

**Guidewire Software, Inc. and subsidiaries**  
**Condensed Consolidated Statement of Operations - GAAP**  
(unaudited, in thousands except share and per share amounts)

Description	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	FY 2017 YTD
<b>Revenues:</b>								
License	\$ 32,340	\$ 53,376	\$ 45,796	\$ 88,239	\$ 219,751	\$ 38,721	\$ 64,075	\$ 102,796
Maintenance	14,013	14,256	14,676	16,986	59,931	16,532	16,582	33,114
Services	35,927	34,497	38,388	35,952	144,764	38,874	34,964	73,838
<b>Total revenues</b>	<b>82,280</b>	<b>102,129</b>	<b>98,860</b>	<b>141,177</b>	<b>424,446</b>	<b>94,127</b>	<b>115,621</b>	<b>209,748</b>
<b>Cost of revenues:</b>								
License	1,164	1,577	2,137	2,306	\$ 7,184	2,430	2,781	\$ 5,211
Maintenance	2,475	2,636	3,034	3,402	11,547	3,325	3,079	6,404
Services	31,531	30,688	33,836	37,048	133,103	36,264	34,951	71,215
<b>Total cost of revenues</b>	<b>35,170</b>	<b>34,901</b>	<b>39,007</b>	<b>42,756</b>	<b>151,834</b>	<b>42,019</b>	<b>40,811</b>	<b>82,830</b>
<b>Gross profit:</b>								
License	31,176	51,799	43,659	85,933	\$ 212,567	36,291	61,294	\$ 97,585
Maintenance	11,538	11,620	11,642	13,584	48,384	13,207	13,503	26,710
Services	4,396	3,809	4,552	(1,096)	11,661	2,610	13	2,623
<b>Total gross profit</b>	<b>47,110</b>	<b>67,228</b>	<b>59,853</b>	<b>98,421</b>	<b>272,612</b>	<b>52,108</b>	<b>74,810</b>	<b>126,918</b>
<b>Operating expenses:</b>								
Research and development	25,672	25,409	29,273	32,142	\$ 112,496	30,750	30,025	\$ 60,775
Sales and marketing	19,291	22,661	22,908	27,905	92,765	25,500	23,520	49,020
General and administrative	11,110	11,456	13,449	14,899	50,914	14,160	13,060	27,220
<b>Total operating expenses</b>	<b>56,073</b>	<b>59,526</b>	<b>65,630</b>	<b>74,946</b>	<b>256,175</b>	<b>70,410</b>	<b>66,605</b>	<b>137,015</b>
<b>Income (loss) from operations</b>	<b>(8,963)</b>	<b>7,702</b>	<b>(5,777)</b>	<b>23,475</b>	<b>16,437</b>	<b>(18,302)</b>	<b>8,205</b>	<b>(10,097)</b>
Interest income, net	696	758	2,211	1,185	4,850	1,342	1,544	2,886
Other income (expense), net	217	(1,182)	804	(344)	(505)	(681)	335	(346)
<b>Income (loss) before provision for (benefit from) income taxes</b>	<b>(8,050)</b>	<b>7,278</b>	<b>(2,762)</b>	<b>24,316</b>	<b>20,782</b>	<b>(17,641)</b>	<b>10,084</b>	<b>(7,557)</b>
Provision for (benefit from) income taxes	(6,420)	6,365	(2,358)	8,219	5,806	(9,783)	6,110	(3,673)
<b>Net income (loss)</b>	<b>\$ (1,630)</b>	<b>\$ 913</b>	<b>\$ (404)</b>	<b>\$ 16,097</b>	<b>\$ 14,976</b>	<b>\$ (7,858)</b>	<b>\$ 3,974</b>	<b>\$ (3,884)</b>
<b>Earnings per share:</b>								
Basic	\$ (0.02)	\$ 0.01	\$ (0.01)	\$ 0.22	\$ 0.21	\$ (0.11)	\$ 0.05	\$ (0.05)
Diluted	\$ (0.02)	\$ 0.01	\$ (0.01)	\$ 0.22	\$ 0.20	\$ (0.11)	\$ 0.05	\$ (0.05)
<b>Shares used in computing net earnings per share :</b>								
Basic	71,242,897	71,779,496	72,297,934	72,792,357	72,026,694	73,293,467	73,738,810	73,516,140
Diluted	71,242,897	73,402,064	72,297,934	74,202,966	73,765,960	73,293,467	74,793,240	73,516,140
<b>Stock-based compensation</b>	<b>\$ 15,147</b>	<b>\$ 16,545</b>	<b>\$ 16,193</b>	<b>\$ 18,246</b>	<b>\$ 66,131</b>	<b>\$ 17,877</b>	<b>\$ 18,587</b>	<b>\$ 36,464</b>

