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**Cash Flow Trends and Their Fundamental Drivers: A Continuing Look
Comprehensive Industry Review (Qtr 4, 2008)
Technology, Hardware & Equipment Industry (4520)
EXECUTIVE SUMMARY**

This research report is one of a series that looks at the cash flow performance of Corporate America. Our primary focus is on free cash margin, or free cash flow measured as a percent of revenue. The current study provides our comprehensive review for the technology, hardware and equipment industry (GICS: 4520) through Q4, 2008.

Free cash margin for the industry continued the downward trend begun in January 2008. For the 12 months ending December 2008 free cash margin for the technology, hardware and equipment industry fell nearly 36% to 4.41% from 6.88% in December 2007. Compared to December 2000 when free cash margin for the industry was at a low of 0.02%, the recession today is holding up well, at least for the twelve months ended with the fourth quarter 2008. The decrease in free cash margin was driven by a 21% decrease in operating cash margin from 10.19% to 8.03% over the same period. Net margin and operating cushion were both down driving the decrease in operating cash margin while the cash cycle remained flat

Data for this research were provided by Cash Flow Analytics, LLC., www.cashflowanalytics.com.
Charles Mulford is a principal in Cash Flow Analytics, LLC. May, 2009

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Georgia Tech Financial Analysis Lab

The Georgia Tech Financial Analysis Lab conducts research on issues of financial reporting and analysis. Unbiased information is vital to effective investment decision-making. Accordingly, we think that independent research organizations, such as our own, have an important role to play in providing information to market participants.

Because our Lab is housed within a university, all of our research reports have an educational quality, as they are designed to impart knowledge and understanding to those who read them. Our focus is on issues that we believe will be of interest to a large segment of stock market participants. Depending on the issue, we may focus our attention on individual companies, groups of companies, or on large segments of the market at large.

A recurring theme in our work is the identification of reporting practices that give investors a misleading signal, whether positive or negative, of corporate earning power. We define earning power as the ability to generate a sustainable stream of earnings that is backed by cash flow. Accordingly, our research may look into reporting practices that affect either earnings or cash flow, or both. At times, our research may look at stock prices generally, though from a fundamental and not technical point of view.

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Technology, Hardware & Equipment Industry (4520)

Sub-industries included:	Page
Communications Equipment (452010)	16
Computers & Peripherals (452020)	17
Electronic Equipment, Instruments & Components (452030)	18
Office Electronics (452040)	19

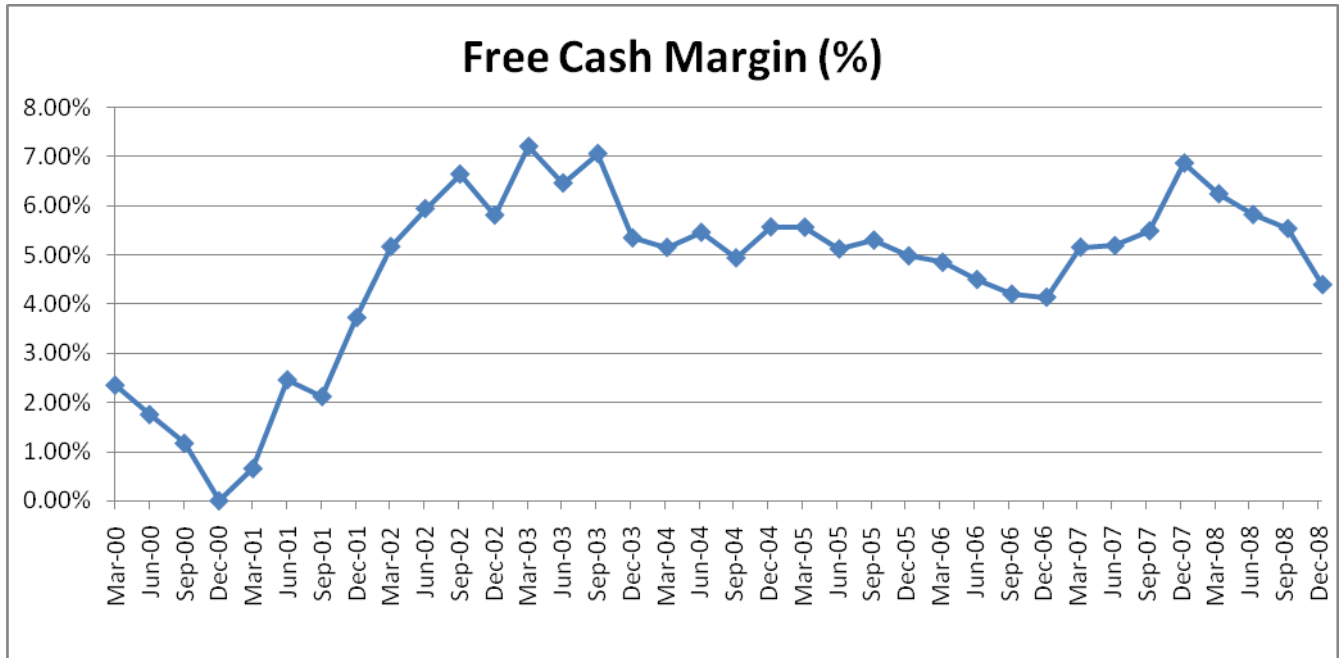
Observations

Free cash margin for the industry continued the downward trend begun in January 2008. For the 12 months ending December 2008 free cash margin for the technology, hardware and equipment industry fell nearly 36% to 4.41% from 6.88% in December 2007. Compared to December 2000 when free cash margin for the industry was at a low of 0.02%, the recession today is holding up well, at least for the twelve months ended with the fourth quarter 2008. The decrease in free cash margin was driven by a 21% decrease in operating cash margin from 10.19% to 8.03% over the same period. Net margin and operating cushion were both down driving the decrease in operating cash margin while the cash cycle remained flat.

There are four sub-industries within the technology, hardware and equipment industry. Free cash margin for each of them declined between December 2007 and December 2008. While containing the fewest number of firms, the office electronics sub-industry (GICS: 452040), containing such firms as Xerox, Ricoh and Canon, is by far the largest sub-industry with median revenues of \$17.5 billion in December 2008. This sub-industry has also been hit the hardest in the current recession. Free cash margin is down nearly 47% from 9.00% in December 2007 to 4.79% in December 2008. This decline is due primarily to a significant increase in capital expenditures. Capital expenditures as a percentage of revenue climbed more than 66% from 2.52% in December 2007 to 4.19% in December 2008. Operating cash margin for the same period remained flat for the sub-industry while operating cushion and the cash cycle both improved. Note that the increase in capital expenditures indicates that even though this sub-industry is suffering reduced free cash margin, the group continues to invest in its future.

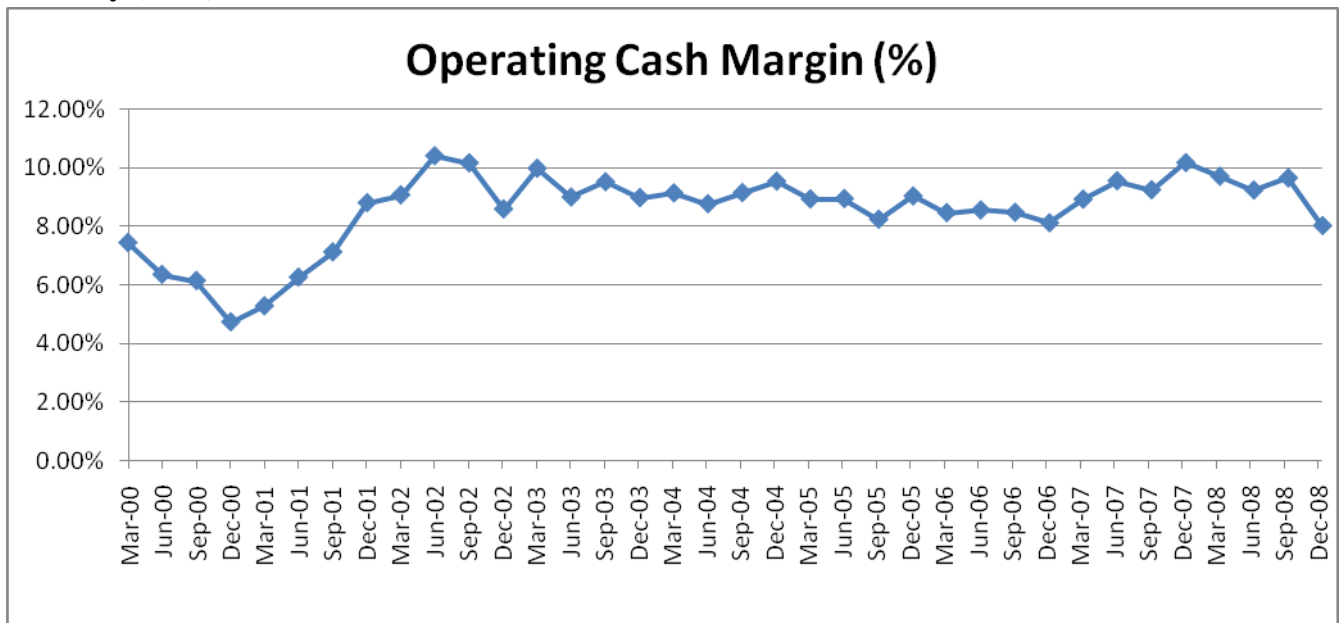
Cash Flow Margins

Exhibit 1: Median Free Cash Margin, 2000 – 2008, Technology, Hardware & Equipment Industry (4520)



