## Operating activities

Net income……………………………………………………………………………………………… $ 94,218 $ 89,716  
Adjustments to reconcile net income to net cash provided by operating activities:  
Realized loss on disposition of assets and investments…………………………………………… 30 27  
Stock-based compensation…………………………………………………………………………… 46,611 38,233  
Provisions for doubtful accounts and sales returns………………………………………………… 291 297  
Depreciation and amortization………………………………………………………………………… 14,887 13,763  
Deferred income taxes………………………………………………………………………………… (2,945) 4,237  
Changes in operating assets and liabilities:  
Accounts receivable………………………………………………………………………………… (45,327) (22)  
Inventories…………………………………………………………………………………………… 374 146  
Other current assets………………………………………………………………………………… (306) (568)  
Other assets…………………………………………………………………………………………… 391 45  
Accounts payable and accrued liabilities…………………………………………………………… 37,082 3,761  
Deferred revenue…………………………………………………………………………………… 44,006 54,236  
Net cash provided by operating activities……………………………………………………… 189,312 203,871

## Investing activities

Purchases of investments………………………………………………………………………………… (98,983) (107,340)  
Maturities of investments……………………………………………………………………………… 105,744 95,586  
Sales of investments…………………………………………………………………………………… 11,211 47,742  
Decrease in restricted cash…………………………………………………………………………… 32 39  
Acquisition of intangible assets……………………………………………………………………… (4,000) (3,250)  
Purchases of property and equipment……………………………………………………………… (14,133) (13,292)  
Net cash (used in) provided by investing activities……………………………………………… (129) 19,485

## Financing activities

Excess tax benefit from stock-based compensation……………………………………………… 2,940 1,194  
Proceeds from the exercise of stock options and purchases of stock under employee stock purchase plan………………………………………………………………………………… 18,836 18,474  
Repurchase of common stock……………………………………………………………………… (150,021) (200,035)  
Net cash used in financing activities……………………………………………………………… (128,245) (180,367)  
Net increase in cash and cash equivalents………………………………………………………… 60,938 42,989  
Effect of exchange rate changes on cash and cash equivalents………………………………… (2,575) (152)  
Cash and cash equivalents, beginning of period………………………………………………… 514,571 390,460  
Cash and cash equivalents, end of period……………………………………………………….. $ 572,934 $ 433,297