

Form SC 13E3 Airvana Inc

SC 13E3 - Going private transaction by certain issuers

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EX-99.(C)(6) 8 b78823exv99wxcyx6y.htm EX-99.(C)(6) DRAFT PRESENTATION OF GOLDMAN SACHS TO THE SPECIAL COMMITTEE OF AIRVANA, INC., DATED DECEMBER 9, 2009

Exhibit (c)(6)

PRELIMINARY DRAFT



Discussion Materials Prepared for the Atlas Special Committee

**Goldman, Sachs & Co.
December 9, 2009**

PRELIMINARY DRAFT

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PRELIMINARY DRAFT

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PRELIMINARY DRAFT



I. Overview of Atlas Projections Per Atlas Management

Overview of Atlas Projections Per Atlas Management 1

PRELIMINARY DRAFT

Atlas Projections Per Atlas Management (Base Case)

(\$ in millions)

	2009E	2010E	2011E	2012E	2013E	2009 - 2013 CAGR
EV-DO	\$ 148	\$ 150	\$ 144	\$ 150	\$ 148	0.4%
FMC	7	51	138	225	332	161.6%
Billings (Non-GAAP)	\$ 153	\$ 200	\$ 280	\$ 375	\$ 480	33.2%
% Growth		31.3%	38.7%	33.9%	28.0%	
EV-DO	\$ 55	\$ 103	\$ 101	\$ 108	\$ 105	2.8%
FMC	(55)	(45)	(23)	0	23	NM
EBITDA	\$ 39	\$ 58	\$ 78	\$ 108	\$ 129	34.7%
% Margin	25.7%	29.0%	27.5%	28.9%	28.9%	
% Growth		48.4%	34.4%	38.5%	19.3%	
Depreciation & Amortization	(6)	(5)	(6)	(8)	(9)	
EV-DO	\$ 53	\$ 89	\$ 98	\$ 103	\$ 101	2.1%
FMC	(50)	(47)	(25)	(3)	19	NM
EBIT	\$ 33	\$ 52	\$ 72	\$ 100	\$ 120	38.2%
% Margin	21.6%	26.0%	25.7%	26.7%	25.0%	
% Growth		58.3%	38.3%	38.8%	20.0%	
Financing Expenses	0	0	0	0	0	
Net Interest (Expense) / Income	3	3	3	4	4	
Tax Expense	(4)	(21)	(25)	(33)	(40)	
Net Income	\$ 32	\$ 34	\$ 50	\$ 71	\$ 85	27.4%
Free Cash Flow						
EBITDA	\$39	\$58	\$78	\$108	\$129	
(-) Capital Expenditures	(5)	(4)	(8)	(10)	(12)	
(+) Stock Based Compensation	6	8	9	10	11	
(-) Net Cash Interest (Expense) / Income	3	3	3	4	4	
(-) Increase in Net Working Capital ¹	11	(1)	(19)	(13)	(13)	
(-) Taxes (Net of Change in Taxes Payables)	(18)	(22)	(32)	(37)	(48)	
Free Cash Flow	\$ 36	\$ 43	\$ 32	\$ 62	\$ 72	16.8%
% Conversion	82.0%	73.4%	40.4%	57.0%	55.5%	
% Growth		18.4%	(26.1%)	85.6%	16.2%	

Source: Atlas projections per Atlas Management (Base Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2009. Base Case EV-DO and FMC projections include Management Corporate Risk Adjustments

¹ Includes full recovery of \$39.6mm owed by Nortel in 2009 (including interest).

Overview of Atlas Projections Per Atlas Management 2

**PRELIMINARY DRAFT**

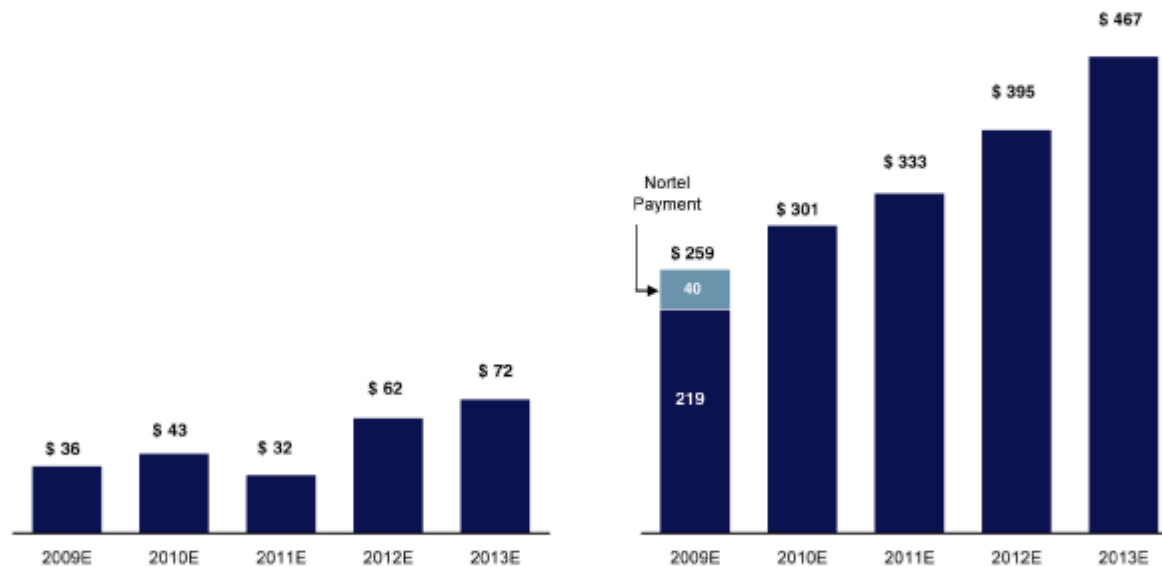
Atlas Cash Flow & Cash Projections Per Atlas Management

Base Case

(\$ in millions)

Projected Cash Flow from Operations

Projected Cash Balance



Source: Atlas projections per Atlas Management (Base Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2009. Base Case EV-DIO and FMC projections include Management Corporate Risk Adjustments

Overview of Atlas Projections Per Atlas Management 3

**PRELIMINARY DRAFT**

Atlas Projections Per Atlas Management (Downside Case)

(\$ in millions)

- Assumes faster decline in EV-DO per Atlas Management estimates relative to Atlas Management Base Case Projections and constant gross margins
- Opex assumed to fall at 100% the rate of billings
- No change to Femto estimates

	2009E	2010E	2011E	2012E	2013E	2009 - 2013 CAGR
EV-DO	\$ 146	\$ 132	\$ 112	\$ 106	\$ 77	(14.7)%
FMC	7	51	136	225	332	161.6%
Billings (Non-GAAP)	\$ 153	\$ 183	\$ 248	\$ 330	\$ 410	28.0%
% Growth		20.1%	35.4%	32.9%	24.1%	
EV-DO	\$ 95	\$ 88	\$ 76	\$ 71	\$ 51	(14.5)%
FMC	(58)	(45)	(23)	0	23	NM
EBITDA	\$ 39	\$ 44	\$ 53	\$ 71	\$ 74	17.1%
% Margin	25.7%	24.0%	21.3%	21.6%	18.0%	
% Growth		12.0%	20.6%	34.5%	3.8%	
Depreciation & Amortization	(6)	(6)	(6)	(8)	(9)	
EV-DO	\$ 93	\$ 85	\$ 72	\$ 68	\$ 45	(16.4)%
FMC	(60)	(47)	(26)	(3)	19	NM
EBIT	\$ 33	\$ 38	\$ 47	\$ 65	\$ 65	18.3%
% Margin	21.8%	20.6%	18.8%	19.1%	15.8%	
% Growth		14.9%	23.6%	34.6%	2.5%	
Financing Expenses	0	0	0	0	0	
Net Interest (Expense) / Income	3	3	3	3	4	
Tax Expense	(4)	(15)	(16)	(21)	(22)	
Net Income	\$ 32	\$ 25	\$ 33	\$ 45	\$ 46	9.6%
Free Cash Flow						
EBITDA	\$39	\$44	\$53	\$71	\$74	
(-) Capital Expenditures	(5)	(4)	(8)	(10)	(12)	
(+) Stock Based Compensation	9	8	9	10	11	
(-) Net Cash Interest (Expense) / Income	3	3	3	3	4	
(-) Increase in Net Working Capital ¹	11	1	(17)	(11)	(10)	
(-) Taxes (Net of Change in Taxes Payables)	(18)	(21)	(23)	(27)	(31)	
Free Cash Flow	\$ 36	\$ 31	\$ 17	\$ 37	\$ 36	(0.0)%
% Conversion	92.0%	70.7%	33.0%	51.9%	48.8%	
% Growth		(14.0)%	(43.7)%	111.5%	(2.5)%	
Difference with Base Case						
EBITDA	0	(14)	(25)	(37)	(55)	
Free Cash Flow	0	(12)	(14)	(25)	(36)	

Source: Atlas projections per Atlas Management (Downside Case) based on Atlas Management downside assumption for 2010-13 EV-DO revenue and assuming a constant gross profit margin and operating expenses decreasing at 100% of billings fall-off per Atlas Management guidance. FMC projections remain unchanged. Downside Case EV-DO and FMC projections include Management Corporate Risk Adjustments.
¹ includes recovery of \$38 from Note 1 in 2009.

Overview of Atlas Projections Per Atlas Management 4

**PRELIMINARY DRAFT**

Atlas Projections Per Atlas Management (Upside Case)

(\$ in millions)

- Assumes no Corporate Risk Adjustments to EV-DO and Femto from 2010 onward per Atlas Management estimates

	2009E	2010E	2011E	2012E	2013E	2009 - 2013 CAGR
EV-DO	\$ 146	\$ 152	\$ 152	\$ 155	\$ 150	0.8%
FMC	7	73	205	272	357	166.4%
Billings (Non-GAAP)	\$ 153	\$ 225	\$ 358	\$ 427	\$ 508	35.0%
% Growth		47.7%	58.6%	19.4%	18.9%	
EV-DO	\$ 95	\$ 108	\$ 111	\$ 117	\$ 116	5.0%
FMC	(56)	(24)	30	50	76	NM
EBITDA	\$ 39	\$ 84	\$ 141	\$ 167	\$ 192	48.7%
% Margin	25.7%	37.4%	39.5%	39.2%	37.8%	
% Growth		114.8%	67.4%	18.6%	14.8%	
Depreciation & Amortization	(5)	(8)	(5)	(8)	(9)	
EV-DO	\$ 83	\$ 106	\$ 107	\$ 112	\$ 110	4.6%
FMC	(60)	(27)	28	47	72	NM
EBIT	\$ 33	\$ 78	\$ 135	\$ 159	\$ 182	53.4%
% Margin	21.6%	34.7%	37.7%	37.2%	35.9%	
% Growth		137.4%	72.6%	17.9%	14.7%	
Financing Expenses	0	0	0	0	0	
Net Interest (Expense) / Income	3	3	4	4	5	
Tax Expense	(4)	(31)	(46)	(52)	(60)	
Net Income	\$ 32	\$ 50	\$ 93	\$ 111	\$ 128	41.2%
Free Cash Flow						
EBITDA	\$30	\$84	\$141	\$167	\$192	
(-) Capital Expenditures	(5)	(4)	(8)	(10)	(12)	
(+) Stock Based Compensation	6	0	0	0	0	
(-) Net Cash Interest (Expense) / Income	3	3	4	4	5	
(-) Increase in Net Working Capital ¹	11	2	(25)	(14)	(12)	
(-) Taxes (Net of Change in Taxes Payables)	(15)	(22)	(54)	(54)	(67)	
Free Cash Flow	\$ 96	\$ 64	\$ 57	\$ 93	\$ 106	30.9%
% Conversion	62.0%	75.5%	40.7%	53.7%	55.3%	
% Growth		76.2%	(9.6)%	62.0%	13.6%	
Difference with Base Case						
EBITDA	0	26	63	58	62	
Free Cash Flow	0	21	26	31	34	

Source: Atlas projections per Atlas Management (Upside Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2009 with Upside Case EV-DO and FMC projections excluding Management Corporate Risk Adjustments.
¹ Includes recovery of \$38.8mm from Netel in 2009.

Overview of Atlas Projections Per Atlas Management 5

**PRELIMINARY DRAFT**

Atlas Historical Results vs. Atlas Management Budget

(\$ in millions)

	2006 ¹		2007		2008	
	Plan	Actual	Plan	Actual	Plan	Actual
Total Company						
Billings / Revenue ¹	\$123.0	\$151.9	\$135.6	\$142.2	\$162.2	\$146.9
Operating Profit	47.3	71.3	31.2	34.9	32.2	34.8
Cash Flow from Operations	32.0	25.1	44.0	91.8	15.7	12.6
Billings By Product Line						
EV-DO	113.0	143.2	132.0	138.6	135.0	140.1
Femto					19.6	4.2
Gateway			3.0	0.2	6.1	2.1
Other / Specialty	10.0	8.7	0.5	3.4	1.4	0.5

Source: Atlas Management presentation (16-April-2009)

¹ Accounting methods changed in 2007 to a Billings model. 2006 numbers are shown in the prior, revenue-based method, upon which management was measured.

