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

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): August 4, 2011**

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**BLACKBAUD, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**

(State or other jurisdiction of incorporation)

**000-50600**

(Commission File Number)

**11-2617163**

(IRS Employer ID Number)

**2000 Daniel Island Drive, Charleston, South Carolina 29492**

(Address of principal executive offices)

(Zip Code)

**Registrant's telephone number, including area code (843) 216-6200**

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

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

On August 4, 2011, Blackbaud, Inc. issued a press release reporting unaudited financial results for the quarter ended June 30, 2011. A copy of this press release is attached hereto as Exhibit 99.1.

The information in this Form 8-K (including Exhibit 99.1) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated August 4, 2011.

SIGNATURES

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

BLACKBAUD, INC.

Date: August 4, 2011

/s/ Timothy V. Williams

Timothy V. Williams,  
Senior Vice President and Chief Financial Officer

**Blackbaud, Inc. Announces Second Quarter 2011 Results**  
*Announces Third Quarter 2011 Dividend*

**CHARLESTON, S.C. – August 4, 2011** – Blackbaud, Inc. (Nasdaq: BLKB), the leading provider of software and related services designed specifically for nonprofit organizations, today announced financial results for its second quarter ended June 30, 2011.

Marc Chardon, Chief Executive Officer of Blackbaud, stated, “We are very pleased with the company’s financial performance for the second quarter, which was highlighted by revenue and profitability that were above the high-end of our guidance. Market demand remains stable and our general markets and enterprise business units are executing at a high level.”

“Blackbaud continues to reinforce its leadership position at the high-end of the market. In the second quarter, we matched our record first quarter performance, closing five Enterprise CRM deals, and are well on our way to having a record year in this important growth segment of our market. We are increasingly leveraging our product investments and experience in developing best practices for large and complex implementations, as well as what we have learned in working with the hundreds of enterprise customers using our Target Analytics, Target Software and PIDI solutions,” Chardon added. “The strong adoption of our online fundraising solutions, including a record quarter of unit sales from our Sphere and Net Community offerings, particularly in our general markets business unit, continues to drive strong growth in our subscription revenue.”

Blackbaud reported total revenue of \$93.4 million for the quarter ended June 30, 2011, an increase of 16% compared to \$80.7 million for the second quarter of 2010. Income from operations and net income, determined in accordance with GAAP, were \$13.8 million and \$8.9 million, respectively, compared with \$11.2 million and \$6.8 million, respectively, for the second quarter of 2010. Diluted earnings per share were \$0.20 for the quarter ended June 30, 2011, compared with \$0.15 in the same period last year.

Non-GAAP income from operations, which excludes stock-based compensation expense and amortization of intangibles arising from business combinations, was \$19.2 million, an increase of 21% compared to \$15.8 million in the same period last year. Non-GAAP net income was \$11.8 million for the quarter ended June 30, 2011, an increase of 24% compared to \$9.5 million in the same period last year. Non-GAAP diluted earnings per share were \$0.27 for the quarter ended June 30, 2011, an increase of 23% compared with \$0.22 in the same period last year.

A reconciliation of GAAP to non-GAAP results has been provided in the financial statement tables included in this press release. An explanation of these measures is also included below under the heading “Non-GAAP Financial Measures.”

The Company ended the second quarter with \$33.4 million in cash, an increase from \$24.1 million at the end of the previous quarter. The company generated \$37.8 million in cash from operations for the six months ended June 30, 2011, an increase of 53% compared to the same period last year.

“Blackbaud delivered mid-teens revenue growth for the second consecutive quarter, and we believe the company is well positioned to do the same for the full year 2011,” said Timothy V. Williams, Chief Financial Officer of Blackbaud. “The return to solid services revenue growth is encouraging considering it was particularly hard hit during the economic downturn. In addition, we are very pleased with the growth of our recurring revenue, which has an annualized run rate that is approaching \$250 million, including subscription revenue that is now at over \$100 million annualized.”

#### **Third Quarter 2011 Dividend and Share Repurchase Program**

Blackbaud announced today that its Board of Directors has approved a third quarter dividend of \$0.12 per share payable on September 15, 2011, to stockholders of record on August 26, 2011. Additionally, as of June 30, 2011, \$50.0 million remained available under the Company’s share repurchase program, which became effective on August 1, 2010.

## Conference Call Details

Blackbaud will host a conference call today, August 4, 2011, at 5:00 p.m. (Eastern Time) to discuss the Company's financial results, operations and related matters. To access this call, dial 888-542-1139 (domestic) or 719-325-2474 (international). A replay of this conference call will be available through August 11, 2011, at 877-870-5176 (domestic) or 858-384-5517 (international). The replay passcode is 6644079. A live webcast of this conference call will be available on the "Investor Relations" page of the Company's website at [www.blackbaud.com/investorrelations](http://www.blackbaud.com/investorrelations), and a replay will be archived on the website as well.

