

SagePoint Semis 60

Q1 2010 Performance Review

An Analysis of Public Communications,
Computing & Media Semiconductor Companies
from a Valuation and M&A Perspective

June 2010

Prepared By:



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

<u>Section</u>	<u>Page</u>
• SagePoint Semis 60 Universe	3-4
• SagePoint's Viewpoint – Key Takeaways	5-6
• Stock Performance	7-8
• Q4 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	27-32
• Introduction to SagePoint	33-40

- SagePoint expanded its coverage universe from 350 companies to 400 companies to include a broader set of Communications, Internet and IT Infrastructure companies
- For Semiconductors specifically, SagePoint expanded the universe to include Computing and IP Licensing in addition to the prior Diversified, Wireline, Wireless and Media segments
- New companies added in the Computing segment
 - Atmel, Intel, Microchip
- New companies added in the IP Licensing segment
 - ARM, CEVA, Imagination, InterDigital, MIPS
- Changes to existing segments
 - Media - Added MaxLinear, Megachips, Trident Micro and Dropped C-Media, Techwell
 - Wireline - Added Mindspeed, Standard Microsystems and Dropped Alcor Micro

SagePoint Semiconductor 60 Universe

		Market Segment								Market Segment					
		Diversified	Computing	Wireline	Wireless	Media	IP Licensing			Diversified	Computing	Wireline	Wireless	Media	IP Licensing
1	Ali Corp.					X				X					
2	AMCC			X										X	
3	AMD		X								X				
4	Analog Devices	X								X					
5	ARM						X							X	
6	Atheros				X										
7	Atmel		X												
8	Avago	X													
9	Broadcom	X													
10	Cavium			X											
11	CEVA						X								
12	Conexant					X									
13	CSR				X										
14	Emulex			X											
15	Entropic			X											
16	EZchip			X											
17	Gennum			X											
18	Himax					X									
19	Hittite Micro				X										
20	Imagination						X								
21	Infineon	X													
22	Integrated Device			X											
23	Intel		X												
24	InterDigital						X								
25	ITE Tech			X											
26	LSI			X											
27	Macroblock					X									
28	Marvell	X													
29	Maxim	X													
30	MaxLinear					X									
31	MediaTek	X													
32	Megachips													X	
33	Mellanox			X							X				
34	Microchip		X												
35	Micron													X	
36	Mindspeed			X											
37	MIPS														X
38	NetLogic			X											
39	Novatek													X	
40	NVIDIA		X											X	
41	OmniVision													X	
42	Orise													X	
43	Pericom			X											
44	PixArt Imaging													X	
45	PMC-Sierra			X											
46	QLogic			X											
47	QUALCOMM											X			X
48	Ralink											X			
49	Raydium Semi													X	
50	Realtek	X													
51	RF Micro											X			
52	Sigma Designs													X	
53	Skyworks											X			
54	SMSC			X											
55	Spreadtrum											X			
56	STMicro	X													
57	Sunplus													X	
58	Texas Inst.	X													
59	Trident Micro													X	
60	TriQuint											X			

SagePoint's Viewpoint - Key Takeaways

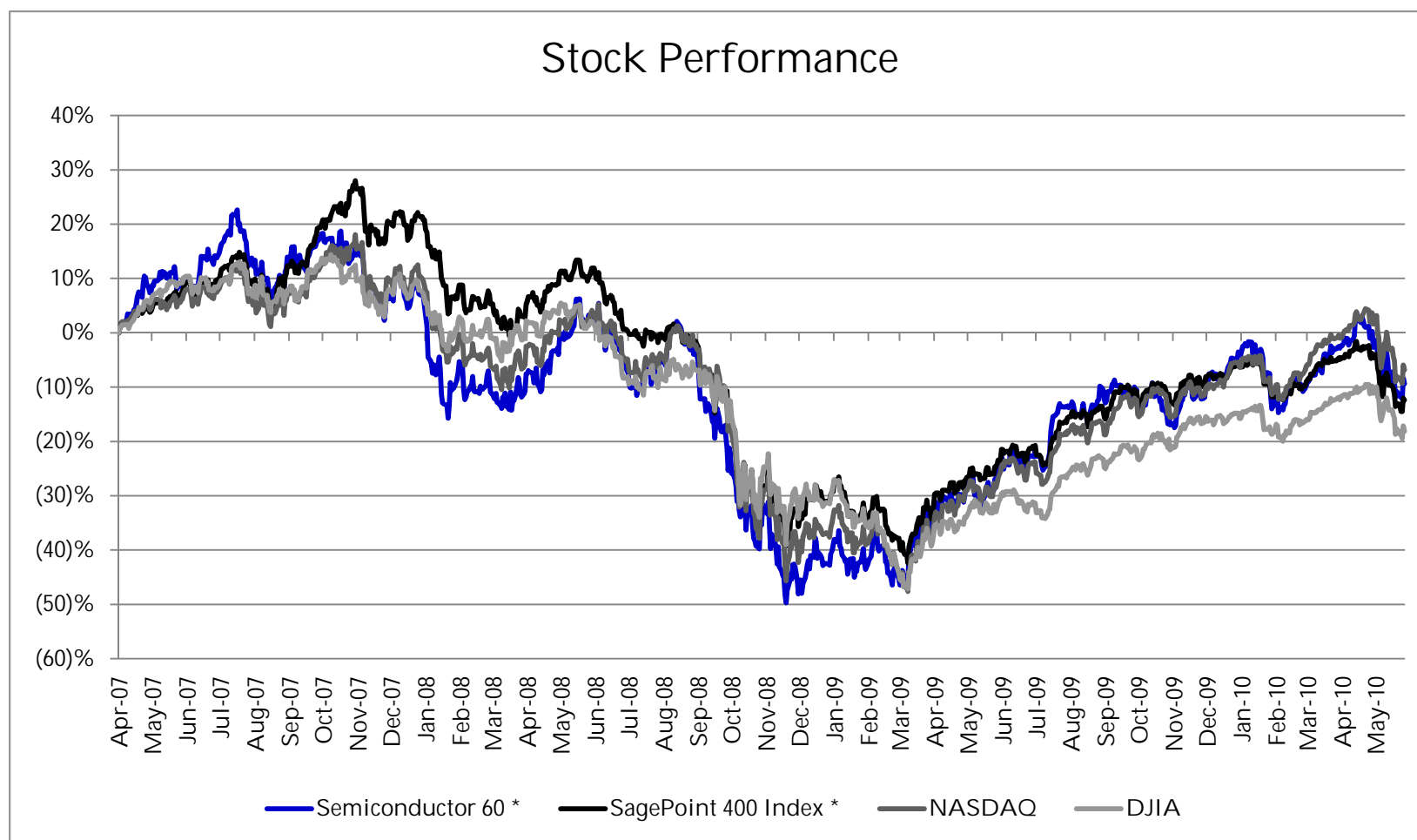
- Stock price recovery is mixed in the semiconductor segment following European economic concerns
 - The SagePoint Semis 60 posted a median decline of 2.9% since the beginning of Q1
 - Wireless and Wireline led with median gains of 10-12% while Media and Diversified underperformed
- Semis vendors were nearly perfect this earnings season, with all companies meeting or beating revenue estimates and all but one meeting or beating EPS targets
- Median revenue growth of 50% in Q1 continues the major turnaround in revenue trajectory and bodes well for a return to growth mode throughout 2010
 - Media led the growth, up 62% over the prior year quarter
 - The Semis 60 is expected to maintain a 22%+ median growth rate over the next twelve months with double digit growth expected for all segments
- Median EPS growth reached a new peak in Q1, up to 148% due to strong revenue growth, recent cost cutting and relatively weak profitability in Q1'09
 - Computing, Wireline and Wireless outperformed the median with Wireline projecting strong continued growth of 76% over the next twelve months
 - The Semis 60 is expected to continue to deliver strong median EPS growth of 37% in the next 12 months
 - Projected EPS growth is driven by 20+% revenue growth while maintaining disciplined opex

SagePoint's Viewpoint - Key Takeaways Continued

- Semis 60 operating models have been repaired and are now solidly profitable and stable
 - Median gross margin surpassed the 50% mark, hitting a three year high of 50.3%
 - R&D spending as a % of revenues increased slightly as most vendors feel comfortable investing in the future as revenues have returned and outlook is positive
 - Median SG&A as a % of revenues remained flat following several quarters of deep spending cuts as vendors refocus on driving expected growth
 - Median net margins fell slightly in Q1 to 14.8%, still near their highest level in the past 12 quarters with IP Licensing solidly outperforming and Diversified outperforming as well
- Valuation multiples have slipped from Q4'09 amid European economic concerns but remain at reasonable levels
 - Median LTM revenue multiple of 2.3x remains nearly 35% off the 2007 peak
 - Median LTM P/E multiples have slipped below 20x for the first time since Q1'09 and are currently at 18.5x, about 35% off their peak
- M&A activity remained steady in Q1 and SagePoint expects continued deal activity in 2010
 - Notable Q1 deals include Intersil's \$434M acquisition of Techwell, Ralink's \$169M acquisition of Trendchip and Broadcom's \$123M acquisition of Teknovus
 - Balance sheet strength remains very high and several active buyers have cash war chests
 - Consolidation will continue across all segments because scale drives profitability and equipment OEMs would prefer to rely on just a few strategic vendors
 - The Media and Wireline market segments remain fragmented with more than 70% of the vendors' market caps below \$1B which should be a catalyst for further consolidation

SagePoint Semis 60 Index Performance

- Semis 60 stocks continued to rebound up 1.3% in Q1 but fell sharply in late April amid concerns over European economic stability bringing the Semis 60 to down 5.3% from the start of Q1 to date
 - The SagePoint Comm Index is down 6.1%, underperforming the Nasdaq (-0.5%) and Dow (-2.4%)

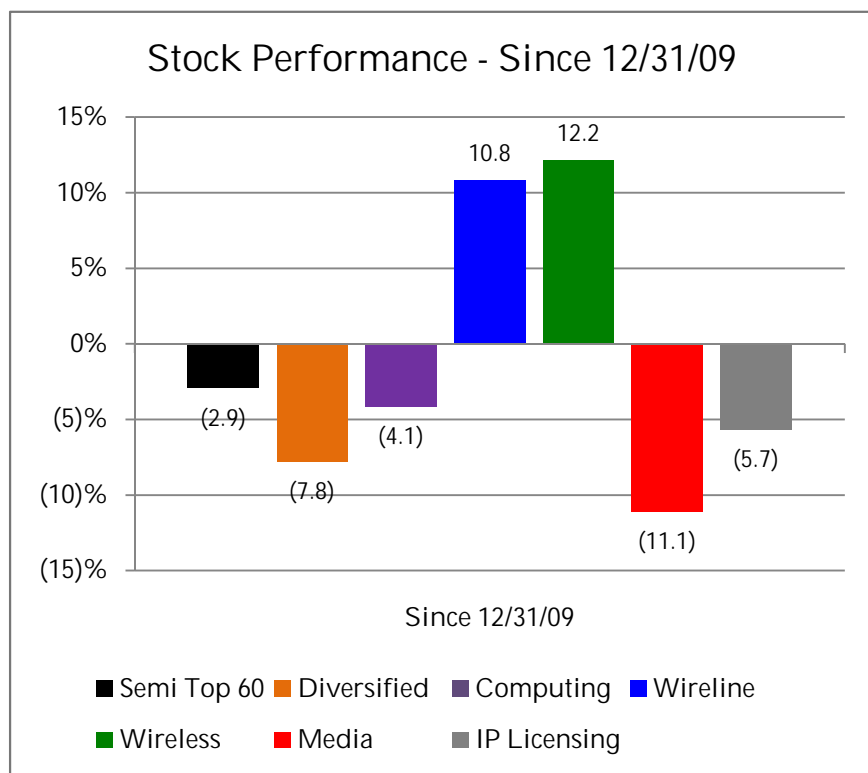


* Market Value weighted index

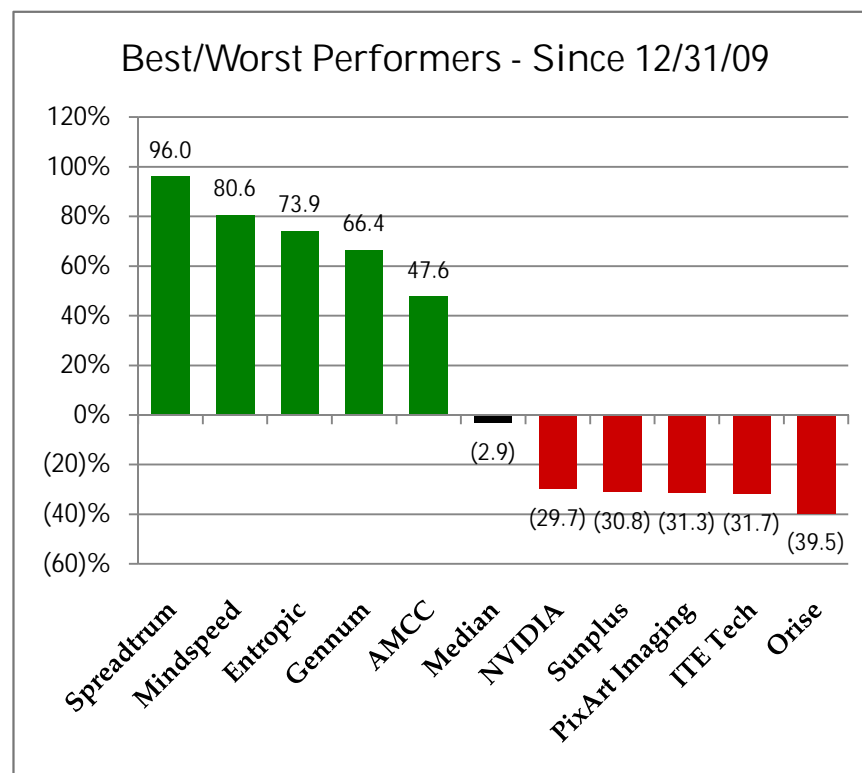
SagePoint Semis 60 – Q1 2010

Stock Performance Since Beginning of Q1

- The SagePoint Semis 60 are down with a median drop of 2.9%
 - Wireless and Wireline have managed to maintain median gains of 10-12%
- Big winners included Spreadtrum, Mindspeed, Entropic and Gennum which were all up 65%+
 - Spreadtrum beat expectations on strong market share gains in China driving the stock up
 - Mindspeed beat expectations and provided revised upward guidance
 - Entropic is up on expectations of strong growth while Gennum is up on revenue growth and improving margins



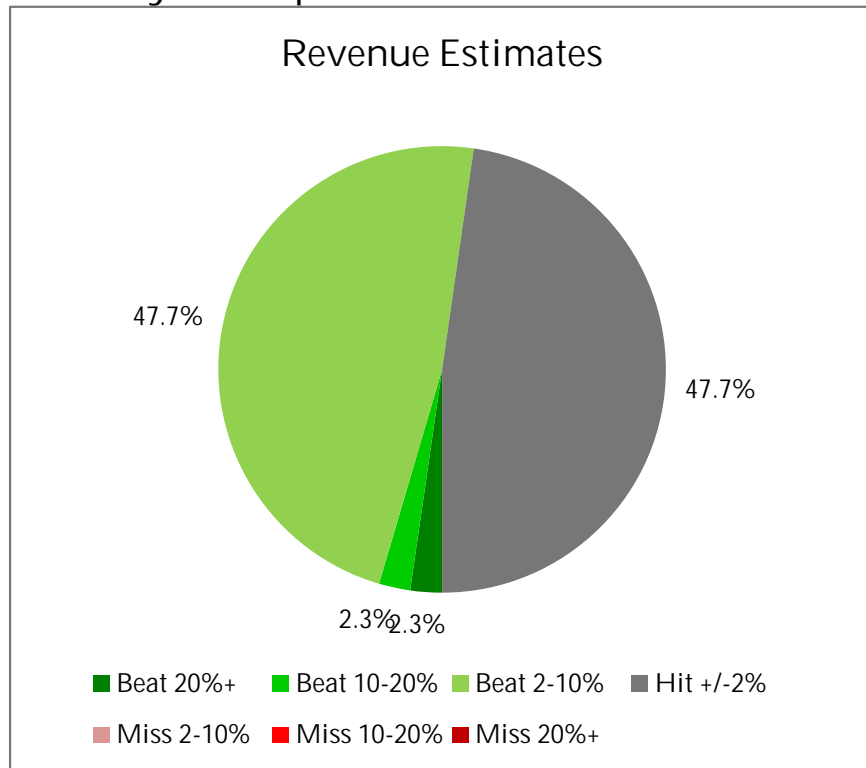
Source: SagePoint Advisors & Capital IQ



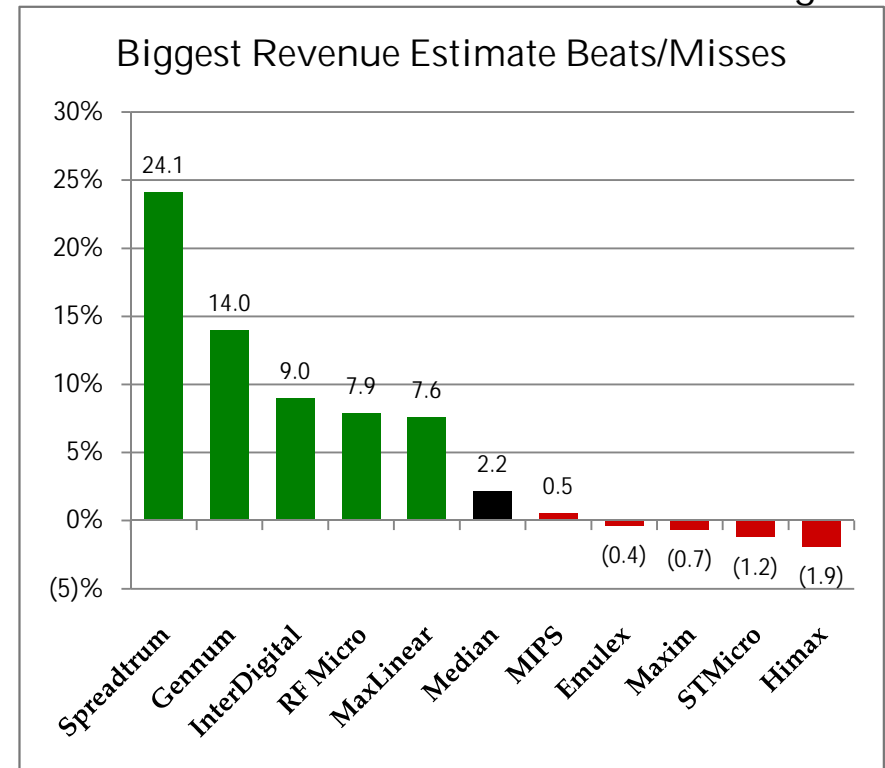
Source: SagePoint Advisors & Capital IQ

Q1 Performance Versus Analyst Estimates – Revenue

- All of the Semis 60 met or beat revenue estimates with over half beating and a median beat of 2.2%
 - Spreadtrum beat by 24% on strong market share gains in China as TD-SCDMA fixed wireless and Intl GSM are ramping above expectations
 - Gennum showed strong revenue growth in both Analog & Mixed Signal and Optical
 - Interdigital, RF Micro and MaxLinear also beat by 7.5-10%
- Only 4 companies came in below estimates, but were within the +/-2% window for hitting



