

# **SagePoint Semis 60**

## **Q1 2011 Valuation & Performance Review**

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

June 2011

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# SagePoint Semiconductor 60 Universe

## Q1 Adds:

- Eastsoft
- MagnaChip
- Silicon Motion
- ublox

		Market Segment					IP Licensing
		Diversified	Computing	Wireline	Wireless	Media	
1	Ali Corp.					X	
2	AMCC			X			
3	AMD		X				
4	Analog Devices	X					
5	ARM						X
6	Atmel		X				
7	Avago	X					
8	Broadcom	X					
9	Cavium			X			
10	CEVA						X
11	CSR				X		
12	Emulex			X			
13	Entropic			X			
14	EZchip			X			
15	Gennum			X			
16	Hittite Micro				X		
17	Imagination						X
18	Infineon	X					
19	Inphi			X			
20	Integrated Device			X			
21	Intel		X				
22	InterDigital						X
23	ITE Tech			X			
24	LSI			X			
25	MagnaChip					X	
26	Marvell	X					
27	Maxim	X					
28	MaxLinear					X	
29	MediaTek	X					
30	Megachips					X	

## Q1 Drops:

- Himax
- Raydium
- Sigma Designs
- Sunplus

		Market Segment					IP Licensing
		Diversified	Computing	Wireline	Wireless	Media	
31	Mellanox			X			
32	Microchip		X				
33	Micron					X	
34	Mindspeed			X			
35	MIPS						X
36	MStar Semi					X	
37	Nationz			X			
38	NetLogic			X			
39	Novatek					X	
40	NVIDIA		X			X	
41	NXP					X	
42	OmniVision					X	
43	Orise					X	
44	PixArt Imaging					X	
45	PMC-Sierra			X			
46	Qingdao Eastsoft			X			
47	QLogic			X			
48	QUALCOMM				X		X
49	Ralink				X		
50	RDA Micro				X		
51	Realtek	X					
52	RF Micro				X		
53	Silicon Motion					X	
54	Skyworks				X		
55	SMSC			X			
56	Spreadtrum				X		
57	STMicro				X		
58	Texas Inst.	X					
59	TriQuint				X		
60	u-blox				X		

## SagePoint's Viewpoint - Key Takeaways

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- Semis 60 index is down 2.2% from the beginning of the year along with the SagePoint 400 and NASDAQ, though the DJIA has managed to deliver a 3.7% gain
  - Semis 60 index is up nearly 2x since the March '09 low, outpacing all but the NASDAQ index
- SagePoint Semis 60 stocks are down a median of 6.6% with just 38% of stocks increasing value
  - IP Licensing was the only strong performing segment, up 16.2% while Computing had a slight gain
- Valuation multiples have fallen along with share price in 2011
  - Median revenue multiples have pulled back significantly from their 3 year highs in Q4 and now stand at 2.0x, their lowest level since Q2'09
  - Median EBITDA multiple has pulled back from Q4, dipping slightly below 10x
  - Median P/E multiple has fallen sharply to 14.9x, its lowest level since Q4'08
- Semis revenue growth continues to slow as PYQ comparison periods become healthier with Q1'11 MRQ/PYQ revenue growth dipping into the single digits at 9.3%
  - Semis growth was a mixed bag as Wireless, IP Licensing and Computing posted strong growth of 25-35% while Diversified, Wireline and Media growth was in the single digits
- EPS growth momentum came to an abrupt end as improved PYQ EPS coupled with higher opex spend resulted in median growth of just 5.9%
  - Computing, IP Licensing and Wireless posted solid growth of 20%+ with Diversified just into the double digits at 11.2%

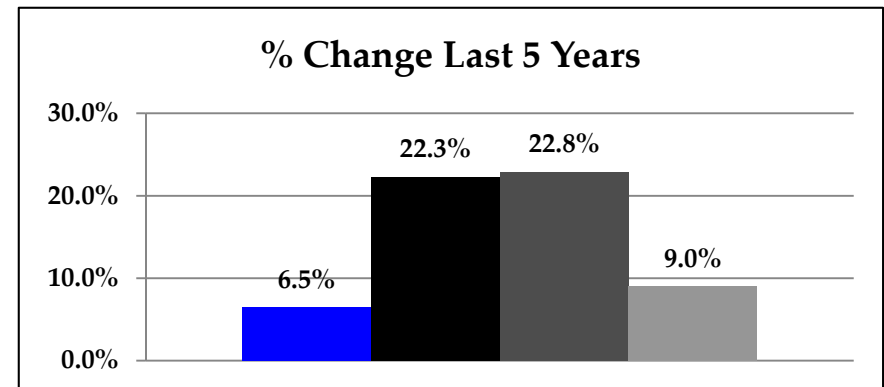
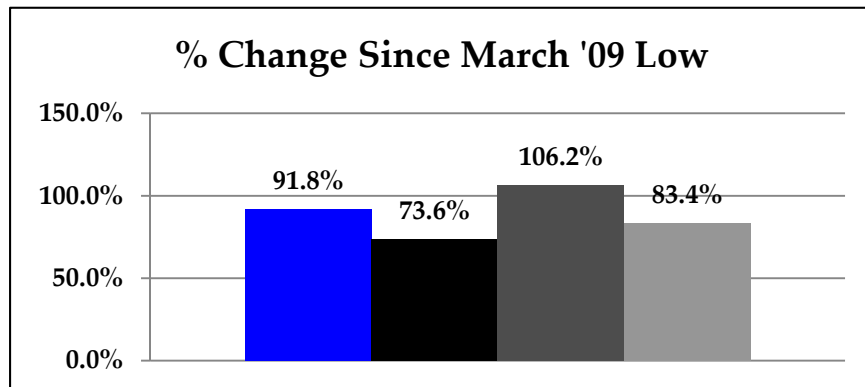
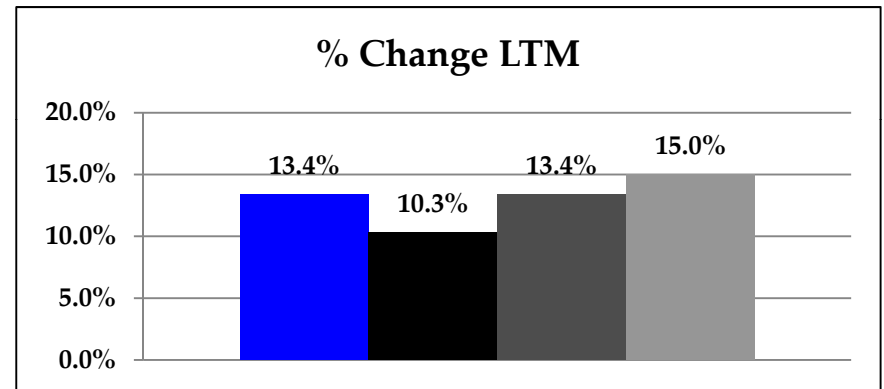
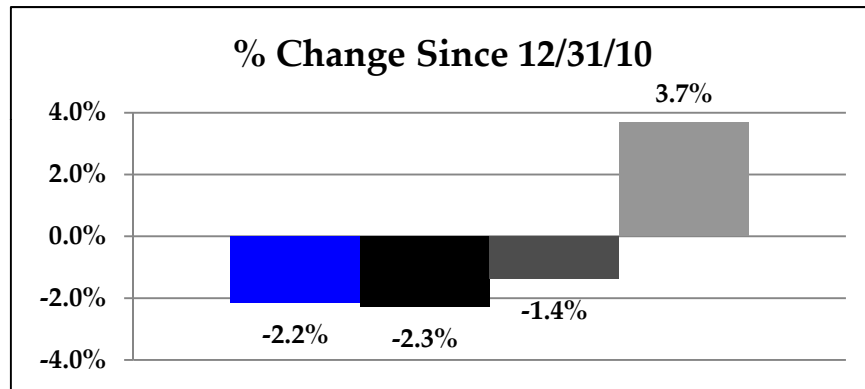
## SagePoint's Viewpoint - Key Takeaways Continued

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- 84.6% of semis vendors met or beat revenue estimates with beats outnumbering misses nearly two to one
- 77.4% met or beat EPS with 60% beating expectations
- Median margins continue to contract slightly as Gross Margins fell to 51% while increased OpEx as a % of sales further pressured profit margins
  - Q1 Median EBITDA and Net Margins of 19.2% and 16.2% respectively, were down approximately 3% from their Q3'10 highs
  - R&D investment increased as companies return to investing in their business to drive future growth
- M&A activity increased with transaction volume matching its highest level since the beginning of '07 with dollar volume totaling \$6B, more than the prior 5 quarters combined
  - Notable Q1 deals include Broadcom/Atheros (\$3.6B), CSR/Zoran (\$645M), MediaTek/Ralink (\$600M), Golden Gate/Conexant (\$391M), Broadcom/Provigent (\$360M) and NetLogic/Optichron (\$186M)
  - Balance sheet strength remains very high and several active buyers have cash war chests
    - Intel has recently put its cash to work for acquisitions of McAfee (\$7.5B) and Infineon (\$1.4B), Qualcomm used mostly cash for Atheros (\$3.4B) and Broadcom has made several \$50M+ acquisitions with cash
  - 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, Wireless and Wireline market segments remain fragmented with more than 50% of the vendors' market caps below \$1B which should be a catalyst for further consolidation

## SagePoint Semis 60 Index Performance

- Semis 60 index is down 2.2% from the beginning of the year along with the SagePoint 400 and NASDAQ, though the DJIA has managed to deliver a 3.7% gain
  - The strong rally starting last August finally broke in the second week of February and we've been on a rollercoaster ride since then with the stocks falling through mid March, then climbing back up until May when they took another tumble
- Semis 60 index is up nearly 2x since the March '09 low, outpacing all but the NASDAQ index

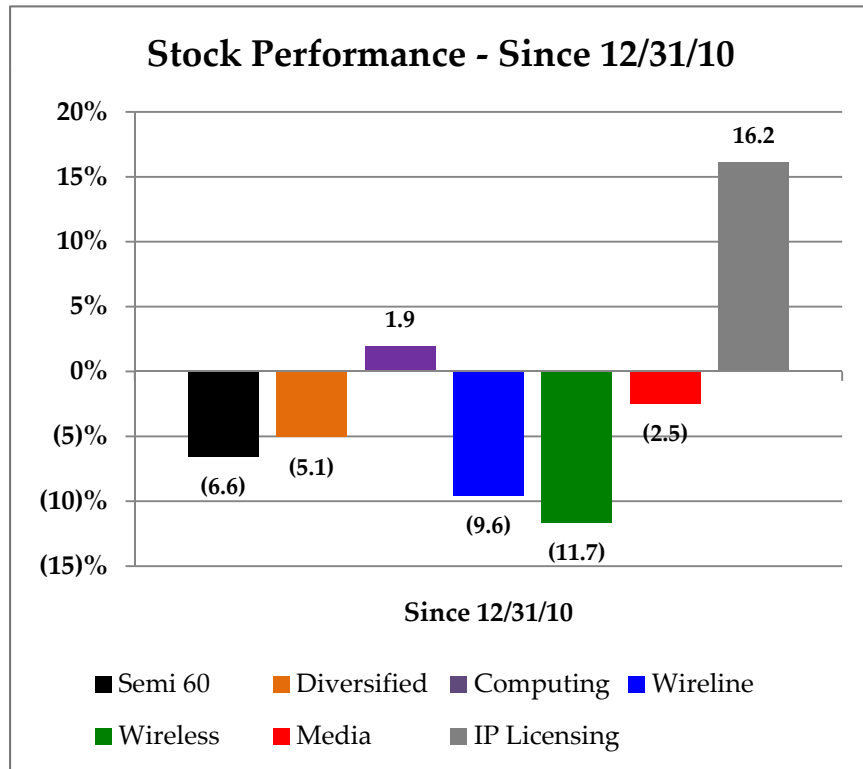


■ Semiconductor 60\* ■ SagePoint 400 Index\* ■ NASDAQ ■ DJIA

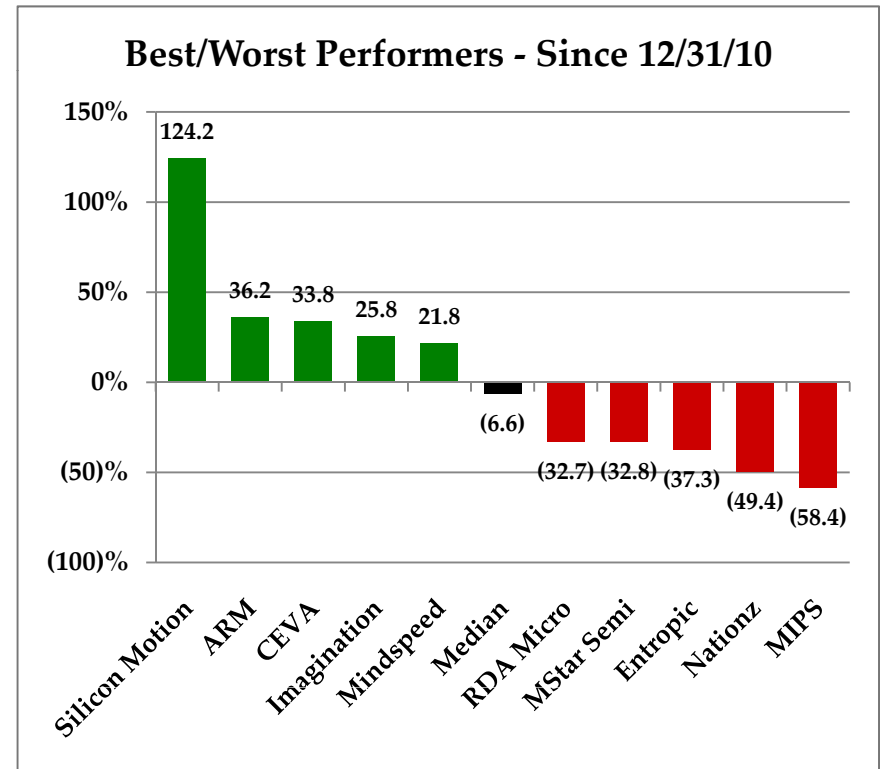
\* Market Value weighted index

## Stock Performance Since Beginning of Q1

- SagePoint Semis 60 stocks are down a median of 6.6% with just 38% of stocks increasing value
  - IP Licensing was the only strong performing segment, up 16.2% while Computing had a slight gain
- Silicon Motion was the big standout, surging on strong Q4 and Q1 reports
- ARM, CEVA and Imagination’s strong performance led IP Licensing to its gains
- MIPS has fallen sharply on two consecutive quarters of disappointing results and revenue contraction forecasted
- Nationz, Entropic, MStar and RDA Micro has also dropped by 30%+



