



# Second Quarter FY 2013 Earnings Call Highlights

May 16, 2013



The new VIISa Trident<sup>®</sup> system is the semiconductor industry's most advanced single-wafer high current implant solution

# Safe Harbor Statement

This presentation contains forward-looking statements, including those regarding Applied's products, opportunities, and Q3'13 expectations. These statements are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including uncertain global economic and industry conditions, demand for electronic products and semiconductors, and customers' new technology and capacity requirements; the concentrated nature of Applied's customer base; Applied's ability to (i) develop, deliver and support a broad range of products and expand its markets, (ii) timely align its cost structure with business conditions and achieve intended objectives, (iii) attract, motivate and retain key employees, and (iv) accurately forecast future operating and financial results, which depends on multiple assumptions; and other risks described in our most recent Form 10-Q. All forward-looking statements are based on management's estimates, projections and assumptions as of May 16, 2013, and Applied undertakes no obligation to update any forward-looking statements.

This presentation also contains non-GAAP adjusted financial measures, along with reconciliations to GAAP.

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- Q2 FY'13 financial summary (consolidated)
- Reporting segments
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# Q2 FY'13 Highlights

Second consecutive quarter with more than \$2 billion in new orders

Net sales of \$1.97 billion up 25 percent sequentially

Non-GAAP\* adjusted EPS of 16 cents exceeded high end of outlook; GAAP loss of 11 cents per share reflected impairment charges in Energy and Environmental Solutions

\* See slides 19 and 20 for reconciliation of GAAP to non-GAAP adjusted measures

# Q2'13 Income Statement Summary (consolidated)

|  |   |
|--|---|
| <b>New orders:</b>                                 | \$2.3B – up 7.2% from Q1'13                 |
| <b>Backlog:</b>                                    | \$2.3B – up 9.1% from Q1'13                 |
| <b>Net sales:</b>                                  | \$2.0B – up 25.4% from Q1'13                |
| <b>Non-GAAP adjusted gross margin*:</b>            | 43.2% – up 3.4 percentage points from Q1'13 |
| <b>Non-GAAP adjusted operating income/margin*:</b> | \$285M or 14.4% of net sales                |
| <b>Non-GAAP adjusted effective tax rate*:</b>      | 24.9%                                       |
| <b>Non-GAAP adjusted net income*:</b>              | \$199M or \$0.16 per diluted share          |

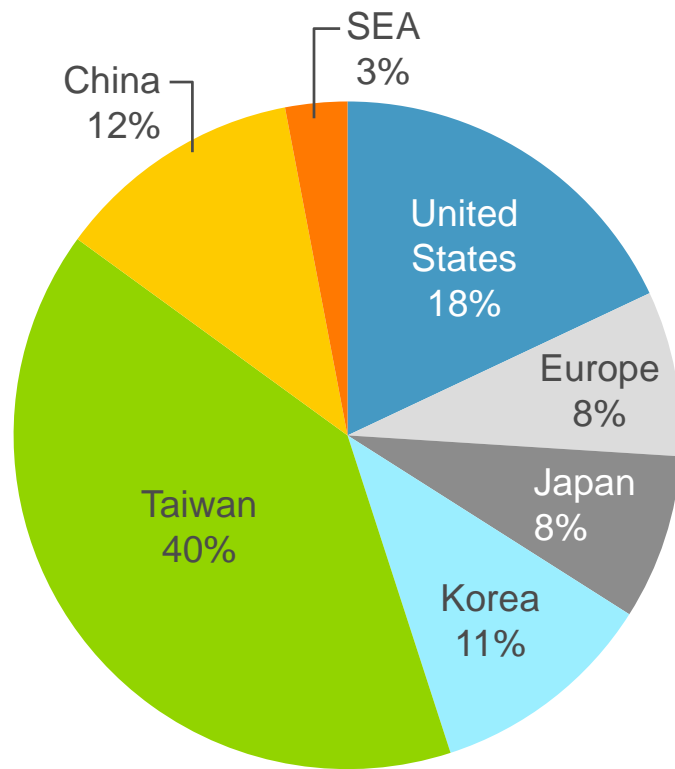
\* See slides 19, 20, 21, and 27 for reconciliation of GAAP to non-GAAP adjusted measures

# Summary Income Statement (consolidated)

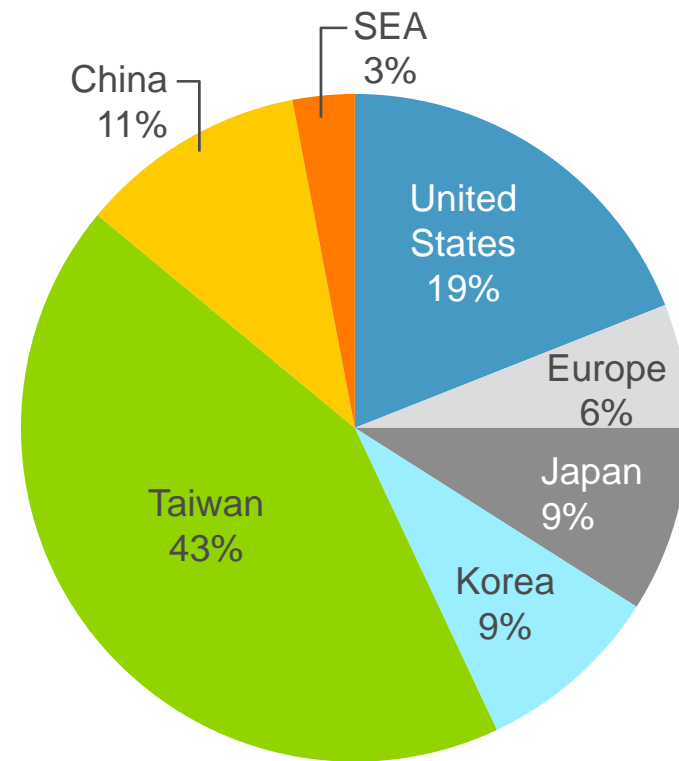
| Unaudited<br>\$ Amounts in Millions Except EPS | Q2'13   | Q1'13   | Q2'12   |
|--|---------|---------|---------|
| New orders                                     | \$2,266 | \$2,113 | \$2,765 |
| Net sales                                      | \$1,973 | \$1,573 | \$2,541 |
| Gross margin (Non-GAAP adjusted)*              | 43.2%   | 39.8%   | 42.1%   |
| RD&E   | 17.4%   | 19.3%   | 12.6%   |
| SG&A   | 12.4%   | 14.6%   | 11.1%   |
| Operating margin<br>(Non-GAAP adjusted)*       | 14.4%   | 7.1%    | 19.3%   |
| Net income (Non-GAAP adjusted)*                | \$199M  | \$69M   | \$349M  |
| Net income % (Non-GAAP adjusted)*              | 10.1%   | 4.4%    | 13.7%   |
| EPS (Non-GAAP adjusted)*                       | \$0.16  | \$0.06  | \$0.27  |

