

Consolidated Statements of Cash Flows

(in thousands, except per share data)

	Year Ended December 31,		
	2002	2001	2000
Cash flows from operating activities:			
Net income	\$ 34,562	\$ 22,160	\$ 17,683
Adjustments to reconcile net income to net cash provided			
by operating activities:			
Depreciation and amortization	7,842	6,367	4,507
Provision for doubtful accounts	510	1,837	572
Deferred income taxes	12	7,791	6,341
Impairment loss on investment	–	1,955	–
Tax benefit related to stock option exercises	12,111	4,633	1,258
Changes in assets and liabilities:			
Trade accounts receivable	(14,663)	(3,833)	(10,825)
Other current assets	(3,111)	(4,115)	(1,924)
Other assets	(370)	300	(902)
Accounts payable	3,296	803	1,414
Accrued and other liabilities	16,493	(5,819)	12,096
Net cash provided by operating activities	56,682	32,079	30,220
Cash flows used in investing activities:			
Purchase of property and equipment	(22,268)	(14,953)	(10,652)
Intangible assets acquired	(13,196)	–	–
Investment	–	–	(1,955)
Net cash used in investing activities	(35,464)	(14,953)	(12,607)
Cash flows from financing activities:			
Proceeds from stock plans/compensatory grant	20,043	5,991	1,755
(Payments to) proceeds from related party	–	(8)	8
Net cash provided by financing activities	20,043	5,983	1,763
Effect of currency translation	(27)	(108)	(41)
Increase in cash and cash equivalents	41,234	23,001	19,335
Cash and cash equivalents, at beginning of year	84,977	61,976	42,641
Cash and cash equivalents, at end of year	\$ 126,211	\$ 84,977	\$ 61,976
Supplemental information:			
Cash paid for income taxes during the year	\$ 2,896	\$ 3,797	\$ 1,186

The accompanying notes are an integral part of the consolidated financial statements