



Financial Update *Q3 FY19*

NYSE: CRM
@Salesforce_ir



Safe Harbor



"Safe harbor" statement under the Private Securities Litigation Reform Act of 1995: This presentation contains forward-looking statements about our financial results, which may include expected GAAP and non-GAAP financial and other operating and non-operating results, including revenue, net income, diluted earnings per share, operating cash flow growth, operating margin improvement, unearned revenue (previously referred to as deferred revenue) and remaining performance obligation growth, expected revenue growth, expected tax rates, stock-based compensation expenses, amortization of purchased intangibles, amortization of debt discount and shares outstanding. The achievement or success of the matters covered by such forward-looking statements involves risks, uncertainties and assumptions. If any such risks or uncertainties materialize or if any of the assumptions prove incorrect, the company's results could differ materially from the results expressed or implied by the forward-looking statements we make.

The risks and uncertainties referred to above include -- but are not limited to -- risks associated with the effect of general economic and market conditions; the impact of foreign currency exchange rate and interest rate fluctuations on our results; our business strategy and our plan to build our business, including our strategy to be the leading provider of enterprise cloud computing applications and platforms; the pace of change and innovation in enterprise cloud computing services; the competitive nature of the market in which we participate; our international expansion strategy; our service performance and security, including the resources and costs required to prevent, detect and remediate potential security breaches; the expenses associated with new data centers and third-party infrastructure providers; additional data center capacity; real estate and office facilities space; our operating results and cash flows; new services and product features; our strategy of acquiring or making investments in complementary businesses, joint ventures, services, technologies and intellectual property rights; the performance and fair value of our investments in complementary businesses through our strategic investment portfolio; our ability to realize the benefits from strategic partnerships and investments; our ability to successfully integrate acquired businesses and technologies, including the operations of MuleSoft, Inc.; our ability to continue to grow and maintain unearned revenue and remaining performance obligation; our ability to protect our intellectual property rights; our ability to develop our brands; our reliance on third-party hardware, software and platform providers; our dependency on the development and maintenance of the infrastructure of the Internet; the effect of evolving domestic and foreign government regulations, including those related to the provision of services on the Internet, those related to accessing the Internet, and those addressing data privacy and import and export controls; the valuation of our deferred tax assets; the potential availability of additional tax assets in the future; the impact of new accounting pronouncements and tax laws, including the U.S. Tax Cuts and Jobs Act, and interpretations thereof; uncertainties affecting our ability to estimate our non-GAAP tax rate; the impact of future gains or losses from our strategic investment portfolio, including gains or losses resulting from overall market conditions which may affect the publicly traded companies within our strategic investment portfolio; the impact of expensing stock options and other equity awards; the sufficiency of our capital resources; factors related to our outstanding debt, revolving credit facility, term loans and loan associated with 50 Fremont; compliance with our debt covenants and capital lease obligations; current and potential litigation involving us; and the impact of climate change.

Further information on these and other factors that could affect the company's financial results is included in the reports on Forms 10-K, 10-Q and 8-K and in other filings we make with the Securities and Exchange Commission from time to time. These documents are available on the SEC Filings section of the Investor Information section of the company's website at www.salesforce.com/investor.

Salesforce.com, inc. assumes no obligation and does not intend to update these forward-looking statements, except as required by law.

Company Overview

The global leader in CRM



#1 CRM provider for the sixth year in a row¹

Addressing **the fastest growing segment in Enterprise Software**²

Consistent track record delivering **durable revenue growth CAGR of 25%** over the past three years³

Driving towards a **revenue goal of \$21 Billion to \$23 Billion in FY22**

Uniquely positioned to help our customers **drive broad-based digital transformation**



¹Refer to slide 16 for additional information.

²Per Salesforce Investor Day presentation as of September 26th, 2018. This presentation is available on the SEC Filings section of the Investor Information section of the company's website at www.salesforce.com/investor.

³CAGR based on FY15 revenue of \$5.4 Billion and FY18 revenue of \$10.5 Billion.

Financial Overview

Quarterly Results



Q3 FY19 Results Highlights

Durable top-line and bottom-line growth



- **Revenue of \$3.39 Billion**, up 26% Year-Over-Year, 26% in Constant Currency¹
- **Unearned Revenue of \$5.38 Billion**, up 25% Year-Over-Year, 26% in Constant Currency²
- **Remaining Performance Obligation of Approximately \$21.2 Billion**, up 34% Year-Over-Year³
- **Operating Cash Flow of \$143 Million**, up 14% Year-Over-Year
- **Guidance⁴**
 - Initiates **Fourth Quarter FY19 Revenue Guidance** of \$3.551 Billion to \$3.561 Billion
 - Raises **FY19 Revenue Guidance** to \$13.23 Billion to \$13.24 Billion
 - Raises **FY19 GAAP EPS Guidance** to \$1.06 to \$1.07
 - Raises **FY19 Non-GAAP EPS Guidance** to \$2.60 to \$2.61⁵
 - Initiates **FY20 Revenue** of \$15.9 to \$16.0 Billion

¹Refer to slide 9 for an explanation of non-GAAP revenue constant currency (“CC”) growth rate.

²Unearned revenue was previously referred to as Deferred Revenue. We present CC information for unearned revenue to provide a framework for assessing how our underlying business performed excluding the effects of foreign currency rate fluctuations. To present a CC unearned revenue growth rate, we convert the unearned revenue balances in local currencies in previous comparable periods using the United States dollar currency exchange rate as of the most recent balance sheet date.

³Remaining Performance Obligation is a new disclosure effective Q1 FY19. Refer to slide 10 for additional discussion.

⁴Guidance provided November 27, 2018. This guidance does not reflect any potential future gains or losses on our strategic investment portfolio resulting from the future impact of ASU 2016-01 and is based on estimated GAAP tax rates that reflect currently available information, including the anticipated impact of the new Tax Act and interpretations thereof, as well as other factors and assumptions. The GAAP tax rates may fluctuate due to recent acquisitions.

⁵Non-GAAP EPS is a non-GAAP financial measure. Refer to the Appendix for an explanation of non-GAAP financial measures, and why we believe these measures can be useful, as well as a reconciliation of non-GAAP financial measures to the most comparable GAAP measures, when applicable.



Q3 FY19 Financial Summary



	GAAP		Non-GAAP ¹	
	Quarterly Results	Increase Y/Y	Quarterly Results	Increase Y/Y
Revenue	\$3,392M	26%	\$3,407M	26% CC
Unearned Revenue	\$5,376M	25%	\$5,409 M ²	26% CC ²
Current Remaining Performance Obligation ³	\$10.0B	27%	N/A	N/A
Total Remaining Performance Obligation ³	\$21.2B	34%	N/A	N/A
Operating Margin	2.7%	(303) bps	16.9%	(76) bps
Diluted Earnings Per Share	\$0.13 ⁴	(7%)	\$0.61 ⁴	45%
Operating Cash Flow	\$143M	14%	N/A	N/A

¹The Non-GAAP columns present only non-GAAP financial metrics and the related non-GAAP growth rates as compared to prior periods. Non-GAAP revenue and non-GAAP unearned revenue (UR) represent CC results. Refer to slide 9 for an explanation of non-GAAP CC revenue growth and to footnote 2 for an explanation of non-GAAP CC UR growth. Non-GAAP operating margin and non-GAAP EPS are non-GAAP financial measures. Refer to the Appendix for an explanation of non-GAAP financial measures and a reconciliation of non-GAAP financial measures to the most comparable GAAP measures, when applicable.

