

SagePoint Semis 60

Q2 2010 Performance Review

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

September 2010

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SagePoint Semiconductor 60 Universe

Q2 Adds:

- Nacionz
- NXP

		Market Segment					
		Diversified	Computing	Wireline	Wireless	Media	IP Licensing
1	Ali Corp.					X	
2	AMCC			X			
3	AMD		X				
4	Analog Devices	X					
5	ARM						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	Marvell	X					
28	Maxim	X					
29	MaxLinear					X	
30	MediaTek	X					

Q2 Drops:

- Macroblock
- Pericom

		Market Segment					
		Diversified	Computing	Wireline	Wireless	Media	IP Licensing
31	Megachips					X	
32	Mellanox			X			
33	Microchip		X				
34	Micron					X	
35	Mindspeed			X			
36	MIPS						X
37	Nacionz			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	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

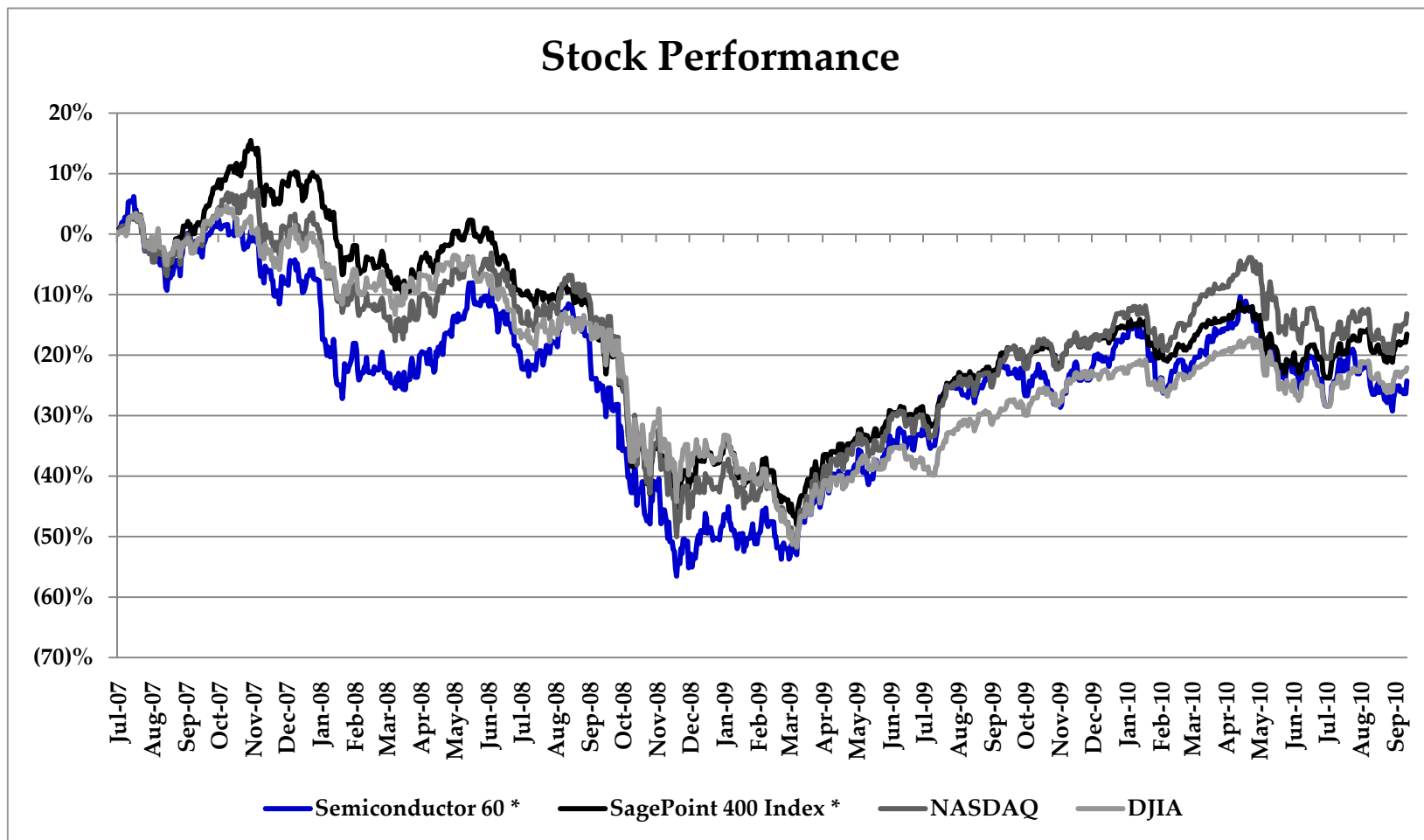
- Stock prices gave back some of their gains in the semiconductor segment following European economic concerns
 - The SagePoint Semis 60 posted a median decline of 8.3% since the beginning of Q2
 - Only IP Licensing posted meaningful growth, up an impressive 30.9%, with Wireless up slightly at 3.8%
 - All other segments posted drops of 13.5-18.5%
- Semis vendors had another strong earnings season, with 95% meeting or beating revenue estimates and 86% meeting or beating EPS
- Median revenue growth of 40% in Q2 continues the turnaround in revenue trajectory and bodes well for continue growth going forward
 - Wireless led the growth, up over 50% over the prior year quarter
 - The Semis 60 is expected to maintain a 16%+ median growth rate over the next twelve months with double digit growth expected for all segments
- Median EPS growth remained in the triple digits for the third straight quarter at 126% due to strong revenue growth, recent cost cutting, impressive gross margin improvements and relatively weak profitability in Q2'09
 - Wireline was the standout with 317% EPS growth with Diversified, Computing and Wireless also outperforming the median
 - The Semis 60 is expected to continue to deliver strong median EPS growth of 25.7% in the next 12 months
 - Projected EPS growth is driven by 16+% revenue growth with improved gross margins while maintaining disciplined opex spending

SagePoint's Viewpoint - Key Takeaways Continued

- Semis 60 operating models have been repaired and are now solidly profitable and stable
 - Median gross margin again hit a new three year high of 50.9%
 - R&D spending as a % of revenues dipped slightly as increased R&D spending was outpaced by revenue growth
 - Median SG&A as a % of revenues fell slightly as increased SG&A spending was outpaced by revenue growth
 - Median net margins increased to a new three year high of 16.9% as revenue growth delivered scale to leverage opex and gross margins showed strong growth
- Valuation multiples fell sharply in Q2 amid European economic concerns but in recent months have regained some of their lost ground
 - Median LTM revenue multiple of 2.0x is over 40% off the Q3'07 peak
 - Median LTM and NTM P/E multiples of 16.9x and 12.4x respectively, suggest that there is upside in Semis 60 stock prices over the next twelve months
- M&A activity remained steady in Q2 and SagePoint expects continued deal activity in 2010
 - Notable Q2 deals include Cisco's \$99M acquisition of CoreOptics, Emulex's \$283M acquisition of ServerEngines, Synopsys' \$345M acquisition of VirageLogic and Broadcom's \$47M acquisition of Innovision Research & Technology
 - Balance sheet strength remains very high and several active buyers have cash war chests
 - Intel put \$9B of cash to work in acquisitions of McAfee and Infineon so far in Q3
 - 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 65% of the vendors' market caps below \$1B which should be a catalyst for further consolidation

SagePoint Semis 60 Index Performance

- Semis 60 stocks have dropped 8.3% since the start of Q2, falling sharply in late April amid concerns over European economic stability after a strong start to the quarter
 - The SagePoint Comm Index is down 2.3%, as is the Dow with the Nasdaq down 4.3%

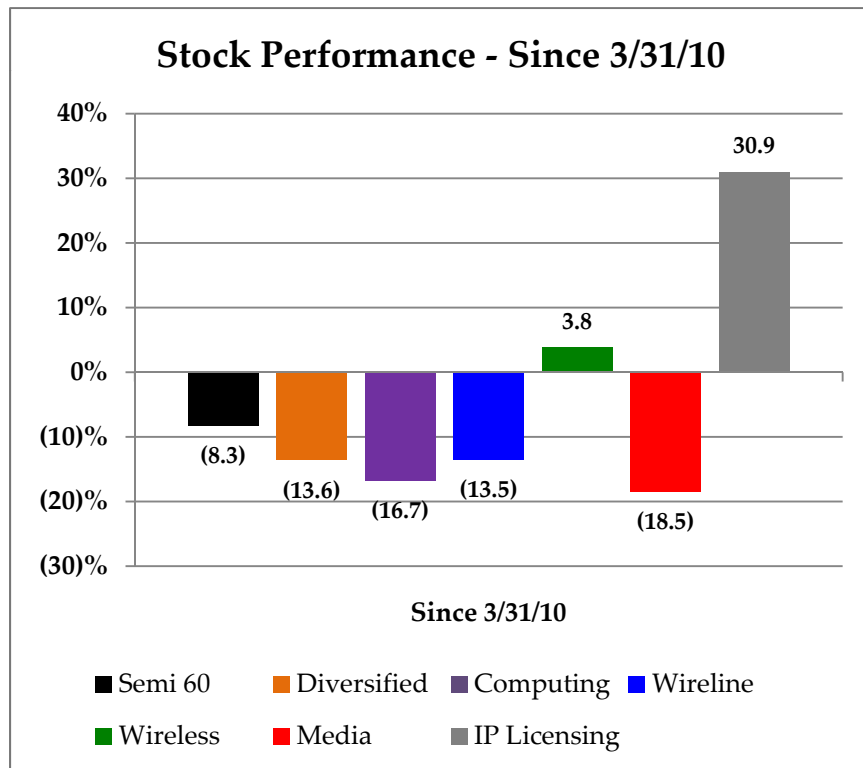


* Market Value weighted index

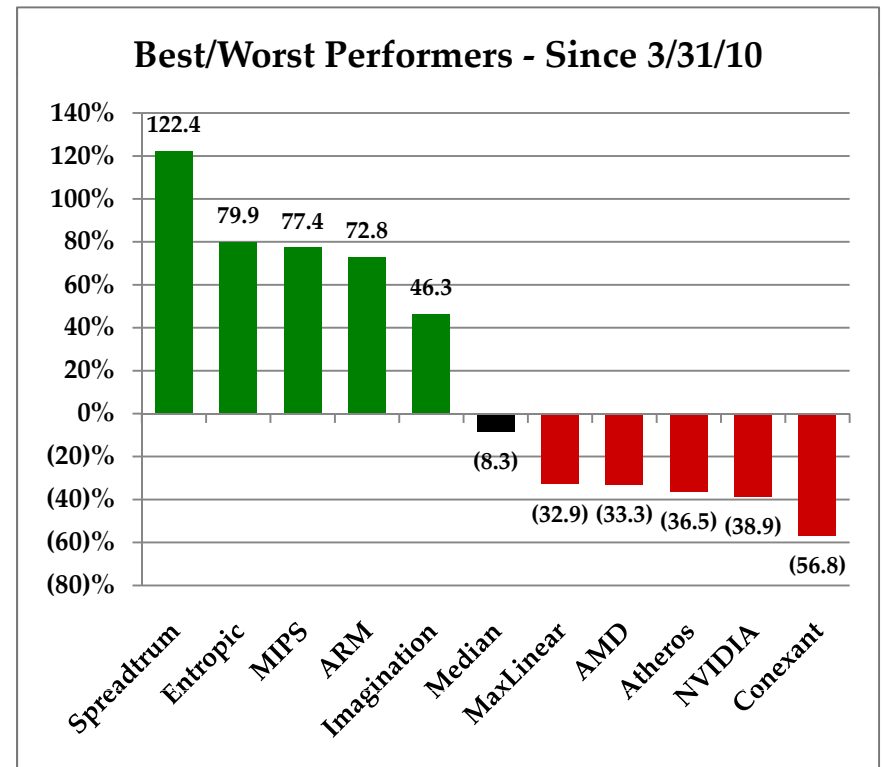
SagePoint Semis 60 – Q2 2010

Stock Performance Since Beginning of Q2

- The SagePoint Semis 60 took a big hit in late April and have struggled to regain their footing
 - Wireless has managed a small gain while IP Licensing has performed admirably since end of Q1
- Spreadtrum and Entropic were big winners again this quarter with MIPS, ARM and Imagination driving the strong performance for the IP Licensing segment
 - Spreadtrum again beat expectations on strong market share gains in China driving the stock up
 - Entropic beat expectations and revised guidance upward as MoCA rollout continues to ramp
 - IP Licensing growth driven by strong Q2 results and optimistic growth outlook



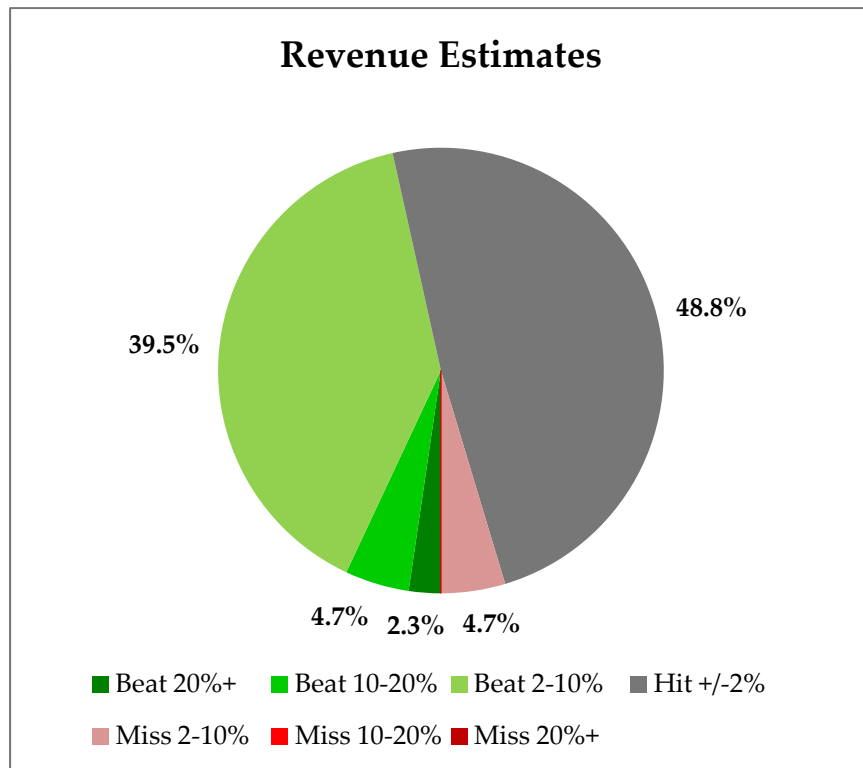
Source: SagePoint Advisors & Capital IQ



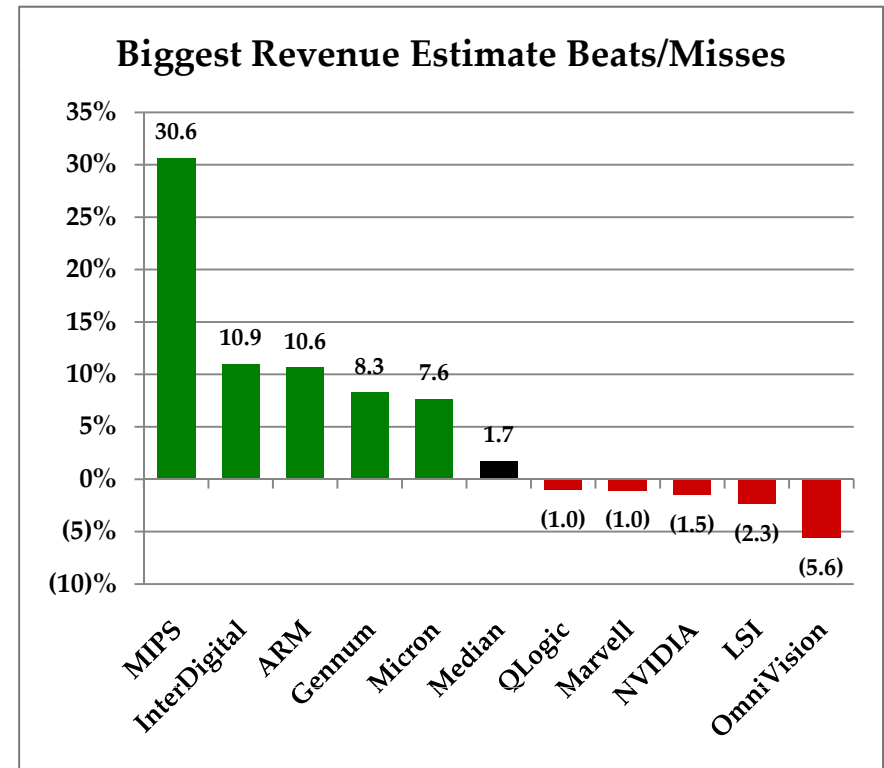
Source: SagePoint Advisors & Capital IQ

Q2 Performance Versus Analyst Estimates – Revenue

- The vast majority of Semis 60 met or beat revenue estimates with few big surprises
 - MIPS was the big surprise, beating by 30.6% on strength in CE and semis
 - Two other licensing firms, InterDigital and ARM, also benefitted, though much of ARM's beat was driven by a one-time royalty catch up
 - Interdigital, RF Micro and MaxLinear also beat by 7.5-10%
 - OmniVision revenue miss due to short term customer push out, though improved GMs drove EPS beat



