

**INTERWOVEN, INC.**  
**Consolidated Balance Sheets**  
(In thousands)

<u>Assets</u>	<u>Sept. 30, 2006</u> (Unaudited)	<u>Dec. 31, 2005</u>
Current assets:		
Cash and cash equivalents	\$ 79,019	\$ 73,618
Short-term investments	81,349	63,581
Accounts receivable, net	29,851	31,542
Prepaid expenses and other current assets	<u>6,524</u>	<u>5,193</u>
Total current assets	196,743	173,934
Property and equipment, net	4,873	5,044
Goodwill	191,620	191,595
Other intangible assets, net	13,904	25,527
Other assets	<u>2,037</u>	<u>2,506</u>
Total assets	<u>\$ 409,177</u>	<u>\$ 398,606</u>
<u>Liabilities and Stockholders' Equity</u>		
Current liabilities:		
Accounts payable	\$ 4,772	\$ 4,491
Accrued liabilities	27,484	22,198
Restructuring and excess facilities accrual	6,520	7,266
Deferred revenues	<u>53,112</u>	<u>54,010</u>
Total current liabilities	91,888	87,965
Accrued liabilities	2,504	2,761
Restructuring and excess facilities accrual	<u>3,966</u>	<u>9,681</u>
Total liabilities	98,358	100,407
Commitments and contingencies		
Stockholders' equity:		
Preferred stock	—	—
Common stock	43	42
Additional paid-in capital	715,235	705,908
Deferred stock-based compensation	—	(1,002)
Accumulated other comprehensive loss	(176)	(359)
Accumulated deficit	<u>(404,283)</u>	<u>(406,390)</u>
Total stockholders' equity	<u>310,819</u>	<u>298,199</u>
Total liabilities and stockholders' equity	<u>\$ 409,177</u>	<u>\$ 398,606</u>