

**Audience Restatement**

**Audience** (ADNC, \$11.82 -1.53, Rated Hold/Not Compelling on my latest Semiconductor Investment Ideas)

**Restates 4Q Earnings Lower:** Last Friday the company quietly restated 4Q earnings dropping \$420K from revenue and lowering EPS by (\$0.02) buried in SEC filings without a press release, but then highlighted a \$15M share repurchase program in a press release yesterday. Bad news delivered poorly, in my opinion, and the stock got crushed by -11.5% yesterday.

The company filed its annual 10K with the SEC last Friday, and also filed an 8K highlighting 4Q earnings restatements to its original press release from February 6. The low-lights are identified below. No word on 1Q guidance, but by lowering reported 4Q revenue it actually raises the relative outlook—assuming it’s unchanged. Guidance for 1Q revenue of \$33-36M now rounds to +0+9% from a previous -2+7%.

**ADNC 4Q13 Restatement**

*dollars in thousands, except per share amounts*

**Balance Sheet**

Item	Restatement	Original
Inventory	13,422	13,581
AR	5,670	6,091
Cash	<i>no change</i>	
Total Assets	179,419	179,998
Equity	159,381	159,807

**Income Statement**

Item	4Q		2013	
	Restatement	Original	Restatement	Original
Revenue	33,141	33,561	160,131	160,551
GAAP GM	52.3%	53.2%	55.5%	55.7%
Net Loss	(2,921)	(2,494)		
EPS	(\$0.13)	(\$0.11)	\$0.09	\$0.11
pro forma EPS	(\$0.13)	(\$0.11)	\$0.37	\$0.39

**—Dan K. Scovel**  
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