

Calix, Inc.
Historical Financial Statements
GAAP and Non-GAAP 2014
(\$ in thousands)

	GAAP		Non-GAAP		GAAP		Non-GAAP		GAAP		Non-GAAP		GAAP		Non-GAAP	
	Qtr Ending 3/29/2014	Qtr Ending 3/29/2014	Qtr Ending 6/28/2014	Qtr Ending 6/28/2014	Qtr Ending 9/27/2014	Qtr Ending 9/27/2014	Qtr Ending 12/31/2014	Qtr Ending 12/31/2014	YTD Ending 12/31/2014	YTD Ending 12/31/2014	YTD Ending 12/31/2014	YTD Ending 12/31/2014	YTD Ending 12/31/2014	YTD Ending 12/31/2014	YTD Ending 12/31/2014	
Revenue	\$ 85,820	\$ 85,820	\$ 98,005	\$ 98,005	\$ 105,769	\$ 105,769	\$ 111,633	\$ 111,633	\$ 401,227	\$ 401,227	\$ 401,227	\$ 401,227	\$ 401,227	\$ 401,227	\$ 401,227	
Cost of revenue:																
Products and services ⁽¹⁾	46,806	46,452	51,575	51,221	58,600	58,394	58,104	57,898	215,085	213,965	215,085	213,965	215,085	213,965	213,965	
Amortization of intangible assets ⁽²⁾	2,088	-	2,088	-	2,089	-	2,088	-	8,353	-	8,353	-	8,353	-	-	
Total cost of revenue	48,894	46,452	53,663	51,221	60,689	58,394	60,192	57,898	223,438	213,965	223,438	213,965	223,438	213,965	213,965	
Gross profit	36,926	39,368	44,342	46,784	45,080	47,375	51,441	53,735	177,789	187,262	177,789	187,262	177,789	187,262	187,262	
Gross margin %	43.0%	45.9%	45.2%	47.7%	42.6%	44.8%	46.1%	48.1%	44.3%	46.7%	44.3%	46.7%	44.3%	46.7%	46.7%	
Research and development ⁽³⁾	19,630	18,450	19,544	18,238	19,930	18,723	21,207	19,844	80,311	75,255	80,311	75,255	80,311	75,255	75,255	
Sales and marketing ⁽⁴⁾	17,390	16,022	18,455	16,993	18,717	17,401	21,721	20,266	76,283	70,682	76,283	70,682	76,283	70,682	70,682	
General and Administrative ⁽⁵⁾⁽⁷⁾	7,251	6,251	7,681	6,399	7,625	6,541	8,814	6,962	31,371	26,153	31,371	26,153	31,371	26,153	26,153	
Amortization of intangible assets ⁽⁶⁾	2,552	-	2,552	-	2,552	-	2,552	-	10,208	-	10,208	-	10,208	-	-	
Total operating expenses	46,823	40,723	48,232	41,630	48,824	42,665	54,294	47,072	198,173	172,090	198,173	172,090	198,173	172,090	172,090	
(Loss) income from operations	(9,897)	(1,355)	(3,890)	5,154	(3,744)	4,710	(2,853)	6,663	(20,384)	15,172	(20,384)	15,172	(20,384)	15,172	15,172	
Interest income	4	4	30	30	52	52	643	643	729	729	729	729	729	729	729	
Interest expense	(57)	(57)	(58)	(58)	(59)	(59)	(632)	(632)	(806)	(806)	(806)	(806)	(806)	(806)	(806)	
Other income	33	33	70	70	18	18	107	107	228	228	228	228	228	228	228	
Total interest and other income (expense), net	(20)	(20)	42	42	11	11	118	118	151	151	151	151	151	151	151	
Provision for income taxes	110	110	103	103	115	115	253	253	581	581	581	581	581	581	581	
Net (loss) income	\$ (10,027)	\$ (1,485)	\$ (3,951)	\$ 5,093	\$ (3,848)	\$ 4,606	\$ (2,988)	\$ 6,528	\$ (20,814)	\$ 14,742	\$ (20,814)	\$ 14,742	\$ (20,814)	\$ 14,742	\$ 14,742	
Non-GAAP bridge to GAAP																
(1) Cost of revenue (stock-based compensation)		\$ 354		\$ 354		\$ 206		\$ 206		\$ 1,120		\$ 1,120		\$ 1,120		\$ 1,120
(2) Cost of revenue (amortization of intangible assets)		2,088		2,088		2,089		2,088		8,353		8,353		8,353		8,353
(3) Research and development (stock-based compensation)		1,180		1,306		1,207		1,363		5,056		5,056		5,056		5,056
(4) Sales and marketing (stock-based compensation)		1,368		1,462		1,316		1,455		5,601		5,601		5,601		5,601
(5) General and administrative (stock-based compensation)		1,000		1,282		1,084		874		4,240		4,240		4,240		4,240
(6) Operating expense (amortization of intangible assets)		2,552		2,552		2,552		2,552		10,208		10,208		10,208		10,208
(7) General and administrative (acquisition-related costs)		-		-		-		978		978		978		978		978
Total non-cash expenses		\$ 8,542		\$ 9,044		\$ 8,454		\$ 9,516		\$ 35,556		\$ 35,556		\$ 35,556		\$ 35,556
GAAP net loss		\$ (10,027)		\$ (3,951)		\$ (3,848)		\$ (2,988)		\$ (20,814)		\$ (20,814)		\$ (20,814)		\$ (20,814)