\* See slides 19 and 21 for reconciliation of GAAP to non-GAAP adjusted measures

# New Orders Regional Distribution (consolidated)

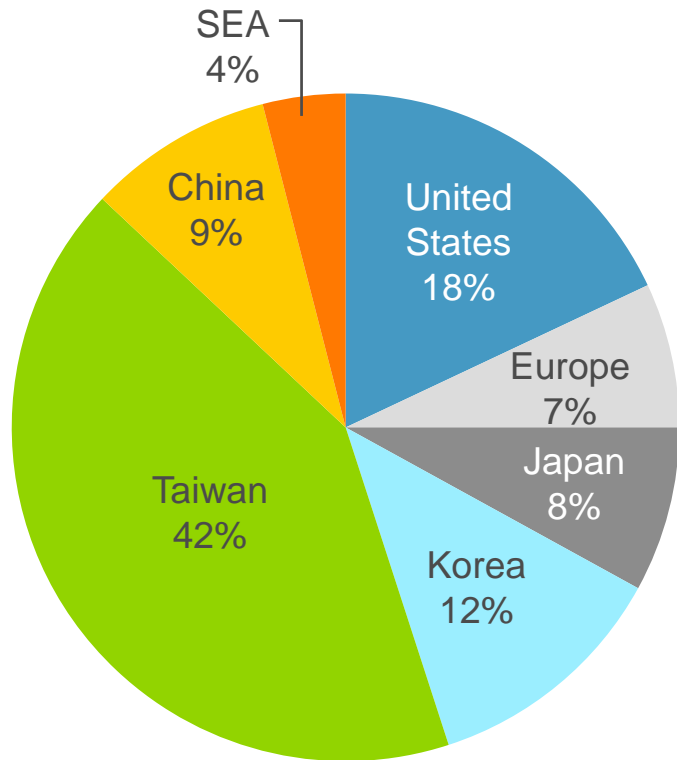


**Q2 FY'13**  
**\$2.3 Billion**

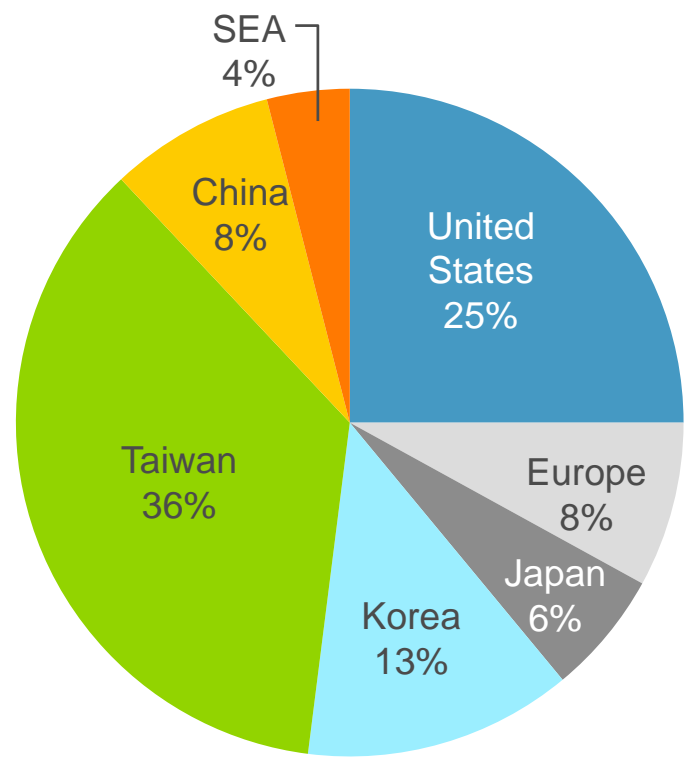


**Q1 FY'13**  
**\$2.1 Billion**

# Net Sales Regional Distribution (consolidated)



**Q2 FY'13**  
**\$2.0 Billion**



**Q1 FY'13**  
**\$1.6 Billion**



# Q2'13 Other Financials Summary

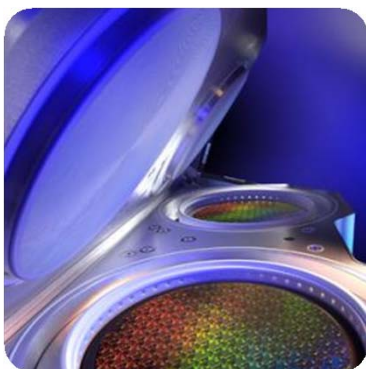
|  |                                     |
|--|-------------------------------------|
| <b>Cash, cash equivalents and investments:</b> | Increased \$35M to \$2.9B           |
| <b>Inventory:</b>                              | \$1.3B, essentially flat with Q1'13 |
| <b>Days sales outstanding:</b>                 | 59 days vs. 64 days in Q1'13        |
| <b>Capital spending:</b>                       | \$51M                               |
| <b>Depreciation and amortization:</b>          | \$106M                              |
| <b>Headcount:</b>                              | ~13,600 regular employees*          |

\* Excluding temporary and interns

# Summary Balance Sheet

| Unaudited<br>\$ Amounts in Millions  | Q2'13    | Q1'13    | Q2'12    |
|--------------------------------------|----------|----------|----------|
| Cash, cash equivalents & investments | \$2,850  | \$2,815  | \$3,241  |
| Accounts receivables, net            | \$1,275  | \$1,109  | \$1,785  |
| Inventories                          | \$1,318  | \$1,278  | \$1,594  |
| Property, plant & equip., net        | \$886    | \$900    | \$939    |
| Total assets                         | \$11,695 | \$11,714 | \$13,877 |
| Long-term debt                       | \$1,946  | \$1,946  | \$1,946  |
| Total stockholders' equity           | \$6,898  | \$7,142  | \$8,703  |
| Current ratio                        | 2.3      | 2.4      | 2.4      |
| Total debt / capital ratio           | 22.0%    | 21.4%    | 18.3%    |

