

ADAPTEC, INC.

GAAP

FISCAL 2009

(\$ in thousands, except per share amounts)

	Quarter Ended				YTD Mar. 31, 2009
	Q1 June 27, 2008	Q2 Sept. 26, 2008	Q3 Dec. 26, 2008	Q4 Mar. 31, 2009	
Net revenues	\$ 31,503	\$ 31,655	\$ 28,205	\$ 23,411	\$ 114,774
Cost of revenues	16,821	18,326	17,062	13,204	65,413
Gross profit	14,682	13,329	11,143	10,207	49,361
Operating expenses:					
Research and development	5,903	4,863	7,781	8,382	26,929
Selling, marketing and administrative	9,497	8,753	9,388	7,357	34,995
Amortization of acquisition-related intangible assets	-	108	325	325	758
Restructuring charges	1,837	1,402	930	1,923	6,092
Goodwill impairment	-	-	-	16,947	16,947
Total operating expenses	17,237	15,126	18,424	34,934	85,721
Loss from continuing operations	(2,555)	(1,797)	(7,281)	(24,727)	(36,360)
Interest and other income, net	5,262	6,242	3,574	5,930	21,008
Interest credit (expense)	(841)	(476)	(142)	230	(1,229)
Income (loss) from continuing operations before income taxes	1,866	3,969	(3,849)	(18,567)	(16,581)
Benefit from (provision for) income taxes	(1,913)	(657)	3,939	1,236	2,605
Income (loss) from continuing operations, net of taxes	(47)	3,312	90	(17,331)	(13,976)
Discontinued operations, net of taxes:					
Loss from discontinued operations, net of taxes	(734)	-	(207)	-	(941)
Gain (loss) from disposal of discontinued operations, net of taxes	5,794	-	(1,189)	122	4,727
Income (loss) from discontinued operations, net of taxes	5,060	-	(1,396)	122	3,786
Net income (loss)	\$ 5,013	\$ 3,312	\$ (1,306)	\$ (17,209)	\$ (10,190)
Income (loss) per common share:					
Basic					
Continuing operations	\$ (0.00)	\$ 0.03	\$ 0.00	\$ (0.14)	\$ (0.12)
Discontinued operations	\$ 0.04	\$ -	\$ (0.01)	\$ 0.00	\$ 0.03
Net income (loss)	\$ 0.04	\$ 0.03	\$ (0.01)	\$ (0.14)	\$ (0.09)
Diluted					
Continuing operations	\$ (0.00)	\$ 0.02	\$ 0.00	\$ (0.14)	\$ (0.12)
Discontinued operations	\$ 0.04	\$ -	\$ (0.01)	\$ 0.00	\$ 0.03
Net income (loss)	\$ 0.04	\$ 0.02	\$ (0.01)	\$ (0.14)	\$ (0.09)
Shares used in computing income (loss) per share:					
Basic	119,192	119,682	120,231	119,961	119,767
Diluted	119,192	134,594	120,473	119,961	119,767

ADAPTEC, INC.
RECONCILIATION OF GAAP TO NON-GAAP
FISCAL 2009
(\$ in thousands)

	YTD GAAP	NON-GAAP ADJUSTMENTS (SEE NOTES BELOW)				YTD NON-GAAP
		Q1	Q2	Q3	Q4	
Net revenues	\$ 114,774	\$ -	\$ -	\$ -	\$ -	\$ 114,774
Cost of revenues	65,413	(103) a	(545) e, f	(1,249) h, i	(1,018) l, m	62,498
Gross profit	49,361	103	545	1,249	1,018	52,276
Operating expenses:						
Research and development	26,929	(435) a	544 e	(693) h	(578) l	25,767
Selling, marketing and administrative	34,995	(848) a	(539) e	(1,168) h	(1,104) l	31,336
Amortization of acquisition-related intangible assets	758	-	(108) f	(325) i	(325) m	-
Restructuring charges	6,092	(1,837) b	(1,402) b	(930) j	(1,923) j	-
Goodwill impairment	16,947	-	-	-	(16,947) n	-
Total operating expenses	85,721	(3,120)	(1,505)	(3,116)	(20,877)	57,103
Loss from continuing operations	(36,360)	3,223	2,050	4,365	21,895	(4,827)
Interest and other income, net	21,008	-	(1,283) g	(360) g	(2,255) o	17,110
Interest expense	(1,229)	-	-	-	-	(1,229)
Income (loss) from continuing operations before income taxes	(16,581)	3,223	767	4,005	19,640	11,054
Benefit from (provision for) income taxes	2,605	1,617 c	(31) c	(3,985) c	(930) c	(724)
Income (loss) from continuing operations, net of taxes	(13,976)	4,840	736	20	18,710	10,330
Discontinued operations, net of taxes:						
Loss from discontinued operations, net of taxes	(941)	231 a	-	-	-	(710)
Gain from disposal of discontinued operations, net of taxes	4,727	(5,794) d	-	1,189 k	(122) p	-
Income (loss) from discontinued operations, net of taxes	3,786	(5,563)	-	1,189	(122)	(710)
Net income (loss)	\$ (10,190)	\$ (723)	\$ 736	\$ 1,209	\$ 18,588	\$ 9,620

