

BMC SOFTWARE, INC.
STATEMENTS OF OPERATIONS

(Unaudited)

	Quarter Ended March 31,		Incr/(Decr) Percentage Change
	2007	2008	
(In millions, except per share data)			
Revenue:			
License	\$ 166.0	\$ 189.3	14.0%
Maintenance	229.6	244.9	6.7%
Professional services	23.8	32.7	37.4%
Total revenue	<u>419.4</u>	<u>466.9</u>	11.3%
Cost of license revenue	24.5	27.2	11.0%
Cost of maintenance revenue	43.2	44.9	3.9%
Cost of professional services revenue	25.1	33.5	33.5%
Selling and marketing expenses	139.9	136.5	(2.4)%
Research and development expenses	57.5	59.9	4.2%
General and administrative expenses	54.4	56.3	3.5%
Amortization of intangible assets	6.3	5.0	(20.6)%
Severance, exit costs and related charges	13.8	5.2	(62.3)%
Total operating expenses	<u>364.7</u>	<u>368.5</u>	1.0%
Operating income	54.7	98.4	79.9%
Other income, net	23.5	18.3	(22.1)%
Earnings before income taxes	<u>78.2</u>	<u>116.7</u>	49.2%
Provision for income taxes	15.4	19.7	27.9%
Net earnings	<u>\$ 62.8</u>	<u>\$ 97.0</u>	54.5%
Diluted earnings per share	<u>\$ 0.30</u>	<u>\$ 0.50</u>	66.7%
Shares used in computing diluted earnings per share	<u>208.2</u>	<u>194.8</u>	(6.4)%

**BMC SOFTWARE, INC.
STATEMENTS OF OPERATIONS**

(Unaudited)

	Year Ended March 31,		Incr/(Decr) Percentage Change
	2007	2008	
	(In millions, except per share data)		
Revenue:			
License	\$ 569.8	\$ 647.6	13.7%
Maintenance	918.8	967.7	5.3%
Professional services	91.8	116.3	26.7%
Total revenue	<u>1,580.4</u>	<u>1,731.6</u>	9.6%
Cost of license revenue	99.4	100.4	1.0%
Cost of maintenance revenue	175.1	168.9	(3.5)%
Cost of professional services revenue	95.8	125.1	30.6%
Selling and marketing expenses	518.1	527.4	1.8%
Research and development expenses	210.7	209.4	(0.6)%
General and administrative expenses	202.8	209.4	3.3%
Amortization of intangible assets	26.6	14.8	(44.4)%
In-process research and development	-	4.0	nm
Severance, exit costs and related charges	44.6	14.7	(67.0)%
Total operating expenses	<u>1,373.1</u>	<u>1,374.1</u>	0.1%
Operating income	207.3	357.5	72.5%
Other income, net	93.3	76.9	(17.6)%
Earnings before income taxes	300.6	434.4	44.5%
Provision for income taxes	84.7	120.8	42.6%
Net earnings	<u>\$ 215.9</u>	<u>\$ 313.6</u>	45.3%
Diluted earnings per share	<u>\$ 1.03</u>	<u>\$ 1.57</u>	52.4%
Shares used in computing diluted earnings per share	<u>210.2</u>	<u>200.0</u>	(4.9)%

**BMC SOFTWARE, INC.
BALANCE SHEETS**

	<u>(Audited)</u>		<u>(Unaudited)</u>		<u>(Audited)</u>
	March 31, 2007	June 30, 2007	September 30, 2007	December 31, 2007	March 31, 2008
	(In millions)				
Current assets:					
Cash and cash equivalents	\$ 883.5	\$ 1,141.6	\$ 1,062.5	\$ 1,013.2	\$ 1,288.3 (a)
Investments	412.5	238.8	275.2	244.4	62.2 (a)
Trade accounts receivable, net	185.9	129.1	152.7	211.6	208.0
Trade finance receivables, net	130.0	102.3	65.5	75.0	88.8
Other current assets	<u>177.6</u>	<u>178.1</u>	<u>162.4</u>	<u>162.4</u>	<u>155.3</u>
Total current assets	1,789.5	1,789.9	1,718.3	1,706.6	1,802.6
Property and equipment, net	88.3	93.8	92.6	97.7	99.8
Software development costs, net	104.1	106.9	112.1	113.2	113.4
Long-term investments	211.1	186.3	141.3	107.9	124.7 (a)
Long-term trade finance receivables, net	124.4	91.2	51.0	62.8	56.4
Goodwill and intangible assets, net	714.8	749.7	810.3	826.7	803.3
Other long-term assets	<u>227.8</u>	<u>224.2</u>	<u>221.9</u>	<u>233.2</u>	<u>325.6</u>
Total assets	<u>\$ 3,260.0</u>	<u>\$ 3,242.0</u>	<u>\$ 3,147.5</u>	<u>\$ 3,148.1</u>	<u>\$ 3,325.8</u>
Current liabilities:					
Trade accounts payable	42.4	24.4	30.6	26.6	43.8
Finance payables	39.0	3.2	9.9	26.3	4.3
Accrued liabilities	283.8	245.2	260.1	270.0	313.7
Deferred revenue	<u>867.7</u>	<u>900.3</u>	<u>864.5</u>	<u>867.7</u>	<u>926.8</u>
Total current liabilities	1,232.9	1,173.1	1,165.1	1,190.6	1,288.6
Long-term deferred revenue	861.3	881.9	837.5	827.0	852.6
Other long-term liabilities	<u>116.7</u>	<u>146.9</u>	<u>163.7</u>	<u>175.4</u>	<u>190.1</u>
Total long-term liabilities	978.0	1,028.8	1,001.2	1,002.4	1,042.7
Total stockholders' equity	<u>1,049.1</u>	<u>1,040.1</u>	<u>981.2</u>	<u>955.1</u>	<u>994.5</u>
Total liabilities and stockholders' equity	<u>\$ 3,260.0</u>	<u>\$ 3,242.0</u>	<u>\$ 3,147.5</u>	<u>\$ 3,148.1</u>	<u>\$ 3,325.8</u>