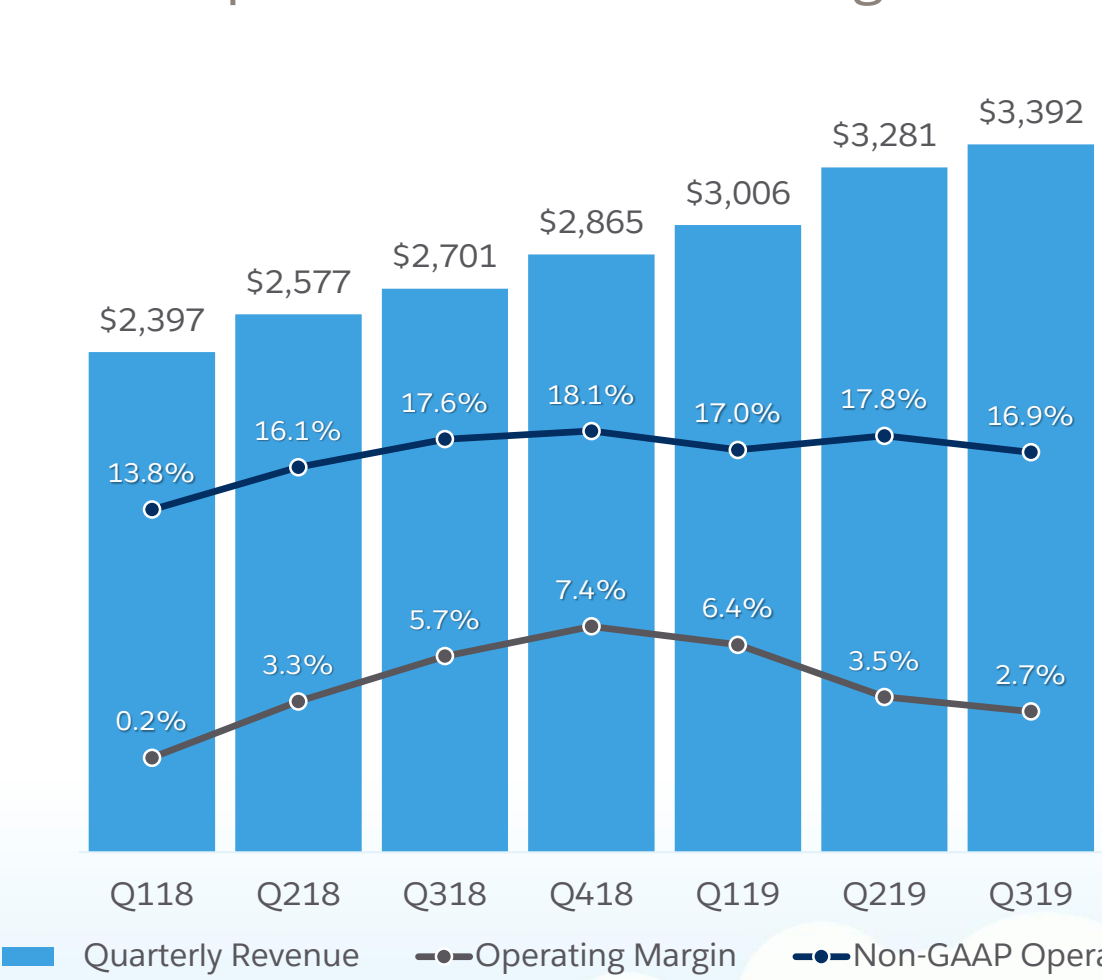
²To present CC UR, we convert the UR balances in local currencies in previous comparable periods using the United States dollar currency exchange rate as on the most recent balance sheet date.

³Remaining Performance Obligation is a new disclosure effective Q1 FY19. Refer to slide 10 for additional discussion.

⁴Diluted EPS is calculated using GAAP revenue results.

Total Quarterly Revenue and Operating Margin

Balanced top-line and bottom-line growth



+26% / +26% CC¹
Revenue

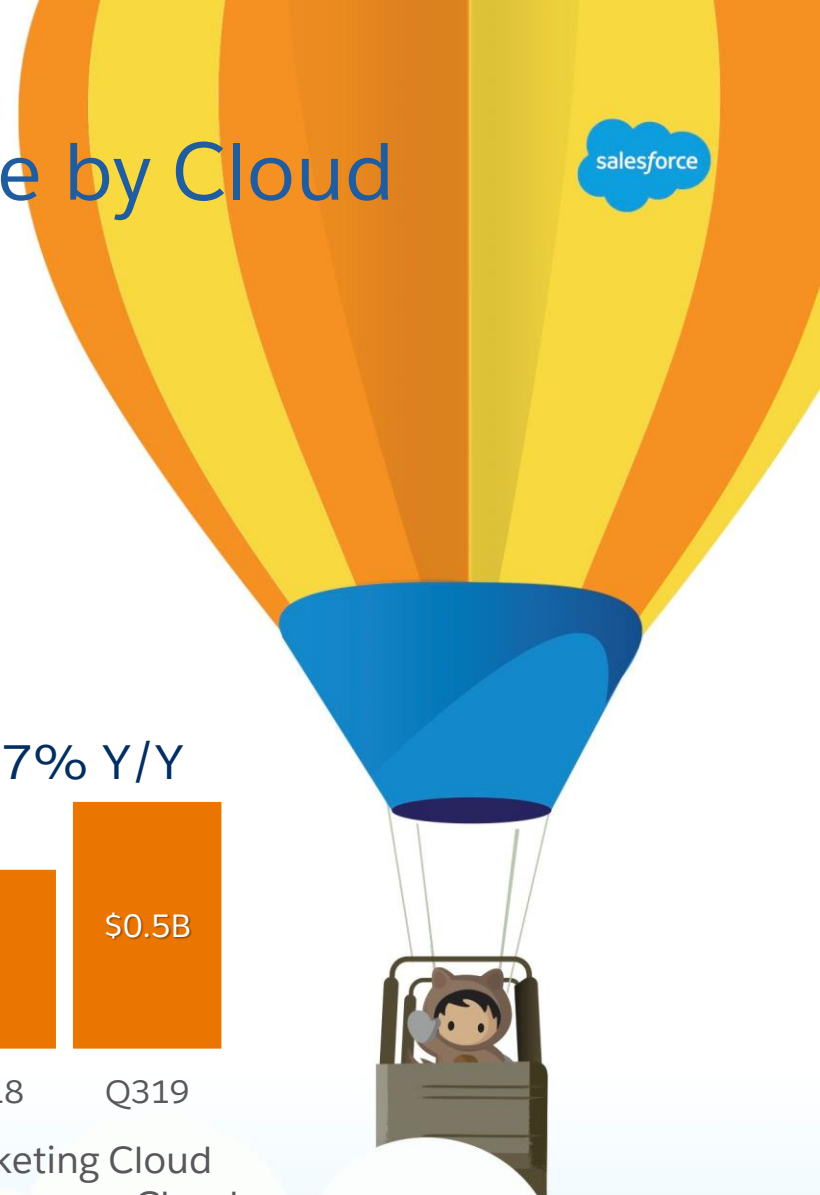
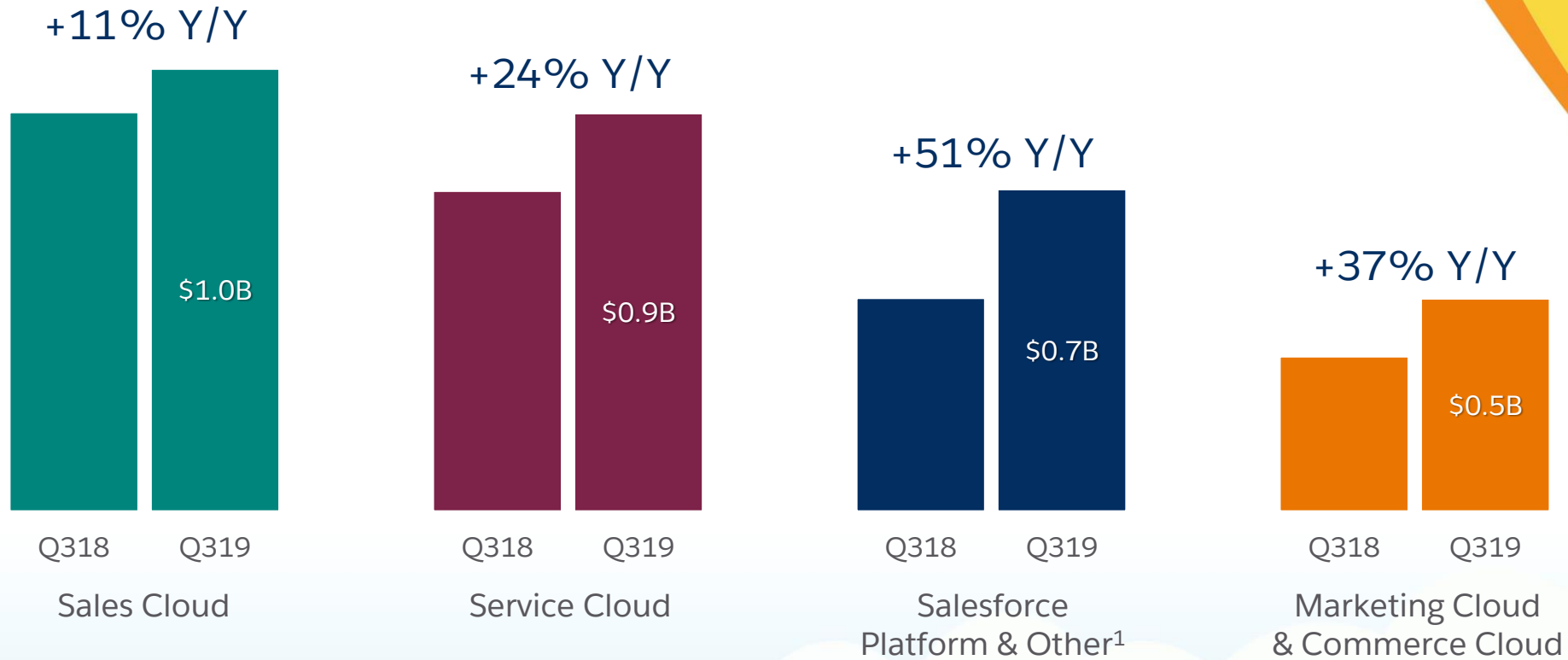
(303 bps)
GAAP Operating Margin