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**Guidewire Software, Inc. and subsidiaries**  
**Condensed Consolidated Statement of Operations - Non-GAAP Adjustments**  
(unaudited, in thousands)

Description	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	FY 2017 YTD
Amortization of intangibles acquired in business combinations	\$ 360	\$ 360	\$ 499	\$ 779	\$ 1,998	\$ 1,045	\$ 1,179	\$ 2,224
Stock-based compensation	89	103	107	134	433	51	90	141
<b>Total adjustment to cost of revenue - license</b>	<b>449</b>	<b>463</b>	<b>606</b>	<b>913</b>	<b>2,431</b>	<b>1,096</b>	<b>1,269</b>	<b>2,365</b>
Stock-based compensation	339	380	388	384	1,491	413	436	849
<b>Total adjustment to cost of revenue - maintenance</b>	<b>339</b>	<b>380</b>	<b>388</b>	<b>384</b>	<b>1,491</b>	<b>413</b>	<b>436</b>	<b>849</b>
Stock-based compensation	4,363	4,673	4,450	4,392	17,878	4,695	4,815	9,510
<b>Total adjustment to cost of revenue - services</b>	<b>4,363</b>	<b>4,673</b>	<b>4,450</b>	<b>4,392</b>	<b>17,878</b>	<b>4,695</b>	<b>4,815</b>	<b>9,510</b>
Stock-based compensation	3,672	3,911	3,889	4,083	15,555	4,467	4,650	9,117
<b>Total adjustment to research and development</b>	<b>3,672</b>	<b>3,911</b>	<b>3,889</b>	<b>4,083</b>	<b>15,555</b>	<b>4,467</b>	<b>4,650</b>	<b>9,117</b>
Stock-based compensation	3,430	3,616	3,602	4,442	15,090	4,223	4,283	8,506
Amortization of intangibles acquired in business combinations	—	—	75	222	297	393	477	870
<b>Total adjustment to sales and marketing</b>	<b>3,430</b>	<b>3,616</b>	<b>3,677</b>	<b>4,664</b>	<b>15,387</b>	<b>4,616</b>	<b>4,760</b>	<b>9,376</b>
Stock-based compensation	3,254	3,862	3,757	4,811	15,684	4,028	4,313	8,341
<b>Total adjustment to general and administrative</b>	<b>3,254</b>	<b>3,862</b>	<b>3,757</b>	<b>4,811</b>	<b>15,684</b>	<b>4,028</b>	<b>4,313</b>	<b>8,341</b>
Non-GAAP tax impact	(9,124)	26	(5,697)	(6,649)	(21,444)	(10,336)	(3,591)	(13,927)
<b>Total adjustment to provision for (benefit from) income taxes</b>	<b>(9,124)</b>	<b>26</b>	<b>(5,697)</b>	<b>(6,649)</b>	<b>(21,444)</b>	<b>(10,336)</b>	<b>(3,591)</b>	<b>(13,927)</b>

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**Guidewire Software, Inc. and subsidiaries**  
**Condensed Consolidated Statement of Operations - Other Reconciliations**

