

## RealPage Reports Q1 2011 Financial Results

2011 Q1 revenue increases 39.1% to \$57.5 million

2011 Q1 Adjusted EBITDA increases 67.7% to \$12.1 million

Acquires Compliance Depot, a leading provider of vendor risk management and compliance solutions to the multifamily housing industry

CARROLLTON, Texas, May 5, 2011 (GLOBE NEWSWIRE) -- RealPage, Inc. (Nasdaq:RP), a leading provider of on-demand software and software-enabled services to the rental housing industry, today announced financial results for its first quarter ended March 31, 2011.

Steve Winn, chairman and CEO of RealPage, said, "We executed well in the first quarter, reporting strong growth in both revenue and operating profitability compared to the first quarter of 2010. We also completed the acquisition of Compliance Depot, a leading provider of vendor risk management and compliance solutions to the multifamily housing industry. The acquisition expands our vendor network significantly, allowing us to broaden our integrated platform of software-enabled valued-added services and realize additional revenue streams."

### First Quarter 2011 Financial Highlights

Total revenue was \$57.5 million, an increase of 39.1% year-over-year;

On demand revenue was \$52.9 million, an increase of 42.3% year-over-year;

Adjusted EBITDA was \$12.1 million, an increase of 67.7% year-over-year;

Non-GAAP net income was \$5.2 million, or \$0.07 per diluted share, a year-over-year increase of 160.2% and 75.0%, respectively;

GAAP net loss attributable to common stockholders was \$0.6 million, or \$0.01 per diluted share, a year-over-year decrease of 52.1% and 80.0%, respectively; and

Net cash provided by operating activities was \$9.3 million, an increase of 28.7% year-over-year.

### Financial Outlook

RealPage management expects to achieve the following results during its second quarter ended June 30, 2011:

Total revenue is expected to be in the range of \$61.0 million to \$62.0 million;

Adjusted EBITDA is expected to be in the range of \$13.2 million to \$13.7 million;

Non-GAAP net income is expected to be in the range of \$5.5 million to \$5.8 million, or \$0.08 per diluted share;

Tax rate of approximately 40.0%; and

Weighted average shares outstanding of approximately 72.3 million.

RealPage management expects to achieve the following results during its calendar year ended December 31, 2011:

Total revenue is expected to be in the range of \$254.0 million to \$259.0 million;

Adjusted EBITDA is expected to be in the range of \$56.5 million to \$60.0 million;

Non-GAAP net income is expected to be in the range of \$24.5 million to \$26.6 million, or \$0.34 to \$0.36 per diluted share;

Tax rate of approximately 40.0%; and

Full year weighted average shares outstanding of approximately 72.8 million.

The above statements are forward looking and include the impact of Compliance Depot as well as exclude any potential costs resulting from the Yardi Systems litigation. Actual results may differ materially. Please reference the information under the caption "Non-GAAP Financial Measures" as part of this press release.

### Conference Call and Webcast

The Company will host a conference call today at 5:00 p.m. EDT to discuss its financial results. Participants are encouraged to listen to the presentation via a live web broadcast at [www.realpage.com](http://www.realpage.com) on the Investor Relations section. In addition, a live dial-in is available domestically at 866-743-9666 and internationally at 760-298-5103. A replay will be available at 800-642-1687 or 706-645-9291, passcode 62938196, until May 15, 2011.

### About RealPage

Located in Carrollton, Texas, a suburb of Dallas, RealPage provides on-demand (also referred to as "Software-as-a-Service" or "SaaS") products and services to apartment communities and single family rentals across the United States. Its six on-demand product lines include OneSite® property management systems that automate the leasing, renting, management, and accounting of conventional, affordable, tax credit, student living, and military housing properties; Level One® and CrossFire® that enable owners to originate, syndicate, manage and capture leads more effectively and at less overall cost; YieldStar® asset optimization systems that enable owners and managers to optimize rents to achieve the overall highest yield, or combination of rent and occupancy, at each property; Velocity™ billing and utility management services that increase collections and reduce delinquencies; LeasingDesk® risk mitigation systems that are designed to reduce a community's exposure to risk and liability; and OpsTechnology® spend management systems that help owners manage and control operating expenses. Supporting this family of SaaS products is a suite of shared cloud services including electronic payments, document management, decision support and learning. Through its Propertyware subsidiary, RealPage also provides software and services to single-family rentals and low density, centrally-managed multifamily housing. For more information, call 1-877-REALPAGE or visit [www.realpage.com](http://www.realpage.com).

