

CUI GLOBAL, INC.

Moderator: Casey Stegman
March 16, 2015
5:00 p.m. ET

Operator: This is conference # 3356003.

Good day, ladies and gentleman. Welcome to the CUI Fourth Quarter and Full Year 2014 Earnings Conference Call. At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session and instructions will be given at that time.

If anyone should require operator assistance during the conference call, please press star then zero on your touchtone telephone.

As a reminder, this conference call is being recorded.

At this time, I would like to turn the conference over to Mr. Casey Stegman, Investor Relations. Sir, you may begin.

Casey Stegman: Thank you, (Sayeed). Good afternoon, everyone. Welcome to the CUI Global 2014 fourth quarter and full fiscal year earnings conference call. We appreciate you joining us today.

With me on the call is Mr. Bill Clough, Chief Executive Officer; and Dan Ford, Chief Financial Officer.

The purpose of today's call is to review the Company's financial results for the fourth quarter and fiscal year, as well as provide you with some additional

color on the business going forward. Following management's remarks, the call will be opened up for questions.

Many of you have seen the company's press release that was issued today. If you haven't, it can be accessed to the company's Web site at www.cuiglobal.com. Today, during the course of this presentation, we will be directing your attention to a series of slides. Those slides can be accessed during this call from the link in the press release that went out earlier today or from the Investor Relations section of our Web site at www.cuiglobal.com.

As a reminder, this call will contain certain forward-looking statements within the meaning Section 27A of the Securities Act of 1933 as amended and Section 21E of the Securities and Exchange Act of 1934 as amended.

Such statements are subject to risks and uncertainties that could cause actual results to vary materially from those projected in the forward-looking statements. The company may experience significant fluctuations in future operating results due to a number of economic, competitive and other factors, including among other things our reliance on third-party manufacturers and suppliers, the government agency budgetary and political constrains, new or increased competition, changes in market demand and the performance or liability of our products.

These factors and others could cause operating results to vary significantly from those in prior periods and those projected in forward-looking statements. Additional information with respect to these and other factors, which could materially affect the company and its operations, are included in certain forms company has filed with the Securities and Exchange Commission.

With that I'd like to introduce Mr. Bill Clough, CEO of CUI. Bill?

Bill Clough: Thank you everyone for taking the time to join us on this afternoon's call. I'm going to start with a brief overview of the quarter as well as full year and then I'll hand the call over to Dan to go over the financials. When Dan is done with his remarks, I will provide some additional commentary on some of the key initiatives we are currently working on at CUI Global, including our recently announced acquisition of Tectrol Inc. we will then open the call up for Q&A.

Let me begin by saying that I was very pleased with our performance for both the fourth quarter and the full year as we are able to grow revenues over 20 percent for both periods. For the full year 2014, our revenues were \$76 million which represents 25 percent increase as compared to the prior year. As for the fourth quarter, our revenue increased 22 percent to \$18.6 million.

Additionally, this revenue growth was generated through growth in both the gas and the Power and Electro-Mechanical segments. The Power and Electro-Mechanical segment revenues were \$48.7 million in 2014, which accounts for 14 percent increase versus the prior year.

Within the gas segment, we recognized \$27.4 million in revenues as compared with \$17.9 million in the prior year, an increase of 53 percent.

2014 was an eventful year for CUI Global as we made several significant announcements throughout the year, each of which represents a major stride for our company as we continue to put the pillars for success in place. I'll review some of the more significant advance in more detail after discussion of our financials.

Let me turn the microphone over to Dan Ford our CFO, so that he can run through the numbers in more detail. Dan?

Dan Ford: Thank you Bill. I'd like to now give a financial overview for the fourth quarter and full fiscal year 2014. As Bill mentioned, the Company's revenues were \$18.6 million for the quarter, up 22 percent from revenues of \$15.2 million in fourth quarter 2013. The increase in revenues for the quarter is attributable to approximately \$2 million of growth within the Power and Electro-Mechanical segment and \$1.4 million of growth within the gas segment. Full year revenue of \$76 million represents a 25 percent increase year-over-year.

The cost of revenues for the quarter was \$12.7 million versus \$9.1 million for the same quarter in 2013. The cost of revenues for the full year 2014 was \$47.5 million as compared with \$37.1 million in 2013. As a percentage of sales the cost of revenues increased to 69 percent for the fourth quarter, compared with the 60 percent in the fourth quarter of 2013.

That increase is primarily associated with the anomalous increases related to the biomethane projects during Q4 of 2014, which had compressed deadlines to meet customer requirements, as well as first time through costs for this new project offering.

Future biomethane projects are expected to generate much improved gross margins. For the full year the cost of revenues as a percentage of sales increased slightly to 62 percent compared to 62 percent in 2013. This increase is associated with the increased cost of sales in the biomethane projects during the third and fourth quarters, offset by increased revenues in consistent margins within the Power and Electro-Mechanical segment.

The Company expects 2015 cost of revenues to be improved as a result of improved cost efficiencies on future biomethane projects, consistent margins on core products, and higher margins on technology based product offerings.

The EBITDA for the year was \$1.4 million or \$0.07 per share versus \$2.4 million or \$0.14 per share for the full year 2013. Adjusted EBITDA for the full year 2014 was \$3.2 million or \$0.16 per share, compared with \$3.6 million or \$0.20 per share for the full year 2013. Gross profit for the quarter was 31 percent or \$5.8 million as compared to 40 percent or \$6.1 million in the prior year comparable quarter.

The gross profit for the full year was 38 percent or \$28.6 million as compared to 39 percent or \$23.5 million in 2013.

Within the operating segments the Power and Electro-Mechanical segment generated quarterly and fiscal year gross profit margins of 39 percent and 40 percent respectively, while the Gas segment generated a 20 percent quarterly gross profit margin and fiscal year gross profit of 34 percent.

The Company expects improved gross profit margins in 2015 as a result of the previously discussed expected efficiency gains on future biomethane projects, consistent margins on the core products, and the higher margins on the technology based product offerings.

SG&A expenses increased to \$6.5 million for the fourth quarter, compared to the \$5.3 million for the same period during 2013. This is associated primarily with the operating activities necessary to support the increased revenues as compared to the prior year. The full fiscal year SG&A expenses were \$26.1 million for 2014, and \$19.5 million for 2013, representing an increase of \$6.6 million. SG&A as a percentage of total revenue were 34 percent for 2014, as compared to 32 percent in 2013.