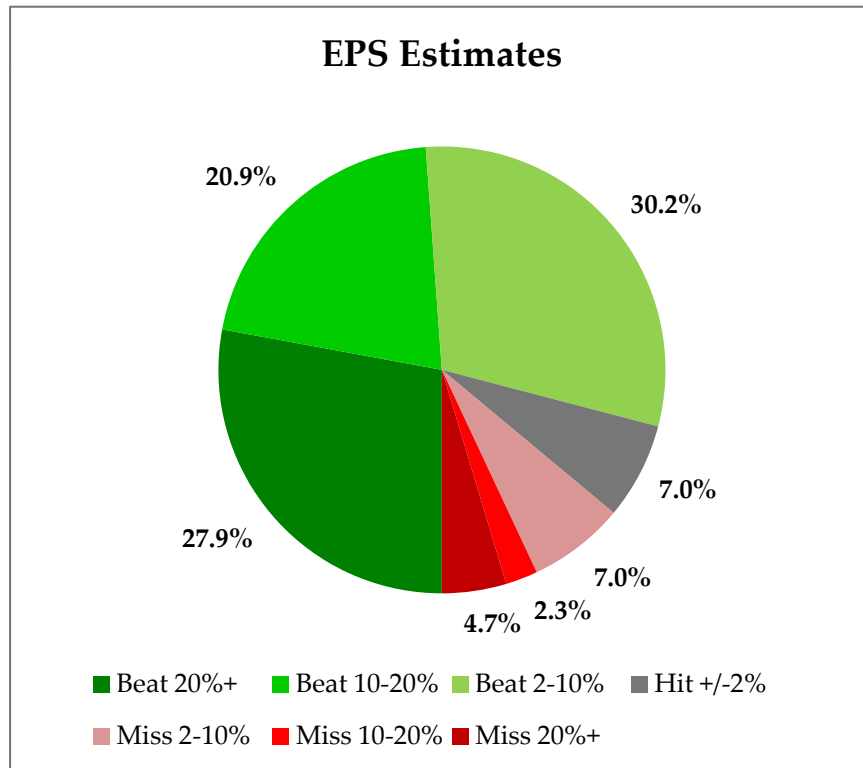
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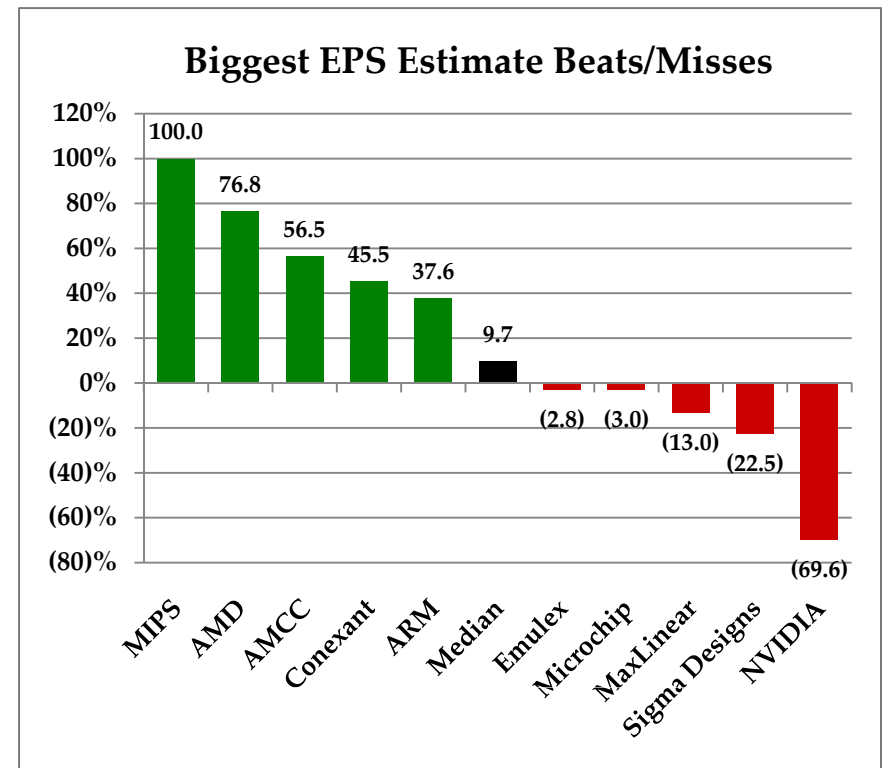
Source: SagePoint Advisors & Capital IQ

Q2 Performance Versus Analyst Estimates – EPS

- 79% of the Semis 60 beat estimates with 48.8% beating by more than 10%
 - MIPS revenue beat and strong margins drove a 100% EPS beat
 - AMD revenue beat and improved GM delivered strong EPS beat with management guiding Q3 up
 - AMCC slight revenue beat and higher non-GAAP gross margins drove a strong EPS beat
 - NVIDIA revenue was in line with its negative pre-announcement, but EPS missed the revised number by nearly 70% even when excluding huge inventory write-offs that drove GAAP gross margins down to 17%
 - Despite revenue beat and lower opex, Sigma missed EPS as mix negatively impacted gross margins



Source: SagePoint Advisors & Capital IQ

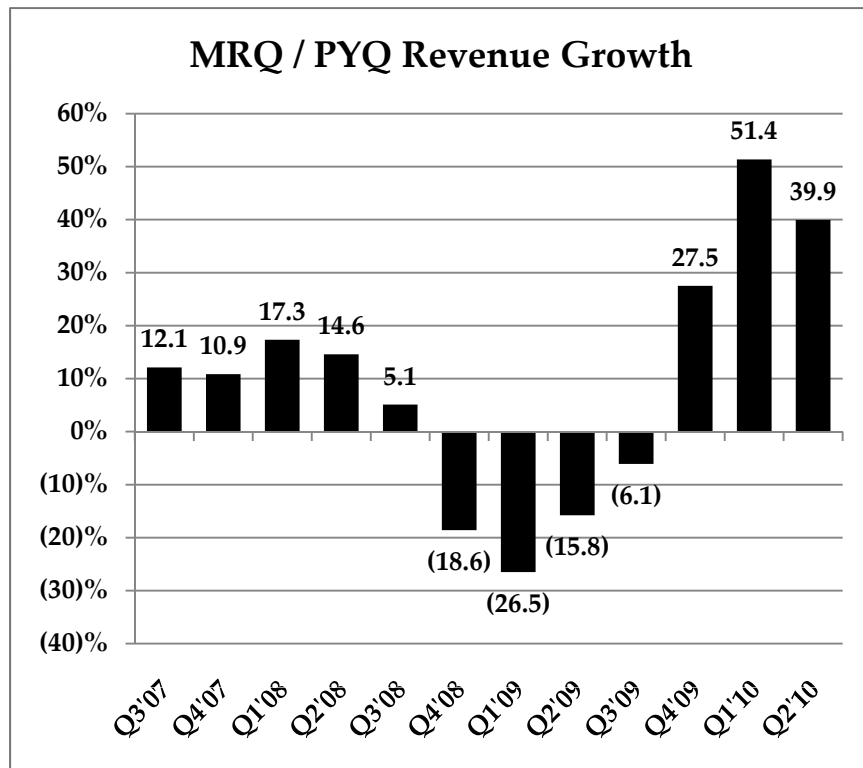


Source: SagePoint Advisors & Capital IQ

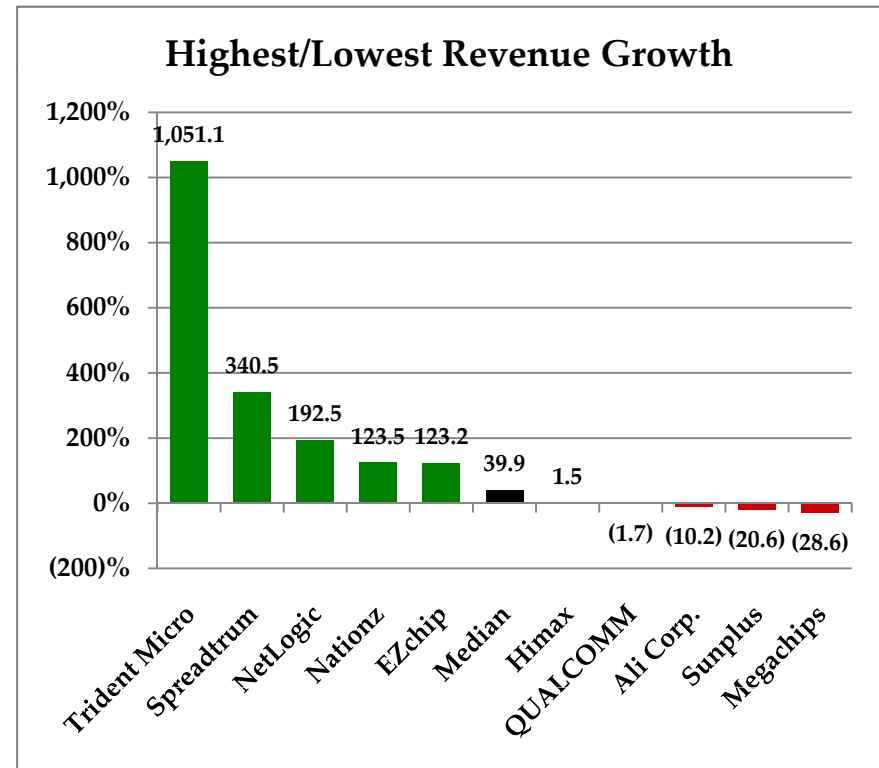
Note: Excludes companies projected to have a net margin between -1% and 1%

Operating Metrics – Revenue Growth

- Semis rebound continued with strong median revenue growth of 40% vs. Q2'09 and 8% sequentially over Q1'10
 - Trident and NetLogic growth from acquisitions (NXP's DTV & STB product lines and RMI, respectively)
 - Spreadtrum shows continued strong growth on market share gains in China
 - Megachips revenue contraction of nearly 30% on failure to produce new offerings to complement maturing products
 - Sunplus missed revenue guidance on weak demand and delays in new product contribution



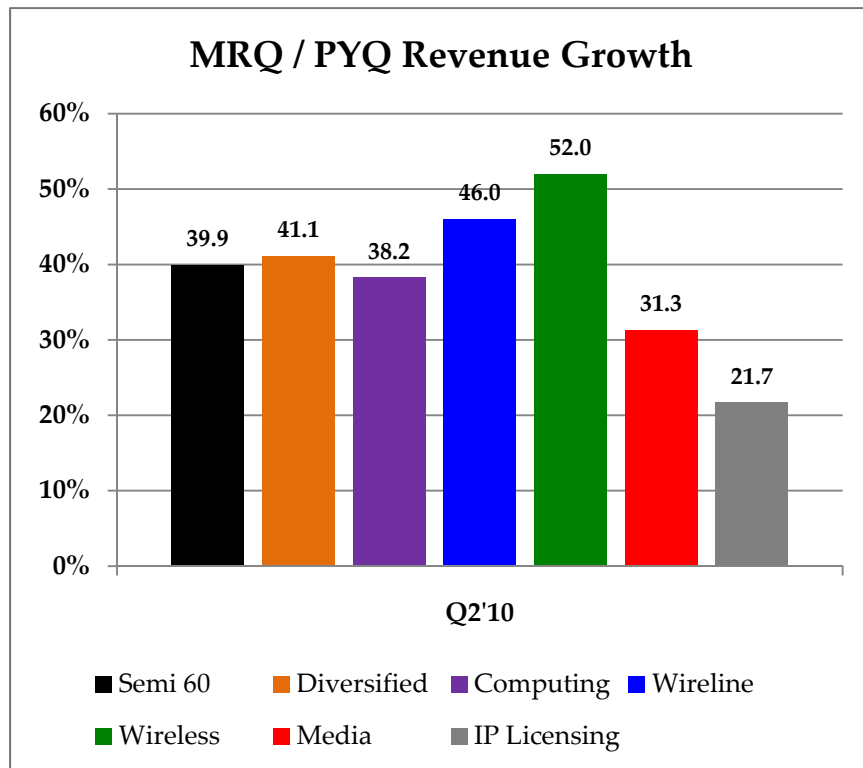
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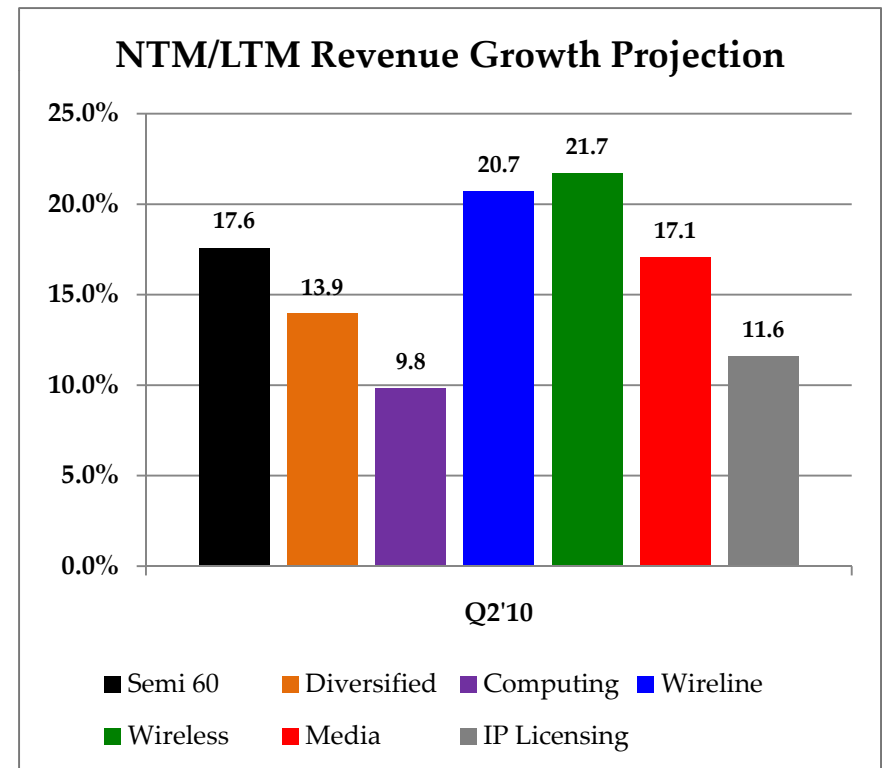
Source: SagePoint Advisors & Capital IQ

Operating Metrics – Revenue Growth by Segment

- Semis performed well with median revenue growth of nearly 40%
 - Wireless led other segments with over 50% growth followed by Wireline at 46%
 - IP Licensing lagged at a still strong ~22% growth, likely tempered due to unit volume increases not always immediately translating into license revenue without some lag
- Revenue growth is expected to continue over the next twelve months at a median of 17.6%
 - Wireless and Wireline are expected to lead with 20%+ growth expected with Media next at 17%
 - Computing and IP Licensing growth is expected to lag the median with 10-12% growth



