



**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(In thousands, except per share data)  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	Sep-30, 2005	Oct-01, 2004	Sep-30, 2005	Oct-01, 2004
Revenue	\$ 188,484	\$ 170,164	\$ 588,092	\$ 506,125
Cost of sales	91,192	86,792	290,586	258,674
Gross margin	97,292	83,372	297,506	247,451
Gross margin (%)	51.6%	49.0%	50.6%	48.9%
Operating expenses				
Research and development	20,639	19,177	63,332	57,962
Sales and marketing	29,313	26,576	88,388	80,238
General and administrative	13,448	10,800	38,204	33,138
Restructuring charges	-	-	278	327
Amortization of purchased intangible assets	865	2,019	5,340	6,078
Total operating expenses	64,265	58,572	195,542	177,743
Operating income	33,027	24,800	101,964	69,708
Non-operating income (expense), net				
Interest expense, net	(650)	(843)	(1,680)	(2,699)
Foreign currency transaction loss, net	61	(317)	67	(446)
Expenses for affiliated operations, net	(1,976)	(2,284)	(7,514)	(6,336)
Other income, net	119	231	287	1,551
Total non-operating expense, net	(2,446)	(3,213)	(8,840)	(7,930)
Income before taxes	30,581	21,587	93,124	61,778
Income tax provision	10,345	3,670	31,662	10,503
Net income	\$ 20,236	\$ 17,917	\$ 61,462	\$ 51,275
Earnings per share :				
Basic	\$ 0.38	\$ 0.35	\$ 1.16	\$ 1.01
Diluted	\$ 0.35	\$ 0.33	\$ 1.08	\$ 0.94
Shares used in calculating earnings per share :				
Basic	53,592	51,412	53,017	50,882
Diluted	57,492	55,056	56,997	54,641