

Consolidated Balance Sheets

Condensed Consolidated Balance Sheets

(amounts in thousands)

	Fiscal 2005				Fiscal 2006				Fiscal 2007				Fiscal 2008			
	Apr 30, 2004	Jul 31, 2004	Oct 31, 2004	Jan 31, 2005	Apr 30, 2005	Jul 31, 2005	Oct 31, 2005	Jan 31, 2006	Apr 30, 2006	Jul 31, 2006	Oct 31, 2006	Jan 31, 2007	Apr 30, 2007	Jul 31, 2007	Oct 31, 2007	Jan 31, 2008
Assets																
Cash and cash equivalents	5,560	61,093	22,756	35,731	40,604	25,140	87,355	99,842	128,573	149,992	70,324	86,608	87,492	122,949		
Marketable securities, current & long-term	38,173	111,534	162,258	170,207	176,400	207,570	169,498	196,950	169,740	184,115	300,954	325,904	360,579	374,242		
Accounts receivable, net	24,490	29,944	37,535	48,874	42,383	50,184	53,407	76,128	72,337	75,704	82,808	128,693	105,013	114,046		
Deferred commissions, current & long-term	9,911	9,501	8,779	9,613	9,613	10,543	12,218	17,075	16,535	18,497	20,798	31,550	31,693	33,825		
Deferred income taxes, current & long-term	0	0	0	0	0	0	6,458	10,416	18,458	17,512	20,850	20,853	19,739	24,726		
Prepays and other current assets	4,687	3,500	4,145	3,467	4,874	6,714	6,000	6,338	9,397	13,401	12,749	15,679	21,537	28,039		
Restricted cash	3,918	3,158	2,927	3,191	3,285	3,307	0	0	0	0	0	0	0	0		
Fixed assets	4,548	5,986	6,525	7,637	15,289	17,280	20,853	24,216	24,786	24,842	28,151	30,155	33,849	36,690		
Goodwill	0	0	0	0	0	0	0	0	7,239	7,239	6,743	6,705	6,705	6,705		
Other long-term	1,690	1,797	1,778	1,779	2,186	2,937	3,651	3,784	10,391	10,049	12,312	18,685	31,362	34,557		
Total assets	92,977	226,513	246,703	280,499	294,634	323,675	359,440	434,749	457,456	501,351	555,689	664,832	697,969	775,779		
Liabilities																
AP and accruals	21,010	28,123	31,574	35,771	33,572	37,496	46,750	65,450	56,923	63,880	74,856	92,936	81,645	90,262		
Deferred revenue	52,340	61,557	74,240	95,900	104,645	117,311	127,110	169,175	182,036	202,836	219,431	284,063	295,672	321,852		
Total current liabilities	73,350	89,680	105,814	131,671	138,217	154,807	173,860	234,625	238,959	266,716	294,287	376,999	377,317	412,114		
Long-term liabilities	1,754	2,693	2,504	2,317	1,815	1,660	1,454	1,339	3,722	1,158	1,102	1,408	5,993	6,378		
Minority interest	792	953	1,030	1,380	1,604	1,806	2,147	2,414	2,898	3,358	3,919	4,634	5,377	6,231		
Total liabilities	75,896	93,326	109,348	135,368	141,636	158,273	177,461	238,378	245,579	271,232	299,308	383,041	388,687	424,723		
Equity																
Total liabilities and equity	17,081	133,187	137,355	145,131	152,998	165,402	181,979	196,371	211,877	230,119	256,381	281,791	309,282	351,056		
Total liabilities and equity	92,977	226,513	246,703	280,499	294,634	323,675	359,440	434,749	457,456	501,351	555,689	664,832	697,969	775,779		



Consolidated Statements of Operations

Condensed Consolidated Statements of Operations

(amounts in thousands, except per share data and headcount)