# Reporting Segments



## SILICON SYSTEMS GROUP

Designs, manufactures and sells equipment used to fabricate semiconductor chips



## APPLIED GLOBAL SERVICES

Broad range of products\* to maintain, service and optimize customers' semiconductor, display and solar fabs



## DISPLAY

Designs, manufactures and sells equipment used to make flat panel displays

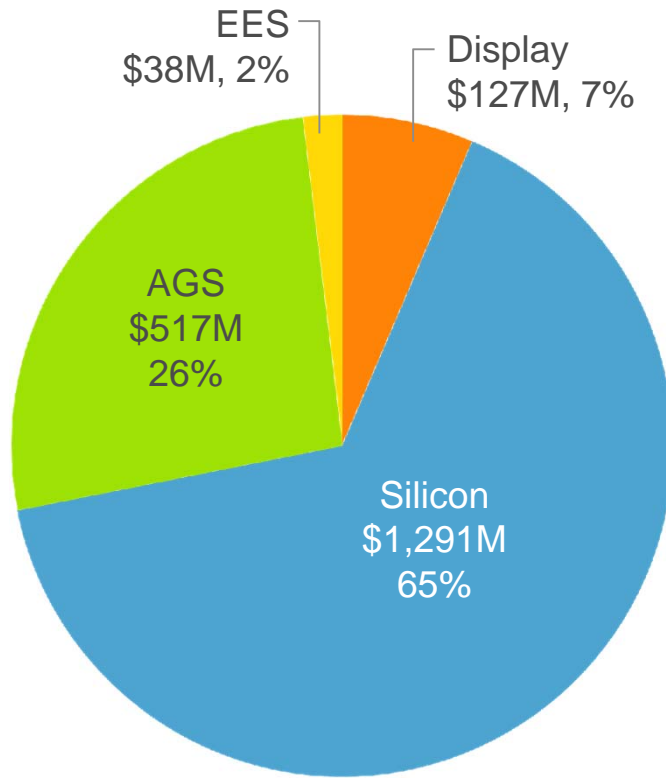


## ENERGY & ENVIRONMENTAL SOLUTIONS

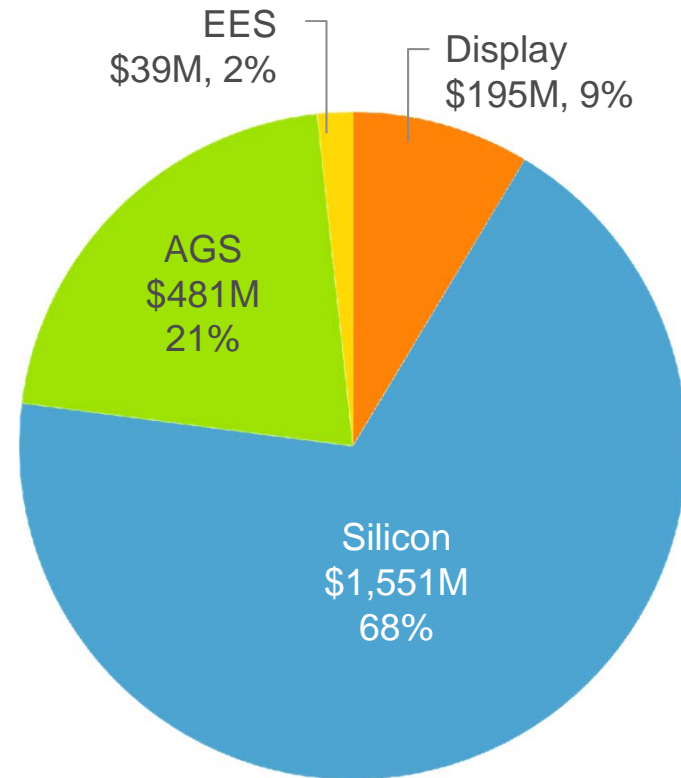
Designs, manufactures and sells equipment used to fabricate solar cells and modules and flexible electronics

\* Include total parts management, spare parts, remanufactured equipment, maintenance agreements, total support programs, environmental and software solutions and thin film solar lines