(76 bps)
Non-GAAP Operating Margin²

Note: FY18 information has been adjusted for the adoption of Topic 606. Refer to the appendix for additional information.
¹Refer to slide 9 for an explanation of non-GAAP revenue CC growth rate as compared to the comparable prior period.
²Non-GAAP Operating Margin is the proportion of non-GAAP income from operations as a percentage of revenue and is a non-GAAP financial measure. Refer to the Appendix for an explanation of which items are excluded from our non-GAAP financial measures, and why we believe these measures can be useful, as well as a reconciliation of non-GAAP financial measures to the most comparable GAAP measures, when applicable.

Quarterly Subscription and Support Revenue by Cloud

Complete portfolio of CRM products



Note: FY18 information has been adjusted for the adoption of Topic 606. Refer to the appendix for additional information.
¹Platform & Other includes \$105M of revenue from MuleSoft.

Q3 FY19 Revenue by Region

Incremental investments in international markets driving growth



\$2,425M
+25% Y/Y
+25% Y/Y CC¹



\$641M
+29% Y/Y
+31% Y/Y CC¹



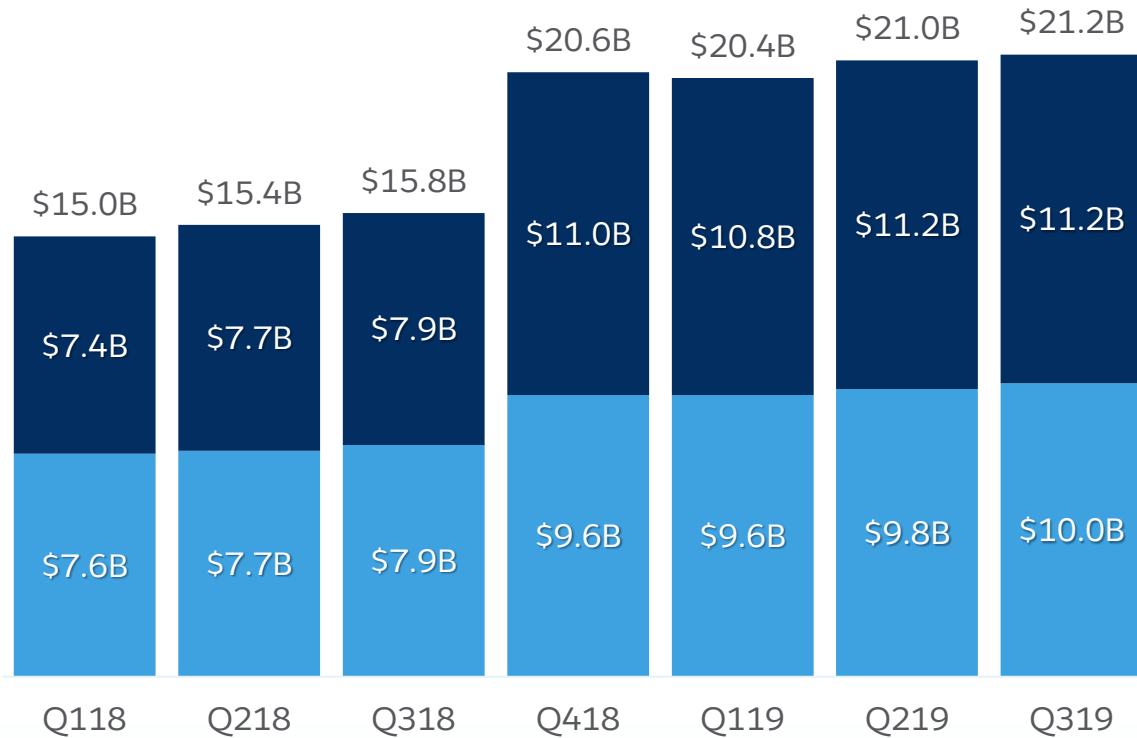
\$326M
+25% Y/Y
+26% Y/Y CC¹

¹Non-GAAP revenue CC growth rates as compared to the comparable prior period. We present CC information for revenue to provide a framework for assessing how our underlying business performed excluding the effects of foreign currency rate fluctuations. To present CC revenue, current and comparative prior period results for entities reporting in currencies other than United States dollars are converted into United States dollars at the weighted average exchange rate for the quarter being compared to for growth rate calculations presented, rather than the actual exchange rates in effect during that period.

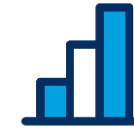


Remaining Performance Obligation

Represents all future revenue under contract



- Noncurrent Remaining Performance Obligation
- Current Remaining Performance Obligation



Q3 FY19
Y/Y Growth

+34%
Total RPO

+27%
Current RPO

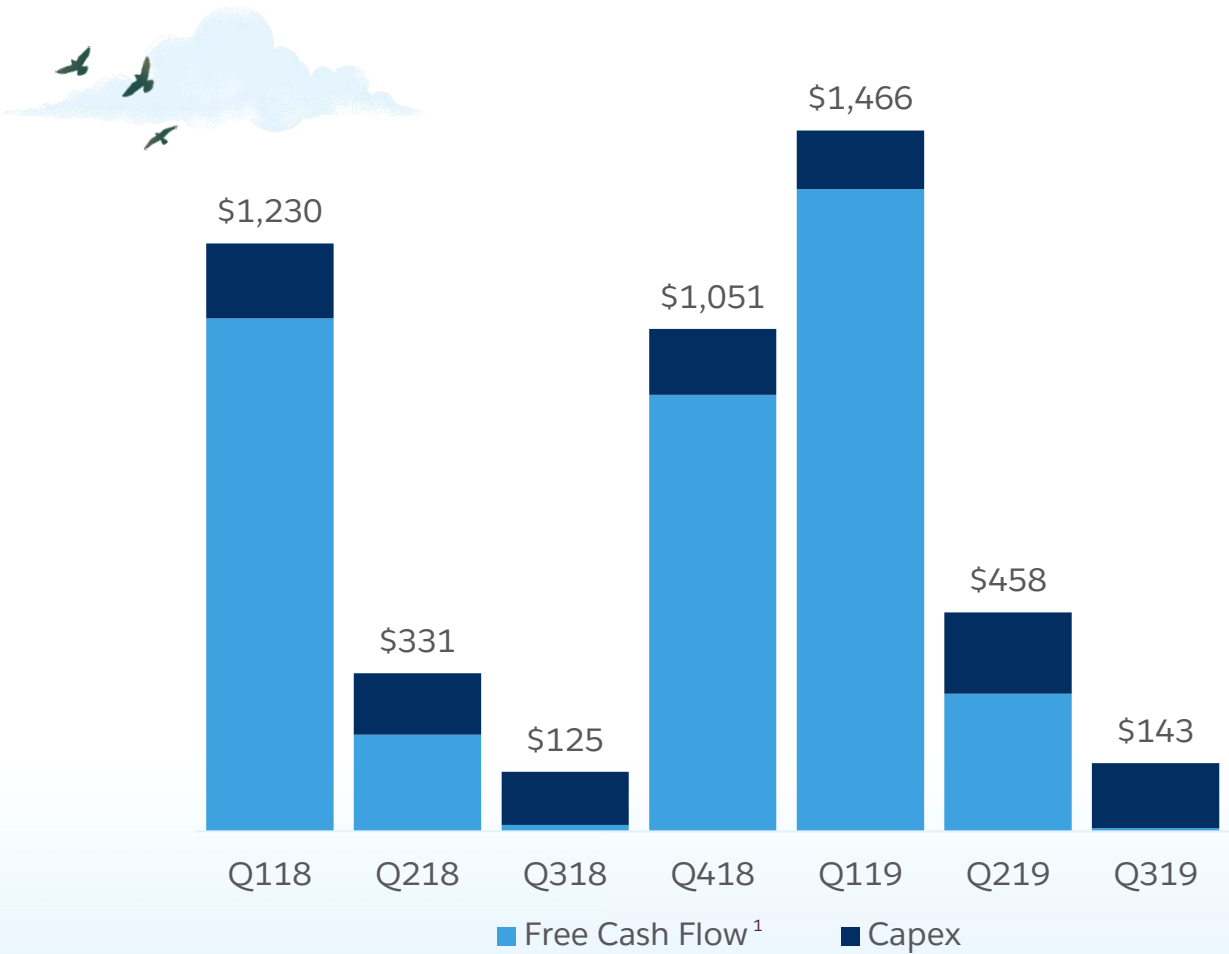
Remaining Performance Obligation (RPO) is a new metric disclosed with the adoption of Topic 606¹. RPO represents all future revenue under contract that has not yet been recognized as revenue. Current RPO represents future revenue under contract that is expected to be recognized as revenue in the next 12 months. RPO is influenced by several factors, including seasonality, the timing of renewals, average contract terms, and foreign currency exchange rates.

