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Press Releases

Blackboard Inc. Announces Fourth Quarter and Year-End Conference Call

WASHINGTON, Jan. 19 /PRNewswire-FirstCall/ -- Blackboard Inc. (Nasdaq: BBBB) announced today that it will hold a conference call on Tuesday, February 6, 2007 at 4:30 p.m. Eastern (1:30 p.m. Pacific) to discuss its fourth quarter and year-end results for 2006.

Blackboard will broadcast its conference call live over the Internet beginning at 4:30 p.m. on February 6, 2007 and interested parties can access the webcast through the Investor Relations section of the Company's Web site at http://investor.blackboard.com. Please access the Web site at least 15 minutes prior to the start of the call to register, download and install any necessary software.

A replay of the call will be available via telephone from approximately 7:00 p.m. Eastern (4:00 p.m. Pacific) on February 6, 2007 until 11:00 p.m. Eastern (8:00 p.m. Pacific) on February 13, 2007. To listen to the replay, participants in the U.S. and Canada should dial 888-286-8010, and international participants should dial +1 (617) 801-6888. The conference ID for the replay is 86268897.

About Blackboard Inc.

Blackboard Inc. is a leading provider of enterprise software applications and related services to the education industry. Founded in 1997, Blackboard enables educational innovations everywhere by connecting people and technology. Millions of people use Blackboard everyday at academic institutions around the globe, including colleges, universities, K-12 schools and other education providers, as well as textbook publishers and student-focused merchants that serve education providers and their students. Blackboard is headquartered in Washington, D.C., with offices in North America, Europe, Australia and Asia.

Blackboard

Educate. Innovate. Everywhere.(TM)

SOURCE Blackboard Inc.

CONTACT: Michael J. Stanton, Vice President, Investor Relations of Blackboard Inc., +1-202-463-4860, ext. 2305

Blackboard
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Press Releases

Blackboard Inc. Reports Fourth Quarter and Year End 2006 Results

- Fourth Quarter Revenue Increases 44 Percent to $51.4 million -

- Company Raises FY 2007 Guidance -

WASHINGTON, Feb. 6 /PRNewswire-FirstCall/ -- Blackboard Inc. (Nasdaq: BBBB) today announced financial results for the fourth quarter and year ended December 31, 2006 and updated guidance for the first quarter and full year 2007.

Blackboard's fourth quarter revenue was $51.4 million, an increase of 44 percent over the same period in 2005. The increase in revenue was driven by strong growth in Blackboard's annual licensing of enterprise level products to global academic institutions including clients resulting from the acquisition of WebCT, Inc., which closed on February 28, 2006. Product revenue in the fourth quarter was $46.8 million, an increase of 46 percent over the $32.0 million of product revenue last year. Professional services revenue for the quarter was $4.6 million, which represents an increase of 25 percent over the same period in 2005.

Net income in the fourth quarter was $201,000, resulting in net income per basic and diluted share of $0.01. Non-GAAP cash net income, which excludes the amortization of acquired intangibles, stock-based compensation expense and the associated tax impact, was $4.6 million in the fourth quarter resulting in a non-GAAP cash net income per diluted share of $0.16.

"This was a tremendous year for Blackboard and our industry," said Michael Chasen, chief executive officer and president for Blackboard. "In 2006, we were able to significantly expand our client relationships through the acquisition and successful integration of WebCT while continuing to deliver innovative technologies and leading client support and services."

Total revenue for the year ended December 31, 2006 was $183.1 million, an increase of 35 percent over 2005. Net loss was $10.7 million in 2006, resulting in a net loss per basic and diluted share of $0.39. Non-GAAP cash net income in 2006, which excludes the amortization of acquired intangibles, stock-based compensation expense and the associated tax impact, was

$6.5 million, resulting in a non-GAAP cash net income per diluted share of $0.22. Additionally, Blackboard prepaid $35.0 million in principal on acquisition debt in 2006.

Highlights from the Fourth Quarter of 2006

* Blackboard's new and expanding client relationships in the quarter included:

- U.S. Higher Education: Iowa State University, North Carolina Community College System, Pima Community College, Portland Community College, Salt Lake Community College, San Diego Community College District, Seton Hall University, Texas A&M University - College Station, The Board of Trustees of the University of Alabama, The College of New Jersey, University of Alabama at Huntsville, University of Florida Board of Trustees, University of Houston, University of Massachusetts Amherst, University of North Alabama and Weber State University.
- International: Flinders University of South Australia, Keele University, La Trobe University, Leeds Metropolitan University, London Metropolitan University, Middlesex University, Napier University, Queensland University of Technology, Sheffield Hallam University, Universidad de Sevilla, University of Canterbury, University of East London, University of Melbourne, University of Portsmouth, University of Sheffield, University of Stellenbosch and University of Tasmania.
- K-12: Amarillo Independent School District (TX), Broward County Public Schools (FL), Clear Creek Independent School District (TX), Cuyahoga Heights Schools (OH), Illinois State University Lab School (IL), Monroe County Public Schools (FL), Naperville CUSD 203 (IL), North East Florida Educational Consortium (FL), PAIS/BOA (PA), Pasadena Independent School District (CA), Pittsylvania County Schools (VA), Polk County Public Schools (FL), Rocky Hill School (RI), St. James Parish School Board (LA) and The School District of Palm Beach County (FL).

Highlights from the Year End 2006

* Blackboard completed its acquisition of WebCT, Inc. on February 28, 2006 marking a major milestone in the education industry.
* Blackboard ended 2006 with 3,462 clients representing an increase of 53 percent over 2005.
* Blackboard's enterprise-class licenses (Blackboard Learning System(TM) - Enterprise, Blackboard Community System(TM), Blackboard Transaction System(TM) and the Blackboard Content System(TM)), totaled 3,492 at the end of 2006, which represents an increase of 67 percent over 2005.
* Blackboard launched the Blackboard Beyond Initiative(TM), which is focused on developing a series of Web properties that connect the institutions, faculty, and students who use Blackboard applications worldwide across education segments and disciplines.

* Blackboard's BbOne(SM) offering is now in use at 65 U.S. higher education institutions. As of December 31, 2006, more than 1,000 off-campus merchants are now accepting BbOne as a form of payment.

Notice of Change to Financial Guidance

Beginning in the first quarter of 2007 Blackboard management will begin providing financial guidance and reporting on two new non-GAAP financial measures: "Non-GAAP Adjusted Net Income" and "Non-GAAP Adjusted Net Income per Share," which exclude the amortization of acquired intangibles and the associated tax impact. These new measures will replace "Non-GAAP Cash Net Income" and "Non-GAAP Cash Net Income per Share," which the Company had previously provided.

For the purpose of future comparisons, Blackboard is providing Non-GAAP Adjusted Net Income (Loss) and Non-GAAP Adjusted Net Income (Loss) per Share for 2006. Below is historical reconciliation of income (loss) before benefit (provision) for income taxes to Non-GAAP Adjusted Net Income (Loss) (1):

	Q1 2006	Q2 2006	Q3 2006	Q4 2006	FY 2006
	(unaudited and denoted in thousands except per share amounts)				
Income (loss) before benefit (provision) for income taxes	$218	$(9,023)	$(6,775)	$261	$(15,319)
Add: Amortization of intangibles resulting from acquisitions	1,837	5,377	5,377	5,378	17,969
Adjusted (provision) benefit for income taxes (2)	(812)	1,440	552	(2,227)	(1,047)
Non-GAAP adjusted net income (loss)	$1,243	$(2,206)	$(846)	$3,412	$1,603
Non-GAAP adjusted net income (loss) per common share - diluted	$0.04	$(0.08)	$(0.03)	$0.12	$0.06

(1) Non-GAAP adjusted net income and non-GAAP adjusted net income per share are non-GAAP financial measures and have no standardized measurement prescribed by GAAP. Management believes that both measures provide additional useful information to investors regarding the Company's ongoing financial condition and results of operations and since the Company has historically reported these non-GAAP results they provide an additional basis for comparisons to prior periods. The non-GAAP financial measures may not be comparable with similar non-GAAP financial measures used by other companies and should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. The Company provides the above reconciliation to the most directly comparable GAAP financial measure to allow investors to appropriately consider each non-GAAP financial measure.