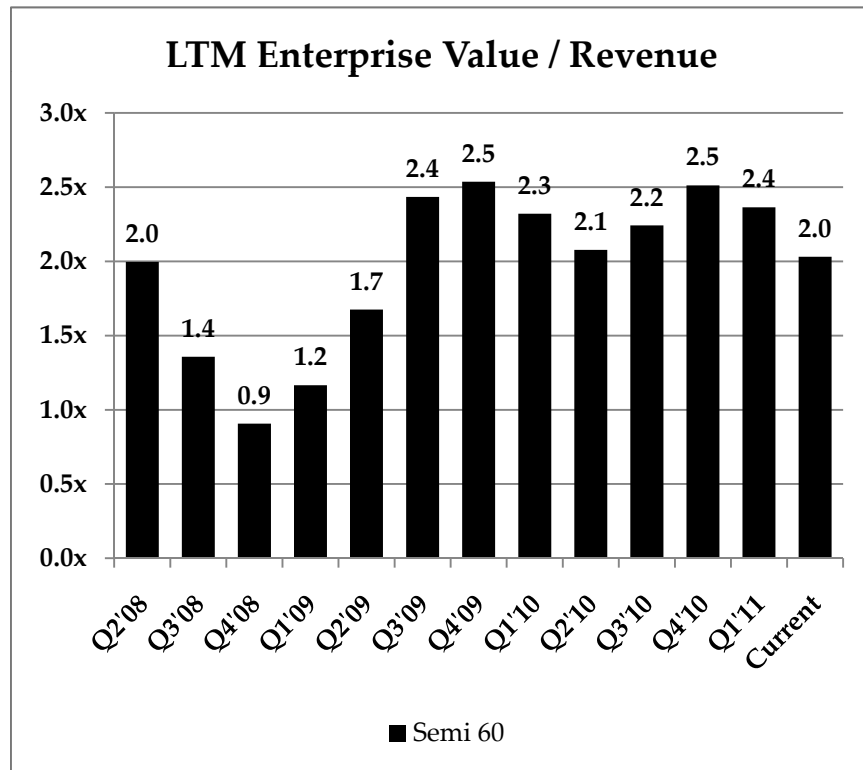
Source: SagePoint Advisors & Capital IQ



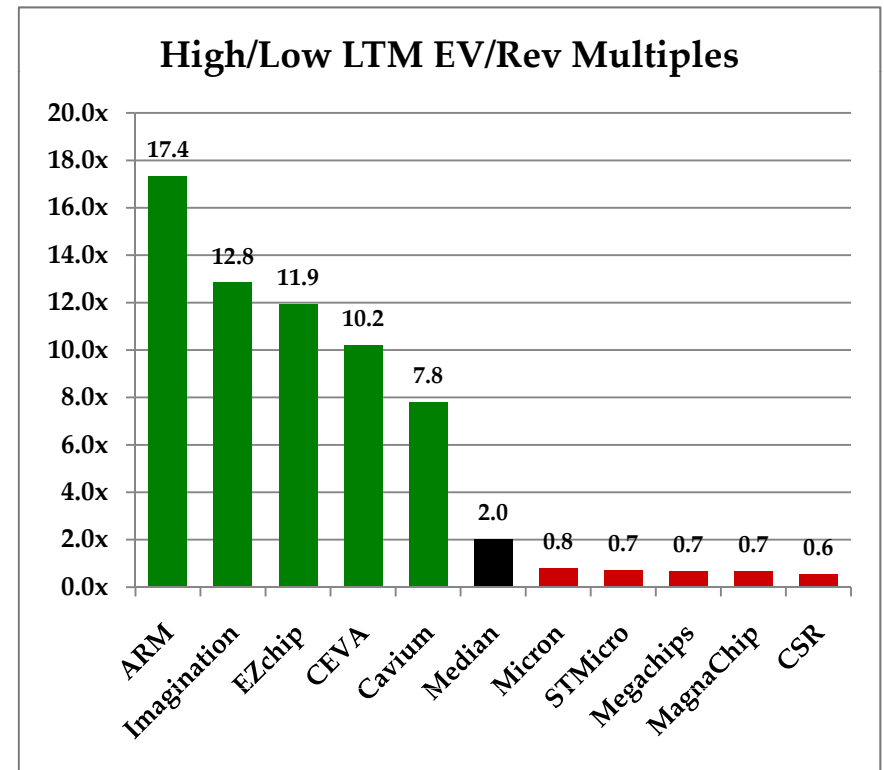
Source: SagePoint Advisors & Capital IQ

## Valuation Metrics – LTM Revenue Multiples

- Median revenue multiples have pulled back significantly from 3 year highs in Q4 due to the recent market slump
  - Current revenue multiples are at their lowest level since Q2'09
- IP Licensing vendors ARM, Imagination and CEVA trade at premium multiples due to high margins and solid growth
- Investors are willing to bet on EZchip's growth, with its high margins expected to drive profits



Source: SagePoint Advisors & Capital IQ

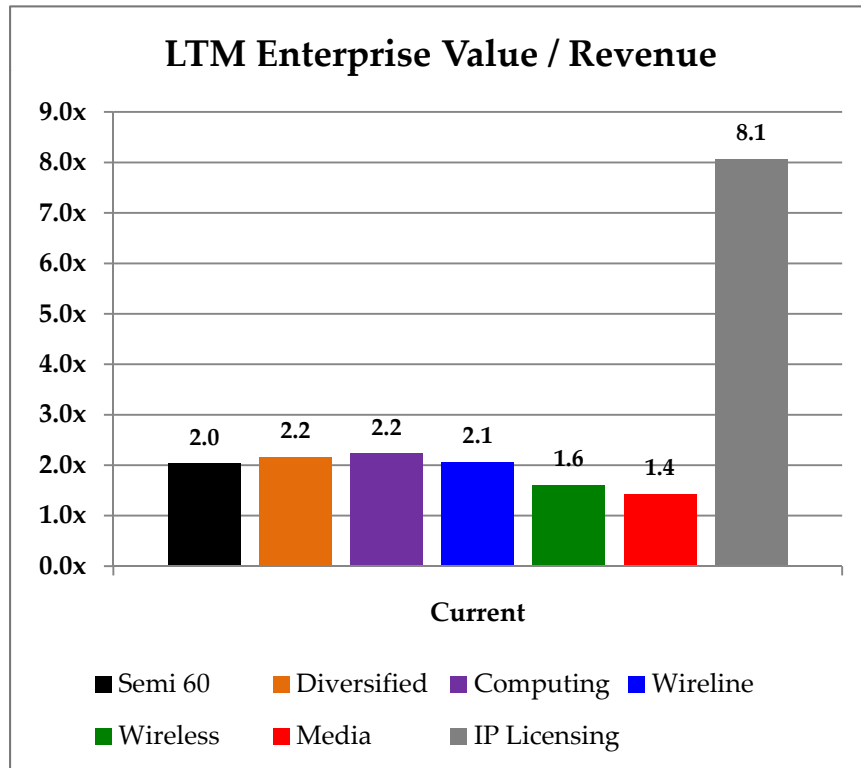


Source: SagePoint Advisors & Capital IQ

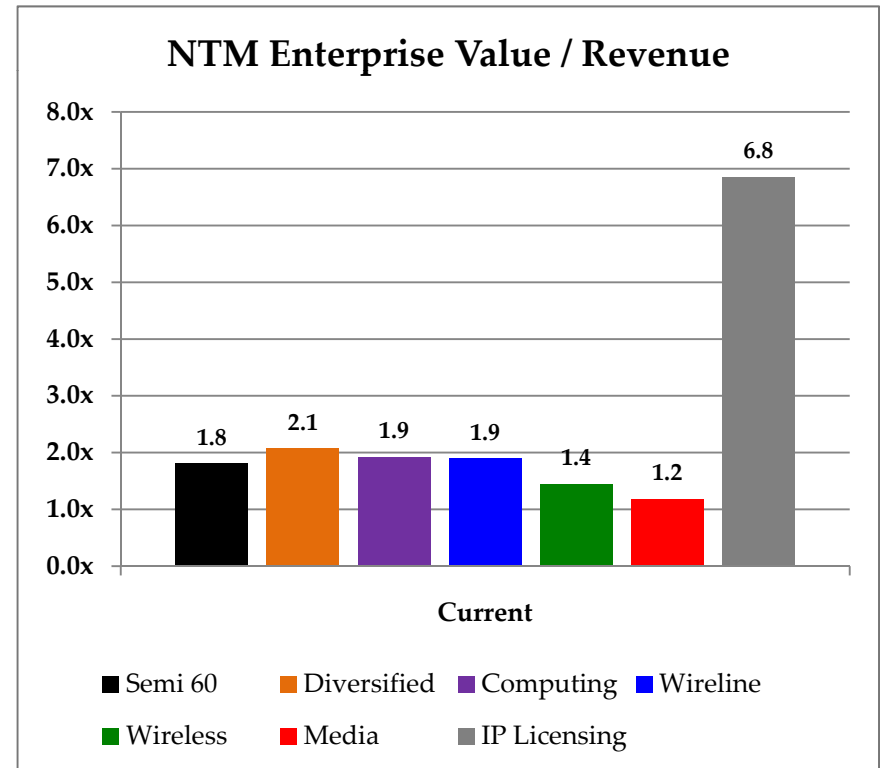


## Valuation Metrics – Revenue Multiples By Segment

- IP Licensing vendors trade at a strong premium on both an LTM and NTM basis
- Diversified vendors also trade above the median due to strong EBITDA margins driven by benefits of greater scale
- Media segment trades at a discount due to lower margins and weak growth outlook
- Generally modest growth for most segments is seen in NTM multiples slightly below LTM
  - IP Licensing is the exception with strong growth expected



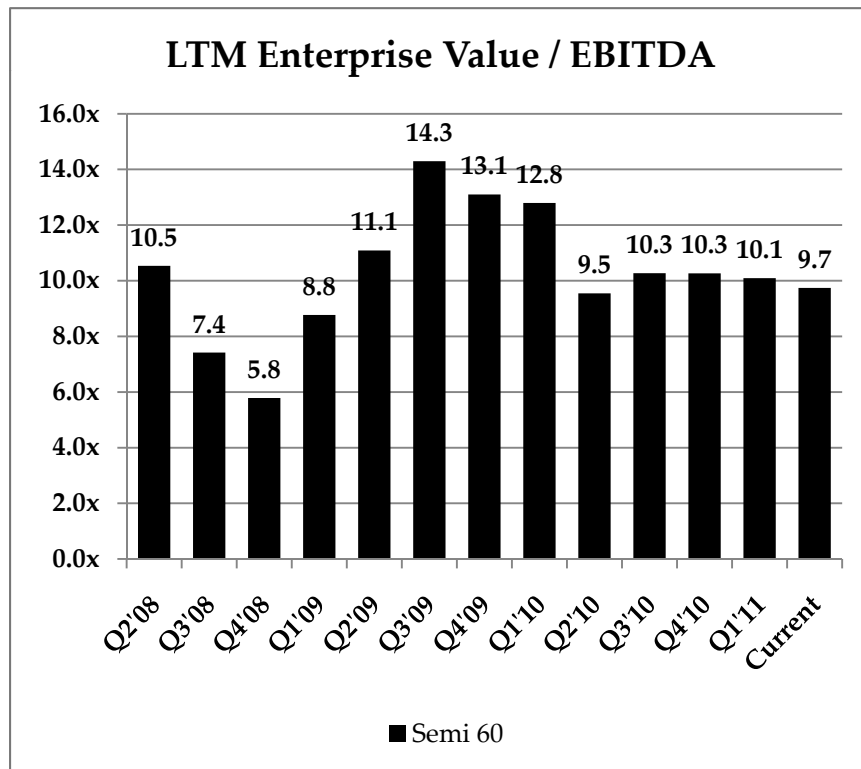
Source: SagePoint Advisors & Capital IQ



Source: SagePoint Advisors & Capital IQ

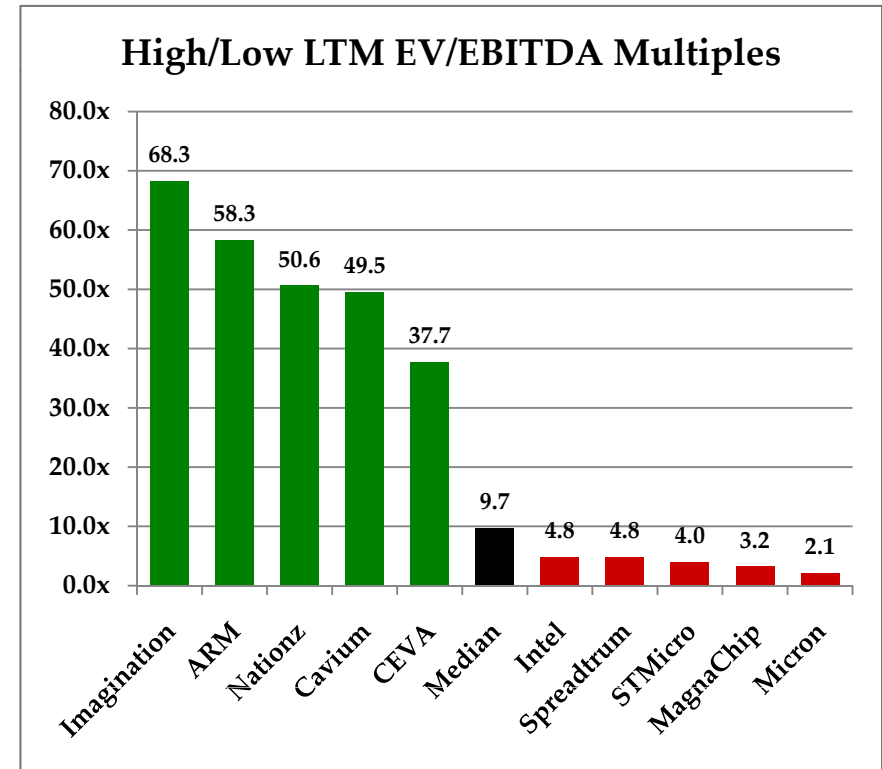
## Valuation Metrics – LTM EBITDA Multiples

- Median EBITDA multiple has pulled back from Q4, dipping back below 10x
  - IP Licensing vendors Imagination, ARM and CEVA trade at very strong earnings multiples
  - Nationz’ multiple remains high despite its stock price getting cut in half since the end of Q4
  - Cavium trades at a strong multiple with revenue growth and solid margins expected to drive cash flow
  - Micron’s weak gross margins (19.3%) and single digit growth leads to a poor multiple
  - MagnaChip’s weak margins and single digit growth lead to them trading below their IPO price
  - Intel trades at below 5x EBITDA despite decent growth and margins and a strong Q1 announcement



Source: SagePoint Advisors & Capital IQ

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

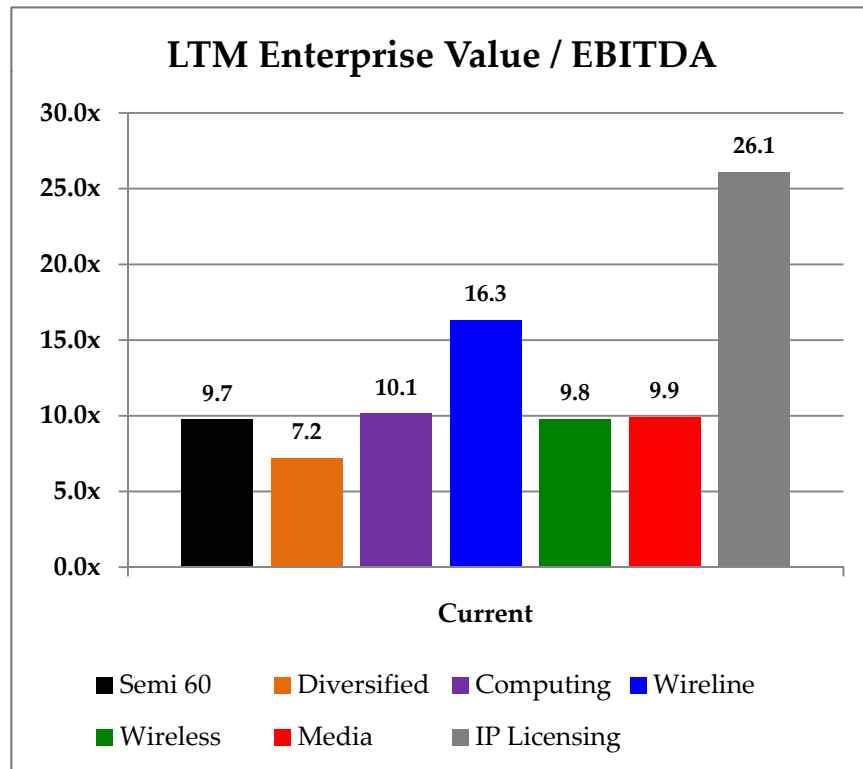


Source: SagePoint Advisors & Capital IQ

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

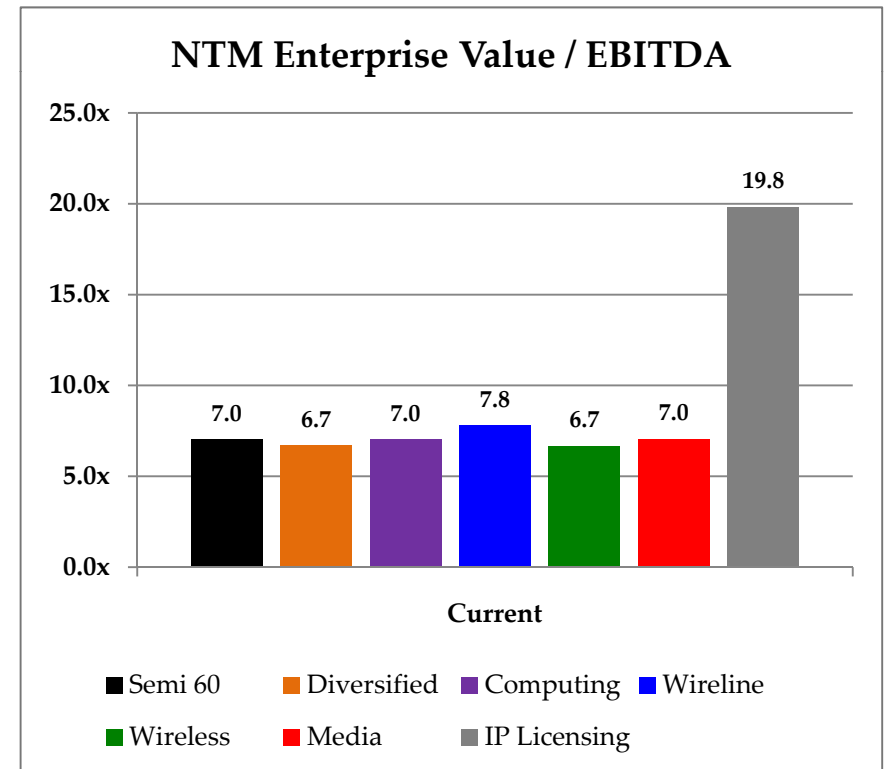
## Valuation Metrics – EBITDA Multiples By Segment