Overview of Atlas Projections Per Atlas Management 6

**PRELIMINARY DRAFT**

Atlas Projections Per Atlas Management vs. Wall Street

Base Case

(\$ in millions)

	Management Projections			Research Projections					
	2008A	2009E	2010E	Avondale (09-Nov-09) ¹		Needham (29-Oct-09) ¹		Barclays (29-Jul-09) ¹	
	2009E	2010E		2009E	2010E	2009E	2010E	2009E	2010E
Billings (Non-GAAP)	\$147	\$153	\$200	\$148	\$192	\$149	\$161	\$153	\$176
% Growth		3.9%	31.3%	1.0%	29.4%	1.3%	8.0%	4.1%	15.0%
COGS on Billings	14	22	53	21	41	19	19	28	35
% Margin	8.3%	14.3%	26.4%	14.2%	21.5%	12.6%	11.8%	18.1%	20.0%
Gross Profit on Billings	133	136	154	127	151	130	142	125	141
% Margin	90.7%	88.9%	76.8%	85.8%	78.5%	87.4%	88.2%	81.9%	80.0%
Total Opex (incl. Share Based Comp.)	99	98	95	NA	NA	NA	NA	NA	NA
% Margin	67.2%	64.1%	47.6%	NA	NA	NA	NA	NA	NA
Total Opex (excl. Share Based Comp.)	94	92	87	94	96	95	93	91	85
% Margin	63.9%	60.2%	43.5%	63.4%	50.2%	63.6%	57.8%	59.3%	48.4%
Operating Income (incl. Share Based Comp.)	\$35	\$33	\$52	NA	NA	NA	NA	NA	NA
% Margin	23.6%	21.6%	26.0%	NA	NA	NA	NA	NA	NA
% Growth		(4.8%)	58.3%	NA	NA	NA	NA	NA	NA
Operating Income (excl. Share Based Comp.)	\$39	\$39	\$60	\$33	\$54	\$36	\$49	\$35	\$56
% Margin	26.8%	25.5%	30.1%	22.5%	28.2%	23.9%	30.4%	22.8%	31.6%
% Growth		(1.2%)	55.0%	(15.5%)	62.8%	(9.9%)	37.7%	(12.4%)	60.9%
Net Income on Billings	28	32	34	25	37	22	30	30	45
% Margin	18.8%	21.0%	17.0%	16.7%	19.5%	15.1%	18.4%	19.4%	25.4%
Avg. Diluted Shares ²	69	69	69	68	67	64	64	NA	NA
EPS	\$0.40	\$0.47	\$0.50	\$0.31	\$0.50	\$0.35	\$0.46	\$0.47	\$0.69
% Margin	0.3%	0.3%	0.2%	0.2%	0.3%	0.2%	0.3%	NM	NM
% Growth		16.4%	5.9%	(22.9%)	61.3%	(12.9%)	31.4%	17.0%	46.8%

Source: Atlas projections per Atlas Management (Base Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2009. Base Case EV-DO and FMC projections include Management Corporate Risk Adjustments.

¹ Pro-forma Net Income on Billings and EPS does not include Stock Based Compensation (estimated by Atlas Management to be \$5.9mm pre-tax in 2009 and \$8.2mm pre-tax in 2010).

² Atlas Management does not project fully diluted share counts.

Overview of Atlas Projections Per Atlas Management 7

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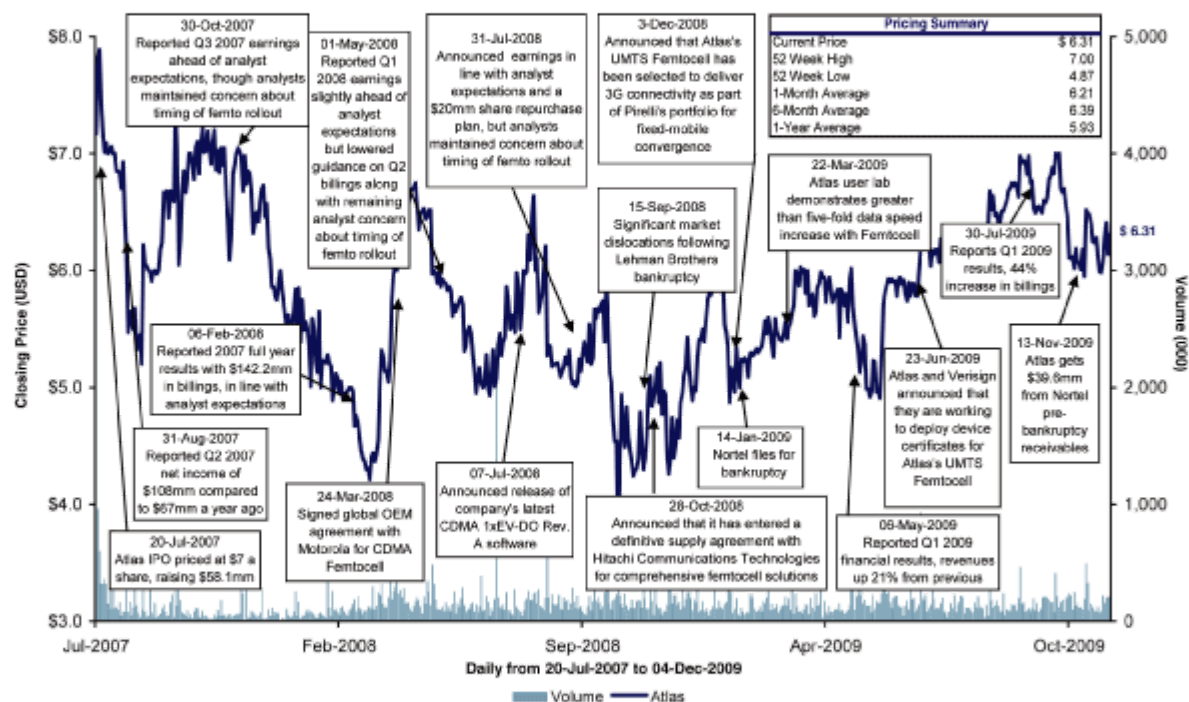


II. Market Perspectives and Valuation Analyses

Market Perspectives and Valuation Analyses 8

PRELIMINARY DRAFT

Overview of Atlas Equity Performance Since IPO

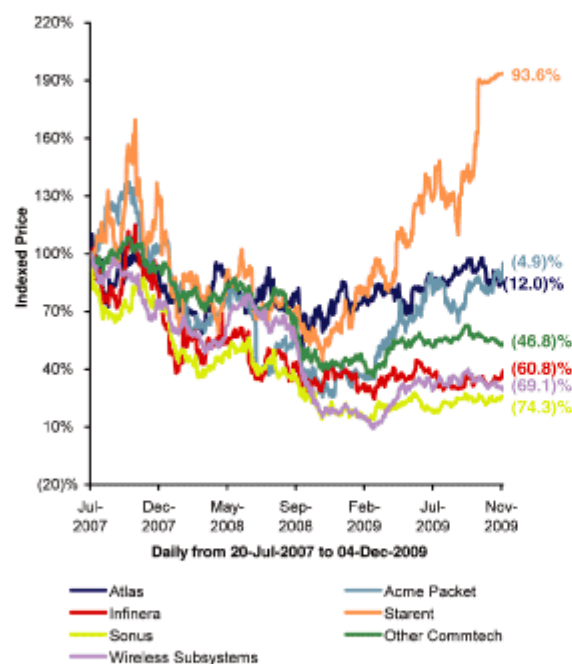


Source: Bloomberg as of 04-Dec-2009

**PRELIMINARY DRAFT**

Atlas Relative Equity Performance

Relative Equity Performance Since IPO



Source: Bloomberg as of 04-Dec-2009

Note: Other Commtech includes: Alcatel-Lucent, Cisco, Ericsson, Motorola, Nokia, and RIM. Wireless Subsystems include: ADC, CommScope, and Powerwave.

Share Price Performance Over Time

	Net Cash (% of Market Cap)	18 Months	12 Months	9 Months	6 Months	3 Months
Adax	56.6%	14.9%	23.7%	12.5%	5.9%	(3.1)%
Acme Packet	24.2%	21.9%	251.4%	164.8%	30.3%	33.2%
Infinera	32.1%	(36.3)%	(1.5)%	36.5%	(12.4)%	25.9%
Starent Networks	14.7%	104.4%	264.3%	119.9%	53.9%	48.1%
Sonus Networks	50.1%	(40.4)%	42.1%	66.2%	(1.8)%	3.3%
Alcatel-Lucent	NM	(51.4)%	46.2%	135.5%	25.0%	(4.5)%
Cisco Systems	17.8%	(9.7)%	57.6%	58.4%	22.8%	10.6%
Ericsson	19.3%	(15.5)%	13.8%	(8.5)%	(2.4)%	(3.1)%
Motorola	16.0%	(10.9)%	89.4%	137.1%	28.2%	5.8%
Nokia	1.7%	(52.1)%	(22.6)%	12.5%	(21.5)%	(14.3)%
RIM	5.0%	(54.5)%	29.7%	19.9%	(31.1)%	(25.5)%
ADC Telecommunications	NM	(80.1)%	11.8%	93.6%	(19.7)%	(22.4)%
CommScope	NM	(52.7)%	142.8%	217.8%	9.9%	(0.2)%
Powerwave Technologies	NM	(63.7)%	225.6%	324.2%	(4.8)%	12.9%

Market Perspectives and Valuation Analyses 10

**PRELIMINARY DRAFT**

Atlas Shares Traded at Various Prices

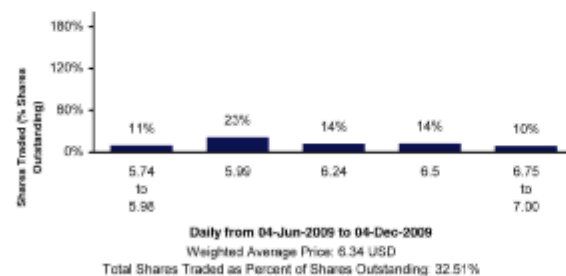
Since IPO



LTM



Last 6 Months



Last 3 Months



Source: Bloomberg as of 04-Nov-2009

¹ Float outstanding of 28.3mm as of 30-Sep-2009 defined as total basic shares outstanding (62.6mm as of 30-Oct-2009) less shares held by Matrix, Quicomm Inc., Atlas Management and Unicom Trust / Mr. Guraj Deshpande (34.2mm).

**PRELIMINARY DRAFT**

Research Analysts Views on Atlas

Analyst	Months Covered	Date	Recommendation			Target Price	Selected Commentary
			Buy	Hold	Sell		
Avondale Partners	17	09-Nov-09	✓			\$8.50	"With wireless data usage growing 30% per year, Atlas 30% worldwide market share in CDMA networks, and the company's distribution partner shifting from the sixth largest wireless infrastructure vendor (NT) to the largest (ERIC) the short and long term outlook for Atlas is outstanding." — Avondale Partners LLC November 9, 2009
Needham & Company	21	03-Nov-09	✓			\$8.00	
Avian Securities	NA	03-Nov-09	✓			\$7.50	
Canton Fitzgerald	NA	25-Nov-09		✓		\$7.50	"We believe the fundamentals of Atlas' core EV-DO business remain solid and we are encouraged by management commentary suggesting this business should see growth in 2010. Separately, we expect 2010 to finally be a year of commercial femto shipments, which should drive growth in that segment as well." — Needham & Company July 30, 2009
Barclays Capital	28	03-Nov-09		✓		\$7.00	
Deutsche Bank	28	03-Nov-09		✓		\$5.50	

Price: \$6.31

Current Median Price Target: \$7.50

Analyst Recommendation Evolution



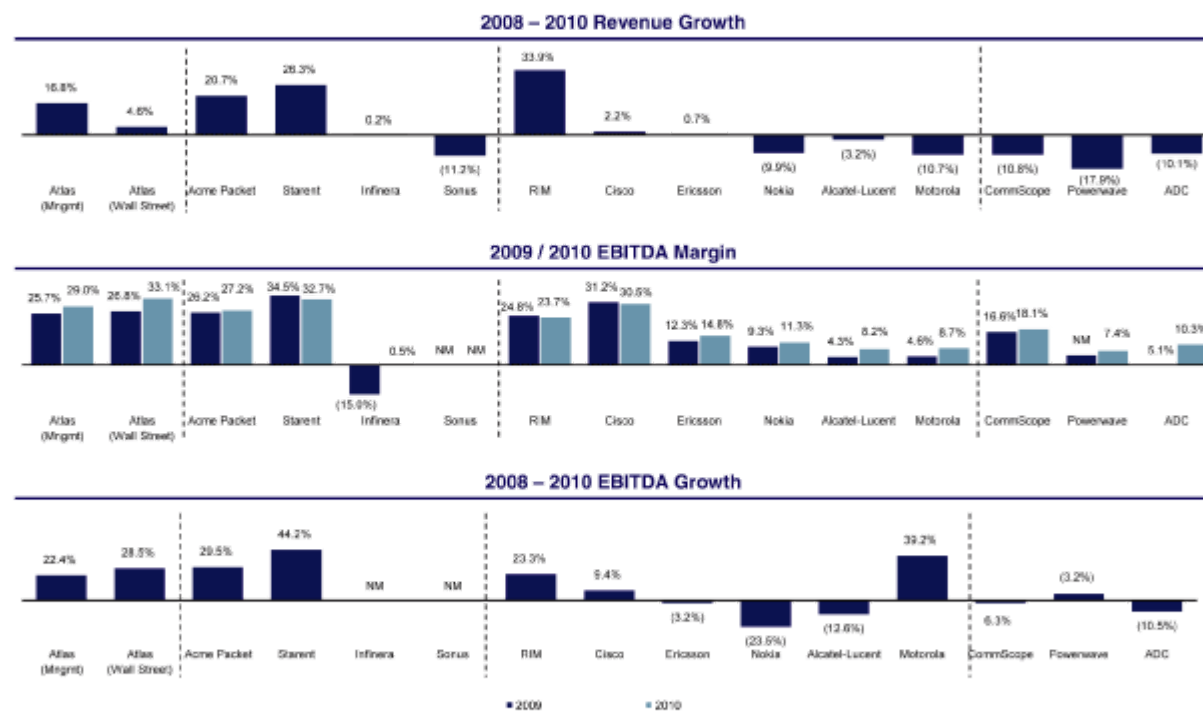
Source: Thomson IBES, market data as of 04-Dec-2009

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**PRELIMINARY DRAFT**

Atlas vs. Selected Comparables

Projections Per Atlas Management (Base Case)



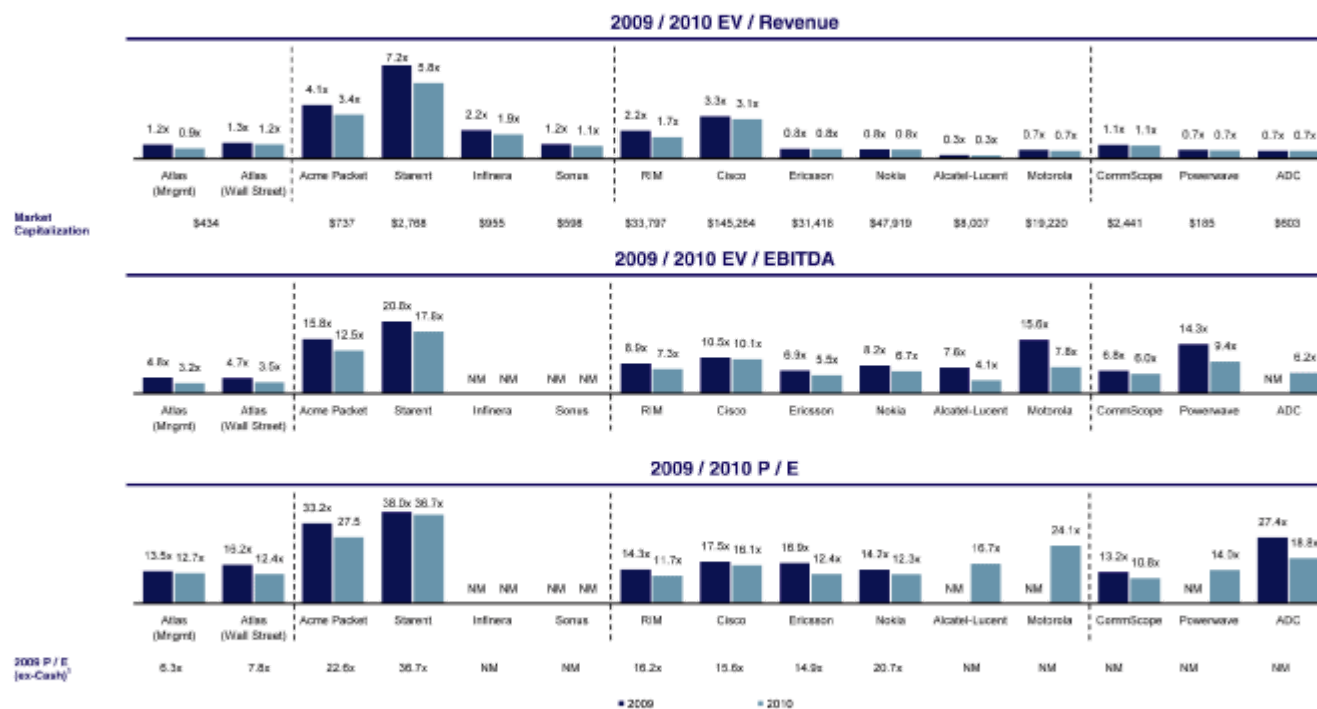
Source: Atlas projections per Wall Street Research and per Atlas Management (Base Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2008. Base Case EY-DD and P&M projections include Management Corporate Risk Adjustments. Consolidated projections per Transaction M&A.

