

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

	Three Months Ended	
	March 31,	
	2016	2015
Revenue:		
On demand	\$ 123,411	\$ 106,460
On premise	772	741
Professional and other	4,200	3,269
Total revenue	<u>128,383</u>	<u>110,470</u>
Cost of revenue ^{(1) (2)}	<u>54,748</u>	<u>47,562</u>
Gross profit	73,635	62,908
Operating expense:		
Product development ⁽¹⁾	17,272	17,977
Sales and marketing ^{(1) (2)}	32,199	29,113
General and administrative ^{(1) (2)}	18,346	18,336
Impairment of identified intangible assets ⁽²⁾	—	527
Total operating expense	<u>67,817</u>	<u>65,953</u>
Operating income (loss)	5,818	(3,045)
Interest expense and other, net	(708)	(267)
Income (loss) before income taxes	<u>5,110</u>	<u>(3,312)</u>
Income tax expense (benefit)	2,114	(1,704)
Net income (loss)	<u>\$ 2,996</u>	<u>\$ (1,608)</u>
Net income (loss) per share attributable to common shareholders		
Basic	\$ 0.04	\$ (0.02)
Diluted	\$ 0.04	\$ (0.02)
Weighted average shares used in computing net income (loss) per share attributable to common shareholders		
Basic	76,656	76,956
Diluted	77,147	76,956

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

	Three Months Ended	
	March 31,	
	2016	2015
Cost of revenue	\$ 751	\$ 1,234
Product development	1,449	2,719
Sales and marketing	2,974	3,789
General and administrative	3,217	3,005
	<u>\$ 8,391</u>	<u>\$ 10,747</u>

⁽²⁾ Certain amounts in the prior quarterly period of 2015 have been reclassified to conform with current period presentation.