

REALPAGE INC
Form DEF 14A
April 25, 2011

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

RealPage, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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REALPAGE, INC.
Notice of Annual Meeting of Stockholders
June 1, 2011

TO THE STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the 2011 Annual Meeting of Stockholders (the Annual Meeting) of RealPage, Inc., a Delaware corporation (the Company, we or us), will be held on June 1, 2011, at 10:00 a.m. local time, at our principal executive offices located at 4000 International Parkway, Carrollton, Texas 75007 for the following purposes as more fully described in the Proxy Statement accompanying this Notice:

1. To elect each of Mr. Alfred R. Berkeley, III and Mr. Peter Gyenes to the board of directors for a term of three years.
2. To ratify the appointment of Ernst & Young as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2011.
3. To consider and approve an advisory (non-binding) proposal concerning our executive compensation program.
4. To consider and approve an advisory (non-binding) proposal concerning the frequency of stockholder votes on our executive compensation program.
5. To transact such other business as may properly come before the meeting or any adjournment thereof.

Only stockholders of record at the close of business on April 4, 2011, are entitled to receive notice of and to vote at the meeting.

All stockholders are cordially invited to attend the Annual Meeting in person. However, whether or not you plan to attend the Annual Meeting, we hope that you will vote as soon as possible. You may vote by completing, signing and dating your proxy card and mailing it in the postage-prepaid envelope enclosed for that purpose by following the instructions on the proxy card. Voting by written proxy will ensure your representation at the Annual Meeting, if you do not attend in person. For specific instructions on how to vote your shares, please review the instructions on the proxy card if you received a paper copy of the proxy materials.

Stockholders attending the Annual Meeting may vote in person even if they have submitted a proxy. However, if you have submitted a proxy and wish to vote at the Annual Meeting, you must notify the inspector of elections of your intention to revoke the proxy you previously submitted and instead vote in person at the Annual Meeting. If your shares are held in the name of a broker, trustee, bank or other nominee, please bring a proxy from the broker, trustee, bank or other nominee with you to confirm you are entitled to vote the shares.

The 2011 Proxy Statement and 2010 Annual Report to Stockholders are included with this notice and are also available at <http://investor.realpage.com/>.

Sincerely,
/s/ Margot Leberberg
Margot Leberberg
*Executive Vice President, Chief Legal
Officer and Secretary*

Carrollton, Texas
April 25, 2011

REALPAGE, INC.
Proxy Statement
For the
2011 Annual Meeting of Stockholders
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**REALPAGE, INC.
4000 International Parkway
Carrollton, Texas 75005
(972) 820-3000**

**PROXY STATEMENT
FOR THE
2011 ANNUAL MEETING OF STOCKHOLDERS**

This proxy statement and proxy card are furnished in connection with the solicitation of proxies to be voted at our annual meeting of stockholders, which will be held at our principal executive offices located at 4000 International Parkway, Carrollton, Texas 75007 on June 1, 2011, at 10:00 a.m. local time. On April 25, 2011, we began mailing to stockholders of record this proxy statement and proxy card.

INFORMATION CONCERNING SOLICITATION AND VOTING

General

The board of directors of RealPage, Inc., a Delaware corporation (the Company, we or us), has delivered printed versions of proxy materials to you by mail, in connection with the board of directors' solicitation of proxies for use at the Company's 2011 Annual Meeting of Stockholders (the Annual Meeting) to be held on June 1, 2011, at 10:00 a.m. local time or at any adjournments or postponements thereof, for the purposes set forth in this Proxy Statement and in the accompanying Notice of Annual Meeting of Stockholders. Proxy materials are also available to you on the Internet at <http://investor.realpage.com>. The Annual Meeting will be held at our principal executive offices located at 4000 International Parkway, Carrollton, Texas 75007. Our telephone number is (972) 820-3000.

Householding of Annual Meeting Materials

Some brokers and other nominee record holders may be participating in the practice of householding proxy materials, proxy statements and annual reports. This means that only one (1) copy of the proxy materials may have been sent to multiple stockholders in a stockholder's household. We will promptly deliver a separate copy of any of these documents to any stockholder who contacts our investor relations department at 4000 International Parkway, Carrollton, Texas 75007, (972) 820-3773, requesting such copies. If a stockholder is receiving multiple copies of the proxy materials or the printed versions of such other accounts at the stockholder's household and would like to receive a single copy of these documents for a stockholder's household in the future, stockholders should contact their broker, other nominee record holder, or our investor relations department to request mailing of a single copy of any of these documents.

Record Date; Outstanding Shares

Stockholders of record at the close of business on April 4, 2011 (the Record Date) are entitled to receive notice of and vote at the Annual Meeting. On the Record Date, 69,759,674 shares of our common stock, \$0.001 par value, were issued and 69,527,371 were outstanding.

Voting and Solicitation

Every stockholder of record on the Record Date is entitled, for each share held, to one vote on each proposal that comes before the Annual Meeting. In the election of directors, each stockholder will be entitled to vote for two nominees and the two nominees with the greatest number of votes will be elected.

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Whether you hold shares directly as the stockholder of record or beneficially in street name, you may vote by completing, signing and mailing the proxy card enclosed herewith in the postage-prepaid envelope provided for that purpose. Voting by written proxy will ensure your representation at the Annual Meeting if you do not attend in person. For specific instructions on how to vote your shares, please review the instructions on the proxy card.

The cost of this solicitation will be borne by us. We may reimburse expenses incurred by brokerage firms and other persons representing beneficial owners of shares in forwarding solicitation materials to beneficial owners. Proxies may be solicited by certain of our directors, officers and other employees, without additional compensation, personally, by telephone or by email.

Treatment of Abstentions and Broker Non-Votes

Abstentions will be counted for purposes of determining (i) either the presence or absence of a quorum for the transaction of business and (ii) the total number of votes cast with respect to a proposal (other than the election of directors). Accordingly, abstentions will have no effect on the election of directors in Proposal One.

While broker non-votes will be counted for purposes of determining the presence or absence of a quorum for the transaction of business, broker non-votes will not be counted for purposes of determining the number of votes cast with respect to the particular proposal on which the broker has expressly not voted. A broker non-vote will not affect the outcome of the voting on Proposals One, Two, Three or Four.

A broker will vote your shares only if the proposal is a matter on which your broker has discretion to vote (such as the ratification of our independent registered public accounting firm in Proposal Two), or if you provide instructions on how to vote by following the instructions provided to you by your broker.

Revocability of Proxies

Proxies given pursuant to this solicitation may be revoked at any time before they have been used. You may change or revoke your proxy by delivering a written notice of revocation to the Secretary of the Company or by completing a new proxy card bearing a later date (which automatically revokes the earlier proxy instructions). Attendance at the Annual Meeting will not cause your previously granted proxy to be revoked unless you specifically so request by notifying the inspector of elections of your intention to revoke your proxy and voting in person at the Annual Meeting.

DEADLINE FOR RECEIPT OF STOCKHOLDER PROPOSALS

Our stockholders may submit proper proposals for inclusion in our proxy statement and for consideration at the annual meeting of stockholders to be held in 2012 by submitting their proposals in writing to the Secretary of the Company in a timely manner. In order to be considered for inclusion in our proxy materials for the annual meeting of stockholders to be held in 2012, stockholder proposals must be received by the Secretary of the Company no later than December 27, 2011, and must otherwise comply with the requirements of Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the Exchange Act).

