

Quarterly Industry Update

As of March 31, 2014

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 March 31, 2013, the median 52-week share price return of the Consumer Electronics industry has increased by 21.6%. In the last quarter, the median price-to-earnings multiple increased from 19.5x to 23.2x.

Comparable Public Company Key Statistics

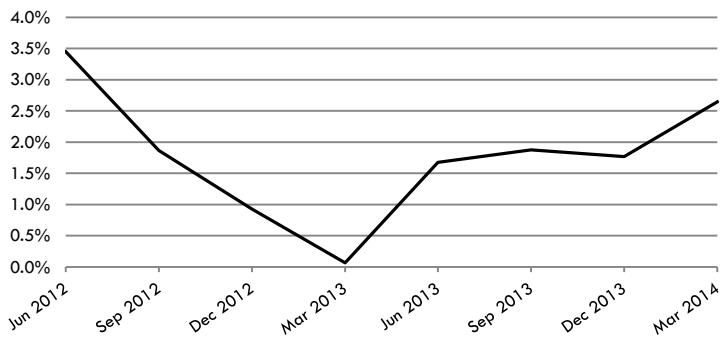
Median 52-Week Return	21.6%	Median EV/Revenue Multiple	1.5x	Median Price/Earnings Multiple	23.2x
Median 3-Year CAGR Return	8.5%	Median EV/EBITDA Multiple	10.6x	Median EV/Gross CF Multiple	13.6x

Comparable Public Company Market Price Returns (As of March 31, 2014)

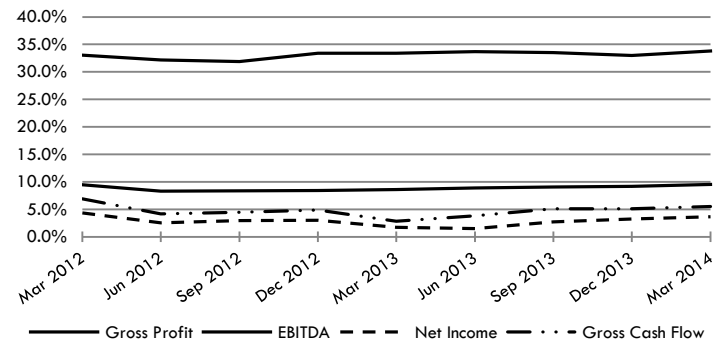
	YTD	3 Month	1 Year	2 Year	3 Year	5 Year	2012	2011	2010	2009	2008
EchoStar Corp.	39.0%	-4.3%	22.0%	30.0%	7.9%	26.2%	63.4%	-16.1%	24.0%	35.4%	-21.0%
Logitech International SA	97.5%	8.8%	113.6%	38.2%	-6.4%	7.7%	-3.1%	-58.1%	8.4%	9.8%	-57.5%
TiVo Inc.	7.5%	0.8%	6.8%	5.0%	14.8%	13.4%	37.2%	3.9%	-15.2%	42.2%	-14.1%
Apple Inc.	0.9%	-4.3%	21.3%	-5.4%	15.5%	38.6%	31.4%	25.6%	53.1%	146.9%	-56.9%
Pace plc	145.3%	42.5%	103.2%	150.7%	45.4%	41.4%	173.2%	-60.7%	-15.5%	323.2%	-56.0%
Netflix, Inc.	280.2%	-4.4%	86.0%	74.9%	14.0%	52.3%	33.6%	-60.6%	218.9%	84.3%	12.3%
Universal Electronics Inc.	98.4%	0.7%	65.1%	38.6%	9.1%	16.2%	14.7%	-40.5%	22.2%	43.2%	-51.5%
Rovi Corporation	47.6%	15.7%	6.4%	-16.3%	-24.8%	5.1%	-37.2%	-60.4%	94.6%	151.9%	-31.0%
Netgear Inc.	-14.5%	2.4%	0.7%	-6.0%	1.3%	22.9%	17.5%	-0.3%	55.3%	90.1%	-68.0%
Hauppauge Digital Inc.	-80.3%	0.1%	-83.0%	-64.3%	-55.0%	-31.3%	52.5%	-73.2%	160.5%	-23.2%	-76.6%
Median of Industry Public Companies	43.3%	0.8%	21.6%	17.5%	8.5%	19.5%	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:	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013	3/31/2014
EV/Revenues Multiple	1.0x	1.0x	0.9x	1.3x	1.4x	1.4x	1.4x	1.6x	1.5x
EV/EBITDA Multiple	7.1x	6.9x	7.1x	6.7x	7.1x	7.1x	7.4x	9.4x	10.6x
Price/Earnings Multiple	14.8x	14.7x	15.6x	16.7x	16.8x	17.1x	13.4x	19.5x	23.2x
EV/Gross Cash Flows Multiple	9.3x	11.8x	10.5x	11.5x	9.7x	10.7x	10.7x	13.2x	13.6x

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 additional information or questions in connection with this research report.