(2) Adjusted (provision) benefit for income taxes is applied at an effective rate of 39.5%.

Financial Guidance for 2007

First Quarter of 2007:

* Revenue of $53.0 to $54.2 million;
* Amortization of acquired intangibles of approximately $5.4 million;
* Net income of $1.3 to $1.8 million, resulting in net income per diluted share of $0.04 to $0.06, which is based on an estimated 29.5 million diluted shares and an effective tax rate of 41.5 percent; and
* Non-GAAP adjusted net income excluding the amortization of acquired intangibles and the associated tax impact, of $4.4 to $4.9 million, resulting in non-GAAP adjusted net income per diluted share of $0.15 to $0.17 based on an estimated 29.5 million diluted shares and an effective tax rate of 41.5 percent.

Full Year 2007:

* Revenue of $230 to $235 million;
* Amortization of acquired intangibles of approximately $22 million;

* Net income of $10 to $12 million, resulting in net income per diluted share of $0.33 to $0.40, which is based on an estimated 30 million diluted shares and an effective tax rate of 41.5 percent; and
* Non-GAAP adjusted net income excluding the amortization of acquired intangibles and the associated tax impact, of $22.5 to $24.5 million, resulting in non-GAAP adjusted net income per diluted share of $0.75 to $0.82 based on an estimated 30 million diluted shares and an effective tax rate of 41.5 percent.

Conference Call

Blackboard will broadcast its fourth quarter conference call live over the Internet today beginning at 4:30 p.m. (Eastern). Interested parties can access the webcast through the Investor Relations section of the Company's Web site at http://investor.blackboard.com. Please access the Web site at least 15 minutes prior to the start of the call to register, download and install any necessary software.

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BLACKBOARD INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except share and per share amounts)

	Three Months Ended December 31,		Year Ended December 31,	
	2005	2006	2005	2006
	(unaudited)	(unaudited)		(unaudited)
Revenues:				
Product	$32,048	$46,795	$120,389	$160,392
Professional services	3,698	4,625	15,275	22,671
Total revenues	35,746	51,420	135,664	183,063
Operating expenses:				
Cost of product revenues, excludes $2,800 and $9,333 in amortization of acquired technology included in amortization of intangibles resulting from acquisitions shown				

below for the three and twelve months ended December 31, 2006, respectively (1)	7,789	10,246	29,607	39,594
Cost of professional services revenues (1)	2,721	3,940	10,220	16,001
Research and development (1)	3,783	7,005	13,945	27,162
Sales and marketing (1)	9,604	14,420	37,873	58,340
General and administrative (1)	4,842	8,760	19,306	35,823
Amortization of intangibles resulting from acquisitions	66	5,378	266	17,969
Total operating expenses	28,805	49,749	111,217	194,889
Income (loss) from operations	6,941	1,671	24,447	(11,826)
Other income (expense):				
Interest expense	(10)	(1,598)	(49)	(5,354)
Interest income	1,207	406	3,146	2,380
Other expense	-	(218)	-	(519)
Income (loss) before benefit (provision) for income taxes	8,138	261	27,544	(15,319)
Benefit (provision) for income taxes	14,973	(60)	14,309	4,582
Net income (loss)	$23,111	$201	$41,853	$(10,737)
Net income (loss) per common share:				
Basic	$0.85	$0.01	$1.57	$(0.39)
Diluted	$0.79	$0.01	$1.47	$(0.39)
Weighted average number of common shares:				
Basic	27,273,665	28,144,314	26,714,748	27,857,576
Diluted	29,214,963	29,113,413	28,509,777	27,857,576
(1) Includes the following amounts related to stock-based compensation:				
Cost of product revenues	$-	$109	$-	$386

Cost of professional services revenues	-	5	-	524
Research and development	-	289	-	733
Sales and marketing	-	712	-	2,951
General and administrative	20	903	75	3,462

Reconciliation of income (loss) before benefit (provision) for income taxes to non-GAAP cash net income (2):				
Income (loss) before benefit (provision) for income taxes	$8,138	$261	$27,544	$(15,319)
Add: Amortization of intangibles resulting from acquisitions	66	5,378	266	17,969
Add: Stock-based compensation	20	2,018	75	8,056
Adjusted provision for income taxes (3)	(3,248)	(3,025)	(11,015)	(4,229)
Non-GAAP cash net income	$4,976	$4,632	$16,870	$6,477
Non-GAAP cash net income per common share - diluted	$0.17	$0.16	$0.59	$0.22
Adjusted weighted average number of common shares - diluted	29,214,963	29,113,413	28,509,777	28,988,839

(2) Non-GAAP cash net income and non-GAAP cash net income per share are non-GAAP financial measures and have no standardized measurement prescribed by GAAP. Management believes that both measures provide additional useful information to investors regarding the Company's ongoing financial condition and results of operations and since the Company has historically reported these non-GAAP results they provide an additional basis for comparisons to prior periods. The non-GAAP financial measures may not be comparable with similar non-GAAP financial measures used by other companies and should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. The Company provides the above reconciliation to the most directly comparable GAAP financial measure to allow investors to appropriately consider each non-GAAP financial measure.

(3) Adjusted provision for income taxes is applied at an effective rate of 39.5% for the three months ended December 31, 2005 and 2006, respectively,

and 39.5% for the year ended December 31, 2005 and 2006, respectively.

BLACKBOARD INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31, 2005	December 31, 2006
		(unaudited)
	(in thousands, except per share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$75,895	$30,776
Short-term investments	62,602	-
Accounts receivable, net	26,136	52,394
Inventories	1,806	2,377
Prepaid expenses and other current assets	2,116	3,514
Deferred tax asset, current portion	10,274	8,883
Deferred cost of revenues, current portion	5,797	7,983
Total current assets	184,626	105,927
Deferred tax asset, noncurrent portion	12,023	23,874
Deferred cost of revenues, noncurrent portion	1,310	4,253
Deferred merger costs (WebCT, Inc.)	4,956	-
Restricted cash	521	1,999
Property and equipment, net	9,940	12,761
Goodwill	10,252	101,644
Intangible assets, net	560	56,841
Total assets	$224,188	$307,299
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$1,833	$2,238
Accrued expenses	14,083	20,519
Term loan, current portion	-	246
Deferred rent, current portion	347	371
Deferred revenues, current portion	74,975	117,972
Total current liabilities	91,238	141,346
Term loan, noncurrent portion, net of debt discount	-	23,377
Deferred rent, noncurrent portion	426	157

Deferred revenues, noncurrent portion	2,199	2,298
Stockholders' equity:		
Common stock, $0.01 par value	275	282
Additional paid-in capital	210,805	231,331
Accumulated deficit	(80,755)	(91,492)
Total stockholders' equity	130,325	140,121
Total liabilities and stockholders' equity	$224,188	$307,299