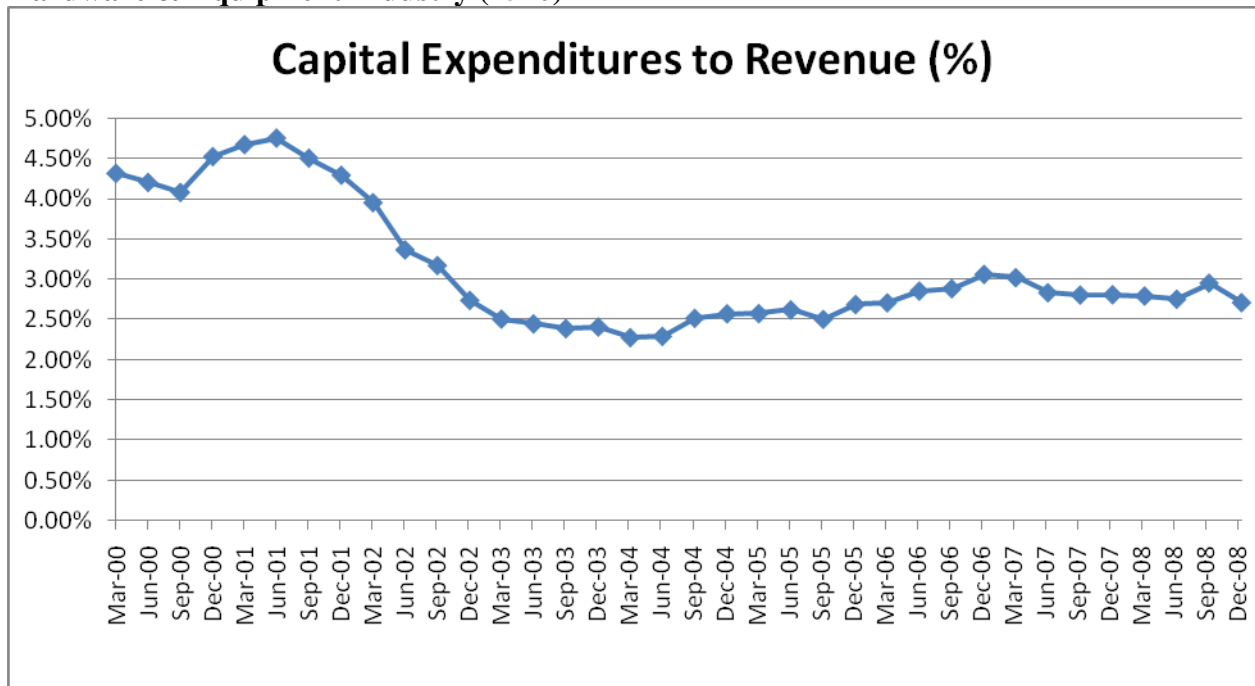
Refer to Table 1 for data supporting the graph.

Exhibit 2: Median Operating Cash Margin, 2000 – 2008, Technology, Hardware & Equipment Industry (4520)



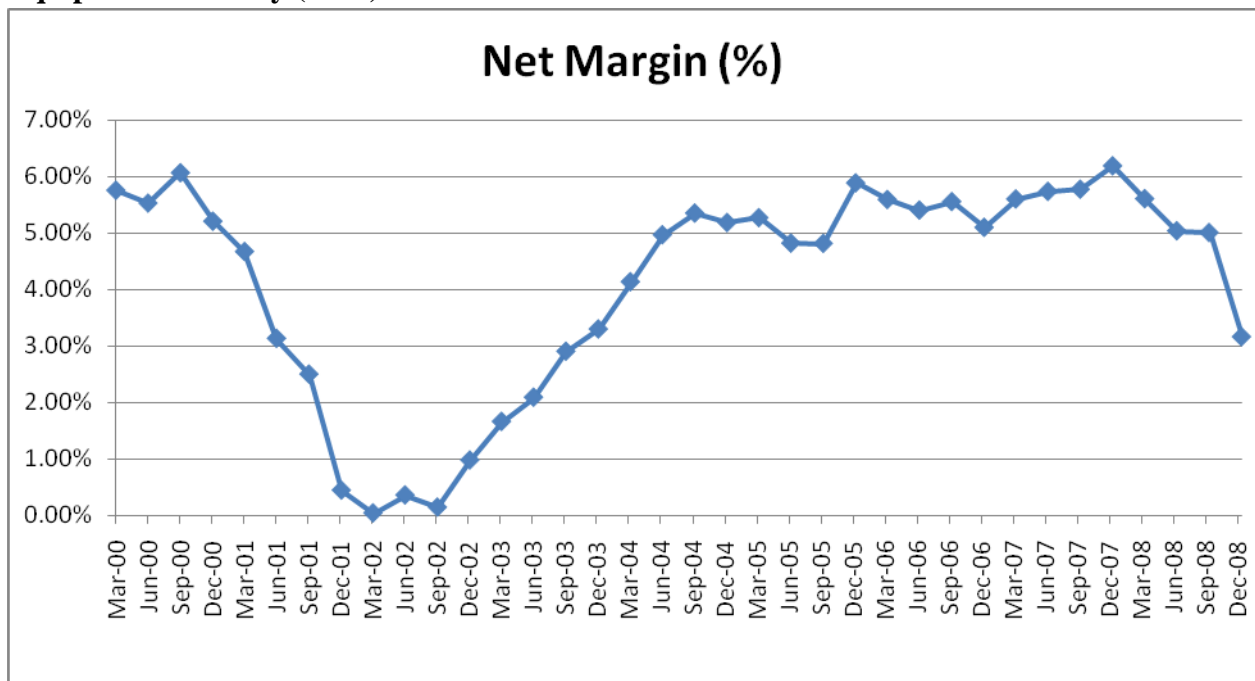
Refer to Table 1 for data supporting the graph.

Exhibit 3: The Ratio of Capital Expenditures to Revenue, 2000 – 2008, Technology, Hardware & Equipment Industry (4520)



Refer to Table 1 for data supporting the graph.

Exhibit 4: Median Net Margin from Continuing Operations, 2000 – 2008, Technology, Hardware & Equipment Industry (4520)



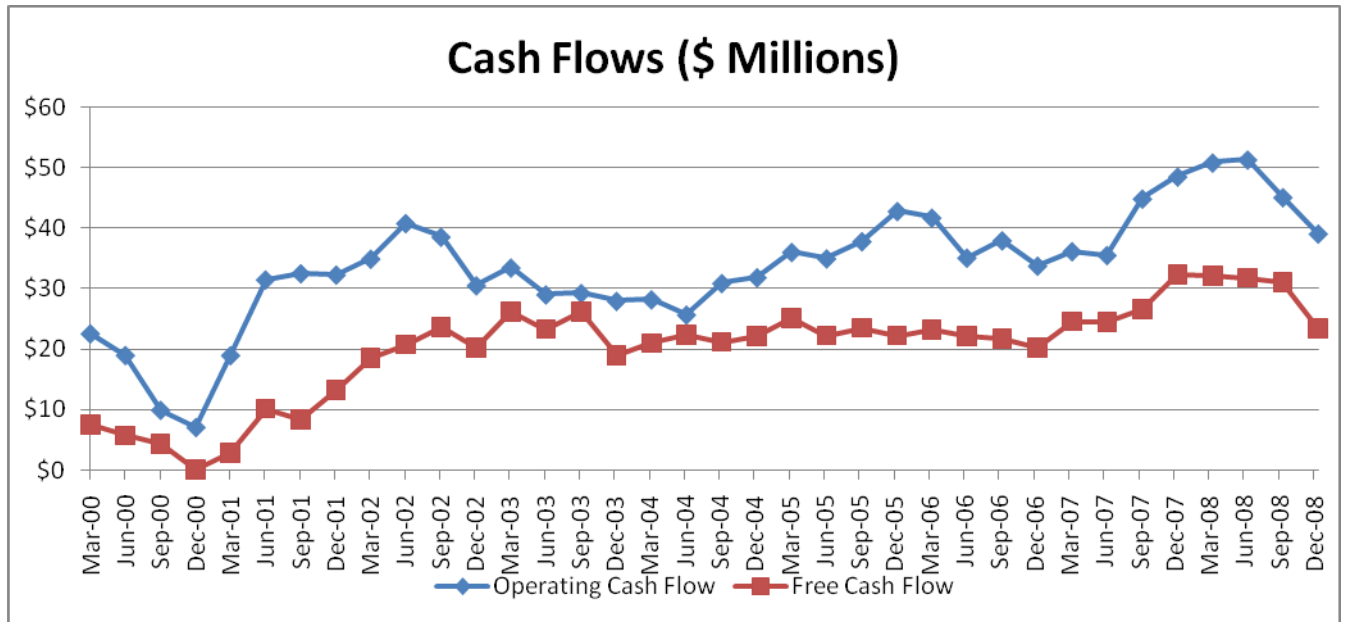
Refer to Table 1 for data supporting the graph.

Table 1: Median Margins, 2000–2008, Technology, Hardware & Equipment Industry (4520)

Date	Operating Cash Margin (%)	Free Cash Margin (%)	Net Margin (%)	Capital Expenditures / Revenue (%)
Mar-00	7.45%	2.36%	5.75%	4.32%
Jun-00	6.36%	1.77%	5.52%	4.20%
Sep-00	6.15%	1.18%	6.06%	4.08%
Dec-00	4.73%	0.02%	5.20%	4.52%
Mar-01	5.28%	0.67%	4.66%	4.67%
Jun-01	6.26%	2.47%	3.13%	4.75%
Sep-01	7.13%	2.13%	2.49%	4.50%
Dec-01	8.81%	3.74%	0.44%	4.29%
Mar-02	9.08%	5.18%	0.04%	3.95%
Jun-02	10.42%	5.95%	0.35%	3.37%
Sep-02	10.18%	6.65%	0.14%	3.17%
Dec-02	8.60%	5.82%	0.97%	2.74%
Mar-03	9.99%	7.22%	1.66%	2.51%
Jun-03	9.01%	6.47%	2.09%	2.45%
Sep-03	9.53%	7.07%	2.90%	2.39%
Dec-03	8.99%	5.36%	3.29%	2.41%
Mar-04	9.15%	5.16%	4.13%	2.28%
Jun-04	8.78%	5.47%	4.96%	2.29%
Sep-04	9.16%	4.95%	5.34%	2.52%
Dec-04	9.55%	5.58%	5.18%	2.57%
Mar-05	8.94%	5.58%	5.26%	2.58%
Jun-05	8.95%	5.13%	4.81%	2.62%
Sep-05	8.25%	5.31%	4.81%	2.50%
Dec-05	9.04%	4.99%	5.88%	2.69%
Mar-06	8.47%	4.86%	5.59%	2.71%
Jun-06	8.57%	4.51%	5.40%	2.86%
Sep-06	8.48%	4.22%	5.55%	2.88%
Dec-06	8.12%	4.15%	5.09%	3.06%
Mar-07	8.94%	5.17%	5.59%	3.02%
Jun-07	9.56%	5.20%	5.73%	2.83%
Sep-07	9.26%	5.50%	5.77%	2.81%
Dec-07	10.19%	6.88%	6.18%	2.81%
Mar-08	9.72%	6.25%	5.60%	2.79%
Jun-08	9.25%	5.83%	5.03%	2.75%
Sep-08	9.66%	5.55%	5.00%	2.95%
Dec-08	8.03%	4.41%	3.16%	2.71%

