Soave John S.
Form 4
January 31, 2019

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person [*]
Soave John S.

(Last) (First) (Middle)

25505 W 12 MILE RD

(Street)

SOUTHFIELD, MI 48034

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
CREDIT ACCEPTANCE CORP [CACC]

3. Date of Earliest Transaction (Month/Day/Year)
01/29/2019

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Chief Information Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/29/2019		F		1,241 (1)	D	$ 408.67	18,246 (2)	D	
Common Stock	01/29/2019		A		1,550 (3)	A	$ 0	19,796 (4)	D	
Common Stock								3,278 (5)	I	By 401(k) Plan
Common Stock								169	I	By spouse

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Soave John S. 25505 W 12 MILE RD SOUTHFIELD, MI 48034			Chief Information Officer	

Signatures

/s/ John S. Soave	01/31/2019
**Signature of Reporting Person	Date

Explanation of Responses:

*	If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
**	Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
(1)	Shares withheld to satisfy tax withholding obligations in conjunction with the conversion of vested restricted stock units to common stock.
(2)	Includes 1,550 vested restricted stock units that were granted under the Company's Incentive Compensation Plan.
(3)	Represents the vesting of performance-based restricted stock units granted under the Company's Incentive Compensation Plan. Each restricted stock unit represents and has a value equal to one share of common stock of Credit Acceptance Corporation. Shares will be distributed to Mr. Soave on January 30, 2023.
(4)	Includes 3,100 vested restricted stock units that were granted under the Company's Incentive Compensation Plan.
(5)	

Held in the Credit Acceptance Stock Fund of the Credit Acceptance Corporation 401(k) Profit Sharing Plan and Trust as of January 29, 2019, according to the Plan trustee.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. font-family:inherit;font-size:10pt;">Net income
$
114,087

$
86,395

$
93,182

Basic net income per common share
$
1.04

$
0.80

$
0.86

Diluted net income per common share
$
1.03

$
0.78

$
0.83

Shares used in computing basic net income per common share
109,199

108,146

107,874

Shares used in computing diluted net income per common share
110,960

111,394

112,089

See accompanying notes to consolidated financial statements.

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INFORMATICA CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Years Ended December 31,		
	2014	2013	2012
Net income	$114,087	$86,395	$93,182
Other comprehensive income (loss):			
Change in foreign currency translation adjustment, net of tax benefit (expense) of $664, $(172) and $(144)	(28,433)	5,133	3,363
Available-for-sale investments:			
Change in net unrealized gain (loss), net of tax benefit (expense) of $111, $126 and $(244)	(181)	(205)	398
Less: reclassification adjustment for net (gain) loss included in net income, net of tax benefit (expense) of $(7), $16 and $(19)	(11)	26	(31)
Net change, net of tax benefit (expense) of $118, $110 and $(225)	(192)	(179)	367
Cash flow hedges:			
Change in unrealized gain (loss), net of tax benefit (expense) of $(483), $794 and $226	787	(1,295)	(368)
Net gain from discontinuance of cash flow hedges, net of tax expense of $(3), $- and $-	6	—	—
Less:			
Reclassification adjustment for net (gain) loss included in net income, net of tax benefit (expense) of $(453), $710 and $865	(739)	1,159	1,410
Reclassification for net gain into earnings related to discontinuance of cash flow hedges, net of tax expense of $(3), $- and $-	(6)	—	—
Net change, net of tax benefit (expense) of $(30), $84 and $(639)	48	(136)	1,042
Total other comprehensive income (loss), net of tax effect	(28,577)	4,818	4,772
Total comprehensive income, net of tax effect	$85,510	$91,213	$97,954

See accompanying notes to consolidated financial statements.

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INFORMATICA CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)

	Common Stock							
	Shares	Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Informatica Corporation Stockholders' Equity	Non-controlling Interest	Total Equity
Balances, December 31, 2011	106,946	$ 107	$ 751,350	$ (12,802)	$ 253,548	$ 992,203	$ —	$ 992,203
Common stock options exercised	1,884	2	25,241	—	—	25,243	—	25,243
Common stock issued under employee stock purchase plan	528	—	16,108	—	—	16,108	—	16,108
Restricted stock units vested	535	—	—	—	—	—	—	—
Withholding taxes related to restricted stock units net share settlement	(157)	—	(6,686)	—	—	(6,686)	—	(6,686)
Stock-based compensation	—	—	42,803	—	—	42,803	—	42,803
Tax benefit of stock-based compensation	—	—	16,463	—	—	16,463	—	16,463
Repurchase and retirement of common stock	(2,435)	(2)	(80,981)	—	—	(80,983)	—	(80,983)
Acquisition	—	—	—	—	—	—	2,418	2,418
Net income	—	—	—	—	93,182	93,182	—	93,182
Other comprehensive income	—	—	—	4,772	—	4,772	—	4,772
Balances, December 31, 2012	107,301	107	764,298	(8,030)	346,730	1,103,105	2,418	1,105,523
Common stock options exercised	2,671	3	40,708	—	—	40,711	—	40,711
Common stock issued under employee stock purchase plan	652	1	17,957	—	—	17,958	—	17,958
Restricted stock units vested	711	—	—	—	—	—	—	—
Withholding taxes related to restricted stock units net share settlement	(204)	—	(7,342)	—	—	(7,342)	—	(7,342)
	—	—	56,091	—	—	56,091	—	56,091

Stock-based compensation								
Tax benefit of stock-based compensation	—	—	26,082	—	—	26,082	—	26,082
Repurchase and retirement of common stock	(2,488)	(2)	(92,066)	—	—	(92,068)	—	(92,068)
Acquisition	—	—	—	—	—	—	(2,418)	(2,418)
Net income	—	—	—	—	86,395	86,395	—	86,395
Other comprehensive income	—	—	—	4,818	—	4,818	—	4,818
Balances, December 31, 2013	108,643	109	805,728	(3,212)	433,125	1,235,750	—	1,235,750
Common stock options exercised	2,942	3	38,912	—	—	38,915	—	38,915
Common stock issued under employee stock purchase plan	667	1	20,107	—	—	20,108	—	20,108
Restricted stock units vested	743	—	—	—	—	—	—	—
Withholding taxes related to restricted stock units net share settlement	(217)	—	(7,927)	—	—	(7,927)	—	(7,927)
Stock-based compensation	—	—	59,362	—	—	59,362	—	59,362
Tax benefit of stock-based compensation	—	—	(1,520)	—	—	(1,520)	—	(1,520)
Repurchase and retirement of common stock	(4,074)	(4)	(141,243)	—	—	(141,247)	—	(141,247)
Net income	—	—	—	—	114,087	114,087	—	114,087
Other comprehensive income	—	—	—	(28,577)	—	(28,577)	—	(28,577)
Balances, December 31, 2014	108,704	$ 109	$ 773,419	$ (31,789)	$ 547,212	$ 1,288,951	$ —	$ 1,288,951

See accompanying notes to consolidated financial statements.

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Explanation of Responses:

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INFORMATICA CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Years Ended December 31,		
	2014	2013	2012
Operating activities:			
Net income	$114,087	$86,395	$93,182
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	19,107	14,978	12,284
Stock-based compensation	59,362	57,204	42,803
Deferred income taxes	(1,398)	(24,067)	(4,651)
Tax benefits from stock-based compensation	373	26,082	16,463
Excess tax benefits from stock-based compensation	(3,831)	(27,495)	(17,021)
Amortization of intangible assets and acquired technology	19,084	30,036	28,558
Loss on investment in equity interest	1,998	—	—
Other operating activities, net	—	(352)	(854)
Changes in operating assets and liabilities:			
Accounts receivable	(30,721)	(32,009)	8,723
Prepaid expenses and other assets	(233)	418	10,593
Accounts payable	988	979	(1,416)
Accrued expenses and other liabilities	16,900	12,860	(866)
Income taxes payable	(1,292)	9,596	1,553
Accrued facilities restructuring charges	—	—	(23,977)
Deferred revenues	38,767	46,525	35,127
Net cash provided by operating activities	233,191	201,150	200,501
Investing activities:			
Purchases of property and equipment	(21,045)	(26,508)	(141,610)
Purchases of investments	(260,933)	(367,834)	(266,088)
Investment in equity interest, net	(282)	(2,001)	(257)
Maturities of investments	220,991	249,294	199,535
Sales of investments	64,147	83,473	8,864
Business acquisitions, net of cash acquired	(58,614)	(7,464)	(90,542)
Purchase of developed technology and patent license	(300)	(400)	—
Net cash used in investing activities	(56,036)	(71,440)	(290,098)
Financing activities:			
Net proceeds from issuance of common stock	59,023	58,669	41,351
Repurchases and retirement of common stock	(141,247)	(92,068)	(80,983)
Withholding taxes related to restricted stock units net share settlement	(7,927)	(7,342)	(6,686)
Payment of contingent consideration	(3,061)	(4,170)	(8,050)
Payment of issuance costs on credit facility	(934)	—	—
Excess tax benefits from stock-based compensation	3,831	27,495	17,021
Purchase of acquiree stock and noncontrolling interest	—	(6,365)	(437)
Net cash used in financing activities	(90,315)	(23,781)	(37,784)
Effect of foreign exchange rate changes on cash and cash equivalents	(16,127)	1,762	673
Net increase (decrease) in cash and cash equivalents	70,713	107,691	(126,708)

Cash and cash equivalents at beginning of the year	297,818	190,127	316,835
Cash and cash equivalents at end of the year	$368,531	$297,818	$190,127
Supplemental disclosures:			
Income taxes paid, net of refunds	$58,522	$42,717	$31,218
Supplemental disclosures of non-cash investing and financing activities:			
Unrealized gain (loss) on investments	$(192)	$(179)	$367

See accompanying notes to consolidated financial statements.

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INFORMATICA CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and Business

Informatica Corporation (“Informatica” or the “Company”) was incorporated in California in February 1993 and reincorporated in Delaware in April 1999. The Company is the leading independent provider of enterprise data integration software and services. The Company's solutions enable a wide variety of complex, enterprise-wide data integration initiatives through technologies including cloud data integration, data quality, big data, master data management, data security, data exchange, and data preparation.

Note 2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned and majority-owned subsidiaries. All intercompany accounts and transactions have been eliminated.

Use of Estimates

The Company's consolidated financial statements are prepared in accordance with generally accepted accounting principles (“GAAP”) in the United States, which require the Company to make certain estimates, judgments, and assumptions. For example, the Company makes estimates, judgments, and assumptions in determining vendor-specific objective evidence ("VSOE") and, estimated selling price ("ESP") used in revenue recognition, the realizability of deferred tax assets, uncertain tax positions, fair value of acquired tangible and intangible assets and liabilities assumed during acquisitions, the number of reporting segments, the recoverability of intangible assets and their useful lives, the fair value of stock options and forfeiture estimates used in calculating stock-based compensations, number of performance-based restricted stock units that the Company expects to vest, and the collectability of accounts receivable. The Company believes that the estimates, judgments, and assumptions upon which it relies are reasonable based upon information available to it at the time that these estimates, judgments, and assumptions are made. These estimates, judgments, and assumptions can affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the periods presented. Any material differences between these estimates and actual results will impact the Company's consolidated financial statements. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require management's judgment in its application. There are also areas in which management's judgment in selecting any available alternative would not produce a materially different result.

Reclassifications

Certain reclassifications have also been made within the consolidated balance sheet as of December 31, 2013 to conform to the current year presentation. The Company reclassified $0.9 million out of accounts payable and into accrued liabilities and $9.2 million out of accrued liabilities into accrued compensation and related expenses. Total current liabilities as of December 31, 2013 did not change as a result of these reclassifications.

Certain reclassifications have also been made within the consolidated statement of cash flows to conform to the current year presentation. A change was made to present redemptions by issuers of debt securities held by the Company as part of net cash provided by maturities of investments to reflect that these redemptions are an acceleration of the maturity of the debt investment. Redemptions were previously presented as part of net cash provided by sales of investments. This change in presentation did not affect total net cash used in investing activities and conforming changes have been made for all prior periods presented. Net cash provided by redemptions of $61 million and $110 million were reclassified from sales of investments to maturities of investments for the years ended December 31, 2013 and 2012, respectively.

Revenue Recognition

The Company derives its revenues from sales of software licenses, subscription-based licenses for a variety of cloud, and data-as-a-service offerings, maintenance and support services, and professional services, consisting of consulting and education services. The Company recognizes revenue in accordance with Financial Accounting Standards Board

(“FASB”) Accounting Standards Codification (“ASC”) 985-605, Software Revenue Recognition, ASC 605-25, Multiple Element Arrangements, ASC 605-35, Revenue Recognition for Construction-Type and Production-Type Contracts, the Securities and Exchange Commission's Staff Accounting Bulletin Topic 13, Revenue Recognition, and other authoritative accounting literature.

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INFORMATICA CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

Revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collection is probable.

Multiple Element Arrangements

The Company enters into multiple element arrangements that contain software and software-related elements, such as software licenses, subscription-based licenses, maintenance and support, consulting, and education services. The Company uses the residual method to allocate revenue to the software license and recognize license revenue upon delivery when vendor-specific objective evidence (“VSOE”) of fair value exists for all undelivered elements of the arrangement. If VSOE does not exist for any undelivered software product element of the arrangement, all revenue is deferred until all elements have been delivered, or VSOE is established. If VSOE does not exist for any undelivered services elements of the arrangement, all revenue is recognized ratably over the period that the services are expected to be performed.

The Company enters into multiple element arrangements that contain both software, such as software licenses, and deliverables not within the scope of ASC 985-605, such as cloud offerings. The Company first allocates the total arrangement consideration based on the relative selling prices of the software group of elements as a whole, and to the elements not within the scope of ASC 985-605. The allocation of arrangement consideration is based on the selling price hierarchy, which includes (i) VSOE if available, (ii) third party evidence (“TPE”) if VSOE is not available, or (iii) estimated selling price (“ESP”) if neither VSOE nor TPE is available. The Company then further allocates consideration within the software group to the respective elements within that group following the guidance in ASC 985-605. Revenue allocated to each element is then recognized when the basic revenue recognition criteria are met for each element as described above.

The Company establishes VSOE for each element based on the price charged when an element is sold separately. In certain limited instances, the Company is not able to establish VSOE for all deliverables in an arrangement with multiple elements. This may be due to the infrequent selling of each element separately, not pricing products or services within a narrow range, or only having a limited sales history.