The increased SG&A for the full fiscal year is primarily the result of owning Orbital Gas Systems in the first quarter of 2014, of which the SG&A during that quarter from Orbital accounted for \$2 million of the increase.

Further increases in SG&A related to stock compensation expense of \$1.7 million related to stock issuances and vesting expense of options related to consultants for strategic services including customer marketing and investor relations, to directors and employees for services, as well as the overall increase in operations throughout the organization associated with increased revenues of approximately \$15.4 million including continued investment in reaching new customers and markets and continuing existing customer relationships.

Operating requirements generated negative cash flow from operations of approximately \$3.1 million during the year ended December 31, 2014 and positive cash flow from operations of approximately \$1.7 million during the year ended December 31, 2013.

Significant items that impact the negative cash flow from operations during 2014 were the net loss for the year, offset by non-cash items such as stock compensation, depreciation, amortization items including increased amortization of \$0.9 million related to amortization of Orbital acquisition related intangible assets.

Additional items that impact the negative cash flow from operations were increases in trade accounts receivable of \$3.3 million associated with increased revenues, increased prepaid expenses at \$1 million associated

largely with, increased prepayments for insurance of \$0.4 million and prepaid royalties at \$0.4 million.

Additionally, unearned revenue increased \$0.5 million associated with the timing of related customer orders and the terms granted. And billings in excess decreased \$2.9 million during the year related progress on gas segment projects.

The company had a net loss of \$2.8 million for the year ended December 31, 2014, as compared to net loss of \$0.9 million for the year ended 2013. The loss in 2014 is largely attributable to several significant non-cash items that impacts profitability including the equity compensation issued in the form of stock, and options grants, strategic consultants, employee and directors for performance, as well as investing in granted stock options, totaling approximately \$1.7 million, which represented an increase of approximately \$1.1 million, as compared to the prior year period.

Additionally, with the full year amortization of the acquisition related intangible assets acquired with Orbital Gas Systems in 2013 with the previously discussed \$0.9 million increase and amortization of those intangible assets, well the deferred income tax benefit decreased \$0.1 million. At the same time as these costs increased, the Company increased revenues \$15.4 million while the gross profit margin decreased only slightly to 38 percent from 39 percent. This helped to offset the increased cost.

Of increase in revenues the Gas segment increased approximately \$9.5 million related to having Orbital Gas Systems for the full year in 2014, as well as general sales growth for that segment. The Power and Electro-Mechanical segment increased revenues approximately \$5.9 million related to continued market penetration through both new and existing customers, including growth within the distribution sales channels.

Adjusted net income or loss, which represents the net income or loss plus the amortization expense of the intangible assets acquired via the 2013 Orbital acquisition plus the expense associated with the stock options and notes issued for compensation and services for the quarter this was a loss of approximately

\$1 million or \$0.05 per share in 2014 as compared to loss of \$0.8 million or \$0.04 per share in 2013. Adjusted net income for fiscal year 2014 was \$2 million or \$0.10 per share as compared with \$1.8 million or \$0.10 per share in 2013.

As of December 31, 2014, CUI Global held cash and cash equivalents \$11.7 million and short term investments of over \$11.2 million. As of today's filing the Company has 20,708,395 common shares outstanding.

And now, I'll turn the call back to Bill. Thank you.

Bill Clough: Thank you, Dan. Before begin taking questions, let me take a moment to update you on couple of the larger projects we've been working on over the past year, as well as give you some additional color on some of the key highlights from our fourth quarter.

First, we opened Orbital North America on January 5 of this year. In conjunction with that opening we retained the services of Rusty Darsey as our North American sales directory and Jim McGinty as our Director of Engineer. This new office will allow CUI Global to more really address the North American natural gas industry which is quite sensitive to having local representation.

Moreover, the addition of Jim and Rusty to our organization adds two of most respected sales and engineering executives in North America to our team, bringing along the requisite boost in reputation, credibility and expertise. I welcome both of these talented individuals to the CUI Global/Orbital team.

Earlier this month, we announced the acquisition of Canadian-based equipment manufacturer, Tectrol Inc. Tectrol is a leading designer and manufacturer of standard and custom power solutions; and the acquisition is expected to provide immediate incremental revenue growth and manufacturing capabilities.

It will give CUI a greater presence in the electronic space, as well as further enhance our status as a well-recognized manufacturer. We believe this transaction is a step forward for our Company as we look to deliver the most

advanced power solutions from the ac front-end all the way to the dc point of load.

The teams have been quite busy dealing with Tectrol customers to work through this transition, and more importantly to begin a long-term relationships between CUI and these Tier 1 customers. There are great synergies between the companies and are confident that the integration will immediately enhance the capabilities of our Power Group.

We continue to expand our distribution partners over the course of 2014 and with the addition of Mouser in 2015. In early March we entered into a global distribution agreement and partnership with Mouser Electronics Inc., the global authorized distributor with the newest semiconductors and electronic components. The CUI product line now available from Mouser Electronics is comprised of two major products groups, Power and Components.

There were many new distribution groups within the gas segment in 2014, including among others Branom Instruments, Benchmarks Instrumentation and Analog Services and Ives Equipment Corporation. The management team remains committed to bringing our valuable electronics portfolio to a broader set of customers, thus expanding market share and enhancing shareholder value.

We have now signed up a total of 38 new distributors in Europe, Asia and North America. In addition, last quarter, we announced the fact that National Grid has selected our IRIS technology for use in remotely controlling its entire grid. We expect the third phase of National Grid's IRIS-RTU installation amounting to another 150 to 200 units to begin later this year.

We continue to believe that our developing relationship with GE Intelligent Platforms Group represent significant steps in our plan to develop a substantial distribution network for our ground breaking technology and specifically for sales of our IRIS technology targeting North American energy producers and transporters.

GasPT and VE Technology sales remain steady. We delivered and installed another 29 GasPT units in 2014, bringing our installed base to almost 300

units. We have received orders for an additional 58 units to be delivered in 2015 and have another 35 units out for bid. We are continuing to make progress with our larger GasPT opportunities including positive discussion with Snam Rete in Italy, and Dominion Compression in the U.S. along with others.

We successfully completed engine testing with Dominion in December of 2014 and we anticipate receiving initial purchase orders this year. As some of you may note Snam Rete Gas publicly released its prequalification tender for suppliers, for analytics related to its expanded metering project this month. That project now calls for the installation of as many as 3,000 analyzers, twice the 1,500 number of units originally proposed.

