

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

- Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the quarterly period ended June 30, 2016
or
- Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the transition period from to
Commission File Number 001-34832

INTRALINKS HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
Incorporation or organization)

150 East 42nd Street
8th Floor
New York, New York

(Address of principal executive offices)

(212) 543-7700

(Registrant's telephone number, including area code)

20-8915510

(I.R.S. Employer
Identification Number)

10017

(Zip Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of the latest practicable date.

Class	Outstanding at July 29, 2016
Common Stock, par value \$0.001 per share	57,328,674

INTRALINKS HOLDINGS, INC.
QUARTERLY REPORT ON FORM 10-Q
For the quarter ended June 30, 2016

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PART I - FINANCIAL INFORMATION

ITEM 1. Financial Statements

INTRALINKS HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)
(unaudited)

	June 30, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 38,367	\$ 47,875
Investments	1,100	12,425
Accounts receivable, net of allowances of \$5,269 and \$4,265, respectively	53,654	50,360
Prepaid expenses	7,444	8,595
Other current assets	2,733	3,399
Total current assets	103,298	122,654
Fixed assets, net	17,519	20,789
Capitalized software, net	50,510	46,636
Goodwill	229,848	224,383
Other intangibles, net	27,629	38,106
Other non-current assets	5,819	7,619
Total assets	\$ 434,623	\$ 460,187
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 6,398	\$ 10,094
Current portion of long-term debt, net of debt issuance costs	1,869	1,829
Deferred revenue	56,041	52,005
Accrued expenses and other current liabilities	23,824	29,856
Total current liabilities	88,132	93,784
Long-term debt, net of debt issuance costs	78,590	79,457
Other long-term liabilities	4,681	4,795
Commitments and contingencies		
Stockholders' equity:		
Undesignated preferred stock, \$0.001 par value; 10,000,000 shares authorized; 0 shares issued and outstanding, respectively	—	—
Common stock, \$0.001 par value; authorized 300,000,000 shares; issued 58,723,802 and 58,434,464 shares; outstanding 57,314,168 and 58,434,464 shares, respectively	59	58
Additional paid-in capital	461,390	456,141
Accumulated deficit	(182,438)	(169,594)
Accumulated other comprehensive loss	(4,302)	(4,454)
Treasury stock, 1,409,634 and 0 shares of common stock at cost, respectively	(11,489)	—
Total stockholders' equity	263,220	282,151
Total liabilities and stockholders' equity	\$ 434,623	\$ 460,187

The accompanying notes are an integral part of these Consolidated Financial Statements.

INTRALINKS HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share and per share data)
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Revenue	\$ 72,951	\$ 68,975	\$ 143,674	\$ 135,281
Cost of revenue	19,733	19,332	39,606	37,885
Gross profit	53,218	49,643	104,068	97,396
Operating expenses:				
Sales and marketing	32,986	32,198	63,339	62,170
General and administrative	17,253	18,605	35,181	36,754
Product development	7,380	6,215	13,970	12,248
Total operating expenses	57,619	57,018	112,490	111,172
Loss from operations	(4,401)	(7,375)	(8,422)	(13,776)
Interest expense	1,133	1,069	2,250	2,199
Amortization of debt issuance costs	143	143	286	286
Other expense (income), net	1,655	(658)	1,112	838
Net loss before income tax	(7,332)	(7,929)	(12,070)	(17,099)
Income tax expense	639	562	774	744
Net loss	\$ (7,971)	\$ (8,491)	\$ (12,844)	\$ (17,843)
Net loss per common share:				
Basic	\$ (0.14)	\$ (0.15)	\$ (0.22)	\$ (0.31)
Diluted	\$ (0.14)	\$ (0.15)	\$ (0.22)	\$ (0.31)
Weighted average number of shares:				
Basic	57,141,105	56,862,896	57,499,081	56,728,439
Diluted	57,141,105	56,862,896	57,499,081	56,728,439

The accompanying notes are an integral part of these Consolidated Financial Statements.

INTRALINKS HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
Net loss	\$ (7,971)	\$ (8,491)	\$ (12,844)	\$ (17,843)
Change in foreign currency translation adjustment (net of tax expense of \$27 and benefit of \$100 for the three and six months ended June 30, 2016, respectively, and net of tax benefit of \$0 for both the three and six months ended June 30, 2015)	(41)	476	152	(1,012)
Total other comprehensive (loss) income, net of tax	(41)	476	152	(1,012)
Comprehensive loss	<u>\$ (8,012)</u>	<u>\$ (8,015)</u>	<u>\$ (12,692)</u>	<u>\$ (18,855)</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

INTRALINKS HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(unaudited)

	<u>Six months ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Net loss	\$ (12,844)	\$ (17,843)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	13,163	13,561
Amortization of intangible assets	12,077	11,975
Stock-based compensation expense	5,404	5,864
Other, net	3,199	1,664
Changes in operating assets and liabilities:		
Accounts receivable	(5,024)	(7,630)
Prepaid expenses and other assets	2,107	1,168
Accounts payable	(2,703)	502
Accrued expenses and other liabilities	(6,164)	(3,495)
Deferred revenue	3,453	2,184
Net cash provided by operating activities	<u>12,668</u>	<u>7,950</u>
Cash flows from investing activities:		
Capitalized software development costs	(13,429)	(11,212)
Capital expenditures	(1,164)	(2,780)
Maturities of investments	11,284	5,550
Acquisition, net of cash acquired	(6,334)	—
Purchase of a cost method investment	—	(1,000)
Net cash used in investing activities	<u>(9,643)</u>	<u>(9,442)</u>
Cash flows from financing activities:		
Purchases of treasury stock	(11,489)	—
Payments on long-term debt	(1,148)	(400)
Other, net	(154)	(271)
Net cash used in financing activities	<u>(12,791)</u>	<u>(671)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	258	(475)
Net decrease in cash and cash equivalents	<u>(9,508)</u>	<u>(2,638)</u>
Cash and cash equivalents at beginning of period	47,875	40,682
Cash and cash equivalents at end of period	<u>\$ 38,367</u>	<u>\$ 38,044</u>

The accompanying notes are an integral part of these Consolidated Financial Statements.

INTRALINKS HOLDINGS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Intralinks Holdings, Inc. and Summary of Significant Accounting Policies

Intralinks Holdings, Inc. ("Intralinks Holdings") and its subsidiaries (collectively, the "Company") is a leading global provider of Software-as-a-Service ("SaaS") solutions for secure enterprise content collaboration within and among organizations. The Company was incorporated in Delaware in June 1996. The Company's cloud-based solutions enable organizations to manage, control, track, search, exchange and collaborate on sensitive information, inside and outside of the firewall, all within a secure and easy-to-use environment.

Basis of Presentation

The accompanying unaudited Consolidated Financial Statements include the accounts of Intralinks Holdings, Inc. and its subsidiaries. All intercompany balances and transactions have been eliminated. The accompanying unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with the rules and regulations of the Securities and Exchange Commission ("SEC"). Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such SEC rules and regulations.

In the opinion of management, the accompanying unaudited Consolidated Financial Statements contain all normal and recurring adjustments necessary for the fair statement of the Company's consolidated financial position, results of operations and cash flows for the interim periods presented. Interim results are not necessarily indicative of the results to be expected for a full year. The financial statements contained herein are unaudited and should be read in conjunction with the Company's audited Consolidated Financial Statements and related notes included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Certain prior year amounts have been reclassified to conform to the current year presentation.

Use of Estimates

The preparation of the Company's Consolidated Financial Statements in conformity with U.S. GAAP requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from those estimates.

On an ongoing basis, the Company evaluates its estimates and assumptions including those related to (a) allowances for doubtful accounts and reserves for customer credits, (b) the fair values of the Company's single operating segment and reporting unit, goodwill, definite-lived intangible assets and long-term investments, (c) the recoverability of its definite-lived intangible assets, capitalized software and fixed assets (and their related useful lives), (d) certain components of the income tax provision (including the valuation allowance on net deferred tax assets and liabilities for uncertain tax positions), (e) accruals for certain compensation and benefit expenses and (f) the fair value of stock-based awards including estimated forfeitures of such awards. The Company bases its estimates, judgments and assumptions on historical experience, its forecasts and budgets and on various other factors that it believes to be reasonable under the circumstances.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), which outlines a single comprehensive model for entities to use in accounting for revenue. ASU 2014-09 supersedes current revenue recognition guidance and requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Entities have the option of using either a full retrospective or a modified retrospective approach to adopt ASU 2014-09. In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*. The amendment in this update deferred the effective date of implementation of ASU 2014-09 by one year and is now effective for annual and interim reporting periods beginning after December 15, 2017. In March 2016, the FASB issued ASU 2016-08, *Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*, amending the principal-versus-agent implementation guidance set forth in ASU 2014-09. The amendment clarifies that an entity should evaluate whether it is the principal or the agent for each specified good or service promised in a contract with a customer. In April 2016, the FASB issued ASU 2016-10, *Identifying Performance Obligations and Licensing*, which amends certain aspects of the guidance set forth in the FASB's new revenue standard related to identifying performance obligations and licensing implementation. In May 2016,

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

the FASB issued ASU 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients*, which clarifies implementation guidance in ASU 2014-09 on assessing collectability, noncash consideration, presentation of sales tax and completed contracts and contract modifications at transition. The Company is currently evaluating the impact of the adoption of these standards on its Consolidated Financial Statements.

In April 2015, the FASB issued ASU 2015-03, *Interest-Imputation of Interest: Simplifying the Presentation of Debt Issuance Costs* ("ASU 2015-03"), which requires an entity to present debt issuance costs on the balance sheet as a direct deduction from the related liability rather than as an asset. ASU 2015-03 is effective for annual and interim reporting periods beginning after December 15, 2015. In August 2015, the FASB issued ASU 2015-15, *Interest-Imputation of Interest: Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements*, which clarifies that the SEC staff would not object to an entity deferring and presenting debt issuance costs as an asset and subsequently amortizing the deferred debt issuance costs ratably over the term of the line-of-credit arrangement, regardless of whether there are outstanding borrowings on the line-of-credit. As a result of the retrospective adoption of ASU 2015-03, at December 31, 2015, the Company reclassified capitalized deferred debt issuance costs of \$0.5 million from "Other current assets" to "Current portion of long-term debt, net of debt issuance costs" and \$1.0 million from "Other non-current assets" to "Long-term debt, net of debt issuance costs."

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* ("ASU 2016-02"), which supersedes existing guidance on accounting for leases in "Leases (Topic 840)" and generally requires all leases to be recognized in the consolidated balance sheet. ASU 2016-02 is effective for annual and interim reporting periods beginning after December 15, 2018; early adoption is permitted. The provisions of ASU 2016-02 are to be applied using a modified retrospective approach. The Company is currently evaluating the impact of the adoption of this standard on its Consolidated Financial Statements.

In March 2016, the FASB issued ASU 2016-09, *Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"), which simplifies the accounting for employee stock-based payment. This update provides clarification on guidance for employee share-based payments, in particular areas including income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. ASU 2016-09 is effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. The Company is currently evaluating the impact of the adoption of these standards on its Consolidated Financial Statements.

2. Investments and Fair Value Measurements

The Company has classified its investments in corporate securities as held-to-maturity and, as such, has recorded them at amortized cost. Interest earned on these corporate securities is included in "Other expense (income), net" within the Consolidated Statements of Operations. The gross unrealized holding gains and losses for the three and six months ended June 30, 2016 and 2015 were not material.