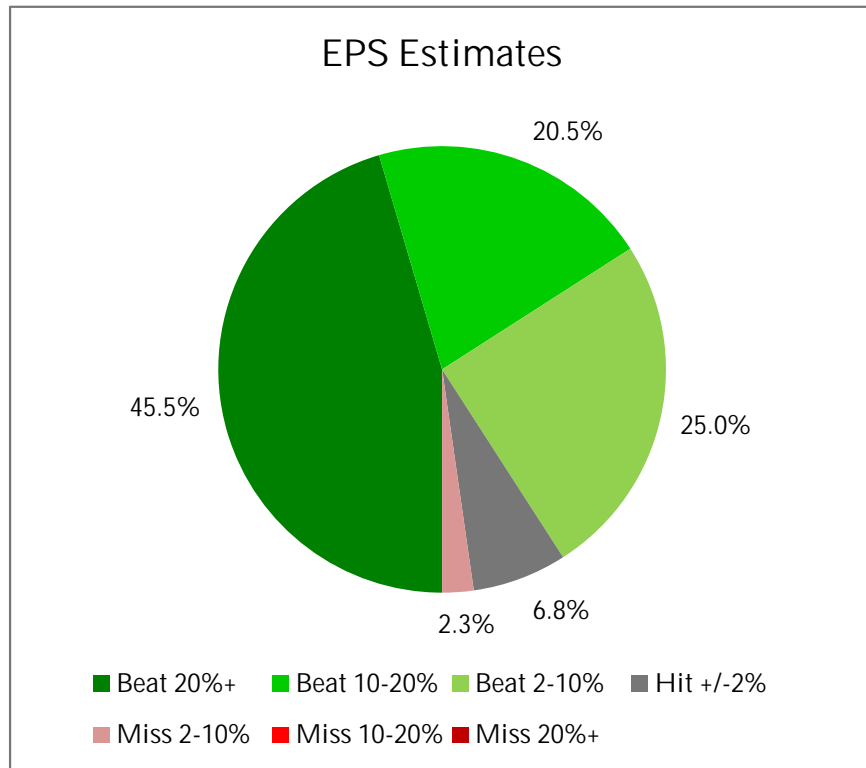
Source: SagePoint Advisors & Capital IQ



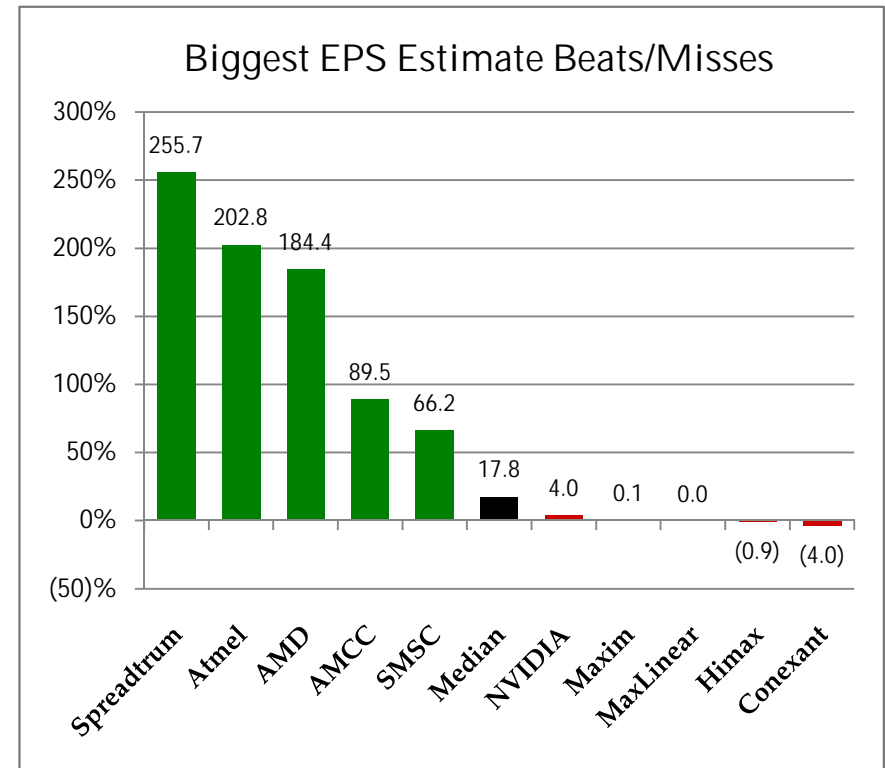
Source: SagePoint Advisors & Capital IQ

Q4 Performance Versus Analyst Estimates – EPS

- 98% of the Semis 60 beat or met estimates with 61% beating by more than 10%
 - Spreadtrum’s big revenue surprise drove a 255% EPS beat
 - Atmel, AMD and AMCC’s better than expected revenues and gross margins drove big EPS surprises
 - SMSC benefited from strength in PC sales and margins holding up better than expected
- Only Conexant missed EPS by more than 2%, upsetting a rare chance at an EPS “no-no”
 - However, many estimates had not been updated to reflect the higher share count from the equity offering and otherwise Conexant would have been in-line, so perhaps the Semis 60 gets a “no-no” with an asterisk



Source: SagePoint Advisors & Capital IQ

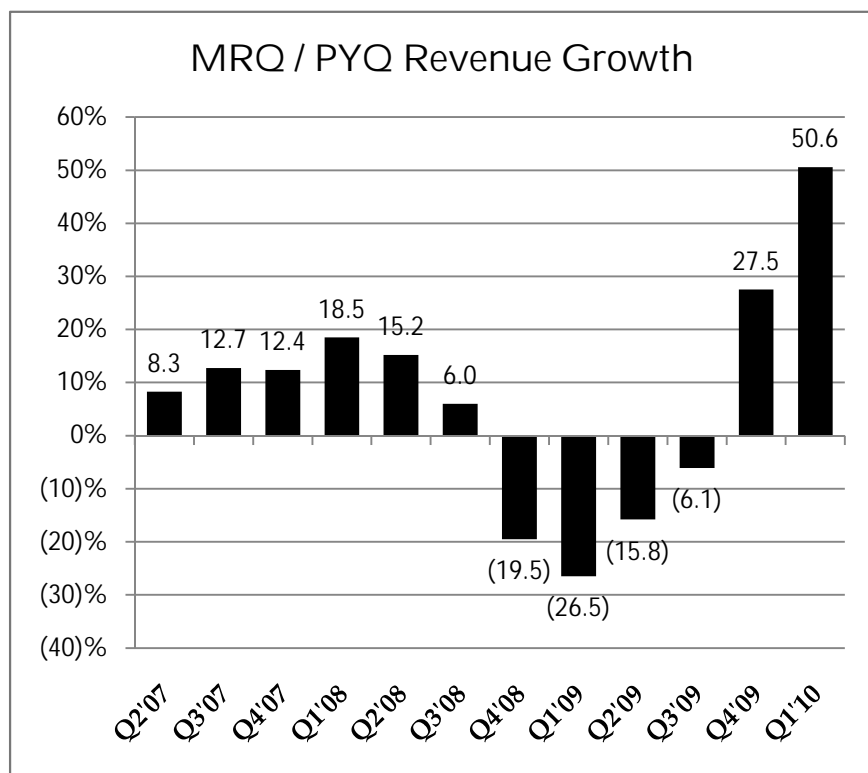


Source: SagePoint Advisors & Capital IQ

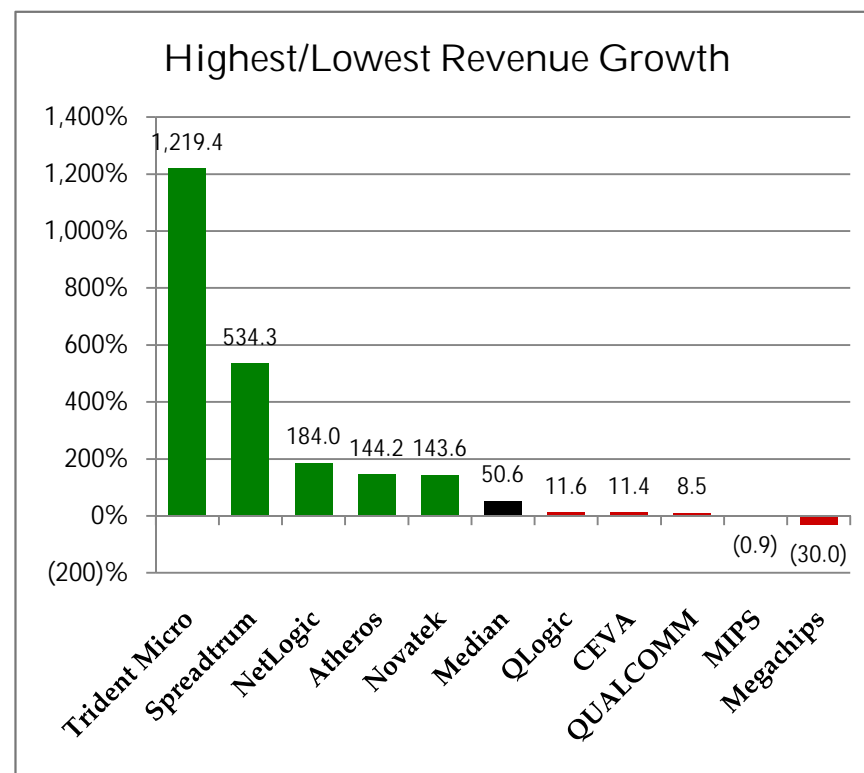
Note: Excludes companies projected to have a net margin between -1% and 1%

Operating Metrics – Revenue Growth

- Median revenue growth was over 50% as revenues rebounded vs. a particularly weak Q1'09
 - Trident, NetLogic and Atheros growth is due to acquisitions of NXP's digital TV & STB product lines, RMI and Intellon, respectively
 - Spreadtrum shows strong growth on market share gains in China
 - Novatek grew on strong panel shipments and market share gains
- Megachips was the major outlier with revenue contraction of 30% as they failed to produce new offerings to complement maturing products



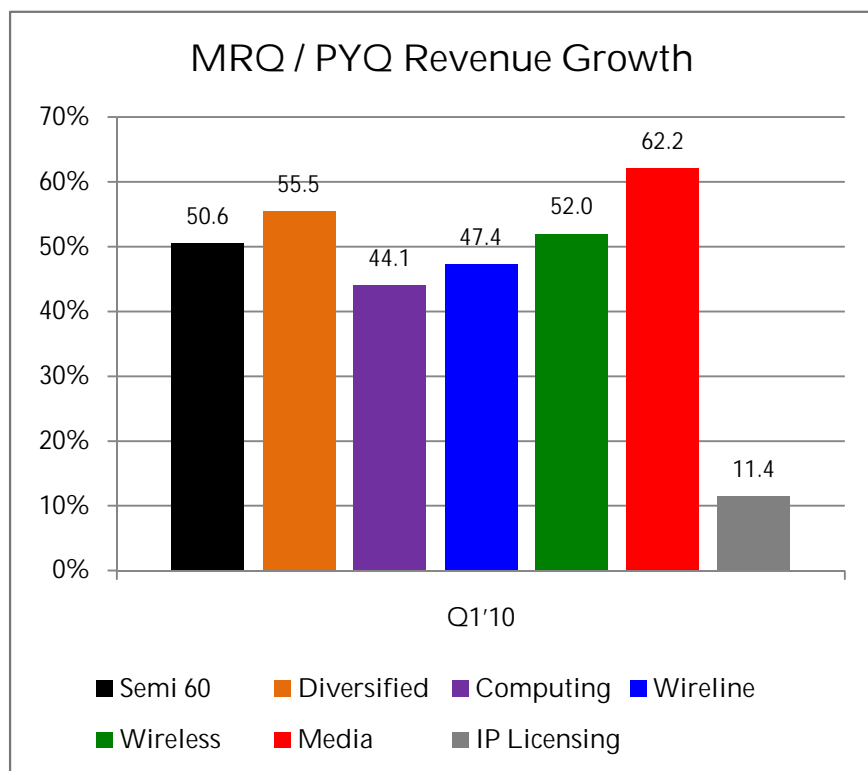
Source: SagePoint Advisors & Capital IQ



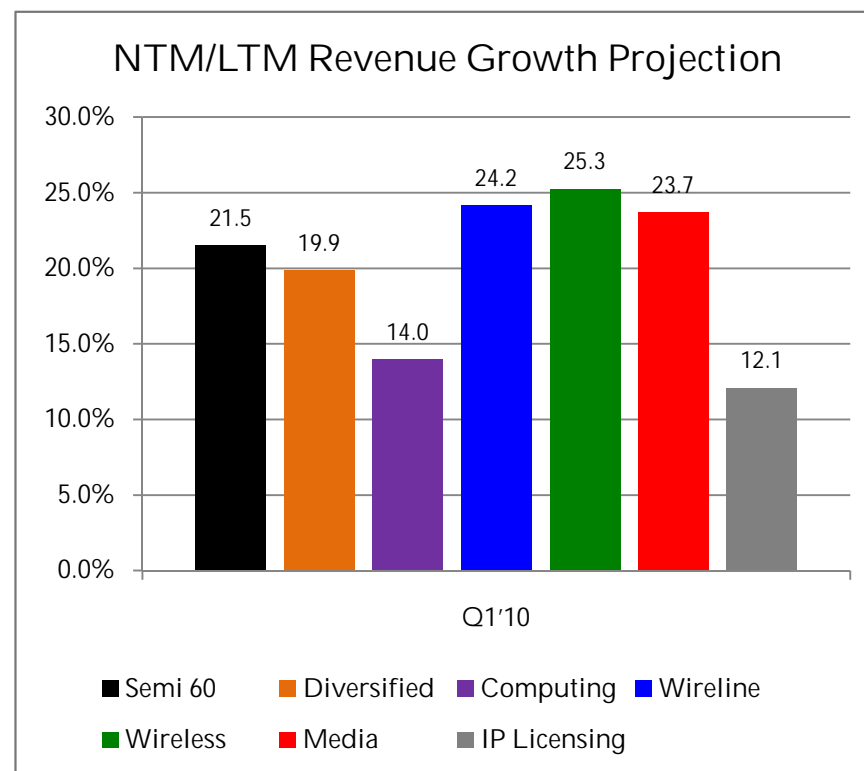
Source: SagePoint Advisors & Capital IQ

Operating Metrics – Revenue Growth by Segment

- Most Semis segments performed well with median revenue growth of more than 40%
 - Media led other segments with over 60% growth followed by Diversified at 55.5%
 - IP Licensing lagged considerably at just 11% growth as unit volume increases do not always immediately translate into similar license revenue growth
- Revenue growth is expected to continue over the next twelve months at a median of 21.5%
 - Wireless is expected to lead, expecting 25% growth, with Wireline and Media right behind at 24%
 - Computing and IP Licensing growth is expected to lag the median with growth in the low double digits



