
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **April 21, 2015**

MANHATTAN ASSOCIATES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Georgia
(State or Other Jurisdiction of
Incorporation or organization)

0-23999
(Commission
File Number)

58-2373424
(I.R.S. Employer
Identification No.)

2300 Windy Ridge Parkway, Tenth Floor, Atlanta, Georgia
30339

(Address of Principal Executive Offices)
(Zip Code)

(770) 955-7070
(Registrant's telephone number, including area code)

NONE
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On April 21, 2015, Manhattan Associates, Inc. (the "Company") issued a press release providing the results for its financial performance for the first quarter ended March 31, 2015. A copy of this press release is attached as Exhibit 99.1. Pursuant to General Instruction B.2 of Form 8-K, this exhibit is "furnished" and not "filed" for purposes of Section 18 of the Securities Exchange Act of 1934.

Non-GAAP Financial Measures in the Press Release

The press release includes, as additional information regarding our operating results, our adjusted operating income, adjusted net income and adjusted diluted earnings per share, which excludes the impact of equity-based compensation and acquisition-related costs and the amortization thereof - all net of income tax effects. We have developed our internal reporting, compensation and planning systems using these measures.

These various measures are not in accordance with, or an alternative for, financial measures calculated in accordance with generally accepted accounting principles in the United States ("GAAP") and may be different from similarly titled non-GAAP financial measures used by other companies. Non-GAAP financial measures should not be used as a substitute for, or considered superior to, measures of financial performance prepared in accordance with GAAP.

Non-GAAP measures used in the press release exclude the impact of the items described above for the following reasons:

- Because equity-based compensation expense is not an expense that typically requires or will require cash settlement by the Company, and because we believe our competitors and peers typically present non-GAAP results excluding all equity-based compensation expense, we have not included equity-based compensation expense and the related tax benefit generated upon the disposition of equity-based compensation in the assessment of our operating performance.
- Because we engage in acquisitions from time to time, we incur acquisition-related costs that consist primarily of accounting and legal expenses, whether or not we ultimately proceed with the transaction. Additionally, we might assume and incur certain unusual costs, such as employee retention benefits, that result from arrangements made prior to the acquisition. These acquisition costs are difficult to predict and do not correlate to the expenses of our core operations. We believe our competitors and peers typically present as a non-GAAP measure adjusted net income and adjusted earnings per share that exclude the amortization of acquisition-related intangible assets. Consequently, we exclude these amortization costs when calculating adjusted net income and adjusted earnings per share to provide supplemental information on our core operations and to facilitate more relevant and meaningful comparisons of our operating results with that of our competitors.

We believe the reporting of adjusted operating income, adjusted net income and adjusted earnings per share facilitates investors' understanding of our historical operating trends, because it provides important supplemental measurement information in evaluating the operating results of our business. We also believe that adjusted operating income, adjusted net income and adjusted earnings per share provide a basis for more relevant comparisons to other companies in the industry and enable investors to evaluate our operating performance in a manner consistent with our internal basis of measurement. Management

refers to adjusted operating income, adjusted net income and adjusted earnings per share in making operating decisions because we believe they provide meaningful supplemental information regarding our operational performance and our ability to invest in research and development and fund acquisitions and capital expenditures. In addition, adjusted operating income, adjusted net income and adjusted earnings per share facilitate management's internal comparisons to our historical operating results and comparisons to competitors' operating results.

Further, we rely on adjusted operating income, adjusted net income and adjusted net income per share information as primary measures to review and assess the operating performance of our company and our management team in connection with our executive compensation and bonus plans. Since most of our employees are not directly involved with decisions surrounding acquisitions and other items that are not central to our core operations, we do not believe it is appropriate or fair to have their incentive compensation affected by these items.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated April 21, 2015

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

Manhattan Associates, Inc.

By: /s/ Dennis B. Story

Dennis B. Story

Executive Vice President, Chief Financial Officer and Treasurer

Dated: April 21, 2015

EXHIBIT INDEX

**Exhibit
Number**

Description

99.1

Press Release, dated April 21, 2015

Contact: Dennis Story
Chief Financial Officer
Manhattan Associates, Inc.
770-955-7070
dstory@manh.com

Cameron Smith
Director, Corporate Communications
Manhattan Associates, Inc.
678-597-6841
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Manhattan Associates Reports Record First Quarter 2015 Performance

Company raises full-year revenue and EPS guidance

ATLANTA – April 21, 2015 – Leading Supply Chain Commerce Solutions provider Manhattan Associates, Inc. (NASDAQ: MANH) today reported record non-GAAP adjusted diluted earnings per share for the first quarter ended March 31, 2015 of \$0.34 compared to \$0.26 in Q1 2014, on license revenue of \$19.3 million and record total revenue of \$133.5 million. GAAP diluted earnings per share for Q1 2015 was a record \$0.31 compared to \$0.24 in Q1 2014.

