

**INTERWOVEN, INC.**  
**Consolidated Statements of Operations**  
(In thousands, except per share data)

	Three Months Ended March 31,	
	<u>2005</u>	<u>2004</u>
	(Unaudited)	
Revenues:		
License	\$ 16,417	\$ 16,676
Support and service	<u>26,068</u>	<u>20,718</u>
Total revenues	42,485	37,394
Cost of revenues:		
License	3,488	3,159
Support and service	<u>10,001</u>	<u>9,438</u>
Total cost of revenues	<u>13,489</u>	<u>12,597</u>
Gross profit	28,996	24,797
Operating expenses:		
Sales and marketing	17,119	17,728
Research and development	8,087	7,574
General and administrative	3,416	2,937
Amortization of stock-based compensation	510	2,605
Amortization of intangible assets	856	1,207
Restructuring and excess facilities	<u>(330)</u>	<u>—</u>
Total operating expenses	<u>29,658</u>	<u>32,051</u>
Loss from operations	(662)	(7,254)
Interest income and other, net	<u>713</u>	<u>513</u>
Income (loss) before provision for income taxes	51	(6,741)
Provision for income taxes	<u>300</u>	<u>243</u>
Net loss	<u>\$ (249)</u>	<u>\$ (6,984)</u>
Basic and diluted net loss per common share	<u>\$ (0.01)</u>	<u>\$ (0.17)</u>
Shares used in computing basic and diluted net loss per common share	<u>41,137</u>	<u>40,137</u>