

ESI - Non-GAAP Financials

Quarterly Trend

(\$000's)

| | 2011 Q1 | 2011 Q2 | 2011 Q3 | 2011 Q4 | 2012 Q1 | 2012 Q2 | 2012 Q3 | 2012 Q4 | 2013 Q1 | 2013 Q2 | 2013 Q3 |
|-------------------------------------|---------------|----------------|---------------|---------------|-----------------|---------------|----------------|----------------|---------------|---------------|----------------|
| Bookings | 64,059 | 70,157 | 77,876 | 72,516 | 98,939 | 40,632 | 45,425 | 70,343 | 74,067 | 34,989 | 26,321 |
| Shipments | 55,865 | 65,264 | 63,353 | 75,093 | 83,066 | 69,349 | 48,998 | 50,118 | 58,937 | 79,209 | 35,064 |
| Backlog | 48,831 | 53,803 | 68,112 | 65,535 | 81,408 | 52,690 | 49,415 | 69,056 | 84,455 | 40,236 | 31,493 |
| Revenue | 58,471 | 59,554 | 67,209 | 71,577 | 77,046 | 81,884 | 49,807 | 45,492 | 58,969 | 80,152 | 37,931 |
| Gross Profit | 22,044 | 26,584 | 30,569 | 31,993 | 34,345 | 36,491 | 21,752 | 19,359 | 24,206 | 34,282 | 15,123 |
| Gross Margin | 37.7% | 44.6% | 45.5% | 44.7% | 44.6% | 44.6% | 43.7% | 42.6% | 41.0% | 42.8% | 39.9% |
| Research & Development | 9,798 | 9,782 | 9,754 | 10,041 | 10,641 | 10,158 | 9,899 | 9,442 | 8,987 | 9,814 | 8,382 |
| Selling, service and administrative | 11,321 | 12,988 | 13,606 | 13,675 | 12,443 | 13,213 | 12,324 | 12,017 | 12,540 | 13,945 | 10,653 |
| Total OPEX | 21,119 | 22,770 | 23,360 | 23,716 | 23,085 | 23,371 | 22,222 | 21,459 | 21,527 | 23,759 | 19,035 |
| OPEX % | 36.1% | 38.2% | 34.8% | 33.1% | 30.0% | 28.5% | 44.6% | 47.2% | 36.5% | 29.6% | 50.2% |
| Operating Income | 925 | 3,813 | 7,208 | 8,278 | 11,261 | 13,120 | (470) | (2,100) | 2,679 | 10,523 | (3,911) |
| Operating Income % | 1.6% | 6.4% | 10.7% | 11.6% | 14.6% | 16.0% | -0.9% | -4.6% | 4.5% | 13.1% | -10.3% |
| Other Income/(Expense) | 58 | 187 | (39) | (18) | (78) | (406) | 47 | 59 | (150) | 91 | (5) |
| Income Before Taxes | 983 | 4,000 | 7,170 | 8,260 | 11,183 | 12,714 | (423) | (2,040) | 2,529 | 10,614 | (3,916) |
| Tax Provision/(Benefit) | 215 | 1,142 | 1,266 | 1,792 | 3,324 | 3,374 | (927) | (186) | 660 | 3,607 | (2,445) |
| Tax Rate | 21.9% | 28.5% | 17.7% | 21.7% | 29.7% | 26.5% | 219.0% | 9.1% | 26.1% | 34.0% | 62.4% |
| Non-GAAP Net Income/(Loss) | 768 | 2,858 | 5,904 | 6,467 | 7,859 | 9,340 | 504 | (1,854) | 1,868 | 7,007 | (1,471) |
| Net Income % | 1.3% | 4.8% | 8.8% | 9.0% | 10.2% | 11.4% | 1.0% | -4.1% | 3.2% | 8.7% | -3.9% |
| Non-GAAP EPS | 0.03 | 0.10 | 0.21 | 0.22 | 0.27 | 0.32 | 0.02 | (0.06) | 0.06 | 0.23 | (0.05) |
| Average Shares Outstanding | 28,313 | 28,010 | 28,667 | 28,956 | 29,262 | 29,426 | 28,849 | 28,931 | 29,810 | 29,961 | 29,434 |
| Operating Cash Flow | 14,769 | (1,877) | 8,358 | 29,340 | (10,868) | 26,404 | 1,407 | (2,631) | 11,352 | 11,202 | 27,384 |
| Headcount | 597 | 627 | 638 | 648 | 684 | 683 | 655 | 627 | 651 | 679 | 655 |
| Reconciliation to GAAP: | | | | | | | | | | | |
| Non-GAAP Net Income/(Loss) | 768 | 2,858 | 5,904 | 6,467 | 7,859 | 9,340 | 504 | (1,854) | 1,868 | 7,007 | (1,471) |
| Equity Compensation | (2,883) | (2,331) | (2,086) | (2,026) | (4,780) | (2,397) | (2,393) | (1,905) | (2,977) | (1,900) | (1,482) |
| Acquisition-Related Costs | (514) | (464) | (477) | (459) | (450) | (408) | (401) | (401) | (1,245) | (674) | (641) |
| Other One-Time Charges | 889 | (280) | (2,138) | 682 | 2,120 | (0) | (861) | (6,071) | - | (70) | 15,432 |
| Tax Effects | 1,941 | (394) | 1,149 | 1,329 | 1,164 | 2,002 | 1,269 | 2,565 | 1,411 | 848 | (5,070) |
| GAAP Net Income/(Loss) | 201 | (611) | 2,351 | 5,993 | 5,913 | 8,536 | (1,881) | (7,665) | (944) | 5,211 | 6,768 |
| EPS | 0.01 | (0.02) | 0.08 | 0.21 | 0.20 | 0.29 | (0.07) | (0.26) | 0.03 | 0.17 | 0.23 |

ESI Third Quarter 2013 Results

Reconciliation of GAAP to Non-GAAP Results

(000's)

| | GAAP | Adjustments | | | Non-GAAP |
|-------------------------------------|---------------|--------------|-----------------------------|----------|----------------|
| | | Acquisitions | Share-based Compensation | Other | |
| Revenue | 37,931 | | | | 37,931 |
| Cost of Sales | 24,697 | (520) | (202) | (1,168) | 22,807 |
| Gross Profit | 13,233 | 520 | 202 | 1,168 | 15,123 |
| Gross Margin | 34.9% | | | | 39.9% |
| Research & Development | 8,730 | (47) | (301) | | 8,382 |
| Selling, service and administrative | 11,696 | (101) | (979) | | 10,653 |
| Legal Settlement | (15,365) | | | 15,365 | - |
| Gain on property sale | (1,226) | | | 1,226 | - |
| Total OPEX | 3,835 | (148) | (1,280) | 16,591 | 19,035 |
| OPEX % | 10.1% | | | | 50.2% |
| Operating Income | 9,398 | 668 | 1,482 | (15,423) | (3,911) |
| Operating Income % | 24.8% | | | | -10.3% |
| Other Income/(Expense) | (5) | - | - | - | (5) |
| Income Before Taxes | 9,393 | 668 | 1,482 | (15,423) | (3,880) |
| Tax Provision/(Benefit) | 2,625 | | | | (2,445) |
| Tax Rate | 27.9% | | | | 63.0% |
| Non-GAAP Net Income/(Loss) | 6,768 | | | | (1,471) |
| Net Income % | 17.8% | | | | -3.9% |
| Non-GAAP EPS | 0.23 | | | | (0.05) |
| Average Shares Outstanding | 29,434 | | | | 29,434 |