



ISE Limited and ISE Corporation
Statement of Operations
(Unaudited)

	Year ended December 31,		Three months ended December 31,	
	2009	2008	2009	2008
(in thousands of US dollars, except share and per share data)				
Revenue	\$ 44,419	\$ 19,445	\$ 18,411	\$ 6,457
Cost of revenue	45,416	30,390	20,403	7,081
Gross income (loss).....	(997)	(10,945)	(1,992)	(624)
Operating expenses:				
Product engineering, research and development	5,059	2,338	1,231	948
Sales and marketing	2,703	2,293	837	648
General and administrative	6,736	9,165	1,927	1,897
Total operating expenses.....	14,498	13,796	3,995	3,493
Loss from operations	(15,495)	(24,741)	(5,987)	(4,117)
Other income (expense):				
Interest expense.....	(2,373)	(529)	(980)	65
Interest income.....	6	61	1	13
Other income (loss), net	63	(234)	(2)	(380)
Warrant modification expense	—	(177)	—	—
Other incomes (expense).....	(2,304)	(879)	(981)	(302)
Loss before income taxes	(17,799)	(25,620)	(6,968)	(4,419)
Income taxes	1	1	—	—
Net loss	(17,800)	(25,621)	(6,968)	(4,419)
Returns to preferred stockholders	(9,288)	(7,153)	(2,445)	(2,045)
Net loss applicable to common stockholders	(27,088)	(32,774)	(9,413)	(6,464)
Net loss per common share; basic and diluted	(6.37)	(8.71)	(2.21)	(1.52)
Basic and diluted weighted average common shares outstanding	4,252,939	3,764,724	4,252,939	4,252,939

ISE Limited and ISE Corporation
Balance Sheet Data
(Unaudited)

(In thousands of US dollars, except share data)

	December 31	
	2009	2008
Assets		
Current assets:		
Cash and cash equivalents.....	\$ 782	\$ 638
Short-term investments	—	5,400
Accounts receivable, net of allowance for doubtful accounts of \$119 and \$93 at December 31, 2009 and 2008, respectively.....	9,189	8,887
Unbilled accounts receivable	1,405	366
Restricted cash.....	237	1,253
Inventories.....	9,979	11,406
Other current assets	2,600	1,158
Total current assets	24,192	29,108
Restricted cash	229	406
Property and equipment, net.....	1,464	1,973
Intangibles, net.....	523	462
Other long-term assets	953	45
Total assets	<u>\$ 27,361</u>	<u>\$ 31,994</u>
Liabilities, Redeemable Convertible Preferred Stock, and Stockholders' Deficit		
Current liabilities:		
Accounts payable	\$ 14,740	\$ 10,880
Accrued liabilities	3,353	4,121
Current portion of payable to related party.....	252	252
Current portion of long-term debt and capital lease	5,528	61
Preferred stock warrants subject to mandatory redemption	1,934	—
Current portion of deferred revenue	649	395
Current portion of accrued warranty and retrofit costs.....	5,998	3,161
Billings in excess of costs	6,701	10,126
Total current liabilities	39,155	28,996
Deferred revenue	317	511
Accrued warranty and retrofit costs	4,301	2,029
Other long-term liabilities	187	259
Long-term payable to related party	157	402
Long-term debt and capital lease.....	38	60
Total liabilities.....	44,155	32,257
Redeemable convertible Series B preferred stock; \$0.001 par value. Authorized, issued, and outstanding shares 3,799,322 at December 31, 2009 and 2008 liquidation preference of \$37,500	39,232	35,122
Redeemable convertible Series C preferred stock; \$0.001 par value. Authorized, issued, and outstanding shares 12,693,230 at December 31, 2009 and 2008 liquidation preference of \$20,700	16,396	14,772
Redeemable convertible Series D preferred stock; \$0.001 par value. Authorized, issued, and outstanding shares 27,227,480 at December 31, 2009 and 2008 liquidation preference of \$26,250	21,036	17,482
Commitments and contingencies (notes 7 and 8)		
Stockholders' deficit:		
Convertible Series A preferred stock; \$0.001 par value. Authorized, issued, and outstanding 2,077,724 at December 31, 2009 and 2008 liquidation preference of \$8,477.....	13,564	13,564
Common stock, \$0.003 par value. Authorized, 25,000,000; issued and outstanding shares 4,252,939 at December 31, 2009 and 2008.....	13	13
Additional paid-in capital.....	(22,090)	(14,073)
Accumulated other comprehensive income	—	2
Accumulated deficit	(84,945)	(67,145)
Total stockholders' deficit.....	(93,458)	(67,639)
Total liabilities, redeemable convertible preferred stock, and stockholders' deficit.....	<u>\$ 27,361</u>	<u>\$ 31,994</u>