In addition, our bylaws establish an advance notice procedure with regard to business to be brought before an annual meeting, including stockholder proposals not included in our proxy statement. For director nominations or other business to be properly brought before our 2012 annual meeting by a stockholder, such stockholder must deliver written notice to the Secretary of the Company at our principal executive office no later than March 11, 2012, and no earlier than February 10, 2012. If the date of our 2012 annual meeting is advanced by more than 30 calendar days or delayed by more than 60 calendar days from the first anniversary date of the 2011 Annual Meeting, your notice of a proposal will be timely if it is received by us no earlier than the close of business on the 120th day prior to the 2012 annual meeting and

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not later than later of the close of business on the 90th day before the 2012 annual meeting or the tenth day following the day we publicly announce the date of the 2012 annual meeting.

The proxy grants the proxy holders discretionary authority to vote on any matter raised at the Annual Meeting. If a stockholder fails to comply with the foregoing notice provisions, proxy holders will be allowed to use their discretionary voting authority on such matter should the stockholder proposal come before the 2012 annual meeting. A copy of the full text of the bylaw provisions governing the notice requirements set forth above may be obtained by writing to the Secretary of the Company. All notices of proposals and director nominations by stockholders should be sent to RealPage, Inc., 4000 International Parkway, Carrollton, Texas 75007, Attention: Corporate Secretary.

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ELECTION OF DIRECTORS****General**

Our board of directors is currently comprised of six members divided into three classes with staggered three-year terms. There are currently two directors in Class I, two directors in Class II and two directors in Class III. The terms of office of the Class I directors, Mr. Alfred R. Berkeley, III and Mr. Peter Gyenes, will expire at the Annual Meeting and Mr. A. Berkeley and Mr. Gyenes will stand for re-election to the board of directors at the Annual Meeting. The terms of office of the Class II directors, Mr. Jeffrey T. Leeds and Mr. Richard M. Berkeley, will expire at the 2012 annual meeting. The terms of office of the Class III directors, Mr. Stephen T. Winn and Mr. Jason A. Wright, will expire at the 2013 annual meeting. Our amended and restated certificate of incorporation and our amended and restated bylaws provide that the number of our directors will be fixed from time to time by a resolution of the majority of our board of directors. Nine directors are currently authorized.

Required Vote and Recommendation of the Board of Directors for Proposal One

The nominees receiving the highest number of affirmative votes of the shares present in person or represented by proxy at the Annual Meeting and entitled to vote in the election of directors shall be elected to the board of directors. Votes withheld from any director are counted for purposes of determining the presence or absence of a quorum, but have no legal effect under Delaware law. Cumulative voting is not permitted by our certificate of incorporation. Unless otherwise instructed, the proxy holders will vote the proxies received by them for the Company's nominees named below. If any nominee of the Company is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for any nominee who is designated by the present board of directors to fill the vacancy. It is not expected that any nominee will be unable or will decline to serve as a director. **Our board of directors recommends that stockholders vote FOR the nominees listed below.**

Nominees for Election as Class I Directors at the Annual Meeting

Our nomination and governance committee, consisting solely of independent directors as determined under applicable NASDAQ listing standards, recommended the two individuals set forth in the table below for nomination by our full board of directors. Based on such recommendations, our board of directors nominated such directors for election at the Annual Meeting as Class I directors to serve for a term expiring at the 2014 annual meeting of stockholders, or until their successors have been duly elected and qualified or until their earlier death, resignation or removal. The following sets forth information concerning the nominees for election as directors at the Annual Meeting, including information as to each nominee's age as of the Record Date, current principal occupation and business experience.

Name of Nominee	Age	Position and Offices Held with RP	Director Since
Alfred R. Berkeley, III ⁽¹⁾⁽²⁾	66	Director	2003
Peter Gyenes ⁽¹⁾⁽²⁾⁽³⁾	65	Director	2010

(1) Member of audit committee

(2) Member of compensation committee

(3) Member of nomination and governance committee

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Alfred R. Berkeley, III has served as a member of our board of directors since December 2003, as Chairman of our audit committee since January 2004, and as a member of our compensation committee since January 2004.

Mr. Berkeley currently serves as the Chairman of Pipeline Financial Group, Inc., the parent of Pipeline Trading Systems LLC, a block trading brokerage service, which he joined in December 2003. From December 2003 to March 2010, Mr. Berkeley also served as the Chief Executive Officer of Pipeline Financial Group, Inc. He also serves as Acting Chairman of the National Infrastructure Advisory Council for the President of the United States, a trustee of Johns Hopkins University and a member of the Johns Hopkins University Applied Physics Laboratory, LLC. He formerly served as Vice Chairman of the Nomination Evaluation Committee for the National Medal of Technology and Innovation, which makes candidate recommendations to the Secretary of Commerce. He was appointed Vice Chairman of the NASDAQ Stock Market, Inc. in July 2000, serving through July 2003, and served as President of NASDAQ from 1996 until 2000. From 1972 to 1996, Mr. Berkeley served in a number of capacities at Alex. Brown & Sons Incorporated, which was acquired by Bankers Trust New York Corporation and later by Deutsche Bank AG. Most recently, he was Managing Director in the corporate finance department where he financed computer software and electronic commerce companies. He joined Alex. Brown & Sons Incorporated as a Research Analyst in 1972 and became a general partner in 1983. From 1985 to 1987, he served as Head of Information Services for the firm. From 1988 to 1990, Mr. Berkeley took a leave of absence from Alex. Brown & Sons Incorporated to serve as President and Chief Executive Officer of Rabbit Software Inc., a public telecommunications software company. He served as a captain in the United States Air Force and a major in the United States Air Force Reserve. Mr. Berkeley also served as a director of Webex Communications, Inc., which was acquired by Cisco Systems, Inc. (NASDAQ: CSCO) in May 2007.

Mr. Berkeley also served as a director of Kintera, Inc. until May 2008, when it was acquired by Blackbaud, Inc. (NASDAQ: BLKB). Mr. Berkeley served as a director of the National Research Exchange, Inc., a registered broker dealer, until it ceased operations in December 2007. Mr. Berkeley currently serves on the board of directors of ACI Worldwide, Inc. (NASDAQ: ACIW), EDGAR Online, Inc. (NASDAQ: EDGR) and Fortegra Financial Corporation (NYSE: FRF), an insurance services company that provides distribution and administration services and insurance-related products to insurance companies, insurance brokers and agents and other financial services companies in the United States. Mr. Berkeley also serves as a director of several private companies. Mr. Berkeley received his B.A. in English from the University of Virginia and his M.B.A. from The Wharton School of the University of Pennsylvania. We believe Mr. Berkeley's qualifications to serve on our board of directors include his extensive experience in corporate finance and securities matters, including his experience as Chief Executive Officer of various companies and his leadership positions with the NASDAQ Stock Market, Inc., and his knowledge gained from service on the boards of various public and private companies and federal committees. Mr. Berkeley has served as our lead independent director since February 2011.

Peter Gyenes has served as a member of our board of directors since January 2010, as Chairman of our compensation committee since February 2010, as a member of our audit committee since February 2010, and as a member of our nominating and governance committee since February 2010. Mr. Gyenes has served as the non-executive Chairman of the board of directors of Sophos plc, a global security software company, since March 2006. Mr. Gyenes served as Chairman and Chief Executive Officer of Ascential Software Corporation (NASDAQ: ASCL), a market leader in data integration software, and its predecessor companies VMark Software, Ardent Software and Informix from 1996 until it was acquired by International Business Machines Corporation in 2005. Mr. Gyenes served on the board of directors of Netezza Corporation (NYSE: NZ) from 2008 until it was acquired by International Business Machines Corporation in 2010. He currently serves on the boards of directors of IntraLinks Holdings, Inc. (NYSE: IL), Lawson Software, Inc. (NASDAQ: LWSN), Pegasystems Inc. (NASDAQ: PEGA) and VistaPrint Limited (NASDAQ: VPRT), as well as several private companies, and serves as trustee emeritus of the Massachusetts Technology Leadership Council. Mr. Gyenes previously served on the board of directors of webMethods Inc. (NASDAQ: WEBM) (acquired by Software AG Darmstadt) from 2005 to 2007, Applix, Inc. (NASDAQ: APLX) (acquired by Cognos, Inc.) from 2000 to 2007 and BladeLogic, Inc. (NASDAQ: BLOG) (acquired by BMC Software, Inc.) from 2006 to 2008. Mr. Gyenes received his B.A.