	Fiscal 2005					Fiscal 2006					Fiscal 2007					Fiscal 2008				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
Revenues																				
Subscription and support	31,116	36,017	41,465	49,379	157,977	58,190	65,638	74,386	82,425	280,639	94,493	106,663	118,433	132,071	451,660	147,690	159,998			307,688
Professional services and other	3,723	4,564	4,896	5,215	18,398	5,987	6,305	8,287	8,639	29,218	10,193	11,474	11,620	12,151	45,438	14,722	16,581			31,303
Total revenues	34,839	40,581	46,361	54,594	176,375	64,177	71,943	82,673	91,064	309,857	104,686	118,137	130,053	144,222	497,098	162,412	176,579			338,991
Cost of revenues																				
Subscription and support	2,282	2,699	3,546	4,200	12,727	5,336	8,013	10,069	11,039	34,457	12,775	15,775	16,628	16,279	61,457	20,184	22,375			42,559
Professional services and other	4,081	5,483	5,359	5,804	20,727	6,629	8,224	9,515	10,301	34,669	11,785	13,356	14,732	17,560	57,433	18,983	19,037			38,020
Total cost of revenues	6,363	8,182	8,905	10,004	33,454	11,965	16,237	19,584	21,340	69,126	24,560	29,131	31,360	33,839	118,890	39,167	41,412			80,579
Gross profit	28,476	32,399	37,456	44,590	142,921	52,212	55,706	63,089	69,724	240,731	80,126	89,006	98,693	110,383	378,208	123,245	135,167			258,412
Gross profit %	82%	80%	81%	82%	81%	81%	77%	76%	77%	78%	77%	75%	76%	77%	76%	76%	77%			76%
Research and development	2,127	2,074	2,462	3,159	9,822	4,302	5,470	6,602	6,956	23,330	8,825	11,008	11,450	13,331	44,614	14,121	15,096			29,217
Marketing and sales	20,415	22,525	24,940	28,431	96,311	34,502	34,688	37,905	42,503	149,598	52,016	59,811	66,526	74,582	252,935	83,925	90,216			174,141
General and administrative	5,573	6,635	8,281	9,779	30,268	9,423	11,355	12,195	15,013	47,986	19,405	19,466	20,840	24,546	84,257	25,085	26,508			51,593
Lease abandonment (recovery)	0	0	0	0	0	(285)	0	0	0	(285)	0	0	0	0	0	0	0			0
Total operating expenses	28,115	31,234	35,683	41,369	136,401	47,942	51,513	56,702	64,472	220,629	80,246	90,285	98,816	112,459	381,806	123,131	131,820			254,951
Operating (loss) income	361	1,165	1,773	3,221	6,520	4,270	4,193	6,387	5,252	20,102	(120)	(1,279)	(123)	(2,076)	(3,598)	114	3,347			3,461
Other income (expense), net	163	353	799	1,318	2,633	1,485	2,359	1,950	2,302	8,096	2,380	3,307	4,441	5,966	16,094	5,176	5,895			11,071
Income tax benefit (expense)	(70)	(202)	(342)	(603)	(1,217)	(1,151)	(1,310)	5,101	(1,330)	1,310	(2,005)	(1,713)	(3,418)	(2,659)	(9,795)	(3,842)	(4,653)			(8,495)
(Loss) income before min int	454	1,316	2,230	3,936	7,936	4,604	5,242	13,438	6,224	29,508	255	315	900	1,231	2,701	1,448	4,589			6,037
Minority interest	(17)	(146)	(77)	(350)	(590)	(224)	(202)	(341)	(267)	(1,034)	(484)	(460)	(561)	(715)	(2,220)	(718)	(854)			(1,572)
Net (loss) income	437	1,170	2,153	3,586	7,346	4,380	5,040	13,097	5,957	28,474	(229)	(145)	339	516	481	730	3,735			4,465
** Basic EPS	0.01	0.02	0.02	0.03	0.10	0.04	0.05	0.12	0.05	0.27	0.00	0.00	0.00	0.00	0.00	0.01	0.03			0.04
** Diluted EPS	0.00	0.01	0.02	0.03	0.07	0.04	0.04	0.11	0.05	0.24	0.00	0.00	0.00	0.00	0.00	0.01	0.03			0.04
Basic share count	31,688	64,524	102,337	103,458	75,503	105,221	106,614	107,781	109,455	107,274	110,957	111,838	112,885	113,905	112,386	114,987	116,294			115,637
* Diluted share count	100,398	107,749	116,176	116,808	110,874	116,367	117,974	118,655	120,983	118,737	110,957	111,838	120,279	121,259	120,154	120,635	121,333			120,993
*** Stock based expense																				
Cost of sales	170	187	172	105	634	150	160	135	130	575	1,154	1,442	1,304	1,622	5,522	1,774	1,965			3,739
R&D	89	80	77	36	282	88	91	77	76	332	720	1,286	1,195	1,322	4,523	1,277	1,510			2,787
Marketing & sales	414	408	386	88	1,296	362	365	301	297	1,325	3,482	4,718	4,826	5,366	18,392	5,619	6,265			11,884
G&A	204	425	556	217	1,402	256	322	312	326	1,216	2,250	2,747	2,915	2,856	10,768	3,342	3,691			7,033
	877	1,100	1,191	446	3,614	856	938	825	829	3,448	7,606	10,193	10,240	11,166	39,205	12,012	13,431			25,443
Full time equivalent headcount	518	594	679	767	767	876	1,059	1,116	1,304	1,304	1,480	1,625	1,807	2,070	2,070	2,243	2,302			2,302