- Only IP Licensing reaches an NTM multiple in the double digits due to stable cash flows, solid margins and strong growth expectations while the remaining segments trade in a tight range of 6.7-7.8x
- Wireline also outperforms the median with an NTM multiple of 7.8x
- Computing and Media trade in line with the median while Diversified and Wireless are slightly below



Source: SagePoint Advisors & Capital IQ

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

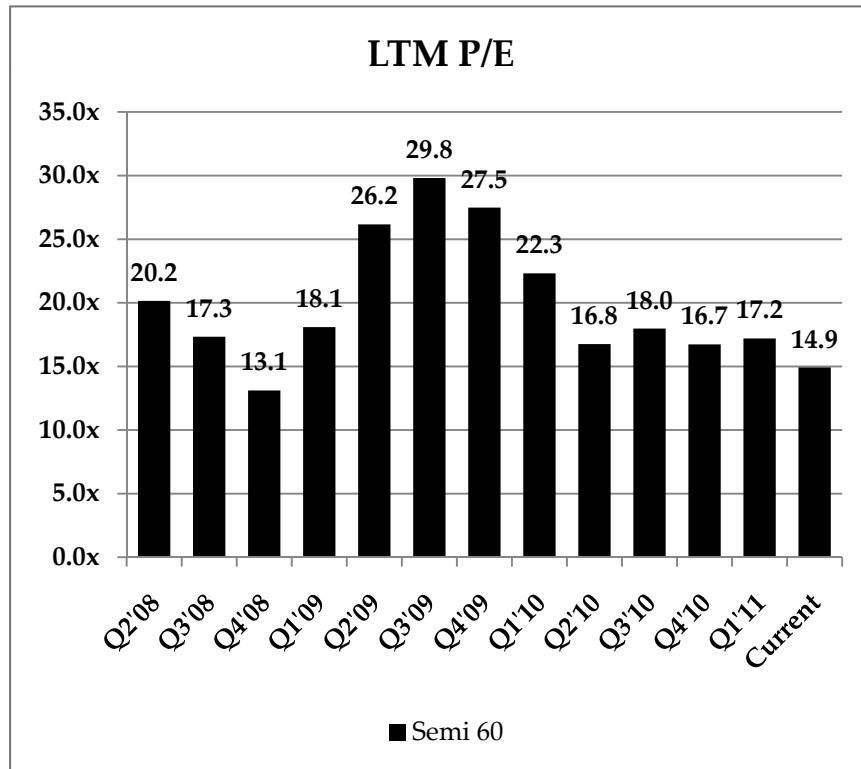


Source: SagePoint Advisors & Capital IQ

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

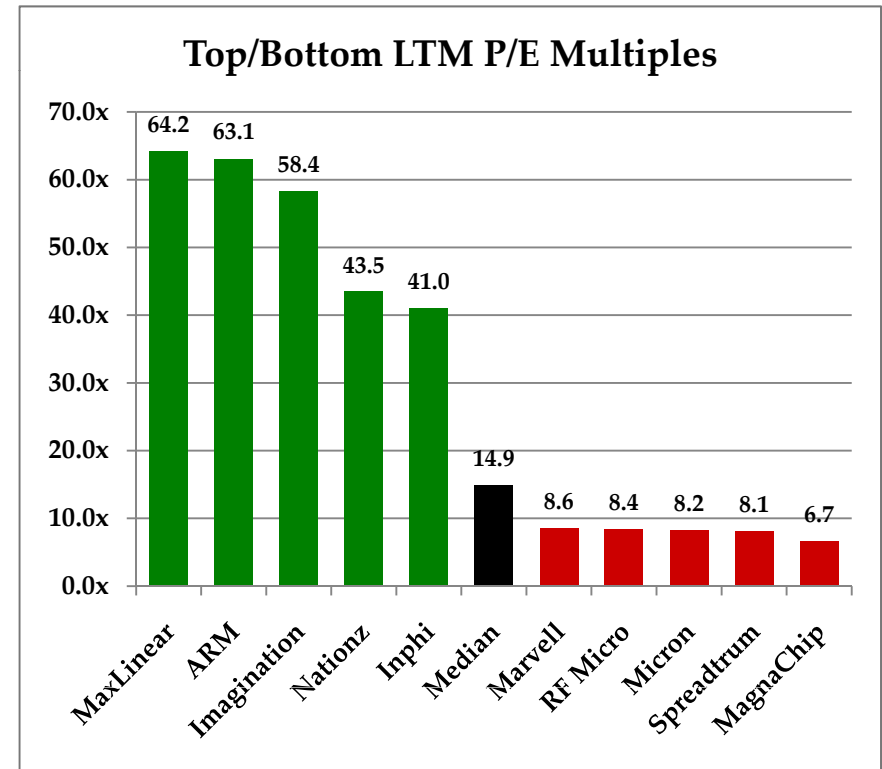
## Valuation Metrics – LTM P/E Multiples

- Median P/E multiple has fallen sharply to 14.9x, its lowest level since Q4'08
  - '09 highs resulted from low LTM EPS due to weak past quarters as the market rebounded and investors gave credit to NTM projections
  - ARM is richly valued for its leadership position and strong margins
  - Nationz still appears significantly overvalued based on fundamentals
  - Investors seem willing to bet that Imagination, MaxLinear and Inphi can grow into their valuations due to strong margins



Source: SagePoint Advisors & Capital IQ

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

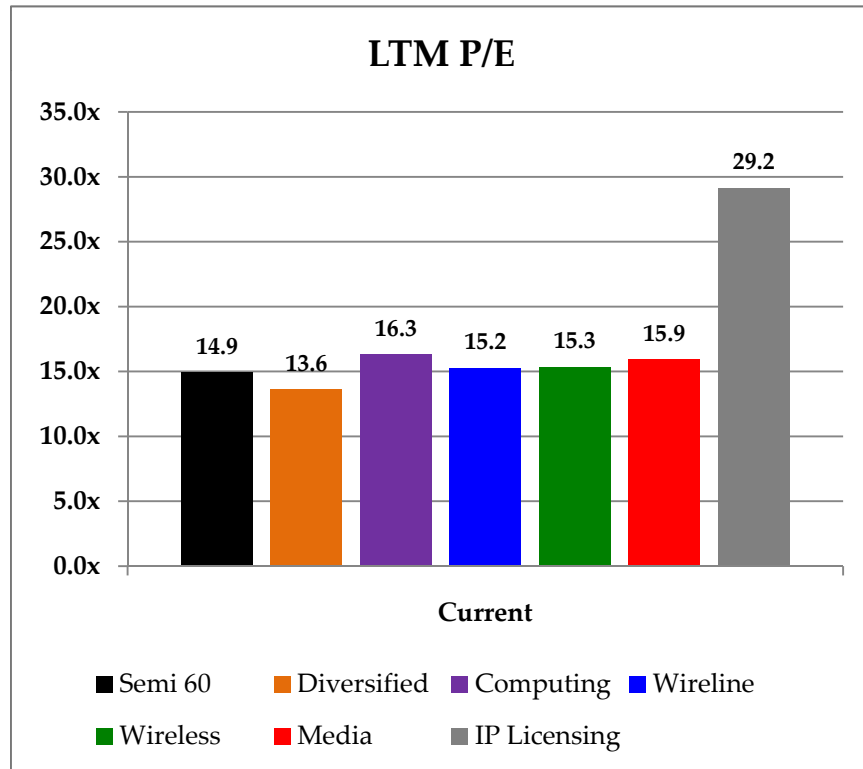


Source: SagePoint Advisors & Capital IQ

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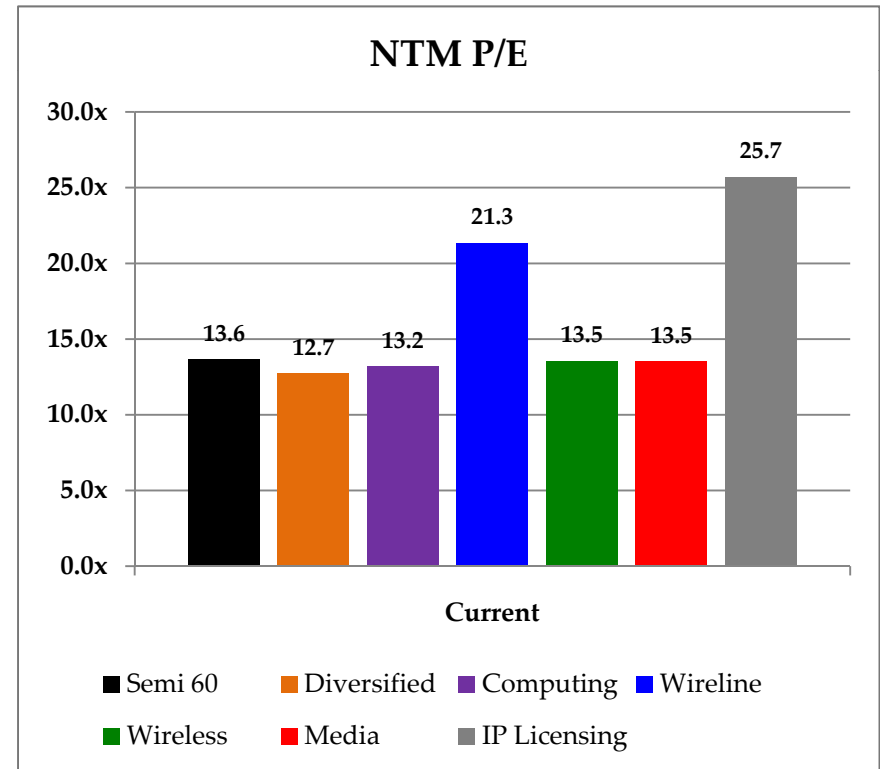
## Valuation Metrics – P/E Multiples By Segment

- The Semis 60 segments mostly trade in a tight median P/E range on an NTM basis
  - IP Licensing trades at a premium due to high margins and stable earnings
  - Wireline’s high NTM P/E multiple due to lower multiple companies expecting EPS contraction, inflating the median
  - Diversified underperforms slightly on an NTM while Computing, Wireless and Media are closely grouped at 13.2-13.5x
- LTM multiples moderately higher than NTM reflect fairly modest EPS growth expected



Source: SagePoint Advisors & Capital IQ

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

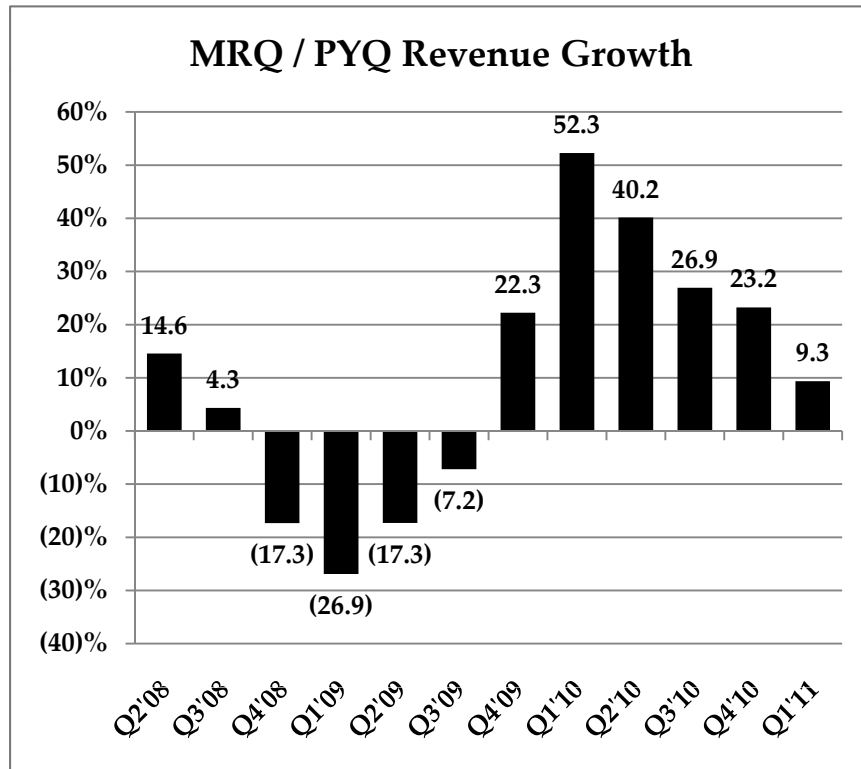


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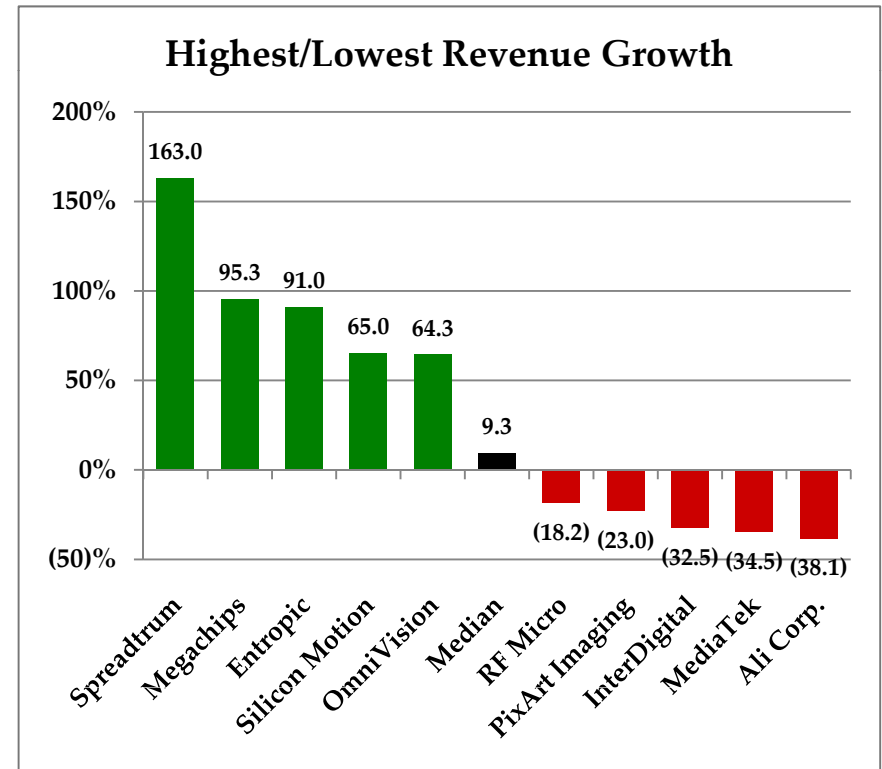
Note: Excludes companies with an NTM net margin below 2.5%

## Operating Metrics – Revenue Growth

- Semis growth continues to slow as PYQ comparison periods become healthier with Q1'11 MRQ/PYQ growth of 9.3%
- Q1'11 Q/Q sequential revenue showed median contraction of 1.1% for the Semi 60
- Spreadtrum shows continued strong growth on market share gains in China
- Megachips and Entropic also expect strong growth of nearly 100%
- Mediatek revenue falls on weak 2G growth with increasing competition driving down ASPs while the company struggles to meaningfully penetrate the 3G market



