

ADAPTEC, INC.
GAAP
FISCAL 2008

(\$ in thousands, except per share amounts)

	Quarter Ended				YTD March 31, 2008
	Q1 June 29, 2007	Q2 Sept. 28, 2007	Q3 Dec. 28, 2007	Q4 Mar. 31, 2008	
Net revenues	\$ 36,102	\$ 37,693	\$ 36,118	\$ 35,588	\$ 145,501
Cost of revenues	24,593	24,168	21,058	19,106	88,925
Gross profit	11,509	13,525	15,060	16,482	56,576
Operating expenses:					
Research and development	10,416	9,435	7,291	6,824	33,966
Selling, marketing and administrative	13,460	12,962	12,328	11,682	50,432
Amortization of acquisition-related intangible assets	643	630	631	631	2,535
Restructuring charges	1,526	3,428	706	613	6,273
Other charges (gains)	(5,914)	115	-	2,205	(3,594)
Total operating expenses	20,131	26,570	20,956	21,955	89,612
Loss from continuing operations	(8,622)	(13,045)	(5,896)	(5,473)	(33,036)
Interest and other income	6,721	7,797	8,838	7,979	31,335
Interest expense	(1,014)	(955)	(805)	(872)	(3,646)
Income (loss) from continuing operations before income taxes	(2,915)	(6,203)	2,137	1,634	(5,347)
Benefit from (provision for) income taxes	(214)	(288)	792	(315)	(25)
Income (loss) from continuing operations, net of taxes	(3,129)	(6,491)	2,929	1,319	(5,372)
Discontinued operations, net of taxes:					
Loss from discontinued operations, net of taxes	(506)	(997)	(1,821)	(1,398)	(4,722)
Gain (loss) from disposal of discontinued operations, net of taxes	-	(144)	-	623	479
Loss from discontinued operations, net of taxes	(506)	(1,141)	(1,821)	(775)	(4,243)
Net income (loss)	\$ (3,635)	\$ (7,632)	\$ 1,108	\$ 544	\$ (9,615)

Income (loss) per common share:

Basic					
Continuing operations	\$ (0.03)	\$ (0.05)	\$ 0.02	\$ 0.01	\$ (0.05)
Discontinued operations	\$ (0.00)	\$ (0.01)	\$ (0.02)	\$ (0.01)	\$ (0.04)
Net income (loss)	\$ (0.03)	\$ (0.06)	\$ 0.01	\$ 0.00	\$ (0.08)
Diluted					
Continuing operations	\$ (0.03)	\$ (0.05)	\$ 0.02	\$ 0.01	\$ (0.05)
Discontinued operations	\$ (0.00)	\$ (0.01)	\$ (0.02)	\$ (0.01)	\$ (0.04)
Net income (loss)	\$ (0.03)	\$ (0.06)	\$ 0.01	\$ 0.00	\$ (0.08)

Shares used in computing income (loss) per share:

Basic	117,897	118,405	118,987	119,163	118,613
Diluted	117,897	118,405	119,622	119,887	118,613

ADAPTEC, INC.
RECONCILIATION OF GAAP TO NON-GAAP
FISCAL 2008
(\$ in thousands)

	YTD GAAP	NON-GAAP ADJUSTMENTS (SEE NOTES BELOW)				YTD NON-GAAP
		Q1	Q2	Q3	Q4	
Net revenues	\$ 145,501	\$ -	\$ -	\$ -	\$ -	\$ 145,501
Cost of revenues	88,925	(96) a	(76) a	(108) a	(100) a	88,545
Gross profit	56,576	96	76	108	100	56,956
Operating expenses:						
Research and development	33,966	(560) a	(255) a	(724) a	(666) a	31,761
Selling, marketing and administrative	50,432	(788) a	(667) a	(938) a	(1,021) a	47,018
Amortization of acquisition-related intangible assets	2,535	(643) b	(630) f	(631) f	(631) f	-
Restructuring charges	6,273	(1,526) c	(3,428) g	(706) g	(613) g	-
Other charges (gains)	(3,594)	5,914 d	(115) h	-	(2,205) k	-
Total operating expenses	89,612	2,397	(5,095)	(2,999)	(5,136)	78,779
Loss from continuing operations	(33,036)	(2,301)	5,171	3,107	5,236	(21,823)
Interest and other income	31,335	-	-	-	-	31,335
Interest expense	(3,646)	-	-	-	-	(3,646)
Income (loss) from continuing operations before income taxes	(5,347)	(2,301)	5,171	3,107	5,236	5,866
Benefit from income taxes	(25)	(160) e	(192) e	55 e	90 e	(232)
Income (loss) from continuing operations, net of taxes	(5,372)	(2,461)	4,979	3,162	5,326	5,634
Discontinued operations, net of taxes:						
Loss from discontinued operations, net of taxes	(4,722)	203 j	150 j	298 j	492 j	(3,579)
Gain from disposal of discontinued operations, net of taxes	479	-	144 i	-	(623) i	-
Loss from discontinued operations, net of taxes	(4,243)	203	294	298	(131)	(3,579)
Net income (loss)	\$ (9,615)	\$ (2,258)	\$ 5,273	\$ 3,460	\$ 5,195	\$ 2,055

