

# ESI - Non-GAAP Financials

## Quarterly Trend

(\$000's)

	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2
Bookings	59,572	37,562	16,039	16,054	28,669	29,318	61,225	54,193	64,059	70,157
Shipments	63,954	48,136	26,571	17,292	23,087	28,351	33,804	66,002	55,865	65,264
Backlog	37,703	28,574	18,041	16,804	23,346	25,016	52,437	40,638	48,831	53,803
<b>Revenue</b>	<b>64,024</b>	<b>49,610</b>	<b>25,618</b>	<b>18,061</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>
Gross Profit	25,787	21,583	7,883	5,040	6,465	10,065	15,358	26,191	22,044	26,584
<b>Gross Margin</b>	<b>40.3%</b>	<b>43.5%</b>	<b>30.8%</b>	<b>27.9%</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>
Research & Development	9,363	8,161	7,920	7,718	7,115	7,068	8,388	9,559	9,798	9,782
Selling, service and administrative	13,757	12,809	11,228	9,551	9,751	9,697	10,690	12,072	11,321	12,988
<b>Total OPEX</b>	<b>23,119</b>	<b>20,970</b>	<b>19,148</b>	<b>17,269</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>
OPEX %	36.1%	42.3%	74.7%	95.6%	74.6%	60.7%	48.9%	36.3%	36.1%	38.2%
<b>Operating Income</b>	<b>2,668</b>	<b>613</b>	<b>(11,265)</b>	<b>(12,229)</b>	<b>(10,401)</b>	<b>(6,700)</b>	<b>(3,720)</b>	<b>4,560</b>	<b>925</b>	<b>3,813</b>
Operating Income %	4.2%	1.2%	-44.0%	-67.7%	-46.0%	-24.2%	-9.5%	7.7%	1.6%	6.4%
Other Income/(Expense)	860	1,117	1,020	196	342	357	369	289	58	187
<b>Income Before Taxes</b>	<b>3,528</b>	<b>1,730</b>	<b>(10,245)</b>	<b>(12,034)</b>	<b>(10,059)</b>	<b>(6,343)</b>	<b>(3,351)</b>	<b>4,850</b>	<b>983</b>	<b>4,000</b>
Tax Provision/(Benefit)	1,028	470	(4,469)	(4,959)	(3,861)	(2,487)	(2,463)	482	215	1,142
Tax Rate	29.2%	27.2%	43.6%	41.2%	38.4%	39.2%	73.5%	9.9%	21.9%	28.5%
<b>Non-GAAP Net Income/(Loss)</b>	<b>2,500</b>	<b>1,260</b>	<b>(5,776)</b>	<b>(7,075)</b>	<b>(6,198)</b>	<b>(3,856)</b>	<b>(888)</b>	<b>4,367</b>	<b>768</b>	<b>2,858</b>
Net Income %	3.9%	2.5%	-22.5%	-39.2%	-27.4%	-14.0%	-2.3%	7.3%	1.3%	4.8%
<b>Non-GAAP EPS</b>	<b>0.09</b>	<b>0.05</b>	<b>(0.21)</b>	<b>(0.26)</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>
Average Shares Outstanding	27,108	27,035	27,040	27,133	27,234	27,356	27,517	28,058	28,313	28,010
<b>Operating Cash Flow</b>	<b>1,636</b>	<b>14,230</b>	<b>7,419</b>	<b>(5,530)</b>	<b>(911)</b>	<b>(1,178)</b>	<b>924</b>	<b>4,020</b>	<b>14,769</b>	<b>(1,877)</b>
<b>Headcount</b>	<b>701</b>	<b>686</b>	<b>654</b>	<b>567</b>	<b>565</b>	<b>569</b>	<b>573</b>	<b>581</b>	<b>597</b>	<b>627</b>
<b>Reconciliation to GAAP:</b>										
Non-GAAP Net Income/(Loss)	2,500	1,260	(5,776)	(7,075)	(6,198)	(3,856)	(888)	4,367	768	2,858
Equity Compensation	(1,411)	(1,168)	(806)	(993)	(2,307)	(2,148)	(1,651)	(1,614)	(2,883)	(2,331)
Acquisition-Related Costs	(724)	(565)	(511)	(544)	(759)	(522)	(514)	(514)	(514)	(464)
Other One-Time Charges	(5,843)	(6,556)	(19,530)	(9,008)	4,517	-	-	(1,347)	889	(280)
Tax Effects	2,720	2,920	(2,635)	2,694	(783)	406	641	1,186	1,941	(394)
<b>GAAP Net Income/(Loss)</b>	<b>(2,758)</b>	<b>(4,109)</b>	<b>(29,258)</b>	<b>(14,925)</b>	<b>(5,530)</b>	<b>(6,120)</b>	<b>(2,413)</b>	<b>2,078</b>	<b>201</b>	<b>(611)</b>
<b>EPS</b>	<b>(0.10)</b>	<b>(0.15)</b>	<b>(1.08)</b>	<b>(0.55)</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>

## ESI Second Quarter 2011 Results

### Reconciliation of GAAP to Non-GAAP Results

(000's)

	GAAP	Adjustments			Non-GAAP
		Acquisitions	Share-based Compensation	Other	
<b>Revenue</b>	<b>59,554</b>				<b>59,554</b>
Cost of Sales	33,553	(289)	(294)		32,970
<b>Gross Profit</b>	<b>26,001</b>	289	294	-	<b>26,584</b>
<b>Gross Margin</b>	<b>43.7%</b>				<b>44.6%</b>
Research & Development	10,217	(36)	(399)		9,782
Selling, service and administrative	15,046	(139)	(1,638)	(280)	12,988
Restructuring Costs	-				-
<b>Total OPEX</b>	<b>25,263</b>	(175)	(2,037)	(280)	<b>22,770</b>
OPEX %	42.4%				38.2%
<b>Operating Income</b>	<b>738</b>	464	2,331	280	<b>3,813</b>
Operating Income %	1.2%				6.4%
Other Income/(Expense)	187	-	-	-	187
<b>Income Before Taxes</b>	<b>925</b>	464	2,331	280	<b>4,000</b>
Tax Provision/(Benefit)	1,536	(59)	(299)	(36)	1,142
Tax Rate	166.1%				28.5%
<b>Non-GAAP Net Income/(Loss)</b>	<b>(611)</b>	523	2,630	316	<b>2,858</b>
Net Income %	-1.0%				4.8%
<b>Non-GAAP EPS</b>	<b>(0.02)</b>				<b>0.10</b>
Average Shares Outstanding	28,010				28,313