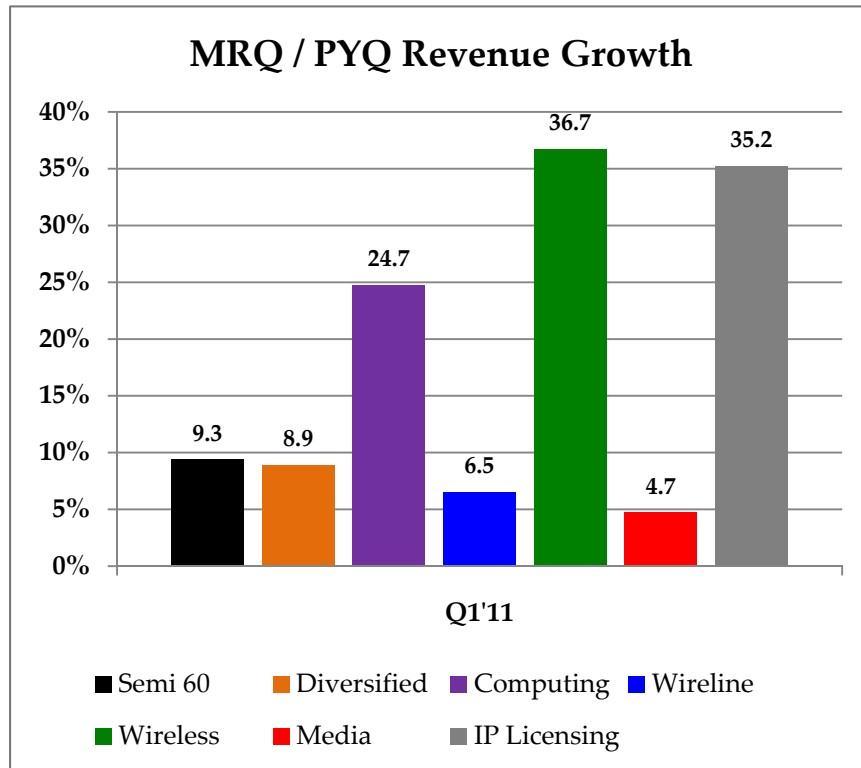
Source: SagePoint Advisors & Capital IQ



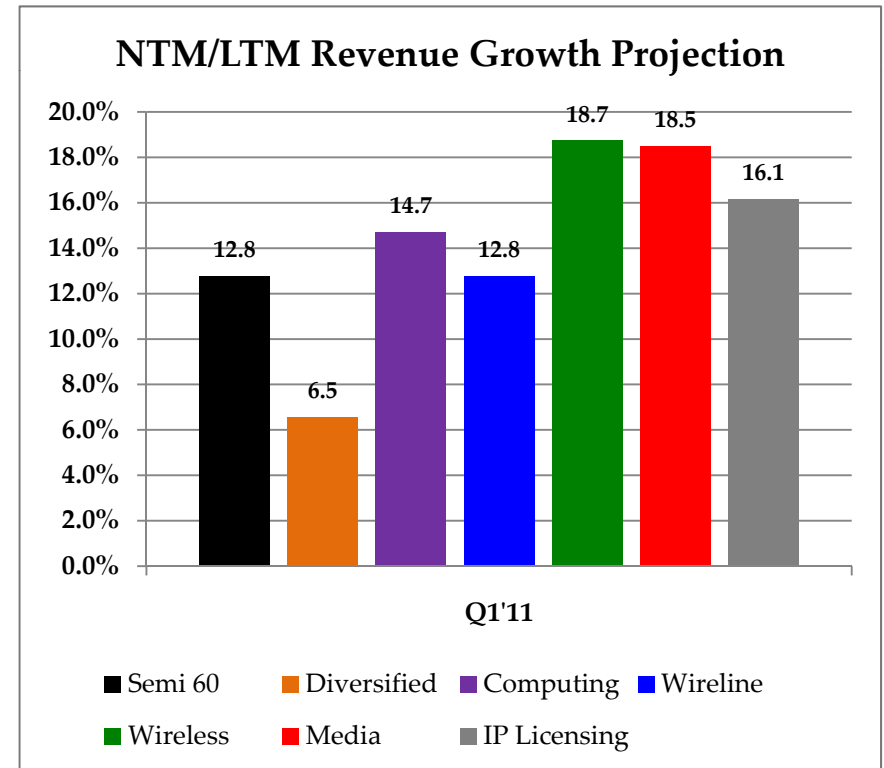
Source: SagePoint Advisors & Capital IQ

## Operating Metrics – Revenue Growth by Segment

- Semis growth was a mixed bag as Wireless, IP Licensing and Computing posted strong growth of ~25-35% while Diversified, Wireline and Media growth was in the single digits
- Healthy growth is projected NTM with most segments in the 13-19% range led by Wireless and Media expecting the strongest growth
  - Diversified growth is expected to lag with just 6.5% expected NTM
- 23 companies in the Semi 60 expect less than 10% growth with 6 projecting contraction



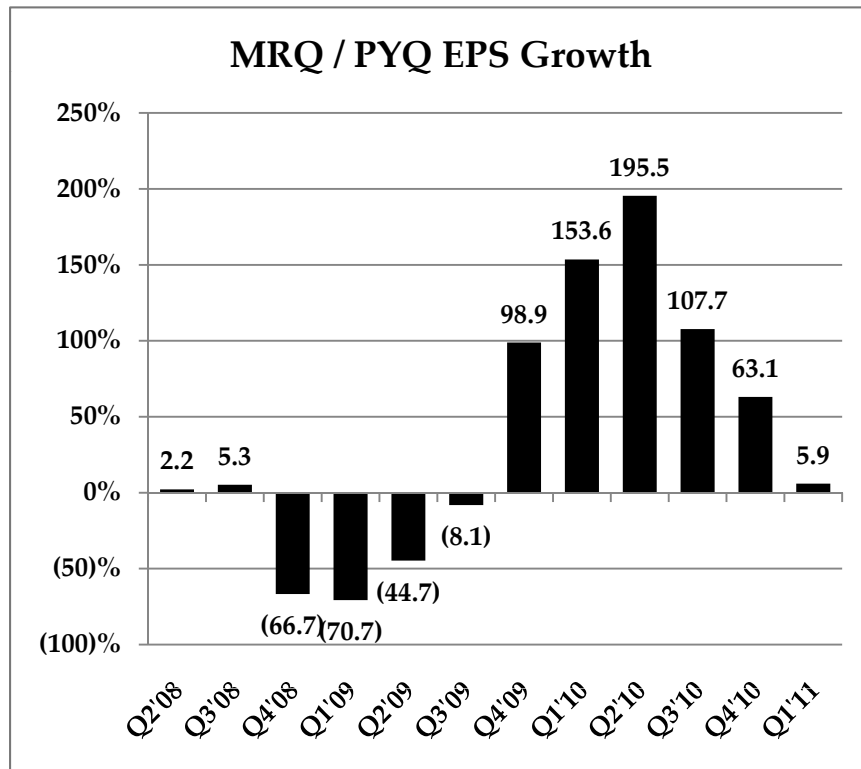
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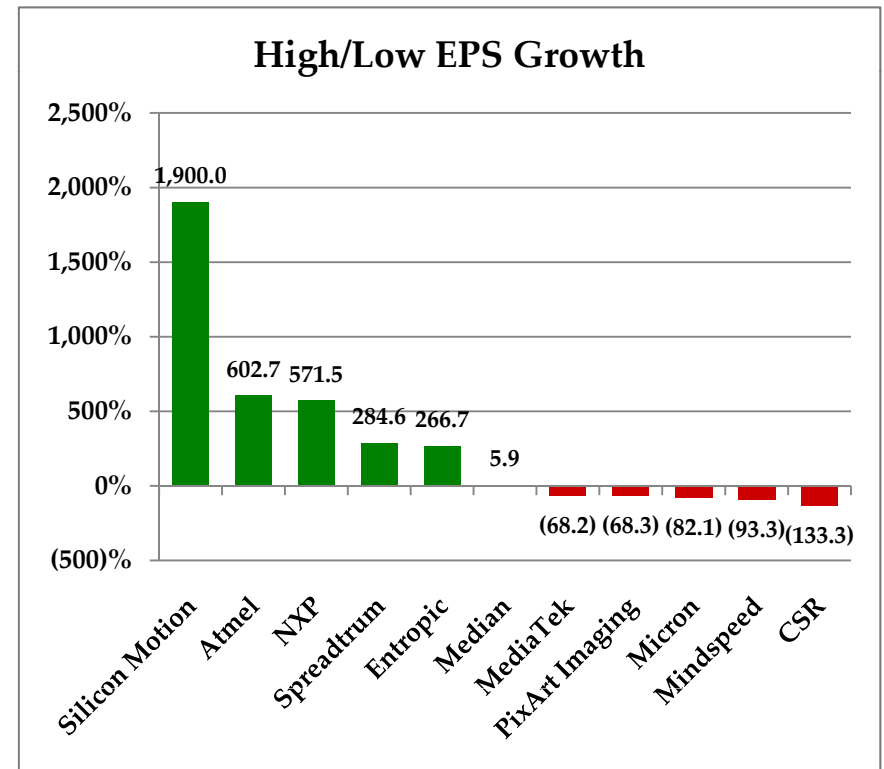
## Operating Metrics – EPS Growth

- EPS growth momentum came to an abrupt end as improved PYQ EPS coupled with higher opex spend resulted in median growth of just 5.9%
  - Silicon Motion and NXP post huge EPS growth as they drive double digit net margins compared to small losses in the PYQ
  - Atmel has returned to healthy net margins in the mid 20s compared to just 6% in the PYQ
  - Spreadtrum and Entropic’s huge topline growth drove earnings growth
- 23% of the Semis 60 posted EPS contraction



Source: SagePoint Advisors & Capital IQ

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



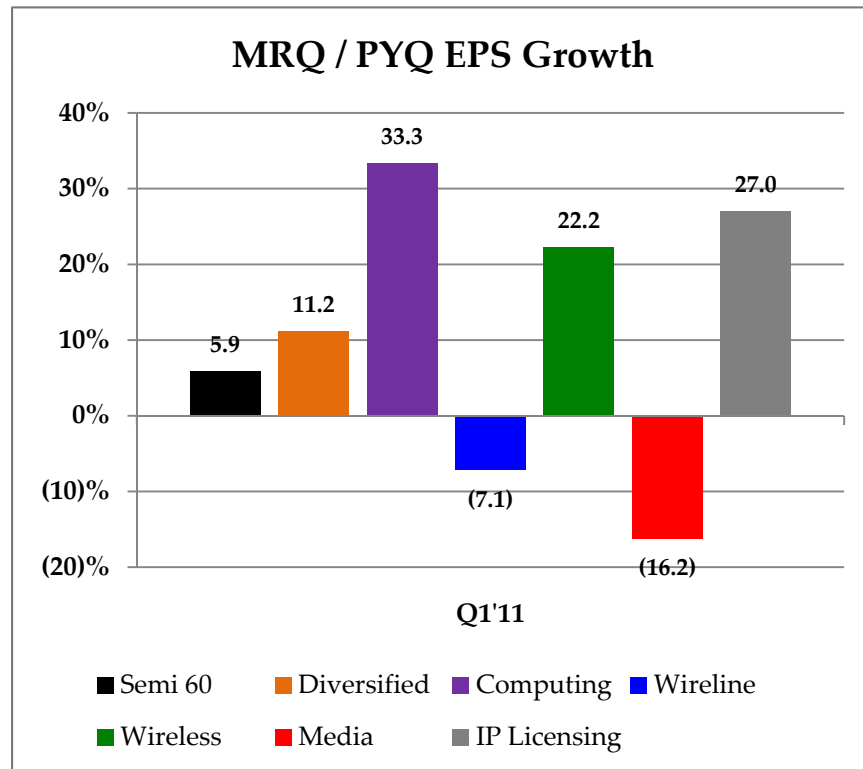
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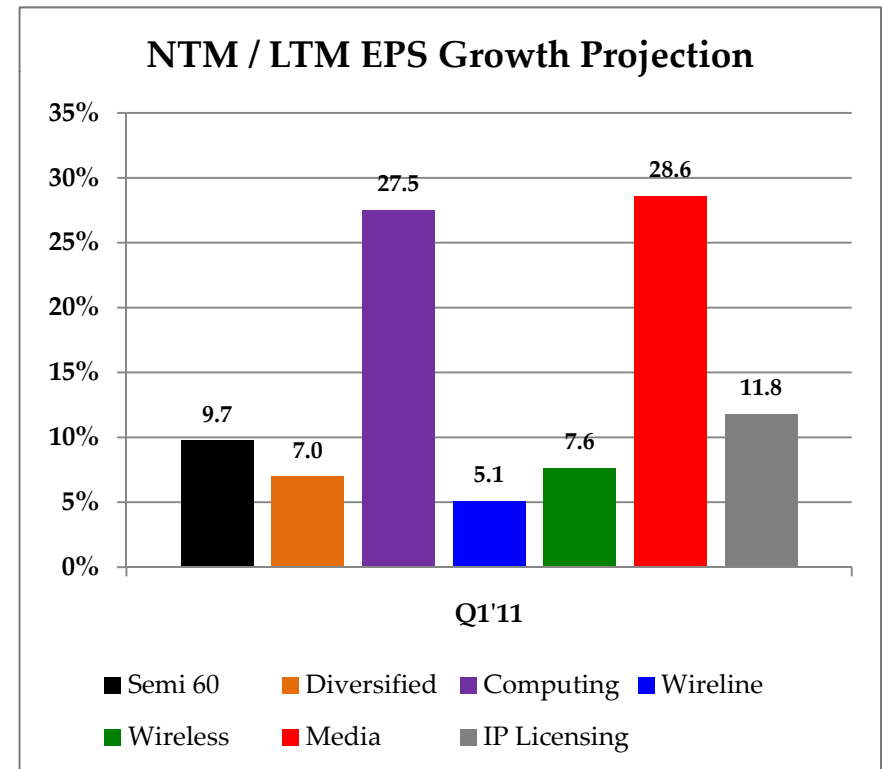
## Operating Metrics – EPS Growth by Segment

- Computing, IP Licensing and Wireless posted solid growth of 20%+ with Diversified just into the double digits at 11.2%
- Media and Wireline segments posted EPS contraction
- Computing expects continued strong growth and Media projects a return to earnings growth, both projecting 25%+ growth
- IP Licensing projects slightly better than median growth at 11.8% while Diversified, Wireless and Wireline projects minimal EPS growth at 5-8%