BLACKBOARD INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2005	2006
		(unaudited)
	(in thousands)	
Cash flows from operating activities		
Net income (loss)	$41,853	$(10,737)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Deferred income tax benefit	(14,799)	(6,657)
Excess tax benefits from stock-based compensation	-	(3,317)
Amortization of debt discount	-	1,701
Depreciation and amortization	6,867	8,980
Amortization of intangibles resulting from acquisitions	266	17,969
Change in allowance for doubtful accounts	(253)	(109)
Noncash stock-based compensation	75	8,056
Changes in operating assets and liabilities:		
Accounts receivable	(4,197)	(21,780)
Inventories	188	(571)
Prepaid expenses and other current assets	(910)	(42)
Deferred cost of revenues	(2,191)	(5,129)
Accounts payable	719	133
Accrued expenses	2,373	(5,087)
Deferred rent	(294)	(245)
Deferred revenues	10,116	38,640
Net cash provided by operating activities	39,813	21,805
Cash flows from investing activities		
Acquisition of WebCT, Inc., net of		

cash acquired	-	(153,547)
Payments for merger costs (WebCT, Inc.)	(2,536)	-
Purchase of property and equipment	(7,959)	(10,081)
Payments for patent enforcement costs	-	(276)
Purchase of held-to-maturity securities	(33,296)	-
Sale of held-to-maturity securities	9,750	23,546
Purchase of available-for-sale securities	(55,306)	-
Sale of available-for-sale securities	36,250	39,056
Net cash used in investing activities	(53,097)	(101,302)
Cash flows from financing activities		
Proceeds from revolving credit facility	(762)	10,000
Payments on revolving credit facility	-	(10,000)
Proceeds from term loan	-	57,522
Payments on term loan	-	(35,600)
Release of letter of credit	-	1,777
Payments on letters of credit		(1,798)
Excess tax benefits from stock-based compensation	-	3,317
Proceeds from exercise of stock options	11,792	9,160
Net cash provided by financing activities	11,030	34,378
Net decrease in cash and cash equivalents	(2,254)	(45,119)
Cash and cash equivalents at beginning of period	78,149	75,895
Cash and cash equivalents at end of period	$75,895	$30,776

Use of Non-GAAP Financial Measures

This release includes information about the Company's non-GAAP cash net income, non-GAAP cash net income per share, non-GAAP adjusted net income and non-GAAP adjusted net income per share which are non-GAAP financial measures. Management believes that both measures, which exclude amortization of acquired intangibles, stock-based compensation expense, and the associated tax impact, provide additional useful information to investors regarding the Company's ongoing financial condition and results of operations and aspects of current operating performance which can be effectively managed. Since the Company has historically reported these non-GAAP results to the investment community, management also believes the inclusion of these non-GAAP financial measures provides consistency in its financial reporting and facilitates investors' understanding of the Company's historic operating trends by providing an additional basis for comparisons to prior periods. In addition, the Company's internal reporting, including information provided to the Company's Audit Committee and Board of Directors, contains non-GAAP measures. The Company has also adopted internal compensation metrics that are determined on a basis that excludes amortization of acquired intangibles, stock-based compensation expense, and the associated tax impact.

A material limitation associated with the use of the above non-GAAP financial measures is that they have no standardized measurement prescribed by GAAP and may not be comparable with similar non-GAAP financial measures used by other companies. The Company compensates for these limitations by providing full disclosure of each non-GAAP financial measure and reconciliation to the most directly comparable GAAP financial measure which investors can use to appropriately consider each financial measure determined under GAAP as well as on the adjusted non-GAAP basis. However, the non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. In addition to the information contained in this release, investors should also review information contained in the Company's Form 10-Q dated November 9, 2006, as well as other filings with the Securities and Exchange Commission when assessing the Company's financial condition and results of operations.

About Blackboard Inc.

Blackboard Inc. (Nasdaq: BBBB) is a leading provider of enterprise software applications and related services to the education industry. Founded in 1997, Blackboard enables educational innovations everywhere by connecting people and technology. Millions of people use Blackboard everyday at academic institutions around the globe, including colleges, universities, K-12 schools and other education providers, as well as textbook publishers and student- focused merchants that serve education providers and their students. Blackboard is headquartered in Washington, D.C., with offices in North America, Europe, Australia and Asia.

http://www.blackboard.com

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Any statements in this press release about future expectations, plans and prospects for Blackboard and other statements containing the words "believes," "anticipates," "plans," "expects," "will," and similar expressions, constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including the factors discussed in the "Risk Factors" section of our Form 10-Q filed on November 9, 2006 with the SEC. In addition, the forward- looking statements included in this press release represent the Company's views as of February 6, 2007. The Company anticipates that subsequent events and developments will cause the Company's views to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to February 6, 2007.

SOURCE Blackboard Inc.

CONTACT: Michael J. Stanton, Vice President, Investor Relations of Blackboard Inc., +1-202-463-4860 ext. 2305

Form 8-K

BLACKBOARD INC - BBBB

Filed: February 06, 2007 (period: February 05, 2007)

Report of unscheduled material events or corporate changes.

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

FORM 8-K

CURRENT REPORT

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

February 5, 2007

Date of Report (Date of earliest event reported)

BLACKBOARD INC.

(Exact name of registrant as specified in its charter)

Delaware	**000-50784**	**52-2081178**
(State of incorporation)	(Commission File Number No.)	(IRS Employer Identification \ No.)

1899 L Street, N.W.
Washington, D.C. 20036
(Address of principal executive offices)
(202) 463-4860
(Registrant's telephone number, including area code)
N/A
(Former Name or Former Address, if Changed Since Last Report)

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On February 6, 2007, Blackboard Inc. (the "Company") issued a press release reporting its financial results for the quarter and year ended December 31, 2006. A copy of the press release is furnished hereto as Exhibit 99.1.

The information referenced in this Item shall not be deemed to be "filed" for the 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 incorporated by reference into a filing under the Securities Act of 1933, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers.

(e) On February 5, 2007, the Compensation Committee of the Board of Directors approved the fiscal year 2006 bonus amounts payable to the named executive officers listed in Exhibit 99.2. The Compensation Committee also approved the fiscal year 2007 base salary, target bonus and long term cash incentive amounts for the named executive officers as set forth in Exhibit 99.2. Exhibit 99.2 is incorporated herein by reference. The Compensation Committee also approved the terms of stock option agreements for named executive officers of the Company. Copies of the forms of stock option agreements are attached hereto as Exhibits 99.4 and 99.5, and are incorporated herein by reference.

Item 8.01 Other Events

On February 5, 2007, the Board of Directors approved the Outside Director Compensation Plan which provides for the payment of cash compensation and stock option grants to the non-employee directors of the Company as set forth in Exhibit 99.3. Exhibit 99.3 is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

Exhibit 99.1 Press Release dated February 6, 2007.
Exhibit 99.2 Summary of Approved 2006 and 2007 Compensation
Exhibit 99.3 Outside Director Compensation Plan
Exhibit 99.4 Form of Executive Stock Option Agreement
Exhibit 99.5 Form of Executive Stock Option Agreement

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.

BLACKBOARD INC.
(Registrant)

Dated: February 6, 2007

By: /S/ Matthew H. Small
Matthew H. Small
Chief Legal Officer

EXHIBIT INDEX

Exhibit Number	Description
Exhibit 99.1	Press Release dated February 6, 2007.
Exhibit 99.2	Summary of Approved 2006 and 2007 Compensation
Exhibit 99.3	Outside Director Compensation Plan
Exhibit 99.4	Form of Executive Stock Option Agreement
Exhibit 99.5	Form of Executive Stock Option Agreement

Exhibit 99.1

Blackboard Inc. Reports Fourth Quarter and Year End 2006 Results

— Fourth Quarter Revenue Increases 44 Percent to $51.4 million —

— Company Raises FY 2007 Guidance —

Washington, DC — February 6, 2007 — Blackboard Inc. (NASDAQ: BBBB) today announced financial results for the fourth quarter and year ended December 31, 2006 and updated guidance for the first quarter and full year 2007.

Blackboard's fourth quarter revenue was $51.4 million, an increase of 44 percent over the same period in 2005. The increase in revenue was driven by strong growth in Blackboard's annual licensing of enterprise level products to global academic institutions including clients resulting from the acquisition of WebCT, Inc., which closed on February 28, 2006. Product revenue in the fourth quarter was $46.8 million, an increase of 46 percent over the $32.0 million of product revenue last year. Professional services revenue for the quarter was $4.6 million, which represents an increase of 25 percent over the same period in 2005.

