

Calix, Inc.
Historical Financials
Non-GAAP Income Statements 2009
(\$ in thousands)

	GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP	GAAP	Non-GAAP
	Qtr Ending 3/28/2009	Qtr Ending 3/28/2009	Qtr Ending 6/27/2009	Qtr Ending 6/27/2009	Qtr Ending 9/26/2009	Qtr Ending 9/26/2009	Qtr Ending 12/31/2009	Qtr Ending 12/31/2009	Ytd Ending 12/31/2009	Ytd Ending 12/31/2009
Revenue	\$ 37,146	\$ 37,146	\$ 47,842	\$ 47,842	\$ 59,600	\$ 59,600	\$ 88,359	\$ 88,359	\$ 232,947	\$ 232,947
Cost of revenue:										
Products and services ⁽¹⁾	25,391	25,212	31,076	30,908	37,117	36,948	57,279	57,113	150,863	150,181
Amortization of existing technologies ⁽²⁾	1,360	-	1,360	-	1,360	-	1,360	-	5,440	-
Total cost of revenue	26,751	25,212	32,436	30,908	38,477	36,948	58,639	57,113	156,303	150,181
Gross profit	10,395	11,934	15,406	16,934	21,123	22,652	29,720	31,246	76,644	82,766
Gross margin %	28.0%	32.1%	32.2%	35.4%	35.4%	38.0%	33.6%	35.4%	32.9%	35.5%
Research and development ⁽³⁾	10,468	9,739	10,742	10,123	11,977	11,356	12,945	12,257	46,132	43,475
Sales and marketing ⁽⁴⁾	7,209	6,754	7,988	7,566	8,494	8,084	9,795	9,343	33,486	31,747
General and Administrative ⁽⁵⁾	3,663	2,753	4,238	3,270	3,728	2,688	3,984	2,784	15,613	11,495
Amortization of intangible assets ⁽⁶⁾	185	-	185	-	185	-	185	-	740	-
Total operating expenses	21,525	19,246	23,153	20,959	24,384	22,128	26,909	24,384	95,971	86,717
Net operating income (loss)	(11,130)	(7,312)	(7,747)	(4,025)	(3,261)	524	2,811	6,862	(19,327)	(3,951)
Interest income	79	79	27	27	38	38	101	101	245	245
Interest expense	(943)	(943)	(1,079)	(1,079)	(1,404)	(1,404)	(441)	(441)	(3,867)	(3,867)
Change in fair value of preferred stock warrants ⁽⁷⁾	-	-	95	-	(23)	-	(35)	-	37	-
Other income / (expense)	64	64	40	40	9	9	6	6	119	119
Total other income / (expense)	(800)	(800)	(917)	(1,012)	(1,380)	(1,357)	(369)	(334)	(3,466)	(3,503)
Provision for income taxes	130	130	138	138	(217)	(217)	(403)	(403)	(352)	(352)
Net income / (loss)	(12,060)	(8,242)	(8,802)	(5,175)	(4,424)	(616)	2,845	6,931	(22,441)	(7,102)
Preferred stock dividends ⁽⁸⁾	(652)	-	-	-	(2,389)	-	(706)	-	(3,747)	-
Net income / (loss) attributable to common stockholders	\$ (12,712)	\$ (8,242)	\$ (8,802)	\$ (5,175)	\$ (6,813)	\$ (616)	\$ 2,139	\$ 6,931	\$ (26,188)	\$ (7,102)
Non-GAAP bridge to GAAP										
(1) Cost of Sales (stock-based compensation)		179		168		169		166		682
(2) Cost of Sales (amortization of existing technologies)		1,360		1,360		1,360		1,360		5,440
(3) Research and development (stock-based compensation)		729		619		621		688		2,657
(4) Sales and marketing (stock-based compensation)		455		422		410		452		1,739
(5) General and administration (stock-based compensation)		910		968		1,040		1,200		4,118
(6) Operating expense (amortization of intangible assets)		185		185		185		185		740
(7) Change in fair value of preferred stock warrants		-		(95)		23		35		(37)
(8) Preferred stock dividends		652		-		2,389		706		3,747
Total Non-Cash Expenses		4,470		3,627		6,197		4,792		19,086
GAAP net income / (loss) attributable to common stockholders		\$ (12,712)		\$ (8,802)		\$ (6,813)		\$ 2,139		\$ (26,188)

Calix's non-GAAP measures are not in accordance with, or an alternative for, generally accepted accounting principles and may be different from non-GAAP measures used by other companies. In addition, the above non-GAAP Consolidated Statements of Operations are not based on a comprehensive set of accounting rules or principles.

