

Omniceil, Inc.
Condensed Consolidated Statement of Operations
(in thousands, except per share data, unaudited)

	<u>Three Months Ended</u>			<u>Six Months Ended</u>	
	June 30, 2008	March 31, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Revenues:					
Product	\$ 52,870	\$ 52,415	\$ 42,654	\$ 105,286	\$ 82,895
Services and other revenues	<u>10,504</u>	<u>9,675</u>	<u>9,168</u>	<u>20,179</u>	<u>17,088</u>
Total revenue	<u>63,374</u>	<u>62,090</u>	<u>51,822</u>	<u>125,465</u>	<u>99,983</u>
Cost of revenues:					
Cost of product revenues	24,349	23,970	19,557	48,319	38,297
Cost of services and other revenues	<u>6,665</u>	<u>5,776</u>	<u>4,917</u>	<u>12,440</u>	<u>9,095</u>
Total cost of revenues	<u>31,014</u>	<u>29,746</u>	<u>24,474</u>	<u>60,759</u>	<u>47,392</u>
Gross profit	32,360	32,344	27,348	64,706	52,591
Operating expenses:					
Research and development	4,978	4,276	3,765	9,255	7,151
Selling, general, and administrative	<u>22,878</u>	<u>23,207</u>	<u>19,402</u>	<u>46,085</u>	<u>37,765</u>
Total operating expenses	<u>27,856</u>	<u>27,483</u>	<u>23,167</u>	<u>55,340</u>	<u>44,916</u>
Income from operations	4,504	4,861	4,181	9,366	7,675
Other income and expense	<u>722</u>	<u>1,410</u>	<u>1,272</u>	<u>2,131</u>	<u>2,020</u>
Income before provision for income taxes	5,226	6,271	5,453	11,497	9,695
Provision for (benefit from) income taxes	<u>2,473</u>	<u>2,538</u>	<u>(12,640)</u>	<u>5,011</u>	<u>(12,363)</u>
Net income	<u>\$ 2,753</u>	<u>\$ 3,733</u>	<u>\$ 18,093</u>	<u>\$ 6,486</u>	<u>\$ 22,058</u>
Net income per share:					
Basic	\$ 0.09	\$ 0.11	\$ 0.58	\$ 0.20	\$ 0.74
Diluted	\$ 0.08	\$ 0.10	\$ 0.55	\$ 0.19	\$ 0.70
Weighted average shares outstanding:					
Basic	31,716	34,193	31,003	32,954	29,870
Diluted	32,549	35,582	32,831	33,788	31,696

Omniceil, Inc.
Condensed Consolidated Balance Sheet
(In thousands)

	June 30, 2008	December 31, 2007
	(unaudited)	
Current Assets:		
Cash and cash equivalents	\$ 122,783	\$ 169,812
Accounts receivable, net	40,784	37,521
Inventories	15,533	13,732
Prepaid expenses	7,904	9,482
Deferred tax assets	11,830	11,830
Other current assets	<u>9,536</u>	<u>9,807</u>
Total current assets	208,370	252,184
Property and equipment, net	12,632	10,184
Non-current net investment in sales-type leases	11,434	12,634
Goodwill	24,309	23,076
Other intangible assets	8,034	9,466
Non-current deferred tax asset	10,273	12,881
Other assets	<u>9,013</u>	<u>7,998</u>
Total assets	<u>\$ 284,065</u>	<u>\$ 328,423</u>
Current Liabilities:		
Accounts payable	\$ 12,186	\$ 10,116
Accrued compensation	8,492	8,306
Advance payments from customers	63	156
Accrued liabilities	11,337	12,877
Deferred service revenue	12,243	11,263
Deferred gross profit	14,056	14,565
Obligation resulting from sale of receivables	<u>313</u>	<u>538</u>
Total current liabilities	58,690	57,821
Long-term deferred service revenue	17,249	15,726
Other long-term liabilities	<u>140</u>	<u>237</u>
Total liabilities	76,079	73,784
Stockholders' equity	<u>207,986</u>	<u>254,639</u>
Total liabilities and stockholders' equity	<u>\$ 284,065</u>	<u>\$ 328,423</u>

Omniceil, Inc.
Reconciliation of GAAP to Non-GAAP
(in thousands, except per share data, unaudited)

	<u>June 30, 2008</u>		<u>Three months ended</u> <u>June 30, 2007</u>		<u>March 31, 2008</u>	
	<u>Net income</u>	<u>Earnings per share-diluted</u>	<u>Net income</u>	<u>Earnings per share-diluted</u>	<u>Net income</u>	<u>Earnings per share-diluted</u>
GAAP	\$ 2,753	\$ 0.08	\$ 18,093	\$ 0.55	\$ 3,733	\$ 0.10
Non-GAAP Adjustments:						
SFAS No. 123(R) adjustment (a)						
Gross Margin	416		331		510	
Operating Expenses	2,517		2,207		2,557	
Income tax adjustment (b)			<u>(12,784)</u>			
	2,933	0.09	(10,246)	(0.31)	3,067	0.09
Non-GAAP	<u>\$ 5,686</u>	<u>\$ 0.17</u>	<u>\$ 7,847</u>	<u>\$ 0.24</u>	<u>\$ 6,800</u>	<u>\$ 0.19</u>

(a) This adjustment reflects the accounting impact of non-cash share-based compensation expense related to the impact of SFAS No.123R for the three months ended June 30, 2008, June 30, 2007 and March 31, 2008.

(b) This adjustment reflects the accounting impact of income tax provision and tax benefit from release of valuation allowance reserve for the three months ended June 30, 2007.