



ZYNGA Q1 2015

FINANCIAL RESULTS

May 6, 2015

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MANAGEMENT TEAM



**FOUNDER,
CHIEF EXECUTIVE OFFICER
AND CHAIRMAN OF THE BOARD**

Mark Pincus



**CHIEF FINANCIAL OFFICER
AND CHIEF ACCOUNTING OFFICER**

David Lee

FORWARD-LOOKING STATEMENTS

This presentation contains, and our call will contain, forward-looking statements relating to, among other things, our outlook for the second quarter of 2015 revenue, net loss, diluted net loss per share, weighted average diluted share count, bookings, Adjusted EBITDA, non-GAAP net income (loss) per share and non-GAAP weighted average diluted share count; certain other financial items necessary for GAAP to Non-GAAP reconciliation; our future operational plans, use of cash, strategies and prospects; our cost structure and cost reduction plan and the expected cost savings and charges from this plan, including our reduction in workforce, cost reduction measures and plan to lower discretionary spend; our path to profitable growth; our ability to accelerate execution, drive profitability and nurture creativity and innovation while reducing costs and lowering discretionary spend; our ability to foster an entrepreneurial environment; our ability to manage new IP costs; the breadth and depth of our game slate for 2015 and the success of this slate, including the success of the recently launched *Empires & Allies*; our planned launch of mobile first games and new features for existing games, including our planned launch of 6-8 games in 2015, including *Dawn of Titans*, *CSR2* and a new mobile slots game from the *Hit it Rich!* team; our ability to maintain consumer excitement, retention and monetization shown in early game testing after worldwide game launches, including the early results we've seen with *Empires & Allies* and *Dawn of Titans*; our ability to grow our mobile bookings; our ability to execute against our strategy and deliver long term value for our shareholders, employees and players; our ability to use data analytics to improve our player experience, gameplay and monetization; our ability to intensify and narrow our focus and leverage our core strengths and focus on the highest potential opportunities; our ability to attract and retain key employees in light of business challenges, including employees key to franchise games and planned launches and senior management; the impact of changes in management, new hires and other changes in organizational structure and roles on our organization; the strength of our balance sheet and our ability to effectively manage our cost structure and investments; our focus on five primary game categories, backing proven teams to develop or expand our offerings in these categories, the timely launch of games in these categories and the success of these games; our ability to monetize these games; our ability to improve our execution against audience growth and product quality; our ability to effectively market our games; our ability to sustain and expand key games to sustain and grow audience, bookings and engagement, including our top franchises—Zynga Casino, Words, Farm and Racing; our ability to build on our social legacy in both our web games and our new mobile games and to build a player network across mobile games; our ability to accurately forecast our upcoming game launches and bookings and revenue related to upcoming game launches and the performance of our existing games; our continued investment in our future pipeline; our ability to successfully defend our intellectual property and market opportunity in the social gaming market, including the mobile market and advertising market and our ability to capitalize on and contribute to this market opportunity.

Forward-looking statements often include words such as “outlook,” “projected,” “intends,” “will,” “anticipate,” “believe,” “target,” “expect,” and statements in the future tense are generally forward-looking. The achievement or success of the matters covered by such forward-looking statements involves significant risks, uncertainties, and assumptions. Our actual results could differ materially from those predicted or implied and reported results should not be considered as an indication of our future performance. Factors that could cause or contribute to such differences include, but are not limited to, the ability of key games, including our franchise games to sustain or grow audience, bookings and engagement, our relationship with Facebook or changes in the Facebook platform, our relationship and/or agreements with Apple, Google and Android platform providers and/or changes in the Android or iOS platforms, our relationship and/or agreements with key licensing partners, delays or challenges in implementing cost-cutting activities and our ability to control and reduce expenses and discretionary spend, our ability to retain key employees and retain and attract new talent and our ability to work as a team to execute against our strategy, our use of working capital in general, attrition and declines in our existing games, our ability to launch new games and features in a timely manner and monetize these games and features effectively on the web and on mobile, including planned features for our existing games, planned launches from NaturalMotion, planned launches from our franchises and planned launches in the five content categories where we are focused, our ability to continue to maintain bookings for franchise games despite increasing decay rates for games generally, the effectiveness of our marketing initiatives and ability to obtain game featuring from partners, seasonal changes in advertising rates, our ability to use consumer feedback to improve our games, our ability to run successful in game advertising campaigns, our exposure to illegitimate credit card activity and other security risks, sales or purchases of virtual goods used in Zynga Poker or our other games through unauthorized or fraudulent third-party websites, our ability to anticipate and address technical challenges that may arise, our ability to protect our players’ information and adequately address privacy concerns, our ability to maintain technology infrastructure and employees that can efficiently and reliably handle increased player usage, changes in mobile devices and game platforms, consumer demand, fast load times and the rapid deployment of new features and products, our ability to maintain reliable security services and infrastructure to protect against security breaches, computer malware and hacking attacks, competition, changing interests of players, intellectual property disputes or other litigation, asset impairment charges, acquisitions by us, and changes in corporate strategy or management.

More information about factors that could affect our operating results is included under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2014, and, when filed, our Quarterly report on Form 10-Q for the three months ended March 31, 2015, copies of which may be obtained by visiting our Investor Relations web site at investor.zynga.com or the SEC’s web site at www.sec.gov. Undue reliance should not be placed on the forward-looking statements in the conference call and this presentation, which are based on information available to us on the date hereof. There is no guarantee that the circumstances described in our forward-looking statements will occur. We assume no obligation to update such statements. The results we report in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 could differ from the preliminary results we have announced in this presentation.

NON-GAAP FINANCIAL MEASURES

We have provided in this release non-GAAP financial information including Bookings, Adjusted EBITDA, free cash flow, non-GAAP operating expense, non-GAAP net loss and non-GAAP net loss per share, as a supplement to the consolidated financial statements, which are prepared in accordance with generally accepted accounting principles (“GAAP”). Management uses these non-GAAP financial measures internally in analyzing our financial results to assess operational performance and liquidity. The presentation of this financial information is not intended to be considered in isolation or as a substitute for the financial information prepared in accordance with GAAP. We believe that both management and investors benefit from referring to these non-GAAP financial measures in assessing our performance and when planning, forecasting and analyzing future periods. We believe these non-GAAP financial measures are useful to investors because they allow for greater transparency with respect to key financial metrics we use in making operating decisions and because our investors and analysts use them to help assess the health of our business. We have provided reconciliations between our historical and second quarter 2015 outlook for non-GAAP financial measures to the most directly comparable GAAP financial measures.

