

SagePoint Semis 60

Q4 2010 Valuation & Performance Review

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

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SagePoint Semiconductor 60 Universe

Q4 Adds:

- Inphi
- Mstar
- RDA

	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 Himax					X	
17 Hittite Micro				X		
18 Imagination						X
19 Infineon	X					
20 Inphi			X			
21 Integrated Device			X			
22 Intel		X				
23 InterDigital						X
24 ITE Tech			X			
25 LSI			X			
26 Marvell	X					
27 Maxim	X					
28 MaxLinear					X	
29 MediaTek	X					
30 Megachips					X	

Q4 Drops:

- Atheros
- Conexant
- Trident

	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 QLogic			X			
47 QUALCOMM				X		X
48 Ralink				X		
49 Raydium Semi					X	
50 RDA Micro				X		
51 Realtek	X					
52 RF Micro				X		
53 Sigma Designs					X	
54 Skyworks				X		
55 SMSC			X			
56 Spreadtrum				X		
57 STMicro	X					
58 Sunplus					X	
59 Texas Inst.	X					
60 TriQuint				X		

SagePoint's Viewpoint - Key Takeaways

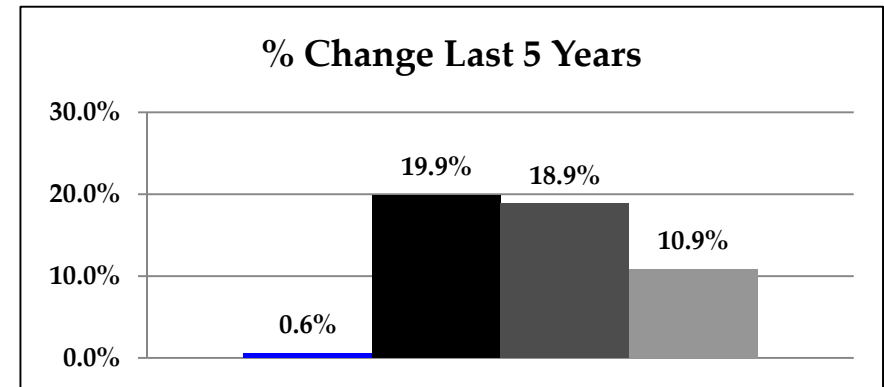
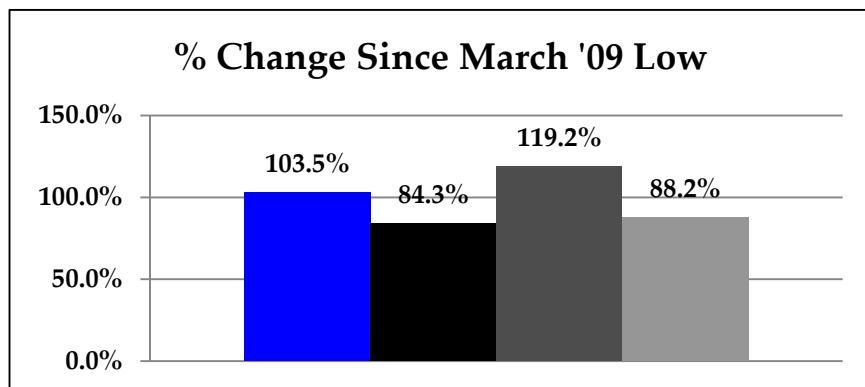
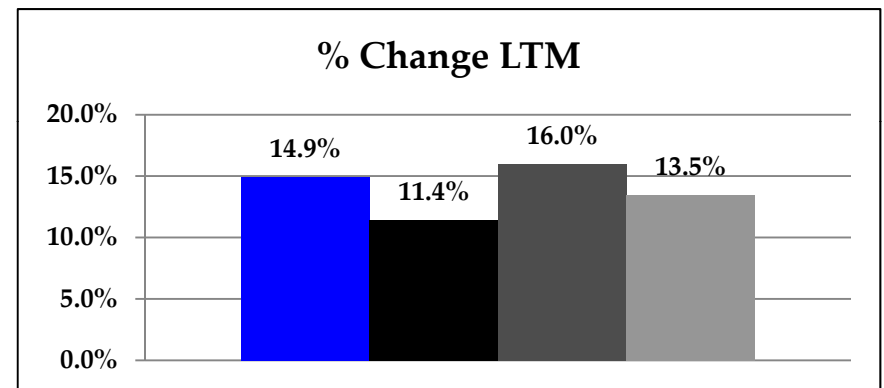
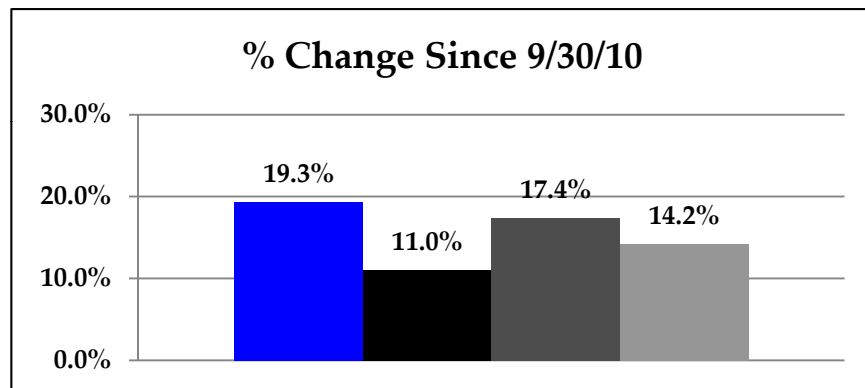
- Semis 60 index has risen 19.3% since the end of Q3, outpacing the indices, driven by a strong rally from the beginning of Q3'10 through mid-February gaining 43.6% during that time
 - Nearly 80% of Semi stocks showed share gains
 - IP Licensing led with over 35% gains while media just barely increased
- Valuation multiples continue to improve, driven by the strong semi market rally
 - Median revenue multiples climbed to 3 year highs
 - Median EBITDA multiple continues to rebounded strongly, up for the second straight quarter and back into the double digits
 - Median P/E multiple was down slightly to 16.6x
 - Multiples show room for upside though high valuations seen in '07 aren't likely to return in the near term
- Semis rebound continued with strong median revenue growth of 22% vs. Q4'09 though just a slight 1% increase sequentially over Q3'10
 - Y/Y revenue growth appears to be slowing due to comparison to healthier PYQ numbers than previous periods
 - Revenue growth is expected to continue over the next twelve months at a somewhat modest median of 11.6%
- Strong median EPS growth continues with a median of 62.9% as revenue growth and improved margins deliver strong gains
 - Wireline led with over 110% EPS growth with Diversified, Wireless and IP Licensing near the median with EPS growth in the 60s while Media EPS contracted again in Q4
 - EPS growth is expected to continue over next twelve months though at a much slower pace

SagePoint's Viewpoint - Key Takeaways Continued

- Semis vendors had another strong earnings season, with 80% meeting or beating revenue estimates and 74% meeting or beating EPS
- Semis 60 operating models have stabilized and are now solidly profitable and near their three year highs
 - Median gross margin remain near their three year high at 50.9%
 - R&D spending as a % of revenues increased for the first time since Q1'09 as companies push to accelerate roadmaps as prospects for customer spending on next-gen products improves
 - Median SG&A as a % of revenues also increased from Q3
 - Median net and EBITDA margins fell slightly from Q3 due to increased opex spend but remain near their highest levels in recent history on continued revenue growth, improving scale and stronger gross margins
- M&A activity increased was up slightly Y/Y but down from the more active than usual Q3
 - Notable Q4 deals include Broadcom/Beceem (\$316M), PMC-Sierra/Wintegra (\$273M), Broadcom/Percello (\$98M) and Broadcom/Gigle Networks (\$83M)
 - 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 and Wireline market segments remain fragmented with 65% of the vendors' market caps below \$1B which should be a catalyst for further consolidation

SagePoint Semis 60 Index Performance

- Semis 60 index has risen 19.3% since the end of Q3, outpacing the indices, driven by a strong rally from the beginning of Q3'10 through mid-February gaining 43.6% during that time
 - Semis stocks stumbled from 2/10 - 3/16, dropping 10.8% but have gained back 5.7% since then
- Semis 60 index has more than doubled since the market bottom of March '09, outpacing all but the NASDAQ index

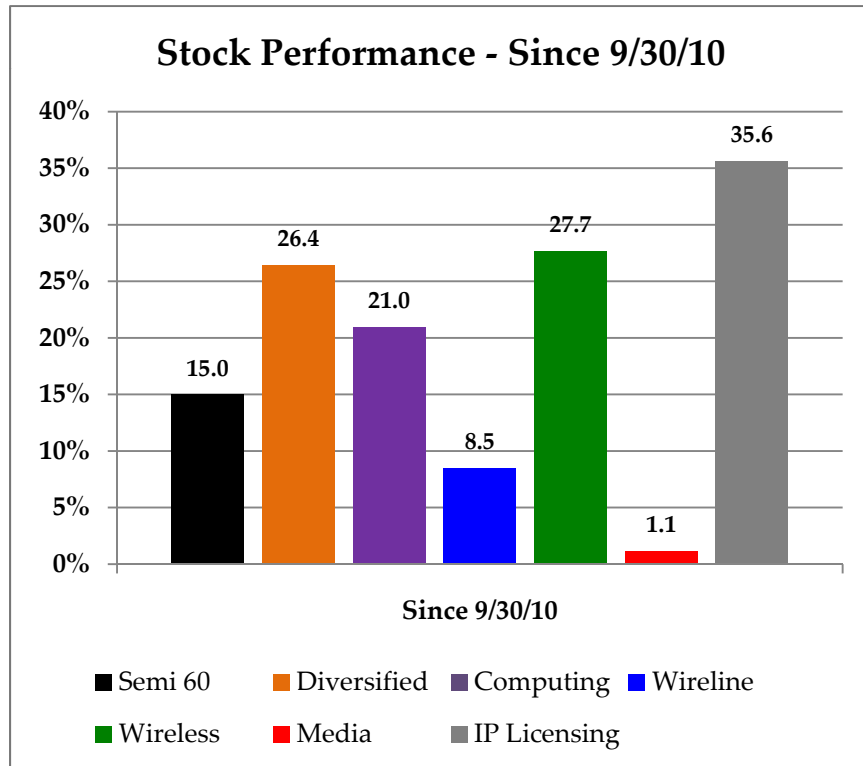


■ Semiconductor 60* ■ SagePoint 400 Index* ■ NASDAQ ■ DJIA

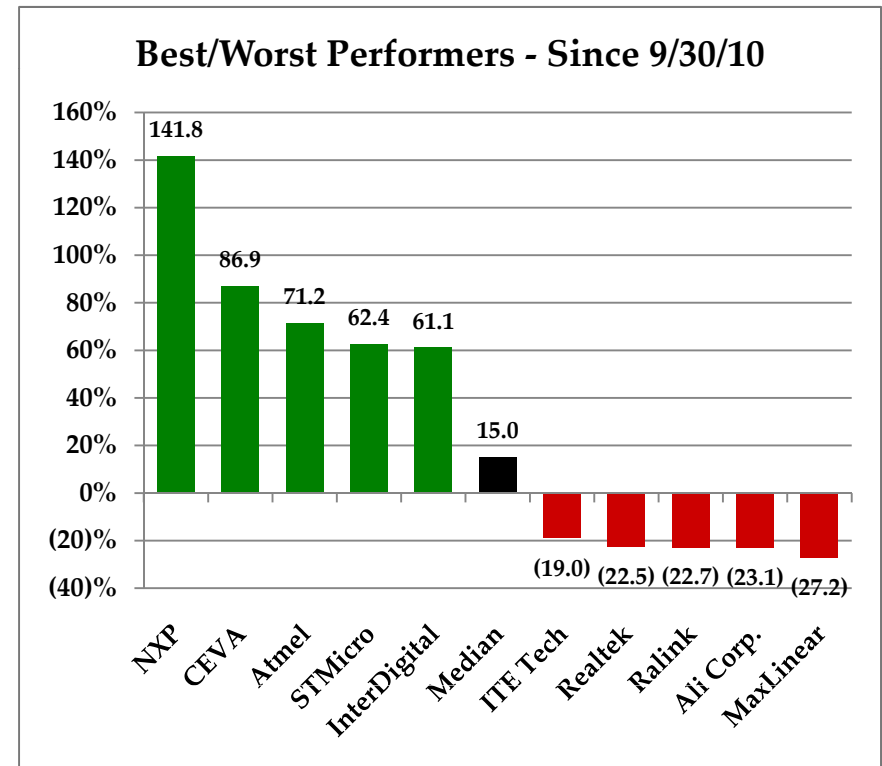
* Market Value weighted index

Stock Performance Since Beginning of Q4

- SagePoint Semis 60 stocks are up a median of 15% with nearly 80% of stocks increasing value
 - IP Licensing led with over 35% gains while media remained relatively flat
- NXP led the charge, trading strong since its IPO in Aug '10
 - CEVA surged on positive Q4 pre-announcement and still beat revenue expectations
 - Atmel is up on strong growth expectations while STMicro's improving EPS is helping its price
 - MaxLinear was up ~25% on a rally starting in late Dec. but is down nearly 40% from its early Jan high
 - Ali is down as revenues contracted, Ralink missed its numbers and Realtek EPS shrank driving those stocks down over 20%