Note: Atlas financials based on filings for management and Wall Street Research.

PRELIMINARY DRAFT

Atlas vs. Selected Comparables

Projections Per Atlas Management (Base Case)

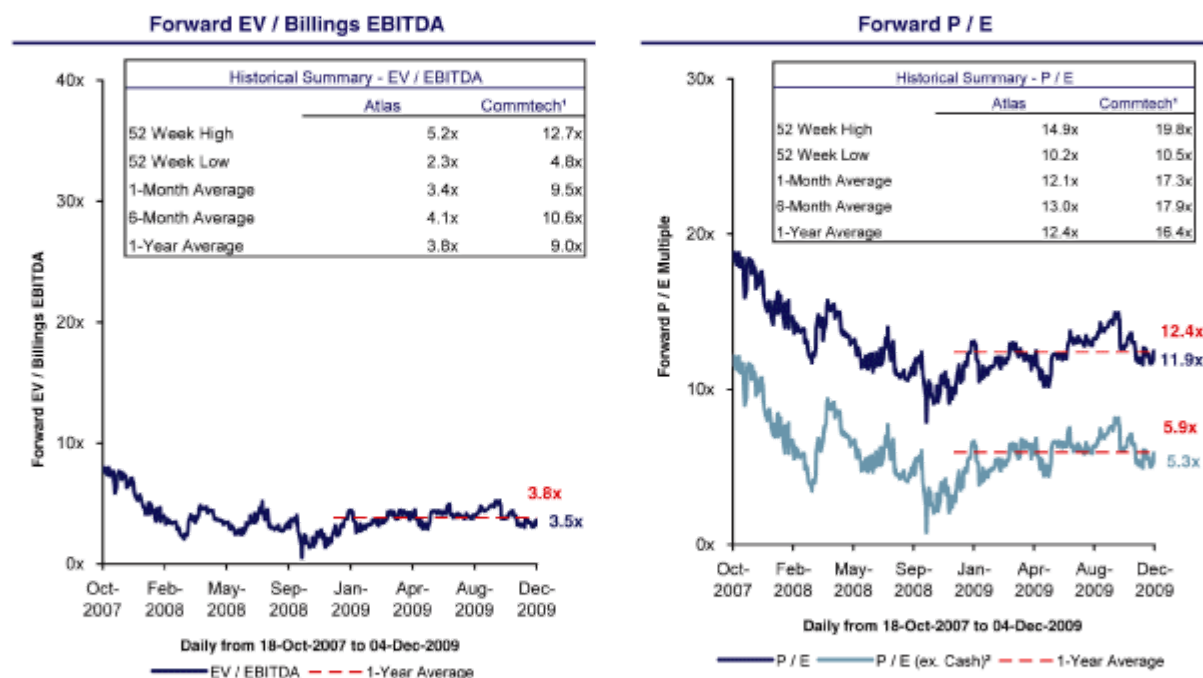


Source: Atlas projections per Wall Street Research and per Atlas Management (Base Case) based on Management presentations to Atlas Board of Directors on 24-Nov-2009. Base Case EV-DD and P/E projections include Management Corporate Risk Adjustments. Comparables projections per Thomson Reuters market data as of 04-Dec-2009.
 Note: Airvana financials based on billings for management and Wall Street Research.
 "NM" represents "Not Meaningful" as company has positive net debt or negative earnings. P/E ratio price per share calculated by subtracting net cash per share from current share price. P/E ratio earnings calculated by subtracting after-tax interest income or net cash from forecasted net income. Assumed tax rate of 35% and cash generation interest at 1.0%.

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**PRELIMINARY DRAFT**

Historical Valuation Metrics



Source: Capital IQ, Thomson BCS, Wall Street Research, Bloomberg as of 04-Dec-2009

Note: Due to the lack of consistent coverage since IPO, 2008 Billings EBITDA was used as a proxy for forecasted 2008 Billings EBITDA.

¹ Commtech includes: Starent, Acme Packet, Infinera, Sonus, RIM, Ericsson, Cisco, Alcatel-Lucent, Nokia, Motorola, ADC, CommScope and Powerwave

² Pro forma price per share calculated by subtracting net cash per share from current price per share. Pro forma earnings calculated by subtracting after-tax interest income on net cash from forecasted net income. Assumes tax rate of 35% and cash generates interest of 1.5%.

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**PRELIMINARY DRAFT**

Preliminary Atlas Valuation Analysis at Various Hypothetical Prices

(\$ in millions)

		Current				
Share Price		\$6.31	\$6.50	\$7.00	\$7.50	\$8.00
Premium / (Discount) to Current		0.0%	3.0%	10.9%	18.9%	26.8%
Premium / (Discount) to Current (ex-cash)		0.0%	7.4%	26.6%	45.7%	64.6%
Premium / (Discount) to 1 Month Average		1.6%	4.7%	12.7%	20.8%	28.8%
Premium / (Discount) to 3 Month Average		2.7%	5.8%	13.9%	22.0%	30.2%
Premium / (Discount) to 6 Month Average		(1.3%)	1.7%	9.6%	17.3%	25.1%
Premium / (Discount) to LTM Average		6.4%	9.9%	18.0%	26.5%	34.9%
Premium / (Discount) to 52 Week Low (25-May-08)		29.6%	33.5%	43.7%	54.0%	64.3%
Premium / (Discount) to 52 Week High (20-Oct-09)		(9.9%)	(7.1%)	0.0%	7.1%	14.3%
Premium / (Discount) to All-Time High		(20.0%)	(17.8%)	(11.3%)	(4.9%)	1.4%
Premium / (Discount) to IPO Price		(9.9%)	(7.1%)	0.0%	7.1%	14.3%
Diluted Shares Outstanding		68.7	69.0	69.5	70.0	70.4
Implied Equity Value		\$433.7	\$448.2	\$496.5	\$524.9	\$563.2
Total Debt		0.0	0.0	0.0	0.0	0.0
Total Cash ¹		244.9	244.9	244.9	244.9	244.9
Implied Enterprise Value		\$188.7	\$203.3	\$241.6	\$279.9	\$318.3

		Metric				
Based on Billings						
EV / Billings						
2008A	\$ 147	1.3x	1.4x	1.6x	1.9x	2.2x
2009E	153	1.2x	1.3x	1.6x	1.8x	2.1x
2010E	200	0.9x	1.0x	1.2x	1.4x	1.6x
EV / EBITDA						
2008A	\$ 39	4.9x	5.2x	6.2x	7.2x	8.2x
2009E	39	4.8x	5.2x	6.2x	7.1x	8.1x
2010E	68	3.2x	3.5x	4.2x	4.8x	5.5x
P / E						
2008A	\$ 25	15.7x	16.2x	17.8x	19.0x	20.4x
2009E	32	13.5x	13.9x	15.1x	16.3x	17.5x
2010E	34	12.7x	13.2x	14.3x	15.4x	16.6x
P / E (ex-Cash) ²						
2008A	\$ 25	7.5x	8.1x	9.6x	11.1x	12.6x
2009E	\$ 30	6.3x	6.8x	8.1x	9.4x	10.7x
2010E	\$ 32	6.0x	6.4x	7.6x	8.9x	10.1x

Source: Atlas projections per Atlas Management (Base Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2008. Base Case EV-DO and FMC projections include Management Corporate Risk Adjustments. Market data as of 04-Dec-2009

Note: Hypothetical analysis provided solely for illustrative purposes and does not necessarily reflect views on value or the price that a buyer would be willing to pay.

¹ Historical cash balance as of end of Q3 2009 includes full recovery of \$38.6mm cash from Nortel

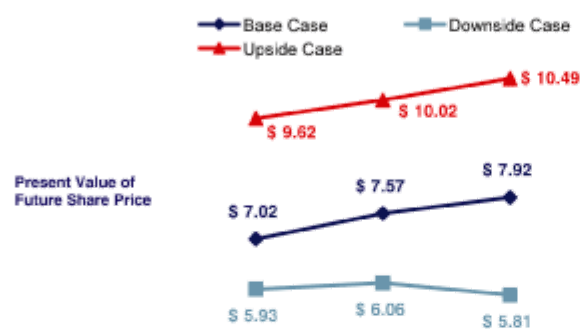
² Pro forma price per share calculated by subtracting net cash per share from current price per share. Pro forma earnings calculated by subtracting after-tax interest income on net cash from forecasted net income. Assumes tax rate of 35% and cash generates interest of 1.5%.

**PRELIMINARY DRAFT**

Present Value of Future Share Price Analysis

Based on EV / EBITDA Multiple

(\$ in millions, except per share data)

Present Value of Future Share Price Analysis¹

	YE 2010	YE 2011	YE 2012
1-yr Fwd EBITDA	\$ 78	\$ 108	\$ 129
Implied EV ²	254	351	419
Net Debt / (Cash)	(301)	(333)	(395)
Implied Equity Value	555	684	814
Fully Diluted # of Shares (mm) ³	70.3	71.4	72.2
Implied Future Share Price	\$ 7.90	\$ 9.58	\$ 11.27

Sensitivity Analysis

Atlas Management Projections (Base Case)

		Exit Year		
		2010	2011	2012
Discount Rate	10.0%	\$ 7.18	\$ 7.92	\$ 8.47
	12.5%	\$ 7.02	\$ 7.57	\$ 7.92
	15.0%	\$ 6.87	\$ 7.24	\$ 7.41

Atlas Management Projections (Downside Case)

		Exit Year		
		2010	2011	2012
Discount Rate	10.0%	\$ 6.07	\$ 6.34	\$ 6.21
	12.5%	\$ 5.93	\$ 6.06	\$ 5.81
	15.0%	\$ 5.80	\$ 5.80	\$ 5.43

Atlas Management Projections (Upside Case)

		Exit Year		
		2010	2011	2012
Discount Rate	10.0%	\$ 9.84	\$ 10.48	\$ 11.22
	12.5%	\$ 9.62	\$ 10.02	\$ 10.49
	15.0%	\$ 9.41	\$ 9.59	\$ 9.82

Source: Atlas projections per Atlas Management (Base Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2009. Base Case and Downside Case EV-DD and PWC projections include Management Corporate Risk Adjustments. Atlas projections per Atlas Management (Downside Case) based on Atlas Management downside assumption for 2010-13 EV-DD revenues and assuming a constant gross profit margin and operating expenses decline at 100% rate of billings decline per Atlas Management guidance. Atlas projections per Atlas Management (Upside Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2009 with Upside Case EV-DD and PWC projections excluding Management Corporate Risk Adjustments.

¹ Discounted to 31-Dec-2009 at a 12.5% discount rate.

² Enterprise value based on Atlas 1-year forward EBITDA multiple of 3.2x as of 04-Dec-2009.

³ Share price assumes a fully diluted number of shares based on treasury method basic shares outstanding at 62.6m as of 30-Oct-2009, 34.1m outstanding options as of 27-Oct-2009 with a weighted stock price of \$2.00 per Atlas Q3 2009 10Q filing and Atlas Management. The analysis does not include any future stock options grant.

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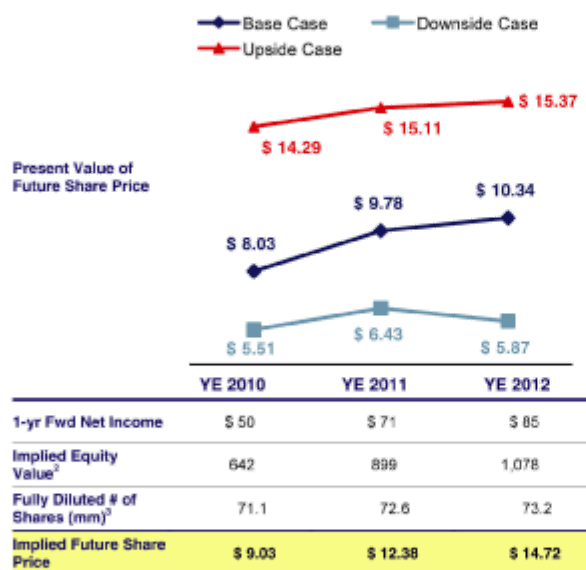
**PRELIMINARY DRAFT**

Present Value of Future Share Price Analysis

Based on P / E Multiple

(\$ in millions, except per share data)

Present Value of Future Share Price Analysis¹



Sensitivity Analysis

Atlas Management Projections (Base Case)

Present Value of Future Share Price				
		Exit Year		
		2010	2011	2012
Discount Rate	10.0%	\$ 8.21	\$ 10.23	\$ 11.06
	12.5%	\$ 8.03	\$ 9.78	\$ 10.34
	15.0%	\$ 7.86	\$ 9.36	\$ 9.68

Atlas Management Projections (Downside Case)

Present Value of Future Share Price				
		Exit Year		
		2010	2011	2012
Discount Rate	10.0%	\$ 5.63	\$ 6.73	\$ 6.28
	12.5%	\$ 5.51	\$ 6.43	\$ 5.87
	15.0%	\$ 5.39	\$ 6.16	\$ 5.50

Atlas Management Projections (Upside Case)

Present Value of Future Share Price				
		Exit Year		
Discount Rate		2010	2011	2012
	10.0%	\$ 14.61	\$ 15.81	\$ 16.45
	12.5%	\$ 14.29	\$ 15.11	\$ 15.37
	15.0%	\$ 13.98	\$ 14.46	\$ 14.39

Source: Atlas projections per Atlas Management (Base Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2009. Base Case and Downside Case EV-DD and FWC projections include Management Corporate Risk Adjustments. Atlas projections per Atlas Management (Downside Case) based on Atlas Management downside assumption for 2010-13 EV-DD revenues and assuming a constant gross profit margin and operating expenses decline at 100% rate of billings decline per Atlas Management guidance. Atlas projections per Atlas Management (Upside Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2009 with Upside Case EV-DD and FWC projections excluding Management Corporate Risk Adjustments.