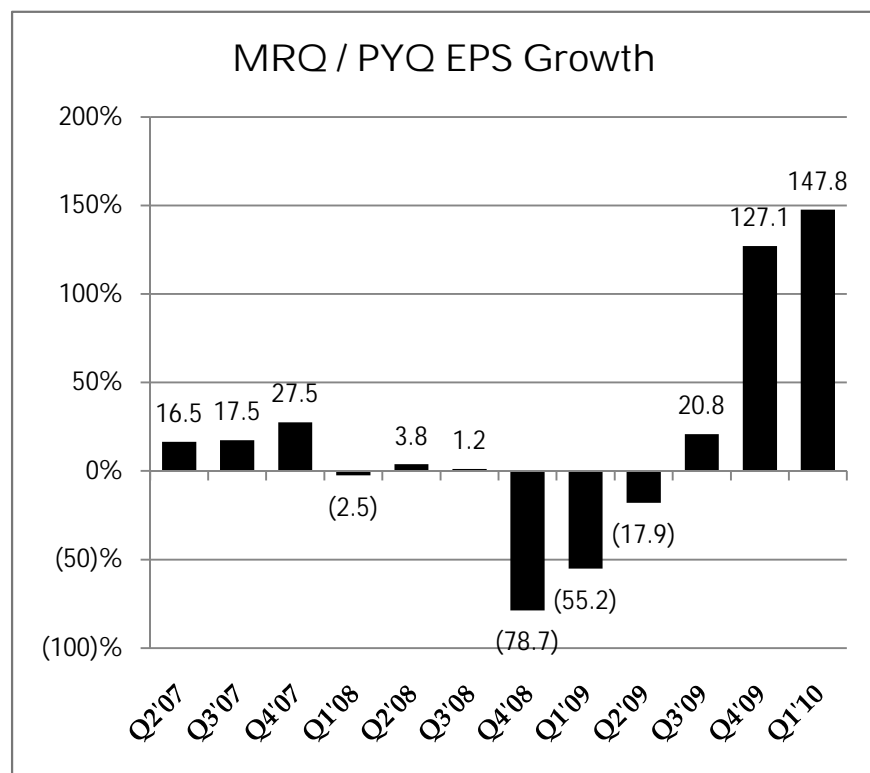
Source: SagePoint Advisors & Capital IQ



Source: SagePoint Advisors & Capital IQ

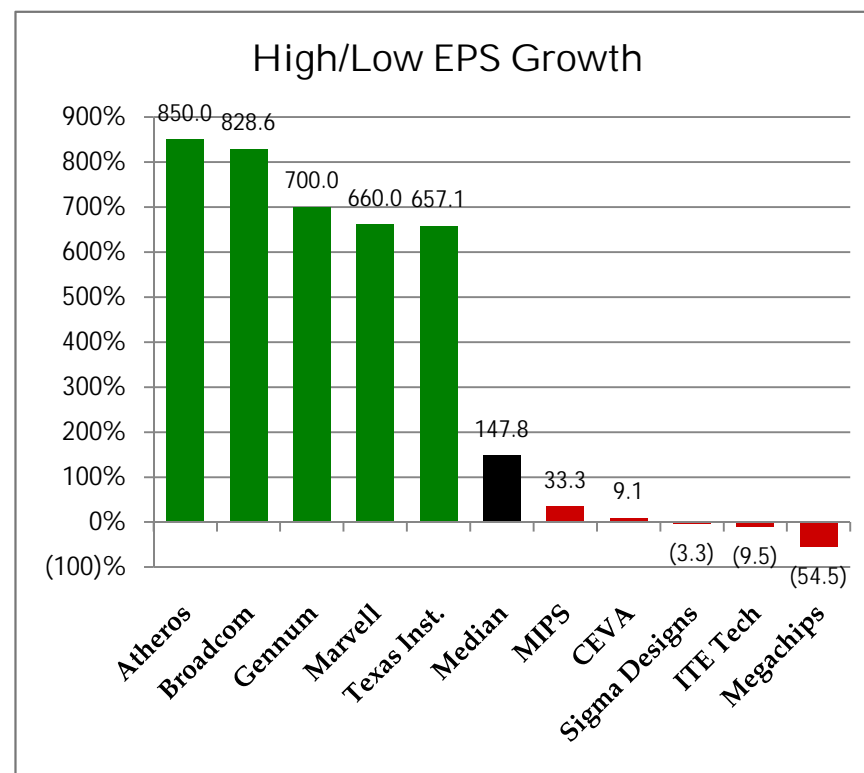
Operating Metrics – EPS Growth

- Strong median EPS growth continues with a median of nearly 150% as strong revenue growth and cost cutting deliver strong gains versus relatively weak profitability in Q1'09
- Atheros, Broadcom, Gennum, Marvell and TI all posted 650%+ EPS growth
 - Atheros EPS benefited from the Intellon acquisition
 - Broadcom, Gennum, Marvell and TI delivered strong revenue growth and improving margins, boosting EPS
 - Megachips again was the outlier as revenue contraction hampered EPS



Source: SagePoint Advisors & Capital IQ

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

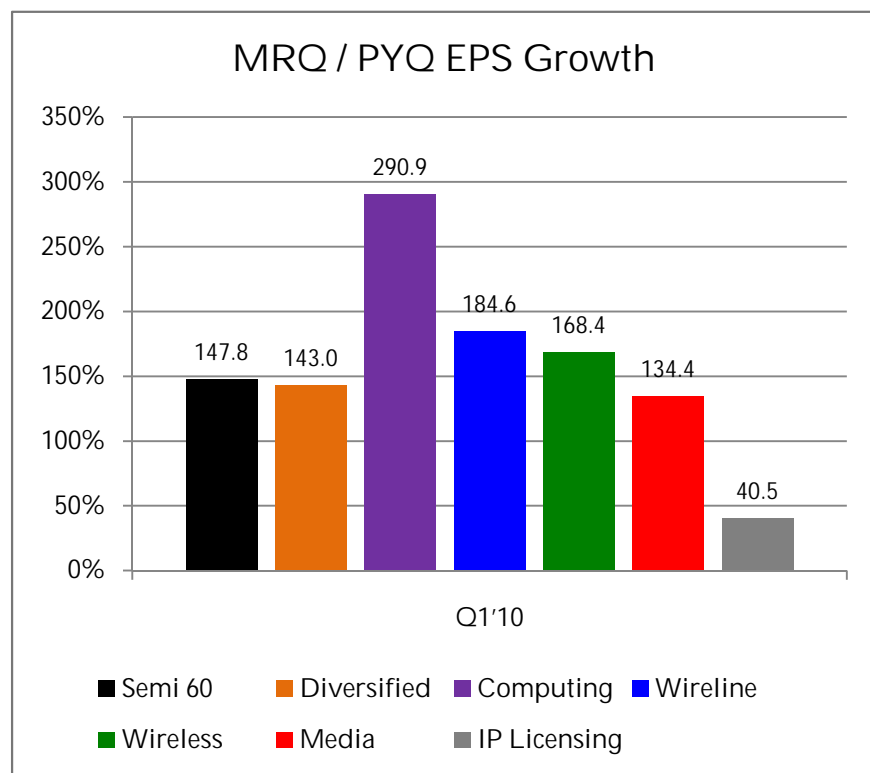


Source: SagePoint Advisors & Capital IQ

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

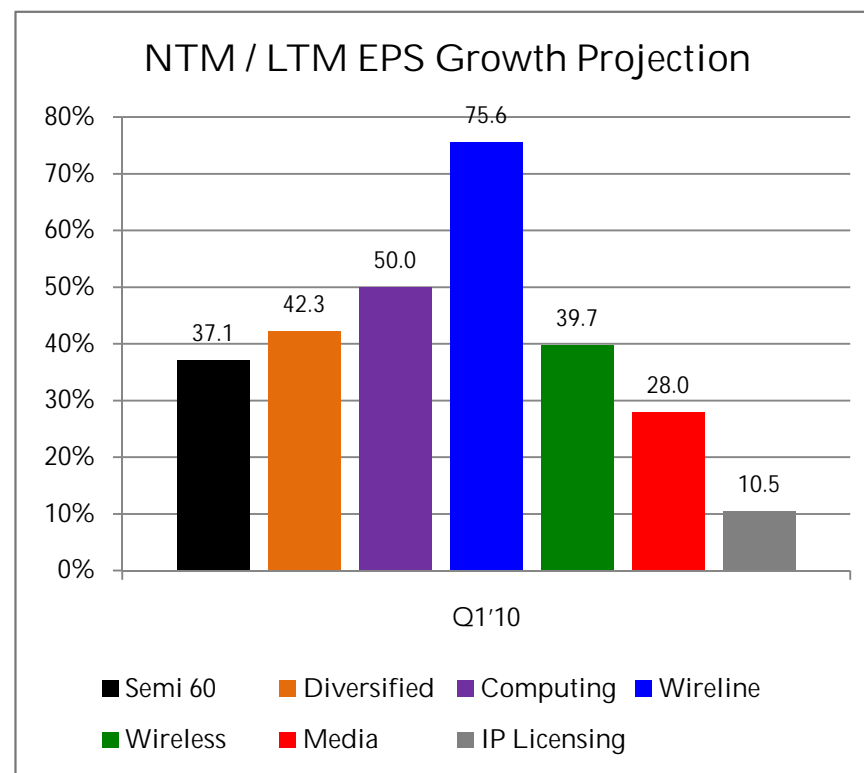
Operating Metrics – EPS Growth by Segment

- Computing led with nearly 300% EPS growth while Wireline and Wireless posted impressive growth of 165-185% with triple digit growth in all segments except IP Licensing
- Strong EPS growth is expected to continue over next twelve months though at a slower pace
 - Wireline is expected to lead the growth with all companies in the segment projecting NTM EPS growth, many well above 100%
 - Media lags in EPS growth at a still respectable 28% despite above median revenue growth projection due to lower gross margins impacting earnings while IP Licensing expects just 10.5% growth



Source: SagePoint Advisors & Capital IQ

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

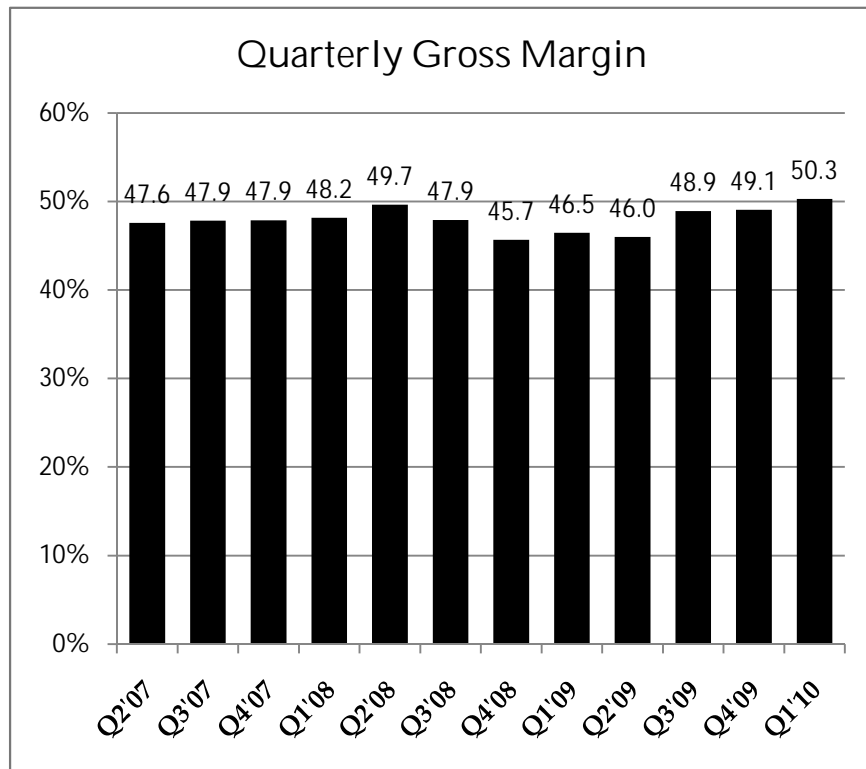


Source: SagePoint Advisors & Capital IQ

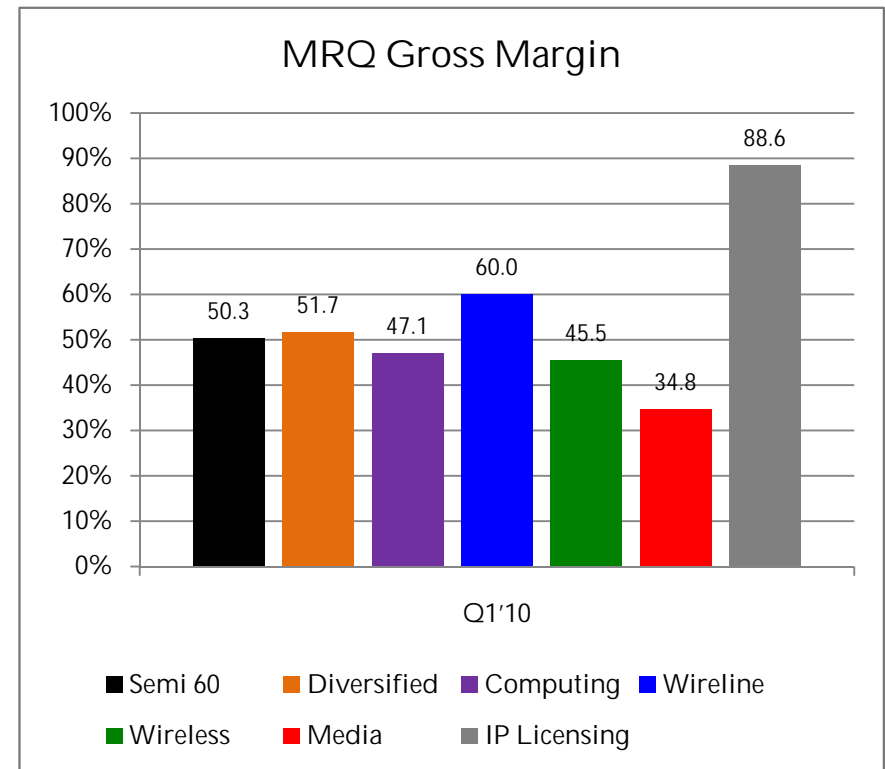
Note: Excludes companies with a net margin between -1% and 1% in the PYQ

Operating Metrics – Gross Margins

- Median gross margins continue to rise, exceeding 50% for the first time in recent history
- The Media segment faces greater margin pressure because those vendors are targeting high volume, consumer-driven markets
- IP Licensing segment enjoys premium margins as is expected given the business model
- Wireline vendors also enjoy higher margins but volume per design win is typically lower than other segments



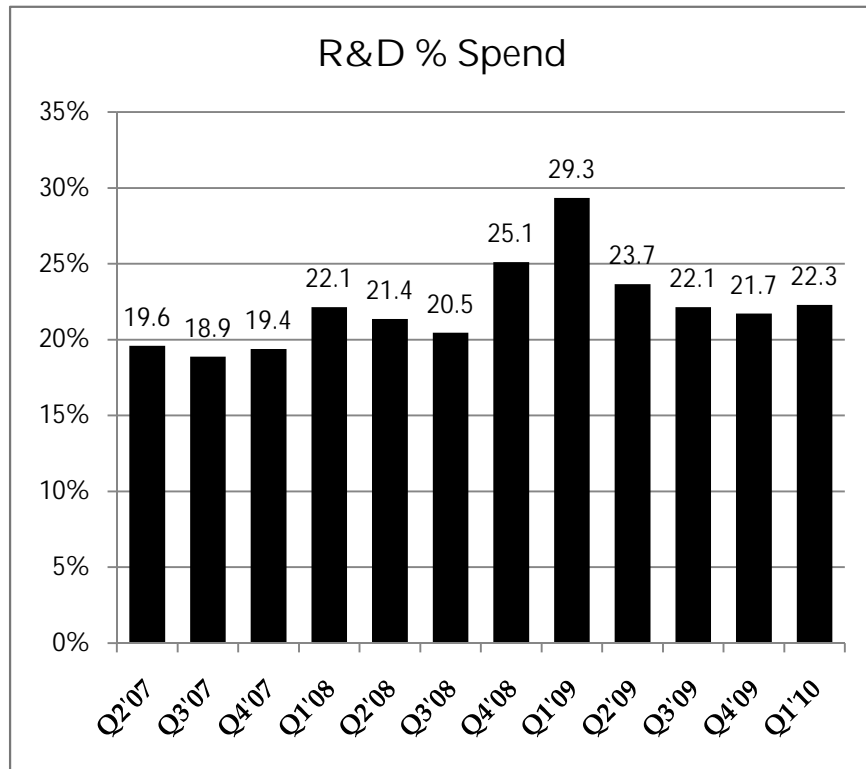
Source: SagePoint Advisors & Capital IQ



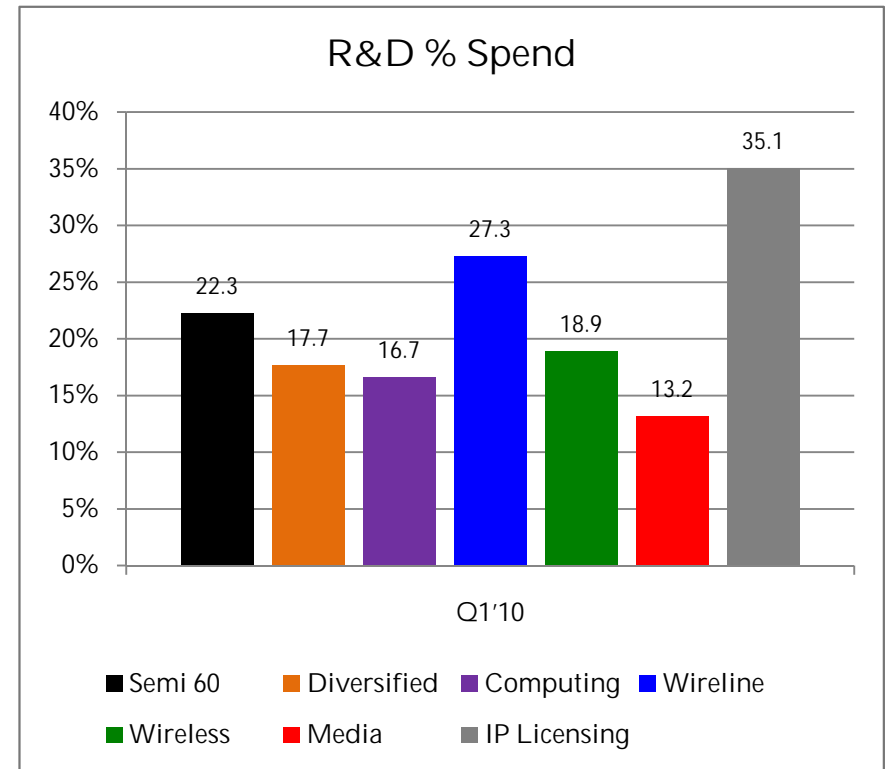
Source: SagePoint Advisors & Capital IQ

Operating Metrics – R&D as a % of Revenues

- R&D spending as a % of revenues increased following several quarters of cost cutting as vendors look to get back on track for product roadmaps
 - Aggregate R&D increased just 0.1% as some major players such as Intel and AMD continue to reduce R&D spend
- IP Licensing and Wireline show the highest median R&D as a percent of revenues, an investment that pays off in the form of higher gross margins
- Media has the lowest median R&D as a percent of revenues at 9% less than the Semis 60