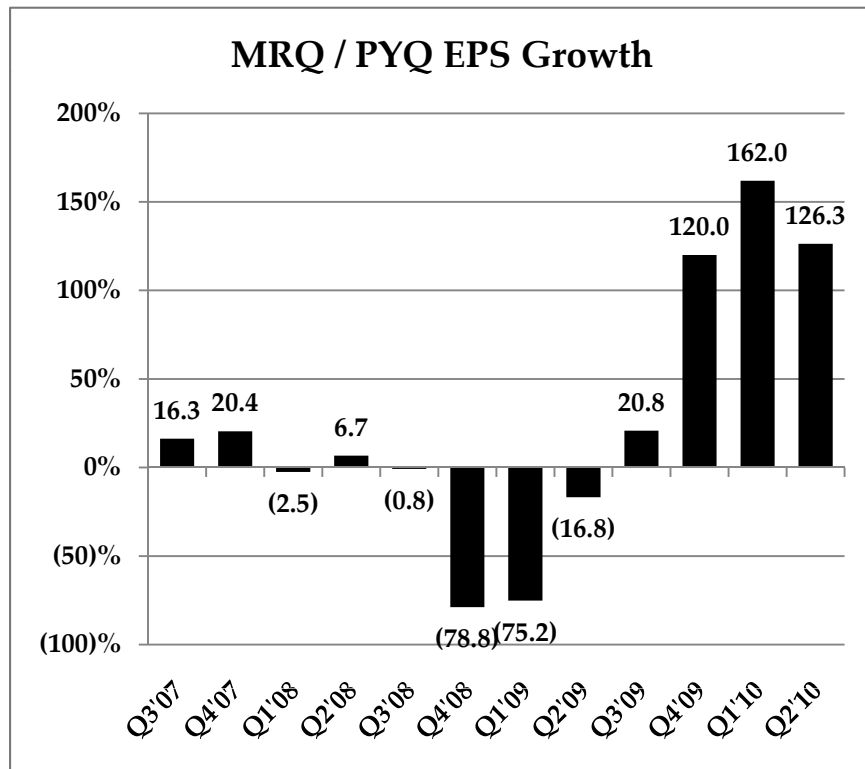
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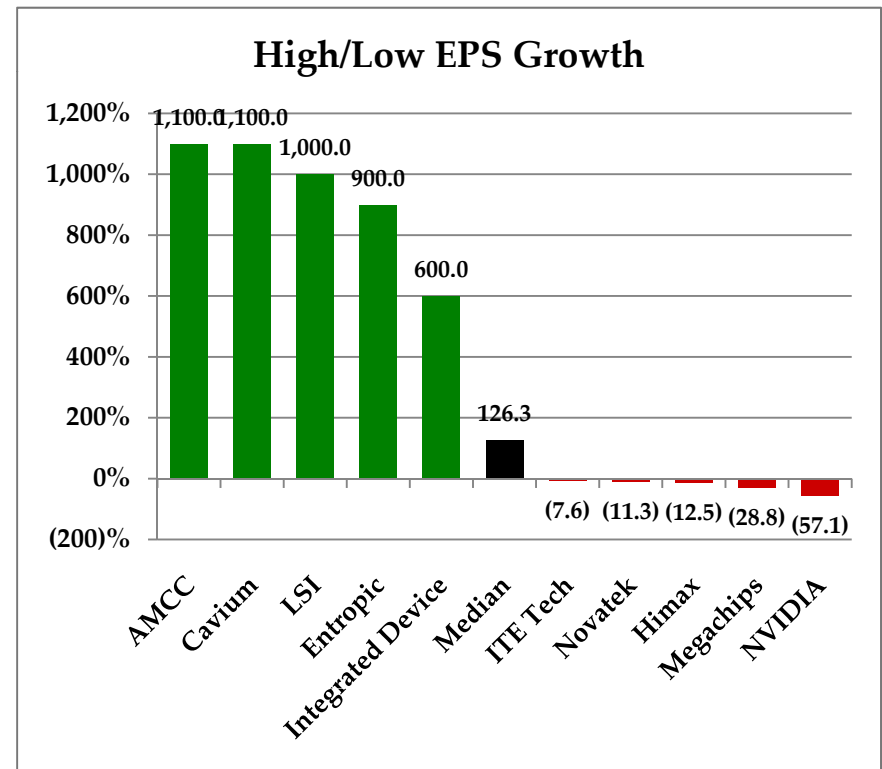
Operating Metrics – EPS Growth

- Strong median EPS growth continues with a median of 126% as strong revenue growth and improved margins delivering strong gains versus fairly weak profitability in Q2'09
- AMCC, Cavium and LSI all posted 1,000% EPS growth with Entropic not far behind at 900% and IDT at 600%
- NVIDIA EPS contraction of 57% was the poorest performer on weakened demand for higher-end consumer GPUs



Source: SagePoint Advisors & Capital IQ

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

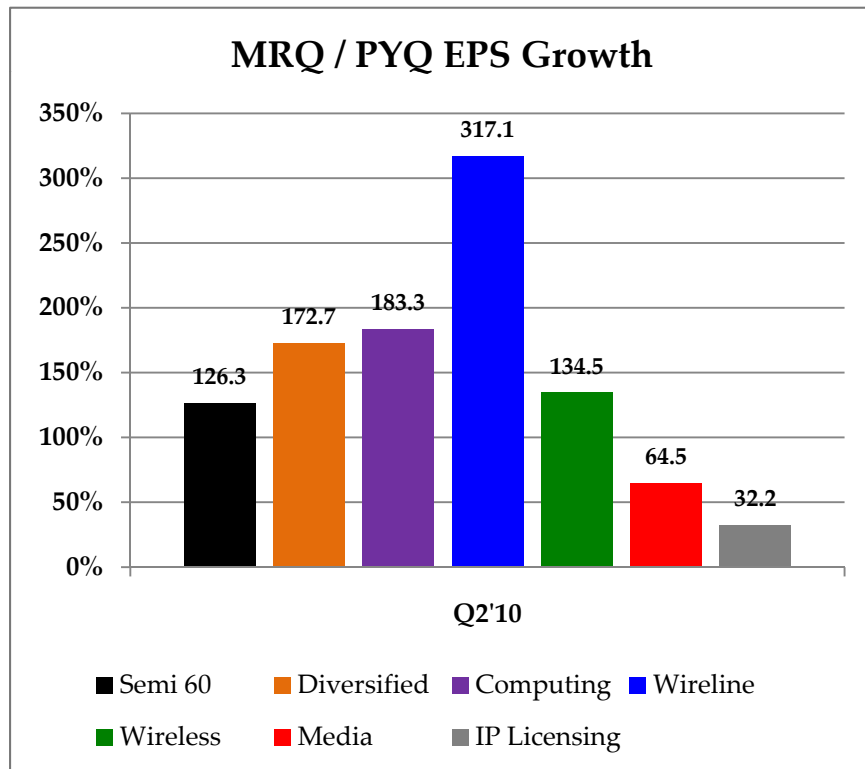


Source: SagePoint Advisors & Capital IQ

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

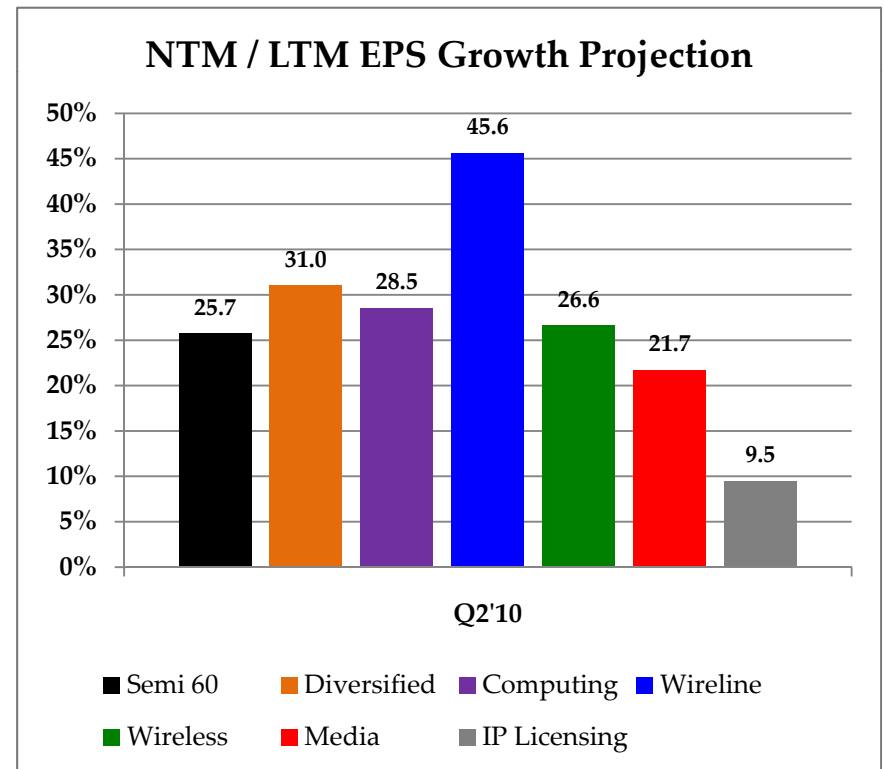
Operating Metrics – EPS Growth by Segment

- Wireline led with over 300% EPS growth while Diversified and Computing posted impressive growth of ~170-180% and Wireless also posted triple digit growth of 134.5%
 - Media and IP Licensing trailed the median with 64.5% and 32.2%, respectively
- Strong EPS growth is expected to continue over next twelve months though at a slower pace
 - Wireline is expected to lead with 45.6% growth projected
 - Other segments expect 20-30% EPS growth except for IP Licensing with just 9.5% growth projected



Source: SagePoint Advisors & Capital IQ

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

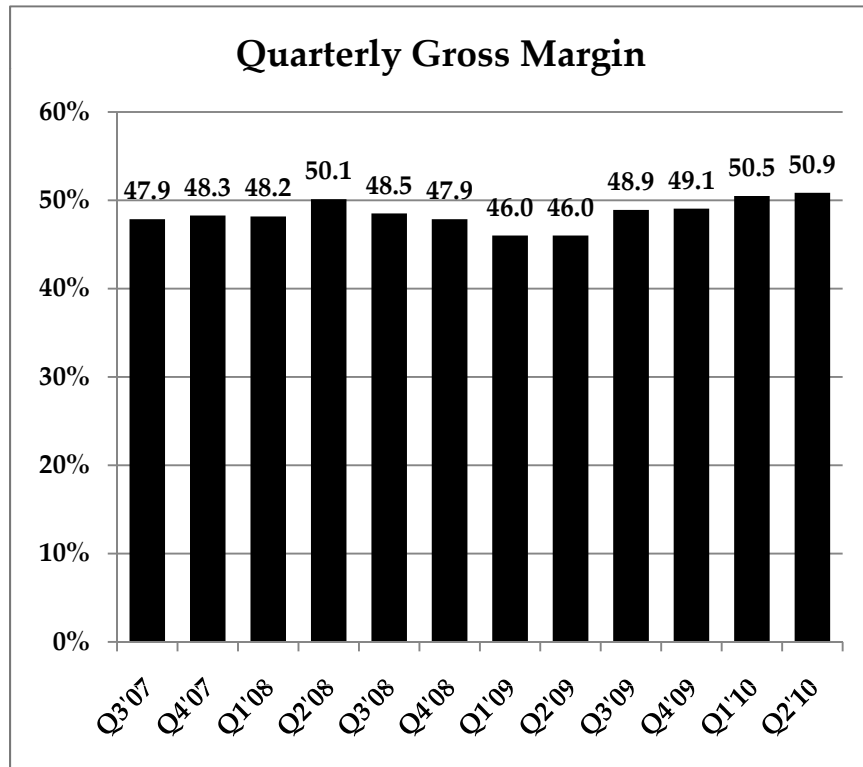


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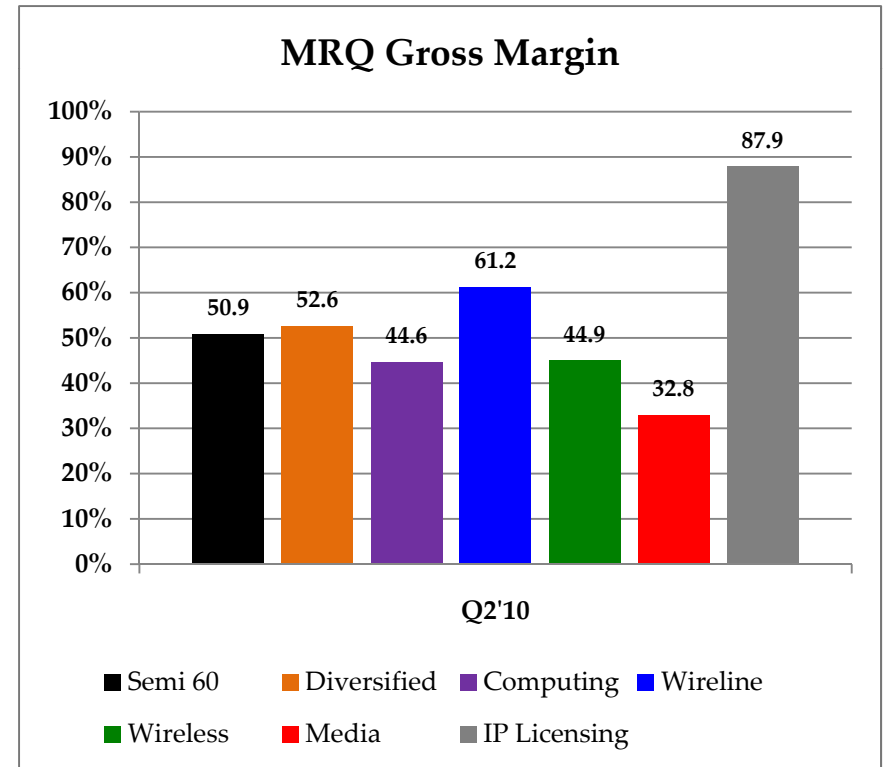
Note: Excludes companies with a net margin between -1% and 1% in the PYQ

Operating Metrics – Gross Margins

- Median gross margins continue to rise to a new 3 year high of 50.9%
 - 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



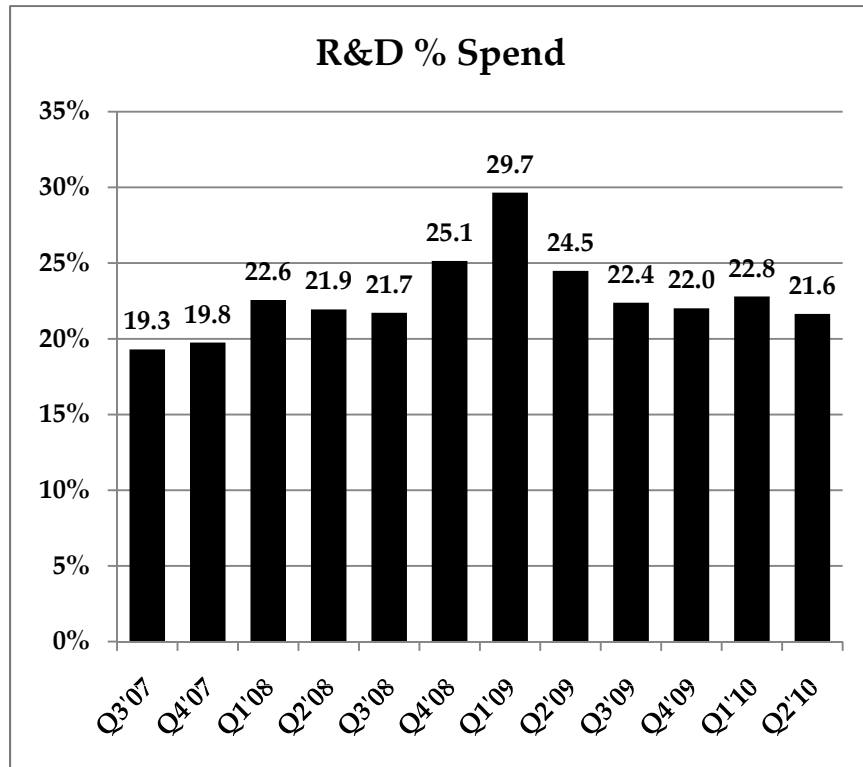
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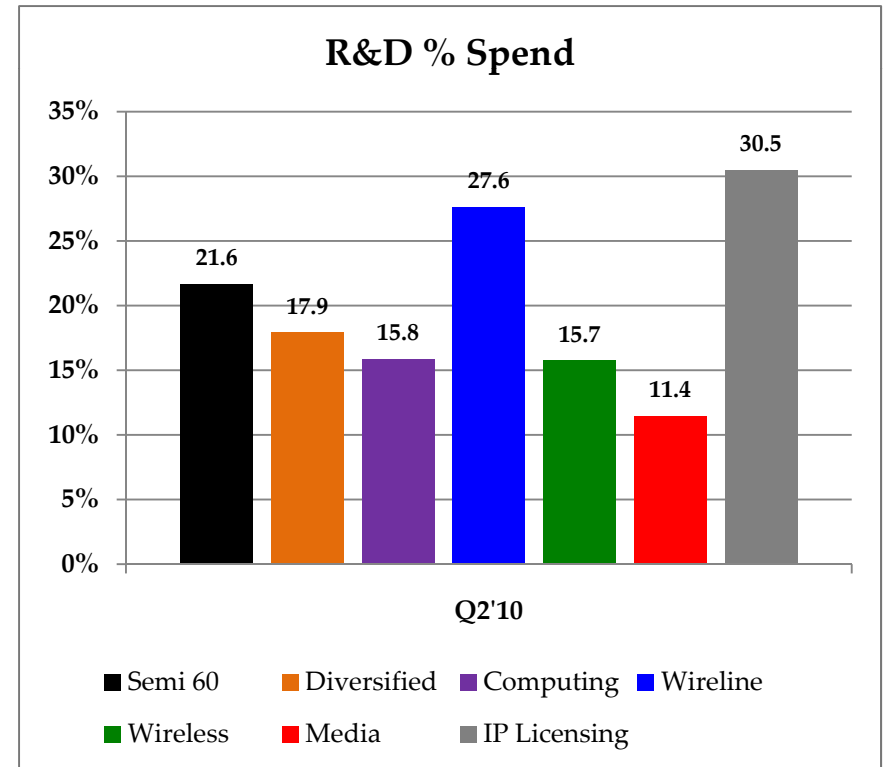
Source: SagePoint Advisors & Capital IQ

