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

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2015

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____ to ____

Commission File Number: 001-35925

TABLEAU SOFTWARE, INC.
(Exact name of registrant as specified in its charter)

Delaware	**47-0945740**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

837 North 34th Street, Suite 200
Seattle, Washington 98103
(Address of principal executive offices and zip code)

(206) 633-3400
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of each exchange on which registered
Class A Common Stock, par value $0.0001	New York Stock Exchange

Securities registered pursuant to Section 12 (g) of the Act: None

Indicate by a check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter)is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

Large accelerated filer	☒		Accelerated filer	☐
Non-accelerated filer	☐	(Do not check if smaller reporting company)	Smaller reporting company	☐

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

The aggregate market value of common equity held by non-affiliates of the Registrant on June 30, 2015 , based on the closing price of $115.30 for shares of the Registrant's Class A common stock as reported by the New York Stock Exchange for such date, was approximately $5.9 billion. The Registrant assumed a stockholder was an affiliate of the Registrant at June 30, 2015 if such stockholder (i) beneficially owned 10% or more of the Registrant's capital stock (on an as-converted basis), as determined based on public filings, and/or (ii) was an executive officer or director, or was affiliated with an executive officer or director of the Registrant, at June 30, 2015 . This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of February 23, 2016 , there were approximately 54,825,718 shares of the Registrant's Class A common stock and 19,323,479 shares of the Registrant's Class B common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Information required in response to Part III of Form 10-K (Items 10, 11, 12, 13 and 14) is hereby incorporated by reference to portions of the Registrant's Proxy Statement for the Annual Meeting of Stockholders to be held in 2016 . The Proxy Statement will be filed by the Registrant with the Securities and Exchange Commission no later than 120 days after the end of the Registrant's fiscal year ended December 31, 2015 .

TABLEAU SOFTWARE, INC.
ANNUAL REPORT ON FORM 10-K
For the Year Ended December 31, 2015

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PART I.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and section 27A of the Securities Act of 1933, as amended. All statements contained in this report other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, and our objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," "seek", and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in the "Risk Factors" section of this report. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are under no duty to update any of these forward-looking statements after the date of this report or to conform these statements to actual results or revised expectations.

As used in this report, the terms "Tableau," "Registrant," "Company," "we," "us," and "our" mean Tableau Software, Inc. and its subsidiaries unless the context indicates otherwise.

Tableau and Tableau Software are trademarks of Tableau Software, Inc. All other company and product names may be trademarks of the respective companies with which they are associated.

ITEM 1. BUSINESS

Overview

Our mission is to help people see and understand data.

Our software products put the power of data into the hands of everyday people, allowing a broad population of business users to engage with their data, ask questions, solve problems and create value.

Based on innovative core technologies originally developed at Stanford University, our products dramatically reduce the complexity, inflexibility and expense associated with traditional business intelligence applications. We aim to make our products easy to use, ubiquitous and as deeply-rooted in the workplace as spreadsheets are today.

Our software is designed for anyone with data and questions. We are democratizing the use of business analytics software by allowing people to access information, perform analysis and share results without assistance from technical specialists. By putting powerful, self-service analytical technology directly into the hands of people who make decisions with data, we seek to accelerate the pace of informed and intelligent decision-making. We believe this enables our customers to create better workplaces, with happier employees who are empowered to more fully express their ingenuity and creativity.

Our products are used by people of diverse skill levels across all kinds of organizations, including Fortune 500 corporations, small and medium-sized businesses, government agencies, universities, research institutions and non-profits. Organizations employ our products in a broad range of use cases such as increasing sales, streamlining operations, improving customer service, managing investments, assessing quality and safety, studying and treating diseases, completing academic research, addressing environmental problems and improving education. Our products are flexible and capable enough to help a single user on a laptop analyze data from a simple spreadsheet, or to enable thousands of users across an enterprise to execute complex queries against massive databases.

Underpinning our innovative products is a set of technology advances that spans the domains of sophisticated computer graphics, human-computer interaction and high performance database systems. These technology innovations include VizQL and our Hybrid Data Architecture:

- ***VizQL —*** Our breakthrough visual query language, VizQL, translates drag-and-drop actions into data queries and then expresses that information visually. VizQL unifies the formerly disparate tasks of query and visualization and allows users to transform questions into pictures without the need for software scripts, chart wizards or dialogue boxes that inhibit speed and flexibility. This capability is designed to enable a more intuitive, creative and engaging experience for our users. VizQL can deliver dramatic gains in people's ability to see and understand data, and we believe it represents a foundational advancement in the field of analytics.

- ***Hybrid Data Architecture*** —Our Hybrid Data Architecture combines the power and flexibility of our Live Query and In-Memory Data Engines. Our Live Query Engine allows users to instantaneously connect to large volumes of data in its existing format and location, reducing the need for time-consuming data transformation processes that only technical specialists can perform. In addition, this capability allows customers to leverage investments in their existing data platforms and to capitalize on the capabilities of high performance databases. Our In-Memory Data Engine enables users to import large amounts of data into our own in-memory database. Using advanced algorithms and data compression techniques, our in-memory technology facilitates quick query responses on up to hundreds of millions of rows of data. Our Hybrid Data Architecture enables these data engines to work in harmony, allowing users the flexibility to access and analyze data from diverse sources and locations, while optimizing speed and performance for each source.

Our distribution strategy is based on a land and expand business model and is designed to capitalize on the ease of use, low up-front cost and collaborative capabilities of our software. Our products tend to be adopted at a grassroots level within organizations, often beginning with a free trial, and then spread across departments, divisions and geographies via word-of-mouth and the discovery of new use cases. Over time, many of our customers find that the use of our products expands to a broad cross-section of their organizations and that our deployments and use cases become significantly more strategic in nature. Accordingly, we have developed enterprise-class product and service capabilities that allow us to both complement and supplant core, legacy business intelligence deployments.

As of December 31, 2015 , we had more than 39,000 customer accounts across a broad array of company sizes and industries and located in over 150 countries. Some of our largest customers include Capital One, Cisco, Deloitte, Wells Fargo and various U.S. Government Agencies. In addition, we have cultivated strong relationships with technology partners to help us extend the reach of our products. These partners include both traditional database vendors such as International Business Machines Corporation ("IBM"), Microsoft Corporation, Oracle Corporation and Teradata Corporation and emerging database vendors such as Amazon.com, Inc., Cloudera, Inc., Google Inc., Pivotal Greenplum Database ("Pivotal GPDB") and Vertica (a division of Hewlett-Packard Company).

We have achieved significant growth in recent periods. For the years ended December 31, 2015 , 2014 and 2013 , our total revenues were $653.6 million , $412.6 million and $232.4 million , respectively, representing a compound annual growth rate of approximately 67.7% from 2013 to 2015 . We had a net loss of $83.7 million for the year ended December 31, 2015 and net income of $5.9 million and $7.1 million for the years ended December 31, 2014 and 2013 , respectively. We have generated positive cash flow from operating activities of $136.8 million , $89.5 million and $37.7 million for the years ended December 31, 2015 , 2014 and 2013 , respectively. We believe our land and expand business model provides financial visibility as aggregate revenues from subsequent sales of products and maintenance services to our customers have typically been multiples of the revenues we realized from those customers' initial purchases.

Growth Strategy

Our mission to help people see and understand data presents a broad and momentous market opportunity. We intend to continue to invest in a number of growth initiatives to allow us to pursue our mission aggressively. Our strategies for growth include:

- ***Expand our customer base*** —We believe the market for analytics and business intelligence software is considerably underserved and, as a result, we have the opportunity to substantially expand our present base of over 39,000 customer accounts. We are expanding our online and offline marketing efforts to increase our brand awareness. We are also making significant investments in growing both our direct sales teams and indirect sales channels.

- ***Further penetrate our existing customer base*** —Leveraging our land and expand business model, we intend to continue to increase adoption of our products within and across our existing customer base, as they expand the number of users and develop new use cases for our products. We believe there is an opportunity to extend the reach of our products within our customer base. Our sales and marketing strategy and focus on customer success help our customers identify and pursue new use cases within their organizations. As this expansion occurs, we believe that our products will also increasingly supplant incumbent legacy platforms to become the standard platform for analytics and business intelligence for our customers.

- ***Grow internationally*** —With approximately 25% of our total revenues generated outside the United States and Canada in the year ended December 31, 2015 , we believe there is significant opportunity to grow our international business. Our products currently support eight languages, and we are aggressively expanding our direct sales force and indirect sales channels outside the United States. We have international operations in Australia, Canada, China, France, Germany, India, Ireland, Japan, Singapore and the United Kingdom, and we intend to invest in further expanding our footprint in these and other regions.

- ***Relentlessly innovate and advance our products*** —We have sought to rapidly improve the capabilities of our products over time and intend to continue to invest in product innovation and leadership. Building on our foundational technology innovations, including VizQL, we have released nine major versions of our software to date, rapidly expanding and improving our feature set and capabilities. Our most recent major release, Tableau 9.0, offers advances in the areas of visual analytics, performance, scalability, data preparation and enterprise capabilities. Features include Automatic Data Preparation, Advanced Analytics, such as Level of Detail Expressions, and Smart Maps that are faster, more responsive and allow for geographic search. In addition, Tableau Server and Tableau Online have been re-designed to deliver a faster, more scalable and extensible platform for customers. Since the release of Tableau 9.0, we released Tableau 9.1 which includes a new and improved mobile experience, more data connectors, new enterprise security and authentication options, and additional analytical functions for users. Shortly thereafter we released Tableau 9.2 which includes a new native app for the iPhone, more data preparation features and integration with Mapbox. We plan to continue to invest in research and development, including hiring top technical talent, focusing on core technology innovation and maintaining an agile organization that supports rapid release cycles. In particular, we intend to focus on further developing our cloud and mobile capabilities, expanding our advanced analytical and statistical functionality and continuing to expand the range of visualization formats and data sources and platforms we can address.

- ***Extend our distribution channels and partner ecosystem*** —We plan to continue investing in distribution channels, technology partners, and other strategic relationships to help us enter and grow in new markets while complementing our direct sales efforts. We are actively growing our indirect channels, particularly in international markets. Our most important technology partnerships are with market-leading database vendors, such as IBM, Microsoft Corporation, Oracle Corporation and Teradata Corporation, and emerging database vendors, such as Amazon.com, Inc., Cloudera, Inc., Google Inc., Pivotal GPDB and Vertica, with which we have collaborated to develop high performance and optimized connectivity to a broad group of popular data stores. We intend to continue to invest in partnerships that enable us to build and promote complementary capabilities that benefit our customers. We have also recently introduced application program interfaces ("APIs") to further empower our developer and OEM partner ecosystem to create applications that embed Tableau functionality.

- ***Foster our passionate user community*** —We benefit from a vibrant and engaged user community. We are investing in initiatives to further expand and energize this group, both online, through our online community site and through events such as our annual customer conferences, including our U.S. Tableau Customer Conference which has grown from approximately 180 attendees in 2008 to more than 10,000 customer and partner attendees in 2015 . In addition, Tableau Public, which we launched as a free cloud-based service, has a community of engaged users from media, government, non-profit and other organizations, who are passionate about sharing public data online. We intend to expand these efforts and to seek other means to evangelize our mission and facilitate sharing of best practices and success stories.

- ***Treasure and cultivate our exceptional culture*** —We believe our culture is a core ingredient of our success. Our employees share a passion for our mission, and our mission stands at the top of a list of eight core cultural values that govern our approach to our business. Our other core values include: teamwork; product leadership; using our own products; respect; honesty; simplicity; and commitment to delighting customers. Our values permeate our organization and drive our identity as a company. For example, we strive to paint virtually all aspects of our business with a brush of simplicity, including product user interfaces, pricing models, business processes and marketing strategies. Our culture is consistently cited in employee surveys as a key reason for their satisfaction with Tableau, and we have been publicly recognized as one of the best workplaces in the State of Washington.

Products

Our products help people see and understand data. They offer the power and flexibility required to serve a broad range of use cases, from answering questions with small spreadsheets to completing enterprise business intelligence projects involving massive volumes of data. We currently offer five key products: Tableau Desktop, a self-service, powerful analytics product for anyone with data; Tableau Server, a business intelligence platform for organizations; Tableau Online, a hosted software-as-a-service ("SaaS") version of Tableau Server; Tableau Public, a free cloud-based platform for analyzing and sharing public data; and Vizable, a free iOS application used to easily analyze data on a tablet.

Tableau Desktop

Tableau Desktop helps knowledge workers make sense of the many kinds of data they encounter every day. The defining capability of Tableau Desktop is the interactive experience it provides for exploring and analyzing data. By fundamentally integrating data analysis and visualization, our products provide a visual window into data trapped in spreadsheets and databases, fostering greater engagement with data and allowing people to better answer questions, develop insights and solve problems. The result is a self-service analytics environment that empowers people to access and analyze data independently and at a rapid pace.

Tableau Desktop's key capabilities include:

- ***Visual analytics*** —Tableau Desktop empowers people to ask sophisticated questions by composing drag-and-drop pictures of their data. Tableau Desktop's easy-to-use interface is built on VizQL, which is capable of describing thousands of easily understood visual presentations of data including tables, maps, time series, dashboards and tables of graphs. The combination of a sophisticated language with a simple user interface means users can explore many different perspectives of their data. We believe being able to quickly view data from different perspectives inspires creative thinking and helps people find the right view to answer a question.

- ***Analytical depth*** —An important aspect of Tableau Desktop is its ability to marry powerful visualization with deep analytics. Users can filter and sort their data, create sophisticated calculations, drill into underlying information, define sets and cohorts, perform statistical analysis and derive correlations between diverse data sets with agility and relative ease. For example, with a few clicks, users can generate sophisticated forecasting models. This combination of simplicity and usefulness, ease of use and analytical depth, is what makes it possible for Tableau Desktop to empower a whole new group of people to become data analysts.

- ***Data access*** —Tableau Desktop lets people access and query a large number of common data sources, from traditional database systems like Oracle Corporation and SQL Server, to innovative new data stores like SAP HANA and Amazon Redshift, to Web applications like Salesforce and Google Analytics, to spreadsheets and files, to newly emerging data sources like Hadoop and NoSQL databases. Users can connect to these data sources with a few clicks, without any scripting or programming.

- ***Live query*** —Tableau Desktop translates users' interactions into live queries. As people use the drag-and-drop interface to examine information, they are automatically generating sophisticated queries against their database. Tableau Desktop can generate queries in a range of query languages including Structured Query Language ("SQL"), Multidimensional Expressions ("MDX"), and Salesforce Object Query Language ("SOQL"). Each query is optimized for the target platform and its unique performance and analytical characteristics. This live query approach allows customers to leverage their investments in database infrastructure and enables them to take advantage of query-optimized databases.

- ***In-memory query*** —Tableau Desktop contains an In-Memory Data Engine that can be used for rapid analysis. Many business users have data that is not stored in a database, and many databases are not set up to support interactive and analytical queries. In these cases, users can import the data into Tableau Desktop's In-Memory Data Engine. This data engine is designed to support analytical queries on hundreds of millions of rows of data with responses rendered in seconds.

- ***Data integration*** —Many questions require combining data from multiple sources. Tableau Desktop provides a number of ways for people to combine data without requiring a typical data loading and transformation project. A Tableau workbook can connect to many different data sources, with each source independently leveraging either a live query or in-memory approach. Users can then combine the data in a single dashboard, visualization, filter or calculation using our data blending functionality. This approach can greatly extend the scope and depth of questions a person can answer.

- ***Sharing and presentation*** —Tableau Desktop allows users to author and distribute visualizations and dashboards with the ease expected of everyday office tools like spreadsheets. Content created in Tableau Desktop can be embedded in documents and presentations, or the workbooks can be distributed for viewing by people who have Tableau Desktop or Tableau Reader, a free product to view and interact with visualizations built in Tableau Desktop. Alternately, users can publish their workbooks to Tableau Server or Tableau Online enabling others in the organization to access them using a Web browser or a mobile device.

Tableau Server

Tableau Server is a powerful business intelligence platform with enterprise-class data management, scalability and security. The collaborative features of Tableau Server are designed to foster more sharing of analytics to improve the dissemination of information across an organization and promote improved decision-making.

Tableau Server's key capabilities include:

- ***Shared content*** —Tableau Server provides an easy-to-navigate repository of shared visualizations and dashboards within an organization. After users of Tableau Desktop create and publish their work to Tableau Server, any other user with appropriate security credentials can view and interact with it using a Web browser or mobile device. These viewers can also edit the work and republish it back to the server. The ability to publish dashboards and easily share impactful visual analysis increases awareness of business data and promotes improved decision-making. In addition, allowing others to interact with an analysis gives them deeper understanding of the information which leads to an improved grasp on the problem and hence greater confidence in the solution.

- ***Shared data*** —Just as Tableau Server is a platform for shared analysis, it is also a platform for shared data. Organizations can use Tableau Server to centrally manage enterprise data sources and metadata enabling knowledge sharing, efficiency, governance, data consistency and security. Business users or IT professionals can create rich data models, containing calculations, hierarchies, field aliases, sets and groups of interest, and publish them to Tableau Server to be shared across an organization. Others can use these models as a starting point for analysis while extending them to meet their own specific analytical needs. While centralized data models are not a pre-requisite for analysis in Tableau, they provide flexibility and increased productivity while maintaining control and security of data.

- ***Universal access*** —We have designed Tableau Server to enable seamless sharing of content across desktop, mobile and Web clients. Once users author and publish analytical content to the server, people across an organization can consume it on different browsers and devices. Further, Tableau Server automatically detects the device being used and adapts the content to take advantage of the device's capabilities including native touch experience, form factor and security. Tableau Server allows users to actively subscribe to content for automatic delivery on their devices or pull content on demand.

- ***Integration*** —Tableau Server offers APIs that help developers, customers and partners embed and control our software from portals, websites and other enterprise applications. Our APIs can also be used to construct in-memory databases, upload content and add users to the server programmatically. In addition to APIs, we also offer command line utilities to automate management tasks, and data upload tools to move data rapidly into Tableau Server.

- ***Scalability*** —Tableau Server's distributed multi-tier architecture allows it to scale to tens of thousands of users, across desktop, Web and mobile clients, meeting the needs of some of the largest organizations globally.

- ***Security*** —Tableau Server provides a robust security model that encompasses authentication, data and network security. Tableau Server is also built on a multi-tenant architecture that allows administrators to logically partition a single system across user populations, providing for separation of content.
- ***Administration*** —We believe the ease of administering a system is tremendously important to its adoption. While Tableau Server's management interface is designed to be simple enough for a line-of-business user, we also provide APIs to allow administrators to automate routine management processes. After the initial setup, many of our customers have reported that they spend little time on Tableau Server administration.

Tableau Online

Tableau Online, a hosted SaaS version of Tableau Server, is built on the Tableau Server platform and provides ease of use, speed, availability and security without requiring customers to manage physical infrastructure. Tableau Online runs in a secure data center and can be accessed by clients remotely using Tableau Desktop, a browser or a mobile device.

In addition to offering the same capabilities as Tableau Server, Tableau Online's key capabilities include:

- ***Hybrid data connectivity*** —Tableau Online supports both live connectivity and in-memory extracts of cloud databases including Amazon Redshift, Google BigQuery and Microsoft SQL Azure. Users can securely access real-time data from cloud data sources without requiring data snapshots.
- ***On-premises data sync*** —Tableau Online provides easy synching of on-premises data such as Microsoft Excel and Oracle to the cloud. This enables customers to keep their data fresh without compromising enterprise security.
- ***Always up-to-date*** —Tableau Online is always running the latest maintenance releases and versions of Tableau Server. Customers do not need to worry about upgrading their infrastructure or deploying the latest patches.
- ***Reliable, scalable and secure*** —Tableau Online is a SaaS analytics application built on the same enterprise-class architecture of Tableau Server.

Tableau Public

Tableau Public is a free cloud-based offering that is available for anyone to use with public data. This offering allows users of diverse backgrounds, from bloggers and journalists to researchers to government workers, to easily visualize public data on their websites. People who visit these websites can interact with the visualizations and share them via social media.

Using Tableau Public, data can be transformed into interactive graphs, dashboards and maps for the world to see on the Web. For example, a blogger focused on economic issues may want to blog about changes in the U.S. unemployment rate. Using Tableau Public, the blogger can quickly build an interactive visualization using data from the U.S. Bureau of Labor Statistics and embed it in his blog. Every time the blog is viewed, Tableau Public serves up the data as a dynamic visualization.

Tableau Public enables us to test new product features and engage in user research as well as generate greater awareness of Tableau and increase community engagement. In addition to offering most of the features of Tableau Desktop and Tableau Server, Tableau Public offers the following capabilities:

- ***Web scale*** —Tableau Public meets the massive performance requirements of serving dynamic content on top tier websites including media channels, social media and other consumer internet services. Through a combination of proprietary software and optimized hardware we have designed a highly scalable, multi-tenant, online infrastructure that is based at a secure third party Web hosting facility. Our Tableau Public service has served over 600 million views worldwide.
- ***Social reach*** —Anyone viewing or interacting with a Tableau Public visualization can share it on Facebook or Twitter. The ease of social sharing has facilitated greater conversations around data on Tableau Public.
- ***Embedding*** —Tableau Public views can be embedded in Web pages and blogs. Authors can enrich their websites and engage their audience with interactive visualizations based on Tableau Public.
- ***Users*** —Tableau Public has been used by over 150,000 people to make public data easy to see and understand. People have used the product to visualize and share data about government budgets, school

performance, economic policy, sports statistics and box office trends. Visualizations from Tableau Public have been embedded in numerous websites including The Wall Street Journal, CNBC, The Economist, the Guardian, The Huffington Post, La Nacion, El Mundo, the Smithsonian, Mashable, The Washington Post, The Irish Times and Oxford University.

Vizable

Vizable was launched in October 2015 and is a new application from Tableau that turns data into interactive graphs that can be shared directly from an iPad. Vizable is a free offering that enables users to explore data on the go without requiring a server or any cloud-based services. It queries data, aggregates, and generates a visualization on the tablet within seconds. With Vizable, people can interact with their data anywhere by using simple hand gestures such as pinching, swiping, and dragging to receive instant feedback.

Technology

Our powerful and easy-to-use products are built on a foundation of proprietary technologies. Key among these are VizQL, our Live Query Engine and In-Memory Data Engine, which work together in harmony to create our Hybrid Data Architecture.

Visual Query Language (VizQL) for Databases

At the heart of Tableau's products is our proprietary and breakthrough technology called VizQL. VizQL is a visual query language for data that simultaneously describes how to query data and how to present it visually. VizQL can deliver dramatic gains in people's ability to see and understand data. We believe VizQL is unique in several important aspects:

- ***Extensibility and flexibility*** —VizQL is a computer language for describing pictures of data, including tables, graphs, charts, maps, time series and tables of visualizations. VizQL unifies these different visual representations into a single framework. Conventional component architectures that underlie reporting packages and charting wizards contain a fixed number of computer procedures, one for each type of picture. VizQL, in contrast, is a language for creating pictures. Each type of picture is a different statement in the language. The extensibility and flexibility of VizQL makes it possible to create a virtually unlimited number of visualizations.

- ***Transforms database records to graphical representations*** —VizQL statements define the mapping from records returned from a database to graphical marks on a screen. Some fields in the record control the geometric properties of the mark, including position, size and orientation while other fields control visual attributes like color, transparency and shape.

- ***Declarative language*** —VizQL is a declarative language like other database languages, including SQL. The advantage of a declarative language is that the user describes what picture should be created, not how to make it. The user does not need to be aware of underlying implementation as query, analysis and rendering operations run behind the scenes. The result is a portable and more scalable system.

- ***Defines and controls queries*** —VizQL procedures define both the resulting picture and the database query. Our Live Query Engine generates efficient queries for external databases of many types from many vendors. VizQL also controls execution of our optimized In-Memory Data Engine to perform calculations in real time.

- ***Optimized*** —VizQL's interpreter is optimized for interactive use, enabling visualization and drawing of large data sets. VizQL is specifically designed to take advantage of modern computer graphics hardware, such as the fast rendering chips developed for gaming that are standard on personal computers.

The initial development of VizQL began at Stanford University in 1999. Stanford University has granted us an exclusive license to commercialize the software and related patents resulting from that research. The software and related patents generally relate to three subject areas: (1) architecture for creating table-based visualizations from relational databases; (2) graphical user interface for creating specification for table-based visualizations; and (3) an environment for rapid development of interactive visualizations. Our license from Stanford University is exclusive in all fields, worldwide and sublicensable. The license agreement provides for Tableau to own all improvements to and derivative works of the software that it develops. The license agreement also provides for enforcement of the licensed patents against alleged infringers. If Stanford University and Tableau agree to jointly enforce the licensed patents against an alleged infringer, the parties equally share the costs and the recovery or settlement for such enforcement. If Stanford University and Tableau do not agree to jointly enforce the licensed patents against an alleged infringer, Stanford University and Tableau will each have the right to enforce the licensed patents against the alleged infringer. If Tableau files such a suit in a United States court, Stanford University joins such suit only for standing purposes, and Tableau wins an award of damages for, or receives a settlement payment for, infringement of a United States licensed patent, Tableau would retain that award or settlement payment and would be required to negotiate in good faith with Stanford University to compensate it for its expenses in connection with the suit. If Stanford University files such a suit in a United States court, Tableau joins such suit only for standing purposes, and Stanford University wins an award of damages for, or receives a settlement payment for, infringement of a United States licensed patent, Stanford University would retain that award or settlement payment. The license agreement does not expire and can be terminated by Stanford University only if Tableau breaches the agreement and does not remedy the breach within 30 days after receiving written notice of the alleged breach from Stanford University. We have invested substantial research and development in VizQL since obtaining these rights. We have also been granted additional patents related to our core VizQL technology.

Live Query Engine

We have developed a Live Query Engine that interprets abstract queries generated by VizQL into syntax understandable by popular database systems. For instance, our Live Query Engine can compile VizQL statements into optimized SQL and MDX syntax understandable by database systems made by Microsoft Corporation, Oracle Corporation, IBM, EMC, SAP SE, Teradata Corporation and many other database vendors. As a result, our technology provides customers with a way to increase the accessibility, usability and performance of their databases. It also gives them a uniform user interface for interacting with databases of diverse vendors, formats and sizes.

It is common for traditional business intelligence products to import data from the organization's database systems. In contrast, Tableau's Live Query Engine enables people to query databases without having to first import the data into our products. Queries generated by our Live Query Engine are interpreted and run by the database, with only the results of each query rendered. This approach offers many advantages for customers:

- ***Data consistency*** —Copying data can cause people to work with out-of-date information. Further, each copy of the data may represent information at different times leading to inconsistency. With our Live Query Engine, customers do not need to create additional copies of their data.

- ***Avoids data movement*** —Moving and loading data is often time consuming and expensive. With Live Query Engine, our customers do not need to move data in order to use our products.

- ***Scalability*** —Many database vendors provide massively parallel implementations of databases that provide scalable data access to large data sets. These systems can scale in various ways including scaling the number of tables in the database, the number of records in each table, the number of columns in each record, the number of users and the number of active queries. These systems also provide powerful computation capabilities for very large data volumes. Our Live Query Engine allows businesses to leverage their investment in scalable data infrastructure.

- ***Security*** —Transferring data out of a database causes customers to lose the security and permissions models associated with that data. Using our Live Query Engine, customers can leverage the security and permissions models specified in their database systems.

- ***Flexibility*** —The database industry consists of multiple vendors with competitively differentiated products. Our Live Query Engine enables our customers to choose the appropriate technology for their business.

We focus on ensuring our software is compatible with popular database platforms and that our live query technology works with the most recent releases of those platforms. Our Live Query Engine is compatible with over 40 data sources, including those from the top five database vendors in the world.

We have also pioneered connectors to emerging "Big Data" and cloud technologies. We connect to open-source Hadoop databases, proprietary MapReduce technologies and cloud data warehouses like Amazon Redshift and Google BigQuery. We also connect to column stores, databases designed to process unstructured data, and Web applications such as Salesforce and Google Analytics. We believe the size of the data that our customers analyze continues to grow. We will continue to develop our live query technology with the goal of empowering our users to have complete access to any data stored anywhere.

In-Memory Data Engine

We have also developed a fast In-Memory Data Engine that allows people to analyze large amounts of data independently of database systems. This option is valuable to our customers as it enables them to overcome the following challenges:

- ***Lack of databases*** —Much of the world's data is not stored in databases. For instance, data is commonly stored in text files, spreadsheets, logs or other formats.
- ***Limited performance*** —In addition, much of the world's data that is stored in databases resides in databases that are too slow for interactive analysis or reporting.

For these situations, we have developed an In-Memory Data Engine, with the following unique combination of attributes that enable fast calculations:

- ***Column-based storage*** —Our In-Memory Data Engine is based on a column-oriented format which is able to reduce input/output on analytical workloads. It employs a simple disk based representation of data that leverages the operating systems' management of virtual memory.
- ***Compressed data representation*** —Our technology utilizes compression aimed to keep the memory footprint as small as possible.
- ***Optimization for in-memory analytics*** —Our In-Memory Data Engine is optimized for analyzing data in random access memory ("RAM"). For example, leveraging RAM-based indices, our technology is more efficient than those using disk-based indices.
- ***Architecture aware algorithms*** —Our technology is designed to achieve high-throughput on modern processors. Key algorithms, such as grouping and aggregation, are designed to be cache and multi-core aware and adaptive to different hardware characteristics.

By importing data into our In-Memory Data Engine, our customers can get many of the benefits of a fast database without the complication, cost and delay of a new investment in databases systems. Our In-Memory Data Engine is designed to be used on commodity hardware such as personal computers, laptops and servers that are common in companies today.

Hybrid Data Architecture

We have designed our Live Query Engine and In-Memory Data Engine to work in harmony. This hybrid approach gives customers flexibility and power. For instance, customers can use our In-Memory Data Engine to import a sample of data from a large database, and then after designing an initial visualization that answers a question, run the visualization against the entire database using the live query option. As another example of the hybrid approach, customers can integrate live data with in-memory data in a single visualization or dashboard. Both of these examples can be achieved by business users without any programming or scripting.

Information about Segments and Geographic Revenue

Information about segments and geographic revenue is set forth in Note 9 of the notes to the consolidated financial statements included elsewhere in this report.

Seasonality

We generally experience seasonal fluctuations in demand for our products and services. Our quarterly sales are impacted by industry buying patterns. As a result, our sales have generally been highest in the fourth quarter of a calendar year and lowest in the first quarter.

Customers

Our software is designed for anyone with data and questions. Our customers range from the largest corporations in the world to sole proprietors. Tableau's ease of installation and maintenance provides the flexibility to be deployed by individuals, departments or as an enterprise-wide system. We provide our products to organizations in various industries, including business services, energy and telecommunications, financial services, life sciences and healthcare, manufacturing and technology, media and entertainment, public sector and education, and retail, consumer and distribution.

We have grown our customer accounts from approximately 17,000 as of December 31, 2013 to approximately 39,000 as of December 31, 2015 , located in more than 150 countries. We define a customer account as a purchaser of our products. Customer accounts are typically organizations. In some cases, organizations will have multiple groups purchasing our software, which we count as discrete customer accounts. No customer represented more than 10% of our total revenues in 2015 , 2014 or 2013 .

Support and Services

Our products are designed for our customers to be able to deploy and use on their own. However, we offer several training and professional services programs to enable our customers to maximize their experience and successful use of our products.

Maintenance and Support

Our maintenance and support services provide access to new releases of our software in addition to technical support services. Our technical support team also fields "how-to" inquiries from customers related to specific product functionality.

We offer multiple levels of technical support services to our customers globally. Our highest support level includes a dedicated phone number to address critical issues, 24 hours a day, seven days a week, year-round. In addition, we offer a variety of support tools on our website including a knowledge base, product documentation guides, release notes and drivers. We have also developed an extensive online support community, which includes forums and user groups, that is intended to enable our customers to learn and to connect with each other.

Training

In order to enable our customers to be self-reliant, we offer free online training to customers on our website, including hundreds of hours of training videos, sample visualizations and best practice articles.

We also provide a variety of fee-based product training options ranging from instructor-led courses in a traditional classroom setting to online courses. These training courses are designed to deepen understanding of specific aspects of our products and range from a single day to a week in length.

Professional Services

We have also invested in a professional services organization to help our customers maximize their benefits from using our products. Our professional services are generally intended to accelerate the analytics process rather than focus on installation and configuration of our software, as we believe most of our customers are able to deploy our products without assistance. These services are delivered either in person or remotely, and we tailor our services engagements to a customer's specific needs.

Tableau Community

We have built a strong and growing community of users and partners that help us evangelize our mission. The purpose of our community is to give customer and prospects opportunities to connect and share their experiences and ideas, and to allow them to provide valuable feedback on our products that helps us prioritize product enhancements.

Our online community currently offers:

- knowledge bases, forums and repositories that help users learn about topics of interest, ask questions and share insights;
- groups, a mechanism that allows users to connect based on geographical location or industry affiliation;
- ideas, an avenue to share product suggestions;
- Viz Talk, designed to let users share and discuss interesting data visualizations;
- blogs; and
- news.

We also organize events to engage with our customers and foster our user community. Our seminal event is our annual U.S. Tableau Customer Conference, which attracted more than 10,000 customer and partner attendees in October 2015 . At this event, our customers have the opportunity to network and connect, learn best practices, attend training sessions, and present their questions and suggestions directly to our software developers, executives and other employees. In 2015 , our international offering, Tableau Conference on Tour, included events in Melbourne, Australia; Singapore; Berlin, Germany; London, United Kingdom; and Tokyo, Japan. Finally, many of our customers form local user groups that meet periodically to discuss and share experiences using our products.

Culture and Employees

Our culture is fundamental to our success and we embrace and cultivate it with pride. Eight core values define our culture and govern our approach to business. These consist of teamwork, product leadership, using our own products, respect, honesty, simplicity and commitment to delighting our customers, as well as our mission to help people see and understand data.

We view our employees as partners in creating a great work environment, and we take a long-term approach to their recruitment and development. As a result of our careful hiring choices, we believe our company is populated by smart, respectful people grounded in humility.

We desire to make an impact on our community, and in December 2012 we established the Tableau Foundation, a donor-advised charitable fund. The focus of the Tableau Foundation is to encourage the use of facts and analytical reasoning to solve the world's problems. It is also an avenue to support specific employee causes.

As of December 31, 2015 , we had 3,008 full-time employees globally. We also engage temporary employees and consultants. None of our employees are represented by a labor union. We have not experienced any work stoppages, and we consider our relations with our employees to be good.

Sales and Marketing

Our sales and marketing teams collaborate to create market awareness and demand, to build a robust sales pipeline and to ensure customer success that drives revenue growth.

Sales

Our sales efforts are built on a land and expand sales model that is designed to capitalize on the ease of use, low up-front cost and collaborative capabilities of our software. To facilitate rapid adoption of our products, we provide fully functional free trial versions of our products on our website and have created a simple pricing model with no minimum purchase requirements. After an initial trial or purchase, which is often made to target a specific business need at a grassroots level within an organization, the use of our products often spreads across departments, divisions and geographies, via word-of-mouth, discovery of new use cases and our sales efforts.

Our direct sales approach includes inside sales teams and field sales teams. Our inside sales team, based in regional sales hubs, qualifies and manages accounts throughout the world in a manner in which we can seed new sales at a low cost and expand these accounts over time. Our direct field sales team covers North America; Europe, Middle East and Africa; the Asia Pacific region; and Latin America, and is mainly responsible for lead qualification and account management for large enterprises. All our direct sales teams partner with technical sales representatives who provide presales technical support. We also have a dedicated customer success team responsible for driving renewals of existing contracts.