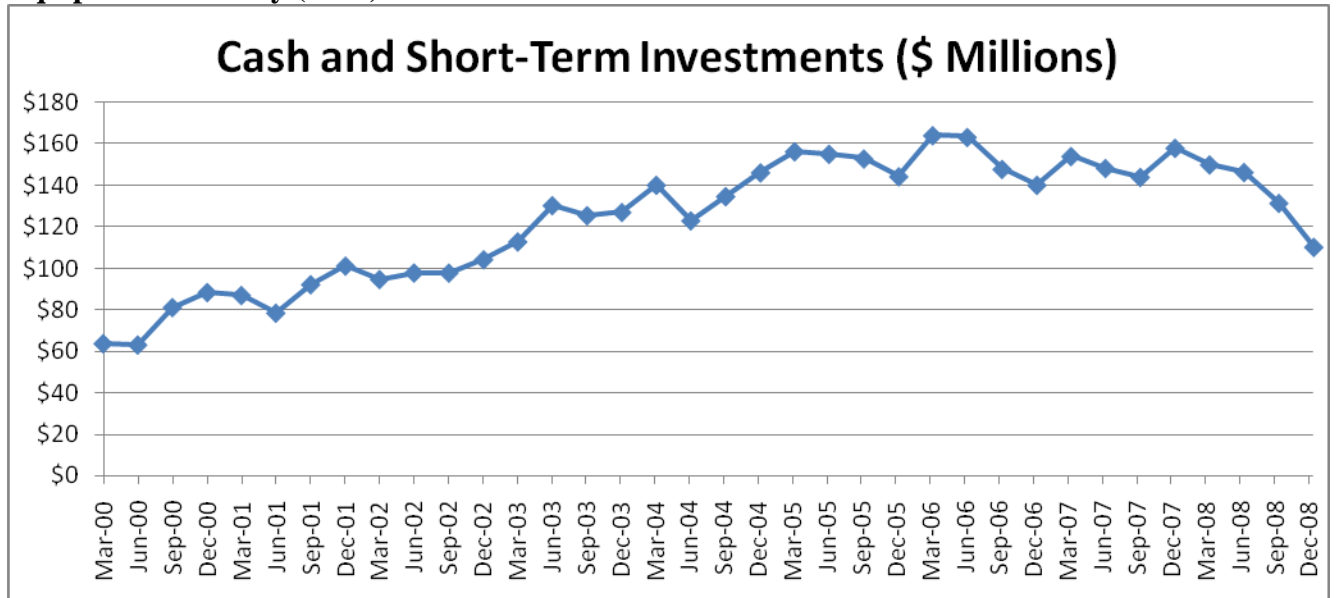
Cash Flow Measures

Exhibit 5: Median Free Cash Flow and Median Operating Cash Flow, 2000 – 2008, Technology, Hardware & Equipment Industry (4520)



Refer to Table 2 for data supporting the graph.

Exhibit 6: Cash and Short-term Investments, 2000 – 2008, Technology, Hardware & Equipment Industry (4520)



Refer to Table 2 for data supporting the graph.

Table 2: Cash Flow Measures, 2000 – 2008, Technology, Hardware & Equipment (4520)

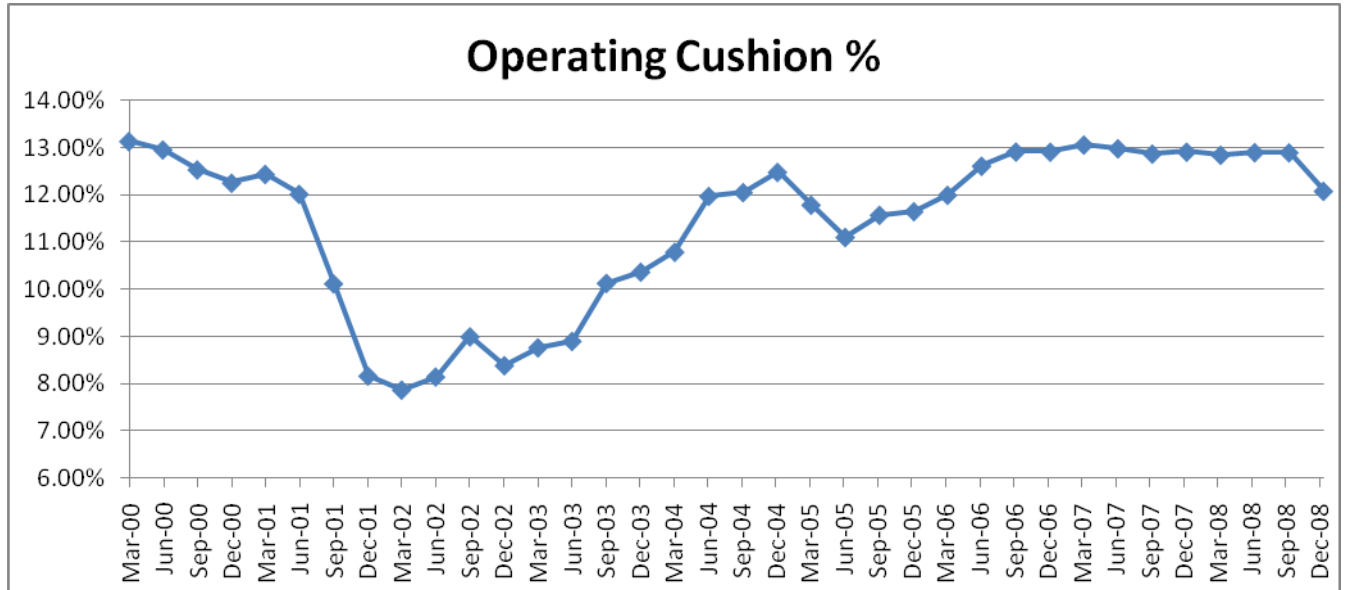
Date	Operating Cash Flow	% Change	Free Cash Flow	% Change	Cash and Short-Term Investments	% Change
Mar-00	22,616,500		7,537,933		63,936,000	
Jun-00	19,031,000	-15.85%	5,703,161	-24.34%	63,298,000	-1.00%
Sep-00	9,968,000	-47.62%	4,389,486	-23.03%	81,368,000	28.55%
Dec-00	7,126,000	-28.51%	55,629	-98.73%	88,622,000	8.92%
Mar-01	19,012,000	166.80%	2,826,665	4981.29%	87,188,000	-1.62%
Jun-01	31,528,000	65.83%	10,141,291	258.77%	78,646,000	-9.80%
Sep-01	32,553,000	3.25%	8,386,215	-17.31%	92,397,000	17.48%
Dec-01	32,337,000	-0.66%	13,200,016	57.40%	101,354,000	9.69%
Mar-02	34,964,000	8.12%	18,530,469	40.38%	94,897,000	-6.37%
Jun-02	40,847,000	16.83%	20,781,090	12.15%	98,037,000	3.31%
Sep-02	38,595,000	-5.51%	23,679,656	13.95%	98,018,000	-0.02%
Dec-02	30,561,500	-20.81%	20,254,461	-14.46%	104,432,500	6.54%
Mar-03	33,501,000	9.62%	26,148,806	29.10%	113,019,500	8.22%
Jun-03	29,056,000	-13.27%	23,340,097	-10.74%	130,540,500	15.50%
Sep-03	29,294,000	0.82%	26,256,780	12.50%	125,700,000	-3.71%
Dec-03	27,987,000	-4.46%	18,965,581	-27.77%	127,261,500	1.24%
Mar-04	28,236,500	0.89%	21,025,587	10.86%	140,360,500	10.29%
Jun-04	25,718,500	-8.92%	22,346,937	6.28%	123,188,500	-12.23%
Sep-04	30,937,500	20.29%	21,202,088	-5.12%	134,902,000	9.51%
Dec-04	31,883,500	3.06%	22,215,821	4.78%	146,374,500	8.50%
Mar-05	36,076,000	13.15%	25,090,957	12.94%	156,567,000	6.96%
Jun-05	35,016,000	-2.94%	22,235,277	-11.38%	155,322,500	-0.79%
Sep-05	37,854,000	8.10%	23,523,733	5.79%	153,069,000	-1.45%
Dec-05	42,842,000	13.18%	22,249,943	-5.41%	144,483,000	-5.61%
Mar-06	41,752,500	-2.54%	23,164,341	4.11%	164,283,000	13.70%
Jun-06	35,151,000	-15.81%	22,152,574	-4.37%	163,454,000	-0.50%
Sep-06	37,996,500	8.10%	21,703,251	-2.03%	148,051,000	-9.42%
Dec-06	33,807,000	-11.03%	20,241,477	-6.74%	140,351,500	-5.20%
Mar-07	36,212,000	7.11%	24,618,138	21.62%	154,247,000	9.90%
Jun-07	35,573,000	-1.76%	24,459,128	-0.65%	148,481,000	-3.74%
Sep-07	44,915,000	26.26%	26,676,494	9.07%	144,147,000	-2.92%
Dec-07	48,538,000	8.07%	32,392,007	21.43%	158,188,000	9.74%
Mar-08	50,864,500	4.79%	32,129,112	-0.81%	150,191,500	-5.06%
Jun-08	51,354,000	0.96%	31,774,859	-1.10%	146,516,000	-2.45%
Sep-08	45,135,000	-12.11%	31,065,915	-2.23%	131,625,000	-10.16%
Dec-08	39,124,000	-13.32%	23,400,706	-24.67%	110,414,000	-16.11%

