	384.6	0.04	0.13	0.13	17.0%	(9.7)%	3.8%	(41.8)%	(35.8)%	(2.1)%	16.6 %	8.9 %	4.3 %
Melco	343	1,359.9	1,610.0	26	136.9	140.0	0.56	3.43	3.14	17.9%	60.7%	51.3%	18.4%	2.3%	(8.6)%	21.2 %	7.6 %	3.6 %
MTAC	433	1,863.0	NA	2	26.8	NA	0.01	0.02	NA	(13.1)%	NM	(38.0)%	NA	NM	NA	12.2 %	0.6 %	2.3 %
Qisda	1,386	4,582.3	5,612.4	37	158.4	197.1	0.01	0.06	0.06	9.1%	(38.4)%	(46.5)%	22.5%	24.4%	2.2%	8.6 %	2.6 %	1.0 %
Quanta	8,864	34,726.5	39,629.6	203	753.0	897.9	0.05	0.19	0.19	34.3%	(16.0)%	(4.9)%	14.1%	19.3%	(0.6)%	3.7 %	2.3 %	2.1 %
Wistron	5,189	19,326.4	24,272.2	162	581.9	729.6	0.05	0.18	0.23	13.7%	5.6%	13.2%	25.6%	25.4%	27.6%	5.8 %	3.1 %	2.0 %
Zowee	35	NA	173.0	3	NA	NA	0.03	0.11	0.18	52.6%	(11.3)%	(24.3)%	NA	NM	54.8%	12.9 %	8.3 %	7.9 %
<b>Mean</b>	2,813	11,773	14,178	102	439	548	0.09	0.45	0.53	19.7%	(4.7)%	(5.7)%	10.9%	13.5%	16.8%	10.2 %	4.9 %	3.3 %
<b>Median</b>	1,225	4,582	5,309	72	404	442	0.03	0.16	0.18	17.4%	(11.3)%	(13.4)%	14.1%	18.9%	5.0%	9.9 %	3.8 %	2.4 %



# 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