We also sell our products through indirect sales channels including technology vendors, resellers and OEMs and independent software vendors ("ISV") partners. These channels provide additional sales coverage, solution-based selling, services and training throughout the world. Our channel program is led by a dedicated sales team and provides training, certification and sales resources to our partners. As of December 31, 2015 , less than 10% of our sales team focused on indirect sales channels. We plan to continue to invest in our partner programs to help us enter and grow in new markets while complementing our direct sales efforts.

Our sales organization also includes professional services and training teams that work with customers of all sizes to support implementations and increase adoption. These efforts include in person and phone-based engagements, webinars, in-person training and free on-demand training.

Marketing

Our marketing efforts focus on establishing our brand, generating awareness, creating leads and cultivating the Tableau community. The marketing team consists primarily of marketing operations, demand generation, enterprise marketing, product marketing, programs, field events, channel marketing, corporate communications and visual design teams. We leverage both online and offline marketing channels such as events and trade shows, seminars and webinars, third-party analyst reports, whitepapers, case studies, blogs, search engines and email marketing. A central focus for the marketing team is to drive free product trials and encourage use of our free online training, an integral part of our customer acquisition process. Our marketing team is responsible for the logistics of hosting various events, including our annual customer conferences and regional events, as well as providing Web-based community tools and supporting customer-driven user groups.

We believe the simplest way to showcase our products is by using them in live or recorded demonstrations. Our marketing team also promotes Tableau Public to generate awareness. By democratizing access to public data and facilitating sharing of insights online, Tableau Public has rapidly increased community engagement and extended the reach of our products. Interest in this service has grown quickly and is demonstrated by more than 600 million cumulative Tableau Public page views to date.

Strategic Relationships

We view our partners as an extension of our team, playing an integral role in our development and growth. Our partner programs include technology partnerships, reseller arrangements, ISV and OEM relationships. In addition, we also work closely with system integrators, consulting firms and training partners.

Technology Vendors

Our most important technology partnerships are with data platform vendors. We collaborate with these vendors to build high performance connectivity to their data sources. We have over 40 optimized data platform connectors to popular data platforms from vendors such as Amazon.com, Inc., Cloudera, Inc., IBM, Microsoft Corporation, Oracle Corporation, Salesforce, SAP SE and Teradata Corporation. In addition, some of our technology partners, such as Teradata Corporation, are resellers of our products.

Resellers/VARs

Most of our indirect sales are through resellers. In certain international markets we rely more heavily on resellers than we do in the United States. Our reseller program is designed to support business growth, help generate new opportunities, optimize customer experience and care, increase profitability and close deals more quickly. We partner with value-added resellers ("VARs"), who provide vertical expertise and technical advice in addition to reselling or bundling our software. We qualify our partners carefully to help ensure that each has the necessary capabilities and technical expertise to allow us to deliver even greater value to our customers.

OEMs

We believe that software applications made by other companies can benefit from the analytical capabilities that our products can provide, and we continue to develop relationships with OEM partners that embed our software into their applications. These consist of both traditional OEMs that provide a customized version of our products for their applications as well as SaaS-based OEMs that deliver analytics as a service.

Research and Development

We invest substantial resources in research and development to drive core technology innovation and to bring new products to market. Our research and development organization, primarily located in the U.S., is predominantly responsible for design, development, testing and certification of our products and core technologies. Our mission-driven culture empowers our employees to take ownership and personal pride in building our products. We work hard to create an environment that satisfies our talents and intellectual curiosities while promoting the development of broadly impactful and transformative technologies.

We have historically targeted major product releases on an annual cycle. Since our founding, we have developed nine major versions of our products. In addition, we also provide maintenance releases with bug fixes and incremental functionality, if and when they become available, generally on a monthly basis. Our release cycles enable us to be responsive to customers by delivering new functionality on a frequent basis. We establish priorities for our organization by collaborating closely with our customers, community and employees. We use our products across all business functions at Tableau, from customer support to finance to sales and marketing to human resources, and every employee is encouraged to test and provide feedback.

Our founders conducted the original research that led to the development of VizQL at Stanford University. We actively invest in an internally focused research effort and collaborate with the research and academic community to keep current with cutting edge technologies and help us to stay at the forefront of innovation.

We are focused on hiring the top technical talent in the industry from top engineering programs and research institutions. Our talented engineers and computer scientists are focused on finding simple and elegant solutions to complex problems in information visualization, data analytics, user experience and distributed system design.

Research and development expenses were $204.1 million , $110.9 million and $60.8 million for the years ended December 31, 2015 , 2014 and 2013 , respectively.

Competition

Our current primary competitors generally fall into the following categories:

- large technology companies, including suppliers of traditional business intelligence products and/or cloud-based offerings that provide one or more capabilities that are competitive with our products, such as Amazon.com, Inc., Google Inc., IBM, Microsoft Corporation, Oracle Corporation, Salesforce and SAP SE;
- business analytics software companies, such as Qlik, MicroStrategy and TIBCO Spotfire (a subsidiary of TIBCO Software Inc.); and
- SaaS-based products or cloud-based analytics providers.

In addition, we may compete with open source initiatives and custom development efforts. We expect competition to increase as other established and emerging companies enter the business analytics market, as customer requirements evolve and as new products and technologies are introduced. We expect this to be particularly true with respect to our SaaS-based offering. This is a relatively new and evolving area of business analytics solutions, and we anticipate competition to increase based on customer demand for these types of products.

Many of our competitors, particularly the large software companies named above, have longer operating histories, significantly greater financial, technical, marketing, distribution, professional services or other resources and greater name recognition than we do. In addition, many of our competitors have strong relationships with current and potential customers and extensive knowledge of the business analytics industry. As a result, they may be able to respond more quickly to new or emerging technologies and changes in customer requirements, for example by offering a SaaS-based product that competes with our on-premise products or our SaaS product, Tableau Online, or devote greater resources to the development, promotion and sale of their products than us. Moreover, many of these competitors are bundling their analytics products into larger deals or maintenance renewals, often at significant discounts. Increased competition may lead to price cuts, alternative pricing structures or the introduction of products available for free or a nominal price, fewer customer orders, reduced gross margins, longer sales cycles and loss of market share. We may not be able to compete successfully against current and future competitors, and our business, results of operations and financial condition will be harmed if we fail to meet these competitive pressures.

Our ability to compete successfully in our market depends on a number of factors, both within and outside of our control. Some of these factors include ease and speed of product deployment and use, discovery and visualization capabilities, analytical and statistical capabilities, performance and scalability, the quality and reliability of our customer service and support, total cost of ownership, return on investment and brand recognition. Any failure by us to compete successfully in any one of these or other areas may reduce the demand for our products, as well as adversely affect our business, results of operations and financial condition.

Moreover, current and future competitors may also make strategic acquisitions or establish cooperative relationships among themselves or with others. By doing so, these competitors may increase their ability to meet the needs of our customers or potential customers. In addition, our current or prospective indirect sales channel partners may establish cooperative relationships with our current or future competitors. These relationships may limit our ability to sell or certify our products through specific distributors, technology providers, database companies and distribution channels and allow our competitors to rapidly gain significant market share. These developments could limit our ability to obtain revenues from existing and new customers and to maintain maintenance and support revenues from our existing and new customers. If we are unable to compete successfully against current and future competitors, our business, results of operations and financial condition would be harmed.

Intellectual Property

We rely on federal, state, common law and international rights, as well as contractual restrictions, to protect our intellectual property. We control access to our proprietary technology by entering into confidentiality and invention assignment agreements with our employees and contractors, and confidentiality agreements with third parties, such as service providers, vendors, individuals and entities that may be exploring a business relationship with us.

In addition to these contractual arrangements, we also rely on a combination of trade secrets, copyrights, patents, trademarks, service marks and domain names to protect our intellectual property. We pursue the registration of our copyrights, trademarks, service marks and domain names in the United States and in certain locations outside the United States.

As of December 31, 2015 , we had 16 issued U.S. patents directed to our technology. We also had 35 pending patent applications in the United States. We own registered trademarks for Tableau, Tableau Software, VizQL, Show Me! and Data In. Brilliance Out. in the United States. We also own trademark registrations for Tableau, Tableau Software, VizQL, and Show Me! in Canada and China; Tableau Software, VizQL and Show Me! in Japan and the European Union; and Tableau, Tableau Software, and VizQL in Korea and Mexico. Such registered trademarks will expire unless renewed at various times in the future.

Despite our efforts to protect our proprietary technology and our intellectual property rights, unauthorized parties may attempt to copy or obtain and use our technology to develop applications with the same functionality as our applications. Policing unauthorized use of our technology and intellectual property rights is difficult.

We expect that software and other applications in our industry may be subject to third-party infringement claims as the number of competitors grows and the functionality of applications in different industry segments overlaps. Any of these third parties might make a claim of infringement against us at any time.

Corporate Information

We were formed as Tableau Software LLC, a Delaware limited liability company, in 2003, and incorporated as Tableau Software, Inc., a Delaware corporation in 2004. Our principal executive offices are located at 837 North 34th Street, Suite 200, Seattle, Washington 98103, and our telephone number is (206) 633-3400. Our website address is www.tableau.com. The information on, or that can be accessed through, our website is not part of this report.

Available Information

We file annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy and information statements and amendments to reports filed or furnished pursuant to Sections 13(a), 14 and 15(d) of the Securities Exchange Act of 1934, as amended. The public may obtain these filings at the Securities and Exchange Commission (SEC)'s Public Reference Room at 100 F Street, NE, Washington, DC 20549 or by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website at http://www.sec.gov that contains reports, proxy and information statements and other information regarding Tableau Software and other companies that file materials with the SEC electronically. Copies of Tableau's reports on Form 10-K, Forms 10-Q and Forms 8-K, may be obtained, free of charge, electronically through our internet website, http://investors.tableau.com/financial-reports-and-filings/default.aspx.

ITEM 1A. RISK FACTORS

Our operations and financial results are subject to various risk and uncertainties, including those described below. You should carefully consider the following risks and all of the other information contained in this report, including our consolidated financial statements and related notes, before making an investment decision. While we believe that the risks and uncertainties described below are the material risks currently facing us, additional risks that we do not yet know of or that we currently think are immaterial may also arise and materially affect our business. If any of the following risks materialize, our business, financial condition and results of operations could be materially and adversely affected. In that case, the trading price of our Class A common stock could decline, and you may lose some or all of your investment.

Risks Related to Our Business and Industry

Due to our rapid growth, we have a limited operating history at our current scale, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.

We have been growing rapidly in recent periods, and as a result have a relatively short history operating our business at its current scale. For example, we have significantly increased the number of our employees and have expanded our operations worldwide. Furthermore, we operate in an industry that is characterized by rapid technological innovation, intense competition, changing customer needs and frequent introductions of new products, technologies and services. We have encountered, and will continue to encounter, risks and uncertainties frequently experienced by growing companies in evolving industries. If our assumptions regarding these risks and uncertainties, which we use to plan our business, are incorrect or change in reaction to changes in the market, or if we do not address these risks successfully, our operating and financial results could differ materially from our expectations and our business could suffer.

Our future success will depend in large part on our ability to, among other things:

- hire, integrate, train and retain skilled talent, including members of our direct sales force and software engineers;
- maintain and expand our business, including our operations and infrastructure to support our growth, both domestically and internationally;
- compete with other companies, custom development efforts and open source initiatives that are currently in, or may in the future enter, the market for our software;
- expand our customer base, both domestically and internationally;
- renew maintenance agreements with, and sell additional products to, existing customers;
- improve the performance and capabilities of our software;
- maintain high customer satisfaction and ensure quality and timely releases of our products and product enhancements;
- maintain, expand and support our indirect sales channels and strategic partner network;
- maintain the quality of our website infrastructure to minimize latency when downloading or utilizing our software;
- increase market awareness of our products and enhance our brand; and
- maintain compliance with applicable governmental regulations and other legal obligations, including those related to intellectual property, international sales and taxation.

If we fail to address the risks and difficulties that we face, including those associated with the challenges listed above as well as those described elsewhere in this "Risk Factors" section, our business will be adversely affected and our results of operations will suffer.

We may not be able to sustain our revenue growth rate or profitability in the future.

While we achieved profitability on an annual basis in 2013 and 2014, we incurred a net loss in 2015 and have not consistently achieved profitability on a quarterly basis during that same period. For example, we had net losses in the first, second and third quarter of 2014 and each quarter of 2015. We expect expenses to continue to increase substantially in the near term, particularly as we make significant investments in our sales and marketing and research and development organizations, expand our operations and infrastructure both domestically and internationally and develop new products and new features for and enhancements of our existing products.

Moreover, as we grow our business, we expect our revenue growth rates to continue to slow in future periods due to a number of reasons, which may include slowing demand for our products, increasing competition, a decrease in the growth of our overall market, our failure, for any reason, to continue to capitalize on growth opportunities, the maturation of our business or the decline in the number of organizations into which we have not already expanded. Accordingly, our historical revenue growth should not be considered indicative of our future performance.

If we are unable to attract, integrate and retain additional qualified personnel, including top technical talent, our business could be adversely affected.

Our future success depends in part on our ability to identify, attract, integrate and retain highly skilled technical, managerial, sales and other personnel, including a candidate to fill our current opening for an executive leader of our global sales and field operations as well as top technical talent from the industry and top research institutions. We face intense competition for qualified individuals from numerous other companies, including other software and technology companies, many of whom have greater financial and other resources than we do. These companies also may provide more diverse opportunities and better chances for career advancement. Some of these characteristics may be more appealing to high-quality candidates than those we have to offer. In addition, new hires often require significant training and, in many cases, take significant time before they achieve full productivity. We may incur significant costs to attract and retain qualified personnel, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and we may lose new employees to our competitors or other companies before we realize the benefit of our investment in recruiting and training them. Moreover, new employees may not be or become as productive as we expect, as we may face challenges in adequately or appropriately integrating them into our workforce and culture. In addition, as we move into new geographies, we will need to attract and recruit skilled personnel in those areas. We have limited experience with recruiting in geographies outside of the United States, and may face additional challenges in attracting, integrating and retaining international employees. If we are unable to attract, integrate and retain suitably qualified individuals who are capable of meeting our growing technical, operational and managerial requirements, on a timely basis or at all, our business will be adversely affected.

Volatility or lack of positive performance in our stock price may also affect our ability to attract and retain our key employees. Many of our senior management personnel and other key employees are vested in a substantial amount of stock or stock options. Employees may be more likely to leave us if the shares they own or the shares underlying their vested options have significantly appreciated in value relative to the original purchase prices of the shares or the exercise prices of the options, or, conversely, if the exercise prices of the options that they hold are significantly above the market price of our common stock or the market price of our common stock decreases significantly, impacting the value of their unvested restricted stock unit awards. If we are unable to appropriately incentivize and retain our employees through equity compensation, or if we need to increase our compensation expenses in order to appropriately incentivize and retain our employees, our business, results of operations, financial condition and cash flows would be adversely affected.

We have been growing rapidly and expect to continue to invest in our growth for the foreseeable future. If we fail to manage this growth effectively, our business and results of operations will be adversely affected.

We have experienced rapid growth in a relatively short period of time. Our revenues grew to $653.6 million in the year ended December 31, 2015 from $232.4 million in the year ended December 31, 2013 . Our number of full time employees increased to 3,008 as of December 31, 2015 from 1,212 as of December 31, 2013 . During this period, we also expanded our operations within the United States and internationally.

We intend to continue to grow our business. For example, we plan to continue to hire new employees at a rapid pace, particularly in our sales and engineering groups. If we cannot adequately train these new employees, including our direct sales force, our sales productivity could be impacted or our customers may lose confidence in the knowledge and capability of our employees. In addition, we are expanding internationally, establishing operations in additional countries outside the United States, and we intend to make direct and substantial investments to continue our international expansion efforts. We must successfully manage our growth to achieve our objectives. Although our business has experienced significant growth in the past, our growth has slowed in recent periods, and we cannot provide any assurance that our business will continue to grow at any particular rate, or at all.

Our ability to effectively manage any significant growth of our business will depend on a number of factors, including our ability to do the following:

- effectively recruit, integrate, train and motivate a large number of new employees, including our direct sales force, while retaining existing employees, maintaining the beneficial aspects of our corporate culture and effectively executing our business plan;

- satisfy existing customers and attract new customers;
- successfully introduce new products and enhancements;
- continue to improve our operational, financial and management controls;
- protect and further develop our strategic assets, including our intellectual property rights; and
- make sound business decisions in light of the scrutiny associated with operating as a public company.

These activities will require significant capital expenditures and allocation of valuable management and employee resources, and our growth will continue to place significant demands on our management and our operational and financial infrastructure.

Our future financial performance and our ability to execute on our business plan will depend, in part, on our ability to effectively manage any future growth. There are no guarantees we will be able to do so in an efficient or timely manner, or at all. In particular, any failure to successfully implement systems enhancements and improvements will likely negatively impact our ability to manage our expected growth, ensure uninterrupted operation of key business systems and comply with the rules and regulations that are applicable to public reporting companies. Moreover, if we do not effectively manage the growth of our business and operations, the quality of our software could suffer, which could negatively affect our brand, results of operations and overall business.

We face intense competition, and we may not be able to compete effectively, which could reduce demand for our products and adversely affect our business, growth, revenues and market share.

The market for our products is intensely and increasingly competitive and subject to rapidly changing technology and evolving standards. In addition, many companies in our target market are offering, or may soon offer, products and services that may compete with our products.

Our current primary competitors generally fall into the following categories:

- large technology companies, including suppliers of traditional business intelligence products and/or cloud-based offerings that provide one or more capabilities that are competitive with our products, such as Amazon.com, Inc., Google Inc., IBM, Microsoft Corporation, Oracle Corporation, Salesforce and SAP SE;
- business analytics software companies, such as Qlik, MicroStrategy and TIBCO Spotfire (a subsidiary of TIBCO Software Inc.); and
- SaaS-based products or cloud-based analytics providers.

In addition, we may compete with open source initiatives and custom development efforts. We expect competition to increase as other established and emerging companies enter the business analytics software market, as customer requirements evolve and as new products and technologies are introduced. We expect this to be particularly true with respect to our SaaS-based offering. This is a relatively new and evolving area of business analytics solutions, and we anticipate competition to increase based on customer demand for these types of products.

Many of our competitors, particularly the large software companies named above, have longer operating histories, significantly greater financial, technical, marketing, distribution, professional services or other resources and greater name recognition than we do. In addition, many of our competitors have strong relationships with current and potential customers and extensive knowledge of the business analytics industry. As a result, they may be able to respond more quickly to new or emerging technologies and changes in customer requirements, for example by offering a SaaS-based product that competes with our on-premise products or our SaaS product, Tableau Online, or devote greater resources to the development, promotion and sale of their products than we do. Moreover, many of these competitors are bundling their analytics products into larger deals or maintenance renewals, often at significant discounts. Increased competition may lead to price cuts, alternative pricing structures or the introduction of products available for free or a nominal price, fewer customer orders, reduced gross margins, longer sales cycles and loss of market share. We may not be able to compete successfully against current and future competitors, and our business, results of operations and financial condition will be harmed if we fail to meet these competitive pressures.

Our ability to compete successfully in our market depends on a number of factors, both within and outside of our control. Some of these factors include ease and speed of product deployment and use, discovery and visualization capabilities, analytical and statistical capabilities, performance and scalability, the quality and reliability of our customer service and support, total cost of ownership, return on investment and brand recognition. Any failure by us to compete successfully in any one of these or other areas may reduce the demand for our products, as well as adversely affect our business, results of operations and financial condition.

Moreover, current and future competitors may also make strategic acquisitions or establish cooperative relationships among themselves or with others. By doing so, these competitors may increase their ability to meet the needs of our customers or potential customers. In addition, our current or prospective indirect sales channel partners may establish cooperative relationships with our current or future competitors. These relationships may limit our ability to sell or certify our products through specific distributors, technology providers, database companies and distribution channels and allow our competitors to rapidly gain significant market share. These developments could limit our ability to obtain revenues from existing and new customers and to maintain maintenance and support revenues from our existing and new customers. If we are unable to compete successfully against current and future competitors, our business, results of operations and financial condition would be harmed.

Our success is highly dependent on our ability to further penetrate the existing market for business analytics software as well as the growth and expansion of that market.

Although the overall market for business analytics software is well-established, the market for business analytics software like ours is relatively new, rapidly evolving and unproven. Our future success will depend in large part on our ability to further penetrate the existing market for business analytics software, as well as the continued growth and expansion of what we believe to be an emerging market for analytics solutions that are faster, easier to adopt, easier to use and more focused on self-service capabilities. It is difficult to predict customer adoption and renewal rates, customer demand for our products, the size, growth rate and expansion of these markets, the entry of competitive products or the success of existing competitive products. Our ability to further penetrate the existing market and any expansion of the emerging market depends on a number of factors, including the cost, performance and perceived value associated with our products, as well as customers' willingness to adopt a different approach to data analysis. Furthermore, many potential customers have made significant investments in legacy business analytics software systems and may be unwilling to invest in new software. If we are unable to further penetrate the existing market for business analytics software, the emerging market for self-service analytics solutions fails to grow or expand, or either of these markets decreases in size, our business, results of operations and financial condition would be adversely affected.

Our future quarterly results of operations may fluctuate significantly due to a wide range of factors, which makes our future results difficult to predict.

Our revenues and results of operations could vary significantly from quarter to quarter as a result of various factors, some of which are outside of our control, such as:

- the timing of satisfying revenue recognition criteria, particularly with regard to large transactions;
- the expansion of our customer base;
- the renewal of maintenance agreements with, and sales of additional products to, existing customers;
- seasonal variations in our sales, which have generally historically been highest in the fourth quarter of a calendar year and lowest in the first quarter;
- the size, timing and terms of our perpetual license sales to both existing and new customers;
- the mix of direct sales versus sales through our indirect sales channels;
- the introduction of products and product enhancements by existing competitors or new entrants into our market, and changes in pricing for products offered by us or our competitors;
- customers delaying purchasing decisions in anticipation of new products or product enhancements by us or our competitors or otherwise;
- changes in customers' budgets;
- customer acceptance of and willingness to pay for new versions of our products;
- seasonal variations related to sales and marketing and other activities, such as expenses related to our annual customer conferences; and
- general economic and political conditions, both domestically and internationally, as well as economic conditions specifically affecting industries in which our customers operate.

Additional factors include:

- costs related to the hiring, training and maintenance of our direct sales force;

- the timing and growth of our business, in particular through our hiring of new employees and international expansion;
- our ability to control costs, including our operating expenses; and
- fluctuations in our effective tax rate;

Any one of these or other factors discussed elsewhere in this report may result in fluctuations in our revenues and operating results, meaning that quarter-to-quarter comparisons of our revenues, results of operations and cash flows may not necessarily be indicative of our future performance.

We may not be able to accurately predict our future revenues or results of operations. For example, a large percentage of the revenues we recognize each quarter has been attributable to sales made in the last month of that same quarter. Our license revenues, which are primarily attributable to perpetual licenses, in particular can be impacted by short-term shifts in customer demand and spending on licenses for our products. As a result, our ability to forecast revenues on a quarterly or longer-term basis is limited. In addition, we base our current and future expense levels on our operating plans and sales forecasts, and our operating expenses are expected to be relatively fixed in the short term. Accordingly, we may not be able to reduce our costs sufficiently to compensate for an unexpected shortfall in revenues, and even a small shortfall in revenues could disproportionately and adversely affect our financial results for that quarter. The variability and unpredictability of these and other factors could result in our failing to meet or exceed financial expectations for a given period.

If we are unable to attract new customers and expand sales to existing customers, both domestically and internationally, our growth could be slower than we expect and our business may be harmed.

Our future growth depends in part upon increasing our customer base. Our ability to achieve significant growth in revenues in the future will depend, in large part, upon the effectiveness of our marketing efforts, both domestically and internationally, and our ability to attract new customers. This may be particularly challenging where an organization has already invested substantial personnel and financial resources to integrate traditional business intelligence products into its business, as such organization may be reluctant or unwilling to invest in a new product. If we fail to attract new customers and maintain and expand those customer relationships, our revenues will grow more slowly than expected and our business will be harmed.

Our future growth also depends upon expanding sales of our products to and renewing license and maintenance agreements with existing customers and their organizations. If our customers do not purchase additional licenses or capabilities, our revenues may grow more slowly than expected, may not grow at all or may decline. Additionally, increasing incremental sales to our current customer base requires increasingly sophisticated and costly sales efforts that are targeted at senior management. There can be no assurance that our efforts would result in increased sales to existing customers ("upsells"), and additional revenues. If our efforts to upsell to our customers are not successful, our business would suffer. Moreover, while most of our software is licensed and sold under perpetual license agreements, we also enter into term license agreements with some of our customers and offer a SaaS-based product, Tableau Online, which is sold on a subscription basis. In addition, all of our maintenance and support agreements are sold on a term basis. In order for us to grow our revenues and increase profitability, it is important that our existing customers renew their maintenance and support agreements and their term licenses, if applicable, when the initial contract term expires. Our customers have no obligation to renew their term licenses or maintenance and support contracts with us after the initial terms have expired. Our customers' renewal rates may decline or fluctuate as a result of a number of factors, including their satisfaction or dissatisfaction with our software or professional services, our pricing or pricing structure, the pricing or capabilities of products or services offered by our competitors, the effects of economic conditions, or reductions in our customers' spending levels. If our customers do not renew their agreements with us, or renew on terms less favorable to us, our revenues may decline.

We derive substantially all of our revenues from a limited number of software products.

We currently derive and expect to continue to derive substantially all of our revenues from our Tableau Desktop, Tableau Server and Tableau Online software products. As such, the continued growth in market demand of these software products is critical to our continued success. Demand for our software is affected by a number of factors, including continued market acceptance of our products, the timing of development and release of new products by our competitors, price changes by us or by our competitors, technological change, growth or contraction in the traditional and expanding business analytics market, and general economic conditions and trends. If we are unable to continue to meet customer demands or to achieve more widespread market acceptance of our software, our business, results of operations, financial condition and growth prospects will be materially and adversely affected.

Our success depends on increasing the number and value of enterprise sales transactions, which typically involve a longer sales cycle, greater deployment challenges and additional support and services than sales to individual purchasers of our products.

Growth in our revenues and profitability depends in part on our ability to complete more and larger enterprise sales transactions. During 2015 , we closed 1,192 sales transactions greater than $100,000 compared to 781 sales transactions greater than $100,000 in 2014 , representing a 53% increase in the number of transactions. These larger transactions may involve significant customer negotiation and are typically completed near the end of the quarter. Enterprise customers may undertake a significant evaluation process, which can last from several months to a year or longer. For example, in recent periods, excluding renewals, our transactions over $100,000 have generally taken over three months to close. Any individual transaction may take substantially longer than three months to close. If our sales cycle were to lengthen in this manner, events may occur during this period that affect the size or timing of a purchase or even cause cancellations, which may lead to greater unpredictability in our business and results of operations. We will spend substantial time, effort and money on enterprise sales efforts without any assurance that our efforts will produce any sales.

We may also face unexpected deployment challenges with enterprise customers or more complicated installations of our software platform. It may be difficult to deploy our software platform if the customer has unexpected database, hardware or software technology issues. Additional deployment complexities may occur if a customer hires a third party to deploy or implement our products or if one of our indirect sales channel partners leads the implementation of our products. In addition, enterprise customers may demand more configuration and integration services, which increase our upfront investment in sales and deployment efforts, with no guarantee that these customers will increase the scope of their use. As a result of these factors, we must devote a significant amount of sales support and professional services resources to individual customers, increasing the cost and time required to complete sales. Any difficulties or delays in the initial implementation, configuration or integration of our products could cause customers to reject our software or lead to the delay in or failure to obtain future orders which would harm our business, results of operations and financial condition.

If our new products and product enhancements do not achieve sufficient market acceptance, our results of operations and competitive position will suffer.

We spend substantial amounts of time and money to research and develop new software and enhanced versions of our existing software to incorporate additional features, improve functionality, function in concert with new technologies or changes to existing technologies and allow our customers to analyze a wide range of data sources. When we develop a new product or an enhanced version of an existing product, we typically incur expenses and expend resources upfront to market, promote and sell the new offering. Therefore, when we develop and introduce new or enhanced products, they must achieve high levels of market acceptance in order to justify the amount of our investment in developing and bringing them to market.

Further, we may make changes to our software that our customers do not find useful. We may also discontinue certain features, begin to charge for certain features that are currently free or increase fees for any of our features or usage of our software. We may also face unexpected problems or challenges in connection with new product or feature introductions.

Our new products or product enhancements and changes to our existing software could fail to attain sufficient market acceptance for many reasons, including:

- failure to predict market demand accurately in terms of software functionality and capability or to supply software that meets this demand in a timely fashion;
- inability to operate effectively with the technologies, systems or applications of our existing or potential customers;
- defects, errors or failures;
- negative publicity about their performance or effectiveness;
- delays in releasing our new software or enhancements to our existing software to the market;
- the introduction or anticipated introduction of competing products by our competitors;
- an ineffective sales force;
- poor business conditions for our end-customers, causing them to delay purchases; and
- the reluctance of customers to purchase software incorporating open source software.

In addition, because our products are designed to operate on and with a variety of systems, we will need to continuously modify and enhance our products to keep pace with changes in technology. We may not be successful in either developing these modifications and enhancements or in bringing them to market in a timely fashion.

If our new software or enhancements and changes do not achieve adequate acceptance in the market, our competitive position will be impaired, and our revenues could decline. The adverse effect on our results of operations may be particularly acute because of the significant research, development, marketing, sales and other expenses we will have incurred in connection with the new software or enhancements.

We are dependent on the continued services and performance of our senior management and other key personnel, the loss of any of whom could adversely affect our business.

Our future success depends in large part on the continued contributions of our senior management and other key personnel. In particular, the leadership of key management personnel is critical to the successful management of our company, the development of our products, and our strategic direction. We do not maintain "key person" insurance for any member of our senior management team or any of our other key employees. Our senior management and key personnel are all employed on an at-will basis, which means that they could terminate their employment with us at any time, for any reason and without notice. The loss of any of our key management personnel could significantly delay or prevent the achievement of our development and strategic objectives and adversely affect our business.

Our growth depends on being able to expand our direct sales force successfully.

In order to increase our revenues and profitability, we must increase the size of our direct sales force, both in the United States and internationally, to generate additional revenues from new and existing customers. We intend to further increase our number of direct sales professionals.

We believe that there is significant competition for sales personnel with the skills and technical knowledge that we require. Our ability to achieve significant revenue growth will depend, in large part, on our success in recruiting, training and retaining sufficient numbers of direct sales personnel to support our growth. New hires require significant training and may take significant time before they achieve full productivity. Our recent hires and planned hires may not become productive as quickly as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals in the markets where we do business or plan to do business. In addition, as we continue to grow rapidly, a large percentage of our sales force will be new to our company and our products, which may adversely affect our sales if we cannot train our sales force quickly or effectively. Attrition rates may increase and we may face integration challenges as we continue to seek to aggressively expand our sales force. If we are unable to hire and train sufficient numbers of effective sales personnel, or the sales personnel are not successful in obtaining new customers or increasing sales to our existing customer base, our business will be adversely affected.

If we cannot maintain our corporate culture as we grow, we could lose the innovation, teamwork, passion and focus on execution that we believe contribute to our success, and our business may be harmed.

We believe that our corporate culture has been a critical component to our success. We have invested substantial time and resources in building our team. As we grow and mature as a public company, we may find it difficult to maintain our corporate culture. Any failure to preserve our culture could negatively affect our future success, including our ability to recruit and retain personnel and effectively focus on and pursue our corporate objectives.

Real or perceived errors, failures or bugs in our software could adversely affect our results of operations and growth prospects.

Because our software is complex, undetected errors, failures or bugs may occur, especially when new versions or updates are released. Our software is often installed and used in large-scale computing environments with different operating systems, system management software, and equipment and networking configurations, which may cause errors or failures of our software or other aspects of the computing environment into which it is deployed. In addition, deployment of our software into computing environments may expose undetected errors, compatibility issues, failures or bugs in our software. Despite testing by us, errors, failures or bugs may not be found in our software until it is released to our customers. Moreover, our customers could incorrectly implement or inadvertently misuse our software, which could result in customer dissatisfaction and adversely impact the perceived utility of our products as well as our brand. Any of these real or perceived errors, compatibility issues, failures or bugs in our software could result in negative publicity, reputational harm, loss of or delay in market acceptance of our software, loss of competitive position or claims by customers for losses sustained by them. In such an event, we may be required, or may choose, for customer relations or other reasons, to expend additional resources in order to help correct the problem. Alleviating any of these problems could require significant expenditures of our capital and other resources and could cause interruptions, delays or cessation of our licensing, which could cause us to lose existing or potential customers and could adversely affect our results of operations and growth prospects.

Interruptions or performance problems, including any caused by cyber-attacks or associated with our technology and infrastructure, may adversely affect our business and results of operations.

We have in the past experienced, and may in the future experience, performance issues due to a variety of factors, including infrastructure changes, human or software errors, website or third-party hosting disruptions or capacity constraints due to a number of potential causes including technical failures, cyber-attacks, security vulnerabilities, natural disasters or fraud. If our security is compromised, our website is unavailable or our users are unable to download our software within a reasonable amount of time or at all, our business could be negatively affected. Moreover, if our security measures, products or services are subject to cyber-attacks that degrade or deny the ability of users to access our website, Tableau Online, or other products or services, our products or services may be perceived as unsecure and we may incur significant legal and financial exposure. In particular, our cloud-based products, Tableau Online and Tableau Public, may be especially vulnerable to interruptions, performance problems or cyber-attacks. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. These cloud-based products are hosted at third-party data centers that are not under our direct control. If these data centers were to be damaged or suffer disruption, our ability to provide these products to our customers could be impaired and our reputation could be harmed.

In addition, it may become increasingly difficult to maintain and improve our website performance, especially during peak usage times and as our software becomes more complex and our user traffic increases. Adverse consequences could include unanticipated system disruptions, slower response times, degradation in level of customer support, and impaired quality of users' experiences, and could result in customer dissatisfaction and the loss of existing customers. We expect to continue to make significant investments to maintain and improve website performance and security and to enable rapid and secure releases of new features and applications for our software. To the extent that we do not effectively address capacity constraints, upgrade our systems as needed and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business and results of operations may be adversely affected.

We also rely on SaaS technologies from third parties in order to operate critical functions of our business, including financial management services from NetSuite Inc. and customer relationship management services from Salesforce. If these services become unavailable due to extended outages or interruptions, security vulnerabilities or cyber-attacks, or because they are no longer available on commercially reasonably terms or prices, our expenses could increase, our ability to manage these critical functions could be interrupted and our processes for managing sales of our software and supporting our customers could be impaired until equivalent services, if available, are identified, obtained and implemented, all of which could adversely affect our business.

Breaches in our security, cyber-attacks or other cyber-risks could expose us to significant liability and cause our business and reputation to suffer.

Our operations involve transmission and processing of our customers' confidential, proprietary and sensitive information including, in some cases, personally identifiable information and credit card information. We have legal and contractual obligations to protect the confidentiality and appropriate use of customer data. Despite our security measures, our information technology and infrastructure may be vulnerable to attacks as a result of third party action, employee error or misconduct. Security risks, including but not limited to, unauthorized use or disclosure of customer data, theft of proprietary information, denial of service attacks, loss or corruption of customer data, and computer hacking attacks or other cyber-attacks, could expose us to substantial litigation expenses and damages, indemnity and other contractual obligations, government fines and penalties, mitigation expenses and other liabilities. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until successfully launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. If an actual or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed, we could lose potential sales and existing customers, our ability to operate our business could be impaired, and we may incur significant liabilities.

Our failure to adequately protect personal information could have a material adverse effect on our business.

