

CEVA

January 28, 2010

Hold (CEVA, \$11.73)**Another Royalty Record; Estimates Unchanged****Allan Mishan**Managing Director
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Summary: CEVA reported Q4 results that were slightly ahead of expectations, and provided 2010 guidance that was mostly in-line. The company set a new royalty record, and saw unit growth of 36% vs. Q3. We retain our Hold rating as shares appear fully valued.

Q4 slightly ahead. CEVA reported Q4 results that were slightly ahead of expectations. Revenue of \$10.2M was up 5% sequentially, and EPS of \$0.11 was a penny ahead of expectations, though it declined \$0.01 vs. Q3 on higher op-ex.

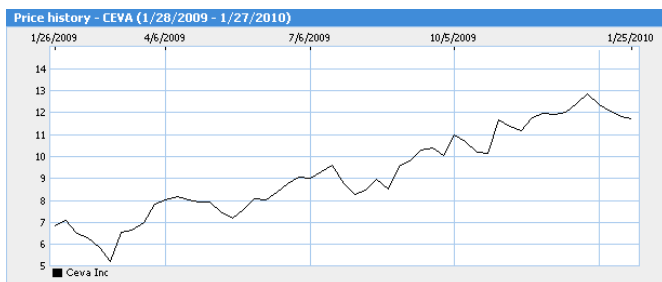
Royalty record. CEVA reported record royalty revenues. Q4's \$4.8M was up 31% sequentially and actually eclipsed CEVA's licensing revenue for the quarter. Royalty units grew 36% vs. Q3, including more than 30% growth in handset units and more than 45% growth in consumer and other.

New tier-1 handset OEM LTE license. CEVA announced a major new license with an unnamed tier-1 handset OEM. This OEM uses Texas Instruments (TXN, Hold) and Qualcomm (QCOM, Buy) basebands today, but is undertaking its own development for LTE using CEVA. It will likely be some time before CEVA sees royalties from this agreement, but it is an important validation of CEVA's technology.

Tweaking estimates. Our estimates are mostly unchanged. For 2010 we now expect revenue of \$42.5M and EPS of \$0.45 vs. a prior \$43.0M and \$0.45. For 2011 our estimates remain at revenue of \$50M and EPS of \$0.60.

Big cash balance. CEVA continues to add to its big cash balance, now over \$100M and almost \$5 per share.

Retain hold rating. We retain our Hold rating on CEVA. Shares appear fully valued at 26X 2010E EPS of \$0.45, or excluding cash, 19X 2010E EPS excluding interest of \$0.37.



Note: EPS excludes stock expense, amortization, and one-time items
Source: MSN Money

Please see addendum on page 10 for disclosures.

CEVA	\$11.73	EPS	2009A	2010E	2011E
Mkt. Cap \$M	\$252	1Q	0.11	0.10E	0.13E
FY Ends	Dec	2Q	0.08	0.09E	0.12E
Shares (dil.)	21,480	3Q	0.12	0.12E	0.15E
52-week low	\$ 5.10	4Q	0.11	0.13E	0.19E
52-week high	\$ 13.06	Year	\$0.42	\$0.45E	\$0.60E
BV/Share	\$6.48	P/E	27.7x	26.3x	19.7x
Price/Book	1.8 x	Revenue \$M			
Net Cash/Shr	\$4.68	1Q	9.5	10.4E	11.9E
Price/Net Cash	2.5 x	2Q	9.1	10.0E	11.6E
		3Q	9.7	10.8E	12.7E
Ent. Value \$M	\$151	4Q	10.2	11.3E	13.9E
EV/LTM sales	3.9 x	Year	38.5	42.5E	50.0E

4Q09 Earnings Summary

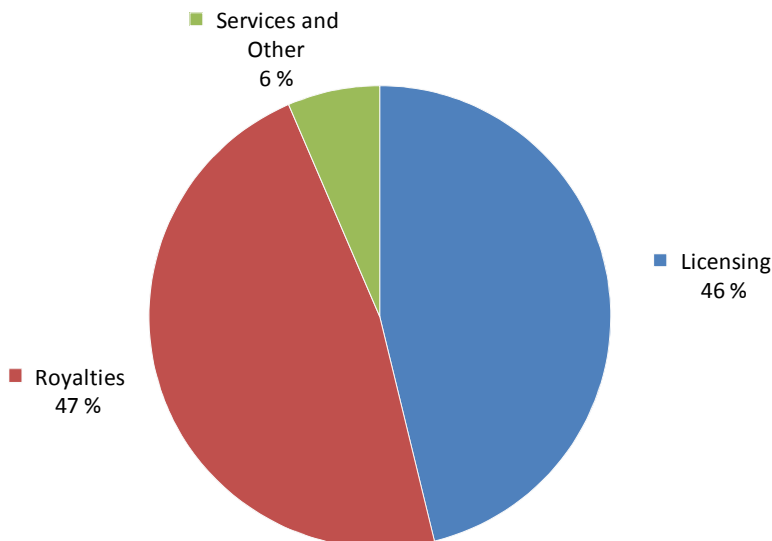
Exhibit 1. CEVA 4Q09 Earnings Summary and Deviation from Estimates

CEVA, Inc.