* When there is a net loss, diluted EPS is calculated using the basic share count.

** The GAAP basic and diluted EPS for the third quarter of fiscal 2006 includes a one time income tax benefit equal to \$0.06 per share.

*** On February 1, 2006, the Company adopted the new accounting rule that requires the Company to expense all stock-based awards over the requisite service period.



Consolidated Statements of Cash Flows

Condensed Consolidated Statements of Cash Flows

(amounts in thousands)

	Fiscal 2005					Fiscal 2006					Fiscal 2007					Fiscal 2008					
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	
Operating activities																					
Net (loss) income	437	1,170	2,153	3,586	7,346	4,380	5,040	13,097	5,957	28,474	(229)	(145)	339	516	481	730	3,735				4,465
Adjustments to reconcile net (loss) income to net cash provided by operating activities:																					
Minority interest	17	146	77	350	590	224	202	341	267	1,034	484	460	561	715	2,220	718	854				1,572
Depreciation and amortization	748	679	800	920	3,147	1,121	1,468	1,490	1,948	6,027	2,325	3,103	3,339	3,737	12,504	4,848	6,045				10,893
Amortization of deferred commissions	3,593	3,875	4,255	3,875	15,598	3,402	3,326	3,629	4,249	14,606	5,127	5,651	5,827	6,776	23,381	9,039	9,644				18,683
Lease abandonment (recovery)	0	0	0	0	0	(285)	0	0	0	(285)	0	0	0	0	0	0	0				0
Expenses related to stock-based awards	877	1,100	1,191	446	3,614	856	938	825	829	3,448	7,606	10,193	10,240	11,166	39,205	12,012	13,431				25,443
Tax benefits from employee stock plans	0	0	0	798	798	0	1,918	794	950	3,662	(2,600)	(3,328)	(4,878)	(5,768)	(16,574)	(6,286)	(8,920)				(15,206)
Changes in assets and liabilities	987	7,965	4,674	11,153	24,779	8,212	1,180	4,395	25,140	38,927	(297)	14,088	15,199	21,017	50,007	15,769	9,865				25,634
Net cash provided by operating activities	6,659	14,935	13,150	21,128	55,872	17,910	14,072	24,571	39,340	95,893	12,416	30,022	30,627	38,159	111,224	36,830	34,654				71,484
Investing activities																					
Business combination	0	0	0	0	0	0	0	0	0	0	(15,502)	0	0	0	(15,502)	0	0				0
Purchase of subsidiary stock	0	0	0	0	0	0	0	0	0	0	0	0	0	(2,777)	(2,777)	0	0				0
Restricted cash	(6)	760	231	(264)	721	(94)	(22)	3,307	0	3,191	0	0	0	0	0	0	0				0
Changes in marketable securities	(12,824)	(73,361)	(50,724)	(8,703)	(145,612)	(6,515)	(31,518)	37,750	(27,279)	(27,562)	27,208	(14,151)	(116,209)	(25,042)	(128,194)	(34,212)	(13,735)				(47,947)
