

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

	GAAP		Non-GAAP		GAAP		Non-GAAP		GAAP		Non-GAAP		GAAP		Non-GAAP	
	Qtr Ending 3/31/2012	Qtr Ending 3/31/2012	Qtr Ending 6/30/2012	Qtr Ending 6/30/2012	Qtr Ending 9/29/2012	Qtr Ending 9/29/2012	Qtr Ending 12/31/2012	Qtr Ending 12/31/2012	Year Ending 12/31/2012	Year Ending 12/31/2012						
Revenue	\$ 78,565	\$ 78,565	\$ 78,928	\$ 78,928	\$ 81,301	\$ 81,301	\$ 91,424	\$ 91,424	\$ 330,218	\$ 330,218						
Cost of revenue:																
Products and services <sup>(1)</sup>	43,471	43,108	43,619	43,238	45,707	45,362	52,306	51,962	185,103	183,670						
Amortization of intangible assets <sup>(2)</sup>	1,275	-	2,088	-	2,088	-	2,088	-	7,539	-						
Total cost of revenue	44,746	43,108	45,707	43,238	47,795	45,362	54,394	51,962	192,642	183,670						
Gross profit	33,819	35,457	33,221	35,690	33,506	35,939	37,030	39,462	137,576	146,548						
Gross margin %	43.0%	45.1%	42.1%	45.2%	41.2%	44.2%	40.5%	43.2%	41.7%	44.4%						
Research and development <sup>(3)</sup>	16,966	15,945	16,473	15,382	16,165	15,148	17,144	16,046	66,748	62,521						
Sales and marketing <sup>(4)</sup>	14,890	13,651	14,897	13,559	15,093	13,830	17,249	15,929	62,129	56,969						
General and Administrative <sup>(5)</sup>	6,780	5,088	6,129	4,600	6,773	5,091	6,432	4,718	26,114	19,497						
Amortization of intangible assets <sup>(6)</sup>	2,552	-	2,552	-	2,552	-	2,552	-	10,208	-						
Acquisition-related expenses <sup>(7)</sup>	-	-	-	-	-	-	1,401	-	1,401	-						
Total operating expenses	41,188	34,684	40,051	33,541	40,583	34,069	44,778	36,693	166,600	138,987						
Net operating income (loss)	(7,369)	773	(6,830)	2,149	(7,077)	1,870	(7,748)	2,769	(29,024)	7,561						
Interest income	7	7	4	4	3	3	1	1	15	15						
Interest expense	(42)	(42)	(57)	(57)	(41)	(41)	(45)	(45)	(185)	(185)						
Gain on bargain purchase <sup>(8)</sup>	-	-	-	-	-	-	1,029	-	1,029	-						
Other income / (expense)	(22)	(22)	(67)	(67)	19	19	67	67	(3)	(3)						
Total interest and other income / (expense), net	(57)	(57)	(120)	(120)	(19)	(19)	1,052	23	856	(173)						
Provision for (benefit from) income taxes	95	95	141	141	44	44	(122)	(122)	158	158						
Net income / (loss)	\$ (7,521)	\$ 621	\$ (7,091)	\$ 1,888	\$ (7,140)	\$ 1,807	\$ (6,574)	\$ 2,914	\$ (28,326)	\$ 7,230						
<b>Non-GAAP bridge to GAAP</b>																
(1) Cost of revenue (stock-based compensation)		\$ 363		\$ 381		\$ 345		\$ 344		\$ 1,433						
(2) Cost of revenue (amortization of intangible assets)		1,275		2,088		2,088		2,088		7,539						
(3) Research and development (stock-based compensation)		1,021		1,091		1,017		1,098		4,227						
(4) Sales and marketing (stock-based compensation)		1,239		1,338		1,263		1,320		5,160						
(5) General and administration (stock-based compensation)		1,692		1,529		1,682		1,714		6,617						
(6) Operating expense (amortization of intangible assets)		2,552		2,552		2,552		2,552		10,208						
(7) Acquisition-related expenses		-		-		-		1,401		1,401						
(8) Gain on Bargain purchase		-		-		-		(1,029)		(1,029)						
Total Non-Cash Expenses		\$ 8,142		\$ 8,979		\$ 8,947		\$ 9,488		\$ 35,556						
GAAP net loss		\$ (7,521)		\$ (7,091)		\$ (7,140)		\$ (6,574)		\$ (28,326)						

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 2012  
(\$ in thousands)