From Continuing Operations Fiscal Year Ends December, Dollars in Millions	Current Quarter Deviation From Estimates and Growth Rates							
	Actual	Prior Est.	Deviation	Year-Ago Quarter		Last Quarter		
	4Q:09A Dec-09	4Q:09E Dec-09	From Estimate	4Q:08A Dec-08	YoY Change	3Q:09A Sep-09	QoQ Change	
Revenues	\$ 10.2	\$ 9.9	3%	\$ 10.0	2%	\$ 9.7	5%	
<i>QoQ % Change</i>	5%	3%	3%	-2%	7%	6%	-1%	
<i>YoY % Change</i>	2%	-1%	2%	21%	-20%	-5%	7%	
Cost of Goods	0.9	0.9	-7%	1.1	-20%	0.8	6%	
Gross Profit	9.3	9.0	3%	8.9	4%	8.8	5%	
Research and Development	4.2	4.2	2%	4.8	-11%	3.9	10%	
Selling, General and Administrative	2.8	2.7	4%	2.8	1%	2.7	6%	
Total Operating Expenses	7.1	6.9	3%	7.6	-6%	6.6	8%	
Operating Income	2.2	2.1	6%	1.4	64%	2.3	-3%	
Interest & Other Income	0.5	0.4	25%	0.8	-27%	0.6	-1%	
Pretax Income	2.8	2.5	9%	2.1	31%	2.8	-3%	
Income Tax Expense	0.4	0.3	14%	0.5	-31%	0.4	-5%	
Net Income Before Goodwill	2.4	2.2	8%	1.6	53%	2.4	-2%	
Pro Forma Earnings Per Share	\$ 0.12	\$ 0.11	8%	\$ 0.08	49%	\$ 0.12	-4%	
Fully Diluted Pro Forma Earnings Per Share	\$ 0.11	\$ 0.10	7%	\$ 0.08	42%	\$ 0.12	-7%	
Amortization Charges	-	-	NA	-	NA	-	NA	
Deferred Stock Compensation Expense	0.7	0.7	1%	0.8	-15%	0.7	4%	
Net Income	1.7	-	NA	0.7	131%	1.8	-5%	
Margin Analysis (excl. Goodwill)								
Gross Margin	91.4%	90.5%	1%	89.0%	2%	91.4%	0%	
R&D/Sales	41.7%	41.9%	0%	47.5%	-6%	40.0%	2%	
SG&A/Sales	28.0%	27.5%	0%	28.0%	0%	27.8%	0%	
Operating Margin	21.7%	21.0%	1%	13.5%	8%	23.6%	-2%	
Pretax Margin	27.1%	25.4%	2%	21.0%	6%	29.3%	-2%	
Tax Rate	13.6%	13.0%	1%	25.8%	-12%	13.9%	0%	
Net Margin	23.4%	22.1%	1%	15.6%	8%	25.2%	-2%	

Source: Company reports, Brigantine Advisors

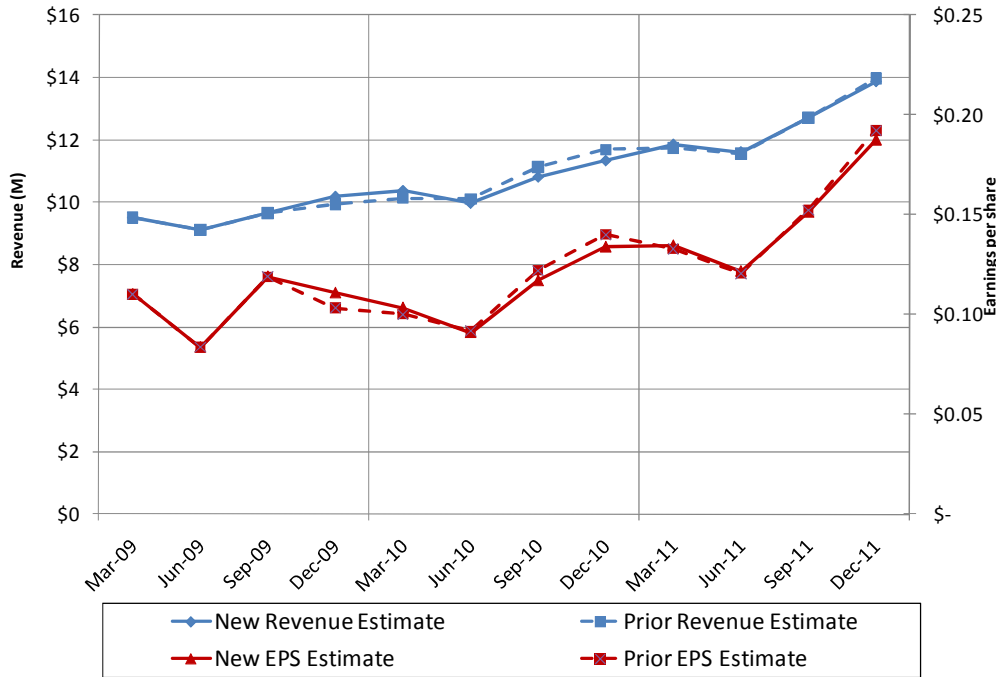
Exhibit 2. CEVA Revenue Breakdown – 4Q09



Source: Company reports, Brigantine Advisors

Estimate Changes

Exhibit 3. Changes to Our Revenue and EPS Estimates, 1Q09-4Q11E



Source: Company reports, Brigantine Advisors

Exhibit 4. Detailed Changes to Our Revenue and EPS Estimates, 2009-2010

CEVA, Inc.

