

## ESI - Non-GAAP Financials

### Quarterly Trend

(\$000's)

	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4
Bookings	28,669	29,318	61,225	54,193	64,059	70,157	77,876	72,516	98,939	40,632	45,425	70,343
Shipments	23,087	28,351	33,804	66,002	55,865	65,264	63,353	75,093	83,066	69,349	48,998	50,118
Backlog	23,346	25,016	52,437	40,638	48,831	53,803	68,112	65,535	81,408	52,690	49,415	69,056
<b>Revenue</b>	<b>22,603</b>	<b>27,638</b>	<b>39,048</b>	<b>59,604</b>	<b>58,471</b>	<b>59,554</b>	<b>67,209</b>	<b>71,577</b>	<b>77,046</b>	<b>81,884</b>	<b>49,807</b>	<b>45,492</b>
Gross Profit	6,465	10,065	15,358	26,191	22,044	26,584	30,569	31,993	34,345	36,491	21,752	19,359
<b>Gross Margin</b>	<b>28.6%</b>	<b>36.4%</b>	<b>39.3%</b>	<b>43.9%</b>	<b>37.7%</b>	<b>44.6%</b>	<b>45.5%</b>	<b>44.7%</b>	<b>44.6%</b>	<b>44.6%</b>	<b>43.7%</b>	<b>42.6%</b>
Research & Development	7,115	7,068	8,388	9,559	9,798	9,782	9,754	10,041	10,641	10,158	9,899	9,442
Selling, service and administrative	9,751	9,697	10,690	12,072	11,321	12,988	13,606	13,675	12,443	13,213	12,324	12,017
<b>Total OPEX</b>	<b>16,866</b>	<b>16,765</b>	<b>19,078</b>	<b>21,631</b>	<b>21,119</b>	<b>22,770</b>	<b>23,360</b>	<b>23,716</b>	<b>23,085</b>	<b>23,371</b>	<b>22,222</b>	<b>21,459</b>
OPEX %	74.6%	60.7%	48.9%	36.3%	36.1%	38.2%	34.8%	33.1%	30.0%	28.5%	44.6%	47.2%
<b>Operating Income</b>	<b>(10,401)</b>	<b>(6,700)</b>	<b>(3,720)</b>	<b>4,560</b>	<b>925</b>	<b>3,813</b>	<b>7,208</b>	<b>8,278</b>	<b>11,261</b>	<b>13,120</b>	<b>(470)</b>	<b>(2,100)</b>
Operating Income %	-46.0%	-24.2%	-9.5%	7.7%	1.6%	6.4%	10.7%	11.6%	14.6%	16.0%	-0.9%	-4.6%
Other Income/(Expense)	342	357	369	289	58	187	(39)	(18)	(78)	(406)	47	59
<b>Income Before Taxes</b>	<b>(10,059)</b>	<b>(6,343)</b>	<b>(3,351)</b>	<b>4,850</b>	<b>983</b>	<b>4,000</b>	<b>7,170</b>	<b>8,260</b>	<b>11,183</b>	<b>12,714</b>	<b>(423)</b>	<b>(2,040)</b>
Tax Provision/(Benefit)	(3,861)	(2,487)	(2,463)	482	215	1,142	1,266	1,792	3,324	3,374	(927)	(186)
Tax Rate	38.4%	39.2%	73.5%	9.9%	21.9%	28.5%	17.7%	21.7%	29.7%	26.5%	219.0%	9.1%
<b>Non-GAAP Net Income/(Loss)</b>	<b>(6,198)</b>	<b>(3,856)</b>	<b>(888)</b>	<b>4,367</b>	<b>768</b>	<b>2,858</b>	<b>5,904</b>	<b>6,467</b>	<b>7,859</b>	<b>9,340</b>	<b>504</b>	<b>(1,854)</b>
Net Income %	-27.4%	-14.0%	-2.3%	7.3%	1.3%	4.8%	8.8%	9.0%	10.2%	11.4%	1.0%	-4.1%
<b>Non-GAAP EPS</b>	<b>(0.23)</b>	<b>(0.14)</b>	<b>(0.03)</b>	<b>0.16</b>	<b>0.03</b>	<b>0.10</b>	<b>0.21</b>	<b>0.22</b>	<b>0.27</b>	<b>0.32</b>	<b>0.02</b>	<b>(0.06)</b>
Average Shares Outstanding	27,234	27,356	27,517	28,058	28,313	28,010	28,667	28,956	29,262	29,426	28,849	28,931
<b>Operating Cash Flow</b>	<b>(911)</b>	<b>(1,178)</b>	<b>924</b>	<b>4,020</b>	<b>14,769</b>	<b>(1,877)</b>	<b>8,358</b>	<b>29,340</b>	<b>(10,868)</b>	<b>26,404</b>	<b>1,407</b>	<b>(2,631)</b>
<b>Headcount</b>	<b>565</b>	<b>569</b>	<b>573</b>	<b>581</b>	<b>597</b>	<b>627</b>	<b>638</b>	<b>648</b>	<b>684</b>	<b>683</b>	<b>655</b>	<b>627</b>
<b>Reconciliation to GAAP:</b>												
<b>Non-GAAP Net Income/(Loss)</b>	<b>(6,198)</b>	<b>(3,856)</b>	<b>(888)</b>	<b>4,367</b>	<b>768</b>	<b>2,858</b>	<b>5,904</b>	<b>6,467</b>	<b>7,859</b>	<b>9,340</b>	<b>504</b>	<b>(1,854)</b>
Equity Compensation	(2,307)	(2,148)	(1,651)	(1,614)	(2,883)	(2,331)	(2,086)	(2,026)	(4,780)	(2,397)	(2,393)	(1,905)
Acquisition-Related Costs	(759)	(522)	(514)	(514)	(514)	(464)	(477)	(459)	(450)	(408)	(401)	(401)
Other One-Time Charges	4,517	-	-	(1,347)	889	(280)	(2,138)	682	2,120	(0)	(861)	(6,071)
Tax Effects	(783)	406	641	1,186	1,941	(394)	1,149	1,329	1,164	2,002	1,269	2,565
<b>GAAP Net Income/(Loss)</b>	<b>(5,530)</b>	<b>(6,120)</b>	<b>(2,413)</b>	<b>2,078</b>	<b>201</b>	<b>(611)</b>	<b>2,351</b>	<b>5,993</b>	<b>5,913</b>	<b>8,536</b>	<b>(1,881)</b>	<b>(7,665)</b>
<b>EPS</b>	<b>(0.20)</b>	<b>(0.22)</b>	<b>(0.09)</b>	<b>0.07</b>	<b>0.01</b>	<b>(0.02)</b>	<b>0.08</b>	<b>0.21</b>	<b>0.20</b>	<b>0.29</b>	<b>(0.07)</b>	<b>(0.26)</b>

