

FOCUS Telecom
Technology and Services Group
Carrier-Focused
Telecom Technology
Quarterly

Spring 2014 Report

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FOCUS

Investment Banking

Seasoned, Systematic, SuccessfulSM

Investment Banking and Advisory Services

FOCUS Investment Banking LLC is a leading investment bank with specialized telecom technology and services expertise, concentrating on providing four highly-tailored services to emerging middle market and larger organizations in this sector:

Sellside Assignments
Buyside Engagements
Capital Formation
Valuation and Fairness Options

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Carrier-Focused Telecom Technology Quarterly

By Richard Pierce, FOCUS Managing Director and Telecom Technology and Services Team Leader

The FOCUS Telecom Technology and Services group consists of four professionals with a mix of backgrounds that include both C-level operating expertise and experience at leading middle market investment banks. The FOCUS Telecom team is uniquely qualified to help middle market clients reach their strategic objectives because the group:

- Devotes significant senior level resources to executing transactions for lower middle market clients,
- Has a breadth of knowledge that covers most segments of the telecom industry,
- Has bankers with C-level operating experience in the telecom industry,
- Has a proven transaction methodology for delivering results,
- Is equally comfortable with buy side and sell side M&A,
- Leverages an experienced team of research professionals,
- Has a national presence with coverage of both east and west coasts.

In 2014, members of the FOCUS Telecom team will be attending many conferences and meetings throughout the U.S. and are always delighted to receive introductions to

innovative companies in the industry. We hope to see you at one of these events, and look forward to exploring your capital market needs as you continue to grow your enterprise.

Sub Sector Definitions

- **Large Cap:** Large, diversified companies with products across a variety of sub sectors
- **OSS/BSS Software:** Software systems that manage and bill the customer base and monitor and maintain telecom networks
- **IP Networking:** Carrier Ethernet switching, routers and IP Multimedia Subsystem (“IMS”) components
- **Wireline Access and Transport:** DSL equipment, PON equipment and WDM-based transport
- **Cable and Video:** Products such as headends and servers that support video delivery as well as broadband products for cable networks
- **Broadband Wireless:** High capacity, fixed wireless equipment
- **Test and Measurement:** Equipment used by both service providers and manufacturers to test and monitor networks and equipment

Summary Comments

Public Markets

FOCUS' Carrier-Focused Telecom Technology Index (CFTTI) rebounded from a shaky performance in our winter report to turn in a strong return of 4.7% in this most recent three month period. This increase was higher than the 3.0% gain in the S&P 500 but lagged the 6.1% gain in the NASDAQ. The CFTTI's gains for the past three months were broad-based with all but one sub sector in positive territory. For the 12 month period, the CFTTI showed a 13.5% increase, a strong performance in absolute terms but one that significantly trailed returns in the broader market. The CFTTI revenue multiple of 1.3x is constant with the multiple from our winter report and up from the 1.2x revenue multiple from 12 months ago. The sector EBITDA multiple fell to 8.5x from the 8.7x we reported in the winter quarterly. However, the current EBITDA multiple is still higher than the 8.3x multiple from the year-ago period.

Large Cap

The Large Cap sub sector returned 3.4% for the three month period. The two standouts were Juniper and ZTE. Juniper shot up more than 30% as rumors swirled that it might be an acquisition target. At the other end of the spectrum, ZTE fell 20.0%. While Alcatel-Lucent cooled off somewhat this three month period with a modest gain of 2.9%, it remains by far the sub sector's best performer for the full year with a gain of more than 200%. The sub sector ended the period with a revenue multiple of 1.3x and an EBITDA multiple of 7.5x. This represents an increase from the 1.1x revenue multiple of a year ago but a slight decrease compared to last year's 7.6x EBITDA multiple.

OSS/BSS/Software

The OSS/BSS Software sub sector had another strong three month period with a gain of 7.8%. Nine of the 13 stocks in the sub sector were in positive territory, including a nearly 10% gain in sub sector bellwether Amdocs. A number of smaller companies also had strong returns. Astellia, NetScout, Radcom, and Subex were all up more than 20% for the three month period. Subex was particularly impressive as these most recent gains represent a second straight three month period where the company was among the top performers. On the downside, Redknee went from the best performing stock in the winter report to the worst as its share price dropped 25.4% this period. However, Redknee still remains the top performing stock for the full year period with a gain of more than 80%. Sub sector multiples are up sharply from the year-ago period and now stand at 1.8x revenue and 10.7x EBITDA.

IP Networking

Bouncing back from a loss in our winter quarterly, the IP Networking sub sector was up sharply with a gain of 17.8% for the three month period. Virtually every single company in the sub sector was up. Dialogic and Radisys, the worst performing stocks from the previous period, were top performers with gains of more than 80% apiece. The lone stock in negative territory was Procera Networks, which declined more than 20% even as fellow DPI companies Allot and Sandvine showed strong gains. The drop was the result of a miss in its quarterly earnings report and concern over consolidation in the cable industry, a key market for Procera Networks. The sub sector revenue multiple increased to 2.7x from 2.3x twelve months ago. Sub sector EBITDA is negative, so the sub sector EBITDA multiple is not meaningful.

Wireline Access and Transport

The Wireline Access and Transport sub sector had a small decline of 0.3% for the period. This made it the only sub sector in negative territory. Calix and Cyan were among the worst performers for a second straight period. In addition, last period's top performer Zhong Technologies was down more than 20% as well. This was somewhat counterbalanced by strong gains at Communications Systems, MRV Communications, and Net Insight. The sub sector revenue multiple now stands at 1.4x while the EBITDA multiple is 29.5x.

Cable and Video

Cable and Video was the best performing sub sector for the second straight period with a three month increase of 24.8%. Arris and Pace, the two largest companies in the index, powered the increase with gains of 39.9% and 34.6%, respectively. Both companies released very positive earnings reports. Year-over-year the sub sector is now up nearly 60%. Multiples continue to climb and now stand at 1.2x revenue and 14.0x EBITDA.

