

Benefitfocus, Inc.
Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share data)

	Three Months Ended							
	Dec. 31, 2013	Sept. 30, 2013 (Restated)	June 30, 2013 (Restated)	March 31, 2013 (Restated)	Dec. 31, 2012 (Restated)	Sept. 30, 2012 (Restated)	June 30, 2012 (Restated)	March 31, 2012 (Restated)
Revenue	\$ 30,256	\$ 26,317	\$ 24,332	\$ 23,847	22,208	20,833	19,629	19,069
Cost of revenue	19,473	16,171	14,322	12,445	11,881	10,680	11,347	10,492
Gross profit	10,783	10,146	10,010	11,402	10,327	10,153	8,282	8,577
Operating expenses:								
Sales and marketing	8,976	7,354	10,604	9,138	6,357	6,666	7,842	7,040
Research and development	6,708	6,527	5,758	4,539	3,520	3,598	3,868	3,635
General and administrative	2,790	2,623	2,742	2,819	1,990	1,789	1,742	1,973
Change in fair value of contingent consideration	-	-	(13)	(30)	(49)	(1)	4	167
Total operating expenses	18,474	16,504	19,091	16,466	11,818	12,052	13,456	12,815
Loss from operations	(7,691)	(6,358)	(9,081)	(5,064)	(1,491)	(1,899)	(5,174)	(4,238)
Other income (expense):								
Interest income	15	8	10	13	12	9	15	17
Interest expense	(552)	(554)	(523)	(520)	(507)	(480)	(487)	(502)
Other expense	(66)	9	(14)	(24)	(8)	(28)	(19)	(9)
Total other (expense), net	(603)	(537)	(527)	(531)	(503)	(499)	(491)	(494)
Loss before income taxes	(8,294)	(6,895)	(9,608)	(5,595)	(1,994)	(2,398)	(5,665)	(4,732)
Income tax (benefit) expense	(12)	(59)	20	20	35	10	25	14
Net loss	<u>\$ (8,282)</u>	<u>\$ (6,836)</u>	<u>\$ (9,628)</u>	<u>\$ (5,615)</u>	<u>\$ (2,029)</u>	<u>\$ (2,408)</u>	<u>\$ (5,690)</u>	<u>\$ (4,746)</u>
Comprehensive loss	<u>\$ (8,282)</u>	<u>\$ (6,836)</u>	<u>\$ (9,628)</u>	<u>\$ (5,615)</u>	<u>\$ (2,029)</u>	<u>\$ (2,408)</u>	<u>\$ (5,690)</u>	<u>\$ (4,746)</u>
Net loss per common share:								
Basic and diluted	<u>\$ (0.34)</u>	<u>\$ (1.08)</u>	<u>\$ (2.00)</u>	<u>\$ (1.17)</u>	<u>\$ (0.42)</u>	<u>\$ (0.50)</u>	<u>\$ (1.18)</u>	<u>\$ (0.99)</u>
Weighted-average common shares outstanding:								
Basic and diluted	<u>24,474,566</u>	<u>6,320,731</u>	<u>4,809,518</u>	<u>4,798,043</u>	<u>4,842,205</u>	<u>4,836,179</u>	<u>4,826,171</u>	<u>4,810,059</u>

Benefitfocus, Inc.
Consolidated Balance Sheets
(in thousands, except per share data)