The following tables summarize these investments:

Security Type	Remaining Maturity	Consolidated Balance Sheet Classification	June 30, 2016
			Amortized Cost
(In thousands)			
Corporate Securities	20 Days	Investments (current)	\$ 1,100

Security Type	Remaining Maturity	Consolidated Balance Sheet Classification	December 31, 2015
			Amortized Cost
(In thousands)			
Corporate Securities	15 to 202 Days	Investments (current)	\$ 12,425

The Company categorizes its financial instruments measured at fair value into a three-level fair value hierarchy that prioritizes the inputs used in determining the fair value of the asset or liability. The three levels of the fair value hierarchy are as follows:

- Level 1: Fair value measurement of the asset or liability using observable inputs such as quoted prices in active markets for identical assets or liabilities;

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(unaudited)

- Level 2: Fair value measurement of the asset or liability using inputs other than quoted prices that are observable for the applicable asset or liability, either directly or indirectly, such as quoted prices for similar (as opposed to identical) assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active; and
- Level 3: Fair value measurement of the asset or liability using unobservable inputs that reflect the Company's own assumptions regarding the applicable asset or liability.

The following tables present the Company's financial instruments that are measured at fair value on a recurring basis:

	June 30, 2016			
	Total	Level 1	Level 2	Level 3
	(In thousands)			
Asset:				
Money market funds as cash equivalents	\$ 15,214	\$ 15,214	\$ —	\$ —

	December 31, 2015			
	Total	Level 1	Level 2	Level 3
	(In thousands)			
Asset:				
Money market funds as cash equivalents	\$ 17,143	\$ 17,143	\$ —	\$ —

The Company's non-financial assets, which include goodwill, intangible assets, fixed assets, capitalized software and cost method investments, are adjusted to fair value only when an impairment charge is recognized. These fair value measurements are based predominantly on Level 3 inputs.

At June 30, 2016 and December 31, 2015, the carrying value of the Company's investments accounted for under the cost method totaled \$3.0 million and \$4.5 million, respectively, and are included in "Other non-current assets" on the Company's Consolidated Balance Sheets. During the three months ended June 30, 2016, the Company recognized an impairment charge of \$1.5 million related to the write-down of a cost method investment to its estimated fair value of zero. The decline in value was determined to be other-than-temporary due to the investee company's inability to continue operations without new outside financing. The impairment charge is included in "Other expense (income), net" in the Consolidated Statements of Operations.

3. Goodwill and Other Intangibles

At June 30, 2016 and December 31, 2015, the Company had \$229.8 million and \$224.4 million of goodwill, respectively. The additions to goodwill and other intangibles relate to the Company's acquisition of Verilume, Inc., a cloud infrastructure company. The Company completed the purchase price allocation related to this transaction and the acquired assets and assumed liabilities were recorded by the Company at their estimated fair values.

At June 30, 2016, other intangibles consisted of the following:

	Definite-Lived Intangible Assets		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
	(In thousands)		
Customer relationships	\$ 141,973	\$ (128,239)	\$ 13,734
Developed technology	135,792	(125,878)	9,914
Trade name	14,629	(11,025)	3,604
Non-compete agreements	1,687	(1,310)	377
Total	\$ 294,081	\$ (266,452)	\$ 27,629

At December 31, 2015, other intangibles consisted of the following:

INTRALINKS HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

	Definite-Lived Intangible Assets		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
	(In thousands)		
Customer relationships	\$ 141,973	\$ (121,141)	\$ 20,832
Developed technology	134,542	(121,634)	12,908
Trade name	14,629	(10,416)	4,213
Non-compete agreements	1,337	(1,184)	153
Total	\$ 292,481	\$ (254,375)	\$ 38,106

Amortization of intangible assets is classified in each of the operating expense categories as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(In thousands)			
Cost of revenue	\$ 2,161	\$ 2,082	\$ 4,244	\$ 4,165
Sales and marketing	3,548	3,550	7,098	7,099
General and administrative	386	356	735	711
Total	\$ 6,095	\$ 5,988	\$ 12,077	\$ 11,975

At June 30, 2016, amortization of intangible assets for each of the next five years and thereafter is estimated to be as follows:

	Amount
	(In thousands)
Remainder of 2016	\$ 12,137
2017	12,224
2018	1,911
2019	966
2020	281
Thereafter	110
Total	\$ 27,629

4. Fixed Assets

Fixed assets consisted of the following:

	June 30,	December 31,
	2016	2015
	(In thousands)	
Computer equipment and software	\$ 37,445	\$ 37,200
Furniture, fixtures and office equipment	3,074	3,058
Leasehold improvements	6,371	6,213
Total fixed assets	46,890	46,471
Less: Accumulated depreciation and amortization	(29,371)	(25,682)
Fixed assets, net	\$ 17,519	\$ 20,789

Depreciation expense is classified in each of the operating expense categories as follows:

INTRALINKS HOLDINGS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(In thousands)			
Cost of revenue	\$ 1,434	\$ 1,146	\$ 2,829	\$ 2,235
Sales and marketing	331	341	683	614
General and administrative	203	262	418	505
Product development	143	163	299	297
Total	<u>\$ 2,111</u>	<u>\$ 1,912</u>	<u>\$ 4,229</u>	<u>\$ 3,651</u>

5. Capitalized Software

Capitalized software consisted of the following:

	June 30,	December 31,
	2016	2015
	(In thousands)	
Capitalized internal-use software development costs	\$ 158,938	\$ 146,261
Less: Accumulated amortization	(108,428)	(99,625)
Capitalized software, net	<u>\$ 50,510</u>	<u>\$ 46,636</u>

Amortization expense is classified in each of the operating expense categories as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(In thousands)			
Cost of revenue	\$ 4,284	\$ 4,801	\$ 8,599	\$ 9,599
Sales and marketing	59	33	104	66
General and administrative	110	122	231	245
Total	<u>\$ 4,453</u>	<u>\$ 4,956</u>	<u>\$ 8,934</u>	<u>\$ 9,910</u>

6. Income Tax

The Company recorded an income tax expense of \$0.6 million and \$0.8 million despite a pre-tax loss of \$7.3 million and \$12.1 million for the three and six months ended June 30, 2016, respectively, and recorded an income tax expense of \$0.6 million and \$0.7 million despite a pre-tax loss of \$7.9 million and \$17.1 million for the three and six months ended June 30, 2015, respectively, primarily because the income tax benefit related to the U.S. pre-tax loss generated was subject to a valuation allowance.

The Company is routinely under audit by federal, state, local and foreign tax authorities in the area of income tax. These audits include questioning the timing and the amount of income and deductions and the allocation of income and deductions among various tax jurisdictions. The Internal Revenue Service is currently auditing the Company's federal tax returns for the years ended December 31, 2010 and 2011. Various other jurisdictions are open to examination for various tax years. Management believes it has adequately provided for all uncertain tax positions and any potential audit adjustments would not have a material impact on the Company's liquidity, results of operations or financial condition.

Unrecognized tax benefits totaled \$6.0 million and \$5.5 million at June 30, 2016 and December 31, 2015, respectively. Management does not expect that the balance of unrecognized tax benefits will significantly increase or decrease over the next twelve months. If unrecognized tax benefits at June 30, 2016 are subsequently recognized, the Company's income tax expense would be reduced by \$5.1 million (\$0.6 million net of the impact of the Company's valuation allowance).

7. Debt

INTRALINKS HOLDINGS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Long-term debt consisted of the following:

	June 30, 2016	December 31, 2015
(In thousands)		
Term Loan Credit Facility	\$ 78,200	\$ 78,600
Equipment Loan Facility	3,971	4,719
Term Loan original issue discount	(427)	(507)
Term Loan unamortized debt issuance costs	(1,285)	(1,526)
Total debt, net of debt issuance costs	80,459	81,286
Less: current portion (Term Loan Credit Facility)	(318)	(318)
Less: current portion (Equipment Loan Facility)	(1,551)	(1,511)
Total current portion of debt, net of debt issuance costs	\$ (1,869)	\$ (1,829)
Total long-term debt, net of debt issuance costs	\$ 78,590	\$ 79,457

Based on available market information, the estimated fair value of the Company's long-term debt was \$79.8 million and \$81.0 million as of June 30, 2016 and December 31, 2015, respectively. These fair value measurements were determined using Level 2 observable inputs, as defined in Note 2. The estimated fair value of our facility related to the purchase of equipment ("Equipment Loan Facility") approximates its carrying value at each reporting period.

As of June 30, 2016, the Company had \$2.9 million in outstanding letters of credit issued under its Revolving Credit Facility.

The Term Loan Credit Facility and the Revolving Credit Facility (collectively, the "Credit Facilities") include covenants that restrict certain activities by the Company, as well as require the Company to comply with certain financial ratios such as a Consolidated Net Leverage Ratio and a springing Fixed Charge Coverage Ratio, as these terms are defined in the agreements governing the Credit Facilities. The agreements governing the Credit Facilities also contain other affirmative and negative covenants with which the Company is required to comply. The Term Loan Credit Facility requires partial prepayment of a portion of the principal outstanding in the event that the Company generates Consolidated Excess Cash Flow (as defined under the Term Loan Credit Facility) in excess of a certain threshold. This determination is to be made 90 days following the end of the preceding fiscal year, with any payment, if required, due within 105 days following the end of the preceding fiscal year. The Company was in compliance with all applicable covenants set forth in the Credit Facilities as of June 30, 2016 and there was no required prepayment for the year ended December 31, 2015.

8. Employee Stock Plans

Stock-based compensation expense is measured at the grant date based on the fair value of the award and recognized as expense over the requisite service period, net of an estimated forfeiture rate. The Company maintains several stock-based compensation plans, which are more fully described in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Stock-based compensation expense related to all of the Company's stock awards is included in operating expense categories, as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
(In thousands)				
Cost of revenue	\$ 161	\$ 101	\$ 327	\$ 216
Sales and marketing	599	485	1,102	1,050
General and administrative	1,515	2,035	3,066	3,916
Product development	514	359	909	682
Total	\$ 2,789	\$ 2,980	\$ 5,404	\$ 5,864

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9. Net Loss per Share

The following table provides a reconciliation of the numerator and denominator used in computing basic and diluted net loss per common share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Numerator:				
Net loss (in thousands)	\$ (7,971)	\$ (8,491)	\$ (12,844)	\$ (17,843)
Denominator:				
Weighted-average shares used to compute basic net loss per share	57,141,105	56,862,896	57,499,081	56,728,439
Effect of dilutive options, unvested shares of restricted stock awards and unvested restricted stock units	—	—	—	—
Weighted-average shares used to compute diluted net loss per share	57,141,105	56,862,896	57,499,081	56,728,439
Net loss per share:				
Basic	\$ (0.14)	\$ (0.15)	\$ (0.22)	\$ (0.31)
Diluted	\$ (0.14)	\$ (0.15)	\$ (0.22)	\$ (0.31)

The following outstanding options to purchase common stock, unvested shares of restricted stock awards and unvested restricted stock units were excluded from the computation of diluted net loss per share for the periods presented as their inclusion would have been anti-dilutive:

	June 30,	June 30,
	2016	2015
Options to purchase common stock	3,995,676	4,542,316
Unvested shares of restricted stock awards	529,173	521,553
Unvested shares of restricted stock units	3,201,032	2,455,276

10. Contingencies

In the ordinary course of business, the Company and its subsidiaries are subject to various claims, charges, disputes, litigation and regulatory inquiries and investigations. The Company establishes reserves for specific legal matters when it determines that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable. Management has also identified certain other legal matters where it believes an unfavorable outcome is not probable and, therefore, no reserve is established. Although management currently believes that resolving claims against the Company, including claims where an unfavorable outcome is reasonably possible, will not have a material impact on the Company's liquidity, results of operations or financial condition, these matters are subject to inherent uncertainties and management's view of these matters may change in the future. The Company also evaluates other contingent matters, including income and non-income tax contingencies, to assess the likelihood of an unfavorable outcome and estimated extent of potential loss. These matters, if resolved adversely against the Company, may result in monetary damages, fines and penalties or require changes in business practices. It is possible that an unfavorable outcome of one or more of these lawsuits or other contingencies could have a material impact on the Company's liquidity, results of operations or financial condition.