“We are pleased with the strong results we’ve posted in Q1 2015. Customers and prospects continue to invest in both core supply chain and omni-channel commerce initiatives,” said Eddie Capel, Manhattan Associates president and CEO. “Our investments in Supply Chain Commerce innovation to meet the demands of the markets we serve continue to drive our growth and record financial performance. We intend to remain focused, throughout 2015 and beyond, on extending our leadership position and posting strong financial results.”

FIRST QUARTER 2015 FINANCIAL SUMMARY:

- Adjusted diluted earnings per share, a non-GAAP measure, was \$0.34 in Q1 2015, compared to \$0.26 in Q1 2014.
- GAAP diluted earnings per share was \$0.31 in Q1 2015, compared to \$0.24 in Q1 2014.
- Consolidated total revenue was \$133.5 million in Q1 2015, compared to \$113.6 million in Q1 2014. License revenue was \$19.3 million in Q1 2015, compared to \$17.1 million in Q1 2014.

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- Adjusted operating income, a non-GAAP measure, was \$40.0 million in Q1 2015, compared to \$32.3 million in Q1 2014.
- GAAP operating income was \$36.9 million in Q1 2015, compared to \$30.1 million in Q1 2014.
- Cash flow from operations was \$15.2 million in Q1 2015, compared to \$19.1 million in Q1 2014. Days Sales Outstanding was 56 days at March 31, 2015, compared to 61 days at December 31, 2014.
- Cash and investments was \$107.2 million at March 31, 2015, compared to \$124.4 million at December 31, 2014.
- During the three months ended March 31, 2015, the Company repurchased 523,663 shares of Manhattan Associates common stock under the share repurchase program authorized by the Board of Directors, for a total investment of \$26.3 million. In April 2015, the Board of Directors approved raising the Company's share repurchase authority to an aggregate of \$50.0 million of the Company's outstanding common stock.

SALES ACHIEVEMENTS:

- Recognized license revenue on seven contracts of \$1.0 million or more during Q1 2015.
- Completed software license wins with new customers such as: Best Buy, Harris Teeter, K&B Transport, Keurig Green Mountain, Kramp Groep, Midas Group, Murphy-Hoffman, Paul Smith, Readerlink Distribution Services, Stage Stores, Thomas Cook Airlines, Uline.
- Expanded relationships with existing customers such as: Amplifier, APL Logistics, Asda Stores, Cabela's, Carter's, Central Retail Corporation, Chico's, Coach, Crete Carrier, David's Bridal, Eileen Fisher, Express, Factory Motor Parts, GD Logistics, Genco, Genesco, House of Fraser, Infinite Retail, Kane Warehousing, Laura Ashley, Legacy Supply Chain Services, LeSaint Logistics, Monoprice, MWI Veterinary Supply, Newgistics, Nordstrom, Ossur, Rhee Brothers, RockTenn, Schurman Fine Papers, Southern Wine and Spirits, Team Hardinger Transportation, TwinMed, Ulta, UWT Logistics, Wilton Brands, Winning Group, Wolverine Worldwide.

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2015 GUIDANCE

Manhattan Associates provides the following updated revenue and diluted earnings per share guidance for the full year 2015:

(\$'s in millions, except EPS)	Guidance Range - 2015 Full Year			
	\$ Range		% Growth Range	
Total revenue - current guidance	\$541	\$550	10%	12%
Total revenue - previous guidance	\$531	\$541	8%	10%
<i>Diluted earnings per share (EPS):</i>				
Adjusted EPS⁽¹⁾ - current guidance	\$1.34	\$1.36	16%	17%
GAAP EPS - current guidance	\$1.23	\$1.25	14%	16%
Adjusted EPS ⁽¹⁾ - previous guidance	\$1.28	\$1.30	10%	12%
GAAP EPS - previous guidance	\$1.18	\$1.20	9%	11%

⁽¹⁾ Adjusted EPS is a Non-GAAP measure which excludes the impact of equity-based compensation

Manhattan Associates currently intends to publish, in each quarterly earnings release, certain expectations with respect to future financial performance. Those statements, including the guidance provided above, are forward looking. Actual results may differ materially, especially in the current uncertain economic environment. Those statements, including the guidance provided above, do not reflect the potential impact of mergers, acquisitions or other business combinations that may be completed after the date of the release.