	As of							
	Dec. 31 2013	Sept. 30 2013 (Restated)	June 30 2013 (Restated)	March 31 2013 (Restated)	Dec. 31 2012 (Restated)	Sept. 30 2012 (Restated)	June 30 2012 (Restated)	March 31 2012 (Restated)
Assets								
Current assets:								
Cash and cash equivalents	\$ 65,645	\$ 84,672	\$ 13,673	\$ 17,732	\$ 19,703	\$ 12,984	\$ 14,072	\$ 17,786
Marketable Securities	13,168	-	-	-	-	-	-	-
Accounts receivable, net	23,668	21,177	18,792	18,321	13,372	11,417	9,582	7,965
Prepaid expenses and other current assets	4,322	2,495	2,156	1,716	1,482	1,845	2,443	2,783
Total current assets	<u>106,803</u>	<u>108,344</u>	<u>34,621</u>	<u>37,769</u>	<u>34,557</u>	<u>26,246</u>	<u>26,097</u>	<u>28,534</u>
Property and equipment, net	27,444	22,580	21,231	20,919	20,456	20,935	20,890	21,857
Intangible assets, net	1,256	1,333	1,411	1,495	1,579	1,662	1,746	1,830
Goodwill	1,634	1,634	1,634	1,634	1,634	1,634	1,634	1,634
Other non-current assets	2,474	-	2,111	453	-	-	-	-
Total assets	<u>\$ 139,611</u>	<u>\$ 133,891</u>	<u>\$ 61,008</u>	<u>\$ 62,270</u>	<u>\$ 58,226</u>	<u>\$ 50,477</u>	<u>\$ 50,367</u>	<u>\$ 53,855</u>
Liabilities, redeemable convertible preferred stock and stockholders' equity (deficit)								
Current liabilities:								
Accounts payable	\$ 4,354	\$ 5,596	\$ 3,351	\$ 2,210	\$ 1,726	\$ 1,269	\$ 1,431	\$ 962
Accrued expenses	3,911	3,219	2,732	2,507	2,453	2,376	1,933	2,155
Accrued compensation and benefits	14,183	15,737	15,304	13,263	9,661	10,218	7,759	7,654
Deferred revenue, current portion	15,158	14,192	12,340	11,357	11,165	10,346	10,314	9,750
Financing and capital lease obligations, current portion	4,288	1,270	1,506	1,458	1,228	1,187	1,238	1,303
Notes payable, current portion	-	-	2,784	2,635	2,420	966	963	989
Contingent consideration related to acquisition, current portion	-	310	304	308	328	377	373	363
Total current liabilities	<u>41,894</u>	<u>40,324</u>	<u>38,321</u>	<u>33,738</u>	<u>28,981</u>	<u>26,739</u>	<u>24,011</u>	<u>23,176</u>
Deferred revenue, net of current portion	65,063	58,165	53,835	50,208	46,355	41,592	41,079	39,454
Revolving line of credit	5,757	5,757	-	-	-	-	-	-
Financing and capital lease obligations, net of current portion	14,263	9,557	9,683	9,990	9,589	9,797	10,080	10,466
Notes payable, net of current portion	-	-	3,423	3,630	3,561	720	963	1,205
Other non-current liabilities	1,202	1,105	1,039	956	871	1,164	1,054	1,008
Total liabilities	<u>128,179</u>	<u>114,908</u>	<u>106,301</u>	<u>98,522</u>	<u>89,357</u>	<u>80,012</u>	<u>77,187</u>	<u>75,309</u>
Commitments and contingencies								
Redeemable convertible preferred stock:								
Convertible Series A preferred stock, no par value	-	-	105,505	105,505	105,505	105,505	105,505	105,505
Convertible Series B preferred stock, no par value	-	-	29,973	29,973	29,973	29,973	29,973	29,973
Total redeemable convertible preferred stock	<u>-</u>	<u>-</u>	<u>135,478</u>	<u>135,478</u>	<u>135,478</u>	<u>135,478</u>	<u>135,478</u>	<u>135,478</u>
Stockholders' equity (deficit):								
Common stock, no par value	-	-	7,190	6,603	6,109	5,670	5,506	5,182
Common stock, par value \$0.001	24	24	-	-	-	-	-	-
Additional paid-in capital	214,487	213,756	-	-	-	-	-	-
Accumulated deficit	(203,079)	(194,797)	(187,961)	(178,333)	(172,718)	(170,683)	(167,804)	(162,114)
Total stockholders' equity (deficit)	<u>11,432</u>	<u>18,983</u>	<u>(180,771)</u>	<u>(171,730)</u>	<u>(166,609)</u>	<u>(165,013)</u>	<u>(162,298)</u>	<u>(156,932)</u>
Total liabilities, redeemable convertible preferred stock and stockholders' equity (deficit)	<u>\$ 139,611</u>	<u>\$ 133,891</u>	<u>\$ 61,008</u>	<u>\$ 62,270</u>	<u>\$ 58,226</u>	<u>\$ 50,477</u>	<u>\$ 50,367</u>	<u>\$ 53,855</u>