High Performance Embedded Systems

IT Integration Solutions
CSP Inc.

The Company wishes to take advantage of the ‘safe harbor’ provisions of the Private Securities Litigation Reform Act of 1995 with respect to statements that may be deemed to be forward-looking statements under the Act. Such forward-looking statements may include, but are not limited to, statements regarding the future growth of the CSP Inc., and the success of the Company’s and its subsidiary’s products and services. The Company cautions that numerous factors could cause actual results to differ materially from any forward-looking statements made by the Company. Please refer to the section on forward-looking statements included in the Company’s filings with the Securities and Exchange Commission.
Corporate Overview

- Diversified multinational technology company founded in 1968:
- Leading supplier of cutting edge IT Integration solutions and rugged high performance cluster computer systems.
  - 2 Segments
    - Service and Systems Integration
    - Systems
  - 139 People
- Businesses Include:

![MultiComputer](image1.png) 91%

![MODCOMP](image2.png) 9%
Investment Highlights

• Differentiated Systems Integration business model with ability to grow and increase market share when the market rebounds.
• Open systems technology based high performance cluster systems with the ability to meet the unique requirements of military applications.
• Financial Strength: Strong balance sheet - no debt
• Experienced Management with proven acquisition integration success.
• Positioned to grow profitably.
CSP Inc.

![Revenue Chart]

![Earnings Chart]
Strategy

• Provide cutting edge integration solutions for complex IT environments.

• Develop architecturally superior high performance cluster systems based on open systems technologies for military applications.

• Leverage core competencies to extend key technologies to new growth markets like unified communications and “value added” cluster systems.

• Attract a greater percentage of higher margin consulting, solutions and managed services business.

• Provide pipeline of innovative products and services to maintain strong customer relationships.

• Seek opportunities for growth through acquisitions and strategic partners.
Partnerships

**Dense Clusters**

- Lockheed Martin
- KBK
- Northrop Grumman
- Raytheon
- Annapolis Micro Systems
- Emerson

**Systems Integration Services**

- EMC
- HP
- IBM
- Juniper Networks
- Cisco Systems
- APC
- Hitachi
- Citrix
MODCOMP

A leading provider of solutions and services for complex IT environments that include storage and servers, network security, unified communications, unified computing and managed and consulting services.
The Security Landscape

- Firewall Monitoring
- Vulnerability Scanning
- Intrusion Detection
- Patch Management
- External Access
- Intrusion Detection
- Exterior Penetration
- Anti-Virus

ENTERPRISE NETWORK

Active Directory

HAF
Learning site
Cloud

External Access

ARCOR

vodafone

Atos Origin

9
Network Operations Center for Managed Services

- The NOC monitors key elements of a customer’s network infrastructure on a 24x7x365 basis
- Value proposition to customers is to “leverage the skill of a team of experts for less than the cost of one high-level employee”
- Recurring revenue model
The Big IT Story:
“New” IT Spending

Source: IDC Directions 2007
MultiComputer Division

A leading supplier of High-Performance dense and rugged Cluster computing systems based on open systems technologies for military applications.

**Highlights**
- Excellent Customer references
- 40 years experience
- Technology leadership in open systems software model

Blades | Rugged Systems

Sonar Systems
Defense Market

• **Environments**
  – Air, Land and Sea Platforms
  – Extended Temperature, Humidity, Sand, Dust, Shock, Vibration and Corrosive Elements

• **Digital Signal Processing Applications**
  – Radar
  – Sonar
  – C4ISR
    • Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance

• **Programs**
  – E2-D
  – GASS
  – HYDRA
  – SAPPS
  – C4ISR/AJCN
  – Raytheon

• **CSPI MultiComputer**
  – Dense / High Performance Clusters
  – Open – Linux / VxWorks
  – Commercial (VME), Rugged and Conduction Cooled Solutions
    • Preserve customer software investment
    • Engineering expertise needed to meet customer’s unique requirements
The Challenges of Today’s Warfare