¹ Discounted to 31-Dec-2009 at a 12.5% discount rate.

² Enterprise value based on Atlas 1-year forward P/E multiple of 12.7x as of 04-Dec-2009.

³ Share price assumes a fully diluted number of shares based on treasury method basic shares outstanding at 62.6m as of 4-Dec-2009, 14.1m outstanding options as of 4-Dec-2009 with a weighted strike price of \$3.30 per Atlas Q3 2009 10Q filing and Atlas Management. The analysis does not include any future stock options grant.

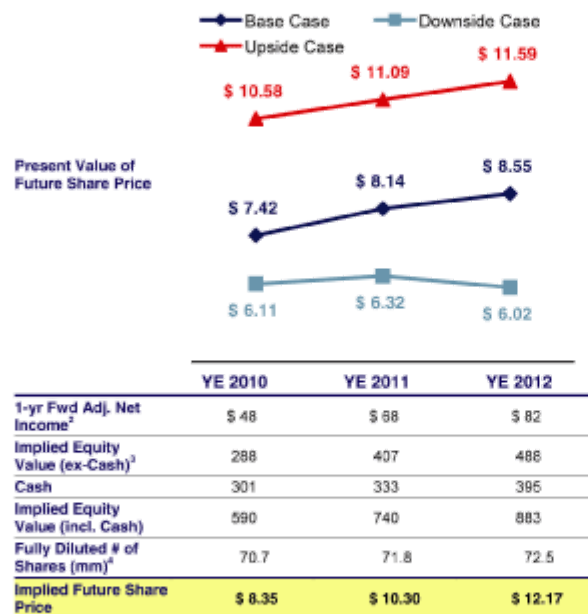
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**PRELIMINARY DRAFT**

Present Value of Future Share Price Analysis

Based on P / E Ex-Cash Multiple

(\$ in millions, except per share data)

Present Value of Future Share Price Analysis¹

Sensitivity Analysis

Atlas Management Projections (Base Case)

		Exit Year		
		2010	2011	2012
Discount Rate	10.0%	\$ 7.59	\$ 8.52	\$ 9.14
	12.5%	\$ 7.42	\$ 8.14	\$ 8.55
	15.0%	\$ 7.26	\$ 7.79	\$ 8.00

Atlas Management Projections (Downside Case)

		Exit Year		
		2010	2011	2012
Discount Rate	10.0%	\$ 6.25	\$ 6.61	\$ 6.44
	12.5%	\$ 6.11	\$ 6.32	\$ 6.02
	15.0%	\$ 5.98	\$ 6.05	\$ 5.63

Atlas Management Projections (Upside Case)

		Exit Year		
		2010	2011	2012
Discount Rate	10.0%	\$ 10.82	\$ 11.60	\$ 12.39
	12.5%	\$ 10.58	\$ 11.09	\$ 11.59
	15.0%	\$ 10.35	\$ 10.61	\$ 10.85

Source: Atlas projections per Atlas Management (Base Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2009. Base Case and Downside Case EY-DD and FNC projections include Management Corporate Risk Adjustments. Atlas projections per Atlas Management (Upside Case) based on Atlas Management domestic assumption for 2010-12 EY-DD revenues and assuming a constant gross profit margin and operating expenses decline at 100% rate of billings decline per Atlas Management guidance. Atlas projections per Atlas Management (Upside Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2009 with Upside Case EY-DD and FNC projections excluding Management Corporate Risk Adjustments.

¹ Discounted to 31-Dec-2009 at a 12.5% discount rate.

² After tax interest expense added back to net income.

³ Enterprise value based on Atlas 1-year forward P/E Ex-Cash multiple of 6.0x as of 04-Dec-2009.

⁴ Share price assumes a fully diluted number of shares based on treasury method basic shares outstanding at 30-Dec-2009, 34.1mm outstanding options as of 04-Dec-2009 with a weighted strike price of \$2.00 per Atlas Q3 2009 10Q filing and Atlas Management's. The analysis does not include any future stock options grant.

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**PRELIMINARY DRAFT**

Discounted Cash Flow Analysis

Atlas Management Projections (Base Case)

Total Value: \$7.26 - \$7.97
Total Value (ex-Femto)¹: \$6.63 - \$6.82



Atlas Management Projections (Downside Case)

Total Value: \$6.68 - \$7.35
Total Value (ex-Femto)¹: \$6.04 - \$6.20



Cash	EV-DO	Femto	Cash	EV-DO	Femto
<ul style="list-style-type: none"> Value per share of estimated net cash² after fully funding Femto to breakeven balance of \$182mm as of end of Q4 Fully diluted shares of 69.8mm to 70.4mm³ 	<ul style="list-style-type: none"> 9-year DCF with 16.5-18.5% discount rate Assumes no value at perpetuity 	<ul style="list-style-type: none"> 4-year DCF with 25-30% discount rate (venture type) 11.5x-13.5x terminal EBITDA multiple (Acme +/- 1.0x) Excludes losses pre-funded with existing cash 	<ul style="list-style-type: none"> Value per share of estimated net cash² after fully funding Femto to breakeven balance of \$182mm as of end of Q4 Fully diluted shares of 69.2mm to 69.8mm³ 	<ul style="list-style-type: none"> 9-year DCF with 16.5-18.5% discount rate Assumes no value at perpetuity 	<ul style="list-style-type: none"> 4-year DCF with 25-30% discount rate (venture type) 11.5x-13.5x terminal EBITDA multiple (Acme +/- 1.0x) Excludes losses pre-funded with existing cash

Source: Atlas projections per Atlas Management (Base Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2019. Base Case and Downside Case EV-DO and FMC projections include Management Corporate Risk Adjustments. Atlas projections per Atlas Management (Downside Case) based on Atlas Management downside assumption for 2019-13 EV-DO revenues and assuming a constant gross profit margin and operating expenses decline at 100% rate of billings decline per Atlas Management guidance. Market data as of 04-Dec-2019.

¹ Assumes Femto shutdown January 2020 with no pre-funding.

² Value of Cash net of cash used to pre-fund Femto losses, assuming a 1.5% return on cash.

³ Share price assumes a fully diluted number of shares based on treasury method basic shares outstanding of 62.6mm as of 30-Oct-2019, 34.1mm outstanding options as of 27-Oct-2019 with a weighted stock price of \$2.00 per Atlas Q3 2019 10Q filing and Atlas Management. The analysis does not include any future stock options grant.

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PRELIMINARY DRAFT

Discounted Cash Flow Analysis

Atlas Management Projections (Downside Case) - Downside Case Sensitivity

Cumulative Cash Burn from Fento					
		Rev. % of Atlas Mgmt Projections (Downside Case)			
		100%	95%	90%	85%
Opex % of Atlas Management Projections (Downside Case)	100%	\$(77.2)	\$(85.1)	\$(92.5)	\$(100.7)
	105%	(86.9)	(94.7)	(102.5)	(110.4)
	110%	(96.0)	(104.4)	(112.2)	(120.0)
	115%	(105.2)	(114.1)	(121.9)	(129.7)
	120%	(115.9)	(123.7)	(131.5)	(139.4)

Net Cash for Fento Burn					
		Rev. % of Atlas Mgmt Projections (Downside Case)			
		100%	95%	90%	85%
Opex % of Atlas Management Projections (Downside Case)	100%	\$ 2.50	\$ 2.48	\$ 2.37	\$ 2.28
	105%	2.45	2.34	2.23	2.12
	110%	2.32	2.20	2.09	1.98
	115%	2.18	2.07	1.95	1.84
	120%	2.04	1.93	1.82	1.70

+

Midpoint of EV-DG Value Per Share: \$2.39

+

PV of Fento Terminal Value					
		Rev. % of Atlas Mgmt Projections (Downside Case)			
		100%	95%	90%	85%
Opex % of Atlas Management Projections (Downside Case)	100%	\$ 139.0	\$ 103.4	\$ 67.7	\$ 32.1
	105%	109.2	73.6	37.9	2.2
	110%	79.4	43.7	8.1	0.0
	115%	49.5	13.9	0.0	0.0
	120%	19.7	0.0	0.0	0.0

PV of Fento Terminal Value per Share					
		Rev. % of Atlas Mgmt Projections (Downside Case)			
		100%	95%	90%	85%
Opex % of Atlas Management Projections (Downside Case)	100%	\$ 1.99	\$ 1.48	\$ 0.97	\$ 0.46
	105%	1.56	1.05	0.54	0.03
	110%	1.13	0.62	0.12	0.00
	115%	0.71	0.20	0.00	0.00
	120%	0.28	0.00	0.00	0.00

=

Rev. % of Atlas Mgmt Projections (Downside Case)					
		100%	95%	90%	85%
Opex % of Atlas Management Projections (Downside Case)	100%	\$ 6.97	\$ 6.35	\$ 5.73	\$ 5.11
	105%	6.41	5.79	5.16	4.54
	110%	5.84	5.22	4.60	4.37
	115%	5.28	4.66	4.35	4.24
	120%	4.71	4.32	4.21	4.10

Source: Downside Case EV-DG and FV-DG projections include Management Corporate Risk Adjustments. Atlas projections per Atlas Management (Downside Case) based on Atlas Management downside assumption for 2019-13 EV-DG revenues and assuming a constant gross profit margin and operating expenses decline at 100% rate of decline per Atlas Management guidance. Market data as of 04-Dec-2020.

Note: Assumes 27.9% WACC, a 12.5x EV / EBITDA terminal value multiple, and a tax rate of 25.0% on Fento. Assumes 750,000 fully diluted shares outstanding and \$2.39 equity value per share for EV-DG business per Downside Case DCF analysis and \$2.39 of available cash to fund Fento business. Assumes Fento business shutdown at 0 value when no cash remains to fund operations.

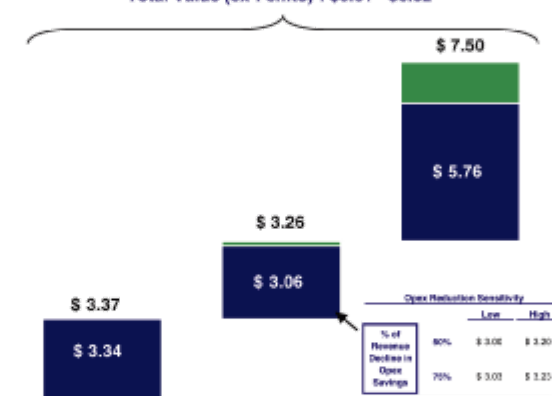
Market Perspectives and Valuation Analyses 21

**PRELIMINARY DRAFT**

Discounted Cash Flow Analysis

Atlas Management Projections (Upside Case)

Total Value: \$12.19 - \$14.11

Total Value (ex-Femto)¹: \$6.61 - \$6.82

Cash	EV-DO	Femto
<ul style="list-style-type: none"> Value per share of estimated net cash² after fully funding Femto to breakeven balance of \$244mm as of end of Q4 Fully diluted shares of 72.7mm to 73.2mm³ 	<ul style="list-style-type: none"> 9-year DCF with 16.5-18.5% discount rate Assumes no value at perpetuity 	<ul style="list-style-type: none"> 4-year DCF with 25-50% discount rate (venture type) 11.5x-13.5x terminal EBITDA multiple (Acme +/- 1.0x) Excludes losses pre-funded with existing cash

Source: Atlas projections per Atlas Management (Upside Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2009 with Upside Case EV-DO and FMC projections excluding Management Corporate Risk Adjustments. Market data as of 04-Dec-2009.
¹ Assumes Femto shutdowns January 2010 with no pre-funding.
² Value of Cash net of cash used to pre-fund Femto losses, assuming a 1.5% return on cash.
³ Share price assumes a fully diluted number of shares based on treasury method basic shares outstanding of 62.6mm as of 30-Oct-2009, 34.1mm outstanding options as of 27-Oct-2009 with a weighted stock price of \$2.00 per Atlas Q3 2009 10Q filing and Atlas Management. The analysis does include any future stock options grant.