Some limitations of Bookings, Adjusted EBITDA, non-GAAP net loss, non-GAAP loss per share, and free cash flow:

- Adjusted EBITDA, non-GAAP operating expense and non-GAAP net loss do not include the impact of stock-based expense, asset impairment charges, acquisition-related transaction expenses, contingent consideration fair value adjustments and restructuring expense;
- Bookings, Adjusted EBITDA and non-GAAP net loss do not reflect that we defer and recognize online game revenue and revenue from certain advertising transactions over the estimated average life of virtual goods or as virtual goods are consumed;
- Adjusted EBITDA does not reflect income tax expense;
- Adjusted EBITDA does not include other income and expense, which includes foreign exchange gains and losses and interest income;
- Adjusted EBITDA and non-GAAP operating expense excludes both depreciation and amortization of intangible assets, while non-GAAP net loss excludes amortization of intangible assets from acquisitions. Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future;
- Adjusted EBITDA, non-GAAP operating expense and non-GAAP net loss do not include gains and losses associated with significant legal settlements;
- Non-GAAP net loss per share gives effect to all dilutive awards based on the treasury stock method that were excluded from the GAAP diluted earnings per share calculation in periods when non-GAAP net income (loss) is positive and GAAP net income (loss) is negative;
- Free cash flow is derived from net cash provided by operating activities less cash spent on capital expenditures and acquisitions, and removing the excess income tax benefits or costs associated with stock-based awards; and
- Other companies, including companies in our industry, may calculate bookings, Adjusted EBITDA, non-GAAP operating expense, non-GAAP net income (loss), non-GAAP net income (loss) per share and free cash flow differently or not at all, which will reduce their usefulness as a comparative measure.

Because of these limitations, you should consider bookings, Adjusted EBITDA, non-GAAP operating expense, non-GAAP net income (loss), non-GAAP net income (loss) per share, and free cash flow, along with other financial performance measures, including revenue, net income (loss), diluted net loss per share, cash flow from operations, GAAP operating expense, GAAP operating margin and our other financial results presented in accordance with GAAP. See the GAAP to non-GAAP reconciliations below for further details.



DISCUSSION OF Q1 2015 PERFORMANCE

HIGHLIGHTS

BUSINESS AND AUDIENCE HIGHLIGHTS

- Generated bookings of \$167.4 million, adjusted EBITDA of \$2.1 million and non-GAAP net loss of \$6.7 million
- Grew average daily bookings per average DAU (ABPU) 18% year over year
- Delivered an 84% increase in first quarter mobile bookings year over year; mobile bookings represented 63% of total bookings in the first quarter of 2015, up from 36% in the first quarter of 2014
- Drove mobile audience growth, with first quarter mobile daily users up 18% year over year and 9% sequentially and mobile monthly audience up 29% year over year and 9% sequentially
- Ongoing efforts to grow and sustain Zynga's core franchises – *FarmVille*, *Zynga Casino* and *Words With Friends* – resulted in 28% growth year over year in terms of total first quarter bookings
- *Zynga Casino* franchise delivered bookings growth of 55% year over year and 14% sequentially
- Entered into the mobile Action Strategy and mobile Match-3 categories with the geo-lock launches of *Empires & Allies*, *Dawn of Titans* and *FarmVille: Harvest Swap*

COST REDUCTION PLAN

- Approximately \$100 million in annualized savings
- Approximately \$45 million from workforce reduction of 364, 18% of headcount
 - Expected to be complete in Q4'2015
- Approximately \$55 million from reduced costs and eliminated spend on outside and centralized and services
 - Expected to be complete in Q3'2016

2015 EXECUTION FOCUS

1 PRODUCTS

*Backing proven teams
against the most
valuable categories*

2 PEOPLE

*Fostering creative
entrepreneurs*

3 PLAN

*Funding our Future with
focus and simplicity*

NARROWED FOCUS: 5 CATEGORIES

ACTION STRATEGY



- Launched worldwide on May 5, 2015, *Empires & Allies* marks Zynga's entrance into the mobile Action Strategy category
 - Modern military mobile game where players take control of the weapons of modern war and deploy the military technology of tomorrow
 - Developed by Mark Skaggs, a game industry veteran in real-time strategy development with credits such as *Command and Conquer*, as well as Zynga's *FarmVille* and *CityVille*



- *Dawn of Titans* launched in geo-lock in the first quarter of 2015
 - First game from NaturalMotion's 2015 product slate, which is slated to launch globally this year
 - Leverages NaturalMotion's proprietary mobile toolset, creating unprecedented visuals, audio and depth of gameplay
 - Players build and battle as they command armies of thousands of units, train titans and lead their alliance to victory

NARROWED FOCUS: 5 CATEGORIES

INVEST & EXPRESS



- *FarmVille* franchise grew bookings 3% year over year
- Celebrated one year of serving mobile audience through *FarmVille 2: Country Escape*

SOCIAL CASINO



- Casino franchise bookings increased 55% year over year and 14% quarter over quarter driven by growth in *Hit It Rich! Slots* and the Q4'2014 launch of *Wizard of Oz Slots*



- Bookings for Slots games up 368% year over year
 - *Wizard of Oz Slots* expanded category footprint



- Monthly mobile audience and mobile bookings increased 10% quarter over quarter for *Zynga Poker*

RACING



- Continued to focus on providing most social mobile racing experience to the passionate fans of *CSR* and *CSR Classics*, which combined have generated more than 130 million installs to-date

CASUAL



- Bookings for *Words With Friends* franchise increased 40% year over year primarily due to the continued success with *New Words with Friends*



- *FarmVille: Harvest Swap* launched in geo-lock in the first quarter of 2015

Q1'15 OUTLOOK VS. ACTUALS

(in millions, except per share data)

Non-GAAP	Outlook*	Actuals
Bookings	\$ 140 - 150	\$ 167
Adjusted EBITDA	\$ (25) - (15)	\$ 2
Non-GAAP net income (loss)	\$ (24) - (16)	\$ (7)
Non-GAAP net income (loss) per share	\$ (0.03) - (0.02)	\$ (0.01)
 GAAP		
Revenue	\$ 155 - 165	\$ 183
Stock-based expense	\$ 37	\$ 41
Net income (loss)	\$ (60) - (52)	\$ (46)
Net income (loss) per share	\$ (0.07) - (0.06)	\$ (0.05)

KEY OPERATING METRICS

The company tracks operating metrics using internal systems which rely on internal company data and third party data. In the first quarter of 2015, the company modified its calculation to take into account our business's transition to mobile and updates to our operating metrics which utilize additional third party data to help us identify whether a player logged in under two or more accounts is the same individual. As a result of these changes, we revised the definitions for DAUs, MAUs, MUUs and MUPs in the first quarter of 2015. We rely on the veracity of data provided by individuals and reported by third parties to calculate our metrics and reduce duplication of data.

DAUs. We define DAUs as the number of individuals who played one of our games during a particular day. Under this metric, an individual who plays two different games on the same day is counted as two DAUs. We use information provided by third parties to help us identify individuals who play the same game to reduce this duplication. However, because we do not always have the third party network login data to link an individual who has played under multiple user accounts, a player may be counted as multiple DAUs. Average DAUs for a particular period is the average of the DAUs for each day during that period. We use DAUs as a measure of audience engagement.