¹Topic 606 introduced remaining transaction price, which is different than unbilled deferred revenue under previous accounting guidance. Transaction price allocated to the remaining performance obligations represents contracted revenue that has not yet been recognized, which includes unearned revenue and unbilled amounts that will be recognized as revenue in future periods. Transaction price allocated to the remaining performance obligation is influenced by several factors, including seasonality, the timing of renewals, average contract terms and foreign currency exchange rates. Unbilled portions of the remaining transaction price denominated in foreign currencies are revalued each period based on the period end exchange rates. As with unbilled deferred revenue under previous accounting guidance, the portion of the remaining transaction price that is unbilled is not recorded on the balance sheet.



Quarterly Operating Cash Flow

Q3 OCF reflects ongoing invoicing/collections seasonality



Q3 FY19
Y/Y OCF Growth

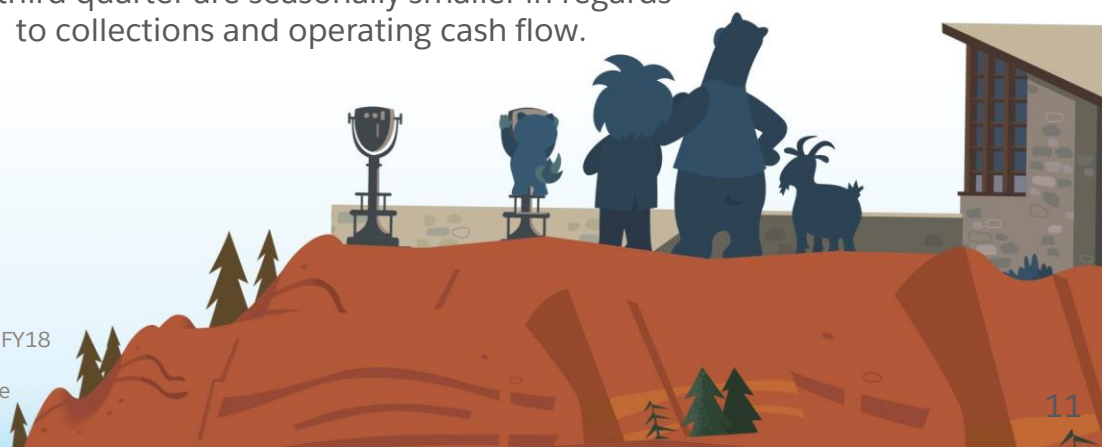
+14%

Our fourth quarter has historically been our strongest quarter for new business and renewals and we generally invoice our customers annually.

As a result, our first quarter and, increasingly, our fourth quarter are our largest collections and operating cash flow quarters. Our second quarter and third quarter are seasonally smaller in regards to collections and operating cash flow.

Note: FY18 information has been adjusted for the adoption of Topic 606. The net cash provided by operating activities during Q1 - Q4 FY18 did not change. Refer to the appendix for additional information.

¹Free cash flow is a non-GAAP financial measure. Refer to the Appendix for an explanation of non-GAAP financial measures, and why we believe these measures can be useful, as well as a reconciliation of non-GAAP free cash flow to the most comparable GAAP measure.



Cash, Cash Equivalents, and Marketable Securities

Lower cash balances reflect MuleSoft acquisition



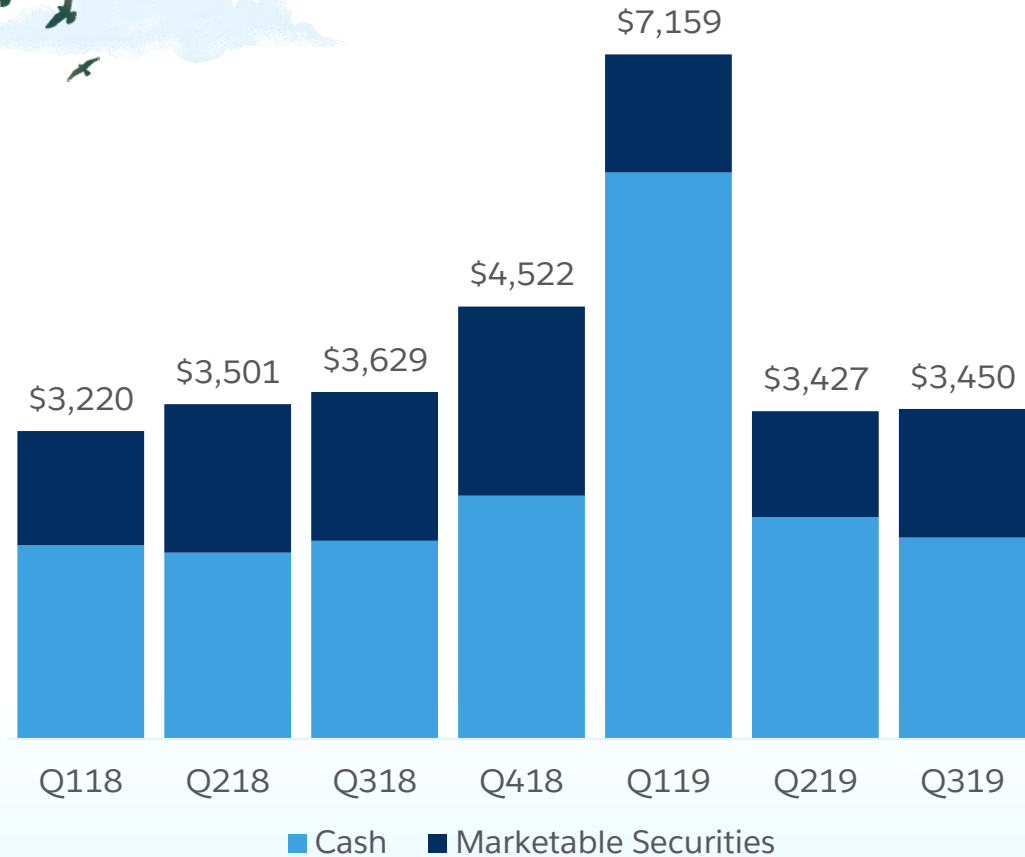
Q3 FY19

(5%)

Total Cash and Marketable Securities Y/Y Growth

MuleSoft Acquisition

In Q1, the increase in cash was primarily due to \$2.5 billion in debt raised in April 2018 (Q1 FY19) in contemplation of the acquisition of MuleSoft which closed in May 2018 (Q2 FY19). Total cash paid in connection with the acquisition in May 2018 was ~\$4.9 billion.

