

Condensed Consolidated Statements of Operations

For the three months
ended March 31,

| | 2007 | 2006 |
|---|--|-------------|
| | In thousands, except share and per share amounts (unaudited) | |
| Revenue..... | \$ 8,554 | \$ 10,133 |
| OPERATING EXPENSES | | |
| Research and development..... | 12,676 | 15,517 |
| Cost of revenue..... | 10,918 | 9,850 |
| Selling, general and administrative..... | 6,176 | 5,267 |
| Total operating expense..... | 29,770 | 30,634 |
| Operating loss..... | (21,216) | (20,501) |
| Interest income..... | 1,991 | 1,712 |
| Interest expense..... | (3,666) | (1,716) |
| Other non-operating income and (expense), net..... | 266 | 232 |
| Net loss | \$ (22,625) | \$ (20,273) |
| Basic and diluted net loss per share: | \$ (0.37) | \$ (0.37) |
| Shares used in computing basic and diluted net loss per share..... | 60,948,754 | 54,601,111 |

Condensed Consolidated Balance Sheet Data

| | At March 31, | At December 31, |
|--|------------------------------|-----------------|
| | 2007 | 2006 |
| | In thousands, (unaudited) | |
| Cash, cash equivalents, and investments.. \$ | 135,108 | \$ 152,016 |
| Total assets..... | 196,902 | 215,609 |
| Total liabilities..... | 273,406 | 270,988 |
| Total shareholders' equity (deficit)..... | (76,504) | (55,379) |

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