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

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): October 28, 2009**

**COMMVAULT SYSTEMS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction  
of incorporation)

**1-33026**

(Commission File Number)

**22-3447504**

(IRS Employer Identification No.)

**2 Crescent Place  
Oceanport, New Jersey**

(Address of principal executive offices)

**07757**

(Zip Code)

Registrant's telephone number, including area code: **(732) 870-4000**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02 Results of Operations and Financial Condition**

On October 28, 2009, CommVault Systems, Inc. issued a press release announcing its results for its second fiscal quarter ended September 30, 2009. A copy of the press release is attached hereto as Exhibit 99.1.

This information is being furnished pursuant to Item 2.02 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities under that section and shall not be deemed to be incorporated by reference into filings under the Securities Act of 1933.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits:

99.1 Press Release dated October 28, 2009

## 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.

COMMVAULT SYSTEMS, INC.

Dated: October 28, 2009

/s/ LOUIS F. MICELI

Louis F. Miceli

Vice President, Chief Financial Officer

**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description</b>
99.1	Press Release dated October 28, 2009

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**Investor Relations Contact:**

Michael Picariello  
 CommVault  
 732-728-5380  
[ir@commvault.com](mailto:ir@commvault.com)

**CommVault Announces Second Quarter Fiscal 2010 Financial Results*****CommVault Reports Record Quarterly Revenues of \$66.7 million***

Second Quarter Fiscal 2010 Highlights Include:

**GAAP Results:**

Revenues	\$66.7 million
Income from Operations (EBIT)	\$6.5 million
EBIT Margin	9.8%
Diluted Earnings Per Share	\$0.11

**Non-GAAP Results:**

Revenues	\$66.7 million
Income from Operations (EBIT)	\$11.3 million
EBIT Margin	17.0%
Diluted Earnings Per Share	\$0.17

**OCEANPORT, N.J. – October 28, 2009** – CommVault [NASDAQ: CVLT] today announced its financial results for the second quarter ended September 30, 2009.

N. Robert Hammer, CommVault's chairman, president and CEO stated, "We achieved a solid second quarter which was highlighted by record revenues and a 150 basis point sequential improvement in Non-GAAP operating margins. Our sequential revenue growth of 11% was driven by larger enterprise deals, solid U.S. federal government business and strong demand for our deduplication and archiving products. Our second quarter results validate the underlying strength of the business and our continuing ability to increase market share."

Total revenues for the second quarter of fiscal 2010 were \$66.7 million, an increase of 5% over the second quarter of fiscal 2009 and an increase of 11% over the prior quarter. Software revenue in the second quarter of fiscal 2010 was \$33.5 million, a decrease of 5% year-over-year and up 15% sequentially. Services revenue in the second quarter of fiscal 2010 was \$33.1 million, up 18% year-over-year and 6% sequentially. Income from operations (EBIT) was \$6.5 million for the second quarter, a 15% decrease from \$7.7 million in the same period of the prior year. Non-GAAP income from operations (EBIT) increased 9% to \$11.3 million in the second quarter of fiscal 2010 compared to \$10.4 million in the second quarter of the prior year. On a sequential basis, Non-GAAP income from operations (EBIT) increased 21% in the second quarter of fiscal 2010.

For the second quarter of fiscal 2010, CommVault reported net income of \$4.7 million, which was flat compared to the same period of the prior year. Non-GAAP net income for the quarter increased 1% to \$7.8 million, or \$0.17 per diluted share, from \$7.7 million, or \$0.17 per diluted share, in the same period of the prior year.

Operating cash flow totaled \$10.6 million for the second quarter of fiscal 2010 compared to \$14.2 million in the second quarter of fiscal 2009. Total cash and cash equivalents were \$132.5 million as of September 30, 2009 compared to \$105.2 million as of March 31, 2009.

CommVault did not repurchase any shares of common stock under its share repurchase plan during the second quarter of fiscal 2010. As of October 28, 2009, CommVault has repurchased \$40.2 million of common stock (2,853,305 shares) out of the \$80.0 million in total that is authorized under its stock repurchase program. As a result, CommVault may repurchase an additional \$39.8 million of its common stock under the current program which runs through March 31, 2010.

