

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **August 21, 2012**

**ASPEN TECHNOLOGY, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**0-24786**  
(Commission  
File Number)

**04-2739697**  
(IRS Employer  
Identification No.)

**200 Wheeler Road, Burlington, MA**  
(Address of principal executive offices)

**01803**  
(Zip Code)

Registrant's telephone number, including area code: **(781) 221-6400**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02 Results of Operations and Financial Condition.**

On August 21, 2012, we issued a press release announcing financial results for the fourth quarter and fiscal year 2012, ended June 30, 2012. The full text of the press release issued in connection with this announcement is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 2.02, including Exhibit 99.1, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 except as expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

The following exhibit relating to Item 2.02 shall be deemed to be furnished, and not filed:

| <u>Exhibit No.</u> | <u>Description</u>   |
|--------------------|--|
| 99.1               | Press release issued by Aspen Technology, Inc. on August 21, 2012. |

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**ASPEN TECHNOLOGY, INC.**

Date: August 21, 2012

By: /s/ Mark P. Sullivan

**EXHIBIT INDEX**

| <b>Exhibit No.</b> | <b>Description</b>   |
|--------------------|--|
| 99.1               | Press release issued by Aspen Technology, Inc. on August 21, 2012. |



## Contacts:

**Media Contact**

Erik Mason  
AspenTech  
+1 781-221-8386  
[erik.mason@aspentech.com](mailto:erik.mason@aspentech.com)

**Investor Contact**

Brian Denyeau  
ICR  
+1 646-277-1251  
[brian.denyeau@icrinc.com](mailto:brian.denyeau@icrinc.com)

### **Aspen Technology Announces Financial Results for the Fourth Quarter And Fiscal Year 2012**

**Burlington, Mass. — August 21, 2012** — Aspen Technology, Inc. (NASDAQ: AZPN), a leading provider of software and services to the process industries, today announced financial results for its fourth quarter and fiscal year 2012, ended June 30, 2012.

Mark Fusco, Chief Executive Officer of AspenTech, said, “The fourth quarter was a strong finish to a great year for AspenTech. The company exceeded its fiscal 2012 guidance for each of its key financial metrics, including growth in total license contract value, free cash flow and expense management. Our aspenONE® subscription software offering continues to gain traction in the market and we have a significant opportunity to drive increased product adoption and usage levels over the long term.”

#### **Fourth Quarter and Fiscal Year 2012 and Recent Business Highlights**

- The license portion of total contract value was \$1.46 billion at the end of fiscal 2012, which increased 4.6% sequentially and 14.5% compared to the end of fiscal 2011.
- Total contract value, including the value of bundled maintenance, was \$1.68 billion at the end of fiscal 2012, which increased 5.4% sequentially and 17.7% compared to the end of fiscal 2011.
- Annual spend, which the company defines as the annualized value of all term license and maintenance revenue contracts at the end of the quarter, was approximately \$304 million at the end of fiscal 2012, which increased 4.4% sequentially and 12.7% compared to the end of fiscal 2011.

#### **Summary of Fourth Quarter Fiscal Year 2012 Financial Results**

AspenTech’s total revenue of \$64.0 million increased 22% from \$52.6 million in the fourth quarter of the prior year.

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- **Subscription and software revenue** was \$45.8 million in the fourth quarter of fiscal 2012, an increase from \$28.7 million in the fourth quarter of fiscal 2011.
  - **Services & other revenue** was \$18.2 million in the fourth quarter of fiscal 2012, compared to \$23.9 million in the fourth quarter of fiscal 2011.

For the quarter ended June 30, 2012, AspenTech reported a loss from operations of \$3.6 million, compared to a loss from operations of \$18.3 million for the quarter ended June 30, 2011.

Net loss was \$5.4 million for the quarter ended June 30, 2012, leading to a net loss per share of (\$0.06), compared to a net income per share of \$0.43 in the same period last fiscal year. The company’s net income for the fourth quarter of fiscal year 2011 was positively impacted by a \$57.3 million net tax benefit primarily related to a valuation reversal against our deferred tax assets.

Non-GAAP loss from operations, which adds back stock-based compensation expense, restructuring charges and amortization of intangibles associated with acquisitions, was \$0.9 million for the fourth quarter of fiscal 2012, compared to a non-GAAP loss from operations of \$16.1 million in the same period last fiscal year. Non-GAAP net loss was \$3.5 million, or (\$0.04) per share, for the fourth quarter of fiscal 2012, compared to a non-GAAP net loss of \$19.0 million, or (\$0.20) per share, in the same period last fiscal year. A reconciliation of GAAP to non-GAAP results is included in the financial tables included in this press release.

