

INITIAL PUBLIC OFFERING



PRESIDIO PAY ADVISORS, INC.

PRESIDIO PAY ADVISORS EXECUTIVE COMPENSATION SURVEY

SUMMARY HIGHLIGHTS



INITIAL PUBLIC OFFERING SURVEY

Presidio Pay Advisors, Inc. is pleased to announce a new survey covering compensation practices in 126 companies recently undergoing an initial public offering. The survey presents a snapshot of compensation levels at the time of IPO.

We have conducted a thorough examination of compensation practices and pay levels, extracting data from IPO prospectuses filed during calendar year 2007. Survey companies cover the biotech, business & financial services, energy & materials, medical supplies & devices, services, and technology industries. The table below shows the various data cuts provided in the surveys, along with median characteristics for the companies within each data cut. Custom data cuts are also available for purchase.

To download a survey synopsis with data presentation examples or to purchase this and other industry compensation surveys, please visit: www.presidiopay.com.

Dollars In Millions

	Data Cut	Number of Companies	Median Public Offering Value	Median Market Cap. at IPO	Median % of Company Offered	Median Shares Offered
Annual Revenue	Under \$30M	41	\$59.9	\$231.3	26.5%	5,000,000
	\$30M – \$100M	45	\$88.0	\$405.7	22.4%	7,390,000
	Greater Than \$100M	40	\$157.9	\$713.4	26.6%	11,333,334
Employees	Under 175	42	\$58.8	\$233.4	26.8%	5,101,011
	175 – 500	41	\$87.5	\$391.9	24.7%	6,750,000
	Greater Than 500	43	\$150.6	\$741.0	22.1%	10,700,000
Market Capitalization	Under \$300M	46	\$53.0	\$184.7	29.6%	5,101,011
	\$300M – \$500M	38	\$84.0	\$366.7	21.9%	6,000,000
	Greater Than \$500M	42	\$215.0	\$868.2	20.2%	13,650,000
Industry	Biotech	17	\$50.0	\$277.9	25.8%	5,000,000
	Business & Financial Services	15	\$109.8	\$451.9	24.9%	6,200,000
	Energy & Materials	11	\$92.0	\$298.3	37.2%	6,000,000
	Medical Supplies & Devices	10	\$77.6	\$360.7	23.7%	5,500,000
	Services	28	\$124.1	\$454.4	27.2%	9,954,921
	Technology	45	\$88.0	\$405.7	20.9%	7,390,000
All Companies		126	\$87.8	\$360.4	25.0%	6,674,964



COMPENSATION TRENDS

Executive Compensation

Companies in the survey used a combination of cash and equity to compensate senior managers in all industries and throughout the various financial metric cuts.

- Founder Chief Executive Officers own twice as many shares as Non-Founder Chief Executive Officers. This is a significant decrease from the previous two years when Founders owned four times as many shares.
- Total Cash compensation for Non-Founder Chief Executive Officers was nearly 40% higher than Founder Chief Executive Officers total cash compensation on average.
- Annual Incentives as a percent of base salary for Chief Executive Officers have decreased when compared to prior years.
- Once again, Executives in the Technology industry had the highest levels of ownership (stock options plus shares owned outright) at the time of IPO.
- The Services industry sector also had high executive ownership at the time of IPO.
- The practice of compensating executives at larger companies in cash and at smaller companies in equity continued in 2007.

Equity Compensation

Stock option overhang levels in IPO Companies have begun to level-off over the last year at approximately 17% post-IPO. This is well below the high of 25-30% range in 2000 and has remained at this level for the past three years.

- The Medical Supplies & Devices and Technology Sector are the only industry sectors to have post-IPO overhang levels above 20%.
- Overhang levels are fairly consistent in the two annual revenue cuts of under \$30M and \$30M – \$100M at approximately 18%. When the revenue exceeds \$100M the overhang drops by nearly 4%.
- Average annual net run rate in 2007 for all companies is 2.2%. This is an increase from the last two years which was closer to 2.0%.
- There was a significant increase, across all industries, in the practice of evergreen provisions in equity compensation plans.



EXECUTIVE COMPENSATION

The IPO Executive Compensation Survey presents a thorough analysis of compensation and ownership levels for twenty (20) executive positions and includes:

- Annual Base Salary and Cash Incentives
- Total Cash Compensation
- Stock Options and Long-Term Equity Incentives
- Stock Options and Shares Owned Outright at IPO
- Stock Option Gain Value at IPO

The table below presents the position data available in the survey by data cut category.