The tender six suppliers who can, quote, “supply as many as 1,000 analyzers per year”, end quote. And further those units must not use either calibration or carrier gases and must provide results based on metrics related to, and I quote, “speed of sound, thermal conductivity and CO2 content”, end quote, exactly the metrics used by our GasPT technology. We are currently preparing our response to the tender with our Italian distribution partner, Socrate S.P.A.

And moving to VE Technology sales. We delivered an additional 22 VE sampling systems last quarter, bringing out total deliver to 73 units, what we delivered an additional 54 VE thermal well applications bringing the total delivery of thermal wells to 194 units last year. Furthermore we continue to receive increase and are working with numerous potential VE Technology customers including ConocoPhillips, ABB, Statoil and others.

By way of examples, members of our sales and engineering ground are currently in Australia speaking with several of the world largest oil and gas companies for inclusion, in the Gorgon natural gas project. The Gorgon project is a \$29 billion LNG project being funded by the governments of China, India, Japan and South Korea. It involves the connection of many as 2,000 natural gas wells to an LNG terminal being built on Barrow Island of the coast of Western Australia.

As an indication of the time and complexity of such negotiations, the Gorgon project was initially proposed in 2003 and our involvement with the project began when members of my sales and engineering team and I met with and began talking to participating companies in Houston, some 3.5 years ago. During that time, we've continued discussions and maintained the relationships, relationships that are now finally producing results.

We are confident of our ability to close those deals, as we're the only technology capable of providing the vortex elimination and rapid sampling time, which are unique features of the VE technology, allowing us to provide a safer, high-value solution to the natural gas operator.

Finally, moving to backlog, as of December 31, 2014 the Power and Electro-Mechanical segment had an unaudited backlog of orders of \$12.5 million and the Gas segment held an unaudited backlog of orders of \$15.9 million. The order backlog has decreased since December 31, 2013 when we reported a backlog of \$25 million.

This decrease is associated with several factors including the increase of approximately \$3.3 million for the third and fourth quarter revenues of 2014 in comparison to 2013 and approximately \$1 million in change related to the changes in the Pound Sterling versus U.S. dollar exchange rate.

Additionally, Orbital is still being affected by the restructuring of the U.K. operations of its largest customer National Grid related to their "Revenue = Incentives + Innovation + Outputs" or RIIO program and related initiatives, which have significantly impacted that customer's ability to place large contract orders.

As a result of these RIIO changes, Orbital is seeing a higher volume of shorter-term contracts with lower total values. Now that the RIIO initiatives have been fully implemented, Orbital expects to return to the traditional longer-term higher value ordering format from National Grid.

As we looking into 2015, I want to reiterate our continued commitment to both our employees and our shareholders to grow CUI Global and its subsidiaries in an organized, efficient manner by introducing new products,

attacking new markets, seizing opportunities and continuing to pursue in partner with some of the largest, most recognized industry leaders in both the natural gas and electronic markets.

We as a management team believe we are at the forefront of an abundant opportunity as a company, and we are very much to looking forward to caring forward our focus and termination into 2015 and beyond.

In conclusion, I'd like to thank everyone for your continued interest and support of CUI Global. Now let's open the floor for questions.

Operator: Thank you, sir. Ladies and gentlemen on the phone line, if you'd like to ask a question, please press star then one on your touchtone telephone. If your questions have been answered and you wish to remove yourself from the queue, please press the pound key. Once again, if you'd like to ask a question, please press star then one.

And our first question comes from Eric Stine from Craig-Hallum. Your line is open, please go ahead.

Eric Stine: (Hello, Dan).

Dan Ford: Hi, Eric.

Eric Stine: Maybe just starting with (stemreta) it's good to see that tender out if you are able to give some thoughts on how your envision the timeline they're going forward and then also since it's an open tender just thoughts on the competitive environment in other devices you see out there that will be going after this?

Bill Clough: Yes, Eric they've been pretty forward with us on their timing, they are telling us that they're going to make incision about supplier sometime in June or July of year. They then expect issue intended for service or installation, they expect to have that decision made by the fall and they're hoping to get their purchase orders out late third quarter, early fourth quarter for building to begin the very first part of 2016.

As far as competitive technology, there are other devices that they've been looking at, but frankly none of those devices are able to work without service gas, and none of them are based on the metrics of speed of sound, thermal conductivity and CO2. So they put a very narrowly defined tender out that really targets the GasPT technology.

Now that does mean they are going only pick our device, because obviously under EU regulations, I think, they are almost obligated to pick more than one device, but it seems pretty apparent, that they certainly are looking for what we're able to provide. Does that answer your question?

Eric Stine: That does, that's a good color, thank you. Maybe just turning to Tectrol, just wondered, I mean, could you give us some clarity on maybe historical revenues whether it was trailing 12 months or maybe an average over the last few years. And then curious looks like they have a pretty significant customer list, just wondering what the early reception is to that transaction from those customers.

(Dan Ford): Sure, Eric I'll take that. So, they've been around since 1968, their heyday was through the 90s during the -- and early part of the 2000s for the last several years they've had declining revenues, which is widening up in the solid position and where a great opportunity for us to pick up the resources that they bring to us.

So they did about \$40 million three years ago, they did around just under \$20 million two years ago and it looks like they are un-audited currently un-audited, it's in the process of being audited fiscal year ended February 28, 2015 it's looks like about \$15 million. Those are all going through U.S. GAAP audits. Currently we are doing historical audits under U.S. GAAP for the last three years and those will be filed and amended 8-K going -- coming soon.

So those will be put out there and then quarterly ongoing will do the formal presentation in our statements. But what we can expect out of that is we're looking to do between \$10 million and \$12 million this year through them and we're going to expect to increase that pipeline.

Our sales team has been on the road and in fact before the acquisition took place as we were doing our diligence meeting with customers, doing phone calls with them and then, since then we've been meeting face to face with a number of these two own accounts and to a great reception.

And then we're actually APEC right now, and where our sales team is meeting with the several of those customers, as well as some of the suppliers that Tectrol has used in the past.

So the reception has been very, very good, it fits right inline with our Novum Advanced Power technologies targeting the broadcom and telecom space, and it brings a lot of value to us from the fact -- from the standpoint of the manufacturing capacities they are (reaming), as well as the engineering know-how and the product portfolio that fills the gap that we then have, so it's a great opportunity for us.

Bill Clough: Let me also add Eric, you asked about customers specifically, and I just want to let you know that one of the primary due diligence factors we did is Matt McKenzie, our COO, spend a great deal of time on the phone with their customers. And the response he got from these Tier 1, Cisco, Extreme, F5 and others was great relief that we were coming into take over this operation.