NON-GAAP ADJUSTMENTS:

- a. Share-based compensation expense in accordance with FAS 123 (R).
- b. Amortization of acquisition-related intangible assets, related to the acquisitions of Elipsan and ICP vortex.
- c. Restructuring charges related to activities under the first quarter of fiscal 2008 restructuring plan to simplify our infrastructure.
- d. Gain on sale of long-lived assets of \$6.7 million and charges of \$0.8 million related to costs incurred to evaluate strategic options.
- e. Incremental income taxes associated with certain non-GAAP adjustments.
- f. Amortization of acquisition-related intangible assets, related to the acquisition of Elipsan.
- g. Restructuring charges related to (i) activities under the second quarter of fiscal 2008 restructuring plan and (ii) adjustments made to previous restructuring plans.
- h. Write-down of a minority investment.
- i. Loss from disposal of the IBM i/p Series RAID business, net of taxes.
- j. Loss from discontinued operations, net of taxes.
- k. Write-off of intangible assets.

ADAPTEC, INC.
NON-GAAP*
FISCAL 2008

(\$ in thousands, except per share amounts)

	Quarter Ended				YTD March 31, 2008
	Q1 June 29, 2007	Q2 Sept. 28, 2007	Q3 Dec. 28, 2007	Q4 Mar. 31, 2008	
Net revenues	\$ 36,102	\$ 37,693	\$ 36,118	\$ 35,588	\$ 145,501
Cost of revenues	24,497	24,092	20,950	19,006	88,545
Gross profit	11,605	13,601	15,168	16,582	56,956
Operating expenses:					
Research and development	9,856	9,180	6,567	6,158	31,761
Selling, marketing and administrative	12,672	12,295	11,390	10,661	47,018
Total operating expenses	22,528	21,475	17,957	16,819	78,779
Loss from continuing operations	(10,923)	(7,874)	(2,789)	(237)	(21,823)
Interest and other income	6,721	7,797	8,838	7,979	31,335
Interest expense	(1,014)	(955)	(805)	(872)	(3,646)
Income (loss) from continuing operations before income taxes	(5,216)	(1,032)	5,244	6,870	5,866
Benefit from (provision for) income taxes	(374)	(480)	847	(225)	(232)
Income (loss) from continuing operations, net of taxes	(5,590)	(1,512)	6,091	6,645	5,634
Discontinued operations, net of taxes:					
Loss from discontinued operations, net of taxes	(303)	(847)	(1,523)	(906)	(3,579)
Loss from discontinued operations, net of taxes	(303)	(847)	(1,523)	(906)	(3,579)
Net income (loss)	\$ (5,893)	\$ (2,359)	\$ 4,568	\$ 5,739	\$ 2,055
Income (loss) per common share:					
Basic					
Continuing operations	\$ (0.05)	\$ (0.01)	\$ 0.05	\$ 0.06	\$ 0.05
Discontinued operations	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.03)
Net income (loss)	\$ (0.05)	\$ (0.02)	\$ 0.04	\$ 0.05	\$ 0.02
Diluted					
Continuing operations	\$ (0.05)	\$ (0.01)	\$ 0.05	\$ 0.05	\$ 0.05
Discontinued operations	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.03)
Net income (loss)	\$ (0.05)	\$ (0.02)	\$ 0.04	\$ 0.05	\$ 0.02
Shares used in computing income (loss) per share:					
Basic	117,897	118,405	118,987	119,163	118,613
Diluted	117,897	118,405	138,846	139,111	119,309

* See "Reconciliation of GAAP to Non-GAAP" on previous page for items excluded from non-GAAP operating results