

SYBASE, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

	Twelve Months Ended December 31,	
	2007	2006
(Dollars in thousands)		
Cash and cash equivalents, beginning of year	\$ 355,303	\$ 398,741
<b>Cash flows from operating activities:</b>		
Net income	148,850	95,064
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	87,923	72,803
Minority interest in income of subsidiaries	(12)	81
Loss on disposal of assets	37	811
Deferred income taxes	(14,008)	(1,306)
Stock-based compensation – restricted stock	10,155	8,141
Stock-based compensation – all other	13,889	13,585
Tax benefit from stock-based compensation plans	14,229	15,137
Excess tax benefit from stock-based compensation plans	(14,485)	(9,569)
Amortization of note issuance costs	1,969	1,969
Changes in assets and liabilities:		
Accounts receivable	(23,232)	6,005
Prepaid income taxes	(17,604)	—
Other current assets	372	3,552
Other assets - operating	2,202	(2,406)
Accounts payable	6,784	(7,838)
Accrued compensation and related expenses	3,708	2,427
Accrued income taxes	12,852	13,237
Other accrued liabilities	9,617	(828)
Deferred revenues	11,288	928
Other liabilities	(520)	2,817
Net cash provided by operating activities	254,014	214,610
<b>Cash flows from investing activities:</b>		
(Increase) Decrease in restricted cash	2,590	(641)
Purchases of available-for-sale cash investments	(280,632)	(468,518)
Maturities of available-for-sale cash investments	241,292	282,403
Sales of available-for-sale cash investments	190,778	365,962
Business combinations, net of cash acquired	(6,848)	(399,676)
Purchases of property, equipment and improvements	(23,883)	(18,356)
Proceeds from sale of property, equipment, and improvements	44	9
Capitalized software development costs	(36,431)	(37,531)
(Increase) Decrease in other assets - investing	(188)	13
Net cash provided by (used for) investing activities	86,722	(276,335)
<b>Cash flows from financing activities:</b>		
Repayments of long-term obligations	(193)	(60)
Payments on capital lease	(1,389)	(343)
Net proceeds from the issuance of common stock and reissuance of treasury stock	41,190	50,570
Purchases of treasury stock	(166,738)	(59,815)
Excess tax benefit from stock-based compensation plans	14,485	9,569
Net cash used for financing activities	(112,645)	(79)
Effect of exchange rate changes on cash	21,414	18,366
Net increase (decrease) in cash and cash equivalents	249,505	(43,438)
Cash and cash equivalents, end of period	<u>\$ 604,808</u>	<u>\$ 355,303</u>