The RealPage, Inc. logo is available at <https://www.globenewswire.com/newsroom/prs/?pkgid=8531>

### Cautionary Statement Regarding Forward-Looking Statements

This press release contains "forward-looking" statements relating to RealPage, Inc.'s expected, possible or assumed future results of operations, tax rates, shares outstanding, capital expenditures, potential growth, litigation and plans to expand market share as well as market performance, opportunities and developments. These forward-looking statements are based on management's beliefs and assumptions and on information currently available to management. Forward-looking statements include all statements that are not historical facts and may be identified by terms such as "expects," "believes," "plans" or similar expressions and the negatives of those terms. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, the following: (a) the possibility that general economic conditions or uncertainty cause information technology spending, particularly in the rental housing industry, to be reduced or purchasing decisions to be delayed; (b) an increase in customer cancellations; (c) the inability to increase sales to existing customers and to attract new customers; (d) litigation; (e) RealPage, Inc.'s failure to integrate acquired businesses, including Domin-8, Level One and Compliance Depot, and any future acquisitions successfully; (f) the timing and success of new product introductions by RealPage, Inc. or its competitors; (g) changes in RealPage, Inc.'s pricing policies or those of its competitors; and (h) such other risks and uncertainties described more fully in documents filed with or furnished to the Securities and Exchange Commission ("SEC"), including RealPage's Annual Report on Form 10-K filed with SEC on February 28, 2011. All information provided in this release is as of the date hereof and RealPage, Inc. undertakes no duty to update this information except as required by law.

### Non-GAAP Financial Measures

This press release contains non-GAAP financial measures: non-GAAP net income, non-GAAP net income per share, adjusted EBITDA and non-GAAP operating income. These measures differ from GAAP in that they exclude amortization of intangible assets, stock-based compensation expenses and acquisition related expenses (including any purchase accounting adjustments). We define Adjusted EBITDA as net (loss) income plus depreciation and asset impairment, amortization of intangible assets, net interest expense, income tax expense (benefit), stock-based compensation expense, costs related to the Yardi Systems litigation and acquisition-related expense.

We believe that the use of Adjusted EBITDA is useful to investors and other users of our financial statements in evaluating our operating performance because it provides them with an

additional tool to compare business performance across companies and across periods. We believe that:

Adjusted EBITDA provides investors and other users of our financial information consistency and comparability with our past financial performance, facilitates period-to-period comparison and it is useful to exclude certain non-cash charges, such as depreciation and asset impairment, amortization of intangible assets and stock-based compensation and non-core

We use Adjusted EBITDA in conjunction with traditional GAAP operating performance measures as part of our overall assessment of our performance, for planning purposes, including the preparation of our annual operating budget, to evaluate the effectiveness of our business strategies and to communicate with our board of directors concerning our financial performance.

We do not place undue reliance on Adjusted EBITDA as our only measure of operating performance. Adjusted EBITDA should not be considered as a substitute for other measures of liquidity or financial performance reported in accordance with GAAP. There are limitations to using non-GAAP financial measures, including that other companies may calculate these measures differently than we do, that they do not reflect our capital expenditures or future requirements for capital expenditures and that they do not reflect changes in, or cash requirements for, our working capital. We compensate for the inherent limitations associated with using Adjusted EBITDA measures through disclosure of these limitations, presentation of our financial statements in accordance with GAAP and reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure, net (loss) income.

Reconciliation tables of the most comparable GAAP financial measures to the non-GAAP measures used in this press release are included at the end of this release.