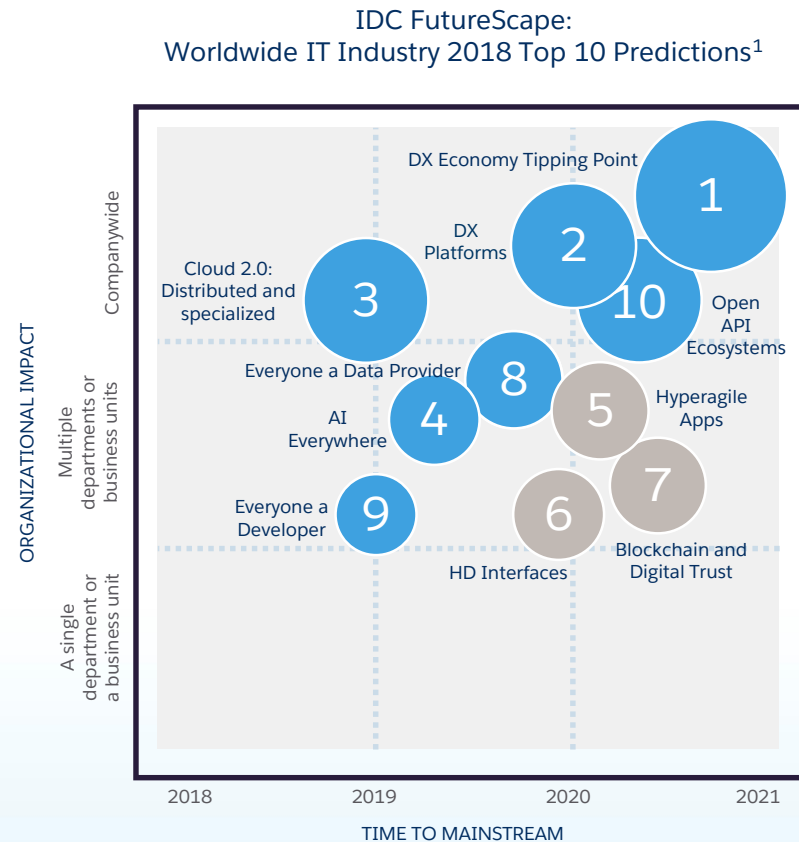


Business Overview



The Digital Transformation Imperative

DX initiatives are a top priority for CIOs



● Salesforce addresses² ● Salesforce does not address²

Size of the bubble indicates complexity/cost to address.



By 2020

60%

of enterprises will have fully articulated an organization-wide digital transformation platform strategy¹



By 2020

90%

of enterprises will use multiple cloud services and platforms¹

¹IDC FutureScape: Worldwide IT Industry 2018 Predictions, October 2017.

²Designation made by Salesforce.

The Only Complete Cloud CRM Platform

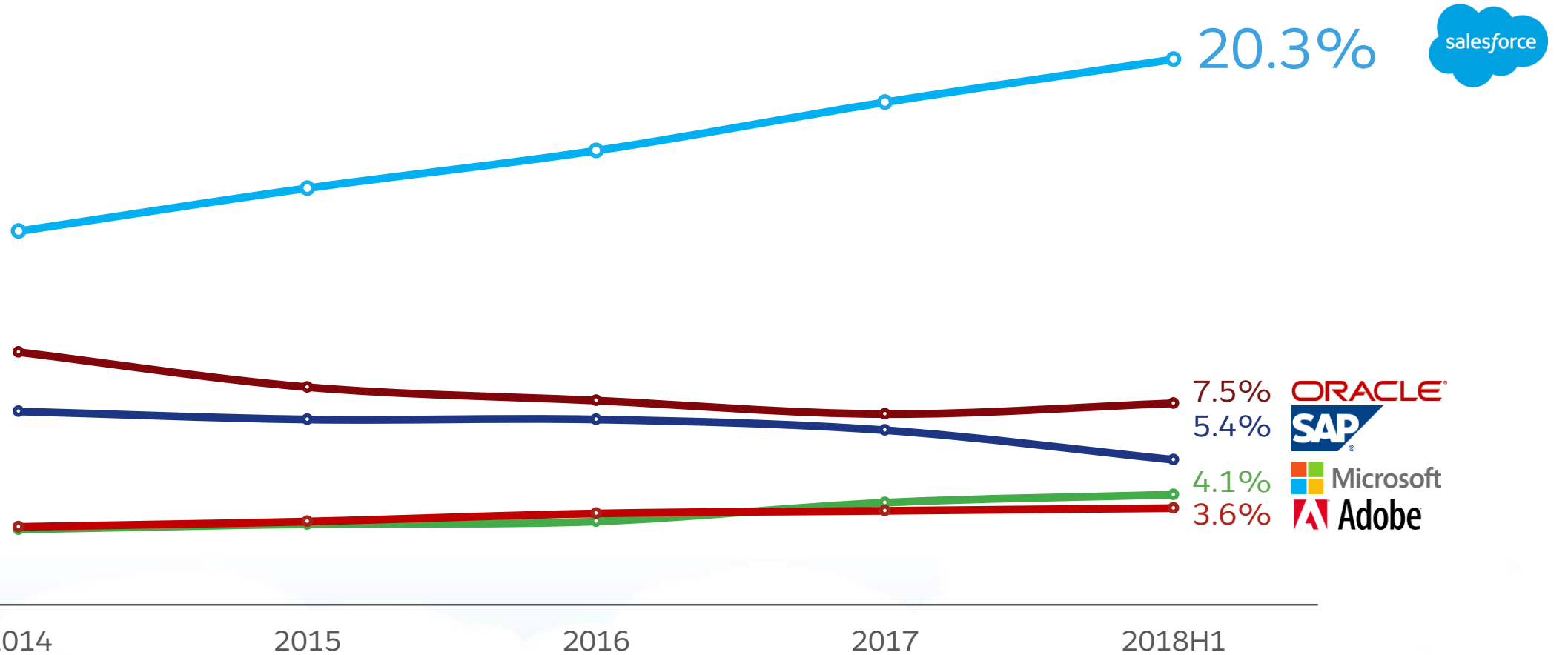


Uniquely positioned to help our customers drive digital transformation



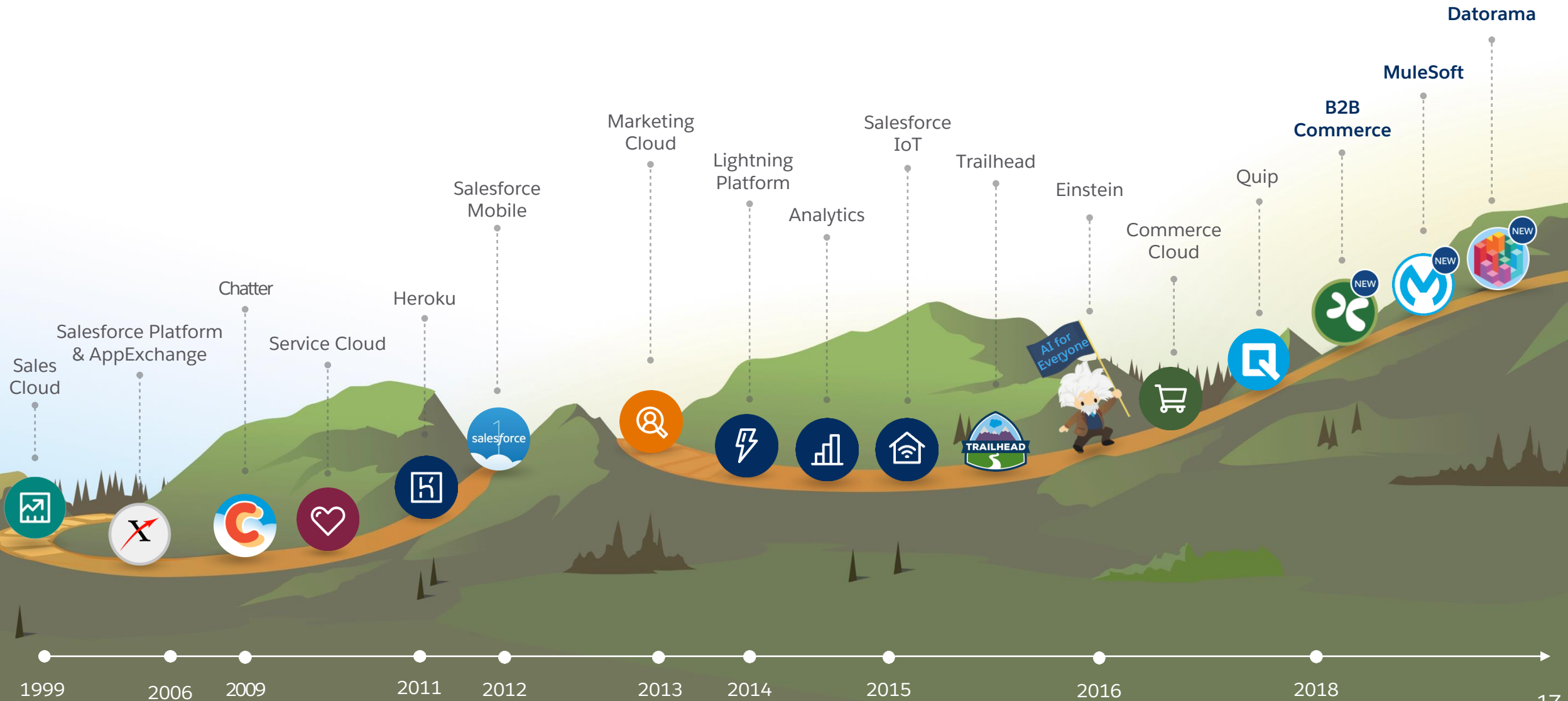
Salesforce #1 in CRM

Worldwide CRM applications 2018H1 revenue market share by IDC



Source: IDC, Worldwide Semiannual Software Tracker, October 2018. CRM market includes the following IDC-defined functional markets: Sales Force Productivity and Management, Marketing Campaign Management, Customer Service, Contact Center, and Digital Commerce Applications.