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in mathematics and his M.B.A. in marketing from Columbia University. We believe Mr. Gyenes' qualifications to serve on our board of directors include his experience as the Chief Executive Officer of a publicly traded company, his knowledge gained from service on the boards of various public and private companies and his more than 40 years of experience in technology, sales, marketing and general management positions within the computer systems and software industry.

**INCUMBENT DIRECTORS WHOSE TERMS OF OFFICE
CONTINUE AFTER THE ANNUAL MEETING**

The following sets forth information concerning the directors whose terms of office continue after the Annual Meeting, including information as to each director's age as of the Record Date, current principal occupation and business experience.

Name of Director	Age	Position and Offices Held with RP	Director Since
Jeffrey T. Leeds ⁽³⁾	55	Director	1999
Richard M. Berkeley ^{(2) (3)}	58	Director	2005
Stephen T. Winn	64	Chairman of the Board of Directors and Chief Executive Officer	1998
Jason A. Wright ^{(1) (2) (3)}	39	Director	2003

(1) Member of Audit Committee

(2) Member of Compensation Committee

(3) Member of Nomination and Governance Committee

Class II Directors (Terms Expire in 2012)

Jeffrey T. Leeds has served as a member of our board of directors and a member of our nominating and governance committee since December 1999. He is President and Co-Founder of Leeds Equity Partners, LLC, which he co-founded in 1993, a private equity firm that focuses on the education, information services and training industries. Prior to co-founding Leeds Equity Partners, Mr. Leeds spent seven years specializing in mergers and acquisitions and corporate finance at Lazard Freres & Co. LLC, a subsidiary of Lazard Group LLC. Prior to joining Lazard Freres & Co. LLC, Mr. Leeds served as a law clerk to the Hon. William J. Brennan, Jr. of the Supreme Court of the United States during the 1985 October Term. Mr. Leeds also worked in the corporate department of the law firm of Cravath, Swaine & Moore LLP in New York after graduating from law school. Mr. Leeds currently serves on the board of directors of Education Management Corporation (NASDAQ: EDMC), Instituto de Banca y Comercio and SeatonCorp. and as a Trustee on the United Federation of Teachers Charter School Board in New York City. Mr. Leeds received his B.A. in history *summa cum laude* from Yale University and his J.D. from Harvard Law School. He was also a Marshall Scholar at the University of Oxford. We believe Mr. Leeds' qualifications to serve on our board of directors include his extensive business and legal experience in corporate finance and his knowledge gained from service on the boards of various public and private companies.

Richard M. Berkeley has served as a member of our board of directors since December 2005, as a member of each of our compensation committee and nominating and governance committee since May 2007 and as Chairman of our nominating and governance committee since February 2010. Mr. Berkeley is a member of Camden Partners Holdings, LLC, where he focuses on investments in the business and financial services, health care and education markets for the firm. Prior to joining Camden Partners in October 2002, Mr. Berkeley spent 19 years with Alex. Brown & Sons Incorporated and its successor organizations, Bankers Trust New York Corporation and Deutsche Bank Securities Inc., where he was responsible for the origination, structuring and consummation of private equity financings for public and private companies. He currently serves on the board of directors of a number of private companies, educational institutions and charitable organizations. Mr. Berkeley served as an officer in the United States

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Air Force between 1974 and 1976. He received his B.A. in history, J.D. and M.B.A. from the University of Virginia. We believe Mr. Berkeley's qualifications to serve on our board of directors include his extensive business experience and knowledge in equity financings.

Class III Directors (Terms Expire in 2013)

Stephen T. Winn has served as our Chief Executive Officer, Chairman of the Board and a member of our board of directors since November 1998. From November 1998 to December 2009, Mr. Winn also served as our President. From January 1998 to March 1999, Mr. Winn served in various executive positions, including President of Research Institute of America, a provider of information services to the accounting industry and a wholly owned subsidiary of Thomson Reuters Corporation. From June 1969 to January 1998, Mr. Winn served as President and Chief Executive Officer of Computer Language Research Inc., a publicly traded company focused on tax compliance, tax research and accounting software, which was acquired by Thomson Reuters Corporation. Mr. Winn is a member of the board of directors of the National Multi Housing Council. In January 2002, he was one of twenty-five people recognized by the National Apartment Association as a leader in the multi-family industry. Mr. Winn received his B.S. in electrical engineering from The University of Texas at Austin and his M.S. in management science from Stanford University. In addition to Mr. Winn's role as our Chief Executive Officer, we believe Mr. Winn's qualifications to serve on our board of directors include his previous service in executive positions at various public and private technology companies and his extensive experience in the multi-family rental housing industry.

Jason A. Wright has served as a member of our board of directors since December 2003, as a member of our compensation committee since October 2006, a member of our audit committee since January 2004 and a member of our nominating and governance committee since February 2010. Mr. Wright is a partner in the Tech & Telecom Group at Apax Partners LLC, where he focuses primarily on investments in enterprise software and technology-enabled services. Prior to joining Apax in 2000, Mr. Wright served in a variety of roles at General Electric Capital Corporation, a subsidiary of General Electric Corporation, including the evaluation and execution of investment opportunities for the Technology Ventures Group, and Mr. Wright was also a consultant at Andersen Consulting, now Accenture plc. Mr. Wright currently serves on the board of directors of various private companies. Mr. Wright received his B.A. in economics from Tufts University and his M.B.A. in finance from The Wharton School of the University of Pennsylvania. We believe Mr. Wright's qualifications to serve on our board of directors include his extensive business and financial experience related to enterprise software and technology-enabled services companies.

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The following table sets forth information regarding ownership of our common stock as of April 4, 2011, the Record Date, by (a) each person or group of affiliated persons known by us to be the beneficial owner of more than 5% of our outstanding common stock, (b) each of our directors and nominees for director, (c) each of our named executive officers and (d) all directors and executive officers as a group.

Beneficial ownership in this table is determined in accordance with the rules of the SEC and does not necessarily indicate beneficial ownership for any other purpose. Under these rules, the number of shares of common stock deemed outstanding includes shares issuable upon exercise of options held by the respective person or group that may be exercised within 60 days after April 4, 2011. For purposes of calculating each person's or group's percentage ownership, stock options exercisable within 60 days after April 4, 2011 are included for that person or group but not the stock options of any other person or group. Percentage of beneficial ownership is based on the shares of common stock outstanding as of April 4, 2011. Beneficial ownership representing less than 1% is denoted with an asterisk (*).

