

**EMS TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<u>Years Ended December 31</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>
(in thousands)			
Cash flows from operating activities:			
Net (loss) earnings	\$ (20,065)	20,471	18,744
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:			
Depreciation and amortization	19,989	12,498	9,666
Impairment loss on goodwill	19,891	-	-
Deferred income taxes	(4,629)	(2,400)	887
Gain (loss) on sale of assets	78	(64)	(1)
Loss from discontinued operations	6,916	-	503
Stock-based compensation expense	2,470	2,339	1,727
Tax benefit for exercise of stock options	133	203	643
Change in fair value of contingent consideration liability	3,229	-	-
Excess tax benefits from stock-based compensation	(23)	(75)	(24)
Changes in operating assets and liabilities, net of effects of acquisitions:			
Trade accounts receivable	12,575	(5,584)	14,259
Costs and estimated earnings in excess of billings on long-term contracts	1,628	(7,991)	(989)
Inventories	6,957	(7,801)	(904)
Accounts payable	(5,026)	1,076	(7,113)
Accrued compensation and retirement costs	(1,994)	819	1,167
Other	138	2,960	3,498
Net cash provided by operating activities in continuing operations	<u>42,267</u>	<u>16,451</u>	<u>42,063</u>
Net cash used in operating activities in discontinued operations	<u>(555)</u>	<u>-</u>	<u>(3,329)</u>
Net cash provided by operating activities	<u>41,712</u>	<u>16,451</u>	<u>38,734</u>
Cash flows from investing activities:			
Purchases of property, plant and equipment	(13,433)	(13,869)	(14,579)
Payments for acquisitions of businesses, net of cash acquired	(87,264)	(32,354)	(5,000)
Proceeds from sales of assets	<u>58</u>	<u>1,371</u>	<u>907</u>
Net cash used in investing activities	<u>(100,639)</u>	<u>(44,852)</u>	<u>(18,672)</u>
Cash flows from financing activities:			
Net borrowings under revolving credit facility	18,500	-	-
Repayment of other debt	(1,294)	(3,159)	(1,281)
Change in restricted cash	-	-	81
Deferred financing costs paid	(251)	(1,254)	-
Payments for repurchase and retirement of common shares	(374)	(9,963)	-
Excess tax benefits from stock-based compensation	23	75	24
Proceeds from exercise of stock options	<u>620</u>	<u>925</u>	<u>4,332</u>
Net cash provided by (used in) financing activities	<u>17,224</u>	<u>(13,376)</u>	<u>3,156</u>
Effect of changes in exchange rates on cash and cash equivalents	<u>1,898</u>	<u>(5,203)</u>	<u>1,310</u>
Net change in cash and cash equivalents	<u>(39,805)</u>	<u>(46,980)</u>	<u>24,528</u>
Cash and cash equivalents at beginning of period	<u>86,979</u>	<u>133,959</u>	<u>109,431</u>
Cash and cash equivalents at end of period	<u>\$ 47,174</u>	<u>86,979</u>	<u>133,959</u>
Supplemental disclosure of cash flow information:			
Cash paid for interest	\$ 1,839	1,094	1,147
Cash paid for income taxes	983	2,289	357

See accompanying notes to consolidated financial statements.