Changes to our Earnings Model: 2010 Quarterly and Fiscal Year Estimates

From Continuing Operations	Actual	Prior Est.	Change	Actual	Prior Est.	Change	New Est.	Prior Est.	Change	New Est.	Prior Est.	Change	New Est.	Prior Est.	Change
Fiscal Year Ends December, Dollars in Millions	1Q:10E	1Q:10E	From	2Q:10E	2Q:10E	From	3Q:10E	3Q:10E	From	4Q:10E	4Q:10E	From	Year	Year	From
	Mar-10	Mar-10	Prior	Jun-10	Jun-10	Prior	Sep-10	Sep-10	Prior	Dec-10	Dec-10	Prior	2010E	2010E	Prior
Revenues	\$ 10.4	\$ 10.1	2%	\$ 10.0	\$ 10.1	-1%	\$ 10.8	\$ 11.1	-3%	\$ 11.3	\$ 11.7	-3%	\$ 42.5	\$ 43.0	-1%
QoQ % Change	2%	2%	0%	-4%	0%	-4%	8%	10%	-2%	5%	5%	0%	0%	0%	0%
YoY % Change	9%	6%	3%	10%	11%	-1%	12%	15%	-3%	11%	18%	-6%	10%	13%	-2%
Cost of Goods	0.9	1.0	-7%	0.9	1.0	-9%	1.0	1.1	-11%	0.9	1.1	-13%	3.8	4.3	-10%
Gross Profit	9.4	9.1	3%	9.0	9.1	0%	9.8	10.0	-2%	10.4	10.6	-2%	38.7	38.8	0%
Research and Development	4.3	4.3	2%	4.3	4.4	0%	4.4	4.5	0%	4.5	4.6	0%	17.7	17.7	0%
Selling, General and Administrative	3.0	2.8	6%	2.9	2.9	0%	2.9	2.9	-1%	2.9	3.0	-1%	11.7	11.6	1%
Total Operating Expenses	7.3	7.1	3%	7.2	7.3	0%	7.3	7.4	-1%	7.5	7.6	-1%	29.4	29.3	0%
Operating Income	2.1	2.0	4%	1.8	1.8	-2%	2.5	2.6	-5%	2.9	3.0	-5%	9.2	9.5	-3%
Interest & Other Income	0.5	0.4	7%	0.5	0.5	6%	0.5	0.5	6%	0.5	0.5	6%	2.0	1.8	6%
Pretax Income	2.6	2.5	4%	2.3	2.3	0%	2.9	3.0	-3%	3.4	3.5	-4%	11.2	11.3	-1%
Income Tax Expense	0.3	0.3	4%	0.3	0.3	0%	0.4	0.4	-3%	0.4	0.5	-4%	1.5	1.5	-1%
Net Income Before Goodwill	2.2	2.1	4%	2.0	2.0	0%	2.6	2.7	-3%	3.0	3.1	-4%	9.7	9.8	-1%
Pro Forma Earnings Per Share	\$ 0.11	\$ 0.11	4%	\$ 0.10	\$ 0.10	0%	\$ 0.12	\$ 0.13	-3%	\$ 0.14	\$ 0.15	-4%	\$ 0.48	\$ 0.48	-1%
Fully Diluted Pro Forma Earnings Per Share	\$ 0.10	\$ 0.10	3%	\$ 0.09	\$ 0.09	-1%	\$ 0.12	\$ 0.12	-4%	\$ 0.13	\$ 0.14	-4%	\$ 0.45	\$ 0.45	-2%
Amortization Charges	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
Deferred Stock Compensation Expense	0.6	0.7	-14%	0.6	0.7	-14%	0.6	0.7	-14%	0.6	0.7	-14%	2.4	2.8	-14%
Net Income	1.6	1.4	13%	1.4	1.3	8%	2.0	2.0	1%	2.4	2.4	0%	7.3	7.0	4%
Margin Analysis (excl. Goodwill)															
Gross Margin	91.0%	90.1%	1%	90.6%	89.8%	1%	90.7%	89.8%	1%	91.7%	90.7%	1%	91.0%	90.1%	1%
R&D/Sales	41.9%	42.1%	0%	43.6%	43.2%	0%	41.1%	40.1%	1%	40.1%	39.1%	1%	41.6%	41.0%	1%
SG&A/Sales	28.9%	28.0%	1%	29.1%	28.6%	1%	26.8%	26.4%	0%	26.0%	25.6%	0%	27.6%	27.0%	1%
Operating Margin	20.2%	20.0%	0%	18.0%	18.0%	0%	22.7%	23.3%	-1%	25.5%	26.1%	-1%	21.7%	22.0%	0%
Pretax Margin	24.8%	24.4%	0%	22.8%	22.5%	0%	27.3%	27.4%	0%	30.0%	30.1%	0%	26.3%	26.3%	0%
Tax Rate	13.0%	13.0%	0%	13.0%	13.0%	0%	13.0%	13.0%	0%	13.0%	13.0%	0%	13.0%	13.0%	0%
Net Margin	21.6%	21.2%	0%	19.9%	19.6%	0%	23.7%	23.8%	0%	26.1%	26.2%	0%	22.9%	22.9%	0%

Source: Company reports, Brigantine Advisors

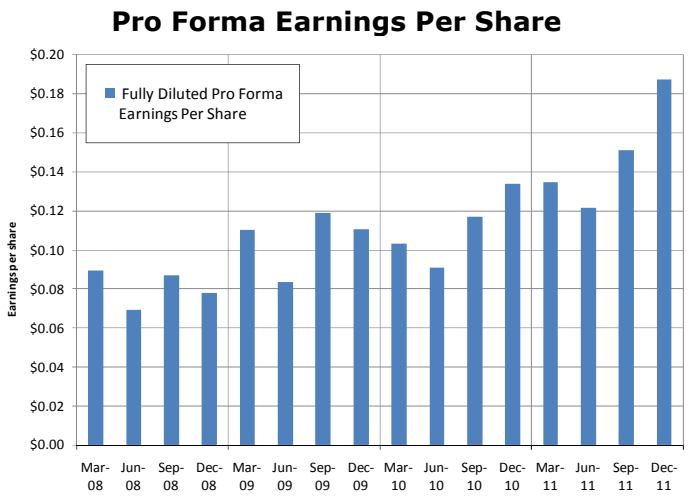
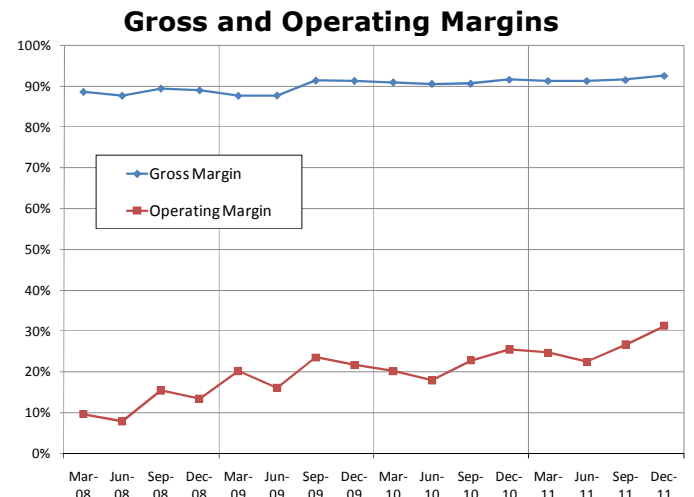
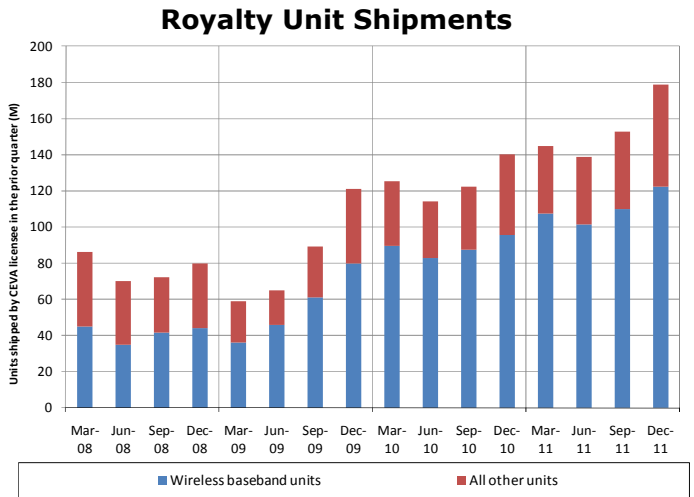
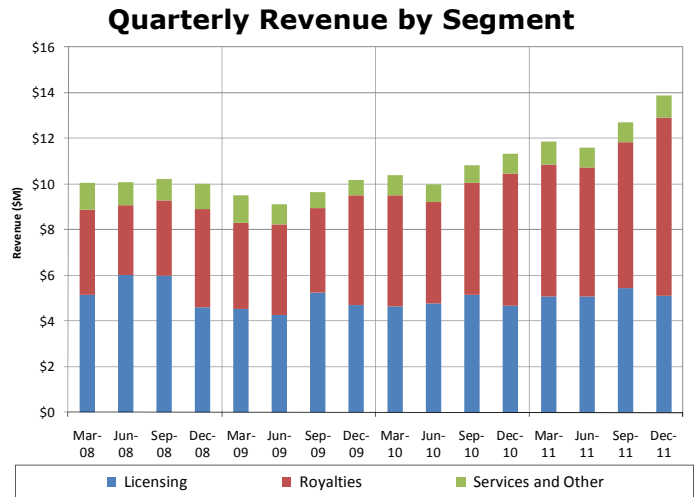
CEVA, Inc.