Operating Metrics – R&D as a % of Revenues

- R&D spending as a % of revenues dipped slightly despite aggregate dollar spending increase as revenue growth outpaced spending
 - Aggregate dollar increased for the majority of companies with Intel and AMD leading the increase after cutting R&D spend in Q1 when most companies were increasing spending
 - 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’s 11% R&D spend is 10 points below the median for the Semis 60



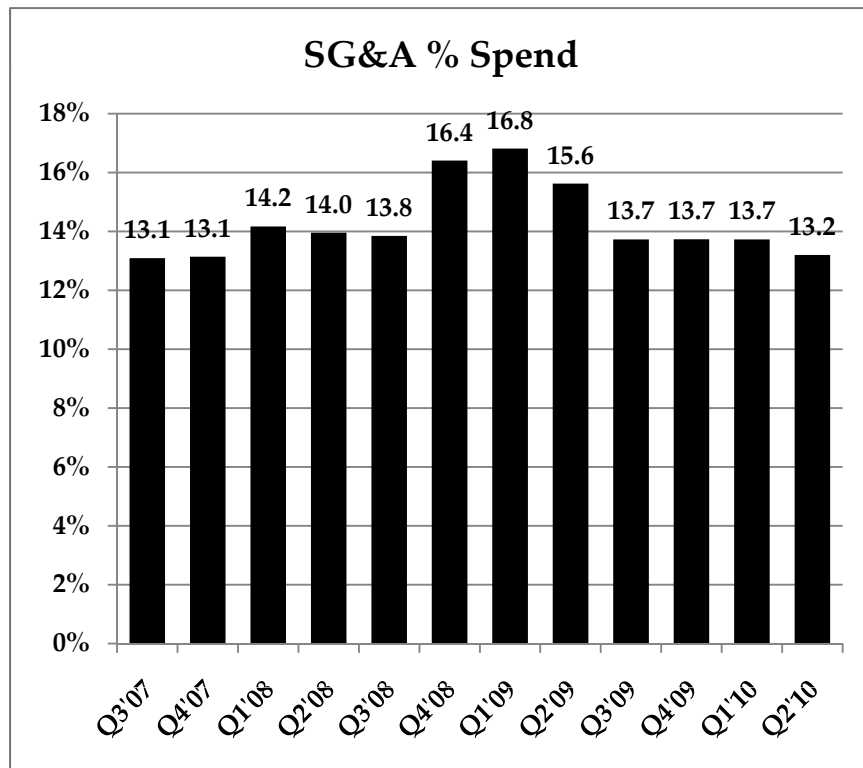
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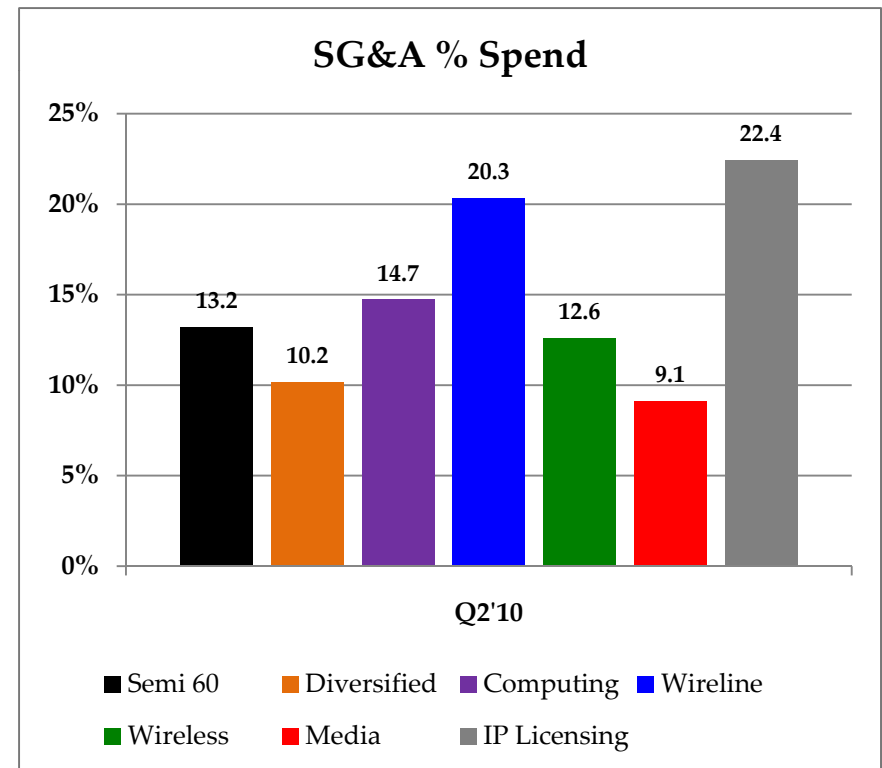
Source: SagePoint Advisors & Capital IQ

Operating Metrics – SG&A as a % of Revenues

- Median SG&A as a percent of revenues fell slightly to 13.2%, in line with the historical range, as revenue growth outpaced spending increases
 - Aggregate SG&A increased 4.2% as some vendors continue 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 about 4 points below median as fixed costs are spread across large volumes



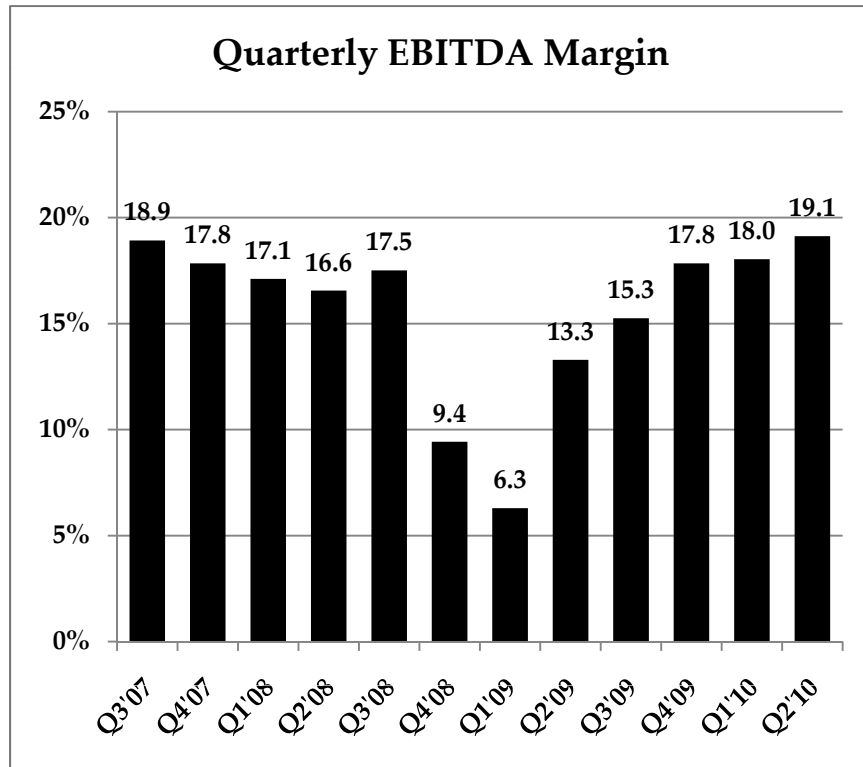
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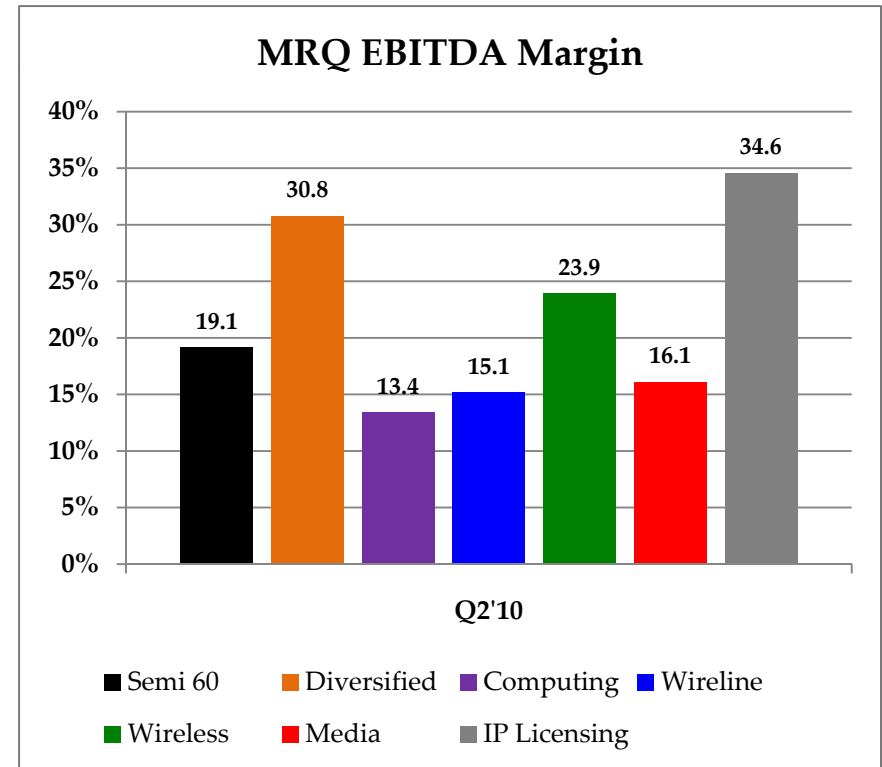
Source: SagePoint Advisors & Capital IQ

Operating Metrics – EBITDA Margins

- Median EBITDA margins reached a new recent high of 19.1%
 - Gross margins at their highest levels in recent history combine with returned revenue growth providing the scale to drive premium operating margins following deep cost cuts to delivery premium EBITDA margins
 - Large Diversified vendors are outperforming the Semis 60 median by 11.7% proving that scale is king in the semis business
 - IP Licensing outperforms the median by 15.5% due to higher gross margins



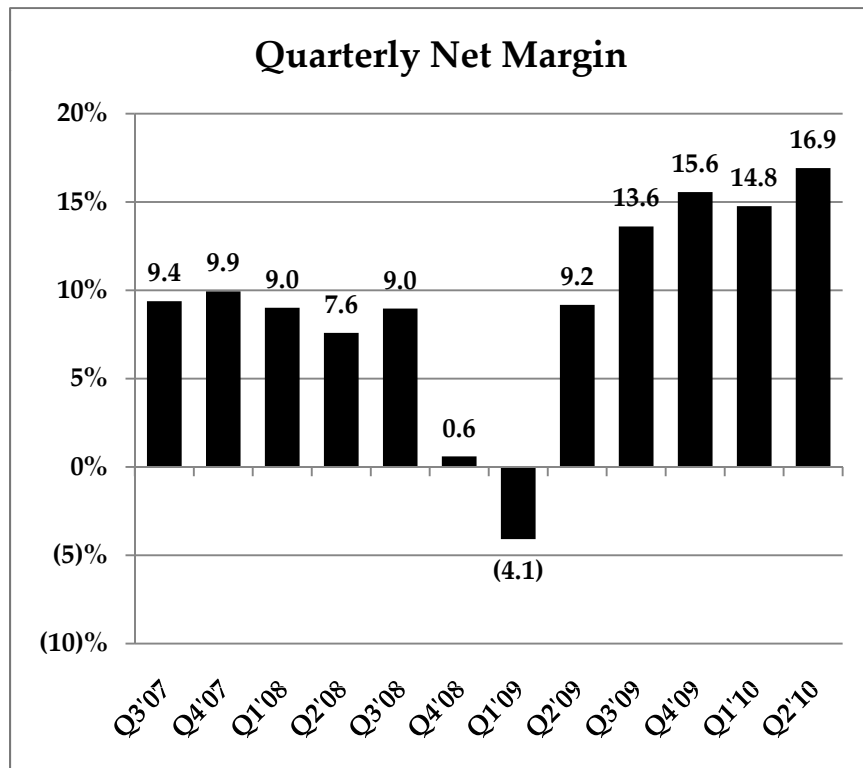
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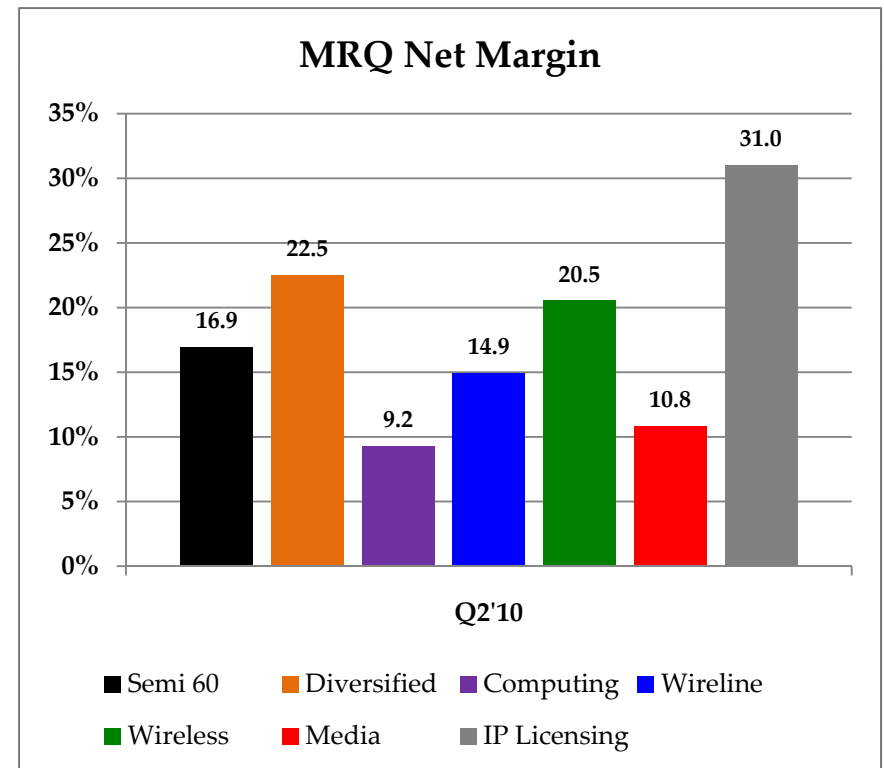
Source: SagePoint Advisors & Capital IQ

Operating Metrics – Net Margins

- Median net margins grew to their highest levels in recent history after dipping slightly in Q1 on revenue growth improving scale and stronger gross margins
 - IP Licensing benefits from strong gross margins
 - Diversified net margins benefit from massive scale despite high depreciation related to in house fabs
 - Wireless Q2 revenue growth drove improvements in scale leading to 20%+ net margin



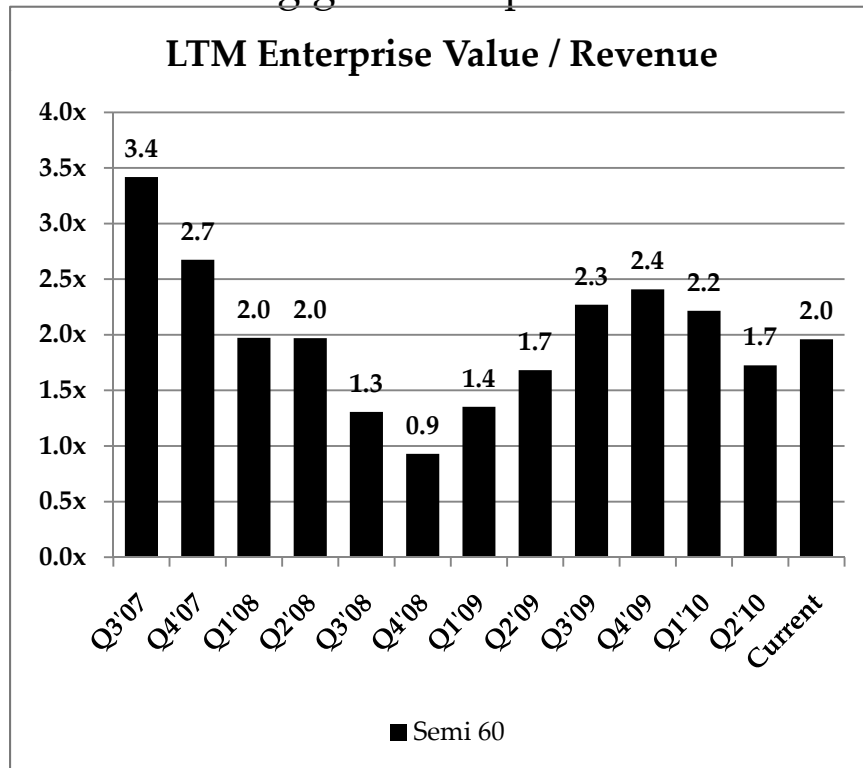
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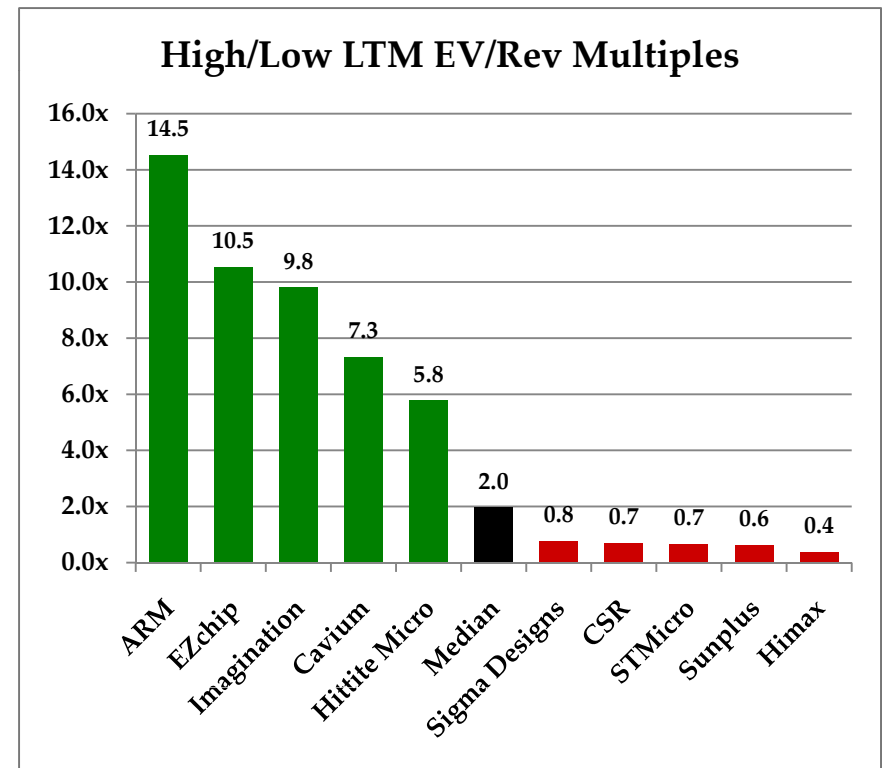
Source: SagePoint Advisors & Capital IQ