Description	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	FY 2017 YTD
<b>Reconciliation of GAAP to Non-GAAP earnings per share:</b>								
GAAP diluted earnings per share	\$ (0.02)	\$ 0.01	\$ (0.01)	\$ 0.22	\$ 0.20	\$ (0.11)	\$ 0.05	\$ (0.05)
Amortization of intangibles acquired in business combinations	0.01	0.01	0.01	0.01	0.03	0.02	0.02	0.04
Stock-based compensation	0.21	0.23	0.22	0.25	0.90	0.24	0.25	0.50
Non-GAAP tax impact	(0.13)	—	(0.08)	(0.09)	(0.29)	(0.14)	(0.04)	(0.19)
Non-GAAP dilutive shares excluded from GAAP EPS calculation (1)	—	(0.01)	—	—	—	0.01	—	(0.01)
Non-GAAP diluted earnings per share	\$ 0.07	\$ 0.24	\$ 0.14	\$ 0.39	\$ 0.84	\$ 0.02	\$ 0.28	\$ 0.29
Diluted weighted average shares outstanding	71,242,897	73,402,064	72,297,934	74,202,966	73,765,960	73,293,467	74,793,240	73,516,140
Non-GAAP dilutive shares excluded from GAAP EPS calculation (1)	1,660,819	—	1,324,561	—	—	1,291,775	—	1,258,762
Diluted pro forma shares outstanding	72,903,716	73,402,064	73,622,495	74,202,966	73,765,960	74,585,242	74,793,240	74,774,902
<b>Gross margin:</b>								
<b>Licensing:</b>								
GAAP gross margin	96.4%	97.0%	95.3%	97.4 %	96.7%	93.7%	95.7%	94.9%
Stock-based compensation	0.3%	0.2%	0.2%	0.2 %	0.2%	0.1%	0.1%	0.1%
Amortization of acquired intangibles	1.1%	0.7%	1.1%	0.9 %	0.9%	2.7%	1.8%	2.2%
Non-GAAP gross margin	97.8%	97.9%	96.6%	98.5 %	97.8%	96.5%	97.6%	97.2%
<b>Maintenance:</b>								
GAAP gross margin	82.3%	81.5%	79.3%	80.0 %	80.7%	79.9%	81.4%	80.7%
Stock-based compensation	2.4%	2.7%	2.6%	2.2 %	2.5%	2.5%	2.7%	2.6%
Non-GAAP gross margin	84.7%	84.2%	81.9%	82.2 %	83.2%	82.4%	84.1%	83.3%
<b>Services:</b>								
GAAP gross margin	12.2%	11.0%	11.9%	(3.0)%	8.1%	6.7%	—%	3.6%
Stock-based compensation	12.1%	13.5%	11.6%	12.2 %	12.3%	12.1%	13.8%	12.9%
Non-GAAP gross margin	24.3%	24.5%	23.5%	9.2 %	20.4%	18.8%	13.8%	16.5%
<b>Overall:</b>								
GAAP gross margin	57.3%	65.8%	60.5%	69.7 %	64.2%	55.4%	64.7%	60.5%
Amortization of acquired intangibles	0.4%	0.4%	0.5%	0.6 %	0.5%	1.1%	1.0%	1.1%
Stock-based compensation	5.8%	5.0%	5.0%	3.5 %	4.7%	5.5%	4.6%	5.0%
Non-GAAP gross margin	63.5%	71.2%	66.0%	73.8 %	69.4%	62.0%	70.3%	66.6%

(1) Due to the occurrence of a net loss on a GAAP basis in certain periods, potentially dilutive securities were excluded from the calculation of GAAP earnings per share, as they would have an antidilutive effect. However, as net income was earned on a Non-GAAP basis, these shares have a dilutive effect on Non-GAAP earnings per share and are included here.