For multiple element arrangements that contain both software and deliverables not within the scope of ASC 985-605, when VSOE cannot be established for deliverables not within the scope of ASC 985-605, the Company attempts to establish a selling price based on TPE. TPE is determined based on competitor prices for similar deliverables when sold separately. When the Company is unable to establish a selling price using VSOE or TPE, the Company uses ESP in the allocation of the arrangement consideration. The Company determines ESP by reviewing historical transactions, including transactions whereby the deliverable was sold on a standalone basis and considering several other external and internal factors including, but not limited to, pricing practices including discounting levels dependent on the size of transactions, whether an order represents an upgrade of a previous order and the type of customer. The determination of ESP is made through consultation with the Company's management, taking into consideration the Company's pricing practices and go-to-market strategy.

Software

Under ASC 985-605, revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collection is probable.

Persuasive evidence of an arrangement exists. The Company determines that persuasive evidence of an arrangement exists when it has a written contract, signed by both the customer and the Company, and written purchase authorization.

Delivery has occurred. Software is considered delivered when title to the physical software media passes to the customer or, in the case of electronic delivery, when the customer has been provided with the access codes to download and operate the software.

Fee is fixed or determinable. The Company considers arrangements with extended payment terms not to be fixed or determinable. The Company also consider factors including financing arrangements, the category of customer (end-user customer, distributor, or reseller), rights of return or refund, and history of enforcing terms and conditions of

customer contracts. If the license fee in an arrangement is not fixed or determinable, revenue is recognized as payments become due or upon cash receipt, whichever is earlier. The Company's standard agreements do not contain product return rights.

Collection is probable. The Company first assesses the credit-worthiness and collectability at a country level based on the country's overall economic climate and general business risk. Then, for the customers in the countries that are deemed credit-worthy, it assesses credit and collectability based on their payment history and credit profile. When a customer is not deemed credit-worthy, revenue is recognized at the time that payment is received.

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The Company requires evidence of sell-through from resellers and distributors for order acceptance. The Company then recognizes revenue from resellers and distributors upon shipment if all other revenue recognition criteria are met, which in substantially all cases is when cash is collected or when the reseller or distributor is deemed credit-worthy based on their payment history and credit profile to conclude that collectability is probable.

The Company also enters into Original Equipment Manufacturer ("OEM") arrangements that provide for license fees based on inclusion of technology and/or products in the OEM's products. These arrangements provide for fixed and irrevocable royalty payments. The Company recognizes royalty payments as revenues based on the royalty report that it receives from the OEMs. In the case of OEMs with fixed royalty payments, revenue is recognized upon execution of the agreement, delivery of the software, and when all other criteria for revenue recognition have been met.

Multiple contracts with a single counterparty executed within close proximity of each other are evaluated to determine if the contracts should be combined and accounted for as a single arrangement. The Company recognizes revenues net of applicable sales taxes, financing charges absorbed by the Company, and amounts retained by our resellers and distributors, if any.

Subscription revenues, primarily consisting of revenues from customers and partners under subscription-based licenses for a variety of cloud and data-as-a-service offerings, are recognized ratably over the subscription term.

Services

The Company recognizes maintenance revenues, which consist of fees for ongoing support and product updates, if and when available, ratably over the term of the contract, typically one year.

Consulting revenues are primarily related to configuration, installation, and implementation of our products. These services are generally performed on a time-and-materials basis and, accordingly, revenues are recognized as the services are performed. Occasionally, contracts are on a fixed-fee basis and, accordingly, revenues are recognized on a proportional performance model based on actual services performed. If uncertainty exists about the Company's ability to complete the project, ability to collect the amounts due, or in the case of fixed-fee consulting arrangements, ability to estimate the remaining costs to be incurred to complete the project, revenue is deferred until the uncertainty is resolved. Consulting services, if included as part of the software arrangement, generally do not require significant modification or customization of the software and are not considered essential to the functionality of the software. If, in the Company's judgment, the software arrangement includes significant modification or customization of the software, then software license revenue is recognized as the consulting services revenue is recognized.

Education service revenues are generated from classes offered at our headquarters, sales and training offices, customer locations, and on-line. Revenues are recognized as the classes are delivered.

Deferred Revenues

Deferred revenues include deferred license, subscription, maintenance, consulting, and education revenues. For customers not deemed credit-worthy, the Company's practice is to net unpaid deferred revenue for that customer against the related receivable balance.

Cash and Cash Equivalents

The Company considers highly liquid investment securities with maturities of 90 days or less at the date of purchase to be cash equivalents. Cash equivalents include money market funds, time deposits, and marketable debt securities. Cash and cash equivalents outside of marketable debt securities are stated at cost, which approximates fair value.

Investments

Investments are comprised of time deposits and marketable debt securities. The Company's marketable debt securities consist primarily of certificates of deposit, commercial paper, corporate notes and bonds, U.S. government and agency notes and bonds, and municipal securities with original maturities beyond 90 days. The Company's marketable debt securities are classified as available-for-sale and are reported at fair value, with unrealized gains and losses, net of tax, reported as a separate component of accumulated other comprehensive income (loss) in stockholders' equity. The Company classifies all available-for-sale marketable debt securities, including those with original maturity dates greater than one year, as short-term investments. Realized gains or losses and permanent declines in value, if any, on

available-for-sale securities are reported in other income (expense) as incurred.

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INFORMATICA CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (Continued)

The Company recognizes realized gains and losses upon sales of investment and reclassifies unrealized gains and losses out of accumulated other comprehensive income (loss) into earnings using the specific identification method.
In accordance with ASC 320, Investments - Debt and Equity Securities, the Company periodically evaluates the investments for other-than-temporary impairment. The Company considers factors such as the length of time and extent to which the investment has been in a continuous unrealized loss position, the financial condition and near-term prospects of the issuer, and the Company's intent to sell, or whether it is more likely than not the Company will be required to sell the investment before recovery of the investment's amortized cost basis. The Company also considers industry analysts' reports and credit ratings in evaluating for other-than-temporary impairment. If the Company believes that an other-than-temporary decline exists, the Company will write down the investment to its fair value.
During 2014, 2013, and 2012, the Company did not consider any of its short-term investments to be other-than-temporarily impaired.
The Company also has investments in privately-held companies that are accounted for under the cost method and included in other non-current assets. The Company periodically evaluates these investments for other-than-temporary impairment. During 2014, the Company realized a loss of $2.0 million on the investment in a privately-held company.
During 2013 and 2012, the Company did not consider these investments to be other-than-temporarily impaired.

Allowance for Doubtful Accounts

The Company makes estimates as to the overall collectability of accounts receivable and provides an allowance for accounts receivable considered uncollectible. The Company specifically analyzes its accounts receivable based on historical bad debt experience, customer concentrations, customer credit-worthiness, the age of the receivable, current economic trends, and changes in its customer payment terms when evaluating the adequacy of the allowance for doubtful accounts. The Company records the adjustment in general and administrative expense. At December 31, 2014 and 2013, the Company's allowance for doubtful accounts was $3.5 million and $4.1 million, respectively.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Building, building improvements, and site improvements are amortized over the estimated useful life of 25 years, 10-15 years and 15 years, respectively.
Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the asset, which range from one to ten years. Computers and equipment and furniture and fixtures are stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets, generally one to five years.

Software Development Costs

The Company accounts for software development costs in accordance with ASC 985-20, Costs of Software to Be Sold, Leased, or Marketed. Software development costs are expensed as incurred until the establishment of technological feasibility, at which time those costs are capitalized until the product is available for general release to customers and amortized over the estimated life of the product. Technological feasibility is established upon completion of a working model. To date, costs incurred subsequent to the establishment of technological feasibility have not been significant, and all software development costs have been charged to research and development expense in the accompanying consolidated statements of income.
Pursuant to ASC 350-40, Internal - Use Software, the Company capitalizes certain costs relating to software acquired, developed, or modified solely to meet the Company's internal requirements and for which there are no substantive plans to market the software. The Company capitalized $1.2 million of internal use software costs for the year ended December 31, 2014. There was a negligible amount capitalized during the year ended December 31, 2013. These capitalized costs are depreciated on a straight-line basis over the estimated useful life.

Business Combinations

The Company records the acquired tangible and intangible assets and liabilities assumed based on their estimated fair values at the acquisition date. Goodwill as of the acquisition date is measured as the excess of consideration transferred and the net of the acquisition fair values of the assets acquired and the liabilities assumed. The valuation

process requires management to make significant estimates and assumptions, especially at the acquisition date with respect to intangible assets, support obligations assumed, estimated restructuring liabilities, and pre-acquisition contingencies.

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In connection with the measurement process for acquisitions, the Company estimates the fair value of the support obligations assumed. The estimated fair value of the support obligations is determined utilizing a cost build-up approach by estimating the costs related to fulfilling the obligations plus a normal profit margin. The estimated costs to fulfill the support obligations are based on the historical costs related to fulfilling the obligations. The sum of these costs and operating profit approximates, in theory, the amount that we would be required to pay a third party to assume the support obligations.

The Company expenses transaction costs and restructuring expenses related to the acquisition as incurred. Additionally, the Company identifies pre-acquisition contingencies and determines their respective fair values as of the end of the purchase price allocation period. Any adjustments to pre-acquisition contingencies are recorded in the Company's operating results in the period in which the adjustment is determined. Furthermore, any adjustments to estimates of acquisition related tax contingencies are recorded to goodwill during the measurement period, and in the Company's operating results after the conclusion of the measurement period. Moreover, the Company identifies in-process research and development costs and classifies them as an indefinite lived intangible asset until the asset is put to use or deemed to be impaired.

Goodwill and Indefinite-Lived Intangible Assets

The Company tests goodwill and intangible assets with indefinite useful lives for impairment annually on October 31 of each year and whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable in accordance with ASC 350, Intangibles - Goodwill and Other. While the Company is permitted to conduct a qualitative assessment to determine whether it is necessary to perform a two-step quantitative goodwill impairment test, for its annual goodwill impairment test in the fourth quarter of 2014, the Company performed a quantitative test for its reporting unit.

Consistent with the Company's assessment that it has only one reporting segment, the Company has determined that it has only one reporting unit and tests goodwill for impairment at the entity level. The Company tests its goodwill using the two-step process in accordance with ASC 350. In the first step, the Company compares the carrying amount of the reporting unit to the fair value based on quoted market prices of the Company's common stock. If the fair value of the reporting unit exceeds the carrying value, goodwill is not considered impaired and no further testing is required. If the carrying value of the reporting unit exceeds the fair value, goodwill is potentially impaired and the second step of the impairment test must be performed. In the second step, the Company compares the implied fair value of the goodwill, as defined by ASC 350, to its carrying amount to determine the impairment loss, if any. Recoverability of indefinite-lived intangible assets is measured by comparison of the carrying amount of the asset to the future undiscounted cash flows attributable to that asset.

The Company performed its annual goodwill and indefinite-lived intangible assets impairment tests as of October 31, 2014, 2013, and 2012 and concluded that there was no impairment.

Impairment of Long-Lived Assets

The Company evaluates long-lived assets, which includes amortized intangible assets and tangible assets, for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. Recoverability of these assets is measured by comparison of the carrying amount of an asset to the future undiscounted cash flows attributable to that asset. The Company measures any amount of impairment based on the difference between the carrying value and the fair value of the impaired asset. The Company did not recognize any impairment charges of long-lived assets in 2014, 2013, or 2012.

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Fair Value Measurement of Financial Assets and Liabilities
The following table summarizes financial assets and financial liabilities that the Company measures at fair value on a recurring basis as of December 31, 2014 (in thousands):

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Money market funds (i)	$15,344	$15,344	$—	$—
Time deposits (ii)	26,395	26,395	—	—
Marketable debt securities (ii)	326,735	—	326,735	—
Total money market funds, time deposits, and marketable debt securities	368,474	41,739	326,735	—
Foreign currency derivatives (iii)	310	—	310	—
Total assets	$368,784	$41,739	$327,045	$—
Liabilities:				
Foreign currency derivatives (v)	$915	$—	$915	$—
Total liabilities	$915	$—	$915	$—

The following table summarizes financial assets and financial liabilities that the Company measures at fair value on a recurring basis as of December 31, 2013 (in thousands):

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Money market funds (i)	$21,893	$21,893	$—	$—
Time deposits (ii)	21,585	21,585	—	—
Marketable debt securities (ii)	370,384	—	370,384	—
Total money market funds, time deposits, and marketable debt securities	413,862	43,478	370,384	—
Foreign currency derivatives (iii)	284	—	284	—
Total assets	$414,146	$43,478	$370,668	$—
Liabilities:				
Foreign currency derivatives (iv)	$1,024	$—	$1,024	$—
Acquisition-related contingent consideration (iv)	3,071	—	—	3,071
Total liabilities	$4,095	$—	$1,024	$3,071

(i) Included in cash and cash equivalents on the consolidated balance sheets.
(ii) Included in either cash and cash equivalents or short-term investments on the consolidated balance sheets.
(iii) Included in prepaid expenses and other current assets on the consolidated balance sheets.

(iv) Included in accrued liabilities on the consolidated balance sheets.
(v) Included in accrued and other liabilities on the consolidated balance sheets.

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Money Market Funds, Time Deposits, and Marketable Debt Securities

The Company uses a market approach for determining the fair value of all its Level 1 and Level 2 money market funds, time deposits, and marketable debt securities.

To value its money market funds and time deposits, the Company values the funds at $1 stable net asset value, which is the market pricing convention for identical assets that the Company has the ability to access.

The Company's marketable debt securities consist of certificates of deposit, commercial paper, corporate notes and bonds, municipal securities, and U.S. government and agency notes and bonds. To value its certificates of deposit and commercial paper, the Company uses mathematical calculations to arrive at fair value for these securities, which generally have short maturities and infrequent secondary market trades. For example, in the absence of any observable transactions, the Company may accrete from purchase price at purchase date to face value at maturity. In the event that a transaction is observed on the same security in the marketplace, and the price on that subsequent transaction clearly reflects the market price on that day, the Company will adjust the price to the observed transaction price and follow a revised accretion schedule to determine the daily price.

To determine the fair value of its corporate notes and bonds, municipal securities, and U.S. government and agency notes and bonds, the Company uses a third party pricing source for each security. If the market price is not available from the third party source, pricing from the Company's investment custodian is used.

