

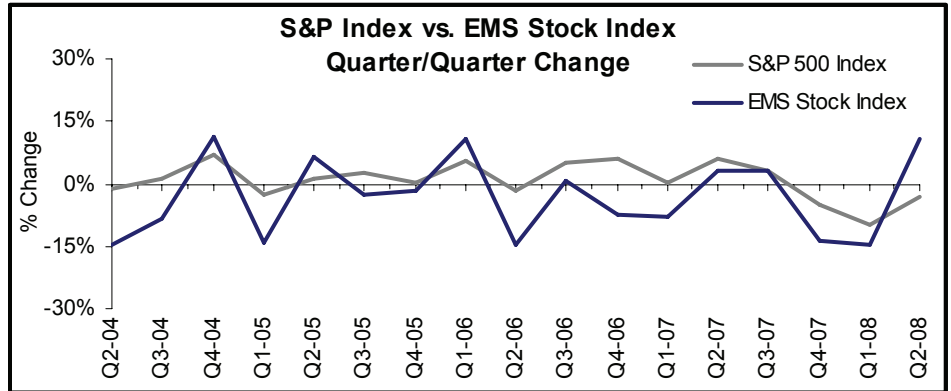
# EMS Index Outperforms S&P in Q2 2008

Winner's Circle*		Tier
Jabil Circuit Inc.	+ 74%	I
Nam Tai Electronics	+ 36%	II
Key Tronic Corp.	+ 36%	III
Nortech Systems Inc.	+ 52%	IV

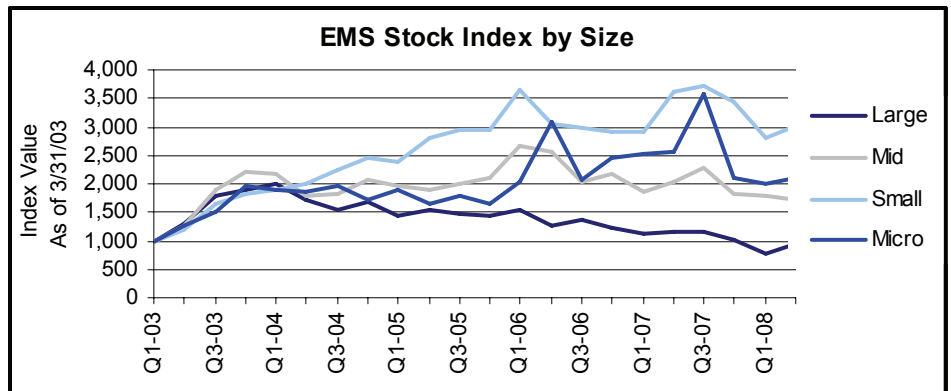
  

Worst Performers*		Tier
Sanmina-SCI Corp.	(21%)	I
Benchmark Electronics	(9%)	II
SigmaTron International	(6%)	III
Winland Electronics Inc.	(24%)	IV

\* Based on quarter-over-quarter share price performance



- ### EMS Stock Highlights
- Large Index has increased 20.7% from last quarter
  - Mid Index has decreased (3.6%) from last quarter
  - Small Index has increased 8.3% from last quarter
  - Micro Index has increased 8.9% from last quarter



### Valuations

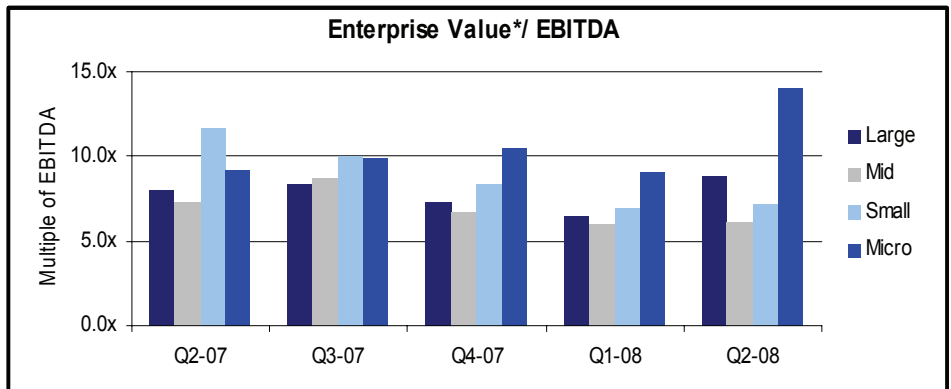
From last quarter:

Multiples for Large tier EMS companies increased due to an increase in equity values.

