



ACTUATE®

*The **BIRT** Company™*

Q1 2014 Earnings Call

Safe Harbor Statement



The statements contained in this presentation that are not purely historical are forward looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. These include statements regarding Actuate's expectations, beliefs, hopes, intentions or strategies regarding the future.

All such forward looking statements in this presentation are based upon information available to Actuate as of the date hereof, and Actuate disclaims any obligation to update or revise any such forward looking statements based on changes in expectations or the circumstances or conditions on which such expectations may be based. Actual results could differ materially from Actuate's current expectations.

Factors that could cause or contribute to such differences include, but are not limited to, the general spending environment for information technology products and services in general and Application Development, Business Intelligence, Business Analytics, Output Management and Customer Communications Management software in particular, quarterly fluctuations in our revenues and other operating results, our ability to expand our international operations, our ability to successfully compete against current and future competitors, the impact of acquisitions on the Company's financial and/or operating condition including the acquisition of legodo ag in January 2014 and Quiterian S.L. in October 2012, the ability to increase revenues through our indirect channels, general economic and geopolitical uncertainties and other risk factors that are discussed in Actuate's Securities and Exchange Commission filings, specifically Actuate's 2013 Annual Report on Form 10-K filed on March 7, 2014 as well as its quarterly reports on Form 10-Q.

Use of Non-GAAP Financial Measures

The non-GAAP financial measures are included in this presentation to provide an additional analytical tool for understanding the Company's financial and operating performance, and to facilitate comparability of financial results between historical financial reporting periods, among other reasons. Non-GAAP financial measures discussed in this presentation were calculated by adding back the revenue that could not be recognized due to the impact of purchase accounting on the acquired Quiterian and legodo revenue contracts and by excluding the amortization of purchased technology and other intangible assets related to Actuate's acquisition transactions, restructuring charges, one-time termination costs, stock-based compensation expense, acquisition related expenses, foreign currency exchange gains and losses, an adjustment to the tax provision and other one-time charges. It is management's belief that these items are not indicative of ongoing operations and as a result, non-GAAP financial measures that exclude such items provide additional insight for investors in evaluating the Company's financial and operational performance. However, these non-GAAP financial measures should not be considered in isolation or as a substitute for the Company's GAAP results. Pursuant to the requirements of SEC Regulation G, a detailed reconciliation between the Company's GAAP and non-GAAP financial results is provided in today's press release, as well as in the investor relations section of Actuate's website at www.actuate.com. Investors are advised to carefully review and consider this information strictly as a supplement to the GAAP financial results that are disclosed in the Company's SEC filings.



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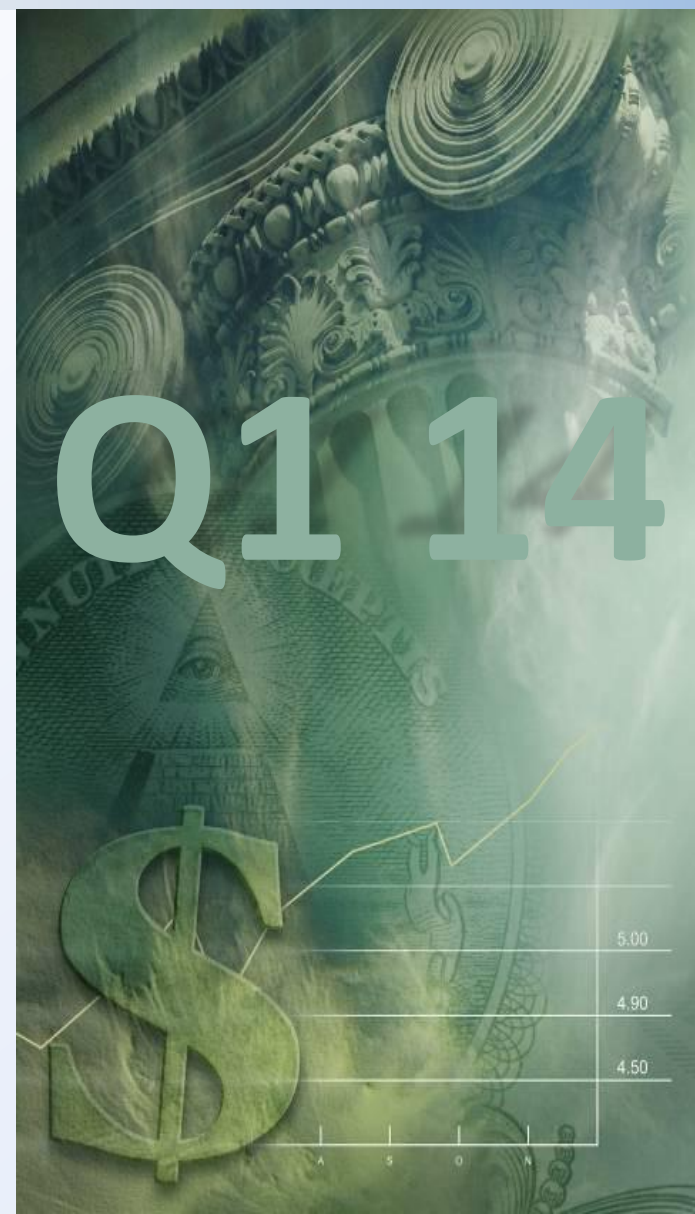
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Pete Cittadini