Empowering Companies to Connect With their Customers Since 1999



Product Advantage



Unmatched depth of functionality



Sales



Service



Marketing



eCommerce



Communities



Collaboration



Cloud Platform



Integration



Industries



Inbox



Field Service



Social Studio



B2B & B2C



Self Service



Slides & Sheets



Heroku



Connectivity



Government



Media



CPQ



Self Service



DMP



Order Management



PRM



Social Chat



IoT



API Design & Mgmt



Mfg



Retail



PRM



Engagement



Journeys



AI-Powered Commerce



Portal



Custom Workflows



Analytics



Dev Exchange



Fin Serv



HCLS



High Velocity Sales



Bots



Digital Advertising



Sales Intelligence



Service Intelligence



Audience Builder



Mobile



Trailhead



Cloud & On-Prem



Automotive



Comms



Einstein



Monitoring & Security



Transportation & Hospitality



Consumer Goods

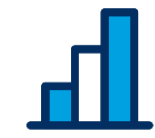


AppExchange

Large and Growing Addressable Markets



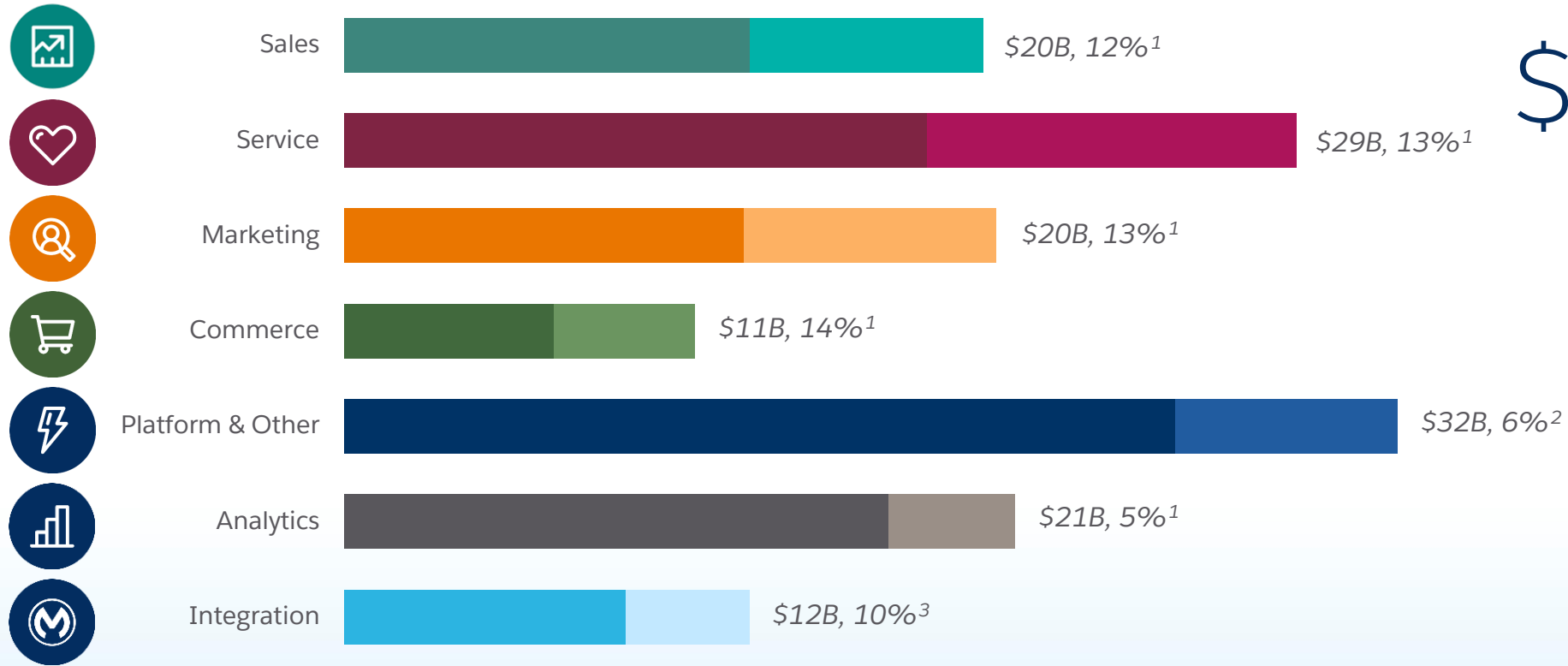
More products, more opportunities



Total TAM

\$145B

Total Addressable Market
CY18 to CY22 \$, Growth CAGR %



Calculations performed by Salesforce and graphics created by Salesforce based on Gartner research. ¹Source: Gartner, Forecast: Enterprise Application Software, Worldwide, 2016-2022, 3Q18 Update, 09.29.18. Analytics market defined as Modern BI Platforms, Traditional BI Platforms, Analytic Applications, Data Science Platforms. ²Platform & Other defined from two Gartner reports: (1) Collaboration Services per Gartner, Forecast: Enterprise Application Software, Worldwide, 2016-2022, 3Q18 Update, 09.29.18; (2) Portal and Digital Engagement Technologies, Application Platform as a Service (aPaaS), Application Platform Software, Mobile App Development Platforms, Other AD, Business Process Management Suites, Testing per Gartner, Forecast: Enterprise Infrastructure Software, Worldwide, 2016-2022, 3Q18 Update, 10.09.18. ³Source: Gartner, Forecast: Enterprise Infrastructure Software, Worldwide, 2016-2022, 3Q18 Update, 10.09.18. Integration market defined as Full Life Cycle API Management, Integration Platform as a Service (iPaaS), Application Integration Suite, Data Integration Tools.

Success in Core Markets

Momentum across all segments of CRM



Sales



Service



Marketing



Commerce



Platform & Other

Market Share
CY17

32%¹

19%¹

10%¹

5%¹

8%²

Market Rank
CY17

#1¹

#1¹

#2¹

#3¹

n/a

Market Growth
CY18 - CY22 CAGR

12%³

13%³

13%³

14%³

6%⁴

Revenue Growth
Fiscal Q319 Y/Y

11%⁵

24%⁵

●..... 38%⁵

30%⁵

Calculations performed by Salesforce and graphics created by Salesforce based on Gartner research. ¹Source: Sales, Service, Marketing, and Commerce per Gartner, Market Share: Enterprise Application Software, Worldwide, 2017, 5.30.18. ²Platform & Other defined from two Gartner reports: (1) Collaboration Services per Gartner, Market Share: Enterprise Application Software, Worldwide, 2017, 5.30.18; (2) Portal and Digital Engagement Technologies, Application Platform as a Service (aPaaS), Application Platform Software, Mobile App Development Platforms, Other AD, Business Process Management Suites, Testing per Gartner, Market Share: Enterprise Infrastructure Software, Worldwide, 2017, 5.31.18. ³Source: Gartner, Forecast: Enterprise Application Software, Worldwide, 2016-2022, 3Q18 Update, 09.29.18. ⁴Platform & Other defined from two Gartner reports based on the markets in footnote 2: Gartner, Forecast: Enterprise Application Software, Worldwide, 2016-2022, 3Q18 Update, 09.29.18, Gartner, Forecast: Enterprise Infrastructure Software, Worldwide, 2016-2022, 3Q18 Update, 10.09.18. ⁵Revenue growth based on Salesforce's quarterly cloud financial results. Marketing & Commerce Cloud revenue reported together. Platform & Other revenue growth excludes the impact MuleSoft.

Salesforce is a Values Driven Company



A culture of engaging all stakeholders



Trust

Deliver the most trusted infrastructure and communicate openly.

Customer Success

Focus on customer success to drive mutual growth.

Innovation

Empower Trailblazers with technology to succeed in the Fourth Industrial Revolution.

Equality

Respect and value a diversity of people.