Changes to our Earnings Model: 2011 Quarterly and Fiscal Year Estimates

From Continuing Operations	New Est.	Prior Est.	Change	New Est.	Prior Est.	Change	New Est.	Prior Est.	Change	New Est.	Prior Est.	Change	New Est.	Prior Est.	Change
Fiscal Year Ends December, Dollars in Millions	1Q:11E	1Q:11E	From	2Q:11E	2Q:11E	From	3Q:11E	3Q:11E	From	4Q:11E	4Q:11E	From	Year	Year	From
	Mar-11	Mar-11	Prior	Jun-11	Jun-11	Prior	Sep-11	Sep-11	Prior	Dec-11	Dec-11	Prior	2011E	2011E	Prior
Revenues	\$ 11.9	\$ 11.7	1%	\$ 11.6	\$ 11.6	0%	\$ 12.7	\$ 12.7	0%	\$ 13.9	\$ 14.0	-1%	\$ 50.0	\$ 50.0	0%
QoQ % Change	5%	0%	4%	-2%	-1%	-1%	9%	10%	-1%	9%	10%	-1%	0%	0%	0%
YoY % Change	14%	16%	-2%	16%	14%	2%	18%	14%	3%	22%	19%	3%	18%	16%	2%
Cost of Goods	1.0	1.1	-7%	1.0	1.1	-6%	1.1	1.1	-7%	1.0	1.1	-7%	4.1	4.4	-7%
Gross Profit	10.8	10.6	2%	10.6	10.5	1%	11.6	11.6	1%	12.8	12.9	0%	45.9	45.5	1%
Research and Development	4.7	4.7	2%	4.8	4.8	2%	5.0	5.0	2%	5.2	5.2	2%	19.9	19.6	2%
Selling, General and Administrative	3.1	3.1	2%	3.1	3.1	0%	3.2	3.2	0%	3.2	3.2	0%	12.7	12.6	1%
Total Operating Expenses	7.9	7.8	2%	8.0	7.9	1%	8.2	8.2	1%	8.5	8.4	1%	32.6	32.2	1%
Operating Income	2.9	2.9	2%	2.6	2.6	1%	3.4	3.4	-1%	4.3	4.5	-3%	13.3	13.3	0%
Interest & Other Income	0.5	0.5	5%	0.5	0.5	6%	0.5	0.5	6%	0.5	0.5	6%	2.1	2.0	6%
Pretax Income	3.4	3.4	2%	3.1	3.1	2%	3.9	3.9	0%	4.9	5.0	-2%	15.4	15.3	0%
Income Tax Expense	0.4	0.4	2%	0.4	0.4	2%	0.5	0.5	0%	0.6	0.6	-2%	2.0	2.0	0%
Net Income Before Goodwill	3.0	2.9	2%	2.7	2.7	2%	3.4	3.4	0%	4.2	4.3	-2%	13.4	13.3	0%
Pro Forma Earnings Per Share	\$ 0.14	\$ 0.14	2%	\$ 0.13	\$ 0.13	2%	\$ 0.16	\$ 0.16	0%	\$ 0.20	\$ 0.20	-2%	\$ 0.63	\$ 0.63	0%
Fully Diluted Pro Forma Earnings Per Share	\$ 0.13	\$ 0.13	1%	\$ 0.12	\$ 0.12	1%	\$ 0.15	\$ 0.15	-1%	\$ 0.19	\$ 0.19	-3%	\$ 0.60	\$ 0.60	-1%
Amortization Charges	-	-	NA	-	-	NA	-	-	NA	-	-	NA	-	-	NA
Deferred Stock Compensation Expense	0.6	0.7	-14%	0.6	0.7	-14%	0.6	0.7	-14%	0.6	0.7	-14%	2.4	2.8	-14%
Net Income	2.4	2.2	7%	2.1	2.0	8%	2.8	2.7	4%	3.6	3.6	1%	11.0	10.5	4%
Margin Analysis (excl. Goodwill)															
Gross Margin	91.3%	90.6%	1%	91.3%	90.6%	1%	91.6%	91.0%	1%	92.6%	92.1%	1%	91.7%	91.1%	1%
R&D/Sales	40.0%	39.7%	0%	41.7%	41.2%	1%	39.7%	39.1%	1%	37.8%	37.0%	1%	39.7%	39.1%	1%
SG&A/Sales	26.6%	26.3%	0%	27.1%	27.1%	0%	25.2%	25.1%	0%	23.4%	23.2%	0%	25.5%	25.3%	0%
Operating Margin	24.7%	24.6%	0%	22.4%	22.3%	0%	26.7%	26.8%	0%	31.3%	31.9%	-1%	26.5%	26.7%	0%
Pretax Margin	29.0%	28.7%	0%	27.0%	26.6%	0%	30.8%	30.8%	0%	35.2%	35.6%	0%	30.7%	30.7%	0%
Tax Rate	13.0%	13.0%	0%	13.0%	13.0%	0%	13.0%	13.0%	0%	13.0%	13.0%	0%	13.0%	13.0%	0%
Net Margin	25.2%	25.0%	0%	23.5%	23.1%	0%	26.8%	26.8%	0%	30.6%	31.0%	0%	26.7%	26.7%	0%