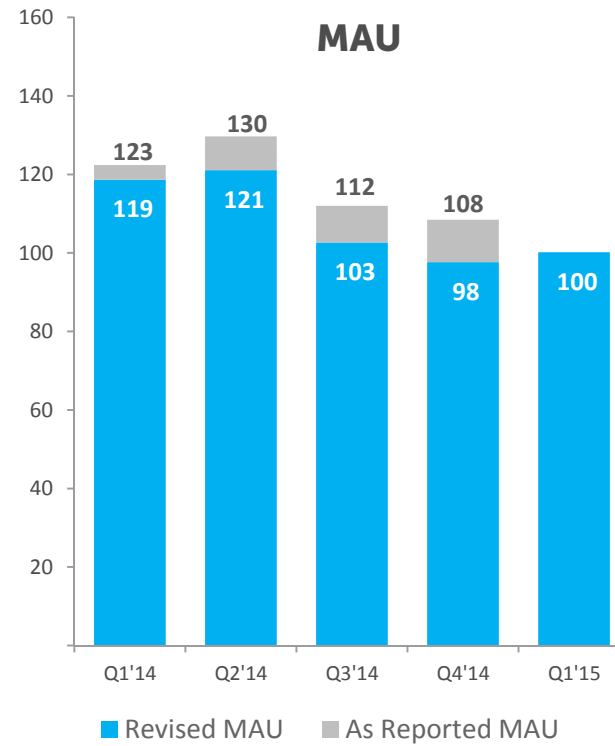
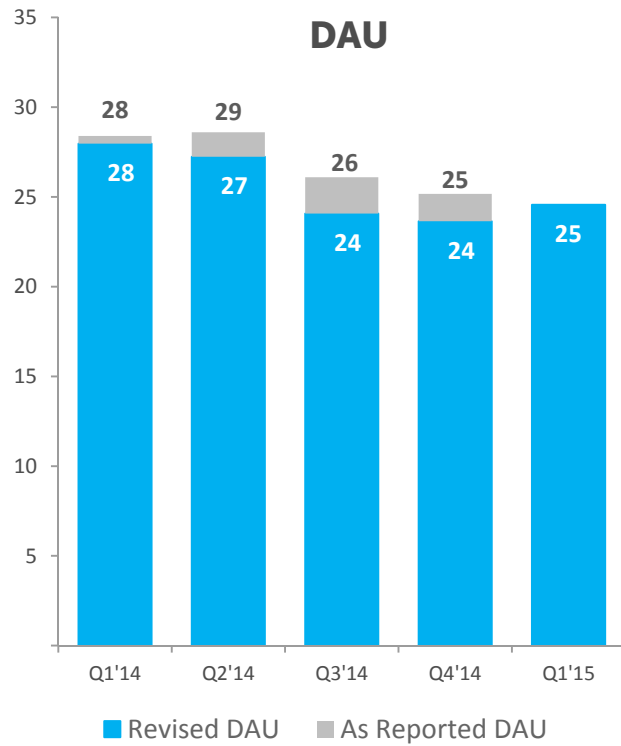
MAUs. We define MAUs as the number of individuals who played one of our games in the 30-day period ending with the measurement date. Under this metric, an individual who plays two different games in the same 30-day period is counted as two MAUs. We use information provided by third parties to help us identify individuals who play the same game to reduce this duplication. However, because we do not always have the third party network login data to link an individual who has played under multiple user accounts, a player may be counted as multiple MAUs. Average MAUs for a particular period is the average of the MAUs at each month-end during that period. We use MAUs as a measure of total game audience size.

MUPs. We define MUPs as the number of individuals who made a payment at least once during the applicable 30-day period through a payment method for which we can quantify the number of individuals, including payers from certain mobile games. MUPs does not include individuals who use certain payment methods for which we cannot quantify the number of unique payers. However, because we do not always have the third party network login data necessary to link an individual who has paid under multiple user accounts in a 30-day period, a player who has paid using multiple user accounts may be counted as multiple MUPs. MUPs are presented as an average of the three months in the applicable quarter. We use MUPs as a measure of the number of individuals who made payments across our network of games during a 30-day period.

ABPU. We define ABPU as our total bookings in a given period, divided by the number of days in that period, divided by, the average DAUs during the period. We believe that ABPU provides useful information to investors and others in understanding and evaluating our results in the same manner as our management and board of directors. We use ABPU as a measure of overall monetization across all of our players through the sale of virtual goods and advertising.

