

Wind River Systems
Supplemental Trended Financial Information

Statement of Operations

(in thousands, except per share amounts and percentages)

	Q1'07	Q2'07	Q3'07	Q4'07	Q1'08	Q2'08	Q3'08	Q4'08	Q1'09
	<u>(4/30/06)</u>	<u>(7/31/06)</u>	<u>(10/31/06)</u>	<u>(1/31/07)</u>	<u>(4/30/07)</u>	<u>(7/31/07)</u>	<u>(10/31/07)</u>	<u>(01/31/08)</u>	<u>(04/30/08)</u>
Revenues, net:									
Product	\$ 26,843	\$ 32,101	\$ 27,009	\$ 29,152	\$ 28,196	\$ 31,993	\$ 29,735	\$ 27,287	\$ 32,898
Subscription	21,660	24,184	25,698	27,818	28,825	30,228	30,886	32,939	33,070
Service	16,473	17,425	17,838	19,097	21,028	22,408	21,022	24,084	21,897
Total revenues, net	64,976	73,710	70,545	76,067	78,049	84,629	81,643	84,310	87,865
Cost of revenues:									
Product	779	713	762	563	525	667	586	495	750
Subscription	4,002	3,825	4,094	4,628	4,488	4,270	4,288	4,564	4,662
Service	10,589	11,422	10,868	11,528	13,970	14,381	14,403	15,820	16,746
Amortization and impairment of purchased intangibles	133	379	317	325	585	620	691	3,280	528
Total cost of revenues	15,503	16,339	16,041	17,044	19,568	19,938	19,968	24,159	22,686
Gross profit	49,473	57,371	54,504	59,023	58,481	64,691	61,675	60,151	65,179
Gross margin %	76%	78%	77%	78%	75%	76%	76%	71%	74%
Operating expenses:									
Selling and marketing	27,619	28,399	27,474	28,810	33,423	31,888	32,852	33,575	35,172
Product development and engineering	17,549	18,319	18,673	18,909	19,881	20,819	20,588	20,144	20,307
General and administrative	8,211	8,494	10,203	12,988	10,347	9,215	9,050	9,347	9,040
Amortization and impairment of other intangibles	95	33	84	86	112	160	145	446	107
Restructuring charges (reversals)	(98)	(60)	(40)	-	-	-	642	327	2,930
Total operating expenses	53,376	55,185	56,394	60,793	63,763	62,082	63,277	63,839	67,556
Income (loss) from operations	(3,903)	2,186	(1,890)	(1,770)	(5,282)	2,609	(1,602)	(3,688)	(2,377)
Operating margin %	-6%	3%	-3%	-2%	-7%	3%	-2%	-4%	-3%
Other income, net	1,251	1,508	1,695	1,776	1,941	1,967	2,431	2,046	2,563
Income (loss) before income taxes	(2,652)	3,694	(195)	6	(3,341)	4,576	829	(1,642)	186
Provision for (benefit from) income taxes	(532)	566	477	(231)	1,210	263	927	380	(138)
Net income (loss)	\$ (2,120)	\$ 3,128	\$ (672)	\$ 237	\$ (4,551)	\$ 4,313	\$ (98)	\$ (2,022)	\$ 324
Net income (loss) per share:									
Basic	\$ (0.02)	\$ 0.04	\$ (0.01)	\$ 0.00	\$ (0.05)	\$ 0.05	\$ (0.00)	\$ (0.02)	\$ 0.00
Diluted	\$ (0.02)	\$ 0.04	\$ (0.01)	\$ 0.00	\$ (0.05)	\$ 0.05	\$ (0.00)	\$ (0.02)	\$ 0.00
Shares used in per share calculation:									
Basic	85,773	85,548	85,138	85,191	85,260	86,151	87,081	87,399	85,211
Diluted	85,773	86,503	85,138	86,561	85,260	87,181	87,081	87,399	85,496

Reconciliation of GAAP to Non-GAAP Financial Measures:
(in thousands, except per share amounts)

