

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

	Three Months Ended	
	April 30, 2012	April 30, 2011
<u>Reconciliation of cash provided by (used in) operating activities to free cash flow:</u>		
Net cash provided by (used in) operating activities	\$ 11,586	\$ (2,756)
Less purchases of property and equipment	(1,877)	(1,228)
Free cash flow (Non-GAAP)	<u>\$ 9,709</u>	<u>\$ (3,984)</u>
Net cash used in investing activities	<u>\$ (1,877)</u>	<u>\$ (1,228)</u>
Net cash provided by financing activities	<u>\$ 224,769</u>	<u>\$ 2,373</u>
<u>Reconciliation of revenue to derived bookings:</u>		
Total revenue	\$ 37,191	\$ 20,639
Increase in deferred revenue	6,477	2,571
Total derived bookings (Non-GAAP)	<u>\$ 43,668</u>	<u>\$ 23,210</u>
<u>Operating margin reconciliation:</u>		
GAAP operating margin	(16.6) %	(8.5) %
Stock-based compensation expense	A 7.1	2.4
Non-GAAP operating margin	<u>(9.5) %</u>	<u>(6.1) %</u>
<u>Operating loss reconciliation:</u>		
GAAP operating loss	\$ (6,189)	\$ (1,763)
Stock-based compensation expense	A 2,672	510
Non-GAAP operating loss	<u>\$ (3,517)</u>	<u>\$ (1,253)</u>
<u>Net loss reconciliation:</u>		
GAAP net loss	\$ (20,470)	\$ (2,246)
Stock-based compensation expense	A 2,672	510
Change in fair value of preferred stock warrants	B 14,087	473
Non-GAAP net loss	<u>\$ (3,711)</u>	<u>\$ (1,263)</u>
Non-GAAP basic and diluted net loss per share	<u>\$ (0.04)</u>	<u>\$ (0.02)</u>
<u>Reconciliation of shares used in computing net loss per share:</u>		
Weighted average shares used in computing basic and diluted GAAP net loss per share	28,679	19,185
Conversion of convertible preferred stock upon initial public offering	52,502	56,730
Securities issued in connection with initial public offering	C 13,402	-
Shares used in computing non-GAAP basic and diluted net loss per share	<u>94,583</u>	<u>75,915</u>

Notes:

(A) To eliminate stock-based compensation expense.

(B) To eliminate warrant expense related to the change in the fair value of our outstanding preferred stock warrants. The final measurement of the warrants was recorded upon the closing of Splunk's initial public offering during the three months ended April 30, 2012.

(C) This amount represents the shares issued in the initial public offering not included in the weighted-average shares used in computing basic and diluted GAAP net loss per share.