Legal Proceedings

The Company is not currently aware of any pending or threatened material claims, charges, disputes, litigation and regulatory inquiries and investigations except as follows:

Levine Stockholder Demand Letter/Complaint. The Company received a stockholder demand letter, dated May 16, 2013, demanding that the Company's Board of Directors (the "Board") take action to remedy alleged breaches of fiduciary duty by current and former directors and officers of the Company. These alleged breaches are based on the same alleged misconduct detailed in the complaints in the previously filed and now resolved stockholder derivative and class action matters. The letter specifically demanded that the

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Board undertake an independent internal investigation into the alleged breaches and commence a civil action against each of the allegedly breaching current and former directors and officers. On June 26, 2013, the Board created a Demand Committee to conduct an investigation into the allegations in the Levine demand letter. On December 13, 2013, the stockholder filed a derivative complaint (the "Levine Action") in New York State Court against the Company and certain of its current and former directors and officers. The Levine Action alleged that since the Board had not responded substantively to the stockholder's demand letter in over six months, this had resulted in an improper "functional refusal" of the demand. The Levine Action made substantially the same claims as, and was related to, the previously filed and subsequently resolved stockholder derivative and class action matters. It alleged, among other things, that the defendants breached their fiduciary duties by making materially false and misleading statements related to the strength of the Company's business and customer satisfaction. On March 27, 2014, counsel for the Demand Committee sent a letter to the stockholder's counsel stating that, after thorough investigation of the allegations in the demand letter, the Board had concluded that taking any or all of the demanded actions would not serve the best interests of the Company and its stockholders and the Board had voted unanimously to reject the demand. Pursuant to a stipulation filed on June 2, 2014, the defendants filed motions to dismiss the action on July 2, 2014. On February 4, 2015, following oral argument, the New York State Court announced from the bench that it would grant the defendants' motions to dismiss, without prejudice. On May 20, 2015, Mr. Levine filed a new derivative complaint (the "Second Levine Action") under a different docket number in New York State Court against the Company and certain of its current and former directors and officers. The Second Levine Action made substantially the same claims as in the prior Levine Action, but added allegations that the prior stockholder demand was wrongfully refused. Pursuant to a stipulation filed on June 2, 2015, the defendants filed motions to dismiss the action on June 26, 2015. Plaintiff filed his opposition on July 20, 2015 and defendants filed their replies on July 31, 2015. On April 28, 2016, the New York State Court entered its decision and order granting defendants' motions and dismissing plaintiff's complaint with prejudice. Also on April 28, 2016, defendants served plaintiff with notice of entry of the dismissal order. The deadline to appeal entry of the dismissal order expired on May 31, 2016 and the case has now ended.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our operating results and financial condition have varied in the past and could in the future vary significantly depending on a number of factors. Some of the statements in this Quarterly Report constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements relate to our operations and are based on our current expectations, estimates and projections. Words such as "may," "will," "could," "would," "should," "anticipate," "predict," "potential," "continue," "expects," "intends," "plans," "projects," "believes," "estimates," "goals," "in our view" and similar expressions are used to identify these forward-looking statements. The forward-looking statements included in this Quarterly Report include, but are not limited to, statements about our internal control over financial reporting, our results of operations and financial condition and our plans, strategies and developments. Forward-looking statements are only predictions and, as such, are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Forward-looking statements are based upon assumptions as to future events or our future financial performance that may not prove to be accurate. Actual outcomes and results may differ materially from what is expressed or forecasted in these forward-looking statements. Many of the reasons for these differences include changes that occur in our continually changing business environment and other important factors. These risks, uncertainties and other factors are more fully described in this section and under the heading "Risk Factors" in Item 1A of Part I of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, filed with the Securities and Exchange Commission, or the SEC, on March 4, 2016. You are strongly encouraged to read those sections carefully as the occurrence of the events described therein and elsewhere in this report could materially harm our business. Given these risks, uncertainties and other factors, you should not place undue reliance on these forward-looking statements. Also, these statements speak only as of the date they were made and, except as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

Management's Discussion and Analysis of Financial Condition and Results of Operations, or MD&A, is intended to provide a reader of our financial statements with a narrative from the perspective of our management on our financial condition, results of operations, liquidity and certain other factors that may affect our future results. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included in Part I, Item 1. "Financial Statements (Unaudited)" of this Quarterly Report on Form 10-Q and the audited

consolidated financial statements included in Part II, Item 8. "Financial Statements and Supplementary Data" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Executive Summary

Intralinks is a leading global technology provider of Software-as-a-Service, or SaaS, solutions for secure enterprise content collaboration within and among organizations. Our cloud-based solutions enable organizations to manage, control, track, search, exchange and collaborate on sensitive information, inside and outside the firewall, all within a secure and easy-to-use environment.

Results of Operations

The following table sets forth Consolidated Statements of Operations data as a percentage of revenue.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue	100.0 %	100.0 %	100.0 %	100.0 %
Cost of revenue	27.0 %	28.0 %	27.6 %	28.0 %
Gross profit	73.0 %	72.0 %	72.4 %	72.0 %
Operating expenses:				
Sales and marketing	45.2 %	46.7 %	44.1 %	46.0 %
General and administrative	23.7 %	27.0 %	24.5 %	27.2 %
Product development	10.1 %	9.0 %	9.7 %	9.1 %
Total operating expenses	79.0 %	82.7 %	78.3 %	82.2 %
Loss from operations	(6.0)%	(10.7)%	(5.9)%	(10.2)%
Interest expense	1.6 %	1.5 %	1.6 %	1.6 %
Amortization of debt issuance costs	0.2 %	0.2 %	0.2 %	0.2 %
Other expense (income), net	2.3 %	(1.0)%	0.8 %	0.6 %
Net loss before income tax	(10.1)%	(11.5)%	(8.4)%	(12.6)%
Income tax expense	0.9 %	0.8 %	0.5 %	0.5 %
Net loss	(10.9)%	(12.3)%	(8.9)%	(13.2)%

Comparison of the Three and Six Months Ended June 30, 2016 and 2015

Revenue

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2016	2015	\$	%	2016	2015	\$	%
(Dollars in thousands)								
M&A	\$ 36,827	\$ 34,734	\$ 2,093	6.0 %	\$ 72,213	\$ 67,933	\$ 4,280	6.3 %
Enterprise	29,044	26,570	2,474	9.3 %	57,213	52,590	4,623	8.8 %
DCM	7,080	7,671	(591)	(7.7)%	14,248	14,758	(510)	(3.5)%
Total revenue	\$ 72,951	\$ 68,975	\$ 3,976	5.8 %	\$ 143,674	\$ 135,281	\$ 8,393	6.2 %

Total revenue for the three and six months ended June 30, 2016 increased 5.8% and 6.2%, or 6.6% and 7.8% excluding the effects of foreign exchange, from 2015 to 2016, respectively.

M&A revenue for the three and six months ended June 30, 2016 increased 6.0% and 6.3%, or 6.8% and 8.4% excluding the effects of foreign exchange, from 2015 to 2016, respectively. The growth in M&A revenue for the three and six months ended June 30, 2016 was largely driven by a higher volume of strategic business transactions.

Enterprise revenue for the three and six months ended June 30, 2016 increased 9.3% and 8.8%, or 10.3% for both periods excluding the effects of foreign exchange, from 2015 to 2016, respectively. The growth in Enterprise revenue for the three and six months ended June 30, 2016 was primarily due to an increase in the number of enterprise customers year-over-year and revenue expansion within the existing customer base.

DCM revenue for the three and six months ended June 30, 2016 decreased 7.7% and 3.5%, or 7.6% and 3.3% excluding the effects of foreign exchange, from 2015 to 2016, respectively. The decrease in DCM revenue for the three and six months ended June 30, 2016 was largely driven by a decrease in an existing customer's one-time overage charge, partially offset by an increase in the customer's subscription renewal commitment level.

Cost of Revenue and Gross Profit

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2016	2015	\$	%	2016	2015	\$	%
(Dollars in thousands)								
Cost of revenue	\$ 19,733	\$ 19,332	\$ 401	2.1%	\$ 39,606	\$ 37,885	\$ 1,721	4.5%
Gross profit	\$ 53,218	\$ 49,643	\$ 3,575	7.2%	\$ 104,068	\$ 97,396	\$ 6,672	6.9%
Gross margin	73.0%	72.0%	1.0 point		72.4%	72.0%	0.4 point	

Cost of revenue for the three months ended June 30, 2016 increased \$0.4 million, or 2.1%, from 2015 to 2016, primarily due to higher software license and maintenance and hosting fees to support continued customer growth and investments in our platform, partially offset by a decrease in consulting fees.

Cost of revenue for the six months ended June 30, 2016 increased \$1.7 million, or 4.5%, from 2015 to 2016, primarily due to higher software license and maintenance and hosting fees to support continued customer growth and investments in our platform.

Operating Expenses

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2016	2015	\$	%	2016	2015	\$	%
(Dollars in thousands)								
Sales and marketing	\$ 32,986	\$ 32,198	\$ 788	2.4%	\$ 63,339	\$ 62,170	\$ 1,169	1.9%
General and administrative	17,253	18,605	(1,352)	(7.3)%	35,181	36,754	(1,573)	(4.3)%
Product development	7,380	6,215	1,165	18.7%	13,970	12,248	1,722	14.1%
Total operating expenses	\$ 57,619	\$ 57,018	\$ 601	1.1%	\$ 112,490	\$ 111,172	\$ 1,318	1.2%

Sales and marketing expense for the three and six months ended June 30, 2016 increased \$0.8 million and \$1.2 million, or 2.4% and 1.9%, from 2015 to 2016, respectively, largely due to an increase in headcount as we continue to expand our sales capacity, partially offset by decreases in marketing expense and commissions to third party partners primarily due to an initiative to expand our internal renewals department, which was previously primarily outsourced.

General and administrative expense for the three and six months ended June 30, 2016 decreased \$1.4 million and \$1.6 million, or 7.3% and 4.3%, from 2015 to 2016, respectively, primarily due to management's focus on reducing our overall general and administrative expenses. In addition, stock-based compensation expense decreased \$0.5 million and \$0.9 million for the three and six months ended June 30, 2016 primarily due to awards granted to key employees in prior years that became fully vested during the year ended December 31, 2015.

Product development expense for the three and six months ended June 30, 2016 increased \$1.2 million and \$1.7 million, or 18.7% and 14.1%, from 2015 to 2016, respectively, primarily due to an increase in headcount, as well as a decrease in the employee compensation and third party labor expenses that were capitalized during the three and six months ended June 30, 2016.

Total product development costs comprise product development expense and capitalized software, including capitalized interest.

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2016	2015	\$	%	2016	2015	\$	%
(Dollars in thousands)								
Product development expense	\$ 7,380	\$ 6,215	\$ 1,165	18.7%	\$ 13,970	\$ 12,248	\$ 1,722	14.1%
Capitalized software development costs	6,087	6,919	(832)	(12.0)%	12,635	12,729	(94)	(0.7)%
Total product development costs	\$ 13,467	\$ 13,134	\$ 333	2.5%	\$ 26,605	\$ 24,977	\$ 1,628	6.5%
As a percentage of revenue	18.5%	19.0%			18.5%	18.5%		

The increase in total product development costs for the three and six months ended June 30, 2016 of \$0.3 million and \$1.6 million, or 2.5% and 6.5%, from 2015 to 2016, respectively, was driven primarily by an increase in headcount.

Non-Operating Expenses

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2016	2015	\$	%	2016	2015	\$	%
	(Dollars in thousands)				(Dollars in thousands)			
Interest expense	\$ 1,133	\$ 1,069	\$ 64	6.0%	\$ 2,250	\$ 2,199	\$ 51	2.3%
Amortization of debt issuance costs	\$ 143	\$ 143	\$ —	—%	\$ 286	\$ 286	\$ —	—%
Other expense (income), net	\$ 1,655	\$ (658)	\$ 2,313	>(100)%	\$ 1,112	\$ 838	\$ 274	32.7%

Interest expense and amortization of debt issuance costs for the three and six months ended June 30, 2016 were comparable to 2015.