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PRELIMINARY DRAFT



III. Selected Alternatives for Atlas

Selected Alternatives for Atlas 23

**PRELIMINARY DRAFT**

Overview of Atlas Selected Alternatives

		Rationale	Considerations
Atlas	● Status Quo / Continue to Invest	<ul style="list-style-type: none"> ■ Benefit from cash flow generative nature of EV-DO business to fund Femto expansion and other initiatives ■ Value creation through delivery of business plan on Femto 	<ul style="list-style-type: none"> ■ Uncertainty around Femto timing and future industry dynamics ■ Potential accelerated slowdown and termination of EV-DO with LTE rollout / Ericsson ownership of Nortel ■ Volatile stock history ■ Limited synergies between EV-DO and FMC business ■ Inefficient capital structure with unused large cash balance
	● Recapitalize the Business	<ul style="list-style-type: none"> ■ Increase shareholder remuneration through special and ordinary dividend driving value creation ■ Improved capital structure efficiency ■ Alleviate shareholders concerns on reinvestment risks 	<ul style="list-style-type: none"> ■ Debt unlikely to be available for leveraged recapitalization ■ Cash balance has provided stability to stock and payout may negatively impact trading ■ Few dividend paying technology stocks ■ Increased finance risk
	● Sell the Business	<ul style="list-style-type: none"> ■ Potential to realize full value immediately ■ Potential to capture a premium to current and historical share price ■ Existing current proposal provides floor value 	<ul style="list-style-type: none"> ■ Previously explored strategic buyers of Femto or WholeCo businesses ■ Femto value potentially difficult to realize given stage of development ■ Large number of private equity firms approached but only two moved forward

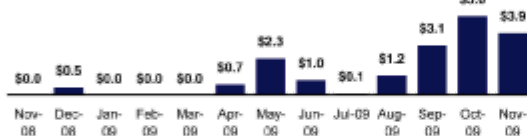
Selected Alternatives for Atlas 24

**PRELIMINARY DRAFT**

Leverage Considerations for Atlas

(\$ in billions)

Bank Loan Volumes – LTM



High Yield Bond Market Volumes – LTM



Source: Goldman Sachs Syndicate Desk

Observations

- Markets beginning to show strength but remain very selective
- Volume remains muted for bank loans
- High yield market has seen strong issuance in the last few months
- Technology has seen very little debt issuance
 - Majority has been historically LBO debt (Sungard, Avaya, First Data), most of which has not been distributed and remain with underwriters
- No public market technology recap in last two years suggesting lenders unlikely to fund public recaps
- Atlas will only have access to bank markets given size
- Access for LBO easier than public recap given validation of private equity and new capital invested below debt
- Limited to no leverage in comparable groups

Selected Alternatives for Atlas 25

**PRELIMINARY DRAFT**

Recapitalization – Special Dividend

Atlas Management Projections (Base Case) – Future Share Price Analysis (Incl. Dividends)

(\$ in millions, except per share data)

Presentation Value of Future Share Price Analysis ¹



Sensitivity Analysis

Present Value of Future Share Price (Incl. Dividends)

		Exit Year		
		2010	2011	2012
Discount Rate	12.5%	\$ 7.37	\$ 8.29	\$ 9.00
	15.0%	\$ 7.28	\$ 8.09	\$ 8.66
	17.5%	\$ 7.20	\$ 7.89	\$ 8.35

Present Value of Future Share Price (Incl. Dividends)

		Exit Year		
		2010	2011	2012
Discount to Market Multiple	0.0%	\$ 7.28	\$ 8.09	\$ 8.66
	(15.0)%	\$ 6.85	\$ 7.57	\$ 8.12
	(30.0)%	\$ 6.42	\$ 7.05	\$ 7.59

¹ Source: Atlas projections per Atlas Management (Base Case) based on Atlas Management presentation to Atlas Board of Directors on 04-Nov-2009. Base Case FY-10 and FY-11 projections include Management Corporate Risk Adjustments.

² Discounted to 31-Dec-2009 at a 15.0% discount rate. Assuming an initial special dividend of \$500mm and then a distribution of 100% of the available FCF, with a minimum cash balance of \$50mm.

³ Enterprise value based on Atlas 1-year forward EBITDA multiple of 3.2x as of 04-Dec-2009.

⁴ Assumes a fully diluted number of shares based on treasury method (basic shares outstanding of 62.6mm as of 29-Oct-2009, 14.1mm outstanding options as of 31-Oct-2009 with a weighted strike price of \$3.50 per Atlas 03/2009 10% long and Atlas Management). The analysis does not include any future stock options grant.

Selected Alternatives for Atlas 26

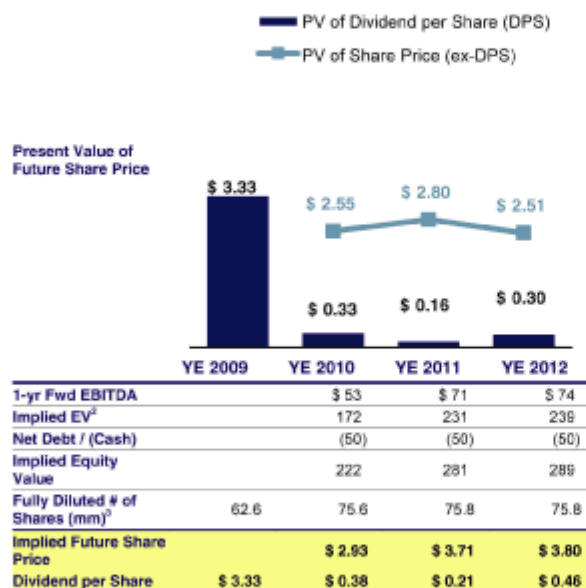
**PRELIMINARY DRAFT**

Recapitalization – Special Dividend

Atlas Management Projections (Downside Case) – Future Share Price Analysis (Incl. Dividends)

(\$ in millions, except per share data)

Present Value of Future Share Price Analysis¹



Sensitivity Analysis

Present Value of Future Share Price (Incl. Dividends)

Discount Rate		Exit Year		
		2010	2011	2012
Discount Rate	12.5%	\$ 6.28	\$ 6.77	\$ 6.84
	15.0%	\$ 6.22	\$ 6.63	\$ 6.64
	17.5%	\$ 6.16	\$ 6.50	\$ 6.45

Present Value of Future Share Price (Incl. Dividends)

Discount to Market Multiple		Exit Year		
		2010	2011	2012
Discount to Market Multiple	0.0%	\$ 6.22	\$ 6.63	\$ 6.64
	(15.0)%	\$ 5.93	\$ 6.29	\$ 6.33
	(30.0)%	\$ 5.63	\$ 5.95	\$ 6.02

Source: Atlas projections per Atlas Management (Downside Case) based on Atlas Management downside assumption for 2010-12 EY-DD revenues and assuming a constant gross profit margin and operating expenses decline at 100% rate of billings decline per Atlas Management guidance. FMC projections remain unchanged. Downside Case EY-DD and FMC projections include Management Corporate Risk Adjustments.

¹ Discounted to 31-Dec-2009 at a 15.0% discount rate. Assuming an initial special dividend of \$0.50 per share and then a distribution of 100% of the available FCF, with a minimum cash balance of \$100m.

² Enterprise value based on Atlas 1-year forward EBITDA multiple of 3.2x as of 04-Dec-2009.

³ Assumes a fully diluted number of shares based on treasury method (basic shares outstanding of 62.6mm as of 04-Dec-2009, 14.1mm outstanding options as of 31-Dec-2009 with a weighted stock price of \$0.35 per Atlas 03-2009 10Q filing and Atlas Management). The analysis does not include any future stock options grant.

Selected Alternatives for Atlas 27

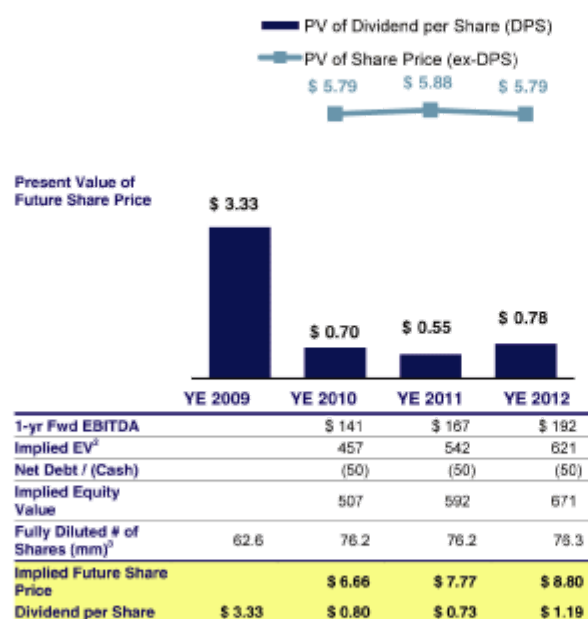
**PRELIMINARY DRAFT**

Recapitalization – Special Dividend

Atlas Management Projections (Upside Case) – Future Share Price Analysis (Incl. Dividends)

(\$ in millions, except per share data)

Present Value of Future Share Price Analysis¹



Sensitivity Analysis

		Exit Year		
		2010	2011	2012
Discount Rate	12.5%	\$ 9.97	\$ 10.76	\$ 11.64
	15.0%	\$ 9.83	\$ 10.46	\$ 11.15
	17.5%	\$ 9.69	\$ 10.17	\$ 10.70

Present Value of Future Share Price (Incl. Dividends)

		Exit Year		
		2010	2011	2012
Discount to Market Multiple	0.0%	\$ 9.83	\$ 10.46	\$ 11.15
	(15.0)%	\$ 9.05	\$ 9.66	\$ 10.35
	(30.0)%	\$ 8.27	\$ 8.86	\$ 9.56

Source: Atlas projections per Atlas Management (Upside Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2009 with Upside Case EV-2007 and PWC projections excluding Management Corporate Risk Adjustments

¹ Discounted to 31-Dec-2009 at a 15.0% discount rate. Assuming an initial special dividend of \$0.80 and then a distribution of 100% of the available FCF, with a minimum cash balance of \$50mm.

² Enterprise value based on Atlas 1-year forward EBITDA multiple of 3.2x as of 04-Dec-2009.

³ Assumes a fully diluted number of shares based on treasury method (basic shares outstanding of 62.6mm as of 29-Oct-2009, 14.1mm outstanding options as of 31-Oct-2009 with a weighted stock price of \$0.50 per Atlas Q3 2009 10Q filing and Atlas Management). The analysis does not include any future stock options grant.

Selected Alternatives for Atlas 28

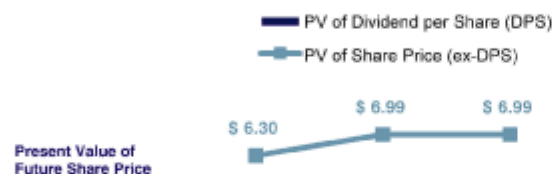
**PRELIMINARY DRAFT**

Recapitalization – Share Buyback

Atlas Management Projections (Base Case) – Future Share Price Analysis (Incl. Dividends)

(\$ in millions, except per share data)

Presentation Value of Future Share Price Analysis¹



	\$ 0.84	\$ 0.52	\$ 0.89
	YE 2010	YE 2011	YE 2012
1-yr Fwd EBITDA	\$ 78	\$ 108	\$ 129
Implied EV ²	254	351	419
Net Debt / (Cash)	(50)	(50)	(50)
Implied Equity Value	304	401	469
Fully Diluted # of Shares (mm) ³	41.9	43.4	44.1
Implied Future Share Price	\$ 7.25	\$ 9.24	\$ 10.64
Dividend per Share	\$ 0.97	\$ 0.69	\$ 1.35

Sensitivity Analysis

Present Value of Future Share Price (Incl. Dividends)

Discount Rate		Exit Year		
		2010	2011	2012
Discount Rate	12.5%	\$ 7.30	\$ 8.71	\$ 9.82
	15.0%	\$ 7.14	\$ 8.35	\$ 9.24
	17.5%	\$ 6.99	\$ 8.02	\$ 8.71

Present Value of Future Share Price (Incl. Dividends)

Discount to Market Multiple		Exit Year		
		2010	2011	2012
Discount to Market Multiple	0.0%	\$ 7.14	\$ 8.35	\$ 9.24
	(15.0)%	\$ 6.48	\$ 7.56	\$ 8.43
	(30.0)%	\$ 5.82	\$ 6.78	\$ 7.64

¹ Source: Atlas projections per Atlas Management (Base Case) based on Atlas Management presentation to Atlas Board of Directors on 04-Nov-2009. Base Case EV-DD and FMC projections include Management Corporate Risk Adjustments.

² Discounted to 31-Dec-2009 at a 15.0% discount rate. Assuming an initial share buyback of \$250mm at \$7.50 per share and then a distribution of 30% of the available FCF, with a minimum cash balance of \$50mm.

³ Enterprise value based on Atlas 1-year forward EBITDA multiple of 3.2x as of 04-Dec-2009.

⁴ Assumes a fully diluted number of shares based on treasury stock (treasury shares outstanding of 60,000 as of 31-Dec-2009) net of 27,000 of shares assumed to be bought back at a price of \$7.50 per share, 14,300 outstanding options as of 31-Dec-2009 with a weighted strike price of \$3.00 per share (20,000 100 mgg and Atlas Management). The analysis does not include any future stock options grant.

Selected Alternatives for Atlas 29

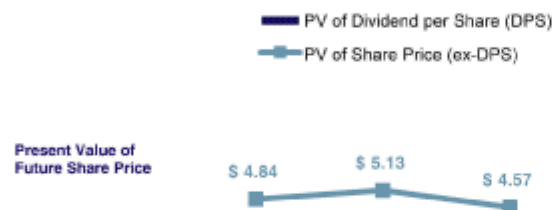
**PRELIMINARY DRAFT**

Recapitalization – Share Buyback

Atlas Management Projections (Downside Case) – Future Share Price Analysis (Incl. Dividends)

(\$ in millions, except per share data)

Present Value of Future Share Price Analysis¹



	YE 2010	YE 2011	YE 2012
1-yr Fwd EBITDA	\$ 53	\$ 71	\$ 74
Implied EV ²	172	231	239
Net Debt / (Cash)	(50)	(50)	(50)
Implied Equity Value	222	281	289
Fully Diluted # of Shares (mm) ³	39.8	41.4	41.6
Implied Future Share Price	\$ 5.57	\$ 6.78	\$ 6.95
Dividend per Share	\$ 0.72	\$ 0.38	\$ 0.84

Sensitivity Analysis

Present Value of Future Share Price (Incl. Dividends)

Discount Rate		Exit Year		
		2010	2011	2012
Discount Rate	12.5%	\$ 5.59	\$ 6.30	\$ 6.42
	15.0%	\$ 5.47	\$ 6.05	\$ 6.04
	17.5%	\$ 5.35	\$ 5.81	\$ 5.70

Present Value of Future Share Price (Incl. Dividends)

Discount to Market Multiple		Exit Year		
		2010	2011	2012
Discount to Market Multiple	0.0%	\$ 5.47	\$ 6.05	\$ 6.04
	(15.0)%	\$ 5.03	\$ 5.53	\$ 5.59
	(30.0)%	\$ 4.59	\$ 5.02	\$ 5.15

Source: Atlas projections per Atlas Management (Downside Case) based on Atlas Management downside assumption for 2010-12 EY-DD revenues and assuming a constant gross profit margin and operating expenses decline at 100% rate of billings decline per Atlas Management guidance. FMC projections remain unchanged. Downside Case EY-DD and FWD projections include Management Corporate Risk Adjustments.

¹ Discounted to 31-Dec-2009 at a 15.0% discount rate. Assuming an initial share balance of \$595mm at \$1.50 per share and then a distribution of 300% of the available FCF, with a minimum cash balance of \$60mm.

² Enterprise value based on Atlas 1-year forward EBITDA multiple of 3.2x as of 04-Dec-2009.

