

Bottomline Technologies
Reconciliation to Non-GAAP Measures
Three Months Ended December 31, 2011



	GAAP	Amortization of Intangible Assets	Equity Based Compensation	Acquisition Related Expenses	Restructuring Expenses	Non-GAAP	
Revenues:							<i>% of Revenue</i>
Software licenses	\$ 4,402	\$ -	\$ -	\$ -	\$ -	\$ 4,402	8%
Subscriptions and transactions	19,054	-	-	-	-	19,054	34%
Service and maintenance	29,667	-	-	-	-	29,667	54%
Equipment and supplies	<u>1,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,971</u>	<u>4%</u>
Total revenues	55,094	-	-	-	-	55,094	100%
Cost of revenues:							<i>Margins</i>
Software licenses	529	-	-	-	-	529	88%
Subscriptions and transactions	9,215	-	(191)	-	-	9,024	53%
Service and maintenance	13,239	-	(482)	(1)	(7)	12,749	57%
Equipment and supplies	<u>1,565</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,565</u>	<u>21%</u>
Total cost of revenues	<u>24,548</u>	<u>-</u>	<u>(673)</u>	<u>(1)</u>	<u>(7)</u>	<u>23,867</u>	
Gross profit	30,546	-	673	1	7	31,227	57%
Operating expenses:							<i>% of Revenue</i>
Sales and marketing	11,430	-	(1,455)	(28)	(14)	9,933	18%
Product development	5,932	-	(343)	-	-	5,589	10%
General and administrative	4,912	-	(902)	(148)	(3)	3,859	7%
Amortization of intangible assets	<u>3,433</u>	<u>(3,433)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0%</u>
Total operating expenses	<u>25,707</u>	<u>(3,433)</u>	<u>(2,700)</u>	<u>(176)</u>	<u>(17)</u>	<u>19,381</u>	<u>35%</u>
Income from operations	4,839	3,433	3,373	177	24	11,846	22%
Other income, net	<u>28</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28</u>	<u>0%</u>
Income before income taxes	4,867	3,433	3,373	177	24	11,874	22%
Provision for income taxes	<u>2,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,403</u>	<u>4%</u>
Net Income	2,464	3,433	3,373	177	24	9,471	17%
Basic net income per share	<u>\$ 0.07</u>						
Diluted net income per share	<u>\$ 0.07</u>					<u>\$ 0.27</u>	
Shares used in computing net income per share:							
Basic	34,160						
Diluted	35,090					35,090	

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Three Months Ended December 31, 2010



	GAAP	Amortization of Intangible Assets	Equity Based Compensation	Acquisition Related Expenses	Restructuring Expenses	Non-GAAP	
Revenues:							<i>% of Revenue</i>
Software licenses	\$ 4,180	\$ -	\$ -	\$ -	\$ -	\$ 4,180	9%
Subscriptions and transactions	13,031	-	-	-	-	13,031	30%
Service and maintenance	24,952	-	-	-	-	24,952	56%
Equipment and supplies	<u>2,119</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,119</u>	<u>5%</u>
Total revenues	44,282	-	-	-	-	44,282	100%
Cost of revenues:							<i>Margins</i>
Software licenses	214	-	-	-	-	214	95%
Subscriptions and transactions	6,748	-	(118)	-	-	6,630	49%
Service and maintenance	10,404	-	(474)	(6)	(29)	9,895	60%
Equipment and supplies	<u>1,635</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,635</u>	<u>23%</u>
Total cost of revenues	<u>19,001</u>	<u>-</u>	<u>(592)</u>	<u>(6)</u>	<u>(29)</u>	<u>18,374</u>	
Gross profit	25,281	-	592	6	29	25,908	59%
Operating expenses:							<i>% of Revenue</i>
Sales and marketing	9,257	-	(994)	(12)	(8)	8,243	19%
Product development	5,476	-	(419)	-	-	5,057	11%
General and administrative	4,545	-	(846)	(291)	(23)	3,385	8%
Amortization of intangible assets	<u>2,905</u>	<u>(2,905)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0%</u>
Total operating expenses	<u>22,183</u>	<u>(2,905)</u>	<u>(2,259)</u>	<u>(303)</u>	<u>(31)</u>	<u>16,685</u>	<u>38%</u>
Income from operations	3,098	2,905	2,851	309	60	9,223	21%
Other income, net	<u>32</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32</u>	<u>0%</u>
Income before income taxes	3,130	2,905	2,851	309	60	9,255	21%
Provision for income taxes	<u>1,065</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,065</u>	<u>2%</u>
Net Income	2,065	2,905	2,851	309	60	8,190	18%
Basic net income per share	<u>\$ 0.07</u>						
Diluted net income per share	<u>\$ 0.06</u>					<u>\$ 0.25</u>	
Shares used in computing net income per share:							
Basic	31,330						
Diluted	33,253					33,253	

Bottomline Technologies
Reconciliation to Non-GAAP Measures
Six Months Ended December 31, 2011



