

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

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

	FY 2006	Q206	Q106	FY 2005	Q405	Q305	Q205	Q105
<b>GAAP net income (loss)</b>	\$ 3,709	\$ (805)	\$ 4,514	\$ 19,158	\$ 9,098	\$ 2,255	\$ 4,228	\$ 3,577
Stock-based compensation from options and employee stock purchase plan	5,593	2,859	2,734	-	-	-	-	-
Stock-based compensation from acquisitions	198	96	102	901	222	227	222	230
Amortization of purchased intangible assets	1,038	644	394	1,557	400	401	400	356
In-process research & development	1,800	1,800	-	-	-	-	-	-
Tax impact of above	(762)	(245)	(517)	(320)	27	(119)	(123)	(105)
<b>Non-GAAP net income</b>	<u>\$ 11,576</u>	<u>\$ 4,349</u>	<u>\$ 7,227</u>	<u>\$ 21,296</u>	<u>\$ 9,747</u>	<u>\$ 2,764</u>	<u>\$ 4,727</u>	<u>\$ 4,058</u>
<b>Basic non-GAAP net income per share</b>	\$ 0.33	\$ 0.13	\$ 0.21	\$ 0.63	\$ 0.29	\$ 0.08	\$ 0.14	\$ 0.12
<b>Shares used in computing basic non-GAAP net income per share</b>	34,625	34,701	34,416	33,823	34,069	33,924	33,747	33,546
<b>Diluted non-GAAP net income per share</b>	\$ 0.33	\$ 0.12	\$ 0.20	\$ 0.61	\$ 0.28	\$ 0.08	\$ 0.14	\$ 0.12
<b>Shares used in computing diluted non-GAAP net income per share</b>	35,566	35,706	35,377	35,065	34,952	35,098	34,993	35,211
<b>GAAP cost of revenues</b>	\$ 16,409	\$ 8,589	\$ 7,820	\$ 29,295	\$ 8,039	\$ 6,629	\$ 7,457	\$ 7,170
Stock-based compensation from options and employee stock purchase plan	512	247	265	-	-	-	-	-
Amortization of purchased intangible assets	880	486	394	1,557	400	401	400	356
<b>Non-GAAP cost of revenues</b>	<u>\$ 15,017</u>	<u>\$ 7,856</u>	<u>\$ 7,161</u>	<u>\$ 27,738</u>	<u>\$ 7,639</u>	<u>\$ 6,228</u>	<u>\$ 7,057</u>	<u>\$ 6,814</u>
<b>GAAP research &amp; development expenses</b>	\$ 13,730	\$ 7,274	\$ 6,456	\$ 21,778	\$ 5,603	\$ 5,524	\$ 5,463	\$ 5,188
Stock-based compensation from options and employee stock purchase plan	1,547	829	718	-	-	-	-	-
Stock-based compensation from acquisitions	199	100	99	867	217	217	216	218
<b>Non-GAAP research &amp; development expenses</b>	<u>\$ 11,984</u>	<u>\$ 6,345</u>	<u>\$ 5,639</u>	<u>\$ 20,911</u>	<u>\$ 5,386</u>	<u>\$ 5,307</u>	<u>\$ 5,247</u>	<u>\$ 4,970</u>
<b>GAAP sales &amp; marketing expenses</b>	\$ 24,690	\$ 13,736	\$ 10,954	\$ 38,276	\$ 10,179	\$ 8,888	\$ 9,300	\$ 9,909
Stock-based compensation from options and employee stock purchase plan	2,192	1,135	1,057	-	-	-	-	-
Stock-based compensation from acquisitions	(3)	(5)	2	25	3	8	4	10
Amortization of purchased intangible assets	158	158	-	-	-	-	-	-
<b>Non-GAAP sales &amp; marketing expenses</b>	<u>\$ 22,343</u>	<u>\$ 12,448</u>	<u>\$ 9,895</u>	<u>\$ 38,251</u>	<u>\$ 10,176</u>	<u>\$ 8,880</u>	<u>\$ 9,296</u>	<u>\$ 9,899</u>
<b>GAAP general &amp; administrative expenses</b>	\$ 6,078	\$ 3,156	\$ 2,922	\$ 7,222	\$ 2,193	\$ 1,786	\$ 1,292	\$ 1,951
Stock-based compensation from options and employee stock purchase plan	1,342	648	694	-	-	-	-	-
Stock-based compensation from acquisitions	2	1	1	9	2	2	2	2
<b>Non-GAAP general &amp; administrative expenses</b>	<u>\$ 4,734</u>	<u>\$ 2,507</u>	<u>\$ 2,227</u>	<u>\$ 7,213</u>	<u>\$ 2,191</u>	<u>\$ 1,784</u>	<u>\$ 1,290</u>	<u>\$ 1,949</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>	<u>\$ -</u>
<b>GAAP operating income (loss)</b>	\$ 3,748	\$ (386)	\$ 4,134	\$ 16,370	\$ 5,837	\$ 2,008	\$ 4,665	\$ 3,860
Stock-based compensation from options and employee stock purchase plan	5,593	2,859	2,734	-	-	-	-	-
Stock-based compensation from acquisitions	198	96	102	901	222	227	222	230
Amortization of purchased intangible assets	1,038	644	394	1,557	400	401	400	356
In-process research & development	1,800	1,800	-	-	-	-	-	-
<b>Non-GAAP operating income</b>	<u>\$ 12,377</u>	<u>\$ 5,013</u>	<u>\$ 7,364</u>	<u>\$ 18,828</u>	<u>\$ 6,459</u>	<u>\$ 2,636</u>	<u>\$ 5,287</u>	<u>\$ 4,446</u>