Name and Address of Beneficial Owner⁽¹⁾	Number of Shares Beneficially Held	Approximate Percentage of Common Stock Outstanding
5% Stockholders:		
Entities affiliated with Apax Excelsior VI, L.P. ⁽²⁾	8,005,919	11.5%
Entities affiliated with Fidelity Management & Research Company, a wholly owned subsidiary of FMR LLC ⁽³⁾	6,608,460	9.5
Entities affiliated with Stephen T. Winn ⁽⁴⁾	27,560,100	39.6
Named Executive Officers, Directors and Nominees:		
Stephen T. Winn ⁽⁴⁾	27,560,100	39.6
Timothy J. Barker ⁽⁵⁾	502,886	*
Dirk D. Wakeham ⁽⁶⁾	238,181	*
Margot Leberberg ⁽⁷⁾	50,877	*
Ashley Chaffin Glover ⁽⁸⁾	229,000	*
Alfred R. Berkeley, III ⁽⁹⁾	122,673	*
Richard M. Berkeley ⁽¹⁰⁾	1,973,669	2.8
Peter Gyenes ⁽¹¹⁾	25,173	*
Jeffrey T. Leeds ⁽¹²⁾	1,382,407	2.0
Jason A. Wright ⁽¹³⁾	8,009,426	11.5
All executive officers and directors as a group (11 people) ⁽¹⁴⁾	40,198,892	57.0

- (1) Unless otherwise indicated and subject to applicable community property laws, to our knowledge, each stockholder named in the following table possesses sole voting and investment power over the shares listed, except for those jointly owned with that person's spouse. Unless otherwise noted below, the address of each person listed on the table is c/o RealPage, Inc., 4000 International Parkway, Carrollton, Texas 75007.
- (2) Represents 6,841,064 shares held by Apax Excelsior VI, L.P., 558,811 shares held by Apax Excelsior VI-A C.V., 372,272 shares held by Apax Excelsior VI-B C.V. and 233,772 shares held by Patricof Private Investment Club III, L.P. Apax Managers, Inc., or Apax Managers, is the general partner of Apax Excelsior VI Partners, L.P., or Apax Excelsior VI Partners, which is the general partner of each of Apax Excelsior VI, L.P., Apax Excelsior VI-A C.V., Apax Excelsior VI-B C.V. and Patricof Private Investment Club III, or the Apax Funds. John F. Megrue is the sole director of Apax Managers, Inc. and may be deemed to have voting and dispositive power over the shares held by the Apax Funds. Mr. Megrue disclaims beneficial ownership over the shares held

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by the Apax Funds except to the extent of his pecuniary interest therein. The address of the Apax Funds and their affiliated entities and individuals is 601 Lexington Avenue, New York, New York 10022. For a discussion of our material relationships with the Apax Funds and affiliated entities, see Certain Relationships and Related Party Transactions.

- (3) Represent 6,607,560 shares beneficially owned by Fidelity Management & Research Company (Fidelity), 82 Devonshire Street, Boston, Massachusetts 02109, a wholly- owned subsidiary of FMR LLC and an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, as a result of acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940 and 900 shares beneficially owned by Pyramis Global Advisors Trust Company (PGATC), 900 Salem Street, Smithfield, Rhode Island, 02917, an indirect wholly-owned subsidiary of FMR LLC and a bank as defined in Section 3(a)(6) of the Securities Exchange Act of 1934 as a result of its serving as investment manager of institutional accounts owning such shares. Edward C. Johnson 3d and FMR LLC, through its control of Fidelity, and the funds each has sole power to dispose of the 6,607,560 shares owned by the Funds. Members of the family of Edward C. Johnson 3d, Chairman of FMR LLC, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Edward C. Johnson 3d, Chairman of FMR LLC, has the sole power to vote or direct the voting of the shares owned directly by the Fidelity Funds, which power resides with the Funds Boards of Trustees. Fidelity carries out the voting of the shares under written guidelines established by the Funds Boards of Trustees. Edward C. Johnson 3d and FMR LLC, through its control of Pyramis Global Advisors Trust Company, each has sole dispositive power over 900 shares and sole power to vote or to direct the voting of 0 shares of Common Stock owned by the institutional accounts managed by PGATC as reported above.
- (4) Represents 20,442,475 shares held by Seren Capital, Ltd., 75,000 shares held by Seren Catalyst, L.P., 465,625 shares held by Stephen T. Winn 1996 Family LPA, 5,424,500 shares held by Stephen T. Winn, of which 46,875 are subject to forfeiture to us, which forfeiture restriction lapses as to an additional 3,125 shares on the first day of each calendar quarter, provided that Mr. Winn remains our service provider on each such applicable date, 3,750 shares issuable upon the exercise of options to purchase shares of our common stock held by Mr. Winn that are fully vested and exercisable within 60 days of April 4, 2011, and 1,152,500 shares held by Melinda G. Winn and Stephen T. Winn, as trustees of the Melinda G. Winn 2010 QTIP Trust. Stephen T. Winn is the sole manager and president of Seren Capital Management, L.L.C., which is the general partner of Seren Capital, Ltd. and Seren Catalyst, L.P., or the Seren Partnerships and, by virtue of this relationship, has sole voting and dispositive power over the shares held by the Seren Partnerships. Mr. Winn is the general partner of the Stephen T. Winn 1996 Family LPA and has voting and dispositive power over the shares held by the Stephen T. Winn 1996 Family LPA. Stephen T. Winn and Melinda G. Winn are trustees of the Melinda G. Winn 2010 QTIP Trust and share voting and dispositive power over the shares held by the Melinda G. Winn 2010 QTIP Trust. For a discussion of our material relationships with Mr. Winn and his affiliated entities, see Certain Relationships and Related Party Transactions.
- (5) Represents 150,262 shares held by Timothy J. Barker, of which 32,813 are subject to forfeiture to us, which forfeiture restriction lapses as to an additional 2,187.5 shares on the first day of each calendar quarter, provided that Mr. Barker remains our service provider on each such applicable date, and 352,624 shares issuable upon the exercise of options to purchase shares of our common stock held by Mr. Barker that are fully vested and

exercisable within 60 days of April 4, 2011. For a discussion of our material relationships with Mr. Barker, see Certain Relationships and Related Party Transactions.

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- (6) Represents 20,000 shares held by Dirk D. Wakeham, of which 18,750 are subject to forfeiture to us, which forfeiture restriction lapses as to an additional 1,250 shares on the first day of each calendar quarter provided, that Mr. Wakeham remains our service provider on each such applicable date, and 218,181 shares issuable upon the exercise of options to purchase shares of our common stock held by Mr. Wakeham that are fully vested and exercisable within 60 days of April 4, 2011.
- (7) Represents 14,752 shares held by Margot Leberberg, of which 14,063 are subject to forfeiture to us, which forfeiture restriction lapses as to an additional 937.5 shares on the first day of each calendar quarter provided, that Ms. Leberberg remains our service provider on each such applicable date, and 36,125 shares issuable upon the exercise of options to purchase shares of our common stock held by Ms. Leberberg that are fully vested and exercisable within 60 days of April 4, 2011.
- (8) Represents 20,000 shares held by Ashley Chaffin Glover, of which 18,750 are subject to forfeiture to us, which forfeiture restriction lapses as to an additional 1,250 shares on the first day of each calendar quarter provided, that Ms. Chaffin Glover remains our service provider on each such applicable date, and 209,000 shares issuable upon the exercise of options to purchase shares of our common stock held by Ms. Chaffin Glover that are fully vested and exercisable within 60 days of April 4, 2011.
- (9) Represents 80,173 shares held by Alfred R. Berkeley, III, of which 9,896 are subject to a repurchase right held by us which lapses with respect to an additional 520.8 shares on the last day of each calendar month provided, that Mr. A. Berkeley remains a director on each such applicable date, and 8,841 are subject to forfeiture to us, which forfeiture restriction lapses as to an additional 552.5 shares on the first day of each calendar quarter and as to 1,666.5 shares on April 1, 2014, provided that Mr. A. Berkeley remains a director on each such applicable date, and 42,500 held by Muriel Van Dusen Berkeley and Richard M. Berkeley, as Trustees of the 2009 Berkeley Family Resource Trust dated December 11, 2009, or the Berkeley Family Trust. Muriel Van Dusen Berkeley and Richard M. Berkeley are the trustees of the Berkeley Family Trust and share voting and dispositive power over the shares held by the Berkeley Family Trust. By virtue of his relationship with his spouse, Muriel Van Dusen Berkeley, Alfred R. Berkeley may be deemed to share voting and dispositive power over the shares held by the Berkeley Family Trust. Mr. A. Berkeley is an affiliate of a broker-dealer, purchased the securities in the ordinary course of business and, at the time of the purchase of the securities to be resold, had no agreements or understandings, directly or indirectly, with any person to distribute the securities.
- (10) Represents 3,507 shares held by Richard M. Berkeley, of which 3,507 are subject to forfeiture to us, which forfeiture restriction lapses as to an additional 219.2 shares on the first day of each calendar quarter, provided that Mr. R. Berkeley remains a director on each such applicable date, 1,809,908 shares held by Camden Partners Strategic Fund III, L.P., 75,254 shares held by Camden Partners Strategic Fund III-A, L.P., 42,500 held by Muriel Van Dusen Berkeley and Richard M. Berkeley, as Trustees of the 2009 Berkeley Family Resource Trust dated December 11, 2009 and 42,500 held by Richard M. Berkeley, as Trustee of the Alfred and Muriel Berkeley Survivorship Trust dated December 1, 2005. Camden Partners Strategic Manager, LLC, or Camden Partners Strategic Manager, is the managing member of Camden Partners Strategic III, LLC, or Camden Partners Strategic III, which is the general partner of each of Camden Partners Strategic Fund III, L.P. and Camden Partners Strategic Fund III-A, L.P., or the Camden Funds. Because Richard M. Berkeley is a managing member of Camden Partners Strategic Manager, Camden Partners Strategic Manager is the managing member of Camden Partners Strategic III and Camden Partners Strategic III is the general partner of each of the Camden Funds, Mr. R. Berkeley may be deemed to have voting and dispositive power over the shares held by the Camden Funds. Mr. R. Berkeley and Muriel Van Dusen Berkeley are the trustees of the 2009 Berkeley Family Resource Trust dated December 11, 2009, or the Berkeley Family Trust, and share voting and dispositive power over the shares held by the Berkeley Family Trust along with Alfred R. Berkeley, who may be deemed to share