Broadband Wireless

The Broadband Wireless sub sector was the period's second best performing sub sector with a gain of 22.7% for the period. Ubiquiti Networks continues to be the main growth engine and was up more than 25%. However, sub sector gains were more broad-based this period with both Ceragon and DragonWave also posting strong gains. Sub sector multiples are 3.4x revenue and 38.2x EBITDA. The sub sector's robust revenue multiple is heavily influenced by Ubiquiti Networks, which is trading at 9.1x revenue. The next highest revenue multiple belongs to Redline Communications at 1.1x.

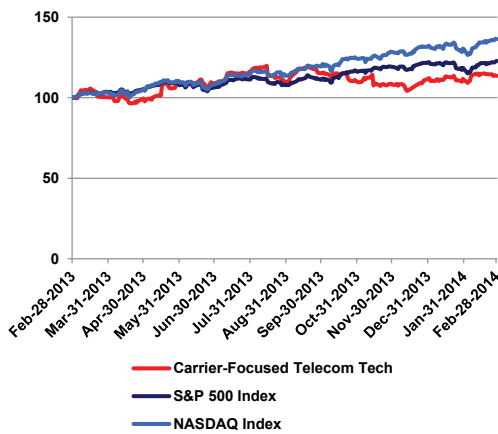
Test and Measurement

The Test and Measurement sub sector showed a significant improvement from our winter report and posted a three month gain of 5.2%. Despite this gain, it still remains the only sub sector with a negative year-over-year return. Sub sector leader JDS Uniphase posted a strong gain of 13.5% for the three month period, and Ascom was up an even

more impressive 29.2%. The sub sector revenue multiple declined from 2.0x last year to 1.8x currently. However, the sub sector EBITDA multiple increased in this same period from 12.9x to 14.2x. This indicates an overall decrease in sub sector EBITDA margins, a continuation of the margin pressure we discussed in our winter report.

Carrier-Focused Telecom Technology: Public Market Summary

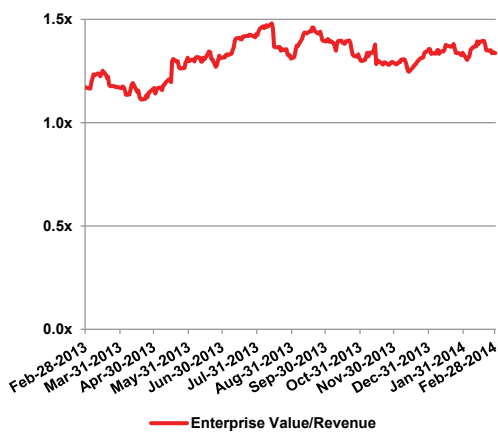
Twelve Month Index Returns



Sector and Sub Sector Returns

	12 Month	3 Month
Carrier-Focused Telecom Tech	13.5%	4.7%
Large Cap	11.4%	3.4%
OSS/BSS	26.1%	7.8%
IP Networking	13.0%	17.8%
Wireline Access and Transport	22.4%	-0.3%
Cable and Video	58.7%	24.8%
Broadband Wireless	169.6%	22.7%
Test and Measurement	-14.0%	5.2%
S&P 500	22.8%	3.0%
NASDAQ	36.3%	6.1%

Revenue Multiple Trends

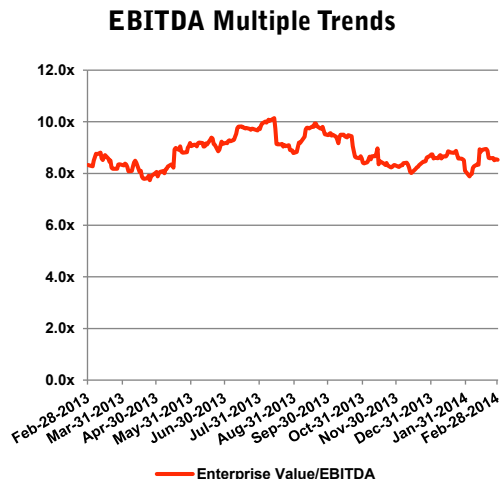


Sector and Sub Sector Revenue Multiples

	2/28/2014	2/28/2013
Carrier-Focused Telecom Tech	1.3x	1.2x
Large Cap	1.3x	1.1x
OSS/BSS	1.8x	1.5x
IP Networking	2.7x	2.3x
Wireline Access and Transport	1.4x	1.2x
Cable and Video	1.2x	0.9x
Broadband Wireless	3.4x	1.1x
Test and Measurement	1.8x	2.0x

Source: Capital IQ

Carrier-Focused Telecom Technology: Public Market Summary (*continued*)



Source: Capital IQ

Sector and Sub Sector EBITDA Multiples

	2/28/2014	2/28/2013
Carrier-Focused Telecom Tech	8.5x	8.3x
Large Cap	7.5x	7.6x
OSS/BSS	10.7x	9.0x
IP Networking	NM	64.8x
Wireline Access and Transport	29.5x	38.0x
Cable and Video	14.0x	10.0x
Broadband Wireless	38.2x	15.9x
Test and Measurement	14.2x	12.9x

Carrier-Focused Telecom Technology Stocks

M&A

This most recent three month period saw very strong volume in terms of the number of transactions with 28 total transactions. However, the announced dollar value of transactions was on the low end at \$589 million. This was opposite the trend for 2013 where the total of 68 announced transactions was on the low end of what we typically see, while the \$8.1 billion of transaction volume was on the high end. We also noted that 2014 is off to a strong start with 17 transactions in the first two months alone. It appears the momentum we saw building in the last part of 2013 is continuing into the current year.

OSS/BSS Software

The OSS/BSS software sub sector was very active for the second straight reporting period with a total of 13 transactions. A significant portion of the activity was driven by telecom equipment and test and measurement companies. Huawei, Juniper Networks, and Spirent all made acquisitions in the sub sector. We noted that Juniper Network's acquisition of network planning and optimization company WANDL to further its SDN strategy mirrors Cisco's earlier purchase of Cariden Technologies. Also of particular interest was the acquisition of network inventory, fault management, and performance management vendor Fastwire by Huawei. This is Huawei's inaugural acquisition in the OSS/BSS Software sub sector.