President and CEO

- License revenues of \$6.2 million
- Subscription bookings of \$1.2 million
- Non-GAAP maintenance revenues of \$16.6 million
- Cash flow from operations of \$1.8 million
- Non-GAAP EPS of \$(0.01)
- Over 3.5 million BIRT developers worldwide

Non-GAAP financial results are calculated by adding back the revenue that could not be recognized due to the impact of purchase accounting and excluding amortization of purchased technology and other intangibles related to Actuate's acquisition transactions, stock-based compensation expense, restructuring charges, one-time termination costs, acquisition related costs, foreign currency exchange gains and losses, and adjustment to the income tax provision and other one-time charges. All of these income and expense items are included in Actuate's GAAP results. The income tax rate used to compute non-GAAP financial results is 30%.



Subscription Business

Accelerate Move to Subscription Business

Increase customer/product acquisition and smooth cyclical revenues

- Subscription license only for opportunities identified after July 1
- Incentive for sales reps to convert perpetual license opportunities identified prior to July 1 to subscription
- All perpetual license offers made prior to July 1 will expire on December 31, 2014
- Existing perpetual license projects will be able to add additional perpetual licenses to existing projects



Freemium

Introducing BIRT iHub F-Type

Identify more BIRT developers and more Enterprise BIRT iHub projects

- Generate new incremental Enterprise BIRT iHub business

BIRT iHub F-Type

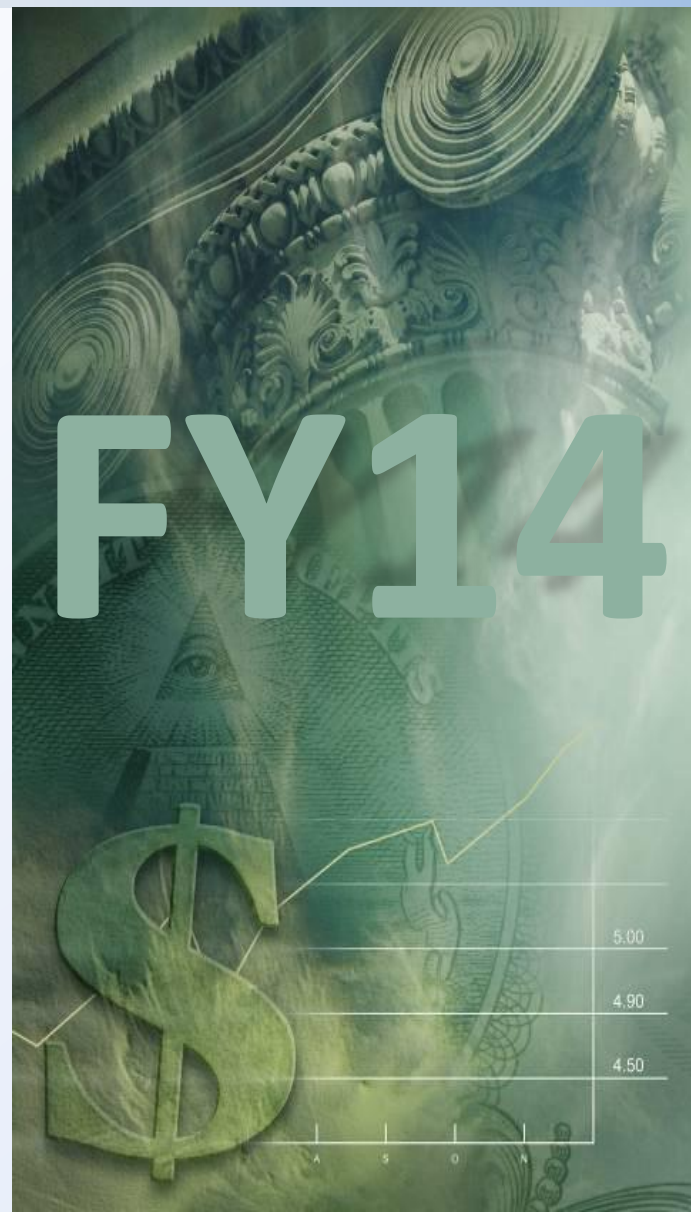
- Fully functioning BIRT iHub for small scale projects because of limits on daily output
- Gain ubiquity for the complete BIRT stack
- Subscription for additional daily output capacity for medium and large projects provide easy on-ramp
- To be completed in Q2 2014



Revised FY2014 Outlook

- Total non-GAAP revenues of over \$100 to \$105 million