³ Assumes a fully diluted number of shares based on treasury method (basic shares outstanding of 40.2mm as of 31-Dec-2009 net of 27.2mm of shares assumed to be bought back at a price of \$7.50 per share, 14.3mm outstanding options as of 31-Dec-2009 with a weighted strike price of \$3.00 per share (2009-100 filing and Atlas Management). The analysis does not include any future stock options grant.

Selected Alternatives for Atlas 30

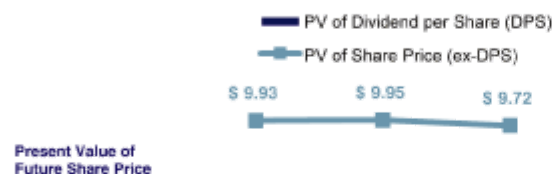
**PRELIMINARY DRAFT**

Recapitalization – Share Buyback

Atlas Management Projections (Upside Case) – Future Share Price Analysis (Incl. Dividends)

(\$ in millions, except per share data)

Present Value of Future Share Price Analysis¹



	YE 2010	YE 2011	YE 2012
1-yr Fwd EBITDA	\$ 141	\$ 167	\$ 192
Implied EV ²	457	542	621
Net Debt / (Cash)	(50)	(50)	(50)
Implied Equity Value	507	592	671
Fully Diluted # of Shares (mm) ³	44.4	45.0	45.4
Implied Future Share Price	\$ 11.42	\$ 13.16	\$ 14.78
Dividend per Share	\$ 1.38	\$ 1.23	\$ 1.99

Sensitivity Analysis

Present Value of Future Share Price (Incl. Dividends)

Discount Rate		Exit Year		
		2010	2011	2012
Discount Rate	12.5%	\$ 11.38	\$ 12.60	\$ 13.98
	15.0%	\$ 11.13	\$ 12.08	\$ 13.16
	17.5%	\$ 10.89	\$ 11.60	\$ 12.40

Present Value of Future Share Price (Incl. Dividends)

Discount to Market Multiple		Exit Year		
		2010	2011	2012
Discount to Market Multiple	0.0%	\$ 11.13	\$ 12.08	\$ 13.16
	(15.0)%	\$ 9.92	\$ 10.85	\$ 11.94
	(30.0)%	\$ 8.72	\$ 9.63	\$ 10.75

Source: Atlas projections per Atlas Management (Upside Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2009 with Upside Case EV-2010 and PWC projections excluding Management Corporate Risk Adjustments

¹ Discounted to 31-Dec-2009 at a 15.0% discount rate. Assuming an initial share buyback of \$250mm at \$7.50 per share and then a distribution of 50% of the available FCF, with a residual cash balance of \$50mm.

² Enterprise value based on Atlas 1-year forward EBITDA multiple of 3.2x as of 04-Dec-2009.

³ Assumes a fully diluted number of shares based on treasury stock (treasury shares outstanding of 60,000 as of 31-Dec-2009) net of 27,000 of shares assumed to be bought back at a price of \$7.50 per share, 14,300 outstanding options as of 31-Dec-2009 with a weighted strike price of \$3.00 per share (20,000 100 filing and Atlas Management). The analysis does not include any future stock options grant.

Selected Alternatives for Atlas 31

**PRELIMINARY DRAFT**

Pro Forma Financial Profile

Acquisition at \$7.50 per Share

(\$ in millions)

	2009E	2010E	2011E	2012E	2013E	2009 - 2013 CAGR
EV-DO	\$ 146	\$ 150	\$ 144	\$ 150	\$ 148	0.4%
FMC	7	51	130	225	0	(100.0)%
Billings (Non-GAAP)	\$ 153	\$ 200	\$ 280	\$ 375	\$ 148	(0.4)%
% Growth		31.3%	39.7%	33.0%	(60.6)%	
EV-DO	\$ 95	\$ 103	\$ 101	\$ 100	\$ 106	2.8%
FMC	(36)	(45)	(23)	0	0	NM
EBITDA	\$ 59	\$ 58	\$ 78	\$ 108	\$ 106	28.3%
% Margin	25.7%	29.0%	27.9%	28.9%	72.0%	
% Growth		48.4%	34.4%	38.5%	(1.9)%	
Depreciation & Amortization	(6)	(6)	(6)	(6)	(6)	
EV-DO	\$ 93	\$ 99	\$ 98	\$ 103	\$ 101	2.1%
FMC	(60)	(47)	(26)	(3)	0	NM
EBIT	\$ 33	\$ 52	\$ 72	\$ 100	\$ 101	32.3%
% Margin	21.6%	26.0%	25.7%	26.7%	68.2%	
% Growth		58.3%	38.3%	38.8%	0.7%	
Financing Expenses	0	(1)	(1)	(1)	(1)	
Net Interest (Expense) / Income	3	(21)	(19)	(16)	(11)	
Tax Expense	(4)	(11)	(17)	(27)	(29)	
Net Income	\$ 32	\$ 19	\$ 35	\$ 57	\$ 61	17.3%
Free Cash Flow						
EBITDA	\$59	\$58	\$78	\$108	\$106	
(-) Capital Expenditures	(5)	(4)	(6)	(10)	(7)	
(+) Stock Based Compensation	6	8	9	10	4	
(-) Net Cash Interest (Expense) / Income	3	(21)	(19)	(16)	(11)	
(-) Increase in Net Working Capital	11	(1)	(19)	(13)	1	
(-) Taxes (Net of Change in Taxes Payables)	(18)	(21)	(24)	(31)	(37)	
Free Cash Flow	\$ 36	\$ 19	\$ 18	\$ 48	\$ 56	17.8%
% Conversion	92.0%	32.8%	22.4%	44.4%	53.1%	
% Growth		(47.1)%	(8.2)%	173.9%	17.4%	
Balance Sheet						
Term Loan	\$195	\$143	\$130	\$96	\$56	
Total Debt	\$ 196	\$ 143	\$ 130	\$ 96	\$ 56	
Net Debt	144	135	123	89	48	
Credit Statistics						
Total Debt / EBITDA	4.2x	2.4x	1.7x	0.9x	0.5x	
Net Debt / EBITDA	3.7x	2.3x	1.6x	0.8x	0.5x	
EBITDA / Net Interest Expense	1.7x	2.7x	4.1x	6.8x	10.0x	
FCF / Total Debt	21.7%	13.4%	13.5%	49.9%	101.0%	

Source: Atlas projections per Atlas Management (Base Case), based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2009. Base Case EV-DO and FMC projections include Management Corporate Risk Adjustments.
 Note: Analysis assumes no contribution of FMC prior 2012.
 Includes full recovery of \$30.0mm from Intel in 2009.

Selected Alternatives for Atlas 32

**PRELIMINARY DRAFT**

Illustrative Return Analysis

Atlas Management Projections (Base Case) Assuming \$100mm for Femto Business

(\$ in millions)

Illustrative Return Analysis @ \$7.50 per Share

	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E
Dividends	\$ 0	\$ 8	\$ 4	\$ 12	\$ 14	\$ 13	\$ 30	\$ 30	\$ 21	\$ 11	\$ 8
Realization of Femto Value (YE 2012)	0	0	0	100	0	0	0	0	0	0	0
Payout / (Investment)	(134)	0	0	0	0	0	0	0	0	0	0
Total Return Profile	(134)	8	4	112	14	13	30	30	21	11	8
Implied Sponsor IRR											15.1%
Implied Sponsor Cash-on-Cash											1.9 x

If Femto losses are eliminated after 2010, IRR to improve by c. 6.1%

Sensitivity Analysis

IRR – No Exit with Femto Sale							IRR – No Exit with Femto Shutdown								
		Price per Share							Price per Share						
		\$ 6.50	\$ 7.00	\$ 7.50	\$ 8.00	\$ 8.50			\$ 6.50	\$ 7.00	\$ 7.50	\$ 8.00	\$ 8.50		
Value Realized on Femto	\$ 0	0.0x	19.2%	8.2%	2.0%	NM	NM	Cumulative Femto Investment over 2010-12	\$ 0	0%	61.1%	37.8%	25.3%	17.4%	11.6%
	\$ 50	2.2x	31.0%	16.6%	8.4%	3.0%	NM		\$ 15	20%	57.6%	35.1%	23.3%	15.7%	10.2%
	\$ 100	4.3x	44.6%	25.3%	15.1%	8.5%	3.8%		\$ 30	40%	54.1%	32.5%	21.2%	13.9%	8.7%
	\$ 150	6.5x	56.4%	33.0%	21.0%	14.2%	8.6%		\$ 46	60%	50.9%	30.2%	19.2%	12.2%	7.1%
	\$ 200	8.7x	67.2%	42.1%	28.6%	19.8%	13.6%		\$ 61	80%	47.7%	27.8%	17.2%	10.4%	5.5%
	\$ 250	10.8x	76.6%	49.7%	34.6%	25.2%	18.3%		\$ 76	100%	44.6%	25.3%	15.1%	8.5%	3.8%
Implied EV / 13E EBITDA Multiple								% of Base Case Investment							

Source: Atlas projections per Atlas Management (Base Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2018. Base Case EV-12E and FMC projections include Management Corporate Risk Adjustments.
Note: Analysis assumes no contribution of FMC post 2012.

Selected Alternatives for Atlas 33

**PRELIMINARY DRAFT**

Illustrative Return Analysis

Atlas Management Projections (Downside Case) Assuming \$100mm for Femto Business

(\$ in millions)

Illustrative Return Analysis @ \$7.50 per Share

	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E
Dividends	\$ 0	\$ 5	\$ 1	\$ 5	\$ 4	\$ 11	\$ 9	\$ 7	\$ 4	\$ 2	\$(22)
Realization of Femto Value (YE 2012)	0	0	0	100	0	0	0	0	0	0	0
Payout / (Investment)	(134)	0	0	0	0	0	0	0	0	0	0
Total Return Profile	(134)	5	1	105	4	11	9	7	4	2	(22)
Implied Sponsor IRR	NM										
Implied Sponsor Cash-on-Cash	0.9 x										

Sensitivity Analysis

IRR – No Exit with Femto Sale							IRR – No Exit with Femto Shutdown							
		Price per Share							Price per Share					
		\$ 6.50	\$ 7.00	\$ 7.50	\$ 8.00	\$ 8.50			\$ 6.50	\$ 7.00	\$ 7.50	\$ 8.00	\$ 8.50	
Value Realized on Femto	\$ 0	0.0x	NM	NM	NM	NM	Cumulative Femto Investment over 2010-12	\$ 0	0%	18.8%	7.0%	0.7%	NM	NM
	\$ 50	2.2x	11.0%	NM	NM	NM		\$ 15	20%	14.7%	4.0%	NM	NM	NM
	\$ 100	4.3x	30.9%	10.3%	NM	NM		\$ 30	40%	10.4%	0.5%	NM	NM	NM
	\$ 150	6.5x	46.0%	23.2%	10.0%	0.7%		\$ 46	60%	5.4%	NM	NM	NM	NM
	\$ 200	8.7x	58.6%	33.7%	19.5%	9.8%		\$ 61	80%	NM	NM	NM	NM	NM
	\$ 250	10.8x	69.5%	42.8%	27.6%	17.4%		\$ 76	100%	NM	NM	NM	NM	NM
Implied EV / '13E EBITDA Multiple							% of Base Case Investment							

Source: Atlas projections per Atlas Management (Downside Case) based on Atlas Management downside assumption for 2010-13 EBITDA revenue and assuming a constant gross profit margin and operating expense decline at 100% rate of billings decline per Atlas Management guidance. HMC projections remain unchanged. Downside Case EBITDA and HMC projections include Management Corporate Risk Adjustments.
Note: Analysis assumes no contribution of FMC post 2012.

Selected Alternatives for Atlas 34

**PRELIMINARY DRAFT**

Illustrative Return Analysis

Atlas Management Projections (Upside Case) Assuming \$100mm for Femto Business

(\$ in millions)

Illustrative Return Analysis @ \$7.50 per Share

	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E
Dividends	\$ 0	\$ 9	\$ 5	\$ 13	\$ 15	\$ 19	\$ 37	\$ 33	\$ 23	\$ 12	\$ 8
Realization of Femto Value (YE 2012)	0	0	0	100	0	0	0	0	0	0	0
Payout / (Investment)	(134)	0	0	0	0	0	0	0	0	0	0
Total Return Profile	(134)	9	5	113	15	19	37	33	23	12	8
Implied Sponsor IRR	17.1%										
Implied Sponsor Cash-on-Cash	2.0 x										

Sensitivity Analysis

		Price per Share							Price per Share								
			\$ 6.50	\$ 7.00	\$ 7.50	\$ 8.00	\$ 8.50				\$ 6.50	\$ 7.00	\$ 7.50	\$ 8.00	\$ 8.50		
Value Realized on Femto	\$ 0	Implied EV / 13E EBITDA Multiple	0.0x	22.5%	10.9%	4.5%	0.1%	NM	Cumulative Femto Investment over 2010-12	\$ 0	% of Base Case Investment	0%	63.2%	39.4%	27.0%	19.0%	13.3%
	\$ 50		0.7x	34.7%	19.0%	10.6%	5.1%	1.1%		\$ 15		20%	59.8%	37.0%	25.0%	17.3%	11.8%
	\$ 100		1.3x	46.8%	27.4%	17.1%	10.4%	5.6%		\$ 30		40%	56.3%	34.5%	23.0%	15.6%	10.3%
	\$ 150		2.0x	58.2%	35.7%	23.7%	15.9%	10.3%		\$ 46		60%	53.1%	32.1%	21.1%	13.9%	8.8%
	\$ 200		2.6x	68.7%	43.8%	30.1%	21.3%	15.0%		\$ 61		80%	50.0%	29.8%	19.1%	12.2%	7.2%
\$ 250	3.3x	78.3%	51.0%	38.2%	28.5%	18.8%	\$ 76	100%	48.8%	27.4%	17.1%	10.4%	5.6%				

Source: Atlas projections per Atlas Management (Upside Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2009 with Upside Case EBITDA and FVOC projections excluding Management Corporate Risk Adjustments.
Note: Analysis assumes no contribution of FVOC post 2012.