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"This was a tremendous year for Blackboard and our industry," said Michael Chasen, chief executive officer and president for Blackboard. "In 2006, we were able to significantly expand our client relationships through the acquisition and successful integration of WebCT while continuing to deliver innovative technologies and leading client support and services."

Total revenue for the year ended December 31, 2006 was $183.1 million, an increase of 35 percent over 2005. Net loss was $10.7 million in 2006, resulting in a net loss per basic and diluted share of $0.39. Non-GAAP cash net income in 2006, which excludes the amortization of acquired intangibles, stock-based compensation expense and the associated tax impact, was $6.5 million, resulting in a non-GAAP cash net income per diluted share of $0.22. Additionally, Blackboard prepaid $35.0 million in principal on acquisition debt in 2006.

Highlights from the Fourth Quarter of 2006

- Blackboard's new and expanding client relationships in the quarter included:

  - **U.S. Higher Education:** Iowa State University, North Carolina Community College System, Pima Community College, Portland Community College, Salt Lake Community College, San Diego Community College District, Seton Hall University, Texas A&M University — College Station, The Board of Trustees of the University of Alabama, The College of New Jersey, University of Alabama at Huntsville, University of Florida Board of Trustees, University of Houston, University of Massachusetts Amherst, University of North Alabama and Weber State University.

  - **International:** Flinders University of South Australia, Keele University, La Trobe University, Leeds Metropolitan University, London Metropolitan University, Middlesex University, Napier University, Queensland University of Technology, Sheffield Hallam University, Universidad de Sevilla, University of Canterbury, University of East London, University of Melbourne, University of Portsmouth, University of Sheffield, University of Stellenbosch and University of Tasmania.

  - **K-12:** Amarillo Independent School District (TX), Broward County Public Schools (FL), Clear Creek Independent School District (TX), Cuyahoga Heights Schools (OH), Illinois State University Lab School (IL), Monroe County Public Schools (FL), Naperville CUSD 203 (IL), North East Florida Educational Consortium (FL), PAIS/BOA (PA), Pasadena Independent School District (CA), Pittsylvania County Schools (VA), Polk County Public Schools (FL), Rocky Hill School (RI), St. James Parish School Board (LA) and The School District of Palm Beach County (FL).

Highlights from the Year End 2006

- Blackboard completed its acquisition of WebCT, Inc. on February 28, 2006 marking a major milestone in the education industry.

- Blackboard ended 2006 with 3,462 clients representing an increase of 53 percent over 2005.

- Blackboard's enterprise-class licenses (Blackboard Learning System™ — Enterprise, Blackboard Community System™, Blackboard Transaction System™ and the Blackboard Content System™), totaled 3,492 at the end of 2006, which represents an increase of 67 percent over 2005.

- Blackboard launched the Blackboard Beyond Initiative™, which is focused on developing a series of Web properties that connect the institutions, faculty, and students who use Blackboard applications worldwide across education segments and disciplines.

- Blackboard's BbOne℠ offering is now in use at 65 U.S. higher education institutions. As of December 31, 2006, more than 1,000 off-campus merchants are now accepting BbOne as a form of payment.

Notice of Change to Financial Guidance

Beginning in the first quarter of 2007 Blackboard management will begin providing financial guidance and reporting on two new non-GAAP financial measures: "Non-GAAP Adjusted Net Income" and "Non-GAAP Adjusted Net Income per Share," which exclude the amortization of acquired intangibles and the associated tax impact. These new measures will replace "Non- GAAP Cash Net Income" and "Non-GAAP Cash Net Income per Share," which the Company had previously provided.

For the purpose of future comparisons, Blackboard is providing Non-GAAP Adjusted Net Income (Loss) and Non-GAAP Adjusted Net Income (Loss) per Share for 2006. Below is historical reconciliation of income (loss) before benefit (provision) for income taxes to Non-GAAP Adjusted Net Income (Loss) (1):

	Q1 2006	Q2 2006	Q3 2006	Q4 2006	FY 2006
	(unaudited and denoted in thousands except per share amounts)				
Income (loss) before benefit (provision) for income taxes	$ 218	$ (9,023)	$ (6,775)	$ 261	$ (15,319)
Add: Amortization of intangibles resulting from acquisitions	1,837	5,377	5,377	5,378	17,969
Adjusted (provision) benefit for income taxes (2)	(812)	1,440	552	(2,227)	(1,047)
Non-GAAP adjusted net income (loss)	$ 1,243	$ (2,206)	$ (846)	$ 3,412	$ 1,603
Non-GAAP adjusted net income (loss) per common share — diluted	$ 0.04	$ (0.08)	$ (0.03)	$ 0.12	$ 0.06

(1) Non-GAAP adjusted net income and non-GAAP adjusted net income per share are non-GAAP financial measures and have no standardized measurement prescribed by GAAP. Management believes that both measures provide additional useful information to investors regarding the Company's ongoing financial condition and results of operations and since the Company has historically reported these non-GAAP results they provide an additional basis for comparisons to prior periods. The non-GAAP financial measures may not be comparable with similar non-GAAP financial measures used by other companies and should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. The Company provides the above reconciliation to the most directly comparable GAAP financial measure to allow investors to appropriately consider each non-GAAP financial measure.

(2) Adjusted (provision) benefit for income taxes is applied at an effective rate of 39.5%.

Financial Guidance for 2007

First Quarter of 2007:

- Revenue of $53.0 to $54.2 million;
- Amortization of acquired intangibles of approximately $5.4 million;
- Net income of $1.3 to $1.8 million, resulting in net income per diluted share of $0.04 to $0.06, which is based on an estimated 29.5 million diluted shares and an effective tax rate of 41.5 percent; and
- Non-GAAP adjusted net income excluding the amortization of acquired intangibles and the associated tax impact, of $4.4 to $4.9 million, resulting in non-GAAP adjusted net income per diluted share of $0.15 to $0.17 based on an estimated 29.5 million diluted shares and an effective tax rate of 41.5 percent.

Full Year 2007:

- Revenue of $230 to $235 million;
- Amortization of acquired intangibles of approximately $22 million;
- Net income of $10 to $12 million, resulting in net income per diluted share of $0.33 to $0.40, which is based on an estimated 30 million diluted shares and an effective tax rate of 41.5 percent; and
- Non-GAAP adjusted net income excluding the amortization of acquired intangibles and the associated tax impact, of $22.5 to $24.5 million, resulting in non-GAAP adjusted net income per diluted share of $0.75 to $0.82 based on an estimated 30 million diluted shares and an effective tax rate of 41.5 percent.

Conference Call

Blackboard will broadcast its fourth quarter conference call live over the Internet today beginning at 4:30 p.m. (Eastern). Interested parties can access the webcast through the Investor Relations section of the Company's Web site at http://investor.blackboard.com . Please access the Web site at least 15 minutes prior to the start of the call to register, download and install any necessary software.
A replay of the call will be available via telephone from approximately 7:00 p.m. Eastern (4:00 p.m. Pacific) on February 6, 2007 until 11:00 p.m. Eastern (8:00 p.m. Pacific) on February 13, 2007. To listen to the replay, participants in the U.S. and Canada should dial 888-286-8010, and international participants should dial +1 (617) 801-6888. The conference ID for the replay is 86268897.