Foreign Currency Derivatives and Hedging Instruments

The Company uses the income approach to value the derivatives using observable Level 2 market inputs at the measurement date and standard valuation techniques to convert future amounts to a single present value amount, assuming that participants are motivated but not compelled to transact. Level 2 inputs are limited to quoted prices that are observable for the derivative assets and liabilities. The Company records its derivative assets and liabilities at gross in its consolidated balance sheet and uses mid-market pricing as a practical expedient for fair value measurements. Key inputs for foreign currency derivatives are the spot rates, forward rates, interest rates, and credit derivative market rates. The spot rate for each currency is the same spot rate used for all balance sheet translations at the measurement date and is sourced from the Federal Reserve Bulletin. The following values are interpolated from commonly quoted intervals available from Bloomberg: forward points and the London Interbank Offered Rate ("LIBOR") used to discount and determine the fair value of assets and liabilities. Credit default swap spread curves identified per counterparty at month end in Bloomberg are used to discount derivative assets for counterparty non-performance risk, all of which have terms of thirteen months or less. The Company discounts derivative liabilities to reflect the Company's own potential non-performance risk to lenders and has used the spread over LIBOR on its most recent corporate borrowing rate.

The counterparties associated with the Company's foreign currency forward contracts are large credit-worthy financial institutions, and the derivatives transacted with these entities are relatively short in duration; therefore, the Company does not consider counterparty concentration and non-performance to be material risks at this time. Both the Company and the counterparties are expected to perform under the contractual terms of the instruments.

There were no transfers between Level 1 and Level 2 categories during the years ended December 31, 2014 and 2013. See Note 9. Accumulated Other Comprehensive Loss, Note 10. Derivative Financial Instruments, and Note 14. Commitments and Contingencies of Notes to Consolidated Financial Statements for a further discussion.

Acquisition-related Contingent Consideration

The Company estimated the fair value of the acquisition-related contingent consideration using a probability-weighted discounted cash flow model. This fair value measure was based on significant inputs not observed in the market and thus represented a Level 3 instrument. Level 3 instruments are valued based on unobservable inputs that are supported by little or no market activity and reflect the Company's own assumptions in measuring fair value. There were no transfers into or out of the Level 3 category during the years ended December 31, 2014 and 2013. The change in fair value of acquisition-related contingent consideration is included in acquisitions and other charges in the consolidated statements of income.

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The changes in the acquisition-related contingent consideration liability for the year ended December 31, 2014 consisted of the following (in thousands):

	December 31, 2014
Beginning balance as of December 31, 2013	$3,071
Change in fair value of contingent consideration	(10)
Payment of contingent consideration	(3,061)
Ending balance as of December 31, 2014	$—

Fair Value of Assets and Liabilities on a Nonrecurring Basis

The Company has direct investments in privately held companies accounted for under the cost method, which are periodically assessed for other-than-temporary impairment. The carrying value of these investments was $2.3 million and $4.1 million at December 31, 2014 and 2013, respectively. If it is determined that an other-than-temporary impairment has occurred, the Company writes down the investment to its fair value. The Company estimates fair value of cost method investments considering available information such as pricing in recent rounds of financing, current cash positions, earnings and cash flow forecasts, recent operational performance, and any other readily available data. During 2014, the Company made an additional investment of $0.3 million in a privately-held company, and realized a $2.0 million loss on investments in equity interest of another company. During 2013 and 2012, the Company did not consider these investments to be other-than-temporarily impaired based on the information available at those periods.

Fair Value of Financial Instruments, Concentrations of Credit Risk, and Credit Evaluations

The fair value of the Company's cash, cash equivalents, short-term investments, accounts receivable, and accounts payable approximates their respective carrying amounts due to their short-term maturity.

Financial instruments, which subject the Company to concentrations of credit risk, consist primarily of cash, cash equivalents, investments in time deposits and marketable debt securities, and trade accounts receivable. The Company maintains its cash and cash equivalents and investments with financial institutions with high credit standing.

The Company performs ongoing credit evaluations of its customers and generally does not require collateral. The Company makes judgments as to its ability to collect outstanding receivables and provide allowances for the portion of receivables when collection becomes doubtful. Provisions are made based upon a specific review of all significant outstanding invoices. For those invoices not specifically reviewed, provisions are provided at differing rates, based upon the age of the receivable. In determining these percentages, the Company analyzes its historical collection experience and current economic trends. If the historical data it uses to calculate the allowance for doubtful accounts does not reflect the future ability to collect outstanding receivables, additional provisions for doubtful accounts may be needed and the future results of operations could be materially affected. The Company evaluates its counterparties associated with the Company's foreign exchange forward contracts at least quarterly as part of its cash flow hedge program. Since all these counterparties are large credit-worthy commercial banking institutions, the Company does not consider counterparty non-performance to be a material risk.

Stock-based Compensation

The Company accounts for stock-based compensation in accordance with the provisions of ASC 718, Stock Compensation. Stock-based awards granted include stock options, restricted stock units (“RSUs”), performance-based restricted stock units (“PRSUs”), and stock purchased under the Company's Employee Stock Purchase Plan. Stock-based compensation expense for stock options, RSUs, and stock purchased under the Employee Stock Purchase Plan is measured at the grant date based on the fair value of the awards and is recognized as an expense ratably on a straight line basis over the requisite service period. See Note 8. Stock-based Compensation for a description of the Company's stock-based compensation plans and more information on the assumptions used to calculate the fair value of stock-based awards.

Stock-based compensation expense is recognized for PRSUs based on the probability of achieving certain performance criteria, as defined in the PRSU agreements. The Company estimates the number of PRSUs ultimately expected to vest and recognizes expense using the graded vesting attribution method over the requisite service period.

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Shipping and Handling Costs
Shipping and handling costs in connection with our packaged software products are not material and are expensed as incurred in cost of software revenues in the Company's consolidated statements of income.
Advertising Expense
Advertising costs are expensed as incurred. Advertising expenses were not significant for the years ended December 31, 2014, 2013, and 2012.
Income Taxes
The Company uses the asset and liability method of accounting for income taxes in accordance with ASC 740, Income Taxes. Under this method, income tax expenses or benefits are recognized for the amount of taxes payable or refundable for the current year. In addition, deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been recognized in the Company's consolidated financial statements or tax returns. The measurement of current and deferred tax assets and liabilities is based on provisions of currently enacted tax laws. The effects of future changes in tax laws or rates are not contemplated.
A two-step approach is applied pursuant to ASC 740 in the recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return. The first step is to determine if the weight of available evidence indicates that it is more likely than not that the tax position will be sustained in an audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. We recognize interest and penalties related to uncertain tax positions in our income tax provision line of our consolidated statements of income.
As part of the process of preparing consolidated financial statements, we estimate our income taxes and tax contingencies in each of the tax jurisdictions in which we operate prior to the completion and filing of tax returns for such periods. This process involves estimating actual current tax expense together with assessing temporary differences resulting from differing treatment of items, such as deferred revenue, for tax and accounting purposes. These differences result in net deferred tax assets and liabilities. We must then assess the likelihood that the deferred tax assets will be realizable, and to the extent we believe that a deferred tax asset is not likely to be realized, we must establish a valuation allowance. In assessing the need for any additional valuation allowance, we considered all the evidence available to us, both positive and negative, including historical levels of income, legislative developments, expectations and risks associated with estimates of future taxable income, and ongoing prudent and feasible tax planning strategies.
Foreign Currency Translation
The Company translates the assets and liabilities of its non-U.S. dollar functional currency subsidiaries into U.S. dollars using exchange rates in effect at the end of each period. Revenue and expenses for these subsidiaries are translated using rates that approximate those in effect during the period. Gains and losses from these translations are recognized in cumulative translation adjustments included in accumulated other comprehensive loss in stockholders' equity.
Reporting Segments
ASC 280, Segment Reporting, establishes standards for the manner in which public companies report information about operating segments in annual and interim financial statements. It also establishes standards for related disclosures about products and services, geographic areas, and major customers. The method for determining the information to report is based on the way management organizes the operating segments within the Company for making operating decisions and assessing financial performance.
The Company's chief operating decision maker is the chief executive officer, who reviews financial information presented on a consolidated basis, accompanied by disaggregated information about revenues by revenue stream and geographic region for purposes of making operating decisions and assessing financial performance. On this basis, the Company is organized and operates in a single segment: the design, development, marketing, and sales of software solutions.

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Recent Accounting Pronouncements
In March 2013, the FASB issued Accounting Standards Update (“ASU”) 2013-05, Foreign Currency Matters (Topic 830): Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity. ASU 2013-05 clarifies that the cumulative translation adjustment (“CTA”) should be released into net income upon the occurrence of certain qualifying events. The Company adopted ASU 2013-05 prospectively as required on January 1, 2014. Adoption of ASU 2013-05 did not impact the Company's consolidated financial statements and disclosures.
In July 2013, the FASB issued ASU 2013-11, Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists, which clarifies that an unrecognized tax benefit should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward if such settlement is required or expected in the event the uncertain tax position is disallowed. In situations where a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available or the tax law of the jurisdiction does not require, and the entity does not intend to use the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. The Company adopted ASU 2013-11 prospectively as required on January 1, 2014. Adoption of ASU 2013-11 did not have a material impact to the Company's consolidated financial statements and disclosures.
In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), to supersede nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those good and services. The standard will be effective for the Company in the first quarter of 2017. ASU 2014-09 allows for two methods of adoption: (a) "full retrospective" adoption, meaning the standard is applied to all periods presented, or (b) "modified retrospective" adoption, meaning the cumulative effect of applying ASU 2014-09 is recognized as an adjustment to the 2017 opening retained earnings balance. Early adoption is not permitted. The Company has not yet selected a transition method and is currently evaluating the impact of its pending adoption of ASU 2014-09 on its consolidated financial statements and disclosures.
In June 2014, the FASB issued ASU 2014-12, Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period. ASU 2014-12 requires that a performance target that affects vesting and could be achieved after the requisite service period be treated as a performance condition. ASU 2014-12 is effective for the Company in its first quarter of 2016 with early adoption permitted. The Company does not expect its pending adoption of ASU 2014-12 to have a material impact on its consolidated financial statements and disclosures.
In August 2014, the FASB issued ASU 2014-15, Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern, to provide guidance on management’s responsibility in evaluating whether there is substantial doubt about a company’s ability to continue as a going concern and to provide related footnote disclosures. ASU 2014-15 is effective for the Company in the first quarter of 2017 with early adoption permitted. The Company does not expect its pending adoption of ASU 2014-15 to have an impact on its consolidated financial statements and disclosures.
Note 3. Cash, Cash Equivalents, and Short-Term Investments
Cash consists of deposits with financial institutions. Cash equivalents include money market funds, time deposits, and marketable debt securities. Investments are comprised of time deposits and marketable debt securities. The Company's marketable debt securities consist primarily of certificates of deposit, commercial paper, corporate notes and bonds, U.S. government and agency notes and bonds, and municipal securities with original maturities beyond 90 days. Realized gains or losses and other-than-temporary impairments, if any, on available-for-sale securities are reported in other income or expense as incurred. The Company recognizes realized gains and losses upon sales of investment and reclassifies unrealized gains and losses out of accumulated other comprehensive income into earnings using the

specific identification method. Realized gains recognized for the years ended December 31, 2014, 2013 and 2012 was negligible.

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The following table summarizes the Company’s cash, cash equivalents, and short-term investments as of December 31, 2014 (in thousands):

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Cash	$353,187	$—	$—	$353,187
Cash equivalents:				
Money market funds	15,344	—	—	15,344
Total cash equivalents	15,344	—	—	15,344
Total cash and cash equivalents	368,531	—	—	368,531
Short-term investments:				
Certificates of deposit	1,920	—	—	1,920
Commercial paper	1,996	—	—	1,996
Corporate notes and bonds	196,401	84	(371)	196,114
Federal agency notes and bonds	51,987	13	(44)	51,956
Time deposits	26,395	—	—	26,395
Municipal notes and bonds	74,639	128	(18)	74,749
Total short-term investments	353,338	225	(433)	353,130
Total cash, cash equivalents, and short-term investments	$721,869	$225	$(433)	$721,661

The following table summarizes the Company’s cash, cash equivalents, and short-term investments as of December 31, 2013 (in thousands):

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Cash	$263,572	$—	$—	$263,572
Cash equivalents:				
Money market funds	21,893	—	—	21,893
U.S. government notes and bonds	12,353	—	—	12,353
Total cash equivalents	34,246	—	—	34,246
Total cash and cash equivalents	297,818	—	—	297,818
Short-term investments:				
Certificates of deposit	960	—	—	960
Commercial paper	12,738	—	—	12,738
Corporate notes and bonds	175,446	220	(220)	175,446
Federal agency notes and bonds	64,863	31	(69)	64,825
Time deposits	21,585	—	—	21,585
Municipal notes and bonds	103,923	153	(14)	104,062
Total short-term investments	379,515	404	(303)	379,616
Total cash, cash equivalents, and short-term investments	$677,333	$404	$(303)	$677,434

See Note 2. Summary of Significant Accounting Policies of Notes to Consolidated Financial Statements for further information regarding the fair value of the Company's financial instruments.

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The following table summarizes the fair value and gross unrealized losses related to the Company's short-term investments, aggregated by investment category that have been in a continuous unrealized loss position for less than twelve months, at December 31, 2014 (in thousands):

	Less Than 12 months	
	Fair Value	Gross Unrealized Losses
Corporate notes and bonds	$105,704	$(259)
Federal agency notes and bonds	34,434	(44)
Municipal notes and bonds	13,120	(18)
Total	$153,258	$(321)

The following table summarizes the fair value and gross unrealized losses related to the Company's short-term investments, aggregated by investment category that have been in a continuous unrealized loss position for greater than twelve months, at December 31, 2014 (in thousands):

	Greater Than 12 months	
	Fair Value	Gross Unrealized Losses
Corporate notes and bonds	$7,598	$(112)
Total	$7,598	$(112)

The changes in value of these investments are primarily related to changes in interest rates and are considered to be temporary in nature.
The following table summarizes the cost and estimated fair value of the Company’s short-term investments by contractual maturity at December 31, 2014 (in thousands):

	Cost	Fair Value
Due within one year	$190,404	$190,484
Due in one year to two years	112,364	112,237
Due after two years	50,570	50,409
Total	$353,338	$353,130

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Note 4. Property and Equipment
The following table summarizes the cost of property and equipment and related accumulated depreciation at December 31, 2014 and 2013 (in thousands):

	Estimated Useful Lives	December 31, 2014	2013
Land	N/A	$20,637	$20,637
Buildings	25 years	105,725	105,725
Site improvements	15 years	1,247	1,199
Building improvements	10-15 years	11,434	11,246
Total land and buildings		139,043	138,807
Computer and equipment	1-5 years	67,819	62,423
Furniture and fixtures	3-5 years	10,206	8,287
Leasehold improvements	1-10 years	23,802	14,454
Total property and equipment		240,870	223,971
Less: Accumulated depreciation and amortization		(81,162)	(66,663)
Total property and equipment, net		$159,708	$157,308

Depreciation and amortization expense was $19.1 million, $15.0 million, and $12.3 million in 2014, 2013, and 2012, respectively.