Putting Our Values into Action

Doing well by doing good



#1 BEST WORKPLACES FOR GIVING BACK
- FORTUNE MAGAZINE

BEST WORKPLACES FOR WOMEN
- FAIRYGODBOSS

BEST PLACES TO WORK FOR LGBTQ EQUALITY
- HUMAN RIGHTS CAMPAIGN

“CHANGE THE WORLD” LIST
- FORTUNE MAGAZINE

1-1-1 Model

#1 ON THE FORTUNE “THE FUTURE 50” LIST
- FORTUNE MAGAZINE



1% Time



1% Equity



1% Product

BEST WORKPLACES FOR DIVERSITY
- FORTUNE MAGAZINE

WORLD’S MOST ETHICAL COMPANIES HONOREE
ETHISPHERE 2018

3.5M+
Volunteer Hours¹

\$240M+
Grants¹

39K
Nonprofits & Education

#2 ON THE MOST SUSTAINABLE COMPANIES LIST
- BARRON'S 2018



¹Hours and Grants are cumulative through Q3 FY19. Grants are made from Salesforce Foundation.



Continued Environmental Leadership

Committed to creating a sustainable future for all

Net-Zero Emissions & Carbon Neutral Cloud

Delivering an eco-friendly customer success platform

Global Green Real Estate Strategy

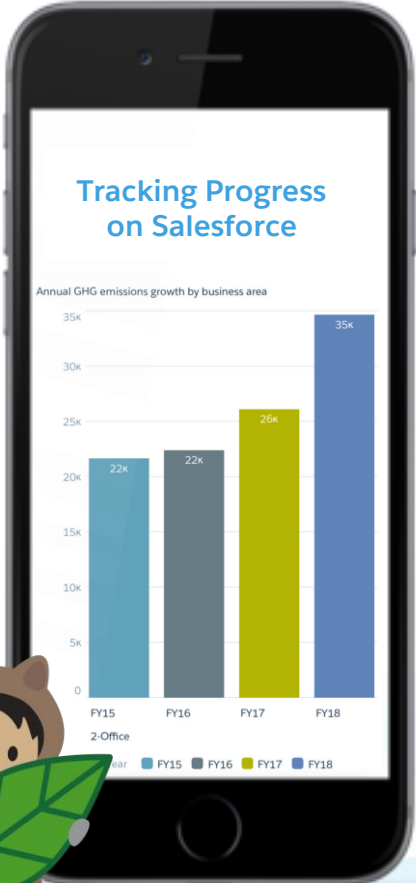
Aligning with LEED and Net Zero Carbon Building Certification

Step Up Declaration Leader

Collaborating with leading global 4IR companies

Partner with Suppliers to Reduce Emissions

Setting own emissions reduction targets by 2025



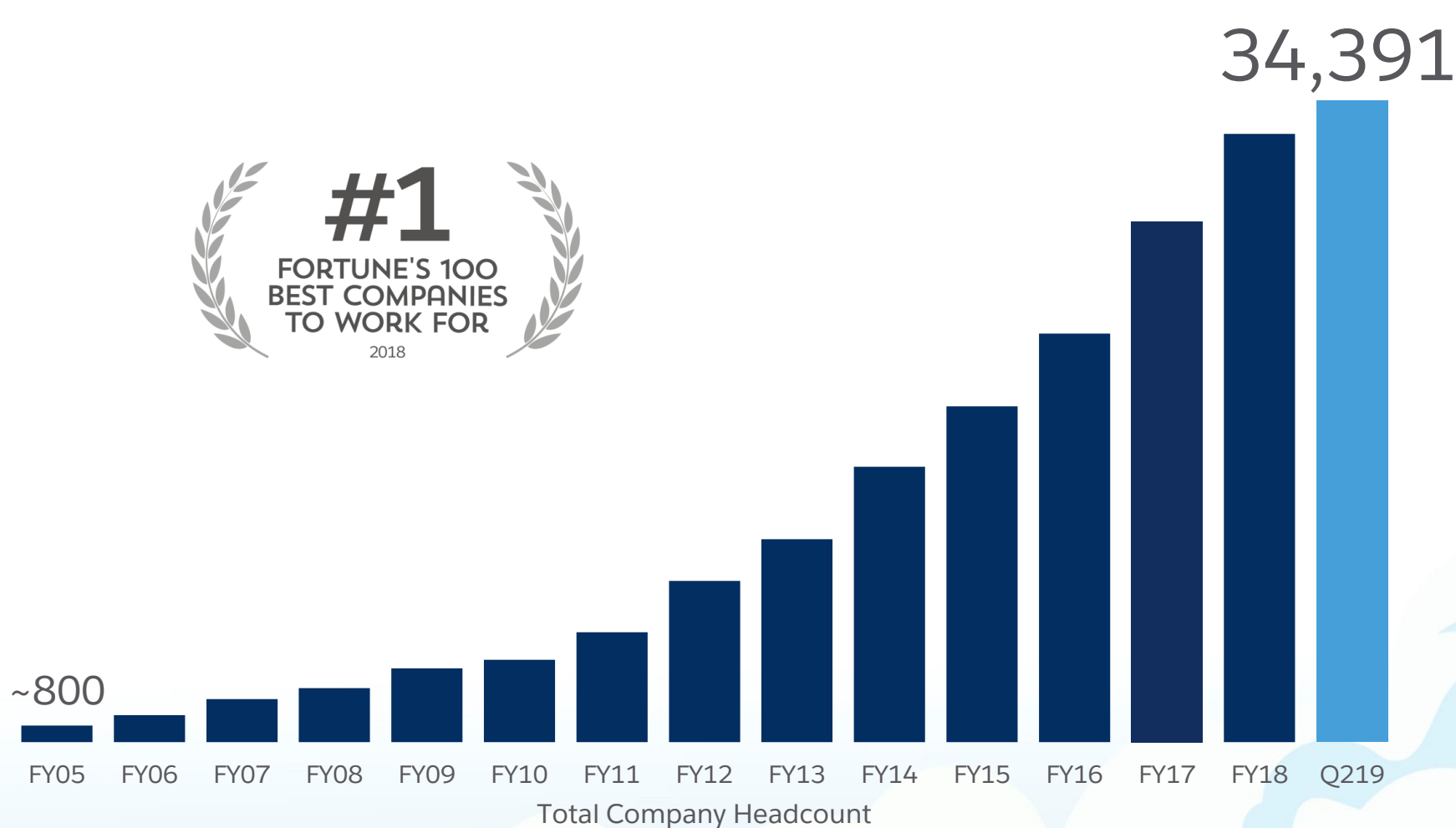
BARRON'S
MOST SUSTAINABLE
COMPANIES

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM



Values Attract Top Talent

Unmatched scale focused on CRM



Hiring Growth
Y/Y Q3 FY19

21%



Partnerships Enhance Value Proposition

Strategic relationships complement technology and product breadth and depth



Redefining the mobile experience with new iOS apps including Salesforce Mobile, Mytrailhead app, Industry Apps and more



Google Ads, Marketing & Web Analytics, G-Suite Productivity integrations And Preferred Public Cloud Provider



Empower CIOs to simplify how data and events are shared across AWS and Salesforce services And Preferred Public Cloud Provider



Global System Integrator & AI partner for non-CRM data

The Trailblazer Advantage

Customers and our ecosystem as evangelists



Autodesk is a Trailblazer



Autodesk depends on Trailhead to deliver sales onboarding and enablement.

“Trailhead helps us reach more people, faster, and gives us a deeper understanding of Salesforce capabilities.”

Damian O’Farrill, Product Manager AI, Sales Automation and Analytics, Autodesk.

Challenge

- Distributed workforce made group training difficult to deliver.
- Adoption was slow as many team members were new to Salesforce.
- The global team needed to migrate to Lightning in less than 60 days.
- The Automation and Analytics team was bogged down with requests for reports.
- Keeping users up-to-date on Salesforce enhancements was time consuming.