	3/31/2012	6/30/2012	9/29/2012	12/31/2012
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 49,562	\$ 53,085	\$ 57,422	\$ 46,995
Accounts receivable, net	48,140	56,391	56,392	59,519
Inventory	37,157	33,243	30,175	43,282
Deferred cost of goods sold	9,400	12,673	16,960	21,077
Prepays and other current assets	3,950	4,597	4,383	5,677
Total current assets	148,209	159,989	165,332	176,550
Property and equipment, net	17,182	18,195	17,381	21,083
Goodwill	116,175	116,175	116,175	116,175
Intangible assets, net	76,221	71,581	66,941	62,301
Other assets	2,050	1,892	1,774	1,788
Total assets	\$ 359,837	\$ 367,832	\$ 367,603	\$ 377,897
<b>Liabilities and stockholders' equity</b>				
Current liabilities:				
Accounts payable	\$ 14,133	\$ 20,247	\$ 16,436	\$ 16,804
Accrued liabilities	35,921	33,706	34,137	36,176
Deferred revenue	19,685	24,152	30,674	39,315
Total current liabilities	69,739	78,105	81,247	92,295
Long-term portion of deferred revenue	14,570	14,936	15,299	15,782
Other long term liabilities	1,198	1,014	896	745
Stockholders' equity:				
Common stock	1,196	1,205	1,210	1,222
Additional paid-in capital	744,695	751,260	754,755	760,232
Accumulated other comprehensive income	145	109	133	132
Accumulated deficit	(471,706)	(478,797)	(485,937)	(492,511)
Total stockholders' equity	274,330	273,777	270,161	269,075
Total liabilities and stockholders' equity	\$ 359,837	\$ 367,832	\$ 367,603	\$ 377,897

Calix, Inc.  
Historical Financial Statements  
Condensed Consolidated Statements of Cash Flows 2012  
(\$ in thousands)

	Qtr Ending 3/31/2012	Qtr Ending 6/30/2012	Qtr Ending 9/29/2012	Qtr Ending 12/31/2012	Year Ending 12/31/2012
<b>Operating activities</b>					
Net loss	\$ (7,521)	\$ (7,091)	\$ (7,140)	\$ (6,574)	\$ (28,326)
Adjustments to reconcile net loss to net cash provided by operating activities:					
Depreciation and amortization	1,960	2,169	2,222	2,211	8,562
Loss on retirement of property and equipment	-	84	178	-	262
Amortization of intangible assets	3,827	4,640	4,640	4,640	17,747
Stock-based compensation	4,315	4,339	4,307	4,476	17,437
Gain on bargain purchase	-	-	-	(1,029)	(1,029)
Changes in operating assets and liabilities:					
Restricted cash	754	-	-	-	754
Accounts receivable, net	(197)	(8,251)	(1)	(4,562)	(13,011)
Inventory	7,447	3,914	3,068	(3,121)	11,308
Deferred cost of revenue	(1,076)	(3,273)	(4,287)	(4,742)	(13,378)
Prepays and other assets	623	(489)	357	(444)	47
Accounts payable	(117)	6,114	(3,811)	367	2,553
Accrued liabilities	(293)	(2,215)	410	1,228	(870)
Deferred revenue	(330)	9,288	6,886	10,560	26,404
Other long-term liabilities	4,125	(4,639)	(119)	(149)	(782)
Net cash provided by operating activities	\$ 13,517	\$ 4,590	\$ 6,710	\$ 2,861	\$ 27,678
<b>Investing activities</b>					
Purchase of property and equipment	(3,012)	(3,284)	(1,583)	(2,300)	(10,179)
Acquisition of Business, net of cash acquired	-	-	-	(12,000)	(12,000)
Net cash used in investing activities	(3,012)	(3,284)	(1,583)	(14,300)	(22,179)
<b>Financing activities</b>					
Proceeds from exercise of stock options and other	72	67	19	36	194
Proceeds from issuance of common stock under ESPP	-	2,222	-	1,841	4,063
Taxes withheld upon vesting of restricted stock units and restricted stock awards	-	(54)	(826)	(864)	(1,744)
Net cash provided by (used in) financing activities	72	2,235	(807)	1,013	2,513
Effect of exchange rate changes on cash and cash equivalents	47	(18)	17	(1)	45
Net increase in cash and cash equivalents	10,624	3,523	4,337	(10,427)	8,057
Cash and cash equivalents at beginning of period	38,938	49,562	53,085	57,422	38,938
Cash and cash equivalents at end of period	\$ 49,562	\$ 53,085	\$ 57,422	\$ 46,995	\$ 46,995