# Q2'13 Net Sales & New Orders by Segment

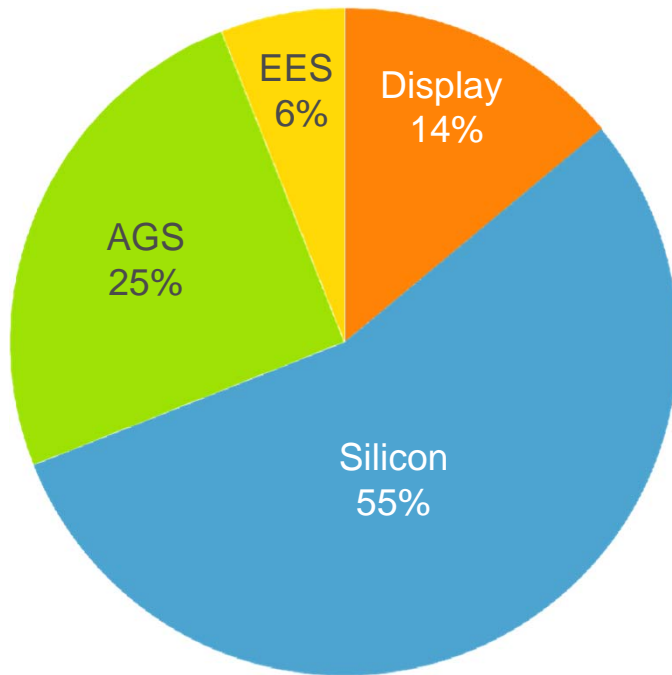


**Net Sales**  
**\$2.0 Billion**

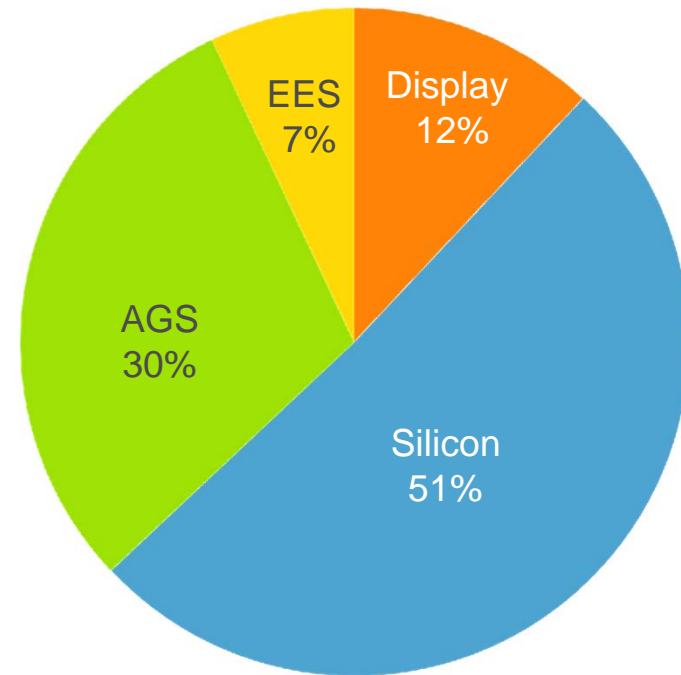


**New Orders**  
**\$2.3 Billion**

# Backlog by Segment



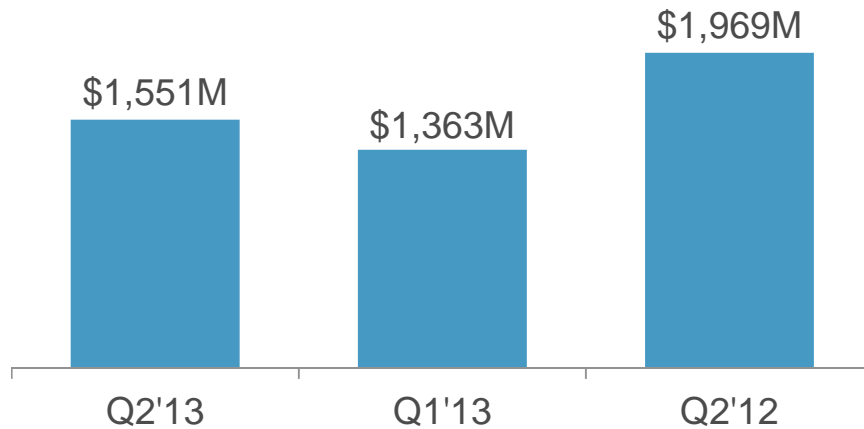
**Q2 FY'13**  
**\$2.3 Billion**



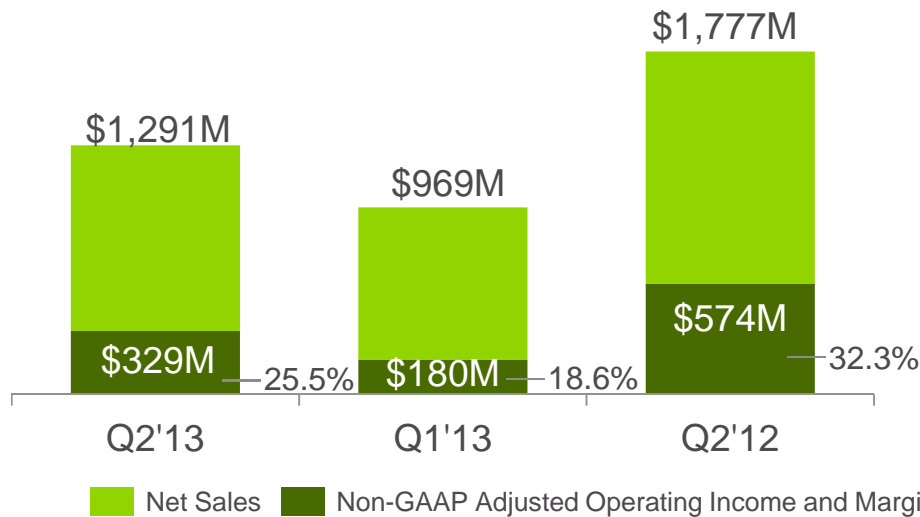
**Q1 FY'12**  
**\$2.1 Billion**

# Silicon Systems Group Segment

## New Orders



## Net Sales & Non-GAAP Adjusted Operating Income\*



- Orders were \$1.55B, up 14% QoQ
  - Growth primarily driven by Memory
- Net sales were \$1.29B, up 33% QoQ
  - Led by Foundry
- Non-GAAP adjusted operating income of \$329M or 25.5% of net sales\*

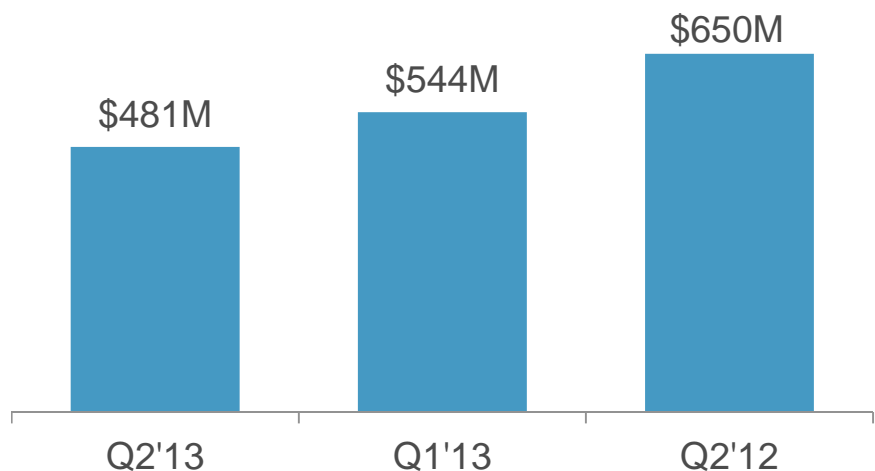
## Q2'13 ORDERS BY CUSTOMER SEGMENT

| Foundry | DRAM | Flash | Logic & Others |
|---------|------|-------|----------------|
| 66%     | 10%  | 11%   | 13%            |