voting and dispositive power over the shares held by the Berkeley Family Trust by virtue of his relationship with his spouse, Muriel Van Dusen Berkeley. Mr. R. Berkeley is the trustee of the Alfred and Muriel Berkeley Survivorship Trust dated December 1, 2005, or the Berkeley Survivorship Trust, and has voting and dispositive power over the shares held by the Berkeley Survivorship Trust. Mr. R. Berkeley disclaims beneficial ownership

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of shares held by the Berkeley Family Trust and the Berkeley Survivorship Trust, except to the extent of any pecuniary interest therein. Mr. R. Berkeley is an affiliate of a broker-dealer, purchased the securities in the ordinary course of business and, at the time of the purchase of the securities to be resold, had no agreements or understandings, directly or indirectly, with any person to distribute the securities. The address of the Camden Funds and their affiliated entities and individuals is 500 E. Pratt Street, Suite 1200, Baltimore, Maryland 21202. For a discussion of our material relationships with Camden Partners and its affiliated entities, see Certain Relationships and Related Party Transactions. The Camden Funds are not affiliated with Camden Property Trust.

- (11) Represents 15,000 shares issuable upon the exercise of options to purchase shares of our common stock held by Mr. Gyenes that are fully vested and exercisable within 60 days of April 4, 2011 and 10,173 restricted shares of our common stock, of which 8,841 are subject to forfeiture to us, which forfeiture restriction lapses as to an additional 552.5 shares on the first day of each calendar quarter and as to 1,666.5 shares on April 1, 2014, provided that Mr. Gyenes remains a director on each such applicable date.
- (12) Represents 3,507 shares held by Jeffrey T. Leeds, of which 3,507 are subject to forfeiture to us, which forfeiture restriction lapses as to an additional 219.2 shares on the first day of each calendar quarter, provided that Mr. Leeds remains a director on each such applicable date, 329,204 shares held by Advance Capital Offshore Partners, L.P. and 1,049,696 shares held by Advance Capital Partners, L.P. Because Mr. Leeds is a member of Advance Capital Management, LLC, which is the general partner of Advance Capital Associates, L.P., which is the general partner of Advance Capital Partners, L.P. and Advance Capital Offshore Associates, LDC, which is the general partner of Advance Capital Offshore Partners, L.P., Mr. Leeds may be deemed to have voting and dispositive power of the shares held by Advance Capital Offshore Partners, L.P. and Advance Capital Partners, L.P. Mr. Leeds is an affiliate of a broker-dealer, purchased the securities in the ordinary course of business and, at the time of the purchase of the securities to be resold, had no agreements or understandings, directly or indirectly, with any person to distribute the securities. The address of the Advance Capital Funds and their affiliated entities and individuals is 350 Park Avenue, 23rd Floor, New York, New York 10022. For a discussion of our material relationships with Mr. Leeds, see Certain Relationships and Related Party Transactions.
- (13) Represents 3,507 shares held by Jason A. Wright, of which 3,507 are subject to forfeiture to us, which forfeiture restriction lapses as to an additional 219.2 shares on the first day of each calendar quarter, provided that Mr. Wright remains a director on each such applicable date, 6,841,064 shares held by Apax Excelsior VI, L.P., 558,811 shares held by Apax Excelsior VI-A C.V., 372,272 shares held by Apax Excelsior VI-B C.V. and 233,772 shares held by Patricof Private Investment Club III, L.P. Apax Managers, Inc., or Apax Managers, is the general partner of Apax Excelsior VI Partners, L.P., or Apax Excelsior VI Partners, which is the general partner of each of Apax Excelsior VI, L.P., Apax Excelsior VI-A C.V., Apax Excelsior VI-B C.V. and Patricof Private Investment Club III, or the Apax Funds. John F. Megrue is the sole director of Apax Managers, Inc. and may be deemed to have voting and dispositive power over the shares held by the Apax Funds. Mr. Megrue disclaims beneficial ownership over the shares held by the Apax Funds except to the extent of his pecuniary interest therein. The address of the Apax Funds and their affiliated entities and individuals is 601 Lexington Avenue, New York, New York 10022. For a discussion of our material relationships with the Apax Funds and affiliated entities, see Certain Relationships and Related Party Transactions.
- (14) Consists of 5,726,631 shares held of record by our directors and executive officers, of which 9,896 shares are subject to a repurchase right held by us that lapses with respect to an additional 520.8 shares on the last day of each calendar month provided that Mr. A. Berkeley remains one of our directors on each such applicable date, 158,308 are subject to forfeiture to us, which forfeiture restriction lapses as to an additional 219.2 shares on the first day of each calendar quarter, provided that Mr. Wright remains one of our directors on each such applicable date, as to an additional 3,125 shares on the first day of each calendar quarter, provided that Mr. Winn remains

our service provider on each such applicable date, as to an additional 2,187.5 shares on the first day of each calendar quarter, provided that Mr. Barker remains our service provider on each such applicable date, as to an additional 1,250 shares on the first day of each calendar quarter, provided that Mr.

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Wakeham remains our service provider on each such applicable date, as to an additional 973.5 shares on the first day of each calendar quarter, provided that Ms. Lebenberg remains our service provider on each such applicable date, as to an additional 1,250 shares on the first day of each calendar quarter, provided that Ms. Chaffin Glover remains our service provider on each such applicable date, as to an additional 552.5 shares on the first day of each calendar quarter and 1,666.5 shares on April 1, 2014, provided that Mr. A. Berkeley remains one of our directors on each such applicable date, as to an additional 219.2 shares on the first day of each calendar quarter, provided that Mr. R. Berkeley remains one of our directors on each such applicable date, as to an additional 552.5 shares on the first day of each calendar quarter and 1,666.5 shares on April 1, 2014, provided that Mr. Gyenes remains one of our directors on each such applicable date, and as to an additional 219.2 shares on the first day of each calendar quarter, provided that Mr. Leeds remains one of our directors on each such applicable date, 971,680 shares issuable upon the exercise of options held by our directors and executive officers that are fully vested and exercisable within 60 days of April 4, 2011 and 33,500,581 shares held by entities over which our directors and executive officers may be deemed to have voting or dispositive power.