## About Blackbaud

Blackbaud is the leading global provider of software and services designed specifically for nonprofit organizations, enabling them to improve operational efficiency, build strong relationships, and raise more money to support their missions. Approximately 24,000 organizations — including The American Red Cross, Cancer Research UK, Earthjustice, International Fund for Animal Welfare, Lincoln Center, The Salvation Army, The Taft School, Tulsa Community Foundation, Ursinus College, the WGBH Educational Foundation, and Yale University — use one or more Blackbaud products and services for fundraising, constituent relationship management, financial management, website management, direct marketing, education administration, ticketing, business intelligence, prospect research, consulting, and analytics. Since 1981, Blackbaud's sole focus and expertise has been partnering with nonprofits and providing them the solutions they need to make a difference in their local communities and worldwide. Headquartered in the United States, Blackbaud also has operations in Australia, Canada, Hong Kong, the Netherlands, and the United Kingdom. For more information, visit [www.Blackbaud.com](http://www.Blackbaud.com).

## Forward-looking Statements

Except for historical information, all of the statements, expectations, and assumptions contained in this news release are forward-looking statements that involve a number of risks and uncertainties. Although Blackbaud attempts to be accurate in making these forward-looking statements, it is possible that future circumstances might differ from the assumptions on which such statements are based. In addition, other important factors that could cause results to differ materially include the following: general economic risks; uncertainty regarding increased business and renewals from existing customers; continued success in sales growth; management of integration of acquired companies and other risks associated with acquisitions; risks associated with successful implementation of multiple integrated software products; the ability to attract and retain key personnel; risks related to our dividend policy and share repurchase program, including potential limitations on our ability to grow and the possibility that we might discontinue payment of dividends; risks relating to restrictions imposed by the credit facility; risks associated with management of growth; lengthy sales and implementation cycles, particularly in larger organizations; technological changes that make our products and services less competitive; and the other risk factors set forth from time to time in the SEC filings for Blackbaud, copies of which are available free of charge at the SEC's website at [www.sec.gov](http://www.sec.gov) or upon request from Blackbaud's investor relations department. All Blackbaud product names appearing herein are trademarks or registered trademarks of Blackbaud, Inc.

## Non-GAAP Financial Measures

Blackbaud has provided in this release financial information that has not been prepared in accordance with GAAP. This information includes non-GAAP income from operations and margin, non-GAAP net income and non-GAAP diluted earnings per share. Blackbaud uses these non-GAAP financial measures internally in analyzing its financial results and believes they are useful to investors, as a supplement to GAAP measures, in evaluating Blackbaud's ongoing operational performance. Blackbaud believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends and in comparing its financial results with other companies in Blackbaud's industry, many of which present similar non-GAAP financial measures to investors. As noted, the non-GAAP financial results discussed above exclude stock-based compensation

expense, costs associated with amortization of intangibles arising from business combinations, one-time write-offs or expenses incurred in connection with acquisitions and a gain in connection with the sale of a business.

Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures. As previously mentioned, a reconciliation of our non-GAAP financial measures to their most directly comparable GAAP measures has been provided in the financial statement tables included below in this press release.

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**SOURCE:** Blackbaud, Inc.

**Blackbaud, Inc.**  
**Consolidated balance sheets**  
**(Unaudited)**

(in thousands, except share amounts)	June 30, 2011	December 31, 2010
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 33,397	\$ 27,974
Donor restricted cash	10,836	16,359
Accounts receivable, net of allowance of \$2,826 and \$2,687 at June 30, 2011 and December 31, 2010, respectively	68,610	59,804
Prepaid expenses and other current assets	29,770	33,847
Deferred tax asset, current portion	5,173	5,164
<b>Total current assets</b>	<b>147,786</b>	<b>143,148</b>
Property and equipment, net	25,558	22,963
Deferred tax asset	39,082	44,639
Goodwill	89,450	76,247
Intangible assets, net	42,229	38,515
Other assets	5,494	2,579
<b>Total assets</b>	<b>\$ 349,599</b>	<b>\$ 328,091</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Trade accounts payable	\$ 13,344	\$ 9,883
Accrued expenses and other current liabilities	27,831	28,322
Donations payable	10,835	16,359
Deferred revenue	146,895	141,149
<b>Total current liabilities</b>	<b>198,905</b>	<b>195,713</b>
Deferred revenue, noncurrent	10,593	6,900
Other noncurrent liabilities	2,605	2,419
<b>Total liabilities</b>	<b>212,103</b>	<b>205,032</b>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock; 20,000,000 shares authorized, none outstanding	-	-
Common stock, \$0.001 par value; 180,000,000 shares authorized, 53,469,136 and 53,316,280 shares issued at June 30, 2011 and December 31, 2010, respectively	54	53
Additional paid-in capital	167,402	158,419
Treasury stock, at cost; 8,857,378 and 8,842,882 shares at June 30, 2011 and December 31, 2010, respectively	(161,596)	(161,186)
Accumulated other comprehensive loss	(516)	(512)
Retained earnings	132,152	126,285
<b>Total stockholders' equity</b>	<b>137,496</b>	<b>123,059</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 349,599</b>	<b>\$ 328,091</b>