They like the products, they certainly felt that they were good, solid platinum manufacturers, but they were concerned obviously with the way the Company was being managed, they are very happy with what we've told them. And I think this is going to be an opportunity for us to penetrate some tier one customers that might have taken us considerable amount of time to do without this acquisition.

So again, on every front we feel its going to be very positive for the Electro-Mechanical division.

Eric Stine: Got it, I mean do you expect it to be modestly accretive in your (Warner) is that something you need to...

Bill Clough: We're going to have to run the numbers. We're still on the middle of that. I mean, obviously there is some efficiency that we bring immediately because

of Matt's operating skills, but there are – you know, we're going to have to run those numbers. It's certainly going to be immediately accretive revenue wise top line, it's immediately accretive. It's going to take us some time to put everything together to give you an answer on whether or not earnings will be immediately accretive.

Eric Stine: Got it, OK. And last one for me, just on the gross margin line. So it was really, it was Orbital it was the biomethane projects. Are those, I mean, based on what you see in the pipeline, is that something that you think you return to more normal levels pretty fast? Or is that something that you know, may -- needs to happen throughout the year, is it something you trend towards?

(Dan Ford): So those -- the impacts of those projects completed in December.

Eric Stine: OK.

(Dan Ford): What we're seeing in Q1 now and going forward is actually we're -- those projects had other add-on projects, we're getting some margin on new business related to those, I guess, biomethane facilities. So we are continuing to build our relationship, but we're also have not dealing -- we're not dealing with the compressed time frame and the requirements to meet those demands in order to -- for the regulatory compliance on new biomethane projects this year.

So we've been able to plan more around that and we've also adjusted some of the pricing to better accommodate the cost that we incurred doing that. So we do expect biomethane projects will be coming through in 2015 to be much better positioned.

Eric Stine: OK, thanks guys.

Bill Clough: Yes.

Dan Ford: Thanks, Eric.

Operator: Thank you. Our next question comes from Joe Maxa of Dougherty & Company. Your line is open, please go ahead.

Joe Maxa: Hi, thank you. I just want to stick to that biomethane projects. I think you mentioned last quarter had seven of them, sounds like that may be you got them all done and that was the gross margin issue.

Dan Ford: Yes, that's exactly right, Joe there was seven, they had to be done by an online by December 31 to meet the tariff -- new those tariff requirements. And I know they're done now.

Joe Maxa: And then you talked about another 30 I believe, are those still on the pipeline or looking like you're going to get those?

Bill Clough: Yes, there was another six and then as many as another 12 this year. We've already got six. We think we could get as many as number -- another 12 on top of that. So it's total of 18 and those look really good.

I mean the good news is that even though it cost us some effort, resources and some money to do we did last year, we did deliver on every single installation and everybody was extremely happy with them.

So we've developed a reputation in the industry of really being able to deliver on those products, which means we're capturing more of those products this year. And again as Dan mentioned, we've had very lengthy conversations at Orbital. I just got back, as a matter of fact, making sure that the pricing this year is what it should be.

So I think at the end of the day, we're going to get many more this year and we should be very strong on margins with those.

Joe Maxa: Very strong means still below the average of Orbital, but much better and what you've seen.

Bill Clough: No, we're trying to keep them at the average. They'll be at right where Orbital expects to be.

Joe Maxa: Yes OK, so you can do may be 40 percent perhaps in the quarter, if all goes well?

- (Dan Ford): Orbital has been historically in the 35 percent range, but yes, that's the territory we're looking to get to.
- Joe Maxa: OK, and you expect to do all sticks the bills and complete them in Q1 or those are little staggered in a couple of quarters.
- Bill Clough: Now they are staggered. I think the last ones are do sometime late July. So they are staggered.
- Joe Maxa: I see, OK. And then the National Grid that next phase of the IRIS installations, have you received that RFP yet?
- Bill Clough: It has not come out yet we've been assured that it's coming out any day now. I mean that they internally have to put that together and that's something that we're pushing forward. They have to less though, because we've ask, that we should assume that we will start building in July. That's what they are telling us. So with that in mind they are getting close to the point what they're going to have to let that RFP, but they have told us to plan on starting to build in July.
- Joe Maxa: Here is just directional question on Q1 given you have a lot of moving parts, so you have the Tectrol coming in just for a month, you have the new office starting in Houston, just wondering what we should be thinking directionally on revenue Q1 versus Q4?
- Bill Clough: Joe you know, we don't give forecasts and I think this call is about 2014. We will be doing a call on Q1 in the next month or so.
- Joe Maxa: All right, just trying to get a little color from you.
- Bill Clough: (That's what you're trying).
- Joe Maxa: All right, I'll jump back at the queue. Thank you.
- (Dan Ford): Thanks Joe.
- Operator: Thank you. Next question comes from Andrew D'Silva from Merriman Capital. Your line is open please go ahead.

Andrew D'Silva: Hey guys, kind of going back to the Tectrol question what where their fixed costs last year, if you kind of give a little color on that at least?

(Dan Ford): So again, they are going through a U.S. GAAP audit and the operation that they were no longer exists really. We purchased assets, so we didn't do a lot of what they were dealing with is gone now. So that's a difficult thing to answer, we will be following the prior year historicals here soon, so...

Andrew D'Silva: So there is really no way to backwards extrapolate how to model expenses associated with that acquisition as far as OpEx goes?

(Dan Ford): For what's publicly available currently, that is a fair assumption. We are the -- bulk of their cost is related to product production and revenue -- pardon me -- I mean probably research and development. There is not a lot of administrative overhead there. So their margins are going to be similar to CUI's from a cost and revenue stand point, CUI Inc. power segment. And then overhead is going to be ultimately inline with CUI.

Andrew D'Silva: OK, but you do expect at least some synergies once things start rolling maybe Q2.

(Dan Ford): Yes, we do expect starting to see some cost synergies that facility is being set up as a (cost syner) as supplier to CUI Power Group, so it's being served as a factory and an R&D house to serve the power segment. So it is not when we report going forward also is to be clear this can be reported as part of the Power Segment, and its sales are generating through CUI Incorporated so.

Andrew D'Silva: Got it. And then kind of moving to the Texas office that's been opened up, where do you see break even of that assuming 40 percent at \$4 million and sales annually or more?