(a) Total cash and investments	\$ 1,507.1	\$ 1,566.7	\$ 1,479.0	\$ 1,365.5	\$ 1,475.2
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BMC SOFTWARE, INC.

Table of Reconciliation from GAAP Operating Expenses to Non-GAAP Operating Expenses
(In millions)
(Unaudited)

	Quarter Ended March 31,		Year Ended March 31,	
	2007	2008	2007	2008
GAAP operating expenses	<u>\$ 364.7</u>	<u>\$ 368.5</u>	<u>\$ 1,373.1</u>	<u>\$ 1,374.1</u>
Severance, exit costs and related charges	(13.8)	(5.2)	(44.6)	(14.7)
Amortization of intangible assets	(12.0)	(14.8)	(52.0)	(42.4)
Share-based compensation	(9.5)	(19.0)	(41.6)	(66.6)
In-process research and development	-	-	-	(4.0)
Non-GAAP operating expenses	<u>\$ 329.4</u>	<u>\$ 329.5</u>	<u>\$ 1,234.9</u>	<u>\$ 1,246.4</u>

BMC SOFTWARE, INC.

Table of Reconciliation from GAAP Operating Income to Non-GAAP Operating Income
(In millions)
(Unaudited)

	Quarter Ended March 31,		Year Ended March 31,	
	2007	2008	2007	2008
GAAP operating income	<u>\$ 54.7</u>	<u>\$ 98.4</u>	<u>\$ 207.3</u>	<u>\$ 357.5</u>
Severance, exit costs and related charges	13.8	5.2	44.6	14.7
Amortization of intangible assets	12.0	14.8	52.0	42.4
Share-based compensation	9.5	19.0	41.6	66.6
In-process research and development	-	-	-	4.0
Non-GAAP operating income	<u>\$ 90.0</u>	<u>\$ 137.4</u>	<u>\$ 345.5</u>	<u>\$ 485.2</u>

BMC SOFTWARE, INC.

Table of Reconciliation from GAAP Net Earnings to Non-GAAP Net Earnings

(In millions)

(Unaudited)

	Quarter Ended March 31,		Year Ended March 31,	
	2007	2008	2007	2008
GAAP net earnings	<u>\$ 62.8</u>	<u>\$ 97.0</u>	<u>\$ 215.9</u>	<u>\$ 313.6</u>
Severance, exit costs and related charges	13.8	5.2	44.6	14.7
Amortization of intangible assets	12.0	14.8	52.0	42.4
Share-based compensation	9.5	19.0	41.6	66.6
In-process research and development	-	-	-	4.0
Subtotal pretax reconciling items	<u>35.3</u>	<u>39.0</u>	<u>138.2</u>	<u>127.7</u>
Tax effect of reconciling items	<u>(14.6)</u>	<u>(13.0)</u>	<u>(42.6)</u>	<u>(41.8)</u>
Non-GAAP net earnings	<u>\$ 83.5</u>	<u>\$ 123.0</u>	<u>\$ 311.5</u>	<u>\$ 399.5</u>

BMC SOFTWARE, INC.Table of Reconciliation from GAAP Earnings Per Share to Non-GAAP Earnings Per Share
(Unaudited)

	Quarter Ended March 31,		Year Ended March 31,	
	2007	2008	2007	2008
GAAP diluted earnings per share	<u>\$ 0.30</u>	<u>\$ 0.50</u>	<u>\$ 1.03</u>	<u>\$ 1.57</u>
Severance, exit costs and related charges	0.07	0.03	0.21	0.07
Amortization of intangible assets	0.06	0.08	0.25	0.21
Share-based compensation	0.05	0.10	0.20	0.33
In-process research and development	-	-	-	0.02
Subtotal pretax reconciling items	<u>\$ 0.17</u>	<u>\$ 0.20</u>	<u>\$ 0.66</u>	<u>\$ 0.64</u>
Tax effect of reconciling items	<u>(0.07)</u>	<u>(0.07)</u>	<u>(0.20)</u>	<u>(0.21)</u>
Non-GAAP diluted net earnings per share	<u>\$ 0.40</u>	<u>\$ 0.63</u>	<u>\$ 1.48</u>	<u>\$ 2.00</u>
Shares used in computing diluted earnings per share (In millions)	208.2	194.8	210.2	200.0