Condensed Consolidated Statements of Operations

For the Three Months Ended March 31, 2011 and 2010  
(unaudited, in thousands, except per share data)

	Three Months Ended	
	March 31,	
	2011	2010
Revenue:		
On demand	\$52,937	\$37,207
On premise	1,645	1,868
Professional and other	2,966	2,303
Total revenue	57,548	41,378
Cost of revenue(1)	24,683	17,858
Gross profit	32,865	23,520
Operating expense:		
Product development(1)	10,316	8,315
Sales and marketing(1)	12,794	7,540
General and administrative(1)	9,776	6,522
Total operating expense	32,886	22,377
Operating (loss) income	(21)	1,143
Interest expense and other, net	(1,166)	(1,464)
Net loss before income taxes	(1,187)	(321)
Income tax benefit	(539)	(118)
Net loss	\$ (648)	\$ (203)
Net loss attributable to common stockholders		
Basic	\$ (648)	\$ (1,353)
Diluted	\$ (648)	\$ (1,353)
Net loss per share attributable to common stockholders		
Basic	\$ (0.01)	\$ (0.05)
Diluted	\$ (0.01)	\$ (0.05)
Weighted average shares used in computing net loss per share attributable to common stockholders		
Basic	66,800	25,759
Diluted	66,800	25,759

(1) Includes stock-based compensation expense as follows:	Three Months Ended	
	March 31,	
	2011	2010
Cost of revenue	\$ 298	\$ 123
Product development	980	507
Sales and marketing	2,733	164
General and administrative	842	300
	\$ 4,853	\$ 1,094

Condensed Consolidated Balance Sheets

March 31, 2011 and December 31, 2010, respectively	29,550	29,577	Accounts receivable, less allowance for doubtful accounts of \$974 and \$1,371
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outstanding at March 31, 2011 and December 31, 2010, respectively	--	--	Preferred stock, \$0.001 par value, 10,000,000 shares authorized and zero shares
Common stock, \$0.001 par value per share: 125,000,000 shares authorized, 69,742,139 and 68,703,366 shares issued and 69,520,051 and 68,490,277 shares outstanding at March 31, 2011 and December 31, 2010, respectively	70	69	
respectively (1,144) (958)			Treasury stock, at cost: 222,088 and 213,089 shares

Condensed Consolidated Statements of Cash Flows

For the Three Months Ended March 31, 2011 and 2010  
(unaudited, in thousands)

	Three Months Ended	
	March 31,	
	2011	2010
Cash flows from operating activities:		
Net loss	\$ (648)	\$ (203)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	6,773	4,670
Deferred tax benefit	(778)	(102)

	Stock-based compensation	4,853	1,094
	Excess tax benefit from stock options	--	--
	Loss on sale of assets	397	--
	Impairment of assets	--	--
	Acquisition-related contingent consideration	62	--
Changes in assets and liabilities, net of assets acquired and liabilities assumed in business combinations:		(1,398)	1,739
	Net cash provided by operating activities	9,261	7,198
	Cash flows from investing activities:		
	Purchases of property, equipment, net	(1,954)	(2,917)
Acquisition of businesses, net of cash acquired		(184)	(13,048)
	Net cash used by investing activities	(2,138)	(15,965)
	Cash flows from financing activities:		
	Stock issuance costs from public offerings	\$ (775)	\$ --
	Proceeds from (payments on) debt, net	(2,961)	7,195
	Preferred stock dividend	--	--
	Issuance of common stock	3,044	160
	Excess tax benefit from stock options	--	--
	Purchase of treasury stock	(186)	(4)
	Net cash provided (used) by financing activities	(878)	7,351
	Net increase (decrease) in cash and cash equivalents	6,245	(1,416)
	Effect of exchange rate on cash	(12)	27
	Cash and cash equivalents:		
	Beginning of period	118,010	4,427
	End of period	\$ 124,243	\$ 3,038

