

**MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES**  
**RECONCILIATION OF SELECTED GAAP TO NON-GAAP MEASURES**  
(in thousands, except per share amounts)

	<b>Year Ended December 31,</b>				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
GAAP Operating income	\$ 80,073	\$ 101,287	\$ 127,124	\$ 161,446	\$ 194,307
Equity-based compensation <sup>(a)</sup>	8,338	7,325	9,671	14,528	15,934
Purchase amortization <sup>(b)</sup>	6	6	165	432	430
Adjusted operating income (Non-GAAP)	<u>\$ 88,417</u>	<u>\$ 108,618</u>	<u>\$ 136,960</u>	<u>\$ 176,406</u>	<u>\$ 210,671</u>
GAAP Income tax provision	\$ 29,185	\$ 35,813	\$ 45,998	\$ 59,366	\$ 71,873
Equity-based compensation <sup>(a)</sup>	3,028	2,602	3,574	5,385	5,789
Purchase amortization <sup>(b)</sup>	2	2	61	160	156
Adjusted income tax provision (Non-GAAP)	<u>\$ 32,215</u>	<u>\$ 38,417</u>	<u>\$ 49,633</u>	<u>\$ 64,911</u>	<u>\$ 77,818</u>
GAAP Net income	\$ 51,853	\$ 67,296	\$ 82,000	\$ 103,475	\$ 124,234
Equity-based compensation <sup>(a)</sup>	5,310	4,723	6,096	9,143	10,145
Purchase amortization <sup>(b)</sup>	4	4	104	272	274
Adjusted net income (Non-GAAP)	<u>\$ 57,167</u>	<u>\$ 72,023</u>	<u>\$ 88,201</u>	<u>\$ 112,890</u>	<u>\$ 134,653</u>

On December 19, 2013, our Board of Directors approved a four-for-one stock split of the Company's Common Stock, effected in the form of a stock dividend. All references made to shares or per share amounts have been restated to reflect the effect of this four-for-one stock split for all periods presented.

GAAP Diluted EPS	\$ 0.64	\$ 0.86	\$ 1.08	\$ 1.40	\$ 1.72
Equity-based compensation <sup>(a)</sup>	0.07	0.06	0.08	0.12	0.14
Purchase amortization <sup>(b)</sup>	-	-	-	-	-
Adjusted diluted EPS (Non-GAAP)	<u>\$ 0.71</u>	<u>\$ 0.92</u>	<u>\$ 1.16</u>	<u>\$ 1.52</u>	<u>\$ 1.87</u>
Fully diluted shares	81,084	77,932	75,841	74,038	72,060

(a) Adjusted results exclude all equity-based compensation to facilitate comparison with our competitors and peers. The equity-based compensation is included in the following GAAP operating expense lines for the year ended December 31, 2012, 2013, 2014, 2015 and 2016 as follow:

	<b>Year Ended December 31,</b>				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Cost of services	\$ 824	\$ 1,235	\$ 1,839	\$ 2,548	\$ 3,794
Research and development	1,558	1,110	1,541	2,128	2,489
Sales and marketing	2,220	975	1,563	2,577	2,431
General and administrative	3,736	4,005	4,728	7,275	7,220
Total equity-based compensation	<u>\$ 8,338</u>	<u>\$ 7,325</u>	<u>\$ 9,671</u>	<u>\$ 14,528</u>	<u>\$ 15,934</u>

(b) Adjustments represent purchased intangibles amortization from prior acquisitions. Such amortization is commonly excluded from GAAP net income by companies in our industry and we therefore exclude these amortization costs to provide more relevant and meaningful comparisons of our operating results to that of our competitors.