NuVasive, Inc

Q112 Supplementary Financial Information
Reconciliation of GAAP to Non-GAAP EPS and Operating Margin
as of April 30, Q1 2012
in thousands except per share data

	2011 Actual % Revenue	2011 Actual % Growth	Q1 12 Actual % Growth	2012 FY Guidance % Growth	Notes
US Lumbar	~65%	~7%	~12%	*~6%*	
US Biologics	~18%	~8%	~15%	*~0%*	*includes allograft products*
US Cervical	~9%	~20%	~20%	*~15%*	
US Monitoring Service	~2%	~$10M	~$9.5M	*~$45M*	*combined Impulse & Sandia service revenue component only*
International	~7%	~60%	~35%	*~35%*	

For accurate tax calculation, you must begin by building a GAAP Model - these #'s come from the face of the P&L:

Line #		Q111 A	Q211 A	Q311 A	Q411 A	2011 FY A	Q112 A	2012 FY Guidance	
1	**Revenue**	**124,466**	**132,966**	**132,880**	**150,194**	**540,506**	**151,691**	**~$615M**	
2	Cost of goods sold	23,526	25,508	26,015	37,062	112,111	36,933		
3	Gross profit	100,940	107,458	106,865	113,132	428,395	114,758		
4	*Gross margin %*	*81.1%*	*80.8%*	*80.4%*	*75.3%*	*79.3%*	*75.7%*	*~76%*	
5	GAAP Sales, Marketing & Administrative (SM&A)	84,220	84,323	85,482	92,732	346,757	94,271		
6	GAAP Research & Development (R&D)	10,769	10,258	10,092	9,584	40,703	10,395		
7	Amortization of intangible assets	1,342	1,395	1,504	2,368	6,609	2,846	~$12M	
8	Intangible asset impairment charge	-	-	-	18,167	18,167			
9	Litigation award	-	-	101,200	-	101,200			
10	GAAP Operating Expenses	96,331	95,976	198,278	122,851	513,436	107,512		
11	GAAP Operating Profit	4,609	11,482	(91,413)	(9,719)	(85,041)	7,246		*= 3 - 10*
12	Interest and other (expense), net	(1,091)	(1,684)	(5,293)	(6,955)	(15,023)	(6,180)	~$27M	
13	GAAP income (loss) before tax	3,518.5	9,798	(96,706)	(16,674)	(100,064)	1,066		*= 11 + 12*
14	GAAP tax rate (benefit)	44%	49%	(30%)	(38%)	(29%)	56%	~60% rate	*29% tax BENEFIT in 2011 & 60% tax EXPENSE in 2012*
15	Income tax expense (benefit)	1,540	4,776	(29,030)	(6,328)	(29,043)	597		
16	Non Controlling Interest	381	358	123	310	1,172	204		
17	GAAP Net Income (Loss)	2,359	5,380	(67,552)	(10,036)	(69,849)	673		*= 13 - 15 + 16*
18	GAAP WASO	40,511	40,868	39,892	42,172	40,372	43,397	~45M	
19	**GAAP EPS**	**$ 0.06**	**$ 0.13**	**$ (1.69)**	**$ (0.24)**	**$ (1.73)**	**$ 0.02**	**~$0.09**	

To Calculate Non-GAAP EPS, add back and tax effect Non-GAAP exclusions, which are detailed in each earnings press release:

Line #		Q111 A	Q211 A	Q311 A	Q411 A	2011 FY A	Q112 A	2012 FY Guidance	Notes
20	Non-cash stock based compensation	7,946	7,725	8,118	8,281	32,070	6,621	~$34.5M	
21	Certain IP litigation expenses	2,081	1,099	2,540	1,254	6,974	524	~$2.5M	
22	Litigation award	-	-	101,200	-	101,200	-		
23	Amortization of intangible assets	1,342	1,395	1,504	2,368	6,609	2,846	~$12.0M	
24	Acquisition related items	571	1,325	441	1,438	3,774	448	~$1.3M	
25	Non-cash interest expense on convertible notes	-	96	2,979	3,033	6,108	3,088	~$12.5M	
26	Certain transactions from convertible note activity	-	-	(1,666)	(390)	(2,056)	-		
27	Intangible asset impairment charge	-	-	-	18,167	18,167	-		*Cervitech (PCM) charge*
28	Sub-total Exclusions for Non-GAAP	11,940	11,640	115,116	34,151	172,846	13,527	~$62.8	*=sum(20:27)*
29	Tax Rate Applied to Non-GAAP Add Backs	40%	40%	38%	38%	38%	40%	~40%	
30	Tax Affected Exclusions for Non-GAAP	7,164	6,984	71,844	21,173	107,165	8,116		*= 28 * ("1" - 29)*
31	Certain discrete tax items	-	-	6,316	300	6,616	-		*already tax effected*
32	Total Exclusions for Non-GAAP, net of tax	7,164	6,984	78,160	21,473	113,781	8,116	~$37.7	
33	Non-GAAP Net Income	9,523	12,364	10,607	11,437	43,932	8,789		*= 17 + 32*
34	Non-GAAP WASO	40,511	40,868	40,831	42,690	41,231	43,397	~45M	
35	**Non-GAAP EPS**	**$ 0.24**	**$ 0.30**	**$ 0.26**	**$ 0.27**	**$ 1.07**	**$ 0.20**	**~$0.93**	

To Calculate Non-GAAP Line Items:

Line #		Q111 A	Q211 A	Q311 A	Q411 A	2011 FY	Q112 A	2012 FY Guidance	Notes
36	GAAP Gross Profit	100,940	107,458	106,865	113,132	428,395	114,758		
37	Non-cash stock based compensation	NA	NA	NA	NA	NA	14		*IOM Employee expense booked in COGS*
38	Non-GAAP Gross Profit	100,940	107,458	106,865	113,132	428,395	114,772		*= 36 + 37*
39	*% of revenue*	*81.1%*	*80.8%*	*80.4%*	*75.3%*	*79.3%*	*75.7%*		
40	GAAP SM&A	84,220	84,323	85,482	92,732	346,757	94,271		*= 5*
41	Non-cash stock based compensation	7,335	7,124	7,497	7,627	29,583	6,142		
42	Certain IP litigation expenses	2,081	1,099	2,540	1,254	6,974	524		
43	Acquisition related items	571	825	168	1,428	2,992	448		
44	Non-GAAP SM&A	74,233	75,275	75,277	82,423	307,208	87,157		*= 40 - 41 - 42 - 43*
45	*% of revenue*	*59.6%*	*56.6%*	*56.6%*	*54.9%*	*56.8%*	*57.5%*		
46	GAAP R&D	10,769	10,258	10,092	9,584	40,703	10,395		*= 6*
47	Non-cash stock based compensation	611	601	621	654	2,487	465		
48	Acquisition related items	-	500	272	10	782			
49	Non-GAAP R&D	10,158	9,157	9,199	8,920	37,434	9,930		*= 46 - 47 - 48*
50	*% of revenue*	*8.2%*	*6.9%*	*6.9%*	*5.9%*	*6.9%*	*6.5%*		
51	Non-GAAP Operating Expenses	84,391	84,432	84,476	91,343	344,642	97,087		*= 44 + 49*
52	*% of revenue*	*67.8%*	*63.5%*	*63.6%*	*60.8%*	*63.8%*	*64.0%*	~62%	
53	**Non-GAAP Operating Profit**	**16,549**	**23,026**	**22,389**	**21,789**	**83,753**	**17,685**		*= 38 - 51*
54	**Non-GAAP Operating Margin**	**13.3%**	**17.3%**	**16.8%**	**14.5%**	**15.5%**	**11.7%**	~14%	