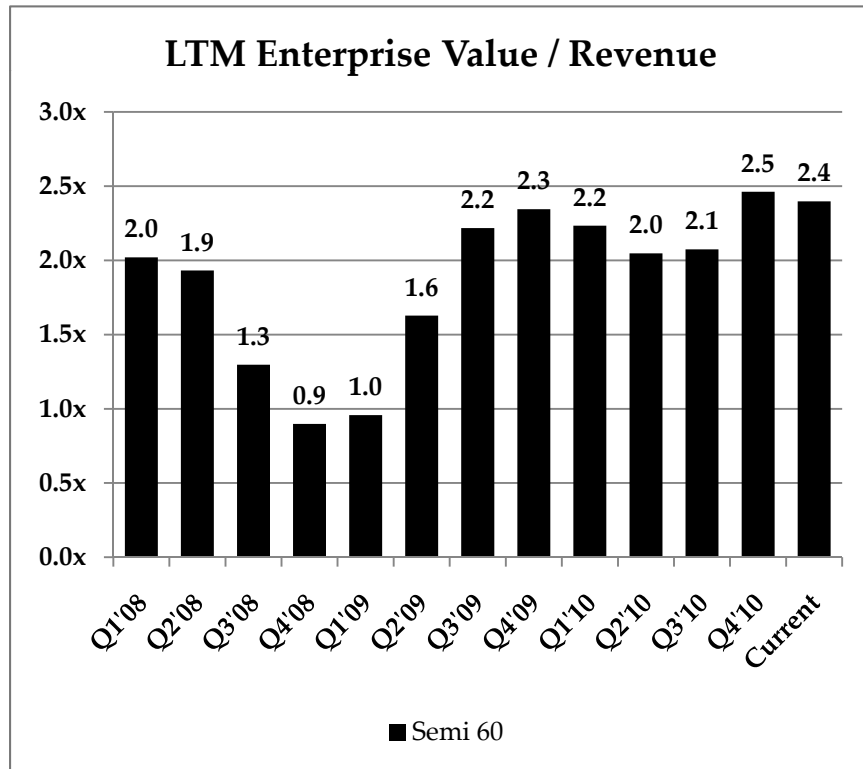
Source: SagePoint Advisors & Capital IQ



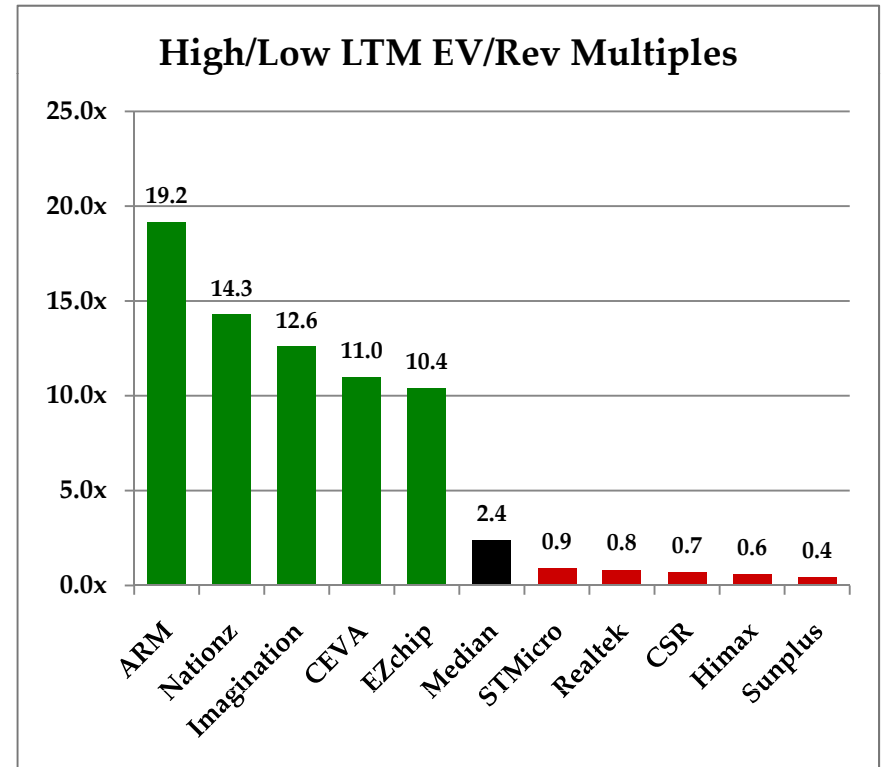
Source: SagePoint Advisors & Capital IQ

Valuation Metrics – LTM Revenue Multiples

- Median revenue multiples climbed to 3 year highs due to the strong semi market rally
 - Current revenue multiples are at their highest level in the past three years though SagePoint believes that multiples are not likely to return to '07 peaks of 3x+
 - M&A activity has been healthier over the past few quarters, with several substantial deals
- ARM, Imagination and CEVA trade at premium multiples due to high margins and solid growth while Nationz appears overpriced



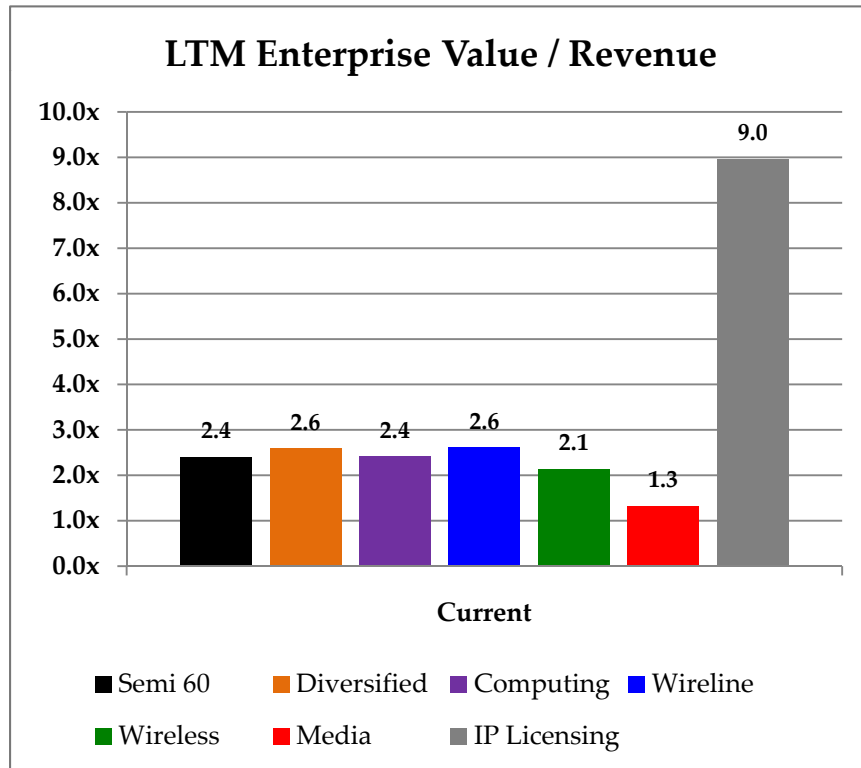
Source: SagePoint Advisors & Capital IQ



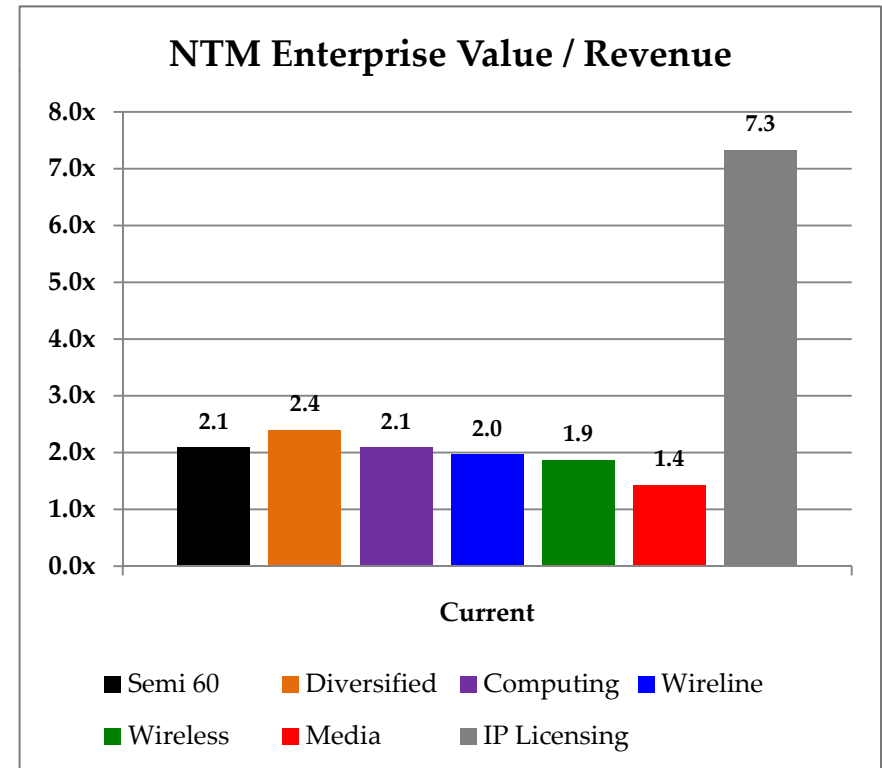
Source: SagePoint Advisors & Capital IQ

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 and Wireline are the exceptions with stronger growth expected



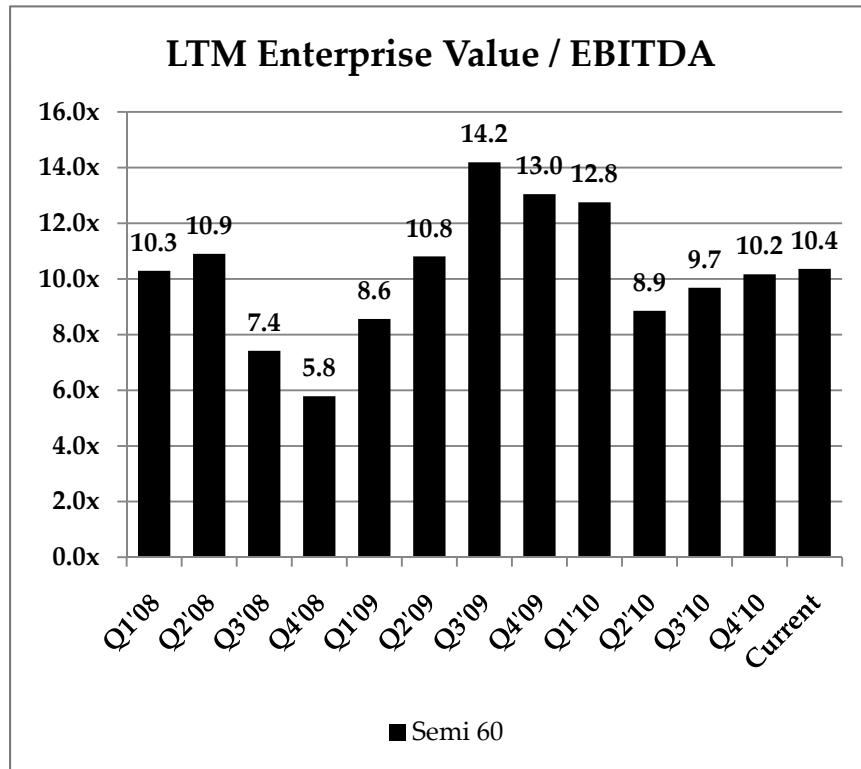
Source: SagePoint Advisors & Capital IQ



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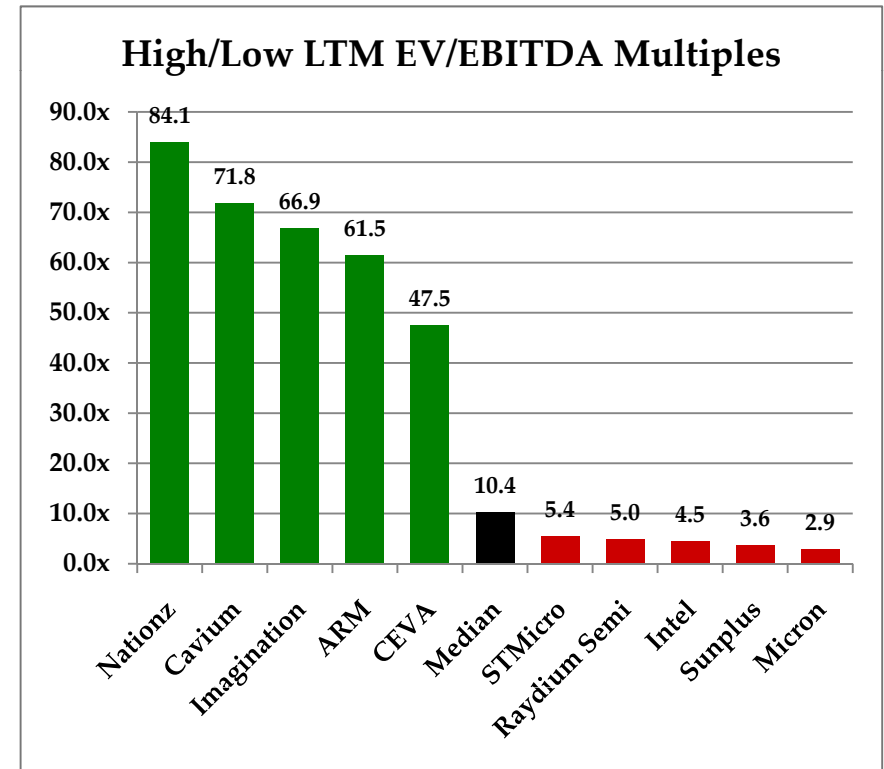
Valuation Metrics – LTM EBITDA Multiples

- Median EBITDA multiple continues to rebounded strongly, up for the second straight quarter and back into the double digits
 - Stable, growing EBITDA margins on improved GMs and revenue growth provide comfort to investors looking at future cash flow resulting in improving multiples
 - Cavium and Imagination expect 100%+ EBITDA growth with ARM close behind at 65% and investors apparently willing to pay up for the expected growth
 - Nationz multiple does not seem justified by fundamentals, particularly given their weak GMs



Source: SagePoint Advisors & Capital IQ

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

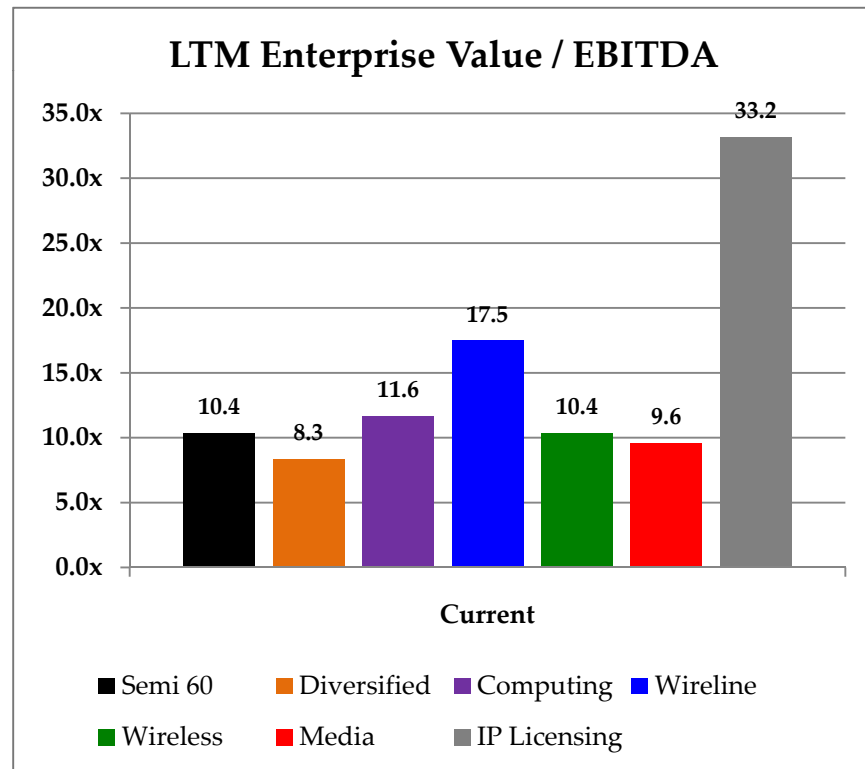


Source: SagePoint Advisors & Capital IQ

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

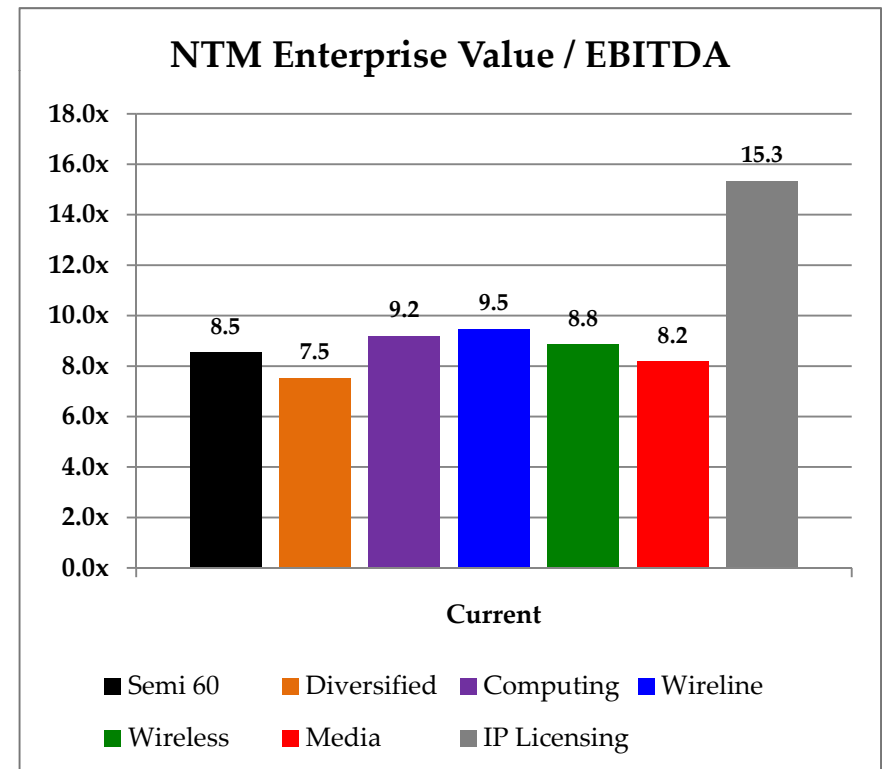
Valuation Metrics – EBITDA Multiples By Segment