Calix, Inc.
Historical Financials
Condensed Balance Sheets 2009
(\$ in thousands)

	3/28/2009	6/27/2009	9/26/2009	12/31/2009
Assets				
Current assets:				
Cash and cash equivalents	\$ 18,980	\$ 47,884	\$ 55,622	\$ 31,821
Marketable securities	-	-	6,272	36,228
Restricted cash	2,815	628	628	629
Accounts receivable, net	24,665	34,830	42,515	46,992
Inventory	19,744	17,508	13,917	18,556
Deferred cost of goods sold	14,510	18,073	19,370	16,468
Prepays and other current assets	2,022	1,616	1,712	4,018
Total current assets	82,736	120,539	140,036	154,712
Property and equipment, net	9,383	8,890	10,900	11,293
Goodwill	65,576	65,576	65,576	65,576
Intangible assets, net	11,330	9,785	8,240	6,695
Other assets	360	309	681	2,840
Total assets	<u>\$ 169,385</u>	<u>\$ 205,099</u>	<u>\$ 225,433</u>	<u>\$ 241,116</u>
Liabilities, convertible preferred stock and stockholder's deficit				
Current liabilities:				
Accounts payable	\$ 6,187	\$ 8,266	\$ 10,669	\$ 14,635
Accrued liabilities	15,896	14,640	19,221	28,629
Preferred stock warrant liabilities	232	137	160	195
Loans payable	-	-	1,111	3,333
Current portion of deferred revenue	26,144	33,044	34,242	29,921
Total current liabilities	48,459	56,087	65,403	76,713
Loan payable	21,000	21,000	18,889	16,667
Long-term portion of deferred revenue	4,758	4,738	5,260	6,556
Other long-term liabilities	963	1,424	959	910
Convertible preferred stock	427,055	461,313	478,981	479,628
Stockholders' deficit:				
Common stock	100	100	100	102
Additional paid-in capital	45,758	47,945	50,185	52,739
Other comprehensive income	-	-	(23)	(17)
Accumulated deficit	(378,708)	(387,508)	(394,321)	(392,182)
Total stockholders' deficit	(332,850)	(339,463)	(344,059)	(339,358)
Total liabilities, convertible preferred stock and stockholders' deficit	<u>\$ 169,385</u>	<u>\$ 205,099</u>	<u>\$ 225,433</u>	<u>\$ 241,116</u>

Calix, Inc.
Historical Financials
Condensed Statements of Cash Flows 2009
(\$ in thousands)

	Qtr Ending 3/28/2009	Qtr Ending 6/27/2009	Qtr Ending 9/26/2009	Qtr Ending 12/31/2009	Ytd Ending 12/31/2009
Operating activities					
Net cash used in operating activities	\$ (3,432)	\$ (4,595)	\$ 1,681	\$ 7,736	\$ 1,390
Investing activities					
Acquisition of property and equipment	(790)	(769)	(1,927)	(1,578)	(5,064)
Purchase of marketable securities	-	-	(6,295)	(29,950)	(36,245)
Sale of marketable securities	-	-	-	-	-
Net cash provided by (used in) investing activities	(790)	(769)	(8,222)	(31,528)	(41,309)
Financing activities					
Proceeds from bank borrowings	-	-	20,000	-	20,000
Principal payments on bank borrowings	-	-	(21,000)	-	(21,000)
Proceeds from Series J investors, net of issuance costs	-	34,258	15,279	(59)	49,478
Proceeds from exercise of stock options and warrants	-	10	-	50	60
Repurchase of common and preferred stock	(12)	-	-	-	(12)
Proceeds from initial public offering of common stock	-	-	-	-	-
Net cash provided by (used in) financing activities	(12)	34,268	14,279	(9)	48,526
Net increase (decrease) in cash and cash equivalents	(4,234)	28,904	7,738	(23,801)	8,607
Cash and cash equivalents at beginning of period	23,214	18,980	47,884	55,622	23,214
Cash and cash equivalents at end of period	\$ 18,980	\$ 47,884	\$ 55,622	\$ 31,821	\$ 31,821