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Cash Flow Drivers

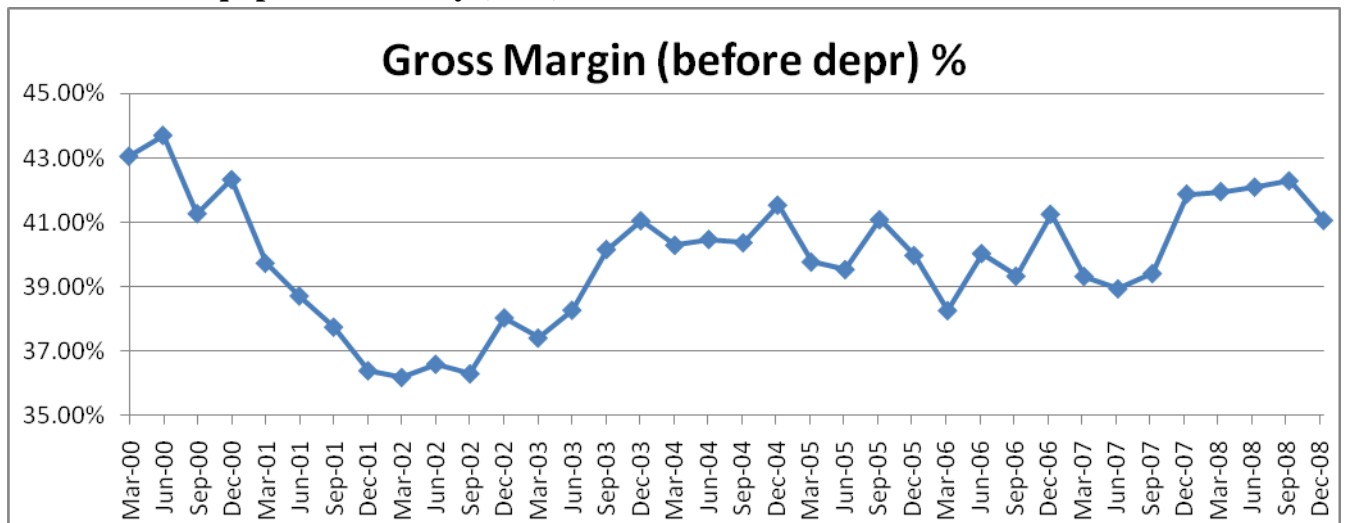
Profitability

Exhibit 7: Median Operating Cushion, 2000 – 2008, Technology, Hardware & Equipment Industry (4520)



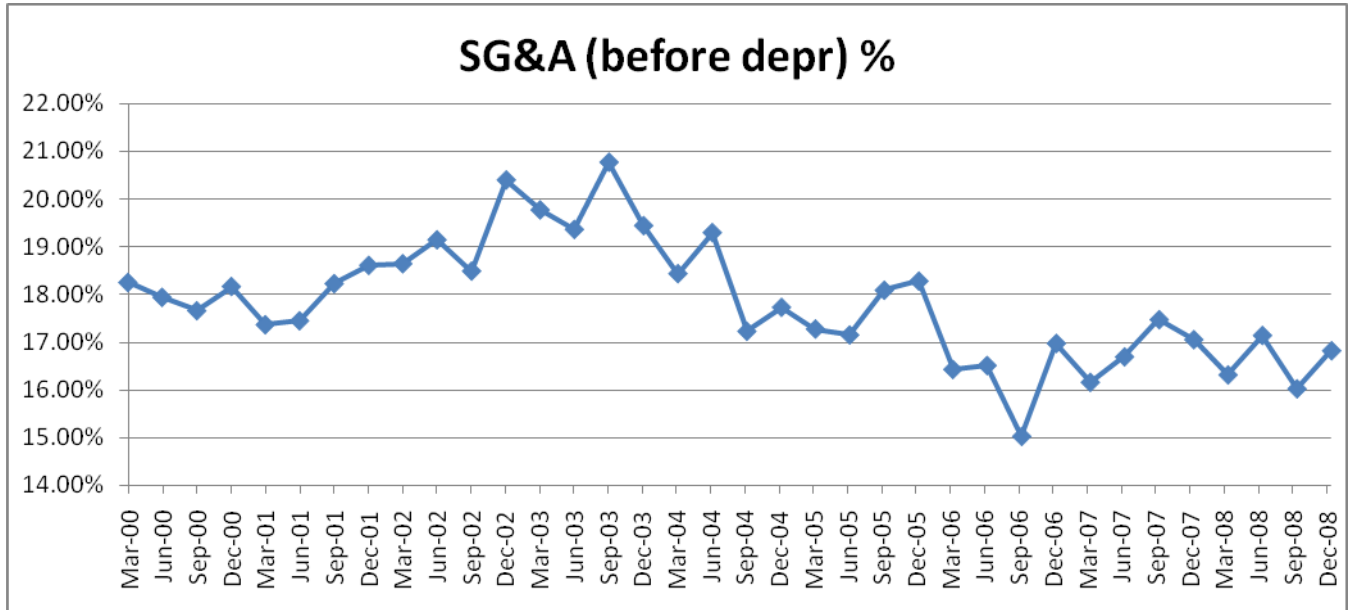
Refer to Table 3 for data supporting the graph.

Exhibit 8: Median Gross Margin % (before depreciation), 2000 – 2008, Technology, Hardware & Equipment Industry (4520)



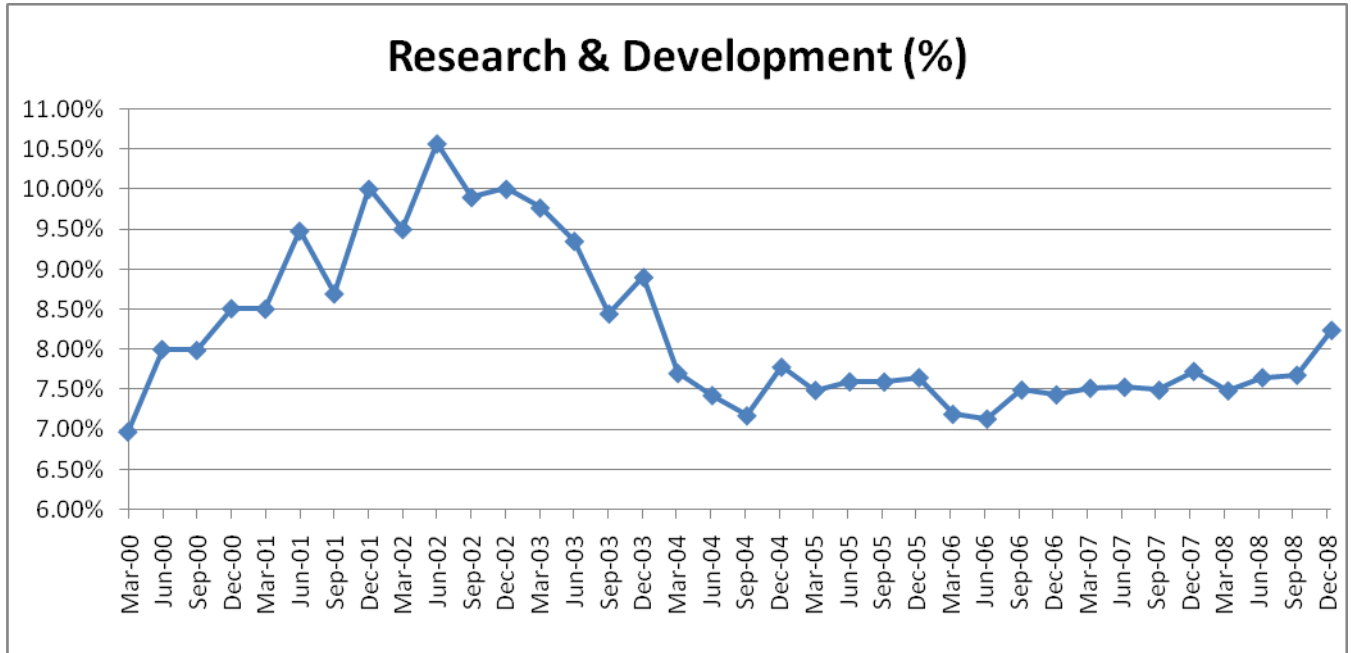
Refer to Table 3 for data supporting the graph.

Exhibit 9: Median Selling, General and Administrative Expense % (before depreciation), 2000 – 2008, Technology, Hardware & Equipment Industry (4520)



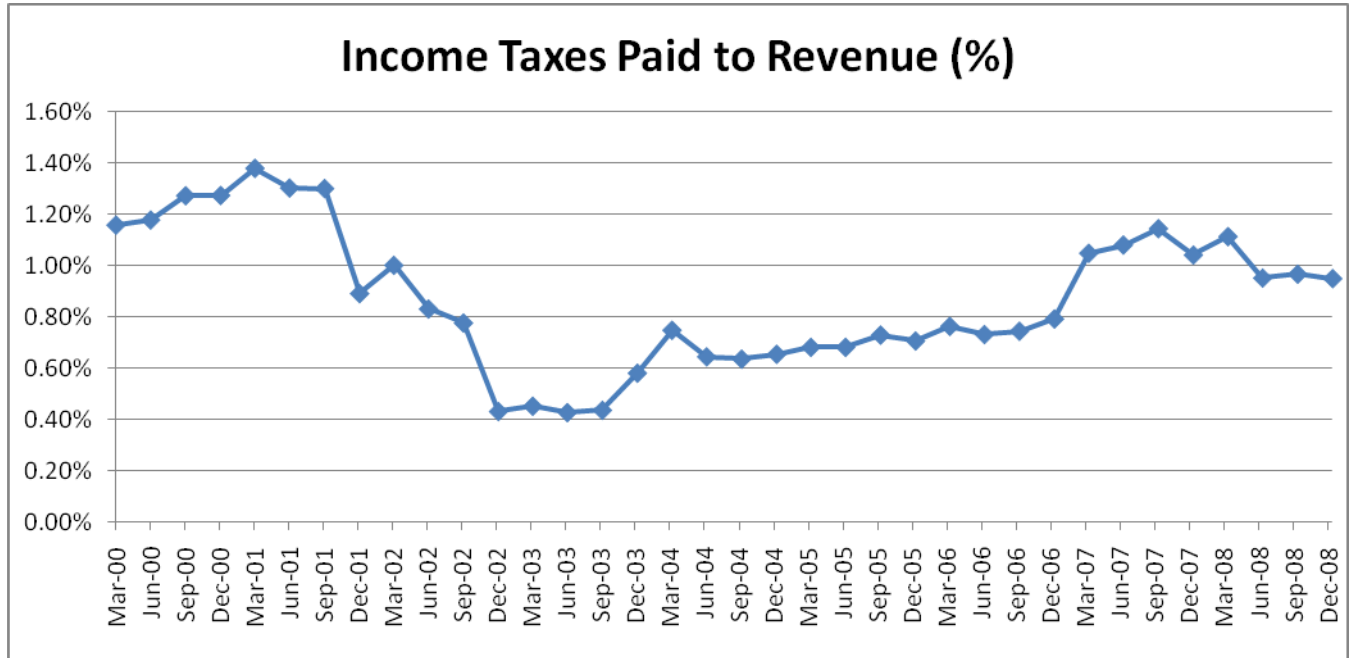
Refer to Table 3 for data supporting the graph.

