

ESI - Non-GAAP Financials

Quarterly Trend

(\$000's)

	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4
Bookings	24,277	74,360	74,594	51,147	59,572	37,562	16,039	16,054	28,669	29,318	61,225	54,193
Shipments	17,116	87,363	81,805	58,297	63,954	48,136	26,571	17,292	23,087	28,351	33,804	66,002
Backlog	63,900	56,447	49,236	42,085	37,703	28,574	18,041	16,804	23,346	25,016	52,437	40,638
Revenue	16,961	82,318	77,285	70,590	64,024	49,610	25,618	18,061	22,603	27,638	39,048	59,604
Gross Profit	8,103	38,048	36,360	32,114	25,787	21,583	7,883	5,040	6,465	10,065	15,358	26,191
Gross Margin	47.8%	46.2%	47.0%	45.5%	40.3%	43.5%	30.8%	27.9%	28.6%	36.4%	39.3%	43.9%
Research & Development	2,842	10,893	11,236	10,298	9,363	8,161	7,920	7,718	7,115	7,068	8,388	9,559
Selling, service and administrative	3,621	14,256	14,740	15,879	13,757	12,809	11,228	9,551	9,751	9,697	10,690	12,072
Total OPEX	6,463	25,149	25,976	26,176	23,119	20,970	19,148	17,269	16,866	16,765	19,078	21,631
OPEX %	38.1%	30.6%	33.6%	37.1%	36.1%	42.3%	74.7%	95.6%	74.6%	60.7%	48.9%	36.3%
Operating Income	1,640	12,899	10,384	5,937	2,668	613	(11,265)	(12,229)	(10,401)	(6,700)	(3,720)	4,560
Operating Income %	9.7%	15.7%	13.4%	8.4%	4.2%	1.2%	-44.0%	-67.7%	-46.0%	-24.2%	-9.5%	7.7%
Other Income/(Expense)	816	2,060	1,863	1,777	860	1,117	1,020	196	342	357	369	289
Income Before Taxes	2,455	14,959	12,247	7,714	3,528	1,730	(10,245)	(12,034)	(10,059)	(6,343)	(3,351)	4,850
Tax Provision/(Benefit)	912	5,994	4,182	2,761	1,028	470	(4,469)	(4,959)	(3,861)	(2,487)	(2,463)	482
Tax Rate	37.1%	40.1%	34.1%	35.8%	29.2%	27.2%	43.6%	41.2%	38.4%	39.2%	73.5%	9.9%
Non-GAAP Net Income/(Loss)	1,543	8,965	8,065	4,953	2,500	1,260	(5,776)	(7,075)	(6,198)	(3,856)	(888)	4,367
Net Income %	9.1%	10.9%	10.4%	7.0%	3.9%	2.5%	-22.5%	-39.2%	-27.4%	-14.0%	-2.3%	7.3%
Non-GAAP EPS	0.05	0.31	0.29	0.18	0.09	0.05	(0.21)	(0.26)	(0.23)	(0.14)	(0.03)	0.16
Average Shares Outstanding	29,038	28,647	28,238	27,680	27,108	27,035	27,040	27,133	27,234	27,356	27,517	28,058
Operating Cash Flow	4,115	8,199	5,888	(2,140)	1,636	14,230	7,419	(5,530)	(911)	(1,178)	924	4,020
Headcount	796	804	743	701	686	654	567	565	569	573	581	581
Reconciliation to GAAP:												
Non-GAAP Net Income/(Loss)	1,543	8,965	8,065	4,953	2,500	1,260	(5,776)	(7,075)	(6,198)	(3,856)	(888)	4,367
Equity Compensation	(195)	(1,044)	(1,138)	(1,358)	(1,411)	(1,168)	(806)	(993)	(2,307)	(2,148)	(1,651)	(1,614)
Acquisition-Related Costs	-	(4,287)	(1,046)	(816)	(724)	(565)	(511)	(544)	(759)	(522)	(514)	(514)
Other One-Time Charges	(0)	(33)	(3)	(937)	(5,843)	(6,556)	(19,530)	(9,008)	4,517	-	-	(1,347)
Tax Effects	70	1,928	784	1,138	2,720	2,920	(2,635)	2,694	(783)	406	641	1,186
GAAP Net Income/(Loss)	1,418	5,530	6,662	2,979	(2,758)	(4,109)	(29,258)	(14,925)	(5,530)	(6,120)	(2,413)	2,078
EPS	0.05	0.19	0.24	0.11	(0.10)	(0.15)	(1.08)	(0.55)	(0.20)	(0.22)	(0.09)	0.07

Non - GAAP

ESI Fourth Quarter 2010 Results

Reconciliation of GAAP to Non-GAAP Results

(000's)

	GAAP	Adjustments			Non-GAAP
		Acquisitions	Share-based Compensation	Other	
Revenue	59,604				59,604
Cost of Sales	33,943	(289)	(242)		
Gross Profit	25,661	289	242	-	26,192
Gross Margin	43.1%				43.9%
Research & Development	13,300	(36)	(334)		12,930
Selling, service and administrative	9,929	(189)	(1,038)		8,702
Restructuring Costs	-				-
Total OPEX	23,229	(225)	(1,372)	-	21,632
OPEX %	39.0%				36.3%
Operating Income	2,432	514	1,614	-	4,560
Operating Income %	4.1%				7.7%
Other Income/(Expense)	(1,058)	-	-	1,347	289
Income Before Taxes	1,374	514	1,614	1,347	4,849
Tax Provision/(Benefit)	(704)	175	551	460	482
Tax Rate	-51.2%				9.9%
Non-GAAP Net Income/(Loss)	2,078	339	1,063	887	4,367
Net Income %	3.5%				7.3%
Non-GAAP EPS	0.07				0.16
Average Shares Outstanding	27,924				28,058