	GAAP	Amortization of Intangible Assets	Equity Based Compensation	Acquisition Related Expenses	Restructuring Expenses	Non-GAAP	
Revenues:							<i>% of Revenue</i>
Software licenses	\$ 8,435	\$ -	\$ -	\$ -	\$ -	\$ 8,435	8%
Subscriptions and transactions	36,648	-	-	-	-	36,648	34%
Service and maintenance	58,516	-	-	-	-	58,516	54%
Equipment and supplies	<u>3,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,971</u>	<u>4%</u>
Total revenues	107,570	-	-	-	-	107,570	100%
Cost of revenues:							<i>Margins</i>
Software licenses	964	-	-	-	-	964	89%
Subscriptions and transactions	18,300	-	(366)	-	-	17,934	51%
Service and maintenance	25,399	-	(958)	(1)	(7)	24,433	58%
Equipment and supplies	<u>3,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,136</u>	<u>21%</u>
Total cost of revenues	<u>47,799</u>	<u>-</u>	<u>(1,324)</u>	<u>(1)</u>	<u>(7)</u>	<u>46,467</u>	
Gross profit	59,771	-	1,324	1	7	61,103	57%
Operating expenses:							<i>% of Revenue</i>
Sales and marketing	22,672	-	(2,766)	(29)	(14)	19,863	18%
Product development	11,864	-	(654)	-	-	11,210	10%
General and administrative	9,845	-	(1,794)	(271)	(30)	7,750	7%
Amortization of intangible assets	<u>7,317</u>	<u>(7,317)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0%</u>
Total operating expenses	<u>51,698</u>	<u>(7,317)</u>	<u>(5,214)</u>	<u>(300)</u>	<u>(44)</u>	<u>38,823</u>	<u>36%</u>
Income from operations	8,073	7,317	6,538	301	51	22,280	21%
Other expense, net	<u>(85)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(85)</u>	<u>0%</u>
Income before income taxes	7,988	7,317	6,538	301	51	22,195	21%
Provision for income taxes	<u>3,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,783</u>	<u>4%</u>
Net Income	4,205	7,317	6,538	301	51	18,412	17%
Basic net income per share	<u>\$ 0.12</u>						
Diluted net income per share	<u>\$ 0.12</u>					<u>\$ 0.53</u>	
Shares used in computing net income per share:							
Basic	33,935						
Diluted	34,966					34,966	

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Reconciliation to Non-GAAP Measures
Six Months Ended December 31, 2010



	GAAP	Amortization of Intangible Assets	Equity Based Compensation	Acquisition Related Expenses	Restructuring Expenses	Non-GAAP	
Revenues:							<i>% of Revenue</i>
Software licenses	\$ 7,642	\$ -	\$ -	\$ -	\$ -	\$ 7,642	9%
Subscriptions and transactions	24,565	-	-	-	-	24,565	28%
Service and maintenance	50,004	-	-	-	-	50,004	58%
Equipment and supplies	4,110	-	-	-	-	4,110	5%
Total revenues	86,321	-	-	-	-	86,321	100%
Cost of revenues:							<i>Margins</i>
Software licenses	429	-	-	-	-	429	94%
Subscriptions and transactions	13,121	-	(224)	(2)	-	12,895	48%
Service and maintenance	20,833	-	(883)	(9)	(29)	19,912	60%
Equipment and supplies	3,155	-	-	-	-	3,155	23%
Total cost of revenues	37,538	-	(1,107)	(11)	(29)	36,391	
Gross profit	48,783	-	1,107	11	29	49,930	58%
Operating expenses:							<i>% of Revenue</i>
Sales and marketing	17,811	-	(1,844)	(25)	(8)	15,934	18%
Product development	10,488	-	(778)	(3)	-	9,707	11%
General and administrative	9,280	-	(1,693)	(710)	(23)	6,854	8%
Amortization of intangible assets	5,787	(5,787)	-	-	-	-	0%
Total operating expenses	43,366	(5,787)	(4,315)	(738)	(31)	32,495	38%
Income from operations	5,417	5,787	5,422	749	60	17,435	20%
Other income, net	315	-	-	-	-	315	0%
Income before income taxes	5,732	5,787	5,422	749	60	17,750	21%
Provision for income taxes	992	-	-	-	-	992	1%
Net Income	4,740	5,787	5,422	749	60	16,758	19%
Basic net income per share	\$ 0.15						
Diluted net income per share	\$ 0.15					\$ 0.51	
Shares used in computing net income per share:							
Basic	31,042						
Diluted	32,619					32,619	

Bottomline Technologies

Reconciliation to Adjusted EBITDA



	Three months Ended		Six months Ended	
	<u>12/31/2011</u>	<u>12/31/2010</u>	<u>12/31/2011</u>	<u>12/31/2010</u>
GAAP Net Income	\$ 2,464	\$ 2,065	\$ 4,205	\$ 4,740
Adjustments:				
Interest, other	(28)	(32)	85	(315)
Taxes	2,403	1,065	3,783	992
Depreciation	1,411	1,270	2,785	2,518
Amortization of intangible assets	3,433	2,905	7,317	5,787
Equity based compensation	3,373	2,851	6,538	5,422
Acquisition related expenses	177	309	301	749
Restructuring expenses	24	60	51	60
Adjusted EBITDA	<u>13,257</u>	<u>10,493</u>	<u>25,065</u>	<u>19,953</u>