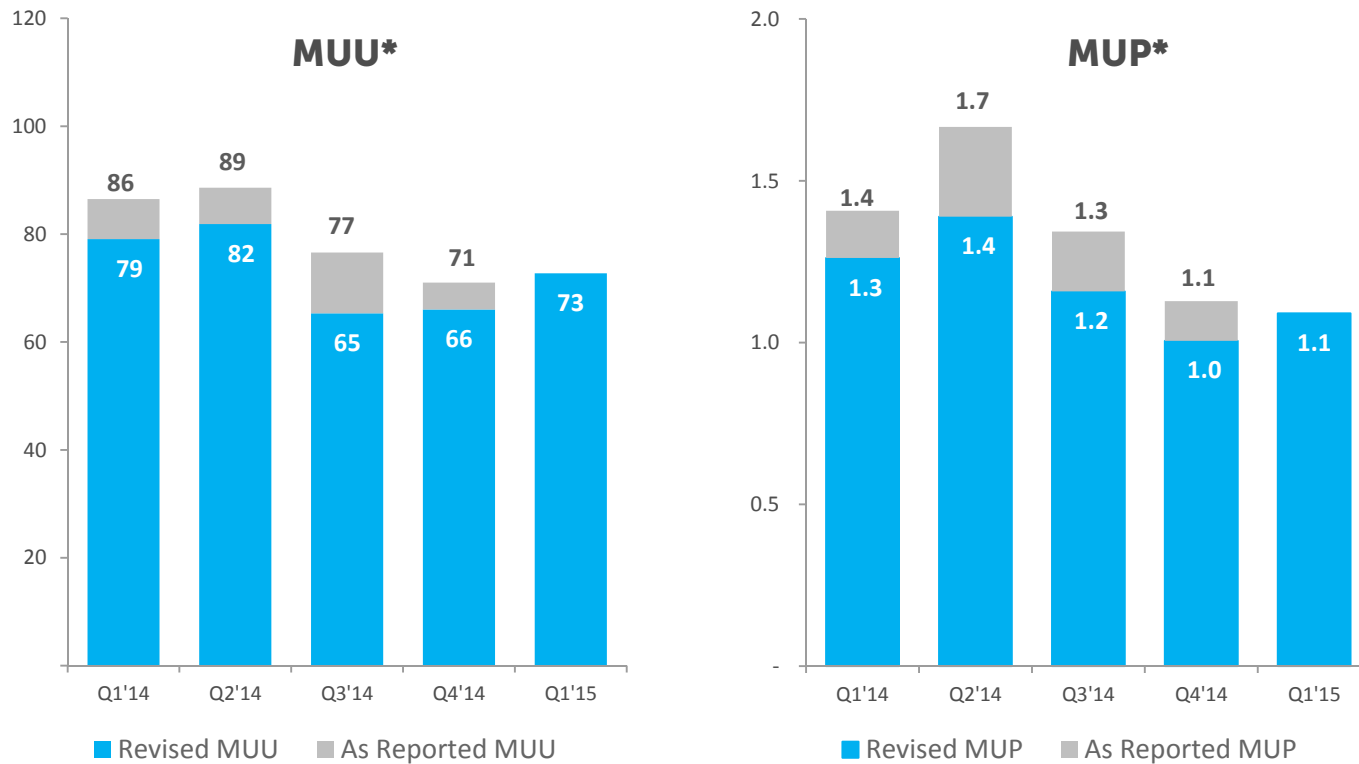
AUDIENCE METRICS

IN MILLIONS



AUDIENCE METRICS

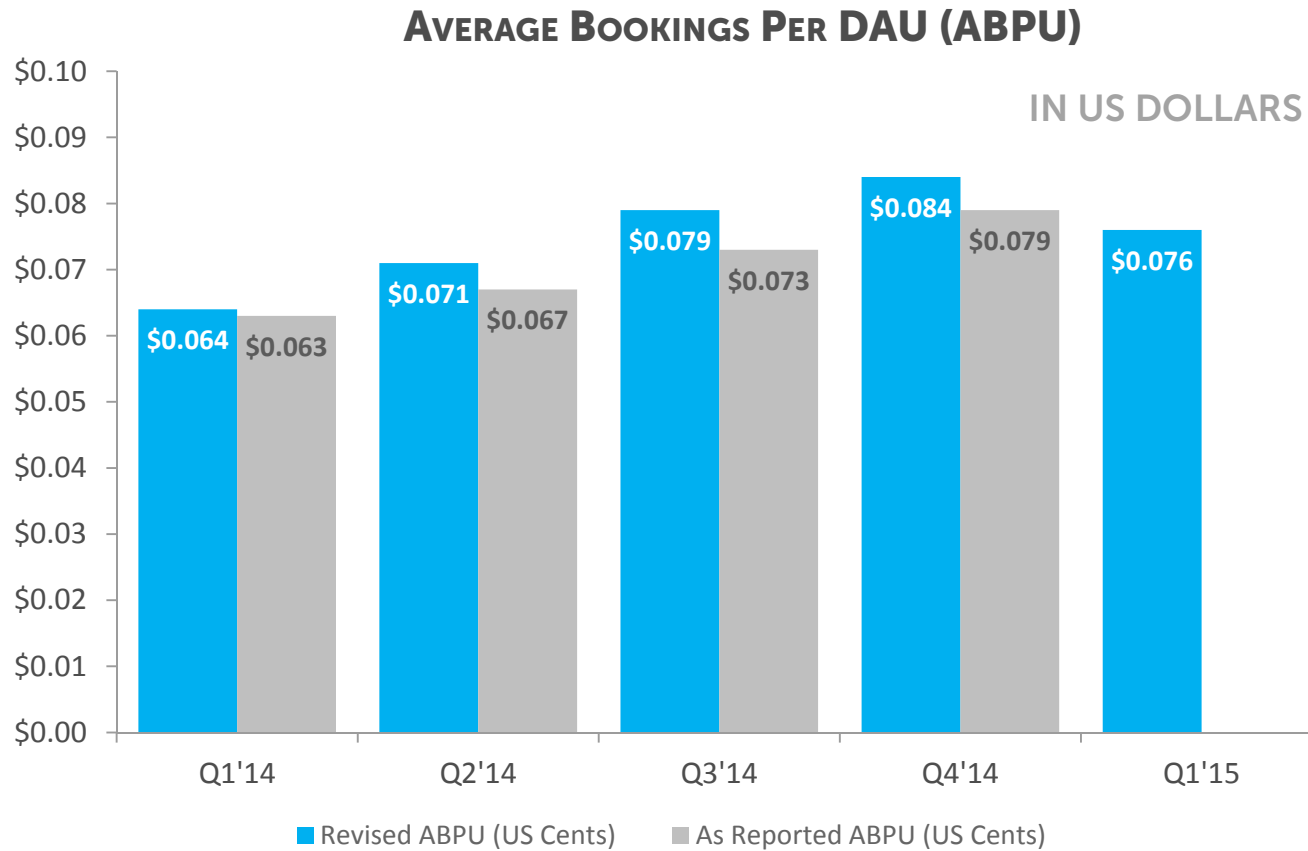
IN MILLIONS



* MUUs and MUPs exclude NaturalMotion legacy games (*CSR Racing*, *CSR Classics* and *Clumsy Ninja*) as the necessary data is not available