Exhibit 9a: Median Research & Development Expense %, 2000 – 2008, Technology, Hardware & Equipment Industry (4520)



Refer to Table 3 for data supporting the graph.

Exhibit 10: Median Income Taxes Paid % (before depreciation), 2000 – 2008, Technology, Hardware & Equipment Industry (4520)



Refer to Table 3 for data supporting the graph.

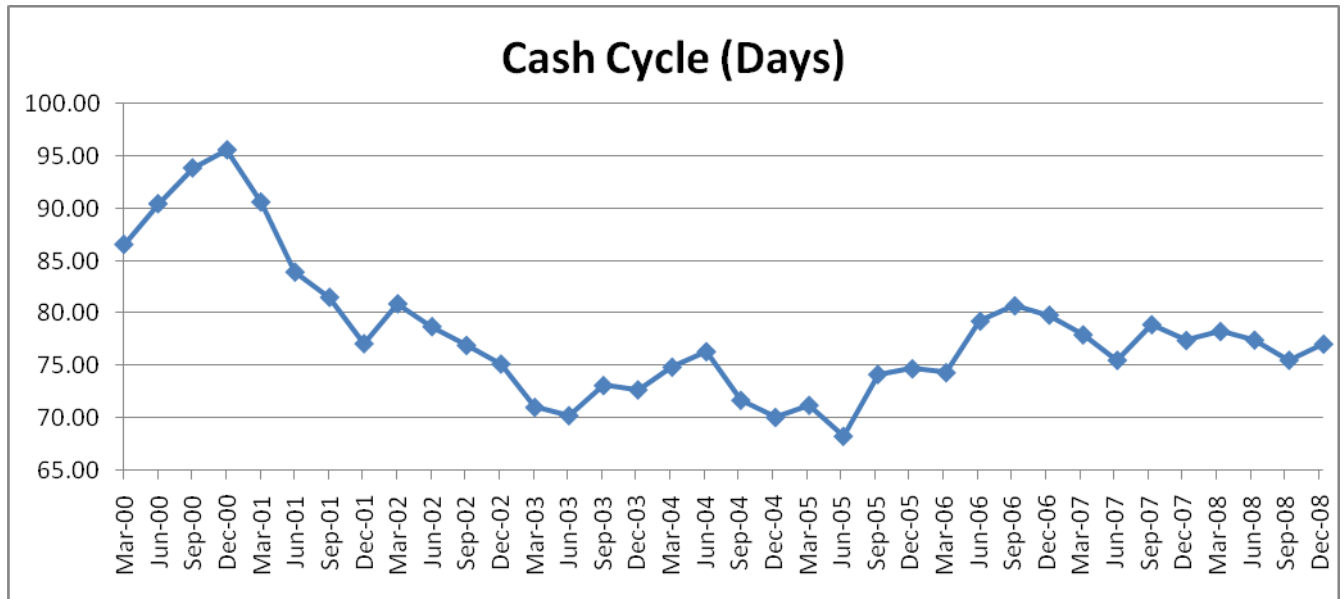
Table 3: Profitability, 2000 – 2008, Technology, Hardware & Equipment Industry (4520)

Date	Operating Cushion %	Gross Margin (before depr) %	SG&A (before depr.) %	R&D %	Revenue	% Change	Income Taxes Paid to Revenue
Mar-00	13.14%	43.06%	18.25%	6.97%	318,863,500		1.16%
Jun-00	12.97%	43.70%	17.94%	8.00%	322,577,000	1.16%	1.18%
Sep-00	12.54%	41.28%	17.66%	7.99%	371,047,000	15.03%	1.27%
Dec-00	12.26%	42.33%	18.17%	8.51%	370,859,000	-0.05%	1.27%
Mar-01	12.45%	39.74%	17.37%	8.51%	422,521,000	13.93%	1.38%
Jun-01	12.02%	38.72%	17.45%	9.48%	410,080,500	-2.94%	1.30%
Sep-01	10.12%	37.76%	18.23%	8.70%	392,981,000	-4.17%	1.30%
Dec-01	8.17%	36.41%	18.61%	10.00%	353,036,000	-10.16%	0.89%
Mar-02	7.87%	36.20%	18.65%	9.50%	357,593,000	1.29%	1.00%
Jun-02	8.15%	36.61%	19.15%	10.57%	349,086,000	-2.38%	0.83%
Sep-02	9.00%	36.31%	18.49%	9.90%	355,871,000	1.94%	0.78%
Dec-02	8.39%	38.04%	20.40%	10.00%	347,955,000	-2.22%	0.43%
Mar-03	8.77%	37.42%	19.77%	9.77%	362,222,000	4.10%	0.45%
Jun-03	8.90%	38.28%	19.36%	9.35%	360,520,500	-0.47%	0.43%
Sep-03	10.14%	40.17%	20.77%	8.45%	371,278,000	2.98%	0.43%
Dec-03	10.37%	41.06%	19.44%	8.90%	353,901,500	-4.68%	0.58%
Mar-04	10.80%	40.30%	18.44%	7.70%	407,157,000	15.05%	0.75%
Jun-04	11.98%	40.48%	19.30%	7.43%	408,387,000	0.30%	0.64%
Sep-04	12.06%	40.37%	17.23%	7.17%	428,238,500	4.86%	0.63%
Dec-04	12.49%	41.54%	17.73%	7.78%	398,133,000	-7.03%	0.65%
Mar-05	11.79%	39.78%	17.28%	7.49%	450,062,000	13.04%	0.68%
Jun-05	11.11%	39.54%	17.15%	7.60%	433,098,500	-3.77%	0.68%
Sep-05	11.58%	41.09%	18.09%	7.60%	442,758,000	2.23%	0.73%
Dec-05	11.66%	39.98%	18.28%	7.65%	445,712,000	0.67%	0.71%
Mar-06	12.00%	38.27%	16.43%	7.19%	476,338,500	6.87%	0.76%
Jun-06	12.62%	40.04%	16.51%	7.13%	491,079,000	3.09%	0.73%
Sep-06	12.92%	39.34%	15.03%	7.50%	514,783,000	4.83%	0.74%
Dec-06	12.92%	41.26%	16.98%	7.44%	487,511,500	-5.30%	0.79%
Mar-07	13.07%	39.33%	16.16%	7.52%	476,265,000	-2.31%	1.05%
Jun-07	12.99%	38.95%	16.69%	7.53%	470,187,000	-1.28%	1.08%
Sep-07	12.88%	39.42%	17.47%	7.49%	484,939,000	3.14%	1.14%
Dec-07	12.92%	41.88%	17.05%	7.73%	470,882,500	-2.90%	1.04%
Mar-08	12.86%	41.96%	16.32%	7.49%	513,737,000	9.10%	1.11%
Jun-08	12.91%	42.10%	17.14%	7.65%	544,743,000	6.04%	0.95%
Sep-08	12.90%	42.29%	16.03%	7.68%	559,948,000	2.79%	0.97%
Dec-08	12.09%	41.07%	16.82%	8.24%	530,869,000	-5.19%	0.95%

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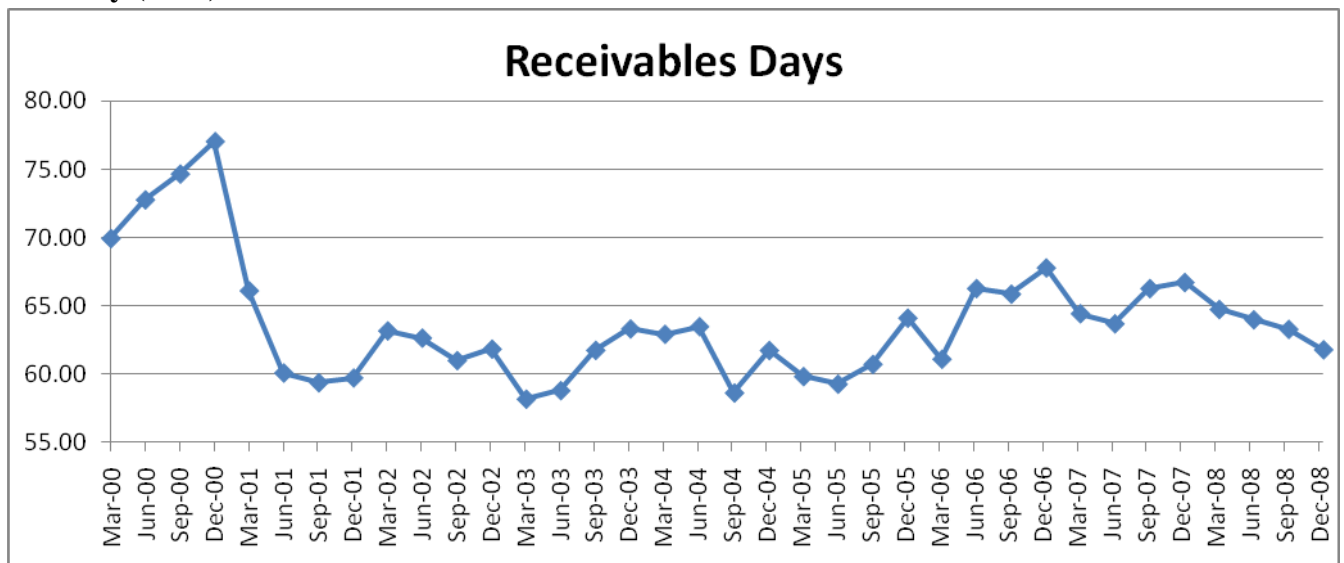
Efficiency

Exhibit 11: Median Cash Cycle, 2000 – 2008, Technology, Hardware & Equipment Industry (4520)