Manhattan Associates will make its earnings release and published expectations available on its website (www.manh.com). Beginning the close of business on June 15, 2015, Manhattan Associates will observe a "Quiet Period" during which Manhattan Associates and its representatives will not comment concerning previously published financial expectations. Prior to the start of the Quiet Period, the public can continue to rely on the expectations published in this 2015 Guidance section as being Manhattan Associates' current expectation on matters covered, unless Manhattan Associates publishes a notice stating otherwise. During the Quiet Period, previously published expectations should be considered historical only, speaking only as of or prior to the Quiet Period, and Manhattan Associates disclaims any obligation to update any previously published financial expectations during the Quiet Period. The Quiet Period will extend until publication of Manhattan Associates' next quarterly earnings release, currently scheduled for the third full week of July 2015.

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CONFERENCE CALL

The Company's conference call regarding its first quarter financial results will be held today, April 21, 2015, at 4:30 p.m. Eastern Time. Investors are invited to listen to a live webcast of the conference call through the investor relations section of Manhattan Associates' website at www.manh.com. To listen to the live webcast, please go to the website at least 15 minutes before the call to download and install any necessary audio software.

For those who cannot listen to the live broadcast, a replay can be accessed shortly after the call by dialing +1.855.859.2056 in the U.S. and Canada, or +1.404.537.3406 outside the U.S., and entering the conference identification number 16989424 or via the web www.manh.com. The phone replay will be available for two weeks after the call, and the Internet webcast will be available until Manhattan Associates second quarter 2015 earnings release.

GAAP VERSUS NON-GAAP PRESENTATION

The Company provides adjusted operating income, adjusted net income and adjusted diluted earnings per share in this press release as additional information regarding the Company's operating results. These measures are not in accordance with – or an alternative to – GAAP, and may be different from non-GAAP operating income, non-GAAP net income and non-GAAP earnings per share measures used by other companies. The Company believes that the presentation of these non-GAAP financial measures facilitates investors' ability to understand and compare the Company's results and guidance, because the measures provide important supplemental information in evaluating the operating results of its business, as distinct from results that include items that are not indicative of ongoing operating results, and because the Company's competitors and peers typically publish similar non-GAAP measures. This release should be read in conjunction with the Company's Form 8-K earnings release filing for the quarter ended March 31, 2015.

Non-GAAP adjusted operating income, adjusted net income and adjusted diluted earnings per share exclude the impact of equity-based compensation and acquisition-related costs and the amortization thereof – all net of income tax effects. Reconciliations of the Company's GAAP

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financial measures to non-GAAP adjustments are included in the supplemental information attached to this release.

ABOUT MANHATTAN ASSOCIATES

Manhattan Associates makes commerce-ready supply chains that bring all points of commerce together so you're ready to sell and ready to execute. Across the store, through your network or from your fulfillment center, we design, build and deliver market-leading solutions that support both top-line growth and bottom-line profitability. By converging front-end sales with back-end supply chain execution, our software, platform technology and unmatched experience help our customers get commerce ready—and ready to reap the rewards of the omni-channel marketplace. For more information, please visit www.manh.com.

This press release contains "forward-looking statements" relating to Manhattan Associates, Inc. Forward-looking statements in this press release include the information set forth under "2015 Guidance." Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements. Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are: uncertainty about the global economy, delays in product development, competitive pressures, software errors, information security breaches and the additional risk factors set forth in Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2014. Manhattan Associates undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in future operating results.