A reconciliation of GAAP to non-GAAP results has been provided in Financial Statement Table IV included in this press release. An explanation of these measures is also included below under the heading "Use of Non-GAAP Financial Measures."

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**Recent Business Highlights:**

- On October 7, 2009, CommVault announced it has received a Certificate of Software Quality (GS Certificate) from the Telecommunications Technology Association of Korea (TTA) for its enterprise data management software, CommVault@ Simpana@ 8.
- On October 7, 2009, CommVault announced that its Simpana@ software and Simpana Universal Virtual Server Agent achieved VMware Ready™ Data Protection Status.
- On August 18, 2009, CommVault announced it has received Federal Information Processing Standards (FIPS) 140-2 certification for its Cryptographic Library from the National Institute of Standards and Technology (NIST).

**Use of Non-GAAP Financial Measures**

CommVault has provided in this press release the following non-GAAP financial measures: non-GAAP income from operations, non-GAAP income from operations margin, non-GAAP net income and non-GAAP diluted earnings per share. This selected financial information has not been prepared in accordance with GAAP. CommVault uses these non-GAAP financial measures internally to understand, manage and evaluate its business and make operating decisions. In addition, CommVault believes these non-GAAP operating measures are useful to investors, when used as a supplement to GAAP financial measures, in evaluating CommVault's ongoing operational performance. CommVault believes that the use of these non-GAAP financial measures provide an additional tool for investors to use in evaluating ongoing operating results and trends, and in comparing its financial results with other companies in CommVault's industry, many of which present similar non-GAAP financial measures to the investment community.

These non-GAAP financial measures should be considered as a supplement to, and not as a substitute for or superior to, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures, which are provided in Table IV included in this press release.

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**Non-GAAP income from operations and non-GAAP income from operations margin.** These non-GAAP financial measures exclude noncash stock-based compensation charges and additional FICA expense incurred by CommVault when employees exercise in the money stock options or vest in restricted stock awards. CommVault believes that these non-GAAP financial measures are useful metrics for management and investors because they compare CommVault's core operating results over multiple periods. When evaluating the performance of CommVault's operating results and developing short and long term plans, CommVault does not consider such expenses. Although noncash stock-based compensation and the related additional FICA expense are necessary to attract and retain employees, CommVault places its primary emphasis on stockholder dilution as compared to the accounting charges related to such equity compensation plans. In addition, because of the varying available valuation methodologies, subjective assumptions such as volatility outside CommVault's control and the variety of awards that companies can issue, CommVault believes that providing non-GAAP financial measures that exclude noncash stock-based compensation expense and the related additional FICA expense incurred on stock option exercises and vesting of restricted stock awards allow investors to make meaningful comparisons between CommVault's operating results and those of other companies.

There are a number of limitations related to the use of non-GAAP income from operations and non-GAAP income from operations margin. The most significant limitation is that these non-GAAP financial measures exclude certain operating costs, primarily related to noncash stock-based compensation, which is of a recurring nature. Noncash stock-based compensation has been, and will continue to be for the foreseeable future, a significant recurring expense in CommVault's operating results. In addition, noncash stock-based compensation is an important part of CommVault's employees' compensation and can have a significant impact on their performance. Lastly, the components CommVault excludes in its non-GAAP financial measures may differ from the components that its peer companies exclude when they report their non-GAAP financial measures.

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CommVault's management generally compensates for limitations described above related to the use of non-GAAP financial measures by providing investors with a reconciliation of the non-GAAP financial measure to the most directly comparable GAAP financial measure. Further, CommVault management uses non-GAAP financial measures only in addition to, and in conjunction with, results presented in accordance with GAAP.

**Non-GAAP net income and non-GAAP diluted EPS.** Non-GAAP net income excludes noncash stock-based compensation and the related additional FICA expense incurred by CommVault when employees exercise in the money stock options or vest in restricted stock awards, which are discussed above, as well as applies a non-GAAP effective tax rate of 32% in fiscal 2010 and 30% in fiscal 2009.