Note 5. Intangible Assets and Goodwill
The carrying amounts of the intangible assets other than goodwill as of December 31, 2014 and 2013 are as follows (in thousands, except years):

	December 31, 2014			December 31, 2013			Weighted
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net	Average Useful Life (Years)
Developed and core technology	$145,929	$(112,169)	$33,760	$130,744	$(99,026)	$31,718	6
Other intangible assets:							
Customer relationships	45,178	(39,766)	5,412	41,683	(35,216)	6,467	5
All other [(i)]	19,145	(15,156)	3,989	17,205	(13,765)	3,440	4-9
Total other intangible assets	64,323	(54,922)	9,401	58,888	(48,981)	9,907	
Total intangible assets, net	$210,252	$(167,091)	$43,161	$189,632	$(148,007)	$41,625	

(i) All other includes vendor relationships, trade names, covenants not to compete, and patents.

Total amortization expense related to intangible assets was $19.1 million, $30.0 million, and $28.6 million for the years ended December 31, 2014, 2013, and 2012, respectively. Of the $19.1 million amortization of intangible assets recorded in 2014, $5.9 million was recorded in operating expenses and $13.1 million was recorded in cost of revenues. Of the $30.0 million amortization of intangible assets recorded in 2013, $7.7 million was recorded in operating expenses and $22.3 million was recorded in cost of revenues. Of the $28.6 million amortization of intangible assets recorded in 2012, $6.6 million was recorded in operating expenses and $22.0 million was recorded in cost of revenues. Certain intangible assets were recorded in foreign currencies; and therefore, the gross carrying amount and accumulated amortization are subject to foreign currency translation adjustments.

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Explanation of Responses:

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As of December 31, 2014, the amortization expense related to identifiable intangible assets in future periods is expected to be as follows (in thousands):

	Acquired Technology	Other Intangible Assets	Total Intangible Assets
2015	$10,382	$4,302	$14,684
2016	8,899	2,449	11,348
2017	6,881	1,152	8,033
2018	4,762	729	5,491
2019	2,335	449	2,784
Thereafter	501	320	821
Total expected amortization expense	$33,760	$9,401	$43,161

The changes in the carrying amount of goodwill for the years ended December 31, 2014 and 2013 are as follows (in thousands):

	December 31,	
	2014	2013
Beginning balance	$523,142	$510,121
Goodwill from acquisitions	38,776	7,110
Subsequent goodwill adjustments	(10,722)	5,911
Ending balance	$551,196	$523,142

During the year ended December 31, 2014, the Company recorded subsequent goodwill net reductions of $10.7 million primarily related to foreign currency translation adjustments. During the year ended December 31, 2013, the Company recorded subsequent goodwill adjustments of $5.9 million which consist of a $2.8 million measurement period adjustment related to Heiler Software accrued liabilities and foreign currency translation adjustments of $4.0 million, partially offset by income tax related balance sheet adjustments of $0.9 million within the measurement period related to prior acquisitions. The goodwill is partially deductible for tax purposes. See Note 19. Acquisitions for further discussion of goodwill from acquisitions.

Note 6. Borrowings

Credit Agreement

On September 26, 2014, the Company entered into a Credit Agreement (the "Credit Agreement") that matures on September 26, 2019. The Credit Agreement replaces the former agreement that matured on September 29, 2014. The Credit Agreement provides for an unsecured revolving credit facility in an amount of up to $220.0 million, with an option for the Company to request to increase the revolving loan commitments or to enter into tranches of term loans in an aggregate amount of up to $30.0 million, for a total credit facility of up to $250.0 million. The revolving credit facility has sublimits for swingline loans available on a same day basis of up to $10.0 million and for the issuance of standby letters of credit in a face amount up to $20.0 million. No amounts were outstanding under the Credit Agreements as of December 31, 2014 and 2013, and a total of $220.0 million remained available for borrowing. Revolving loans accrue interest at a per annum rate based on either, at the Company's election, (i) the base rate plus a margin ranging from 0.50% to 1.00% depending on the Company's consolidated leverage ratio, or (ii) LIBO rate (based on 1-, 2-, 3-, or 6-month interest periods) plus a margin ranging from 1.50% to 2.00% depending on the Company's consolidated leverage ratio. The base rate is equal to the highest of (i) JPMorgan Chase Bank, N.A.'s prime rate, (ii) the federal funds rate plus a margin equal to 0.50%, and (iii) LIBO rate for a 1-month interest period plus a margin equal to 1.00%. Swingline loans accrue interest at a per annum rate based on the base rate plus the applicable margin for base rate loans. Revolving loans may be borrowed, repaid and reborrowed until September 26, 2019, at which time all amounts borrowed must be repaid. Swingline loans shall be repaid on the 15th day of a calendar month, or the last day of a calendar month, or September 26, 2019, whichever is earlier.

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Accrued interest on the revolving loans is payable (i) quarterly in arrears with respect to base rate loans, (ii) at the end of each interest rate period (or at each 3- month interval in the case of loans with interest periods greater than 3 months) with respect to LIBO rate loans, and (iii) the day that the borrowing is required to be repaid with respect to swingline loans. The Company is also obligated to pay other customary closing fees, arrangement fees, administrative fees, commitment fees, and letter of credit fees. A quarterly commitment fee is applied to the average daily unborrowed amount under the credit facility at a per annum rate ranging from 0.225% to 0.35% depending on the Company's consolidated leverage ratio. The Company may prepay the loans or terminate or reduce the commitments in whole or in part at any time, without premium or penalty, subject to certain conditions including minimum amounts in the case of commitment reductions and reimbursement of certain costs in the case of prepayments of LIBO rate loans.

The Credit Agreement contains customary representations and warranties, covenants, and events of default, including the requirement to maintain a maximum consolidated leverage ratio of 2.75 to 1.00 and a minimum consolidated interest coverage ratio of 3.50 to 1.00. The occurrence of an event of default could result in the acceleration of the obligations under the Credit Agreement. Under certain circumstances, a default interest rate will apply on all obligations during the existence of a payment default under the Credit Agreement at a per annum rate equal to 2.00% above the applicable interest rate for any overdue principal and 2.00% above the rate applicable to base rate loans for any other overdue amounts. The Company was in compliance with all covenants under the Credit Agreement as of December 31, 2014.

Note 7. Stockholders' Equity

Preferred Stock

The Company is authorized to issue 2.0 million shares of preferred stock with a par value of $0.001 per share of which 200,000 shares have been designated as Series A preferred stock. The Company may issue preferred stock from time to time in one or more series. The Board of Directors is authorized to provide for the rights, preferences, privileges, and restrictions of the shares of such series. As of December 31, 2014 and 2013, no shares of preferred stock had been issued.

Common Stock

The Company has authorized 200 million shares of common stock with a par value of $0.001 per share. Each share of common stock has the right to one vote. The holders of common stock are also entitled to receive dividends whenever funds are legally available and when declared by the Board of Directors, subject to the rights of holders of all classes of stock having priority rights as to dividends. No cash dividends have been declared or paid through December 31, 2014.

Stock Repurchase Plan

The Company's Board of Directors has approved a stock repurchase program for the Company to repurchase its common stock. The primary purpose of the program is to enhance shareholder value, including to offset the dilutive impact of stock based incentive plans. The number of shares to be purchased and the timing of the purchases are based on several factors, including the price of the Company's common stock, the Company's liquidity and working capital needs, general business and market conditions, and other investment opportunities. These purchases can be made from time to time in the open market and are funded from the Company's available working capital. In each of January, July, and October of 2014, the Board of Directors approved the repurchase of up to an additional $100 million of the Company's outstanding common stock, with such authorizations aggregating to $300 million. As of December 31, 2014, $162.8 million remained available for repurchase under this program. For further information about additional repurchases after December 31, 2014, see Note 20. Subsequent Event of Notes to Consolidated Financial Statements in Part II, Item 8 of this Report.

This repurchase program does not have an expiration date. Repurchased shares are retired and reclassified as authorized and unissued shares of common stock. The Company may continue to repurchase shares from time to time, as determined by management under programs approved by the Board of Directors.

The Company repurchased approximately 4,074,000 shares for $141.2 million, 2,488,000 shares for $92.1 million, and 2,435,000 shares for $81.0 million in 2014, 2013, and 2012, respectively.

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Note 8. Stock-based Compensation
Summary of Plans
1999 Stock Incentive Plan
The Company's stockholders approved the 1999 Stock Incentive Plan (the "1999 Incentive Plan") in April 1999 under which 2,600,000 shares were reserved for issuance. In addition, any shares not issued under the 1996 Stock Plan were also available for grant. The number of shares reserved under the 1999 Incentive Plan automatically increased annually beginning on January 1, 2000 by the lesser of 16,000,000 shares or 5% of the total amount of fully diluted shares of common stock outstanding as of such date. Under the 1999 Incentive Plan, eligible employees, officers, and directors may be granted stock options, stock appreciation rights, restricted shares, and stock units. The exercise price for incentive stock options and non-qualified options may not be less than 100% and 85%, respectively, of the fair value of the Company's common stock at the option grant date. Options granted are exercisable over a maximum term of seven to ten years from the date of the grant and generally vest ratably over a period of four years, with options for new employees generally including a 1-year cliff period. This plan expired in March 2009. No further shares will be awarded from this plan. As of December 31, 2014, there were approximately 500,000 options outstanding under the 1999 Incentive Plan.
2009 Equity Incentive Plan
The Company's stockholders approved the 2009 Equity Incentive Plan (the "2009 Incentive Plan") in April 2009 under which 9,000,000 shares have been reserved for issuance. In May 2011, the Company's stockholders approved amendments to the 2009 Equity Incentive Plan to increase the number of shares reserved for issuance by 2,500,000 and to increase the ratio by which full value awards count against the share reserve from 1.52 to 2.37. In May 2012, the Company's stockholders approved an amendment to the 2009 Equity Incentive Plan to increase the number of shares reserved for issuance by 5,000,000. In May 2013, the Company's stockholders approved an amendment to the 2009 Equity Incentive Plan to increase the number of shares reserved for issuance by 4,000,000. In May 2014, the Company's stockholders approved an amendment to the 2009 Equity Incentive Plan to increase the number of shares reserved for issuance by 6,300,000. Under the 2009 Incentive Plan, eligible employees, officers, and directors may be granted stock options (incentive and non-qualified), stock appreciation rights, restricted stock, restricted stock units ("RSUs"), performance shares and performance units. The exercise price for incentive stock options and non-qualified options may not be less than 100% and 85%, respectively, of the fair value of the Company's common stock at the option grant date. Certain employees and non-employee directors may elect to defer the delivery of vested RSUs, and settlement of such RSUs will be in shares of common stock at the end of the elected deferral period.
As of December 31, 2014, there were approximately 7,121,000 shares available for grant and 10,216,000 options, RSUs and PRSUs outstanding under the 2009 Incentive Plan. For purposes of the share reserve, the grant of a RSU is deemed an award for 1.52 or 2.37 shares of authorized common stock for each one share of authorized common stock subject to such award. The ratio by which an RSU counts against the share reserve is based upon the ratio effective on the date of grant. If a share that was subject to an award and is returned to the 2009 Incentive Plan, the Company would credit the 2009 Incentive Plan reserve by the same ratio as it was originally issued. These returned shares would be available for issuance under the 2009 Incentive Plan. Of the approximately 2,489,000 unvested RSUs, 2,421,000 RSUs were granted at the 2.37 ratio, and approximately 68,000 were granted at the 1.52 ratio. All 517,000 PRSUs outstanding were granted at the 2.37 ratio.
Stock Options and Restricted Stock Units
The Company grants stock options which are exercisable over a maximum term of seven to ten years for employees and five to seven years for directors from the date of the grant. These grants generally vest ratably over a period of four years for employees and one to three years for directors. Options granted to new employees generally include a 1-year cliff period.
The Company also grants RSUs to its employees and directors which vest over four years with annual vesting dates for employees and one to three years for directors. Upon vesting of restricted stock, the recipient has the option to

settle minimum withholding taxes by electing to have the Company withhold otherwise deliverable shares having a fair market value equal to the required tax obligations (“net-settlement”). The net-settlement shares are then immediately cancelled and retired. Shares are issued on the vesting dates net of the minimum statutory tax withholding requirements to be paid by the Company on behalf of its employees. As a result, the actual number of shares issued will be fewer than the actual number of RSUs outstanding.

