

OPNET TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2011	2010	2011	2010
Revenue:				
Product	\$24,426	\$20,177	\$64,454	\$50,822
Product updates, technical support, and services	15,749	13,908	45,854	39,280
Professional services	5,812	5,593	17,847	16,779
Total revenue	<u>45,987</u>	<u>39,678</u>	<u>128,155</u>	<u>106,881</u>
Cost of revenue:				
Product	4,319	2,893	10,718	6,672
Product updates, technical support, and services	1,488	1,269	4,315	3,827
Professional services	4,077	3,689	11,694	12,186
Amortization of acquired technology and customer relationships	535	553	1,611	1,511
Total cost of revenue	<u>10,419</u>	<u>8,404</u>	<u>28,338</u>	<u>24,196</u>
Gross profit	<u>35,568</u>	<u>31,274</u>	<u>99,817</u>	<u>82,685</u>
Operating expenses:				
Research and development	9,275	8,757	27,605	25,398
Sales and marketing	14,923	13,265	40,993	35,117
General and administrative	3,078	3,649	9,371	9,607
Total operating expenses	<u>27,276</u>	<u>25,671</u>	<u>77,969</u>	<u>70,122</u>
Income from operations	8,292	5,603	21,848	12,563
Interest and other expense, net	(5)	(54)	(64)	(85)
Income before provision for income taxes	8,287	5,549	21,784	12,478
Provision for income taxes	2,964	1,225	7,486	3,900
Net income	<u>\$5,323</u>	<u>\$4,324</u>	<u>\$14,298</u>	<u>\$8,578</u>
Basic net income per common share	<u>\$0.23</u>	<u>\$0.19</u>	<u>\$0.63</u>	<u>\$0.40</u>
Diluted net income per common share	<u>\$0.23</u>	<u>\$0.19</u>	<u>\$0.62</u>	<u>\$0.38</u>
Basic weighted average common shares outstanding	<u>22,304</u>	<u>21,608</u>	<u>22,192</u>	<u>21,263</u>
Diluted weighted average common shares outstanding	<u>22,736</u>	<u>22,230</u>	<u>22,667</u>	<u>21,921</u>

OPNET TECHNOLOGIES, INC.
RECONCILIATION OF NON-GAAP RESULTS TO GAAP RESULTS

(in thousands, except per share data)
(unaudited)

	Three Months Ended		Three Months Ended
	December 31,		September 30,
	2011	2010	2011
GAAP gross profit	\$35,568	\$31,274	\$32,325
Stock-based compensation expense included in cost of revenue	27	25	27
Amortization of intangibles included in cost of revenue	536	552	537
Non-GAAP gross profit	<u>\$36,131</u>	<u>\$31,851</u>	<u>\$32,889</u>
GAAP income from operations	\$8,292	\$5,603	\$7,262
Stock-based compensation expense – total (included in cost of revenue and in operating expenses)	699	664	606
Amortization of intangibles --- total (included in cost of revenue and in research and development expenses)	561	578	562
Non-GAAP income from operations	<u>\$9,552</u>	<u>\$6,845</u>	<u>\$8,430</u>
GAAP net income	\$5,323	\$4,324	\$4,786
Stock-based compensation expense --- total	699	664	606
Amortization of intangibles --- total	561	578	562
Provision for income tax	(492) (1)	(497) (2)	(456) (1)
Non-GAAP net income	<u>\$6,091</u>	<u>\$5,069</u>	<u>\$5,498</u>
Diluted net income per common share:			
GAAP	<u>\$0.23</u>	<u>\$0.19</u>	<u>\$0.21</u>
Non-GAAP	<u>\$0.26</u>	<u>\$0.23</u>	<u>\$0.24</u>
Diluted weighted average common shares outstanding			
GAAP	<u>22,304</u>	<u>22,230</u>	<u>22,687</u>
Non-GAAP	<u>22,304</u>	<u>22,230</u>	<u>22,687</u>

(1) Reflects the tax effect of non-GAAP adjustments above at the statutory rate of 39% based on projected taxable income.

(2) Reflects the tax effect of non-GAAP adjustments above at the statutory rate of 40% based on actual taxable income.

OPNET TECHNOLOGIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)
(unaudited)

December March

	31,	31,
	2011	2011
ASSETS		
Current assets:		
Cash and cash equivalents	\$57,967	\$83,296
Marketable securities	39,837	31,432
Accounts receivable, net	43,624	32,597
Unbilled accounts receivable	1,267	1,915
Inventory	257	666
Deferred income taxes, prepaid expenses and other current assets	6,935	4,289
Total current assets	<u>149,887</u>	<u>154,195</u>
Property and equipment, net	13,895	12,701
Intangible assets, net	2,820	4,507
Goodwill	15,406	15,406
Deferred income taxes and other assets	5,458	5,014
Total assets	<u>\$187,466</u>	<u>\$191,823</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$1,112	\$1,247
Accrued liabilities	15,081	14,698
Other income taxes	489	186
Deferred rent	219	182
Deferred revenue	44,375	42,282
Total current liabilities	<u>61,276</u>	<u>58,595</u>
Accrued liabilities	148	107
Deferred rent	2,737	2,422
Deferred revenue	5,411	5,215
Other income taxes	741	661
Total liabilities	<u>70,313</u>	<u>67,000</u>
Stockholders' equity:		
Common stock	30	30
Additional paid-in capital	127,832	121,230
Retained earnings	12,424	25,348
Accumulated other comprehensive loss	(1,170)	(649)
Treasury stock, at cost	(21,963)	(21,136)
Total stockholders' equity	<u>117,153</u>	<u>124,823</u>
Total liabilities and stockholders' equity	<u>\$187,466</u>	<u>\$191,823</u>