Selected Alternatives for Atlas 35

PRELIMINARY DRAFT



Appendix A: Supporting Materials

Supporting Materials 36

**PRELIMINARY DRAFT**

Comparison of Selected Companies

Company	Closing Price (\$) 4-Dec-2009	% of \$2 Week High	Equity Market Cap (1)	Enterprise Value (1)	Enterprise Value Multiples (2)				Calendarized P/E Multiples (2)	
					Sales		EBITDA		2009	2010
					2009	2010	2009	2010		
Broad System Companies										
Alcatel-Lucent	3.48	70	7,903	7,935	0.3	0.3	7.6	4.1	NM	16.7
Cisco Systems, Inc.	24.16	99	145,294	120,598	3.3	3.1	10.5	10.1	17.5	16.1
LM Ericsson Telephone Co. (3)	9.64	85	30,983	25,052	0.8	0.8	8.9	5.5	16.0	12.4
Motorola Inc.	8.18	88	19,220	16,137	0.7	0.7	15.6	7.8	409.0	24.1
Nokia Corp.	12.70	72	47,297	48,058	0.8	0.8	8.2	6.7	14.2	12.3
	Mean	82.8 %	\$ 60,130	\$ 43,164	1.2 x	1.1 x	9.8 x	6.8 x	114.4 x	16.3 x
	Median	85.2	30,983	25,052	0.8	0.8	8.2	6.7	17.2	16.1
Category Leaders										
Altea (Base Case Projections)	6.31	90	433.6	199	1.2	0.9	4.8	3.2	13.5	12.749
Acme Packet, Inc.	11.28	100	737	578	4.1	3.4	15.8	12.5	33.2	27.5
Aruba Networks, Inc.	8.11	93	828	804	3.7	3.1	46.5	20.5	67.9	35.6
IP5 Networks Inc.	50.64	100	4,254	3,990	5.9	5.0	18.3	15.5	28.8	24.3
Infinera Corp.	9.09	88	955	898	2.2	1.9	NM	403.7	NM	NM
Juniper Networks, Inc.	27.33	97	15,917	12,949	4.0	3.4	16.7	13.5	32.2	24.2
Research In Motion (4)	58.09	86	33,836	31,743	2.2	1.7	8.9	7.3	14.3	11.7
Rivetti Technology, Inc.	20.77	82	1,593	1,296	3.3	2.9	17.9	13.8	32.0	26.0
Sonus Networks, Inc.	2.16	82	598	261	1.2	1.1	NA	NA	NM	NM
Starent Networks, Corp.	34.54	100	2,788	2,380	7.2	5.8	20.8	17.8	38.0	35.7
	Mean	90.8 %	\$ 6,754	\$ 6,074	3.8 x	3.2 x	20.7 x	13.1 x	35.2 x	26.6 x
	Median	92.8	1,593	1,296	3.7	3.1	17.9	14.8	32.2	26.0
Mid Tier Communications										
ADC Telecommunications Inc.	8.24	84	803	753	0.7	0.7	NA	6.2	27.4	18.8
ADTRAN Inc.	21.00	82	1,327	1,190	2.5	2.2	10.2	8.2	18.1	16.0
Powerwave Technologies Inc.	1.40	81	185	421	0.7	0.7	14.3	9.4	79.0	14.0
Tellabs Inc.	5.68	78	2,224	970	0.6	0.6	5.8	NA	22.7	21.0
CommScope Inc.	26.00	79	2,441	3,446	1.1	1.1	6.8	6.0	13.2	10.8
	Mean	78.8 %	\$ 1,202	\$ 1,190	1.6 x	1.0 x	9.3 x	7.0 x	30.3 x	14.9 x
	Median	80.3	965	891	0.9	0.8	8.5	6.2	22.7	15.0

(1) Source: Latest publicly available financial statements. Equity Market Cap based on diluted shares outstanding.

(2) Source: LTM numbers are based on latest publicly available financial statements. Projected revenues, EBITDA, EBIT, and EPS are based on BCS median estimates and/or other Wall Street research. All research estimates have been calendarized to December.

(3) Refers to former Airvana CDMA business and LTE assets in North America.

(4) Preferred for acquisition of Chalk Media Corp. announced on 11 Dec 09.

Source: Altea projections per Altea Management (Base Case) based on Altea Management presentation to Altea Board of Directors on 24-Nov-2009. Base Case EV-DO and FMC projections include Management Corporate Risk Adjustments.

Supporting Materials 37

**PRELIMINARY DRAFT**

Atlas Discounted Cash Flow Analysis

EV-DO Business

(\$ in millions)

Free Cash Flow Build											
	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E
Billings (Non-GAAP)	\$ 146	\$ 150	\$ 144	\$ 150	\$ 148	\$ 125	\$ 100	\$ 75	\$ 50	\$ 25	\$ 0
% Growth		2.7%	(3.7)%	4.1%	(1.4)%	(15.1)%	(20.0)%	(25.0)%	(33.3)%	(50.0)%	(100.0)%
EBITDA	95	103	101	108	106	90	72	54	36	18	0
% Margin	65.4%	68.7%	70.3%	72.1%	72.0%	72.0%	72.0%	72.0%	72.0%	72.0%	n.m.
(-) Depreciation and Amortization	(2)	(3)	(3)	(5)	(6)	(5)	(4)	(3)	(2)	(1)	(0)
Operating Income on Billings	\$ 93	\$ 99	\$ 98	\$ 103	\$ 101	\$ 86	\$ 68	\$ 51	\$ 34	\$ 17	\$ 0
% Margin	63.7%	66.4%	67.9%	68.8%	68.2%	68.2%	68.2%	68.2%	68.2%	68.2%	n.m.
(-) Taxes	(32)	(35)	(34)	(36)	(35)	(30)	(24)	(18)	(12)	(6)	(0)
Operating Income Before Interest After Tax	\$ 60	\$ 65	\$ 63	\$ 67	\$ 65	\$ 56	\$ 44	\$ 33	\$ 22	\$ 11	\$ 0
(+) Depreciation and Amortization	2	3	3	5	6	5	4	3	2	1	0
(-) Capital Expenditures	(3)	(2)	(5)	(6)	(7)	(6)	(5)	(4)	(2)	(1)	(0)
(-) Increase in Net Working Capital	7	(6)	(1)	(1)	1	1	1	0	0	0	0
Unlevered Free Cash Flow	\$ 66	\$ 60	\$ 61	\$ 65	\$ 65	\$ 55	\$ 44	\$ 33	\$ 22	\$ 11	\$ 0
PV of Future Cash Flows	\$ 61	\$ 47	\$ 41	\$ 37	\$ 31	\$ 23	\$ 15	\$ 10	\$ 6	\$ 2	\$ 0

Equity Value Per Share – Sensitivity Analysis

		WACC				
		16.5%	17.0%	17.5%	18.0%	18.5%
% of Revenue Decline in Opex Savings	50.0%	\$ 3.04	\$ 2.99	\$ 2.94	\$ 2.90	\$ 2.86
	75.0%	3.08	3.04	2.99	2.94	2.90
	100.0%	3.13	3.08	3.03	2.98	2.93

Source: Atlas projections per Atlas Management (Base Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2009. Base Case EV-DO and FMC projections include Management Corporate Risk Adjustments.
 Note: Assumes 17.5% WACC and tax rate of 35.0%.

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**PRELIMINARY DRAFT**

Atlas Discounted Cash Flow Analysis

FMC Business

(\$ in millions)

Free Cash Flow Build					
	2009E	2010E	2011E	2012E	2013E
Billings (Non-GAAP)		\$ 51	\$ 136	\$ 225	\$ 332
% Growth			167.6%	65.4%	47.6%
EBITDA		(45)	(23)	0	23
% Margin		(87.5)%	(16.8)%	0.2%	6.9%
(-) Depreciation and Amortization		(3)	(3)	(3)	(4)
Operating Income on Billings		\$(47)	\$(25)	\$(3)	\$ 19
% Margin		(92.8)%	(16.8)%	(1.3)%	5.8%
(-) Taxes		17	9	1	(7)
Operating Income Before Interest After Tax		\$(31)	\$(17)	\$(2)	\$ 13
(+) Depreciation and Amortization		3	3	3	4
(-) Capital Expenditures		(1)	(3)	(4)	(5)
(-) Increase in Net Working Capital		5	(18)	(13)	(14)
Unlevered Free Cash Flow		\$(25)	\$(35)	\$(15)	\$(3)
Cash Used from Balance Sheet		25	35	15	3
Interest Income After Tax		0	0	0	0
Net Cash Flow		\$ 0	\$ 0	\$ 0	\$ 0
PV of Future Cash Flows		0	0	0	0
Cash on Balance Sheet Allocated to Femto	\$77	\$53	\$18	\$3	\$0

Equity Value Per Share – Sensitivity Analysis

Value of Femto Business Including Pre-funded Losses							Net Value of Femto Business						
Terminal Value Multiple							Terminal Value Multiple						
		11.5 x	12.0 x	12.5 x	13.0 x	13.5 x			11.5 x	12.0 x	12.5 x	13.0 x	13.5 x
WACC	25.0%	\$ 1.94	\$ 2.02	\$ 2.10	\$ 2.19	\$ 2.27	WACC	25.0%	\$ 0.84	\$ 0.92	\$ 1.00	\$ 1.09	\$ 1.17
	27.5%	1.83	1.91	1.98	2.06	2.14		27.5%	0.72	0.80	0.88	0.96	1.04
	30.0%	1.73	1.80	1.87	1.95	2.02		30.0%	0.62	0.70	0.77	0.85	0.92

Source: After projections per Atlas Management (Base Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2008. Base Case EY-DE and FMC projections include Management Corporate Risk Adjustments.
 Note: Assumes 27.5% WACC, a 12.5x EY / EBITDA terminal value multiple, and a tax rate of 35.0%.

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PRELIMINARY DRAFT

Illustrative Atlas WACC Analysis

Assuming No Leverage

Target Capital Structure (%)				Current Capital Structure (\$ mm)			
Gross Debt / (Debt - Excess Cash + Equity)	0.0%	Wd		Gross Debt		\$ 0	
Excess Cash / (Debt - Excess Cash + Equity)	97.5%	Wc		Excess Cash ¹		195	
Equity / (Debt - Excess Cash + Equity)	197.5%	We		Basic Mkt Cap		395	
Implied Net Debt / Equity Ratio	(0.49)						

WACC Calculation				Min Cash	Wc	Ke	WACC
Risk-Free Rate ²	4.30%	Rf		\$ 0	183.3%	9.42%	22.15%
Asset Beta (Comps Median)	1.32	β_a		\$ 50	97.5%	10.13%	18.41%
Equity Beta (Relevered)	0.90	β_e		\$ 100	58.0%	10.83%	16.17%
Equity Risk Premium ³	6.47%	ERP		\$ 150	31.6%	11.54%	14.67%
Cost of Equity	10.13%	Ke		\$ 200	12.8%	12.24%	13.61%
Pre-Tax Cost of Debt ⁴	NA	Kd		\$ 245	0.0%	12.88%	12.88%
Marginal Tax Rate ⁵	35.0%	T					
Pre-Tax Return on Cash	2.50%	Kc					
Weighted-Average Cost of Capital	18.41%						

$$WACC = Kd \cdot (1-T) \cdot Wd + Kc \cdot (1-T) \cdot Wc + Ke \cdot We$$

	Barra Predicted Equity Beta	Currency	Total Debt (mm)	Total Cash (mm)	Net Debt (mm)	Basic Market Cap (mm)	Net Debt / Equity Ratio	Tax Rate	Asset Beta
Atlas	0.95	USD	0	245	(245)	395	(0.62)	35.0%	1.60

Comparable Company	Barra Predicted Equity Beta	Currency	Total Debt (mm)	Total Cash (mm)	Net Debt (mm)	Basic Market Cap (mm)	Net Debt / Equity Ratio	Tax Rate	Asset Beta
Acme Packet, Inc.	1.18	USD	0	159	(159)	657	(0.24)	35.0%	1.39
Infinera Corp.	1.12	USD	0	269	(269)	878	(0.31)	35.0%	1.40
Bonus Networks, Inc.	1.57	USD	0	338	(338)	693	(0.57)	35.0%	2.49
Starent Networks, Corp.	1.02	USD	0	407	(407)	2,461	(0.16)	35.0%	1.14
Powerwave Technologies Inc.	2.05	USD	281	45	236	185	1.27	35.0%	1.12
ADC Telecommunications Inc.	1.46	USD	662	512	150	803	0.25	35.0%	1.28
Median	1.32						(0.20)	35.0%	1.32
Mean	1.40						0.04	35.0%	1.47

Source: Companies' filings, predicted beta information from Barra, Capital IQ, market data as of 04-Dec-2009
¹ Assumes minimum cash of \$50mm. Cash balance as of 30-Sep-2009 per Atlas Q3 2009 182 filing including full recovery of \$38 from Norbit in 2009
² Current U.S. 30-year Treasury rate as of 04-Dec-2009
³ Ibbotson's equity risk premium from 1926 - 2000
⁴ Not applicable given target cost structure includes no debt
⁵ Assumes U.S. statutory tax rate

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**PRELIMINARY DRAFT**

Illustrative Atlas WACC Analysis

Assuming Leverage

Target Capital Structure (%)				PF Capital Structure (\$ mm)							
Gross Debt / (Debt - Excess Cash + Equity)	40.0%	Wd		Gross Debt	\$ 60						
Excess Cash / (Debt - Excess Cash + Equity)	0.0%	Wc		Excess Cash ¹	0						
Equity / (Debt - Excess Cash + Equity)	60.0%	We		Implied Equity (@ Constant EV)	90						
Implied Net Debt / Equity Ratio	0.67										

WACC Calculation								Current Asset Beta				25% Increase in Asset Beta	
				Wd	Debt	Equity		Ke	WACC			Ke	WACC
Risk-Free Rate ²	4.30%	Rf		0.0%	\$ 0	\$ 150		12.88%	12.88%	15.02%	15.02%		
Asset Beta (Comps Median)	1.32	βa		10.0%	15	135		13.50%	13.12%	15.79%	15.19%		
Equity Beta (Relevered)	1.90	βe		20.0%	30	120		14.27%	13.37%	16.76%	15.36%		
Equity Risk Premium ³	6.47%	ERP		30.0%	45	105		15.25%	13.61%	18.00%	15.53%		
Cost of Equity	16.59%	Ke		40.0%	60	90		16.59%	13.85%	19.66%	15.70%		
Pre-Tax Cost of Debt	15.00%	Kd		50.0%	75	75		18.45%	14.10%	21.99%	15.87%		
Marginal Tax Rate ⁴	35.0%	T		60.0%	90	60		21.23%	14.34%	25.47%	16.04%		
After-Tax Cost of Debt	9.75%	Kd(1-T)		70.0%	105	45		25.88%	14.59%	31.27%	16.21%		
Pre-Tax Return on Cash	2.50%	Kc											
Weighted-Average Cost of Capital	13.85%												