- Only IP Licensing reaches an NTM multiple in the double digits due to stable cash flows, solid margins and strong growth expectations
- Wireline and Computing also outperform the median with NTM multiples of 17.5x and 11.6x
- Media slightly lags the median while Diversified vendors trade at lower EBITDA multiples due to high depreciation costs of fabs
- Lower NTM EBITDA multiples reflect ~22% EBITDA growth expected



Source: SagePoint Advisors & Capital IQ

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

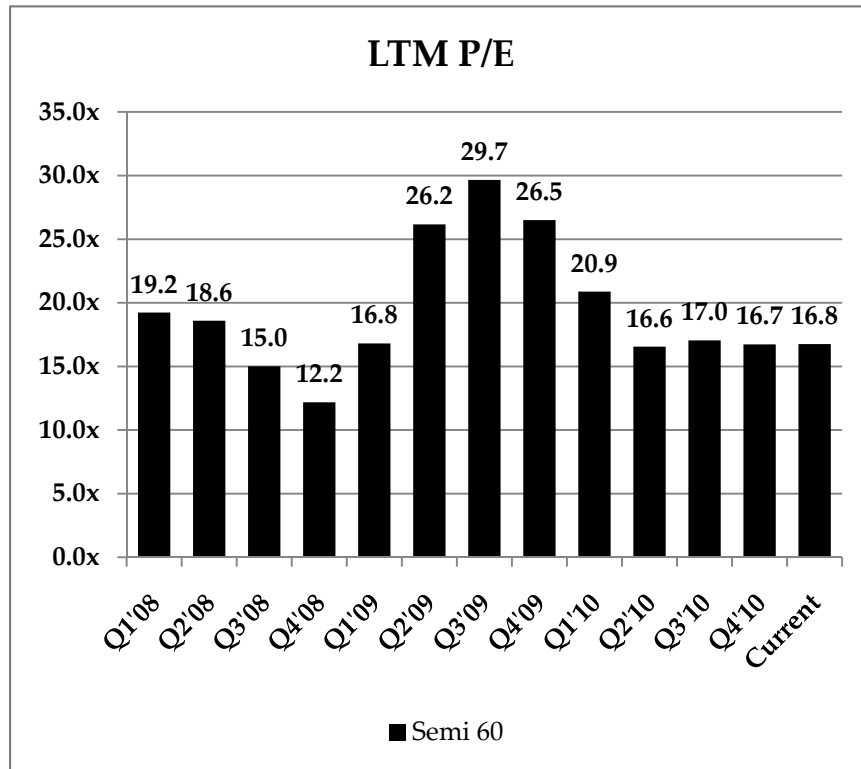


Source: SagePoint Advisors & Capital IQ

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

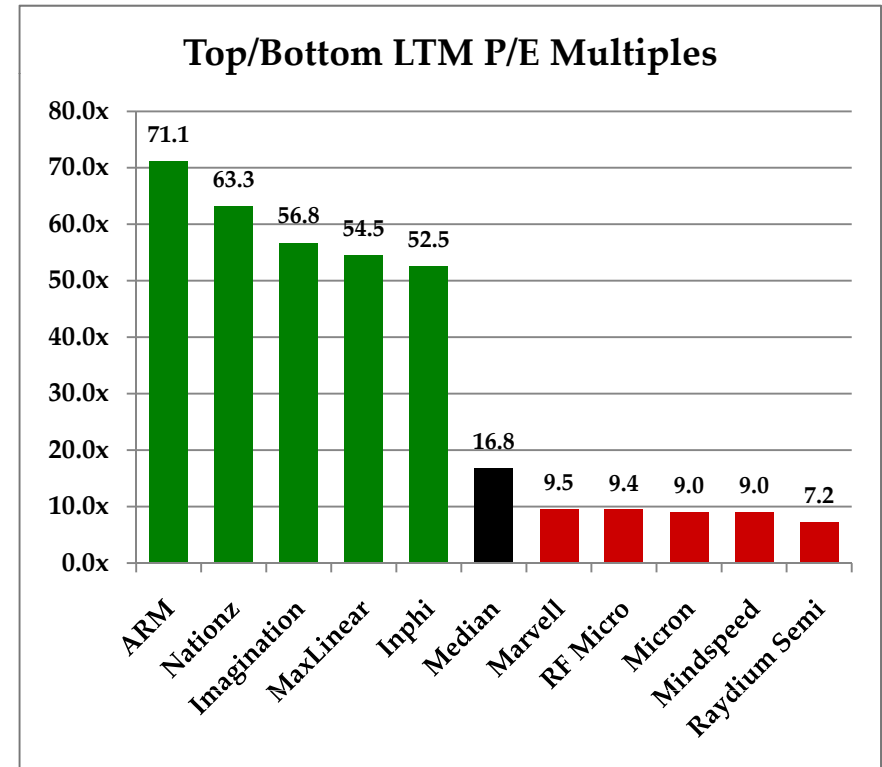
Valuation Metrics – LTM P/E Multiples

- Median P/E multiple was down slightly to 16.6x
 - '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 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%

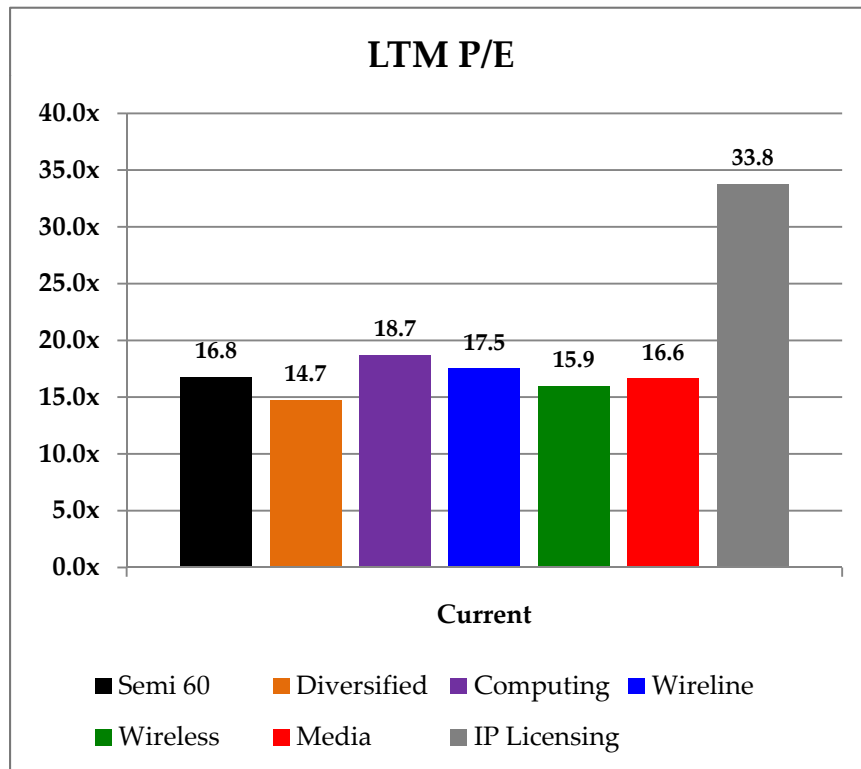


Source: SagePoint Advisors & Capital IQ

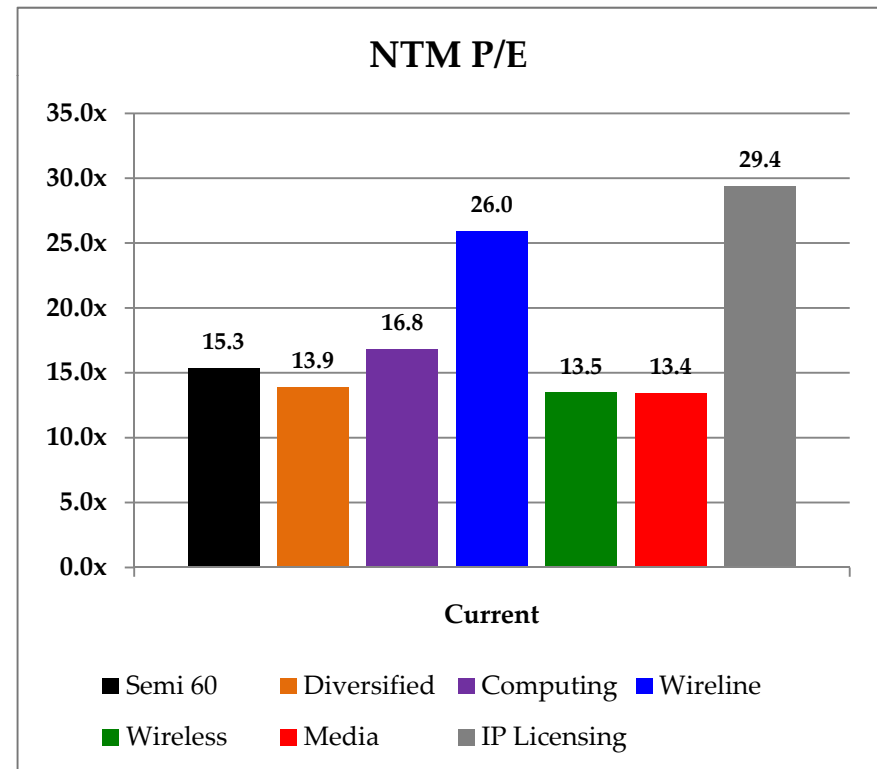
Note: Excludes companies with an LTM net margin below 2.5%

Valuation Metrics – P/E Multiples By Segment

- The Semis 60 segments mostly trade in a tight median P/E range on an LTM basis
 - IP Licensing trades at a premium due to high margins and stable earnings
 - Wireline’s high NTM P/E multiple due to more than half of companies projecting NTM EPS declines
 - Diversified, Wireless and Media segments underperform slightly
- LTM multiples moderately higher than NTM reflect fairly modest EPS growth expected across most the Semis 60



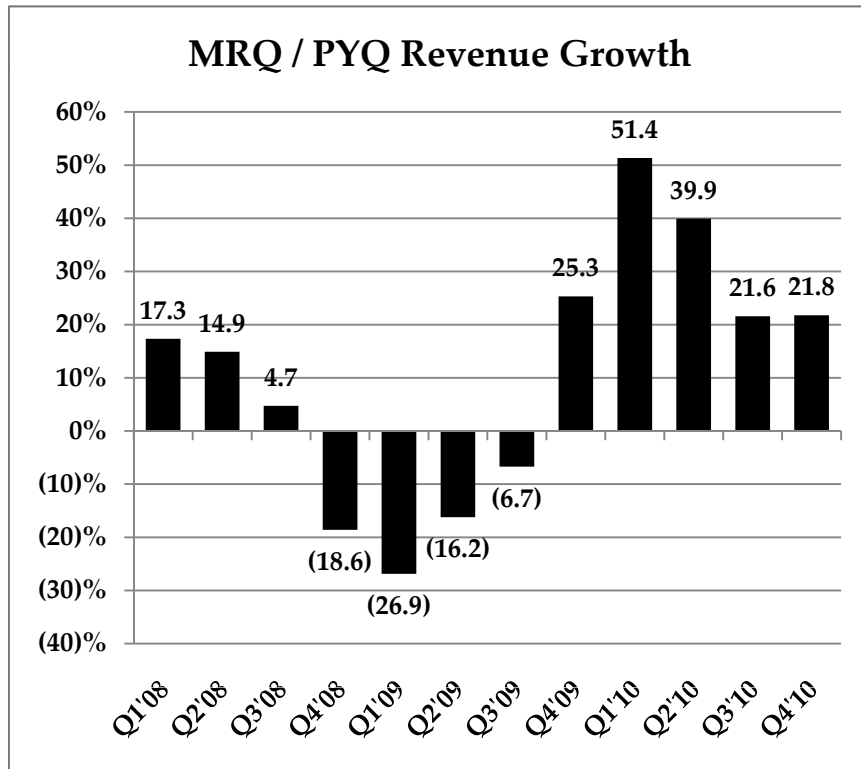
Source: SagePoint Advisors & Capital IQ
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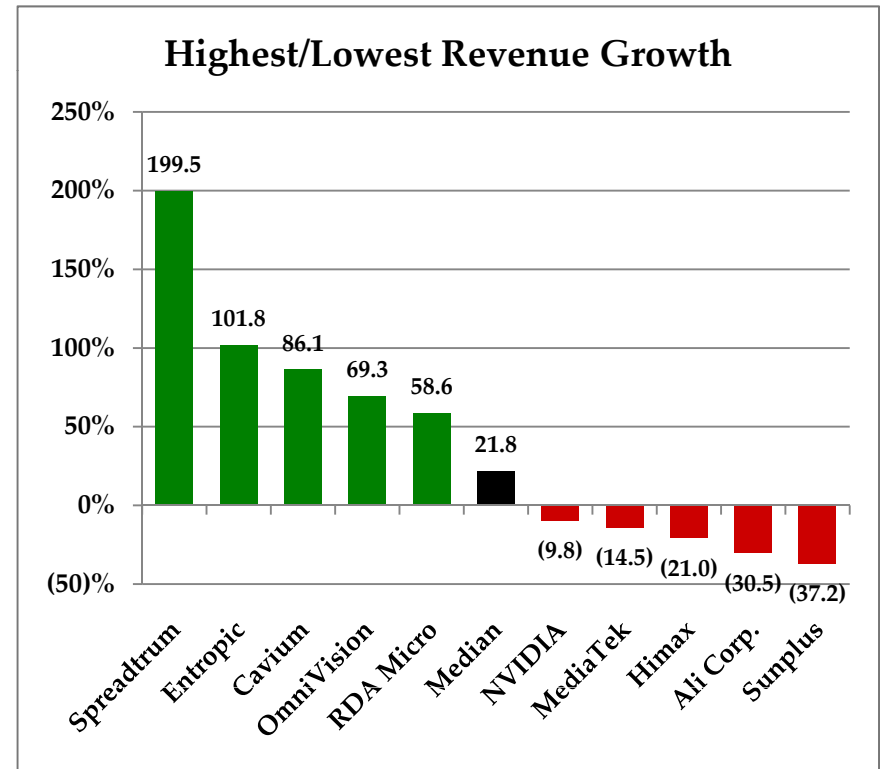
Source: SagePoint Advisors & Capital IQ
Note: Excludes companies with an NTM net margin below 2.5%