IP Networking

After seeing no activity in our last report, activity in the IP Networking sub sector picked up with three transactions in this three month period. Sonus Networks purchased signaling specialist Performance Network Technologies to enhance its Diameter signaling capabilities. Performance Network Technologies had spoken with a number of potential suitors over the past two years until finally partnering with Sonus. Other acquirers in the sub sector were Tieto, which acquired certain IMS-related assets from Siemens; and Genband, which acquired converged communications company uReach.

Wireline Access and Transport

The largest transaction in the sub sector was Swarth Group's buyout of the remaining interest in ECI Telecom that they did not already own. The implied enterprise value of \$222 million was significantly lower than the \$900 million plus valuation of ECI Telecom's take private transaction back in 2007. In the sub sector's other transaction, European vendor Keymile acquired HYTEC, a provider of networking solutions designed for harsh environments.

Cable and Video

The Cable and Video sub sector remained active with three transactions for the period. This included the acquisition of Imagine Communications by Harris Broadcast. In

addition, we noted continued interest in OTT video with Ericsson's acquisition of Azuki Systems. Finally, Canadian company Novra Technologies acquired media server and conditional access vendor Wegener Communications.

Broadband Wireless

Of the three Broadband Wireless sub sector transactions, two involved providers of coverage enhancement solutions. Mer-Cello Wireless Solutions provides cellular coverage and capacity systems, while Zinwave provides equipment for in-building coverage. In the sub sector's remaining transaction, fixed wireless vendor Tranzeo announced that it would be acquired by Charlotte Resources.

Test and Measurement

Of the four transactions in the Test and Measurement space this period, the most notable was the JDS Uniphase acquisition of Network Instruments for \$200 million. Investor Thoma Bravo had only bought into the company in 2012, so the hold period was fairly short. We also noted Aeroflex's acquisition of Shenick for nearly \$30 million. The acquisition enhances Aeroflex's SDN testing capabilities.

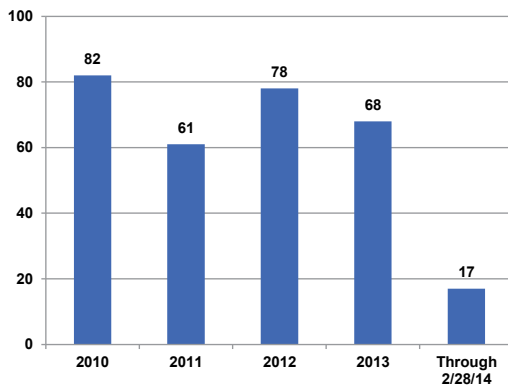
Transactions with Multiples

Two of the three transactions this period with announced multiples were in the Test and Measurement space, and both companies exited at attractive valuations. The valuation for Network Instruments was 5.0x revenue; on the high end of what we typically see in the Test and Measurement sub sector. Clearly JDSU viewed Network Instrument's application performance management technology as very strategic.

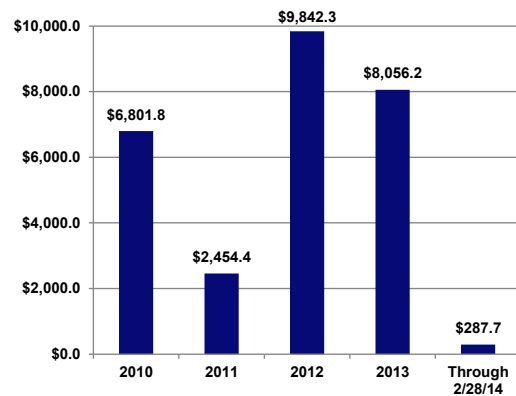
While not as high as the multiple for the Network Instrument's transaction, Aeroflex's acquisition of Shenick for 3.0x revenue was also a very solid valuation. SDN has become a "hot" area for acquisitions, and Shenick certainly benefited from its position in this market segment. Finally, in the IP Networking sub sector, we saw Sonus Networks acquire Performance Network Technologies for 1.6x revenue and 28.0x EBITDA. While not an eye popping revenue multiple, it was a substantial premium to the Performance Network Technologies' stock price. Performance Network Technologies' revenue stream included quite a bit of revenue from legacy products, which undoubtedly depressed the multiple.

Carrier-Focused Telecom Technology: M&A Summary

M&A Activity: Number of Transactions



M&A Activity (\$ Value of Transactions in Millions)



Announced Transactions (12/1/13 – 2/28/14)