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MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income
(in thousands, except per share amounts)

	Three Months Ended March 31,	
	2015 (unaudited)	2014 (unaudited)
Revenue:		
Software license	\$ 19,314	\$ 17,107
Services	101,203	86,913
Hardware and other	13,006	9,543
Total revenue	133,523	113,563
Costs and expenses:		
Cost of license	2,906	1,613
Cost of services	44,784	38,460
Cost of hardware and other	10,547	7,479
Research and development	13,556	11,803
Sales and marketing	11,847	12,020
General and administrative	11,238	10,649
Depreciation and amortization	1,781	1,488
Total costs and expenses	96,659	83,512
Operating income	36,864	30,051
Other income (loss), net	262	(233)
Income before income taxes	37,126	29,818
Income tax provision	13,922	11,106
Net income	\$ 23,204	\$ 18,712
Basic earnings per share	\$ 0.31	\$ 0.25
Diluted earnings per share	\$ 0.31	\$ 0.24
Weighted average number of shares:		
Basic	73,979	75,817
Diluted	74,607	76,795

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES
Reconciliation of Selected GAAP to Non-GAAP Measures
(in thousands, except per share amounts)

	Three Months Ended March 31,	
	2015	2014
Operating income	\$ 36,864	\$ 30,051
Equity-based compensation (a)	3,078	2,274
Purchase amortization (b)	106	1
Adjusted operating income (Non-GAAP)	<u>\$ 40,048</u>	<u>\$ 32,326</u>
Income tax provision	\$ 13,922	\$ 11,106
Equity-based compensation (a)	1,154	844
Purchase amortization (b)	40	-
Adjusted income tax provision (Non-GAAP)	<u>\$ 15,116</u>	<u>\$ 11,950</u>
Net income	\$ 23,204	\$ 18,712
Equity-based compensation (a)	1,924	1,430
Purchase amortization (b)	66	1
Adjusted net income (Non-GAAP)	<u>\$ 25,194</u>	<u>\$ 20,143</u>
Diluted EPS	\$ 0.31	\$ 0.24
Equity-based compensation (a)	0.03	0.02
Purchase amortization (b)	-	-
Adjusted diluted EPS (Non-GAAP)	<u>\$ 0.34</u>	<u>\$ 0.26</u>
Fully diluted shares	74,607	76,795

- (a) Adjusted results exclude all equity-based compensation, to facilitate comparison with our competitors and peers and for the other reasons explained in our Current Report on Form 8-K filed with the SEC on the date hereof. Equity-based compensation is included in the following GAAP operating expense lines for the three months ended March 31, 2015 and 2014:

	Three Months Ended March 31,	
	2015	2014
Cost of services	\$ 791	\$ 370
Research and development	464	417
Sales and marketing	391	310
General and administrative	1,432	1,177
Total equity-based compensation	<u>\$ 3,078</u>	<u>\$ 2,274</u>

- (b) Adjustments represent purchased intangibles amortization from prior acquisition. Such amortization is excluded from adjusted results to facilitate comparison with our competitors and peers, to facilitate comparisons of the results of our core operations from period to period and for the other reasons explained in our Current Report on Form 8-K filed with the SEC on the date hereof.

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)

	March 31, 2015	December 31, 2014
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 97,089	\$ 115,708
Short term investments	10,160	8,730
Accounts receivable, net of allowance of \$5,556 and \$4,164, respectively	83,060	86,828
Deferred income taxes	9,886	9,900
Prepaid expenses and other current assets	10,947	8,695
Total current assets	211,142	229,861
Property and equipment, net	18,606	17,265
Goodwill, net	62,232	62,250
Deferred income taxes	271	270
Other assets	8,068	8,524
Total assets	\$ 300,319	\$ 318,170
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 10,131	\$ 12,483
Accrued compensation and benefits	19,407	30,889
Accrued and other liabilities	12,545	12,501
Deferred revenue	58,070	58,968
Income taxes payable	6,851	7,974
Total current liabilities	107,004	122,815
Other non-current liabilities	14,534	13,332
Shareholders' equity:		
Preferred stock, no par value; 20,000,000 shares authorized, no shares issued or outstanding in 2015 and 2014	-	-
Common stock, \$0.01 par value; 200,000,000 shares authorized; 73,799,618 and 74,104,064 shares issued and outstanding at March 31, 2015 and December 31, 2014, respectively	738	741
Retained earnings	188,437	191,305
Accumulated other comprehensive loss	(10,394)	(10,023)
Total shareholders' equity	178,781	182,023
Total liabilities and shareholders' equity	\$ 300,319	\$ 318,170

MANHATTAN ASSOCIATES, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(in thousands)