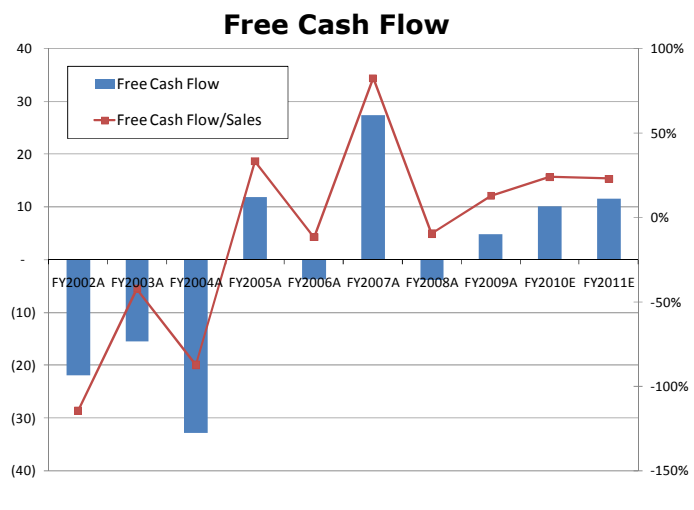
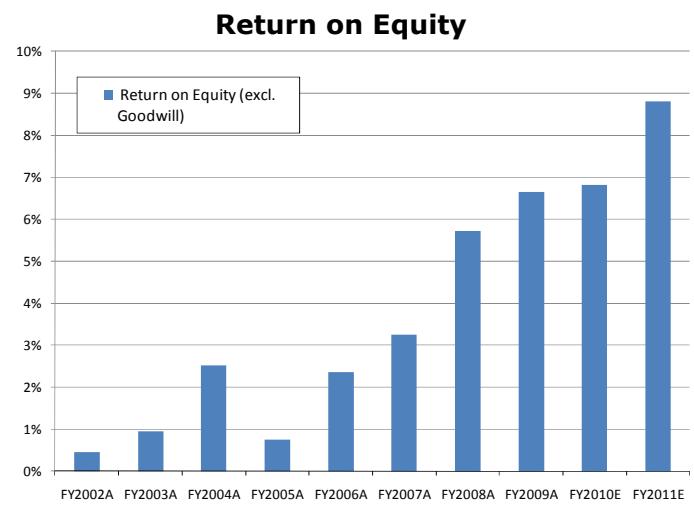
Source: Company reports, Brigantine Advisors

Exhibit 5. Quarterly Revenue and Profitability Metrics



Source: Company reports, Brigantine Advisors

Exhibit 4. Annual Return on Equity and Free Cash Flow Metrics



Source: Company reports, Brigantine Advisors

Communications Semiconductor Comparable Company Analysis

Brigantine Advisors

Semiconductor Equity Research

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Symbol	Rating	Price 1/28/10	52-Week High	52-Week Low	Market Cap	CY 2009E EPS	CY 2010E EPS	Price / CY 2009E EPS	Price / CY 2010E EPS	Tang. Book / Share	Net Cash / Share	Price / Tang. Book /	Price / Net Cash /	Enterprise Value	CY 2009E Sales	CY 2010E Sales	EV / CY 2009E Sales	EV / CY 2010E Sales
High Volume Communications																		
ATHR	Buy (AM)	\$35.47	\$37.44	\$11.49	\$2,350	\$1.36	\$2.15	26.2 x	16.5 x	\$6.15	\$ 6.31	5.8 x	5.6 x	\$1,932	\$542	\$855	3.6 x	2.3 x
BRCM	Hold (AM)	29.68	32.49	15.31	16,323	1.17	1.65	25.4 x	18.0 x	4.64	4.32	6.4 x	6.9 x	13,945	4,468	5,350	3.1 x	2.6 x
CEVA	Hold (AM)	12.08	13.06	5.10	259	0.42	0.45	28.5 x	27.1 x	4.78	4.68	2.5 x	2.6 x	159	38	42	4.1 x	3.7 x
ENTR	Not Rated	3.82	4.30	0.42	268	(0.01)	0.27	NM	14.1 x	0.90	0.49	4.2 x	7.8 x	234	116	163	2.0 x	1.4 x
IKAN	Not Rated	2.35	2.62	1.10	91	(0.31)	0.15	NM	15.7 x	1.71	1.00	1.4 x	2.3 x	52	129	231	0.4 x	0.2 x
MRVL	Buy (AM)	20.35	21.76	5.66	13,513	0.95	1.30	21.3 x	15.7 x	2.87	2.26	7.1 x	9.0 x	12,012	2,800	3,300	4.3 x	3.6 x
QCOM	Buy (AM)	49.32	49.80	32.64	83,400	2.20	2.18	22.4 x	22.6 x	9.89	11.19	5.0 x	4.4 x	64,472	10,542	10,949	6.1 x	5.9 x
SIGM	Not Rated	11.71	17.63	9.59	359	0.79	0.83	14.8 x	14.1 x	10.54	3.89	1.1 x	3.0 x	240	191	237	1.3 x	1.0 x
STM	Not Rated	8.85	10.28	3.73	7,756	(0.74)	0.29	NM	30.5 x	6.12	0.15	1.4 x	NM	8,897	8,428	9,837	1.1 x	0.9 x
TXN	Hold (RM)	24.72	27.00	13.70	31,345	1.12	1.84	22.1 x	13.4 x	6.60	2.72	3.7 x	9.1 x	27,891	10,399	11,658	2.7 x	2.4 x
Communications Infrastructure																		
ALTR	Not Rated	\$21.75	\$23.26	\$13.92	\$6,472	\$0.79	\$1.22	27.5 x	17.8 x	\$3.22	\$ 2.90	6.8 x	7.5 x	\$5,608	\$1,165	\$1,385	4.8 x	4.0 x
AMCC	Hold (AM)	8.30	10.59	3.24	568	(0.11)	0.23	NM	35.6 x	3.86	2.89	2.2 x	2.9 x	370	192	231	1.9 x	1.6 x
CAVM	Hold (AM)	23.38	25.05	7.14	1,075	0.03	0.45	NM	51.6 x	2.09	1.53	11.2 x	15.3 x	1,005	100	169	10.1 x	5.9 x
LSI	Hold (AM)	5.97	6.23	2.39	4,115	0.35	0.40	17.2 x	14.8 x	0.77	0.89	7.7 x	6.7 x	3,503	2,219	2,600	1.6 x	1.3 x
NETL	Buy (AM)	45.58	48.00	19.68	1,124	1.52	1.85	30.0 x	24.7 x	1.42	0.21	NM	NM	1,119	167	300	6.7 x	3.7 x
MSPD	Buy (AM)	6.33	6.80	0.71	180	(0.27)	0.48	NM	13.3 x	0.69	(0.07)	9.2 x	NM	182	133	162	1.4 x	1.1 x
PMCS	Buy (AM)	8.19	10.07	4.18	1,899	0.49	0.60	16.8 x	13.7 x	1.46	1.54	5.6 x	5.3 x	1,544	493	570	3.1 x	2.7 x
XLNX	Not Rated	23.88	25.62	15.00	6,614	0.92	1.53	26.0 x	15.6 x	7.10	5.48	3.4 x	4.4 x	5,098	1,675	1,991	3.0 x	2.6 x
75th Percentile					\$7,471			26.5 x	24.2 x			6.8 x	7.6 x	\$8,075			4.2 x	3.7 x
Median					2,124			23.9 x	16.1 x			5.0 x	5.6 x	1,738			3.1 x	2.5 x
Mean					9,873			23.2 x	20.8 x			5.0 x	6.2 x	8,237			3.4 x	2.6 x
25th Percentile					411			20.3 x	14.3 x			2.5 x	3.7 x	273			1.7 x	1.4 x

