

Projected Income Statement

(in thousands)

	Projected 2007	Prior Years		
		2006	2005	2004
Net Revenues	\$845,000	\$740,167	\$617,126	\$496,693
Cost and expenses:				
Cost of revenues	122,000	96,364	71,338	64,217
Marketing and sales	315,000	260,553	237,107	199,939
Research and development	160,000	142,806	122,432	93,702
General and administrative	133,000	123,622	88,900	74,280
Nonrecurring charges	25,000	21,985	22,187	4,738
Total cost and expenses	755,000	645,330	541,964	436,876
Income from operations	90,000	94,837	75,162	59,817
Interest and other income, net	15,000	13,523	9,644	6,695
Income before income taxes	105,000	108,360	84,806	66,512
Provision for income taxes	60,000	55,921	39,635	24,941
Net income	45,000	52,439	45,171	41,571

Cell: B5

Comment: Kevin Whyte:

Do you think that \$840,000 is a reasonable estimate for next year's revenue?

Anjali Mahanez:

Yes, I think the estimate is reasonable.

Brad Vukovich:

Here are my estimates.

Sally Breen:

I spoke to upper management. They indicated that with the new product line, they anticipate an increase in net revenue to no less than \$860,000