Valuation Metrics – LTM Revenue Multiples

- Median revenue multiples fell sharply amid European concerns but have rebounded in recent months back to 2x
 - SagePoint believes that multiples still have upside but are not likely to return to '07 peaks of 3x+
 - M&A activity has been healthier over the past few quarters as continued recovery has led several players to make substantial acquisitions
- ARM and Imagination trade at premium multiples due to high margins, Cavium benefits from strong growth expectations and EZchip and Hittite have a combination of both



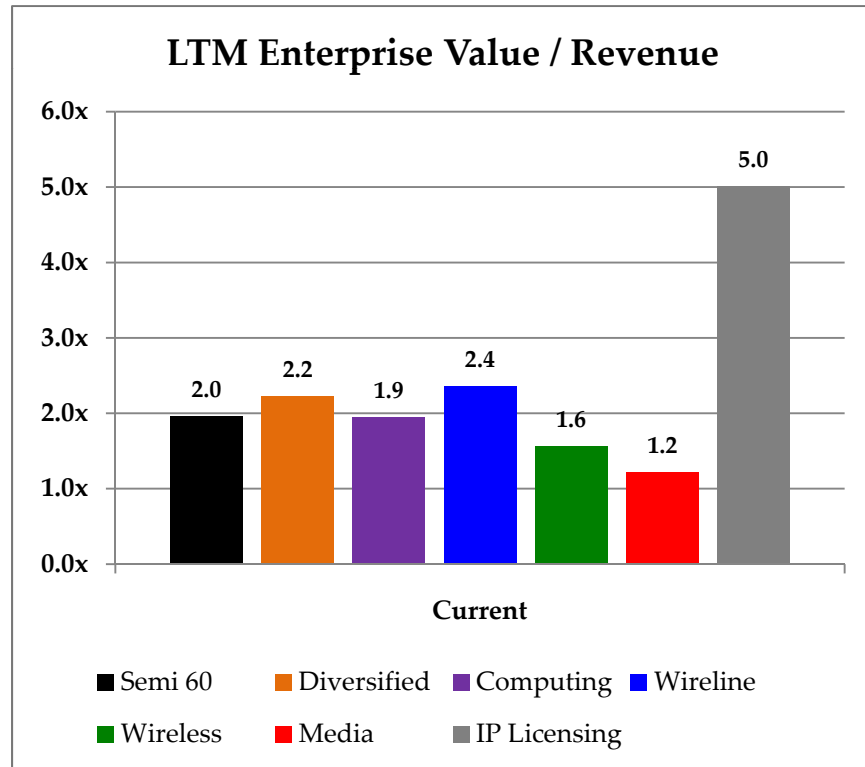
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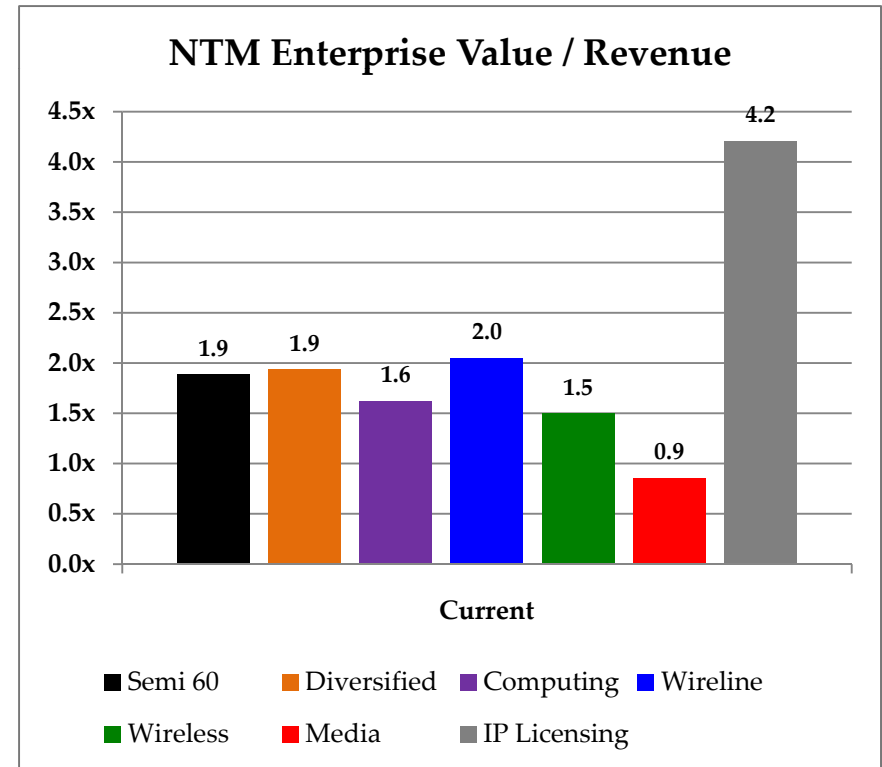
Source: SagePoint Advisors & Capital IQ

Valuation Metrics – Revenue Multiples By Segment

- IP Licensing vendors trade at a strong premium on both an LTM and NTM basis with Wireline also outperforming, both driven by strong gross margins
- Diversified vendors also trade above the median due to strong EBITDA margins driven by benefits of greater scale
 - Higher margins drop more of each revenue dollar to the bottom line
- Media segment trades at a discount due to lower expected net margins
- NTM growth of 10-22% across semis segments results in consistently lower LTM multiples



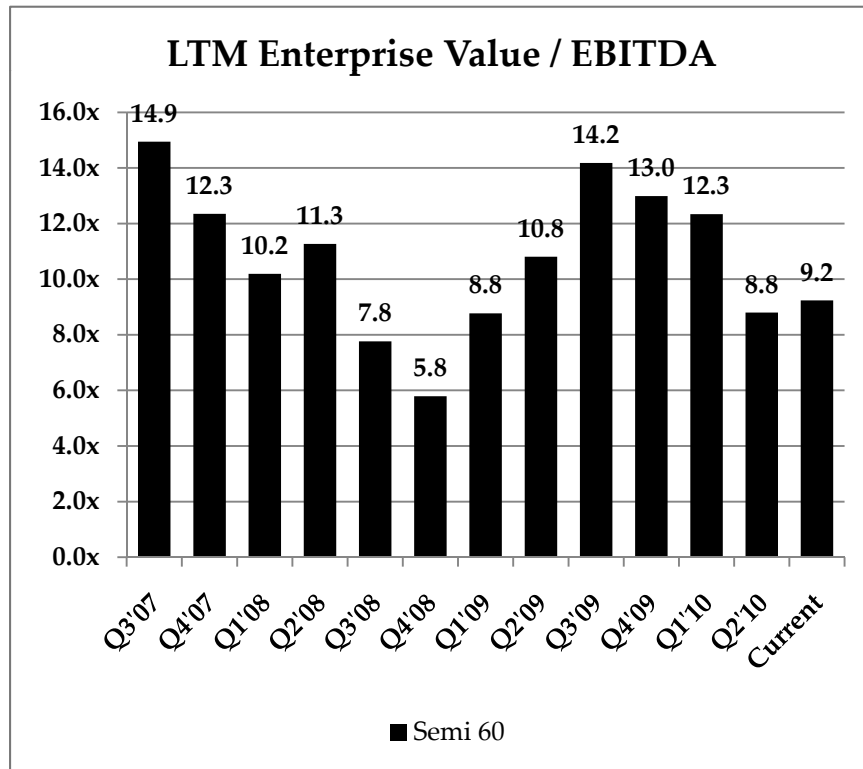
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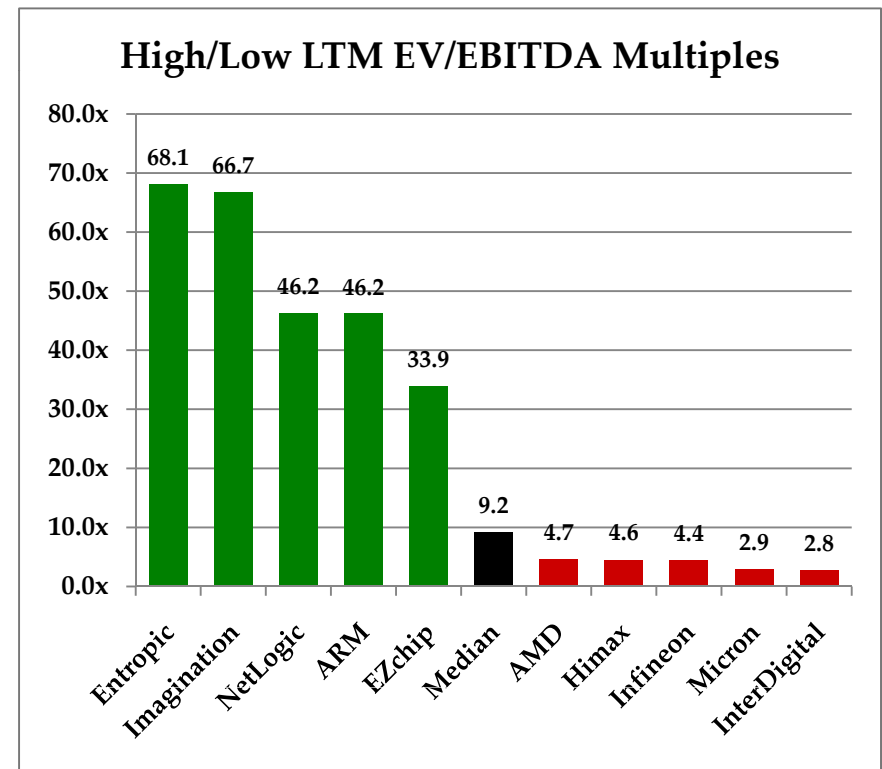
Valuation Metrics – LTM EBITDA Multiples

- Median EBITDA multiple fell even further than revenue multiples on European concerns
 - EBITDA margins improved substantially on improved GMs and revenue growth bringing better scale, resulting in greater multiple compression as market values slid
 - Median EBITDA has slowly returned over the past few months but remains below 10x
 - Entropic high multiple on expected growth in MoCA
 - Imagination’s high multiples don’t appear to be based on fundamentals and NetLogic multiple is inflated as RMI financials have only been included for 8 months



Source: SagePoint Advisors & Capital IQ

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

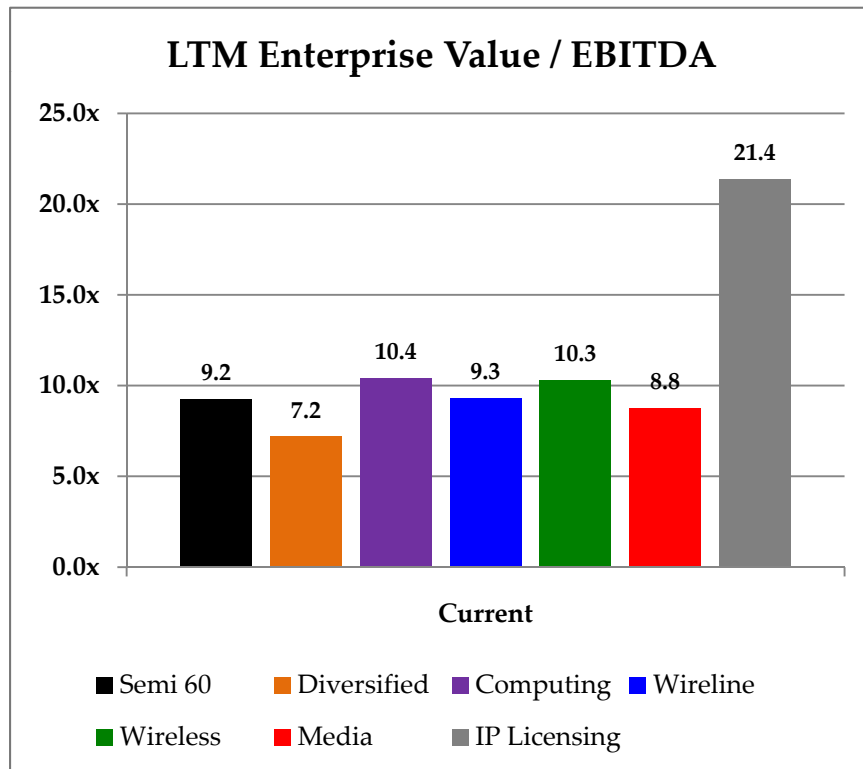


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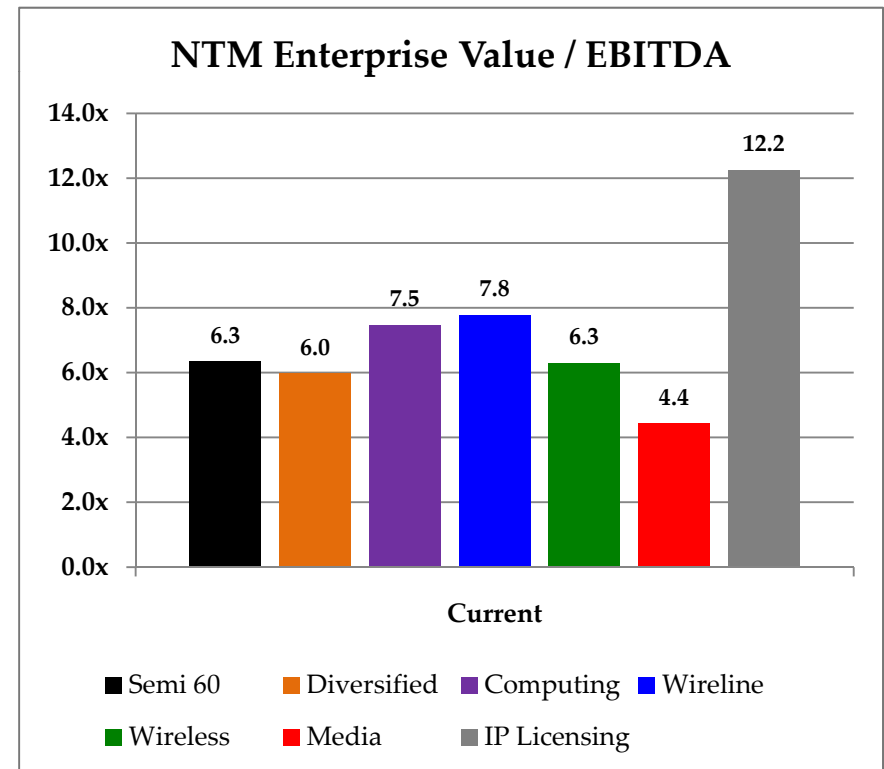
Valuation Metrics – EBITDA Multiples By Segment

- Most of the semis segments are trading at median NTM EBITDA multiple of 6-8x
 - Diversified vendors trade at lower EBITDA multiples due to high depreciation costs of fabs
 - IP Licensing stable cash flows, expected growth and strong margins deliver high multiples
 - NTM estimates not available for a number of high multiple Media companies, resulting in lower median NTM multiples, with several other vendors not seeming to get credit for expected EBITDA growth
- Lower NTM EBITDA multiples reflect strong EBITDA growth expected in several segments



