

DSET Corporation
Consolidated Balance Sheets
(In \$000 except per share data)

Assets	<u>December 31, 1999</u> (Unaudited)	<u>December 31, 1998</u> (Audited)
Current assets:		
Cash and cash equivalents	\$ 1,243	\$ 1,159
Marketable securities	39,453	43,864
Accounts receivable, net.....	20,132	9,108
Deferred income taxes.....	633	258
Prepaid expenses and other current assets.....	1,392	194
Total current assets	<u>62,853</u>	<u>54,583</u>
Acquired technology, net.....	3,682	--
Capitalized software development costs, net	565	--
Fixed assets, net	3,428	1,592
Goodwill, net	1,919	130
Intangibles and other assets, net.....	885	549
Total assets	<u>\$ 73,332</u>	<u>\$ 56,854</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 6,145	\$ 3,561
Income taxes payable	395	146
Deferred revenues	1,720	1,727
Note payable.....	1,000	112
Current portion of capital lease obligation	130	--
Total current liabilities	<u>9,390</u>	<u>5,546</u>
Capital lease obligation	562	--
Long term note payable.....	1,310	--
Deferred income taxes.....	711	119
Total liabilities	<u>11,973</u>	<u>5,665</u>
Commitments		
Shareholders' equity:		
Common stock.....	45,575	41,912
Deferred stock compensation	(197)	(494)
Retained earnings	16,248	9,731
Unrealized appreciation/(depreciation) on investments.....	(267)	40
Total shareholders' equity	<u>61,359</u>	<u>51,189</u>
Total liabilities and shareholders' equity	<u>\$ 73,332</u>	<u>\$ 56,854</u>