A wide variety of local, state, national, and international laws, directives and regulations apply to the collection, use, retention, protection, disclosure, transfer, and other processing of personal data. These data protection and privacy-related laws and regulations continue to evolve and may result in ever-increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions and increased costs of compliance. Our failure to comply with applicable laws and regulations, or to protect such data, could result in enforcement action against us, including fines, imprisonment of company officials and public censure, claims for damages by end-customers and other affected individuals, damage to our reputation and loss of goodwill (both in relation to existing end-customers and prospective end-customers), any of which could have a material adverse effect on our operations, financial performance, and business. Changing definitions of personal data and personal information, within the European Union, the United States, and elsewhere, especially relating to classification of IP addresses, machine identification, location data, and other information, may limit or inhibit our ability to operate or expand our business, including limiting strategic partnerships that may involve the sharing of data.

Our products use third-party software and services that may be difficult to replace or cause errors or failures of our products that could lead to a loss of customers or harm to our reputation and our operating results.

We license third-party software and depend on services from various third parties for use in our products. In the future, this software or these services may not be available to us on commercially reasonable terms, or at all. Any loss of the right to use any of the software or services could result in decreased functionality of our products until equivalent technology is either developed by us or, if available from another provider, is identified, obtained and integrated, which could harm our business. In addition, any errors or defects in or failures of the third-party software or services could result in errors or defects in our products or cause our products to fail, which could harm our business and be costly to correct. Many of these providers attempt to impose limitations on their liability for such errors, defects or failures, and if enforceable, we may have additional liability to our customers or third-party providers that could harm our reputation and increase our operating costs.

We will need to maintain our relationships with third-party software and service providers, and to obtain software and services from such providers that do not contain any errors or defects. Any failure to do so could adversely impact our ability to deliver effective products to our customers and could harm our operating results.

If customers demand products that provide business analytics via a SaaS business model, our business could be adversely affected.

We believe that companies have begun to expect that key software be provided through a SaaS model. We anticipate using our current cash or future cash flows to fund further development of our Tableau Online product, and we may encounter difficulties that cause our costs to exceed our current expectations. Moreover, as demand increases, we will need to make additional investments in related infrastructure such as server farms, data centers, network bandwidth and technical operations personnel. All of these investments could negatively affect our operating results. Even if we make these investments, we may be unsuccessful in achieving significant market acceptance of this product. Moreover, sales of a potential future SaaS offering by our competitors could adversely affect sales of all of our existing products. In addition, increasing sales of our SaaS offering could cannibalize license sales of our on-premise desktop and server products to our existing and prospective customers, which could negatively impact our overall sales growth. The migration of our customers to a SaaS model would also change the manner in which we recognize revenue, which could adversely affect our operating results and business operations.

Our success depends on our ability to maintain and expand our indirect sales channels.

Historically, we have used indirect sales channel partners, such as original equipment manufacturers, technology partners, systems integrators and resellers, to a limited degree. Indirect sales channel partners are becoming an increasingly important aspect of our business, particularly with regard to enterprise and international sales. Our future growth in revenues and profitability depends in part on our ability to identify, establish and retain successful channel partner relationships in the United States and internationally, which will take significant time and resources and involve significant risk.

We cannot be certain that we will be able to identify suitable indirect sales channel partners. To the extent we do identify such partners, we will need to negotiate the terms of a commercial agreement with them under which the partner would distribute our products. We cannot be certain that we will be able to negotiate commercially-attractive terms with any channel partner, if at all. In addition, all channel partners must be trained to distribute our products. In order to develop and expand our distribution channel, we must develop and improve our processes for channel partner introduction and training.

We also cannot be certain that we will be able to maintain successful relationships with any channel partners. These channel partners may not have an exclusive relationship with us, and may offer customers the products of several different companies, including products that compete with ours. With or without an exclusive relationship, we cannot be certain that they will prioritize or provide adequate resources for selling our products. A lack of support by any of our channel partners may harm our ability to develop, market, sell or support our products, as well as harm our brand. There can be no assurance that our channel partners will comply with the terms of our commercial agreements with them or will continue to work with us when our commercial agreements with them expire or are up for renewal. If we are unable to maintain our relationships with these channel partners, or these channel partners fail to live up to their contractual obligations, our business, results of operations and financial condition could be harmed.

Our long-term growth depends in part on being able to expand internationally on a profitable basis.

Historically, we have generated a substantial majority of our revenues from customers inside the United States and Canada. For example, approximately 75% of our total revenues in the year ended December 31, 2015 was derived from sales within the United States and Canada. We plan to continue to expand our international operations as part of our growth strategy. Our international operations subject us to a variety of risks and challenges, including:

- increased management, travel, infrastructure, legal compliance and regulation costs associated with having multiple international operations;
- management communication and integration problems resulting from geographic dispersion and language and cultural differences;
- sales and customer service challenges associated with operating in different countries;
- increased reliance on indirect sales channel partners outside the United States;
- longer payment cycles and difficulties in collecting accounts receivable or satisfying revenue recognition criteria, especially in emerging markets;
- increased financial accounting and reporting burdens and complexities;
- general economic or political conditions in each country or region;
- economic uncertainty around the world and adverse effects arising from economic interdependencies across countries and regions;
- compliance with foreign laws and regulations and the risks and costs of non-compliance with such laws and regulations;
- compliance with laws and regulations for foreign operations, including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, import and export control laws, tariffs, trade barriers, economic sanctions and other regulatory or contractual limitations on our ability to sell our software in certain foreign markets, and the risks and costs of non-compliance;
- heightened risks of unfair or corrupt business practices in certain geographies and of improper or fraudulent sales arrangements that may impact financial results and result in restatements of financial statements and irregularities in financial statements;
- fluctuations in currency exchange rates and related effects on our results of operations;
- difficulties in transferring or, if we determine to do so, repatriating funds from or converting currencies in certain countries;
- the need for localized software and licensing programs;
- reduced protection for intellectual property rights in certain countries and practical difficulties and costs of enforcing rights abroad; and
- compliance with the laws of numerous foreign taxing jurisdictions and overlapping of different tax regimes.

Any of these risks could adversely affect our international operations, reduce our international revenues or increase our operating costs, adversely affecting our business, results of operations and financial condition and growth prospects.

For example, compliance with laws and regulations applicable to our international operations increases our cost of doing business in foreign jurisdictions. We may be unable to keep current with changes in government requirements as they change from time to time. Failure to comply with these regulations could have adverse effects on our business. In addition, in many foreign countries it is common for others to engage in business practices that are prohibited by our internal policies and procedures or U.S. laws and regulations applicable to us. As we grow, we continue to implement compliance procedures designed to prevent violations of these laws and regulations. There can be no assurance that all of our employees, contractors, indirect sales channel partners and agents will comply with the formal policies we will implement, or applicable laws and regulations. Violations of laws or key control policies by our employees, contractors, channel partners or agents could result in delays in revenue recognition, financial reporting misstatements, fines, penalties, or the prohibition of the importation or exportation of our software and services and could have a material adverse effect on our business and results of operations.

We are obligated to develop and maintain proper and effective internal control over financial reporting. These internal controls may not be determined to be effective, which may adversely affect investor confidence in our company and, as a result, the value of our Class A common stock.

We are required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting on an annual basis. This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. We are also required to have our independent registered public accounting firm issue an opinion on the effectiveness of our internal control over financial reporting on an annual basis. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective.

If we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, which could cause the price of our common stock to decline, and we may be subject to investigation or sanctions by the Securities and Exchange Commission ("SEC").

Our business is highly dependent upon our brand recognition and reputation, and the failure to maintain or enhance our brand recognition or reputation would likely adversely affect our business and results of operations.

We believe that maintaining and enhancing the Tableau brand identity and our reputation are critical to our relationships with our customers and channel partners and to our ability to attract new customers and channel partners. We also believe that the importance of our brand recognition and reputation will continue to increase as competition in our market continues to develop. Our success in this area will depend on a wide range of factors, some of which are beyond our control, including the following:

- the efficacy of our marketing efforts;
- our ability to continue to offer high-quality, innovative and error- and bug-free products;
- our ability to retain existing customers and obtain new customers;
- our ability to maintain high customer satisfaction;
- the quality and perceived value of our products;
- our ability to successfully differentiate our products from those of our competitors;
- actions of our competitors and other third parties;
- our ability to provide customer support and professional services;
- any misuse or perceived misuse of our products;
- positive or negative publicity;
- interruptions, delays or attacks on our website; and
- litigation- or regulatory-related developments.

Our brand promotion activities may not be successful or yield increased revenues.

Independent industry analysts often provide reviews of our products, as well as those of our competitors, and perception of our products in the marketplace may be significantly influenced by these reviews. If these reviews are negative, or less positive as compared to those of our competitors' products and services, our brand may be adversely affected.

Furthermore, negative publicity, whether or not justified, relating to events or activities attributed to us, our employees, our partners or others associated with any of these parties, may tarnish our reputation and reduce the value of our brand. Damage to our reputation and loss of brand equity may reduce demand for our products and have an adverse effect on our business, operating results and financial condition. Moreover, any attempts to rebuild our reputation and restore the value of our brand may be costly and time consuming, and such efforts may not ultimately be successful.

Economic uncertainties or downturns could materially adversely affect our business.

Current or future economic uncertainties or downturns could adversely affect our business and results of operations. Negative conditions in the general economy both in the United States and abroad, including conditions resulting from changes in gross domestic product growth, the continued sovereign debt crisis, potential future government shutdowns, the federal government's failure to raise the debt ceiling, financial and credit market fluctuations, political deadlock, natural catastrophes, warfare and terrorist attacks on the United States, Europe, the Asia Pacific region or elsewhere, could cause a decrease in business investments, including corporate spending on business analytics software in general and negatively affect the rate of growth of our business.

The inability of legislators to pass additional short- or longer-term spending bills could lead to additional shutdowns or other disruptions. In addition, general worldwide economic conditions have experienced a significant downturn and continue to remain unstable. These conditions make it extremely difficult for our customers and us to forecast and plan future business activities accurately, and they could cause our customers to reevaluate their decisions to purchase our products, which could delay and lengthen our sales cycles or result in cancellations of planned purchases. Furthermore, during challenging economic times our customers may tighten their budgets and face issues in gaining timely access to sufficient credit, which could result in an impairment of their ability to make timely payments to us. In turn, we may be required to increase our allowance for doubtful accounts, which would adversely affect our financial results.

To the extent purchases of our software are perceived by customers and potential customers to be discretionary, our revenues may be disproportionately affected by delays or reductions in general information technology spending. Also, customers may choose to develop in-house software as an alternative to using our products. Moreover, competitors may respond to market conditions by lowering prices and attempting to lure away our customers. In addition, the increased pace of consolidation in certain industries may result in reduced overall spending on our software.

We cannot predict the timing, strength or duration of any economic slowdown, instability or recovery, generally or within any particular industry. If the economic conditions of the general economy or industries in which we operate do not improve, or worsen from present levels, our business, results of operations, financial condition and cash flows could be adversely affected.

If currency exchange rates fluctuate substantially in the future, the results of our operations, which are reported in U.S. dollars, could be adversely affected.

As we continue to expand our international operations, we become more exposed to the effects of fluctuations in currency exchange rates. Although we expect an increasing number of sales contracts to be denominated in currencies other than the U.S. dollar in the future, the majority of our sales contracts have historically been denominated in U.S. dollars, and therefore most of our revenues have not been subject to foreign currency risk. However, a strengthening of the U.S. dollar could increase the real cost of our software to our customers outside of the United States, which could adversely affect our business, results of operations, financial condition and cash flows. In addition, we incur expenses for employee compensation and other operating expenses at our non-U.S. locations in the local currency. Fluctuations in the exchange rates between the U.S. dollar and other currencies could result in the dollar equivalent of such expenses being higher. This could have a negative impact on our reported results of operations. Although we may in the future decide to undertake foreign exchange hedging transactions to cover a portion of our foreign currency exchange exposure, we currently do not hedge our exposure to foreign currency exchange risks.

Failure to protect our intellectual property rights could adversely affect our business.

Our success depends, in part, on our ability to protect proprietary methods and technologies that we develop or license under patent and other intellectual property laws of the United States, so that we can prevent others from using our inventions and proprietary information. If we fail to protect our intellectual property rights adequately, our competitors might gain access to our technology, and our business might be adversely affected. However, defending our intellectual property rights might entail significant expenses. Any of our patent rights, copyrights, trademarks or other intellectual property rights may be challenged by others, weakened or invalidated through administrative process or litigation.

As of December 31, 2015 , we had 16 issued U.S. patents covering our technology and 35 patent applications pending for examination in the United States. The patents that we own or license from others (including those that have issued or may issue in the future) may not provide us with any competitive advantages or may be challenged by third parties, and our patent applications may never be granted.

Additionally, the process of obtaining patent protection is expensive and time-consuming, and we may not be able to prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. Even if issued, there can be no assurance that these patents will adequately protect our intellectual property, as the legal standards relating to the validity, enforceability and scope of protection of patent and other intellectual property rights are uncertain.

Any patents that are issued may subsequently be invalidated or otherwise limited, allowing other companies to develop offerings that compete with ours, which could adversely affect our competitive business position, business prospects and financial condition. In addition, issuance of a patent does not guarantee that we have a right to practice the patented invention. Patent applications in the United States are typically not published until 18 months after filing or, in some cases, not at all, and publications of discoveries in industry-related literature lag behind actual discoveries. We cannot be certain that third parties do not have blocking patents that could be used to prevent us from marketing or practicing our patented software or technology.

Effective patent, trademark, copyright and trade secret protection may not be available to us in every country in which our software is available. The laws of some foreign countries may not be as protective of intellectual property rights as those in the United States (in particular, some foreign jurisdictions do not permit patent protection for software), and mechanisms for enforcement of intellectual property rights may be inadequate. Additional uncertainty may result from changes to intellectual property legislation enacted in the United States, including the recent America Invents Act, and other national governments and from interpretations of the intellectual property laws of the United States and other countries by applicable courts and agencies. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property.

We rely in part on trade secrets, proprietary know-how and other confidential information to maintain our competitive position. Although we endeavor to enter into non-disclosure agreements with our employees, licensees and others who may have access to this information, we cannot assure you that these agreements or other steps we have taken will prevent unauthorized use, disclosure or reverse engineering of our technology. Moreover, third parties may independently develop technologies or products that compete with ours, and we may be unable to prevent this competition.

We might be required to spend significant resources to monitor and protect our intellectual property rights. We may initiate claims or litigation against third parties for infringement of our proprietary rights or to establish the validity of our proprietary rights. Litigation also puts our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing. Additionally, we may provoke third parties to assert counterclaims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially viable. Any litigation, whether or not resolved in our favor, could result in significant expense to us and divert the efforts of our technical and management personnel, which may adversely affect our business, results of operations, financial condition and cash flows.

We may be subject to intellectual property rights claims by third parties, which are extremely costly to defend, could require us to pay significant damages and could limit our ability to use certain technologies.

Companies in the software and technology industries, including some of our current and potential competitors, own large numbers of patents, copyrights, trademarks and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. In addition, many of these companies have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. The litigation may involve patent holding companies or other adverse patent owners that have no relevant product revenues and against which our patents may therefore provide little or no deterrence. We have received, and may in the future receive, notices that claim we have misappropriated, misused, or infringed other parties' intellectual property rights, and, to the extent we gain greater market visibility, we face a higher risk of being the subject of intellectual property infringement claims, which is not uncommon with respect to the business analytics software market.

There may be third-party intellectual property rights, including issued or pending patents that cover significant aspects of our technologies or business methods. Any intellectual property claims, with or without merit, could be very time-consuming, could be expensive to settle or litigate and could divert our management's attention and other resources. These claims could also subject us to significant liability for damages, potentially including treble damages if we are found to have willfully infringed patents or copyrights. These claims could also result in our having to stop using technology found to be in violation of a third party's rights. We might be required to seek a license for the intellectual property, which may not be available on reasonable terms or at all. Even if a license were available, we could be required to pay significant royalties, which would increase our operating expenses. As a result, we may be required to develop alternative non-infringing technology, which could require significant effort and expense. If we cannot license or develop technology for any infringing aspect of our business, we would be forced to limit or stop sales of our software and may be unable to compete effectively. Any of these results would adversely affect our business, results of operations, financial condition and cash flows.

Our use of open source software could negatively affect our ability to sell our software and subject us to possible litigation.

We use open source software in our software and expect to continue to use open source software in the future. We may face claims from others claiming ownership of, or seeking to enforce the license terms applicable to such open source software, including by demanding release of the open source software, derivative works or our proprietary source code that was developed using such software. These claims could also result in litigation, require us to purchase a costly license or require us to devote additional research and development resources to change our software, any of which would have a negative effect on our business and results of operations. In addition, if the license terms for the open source code change, we may be forced to re-engineer our software or incur additional costs. Finally, we cannot assure you that we have not incorporated open source software into our software in a manner that may subject our proprietary software to an open source license that requires disclosure, to customers or the public, of the source code to such proprietary software. Any such disclosure would have a negative effect on our business and the value of our software.

We may be subject to litigation for a variety of claims, which could adversely affect our results of operations, harm our reputation or otherwise negatively impact our business.

In addition to intellectual property litigation, we may be subject to other claims arising from our normal business activities. These may include claims, suits, and proceedings involving labor and employment, wage and hour, commercial, alleged securities laws violations or other investor claims and other matters. The outcome of any litigation, regardless of its merits, is inherently uncertain. Any claims and lawsuits, and the disposition of such claims and lawsuits, could be time-consuming and expensive to resolve, divert management attention and resources, and lead to attempts on the part of other parties to pursue similar claims. Any adverse determination related to litigation could require us to change our technology or our business practices, pay monetary damages or enter into royalty or licensing arrangements, which could adversely affect our results of operations and cash flows, harm our reputation or otherwise negatively impact our business.

Our success depends in part on maintaining and increasing our sales to customers in the public sector.

We derive a portion of our revenues from contracts with federal, state, local and foreign governments and agencies, and we believe that the success and growth of our business will continue to depend on our successful procurement of government contracts. Selling to government entities can be highly competitive, expensive and time consuming, often requiring significant upfront time and expense without any assurance that our efforts will produce any sales. Factors that could impede our ability to maintain or increase the amount of revenues derived from government contracts include:

- changes in fiscal or contracting policies;
- decreases in available government funding;
- changes in government programs or applicable requirements;
- the adoption of new laws or regulations or changes to existing laws or regulations;
- potential delays or changes in the government appropriations or other funding authorization processes;
- governments and governmental agencies requiring contractual terms that are unfavorable to us, such as most-favored-nation pricing provisions; and
- delays in the payment of our invoices by government payment offices.

The occurrence of any of the foregoing could cause governments and governmental agencies to delay or refrain from purchasing our software in the future or otherwise have an adverse effect on our business, results of operations, financial condition and cash flows.

Further, to increase our sales to customers in the public sector, we must comply with laws and regulations relating to the formation, administration, performance and pricing of contracts with the public sector, including U.S. federal, state and local governmental bodies, which affect how we and our channel partners do business in connection with governmental agencies. These laws and regulations may impose added costs on our business, and failure to comply with these laws and regulations or other applicable requirements, including non-compliance in the past, could lead to claims for damages from our channel partners or government customers, penalties, termination of contracts, loss of intellectual property rights and temporary suspension or permanent debarment from government contracting. Any such damages, penalties, disruptions or limitations in our ability to do business with the public sector could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Future acquisitions could disrupt our business and adversely affect our results of operations, financial condition and cash flows.

We may choose to expand by making acquisitions that could be material to our business, results of operations, financial condition and cash flows. Our ability as an organization to successfully acquire and integrate technologies or businesses is unproven. Acquisitions involve many risks, including the following:

- an acquisition may negatively affect our results of operations, financial condition or cash flows because it may require us to incur charges or assume substantial debt or other liabilities, may cause adverse tax consequences or unfavorable accounting treatment, including potential write- downs of deferred revenues, may expose us to claims and disputes by third parties, including intellectual property claims and disputes, or may not generate sufficient financial return to offset additional costs and expenses related to the acquisition;
- we may encounter difficulties or unforeseen expenditures in integrating the business, technologies, products, personnel or operations of any company that we acquire, particularly if key personnel of the acquired company decide not to work for us;
- an acquisition may disrupt our ongoing business, divert resources, increase our expenses and distract our management;
- an acquisition may result in a delay or reduction of customer purchases for both us and the company we acquired due to customer uncertainty about continuity and effectiveness of service from either company;
- we may encounter difficulties in, or may be unable to, successfully sell any acquired products;
- an acquisition may involve the entry into geographic or business markets in which we have little or no prior experience or where competitors have stronger market positions;
- challenges inherent in effectively managing an increased number of employees in diverse locations;
- the potential strain on our financial and managerial controls and reporting systems and procedures;
- potential known and unknown liabilities or deficiencies associated with an acquired company that were not identified in advance;
- our use of cash to pay for acquisitions would limit other potential uses for our cash and affect our liquidity;
- if we incur debt to fund such acquisitions, such debt may subject us to material restrictions on our ability to conduct our business as well as financial maintenance covenants;
- the risk of impairment charges related to potential write-downs of acquired assets or goodwill in future acquisitions;
- to the extent that we issue a significant amount of equity or convertible debt securities in connection with future acquisitions, existing stockholders may be diluted and earnings per share may decrease; and
- managing the varying intellectual property protection strategies and other activities of an acquired company.

We may not succeed in addressing these or other risks or any other problems encountered in connection with the integration of any acquired business. The inability to integrate successfully the business, technologies, products, personnel or operations of any acquired business, or any significant delay in achieving integration, could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We may require additional capital to fund our business and support our growth, and our inability to generate and obtain such capital on acceptable terms, or at all, could harm our business, operating results, financial condition and prospects.

We intend to continue to make substantial investments to fund our business and support our growth. In addition, we may require additional funds to respond to business challenges, including the need to develop new features or enhance our software, improve our operating infrastructure or acquire or develop complementary businesses and technologies. As a result, we may need to engage in equity or debt financings to provide the funds required for these and other business endeavors. If we raise additional funds through future issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Any debt financing that we may secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. We may not be able to obtain such additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired, and our business may be adversely affected. In addition, our inability to generate or obtain the financial resources needed may require us to delay, scale back, or eliminate some or all of our operations, which may have a material adverse effect on our business, operating results, financial condition and prospects.

Governmental export or import controls could limit our ability to compete in foreign markets and subject us to liability if we violate them.

Our products are subject to U.S. export controls, and we incorporate encryption technology into certain of our products. These products and the underlying technology may be exported only with the required export authorizations, including by license, a license exception or other appropriate government authorizations. U.S. export controls may require submission of an encryption registration, product classification and annual or semi-annual reports. Governmental regulation of encryption technology and regulation of imports or exports of encryption products, or our failure to obtain required import or export authorization for our products, when applicable, could harm our international sales and adversely affect our revenues. Compliance with applicable regulatory requirements regarding the export of our products, including with respect to new releases of our software, may create delays in the introduction of our product releases in international markets, prevent our customers with international operations from deploying our products or, in some cases, prevent the export of our products to some countries altogether. Furthermore, U.S. export control laws and economic sanctions prohibit the shipment of certain products and services to countries, governments and persons targeted by U.S. sanctions. If we fail to comply with export and import regulations and such economic sanctions, we may be fined or other penalties could be imposed, including a denial of certain export privileges. Moreover, any new export or import restrictions, new legislation or shifting approaches in the enforcement or scope of existing regulations, or in the countries, persons or technologies targeted by such regulations, could result in decreased use of our products by, or in our decreased ability to export or sell our products to, existing or potential customers with international operations. Any decreased use of our products or limitation on our ability to export or sell our products would likely adversely affect our business, financial condition and results of operations.

We may have additional tax liabilities, which could harm our business, operating results, financial condition and prospects.

Significant judgments and estimates are required in determining the provision for income taxes and other tax liabilities. Our tax expense may be impacted if our intercompany transactions, which are required to be computed on an arm's-length basis, are challenged and successfully disputed by the taxing authorities. Also, our tax expense could be impacted depending on the applicability of withholding taxes and other indirect taxes on software licenses and related intercompany transactions in certain jurisdictions. In determining the adequacy of income taxes, we assess the likelihood of adverse outcomes that could result if our tax positions were challenged by the Internal Revenue Service ("IRS"), and other taxing authorities. The taxing authorities in the United States and other countries where we do business regularly examine our income and other tax returns. The ultimate outcome of any tax examination cannot be predicted with certainty. Should the IRS or other taxing authorities assess additional taxes as a result of an examination, we may be required to record charges to our operations.

The enactment of legislation implementing changes in the U.S. taxation of international business activities or the adoption of other tax reform policies could materially impact our financial position and results of operations.

Any changes to or the reform of current U.S. tax laws that may be enacted in the future could impact the tax treatment of our foreign earnings. While the Company currently has no accumulated foreign earnings, due to the growth of our international operations this could change on a go forward basis. In addition, due to the expansion of our international business activities, any changes in the U.S. taxation of such activities may increase our worldwide effective tax rate and adversely affect our financial position and results of operations.

Our international operations subject us to potentially adverse tax consequences.

We generally conduct our international operations through wholly-owned subsidiaries, branches and representative offices and report our taxable income in various jurisdictions worldwide based upon our business operations in those jurisdictions. Our corporate structure is aligned with our international operations, with many of our international subsidiaries held by our wholly-owned subsidiary in Ireland, which provides order processing and technical and administrative support to all of our international operations, except for those in Canada and Japan. Such corporate structures are subject to complex transfer pricing regulations administered by taxing authorities in various jurisdictions. The relevant taxing authorities may disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a disagreement were to occur, and our positions were not sustained, we could be required to pay additional taxes, interest and penalties, resulting in higher effective tax rates, reduced cash flows and lower overall profitability of our operations. Additionally, our future worldwide tax rate and financial position may be affected by changes in the relevant tax laws, interpretation of such tax laws or the influence of certain tax policy efforts of the European Union and the Organization for Economic Co-operation and Development (OECD) .

Natural or man-made disasters and other similar events may significantly disrupt our business, and negatively impact our results of operations and financial condition.

Any of our facilities may be harmed or rendered inoperable by natural or man-made disasters, including earthquakes, tornadoes, hurricanes, wildfires, floods, nuclear disasters, acts of terrorism or other criminal activities, infectious disease outbreaks, and power outages, which may render it difficult or impossible for us to operate our business for some period of time. For example, we host our Tableau Online and Tableau Public products from a data center located in the San Francisco Bay Area, a region known for seismic activity. Our facilities would likely be costly to repair or replace, and any such efforts would likely require substantial time. Any disruptions in our operations could negatively impact our business and results of operations, and harm our reputation. In addition, we may not carry business insurance or may not carry sufficient business insurance to compensate for losses that may occur. Any such losses or damages could have a material adverse effect on our business, results of operations and financial condition. In addition, the facilities of significant customers or major strategic partners may be harmed or rendered inoperable by such natural or man-made disasters, which may cause disruptions, difficulties or material adverse effects on our business.

Changes in financial accounting standards may cause adverse and unexpected revenue fluctuations and impact our reported results of operations.

A change in accounting standards or practices could harm our operating results and may even affect our reporting of transactions completed before the change is effective. New accounting pronouncements, such as Accounting Standards Update 2014-09 related to revenue recognition, and varying interpretations of accounting pronouncements have occurred and may occur in the future. Changes to existing rules or the questioning of current practices may harm our operating results or the way we conduct our business.

Risks Related to Ownership of Our Class A Common Stock

Our stock price has been and will likely continue to be volatile or may decline regardless of our operating performance, resulting in the potential for substantial losses for our stockholders.

The trading price for shares of our Class A common stock has been, and is likely to continue to be, volatile for the foreseeable future. For example, since shares of our Class A common stock were sold in our initial public offering in May 2013 at a price of $31.00 per share, our Class A common stock's daily closing price on the New York Stock Exchange has ranged from $37.22 to $128.74 through February 23, 2016 . On February 23, 2016 , the closing price of our Class A common stock was $40.84.

The market price of our common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including the factors listed below and other factors described in this "Risk Factors" section:

- actual or anticipated fluctuations in our results of operations;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of our company, changes in financial estimates by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- ratings changes by any securities analysts who follow our company;
- announcements by us or our competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures or capital commitments;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole;
- changes in our board of directors or management;
- sales of large blocks of our common stock, including sales by our executive officers, directors and significant stockholders;
- lawsuits threatened or filed against us;
- short sales, hedging and other derivative transactions involving our capital stock;
- general economic conditions in the United States and abroad; and
- other events or factors, including those resulting from war, incidents of terrorism or responses to these events.

In addition, stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology companies. Stock prices of many technology companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business and adversely affect our business, results of operations, financial condition and cash flows.

Substantial future sales of shares of our Class A common stock could cause the market price of our Class A common stock to decline.

Sales of a substantial number of shares of our Class A common stock into the public market, or the perception that these sales might occur, could depress the market price of our Class A common stock and could impair our ability to raise capital through the sale of additional equity securities. We are unable to predict the effect that such sales may have on the prevailing market price of our common stock.

In addition, as of December 31, 2015 , we had options outstanding that, if fully exercised, would result in the issuance of approximately 6.0 million shares of Class A and Class B common stock. Our Class B common stock converts into Class A common stock on a one-for-one basis. All of the shares of Class A common stock issuable upon the exercise of options (or upon conversion of shares of Class B common stock issued upon the exercise of options) have been registered for public resale under the Securities Act of 1933, as amended (the "Securities Act"). Accordingly, these shares will be able to be freely sold in the public market upon issuance as permitted by any applicable vesting requirements.

As of December 31, 2015 , holders of approximately 2.0 million shares of Class A and Class B common stock have rights, subject to some conditions, to require us to file registration statements for the public resale of such shares (in the case of Class B common stock, the Class A common stock issuable upon conversion of such shares) or to include such shares in registration statements that we may file for Tableau or other stockholders.

Future sales and issuances of our capital stock or rights to purchase capital stock could result in dilution of the percentage ownership of our stockholders and could cause our stock price to decline.

We may issue additional securities in the future. Future sales and issuances of our capital stock or rights to purchase our capital stock could result in substantial dilution to our existing stockholders. We may sell Class A common stock, convertible securities and other equity securities in one or more transactions at prices and in a manner as we may determine from time to time. If we sell any such securities in subsequent transactions, investors may be materially diluted. New investors in such subsequent transactions could gain rights, preferences and privileges senior to those of holders of our Class A common stock.

If securities or industry analysts do not publish research or reports about our business, or publish negative reports about our business, our share price and trading volume could decline.

The trading market for our Class A common stock depends in part on the research and reports that securities or industry analysts publish about us or our business, our market and our competitors. We do not have any control over these analysts or their expectations regarding our performance on a quarterly or annual basis. If one or more of the analysts who cover us downgrade our shares or change their opinion of our shares, our share price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

The dual class structure of our common stock and the existing ownership of capital stock by our executive officers, directors and their affiliates have the effect of concentrating voting control with our executive officers, directors and their affiliates for the foreseeable future, which will limit the ability of our other investors to influence corporate matters.

Our Class B common stock has ten votes per share and our Class A common stock has one vote per share. As of December 31, 2015 , the holders of shares of Class B common stock collectively beneficially owned shares representing approximately 78% of the voting power of our outstanding capital stock. Our executive officers and directors and their affiliates collectively beneficially owned shares representing a substantial majority of the voting power of our outstanding capital stock as of that date. Consequently, the holders of Class B common stock, including our executive officers and directors and their affiliates, collectively control all matters submitted to our stockholders for approval. This concentrated control limits the ability of our other investors to influence corporate matters for the foreseeable future. For example, these stockholders control elections of directors, amendments of our certificate of incorporation or bylaws, increases to the number of shares available for issuance under our equity incentive plans or adoption of new equity incentive plans, and approval of any merger or sale of assets for the foreseeable future. This control may adversely affect the market price of our Class A common stock.

Future transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, which will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long-term, which may include our executive officers and directors and their affiliates.

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain additional executive management and qualified board members.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Act, the listing requirements of the New York Stock Exchange and other applicable securities rules and regulations. Compliance with these rules and regulations has increased our legal and financial compliance costs and will make some activities more difficult, time-consuming or costly and increase demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and results of operations. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business and results of operations. Although we have already hired additional employees to comply with these requirements, we may need to hire more employees in the future or engage outside consultants, which will increase our costs and expenses.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be adversely affected.

Being a public company and these new rules and regulations have made it more expensive for us to obtain director and officer liability insurance, and in the future we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers.

As a result of disclosure of information in our filings with the SEC our business and financial condition have become more visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and results of operations could be adversely affected, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and adversely affect our business and results of operations.

We do not intend to pay dividends for the foreseeable future.

We have never declared or paid any cash dividends on our Class A or Class B common stock and do not intend to pay any cash dividends in the foreseeable future. We anticipate that we will retain all of our future earnings for use in the development of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.

Provisions in our certificate of incorporation and bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and bylaws include provisions that:

- establish a classified board of directors so that not all members of our board of directors are elected at one time;
- permit the board of directors to establish the number of directors and fill any vacancies and newly-created directorships;
- provide that directors may only be removed for cause;
- require super-majority voting to amend some provisions in our certificate of incorporation and bylaws;
- authorize the issuance of "blank check" preferred stock that our board of directors could use to implement a stockholder rights plan;
- eliminate the ability of our stockholders to call special meetings of stockholders;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;
- provide that the board of directors is expressly authorized to make, alter or repeal our bylaws; and
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any holder of at least 15% of our capital stock for a period of three years following the date on which the stockholder became a 15% stockholder.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our principal executive offices are located in Seattle, Washington. We also have offices located in Kirkland, Washington; Palo Alto, California; Austin, Texas; Washington, D.C.; New York City, New York; Vancouver, Canada; London, United Kingdom; Beijing, China; Shanghai, China; Singapore; Tokyo, Japan; Sydney, Australia; Dublin, Ireland; Paris, France; and Frankfurt, Germany. We believe that our properties are generally suitable to meet our needs for the foreseeable future. In addition, to the extent we require additional space in the future, we believe that it would be readily available on commercially reasonable terms.

ITEM 3. LEGAL PROCEEDINGS

In the ordinary course of business, we may be involved in various legal proceedings and claims related to intellectual property rights, commercial disputes, employment and wage and hour laws, alleged securities laws violations or other investor claims and other matters. For example, we have been, and may in the future be, put on notice and sued by third parties for alleged infringement of their proprietary rights, including patent infringement. We evaluate these claims and lawsuits with respect to their potential merits, our potential defenses and counter claims, and the expected effect on us. We are not presently a party to any legal proceedings that in the opinion of our management, if determined adversely to us, would have a material adverse effect on our business, financial condition or operating results.

The outcome of any litigation, regardless of its merits, is inherently uncertain. Any claims and lawsuits, and the disposition of such claims and lawsuits, could be time-consuming and expensive to resolve, divert management attention from executing our business plan, lead to attempts on the part of other parties to make similar claims and require us to change our technology, change our business practices and pay monetary damages or enter into royalty or licensing agreements, which could materially adversely affect our financial condition or operating results.

We make a provision for a liability relating to a claim when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. When we make such provisions, they are reviewed at least quarterly and adjusted to reflect the impact of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a particular matter. In management's opinion, resolution of currently outstanding matters is not expected to have a material adverse impact on our consolidated results of operations, cash flows or financial position. However, depending on the nature and timing of any such dispute, an unfavorable resolution of the matter could materially affect our future results of operations or cash flows, or both, of a particular quarter.

ITEM 4. MINE SAFETY DISCLOSURE

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDERS MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information for Common Stock

Our Class A common stock is listed on the New York Stock Exchange under the symbol "DATA."

The following table sets forth for the indicated periods the high and low sales prices of our Class A common stock as reported by the New York Stock Exchange.

	Fiscal Year 2014	
	High	Low
First Quarter	$ 102.37	$ 66.19
Second Quarter	82.10	52.02
Third Quarter	78.42	57.89
Fourth Quarter	89.95	62.15
	Fiscal Year 2015	
	High	Low
First Quarter	$ 101.30	$ 76.01
Second Quarter	123.98	89.50
Third Quarter	131.34	76.01
Fourth Quarter	104.92	78.28

Our Class B common stock is not listed or traded on any stock exchange.

