

**Bottomline Technologies**  
**Reconciliation to Non-GAAP Measures**  
**Three Months Ended December 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:									% of Revenue
Subscriptions and transactions	\$ 42,865	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,865	52%
Software licenses	5,423	-	-	-	-	-	-	5,423	7%
Service and maintenance	32,180	-	-	-	-	-	-	32,180	39%
Other	1,757	-	-	-	-	-	-	1,757	2%
<b>Total revenues</b>	<b>82,225</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,225</b>	<b>100%</b>
Cost of revenues:									Margins
Subscriptions and transactions	19,789	-	(260)	(178)	2	(1)	-	19,352	55%
Software licenses	372	-	-	-	-	-	-	372	93%
Service and maintenance	12,688	-	(362)	-	1	(8)	-	12,319	62%
Other	1,264	-	-	-	-	-	-	1,264	28%
<b>Total cost of revenues</b>	<b>34,113</b>	<b>-</b>	<b>(622)</b>	<b>(178)</b>	<b>3</b>	<b>(9)</b>	<b>-</b>	<b>33,307</b>	
<b>Gross profit</b>	<b>48,112</b>	<b>-</b>	<b>622</b>	<b>178</b>	<b>(3)</b>	<b>9</b>	<b>-</b>	<b>48,918</b>	<b>59%</b>
Operating expenses:									% of Revenue
Sales and marketing	19,545	-	(2,785)	(1)	9	(7)	-	16,761	20%
Product development	11,030	-	(1,018)	(69)	1	(7)	-	9,937	12%
General and administrative	8,803	-	(1,673)	(1,032)	1	(1)	-	6,098	7%
Amortization of intangible assets	7,000	(7,000)	-	-	-	-	-	-	0%
<b>Total operating expenses</b>	<b>46,378</b>	<b>(7,000)</b>	<b>(5,476)</b>	<b>(1,102)</b>	<b>11</b>	<b>(15)</b>	<b>-</b>	<b>32,796</b>	<b>40%</b>
Income from operations	1,734	7,000	6,098	1,280	(14)	24	-	16,122	20%
Other expense, net	(3,587)	-	-	-	-	-	3,012	(575)	-1%
Income (loss) before income taxes	(1,853)	7,000	6,098	1,280	(14)	24	3,012	15,547	19%
Provision for income taxes	109	-	-	-	-	-	-	109	0%
<b>Net Income (loss)</b>	<b>(1,962)</b>	<b>7,000</b>	<b>6,098</b>	<b>1,280</b>	<b>(14)</b>	<b>24</b>	<b>3,012</b>	<b>15,438</b>	<b>19%</b>
Basic net loss per share	\$ (0.05)								
Diluted net income (loss) per share	\$ (0.05)							\$ 0.41	
Shares used in computing net income (loss) per share:									
Basic	37,759								
Diluted	37,759							37,996	

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**Reconciliation to Non-GAAP Measures**  
**Three Months Ended December 31, 2013**

	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	\$ 34,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,845	48%
Software licenses	5,463	-	-	-	-	-	-	5,463	7%
Service and maintenance	31,369	-	-	-	-	-	-	31,369	43%
Other	1,728	-	-	-	-	-	-	1,728	2%
<b>Total revenues</b>	<b>73,405</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73,405</b>	<b>100%</b>
Cost of revenues:									<i>Margins</i>
Subscriptions and transactions	16,754	-	(239)	(27)	-	(8)	-	16,480	53%
Software licenses	392	-	-	-	-	-	-	392	93%
Service and maintenance	13,973	-	(623)	(12)	-	(52)	-	13,286	58%
Other	1,285	-	-	-	-	-	-	1,285	26%
<b>Total cost of revenues</b>	<b>32,404</b>	<b>-</b>	<b>(862)</b>	<b>(39)</b>	<b>-</b>	<b>(60)</b>	<b>-</b>	<b>31,443</b>	
<b>Gross profit</b>	<b>41,001</b>	<b>-</b>	<b>862</b>	<b>39</b>	<b>-</b>	<b>60</b>	<b>-</b>	<b>41,962</b>	<b>57%</b>
Operating expenses:									<i>% of Revenue</i>
Sales and marketing	18,024	-	(2,601)	(14)	(1)	(40)	-	15,368	21%
Product development	9,271	-	(524)	(1)	13	(43)	-	8,716	12%
General and administrative	8,124	-	(1,548)	(849)	(2)	(8)	-	5,717	8%
Amortization of intangible assets	8,174	(8,174)	-	-	-	-	-	-	0%
<b>Total operating expenses</b>	<b>43,593</b>	<b>(8,174)</b>	<b>(4,673)</b>	<b>(864)</b>	<b>10</b>	<b>(91)</b>	<b>-</b>	<b>29,801</b>	<b>41%</b>
Income (loss) from operations	(2,592)	8,174	5,535	903	(10)	151	-	12,161	17%
Other expense, net	(3,391)	-	-	-	-	-	2,827	(564)	-1%
Income (loss) before income taxes	(5,983)	8,174	5,535	903	(10)	151	2,827	11,597	16%
Provision for income taxes	1,282	-	-	-	-	-	-	1,282	2%
<b>Net Income (loss)</b>	<b>(7,265)</b>	<b>8,174</b>	<b>5,535</b>	<b>903</b>	<b>(10)</b>	<b>151</b>	<b>2,827</b>	<b>10,315</b>	<b>14%</b>
Basic net loss per share	\$ (0.20)								
Diluted net income (loss) per share	\$ (0.20)							\$ 0.28	
Shares used in computing net income (loss) per share:									
Basic	36,667								
Diluted	36,667							37,456	