Operating Metrics – Revenue Growth

- Semis rebound continued with strong median revenue growth of 22% vs. Q4'09 though just a slight 1% increase sequentially over Q3'10
- Y/Y revenue growth appears to be slowing due to comparison to healthier PYQ numbers than previous periods
- Spreadtrum shows continued strong growth on market share gains in China with Entropic also achieving 100%+ growth
 - Sunplus revenue continues to slip on weak demand and delays in new product contribution



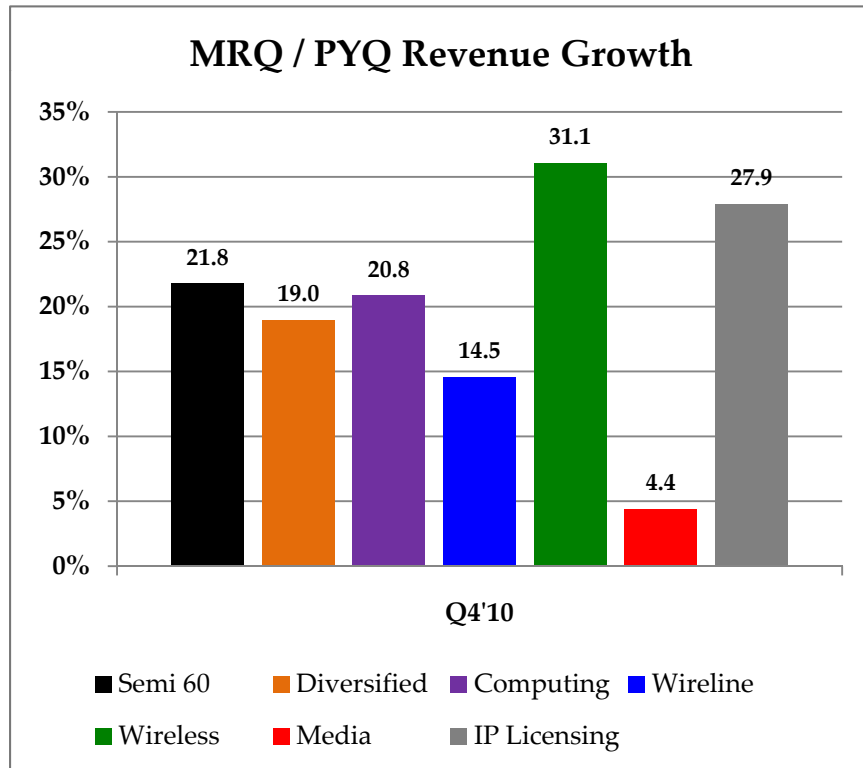
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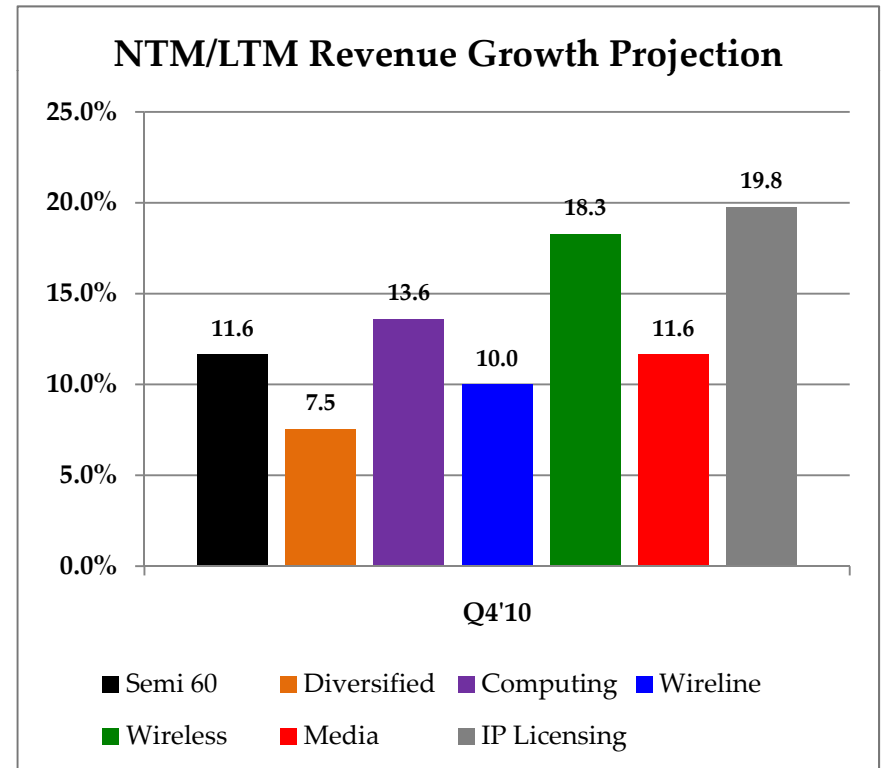
Source: SagePoint Advisors & Capital IQ

Operating Metrics – Revenue Growth by Segment

- Semis performed well with most segments near or above 20% growth
 - Wireless again led other segments with over 30% growth followed by IP Licensing
 - Media lagged considerably at just 4.4% growth
- Revenue growth is expected to continue over the next twelve months at a somewhat modest median of 11.6%
 - IP Licensing and Wireless project strong growth of 18-20%
 - Computing, Media and Wireline expect growth in the low double digits while analysts project just 7.5% growth for Diversified



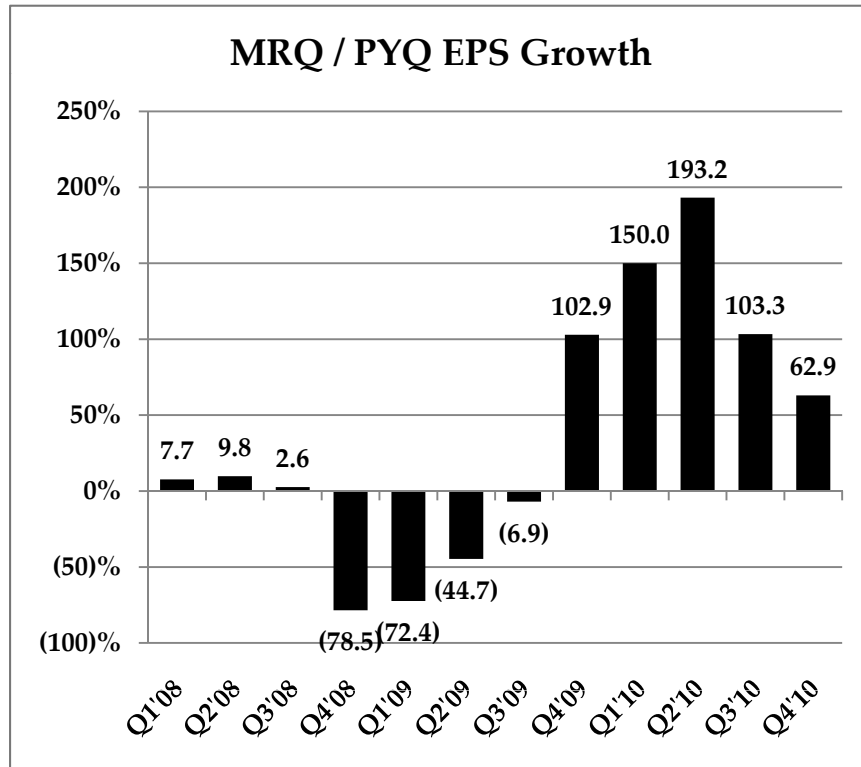
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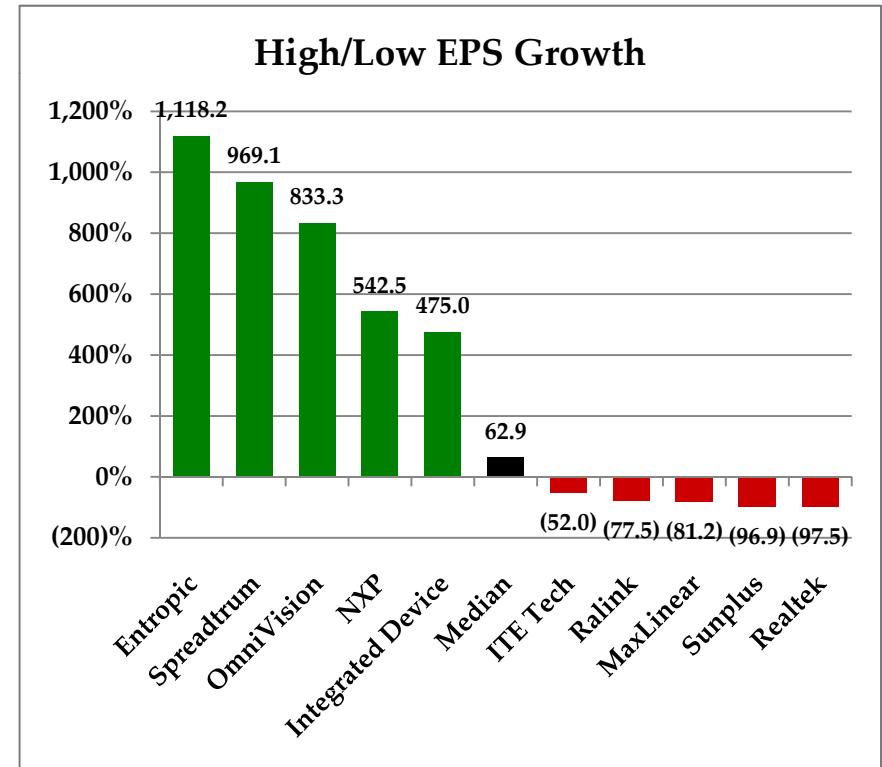
Operating Metrics – EPS Growth

- Strong median EPS growth continues with a median of 62.9% as revenue growth and improved margins deliver strong gains
- Entropic and Spreadtrum’s triple digit revenue growth translated to huge earnings growth with Omnivision not far behind, also driven by strong revenue growth
- NXP drove strong EPS growth as it’s focus on higher margin, growth products drove earnings
- A number of Semi providers continue to struggle to regain their footing following the economic downturn with further EPS contraction forecasted



Source: SagePoint Advisors & Capital IQ

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

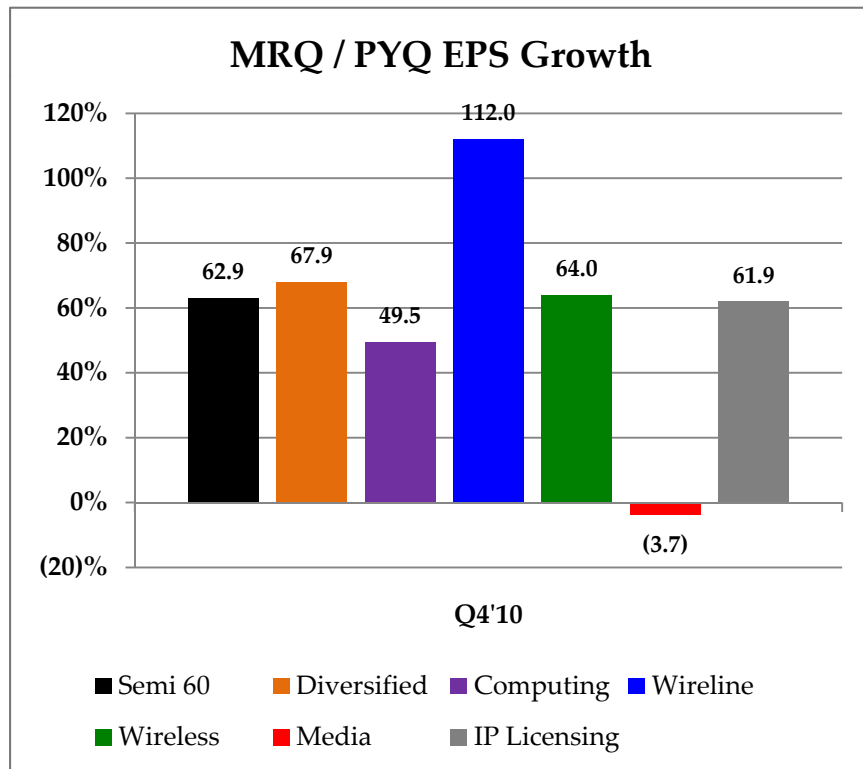


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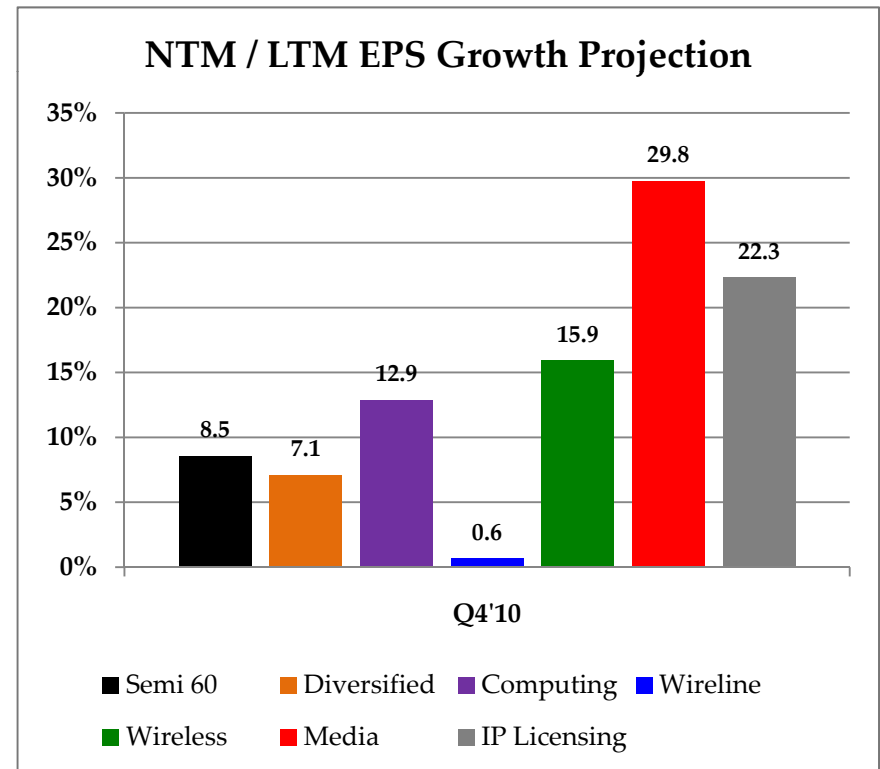
Operating Metrics – EPS Growth by Segment