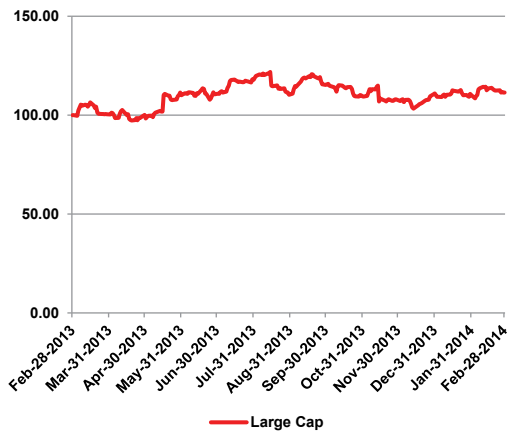
Acquiror	Target	Date Announced	Sector	Purchase Price	Description
Spirent Communications	Testing Technologies	2/27/14	Test and Measurement	NA	Test development tools for automated testing.
Astellia	Ingenia Telecom	2/20/14	OSS/BSS Software	NA	Network analysis and optimization solutions for mobile operators to self-optimize and self-organize their networks.
Impact Telecom	Citessentials	2/19/14	OSS/BSS Software	NA	Proprietary SMS messaging portal that enables customers to access mobile messaging from any computer.
Genband	uReach Technologies	2/18/14	IP Networking	NA	Converged communications messaging and specialty calling solutions for fixed-line, mobile and broadband carriers worldwide.
Spirent Communications	DAX Technologies	2/18/14	OSS/BSS Software	\$37.0	Customer experience management and network management software for communications service providers.
Huawei	Fastwire	2/12/14	OSS/BSS Software	NA	Network inventory, fault management and performance management systems for communications service providers and large enterprises.
Aeroflex	Shenick	2/6/14	Test and Measurement	\$28.5	Per-flow Internet protocol test and measurement solutions for virtualized and physical network infrastructure.
Ericsson	Azuki Systems	2/6/14	Cable and Video	NA	Over-the-top optimized multi-screen video technology for mobile operators, multi-service operators, content owners and enterprises.
Novra Technologies	Wegener	2/5/14	Cable and Video	NA	Media servers and conditional access solutions for broadcast, cable and business network operations.
C. Mer Industries	MER-Cello Wireless Solutions	2/4/14	Broadband Wireless	NA	Cellular coverage and capacity enhancement systems for wireless operators, first responders and emergency service personnel.
McWane	Zinwave	2/3/14	Broadband Wireless	NA	In-building cellular and wireless technology solutions including active in-building distributed antenna systems.
JDS Uniphase Corporation	Trendium	1/30/14	OSS/BSS Software	NA	Service intelligence and performance management software solutions for telecom service providers and enterprises.
Tieto	Siemens (IMS Business)	1/15/14	IP Networking	NA	IP Multimedia Subsystem products including Network Directory Server and Home Location Register and radio access solutions.
Infogix	Agilis	1/10/14	OSS/BSS Software	NA	Revenue assurance and telecommunications fraud management, network traffic monitoring and network routing optimization solutions.
Swarth Group	ECI Telecom	1/9/14	Wireline Access and Transport	\$222.2	Multi-layer transport systems including optical packet transport systems and optical metro and core aggregation solutions.
Flash Networks	Mobixell Networks	1/7/14	OSS/BSS Software	NA	Mobile data management, network optimization and rich media delivery solutions for wireless service providers.
Momentum Telecom	Integrated BroadBand Services	1/7/14	OSS/BSS Software	NA	Service activation services and service assurance solutions for broadband operators.
Tektronix Communications	Newfield Wireless	12/23/13	OSS/BSS Software	NA	Geoanalytics platform for mobile operators that optimizes mobile network performance and improves the subscriber experience.
Charlotte Resources	Tranzeo Wireless Technologies	12/20/13	Broadband Wireless	NA	Wireless network equipment including WiFi and WiMAX wireless data network products and WiFi mesh network solutions.
Juniper Networks	WANDL	12/16/13	OSS/BSS Software	\$60.0	Software solutions for network planning, management, design and optimization.
Softing	Psiber Data	12/13/13	Test and Measurement	NA	Network testing and protocol analysis equipment for the diagnosis of Ethernet cables.
Sonus Networks	Performance Technologies	12/13/13	IP Networking	\$41.5	Diameter and SS7 signaling and multi-protocol gateways and servers.
Keymile	HYTEC Geratebau	12/12/13	Wireline Access and Transport	NA	Communication networking products that are designed to withstand harsh environmental conditions.
JDS Uniphase	Network Instruments	12/11/13	Test and Measurement	\$200.0	Network troubleshooting and analysis solutions including packet capture, application management and data collection and analysis.
Satori Capital	Ranger Wireless	12/9/13	OSS/BSS Software	NA	Proprietary service connecting roaming wireless subscribers to their provider's customer care center.
CSG Systems	VoluBill	12/4/13	OSS/BSS Software	NA	Policy management, policy enforcement and charging solutions to telecommunications service providers worldwide.
Harris Broadcast	Imagine Communications	12/4/13	Cable and Video	NA	Software-based video processing architecture that allows operators to deliver video service across multiple viewing devices.
Openwave Messaging	Critical Path	12/4/13	OSS/BSS Software	NA	Messaging, security, cloud, identity, collaboration and unified communications solutions for enterprises and service providers.

Announced Transactions with Revenue Multiples (3/1/13 – 2/28/14)

Acquiror	Target	Date Announced	Sector	Purchase Price	Revenue Multiple	EBITDA Multiple	Description
Aeroflex	Shenick	2/6/14	Test and Measurement	\$28.5	3.0 x	NA	Per-flow Internet protocol test and measurement solutions for virtualized and physical network infrastructure.
Sonus Networks	Performance Technologies	12/13/13	IP Networking	\$41.5	1.6 x	28.0 x	Diameter and SS7 signaling and multi-protocol gateways and servers.
JDS Uniphase	Network Instruments	12/11/13	Test and Measurement	\$200.0	5.0 x	NA	Network troubleshooting and analysis solutions including packet capture, application management and data collection and analysis.
Ixia	Net Optics	10/29/13	Test and Measurement	\$190.0	3.4 x	NA	Network and virtualization taps and application-aware network performance monitoring solutions and network packet brokers.
Pace	Aurora Networks	10/23/13	Cable and Video	\$310.0	1.4 x	10.3 x	Optical transport systems including headend and hub products, CWDM Ethernet access systems and optical node products.
Marlin Equity	Tellabs	10/21/13	Wireline Access and Transport	\$329.9	0.4 x	84.6 x	Digital cross-connect systems, managed transport systems and Metro Ethernet switching products as well as access solutions.
Valley Telecom	Alvarion	8/26/13	Broadband Wireless	\$3.9	0.1 x	NM	Wireless products that enable the delivery of business and residential broadband access over a variety of frequency bands.
Anite	Genetel	7/2/13	Test and Measurement	\$2.0	0.2 x	NA	Solutions for mobile networks including quality of service/ experience, network optimization and planning and performance management.
Nokia	Nokia Siemens Networks	7/1/13	Large Cap	\$2,758.6	0.2 x	1.2 x	Provides telecommunications infrastructure primarily related to the mobile broadband market.
Thoma Bravo	Keynote Systems	6/24/13	Test and Measurement	\$340.8	2.8 x	23.1 x	Mobile and Web cloud testing and monitoring services that offer visibility into the performance and availability of Web transactions.
CITIC Capital Partners	AsialInfo-Linkage	5/12/13	OSS/BSS Software	\$533.9	0.9 x	8.1 x	Provides telecommunications software solutions and information technology products and services to telecommunications operators.
Westell	Kentrox	3/18/13	OSS/BSS Software	\$30.0	1.0 x	NA	Site monitoring, management and control solutions for wireless, broadband, utilities and enterprises.

