

Power Electronics Index Underperforms S&P in Q2 2008

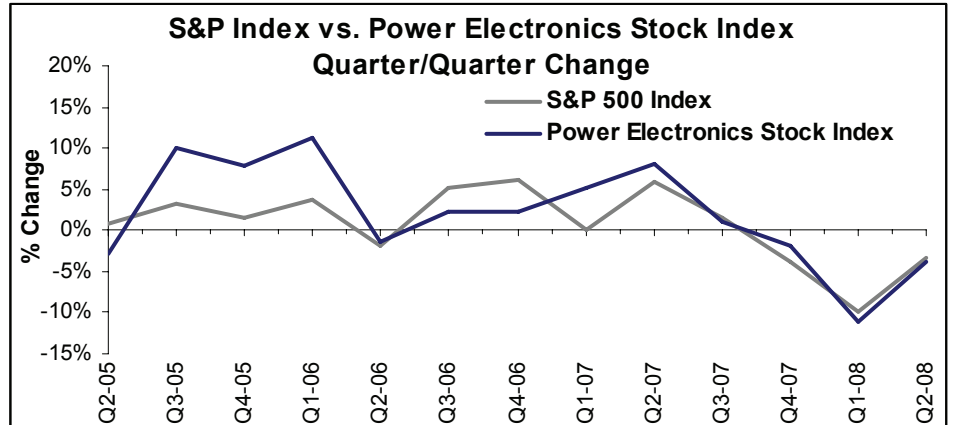
Winner's Circle* Tier

Eaton Corp.	+ 7%	I
Powerwave Technologies	+67%	II
Xantrex Technology Inc.	+44%	III

Worst Performers* Tier

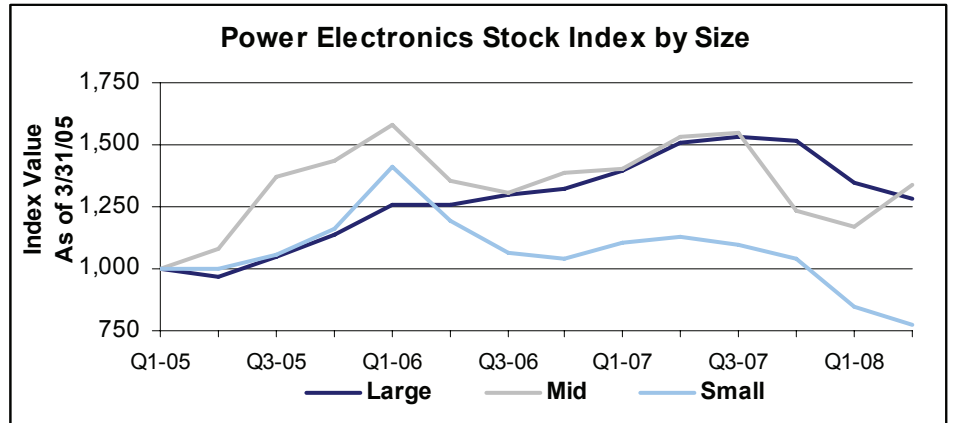
Schneider Electric SA	(17%)	I
Power-One Inc.	(41%)	II
PECO II Inc.	(41%)	III

*Based on quarter-over-quarter share price performance



Power Electronics Highlights

- Overall Index decreased (3.9%) from last quarter
- Large Index decreased (4.6%) from last quarter
- Mid Index increased 13.9% from last quarter
- Small Index decreased (8.9%) from last quarter



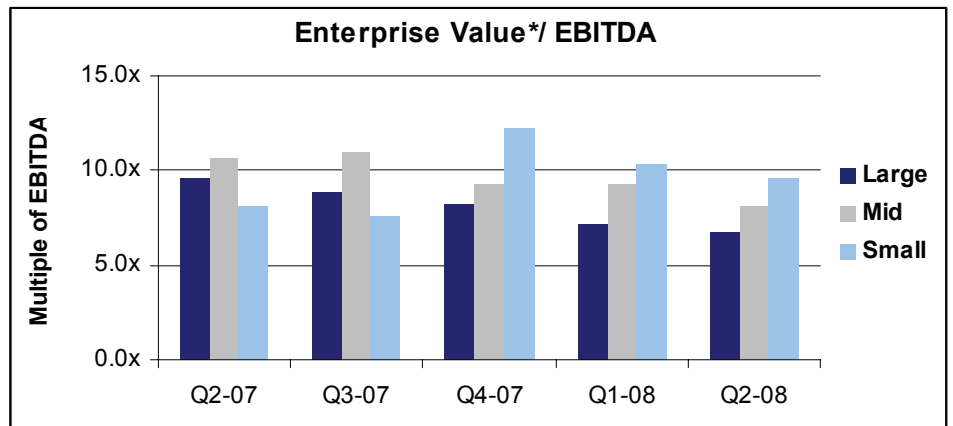
Valuations

From last quarter:

Multiples for large power electronics companies decreased due to an increase in EBITDA results and declines in market capitalizations.

