

**APPENDIX I: SUPPLEMENTAL NON-GAAP FINANCIAL INFORMATION (UNAUDITED)**

In addition to disclosing results in accordance with GAAP, in this Annual Report, NI has disclosed its non-GAAP net income that exclude charges related to stock-based compensation expense, amortization of acquisition-related intangibles, acquisition accounting for deferred revenue, adjustments related to the company's contract dispute with the GSA and acquisition-related transaction costs. Management believes that including these non-GAAP results assists investors in assessing NI's operational performance and its performance relative to its competitors. NI presents these non-GAAP results as a complement to its GAAP results, and these results should not be regarded as a substitute for GAAP. Management uses non-GAAP measures to manage and assess the profitability and performance of its business and considers non-GAAP results to be an important supplemental measure of its performance. When presenting non-GAAP results, NI includes a reconciliation of the non-GAAP results to the GAAP results. Such reconciliation is set forth in the following table.

**RECONCILIATION OF GAAP TO NON-GAAP NET INCOME (IN THOUSANDS)**

	2014	2013	2012	2011	2010	2009	2008
Net income, as reported	\$ 126,333	\$ 80,513	\$ 90,137	\$ 94,072	\$ 109,116	\$ 17,085	\$ 84,827
Adjustments to reconcile net income to non-GAAP net income:							
Acquisition related deferred revenue and GSA accrual, net of tax effect	-	-	525	11,595	-	-	-
Stock-based compensation, net of tax effect	18,344	19,134	20,217	16,392	12,824	16,534	15,146
Amortization of acquisition intangibles, net of tax effect	9,828	10,419	8,010	6,354	2,685	2,837	3,040
Acquisition related adjustment	-	(1,316)	6,783	-	-	-	-
Acquisition related transaction costs, net of tax effect	1487	1505	987	1,796	-	-	-
Non-GAAP net income	\$ 155,992	\$ 110,255	\$ 126,659	\$ 130,209	\$ 124,625	\$ 36,456	\$ 103,013

	Year Ended December 31,						
	2014	2013	2012	2011	2010	2009	2008
Net income, as reported	\$ 126,333	\$ 80,513	\$ 90,137	\$ 94,072	\$ 109,116	\$ 17,085	\$ 84,827
Adjustments to reconcile net income to non-GAAP net income:							
Acquisition related deferred revenue and GSA accrual, net of tax effect	-	-	525	11,595	-	-	-
Stock-based compensation, net of tax effect	18,344	19,134	20,217	16,392	12,824	16,534	15,146
Amortization of acquisition intangibles, net of tax effect	9,828	10,419	8,010	6,354	2,685	2,837	3,040
Acquisition related adjustment	-	(1,316)	6,783	-	-	-	-
Acquisition related transaction costs, net of tax effect	1487	1505	987	1,796	-	-	-
Non-GAAP net income	\$ 155,992	\$ 110,255	\$ 126,659	\$ 130,209	\$ 124,625	\$ 36,456	\$ 103,013