

Fourth Consecutive Quarter of Profitability by both Non-GAAP Operating Income and Non-GAAP Net Income

NetSuite Inc. (NYSE: N), a leading vendor of cloud computing business management software suites, today announced operating results for its third quarter ended September 30, 2009.

Total revenue for the third quarter of 2009 was US\$41.7 million. Revenue from the Americas for the third quarter of 2009 was US\$34.7 million, while revenue from international regions was US\$7.0 million.

On a GAAP basis, net loss for the third quarter of 2009 was US\$8.0 million, or US\$(0.13) per share, as compared to a net loss of US\$6.2 million, or US\$(0.10) per share, for the third quarter of 2008.

Non-GAAP net income for the third quarter of 2009 was US\$348,000, or US\$0.01 per share, as compared to a non-GAAP net loss of US\$1.7 million, or US\$(0.03) per share, for the third quarter of 2008.

Items presented on a non-GAAP basis exclude expenses related to stock-based compensation, the amortization of intangible assets, and transaction costs for business combinations. A reconciliation of GAAP net income/(loss) to non-GAAP net income/(loss) is provided below in a table immediately following the Condensed Consolidated Statements of Operations, along with an explanation of why these non-GAAP financial measures are useful to investors and how they are used by management.

"We are very pleased to report record revenue and record cash flow, and to report our highest number of NetSuite OneWorld customer wins in any quarter, said NetSuite CEO Zach Nelson. Our customer wins and new SuiteCloud partnerships indicate customers are running from legacy applications like SAP and Microsoft Great Plains to NetSuites cloud computing offerings.

NetSuite's Third Quarter 2009 Highlights Include:

Announced that three technology companies that recently completed IPOs have chosen NetSuite to run key business processes: LogMeIn, OpenTable and SolarWinds.

Announced that Jollibee, one of the worlds largest fast-food chains, chose NetSuite OneWorld to manage subsidiaries and divisions across China, Vietnam and the U.S.

Partnered with Fujitsu to distribute, resell, and support NetSuite Release J, Japan's first and only fully-localized, Software as a Service business management suite.

Launched NetSuite on the iPhone with support for dashboards, sales order records, customer records, click-to-call and more.

Integrated United States Postal Service shipping services with NetSuite, providing instant access to key USPS services, including price quotes, shipping label generation, package tracking numbers and customs documentation.

About NetSuiteNetSuite Inc. is a leading vendor of cloud computing business management software suites for mid-sized businesses and divisions of large companies. NetSuite enables market companies to manage core business operations in a single system, which includes accounting/ERP, customer relationship management (CRM), and Ecommerce. NetSuite's patent-pending "real-time dashboard" technology provides an easy-to-use view into up-to-date, role-specific business information. For more information about NetSuite, please visit www.netsuite.com.

Cautionary Note Regarding Forward-Looking Statements NetSuites scheduled conference call will contain forward-looking statements relating to expectations, plans, prospects and financial results for NetSuite, including our stated expectation for future earnings, revenue and market share growth. These forward-looking statements are based upon the current expectations and beliefs of NetSuite's management as of the date of this conference call, and are subject to certain risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. All forward-looking statements made during the conference call will be based on information available to the Company as of the date thereof, and NetSuite disclaims any obligation to update these forward-looking statements.

In particular, the following factors, among others, could cause results to differ materially from those expressed or implied by such forward-looking statements: the market for on-demand services may develop more slowly than expected or than it has in the past; continued adverse and unpredictable macro-economic conditions or reduced investments in on-demand applications and information technology spending; quarterly operating results may fluctuate more than expected; unexpected disruptions of service at the Company's data center may occur; a security breach may impact operations; risks associated with material defects or errors in the Company's software or the effect of undetected computer viruses could impact operations; the risk of technological developments and innovations by others; our ability to successfully identify other businesses and technologies for acquisition that will complement our business and the ability to successfully acquire and integrate those businesses and technologies; the risk of loss of power or disruption in Internet service; failure to manage growth; failure to protect and enforce our intellectual property rights; the ability to manage operations when faced with competitive pricing and marketing strategies by competitors or changing macro-economic conditions; the risk of losing key employees; increased demands on employees and costs associated with operating as a public company; evolving government regulation of the

Internet and Ecommerce; changes to current accounting rules; and general political or destabilizing events, including war, conflict or acts of terrorism; and other risks and uncertainties.

Customers who purchase our service should make sure the decisions are based on features that are currently available. Please be advised that any unreleased services or features from NetSuite referenced in today's discussion or other public statements are not currently available and may not be delivered on time or at all.

For a detailed discussion of these and other cautionary statements, please refer to the risk factors discussed in filings with the U.S. Securities and Exchange Commission ("SEC"), including but not limited to the Company's Annual Report on Form 10-K filed on March 13, 2009, and any subsequently filed reports on Forms 10-Q and 8-K. All documents are available through the SEC's Electronic Data Gathering Analysis and Retrieval system ("EDGAR") at www.sec.gov or NetSuite's Web site at www.netsuite.com.

Non-GAAP Financial MeasuresThe Company's stated results include certain non-GAAP financial measures, including non-GAAP operating income/(loss), net income/(loss), weighted average shares outstanding, and net income/(loss) per share. Non-GAAP net income/(loss) excludes expenses related to stock-based compensation expense, amortization of intangible assets and transaction costs for business combinations.

Non-GAAP net income/(loss) excludes these expenses as they are often excluded by other companies to help investors understand the operational performance of their business, and in the case of stock-based compensation, can be difficult to predict. The Company considers these events to be non-routine, and believes these adjustments provide useful comparative information to investors.

The Company considers these non-GAAP financial measures to be important because they provide useful measures of the operating performance of the Company and are used by the Company's management for that purpose. In addition, investors often use measures such as these to evaluate the financial performance of a company. Non-GAAP results are presented for supplemental informational purposes only for understanding the Company's operating results. The non-GAAP results should not be considered a substitute for financial information presented in accordance with generally accepted accounting principles, and may be different from non-GAAP measures used by other companies.

A copy of this press release can be found on the Company's Investor Relations Web site at www.netsuite.com/investors. The contents of the Web site are not incorporated by reference into this press release.

[Click here to download the press release, financial tables and non-GAAP reconciliation.](#)

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