Dividend Policy

We have never declared or paid cash dividends on our capital stock. We currently intend to retain any future earnings for use in the operation of our business and do not intend to declare or pay any cash dividends in the foreseeable future. Any further determination to pay dividends on our capital stock will be at the discretion of our board of directors, subject to applicable laws, and will depend on our financial condition, results of operations, capital requirements, general business conditions and other factors that our board of directors considers relevant.

Stockholders

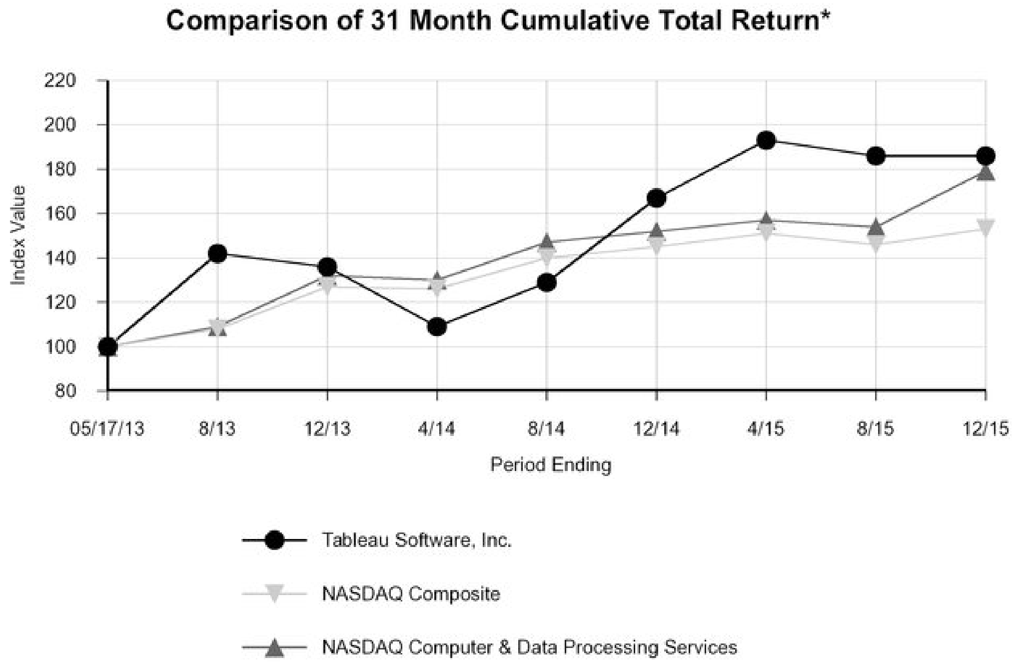
As of January 31, 2016 , there were 8 stockholders of record of our Class A common stock, including The Depository Trust Company, which holds shares of our common stock on behalf of an indeterminate number of beneficial owners, as well as 16 stockholders of record of our Class B common stock.

Stock Performance Graph

The following shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or incorporated by reference into any of our other filings under the Exchange Act or the Securities Act except to the extent we specifically incorporate it by reference into such filing.

This chart compares the cumulative total return on our common stock with that of the NASDAQ Composite Index and the NASDAQ Computer and Data Processing Services Index. The chart assumes $100 was invested at the close of market on May 17, 2013, in our Class A common stock, the NASDAQ Composite Index and the NASDAQ Computer and Data Processing Services Index, and assumes the reinvestment of any dividends. The stock price performance on the following graph is not necessarily indicative of future stock price performance.

The closing price of our Class A common stock on December 31, 2015 , the last day of our 2015 fiscal year, was $94.22 per share.



Company/Index	Base Period 5/17/13	8/31/13	12/31/13	4/30/14	8/31/14	12/31/14	4/30/15	8/31/15	12/31/15
Tableau Software, Inc.	100.00	142.48	135.82	108.91	129.04	167.01	192.79	185.56	185.66
NASDAQ Composite	100.00	108.47	127.40	125.78	140.03	144.72	151.06	145.91	153.28
NASDAQ Computer and Data Processing Services	100.00	109.23	132.34	130.42	147.35	151.97	157.16	154.26	179.11

Use of Proceeds from Public Offerings of Common Stock

On May 22, 2013, we closed our initial public offering of 9,430,000 million shares of Class A common stock, including 6,230,000 shares of Class A common stock sold by us (inclusive of 1,230,000 shares of common stock from the full exercise of the overallotment option of shares granted to the underwriters) and 3,200,000 shares of Class A common stock sold by the selling stockholders, at a price to the public of $31.00 per share. The offer and sale of all of the shares in the initial public offering were registered under the Securities Act pursuant to a registration statement on Form S-1 (File No. 333-188660), which was declared effective by the SEC on May 16, 2013. The offering commenced on May 17, 2013 and closed on May 22, 2013. Goldman, Sachs & Co., Morgan Stanley & Co. LLC, Credit Suisse Securities (USA) LLC, J.P. Morgan Securities LLC, UBS Securities LLC, BMO Capital Markets Corp. and JMP Securities LLC acted as the underwriters. The aggregate offering price for shares sold in the offering was approximately $292.3 million. We did not receive any proceeds from the sale of shares by the selling stockholders. We raised approximately $177.0 million in net proceeds from the offering, after deducting underwriter discounts and commissions of approximately $20.5 million and other offering expenses of approximately $2.6 million.

No payments were made by us to directors, officers or persons owning ten percent or more of our common stock or to their associates, or to our affiliates from the offering proceeds, other than payments in the ordinary course of business to officers for salaries. There has been no material change in the planned use of proceeds from our offering as described in our final prospectus filed with the SEC pursuant to Rule 424(b) under the Securities Act on May 20, 2013. Pending the uses described, we have invested the net proceeds in short-term, investment-grade interest-bearing securities such as money market funds.

ITEM 6. SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated historical financial data are derived from our audited financial statements. The consolidated balance sheet data as of December 31, 2015 and 2014 and the consolidated statement of operations data for the years ended December 31, 2015 , 2014 and 2013 are derived from our audited consolidated financial statements and related notes that are included elsewhere in this Form 10-K. The consolidated balance sheet data as of December 31, 2013 , 2012 and 2011 and the consolidated statement of operations for the years ended December 31, 2012 and 2011 are derived from our audited consolidated financial statements and related notes which are not included in this report. The information set forth below should be read in conjunction with our historical financial statements, including the notes thereto, and "Management's Discussion and Analysis of Financial Condition and Results of Operations," included elsewhere in this report.

	Year Ended December 31,				
	2015	2014	2013	2012	2011
	(in thousands, except per share data)				
Consolidated Statements of Operations Data:					
Revenues					
License	$ 423,766	$ 279,944	$ 159,930	$ 89,883	$ 44,414
Maintenance and services	229,821	132,672	72,510	37,850	17,946
Total revenues	653,587	412,616	232,440	127,733	62,360
Cost of revenues					
License	3,852	1,211	740	305	213
Maintenance and services	69,833	35,774	17,784	10,057	2,800
Total cost of revenues (1)	73,685	36,985	18,524	10,362	3,013
Gross profit	579,902	375,631	213,916	117,371	59,347
Operating expenses					
Sales and marketing (1)	356,723	216,672	123,573	62,333	30,363
Research and development (1)	204,131	110,923	60,769	33,065	18,387
General and administrative (1)	71,078	41,712	25,905	17,715	6,679
Total operating expenses	631,932	369,307	210,247	113,113	55,429
Operating income (loss)	(52,030)	6,324	3,669	4,258	3,918
Other income (expense), net	1,223	858	(804)	(54)	(16)
Income (loss) before income tax expense (benefit)	(50,807)	7,182	2,865	4,204	3,902
Income tax expense (benefit)	32,893	1,309	(4,211)	2,777	523
Net income (loss)	$ (83,700)	$ 5,873	$ 7,076	$ 1,427	$ 3,379
Net income (loss) per share:					
Basic	$ (1.17)	$ 0.09	$ 0.14	$ 0.00	$ 0.04
Diluted	$ (1.17)	$ 0.08	$ 0.12	$ 0.00	$ 0.04
Weighted average shares used to compute net income (loss) per share:					
Basic	71,701	67,591	50,564	33,744	33,008
Diluted	71,701	74,319	59,092	39,652	39,431

(1) Includes stock-based compensation expense as follows:

	Year Ended December 31,				
	2015	2014	2013	2012	2011
	(in thousands)				
Cost of revenues	$ 7,031	$ 2,227	$ 473	$ 107	$ 22
Sales and marketing	45,205	18,203	5,429	1,394	565
Research and development	55,269	20,794	5,832	2,115	628
General and administrative	11,963	5,794	2,723	1,180	233

	As of December 31,				
	2015	2014	2013	2012	2011
	(in thousands)				
Consolidated Balance Sheet Data:					
Cash and cash equivalents	$ 795,900	$ 680,613	$ 252,674	$ 39,302	$ 30,223
Property and equipment, net	72,350	45,627	21,338	10,346	5,564
Working capital	672,138	629,987	227,892	24,231	17,181
Total assets	1,030,711	865,662	354,927	86,992	51,277
Deferred revenue, including long-term portion	198,511	129,810	69,554	34,407	18,985
Total liabilities	296,766	193,656	110,267	57,018	31,523
Total stockholders' equity (deficit)	733,945	672,006	244,660	9,943	(277)

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes appearing elsewhere in this Annual Report. This discussion contains forward-looking statements that reflect our plans, estimates and beliefs, and involve risks and uncertainties. Our actual results and the timing of certain events could differ materially from those anticipated in these forward-looking statements as a result of several factors, including those discussed in the section titled "Risk Factors" included under Part I, Item 1A and elsewhere in this Annual Report. See "Special Note Regarding Forward-Looking Statements" in this Annual Report.

Overview

Our mission is to help people see and understand data. Our software products put the power of data into the hands of everyday people, allowing a broad population of business users to engage with their data, ask questions, solve problems and create value. Based on innovative core technologies originally developed at Stanford University, our products dramatically reduce the complexity, inflexibility and expense associated with traditional business intelligence applications. We currently offer five key products: Tableau Desktop, a self-service, powerful analytics product for anyone with data; Tableau Server, a business intelligence platform for organizations; Tableau Online, a hosted SaaS version of Tableau Server; Tableau Public, a free cloud-based platform for analyzing and sharing public data; and Vizable, a free iOS application used to easily analyze data on a tablet.

We have sought to rapidly improve the capabilities of our products over time and intend to continue to invest in product innovation and leadership. We were founded in January 2003 and we introduced Tableau Desktop in December 2003, our first version of Tableau Server in March 2007, our first version of Tableau Public in February 2010, our first version of Tableau Online in July 2013 and our first version of Vizable in October 2015. Building on our foundational technology innovations, we have released nine major versions of our software, each expanding and improving our products' capabilities. Our most recent major release, Tableau 9.0, offers advances in the areas of visual analytics, performance, scalability, data preparation and enterprise capabilities. Features include Automatic Data Preparation, Advanced Analytics, such as Level of Detail Expressions, and Smart Maps that are faster, more responsive and allow for geographic search. In addition, Tableau Server and Tableau Online have been re-designed to deliver a faster, more scalable and extensible platform for customers.

Our products are used by people of diverse skill levels across all kinds of organizations, including Fortune 500 corporations, small and medium-sized businesses, government agencies, universities, research institutions, and non-profits. As of December 31, 2015 , we had over 39,000 customer accounts located in over 150 different countries. We define a customer account as a single purchaser of our products. Customer accounts are typically organizations. In some cases, organizations will have multiple groups purchasing our software, which we count as discrete customer accounts.

Our distribution strategy is based on a land and expand business model and is designed to capitalize on the ease of use, low up-front cost and collaborative capabilities of our software. To facilitate rapid adoption of our products, we provide fully-functional free trial versions of our products on our website and have created a simple pricing model. After an initial trial or purchase, which is often made to target a specific business need at a grassroots level within an organization, the use of our products often spreads across departments, divisions, and geographies, via word-of-mouth, discovery of new use cases, and our sales efforts.

We generate revenues primarily in the form of license fees and related maintenance and services fees. License revenues reflect the revenues recognized from sales of licenses to new customer accounts and additional licenses to existing customer accounts. License fees include perpetual, term, and subscription license fees. Fees from perpetual licenses comprised more than 90% of our license revenues for the year ended December 31, 2015 . Maintenance and services revenues reflect the revenues recognized from fees paid for maintenance services (including support and unspecified upgrades and enhancements when and if they are available) and, to a lesser extent, for training and professional services that help our customers maximize the benefits from using our products. A substantial majority of our maintenance and services revenues to date has been attributable to revenues from maintenance agreements. When purchasing a license, a customer typically also purchases one year of maintenance service and has the opportunity to renew maintenance service annually thereafter. We expect maintenance and services revenues to become a larger percentage of our total revenues as our customer base grows.

Our direct sales approach includes inside sales teams and field sales teams. We also sell our products through indirect sales channels including technology vendors, resellers, OEMs and ISV partners. We view these partners as an extension of our team, playing an integral role in our growth. We plan to continue to invest in our partner programs to help us enter and grow in new markets while complementing our direct sales efforts.

With approximately 25% of our total revenues from customers located outside the United States and Canada in the year ended December 31, 2015 , we believe there is significant opportunity to expand our international business. Our products currently support eight languages and we are aggressively expanding our direct sales force and indirect sales channels outside the United States.

Our quarterly results reflect seasonality in the sale of our products and services. Historically, we believe a pattern of increased license sales in the fourth fiscal quarter as a result of industry buying patterns has positively impacted total revenues in that period, which has resulted in low or negative sequential revenue growth in the first quarter compared to the prior quarter.

We have been growing rapidly in recent periods. Our total revenues for the years ended December 31, 2015 , 2014 and 2013 were $653.6 million , $412.6 million and $232.4 million , respectively. We increased the total number of customer accounts that purchased our products to over 39,000 as of December 31, 2015 compared to over 17,000 customer accounts as of December 31, 2013 . During the years ended December 31, 2015 , 2014 and 2013 , there were 1,192 , 781 , and 455 sales transactions greater than $100,000, respectively. During this period, we significantly increased the size of our workforce, particularly in our sales and marketing and research and development ("R&D") organizations, expanded internationally, and invested in our operational infrastructure to support our growth. As a result of our significant investments in growth, our net income did not grow in a manner commensurate with our total revenues. Our net loss for the year ended December 31, 2015 was $83.7 million compared to our net income for the years ended December 31, 2014 and 2013 of $5.9 million and $7.1 million , respectively.

Factors Affecting Our Performance

We believe that our performance and future success are dependent upon a number of factors, including our ability to continue to expand and further penetrate our customer base, innovate and enhance our products, and invest in our infrastructure. While each of these areas presents significant opportunities for us, they also pose significant risks and challenges that we must successfully address. See the section of this report titled "1A. Risk Factors."

Investment in Expansion and Further Penetration of Our Customer Base

Our performance depends on our ability to continue to attract new customers and to increase adoption of our products within our existing customer base, both domestically and internationally. Our ability to increase adoption among existing customers is particularly important to our land and expand business model. We believe that the existing market for analytics software is underserved and that we have an addressable market that is substantially larger than the market for traditional business analytics software. As a result, we believe we have the opportunity to substantially expand our customer base and to increase adoption of our products within and across our existing customers.

In order to expand and further penetrate our customer base, we have made and plan to continue to make investments in expanding our direct sales teams and indirect sales channels, and increasing our brand awareness. We plan to continue to increase the size of our sales and marketing team domestically and internationally, particularly in the near term. We also intend to continue to expand our online and offline marketing efforts to increase our brand awareness.

Investment in Innovation and Advancement of Our Products

Our performance is also dependent on the investments we make in our R&D efforts, and in our ability to continue to innovate, improve functionality, adapt to new technologies or changes to existing technologies, and allow our customers to analyze data from a large and expanding range of data stores. We intend to continue to invest in product innovation and leadership, including hiring top technical talent, focusing on core technology innovation, and maintaining an agile organization that supports rapid release cycles.

Investment in Infrastructure

We have made and expect to continue to make substantial investments in our infrastructure in connection with enhancing and expanding our operations domestically and internationally. We expect to continue to open new offices internationally and domestically. Our international expansion efforts have resulted and will result in increased costs and are subject to a variety of risks, including those associated with communication and integration problems resulting from geographic dispersion and language and cultural differences, and compliance with laws of multiple countries. Moreover, the investments we have made and will make in our international organization may not result in our expected benefits. We currently expect to rely on our current cash on hand and cash generated from our operations to fund these investments. These costs could adversely affect our operating results.

Mix and Timing of Sales

Our land and expand business model results in a wide variety of sales transaction sizes, ranging from a single Tableau Online order of $500 to a Tableau Desktop order of $1,000-$2,000 to Tableau Desktop and Tableau Server orders of over $1.0 million. The time it takes to close a transaction, defined as the time between when a sales opportunity is entered in our customer relationship management system until when a related license agreement is signed with the customer, generally varies with the size of the transaction.

Components of Operating Results

Revenues

License revenues . License revenues consist of the revenues recognized from sales of licenses to new customers and additional licenses to existing customers. More than 90% of our license revenues for the year ended December 31, 2015 resulted from perpetual licenses, under which we generally recognize the license fee portion of the arrangement upfront, assuming all revenue recognition criteria are satisfied and we have vendor specific objective evidence ("VSOE") of all undelivered elements. In addition, a small number of customers have purchased term or subscription licenses, under which we generally recognize the license fee ratably, on a straight-line basis, over the term of the license. To date, we have not derived a significant amount of revenues from term or subscription licenses.

Maintenance and services revenues. Maintenance and services revenues consist of revenues from maintenance agreements and, to a lesser extent, professional services and training. A substantial majority of our maintenance and services revenues to date has been attributable to revenues from maintenance agreements. When purchasing a perpetual license, a customer also purchases one year of maintenance, and has the opportunity to purchase maintenance annually thereafter. We currently charge approximately 25% of the price of the perpetual license for each year of maintenance service, although this price may vary with regard to large enterprise sales. We measure the aggregate perpetual license maintenance renewal rate for our customers over a 12-month period of time, based on a dollar renewal rate for contracts expiring during that time period. Our maintenance renewal rate is measured three months after the 12-month period ends to account for late renewals. Our aggregate maintenance renewal rate for the 12-month period ended September 30, 2015 was over 90%.

Customers with maintenance agreements are entitled to receive support and unspecified upgrades and enhancements if and when they become available during the maintenance term. We recognize the revenues associated with maintenance agreements ratably, on a straight-line basis, over the associated maintenance term.

When a term or subscription license is purchased, maintenance service is bundled with the license for the term of the license period. In arrangements involving a term or subscription license, we recognize both the license and maintenance revenues ratably, on a straight-line basis, over the contract term. Term and subscription license revenues are included in license revenues.

We also have a professional services organization focused on both training and assisting our customers to fully leverage the use of our products. We recognize the revenues associated with these professional services on a time and materials basis as we deliver the services or provide the training.

We expect maintenance and services revenues to become a larger percentage of our total revenues as our customer base grows.

Cost of Revenues

Cost of license revenues. Cost of license revenues primarily consists of referral fees paid to third parties and expenses related to hosting our SaaS-based Tableau Online service and providing support, as well as allocated overhead.

Cost of maintenance and services revenues . Cost of maintenance and services revenues includes salaries, benefits and stock-based compensation expense associated with our technical support and services organization, as well as allocated overhead. Allocated overhead includes overhead costs for depreciation of equipment, facilities (consisting of leasehold improvements amortization and rent) and technical operations (including costs for compensation of our personnel and costs associated with our infrastructure). We recognize expenses related to our technical support and services organization as they are incurred. We expect the cost of maintenance and services revenues to increase as a percentage of maintenance and services revenues due to increased investment in our technical support and services organization to support our expanding customer base.

We expect that the cost of revenues will increase as a percentage of total revenues as we expand our technical support capabilities worldwide, invest in our Tableau Online infrastructure and as maintenance and services revenues become a larger percentage of our total revenues as our customer base grows.

Gross Profit and Gross Margin

Gross profit is total revenues less total cost of revenues. Gross margin is gross profit expressed as a percentage of total revenues. We expect that our gross margin may fluctuate from period to period as a result of changes in product and services mix, direct and indirect sales mix and the introduction of new products by us or our competitors.

Operating Expenses

Our operating expenses are classified into three categories: sales and marketing, research and development, and general and administrative. For each category, the largest component is personnel costs, which include salaries, payroll taxes, employee benefit costs, bonuses, commissions, as applicable, and stock-based compensation expense.

Sales and marketing . Sales and marketing expenses primarily consist of personnel-related costs attributable to our sales and marketing personnel, commissions earned by our sales personnel, marketing, travel and allocated overhead, which includes facilities related costs. We expect sales and marketing expenses to continue to increase, in absolute dollars, in 2016 compared to 2015 primarily due to our planned growth in our sales and marketing organization, both domestically and internationally. We expect sales and marketing expenses to be our largest category of operating expenses as we continue to expand our business.

Research and development. R&D expenses primarily consist of personnel-related costs attributable to our R&D personnel and contractors, as well as allocated overhead, which includes facilities related costs. We have devoted our product development efforts primarily to incorporate additional features, improve functionality, support additional languages, develop new products and adapt to new technologies or changes to existing technologies. We expect that our R&D expenses will continue to increase, in absolute dollars, in 2016 compared to 2015 as we increase our R&D headcount to further enhance and develop our products.

General and administrative. General and administrative expenses primarily consist of personnel-related costs attributable to our executive, finance, legal, human resources and administrative personnel, as well as outsourced legal, accounting and other professional services fees and allocated overhead, which includes facilities related costs. We expect that general and administrative expenses will continue to increase, in absolute dollars, in 2016 compared to 2015 as we further expand our operations both domestically and internationally.

Other Income (Expense), Net

Other income (expense), net consists primarily of gains and losses on foreign currency transactions and interest income on our cash and cash equivalents balances.

Income Tax Expense (Benefit)

Our income taxes are based on the amount of our taxable income and enacted federal, state and foreign tax rates, as adjusted for allowable credits and deductions. Our provision for income taxes consists of federal, state and foreign taxes.

We generally conduct our international operations through wholly-owned subsidiaries, branches and representative offices and report our taxable income in various jurisdictions worldwide based upon our business operations in those jurisdictions. Our corporate structure and intercompany arrangements align with the international expansion of our business activities. The application of the tax laws of various jurisdictions, including the United States, to our international business activities is subject to interpretation. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for valuing developed technology or intercompany arrangements, including our transfer pricing, or determine the manner in which we operate our business is not consistent with the manner in which we report our income to the jurisdictions. If such a disagreement were to occur, and our positions were not sustained, we could be required to pay additional taxes, interest and penalties, resulting in higher effective tax rates, reduced cash flows and lower overall profitability of our operations. Additionally, our future worldwide tax rate and financial position may be affected by changes in the relevant tax laws, interpretation of such tax laws or the influence of certain tax policy efforts of the European Union and the Organization for Economic Co-operation and Development (OECD).

Our income tax provision may be significantly affected by changes to our estimates for taxes in jurisdictions in which we operate and other estimates utilized in determining our global effective tax rate. Actual results may also differ from our estimates based on changes in tax laws and economic conditions. Such changes could have a substantial impact on the income tax provision and effective income tax rate.

We are subject to the continuous examinations of our income tax returns by the taxing authorities in various tax jurisdictions, which authorities may assess additional income tax liabilities against us. Although we believe our tax estimates are reasonable, the final outcome of tax audits and any related litigation could be materially different from our historical income tax provisions. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with generally accepted accounting principles in the United States ("GAAP"). The preparation of consolidated financial statements also requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from the estimates made by our management. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows could be affected.

Critical accounting policies and estimates are those that we consider the most important to the portrayal of our financial condition and results of operations because they require our most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of the matters that are inherently uncertain.

Revenue Recognition

We generate revenues primarily in the form of software license fees and related maintenance and services fees. License fees include perpetual, term and subscription license fees. Maintenance and services fees primarily consist of fees for maintenance services (including support and unspecified upgrades and enhancements when and if they are available), training, and professional services that are not essential to functionality of the software.

We recognize revenues when all of the following conditions are met:

- there is persuasive evidence of an arrangement;
- the software or services have been delivered to the customer;
- the amount of fees to be paid by the customer is fixed or determinable; and
- the collection of the related fees is probable.

We use click-through license agreements, signed agreements and purchase orders as evidence of an arrangement. We deliver all of our software electronically. Electronic delivery occurs when we provide the customer with access to the software and license key via a secure portal. We assess whether the fee is fixed or determinable at the outset of the arrangement. Our typical terms of payment are due 30 days from delivery. We assess collectability based on a number of factors such as collection history and creditworthiness of the customer. If we determine that collectability is not probable, revenue is deferred until collectability becomes probable, generally upon receipt of cash.

Substantially all of our software licenses are sold in multiple-element arrangements that include maintenance and may include professional services and training.

VSOE of the fair value is not available for software licenses as they are never sold without maintenance. VSOE of the fair value generally exists for all undelivered elements and any services that are not essential to the functionality of the delivered software. We account for delivered software licenses under the residual method.

Maintenance agreements consist of fees for providing software updates on a when and if available basis and technical support for software products ("post-contract support" or "PCS") for an initial term, generally one year. We have established VSOE of the fair value for maintenance on perpetual licenses based on stated substantive renewal rates or the price when sold on a standalone basis. Stated renewal rates are considered to be substantive if they are at least 15% of the actual price charged for the software license. VSOE of the fair value for standalone sales is considered to have been established when a substantial majority of individual sales transactions within the previous 12 month period falls within a reasonably narrow range, which we have defined to be plus or minus 15% of the median sales price of actual standalone sales transactions.

License arrangements may include professional services and training. In determining whether professional services and training revenues should be accounted for separately from license revenues, we evaluate:

- whether such services are considered essential to the functionality of the software using factors such as the nature of the software products;
- whether they are ready for use by the customer upon receipt;
- the nature of the services, which typically do not involve significant customization to or development of the underlying software code;
- the availability of services from other vendors;
- whether the timing of payments for license revenues coincides with performance of services; and
- whether milestones or acceptance criteria exist that affect the realizability of the software license fee.

Revenues related to training are billed on a fixed fee basis and accordingly recognized as training services are delivered. Payments received in advance of services performed are deferred and recognized when the related services are performed.

To date, professional services have not been considered essential to the functionality of the software. The VSOE of the fair value of our professional services and training is based on the price for these same services when they are sold separately. Revenues related to professional services are billed on a time and materials basis and, accordingly, are recognized as the services are performed.

When software is licensed for a specified term or on a subscription basis, fees for support and maintenance are generally bundled with the license fee over the entire term of the contract. In these cases, we do not have VSOE of the fair value for support and maintenance. Revenues related to term license fees and subscription basis are recognized ratably over the contract term beginning on the date the customer has access to the software license key and continuing through the end of the contract term.

We do not offer refunds and therefore have not recorded any sales return allowance for any of the periods presented. Upon a periodic review of outstanding accounts receivable, amounts that are deemed to be uncollectable are written off against the allowance for doubtful accounts.

We account for taxes collected from customers and remitted to governmental authorities on a net basis and exclude them from revenues.

Income Taxes

Income taxes are accounted for under the asset and liability method in accordance with authoritative guidance for income taxes. Deferred income tax assets are recognized for deductible temporary differences, net operating loss carryforwards, and credit carryforwards if it is more likely than not that the tax benefits will be realized. We have considered future taxable income, historical operating results, and ongoing prudent and feasible tax planning strategies in assessing the need for a valuation allowance. In 2015, we recorded a valuation allowance to reduce our U.S. federal and state deferred income tax assets to the net amount that we believe is more likely than not to be realized. In the event we determine that we are able to realize our deferred income tax assets in excess of our net recorded amount, we would reduce the valuation allowance associated with the deferred income tax assets in the period the determination was made, which may result in a tax benefit in the statement of operations.

Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Our assumptions, judgments and estimates relative to the value of net deferred income taxes take into account predictions of the amount and category of future taxable income, such as income from operations or capital gains income. Actual operating results and the underlying amount and category of income in future years could render our current assumptions, judgments and estimates of recoverable net deferred income taxes inaccurate. Any of the assumptions, judgments and estimates mentioned above could cause our actual income tax obligations to differ from our estimates, thus materially impacting our financial position and results of operations.

We are subject to income taxes in the United States and in numerous foreign jurisdictions. While we believe the positions we have taken are appropriate, we record reserves for taxes to address potential exposures involving tax positions that we believe could be challenged by taxing authorities. We record a benefit on a tax position when we determine that it is more likely than not that the position is sustainable upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. For tax positions that are more likely than not to be sustained, we measure the tax position at the largest amount of benefit that has a greater than 50% likelihood of being realized when it is effectively settled. We review the tax reserves as circumstances warrant and adjust the reserves as events occur that affect our potential liability for additional taxes. We follow the applicable guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition with respect to tax positions. We reflect interest and penalties related to income tax liabilities as a component of income tax expense.

Recent Accounting Pronouncements

In May 2014, as part of its ongoing efforts to assist in the convergence of GAAP and International Financial Reporting Standards ("IFRS"), the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09 related to revenue recognition. The new guidance sets forth a new five-step revenue recognition model that replaces the prior revenue recognition guidance in its entirety and is intended to eliminate numerous industry-specific pieces of revenue recognition guidance that have historically existed in GAAP. The underlying principle of the new standard is that a business or other organization will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 provides retrospective or modified prospective methods of initial adoption and is effective for annual periods beginning after December 15, 2017 and interim periods within those annual periods. Early adoption is permitted for annual periods beginning after December 15, 2016 and interim periods within those annual periods. We are currently evaluating the method of adoption and the impact that this standard will have on our consolidated financial statements.

In August 2014, the FASB issued ASU 2014-15 related to status as a going concern. The new guidance explicitly requires that management assess an entity's ability to continue as a going concern and may require additional detailed disclosures. ASU 2014-15 is effective for annual periods beginning after December 15, 2016 and interim periods within those annual periods. Though permitted, we do not plan to early adopt. We do not believe that this standard will have an impact on our consolidated financial statements.

In April 2015, the FASB issued ASU 2015-05 related to a customer's accounting for fees paid in a cloud computing arrangement. The new guidance requires that management evaluate each cloud computing arrangement in order to determine whether it includes a software license that must be accounted for separately from hosted services. ASU 2015-05 applies the same guidance cloud service providers use to make this determination and also eliminates the existing requirement for customers to account for software licenses they acquire by analogizing to the guidance on leases. ASU 2015-05 is effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2015 and provides the option of applying the guidance prospectively to all arrangements entered into or materially modified after the effective date or on a retrospective basis. Early adoption is permitted. This standard will not have a significant impact on our consolidated financial statements.

In November 2015, the FASB issued ASU 2015-17 requiring all deferred income tax assets and liabilities, and any related valuation allowances, to be classified as noncurrent on the balance sheet. The guidance is intended to reduce the complexity inherent in recording deferred income tax assets for financial reporting purposes, as it eliminates the need to separately identify the net current and net noncurrent deferred income tax asset or liability in each jurisdiction and allocate valuation allowances. We have elected to prospectively adopt the accounting standard for the current fiscal year. Prior periods were not retrospectively adjusted. This adoption did not have a significant impact on our consolidated financial statements.

Results of Operations

The following tables set forth our results of operations for the periods presented and as a percentage of our total revenues for those periods. The period-to-period comparison of financial results is not necessarily indicative of financial results to be achieved in future periods.

	Year Ended December 31,		
	2015	2014	2013
	(in thousands)		
Consolidated Statements of Operations Data:			
Revenues			
License	$ 423,766	$ 279,944	$ 159,930
Maintenance and services	229,821	132,672	72,510
Total revenues	653,587	412,616	232,440
Cost of revenues			
License	3,852	1,211	740
Maintenance and services	69,833	35,774	17,784
Total cost of revenues (1)	73,685	36,985	18,524
Gross profit	579,902	375,631	213,916
Operating expenses			
Sales and marketing (1)	356,723	216,672	123,573
Research and development (1)	204,131	110,923	60,769
General and administrative (1)	71,078	41,712	25,905
Total operating expenses	631,932	369,307	210,247
Operating income (loss)	(52,030)	6,324	3,669
Other income (expense), net	1,223	858	(804)
Income (loss) before income tax expense (benefit)	(50,807)	7,182	2,865
Income tax expense (benefit)	32,893	1,309	(4,211)
Net income (loss)	$ (83,700)	$ 5,873	$ 7,076

(1) Stock-based compensation expense included above was as follows:

	Year Ended December 31,		
	2015	2014	2013
	(in thousands)		
Cost of revenues	$ 7,031	$ 2,227	$ 473
Sales and marketing	45,205	18,203	5,429
Research and development	55,269	20,794	5,832
General and administrative	11,963	5,794	2,723

	Year Ended December 31,		
	2015	2014	2013
	(as a percentage of total revenues)		
Consolidated Statements of Operations Data:			
Revenues			
License	64.8 %	67.8%	68.8 %
Maintenance and services	35.2 %	32.2%	31.2 %
Total revenues	100.0 %	100.0%	100.0 %
Cost of revenues			
License	0.6 %	0.3%	0.3 %
Maintenance and services	10.7 %	8.7%	7.7 %
Total cost of revenues	11.3 %	9.0%	8.0 %
Gross profit	88.7 %	91.0%	92.0 %
Operating expenses			
Sales and marketing	54.6 %	52.5%	53.2 %
Research and development	31.2 %	26.9%	26.1 %
General and administrative	10.9 %	10.1%	11.1 %
Total operating expenses	96.7 %	89.5%	90.5 %
Operating income (loss)	(8.0)%	1.5%	1.6 %
Other income (expense), net	0.2 %	0.2%	(0.3)%
Income (loss) before income tax expense (benefit)	(7.8)%	1.7%	1.2 %
Income tax expense (benefit)	5.0 %	0.3%	(1.8)%
Net income (loss)	(12.8)%	1.4%	3.0 %

Comparison of Years Ended December 31, 2015 , 2014 and 2013

Revenues

	Year Ended December 31,			2014 to 2015 % Change	2013 to 2014 % Change
	2015	2014	2013		
	(dollars in thousands)				
Revenues					
License	$ 423,766	$ 279,944	$ 159,930	51.4%	75.0%
Maintenance and services	229,821	132,672	72,510	73.2%	83.0%
Total revenues	$ 653,587	$ 412,616	$ 232,440	58.4%	77.5%

Year ended December 31, 2015 compared to December 31, 2014 . Total revenues were $ 653.6 million for the year ended December 31, 2015 compared to $ 412.6 million for the year ended December 31, 2014 , an increase of $ 241.0 million , with 51% and 73% year-over-year growth in license and maintenance and services revenues, respectively. Growth in total revenues was attributable to increased demand for our products and services from new and existing customers both domestically and internationally. For example, we added over 12,500 customer accounts in the year ended December 31, 2015 . License revenues increased $ 143.8 million from the year ended December 31, 2014 to the year ended December 31, 2015 as a direct result of our investment in our products and in our sales and marketing efforts. The substantial majority of our license revenues was attributable to sales of perpetual licenses. Of the revenues from perpetual license sales recognized in 2015 , 25% was attributable to perpetual license sales to new customer accounts gained in 2015 and 75% was attributable to perpetual license sales to customer accounts existing on or before December 31, 2014 . The increase in maintenance and services revenues was primarily due to increases in sales of maintenance agreements resulting from the growth of our customer base. Total revenues derived from our customer accounts outside of the United States and Canada increased, as a percentage of total revenues, to 25% for the year ended December 31, 2015 from 23% for the year ended December 31, 2014 .