Bill Clough: No I think probably \$4 million is a good number to hear that would be a breakeven and we think with those two guys Rusty and Jim involved that's a very doable number, but yes, I think you are about right there.

Andrew D'Silva: OK. And then what Snam Rete, previous caller mentioned something about that and you stated that the purchase order should come at the end of this year. Should we expect no real top line benefits until fiscal year 2016 now or do you still think that we might get some orders from them in 2015?

Bill Clough: We may get some orders, but I think the bulk of the project is going to be for delivery in 2016. I think we'll get purchase orders late third quarter early fourth quarter fairly significant purchase orders if the indications are correct, but I think delivery will be in 2016, which means we'll recognize revenues in 2016.

Now there maybe some installations earlier, just to some areas that they want to put the analyzers in either for cash purposes or otherwise, but I don't see that being a large number, I think the large -- the large builders going to at current 2016.

Andrew D'Silva: OK, and as far as National Grid and then the RIIO initiative goes that's pretty much worked itself out now, and we expect things to progress there is that normal?

Bill Clough: Yes, absolutely, in fact they've assured us that the implementation was complete late last year, and that they expect to get back up in running in their normal way any day now, so again that's why they're talking us about the IRIS project, they think that's going to be one of the first projects out the door.

Andrew D'Silva: OK, and as last question, either with IRIS or Snam Rete, is there any risk in the, not saying they'll go with your product or select IRIS or GasPT, but the project is not going through. I know with Snam Rete they had like a June or July deadline for this now, it looks like it's going to be pushed into December. Is that -- what's the risk associated with that in your opinion right now?

Bill Clough: Well, I think there is very little risk. In Snam Rete's case, they are budgeted now for almost an 800 million euro project. They have taken that 80 million euro bond that they had and rolled into that bigger project. So I think since they've got funding and are ready to move forward, I think it's the project itself will definitely happen. Same thing with our National Grid. National

Grid has, I think, its \$50 billion for five years of improvement so over the next years for innovative increases in their network generally.

And so they have a huge amount of money that they are going to spend over the next five years. They have IRIS at the top of their list, because frankly a lot of their telemetry units that are out operating in the field now are obsolete. They have no spare parts if they fail they have no way to replace them. And so again it's a project that's high on their priority, because they have the money and they need the replacements.

So in both cases I think the projects are going to go forward now, obviously I can't guarantee in either case that they are going to take our technology other than the fact that in National Grid's case, they are already using our technology, they already have 70 of our units out there and they are very happy with them. And in the case of Snam Rete, they've been very happy with everything they've seen and as I mentioned the tender that they published is almost specifically written for our technology.

So again I think the chances are pretty good on both accounts and we're going to see some movement.

Andrew D'Silva: Have you translated that tender yet to English?

Bill Clough: We have.

Andrew D'Silva: Oh, is that can you post that on somewhere or e-mail it offline?

Bill Clough: You can get all of them at the offline, yes, and I can get it to you.

Andrew D'Silva: OK. All right, thanks, thanks and good luck this year guys.

Dan Ford: Thanks, Andrew.

Operator: Thank you.

Again, ladies and gentlemen, if you'd like to ask a question, please press star then one on your touchtone telephone.

Our next question comes from Marco Rodriguez from Stonegate Capital.
Your line is open, please go ahead.

Marco Rodriguez: Hi, guys thanks for taking my questions. Most of my questions have been asked, just kind of quick some, quick follow-ups here. I didn't catch was an able to right down quick enough the gross margins for the segments in Q4. Could you repeat those?

Dan Ford: Yes, so I can. I apologize on the gets to that. So the Power and Electro-Mechanical Segment generated 39 percent during the fourth quarter and 40 percent for the fiscal year. The Gas Segment generated 20 percent for the fourth quarter and 34 percent for the fiscal year.

Marco Rodriguez: OK, and then in terms of the following up on the margin going forward there was a call earlier, talking about the normalized gross margin and I think you guys are talked about it in a more normalized 35 percent gross margin for the Gas Segment, but the first half of fiscal 2014, and fiscal 2013 you're kind of in a low 40 percent. And so we're really doing just in things [ph] right down to the 35 percent level or we looking the more of the 40 percent level going forward, just trying to get some clarification.

Dan Ford: So, what's -- are you speaking what segment, or you talking about the blended.

Marco Rodriguez: Gas, no, just a gas.

Dan Ford: So the Gas Segment targets 35 percent it may hit higher in that, with the higher blended technology really to product sales, but 35 percent is the general target for the group.

Marco Rodriguez: All right, and then switching here to Tectrol, just clarifying it was the \$10 million to \$12 million you're expecting for revenues of that acquisition of fiscal 2015 or \$10 million to \$15 million.

Dan Ford: \$10 million to \$12 million.

Marco Rodriguez: \$10 million to \$12 million. And should we expect to that's kind of straight line over the quarters or how should we think to that on a quarterly basis.

Dan Ford: At this point that seems very yes.

Marco Rodriguez: OK.

Dan Ford: We're working through customer delivery schedules and request, obviously the customers have been dealing with the company, the supplier that was in solvent. And had difficulty in meeting delivery schedules a lot of them had booked emergency stock on ourselves to build their safety contingency. So we're working through the delivery plans and needs with our customers but it looks like \$10 million to \$12 million and flat line that during the year is reasonable.

Marco Rodriguez: OK, and then last question on Snam Rete just kind of following up previously you guys are talked about drop that data for June, whereas they didn't have things going funding was going to be dropped, but now again that looks like as push into latter part of fiscal 2015. Can you talk little -- give a little color regard to how that kind of transpired in, how should we expect fiscal to go forward?

Bill Clough: Yes, it's my understanding that the project became so much bigger. They're talking now about three it was many a 7,000 analytics going in the entire system. They're going to change what had been, what they call how margin is, monitoring system, or they really have 200 monitors over 2,500 optics to a literally on a monitoring system that monitors the entire system.

It's about 10 times their size of what they were going forward from EUR 80 million to around EUR 700 million. And in order to do that, they took that bond, as I understand it, the \$80 million and rolled it into the bigger project.

Now, I can't give you the intricacies of the dialogue all I can tell is that's we were told that that it became a much bigger project because of -- frankly because of the testing that they did on our device and the ability that they found to put very simple relatively inexpensive device hours on a number of locations without having technicians to keep them accurate.

Because of that, they saw the opportunity to really dramatically change to where that they (meter) their system, and they jumped at it. And using that as an excuse, they increased dramatically the size and scope of the project.

