

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

	Three Months Ended		
	March 31, 2008	December 31, 2007	March 31, 2007
Revenues:			
Product	\$ 52,415	\$ 48,735	\$ 40,241
Services and other revenues	9,675	9,211	7,920
Total revenue	62,090	57,946	48,161
Cost of revenues:			
Cost of product revenues	23,970	21,724	18,740
Cost of services and other revenues	5,776	5,317	4,178
Total cost of revenues	29,746	27,041	22,918
Gross profit	32,344	30,905	25,243
Operating expenses:			
Research and development	4,276	4,051	3,386
Selling, general, and administrative	23,207	21,538	18,363
Total operating expenses	27,483	25,589	21,749
Income from operations	4,861	5,316	3,494
Other income and expense	1,410	1,978	748
Income before provision for (benefit from) income taxes	6,271	7,294	4,242
Provision for (benefit from) income taxes	2,538	(7,003)	277
Net income	\$ 3,733	\$ 14,297	\$ 3,965
Net income per share:			
Basic	\$ 0.11	\$ 0.41	\$ 0.14
Diluted	\$ 0.10	\$ 0.39	\$ 0.13
Weighted average shares outstanding:			
Basic	34,193	34,482	28,738
Diluted	35,582	36,203	30,570

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

	March 31, 2008 (unaudited)	December 31, 2007
Current Assets:		
Cash and cash equivalents	\$ 142,578	\$ 169,812
Accounts receivable, net	44,818	37,521
Inventories	15,216	13,732
Prepaid expenses	8,490	9,482
Deferred tax assets	11,830	11,830
Other current assets	9,825	9,807
Total current assets	232,757	252,184
Property and equipment, net	11,290	10,184
Non-current net investment in sales-type leases	12,905	12,634
Goodwill	23,164	23,076
Other intangible assets	8,732	9,466
Non-current deferred tax asset	10,375	12,881
Other assets	8,497	7,998
Total assets	\$ 307,720	\$ 328,423
Current Liabilities:		
Accounts payable	\$ 13,755	\$ 10,116
Accrued compensation	6,778	8,306
Advance payments from customers	583	156
Accrued liabilities	11,552	12,877
Deferred service revenue	12,540	11,263
Deferred gross profit	19,397	14,565
Obligation resulting from sale of receivables	410	538
Total current liabilities	65,015	57,821
Long-term deferred service revenue	17,019	15,726
Other long-term liabilities	189	237
Total liabilities	82,223	73,784
Stockholders' equity	225,497	254,639
Total liabilities and stockholders' equity	\$ 307,720	\$ 328,423

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

	Three months ended			
	March 31, 2008		December 31, 2007	
	Net income	Earnings per share- diluted	Net income	Earnings per share- diluted
GAAP	\$ 3,733	\$ 0.10	\$ 14,297	\$ 0.39
Non-GAAP Adjustments:				
SFAS No. 123(R) adjustment (a)				
Gross Margin	510		469	
Operating Expenses	2,557		2,680	
Income tax adjustment (b)			(7,217)	
	3,067	0.09	(4,068)	(0.11)
Non-GAAP	<u>\$ 6,800</u>	<u>\$ 0.19</u>	<u>\$ 10,229</u>	<u>\$ 0.28</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 March 31, 2008 and December 31, 2007.

(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 December 31, 2007. There was no such adjustment for the three months ended March 31, 2008.