

Quarterly Industry Update

As of July 31, 2013

Industry: Consumer Electronics



Industry Summary

Cogent Valuation identified publicly traded companies, IPOs, and recent M&A transactions within the Consumer Electronics industry, which provides a basis for market and transaction pricing that can be used by your firm in estimating market sentiment and its impact on your firm's value. Since July 31, 2012, the median 52-week share price return of the Consumer Electronics industry has increased by 33.0%. In the last quarter, the median price-to-earnings multiple increased from 15.7x to 16.1x. Similarly, other public company multiples have increased this last quarter. This increase was driven by higher sales growth and profitability metrics.

Comparable Public Company Key Statistics

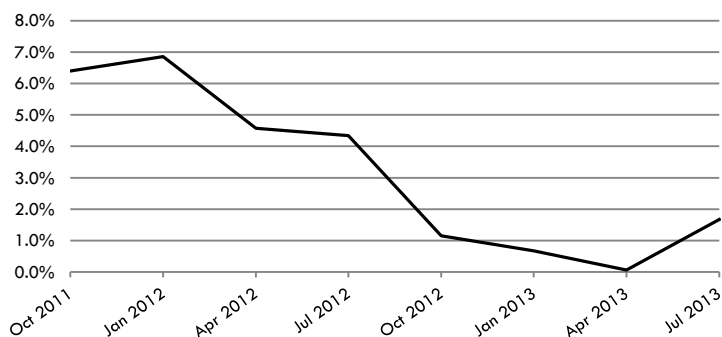
Median 52-Week Return	33.0%	Median EV/Revenue Multiple	1.4x	Median Price/Earnings Multiple	16.1x
Median 3-Year CAGR Return	10.8%	Median EV/EBITDA Multiple	7.2x	Median EV/Gross CF Multiple	10.2x

Comparable Public Company Market Price Returns (As of July 31, 2013)

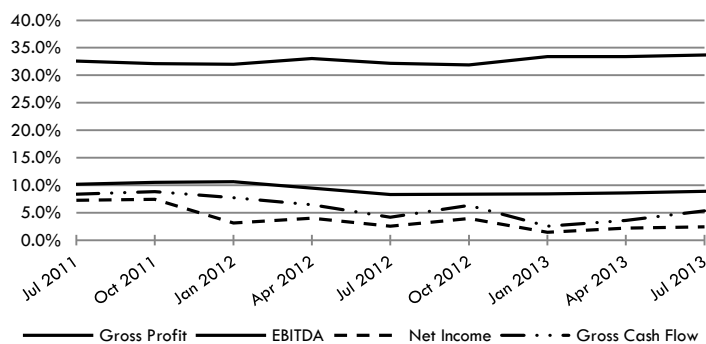
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
EchoStar Corp.	16.8%	1.8%	38.8%	9.3%	27.9%	4.5%	63.4%	-16.1%	24.0%	35.4%	-21.0%
Logitech International SA	-6.6%	10.9%	-19.6%	-14.4%	-23.5%	-23.1%	-3.1%	-58.1%	8.4%	9.8%	-57.5%
TiVo Inc.	-10.2%	-5.7%	27.2%	8.4%	8.8%	7.5%	37.2%	3.9%	-15.2%	42.2%	-14.1%
Apple Inc.	-15.0%	2.2%	-25.9%	7.7%	20.7%	23.3%	31.4%	25.6%	53.1%	146.9%	-56.9%
Pace plc	54.7%	22.6%	99.3%	58.1%	12.7%	23.3%	173.2%	-60.7%	-15.5%	323.2%	-56.0%
Nefflix, Inc.	164.1%	13.2%	330.1%	-4.1%	33.6%	51.2%	33.6%	-60.6%	218.9%	84.3%	12.3%
Universal Electronics Inc.	59.3%	34.2%	144.9%	14.8%	20.6%	6.3%	14.7%	-40.5%	22.2%	43.2%	-51.5%
Rovi Corporation	46.0%	-3.7%	68.4%	-34.8%	-20.3%	8.2%	-37.2%	-60.4%	94.6%	151.9%	-31.0%
Netgear Inc.	-24.4%	0.1%	-13.9%	-4.8%	7.5%	14.5%	17.5%	-0.3%	55.3%	90.1%	-68.0%
Hauppauge Digital Inc.	-27.9%	-32.6%	-41.6%	-41.0%	-29.8%	-14.6%	52.5%	-73.2%	160.5%	-23.2%	-76.6%
Median of Industry Public Companies	5.1%	2.0%	33.0%	1.8%	10.8%	7.9%	32.5%	-49.3%	38.5%	63.7%	-53.8%

(Multiple year periods are calculated as the average annual return.)

Median Quarterly Revenue Growth of All Consumer Electronics Companies



Median Gross Profit, EBITDA, Net Income and Gross Cash Flow Margins



Median Public Company Multiples of the Consumer Electronics Industry

Date:	7/31/2011	10/31/2011	1/31/2012	4/30/2012	7/31/2012	10/31/2012	1/31/2013	4/30/2013	7/31/2013
EV/Revenues Multiple	1.4x	1.3x	1.1x	1.0x	0.8x	1.1x	1.3x	1.4x	1.4x
EV/EBITDA Multiple	9.8x	8.7x	7.1x	6.8x	6.1x	6.5x	6.7x	7.0x	7.2x
Price/Earnings Multiple	18.0x	16.2x	13.7x	15.3x	19.3x	15.3x	15.6x	15.7x	16.1x
EV/Gross Cash Flows Multiple	12.3x	12.7x	10.8x	9.2x	10.6x	10.7x	8.6x	9.7x	10.2x

This industry research is provided at no charge to Cogent Valuation's clients. Research or detailed information not covered in this report can be obtained for a fee. Contact Steven Kam at 415-392-0888 for more information or questions in connection with this research report.