Reconciliation of GAAP to Non-GAAP Measures

	For the Three Months Ended March 31, 2011 and 2010 (unaudited, in thousands)	
	Three Months Ended	
	2011	2010
Adjusted Gross Profit:		
Gross profit	\$ 32,865	\$ 23,520
Depreciation	1,490	1,272
Amortization of intangible assets	2,176	1,465
Stock-based compensation expense	298	123
Adjusted gross profit	\$ 36,829	\$ 26,380
Adjusted gross margin	64.0%	63.8%
	Three Months Ended	
	March 31,	
	2011	2010
Adjusted EBITDA:		
Net loss	\$ (648)	\$ (203)
Depreciation and loss on sale of assets	3,124	2,456
Amortization of intangible assets	4,046	2,214
Interest expense, net	783	1,464
Income tax benefit	(539)	(118)
Litigation-related expense	320	--
Stock-based compensation expense	4,853	1,094
Acquisition-related expense	186	324
Adjusted EBITDA	\$ 12,125	\$ 7,231
Adjusted EBITDA Margin	21.1%	17.5%
	Three Months Ended	
	March 31,	
	2011	2010
Non-GAAP Total Product Development:		
Expenses:	\$ 10,316	\$ 8,315
Less: Amortization of intangible assets	--	--
Stock-based compensation expense	980	507
Non-GAAP Total Product Development:	\$ 9,336	\$ 7,808
Non-GAAP Total Product Development as % of Revenue:	16.2%	18.9%
	Three Months Ended	
	March 31,	
	2011	2010
Non-GAAP Total Sales and Marketing:		
Expenses:	\$ 12,794	\$ 7,540
Less: Amortization of intangible assets	1,870	749
Stock-based compensation expense	2,733	164
Non-GAAP Total Sales and Marketing:	\$ 8,191	\$ 6,627
Non-GAAP Total Sales and Marketing as % of Revenue:	14.2%	16.0%
	Three Months Ended	
	March 31,	
	2011	2010
Non-GAAP Total General and Administrative:		
Operating Expenses:	\$ 9,776	\$ 6,522
Less: Acquisition-related expense	186	324
Stock-based compensation expense	842	300
Litigation-related expense	320	--
Non-GAAP Total General and Administrative:	\$ 8,428	\$ 5,898
Non-GAAP Total General and Administrative as % of Revenue:	14.6%	14.3%

Reconciliation of GAAP to Non-GAAP Measures

	2011
Non-GAAP Total Operating Expenses:	
Operating Expenses:	\$ 32,886
Less: Amortization of intangible assets	1,870
Acquisition-related expense	186
Stock-based compensation expense	4,555
Litigation-related expense	320
Non-GAAP Total Operating Expenses:	\$ 25,955
Non-GAAP Total Operating Expenses as % of Revenue:	45.1%
	2011
Non-GAAP Operating Income:	
Operating (loss) income	\$ (21)
Amortization of intangible assets	4,046
Stock-based compensation expense	4,853
Acquisition-related expense	186
Litigation-related expense	320
Non-GAAP operating income	\$ 9,384
Non-GAAP operating margin	16.3%
	2011
Non-GAAP Net Income:	
Net loss	\$ (648)

For the TI  
(unaudited)

Amortization of intangible assets	4,046
Stock-based compensation expense	4,853
Acquisition-related expense	186
Litigation-related expense	320
Loss on sale of assets	397
Subtotal of tax deductible items	9,802
Tax impact of tax deductible items(1)	(3,921)
Tax expense resulting from applying effective tax rate(2)	(64)
Non-GAAP net income	\$ 5,169
Non-GAAP net income per share - diluted	\$ 0.07
Weighted average shares - diluted	66,800
Conversion of redeemable convertible preferred stock(3)	--
Weighted average effect of dilutive securities	3,811
Non-GAAP weighted average shares - diluted	70,611

(1) Reflects the removal of the tax benefit associated with the amortization of intangible assets, stock-based compensation expense, litigation-related expense, loss on sale of assets, and other tax deductible items.

(2) Represents adjusting to a normalized effective tax rate of 40%.

(3) Represents common shares from the conversion of redeemable convertible preferred shares as if the shares were converted as of the end of the period.

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