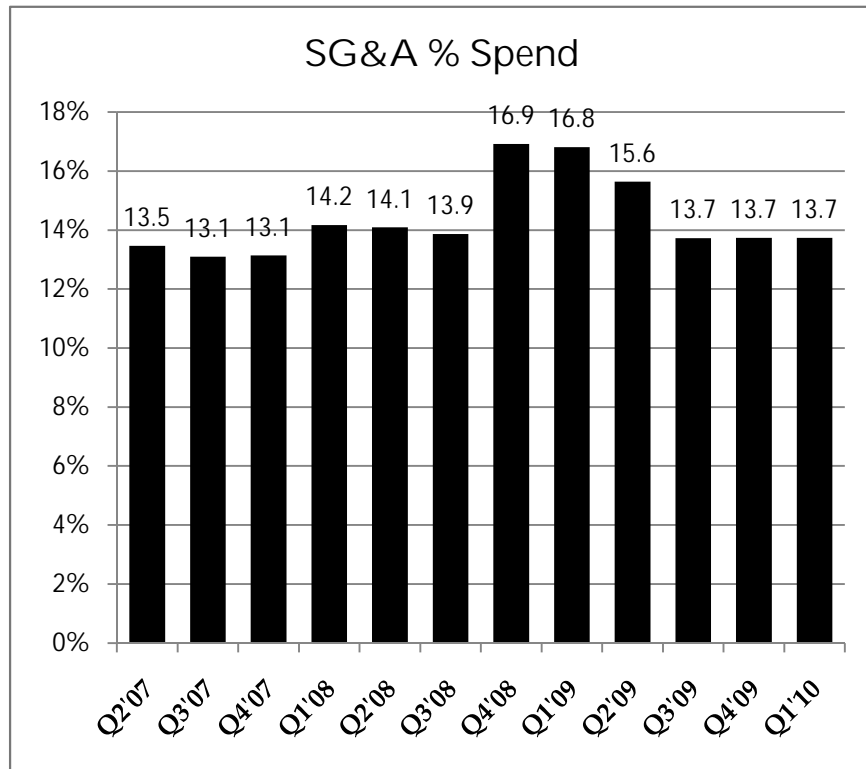
Source: SagePoint Advisors & Capital IQ



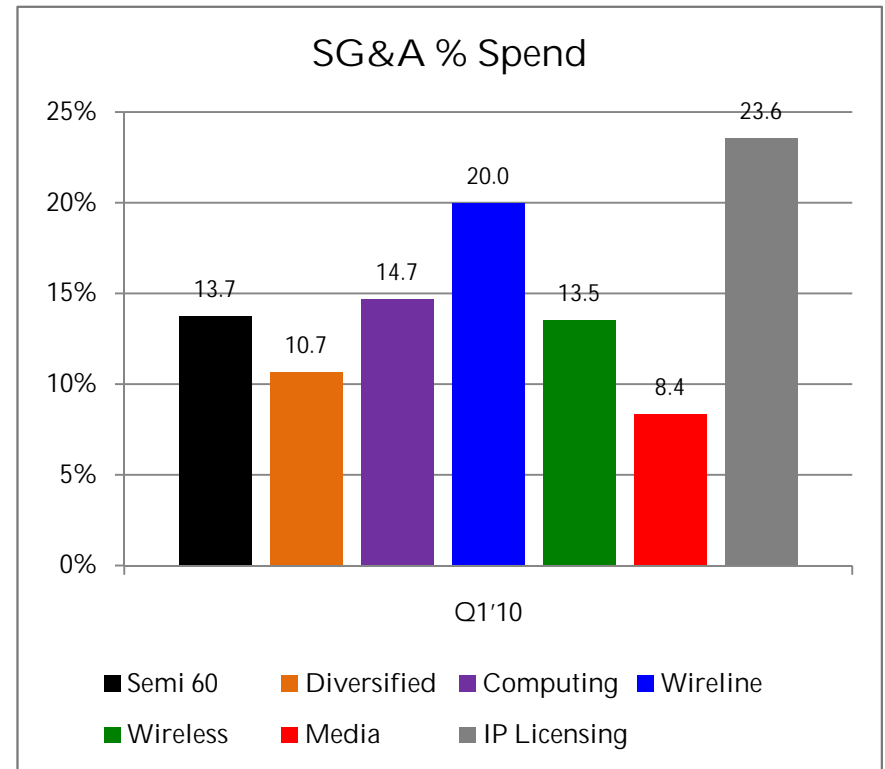
Source: SagePoint Advisors & Capital IQ

Operating Metrics – SG&A as a % of Revenues

- Median SG&A as a percent of revenues remained at 13.7%, in line with the historical range
 - Aggregate SG&A increased 2.5% with several vendors continuing to cost cut while others ramp
- IP Licensing and Wireline segments have higher median SG&A as a percent of revenues because most of these vendors lack scale and IP Licensing vendors also have higher legal costs
- SG&A as a percent of revenues for Media is 5.6% below median as fixed costs are spread across large volumes



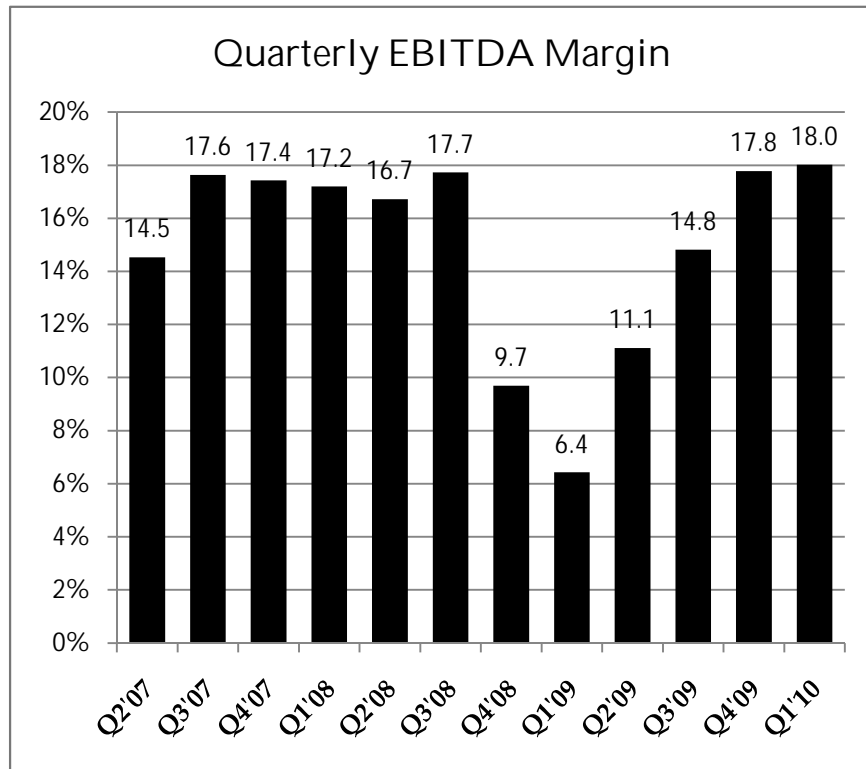
Source: SagePoint Advisors & Capital IQ



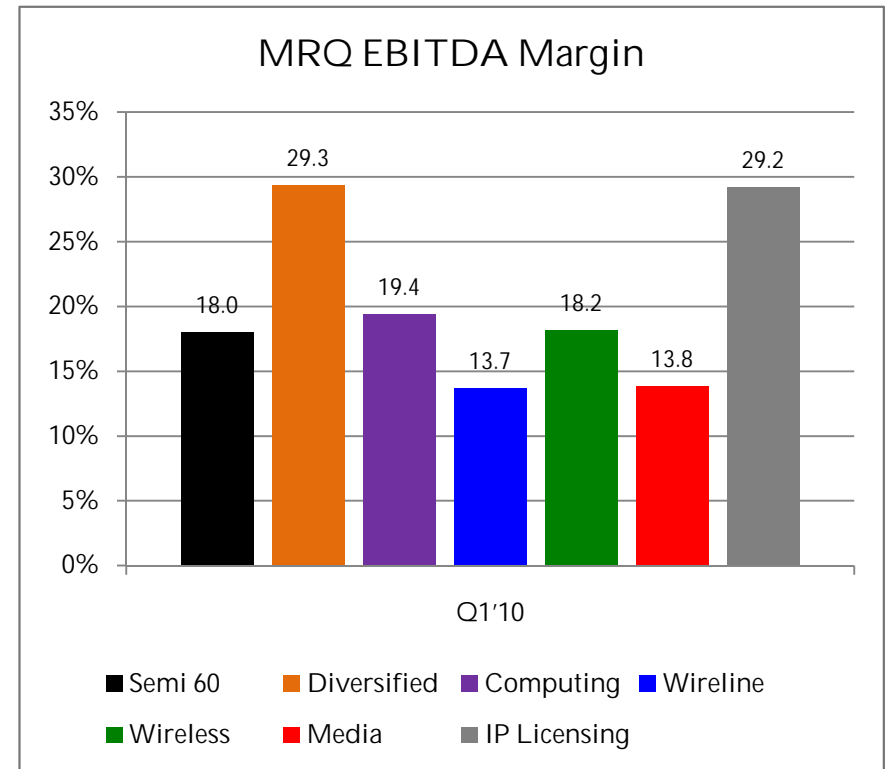
Source: SagePoint Advisors & Capital IQ

Operating Metrics – EBITDA Margins

- Median EBITDA margins remain at their recent high of 18%
 - The return of revenue growth has provided the scale to drive premium earnings following deep cost cuts
- Large Diversified vendors are outperforming the Semis 60 median by 11% proving that scale is king in the semis business
- IP Licensing also outperform the median by 11% due to higher gross margins



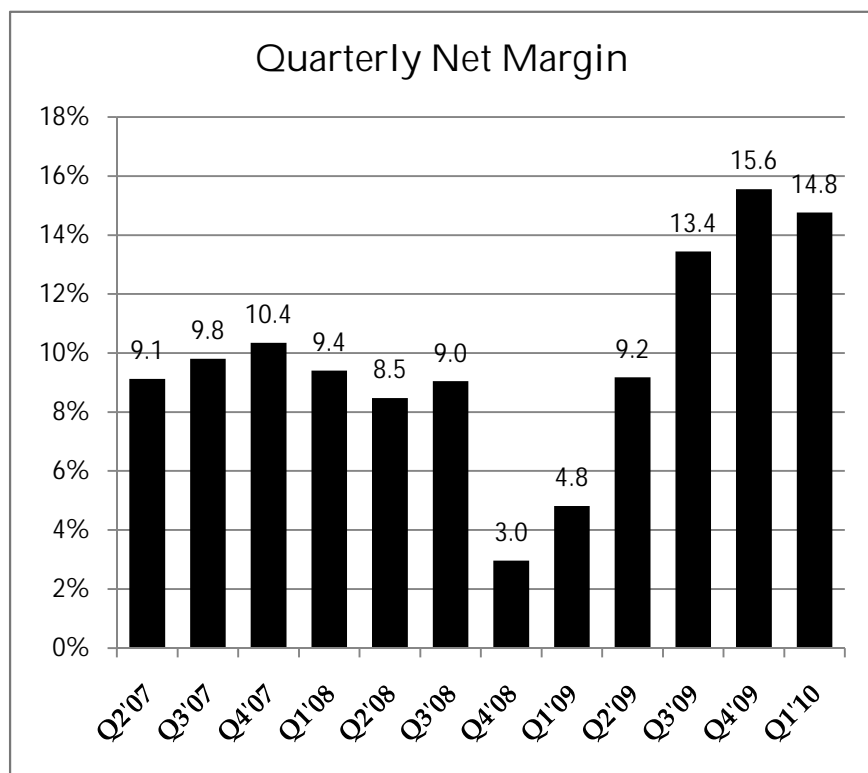
Source: SagePoint Advisors & Capital IQ



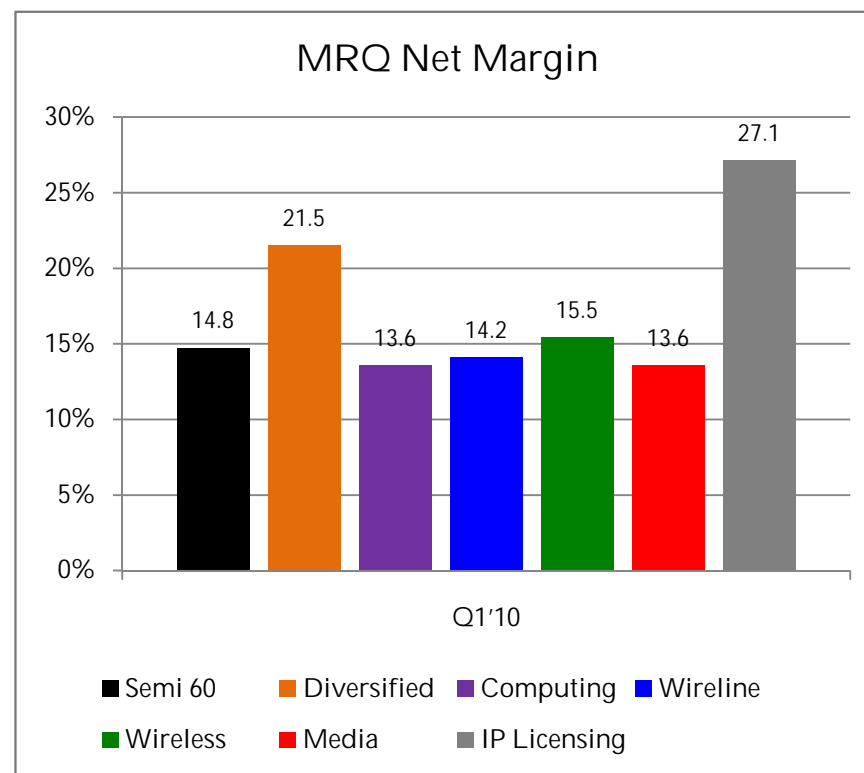
Source: SagePoint Advisors & Capital IQ

Operating Metrics – Net Margins

- Median net margins dipped slightly in Q1 but remain near their highest levels in the past 12 quarters
- IP Licensing benefits from strong gross margins while Diversified benefits from massive scale
 - Diversified net margins outperform despite high depreciation amounts related to in house fabs
- The other 4 segment medians are in a tight range of 13.5-15.5% of revenue



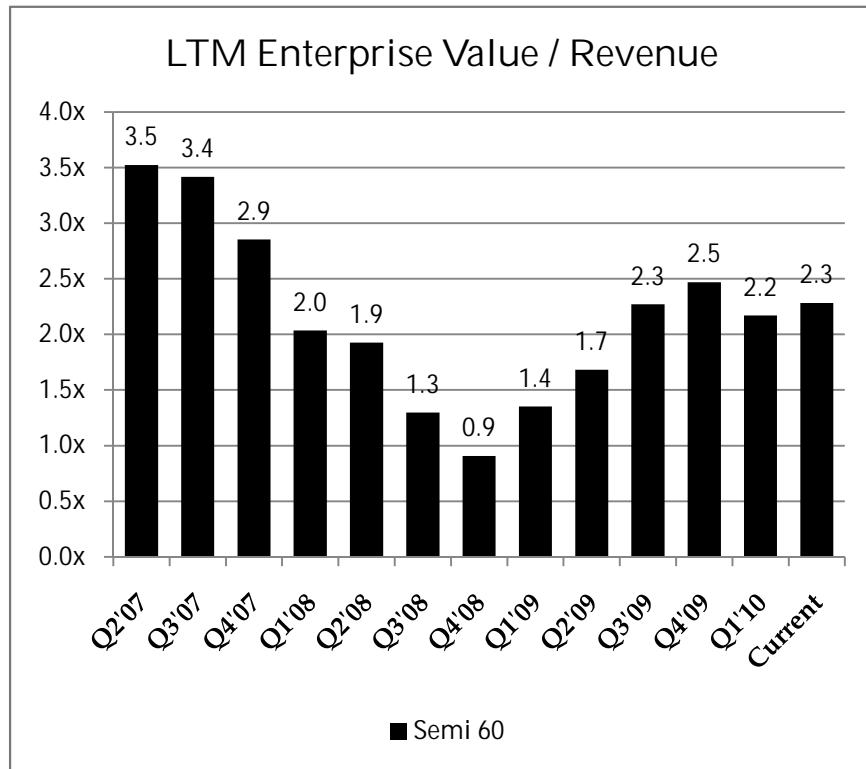
Source: SagePoint Advisors & Capital IQ



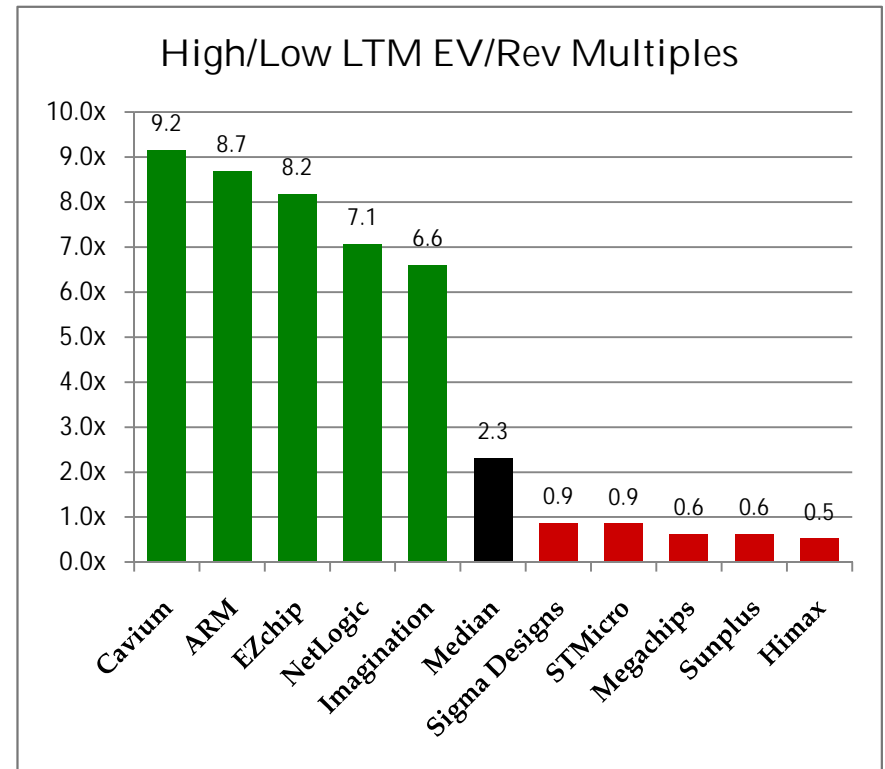
Source: SagePoint Advisors & Capital IQ

Valuation Metrics – LTM Revenue Multiples

- Median revenue multiples have stabilized in the low 2s, still nearly 35% below '07 peaks
 - SagePoint expects that multiples may still have some upside but are not likely to return to '07 peak
 - Signals of recovery have led several players (e.g., Broadcom, Intersil, Ralink, Sigma Designs) to make substantial acquisitions
- Cavium, NetLogic, and EZchip trade at premium multiples due to strong revenue growth expectations while ARM and Imagination enjoy high margins