\* See slide 23 for reconciliation of GAAP to non-GAAP adjusted measures

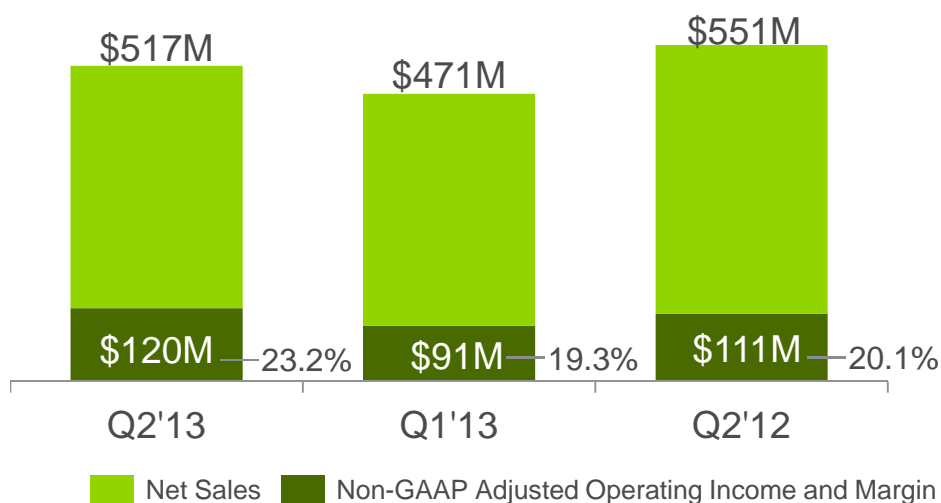
# Applied Global Services Segment

## New Orders



- Orders were \$481M, down 12% QoQ
  - Primarily due to the timing of service contract renewals which are typically concentrated in the first fiscal quarter

## Net Sales & Non-GAAP Adjusted Operating Income\*

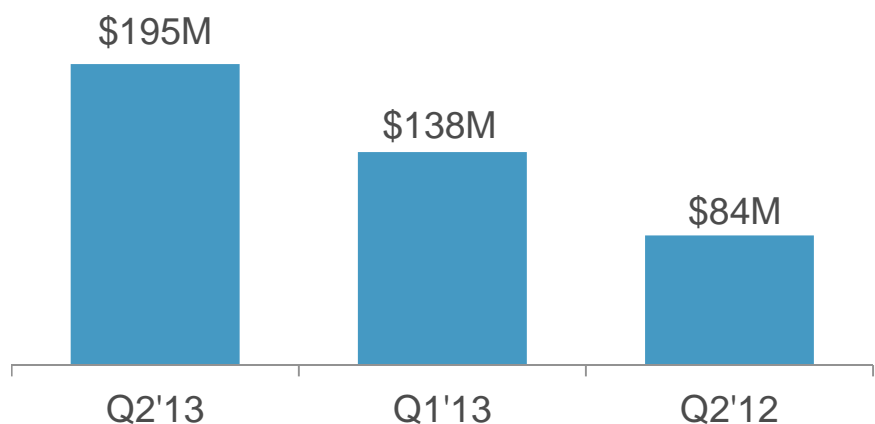


- Net sales were \$517M, up 10% QoQ
- Non-GAAP adjusted operating income of \$120M or 23.2% of net sales\*

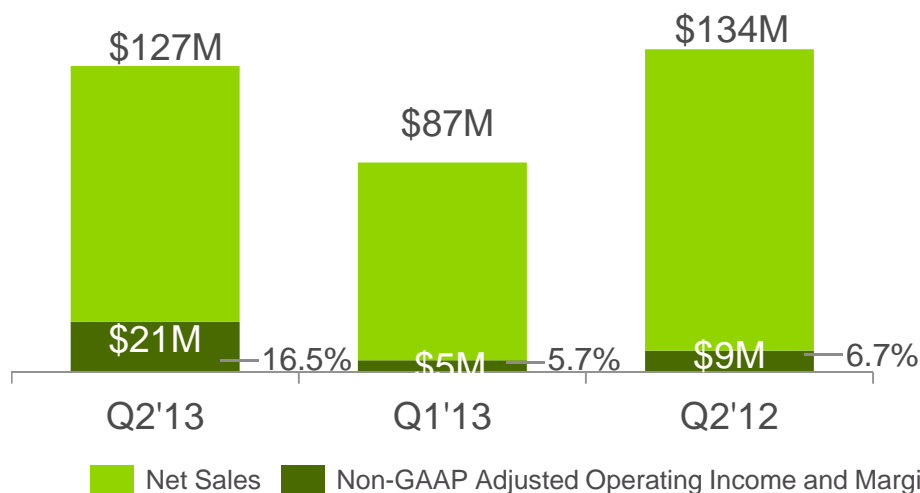
\* See slide 24 for reconciliation of GAAP to non-GAAP adjusted measures

