

Joel Levine, President RFMW, Ltd.

Q: *Is there a particular emerging application or technology that intrigues you?*

A: We're particularly interested in the transport of data including the continuing evolution of "internet of things." Everything from light bulbs with an IP address to "smart" appliances that communicate with an electric meter are included. The number of possible connections is staggering. While the volume of components for these applications approach consumer levels, RFMW participates in multiple areas, customers, and applications, from design to supply chain, and from "personal networks" up to backhaul and metro and wide area applications.

Q: *Are you experiencing any effects of the reduction in defense spending or are you anticipating any impact on your business?*

A: Defense spending reductions have definitely had an impact on the purchasing expenditures from that market. With a reduction in US involvement in military activities and the effects of sequestration, either real or perceived, a number of companies have put new designs on hold and are cautious with regards to purchasing for existing platforms. In the current atmosphere it's whether or not you're on the "right" programs and for the most part we are participating at the right customers with the right products for the ongoing applications. RFMW's diversified customer base is split between military and commercial such that while we're seeing some hesitation in military spending, we see an increase in commercial design activities that not only compensate for the shortage, but are increasing our overall business levels.

Q: *Deployment of small cells and distributed antenna systems is increasing rapidly as wireless carriers attempt to provide "broadband wireless data everywhere." If your company is involved in any portion of the "HetNet" market, please tell us how you feel this market will develop.*

A: RFMW's small cell infrastructure strategy revolves around having the right products from the premier and unique suppliers. As mentioned previously, within "data transport", lower power small cells will be needed to handle the explosion of personal communications and data transport before the information can be aggregated into high performance backhaul systems. We see small cell companies as a growth area for RF and microwave technology. We've targeted small



cell infrastructure as an emerging technology with which we want to be involved. Our supplier portfolio includes multiple companies primed to take advantage of this growth segment including Scintera Networks, TriQuint, RFMD, Skyworks, NXP Semiconductors, EMC Technology, Sangshin Elecom, Sunny Electronics and so forth. All of these companies have RF and microwave products targeted at this application.

Q: *China has long been considered the greatest potential global market for many companies in the RF and microwave industry. Do you feel this is still true? Are there other emerging markets that you believe will be lucrative in the next few years?*

A: RFMW's long term growth strategy is the ability to service the market no matter where the product is being designed or built. We continue to add resources supporting global service of our customer base. In partnership with our suppliers, and the use of advanced logistics tools, RFMW helps customers obtain the best technology in the most efficient manner regardless of their location.

Q: *What do you believe will be the greatest challenge for the RF and microwave industry?*

A: Cost reduction. As more people and things enter the pool of "RF enabled", cost reduction due to price pressure, and perception, will be a key to acceptance and use. A few years ago, a wireless home security system cost a few thousand dollars. Now you can purchase a very usable system for a few hundred dollars that allows monitoring on the web via a smart phone. How is that possible? The cost came down enough for more people to afford those security measures and acceptance became widespread. More demand, more supply, lower cost. Higher levels of integration and imaginative ways of utilizing technology will allow this trend to continue. ♦