Source: SagePoint Advisors & Capital IQ

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

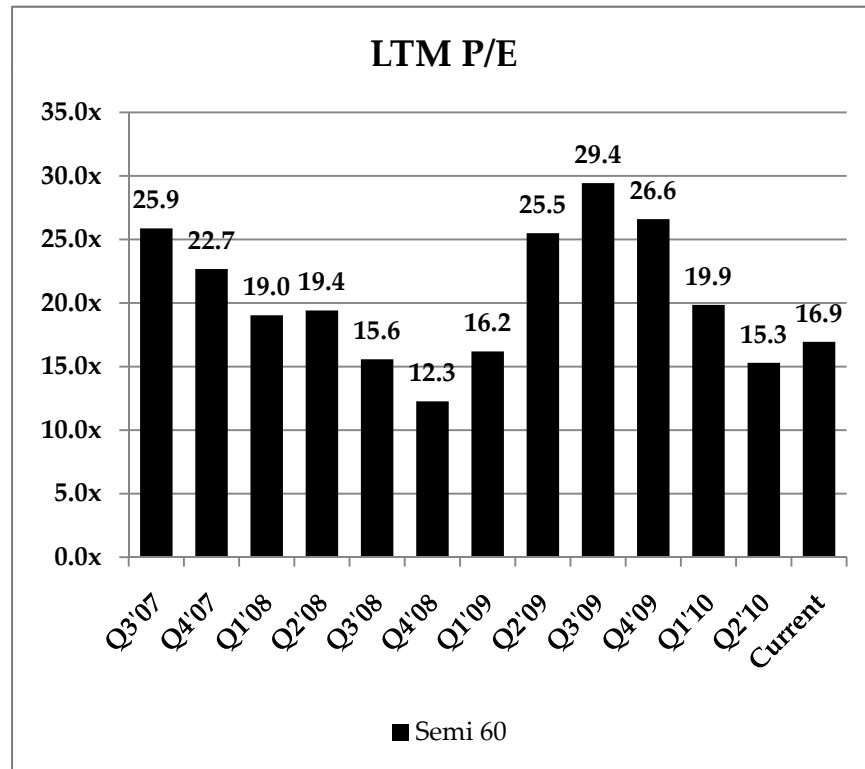


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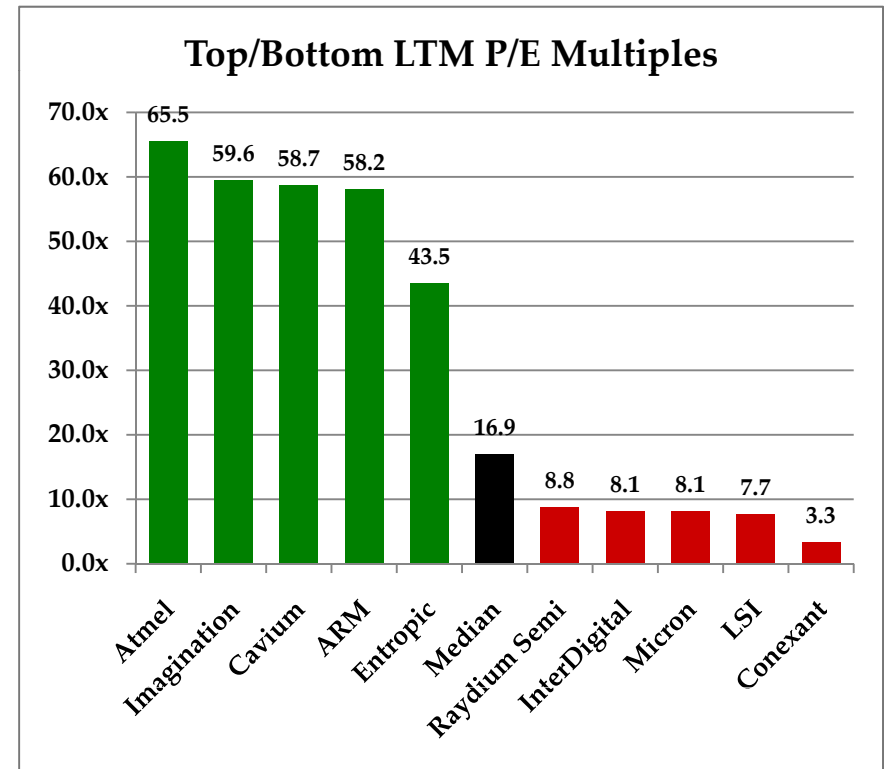
Valuation Metrics – LTM P/E Multiples

- Median P/E multiples ended Q2'10 down for the third straight quarter but have rebounded somewhat in the past few months
 - '09 highs resulting from low EPS from weak past quarters as market rebounded and investors gave credit to NTM projections
 - Atmel, Cavium and Entropic expect triple digit EPS growth
 - Imagination's multiples don't seem rooted in fundamentals and ARM is richly valued for its leadership
 - Downward revision on shrinking legacy business give Conexant a tiny 3.3x multiple



Source: SagePoint Advisors & Capital IQ

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

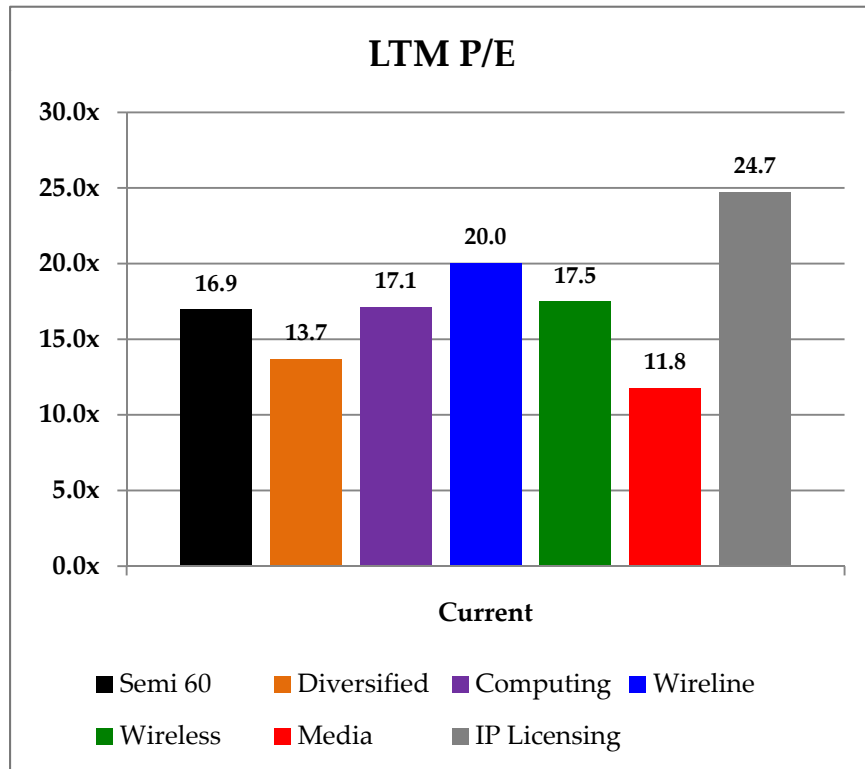


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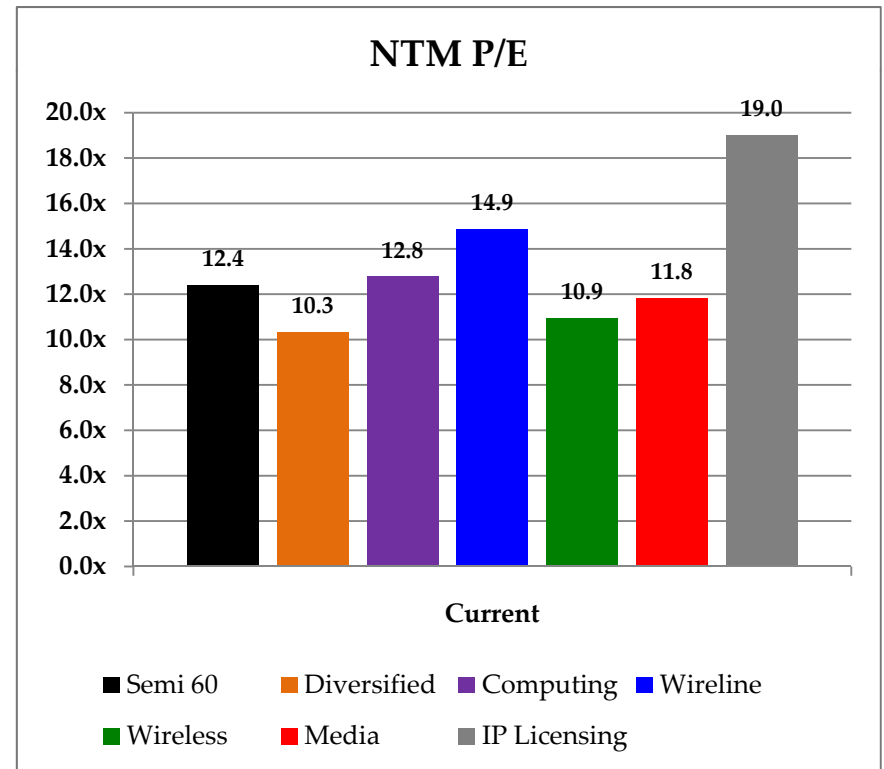
Valuation Metrics – P/E Multiples By Segment

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



Source: SagePoint Advisors & Capital IQ

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

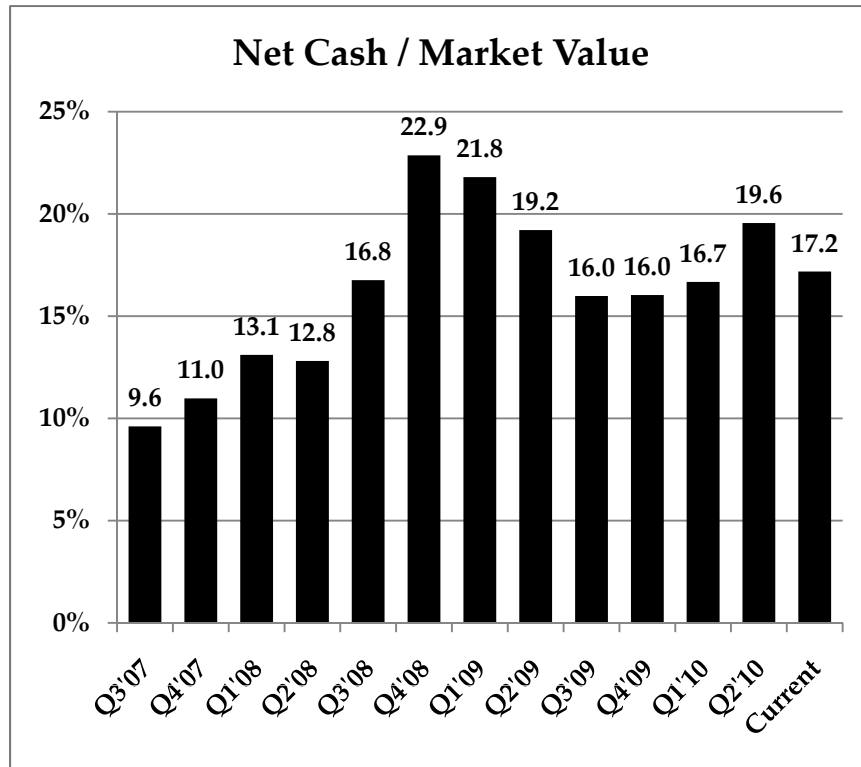


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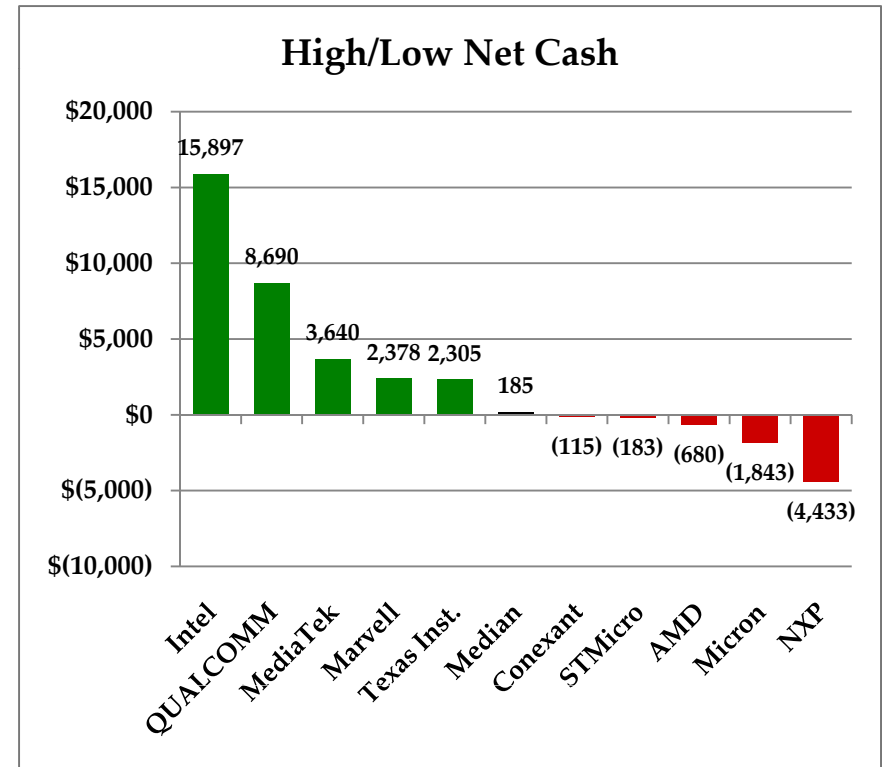
Note: Excludes companies with an NTM net margin below 2.5% and P/E >40x

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
- 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 and into 2011
- 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
 - Intel has recently put its cash to work for acquisitions of McAfee (\$7.5B) and Infineon (\$1.4B)



Source: SagePoint Advisors & Capital IQ



Source: SagePoint Advisors & Capital IQ

Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price	Market	Enterprise	Debt	% Change 3/31/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash /	Net Debt /	SG&A /	R & D /	
	9/13/10	Cap	Value			Cash	LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Mkt Cap	EBITDA	Revenue	Revenue
Semiconductor 60																			
Semiconductor 60 Mean		5,840	5,121	1,083	363	(1.5)%	2.7 x	2.5 x	14.2 x	8.7 x	20.6 x	15.9 x	3.1 %	8.9 %	14.1 %	14.1%	(3.7) x	14.6 %	21.2 %
Semiconductor 60 Median		1,148	1,030	288	1	(8.3)%	2.0 x	1.8 x	9.2 x	6.6 x	16.9 x	13.0 x	1.7 %	3.0 %	9.7 %	17.2%	(2.4) x	13.2 %	21.6 %
Diversified																			
Analog Devices	28.73	8,564	6,452	2,508	396	(0.3)%	2.5 x	2.2 x	7.3 x	6.0 x	14.4 x	11.1 x	1.9 %	6.9 %	7.9 %	24.7%	(2.4) x	14.2 %	17.6 %
Avago	18.95	4,536	4,405	367	236	(7.8)%	2.3 x	2.0 x	8.0 x	6.3 x	12.4 x	8.8 x	0.4 %	2.9 %	(2.2)%	2.9%	(0.2) x	9.3 %	12.9 %
Broadcom	35.37	17,623	15,574	2,048	0	6.5 %	2.9 x	2.2 x	26.8 x	11.1 x	15.8 x	13.8 x	0.7 %	(1.9)%	17.9 %	11.6%	(3.5) x	9.2 %	27.2 %
Infineon	5.58	6,067	4,696	1,870	499	(19.7)%	0.9 x	0.8 x	4.4 x	3.5 x	31.4 x	9.0 x	NA	NA	NA	22.6%	(1.3) x	10.0 %	12.2 %
Marvell	17.47	11,366	8,988	2,380	2	(14.4)%	2.6 x	2.3 x	9.0 x	7.5 x	11.4 x	10.8 x	(1.0)%	2.3 %	5.0 %	20.9%	(2.4) x	6.9 %	25.3 %
Maxim	16.44	4,905	4,378	827	300	(15.2)%	2.2 x	1.8 x	7.0 x	5.4 x	16.6 x	11.1 x	0.8 %	(2.4)%	3.1 %	10.7%	(0.8) x	11.1 %	21.6 %
MediaTek	15.10	16,491	12,851	3,640	0	(12.8)%	3.3 x	3.5 x	9.3 x	10.1 x	13.1 x	16.6 x	NA	NA	NA	22.1%	(2.6) x	6.0 %	18.2 %
Realtek	2.18	1,041	737	304	0	(18.5)%	1.0 x	1.0 x	7.0 x	5.8 x	13.7 x	15.6 x	NA	NA	NA	29.2%	(2.9) x	10.3 %	17.2 %
STMicro	7.19	6,334	6,517	2,887	3,070	(27.9)%	0.7 x	0.6 x	4.8 x	3.9 x	NM	10.0 x	0.1 %	(22.4)%	15.0 %	(2.9)%	0.1 x	11.9 %	23.4 %
Texas Inst.	24.46	29,234	26,929	2,305	0	(0.0)%	2.1 x	1.9 x	5.8 x	5.2 x	11.5 x	9.7 x	(0.6)%	(0.3)%	2.6 %	7.9%	(0.5) x	10.8 %	11.2 %
Mean		10,616	9,153	1,914	450	(11.0)%	2.0 x	1.8 x	8.9 x	6.5 x	15.6 x	11.6 x	0.3 %	(2.1)%	7.0 %	15.0%	(1.7) x	10.0 %	18.7 %
Median		7,449	6,484	2,177	119	(13.6)%	2.2 x	1.9 x	7.2 x	5.9 x	13.7 x	10.9 x	0.4 %	(0.3)%	5.0 %	16.3%	(1.8) x	10.2 %	17.9 %

