

Bottomline Technologies
Reconciliation to Non-GAAP Measures
Three Months Ended March 31, 2015



	GAAP	Amortization of Intangible Assets	Equity-Based Compensation	Acquisition and Integration-Related Expenses	Restructuring Expenses	Non-Cash Pension Expense	Non-Cash Interest Expense	Other Non-Core Items	Non-GAAP	
Revenues:										% of Revenue
Subscriptions and transactions	\$ 42,926	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,926	52%
Software licenses	5,074	-	-	-	-	-	-	-	5,074	7%
Service and maintenance	32,124	-	-	-	-	-	-	-	32,124	39%
Other	1,827	-	-	-	-	-	-	-	1,827	2%
Total revenues	81,951	-	-	-	-	-	-	-	81,951	100%
Cost of revenues:										Margins
Subscriptions and transactions	19,582	-	(309)	(98)	(137)	(1)	-	-	19,037	56%
Software licenses	371	-	-	-	-	-	-	-	371	93%
Service and maintenance	13,675	-	(646)	-	(171)	(7)	-	-	12,851	60%
Other	1,285	-	-	-	-	-	-	-	1,285	30%
Total cost of revenues	34,913	-	(955)	(98)	(308)	(8)	-	-	33,544	
Gross profit	47,038	-	955	98	308	8	-	-	48,407	59%
Operating expenses:										% of Revenue
Sales and marketing	20,248	-	(3,148)	-	(265)	(6)	-	-	16,829	21%
Product development	12,716	-	(1,244)	(63)	(226)	(6)	-	-	11,177	14%
General and administrative	8,882	-	(1,787)	(685)	(275)	(1)	-	(145)	5,989	7%
Amortization of intangible assets	8,002	(8,002)	-	-	-	-	-	-	-	0%
Total operating expenses	49,848	(8,002)	(6,179)	(748)	(766)	(13)	-	(145)	33,995	41%
Income (loss) from operations	(2,810)	8,002	7,134	846	1,074	21	-	145	14,412	18%
Other expense, net	(4,600)	-	-	-	-	-	3,061	-	(1,539)	-2%
Income (loss) before income taxes	(7,410)	8,002	7,134	846	1,074	21	3,061	145	12,873	16%
Provision for income taxes	420	-	-	-	-	-	-	-	420	1%
Net Income (loss)	(7,830)	8,002	7,134	846	1,074	21	3,061	145	12,453	15%
Basic net loss per share	\$ (0.21)									
Diluted net income (loss) per share	\$ (0.21)								\$ 0.33	
Shares used in computing net income (loss) per share:										
Basic	37,762									
Diluted	37,762								38,121	

Bottomline Technologies
Reconciliation to Non-GAAP Measures
Three Months Ended March 31, 2014



	GAAP	Amortization of Intangible Assets	Equity-Based Compensation	Acquisition and Integration-Related Expenses	Restructuring Expenses	Non-Cash Pension Expense	Non-Cash Interest Expense	Other Non-Core Items	Non-GAAP	
Revenues:										% of Revenue
Subscriptions and transactions	\$ 35,095	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,095	45%
Software licenses	5,543	-	-	-	-	-	-	-	5,543	7%
Service and maintenance	35,873	-	-	-	-	-	-	-	35,873	46%
Other	1,741	-	-	-	-	-	-	-	1,741	2%
Total revenues	78,252	-	-	-	-	-	-	-	78,252	100%
Cost of revenues:										Margins
Subscriptions and transactions	17,866	-	(249)	-	(190)	(5)	-	-	17,422	50%
Software licenses	505	-	-	-	-	-	-	-	505	91%
Service and maintenance	13,942	-	(564)	(1)	(76)	(30)	-	-	13,271	63%
Other	1,278	-	-	-	-	-	-	-	1,278	27%
Total cost of revenues	33,591	-	(813)	(1)	(266)	(35)	-	-	32,476	
Gross profit	44,661	-	813	1	266	35	-	-	45,776	58%
Operating expenses:										% of Revenue
Sales and marketing	19,433	-	(3,153)	(3)	(525)	(23)	-	-	15,729	20%
Product development	10,685	-	(760)	(63)	(83)	(25)	-	-	9,754	12%
General and administrative	8,718	-	(1,499)	(995)	(141)	(4)	-	-	6,079	8%
Amortization of intangible assets	4,784	(4,784)	-	-	-	-	-	-	-	0%
Total operating expenses	43,620	(4,784)	(5,412)	(1,061)	(749)	(52)	-	-	31,562	40%
Income from operations	1,041	4,784	6,225	1,062	1,015	87	-	-	14,214	18%
Other expense, net	(3,573)	-	-	-	-	-	2,871	-	(702)	-1%
Income (loss) before income taxes	(2,532)	4,784	6,225	1,062	1,015	87	2,871	-	13,512	17%
Provision for income taxes	1,778	-	-	-	-	-	-	(978)	800	1%
Net Income (loss)	(4,310)	4,784	6,225	1,062	1,015	87	2,871	978	12,712	16%
Basic net loss per share	\$ (0.12)									
Diluted net income (loss) per share	\$ (0.12)								\$ 0.34	
Shares used in computing net income (loss) per share:										
Basic	37,081									
Diluted	37,081								37,821	