- Wireline led with over 110% EPS growth with Diversified, Wireless and IP Licensing near the median with EPS growth in the 60s
 - Media EPS contracted again in Q4
- EPS growth is expected to continue over next twelve months though at a much slower pace
 - Media is expected to see an earnings rebound with growth of nearly 30%
 - Diversified is expected to slightly lag the median at 7.1%
 - Wireline projects basically flat EPS with just 0.6% growth



Source: SagePoint Advisors & Capital IQ

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

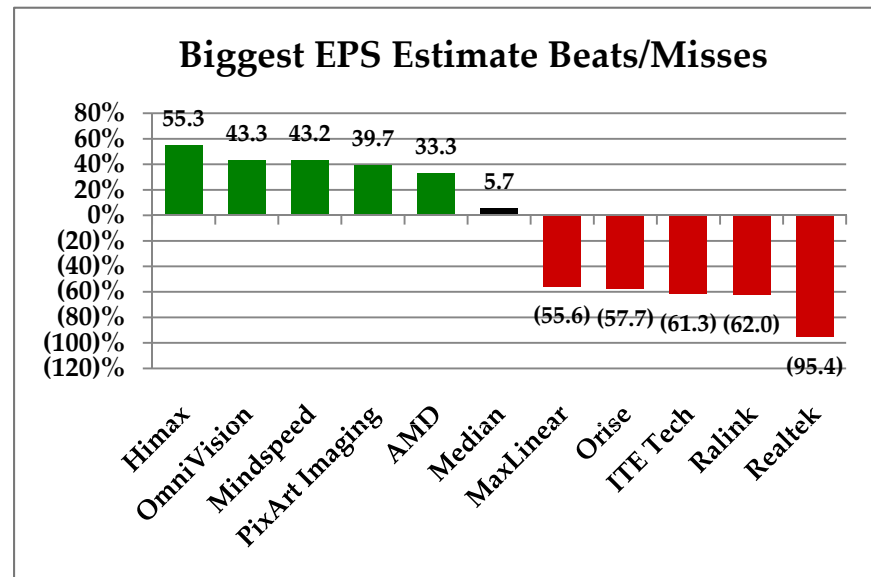
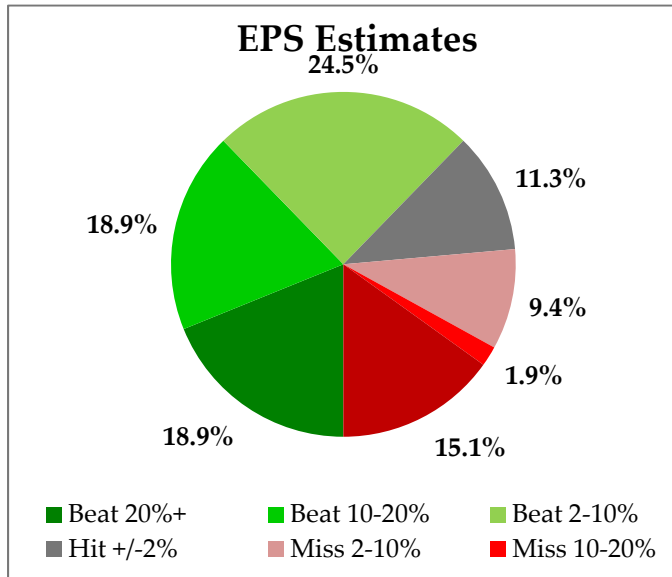
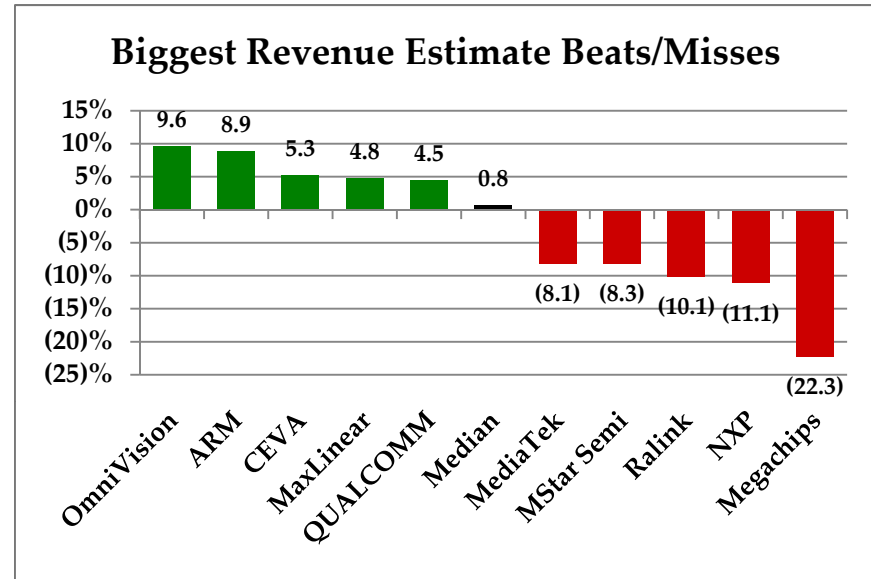
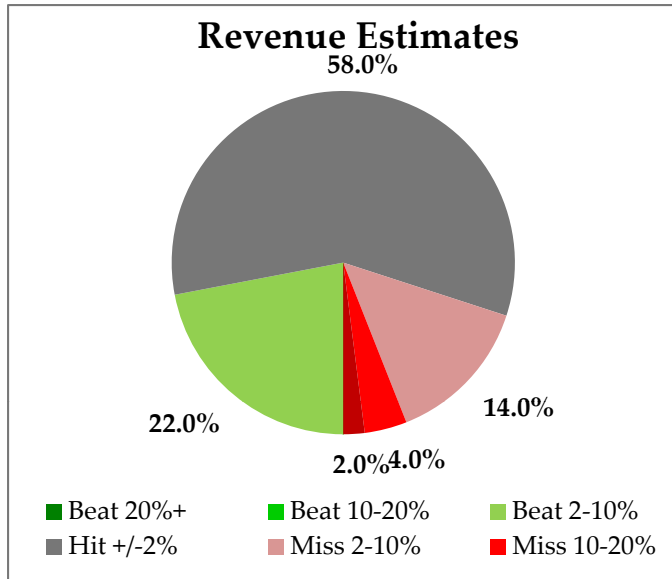


Source: SagePoint Advisors & Capital IQ

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

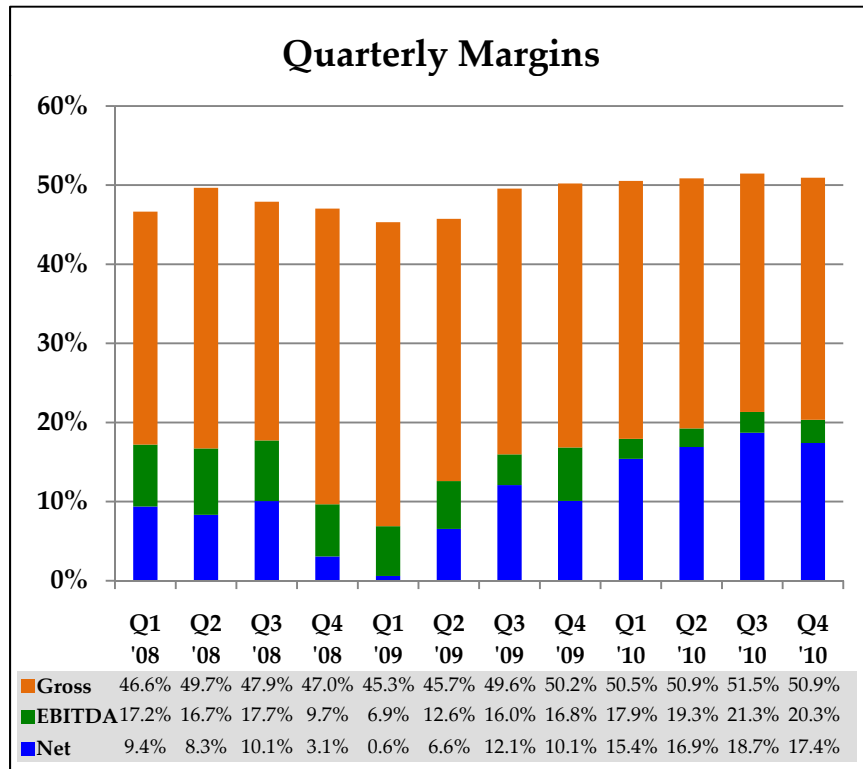
Q4 Performance Versus Analyst Estimates

- 80% of semis vendors met or beat revenue estimates and 74% met or beat EPS

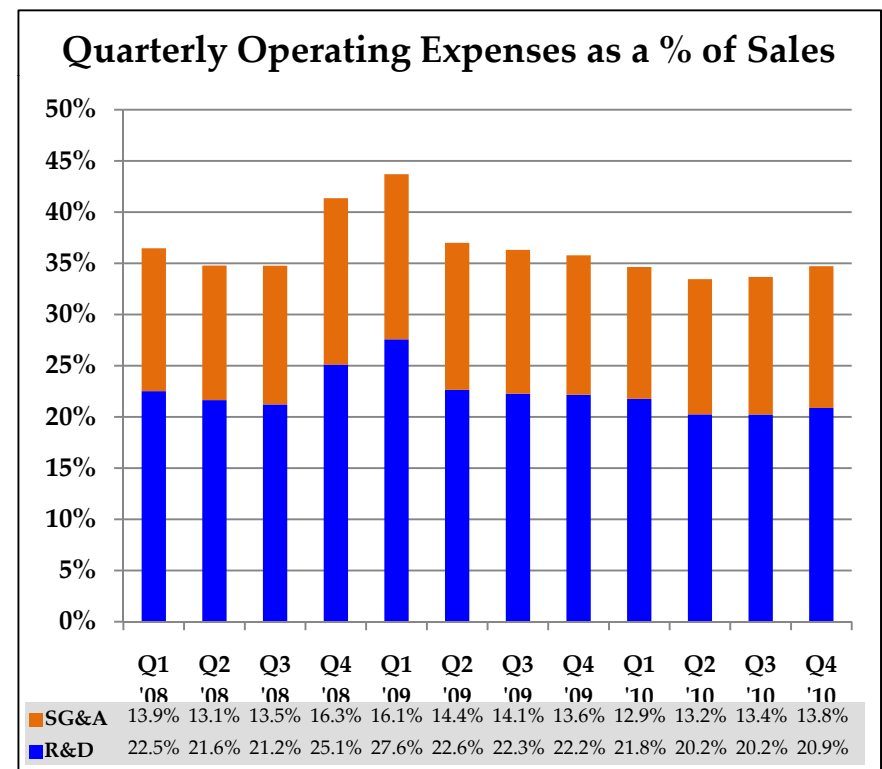


Quarterly Margin & Operating Expenses as a % of Sales Trends

- Median margins shrank slightly compared to Q3 but remain strong with gross margin, EBITDA and net margins all near their 3 year high
- R&D spending as a % of revenues increased for the first time since Q1'09 as companies push to accelerate roadmaps as prospects for customer spending on next-gen products improves
- SG&A as a % of revenue also increased compared to Q3



