

**INTERWOVEN, INC.**  
**Consolidated Statements of Income**  
(In thousands, except per share amounts)  
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues:				
License	\$ 23,378	\$ 21,017	\$ 45,350	\$ 40,631
Support and service	<u>39,777</u>	<u>33,597</u>	<u>79,269</u>	<u>66,699</u>
Total revenues	63,155	54,614	124,619	107,330
Cost of revenues:				
License	2,165	2,086	3,944	4,046
Support and service	<u>15,562</u>	<u>13,441</u>	<u>31,512</u>	<u>26,633</u>
Total cost of revenues	<u>17,727</u>	<u>15,527</u>	<u>35,456</u>	<u>30,679</u>
Gross profit	45,428	39,087	89,163	76,651
Operating expenses:				
Sales and marketing	22,670	20,204	44,707	40,008
Research and development	9,679	9,315	19,632	18,376
General and administrative	5,349	5,971	11,081	10,929
Amortization of intangible assets	668	828	1,336	1,656
Restructuring and excess facilities charges (recoveries)	<u>44</u>	<u>61</u>	<u>(4)</u>	<u>64</u>
Total operating expenses	<u>38,410</u>	<u>36,379</u>	<u>76,752</u>	<u>71,033</u>
Income from operations	7,018	2,708	12,411	5,618
Interest income and other, net	<u>1,249</u>	<u>2,282</u>	<u>2,427</u>	<u>4,774</u>
Income before provision for income taxes	8,267	4,990	14,838	10,392
Provision for income taxes	<u>787</u>	<u>785</u>	<u>1,237</u>	<u>1,459</u>
Net income	<u>\$ 7,480</u>	<u>\$ 4,205</u>	<u>\$ 13,601</u>	<u>\$ 8,933</u>
Basic net income per common share	<u>\$ 0.16</u>	<u>\$ 0.09</u>	<u>\$ 0.30</u>	<u>\$ 0.20</u>
Shares used in computing basic net income per common share	<u>45,599</u>	<u>45,057</u>	<u>45,517</u>	<u>44,847</u>
Diluted net income per common share	<u>\$ 0.16</u>	<u>\$ 0.09</u>	<u>\$ 0.29</u>	<u>\$ 0.19</u>
Shares used in computing diluted net income per common share	<u>46,476</u>	<u>46,630</u>	<u>46,534</u>	<u>46,582</u>