Solution

- Trailhead made learning flexible and on-demand for employees to consume on their own time.
- “Salesforce User Basics” Trailhead content ramped users quickly.
- Custom Lightning learning journeys were created with trailmixes.
- Trailhead reporting content taught users how to create their own custom reports.
- Trailhead’s seasonal release content helps users understand the latest functionality



- Sales Cloud
- Service Cloud
- Salesforce Platform
- Analytics
- Trailhead

700+ badges earned
350+ hours of learning

Ecosystem Advantage

Extends our reach and value



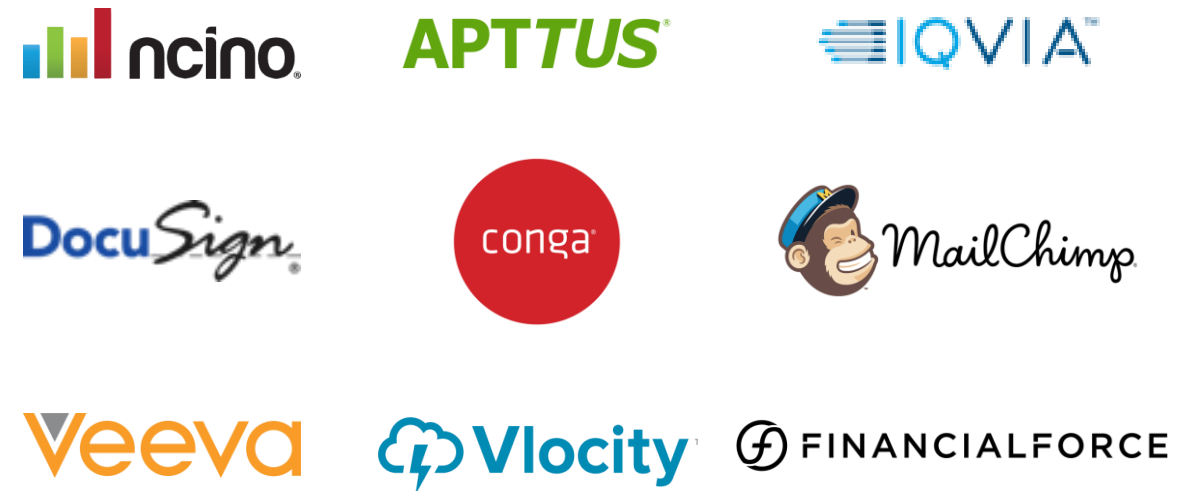
Consulting Partners

+26% Global Partner Certified Consultants¹

19 Quarters Of Consecutive Double-Digit Certification Growth¹



Independent Software Vendors



~5,000 AppExchange Solutions²

6M+ AppExchange Installs²

¹Growth rates as of Q3 FY19.
²AppExchange Solutions and Installs as of 11/1/2018.

thank you



Appendix



Notes on Q3 Results

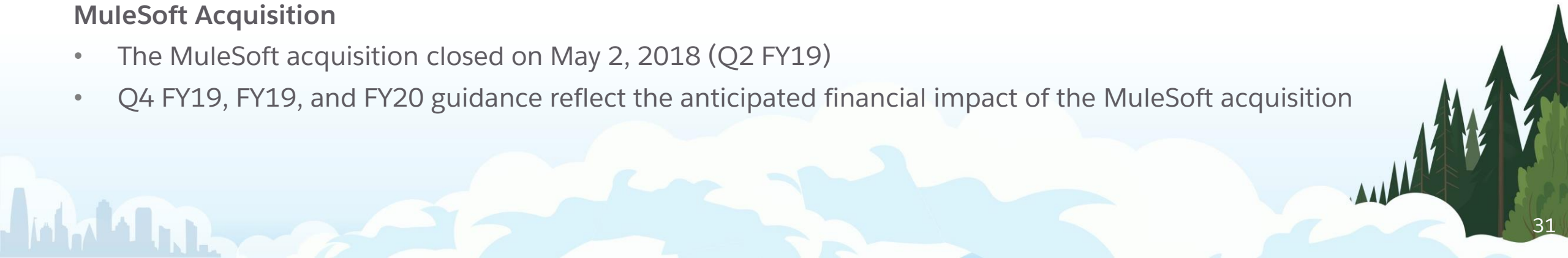


Adoption of New Accounting Standards

- Salesforce retrospectively adopted new accounting standard Topic 606 on February 1, 2018 (Q1 FY19)
- Topic 606 includes changes to accounting policies for revenue recognition and costs capitalized to acquire revenue contracts (primarily commissions)
- All financial results and guidance in this presentation reflect Topic 606. Historical results for FY17, FY18 and Q1-Q4 of FY18 are adjusted to reflect the adoption of new standard
- Refer to the Q1 FY19 [press release](#) for additional information, including adjusted historical Statements of Operations and Balance Sheets
- Adjusted information is based on best available information and reflects management's best estimate of the potential impact as a result of the adoption of the new standard
- Reconciliations to prior standards will not be provided

MuleSoft Acquisition

- The MuleSoft acquisition closed on May 2, 2018 (Q2 FY19)
- Q4 FY19, FY19, and FY20 guidance reflect the anticipated financial impact of the MuleSoft acquisition



Non-GAAP Financial Measures

This presentation includes information about non-GAAP diluted earnings per share, non-GAAP income from operations, non-GAAP free cash flow, and constant currency revenue and constant currency unearned revenue growth rates (collectively the “non-GAAP financial measures”). These non-GAAP financial measures are measurements of financial performance that are not prepared in accordance with U.S. generally accepted accounting principles and computational methods may differ from those used by other companies. Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures and should be read only in conjunction with the company’s consolidated financial statements prepared in accordance with GAAP. Management uses both GAAP and non-GAAP measures when planning, monitoring, and evaluating the company’s performance.

The primary purpose of using non-GAAP measures is to provide supplemental information that may prove useful to investors and to enable investors to evaluate the company’s results in the same way management does. Management believes that supplementing GAAP disclosure with non-GAAP disclosure provides investors with a more complete view of the company’s operational performance and allows for meaningful period-to-period comparisons and analysis of trends in the company’s business. Further, to the extent that other companies use similar methods in calculating non-GAAP measures, the provision of supplemental non-GAAP information can allow for a comparison of the company’s relative performance against other companies that also report non-GAAP operating results.

Non-GAAP diluted earnings per share excludes, to the extent applicable, the impact of the following items: stock-based compensation, amortization of acquisition-related intangibles, and previously the net amortization of debt discount on the company’s convertible senior notes, as well as income tax adjustments. These items are excluded because the decisions that give rise to them are not made to increase revenue in a particular period, but instead for the company’s long-term benefit over multiple periods

Non-GAAP income from operations excludes the impact of the following items: stock-based compensation, and amortization of acquisition-related intangibles.

The company defines the non-GAAP measure free cash flow as GAAP net cash provided by operating activities, less capital expenditures. For this purpose, capital expenditures does not include our strategic investments.

Constant currency information is provided as a framework for assessing how our underlying business performed excluding the effect of foreign currency rate fluctuations. To present constant currency revenue, current and comparative prior period results for entities reporting in currencies other than United States dollars are converted into United States dollars at the weighted average exchange rate for the quarter being compared to for growth rate calculations presented, rather than the actual exchange rates in effect during that period. To present unearned revenue on a constant currency basis, we convert the unearned revenue balances in local currencies in previous comparable periods using the United States dollar currency exchange rate as of the most recent balance sheet date.



GAAP to Non-GAAP Financial Reconciliation



Quarterly Results

(in thousands)	Three Months Ended						
	April 30, 2017*	July 31, 2017*	October 31, 2017*	January 31, 2017*	April 30, 2018	July 31, 2018	October 31, 2018
Non-GAAP income from operations							
GAAP income (loss) from operations	4	84	155	211	191	115	92
Plus:							
Amortization of purchased intangibles	75	74	70	69	69	119	129
Stock-based expense	252	256	251	238	252	351	351
Non-GAAP income from operations	\$ 331	\$ 414	\$ 476	\$ 518	\$ 512	\$ 585	\$ 572

(in millions)	Three Months Ended						
	April 30, 2017*	July 31, 2017*	October 31, 2017*	January 31, 2017*	April 30, 2018	July 31, 2018	October 31, 2018
Free cash flow analysis, a non-GAAP measure							
Operating cash flow							
GAAP net cash provided by operating activities	\$ 1,230	\$ 331	\$ 125	\$ 1,051	\$ 1,466	\$ 458	\$ 143
Less:							
Capital expenditures	(157)	(128)	(111)	(138)	(122)	(170)	(136)
Free cash flow	\$ 1,073	\$ 203	\$ 14	\$ 913	\$ 1,344	\$ 288	\$ 7

	Three Months Ended October 31,	
	2017*	2018
Non-GAAP diluted earnings per share		
GAAP diluted net income per share	\$ 0.14	\$ 0.13
Plus:		
Amortization of purchased intangibles	0.10	0.17
Stock-based expense	0.34	0.45
Amortization of debt discount, net	0.01	0.00
Less:		
Income tax effects and adjustments	(0.17)	(0.14)
Non-GAAP diluted earnings per share	\$ 0.42	\$ 0.61
Shares used in computing Non-GAAP diluted net income per share	738	785

*Prior period information has been adjusted for the adoption of Topic 606.