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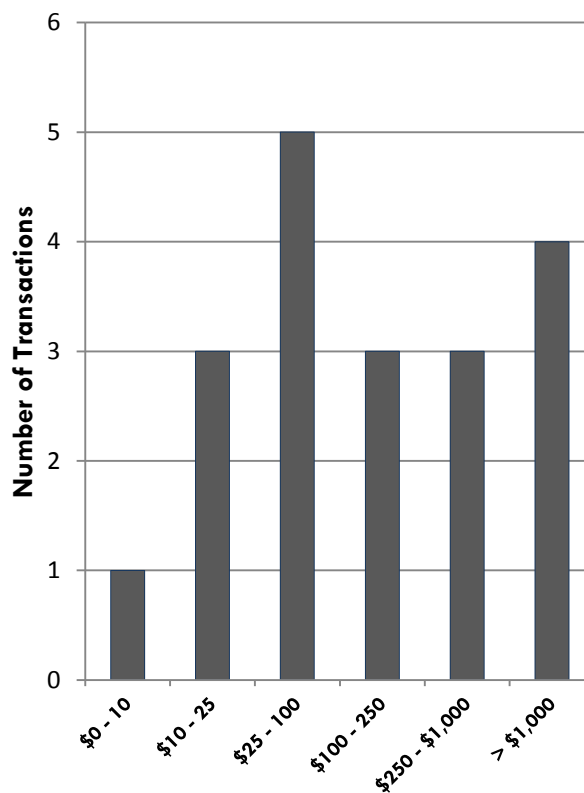
Industry Initial Public Offerings (dollars in millions, except share prices)

Offer Date	Company Name	Offer Price	Shares Offered	Amount Raised	Total Assets	Debt	LTM Revenues	LTM EBITDA	LTM Net Income	LTM Cash Flows
6/26/2013	CDW Corporation	\$17.00	23.3	\$395.3	\$5,822.7	\$3,933.7	\$10,220.7	\$736.8	\$34.4	\$768.3
7/14/2010	Smart Technologies Inc.	\$17.00	38.8	\$660.1	\$521.7	\$530.0	\$708.7	\$165.1	N/A	\$165.1
7/30/2003	Netgear Inc.	\$14.00	7.0	\$98.0	\$132.0	\$22.0	\$273.0	\$15.5	N/A	\$17.1
5/22/2002	Nefflix, Inc.	\$15.00	5.5	\$82.5	\$44.7	\$6.6	\$89.4	(\$10.3)	(\$20.7)	N/A
9/29/1999	TiVo Inc.	\$16.00	5.5	\$88.0	\$23.8	\$1.7	\$0.0	(\$18.3)	(\$33.3)	(\$18.2)
3/12/1997	Rovi Corporation	\$9.00	2.4	\$21.2	\$12.0	\$0.4	\$17.1	\$4.3	(\$55.5)	\$5.3
Median of All IPOs		nm	nm	\$93.0	\$88.4	\$14.3	\$181.2	\$9.9	(\$27.0)	\$17.1

Recent Merger and Acquisition Transactions for a Majority Stake (dollars in millions)

Transaction Date	Target	Acquirer	Transaction Size	% Bought
2/1/2013	Wellypower Optronics	Lextar Electronics	\$114.2	100%
7/20/2012	CrossControl AB	Maxima Technologies	\$40.0	100%
7/17/2012	Knology, Inc.	Sigecom, LLC	\$1,567.6	100%
3/8/2012	Viviti Technologies	Western Digital	\$4,642.3	100%
2/29/2012	Insight Communications	Time Warner Cable	\$3,000.0	100%
2/1/2012	R.L. Drake, LLC	Blonder Tongue	\$12.1	100%
11/21/2011	BigBand Networks, Inc.	Arris Group Inc.	\$161.7	100%
10/10/2011	Qumu, Inc.	Rimage Corporation	\$52.8	100%
10/7/2011	silex technology, Inc.	Murata Machinery, Ltd.	\$47.8	100%
8/15/2011	Foxconn Precision Electronics	Prime Rich Holdings	\$70.5	100%
7/4/2011	i-POP Networks Pte., Ltd.	InternetQ PLC	\$8.1	100%
3/31/2011	NPG Cable, Inc.	Cequel Communications	\$350.0	100%
11/29/2010	Pirelli Broadband Solutions	Advanced Digital	\$41.8	100%
10/7/2010	DivX, Inc.	Sonic Solutions LLC	\$327.1	100%
10/1/2010	TransVideo International Ltd.	NeuLion Incorporated	\$10.2	100%
9/15/2010	Omneon, Inc.	Harmonic Inc.	\$249.7	100%
8/26/2010	RCN Corporation	ABRY Partners, LLC	\$1,340.7	100%
4/9/2010	Airvana LLC	ZelnickMedia LLC	\$534.9	100%
1/15/2010	Greentube Internet	Astra Games Ltd.	\$11.1	70%
Median of All Transaction Targets			\$70.5	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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