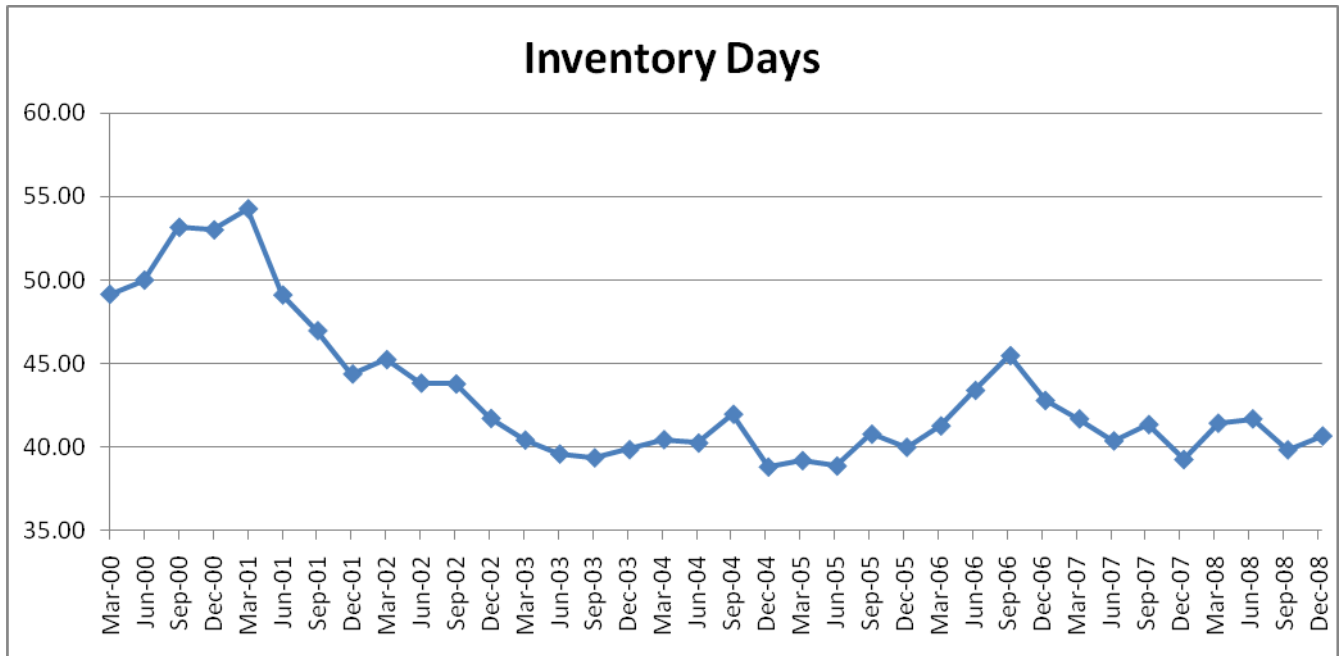
Refer to Table 4 for data supporting the graph.

Exhibit 12: Median Receivables Days, 2000 – 2008, Technology, Hardware & Equipment Industry (4520)



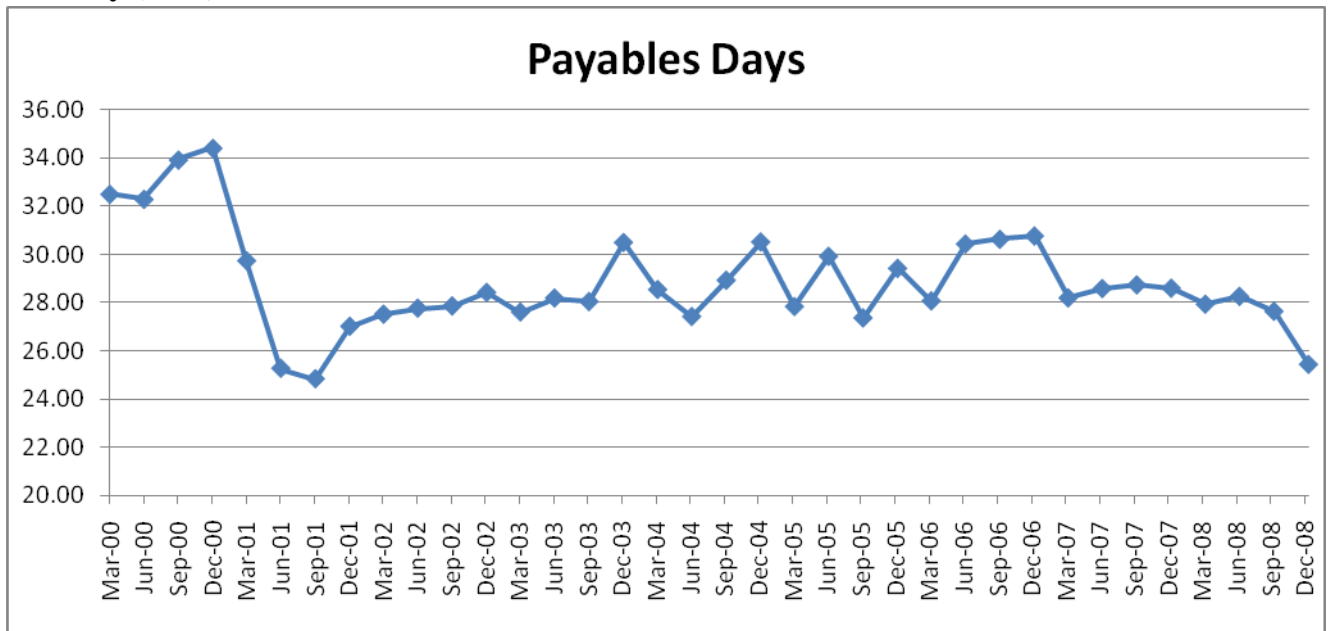
Refer to Table 4 for data supporting the graph.

Exhibit 13: Median Inventory Days, 2000 – 2008, Technology, Hardware & Equipment Industry (4520)



Refer to Table 4 for data supporting the graph.

Exhibit 14: Median Payables Days, 2000 – 2008, Technology, Hardware & Equipment Industry (4520)



Refer to Table 4 for data supporting the graph.

Table 4: Efficiency, 2000 – 2008, Technology, Hardware & Equipment Industry (4520)

Date	Cash Cycle (Days)	Receivables Days	Inventory Days	Payables Days
Mar-00	86.58	69.91	49.17	32.50
Jun-00	90.47	72.74	50.02	32.29
Sep-00	93.89	74.64	53.18	33.93
Dec-00	95.62	77.01	53.03	34.42
Mar-01	90.63	66.08	54.28	29.74
Jun-01	83.94	60.06	49.13	25.26
Sep-01	81.52	59.35	47.00	24.82
Dec-01	77.10	59.70	44.41	27.01
Mar-02	80.90	63.14	45.27	27.51
Jun-02	78.72	62.62	43.87	27.76
Sep-02	76.93	60.97	43.81	27.86
Dec-02	75.15	61.81	41.75	28.42
Mar-03	71.01	58.15	40.46	27.60
Jun-03	70.22	58.77	39.63	28.18
Sep-03	73.09	61.73	39.41	28.04
Dec-03	72.68	63.29	39.89	30.50
Mar-04	74.85	62.90	40.49	28.54
Jun-04	76.33	63.46	40.29	27.41
Sep-04	71.68	58.60	42.01	28.92
Dec-04	70.04	61.71	38.85	30.52
Mar-05	71.21	59.80	39.24	27.83
Jun-05	68.24	59.25	38.91	29.92
Sep-05	74.15	60.70	40.81	27.36
Dec-05	74.69	64.08	40.03	29.42
Mar-06	74.32	61.07	41.31	28.06
Jun-06	79.24	66.25	43.43	30.44
Sep-06	80.71	65.84	45.51	30.63
Dec-06	79.82	67.76	42.83	30.77
Mar-07	77.94	64.41	41.73	28.19
Jun-07	75.50	63.67	40.41	28.58
Sep-07	78.91	66.25	41.39	28.73
Dec-07	77.39	66.69	39.30	28.59
Mar-08	78.25	64.71	41.47	27.93
Jun-08	77.43	63.96	41.73	28.25
Sep-08	75.51	63.26	39.88	27.63
Dec-08	77.05	61.76	40.71	25.42

Communications Equipment Sub-industry (452010)

Exhibit 15: Median Free Cash Margin, 2000 – 2008, Communications Equipment (452010)

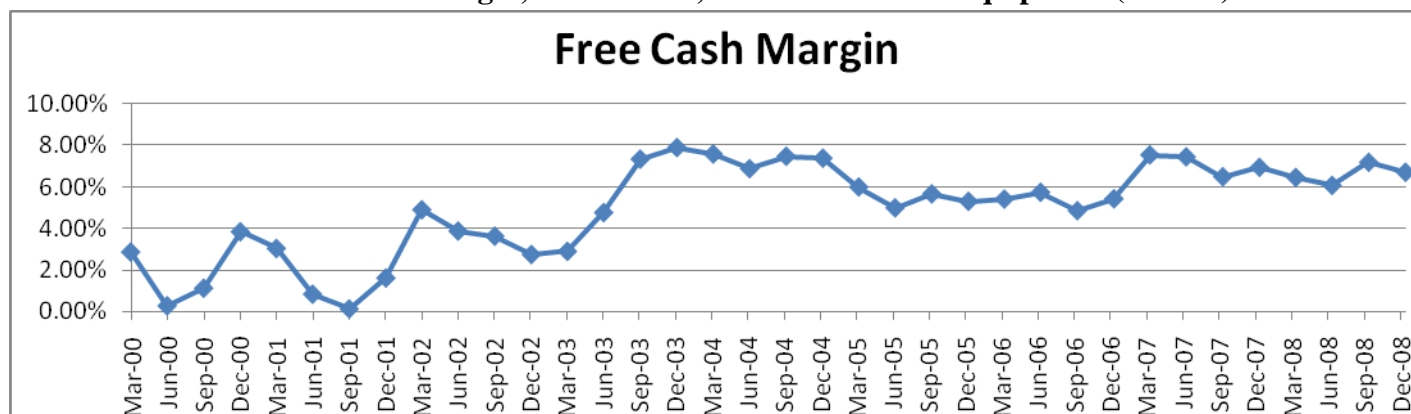


Table 5: 2000 – 2008, Communications Equipment Sub-industry (452010)