Sub Sector Analysis: Large Cap

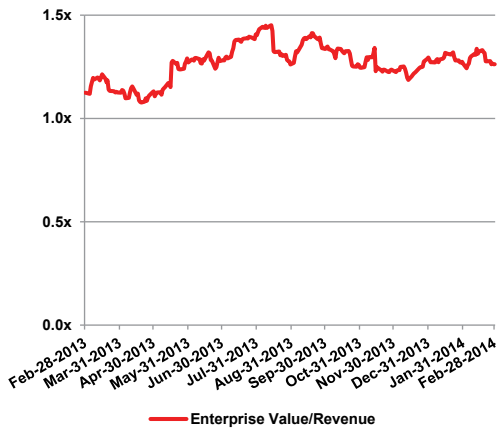
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Large Cap Index	11.4%	3.4%
Aicatel-Lucent	211.6%	2.9%
Cisco	4.5%	2.6%
Ericsson	5.7%	3.2%
Juniper	29.3%	31.9%
ZTE	36.0%	-20.0%

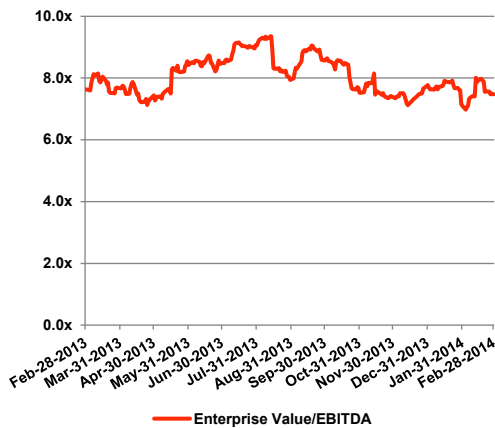
Revenue Multiple Trends



Company Revenue Multiples

	2/28/2014	2/28/2013
Large Cap Index	1.3x	1.1x
Aicatel-Lucent	0.6x	0.2x
Cisco	1.7x	1.7x
Ericsson	1.0x	0.9x
Juniper	2.5x	2.0x
ZTE	0.9x	0.7x

EBITDA Multiple Trends



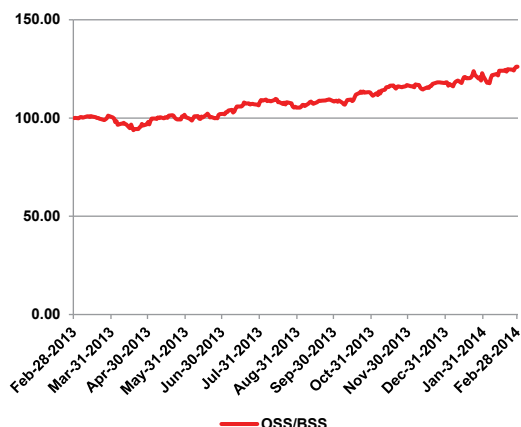
Company EBITDA Multiples

	2/28/2014	2/28/2013
Large Cap Index	7.5x	7.6x
Aicatel-Lucent	9.6x	4.1x
Cisco	6.3x	6.1x
Ericsson	6.9x	7.9x
Juniper	14.5x	14.6x
ZTE	22.7x	NM

Source: Capital IQ

Sub Sector Analysis: OSS/BSS Software

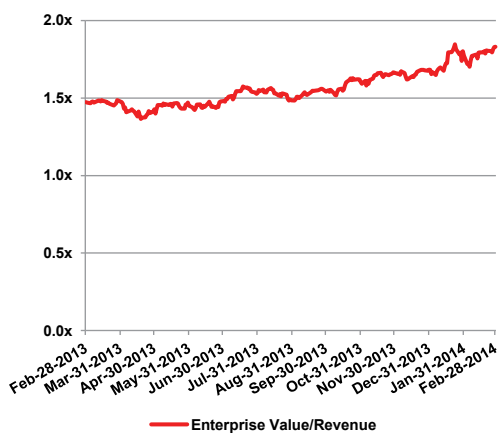
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
OSS/BSS Index	26.1%	7.8%
Amdocs	22.0%	9.9%
AsialInfo-Linkage	-38.5%	-0.3%
Astellia	8.6%	29.7%
Comptel	46.1%	14.1%
Comverse	25.8%	3.3%
CSG Systems	44.3%	-3.0%
Evolving Systems	26.4%	-15.2%
NetScout Systems	49.4%	24.8%
Radcom	59.7%	28.5%
Redknee	81.8%	-25.4%
Subex	-24.4%	28.6%
Synchronoss	14.0%	8.4%
Tecnotree	46.6%	10.3%

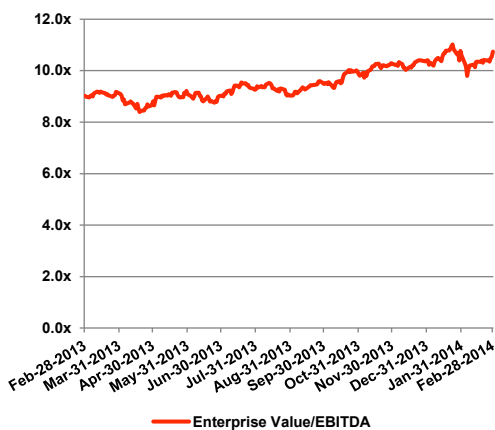
Revenue Multiple Trends



Company Revenue Multiples

	2/28/2014	2/28/2013
OSS/BSS Index	1.8x	1.5x
Amdocs	1.7x	1.5x
AsialInfo-Linkage	3.7x	5.7x
Astellia	0.9x	0.6x
Comptel	0.7x	0.5x
Comverse	0.8x	0.6x
CSG Systems	1.4x	1.0x
Evolving Systems	3.3x	2.4x
NetScout Systems	3.7x	2.7x
Radcom	2.3x	1.5x
Redknee	2.5x	3.5x
Subex	2.7x	2.4x
Synchronoss	3.8x	4.1x
Tecnotree	0.7x	0.6x