- Non-GAAP operating income of approximately \$5 million
- Positive cash flow from operations

Non-GAAP financial results are calculated by adding back the revenue that could not be recognized due to the impact of purchase accounting and excluding amortization of purchased technology and other intangibles related to Actuate's acquisition transactions, stock-based compensation expense, restructuring charges, one-time termination costs, acquisition related costs, foreign currency exchange gains and losses, and adjustment to the income tax provision and other one-time charges. All of these income and expense items are included in Actuate's GAAP results. The income tax rate used to compute non-GAAP financial results is 30%.





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Dan Gaudreau
SVP Operations & CFO

Q1'14 Non-GAAP P&L

<i>\$ Millions</i>	<i>Q1'14</i>	<i>% rev.</i>	<i>Q1'13</i>	<i>% rev.</i>	<i>% V</i>
License Revenues	\$6.2	26%	\$15.5	45%	(60)%
Maint. Revenues	16.6	68%	17.5	50%	(5)%
ProServ Revenues	<u>1.5</u>	<u>6%</u>	<u>1.9</u>	<u>5%</u>	<u>(21)%</u>
Total Revenues	24.3	100%	34.9	100%	(30)%
Operating Expenses	<u>25.0</u>	103%	<u>29.4</u>	84%	<u>(15)%</u>
Operating (Loss) Income	\$(0.7)		5.5		
<i>Operating Margins</i>	<i>(3.0)%</i>		<i>16.0%</i>		
Diluted EPS	\$(0.01)		\$0.08		

Non-GAAP financial results are calculated by adding back the revenue that could not be recognized due to the impact of purchase accounting and excluding amortization of purchased technology and other intangibles related to Actuate's acquisition transactions, stock-based compensation expense, restructuring charges, one-time termination costs, acquisition related costs, foreign currency exchange gains and losses, and adjustment to the income tax provision and other one-time charges. All of these income and expense items are included in Actuate's GAAP results. The income tax rate used to compute non-GAAP financial results is 30%.