**Bottomline Technologies**  
**Reconciliation to Non-GAAP Measures**  
**Six Months Ended December 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:									% of Revenue
Subscriptions and transactions	\$ 83,736	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,736	51%
Software licenses	11,081	-	-	-	-	-	-	11,081	7%
Service and maintenance	65,140	-	-	-	-	-	-	65,140	40%
Other	3,611	-	-	-	-	-	-	3,611	2%
<b>Total revenues</b>	<b>163,568</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>163,568</b>	<b>100%</b>
Cost of revenues:									Margins
Subscriptions and transactions	39,117	-	(557)	(178)	2	(1)	-	38,383	54%
Software licenses	767	-	-	-	-	-	-	767	93%
Service and maintenance	25,972	-	(772)	(1)	-	(7)	-	25,192	61%
Other	2,570	-	-	-	-	-	-	2,570	29%
<b>Total cost of revenues</b>	<b>68,426</b>	<b>-</b>	<b>(1,329)</b>	<b>(179)</b>	<b>2</b>	<b>(8)</b>	<b>-</b>	<b>66,912</b>	
<b>Gross profit</b>	<b>95,142</b>	<b>-</b>	<b>1,329</b>	<b>179</b>	<b>(2)</b>	<b>8</b>	<b>-</b>	<b>96,656</b>	<b>59%</b>
Operating expenses:									% of Revenue
Sales and marketing	38,747	-	(5,649)	(83)	(213)	(6)	-	32,796	20%
Product development	22,711	-	(1,980)	(135)	4	(6)	-	20,594	13%
General and administrative	17,080	-	(3,471)	(1,310)	(65)	(1)	-	12,233	7%
Amortization of intangible assets	14,184	(14,184)	-	-	-	-	-	-	0%
<b>Total operating expenses</b>	<b>92,722</b>	<b>(14,184)</b>	<b>(11,100)</b>	<b>(1,528)</b>	<b>(274)</b>	<b>(13)</b>	<b>-</b>	<b>65,623</b>	<b>40%</b>
Income from operations	2,420	14,184	12,429	1,707	272	21	-	31,033	19%
Other expense, net	(7,234)	-	-	-	-	-	5,977	(1,257)	-1%
Income (loss) before income taxes	(4,814)	14,184	12,429	1,707	272	21	5,977	29,776	18%
Provision for income taxes	416	-	-	-	-	-	-	416	0%
<b>Net Income (loss)</b>	<b>(5,230)</b>	<b>14,184</b>	<b>12,429</b>	<b>1,707</b>	<b>272</b>	<b>21</b>	<b>5,977</b>	<b>29,360</b>	<b>18%</b>
Basic net loss per share	\$ (0.14)								
Diluted net income (loss) per share	\$ (0.14)							\$ 0.77	
Shares used in computing net income (loss) per share:									
Basic	37,703								
Diluted	37,703							38,033	