Mid tier EMS company multiples increased because of higher net debt.

Small tier EMS company multiples increased due to an increase in equity values.

Multiples for Micro tier EMS companies increased due to a slight increase in equity values and lower EBITDA values.



### EMS Size Guide

(Sales Dollars)

**Large (Tier I)**  
Greater than \$3 billion

**Mid (Tier II)**  
\$300 million to \$3 billion

**Small (Tier III)**  
\$150 million to \$300 million

**Micro (Tier IV)**  
Below \$150 million

\* Enterprise Value is calculated as Market Cap on June 30, 2008 plus debt, preferred equity and minority interest less cash

### About the EMS Stock Index

Similar to the S&P 500 Index, the EMS Stock Index is a market cap weighted composite index. The index is prepared by first selecting a base period, in this case, Q1 2003, and totaling the market caps of the companies for each tier in this period. This period and total market cap is set to a base index, in this case, 1000. Next, for each tier, the current period's total market cap is calculated, divided by the base period's total market cap and then multiplied by the base index (1000). The result is the index value used for plotting in the graph above.

# EMS Stock Index Data

	Stock Price	LTM Sales (\$M)	Diluted EPS	Ave. Cash Conversion Cycle (days)	Current Ratio	EV/EBITDA	EV/Sales	Market Cap (\$M)	Net Debt (\$M)
<b>Large</b>									
Celestica Inc.	\$ 8.43	\$ 8,064	\$ 0.22	35.2	2.19	5.6x	0.2x	\$ 1,925	\$(379)
Elcoteq SE	8.18	6,330	(3.55)	6.4	1.10	18.3x	0.2x	1,046	227
Flextronics International Ltd.	9.40	27,558	(0.89)	24.1	1.39	8.6x	0.3x	7,862	1,697
Jabil Circuit Inc.	16.41	12,645	0.43	23.2	1.40	6.9x	0.3x	3,432	535
Sanmina-SCI Corp.	1.28	10,269	(2.18)	33.9	1.85	4.8x	0.1x	680	619
<b>Mid</b>									
Benchmark Electronics Inc.	16.34	2,848	1.27	66.7	2.91	6.0x	0.3x	1,102	(289)
CTS Corp.	10.05	695	0.74	56.2	2.23	6.4x	0.6x	338	57
Nam Tai Electronics Inc.	13.08	736	2.00	13.2	3.42	6.0x	0.5x	586	(261)
Plexus Corp.	27.68	1,715	1.93	60.5	2.13	7.6x	0.6x	1,174	(118)
Sypris Solutions Inc.	4.20	431	(0.08)	59.2	1.75	4.5x	0.3x	81	36
<b>Small</b>									
Key Tronic Corp.	3.51	196	0.55	78.2	2.21	7.0x	0.2x	35	10
LaBarge Inc.	13.00	267	0.82	123.8	1.54	8.1x	0.8x	200	25
Raven Industries Inc.	32.78	251	1.66	108.1	4.00	10.8x	2.3x	591	(22)
SigmaTron International Inc.	5.93	163	0.64	110.1	2.96	5.1x	0.3x	23	33
SMTC Corp.	2.25	242	0.02	60.8	1.42	5.2x	0.2x	33	22
Sparton Corp.	4.20	223	(0.44)	111.6	2.01	-9.3x	0.3x	41	18
<b>Micro</b>									
IEC Electronics Corp.	1.99	44	0.22	52.2	1.28	11.0x	0.5x	17	4
Nortech Systems Inc.	9.37	121	0.70	83.5	1.57	6.4x	0.3x	25	14
Simclar Inc.	3.60	135	0.27	57.4	1.29	6.6x	0.3x	23	18
Winland Electronics Inc.	1.52	32	(0.10)	93.1	3.04	32.0x	0.2x	6	1

Note: Data in table above is sourced from press releases, CapitalIQ and Bloomberg as of June 30, 2008.

## Contacts

Lincoln International's Electronics Group is led by a former CEO of a public EMS company and a former leading Wall Street analyst covering the electronics industry. The firm's Electronics team provides transactional, financial and strategic advisory services to electronics companies and private equity groups.

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## About Lincoln International

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