BLACKBOARD INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)

	Three Months Ended December 31, 2005 (unaudited)	Three Months Ended December 31, 2006 (unaudited)	Year Ended December 31, 2005	Year Ended December 31, 2006 (unaudited)
Revenues:				
Product	$ 32,048	$ 46,795	$ 120,389	$ 160,392
Professional services	3,698	4,625	15,275	22,671
Total revenues	35,746	51,420	135,664	183,063
Operating expenses:				
Cost of product revenues, excludes $2,800 and $9,333 in amortization of acquired technology included in amortization of intangibles resulting from acquisitions shown below for the three and twelve months ended December 31, 2006, respectively (1)	7,789	10,246	29,607	39,594
Cost of professional services revenues (1)	2,721	3,940	10,220	16,001
Research and development (1)	3,783	7,005	13,945	27,162
Sales and marketing (1)	9,604	14,420	37,873	58,340
General and administrative (1)	4,842	8,760	19,306	35,823
Amortization of intangibles resulting from acquisitions	66	5,378	266	17,969
Total operating expenses	28,805	49,749	111,217	194,889
Income (loss) from operations	6,941	1,671	24,447	(11,826)
Other income (expense):				
Interest expense	(10)	(1,598)	(49)	(5,354)
Interest income	1,207	406	3,146	2,380
Other expense	—	(218)	—	(519)
Income (loss) before benefit (provision) for income taxes	8,138	261	27,544	(15,319)
Benefit (provision) for income taxes	14,973	(60)	14,309	4,582
Net income (loss)	$ 23,111	$ 201	$ 41,853	$ (10,737)
Net income (loss) per common share:				
Basic	$ 0.85	$ 0.01	$ 1.57	$ (0.39)
Diluted	$ 0.79	$ 0.01	$ 1.47	$ (0.39)
Weighted average number of common shares:				
Basic	27,273,665	28,144,314	26,714,748	27,857,576
Diluted	29,214,963	29,113,413	28,509,777	27,857,576
(1) Includes the following amounts related to stock-based compensation:				
Cost of product revenues	$ —	$ 109	$ —	$ 386
Cost of professional services revenues	—	5	—	524
Research and development	—	289	—	733
Sales and marketing	—	712	—	2,951
General and administrative	20	903	75	3,462

Reconciliation of income (loss) before benefit (provision) for income taxes to non-GAAP cash net income (2):

	Three Months Ended December 31, 2005	Three Months Ended December 31, 2006	Year Ended December 31, 2005	Year Ended December 31, 2006
Income (loss) before benefit (provision) for income taxes	$ 8,138	$ 261	$ 27,544	$ (15,319)
Add: Amortization of intangibles resulting from acquisitions	66	5,378	266	17,969
Add: Stock-based compensation	20	2,018	75	8,056

Adjusted provision for income taxes (3)	(3,248)	(3,025)	(11,015)	(4,229)
Non-GAAP cash net income	$ 4,976	$ 4,632	$ 16,870	$ 6,477
Non-GAAP cash net income per common share — diluted	$ 0.17	$ 0.16	$ 0.59	$ 0.22
Adjusted weighted average number of common shares — diluted	29,214,963	29,113,413	28,509,777	28,988,839

(2) Non-GAAP cash net income and non-GAAP cash net income per share are non-GAAP financial measures and have no standardized measurement prescribed by GAAP. Management believes that both measures provide additional useful information to investors regarding the Company's ongoing financial condition and results of operations and since the Company has historically reported these non-GAAP results they provide an additional basis for comparisons to prior periods. The non-GAAP financial measures may not be comparable with similar non-GAAP financial measures used by other companies and should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. The Company provides the above reconciliation to the most directly comparable GAAP financial measure to allow investors to appropriately consider each non-GAAP financial measure.

(3) Adjusted provision for income taxes is applied at an effective rate of 39.5% for the three months ended December 31, 2005 and 2006, respectively, and 39.5% for the year ended December 31, 2005 and 2006, respectively.

BLACKBOARD INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31, 2005	December 31, 2006 (unaudited)
	(in thousands, except per share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 75,895	$ 30,776
Short-term investments	62,602	—
Accounts receivable, net	26,136	52,394
Inventories	1,806	2,377
Prepaid expenses and other current assets	2,116	3,514
Deferred tax asset, current portion	10,274	8,883
Deferred cost of revenues, current portion	5,797	7,983
Total current assets	184,626	105,927
Deferred tax asset, noncurrent portion	12,023	23,874
Deferred cost of revenues, noncurrent portion	1,310	4,253
Deferred merger costs (WebCT, Inc.)	4,956	—
Restricted cash	521	1,999
Property and equipment, net	9,940	12,761
Goodwill	10,252	101,644
Intangible assets, net	560	56,841
Total assets	$224,188	$ 307,299
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 1,833	$ 2,238
Accrued expenses	14,083	20,519
Term loan, current portion	—	246
Deferred rent, current portion	347	371
Deferred revenues, current portion	74,975	117,972
Total current liabilities	91,238	141,346
Term loan, noncurrent portion, net of debt discount	—	23,377
Deferred rent, noncurrent portion	426	157
Deferred revenues, noncurrent portion	2,199	2,298
Stockholders' equity:		
Common stock, $0.01 par value	275	282
Additional paid-in capital	210,805	231,331
Accumulated deficit	(80,755)	(91,492)
Total stockholders' equity	130,325	140,121
Total liabilities and stockholders' equity	$224,188	$ 307,299

BLACKBOARD INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2005	Year Ended December 31, 2006 (unaudited)
	(in thousands)	
Cash flows from operating activities		
Net income (loss)	$ 41,853	$ (10,737)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Deferred income tax benefit	(14,799)	(6,657)
Excess tax benefits from stock-based compensation	—	(3,317)
Amortization of debt discount	—	1,701
Depreciation and amortization	6,867	8,980
Amortization of intangibles resulting from acquisitions	266	17,969
Change in allowance for doubtful accounts	(253)	(109)
Noncash stock-based compensation	75	8,056
Changes in operating assets and liabilities:		
Accounts receivable	(4,197)	(21,780)
Inventories	188	(571)
Prepaid expenses and other current assets	(910)	(42)
Deferred cost of revenues	(2,191)	(5,129)
Accounts payable	719	133
Accrued expenses	2,373	(5,087)
Deferred rent	(294)	(245)
Deferred revenues	10,116	38,640
Net cash provided by operating activities	39,813	21,805
Cash flows from investing activities		
Acquisition of WebCT, Inc., net of cash acquired	—	(153,547)
Payments for merger costs (WebCT, Inc.)	(2,536)	—
Purchase of property and equipment	(7,959)	(10,081)
Payments for patent enforcement costs	—	(276)
Purchase of held-to-maturity securities	(33,296)	—
Sale of held-to-maturity securities	9,750	23,546
Purchase of available-for-sale securities	(55,306)	—
Sale of available-for-sale securities	36,250	39,056
Net cash used in investing activities	(53,097)	(101,302)
Cash flows from financing activities		
Proceeds from revolving credit facility	(762)	10,000
Payments on revolving credit facility	—	(10,000)
Proceeds from term loan	—	57,522
Payments on term loan	—	(35,600)
Release of letter of credit	—	1,777
Payments on letters of credit		(1,798)
Excess tax benefits from stock-based compensation	—	3,317
Proceeds from exercise of stock options	11,792	9,160
Net cash provided by financing activities	11,030	34,378
Net decrease in cash and cash equivalents	(2,254)	(45,119)
Cash and cash equivalents at beginning of period	78,149	75,895
Cash and cash equivalents at end of period	$ 75,895	$ 30,776

Use of Non-GAAP Financial Measures

This release includes information about the Company's non-GAAP cash net income, non-GAAP cash net income per share, non-GAAP adjusted net income and non-GAAP adjusted net income per share which are non-GAAP financial measures. Management believes that both measures, which exclude amortization of acquired intangibles, stock-based compensation expense, and the associated tax impact, provide additional useful information to investors regarding the Company's ongoing financial condition and results of operations and aspects of current operating performance which can be effectively managed. Since the Company has historically reported these non-GAAP results to the investment community, management also believes the inclusion of these non-GAAP financial measures provides consistency in its financial reporting and facilitates investors' understanding of the Company's historic operating trends by providing an additional basis for comparisons to prior periods. In addition, the Company's internal reporting, including information provided to the Company's Audit Committee and Board of Directors, contains non-GAAP measures. The Company has also adopted internal compensation metrics that are determined on a basis that excludes amortization of acquired intangibles, stock-based compensation expense, and the associated tax impact.

