

**PARAMETRIC TECHNOLOGY CORPORATION**

**UNAUDITED CONSOLIDATED STATEMENTS OF INCOME**

(in thousands, except per share data)

	<b>Three Months Ended</b>	
	<b>December 29,</b>	<b>December 31,</b>
	<b>2012</b>	<b>2011</b>
Revenue:		
License	\$ 79,185	\$ 89,088
Service	76,760	75,627
Support	163,806	153,561
Total revenue	319,751	318,276
Cost of revenue:		
Cost of license revenue <sup>(1)</sup>	8,012	7,659
Cost of service revenue <sup>(1)</sup>	68,592	71,450
Cost of support revenue <sup>(1)</sup>	20,468	19,110
Total cost of revenue	97,072	98,219
Gross margin	222,679	220,057
Operating expenses:		
Sales and marketing <sup>(1)</sup>	93,549	97,778
Research and development <sup>(1)</sup>	57,429	54,993

General and administrative <sup>(1)</sup>	35,817	29,572
Amortization of acquired intangible assets	6,623	5,209
Restructuring charges	15,402	-
Total operating expenses	208,820	187,552
Operating income	13,859	32,505
Other expense, net	(1,805)	(2,643)
Income before income taxes	12,054	29,862
(Benefit) provision for income taxes	(23,757)	7,739
Net income	\$ 35,811	\$ 22,123
Earnings per share:		
Basic	\$ 0.30	\$ 0.19
Weighted average shares outstanding	119,927	117,715
Diluted	\$ 0.29	\$ 0.18
Weighted average shares outstanding	121,805	120,576

(1) The amounts in the tables above include stock-based compensation as follows:

	Three Months Ended	
	December 29, 2012	December 31, 2011
Cost of license revenue	\$ 5	\$ 5

Cost of service revenue	1,612	1,563
Cost of support revenue	826	950
Sales and marketing	2,458	3,728
Research and development	2,512	2,549
General and administrative	4,480	4,587
Total stock-based compensation	<u>\$ 11,893</u>	<u>\$ 13,382</u>