Other expense (income), net comprises impairment charges, foreign currency transaction (gains) losses and interest income. During the three months ended June 30, 2016, we recognized an other-than-temporary impairment charge of \$1.5 million related to the write-down of a cost method investment to its estimated fair value of zero due to the investee company's inability to continue operations without new outside financing. Foreign currency transaction (gains) losses largely relate to the remeasurement of Euro and British Pound Sterling denominated accounts receivable held by entities where the Euro or British Pound Sterling is not the functional currency. Net foreign currency transaction losses (gains) were \$0.2 and \$(0.4) and \$(0.6) and \$0.9 for the three and six months ended June 30, 2016 and 2015, respectively.

Income Tax Expense

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(In thousands)		(In thousands)	
Income tax expense	\$ 639	\$ 562	\$ 774	\$ 744

We recorded an income tax expense of \$0.6 million and \$0.8 million despite a pre-tax loss of \$7.3 million and \$12.1 million for the three and six months ended June 30, 2016, respectively, and recorded an income tax expense of \$0.6 million and \$0.7 million despite a pre-tax loss of \$7.9 million and \$17.1 million for the three and six months ended June 30, 2015, respectively, primarily because the income tax benefit related to our U.S. pre-tax loss generated was subject to a valuation allowance.

Business Measurements

Beginning in the second quarter of 2016 and going forward, we plan to regularly report the business measurements described below and will no longer report Enterprise 12-month backlog growth in our Quarterly Reports on Form 10-Q or our Annual Reports on Form 10-K.

We believe the following business measurements are key as we use them internally to help us evaluate our performance, identify trends affecting our business, establish budgets, assess operational efficiencies, make strategic decisions and compensate our management.

Annualized recurring revenue ("ARR") growth represents the percentage increase in the value attributable to all of our renewable subscription contracts for which revenue is recognized on a ratable basis as compared to the same date in the prior year. ARR is calculated as the annualized value of all renewable subscription contracts in effect at a specific point in time, without regard to the duration of the contract. ARR growth at June 30, 2016 was approximately 7% year-over-year, excluding the effects of foreign exchange.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
	(In thousands)			
Non-GAAP adjusted operating income	\$ 4,483	\$ 1,593	\$ 9,059	\$ 4,063

Non-GAAP adjusted operating income represents the corresponding GAAP measure adjusted to exclude, if applicable: (1) amortization of intangible assets, (2) stock-based compensation expense and (3) impairment charges or asset write-offs.

Non-GAAP Financial Measure

The table below provides a reconciliation of U.S. GAAP loss from operations to non-GAAP adjusted operating income, which is included in Business Measurements above:

	Three Months Ended June 30,		Six months ended June 30,	
	2016	2015	2016	2015
	(In thousands)			
Loss from operations	\$ (4,401)	\$ (7,375)	\$ (8,422)	\$ (13,776)
Amortization of intangible assets	6,095	5,988	12,077	11,975
Stock-based compensation expense	2,789	2,980	5,404	5,864
Non-GAAP adjusted operating income	<u>\$ 4,483</u>	<u>\$ 1,593</u>	<u>\$ 9,059</u>	<u>\$ 4,063</u>

We report non-GAAP adjusted operating income as a supplemental measure that is not prepared in accordance with generally accepted accounting principles in the United States, or GAAP or U.S. GAAP. Our definition of this non-GAAP financial measure may differ from the definition used by other companies, including peer companies, and therefore comparability may be limited. This non-GAAP financial measure should be considered in addition to our results prepared in accordance with U.S. GAAP and should not be considered a substitute for or superior to our U.S. GAAP results. We endeavor to compensate for the limitations of this non-GAAP financial measure by providing the comparable GAAP measure with equal or greater prominence.

Management believes that this non-GAAP financial measure, when viewed with our results under U.S. GAAP and the accompanying reconciliation, provides useful information about our period-over-period growth and provides additional information that is useful for evaluating our operating performance. Management also believes that this non-GAAP financial measure provides a more meaningful comparison of our operating results against those of other companies in our industry, as well as on a period-over-period basis, because this measure excludes items that are not representative of our operating performance, such as amortization of intangible assets and stock-based compensation expense.

Financial Position, Liquidity and Capital Resources

Cash Flows

	June 30,	
	2016	2015
	(In thousands)	
Cash and cash equivalents	<u>\$ 38,367</u>	<u>\$ 38,044</u>

	Six Months Ended June 30,	
	2016	2015
	(In thousands)	
Net cash provided by operating activities	\$ 12,668	\$ 7,950
Net cash used in investing activities	(9,643)	(9,442)
Net cash used in financing activities	(12,791)	(671)
Effect of foreign exchange rate changes on cash and cash equivalents	258	(475)
Net decrease in cash and cash equivalents	<u>\$ (9,508)</u>	<u>\$ (2,638)</u>

Operating Activities

Net cash provided by operating activities for the six months ended June 30, 2016 was \$12.7 million as a result of \$21.0 million in cash generated from results of operations after adjusting for non-cash items, partially offset by a net decrease in our operating assets and liabilities of \$8.3 million. The net decrease in operating assets and liabilities consisted primarily of a decrease of \$6.2 million in accrued expenses and other liabilities, primarily related to payment of bonus and commissions related to 2015, and an increase of \$5.0 million in accounts receivable, primarily related to the timing of cash collections partially offset by an increase of \$3.5 million in deferred revenue. Additionally, net cash provided by operating activities during the six months ended June 30, 2016 consisted of a net loss of \$12.8 million plus adjustments for non-cash items of \$33.8 million including (a) depreciation and amortization of \$13.2 million, (b) amortization of intangible assets of \$12.1 million, (c) stock-based compensation expense of \$5.4 million and (d) an impairment charge of \$1.5 million related to the write-down of a cost method investment to its fair value of zero.

Net cash provided by operating activities for the six months ended June 30, 2015 was \$8.0 million as a result of \$15.2 million in cash generated from results of operations after adjusting for non-cash items, partially offset by a net decrease in our operating assets and liabilities of \$7.3 million. The net decrease in operating assets and liabilities consisted primarily of an increase of \$7.6 million in accounts receivable, primarily related to the timing of cash collections, and a decrease of \$3.5 million in accrued expenses and other liabilities, primarily related to payment of bonus and commissions related to 2014, partially offset by an increase of \$2.2 million in deferred revenue. Additionally, net cash provided by operating activities during the six months ended June 30, 2015 consisted of a net loss of \$17.8 million, plus adjustments for non-cash items of \$33.1 million including (a) depreciation and amortization of \$13.6 million, (b) amortization of intangible assets of \$12.0 million and (c) stock-based compensation expense of \$5.9 million.

Investing Activities

Net cash used in investing activities for the six months ended June 30, 2016 and 2015 was \$9.6 million and \$9.4 million, respectively. Investments in capitalized software development costs for the six months ended June 30, 2016 and 2015 were \$13.4 million and \$11.2 million, respectively. Cash used in investing activities related to capital expenditures for infrastructure during the six months ended June 30, 2016 and 2015 was \$1.2 million and \$2.8 million, respectively. During the six months ended June 30, 2016 and 2015, maturities of investments, comprising corporate securities, were \$11.3 million and \$5.6 million, respectively. During the six months ended June 30, 2016, we used \$6.3 million in cash for the acquisition of Verilume, Inc. During the six months ended June 30, 2015, we purchased a minority interest in a privately held company for \$1.0 million, which is accounted for under the cost method.

Financing Activities

Net cash used in financing activities for the six months ended June 30, 2016 of \$12.8 million includes \$11.5 million for the repurchase of 1.4 million shares of common stock at an average price of \$8.13 per share and \$1.1 million of debt repayments.

Net cash used in financing activities for the six months ended June 30, 2015 of \$0.7 million includes a \$0.5 million payment of a holdback related to the acquisition of docTrackr, Inc., recorded in "Other, net" financing activities and \$0.4 million of debt repayments. "Other, net" financing activities also includes \$0.2 million of repayments of outstanding financing arrangements partially offset by \$0.4 million related to the exercise of stock options and issuance of common stock.

Cash paid for interest, net of capitalized interest, during the six months ended June 30, 2016 and 2015 was \$2.2 million and \$2.1 million, respectively.

Liquidity and Capital Resources

Our principal sources of liquidity are our cash, cash equivalents and investments, as well as the cash flows we generate from operations. At June 30, 2016, we had \$38.4 million in cash and cash equivalents, \$1.1 million in investments and \$53.7 million in accounts receivable, net of allowance for doubtful accounts and credit reserve. We have a \$15.0 million Revolving Credit Facility, which expires on February 24, 2019, and is available as an additional source of financing. At June 30, 2016, we had \$2.9 million in outstanding letters of credit under our Revolving Credit Facility.

On February 19, 2016, our Board of Directors authorized the repurchase of up to \$20 million of shares of our common stock. We may purchase shares from time to time on the open market or in privately negotiated transactions, depending on those factors management deems relevant at any particular time, including without limitation, market conditions, share price, future outlook and other corporate liquidity requirements and priorities. For detailed information on our share repurchase activity, see Part II, Item 2 - "Unregistered Sales of Equity Securities and Use of Proceeds" of this Quarterly Report on Form 10-Q.

We believe that our sources of funding will be sufficient to satisfy our normal operating requirements, including capital expenditures, share repurchases and principal payments on long-term debt, for at least the next twelve months. Our liquidity could be negatively affected by a decrease in demand for our services. In addition, we may make acquisitions and strategic investments or increase

our capital expenditures that could reduce our cash, cash equivalents and investments balances and as a result, we may need to raise additional capital through future debt or equity financing to provide for greater financial flexibility to fund these activities. Additional financing may not be available at all or on terms favorable to us.

The Term Loan Credit Facility requires us to comply with a Consolidated Net Leverage Ratio (as defined in the Term Loan Credit Facility) that must be less than or equal to 3.00 to 1.00. The calculation of our Consolidated Net Leverage Ratio permits us to net from our outstanding total indebtedness up to \$20.0 million of our cash and cash equivalents. The Term Loan Credit Facility also requires partial prepayment of a portion of the principal outstanding in the event that we generate Consolidated Excess Cash Flow (as defined under the Term Loan Credit Facility) in excess of a certain threshold. If required, the prepayment is equal to 50% of our excess cash flow as measured on an annual basis, with step-downs to 25% and to 0% of our excess cash flow if our Consolidated Net Leverage Ratio (as defined in the Term Loan Credit Facility), is less than 2.00 to 1.00 and 1.00 to 1.00, respectively. Excess cash flow is generally defined as our adjusted EBITDA (as defined in the Term Loan Credit Facility) less debt service costs, unfinanced capital expenditures, unfinanced acquisition expenditures, and current income taxes paid, as adjusted for changes in our working capital. This determination is to be made 90 days following the end of the preceding fiscal year, with any payment, if required, due within 105 days following the end of the preceding fiscal year. Additionally, the Term Loan Credit Facility requires mandatory prepayment of the term loans from the net proceeds of certain asset sales outside the ordinary course of business and from proceeds of property insurance and condemnation events, in each case subject to our right to reinvest those proceeds in assets used in our business. The Revolving Credit Facility includes a springing Fixed Charge Coverage Ratio (as defined in the Revolving Credit Facility), which we must comply with any time our cash and cash equivalents held in deposit or securities accounts subject to a lien in favor of our revolving loan lenders falls below \$10.0 million or if an Event of Default (as defined in the Revolving Credit Facility) occurs, in either case, a "Fixed Charge Coverage Trigger Event." In the event a Fixed Charge Coverage Trigger Event occurs, the Fixed Charge Coverage Ratio must be greater than or equal to 1.10 to 1.00. We were in compliance with all applicable covenants at June 30, 2016 and there was no required prepayment for the year ended December 31, 2015.