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CORPORATE GOVERNANCE

Board Leadership Structure

Our board of directors believes that our Chief Executive Officer, Stephen T. Winn, is best situated to serve as Chairman because he is the director most familiar with our business and industry, and most capable of effectively identifying strategic priorities and leading the discussion and execution of strategy. Our independent directors have different perspectives and roles in strategic development. Our independent directors bring experience, oversight and expertise from outside the company and industry, while the Chief Executive Officer brings company-specific experience and expertise. Our board of directors believes that the combined role of Chairman and Chief Executive Officer promotes strategy development and execution, and facilitates information flow between management and the Board, which are essential to effective governance. Mr. Alfred R. Berkeley, III serves as our lead independent director. Our lead independent director is responsible for coordinating activities of our other independent directors and performing various other duties as directed by our board of directors.

Risk Oversight

Our board of directors oversees risk management in a number of ways. Our audit committee oversees the management of financial and accounting related risks as an integral part of its duties. Similarly, our compensation committee considers risk management when setting the compensation policies and programs for our executive officers and other employees. Our full board of directors receives reports on various risk related items at each of its regular meetings including risks related to intellectual property, taxes, products and employees. Our board of directors also receives periodic reports on our efforts to manage such risks through safety measures, insurance or self-insurance.

Director Independence

Under the listing requirements of the NASDAQ Stock Market, a majority of our board of directors must be comprised of independent directors. Our board of directors has determined that each of Mr. A. Berkeley, Mr. Gyenes, Mr. Leeds, Mr. R. Berkeley and Mr. Wright is independent under applicable NASDAQ listing standards and Rule 10A-3 of the Securities Exchange Act of 1934.

Committees of the Board of Directors

Our board of directors has three standing committees: an audit committee, a compensation committee and a nominating and governance committee. Our board of directors has determined that each member of each committee is independent under the applicable requirements of NASDAQ and SEC rules and regulations. Our board of directors has adopted a charter for each committee that is available without charge, upon request in writing to RealPage, Inc., 4000 International Parkway, Carrollton, Texas 75007, Attn: Chief Legal Officer or on the investor relations portion of our website at <http://www.realpage.com>. We believe that the composition, charter and functioning of each of our committees comply with the applicable requirements of NASDAQ and SEC rules and regulations. We intend to comply with future requirements to the extent they become applicable to us.

The table below lists the current membership of each committee and the number of committee meetings held in 2010.

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Name of Director	Audit Committee	Compensation Committee	Nominating and Governance Committee
Jeffrey T. Leeds			Member
Alfred R. Berkeley, III	Chairman	Member	
Jason A. Wright	Member	Member	Member
Richard M. Berkeley		Member	Chairman
Peter Gyenes	Member	Chairman	Member
Number of meetings held in 2010	7	6	2

The primary responsibilities of each committee are described below.

Audit Committee

Our audit committee is responsible for, among other things:

- approving the audit and non-audit services to be performed by our independent auditors;
- evaluating the qualifications, performance and independence of our independent auditors;
- monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to financial statements or accounting matters;
- reviewing the adequacy and effectiveness of our internal control policies and procedures;
- discussing the scope and results of the audit with the independent auditors and reviewing with management and the independent auditors our interim and year-end operating results;
- preparing the audit committee report required in this prospectus and in our annual proxy statement; and
- reviewing and evaluating, at least annually, its own performance and that of its members, including compliance with the committee charter.

Our board of directors has determined that each member of our audit committee meets the requirements for financial literacy and sophistication, and qualifies as an audit committee financial expert, under the applicable requirements of NASDAQ and SEC rules and regulations.

Compensation Committee

Our compensation committee is responsible for, among other things:

- reviewing and approving corporate goals and objectives relevant to compensation of our Chief Executive Officer and other executive officers;
- reviewing and approving the following for our Chief Executive Officer and our other executive officers: annual base salaries, annual incentive bonuses, including the specific goals and amounts, equity compensation, employment agreements, severance arrangements and change in control arrangements and any other benefits, compensation or arrangements;
- reviewing the succession planning for our executive officers;
- reviewing and recommending compensation goals and bonus and stock compensation criteria for our employees;

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reviewing and recommending compensation programs for outside directors;
preparing the compensation discussion and analysis and compensation committee report that the SEC requires in our annual proxy statement;
administering, reviewing and making recommendations with respect to our equity compensation plans; and
reviewing and evaluating, at least annually, its own performance and that of its members, including compliance with the committee charter.

Our board of directors has determined that each member of our compensation committee is independent under the applicable requirements of NASDAQ and SEC rules and regulations, is a non-employee director, as defined by Rule 16b-3 promulgated under the Securities and Exchange Act of 1934, as amended, or the Exchange Act, and is an outside director, as defined pursuant to Section 162(m) of the Internal Revenue Code.

Nominating and Governance Committee

Our nominating and governance committee is responsible for, among other things:
assisting our board of directors in identifying prospective director nominees and recommending nominees for each annual meeting of stockholders to the board of directors;
reviewing developments in corporate governance practices and developing and recommending governance principles applicable to our board of directors;
overseeing the evaluation of our board of directors and management;
recommending members for each board committee to our board of directors;
reviewing and monitoring our code of business conduct and ethics and actual and potential conflicts of interest of members of our board of directors and officers; and
reviewing and evaluating, at least annually, its own performance and that of its members, including compliance with the committee charter.

Our nominating and governance committee will consider nominees recommended by stockholders provided such recommendations are made in accordance with procedures described in this Proxy Statement under **Deadline for Receipt of Stockholder Proposals**. When considering a potential director candidate, the nominating and governance committee looks for demonstrated character, judgment, relevant business, functional and industry experience, and a high degree of acumen. The nominating and governance committee also considers issues of diversity, such as education, professional experience and differences in viewpoints and skills. The nominating and governance committee does not have a formal policy with respect to diversity; however, the board of directors and the nominating and governance committee believe that it is important that the members of the board of directors represent diverse viewpoints. The nomination and governance committee's process for identifying and evaluating nominees typically involves a series of internal discussions, review of information concerning candidates and interviews with selected candidates. There are no differences in the manner in which the nomination and governance committee evaluates nominees for director based on whether the nominee is recommended by a stockholder. To date, we have not paid any third party to identify or assist in identifying or evaluating potential nominees.

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Code of Business Conduct and Ethics

Our board of directors has adopted a code of business conduct and ethics. The code applies to all of our employees, officers (including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions), directors and consultants. The full text of our code of business conduct and ethics is posted on the investor relations portion of our website at <http://www.realpage.com> and is available without charge, upon request in writing to RealPage, Inc., 4000 International Parkway, Carrollton, Texas 75007, Attn: Chief Legal Officer. We intend to disclose future amendments to certain provisions of our code of business conduct and ethics, or waivers of such provisions, applicable to any principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions or our directors on our website to the extent and in the manner permitted by Item 5.05 of Form 8-K.

Communications to the Board of Directors

Stockholders may communicate with members of our board of directors by mail addressed to the Chairman, any other individual member of the board, to the full board, or to a particular committee of the board. In each case, such correspondence should be sent to the following address: 4000 International Parkway, Carrollton, Texas 75007, Attention: Corporate Secretary. Correspondence received that is addressed to the members of our board of directors will be reviewed by our Chief Legal Officer or her designee, who will forward such correspondence to the appropriate members of the board.