WACC = Kd*(1-T)*Wd-Kc*(1-T)*Wc+Ke*We

Barra Predicted		Currency	Total		Net	Basic Market	Net Debt /	Tax	Asset
Equity Beta	Equity Beta		Debt (mm)	Cash (mm)					
Atlas	0.95	USD	0	246	(246)	395	(0.62)	35.0%	1.60

Barra Predicted		Currency	Total		Net	Basic Market	Net Debt /	Tax	Asset
Equity Beta	Equity Beta		Debt (mm)	Cash (mm)					
Company	Equity Beta	Currency	Debt (mm)	Cash (mm)	Debt (mm)	Cap (mm)	Equity Ratio	Rate	Beta
Acme Packet, Inc.	1.18	USD	0	159	(159)	657	(0.24)	35.0%	1.39
Infinera Corp.	1.12	USD	0	289	(289)	878	(0.31)	35.0%	1.40
Sonus Networks, Inc.	1.57	USD	0	338	(338)	593	(0.57)	35.0%	2.49
Starent Networks, Corp.	1.02	USD	0	407	(407)	2,491	(0.16)	35.0%	1.14
Powerwave Technologies Inc.	2.05	USD	281	45	236	185	1.27	35.0%	1.12
ADC Telecommunications Inc.	1.46	USD	662	512	150	603	0.25	35.0%	1.26
Median	1.32						(0.20)	35.0%	1.32
Mean	1.40						0.04	35.0%	1.47

Source: Compustat. Barra predicted beta information from Barra, Capital IQ, market data as of 04-Dec-2009

¹ Assumes a full distribution of cash on balance sheet² Current U.S. 30 year Treasury rate as of 04-Dec-2009³ Effective equity risk premium from 1926 - 2006⁴ Assumes U.S. statutory tax rate

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**PRELIMINARY DRAFT**

Atlas Management Projections Per Atlas Management

EV-DO Projections Per Atlas Management (Base Case)

	2009E	2010E	2011E	2012E	2013E
Corporate Risk Adjustment	\$ 0.0	\$(2.5)	\$(7.7)	\$(5.2)	\$(2.8)
Standalone	145.8	152.0	151.7	155.0	150.4
Billings (Non-GAAP)	145.5	149.5	143.9	149.8	147.6
% Growth		2.7%	(3.7)%	4.1%	(1.4)%
Corporate Risk Adjustment	(0.0)	1.5	4.8	3.1	1.5
Standalone	(12.7)	(10.9)	(9.4)	(9.5)	(9.1)
COGS on Billings	(12.7)	(9.4)	(4.8)	(6.4)	(7.6)
% Margin	8.7%	6.3%	3.4%	4.3%	5.2%
Gross Profit on Billings	\$ 132.8	\$ 140.2	\$ 139.1	\$ 143.3	\$ 140.0
% Margin	91.3%	93.7%	96.6%	95.7%	94.6%
Corporate Risk Adjustment	(0.0)	(0.6)	(1.4)	(1.7)	(2.4)
Standalone	(30.4)	(30.3)	(28.8)	(27.0)	(25.0)
R&D Expense	(30.5)	(30.9)	(30.2)	(28.7)	(27.4)
% Margin	20.9%	20.6%	21.0%	19.1%	18.6%
Corporate Risk Adjustment	0.0	0.0	(0.7)	(0.7)	(0.8)
Standalone	(2.2)	(1.8)	(2.1)	(2.1)	(2.2)
Sales and Marketing	(2.2)	(1.8)	(2.6)	(2.6)	(3.0)
% Margin	1.5%	1.2%	1.9%	1.6%	2.0%
Corporate Risk Adjustment	(0.0)	(0.1)	(0.1)	(0.3)	(0.6)
Standalone	(4.3)	(3.8)	(4.0)	(4.0)	(3.9)
General and Admin.	(4.3)	(3.9)	(4.1)	(4.4)	(4.4)
% Margin	3.0%	2.6%	2.8%	2.9%	3.0%
Corporate Risk Adjustment	(0.1)	(0.1)	(0.1)	(0.0)	0.0
Standalone	0.0	0.0	0.0	0.0	0.0
IPR&D	(0.1)	(0.1)	(0.1)	(0.0)	0.0
% Margin	0.1%	0.1%	0.1%	0.0%	0.0%
Corporate Risk Adjustment	(3.0)	(4.2)	(4.3)	(4.5)	(4.5)
Standalone	0.0	0.0	0.0	0.0	0.0
Stock Based Comp. Expense	(3.0)	(4.2)	(4.3)	(4.5)	(4.5)
% Margin	2.1%	2.8%	3.0%	3.0%	3.0%
Total Operating Expenses	(40.2)	(40.8)	(41.4)	(40.3)	(39.3)
% Margin	27.6%	27.3%	28.8%	26.9%	26.6%
Operating Income on Billings	\$ 92.7	\$ 99.3	\$ 97.7	\$ 103.0	\$ 100.7
% Margin	63.7%	66.4%	67.9%	68.8%	68.2%

Source: Atlas projections per Atlas Management (Base Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2009. Base Case EV-DO and FMC projections include Management Corporate Risk Adjustments

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**PRELIMINARY DRAFT**

Atlas Management Projections Per Atlas Management

FMC Projections Per Atlas Management (Base Case)

	2009E	2010E	2011E	2012E	2013E
Corporate Risk Adjustment Standalone	\$ 0.0	\$(22.5)	\$(89.7)	\$(46.8)	\$(25.0)
Billings (Non-GAAP)	7.1	73.4	205.9	272.0	357.4
% Growth		616.9%	167.6%	65.4%	47.6%
Corporate Risk Adjustment Standalone	(0.2)	13.5	41.3	27.6	13.3
COGS on Billings	(8.9)	(57.0)	(134.6)	(176.1)	(227.4)
% Margin	(9.1)	(43.5)	(93.3)	(148.5)	(214.2)
	128.4%	85.6%	66.5%	65.9%	64.4%
Gross Profit on Billings	\$(2.0)	\$ 7.3	\$ 42.9	\$ 76.7	\$ 118.2
% Margin	(28.4)%	14.4%	31.5%	34.1%	35.6%
Corporate Risk Adjustment Standalone	(0.2)	(5.2)	(12.2)	(15.4)	(21.8)
R&D Expense	(35.8)	(28.5)	(30.7)	(30.7)	(34.8)
% Margin	504.9%	66.3%	29.5%	20.5%	17.1%
Corporate Risk Adjustment Standalone	0.0	0.0	(6.2)	(6.2)	(7.1)
Sales and Marketing	(12.2)	(10.3)	(10.7)	(12.5)	(15.8)
% Margin	(12.2)	(10.3)	(17.0)	(18.7)	(22.9)
	171.3%	20.2%	12.5%	8.3%	6.9%
Corporate Risk Adjustment Standalone	(0.0)	(0.9)	(0.7)	(2.9)	(5.3)
General and Admin.	(5.8)	(4.7)	(5.0)	(6.0)	(7.2)
% Margin	(5.8)	(5.6)	(5.7)	(8.9)	(12.5)
	82.0%	10.9%	4.2%	4.0%	3.8%
Corporate Risk Adjustment Standalone	(1.0)	(1.0)	(0.7)	(0.2)	0.0
IPR&D	0.0	0.0	0.0	0.0	0.0
% Margin	(1.0)	(1.0)	(0.7)	(0.2)	0.0
	13.6%	1.9%	0.5%	0.1%	0.0%
Corporate Risk Adjustment Standalone	(3.0)	(4.0)	(4.9)	(5.7)	(6.7)
Stock Based Comp. Expense	0.0	0.0	0.0	0.0	0.0
% Margin	(3.0)	(4.0)	(4.9)	(5.7)	(6.7)
	41.8%	7.9%	3.6%	2.5%	2.0%
Total Operating Expenses	\$(7.7)	\$(4.6)	\$(6.5)	\$(7.7)	\$(8.9)
% Margin	813.5%	107.2%	50.3%	35.4%	29.8%
Operating Income on Billings	\$(59.8)	\$(47.2)	\$(25.6)	\$ (3.0)	\$ 19.3
% Margin	(842.0)%	(92.8)%	(16.8)%	(7.3)%	5.8%

Source: Atlas projections per Atlas Management (Base Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2009. Base Case EV-DIO and FMC projections include Management Corporate Risk Adjustments

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PRELIMINARY DRAFT

Atlas Management Projections Per Atlas Management

UMTS Femto Projections Per Atlas Management (Base Case)

	2009E	2010E	2011E	2012E	2013E
Billings (Non-GAAP)	\$ 0.6	\$ 12.9	\$ 82.2	\$ 109.0	\$ 167.9
% Growth		1928.7%	539.1%	32.6%	54.0%
COGS on Billings	(1.3)	(11.1)	(46.9)	(83.2)	(100.1)
% Margin	204.4%	86.5%	57.1%	58.0%	59.6%
Gross Profit on Billings	\$(0.7)	\$ 1.7	\$ 35.3	\$ 45.8	\$ 67.8
% Margin	(104.4)%	13.5%	42.9%	42.0%	40.4%
R&D Expense	(15.0)	(11.7)	(11.8)	(14.2)	(17.9)
% Margin	2359.9%	90.9%	14.4%	13.0%	10.7%
Sales and Marketing	(7.0)	(6.0)	(6.8)	(8.0)	(10.0)
% Margin	1098.6%	46.6%	8.3%	7.3%	6.0%
General and Admin.	(2.5)	(2.0)	(2.3)	(3.0)	(3.8)
% Margin	404.1%	15.5%	2.8%	2.7%	2.3%
IPR&D	0.0	0.0	0.0	0.0	0.0
% Margin	0.0%	0.0%	0.0%	0.0%	0.0%
Stock Based Comp. Expense	0.0	0.0	0.0	0.0	0.0
% Margin	0.0%	0.0%	0.0%	0.0%	0.0%
Total Operating Expenses	(24.5)	(19.7)	(21.0)	(25.1)	(31.7)
% Margin	3962.6%	153.0%	25.5%	23.0%	18.9%
Operating Income on Billings	\$(25.2)	\$(17.9)	\$ 14.3	\$ 20.6	\$ 36.1
% Margin	(3967.0)%	(139.5)%	17.4%	18.9%	21.5%

Source: Atlas projections per Atlas Management (Base Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2009. Base Case EV-DIO and FMC projections include Management Corporate Risk Adjustments

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**PRELIMINARY DRAFT**

Atlas Management Projections Per Atlas Management

CDMA Femto Projections Per Atlas Management (Base Case)

	2009E	2010E	2011E	2012E	2013E
Billings (Non-GAAP)	\$ 5.4	\$ 57.9	\$ 121.6	\$ 162.4	\$ 188.9
% Growth		972.7%	109.8%	33.6%	16.3%
COGS on Billings	(5.8)	(44.6)	(86.8)	(112.7)	(127.2)
% Margin	109.6%	76.9%	71.4%	62.4%	67.3%
Gross Profit on Billings	\$(0.5)	\$ 13.4	\$ 34.8	\$ 49.7	\$ 61.7
% Margin	(9.6)%	23.1%	28.6%	30.6%	32.7%
R&D Expense	(18.0)	(16.0)	(15.5)	(16.5)	(17.0)
% Margin	334.1%	27.7%	12.8%	10.2%	9.0%
Sales and Marketing	(3.9)	(3.9)	(3.8)	(4.6)	(5.8)
% Margin	72.2%	6.8%	3.2%	2.8%	3.1%
General and Admin.	(2.7)	(2.5)	(2.5)	(3.0)	(3.4)
% Margin	50.1%	4.3%	2.1%	1.9%	1.8%
IPR&D	0.0	0.0	0.0	0.0	0.0
% Margin	0.0%	0.0%	0.0%	0.0%	0.0%
Stock Based Comp. Expense	0.0	0.0	0.0	0.0	0.0
% Margin	0.0%	0.0%	0.0%	0.0%	0.0%
Total Operating Expenses	(24.7)	(22.4)	(21.9)	(24.1)	(26.1)
% Margin	466.4%	38.7%	18.0%	14.8%	13.6%
Operating Income on Billings	\$(25.2)	\$(9.1)	\$ 12.9	\$ 25.6	\$ 35.6
% Margin	(466.0)%	(15.6)%	10.6%	15.7%	18.8%

Source: Atlas projections per Atlas Management (Base Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2009. Base Case EV-DI and FMC projections include Management Corporate Risk Adjustments

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**PRELIMINARY DRAFT**

Atlas Management Projections Per Atlas Management

UAG Projections Per Atlas Management (Base Case)

	2009E	2010E	2011E	2012E	2013E
Billings (Non-GAAP)	\$ 1.0	\$ 2.6	\$ 2.1	\$ 0.6	\$ 0.6
% Growth		149.2%	(17.4)%	(70.0)%	0.0%
COGS on Billings	(1.7)	(1.4)	(0.8)	(0.2)	(0.2)
% Margin	166.7%	52.9%	39.5%	26.3%	26.8%
Gross Profit on Billings	\$(0.7)	\$ 1.2	\$ 1.3	\$ 0.5	\$ 0.5
% Margin	(66.7)%	47.1%	60.5%	73.7%	73.2%
R&D Expense	(2.8)	(0.8)	(0.7)	0.0	0.0
% Margin	252.1%	32.3%	33.0%	0.0%	0.0%
Sales and Marketing	(1.3)	(0.3)	(0.0)	0.0	0.0
% Margin	125.2%	13.4%	2.3%	0.0%	0.0%
General and Admin.	(0.5)	(0.2)	(0.1)	(0.0)	(0.0)
% Margin	50.4%	6.6%	5.7%	3.0%	3.1%
IPR&D	0.0	0.0	0.0	0.0	0.0
% Margin	0.0%	0.0%	0.0%	0.0%	0.0%
Stock Based Comp. Expense	0.0	0.0	0.0	0.0	0.0
% Margin	0.0%	0.0%	0.0%	0.0%	0.0%
Total Operating Expenses	(4.4)	(1.3)	(0.9)	(0.0)	(0.0)
% Margin	427.7%	52.2%	41.0%	3.0%	3.1%
Operating Income on Billings	\$(5.1)	\$(0.1)	\$ 0.4	\$ 0.5	\$ 0.4
% Margin	(494.4)%	(5.1)%	19.6%	70.7%	70.1%

Source: Atlas projections per Atlas Management (Base Case) based on Atlas Management presentation to Atlas Board of Directors on 24-Nov-2009. Base Case EV-DI and FMC projections include Management Corporate Risk Adjustments

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