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# Buy From Transition Networks With Confidence

In these trying times, it is very important that you know who you're doing business with..



# Transition Networks - A Strong Partner Through All Economic Conditions

With economic uncertainty becoming a global concern, every company is examining the stability and background of those partners they rely on for success. With a long history of strong financial status and continued growth, Transition Networks understands these concerns and has built the reputation of a reliable, quality partner – through all economic conditions.

As a wholly owned subsidiary of Communications Systems, Inc., a publicly traded company (NASDAQ:JCS), Transition delivers high-quality, cost-effective fiber networking solutions to a broad customer base including:

Enterprise  
Government  
Service Provider  
Retail  
Banking and Finance

Healthcare  
Military  
Transportation  
Industrial/Hardened Environments  
Security and Surveillance

## About Transition Networks

Founded in 1987 as Transition Engineering, the company's first products adapted coaxial cable to twisted-pair cables; connecting terminals to mainframe computers. The company was renamed Transition Networks, Inc. in 1995 and experienced continued rapid growth as its products evolved from general Ethernet networking equipment to a complete line of conversion technology solutions. In 1998, Transition Networks was purchased by Communication Systems, Inc.

Today, Transition Networks Inc. offers networking connectivity solutions that make networks perform better, faster and more reliably while helping companies leverage their existing networking infrastructure. The company's Transition Networks brand of media converters make conversion between disparate media types possible, providing conversion technology solutions that offer the necessary adaptations without affecting the performance, nature or appearance of the network. Its complete Milan portfolio of multilayer switching products is designed to facilitate low-cost network evolution with unique solutions, easing the stress on networks caused by high-bandwidth applications. Based in Minneapolis, Transition Networks distributes hardware-based connectivity solutions exclusively through a network of resellers in 50 countries, including Ingram Micro and Tech Data.

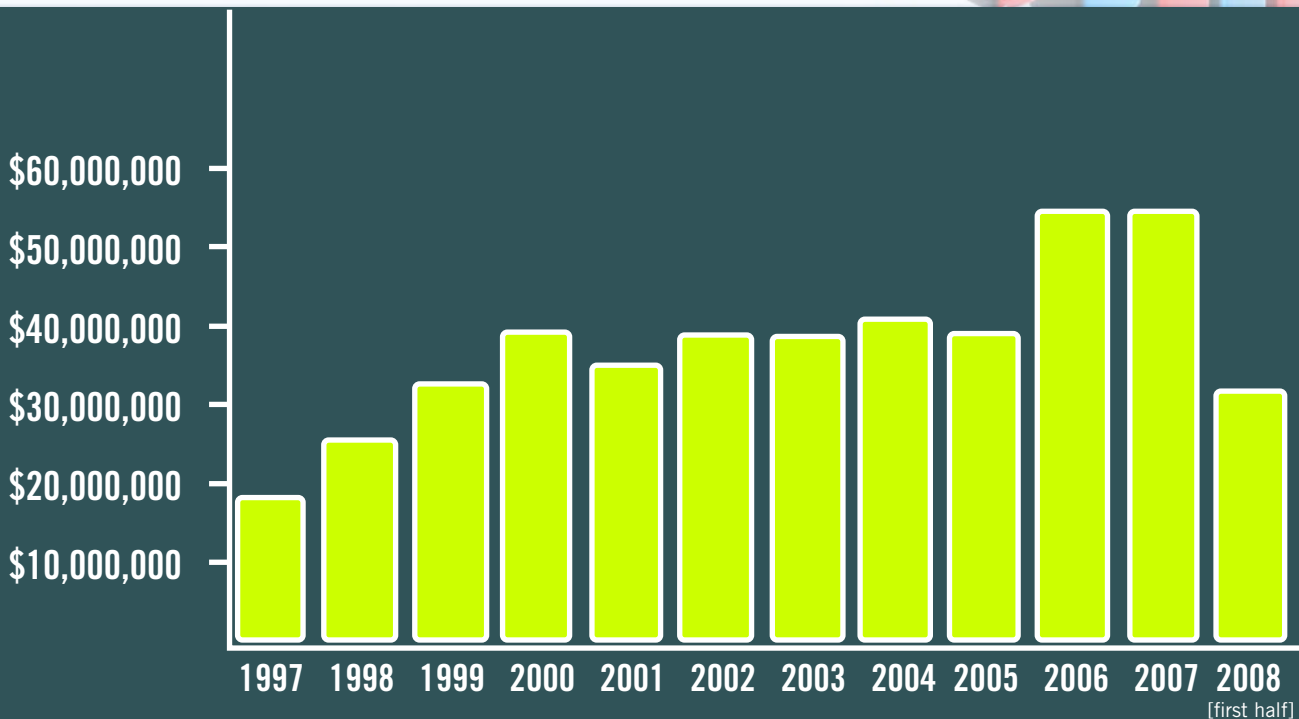
## About Communication Systems, Inc.

Communications Systems, Inc. (NASDAQ:JCS) is a global company with design, production and distribution facilities around the world that provides a growing family of physical and electronic connectivity infrastructure and services for voice, data and video communications. The Company's product families include a broad range of copper-based and fiber optic connection devices, digital subscriber line filters and connection devices, structured wiring systems that support Local Area Networks, media conversion devices and switches.

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## Communication Systems (CSI) NL SYMBOL: JCS – Company Financials

Transition Networks is a wholly owned subsidiary of Communications Systems, Inc., a publicly traded company.

Per Share Data & Valuation Ratio	2007	2006	2005	2004	2003	2002
Tangible Book Value	9.33	8.85	8.6	8.44	8.01	7.81
Cash Flow	NA	0.78	0.85	0.91	0.63	0.6
Earnings	0.85	0.51	0.63	0.57	0.33	0.28
Dividends	0.42	0.34	0.27	0.19	0.16	0.04
Payout Ratio	52%	NA	46%	33%	48%	14%

Income Statement Analysis	2007	2006	2005	2004	2003	2002
Revenue	121	115	110	111	102	107
Operation Income	10.2	7.38	8.73	10.1	6.48	6.57
Depreciation	2.16	2.35	1.92	2.77	2.46	2.63
Interest Expense	0.27	0.03	0.03	0.05	0.08	0.28
Pretax Income	12	5.72	7.24	7.53	4.34	3.89
Net Income	7.51	4.5	5.52	4.76	2.72	2.34

Balance Sheet	2007	2006	2005	2004	2003	2002
Cash	29.4	28.8	26.7	25.8	14.9	19.8
Current Assets	80.7	78.4	79.4	76.2	66.2	73
Total Assets	101	92.7	92.9	89.5	79.1	88.8
Current Liabilities	11.7	9.45	13	12.4	8.26	19.9
Long Term Debt	4.0	.7	0	0	0	0
Common Equity	84.9	82.5	79.9	77.1	70.8	68.9
Capital Expenditures	4.67	2.47	3.2	1.98	0.71	1.74
Current Ratio	6.9	8.3	6.1	6.1	8	3.7
% Long Tem Debt Capitalization	3.5	0	0	0	0	0
% Net Income of Revenue	6.2	3.9	5	4.3	2.7	2.2
% Return on Assets	7.8	4.8	6	5.7	3.2	2.6
% Return on Equity	9	5.5	7	6.4	3.9	3.4