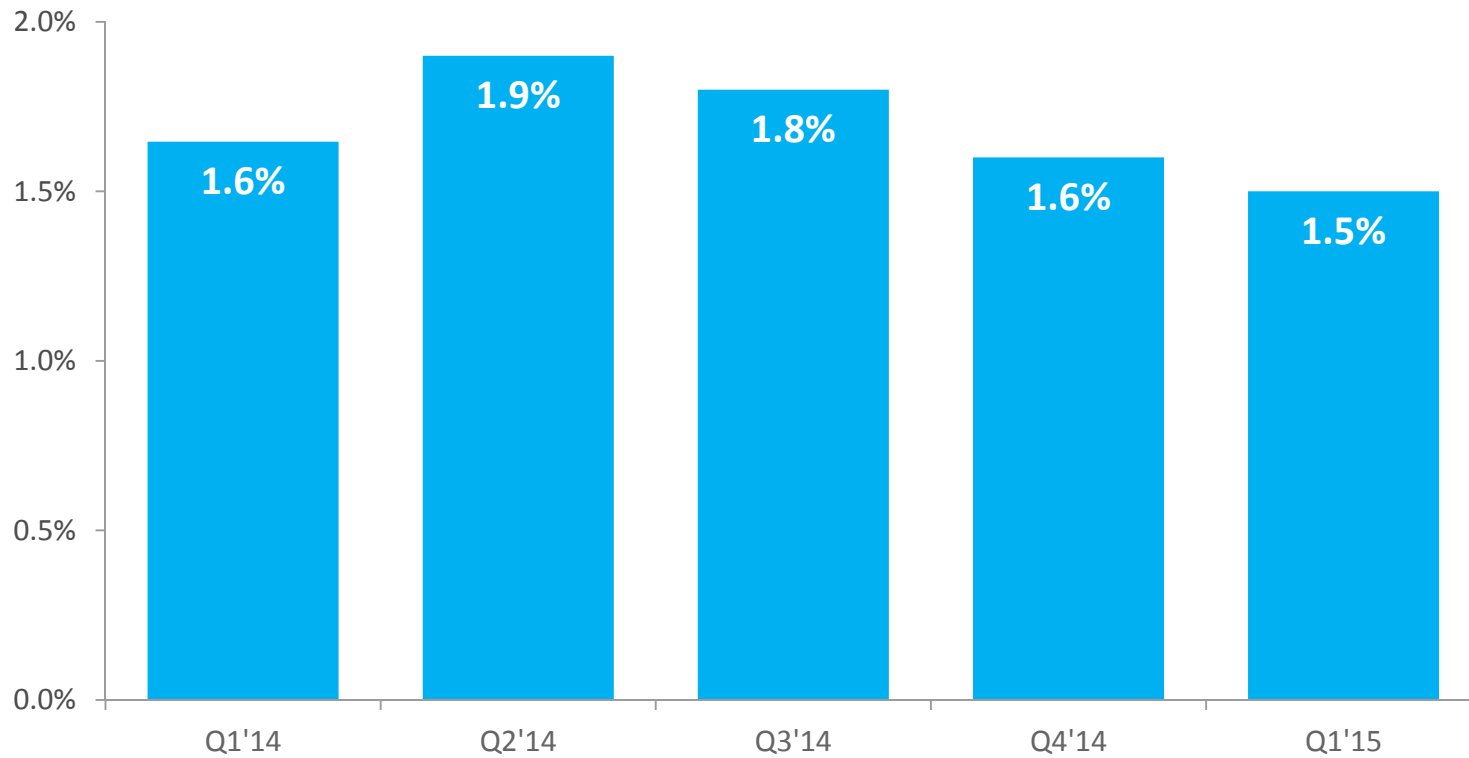


MONETIZATION



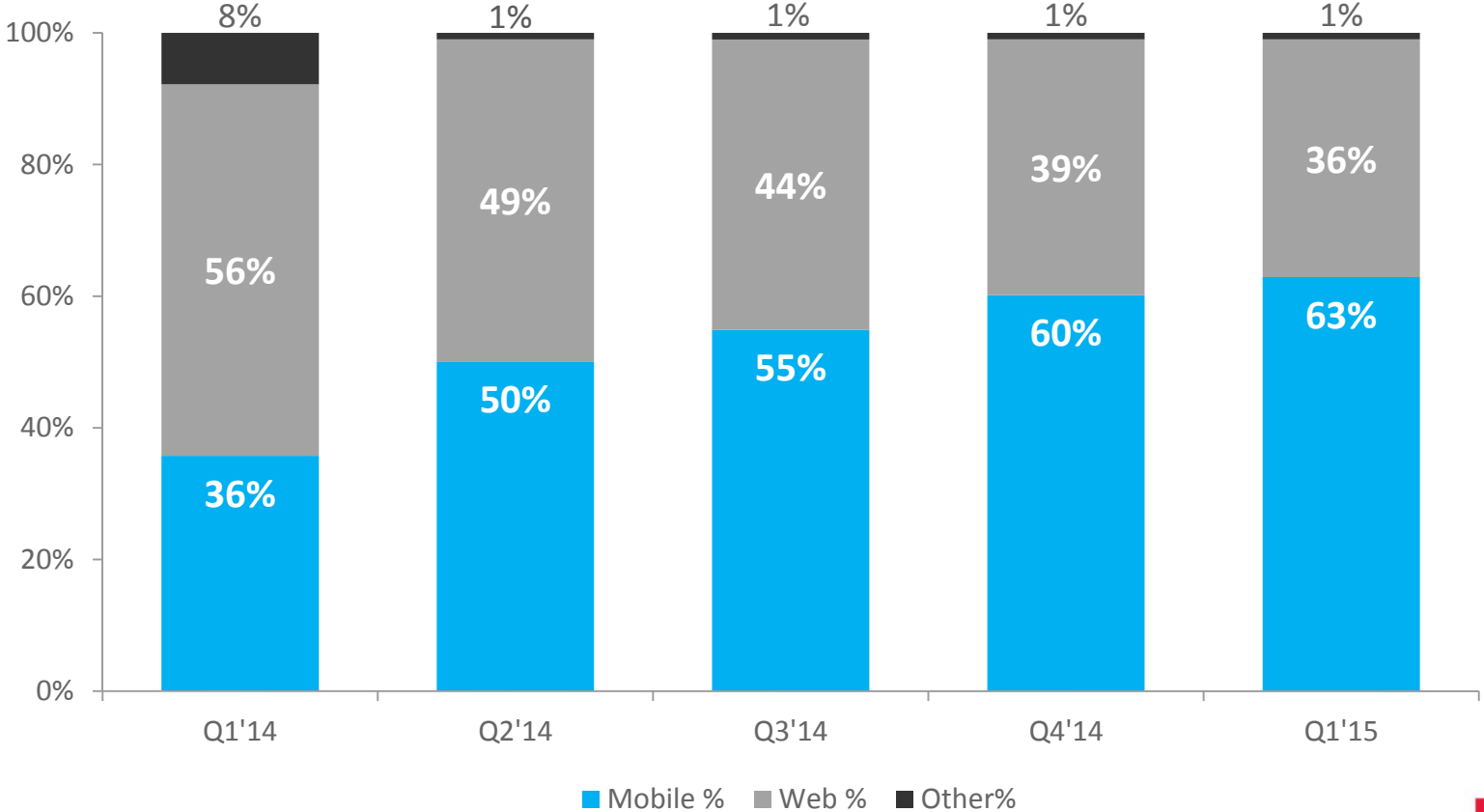
MONETIZATION

PAYER CONVERSION*



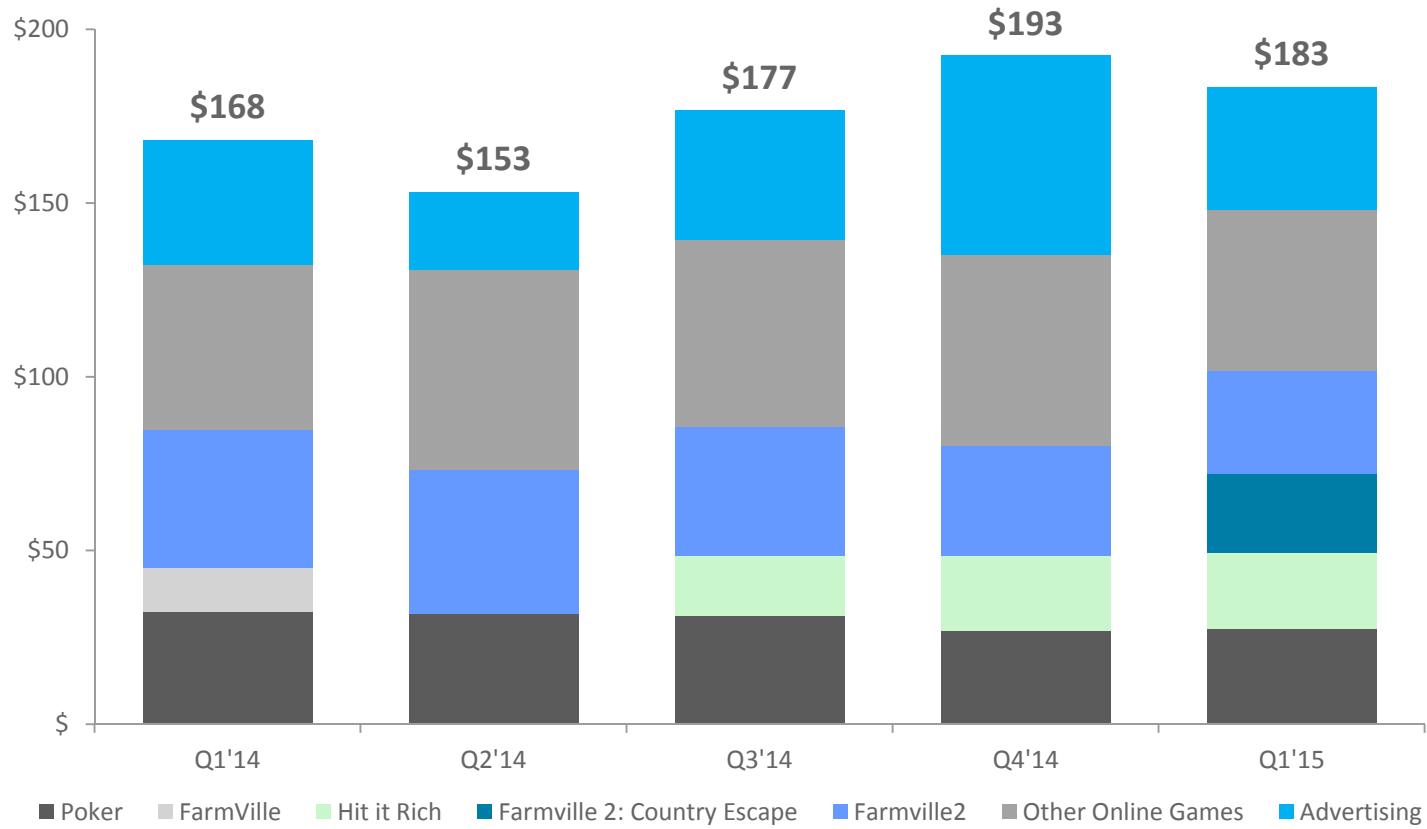
* Payer conversion exclude NaturalMotion legacy games (*CSR Racing*, *CSR Classics* and *Clumsy Ninja*) as the necessary data is not available