Geographic Non-GAAP Revenue Split

<i>(\$ Millions)</i>	<i>N.A.</i>	<i>Int'l</i>	<i>Total</i>
<u><i>License</i></u>			
Q1'14	\$4.2	\$2.0	\$6.2
Q1'13	\$12.7	\$2.8	\$15.5
V%	(67)%	(29)%	(60)%
<u><i>Services</i></u>			
Q1'14	\$13.2	\$4.9	\$18.1
Q1'13	\$15.1	\$4.3	\$19.4
V%	(13)%	14%	(7)%
<u><i>Total</i></u>			
Q1'14	\$17.4	\$6.9	\$24.3
Q1'13	\$27.8	\$7.1	\$34.9
V%	(37)%	(3)%	(30)%

Non-GAAP revenue was calculated by adding back the revenue that could not be recognized due to the impact of purchase accounting on the acquired revenue contracts

Product Line Non-GAAP Revenue Split and Variance Analysis

(\$ Millions)	<i>Actual</i>			<i>Subs./Big Deals/Back MR -a)</i>		
	<i>iServer</i>	<i>iHub</i>	<i>Total</i>	<i>iServer</i>	<i>iHub</i>	<i>Total</i>
<u><i>License</i></u>						
Q1'14	\$2.2	\$4.0	\$6.2	\$0.3	\$3.3	\$3.6
Q1'13	6.9	8.6	15.5	(4.3)	(3.4)	(7.7)
V%	(68)%	(53)%	(60)%			
<u><i>Services</i></u>						
Q1'14	\$8.4	\$9.7	\$18.1	\$(0.1)	\$(0.1)	\$(0.2)
Q1'13	10.2	9.2	19.4	(0.3)	(1.5)	(1.8)
V%	(18)%	5%	(7)%			
<u><i>Total</i></u>						
Q1'14	\$10.6	\$13.7	\$24.3	\$0.2	\$3.2	\$3.4
Q1'13	17.1	17.8	34.9	(4.6)	(4.9)	(9.5)
V%	(38)%	(23)%	(30)%			

(a- Subscription adjustment in 1Q14 license revenues is converted to a perpetual equivalent at 3X the annual subscription value. Big deal adjustment is in 1Q13 license revenues only. Back maintenance revenue adjustments are included in both 1Q14 and 1Q13 Services Revenues.

Non-GAAP revenue was calculated by adding back the revenue that could not be recognized due to the impact of purchase accounting on the acquired revenue contracts

Balance Sheet/Cash Flow

<i>\$ Millions</i>	<i>3/31/13</i>	<i>12/31/13</i>	<i>3/31/14</i>
Cash & Investments	\$68.2	\$79.9	\$64.5
Accounts Receivable	24.9	27.4	17.7
Goodwill & Other Intang.	62.1	60.6	69.0
Other Assets	30.7	28.2	30.0
<i>Total Assets</i>	185.9	\$196.1	\$181.2
Accrued Liabilities	18.9	\$19.4	\$17.0
Deferred Revenue	45.4	47.9	45.5
Equity	121.6	128.8	118.7
<i>Total Liabilities/Equity</i>	185.9	\$196.1	\$181.2
DSO's	64	78	66
CFFO YTD	\$9.6	\$12.5	\$1.8

Comments Regarding 2014

- Accelerated move to subscription licensing
 - Effective July 1
 - New opportunities/new projects
 - Increased customer acquisition; predictable revenue streams
- Revised 2014 Guidance
 - Total non-GAAP revenue of \$100M - \$105M
 - Non-GAAP profitability, cash flow positive
- Continued legacy business declines

Non-GAAP financial results are calculated by adding back the revenue that could not be recognized due to the impact of purchase accounting and excluding amortization of purchased technology and other intangibles related to Actuate's acquisition transactions, stock-based compensation expense, restructuring charges, one-time termination costs, acquisition related costs, foreign currency exchange gains and losses, and adjustment to the income tax provision and other one-time charges. All of these income and expense items are included in Actuate's GAAP results. The income tax rate used to compute non-GAAP financial results is 30%.



Upcoming Conference

May 21
**B. Riley & Co. 15th Annual
Investor Conference**
*Loews Santa Monica
Beach Hotel*



Q & A



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