

Digital Products

Consolidated Cash Flow Statements

(in thousands)

	Fiscal year ending January 31,		
	2006	2005	2004
Operating Activities			
Net Income	\$ 120,629	\$ 45,171	\$ 41,571
Adjustments to reconcile Net Income to net Cash from Operating Activities:			
Depreciation and amortization	63,177	49,947	34,833
Research and development	13,100	22,187	4,738
Litigation and related interest accrual reversal	(1,307)		
Changes in operating assets and liabilities:			
Accounts receivable	(30,991)	(5,572)	25,365
Inventories	(93)	534	2,345
Deferred income taxes	9,516	(10,947)	(785)
Prepaid expenses	(3,365)	1,501	890
Accounts payable	8,808	40,125	(4,318)
Accrued income taxes	14,620	1,265	9,544
Net cash provided (used) by operating activities	194,094	144,211	114,183
Investing Activities			
Purchases of marketable securities	(838,591)	(1,102,015)	(683,550)
Maturities of marketable securities	792,647	960,945	524,167
Equipment purchases	(30,396)	(15,000)	(17,409)
Building purchases	(69,279)	(5,766)	(9,908)
Proceeds from disposition of fixed assets	2,719		
Software purchases	(5,979)	(19,833)	(995)
Acquisition of other assets	(6,190)		
Other	(4,771)	(36)	(3,407)
Net cash provided (used) by investing activities	(159,840)	(181,705)	(191,102)
Financing Activities			
Proceeds from common stock	90,553	80,059	23,307
Dividends paid	(11,722)	(11,290)	(10,879)
Net cash provided (used) in financing activities	78,831	68,769	12,428
Net change in cash and cash equivalents	113,085	31,275	(64,491)
Cash and Cash equivalents at beginning of year	96,089	64,814	129,305
Cash and Cash equivalents at end of year	209,174	96,089	64,814