Source: SagePoint Advisors & Capital IQ

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

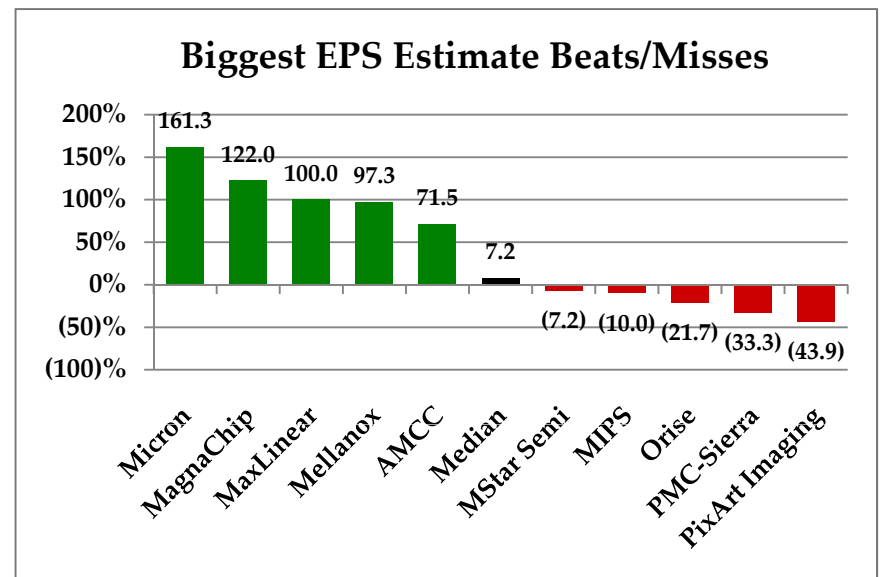
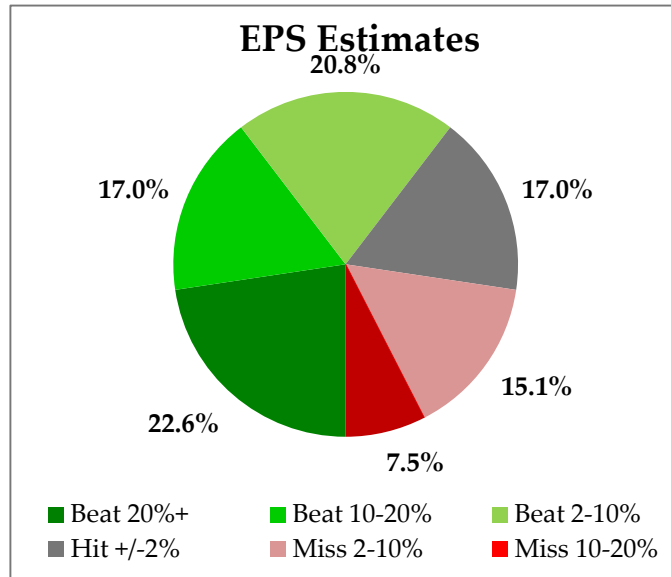
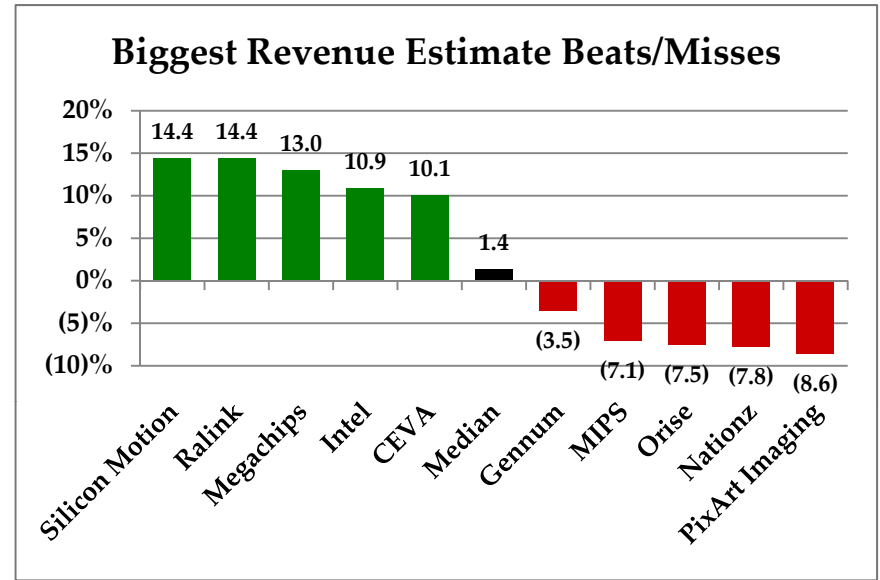
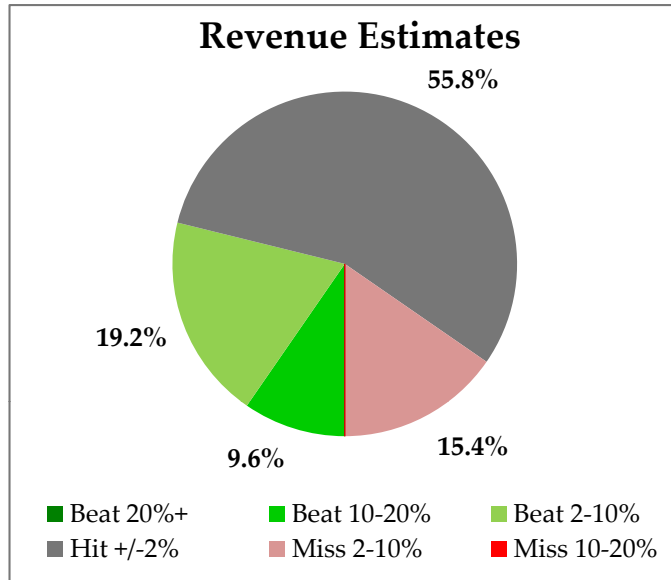


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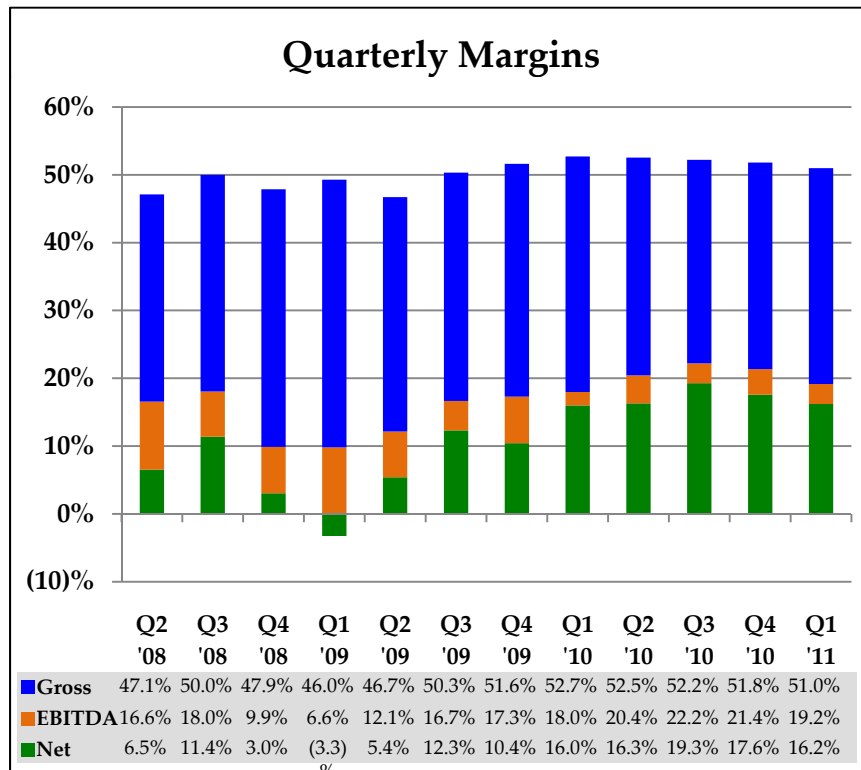
# Performance Versus Analyst Estimates

- 84.6% of semis vendors met or beat revenue estimates and 77.4% met or beat EPS

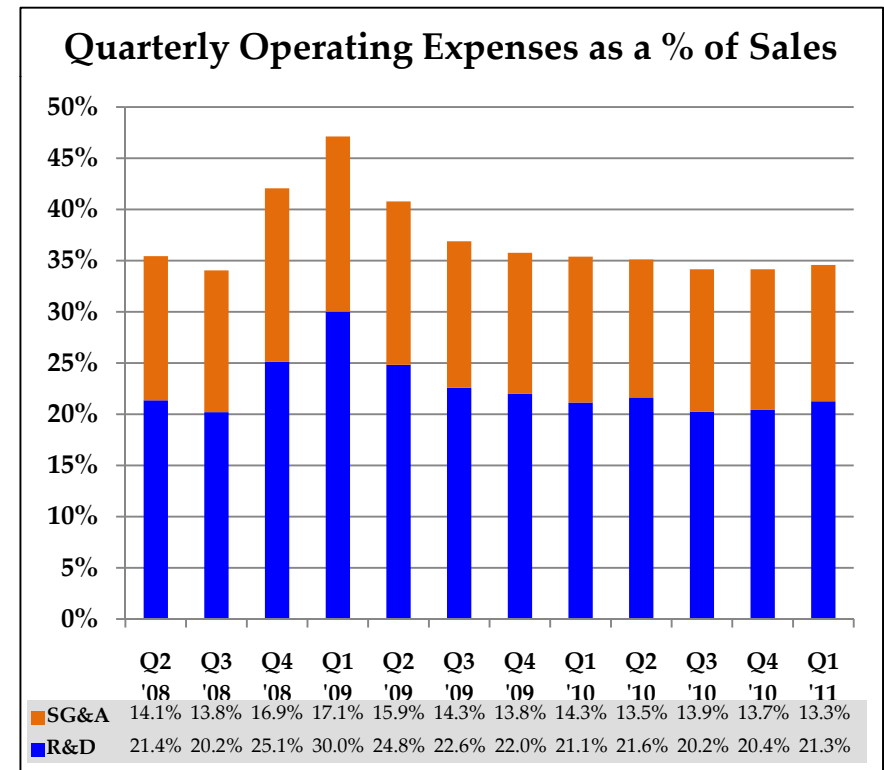


## Quarterly Margin & Operating Expenses as a % of Sales Trends

- Median margins continue to contract slightly as Gross Margins fell to 51% while increased OpEx as a % of sales further pressured profit margins
- Q1 Median EBITDA and Net Margins of 19.2% and 16.2% respectively, were down approximately 3% from their Q3'10 highs
- R&D investment increased as companies return to investing in their business to drive future growth



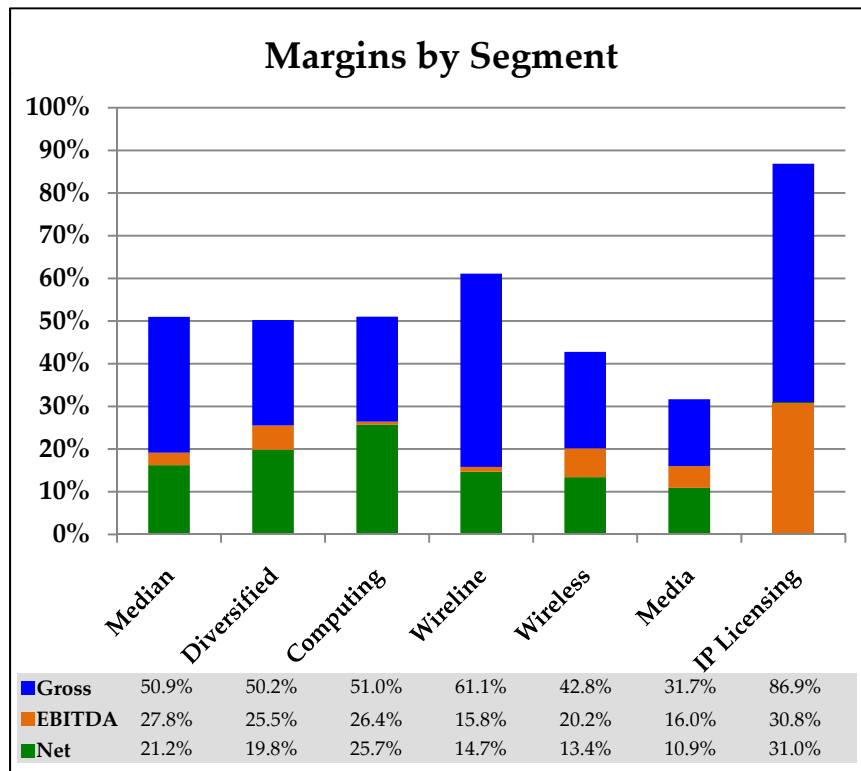
Source: SagePoint Advisors & Capital IQ



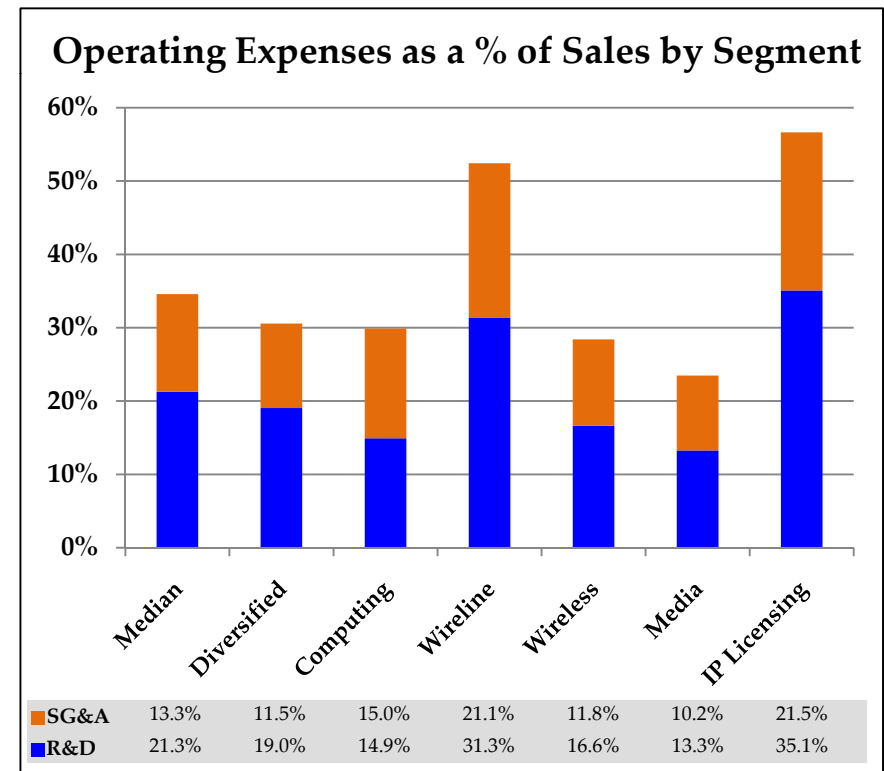
Source: SagePoint Advisors & Capital IQ

## Margins & Operating Expenses as a % of Sales by Segment

- IP Licensing's huge gross margins drive strong earnings margins despite large R&D and SG&A investment requirements
- Wireline's strong gross margins require high R&D and SG&A investment, resulting in EBITDA and net margins below the median
- Media R&D and SG&A spend is lower as costs are spread across large volumes, though they face greater margin pressure resulting in very weak gross margins