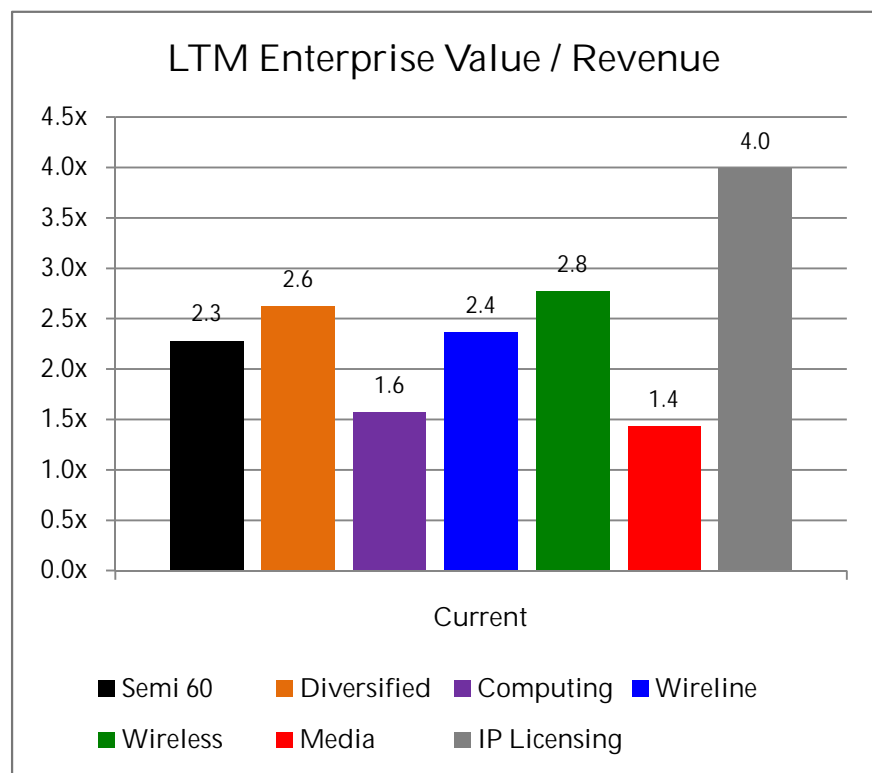
Source: SagePoint Advisors & Capital IQ



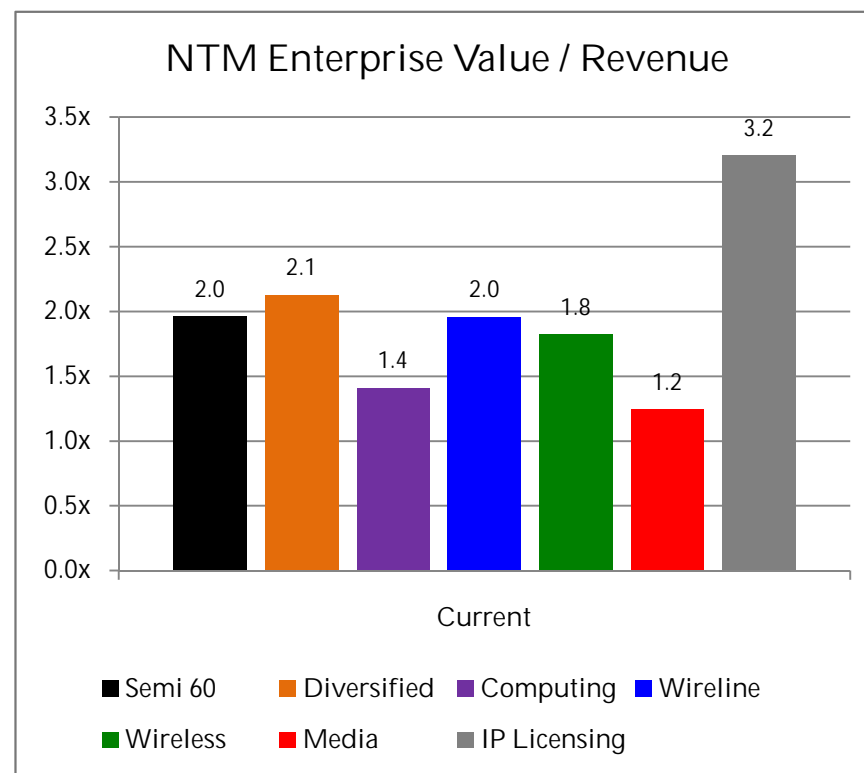
Source: SagePoint Advisors & Capital IQ

Valuation Metrics – Revenue Multiples By Segment

- IP Licensing and Diversified vendors trade at a premium on both an LTM and NTM basis
 - Premium due to higher margins dropping more of each revenue dollar to the bottom line
- Media segment trades at a discount due to lower expected net margins
- Computing segment trades at a discount due to lower growth prospects
- NTM multiples are consistently lower than LTM reflecting expected median growth of 12-25%



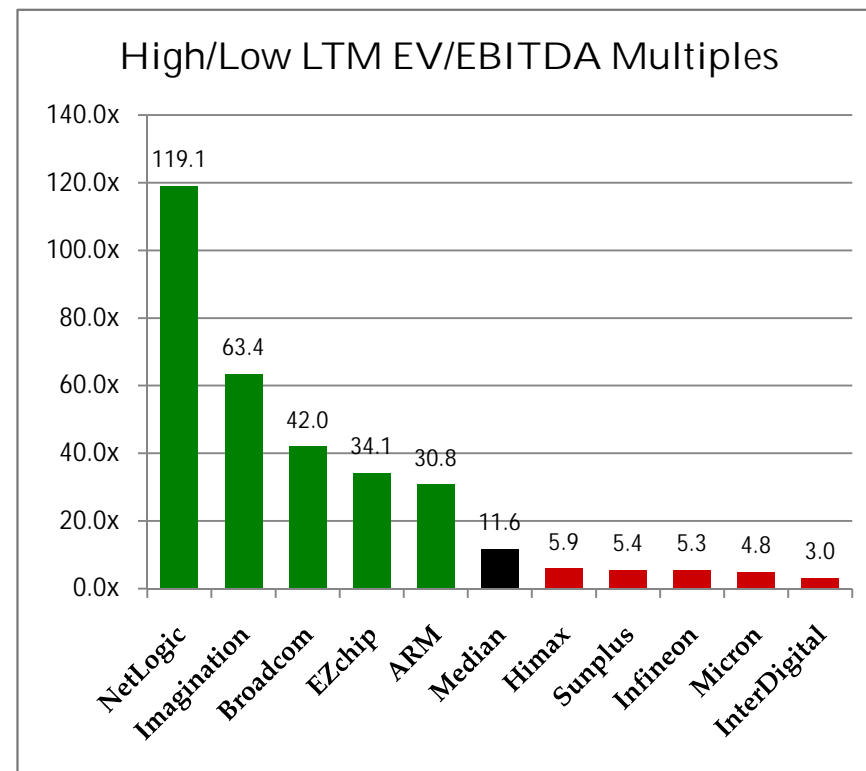
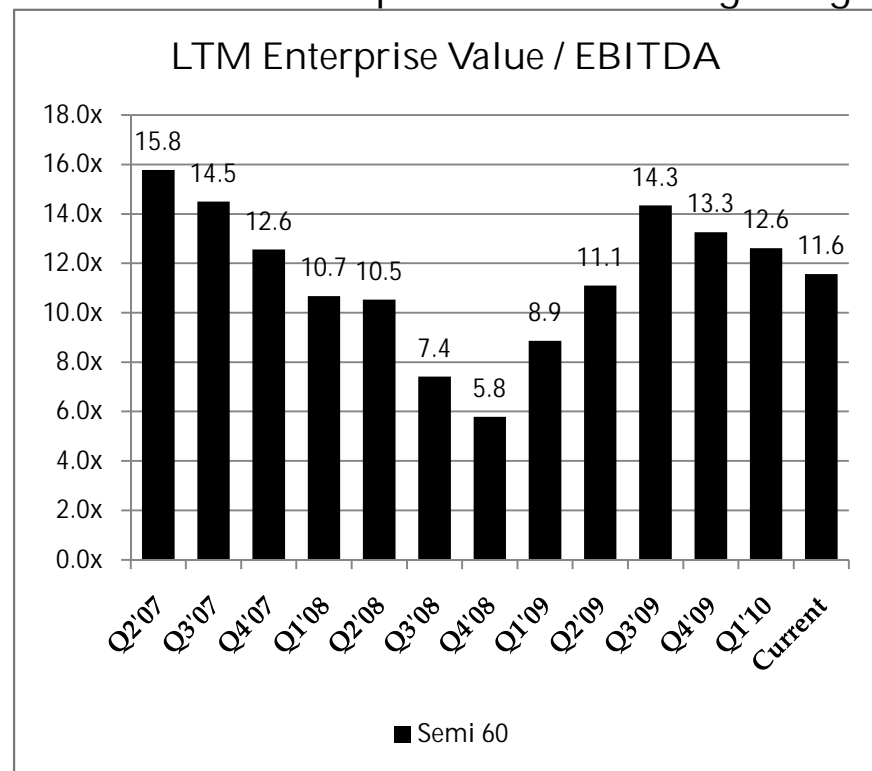
Source: SagePoint Advisors & Capital IQ



Source: SagePoint Advisors & Capital IQ

Valuation Metrics – LTM EBITDA Multiples

- Median EBITDA multiples continue to slide but remain at a respectable 11.6x
 - Median EBITDA multiples fell from end of Q1 to current despite revenue multiples increasing as EBITDA is unavailable or negative for several companies that increased in value
- NetLogic multiple is inflated as RMI financials have only been included for 5 months
- Imagination’s high multiples don’t appear to be based on fundamentals
- Broadcom and EZchip trade at a premium due to strong margins and growth projections
- ARM trades at a premium on strong margins and stable cash flows



Source: SagePoint Advisors & Capital IQ

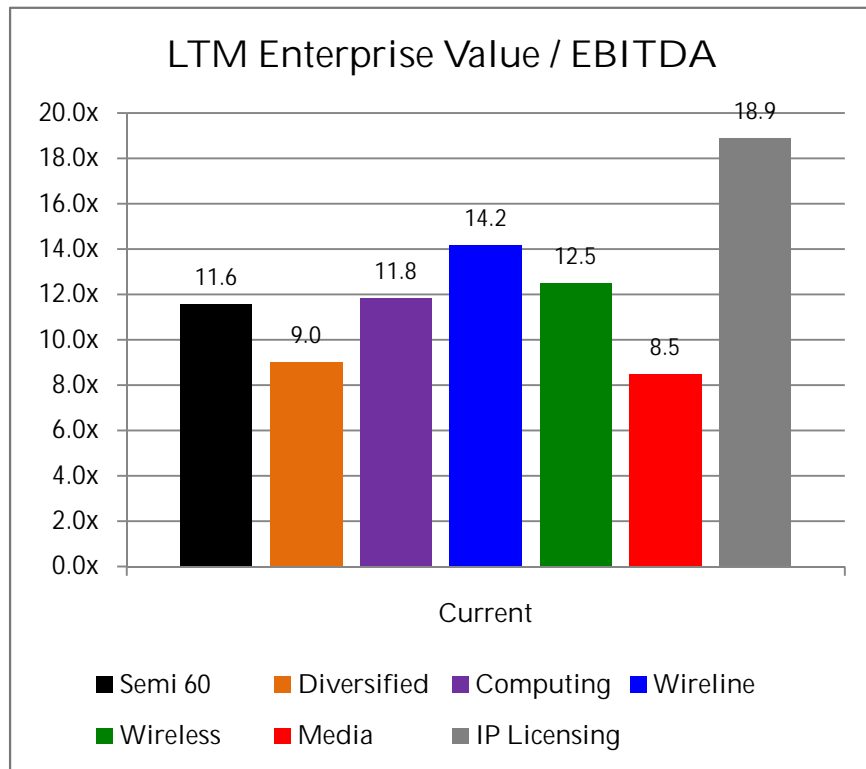
Note: Excludes companies with an LTM EBITDA margin below 5% and >20x mult

Source: SagePoint Advisors & Capital IQ

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

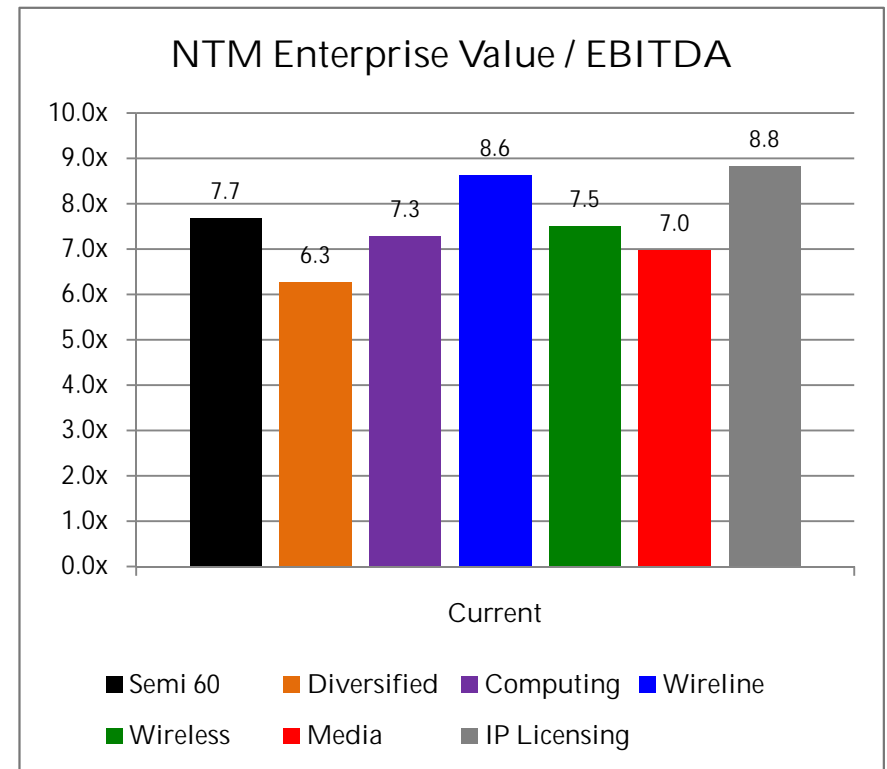
Valuation Metrics – EBITDA Multiples By Segment

- All of the semis segments are trading at median NTM EBITDA multiple of 6-9x
 - Diversified vendors trade at lower EBITDA multiples due to high depreciation costs of fabs
- LTM EBITDA multiples appear high for some segments because median EBITDA growth of 40%+ is expected for 5 of the 6 segments over the next twelve months



