

Bottomline Technologies
Reconciliation to Non-GAAP Measures
Three Months Ended June 30, 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-Core Income Tax Expense	Non-GAAP	
Revenues:										<i>% of Revenue</i>
Subscriptions and transactions	\$ 39,614	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,614	48%
Software licenses	5,025	-	-	-	-	-	-	-	5,025	6%
Service and maintenance	34,967	-	-	-	-	-	-	-	34,967	43%
Other	2,073	-	-	-	-	-	-	-	2,073	3%
Total revenues	81,679	-	-	-	-	-	-	-	81,679	100%
Cost of revenues:										<i>Margins</i>
Subscriptions and transactions	19,256	-	(304)	(22)	-	(5)	-	-	18,925	52%
Software licenses	339	-	-	-	-	-	-	-	339	93%
Service and maintenance	14,029	-	(422)	(5)	(39)	(31)	-	-	13,532	61%
Other	1,594	-	-	-	-	-	-	-	1,594	23%
Total cost of revenues	35,218	-	(726)	(27)	(39)	(36)	-	-	34,390	
Gross profit	46,461	-	726	27	39	36	-	-	47,289	58%
Operating expenses:										<i>% of Revenue</i>
Sales and marketing	19,008	-	(2,567)	(65)	(186)	(26)	-	-	16,164	20%
Product development	11,362	-	(989)	(101)	(55)	(26)	-	-	10,191	13%
General and administrative	8,393	-	(1,747)	(539)	(31)	(5)	-	-	6,071	7%
Amortization of intangible assets	7,579	(7,579)	-	-	-	-	-	-	-	0%
Total operating expenses	46,342	(7,579)	(5,303)	(705)	(272)	(57)	-	-	32,426	40%
Income from operations	119	7,579	6,029	732	311	93	-	-	14,863	18%
Other expense, net	(3,540)	-	-	-	-	-	2,918	-	(622)	-1%
Income (loss) before income taxes	(3,421)	7,579	6,029	732	311	93	2,918	-	14,241	17%
Benefit for income taxes	(1,940)	-	-	-	-	-	-	1,301	(639)	-1%
Net Income (loss)	(1,481)	7,579	6,029	732	311	93	2,918	(1,301)	14,880	18%
Basic net loss per share	\$ (0.04)									
Diluted net income (loss) per share	\$ (0.04)								\$ 0.39	
Shares used in computing net income (loss) per share:										
Basic	37,374									
Diluted	37,374								37,931	

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Reconciliation to Non-GAAP Measures
Three Months Ended June 30, 2013



	GAAP	Amortization of Intangible Assets	Equity-Based Compensation	Acquisition and Integration-Related Expenses	Restructuring Expenses	Non-Cash Interest Expense	Non-GAAP	
Revenues:								<i>% of Revenue</i>
Subscriptions and transactions	\$ 30,359	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,359	47%
Software licenses	5,330	-	-	-	-	-	5,330	8%
Service and maintenance	27,390	-	-	-	-	-	27,390	42%
Other	1,953	-	-	-	-	-	1,953	3%
Total revenues	65,032	-	-	-	-	-	65,032	100%
Cost of revenues:								<i>Margins</i>
Subscriptions and transactions	17,026	-	(188)	(1,924)	-	-	14,914	51%
Software licenses	421	-	-	-	-	-	421	92%
Service and maintenance	11,436	-	(534)	(12)	7	-	10,897	60%
Other	1,553	-	-	-	-	-	1,553	20%
Total cost of revenues	30,436	-	(722)	(1,936)	7	-	27,785	
Gross profit	34,596	-	722	1,936	(7)	-	37,247	57%
Operating expenses:								<i>% of Revenue</i>
Sales and marketing	16,182	-	(2,145)	(91)	-	-	13,946	21%
Product development	7,788	-	(431)	(40)	3	-	7,320	11%
General and administrative	7,494	-	(1,201)	(1,315)	3	-	4,981	8%
Amortization of intangible assets	4,874	(4,874)	-	-	-	-	-	0%
Total operating expenses	36,338	(4,874)	(3,777)	(1,446)	6	-	26,247	40%
Income (loss) from operations	(1,742)	4,874	4,499	3,382	(13)	-	11,000	17%
Other expense, net	(3,249)	-	-	-	-	2,738	(511)	-1%
Income (loss) before income taxes	(4,991)	4,874	4,499	3,382	(13)	2,738	10,489	16%
Benefit for income taxes	(1,177)	-	-	-	-	-	(1,177)	-2%
Net Income (loss)	(3,814)	4,874	4,499	3,382	(13)	2,738	11,666	18%
Basic net loss per share	\$ (0.11)							
Diluted net income (loss) per share	\$ (0.11)						\$ 0.32	
Shares used in computing net income (loss) per share:								
Basic	35,941							
Diluted	35,941						36,694	