**Blackbaud, Inc.**  
**Consolidated statements of operations**  
(Unaudited)

(in thousands, except share and per share amounts)	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
<b>Revenue</b>				
License fees	\$ 5,097	\$ 6,972	\$ 9,648	\$ 12,139
Subscriptions	25,870	20,386	51,380	39,562
Services	27,976	20,886	52,008	40,975
Maintenance	32,601	30,957	64,434	61,554
Other revenue	1,858	1,470	3,206	2,680
<b>Total revenue</b>	<b>93,402</b>	<b>80,671</b>	<b>180,676</b>	<b>156,910</b>
<b>Cost of revenue</b>				
Cost of license fees	1,031	975	1,719	1,592
Cost of subscriptions	10,473	7,616	19,635	14,842
Cost of services	20,176	15,837	39,181	31,753
Cost of maintenance	6,035	5,925	12,286	11,695
Cost of other revenue	1,411	1,333	2,545	2,450
<b>Total cost of revenue</b>	<b>39,126</b>	<b>31,686</b>	<b>75,366</b>	<b>62,332</b>
<b>Gross profit</b>	<b>54,276</b>	<b>48,985</b>	<b>105,310</b>	<b>94,578</b>
<b>Operating expenses</b>				
Sales and marketing	19,048	19,023	38,393	35,446
Research and development	12,033	11,710	23,999	22,619
General and administrative	9,176	6,901	18,377	15,298
Amortization	245	196	479	392
<b>Total operating expenses</b>	<b>40,502</b>	<b>37,830</b>	<b>81,248</b>	<b>73,755</b>
<b>Income from operations</b>	<b>13,774</b>	<b>11,155</b>	<b>24,062</b>	<b>20,823</b>
Interest income	45	23	78	43
Interest expense	(60)	(79)	(84)	(125)
Other income (expense), net	216	(185)	285	(182)
<b>Income before provision for income taxes</b>	<b>13,975</b>	<b>10,914</b>	<b>24,341</b>	<b>20,559</b>
Income tax provision	5,047	4,124	7,829	7,817
<b>Net income</b>	<b>\$ 8,928</b>	<b>\$ 6,790</b>	<b>\$ 16,512</b>	<b>\$ 12,742</b>
<b>Earnings per share</b>				
Basic	\$ 0.21	\$ 0.16	\$ 0.38	\$ 0.29
Diluted	\$ 0.20	\$ 0.15	\$ 0.38	\$ 0.29
<b>Common shares and equivalents outstanding</b>				
Basic weighted average shares	43,447,007	43,260,625	43,399,874	43,347,630
Diluted weighted average shares	44,098,046	44,027,307	44,004,712	44,126,259
<b>Dividends per share</b>	<b>\$ 0.12</b>	<b>\$ 0.11</b>	<b>\$ 0.24</b>	<b>\$ 0.22</b>