# Display Segment

## New Orders



## Net Sales & Non-GAAP Adjusted Operating Income\*

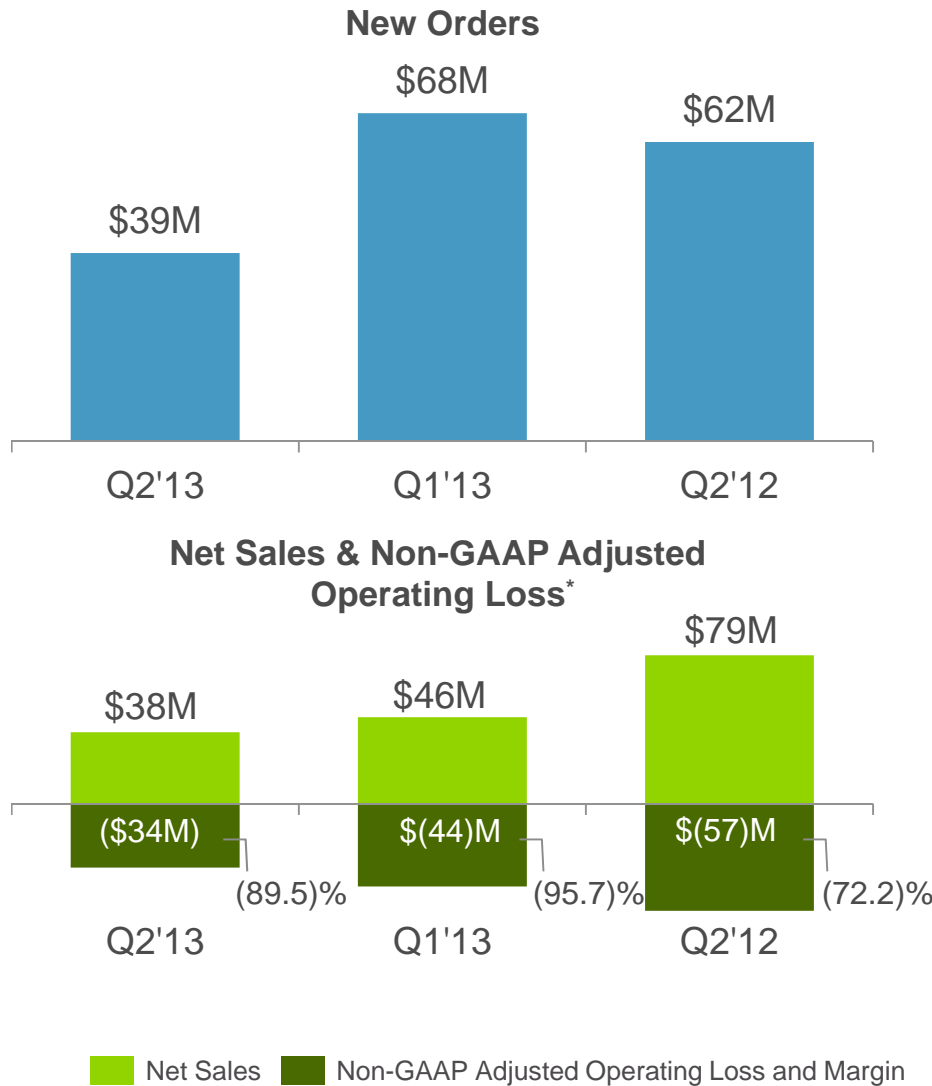


- Orders were \$195M, up 41% from prior quarter
  - Driven by initial recovery in TV equipment investment
- Net sales were \$127M, up 46% QoQ
- Non-GAAP adjusted operating income of \$21M or 16.5% of net sales\*

\* See slide 25 for reconciliation of GAAP to non-GAAP adjusted measures



# Energy & Environmental Solutions Segment



- Orders were \$39M, down 43% from prior quarter
- Net sales were \$38M, down 17% QoQ
- Non-GAAP adjusted operating loss of \$34M\*
- GAAP operating loss of \$322M, including \$278M in impairment charges reflecting further deterioration in solar equipment market

\* See slide 26 for reconciliation of GAAP to non-GAAP adjusted measures

# Q3 FY'13 Expectations (as of May 16, 2013)

|  |                        |
|--|------------------------|
| <b>Net Sales</b>                         | Up slightly from Q2'13 |
| <b>Non-GAAP Adjusted EPS<sup>*</sup></b> | \$0.16 to \$0.20       |

- \* Excludes known charges related to completed acquisitions of approximately \$0.04 per share; outlook does not exclude other non-GAAP adjustments that may arise subsequent to Q2'13 earnings release.

\* See slide 28 for reconciliation of GAAP to non-GAAP adjusted measures

# Reconciliation of GAAP to Non-GAAP Adjusted Results

(unaudited)

(In millions, except percentages)

## Non-GAAP Adjusted Gross Margin

|   | Three Months Ended |                     |                   | Six Months Ended  |                   |
|---|--------------------|---------------------|-------------------|-------------------|-------------------|
|   | April 28,<br>2013  | January 27,<br>2013 | April 29,<br>2012 | April 28,<br>2013 | April 29,<br>2012 |
| Reported gross margin (GAAP basis)                      | \$ 808             | \$ 582              | \$ 1,011          | \$ 1,390          | \$ 1,797          |
| Certain items associated with acquisitions <sup>1</sup> | 43                 | 43                  | 59                | 86                | 163               |
| Acquisition integration and deal costs                  | 1                  | 1                   | —                 | 2                 | —                 |
| Non-GAAP adjusted gross margin                          | <u>\$ 852</u>      | <u>\$ 626</u>       | <u>\$ 1,070</u>   | <u>\$ 1,478</u>   | <u>\$ 1,960</u>   |
| Non-GAAP adjusted gross margin %<br>(% of net sales)    | 43.2%              | 39.8%               | 42.1%             | 41.7%             | 41.4%             |

## Non-GAAP Operating Income

|  |               |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|
| Reported operating income (loss) (GAAP basis)                  | \$ (68)       | \$ 39         | \$ 409        | \$ (29)       | \$ 588        |
| Impairment of goodwill and intangible assets                   | 278           | —             | —             | 278           | —             |
| Certain items associated with acquisitions <sup>1</sup>        | 53            | 54            | 71            | 107           | 186           |
| Acquisition integration and deal costs                         | 12            | 10            | 10            | 22            | 60            |
| Restructuring charges and asset impairments <sup>2, 3, 4</sup> | 10            | 9             | —             | 19            | —             |
| Non-GAAP adjusted operating income                             | <u>\$ 285</u> | <u>\$ 112</u> | <u>\$ 490</u> | <u>\$ 397</u> | <u>\$ 834</u> |
| Non-GAAP adjusted operating margin percent<br>(% of net sales) | 14.4%         | 7.1%          | 19.3%         | 11.2%         | 17.6%         |

## Non-GAAP Net Income

|  |               |              |               |               |               |
|--|---------------|--------------|---------------|---------------|---------------|
| Reported net income (loss) (GAAP basis)                        | \$ (129)      | \$ 34        | \$ 289        | \$ (95)       | \$ 406        |
| Impairment of goodwill and intangible assets                   | 278           | —            | —             | 278           | —             |
| Certain items associated with acquisitions <sup>1</sup>        | 53            | 54           | 71            | 107           | 186           |
| Acquisition integration and deal costs                         | 12            | 10           | 10            | 22            | 60            |
| Restructuring charges and asset impairments <sup>2, 3, 4</sup> | 10            | 9            | —             | 19            | —             |
| Impairment of strategic investments                            | 2             | —            | 3             | 2             | 3             |
| Reinstatement of federal R&D tax credit                        | (3)           | (10)         | —             | (13)          | —             |
| Resolution of audits of prior years' income tax filings        | —             | (11)         | (7)           | (11)          | (7)           |
| Income tax effect of non-GAAP adjustments                      | (24)          | (17)         | (17)          | (41)          | (59)          |
| Non-GAAP adjusted net income                                   | <u>\$ 199</u> | <u>\$ 69</u> | <u>\$ 349</u> | <u>\$ 268</u> | <u>\$ 589</u> |