PLATFORM BOOKINGS MIX



ONLINE GAME REVENUE

IN MILLIONS

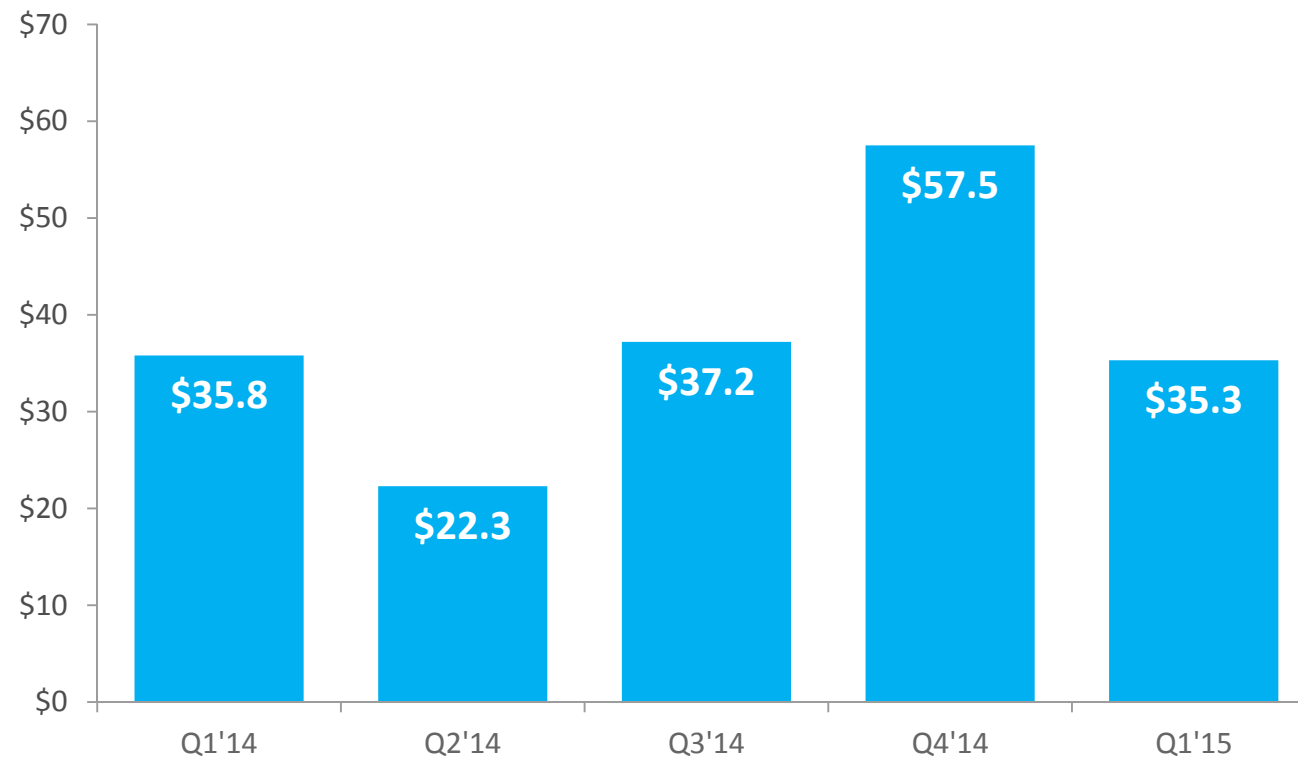


Note: Games representing less than 10% of online game revenue in any period are included in Other Online Games.