(\$ 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
Semiconductor 60																		
Semiconductor 60 Mean	631	2,425	2,773	203	791	948	0.23	0.74	1.04	67.8%	275.0%	216.4%	18.9%	88.4%	62.7%	52.1%	21.9 %	18.6 %
Semiconductor 60 Median	154	574	664	23	105	155	0.16	0.56	0.77	39.9%	112.7%	126.3%	16.4%	30.4%	25.7%	50.9 %	19.1 %	16.9 %
Diversified																		
Analog Devices	720	2,563.1	2,952.2	280	882.3	1,072.1	0.65	1.99	2.59	46.4%	152.7%	195.5%	15.2%	21.5%	30.2%	66.7 %	38.9 %	27.6 %
Avago	550	1,949.0	2,238.4	177	549.0	703.1	0.51	1.53	2.15	51.5%	124.1%	181.2%	14.8%	28.1%	40.7%	50.7 %	32.2 %	22.7 %
Broadcom	1,553	5,389.7	6,975.8	254	580.4	1,403.5	0.74	2.24	2.55	49.6%	613.9%	208.3%	29.4%	141.8%	14.0%	51.0 %	16.3 %	25.7 %
Infineon	1,485	5,117.4	5,902.8	381	1,067.5	1,357.4	0.13	0.18	0.62	39.2%	105.7%	372.3%	15.3%	27.2%	248.7%	34.7 %	25.6 %	10.0 %
Marvell	896	3,397.7	3,846.2	264	1,001.7	1,197.1	0.40	1.53	1.62	39.9%	112.7%	122.2%	13.2%	19.5%	5.9%	59.1 %	29.4 %	30.1 %
Maxim	566	1,997.6	2,432.6	191	623.8	813.4	0.32	0.99	1.48	43.5%	41.8%	190.9%	21.8%	30.4%	49.9%	60.2 %	33.7 %	17.3 %
MediaTek	927	3,937.4	3,656.9	309	1,385.3	1,273.7	0.26	1.15	0.91	8.0%	7.3%	1.5%	(7.1)%	(8.1)%	(21.1)%	55.0 %	33.3 %	30.1 %
Realtek	185	744.4	707.5	24	104.9	128.0	0.04	0.16	0.14	21.7%	10.0%	18.8%	(5.0)%	22.0%	(12.1)%	37.5 %	13.1 %	9.2 %
STMicro	2,531	9,714.0	10,602.8	409	1,359.0	1,691.9	0.18	0.12	0.72	27.0%	NM	164.3%	9.1%	24.5%	500.6%	38.2 %	16.2 %	6.5 %
Texas Inst.	3,496	12,586.0	14,101.0	1,351	4,647.0	5,139.3	0.64	2.13	2.53	42.3%	104.4%	155.6%	12.0%	10.6%	19.0%	54.2 %	38.6 %	22.3 %
Mean	1,291	4,740	5,342	364	1,220	1,478	0.39	1.20	1.53	36.9%	141.4%	161.1%	11.9%	31.7%	87.6%	50.7 %	27.7 %	20.2 %
Median	912	3,668	3,752	272	942	1,235	0.36	1.34	1.55	41.1%	105.7%	172.7%	14.0%	23.3%	24.6%	52.6 %	30.8 %	22.5 %

Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price	Market	Enterprise	Cash	Debt	% Change 3/31/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash /	Net Debt /	SG&A /	R&D /
	9/13/10	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Mkt Cap	EBITDA	Revenue	Revenue
Computing																			
AMD	6.18	4,169	4,849	1,900	2,580	(33.3)%	0.8 x	0.7 x	4.7 x	6.0 x	NM	13.4 x	6.9 %	17.3 %	76.8 %	(16.3)%	0.7 x	13.9 %	22.4 %
Atmel	6.94	3,203	2,734	552	84	37.7 %	1.9 x	1.6 x	24.4 x	7.8 x	65.5 x	15.8 x	5.2 %	NA	26.4 %	14.6%	(4.2) x	17.1 %	15.8 %
Intel	18.56	103,328	87,431	18,303	2,406	(16.7)%	2.1 x	2.0 x	4.7 x	4.4 x	10.2 x	9.9 x	5.0 %	11.0 %	19.5 %	15.4%	(0.9) x	14.7 %	15.5 %
Microchip	28.88	5,370	4,396	1,316	342	2.6 %	4.1 x	3.2 x	10.4 x	7.5 x	19.3 x	12.8 x	0.5 %	(6.3)%	(3.0)%	18.1%	(2.3) x	16.7 %	12.1 %
NVIDIA	10.64	6,107	4,359	1,773	24	(38.9)%	1.2 x	1.3 x	11.8 x	7.7 x	15.0 x	17.6 x	(1.5)%	(36.5)%	(69.6)%	28.6%	(4.7) x	10.6 %	26.0 %
Mean		24,435	20,754	4,769	1,087	(9.7)%	2.0 x	1.8 x	11.2 x	6.7 x	27.5 x	13.9 x	3.2 %	(3.6)%	10.0 %	12.1%	(2.3) x	14.6 %	18.4 %
Median		5,370	4,396	1,773	342	(16.7)%	1.9 x	1.6 x	10.4 x	7.5 x	17.1 x	13.4 x	5.0 %	2.3 %	19.5 %	15.4%	(2.3) x	14.7 %	15.8 %

(\$ 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	1,653	6,269.0	6,898.5	221	1,042.0	812.8	0.11	(0.09)	0.46	39.6%	550.0%	117.7%	10.0%	(22.0)%	611.2%	44.6 %	13.4 %	4.7 %
Atmel	393	1,403.2	1,667.8	46	112.1	349.1	0.08	0.11	0.44	38.2%	NM	495.0%	18.9%	211.5%	315.1%	40.6 %	11.8 %	9.2 %
Intel	10,765	41,022.0	43,698.3	5,130	18,607.0	19,660.9	0.51	1.82	1.88	34.2%	82.4%	183.3%	6.5%	5.7%	3.2%	67.2 %	47.7 %	27.1 %
Microchip	321	1,075.6	1,392.5	132	421.9	588.8	0.48	1.50	2.25	66.3%	96.9%	220.0%	29.5%	39.6%	50.1%	62.2 %	41.2 %	28.4 %
NVIDIA	811	3,698.7	3,429.9	(116)	369.2	562.6	0.03	0.71	0.60	4.5%	(90.7)%	(57.1)%	(7.3)%	52.4%	(15.0)%	16.6 %	(14.3)%	2.1 %
Mean	2,789	10,694	11,417	1,083	4,110	4,395	0.24	0.81	1.13	36.5%	159.7%	191.8%	11.5%	57.4%	192.9%	46.2 %	19.9 %	14.3 %
Median	811	3,699	3,430	132	422	589	0.11	0.71	0.60	38.2%	89.7%	183.3%	10.0%	39.6%	50.1%	44.6 %	13.4 %	9.2 %

Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price 9/13/10	Market Cap	Enterprise Value	Cash	Debt	% Change 3/31/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash / Mkt Cap	Net Debt / EBITDA	SG&A / Revenue	R&D / Revenue
							LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS				
Wireline																			
AMCC	11.37	757	534	223	0	31.7 %	2.4 x	2.0 x	NM	12.4 x	42.1 x	22.2 x	0.8 %	NA	56.5 %	29.5%	(45.6) x	19.1 %	42.4 %
Cavium	25.81	1,154	1,093	69	8	3.7 %	7.3 x	4.7 x	NM	24.3 x	58.7 x	26.0 x	1.6 %	47.3 %	4.3 %	5.3%	(10.5) x	27.2 %	29.9 %
Emulex	10.45	852	557	295	0	(21.3)%	1.4 x	1.3 x	9.2 x	7.6 x	17.4 x	24.2 x	0.0 %	NA	(2.8)%	34.6%	(4.9) x	27.5 %	31.4 %
Entropic	9.14	663	622	41	0	79.9 %	4.3 x	2.5 x	68.1 x	10.5 x	43.5 x	13.8 x	2.9 %	NA	15.0 %	6.2%	(4.5) x	17.2 %	28.9 %
EZchip	25.13	630	547	83	0	27.6 %	10.5 x	8.0 x	33.9 x	NA	30.9 x	21.4 x	6.2 %	NA	1.4 %	13.2%	(5.2) x	15.9 %	24.4 %
Gennum	6.61	234	194	40	0	3.5 %	1.8 x	1.5 x	8.5 x	5.7 x	23.6 x	13.2 x	8.3 %	42.0 %	(1.2)%	17.0%	(1.7) x	26.8 %	24.5 %
Integrated Device	5.30	840	508	332	0	(13.5)%	0.9 x	0.8 x	6.3 x	4.4 x	13.3 x	9.3 x	4.4 %	NA	27.3 %	39.6%	(4.1) x	17.1 %	27.6 %
ITE Tech	1.95	394	303	91	0	1.6 %	2.2 x	NA	NA	NA	27.7 x	NA	NA	NA	NA	23.2%	NA	13.1 %	16.9 %
LSI	4.33	2,779	2,109	670	0	(29.2)%	0.8 x	0.8 x	6.3 x	5.8 x	7.7 x	9.6 x	(2.3)%	0.5 %	4.8 %	24.1%	(2.0) x	13.4 %	26.8 %
Mellanox	16.91	571	340	231	1	(28.3)%	2.4 x	2.1 x	10.2 x	17.6 x	15.2 x	20.5 x	2.2 %	92.3 %	21.5 %	40.3%	(6.9) x	20.4 %	35.0 %
Mindspeed	7.31	235	215	34	14	(8.7)%	1.4 x	1.1 x	16.0 x	6.4 x	18.3 x	8.4 x	0.3 %	6.6 %	14.3 %	8.7%	(1.5) x	23.5 %	29.4 %
Nationz	21.35	2,323	1,957	366	0	NA	NA	14.7 x	NA	NA	NA	71.2 x	NA	NA	NA	15.8%	NA	23.0 %	NA
NetLogic	24.21	1,537	1,343	201	7	(17.7)%	4.6 x	3.2 x	46.2 x	11.5 x	20.0 x	16.6 x	0.3 %	(13.3)%	12.6 %	12.6%	(6.7) x	21.2 %	33.7 %
PMC-Sierra	7.60	1,752	1,550	262	60	(14.8)%	2.7 x	2.2 x	9.3 x	7.9 x	10.7 x	9.6 x	0.7 %	(15.4)%	8.4 %	11.5%	(1.2) x	14.7 %	27.2 %
QLogic	16.34	1,785	1,436	349	0	(19.5)%	2.5 x	2.4 x	9.1 x	7.1 x	14.9 x	12.6 x	(1.0)%	3.0 %	3.7 %	19.5%	(2.2) x	20.3 %	24.3 %
SMSC	19.65	444	299	156	11	(15.6)%	0.9 x	0.7 x	8.5 x	3.8 x	21.1 x	12.4 x	5.3 %	(1.9)%	35.6 %	32.7%	(4.1) x	25.7 %	24.5 %
Mean		1,060	851	215	6	(1.4)%	3.1 x	3.2 x	19.3 x	9.6 x	24.3 x	19.4 x	2.1 %	17.9 %	14.4 %	20.9%	(7.2) x	20.4 %	28.5 %
Median		799	552	212	0	(13.5)%	2.4 x	2.1 x	9.3 x	7.6 x	20.0 x	13.8 x	1.2 %	3.0 %	10.5 %	18.3%	(4.3) x	20.3 %	27.6 %

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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	61	221.4	268.0	5	4.9	43.0	0.12	0.27	0.51	35.0%	383.8%	1,100.0%	21.1%	778.6%	90.1%	63.0 %	8.9 %	13.6 %
Cavium	50	149.5	235.1	6	5.8	45.1	0.20	0.44	0.99	118.6%	299.0%	1,100.0%	57.2%	674.8%	125.5%	60.8 %	11.0 %	19.3 %
Emulex	103	399.2	439.4	13	60.4	73.0	0.16	0.60	0.43	30.1%	(8.5)%	77.8%	10.1%	20.9%	(27.9)%	61.5 %	12.2 %	12.5 %
Entropic	41	144.2	246.1	4	9.1	59.2	0.08	0.21	0.66	55.6%	265.1%	900.0%	70.7%	548.2%	215.8%	53.7 %	9.9 %	14.9 %
EZchip	15	52.0	68.8	5	16.1	NA	0.24	0.81	1.17	123.2%	3,433.5%	380.0%	32.3%	NA	43.9%	75.4 %	36.7 %	42.2 %
Gennum	32	107.7	127.4	7	22.8	34.1	0.12	0.28	0.50	63.4%	NM	500.0%	18.3%	49.5%	79.5%	71.0 %	22.6 %	13.2 %
Integrated Device	158	578.2	663.9	24	81.0	116.2	0.14	0.40	0.57	36.5%	NM	600.0%	14.8%	43.4%	43.2%	53.8 %	15.1 %	14.4 %
ITE Tech	33	135.3	NA	4	NA	NA	0.01	0.07	NA	11.1%	NA	(7.6)%	NA	NM	NA	40.0 %	12.3 %	9.3 %
LSI	639	2,492.8	2,640.4	85	334.9	363.8	0.11	0.56	0.45	22.8%	414.1%	1,000.0%	5.9%	8.6%	(19.5)%	43.1 %	13.3 %	11.4 %
Mellanox	40	144.4	161.2	9	33.3	19.3	0.29	1.11	0.83	58.0%	142.7%	314.3%	11.7%	(42.0)%	(25.7)%	74.5 %	22.5 %	25.8 %
Mindspeed	43	155.3	192.1	7	13.5	33.7	0.18	0.40	0.87	33.0%	NM	300.0%	23.7%	150.0%	118.5%	64.2 %	15.2 %	15.0 %
Nationz	29	NA	133.2	7	NA	NA	0.07	NA	0.30	123.5%	191.9%	80.6%	NA	NM	NA	44.4 %	23.2 %	24.4 %
NetLogic	95	293.1	415.5	17	29.1	116.6	0.38	1.21	1.46	192.5%	1,172.3%	117.1%	41.8%	301.3%	20.3%	58.7 %	17.6 %	25.1 %
PMC-Sierra	161	583.9	703.6	48	166.1	195.2	0.20	0.71	0.79	30.4%	61.0%	53.8%	20.5%	17.5%	11.3%	68.8 %	29.6 %	29.2 %
QLogic	143	568.9	604.2	39	157.7	201.7	0.30	1.10	1.30	16.2%	44.4%	50.0%	6.2%	27.9%	17.7%	65.1 %	27.0 %	23.9 %
SMSC	97	342.5	414.4	9	35.1	78.8	0.33	0.93	1.58	55.5%	224.0%	320.0%	21.0%	124.1%	70.4%	53.3 %	9.0 %	7.7 %
Mean	109	425	488	18	69	106	0.18	0.61	0.83	62.8%	551.9%	430.4%	25.4%	207.9%	54.5%	59.5 %	17.9 %	18.9 %
Median	55	221	268	8	31	73	0.17	0.56	0.79	46.0%	244.5%	317.1%	20.8%	49.5%	43.6%	61.2 %	15.1 %	14.9 %