Year ended December 31, 2014 compared to December 31, 2013 . Total revenues were $ 412.6 million for the year ended December 31, 2014 compared to $232.4 million for the year ended December 31, 2013 , an increase of $ 180.2 million , with 75% and 83% year-over-year growth in license and maintenance and services revenues, respectively. Growth in total revenues was attributable to increased demand for our products and services from new and existing customers. For example, we added over 9,100 customer accounts in the year ended December 31, 2014 . License revenues increased $120.0 million from the year ended December 31, 2013 to the year ended December 31, 2014 as a direct result of our investment in our products and in our sales and marketing efforts. The substantial majority of our license revenues was attributable to sales of perpetual licenses. Of the revenues from perpetual license sales recognized in 2014 , 29% was attributable to perpetual license sales to new customer accounts gained in 2013 and 71% was attributable to perpetual license sales to customer accounts existing on or before December 31, 2013 . The increase in maintenance and service revenues was primarily due to increases in sales of maintenance agreements resulting from the growth of our customer base. Total revenues derived from our customer accounts outside of the United States and Canada increased, as a percentage of total revenues, to 23% for the year ended December 31, 2013 from 20% for the year ended December 31, 2013 .

Cost of Revenues and Gross Margin

	Year Ended December 31,			2014 to 2015 % Change	2013 to 2014 % Change
	2015	2014	2013		
	(dollars in thousands)				
Cost of revenues					
License	$ 3,852	$ 1,211	$ 740	218.1%	63.6%
Maintenance and services	69,833	35,774	17,784	95.2%	101.2%
Total cost of revenues	$ 73,685	$ 36,985	$ 18,524	99.2%	99.7%

	Year Ended December 31,		
	2015	2014	2013
Gross Margin			
License	99.1%	99.6%	99.5%
Maintenance and services	69.6%	73.0%	75.5%
Total gross margin	88.7%	91.0%	92.0%

Year ended December 31, 2015 compared to December 31, 2014 . Total cost of revenues was $ 73.7 million for the year ended December 31, 2015 compared to $ 37.0 million for the year ended December 31, 2014 . The increase of $ 36.7 million was largely related to an increase in compensation expense of $20.8 million, which includes a $4.8 million increase in stock-based compensation, resulting from headcount growth to support maintenance and services provided to our expanding customer base. The remainder of the increase was primarily attributable to a $7.6 million increase in allocated overhead, which includes facilities related costs, and a $5.3 million increase in professional services fees and travel related costs to support our training and consulting services. Our total number of technical support and services headcount increased to 391 employees as of December 31, 2015 from 249 employees as of December 31, 2014 . The decrease in total gross margin for the year ended December 31, 2015 as compared to the total gross margin for the year ended December 31, 2014 was primarily due to additional investment in our technical support and services organization including higher personnel costs to support our expanding customer base and continued investment in hosting Tableau Online.

Year ended December 31, 2014 compared to December 31, 2013 . Total cost of revenues was $37.0 million for the year ended December 31, 2014 compared to $18.5 million for the year ended December 31, 2013 . The increase of $18.5 million was largely related to an increase in compensation expense of $10.7 million, which includes a $1.8 million increase in stock-based compensation, resulting from headcount growth to support maintenance and services provided to our expanding customer base. The remainder of the increase was primarily attributable to a $4.3 million increase in allocated overhead, which includes facilities related costs, and a $1.5 million increase in professional services fees. Our total number of technical support and services headcount increased to 249 employees as of December 31, 2014 from 138 employees as of December 31, 2013 . The decrease in total gross margin for the year ended December 31, 2014 as compared to the total gross margin for the year ended December 31, 2013 was primarily due to additional investment in our technical support and services organization including higher personnel costs to support our expanding customer base and continued investment in hosting Tableau Online.

Operating Expenses

	Year Ended December 31,			2014 to 2015 % Change	2013 to 2014 % Change
	2015	2014	2013		
	(dollars in thousands)				
Operating expenses					
Sales and marketing	$ 356,723	$ 216,672	$ 123,573	64.6%	75.3%
Research and development	204,131	110,923	60,769	84.0%	82.5%
General and administrative	71,078	41,712	25,905	70.4%	61.0%
Total operating expenses	$ 631,932	$ 369,307	$ 210,247	71.1%	75.7%

Sales and Marketing

Year ended December 31, 2015 compared to December 31, 2014 . Sales and marketing expenses were $ 356.7 million for the year ended December 31, 2015 compared to $ 216.7 million for the year ended December 31, 2014 . The increase of $ 140.1 million was largely related to an increase in compensation expense of $93.2 million, which includes a $27.0 million increase in stock-based compensation, resulting from headcount growth as we expanded our sales organization both domestically and internationally. Our sales and marketing headcount increased to 1,307 employees as of December 31, 2015 compared to 826 employees as of December 31, 2014 . The remainder of the increase was primarily attributable to a $23.1 million increase in additional marketing and travel costs for marketing promotions, customer events and advertising that promoted our brand and created market awareness of our technology offerings both domestically and internationally. Allocated overhead, which includes facilities related costs, increased by $20.4 million.

Year ended December 31, 2014 compared to December 31, 2013 . Sales and marketing expenses were $ 216.7 million for the year ended December 31, 2014 compared to $ 123.6 million for the year ended December 31, 2013 . The increase of $93.1 million was largely related to an increase in compensation expense of $63.4 million, which includes a $12.8 million increase in stock-based compensation, resulting from headcount growth as we expanded our sales organization both domestically and internationally. Our sales and marketing headcount increased to 826 employees as of December 31, 2014 compared to 534 employees as of December 31, 2013 . The remainder of the increase was primarily attributable to a $12.1 million increase in additional marketing costs, a $9.7 million increase in allocated overhead, which includes facilities related costs, and a $6.6 million increase in additional travel expenses.

Research and Development

Year ended December 31, 2015 compared to December 31, 2014 . R&D expenses were $ 204.1 million for the year ended December 31, 2015 compared to $ 110.9 million for the year ended December 31, 2014 . The increase of $93.2 million was largely related to an increase in compensation expense of $79.9 million, which includes a $34.5 million increase in stock-based compensation, resulting from headcount growth as part of our focus on further developing and enhancing our products. Our R&D headcount increased to 772 employees as of December 31, 2015 compared to 508 employees as of December 31, 2014 . The remainder of the increase was primarily attributable to a $9.4 million increase in allocated overhead, which includes facilities related costs, and a $2.4 million increase in professional services fees.

Year ended December 31, 2014 compared to December 31, 2013 . R&D expenses were $ 110.9 million for the year ended December 31, 2014 compared to $ 60.8 million for the year ended December 31, 2013 . The increase of $50.1 million was largely related to an increase in compensation expense of $42.3 million, which includes a $15.0 million increase in stock-based compensation, resulting from headcount growth as part of our focus on further developing and enhancing our products. Our R&D headcount increased to 508 employees as of December 31, 2014 compared to 329 employees as of December 31, 2013 . The remainder of the increase was primarily attributable to a $5.8 million increase in allocated overhead, which includes facilities related costs, and a $1.3 million increase in professional services fees.

General and Administrative

Year ended December 31, 2015 compared to December 31, 2014 . General and administrative expenses were $ 71.1 million for the year ended December 31, 2015 compared to $ 41.7 million for the year ended December 31, 2014 . The increase of $ 29.4 million was largely related to an increase in compensation expense of $16.5 million, which includes a $6.2 million increase in stock-based compensation, resulting from headcount growth to support our expansion both domestically and internationally. Our general and administrative headcount increased to 213 employees as of December 31, 2015 compared to 145 employees as of December 31, 2014 . The remainder of the increase was primarily attributable to a $3.0 million increase in allocated overhead, which includes facilities related costs, a $4.0 million increase in professional services fees for compliance related costs and a $2.4 million increase in travel costs as we continue to expand our business.

Year ended December 31, 2014 compared to December 31, 2013 . General and administrative expenses were $ 41.7 million for the year ended December 31, 2014 compared to $ 25.9 million for the year ended December 31, 2013 . The increase of $ 15.8 million was largely related to an increase in compensation expense of $9.8 million, which includes a $3.1 million increase in stock-based compensation, resulting from headcount growth to support our expansion both domestically and internationally. Our general and administrative headcount increased to 145 employees as of December 31, 2014 compared to 78 employees as of December 31, 2013 . The remainder of the increase was primarily attributable to a $2.3 million increase in professional services fees to support growth in our business as well as costs associated with being a public company and a $1.8 million increase in allocated overhead, which includes facilities related costs.

Other Expense, Net

	Year Ended December 31,		
	2015	2014	2013
		(in thousands)	
Other income (expense), net	$ 1,223	$ 858	$ (804)

Year ended December 31, 2015 compared to December 31, 2014 . Other income, net increased primarily due to gains associated with foreign currency transactions and an increase in interest income.

Year ended December 31, 2014 compared to December 31, 2013 . Other income (expense), net increased primarily due to gains associated with foreign currency transactions and an increase in interest income.

Income Tax Expense (Benefit)

	Year Ended December 31,		
	2015	2014	2013
		(dollars in thousands)	
Income tax expense (benefit)	$ 32,893	$ 1,309	$ (4,211)
Effective tax rate	(64.7)%	18.2%	(147.0)%

Year ended December 31, 2015 compared to December 31, 2014 . For the years ended December 31, 2015 and 2014 , our effective tax rates were (64.7)% and 18.2% , respectively. The year-over-year change in the effective tax rate is primarily due to the $46.7 million valuation allowance recorded in 2015 which reduced our U.S. federal and state deferred income tax assets to the net amount we believe is more likely than not to be realized.

Year ended December 31, 2014 compared to December 31, 2013 . For the years ended December 31, 2014 and 2013 , our effective tax rates were 18.2% and (147.0)% , respectively. The increase in the effective tax rate during 2014 was due in part to the 2013 results including a retroactive enactment of the federal R&D tax credit for 2012 of $1.0 million, as well as changes in income before income taxes in relation to our permanent income tax differences such as our non-deductible stock-based compensation which increased by $1.1 million and an unfavorable impact of foreign income taxes of $1.1 million.

Non-GAAP Financial Measures

We believe that the use of non-GAAP gross profit and gross margin, non-GAAP operating income (loss) and operating margin, non-GAAP net income (loss), non-GAAP net income (loss) per basic and diluted common share and free cash flow is helpful to our investors. These measures, which we refer to as our non-GAAP financial measures, are not prepared in accordance with GAAP. Non-GAAP gross profit is calculated by excluding stock-based compensation expense attributable to cost of revenues from gross profit. Non-GAAP gross margin is the ratio calculated by dividing non-GAAP gross profit by revenues. Non-GAAP operating income (loss) is calculated by excluding stock-based compensation expense from operating income (loss). Non-GAAP operating margin is the ratio calculated by dividing non-GAAP operating income (loss) by revenues. Non-GAAP net income (loss) is calculated by excluding stock-based compensation expense and related direct income tax adjustments from net income (loss). Non-GAAP net income (loss) per basic and diluted common share is calculated by dividing non-GAAP net income (loss) by the basic and diluted weighted average shares outstanding. Non-GAAP diluted weighted average shares outstanding includes the effect of dilutive shares in periods of non-GAAP net income. Because of varying available valuation methodologies, subjective assumptions and the variety of equity instruments that can impact a company's non-cash expenses, we believe that providing non-GAAP financial measures that exclude stock-based compensation expense allows for more meaningful comparisons between our operating results from period to period. We calculate free cash flow as net cash provided by operating activities less net cash used in investing activities for purchases of property and equipment. We consider free cash flow to be a liquidity measure that provides useful information to management and investors about the amount of cash generated by our business that can be used for strategic opportunities, including investing in our business, making strategic acquisitions, and strengthening our balance sheet. All of our non-GAAP financial measures are important tools for financial and operational decision making and for evaluating our own operating results over different periods of time.

Our non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in our industry, as other companies in our industry may calculate non-GAAP financial results differently, particularly related to non-recurring, unusual items. In addition, there are limitations in using non-GAAP financial measures because the non-GAAP financial measures are not prepared in accordance with GAAP and may be different from non-GAAP financial measures used by other companies and exclude expenses that may have a material impact on our reported financial results. Further, stock-based compensation expense has been and will continue to be for the foreseeable future a significant recurring expense in our business and an important part of the compensation provided to our employees. The presentation of non-GAAP financial information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with GAAP. We urge our investors to review the reconciliation of our non-GAAP financial measures to the comparable GAAP financial measures included below, and not to rely on any single financial measure to evaluate our business.

The following table summarizes our non-GAAP financial measures:

	Year Ended December 31,		
	2015	2014	2013
	(in thousands)		
Non-GAAP gross profit	$ 586,933	$ 377,858	$ 214,389
Non-GAAP gross margin	89.8%	91.6%	92.2%
Non-GAAP operating income	$ 67,438	$ 53,342	$ 18,126
Non-GAAP operating margin	10.3%	12.9%	7.8%
Non-GAAP net income	$ 48,063	$ 38,504	$ 18,043
Free cash flow	$ 91,644	$ 52,703	$ 20,118

The following table presents the reconciliation of gross profit to non-GAAP gross profit:

	Year Ended December 31,		
	2015	2014	2013
	(in thousands)		
Gross profit	$ 579,902	$ 375,631	$ 213,916
Excluding: Stock-based compensation expense attributable to cost of revenues	7,031	2,227	473
Non-GAAP gross profit	$ 586,933	$ 377,858	$ 214,389

The following table presents the reconciliation of gross margin to non-GAAP gross margin:

	Year Ended December 31,		
	2015	2014	2013
Gross margin	88.7%	91.0%	92.0%
Excluding: Stock-based compensation expense attributable to cost of revenues	1.1%	0.5%	0.2%
Non-GAAP gross margin	89.8%	91.6%	92.2%

The following table presents the reconciliation of operating income (loss) to non-GAAP operating income:

	Year Ended December 31,		
	2015	2014	2013
	(in thousands)		
Operating income (loss)	$ (52,030)	$ 6,324	$ 3,669
Excluding: Stock-based compensation expense	119,468	47,018	14,457
Non-GAAP operating income	$ 67,438	$ 53,342	$ 18,126

The following table presents the reconciliation of operating margin to non-GAAP operating margin:

	Year Ended December 31,		
	2015	2014	2013
Operating margin	(8.0)%	1.5%	1.6%
Excluding: Stock-based compensation expense	18.3 %	11.4%	6.2%
Non-GAAP operating margin	10.3 %	12.9%	7.8%

The following table presents the reconciliation of net income (loss) to non-GAAP net income and non-GAAP net income per basic and diluted common share:

	Year Ended December 31,		
	2015	2014	2013
	(in thousands)		
Net income (loss)	$ (83,700)	$ 5,873	$ 7,076
Excluding: Stock-based compensation expense	119,468	47,018	14,457
Income tax adjustment (1)	12,295	(14,387)	(3,490)
Non-GAAP net income	$ 48,063	$ 38,504	$ 18,043
Weighted average shares used to compute non-GAAP basic net income per share	71,701	67,591	50,564
Effect of potentially dilutive shares: stock awards	5,970	6,728	8,528
Weighted average shares used to compute non-GAAP diluted net income per share	77,671	74,319	59,092
Non-GAAP net income per share			
Basic	$ 0.67	$ 0.57	$ 0.36
Diluted	$ 0.62	$ 0.52	$ 0.31

(1) During fiscal 2015, we began to utilize a fixed projected non-GAAP tax rate for each quarter in a fiscal year in our computation of non-GAAP net income (loss) in order to provide better consistency across interim reporting periods by eliminating the effects of non-recurring and period-specific items, because each of these items can vary in size and frequency. To determine this long-term rate, we evaluated a three-year financial projection that excludes the impact of

non-cash stock-based compensation expense and related direct income tax benefit. The projected rate takes into account other factors including our current operating structure, our existing tax positions in various jurisdictions and key legislation in major jurisdictions where we operate. The non-GAAP tax rate applied to the first three quarters of 2015 was 43% and did not assume the federal R&D tax credit would be extended. In December 2015, the federal R&D tax credit was permanently extended. Accordingly, we revised our long-term non-GAAP tax rate to 30% and applied this rate to the full year ended December 31, 2015. The long-term non-GAAP tax rate assumes our deferred income tax assets will be realized based upon projected future taxable income excluding stock-based compensation expense. We anticipate using this non-GAAP tax rate in future periods. We may provide updates to this rate on an annual basis upon the completion of each fiscal year, or if material changes occur.

The following table presents the reconciliation of net cash provided by operating activities to free cash flow:

	Year Ended December 31,		
	2015	2014	2013
	(in thousands)		
Net cash provided by operating activities	$ 136,774	$ 89,451	$ 37,725
Less: Purchases of property and equipment	45,130	36,748	17,607
Free cash flow	$ 91,644	$ 52,703	$ 20,118
Net cash used in investing activities	$ (46,130)	$ (35,054)	$ (17,607)
Net cash provided by financing activities	$ 25,746	$ 374,289	$ 193,221

Non-GAAP Operating Income

Non-GAAP operating income increased from 2014 to 2015 and from 2013 to 2014 as a result of increased domestic and international demand for our products and services from new and existing customers, offset in part by increased operating expenses attributable to additional headcount.

Non-GAAP Net Income

Non-GAAP net income increased from 2014 to 2015 and from 2013 to 2014 as a result of increases in non-GAAP operating income.

Free Cash Flow

Free cash flow increased from 2014 to 2015 and from 2013 to 2014 due to the increase in net cash provided by operating activities, offset by increases in purchases of property and equipment due to our headcount growth and build-out of our operational infrastructure.

Liquidity and Capital Resources

Prior to our initial public offering (our "IPO") in May 2013, we financed our operations primarily through cash flows generated by operations, and to a lesser extent the sale of preferred stock.

Our IPO resulted in proceeds to us of $177.0 million , net of underwriters' discounts and commissions and offering expenses. In March 2014, we closed a follow-on public offering resulting in proceeds to us of $344.1 million, net of underwriters' discounts and commissions and offering expenses.

As of December 31, 2015 , we had cash and cash equivalents totaling $795.9 million , accounts receivable, net of $ 131.8 million and $ 672.1 million of working capital.

The following tables show our cash and cash equivalents and our cash flows from operating activities, investing activities and financing activities for the stated periods:

	December 31,	
	2015	2014
	(in thousands)	
Cash and cash equivalents	$ 795,900	$ 680,613

	Year Ended December 31,		
	2015	2014	2013
	(in thousands)		
Net cash provided by operating activities	$ 136,774	$ 89,451	$ 37,725
Net cash used in investing activities	(46,130)	(35,054)	(17,607)
Net cash provided by financing activities	25,746	374,289	193,221
Effect of exchange rate changes	(1,103)	(747)	33
Net increase in cash and cash equivalents	$ 115,287	$ 427,939	$ 213,372

Cash and Cash Equivalents

As of December 31, 2015 , our cash and cash equivalents were held for working capital purposes, a majority of which was held in cash deposits and money market funds. We intend to increase our capital expenditures to support the growth in our business and operations. We believe that our existing cash and cash equivalents, together with cash generated from operations, will be sufficient to meet our anticipated cash needs for at least the next 12 months. Our future capital requirements will depend on many factors including our growth rate, the timing and extent of spending to support R&D efforts, the continued expansion of sales and marketing activities, the introduction of new and enhanced software and services offerings, and the continued market acceptance of our products.

Operating Activities

Net cash provided by operating activities was $ 136.8 million for the year ended December 31, 2015 , as a result of a net loss of $83.7 million , adjusted for stock-based compensation expense of $119.5 million , non-cash depreciation and amortization expense of $23.7 million related to capital expenditures and a $28.6 million provision for deferred income taxes which was primarily related to the valuation allowance recorded in 2015. Net cash provided by operating activities was also impacted by a $34.2 million increase in accounts receivable, net, a $13.8 million increase in prepaid expenses, deposits and other assets, a $71.4 million increase in deferred revenue and a $30.2 million increase in accounts payable and accrued liabilities. The increase in accounts receivable, net and deferred revenue was primarily due to increased license and maintenance agreement sales. The increase in prepaid expenses, deposits and other assets and accounts payable and accrued liabilities was primarily due to additional costs attributable to our expansion, both domestically and internationally. The increase in stock-based compensation expense was primarily related to headcount growth.

Net cash provided by operating activities was $ 89.5 million for the year ended December 31, 2014 , as a result of net income of $5.9 million , adjusted for stock-based compensation expense of $47.0 million , non-cash depreciation and amortization expense of $13.5 million related to capital expenditures, a $41.0 million increase in accounts receivable, net, a $7.0 million increase in prepaid expenses, deposits and other assets, a $62.8 million increase in deferred revenue and a $21.2 million increase in accounts payable and accrued liabilities. The increase in accounts receivable, net and deferred revenue was primarily due to increased license and maintenance agreement sales. The increase in prepaid expenses, deposits and other assets and accounts payable and accrued liabilities was primarily due to additional costs attributable to our expansion, both domestically and internationally. The increase in stock-based compensation expense was primarily related to headcount growth and the issuance of RSUs at a higher fair-market value on grant date.

Net cash provided by operating activities was $37.7 million for the year ended December 31, 2013 , as a result of net income of $7.1 million , adjusted for stock-based compensation expense of $14.5 million , non-cash depreciation and amortization expense of $6.9 million related to capital expenditures, a $30.0 million increase in accounts receivable, net and a $34.7 million increase in deferred revenue. The increase in accounts receivable, net and deferred revenue was primarily due to increased license and maintenance agreement sales.

Investing Activities

Cash outflows for investing activities for the years ended December 31, 2015 , 2014 and 2013 were $46.1 million , $35.1 million and $17.6 million , respectively. The cash used for these periods was primarily attributable to capital expenditures to support the growth of our business, including hardware, software, office equipment and leasehold improvements.

Financing Activities

Cash inflows from our financing activities for the years ended December 31, 2015 , 2014 and 2013 were $ 25.7 million , $374.3 million and $193.2 million , respectively. For the years ended December 31, 2015 , 2014 and 2013 , cash provided by financing activities was primarily attributable to proceeds from the issuance of common stock of $20.1 million , $16.2 million and $10.5 million respectively, and excess tax benefits from stock-based compensation of $5.6 million , $14.1 million and $5.7 million , respectively. Additionally, for the years ended December 31, 2014, and 2013, cash provided by financing activities included $344.1 million and $177.0 million in net proceeds from our public offerings in March 2014 and May 2013, respectively.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements (as defined by applicable SEC regulations) that are reasonably likely to have a current or future material effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

Obligations and Commitments

The following table represents our contractual obligations as of December 31, 2015 :

	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(in thousands)				
Operating Lease Obligations	$ 443,503	$ 22,957	$ 74,366	$ 87,005	$ 259,175
Contractual Commitments	11,648	5,771	5,877	—	—

As of December 31, 2015 , our principal obligations consisted of obligations outstanding under operating leases. We lease our facilities under operating leases that expire at various dates through 2029 .

Purchase orders are not included in the table above. Our open purchase orders represent authorizations to purchase rather than binding agreements. The contractual commitment amounts in the table above are associated with agreements that are enforceable and legally binding and that specify all significant terms, including fixed or minimum services to be used, fixed, minimum or variable price provisions, and the approximate timing of the transaction. Obligations under contracts that we can cancel without a significant penalty are not included in the table above.

As of December 31, 2015 , we had approximately $0.7 million of recorded liabilities pertaining to uncertain tax positions. We are unable to make a reasonable estimate as to when cash settlement with the tax authorities might occur due to the uncertainties related to these tax matters. Payments of these obligations would result from settlements with taxing authorities. As we are unable to make reasonably reliable estimates of the timing of any cash payments to the tax authorities as a result of future settlements, these obligations are not included in the table. See Note 4 to the Consolidated Financial Statements for additional information on our uncertain tax positions.

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to financial market risks, primarily changes in interest rates. Market risk is the potential loss arising from adverse changes in market rates and prices.

Interest Rate Risk

We had cash and cash equivalents of $795.9 million as of December 31, 2015 . We hold our cash and cash equivalents for working capital purposes. Our cash and cash equivalents are held in cash deposits and money market funds. Due to the short-term nature of these instruments, we believe that we do not have any material exposure to changes in the fair value of our investment portfolio as a result of changes in interest rates. Declines in interest rates, however, would reduce future interest income.

Foreign Currency Exchange Risk

Our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates. Most of our revenues are generated in U.S. dollars. Our expenses are generally denominated in the currencies in which our operations are located, which is primarily in the United States and to a lesser extent in Europe and Asia. Our results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign exchange rate s. Currently, the portion of our results of operations and cash flows denominated in foreign currency is not significant and therefore, the effect of a hypothetical 10% change in foreign currency exchange rates applicable to our business would not have a material impact on our consolidated financial statements. T o date, we have not engaged in any foreign currency hedging strategies. As our international operations grow, we plan to generate revenues in foreign currencies and we will continue to reassess our approach to manage our risk relating to fluctuations in currency rates .

Inflation

We do not believe that inflation had a material effect on our business, financial condition or results of operations in the last three fiscal years. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

TABLEAU SOFTWARE, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of

Tableau Software, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of comprehensive income (loss), of convertible preferred stock and stockholders' equity and of cash flows present fairly, in all material respects, the financial position of Tableau Software, Inc. and its subsidiaries at December 31, 2015 and 2014 , and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015 , based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our audits (which was an integrated audit in 2015). We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
Seattle, Washington
February 25, 2016

TABLEAU SOFTWARE, INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2015	December 31, 2014
	(in thousands, except share data)	
Assets		
Current assets		
Cash and cash equivalents	$ 795,900	$ 680,613
Accounts receivable, net	131,784	99,910
Prepaid expenses and other current assets	16,977	10,777
Income taxes receivable	78	229
Deferred income taxes	—	18,732
Total current assets	944,739	810,261
Property and equipment, net	72,350	45,627
Deferred income taxes	1,544	5,879
Deposits and other assets	12,078	3,895
Total assets	$ 1,030,711	$ 865,662
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	$ 1,152	$ 1,978
Accrued compensation and employee related benefits	53,003	40,164
Other accrued liabilities	31,838	15,769
Income taxes payable	1,000	378
Deferred revenue	185,608	121,985
Total current liabilities	272,601	180,274
Deferred revenue	12,903	7,825
Other long-term liabilities	11,262	5,557
Total liabilities	296,766	193,656
Commitments and contingencies (Note 7)		
Stockholders' equity		
Preferred stock, $0.0001 par value, 10,000,000 shares authorized; none issued	—	—
Class B common stock, $0.0001 par value, 75,000,000 shares authorized; 19,331,666 and 22,620,509 shares issued and outstanding as of December 31, 2015 and 2014, respectively	2	2
Class A common stock, $0.0001 par value, 750,000,000 shares authorized; 53,872,798 and 47,247,710 shares issued and outstanding as of December 31, 2015 and 2014, respectively	5	5
Additional paid-in capital	805,804	660,668
Accumulated other comprehensive income	643	140
Retained earnings (accumulated deficit)	(72,509)	11,191
Total stockholders' equity	733,945	672,006
Total liabilities and stockholders' equity	$ 1,030,711	$ 865,662

The accompanying notes are an integral part of these consolidated financial statements.

TABLEAU SOFTWARE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31,		
	2015	**2014**	**2013**
	(in thousands, except per share amounts)		
Revenues			
License	$ 423,766	$ 279,944	$ 159,930
Maintenance and services	229,821	132,672	72,510
Total revenues	653,587	412,616	232,440
Cost of revenues			
License	3,852	1,211	740
Maintenance and services	69,833	35,774	17,784
Total cost of revenues (1)	73,685	36,985	18,524
Gross profit	579,902	375,631	213,916
Operating expenses			
Sales and marketing (1)	356,723	216,672	123,573
Research and development (1)	204,131	110,923	60,769
General and administrative (1)	71,078	41,712	25,905
Total operating expenses	631,932	369,307	210,247
Operating income (loss)	(52,030)	6,324	3,669
Other income (expense), net	1,223	858	(804)
Income (loss) before income tax expense (benefit)	(50,807)	7,182	2,865
Income tax expense (benefit)	32,893	1,309	(4,211)
Net income (loss)	$ (83,700)	$ 5,873	$ 7,076
Net income (loss) per share:			
Basic	$ (1.17)	$ 0.09	$ 0.14
Diluted	$ (1.17)	$ 0.08	$ 0.12
Weighted average shares used to compute net income (loss) per share:			
Basic	71,701	67,591	50,564
Diluted	71,701	74,319	59,092

(1) Includes stock-based compensation expense as follows:

	Year Ended December 31,		
	2015	**2014**	**2013**
	(in thousands)		
Cost of revenues	$ 7,031	$ 2,227	$ 473
Sales and marketing	45,205	18,203	5,429
Research and development	55,269	20,794	5,832
General and administrative	11,963	5,794	2,723

The accompanying notes are an integral part of these consolidated financial statements.

TABLEAU SOFTWARE, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Year Ended December 31,		
	2015	2014	2013
	(in thousands)		
Net income (loss)	$ (83,700)	$ 5,873	$ 7,076
Other comprehensive income (loss):			
Foreign currency translation, net	503	211	(70)
Comprehensive income (loss)	$ (83,197)	$ 6,084	$ 7,006

The accompanying notes are an integral part of these consolidated financial statements.

TABLEAU SOFTWARE, INC.
CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY

	Convertible Preferred Stock		Common Stock (Class A and B)		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
	(in thousands, except share information)							
Balances as of December 31, 2012	17,416,317	$ 20,031	34,317,137	$ 4	$ 11,698	$ (1)	$ (1,758)	$ 9,943
Proceeds from public offering, net of underwriters' discount	—	—	6,230,000	1	176,974	—	—	176,975
Conversion of preferred stock to common stock	(17,416,317)	(20,031)	17,416,317	1	20,030	—	—	20,031
Issuance of common stock	—	—	4,235,232	1	10,522	—	—	10,523
Stock-based compensation expense	—	—	—	—	14,457	—	—	14,457
Excess tax benefit from stock-based compensation	—	—	—	—	5,725	—	—	5,725
Other comprehensive loss, net	—	—	—	—	—	(70)	—	(70)
Net income	—	—	—	—	—	—	7,076	7,076
Balances as of December 31, 2013	—	—	62,198,686	7	239,406	(71)	5,318	244,660
Proceeds from public offering, net of underwriters' discount	—	—	4,000,000	—	344,077	—	—	344,077
Issuance of common stock	—	—	3,669,533	—	16,151	—	—	16,151
Stock-based compensation expense	—	—	—	—	47,018	—	—	47,018
Excess tax benefit from stock-based compensation	—	—	—	—	14,016	—	—	14,016
Other comprehensive income, net	—	—	—	—	—	211	—	211
Net income	—	—	—	—	—	—	5,873	5,873
Balances as of December 31, 2014	—	—	69,868,219	7	660,668	140	11,191	672,006
Issuance of common stock	—	—	3,336,245	—	20,117	—	—	20,117
Stock-based compensation expense	—	—	—	—	119,468	—	—	119,468
Excess tax benefit from stock-based compensation	—	—	—	—	5,551	—	—	5,551
Other comprehensive income, net	—	—	—	—	—	503	—	503
Net loss	—	—	—	—	—	—	(83,700)	(83,700)
Balances as of December 31, 2015	—	$ —	73,204,464	$ 7	$ 805,804	$ 643	$ (72,509)	$ 733,945

The accompanying notes are an integral part of these consolidated financial statements.

TABLEAU SOFTWARE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2015	2014	2013
		(in thousands)	
Operating activities			
Net income (loss)	$ (83,700)	$ 5,873	$ 7,076
Adjustments to reconcile net income (loss) to net cash provided by operating activities			
Depreciation and amortization expense	23,667	13,512	6,850
Stock-based compensation expense	119,468	47,018	14,457
Excess tax benefit from stock-based compensation	(5,629)	(14,061)	(5,725)
Deferred income taxes	28,558	(899)	(3,052)
Changes in operating assets and liabilities			
Accounts receivable, net	(34,225)	(41,015)	(30,001)
Prepaid expenses, deposits and other assets	(13,783)	(6,950)	(4,758)
Income taxes receivable	147	1,816	(961)
Deferred revenue	71,383	62,752	34,740
Accounts payable and accrued liabilities	30,224	21,181	19,037
Income taxes payable	664	224	62
Net cash provided by operating activities	136,774	89,451	37,725
Investing activities			
Purchases of property and equipment	(45,130)	(36,748)	(17,607)
Sales of property and equipment	—	1,694	—
Other investing activities	(1,000)	—	—
Net cash used in investing activities	(46,130)	(35,054)	(17,607)
Financing activities			
Proceeds from public offering, net of underwriters' discount and offering costs	—	344,077	176,974
Proceeds from issuance of common stock	20,117	16,151	10,522
Excess tax benefit from stock-based compensation	5,629	14,061	5,725
Net cash provided by financing activities	25,746	374,289	193,221
Effect of exchange rate changes on cash and cash equivalents	(1,103)	(747)	33
Net increase in cash and cash equivalents	115,287	427,939	213,372
Cash and cash equivalents			
Beginning of year	680,613	252,674	39,302
End of year	$ 795,900	$ 680,613	$ 252,674
Supplemental disclosures			
Cash paid for income taxes	$ 959	$ 569	$ 367
Cash paid for interest	8	19	1
Non-cash activities			
Conversion of preferred stock to common stock	—	—	20,031
Accrued purchases of property and equipment	10,012	4,776	2,469
Asset retirement obligations recognized, net	271	667	—
Property and equipment acquired under build-to-suit lease	—	11,600	—
Property and equipment sold in sale-leaseback transaction	—	11,600	—

The accompanying notes are an integral part of these consolidated financial statements.

TABLEAU SOFTWARE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Description of Business

Tableau Software, Inc., a Delaware corporation, and its wholly-owned subsidiaries (the "Company", "we", "us" or "our") are headquartered in Seattle, Washington. Our software products put the power of data into the hands of everyday people, allowing a broad population of business users to engage with their data, ask questions, solve problems and create value. Based on innovative core technologies originally developed at Stanford University, our products dramatically reduce the complexity, inflexibility and expense associated with traditional business intelligence applications. We currently offer five key products; Tableau Desktop, a self-service, powerful analytics product for anyone with data; Tableau Server, a business intelligence platform for organizations; Tableau Online, a hosted software-as-a-service ("SaaS") version of Tableau Server; Tableau Public, a free cloud-based platform for analyzing and sharing public data; and Vizable, a free iOS application used to easily analyze data on a tablet.

Note 2. Summary of Significant Accounting Policies

Accounting Principles

The consolidated financial statements and accompanying notes were prepared in accordance with accounting principles generally accepted in the United States ("GAAP").

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Reclassifications

In the consolidated statements of convertible preferred stock and stockholders' equity, certain prior year amounts have been reclassified to conform to the current year presentation. Specifically, the line items for issuance of common stock upon exercise of stock options and issuance of restricted stock units have been combined to one line item, issuance of common stock. There was no change to total stockholders' equity as a result of the reclassification.

In the consolidated statements of cash flows, certain prior year amounts have been reclassified to conform to the current year presentation. Specifically, the line items for provision for doubtful accounts and accounts receivable has been combined to one line item, accounts receivable, net. There was no change to the net cash flows from operating, investing, or financing activities as a result of the reclassification.

Public Offerings

In May 2013, we completed our initial public offering ("IPO") whereby 9,430,000 shares of Class A common stock were sold to the public at a price of $31.00 per share. We sold 6,230,000 shares of Class A common stock and the selling stockholders sold 3,200,000 shares of Class A common stock. We received aggregate proceeds of $177.0 million from the IPO, net of underwriters' discounts and commissions, and offering expenses. Upon the closing of the IPO, all shares of our outstanding convertible preferred stock automatically converted into shares of Class B common stock.

In March 2014, we closed a follow-on public offering, in which we sold 4,000,000 shares of our Class A common stock at a price to the public of $89.25 per share. The aggregate offering price for shares sold in the offering was approximately $344.1 million , net of underwriters' discounts and commissions, and offering expenses.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates include depreciable lives for property and equipment, stock-based compensation, income taxes, accrued liabilities and collectability of accounts receivable. Actual results could differ from those estimates.