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Employee Stock Purchase Plan
The Company's stockholders approved the Employee Stock Purchase Plan ("ESPP") in May 2008 under which 8,850,000 shares have been reserved for issuance. Under the ESPP, eligible employees may elect to contribute from 1% to 20% or a lesser percentage that the Compensation Committee of the Board of Directors ("Compensation Committee") may establish from time to time of their eligible compensation. Currently, the Compensation Committee established the maximum contribution percentage at 10%. The purchase price is 85% of the lower of the closing price of the Common Stock on the NASDAQ Global Select Market at the beginning or end of the six-month offering period. As of December 31, 2014, the Company had approximately 5,506,000 shares available for future issuance under the ESPP.
Summary of Assumptions
The fair value of each option award is estimated on the date of grant using the Black-Scholes-Merton option pricing model that uses the assumptions in the following table. The Company has consistently used a blend of average historical and market-based implied volatilities for calculating the expected volatilities for employee stock options, and uses market-based implied volatilities for its ESPP. The expected term of ESPP is based on the contractual terms. The expected term of options granted to employees is derived from the historical option exercises, post-vesting cancellations, and estimates concerning future exercises and cancellations for vested and unvested options that remain outstanding. The risk-free interest rate for the expected term of the option and ESPP is based on the U.S. Treasury yield curve in effect at the time of grant. The Company recognizes its stock-based compensation related to options using a straight-line method over the vesting term of the awards.
The fair value of RSUs and PRSUs is the grant date closing price of our common stock. The Company recognizes expense related to RSUs using a straight-line method over the vesting term of the awards. The Company recognizes expense for PRSUs based on the probability of achieving certain performance criteria, as defined in the PRSU agreements, and uses the graded vesting attribution method over the requisite service period.
The Company records stock-based compensation for options, RSUs, and PRSUs granted net of estimated forfeiture rates. ASC 718, Stock Compensation, requires the Company to estimate forfeiture rates at the time of grant and revise those estimates in subsequent periods if actual forfeitures differ from those estimates. The Company uses historical forfeitures to estimate its future forfeiture rates. The Company's forfeiture rates for stock options, RSUs and PRSUs were 10% for 2014, 2013, and 2012.
The fair value of the Company's stock-based awards was estimated based on the following assumptions:

	Years Ended December 31,					
	2014		2013		2012	
Option grants:						
Expected volatility	35 - 40	%	41 - 43	%	39 - 48	%
Weighted-average volatility	39	%	41	%	44	%
Expected dividends	—		—		—	
Expected term of options (in years)	3.5		3.3		3.3	
Risk-free interest rate	1.1	%	0.7	%	0.5	%
ESPP:						
Expected volatility	30 - 36	%	37 - 42	%	43 - 53	%
Weighted-average volatility	32	%	40	%	49	%
Expected dividends	—		—		—	
Expected term of ESPP (in years)	0.5		0.5		0.5	
Risk-free interest rate	0.1	%	0.1	%	0.1	%

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The allocation of the stock-based compensation, net of estimated income tax benefit, is as follows (in thousands):

	Years Ended December 31,		
	2014	2013	2012
Cost of service revenues	$5,935	$5,525	$4,349
Research and development	20,255	19,002	14,919
Sales and marketing	19,062	19,323	13,518
General and administrative	14,110	13,354	10,017
Total stock-based compensation	59,362	57,204	42,803
Estimated tax benefit of stock-based compensation	(16,632)	(15,934)	(10,994)
Total stock-based compensation, net of estimated tax benefit	$42,730	$41,270	$31,809

Stock Option Activity

A summary of stock option activity through December 31, 2014 is presented below (in thousands, except per share amounts):

	Number of Shares	Weighted-Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2011	10,229	$19.37	3.50	$218,839
Granted	2,844	38.81		
Exercised	(1,884)	13.40		
Forfeited or expired	(495)	36.72		
Outstanding at December 31, 2012	10,694	$24.79	3.50	$104,404
Granted	2,267	37.34		
Exercised	(2,671)	15.24		
Forfeited or expired	(866)	40.67		
Outstanding at December 31, 2013	9,424	$29.05	3.48	$127,697
Granted	1,738	37.05		
Exercised	(2,942)	13.23		
Forfeited or expired	(1,034)	40.45		
Outstanding at December 31, 2014	7,186	$35.82	4.25	$31,514
Exercisable at December 31, 2014	4,215	$34.84	3.41	$26,168

The fair value of options vesting during the years ended December 31, 2014, 2013, and 2012 was approximately $17.4 million, $18.5 million, and $15.6 million, respectively. As of December 31, 2014, there were a total of approximately 2,971,000 unvested options with a fair value of $33.4 million and weighted average exercise price of $37.22 and weighted average grant-date fair value of $11.25. The Company expects to recognize the fair value of the unvested shares over a weighted-average period of 2.51 years.

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Restricted Stock Unit Activity

The Company started granting RSUs in 2009. A summary of RSU activity through December 31, 2014 is presented below (in thousands, except per share amounts):

	Number of Shares	Weighted-Average Grant Date Fair Value
Outstanding at December 31, 2011	1,611	
Awarded	1,095	$40.13
Released	(535)	$30.55
Forfeited	(244)	$39.30
Outstanding at December 31, 2012	1,927	
Awarded	835	$35.50
Released	(711)	$33.31
Forfeited	(258)	$39.91
Outstanding at December 31, 2013	1,793	
Awarded	1,671	$35.88
Released	(616)	$38.29
Forfeited	(335)	$37.56
Outstanding at December 31, 2014	2,513	

The fair value of RSUs released during the years ended December 31, 2014, 2013 and 2012 was approximately $21.9 million, $25.4 million and $22.5 million, respectively. As of December 31, 2014, there were approximately 24,000 vested deferred RSUs outstanding and not yet released included in the RSU activity above. As of December 31, 2014, there were a total of approximately 2,489,000 unvested RSUs with a fair value of $91.9 million. The Company expects to recognize the fair value of the unvested RSUs over a weighted-average period of 2.68 years.

Performance-Based Restricted Stock Unit Activity

The Company started granting PRSUs in 2012. During the first quarter of 2014, the Company granted approximately 223,000 target PRSUs. The performance period for the target number of PRSUs granted in 2014 is the 2014 year. If certain performance goals are met, PRSUs would become eligible to vest, and vest ratably over two or four years on the annual anniversary dates of the grant, contingent upon the recipient’s continued service to the Company. Certain participants have the ability to receive up to 125% to 150% of the target number of shares originally granted. The weighted-average grant date fair value of 2014 PRSUs was $38.25 per share.

The performance period for the 649,900 target number of PRSUs granted in 2013 was the 2013 year. Certain participants had the ability to receive up to 110% to 125% of the target number of PRSUs originally granted. In the first quarter of 2014, the Compensation Committee certified actual performance achievement for PRSUs granted in 2013, and as a result, 507,000 shares became eligible to vest. The achieved PRSUs vest ratably over four years on the annual anniversary dates of the grant, contingent upon the recipient's continued service to the Company. The weighted-average grant date fair value of 2013 PRSUs was $37.42 per share.

The performance period for the 224,000 target number of PRSUs granted in 2012 was the 2012 year. Certain participants had the ability to receive up to 150% of the target number of PRSUs originally granted. In the first quarter of 2013, the Compensation Committee certified the actual performance achievement of participants for PRSUs granted in 2012. The performance metrics were not achieved, and therefore no PRSUs became eligible to vest. All 224,000 target PRSUs granted were cancelled. The Company did not record any stock-based compensation related to these performance awards.

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A summary of PRSU activity granted in 2013, certified and actually achieved through December 31, 2014 is presented below (in thousands):

	Number of Shares
Outstanding at December 31, 2013	—
Achieved	507
Released	(127)
Forfeited	(74)
Outstanding at December 31, 2014	306

The fair value of PRSUs released during the year ended December 31, 2014 was approximately $4.9 million.
As of December 31, 2014, the PSRUs granted in 2014 had not been certified by the Compensation Committee of the Board of Directors as achieved. A summary of PRSU activity through December 31, 2014 is presented below (in thousands):

	Number of Shares
Outstanding at December 31, 2013	—
Granted	223
Forfeited	(12)
Outstanding at December 31, 2014	211

As of December 31, 2014, there was approximately 517,000 unvested PRSUs with a fair value of $19.5 million. The Company expects to recognize the fair value of the unvested PRSUs over a weighted-average period of 1.20 years. In the first quarter of 2015, the Compensation Committee certified actual performance achievement for PRSUs granted in 2014, and as a result, 138,000 shares out of the 211,000 shares became eligible to vest.
Disclosures Pertaining to All Stock-based Compensation Plans
The weighted-average fair value of options granted during 2014, 2013, and 2012 was $11.02, $8.96, and $12.06, respectively. No options were granted with exercise prices less than fair value at the date of grant in 2014, 2013, and 2012. The total intrinsic value of options exercised for the years ended, December 31, 2014, 2013, and 2012 was $70.5 million, $58.4 million, and $53.5 million, respectively. The weighted average grant date fair value of unvested RSUs for the years ended December 31, 2014, 2013, and 2012 was $36.93, $38.50, and $38.08, respectively. The RSUs granted in 2014 vest in 2015 through 2018. The weighted-average grant date fair value of unvested PRSUs for the year ended December 31, 2014 was $37.76. The weighted-average grant date fair value of employee stock purchase shares granted under the ESPP for the years ended December 31, 2014, 2013, and 2012 was $8.21, $10.01, and $9.93, respectively. The total intrinsic value of stock purchase shares granted under the ESPP exercised during the years ended December 31, 2014, 2013, and 2012 was $3.9 million, $6.5 million, and $2.8 million, respectively. Upon the exercise of options and stock purchase shares granted under the ESPP, the Company issues new common stock from its authorized shares.
Cash received from option exercises and ESPP contributions under all stock-based compensation arrangements for the years ended December 31, 2014, 2013, and 2012 were $59.0 million, $58.7 million, and $41.4 million, respectively. The total realized tax benefits attributable to stock options exercised and restricted stock units vested were $0.4 million, $26.1 million, and $16.5 million for the years ended December 31, 2014, 2013, and 2012, respectively. The gross excess tax benefits from stock-based compensation for the years ended December 31, 2014, 2013, and 2012 were $3.8 million, $27.5 million, and $17.0 million, respectively, as reported on the consolidated statements of cash flows in the financing activities section, which represent a reduction in income taxes otherwise payable during the periods. These amounts are related to the actual gross tax benefits in excess of the expected tax benefits for stock options exercised in 2014, 2013, and 2012.

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Note 9. Accumulated Other Comprehensive Loss
The following table summarizes the changes in accumulated balances for each component of other comprehensive income (loss), for the year ended December 31, 2014, net of taxes (in thousands):

	Cumulative Translation Adjustments	Net Unrealized Gain (Loss) on Available-for-Sale Investments	Net Unrealized Gain (Loss) on Cash Flow Hedges	Total
Accumulated other comprehensive income (loss) as of December 31, 2013	$(2,879)	$ 63	$(396)	$(3,212)
Other comprehensive income (loss):				
Other comprehensive income (loss) before reclassifications, net of tax benefit (expense) of $664, $111 and $(483)	(28,433)	(181)	787	(27,827)
Net gain from discontinuance of cash flow hedges, net of tax expense of $-, $- and $(3)	—	—	6	6
Net gain reclassified from accumulated other comprehensive income (loss), net of tax expense of $ —, $(7) and $(453)	—	(11) (i)	(739) (ii)	(750)
Net gain reclassified into earnings related to discontinuance of cash flow hedges, net of tax expense of $-, $- and $(3)	—	—	(6) (iii)	(6)
Total other comprehensive income (loss), net of tax effect (iv)	(28,433)	(192)	48	(28,577)
Accumulated other comprehensive loss as of December 31, 2014	$(31,312)	$ (129)	$(348)	$(31,789)

(i) The before-tax gain of $18 was included in other expense, net on the consolidated statements of income.
(ii) The before-tax gain of $287 and $905 were included in cost of service revenues and operating expenses, primarily research and development expense, respectively on the consolidated statements of income.
(iii) The before-tax gain of $2 and $7 were included in cost of service revenues and operating expenses, primarily research and development expense, respectively on the consolidated statements of income.
(iv) The tax expense related to the net gain reclassified from accumulated other comprehensive income (loss) was included in income tax provision on the consolidated statements of income.

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The following table summarizes the changes in accumulated balances for each component of other comprehensive income (loss), for the year ended December 31, 2013, net of taxes (in thousands):

	Cumulative Translation Adjustments	Net Unrealized Gain (Loss) on Available-for-Sale Investments	Net Unrealized Loss on Cash Flow Hedges	Total
Accumulated other comprehensive income (loss) as of December 31, 2012	$(8,012)	$ 242	$(260)	$(8,030)
Other comprehensive income (loss):				
Other comprehensive income (loss) before reclassifications, net of tax benefit (expense) of $(172), $126 and $794	5,133	(205)	(1,295)	3,633
Net loss reclassified from accumulated other comprehensive income (loss), net of tax benefit of $ —, $16 and $710	—	26 (i)	1,159 (ii)	1,185
Total other comprehensive income (loss), net of tax effect (iii)	5,133	(179)	(136)	4,818
Accumulated other comprehensive income (loss) as of December 31, 2013	$(2,879)	$ 63	$(396)	$(3,212)

(i) The before-tax loss of $42 was included in other expense, net on the consolidated statements of income.
(ii) The before-tax loss of $441 and $1,428 were included in cost of service revenues and operating expenses, primarily research and development expense, respectively on the consolidated statements of income.
(iii) The tax benefit related to the net loss reclassified from accumulated other comprehensive income (loss) was included in income tax provision on the consolidated statements of income.

The Company did not have any other-than-temporary gain or loss reflected in accumulated other comprehensive income (loss) as of December 31, 2014 and 2013.

The Company determines the basis of the cost of a security sold and the amount reclassified out of other comprehensive income into statement of income based on specific identification.

See Note 2. Summary of Significant Accounting Policies, Note 10. Derivative Financial Instruments, and Note 14. Commitments and Contingencies of Notes to Consolidated Financial Statements for a further discussion.

Note 10. Derivative Financial Instruments

The Company's earnings and cash flows are subject to fluctuations due to changes in foreign currency exchange rates. The Company uses derivative instruments to manage its exposures to fluctuations in certain foreign currency exchange rates which exist as part of ongoing business operations. The Company and its subsidiaries do not enter into derivative contracts for speculative purposes.

Cash Flow Hedges

The Company enters into certain cash flow hedge programs in an attempt to reduce the impact of certain foreign currency fluctuations. These contracts are designated and documented as cash flow hedges. The purpose of these programs is to reduce the volatility of identified cash flow and expenses caused by movement in certain foreign currency exchange rates, in particular, the Indian rupee. The Company is currently using foreign exchange forward contracts to hedge the foreign currency anticipated expenses of its subsidiary in India.