During the six months ended September 30, 2009, CommVault identified and recorded certain non-cash prior period errors totaling a net expense amount of approximately \$1,155,000. The Company has concluded that these errors are not material to any prior annual period or to the expected fiscal year 2010 financial position or results of operations. Specifically, CommVault recorded non-cash tax expense of \$915,000 in the first quarter of fiscal 2010 to write-off deferred tax assets related to estimated foreign tax credits associated with CommVault's Netherlands branch that were improperly recorded in fiscal 2008. In addition, CommVault recorded a non-cash tax benefit of \$587,000 in the second quarter of fiscal 2010. This benefit is primarily related to a correction of its deferred tax assets resulting from the understatement of tax basis depreciation on its fixed assets in prior fiscal periods. Also, on October 22, 2009, CommVault became aware of a programming error in the third-party software used to calculate its non-cash stock-based compensation expense. This programming error resulted in an understatement of stock-based compensation expense since fiscal 2007, impacting the timing of stock-based compensation over the vesting period of the awards during the relevant periods, but not the total stock-based compensation expense over the life of the awards. Specifically, in the three months ended September 30, 2009, CommVault recorded a non-cash charge of \$827,000 to net income related to an error in the calculation of stock-based compensation expense for fiscal years 2007, 2008 and 2009. As stock-based compensation expense is a non-cash item, there is no impact to net cash provided by operations for the three months ended September 30, 2009 or any prior fiscal periods.

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CommVault anticipates that in any given quarter its non-GAAP effective tax rate may be either higher or lower than the most directly comparable GAAP effective tax rate as evidenced by the historical fluctuations CommVault has experienced in its GAAP effective tax rate. The GAAP effective tax rate was 44% for fiscal 2009 and was 23% for fiscal 2008. The GAAP effective tax rate for second quarter of fiscal 2010 was 28% and the GAAP effective tax rate for the first half of fiscal 2010 was 44%.

CommVault currently expects that its long-term terminal tax rate will be in the mid thirty percent range. As a result, CommVault will gradually increase its non-GAAP effective tax rate as it approaches its anticipated long-term GAAP tax rate. CommVault measured itself to a non-GAAP effective tax rate of 30% in fiscal 2009 and will measure itself to a non-GAAP effective tax rate of 32% in fiscal 2010 in order to reflect this gradual increase to its long-term terminal rate. In addition, CommVault believes that the use of a non-GAAP proforma tax rate is a useful measure as it allows management and investors to compare its operating results on a more consistent basis over the multiple periods presented in its earnings release without the impact of significant variations in the effective tax rate as more fully described above. Non-GAAP EPS is derived from non-GAAP net income divided by the weighted average shares outstanding on a fully diluted basis.

CommVault considers non-GAAP net income and non-GAAP diluted EPS useful metrics for CommVault management and its investors for the same basic reasons that CommVault uses non-GAAP income from operations and non-GAAP income from operations margin. In addition, the same limitations as well as management actions to compensate for such limitations described above also apply to CommVault's use of non-GAAP net income and non-GAAP EPS.

### **Conference Call Information**

CommVault will host a conference call today, October 28, 2009, at 8:30 a.m. Eastern Time (5:30 a.m. Pacific Time) to discuss its financial results. To access this call, dial 866-202-1971 (domestic) or 617-213-8842 (international). Investors can also access the webcast by visiting [www.commvault.com](http://www.commvault.com). The live webcast and replay will be hosted under "Investor Events" located under the "Investor Relations" section of the website. An archived webcast of this conference call will also be available following the call.

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## **About CommVault**

A singular vision — a belief in a better way to address current and future data management needs — guides CommVault in the development of Singular Information Management® solutions for high-performance data protection, universal availability and simplified management of data on complex storage networks. CommVault's exclusive single-platform architecture gives companies unprecedented control over data growth, costs and risk. CommVault's Simpana® software suite of products was designed to work together seamlessly from the ground up, sharing a single code and common function set, to deliver superlative Data Protection, Archive, Replication, Search and Resource Management capabilities. More companies every day join those who have discovered the unparalleled efficiency, performance, reliability, and control only CommVault can offer. Information about CommVault is available at [www.commvault.com](http://www.commvault.com). CommVault's corporate headquarters is located in Oceanport, New Jersey in the United States.