Date	Free Cash Margin (%)	Operating Cash Margin (%)	Free Cash Margin / Operating Cash Margin	Net Margin (%)	Operating Cushion %	Income Taxes Paid to Revenue (%)	Cash Cycle (Days)
Mar-00	2.87%	7.51%	4.56%	8.09%	14.53%	0.82%	93.99
Jun-00	0.29%	6.36%	4.98%	7.35%	14.96%	0.90%	104.40
Sep-00	1.13%	6.06%	5.11%	7.48%	13.76%	1.43%	103.90
Dec-00	3.85%	1.17%	5.58%	4.16%	11.83%	1.38%	106.40
Mar-01	3.04%	2.33%	6.30%	3.41%	12.64%	1.69%	97.37
Jun-01	0.85%	3.65%	6.17%	0.95%	11.70%	1.61%	89.75
Sep-01	0.14%	4.92%	7.07%	0.09%	8.55%	1.43%	88.04
Dec-01	1.63%	6.98%	6.15%	8.28%	6.45%	0.38%	79.78
Mar-02	4.91%	8.34%	5.08%	9.03%	5.83%	0.49%	86.81
Jun-02	3.88%	9.64%	4.54%	7.84%	7.43%	0.28%	82.65
Sep-02	3.63%	8.78%	4.12%	8.07%	8.31%	0.20%	78.51
Dec-02	2.75%	4.78%	3.04%	1.38%	7.35%	0.20%	80.08
Mar-03	2.90%	7.47%	2.94%	0.07%	7.49%	0.21%	69.76
Jun-03	4.77%	8.46%	3.08%	0.05%	7.82%	0.32%	74.05
Sep-03	7.33%	9.15%	2.82%	1.08%	6.96%	0.32%	76.99
Dec-03	7.89%	10.24%	2.43%	2.65%	9.38%	0.32%	76.54
Mar-04	7.58%	10.27%	2.47%	3.93%	10.03%	0.36%	77.68
Jun-04	6.88%	10.73%	2.64%	4.84%	12.21%	0.40%	79.33
Sep-04	7.47%	10.70%	2.64%	5.34%	12.04%	0.41%	77.92
Dec-04	7.38%	9.96%	2.90%	4.89%	12.28%	0.41%	74.46
Mar-05	6.00%	8.47%	2.74%	4.66%	11.69%	0.42%	73.39
Jun-05	4.99%	8.40%	2.65%	5.02%	11.26%	0.60%	76.93
Sep-05	5.66%	8.23%	2.72%	4.81%	12.39%	0.60%	76.16
Dec-05	5.30%	8.84%	2.58%	6.18%	11.66%	0.47%	81.10
Mar-06	5.42%	7.40%	2.55%	6.53%	12.01%	0.54%	77.50
Jun-06	5.74%	8.11%	2.85%	5.26%	12.58%	0.44%	84.54
Sep-06	4.86%	8.48%	3.15%	5.76%	12.92%	0.54%	80.69
Dec-06	5.43%	9.24%	3.44%	4.54%	12.85%	0.55%	86.69
Mar-07	7.54%	10.32%	3.16%	5.19%	13.07%	0.76%	78.50
Jun-07	7.45%	10.93%	2.92%	5.87%	12.68%	0.80%	77.86
Sep-07	6.49%	9.83%	3.13%	6.25%	12.88%	0.86%	83.28
Dec-07	6.94%	10.62%	3.13%	6.99%	12.94%	0.93%	79.22
Mar-08	6.45%	9.55%	3.02%	6.27%	12.62%	0.97%	79.36
Jun-08	6.07%	9.13%	2.86%	5.56%	13.22%	0.91%	77.21
Sep-08	7.18%	10.84%	3.03%	5.31%	13.32%	0.90%	76.18

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Dec-08	6.70%	9.08%	3.00%	3.71%	12.66%	0.79%	79.04
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Computers & Peripherals Sub-industry (452020)

Exhibit 16: Median Free Cash Margin, 2000 – 2008, Computers & Peripherals (452020)

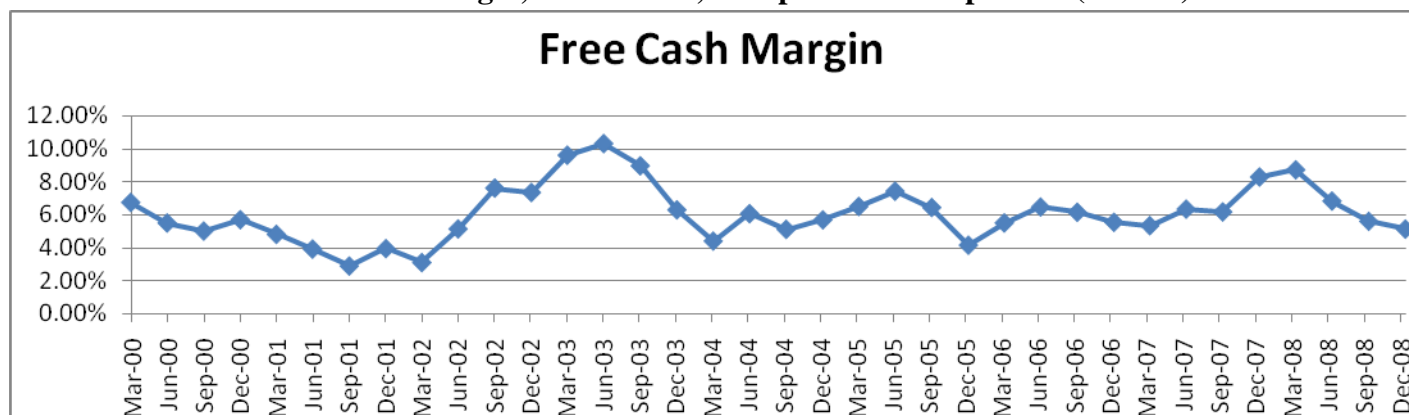


Table 6: 2000 – 2008, Computers & Peripherals Sub-industry (452020)

Date	Free Cash Margin (%)	Operating Cash Margin (%)	Capital Expenditures / Revenue (%)	Net Margin (%)	Operating Cushion %	Income Taxes Paid to Revenue (%)	Cash Cycle (Days)
Mar-00	6.72%	10.17%	4.23%	7.94%	11.04%	0.99%	75.02
Jun-00	5.48%	10.31%	3.21%	7.82%	10.61%	0.71%	70.27
Sep-00	4.99%	9.86%	3.85%	7.83%	11.51%	0.78%	77.25
Dec-00	5.68%	8.73%	3.12%	7.38%	12.17%	0.78%	77.99
Mar-01	4.79%	10.18%	3.51%	6.26%	11.38%	0.68%	70.52
Jun-01	3.90%	6.59%	3.38%	4.87%	10.75%	0.73%	67.95
Sep-01	2.87%	6.97%	4.17%	1.87%	8.94%	0.78%	61.51
Dec-01	3.93%	7.13%	4.00%	0.14%	8.11%	0.75%	68.55
Mar-02	3.08%	7.72%	3.93%	0.52%	8.25%	0.55%	68.98
Jun-02	5.11%	10.46%	3.36%	1.03%	9.07%	0.74%	62.56
Sep-02	7.59%	10.53%	3.03%	1.79%	8.41%	0.55%	70.02
Dec-02	7.33%	10.18%	2.56%	3.48%	9.53%	0.39%	59.00
Mar-03	9.58%	13.21%	2.41%	3.99%	9.24%	0.50%	60.73
Jun-03	10.29%	12.52%	2.26%	6.40%	9.41%	0.42%	50.46
Sep-03	8.94%	11.92%	2.24%	7.10%	11.57%	0.50%	55.83
Dec-03	6.27%	9.70%	2.73%	7.75%	13.27%	0.68%	59.08
Mar-04	4.38%	8.15%	2.44%	8.11%	12.69%	0.75%	54.57
Jun-04	6.04%	8.47%	2.29%	6.82%	11.69%	0.68%	49.38
Sep-04	5.09%	8.49%	2.53%	7.80%	11.48%	0.63%	50.64
Dec-04	5.66%	9.70%	2.57%	6.61%	10.78%	0.72%	58.59
Mar-05	6.48%	10.94%	2.59%	6.02%	9.40%	0.65%	51.87
Jun-05	7.40%	9.71%	2.72%	5.98%	9.64%	0.67%	57.88
Sep-05	6.41%	9.01%	2.39%	6.18%	10.97%	0.67%	65.11
Dec-05	4.13%	7.76%	2.42%	6.33%	11.30%	0.46%	63.25
Mar-06	5.48%	7.99%	2.40%	5.70%	11.14%	0.71%	59.11
Jun-06	6.44%	8.57%	2.37%	6.19%	11.02%	0.57%	67.43
Sep-06	6.13%	9.85%	2.43%	5.46%	10.71%	0.71%	71.72
Dec-06	5.52%	7.64%	2.47%	5.45%	10.55%	0.71%	71.57
Mar-07	5.32%	6.91%	2.51%	5.05%	10.75%	0.71%	52.04
Jun-07	6.32%	8.35%	2.53%	4.60%	10.49%	0.99%	57.66
Sep-07	6.15%	9.84%	2.53%	4.54%	11.33%	0.86%	62.28
Dec-07	8.26%	11.59%	2.52%	4.61%	9.32%	0.67%	63.86
Mar-08	8.70%	11.79%	2.53%	4.44%	11.15%	0.67%	61.88
Jun-08	6.80%	9.07%	2.27%	4.06%	10.08%	0.63%	57.72
Sep-08	5.58%	6.96%	2.27%	3.54%	9.73%	0.63%	60.64
Dec-08	5.11%	7.91%	2.30%	3.20%	9.89%	0.65%	64.78

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Electronic Equipment, Instruments & Components Sub-industry (452030)
Exhibit 17: Median Free Cash Margin, 2000 – 2008, Electronic Equipment, Instruments & Components (452030)

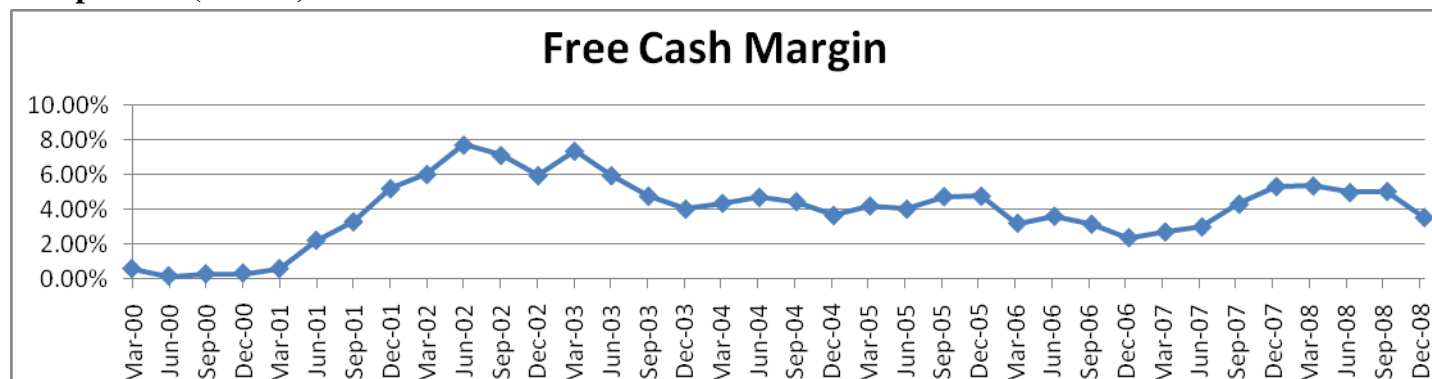


Table 7: 2000 – 2008, Electronic Equipment, Instruments & Components Sub-industry (452030)

