

Reconciliation of GAAP Net Income (Loss) to Non-GAAP Net Income (Loss) less Purchase Cancellation Costs
Three Months Ended June 30, 2009
(in thousands, except per share data)
(unaudited)

	<u>GAAP</u>	<u>Adjustments (a)</u>	<u>Non-GAAP less Purchase Cancellation Costs</u>
Net revenues	\$ 84,100	\$ -	\$ 84,100
Cost of revenues	65,544	(2,295)	63,249
Gross margin	18,556	2,295	20,851
Operating costs and expenses:			
Research and development	10,709	(676)	10,033
Sales and marketing	4,850	(293)	4,557
General and administrative	4,383	(604)	3,779
Total operating costs and expenses	19,942	(1,573)	18,369
Operating income (loss)	(1,386)	3,868	2,482
Other income (expense):			
Interest income and expense, net	370	-	370
Other income (expense), net	81	-	81
Income (loss) before income taxes	(935)	3,868	2,933
Provision (benefit) for income taxes	(135)	1,078	943
Net income (loss)	<u>\$ (800)</u>	<u>\$ 2,790</u>	<u>\$ 1,990</u>
Per share data:			
Net income (loss) per common share:			
Basic	\$ (0.03)		\$ 0.07
Diluted	\$ (0.03)		\$ 0.06
Weighted average shares used in computation of Net income (loss) per share:			
Basic	30,531		30,531
Diluted	30,531		31,066

(a) Adjustments reflect stock-based compensation expense recorded under SFAS 123R, and its effect on income taxes and the impact of the purchase cancellation costs on gross margin, and their effect on income taxes.

See "Non -GAAP Financial Measures" for information regarding our use of Non-GAAP financial measures.