

Chordiant Non-GAAP Business Model

	Old Model *	New Model*
● Revenue		
▶ License Revenue	35% to 50%	45% to 55%
▶ Service Revenue	65% to 50%	55% to 45%
● Margins		
▶ License Margin	95% to 97%	96% to 97%
▶ Services Margin	45% to 55%	55% to 60%
▶ Gross Margin	70% to 72%	74% to 76%
● Operating Expenses		
▶ Sales & Marketing	27% to 26%	28% to 26%
▶ Research & Development	20% to 19%	20% to 19%
▶ General & Administrative	13% to 12%	12% to 11%
❖ TOTAL OPEX	60% to 57%	59% to 56%
● Non-GAAP Operating Income	10% to 15%	15% to 20%

*Excludes stock-based compensation, intangible amortization, restructuring and infrequent charges
(Revised May 10, 2007)