EBITDA Multiple Trends



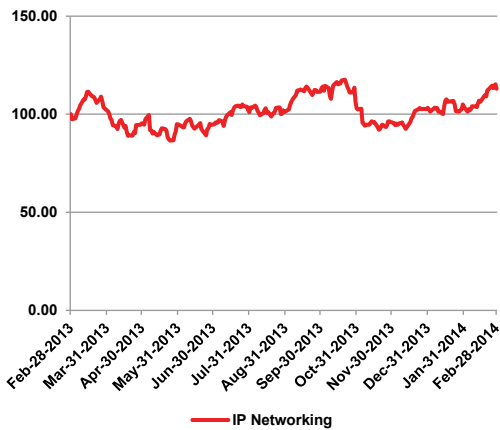
Company EBITDA Multiples

	2/28/2014	2/28/2013
OSS/BSS Index	10.7x	9.0x
Amdocs	9.4x	8.2x
AsialInfo-Linkage	10.8x	17.0x
Astellia	NM	5.9x
Comptel	6.8x	NM
Comverse	7.0x	9.6x
CSG Systems	8.0x	5.1x
Evolving Systems	14.0x	10.2x
NetScout Systems	15.8x	12.0x
Radcom	NM	NM
Redknee	70.1x	36.8x
Subex	11.2x	15.3x
Synchronoss	17.2x	18.5x
Tecnotree	16.3x	NM

Source: Capital IQ

Sub Sector Analysis: IP Networking

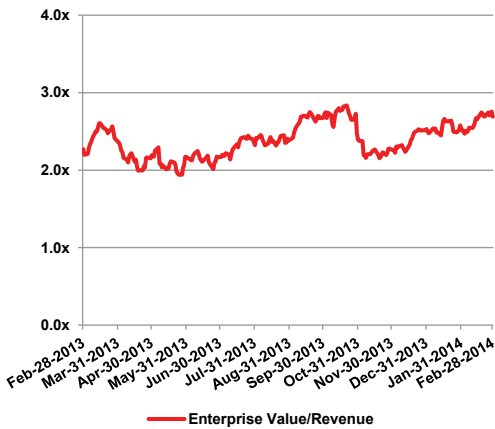
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
IP Networking Index	13.0%	17.8%
Allot Communications	22.5%	29.0%
Audiocodes	115.9%	34.6%
Broadsoft	42.9%	12.9%
Dialogic	-64.1%	97.9%
Mavenir Systems	NA	45.8%
Procera Networks	-5.7%	-27.8%
Radisys	-1.0%	85.3%
Ruckus Wireless	-34.5%	7.4%
Sandvine	59.4%	16.5%
SONUS Networks	52.2%	28.2%

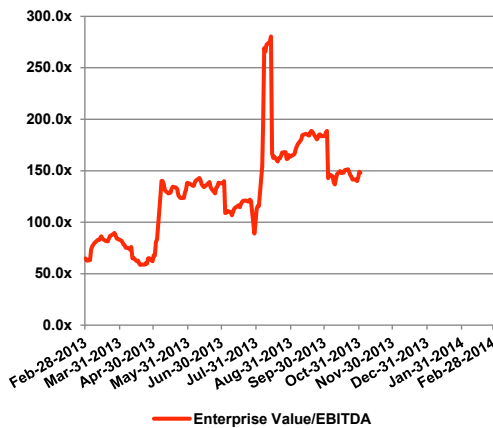
Revenue Multiple Trends



Company Revenue Multiples

	2/28/2014	2/28/2013
IP Networking Index	2.7x	2.3x
Allot Communications	4.4x	2.8x
Audiocodes	2.2x	1.1x
Broadsoft	4.4x	3.1x
Dialogic	0.7x	0.7x
Mavenir Systems	3.4x	NA
Procera Networks	1.6x	1.8x
Radisys	0.5x	0.4x
Ruckus Wireless	3.7x	6.8x
Sandvine	3.4x	2.1x
SONUS Networks	2.8x	1.7x

EBITDA Multiple Trends



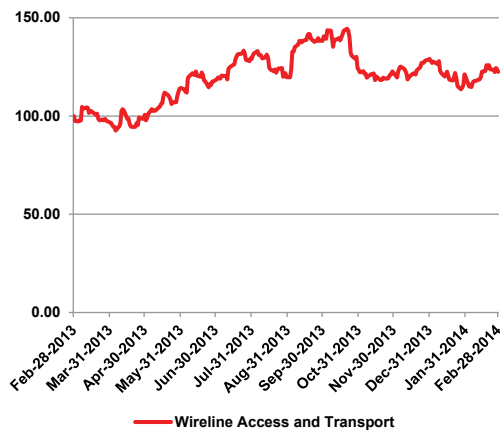
Company EBITDA Multiples

	2/28/2014	2/28/2013
IP Networking Index	NM	64.8x
Allot Communications	NM	22.5x
Audiocodes	51.8x	NM
Broadsoft	993.6x	16.5x
Dialogic	NM	NM
Mavenir Systems	NM	NA
Procera Networks	NM	14.1x
Radisys	NM	50.4x
Ruckus Wireless	173.0x	65.5x
Sandvine	14.6x	26.9x
SONUS Networks	NM	NM

Source: Capital IQ

Sub Sector Analysis: Wireline Access and Transport

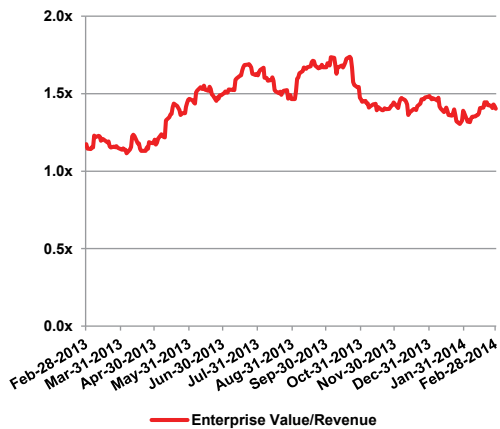
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Wireline Access & Transport Index	22.4%	-0.3%
ADTRAN	17.2%	2.0%
ADVA	-13.1%	-7.7%
BATM	-3.2%	-11.5%
Calix	-7.2%	-22.4%
CIENA	61.2%	10.6%
Communications Systems	25.8%	17.3%
Cyan	NA	-24.2%
Infinera	28.2%	-10.5%
MRV Communications	30.7%	22.8%
Net Insight	17.8%	32.5%
Orckit Communications	-65.1%	-52.7%
Transmode Systems	31.5%	1.4%
Zhone Technologies	342.0%	-27.4%