## Non-GAAP Earnings Per Diluted Share

|  |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|
| Reported earnings (loss) per diluted share<br>(GAAP basis)   | \$ (0.11)      | \$ 0.03        | \$ 0.22        | \$ (0.08)      | \$ 0.31        |
| Impairment of goodwill and intangible assets   | 0.22           | —              | —              | 0.22           | —              |
| Certain items associated with acquisitions   | 0.04           | 0.03           | 0.04           | 0.07           | 0.11           |
| Acquisition integration and deal costs   | 0.01           | 0.01           | 0.01           | 0.02           | 0.03           |
| Restructuring charges and asset impairments  | —              | 0.01           | —              | 0.01           | —              |
| Reinstatement of federal R&D tax credit and<br>resolution of audits of prior years' income tax filings | —              | (0.02)         | —              | (0.02)         | —              |
| Non-GAAP adjusted earnings per diluted share   | <u>\$ 0.16</u> | <u>\$ 0.06</u> | <u>\$ 0.27</u> | <u>\$ 0.22</u> | <u>\$ 0.45</u> |
| Weighted average number of diluted shares  | 1,217          | 1,212          | 1,301          | 1,216          | 1,305          |

1 These items are incremental charges attributable to acquisitions, consisting of inventory fair value adjustments on products sold, and amortization of purchased intangible assets (see slide 20 for further details).

2 Results for the three months ended April 28, 2013 included \$4 million of employee-related costs related to the restructuring program announced on October 3, 2012 and restructuring and asset impairment charges of \$6 million related to the restructuring program announced on May 10, 2012.

3 Results for the three months ended January 27, 2013 included \$4 million of employee-related costs, net, related to the restructuring program announced on October 3, 2012; asset impairment charges of \$3 million related to the restructuring program announced on May 10, 2012; and severance charges of \$2 million related to the integration of Varian.

4 Results for the six months ended April 28, 2013 included \$8 million of employee-related costs, net, related to the restructuring program announced on October 3, 2012; restructuring and asset impairment charges of \$9 million related to the restructuring program announced on May 10, 2012; and severance charges of \$2 million related to the integration of Varian.

# Integration and Deal Costs and Certain Items Associated with Acquisitions\*

| <i>(In millions)</i>   | Three Months Ended |                  |                |
|--|--------------------|------------------|----------------|
|  | April 28, 2013     | January 27, 2013 | April 29, 2012 |
| <b>Integration and deal costs and certain items associated with acquisitions</b> |                    |                  |                |
| Cost of products sold  | \$ 44              | \$ 44            | \$ 59          |
| Research, development and engineering  | 2                  | 2                | 2              |
| Selling, general and administrative  | 19                 | 18               | 20             |
| <b>Total</b>   | <b>\$ 65</b>       | <b>\$ 64</b>     | <b>\$ 81</b>   |

\* Details to amounts shown on slide 19 for deal costs and certain items associated with acquisitions

# Reconciliation of GAAP to Non-GAAP Adjusted Gross Margin (Consolidated)

|  | Three Months Ended |                  |                | Six Months Ended |                |
|--|--------------------|------------------|----------------|------------------|----------------|
|  | April 28, 2013     | January 27, 2013 | April 29, 2012 | April 28, 2013   | April 29, 2012 |
| <i>(In millions, except percentages)</i>                       |                    |                  |                |                  |                |
| <b>Net Sales (GAAP basis)</b>                                  | \$ 1,973           | \$ 1,573         | \$ 2,541       | \$ 3,546         | \$ 4,730       |
| <b>Reported gross margin (GAAP basis)</b>                      | \$ 808             | \$ 582           | \$ 1,011       | \$ 1,390         | \$ 1,797       |
| Certain items associated with acquisitions                     | 43                 | 43               | 59             | 86               | 163            |
| Acquisition integration and deal costs                         | 1                  | 1                | -              | 2                | -              |
| <b>Non-GAAP adjusted gross margin</b>                          | \$ 852             | \$ 626           | \$ 1,070       | \$ 1,478         | \$ 1,960       |
| <b>GAAP gross margin percent (% of net sales)</b>              | 41.0%              | 37.0%            | 39.8%          | 39.2%            | 38.0%          |
| <b>Non-GAAP adjusted gross margin percent (% of net sales)</b> | 43.2%              | 39.8%            | 42.1%          | 41.7%            | 41.4%          |

# Reconciliation of GAAP to Non-GAAP Adjusted Operating Expenses

|  | <u>Three Months Ended</u><br><u>April 28, 2013</u> |            |
|--|--|------------|
| <i>(In millions)</i>                         |  |            |
| <b>Operating expenses (GAAP basis)</b>       | \$   | 876        |
| Impairment of goodwill and intangible assets |  | (278)      |
| Acquisition integration costs                |  | (11)       |
| Certain items associated with acquisitions   |  | (10)       |
| Restructuring charges and asset impairments  |  | (10)       |
| <b>Non-GAAP adjusted operating expenses</b>  | <u>\$</u>  | <u>567</u> |

# Reconciliation of GAAP to Non-GAAP Adjusted SSG Operating Income and Margin

|  | Three Months Ended |                  |                | Six Months Ended |                |
|--|--------------------|------------------|----------------|------------------|----------------|
|  | April 28, 2013     | January 27, 2013 | April 29, 2012 | April 28, 2013   | April 29, 2012 |
| <i>(In millions, except percentages)</i>                               |                    |                  |                |                  |                |
| <b>Net sales (GAAP basis)</b>  | \$ 1,291           | \$ 969           | \$ 1,777       | \$ 2,260         | \$ 3,121       |
| <b>Reported operating income (GAAP basis)</b>                          | \$ 283             | \$ 134           | \$ 504         | \$ 417           | \$ 775         |
| Certain items associated with acquisitions                             | 45                 | 44               | 60             | 89               | 161            |
| Acquisition integration and deal costs                                 | 1                  | 1                | 10             | 2                | 24             |
| Restructuring charges and asset impairments                            | -                  | 1                | -              | 1                | -              |
| <b>Non-GAAP adjusted operating income</b>                              | \$ 329             | \$ 180           | \$ 574         | \$ 509           | \$ 960         |
| <b>GAAP operating margin percent<br/>(% of net sales)</b>              | 21.9%              | 13.8%            | 28.4%          | 18.5%            | 24.8%          |
| <b>Non-GAAP adjusted operating margin<br/>percent (% of net sales)</b> | 25.5%              | 18.6%            | 32.3%          | 22.5%            | 30.8%          |