Mid size power electronics company multiples were lower because of decreased net debt and higher EBITDA.

Small tier power electronics company multiples were lower due to a decrease in market capitalizations.



Power Electronics Size Guide

(Sales Dollars)

Large (Tier I)

Greater than \$1 billion

Mid (Tier II)

\$250 million to \$1 billion

Small (Tier III)

Below \$250 million

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

About the Power Electronics Index

Similar to the S&P 500 Index, the Power Electronics Stock Index is a market cap weighted composite index. The index is prepared by first selecting a base period, in this case, Q1 2005, 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.

Power Electronics Stock Index Data

Company	Exchange	Stock Price	LTM Sales (\$M)	Diluted EPS	Ave. Cash		EV/ EBITDA	EV/ Sales	Market Cap (\$M)	Net Debt (\$M)
					Conversion Cycle (days)	Current Ratio				
Large										
Delta Electronics Inc.	Taiwan	\$ 2.78	\$ 4,507	\$ 0.23	22.9	2.21	8.0x	1.1x	\$ 5,864	\$ (1,334)
Eaton Corp.	New York	84.97	13,416	6.69	77.5	1.23	10.0x	1.3x	13,986	3,582
Emerson Electric Co.	New York	49.45	23,784	2.89	68.7	1.43	9.4x	1.8x	38,609	3,180
Lite-On Technology Corp.	Taiwan	1.01	8,074	0.11	16.8	1.30	5.3x	0.3x	2,167	(303)
Murata Manufacturing Co. Ltd.	Osaka	47.10	6,335	3.50	132.6	5.02	3.9x	1.1x	10,335	(3,375)
Sanken Electric Co. Ltd.	Tokyo	5.93	1,682	0.29	117.6	1.29	5.4x	0.7x	718	450
Schneider Electric SA	Euronext	107.97	25,263	9.78	78.0	1.19	7.6x	1.3x	25,800	6,985
TDK Corp.	Tokyo	59.91	8,688	5.53	76.7	2.86	4.4x	0.7x	7,764	(1,624)
Mid										
Acbel Polytech Inc.	Taiwan	\$ 0.41	\$ 440	\$ 0.05	43.2	1.74	4.6x	0.3x	\$ 196	\$ (61)
Advanced Energy Industries, Inc.	Nasdaq	13.70	366	0.61	133.7	6.53	8.9x	1.2x	572	(137)
Bel Fuse Inc.	Nasdaq	24.71	258	2.06	108.4	6.40	7.0x	0.7x	293	(114)
CEAG AG	Frankfurt	14.56	460	1.87	30.4	1.42	3.3x	0.2x	112	(11)
Chloride Group plc	London	5.17	532	0.20	41.6	1.37	16.9x	2.5x	1,266	43
Eltek ASA	Oslo	6.00	1,003	(0.17)	82.9	1.34	7.1x	0.5x	295	118
Microsemi Corp.	Nasdaq	25.18	483	0.47	192.5	5.70	16.3x	3.8x	1,980	(139)
Power-One Inc.	Nasdaq	1.89	505	(0.43)	105.0	1.69	N/A	0.4x	165	53
Powerwave Technologies Inc.	Nasdaq	4.25	843	(2.12)	82.8	1.73	N/A	1.0x	558	281
Shindengen Electric Mfg. Co. Ltd.	Tokyo	3.25	1,011	(0.30)	103.9	1.75	6.4x	0.5x	282	203
FSP Technology Inc.	Taiwan	0.95	495	0.13	11.9	1.50	3.2x	0.2x	188	(83)
Small										
Cherokee International Corp.	Nasdaq	\$ 1.77	\$ 133	\$ (0.36)	126.3	0.92	N/A	0.5x	\$ 34	\$ 37
Cosel Co. Ltd.	Tokyo	8.20	219	0.80	125.9	5.13	4.3x	1.2x	320	(56)
Magnetek Inc.	New York	4.23	108	0.18	81.4	1.62	14.4x	1.1x	129	(12)
PECO II Inc.	Nasdaq	3.34	38	(3.02)	120.9	3.90	N/A	0.1x	9	(7)
SL Industries Inc.	American	15.25	198	1.33	78.6	2.42	5.3x	0.5x	89	9
Vicor Corp.	Nasdaq	9.98	202	0.09	102.2	3.72	N/A	1.9x	416	(40)
Xantrex Technology Inc.	Toronto	9.80	256	(0.04)	88.7	1.21	18.5x	1.3x	284	54
XP Power Ltd.	London	4.10	132	0.35	91.4	2.07	5.8x	0.9x	78	39

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

Contact

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About Lincoln International

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