Footnotes: (AM) = covered by Brigantine Advisor analyst Allan Mishan; (RM) covered by Ramesh Misra.

Source: Brigantine Advisors estimates, First Call. For companies not under Brigantine Advisors coverage, First Call revenue and EPS estimates are used.

Brigantine Advisors

Allan Mishan (212) 447-6030

CEVA, Inc.

Income Statement Model

Fiscal Year Ends December, Dollars in Millions

	Year 2005A	Year 2006A	Year 2007A	Year 2008A	1Q:09A Mar-09	2Q:09A Jun-09	3Q:09A Sep-09	4Q:09A Dec-09	Year 2009A	1Q:10E Mar-10	2Q:10E Jun-10	3Q:10E Sep-10	4Q:10E Dec-10	Year 2010E	Year 2011E
Revenues	\$ 35.6	\$ 32.5	\$ 33.2	\$ 40.4	\$ 9.5	\$ 9.1	\$ 9.7	\$ 10.2	\$ 38.5	\$ 10.4	\$ 10.0	\$ 10.8	\$ 11.3	\$ 42.5	\$ 50.0
<i>QoQ % Change</i>					-5%	-4%	6%	5%		2%	-4%	8%	5%		
<i>YoY % Change</i>	-5%	-9%	2%	22%	-6%	-10%	-5%	2%	-5%	9%	10%	12%	11%	10%	18%
Cost of Goods	4.2	4.0	3.8	4.6	1.2	1.1	0.8	0.9	4.0	0.9	0.9	1.0	0.9	3.8	4.1
Gross Profit	31.4	28.5	29.4	35.8	8.3	8.0	8.8	9.3	34.5	9.4	9.0	9.8	10.4	38.7	45.9
Research and Development	20.2	18.1	18.2	19.1	3.8	3.8	3.9	4.2	15.7	4.3	4.3	4.4	4.5	17.7	19.9
Selling, General and Administrative	12.3	10.7	10.9	12.0	2.6	2.8	2.7	2.8	10.9	3.0	2.9	2.9	2.9	11.7	12.7
Total Operating Expenses	32.5	28.8	29.1	31.1	6.4	6.5	6.6	7.1	26.6	7.3	7.2	7.3	7.5	29.4	32.6
Operating Income	(1.1)	(0.2)	0.3	4.7	1.9	1.5	2.3	2.2	7.9	2.1	1.8	2.5	2.9	9.2	13.3
Interest & Other Income	1.8	2.6	3.5	2.7	0.5	0.5	0.6	0.5	2.0	0.5	0.5	0.5	0.5	2.0	2.1
Pretax Income	0.8	2.4	3.8	7.4	2.4	1.9	2.8	2.8	9.9	2.6	2.3	2.9	3.4	11.2	15.4
Income Tax Expense	-	(0.1)	0.3	0.7	0.2	0.3	0.4	0.4	1.3	0.3	0.3	0.4	0.4	1.5	2.0
Net Income Before Goodwill	0.8	2.5	3.6	6.7	2.2	1.7	2.4	2.4	8.7	2.2	2.0	2.6	3.0	9.7	13.4
Pro Forma Earnings Per Share	\$ 0.04	\$ 0.13	\$ 0.15	\$ 0.34	\$ 0.11	\$ 0.09	\$ 0.12	\$ 0.12	\$ 0.44	\$ 0.11	\$ 0.10	\$ 0.12	\$ 0.14	\$ 0.48	\$ 0.63
Fully Diluted Pro Forma Earnings Per Share	\$ 0.04	\$ 0.13	\$ 0.15	\$ 0.32	\$ 0.11	\$ 0.08	\$ 0.12	\$ 0.11	\$ 0.42	\$ 0.10	\$ 0.09	\$ 0.12	\$ 0.13	\$ 0.45	\$ 0.60
Weighted Average Shares Out.	18,804	19,189	19,655	20,010	19,557	19,515	19,689	20,101	19,716	20,251	20,401	20,551	20,701	20,476	21,076
Fully Diluted Shares	18,942	19,315	20,252	20,704	19,754	20,014	20,492	21,480	20,435	21,630	21,780	21,930	22,080	21,855	22,455
Amortization of Goodwill and Intangibles	0.8	0.4	0.1	0.0	-	-	-	-	-	-	-	-	-	-	-
Stock Compensation Expense	-	2.2	2.1	2.9	0.8	0.7	0.7	0.7	2.9	0.6	0.6	0.6	0.6	2.4	2.4
Net Income	(0.1)	(0.2)	1.3	3.8	1.4	1.0	1.8	1.7	5.7	1.6	1.4	2.0	2.4	7.3	11.0
Total Nonrecurring Charges	2.2	(0.1)	(0.3)	(7.9)	-	(1.9)	-	(1.8)	(3.7)	-	-	-	-	-	-
Income Tax Effect of Nonrecurring Charges	-	-	-	3.1	-	0.5	-	0.6	1.1	-	-	-	-	-	-
Reported Net Income	(2.3)	(0.1)	1.7	8.6	1.4	2.3	1.8	2.9	8.3	1.6	1.4	2.0	2.4	7.3	11.0
Reported Basic Earnings Per Share	\$ (0.12)	\$ (0.01)	\$ 0.09	\$ 0.43	\$ 0.07	\$ 0.12	\$ 0.09	\$ 0.14	\$ 0.42	\$ 0.08	\$ 0.07	\$ 0.10	\$ 0.11	\$ 0.36	\$ 0.52
Reported Fully Diluted Earnings Per Share	\$ (0.12)	\$ (0.01)	\$ 0.08	\$ 0.41	\$ 0.07	\$ 0.12	\$ 0.09	\$ 0.14	\$ 0.41	\$ 0.08	\$ 0.06	\$ 0.09	\$ 0.11	\$ 0.34	\$ 0.49
Margin Analysis (excl. Goodwill)															
Gross Margin	88.2%	87.7%	88.7%	88.7%	87.6%	87.7%	91.4%	91.4%	89.6%	91.0%	90.6%	90.7%	91.7%	91.0%	91.7%
R&D/Sales	56.6%	55.7%	54.8%	47.3%	40.1%	41.3%	40.0%	41.7%	40.8%	41.9%	43.6%	41.1%	40.1%	41.6%	39.7%
SG&A/Sales	34.6%	32.8%	32.9%	29.8%	27.3%	30.2%	27.8%	28.0%	28.3%	28.9%	29.1%	26.8%	26.0%	27.6%	25.5%
Operating Margin	-3.0%	-0.8%	0.9%	11.7%	20.3%	16.1%	23.6%	21.7%	20.5%	20.2%	18.0%	22.7%	25.5%	21.7%	26.5%
Pretax Margin	2.2%	7.3%	11.6%	18.4%	25.3%	21.4%	29.3%	27.1%	25.8%	24.8%	22.8%	27.3%	30.0%	26.3%	30.7%
Tax Rate	0.0%	-3.7%	6.6%	9.2%	9.5%	13.9%	13.9%	13.6%	12.8%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
Net Margin	2.2%	7.6%	10.8%	16.7%	22.9%	18.4%	25.2%	23.4%	22.5%	21.6%	19.9%	23.7%	26.1%	22.9%	26.7%

