Table I

CommVault Systems, Inc.

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

	Three Months Ended March 31,		Year Ended March 31,	
	2014	2013	2014	2013
Revenues:				
Software	$ 79,041	$ 72,145	$ 294,411	$ 251,508
Services	77,778	66,129	291,929	244,342
Total revenues	156,819	138,274	586,340	495,850
Cost of revenues:				
Software	620	765	2,588	2,863
Services	19,249	17,091	71,713	62,089
Total cost of revenues	19,869	17,856	74,301	64,952
Gross margin	136,950	120,418	512,039	430,898
Operating expenses:				
Sales and marketing	75,589	71,062	283,304	247,696
Research and development	15,342	12,607	55,134	47,356
General and administrative	19,559	13,551	67,106	50,119
Depreciation and amortization	1,580	1,299	6,075	4,832
Total operating expenses	112,070	98,519	411,619	350,003
Income from operations	24,880	21,899	100,420	80,895
Interest expense	—	—	—	—
Interest income	215	263	890	1,059
Income before income taxes	25,095	22,162	101,310	81,954
Income tax expense	9,438	5,177	37,246	28,745
Net income	$ 15,657	$ 16,985	$ 64,064	$ 53,209
Net income per common share:				
Basic	$ 0.33	$ 0.37	$ 1.36	$ 1.17
Diluted	$ 0.32	$ 0.35	$ 1.29	$ 1.10
Weighted average common shares outstanding:				
Basic	47,141	46,257	46,976	45,463
Diluted	49,416	49,117	49,642	48,330

Table II

CommVault Systems, Inc.

Condensed Consolidated Balance Sheets
(In thousands)
(Unaudited)

	March 31,	
	2014	2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 457,733	$ 433,964
Short-term investments	24,976	1,948
Trade accounts receivable, net	118,527	85,033
Prepaid expenses and other current assets	11,329	15,225
Deferred tax assets, net	17,966	19,328
Total current assets	630,531	555,498
Deferred tax assets, net	28,737	21,166
Property and equipment, net	88,901	21,112
Other assets	7,215	7,078
Total assets	$ 755,384	$ 604,854
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 1,218	$ 3,860
Accrued liabilities	76,166	55,577
Deferred revenue	166,143	152,967
Total current liabilities	243,527	212,404
Deferred revenue, less current portion	43,432	31,303
Other liabilities	5,847	7,130
Total stockholders' equity	462,578	354,017
Total liabilities and stockholders' equity	$ 755,384	$ 604,854

Table III

CommVault Systems, Inc.

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

	Three Months Ended March 31,		Year Ended March 31,	
	2014	2013	2014	2013
Cash flows from operating activities				
Net income	$ 15,657	$ 16,985	$ 64,064	$ 53,209
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	1,613	1,334	6,207	4,939
Noncash stock-based compensation	14,588	9,037	49,124	30,098
Excess tax benefits from stock-based compensation	(8,224)	(4,966)	(28,337)	(23,080)
Deferred income taxes	(5,995)	(4,207)	(6,430)	(2,094)
Changes in operating assets and liabilities:				
Trade accounts receivable	(12,779)	(14,504)	(33,482)	(17,939)
Prepaid expenses and other current assets	(2,850)	(36)	3,948	(2,684)
Other assets	(515)	(251)	(160)	(1,844)
Accounts payable	(1,763)	1,201	(2,695)	2,036
Accrued liabilities	25,130	14,847	43,187	32,358
Deferred revenue	16,317	24,091	25,156	38,041
Other liabilities	(1,260)	(650)	(1,445)	(357)
Net cash provided by operating activities	39,919	42,881	119,137	112,683
Cash flows from investing activities				
Purchase of short-term investments	(2,998)	—	(28,976)	(1,948)
Proceeds from maturity of short-term investments	3,000	—	5,948	3,146
Purchases for corporate campus headquarters	(18,735)	(7,665)	(62,214)	(9,209)
Purchase of property and equipment	(982)	(3,759)	(4,916)	(7,821)
Net cash used in investing activities	(19,715)	(11,424)	(90,158)	(15,832)
Cash flows from financing activities				
Repurchase of common stock	(50,030)	—	(50,030)	—
Proceeds from the exercise of stock options	4,240	4,051	17,615	18,128
Excess tax benefits from stock-based compensation	8,224	4,966	28,337	23,080
Net cash provided by (used in) financing activities	(37,566)	9,017	(4,078)	41,208
Effects of exchange rate — changes in cash	(438)	(1,808)	(1,132)	(1,183)
Net (decrease) increase in cash and cash equivalents	(17,800)	38,666	23,769	136,876
Cash and cash equivalents at beginning of year	475,533	395,298	433,964	297,088
Cash and cash equivalents at end of year	$ 457,733	$ 433,964	$ 457,733	$ 433,964

Table IV

CommVault Systems, Inc.

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

	Three Months Ended March 31,		Year Ended March 31,	
	2014	2013	2014	2013
Non-GAAP financial measures and reconciliation:				
GAAP income from operations	$ 24,880	$ 21,899	$ 100,420	$ 80,895
Noncash stock-based compensation (1)	14,588	9,037	49,124	30,098
FICA and related payroll tax expense on stock option exercises and vesting on restricted stock awards (2)	805	851	2,308	2,096
Non-GAAP income from operations	**$ 40,273**	**$ 31,787**	**$ 151,852**	**$ 113,089**
GAAP net income	$ 15,657	$ 16,985	$ 64,064	$ 53,209
Noncash stock-based compensation (1)	14,588	9,037	49,124	30,098
FICA and related payroll tax expense on stock option exercises and vesting on restricted stock awards (2)	805	851	2,308	2,096
Non-GAAP provision for income taxes adjustment (3)	(5,543)	(6,682)	(19,268)	(13,490)
Non-GAAP net income	**$ 25,507**	**$ 20,191**	**$ 96,228**	**$ 71,913**
Diluted weighted average shares outstanding	**49,416**	**49,117**	**49,642**	**48,330**
Non-GAAP diluted net income per share	**$ 0.52**	**$ 0.41**	**$ 1.94**	**$ 1.49**

Footnotes - Adjustments

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

	Three Months Ended March 31,		Year Ended March 31,	
	2014	2013	2014	2013
Cost of services revenue	$ 420	$ 304	$ 1,428	$ 963
Sales and marketing	6,477	3,917	20,813	13,508
Research and development	1,395	906	4,512	3,020
General and administrative	6,296	3,910	22,371	12,607
Stock-based compensation expense	$ 14,588	$ 9,037	$ 49,124	$ 30,098

(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.