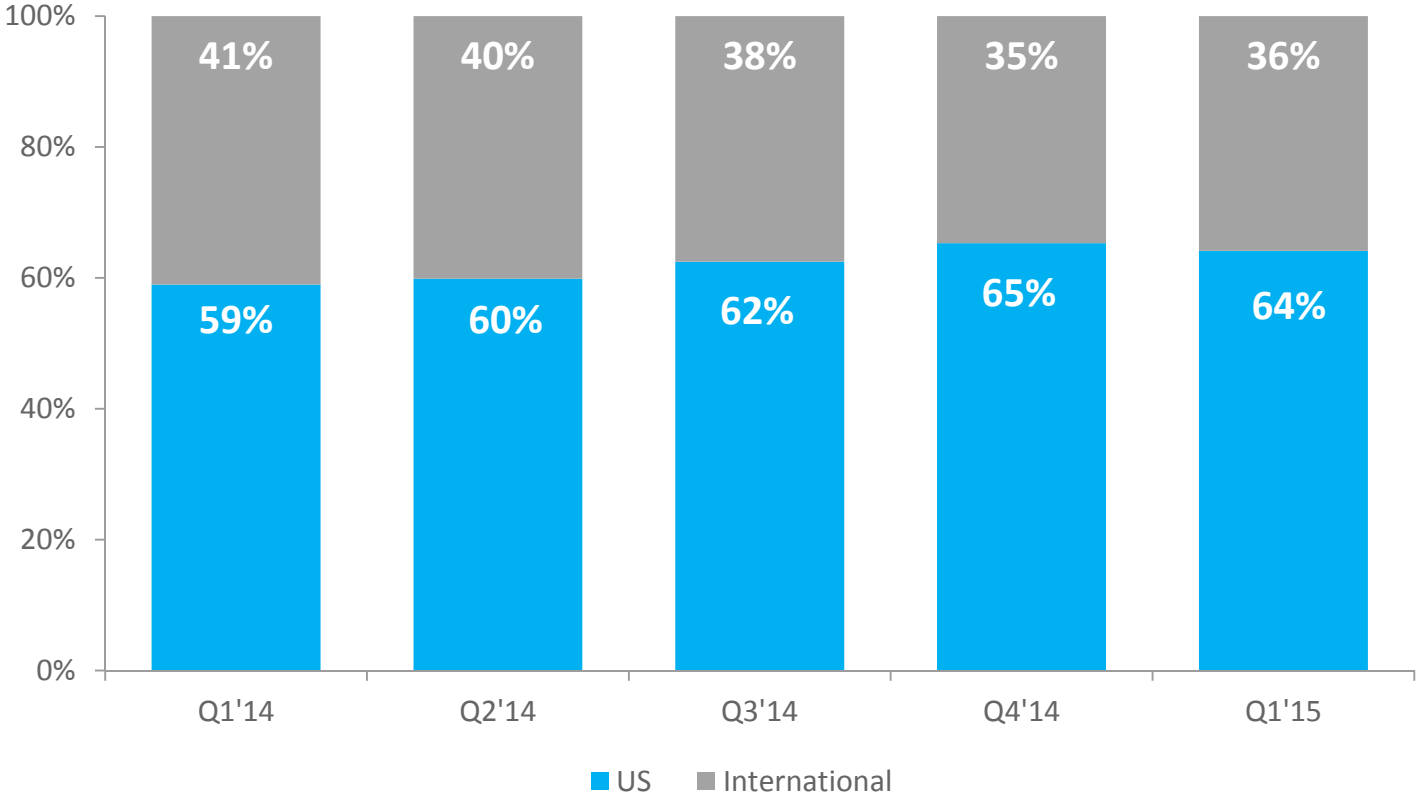


ADVERTISING AND OTHER REVENUE

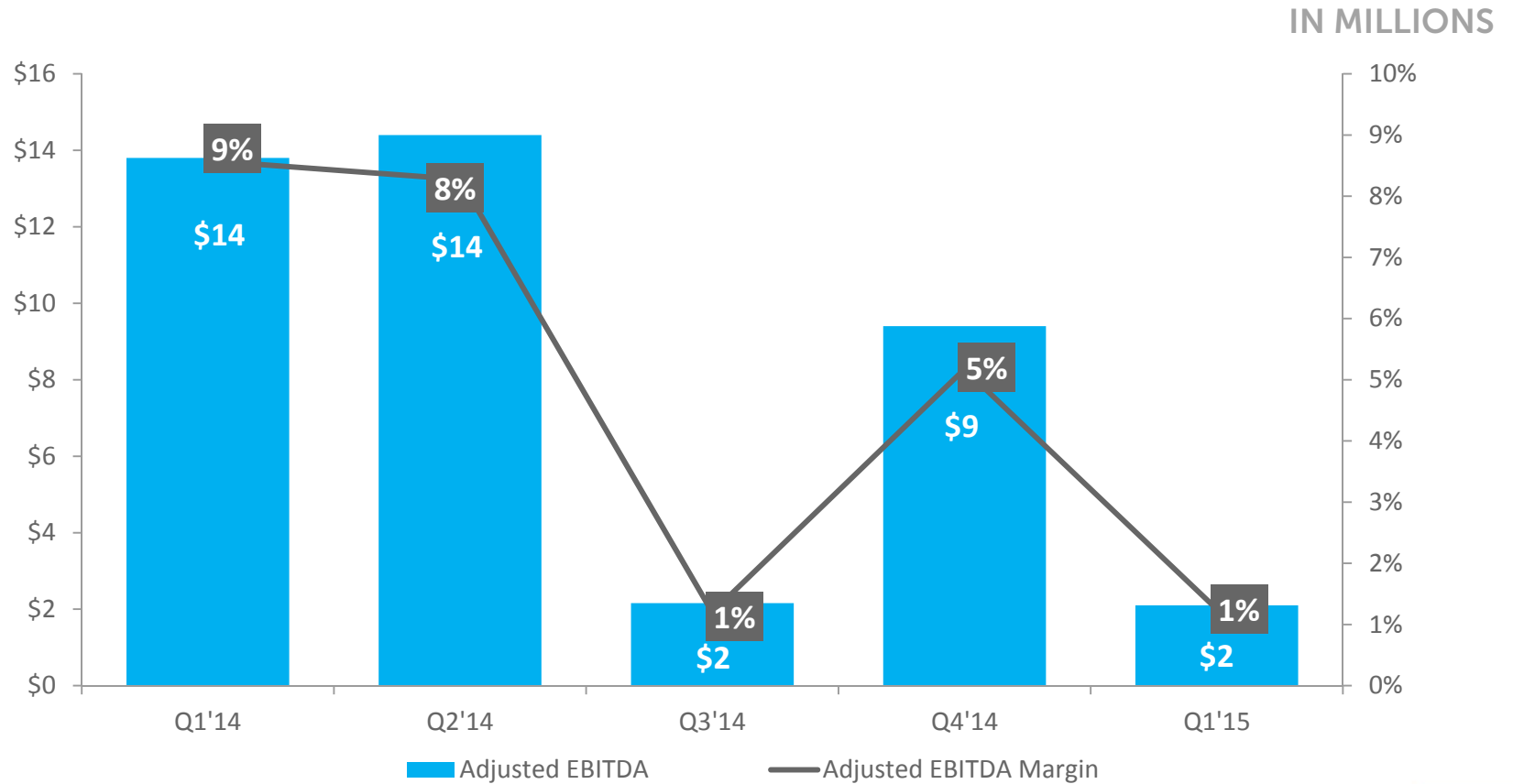
IN MILLIONS



REVENUE BY GEOGRAPHY



ADJUSTED EBITDA AND MARGIN



Note: Adjusted EBITDA Margin represents Adjusted EBITDA as a percentage of bookings



NET INCOME (LOSS) AND CASH FLOW

(in millions, except per share data)

	Q4'14	Q1'14	Q1'15
Non-GAAP			
Non-GAAP net income (loss)	\$ (2.5)	\$ (6.3)	\$ (6.7)
Diluted net income (loss) per share	\$ 0.00	\$ (0.01)	\$ (0.01)
GAAP			
Net income (loss)	\$ (45.1)	\$ (61.2)	\$ (46.5)
Diluted net income (loss) per share	\$ (0.05)	\$ (0.07)	\$ (0.05)
Operating cash flow	\$ 4.3	\$ (24.2)	\$ (47.0)
Free cash flow	\$ 2.1	\$ (25.0)	\$ (49.1)
Cash, cash equivalents and marketable securities	\$ 1,148	\$ 1,137	\$ 1,099



Q2 2015 FINANCIAL OUTLOOK

Q2 2015 FINANCIAL OUTLOOK

(in millions, except per share data)

	Q2'15 Outlook	
	Low	High
Non-GAAP		
Bookings	\$ 145	\$ 160
Adjusted EBITDA	\$ (20)	\$ (10)
Non-GAAP net income (loss)	\$ (22)	\$ (15)
Diluted share count	905	905
Non-GAAP net income (loss) per share	\$ (0.02)	\$ (0.02)
GAAP		
Revenue	\$ 175	\$ 190
Stock-based expense	\$ 33	\$ 33
Net income (loss)	\$ (54)	\$ (50)
Diluted share count	905	905
Net income (loss) per share	\$ (0.06)	\$ (0.06)



GAAP TO Non-GAAP RECONCILIATIONS

REVENUE TO BOOKINGS

(in thousands, unaudited)	3 months ended	
	3/31/15	3/31/14
Reconciliation of Revenue to Bookings		
Revenue	\$ 183,293	\$ 168,020
Change in deferred revenue	(15,883)	(6,662)
Bookings	\$ 167,410	\$ 161,358

NET INCOME (LOSS) TO ADJUSTED EBITDA

(in thousands, unaudited)	3 months ended	
	3/31/15	3/31/14
Reconciliation of Net income (loss) to Adjusted EBITDA		
Net income (loss)	\$ (46,496)	\$ (61,183)
Provision for (benefit from) income taxes	1,580	(7,079)
Other income (expense), net	(8,359)	(1,125)
Interest income (expense), net	(794)	(870)
Restructuring expense, net	3,461	29,655
Depreciation and amortization	17,722	25,344
Acquisition-related transaction expenses	-	6,160
Contingent consideration fair value adjustment	9,400	1,280
Stock-based expense	41,462	28,326
Change in deferred revenue	(15,883)	(6,662)
Adjusted EBITDA	\$ 2,093	\$ 13,846

NET INCOME (LOSS) TO NON-GAAP NET INCOME (LOSS)

(in thousands, unaudited)	3 months ended	
	3/31/15	3/31/14
Reconciliation of Net income (loss) to Non-GAAP net income (loss)		
Net income (loss)	\$ (46,496)	\$ (61,183)
Acquisition-related transaction expenses	-	6,160
Contingent consideration fair value adjustment	9,400	1,280
Stock-based expense	41,462	28,326
Amortization of intangible assets from acquisitions	6,264	2,607
Change in deferred revenue	(15,883)	(6,662)
Restructuring expense, net	3,461	29,655
Tax effect of non-GAAP adjustments to net income (loss)	(4,921)	(6,441)
Non-GAAP net income (loss)	\$ (6,713)	\$ (6,258)