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The Company releases the amounts accumulated in other comprehensive income into earnings in the same period or periods during which the forecasted hedge transaction affects earnings. The Company will reclassify all amounts accumulated in other comprehensive income into earnings within the next twelve months. During 2014, an insignificant amount of gain was reclassified into earnings as a result of the discontinuance of cash flow hedges when it was not probable that the original forecasted transactions would occur by the end of the originally specified time period.
The Company has forecasted the amount of its anticipated foreign currency expenses based on its historical performance and its projected financial plan. As of December 31, 2014, the remaining open foreign exchange contracts, carried at fair value, are hedging Indian rupee expenses and have a maturity of thirteen months or less. These foreign exchange contracts mature monthly as the foreign currency denominated expenses are paid and any gain or loss is offset against expense. Once the hedged item is recognized, the cash flow hedge is de-designated and subsequent changes in value are recognized in other income (expense) to offset changes in the value of the resulting foreign currency monetary assets or liabilities.
The notional amounts of these foreign exchange forward contracts in U.S. dollar equivalents were to buy $45.9 million and $30.1 million of Indian rupees as of December 31, 2014 and 2013, respectively.
Balance Sheet Hedges
Balance sheet hedges consist of cash flow hedge contracts that have been de-designated and non-designated balance sheet hedges. These foreign exchange contracts are carried at fair value and either did not or no longer qualify for hedge accounting treatment and are not designated as hedging instruments. Changes in the value of the foreign exchange contracts are recognized in other income (expense) and offset the foreign currency gain or loss on the underlying net monetary assets or liabilities. The notional amounts of foreign currency contracts open at year end in U.S. dollar equivalents were to buy $10.6 million and $2.6 million at December 31, 2014 and 2013, respectively. The notional amounts of foreign currency contracts open at year end in U.S. dollar equivalents were to sell $57.1 million at December 31, 2014. There was no open foreign currency contracts to sell at December 31, 2013.
The following table reflects the fair value amounts for the foreign exchange contracts designated and not designated as hedging instruments at December 31, 2014 and 2013 (in thousands):

	December 31, 2014		December 31, 2013	
	Fair Value Derivative Assets (i)	Fair Value Derivative Liabilities (ii)	Fair Value Derivative Assets (i)	Fair Value Derivative Liabilities (iii)
Derivatives designated as hedging instruments	$141	$761	$284	$830
Derivatives not designated as hedging instruments	169	154	—	194
Total fair value of derivative instruments	$310	$915	$284	$1,024

(i) Included in prepaid expenses and other current assets on the consolidated balance sheets.
(ii) Included in accrued liabilities and other liabilities on the consolidated balance sheets.
(iii) Included in accrued liabilities on the consolidated balance sheets.
The Company presents its derivative assets and derivative liabilities at gross fair values in the consolidated balance sheets. However, under the master netting arrangements with the respective counterparties of the foreign exchange contracts, subject to applicable requirements, the Company is allowed to net settle transactions of the same currency with a single net amount payable by one party to the other. The derivatives held by the Company are not subject to any credit contingent features negotiated with its counterparties. The Company is not required to pledge nor is entitled to receive cash collateral related to the above contracts.

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The following table sets forth the offsetting of derivative asset as of December 31, 2014 and 2013 (in thousands):

	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts of Assets Presented in the Consolidated Balance Sheets	Gross Amounts Not Offset in the Consolidated Balance Sheets		Net Amount
				Financial Instruments [i]	Cash Collateral	
As of December 31, 2014:						
Foreign exchange contracts	$310	$—	$310	$(62)	$—	$248
As of December 31, 2013:						
Foreign exchange contracts	$284	$—	$284	$(268)	$—	$16

(i) The balances at December 31, 2014 and 2013 were related to derivative liabilities which are allowed to net settled against derivative assets in accordance with the master netting agreements.

The following table sets forth the offsetting of derivative liabilities as of December 31, 2014 and 2013 (in thousands):

	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts of Liabilities Presented in the Consolidated Balance Sheets	Gross Amounts Not Offset in the Consolidated Balance Sheets		Net Amount
				Financial Instruments [ii]	Cash Collateral	
As of December 31, 2014:						
Foreign exchange contracts	$915	$—	$915	$(62)	$—	$853
As of December 31, 2013:						
Foreign exchange contracts	$1,024	$—	$1,024	$(268)	$—	$756

(ii) The balances at December 31, 2014 and 2013 were related to derivative assets which are allowed to net settled against derivative liabilities in accordance with the master netting agreements.

The Company evaluates prospectively as well as retrospectively the effectiveness of its hedge programs using statistical analysis. Prospective testing is performed at the inception of the hedge relationship and quarterly thereafter. Retrospective testing is performed on a quarterly basis. In October 2013, the Company changed its effectiveness assessment method from the spot to spot price method to include time value in the assessment. Prospectively, the Company includes all changes in value that are

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effective including changes in time value to accumulated other comprehensive income. The Company no longer records amounts as an excluded component of the hedge relationship.
The before-tax effects of derivative instruments designated as cash flow hedges on the accumulated other comprehensive income (loss) and consolidated statements of income for the years ended December 31, 2014, 2013, and 2012 are as follows (in thousands):

	Years Ended December 31,		
	2014	2013	2012
Amount of gain (loss) recognized in other comprehensive income (effective portion)	$1,270	$(2,089)	$(594)
Amount of gain (loss) reclassified from accumulated other comprehensive income to cost of service revenues and operating expenses (effective portion)	$1,192	$(1,869)	$(2,275)
Amount of gain recognized in income on derivatives for the amount excluded from effectiveness testing located in operating expenses	$—	$728	$1,227
Amount of loss on derivatives due to hedge ineffectiveness recognized in cost of service revenues and operating expenses	$135	$—	$—

The before-tax loss recognized in other expense, net for non-designated foreign currency forward contracts for the years ended December 31, 2014, 2013, and 2012 is as follows (in thousands):

	Years Ended December 31,		
	2014	2013	2012
Loss recognized in interest and other expense, net	$(152)	$(161)	$(904)

See Note 2. Summary of Significant Accounting Policies and Note 9. Accumulated Other Comprehensive Loss, and Note 14. Commitments and Contingencies of Notes to Consolidated Financial Statements for a further discussion.

Note 11. Employee 401(K) Plan

The Company's employee savings and retirement plan (the "Plan") is qualified under Section 401 of the Internal Revenue Code. The Plan is available to all regular employees on the Company's U.S. payroll and provides employees with tax deferred salary deductions and alternative investment options. Employees may contribute up to 50% of their salary up to the statutory prescribed annual limit. The Company matches 50% of the contribution made by an employee, up to a maximum of $4,000 per calendar year. Contributions made by the Company vest 100% upon contribution. The Company contributed $5.2 million, $4.5 million, and $3.6 million for the years ended December 31, 2014, 2013, and 2012 respectively. In addition, the Plan provides for discretionary contributions at the discretion of the Board of Directors. No discretionary contributions have been made by the Company to date.

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Note 12. Income Taxes
The federal, state, and foreign income tax provisions for the years ended December 31, 2014, 2013, and 2012 are summarized as follows (in thousands):

	Years Ended December 31,		
	2014	2013	2012
Current tax provision:			
Federal	$39,903	$65,344	$35,481
State	7,982	10,167	4,337
Foreign	9,704	2,882	9,417
Total current tax provision	57,589	78,393	49,235
Deferred tax provision:			
Federal	(859)	(24,469)	(3,044)
State	1,686	(3,334)	597
Foreign	(2,210)	3,737	(2,203)
Total deferred tax provision	(1,383)	(24,066)	(4,650)
Total provision for income taxes	$56,206	$54,327	$44,585

The components of income before income taxes attributable to domestic and foreign operations are as follows (in thousands):

	Years Ended December 31,		
	2014	2013	2012
Domestic	$128,857	$118,939	$87,981
Foreign	41,436	21,783	49,786
Income before income taxes	$170,293	$140,722	$137,767

A reconciliation of the provision computed at the statutory federal income tax rate to the Company's income tax provision is as follows (in thousands):

	Years Ended December 31,		
	2014	2013	2012
Income tax provision computed at federal statutory tax rate	$59,603	$49,253	$48,218
State taxes, net of federal benefit	5,970	4,208	3,276
Foreign earnings taxed at different rates	(4,292)	5,395	(9,557)
Stock-based compensation	4,475	3,397	3,270
Return to provision true-up	(2,238)	(668)	92
Research and development tax credits	(2,707)	(3,715)	—
Domestic manufacturing deduction	(4,025)	(3,150)	(2,100)
Other	(580)	(393)	1,386
Total provision for income taxes	$56,206	$54,327	$44,585

The higher tax rate for 2013 was primarily attributable to non-deductible stock-based compensation, state income taxes, the accrual of reserves related to uncertain tax positions and acquisition integration related income tax expenses resulted in higher taxes in our foreign earnings partially offset by the domestic manufacturing deduction pursuant to Section 199 of the Internal Revenue Code and the recognition of the 2012 and 2013 federal research and development credits.

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Significant components of the Company's deferred tax assets are as follows (in thousands):

	December 31, 2014	2013
Deferred tax assets:		
Net operating loss carryforwards	$28,168	$23,710
Tax credits carryforwards	9,883	10,131
Deferred revenue	18,198	19,240
Reserves and accrued costs not currently deductible	15,984	15,097
Depreciable assets	7,767	6,450
Stock-based compensation	23,814	20,149
Other	2,100	381
Valuation allowance	(8,298)	(4,552)
Total deferred tax assets	97,616	90,606
Deferred tax liabilities:		
Non-deductible intangible assets [i]	(18,717)	(12,887)
Total deferred tax liabilities	(18,717)	(12,887)
Net deferred tax assets	$78,899	$77,719

(i) The Company included approximately $44 thousand of long-term deferred tax liabilities in other liabilities on the consolidated balance sheet as of December, 31, 2013.

ASC 740, Income Taxes, provides for the recognition of deferred tax assets if realization of such assets is more likely than not. In assessing the need for any additional valuation allowance in 2014, the Company considered all available evidence both positive and negative, including historical levels of income, legislative developments, expectations and risks associated with estimates of future taxable income, and ongoing prudent and feasible tax planning strategies. As a result of this analysis for the year ended December 31, 2014, it was considered more likely than not that our deferred tax assets would be realized except for any increase to the deferred tax asset related to the California research and development credit and operating losses incurred in certain foreign jurisdictions. A valuation allowance of $5.6 million has been recorded against this portion of the credit, even though this tax attribute has an indefinite life.

As of December 31, 2014, the Company had U.S. federal and state net operating loss carryforwards of approximately $71.4 million and $2.2 million, respectively. If not utilized, the federal and state net operating loss carryforwards will start to expire in 2015. The Company has state research and development tax credit carryforwards of approximately $6.2 million that do not expire. The utilization of the Company's U.S. net operating losses is subject to various limitations under Section 382 and similar state tax provisions. The Company does not anticipate any expiration of the U.S. net operating loss carryforwards prior to their utilization.

As of December 31, 2014, the Company’s international subsidiaries had combined net operating loss carryforwards of $2.7 million that do not expire. The Company believed that it is more likely than not that the benefit from some of these net operating loss carryforwards will not be realized and provided a full valuation allowance relating to these net operating loss carryforwards.

The Company has not provided for U.S. federal and foreign withholding taxes on $128.2 million of undistributed earnings from its foreign subsidiaries as of December 31, 2014 because the Company intends to indefinitely reinvest such earnings offshore. The Company makes the determination of whether to accrue taxes on such earnings on an entity by entity basis. The residual tax liability if such earnings were remitted may be reduced by foreign tax credits and other tax adjustments. It is not practicable to determine the tax liability that might be incurred if these earnings were repatriated.

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Explanation of Responses:

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A reconciliation of the beginning and ending amount of the unrecognized tax benefits is as follows (in thousands):

	December 31,		
	2014	2013	2012
Beginning balance	$29,174	$21,079	$16,298
Additions for tax positions of prior years	2,283	672	2,407
Reductions for tax positions of prior years	(636)	(668)	(475)
Additions based on tax positions related to the current year	5,429	9,671	4,335
Reductions due to lapse of statute of limitations	(2,893)	(1,580)	(1,486)
Reductions due to settlements	(162)	—	—
Ending balance	$33,195	$29,174	$21,079

The unrecognized tax benefits, if recognized, would impact the income tax provision by $27.1 million, $25.9 million, and $18.9 million for the years ended December 31, 2014, 2013, and 2012, respectively. The unrecognized tax benefits were $33.2 million, $29.2 million, and $21.1 million as of December 31, 2014, 2013, and 2012, respectively.
The Company has elected to include interest and penalties as a component of income tax expense. Accrued interest and penalties at December 31, 2014 and 2013 were approximately $2.1 million and $3.2 million, respectively. The Company does not anticipate that the amount of existing unrecognized tax benefits will significantly increase or decrease within the next 12 months.
The Company files income tax returns in the U.S. federal jurisdiction and in various U.S. states and foreign jurisdictions. As of December 31, 2014, the Company is in various stages of examinations and appeals in connection with its taxes in U.S. states and foreign jurisdictions, which generally span tax years 2004 through 2012.
Although the outcome of any tax audit is uncertain, the Company believes that it has adequately provided in its financial statements for any additional taxes that it may be required to pay as a result of such examinations. The Company regularly assesses the likelihood of outcomes resulting from these examinations to determine the adequacy of its provision for income taxes, and believes the reserve to be reasonable. If tax payments are ultimately proved to be unnecessary, the reversal of these tax liabilities would result in tax benefits in the period when the Company concluded such determination. However, if an ultimate tax assessment exceeds its estimate of tax liabilities, an additional tax provision might be required.

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Note 13. Net Income per Common Share
Basic net income per share is computed using the weighted-average number of common shares outstanding during the period. Diluted net income per share reflects the potential dilution of securities by adding other common stock equivalents, primarily stock options and restricted stock units, to the weighted-average number of common shares outstanding during the period, if dilutive. Potentially dilutive securities have been excluded from the computation of diluted net income per share if their inclusion is anti-dilutive.
The calculation of basic and diluted net income per share is as follows (in thousands, except per share amounts):

	Years Ended December 31,		
	2014	2013	2012
Net income	$114,087	$86,395	$93,182
Weighted-average shares of common stock used to compute basic net income per share	109,199	108,146	107,874
Effect of dilutive common stock equivalents:			
Dilutive effect of employee stock options	1,004	2,925	3,863
Dilutive effect of unvested restricted stock units	757	323	352
Weighted-average shares of common stock used to compute diluted net income per share	110,960	111,394	112,089
Net income per share-basic	$1.04	$0.80	$0.86
Net income per share-diluted	$1.03	$0.78	$0.83
Weighted average stock options and restricted stock units excluded from calculation due to anti-dilutive effect	5,166	5,666	3,844

Note 14. Commitments and Contingencies
Lease Obligations
The Company leases certain office facilities under various non-cancelable operating leases, which expire at various dates through 2024 and require the Company to pay operating costs, including property taxes, insurance, and maintenance. Rental expense was $14.7 million, $16.3 million, and $15.1 million in 2014, 2013, and 2012, respectively.
Future minimum lease payments as of December 31, 2014 under non-cancelable operating leases with original terms in excess of one year are summarized as follows (in thousands):

	Operating Leases
2015	$11,709
2016	9,733
2017	8,326
2018	7,697
2019	6,169
Thereafter	8,363
Total future minimum operating lease payments	$51,997

Warranties
The Company generally provides a warranty for its software products and services to its customers for a period of three to six months and accounts for its warranties. The Company’s software products’ media are generally warranted to be free from defects in materials and workmanship under normal use, and the products are also generally warranted to substantially perform as described in certain Company documentation and the product specifications. The Company’s services are generally warranted

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to be performed in a professional manner and to materially conform to the specifications set forth in a customer's signed contract. In the event there is a failure of such warranties, the Company generally will correct or provide a reasonable work-around or replacement product. To date, the Company's product warranty expense has not been significant. The warranty accrual as of December 31, 2014 and 2013 was not material.

