

**Regulation G - Reconciliation of GAAP to Non-GAAP Financial Measures**

(in thousands, except per share data)  
(unaudited)

	FY 2007	Q107	FY 2006	Q406	Q306	Q206	Q106
<b>GAAP net income (loss)</b>	\$ (6,087)	\$ (6,087)	\$ 4,904	\$ 894	\$ 301	\$ (805)	\$ 4,514
Stock-based compensation from options and employee stock purchase plan	3,245	3,245	13,311	3,891	3,827	2,859	2,734
Stock-based compensation from acquisitions	22	22	484	192	94	96	102
Amortization of purchased intangible assets	952	952	2,941	952	951	644	394
In-process research & development	-	-	1,800	-	-	1,800	-
Tax impact of above	(1,264)	(1,264)	(967)	(1)	(204)	(245)	(517)
<b>Non-GAAP net income (loss)</b>	<u>\$ (3,132)</u>	<u>\$ (3,132)</u>	<u>\$ 22,473</u>	<u>\$ 5,928</u>	<u>\$ 4,969</u>	<u>\$ 4,349</u>	<u>\$ 7,227</u>
<b>Basic non-GAAP net income(loss) per share</b>	\$ (0.09)	\$ (0.09)	\$ 0.64	\$ 0.17	\$ 0.14	\$ 0.13	\$ 0.21
<b>Shares used in computing basic non-GAAP net income (loss) per share</b>	35,740	35,740	34,848	35,725	34,990	34,701	34,416
<b>Diluted non-GAAP net income(loss) per share</b>	\$ (0.09)	\$ (0.09)	\$ 0.63	\$ 0.16	\$ 0.14	\$ 0.12	\$ 0.20
<b>Shares used in computing diluted non-GAAP net income per share</b>	35,740	35,740	35,740	36,215	35,814	35,706	35,377
<b>GAAP cost of revenues</b>	\$ 11,940	\$ 11,940	\$ 39,085	\$ 12,753	\$ 9,924	\$ 8,589	\$ 7,819
Stock-based compensation from equity-based award programs	325	325	1,146	318	316	247	265
Amortization of purchased intangible assets	635	635	2,150	635	635	486	394
<b>Non-GAAP cost of revenues</b>	<u>\$ 10,980</u>	<u>\$ 10,980</u>	<u>\$ 35,789</u>	<u>\$ 11,800</u>	<u>\$ 8,973</u>	<u>\$ 7,856</u>	<u>\$ 7,160</u>
<b>GAAP research &amp; development expenses</b>	\$ 9,227	\$ 9,227	\$ 30,646	\$ 8,594	\$ 8,322	\$ 7,274	\$ 6,456
Stock-based compensation from equity-based award programs	1,098	1,098	3,900	1,194	1,159	829	718
Stock-based compensation from acquisitions	22	22	471	172	100	100	99
<b>Non-GAAP research &amp; development expenses</b>	<u>\$ 8,107</u>	<u>\$ 8,107</u>	<u>\$ 26,275</u>	<u>\$ 7,228</u>	<u>\$ 7,063</u>	<u>\$ 6,345</u>	<u>\$ 5,639</u>
<b>GAAP sales &amp; marketing expenses</b>	\$ 17,348	\$ 17,348	\$ 57,889	\$ 17,872	\$ 15,327	\$ 13,736	\$ 10,954
Stock-based compensation from equity-based award programs	1,042	1,042	5,233	1,451	1,590	1,135	1,057
Stock-based compensation from acquisitions	-	-	8	11	-	(5)	2
Amortization of purchased intangible assets	317	317	791	316	317	158	-
<b>Non-GAAP sales &amp; marketing expenses</b>	<u>\$ 15,990</u>	<u>\$ 15,990</u>	<u>\$ 51,857</u>	<u>\$ 16,094</u>	<u>\$ 13,420</u>	<u>\$ 12,448</u>	<u>\$ 9,895</u>
<b>GAAP general &amp; administrative expenses</b>	\$ 4,080	\$ 4,080	\$ 13,949	\$ 4,101	\$ 3,770	\$ 3,156	\$ 2,922
Stock-based compensation from equity-based award programs	780	780	3,031	927	762	648	694
Stock-based compensation from acquisitions	-	-	6	10	(6)	1	1
<b>Non-GAAP general &amp; administrative expenses</b>	<u>\$ 3,300</u>	<u>\$ 3,300</u>	<u>\$ 10,912</u>	<u>\$ 3,164</u>	<u>\$ 3,014</u>	<u>\$ 2,507</u>	<u>\$ 2,227</u>
<b>GAAP in-process research &amp; development</b>	\$ -	\$ -	\$ 1,800	\$ -	\$ -	\$ 1,800	\$ -
In-process research & development	-	-	1,800	-	-	1,800	-
<b>Non-GAAP in-process research &amp; development</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>GAAP operating income (loss)</b>	\$ (7,867)	\$ (7,867)	\$ 1,754	\$ (637)	\$ (1,357)	\$ (386)	\$ 4,134
Stock-based compensation from equity-based award programs	3,245	3,245	13,311	3,891	3,827	2,859	2,734
Stock-based compensation from acquisitions	22	22	484	192	94	96	102
Amortization of purchased intangible assets	952	952	2,941	952	951	644	394
In-process research & development	-	-	1,800	-	-	1,800	-
<b>Non-GAAP operating income</b>	<u>\$ (3,648)</u>	<u>\$ (3,648)</u>	<u>\$ 20,289</u>	<u>\$ 4,398</u>	<u>\$ 3,514</u>	<u>\$ 5,013</u>	<u>\$ 7,364</u>