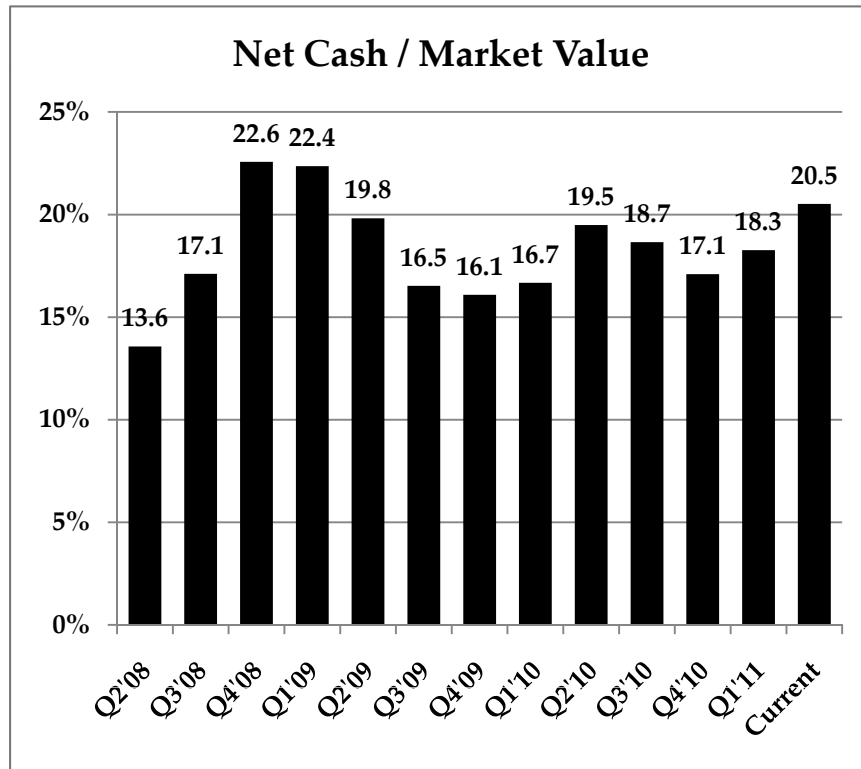
Source: SagePoint Advisors & Capital IQ



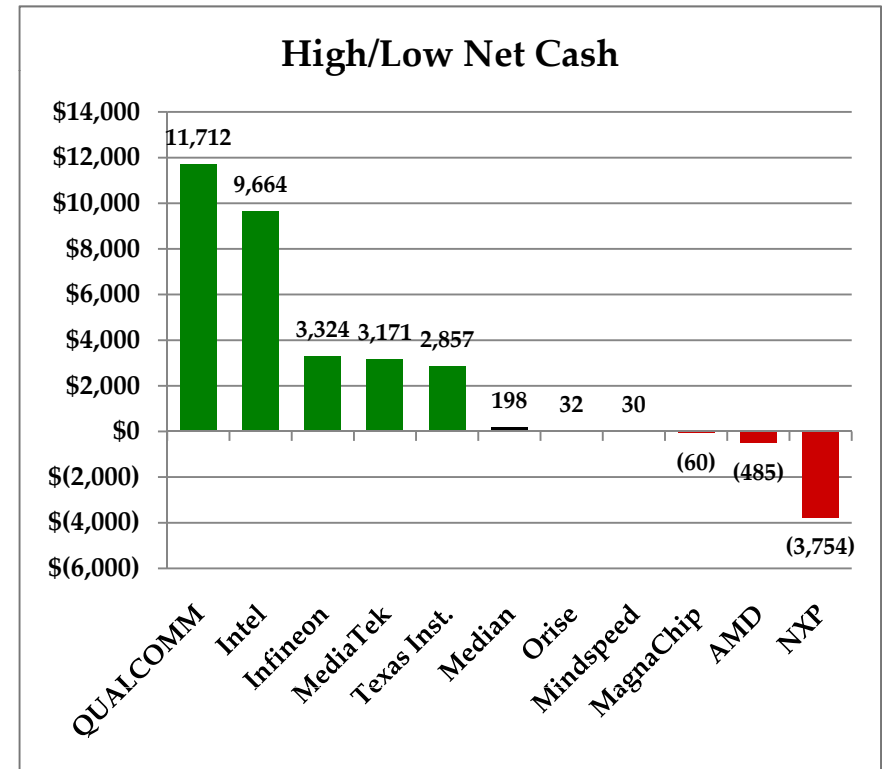
Source: SagePoint Advisors & Capital IQ

## Balance Sheet Strength – Net Cash Position

- Median cash position relative to market cap has increased as valuations fell
- Some vendors (e.g., INTL, BRCM, QCOM) have been putting cash reserves to work through acquisitions
- Relatively healthy cash levels and efforts to drive scale led to a resurgence in \$100M+ M&A deals in recent quarters
- Qualcomm, Intel, Infineon, MediaTek, TI, Marvell, Broadcom and ADI have large war chests of \$2B+ in net cash at their disposal while AMD and NXP are 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 12/31/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash /	Net Debt /	SG&A /	R&D /
	6/17/11	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Mkt Cap	EBITDA	Revenue	Revenue
<b>Semiconductor 60</b>																			
Semiconductor 60 Mean	6,939	6,125	1,110	296	(5.9)%	3.1 x	2.7 x	14.6 x	10.4 x	19.5 x	16.8 x	1.8 %	9.2 %	12.1 %	17.9%	(3.9) x	15.6 %	22.4 %	
Semiconductor 60 Median	1,604	1,264	285	1	(6.6)%	2.0 x	1.8 x	9.7 x	7.0 x	14.9 x	13.6 x	1.4 %	6.9 %	7.2 %	20.5%	(2.3) x	13.3 %	21.3 %	
<b>Diversified</b>																			
Analog Devices	36.58	10,961	8,436	3,431	907	(2.9)%	2.8 x	2.7 x	7.0 x	6.6 x	13.1 x	12.5 x	6.1 %	11.4 %	10.8 %	23.0%	(2.1) x	13.3 %	16.5 %
Avago	32.50	8,019	7,429	596	6	14.4 %	3.3 x	3.0 x	10.3 x	9.4 x	14.4 x	13.1 x	1.0 %	6.9 %	(6.1)%	7.4%	(0.8) x	9.8 %	13.6 %
Broadcom	31.61	15,255	13,670	2,282	697	(27.4)%	2.0 x	1.8 x	12.0 x	7.3 x	10.5 x	11.5 x	0.4 %	6.3 %	11.1 %	10.4%	(1.4) x	10.1 %	28.2 %
Infineon	10.41	11,310	7,986	3,829	505	11.5 %	1.9 x	1.4 x	6.3 x	4.6 x	14.1 x	12.6 x	1.4 %	(2.7)%	11.5 %	29.4%	(2.6) x	11.4 %	11.3 %
Marvell	13.21	8,077	5,809	2,268	0	(28.8)%	1.6 x	1.5 x	5.8 x	5.4 x	8.6 x	8.3 x	(2.8)%	(4.2)%	(3.2)%	28.1%	(2.2) x	7.8 %	30.2 %
Maxim	23.79	7,027	6,408	919	300	0.7 %	2.7 x	2.5 x	7.4 x	7.0 x	15.5 x	13.5 x	0.2 %	(3.7)%	(3.7)%	8.8%	(0.7) x	12.1 %	21.6 %
MediaTek	10.38	11,341	8,170	3,171	0	(27.5)%	2.5 x	2.4 x	9.7 x	12.3 x	15.6 x	17.7 x	(0.4)%	NA	10.5 %	28.0%	(3.8) x	6.0 %	24.7 %
Realtek	1.89	906	639	266	0	(20.6)%	0.9 x	0.8 x	8.6 x	4.7 x	21.8 x	14.0 x	NA	11.6 %	0.0 %	29.4%	(3.6) x	12.5 %	16.5 %
STMicro	9.73	8,576	7,607	2,718	1,749	(6.3)%	0.7 x	0.7 x	4.0 x	4.5 x	11.1 x	10.2 x	NA	NA	1.6 %	11.3%	(0.5) x	12.3 %	22.2 %
Texas Inst.	31.24	36,275	33,418	2,857	0	(3.9)%	2.4 x	2.4 x	6.3 x	6.8 x	12.2 x	12.8 x	(0.0)%	(2.8)%	(1.7)%	7.9%	(0.5) x	11.7 %	12.4 %
Mean	11,775	9,957	2,234	416	(9.1)%	2.1 x	1.9 x	7.7 x	6.8 x	13.7 x	12.6 x	0.7 %	2.8 %	3.1 %	18.4%	(1.8) x	10.7 %	19.7 %	
Median	9,769	7,797	2,500	153	(5.1)%	2.2 x	2.1 x	7.2 x	6.7 x	13.6 x	12.7 x	0.3 %	1.8 %	0.8 %	17.2%	(1.7) x	11.5 %	19.0 %	

(\$ 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>Semiconductor 60</b>																		
Semiconductor 60 Mean	680	2,673	3,000	219	882	1,047	0.25	1.08	1.21	18.6%	38.5%	69.8%	15.7%	37.7%	13.2%	52.8 %	20.9 %	17.5 %
Semiconductor 60 Median	150	611	687	27	122	197	0.18	0.77	0.92	9.3%	2.5%	5.9%	12.8%	26.7%	9.7%	51.0 %	19.2 %	16.2 %
<b>Diversified</b>																		
Analog Devices	791	3,009.6	3,149.2	328	1,213.6	1,273.2	0.75	2.79	2.94	18.3%	34.1%	36.4%	4.6%	4.9%	5.2%	67.6 %	41.5 %	29.4 %
Avago	560	2,232.0	2,448.7	177	722.0	791.9	0.54	2.26	2.48	8.7%	18.8%	14.9%	9.7%	9.7%	9.7%	51.6 %	31.6 %	24.3 %
Broadcom	1,764	6,965.0	7,696.1	235	1,140.2	1,871.1	0.66	3.01	2.76	25.1%	22.4%	1.5%	10.5%	64.1%	(8.3)%	49.5 %	13.3 %	21.5 %
Infineon	1,410	4,280.0	5,880.5	391	1,268.9	1,742.2	0.21	0.74	0.83	33.5%	59.0%	124.7%	37.4%	37.3%	11.8%	42.4 %	27.8 %	17.5 %
Marvell	802	3,558.7	3,789.5	187	1,009.6	1,085.1	0.29	1.54	1.59	(6.2)%	(26.5)%	(23.7)%	6.5%	7.5%	3.0%	58.3 %	23.3 %	23.8 %
Maxim	607	2,411.8	2,571.1	215	861.4	919.2	0.39	1.53	1.76	19.2%	30.2%	44.4%	6.6%	6.7%	14.8%	61.4 %	35.4 %	19.6 %
MediaTek	674	3,280.9	3,360.8	127	838.7	666.7	0.10	0.67	0.59	(34.5)%	(65.9)%	(68.2)%	2.4%	(20.5)%	(12.1)%	46.2 %	18.8 %	16.8 %
Realtek	183	700.6	833.2	16	74.4	136.9	0.02	0.09	0.13	(7.0)%	(44.9)%	(50.0)%	18.9%	83.9%	55.5%	33.8 %	8.8 %	6.0 %
STMicro	2,535	10,556.0	11,037.2	456	1,917.0	1,701.4	0.20	0.88	0.96	9.0%	40.7%	185.7%	4.6%	(11.2)%	8.7%	39.1 %	18.0 %	7.2 %
Texas Inst.	3,392	14,153.0	14,190.2	1,141	5,275.0	4,945.2	0.57	2.57	2.44	5.8%	(3.6)%	7.5%	0.3%	(6.3)%	(5.1)%	50.9 %	33.6 %	20.1 %
Mean	1,272	5,115	5,496	327	1,432	1,513	0.37	1.61	1.65	7.2%	6.4%	27.3%	10.2%	17.6%	8.3%	50.1 %	25.2 %	18.6 %
Median	797	3,420	3,575	225	1,075	1,179	0.34	1.54	1.67	8.9%	20.6%	11.2%	6.5%	7.1%	7.0%	50.2 %	25.5 %	19.8 %

# Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price 6/17/11	Market Cap	Enterprise Value	Cash	Debt	% Change 12/31/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash / Mkt Cap	Net Debt / EBITDA	SG&A / Revenue	R & D / Revenue
							LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS				
<b>Computing</b>																			
AMD	7.00	4,813	5,298	1,745	2,230	(14.4)%	0.8 x	0.8 x	6.5 x	5.3 x	14.6 x	11.4 x	0.4 %	10.4 %	61.4 %	(10.1)%	0.6 x	16.2 %	22.8 %
Atmel	12.56	5,746	5,254	497	4	1.9 %	3.0 x	2.6 x	13.6 x	9.1 x	17.0 x	13.2 x	2.1 %	11.2 %	52.9 %	8.6%	(1.3) x	15.3 %	13.5 %
Intel	21.19	112,349	102,685	11,978	2,314	0.8 %	2.2 x	1.9 x	4.8 x	4.4 x	9.6 x	9.3 x	10.9 %	16.7 %	29.2 %	8.6%	(0.5) x	13.8 %	14.9 %
Microchip	35.69	6,798	5,902	1,243	347	4.3 %	4.0 x	3.6 x	10.1 x	9.2 x	16.3 x	14.4 x	1.7 %	NA	3.5 %	13.2%	(1.5) x	15.0 %	11.6 %
NVIDIA	15.81	9,488	6,784	2,727	23	2.6 %	1.9 x	1.6 x	16.7 x	7.0 x	25.1 x	14.1 x	1.6 %	NA	12.1 %	28.5%	(6.7) x	10.2 %	24.1 %
<b>Mean</b>		<b>27,839</b>	<b>25,185</b>	<b>3,638</b>	<b>984</b>	<b>(1.0)%</b>	<b>2.4 x</b>	<b>2.1 x</b>	<b>10.4 x</b>	<b>7.0 x</b>	<b>16.5 x</b>	<b>12.5 x</b>	<b>3.3 %</b>	<b>12.8 %</b>	<b>31.8 %</b>	<b>9.8%</b>	<b>(1.9) x</b>	<b>14.1 %</b>	<b>17.4 %</b>
<b>Median</b>		<b>6,798</b>	<b>5,902</b>	<b>1,745</b>	<b>347</b>	<b>1.9 %</b>	<b>2.2 x</b>	<b>1.9 x</b>	<b>10.1 x</b>	<b>7.0 x</b>	<b>16.3 x</b>	<b>13.2 x</b>	<b>1.7 %</b>	<b>11.2 %</b>	<b>29.2 %</b>	<b>8.6%</b>	<b>(1.3) x</b>	<b>15.0 %</b>	<b>14.9 %</b>

(\$ in millions, except per share data)

Company Name	Revenue			EBITDA			EPS			MRQ/PYQ Growth			NTM / LTM Growth			LO Margin		
	MRQ	LTM	NTM	MRQ	LTM	NTM	MRQ	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	EPS	Gross	EBITDA	Net
<b>Computing</b>																		
AMD	1,613	6,533.0	6,808.5	147	809.0	990.9	0.08	0.48	0.61	2.5%	(47.9)%	33.3%	4.2%	22.5%	27.5%	43.1 %	9.1 %	3.8 %
Atmel	461	1,756.9	2,015.1	122	386.2	575.6	0.26	0.74	0.95	32.4%	315.2%	602.7%	14.7%	49.1%	29.2%	51.0 %	26.4 %	26.5 %
Intel	12,847	46,171.0	53,640.8	5,600	21,237.0	23,128.5	0.59	2.21	2.28	24.7%	22.0%	37.2%	16.2%	8.9%	3.1%	61.4 %	43.6 %	25.7 %
Microchip	380	1,487.2	1,619.0	151	582.7	639.5	0.59	2.19	2.48	36.7%	36.3%	28.3%	8.9%	9.8%	13.4%	59.4 %	39.7 %	31.3 %
NVIDIA	962	3,503.5	4,214.7	203	406.5	968.8	0.22	0.63	1.12	(4.0)%	4.2%	(4.3)%	20.3%	138.3%	78.4%	50.4 %	21.1 %	14.0 %
<b>Mean</b>	<b>3,253</b>	<b>11,890</b>	<b>13,660</b>	<b>1,245</b>	<b>4,684</b>	<b>5,261</b>	<b>0.35</b>	<b>1.25</b>	<b>1.49</b>	<b>18.5%</b>	<b>66.0%</b>	<b>139.4%</b>	<b>12.9%</b>	<b>45.7%</b>	<b>30.3%</b>	<b>53.1 %</b>	<b>28.0 %</b>	<b>20.3 %</b>
<b>Median</b>	<b>962</b>	<b>3,504</b>	<b>4,215</b>	<b>151</b>	<b>583</b>	<b>969</b>	<b>0.26</b>	<b>0.74</b>	<b>1.12</b>	<b>24.7%</b>	<b>22.0%</b>	<b>33.3%</b>	<b>14.7%</b>	<b>22.5%</b>	<b>27.5%</b>	<b>51.0 %</b>	<b>26.4 %</b>	<b>25.7 %</b>

# Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price 6/17/11	Market Cap	Enterprise Value	Cash	Debt	% Change 12/31/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash / Mkt Cap	Net Debt / EBITDA	SG&A / Revenue	R&D / Revenue
							LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS				
<b>Wireline</b>																			
AMCC	8.40	532	363	169	0	(21.3)%	1.5 x	1.3 x	25.1 x	NA	20.0 x	21.7 x	0.8 %	NA	71.5 %	31.7%	(11.6) x	20.0 %	46.0 %
Cavium	37.95	1,843	1,781	69	8	0.7 %	7.8 x	5.7 x	49.5 x	31.1 x	35.8 x	27.9 x	1.5 %	NA	0.0 %	3.3%	(1.7) x	23.5 %	32.6 %
Emulex	8.08	709	526	183	0	(30.7)%	1.2 x	1.0 x	19.4 x	5.8 x	15.2 x	13.3 x	1.6 %	NA	(3.5)%	25.8%	(6.7) x	24.5 %	38.1 %
Entropic	7.57	648	506	142	0	(37.3)%	2.1 x	1.8 x	9.5 x	6.7 x	10.8 x	10.3 x	0.9 %	NA	8.0 %	22.0%	(2.7) x	11.9 %	18.4 %
EZchip	31.98	843	735	108	0	13.8 %	11.9 x	9.4 x	33.2 x	23.2 x	31.5 x	24.6 x	1.4 %	70.1 %	(3.2)%	12.9%	(4.9) x	22.3 %	33.4 %
Gennum	7.25	258	205	52	0	4.1 %	1.6 x	1.4 x	6.0 x	5.1 x	13.2 x	13.1 x	(3.5)%	(8.6)%	1.6 %	20.3%	(1.5) x	26.3 %	24.3 %
Inphi	16.41	433	322	111	0	(18.3)%	3.8 x	2.7 x	23.0 x	10.2 x	41.0 x	26.2 x	1.9 %	NA	13.5 %	25.7%	(7.9) x	21.5 %	29.6 %
Integrated Device	7.32	1,085	785	299	0	9.9 %	1.3 x	1.2 x	9.5 x	6.4 x	12.0 x	14.1 x	1.6 %	(29.5)%	20.4 %	27.6%	(3.6) x	18.3 %	29.7 %
ITE Tech	1.48	300	213	89	2	(30.2)%	1.6 x	1.3 x	16.3 x	NA	29.3 x	27.7 x	6.4 %	NA	9.9 %	28.9%	(6.6) x	12.7 %	15.8 %
LSI	6.74	4,082	3,400	682	0	12.5 %	1.4 x	1.7 x	9.9 x	7.8 x	13.2 x	13.6 x	1.1 %	(12.2)%	32.0 %	16.7%	(2.0) x	14.6 %	30.1 %
Mellanox	27.91	971	883	88	0	6.6 %	5.1 x	3.3 x	32.1 x	27.7 x	29.1 x	24.5 x	0.5 %	179.9 %	97.3 %	9.0%	(3.2) x	23.0 %	36.9 %
Mindspeed	7.43	249	219	45	15	21.8 %	1.2 x	1.2 x	7.3 x	11.1 x	9.3 x	21.3 x	1.5 %	19.7 %	40.1 %	12.1%	(1.0) x	26.1 %	37.7 %
Nationz	3.95	1,076	704	374	3	(49.4)%	6.8 x	4.6 x	50.6 x	25.6 x	43.5 x	NA	(7.8)%	NA	NA	34.5%	(26.7) x	28.3 %	NA
NetLogic	36.20	2,473	2,200	277	4	15.2 %	5.6 x	4.9 x	27.5 x	18.5 x	22.3 x	23.0 x	(2.0)%	NA	7.2 %	11.1%	(3.4) x	20.7 %	33.3 %
PMC-Sierra	7.09	1,663	1,520	206	62	(17.5)%	2.4 x	2.1 x	9.4 x	6.4 x	12.0 x	10.6 x	1.4 %	20.2 %	(33.3)%	8.6%	(0.9) x	20.1 %	34.6 %
Qingdao Eastsoft	6.38	638	465	174	0	NA	NA	8.3 x	NA	NA	NA	24.7 x	NA	NA	NA	27.2%	NA	14.7 %	NA
QLogic	15.39	1,612	1,228	384	0	(9.6)%	2.1 x	1.9 x	7.0 x	6.2 x	10.0 x	10.3 x	1.0 %	6.2 %	9.3 %	23.8%	(2.2) x	18.8 %	24.3 %
SMSC	22.87	530	370	170	10	(20.7)%	0.9 x	0.8 x	8.4 x	5.1 x	14.5 x	13.6 x	NA	NA	0.0 %	30.2%	(3.7) x	25.9 %	23.6 %
<b>Mean</b>		<b>1,108</b>	<b>913</b>	<b>201</b>	<b>6</b>	<b>(8.8)%</b>	<b>3.4 x</b>	<b>3.0 x</b>	<b>20.2 x</b>	<b>13.1 x</b>	<b>21.3 x</b>	<b>18.9 x</b>	<b>0.5 %</b>	<b>30.7 %</b>	<b>16.9 %</b>	<b>20.6%</b>	<b>(5.3) x</b>	<b>20.7 %</b>	<b>30.5 %</b>
<b>Median</b>		<b>776</b>	<b>615</b>	<b>170</b>	<b>0</b>	<b>(9.6)%</b>	<b>2.1 x</b>	<b>1.9 x</b>	<b>16.3 x</b>	<b>7.8 x</b>	<b>15.2 x</b>	<b>21.3 x</b>	<b>1.3 %</b>	<b>13.0 %</b>	<b>8.6 %</b>	<b>22.9%</b>	<b>(3.4) x</b>	<b>21.1 %</b>	<b>31.3 %</b>