## ESI Fourth Quarter 2012 Results

### Reconciliation of GAAP to Non-GAAP Results

(000's)

	GAAP	Adjustments			Non-GAAP
		Acquisitions	Share-based Compensation	Other	
<b>Revenue</b>	<b>45,492</b>				<b>45,492</b>
Cost of Sales	28,663	(289)	(259)	(1,982)	26,133
<b>Gross Profit</b>	<b>16,829</b>	289	259	1,982	<b>19,359</b>
<b>Gross Margin</b>	<b>37.0%</b>				<b>42.6%</b>
Research & Development	10,184	(47)	(496)	(199)	9,442
Selling, service and administrative	13,231	(64)	(1,150)		12,017
Restructuring	2,924			(2,924)	-
Loss on Asset Disposal	966			(966)	-
<b>Total OPEX</b>	<b>27,305</b>	(111)	(1,646)	(4,089)	<b>21,459</b>
OPEX %	60.0%				47.2%
<b>Operating Income</b>	<b>(10,476)</b>	400	1,905	6,071	<b>(470)</b>
Operating Income %	-23.0%				-1.0%
Other Income/(Expense)	59	-	-	-	59
<b>Income Before Taxes</b>	<b>(10,417)</b>	400	1,905	6,071	<b>(2,041)</b>
Tax Provision/(Benefit)	(2,752)				(186)
Tax Rate	26.4%				9.1%
<b>Non-GAAP Net Income/(Loss)</b>	<b>(7,665)</b>				<b>(1,854)</b>
Net Income %	-16.8%				-4.1%
<b>Non-GAAP EPS</b>	<b>(0.26)</b>				<b>(0.06)</b>
Average Shares Outstanding	28,931				28,931