

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	2011 Q3	2011 Q4
Bookings	59,572	37,562	16,039	16,054	28,669	29,318	61,225	54,193	64,059	70,157	77,876	72,516
Shipments	63,954	48,136	26,571	17,292	23,087	28,351	33,804	66,002	55,865	65,264	63,353	75,093
Backlog	37,703	28,574	18,041	16,804	23,346	25,016	52,437	40,638	48,831	53,803	68,112	65,535
Revenue	64,024	49,610	25,618	18,061	22,603	27,638	39,048	59,604	58,471	59,554	67,209	71,577
Gross Profit	25,787	21,583	7,883	5,040	6,465	10,065	15,358	26,191	22,044	26,584	30,569	31,993
Gross Margin	40.3%	43.5%	30.8%	27.9%	28.6%	36.4%	39.3%	43.9%	37.7%	44.6%	45.5%	44.7%
Research & Development	9,363	8,161	7,920	7,718	7,115	7,068	8,388	9,559	9,798	9,782	9,754	10,041
Selling, service and administrative	13,757	12,809	11,228	9,551	9,751	9,697	10,690	12,072	11,321	12,988	13,606	13,675
Total OPEX	23,119	20,970	19,148	17,269	16,866	16,765	19,078	21,631	21,119	22,770	23,360	23,716
OPEX %	36.1%	42.3%	74.7%	95.6%	74.6%	60.7%	48.9%	36.3%	36.1%	38.2%	34.8%	33.1%
Operating Income	2,668	613	(11,265)	(12,229)	(10,401)	(6,700)	(3,720)	4,560	925	3,813	7,208	8,278
Operating Income %	4.2%	1.2%	-44.0%	-67.7%	-46.0%	-24.2%	-9.5%	7.7%	1.6%	6.4%	10.7%	11.6%
Other Income/(Expense)	860	1,117	1,020	196	342	357	369	289	58	187	(39)	(18)
Income Before Taxes	3,528	1,730	(10,245)	(12,034)	(10,059)	(6,343)	(3,351)	4,850	983	4,000	7,170	8,260
Tax Provision/(Benefit)	1,028	470	(4,469)	(4,959)	(3,861)	(2,487)	(2,463)	482	215	1,142	1,266	1,792
Tax Rate	29.2%	27.2%	43.6%	41.2%	38.4%	39.2%	73.5%	9.9%	21.9%	28.5%	17.7%	21.7%
Non-GAAP Net Income/(Loss)	2,500	1,260	(5,776)	(7,075)	(6,198)	(3,856)	(888)	4,367	768	2,858	5,904	6,467
Net Income %	3.9%	2.5%	-22.5%	-39.2%	-27.4%	-14.0%	-2.3%	7.3%	1.3%	4.8%	8.8%	9.0%
Non-GAAP EPS	0.09	0.05	(0.21)	(0.26)	(0.23)	(0.14)	(0.03)	0.16	0.03	0.10	0.21	0.22
Average Shares Outstanding	27,108	27,035	27,040	27,133	27,234	27,356	27,517	28,058	28,313	28,010	28,667	28,956
Operating Cash Flow	1,636	14,230	7,419	(5,530)	(911)	(1,178)	924	4,020	14,769	(1,877)	8,358	29,340
Headcount	701	686	654	567	565	569	573	581	597	627	638	648
Reconciliation to GAAP:												
Non-GAAP Net Income/(Loss)	2,500	1,260	(5,776)	(7,075)	(6,198)	(3,856)	(888)	4,367	768	2,858	5,904	6,467
Equity Compensation	(1,411)	(1,168)	(806)	(993)	(2,307)	(2,148)	(1,651)	(1,614)	(2,883)	(2,331)	(2,086)	(2,026)
Acquisition-Related Costs	(724)	(565)	(511)	(544)	(759)	(522)	(514)	(514)	(514)	(464)	(477)	(459)
Other One-Time Charges	(5,843)	(6,556)	(19,530)	(9,008)	4,517	-	-	(1,347)	889	(280)	(2,138)	682
Tax Effects	2,720	2,920	(2,635)	2,694	(783)	406	641	1,186	1,941	(394)	1,149	1,329
GAAP Net Income/(Loss)	(2,758)	(4,109)	(29,258)	(14,925)	(5,530)	(6,120)	(2,413)	2,078	201	(611)	2,351	5,993
EPS	(0.10)	(0.15)	(1.08)	(0.55)	(0.20)	(0.22)	(0.09)	0.07	0.01	(0.02)	0.08	0.21

ESI Fourth Quarter 2011 Results

Reconciliation of GAAP to Non-GAAP Results

(000's)

	GAAP	Adjustments			Non-GAAP
		Acquisitions	Share-based Compensation	Other	
Revenue	71,577				71,577
Cost of Sales	40,129	(289)	(256)		39,584
Gross Profit	31,448	289	256	-	31,993
Gross Margin	43.9%				44.7%
Research & Development	10,457	(58)	(358)		10,041
Selling, service and administrative	15,199	(112)	(1,412)		13,675
Legal Settlement Costs	56			(56)	-
Restructuring Costs	(30)			30	-
Total OPEX	25,682	(170)	(1,770)	(26)	23,716
OPEX %	35.9%				33.1%
Operating Income	5,766	459	2,026	26	8,277
Operating Income %	8.1%				11.6%
Other Income/(Expense)	690	-	-	(708)	(18)
Income Before Taxes	6,456	459	2,026	(682)	8,259
Tax Provision/(Benefit)	463				1,792
Tax Rate	7.2%				21.7%
Non-GAAP Net Income/(Loss)	5,993				6,467
Net Income %	8.4%				9.0%
Non-GAAP EPS	0.21				0.22
Average Shares Outstanding	28,956				28,956