

## CommVault Systems, Inc.

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

	<b>Three Months Ended December 31,</b>		<b>Nine Months Ended December 31,</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
Revenues:				
Software	\$ 71,729	\$ 79,240	\$ 213,202	\$ 215,370
Services	81,292	74,010	243,606	214,151
Total revenues	153,021	153,250	456,808	429,521
Cost of revenues:				
Software	587	677	1,834	1,968
Services	19,354	17,821	59,320	52,464
Total cost of revenues	19,941	18,498	61,154	54,432
Gross margin	133,080	134,752	395,654	375,089
Operating expenses:				
Sales and marketing	85,925	73,367	249,933	207,715
Research and development	16,468	13,597	47,343	39,792
General and administrative	23,103	18,521	58,350	47,547
Depreciation and amortization	2,687	1,544	6,013	4,495
Total operating expenses	128,183	107,029	361,639	299,549
Income from operations	4,897	27,723	34,015	75,540
Interest expense	(228)	—	(446)	—
Interest income	202	220	592	675
Income before income taxes	4,871	27,943	34,161	76,215
Income tax expense	1,798	10,352	11,863	27,808
Net income	\$ 3,073	\$ 17,591	\$ 22,298	\$ 48,407
Net income per common share:				
Basic	\$ 0.07	\$ 0.37	\$ 0.49	\$ 1.03
Diluted	\$ 0.07	\$ 0.35	\$ 0.47	\$ 0.97
Weighted average common shares outstanding:				
Basic	45,331	47,307	45,610	46,921
Diluted	46,976	49,899	47,385	49,674

**Table II****CommVault Systems, Inc.****Condensed Consolidated Balance Sheets  
(In thousands)  
(Unaudited)**

	<b>December 31</b>	<b>March 31,</b>
	<b>2014</b>	<b>2014</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 314,946	\$ 457,733
Short-term investments	49,956	24,976
Trade accounts receivable, net	114,249	118,527
Prepaid expenses and other current assets	19,030	11,329
Deferred tax assets, net	16,254	17,966
Total current assets	<u>514,435</u>	<u>630,531</u>
Deferred tax assets, net	26,521	28,737
Property and equipment, net	134,847	88,901
Other assets	7,605	7,215
Total assets	<u>\$ 683,408</u>	<u>\$ 755,384</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable	\$ 1,206	\$ 1,218
Accrued liabilities	71,421	76,166
Deferred revenue	172,504	166,143
Total current liabilities	<u>245,131</u>	<u>243,527</u>
Deferred revenue, less current portion	49,872	43,432
Other liabilities	3,083	5,847
Total stockholders' equity	<u>385,322</u>	<u>462,578</u>
Total liabilities and stockholders' equity	<u>\$ 683,408</u>	<u>\$ 755,384</u>

## CommVault Systems, Inc.

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

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2014	2013	2014	2013
<b>Cash flows from operating activities</b>				
Net income	\$ 3,073	\$ 17,591	\$ 22,298	\$ 48,407
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	2,786	1,577	6,232	4,594
Noncash stock-based compensation	16,014	14,246	45,501	34,536
Excess tax benefits from stock-based compensation	(834)	(3,270)	(4,221)	(20,113)
Deferred income taxes	2,268	773	1,803	(435)
Changes in operating assets and liabilities:				
Trade accounts receivable	(16,143)	(19,301)	45	(20,703)
Prepaid expenses and other current assets	(2,921)	4,690	(10,683)	6,798
Other assets	683	158	578	355
Accounts payable	(267)	(794)	46	(932)
Accrued liabilities	7,104	12,533	6,093	18,057
Deferred revenue	8,133	2,079	21,442	8,839
Other liabilities	343	(120)	(1,269)	(185)
Net cash provided by operating activities	20,239	30,162	87,865	79,218
<b>Cash flows from investing activities</b>				
Purchase of short-term investments	(12,482)	(2,996)	(56,458)	(25,978)
Proceeds from maturity of short-term investments	12,495	1,000	31,478	2,948
Purchases for corporate campus headquarters	(14,882)	(19,607)	(50,308)	(43,479)
Purchase of property and equipment	(1,286)	(1,348)	(3,742)	(3,934)
Net cash used in investing activities	(16,155)	(22,951)	(79,030)	(70,443)
<b>Cash flows from financing activities</b>				
Repurchase of common stock	(50,040)	—	(155,125)	—
Debt issuance costs	(87)	—	(1,262)	—
Proceeds from stock options and the Employee Stock Purchase Plan	1,540	3,705	12,057	13,375
Excess tax benefits from stock-based compensation	834	3,270	4,221	20,113
Net cash provided by (used in) financing activities	(47,753)	6,975	(140,109)	33,488
Effects of exchange rate — changes in cash	(5,959)	(820)	(11,513)	(694)
Net (decrease) increase in cash and cash equivalents	(49,628)	13,366	(142,787)	41,569
Cash and cash equivalents at beginning of period	364,574	462,167	457,733	433,964
Cash and cash equivalents at end of period	\$ 314,946	\$ 475,533	\$ 314,946	\$ 475,533