The agreements governing our Credit Facilities include the following customary restrictions on certain activities, which are subject to lender approval, with certain exceptions: (i) incurring additional indebtedness other than in the normal course of business; (ii) creating liens or other encumbrances on our assets; (iii) engaging in merger or acquisition transactions; (iv) making investments; and (v) entering into asset sale agreements or paying dividends, making distributions on or repurchasing our stock.

The agreements governing our Credit Facilities also contain customary events of default, including, but not limited to, uncured cross-defaults among these agreements. In addition, an uncured default under our facility related to the purchase of equipment ("Equipment Loan Facility") would result in a cross-default under our Term Loan Credit Facility and our Revolving Credit Facility. Although we currently expect to remain in compliance with these existing covenants, any breach of these covenants or a change in control could result in a default and subsequent cross-defaults, under our credit agreements, which could cause all of the outstanding indebtedness to become immediately due and payable and terminate all commitments from our lenders to extend further credit.

Each of our Credit Facilities is secured by liens on substantially all our assets, including a pledge of 100% of the equity interests in our domestic subsidiaries and an obligation to pledge 65% of the equity interests in our direct foreign subsidiaries. Our Revolving Credit Facility is secured by a first lien on our cash, accounts receivable and certain other liquid collateral and a second lien on our other assets. Our Term Loan Credit Facility is secured by a second lien on our cash, accounts receivable and certain other liquid collateral and a first lien on our other assets. Our Equipment Loan Facility is secured by liens on the equipment financed under that facility.

All obligations under each of our Credit Facilities are unconditionally guaranteed by our direct and indirect domestic subsidiaries. These guarantees are secured by substantially all the present and future property of the guarantors.

Our corporate credit ratings and rating agency outlooks as of June 30, 2016 are summarized in the table below.

Rating Agency	Rating	Outlook
Moody's	B2	Stable
Standard & Poor's	B+	Stable ⁽¹⁾

(1) On July 14, 2016, Standard & Poor's changed its outlook on our corporate credit rating from "Stable" to "Negative." Neither a change in rating nor outlook would impact any of the terms set forth in our Credit Facilities.

Contractual Obligations and Commitments

At June 30, 2016, there have been no material changes to our contractual obligations, commitments and off-balance sheet arrangements since the disclosure included in Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Critical Accounting Policies and Estimates

The preparation of financial statements requires the application of appropriate accounting policies and the use of estimates. Our significant accounting policies are described in Note 2 - "Summary of Significant Accounting Policies" included in Part II, Item 8. "Financial Statements and Supplementary Data" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

On an ongoing basis, we evaluate our estimates and assumptions including those related to (a) allowances for doubtful accounts and reserves for customer credits, (b) the fair values of our single operating segment and reporting unit, goodwill, definite-lived intangible assets and long-term investments, (c) the recoverability of definite-lived intangible assets, capitalized software and fixed assets (and their related useful lives), (d) certain components of the income tax provision (including the valuation allowance on net deferred tax assets and liabilities for uncertain tax positions), (e) accruals for certain compensation and benefit expenses and (f) the fair value of stock-based awards including estimated forfeitures of such awards. We base our estimates, judgments and assumptions on historical experience, forecasts and budgets and on various other factors that we believe to be reasonable under the circumstances.

Recent Accounting Pronouncements

For a discussion of recent accounting pronouncements see Note 1 - "Intralinks Holdings, Inc. and Summary of Significant Accounting Policies" included in Part I, Item 1. "Financial Statements (Unaudited)" of this Quarterly Report on Form 10-Q.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

At June 30, 2016, there have been no material changes to our exposure to market risk since the disclosure included in Part II, Item 7A. "Quantitative and Qualitative Disclosures about Market Risk" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

ITEM 4: CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, that are designed to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based upon this evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report. Management believes that the Consolidated Financial Statements included in this Quarterly Report on Form 10-Q are fairly presented in all material respects in accordance with GAAP, and our principal executive officer and principal financial officer have certified that they fairly present in all material respects our financial condition, results of operations and cash flows for each of the periods presented in this report.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1: LEGAL PROCEEDINGS

For a discussion of our material pending legal proceedings, see Note 10 - "Contingencies" included in Part I, Item 1. "Financial Statements (Unaudited)" of this Quarterly Report on Form 10-Q.

ITEM 1A: RISK FACTORS

We operate in a rapidly changing environment that involves a number of risks that could materially affect our business, financial condition or future results, some of which are beyond our control. In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors included in Part I, Item 1A. "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, which could materially affect our business, financial condition or future results. There are no material changes to the risk factors described in our Annual Report.

ITEM 2: UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

During the three and six months ended June 30, 2016, we did not issue or sell any shares of our common stock pursuant to unregistered transactions.

Issuer Purchases of Equity Securities

The table below sets forth the information with respect to repurchases of our common stock during the three months ended June 30, 2016.

	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid Per Share ⁽²⁾	Total Number of Shares Purchased as Part of Publicly Announced Program ⁽¹⁾	Dollar Value of Shares that May Yet Be Purchased Under the Program ⁽¹⁾
April 2016	338,312	\$ 8.86	338,312	\$ 14,321,588
May 2016	650,602	\$ 7.75	650,602	\$ 9,278,247
June 2016	96,300	\$ 7.71	96,300	\$ 8,535,797
	<u>1,085,214</u>	\$ 8.09	<u>1,085,214</u>	\$ 8,535,797

(1) In February 2016, we announced the Board of Directors' authorization of a \$20 million share repurchase program. This stock repurchase program extends for one year and may be suspended or terminated at any time without prior notice.

(2) Reflects the average price paid per share of the Company's common stock.

ITEM 3: DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4: MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5: OTHER INFORMATION

None.

ITEM 6: EXHIBITS

(a) Exhibits required by Item 601 of Regulation S-K.

Exhibit Number	Description
10.1*	Employment Agreement dated as of March 8, 2016 by and between the Company and Leif O'Leary.
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Accounting Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS+	XBRL Instance Document
101.SCH+	XBRL Taxonomy Extension Schema Document
101.CAL+	XBRL Taxonomy Calculation Linkbase Document
101.LAB+	XBRL Taxonomy Label Linkbase Document
101.PRE+	XBRL Taxonomy Presentation Linkbase Document
101.DEF+	XBRL Taxonomy Definitions Linkbase Document

* Filed herewith.

+ Attached as Exhibits 101 to this report are the following financial statements from our Quarterly Report on Form 10-Q for the three and six months ended June 30, 2016 formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Loss, (iv) the Consolidated Statements of Cash Flows and (v) related notes to these financial statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated.

[Date: August 3, 2016]

INTRALINKS HOLDINGS, INC.

By: /s/ Ronald W. Hovsepian

Ronald W. Hovsepian

President and Chief Executive Officer

[Date: August 3, 2016]

By: /s/ Christopher J. Lafond

Christopher J. Lafond

Chief Financial Officer

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT dated as of March 8, 2016, by and between Intralinks Holdings, Inc., a Delaware corporation with its principal place of business at 150 E. 42nd Street, 8th Floor, New York, New York (hereinafter referred to as the “Company”), and Leif O’Leary residing at XXXXXXXXXXXXXXXXXXXX (hereinafter referred to as “Executive”).

WHEREAS, the Company desires to employ Executive as EVP, Global Sales, subject to the terms and conditions of this agreement (this “Agreement”).

NOW, THEREFORE, in consideration of the promises and covenants herein, the parties agree as follows:

1. Employment

Executive accepts the promotion into the role of EVP, Global Sales effective as of February 11, 2016 (the “Effective Date”) in accordance with the terms and conditions of this Agreement. Executive is and will be an employee at will, which means that either Executive or the Company may terminate the employment relationship at any time, with or without “Cause,” as defined below, or notice, subject to the provisions of Sections 4 and 5 of this Agreement.

2. Duties

2.1 Executive shall, during the term of his employment with the Company, perform the duties of EVP, Global Sales and shall perform such other duties as shall be specified and designated from time to time by the Chief Executive Officer (the “CEO”) or his successor or designee. Executive shall devote his full business time and effort to the performance of his duties hereunder. Executive shall report to the CEO or such other senior officer of the Company (without resulting in substantial diminution of Executive’s duties) as the CEO or the Company’s board of directors (the “Board of Directors”) shall designate from time to time. Notwithstanding the foregoing, Executive may engage in or serve such civic, community, charitable, educational, religious or non-profit organizations and boards as he may select so long as such service does not materially interfere with Executive’s performance of his duties to the Company as provided in this Agreement.

2.2 Executive’s employment hereunder shall be subject to the rules and regulations of the Company involving the general conduct of business of the Company in force from time to time and applicable to senior executives of the Company.

2.3 The parties hereto understand and acknowledge that the Company’s headquarters are currently located in New York, NY. Notwithstanding the foregoing, the Company agrees that Executive’s principal work location shall be at the Company’s offices located in Waltham, MA; provided that, the Executive may be required to travel to other locations in the ordinary course of business or as directed by the CEO or the Board of Directors.

3. Compensation

3.1 Salary. The Company shall pay Executive an annualized salary of \$295,000 (the “Annual Salary”), in accordance with the customary payroll practices of the Company applicable to senior executives. Executive’s performance and Annual Salary shall be reviewed annually (commencing in 2017) in accordance with the Company’s policy and his Annual Salary may be adjusted upward (but not

downward) in the sole discretion of the Compensation Committee of the Board of Directors (the "Compensation Committee").

3.2 Bonus. Executive shall be eligible to receive an annual bonus (with a target "at plan" amount equal to 90% of the amount of Annual Salary actually paid or accrued during the applicable calendar year) (the "Target Bonus"), the criteria for, exact amount and award of said Target Bonus to be determined in the discretion of the Compensation Committee; provided that, the Company may award a bonus less than or in excess of the Target Bonus depending on the levels at which bonus plan targets are achieved. Bonuses payable to Executive pursuant to this Section 3.2 shall be paid to Executive at the same time such bonuses are paid to the most senior executive officers of the Company, but in no event later than March 15th of the calendar year immediately following the calendar year in which it was earned. Except as set forth in Sections 4 and 5.3 hereof, Executive shall be eligible to receive any such bonus if Executive is actively employed by the Company on the date bonuses, if any, are paid and Executive has not given notice of resignation or been given notice of termination by the Company for "Cause," as defined in this Agreement, on or prior to that date.

3.3 Equity Grants. Subject to approval by the Compensation Committee, you will be granted (i) a time based restricted stock units with a value of \$300,000 as of the grant date (the "TBRUSUs"), and (ii) performance based restricted stock units with a value of \$300,000 as of the grant date (the "PBRUSUs" and together with the TBRUSUs, the "RSUs"). The performance metric for the PBRUSUs will be established by the Compensation Committee at the next, regularly scheduled Compensation Committee meeting, which is also when the RSUs will be granted and approved. The RSU grants will be subject to the terms and conditions applicable to restricted stock units granted under the Company's 2010 Equity Incentive Plan, as amended from time to time (the "Plan"), and the applicable award agreements.

3.4 Reserved.

3.5 Benefits. Executive shall be eligible to participate in the Company's employee benefits plans, subject to the terms and conditions of the applicable plan documents, and subject to the Company's right to amend, terminate, increase costs and/or take other similar action with respect to any or all of its benefit plans, as with all other plans and programs of the Company.

3.6 Expenses. The Company shall pay or reimburse Executive for all reasonable out-of-pocket expenses actually incurred by Executive in the performance of Executive's services under this Agreement, in accordance with the Company's expense reimbursement policies in effect from time to time (including timely submission of proof of such expenses (including, in the case of reimbursements, proof of payment) in such form as the Company may require). If an expense reimbursement is not exempt from Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), the following rules apply: (i) in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred; (ii) the amount of reimbursable expenses incurred in one tax year shall not affect the expenses eligible for reimbursement in any other tax year; and (iii) the right to reimbursement for expenses is not subject to liquidation or exchange for any other benefit.