NON-GAAP ADJUSTMENTS:

- a. Share-based compensation expense in accordance with FAS 123 (R).
- b. Restructuring charges related to (i) activities under the first quarter of fiscal 2009 restructuring plan to simplify our infrastructure and (ii) adjustments made to previous restructuring plans.
- c. Incremental income taxes associated with certain non-GAAP adjustments and tax provisions and refunds from certain discrete tax events that occurred during fiscal 2009.
- d. Gain from the disposal of the Snap Server NAS business, net of taxes.
- e. Share-based compensation expense of (\$0.2) million in accordance with FAS 123 (R) and expense of \$0.3 million related to the management liquidation pool associated with the Aristos Logic acquisition (acquired September 2008).
- f. Amortization of acquisition-related intangible assets related to the acquisition of Aristos Logic, of which \$0.4 million is reflected in "Cost of revenues" and \$0.1 million is reflected in operating expenses under "Amortization of acquisition-related intangible assets."
- g. Gains on repurchase of 3/4% convertible notes.
- h. Share-based compensation expense of \$0.9 million in accordance with FAS 123 (R) and expense of \$1.0 million related to the management liquidation pool associated with the Aristos Logic acquisition.
- i. Amortization of acquisition-related intangible assets related to the acquisition of Aristos Logic, of which \$1.2 million is reflected in "Cost of revenues" and \$0.3 million is reflected in operating expenses under "Amortization of acquisition-related intangible assets."
- j. Restructuring charges related to (i) activities under the third quarter of fiscal 2009 restructuring plan and (ii) adjustments made to previous restructuring plans.
- k. Reserve of the note receivable due from Overland Storage, Inc. related to the disposal of the Snap Server NAS business.
- l. Share-based compensation expense of \$1.1 million in accordance with FAS 123 (R) and expense of \$0.7 million related to the management liquidation pool associated with the Aristos Logic acquisition.
- m. Amortization of acquisition-related intangible assets related to the acquisition of Aristos Logic, of which \$0.9 million is reflected in "Cost of revenues" and \$0.3 million is reflected in operating expenses under "Amortization of acquisition-related intangible assets."
- n. Impairment of goodwill based on the Company's annual review of goodwill in the fourth quarter of fiscal 2009.
- o. Net gain on the sale of marketable equity securities on the open market of a publically traded company due to the planned merger between the publically traded company and another company.
- p. Gain from disposal of the block-based portion of its prior systems business, net of taxes.

ADAPTEC, INC.
NON-GAAP*
FISCAL 2009

(\$ in thousands, except per share amounts)

	Quarter Ended				YTD Mar. 31, 2009
	Q1 June 27, 2008	Q2 Sept. 26, 2008	Q3 Dec. 26, 2008	Q4 Mar. 31, 2009	
Net revenues	\$ 31,503	\$ 31,655	\$ 28,205	\$ 23,411	\$ 114,774
Cost of revenues	16,718	17,781	15,813	12,186	62,498
Gross profit	14,785	13,874	12,392	11,225	52,276
Operating expenses:					
Research and development	5,468	5,407	7,088	7,804	25,767
Selling, marketing and administrative	8,649	8,214	8,220	6,253	31,336
Total operating expenses	14,117	13,621	15,308	14,057	57,103
Income (loss) from continuing operations	668	253	(2,916)	(2,832)	(4,827)
Interest and other income, net	5,262	4,959	3,214	3,675	17,110
Interest credit (expense)	(841)	(476)	(142)	230	(1,229)
Income from continuing operations before income taxes	5,089	4,736	156	1,073	11,054
Benefit from (provision for) income taxes	(296)	(688)	(46)	306	(724)
Income from continuing operations, net of taxes	4,793	4,048	110	1,379	10,330
Discontinued operations, net of taxes:					
Loss from discontinued operations, net of taxes	(503)	-	(207)	-	(710)
Loss from discontinued operations, net of taxes	(503)	-	(207)	-	(710)
Net income (loss)	\$ 4,290	\$ 4,048	\$ (97)	\$ 1,379	\$ 9,620
Income (loss) per common share:					
Basic					
Continuing operations	\$ 0.04	\$ 0.03	\$ 0.00	\$ 0.01	\$ 0.09
Discontinued operations	\$ (0.00)	\$ -	\$ (0.00)	\$ -	\$ (0.01)
Net income (loss)	\$ 0.04	\$ 0.03	\$ (0.00)	\$ 0.01	\$ 0.08
Diluted					
Continuing operations	\$ 0.04	\$ 0.03	\$ 0.00	\$ 0.01	\$ 0.09
Discontinued operations	\$ (0.00)	\$ -	\$ (0.00)	\$ -	\$ (0.01)
Net income (loss)	\$ 0.04	\$ 0.03	\$ (0.00)	\$ 0.01	\$ 0.08
Shares used in computing income (loss) per share:					
Basic	119,192	119,682	120,231	119,961	119,767
Diluted	139,483	120,442	120,473	120,313	120,359

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