	Q1'07	Q2'07	Q3'07	Q4'07	Q1'08	Q2'08	Q3'08	Q4'08	Q1'09
	(4/30/06)	(7/31/06)	(10/31/06)	(1/31/07)	(4/30/07)	(7/31/07)	(10/31/07)	(01/31/08)	(04/30/08)
Gross Profit									
GAAP gross profit	\$ 49,473	\$ 57,371	\$ 54,504	\$ 59,023	\$ 58,481	\$ 64,691	\$ 61,675	\$ 60,151	\$ 65,179
Stock-based compensation	574	619	572	557	586	690	593	622	649
Amortization and impairment of purchased and other intangibles	133	379	317	325	585	620	691	3,280	528
Severance costs	-	-	-	-	-	-	-	18	-
Employer payroll taxes on stock option exercises	14	5	5	-	9	32	3	-	29
Non-GAAP gross profit	\$ 50,194	\$ 58,374	\$ 55,398	\$ 59,905	\$ 59,661	\$ 66,033	\$ 62,962	\$ 64,071	\$ 66,385
Operating Income									
GAAP operating income (loss)	\$ (3,903)	\$ 2,186	\$ (1,890)	\$ (1,770)	\$ (5,282)	\$ 2,609	\$ (1,602)	\$ (3,688)	\$ (2,377)
Stock-based compensation	5,368	5,670	5,742	5,717	5,337	5,527	5,254	5,179	4,288
Amortization and impairment of purchased and other intangibles	228	412	401	411	697	780	836	3,726	635
Costs incurred for stock option review and related litigation	-	223	1,237	3,140	1,059	605	-	250	-
Severance costs	-	-	-	411	-	-	-	154	-
Restructuring charges (reversals)	(98)	-	-	-	-	-	642	327	2,930
Employer payroll taxes on stock option exercises	84	16	11	-	42	197	18	3	33
Non-GAAP operating income	\$ 1,679	\$ 8,507	\$ 5,501	\$ 7,909	\$ 1,853	\$ 9,718	\$ 5,148	\$ 5,951	\$ 5,509
Net Income									
GAAP net income (loss)	\$ (2,120)	\$ 3,128	\$ (672)	\$ 237	\$ (4,551)	\$ 4,313	\$ (98)	\$ (2,022)	\$ 324
Stock-based compensation	5,368	5,670	5,742	5,717	5,337	5,527	5,254	5,179	4,288
Amortization and impairment of purchased and other intangibles	228	412	401	411	697	780	836	3,726	635
Costs incurred for stock option review and related litigation	-	223	1,237	3,140	1,059	605	-	250	-
Severance costs	-	-	-	411	-	-	-	154	-
Restructuring charges (reversals)	(98)	-	-	-	-	-	642	327	2,930
Employer payroll taxes on stock option exercises	84	16	11	-	42	197	18	3	33
Impairments and net loss on sale of investments	-	-	-	-	50	-	-	368	357
Income tax related to non-GAAP adjustments	(708)	(281)	(646)	(1,191)	497	(908)	508	108	(924)
Non-GAAP net income	\$ 2,754	\$ 9,168	\$ 6,073	\$ 8,725	\$ 3,131	\$ 10,514	\$ 7,160	\$ 8,093	\$ 7,643
Net Income (Loss) per Diluted Share									
GAAP diluted net income (loss) per share	\$ (0.02)	\$ 0.04	\$ (0.01)	\$ 0.00	\$ (0.05)	\$ 0.05	\$ (0.00)	\$ (0.02)	\$ 0.00
Stock-based compensation	0.06	0.07	0.07	0.07	0.06	0.06	0.06	0.06	0.05