Board Meetings and Attendance

Our board of directors held a total of 12 meetings during 2010. No director attended fewer than 75% of the total number of meetings of the board and the total number of meetings held by all committees of the board on which such member served.

Director Attendance at Annual Meetings of Stockholders

We encourage, but do not require, our directors to attend our annual stockholders meeting. This annual meeting will be our first as a public company.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

None of the members of our compensation committee is an officer or employee of our company. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Since January 1, 2010, there has not been, nor is there currently proposed, any transaction or series of similar transactions to which we were or are a party in which the amount involved exceeded or exceeds \$120,000 and in which any of our directors, executive officers, holders of more than 5% of any class of our voting securities, or any member of the immediate family of any of the foregoing persons, had or will have a direct or indirect material interest, other than compensation arrangements with directors and executive officers, which are described under Executive Compensation, and the transactions described below.

2010 Shareholders Agreement

In June 2010, we entered into a Fifth Amended and Restated Shareholders Agreement, or 2010 Shareholders Agreement, with several of our significant stockholders including Stephen T. Winn, individuals and entities affiliated with Mr. Winn, Timothy J. Barker, the Apax Funds, individuals affiliated with the Apax Funds, the Camden Funds, individuals affiliated with the Camden Funds, the Advance

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Capital Funds and individuals affiliated with the Advance Capital Funds, including one of our directors, Jeffrey T. Leeds. The 2010 Shareholders Agreement, among other things:

Net			
income			
per			
share			
\$0.65	\$0.74	\$0.79	
Basic weighted average common shares outstanding			
928	920	924	
Diluted weighted average common shares outstanding			
930	925	926	

(a) Loss from discontinued operations, net, in the three months ended September 30, 2011 includes, among other items, a \$163 million loss due to a ruling in an arbitration proceeding between Barracuda & Caratinga Leasing Company B.V. and KBR, whom Halliburton agreed to indemnify.

See Footnote Table 1 for a list of significant items included in operating income.

See Footnote Table 3 for adjusted total operating income excluding certain items.

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HALLIBURTON COMPANY
Condensed Consolidated Statements of Operations
(Millions of dollars and shares except per share data)
(Unaudited)

	Nine Months Ended September 30	
	2012	2011
Revenue:		
Completion and Production	\$13,043	\$10,815
Drilling and Evaluation	8,170	6,950
Total revenue	\$21,213	\$17,765
Operating income:		
Completion and Production	\$2,541	\$2,646
Drilling and Evaluation	1,191	923
Corporate and other	(554)	(262)
Total operating income	3,178	3,307
Interest expense, net	(225)	(194)
Other, net	(30)	(18)
Income from continuing operations before income taxes	2,923	3,095
Provision for income taxes	(928)	(992)
Income from continuing operations	1,995	2,103
Loss from discontinued operations, net	(22)	(166)
Net income	\$1,973	\$1,937
Noncontrolling interest in net income of subsidiaries	(7)	(4)
Net income attributable to company	\$1,966	\$1,933
Amounts attributable to company shareholders:		
Income from continuing operations	\$1,988	\$2,099
Loss from discontinued operations, net	(22)	(166)
Net income attributable to company	\$1,966	\$1,933
Basic income per share attributable to company shareholders:		
Income from continuing operations	\$2.15	\$2.29
Loss from discontinued operations, net	(0.02)	(0.18)
Net income per share	\$2.13	\$2.11
Diluted income per share attributable to company shareholders:		
Income from continuing operations	\$2.14	\$2.28
Loss from discontinued operations, net	(0.02)	(0.18)
Net income per share	\$2.12	\$2.10
Basic weighted average common shares outstanding	925	917
Diluted weighted average common shares outstanding	927	922

(a) Includes, among other items, a \$300 million, pre-tax, charge related to the Macondo well incident.

(b) Loss from discontinued operations, net, in the nine months ended September 30, 2011 includes, among other items, a \$163 million loss due to a ruling in an arbitration proceeding between Barracuda & Caratinga Leasing Company B.V. and KBR, whom Halliburton agreed to indemnify.

See Footnote Table 2 for a list of significant items included in operating income.

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HALLIBURTON COMPANY
Condensed Consolidated Balance Sheets
(Millions of dollars)

	(Unaudited)	
	September 30 2012	December 31 2011
Assets		
Current assets:		
Cash and equivalents	\$2,032	\$2,698
Receivables, net	5,870	5,084
Inventories	3,539	2,570
Other current assets	1,325	1,225
Total current assets	12,766	11,577
Property, plant, and equipment, net	9,678	8,492
Goodwill	2,075	1,776
Other assets	1,793	1,832
Total assets	\$26,312	\$23,677
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$2,136	\$1,826
Accrued employee compensation and benefits	827	862
Other current liabilities	1,635	1,433
Total current liabilities	4,598	4,121
Long-term debt	4,820	4,820
Other liabilities	1,703	1,520
Total liabilities	11,121	10,461
Company shareholders' equity	15,168	13,198
Noncontrolling interest in consolidated subsidiaries	23	18
Total shareholders' equity	15,191	13,216
Total liabilities and shareholders' equity	\$26,312	\$23,677

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HALLIBURTON COMPANY
Condensed Consolidated Statements of Cash Flows
(Millions of dollars)
(Unaudited)

	Nine Months Ended September 30	
	2012	2011
Cash flows from operating activities:		
Net income	\$1,973	\$1,937
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation, depletion, and amortization	1,197	991
Loss contingency for Macondo well incident	300	-
Loss from discontinued operations, net	22	166
Other, primarily working capital	(1,579)	(728)
Total cash flows from operating activities	1,913	2,366
Cash flows from investing activities:		
Capital expenditures	(2,519)	(2,164)
Sales of marketable securities	250	751
Purchases of marketable securities	(171)	(501)
Other	(18)	36
Total cash flows from investing activities	(2,458)	(1,878)
Cash flows from financing activities:		
Dividends to shareholders	(250)	(247)
Other	132	159
Total cash flows from financing activities	(118)	(88)
Effect of exchange rate changes on cash	(3)	(23)
Increase (decrease) in cash and equivalents	(666)	377
Cash and equivalents at beginning of period	2,698	1,398
Cash and equivalents at end of period	\$2,032	\$1,775

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HALLIBURTON COMPANY
Revenue and Operating Income Comparison
By Segment and Geographic Region
(Millions of dollars)
(Unaudited)

	Three Months Ended		
	September 30 2012	2011	June 30 2012
Revenue by geographic region:			
Completion and Production:			
North America	\$2,978	\$2,950	\$3,167
Latin America	373	297	340
Europe/Africa/CIS	523	433	551
Middle East/Asia	419	345	402
Total	4,293	4,025	4,460
Drilling and Evaluation:			
North America	965	926	973
Latin America	579	509	539
Europe/Africa/CIS	605	558	605
Middle East/Asia	669	530	657
Total	2,818	2,523	2,774
Total revenue by region:			
North America	3,943	3,876	4,140
Latin America	952	806	879
Europe/Africa/CIS	1,128	991	1,156
Middle East/Asia	1,088	875	1,059
Operating income by geographic region:			
Completion and Production:			
North America	\$383	\$960	\$691
Latin America	40	43	54
Europe/Africa/CIS	88	15	95
Middle East/Asia	80	50	74
Total	591	1,068	914
Drilling and Evaluation:			
North America	174	175	166
Latin America	106	94	84
Europe/Africa/CIS	63	51	64
Middle East/Asia	87	49	79
Total	430	369	393
Total operating income by region:			
North America	557	1,135	857
Latin America	146	137	138
Europe/Africa/CIS	151	66	159
Middle East/Asia	167	99	153
Corporate and other	(67) (105) (106
Total operating income	\$954	\$1,332	\$1,201

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See Footnote Table 1 for a list of significant items included in operating income.