3.7 Delivery of Compensation. In the event of Executive's death, any accrued but unpaid payments by the Company hereunder shall be made to the executors or administrators of Executive's estate against the delivery of such tax waivers, proper letters testamentary and other documents as the Company may reasonably request.

4. Termination upon Death or Disability

This Agreement and the Executive's employment shall terminate upon Executive's death. If Executive becomes disabled, the Company may terminate this Agreement and Executive's employment by written notice to Executive. For purposes hereof, "disability" shall be defined to mean Executive's inability, due to physical or mental incapacity, to substantially perform his duties and responsibilities under this Agreement for a period of ninety (90) consecutive days from the date of such disability as determined by an approved medical doctor selected by the mutual agreement of the parties hereto. In the event that the parties hereto cannot agree on an approved medical doctor, each party shall select a medical doctor and the two doctors shall select a third medical doctor who shall serve as the approved medical doctor hereunder. Upon death or termination of employment by virtue of disability, Executive (or Executive's estate or beneficiaries in the case of the death of Executive) shall have no right to receive any compensation or benefit hereunder on and after the effective date of the termination of employment other than (i) Annual Salary earned and accrued under this Agreement prior to the effective date of termination; (ii) earned, accrued and vested benefits, subject to the terms of the plans applicable thereto; (iii) pro-rated bonus determined in accordance with the provisions of Section 5.3(c); and (iv) reimbursement under this Agreement for expenses incurred prior to the effective date of termination. The pro-rated bonus shall be paid to Executive (or Executive's estate or beneficiaries in the case of the death of the Executive) at such time when the Company pays bonuses to its senior executives. This Agreement shall otherwise terminate upon the effective date of the termination of employment and Executive shall have no further rights hereunder.

5. Other Terminations of Employment

5.1 Termination for Cause. The Company may terminate this Agreement and Executive's employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean: (i) conduct by Executive constituting a material act of misconduct in connection with the performance of his duties, including, without limitation, misappropriation of funds or property of the Company or any of its subsidiaries or affiliates other than the occasional, customary and de minimis use of Company property for personal purposes; (ii) the commission by Executive of any felony involving deceit, dishonesty or fraud, or any conduct by Executive that would reasonably be expected to result in material economic injury or reputational harm to the Company or any of its subsidiaries and affiliates if he were retained in his position; (iii) willful and continued non-performance by Executive of his duties hereunder (other than by reason of Executive's physical or mental illness, incapacity or disability); (iv) a breach by Executive of any of the provisions contained in Section 7 of this Agreement; (v) a material violation by Executive of the Company's material written employment policies, where such violations results in material harm to the Company; or (vi) failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the CEO or Board of Directors to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation; provided that, with respect to subsections (iii) and (v) above, Cause will only be deemed to occur after written notice to Executive describing in reasonably specific detail the events/actions giving rise to the Cause determination, and, if curing such events/actions is feasible, the failure by Executive to cure such events/actions giving rise to the Cause determination within thirty (30) days following such written notice. Notwithstanding any other provision of this Agreement, if the Company terminates Executive's employment in accordance with the terms of this Section 5.1 for Cause, Executive shall have no right to receive any compensation or benefit hereunder on and after the effective date of the termination of employment other than (w) Annual Salary earned and accrued under this Agreement prior to the effective date of termination; (x) earned, accrued and vested

benefits under this Agreement prior to the effective date of termination, subject to the terms of the plans applicable thereto (and any applicable laws and regulations); and (y) reimbursement under this Agreement for expenses incurred prior to the effective date of termination. This Agreement shall otherwise terminate upon the effective date of the termination of employment and Executive shall have no further rights hereunder.

5.2 Termination by Executive. Notwithstanding any other provision of this Agreement, if Executive terminates this Agreement and his employment under this Section 5.2, Executive shall have no right to receive any compensation or benefit hereunder on and after the effective date of the termination of employment other than (i) Annual Salary earned and accrued under this Agreement prior to the effective date of termination; (ii) earned, accrued and vested benefits under this Agreement prior to the effective date of termination, subject to the terms of the plans applicable thereto (and any applicable laws and/or regulations); and (iii) reimbursement under this Agreement for expenses incurred prior to the effective date of termination. This Agreement shall otherwise terminate upon the effective date of the termination of Executive's employment and Executive shall have no further rights hereunder. Executive shall endeavor to provide thirty (30) days' prior written notice to the Company if he terminates his employment under this Section 5.2.

5.3 Termination by the Company without Cause. The Company may terminate this Agreement and Executive's employment at any time for any reason. If this Agreement and Executive's employment with the Company is terminated pursuant to this Section 5.3 for reasons other than Cause, Executive's death or disability, Executive shall have no right to receive any compensation or benefit hereunder on and after the effective date of the termination of employment other than:

- (a) Annual Salary earned and accrued under this Agreement prior to the effective date of termination and any earned but unpaid bonus;
- (b) an additional six (6) months of Annual Salary at the rate in effect at termination payable in the form of salary continuation, subject to applicable withholding taxes, payable in accordance with the Company's normal payroll practices;
- (c) an amount equal to the bonus that Executive would have received for the year of termination if Executive had remained employed throughout the calendar year, with such amount to be determined at the end of the calendar year based on the levels at which the bonus plan targets are achieved, multiplied by a fraction, the numerator of which being the number of calendar days Executive is employed in the calendar year of termination and the denominator of which being 365 or 366, as applicable;
- (d) payment of the premiums for Executive's group health insurance coverage pursuant to COBRA, if eligible and elected, for a period of six (6) months, or until such sooner date that Executive begins employment with another employer; provided that after expiration of the relevant COBRA payment period above, the Company will allow Executive to continue such coverage at his own expense for the remainder of any COBRA continuation period pursuant to applicable law and Executive shall notify the Company immediately upon acceptance of employment with another employer;
- (e) accelerated vesting of Executive's equity awards with service vesting through the next six (6) months;
- (f) earned, accrued and vested benefits under this Agreement prior to the effective date of termination, subject to the terms of the plans applicable thereto; and

(g) reimbursement under this Agreement for expenses incurred prior to the effective date of termination.

The amounts due under Sections 5.3(b) and (c) shall not be paid or given unless Executive executes a customary agreement releasing all claims against the Company (in the form attached hereto as Exhibit A) (the "Release Agreement") and the Release Agreement becomes enforceable and irrevocable within 60 days following the date on which the termination of Executive's employment becomes effective. The Annual Salary due under this Section 5.3(b) (the "Severance") shall commence to be paid to Executive on the first Company payroll date following the date the Release Agreement becomes enforceable and irrevocable, provided, however, that: (x) if the 60-day period in which the Release Agreement is required to become effective and enforceable begins in one calendar year and ends in the following calendar year, the Severance shall be paid in the second calendar year; and (y) in all events, subject to the effectiveness of the Release Agreement, the Severance shall be paid prior to March 15 of the year following the year in which the termination of Executive's employment becomes effective. The pro-rated bonus due under Section 5.3(c) shall be paid to Executive at such time when the Company pays bonuses to its senior executives, but in no event earlier than the date provided in the preceding sentence. The Company shall pay the premiums due under Section 5.3(d) each month at the time the Company normally pays the insurer of the Company's group health insurer on behalf of its remaining employees.

5.4 Change in Control.

(a) Executive shall be fully eligible to participate and receive benefits and payments under the terms of the Company's Senior Executive Severance Plan (the "Severance Plan"); provided that, to the extent the Company modifies the Severance Plan or adopts a similar plan or policy that provides greater severance benefits and/or payments to the Company's senior executives, Executive shall be fully entitled to participate in such modified Severance Plan or newly adopted plan or policy.

(b) In addition, the applicable award agreements for the equity awards granted pursuant to Section 3.3 of this Agreement shall provide that, upon a Sale Event (as defined in the Plan), Executive shall receive 100% accelerated vesting of any unvested shares under the RSUs granted pursuant to Section 3.3 of this Agreement, with such vesting to occur immediately prior to the closing of the Sale Event. In addition, the agreements reflecting any future equity awards to the Executive shall (i) vest over four years and (ii) provide for full acceleration of vesting if the Executive is terminated without Cause or voluntarily terminates his employment for good reason within 12 months following a Sale Event.

5.5 Additional Limitation.

(a) Notwithstanding anything in this Agreement to the contrary, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with Section 280G of the Internal Revenue Code of 1986, as amended (the "Code") and the applicable regulations thereunder (the "Severance Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, the following provisions shall apply:

(i) If the Threshold Amount is less than (x) the Severance Payments, but greater than (y) the Severance Payments reduced by the sum of (A) the Excise Tax and (B) the total of the Federal, state, and local income and employment taxes on the amount of the Severance Payments that are in excess of the Threshold Amount, then the Severance Payments shall be reduced (but not below zero) to the extent necessary so that the sum of all Severance Payments shall not exceed the

Threshold Amount. In such event, the Severance Payments shall be reduced in the following order: (A) cash payments not subject to Section 409A of the Code; (B) cash payments subject to Section 409A of the Code; (C) equity-based payments and acceleration; and (D) non-cash forms of benefits. To the extent any payment is to be made over time (e.g., in installments, etc.), then the payments shall be reduced in reverse chronological order.

(ii) Except in the circumstances set forth in (i), Executive shall be entitled to receive his full Severance Payments.

(b) For the purposes of this Section 5.5, “Threshold Amount” shall mean three times Executive’s “base amount” within the meaning of Section 280G(b)(3) of the Code and the regulations promulgated thereunder less one dollar (\$1.00); and “Excise Tax” shall mean the excise tax imposed by Section 4999 of the Code, and any interest or penalties incurred by Executive with respect to such excise tax.

(c) The determination as to which of the alternative provisions of Section 5.5(a) shall apply to Executive shall be made by a nationally recognized accounting firm selected by the Company (the “Accounting Firm”), which shall provide detailed supporting calculations both to the Company and Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or Executive. For purposes of determining which of the alternative provisions of Section 5.5(a) shall apply, Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in the state and locality of Executive’s residence on the Date of Termination, net of the maximum reduction in federal income taxes that could be obtained from deduction of such state and local taxes. Any determination by the Accounting Firm shall be binding upon the Company and Executive.

6. Covenants of Executive.

6.1 Non-Competition; Non-Solicitation. As a material inducement to the Company to enter into this Agreement, Executive hereby expressly agrees to be bound by the following covenants, terms and conditions. Executive hereby agrees that he will have access to trade secrets, proprietary and confidential information relating to the Company and its affiliates and their respective clients, including but not limited to, marketing data, financial information, client and prospect lists (including without limitation, computer- and web-based compilations (including but not limited to salesforce.com or other CRM system data) maintained by the Company or its affiliates or Executive), and details of programs and methods, potential and actual acquisitions, divestitures and joint ventures, pricing policies, strategies, terms of service, business and product plans, cost information and software, in each case of the Company, its affiliates and/or their respective clients. Accordingly, Executive voluntarily enters into the following covenants to provide the Company with reasonable protection of those interests:

(a) Executive agrees that during the term of his employment with the Company and for a period of one year thereafter, Executive shall not, alone or as an employee, officer, director, agent, shareholder (other than an owner of 2% or less of the outstanding shares of any publicly-traded company), consultant, partner, member, owner or in any other capacity, directly or indirectly:

(i) engage in any Competitive Activity (as defined below) within or with respect to any location in the United States or abroad in which Executive performed or directed his services (including but not limited to sales and customer support calls, whether conducted in person, by telephone or online) at any time during the 12-month period immediately preceding the

termination of Executive's employment for any reason (the "Territories"), or assist any other person or organization in engaging in, or preparing to engage in, any Competitive Activity in such Territories;

(ii) solicit or provide services to any Clients, as defined below, of the Company and/or any of its affiliates, on his own behalf or on behalf of any third party, in furtherance of any Competitive Activity. For purposes of this Section 6, "Client" shall mean any then-current customer of the Company and any former customer of the Company who was a customer of the Company within the 12-month period immediately preceding the termination of Executive's employment hereunder;

(iii) encourage, participate in or solicit any employee or consultant of the Company and/or any affiliate to engage in Competitive Activity or to accept employment by or engagement with any third party, whether or not engaged in Competitive Activity. This subsection (iii) shall be limited to employees and consultants who: (A) are current employees or consultants; or (B) left the employment of the Company or whose provision of services to the Company terminated within the 12-month period prior to Executive's termination of employment with the Company for any reason; and

(iv) for purposes of this Agreement, "Competitive Activity" shall mean any offering, sale, licensing or provision by any entity of any software, application service or system, in direct competition with the Company's current or currently contemplated offerings and including, without limitation, electronic or digital document repositories for inter-enterprise exchanges designed to facilitate transactional due diligence, mergers, acquisitions, file synchronization and sharing, outside the firewall sharing and collaboration, divestitures, financings, investments, investor relations, research and development, clinical trials or other business processes for which the Company's products or services are or have been used during the 12-month period preceding termination of Executive's employment for any reason.