AspenTech had a cash balance of \$165.2 million at June 30, 2012, a decrease of \$17.3 million from the end of the prior quarter after using \$14.0 million in cash to repurchase shares of common stock and reducing secured borrowings by \$22.6 million. During the fourth quarter, the company generated \$21.7 million in cash flow from operations and \$18.6 million in free cash flow after taking into consideration \$3.1 million in capital expenditures and capitalized software. For the twelve months ended June 30, 2012, the company generated \$104.6 million in cash flow from operations and \$100 million in free cash flow after taking into consideration \$4.8 million in capitalized expenditures and capitalized software.

#### **Summary of Fiscal Year 2012 Financial Results**

AspenTech’s total revenue of \$243.1 million increased 23% from \$198.2 million for fiscal year 2011.

- **Subscription and software revenue** was \$166.7 million, an increase from \$103.7 million for fiscal year 2011.
- **Services & other revenue** was \$76.4 million, compared to \$94.5 million for fiscal year 2011.

For the fiscal year ended June 30, 2012, AspenTech reported a loss from operations of \$15.0 million, an improvement from a loss from operations of \$54.6 million for fiscal year 2011.

Net loss was \$13.8 million for the fiscal year ended June 30, 2012, leading to net loss per diluted share of (\$0.15), compared to net income per basic and diluted share of \$0.11 for fiscal year 2011. The company's net income for fiscal year 2011 was positively impacted by a \$54 million net tax benefit primarily related to a valuation reversal against our deferred tax assets.

Non-GAAP loss from operations, which adds back stock-based compensation expense, restructuring charges and amortization of intangibles associated with acquisitions, was \$2.8

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million for fiscal year 2012, an improvement compared to a non-GAAP loss from operations of \$45.1 million for fiscal year 2011. Non-GAAP net loss was \$5.2 million, or (\$0.06) per share, for fiscal year 2012, an improvement compared to a non-GAAP net loss of \$43.5 million, or (\$0.45) per share, for fiscal year 2011. A reconciliation of GAAP to non-GAAP results is included in the financial tables included in this press release.

### **Use of Non-GAAP Financial Measures**

This press release contains "non-GAAP financial measures" under the rules of the U.S. Securities and Exchange Commission. Non-GAAP financial measures are not based on a comprehensive set of accounting rules or principles. This non-GAAP information supplements, and is not intended to represent a measure of performance in accordance with, disclosures required by generally accepted accounting principles, or GAAP. Non-GAAP financial measures should be considered in addition to, not as a substitute for or superior to, financial measures determined in accordance with GAAP. A reconciliation of GAAP to non-GAAP results is included in the financial tables included in this press release.

Management considers both GAAP and non-GAAP financial results in managing AspenTech's business. As the result of adoption of new licensing models, management believes that, for the next few years, a number of AspenTech's performance indicators based on GAAP, including revenue, gross profit, operating income (loss) and net income (loss), will be of limited value in assessing AspenTech's performance, growth and financial condition. Accordingly, management instead is focusing on certain non-GAAP and other business metrics, including the non-GAAP metrics set forth in this press release, to track AspenTech's business performance. None of these non-GAAP metrics should be considered as an alternative to any measure of financial performance calculated in accordance with GAAP.

### **Conference Call and Webcast**

AspenTech will host a conference call and webcast today, August 21, 2012, at 4:30 p.m. (Eastern Time), to discuss the company's financial results for the fourth quarter and fiscal year 2012 as well as the company's business outlook.

The live dial-in number is (877) 245-0126, conference ID code 15108160. Interested parties may also listen to a live webcast of the call by logging on to the Investor Relations section of AspenTech's website, <http://www.aspentech.com/corporate/investor.cfm>, and clicking on the "webcast" link. A replay of the call will be archived on AspenTech's website and will also be available via telephone at (855) 859-2056 or (404) 537-3406, conference ID code 15108160, through August 28, 2012.