Financial Metrics

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Company Name	Stock Price 9/13/10	Market Cap	Enterprise Value	Cash	Debt	% Change 3/31/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash / Mkt Cap	Net Debt / EBITDA	SG&A / Revenue	R & D / Revenue
							LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS				
Wireless																			
Atheros	24.58	1,741	1,232	508	0	(36.5)%	1.5 x	1.3 x	9.6 x	5.7 x	10.6 x	9.9 x	1.0 %	9.0 %	5.5 %	29.2%	(4.0) x	13.7 %	19.5 %
CSR	5.42	975	546	429	0	(22.1)%	0.7 x	0.6 x	5.4 x	4.4 x	21.7 x	11.9 x	NA	NA	NA	44.0%	(4.2) x	13.5 %	24.4 %
Hitite Micro	45.64	1,392	1,150	242	0	3.8 %	5.8 x	4.4 x	11.5 x	9.1 x	22.5 x	17.8 x	1.7 %	NA	9.7 %	17.4%	(2.4) x	12.6 %	13.0 %
QUALCOMM	41.00	65,813	57,123	9,968	1,278	(2.3)%	5.3 x	4.9 x	14.4 x	12.2 x	16.9 x	17.0 x	2.7 %	10.5 %	6.9 %	13.2%	(2.2) x	13.3 %	24.0 %
Ralink	3.82	491	326	166	1	(0.5)%	1.6 x	1.1 x	10.3 x	6.7 x	17.5 x	16.6 x	NA	NA	NA	33.6%	(5.2) x	10.0 %	18.9 %
RF Micro	5.42	1,479	1,496	281	298	8.8 %	1.4 x	1.4 x	6.5 x	5.7 x	9.5 x	8.7 x	2.5 %	(4.5)%	13.7 %	(1.1)%	0.1 x	9.3 %	13.2 %
Skyworks	18.79	3,357	3,047	384	74	20.4 %	3.1 x	2.5 x	14.0 x	9.3 x	17.6 x	13.1 x	2.2 %	NA	6.0 %	9.2%	(1.4) x	10.7 %	12.7 %
Spreadtrum	12.43	581	522	103	44	122.4 %	2.6 x	1.4 x	14.1 x	6.3 x	24.4 x	9.9 x	7.6 %	NA	31.7 %	10.1%	(1.6) x	6.0 %	14.7 %
TriQuint	7.34	1,142	967	175	0	4.9 %	1.3 x	1.1 x	8.1 x	5.3 x	13.2 x	9.5 x	0.7 %	NA	24.9 %	15.3%	(1.5) x	12.6 %	15.7 %
Mean		8,552	7,379	1,362	188	11.0 %	2.6 x	2.1 x	10.4 x	7.2 x	17.1 x	12.7 x	2.6 %	5.0 %	14.0 %	19.0%	(2.5) x	11.3 %	17.3 %
Median		1,392	1,150	281	1	3.8 %	1.6 x	1.4 x	10.3 x	6.3 x	17.5 x	11.9 x	2.2 %	9.0 %	9.7 %	15.3%	(2.2) x	12.6 %	15.7 %

(\$ 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
Wireless																		
Atheros	238	795.2	985.7	41	128.4	214.8	0.67	2.32	2.49	112.3%	1,221.1%	235.0%	23.9%	67.3%	7.3%	49.7 %	17.4 %	20.5 %
CSR	221	801.7	859.3	27	101.4	124.8	0.07	0.25	0.46	95.5%	877.3%	134.5%	7.2%	23.0%	82.4%	47.5 %	12.2 %	6.0 %
Hitite Micro	60	199.6	260.5	32	100.3	126.6	0.64	2.03	2.57	52.0%	78.2%	82.9%	30.5%	26.3%	26.6%	74.8 %	52.6 %	31.9 %
QUALCOMM	2,706	10,729.0	11,721.0	958	3,978.0	4,670.1	0.57	2.42	2.41	(1.7)%	(8.6)%	5.6%	9.2%	17.4%	(0.2)%	66.6 %	35.4 %	34.6 %
Ralink	61	208.8	289.3	11	31.7	48.5	0.08	0.22	0.23	70.5%	106.6%	300.3%	38.6%	52.9%	5.1%	44.9 %	18.5 %	16.6 %
RF Micro	274	1,039.7	1,083.8	66	230.3	261.8	0.16	0.57	0.63	28.8%	56.8%	128.6%	4.2%	13.7%	9.8%	37.4 %	24.2 %	16.2 %
Skyworks	275	986.7	1,210.2	66	217.5	328.9	0.32	1.07	1.43	44.0%	92.3%	100.0%	22.6%	51.3%	33.7%	42.9 %	23.9 %	21.4 %
Spreadtrum	71	204.2	372.4	19	37.1	82.9	0.30	0.51	1.26	340.5%	267.5%	203.4%	82.4%	123.6%	147.3%	44.6 %	26.7 %	65.3 %
TriQuint	207	754.6	896.6	40	119.9	183.0	0.20	0.56	0.77	22.7%	115.2%	146.3%	18.8%	52.6%	38.7%	41.2 %	19.4 %	15.3 %
Mean	457	1,747	1,964	140	549	671	0.33	1.11	1.36	85.0%	311.8%	148.5%	26.4%	47.5%	39.0%	50.0 %	25.6 %	25.3 %
Median	221	795	897	40	120	183	0.30	0.57	1.26	52.0%	106.6%	134.5%	22.6%	51.3%	26.6%	44.9 %	23.9 %	20.5 %

Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price 9/13/10	Market Cap	Enterprise Value	Cash	Debt	% Change 3/31/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash / Mkt Cap	Net Debt / EBITDA	SG&A / Revenue	R & D / Revenue
							LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS				
Media																			
Ali Corp.	1.54	469	317	152	0	(32.6)%	2.0 x	NA	NA	NA	12.3 x	NA	NA	NA	NA	32.4%	NA	10.2 %	16.4 %
Conexant	1.47	119	235	69	184	(56.8)%	1.0 x	1.0 x	5.0 x	2.8 x	3.3 x	6.1 x	0.2 %	NA	45.5 %	(96.4)%	2.4 x	19.2 %	24.0 %
Himax	2.45	433	278	158	3	(21.5)%	0.4 x	0.4 x	4.6 x	5.5 x	10.7 x	12.3 x	(0.1)%	10.7 %	5.6 %	35.8%	(2.5) x	3.5 %	9.6 %
MaxLinear	11.93	373	281	92	0	(32.9)%	4.3 x	3.2 x	33.2 x	17.7 x	35.5 x	28.5 x	5.5 %	(6.2)%	(13.0)%	24.6%	(10.9) x	23.1 %	38.1 %
Megachips	18.34	446	336	110	0	22.4 %	0.9 x	0.7 x	9.9 x	6.4 x	20.4 x	16.1 x	NA	NA	NA	24.7%	(3.3) x	10.0 %	3.9 %
Micron	7.05	7,010	8,853	2,313	4,156	(32.0)%	1.2 x	0.8 x	2.9 x	2.2 x	8.1 x	4.1 x	7.6 %	7.6 %	(0.8)%	(26.3)%	0.6 x	7.8 %	6.2 %
Novatek	2.64	1,574	1,314	544	284	(15.2)%	1.2 x	1.1 x	7.7 x	7.2 x	11.2 x	9.4 x	NA	NA	NA	16.5%	(1.5) x	3.3 %	9.8 %
NVIDIA	10.64	6,107	4,359	1,773	24	(38.9)%	1.2 x	1.3 x	11.8 x	7.7 x	15.0 x	17.6 x	(1.5)%	(36.5)%	(69.6)%	28.6%	(4.7) x	10.6 %	26.0 %
NXP	11.94	2,976	7,409	842	5,275	NA	1.6 x	NA	10.0 x	NA	NM	NA	NA	NA	NA	(149.0)%	6.0 x	19.9 %	11.6 %
OmniVision	19.95	1,076	776	349	49	16.1 %	1.1 x	0.9 x	14.0 x	6.6 x	19.2 x	12.1 x	(5.6)%	4.6 %	10.0 %	27.9%	(5.4) x	7.4 %	10.5 %
Orise	1.88	256	217	38	0	(1.7)%	1.3 x	1.2 x	NA	NA	19.7 x	16.4 x	NA	NA	NA	15.1%	NA	2.7 %	8.2 %
PixArt Imaging	5.05	660	484	180	4	(22.9)%	3.4 x	3.6 x	13.7 x	13.6 x	20.5 x	21.0 x	NA	NA	NA	26.6%	(5.0) x	8.2 %	11.3 %
Raydium Semi	5.29	343	326	24	7	(0.3)%	1.4 x	NA	6.9 x	NA	8.8 x	NA	NA	NA	NA	5.0%	(0.4) x	2.7 %	6.0 %
Sigma Designs	10.00	313	184	129	0	(14.7)%	0.8 x	0.6 x	8.8 x	4.3 x	9.9 x	8.3 x	3.7 %	NA	(22.5)%	41.2%	(6.1) x	15.9 %	24.3 %
Sunplus	0.74	439	335	212	107	(18.5)%	0.6 x	NA	5.2 x	NA	10.3 x	NA	NA	NA	NA	23.7%	(1.6) x	6.6 %	20.2 %
Trident Micro	1.75	309	212	97	0	0.6 %	NA	0.3 x	NA	NM	NM	NM	NA	NA	NA	31.3%	NA	12.2 %	24.9 %
Mean		1,432	1,620	443	631	(16.6)%	1.5 x	1.3 x	10.3 x	7.4 x	14.6 x	13.8 x	1.4 %	(4.0)%	(6.4)%	3.9%	(2.5) x	10.2 %	15.7 %
Median		442	330	155	6	(18.5)%	1.2 x	1.0 x	8.8 x	6.5 x	11.8 x	12.3 x	0.2 %	4.6 %	(0.8)%	24.7%	(2.5) x	9.1 %	11.4 %

(\$ in millions, except per share data)

Company Name	Revenue			EBITDA			EPS			MRQ/PYQ Growth			NTM / LTM Growth			LQ Margin		
	MRQ	LTM	NTM	MRQ	LTM	NTM	MRQ	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	EPS	Gross	EBITDA	Net
Media																		
Ali Corp.	33	161.0	NA	7	NA	NA	0.03	0.13	NA	(10.2)%	NA	35.4%	NA	NM	NA	43.3 %	19.8 %	27.1 %
Conexant	61	240.6	225.3	12	47.0	83.6	0.08	0.44	0.24	19.4%	131.9%	100.0%	(6.4)%	77.8%	(45.5)%	61.1 %	19.1 %	10.7 %
Himax	188	745.0	655.5	17	61.1	50.8	0.07	0.23	0.20	1.5%	(9.7)%	(12.5)%	(12.0)%	(16.8)%	(13.3)%	20.4 %	9.1 %	13.4 %
MaxLinear	18	65.7	88.5	2	8.5	15.9	0.05	0.34	0.42	62.6%	423.3%	NA	34.6%	87.9%	24.8%	69.9 %	11.1 %	9.5 %
Megachips	66	389.4	457.5	6	33.8	52.5	0.14	0.90	1.14	(28.6)%	(16.5)%	(28.8)%	17.5%	55.4%	27.1%	22.1 %	8.8 %	5.2 %
Micron	2,288	7,291.0	10,946.5	1,044	3,091.0	3,963.0	0.43	0.87	1.71	106.9%	166.3%	219.4%	50.1%	28.2%	97.2%	37.1 %	45.6 %	19.7 %
Novatek	292	1,058.1	1,232.2	45	170.4	182.6	0.06	0.24	0.28	29.6%	23.9%	(11.3)%	16.4%	7.2%	19.0%	27.5 %	15.4 %	13.2 %
NVIDIA	811	3,698.7	3,429.9	(116)	369.2	562.6	0.03	0.71	0.60	4.5%	(90.7)%	(57.1)%	(7.3)%	52.4%	(15.0)%	16.6 %	(14.3)%	2.1 %
NXP	1,201	4,604.0	NA	263	738.0	NA	0.08	(1.09)	NA	33.0%	220.7%	106.7%	NA	NA	NA	39.4 %	21.9 %	1.4 %
OmniVision	193	690.5	850.5	23	55.4	117.8	0.39	1.04	1.64	82.9%	825.8%	587.5%	23.2%	112.4%	58.0%	26.9 %	11.9 %	11.4 %
Orise	44	163.6	188.5	6	NA	NA	0.04	0.10	0.12	20.1%	NA	83.2%	15.2%	NM	20.6%	23.1 %	12.7 %	10.9 %
PixArt Imaging	41	143.9	134.7	9	35.2	35.8	0.07	0.25	0.24	60.1%	62.3%	64.5%	(6.4)%	1.5%	(2.4)%	41.5 %	22.9 %	21.5 %
Raydium Semi	75	241.6	NA	14	47.0	NA	0.19	0.60	NA	62.8%	60.3%	53.1%	NA	NM	NA	28.6 %	19.2 %	17.2 %
Sigma Designs	73	242.1	283.0	12	21.0	42.9	0.26	1.01	1.21	43.0%	83.6%	(7.1)%	16.9%	104.1%	19.4%	47.7 %	16.7 %	11.2 %
Sunplus	120	534.2	NA	21	63.8	NA	0.01	0.07	NA	(20.6)%	(1.0)%	265.2%	NA	NA	NA	38.8 %	17.1 %	6.5 %
Trident Micro	172	NA	680.0	(3)	NA	28.0	(0.09)	(0.71)	0.05	1,051.1%	81.4%	72.0%	NA	NM	107.1%	19.7 %	(1.6)%	(9.1)%
Mean	355	1,351	1,598	85	365	467	0.11	0.32	0.65	94.9%	140.1%	98.0%	12.9%	51.0%	24.8%	35.2 %	14.7 %	10.7 %
Median	98	389	556	12	55	53	0.07	0.29	0.35	31.3%	71.9%	64.5%	16.4%	53.9%	20.0%	32.8 %	16.1 %	11.1 %

Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price	Market	Enterprise	Cash	Debt	% Change 3/31/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash /	Net Debt /	SG&A /	R&D /	
	9/13/10	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Revenue	EBITDA	Revenue	Revenue	Mkt Cap
IP Licensing																				
ARM	6.25	8,254	7,951	303	0	72.8 %	14.5 x	12.4 x	46.2 x	35.6 x	58.2 x	43.8 x	10.6 %	67.3 %	37.6 %	3.7%	(1.8) x	31.8 %	33.4 %	
CEVA	13.47	286	193	94	0	15.5 %	4.7 x	4.2 x	26.0 x	15.1 x	28.7 x	24.2 x	3.5 %	NA	18.0 %	32.7%	(12.6) x	31.5 %	42.5 %	
Imagination	5.38	1,318	1,274	45	1	46.3 %	9.8 x	7.0 x	66.7 x	25.3 x	59.6 x	37.1 x	NA	NA	NA	3.4%	(2.3) x	12.7 %	43.6 %	
InterDigital	25.80	1,137	651	486	1	(7.4)%	1.8 x	1.9 x	2.8 x	3.0 x	8.1 x	9.0 x	10.9 %	28.5 %	26.5 %	42.7%	(2.1) x	7.7 %	18.0 %	
MIPS	7.91	364	311	52	0	77.4 %	4.4 x	3.8 x	16.8 x	10.7 x	20.8 x	18.1 x	30.6 %	NA	100.0 %	14.4%	(2.8) x	36.6 %	27.6 %	
QUALCOMM	41.00	65,813	57,123	9,968	1,278	(2.3)%	5.3 x	4.9 x	14.4 x	12.2 x	16.9 x	17.0 x	2.7 %	10.5 %	6.9 %	13.2%	(2.2) x	13.3 %	24.0 %	
Mean	12,862	11,250	1,825	213	33.7 %	6.8 x	5.7 x	28.8 x	17.0 x	32.0 x	24.9 x	11.7 %	35.4 %	37.8 %	18.3%	(4.0) x	22.3 %	31.5 %		
Median	1,227	963	198	0	30.9 %	5.0 x	4.5 x	21.4 x	13.7 x	24.7 x	21.1 x	10.6 %	28.5 %	26.5 %	13.8%	(2.3) x	22.4 %	30.5 %		

(\$ 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	150	547.5	640.4	51	172.2	223.5	0.04	0.11	0.14	40.4%	138.8%	124.1%	17.0%	29.8%	32.7%	94.2 %	34.2 %	31.6 %
CEVA	11	41.1	46.4	2	7.4	12.8	0.12	0.47	0.56	16.5%	132.4%	50.0%	13.0%	72.0%	18.4%	91.9 %	19.1 %	25.0 %
Imagination	33	130.1	182.4	6	19.1	50.4	0.02	0.09	0.15	NA	NA	NA	40.2%	164.2%	60.5%	71.9 %	18.0 %	19.1 %
InterDigital	91	359.3	348.5	58	235.3	216.5	0.78	3.17	2.86	21.7%	30.4%	32.2%	(3.0)%	(8.0)%	(9.8)%	83.9 %	64.1 %	38.1 %
MIPS	23	71.0	81.1	8	18.5	29.2	0.15	0.38	0.44	84.6%	332.0%	25.0%	14.4%	57.6%	15.3%	97.5 %	35.0 %	30.5 %
QUALCOMM	2,706	10,729.0	11,721.0	958	3,978.0	4,670.1	0.57	2.42	2.41	(1.7)%	(8.6)%	5.6%	9.2%	17.4%	(0.2)%	66.6 %	35.4 %	34.6 %
Mean	502	1,980	2,170	181	738	867	0.28	1.11	1.09	32.3%	125.0%	47.4%	15.1%	55.5%	19.5%	84.3 %	34.3 %	29.8 %
Median	62	245	265	30	96	133	0.14	0.43	0.50	21.7%	132.4%	32.2%	13.7%	43.7%	16.9%	87.9 %	34.6 %	31.0 %



Introduction to SagePoint Advisors

Introduction to SagePoint Advisors

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

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




























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

Transaction Experience by Market Segment

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

Value Chain	Wireless	VoIP	Video	Data
Services	<ul style="list-style-type: none"> • 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