**Blackbaud, Inc.**  
**Consolidated statements of cash flows**  
(Unaudited)

(in thousands)	Six months ended June 30,	
	2011	2010
<b>Cash flows from operating activities</b>		
Net income	\$ 16,512	\$ 12,742
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	8,107	7,844
Provision for doubtful accounts and sales returns	2,366	702
Stock-based compensation expense	7,326	6,060
Excess tax benefits from stock based compensation	(226)	(1,040)
Deferred taxes	2,453	1,737
Other non-cash adjustments	(617)	(140)
Changes in operating assets and liabilities, net of acquisition of businesses:		
Accounts receivable	(10,621)	(12,540)
Prepaid expenses and other assets	5,233	1,318
Trade accounts payable	1,355	1,411
Accrued expenses and other liabilities	(3,045)	(3,517)
Donor restricted cash	5,540	5,929
Donations payable	(5,540)	(5,929)
Deferred revenue	9,003	10,109
<b>Net cash provided by operating activities</b>	<b>37,846</b>	<b>24,686</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(7,703)	(6,761)
Purchase of net assets of acquired companies, net of cash acquired	(16,475)	(390)
Purchase of investment	-	(2,000)
Purchase of intangible assets	-	(130)
Proceeds from sale of assets	719	-
<b>Net cash used in investing activities</b>	<b>(23,459)</b>	<b>(9,281)</b>
<b>Cash flows from financing activities</b>		
Dividend payments to stockholders	(10,686)	(9,839)
Proceeds from exercise of stock options	1,925	2,980
Excess tax benefits from stock based compensation	226	1,040
Purchase of treasury stock	-	(21,542)
Proceeds from issuance of debt	-	4,000
Payments on debt	-	(1,071)
Payments of deferred financing fees	(767)	-
Payments on capital lease obligations	(25)	(112)
<b>Net cash used in financing activities</b>	<b>(9,327)</b>	<b>(24,544)</b>
Effect of exchange rate on cash and cash equivalents	363	(366)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5,423</b>	<b>(9,505)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>27,974</b>	<b>22,769</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 33,397</b>	<b>\$ 13,264</b>

**Blackbaud, Inc.**  
**Reconciliation of GAAP to Non-GAAP financial measures**  
(Unaudited)

(in thousands, except per share amounts)	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
<b>GAAP revenue</b>	\$93,402	\$80,671	\$180,676	\$156,910
<b>GAAP gross profit</b>	\$54,276	\$48,985	\$105,310	\$ 94,578
<b>Non-GAAP adjustments:</b>				
Add: Stock-based compensation expense	810	667	1,611	1,372
Add: Amortization of intangibles from business combinations	1,605	1,540	3,196	3,046
Total Non-GAAP adjustments	2,415	2,207	4,807	4,418
<b>Non-GAAP gross profit</b>	\$56,691	\$51,192	\$110,117	\$ 98,996
<b>Non-GAAP gross margin</b>	61%	63%	61%	63%
<b>GAAP income from operations</b>	\$13,774	\$11,155	\$ 24,062	\$ 20,823
<b>Non-GAAP adjustments:</b>				
Add: Stock-based compensation expense	3,530	2,908	7,326	6,060
Add: Amortization of intangibles from business combinations	1,850	1,736	3,675	3,438
Add: Acquisition-related expenses	-	-	1,054	-
Less: Gain on sale of assets	-	-	(549)	-
Total Non-GAAP adjustments	5,380	4,644	11,506	9,498
<b>Non-GAAP income from operations</b>	\$19,154	\$15,799	\$ 35,568	\$ 30,321
<b>Non-GAAP operating margin</b>	21%	20%	20%	19%
<b>GAAP net income</b>	\$ 8,928	\$ 6,790	\$ 16,512	\$ 12,742
<b>Non-GAAP adjustments:</b>				
Add: Total Non-GAAP adjustments affecting income from operations	5,380	4,644	11,506	9,498
Add: Tax impact related to Non-GAAP adjustments	(2,501)	(1,943)	(6,152)	(3,905)
<b>Non-GAAP net income</b>	\$11,807	\$ 9,491	\$ 21,866	\$ 18,335
<b>Shares used in computing Non-GAAP diluted earnings per share</b>	44,098	44,027	44,005	44,126
<b>Non-GAAP diluted earnings per share</b>	\$ 0.27	\$ 0.22	\$ 0.50	\$ 0.42
<b>Detail of Non-GAAP adjustments:</b>				
Stock-based compensation expense:				
Cost of revenue				
Cost of subscriptions	\$ 225	\$ 75	\$ 327	\$ 167
Cost of services	447	414	904	850
Cost of maintenance	138	178	380	355
Subtotal	810	667	1,611	1,372
Operating expenses				
Sales and marketing	272	344	629	705
Research and development	671	704	1,514	1,415
General and administrative	1,777	1,193	3,572	2,568
Subtotal	2,720	2,241	5,715	4,688
Total stock-based compensation expense	\$ 3,530	\$ 2,908	\$ 7,326	\$ 6,060
Amortization of intangibles from business combinations:				
Cost of revenue				
Cost of license fees	\$ 126	\$ 115	\$ 258	\$ 209
Cost of subscriptions	816	760	1,617	1,520
Cost of services	391	341	778	677
Cost of maintenance	253	306	505	603
Cost of other revenue	19	18	38	37
Subtotal	1,605	1,540	3,196	3,046
Operating expenses	245	196	479	392
Total amortization of intangibles from business combinations	\$ 1,850	\$ 1,736	\$ 3,675	\$ 3,438