Source: Company reports, Brigantine Advisors

Brigantine Advisors

Allan Mishan (212) 447-6030

CEVA, Inc.

Balance Sheet

Fiscal Year Ends December, Dollars in Millions

	Year 2005A	Year 2006A	Year 2007A	Year 2008A	1Q:09A Mar-09	2Q:09A Jun-09	3Q:09A Sep-09	4Q:09A Dec-09	Year 2009A	1Q:10E Mar-10	2Q:10E Jun-10	3Q:10E Sep-10	4Q:10E Dec-10	Year 2010E	Year 2011E
Assets															
Cash and Investments	\$ 62	\$ 64	\$ 76	\$ 85	\$ 85	\$ 88	\$ 92	\$ 101	\$ 101	\$ 102	\$ 103	\$ 106	\$ 108	\$ 108	\$ 118
Accounts Receivable	6	8	3	5	5	6	6	6	6	5	6	6	6	6	8
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Tax Assets	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Prepaid Expenses & Other Current Assets	2	2	8	5	5	5	5	5	5	5	5	6	6	6	7
Total Current Assets	70	76	87	96	96	99	104	113	113	114	115	118	120	120	134
Property, Plant and Equipment, net	3	2	2	1	1	1	1	1	1	1	1	1	1	1	1
Long Term Investments	2	7	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill and Intangibles	40	37	37	36	36	36	36	36	36	36	36	36	36	36	36
Long-Term Deferred Tax Assets	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Other Long-Term Assets	-	-	3	3	3	4	4	4	4	4	4	4	4	4	4
Total Assets	116	121	129	138	137	141	146	155	155	156	157	160	163	163	176
Liabilities and Shareholders' Equity															
Accounts Payable	1	1	0	1	0	1	1	1	1	1	1	1	0	0	0
Accrued Expenses and Payables	8	10	9	10	9	9	9	10	10	10	10	10	11	11	13
Deferred Revenue	0	0	1	1	1	1	1	0	0	0	0	0	0	0	0
Total Current Liabilities	9	11	10	12	11	10	10	11	11	11	10	11	11	11	13
Long-Term Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Long-Term Liabilities	4	4	4	4	4	4	4	4	4	5	4	5	5	5	6
Total Liabilities	14	15	15	16	14	14	14	15	15	16	15	16	16	16	19
Stockholders' Equity:	102	106	114	122	123	127	132	139	139	141	142	144	146	146	157
Total Liabilities and Stockholders' Equity	116	121	129	138	137	141	146	154	154	156	157	160	163	163	176
Activity, Liquidity, Leverage, & Return Ratios															
Days Sales Outstanding	87	82	60	36	48	55	60	47	54	50	50	47	45	50	49
Inventory Days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Days Payable	98	58	57	43	39	50	62	48	52	60	60	60	60	47	36
Current Ratio	7.6 x	7.1 x	8.5 x	7.9 x	9.1 x	10.0 x	10.7 x	10.5 x	10.5 x	10.3 x	10.9 x	10.3 x	10.5 x	10.5 x	10.0 x
Quick Ratio	7.4 x	6.8 x	7.7 x	7.4 x	8.5 x	9.4 x	10.1 x	10.0 x	10.0 x	9.7 x	10.3 x	9.7 x	9.9 x	9.9 x	9.4 x
Debt to Equity	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Debt to Capital	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Return on Assets (excl. Goodwill)	0.7%	2.1%	2.9%	5.1%	6.3%	4.8%	6.7%	6.5%	5.9%	5.7%	5.1%	6.5%	7.3%	6.1%	7.9%
Return on Invested Capital (excl. Goodwill)	0.7%	2.4%	3.3%	5.7%	7.1%	5.4%	14.8%	7.3%	6.6%	6.4%	5.6%	7.2%	8.1%	6.8%	8.8%
Return on Equity (excl. Goodwill)	0.7%	2.4%	3.3%	5.7%	7.1%	5.4%	7.4%	7.3%	6.6%	6.4%	5.6%	7.2%	8.1%	6.8%	8.8%

Source: Company reports, Brigantine Advisors

Brigantine Advisors

Allan Mishan (212) 447-6030

CEVA, Inc.