A material limitation associated with the use of the above non-GAAP financial measures is that they have no standardized measurement prescribed by GAAP and may not be comparable with similar non-GAAP financial measures used by other companies. The Company compensates for these limitations by providing full disclosure of each non-GAAP financial measure and reconciliation to the most directly comparable GAAP financial measure which investors can use to appropriately consider each financial measure determined under GAAP as well as on the adjusted non-GAAP basis. However, the non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. In addition to the information contained in this release, investors should also review information contained in the Company's Form 10-Q dated November 9, 2006, as well as other filings with the Securities and Exchange Commission when assessing the Company's financial condition and results of operations.

About Blackboard Inc.

Blackboard Inc. (NASDAQ: BBBB) is a leading provider of enterprise software applications and related services to the education industry. Founded in 1997, Blackboard enables educational innovations everywhere by connecting people and technology. Millions of people use Blackboard everyday at academic institutions around the globe, including colleges, universities, K-12 schools and other education providers, as well as textbook publishers and student-focused merchants that serve education providers and their students. Blackboard is headquartered in Washington, D.C., with offices in North America, Europe, Australia and Asia.
www.blackboard.com

Blackboard

Educate. Innovate. Everywhere.™

Any statements in this press release about future expectations, plans and prospects for Blackboard and other statements containing the words "believes," "anticipates," "plans," "expects," "will," and similar expressions, constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including the factors discussed in the "Risk Factors" section of our Form 10-Q filed on November 9, 2006 with the SEC. In addition, the forward-looking statements included in this press release represent the Company's views as of February 6, 2007. The Company anticipates that subsequent events and developments will cause the Company's views to change. However, while the Company may elect to update these forward-looking statements at some point in the future, the Company specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to February 6, 2007.

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Exhibit 99.2

Summary of Approved 2006 and 2007 Compensation

On February 5, 2007, the Compensation Committee (the "Committee") of the Board of Directors of Blackboard Inc. (the "Company") took the following actions:

Base Salary of Named Executive Officers

The Committee approved the annual base salary of the Company's named executive officers, effective as of January 1, 2007, as set forth below:

Name and Position	Annual Base Salary
Michael L. Chasen Chief executive officer, president	$ 500,000
Matthew L. Pittinsky Chairman of the board of directors	$ 250,000
Michael J. Beach Chief financial officer	$ 325,000
Matthew H. Small Chief legal officer	$ 325,000
David Sample Senior vice president for sales	$ 225,000

On-Target Bonus

The Committee approved the on-target bonus levels of the named executive officers for fiscal 2007 set forth in the table below, the payment of which will be based on company goals and individual goals in the proportions described below. The approved on-target bonus amounts are as follows:

	On-Target Bonus
Michael L. Chasen	100% of Base Salary
Matthew L. Pittinsky	20% of Base Salary
Michael J. Beach	50% of Base Salary
Matthew H. Small	50% of Base Salary
David Sample	100% of Base Salary

Approval Of Performance Measures For 2007 Bonuses

The Committee approved the performance measures on which the bonuses for fiscal year 2007 of the Company's named executive officers would be based, relating to the target bonus amounts described above. The actual bonus amount earned by each named executive officer for fiscal 2007 will be calculated based on the company goals described below and, in the case of certain of the named executive officers, on individual goals in the proportions set forth below. If company goals are exceeded, to the extent that a named executive officer's bonus is based on company goals, such named executive officer's bonus amount will be appropriately increased in accordance with the guidelines established by the Committee. For overperformance relative to a company goal, the bonus amount attributable to such company goal is capped at 200% of the on-target bonus amount attributed to such company goal. If the company goals are not met, the portion of each named executive officer's bonus based on company goals will be decreased in accordance with the guidelines established by the Committee.

	% based on Company Goals	% based on Individual Goals
Michael L. Chasen	100%	0%
Matthew L. Pittinsky	100%	0%
Michael J. Beach	75%	25%
Matthew H. Small	75%	25%
David Sample	25%	75%

The company goals performance measure is based on 2007 total revenues (25%), and 2007 non-GAAP earnings excluding amortization of acquired intangibles and the associated tax impact (75%). In the event of the occurrence of non-ordinary course events which impact the foregoing company performance measures (such as litigation or claim judgments or settlements, gains or losses on acquisitions or divestitures, changes in tax or accounting principles, regulations or laws, mergers or acquisitions, integration costs disclosed as merger-related, asset impairment or other writedowns, investments in joint ventures or other equity and the related accounting impact, foreign exchange gains and losses, or other extraordinary, unusual and/or nonrecurring items of gain or loss as reasonably determined by the Committee), such measures may be adjusted as determined appropriate in the circumstances by the Committee or the Board of Directors. The individual goals performance measures are based on criteria which will be established by the Committee at a later date. The Committee and the Board of Directors each retain the authority to approve discretionary supplemental bonuses as warranted by the achievement of the Company milestones or by individual or team contributions.

Long Term Cash Incentive

The Committee approved a long term cash incentive for Mr. Chasen with an on-target bonus of $500,000 based on company performance in 2008 and 2009. Fifty percent of such cash incentive is payable in respect of 2008 and 50% is payable in respect of 2009. The amount to be paid under the long term cash incentive will be based on revenue targets for each of the two fiscal years which will be determined by the Committee at a later date. If the revenue target in a fiscal year is exceeded, the bonus amount for such year will be appropriately increased in accordance with the guidelines established by the Committee. The maximum bonus amount for a fiscal year is capped at 300% of the on-target bonus amount for such year. If the revenue target in a fiscal year is not met, the bonus amount will be decreased in accordance with the guidelines established by the Committee. In the event of the occurrence of non-ordinary course events which impact the foregoing company performance measure (such as gains or losses on acquisitions, or divestitures, revenues from mergers or acquisitions, and revenues consolidated from joint ventures or other equity investments), the performance measures may be adjusted as determined appropriate in the circumstances by the Committee or the Board of Directors.

2006 Bonus

The Committee authorized the payment of the following bonus amounts in respect of the year ended December 31, 2006:

	2006 Bonus Amount
Michael L. Chasen	$ 523,272
Matthew L. Pittinsky	$ 183,145
Michael J. Beach	$ 102,785
Matthew H. Small	$ 171,982
David Sample	$ 225,070

Exhibit 99.3

Outside Director Compensation Plan

The following compensation shall be paid to non-employee directors of Blackboard's Board of Directors:

Cash Retainers

	Amount per year
Board member	$ 50,000
Audit Committee chair	$ 20,000
Audit Committee non-chair member	$ 5,000
Compensation Committee chair	$ 10,000
Compensation Committee non-chair member	—
Nominating & Corp Gov Committee chair	$ 10,000
Nominating & Corp Gov Committee non-chair member	—

- Paid quarterly in arrears at the beginning of each fiscal quarter for the prior quarter.
- New board members shall receive the pro-rated amount in the quarter in which they are first elected or appointed.

Equity Grants

Initial Grant

Each new outside director shall receive a stock option grant on the next regularly scheduled stock option grant date following the director's date of election or appointment. The terms of such grant shall be as follows:

Amount	12,000 stock options (as adjusted for stock splits or similar events)
Term	8 years (unless required under the relevant plan to be shorter)
Vesting period	3 years (one-third on each anniversary of grant)
Vesting start date	Date of election or appointment
Post-directorship exercise period	1 year
Change in Control	As provided in plan
Exercise Price	Most recent closing price of the stock as of the date of grant

Annual Grant

On June 15 of each year, each outside director who has served on the Board for at least six months shall receive a grant of stock options on the terms listed below.

