

Table I

CommVault Systems, Inc.

Consolidated Statements of Income
(In thousands, except per share data)
(Unaudited)

	Three Months Ended	
	June 30,	
	2013	2012
Revenues:		
Software	\$ 65,299	\$ 54,235
Services	69,109	57,032
Total revenues	<u>134,408</u>	<u>111,267</u>
Cost of revenues:		
Software	655	678
Services	17,123	14,612
Total cost of revenues	<u>17,778</u>	<u>15,290</u>
Gross margin	116,630	95,977
Operating expenses:		
Sales and marketing	67,201	56,387
Research and development	12,851	10,951
General and administrative	13,728	11,090
Depreciation and amortization	1,453	1,133
Income from operations	21,397	16,416
Interest income	242	236
Income before income taxes	21,639	16,652
Income tax expense	8,177	6,527
Net income	<u>\$ 13,462</u>	<u>\$ 10,125</u>
Net income per common share:		
Basic	<u>\$ 0.29</u>	<u>\$ 0.23</u>
Diluted	<u>\$ 0.27</u>	<u>\$ 0.21</u>
Weighted average common shares outstanding:		
Basic	<u>46,542</u>	<u>44,761</u>
Diluted	<u>49,289</u>	<u>47,582</u>



Table II

CommVault Systems, Inc.

**Condensed Consolidated Balance Sheets
(In thousands)
(Unaudited)**

	<u>June 30, 2013</u>	<u>March 31, 2013</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 458,818	\$ 433,964
Short-term investments	—	1,948
Trade accounts receivable, net	75,219	85,033
Prepaid expenses and other current assets	12,032	15,225
Deferred tax assets, net	21,128	19,328
Total current assets	<u>567,197</u>	<u>555,498</u>
Deferred tax assets, net	23,138	21,166
Property and equipment, net	35,459	21,112
Other assets	6,948	7,078
Total assets	<u>\$ 632,742</u>	<u>\$ 604,854</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 5,584	\$ 3,860
Accrued liabilities	44,130	55,577
Deferred revenue	156,556	152,967
Total current liabilities	<u>206,270</u>	<u>212,404</u>
Deferred revenue, less current portion	32,641	31,303
Other liabilities	7,107	7,130
Total stockholders' equity	<u>386,724</u>	<u>354,017</u>
Total liabilities and stockholders' equity	<u>\$ 632,742</u>	<u>\$ 604,854</u>

Table III

CommVault Systems, Inc.

Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Three Months Ended	
	June 30,	
	2013	2012
Cash flows from operating activities		
Net income	\$ 13,462	\$ 10,125
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,473	1,160
Noncash stock-based compensation	9,508	5,928
Excess tax benefits from stock-based compensation	(8,285)	(3,060)
Deferred income taxes	(3,994)	237
Changes in operating assets and liabilities:		
Trade accounts receivable	9,050	10,304
Prepaid expenses and other current assets	3,150	686
Other assets	47	664
Accounts payable	217	384
Accrued liabilities	(7,192)	(7,385)
Deferred revenue	7,182	(1,240)
Other liabilities	(44)	106
Net cash provided by operating activities	<u>24,574</u>	<u>17,909</u>
Cash flows from investing activities		
Purchase of short-term investments	—	(1,948)
Proceeds from maturity of short-term investments	1,948	3,146
Purchases for corporate campus headquarters	(8,715)	(222)
Purchase of property and equipment	(1,312)	(1,459)
Net cash used in investing activities	<u>(8,079)</u>	<u>(483)</u>
Cash flows from financing activities		
Proceeds from the exercise of stock options	3,057	2,751
Excess tax benefits from stock-based compensation	8,285	3,060
Net cash provided by financing activities	<u>11,342</u>	<u>5,811</u>
Effects of exchange rate — changes in cash	<u>(2,983)</u>	<u>(2,190)</u>
Net increase in cash and cash equivalents	24,854	21,047
Cash and cash equivalents at beginning of period	<u>433,964</u>	<u>297,088</u>
Cash and cash equivalents at end of period	<u>\$ 458,818</u>	<u>\$ 318,135</u>

Table IV

CommVault Systems, Inc.

Reconciliation of GAAP to Non-GAAP Financial Measures
(In thousands, except per share data)
(Unaudited)

	Three Months Ended	
	June 30,	
	2013	2012
Non-GAAP financial measures and reconciliation:		
GAAP income from operations	\$ 21,397	\$ 16,416
Noncash stock-based compensation (1)	9,508	5,928
FICA and related payroll tax expense on stock option exercises and vesting on restricted stock awards (2)	443	296
Non-GAAP income from operations	\$ 31,348	\$ 22,640
GAAP net income	\$ 13,462	\$ 10,125
Noncash stock-based compensation (1)	9,508	5,928
FICA and related payroll tax expense on stock option exercises and vesting on restricted stock awards (2)	443	296
Non-GAAP provision for income taxes adjustment (3)	(3,511)	(1,937)
Non-GAAP net income	\$ 19,902	\$ 14,412
Diluted weighted average shares outstanding	49,289	47,582
Non-GAAP diluted net income per share	\$ 0.40	\$ 0.30

Footnotes - Adjustments

- (1) Represents noncash stock-based compensation charges associated with stock options and restricted stock units granted as follows:

	Three Months Ended	
	June 30,	
	2013	2012
Cost of services revenue	\$ 298	\$ 184
Sales and marketing	4,261	2,636
Research and development	957	624
General and administrative	3,992	2,484
Stock-based compensation expense	\$ 9,508	\$ 5,928

- (2) Represents additional FICA and related payroll tax expenses incurred by CommVault when employees exercise in the money stock options or vest in restricted stock awards.
- (3) The provision for income taxes is adjusted to reflect CommVault's estimated non-GAAP effective tax rate of approximately 37% in fiscal 2014 and fiscal 2013.