## CommVault Systems, Inc.

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

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2014	2013	2014	2013
<b>Non-GAAP financial measures and reconciliation:</b>				
GAAP income from operations	\$ 4,897	\$ 27,723	\$ 34,015	\$ 75,540
Noncash stock-based compensation (1)	16,014	14,246	45,501	34,536
FICA and related payroll tax expense on stock option exercises and vesting on restricted stock awards (2)	214	493	775	1,503
Adjustment to exclude expenses related to corporate campus headquarters relocation (3)	4,141	-	4,141	-
<b>Non-GAAP income from operations</b>	<b>\$ 25,266</b>	<b>\$ 42,462</b>	<b>\$ 84,432</b>	<b>\$ 111,579</b>
<b>GAAP net income</b>				
GAAP net income	\$ 3,073	\$ 17,591	\$ 22,298	\$ 48,407
Noncash stock-based compensation (1)	16,014	14,246	45,501	34,536
FICA and related payroll tax expense on stock option exercises and vesting on restricted stock awards (2)	214	493	775	1,503
Adjustment to exclude expenses related to corporate campus headquarters relocation (3)	4,141	-	4,141	-
Non-GAAP provision for income taxes adjustment (4)	(7,541)	(5,439)	(19,431)	(13,725)
<b>Non-GAAP net income</b>	<b>\$ 15,901</b>	<b>\$ 26,891</b>	<b>\$ 53,284</b>	<b>\$ 70,721</b>
<b>Diluted weighted average shares outstanding</b>				
Diluted weighted average shares outstanding	46,976	49,899	47,385	49,674
<b>Non-GAAP diluted net income per share</b>	<b>\$ 0.34</b>	<b>\$ 0.54</b>	<b>\$ 1.12</b>	<b>\$ 1.42</b>

**Footnotes - Adjustments**

- (1) Represents noncash stock-based compensation charges associated with stock options, restricted stock units granted and our Employee Stock Purchase Plan. Those amounts are represented as follows:

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2014	2013	2014	2013
Cost of services revenue	\$ 785	\$ 417	\$ 2,186	\$ 1,008
Sales and marketing	7,396	5,990	20,140	14,336
Research and development	1,567	1,221	4,284	3,117
General and administrative	6,266	6,618	18,891	16,075
<b>Stock-based compensation expense</b>	<b>\$ 16,014</b>	<b>\$ 14,246</b>	<b>\$ 45,501</b>	<b>\$ 34,536</b>

- (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) CommVault completed the move of its Global Corporate Headquarters in the third quarter of fiscal 2015. In connection with this planned move, the Company incurred certain non-routine expenses that management has concluded are not representative of the ongoing business. As a result, these expenses have been excluded from non-GAAP results in order to understand, manage and evaluate the business and make operating decisions. These expenses include the lease termination charge related to the previous headquarters location, accelerated depreciation on assets associated with the previous location and moving related expenses.
- (4) The provision for income taxes is adjusted to reflect CommVault's estimated non-GAAP effective tax rate of approximately 37% in fiscal 2015 and fiscal 2014.