### **About AspenTech**

AspenTech is a leading global provider of mission-critical process optimization software solutions, which are designed to manage and optimize plant and process design, operational performance, and supply chain planning. AspenTech's aspenONE software and related services have been developed specifically for companies in the process industries, including the energy, chemicals and engineering and construction industries. Customers use AspenTech's solutions to improve their competitiveness and profitability by increasing throughput and productivity, reducing operating costs, enhancing capital efficiency, and decreasing working capital requirements. To see how the world's leading process manufacturers rely on AspenTech to achieve their operational excellence goals, visit [www.aspentech.com](http://www.aspentech.com).

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### **Forward-Looking Statements**

The second paragraph of this press release contains forward-looking statements for purposes of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results may vary significantly from AspenTech's expectations based on a number of risks and uncertainties, including, without limitation: AspenTech's failure to develop new software products, enhance existing products and services, or penetrate new vertical markets; demand for, or usage of, aspenONE software declines for any reason; unfavorable economic and market conditions or a lessening demand in the market for process optimization software; unforeseen difficulties or uncertainties in the application of accounting standards; weaknesses in AspenTech's internal controls; and other risk factors described from time to time in AspenTech's periodic reports filed with the Securities and Exchange Commission. AspenTech cannot guarantee any future results, levels of activity, performance, or achievements. AspenTech expressly disclaims any current intention to update forward-looking statements after the date of this press release.

**Source:** Aspen Technology, Inc.

(Unaudited in thousands, except per share data)

|   | Three Months Ended<br>June 30, |           | Twelve Months Ended<br>June 30, |            |
|---|--------------------------------|-----------|---------------------------------|------------|
|   | 2012                           | 2011      | 2012                            | 2011       |
| <b>Revenue:</b>                             |                                |           |                                 |            |
| Subscription and software                   | \$ 45,832                      | \$ 28,744 | \$ 166,688                      | \$ 103,699 |
| Services and other                          | 18,185                         | 23,901    | 76,446                          | 94,455     |
| Total revenue                               | 64,017                         | 52,645    | 243,134                         | 198,154    |
| <b>Cost of revenue:</b>                     |                                |           |                                 |            |
| Subscription and software                   | 2,554                          | 2,844     | 10,617                          | 5,213      |
| Services and other                          | 10,547                         | 12,306    | 41,660                          | 47,132     |
| Total cost of revenue                       | 13,101                         | 15,150    | 52,277                          | 52,345     |
| Gross profit                                | 50,916                         | 37,495    | 190,857                         | 145,809    |
| <b>Operating expenses:</b>                  |                                |           |                                 |            |
| Selling and marketing                       | 26,357                         | 27,544    | 96,400                          | 90,771     |
| Research and development                    | 15,259                         | 13,818    | 56,218                          | 50,820     |
| General and administrative                  | 13,067                         | 14,544    | 53,547                          | 59,041     |
| Restructuring charges                       | (158)                          | (87)      | (301)                           | (247)      |
| Total operating expenses                    | 54,525                         | 55,819    | 205,864                         | 200,385    |
| Loss from operations                        | (3,609)                        | (18,324)  | (15,007)                        | (54,576)   |
| Interest income                             | 1,537                          | 2,746     | 7,578                           | 13,075     |
| Interest expense                            | (1,486)                        | (1,059)   | (4,204)                         | (5,138)    |
| Other (expense) income, net                 | (1,036)                        | 983       | (3,519)                         | 2,919      |
| Loss before income taxes                    | (4,594)                        | (15,654)  | (15,152)                        | (43,720)   |
| Provision for (benefit from) income taxes   | 794                            | (57,335)  | (1,344)                         | (53,977)   |
| Net loss (income)                           | \$ (5,388)                     | \$ 41,681 | \$ (13,808)                     | \$ 10,257  |
| <b>Net (loss) income per common share:</b>  |                                |           |                                 |            |
| Basic                                       | \$ (0.06)                      | \$ 0.44   | \$ (0.15)                       | \$ 0.11    |
| Diluted                                     | \$ (0.06)                      | \$ 0.43   | \$ (0.15)                       | \$ 0.11    |
| <b>Weighted average shares outstanding:</b> |                                |           |                                 |            |
| Basic                                       | 93,563                         | 94,169    | 93,780                          | 93,488     |
| Diluted                                     | 93,563                         | 96,568    | 93,780                          | 95,853     |