Again, I think that from our perspective, it took what was roughly a \$30 million opportunity, 1,500 units times the roughly \$20,000 price tag. They're now talking about taking the \$40,000 unit, which is the box with all of the (acrchiments) over as many as 3,000 to 7,000 units. You're talking about anything from \$120 million to \$300 million project. So, from I was thinking, it was a much bigger, much more complex and much more profitable view for us and they were apparently able to roll that money into this bigger project.

Marco Rodriguez: OK. Thanks all guys.

Bill Clough: Thank you.

Operator: Our next question comes from Jim Kennedy from Marathon Capital. Your line is open. Please go ahead.

Jim Kennedy: Hi, guys.

Bill Clough: Hi, Jim.

Jim Kennedy: Two questions on Snam Rete and looking over the specs in the type and amount of gas that they are looking to test or anything in there that we cannot do or that provides a challenge for equipment?

Bill Clough: No, just the opposite, Jim. Frankly, in order for us to get where we are, we have to do two things, and we've talked about both of them. One was we had to have our devices in the ground six of them throughout Italy moving literally from Sicily all the way up to Lake Como.

And they have to be in operation over the broad spectrum of gas and that they see and they had to work within 0.5 accuracy over the 12 month period, that 12 month period will be over at the end of this month and the reports our extremely positive.

Every one of those units has worked without a (hitch). The other thing we have to do is, we have to qualify two of our units through a company called NMI out of Norway, which is a certification group out of Norway that tests all European analytical devices whether would be gas, oil, water, it doesn't matter what it is.

And in those test we had to have two of our devices test across a blend of seven different gases. We did that, in fact the certification should be issued this month and again without of single hiccup. So, it was very important that we were able to test across the entire expanse of Snam Rete and do it consistently for a year, which is what we've done, but there is not a single thing, that we have not been able to successfully perform for Snam Rete that's why they're moving forward as they are.

Jim Kennedy: OK, and then you mentioned that with this size project they will more than likely want to second source if we are indeed the technology that can deliver this better, faster, whatever than anyone else in the world, what might a second source look like or they are going to go with the standard analyzer, its all the few GCs out there.

Bill Clough: There are competitors, all of them have our need calibration gas and all of them need maintenance. But as an example, there is a German company (Alcester) which has a device called the lab series. It is a small relatively efficient metering device, but it requires pure methane gas, and it requires calibration twice a week.

There are cheap versions of the gas chromatography. (ABB) has one. Siemens has one I believe. Again, they both required calibration and carrier gas. So while, they can effect, we have a second source, I can assure you they do not want the complexities of carrier or calibration gas – (tanks) of gas -- frankly sitting at the locations where they are going to go have to have people go to maintain these things on a once or twice a week basis.

I mean, if you think about it, if you have a 1,000 units out there a year, which is what they are talking about. So 3,000 units over three year, or say 5,000 over five years and you've got a make a visit to each of those locations once

or twice a week, you are talking about 100s, if not 1,000 of technicians will be able to do that. They will not be putting those out there. They are doing this, because they believe that our device gives them the opportunities to do what without the use of technicians or maintenance and that's the key to it.

Jim Kennedy: OK, we'll based on the specs review of the specs it's seem to me that they were not going to allow any gas extraction device whatsoever. So wouldn't that preclude them going with the second (source route) you've describe.

Bill Clough: Yes, and I can't explain that. I actually I'm quite surprised that respect they put out I think I mentioned I've said another calls I thought that respect would be broader than that. Because I felt that this e-regulation will require them to have more than one company, but again, I can't explain it other than the fact that. Now that we've seen it and translated it, it is very particular. And I don't know how to get around that.

Jim Kennedy: We are -- allow carrier gas. We don't allow pneumatic extraction. Does that great league narrow, those list of second source options you described.

Bill Clough: There aren't any. I don't know of any other technology that's out there right now that doesn't require one of the other, other than our technology.

Male: And we're very familiar with the testing that Snam Rete has done, and ours is the only one (that's met) that for them.

Jim Kennedy: Review of the specs, I'm not sure where they're going to go for second source. Hey listen, I wanted to move on to the U.S., and we talked about this a call or two ago where you might update us on either the number of trials, the type of trials that are going on very well in the process and maybe I missed this earlier, could you bring us up the speed on what's going on to the U.S.?

Bill Clough: Yes, it's primarily right now it's with engine control, we are still working closely with GE Aero, we are still working with them regarding turbine control and we've got another engine test scheduled, I believe in May of this year. And then they completed the engine test with Dominion as I mentioned completed in December.

Those engine tests resulted in a conversation with a number of different companies that are looking to use the technology as process control for these big secondary compressors. So again I think primarily in that regard, I don't know that I have any particular updates other than the fact that it's mostly processed control at this point.

Jim Kennedy: OK and you used the word completed trial with Dominion. Is that all the trialing you anticipating with Dominion or is there next step there or we we're not sure yet?

Bill Clough: We believe the next step will be purchase orders with the; they've done all the test need. They did a quite extensive testing during the month of December. They've done a little bit of follow-up in January. But they've been pretty clear with us, they're done with testing.

Jim Kennedy: OK and what might that process look like if they are indeed interested?

Bill Clough: I can tell you that it's truly being handled through Ives, through our distributors and I know they are on top of it, but they have internal procedures that go through for budgeting and what not?

Jim Kennedy: Very good. Thanks guys.

Bill Clough: Sure.

Dan Ford: Welcome, Jim.

Operator: Thank you. Our next question comes from Joe Maxa of Dougherty & Company. Your line is open, please go ahead.

Joe Maxa: Hi, just housekeeping item. I believe your amortization of intangibles related to Orbital are winding down this year and I just wondering if you're going to see much in the way that amortization of intangibles for this acquisition of Tectrol.

(Dan Ford): The Tectrol acquisition -- to answer your first question, the biggest amortization items for the acquisition of Orbital that has a material impact on ongoing quarterly basis does terminate this year. That has to do with the

backlog. The other amortizing items, things like trademark, trade name, customer list, know-how related to the software and IP, those ones have longer amortization license so the expense on an quarterly annual basis is far less whereas the backlog had a short of window time to amortize that.

So that one is finishing out this year, early this year. Regarding Tectrol, because of the way that this was purchased the amount of intangibles and goodwill is much less, and we're expecting it to be somewhere around \$1 million U.S. And the allocation of that is being evaluated right now by our third party valuation firm that's required to do that.