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**Guidewire Software, Inc. and subsidiaries**  
**Condensed Consolidated Statement of Operations - Key Metrics**  
(unaudited, in thousands)

Description	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	FY 2017 YTD
<b>License revenue breakdown:</b>								
Term license and other revenues	\$ 32,653	\$ 52,652	\$ 40,598	\$ 82,528	\$ 208,430	\$ 34,500	\$ 62,868	\$ 97,368
Perpetual license revenues	(313)	724	5,198	5,711	11,321	4,221	1,207	5,428
<b>Total license revenues</b>	<b>\$ 32,340</b>	<b>\$ 53,376</b>	<b>\$ 45,796</b>	<b>\$ 88,239</b>	<b>\$ 219,751</b>	<b>\$ 38,721</b>	<b>\$ 64,075</b>	<b>\$ 102,796</b>
<b>Four-quarter recurring revenues:</b>								
Term license and other revenues	\$ 173,232	\$ 184,647	\$ 194,458	\$ 208,430	N/A	\$ 210,278	\$ 220,494	N/A
Total maintenance revenues	51,516	53,610	56,103	59,931	N/A	62,451	64,776	N/A
<b>Total four-quarter recurring revenues:</b>	<b>\$ 224,748</b>	<b>\$ 238,257</b>	<b>\$ 250,561</b>	<b>\$ 268,361</b>	<b>N/A</b>	<b>\$ 272,729</b>	<b>\$ 285,270</b>	<b>N/A</b>

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**Guidewire Software, Inc. and subsidiaries**  
**Condensed Consolidated Statement of Operations - Non-GAAP Gross Profit Reconciliations**  
(unaudited, in thousands except percentage)

Description	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	FY 2017 YTD
<b>Gross profit reconciliation:</b>								
GAAP gross profit	\$ 47,110	\$ 67,228	\$ 59,853	\$ 98,421	\$ 272,612	\$ 52,108	\$ 74,810	\$ 126,918
Non-GAAP adjustments:								
Stock-based compensation	4,791	5,156	4,945	4,910	19,802	5,159	5,341	10,500
Amortization of intangibles	360	360	499	779	1,998	1,045	1,179	2,224
Non-GAAP tax impact	—	—	—	—	—	—	—	—
<b>Non-GAAP gross profit</b>	<b>\$ 52,261</b>	<b>\$ 72,744</b>	<b>\$ 65,297</b>	<b>\$ 104,110</b>	<b>\$ 294,412</b>	<b>\$ 58,312</b>	<b>\$ 81,330</b>	<b>\$ 139,642</b>
<b>Non-GAAP gross margin</b>	<b>64.0%</b>	<b>71.0%</b>	<b>66.0%</b>	<b>73.7%</b>	<b>69.0%</b>	<b>62.0%</b>	<b>70.3%</b>	<b>66.6%</b>
<b>Gross profit reconciliation - license revenue:</b>								
GAAP gross profit - license revenue	\$ 31,176	\$ 51,799	\$ 43,659	\$ 85,933	\$ 212,567	\$ 36,291	\$ 61,294	\$ 97,585
Non-GAAP adjustments:								
Stock-based compensation	89	103	107	134	433	51	90	141
Amortization of intangibles	360	360	499	779	1,998	1,045	1,179	2,224
Non-GAAP tax impact	—	—	—	—	—	—	—	—
<b>Non-GAAP gross profit - license revenue</b>	<b>\$ 31,625</b>	<b>\$ 52,262</b>	<b>\$ 44,265</b>	<b>\$ 86,846</b>	<b>\$ 214,998</b>	<b>\$ 37,387</b>	<b>\$ 62,563</b>	<b>\$ 99,950</b>
<b>Non-GAAP gross margin - license revenue</b>	<b>97.8%</b>	<b>97.9%</b>	<b>96.7%</b>	<b>98.4%</b>	<b>97.8%</b>	<b>96.6%</b>	<b>97.6%</b>	<b>97.2%</b>
<b>Gross profit reconciliation - maintenance revenue:</b>								
GAAP gross profit - maintenance revenue	\$ 11,538	\$ 11,620	\$ 11,642	\$ 13,584	\$ 48,384	\$ 13,207	\$ 13,503	\$ 26,710
Non-GAAP adjustments:								
Stock-based compensation	339	380	388	384	1,491	413	436	849
Amortization of intangibles	—	—	—	—	—	—	—	—
Non-GAAP tax impact	—	—	—	—	—	—	—	—
<b>Non-GAAP gross profit - maintenance revenue</b>	<b>\$ 11,877</b>	<b>\$ 12,000</b>	<b>\$ 12,030</b>	<b>\$ 13,968</b>	<b>\$ 49,875</b>	<b>\$ 13,620</b>	<b>\$ 13,939</b>	<b>\$ 27,559</b>
<b>Non-GAAP gross margin - maintenance revenue</b>	<b>84.8%</b>	<b>84.2%</b>	<b>82.0%</b>	<b>82.2%</b>	<b>83.2%</b>	<b>82.4%</b>	<b>84.1%</b>	<b>83.2%</b>
<b>Gross profit reconciliation - service revenue:</b>								
GAAP gross profit - service revenue	\$ 4,396	\$ 3,809	\$ 4,552	\$ (1,096)	\$ 11,661	\$ 2,610	\$ 13	\$ 2,623
Non-GAAP adjustments:								
Stock-based compensation	4,363	4,673	4,450	4,392	17,878	4,695	4,815	9,510
Amortization of intangibles	—	—	—	—	—	—	—	—
Non-GAAP tax impact	—	—	—	—	—	—	—	—
<b>Non-GAAP gross profit - service revenue</b>	<b>\$ 8,759</b>	<b>\$ 8,482</b>	<b>\$ 9,002</b>	<b>\$ 3,296</b>	<b>\$ 29,539</b>	<b>\$ 7,305</b>	<b>\$ 4,828</b>	<b>\$ 12,133</b>
<b>Non-GAAP gross margin - service revenue</b>	<b>24.4%</b>	<b>24.6%</b>	<b>23.5%</b>	<b>9.2%</b>	<b>20.4%</b>	<b>18.8%</b>	<b>13.8%</b>	<b>16.4%</b>

