

Bottomline Technologies
Reconciliation to Non-GAAP Measures
Three Months Ended September 30, 2013



	GAAP	Amortization of Intangible Assets	Equity-Based Compensation	Acquisition and Integration-Related Expenses	Restructuring Expenses	Non-Cash Interest Expense	Non-GAAP	
Revenues:								% of Revenue
Subscriptions and transactions	\$ 31,549	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,549	47%
Software licenses	4,738	-	-	-	-	-	4,738	7%
Service and maintenance	29,322	-	-	-	-	-	29,322	44%
Other	1,640	-	-	-	-	-	1,640	2%
Total revenues	67,249	-	-	-	-	-	67,249	100%
Cost of revenues:								Margins
Subscriptions and transactions	15,344	-	(195)	27	-	-	15,176	52%
Software licenses	366	-	-	-	-	-	366	92%
Service and maintenance	12,519	-	(624)	(19)	(3)	-	11,873	60%
Other	1,226	-	-	-	-	-	1,226	25%
Total cost of revenues	29,455	-	(819)	8	(3)	-	28,641	
Gross profit	37,794	-	819	(8)	3	-	38,608	57%
Operating expenses:								% of Revenue
Sales and marketing	16,242	-	(2,324)	(26)	-	-	13,892	21%
Product development	8,407	-	(457)	(35)	-	-	7,915	12%
General and administrative	8,486	-	(1,432)	(1,813)	(52)	-	5,189	8%
Amortization of intangible assets	5,705	(5,705)	-	-	-	-	-	0%
Total operating expenses	38,840	(5,705)	(4,213)	(1,874)	(52)	-	26,996	40%
Income (loss) from operations	(1,046)	5,705	5,032	1,866	55	-	11,612	17%
Other income (loss), net	(4,040)	-	-	804	-	2,781	(455)	-1%
Income (loss) before income taxes	(5,086)	5,705	5,032	2,670	55	2,781	11,157	17%
Provision for income taxes	962	-	-	-	-	-	962	1%
Net Income (loss)	(6,048)	5,705	5,032	2,670	55	2,781	10,195	15%
Basic net loss per share	\$ (0.17)							
Diluted net income (loss) per share	\$ (0.17)						\$ 0.28	
Shares used in computing net income (loss) per share:								
Basic	36,214							
Diluted	36,214						37,071	

Bottomline Technologies
Reconciliation to Non-GAAP Measures
Three Months Ended September 30, 2012



	GAAP	Amortization of Intangible Assets	Equity-Based Compensation	Acquisition and Integration- Related Expenses	Restructuring Expenses	Non-GAAP	
Revenues:							<i>% of Revenue</i>
Subscriptions and transactions	\$ 28,547	\$ -	\$ -	\$ -	\$ -	\$ 28,547	46%
Software licenses	4,699	-	-	-	-	4,699	8%
Service and maintenance	26,455	-	-	-	-	26,455	43%
Other	1,988	-	-	-	-	1,988	3%
Total revenues	61,689	-	-	-	-	61,689	100%
Cost of revenues:							<i>Margins</i>
Subscriptions and transactions	13,986	-	(208)	(420)	-	13,358	53%
Software licenses	409	-	-	-	-	409	91%
Service and maintenance	12,294	-	(599)	(85)	(34)	11,576	56%
Other	1,522	-	-	-	-	1,522	23%
Total cost of revenues	28,211	-	(807)	(505)	(34)	26,865	
Gross profit	33,478	-	807	505	34	34,824	56%
Operating expenses:							<i>% of Revenue</i>
Sales and marketing	14,473	-	(1,875)	(164)	(62)	12,372	20%
Product development	8,306	-	(455)	(65)	(31)	7,755	13%
General and administrative	6,561	-	(1,070)	(981)	(169)	4,341	7%
Amortization of intangible assets	4,312	(4,312)	-	-	-	-	0%
Total operating expenses	33,652	(4,312)	(3,400)	(1,210)	(262)	24,468	40%
Income (loss) from operations	(174)	4,312	4,207	1,715	296	10,356	17%
Other income, net	46	-	-	-	-	46	0%
Income (loss) before income taxes	(128)	4,312	4,207	1,715	296	10,402	17%
Benefit for income taxes	(146)	-	-	-	-	(146)	0%
Net Income	18	4,312	4,207	1,715	296	10,548	17%
Basic net income per share	<u>\$ 0.00</u>						
Diluted net income per share	<u>\$ 0.00</u>					<u>\$ 0.30</u>	
Shares used in computing net income per share:							
Basic	34,909						
Diluted	35,626					35,626	

Bottomline Technologies

Reconciliation to Adjusted EBITDA



	Three months Ended	
	<u>9/30/2013</u>	<u>9/30/2012</u>
GAAP Net income (loss)	\$ (6,048)	\$ 18
Adjustments:		
Other loss (income), net	3,236	(46)
Provision (benefit) for income taxes	962	(146)
Depreciation	1,832	1,713
Amortization of intangible assets	5,705	4,312
Equity-based compensation	5,032	4,207
Acquisition and integration-related expenses	2,670	1,715
Restructuring expenses	55	296
Adjusted EBITDA	<u>13,444</u>	<u>12,069</u>