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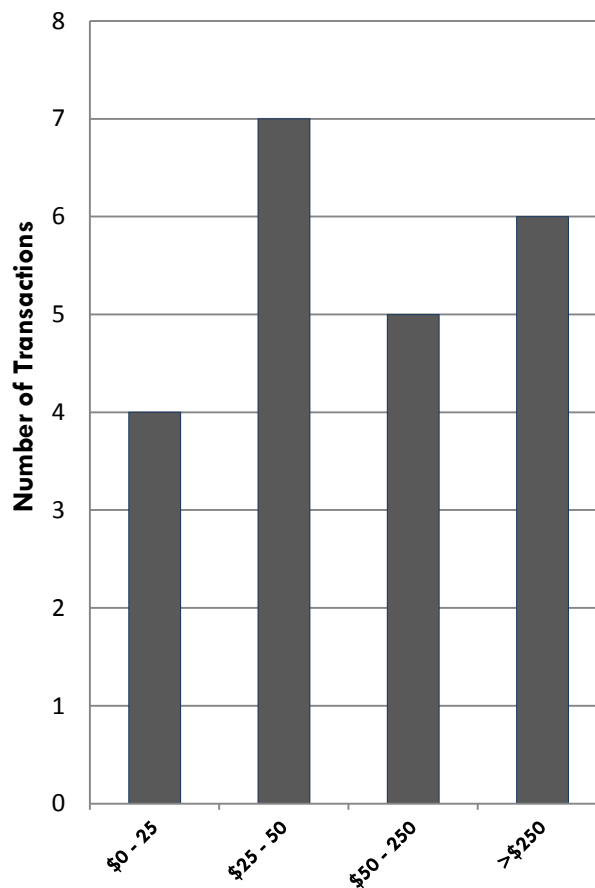
Industry Initial Public Offerings (dollars in millions, except share prices)

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	\$136.4	\$768.3
7/14/2010	Smart Technologies Inc.	\$17.00	38.8	\$660.1	N/A	N/A	N/A	N/A	N/A	N/A
7/30/2003	Netgear Inc.	\$14.00	7.0	\$98.0	\$132.0	\$22.0	\$273.0	\$15.5	\$18.9	\$17.1
5/22/2002	Nefflix, Inc.	\$15.00	5.5	\$82.5	\$44.7	\$6.6	\$89.4	(\$10.3)	(\$20.7)	(\$4.6)
9/29/1999	TiVo Inc.	\$16.00	5.5	\$88.0	\$23.8	\$1.7	\$0.0	(\$18.3)	(\$18.3)	(\$18.2)
3/12/1997	Rovi Corporation	\$9.00	2.4	\$21.2	\$12.0	\$0.4	\$17.1	\$4.3	\$1.0	\$5.3
Median of All IPOs		nm	nm	\$93.0	\$44.7	\$6.6	\$89.4	\$4.3	\$1.0	\$5.3

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

Transaction Date	Target	Acquirer	Transaction Size	% Bought
8/28/2013	Teradek, LLC	Vitec Videocom Ltd	\$27.5	100%
8/22/2013	Keynote Systems, Inc.	Thoma Bravo	\$398.7	100%
8/15/2013	AccessKenya Group Limited	Dimension Data Hldgs	\$42.2	100%
6/24/2013	Telular Corporation	Avista Capital Holdings	\$259.7	100%
6/18/2013	Alfacam Group NV	Videohouse nv	\$109.6	100%
5/1/2013	Q-par Angus Ltd.	Solid State plc	\$1.4	100%
4/1/2013	Kentrox, Inc.	Westell, Inc.	\$30.0	100%
3/14/2013	ASL Holdings Ltd	HWM-Water Limited	\$15.1	100%
3/6/2013	Pro Brand International	Sandmartin International Hldgs	\$29.4	100%
3/5/2013	Harmonic Inc.	Aurora Networks, Inc.	\$46.0	100%
1/24/2013	Magic Golden Limited	N/A	\$52.0	75%
1/1/2013	eAccess Ltd.	SoftBank Corp.	\$4,789.8	100%
12/4/2012	Ditech Networks, Inc.	Nuance Communications	\$39.0	100%
11/23/2012	Nera Telecommunications	Northstar Group	\$72.5	50%
10/10/2012	IMJ Corporation	N/A	\$42.3	63%
10/9/2012	Pardot, LLC	ExactTarget, Inc.	\$95.4	100%
9/24/2012	Engin Ltd.	EFTEL Limited	\$9.5	100%
9/17/2012	Intuit Inc.	Endurance International Grp	\$60.0	100%
8/27/2012	Sabre Industries, Inc.	Kohlberg & Co.	\$295.0	100%
7/17/2012	Knology, Inc.	Sigecom, LLC	\$1,567.6	100%
2/29/2012	Insight Communications	Time Warner Cable Inc.	\$3,000.0	100%
2/1/2012	R.L. Drake, LLC	Blonder Tongue Laboratories	\$12.1	100%
Median of All Transaction Targets			\$49.0	100%

Size of Merger and Acquisition Transactions (dollars in millions)



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