Source: SagePoint Advisors & Capital IQ

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

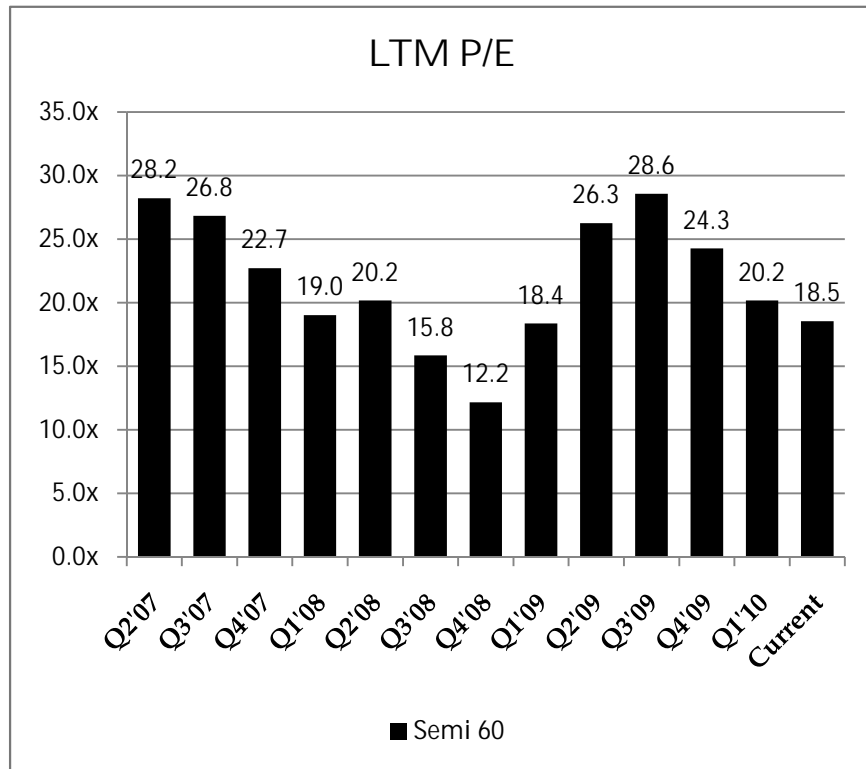


Source: SagePoint Advisors & Capital IQ

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

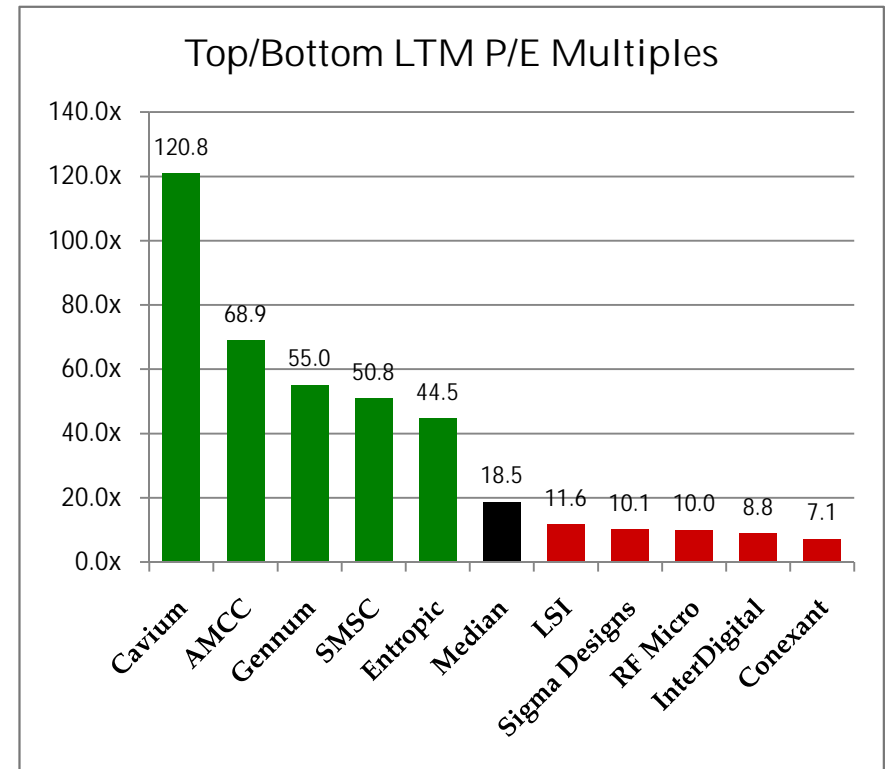
Valuation Metrics – LTM P/E Multiples

- Median P/E multiples have slipped to below 20x for the first time since Q1'09 and now stand at 18.5x, about 35% off of their 2007 peak
- Of companies with a net margin of 2.5% or greater, Cavium, AMCC, Gennum, SMSC and Entropic trade at premium P/E multiples of over 40x
 - All five vendors are expected to deliver triple digit EPS growth over the next twelve months
- Of companies with 2.5% net margins, only Conexant, InterDigital, RF Micro, Sigma Designs, LSI and Novatek trade at a P/E below 12x



Source: SagePoint Advisors & Capital IQ

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

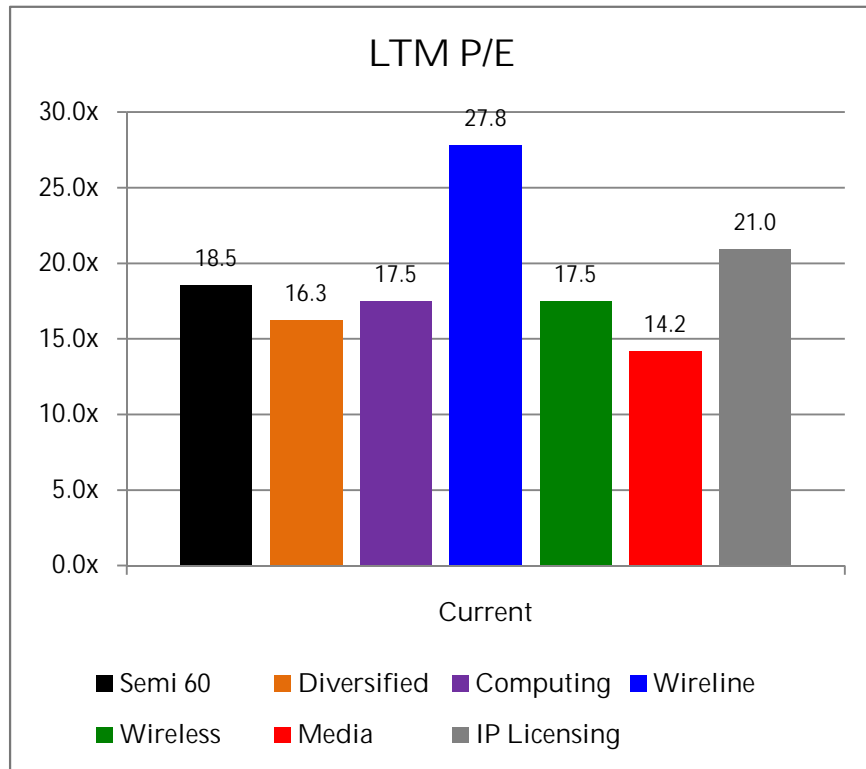


Source: SagePoint Advisors & Capital IQ

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

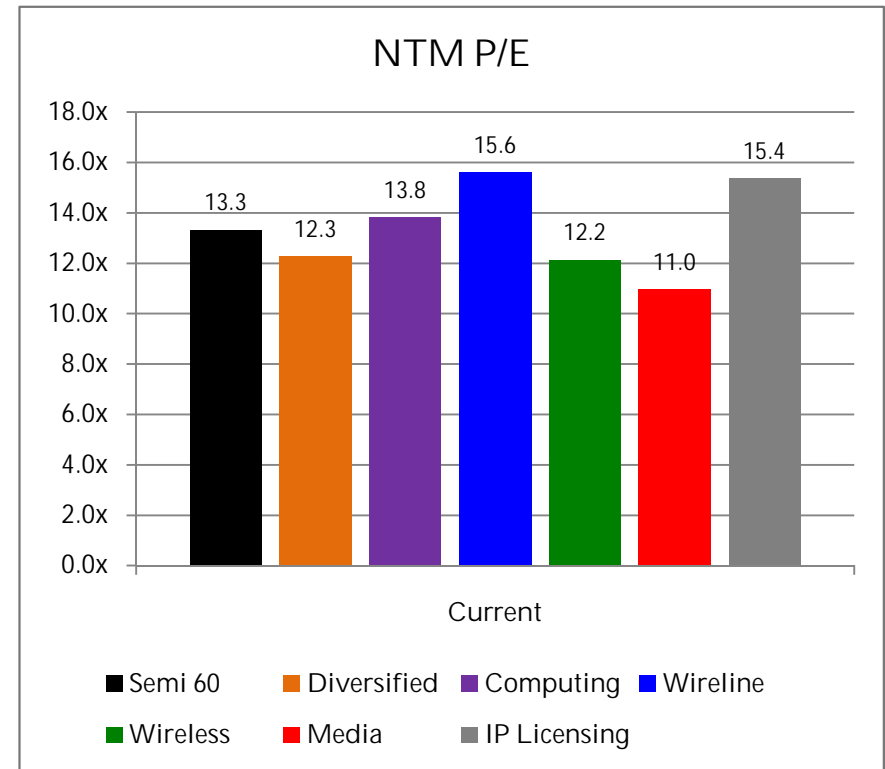
Valuation Metrics – P/E Multiples By Segment

- The Semis 60 segments trade in a relatively tight median P/E range on an NTM basis
 - Wireline vendors outperform on expectations of very strong EPS growth going forward
 - IP Licensing also trades at a premium due to high margins and stable earnings
 - Media companies underperform due to lower EPS growth expectations and weaker net margins
- LTM multiples are generally significantly higher than NTM as strong EPS growth is expected across the Semis 60



Source: SagePoint Advisors & Capital IQ

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

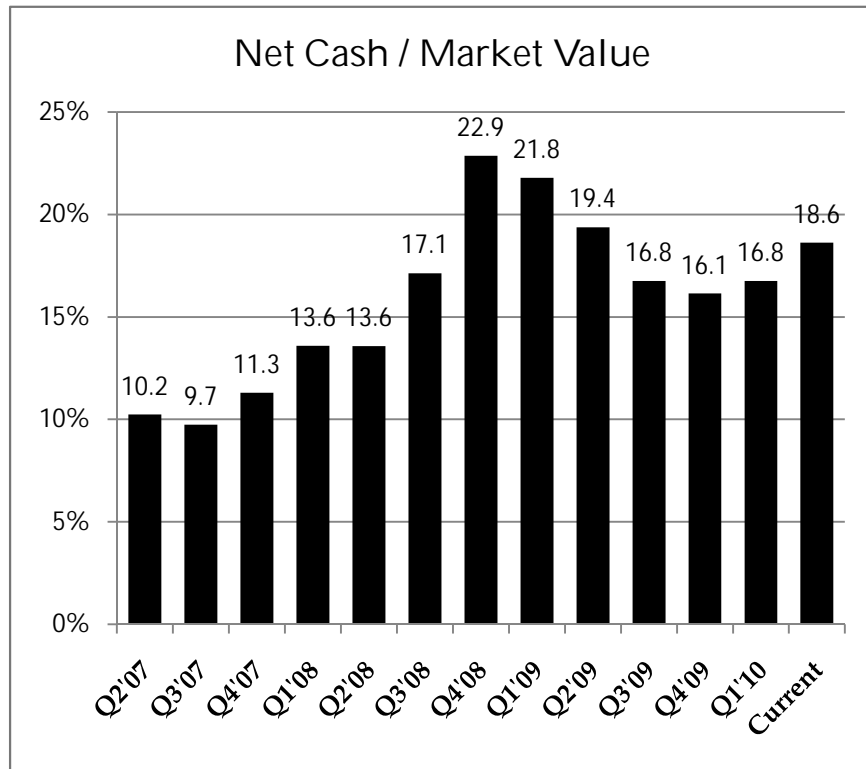


Source: SagePoint Advisors & Capital IQ

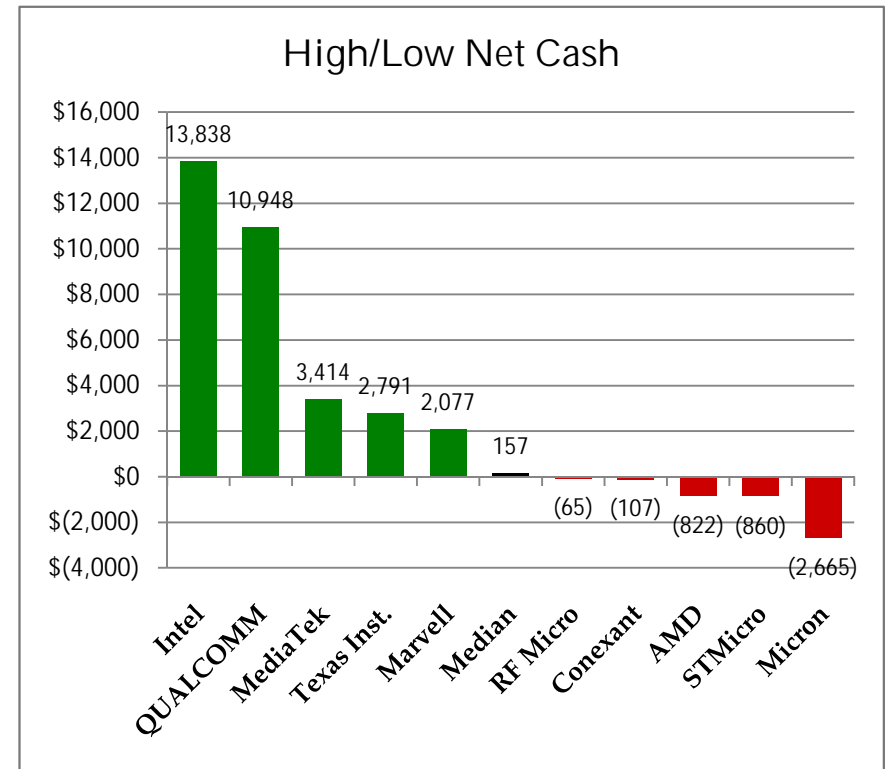
Note: Excludes companies with an NTM net margin below 2.5% and P/E >40x

Balance Sheet Strength – Net Cash Position

- Median cash position relative to market cap was returning to historical levels as stock prices recovered until European economic concerns sent many stocks down
- These relatively healthy cash levels led to a resurgence in \$100M+ M&A deals in recent quarters and SagePoint expects the M&A rebound to continue throughout 2010
- Intel, Qualcomm, MediaTek, TI, Marvell, Broadcom and ADI have large war chests of \$2B+ in net cash at their disposal while Micron, ST Micro and AMD remain quite leveraged



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	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash /	Net Debt /	SG&A /	R&D /
	5/28/10	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Mkt Cap	EBITDA	Revenue	Revenue
Semiconductor 60																			
Semiconductor 60 Mean		5,979	5,219	1,041	282	4.2 %	2.7 x	2.2 x	16.6 x	9.4 x	24.1 x	14.7 x	3.5 %	18.0 %	34.5 %	17.0%	(3.9) x	14.9 %	21.9 %
Semiconductor 60 Median		1,070	749	231	2	(2.9)%	2.3 x	2.0 x	11.6 x	7.7 x	18.5 x	13.3 x	2.2 %	10.4 %	17.8 %	18.6%	(2.8) x	13.7 %	22.3 %
Diversified																			
Analog Devices	29.17	8,692	6,689	2,387	383	(7.6)%	2.9 x	2.4 x	9.4 x	6.4 x	18.7 x	12.4 x	3.6 %	10.0 %	9.3 %	23.0%	(2.8) x	14.6 %	18.4 %
Avago	20.65	4,908	4,888	256	236	12.9 %	2.8 x	2.3 x	10.8 x	7.8 x	17.2 x	11.4 x	3.3 %	10.3 %	18.1 %	0.4%	(0.0) x	9.3 %	13.6 %
Broadcom	34.50	17,126	15,082	2,044	0	9.6 %	3.1 x	2.3 x	42.0 x	13.3 x	19.8 x	13.9 x	5.8 %	64.9 %	39.8 %	11.9%	(5.7) x	9.4 %	29.8 %
Infineon	5.64	6,131	4,750	2,289	909	1.5 %	1.0 x	0.9 x	5.3 x	4.1 x	NM	11.2 x	NA	NA	22.5%	(1.6) x	11.1 %	13.1 %	
Marvell	18.98	12,232	10,155	2,079	2	(8.5)%	3.2 x	2.6 x	11.8 x	8.2 x	14.5 x	11.9 x	1.2 %	6.7 %	4.2 %	17.0%	(2.4) x	7.1 %	25.6 %
Maxim	17.76	5,370	4,511	859	0	(12.6)%	2.5 x	2.0 x	8.7 x	5.7 x	22.8 x	13.3 x	(0.7)%	(1.8)%	0.1 %	16.0%	(1.7) x	12.4 %	23.0 %
MediaTek	16.06	17,381	13,966	3,415	0	(7.9)%	3.6 x	3.2 x	11.5 x	9.1 x	14.0 x	12.6 x	NA	NA	NA	19.6%	(2.8) x	5.9 %	16.8 %
Realtek	2.37	1,124	827	297	0	(19.6)%	1.2 x	1.0 x	8.0 x	6.1 x	15.3 x	15.1 x	NA	NA	NA	26.5%	(2.9) x	10.2 %	17.0 %
STMicro	7.91	6,947	7,807	2,460	3,320	(14.1)%	0.9 x	0.7 x	8.2 x	4.6 x	NM	12.2 x	(1.2)%	32.4 %	36.1 %	(12.4)%	0.9 x	12.1 %	25.6 %
Texas Inst.	24.42	29,847	27,056	2,791	0	(6.3)%	2.3 x	2.0 x	6.8 x	5.3 x	14.0 x	10.3 x	2.1 %	5.1 %	4.5 %	9.4%	(0.7) x	11.2 %	11.5 %
Mean		10,976	9,573	1,888	485	(5.3)%	2.3 x	1.9 x	12.3 x	7.1 x	17.0 x	12.4 x	2.0 %	18.2 %	16.0 %	13.4%	(2.0) x	10.3 %	19.5 %
Median		7,820	7,248	2,184	1	(7.8)%	2.6 x	2.1 x	9.0 x	6.3 x	16.3 x	12.3 x	2.1 %	10.0 %	9.3 %	16.5%	(2.0) x	10.7 %	17.7 %