Foreign Currency

The financial statements of our foreign subsidiaries with a functional currency other than U.S. dollars have been translated into U.S. dollars. Assets and liabilities of these subsidiaries are translated at the exchange rate in effect at each period-end. Income statement amounts are translated at the average rate of exchange prevailing during the period. Translation adjustments arising from the use of differing exchange rates from period to period are included in other comprehensive income (loss).

Gains and losses on foreign currency transactions are included in income. Foreign currency transaction gain (loss) was $0.6 million , $0.6 million and $(0.9) million for the years ended December 31, 2015 , 2014 and 2013 , respectively.

Risks and Uncertainties

Inherent in our business are various risks and uncertainties, including our limited history of operating our business at its current scale and development of advanced technologies in a rapidly changing industry. These risks include our ability to manage our rapid growth and our ability to attract new customers and expand sales to existing customers, as well as other risks and uncertainties. In the event that we do not successfully implement our business plan, certain assets may not be recoverable, certain liabilities may not be paid and investments in our capital stock may not be recoverable. Our success depends upon the acceptance of our technology, development of sales and distribution channels, and our ability to generate significant revenues from the sale of our technology.

Segments

We follow the authoritative literature that established annual and interim reporting standards for an enterprise's operating segments and related disclosures about its products and services, geographic regions and major customers.

We operate our business as one operating segment. Our chief operating decision makers ("CODM") are our Chief Executive Officer and Chief Financial Officer, who review financial information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance and allocating resources.

Revenue Recognition

We generate revenues primarily in the form of software license fees and related maintenance and services fees. License fees include perpetual, term and subscription license fees. Maintenance and services fees primarily consist of fees for maintenance services (including support and unspecified upgrades and enhancements when and if they are available), training, and professional services that are not essential to functionality of the software.

We recognize revenues when all of the following conditions are met:

- there is persuasive evidence of an arrangement;
- the software or services have been delivered to the customer;
- the amount of fees to be paid by the customer is fixed or determinable; and
- the collection of the related fees is probable.

We use click-through license agreements, signed agreements and purchase orders as evidence of an arrangement. We deliver all of our software electronically. Electronic delivery occurs when we provide the customer with access to the software and license key via a secure portal. We assess whether the fee is fixed or determinable at the outset of the arrangement. Our typical terms of payment are due 30 days from delivery. We assess collectability based on a number of factors such as collection history and creditworthiness of the customer. If we determine that collectability is not probable, revenue is deferred until collectability becomes probable, generally upon receipt of cash.

Substantially all of our software licenses are sold in multiple-element arrangements that include maintenance and may include professional services and training.

Vendor specific objective evidence ("VSOE") of the fair value is not available for software licenses as they are never sold without maintenance. VSOE of the fair value generally exists for all undelivered elements and any services that are not essential to the functionality of the delivered software. We account for delivered software licenses under the residual method.

Maintenance agreements consist of fees for providing software updates on a when and if available basis and technical support for software products ("post-contract support" or "PCS") for an initial term, generally one year. We have established VSOE of the fair value for maintenance on perpetual licenses based on stated substantive renewal rates or the price when sold on a standalone basis. Stated renewal rates are considered to be substantive if they are at least 15% of the actual price charged for the software license. VSOE of the fair value for standalone sales is considered to have been established when a substantial majority of individual sales transactions within the previous 12 months falls within a reasonably narrow range, which we have defined to be plus or minus 15% of the median sales price of actual standalone sales transactions.

License arrangements may include professional services and training. In determining whether professional services and training revenues should be accounted for separately from license revenues, we evaluate:

- whether such services are considered essential to the functionality of the software using factors such as the nature of the software products;
- whether they are ready for use by the customer upon receipt;
- the nature of the services, which typically do not involve significant customization to or development of the underlying software code;
- the availability of services from other vendors;
- whether the timing of payments for license revenues coincides with performance of services; and
- whether milestones or acceptance criteria exist that affect the realizability of the software license fee.

Revenues related to training are billed on a fixed fee basis and accordingly recognized as training services are delivered. Payments received in advance of services performed are deferred and recognized when the related services are performed.

To date, professional services have not been considered essential to the functionality of the software. The VSOE of the fair value of our professional services and training is based on the price for these same services when they are sold separately. Revenues related to professional services are billed on a time and materials basis and, accordingly, are recognized as the services are performed.

When software is licensed for a specified term or on a subscription basis, fees for support and maintenance are generally bundled with the license fee over the entire term of the contract. In these cases, we do not have VSOE of the fair value for support and maintenance. Revenues related to term license fees are recognized ratably over the contract term beginning on the date the customer has access to the software license key and continuing through the end of the contract term.

We do not offer refunds and therefore have not recorded any sales return allowance for any of the periods presented. Upon a periodic review of outstanding accounts receivable, amounts that are deemed to be uncollectable are written off against the allowance for doubtful accounts.

We account for taxes collected from customers and remitted to governmental authorities on a net basis and exclude them from revenues.

Cash and Cash Equivalents

We consider all highly liquid investments purchased with an original or remaining maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents are recorded at cost, which approximates fair value. We maintain cash and cash equivalent balances which exceed the insured limits by the Federal Deposit Insurance Corporation.

Accounts Receivable

Accounts receivable consist of amounts billed and currently due from customers. Our accounts receivable are subject to collection risk. Our gross accounts receivable is reduced for this risk by a provision for doubtful accounts. This provision is for estimated losses resulting from the inability of our customers to make required payments. It is an estimate and is regularly evaluated for adequacy by taking into consideration a combination of factors. We look at factors such as past collection experience, credit quality of the customer, age of the receivable balance, and current economic conditions. These factors are reviewed to determine whether a provision for doubtful accounts should be recorded to reduce the receivable balance to the amount believed to be collectible.

Activity related to our provision for doubtful accounts was as follows:

	Year Ended December 31,		
	2015	2014	2013
	(in thousands)		
Balance at the beginning of the period	$ 1,111	$ 805	$ 307
Bad debt expense	250	747	789
Accounts written off	(473)	(441)	(291)
Balance at the end of the period	$ 888	$ 1,111	$ 805

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives range from approximately one to twelve years. Leasehold improvements are amortized over the shorter of the estimated useful life or the remaining lease term. When assets are retired or disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gains or losses are included in results of operations. Maintenance and repairs that do not improve or extend the lives of the respective assets are charged to expense in the period incurred.

Leases and Asset Retirement Obligations

Leases are categorized at their inception as either operating or capital leases. Within some lease agreements, rent holidays and other incentives are included. Rent expense is recognized on a straight-line method, over the term of the agreement generally beginning once control of the space is achieved, without regard to deferred payment terms, such as rent holidays that defer the commencement date of required rent payments. Additionally, incentives received are treated as a reduction of expense over the term of the agreement.

Leased buildings under build-to-suit lease arrangements are capitalized and included in property and equipment when we are involved in the construction of the structural improvements or take construction risk prior to the commencement of the lease. Upon completion of the construction under the build-to-suit leases, we assess whether those arrangements qualify for sales recognition under the sale-leaseback accounting guidance.

Liabilities are established for the present value of estimated future costs to retire leasehold improvements at the termination or expiration of a lease. A corresponding asset is recorded in the period in which the obligation is incurred. Such assets are amortized over the estimated useful life of the asset, and the recorded liabilities are accreted to the future value of the estimated retirement costs.

Impairment of Long-Lived Assets

We evaluate the recoverability of long-lived assets in accordance with authoritative guidance on accounting for the impairment or disposal of long-lived assets. We evaluate long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. Such impairment is recognized in the event the carrying value of such assets exceeds their fair value. If the carrying value of the net assets assigned exceeds the fair value of the assets, then the second step of the impairment test is performed in order to determine the implied fair value. No impairment of long-lived assets occurred in the periods presented.

Software Development Costs

Software development costs associated with the development of new products, enhancements of existing products and quality assurance activities consists of employee, consulting and other external personnel costs. The costs incurred internally from the research and development ("R&D") of computer software products are charged to expense until technological feasibility has been established for the product. Once technological feasibility is established, all software costs are capitalized until the product is available for release to customers. Judgment is required in determining when technological feasibility of a product is established. To date, we have determined that technological feasibility of software products is reached shortly before the products are released. Costs incurred after establishment of technological feasibility have not been material, and therefore, we have expensed all R&D costs as they were incurred. R&D expenses primarily consist of personnel related costs attributable to our R&D personnel and allocated overhead, which includes facilities related costs.

We capitalize certain costs relating to software developed or modified solely to meet our internal requirements and for which there are no substantive plans to market the software. To date, we have not capitalized any such costs as these costs have not been material.

Intangible Asset Costs

Costs related to filing and pursuing patent and trademark applications are expensed as incurred, as recoverability of such expenditures is uncertain. These intangible asset-related legal costs are generally reported as a component of general and administrative expenses.

Advertising Expenses

We expense all advertising costs as incurred and classify such costs as sales and marketing expenses. Advertising expenses for the years ended December 31, 2015 , 2014 and 2013 were $11.3 million , $7.6 million and $4.9 million , respectively.

Income Taxes

Income taxes are accounted for under the asset and liability method in accordance with authoritative guidance for income taxes. Deferred income tax assets are recognized for deductible temporary differences, net operating loss carryforwards, and tax credit carryforwards if it is more likely than not that the tax benefits will be realized. We considered future taxable income, historical operating results, and ongoing prudent and feasible tax planning strategies in assessing the need for a valuation allowance. In 2015, we recorded a valuation allowance to reduce our U.S. federal and state deferred income tax assets to the net amount that we believe is more likely than not to be realized. In the event we determine that we are able to realize our deferred income tax assets in excess of our net recorded amount, we would reduce the valuation allowance associated with the deferred income tax assets in the period the determination is made, which may result in a tax benefit in the statement of operations.

Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Concentrations of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. We extend credit to customers based upon an evaluation of the customer's financial condition and generally collateral is not required. As of December 31, 2015 and 2014 , no individual customer accounted for 10% or more of total accounts receivable. For the years ended December 31, 2015 , 2014 and 2013 , no individual customer represented 10% or more of our total revenues.

Stock-Based Compensation

We record compensation expense for stock-based transactions including employee and non-employee stock option and restricted stock unit ("RSU") awards granted under our 2004 Equity Incentive Plan ("2004 Plan") and 2013 Equity Incentive Plan ("2013 Plan" and together with the 2004 Plan, the "Plans") and shares of Class A common stock issued under our 2013 Employee Stock Purchase Plan ("2013 ESPP"). Stock-based compensation expense is measured and recognized in the financial statements based on fair value. The fair value of each RSU award is determined based on the closing price of our Class A common stock as reported on the New York Stock Exchange on the date of grant. The fair value of each stock option award is determined at the date of grant by applying the Black-Scholes option pricing model. We also use the Black-Scholes option pricing model to determine the fair value of each common share issued under the 2013 ESPP. The fair value for 2013 ESPP grants is determined on the first day of each offering period.

The Black-Scholes option pricing model utilizes the value of our underlying common stock at the measurement date, the expected or contractual term of the option or offering period, the expected volatility of our common stock, risk-free interest rates and expected dividend yield of our common stock. Prior to our IPO in May 2013, because our stock was not publicly traded we estimated the fair value of our common stock. Our board of directors considered numerous objective and subjective factors to determine the fair value of our common stock at each meeting at which awards were approved. The factors included, but were not limited to: (i) contemporaneous third-party valuations of our common stock; (ii) the prices, rights, preferences and privileges of our preferred stock that was then outstanding relative to those of our common stock; (iii) the lack of marketability of our common stock; (iv) our actual operating and financial results; (v) current business conditions and projections; and (vi) the likelihood of achieving a liquidity event, such as an IPO or merger or acquisition, given prevailing market conditions. After the completion of our IPO, our common stock has been valued by reference to the closing price of our Class A common stock as reported on the New York Stock Exchange.

Measurement of stock-based compensation is subject to periodic adjustment as the underlying equity instruments vest. We recognize compensation expense for only the portion of awards expected to vest. Therefore, we apply an estimated forfeiture rate that was derived from historical employee termination behavior. If the actual number of forfeitures differs from the estimates, adjustments to stock-based compensation expense may be required in future periods.

We compute the timing of excess tax benefits from the exercise of stock options and the vesting and settlement of RSUs under the "with-and-without" approach. Under this approach, we will not record an excess tax benefit until such time as a cash tax benefit is recognized. We include the impact of the excess tax benefits in the calculation of certain tax attributes such as the R&D tax credit and do not prepare separate computations considering the cascading impacts of the excess tax deduction. We compute the pool of excess tax benefits available to offset any future shortfalls in the tax benefits actually realized as a single pool for employees and non-employees.

Fair Value Measurements

We categorize assets and liabilities recorded at fair value on our consolidated balance sheets based upon the level of judgment associated with inputs used to measure their fair value. The levels of the fair value hierarchy are as follows:

- Level 1—Inputs are unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2—Inputs are quoted prices for similar assets and liabilities in active markets or quoted prices for identical or similar instruments in markets that are not active and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3—Inputs are unobservable inputs based on our own assumptions and valuation techniques used to measure assets and liabilities at fair value. The inputs require significant management judgment or estimation.

Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

We establish fair value of our assets and liabilities using the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and using a fair value hierarchy based on the inputs used to measure fair value. The carrying amounts reported in the consolidated financial statements approximate the fair value for cash equivalents, accounts receivable, accounts payable, and accrued and other current liabilities, due to their short-term nature.

Recent Accounting Pronouncements

In May 2014, as part of its ongoing efforts to assist in the convergence of GAAP and International Financial Reporting Standards ("IFRS"), the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09 related to revenue recognition. The new guidance sets forth a new five-step revenue recognition model that replaces the prior revenue recognition guidance in its entirety and is intended to eliminate numerous industry-specific pieces of revenue recognition guidance that have historically existed in GAAP. The underlying principle of the new standard is that a business or other organization will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 provides retrospective or modified prospective methods of initial adoption and is effective for annual periods beginning after December 15, 2017 and interim periods within those annual periods. Early adoption is permitted for annual periods beginning after December 15, 2016 and interim periods within those annual periods. We are currently evaluating the method of adoption and the impact that this standard will have on our consolidated financial statements.

In August 2014, the FASB issued ASU 2014-15 related to status as a going concern. The new guidance explicitly requires that management assess an entity's ability to continue as a going concern and may require additional detailed disclosures. ASU 2014-15 is effective for annual periods beginning after December 15, 2016 and interim periods within those annual periods. Though permitted, we do not plan to early adopt. We do not believe that this standard will have an impact on our consolidated financial statements.

In April 2015, the FASB issued ASU 2015-05 related to a customer's accounting for fees paid in a cloud computing arrangement. The new guidance requires that management evaluate each cloud computing arrangement in order to determine whether it includes a software license that must be accounted for separately from hosted services. ASU 2015-05 applies the same guidance cloud service providers use to make this determination and also eliminates the existing requirement for customers to account for software licenses they acquire by analogizing to the guidance on leases. ASU 2015-05 is effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2015 and provides the option of applying the guidance prospectively to all arrangements entered into or materially modified after the effective date or on a retrospective basis. Early adoption is permitted. This standard will not have a significant impact on our consolidated financial statements.

In November 2015, the FASB issued ASU 2015-17 requiring all deferred income tax assets and liabilities, and any related valuation allowances, to be classified as noncurrent on the balance sheet. The guidance is intended to reduce the complexity inherent in recording deferred income tax assets for financial reporting purposes, as it eliminates the need to separately identify the net current and net noncurrent deferred income tax asset or liability in each jurisdiction and allocate valuation allowances. We have elected to prospectively adopt the accounting standard for the current fiscal year. Prior periods were not retrospectively adjusted. This adoption did not have a significant impact on our consolidated financial statements.

Note 3. Balance Sheet Detail

Property and equipment, net consisted of the following:

	Useful Life	December 31,	
	(in months)	2015	2014
		(in thousands)	
Computer equipment and software	36	$ 73,052	$ 43,340
Furniture and fixtures	36	14,602	8,493
Leasehold improvements	10-150	26,656	15,444
Construction in progress		7,140	5,397
		121,450	72,674
Less: Accumulated depreciation and amortization		(49,100)	(27,047)
		$ 72,350	$ 45,627

Depreciation and amortization expense was $23.7 million , $13.5 million and $6.9 million for the years ended December 31, 2015 , 2014 and 2013 , respectively.

Accrued compensation and employee related benefits consisted of the following:

	December 31,	
	2015	2014
	(in thousands)	
Accrued commissions	$ 17,518	$ 17,913
Accrued bonuses	16,882	10,931
Accrued vacation	10,425	7,368
Other	8,178	3,952
Total	$ 53,003	$ 40,164

Note 4. Income Taxes

The components of our income (loss) before income tax expense (benefit) consisted of the following:

	Year Ended December 31,		
	2015	2014	2013
	(in thousands)		
United States	$ (27,779)	$ 6,217	$ 2,182
International	(23,028)	965	683
Total	$ (50,807)	$ 7,182	$ 2,865

Income tax expense (benefit) consisted of the following:

	Year Ended December 31,		
	2015	2014	2013
	(in thousands)		
United States	$ 28,630	$ (937)	$ (4,704)
International	4,263	2,246	493
Total	$ 32,893	$ 1,309	$ (4,211)

The provision (benefit) for income taxes consisted of the following:

	Year Ended December 31,		
	2015	2014	2013
	(in thousands)		
Current			
Federal	$ 4,009	$ 11,057	$ 3,732
State	771	2,359	741
Foreign	5,240	2,802	531
Total current income tax expense	10,020	16,218	5,004
Deferred			
Federal	22,011	(12,970)	(8,772)
State	1,839	(1,383)	(404)
Foreign	(977)	(556)	(39)
Total deferred income tax expense (benefit)	22,873	(14,909)	(9,215)
Total income tax expense (benefit)	$ 32,893	$ 1,309	$ (4,211)

Our effective tax rate differs from the U.S. federal statutory rate primarily due to the provision of a valuation allowance on our U.S. federal and state deferred income tax assets in 2015.

Our effective tax rate for the years ended December 31, 2015 and 2014 was (64.7)% and 18.2% , respectively. The year-over-year change in the effective tax rate is primarily due to the $46.7 million deferred income tax asset valuation allowance recorded in the fourth quarter of 2015 which reduced our U.S. federal and state deferred income tax assets to the net amount we believe is more likely than not to be realized.

A reconciliation of the U.S. federal statutory income tax provision (benefit) to the effective income tax provision (benefit) for each year is as follows:

	Year Ended December 31,		
	2015	2014	2013
	(in thousands)		
Income tax provision (benefit) at statutory rate	$ (17,783)	$ 2,514	$ 1,003
State taxes, net of federal tax benefit	(896)	207	67
Impact of foreign income taxes	10,582	1,340	235
Research and development and other tax credits	(10,187)	(6,499)	(7,840)
Non-deductible stock-based compensation	3,174	2,929	1,845
Non-deductible meals and entertainment	1,395	832	582
Change in valuation allowance	46,737	—	—
Other, net	(129)	(14)	(103)
Total income tax expense (benefit)	$ 32,893	$ 1,309	$ (4,211)

The tax effects of temporary differences and carryforwards that gave rise to deferred income tax assets and liabilities consisted of the following:

	December 31, 2015	December 31, 2014
	(in thousands)	
Deferred income tax assets		
Tax credit carryforwards	$ 9,704	$ 2,082
Stock-based compensation	21,924	10,499
Accrued compensation	11,819	10,529
Deferred revenue	2,425	1,015
Deferred rent	3,589	1,717
Depreciation and amortization	2,018	334
Other	553	569
Total deferred income tax assets	52,032	26,745
Deferred income tax liabilities		
Prepaid assets	3,757	2,142
Total deferred income tax liabilities	3,757	2,142
Net deferred income tax assets before valuation allowance	48,275	24,603
Less: Valuation allowance	(46,737)	—
Net deferred income tax assets	$ 1,538	$ 24,603
Reported As:		
Deferred income taxes - current	—	18,732
Deferred income taxes - long-term	1,544	5,879
Other accrued liabilities	—	(7)
Other long-term liabilities	(6)	(1)
Net deferred income tax assets	$ 1,538	$ 24,603

As of December 31, 2014, we presented all current deferred income tax assets and liabilities within the same tax jurisdiction as a single amount. Long-term deferred income tax assets and liabilities are presented using the same methodology. However, as a result of the FASB issuing ASU 2015-17, as of December 31, 2015, all deferred income tax assets and liabilities, and any related valuation allowances, are classified as noncurrent on the balance sheet. We did not retrospectively adjust prior periods.

We determine our deferred income tax assets and liabilities based on differences between the financial reporting and tax basis of assets and liabilities using the enacted tax rates and laws that will be in effect when we expect the differences to reverse .

A valuation allowance is recorded when it is more likely than not that all or some portion of the deferred income tax assets will not be realized. We regularly assess the need for a valuation allowance against our deferred income tax assets by considering both positive and negative evidence related to whether it is more likely than not that our deferred income tax assets will be realized. In evaluating our ability to recover our deferred income tax assets within the jurisdiction from which they arise, we consider all available positive and negative evidence, including scheduled reversals of deferred income tax liabilities, projected future taxable income, tax-planning strategies, and results of recent operations.

In the fourth quarter of 2015 , a valuation allowance of $46.7 million was established for our U.S. federal and state deferred income tax assets, in part due to our current three-year cumulative GAAP net loss adjusted for permanent tax differences, which is a significant piece of negative evidence for recording the valuation allowance in the current period. We will continue to reassess the future realizability of our U.S. deferred income tax assets and adjust the valuation allowance accordingly.

Our assumptions, judgments and estimates relative to the value of net deferred income taxes take into account predictions of the amount and category of future taxable income, such as income from operations or capital gains income. Actual operating results and the underlying amount and category of income in future years could render our current assumptions, judgments and estimates of recoverable net deferred income taxes inaccurate. Any of the assumptions, judgments and estimates mentioned above could cause our actual income tax obligations to differ from our estimates, thus materially impacting our financial position and results of operations.

Net operating loss ("NOL") carryforwards created by excess tax benefits from the exercise of stock options or the vesting of RSUs are not recorded as deferred income tax assets. To the extent such NOL carryforwards are utilized, the benefit realized will increase stockholders' equity. At December 31, 2015 , for income tax return purposes we have gross NOL carryforwards totaling $679.2 million and tax credit carryforwards of $37.0 million , the majority of which relates to the U.S. These carryforwards may be subject to limitations under the Internal Revenue Code and other applicable tax laws. If not utilized, a portion of the carryforwards will begin to expire in 2022.

We are subject to income taxes in the United States and in numerous foreign jurisdictions. The statute of limitations for adjustments to our historic tax obligations will vary from jurisdiction to jurisdiction. Furthermore, net operating loss and tax credit carryforwards may be subject to adjustment after the expiration of the statute of limitations of the year such net operating losses and tax credits originated. In general, the tax years for U.S. federal and state income tax purposes that remain open for examination are for 2005 and forward due to our net operating loss carryforwards.

Income tax expense includes both U.S. and international income taxes. Except as required under U.S. tax law, we do not provide for U.S. income taxes on our undistributed earnings of foreign subsidiaries that have not been previously taxed, because we intend to invest such undistributed earnings indefinitely outside of the U.S. If our intent changes or if these funds are needed for our U.S. operations, we would be required to accrue or pay U.S. taxes on some or all of these undistributed earnings. As of December 31, 2015 , cash held by foreign subsidiaries was $24.5 million . Currently, we have no undistributed earnings of foreign subsidiaries indefinitely invested outside of the U.S.

We have reserves for taxes to address potential exposures involving tax positions that we believe could be challenged by taxing authorities even though we believe the positions we have taken are appropriate. We believe our tax reserves are adequate to cover potential liabilities. We review the tax reserves as circumstances warrant and adjust the reserves as events occur that affect our potential liability for additional taxes. It is often difficult to predict the final outcome or timing of resolution of any particular tax matter. Various events, some of which cannot be predicted, such as clarification of tax law by administrative or judicial means, may occur and would require us to increase or decrease our reserves and effective income tax rate.

The total gross amount of unrecognized tax benefits was $10.8 million , $7.1 million and $3.4 million as of December 31, 2015 , 2014 and 2013 , respectively. This increase relates primarily to the R&D tax credits generated in the current year.

These amounts represent the gross amount of exposure in individual jurisdictions and do not reflect any additional benefits expected to be realized if such positions were not sustained. To the extent that any uncertain tax positions are resolved in our favor, it may have a positive impact on our effective income tax rate. We do not expect any material decrease on our unrecognized tax position within the next twelve months. The following table shows the gross changes in our unrecognized tax position.

	Year Ended December 31,		
	2015	2014	2013
	(in thousands)		
Balance, beginning of period	$ 7,116	$ 3,441	$ 448
Gross increases to tax positions related to prior periods	545	—	5
Gross decreases to tax positions related to prior periods	—	—	(153)
Gross increases related to current tax positions	3,120	3,675	3,141
Balance, end of period	$ 10,781	$ 7,116	$ 3,441

We recognize interest and, if applicable, penalties for any uncertain tax positions as a component of income tax expense. No penalties or interest were recognized or accrued for at December 31, 2015 , 2014 and 2013 .

On July 27, 2015, the U.S. Tax Court issued an opinion related to litigation in Altera Corp v. Commissioner. This litigation relates to the treatment of stock-based compensation expense in an inter-company cost-sharing arrangement with one of Altera's foreign subsidiaries. In its opinion, the U.S. Tax Court invalidated the portion of the Treasury regulations requiring the inclusion of stock-based compensation expense in such inter-company cost-sharing arrangements. The final resolution of this litigation remains uncertain as the Internal Revenue Service ("IRS") could appeal the U.S. Tax Court's decision. Therefore, for the year ended December 31, 2015 , we have not recorded any potentially favorable benefit related to the current or prior periods. We will continue to monitor developments related to this case and the potential impact of those developments on our current and future financial statements.

Note 5. Stockholders' Equity

Common Stock

Our certificate of incorporation, as amended and restated, authorizes us to issue 75,000,000 shares of Class B common stock, $0.0001 par value per share, and 750,000,000 shares of Class A common stock, $0.0001 par value per share. The rights of the holders of Class A and Class B common stock are identical, except with respect to voting and conversion. Each holder of Class B common stock is entitled to ten votes per share and each holder of Class A common stock is entitled to one vote per share. Shares of Class B common stock may be converted into Class A common stock at any time at the option of the stockholder, and are automatically converted upon sale or transfer to Class A common stock, subject to certain limited exceptions. At its discretion, the board of directors may declare dividends on shares of common stock, subject to the rights of our preferred stockholders, if any. Upon liquidation or dissolution, holders of common stock will receive distributions only after preferred stock preferences have been satisfied.

Preferred Stock

Our certificate of incorporation, as amended and restated, authorizes us to issue 10,000,000 shares of preferred stock at $0.0001 par value per share. Our board of directors has the authority to provide for the issuance of all the shares in one or more series. At its discretion, our board of directors may designate the voting rights and preferences of the preferred stock. As of December 31, 2015 and 2014 , no shares of preferred stock were outstanding.

Note 6. Stock-Based Compensation

Our 2004 Plan authorizes the granting of options to purchase shares of our Class B common stock, RSUs and other stock-based awards to our employees, consultants, officers and directors. In December 2012, we modified the 2004 Plan to increase the number of shares of Class B common stock authorized thereunder to 26,473,282 . Our 2013 Plan, which was the successor to our 2004 Plan, authorizes the granting of options to purchase shares of our Class A common stock, RSUs and other stock-based awards to our employees, consultants, officers and directors. Options granted under the Plans may be incentive or nonstatutory stock options. Incentive stock options may only be granted to employees. The term of each option is stated in the award agreement, but shall be no more than ten years from the date of grant. The board of directors determines the period over which options and RSUs become vested. Currently, the vesting period for our options and RSUs is typically four years.

Our 2013 ESPP allows eligible employees to purchase shares of our Class A common stock at a discount through payroll deductions of up to 15% of their eligible compensation, subject to plan limitations. The 2013 ESPP currently includes purchase periods approximately six months in duration starting on the first trading date on or after June 1st and December 1st of each year. Participants are able to purchase shares of our common stock at 85% of the lower of its fair market value on (i) the first day of the purchase period or on (ii) the purchase date, which is the last day of the purchase period. As of December 31, 2015, 3,320,668 shares were authorized under the 2013 ESPP. There were no shares purchased under the 2013 ESPP in 2015 as we commenced the first offering period on December 1, 2015.

A summary of the option activity under the Plans during the year ended December 31, 2015 is presented below:

	Options Outstanding			
	Shares	Weighted Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
			(in years)	(in thousands)
Balances at December 31, 2014	8,515,879	$ 8.76		
Options exercised	(2,458,549)	8.18		
Options canceled	(26)	12.78		
Options forfeited	(103,533)	13.69		
Balances at December 31, 2015	5,953,771	$ 8.92	5.99	$ 507,885
Vested and expected to vest at December 31, 2015	5,932,740	$ 8.89	5.98	$ 506,247
Exercisable at December 31, 2015	4,646,524	$ 7.69	5.71	$ 402,075

The stock options are exercisable at a price equal to the market value of the underlying shares of common stock on the date of the grant. For periods prior to the IPO this value was determined by our board of directors. After the IPO, this value was determined by reference to the closing price of our Class A common stock on the New York Stock Exchange on the date of the grant. The total intrinsic value of options exercised during 2015 , 2014 and 2013 was $224.6 million , $258.0 million and $199.3 million , respectively. The total fair value of options vested during 2015 , 2014 and 2013 was $11.7 million , $15.0 million and $11.6 million , respectively.

We grant RSU awards to our employees, consultants, officers and directors under the provisions of the 2013 Plan. The fair value of an RSU is determined by using the closing price of our Class A common stock as reported on the New York Stock Exchange on the date of grant. An RSU award entitles the holder to receive shares of the Company's Class A common stock as the award vests, which is generally based on length of service. The Company's non-vested RSUs do not have nonforfeitable rights to dividends or dividend equivalents.

The following provides a summary of the RSU activity during the year ended December 31, 2015 :

	Number of Shares Underlying Outstanding RSUs	Weighted-Average Grant-Date Fair Value per RSU
Non-Vested outstanding at December 31, 2014	2,818,661	$ 77.77
RSUs granted	3,671,156	101.52
RSUs vested	(877,696)	77.44
RSUs forfeited	(206,044)	86.74
Non-Vested outstanding at December 31, 2015	5,406,077	$ 93.61

The weighted-average grant date fair value of RSUs granted in 2015 , 2014 and 2013 was $101.52 , $80.05 and $64.04 , respectively. The total fair value of RSUs vested during 2015 and 2014 was $89.1 million and $12.0 million , respectively. There were no RSUs vested in 2013.

Stock-based compensation expense is amortized using the straight-line method over the requisite service period. As of December 31, 2015 , total unrecognized compensation expense, adjusted for estimated forfeitures, related to stock options and non-vested RSUs was approximately $424.4 million which is expected to be recognized over a period of 3.1 years .

The summary of shares available for issuance for equity based awards (including stock options and RSUs) is as follows:

	Shares Available for Grant	
	2013 Plan	2013 ESPP
Balances at December 31, 2014	6,229,892	2,621,986
Authorized	3,493,410	698,682
Granted	(3,671,156)	—
Canceled	26	—
Forfeited	309,577	—
Balances at December 31, 2015	6,361,749	3,320,668

Pursuant to the provisions of our 2013 Plan, the number of shares authorized for issuance increases annually on January 1 st by the lesser of 5% of the total number of shares of our capital stock outstanding on December 31 st of the preceding calendar year or an amount determined by our board of directors. Pursuant to the provisions of our 2013 ESPP, the number of shares authorized for issuance increases annually on January 1 st by the lesser of 1% of the total number of shares of our capital stock outstanding on December 31 st of the preceding calendar year, 4,000,000 shares of Class A common stock, or an amount determined by our board of directors. There are no shares available for grant under our 2004 plan.

Valuation Assumptions

Stock-based payments to employees are measured based on the grant date fair value of the awards and recognized in the consolidated statements of operations over the period during which the employee is required to perform services in exchange for the award. This is generally four years for stock options and RSU awards and six -months for shares issued under the 2013 ESPP.

For the years ended December 31, 2015 and 2014 , there were no options granted. The weighted average grant date fair value of stock options granted for the year ended December 31, 2013 was $10.78 . For the year ended December 31, 2013 , the fair value of options was estimated using the Black-Scholes option pricing model with the following assumptions:

	Year Ended December 31,
	2013
Risk-free interest rates	1.11%
Expected term	5 years
Expected dividends	None
Expected volatility	46.8%

For the years ended December 31, 2015 , 2014 and 2013 , there were no common shares issued under the 2013 ESPP. For the year ended December 31, 2015 , the fair value of common shares to be issued under the 2013 ESPP was estimated using the Black-Scholes option pricing model with the following assumptions:

	Year Ended December 31,
	2015
Risk-free interest rates	0.42%
Expected term	0.5 years
Expected dividends	None
Expected volatility	47.97%

The weighted-average, risk-free interest rates are based on the rates for a U.S. Treasury zero coupon issue with a term that approximates the expected life of the award at the date closest to the grant date for stock options and to the first date of the purchase period for shares expected to be issued under our 2013 ESPP. The expected term represents the period that our stock-based awards are expected to be outstanding. For awards of stock options, the expected term assumptions were determined based on actual experience adjusted for expected employee exercise behavior. The expected term for shares expected to be issued under our 2013 ESPP is based on the duration of each purchase period, which is approximately six months. We have not paid and do not expect to pay dividends. We estimate expected future volatility based on the annualized daily historical volatility of our stock price. For periods prior to our IPO, there was no active external or internal market for our common shares. We lacked sufficient historical volatility of our share price, and accordingly, we based our volatility on an estimate of similar entities whose share prices were publicly available.

The estimation of stock awards that will ultimately vest requires judgment, and to the extent actual results or updated estimates differ from our current estimates, such amounts will be recorded as a cumulative adjustment in the period the estimates are revised. We consider many factors when estimating expected forfeitures, including the types of awards, employee class and historical experience. Forfeitures were estimated at the time of grant and revised if necessary in subsequent periods if actual forfeitures differed from those estimates. Actual results, and future changes in estimates, may differ substantially from our current estimates.

Note 7. Commitments and Contingencies

Operating Lease Commitments

We conduct our operations in leased facilities under leases expiring at various dates through 2029 . We recognize rent expense on a straight-line basis over the defined lease periods. Total rent expense under operating leases was approximately $18.3 million , $7.2 million and $4.7 million for the years ended December 31, 2015 , 2014 and 2013 , respectively. Future minimum lease payments under non-cancellable operating leases as of December 31, 2015 are as follows (in thousands):

Year Ending December 31,		
2016	$	22,957
2017		33,065
2018		41,301
2019		44,293
2020		42,712
Thereafter		259,175
Total minimum lease payments	$	443,503

Contractual Commitments

Our contractual commitments are associated with agreements that are enforceable and legally binding and that specify all significant terms, including fixed or minimum services to be used, fixed, minimum or variable price provisions, and the approximate timing of the transaction. Obligations under contracts that we can cancel without a significant penalty are not included. As of December 31, 2015 , our contractual commitments were $11.6 million .

Legal Proceedings

We are subject to certain routine legal proceedings, as well as demands and claims that arise in the normal course of our business. We make a provision for a liability relating to legal matters when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These provisions are reviewed and adjusted to reflect the impacts of negotiations, estimated settlements, legal rulings, advice of legal counsel and other information and events pertaining to a particular matter.

We are not aware of any pending legal proceedings that we believe, individually or in the aggregate, would be expected to have a material adverse effect on our business, operating results, or financial condition. We may, in the future, be party to litigation arising in the ordinary course of business, including claims that we allegedly infringe upon third party intellectual property rights. Such claims, even if not meritorious, could result in the expenditure of significant financial and management resources.