Amortization and impairment of purchased and other intangibles	-	-	-	-	0.01	0.01	0.01	0.04	0.01
Costs incurred for stock option review and related litigation	-	-	0.02	0.04	0.01	0.01	-	-	-
Severance costs	-	-	-	-	-	-	-	-	-
Restructuring charges (reversals)	-	-	-	-	-	-	0.01	-	0.03
Employer payroll taxes on stock option exercises	-	-	-	-	-	-	-	-	-
Impairments and net loss on sale of investments	-	-	-	-	-	-	-	0.01	0.01
Income tax related to non-GAAP adjustments	(0.01)	-	(0.01)	(0.01)	0.01	(0.01)	-	-	(0.01)
Non-GAAP net income per diluted share	\$ 0.03	\$ 0.11	\$ 0.07	\$ 0.10	\$ 0.04	\$ 0.12	\$ 0.08	\$ 0.09	\$ 0.09
Shares Used in Diluted Share Amounts									
Shares used in GAAP per diluted share amounts	85,773	86,503	85,138	86,561	85,260	87,181	87,081	87,399	85,496
Adjustments to diluted shares related to non-GAAP items	3,578	271	1,428	141	1,479	855	1,852	1,197	791
Shares used in non-GAAP per diluted share amounts	89,351	86,774	86,566	86,702	86,739	88,036	88,933	88,596	86,287
Operating Expense Detail									
GAAP Selling and marketing	\$ 27,619	\$ 28,399	\$ 27,474	\$ 28,810	\$ 33,423	\$ 31,888	\$ 32,852	\$ 33,575	\$ 35,172
Stock-based compensation	(1,444)	(1,383)	(1,406)	(1,415)	(1,420)	(1,562)	(1,511)	(1,602)	(1,469)
Employer payroll taxes on stock option exercises	(26)	(4)	(2)	-	(8)	(55)	(4)	-	(2)
Severance costs	-	-	-	(261)	-	-	-	(22)	-
Non-GAAP Selling and marketing	\$ 26,149	\$ 27,012	\$ 26,066	\$ 27,134	\$ 31,995	\$ 30,271	\$ 31,337	\$ 31,951	\$ 33,701
GAAP Product development and engineering	\$ 17,549	\$ 18,319	\$ 18,673	\$ 18,909	\$ 19,881	\$ 20,819	\$ 20,588	\$ 20,144	\$ 20,307
Stock-based compensation	(1,101)	(1,390)	(1,463)	(1,451)	(1,183)	(1,044)	(1,011)	(998)	(929)
Employer payroll taxes on stock option exercises	(37)	(7)	(3)	-	(23)	(70)	(10)	(3)	(1)
Severance costs	-	-	-	-	-	-	-	(104)	-
Non-GAAP Product development and engineering	\$ 16,411	\$ 16,922	\$ 17,207	\$ 17,458	\$ 18,675	\$ 19,705	\$ 19,567	\$ 19,039	\$ 19,377
GAAP General and administrative	\$ 8,211	\$ 8,494	\$ 10,203	\$ 12,988	\$ 10,347	\$ 9,215	\$ 9,050	\$ 9,347	\$ 9,040
Stock-based compensation	(2,249)	(2,278)	(2,301)	(2,294)	(2,148)	(2,231)	(2,139)	(1,957)	(1,241)
Employer payroll taxes on stock option exercises	(7)	-	(1)	-	(2)	(40)	(1)	-	(1)
Costs incurred for stock option review and related litigation	-	(223)	(1,237)	(3,140)	(1,059)	(605)	-	(250)	-
Severance costs	-	-	-	(150)	-	-	-	(10)	-
Non-GAAP General and administrative	\$ 5,955	\$ 5,993	\$ 6,664	\$ 7,404	\$ 7,138	\$ 6,339	\$ 6,910	\$ 7,130	\$ 7,798