	Three Months Ended March 31,	
	2015	2014
Operating activities:		
Net income	\$ 23,204	\$ 18,712
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,781	1,488
Equity-based compensation	3,078	2,274
Gain on disposal of equipment	(7)	(17)
Tax benefit of stock awards exercised/vested	6,601	6,547
Excess tax benefits from equity-based compensation	(6,579)	(6,509)
Deferred income taxes	1,730	1,302
Unrealized foreign currency (gain) loss	(97)	90
Changes in operating assets and liabilities:		
Accounts receivable, net	2,440	4,496
Other assets	(2,024)	(4,447)
Accounts payable, accrued and other liabilities	(13,489)	(5,638)
Income taxes	(1,119)	(4,647)
Deferred revenue	(344)	5,493
Net cash provided by operating activities	15,175	19,144
Investing activities:		
Purchase of property and equipment	(3,098)	(1,156)
Net purchases of investments	(1,279)	(427)
Net cash used in investing activities	(4,377)	(1,583)
Financing activities:		
Purchase of common stock	(36,033)	(33,179)
Proceeds from issuance of common stock from options exercised	278	730
Excess tax benefits from equity-based compensation	6,579	6,509
Net cash used in financing activities	(29,176)	(25,940)
Foreign currency impact on cash	(241)	653
Net change in cash and cash equivalents	(18,619)	(7,726)
Cash and cash equivalents at beginning of period	115,708	124,375
Cash and cash equivalents at end of period	\$ 97,089	\$ 116,649

MANHATTAN ASSOCIATES, INC.
SUPPLEMENTAL INFORMATION

1. GAAP and Adjusted earnings per share by quarter are as follows:

	2014					2015
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr
GAAP Diluted EPS	\$ 0.24	\$ 0.27	\$ 0.30	\$ 0.27	\$ 1.08	\$ 0.31
Adjustments to GAAP:						
Equity-based compensation	0.02	0.02	0.02	0.02	0.08	0.03
Purchase amortization	-	-	-	-	-	-
Adjusted Diluted EPS	<u>\$ 0.26</u>	<u>\$ 0.29</u>	<u>\$ 0.32</u>	<u>\$ 0.30</u>	<u>\$ 1.16</u>	<u>\$ 0.34</u>
Fully Diluted Shares	76,795	76,037	75,466	75,034	75,841	74,607

2. Revenues and operating income by reportable segment are as follows (in thousands):

	2014					2015
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr
Revenue:						
Americas	\$ 91,355	\$ 98,633	\$ 103,419	\$ 108,557	\$ 401,964	\$ 109,959
EMEA	15,679	15,911	14,253	15,012	60,855	18,305
APAC	6,529	7,986	7,936	6,834	29,285	5,259
	<u>\$ 113,563</u>	<u>\$ 122,530</u>	<u>\$ 125,608</u>	<u>\$ 130,403</u>	<u>\$ 492,104</u>	<u>\$ 133,523</u>
GAAP Operating Income:						
Americas	\$ 24,133	\$ 25,127	\$ 28,750	\$ 23,926	\$ 101,936	\$ 30,182
EMEA	4,058	4,239	3,617	3,399	15,313	5,522
APAC	1,860	3,134	3,134	1,747	9,875	1,160
	<u>\$ 30,051</u>	<u>\$ 32,500</u>	<u>\$ 35,501</u>	<u>\$ 29,072</u>	<u>\$ 127,124</u>	<u>\$ 36,864</u>
Adjustments (pre-tax):						
Americas:						
Equity-based compensation	\$ 2,274	\$ 2,396	\$ 2,297	\$ 2,704	\$ 9,671	\$ 3,078
Purchase amortization	1	-	58	106	165	106
	<u>\$ 2,275</u>	<u>\$ 2,396</u>	<u>\$ 2,355</u>	<u>\$ 2,810</u>	<u>\$ 9,836</u>	<u>\$ 3,184</u>
Adjusted non-GAAP Operating Income:						
Americas	\$ 26,408	\$ 27,523	\$ 31,105	\$ 26,736	\$ 111,772	\$ 33,366
EMEA	4,058	4,239	3,617	3,399	15,313	5,522
APAC	1,860	3,134	3,134	1,747	9,875	1,160
	<u>\$ 32,326</u>	<u>\$ 34,896</u>	<u>\$ 37,856</u>	<u>\$ 31,882</u>	<u>\$ 136,960</u>	<u>\$ 40,048</u>

3. Our services revenue consists of fees generated from professional services and customer support and software enhancements related to our software products as follows (in thousands):