Position Title	N	All Co's	Annual Revenue			Number of Employees			Market Capitalization		
			Under \$30M	\$30M – \$100M	Greater Than \$100M	Under 175	175 – 500	Greater Than 500	Under \$300M	\$300M – \$500M	Greater Than \$500M
Chief Executive Officer - All	127	•	•	•	•	•	•	•	•	•	•
Chief Executive Officer - Founder	46	•	•	•	•	•	•	•	•	•	•
Chief Executive Officer - Non-Founder	81	•	•	•	•	•	•	•	•	•	•
Chief Operating Officer	37	•	•	•	•	•	•	•	•	•	•
Chief Financial Officer	116	•	•	•	•	•	•	•	•	•	•
Chairman of the Board	7	•	•	•	•	•	•	•	•	•	•
Top Sales & Marketing	9	•	•	•	•	•	•	•	•	•	•
Top Sales	30	•	•	•	•	•	•	•	•	•	•
Top Marketing	25	•	•	•	•	•	•	•	•	•	•
Top Human Resources	5	•	•	•	•	•	•	•	•	•	•
Top Business Development	9	•	•	•	•	•	•	•	•	•	•
Top Operations	29	•	•	•	•	•	•	•	•	•	•
Top Legal	29	•	•	•	•	•	•	•	•	•	•
Chief Technology Officer	20	•	•	•	•	•	•	•	•	•	•
Top Research	4	•	•	•	•	•	•	•	•	•	•
Top Research & Development	7	•	•	•	•	•	•	•	•	•	•
Top Engineering	12	•	•	•	•	•	•	•	•	•	•
Chief Scientific Officer	5	•	•	•	•	•	•	•	•	•	•
Chief Medical Officer	9	•	•	•	•	•	•	•	•	•	•
Vice President	123	•	•	•	•	•	•	•	•	•	•

The table below presents the position data available in the survey by industry cut.

Position Title	Biotech	Business & Financial Services	Energy & Materials	Medical Supplies & Devices	Services	Technology
Chief Executive Officer - All	•	•	•	•	•	•
Chief Executive Officer - Founder	•	•	•	•	•	•
Chief Executive Officer - Non-Founder	•	•	•	•	•	•
Chief Operating Officer	•	•	•	•	•	•
Chief Financial Officer	•	•	•	•	•	•
Chairman of the Board	•	•	•	•	•	•
Top Sales & Marketing	•	•	•	•	•	•
Top Sales	•	•	•	•	•	•
Top Marketing	•	•	•	•	•	•
Top Human Resources	•	•	•	•	•	•
Top Business Development	•	•	•	•	•	•
Top Operations	•	•	•	•	•	•
Top Legal	•	•	•	•	•	•
Chief Technology Officer	•	•	•	•	•	•
Top Research	•	•	•	•	•	•
Top Research & Development	•	•	•	•	•	•
Top Engineering	•	•	•	•	•	•
Chief Scientific Officer	•	•	•	•	•	•
Chief Medical Officer	•	•	•	•	•	•
Vice President	•	•	•	•	•	•



EXECUTIVE COMPENSATION

Included in the IPO Executive Compensation Survey are over 200 competitive market data points that have been categorized by position, industry and company financial metrics.

Investors, Boards of Directors and company management can use this information to help determine competitive compensation and ownership levels, including typical:

- Equity Holdings by Position and Industry at IPO
- Base Salary Compensation
- Incentive Compensation

The table below presents an example of the data presentation in the survey for a Chief Executive Officer – Non-Founder in the technology industry.

Chief Executive Officer - Non-Founder

DATA CUT:

Technology

JOB DESCRIPTION

The most senior executive responsible for all corporate functions at the approval of the Board of Directors. The position defines the current and long-range plans and objectives and directs the organization to ensure these objectives including the attainment of revenue, profit goals, and return on capital are met. Represents the company to major accounts/customers and the financial markets.