For a description of these non-GAAP financial measures and the reasons management uses these measures, please see the section of Wind River's earnings release dated May 29, 2008 entitled "About Non-GAAP Financial Measures." The presentation of these supplemental non-GAAP financial measures, which is not prepared under any comprehensive set of accounting rules or principles, is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. In addition, these measures may be materially different from non-GAAP financial measures used by other companies. All supplemental non-GAAP financial measures should be read in conjunction with the comparable information presented in accordance with generally accepted accounting principles in the United States.

Quarterly Business Detail & Metrics (in thousands, except per share amounts, headcount and percentages)									
	Q1'07	Q2'07	Q3'07	Q4'07	Q1'08	Q2'08	Q3'08	Q4'08	Q1'09
	(4/30/06)	(7/31/06)	(10/31/06)	(1/31/07)	(4/30/07)	(7/31/07)	(10/31/07)	(01/31/08)	(04/30/08)
Revenues, net:									
Perpetual license	\$ 8,925	\$ 10,516	\$ 10,115	\$ 8,113	\$ 7,497	\$ 11,494	\$ 9,266	\$ 7,899	\$ 13,952
Production license	17,918	21,585	16,894	21,039	20,699	20,499	20,469	19,388	18,946
Subscription	21,660	24,184	25,698	27,818	28,825	30,228	30,886	32,939	33,070
Maintenance	7,911	7,579	7,667	7,909	7,866	8,942	8,032	7,992	7,931
Other service	8,562	9,846	10,171	11,188	13,162	13,466	12,990	16,092	13,966
Total revenues, net	\$ 64,976	\$ 73,710	\$ 70,545	\$ 76,067	\$ 78,049	\$ 84,629	\$ 81,643	\$ 84,310	\$ 87,865
Revenues - by segment									
VxWorks									\$ 66,594
Linux									7,969
Other (Tools, DM, other)									13,302
Total revenues, net									\$ 87,865
Revenues - by geography									
North America	\$ 34,899	\$ 39,191	\$ 39,405	\$ 43,026	\$ 46,613	\$ 45,360	\$ 43,281	\$ 43,816	\$ 43,768
	54%	53%	56%	57%	60%	54%	53%	52%	50%
EMEA	15,594	16,946	16,955	16,438	16,241	18,361	20,282	22,481	22,235
	24%	23%	24%	22%	21%	22%	25%	27%	25%
Japan	9,324	9,937	7,883	8,899	8,147	13,301	9,461	11,489	13,264
	14%	13%	11%	12%	10%	16%	12%	14%	15%
Asia Pacific	5,159	7,636	6,302	7,704	7,048	7,607	8,619	6,524	8,598
	8%	11%	9%	9%	9%	8%	11%	8%	10%
Total revenues, net	\$ 64,976	\$ 73,710	\$ 70,545	\$ 76,067	\$ 78,049	\$ 84,629	\$ 81,643	\$ 84,310	\$ 87,865
Deferred Revenues									
Current deferred revenues:									
Subscription	\$ 60,154	\$ 60,947	\$ 63,257	\$ 73,501	\$ 77,866	\$ 72,770	\$ 67,769	\$ 83,252	\$ 85,980
Maintenance and other	28,775	28,709	32,255	38,660	36,767	31,682	34,936	36,634	38,656
Total current deferred revenues	88,929	89,656	95,512	112,161	114,633	104,452	102,705	119,886	124,636
Long-term deferred revenues:									
Subscription	11,978	11,436	15,020	13,426	10,278	9,760	12,169	13,237	10,460
Maintenance and other	560	609	1,430	1,442	1,086	1,139	992	1,410	10,130
Total long-term deferred revenues	12,538	12,045	16,450	14,868	11,364	10,899	13,161	14,647	20,590
Total Deferred Revenue	\$ 101,467	\$ 101,701	\$ 111,962	\$ 127,029	\$ 125,997	\$ 115,351	\$ 115,866	\$ 134,533	\$ 145,226
Deferred Revenues									
Subscription	\$ 72,132	\$ 72,383	\$ 78,277	\$ 86,927	\$ 88,144	\$ 82,530	\$ 79,938	\$ 96,489	\$ 96,440
Maintenance and other	29,335	29,318	33,685	40,102	37,853	32,821	35,928	38,044	48,786
Total Deferred Revenue	\$ 101,467	\$ 101,701	\$ 111,962	\$ 127,029	\$ 125,997	\$ 115,351	\$ 115,866	\$ 134,533	\$ 145,226
Services backlog									
						> \$20 million	-\$20 million	-\$19 million	-\$20 million
Total Cash and Investments									
Cash and cash equivalents	\$ 62,116	\$ 67,387	\$ 88,768	\$ 71,316	\$ 72,055	\$ 90,698	\$ 78,344	\$ 101,635	\$ 91,873
Short-term investments	51,287	44,472	40,973	38,959	26,754	26,420	22,473	22,646	12,754
Long-term investments	99,012	103,878	101,666	92,704	102,165	106,079	122,189	119,867	101,888
Total Cash and Investments	\$ 212,415	\$ 215,737	\$ 231,407	\$ 202,979	\$ 200,974	\$ 223,197	\$ 223,006	\$ 244,148	\$ 206,515
Accounts Receivable, net									
Days Sales Outstanding (revenue)	\$ 55,750	\$ 56,471	\$ 66,190	\$ 74,763	\$ 63,534	\$ 62,568	\$ 73,586	\$ 85,680	\$ 71,447
	78	70	85	89	74	67	82	92	74
Cash Flows from Operations									
	\$ 13,234	\$ 11,771	\$ 14,953	\$ 15,739	\$ 12,317	\$ 11,018	\$ 17	\$ 19,245	\$ 29,676
Depreciation	\$ 2,148	\$ 2,093	\$ 2,302	\$ 2,378	\$ 2,389	\$ 2,491	\$ 2,191	\$ 2,216	\$ 2,337
Capital Expenditures	\$ 1,594	\$ 1,106	\$ 867	\$ 1,664	\$ 2,489	\$ 3,333	\$ 3,059	\$ 2,766	\$ 1,168
Total Headcount									
Sales Headcount	1,217	1,242	1,246	1,272	1,335	1,376	1,468	1,507	1,456
	360	378	388	381	400	420	431	433	405
Bookings by End Market (Industry)									
Aerospace/Defense	23%	22%	23%	32%	29%	26%	28%	34%	23%
Digital Consumer	24%	28%	23%	17%	25%	18%	18%	20%	25%
Industrial Measurement & Control/Automotive	20%	20%	18%	22%	17%	31%	19%	19%	18%
Network Infrastructure	33%	30%	36%	29%	29%	25%	35%	27%	34%