(b) Executive agrees that the foregoing restrictions are reasonable and justified in light of: (i) the nature of the Company's business and customers; (ii) the confidential and proprietary information to which Executive has had and will have exposure and access during the course of his employment with the Company; and (iii) the need for the adequate protection of the business and the goodwill of the Company. In the event any restriction in this Section 6 is deemed to be invalid or unenforceable by any court of competent jurisdiction, Executive agrees to the reduction of said restriction to such period or scope that such court deems reasonable and enforceable.

(c) Executive acknowledges and agrees that any breach of this Section 6 shall cause the Company immediate, substantial and irreparable harm and therefore, in the event of any such breach, Executive agrees that, without prejudice to any other remedies that may be available to the Company, and the Company shall have the right to seek specific performance and injunctive relief, without the need to post a bond or other security.

(d) Without in any way limiting the provisions of this Section 6, Executive further acknowledges and agrees that the provisions of this Section 6 shall remain applicable in accordance with their terms after the date of termination of Executive's employment, regardless of whether Executive's termination or cessation of employment is voluntary or involuntary.

6.2 Confidential and Proprietary Information. During and after the term of Executive's employment with the Company, Executive covenants and agrees that he will not disclose to anyone without the Company's prior written consent, any confidential materials, documents, records or other non-public information of any type whatsoever concerning or relating to the business and affairs of the Company that Executive may have acquired in the course of his employment hereunder, including but not limited to: (a) trade secrets of the Company; (b) lists of and/or information concerning current, former, and/or prospective customers or clients of the Company; and (c) information relating to methods of doing business (including information concerning operations, technology and systems) in use or contemplated use by the Company and not generally known among the Company's competitors (the "Confidential Information"), except that Executive may use and disclose such Confidential Information (i) in the course of Executive's employment with, and for the benefit of, the Company, (ii) to enforce any rights or defend any claims hereunder or under any other agreement to which Executive is a party with the Company, provided that such disclosure is relevant to the enforcement of such rights or defense of such claims and is only disclosed in the formal proceedings related thereto, (iii) when required to do so by a court of law, by any governmental agency having supervisory authority over the business of the Company or by any administrative or legislative body (including a committee thereof) with jurisdiction to order him to divulge, disclose or make accessible such Confidential Information; provided that Executive shall give prompt written notice to the Company of such requirement, disclose no more information than is so legally required, and reasonably cooperate with any attempts by the Company to obtain a protective order or similar confidential treatment of such information, (iv) as to such Confidential Information that is or becomes generally known to the public or trade without Executive's violation of this Section 6.2, or (v) to Executive's spouse, attorney and/or his personal tax and financial advisors as reasonably necessary or appropriate to advance Executive's tax, financial and other personal planning (each an "Exempt Person"), provided, however, that any disclosure or use of Confidential Information by an Exempt Person shall be deemed to be a breach of this Section 6.2 by Executive.

6.3 Rights and Remedies upon Breach. Executive acknowledges and agrees that his breach of any provision of this Section 6 (the "Restrictive Covenants") would result in irreparable injury and damage for which money damages do not provide an adequate remedy. Therefore, if Executive breaches or threatens to commit a breach of any Restrictive Covenant, the Company shall have the following rights and remedies (in accordance with applicable law and upon compliance with any necessary prerequisites imposed by law upon the availability of such remedies), each of which rights and remedies shall be independent of the other and severally enforceable, and all of which right and remedies shall be in addition to, and not in lieu of, any other rights and remedies available to the Company under law or in equity (including, without limitation, the recovery of damages):

- (a) to have the Restrictive Covenants specifically enforced (without posting bond and without the need to prove damages) by any court having jurisdiction, including, without limitation, the right to seek an entry against Executive of restraining orders and injunctions (preliminary, mandatory, temporary and permanent) against violations, threatened or actual, and whether or not then continuing, of such covenants;
- (b) to require Executive to forfeit his right to receive the balance of any compensation due to him that is not yet earned and accrued under this Agreement (whether it be in the form of Annual Salary, expenses or other benefits); and

In addition, without limiting the Company's remedies for any breach by Executive of the Restrictive Covenants, except as required by law, if (i) the Company files a civil action against Executive based on his alleged breach of the Restrictive Covenants, and (ii) the Company obtains preliminary injunctive relief

enjoining the Executive from breaching any of the Restrictive Covenants, or a court of competent jurisdiction issues a final judgment (not subject to appeal, which shall include any order or judgment that finally disposes of the action) that the Executive has breached any of the Restrictive Covenants, then the Executive shall promptly repay to the Company any such payments he previously received pursuant to Sections 5.3(b) and (c) above and the Company will have no obligation to pay any of the amounts that remain payable by the Company under Sections 5.3(b) and (c). If, however, a court of competent jurisdiction either denies the Company's motion, request or application for preliminary injunctive relief or issues a final judgment (not subject to appeal, which shall include any order or judgment that finally disposes of the action) that the Executive has not breached any of the Restrictive Covenants, then Executive shall not be obligated to repay, and the Company shall not be entitled to recoup, any of the payments made to the Executive pursuant to Sections 5.3(b) and (c).

6.4 Definition of the Company. For this Section 6, the "Company" shall include all of the Company's parents, subsidiaries and affiliates and their respective successors and assigns, and "affiliate" shall mean any entity that, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the Company. As used in this Section 6.4, "control" shall mean the possession, directly or indirectly, of the powers to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by contract or otherwise.

7. Section 409A of the Code.

(a) The Severance payable to Executive under Sections 5.3 of this Agreement are intended to be exempt from the coverage of Section 409A of the Code because the payments are made to Executive within the time periods set forth in Treas. Reg. §1.409A-1(a)(4) and each installment payment is intended to be a separate payment for purposes of Treas. Reg. §1.409A-2(b)(2)(iii). To the extent that any payment or benefit due to Executive under this Agreement provides for the payment of non-qualified deferred compensation benefits in connection with a termination of the Executive's employment (regardless of the reason for such termination), however, such termination of the Executive's employment triggering payment of benefits under the terms of this Agreement must also constitute a "separation from service" under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h) before the Company shall make payment of such benefits. To the extent that termination of the Executive's employment does not constitute a separation of service under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h) (as the result of further services that are reasonably anticipated to be provided by him to the Company or any of its affiliates or successors at the time his employment terminates), any benefits payable under this Agreement that constitute non-qualified deferred compensation under Section 409A of the Code shall be delayed until after the date of a subsequent event constituting a separation of service under Section 409A(a)(2)(A)(i) of the Code and Treas. Reg. §1.409A-1(h). For purposes of clarification, this Section 7(a) shall not cause any forfeiture of benefits on the Executive's part, but shall only act as a delay in payment of such benefits until such time as a separation from service occurs.

(b) Notwithstanding anything in this Agreement to the contrary, if at the time of Executive's separation from service within the meaning of Section 409A of the Code, Executive is also a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that Executive becomes entitled to under this Agreement on account of Executive's separation from service would be considered deferred compensation subject to Section 409A of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after Executive's separation from service, or (B) Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but

for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(c) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by Executive during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year. Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

8. Other Provisions

8.1 Severability. Executive acknowledges and agrees that (i) he has had an opportunity to seek advice of counsel in connection with this Agreement; and (ii) the Restrictive Covenants are reasonable in geographical and temporal scope and in all other respects. If it is determined by a court of competent jurisdiction that any provision of this Agreement, including, without limitation, any Restrictive Covenant, or any part thereof, is invalid or unenforceable, the remainder of the Agreement shall not thereby be affected and shall be given full effect, without regard to the invalid provisions. The parties hereto will substitute for the invalid or unenforceable provision a new, mutually acceptable, valid and enforceable provision of like economic effect.

8.2 Blue Penciling. If any court determines that any covenant in this Agreement, including, without limitation, any Restrictive Covenant or any part thereof, is unenforceable because of the duration or geographical scope of such provision, the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable and, in its reduced form, such provision shall then be enforceable and shall be enforced.

8.3 Indemnification. Executive shall be entitled to indemnification as provided in the Company's certificate of incorporation and bylaws, to the fullest extent permitted under Delaware law. In addition, the Company and Executive will execute the Company's standard indemnification agreement for senior executive and/or directors.

8.4 Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered in person, by facsimile or electronic mail or by certified or registered mail, postage

prepaid. Any such notice given by certified or registered mail shall be deemed given five days after the date of deposit in the United States mails as follows:

(i) If to the Company:

150 East 42nd Street, 8th Floor
New York, NY 10017
Attention: General Counsel

(ii) If to Executive, to:

Leif O'Leary
XXXXXXXXXXXXX
XXXXXXXXXXXXX

or to such other address for the Executive as is then on file with the Company.

Any such person may by notice given in accordance with this Section to the other party designate another address or person for receipt by such person of notices hereunder.

8.5 Entire Agreement. This Agreement, along with exhibit attached hereto and the award agreements referenced in Section 3.3 above, constitutes the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and terminates and supersedes any and all prior agreements, understandings and representations, whether written or oral, by or between the parties hereto or their affiliates that may have related to the subject matter hereof in any way.

8.6 Waivers and Amendments. This Agreement may be amended, superseded or canceled, and the terms hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. No delay by either party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any such right, power or privilege nor any single or partial exercise as any such right, power or privilege, preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

8.7 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

8.8 Venue. The parties agree irrevocably to submit to the exclusive jurisdiction of the federal courts or, if no federal jurisdiction exists, the state courts, located in Boston, Massachusetts, for the purposes of any suit, action or other proceeding brought by any party arising out of any breach of any of the provisions of this Agreement and hereby waive, and agree not to assert by way of motion, as a defense or otherwise, in any such suit, action, or proceeding, any claim that it is not personally subject to the jurisdiction of the above-named courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper, or that the provisions of this Agreement may not be enforced in or by such courts.

8.9 Assignment. This Agreement, and Executive's rights and obligations hereunder, may not be assigned by Executive without the prior written consent of the Company; any purported assignment by Executive in violation hereof shall be null and void. In the event of any sale, transfer or other disposition of all or

substantially all of the Company's assets or business, whether by merger, consolidation or otherwise, the Company shall assign this Agreement and its rights and obligations hereunder.

8.10 Withholding. The Company shall be entitled to withhold from any payments or deemed payments any amount of withholding required by applicable law.

8.11 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, heirs, executors and legal representatives.

8.12 Survival. Notwithstanding anything in this Agreement to the contrary, to the extent applicable, Sections 1, 6 and 8 shall survive the termination of this Agreement for any reason.