Amount	6,000 stock options (as adjusted for stock splits or similar events)
Term	8 years (unless required under the relevant plan to be shorter)
Vesting period	100% vesting on May 1st of the following year
Vesting start date	Date of grant
Post-directorship exercise period	1 year
Change in Control	As provided in plan
Exercise Price	Most recent closing price of the stock as of the date of grant

A director who represents an outside investor in Blackboard may elect to have the compensation payable and stock options issuable under this Plan paid to such outside investor.

Exhibit 99.4

Nonstatutory Stock Option Agreement

Granted Under Amended and Restated 2004 Stock Incentive Plan

1. Grant of Option.

This agreement evidences the grant by Blackboard Inc., a Delaware corporation (the "Company"), on **[Date]** (the "Grant Date") to **[Name]** , an employee, consultant or director of the Company (the "Participant"), of an option to purchase, in whole or in part, on the terms provided herein and in the Company's Amended and Restated 2004 Stock Incentive Plan (the "Plan"), a total of **[Number]** shares (the "Shares") of common stock, $0.01 par value per share, of the Company ("Common Stock") at $ **[Price]** per Share. Unless earlier terminated, this option shall expire at 4:00 p.m., Eastern time, on the eighth anniversary of the Grant Date (the "Final Exercise Date").

It is intended that the option evidenced by this agreement shall not be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"). Except as otherwise indicated by the context, the term "Participant", as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms.

2. Vesting Schedule.

This option will become exercisable ("vest") as to 25% of the original number of Shares on the first anniversary of the Vesting Commencement Date and, as to the remaining 75% of the original number of Shares, ratably on a monthly basis at the end of each of the 36 months following the first anniversary of the Vesting Commencement Date. The "Vesting Commencement Date" is **[Vesting Commencement Date].**

The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan. Without prior notice to the Participant, the Company's Board of Directors may accelerate the vesting hereunder upon a resolution of the Board of Directors duly passed and approved.

Upon the occurrence of a Reorganization Event or a Change in Control Event (as defined in the Plan), except to the extent specifically provided to the contrary in any other agreement between the Participant and the Company, the vesting hereunder shall be accelerated so that this option shall become immediately exercisable for the number of Shares subject to this option which otherwise would have first vested within 12 months following such Reorganization Event or Change in Control Event, and any remaining unvested shares subject to such Option shall continue to vest in accordance with the vesting schedule set forth herein as though such 12 month period had actually passed.

For the purposes of this option, a "Constructive Termination" is deemed to have occurred if the Participant is relocated outside of the Participant's then residential area without his or her consent or there is a material diminution of the Participant's compensation, duties or responsibilities without his or her consent.

In the event that the Participant is terminated without Cause (as defined below), the vesting hereunder shall be accelerated so that this Option shall become immediately exercisable for the number of Shares subject to this option which otherwise would have first vested within 12 months following such termination.

3. Exercise of Option.

(a) Form of Exercise. Each election to exercise this option shall be in writing, signed by the Participant, and received by the Company at its principal office, or by other method authorized pursuant to the Plan, accompanied by this agreement and payment in full in the manner provided in the Plan. The Participant may purchase less than the number of shares covered hereby, provided that no partial exercise of this option may be for any fractional share.

(b) Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, an employee, officer or director of, or consultant or advisor to, the Company or any other entity the employees, officers, directors, consultants, or advisors of which are eligible to receive option grants under the Plan (an "Eligible Participant").

(c) Termination of Relationship with the Company. If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this option shall terminate twelve months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company, the right to exercise this option shall terminate immediately upon such violation.

(d) Exercise Period Upon Death or Disability. If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for "cause" as specified in paragraph (e) below, this option shall be exercisable, within the period of one year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

(e) Discharge for Cause. If the Participant, prior to the Final Exercise Date, is discharged by the Company for "cause" (as defined below), the right to exercise this option shall terminate immediately upon the effective date of such discharge. "Cause" shall mean willful misconduct by the Participant or willful failure by the Participant to perform his or her responsibilities to the Company (including, without limitation, breach by the Participant of any provision of any employment, consulting, advisory, nondisclosure, non-competition or other similar agreement between the Participant and the Company), as determined by the Company, which determination shall be conclusive. The Participant shall be considered to have been discharged for "Cause" if the Company determines, within 30 days after the Participant's resignation, that discharge for cause was warranted.

4. Withholding.

No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option.

5. Nontransferability of Option.

This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant.

6. Agreement in Connection with Public Offering.

The Participant agrees, in connection with an underwritten public offering of the Company's securities pursuant to a registration statement under the Securities Act, (i) not to sell, make short sale of, loan, grant any options for the purchase of, or otherwise dispose of any shares of Common Stock held by the Participant (other than those shares included in the offering) without the prior written consent of the Company or the underwriters managing such initial underwritten public offering of the Company's securities for a period of 90 days from the effective date of such registration statement, and (ii) to execute any agreement reflecting clause (i) above as may be requested by the Company or the managing underwriters at the time of such offering.

7. Provisions of the Plan.

This option is subject to the provisions of the Plan, a copy of which is furnished to the Participant with this option.

IN WITNESS WHEREOF, the Company has caused this option to be executed under its corporate seal by its duly authorized officer. This option shall take effect as a sealed instrument.

Blackboard Inc.

Dated: **[Grant Date]**

By:

Exhibit 99.5

Nonstatutory Stock Option Agreement
Granted Under Amended and Restated 2004 Stock Incentive Plan

1. Grant of Option.

This agreement evidences the grant by Blackboard Inc., a Delaware corporation (the "Company"), on **[Date]** (the "Grant Date") to **[Name]** , an employee, consultant or director of the Company (the "Participant"), of an option to purchase, in whole or in part, on the terms provided herein and in the Company's Amended and Restated 2004 Stock Incentive Plan (the "Plan"), a total of **[Number]** shares (the "Shares") of common stock, $0.01 par value per share, of the Company ("Common Stock") at $ **[Price]** per Share. Unless earlier terminated, this option shall expire at 4:00 p.m., Eastern time, on the eighth anniversary of the Grant Date (the "Final Exercise Date").

It is intended that the option evidenced by this agreement shall not be an incentive stock option as defined in Section 422 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder (the "Code"). Except as otherwise indicated by the context, the term "Participant", as used in this option, shall be deemed to include any person who acquires the right to exercise this option validly under its terms.

2. Vesting Schedule.

This option will become exercisable ("vest") as to 25% of the original number of Shares on the first anniversary of the Vesting Commencement Date and, as to the remaining 75% of the original number of Shares, ratably on a monthly basis at the end of each of the 36 months following the first anniversary of the Vesting Commencement Date. The "Vesting Commencement Date" is **[Vesting Commencement Date].**

The right of exercise shall be cumulative so that to the extent the option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this option under Section 3 hereof or the Plan. Without prior notice to the Participant, the Company's Board of Directors may accelerate the vesting hereunder upon a resolution of the Board of Directors duly passed and approved.

Upon the occurrence of a Reorganization Event or a Change in Control Event (as defined in the Plan), except to the extent specifically provided to the contrary in any other agreement between the Participant and the Company, the vesting hereunder shall be accelerated so that this option shall become immediately exercisable for the number of Shares subject to this option which otherwise would have first vested within 12 months following such Reorganization Event or Change in Control Event, and any remaining unvested shares subject to such Option shall continue to vest in accordance with the vesting schedule set forth herein as though such 12 month period had actually passed. If within 12 months of a Reorganization Event or a Change in Control Event, the Participant ceases to be an Eligible Participant due to termination by the Company of its relationship with the Participant without Cause (as defined below) or a Constructive Termination (as defined below) of the Participant, except to the extent specifically provided to the contrary in any other agreement between the Participant and the Company, the vesting hereunder shall be further accelerated so that this option shall become immediately exercisable for the number of Shares subject to this option which otherwise would have first vested within 24 months following such termination or Constructive Termination ("Additional Acceleration"), provided that the acceleration periods under this Section 2 shall be cumulative, and any remaining unvested shares subject to such Option shall continue to vest in accordance with the vesting schedule set forth herein as though such additional 24 month period had actually passed.