**ASPEN TECHNOLOGY, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited in thousands, except share data)

|   | June 30,<br>2012 | June 30,<br>2011 |
|---|------------------|------------------|
| <b>ASSETS</b>                                       |                  |                  |
| Current assets:                                     |                  |                  |
| Cash and cash equivalents                           | \$ 165,242       | \$ 149,985       |
| Accounts receivable, net                            | 31,450           | 27,866           |
| Current portion of installments receivable, net     | 33,184           | 38,703           |
| Current portion of collateralized receivables       | 6,297            | 15,748           |
| Unbilled services                                   | 1,592            | 2,319            |
| Prepaid expenses and other current assets           | 16,219           | 10,819           |
| Prepaid income taxes                                | 283              | 1,151            |
| Deferred income taxes- current                      | 7,196            | 7,272            |
| Total current assets                                | 261,463          | 253,863          |
| Non-current installments receivable, net            | 14,046           | 47,773           |
| Non-current collateralized receivables              | —                | 9,291            |
| Property, equipment and leasehold improvements, net | 7,037            | 6,730            |
| Computer software development costs, net            | 1,689            | 2,813            |
| Goodwill  | 19,399           | 18,624           |
| Deferred income taxes- non-current                  | 58,559           | 57,061           |
| Other non-current assets                            | 6,142            | 3,639            |
| Total assets  | \$ 368,335       | \$ 399,794       |

**LIABILITIES AND STOCKHOLDERS' EQUITY**

|  |           |           |
|--|-----------|-----------|
| Current liabilities:                           |           |           |
| Current portion of secured borrowings          | \$ 10,756 | \$ 15,756 |
| Accounts payable                               | 2,566     | 2,099     |
| Accrued expenses and other current liabilities | 37,989    | 64,467    |
| Income taxes payable                           | 598       | 672       |
| Deferred revenue                               | 143,578   | 90,681    |
| Current deferred tax liability                 | 232       | —         |
| Total current liabilities                      | 195,719   | 173,675   |
| Long-term secured borrowings                   | —         | 9,157     |
| Long-term deferred revenue                     | 43,595    | 38,262    |
| Other non-current liabilities                  | 15,429    | 20,897    |

|  |            |            |
|--|------------|------------|
| Commitments and contingencies  |            |            |
| Series D redeemable convertible preferred stock, \$0.10 par value—                                     |            |            |
| Authorized— 3,636 shares at June 30, 2012 and June 30, 2011  |            |            |
| Issued and outstanding— none at June 30, 2012 and June 30, 2011  | —          | —          |
| Stockholders' equity:  |            |            |
| Common stock, \$0.10 par value— Authorized—210,000,000 shares  |            |            |
| Issued— 96,663,580 shares at June 30, 2012 and 94,939,400 shares at June 30, 2011                      |            |            |
| Outstanding— 93,465,955 shares at June 30, 2012 and 94,238,370 shares at June 30, 2011                 | 9,666      | 9,494      |
| Additional paid-in capital   | 547,546    | 530,996    |
| Accumulated deficit  | (395,079)  | (381,271)  |
| Accumulated other comprehensive income   | 8,095      | 9,115      |
| Treasury stock, at cost—3,197,625 shares of common stock at June 30, 2012 and 701,030 at June 30, 2011 | (56,636)   | (10,531)   |
| Total stockholders' equity   | 113,592    | 157,803    |
| Total liabilities and stockholders' equity   | \$ 368,335 | \$ 399,794 |

