



**CONSOLIDATED STATEMENTS OF INCOME**  
(Dollars in thousands, except per share data)  
(Unaudited)

	Three Months Ended	
	Apr-01, 2005	Apr-02, 2004
Revenue	\$ 195,383	\$ 156,510
Cost of sales	97,576	80,750
Gross margin	97,807	75,760
Gross margin (%)	50.1%	48.4%
Operating expenses		
Research and development	21,828	18,848
Sales and marketing	30,371	26,304
General and administrative	12,832	10,386
Restructuring charges	278	-
Amortization of purchased intangible assets	2,298	1,984
Total operating expenses	67,607	57,522
Operating income	30,200	18,238
Non-operating income (expense), net		
Interest expense, net	(611)	(978)
Foreign currency transaction loss, net	(157)	(636)
Expenses for affiliated operations, net	(3,039)	(1,599)
Other income, net	30	80
Total non-operating expense, net	(3,777)	(3,133)
Income before taxes	26,423	15,105
Income tax provision	8,984	2,265
Net income	\$ 17,439	\$ 12,840
Earnings per share :		
Basic	\$ 0.33	\$ 0.25
Diluted	\$ 0.31	\$ 0.24
Shares used in calculating earnings per share :		
Basic	52,501	50,418
Diluted	56,371	54,215