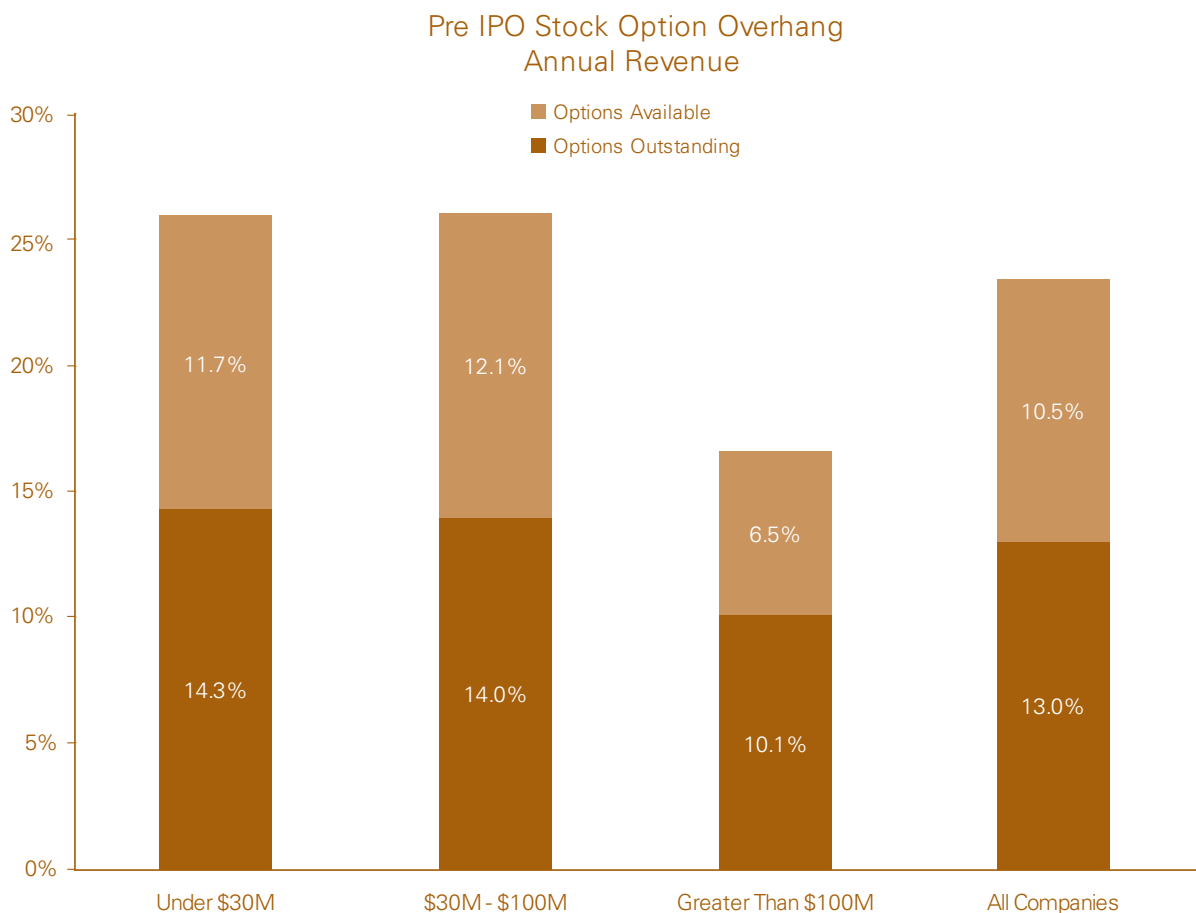
	Total Companies Reporting	N	25th Percentile	50th Percentile	60th Percentile	75th Percentile	Average
COMPANY DATA							
Reporting Company Data							
Fiscal Year End Revenue (\$Millions)	26	–	\$35.8	\$65.3	\$84.8	\$100.0	\$99.1
Employees at Fiscal Year End	26	–	223	284	370	497	548
Market Capitalization At IPO (\$Millions)	26	–	\$311.7	\$407.2	\$443.6	\$814.1	\$1,030.0
CASH COMPENSATION							
Base Salary							
Annual Base Salary (\$000s)		26	\$252.1	\$283.1	\$303.7	\$357.5	\$310.3
Annual Cash Incentives							
Annual Cash Incentive - Receiving (\$000s)		22	\$110.7	\$149.0	\$177.0	\$330.2	\$272.3
Annual Cash Incentive (% of Annual Salary)		22	40%	57%	64%	94%	91%
Total Cash Compensation							
Total Cash Compensation - Receiving Annual Incentive (\$000s)		22	\$381.9	\$431.7	\$488.8	\$686.2	\$572.2
Total Cash Compensation - All (\$000s)		26	\$368.0	\$410.0	\$440.0	\$617.8	\$540.7
EQUITY COMPENSATION							
Equity Grant In Period Preceding IPO							
Stock Option Grant Face Value - Receiving (\$000s)		13	\$371.0	\$715.0	\$733.7	\$1,235.0	\$3,463.0
Percent of Total Shares Outstanding At Time Of Offering			0.33%	0.48%	0.76%	1.41%	1.44%
Stock Option Gain Value At IPO Price (\$000s)		13	\$1,007.2	\$2,024.5	\$3,640.0	\$5,074.1	\$7,442.2
Restricted Stock Grant Value - Receiving (\$000s)		4	\$196.9	\$412.3	\$502.1	\$734.0	\$518.6
PERCENT OF TOTAL SHARES OUTSTANDING AT TIME OF OFFERING							
Equity Holdings At IPO							
Company Shares Owned		21	1.16%	2.66%	3.10%	3.93%	3.98%
Company Shares Subject to Options (Vested And Unvested)		24	0.70%	1.99%	2.27%	2.86%	2.35%
Total Equity at Offering		26	2.80%	4.02%	4.47%	5.25%	5.38%