And it's also subject to the final pricing adjustment of the purchase, which is things for these inventory another cost adjustments for that purchase. So we are expecting much less than we have intangibles to be amortizing related to the Tectrol acquisition, and also it's the Tectrol name is no longer we're using CUI Canada from a branding perspective we do all in those rights, but they're going to be faced out.

So there is not -- they're not going to be promoted by the company. So those are like having a sign value to them. So in general, it's really related to the customer backlog the IP out of that facility for CUI Canada. So much less of an impact on our going basis.

Joe Maxa: OK, and thank you. And last typically is the heaven at GE premier solution provider status have you had any traction going to customers or there customers with IRIS.

Bill Clough: No, we have not yet. That our first targeted customer will be energy transfer partners and we're still in the process of setting those meanings up that will be our first joint customer presentation. We expect that to happen sometime late this month and early next month.

Joe Maxa: Thank you very much.

Bill Clough: Thanks, Joe.

Operator: Thank you. Our next question comes from Roger Liddell from Clear Harbor Asset Management. Your line is open. Please, go ahead.

Roger Liddell: Hi, good afternoon. Could we go back into the European situation again? Europe gets very involved with process in the U.S. We get involved with results. So if there needs to be a second on the third supplier over there are we have risk of just having everything slide sideways, while other competitors are conjured up from somewhere?

Bill Clough: I do not believe so. Again, I can only go by what I've been told, Roger. And what I've been told is that they're definitive about this project. They want to start it the 1st of 2016. They want to install a 1,000 units in 2016, 1,000 in 2017, 1,000 more in 2018. And if they're as effective as they think they will be, they want to go to 7,000, which would be the entire distribution grid -- I'm sorry transmission grid.

So -- but I can only go by what they tell me. They are very excited about this project, frankly, at the very highest levels from the third highest executive in the entire operation down to the engineering team that we're working with.

They seem very much moving forward in a very particular way. They told us that the tender would be out within three weeks. It was out 2.5 weeks, they told us, and they're make a decision by June, July. We'll see it be come through with that, but I have no doubts that they will.

And so again I think they are -- they have a plan and they have a schedule on that, which is the first time that we've seen this. And they have started publicly performing under that schedule. My understanding from the people that I talk to over there Socrates in particular is the once they issued tenders, they move forward in a particular fashion.

They don't issue the tenders until they are funding and they don't issue the tenders unless they're moving forward with the project. It's not a situation as I understanding where they issue tenders and then kind of model along that once the tenders are issued based on moving forward. So again, I can only tell you what I can tell. So it seems to me that they're quite exited in moving forward with a plan.

Roger Liddell: OK. And following up on Jim's question on the specs in the RFP, there must have been this is my recollection 15 or 20 different gas elements that they are looking to measure at least as I understood it and down into exceptionally low concentrations of some of these price elements.

Is there any risk of disqualification or could sources two and three needed for competitive purposes be dedicated to dealing with items trace elements 5 through 15 or 20 or how many there were?

Bill Clough: No and understand what they're doing there is describing the composition of gases that you could see. They're not looking for somebody to particularly identify those gases in the natural gas chemical backup. They're not looking for a gas chromatographs what they're looking for is accurate determination of BTUs with those types of gas compositions. We've already done that that's what we've been doing for almost a year now, a year to the end of this month.

We've been setting on their grid as I mentioned to you six different locations sitting right next with the analyzer, measuring the gas in their grid. We're not guessing at what we're going to do. We're not doing it from bottles of gas or from a lap situation, we've actually been sitting out in the field and we saw those staffs last month.

And again, we have tracked those gas chromatographs accurately and exactly for the entire 11 months that we saw and I have no doubt that we will do that for the full 12 months.

That's why they're moving forward the way they're moving forward. They are very cautious about changing the way that they're going to meet our gas on their grid. And they have made the decision that because of the accuracy we've shown that we're the right tool to do that with.

And again, I get back to, they're not looking for -- what they're doing there is disclosing the amounts of chemical concentration you might see in their gas and they're demanding a machine and analytic that will accurately measured the BTUs of that type of gas.

Roger Liddell: Got it, that's a very important clarification and thank you for it. Following up on the non-engine control or other turbine control side, I'm a little confused between turbines and engines for whatever gem electric might be doing. You mentioned a trial coming up, I think you said in May, could you clarify what it is and how much are we at risk of engineers playing with toys rather than sales and marketing people involved?

Bill Clough: Well, first of all, you're absolutely right. There're two different process controls that were being tested on in North America, one is the turbine application and that's the big turbine -- power generation turbines that are predominantly produced by GE, Mitsubishi, Heavy Industries, Siemens that now has acquired Rolls-Royce, that's the -- that's the test I'm talking about in May.

And that is still I think largely an engineering function. It is to some extent the engineers at GE taking their time. And really, really playing with the machine to see what it will do. The other tests though is one that's I think much more practical that's the one I was talking about with the meaning, and that's with a two stroke caterpillar secondary compressor, it's a big -- what amounts to a big Harley Davidson engine that's what it is, a huge two strike very simple engine that is used to compress the gas that moves through the transmission and distribution system.

So the initial pressurization of gas has done generally by a compressor turbine and then secondary compression as it goes through the line send by these big caterpillar two stroke compressors. Those compressors are also operated on natural gas, they have a chemical reactions that occurs in them called NOX, which I believe is NOX, which is a very damaging thing that occurs when the machines are run either (too rich or too lean).

What we are able to do is to put our -- their algorithm, which they have an algorithm that can prevent the NOX from occurring. If they know exactly what gas is going to into the machine, well, of course, without -- before our machine it was very difficult to know what that gas was going in a timely manner. We give them the opportunity to know within a matter of seconds what is exactly going in that big two stroke compressor.

And they can then tune that machine just like you would tune a turbine to run much more efficiently, use much less gas and have much less emissions out the back end. So it's a very similar application, but its two very different machines. In the case of the turbines, these are big multi-million dollar turbines that are going to be found throughout the world generating electricity.

In the case of these secondary compressors, they are very expensive machines. I think somewhat a little lower million dollars are more for a piece, but the bottom line is they are throughout the network within the United States. They are used for secondary compression throughout the entire country. So there is many more of them available than there would be these big multi-million turbine. So its two different applications, although the very similar in nature.

Roger Liddell: And finally on Mitsubishi, if I recall they have thought PTIs and want to test them with in Thailand I think it is could you update us on that.

