



CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

(Unaudited)

	Three Months Ended	
	April 2, 2004	April 4, 2003
Revenue	\$ 156,510	\$ 127,325
Cost of revenue	80,750	65,570
Gross Margin	75,760	61,755
Gross Margin (%)	48.4%	48.5%
Operating expenses:		
Research and development	18,848	16,040
Sales and marketing	26,304	23,997
General and administrative	10,386	8,635
Restructuring charges	-	390
Amortization of purchased intangibles	1,984	1,795
Total operating expenses	57,522	50,857
Operating income	18,238	10,898
Non-operating income (expense), net:		
Interest expense, net	(978)	(3,375)
Foreign exchange loss (gains), net	(636)	92
Other income (expense), net	80	(47)
Expenses for affiliated operations, net	(1,599)	(1,215)
Total non-operating expense, net	(3,133)	(4,545)
Income before income taxes	15,105	6,353
Income tax provision	2,265	1,000
Net income	\$ 12,840	\$ 5,353
Earnings per share :		
Basic	\$ 0.25	\$ 0.12
Diluted	\$ 0.24	\$ 0.12
Shares used in calculating earnings per share :		
Basic	50,418	44,040
Diluted	54,215	45,138