**ASPEN TECHNOLOGY, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited in thousands)

|  | Three Months Ended<br>June 30, |            | Twelve Months Ended<br>June 30, |            |
|--|--------------------------------|------------|---------------------------------|------------|
|  | 2012                           | 2011       | 2012                            | 2011       |
| Cash flows from operating activities:  |                                |            |                                 |            |
| Net (loss) income  | \$ (5,388)                     | \$ 41,681  | \$ (13,808)                     | \$ 10,257  |
| Adjustments to reconcile net (loss) income to net cash provided by operating activities: |                                |            |                                 |            |
| Depreciation and amortization  | 1,294                          | 1,411      | 5,278                           | 5,336      |
| Net foreign currency loss (gain)   | 169                            | 114        | 953                             | (2,167)    |
| Stock-based compensation   | 2,802                          | 2,301      | 12,406                          | 9,699      |
| Deferred income taxes  | (1,162)                        | (64,308)   | (4,827)                         | (64,264)   |
| Provision for bad debts  | (82)                           | (1,828)    | 22                              | (2,755)    |
| Write-down of investment   | —                              | —          | —                               | 600        |
| Other non-cash operating activities  | (2,181)                        | 26         | (1,695)                         | 453        |
| Changes in assets and liabilities:   |                                |            |                                 |            |
| Accounts receivable  | (3,894)                        | 665        | (4,285)                         | 5,981      |
| Unbilled services  | (463)                          | (642)      | 734                             | (477)      |
| Prepaid expenses, prepaid income taxes, and other assets                                 | (3,848)                        | (4,468)    | (3,918)                         | (773)      |
| Installments and collateralized receivables  | 14,493                         | 17,556     | 57,003                          | 72,752     |
| Accounts payable, accrued expenses and other liabilities                                 | 7,626                          | 11,555     | (1,583)                         | (12,758)   |
| Deferred revenue   | 12,301                         | 6,369      | 58,357                          | 41,446     |
| Net cash provided by operating activities  | 21,667                         | 10,432     | 104,637                         | 63,330     |
| Cash flows from investing activities:  |                                |            |                                 |            |
| Purchase of property, equipment and leasehold improvements                               | (3,066)                        | (517)      | (4,241)                         | (2,839)    |
| Payments for acquisitions, net of cash acquired  | —                              | —          | (2,617)                         | —          |
| Capitalized computer software development costs  | (24)                           | (323)      | (511)                           | (1,990)    |
| Net cash used in investing activities  | (3,090)                        | (840)      | (7,369)                         | (4,829)    |
| Cash flows from financing activities:  |                                |            |                                 |            |
| Exercise of stock options and warrants   | 2,332                          | 1,999      | 8,913                           | 9,703      |
| Proceeds from secured borrowings   | —                              | —          | 4,982                           | 2,500      |
| Repayments of secured borrowings   | (22,622)                       | (5,387)    | (44,892)                        | (32,051)   |
| Repurchases of common stock  | (13,986)                       | (6,368)    | (46,105)                        | (10,531)   |
| Payment of tax withholding obligations related to restricted stock                       | (1,472)                        | (1,152)    | (4,597)                         | (3,885)    |
| Net cash used in financing activities  | (35,748)                       | (10,908)   | (81,699)                        | (34,264)   |
| Effects of exchange rate changes on cash and cash equivalents                            | (151)                          | 263        | (312)                           | 803        |
| (Decrease) increase in cash and cash equivalents   | (17,322)                       | (1,053)    | 15,257                          | 25,040     |
| Cash and cash equivalents, beginning of period   | 182,564                        | 151,038    | 149,985                         | 124,945    |
| Cash and cash equivalents, end of period   | \$ 165,242                     | \$ 149,985 | \$ 165,242                      | \$ 149,985 |
| Supplemental disclosure of cash flow information:  |                                |            |                                 |            |
| Income tax paid (refunded), net  | \$ 1,108                       | \$ 876     | \$ 2,707                        | \$ (2,112) |
| Interest paid  | 1,488                          | 1,061      | 4,206                           | 5,476      |

**ASPEN TECHNOLOGY, INC. AND SUBSIDIARIES**  
**GAAP Results Reconciled to Non-GAAP Results**

The following table reflects selected Aspen Technology GAAP results reconciled to Non-GAAP results.  
(unaudited in thousands, except per share data)

|                       | Three Months Ended<br>June 30, |      | Twelve Months Ended<br>June 30, |      |
|-----------------------|--------------------------------|------|---------------------------------|------|
|                       | 2012                           | 2011 | 2012                            | 2011 |
| <b>Total expenses</b> |                                |      |                                 |      |