Indemnification

The Company's software license agreements generally include certain provisions for indemnifying the customer against losses, expenses, liabilities, and damages that may be awarded against the customer in the event the Company's software is found to infringe upon a patent, copyright, trademark, or other proprietary right of a third party. The agreements generally limit the scope of and remedies for such indemnification obligations in a variety of industry-standard respects, including but not limited to certain time and scope limitations and a right to replace an infringing product with a non-infringing product.

The Company believes its internal development processes and other policies and practices limit its exposure related to these indemnification provisions. In addition, the Company requires its employees to sign a proprietary information and inventions agreement, which assigns the rights to its employees' development work to the Company. To date, the Company has not had to reimburse any of its customers for any losses related to these indemnification provisions, and no material claims against the Company are outstanding as of December 31, 2014. The Company cannot determine the maximum amount of potential future payments, if any, related to such indemnification provisions due to the limited and infrequent history of prior indemnification claims.

As permitted under Delaware law, the Company has agreements whereby the Company indemnifies its officers and directors for certain events or occurrences while the officer or director is, or was serving, at our request, in such capacity. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, the Company has director and officer insurance coverage that reduces the Company's exposure and enables the Company to recover a portion of any future amounts paid. The Company believes the estimated fair value of these indemnification agreements in excess of applicable insurance coverage is minimal.

The Company accrues for loss contingencies when available information indicates that it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated in accordance with ASC 450, Contingencies.

Derivative Financial Instruments

The Company uses derivative instruments to manage its exposure to fluctuations in certain foreign currency exchange rates which exist as part of ongoing business operations. See Note 2. Summary of Significant Accounting Policies, Note 9. Accumulated Other Comprehensive Loss, and Note 10. Derivative Financial Instruments of Notes to Consolidated Financial Statements for a further discussion.

Note 15. Litigation

The Company is a party to various legal proceedings and claims arising from the normal course of its business activities, including proceedings and claims related to patents and other intellectual property related matters. The Company reviews the status of each matter and records a provision for a liability when it is considered both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These provisions are reviewed quarterly and adjusted as additional information becomes available. If both of the criteria are not met, the Company assesses whether there is at least a reasonable possibility that a loss, or additional losses, may be incurred. If there is a reasonable possibility that a material loss may be incurred, the Company discloses the estimate of the possible loss, range of loss, or a statement that such an estimate cannot be made.

Litigation is subject to inherent uncertainties. Were an unfavorable outcome to occur, there exists the possibility of a material adverse impact on the Company's financial position and results of operation for the period in which the unfavorable outcome occurred, and potentially in future periods.

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Note 16. Related Party Transaction
Mark A. Bertelsen, a director of the Company since September 2002, serves as a member of Wilson Sonsini Goodrich & Rosati ("WSGR"), our principal outside legal counsel. Fees paid by the Company to WSGR for legal services rendered for the years ended December 31, 2014, 2013, and 2012 were $1.0 million, $1.9 million, and $1.0 million, respectively. The Company believes that the services rendered by WSGR were provided on terms no more or less favorable than those with unrelated parties.
Note 17. Significant Customer Information and Segment Information
The Company is organized and operates in a single segment: the design, development, marketing, and sales of software solutions. The Company's chief operating decision maker is its Chief Executive Officer, who reviews financial information presented on a consolidated basis for purposes of making operating decisions and assessing financial performance. The Company markets its products and services in the United States and in foreign countries through its direct sales force and indirect distribution channels.
No customer accounted for more than 10% of revenue in 2014, 2013, and 2012. At December 31, 2014 and 2013, no customer accounted for more than 10% of the accounts receivable balance. North America revenues include the United States and Canada. Revenue from international customers (defined as those customers outside of North America) accounted for 34%, 32% and 35% of total revenues in 2014, 2013, and 2012, respectively.
Total revenue by geographic region is summarized as follows (in thousands):

	Years Ended December 31,		
	2014	2013	2012
Revenues:			
North America	$688,186	$642,707	$524,191
Europe, the Middle East, and Africa	241,785	211,504	202,861
Other	117,983	93,960	84,519
Total revenues	$1,047,954	$948,171	$811,571

Property and equipment, net by geographic region is summarized as follows (in thousands):

	December 31,	
	2014	2013
Property and equipment, net:		
North America	$143,482	$147,460
Europe, the Middle East, and Africa	10,902	4,907
Other	5,324	4,941
Total property and equipment, net	$159,708	$157,308

The Company derives revenues from sales of software licenses, subscription-based licenses for a variety of cloud and data-as-a-service offerings, maintenance and support services, and professional services, consisting of consulting and education services. It is impracticable to disaggregate software license and subscription revenues by product. The Company's disaggregated revenue information is as follows (in thousands):

	Years Ended December 31,		
	2014	2013	2012
Software revenues:			
License	$387,660	$367,074	$320,982
Subscription	69,704	46,664	29,193
Total software revenues	457,364	413,738	350,175
Service revenues:			
Maintenance	456,718	409,325	360,769
Consulting and education	133,872	125,108	100,627
Total service revenues	590,590	534,433	461,396

Total revenues	$1,047,954	$948,171	$811,571

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Note 18. Selected Quarterly Financial Information (Unaudited)

	Three Months Ended			
	December 31, 2014	September 30, 2014	June 30, 2014	March 31, 2014
	(In thousands, except per share data)			
Total revenues	$303,744	$250,400	$250,713	$243,097
Gross profit	$252,390	$200,320	$201,634	$195,764
Income from operations	$65,440	$33,405	$33,826	$36,817
Net income	$43,592	$22,813	$22,829	$24,853
Net income per common share:				
Basic	$0.40	$0.21	$0.21	$0.23
Diluted	$0.40	$0.21	$0.20	$0.22
Shares used in computing net income per common share:				
Basic	108,663	109,231	109,739	109,164
Diluted	109,988	110,314	111,601	111,935

	Three Months Ended			
	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013
	(In thousands, except per share data)			
Total revenues	$276,038	$235,394	$222,439	$214,300
Gross profit	$228,794	$189,838	$177,854	$170,404
Income from operations	$61,027	$27,206	$25,931	$24,699
Net income	$39,918	$10,404	$18,166	$17,907
Net income per common share:				
Basic	$0.37	$0.10	$0.17	$0.17
Diluted	$0.36	$0.09	$0.16	$0.16
Shares used in computing net income per common share:				
Basic	108,462	108,305	108,138	107,669
Diluted	111,457	111,501	111,344	111,263

Note 19. Acquisitions
Acquisitions in 2014:
Proact Business Transformation Inc.
In November 2014, the Company acquired assets of Proact Business Transformation Inc. (“Proact”) for $4.0 million in cash. Proact provides enterprise architecture business transformation solutions including frameworks, methods, and industry reference models to assist with strategic planning of clients' information technology needs. The purchase was accounted for using the acquisition method. Total assets acquired were approximately $4.0 million of which approximately $2.7 million and $1.3 million was allocated to goodwill and identifiable intangible assets, respectively. The goodwill is deductible for tax purposes.

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StrikeIron

In June 2014, the Company acquired all outstanding shares of StrikeIron, Inc. (“StrikeIron”), for aggregate consideration of approximately $54.6 million. StrikeIron provides cloud-based data-as-a-service for email and contact validation, and will enable the Company to enhance its cloud-based product portfolio. The goodwill is not deductible for tax purposes.

Approximately $8.3 million of the consideration otherwise payable to former StrikeIron stockholders was placed into an escrow fund and held as partial security for the indemnification obligations of the former StrikeIron stockholders. The escrow fund will remain in place until September 2015.

The following table summarizes the fair value of assets acquired and liabilities assumed of $50.5 million and the acquiree's transaction related costs and debt settlement of $4.1 million, which were paid by the Company (in thousands):

Assumed liabilities, net of assets	$(3,499)
Identifiable intangible assets:	
Developed and core technology	13,900
Customer relationships	3,500
Covenants not to compete	450
Trade names	40
Total identifiable net assets	14,391
Goodwill	36,116
Total assets acquired and liabilities assumed	50,507
Acquiree's transaction related costs and debt settlement	4,138
Total	$54,645

Acquisition in 2013:

Active Endpoints

In February 2013, the Company acquired Active Endpoints, Inc. (“Active Endpoints”), a privately-held company, for approximately $10.0 million in cash. Active Endpoints designs, markets, and supports on-premise and cloud based process automation software solutions. Total assets acquired and liabilities assumed were approximately $10.0 million of which approximately $7.1 million was allocated to goodwill, $3.8 million was allocated to identifiable intangible assets, and $0.9 million to net liabilities assumed. The goodwill is not deductible for tax purposes.

Approximately $1.5 million of the consideration otherwise payable to former Active Endpoints stockholders was placed into an escrow and held as partial security for certain indemnification obligations. The entire escrow fund was released in the second quarter of 2014.

Heiler Software AG

In November 2012, the Company acquired a majority interest in the shares of Heiler Software, a publicly-traded German company, at the end of the initial acceptance period of the takeover offer. The Company purchased the majority interest for approximately $101.9 million. Heiler Software provides enterprise product information management, MDM and procurement solutions that enable retailers, distributors and manufacturers to manage product information across channels and data sources. As of December 31, 2012, the Company held approximately 97.7 percent of the outstanding shares of Heiler Software. During December 2012 and the first half of 2013, the Company acquired other shareholders' interest in Heiler Software for approximately $6.8 million, which extinguished recorded liabilities to noncontrolling shareholders. Total cash consideration was approximately $108.7 million. The squeeze-out of the remaining shareholders was effective in the second quarter of 2013, increasing the Company's ownership in Heiler Software to 100 percent.

The fair value of the noncontrolling interest in Heiler Software at the acquisition date was $2.9 million. The valuation techniques and significant inputs used to measure the fair value of the noncontrolling interest included quoted market prices.

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The following table summarizes the fair value of assets acquired and liabilities assumed at the acquisition date (in thousands):

Net tangible assets	$16,400
Identifiable intangible assets:	
Developed and core technology	16,586
Customer relationships	5,339
Contract backlog	648
Trade names	298
In-process research and development	3,784
Noncontrolling interest	(2,861)
Total identifiable net assets	40,194
Goodwill	61,660
Total cash consideration	$101,854

During the first quarter of 2013, the Company recorded $2.8 million of additional accrued liabilities during the measurement period. The goodwill is not deductible for tax purposes.

The Company’s business combinations completed in 2014 and 2013, either individually or in aggregate, did not have a material impact on the Company’s consolidated financial statements, and therefore pro forma disclosures have not been presented. The Company included the financial results of these acquired companies in its consolidated financial statements from their respective acquisition dates.

Note 20. Subsequent Event

In February 2015, the Company entered into two separate accelerated share repurchase ("ASR") agreements with two financial institutions to repurchase an aggregate of $300 million of the Company's common stock. Under the ASR agreements, the Company paid an aggregate of $300 million in cash and received an initial delivery of approximately 5.7 million shares on February 4, 2015. The final number of shares the Company will repurchase under the ASR agreements will be based generally upon the daily volume-weighted average price of the Company’s common stock during the repurchase period, less an agreed upon discount during the term of the transactions. The final settlement of the ASR agreements is expected to occur no later than the second quarter of 2015.

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures. Our management evaluated, with the participation of our Chief Executive Officer and our Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Report. Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1943, were effective at the reasonable assurance level to ensure that information we are required to disclose in reports that we file or submit under the Securities Exchange Act of 1934 (1) is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission rules and forms, and (2) is accumulated and communicated to Informatica's management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Our disclosure controls and procedures are designed to provide reasonable assurance that such information is accumulated and communicated to our management. Our disclosure controls and procedures include components of our internal control over financial reporting. Management's assessment of the effectiveness of our internal control over financial reporting is expressed at the level of reasonable assurance because a control system, no matter how well designed and operated, can provide only reasonable, but not absolute, assurance that the control system's objectives will be met.

(b) Management's annual report on internal control over financial reporting. Management of Informatica is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Informatica's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements due to human error, or the improper circumvention or overriding of internal controls. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions and that the degree of compliance with the policies or procedures may change over time.

Management assessed the effectiveness of Informatica's internal control over financial reporting as of December 31, 2014. In making this assessment, management used the criteria set forth in the Internal Control-Integrated Framework (2013 framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on its assessment of internal control over financial reporting, management has concluded that, as of December 31, 2014, Informatica's internal control over financial reporting was effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Informatica's independent registered public accounting firm, Ernst & Young LLP, has issued an attestation report on the effectiveness of Informatica's internal control over financial reporting, included in Part II, Item 8 of this Report.

(c) Change in internal control over financial reporting. There were no changes in our internal controls over financial reporting that occurred during the fourth quarter of 2014 that have materially affected, or are reasonably likely to

materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not applicable.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Executive Officers of the Registrant

The following table sets forth certain information concerning our executive officers as of February 1, 2015:

Name	Age	Position(s)
Sohaib Abbasi	58	Chairman of the Board, Chief Executive Officer and President
Michael Berry	51	Executive Vice President and Chief Financial Officer
Margaret Breya	53	Executive Vice President and Chief Marketing Officer
Anil Chakravarthy	47	Executive Vice President and Chief Product Officer
Ivan Chong	47	Executive Vice President and Chief Strategy Officer
Earl Fry	56	Executive Vice President, Operations Strategy and Chief Customer Officer
Charles Race	43	Executive Vice President, Worldwide Field Operations
Jo Stoner	44	Executive Vice President and Chief Human Resources Officer

Our executive officers are appointed by, and serve at the discretion of, the Board of Directors. There is no family relationship between any of our executive officers or directors.