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Company Name	Revenue			EBITDA			EPS			MRQ/PYQ Growth			NTM / LTM Growth			LO Margin		
	MRQ	LTM	NTM	MRQ	LTM	NTM	MRQ	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	EPS	Gross	EBITDA	Net
<b>Wireline</b>																		
AMCC	59	247.7	278.1	(0)	14.5	NA	0.04	0.42	0.39	1.7%	(115.4)%	(55.6)%	12.3%	NA	(7.9)%	56.5 %	(0.8)%	4.4 %
Cavium	64	228.4	314.0	8	36.0	57.3	0.32	1.06	1.36	52.7%	NM	128.6%	37.5%	59.1%	28.1%	60.9 %	12.2 %	25.1 %
Emulex	112	432.3	505.5	7	27.1	90.6	0.10	0.53	0.61	9.7%	(61.7)%	(44.4)%	16.9%	234.0%	14.6%	54.9 %	5.9 %	7.8 %
Entropic	72	244.3	276.1	19	53.3	75.9	0.22	0.70	0.73	91.0%	631.7%	266.7%	13.0%	42.4%	4.6%	55.3 %	26.5 %	27.5 %
EZchip	13	61.6	78.1	3	22.2	31.6	0.18	1.01	1.30	(3.0)%	(33.0)%	(9.8)%	26.8%	42.7%	28.2%	77.4 %	22.8 %	38.4 %
Gennum	31	130.8	143.5	8	34.0	40.0	0.13	0.55	0.55	6.5%	4.0%	8.3%	9.7%	17.6%	0.4%	72.5 %	25.0 %	14.3 %
Inphi	22	85.6	117.2	4	14.0	31.5	0.08	0.40	0.63	12.7%	14.9%	0.0%	36.8%	125.2%	56.6%	65.6 %	17.0 %	10.9 %
Integrated Device	147	625.7	652.3	15	83.0	123.4	0.13	0.61	0.52	6.8%	(4.1)%	44.4%	4.2%	48.6%	(15.1)%	54.4 %	10.4 %	13.3 %
ITE Tech	35	131.3	165.5	4	13.1	NA	0.01	0.05	0.05	(4.9)%	(17.6)%	(29.4)%	26.1%	NA	5.5%	37.6 %	12.1 %	8.1 %
LSI	473	2,406.1	2,042.1	69	345.1	437.4	0.13	0.51	0.49	0.1%	(3.9)%	(7.1)%	(15.1)%	26.7%	(3.1)%	47.4 %	14.7 %	17.3 %
Mellanox	55	173.5	269.8	7	27.5	31.9	0.24	0.96	1.14	52.0%	(20.9)%	(17.2)%	55.5%	16.1%	18.8%	64.7 %	12.0 %	15.0 %
Mindspeed	39	180.0	176.3	2	29.8	19.7	0.01	0.80	0.35	(4.2)%	(66.3)%	(93.3)%	(2.1)%	(33.8)%	(56.4)%	63.0 %	4.1 %	0.8 %
Nationz	26	103.0	153.5	5	13.9	27.5	0.02	0.09	NA	(5.1)%	(45.8)%	(42.7)%	49.1%	97.6%	NA	45.5 %	17.3 %	24.7 %
NetLogic	99	394.2	444.4	22	80.1	118.8	0.39	1.62	1.57	14.4%	78.2%	25.8%	12.7%	48.3%	(2.9)%	61.2 %	21.9 %	28.7 %
PMC-Sierra	157	639.7	721.5	36	162.3	236.2	0.08	0.59	0.67	3.0%	(17.8)%	(57.9)%	12.8%	45.5%	13.1%	68.7 %	22.8 %	11.9 %
Qingdao Eastsoft	11	NA	56.0	6	NA	NA	0.07	NA	0.26	NA	NA	NA	NA	NM	NA	63.7 %	48.7 %	51.4 %
QLogic	152	597.2	632.8	44	174.9	197.5	0.37	1.54	1.50	4.5%	3.9%	32.1%	6.0%	12.9%	(2.8)%	66.6 %	29.0 %	26.0 %
SMSC	101	409.5	441.0	6	43.8	73.0	0.22	1.58	1.69	22.0%	(50.9)%	21.3%	7.7%	66.8%	6.9%	48.1 %	5.6 %	5.0 %
<b>Mean</b>	<b>93</b>	<b>417</b>	<b>415</b>	<b>15</b>	<b>69</b>	<b>106</b>	<b>0.15</b>	<b>0.77</b>	<b>0.81</b>	<b>15.3%</b>	<b>18.5%</b>	<b>10.0%</b>	<b>18.2%</b>	<b>56.7%</b>	<b>5.5%</b>	<b>59.1 %</b>	<b>17.1 %</b>	<b>18.4 %</b>
<b>Median</b>	<b>61</b>	<b>244</b>	<b>277</b>	<b>7</b>	<b>34</b>	<b>73</b>	<b>0.13</b>	<b>0.61</b>	<b>0.63</b>	<b>6.5%</b>	<b>(17.7)%</b>	<b>(7.1)%</b>	<b>12.8%</b>	<b>45.5%</b>	<b>5.1%</b>	<b>61.1 %</b>	<b>15.8 %</b>	<b>14.7 %</b>



# Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price 6/17/11	Market Cap	Enterprise Value	Cash	Debt	% Change 12/31/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash / Mkt Cap	Net Debt / EBITDA	SG&A / Revenue	R & D / Revenue
							LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS				
<b>Wireless</b>																			
CSR	5.07	843	442	401	0	(8.9)%	0.6 x	0.5 x	6.0 x	4.3 x	16.3 x	22.4 x	0.3 %	(59.9)%	(225.0)%	47.5%	(5.4) x	19.6 %	31.4 %
Hittite Micro	56.86	1,782	1,470	312	0	(6.8)%	5.7 x	5.1 x	10.9 x	10.7 x	21.2 x	20.5 x	0.9 %	NA	1.0 %	17.5%	(2.3) x	12.6 %	14.0 %
QUALCOMM	52.69	87,968	76,256	13,025	1,313	6.5 %	5.9 x	5.0 x	14.5 x	11.7 x	18.0 x	16.8 x	6.9 %	34.7 %	6.9 %	13.3%	(2.2) x	13.8 %	19.1 %
Ralink	3.01	528	335	193	0	(14.3)%	1.3 x	0.9 x	10.5 x	7.5 x	16.3 x	13.5 x	14.4 %	NA	9.4 %	36.6%	(6.0) x	11.8 %	18.8 %
RDA Micro	9.83	428	319	110	0	(32.7)%	1.5 x	NA	11.8 x	NA	11.9 x	NA	NA	NA	NA	25.6%	(4.1) x	5.1 %	13.2 %
RF Micro	5.20	1,440	1,329	292	181	(29.3)%	1.3 x	1.4 x	6.0 x	6.6 x	8.4 x	13.0 x	(0.6)%	(15.0)%	0.7 %	7.7%	(0.5) x	12.4 %	16.6 %
Skyworks	23.16	4,312	3,834	504	25	(19.1)%	3.1 x	2.6 x	11.9 x	8.4 x	14.4 x	11.8 x	2.7 %	13.1 %	5.6 %	11.1%	(1.5) x	9.7 %	12.2 %
Spreadtrum	13.95	677	518	204	46	(24.1)%	1.2 x	0.8 x	4.8 x	3.5 x	8.1 x	6.4 x	2.6 %	NA	10.8 %	23.4%	(1.5) x	3.8 %	17.5 %
TriQuint	10.73	1,762	1,563	199	0	(8.2)%	1.7 x	1.5 x	8.0 x	6.7 x	12.5 x	11.6 x	1.1 %	NA	2.3 %	11.3%	(1.0) x	11.2 %	16.3 %
u-blox	48.97	306	225	80	0	(9.0)%	2.0 x	1.4 x	9.0 x	6.1 x	24.1 x	14.5 x	NA	NA	NA	26.3%	(3.2) x	NA	NA
Mean	10,005	8,629	1,532	157	(14.6)%	2.4 x	2.1 x	9.3 x	7.3 x	15.1 x	14.5 x	3.5 %	(6.8)%	(23.5)%	22.0%	(2.8) x	11.1 %	17.7 %	
Median	1,141	924	248	0	(11.7)%	1.6 x	1.4 x	9.8 x	6.7 x	15.3 x	13.5 x	1.9 %	(1.0)%	4.0 %	20.5%	(2.3) x	11.8 %	16.6 %	

(\$ 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</b>																		
CSR	164	791.5	856.3	2	74.0	103.5	(0.01)	0.31	0.23	(5.3)%	(82.9)%	(133.3)%	8.2%	39.8%	(27.2)%	49.1 %	1.5 %	(1.1)%
Hittite Micro	67	257.3	285.8	34	134.9	137.8	0.66	2.68	2.77	24.1%	26.6%	22.2%	11.1%	2.2%	3.4%	73.0 %	50.5 %	30.0 %
QUALCOMM	3,875	12,881.0	15,360.8	1,933	5,275.0	6,493.2	0.86	2.93	3.13	45.5%	105.0%	45.8%	19.3%	23.1%	6.7%	71.5 %	49.9 %	37.5 %
Ralink	72	256.4	357.1	7	32.0	44.4	0.03	0.19	0.22	39.0%	(15.8)%	(50.7)%	39.3%	38.7%	20.4%	37.6 %	10.1 %	7.8 %
RDA Micro	55	210.5	NA	8	27.1	NA	0.18	0.83	NA	54.1%	158.5%	(27.9)%	NA	NA	NA	33.3 %	15.4 %	15.3 %
RF Micro	213	1,051.8	924.1	23	221.7	201.8	0.08	0.62	0.40	(18.2)%	(50.2)%	(42.9)%	(12.1)%	(9.0)%	(35.7)%	35.4 %	10.6 %	10.7 %
Skyworks	325	1,249.2	1,483.3	84	321.8	456.6	0.41	1.61	1.96	36.7%	64.1%	70.8%	18.7%	41.9%	21.8%	43.3 %	25.8 %	24.2 %
Spreadtrum	137	431.3	642.8	31	108.5	147.3	0.50	1.73	2.18	163.0%	231.7%	284.6%	49.0%	35.8%	26.0%	42.2 %	22.8 %	20.1 %
TriQuint	224	922.2	1,064.3	41	194.7	234.9	0.15	0.86	0.92	24.0%	49.6%	25.0%	15.4%	20.6%	7.6%	39.0 %	18.2 %	11.6 %
u-blox	34	112.3	165.3	7	24.9	37.1	0.58	2.03	3.37	NA	NA	NA	47.1%	49.1%	65.7%	51.4 %	22.1 %	10.8 %
Mean	517	1,816	2,349	217	641	873	0.34	1.38	1.69	40.3%	54.1%	21.5%	21.8%	26.9%	9.9%	47.6 %	22.7 %	16.7 %
Median	150	611	856	27	122	147	0.30	1.23	1.96	36.7%	49.6%	22.2%	18.7%	35.8%	7.6%	42.8 %	20.2 %	13.4 %

# 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 /
	6/17/11	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Mkt Cap	EBITDA	Revenue	Revenue
<b>Media</b>																			
Ali Corp.	1.47	448	293	155	0	(2.6)%	2.5 x	NA	11.7 x	NA	18.4 x	NA	NA	NA	NA	34.5%	(6.2) x	13.1 %	21.3 %
MagnaChip	11.62	457	518	194	254	NA	0.7 x	0.6 x	3.2 x	2.9 x	6.7 x	4.9 x	0.0 %	(0.1)%	122.0 %	(13.2)%	0.4 x	8.2 %	9.8 %
MaxLinear	8.99	291	199	92	0	(16.4)%	2.9 x	2.3 x	NM	26.0 x	64.2 x	42.0 x	1.7 %	NA	100.0 %	31.5%	(36.9) x	28.6 %	46.5 %
Megachips	16.15	388	297	91	0	(20.4)%	0.7 x	0.6 x	7.8 x	6.7 x	14.2 x	14.0 x	13.0 %	NA	NA	23.4%	(2.4) x	16.4 %	(7.9)%
Micron	7.83	7,842	7,398	2,184	1,740	(2.4)%	0.8 x	0.7 x	2.1 x	2.0 x	8.2 x	7.0 x	9.3 %	15.4 %	161.3 %	5.7%	(0.1) x	6.5 %	8.2 %
MStar Semi	6.47	3,110	2,273	868	30	(32.8)%	NA	1.7 x	NA	7.7 x	NA	13.0 x	(1.2)%	NA	(7.2)%	26.9%	NA	8.8 %	14.8 %
Novatek	3.25	1,948	1,635	600	287	0.9 %	1.4 x	1.2 x	9.9 x	7.1 x	14.2 x	11.1 x	(3.4)%	NA	(4.4)%	16.1%	(1.9) x	3.1 %	11.1 %
NVIDIA	15.81	9,488	6,784	2,727	23	2.6 %	1.9 x	1.6 x	16.7 x	7.0 x	25.1 x	14.1 x	1.6 %	NA	12.1 %	28.5%	(6.7) x	10.2 %	24.1 %
NXP	22.65	5,680	9,434	879	4,633	8.2 %	2.1 x	2.1 x	8.3 x	7.1 x	16.2 x	8.5 x	4.8 %	0.9 %	9.1 %	(66.1)%	3.3 x	20.7 %	14.2 %
OmniVision	29.67	1,720	1,299	467	46	0.2 %	1.4 x	1.1 x	8.9 x	6.5 x	12.0 x	10.2 x	1.3 %	NA	3.4 %	24.5%	(2.9) x	7.1 %	9.4 %
Orise	2.05	281	249	32	0	(5.7)%	1.4 x	1.1 x	12.8 x	10.2 x	18.2 x	14.1 x	(7.5)%	NA	(21.7)%	11.3%	(1.6) x	2.4 %	9.7 %
PixArt Imaging	3.72	483	286	200	3	(25.2)%	2.1 x	2.1 x	11.7 x	11.1 x	23.5 x	21.6 x	(8.6)%	(61.2)%	(43.9)%	40.9%	(8.1) x	10.2 %	13.3 %
Silicon Motion	9.53	279	221	58	0	124.2 %	1.5 x	1.2 x	10.6 x	6.3 x	15.6 x	19.3 x	14.4 %	18.3 %	38.5 %	20.7%	(2.8) x	12.7 %	19.7 %
<b>Mean</b>		<b>2,493</b>	<b>2,376</b>	<b>657</b>	<b>540</b>	<b>2.5 %</b>	<b>1.6 x</b>	<b>1.4 x</b>	<b>9.4 x</b>	<b>8.4 x</b>	<b>19.7 x</b>	<b>15.0 x</b>	<b>2.1 %</b>	<b>(5.3)%</b>	<b>33.6 %</b>	<b>14.2%</b>	<b>(5.5) x</b>	<b>11.4 %</b>	<b>14.9 %</b>
<b>Median</b>		<b>483</b>	<b>518</b>	<b>200</b>	<b>23</b>	<b>(2.5)%</b>	<b>1.4 x</b>	<b>1.2 x</b>	<b>9.9 x</b>	<b>7.0 x</b>	<b>15.9 x</b>	<b>13.5 x</b>	<b>1.5 %</b>	<b>0.9 %</b>	<b>9.1 %</b>	<b>23.4%</b>	<b>(2.6) x</b>	<b>10.2 %</b>	<b>13.3 %</b>