Capital expenditures	(278)	(484)	(1,281)	(2,265)	(4,308)	(9,157)	(3,372)	(5,291)	(5,614)	(23,434)	(2,595)	(2,818)	(9,085)	(7,625)	(22,123)	(15,957)	(10,104)				(26,061)
Net cash (used in) provided by investing activities	(13,108)	(73,085)	(51,774)	(11,232)	(149,199)	(15,766)	(34,912)	35,766	(32,893)	(47,805)	9,111	(16,969)	(125,294)	(35,444)	(168,596)	(50,169)	(23,839)				(74,008)
Financing activities																					
Proceeds from issuance of common stock - IPO	0	113,768	0	0	113,768	0	0	0	0	0	0	0	0	0	0	0	0				0
Proceeds from exercise of stock options and warrants	1,642	92	459	2,553	4,746	2,152	5,290	2,209	6,084	15,735	5,503	5,388	10,149	8,042	29,082	8,300	15,404				23,704
Tax benefits from employee stock plans	0	0	0	0	0	0	0	0	0	0	2,600	3,328	4,878	5,768	16,574	6,286	8,920				15,206
Collection of notes receivable	0	0	0	1,043	1,043	727	0	0	0	727	0	0	0	0	0	0	0				0
Capital lease payments	(58)	(157)	(139)	(139)	(493)	(140)	(171)	(152)	(151)	(614)	(151)	(153)	(155)	(158)	(617)	(157)	(6)				(163)
Repurchase of unvested shares	(36)	(7)	(211)	0	(254)	(4)	(24)	0	0	(28)	0	(10)	0	(2)	(12)	0	0				0
Subsidiary stock offerings	0	40	0	0	40	0	0	0	0	0	0	0	0	0	0	0	0				0
Net cash (used in) provided by financing activities	1,548	113,736	109	3,457	118,850	2,735	5,095	2,057	5,933	15,820	7,952	8,553	14,872	13,650	45,027	14,429	24,318				38,747
Effect of exchange rate changes	(2)	(53)	178	(378)	(255)	(6)	281	(179)	107	203	(748)	(187)	127	(81)	(889)	(206)	324				118
Net increase (decrease) in cash and cash equivalents	(4,903)	55,533	(38,337)	12,975	25,268	4,873	(15,464)	62,215	12,487	64,111	28,731	21,419	(79,668)	16,284	(13,234)	884	35,457				36,341
Cash and cash equivalents, beginning of period	10,463	5,560	61,093	22,756	10,463	35,731	40,604	25,140	87,355	35,731	99,842	128,573	149,992	70,324	99,842	86,608	87,492				86,608
Cash and cash equivalents, end of period	5,560	61,093	22,756	35,731	35,731	40,604	25,140	87,355	99,842	99,842	128,573	149,992	70,324	86,608	86,608	87,492	122,949				122,949



Customers & Paying Subscribers By Date

Q4 Fiscal 2001 to Q2 Fiscal 2008

	<u>Customers</u>	<u>Subscribers</u>
FY01	1,500	30,000
FY02	3,500	53,000
FY03	5,700	76,000
Q1 FY04	6,300	85,000
Q2 FY04	7,000	96,000
Q3 FY04	7,700	107,000
Q4 FY04	8,700	127,000
Q1 FY05	9,800	147,000
Q2 FY05	11,100	168,000
Q3 FY05	12,500	195,000
Q4 FY05	13,900	227,000
Q1 FY06	15,500	267,000
Q2 FY06	16,900	307,000
Q3 FY06	18,700	347,000
Q4 FY06	20,500	393,000
Q1 FY07	22,700	438,000
Q2 FY07	24,800	495,000
Q3 FY07	27,100	556,000
Q4 FY07	29,800	646,000
Q1 FY08	32,300	N/A
Q2 FY08	35,300	> 800,000