## **Safe Harbor Statement**

This press release contains forward-looking statements, including statements regarding financial projections, which are subject to risks and uncertainties, such as competitive factors, difficulties and delays inherent in the development, manufacturing, marketing and sale of software products and related services, general economic conditions and others. Statements regarding CommVault's beliefs, plans, expectations or intentions regarding the future are 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. All such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from anticipated results. CommVault does not undertake to update its forward-looking statements.

*CommVault, CommVault and logo, the "CV" logo, CommVault Systems, Solving Forward, SIM, Singular Information Management, Simpana, CommVault Galaxy, Unified Data Management, QiNetix, Quick Recovery, QR, CommNet, GridStor, Vault Tracker, InnerVault, Quick Snap, QSnap, Recovery Director, CommServe, CommCell, ROMS and CommValue, are trademarks or registered trademarks of CommVault Systems, Inc. All other third party brands, products, service names, trademarks, or registered service marks are the property of and used to identify the products or services of their respective owners. All specifications are subject to change without notice.*

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Table I

## CommVault Systems, Inc.

**Consolidated Statements of Income**  
(In thousands, except per share data)  
(Unaudited)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2009	2008	2009	2008
<b>Revenues:</b>				
Software	\$ 33,516	\$ 35,156	\$ 62,621	\$ 62,860
Services	33,134	28,180	64,275	55,471
Total revenues	66,650	63,336	126,896	118,331
<b>Cost of revenues:</b>				
Software	848	634	1,589	1,338
Services	8,127	7,115	15,736	14,001
Total cost of revenues	8,975	7,749	17,325	15,339
Gross margin	57,675	55,587	109,571	102,992
<b>Operating expenses:</b>				
Sales and marketing	34,578	32,302	64,960	59,866
Research and development	8,181	7,752	15,800	15,188
General and administrative	7,503	6,883	14,439	13,914
Depreciation and amortization	885	943	1,778	1,804
Income from operations	6,528	7,707	12,594	12,220
Interest expense	(23)	(27)	(46)	(27)
Interest income	89	588	202	1,197
Income before income taxes	6,594	8,268	12,750	13,390
Income tax expense	(1,876)	(3,539)	(5,597)	(5,184)
Net income	\$ 4,718	\$ 4,729	\$ 7,153	\$ 8,206
<b>Net income per common share:</b>				
Basic	\$ 0.11	\$ 0.11	\$ 0.17	\$ 0.19
Diluted	\$ 0.11	\$ 0.11	\$ 0.16	\$ 0.18
<b>Weighted average common shares outstanding:</b>				
Basic	41,869	42,314	41,758	42,493
Diluted	44,695	44,498	44,216	44,701

Table II

## CommVault Systems, Inc.

**Condensed Consolidated Balance Sheets**  
(In thousands)  
(Unaudited)

	<u>September 30,</u> <u>2009</u>	<u>March 31,</u> <u>2009</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 132,480	\$ 105,205
Trade accounts receivable, net	47,507	44,020
Prepaid expenses and other current assets	5,810	3,782
Deferred tax assets	12,447	13,144
<b>Total current assets</b>	<b>198,244</b>	<b>166,151</b>
Deferred tax assets	31,731	33,463
Property and equipment, net	6,404	6,282
Other assets	943	1,091
<b>Total assets</b>	<b>\$ 237,322</b>	<b>\$ 206,987</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 1,926	\$ 1,798
Accrued liabilities	19,986	18,407
Deferred revenue	70,144	61,356
<b>Total current liabilities</b>	<b>92,056</b>	<b>81,561</b>
Deferred revenue, less current portion	8,488	7,760
Other liabilities	7,185	6,377
Total stockholders' equity	129,593	111,289
<b>Total liabilities and stockholders' equity</b>	<b>\$ 237,322</b>	<b>\$ 206,987</b>