	2014					2015
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr
Professional services	\$ 59,422	\$ 65,702	\$ 69,398	\$ 65,536	260,058	72,659
Customer support and software enhancements	27,491	27,817	29,120	31,537	115,965	28,544
Total services revenue	\$ 86,913	\$ 93,519	\$ 98,518	\$ 97,073	\$ 376,023	\$ 101,203

4. Hardware and other revenue includes the following items (in thousands):

	2014					2015
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr
Hardware revenue	\$ 5,946	\$ 6,114	\$ 4,707	\$ 8,856	\$ 25,623	\$ 7,730
Billed travel	3,597	4,908	5,438	4,932	18,875	5,276
Total hardware and other revenue	\$ 9,543	\$ 11,022	\$ 10,145	\$ 13,788	\$ 44,498	\$ 13,006

5. Impact of Currency Fluctuation

The following table reflects the increases (decreases) in the results of operations for each period attributable to the change in foreign currency exchange rates from the prior period as well as foreign currency gains (losses) included in other income, net for each period (in thousands):

	2014					2015
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr
Revenue	\$ 202	\$ 696	\$ 479	\$ (1,397)	\$ (20)	\$ (3,426)
Costs and expenses	(713)	73	522	(1,097)	(1,215)	(2,546)
Operating income	915	623	(43)	(300)	1,195	(880)
Foreign currency (losses) gains in other income	(516)	12	(415)	491	(428)	(86)
	\$ 399	\$ 635	\$ (458)	\$ 191	\$ 767	\$ (966)

Manhattan Associates has a large research and development center in Bangalore, India. The following table reflects the increases (decreases) in the financial results for each period attributable to changes in the Indian Rupee exchange rate (in thousands):

	2014					2015
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr
Operating income	\$ 898	\$ 505	\$ (171)	\$ 24	\$ 1,256	\$ 72
Foreign currency (losses) gains in other income	(141)	(129)	191	342	263	45
Total impact of changes in the Indian Rupee	\$ 757	\$ 376	\$ 20	\$ 366	\$ 1,519	\$ 117

6. Other (loss) income includes the following components (in thousands):

	2014					2015
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr
Interest income	\$ 267	\$ 302	\$ 349	\$ 350	\$ 1,268	\$ 324
Foreign currency (losses) gains	(516)	12	(415)	491	(428)	(86)
Other non-operating (expense) income	16	(2)	11	9	34	24
Total other (loss) income	\$ (233)	\$ 312	\$ (55)	\$ 850	\$ 874	\$ 262

7. Total equity-based compensation is as follows (in thousands except per share amounts):

	2014					2015	
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	
Stock options	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted stock	2,274	2,396	2,297	2,704	9,671	3,078	
Total equity-based compensation	2,274	2,396	2,297	2,704	9,671	3,078	
Income tax provision	844	889	852	990	3,575	1,154	
Net income	<u>\$ 1,430</u>	<u>\$ 1,507</u>	<u>\$ 1,445</u>	<u>\$ 1,714</u>	<u>\$ 6,096</u>	<u>\$ 1,924</u>	
Diluted earnings per share	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.08	\$ 0.03	
Diluted earnings per share - stock options	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Diluted earnings per share - restricted stock	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.08	\$ 0.03	

8. Capital expenditures are as follows (in thousands):

	2014					2015	
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	
Capital expenditures	<u>\$ 1,156</u>	<u>\$ 2,424</u>	<u>\$ 3,096</u>	<u>\$ 2,739</u>	<u>\$ 9,415</u>	<u>\$ 3,098</u>	

9. Stock Repurchase Activity (in thousands):

	2014					2015	
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	1st Qtr	
Shares purchased under publicly-announced buy-back program	695	782	504	639	2,620	524	
Shares withheld for taxes due upon vesting of restricted stock	235	1	10	3	249	212	
Total shares purchased	<u>930</u>	<u>783</u>	<u>514</u>	<u>642</u>	<u>2,869</u>	<u>736</u>	
Total cash paid for shares purchased under publicly-announced buy-back program	\$ 25,459	\$ 25,090	\$ 15,112	\$ 25,422	\$ 91,083	\$ 26,306	
Total cash paid for shares withheld for taxes due upon vesting of restricted stock	7,720	36	289	76	8,121	9,727	
Total cash paid for shares repurchased	<u>\$ 33,179</u>	<u>\$ 25,126</u>	<u>\$ 15,401</u>	<u>\$ 25,498</u>	<u>\$ 99,204</u>	<u>\$ 36,033</u>	