Bottomline Technologies
Reconciliation to Non-GAAP Measures
Nine Months Ended March 31, 2015



	GAAP	Amortization of Intangible Assets	Equity-Based Compensation	Acquisition and Integration-Related Expenses	Restructuring Expenses	Non-Cash Pension Expense	Non-Cash Interest Expense	Other Non-Core Items	Non-GAAP	
Revenues:										% of Revenue
Subscriptions and transactions	\$ 126,662	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,662	52%
Software licenses	16,155	-	-	-	-	-	-	-	16,155	7%
Service and maintenance	97,264	-	-	-	-	-	-	-	97,264	40%
Other	5,438	-	-	-	-	-	-	-	5,438	2%
Total revenues	245,519	-	-	-	-	-	-	-	245,519	100%
Cost of revenues:										Margins
Subscriptions and transactions	58,699	-	(867)	(276)	(135)	(2)	-	-	57,419	55%
Software licenses	1,138	-	-	-	(135)	-	-	-	1,138	93%
Service and maintenance	39,647	-	(1,418)	(1)	(171)	(14)	-	-	38,043	61%
Other	3,855	-	-	-	-	-	-	-	3,855	29%
Total cost of revenues	103,339	-	(2,285)	(277)	(306)	(16)	-	-	100,455	
Gross profit	142,180	-	2,285	277	306	16	-	-	145,064	59%
Operating expenses:										% of Revenue
Sales and marketing	58,995	-	(8,798)	(83)	(478)	(11)	-	-	49,625	20%
Product development	35,427	-	(3,223)	(198)	(223)	(13)	-	-	31,770	13%
General and administrative	25,962	-	(5,257)	(1,995)	(339)	(2)	-	(145)	18,224	7%
Amortization of intangible assets	22,186	(22,186)	-	-	-	-	-	-	-	0%
Total operating expenses	142,570	(22,186)	(17,278)	(2,276)	(1,040)	(26)	-	(145)	99,619	41%
Income (loss) from operations	(390)	22,186	19,563	2,553	1,346	42	-	145	45,445	19%
Other expense, net	(11,834)	-	-	-	-	-	9,038	-	(2,796)	-1%
Income (loss) before income taxes	(12,224)	22,186	19,563	2,553	1,346	42	9,038	145	42,649	17%
Provision for income taxes	836	-	-	-	-	-	-	-	836	0%
Net Income (loss)	(13,060)	22,186	19,563	2,553	1,346	42	9,038	145	41,813	17%
Basic net loss per share	\$ (0.35)									
Diluted net income (loss) per share	\$ (0.35)								\$ 1.10	
Shares used in computing net income (loss) per share:										
Basic	37,723									
Diluted	37,723								38,062	

Bottomline Technologies
Reconciliation to Non-GAAP Measures
Nine Months Ended March 31, 2014