For the purposes of this option, a "Constructive Termination" is deemed to have occurred if the Participant is relocated outside of the Participant's then residential area without his or her consent or there is a material diminution of the Participant's compensation, duties or responsibilities without his or her consent.

In the event that the Participant is terminated without Cause (as defined below), the vesting hereunder shall be accelerated so that this Option shall become immediately exercisable for the number of Shares subject to this option which otherwise would have first vested within 12 months following such termination; provided that this sentence shall not apply if Additional Acceleration has occurred.

3. Exercise of Option.

(a) Form of Exercise. Each election to exercise this option shall be in writing, signed by the Participant, and received by the Company at its principal office, or by other method authorized pursuant to the Plan, accompanied by this agreement and payment in full in the manner provided in the Plan. The Participant may purchase less than the number of shares covered hereby, provided that no partial exercise of this option may be for any fractional share.

(b) Continuous Relationship with the Company Required. Except as otherwise provided in this Section 3, this option may not be exercised unless the Participant, at the time he or she exercises this option, is, and has been at all times since the Grant Date, an employee, officer or director of, or consultant or advisor to, the Company or any other entity the employees, officers, directors, consultants, or advisors of which are eligible to receive option grants under the Plan (an "Eligible Participant").

(c) Termination of Relationship with the Company. If the Participant ceases to be an Eligible Participant for any reason, then, except as provided in paragraphs (d) and (e) below, the right to exercise this option shall terminate twelve months after such cessation (but in no event after the Final Exercise Date), provided that this option shall be exercisable only to the extent that the Participant was entitled to exercise this option on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Final Exercise Date, violates the non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure agreement or other agreement between the Participant and the Company, the right to exercise this option shall terminate immediately upon such violation.

(d) Exercise Period Upon Death or Disability. If the Participant dies or becomes disabled (within the meaning of Section 22(e)(3) of the Code) prior to the Final Exercise Date while he or she is an Eligible Participant and the Company has not terminated such relationship for "cause" as specified in paragraph (e) below, this option shall be exercisable, within the period of one year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided that this option shall be exercisable only to the extent that this option was exercisable by the Participant on the date of his or her death or disability, and further provided that this option shall not be exercisable after the Final Exercise Date.

(e) Discharge for Cause. If the Participant, prior to the Final Exercise Date, is discharged by the Company for "cause" (as defined below), the right to exercise this option shall terminate immediately upon the effective date of such discharge. "Cause" shall mean willful misconduct by the Participant or willful failure by the Participant to perform his or her responsibilities to the Company (including, without limitation, breach by the Participant of any provision of any employment, consulting, advisory, nondisclosure, non-competition or other similar agreement between the Participant and the Company), as determined by the Company, which determination shall be conclusive. The Participant shall be considered to have been discharged for "Cause" if the Company determines, within 30 days after the Participant's resignation, that discharge for cause was warranted.

4. Withholding.

No Shares will be issued pursuant to the exercise of this option unless and until the Participant pays to the Company, or makes provision satisfactory to the Company for payment of, any federal, state or local withholding taxes required by law to be withheld in respect of this option.

5. Nontransferability of Option.

This option may not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the lifetime of the Participant, this option shall be exercisable only by the Participant.

6. Agreement in Connection with Public Offering.

The Participant agrees, in connection with an underwritten public offering of the Company's securities pursuant to a registration statement under the Securities Act, (i) not to sell, make short sale of, loan, grant any options for the purchase of, or otherwise dispose of any shares of Common Stock held by the Participant (other than those shares included in the offering) without the prior written consent of the Company or the underwriters managing such initial underwritten public offering of the Company's securities for a period of 90 days from the effective date of such registration statement, and (ii) to execute any agreement reflecting clause (i) above as may be requested by the Company or the managing underwriters at the time of such offering.

7. Provisions of the Plan.

This option is subject to the provisions of the Plan, a copy of which is furnished to the Participant with this option.

IN WITNESS WHEREOF, the Company has caused this option to be executed under its corporate seal by its duly authorized officer. This option shall take effect as a sealed instrument.

Blackboard Inc.

Dated: **[Grant Date]**

By:

Estimated Client, License and Contract Value Metrics as of End of Periods Indicated
(Unaudited)

Blackboard Inc.

	2005				2006			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Annual Client Count								
U.S. Higher Education				1,237				1,906
International				525				988
U.S. K-12				383				405
Commercial, Corporate and Government				119				163
Total Clients				**2,264**				**3,462**
Quarterly License Information - Pro Forma (1)								
Blackboard Learning System™ - Basic (2)	1,910	1,829	1,668	1,623	1,538	1,470	1,352	1,298
Blackboard Learning System - Enterprise (3)	1,813	1,920	1,959	1,983	2,023	2,099	2,114	2,180
Blackboard Community System™	389	407	429	471	488	549	567	595
Blackboard Content System™	125	158	182	196	213	267	282	299
Blackboard Transaction System™	353	367	374	400	404	417	421	418
Total Enterprise Licenses	**2,680**	**2,852**	**2,944**	**3,050**	**3,128**	**3,332**	**3,384**	**3,492**
Total Licenses	**4,590**	**4,681**	**4,612**	**4,673**	**4,666**	**4,802**	**4,736**	**4,790**
Quarterly License Information - Blackboard Standalone in 2005 (4)								
. Blackboard Learning System - Basic	1,324	1,248	1,154	1,116	1,538	1,470	1,352	1,298
Blackboard Learning System - Enterprise	882	969	1,004	1,020	2,023	2,099	2,114	2,180
Blackboard Community System	389	407	429	471	488	549	567	595
Blackboard Content System	125	158	182	196	213	267	282	299
Blackboard Transaction System	353	367	374	400	404	417	421	418
Total Enterprise Licenses	**1,749**	**1,901**	**1,989**	**2,087**	**3,128**	**3,332**	**3,384**	**3,492**
Total Licenses	**3,073**	**3,149**	**3,143**	**3,203**	**4,666**	**4,802**	**4,736**	**4,790**
Total ASP Hosting Units	**329**	**343**	**344**	**348**	**438**	**448**	**453**	**455**
Estimated Pro Forma Quarterly Contract Value (in millions) (5)								
Total Contract Value (including estimated contract value relating to WebCT contracts from Q1 2005)	**$118.0**	**$125.5**	**$132.1**	**$136.9**	**$141.1**	**$148.2**	**$155.4**	**$162.9**

Note: (1) Comparison includes the estimated impact of WebCT licenses beginning in Q1 2005
(2) License figures include Blackboard Learning System - Basic and the WebCT, Inc. product formerly known as WebCT Campus Edition - Focus™.
(3) License figures include Blackboard Learning System - Enterprise, CE Enterprise, CE Ltd. Enterprise and Vista licenses
(4) Comparison includes the impact of estimated WebCT licenses beginning Q1 2006. These estimates are unaudited and are intended solely to provide a general basis of comparison.
(5) Contract value represents the annualized recurring ratable revenue under existing contracts with clients in effect as of the measurement date without regard to the remaining duration or renewal of such agreements. This is not intended by management for the estimation of or proxy for future revenue to be recognized, but management believes it is a useful tool for investors to evaluate our operating performance.

This information is provided as a supplement to the Company's conference call on February 6, 2007 and should be used only in conjunction with the discussion provided therein.