

Infinera Corporation
GAAP Condensed Consolidated Statements of Operations
(In thousands, except share amounts)

	Three Months Ended	
	March 28, 2009	March 29, 2008
Revenue:		
Product	\$ 59,148	\$ 64,128
Ratable product and related support and services:	1,469	72,386
Services	5,963	1,739
Total revenue	<u>66,580</u>	<u>138,253</u>
Cost of revenue ⁽¹⁾ :		
Cost of product	43,865	39,665
Cost of ratable product and related support and services	730	35,831
Cost of services	2,015	1,190
Total cost of revenue	<u>46,610</u>	<u>76,686</u>
Gross profit	19,970	61,567
Operating expenses ⁽¹⁾ :		
Sales and marketing	11,123	10,246
Research and developmen	21,997	18,293
General and administrativ	10,127	8,417
Amortization of intangible assets	37	37
Total operating expenses	<u>43,284</u>	<u>36,993</u>
Income (loss) from operations	(23,314)	24,574
Other income (expense), net:		
Interest income	918	3,303
Interest expense	-	(3)
Other gain (loss), net:	(1,814)	880
Total other income (expense), net	<u>(896)</u>	<u>4,180</u>
Income (loss) before provision of income tax	(24,210)	28,754
Provision for income taxes	118	1,160
Net income (loss)	<u>\$ (24,328)</u>	<u>\$ 27,594</u>
Net income (loss) per common share		
Basic	<u>\$ (0.26)</u>	<u>\$ 0.30</u>
Diluted	<u>\$ (0.26)</u>	<u>\$ 0.29</u>
Weighted average shares used in computing net income (loss) per common share		
Basic	<u>94,275</u>	<u>91,250</u>
Diluted	<u>94,275</u>	<u>96,692</u>

(1) The following table summarizes the effects of stock-based compensation related to employees and non-employees for the three months ended March 28, 2009 and March 29, 2008:

	Three Months Ended	
	March 28, 2009	March 29, 2008
Cost of revenue	\$ 379	\$ 208
Research and developmen	1,732	1,223
Sales and marketing	1,414	850
General and administrator	2,645	1,502
	<u>6,170</u>	<u>3,783</u>
Cost of revenue - amortization from balance sheet ¹	566	1,150
Total stock-based compensation expense	<u>\$ 6,736</u>	<u>\$ 4,933</u>

* Stock-based compensation expense deferred to inventory and deferred inventory costs in prior period and recognized in the current period.