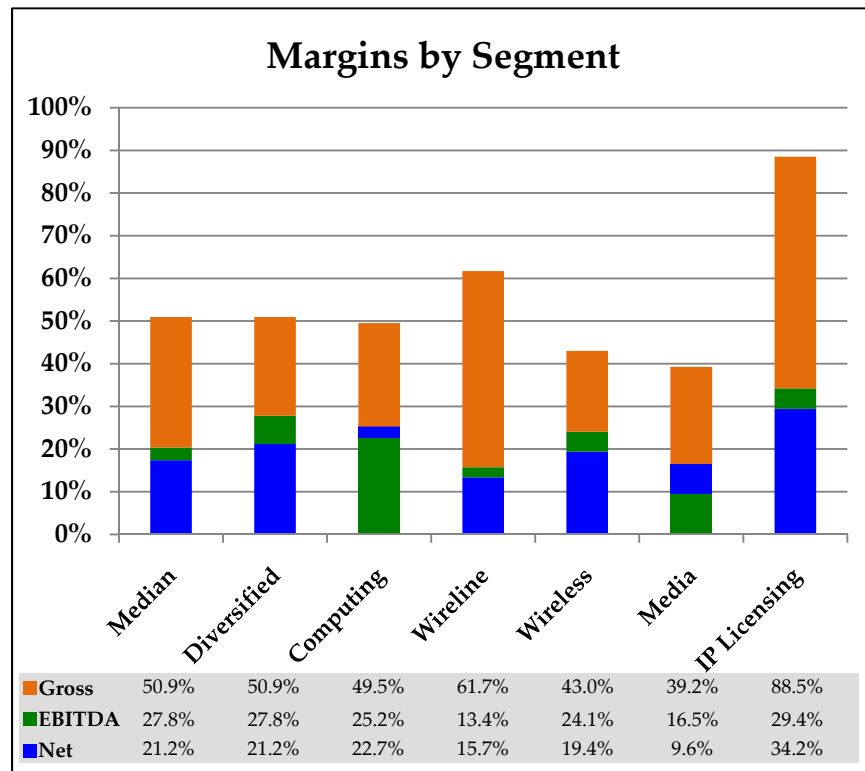
Source: SagePoint Advisors & Capital IQ



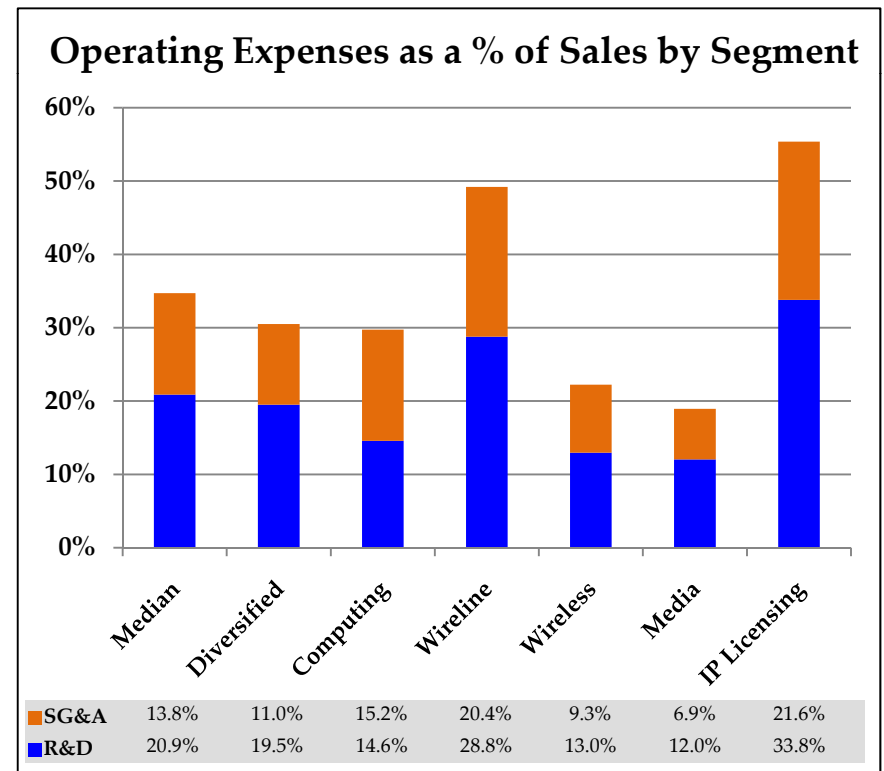
Source: SagePoint Advisors & Capital IQ

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



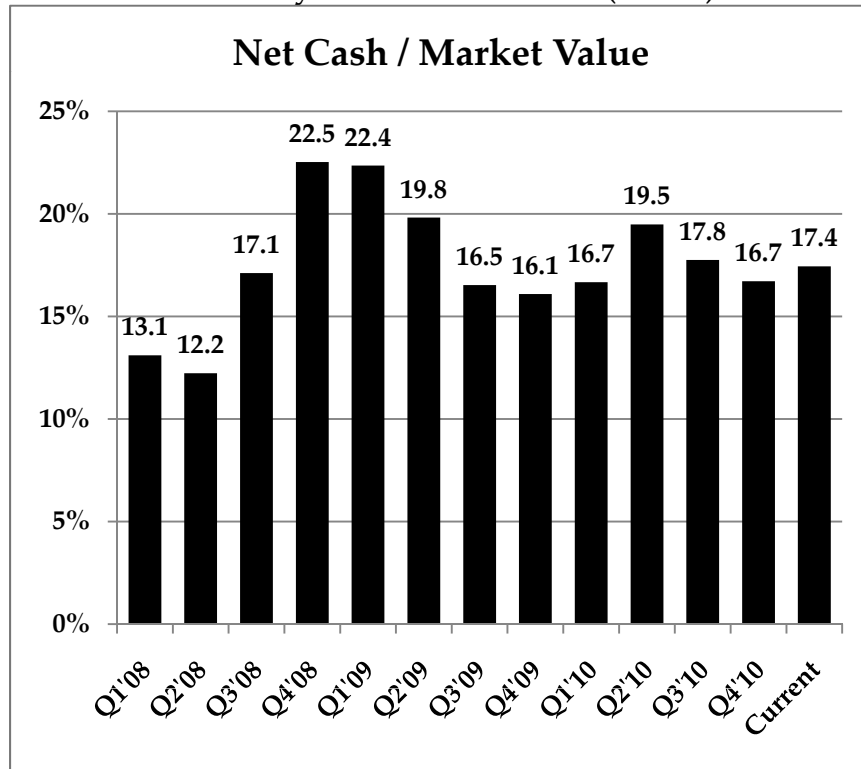
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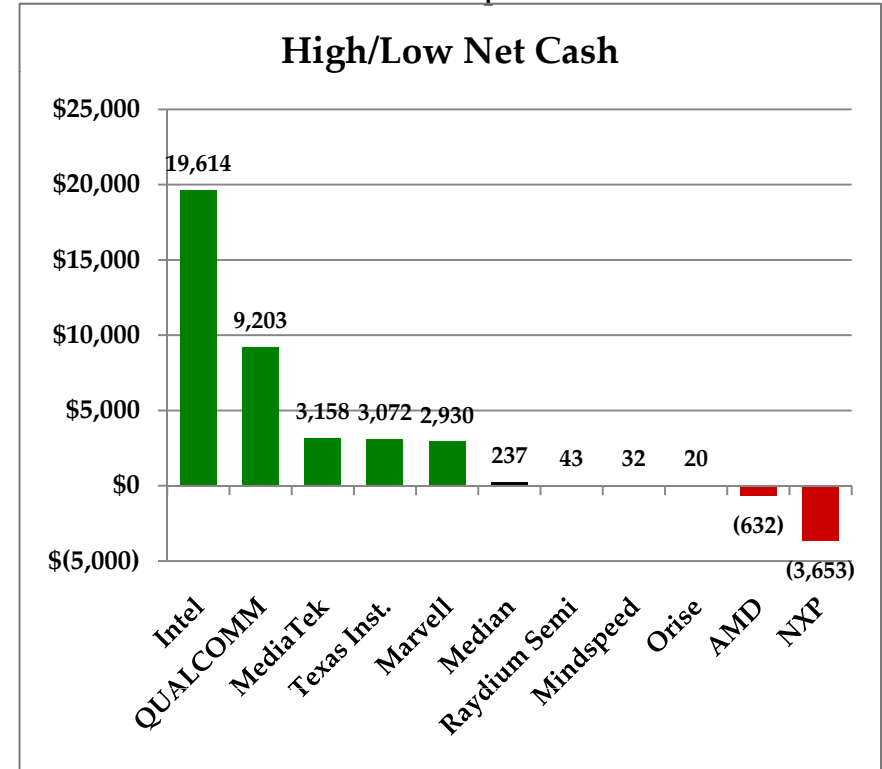
Source: SagePoint Advisors & Capital IQ

Balance Sheet Strength – Net Cash Position

- Median cash position relative to market cap has slid as valuations improve and some vendors (e.g., INTL, BRCM, QCOM) have been putting cash reserves to work through acquisitions
- 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 through 2011
- Intel, Qualcomm, 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
 - 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



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 9/30/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash /	Net Debt /	SG&A /	R&D /
	3/3/11	Cap	Value				LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS	Mkt Cap	EBITDA	Revenue	Revenue
Semiconductor 60																			
Semiconductor 60 Mean	7,516	6,585	1,222	293	21.2 %	3.5 x	3.1 x	17.1 x	10.9 x	21.7 x	19.6 x	(0.1)%	10.4 %	1.7 %	16.7%	(3.4) x	14.9 %	21.8 %	
Semiconductor 60 Median	1,770	1,595	300	0	15.0 %	2.4 x	2.0 x	10.4 x	8.6 x	16.8 x	15.3 x	0.8 %	5.2 %	5.7 %	17.4%	(2.2) x	13.8 %	20.9 %	
Diversified																			
Analog Devices	39.38	11,799	9,375	2,961	538	25.5 %	3.2 x	3.1 x	8.3 x	8.0 x	15.2 x	14.3 x	0.1 %	2.3 %	1.5 %	20.5%	(2.1) x	13.7 %	16.8 %
Avago	31.10	7,627	7,271	363	7	38.2 %	3.3 x	3.1 x	10.5 x	9.6 x	14.2 x	13.2 x	0.5 %	4.9 %	4.7 %	4.7%	(0.5) x	9.1 %	13.3 %
Broadcom	39.38	19,126	17,165	2,658	697	11.3 %	2.6 x	2.2 x	15.6 x	9.4 x	13.1 x	14.3 x	2.6 %	4.7 %	6.2 %	10.3%	(1.8) x	8.9 %	24.9 %
Infineon	10.26	11,150	9,387	2,268	504	48.6 %	2.4 x	1.7 x	8.4 x	5.9 x	16.8 x	13.5 x	(0.9)%	4.9 %	14.6 %	15.8%	(1.6) x	11.2 %	11.7 %
Marvell	15.55	9,849	6,920	2,930	1	(11.2)%	1.9 x	1.9 x	6.4 x	6.3 x	9.5 x	10.5 x	(2.7)%	(4.7)%	(3.1)%	29.7%	(2.7) x	7.4 %	25.7 %
Maxim	25.60	7,590	7,091	798	300	38.3 %	3.1 x	2.8 x	8.7 x	8.1 x	18.1 x	14.9 x	1.0 %	1.2 %	1.7 %	6.6%	(0.6) x	11.8 %	21.2 %
MediaTek	11.47	12,526	9,369	3,158	0	(18.4)%	2.6 x	2.8 x	8.6 x	12.2 x	12.9 x	19.4 x	(8.1)%	NA	(35.6)%	25.2%	(2.9) x	6.2 %	26.1 %
Realtek	1.79	857	598	259	0	(22.5)%	0.8 x	0.8 x	6.8 x	4.7 x	16.9 x	15.2 x	NA	NA	(95.4)%	30.2%	(3.0) x	14.8 %	17.8 %
STMicro	12.39	10,928	9,687	3,011	1,770	62.4 %	0.9 x	0.9 x	5.4 x	4.7 x	16.5 x	12.5 x	1.6 %	NA	7.0 %	11.4%	(0.7) x	11.0 %	21.3 %
Texas Inst.	34.56	40,401	37,329	3,072	0	27.3 %	2.7 x	2.6 x	7.0 x	7.0 x	13.7 x	13.1 x	0.6 %	(0.0)%	0.5 %	7.6%	(0.6) x	11.0 %	11.1 %
Mean	13,185	11,419	2,148	382	20.0 %	2.4 x	2.2 x	8.6 x	7.6 x	14.7 x	14.1 x	(0.6)%	1.9 %	(9.8)%	16.2%	(1.6) x	10.5 %	19.0 %	
Median	11,039	9,372	2,794	154	26.4 %	2.6 x	2.4 x	8.3 x	7.5 x	14.7 x	13.9 x	0.5 %	2.3 %	1.6 %	13.6%	(1.7) x	11.0 %	19.5 %	

(\$ 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
Semiconductor 60																		
Semiconductor 60 Mean	662	2,542	2,900	218	833	997	0.27	0.99	1.10	24.1%	95.6%	147.4%	14.4%	36.7%	16.9%	52.5 %	21.4 %	18.2 %
Semiconductor 60 Median	147	591	660	28	88	189	0.19	0.71	0.80	21.8%	28.6%	62.9%	11.6%	23.6%	8.5%	50.9 %	20.3 %	17.4 %
Diversified																		
Analog Devices	729	2,887.0	3,030.6	289	1,130.1	1,171.5	0.66	2.59	2.75	20.8%	47.1%	69.2%	5.0%	3.7%	6.2%	66.2 %	39.7 %	28.0 %
Avago	550	2,187.0	2,330.4	183	694.0	758.8	0.55	2.19	2.36	20.6%	55.1%	243.8%	6.6%	9.3%	7.9%	51.8 %	33.3 %	25.0 %
Broadcom	1,894	6,611.0	7,844.2	335	1,097.2	1,828.2	0.80	3.00	2.75	46.7%	159.5%	66.7%	18.7%	66.6%	(8.2)%	50.0 %	17.7 %	24.0 %
Infineon	1,236	3,926.5	5,415.8	338	1,123.6	1,578.8	0.17	0.61	0.76	25.6%	62.6%	302.7%	37.9%	40.5%	24.2%	41.6 %	27.3 %	16.4 %
Marvell	901	3,611.9	3,714.5	255	1,076.7	1,099.4	0.40	1.63	1.48	6.9%	(2.4)%	31.1%	2.8%	2.1%	(9.5)%	58.7 %	28.3 %	30.2 %
Maxim	613	2,313.9	2,510.2	219	811.7	879.8	0.42	1.41	1.71	29.4%	45.0%	122.1%	8.5%	8.4%	21.4%	62.0 %	35.7 %	20.9 %
MediaTek	778	3,636.6	3,290.2	157	1,083.8	769.7	0.12	0.89	0.59	(14.5)%	(46.6)%	(51.4)%	(9.5)%	(29.0)%	(33.5)%	49.2 %	20.2 %	16.9 %
Realtek	162	714.4	777.3	13	87.5	128.4	0.00	0.11	0.12	(1.7)%	(39.6)%	(97.5)%	8.8%	46.8%	11.4%	35.9 %	7.8 %	0.2 %
STMicro	2,833	10,346.0	11,248.3	539	1,785.0	2,052.1	0.27	0.75	0.99	9.7%	23.9%	435.2%	8.7%	15.0%	32.5%	39.9 %	19.0 %	8.7 %
Texas Inst.	3,525	13,966.0	14,406.0	1,328	5,318.0	5,323.2	0.64	2.53	2.63	17.3%	19.6%	21.6%	3.2%	0.1%	4.2%	53.0 %	37.7 %	21.5 %
Mean	1,322	5,020	5,457	366	1,421	1,559	0.40	1.57	1.61	16.1%	32.4%	114.3%	9.1%	16.3%	5.7%	50.8 %	26.7 %	19.2 %
Median	839	3,624	3,502	272	1,090	1,135	0.41	1.52	1.59	19.0%	34.5%	67.9%	7.5%	8.9%	7.1%	50.9 %	27.8 %	21.2 %

Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price 3/31/11	Market Cap	Enterprise Value	Cash	Debt	% Change 9/30/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash / Mkt Cap	Net Debt / EBITDA	SG&A / Revenue	R & D / Revenue
							LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS				
Computing																			
AMD	8.60	5,904	6,536	1,789	2,421	21.0 %	1.0 x	1.0 x	6.9 x	7.3 x	18.7 x	16.8 x	1.2 %	8.6 %	33.3 %	(10.7)%	0.7 x	15.2 %	21.3 %
Atmel	13.63	6,227	5,710	521	4	71.2 %	3.5 x	2.9 x	19.5 x	11.2 x	26.4 x	18.1 x	NA	12.7 %	30.8 %	8.3%	(1.8) x	15.2 %	13.1 %
Intel	20.18	110,748	91,134	21,885	2,271	5.1 %	2.1 x	1.8 x	4.5 x	4.4 x	9.8 x	10.0 x	0.7 %	2.1 %	11.3 %	17.7%	(1.0) x	14.9 %	14.6 %
Microchip	38.01	7,162	6,316	1,191	346	20.9 %	4.6 x	4.1 x	11.6 x	10.6 x	18.5 x	16.3 x	1.7 %	12.3 %	5.7 %	11.8%	(1.6) x	15.3 %	11.5 %
NVIDIA	18.46	10,986	8,519	2,491	23	58.0 %	2.4 x	2.1 x	21.4 x	9.2 x	28.8 x	17.9 x	(1.1)%	(0.6)%	4.3 %	22.5%	(6.2) x	9.9 %	24.3 %
Mean		28,205	23,643	5,575	1,013	35.2 %	2.7 x	2.4 x	12.8 x	8.5 x	20.4 x	15.8 x	0.6 %	7.0 %	17.1 %	9.9%	(2.0) x	14.1 %	17.0 %
Median		7,162	6,536	1,789	346	21.0 %	2.4 x	2.1 x	11.6 x	9.2 x	18.7 x	16.8 x	1.0 %	8.6 %	11.3 %	11.8%	(1.6) x	15.2 %	14.6 %

