

Calix, Inc.
Historical Financials
Non-GAAP Income Statements 2010
(\$ in thousands)

	GAAP		Non-GAAP		GAAP		Non-GAAP		GAAP		Non-GAAP		GAAP		Non-GAAP	
	Qtr Ending 3/27/2010	Qtr Ending 3/27/2010	Qtr Ending 6/26/2010	Qtr Ending 6/26/2010	Qtr Ending 9/25/2010	Qtr Ending 9/25/2010	Qtr Ending 12/31/2010	Qtr Ending 12/31/2010	Ytd Ending 12/31/2010	Ytd Ending 12/31/2010						
Revenue	\$ 48,203	\$ 48,203	\$ 71,653	\$ 71,653	\$ 75,492	\$ 75,492	\$ 91,695	\$ 91,695	\$ 287,043	\$ 287,043						
Cost of revenue:																
Products and services ⁽¹⁾	30,171	30,031	41,855	41,371	45,168	44,640	51,679	51,086	168,873	167,128						
Amortization of existing technologies ⁽²⁾	1,360	-	1,360	-	1,360	-	1,360	-	5,440	-						
Total cost of revenue	31,531	30,031	43,215	41,371	46,528	44,640	53,039	51,086	174,313	167,128						
Gross profit	16,672	18,172	28,438	30,282	28,964	30,852	38,656	40,609	112,730	119,915						
Gross margin %	34.6%	37.7%	39.7%	42.3%	38.4%	40.9%	42.2%	44.3%	39.3%	41.8%						
Research and development ⁽³⁾	11,847	11,277	13,086	11,400	14,299	12,541	16,180	14,228	55,412	49,446						
Sales and marketing ⁽⁴⁾	8,422	7,988	10,184	8,937	10,408	9,055	13,107	11,586	42,121	37,566						
General and Administrative ⁽⁵⁾	4,748	3,085	7,423	3,659	7,344	3,489	8,483	4,456	27,998	14,689						
Acquisition-related costs ⁽⁹⁾	-	-	-	-	2,137	-	1,805	-	3,942	-						
Amortization of intangible assets ⁽⁶⁾	185	-	185	-	185	-	185	-	740	-						
Total operating expenses	25,202	22,350	30,878	23,996	34,373	25,085	39,760	30,270	130,213	101,701						
Net operating income (loss)	(8,530)	(4,178)	(2,440)	6,286	(5,409)	5,767	(1,104)	10,339	(17,483)	18,214						
Interest income	74	74	103	103	120	120	88	88	384	384						
Interest expense	(473)	(473)	(620)	(620)	(45)	(45)	(50)	(50)	(1,188)	(1,188)						
Change in fair value of preferred stock warrants ⁽⁷⁾	(173)	-	-	-	-	-	-	-	(173)	-						
Other income / (expense)	11	11	(2)	(2)	4	4	(25)	(25)	(12)	(12)						
Total other income / (expense)	(561)	(388)	(519)	(519)	79	79	13	13	(989)	(816)						
Provision for income taxes	171	171	243	243	21	21	(354)	(354)	81	81						
Net income / (loss)	(9,262)	(4,737)	(3,202)	5,524	(5,351)	5,825	(737)	10,706	(18,553)	17,317						
Preferred stock dividends ⁽⁸⁾	(900)	-	-	-	-	-	-	-	(900)	-						
Net income / (loss) attributable to common stockholders	\$ (10,162)	\$ (4,737)	\$ (3,202)	\$ 5,524	\$ (5,351)	\$ 5,825	\$ (737)	\$ 10,706	\$ (19,453)	\$ 17,317						
Non-GAAP bridge to GAAP																
(1) Cost of revenues (stock-based compensation)		140		484		528		593		1,745						
(2) Cost of revenues (amortization of existing technologies)		1,360		1,360		1,360		1,360		5,440						
(3) Research and development (stock-based compensation)		570		1,686		1,758		1,952		5,966						
(4) Sales and marketing (stock-based compensation)		434		1,247		1,353		1,521		4,555						
(5) General and administration (stock-based compensation)		1,663		3,764		3,855		4,027		13,309						
(6) Operating expense (amortization of intangible assets)		185		185		185		185		740						
(7) Change in fair value of preferred stock warrants		173		-		-		-		173						
(8) Preferred stock dividends		900		-		-		-		900						
Total Non-Cash Expenses		5,425		8,726		9,039		9,638		32,828						
(9) Acquisition-related costs		-		-		2,137		1,805		3,942						
Total Non-Cash and Non-Recurring Expenses		5,425		8,726		11,176		11,443		36,770						
GAAP net income / (loss) attributable to common stockholders		\$ (10,162)		\$ (3,202)		\$ (5,351)		\$ (737)		\$ (19,453)						