Revenue Multiple Trends

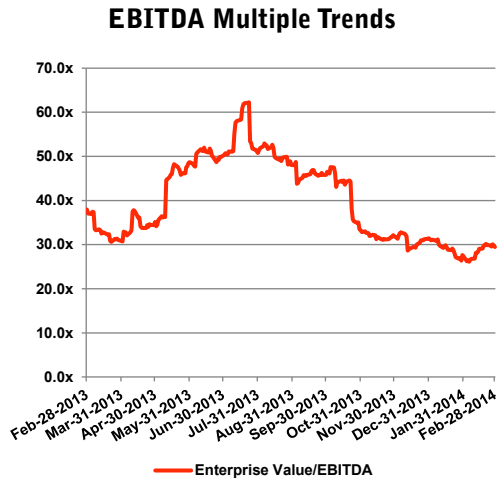


Company Revenue Multiples

	2/28/2014	2/28/2013
Wireline Access & Transport Index	1.4x	1.2x
ADTRAN	2.1x	1.9x
ADVA	0.4x	0.5x
BATM	0.6x	0.7x
Calix	0.8x	1.1x
CIENA	1.5x	1.2x
Communications Systems	0.8x	0.6x
Cyan	0.8x	NA
Infinera	1.5x	1.3x
MRV Communications	0.5x	0.3x
Net Insight	1.6x	1.4x
Orckit Communications	1.7x	1.6x
Transmode Systems	2.5x	1.9x
Zhone Technologies	1.0x	0.2x

Source: Capital IQ

Sub Sector Analysis: Wireline Access and Transport *continued*



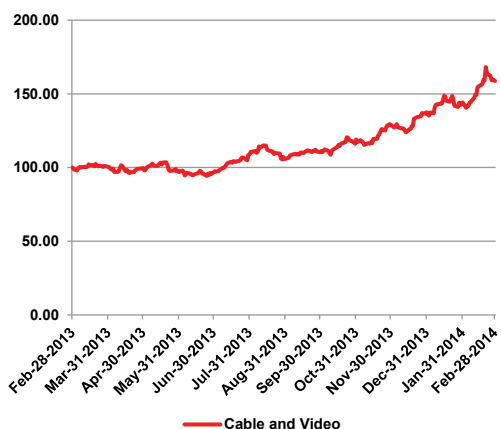
Source: Capital IQ

Company EBITDA Multiples

	2/28/2014	2/28/2013
Wireline Access & Transport Index	29.5x	38.0x
ADTRAN	21.7x	17.1x
ADVA	7.5x	5.5x
BATM	32.6x	24.6x
Calix	30.8x	NM
CIENA	24.5x	25.9x
Communications Systems	30.1x	11.4x
Cyan	NM	NA
Infinera	NM	NM
MRV Communications	NM	NM
Net Insight	39.5x	46.3x
Orckit Communications	NM	NM
Transmode Systems	13.0x	10.6x
Zhone Technologies	24.4x	NM

Sub Sector Analysis: Cable and Video

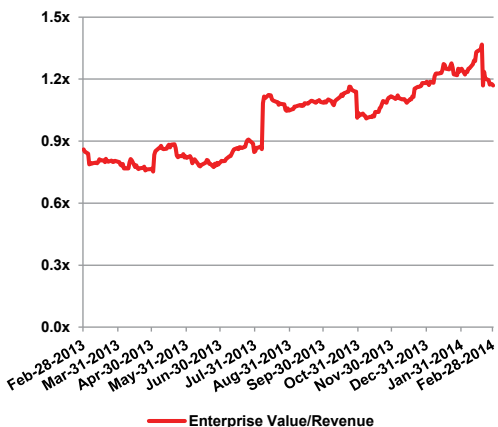
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Cable and Video Index	58.7%	24.8%
Amino	25.2%	6.6%
Arris	65.4%	39.9%
Envivio	112.4%	22.8%
Harmonic	14.1%	-15.7%
NetGem	61.3%	30.7%
Pace	96.8%	34.6%
SeaChange	-8.4%	-28.9%

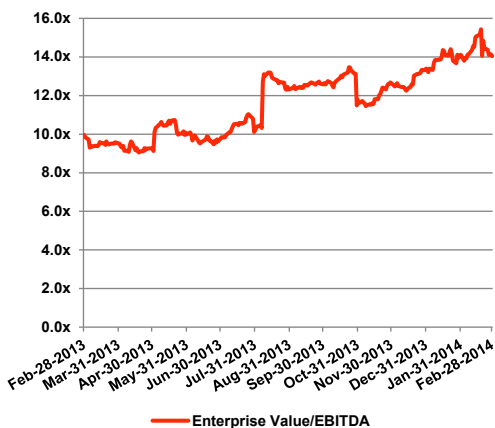
Revenue Multiple Trends



Company Revenue Multiples

	2/28/2014	2/28/2013
Cable and Video Index	1.2x	0.9x
Amino	0.9x	0.6x
Arris	1.4x	1.2x
Envivio	NM	NM
Harmonic	1.0x	1.0x
NetGem	1.3x	0.5x
Pace	0.9x	0.5x
SeaChange	1.5x	1.8x

EBITDA Multiple Trends



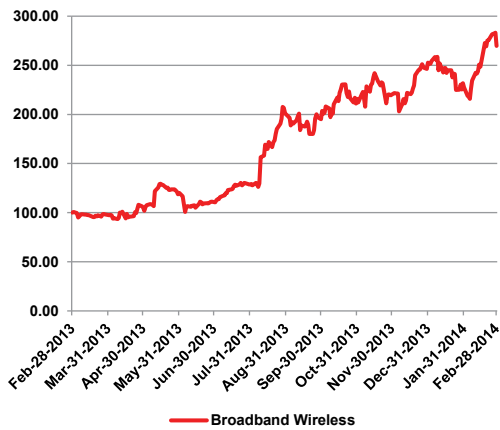
Company EBITDA Multiples

	2/28/2014	2/28/2013
Cable and Video Index	14.0x	10.0x
Amino	5.1x	6.8x
Arris	13.3x	10.6x
Envivio	NM	NM
Harmonic	20.2x	17.3x
NetGem	8.5x	3.0x
Pace	10.2x	7.3x
SeaChange	13.0x	22.3x