Date	Free Cash Margin (%)	Operating Cash Margin (%)	Capital Expenditures / Revenue (%)	Net Margin (%)	Operating Cushion %	Income Taxes Paid to Revenue (%)	Cash Cycle (Days)
Mar-00	0.58%	5.09%	4.15%	4.43%	11.40%	1.50%	90.73
Jun-00	0.16%	3.74%	3.64%	4.86%	12.13%	1.52%	93.17
Sep-00	0.28%	3.55%	3.32%	5.20%	12.93%	1.29%	91.10
Dec-00	0.32%	2.99%	3.69%	4.51%	12.46%	1.38%	95.25
Mar-01	0.58%	4.53%	4.32%	4.51%	14.03%	1.46%	94.00
Jun-01	2.22%	4.96%	3.94%	3.53%	12.55%	1.38%	87.17
Sep-01	3.29%	8.76%	3.80%	3.11%	11.10%	1.46%	86.59
Dec-01	5.21%	9.75%	2.93%	1.56%	9.19%	1.33%	80.52
Mar-02	6.03%	9.89%	2.69%	0.75%	7.90%	1.77%	84.91
Jun-02	7.73%	10.62%	2.54%	0.41%	8.22%	1.42%	83.78
Sep-02	7.14%	10.67%	2.98%	0.95%	10.17%	1.07%	81.18
Dec-02	5.96%	9.38%	2.52%	1.25%	8.35%	0.67%	74.98
Mar-03	7.38%	10.46%	2.41%	1.29%	8.43%	0.63%	75.90
Jun-03	5.96%	8.19%	2.15%	1.53%	9.59%	0.59%	75.97
Sep-03	4.77%	8.97%	2.29%	2.17%	11.49%	0.59%	77.96
Dec-03	4.02%	7.14%	1.99%	2.52%	10.74%	0.91%	75.91
Mar-04	4.36%	7.52%	2.10%	2.85%	11.17%	1.03%	76.57
Jun-04	4.71%	7.75%	2.16%	3.89%	11.44%	1.03%	84.04
Sep-04	4.45%	7.81%	2.49%	4.49%	12.05%	0.91%	78.43
Dec-04	3.65%	8.90%	2.39%	4.83%	13.09%	0.77%	72.22
Mar-05	4.21%	8.94%	2.43%	4.61%	12.80%	0.80%	71.54
Jun-05	4.02%	7.26%	2.27%	3.54%	11.40%	0.72%	67.43
Sep-05	4.75%	7.84%	2.44%	3.51%	10.77%	0.80%	75.80
Dec-05	4.77%	8.98%	3.02%	4.68%	11.41%	0.99%	71.52
Mar-06	3.21%	9.68%	3.13%	4.84%	11.24%	1.20%	75.67
Jun-06	3.61%	9.53%	3.15%	4.84%	13.17%	1.13%	80.00
Sep-06	3.15%	7.63%	2.94%	4.82%	13.03%	1.13%	79.59
Dec-06	2.37%	7.08%	2.72%	5.09%	14.88%	1.21%	81.70
Mar-07	2.70%	7.75%	3.04%	5.67%	13.73%	1.38%	84.12
Jun-07	2.99%	7.71%	2.79%	5.59%	13.74%	1.72%	81.90
Sep-07	4.31%	7.87%	2.76%	4.38%	13.81%	1.58%	82.54
Dec-07	5.33%	8.81%	2.64%	4.95%	14.01%	1.60%	80.96
Mar-08	5.36%	9.28%	2.68%	5.34%	14.49%	1.59%	79.62
Jun-08	4.98%	9.29%	2.92%	5.25%	14.81%	1.57%	76.62
Sep-08	5.05%	9.04%	2.94%	5.54%	14.20%	1.59%	77.71
Dec-08	3.53%	7.06%	2.59%	2.57%	11.95%	1.40%	76.42

Office Electronics Sub-industry (452040)

Exhibit 18: Median Free Cash Margin, 2000 – 2008, Office Electronics (452040)

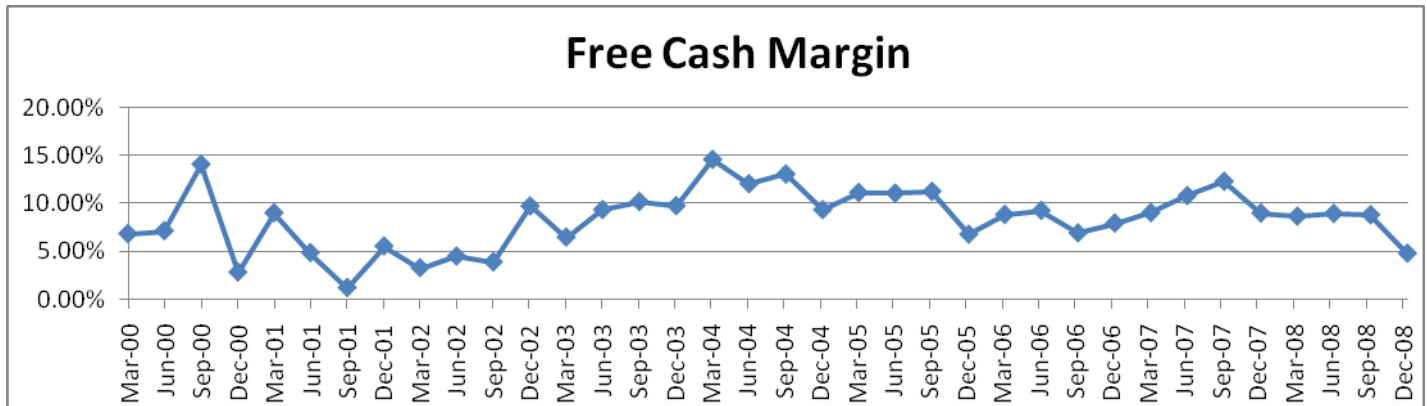


Table 8: 2000 – 2008, Office Electronics Sub-industry (452040)

Date	Free Cash Margin (%)	Operating Cash Margin (%)	Capital Expenditures / Revenue (%)	Net Margin (%)	Operating Cushion %	Income Taxes Paid to Revenue (%)	Cash Cycle (Days)
Mar-00	6.84%	9.71%	4.23%	10.98%	24.64%	4.52%	137.31
Jun-00	7.15%	13.79%	3.21%	3.37%	16.98%	3.96%	92.56
Sep-00	14.12%	16.23%	3.85%	8.47%	10.83%	4.52%	133.84
Dec-00	2.81%	6.84%	3.12%	4.76%	14.45%	1.63%	128.26
Mar-01	9.04%	10.84%	3.51%	7.96%	18.48%	4.65%	121.09
Jun-01	4.86%	6.87%	3.38%	7.15%	17.94%	4.65%	119.36
Sep-01	1.20%	3.18%	4.17%	6.97%	18.28%	4.65%	122.36
Dec-01	5.55%	9.86%	4.00%	4.44%	14.85%	1.76%	112.22
Mar-02	3.27%	4.82%	3.93%	5.53%	20.20%	4.29%	106.96
Jun-02	4.49%	5.93%	3.36%	6.28%	20.87%	4.29%	115.24
Sep-02	3.89%	5.36%	3.03%	7.15%	21.53%	4.29%	107.50
Dec-02	9.75%	12.94%	2.56%	5.02%	17.77%	2.13%	108.47
Mar-03	6.48%	8.01%	2.41%	8.47%	21.81%	3.56%	108.23
Jun-03	9.36%	10.96%	2.26%	8.83%	21.96%	3.56%	108.14
Sep-03	10.21%	11.73%	2.24%	9.00%	21.81%	3.56%	106.38
Dec-03	9.78%	13.41%	2.73%	5.46%	18.09%	3.20%	107.10
Mar-04	14.62%	16.43%	2.44%	10.49%	21.38%	4.27%	100.81
Jun-04	12.08%	13.88%	2.29%	11.01%	21.66%	4.27%	104.15
Sep-04	13.09%	14.82%	2.53%	11.32%	21.82%	4.27%	101.46
Dec-04	9.36%	13.66%	2.57%	7.42%	18.30%	4.69%	95.67
Mar-05	11.16%	12.93%	2.59%	11.34%	21.70%	5.03%	99.32
Jun-05	11.09%	12.89%	2.72%	11.38%	20.77%	5.03%	98.72
Sep-05	11.28%	13.14%	2.39%	10.80%	20.14%	5.03%	97.38
Dec-05	6.78%	11.12%	2.42%	8.09%	18.24%	3.41%	102.06
Mar-06	8.85%	10.76%	2.40%	10.77%	18.88%	4.97%	101.28
Jun-06	9.27%	11.28%	2.37%	10.45%	19.10%	4.97%	105.46
Sep-06	6.92%	8.94%	2.43%	9.57%	19.06%	4.97%	107.02
Dec-06	7.95%	10.90%	2.47%	8.39%	19.05%	2.42%	89.06
Mar-07	9.05%	10.82%	2.51%	8.40%	19.39%	2.42%	103.10
Jun-07	10.83%	12.54%	2.53%	8.11%	19.05%	2.42%	101.64
Sep-07	12.33%	14.04%	2.53%	8.86%	19.27%	2.42%	102.22
Dec-07	9.00%	14.54%	2.52%	8.74%	18.97%	3.36%	72.53
Mar-08	8.68%	9.79%	2.53%	3.71%	15.30%	0.60%	89.35
Jun-08	8.96%	9.92%	2.27%	3.36%	15.08%	0.60%	90.89
Sep-08	8.83%	9.74%	2.27%	3.37%	14.73%	0.60%	90.58
Dec-08	4.79%	14.16%	4.19%	1.31%	20.45%	5.03%	64.53