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**Condensed Consolidated Statement of Operations - Non-GAAP Reconciliations**  
(unaudited, in thousands)

Description	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016	Q1 2017	Q2 2017	FY 2017 YTD
<b>Income (loss) from operations reconciliation:</b>								
GAAP income (loss) from operations	\$ (8,963)	\$ 7,702	\$ (5,777)	\$ 23,475	\$ 16,437	\$ (18,302)	\$ 8,205	\$ (10,097)
Non-GAAP adjustments:								
Stock-based compensation	15,147	16,545	16,193	18,246	66,131	17,877	18,587	\$ 36,464
Amortization of intangibles	360	360	574	1,001	2,295	1,438	1,656	\$ 3,094
<b>Non-GAAP income (loss) from operations</b>	<b>\$ 6,544</b>	<b>\$ 24,607</b>	<b>\$ 10,990</b>	<b>\$ 42,722</b>	<b>\$ 84,863</b>	<b>\$ 1,013</b>	<b>\$ 28,448</b>	<b>\$ 29,461</b>
<b>Net income (loss) reconciliation:</b>								
GAAP net income (loss)	\$ (1,630)	\$ 913	\$ (404)	\$ 16,097	\$ 14,976	\$ (7,858)	\$ 3,974	\$ (3,884)
Non-GAAP adjustments:								
Stock-based compensation	15,147	16,545	16,193	18,246	66,131	17,877	18,587	\$ 36,464
Amortization of intangibles	360	360	574	1,001	2,295	1,438	1,656	\$ 3,094
Non-GAAP tax impact	(9,124)	26	(5,697)	(6,649)	(21,444)	(10,336)	(3,591)	\$ (13,927)
<b>Non-GAAP net income (loss)</b>	<b>\$ 4,753</b>	<b>\$ 17,844</b>	<b>\$ 10,666</b>	<b>\$ 28,695</b>	<b>\$ 61,958</b>	<b>\$ 1,121</b>	<b>\$ 20,626</b>	<b>\$ 21,747</b>

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