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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
Computing																		
AMD	1,649	6,494.0	6,733.8	219	944.0	890.6	0.14	0.46	0.51	NA	NA	NA	3.7%	(5.7)%	11.3%	45.1 %	13.3 %	6.4 %
Atmel	458	1,644.1	1,940.1	116	293.6	507.8	0.22	0.52	0.75	33.2%	250.0%	222.8%	18.0%	73.0%	46.1%	49.5 %	25.2 %	22.7 %
Intel	11,457	43,623.0	49,555.9	5,229	20,226.0	20,762.9	0.59	2.05	2.03	8.4%	4.4%	47.6%	13.6%	2.7%	(1.2)%	64.6 %	45.6 %	29.3 %
Microchip	368	1,385.2	1,551.1	145	542.5	596.6	0.56	2.06	2.33	47.1%	50.2%	51.4%	12.0%	10.0%	12.9%	58.8 %	39.5 %	29.9 %
NVIDIA	886	3,543.3	4,082.4	169	398.4	927.5	0.23	0.64	1.03	(9.8)%	(7.1)%	2.3%	15.2%	132.8%	60.8%	48.1 %	19.1 %	15.6 %
Mean	2,964	11,338	12,773	1,176	4,481	4,737	0.35	1.15	1.33	19.7%	74.4%	81.0%	12.5%	42.5%	26.0%	53.2 %	28.6 %	20.8 %
Median	886	3,543	4,082	169	542	891	0.23	0.64	1.03	20.8%	27.3%	49.5%	13.6%	10.0%	12.9%	49.5 %	25.2 %	22.7 %

Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price 3/31/11	Market Cap	Enterprise Value	Cash	Debt	% Change 9/30/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash / Mkt Cap	Net Debt / EBITDA	SG&A / Revenue	R&D / Revenue
							LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS				
Wireline																			
AMCC	10.38	672	482	191	0	3.8 %	2.0 x	1.9 x	26.5 x	10.7 x	22.1 x	26.0 x	1.0 %	(34.4)%	15.4 %	28.3%	(10.5) x	20.4 %	46.0 %
Cavium	44.93	2,114	2,035	91	11	56.2 %	9.9 x	7.0 x	71.8 x	29.2 x	51.1 x	35.8 x	1.9 %	30.3 %	7.2 %	3.8%	(2.8) x	21.2 %	26.6 %
Emulex	10.67	934	755	179	0	2.2 %	1.8 x	1.6 x	20.0 x	9.5 x	17.5 x	18.0 x	0.4 %	(6.0)%	19.6 %	19.1%	(4.7) x	29.8 %	36.6 %
Entropic	8.45	721	575	146	0	(12.0)%	2.7 x	2.0 x	15.6 x	6.8 x	15.6 x	10.3 x	3.6 %	11.7 %	4.6 %	20.3%	(4.0) x	11.3 %	18.4 %
EZchip	29.65	745	643	101	0	17.4 %	10.4 x	9.4 x	27.2 x	30.6 x	28.7 x	27.2 x	1.1 %	25.8 %	(1.4)%	13.6%	(4.3) x	15.3 %	20.9 %
Gennum	8.08	287	234	53	0	22.7 %	1.8 x	1.7 x	7.0 x	6.0 x	15.0 x	13.8 x	(1.2)%	23.0 %	4.2 %	18.4%	(1.6) x	24.1 %	27.4 %
Inphi	21.01	534	424	110	0	NA	5.1 x	4.0 x	31.3 x	16.8 x	52.5 x	42.5 x	0.8 %	36.4 %	10.1 %	20.6%	(8.1) x	22.2 %	32.5 %
Integrated Device	7.38	1,113	805	308	0	26.1 %	1.3 x	1.3 x	8.9 x	8.3 x	12.9 x	14.1 x	0.1 %	NA	8.1 %	27.7%	(3.4) x	17.7 %	30.1 %
ITE Tech	1.63	331	244	87	0	(19.0)%	1.8 x	1.7 x	17.5 x	NA	34.8 x	27.3 x	NA	NA	(61.3)%	26.2%	(6.2) x	14.0 %	18.2 %
LSI	6.80	4,207	3,530	677	0	49.5 %	1.5 x	1.4 x	10.1 x	7.8 x	13.1 x	13.4 x	2.2 %	4.2 %	15.3 %	16.1%	(1.9) x	12.9 %	24.9 %
Mellanox	25.23	875	626	250	0	28.5 %	4.0 x	2.5 x	21.4 x	14.4 x	25.0 x	26.4 x	2.2 %	40.0 %	27.3 %	28.5%	(8.5) x	24.4 %	38.2 %
Mindspeed	8.46	275	244	46	14	8.9 %	1.3 x	1.5 x	7.4 x	15.7 x	9.0 x	32.3 x	0.1 %	12.7 %	43.2 %	11.5%	(1.0) x	25.2 %	34.3 %
Nationz	6.88	1,871	1,490	382	1	(4.2)%	14.3 x	10.0 x	84.1 x	NA	63.3 x	48.6 x	NA	NA	NA	20.4%	(21.5) x	43.2 %	NA
NetLogic	42.02	2,843	2,594	256	7	52.4 %	6.8 x	6.1 x	36.7 x	19.2 x	27.3 x	27.1 x	0.3 %	54.7 %	24.9 %	8.8%	(3.5) x	19.2 %	35.1 %
PMC-Sierra	7.51	1,763	1,657	348	243	2.0 %	2.6 x	2.4 x	9.7 x	8.8 x	10.7 x	12.2 x	1.2 %	(12.0)%	(8.6)%	6.0%	(0.6) x	16.5 %	32.4 %
QLogic	18.55	1,955	1,612	343	0	5.2 %	2.7 x	2.6 x	9.3 x	7.4 x	12.8 x	12.6 x	0.1 %	0.5 %	9.5 %	17.6%	(2.0) x	18.7 %	21.3 %
SMSC	24.66	564	416	158	10	8.1 %	1.1 x	0.9 x	8.4 x	5.3 x	16.0 x	16.5 x	1.5 %	10.1 %	23.0 %	26.2%	(3.0) x	30.9 %	27.0 %
Mean		1,283	1,080	219	17	15.5 %	4.2 x	3.4 x	24.3 x	13.1 x	25.1 x	23.8 x	1.0 %	14.1 %	8.8 %	18.4%	(5.2) x	21.6 %	29.4 %
Median		875	643	179	0	8.5 %	2.6 x	2.0 x	17.5 x	9.5 x	17.5 x	26.0 x	1.0 %	12.2 %	9.8 %	19.1%	(3.5) x	20.4 %	28.8 %

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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
Wireline																		
AMCC	62	246.7	255.3	2	18.1	45.0	0.10	0.47	0.40	16.1%	278.9%	350.0%	3.5%	148.0%	(14.9)%	61.7 %	3.4 %	10.4 %
Cavium	60	206.5	290.9	13	28.3	69.7	0.29	0.88	1.26	86.1%	1,062.7%	362.8%	40.8%	146.2%	42.7%	62.7 %	22.1 %	24.1 %
Emulex	114	422.4	484.1	1	37.7	79.9	0.15	0.61	0.59	5.3%	(96.5)%	37.1%	14.6%	112.0%	(3.0)%	54.7 %	0.5 %	11.4 %
Entropic	71	210.2	293.6	18	36.9	83.9	0.22	0.54	0.82	101.8%	946.4%	1,118.2%	39.6%	127.2%	51.4%	53.7 %	25.6 %	27.4 %
EZchip	17	62.0	68.2	7	23.6	21.0	0.29	1.03	1.09	33.1%	76.2%	31.8%	10.0%	(11.2)%	5.4%	74.0 %	39.2 %	45.9 %
Gennum	33	128.9	140.4	9	33.7	39.1	0.15	0.54	0.59	32.5%	58.3%	275.0%	8.9%	16.0%	8.5%	75.2 %	28.6 %	15.7 %
Inphi	21	83.2	105.4	3	13.5	25.2	0.10	0.40	0.49	23.2%	(17.3)%	NM	26.7%	86.2%	23.7%	65.2 %	12.8 %	11.8 %
Integrated Device	153	616.4	634.3	15	90.4	97.0	0.15	0.57	0.52	7.5%	(4.6)%	475.0%	2.9%	7.3%	(8.1)%	53.9 %	10.1 %	15.0 %
ITE Tech	32	133.1	147.8	2	14.0	NA	0.01	0.05	0.06	8.8%	NA	(52.0)%	11.1%	NA	27.6%	35.8 %	7.0 %	3.7 %
LSI	664	2,405.5	2,598.2	98	348.0	450.0	0.14	0.52	0.51	4.2%	(5.8)%	7.7%	8.0%	29.3%	(2.4)%	43.0 %	14.8 %	13.0 %
Mellanox	41	154.6	253.8	5	29.2	43.5	0.21	1.01	0.96	14.5%	(29.2)%	63.6%	64.1%	48.9%	(5.3)%	71.8 %	13.4 %	17.6 %
Mindspeed	41	181.7	166.7	4	33.0	15.5	0.09	0.94	0.26	9.5%	40.8%	NM	(8.3)%	(53.0)%	(72.1)%	64.8 %	9.6 %	7.3 %
Nationz	24	104.3	148.7	(1)	17.7	NA	0.02	0.11	0.14	(4.5)%	(116.7)%	(42.2)%	42.5%	NA	30.2%	39.8 %	(2.8)%	20.0 %
NetLogic	100	381.7	426.1	21	70.6	135.0	0.45	1.54	1.55	44.5%	504.3%	163.6%	11.6%	91.1%	0.6%	61.6 %	21.4 %	29.2 %
PMC-Sierra	159	635.1	685.8	36	170.1	189.3	0.13	0.70	0.62	14.2%	(10.1)%	117.5%	8.0%	11.3%	(12.1)%	68.1 %	22.5 %	19.3 %
QLogic	156	590.6	628.4	49	173.3	216.4	0.53	1.45	1.48	4.5%	10.2%	112.0%	6.4%	24.9%	1.7%	66.0 %	31.4 %	36.5 %
SMSC	107	391.3	441.6	0	49.7	79.1	0.52	1.54	1.50	22.7%	(98.0)%	73.3%	12.9%	59.2%	(2.8)%	52.1 %	0.3 %	11.0 %
Mean	109	409	457	17	70	106	0.21	0.76	0.75	24.9%	162.5%	206.2%	17.8%	56.2%	4.2%	59.1 %	15.3 %	18.8 %
Median	62	210	291	7	34	79	0.15	0.61	0.59	14.5%	2.8%	112.0%	11.1%	48.9%	0.6%	61.7 %	13.4 %	15.7 %

Financial Metrics

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Company Name	Stock Price 3/31/11	Market Cap	Enterprise Value	Cash	Debt	% Change 9/30/10	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
Wireless																			
CSR	5.93	1,000	560	440	0	5.2 %	0.7 x	0.6 x	6.5 x	3.8 x	19.1 x	5.2 x	3.8 %	(20.7)%	25.4 %	44.0%	(5.1) x	17.9 %	27.4 %
Hittite Micro	63.77	1,993	1,698	295	0	33.8 %	6.9 x	6.1 x	13.3 x	12.6 x	24.9 x	23.3 x	(0.5)%	2.4 %	0.4 %	14.8%	(2.3) x	12.7 %	12.8 %
QUALCOMM	54.83	90,127	80,924	10,509	1,306	21.5 %	6.9 x	5.6 x	18.9 x	13.0 x	20.6 x	18.0 x	4.5 %	16.3 %	14.1 %	10.2%	(2.1) x	12.7 %	19.8 %
Ralink	3.19	558	356	201	0	(22.7)%	1.5 x	1.1 x	9.6 x	8.5 x	14.8 x	15.6 x	(10.1)%	NA	(62.0)%	36.1%	(5.4) x	14.5 %	19.6 %
RDA Micro	14.32	608	502	106	0	NA	2.6 x	1.9 x	23.0 x	9.7 x	15.9 x	13.4 x	NA	NA	NA	17.4%	(4.9) x	6.0 %	15.3 %
RF Micro	6.41	1,770	1,678	304	213	4.4 %	1.5 x	1.7 x	6.9 x	7.7 x	9.4 x	12.6 x	(2.5)%	(2.0)%	4.9 %	5.2%	(0.4) x	9.2 %	12.2 %
Skyworks	32.40	6,043	5,618	450	25	56.7 %	4.8 x	4.0 x	19.4 x	13.6 x	22.5 x	18.1 x	1.8 %	10.3 %	1.9 %	7.0%	(1.5) x	9.3 %	11.5 %
Spreadtrum	18.55	867	705	207	45	53.8 %	2.0 x	1.3 x	8.1 x	6.0 x	13.6 x	9.7 x	3.4 %	NA	13.2 %	18.6%	(1.9) x	5.2 %	11.9 %
TriQuint	12.91	2,100	1,877	224	0	34.5 %	2.1 x	1.8 x	10.4 x	8.0 x	15.6 x	13.5 x	1.0 %	5.5 %	(7.4)%	10.6%	(1.2) x	7.6 %	13.0 %
Mean		11,674	10,435	1,415	177	23.4 %	3.3 x	2.7 x	12.9 x	9.2 x	17.4 x	14.4 x	0.2 %	2.0 %	(1.2)%	18.2%	(2.8) x	10.6 %	15.9 %
Median		1,770	1,678	295	0	27.7 %	2.1 x	1.8 x	10.4 x	8.5 x	15.9 x	13.5 x	1.4 %	4.0 %	3.4 %	14.8%	(2.1) x	9.3 %	13.0 %

(\$ 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
Wireless																		
CSR	185	800.6	876.0	6	86.0	147.0	0.07	0.31	1.14	(6.7)%	(80.1)%	(40.2)%	9.4%	70.8%	267.7%	48.7 %	3.3 %	6.6 %
Hittite Micro	66	244.3	279.6	35	127.7	134.5	0.69	2.56	2.74	50.2%	59.0%	53.4%	14.5%	5.3%	6.9%	74.5 %	52.6 %	32.0 %
QUALCOMM	3,348	11,669.0	14,393.8	1,377	4,285.0	6,201.7	0.82	2.66	3.04	25.4%	32.3%	64.0%	23.4%	44.7%	14.3%	67.6 %	41.1 %	40.4 %
Ralink	62	236.0	327.1	8	37.1	41.8	0.01	0.22	0.21	23.7%	26.0%	(77.5)%	38.6%	12.5%	(5.1)%	37.5 %	13.0 %	3.4 %
RDA Micro	57	191.2	265.7	6	21.9	52.0	0.07	0.90	1.07	58.6%	22.0%	20.9%	39.0%	137.8%	18.5%	31.3 %	10.3 %	2.5 %
RF Micro	279	1,099.3	988.1	67	244.8	217.6	0.19	0.68	0.51	11.4%	8.9%	115.3%	(10.1)%	(11.1)%	(25.2)%	37.0 %	23.9 %	19.4 %
Skyworks	335	1,161.8	1,395.7	93	289.0	414.1	0.45	1.44	1.79	36.7%	68.5%	181.3%	20.1%	43.3%	24.3%	44.3 %	27.6 %	25.3 %
Spreadtrum	127	346.3	553.0	35	86.6	117.1	0.56	1.36	1.92	199.5%	691.9%	969.1%	59.7%	35.2%	41.2%	43.0 %	27.9 %	23.8 %
TriQuint	253	878.7	1,023.4	61	181.1	233.5	0.25	0.83	0.96	31.1%	91.1%	116.1%	16.5%	28.9%	15.9%	39.0 %	24.1 %	16.8 %
Mean	524	1,847	2,234	187	595	840	0.35	1.22	1.48	47.8%	102.2%	155.8%	23.4%	40.8%	39.8%	47.0 %	24.9 %	18.9 %
Median	185	801	876	35	128	147	0.25	0.90	1.14	31.1%	32.3%	64.0%	20.1%	35.2%	15.9%	43.0 %	24.1 %	19.4 %

Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price 3/3/11	Market Cap	Enterprise Value			% Change 9/30/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash / Mkt Cap	Net Debt / EBITDA	SG&A / Revenue	R & D / Revenue
			Cash	Debt			LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS				
Media																			
Ali Corp.	1.23	375	226	149	0	(23.1)%	1.7 x	NA	6.9 x	NA	12.3 x	NA	NA	NA	NA	39.8%	(4.6) x	14.7 %	20.4 %
Himax	2.37	419	371	105	57	(4.4)%	0.6 x	0.5 x	7.4 x	6.1 x	10.3 x	11.0 x	1.3 %	42.2 %	55.3 %	11.6%	(1.0) x	0.3 %	12.0 %
MaxLinear	8.17	261	167	94	0	(27.2)%	2.4 x	2.0 x	31.0 x	16.4 x	54.5 x	32.2 x	4.8 %	NA	(55.6)%	36.2%	(17.6) x	25.7 %	46.8 %
Megachips	17.91	430	371	59	0	6.9 %	1.0 x	0.8 x	12.3 x	7.0 x	18.2 x	13.4 x	(22.3)%	NA	NA	13.6%	(1.9) x	5.8 %	3.7 %
Micron	11.47	11,439	10,844	2,411	1,816	59.1 %	1.2 x	1.1 x	2.9 x	3.2 x	9.0 x	10.5 x	(4.3)%	11.4 %	(47.7)%	5.2%	(0.2) x	6.2 %	8.2 %
MStar Semi	8.18	NA	NA	865	32	NA	NA	NA	NA	NA	NA	14.2 x	(8.3)%	NA	(4.0)%	NA	NA	10.4 %	15.0 %
Novatek	2.94	1,760	1,474	557	271	3.7 %	1.3 x	1.1 x	8.6 x	7.0 x	12.4 x	10.0 x	(2.1)%	NA	(14.1)%	16.3%	(1.7) x	3.6 %	9.5 %
NVIDIA	18.46	10,986	8,519	2,491	23	58.0 %	2.4 x	2.1 x	21.4 x	9.2 x	28.8 x	17.9 x	(1.1)%	(0.6)%	4.3 %	22.5%	(6.2) x	9.9 %	24.3 %
NXP	29.97	7,514	11,167	898	4,551	141.8 %	2.4 x	2.5 x	10.5 x	8.2 x	35.6 x	12.5 x	(11.1)%	(3.4)%	(21.7)%	(48.6)%	3.4 x	18.9 %	12.9 %
OmniVision	35.53	2,045	1,595	501	51	54.2 %	1.9 x	1.4 x	14.0 x	7.3 x	17.9 x	12.6 x	9.6 %	29.5 %	43.3 %	22.0%	(4.0) x	5.8 %	8.7 %
Orise	1.95	266	246	20	0	(10.1)%	1.4 x	1.1 x	11.9 x	10.0 x	17.9 x	10.8 x	(3.3)%	NA	(57.7)%	7.6%	(1.0) x	2.4 %	8.3 %
PixArt Imaging	4.11	537	341	196	0	(16.2)%	2.3 x	2.7 x	10.4 x	12.9 x	18.1 x	21.5 x	(8.6)%	NA	14.5 %	36.5%	(6.0) x	8.4 %	11.6 %
Raydium Semi	5.09	331	287	43	0	(1.5)%	1.0 x	NA	5.0 x	NA	7.2 x	NA	NA	NA	NA	13.1%	(0.7) x	2.6 %	6.0 %
Sigma Designs	12.95	410	290	120	0	12.7 %	1.0 x	1.1 x	7.1 x	12.3 x	10.1 x	16.4 x	0.4 %	55.4 %	2.9 %	29.3%	(3.0) x	19.0 %	28.6 %
Sunplus	0.63	371	182	246	57	(18.8)%	0.4 x	0.9 x	3.6 x	11.9 x	15.4 x	50.0 x	NA	NA	NA	50.9%	(3.7) x	6.9 %	39.3 %
Mean		2,653	2,577	584	457	16.8 %	1.5 x	1.4 x	10.9 x	9.3 x	19.1 x	17.9 x	(3.8)%	22.4 %	(7.3)%	18.3%	(3.4) x	9.4 %	17.0 %
Median		425	356	196	23	1.1 %	1.3 x	1.1 x	9.5 x	8.7 x	16.6 x	13.4 x	(2.7)%	20.5 %	(4.0)%	19.1%	(2.5) x	6.9 %	12.0 %

(\$ in millions, except per share data)

Company Name	Revenue			EBITDA			EPS			MRQ/PYO 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.	29	133.2	NA	7	32.6	NA	0.02	0.10	NA	(30.5)%	(2.1)%	(19.5)%	NA	NA	NA	56.0 %	25.0 %	19.9 %	
Himax	141	642.7	690.1	16	50.1	61.0	0.07	0.23	0.22	(21.0)%	7.2%	16.2%	7.4%	21.8%	(6.4)%	21.5 %	11.4 %	8.8 %	
MaxLinear	16	68.7	84.5	(0)	5.4	10.2	0.01	0.15	0.25	4.4%	(122.4)%	(81.2)%	23.1%	88.9%	69.3%	65.7 %	(3.1)%	2.1 %	
Megachips	115	369.9	490.3	11	30.2	53.2	0.46	0.99	1.33	8.7%	54.4%	62.9%	32.6%	76.2%	35.1%	18.3 %	9.2 %	9.6 %	
Micron	2,252	8,994.0	10,040.3	914	3,783.0	3,423.8	0.15	1.27	1.09	29.4%	28.6%	(33.9)%	11.6%	(9.5)%	(14.3)%	23.3 %	40.6 %	6.9 %	
MStar Semi	279	NA	1,392.9	46	NA	314.7	0.12	NA	0.57	NA	NA	NA	NA	NM	NA	41.5 %	16.5 %	19.3 %	
Novatek	300	1,167.9	1,400.8	39	171.6	209.9	0.05	0.24	0.29	30.3%	7.7%	(9.6)%	19.9%	22.4%	24.6%	25.1 %	12.9 %	10.2 %	
NVIDIA	886	3,543.3	4,082.4	169	398.4	927.5	0.23	0.64	1.03	(9.8)%	(7.1)%	2.3%	15.2%	132.8%	60.8%	48.1 %	19.1 %	15.6 %	
NXP	1,078	4,657.0	4,416.0	300	1,062.0	1,366.7	0.37	0.84	2.39	NA	NA	542.5%	(5.2)%	28.7%	184.3%	42.4 %	27.8 %	9.6 %	
OmniVision	266	855.4	1,120.1	46	113.7	217.9	0.84	1.99	2.82	69.3%	452.2%	833.3%	30.9%	91.7%	41.9%	29.8 %	17.3 %	19.0 %	
Orise	45	179.2	228.6	4	20.6	24.7	0.01	0.11	0.18	26.0%	75.0%	(14.4)%	27.6%	19.8%	65.7%	18.9 %	8.9 %	3.7 %	
PixArt Imaging	38	146.1	125.4	8	32.9	26.4	0.05	0.23	0.19	NA	NA	NA	(14.2)%	(19.5)%	(15.7)%	39.2 %	20.4 %	9.5 %	
Raydium Semi	75	300.7	NA	14	58.0	NA	0.19	0.71	NA	NA	NA	NA	NA	NA	NA	27.3 %	19.1 %	17.2 %	
Sigma Designs	71	286.9	268.9	8	40.6	23.6	0.32	1.28	0.79	3.7%	162.7%	465.6%	(6.3)%	(41.9)%	(38.3)%	49.4 %	11.9 %	14.5 %	
Sunplus	90	409.6	198.3	7	50.5	15.4	0.00	0.04	0.01	(37.2)%	(35.7)%	(96.9)%	(51.6)%	(69.6)%	(69.2)%	45.6 %	7.7 %	0.5 %	
Mean		379	1,554	1,888	106	418	513	0.19	0.63	0.86	6.7%	56.4%	139.0%	7.6%	28.5%	28.2%	36.8 %	16.3 %	11.1 %
Median		115	390	690	14	50	61	0.12	0.44	0.57	4.4%	7.7%	(3.7)%	13.4%	22.1%	29.8%	39.2 %	16.5 %	9.6 %

Financial Metrics

(\$ in millions, except per share data)

Company Name	Stock Price 3/31/11	Market Cap	Enterprise Value	Cash	Debt	% Change 9/30/10	Ent. Value/Rev.		Ent. Value/EBITDA		Price/EPS		Estimate Surprise			Net Cash / Mkt Cap	Net Debt / EBITDA	SG&A / Revenue	R&D / Revenue
							LTM	NTM	LTM	NTM	LTM	NTM	Revenue	EBITDA	EPS				
IP Licensing																			
ARM	9.23	12,414	11,978	436	0	49.8 %	19.2 x	15.9 x	61.5 x	37.2 x	71.1 x	52.7 x	8.9 %	26.6 %	6.4 %	3.5%	(2.2) x	33.6 %	35.2 %
CEVA	26.73	609	494	116	0	86.9 %	11.0 x	9.2 x	47.5 x	NA	46.9 x	36.0 x	5.3 %	NA	15.6 %	19.0%	(11.1) x	26.6 %	35.8 %
Imagination	6.89	1,777	1,721	56	0	15.0 %	12.6 x	9.0 x	66.9 x	30.0 x	56.8 x	43.1 x	NA	NA	NA	3.2%	(2.2) x	16.6 %	43.3 %
InterDigital	47.71	2,163	1,621	542	0	61.1 %	4.1 x	4.3 x	6.3 x	6.5 x	14.0 x	15.5 x	1.4 %	4.8 %	(3.8)%	25.0%	(2.1) x	6.9 %	22.5 %
MIPS	10.49	545	444	101	0	7.7 %	5.2 x	5.0 x	15.9 x	15.3 x	19.4 x	22.9 x	(1.3)%	(7.2)%	12.9 %	18.5%	(3.6) x	39.6 %	32.4 %
QUALCOMM	54.83	90,127	80,924	10,509	1,306	21.5 %	6.9 x	5.6 x	18.9 x	13.0 x	20.6 x	18.0 x	4.5 %	16.3 %	14.1 %	10.2%	(2.1) x	12.7 %	19.8 %
Mean		17,939	16,197	1,960	218	40.3 %	9.8 x	8.2 x	36.2 x	20.4 x	38.1 x	31.4 x	3.8 %	10.1 %	9.0 %	13.2%	(3.9) x	22.6 %	31.5 %
Median		1,970	1,671	276	0	35.6 %	9.0 x	7.3 x	33.2 x	15.3 x	33.8 x	29.4 x	4.5 %	10.5 %	12.9 %	14.4%	(2.2) x	21.6 %	33.8 %

(\$ 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
IP Licensing																		
ARM	178	625.3	753.5	51	194.8	321.9	0.03	0.13	0.18	29.3%	30.5%	61.9%	20.5%	65.3%	35.0%	94.2 %	28.9 %	25.9 %
CEVA	13	44.9	53.9	4	10.4	NA	0.19	0.57	0.74	27.9%	140.9%	37.9%	19.9%	NA	30.3%	91.3 %	30.0 %	34.1 %
Imagination	35	136.8	190.3	7	25.7	57.3	0.04	0.12	0.16	NA	NA	NA	39.1%	122.8%	31.6%	77.3 %	19.6 %	26.6 %
InterDigital	95	394.5	379.1	58	256.2	248.1	0.76	3.42	3.07	24.7%	27.0%	(16.2)%	(3.9)%	(3.2)%	(10.1)%	85.7 %	60.4 %	36.2 %
MIPS	22	85.2	89.4	6	27.9	28.9	0.14	0.54	0.46	43.9%	99.8%	100.0%	5.0%	3.8%	(15.1)%	98.6 %	27.8 %	34.4 %
QUALCOMM	3,348	11,669.0	14,393.8	1,377	4,285.0	6,201.7	0.82	2.66	3.04	25.4%	32.3%	64.0%	23.4%	44.7%	14.3%	67.6 %	41.1 %	40.4 %
Mean	615	2,159	2,643	250	800	1,372	0.33	1.24	1.27	30.2%	66.1%	49.5%	17.3%	46.7%	14.3%	85.8 %	34.6 %	32.9 %
Median	65	266	285	29	111	248	0.17	0.56	0.60	27.9%	32.3%	61.9%	20.2%	44.7%	22.3%	88.5 %	29.4 %	34.2 %



Introduction to SagePoint Advisors

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.

Mission	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.
Services	Sell Side Advisory, Divestitures, Buy Side Advisory, Strategic Investments
Industry Focus	Internet, Communications & IT Infrastructure
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

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

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	 <i>Initial Public Offering</i> \$82,500,000 Co-manage June 2007	 <i>has been acquired by</i>  January 2007	 <i>Initial Public Offering</i> \$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	 <i>Private Investment in Public Equity</i> \$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> THOMSON 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	 <i>Private Placement</i> \$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	
Cloud, SaaS & Internet	<ul style="list-style-type: none"> • Xumii sale to Myriad Group • AccessLine sale to Telanetix • Neven Vision sale to Google • Unicru sale to Kronos • Element5 sale to Digital River 	<ul style="list-style-type: none"> • ZoneOfTrust sale to Guardent • GeoNet sale to Level 3 • Compute Intensive sale to Verio • Speakeasy Capital Raise • Cephren Strategic Investment
Wireless & Mobile	<ul style="list-style-type: none"> • CCPU sale to Radisys • Xumii sale to Myriad Group • Strix sale to Idream • Sky Mobile Media Asset Sale • Neven Vision sale to Google 	<ul style="list-style-type: none"> • CommAsic sale to Freescale • Peregrine Strategic Investment • Synad sale to STMicro • Airprime sale to Sierra Wireless • Tachyon Capital Raise
Voice, Video & Data	<ul style="list-style-type: none"> • Vativ sale to Entropic • AccessLine sale to Telanetix • CrystalVoice sale to GIPS • DivX IPO • TIR sale to Philips 	<ul style="list-style-type: none"> • Gyration sale to Philips • Compute Intensive sale to Verio • Speakeasy Capital Raise • Tachyon Capital Raise • Telecore sale to ViaSource
IT Infrastructure	<ul style="list-style-type: none"> • Network Physics sale to OpNet • AuthenTec IPO • Raptor Networks Capital Raise • Procom sale to Sun 	<ul style="list-style-type: none"> • LVL7 sale to Broadcom • Netreon sale to CA • ZoneOfTrust sale to Guardent • DataDirect Capital Raise

Representative Buyer Relationships

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

Why Work With SagePoint?

- 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