**Bottomline Technologies**  
**Reconciliation to Non-GAAP Measures**  
**Six Months Ended December 31, 2013**



	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:									% of Revenue
Subscriptions and transactions	\$ 66,394	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,394	47%
Software licenses	10,201	-	-	-	-	-	-	10,201	7%
Service and maintenance	60,691	-	-	-	-	-	-	60,691	43%
Other	3,368	-	-	-	-	-	-	3,368	3%
<b>Total revenues</b>	<b>140,654</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>140,654</b>	<b>100%</b>
Cost of revenues:									Margins
Subscriptions and transactions	32,098	-	(434)	-	-	(8)	-	31,656	52%
Software licenses	758	-	-	-	-	-	-	758	93%
Service and maintenance	26,492	-	(1,247)	(31)	(3)	(52)	-	25,159	59%
Other	2,511	-	-	-	-	-	-	2,511	25%
<b>Total cost of revenues</b>	<b>61,859</b>	<b>-</b>	<b>(1,681)</b>	<b>(31)</b>	<b>(3)</b>	<b>(60)</b>	<b>-</b>	<b>60,084</b>	
<b>Gross profit</b>	<b>78,795</b>	<b>-</b>	<b>1,681</b>	<b>31</b>	<b>3</b>	<b>60</b>	<b>-</b>	<b>80,570</b>	<b>57%</b>
Operating expenses:									% of Revenue
Sales and marketing	34,266	-	(4,925)	(40)	(1)	(40)	-	29,260	21%
Product development	17,678	-	(981)	(36)	13	(43)	-	16,631	12%
General and administrative	16,610	-	(2,980)	(2,662)	(54)	(8)	-	10,906	7%
Amortization of intangible assets	13,879	(13,879)	-	-	-	-	-	-	0%
<b>Total operating expenses</b>	<b>82,433</b>	<b>(13,879)</b>	<b>(8,886)</b>	<b>(2,738)</b>	<b>(42)</b>	<b>(91)</b>	<b>-</b>	<b>56,797</b>	<b>40%</b>
Income (loss) from operations	(3,638)	13,879	10,567	2,769	45	151	-	23,773	17%
Other expense, net	(7,431)	-	-	804	-	-	5,608	(1,019)	-1%
Income (loss) before income taxes	(11,069)	13,879	10,567	3,573	45	151	5,608	22,754	16%
Provision for income taxes	2,244	-	-	-	-	-	-	2,244	2%
<b>Net Income (loss)</b>	<b>(13,313)</b>	<b>13,879</b>	<b>10,567</b>	<b>3,573</b>	<b>45</b>	<b>151</b>	<b>5,608</b>	<b>20,510</b>	<b>15%</b>
Basic net loss per share	\$ (0.37)								
Diluted net income (loss) per share	\$ (0.37)							\$ 0.55	
Shares used in computing net income (loss) per share:									
Basic	36,441								
Diluted	36,441							37,264	

## Bottomline Technologies

### Reconciliation to Adjusted EBITDA



	Three Months Ended		Six Months Ended	
	<u>12/31/2014</u>	<u>12/31/2013</u>	<u>12/31/2014</u>	<u>12/31/2013</u>
GAAP Net loss	\$ (1,962)	\$ (7,265)	\$ (5,230)	\$ (13,313)
Adjustments:				
Other expense, net	3,587	3,391	7,234	6,627
Provision for income taxes	109	1,282	416	2,244
Depreciation	2,509	2,106	5,017	3,938
Amortization of intangible assets	7,000	8,174	14,184	13,879
Equity-based compensation	6,098	5,535	12,429	10,567
Acquisition and integration-related expenses	1,280	903	1,707	3,573
Restructuring expenses (benefit)	(14)	(10)	272	45
Non-cash pension expense	24	151	21	151
Adjusted EBITDA	<u>18,631</u>	<u>14,267</u>	<u>36,050</u>	<u>27,711</u>

## Bottomline Technologies Reconciliation of Core Diluted Shares



	Three Months Ended		Six Months Ended	
	<u>12/31/2014</u>	<u>12/31/2013</u>	<u>12/31/2014</u>	<u>12/31/2013</u>
GAAP diluted shares	37,996	37,911	38,033	37,491
Adjustments:				
Impact of note hedges	-	(455)	-	(227)
Core diluted shares	<u>37,996</u>	<u>37,456</u>	<u>38,033</u>	<u>37,264</u>