Leveraging COTS Embedded Solutions

- Network Centric Operations
- Information Superiority
- Precision Targeting

- Multi-Mission
- Data Fusion
- Data Explosion
- Combat ID
COTS Defense Market

COTS in Defense

Defense Electronics Market

COTS

$0.7 (Boards)

$2.3 (Systems)

$27.0

$3.0

All amounts are in Billions of dollars

DoD program example: E-2D Advanced Hawkeye

Revenue Stream

Note: Revenue opportunity in 2012 and beyond is subject to DoD funding and schedule decisions.
Financial Review

- Strong Balance Sheet
- Leverageable model
Annual Sales

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Revenue - $ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2008</td>
<td>76.8</td>
</tr>
<tr>
<td>FY 2009</td>
<td>83.4</td>
</tr>
<tr>
<td>FY 2010</td>
<td>95.0</td>
</tr>
<tr>
<td>FY 2011 Q1</td>
<td>22.1</td>
</tr>
</tbody>
</table>
Annual Earnings per Share (Diluted)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>FY 2011 Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPS (Diluted)</td>
<td>($0.11)</td>
<td>(1.05)</td>
<td>0.25</td>
<td>0.11</td>
</tr>
</tbody>
</table>
Fiscal Year Ended September 30, 2010
Sales by Geography

- Americas: 71%
- Europe: 28%
- Asia: 1%
Fiscal Year Ended September 30, 2010
Sales by Segment & Gross Margin

- Service and Systems Integration (GM @ 13%): 91%
- Systems (GM @ 67%): 9%

Blended GM of 18%
# Balance Sheet Highlights

<table>
<thead>
<tr>
<th>Dollars in Millions</th>
<th>9/30/2009</th>
<th>9/30/2010</th>
<th>12/31/2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash &amp; Short Term Investments</td>
<td>$18.9</td>
<td>$15.5</td>
<td>$16.0</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$7.4</td>
<td>$12.2</td>
<td>$11.5</td>
</tr>
<tr>
<td>Inventory</td>
<td>$5.9</td>
<td>$5.9</td>
<td>$6.2</td>
</tr>
<tr>
<td>Other current assets</td>
<td>$3.7</td>
<td>$2.4</td>
<td>$2.4</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td>$35.9</td>
<td>$36.0</td>
<td>$36.1</td>
</tr>
<tr>
<td>Long-term assets</td>
<td>$4.6</td>
<td>$5.4</td>
<td>$5.4</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$40.5</td>
<td>$41.4</td>
<td>$41.5</td>
</tr>
<tr>
<td><strong>Liabilities &amp; Shareholders' Equity</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>$13.2</td>
<td>$13.9</td>
<td>$13.9</td>
</tr>
<tr>
<td>Pensions &amp; Other Long Term Liabilities</td>
<td>$8.6</td>
<td>$9.0</td>
<td>$8.9</td>
</tr>
<tr>
<td>Shareholders' equity</td>
<td>$18.7</td>
<td>$18.5</td>
<td>$18.7</td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Shareholders' Equity</strong></td>
<td>$40.5</td>
<td>$41.4</td>
<td>$41.5</td>
</tr>
<tr>
<td><strong>Working Capital</strong></td>
<td>$22.7</td>
<td>$22.1</td>
<td>$22.2</td>
</tr>
</tbody>
</table>
Goals

Increase Market Share

- MODCOMP
  - Expand “solution” offerings to growth markets like network security management and unified communications
  - Increase sales force and forge new supplier partnerships to leverage success in infrastructure solutions
  - Increase higher margin consulting services and leverage NOC to expand managed services

- CSPI MultiComputer
  - Win a Deployment phase from a current program
  - Ramp up sales of FastCluster 4000 SERIES and OpenVPX 3000 SERIES product lines.

- Evaluate acquisition opportunities
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