Sohaib Abbasi has been our President and Chief Executive Officer since July 2004 and a member of our Board of Directors since February 2004. From 2001 to 2003, Mr. Abbasi was Senior Vice President, Oracle Tools Division and Oracle Education at Oracle Corporation, which he joined in 1982. From 1994 to 2000, he was Senior Vice President Oracle Tools Product Division at Oracle Corporation. Mr. Abbasi graduated with honors from the University of Illinois at Urbana-Champaign in 1980, where he earned both a B.S. and an M.S. degree in computer science. Mr. Abbasi serves on the board of directors of Red Hat, Inc.

Michael Berry joined Informatica as our Executive Vice President and Chief Financial Officer in November 2014. Prior to joining Informatica, Mr. Berry served as Chief Financial Officer at IO Data Centers from October 2013 to October 2014. Prior to joining IO, Mr. Berry served as Executive Vice President and Chief Financial Officer at SolarWinds, Inc. from November 2011 to October 2013, after joining SolarWinds as Senior Vice President and Chief Financial Officer in March 2010. Mr. Berry was also Executive Vice President, Finance and Accounting, and Chief Financial Officer of i2 Technologies, Inc., from August 2005 to January 2010. Prior to i2, Mr. Berry held various positions at The Reynolds and Reynolds Company, Inc., including as Senior Vice President of Solutions Management, Development and Operations and Senior Vice President of Services. Mr. Berry holds a B.A. degree in finance from Augsburg College and a M.B.A. degree in finance from the University of St. Thomas.

Margaret Breya joined Informatica in December 2012 as our Executive Vice President and Chief Marketing Officer. Prior to joining Informatica, Ms. Breya held various positions at Hewlett-Packard from November 2010 to December 2012, most recently as Senior Vice President of Marketing Services. Ms. Breya also served as Executive Vice President and General Manager at SAP from January 2008 to November 2010. In addition, Ms. Breya served as Executive Vice President, General Manager and Chief Marketing Officer at Business Objects, Chief Marketing Officer and Chief Strategy Officer at BEA Systems, and in various positions at Sun Microsystems, including as Senior Vice President of Marketing. Ms. Breya holds a B.S. degree in electrical engineering from the University of Illinois and a M.B.A. degree from the University of Oregon. Ms. Breya serves on the board of directors of Jive Software, Inc.

Anil Chakravarthy joined Informatica in September 2013 as our Executive Vice President and Chief Product Officer. Prior to joining Informatica, Mr. Chakravarthy held various positions at Symantec Corporation from May 2004 to September 2013, most recently as Executive Vice President of Information Security. Prior to Symantec, Mr. Chakravarthy also led product management for enterprise security services at VeriSign from December 2001 to May 2004. Mr. Chakravarthy received a Bachelor of Technology in Computer Science and Engineering from the Institute of Technology, Varanasi, India, and received his M.S. and Ph.D. from the Massachusetts Institute of Technology.

Ivan Chong joined Informatica in October 1997 with responsibilities overseeing product management for Informatica's flagship product PowerCenter. In February 2005, Mr. Chong became Vice President of Product Marketing. In January 2007, Mr. Chong

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was promoted to Senior Vice President and General Manager for Informatica Data Quality. In January 2010, Mr. Chong was promoted to Executive Vice President. Mr. Chong became our Chief Strategy Officer in October 2013. Prior to joining Informatica, Mr. Chong worked at NetGravity, an Internet advertising startup and had various product management roles at Oracle Corporation within the Oracle Tools Division. Mr. Chong holds both an M.S. degree and a B.S. degree from MIT's Department of Electrical Engineering and Computer Science.

Earl Fry joined Informatica as the Chief Financial Officer and Senior Vice President in December 1999. In July 2002, Mr. Fry became Secretary. In August 2003, Mr. Fry was promoted to Executive Vice President. In January 2010, Mr. Fry was promoted to Chief Administrative Officer and Executive Vice President, Global Customer Support. In November 2014, Mr. Fry assumed his new role as Executive Vice President, Operations Strategy and Chief Customer Officer. Prior to joining Informatica, Mr. Fry served as Vice President and Chief Financial Officer at Omnicell Technologies, Inc. and as Vice President and Chief Financial Officer at C*ATS Software, Inc. Mr. Fry holds a B.B.A. degree in accounting from the University of Hawaii and an M.B.A. degree from Stanford University. Mr. Fry serves on the Board of Directors of Central Pacific Financial Corporation.

Charles Race joined Informatica in February 2005 with responsibilities of developing and leading sales teams across EMEA. In January 2009, Mr. Race became Vice President of Northern Europe for Informatica. In January 2012, Mr. Race was promoted to Senior Vice President, Global Sales Strategy, and later served as Senior Vice President, EMEA Field Operations. In July 2014, Mr. Race was promoted to Executive Vice President, Worldwide Field Operations. Mr. Race also held a variety of leadership roles at Hummingbird, uSwitch, Phillips and Rolls-Royce Industrial Power. He graduated from the University of York with a degree in Computer Science.

Jo Stoner joined Informatica in March 2001 with responsibilities overseeing human resources operations in EMEA. In November 2002, Ms. Stoner became Human Resources Director for Americas and Asia-Pacific. In November 2003, Ms. Stoner was promoted to Senior Vice President, Global Human Resources. In May 2014, Ms. Stoner was promoted to Executive Vice President and Chief Human Resources Officer. Prior to joining Informatica, Ms. Stoner held various HR management roles at British Telecom and startup FirstMark Communications. Ms. Stoner received her undergraduate degree in Industrial Economics with honors from the University of Nottingham in England, and holds a postgraduate HR certification from the Chartered Institute of Personnel and Development.

Information with respect to our Directors, our Code of Business Conduct, and corporate governance matters is included under the caption “Proposal One - Election of Directors” in the Proxy Statement for the 2015 Annual Meeting of Stockholders, which proxy statement will be filed within 120 days of our year ended December 31, 2014 (the “2015 Proxy Statement”), and is incorporated herein by reference. Information regarding delinquent filers pursuant to Item 405 of Regulation S-K is included under the caption “Section 16(a) Beneficial Ownership Reporting Compliance” in the 2015 Proxy Statement and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is included under the captions, “Election of Directors - Director Compensation,” "Compensation Committee Interlocks and Insider Participation," and “Executive Officer Compensation” in the 2015 Proxy Statement and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item is included under the captions “Security Ownership of Principal Stockholders and Management” and “Equity Compensation Plan Information” in the 2015 Proxy Statement and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is included under the captions “Transactions with Management” and “Election of Directors” in the 2015 Proxy Statement and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item is included under the proposal “Ratification of Appointment of Independent Registered Public Accounting Firm” in the 2015 Proxy Statement and is incorporated herein by reference.

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PART IV

ITEM 15. EXHIBITS and FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Annual Report on Form 10-K:

1. Consolidated Financial Statements:

Reference is made to the Index to consolidated financial statements of Informatica Corporation under Item 8 of Part II hereof.

2. Financial Statement Schedule:

The following schedule is included herein:

Valuation and Qualifying Accounts (Schedule II)

All other schedules are omitted because they are not applicable or the amounts are immaterial or the required information is presented in the consolidated financial statements and notes thereto in Part II, Item 8 above.

Schedule II - Valuation and Qualifying Accounts

(In thousands)

Description	Balance at Beginning of Period	Charged to Costs and Expenses	Additions	Deductions	Balance at End of Period
Provision for Doubtful Accounts:					
Year ended December 31, 2014	$ 4,135	$ (369)	$ 217	$ (518)	$ 3,465
Year ended December 31, 2013	$ 5,460	$ (1,157)	$ 6	$ (174)	$ 4,135
Year ended December 31, 2012	$ 4,001	$ 428	$ 1,139	$ (108)	$ 5,460

3. Exhibits

See Exhibit Index immediately following the signature page of this Form 10-K.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

February 26, 2015

INFORMATICA CORPORATION

By: /s/ SOHAIB ABBASI
Sohaib Abbasi
Chief Executive Officer, President, and
Chairman of the Board

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ SOHAIB ABBASI Sohaib Abbasi	Chief Executive Officer, President, and Chairman of the Board of Directors (Principal Executive Officer)	February 26, 2015
/s/ MICHAEL BERRY Michael Berry	Chief Financial Officer and Executive Vice President (Principal Financial and Accounting Officer)	February 26, 2015
/s/ MARK BERTELSEN Mark Bertelsen	Director	February 26, 2015
/s/ AMY CHANG Amy Chang	Director	February 26, 2015
/s/ MARK GARRETT Mark Garrett	Director	February 26, 2015
/s/ GERALD HELD Gerald Held	Director	February 26, 2015
/s/ HILARIE KOPLOW-MCADAMS Hilarie Koplow-McAdams	Director	February 26, 2015
/s/ CHARLES ROBEL Charles Robel	Director	February 26, 2015
/s/ BROOKE SEAWELL Brooke Seawell	Director	February 26, 2015
/s/ GEOFFREY SQUIRE Geoffrey Squire	Director	February 26, 2015

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INFORMATICA CORPORATION
EXHIBITS TO ANNUAL REPORT ON FORM 10-K
For the year ended December 31, 2014

Exhibit Number	Document
3.1	Amended and Restated Certificate of Incorporation of Informatica Corporation (incorporated by reference to Exhibit 3.2 to Amendment No. 1 of the Company's Registration Statement on Form S-1 filed on April 8, 1999, Commission File No. 333-72677).
3.2	Certificate of Amendment to the Company's Amended and Restated Certificate of Incorporation to increase the aggregate number of shares of the Company's common stock authorized for issuance from 100,000,000 to 200,000,000 shares (incorporated by reference to Exhibit 3.4 to the Company's Quarterly Report on Form 10-Q filed on August 14, 2000, Commission File No. 0-25871).
3.3	Amended and Restated Bylaws of Informatica Corporation (incorporated by reference to the Company's Current Report on Form 8-K filed on March 15, 2011, Commission File No. 0-25871).
4.1	Reference is made to Exhibits 3.1 through 3.3.
10.1*	Form of Indemnification Agreement between the Company and each of its executive officers and directors (incorporated by reference to Exhibit 10.1 to the Company's Annual Report on Form 10-K filed on February 25, 2011, Commission File No. 0-25871).
10.2*	2009 Equity Incentive Plan, as amended (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on August 7, 2014, Commission File No. 0-25871).
10.3*	Form of 2009 Equity Incentive Plan Stock Option Award Agreement and Notice of Stock Option Award (incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K filed on February 25, 2011, Commission File No. 0-25871).
10.4*	Form of 2009 Equity Incentive Plan Stock Option Award Agreement and Notice of Stock Option Award for Non-Employee Directors (incorporated by reference to Exhibit 10.5 to the Company's Annual Report on Form 10-K filed on February 25, 2011, Commission File No. 0-25871).
10.5*	Form of 2009 Equity Incentive Plan RSU Award Agreement and Notice of RSU Award (incorporated by reference to Exhibit 10.4 to the Company's Annual Report on Form 10-K filed on February 25, 2011, Commission File No. 0-25871).
10.6*	Form of 2009 Equity Incentive Plan RSU Award Agreement and Notice of RSU Award for Executive Officers (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on November 7, 2011, Commission File No. 0-25871).
10.7*	Form of 2009 Equity Incentive Plan RSU Award Agreement and Notice of RSU Award for Non-Employee Directors (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on August 8, 2011, Commission File No. 0-25871).
10.8*	Form of 2009 Equity Incentive Plan Performance-Based RSU Award Agreement and Notice of RSU Award.
10.9*	Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 29, 2008, Commission File No. 0-25871).
10.10	Siperian, Inc. 2003 Equity Incentive Plan (incorporated by reference to Exhibit 4.5 to the Company's Registration Statement on Form S-8 filed on February 11, 2010, Commission File No. 333-164875).
10.11*	1999 Stock Incentive Plan, as amended (incorporated by reference to Exhibit 10.4 of the Company's Annual Report on Form 10-K filed on February 28, 2008, Commission File No. 0-25871).
10.12*	Form of Letter Agreement Regarding Equity Award Change of Control Vesting between the Company and its Non-Employee Directors (incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K filed on February 25, 2011, Commission File No. 0-25871).
10.13*	

	Employment Agreement dated July 19, 2004 between the Company and Sohaib Abbasi (incorporated by reference to Exhibit 10.26 of the Company's Quarterly Report on Form 10-Q filed on August 5, 2004, Commission File No. 0-25871).
10.14*	Amendment to Sohaib Abbasi Employment Agreement dated December 31, 2008 (incorporated by reference to Exhibit 10.20 to the Company's Annual Report on Form 10-K filed on February 26, 2009, Commission File No. 0-25871).
10.15*	Second Amendment to Sohaib Abbasi Employment Agreement dated April 28, 2010 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on August 5, 2010, Commission File No. 0-25871).
10.16*	Form of Amended and Restated Executive Severance Agreement between the Company and each of its executive officers (other than the Chief Executive Officer) (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on August 5, 2010, Commission File No. 0-25871).

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Exhibit Number	Document
10.17*	Offer Letter for Margaret Breya dated November 25, 2012 (incorporated by reference to the Company's Annual Report on Form 10-K filed on February 28, 2013, Commission File No. 0-25871).
10.18*	Offer Letter for Anil Chakravarthy dated August 4, 2013 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on November 7, 2013, Commission File No. 0-25871).
10.19*	Offer Letter for Michael Berry dated October 13, 2014.
10.20*	Description of 2014 Corporate Bonus Plan (incorporated by reference to the Company's Current Report on Form 8-K filed on January 27, 2014, Commission File No. 0-25871).
10.21*	Description of 2015 Corporate Bonus Plan (incorporated by reference to the Company's Current Report on Form 8-K filed on February 9, 2015, Commission File No. 0-25871).
10.22	Credit Agreement, dated as September 26, 2014, by and among Informatica Corporation, each of the lenders party thereto from time to time, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A., as Syndication Agent, and J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Inc., as Joint Bookrunners and Joint Lead Arrangers. (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on November 6, 2014, Commission File No. 0-25871).
10.23	Purchase and Sale Agreement between Informatica Corporation and VII Pacific Shores Investors, L.L.C., dated as of November 17, 2011, as amended (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K filed on February 24, 2012, Commission File No. 0-25871).
21.1	List of Subsidiaries.
23.1	Consent of Independent Registered Public Accounting Firm.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1 **	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance.
101.SCH	XBRL Taxonomy Extension Schema.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.

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* Indicates management contract or compensatory plan or arrangement.

** Furnished, not filed.

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