Note 8. Retirement Plan

We offer a salary deferral 401(k) plan for our U.S. employees. The plan allows employees to contribute a percentage of their pretax earnings annually, subject to limitations imposed by the IRS. The plan also allows us to make matching contributions, subject to certain limitations. We contributed approximately $2.8 million and $1.3 million for the years ended December 31, 2015 and 2014 , respectively, to the 401(k) plan. For the year ended December 31, 2013, we made no contributions to the 401(k) plan.

Note 9. Segments and Information about Revenues by Geographic Area

The following table presents our revenues by geographic region of end users who purchased products or services for the periods presented below:

	Year Ended December 31,		
	2015	2014	2013
	(in thousands)		
United States and Canada	$ 489,329	$ 318,835	$ 186,725
International	164,258	93,781	45,715
Total revenues	$ 653,587	$ 412,616	$ 232,440

Substantially all of our long-lived assets are located in the United States as of December 31, 2015 and 2014 .

Note 10. Net Income (Loss) Per Share

We calculate basic net income (loss) per share by dividing our net income (loss) for the period by the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per share is computed giving effect to all potential common shares that were dilutive and outstanding during the period. For the year ended December 31, 2015 , basic net loss per share is the same as diluted net loss per share as the inclusion of all potentially dilutive common shares outstanding is anti-dilutive when we are in a net loss position.

The following table presents the computation of basic and diluted net income (loss) per share:

	Year Ended December 31,		
	2015	2014	2013
	(in thousands, except per share data)		
Net income (loss) per share - basic			
Net income (loss)	$ (83,700)	$ 5,873	$ 7,076
Weighted average shares outstanding used to compute basic net income (loss) per share	71,701	67,591	50,564
Net income (loss) per share - basic	$ (1.17)	$ 0.09	$ 0.14
Net income (loss) per share - diluted			
Net income (loss)	$ (83,700)	$ 5,873	$ 7,076
Weighted average shares outstanding used to compute basic net income (loss) per share	71,701	67,591	50,564
Effect of potentially dilutive shares:			
Stock awards	—	6,728	8,528
Weighted average shares outstanding used to compute diluted net income (loss) per share	71,701	74,319	59,092
Net income (loss) per share - diluted	$ (1.17)	$ 0.08	$ 0.12

The following shares subject to outstanding awards were excluded from the computation of diluted net income (loss) per share for the periods presented as their effect would have been antidilutive:

	Year Ended December 31,		
	2015	2014	2013
	(in thousands)		
Shares subject to outstanding common stock awards	11,510	1,967	86

Note 11. Fair Value Measurements

The following table presents the fair value of our financial assets using the fair value hierarchy:

	December 31, 2015			
<u>Description</u>	Level 1	Level 2	Level 3	Total
	(in thousands)			
Money market funds	$ 736,806	$ —	$ —	$ 736,806

	December 31, 2014			
<u>Description</u>	Level 1	Level 2	Level 3	Total
	(in thousands)			
Money market funds	$ 667,210	$ —	$ —	$ 667,210

We have no material financial assets or liabilities measured using Level 2 or Level 3 inputs.

Note 12. Quarterly Financial Information (Unaudited)

The following table contains selected unaudited financial data for each quarter of 2015 and 2014 . The unaudited information should be read in conjunction with our financial statements and these notes to the consolidated financial statements. We believe that the following unaudited information reflects all normal recurring adjustments necessary for a fair presentation of the information for the periods presented. The operating results for any quarter are not necessarily indicative of results for any future period.

	Three Months Ended							
	Dec 31, 2015	Sept 30, 2015	June 30, 2015	March 31, 2015	Dec 31, 2014	Sept 30, 2014	June 30, 2014	March 31, 2014
	(in thousands, except per share amounts)							
Total revenues	$ 202,750	$ 170,832	$ 149,860	$ 130,145	$ 142,923	$ 104,469	$ 90,673	$ 74,551
Gross profit	181,115	150,956	133,107	114,724	131,312	94,928	82,033	67,358
Net income (loss)	(41,321)	(13,373)	(18,979)	(10,027)	20,707	(4,631)	(4,574)	(5,629)
Net income (loss) per share:								
Basic	$ (0.57)	$ (0.19)	$ (0.27)	$ (0.14)	$ 0.30	$ (0.07)	$ (0.07)	$ (0.09)
Diluted	$ (0.57)	$ (0.19)	$ (0.27)	$ (0.14)	$ 0.27	$ (0.07)	$ (0.07)	$ (0.09)

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our principal executive officer and principal financial officer, our management conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of December 31, 2015 , the end of the period covered by this report.

In designing and evaluating our disclosure controls and procedures, management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on management's evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are designed to, and are effective to, provide assurance at a reasonable level that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Our management conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2015 based on the criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on the results of its evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2015 . The effectiveness of our internal control over financial reporting as of December 31, 2015 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in its report which is included in Item 8 of the Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the three months ended December 31, 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required by this Item is incorporated herein by reference to the sections entitled "Executive Officers," "Proposal No. 1—Election of Directors," "Information Regarding the Board of Directors and Corporate Governance" and "Section 16(a) Beneficial Ownership Reporting Compliance" in our definitive proxy statement with respect to our 2016 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this Item is incorporated herein by reference to the sections entitled "Executive Compensation", "Compensation Discussion and Analysis" and "Director Compensation" in our definitive proxy statement with respect to our 2016 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required by this Item is incorporated herein by reference to the sections entitled "Security Ownership of Certain Beneficial Owners and Management," and "Equity Compensation Plan Information" in our definitive proxy statement with respect to our 2016 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Information required by this Item is incorporated herein by reference to the sections entitled "Transactions With Related Persons" and "Information Regarding the Board of Directors and Corporate Governance " in our definitive proxy statement with respect to our 2016 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information required by this Item is incorporated herein by reference to the section entitled "Proposal No. 4 — Ratification of Selection of Independent Registered Public Accounting Firm" in our definitive proxy statement with respect to our 2016 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Annual Report on Form 10-K:

See Index to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K. No financial statement schedules are provided because the information called for is not required or is shown in the consolidated financial statements or related notes.

(b) Exhibits. The following exhibits are included herein or incorporated by reference:

		Incorporated by Reference				
Exhibit No.	**Description of Exhibit**	**Form**	**File No.**	**Exhibit**	**Filing Date**	**Filed Herewith**
3.1	Amended and Restated Certificate of Incorporation of Tableau Software, Inc.	8-K	001-35925	3.1	5/23/2013	
3.2	Amended and Restated Bylaws of Tableau Software, Inc.	S-1	333-187683	3.4	4/2/2013	
4.1.1	Form of Class A Common Stock Certificate.	S-1/A	333-187683	4.1.1	5/23/2013	
4.1.2	Form of Class B Common Stock Certificate.	S-1A	333-187683	4.1.2	5/23/2013	

4.2	Amended and Restated Investor Rights Agreement, by and among Tableau Software, Inc. and the investors listed on Exhibit A thereto, dated July 27, 2012.	S-1	333-187683	4.2	4/2/2013
10.1†	Tableau Software, Inc. 2004 Equity Incentive Plan.	S-1	333-187683	10.1	4/2/2013
10.2†	Forms of Option Agreement and Option Grant Notice under the 2004 Equity Incentive Plan.	S-1	333-187683	10.2	4/2/2013
10.3†	Tableau Software, Inc. 2013 Equity Incentive Plan.	S-1	333-187683	10.3	4/2/2013
10.4†	Forms of Option Agreement and Option Grant Notice under the 2013 Equity Incentive Plan.	S-1	333-187683	10.4	4/2/2013
10.5†	Form of Restricted Stock Unit Award Agreement and Restricted Stock Unit Award Grant Notice under the 2013 Equity Incentive Plan.	10-Q	001-35925	10.1	8/9/2013
10.6†	Tableau Software, Inc. 2013 Employee Stock Purchase Plan.	S-1	333-187683	10.5	4/2/2013
10.7†	Form of Indemnification Agreement made by and between Tableau Software, Inc. and each of its directors and executive officers	S-1	333-187683	10.6	4/2/2013
10.8†	Offer Letter between Tableau Software, Inc. and Christian Chabot, dated April 26, 2013.	S-1/A	333-187683	10.7	5/6/2013
10.9†	Offer Letter between Tableau Software, Inc. and Christopher Stolte, dated April 26, 2013.	S-1/A	333-187683	10.8	5/6/2013
10.10†	Offer Letter between Tableau Software, Inc. and Thomas Walker, dated April 26, 2013.	S-1/A	333-187683	10.9	5/6/2013
10.11†	Offer Letter between Tableau Software, Inc. and Kelly Wright, dated February 10, 2005.	S-1/A	333-187683	10.10	5/6/2013
10.12†	Offer Letter between Tableau Software, Inc. and Elissa Fink, dated June 13, 2007.	S-1/A	333-187683	10.11	5/6/2013
10.13†	Offer Letter between Tableau Software, Inc. and Keenan Conder, dated December 16, 2011.	S-1/A	333-187683	10.12	5/6/2013
10.14†	Form of Conversion Agreement entered into between Tableau Software, Inc. and each of Christian Chabot, Christopher Stolte and Patrick Hanrahan.	S-1	333-187683	10.13	4/2/2013
10.15*	Software License Agreement between the Board of Trustees of the Leland Stanford Junior University and Tableau Software LLC, dated January 14, 2003.	S-1	333-187683	10.14	4/2/2013
10.16	Amendment No. 1 to Software License Agreement between the Board of Trustees of the Leland Stanford Junior University and Tableau Software LLC, dated June 8, 2004.	S-1	333-187683	10.15	4/2/2013

10.17	Office Lease Agreement between Michael R. Mastro and Tableau Software, Inc., dated February 19, 2009.	S-1	333-187683	10.17	4/2/2013	
10.18	First Amendment to Office Lease Agreement between Michael R. Mastro and Tableau Software, Inc., dated April 3, 2009.	S-1	333-187683	10.18	4/2/2013	
10.19	Second Amendment to Office Lease Agreement between BBK Lake View, LLC and Tableau Software, Inc., dated March 24, 2011.	S-1	333-187683	10.19	4/2/2013	
10.20	Third Amendment to Office Lease Agreement between BBK Lake View, LLC and Tableau Software, Inc., dated August 22, 2012.	S-1	333-187683	10.20	4/2/2013	
10.21†	Form of Change in Control Severance Agreement.	S-1	333-187683	10.21	4/2/2013	
10.22	Fourth Amendment to Office Lease Agreement between FREMONT LAKE UNION CENTER LLC and Tableau Software, Inc., dated December 11, 2014.	10-K	001-35925	10.23	2/27/2015	
10.23	Fifth Amendment to Office Lease Agreement between Fremont Lake Union Center LLC and Tableau Software, Inc., dated March 4, 2015.	10-Q	001-35925	10.1	5/8/2015	
10.24	Office Lease Agreement between NorthEdge Developers LLC and Tableau Software, Inc., dated July 2, 2015.	10-Q	001-35925	10.1	11/9/2015	
10.25	Sixth Amendment to Office Lease Agreement between Fremont Lake Union Center LLC, KR Lakeview, LLC and Tableau Software, Inc., dated November 19, 2015.					X
21.1	List of subsidiaries.					X
23.1	Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm.					X
24.1	Power of Attorney (included on the signature page hereto).					X
31.1	Certification of Periodic Report by Principal Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Periodic Report by Principal Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1**	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	XBRL Instance Document.					
101.SCH	XBRL Taxonomy Schema Linkbase Document.					

101.CAL	XBRL Taxonomy Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Presentation Linkbase Document.

† Indicates management contract or compensatory plan or arrangement.

* Confidential treatment for portions of this exhibit has been granted by the Securities and Exchange Commission.

** Document has been furnished, is not deemed filed and is not to be incorporated by reference into any of the Company's filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, irrespective of any general incorporation language contained in any such filing.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Seattle, State of Washington, on this 25th day of February, 2016.

TABLEAU SOFTWARE, INC.

By: /s/ Christian Chabot

Christian Chabot
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Christian Chabot, Thomas Walker and Keenan Conder, or each of them, as his true and lawful attorneys-in-fact and agents, each with the full power of substitution, for him and in his name, place or stead, in any and all capacities, to sign any amendments to this report and to file the same, with exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that either of said attorneys-in-fact, or substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Annual Report on Form 10-K has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Christian Chabot Christian Chabot	Chief Executive Officer, Co-founder and Chairman of the Board (principal executive officer)	February 25, 2016
/s/ Thomas E. Walker, Jr. Thomas E. Walker, Jr.	Chief Financial Officer (principal financial and accounting officer)	February 25, 2016
/s/ Patrick Hanrahan Patrick Hanrahan	Chief Scientist, Co-founder and Director	February 25, 2016
/s/ Christopher Stolte Christopher Stolte	Chief Development Officer, Co-founder and Director	February 24, 2016
/s/ Forest Baskett Forest Baskett	Director	February 24, 2016
/s/ Billy Bosworth Billy Bosworth	Director	February 24, 2016
/s/ Brooke Seawell Brooke Seawell	Director	February 24, 2016
/s/ Elliott Jurgensen, Jr. Elliott Jurgensen, Jr.	Director	February 24, 2016
/s/ John McAdam John McAdam	Director	February 24, 2016

EXHIBIT INDEX

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** Document has been furnished, is not deemed filed and is not to be incorporated by reference into any of the Company's filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, irrespective of any general incorporation language contained in any such filing.

SIXTH AMENDMENT TO OFFICE LEASE AGREEMENT FOR 837 N. 34TH STREET AND OFFICE LEASE FOR 701 N. 34TH STREET

This SIXTH AMENDMENT TO OFFICE LEASE AGREEMENT FOR 837 N. 34 TH STREET AND OFFICE LEASE FOR 701 N. 34TH STREET (this " **Agreement** ") is made and entered into as of the 19th day of November, 2015, by and between FREMONT LAKE UNION CENTER LLC, a Delaware limited liability company (" **FLUC** ") and KR LAKEVIEW, LLC, a Delaware limited liability company (" **KR Lakeview** ") (sometimes referred to herein as the " **Landlord** "), and TABLEAU SOFTWARE, INC., a Delaware corporation (" **Tenant** ").

R E C I T A L S:

A. KR Lakeview (as successor in interest to BBK Lake View, LLC, a Delaware limited liability company, itself successor in interest to Michael R. Mastro, a married man as his separate estate), and Tenant are parties to that certain Lease Agreement dated February 19, 2009 (" **Office Lease** "), as amended by that certain First Amendment to Office Lease Agreement dated as of April 3, 2009 (the " **First Amendment** "), that certain Second Amendment to Office Lease Agreement dated as of March 24, 2011 (the " **Second Amendment** "), that certain Third Amendment to Office Lease Agreement dated as of August 22, 2012 (the " **Third Amendment** "). The Office Lease was further amended by that certain Fourth Amendment to Office Lease dated as of December 11, 2014 (the " **Fourth Amendment** ") which was inadvertently executed by only FLUC (an affiliate of KR Lakeview) on KR Lakeview's behalf, and which is hereby ratified by KR Lakeview pursuant to Section 2 below. The Office Lease, the First Amendment, the Second Amendment, the Third Amendment and the Fourth Amendment are referred to herein as the " **KR Lakeview Lease** ." Pursuant to the KR Lakeview Lease, KR Lakeview leases to Tenant and Tenant leases from KR Lakeview that certain premises (the " **Lakeview Existing Premises** ") comprising (a) that certain space commonly known as Suite 400 and located on the fourth (4th) floor of that certain building located at 837 N. 34 th Street, Seattle, Washington (the " **Lakeview Building** "), (b) that certain space commonly known as Suite 200 located on the second (2nd) floor of the Lakeview Building, and (c) that certain space commonly known as Suite 210 and located on the second (2nd) floor of the Lakeview Building.

B. Pursuant to the terms of the Fourth Amendment, the following space was also leased to Tenant (which shall be leased by Tenant from FLUC pursuant to the "Plaza Lease," as that term is defined in Section 2 below): (a) that certain space commonly known as Suite 100A located on the first (1st) floor of that certain building located at 701 N. 34th Street, Seattle, Washington (the " **Plaza Building** "), (b) that certain space commonly known as Suite 300 and located on the third (3rd) floor of the Plaza Building, (c) that certain space commonly known as Suite 230 and located on the second (2nd) floor of the Plaza Building. Pursuant to the terms of that certain Fifth Amendment to Office Lease Agreement dated as of March 4, 2015 (the " **Fifth Amendment** "), that certain space commonly known as Suite 400 and located on the fourth (4th) floor of the Plaza Building was also leased to Tenant from FLUC. The locations identified in items (a) through (c) above leased pursuant to the Fourth Amendment, and the location leased pursuant to the Fifth Amendment, are referred to herein collectively as the " **Plaza Existing Premises** ". The Lakeview Existing Premises and the Plaza Existing Premises shall collectively be referred to herein as the " **Existing Premises** ."

C. The parties hereby acknowledge and agree that the Fourth Amendment and the Fifth Amendment erroneously referred to FLUC as the successor-in-interest to KR Lakeview (as opposed to an affiliate of KR Lakeview) and in connection with such erroneous reference, FLUC was erroneously referred to as the "Landlord" of the Lakeview Building, and therefore the only "Landlord" of the Project. Notwithstanding the foregoing, and where “landlord” is used to mean “lessor”, (i) KR Lakeview is and from the date of the Fourth Amendment has been the "landlord" of the Lakeview Building, and (ii) FLUC is and from the date of the Fourth Amendment has been the "landlord" of the Plaza Building and the Waterfront Building.

D. The parties desire to enter into this Agreement in order to (i) correct and clarify the ownership of the Lakeview Building by KR Lakeview and the Plaza Building by FLUC (as set forth in Recital B above and Section 2 below), (ii) create the Plaza Lease pertaining to Tenant's lease of the Plaza Existing Premises from FLUC per the terms of Section 2 below, (iii) expand the Plaza Existing Premises to include that certain space commonly known as Suite 100 and located on the first (1 st) floor of the Plaza Building (the " **Suite 100 Expansion Premises** "), as delineated on **Exhibit A** attached hereto and made a part hereof, and (iv) amend the KR Lakeview Lease and the Plaza Lease as hereinafter provided.

A G R E E M E N T:

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Capitalized Terms** . All capitalized terms when used herein shall have the same meaning as is given such terms in the KR Lakeview Lease and the Plaza Lease unless expressly superseded by the terms of this Agreement.

2. **Correction of Landlord Entity** . The parties hereby acknowledge and agree that the Fourth Amendment and the Fifth Amendment erroneously referred to FLUC as the successor-in-interest to KR Lakeview (as opposed to an affiliate of KR Lakeview) and in connection with such erroneous reference, FLUC was erroneously referred to as the "Landlord" of the Lakeview Building, and therefore the only "Landlord" of the Project. Based upon the foregoing, the parties further acknowledge and agree that, retroactive to the date of the full execution and delivery of the Fourth Amendment, and where “landlord” is used to mean “lessor”, (i) KR Lakeview is and from the date of the Fourth Amendment has been the "landlord" of the Lakeview Building, (ii) FLUC is and from the date of the Fourth Amendment has been the "landlord" of the Plaza Building and the Waterfront Building, (iii) it was the intent of both Landlord and Tenant that KR Lakeview enter into and be bound by the terms of the Fourth Amendment applicable to the Lakeview Building, and, accordingly, KR Lakeview hereby ratifies the terms of the Fourth Amendment and the applicable portions thereof that amend the KR Lakeview Lease, (iv) notwithstanding the inadvertent execution of the Fourth Amendment by FLUC only (as an affiliate of KR Lakeview), KR Lakeview has at all times following the effective date of the Fourth Amendment, been bound, and shall remain bound, by the terms and provisions of the Fourth Amendment as though KR Lakeview had initially entered into the Fourth Amendment in addition to FLUC, (v) FLUC and Tenant hereby retroactively create a new lease to govern Tenant's lease of the Plaza Existing Premises, the terms of which Plaza Lease shall be on all the terms of the KR Lakeview Lease which are incorporated herein, as amended by the Fifth Amendment and this Agreement, except insofar as such terms relate exclusively to the Lakeview Building (collectively, the " **Plaza Lease** "), and, accordingly, FLUC leases to Tenant and Tenant leases from FLUC the Plaza Existing Premises pursuant to the terms of the Plaza Lease, and FLUC agrees to be bound by the terms set forth therein.

3. **Modification of Premises** .

3.1. **Condition Precedent** . FLUC and Tenant hereby acknowledge that the Suite 100 Expansion Premises is currently leased by Adobe Systems Incorporated, a Delaware corporation (" **Adobe** ") pursuant to that certain lease dated October 31, 1996, by and between The Quadrant Corporation, a Washington corporation (as predecessor-in-interest to FLUC) and Adobe, as modified by the First Amendment to Lease dated February 10, 1998, the Second Amendment to Lease dated October 1, 2007 and the Third Amendment to Lease dated June 7, 2010 (collectively, the " **Suite 100 Lease** "), which Suite 100 Lease has a lease term expiring after the anticipated "Suite 100 Expansion Commencement Date" (as that term is defined in Section 3.2 below). Accordingly, notwithstanding the full execution and delivery of this Agreement by FLUC and Tenant, Tenant's right (and FLUC's obligations) under this Agreement to lease the Suite 100 Expansion Premises as set forth in this Agreement is expressly conditioned upon the full execution and delivery of a lease termination agreement by FLUC and Adobe on terms and conditions which shall be acceptable to FLUC in its sole and absolute discretion pertaining to the early termination of the Suite 100 Lease (the " **Condition Precedent** "). FLUC shall have no liability whatsoever to Tenant relating to or arising from FLUC's inability or failure to cause the Condition Precedent to be satisfied. In the event the Condition Precedent is not satisfied on or before October 15, 2015, then all terms and provisions in this Agreement pertaining to the Suite 100 Expansion Premises, shall automatically be deemed null and void, and of no further force or effect; provided, however, if the Condition Precedent is timely satisfied, then the terms and provisions in this Agreement pertaining to the Suite 100 Expansion Premises and to Suite 100A shall continue in full force and effect.

3.2. **Suite 100 Expansion Premises** . Effective as of the Suite 100 Expansion Commencement Date, Tenant shall lease from FLUC and FLUC shall lease to Tenant the Suite 100 Expansion Premises on the terms set forth in this Agreement. Consequently, effective upon the Suite 100 Expansion Commencement Date, the Plaza Existing Premises shall be increased to include the Suite 100 Expansion Premises. FLUC and Tenant hereby acknowledge and agree that the rentable square footage of the Suite 100 Expansion Premises shall be deemed to be 14,158 rentable square feet of space (determined in accordance with Office Buildings: Standard Methods of Measurement and Calculating Rentable Area – 2010 (Method A) (ANSI/BOMA Z65.1-2010), and its accompanying guidelines (collectively, " **BOMA** ")). The parties hereby acknowledge that such addition of the Suite 100 Expansion Premises (a) to the Existing Premises shall, effective as of the Suite 100 Expansion Commencement Date, increase the size of the premises in the Lakeview Building and the Plaza Building to 158,748 rentable square feet, and (b) to the Plaza Existing Premises shall increase the size of the premises in the Plaza Building to 103,974 rentable square feet. The Existing Premises and the Suite 100 Expansion Premises shall be referred to hereinafter collectively as the " **Premises** ". For purposes of this Agreement, the " **Suite 100 Expansion Commencement Date** " shall be the day immediately following the date upon which the Suite 100 Lease terminates (subject to the terms set forth in Section 3.1 above), which Suite 100 Expansion Commencement Date is anticipated to be March 1, 2016 (with an anticipated termination date of the 100 Lease of February 29, 2016). Tenant hereby acknowledges that as the Suite 100 Expansion Premises are currently occupied by Adobe, FLUC shall have no liability to Tenant for any damages resulting from any delay in delivering possession of the Suite 100 Expansion Premises to Tenant on any particular date as a result of Adobe's failure to vacate and surrender the Suite 100 Expansion Premises or any part thereof.

4. **Lease Term** .

4.1. **Suite 100 Expansion Term** . The Lease Term of Tenant's lease of the Suite 100 Expansion Premises (the " **Suite 100 Expansion Term** ") shall commence on the Suite 100 Expansion Commencement Date and shall expire coterminously with Tenant's lease of the Existing Premises on the "New Lease Expiration Date" (as that term is defined in Section 3 of the Fourth Amendment) (i.e., August 31, 2024), unless sooner terminated as provided in the Plaza Lease. At any time during the Suite 100 Expansion Term, FLUC may deliver to Tenant a notice in the form as set forth in **Exhibit C** attached hereto, (which notice may also include an updated Monthly Base Rent schedule), as a confirmation only of the information set forth therein with respect to the Suite 100 Expansion Term (or Monthly Base Rent payable through the New Lease Expiration Date), which, provided such information is correct, Tenant shall execute and return to FLUC within ten (10) business days of receipt thereof.

4.2. **Option Term** . Notwithstanding any provision to the contrary contained in the KR Lakeview Lease or the Plaza Lease, FLUC or KR Lakeview, as applicable, hereby acknowledges that the option right set forth in Section 11 of the Fourth Amendment shall also apply to the Suite 100 Expansion Premises, provided that Tenant exercises such option with respect to the entire Premises (i.e., the Plaza Existing Premises, the Lakeview Existing Premises and the Suite 100 Expansion Premises).

5. **Base Rent** .

5.1. **Existing Premises** . Notwithstanding anything to the contrary in the KR Lakeview Lease, as hereby amended, or the Plaza Lease, Tenant shall continue to pay to KR Lakeview the Monthly Base Rent for the Lakeview Existing Premises in accordance with the terms of the KR Lakeview Lease, and FLUC the Monthly Base Rent for the Plaza Existing Premises in accordance with the terms of the Plaza Lease.

5.2. **Suite 100 Expansion Premises** . Commencing on the Suite 100 Expansion Commencement Date and continuing throughout the Suite 100 Expansion Term, Tenant shall pay to FLUC monthly installments of Monthly Base Rent for the Suite 100 Expansion Premises as follows, but otherwise in accordance with the terms of the Plaza Lease:

Period During the Suite 100 Expansion Term	Annualized Monthly Base Rent for the Suite 100 Expansion Premises*	Monthly Base Rent for the Suite 100 Expansion Premises*	Annual Rental Rate per Rentable Square Foot of the Suite 100 Expansion Premises*
Suite 100 Expansion Commencement Date – June 30, 2016	$481,372.00	$40,114.33	$34.00
July 1, 2016 – June 30, 2017	$495,813.16	$41,317.76	$35.02**
July 1, 2017 – June 30, 2018	$510,687.55	$42,557.30	$36.07**
July 1, 2018 – June 30, 2019	$526,008.18	$43,834.02	$37.15**
July 1, 2019 – June 30, 2020	$541,788.43	$45,149.04	$38.27**
July 1, 2020 – June 30, 2021	$558,042.08	$46,503.51	$39.42**
July 1, 2021 – June 30, 2022	$574,783.34	$47,898.61	$40.60**
July 1, 2022 – June 30, 2023	$592,026.84	$49,335.57	$41.82**
July 1, 2023 – June 30, 2024	$609,787.65	$50,815.64	$43.07**
July 1, 2024 – August 31, 2024	$628,081.28	$52,340.11	$44.36**

* The initial Annualized Monthly Base Rent for the Suite 100 Expansion Premises amount was calculated by multiplying the initial Annual Rental Rate per Rentable Square Foot of the Suite 100 Expansion Premises amount by the number of rentable square feet of space in the Suite 100 Expansion Premises, and the initial Monthly Base Rent for the Suite 100 Expansion Premises amount was calculated by dividing the initial Annualized Monthly Base Rent for the Suite 100 Expansion Premises amount by twelve (12). Both Tenant and FLUC acknowledge and agree that multiplying the Monthly Base Rent for the Suite 100 Expansion Premises amount by twelve (12) does not always exactly equal the Annualized Monthly Base Rent for the Suite 100 Expansion Premises amount. In all subsequent Monthly Base Rent payment periods during the Lease Term commencing on July 1, 2016, the calculation of each Annualized Monthly Base Rent for the Suite 100 Expansion Premises amount reflects an annual increase of three percent (3%) and each Monthly Base Rent for the Suite 100 Expansion Premises amount was calculated by dividing the corresponding Annualized Monthly Base Rent for the Suite 100 Expansion Premises amount by twelve (12).

** The amounts identified in the column entitled "Annual Rental Rate per Rentable Square Foot of the Suite 100 Expansion Premises" are rounded amounts and are provided for informational purposes only.

On or before the Suite 100 Expansion Commencement Date, Tenant shall pay to FLUC the Monthly Base Rent payable for the Suite 100 Expansion Premises for the first full month of the Suite 100 Expansion Term.

6. **Tenant's Share of Operating Expenses** .

6.1. **Plaza Existing Premises** . Tenant shall continue to pay Tenant's Pro Rata Share of Operating Expenses in connection with the Plaza Existing Premises in accordance with the terms of the Plaza Lease.

6.2. **Suite 100 Expansion Premises** . With respect to Tenant's payment of Operating Expenses for the Suite 100 Expansion Premises, commencing on the Suite 100 Expansion Commencement Date, and continuing throughout the Suite 100 Expansion Term, Tenant shall pay to FLUC Tenant's Pro Rata Share of Operating Expenses in connection with the Suite 100 Expansion

Premises which arise or accrue during such period in accordance with the terms of Article 9 of the Plaza Lease, provided that with respect to the calculation of Tenant's Pro Rata Share of Operating Expenses in connection with the Suite 100 Expansion Premises, Tenant's Pro Rata Share shall equal 10.19%.

7. **Suite 100 Expansion Improvements** . Except as specifically set forth in the Work Letter attached hereto as **Exhibit B** (the " **Work Letter** "), FLUC shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Suite 100 Expansion Premises, and Tenant shall accept the Suite 100 Expansion Premises in its presently existing, "as-is" condition, provided that the Suite 100 Expansion Premises shall be delivered broom clean and free and clear of personal property, and the foregoing shall be subject to FLUC's ongoing maintenance, repair, indemnification and compliance with law (including with respect to hazardous materials) obligations as set forth in the Plaza Lease, as amended. Further, Tenant acknowledges that neither FLUC nor any agent of FLUC has made any representation or warranty regarding the condition of the New Expansion Premises or with respect to the suitability of the same for the conduct of Tenant's business.

8. **Parking** . Effective as of the Suite 100 Commencement Date and continuing throughout the Suite 100 Expansion Term, Tenant shall be entitled to rent up to thirty-three (33) unreserved parking passes in connection with Tenant's lease of the Suite 100 Expansion Premises (the " **Suite 100 Expansion Parking Passes** "), at the prevailing rates established by FLUC from time to time. During the Suite 100 Expansion Term, Tenant shall have an ongoing right to change the number of Suite 100 Expansion Parking Passes rented pursuant to this Section 8 upon at least thirty (30) days prior written notice to FLUC, provided that in no event shall Tenant be entitled to rent more than the number of Suite 100 Expansion Parking Passes provided for herein in connection with the Suite 100 Expansion Premises. Subject to the foregoing, Tenant shall pay to FLUC (or its designee) for all Suite 100 Expansion Parking Passes it uses from time to time, on a monthly basis, the prevailing rate charged from time to time at the location of such Suite 100 Expansion Parking Passes, plus any taxes imposed by any governmental authority in connection with the renting of such Suite 100 Expansion Parking Passes by Tenant or the use of the parking facility by Tenant. Except as set forth in this Section 8 , Tenant shall lease the Suite 100 Expansion Parking Passes in accordance with the Plaza Lease.

9. **Security Deposit** . Notwithstanding anything in the KR Lakeview Lease or the Plaza Lease to the contrary, the total Security Deposit held by Landlord pursuant to the KR Lakeview Lease and the Plaza Lease collectively, as set forth below and amended hereby, shall equal Four Hundred Seventy-Eight Thousand Nine Hundred Ninety-Seven and 37/100 Dollars ($478,997.37). The parties acknowledge that, in accordance with the KR Lakeview Lease and the Plaza Lease, Tenant has previously delivered the sum of Four Hundred Twenty-Six Thousand Six Hundred Fifty-Seven and 26/100 Dollars ($426,657.26) (the " **Existing Security Deposit** ") to Landlord as security for the faithful performance by Tenant of the terms, covenants and conditions of the KR Lakeview Lease and the Plaza Lease. Concurrently with Tenant's execution of this Agreement, in connection with the Suite 100 Expansion Premises Tenant shall deposit with Landlord an amount equal to Fifty-Two Thousand Three Hundred Forty and 11/100 Dollars ($52,340.11) to be held by Landlord as a part of the Security Deposit, for a total Security Deposit of Four Hundred Seventy-Eight Thousand Nine Hundred Ninety-Seven and 37/100 Dollars ($478,997.37). The parties hereby acknowledge and agree that all or any portion of the Security Deposit may be applied to a default under the KR Lakeview Lease, the Plaza Lease, or both.

10. **Right of First Offer** . Effective as of the date of this Agreement, the Suite 100 Expansion Premises shall no longer be part of the First Offer Space.

11. **Tenant's Lease of Suite 100A** . FLUC and Tenant hereby acknowledge and agree that notwithstanding the outside date for the Condition Precedent set forth in Section 2.2.4.1 of the Fourth Amendment has passed, that the terms of the Fourth Amendment with respect to Suite 100A shall remain in full force and effect, and Tenant shall lease Suite 100A pursuant to the terms set forth in the Fourth Amendment.

12. **Tenant's Lease of Suite 400** . FLUC and Tenant hereby acknowledge and agree that the Suite 400 Commencement Date (as that term is defined in the Fifth Amendment) occurred on July 1, 2015.

13. **Plaza Building Signage** . Notwithstanding any provision to the contrary contained in the Lease, FLUC hereby agrees to remove the existing Building top sign located on the Plaza Building and thereafter, provided that (i) the Tenant originally named herein (the " **Original Tenant** "), leases from FLUC, and is in occupancy, of no less than the entire 103,974 rentable square feet of Tenant's space in the Plaza Building, and (ii) Original Tenant is not then in default of the Plaza Lease, as amended (beyond the applicable notice and cure period set forth in the Plaza Lease, as amended), then Landlord shall not have the right to grant any other tenant, occupant or other party the right to Building top signage, or eyebrow signage or on the Plaza Building; provided that Landlord (and any of Landlord's affiliates, successors and assigns) shall have the right to install Building top, or eyebrow on the Plaza Building identifying the name and/or logo of Landlord (or the applicable affiliate, successor or assign). The rights contained in this Section 13 shall be personal to the Original Tenant, and may only be exercised by the Original Tenant (and not any assignee, sublessee or other transferee of the Original Tenant's interest in the Plaza Lease, as amended).

14. **Broker** . The parties hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Agreement other than Flinn Ferguson (the " **Broker** "), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Agreement. Each party agrees to indemnify and defend the other party against and hold the other party harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses (including, without limitation, reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any real estate broker or agent, other than the Broker, occurring by, through, or under the indemnifying party. The terms of this Section 14 shall survive the expiration or earlier termination of the term of the KR Lakeview Lease and the Plaza Lease, as hereby amended.

15. **No Further Modification** . Except as set forth in this Agreement, all of the terms and provisions of the Plaza Lease shall apply with respect to the Suite 100 Expansion Premises and shall remain unmodified and in full force and effect.

[signatures contained on following page]

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

" LANDLORD "

FREMONT LAKE UNION CENTER LLC,
a Delaware limited liability company

By: KILROY REALTY, L.P.,
a Delaware limited partnership
Its Sole Member

By: Kilroy Realty Corporation,
a Maryland corporation,
doing business in the State of Washington as Kilroy Realty Northwest Corporation
its General Partner

By: /s/ J. Michael Shields

Name: J. Michael Shields

Its: Sr. Vice President

By: /s/ Robert E. Palmer

Name: Robert E. Palmer

Its: Senior Vice President, Operations

KR LAKEVIEW, LLC,
a Delaware limited liability company

By: Kilroy Realty, L.P.,
a Delaware limited partnership
Its Sole Member

By: Kilroy Realty Corporation,
a Maryland Corporation
doing business in the State of Washington as Kilroy Realty Northwest Corporation,
Its General Partner

By: /s/ J. Michael Shields

Name: J. Michael Shields

Its: Sr. Vice President

By: /s/ Robert E. Palmer

Name: Robert E. Palmer

Its: Senior Vice President, Operations

" TENANT "

TABLEAU SOFTWARE, INC.,
a Delaware corporation

By: /s/ Thomas Walker
Name: Thomas Walker
Its: CFO

By: /s/ Keenan Conder
Name: Keenan M Conder
Its: VP & General Counsel

NOTARY PAGES

STATE OF Washington)

) ss.