Source: Capital IQ

Sub Sector Analysis: Broadband Wireless

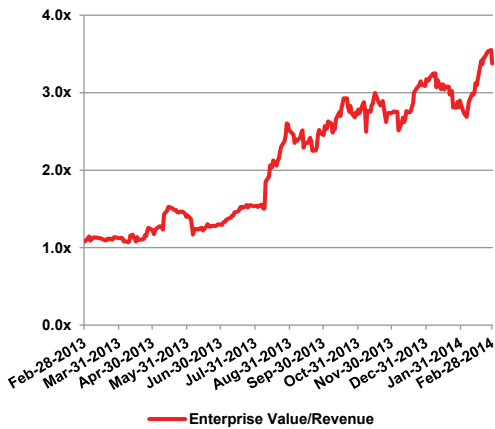
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Broadband Wireless Index	169.6%	22.7%
Aviat Networks	-45.2%	-22.9%
Ceragon Networks	-28.9%	23.5%
DragonWave	-42.8%	14.9%
Redline Communications	-60.0%	-12.7%
Ubiquiti Networks	258.8%	25.4%

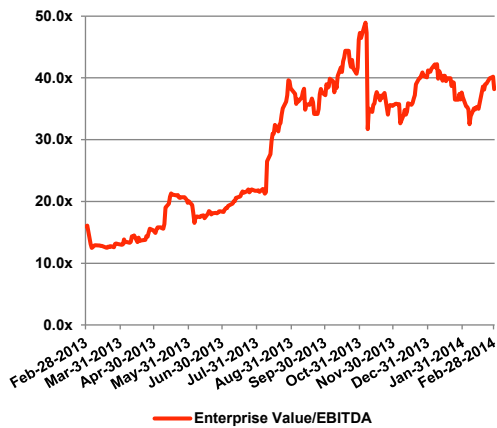
Revenue Multiple Trends



Company Revenue Multiples

	2/28/2014	2/28/2013
Broadband Wireless Index	3.4x	1.1x
Aviat Networks	0.2x	0.3x
Ceragon Networks	0.5x	0.4x
DragonWave	0.7x	0.6x
Redline Communications	1.1x	2.0x
Ubiquiti Networks	9.1x	3.5x

EBITDA Multiple Trends



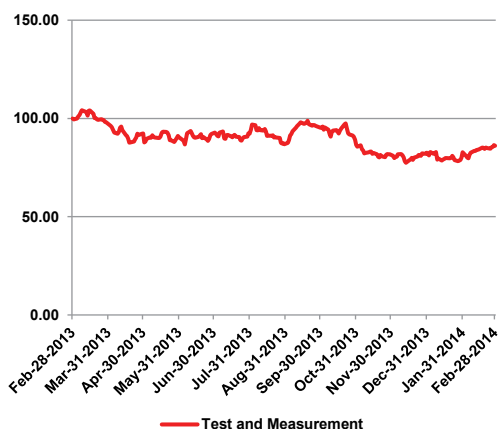
Company EBITDA Multiples

	2/28/2014	2/28/2013
Broadband Wireless Index	38.2x	15.9x
Aviat Networks	NM	11.2x
Ceragon Networks	NM	162.3x
DragonWave	NM	NM
Redline Communications	NM	36.0x
Ubiquiti Networks	27.0x	10.9x

Source: Capital IQ

Sub Sector Analysis: Test and Measurement

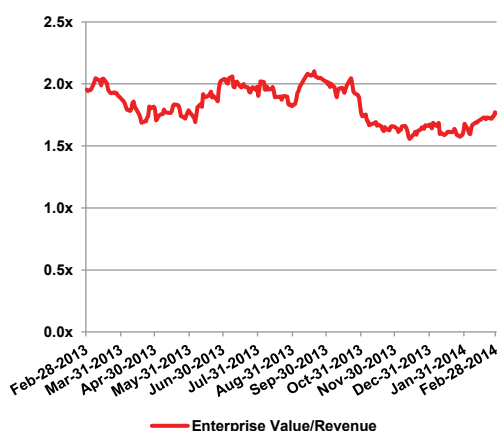
Twelve Month Index Returns



Company Returns

	12 Month	3 Month
Test and Measurement Index	-14.0%	5.2%
Anite	-38.5%	2.0%
Anritsu	-23.2%	-4.0%
Ascom	89.7%	29.2%
EXFO	-20.3%	-13.0%
Gigamon	NA	8.0%
Ixia	-39.1%	-4.8%
JDS Uniphase	-2.6%	13.5%
Spirent	-24.5%	-0.9%

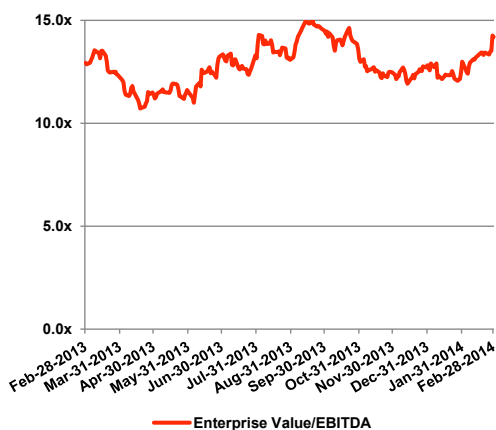
Revenue Multiple Trends



Company Revenue Multiples

	2/28/2014	2/28/2013
Test and Measurement Index	1.8x	2.0x
Anite	2.1x	3.2x
Anritsu	1.5x	1.8x
Ascom	1.4x	0.9x
EXFO	0.9x	1.2x
Gigamon	6.0x	NA
Ixia	1.9x	3.7x
JDS Uniphase	1.6x	1.7x
Spirent	2.1x	2.7x

EBITDA Multiple Trends



Company EBITDA Multiples

	2/28/2014	2/28/2013
Test and Measurement Index	14.2x	12.9x
Anite	9.9x	12.4x
Anritsu	9.3x	9.3x
Ascom	10.4x	9.0x
EXFO	15.5x	34.3x
Gigamon	NM	NA
Ixia	8.6x	15.9x
JDS Uniphase	18.0x	17.5x
Spirent	13.3x	9.6x

Source: Capital IQ

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