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Reconciliation to Non-GAAP Measures
Year Ended June 30, 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	\$ 141,103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,103	47%
Software licenses	20,769	-	-	-	-	-	-	20,769	7%
Service and maintenance	131,531	-	-	-	-	-	-	131,531	44%
Other	7,182	-	-	-	-	-	-	7,182	2%
Total revenues	300,585	-	-	-	-	-	-	300,585	100%
Cost of revenues:									<i>Margins</i>
Subscriptions and transactions	69,220	-	(987)	(22)	(190)	(18)	-	68,003	52%
Software licenses	1,602	-	-	-	-	-	-	1,602	92%
Service and maintenance	54,463	-	(2,234)	(37)	(118)	(113)	-	51,961	60%
Other	5,383	-	-	-	-	-	-	5,383	25%
Total cost of revenues	130,668	-	(3,221)	(59)	(308)	(131)	-	126,949	
Gross profit	169,917	-	3,221	59	308	131	-	173,636	58%
Operating expenses:									<i>% of Revenue</i>
Sales and marketing	72,707	-	(10,644)	(108)	(712)	(89)	-	61,154	20%
Product development	39,725	-	(2,730)	(200)	(125)	(93)	-	36,577	12%
General and administrative	33,721	-	(6,226)	(4,196)	(226)	(18)	-	23,055	8%
Amortization of intangible assets	26,242	(26,242)	-	-	-	-	-	-	0%
Total operating expenses	172,395	(26,242)	(19,600)	(4,504)	(1,063)	(200)	-	120,786	40%
Income (loss) from operations	(2,478)	26,242	22,821	4,563	1,371	331	-	52,850	18%
Other expense, net	(14,544)	-	-	804	-	-	11,397	(2,343)	-1%
Income (loss) before income taxes	(17,022)	26,242	22,821	5,367	1,371	331	11,397	50,507	17%
Provision for income taxes	2,082	-	-	-	-	-	-	2,082	1%
Net Income (loss)	(19,104)	26,242	22,821	5,367	1,371	331	11,397	48,425	16%
Basic net loss per share	\$ (0.52)								
Diluted net income (loss) per share	\$ (0.52)							\$ 1.29	
Shares used in computing net income (loss) per share:									
Basic	36,834								
Diluted	36,834							37,570	

Bottomline Technologies
Reconciliation to Non-GAAP Measures
Year Ended June 30, 2013



	GAAP	Amortization of Intangible Assets	Equity-Based Compensation	Acquisition and Integration-Related Expenses	Restructuring Expenses	Net Loss on Derivative Instruments	Non-Cash Interest Expense	Non-GAAP	
									<i>% of Revenue</i>
Revenues:									
Subscriptions and transactions	\$ 118,016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,016	46%
Software licenses	22,546	-	-	-	-	-	-	22,546	9%
Service and maintenance	106,389	-	-	-	-	-	-	106,389	42%
Other	7,823	-	-	-	-	-	-	7,823	3%
Total revenues	254,774	-	-	-	-	-	-	254,774	100%
Cost of revenues:									
Subscriptions and transactions	64,101	-	(921)	(6,355)	(174)	-	-	56,651	52%
Software licenses	2,399	-	-	-	-	-	-	2,399	89%
Service and maintenance	46,788	-	(2,423)	(122)	(141)	-	-	44,102	59%
Other	5,998	-	-	-	-	-	-	5,998	23%
Total cost of revenues	119,286	-	(3,344)	(6,477)	(315)	-	-	109,150	
Gross profit	135,488	-	3,344	6,477	315	-	-	145,624	57%
Operating expenses:									
Sales and marketing	62,825	-	(8,370)	(516)	(295)	-	-	53,644	21%
Product development	32,974	-	(1,808)	(128)	(86)	-	-	30,952	12%
General and administrative	27,076	-	(4,509)	(3,706)	(483)	-	-	18,378	7%
Amortization of intangible assets	19,549	(19,549)	-	-	-	-	-	-	0%
Total operating expenses	142,424	(19,549)	(14,687)	(4,350)	(864)	-	-	102,974	40%
Income (loss) from operations	(6,936)	19,549	18,031	10,827	1,179	-	-	42,650	17%
Other expense, net	(11,357)	-	-	-	-	4,435	5,980	(942)	0%
Income (loss) before income taxes	(18,293)	19,549	18,031	10,827	1,179	4,435	5,980	41,708	16%
Benefit for income taxes	(3,898)	-	-	-	-	-	-	(3,898)	-2%
Net Income (loss)	(14,395)	19,549	18,031	10,827	1,179	4,435	5,980	45,606	18%
Basic net loss per share	\$ (0.41)								
Diluted net income (loss) per share	\$ (0.41)							\$ 1.26	
Shares used in computing net income (loss) per share:									
Basic	35,444								
Diluted	35,444							36,235	

Bottomline Technologies

Reconciliation to Adjusted EBITDA



	Three Months Ended		Year Ended	
	<u>6/30/2014</u>	<u>6/30/2013</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
GAAP Net loss	\$ (1,481)	\$ (3,814)	\$ (19,104)	\$ (14,395)
Adjustments:				
Other expense, net	3,540	3,249	13,740	11,357
Provision (benefit) for income taxes	(1,940)	(1,177)	2,082	(3,898)
Depreciation	2,302	1,668	8,250	6,861
Amortization of intangible assets	7,579	4,874	26,242	19,549
Equity-based compensation	6,029	4,499	22,821	18,031
Acquisition and integration-related expenses	732	3,382	5,367	10,827
Restructuring expenses	311	(13)	1,371	1,179
Non-cash pension expense	93	-	331	-
Adjusted EBITDA	<u><u>17,165</u></u>	<u><u>12,668</u></u>	<u><u>61,100</u></u>	<u><u>49,511</u></u>

Bottomline Technologies
Reconciliation of Core Diluted Shares



	Three Months Ended		Year Ended	
	<u>6/30/2014</u>	<u>6/30/2013</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
GAAP diluted shares	38,073	36,694	37,936	36,235
Adjustments:				
Impact of note hedges	(142)	-	(366)	-
Core diluted shares	<u>37,931</u>	<u>36,694</u>	<u>37,570</u>	<u>36,235</u>