(\$ 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
Semiconductor 60																		
Semiconductor 60 Mean	578	2,189	2,948	188	683	1,041	0.21	0.61	1.04	84.0%	332.6%	224.5%	25.4%	119.5%	139.5%	51.6 %	20.1 %	16.6 %
Semiconductor 60 Median	127	541	799	16	79	192	0.14	0.44	0.74	50.6%	187.2%	147.8%	21.5%	52.4%	37.1%	50.3 %	18.0 %	14.8 %
Diversified																		
Analog Devices	668	2,334.8	2,815.4	245	712.9	1,041.2	0.55	1.56	2.35	40.8%	133.4%	161.9%	20.6%	46.1%	50.4%	65.0 %	36.6 %	25.2 %
Avago	515	1,762.0	2,142.2	149	451.0	630.4	0.47	1.20	1.80	58.5%	325.7%	95.8%	21.6%	39.8%	50.4%	48.0 %	28.9 %	22.5 %
Broadcom	1,411	4,876.9	6,588.0	189	359.3	1,132.4	0.65	1.74	2.48	65.3%	391.5%	828.6%	35.1%	215.2%	42.3%	50.7 %	13.4 %	24.3 %
Infineon	1,399	4,817.4	5,277.2	268	890.1	1,149.1	0.09	0.01	0.50	57.4%	NM	143.0%	9.5%	29.1%	NM	34.1 %	19.1 %	7.8 %
Marvell	856	3,141.8	3,835.2	255	862.4	1,239.7	0.38	1.31	1.60	64.1%	850.5%	660.0%	22.1%	43.8%	22.2%	59.8 %	29.8 %	30.1 %
Maxim	509	1,826.1	2,277.1	165	519.6	788.4	0.27	0.78	1.34	49.8%	264.6%	NM	24.7%	51.7%	71.5%	60.7 %	32.4 %	16.2 %
MediaTek	1,030	3,868.8	4,330.5	295	1,217.7	1,532.9	0.32	1.15	1.28	46.1%	NA	69.7%	11.9%	25.9%	10.8%	56.7 %	32.5 %	34.0 %
Realtek	197	711.4	793.3	29	102.7	134.9	0.04	0.16	0.16	80.5%	82.4%	105.6%	11.5%	31.3%	1.5%	39.2 %	14.8 %	11.2 %
STMicro	2,325	9,176.0	10,486.0	324	953.0	1,681.3	0.07	(0.34)	0.65	40.1%	NM	122.6%	14.3%	76.4%	291.4%	37.7 %	13.9 %	2.7 %
Texas Inst.	3,205	11,547.0	13,769.2	1,184	3,957.0	5,139.5	0.53	1.74	2.37	53.6%	233.5%	657.1%	19.2%	29.9%	36.2%	52.7 %	36.9 %	20.6 %
Mean	1,211	4,406	5,231	310	1,003	1,447	0.34	0.93	1.45	55.6%	325.9%	316.0%	19.1%	58.9%	64.1%	50.5 %	25.8 %	19.4 %
Median	943	3,505	4,083	250	788	1,141	0.35	1.18	1.47	55.5%	264.6%	143.0%	19.9%	41.8%	42.3%	51.7 %	29.3 %	21.5 %

(\$ in millions, except per share data)

Company Name	Stock Price	Market	Enterprise	Cash	Debt	% Change 12/31/09	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash /	Net Debt /	SG&A /	R&D /	CapEx /
	5/28/10	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Mkt Cap	EBITDA	Revenue	Revenue	Revenue
Computing																				
AMD	8.57	5,771	6,593	1,936	2,758	(11.5)%	1.1 x	1.0 x	7.7 x	7.3 x	NM	17.3 x	2.4 %	9.8 %	184.4 %	(14.2)%	1.0 x	13.9 %	20.5 %	3.0 %
Atmel	5.11	2,352	1,915	521	84	10.7 %	1.5 x	1.2 x	27.5 x	8.4 x	NM	17.1 x	2.3 %	NA	202.8 %	18.6%	(6.3) x	17.6 %	16.7 %	4.8 %
Intel	21.42	119,181	105,343	16,342	2,504	5.0 %	2.8 x	2.4 x	6.5 x	5.3 x	14.4 x	11.3 x	4.7 %	6.2 %	13.7 %	11.6%	(0.8) x	14.7 %	15.2 %	9.0 %
Microchip	27.85	5,131	4,257	1,214	341	(4.1)%	4.5 x	3.3 x	11.8 x	8.3 x	23.8 x	13.8 x	3.1 %	NA	24.2 %	17.0%	(2.4) x	16.8 %	12.0 %	NA
NVIDIA	13.14	7,519	5,778	1,765	24	(29.7)%	1.6 x	1.4 x	15.2 x	7.0 x	17.5 x	13.7 x	1.5 %	(9.7)%	4.0 %	23.2%	(4.6) x	9.1 %	21.8 %	1.7 %
Mean	27,991	24,777	4,356	1,142	(5.9)%	2.3 x	1.9 x	13.8 x	7.3 x	18.6 x	14.7 x	2.8 %	2.1 %	85.8 %	11.2%	(2.6) x	14.4 %	17.2 %	4.6 %	
Median	5,771	5,778	1,765	341	(4.1)%	1.6 x	1.4 x	11.8 x	7.3 x	17.5 x	13.8 x	2.4 %	6.2 %	24.2 %	17.0%	(2.4) x	14.7 %	16.7 %	3.9 %	

(\$ 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
Computing																		
AMD	1,574	5,800.0	6,613.3	282	853.0	904.5	0.06	(0.82)	0.50	33.7%	571.4%	109.7%	14.0%	6.0%	160.5%	47.1 %	17.9 %	2.9 %
Atmel	349	1,294.4	1,554.1	29	69.6	226.9	0.04	0.01	0.30	28.4%	246.4%	223.3%	20.1%	226.1%	NM	38.4 %	8.4 %	4.9 %
Intel	10,299	38,281.0	43,620.3	4,589	16,289.0	19,743.9	0.43	1.49	1.89	44.1%	130.5%	290.9%	13.9%	21.2%	27.0%	63.4 %	44.6 %	23.7 %
Microchip	278	947.7	1,302.7	112	359.3	515.9	0.46	1.17	2.01	60.5%	44.0%	318.2%	37.5%	43.6%	72.1%	60.8 %	40.1 %	31.3 %
NVIDIA	1,002	3,664.0	4,088.9	195	379.9	827.7	0.23	0.75	0.96	50.8%	585.5%	355.6%	11.6%	117.9%	28.0%	45.6 %	19.4 %	13.6 %
Mean	2,700	9,997	11,436	1,041	3,590	4,444	0.24	0.52	1.13	43.5%	315.6%	259.5%	19.4%	83.0%	71.9%	51.0 %	26.1 %	15.3 %
Median	1,002	3,664	4,089	195	380	828	0.23	0.75	0.96	44.1%	246.4%	290.9%	14.0%	43.6%	50.0%	47.1 %	19.4 %	13.6 %

Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price 5/28/10	Market Cap	Enterprise Value	Cash	Debt	% Change 12/31/09	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				
Wireline																			
AMCC	11.03	722	509	213	0	47.6 %	2.5 x	2.0 x	NM	33.3 x	68.9 x	25.6 x	1.6 %	NA	89.5 %	29.5%	NA	20.7 %	42.1 %
Cavium	26.58	1,179	1,121	66	8	11.5 %	9.2 x	5.2 x	NM	27.8 x	120.8 x	31.0 x	2.6 %	NA	26.7 %	4.9%	NA	33.7 %	33.6 %
Emulex	10.48	850	563	287	0	(3.9)%	1.5 x	1.3 x	9.9 x	5.7 x	19.8 x	13.6 x	(0.4)%	NA	6.6 %	33.8%	(5.1) x	25.3 %	30.7 %
Entropic	5.34	383	345	38	0	73.9 %	2.7 x	2.0 x	NM	13.2 x	44.5 x	17.5 x	1.7 %	10.4 %	27.7 %	10.0%	(12.1) x	17.3 %	30.8 %
EZchip	17.35	433	358	75	0	43.5 %	8.2 x	5.5 x	34.1 x	NA	27.8 x	25.1 x	0.7 %	NA	31.6 %	17.3%	(7.1) x	17.4 %	24.1 %
Gennum	7.15	253	216	37	0	66.4 %	2.3 x	1.8 x	14.2 x	9.3 x	55.0 x	15.0 x	14.0 %	NA	51.0 %	14.7%	(2.4) x	27.1 %	23.6 %
Integrated Device	5.84	949	605	343	0	(9.7)%	1.1 x	1.0 x	12.6 x	5.9 x	20.9 x	11.9 x	1.5 %	NA	12.5 %	36.2%	(7.1) x	12.4 %	27.2 %
ITE Tech	1.55	312	222	90	0	(31.7)%	1.7 x	NA	NA	NA	21.5 x	NA	NA	NA	NA	29.0%	NA	11.2 %	15.8 %
LSI	5.33	3,484	2,818	1,016	350	(11.3)%	1.2 x	1.0 x	10.6 x	6.0 x	11.6 x	10.8 x	1.0 %	27.7 %	60.3 %	19.1%	(2.5) x	13.5 %	26.2 %
Mellanox	23.25	780	563	217	1	23.1 %	4.3 x	3.4 x	20.1 x	18.5 x	26.1 x	21.6 x	2.7 %	95.6 %	27.9 %	27.8%	(7.7) x	21.1 %	33.9 %
Mindspeed	8.47	270	253	31	14	80.6 %	1.7 x	1.4 x	NM	7.7 x	NM	12.0 x	1.4 %	19.0 %	39.5 %	6.6%	(2.8) x	25.8 %	30.4 %
NetLogic	28.77	1,802	1,628	177	4	24.4 %	7.1 x	4.1 x	119.1 x	22.5 x	28.6 x	21.3 x	1.2 %	NA	10.7 %	9.6%	(12.7) x	22.9 %	32.5 %
Pericom	9.90	251	143	109	2	(14.1)%	1.1 x	0.9 x	14.4 x	NA	29.1 x	15.6 x	4.0 %	NA	26.3 %	42.9%	(10.9) x	16.9 %	11.6 %
PMC-Sierra	8.10	1,867	1,702	224	59	(6.5)%	3.1 x	2.6 x	11.5 x	8.6 x	12.7 x	11.3 x	1.8 %	12.9 %	11.8 %	8.8%	(1.1) x	14.6 %	27.5 %
QLogic	18.12	2,021	1,645	376	0	(4.0)%	3.0 x	2.7 x	11.3 x	8.5 x	18.1 x	14.7 x	1.7 %	(13.3)%	8.7 %	18.6%	(2.6) x	19.3 %	23.2 %
SMSC	22.88	513	385	140	11	10.1 %	1.2 x	1.0 x	19.8 x	6.6 x	50.8 x	17.8 x	3.9 %	31.9 %	66.2 %	25.0%	(6.6) x	25.8 %	25.5 %
Mean	1,004	817	215	28	18.7 %	3.2 x	2.4 x	25.2 x	13.4 x	37.1 x	17.7 x	2.6 %	26.3 %	33.1 %	20.9%	(6.2) x	20.3 %	27.4 %	
Median	751	536	159	0	10.8 %	2.4 x	2.0 x	14.2 x	8.6 x	27.8 x	15.6 x	1.7 %	19.0 %	27.7 %	18.8%	(6.6) x	20.0 %	27.3 %	

(\$ 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
Wireline																		
AMCC	58	205.6	251.7	3	(2.5)	15.3	0.09	0.16	0.43	40.5%	131.0%	169.2%	22.4%	NM	168.8%	60.4 %	5.5 %	10.2 %
Cavium	42	122.5	214.3	0	(2.3)	40.3	0.14	0.22	0.86	104.3%	102.8%	450.0%	75.0%	NM	289.8%	59.6 %	0.2 %	14.7 %
Emulex	102	375.3	437.1	17	56.9	98.7	0.18	0.53	0.77	30.1%	481.3%	260.0%	16.5%	73.5%	45.5%	63.0 %	16.8 %	14.4 %
Entropic	37	129.6	175.9	3	3.2	26.1	0.06	0.12	0.30	55.3%	139.5%	200.0%	35.7%	722.6%	153.8%	52.7 %	6.9 %	11.9 %
EZchip	14	43.8	64.6	4	10.5	NA	0.20	0.62	0.69	38.0%	146.4%	45.7%	47.6%	NA	10.6%	72.7 %	33.0 %	38.5 %
Gennum	30	95.4	118.7	7	15.2	23.3	0.12	0.13	0.48	52.5%	516.6%	700.0%	24.4%	53.1%	267.5%	72.9 %	25.1 %	13.9 %
Integrated Device	138	535.9	634.0	16	48.0	101.9	0.09	0.28	0.49	28.4%	282.2%	550.0%	18.3%	112.0%	75.6%	44.0 %	11.5 %	10.8 %
ITE Tech	37	132.0	NA	NA	NA	NA	0.02	0.07	NA	45.8%	NA	(9.5)%	NA	NM	NA	39.0 %	19.3 %	10.7 %
LSI	637	2,374.1	2,768.5	85	266.2	469.5	0.14	0.46	0.49	32.1%	965.8%	566.7%	16.6%	76.4%	7.1%	42.6 %	13.3 %	14.6 %
Mellanox	36	129.7	166.9	8	28.0	30.4	0.29	0.89	1.08	60.5%	122.4%	262.5%	28.7%	8.5%	21.1%	75.1 %	23.1 %	27.8 %
Mindspeed	40	144.6	179.5	5	6.3	32.9	0.15	0.13	0.71	41.1%	182.8%	162.5%	24.2%	420.7%	442.3%	64.4 %	11.8 %	11.4 %
NetLogic	86	230.6	393.5	12	13.7	72.3	0.31	1.01	1.35	184.0%	479.3%	113.8%	70.7%	428.6%	34.5%	54.6 %	14.1 %	20.8 %
Pericom	37	135.0	164.0	5	9.9	NA	0.12	0.34	0.63	50.3%	187.2%	140.0%	21.4%	NA	86.3%	35.3 %	12.4 %	8.4 %
PMC-Sierra	153	546.4	648.1	44	148.1	197.1	0.19	0.64	0.71	49.0%	358.3%	533.3%	18.6%	33.1%	11.7%	67.9 %	28.5 %	29.0 %
QLogic	146	549.1	610.6	39	145.8	192.8	0.28	1.00	1.23	11.6%	(4.0)%	40.0%	11.2%	32.2%	23.5%	62.7 %	26.8 %	21.8 %
SMSC	83	307.8	387.3	8	19.4	58.3	0.18	0.45	1.29	62.0%	144.1%	133.3%	25.8%	200.6%	185.8%	53.8 %	9.3 %	4.9 %
Mean	105	379	481	17	51	105	0.16	0.44	0.77	55.3%	282.4%	269.8%	30.5%	196.5%	121.6%	57.5 %	16.1 %	16.5 %
Median	50	175	252	8	15	58	0.15	0.40	0.71	47.4%	182.8%	184.6%	24.2%	76.4%	75.6%	60.0 %	13.7 %	14.2 %

(\$ in millions, except per share data)

Company Name	Stock Price 5/28/10	Market Cap	Enterprise Value	Cash	Debt	% Change 12/31/09	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				
Wireless																			
Atheros	34.00	2,377	1,934	444	0	(0.7)%	2.9 x	2.0 x	21.5 x	8.5 x	18.4 x	13.4 x	6.7 %	38.4 %	18.9 %	18.7%	(4.9) x	14.0 %	20.0 %
CSR	5.72	1,050	643	408	0	(13.4)%	0.9 x	0.7 x	9.0 x	5.1 x	NM	11.8 x	NA	NA	NA	38.8%	(5.7) x	15.4 %	26.3 %
Hittite Micro	45.73	1,393	1,155	238	0	12.2 %	6.5 x	4.8 x	13.4 x	10.2 x	26.3 x	18.7 x	6.1 %	13.5 %	14.1 %	17.1%	(2.8) x	14.3 %	12.8 %
QUALCOMM	35.56	58,332	47,384	11,156	208	(23.1)%	4.4 x	4.2 x	11.6 x	10.0 x	14.9 x	15.4 x	0.9 %	8.4 %	4.4 %	18.8%	(2.7) x	16.1 %	24.3 %
Ralink	4.50	565	411	155	1	24.6 %	2.2 x	NA	15.3 x	NA	27.6 x	NA	NA	NA	NA	27.3%	(5.7) x	9.1 %	18.9 %
RF Micro	4.80	1,288	1,354	240	305	0.6 %	1.4 x	1.2 x	5.9 x	4.9 x	10.0 x	8.1 x	7.9 %	NA	25.4 %	(5.1)%	0.3 x	9.8 %	13.6 %
Skyworks	15.93	2,816	2,503	405	93	12.3 %	2.8 x	2.2 x	13.5 x	8.6 x	17.5 x	12.5 x	1.8 %	NA	9.7 %	11.1%	(1.7) x	11.8 %	13.5 %
Spreadtrum	10.70	500	473	71	44	96.0 %	3.2 x	1.7 x	NM	6.6 x	NM	10.5 x	24.1 %	NA	255.7 %	5.5%	(4.2) x	8.2 %	23.0 %
TriQuint	7.02	1,090	932	158	0	17.0 %	1.3 x	1.1 x	9.5 x	5.8 x	16.0 x	10.0 x	4.2 %	NA	12.9 %	14.5%	(1.6) x	13.5 %	17.0 %
Mean		7,712	6,310	1,475	72	13.9 %	2.8 x	2.2 x	12.5 x	7.5 x	18.7 x	12.6 x	7.4 %	20.1 %	48.7 %	16.3%	(3.2) x	12.5 %	18.8 %
Median		1,288	1,155	240	1	12.2 %	2.8 x	1.8 x	12.5 x	7.5 x	17.5 x	12.2 x	6.1 %	13.5 %	14.1 %	17.1%	(2.8) x	13.5 %	18.9 %