(\$ in millions, except per share data)

Company Name	Revenue			EBITDA			EPS			MRQ/PYQ Growth			NTM / LTM Growth			LQ Margin		
	MRQ	LTM	NTM	MRQ	LTM	NTM	MRQ	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	EPS	Gross	EBITDA	Net
<b>Media</b>																		
Ali Corp.	25	117.6	NA	5	25.0	NA	0.01	0.08	NA	(38.1)%	(61.4)%	(58.3)%	NA	NA	NA	49.2 %	18.9 %	17.7 %
MagnaChip	188	778.8	835.8	36	161.9	176.1	0.85	1.74	2.37	4.7%	33.6%	4.3%	7.3%	8.8%	36.1%	30.1 %	19.4 %	17.8 %
MaxLinear	17	69.5	87.5	(1)	2.5	7.7	0.00	0.14	0.21	4.8%	(170.0)%	NM	25.9%	208.3%	52.9%	64.1 %	(7.0)%	0.0 %
Megachips	132	434.4	489.8	9	38.2	44.4	0.17	1.14	1.15	95.3%	NM	NM	12.8%	16.2%	1.3%	15.2 %	7.0 %	3.2 %
Micron	2,257	9,290.0	10,201.5	632	3,564.0	3,700.5	0.07	0.95	1.11	15.1%	(25.7)%	(82.1)%	9.8%	3.8%	17.2%	19.3 %	28.0 %	3.2 %
MStar Semi	278	NA	1,370.4	50	NA	294.4	0.10	NA	0.50	5.5%	(15.2)%	(18.4)%	NA	NM	NA	41.3 %	18.1 %	17.5 %
Novatek	285	1,180.6	1,399.0	35	165.1	230.4	0.05	0.23	0.29	4.7%	(15.7)%	(18.5)%	18.5%	39.5%	28.6%	25.4 %	12.1 %	10.8 %
NVIDIA	962	3,503.5	4,214.7	203	406.5	968.8	0.22	0.63	1.12	(4.0)%	4.2%	(4.3)%	20.3%	138.3%	78.4%	50.4 %	21.1 %	14.0 %
NXP	1,082	4,574.0	4,586.6	287	1,143.0	1,333.6	0.46	1.40	2.65	(7.1)%	39.3%	571.5%	0.3%	16.7%	89.4%	47.3 %	26.5 %	10.9 %
OmniVision	258	956.5	1,155.6	41	145.7	199.0	0.66	2.47	2.91	64.3%	347.0%	266.7%	20.8%	36.5%	17.8%	30.7 %	16.0 %	15.6 %
Orise	40	180.7	223.6	3	19.4	24.5	0.02	0.11	0.15	4.0%	(30.9)%	(16.2)%	23.7%	26.1%	29.6%	18.1 %	6.7 %	6.7 %
PixArt Imaging	27	136.8	136.4	3	24.4	25.7	0.02	0.16	0.17	(23.0)%	(65.0)%	(68.3)%	(0.3)%	5.4%	8.7%	31.7 %	10.7 %	8.8 %
Silicon Motion	43	152.0	185.6	6	20.9	35.3	0.18	0.61	0.49	65.0%	772.7%	1,900.0%	22.2%	69.3%	(19.0)%	46.2 %	13.7 %	13.1 %
<b>Mean</b>	<b>430</b>	<b>1,781</b>	<b>2,074</b>	<b>101</b>	<b>476</b>	<b>587</b>	<b>0.22</b>	<b>0.81</b>	<b>1.10</b>	<b>14.7%</b>	<b>67.7%</b>	<b>225.1%</b>	<b>14.7%</b>	<b>51.7%</b>	<b>31.0%</b>	<b>36.1 %</b>	<b>14.7 %</b>	<b>10.7 %</b>
<b>Median</b>	<b>188</b>	<b>607</b>	<b>996</b>	<b>35</b>	<b>92</b>	<b>188</b>	<b>0.10</b>	<b>0.62</b>	<b>0.81</b>	<b>4.7%</b>	<b>(15.5)%</b>	<b>(16.2)%</b>	<b>18.5%</b>	<b>26.1%</b>	<b>28.6%</b>	<b>31.7 %</b>	<b>16.0 %</b>	<b>10.9 %</b>

# Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price 6/17/11	Market Cap	Enterprise Value	Cash	Debt	% Change 12/31/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash /	Net Debt /	SG&A /	R & D /
							LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Mkt Cap	EBITDA	Revenue	Revenue
<b>IP Licensing</b>																			
ARM	9.00	12,116	11,652	464	0	36.2 %	17.4 x	15.1 x	58.3 x	41.8 x	63.1 x	48.8 x	5.2 %	NA	10.2 %	3.8%	(2.3) x	33.1 %	35.5 %
CEVA	27.43	632	504	128	0	33.8 %	10.2 x	8.7 x	37.7 x	28.1 x	40.3 x	34.5 x	10.1 %	NA	12.9 %	20.3%	(9.6) x	26.4 %	34.9 %
Imagination	7.09	1,829	1,756	82	9	25.8 %	12.8 x	9.1 x	68.3 x	27.9 x	58.4 x	40.0 x	NA	NA	NA	4.0%	(2.8) x	16.7 %	47.4 %
InterDigital	35.19	1,596	1,069	527	0	(15.5)%	3.0 x	3.1 x	4.9 x	4.3 x	12.4 x	14.0 x	2.8 %	12.8 %	1.0 %	33.0%	(2.4) x	9.9 %	22.2 %
MIPS	6.31	332	223	108	0	(58.4)%	2.5 x	2.6 x	8.0 x	9.8 x	11.5 x	16.3 x	(7.1)%	NA	(10.0)%	32.7%	(3.9) x	43.6 %	35.3 %
QUALCOMM	52.69	87,968	76,256	13,025	1,313	6.5 %	5.9 x	5.0 x	14.5 x	11.7 x	18.0 x	16.8 x	6.9 %	34.7 %	6.9 %	13.3%	(2.2) x	13.8 %	19.1 %
<b>Mean</b>		<b>17,412</b>	<b>15,243</b>	<b>2,389</b>	<b>220</b>	<b>4.7 %</b>	<b>8.6 x</b>	<b>7.3 x</b>	<b>31.9 x</b>	<b>20.6 x</b>	<b>33.9 x</b>	<b>28.4 x</b>	<b>3.6 %</b>	<b>23.7 %</b>	<b>4.2 %</b>	<b>17.9%</b>	<b>(3.9) x</b>	<b>23.9 %</b>	<b>32.4 %</b>
<b>Median</b>		<b>1,713</b>	<b>1,413</b>	<b>296</b>	<b>0</b>	<b>16.2 %</b>	<b>8.1 x</b>	<b>6.8 x</b>	<b>26.1 x</b>	<b>19.8 x</b>	<b>29.2 x</b>	<b>25.7 x</b>	<b>5.2 %</b>	<b>23.7 %</b>	<b>6.9 %</b>	<b>16.8%</b>	<b>(2.6) x</b>	<b>21.5 %</b>	<b>35.1 %</b>

(\$ in millions, except per share data)

Company Name	Revenue			EBITDA			EPS			MRQ/PYQ Growth			NTM / LTM Growth			LQ Margin		
	MRQ	LTM	NTM	MRQ	LTM	NTM	MRQ	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	EPS	Gross	EBITDA	Net
<b>IP Licensing</b>																		
ARM	186	671.4	774.2	53	199.9	279.1	0.04	0.14	0.18	32.9%	16.3%	41.6%	15.3%	39.6%	29.4%	93.7 %	28.4 %	32.2 %
CEVA	15	49.4	57.7	5	13.4	17.9	0.23	0.68	0.79	42.0%	144.4%	91.7%	17.0%	34.0%	16.9%	93.7 %	33.2 %	36.5 %
Imagination	45	136.8	192.9	9	25.7	63.0	0.02	0.12	0.18	37.6%	53.9%	(1.1)%	41.0%	NM	46.0%	80.0 %	20.1 %	14.0 %
InterDigital	78	356.8	347.8	43	219.2	248.0	0.51	2.84	2.51	(32.5)%	(46.2)%	(53.2)%	(2.5)%	13.1%	(11.7)%	79.7 %	55.0 %	29.8 %
MIPS	20	87.7	85.7	4	27.9	22.8	0.09	0.55	0.39	14.5%	1.2%	12.5%	(2.3)%	(18.1)%	(29.8)%	99.2 %	21.8 %	24.6 %
QUALCOMM	3,875	12,881.0	15,360.8	1,933	5,275.0	6,493.2	0.86	2.93	3.13	45.5%	105.0%	45.8%	19.3%	23.1%	6.7%	71.5 %	49.9 %	37.5 %
<b>Mean</b>	<b>703</b>	<b>2,364</b>	<b>2,803</b>	<b>341</b>	<b>960</b>	<b>1,187</b>	<b>0.29</b>	<b>1.21</b>	<b>1.20</b>	<b>23.3%</b>	<b>45.8%</b>	<b>22.9%</b>	<b>14.6%</b>	<b>18.4%</b>	<b>9.6%</b>	<b>86.3 %</b>	<b>34.7 %</b>	<b>29.1 %</b>
<b>Median</b>	<b>62</b>	<b>247</b>	<b>270</b>	<b>26</b>	<b>114</b>	<b>155</b>	<b>0.16</b>	<b>0.62</b>	<b>0.59</b>	<b>35.2%</b>	<b>35.1%</b>	<b>27.0%</b>	<b>16.1%</b>	<b>23.1%</b>	<b>11.8%</b>	<b>86.9 %</b>	<b>30.8 %</b>	<b>31.0 %</b>



# Introduction to SagePoint Advisors

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## Introduction to SagePoint Advisors

*SagePoint Advisors is a boutique investment banking firm focused exclusively on providing merger, acquisition and strategic advisory services to growth companies in the technology and telecom sectors.*

<b>Mission</b>	To deliver the senior-level attention, trusted relationships and market insight on \$20-150 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>	Internet, Communications & IT Infrastructure
<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

Segment	Subcategory Examples	
<b>Cloud, SaaS &amp; Internet</b>	<ul style="list-style-type: none"> <li>• Cloud Computing</li> <li>• Cloud Storage</li> <li>• Cloud Security</li> <li>• Software-as-a-Service</li> </ul>	<ul style="list-style-type: none"> <li>• Web Hosting &amp; Colocation</li> <li>• Web-Based Communications</li> <li>• Social Networking</li> <li>• Internet Search &amp; Marketing</li> </ul>
<b>Wireless &amp; Mobile</b>	<ul style="list-style-type: none"> <li>• Mobile Applications</li> <li>• Mobile Advertising</li> <li>• Mobile Payments</li> <li>• Location Based Services</li> <li>• Wireless Gateways</li> </ul>	<ul style="list-style-type: none"> <li>• Network Infrastructure</li> <li>• Network Software</li> <li>• Client Devices</li> <li>• Semiconductors</li> </ul>
<b>Voice, Video &amp; Data</b>	<ul style="list-style-type: none"> <li>• Service Providers</li> <li>• Client Software</li> <li>• Server Software</li> <li>• Telecom Equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Premise Equipment</li> <li>• Consumer Devices</li> <li>• Semiconductors</li> </ul>
<b>IT Infrastructure</b>	<ul style="list-style-type: none"> <li>• Data Networking</li> <li>• Computing</li> <li>• Storage</li> <li>• Security</li> <li>• Virtualization</li> </ul>	<ul style="list-style-type: none"> <li>• Network Management</li> <li>• Systems Management</li> <li>• Application Acceleration</li> <li>• Data Analytics</li> </ul>

# Transaction Experience of SagePoint Team

 <i>has been acquired by</i>  Up to \$120,000,000 Pending	 <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 been acquired by</i>  \$150,000,000 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> <b>THOMSON</b> August 2004
 <i>has been acquired by</i>  \$122,500,000 April 2004	 <i>has been acquired by</i>  December 2003	 <i>has been acquired by</i>  August 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	 <i>has merged with</i>  \$157,000,000 March 2000






























































## Transaction Experience by Market Segment

*The SagePoint Team has led more than 75 M&A and fund raising engagements with deal experience across the Internet, Communications and IT Infrastructure value chain.*

Segment	Transaction Experience Examples	
<b>Cloud, SaaS &amp; Internet</b>	<ul style="list-style-type: none"> <li>• Xumii sale to Myriad Group</li> <li>• AccessLine sale to Telanetix</li> <li>• Neven Vision sale to Google</li> <li>• Unicru sale to Kronos</li> <li>• Element5 sale to Digital River</li> </ul>	<ul style="list-style-type: none"> <li>• ZoneOfTrust sale to Guardent</li> <li>• GeoNet sale to Level 3</li> <li>• Compute Intensive sale to Verio</li> <li>• Speakeasy Capital Raise</li> <li>• Cephren Strategic Investment</li> </ul>
<b>Wireless &amp; Mobile</b>	<ul style="list-style-type: none"> <li>• CCPU sale to Radisys</li> <li>• Xumii sale to Myriad Group</li> <li>• Strix sale to Idream</li> <li>• Sky Mobile Media Asset Sale</li> <li>• Neven Vision sale to Google</li> </ul>	<ul style="list-style-type: none"> <li>• CommAsic sale to Freescale</li> <li>• Peregrine Strategic Investment</li> <li>• Synad sale to STMicro</li> <li>• Airprime sale to Sierra Wireless</li> <li>• Tachyon Capital Raise</li> </ul>
<b>Voice, Video &amp; Data</b>	<ul style="list-style-type: none"> <li>• Vativ sale to Entropic</li> <li>• AccessLine sale to Telanetix</li> <li>• CrystalVoice sale to GIPS</li> <li>• DivX IPO</li> <li>• TIR sale to Philips</li> </ul>	<ul style="list-style-type: none"> <li>• Gyration sale to Philips</li> <li>• Compute Intensive sale to Verio</li> <li>• Speakeasy Capital Raise</li> <li>• Tachyon Capital Raise</li> <li>• Telecore sale to ViaSource</li> </ul>
<b>IT Infrastructure</b>	<ul style="list-style-type: none"> <li>• Network Physics sale to OpNet</li> <li>• AuthenTec IPO</li> <li>• Raptor Networks Capital Raise</li> <li>• Procom sale to Sun</li> </ul>	<ul style="list-style-type: none"> <li>• LVL7 sale to Broadcom</li> <li>• Netreon sale to CA</li> <li>• ZoneOfTrust sale to Guardent</li> <li>• DataDirect Capital Raise</li> </ul>

# Representative Buyer Relationships

Internet / Media	Service Providers	IT Infrastructure & Software	Telecom Equipment	Consumer Electronics	Semiconductors
          	         	           	       	        	         

## Why Work With SagePoint?

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- SagePoint delivers the senior-level attention, trusted relationships and market insight on \$20-150M transactions that larger investment banks reserve only for much larger transactions
- SagePoint's domain knowledge is world-class across most segments of the Internet, Communications and IT Infrastructure value chain
- SagePoint has developed trusted relationships with the most active strategic buyers across the Internet, Communications and IT Infrastructure 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