COUNTY OF King)

I certify that I know or have satisfactory evidence that Thomas Walker is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the CFO of TABLEAU SOFTWARE, INC., a Delaware corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: December 4, 2015

/s/ Kristin A. Garcia

(Signature)

(Seal or stamp)

Title: Notary Public

Notary Public in and for the State of Washington

My appointment expires: May 19, 2017

STATE OF Washington)

) ss.

COUNTY OF King)

I certify that I know or have satisfactory evidence that Keenan Conder is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the VP & General Counsel of TABLEAU SOFTWARE, INC., a Delaware corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: December 2, 2015

/s/ Jill E Goffe

(Signature)

(Seal or stamp)

Title: Notary Public

Notary Public in and for the State of Washington

My appointment expires: August 23, 2016

STATE OF Washington)

) ss.

COUNTY OF King)

I certify that I know or have satisfactory evidence that J Michael Shields is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the Sr Vice President of KILROY REALTY CORPORATION, a Maryland corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: December 14, 2015

/s/ Michelle N. Clingingsmith

(Signature)

(Seal or stamp)

Title: Leasing & Marketing Assoc.

Notary Public in and for the State of Washington

My appointment expires: September 29, 2019

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

)

COUNTY OF LOS ANGELES)

On December 16, 2015 , before me, Michael Anthony Hunter , a Notary Public, personally appeared Robert Palmer , who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature /s/ Michael Anthony Hunter (Seal)

STATE OF Washington)

) ss.

COUNTY OF King)

I certify that I know or have satisfactory evidence that J Michael Shields is the person who appeared before me, and said person acknowledged that (he/she) signed this instrument, on oath stated that (he/she) was authorized to execute the instrument and acknowledged it as the Sr Vice President of KILROY REALTY CORPORATION, a Maryland corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: December 14, 2015

/s/ Michelle N. Clingingsmith

(Signature)

(Seal or stamp)

Title: Leasing & Marketing Assoc.

Notary Public in and for the State of Washington

My appointment expires: September 29, 2019

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

)

COUNTY OF LOS ANGELES)

On December 16, 2015 , before me, Michael Anthony Hunter , a Notary Public, personally appeared Robert Palmer , who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature /s/ Michael Anthony Hunter (Seal)

EXHIBIT A

FREMONT LAKE UNION CENTER

OUTLINE OF SUITE 100 EXPANSION PREMISES

EXHIBIT B

FREMONT LAKE UNION CENTER

WORK LETTER

This Work Letter shall set forth the terms and conditions relating to the construction of improvements in the Suite 100 Expansion Premises in connection with this Agreement. This Work Letter is essentially organized chronologically and addresses the issues of the construction of improvements in the Suite 100 Expansion Premises, in sequence, as such issues will arise during the actual construction of the Suite 100 Expansion Premises. All references in this Work Letter to Articles or Sections of " **this Amendment** " shall mean the relevant portion of Sections 1 through 13 of the Agreement to which this Work Letter is attached as **Exhibit B** and of which this Work Letter forms a part, and all references in this Work Letter to Sections of " **this Work Letter** " shall mean the relevant portions of Sections 1 through 5 of this Work Letter. All references to "Landlord" refer to Fremont Lake Union Center LLC, which may also be referred to as "FLUC".

SECTION 1

INTENTIONALLY OMITTED

SECTION 2

IMPROVEMENTS

2.1 Improvement Allowance . Tenant shall be entitled to a one-time improvement allowance for the Suite 100 Expansion Premises in the amount of Three Hundred Ninety-Three Thousand Eight Hundred Seventy-Five and 56/100 Dollars ($393,875.56) (i.e., Twenty-Seven and 82/100 Dollars ($27.82) per rentable square foot of the Suite 100 Expansion Premises) for the costs relating to the design and construction of the improvements, which are permanently affixed to the Suite 100 Expansion Premises (collectively, the " **Improvements** "). In no event shall FLUC be obligated to pay a total amount which exceeds the Improvement Allowance. Notwithstanding the foregoing or any contrary provision of the Plaza Lease, as amended, all Improvements shall be deemed FLUC's property under the terms of the Plaza Lease, as amended. FLUC shall retain (and Tenant shall have no further right to) any unused portion of the Improvement Allowance which remains as of the date which is one (1) year following the Suite 100 Expansion Commencement Date.

2.2 Disbursement of the Improvement Allowance .

2.2.1 Improvement Allowance Items . Except as otherwise set forth in this Work Letter, the Improvement Allowance shall be disbursed by FLUC (each of which disbursements shall be made pursuant to FLUC's disbursement process, including, without limitation, FLUC's receipt of invoices or other commercially reasonable documentation for all costs and fees described herein) only for the following items and costs (collectively the " **Improvement Allowance Items** "):

2.2.1.1 Payment of the fees of the "Architect" and the "Engineers," as those terms are defined in Section 3.1 of this Work Letter, which fees shall, notwithstanding anything to the contrary contained in this Work Letter, not exceed an aggregate amount equal to Two and 50/100 Dollars ($2.50) per rentable square foot of the Suite 100 Expansion Premises, and payment of the fees incurred by, and the cost of documents and materials supplied by, FLUC and FLUC's consultants in connection with the preparation and review of the "Construction Drawings," as that term is defined in Section 3.1 of this Work Letter;

2.2.1.2 The payment of plan check, permit and license fees relating to construction of the Improvements;

2.2.1.3 The cost of construction of the Improvements, including, without limitation, testing and inspection costs, demolition, freight elevator usage, hoisting and trash removal costs, and contractors' fees and general conditions;

2.2.1.4 The cost of any changes in the Base Building when such changes are required by the Construction Drawings, such cost to include all direct architectural and/or engineering fees and expenses incurred in connection therewith;

2.2.1.5 The cost of any changes to the Construction Drawings or Improvements required by all applicable building codes (the " **Code** ");

2.2.1.6 The cost of the "Coordination Fee," as that term is defined in Section 4.2.2.1 of this Work Letter, together with any third-party costs reasonably incurred by FLUC to obtain Tenant Deliverables to the extent Tenant fails to timely satisfy its obligations related thereto in accordance with the terms of this Work Letter;

2.2.1.7 Sales and use taxes; and

2.2.1.8 All other costs to be expended by FLUC and Tenant in connection with the construction of the Improvements.

2.2.2 Disbursement of Improvement Allowance . Tenant acknowledges that FLUC is part of a publicly traded real estate investment trust (“ **REIT** ”), and due to such REIT status FLUC is required to satisfy certain tax and accounting requirements and related obligations in connection with the leases at the Building. In order to satisfy such requirements and obligations in connection with this Lease, FLUC requires various construction-related deliverables to be timely submitted by Tenant to FLUC (“ **Tenant Deliverables** ”) at designated times prior to, during and immediately following the construction of the Improvements by Tenant, and Tenant hereby agrees to timely comply with all such Tenant Deliverable obligations. The Tenant Deliverables and related delivery deadlines are set forth in this Work Letter and in Schedule 1 attached hereto and incorporated herein by this reference. Notwithstanding any contrary provision of this Work Letter or Schedule 1, a complete set of all Tenant Deliverables shall have been delivered to FLUC no later than the date which is one (1) year following the full execution and delivery of this Sixth Amendment by Landlord and Tenant.

Prior to the commencement of construction of the Improvements, Tenant shall deliver all of the Tenant Deliverables set forth in Section 1 of **Schedule 1** (i.e., the “Prior to Start of Construction” category of Tenant Deliverables) to FLUC. Certain of the Tenant Deliverables set forth in Section 1 of **Schedule 1** are further addressed with more specific provisions in this Work Letter.

Following the construction of the Improvements, FLUC shall make one (1) disbursement of the Improvement Allowance for Improvement Allowance Items and shall authorize the release of monies as follows.

2.2.2.1 Disbursement . Subject to the provisions of this Work Letter, a check for the Improvement Allowance (or so much thereof as Tenant is entitled to) payable to Tenant shall be delivered by Landlord to Tenant within thirty (30) days following the completion of construction of the Improvements, provided that (i) Tenant has delivered to FLUC invoices marked as having been paid from all of "Tenant's Agents," as that term is defined in Section 4.1.2 of this Work Letter, for labor rendered and materials delivered to the Suite 100 Expansion Premises; (ii) Tenant has delivered to FLUC executed unconditional mechanic's lien releases from all of Tenant's Agents which shall comply with the appropriate provisions, as reasonably determined by FLUC, of applicable laws; (iii) FLUC has determined that the Improvements are in compliance with the "Approved Working Drawings," as that term is defined in Section 3.4 below, and no substandard work exists which adversely affects the mechanical, electrical, plumbing, heating, ventilating and air conditioning, life-safety or other systems of the Building, the curtain wall of the Building, the structure or exterior appearance of the Building, or any other tenant's use of such other tenant's leased premises in the Building; (iv) Architect has delivered to FLUC a "Certificate of Substantial Completion", in the form of AIA Document G704, certifying that the construction of the Improvements in the Suite 100 Expansion Premises has been substantially completed; (v) Tenant has delivered to FLUC a "close-out package" in both paper and electronic forms (including, as-built drawings, and final record CADD files for the associated plans, warranties and guarantees from all contractors, subcontractors and material suppliers, and an independent air balance report); (vi) Tenant has delivered to FLUC a certificate of occupancy, a temporary certificate of occupancy or its equivalent is issued to Tenant for the Suite 100 Expansion Premises; (vii) all of the Tenant Deliverables set forth in Sections 2 and 3 of Schedule 1, (i.e., the "Ongoing During Construction" and "Prior to Release of Any Funds" categories of Tenant Deliverables, respectively); and (viii) Tenant has delivered all other information reasonably requested by FLUC. Tenant's request for payment shall be deemed Tenant's acceptance and approval of the work furnished and/or the materials supplied as set forth in Tenant's payment request. Thereafter, FLUC shall deliver a check to Tenant for the amount of the Improvement Allowance (or so much thereof as Tenant is entitled to). FLUC's payment of such amounts shall not be deemed FLUC's approval or acceptance of the work furnished or materials supplied as set forth in Tenant's payment request.

2.2.2.2 Intentionally Omitted .

2.2.2.3 Other Terms . FLUC shall only be obligated to make disbursements from the Improvement Allowance to the extent costs are incurred by Tenant for Improvement Allowance Items. All Improvement Allowance Items for which the Improvement Allowance has been made available shall be deemed FLUC's property under the terms of the Plaza Lease, as amended.

2.3 Building Standards . FLUC has established or may establish, as set forth below, specifications for certain Building standard components to be used in the construction of the Improvements in the Suite 100 Expansion Premises. The quality of Improvements shall be equal to or of greater quality than the quality of such Building standards, provided that FLUC may, at FLUC's option, require the Improvements to comply with certain Building standards as set forth below. FLUC may make reasonable, nondiscriminatory (vis-à-vis Tenant) written changes to said specifications for Building standards from time to time. Removal requirements regarding the Improvements are addressed in Section 11(b) and Article 24 of the Plaza Lease.

SECTION 3

CONSTRUCTION DRAWINGS

3.1 Selection of Architect/Construction Drawings . Tenant shall retain JPC Architects, Gensler, or such other architect as FLUC and Tenant shall mutually and reasonably agree upon (the " **Architect** ") to prepare the "Construction Drawings," as that term is defined in this Section 3.1 . The Contractor (as that term is defined in Section 4.1 of this Work Letter) shall provide design-build services from qualified, FLUC-approved mechanical, electrical, plumbing, HVAC, lifesafety and fire protection contractors for the preparation of plans and engineering working drawings related to the Improvements. Should Tenant choose to prepare fully engineered drawings in-lieu of the design-build approach described above, then Tenant shall retain an engineer reasonably and mutually agreed upon by Landlord and Tenant (the " **Engineer** ") to prepare all plans and engineering working drawings relating to the structural, mechanical, electrical, plumbing, HVAC, lifesafety, and sprinkler work in the Suite 100 Expansion Premises, which work is not part of the Base Building. The plans and drawings to be prepared by Architect and the Engineers hereunder shall be known collectively as the " **Construction Drawings** ." All Construction Drawings shall comply with an industry standard drawing format and industry standard specifications, and shall be subject to FLUC's approval, such approval not to be unreasonably withheld, conditioned or delayed. Tenant and Architect shall verify, in the field, the dimensions and conditions as shown on the relevant portions of the Base Building plans, and Tenant and Architect shall be solely responsible for the same, and FLUC shall have no responsibility in connection therewith. FLUC's review of the Construction Drawings as set forth in this Section 3 , shall be for its sole purpose and shall not imply FLUC's review of the same, or obligate FLUC to review the same, for quality, design, Code compliance or other like matters. Accordingly, notwithstanding that any Construction Drawings are reviewed by FLUC or its space planner, architect, engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by FLUC or FLUC's space planner, architect, engineers, and consultants, FLUC shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Construction Drawings, and Tenant's waiver and indemnity set forth in the Plaza Lease shall specifically apply to the Construction Drawings.

3.2 Final Space Plan . Tenant shall supply FLUC with e-mail copies signed by Tenant of its final space plan, along with other renderings or illustrations reasonably required by FLUC, to allow FLUC to understand Tenant's design intent, for the Suite 100 Expansion Premises before any architectural working drawings or engineering drawings have been commenced, and concurrently with Tenant's delivery of such hard copies, Tenant shall send to FLUC via electronic mail one (1) .pdf electronic copy of such final space plan. The final space plan (the " **Final Space Plan** ") shall include a layout and designation of all offices, rooms and other partitioning, their intended use, and equipment to be contained therein. FLUC may request clarification or more specific drawings for special use items not included in the Final Space Plan. FLUC shall advise Tenant within five (5) business days after FLUC's receipt of the Final Space Plan for the Suite 100 Expansion Premises if the same is unsatisfactory or incomplete in any respect, FLUC's approval of the Final Space Plan not to be unreasonably withheld, conditioned or delayed. If Tenant is so advised, Tenant shall promptly cause the Final Space Plan to be revised, and FLUC and Tenant shall use good faith and commercially reasonable efforts to have the Final Space Plan approved.

3.3 Final Working Drawings . After the Final Space Plan has been approved by FLUC, Tenant shall supply the Engineers with a complete listing of standard and non-standard equipment and specifications, including, without limitation, B.T.U. calculations, electrical requirements and special electrical receptacle requirements for the Suite 100 Expansion Premises, to enable the Engineers and the Architect to complete the "Final Working Drawings" (as that term is defined below) in the manner as set forth below. Upon the approval of the Final Space Plan by FLUC and Tenant, Tenant shall promptly cause the Architect and the Engineers to complete the architectural and engineering drawings for the Suite 100 Expansion Premises, and Architect shall compile a fully coordinated set of architectural, structural, mechanical, electrical and plumbing working drawings in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, the " **Final Working Drawings** ") and shall submit the same to FLUC for FLUC's approval, such approval not to be unreasonably withheld, conditioned or delayed. Tenant shall supply FLUC with four (4) hard copies signed by Tenant of the Final Working Drawings, and concurrently with Tenant's delivery of such hard copies, Tenant shall send to FLUC via electronic mail one (1) .pdf electronic copy of such Final Working Drawings. FLUC shall advise Tenant within ten (10) business days after FLUC's receipt of the Final Working Drawings for the Suite 100 Expansion Premises if the same is unsatisfactory or incomplete in any respect, FLUC's approval of the Final Working Drawings not to be unreasonably withheld, conditioned or delayed. If Tenant is so advised, Tenant shall immediately revise the Final Working Drawings in accordance with such review, and FLUC and Tenant shall use good faith and commercially reasonable efforts to have the Final Working Drawings approved. In addition, if the Final Working Drawings or any amendment thereof or supplement thereto shall require alterations in the Base Building (as contrasted with the Improvements), and if FLUC in its sole and exclusive discretion agrees to any such alterations, and notifies Tenant of the need and cost for such alterations, then Tenant shall pay the cost of such required changes in advance upon receipt of notice thereof. Tenant shall pay all direct architectural and/or engineering fees in connection therewith.

3.4 Approved Working Drawings . The Final Working Drawings shall be approved by FLUC (the " **Approved Working Drawings** ") prior to the commencement of construction of the Suite 100 Expansion Premises by Tenant. After approval by FLUC of the Final Working Drawings, Tenant may submit the same to the appropriate municipal authorities for all applicable building permits. Tenant hereby agrees that neither FLUC nor FLUC's consultants shall be responsible for obtaining any building permit or certificate of occupancy for the Suite 100 Expansion Premises and that obtaining the same shall be Tenant's responsibility; provided, however, that FLUC shall cooperate with Tenant in executing permit applications and performing other ministerial acts reasonably necessary to enable Tenant to obtain any such permit or certificate of occupancy. No changes, modifications or alterations in the Approved Working Drawings may be made without the prior written consent of FLUC, which consent may not be unreasonably withheld.

3.5 Electronic Approvals . Notwithstanding any provision to the contrary contained in the Plaza Lease or this Work Letter, FLUC may, in FLUC's sole and absolute discretion, transmit or otherwise deliver any of the approvals required under this Work Letter via electronic mail to Tenant's representative identified in Section 5.1 of this Work Letter, or by any of the other means identified in the Plaza Lease.

SECTION 4

CONSTRUCTION OF THE IMPROVEMENTS

4.1 Tenant's Selection of Contractors.

4.1.1 The Contractor. A general contractor shall be retained by Tenant to construct the Improvements. Such general contractor ("**Contractor**") shall be selected by Tenant the following list of contractors: Foushee & Associates, HST Construction, Shuchart, GLY, Lease Crutcher Lewis, Howard S. Wright or such other contractor as FLUC and Tenant shall mutually and reasonably agree upon, and Tenant shall deliver to FLUC notice of its selection of the Contractor upon such selection.

4.1.2 Tenant's Agents. All subcontractors, laborers, materialmen, and suppliers used by Tenant (such subcontractors, laborers, materialmen, and suppliers, and the Contractor to be known collectively as "**Tenant's Agents**") must be approved in writing by FLUC, which approval shall not be unreasonably withheld, conditioned or delayed. If FLUC does not approve any of Tenant's proposed subcontractors, laborers, materialmen or suppliers, Tenant shall submit other proposed subcontractors, laborers, materialmen or suppliers for FLUC's written approval.

4.2 Construction of Improvements by Tenant's Agents.

4.2.1 Construction Contract; Cost Budget. Tenant shall engage the Contractor under a contract which shall satisfy FLUC's indemnification and insurance requirements (collectively, the "**Contract**"). Prior to the commencement of the construction of the Improvements, and after Tenant has accepted all bids for the Improvements, Tenant shall provide FLUC with a detailed breakdown, by trade, of the final costs to be incurred or which have been incurred, as set forth more particularly in Sections 2.2.1.1 through 2.2.1.8, above, in connection with the design and construction of the Improvements to be performed by or at the direction of Tenant or the Contractor, which costs form a basis for the amount of the Contract (the "**Final Costs**"). Tenant is responsible, at its sole cost and expense, for the payment of all the Final Costs and any other costs and expenses associated with the design and construction of the Improvements (subject to Landlord's disbursement of the Improvement Allowance following the completion of the Improvements, pursuant to Section 2 above), Tenant shall continue to provide FLUC with the documents described in Sections 2.2.2.1(i), (ii), (iii) and (iv) of this Work Letter, above, for FLUC's approval, prior to Tenant paying such costs.

4.2.2 Tenant's Agents.

4.2.2.1 FLUC's General Conditions for Tenant's Agents and Improvement Work. Tenant's and Tenant's Agent's construction of the Improvements shall comply with the following: (i) the Improvements shall be constructed in strict material accordance with the Approved Working Drawings; (ii) Tenant's Agents shall submit schedules of all work relating to the Improvements to Contractor and Contractor shall, within five (5) business days of receipt thereof, inform Tenant's Agents of any changes which are necessary thereto, and Tenant's Agents shall adhere to such corrected schedule; and (iii) Tenant shall abide by all reasonable rules made by FLUC's Building manager with respect to the use of freight, loading dock and service elevators, storage of materials, coordination of work with the contractors of other tenants, and any other matter in connection with this Work Letter, including, without limitation, the construction of the Improvements. Tenant shall pay a logistical coordination fee (the "**Coordination Fee**") to FLUC in an amount equal to the product of (i) three percent (3%), and (ii) the Improvement Allowance, which Coordination Fee shall be for services relating to the coordination of the construction of the Improvements.

4.2.2.2 Indemnity. Tenant's indemnity of FLUC as set forth in the Plaza Lease shall also apply with respect to any and all costs, losses, damages, injuries and liabilities related in any way to any act or omission of Tenant or Tenant's Agents, or anyone directly or indirectly employed by any of them, or in connection with Tenant's non-payment of any amount arising out of the Improvements and/or Tenant's disapproval of all or any portion of any request for payment in violation of the terms of this Work Letter. Such indemnity by Tenant, as set forth in the Plaza Lease, shall also apply, except to the extent arising from the gross negligence or willful misconduct of FLUC, with respect to any and all costs, losses, damages, injuries and liabilities related in any way to FLUC's performance of any ministerial acts reasonably necessary (i) to permit Tenant to complete the Improvements, and (ii) to enable Tenant to obtain any building permit or certificate of occupancy for the Suite 100 Expansion Premises.

4.2.2.3 Requirements of Tenant's Agents . Each of Tenant's Agents shall guarantee to Tenant and for the benefit of FLUC that the portion of the Improvements for which it is responsible shall be free from any defects in workmanship and materials for a period of not less than one (1) year from the date of completion thereof. Each of Tenant's Agents shall be responsible for the replacement or repair, without additional charge, of all work done or furnished in accordance with its contract that shall become defective within one (1) year after the later to occur of (i) completion of the work performed by such contractor or subcontractors and (ii) the Suite 100 Expansion Commencement Date. The correction of such work shall include, without additional charge, all additional expenses and damages incurred in connection with such removal or replacement of all or any part of the Improvements, and/or the Building and/or common areas that may be damaged or disturbed thereby. All such warranties or guarantees as to materials or workmanship of or with respect to the Improvements shall be contained in the Contract or subcontract and shall be written such that such guarantees or warranties shall inure to the benefit of both FLUC and Tenant, as their respective interests may appear, and can be directly enforced by either. Tenant covenants to use commercially reasonable efforts to cooperate with FLUC to effect such right of direct enforcement.

4.2.2.4 Insurance Requirements .

4.2.2.4.1 General Coverages . All of Tenant's Agents shall carry worker's compensation insurance covering all of their respective employees, and shall also carry public liability insurance, including property damage, all with limits, in form and with companies as are required to be carried by Tenant as set forth in the Plaza Lease.

4.2.2.4.2 Special Coverages . Tenant shall carry "Builder's All Risk" insurance in an amount approved by FLUC covering the construction of the Improvements, and such other insurance as FLUC may require, it being understood and agreed that the Improvements shall be insured by Tenant pursuant to the Plaza Lease immediately upon completion thereof. Such insurance shall be in amounts and shall include such extended coverage endorsements as may be reasonably required by FLUC including, but not limited to, the requirement that all of Tenant's Agents shall carry excess liability and Products and Completed Operation Coverage insurance, each in amounts not less than $5,000,000 per incident, $5,000,000 in aggregate, and in form and with companies as are required to be carried by Tenant as set forth in the Plaza Lease, as amended.

4.2.2.4.3 General Terms . Certificates for all insurance carried pursuant to this Section 4.2.2.4 shall be delivered to FLUC before the commencement of construction of the Improvements and before the Contractor's equipment is moved onto the site. All such policies of insurance must contain a provision that the company writing said policy will give FLUC thirty (30) days prior written notice of any cancellation or lapse of the effective date or any reduction in the amounts of such insurance. In the event that the Improvements are damaged by any cause, except to the extent arising from the gross negligence or willful misconduct of FLUC, during the course of the construction thereof, Tenant shall immediately repair the same at Tenant's sole cost and expense. Tenant's Agents shall maintain all of the foregoing insurance coverage in force until the Improvements are fully completed and accepted by FLUC, except for any Products and Completed Operation Coverage insurance required by FLUC, which is to be maintained for ten (10) years following completion of the work and acceptance by FLUC and Tenant. All policies carried under this Section 4.2.2.4 shall insure FLUC and Tenant, as their interests may appear, as well as Contractor and Tenant's Agents. All insurance, except Workers' Compensation, maintained by Tenant's Agents shall preclude subrogation claims by the insurer against anyone insured thereunder. Such insurance shall provide that it is primary insurance as respects the owner and that any other insurance maintained by owner is excess and noncontributing with the insurance required hereunder. The requirements for the foregoing insurance shall not derogate from the provisions for indemnification of FLUC by Tenant under Section 4.2.2.2 of this Work Letter. FLUC may, in its discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to FLUC in an amount sufficient to ensure the lien-free completion of the Improvements and naming FLUC as a co-obligee.

4.2.3 Governmental Compliance . The Improvements shall comply in all respects with the following: (i) the Code and other state, federal, city or quasi-governmental laws, codes, ordinances and regulations, as each may apply according to the rulings of the controlling public official, agent or other person; (ii) applicable standards of the American Insurance Association (formerly, the National Board of Fire Underwriters) and the National Electrical Code; and (iii) building material manufacturer's specifications.

4.2.4 Inspection by FLUC . FLUC shall have the right to inspect the Improvements at all times, provided however, that FLUC's failure to inspect the Improvements shall in no event constitute a waiver of any of FLUC's rights hereunder nor shall FLUC's inspection of the Improvements constitute FLUC's approval of the same. Should FLUC disapprove any portion of the Improvements, FLUC shall notify Tenant in writing of such disapproval and shall specify the items disapproved and the basis therefor. Any defects or material deviations in, the Improvements shall be rectified by Tenant at no expense to FLUC, provided however, that in the event a defect or deviation exists in connection with any portion of the Improvements and such defect or deviation might adversely affect the mechanical, electrical, plumbing, heating, ventilating and air conditioning or life-safety systems of the Building, the structure or exterior appearance of the Building or any other tenant's use of such other tenant's leased premises, FLUC may, following written notice to Tenant and expiration of a ten (10) day cure period, take such action as FLUC deems necessary, at Tenant's expense and without incurring any liability on FLUC's part, to correct any such defect and/or deviation, including, without limitation, causing the cessation of performance of the construction of the Improvements until such time as the defect and/or deviation is corrected to FLUC's satisfaction.

4.2.5 Meetings . Commencing upon the execution of this Amendment, Tenant shall hold weekly meetings at a reasonable time, with the Architect and the Contractor regarding the progress of the preparation of Construction Drawings and the construction of the Improvements, which meetings shall be held at a location reasonably approved by FLUC and Tenant, and FLUC and/or its agents shall receive prior notice of, and shall have the right to attend, all such meetings, and, upon FLUC's request, certain of Tenant's Agents shall attend such meetings. One such meeting each month shall include the review of Contractor's current request for payment.

4.3 Notice of Completion; Copy of Record Set of Plans . Within fifteen (15) business days after completion of construction of the Improvements, Tenant shall cause a Notice of Completion to be recorded in the office of the Recorder of the county in which the Building is located in accordance with applicable laws, and shall furnish a copy thereof to FLUC upon such recordation. If Tenant fails to do so, FLUC may execute and file the same as Tenant's agent for such purpose, at Tenant's sole cost and expense. At the conclusion of construction, (i) Tenant shall cause the Architect and Contractor (A) to update the Approved Working Drawings as necessary to reflect all changes made to the Approved Working Drawings during the course of construction, (B) to certify to the best of their knowledge that the "record-set" of as-built drawings are true and correct, which certification shall survive the expiration or termination of the Plaza Lease, and (C) to deliver to FLUC two (2) sets of copies of such record set of drawings within ninety (90) days following issuance of a certificate of occupancy for the Suite 100 Expansion Premises, and (ii) Tenant shall deliver to FLUC a copy of all warranties, guaranties, and operating manuals and information relating to the improvements, equipment, and systems in the Suite 100 Expansion Premises.

SECTION 5

MISCELLANEOUS

5.1 Tenant's Representative . Tenant has designated Mike Ross as its sole representative with respect to the matters set forth in this Work Letter (whose e-mail address for the purposes of this Work Letter is mross@tableau.com and phone number is (206) 634-7465, who shall have full authority and responsibility to act on behalf of the Tenant as required in this Work Letter.

5.2 FLUC's Representative . FLUC has designated Garrett Billings (whose e-mail addresses for the purposes of this Work Letter is gbillings@kilroyrealty.com and whose phone number is (425) 990-7124) as its sole representatives with respect to the matters set forth in this Work Letter, who, until further notice to Tenant, shall each have full authority and responsibility to act on behalf of the FLUC as required in this Work Letter.

5.3 Time of the Essence in This Work Letter . Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. If any item requiring approval is timely disapproved by FLUC pursuant to the terms of this Work Letter, the procedure for preparation of the document and approval thereof shall be repeated until the document is approved by FLUC pursuant to the terms of this Work Letter.

5.4 Tenant's Lease Default. Notwithstanding any provision to the contrary contained in the Plaza Lease or this Work Letter, if any economic or material non-economic default by Tenant under the Plaza Lease or this Work Letter occurs at any time on or before the substantial completion of the Improvements, then (i) in addition to all other rights and remedies granted to FLUC pursuant to the Plaza Lease, FLUC shall have the right to withhold payment of all or any portion of the Improvement Allowance and/or FLUC may, without any liability whatsoever, cause the cessation of construction of the Improvements (in which case, Tenant shall be responsible for any delay in the substantial completion of the Improvements and any costs occasioned thereby), and (ii) all other obligations of FLUC under the terms of the Plaza Lease and this Work Letter shall be tolled until such time as such default is cured pursuant to the terms of the Plaza Lease.

SCHEDULE 1

LIST OF TENANT DELIVERABLES

1. Prior to Start of Construction

1.1. Approved and Permitted Construction Drawings
1.2. Approved Subcontractors List
1.3. Copies of all Contracts with Contractor
1.4. Construction Schedule
1.5. Copies of Permits for Improvements

2. Ongoing During Construction

2.1. Budget and Schedule Revisions as they occur.
2.2. Change Orders as they occur.
2.3. Plan Revisions as they occur.
2.4. Monthly Applications of Payment w/reciprocal releases **when received**
2.5. Monthly Architects Field Report or Equivalent.
2.6. Monthly 4-week look ahead schedule.
2.7. Weekly meeting minutes
2.8. Permit sign off card **when received**
2.9. Temporary certificate of occupancy/certificate of occupancy **when received**

3. Prior to Release of Any Funds

3.1. Space Plans
3.2. Construction Drawings
3.3. Project Budget
3.4. Project Schedule
3.5. Pay applications as above

4. Prior to Release of Final Payment

4.1. Signed off Inspection Card or Equivalent temporary certificate of occupancy
4.2. Architects Certificate of Substantial Completion
4.3. Final Contractor Pay Application indicating 100% complete, 90 % previous paid.
4.4. Physical inspection of the premises by FLUC inspection team
4.5. Unconditional Releases
4.6. Final As Built
4.7. Final Subcontractors List
4.8. Warranties and Guarantees
4.9. CAD Files

EXHIBIT C

FREMONT LAKE UNION CENTER

NOTICE OF LEASE TERM DATES

To: ______________________

____

____

____

Re: Office Lease dated ____________, 20__ (as amended, the " **Lease** "), by and between ____________________, a _____________________ (" **Landlord** "), and _______________________, a _______________________ (" **Tenant** ") for certain expansion premises, commonly known as Suite _______ and containing approximately _______________ rentable square feet of space (the " **Expansion Premises** "), located on the ______________ (____) floor of that certain office building located at 701 N. 34 th Street, Seattle, Washington 98103 (the " **Building** ").

Dear ______________________:

Pursuant to the terms of the Lease, this letter is to confirm and agree upon the following:

1. Tenant has accepted the above-referenced Expansion Premises as being delivered in accordance with the Lease and to Tenant's knowledge there is no deficiency in construction.

2. The Lease Term for the Expansion Premises shall commence on or has commenced on ______________ for a term of __________________ ending on __________________.

3. Monthly Base Rent for the Expansion Premises commenced to accrue on __________________, in the amount of ________________.

4. If the _______ Commencement Date is other than the first day of the month, the first billing will contain a pro rata adjustment. Each billing thereafter shall be for the full amount of the monthly installment as provided for in the Lease.

5. Your rent checks under the Lease should be made payable to __________________ at ___________________.

6. The rentable square feet of the Expansion Premises is ________________.

7. Tenant's Share of Direct Expenses with respect to the Expansion Premises is ________% of the Project.

8. Capitalized terms used herein that are defined in the Lease shall have the same meaning when used herein. Landlord and Tenant confirm that the Lease has not been modified or altered except as set forth herein, and the Lease is in full force and effect. Landlord and Tenant acknowledge and agree that to each party's actual knowledge, neither party is in default or violation of any covenant, provision, obligation, agreement or condition in the Lease.

If the provisions of this letter correctly set forth our understanding, please so acknowledge by signing at the place provided below on the enclosed copy of this letter and returning the same to Landlord.

"Landlord":

____
a ____________________

By: __________________
Its: ____________

By: __________________
Its: ____________

Agreed to and Accepted
as of ____________, 20__.

"Tenant":

____
a ____________________

By: __________________
Its: ____________

By: __________________
Its: ____________

Exhibit 21.1

List of Subsidiaries of Tableau Software, Inc.

Subsidiary	Incorporation
Tableau Japan K.K.	Japan
Tableau Canada Co.	Canada
Tableau International, Unlimited Company	Ireland
Tableau Software UK Ltd.	United Kingdom
Tableau Germany GmbH	Germany
Tableau Asia Pacific Pte. Ltd.	Singapore
Tableau Holdings, Unlimited Company	Ireland
Tableau Australia Pty. Ltd.	Australia
Tableau India Pvt. Ltd.	India
Tableau (China) Co., Ltd.	China
Tableau France S.A.S.	France

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-188717, 333-195356, and 333-208134) of Tableau Software, Inc. of our report dated February 25, 2016 relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Seattle, Washington
February 25, 2016

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Christian Chabot, certify that:

1. I have reviewed this Annual Report on Form 10-K of Tableau Software, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2016

By: /s/ Christian Chabot
Christian Chabot
Chief Executive Officer
(Principal Executive
Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas E. Walker, Jr., certify that:

1. I have reviewed this Annual Report on Form 10-K of Tableau Software, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 25, 2016

By: /s/ Thomas E. Walker
Thomas E. Walker, Jr.
Chief Financial Officer
(Principal Financial and
Accounting Officer)

Exhibit 32.1

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

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350), Christian Chabot, Chief Executive Officer (Principal Executive Officer) of Tableau Software, Inc. (the "Company"), and Thomas E. Walker, Jr., Chief Financial Officer (Principal Financial and Accounting Officer) of the Company, each hereby certifies that, to the best of his knowledge:

1. The Company's Annual Report on Form 10-K for the year ended December 31, 2015, to which this Certification is attached as Exhibit 32.1 (the "Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act, and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 25, 2016

/s/ Christian Chabot	/s/ Thomas E. Walker, Jr.
Christian Chabot	Thomas E. Walker, Jr.
Chief Executive Officer	Chief Financial Officer
(Principal Executive Officer)	(Principal Financial and Accounting Officer)

*This certification accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Tableau Software, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.