8.13 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

8.14 Legal Fees. The Company shall reimburse the reasonable legal fees and expenses of Executive incurred in connection with the review and negotiation of this Agreement, not to exceed \$5,000.

8.15 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original but all such counterparts together shall constitute one and the same instrument. Each counterpart may consist of two copies hereof each signed by one of the parties hereto.

8.16 Third-Party Agreements and Rights. Executive represents to the Company that Executive's execution of this Agreement, Executive's employment with the Company and the performance of Executive's proposed duties for the Company will not violate any obligations Executive may have to any previous employer or any other party. In Executive's work for the Company, Executive will not disclose or make use of any information in violation of any agreements with or rights of any previous employer or other party, and Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any previous employment or other party.

8.17 Clawback. The bonus payments and equity grants made to Executive under this Agreement shall be subject to and shall be deemed amended hereby to ensure compliance with a policy adopted by the Company in response to any statutory or regulatory mandate requiring the repayment of compensation paid to Executive, provided, however, that unless specifically required by such statute or regulation, such policy shall not be deemed to amend this Agreement to require diminution, reduction or repayment of any compensation paid, awarded or promised to Executive under this Agreement prior to the effective date of such statute, regulation, mandate or order, including without limitation any bonus payment or equity award.

8.18 Effective Date. This Agreement shall have no force and effect unless and until Executive's first actual day of work in the position of EVP, Global Sales.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have signed their names as of the day and year first above written.

LEIF O'LEARY

INTRALINKS HOLDINGS, INC.

/s/ Leif O'Leary

By: /s/ Michal Kimeldorf

Name: Michal Kimeldorf

Title: EVP, Human Resources

Date: March 8, 2016

Date: March 8, 2016

Exhibit A

Form of Release Agreement

[INTRALINKS HOLDINGS, INC. LETTERHEAD]

[XX]

Dear [XX]:

This release agreement (“Agreement”) is tendered to you in accordance with the terms of your [XX], Employment Agreement (the “Employment Agreement”) and confirms the agreement that we have reached regarding your separation from employment with Intralinks Holdings, Inc. and any of its related and affiliated entities (the “Company”). The purpose of this Agreement is to establish mutually agreeable arrangements for amicably ending your employment relationship and to provide for an appropriate release of any claims by you. As you know, execution of this Agreement also is a precondition to your eligibility for severance benefits under the Employment Agreement.

It is important that this Agreement be entered into with several understandings between you and the Company. You are entering into this Agreement voluntarily. You understand that you are giving up your right to bring all possible legal claims against the Company among others, including claims relating to your employment and separation from employment.

Neither the Company nor you want your employment relationship to end with a legal dispute. You understand that by entering into this Agreement, the Company is not admitting in any way that it violated any legal obligation that it owed to you or to any other person. To the contrary, the Company’s willingness to enter into this Agreement demonstrates that it is continuing to deal with you fairly and in good faith.

With those understandings and in exchange for the promises set forth below, you and the Company agree as follows:

1. Termination

You confirm and agree that your employment with the Company terminated effective _____ (the “Termination Date”). You also hereby resign from any and all positions, offices and directorships that you may hold with the Company and its affiliates as of the Termination Date. To the extent that the Company has not already done so, the Company shall pay to you within ten days of the termination of your employment a lump-sum amount equal to the amounts due under Sections 5.3(a), (f) and (g) of the Employment Agreement through the Termination Date.

2. Severance Benefit

Once this Agreement becomes enforceable and irrevocable, you will receive the severance package set forth in Section 5.3 of the Employment Agreement in accordance with the terms and conditions set forth therein.

3. Release of Claims

You voluntarily and irrevocably release and discharge the Company, each related or affiliated entity, employee benefit plans, and the predecessors, successors, and assigns of each of them, and each of their respective current and former officers, directors, shareholders, employees, and agents (any and all of which are referred to as “Releasees”) generally from all charges, complaints, claims, promises, agreements, causes of action, damages, and debts that relate in any manner to your employment with or services for the Company, known or unknown (“Claims”), which you have, claim to have, ever had, or ever claimed to have had against any of the Releasees through the date on which you execute this Agreement. This general release of Claims includes, without implication of limitation, all Claims related to the compensation provided to you by the Company, your decision to resign from your employment, your termination from the Company, your resignation from directorships, offices and other positions with the Company, or your activities on behalf of the Company, including, without implication of limitation, any Claims of wrongful discharge, breach of contract, breach of an implied covenant of good faith and fair dealing, tortious interference with advantageous relations, any intentional or negligent misrepresentation, and unlawful discrimination or deprivation of rights under the common law or any statute or constitutional provision (including, without implication of limitation, the Employee Retirement Income Security Act, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act and Chapter 151B of the Massachusetts General Laws). You also waive any Claim for reinstatement, damages of any nature, severance pay, attorney’s fees, or costs.

You agree that you will not hereafter pursue any Claim against any Releasee, by filing a lawsuit in any local, state or federal court for or on account of anything that has occurred up to the present time as a result of your previous employment and you shall not seek reinstatement, damages of any nature, severance pay, attorney’s fees, or costs, provided, however, that nothing in this general release shall be construed to include a release of Claims that (a) arise from the Company’s obligations under this Agreement, the Employment Agreement, any equity award/grant agreements (of whatever name or kind), and any shareholder agreements between you and the Company, (b) relate to your status as a shareholder in the Company, (c) relate to the Company’s obligation to defend and indemnify you under the terms of your indemnification agreement with the Company, the Company’s certificate of incorporation and by-laws, Delaware law and any applicable directors and officers liability insurance policy, and (d) cannot be released as a matter of law. You represent you have not assigned to any third party and you have not filed with any agency or court any Claim released by this Agreement.

4. Confidential and Proprietary Information

You acknowledge your ongoing covenant under Section 6.2 of the Employment Agreement to preserve as confidential the Company’s Confidential Information as that term is defined by Section 6.2. Your covenants under Section 6 of the Employment Agreement are incorporated herein by this reference.

5. Return of Property

All documents, records, material and all copies of any of the foregoing pertaining to Confidential Information (as defined in Section 6.2 of the Employment Agreement), and all software, equipment, and other supplies, whether or not pertaining to Confidential Information, that have come into your possession or been produced by you in connection with your employment (“Property”) have been and remain the sole property of the Company and you confirm that you have returned to the Company all Property. In no event should this provision be construed to require you to return to the Company any document or other materials concerning your remuneration and benefits during your employment with the Company.

6. Litigation Cooperation

You agree to cooperate fully with the Company in the defense or prosecution of any claims or actions that already have been brought or that may be brought in the future against or on behalf of the Company that

relate to events or occurrences that you were involved in or that you gained knowledge of during your employment with the Company. Your full cooperation in connection with such claims or actions shall include, without implication of limitation, being available to meet with counsel to prepare for discovery or trial and to testify truthfully as a witness when reasonably requested by the Company at reasonable times designated by the Company. You agree that you will not voluntarily disclose any information to any person or party that is adverse to the Company and that you will maintain the confidences and privileges of the Company. The Company agrees to reimburse you for any reasonable out-of-pocket expenses that you incur in connection with such cooperation, subject to reasonable documentation. The Company will try, in good faith, to exercise its rights under this Section so as not to unreasonably interfere with your ability to engage in gainful employment.

7. Protective Covenants

You acknowledge and affirm the ongoing validity of the protective covenants set forth in Section 6 of the Employment Agreement, which covenants are incorporated herein by this reference. You acknowledge and affirm the Company's right to seek injunctive relief as provided in Section 6 of the Employment Agreement to restrain any violations under Section 6 of the Employment Agreement.

8. Non-Disparagement

You agree not to make any disparaging statements concerning the Company or any of its affiliates, subsidiaries or current or former officers, directors, shareholders, employees or agents. You further agree that you shall not voluntarily provide information to or otherwise cooperate with any individual or entity that is contemplating or pursuing litigation against any of the Releasees or that is undertaking any investigation or review of any of the Releasees' activities or practices; provided, however, that you may participate in or otherwise assist in any investigation or inquiry conducted by the EEOC or the Massachusetts Commission Against Discrimination. These non-disparagement obligations shall not in any way affect your obligation to testify truthfully in any legal proceeding. The Company will instruct its officers and directors not to take any action or make any statement, orally or in writing, that disparages or criticizes you or that would harm your reputation.

9. Notices, Acknowledgments and Other Terms

You are advised to consult with an attorney before signing this Agreement. This Agreement and the Employment Agreement set forth the entire agreement between you and the Company, and all previous agreements, or promises between you and the Company relating to the subject matter of this Agreement and the Employment Agreement are superseded, null, and void, with the exception of any equity grant/award agreements (of whatever name or kind), shareholder agreements, and indemnification agreements between you and the Company, the terms of which remain in full force and effect. You acknowledge that you have been given the opportunity, if you so desired, to consider this Agreement for 21 days before executing it. If not signed by you and returned to me so that I receive it by close of business on the day next following the foregoing period, this Agreement will be invalid. In addition, if you breach any of the conditions of the Agreement within the 21-day period, the offer of this Agreement will be withdrawn and your execution of the Agreement will not be valid. In the event that you execute and return this Agreement in less than the 21-day period you have been provided, you acknowledge that such decision was entirely voluntary and that you had the opportunity to consider this letter agreement for the entire period. The Company acknowledges that for a period of seven days from the date of the execution of this Agreement, you shall retain the right to revoke this Agreement by written notice that I actually receive before the end of such period, and that this Agreement shall not become effective or enforceable until the expiration of such revocation period (the "Effective Date").

By signing this Agreement, you acknowledge that you are doing so voluntarily. You also acknowledge that you are not relying on any representations by me or any other representative of the Company concerning the meaning of any aspect of this Agreement.

This Agreement shall be binding upon each of the parties and upon their respective heirs, administrators, representatives, executors, successors and assigns, and shall inure to the benefit of each party and to their heirs, administrators, representatives, executors, successors, and assigns.

In the event of any dispute, this Agreement will be construed as a whole, will be interpreted in accordance with its fair meaning, and will not be construed strictly for or against either you or the Company. The law of the Commonwealth of Massachusetts will govern any dispute about this Agreement, including any interpretation or enforcement of this Agreement. The jurisdiction and venue provisions set forth in Section 8.8 of the Employment Agreement will apply with respect to any dispute arising directly or indirectly out of this Agreement. In the event that any provision or portion of a provision of this Agreement shall be determined to be unenforceable, the remainder of this Agreement shall be enforced to the fullest extent possible as if such provision or portion of a provision were not included. This Agreement may be modified only by a written agreement signed by you and an authorized representative of the Company.

If you agree to these terms, please sign and date below and return this Agreement to me within the time limitation set forth above.

Sincerely,

INTRALINKS HOLDINGS, INC.

By: _____

Title: _____

Accepted and agreed to:

[XX] Date

**CERTIFICATION PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Ronald W. Hovsepian, certify that:

- 1 I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2016 of Intralinks Holdings, Inc. (the "Registrant");
- 2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
- 4 The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
- 5 The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: [August 3, 2016]

/s/ RONALD W. HOVSEPIAN

Ronald W. Hovsepian
President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Christopher J. Lafond, certify that:

- 1 I have reviewed this Quarterly Report on Form 10-Q for the period ended June 30, 2016 of Intralinks Holdings, Inc. (the "Registrant");
- 2 Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3 Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
- 4 The Registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
- 5 The Registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: [August 3, 2016]

/s/ CHRISTOPHER J. LAFOND

Christopher J. Lafond
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Intralinks Holdings, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ronald W. Hovsepian, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: [August 3, 2016]

/s/ RONALD W. HOVSEPIAN

Ronald W. Hovsepian
President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Intralinks Holdings, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christopher J. Lafond, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company

Date: [August 3, 2016]

/s/ CHRISTOPHER J. LAFOND

Christopher J. Lafond
Chief Financial Officer
(Principal Financial Officer)