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 2010
(\$ in thousands)

	3/27/2010	6/26/2010	9/25/2010	12/31/2010
Assets				
Current assets:				
Cash and cash equivalents	\$ 80,963	\$ 24,721	\$ 35,141	\$ 66,304
Marketable securities	36,840	77,166	74,102	32,020
Accounts receivable, net	25,178	35,540	32,881	43,377
Inventory	26,267	24,943	24,920	24,557
Deferred cost of goods sold	13,846	15,846	10,427	7,771
Prepays and other current assets	3,560	3,584	3,044	3,245
Total current assets	186,654	181,800	180,515	177,274
Property and equipment, net	11,591	11,818	11,524	11,815
Goodwill	65,576	65,576	65,576	65,576
Intangible assets, net	5,150	3,605	2,060	515
Other assets	863	2,416	2,391	2,376
Total assets	\$ 269,834	\$ 265,215	\$ 262,066	\$ 257,556
Liabilities, convertible preferred stock and stockholder's deficit				
Current liabilities:				
Accounts payable	\$ 7,486	\$ 4,309	\$ 8,785	\$ 10,268
Accrued liabilities	28,808	26,510	25,966	25,987
Preferred stock warrant liabilities	-	-	-	-
Loans payable	5,000	-	-	-
Current portion of deferred revenue	25,030	29,263	18,662	14,062
Total current liabilities	66,324	60,082	53,413	50,317
Loan payable	15,000	-	-	-
Long-term portion of deferred revenue	6,928	8,572	9,876	10,985
Other long-term liabilities	1,089	1,040	992	951
Stockholders' deficit:				
Common stock	909	933	933	968
Additional paid-in capital	581,926	600,157	607,669	605,939
Other comprehensive income	2	(23)	80	31
Accumulated deficit	(402,344)	(405,546)	(410,897)	(411,635)
Total stockholders' deficit	180,493	195,521	197,785	195,303
Total liabilities, convertible preferred stock and Stockholders' deficit	\$ 269,834	\$ 265,215	\$ 262,066	\$ 257,556

Calix, Inc.
Historical Financials
Condensed Statements of Cash Flows 2010
(\$ in thousands)

Operating activities

Net cash provided by (used in) operating activities

Investing activities

Acquisition of property and equipment

Purchase of marketable securities

Sale and maturity of marketable securities

Net cash provided by (used in) investing activities

Financing activities

Principal payments on bank borrowings

Proceeds from exercise of stock options and warrants and other

Taxes withheld upon the vesting of RSUs

Proceeds from initial public offering of common stock

Net cash provided by (used in) financing activities

Net increase (decrease) in cash and cash equivalents

Cash and cash equivalents at beginning of period

Cash and cash equivalents at end of period

	Qtr Ending 3/27/2010	Qtr Ending 6/26/2010	Qtr Ending 9/25/2010	Qtr Ending 12/31/2010	Ytd Ending 12/31/2010
Net cash provided by (used in) operating activities	\$ 5,058	\$ (5,258)	\$ 7,266	\$ 2,110	\$ 9,176
Acquisition of property and equipment	(1,481)	(1,425)	294	(3,002)	(5,614)
Purchase of marketable securities	(7,434)	(49,133)	(18,010)	(4,613)	(79,190)
Sale and maturity of marketable securities	6,708	8,500	20,852	46,456	82,516
Net cash provided by (used in) investing activities	(2,207)	(42,058)	3,136	38,841	(2,288)
Principal payments on bank borrowings	-	(20,000)	-	-	(20,000)
Proceeds from exercise of stock options and warrants and other	62	10	-	216	288
Taxes withheld upon the vesting of RSUs	-	-	-	(10,004)	(10,004)
Proceeds from initial public offering of common stock	46,229	11,064	18	-	57,311
Net cash provided by (used in) financing activities	46,291	(8,926)	18	(9,788)	27,595
Net increase (decrease) in cash and cash equivalents	49,142	(56,242)	10,420	31,163	34,483
Cash and cash equivalents at beginning of period	31,821	80,963	24,721	31,821	31,821
Cash and cash equivalents at end of period	\$ 80,963	\$ 24,721	\$ 35,141	\$ 62,984	\$ 66,304