(\$ 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
Wireless																		
Atheros	215	669.2	977.7	35	90.1	227.9	0.57	1.85	2.54	144.2%	878.5%	850.0%	46.1%	153.0%	37.1%	48.2 %	16.2 %	19.1 %
CSR	173	693.9	873.9	14	71.1	126.3	0.02	(0.04)	0.49	114.8%	204.2%	120.5%	25.9%	77.6%	NM	46.5 %	8.4 %	1.9 %
Hittite Micro	54	179.0	242.2	27	86.4	112.7	0.54	1.74	2.44	41.9%	55.1%	58.8%	35.3%	30.5%	40.4%	73.4 %	49.5 %	29.8 %
QUALCOMM	2,663	10,776.0	11,283.2	943	4,068.0	4,750.7	0.59	2.39	2.31	8.5%	5.7%	40.5%	4.7%	16.8%	(3.3)%	69.6 %	35.4 %	37.2 %
Ralink	53	184.4	NA	10	26.9	NA	0.06	0.16	NA	112.4%	400.6%	200.0%	NA	NA	NA	43.3 %	18.2 %	15.5 %
RF Micro	261	978.4	1,084.8	73	228.8	276.3	0.14	0.48	0.59	51.4%	887.0%	240.0%	10.9%	20.8%	22.7%	37.9 %	27.9 %	14.8 %
Skyworks	238	902.6	1,124.8	51	185.9	290.8	0.24	0.91	1.27	37.6%	79.3%	100.0%	24.6%	56.4%	39.7%	41.9 %	21.5 %	18.4 %
Spreadtrum	52	149.0	282.4	9	6.6	72.1	0.13	(0.08)	1.02	534.3%	243.0%	168.4%	89.6%	997.9%	1,379.8%	45.5 %	18.1 %	12.6 %
TriQuint	181	716.2	858.2	26	98.4	160.1	0.12	0.44	0.70	52.0%	577.3%	271.4%	19.8%	62.7%	59.7%	37.9 %	14.6 %	10.6 %
Mean	432	1,694	2,091	132	540	752	0.27	0.87	1.42	121.9%	370.1%	227.7%	32.1%	177.0%	225.2%	49.4 %	23.3 %	17.8 %
Median	181	694	926	27	90	194	0.14	0.48	1.15	52.0%	243.0%	168.4%	25.3%	59.5%	39.7%	45.5 %	18.2 %	15.5 %

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 /
	5/28/10	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Mkt Cap	EBITDA	Revenue	Revenue
Media																			
Ali Corp.	1.75	533	386	146	0	(27.6)%	2.3 x	NA	NA	NA	14.9 x	NA	NA	NA	NA	27.5%	NA	6.7 %	16.3 %
Conexant	2.84	231	337	188	294	22.4 %	1.5 x	1.4 x	8.3 x	4.4 x	7.1 x	9.6 x	1.8 %	NA	(4.0)%	(46.3)%	2.6 x	20.5 %	22.8 %
Himax	3.05	542	385	161	4	10.1 %	0.5 x	0.5 x	5.9 x	5.6 x	12.7 x	10.8 x	(1.9)%	NA	(0.9)%	29.0%	(2.4) x	3.7 %	10.0 %
Macroblock	4.14	136	103	35	1	(11.1)%	2.3 x	1.8 x	16.5 x	17.1 x	20.6 x	14.8 x	NA	NA	NA	24.6%	(5.4) x	14.3 %	13.9 %
MaxLinear	15.98	499	405	95	0	NA	NA	NA	NA	NA	NA	NA	7.6 %	30.9 %	0.0 %	18.9%	NA	21.9 %	37.7 %
Megachips	13.57	330	259	70	0	(2.9)%	0.6 x	NA	7.4 x	NA	14.2 x	NA	NA	NA	NA	21.4%	(2.0) x	6.3 %	5.7 %
Micron	9.09	9,032	11,697	1,870	4,535	(13.9)%	1.9 x	1.2 x	4.8 x	3.0 x	NM	5.4 x	7.5 %	11.2 %	59.8 %	(29.5)%	1.1 x	5.1 %	7.5 %
Novatek	2.87	1,710	1,401	553	243	(14.1)%	1.4 x	1.2 x	8.7 x	8.5 x	11.8 x	11.0 x	NA	NA	NA	18.1%	(1.9) x	3.7 %	9.8 %
NVIDIA	13.14	7,519	5,778	1,765	24	(29.7)%	1.6 x	1.4 x	15.2 x	7.0 x	17.5 x	13.7 x	1.5 %	(9.7)%	4.0 %	23.2%	(4.6) x	9.1 %	21.8 %
OmniVision	19.29	1,005	724	334	53	32.9 %	1.2 x	0.9 x	NM	8.4 x	33.8 x	14.6 x	1.5 %	NA	8.7 %	27.9%	(9.4) x	9.9 %	12.5 %
Orise	1.50	204	184	41	21	(39.5)%	1.2 x	NA	NA	NA	19.0 x	NA	NA	NA	NA	9.8%	NA	2.7 %	8.3 %
PixArt Imaging	5.80	758	587	151	3	(31.3)%	5.1 x	3.7 x	20.0 x	15.1 x	27.9 x	20.5 x	NA	NA	NA	19.5%	(5.0) x	8.8 %	12.2 %
Raydium Semi	6.99	372	352	26	7	13.0 %	1.9 x	NA	NA	NA	12.9 x	NA	NA	NA	NA	5.2%	NA	2.7 %	6.9 %
Sigma Designs	10.42	324	189	135	0	(2.6)%	0.9 x	0.7 x	15.3 x	4.9 x	10.1 x	10.4 x	4.0 %	NA	24.0 %	41.6%	(10.9) x	18.8 %	28.8 %
Sunplus	0.76	449	348	209	108	(30.8)%	0.6 x	NA	5.4 x	NA	12.1 x	NA	NA	NA	NA	22.4%	(1.6) x	7.9 %	23.0 %
Trident Micro	1.69	298	168	130	0	(9.1)%	NA	NA	NA	NA	NA	NA	NA	NA	NA	43.7%	NA	22.0 %	41.2 %
Mean	1,496	1,456	1,456	369	331	(9.0)%	1.6 x	1.4 x	10.8 x	8.2 x	16.5 x	12.3 x	3.1 %	10.8 %	13.1 %	16.1%	(3.6) x	10.3 %	17.4 %
Median	474	369	149	5	(11.1)%	1.4 x	1.2 x	8.5 x	7.0 x	14.2 x	11.0 x	1.8 %	11.2 %	4.0 %	21.9%	(2.4) x	8.4 %	13.2 %	

(\$ 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
Media																		
Ali Corp.	41	164.8	NA	7	NA	NA	0.03	0.12	NA	90.8%	NA	123.9%	NA	NM	NA	50.8 %	17.6 %	26.2 %
Conexant	62	230.7	247.5	12	40.4	76.9	0.12	0.40	0.30	40.7%	1,057.1%	192.3%	7.3%	90.3%	(26.3)%	61.1 %	19.1 %	13.7 %
Himax	175	742.2	826.2	14	65.2	68.8	0.05	0.24	0.28	39.7%	77.0%	66.7%	11.3%	5.6%	17.2%	19.8 %	8.1 %	5.1 %
Macroblock	11	44.6	57.4	2	6.2	6.0	0.06	0.20	0.28	46.6%	84.5%	60.6%	28.7%	(3.4)%	38.9%	43.3 %	16.7 %	16.9 %
MaxLinear	16	NA	NA	2	NA	NA	0.01	NA	NA	84.0%	480.9%	NA	NA	NM	NA	68.0 %	10.5 %	0.9 %
Megachips	68	415.9	NA	1	34.9	NA	0.02	0.96	NA	(30.0)%	(55.8)%	(54.5)%	NA	NA	NA	13.1 %	1.9 %	0.7 %
Micron	1,961	6,109.0	9,378.5	891	2,427.0	3,948.7	0.39	0.08	1.67	97.5%	2,972.4%	147.6%	53.5%	62.7%	2,040.0%	32.7 %	45.4 %	20.0 %
Novatek	272	991.5	1,201.3	41	161.9	164.2	0.06	0.24	0.26	143.6%	239.7%	190.3%	21.2%	1.4%	7.4%	27.5 %	15.2 %	13.8 %
NVIDIA	1,002	3,664.0	4,088.9	195	379.9	827.7	0.23	0.75	0.96	50.8%	585.5%	355.6%	11.6%	117.9%	28.0%	45.6 %	19.4 %	13.6 %
OmniVision	157	603.0	804.7	10	29.7	85.8	0.18	0.57	1.32	76.5%	167.4%	145.0%	33.5%	188.9%	132.1%	24.9 %	6.2 %	6.2 %
Orise	38	156.2	NA	NA	NA	NA	0.02	0.08	NA	100.8%	NA	148.0%	NA	NM	NA	20.5 %	10.7 %	8.3 %
PixArt Imaging	35	114.5	159.5	10	29.3	39.0	0.06	0.21	0.28	62.2%	NA	46.5%	39.4%	NM	36.4%	43.2 %	28.8 %	21.4 %
Raydium Semi	75	185.2	NA	14	NA	NA	0.19	0.54	NA	NA	NA	NA	NA	NM	NA	28.6 %	19.4 %	17.1 %
Sigma Designs	65	220.0	272.2	5	12.4	38.5	0.29	1.03	1.00	27.2%	(45.2)%	(3.3)%	23.7%	210.6%	(2.9)%	49.9 %	7.4 %	14.1 %
Sunplus	96	565.5	NA	12	64.0	NA	0.02	0.06	NA	20.9%	445.6%	167.4%	NA	NA	NA	36.8 %	12.5 %	10.1 %
Trident Micro	90	NA	NA	(27)	NA	NA	(0.03)	NA	NA	1,219.4%	(133.1)%	88.8%	NA	NM	NA	15.2 %	(29.4)%	(4.3)%
Mean	260	1,015	1,893	79	296	584	0.11	0.39	0.71	138.0%	489.7%	119.6%	25.6%	84.2%	252.3%	36.3 %	13.1 %	11.5 %
Median	71	323	805	10	40	77	0.06	0.24	0.30	62.2%	203.5%	134.4%	23.7%	76.5%	28.0%	34.8 %	13.8 %	13.6 %

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 / Mkt Cap	Net Debt / EBITDA	SG&A / Revenue	R&D / Revenue
	5/28/10	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS				
IP Licensing																			
ARM	3.56	4,677	4,380	297	0	24.1 %	8.7 x	7.7 x	30.8 x	22.8 x	40.4 x	29.8 x	3.4 %	NA	6.9 %	6.4%	(2.1) x	31.0 %	34.1 %
CEVA	11.62	244	142	102	0	(9.6)%	3.6 x	3.2 x	22.7 x	NA	27.0 x	23.5 x	1.0 %	NA	6.7 %	41.7%	(16.3) x	31.6 %	43.5 %
Imagination	3.32	809	773	37	1	(14.6)%	6.6 x	NA	63.5 x	NA	37.2 x	NA	NA	NA	NA	4.5%	(3.0) x	13.4 %	43.9 %
InterDigital	26.10	1,146	664	482	1	(1.7)%	1.9 x	2.0 x	3.0 x	3.3 x	8.8 x	9.8 x	9.0 %	(5.6)%	17.5 %	42.0%	(2.2) x	6.5 %	13.9 %
MIPS	4.95	227	185	51	9	13.3 %	3.1 x	2.4 x	15.1 x	7.7 x	14.1 x	12.8 x	0.5 %	NA	21.2 %	18.7%	(3.5) x	41.0 %	36.1 %
QUALCOMM	35.56	58,332	47,384	11,156	208	(23.1)%	4.4 x	4.2 x	11.6 x	10.0 x	14.9 x	15.4 x	0.9 %	8.4 %	4.4 %	18.8%	(2.7) x	16.1 %	24.3 %
Mean	10,906	8,921	2,021	36	(2.0)%		4.7 x	3.9 x	24.4 x	10.9 x	23.7 x	18.3 x	3.0 %	1.4 %	11.3 %	22.0%	(4.9) x	23.3 %	32.6 %
Median	978	719	199	1	(5.7)%		4.0 x	3.2 x	18.9 x	8.8 x	21.0 x	15.4 x	1.0 %	1.4 %	6.9 %	18.7%	(2.8) x	23.6 %	35.1 %

(\$ 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
IP Licensing																		
ARM	140	504.5	567.7	47	142.4	192.4	0.03	0.09	0.12	22.1%	61.6%	56.2%	12.5%	35.1%	35.4%	92.5 %	33.8 %	29.5 %
CEVA	11	39.6	44.3	2	6.3	NA	0.12	0.43	0.50	11.4%	63.9%	9.1%	12.1%	NA	15.1%	93.3 %	19.3 %	24.8 %
Imagination	31	117.0	NA	3	12.2	NA	0.02	0.09	NA	NA	NA	NA	NA	NA	NA	66.0 %	11.2 %	15.8 %
InterDigital	116	343.0	333.8	80	221.7	200.9	1.09	2.98	2.66	64.7%	154.3%	645.0%	(2.7)%	(9.4)%	(10.9)%	84.7 %	69.0 %	41.5 %
MIPS	18	60.3	77.2	4	12.3	24.1	0.08	0.35	0.39	(0.9)%	(34.6)%	33.3%	28.1%	96.4%	10.5%	99.6 %	24.7 %	21.2 %
QUALCOMM	2,663	10,776.0	11,283.2	943	4,068.0	4,750.7	0.59	2.39	2.31	8.5%	5.7%	40.5%	4.7%	16.8%	(3.3)%	69.6 %	35.4 %	37.2 %
Mean	496	1,973	2,461	180	744	1,292	0.32	1.05	1.19	21.2%	50.2%	156.8%	11.0%	34.7%	9.4%	84.3 %	32.2 %	28.3 %
Median	74	230	334	26	77	197	0.10	0.39	0.50	11.4%	61.6%	40.5%	12.1%	25.9%	10.5%	88.6 %	29.2 %	27.1 %



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.

Mission	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.
Services	Sell Side Advisory; Divestitures; Buy Side Advisory; Strategic Investments
Industry Focus	Software, hardware and services in the Wireless, VoIP, IP Video, Networking, Internet, Telecom Equipment, IT Infrastructure and Enabling Technology sectors
Offices	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

 ...stay connected has been acquired by  August 2009	 has been acquired by Undisclosed Buyer November 2008	 has sold certain assets to Undisclosed Handset OEM October 2008	 Buyside Advisory 2008	 has been acquired by  April 2008	 has sold its assets to  \$10,000,000 October 2007	 has been acquired by  \$34,875,000 September 2007
 The Power of Touch Initial Public Offering \$82,500,000 Co-manage June 2007	 has been acquired by  January 2007	 Initial Public Offering \$167,440,000 Co-manager September 2006	 has been acquired by  August 2006	 has been acquired by  August 2006	 Senior Convertible Debentures \$5,000,000 Financial Advisor and Placement Agent July 2006	 has sold its SRAM assets to  January 2006
 Private Investment in Public Equity \$14,400,000 Co-Agent January 2006	 has been acquired by  October 2005	 has agreed to the sale of their NAS Software Intellectual Property to  \$50,000,000 May 2005	 has sold a minority stake to Strategic Investor 2005	 has been acquired by  August 2004	 the e-way of software has been acquired by  \$122,500,000 April 2004	 has been acquired by  March 2004
 has been acquired by  August 2003	 has been acquired by  December 2003	 has been acquired by  February 2003	 has been acquired by  April 2002	 Private Placement \$9,900,000 Placement Agent July 2001	 Private Placement \$11,000,000 Placement Agent May 2000	 the leader in emerging data technology has merged with  \$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"> • Sale of Xumii to Myriad Group • Capital Raise for InfoSonics 	<ul style="list-style-type: none"> • Sale of AccessLine to Telanetix • Strategic Advisory for Voice 2.0 Service Provider 	<ul style="list-style-type: none"> • Strategic Advisory for DirecTV Reseller 	<ul style="list-style-type: none"> • Sale of Compute Intensive to Verio • Sale of GeoNet to Level 3 • Capital Raise for Speakeasy
Software	<ul style="list-style-type: none"> • Sale of Neven Vision to Google • Sale of SKY MobileMedia; 	<ul style="list-style-type: none"> • Sale of CrystalVoice to Global IP Solutions • Buyside Advisory for VOIP Softphone Vendor 	<ul style="list-style-type: none"> • IPO for Divx • Strategic Advisory for Mobile Video SW Vendor 	<ul style="list-style-type: none"> • Sale of LVL7 to Broadcom • Sale of Neteon to CA
Equipment	<ul style="list-style-type: none"> • Sale of Strix to Idream • Sale of Aiprime to Sierra Wireless 	<ul style="list-style-type: none"> • Strategic Advisory for Unified Messaging Vendor • Strategic Advisory for IP-PBX Vendor 	<ul style="list-style-type: none"> • Sale of Gyration to Philips • Sale of TIR to Philips 	<ul style="list-style-type: none"> • Sale of Network Physics to OpNet • Capital Raise for Raptor Networks • Sale of Procom to Sun
Semis	<ul style="list-style-type: none"> • Sale of CommAsic to Freescale • Peregrine Strategic Investment • Sale of Synad to ST 	<ul style="list-style-type: none"> • Strategic Advisory for Noise Cancellation IC Vendor 	<ul style="list-style-type: none"> • Sale of Vativ to Entropic • Strategic Advisory for Video Processing IC Vendor 	<ul style="list-style-type: none"> • Strategic Advisory for Storage Networking IC Vendor

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