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**CommVault Systems, Inc.**  
**Consolidated Statements of Cash Flows**  
(In thousands)  
(Unaudited)

	Six Months Ended September 30,	
	2009	2008
<b>Cash flows from operating activities</b>		
Net income	\$ 7,153	\$ 8,206
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,834	1,857
Noncash stock-based compensation	7,890	5,261
Excess tax benefits from stock-based compensation	(959)	(727)
Deferred income taxes	2,359	1,678
Changes in operating assets and liabilities:		
Accounts receivable	(1,085)	4,873
Prepaid expenses and other current assets	(1,945)	(1,031)
Other assets	216	(494)
Accounts payable	36	197
Accrued liabilities	1,794	1,309
Deferred revenue	5,849	6,765
Other liabilities	396	355
Net cash provided by operating activities	<u>23,538</u>	<u>28,249</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(1,780)	(2,719)
Net cash used in investing activities	<u>(1,780)</u>	<u>(2,719)</u>
<b>Cash flows from financing activities</b>		
Repurchase of common stock	—	(17,448)
Proceeds from the exercise of stock options	2,557	2,095
Excess tax benefits from stock-based compensation	959	727
Net cash provided by (used in) financing activities	<u>3,516</u>	<u>(14,626)</u>
Effects of exchange rate — changes in cash	<u>2,001</u>	<u>(1,306)</u>
Net increase in cash and cash equivalents	27,275	9,598
Cash and cash equivalents at beginning of period	<u>105,205</u>	<u>91,661</u>
Cash and cash equivalents at end of period	<u>\$ 132,480</u>	<u>\$ 101,259</u>

## CommVault Systems, Inc.

**Reconciliation of GAAP to Non-GAAP Financial Measures**  
(In thousands, except per share data)  
(Unaudited)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2009	2008	2009	2008
<b>Non-GAAP financial measures and reconciliation:</b>				
GAAP income from operations	\$ 6,528	\$ 7,707	\$ 12,594	\$ 12,220
Noncash stock-based compensation (1)	4,701	2,683	7,890	5,261
FICA expense on stock option exercises and vesting on restricted stock awards (2)	103	36	177	132
<b>Non-GAAP income from operations</b>	<b>\$ 11,332</b>	<b>\$ 10,426</b>	<b>\$ 20,661</b>	<b>\$ 17,613</b>
GAAP net income	\$ 4,718	\$ 4,729	\$ 7,153	\$ 8,206
Noncash stock-based compensation (1)	4,701	2,683	7,890	5,261
FICA expense on stock option exercises and vesting on restricted stock awards (2)	103	36	177	132
Non-GAAP provision for income taxes adjustment (3)	(1,772)	243	(1,065)	(451)
<b>Non-GAAP net income</b>	<b>\$ 7,750</b>	<b>\$ 7,691</b>	<b>\$ 14,155</b>	<b>\$ 13,148</b>
<b>Diluted weighted average shares outstanding</b>	<b>44,695</b>	<b>44,498</b>	<b>44,216</b>	<b>44,701</b>
<b>Non-GAAP diluted net income per share</b>	<b>\$ 0.17</b>	<b>\$ 0.17</b>	<b>\$ 0.32</b>	<b>\$ 0.29</b>

**Footnotes — Adjustments**

(1) Represents noncash stock-based compensation charges associated with stock options and restricted stock units granted as follows:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2009	2008	2009	2008
Cost of services revenue	\$ 138	\$ 63	\$ 246	\$ 126
Sales and marketing	2,168	1,225	3,616	2,399
Research and development	751	418	1,232	776
General and administrative	1,644	977	2,796	1,960
<b>Stock-based compensation expense</b>	<b>\$ 4,701</b>	<b>\$ 2,683</b>	<b>\$ 7,890</b>	<b>\$ 5,261</b>

(2) Represents additional FICA expenses incurred by CommVault when employees exercise in the money stock options or vest in restricted stock awards.

(3) The provision for income taxes is adjusted to reflect CommVault's estimated non-GAAP effective tax rate of approximately 32% in fiscal 2010 and 30% in fiscal 2009.