|   |    |         |    |          |    |          |    |          |
|---|----|---------|----|----------|----|----------|----|----------|
| GAAP total expenses (a)   | \$ | 67,626  | \$ | 70,969   | \$ | 258,141  | \$ | 252,730  |
| Less:   |    |         |    |          |    |          |    |          |
| Stock-based compensation (b)                                      |    | (2,802) |    | (2,301)  |    | (12,406) |    | (9,699)  |
| Restructuring charges   |    | 158     |    | 87       |    | 301      |    | 247      |
| Amortization of intangible assets                                 |    | (106)   |    | —        |    | (142)    |    | —        |
| Non-GAAP total expenses   | \$ | 64,876  | \$ | 68,755   | \$ | 245,894  | \$ | 243,278  |
| <b>Loss from operations</b>                                       |    |         |    |          |    |          |    |          |
| GAAP loss from operations   | \$ | (3,609) | \$ | (18,324) | \$ | (15,007) | \$ | (54,576) |
| Plus:   |    |         |    |          |    |          |    |          |
| Stock-based compensation (b)                                      |    | 2,802   |    | 2,301    |    | 12,406   |    | 9,699    |
| Restructuring charges   |    | (158)   |    | (87)     |    | (301)    |    | (247)    |
| Amortization of intangible assets                                 |    | 106     |    | —        |    | 142      |    | —        |
| Non-GAAP loss from operations                                     | \$ | (859)   | \$ | (16,110) | \$ | (2,760)  | \$ | (45,124) |
| <b>Net (loss) income</b>  |    |         |    |          |    |          |    |          |
| GAAP net (loss) income  | \$ | (5,388) | \$ | 41,681   | \$ | (13,808) | \$ | 10,257   |
| Plus:   |    |         |    |          |    |          |    |          |
| Stock-based compensation (b)                                      |    | 2,802   |    | 2,301    |    | 12,406   |    | 9,699    |
| Restructuring charges   |    | (158)   |    | (87)     |    | (301)    |    | (247)    |
| Amortization of intangible assets                                 |    | 106     |    | —        |    | 142      |    | —        |
| Less:   |    |         |    |          |    |          |    |          |
| Non-recurring valuation allowance reversal                        |    | —       |    | (62,791) |    | —        |    | (62,791) |
| Income tax effect on Non-GAAP items (c)                           |    | (814)   |    | (125)    |    | (3,609)  |    | (466)    |
| Non-GAAP net (loss) income  | \$ | (3,452) | \$ | (19,021) | \$ | (5,170)  | \$ | (43,548) |
| <b>Diluted (loss) income per share</b>                            |    |         |    |          |    |          |    |          |
| GAAP diluted (loss) income per share                              | \$ | (0.06)  | \$ | 0.43     | \$ | (0.15)   | \$ | 0.11     |
| Plus:   |    |         |    |          |    |          |    |          |
| Stock-based compensation (b)                                      |    | 0.03    |    | 0.02     |    | 0.13     |    | 0.10     |
| Restructuring charges   |    | —       |    | —        |    | —        |    | —        |
| Amortization of intangible assets                                 |    | —       |    | —        |    | —        |    | —        |
| Less:   |    |         |    |          |    |          |    |          |
| Non-recurring valuation allowance reversal                        |    | —       |    | (0.65)   |    | —        |    | (0.66)   |
| Income tax effect on Non-GAAP items (c)                           |    | (0.01)  |    | —        |    | (0.04)   |    | —        |
| Non-GAAP diluted (loss) income per share                          | \$ | (0.04)  | \$ | (0.20)   | \$ | (0.06)   | \$ | (0.45)   |
| Shares used in computing Non-GAAP diluted (loss) income per share |    |         |    |          |    |          |    |          |
|   |    | 93,563  |    | 96,568   |    | 93,780   |    | 95,853   |

(a) GAAP total expenses

|                          | Three Months Ended<br>June 30, |           | Twelve Months Ended<br>June 30, |            |
|--------------------------|--------------------------------|-----------|---------------------------------|------------|
|                          | 2012                           | 2011      | 2012                            | 2011       |
| Total costs of revenue   | \$ 13,101                      | \$ 15,150 | \$ 52,277                       | \$ 52,345  |
| Total operating expenses | 54,525                         | 55,819    | 205,864                         | 200,385    |
| GAAP total expenses      | \$ 67,626                      | \$ 70,969 | \$ 258,141                      | \$ 252,730 |

(b) Stock-based compensation expense was as follows:

|                                | Three Months Ended<br>June 30, |          | Twelve Months Ended<br>June 30, |          |
|--------------------------------|--------------------------------|----------|---------------------------------|----------|
|                                | 2012                           | 2011     | 2012                            | 2011     |
| Cost of service and other      | \$ 271                         | \$ 225   | \$ 1,168                        | \$ 945   |
| Selling and marketing          | 1,099                          | 890      | 4,601                           | 3,603    |
| Research and development       | 314                            | 278      | 1,334                           | 1,152    |
| General and administrative     | 1,118                          | 908      | 5,303                           | 3,999    |
| Total stock-based compensation | \$ 2,802                       | \$ 2,301 | \$ 12,406                       | \$ 9,699 |

(c) The income tax effect on Non-GAAP items is calculated utilizing our estimated effective tax rate. During the three and twelve months ended June 30, 2011, we had a U.S. valuation allowance in place which resulted in a minimal income tax adjustment.