Calix's non-GAAP measures are not in accordance with, or an alternative for, GAAP 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 Financial Statements
Condensed Consolidated Balance Sheets 2014
(\$ in thousands)

	3/29/2014	6/28/2014	9/27/2014	12/31/2014
Assets				
Current assets:				
Cash and cash equivalents	\$ 75,169	\$ 32,543	\$ 39,399	\$ 48,829
Marketable securities	-	46,439	48,400	62,850
Restricted cash	295	295	295	295
Accounts receivable, net	44,134	47,330	42,781	30,744
Inventory	45,060	45,888	43,845	46,753
Deferred cost of revenue	17,843	15,957	11,334	5,080
Prepaid expenses and other current assets	4,869	5,038	6,469	12,936
Total current assets	187,370	193,490	192,523	207,487
Property and equipment, net	17,122	17,289	20,159	20,144
Goodwill	116,175	116,175	116,175	116,175
Intangible assets, net	39,100	34,460	29,820	25,179
Other assets	1,618	1,503	1,346	1,236
Total assets	\$ 361,385	\$ 362,917	\$ 360,023	\$ 370,221
Liabilities and stockholders' equity				
Current liabilities:				
Accounts payable	\$ 10,887	\$ 12,850	\$ 13,258	\$ 23,629
Accrued liabilities	34,570	34,689	37,579	39,443
Deferred revenue	29,013	26,346	20,095	12,722
Total current liabilities	74,470	73,885	70,932	75,794
Long-term portion of deferred revenue	18,469	18,640	18,807	19,393
Other long-term liabilities	1,090	958	1,743	2,443
Stockholders' equity:				
Common stock	1,258	1,273	1,280	1,291
Additional paid-in capital	785,700	791,756	794,724	801,810
Accumulated other comprehensive income	201	159	139	80
Accumulated deficit	(519,803)	(523,754)	(527,602)	(530,590)
Total stockholders' equity	267,356	269,434	268,541	272,591
Total liabilities and stockholders' equity	\$ 361,385	\$ 362,917	\$ 360,023	\$ 370,221

Calix, Inc.
Historical Financial Statements
Condensed Consolidated Statements of Cash Flows 2014
(\$ in thousands)

	Qtr Ending 3/29/2014	Qtr Ending 6/28/2014	Qtr Ending 9/27/2014	Qtr Ending 12/31/2014	YTD Ending 12/31/2014
Operating activities					
Net loss	\$ (10,027)	\$ (3,951)	\$ (3,848)	\$ (2,988)	\$ (20,814)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:					
Depreciation and amortization	2,271	2,251	2,250	2,491	9,263
Loss on retirement of property and equipment	-	-	41	9	50
Amortization of intangible assets	4,640	4,640	4,641	4,640	18,561
Amortization of premiums related to available-for-sale securities	-	108	194	272	574
Gain on sale of marketable securities	-	-	(1)	-	(1)
Stock-based compensation	3,902	4,404	3,813	3,898	16,017
Changes in operating assets and liabilities:					
Accounts receivable, net	(614)	(3,195)	4,548	12,037	12,776
Inventory	6,011	(828)	2,043	(2,907)	4,319
Deferred cost of revenue	3,233	1,886	4,623	6,254	15,996
Prepaid expenses and other assets	1,016	(56)	(1,275)	(5,593)	(5,908)
Accounts payable	(12,276)	1,963	409	10,371	467
Accrued liabilities	2,485	116	2,919	1,920	7,440
Deferred revenue	(5,811)	(2,496)	(6,084)	(6,787)	(21,178)
Other long-term liabilities	(56)	(132)	785	(84)	513
Net cash (used in) provided by operating activities	(5,226)	4,710	15,058	23,533	38,075
Investing activities					
Purchase of property and equipment	(1,908)	(2,420)	(5,153)	(2,480)	(11,961)
Purchase of marketable securities	-	(46,572.00)	(2,784)	(18,342)	(67,698)
Sales of marketable securities	-	-	615	-	615
Maturities of marketable securities	-	-	-	3,600	3,600
Net cash used in investing activities	(1,908)	(48,992)	(7,322)	(17,222)	(75,444)
Financing activities					
Proceeds from exercise of stock options	21	118	290	1,239	1,668
Proceeds from employee stock purchase plan	-	2,453	-	2,174	4,627
Taxes paid for awards vested under equity incentive plans	(473)	(904)	(1,128)	(215)	(2,720)
Net cash (used in) provided by financing activities	(452)	1,667	(838)	3,198	3,575
Effect of exchange rate changes on cash and cash equivalents	8	(11)	(42)	(79)	(124)
Net (decrease) increase in cash and cash equivalents	(7,578)	(42,626)	6,856	9,430	(33,918)
Cash and cash equivalents at beginning of period	82,747	75,169	32,543	39,399	82,747
Cash and cash equivalents at end of period	\$ 75,169	\$ 32,543	\$ 39,399	\$ 48,829	\$ 48,829