# Reconciliation of GAAP to Non-GAAP Adjusted AGS Operating Income and Margin

|  | Three Months Ended |                  |                | Six Months Ended |                |
|--|--------------------|------------------|----------------|------------------|----------------|
|  | April 28, 2013     | January 27, 2013 | April 29, 2012 | April 28, 2013   | April 29, 2012 |
| <i>(In millions, except percentages)</i>                               |                    |                  |                |                  |                |
| <b>Net Sales (GAAP basis)</b>  | \$ 517             | \$ 471           | \$ 551         | \$ 988           | \$ 1,085       |
| <b>Reported operating income (GAAP basis)</b>                          | \$ 118             | \$ 89            | \$ 109         | \$ 207           | \$ 216         |
| Certain items associated with acquisitions                             | 1                  | 1                | 2              | 2                | 8              |
| Restructuring charges and asset impairments                            | 1                  | 1                | -              | 2                | -              |
| <b>Non-GAAP adjusted operating income</b>                              | \$ 120             | \$ 91            | \$ 111         | \$ 211           | \$ 224         |
| <b>GAAP operating margin percent<br/>(% of net sales)</b>              | 22.8%              | 18.9%            | 19.8%          | 21.0%            | 19.9%          |
| <b>Non-GAAP adjusted operating margin<br/>percent (% of net sales)</b> | 23.2%              | 19.3%            | 20.1%          | 21.4%            | 20.6%          |



# Reconciliation of GAAP to Non-GAAP Adjusted Display Operating Income and Margin

|  | Three Months Ended |                  |                | Six Months Ended |                |
|--|--------------------|------------------|----------------|------------------|----------------|
|  | April 28, 2013     | January 27, 2013 | April 29, 2012 | April 28, 2013   | April 29, 2012 |
| <i>(In millions, except percentages)</i>                           |                    |                  |                |                  |                |
| <b>Net Sales (GAAP basis)</b>                                      | \$ 127             | \$ 87            | \$ 134         | \$ 214           | \$ 238         |
| <b>Reported operating income (GAAP basis)</b>                      | \$ 19              | \$ 3             | \$ 7           | \$ 22            | \$ 12          |
| Certain items associated with acquisitions                         | 2                  | 2                | 2              | 4                | 4              |
| <b>Non-GAAP adjusted operating income</b>                          | \$ 21              | \$ 5             | \$ 9           | \$ 26            | \$ 16          |
| <b>GAAP operating margin percent (% of net sales)</b>              | 15.0%              | 3.4%             | 5.2%           | 10.3%            | 5.0%           |
| <b>Non-GAAP adjusted operating margin percent (% of net sales)</b> | 16.5%              | 5.7%             | 6.7%           | 12.1%            | 6.7%           |

# Reconciliation of GAAP to Non-GAAP Adjusted EES Operating Loss and Margin

|  | Three Months Ended |                  |                | Six Months Ended |                |
|--|--------------------|------------------|----------------|------------------|----------------|
|  | April 28, 2013     | January 27, 2013 | April 29, 2012 | April 28, 2013   | April 29, 2012 |
| <i>(In millions, except percentages)</i>                           |                    |                  |                |                  |                |
| <b>Net Sales (GAAP basis)</b>                                      | \$ 38              | \$ 46            | \$ 79          | \$ 84            | \$ 286         |
| <b>Reported operating loss (GAAP basis)</b>                        | \$ (322)           | \$ (54)          | \$ (63)        | \$ (376)         | \$ (86)        |
| Impairment of goodwill and intangible assets                       | 278                | -                | -              | 278              | -              |
| Certain items associated with acquisitions                         | 5                  | 7                | 6              | 12               | 12             |
| Restructuring charges and asset impairments                        | 5                  | 3                | -              | 8                | -              |
| <b>Non-GAAP adjusted operating loss</b>                            | \$ (34)            | \$ (44)          | \$ (57)        | \$ (78)          | \$ (74)        |
| <b>GAAP operating margin percent (% of net sales)</b>              | -847.4%            | -117.4%          | -79.7%         | -447.6%          | -30.1%         |
| <b>Non-GAAP adjusted operating margin percent (% of net sales)</b> | -89.5%             | -95.7%           | -72.2%         | -92.9%           | -25.9%         |

# Reconciliation of GAAP to Non-GAAP Adjusted Effective Tax Rate

|  | <u>Three Months Ended</u><br><u>April 28, 2013</u> |            |
|--|--|------------|
| <i>(In millions, except percentages)</i>                 |  |            |
| <b>Provision (benefit) for income taxes (GAAP basis)</b> | \$   | 39         |
| Reinstatement of federal R&D tax credit                  |  | 3          |
| Income tax effect of non-GAAP adjustments                |  | 24         |
| <b>Non-GAAP adjusted provision for income taxes</b>      | <u>\$</u>  | <u>66</u>  |
| <br>   |  |            |
| <b>Income before income taxes (GAAP basis)</b>           |  | (90)       |
| Impairment of goodwill and intangible assets             |  | 278        |
| Certain items associated with acquisitions               |  | 53         |
| Acquisition integration and deal costs                   |  | 12         |
| Restructuring charges and asset impairments              |  | 10         |
| Impairment of strategic investments                      |  | 2          |
| <b>Non-GAAP adjusted income before income taxes</b>      | <u>\$</u>  | <u>265</u> |
| <br>   |  |            |
| <b>Effective income tax rate (GAAP basis)</b>            |  | -43.3%     |
| <br>   |  |            |
| <b>Non-GAAP adjusted effective income tax rate</b>       |  | 24.9%      |

# Reconciliation of Forecasted Non-GAAP Adjusted EPS – 3Q FY'13

|   | <b>Three Months Ended<br/>July 28, 2013</b> |
|---|---|
| Forecasted earnings per share (GAAP basis)                        | <b>Forecasted</b><br>\$0.12 - \$0.16        |
| Known charges related to completed acquisitions                   | \$0.04                                      |
| Forecasted non-GAAP adjusted EPS three months ended July 28, 2013 | <u>\$0.16 - \$0.20</u>                      |

*The forecast does not exclude other non-GAAP adjustments that may arise subsequent to Q2'13 earnings release*

