

**DSET Corporation**  
**Consolidated Statements of Income**  
(In \$000 except per share data)  
(unaudited)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2000	1999*	2000	1999*
<b>Revenues:</b>				
License revenues .....	\$ 12,206	\$ 5,246	\$ 20,301	\$ 9,399
Service revenues .....	4,028	3,872	7,531	7,195
Total revenues.....	16,234	9,118	27,832	16,594
<b>Cost of revenues:</b>				
License revenues.....	899	279	1,698	562
Service revenues .....	2,553	1,637	4,788	2,904
Total cost of revenues .....	3,452	1,916	6,486	3,466
Gross profit.....	12,782	7,202	21,346	13,128
<b>Operating expenses:</b>				
Sales and marketing .....	4,246	2,981	6,955	5,376
Research and product development .....	4,188	2,464	7,606	4,810
General and administrative.....	1,509	1,176	2,804	1,986
Amortization of goodwill and other intangibles .....	103	77	207	87
Total operating expenses.....	10,046	6,698	17,572	12,259
Operating income.....	2,736	504	3,774	869
Interest expense and other income (expense) ..	(41)	(61)	(97)	(75)
Interest income.....	583	570	981	1,107
Income before taxes .....	3,278	1,013	4,658	1,901
Provision for income taxes .....	1,107	360	1,566	676
Net income.....	\$ 2,171	\$ 653	\$ 3,092	\$ 1,225
Net income per common share .....	\$ 0.19	\$ 0.06	\$ 0.28	\$ 0.12
Weighted average number of common shares outstanding.....	11,420	10,404	11,229	10,216
Net income per common share assuming dilution .....	\$ 0.18	\$ 0.06	\$ 0.26	\$ 0.11
Weighted average number of common shares and common equivalent shares outstanding .....	12,204	11,773	12,056	11,503

\* Certain amounts have been reclassified for comparative purposes.