Bill Clough: Yes, I don't -- other than the fact that we've delivered those two units is that they are operating, I don't know anything further and that's because there I share anything with us. They didn't give us test criteria other than to tell us the composition of the gas. In order they tell us how long they would test, and I think that they did that intentionally, they unlike GE they don't have the big R&D facility, the GE is at Houston, and they are actually testing in the field.

So again, there is not much I can tell you other than no news is good news. In other words, there is obviously being no problems or they would have gotten back to us, but they do have two operating units right now.

Roger Liddell: So, the most -- if they want to move forward, what's a likely timeframe for going forward?

Bill Cough: I have no idea. They haven't shared anything with us, regarding timeframe or anything else other than telling us that if the two work well on these two machines, which have very different CO2 levels, but they would be moving forward to put them on summer all of the rest of their fleet.

Roger Liddell: OK, thank you, Bill.

Bill Cough: OK.

Operator: Thank you. Our next question comes from Alex Blanton, Clear Harbor Asset. Your line is open. Please go ahead.

Alex Blanton: My questions have been answered. Thank you.

Bill Cough: Thank you, Alex.

Operator: Thank you. Our next question comes from Colin Lee from Luzich Partners. Your line is open, please go ahead.

Colin Lee: Hi, good afternoon. Back to your Houston office, you mentioned \$4 million revenue was break-even. Is that I'm just doing the math does that mean, you guys are spending about \$1.5 million to \$2 million in SG&A cost on that expansion?

(Bill Clough): We're not going to go into building a model on this call right now, but I think you can calculate it backwards from that, the margins are generally 35 percent on our gas business segment. So, it is a new developing office launching into North America, and (inaudible) is our target for break-even.

Colin Lee: Got you. And for dominion energy and Snam Rete once that revenue comes in and you guys delivered the product, how should we think about the SG&A expense, is that going to be steady based on what you guys are incurring now or this -- there is going to be any one time distributor expense, that will be helpful for us investors, thank you.

(Dan Ford): That's a good question. The SG&A we've got on our base pretty well built, especially are on the GasPT technology. So we would not expect any impact of SG&A from those. And actually it's -- it should the way we have referred to it internally is our rubber band effect. Revenue will go up and SG&A will stay fairly flat with regards that. So we got a lot more benefit from those sales.

They're basically a finished good product sale once they go online regarding our projections for the margins, they're up, costs all already built in on that.

So we see really healthy margins coming out of those products. And those are above the 35 point; those are in the higher technology margin territories.

Colin Lee: Great, thank you. And on the GE front just saw I'm aware so there is a different path of GE one is the engine turbine up application and other is the IRIS solution and that's with the intelligent -- there intelligent platform provider. Is that how we should think about it? And I think in the previous call it was mentioned that you guys want to transition from the R&D department to their commercial engine department. How is that progress going?

Bill Clough: Yes, to answer your first question, first that is the way to look at there is two opportunities, one with the engine group, which is Aero and Power I believe it is and the other is the Intelligent Platforms, which is IRIS.

And we were still in the R&D division and again, I think we're seeing some movement there, but frankly, it's slow, it's -- they're very slow to adopting new technology, especially on their turbines, because they have such a huge market share and they are it's a big profit center for them, so I can't fault them.

But we are still in that R&D division, although like I say, we're getting some movement. We're moving forward, but we're not yet in the commercial. And then as far as the Intelligent Platforms, Intelligent Platforms is a commercial group that's all their interested in, it's commercializing this. So they are -- that they're a much faster partner to market I believe.

Colin Lee: Just on the last point, on the Intelligent Partners Group. I was trying to look at GE's Intelligent Partners Group, and I couldn't locate that IRIS. I don't know if they haven't updated the Web site, because they're slow moving.

But I think that would be helpful for at least you guys so that they're -- you're actually on the Web site. I think there's a press release associated with the under Web site, but in terms of their provider partner (table) I don't see you guys on it, or I could be wrong.

Bill Clough: We have exactly the same problem, and it's not that they haven't updated; it's just the offset. We were on it. They did an update, and we and a number of other companies did not get transferred over.

Colin Lee: OK.

Bill Clough: And as we understand it from our context there, they are doing everything in their power to correct that and have not gotten done yet, but we are definitely on that.

Colin Lee: OK, great, thank you.

Bill Clough: Sure.

Operator: Thank you. Our next question comes from James Liberman from Wells Fargo Advisors. Your line is open. Please, go ahead.

James Liberman: Thank you. That's a very fair presentation that I did finally get most of my questions answered. But could you be able to give a little bit more color to the significance of the National Grid selection of IRIS.

Bill Clough: Yes, I think I guess National Grid is a very, very (rennosant) obviously make press releases or statements about certain technologies if they don't believe in the technology and I think the fact that we're able to announced with their participation. The fact that they were looking to not only implement IRIS but recommend the IRIS be the method for our telemetry, remote telemetry throughout the EU, is an indication of how committed they are to the technology.

The IRIS technology was developed at their request with their assistance and frankly they are big believers in what it does and how it works. It gives them a much more dynamic method of controlling, they (are grid) and we believe very confidently that as they move forward as they now are done with RIIO and move forward to retrofit some 320 more IRIS sites or telemetry sites that IRIS will be the technology of choice.

And I think that press release and the fact that they participated in that is a good indication of how strong they believe in the technology. So I think the color that I can give it is just that, the reason that we're involved with GE is because National Grid hosted GE, and was able to show them how dynamic and how well the technology worked and also work as the testimonial for what we had done.

So again, I think that the National Grid is certainly committed to it. We know that they have to retrofit these locations because as I mentioned, many of them are redundant or are obsolete.

And so, we know that that's coming in the next little while, and we believe strongly that it's going to be an IRIS retrofit.

So I think that's the most color I can give you, but again it comes from the press release you saw, their quote and the fact that they participated in it.

James Liberman: Thank you. It's a great looking future, I appreciate it.

Bill Clough: Thanks, Jim.

Dan Ford: Thank you.

Operator: Thank you. I'm showing no further questions at this time. I'd like to hand the conference back over to Mr. Bill Clough, for closing remarks.

Bill Clough: Thank you. Just in conclusion I would again thank all of you for your support, and interest in CUI Global, as I mentioned at the conclusion of our statements, management is fully committed to moving the Company forward, to expanding and to doing it in an efficient manner that enhances both our employees and our shareholders' value.

So with that I again thank you for your interest, and we'll conclude the call.

Operator: Ladies and gentlemen, thank you for your participating in today's conference. This concludes our program.

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