	GAAP	Amortization of Intangible Assets	Equity-Based Compensation	Acquisition and Integration-Related Expenses	Restructuring Expenses	Non-Cash Pension Expense	Non-Cash Interest Expense	Non-GAAP	
Revenues:									<i>% of Revenue</i>
Subscriptions and transactions	\$ 101,489	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,489	46%
Software licenses	15,744	-	-	-	-	-	-	15,744	7%
Service and maintenance	96,564	-	-	-	-	-	-	96,564	44%
Other	5,109	-	-	-	-	-	-	5,109	3%
Total revenues	218,906	-	-	-	-	-	-	218,906	100%
Cost of revenues:									<i>Margins</i>
Subscriptions and transactions	49,964	-	(683)	-	(190)	(13)	-	49,078	52%
Software licenses	1,263	-	-	-	-	-	-	1,263	92%
Service and maintenance	40,434	-	(1,811)	(32)	(79)	(82)	-	38,430	60%
Other	3,789	-	-	-	-	-	-	3,789	26%
Total cost of revenues	95,450	-	(2,494)	(32)	(269)	(95)	-	92,560	
Gross profit	123,456	-	2,494	32	269	95	-	126,346	58%
Operating expenses:									<i>% of Revenue</i>
Sales and marketing	53,699	-	(8,078)	(43)	(526)	(63)	-	44,989	20%
Product development	28,363	-	(1,741)	(99)	(70)	(68)	-	26,385	12%
General and administrative	25,328	-	(4,479)	(3,657)	(195)	(12)	-	16,985	7%
Amortization of intangible assets	18,663	(18,663)	-	-	-	-	-	-	0%
Total operating expenses	126,053	(18,663)	(14,298)	(3,799)	(791)	(143)	-	88,359	40%
Income (loss) from operations	(2,597)	18,663	16,792	3,831	1,060	238	-	37,987	17%
Other expense, net	(11,004)	-	-	804	-	-	8,479	(1,721)	-1%
Income (loss) before income taxes	(13,601)	18,663	16,792	4,635	1,060	238	8,479	36,266	17%
Provision for income taxes	4,022	-	-	-	-	-	-	4,022	2%
Net Income (loss)	(17,623)	18,663	16,792	4,635	1,060	238	8,479	32,244	15%
Basic net loss per share	\$ (0.48)								
Diluted net income (loss) per share	\$ (0.48)							\$ 0.86	
Shares used in computing net income (loss) per share:									
Basic	36,654								
Diluted	36,654							37,449	

Bottomline Technologies

Reconciliation to Adjusted EBITDA



	Three Months Ended		Nine Months Ended	
	<u>3/31/2015</u>	<u>3/31/2014</u>	<u>3/31/2015</u>	<u>3/31/2014</u>
GAAP Net loss	\$ (7,830)	\$ (4,310)	\$ (13,060)	\$ (17,623)
Adjustments:				
Other expense, net	4,600	3,573	11,834	10,200
Provision for income taxes	420	1,778	836	4,022
Depreciation	2,714	2,010	7,731	5,948
Amortization of intangible assets	8,002	4,784	22,186	18,663
Equity-based compensation	7,134	6,225	19,563	16,792
Acquisition and integration-related expenses	846	1,062	2,553	4,635
Restructuring expenses (benefit)	1,074	1,015	1,346	1,060
Non-cash pension expense	21	87	42	238
Other non-core items	145	-	145	-
Adjusted EBITDA	<u><u>17,126</u></u>	<u><u>16,224</u></u>	<u><u>53,176</u></u>	<u><u>43,935</u></u>

Bottomline Technologies Constant Currency Growth Rate



	Three Months Ended		% Increase	
	<u>3/31/2015</u>	<u>3/31/2014</u>	<u>GAAP</u>	<u>Constant Rates⁽¹⁾</u>
Total Revenues	\$ 81,951	\$ 78,252	5%	9%
Subscription and Transaction Revenues	42,926	35,095	22%	25%

⁽¹⁾ Constant currency information compares results between periods assuming exchange rates had remained constant period-over-period. We calculate constant currency information by translating prior-period results using current-year GAAP foreign exchange rates.

Bottomline Technologies

Reconciliation of Core Diluted Shares



	Three Months Ended		Nine Months Ended	
	<u>3/31/2015</u>	<u>3/31/2014</u>	<u>3/31/2015</u>	<u>3/31/2014</u>
GAAP diluted shares	38,121	38,687	38,062	37,889
Adjustments:				
Impact of note hedges	-	(866)	-	(440)
Core diluted shares	<u>38,121</u>	<u>37,821</u>	<u>38,062</u>	<u>37,449</u>