GAAP OPERATING EXPENSE TO NON-GAAP OPERATING EXPENSE

(in thousands, unaudited)	3 months ended		
	3/31/15	12/31/14	3/31/14
Reconciliation of GAAP operating expense to Non-GAAP operating expense			
GAAP operating expense	\$ (179,740)	\$ (185,993)	\$ (184,773)
Restructuring expense, net	3,461	(3,391)	28,476
Depreciation and amortization	4,740	5,114	5,865
Acquisition-related transaction expenses	-	-	6,160
Contingent consideration fair value adjustment	9,400	12,600	1,280
Stock-based expense	40,390	34,533	27,047
Non-GAAP operating expense	\$ (121,749)	\$ (137,137)	\$ (115,945)

NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES TO FREE CASH FLOW

(in thousands, unaudited)	3 months ended	
	3/31/15	3/31/14
Net cash provided by (used in) operating activities	\$ (47,002)	\$ (24,246)
Acquisition of property and equipment	(2,112)	(1,234)
Excess tax benefits (loss) from stock-based awards	-	436
Free cash flow	\$ (49,114)	\$ (25,044)

PROVISION FOR (BENEFIT FROM) INCOME TAXES

(in thousands, unaudited)	3 months ended	
	3/31/15	3/31/14
GAAP provision for (benefit from) income taxes	\$ 1,580	\$ (7,079)
Stock-based expense	4,564	2,973
Amortization of intangible assets from acquisitions	689	274
Contingent consideration fair value adjustment	1,035	134
Acquisition-related transaction expenses	-	647
Change in deferred revenue	(1,748)	(699)
Restructuring expense, net	381	3,112
Non-GAAP provision for (benefit from) income taxes	\$ 6,501	\$ (638)

Q1'15 STATEMENT OF OPERATIONS

Three months ended March 31, 2015

Adjustments to GAAP to arrive at non-GAAP net income (loss)

(In thousands, except per share data, unaudited)

	GAAP Statement of Operations	Stock-based expense	Amortization of intangible assets from acquisitions	Change in deferred revenue	Restructuring expense	Acquisition- related transaction expenses	Contingent consideration fair value adjustment	Non-GAAP measure
Total revenue	\$ 183,293	\$ -	\$ -	\$ (15,883)	\$ -	\$ -	\$ -	\$ 167,410 (1)
Cost of revenue	57,622	(1,072)	(5,475)	-	-	-	-	51,075
Research and development	107,520	(28,317)	-	-	-	-	(9,400)	69,803
Sales and marketing	31,839	(1,519)	(789)	-	-	-	-	29,531
General and administrative	40,381	(10,554)	-	-	(3,461)	-	-	26,366
Total costs and expenses	237,362	(41,462)	(6,264)	-	(3,461)	-	(9,400)	176,775
Income (loss) from operations	(54,069)	41,462	6,264	(15,883)	3,461	-	9,400	(9,365)
Interest income (expense), net	794	-	-	-	-	-	-	794
Other income (expense), net	8,359	-	-	-	-	-	-	8,359
Income (loss) before income taxes	(44,916)	41,462	6,264	(15,883)	3,461	-	9,400	(212)
Provision for (benefit from) income taxes	1,580	4,564	689	(1,748)	381	-	1,035	6,501
Net Income (loss)	\$ (46,496)	\$ 36,898	\$ 5,575	\$ (14,135)	\$ 3,080	\$ -	\$ 8,365	\$ (6,713) (2)
WASO								
Diluted	898,344							898,344
EPS								
Diluted	\$ (0.05)							\$ (0.01)

32 (1) Non-GAAP measure represents bookings
 (2) Non-GAAP measure represents Non-GAAP net income (loss)



Q1'14 STATEMENT OF OPERATIONS

Three months ended March 31, 2014

Adjustments to GAAP to arrive at non-GAAP net income (loss)

(In thousands, except per share data, unaudited)

	GAAP Statement of Operations	Stock-based expense	Amortization of intangible assets from acquisitions	Change in deferred revenue	Restructuring expense	Acquisition- related transaction expenses	Contingent consideration fair value adjustment	Non-GAAP measure
Total revenue	\$ 168,020	\$ -	\$ -	\$ (6,662)	\$ -	\$ -	\$ -	\$ 161,358 (1)
Cost of revenue	53,504	(1,279)	(2,322)	-	(1,179)	-	-	48,724
Research and development	97,584	(18,416)	-	-	(9,277)	-	(1,280)	68,611
Sales and marketing	29,853	(1,458)	(285)	-	(1,498)	-	-	26,612
General and administrative	57,336	(7,173)	-	-	(17,701)	(6,160)	-	26,302
Total costs and expenses	238,277	(28,326)	(2,607)	-	(29,655)	(6,160)	(1,280)	170,249
Income (loss) from operations	(70,257)	28,326	2,607	(6,662)	29,655	6,160	1,280	(8,891)
Interest income (expense), net	870	-	-	-	-	-	-	870
Other income (expense), net	1,125	-	-	-	-	-	-	1,125
Income (loss) before income taxes	(68,262)	28,326	2,607	(6,662)	29,655	6,160	1,280	(6,896)
Provision for (benefit from) income taxes	(7,079)	2,973	274	(699)	3,112	647	134	(638)
Net Income (loss)	\$ (61,183)	\$ 25,353	\$ 2,333	\$ (5,963)	\$ 26,543	\$ 5,513	\$ 1,146	\$ (6,258) (2)
WASO								
Diluted	850,148							850,148
EPS								
Diluted	<u>\$ (0.07)</u>							<u>\$ (0.01)</u>

33 (1) Non-GAAP measure represents bookings
 (2) Non-GAAP measure represents Non-GAAP net Income (loss)



Q2'15 OUTLOOK

	Q2'15
Reconciliation of Revenue to Bookings	
Revenue range	\$ 175,000 - 190,000
Change in deferred revenue	(30,000)
Bookings range	\$ 145,000 - 160,000
Reconciliation of Net income (loss) to Adjusted EBITDA	
Net income (loss) range	\$ (54,000) - (50,000)
Provision for (benefit from) income taxes	1,000 - 3,000
Other income (expense), net	(2,000)
Interest income (expense), net	(1,000)
Restructuring expense, net	18,000 - 22,000
Depreciation and amortization	15,000
Stock-based expense	33,000
Change in deferred revenue	(30,000)
Adjusted EBITDA range	\$ (20,000) - (10,000)
Reconciliation of Net income (loss) to Non-GAAP net income (loss)	
Net income (loss) range	\$ (54,000) - (50,000)
Stock-based expense	33,000
Amortization of intangible assets from acquisitions	6,000
Change in deferred revenue	(30,000)
Restructuring expense, net	18,000 - 22,000
Tax effect of non-GAAP adjustments to net income (loss)	5,000 - 4,000
Non-GAAP net income (loss) range	\$ (22,000) - (15,000)
GAAP and Non-GAAP diluted shares	905,000
Net income (loss) per share range	\$ (0.06)
Non-GAAP net income (loss) per share range	\$ (0.02)