See Footnote Table 3 for adjusted total operating income excluding certain items.

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HALLIBURTON COMPANY
 Revenue and Operating Income Comparison
 By Segment and Geographic Region
 (Millions of dollars)
 (Unaudited)

	Nine Months Ended September 30	
	2012	2011
Revenue by geographic region:		
Completion and Production:		
North America	\$9,327	\$7,759
Latin America	1,019	805
Europe/Africa/CIS	1,530	1,249
Middle East/Asia	1,167	1,002
Total	13,043	10,815
Drilling and Evaluation:		
North America	2,924	2,544
Latin America	1,592	1,300
Europe/Africa/CIS	1,766	1,622
Middle East/Asia	1,888	1,484
Total	8,170	6,950
Total revenue by region:		
North America	12,251	10,303
Latin America	2,611	2,105
Europe/Africa/CIS	3,296	2,871
Middle East/Asia	3,055	2,486
Operating income by geographic region:		
Completion and Production:		
North America	\$1,945	\$2,401
Latin America	149	108
Europe/Africa/CIS	240	4
Middle East/Asia	207	133
Total	2,541	2,646
Drilling and Evaluation:		
North America	530	463
Latin America	257	186
Europe/Africa/CIS	167	126
Middle East/Asia	237	148
Total	1,191	923
Total operating income by region:		
North America	2,475	2,864
Latin America	406	294
Europe/Africa/CIS	407	130
Middle East/Asia	444	281

Corporate and other	(554)	(262)
Total operating income	\$3,178		\$3,307	

See Footnote Table 2 for a list of significant items included in operating income.

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FOOTNOTE TABLE 1

HALLIBURTON COMPANY

Items Included in Operating Income
(Millions of dollars except per share data)
(Unaudited)

	Three Months Ended September 30, 2012		Three Months Ended September 30, 2011	
	Operating Income	After Tax per Share	Operating Income	After Tax per Share
Completion and Production:				
North America				
Acquisition-related charge	\$ (40)	\$ (0.02)	\$ –	\$ –
Latin America				
Acquisition-related charge	(8)	(0.01)	–	–
Europe/Africa/CIS				
Asset impairment charge	–	–	(25)	(0.02)
Corporate and other:				
Patent infringement case settlement	20	0.01	–	–

FOOTNOTE TABLE 2

HALLIBURTON COMPANY

Items Included in Operating Income
(Millions of dollars except per share data)
(Unaudited)

	Nine Months Ended September 30, 2012		Nine Months Ended September 30, 2011	
	Operating Income	After Tax per Share	Operating Income	After Tax per Share
Completion and Production:				
North America				
Acquisition-related charge	\$ (40)	\$ (0.02)	\$ –	\$ –
Latin America				
Acquisition-related charge	(8)	(0.01)	–	–
Europe/Africa/CIS				
Asset impairment charge	–	–	(25)	(0.02)
Employee separation costs	–	–	(5)	(0.01)
Libya reserve	–	–	(36)	(0.03)
Middle East/Asia				
Employee separation costs	–	–	(1)	–
Drilling and Evaluation:				
Europe/Africa/CIS				

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Employee separation costs	-	-	(4)	-
Libya reserve	-	-	(23)	(0.02)
Middle East/Asia					
Employee separation costs	-	-	(1)	-
Corporate and other:					
Macondo-related charge	(300)	(0.20)	-
Patent infringement case settlement	20		0.01		-

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FOOTNOTE TABLE 3

HALLIBURTON COMPANY

Adjusted Total Operating Income Excluding Certain Items
By Segment and Geographic Region
(Millions of dollars)
(Unaudited)

	Three Months Ended		
	September 30 2012	2011	June 30 2012
Adjusted operating income by geographic region: (a) (b)			
Completion and Production:			
North America	\$423	\$960	\$691
Latin America	48	43	54
Europe/Africa/CIS	88	40	95
Middle East/Asia	80	50	74
Total	639	1,093	914
Drilling and Evaluation:			
North America	174	175	166
Latin America	106	94	84
Europe/Africa/CIS	63	51	64
Middle East/Asia	87	49	79
Total	430	369	393
Adjusted operating income by region:			
North America	597	1,135	857
Latin America	154	137	138
Europe/Africa/CIS	151	91	159
Middle East/Asia	167	99	153
Corporate and other	(87)	(105)	(106)
Adjusted total operating income	\$982	\$1,357	\$1,201

- (a) Management believes that operating income adjusted for the third quarter of 2012 acquisition-related charge and patent infringement case settlement and the third quarter of 2011 asset impairment charge is useful to investors to assess and understand operating performance, especially when comparing those results with previous or subsequent periods or forecasting performance for future periods, primarily because management views these items to be outside of the company's normal operating results. Management analyzes operating income without the impact of these items as an indicator of ongoing operating performance, to identify underlying trends in the business, and to establish operational goals, including segment and region operational goals. The adjustments remove the effects of these expenses.
- (b) Adjusted operating income for each segment and region is calculated as: "Operating income" less "Items Included in Operating Income."

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FOOTNOTE TABLE 4

HALLIBURTON COMPANY
 Reconciliation of As Reported Results to Adjusted Results
 (Millions of dollars)
 (Unaudited)

	Three Months Ended September 30, 2012
As reported income from continuing operations attributable to company	\$ 608
Acquisition-related charge, net of tax (a)	30
Patent infringement case settlement, net of tax (a)	(13)
Adjusted income from continuing operations attributable to company (a)	\$ 625
As reported diluted weighted average common shares outstanding	930
As reported income from continuing operations per diluted share (b)	\$ 0.65
Adjusted income from continuing operations per diluted share (b)	\$ 0.67

- (a) Management believes that income from continuing operations attributable to company adjusted for the acquisition-related charge and patent infringement case settlement is useful to investors to assess and understand operating performance, especially when comparing those results with previous and subsequent periods or forecasting performance for future periods, primarily because management views the excluded items to be outside of the company's normal operating results. Management analyzes income from continuing operations attributable to company without the impact of these items as an indicator of performance, to identify underlying trends in the business, and to establish operational goals. The adjustments remove the effects of these expenses. Adjusted income from continuing operations attributable to company is calculated as: "As reported income from continuing operations attributable to company" plus "Acquisition-related charge, net of tax" plus "Patent infringement case settlement, net of tax" for the quarter ended September 30, 2012.
- (b) As reported income from continuing operations per diluted share is calculated as: "As reported income from continuing operations attributable to company" divided by "As reported diluted weighted average common shares outstanding." Adjusted income from continuing operations per diluted share is calculated as: "Adjusted income from continuing operations attributable to company" divided by "As reported diluted weighted average common shares outstanding."

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Conference Call Details

Halliburton (NYSE:HAL) will host a conference call on Wednesday, October 17, 2012, to discuss the third quarter 2012 financial results. The call will begin at 8:00 AM Central Time (9:00 AM Eastern Time).

Halliburton's third quarter press release will be posted on the Halliburton Web site at www.halliburton.com. Please visit the Web site to listen to the call live via webcast. In addition, you may participate in the call by telephone at (703) 639-1313. A passcode is not required. Attendees should log-in to the webcast or dial-in approximately 15 minutes prior to the call's start time.

A replay of the conference call will be available on Halliburton's Web site for seven days following the call. Also, a replay may be accessed by telephone at (703) 925-2533, passcode 1585962.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HALLIBURTON COMPANY

Date: October 18, 2012

By: /s/ Bruce A. Metzinger
Bruce A. Metzinger
Assistant Secretary

