

Condensed Consolidated Statements of Operations
(in thousands, except per share amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Revenue:				
On demand	\$ 136,610	\$ 110,640	\$ 260,021	\$ 217,100
On premise	687	726	1,459	1,467
Professional and other	5,422	3,396	9,622	6,665
Total revenue	142,719	114,762	271,102	225,232
Cost of revenue ⁽¹⁾⁽²⁾	62,078	48,493	116,826	96,055
Gross profit	80,641	66,269	154,276	129,177
Operating expense:				
Product development ⁽¹⁾	18,878	18,084	36,150	36,061
Sales and marketing ⁽¹⁾⁽²⁾	35,129	30,887	67,328	60,000
General and administrative ⁽¹⁾⁽²⁾	21,932	20,037	40,278	38,373
Impairment of identified intangible assets ⁽²⁾	—	—	—	527
Total operating expense	75,939	69,008	143,756	134,961
Operating income (loss)	4,702	(2,739)	10,520	(5,784)
Interest expense and other, net	(1,074)	(390)	(1,782)	(657)
Income (loss) before income taxes	3,628	(3,129)	8,738	(6,441)
Income tax expense (benefit)	1,545	189	3,659	(1,515)
Net income (loss)	<u>\$ 2,083</u>	<u>\$ (3,318)</u>	<u>\$ 5,079</u>	<u>\$ (4,926)</u>
Net income (loss) per share attributable to common stockholders				
Basic	\$ 0.03	\$ (0.04)	\$ 0.07	\$ (0.06)
Diluted	\$ 0.03	\$ (0.04)	\$ 0.07	\$ (0.06)
Weighted average shares used in computing net income (loss) per share attributable to common stockholders				
Basic	76,363	76,799	76,509	76,877
Diluted	77,161	76,799	77,120	76,877

⁽¹⁾ Includes stock-based expense as follows:

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Cost of revenue	\$ 826	\$ 1,216	\$ 1,577	\$ 2,450
Product development	1,897	2,572	3,346	5,291
Sales and marketing	3,799	3,843	6,773	7,632
General and administrative	4,215	3,619	7,432	6,624
	<u>\$ 10,737</u>	<u>\$ 11,250</u>	<u>\$ 19,128</u>	<u>\$ 21,997</u>

⁽²⁾ Certain amounts in the prior year periods have been reclassified to conform with current period presentation.