Cash Flow Statement

Fiscal Year Ends December, Dollars in Millions

Cash Flows From Operating Activities

	Year 2005A	Year 2006A	Year 2007A	Year 2008A	1Q:09A Mar-09	2Q:09A Jun-09	3Q:09A Sep-09	4Q:09A Dec-09	Year 2009A	1Q:10E Mar-10	2Q:10E Jun-10	3Q:10E Sep-10	4Q:10E Dec-10	Year 2010E	Year 2011E
Net Income	\$ (2)	\$ (0)	\$ 1	\$ 9	\$ 1	\$ 2	\$ 2	\$ 3	\$ 8	\$ 2	\$ 1	\$ 2	\$ 2	\$ 7	\$ 11
Depreciation and Amortization	3	2	1	1	0	0	0	0	0	0	0	0	0	0	0
Stock Compensation Expense	0	2	2	3	1	1	1	1	3	1	1	1	1	2	2
Equity Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Deferred Taxes	-	-	-	-	-	-	-	0	0	(0)	0	(0)	(0)	(0)	(0)
Gains and Losses	(2)	(0)	(1)	(12)	0	(2)	0	(2)	(3)	-	-	-	-	-	-
Restructuring	1	-	-	0	-	-	-	-	-	-	-	-	-	-	-
Other Non-Cash Charges	12	(5)	21	(0)	(0)	(0)	(0)	-	(1)	-	-	-	-	-	-
Change in Assets and Liabilities	1	(2)	3	(4)	(1)	(1)	(1)	1	(3)	1	(1)	1	(0)	1	(2)
Cash Flow From Operations	13	(3)	28	(3)	1	(0)	2	3	5	3	2	3	3	11	12

Cash Flows From Investing Activities

Capital Expenditures	\$ (1)	\$ (0)	\$ (1)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (1)	\$ (1)
Purchase / Sale of Investments	(7)	5	(30)	(19)	2	(9)	(3)	-	(11)	-	-	-	-	-	-
Increase / Decrease in Long-Term Assets	-	-	-	0	-	2	-	(0)	2	-	-	-	-	-	-
Increase / Decrease in Long-Term Liabilities	-	-	-	-	-	-	-	(0)	(0)	(0)	0	(0)	(0)	(0)	(1)
Cash Paid for Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Investing Activities	(0)	(1)	(0)	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow Provided by Investing Activities	(8)	4	(31)	(20)	2	(7)	(4)	(1)	(10)	(0)	0	(0)	(0)	(1)	(1)

Cash Flows From Financing Activities

Issuance / Repayment of Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Issuance / Repayment of Preferred Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance / Repayment of Stock	2	2	5	(4)	(0)	(0)	3	-	2	-	-	-	-	-	-
Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Financing Activities	-	-	-	-	-	-	-	6	6	(1)	(1)	(0)	(0)	(3)	(1)
Cash Flow Provided by Financing Activities	2	2	5	(4)	(0)	(0)	3	6	8	(1)	(1)	(0)	(0)	(3)	(1)

Effect of Exchange Rate on Cash	(0)	1	1	(0)	(0)	0	0	-	(0)	-	-	-	-	-	-
Change in Cash and Equivalents	6	3	3	(27)	2	(8)	1	8	3	2	1	3	2	7	10
Beginning Cash and Investment Balance	60	62	64	76	85	85	88	92	85	101	102	103	106	101	108
Ending Cash and Investment Balance	62	64	76	85	85	88	92	101	101	102	103	106	108	108	118

Source: Company reports, Brigantine Advisors

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The appropriate rating is based off the estimated total return of the stock over a forward 12-month period, including both share appreciation and anticipated dividends.

Buy rated stocks included a published 12-month price target. The price target represents the analyst's best estimate of the market price in a 12-month period. Brigantine Advisors cautions that price targets are based on assumptions related to the company, industry and investor climate. As such, price targets remain highly subjective.

The definition of each rating is as follows:

Buy - The stock is expected to deliver a total return of 15% over a 12-month investment horizon.

Hold - The stock is expected to deliver less than a 15% positive return or less than a 10% negative return, over a 12-month investment horizon.

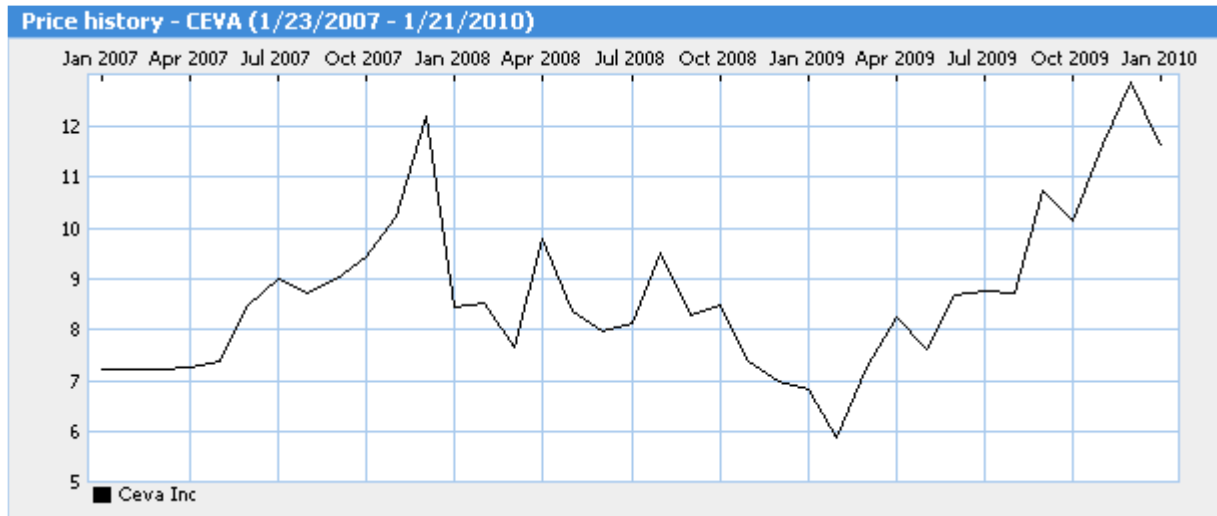
Sell - The stock is expected to deliver a negative total return of 10% over a 12-month investment horizon

NR: Not Rated

SP: Suspended

Stocks rated Buy are required to have a published 12-month price target, while it is not required on stocks rated Hold and Sell.

Charts



12/01/09 – Allan Mishan initiates coverage with a Hold rating.

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