EQUITY COMPENSATION

Our comprehensive IPO Executive Compensation Survey also analyzes equity grant practices and equity plan metrics. For each of the Employee and Annual Revenue data cuts, we present the following information:

- Stock Option Run-rate (period just prior to IPO and three-year average)
- Stock Option Overhang (before and after IPO)
- Evergreen Plan Statistics





SURVEY COMPANIES

3PAR Inc	Glu Mobile Inc	Orbitz Worldwide Inc
Accuray Inc	GSI Technology Inc	Orexigen Therapeutics, Inc.
AECOM Technology Corp	Gulfstream International Group, Inc.	Orion Energy Systems, Inc.
AeroVironment, Inc.	Haynes International Inc	Pharmasset, Inc.
Airvana Inc	Helicos BioSciences Corp	Polypore International Inc
American Public Education Inc	Hhgregg Inc	Power Med Interventions Inc
Amicus Therapeutics, Inc.	HireRight Inc	Pros Holdings Inc
Animal Health International, Inc.	Horsehead Holding Corp	Pzena Investment Management
Approach Resources Inc	ICx Technologies Inc	Response Genetics, Inc.
Aruba Networks Inc	ImaRx Therapeutics Inc	RSC Holdings Inc
ARYx Therapeutics, Inc.	Infinera Corp	Rubicon Technology Inc
Athenahealth Inc	Insulet Corp	Salary.com, Inc.
AuthenTec Inc	Intellon Corporation	SenoRx Inc
BigBand Networks Inc	Internet Brands Inc	ShoreTel Inc
Biodel Inc	Jazz Pharmaceuticals, Inc.	Silver State Bancorp
BioForm Medical Inc	JMP Group Inc	Sirtris Pharmaceuticals Inc.
BladeLogic Inc	K12 Inc.	Skilled Healthcare Group Inc
Bridgeline Software Inc	Limco-Piedmont Inc	Solera Holdings Inc
Bway Holding Co	Limelight Networks Inc	SoundBite Communications Inc
CAI Int Inc	Lululemon Athletica Inc	Sourcefire Inc
Cavium Networks Inc	Lumber Liquidators Inc	Starent Networks Corp
Cinemark Holdings Inc	MAP Pharmaceuticals Inc.	Sucampo Pharmaceuticals, Inc.
Clearwire Corp	Masimo Corp	SuccessFactors Inc
Compellent Technologies Inc	MedAssets, Inc.	Super Micro Computer Inc
Comscore Inc	Mellanox Technologies Ltd	Switch And Data Inc
Converge Inc	Memsic, Inc.	Synta Pharmaceuticals Corp.
Constant Contact Inc	Meruelo Maddux Properties Inc.	Targanta Therapeutics Corporation
Converted Organics Inc.	MetroPCS Communications Inc	TechTarget Inc
Data Domain Inc	Molecular Insight Pharmaceuticals, Inc.	Titan Machinery Inc.
Deltek Inc	Monotype Imaging Holdings Inc	Tomotherapy Incorporated
DemandTec Inc	MSCI Inc	Trans1 Inc
Dice Holdings Inc	Nanosphere Inc	TriMas Corp
Dolan Media Co	National CineMedia Inc	Ulta Salon Cosmetic Fragrance
Duff & Phelps Corp	Netezza Corp	US Auto Parts Networks Inc
Employers Holdings, Inc.	NetSuite Inc.	Vaughan Foods Inc
Encore Bancshares, Inc.	NeurogesX, Inc	Veraz Networks Inc
EnerNOC Inc	Neutral Tandem Inc	VeriChip Corporation
Ensign Group Inc	NovaBay Pharmaceuticals, Inc.	Virgin Mobile USA, Inc
Enteromedics Inc	Ocean Power Technologies Inc	Virtual Radiologic Corp
Entropic Communications Inc	Oculus Innovative Sciences, Inc.	Virtusa Corp
FCStone Group Inc	Opnext, Inc.	VMware Inc
Genoptix Inc	Optimer Pharmaceuticals, Inc.	XTENT, Inc.



ABOUT PRESIDIO PAY ADVISORS

Presidio Pay Advisors provides companies with thoughtful, independent, strategic advice and support on a wide range of compensation issues. Our collective expertise is comprehensive, encompassing the diverse array of human resources, finance, accounting, regulatory, and shareholder perspectives.

We assist with the competitive assessment, design, implementation and communication of:

- Total Compensation Strategy
- Annual Cash Incentives
- Long-Term Equity and Cash Incentives
- Employee Agreements
- Severance and Change-In-Control Arrangements

If you have questions regarding our surveys or would like to speak with a consultant, please call us at (415) 438-3400.

Please visit our website at www.presidiopay.com where our industry compensation surveys and our annual IPO survey are available for purchase.

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