

Reconciliation of GAAP to Non-GAAP Financial Measures
For the Three and Twelve Months Ended December 31, 2015 and 2014
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2015	2014	2015	2014
Non-GAAP revenue:				
Revenue (GAAP)	\$ 121,700	\$ 104,464	\$ 468,520	\$ 404,551
Acquisition-related and other deferred revenue	(545)	(290)	(2,157)	435
Non-GAAP revenue	<u>\$ 121,155</u>	<u>\$ 104,174</u>	<u>\$ 466,363</u>	<u>\$ 404,986</u>
	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2015	2014	2015	2014
Adjusted gross profit:				
Gross profit (GAAP) ⁽⁴⁾	\$ 70,882	\$ 57,946	\$ 269,907	\$ 229,680
Acquisition-related and other deferred revenue	(545)	(290)	(2,157)	435
Depreciation	2,533	2,330	9,802	8,512
Amortization of intangible assets	4,071	2,860	14,213	10,712
Stock-based compensation expense	779	812	4,046	3,826
Adjusted gross profit	<u>\$ 77,720</u>	<u>\$ 63,658</u>	<u>\$ 295,811</u>	<u>\$ 253,165</u>
Adjusted gross profit margin	64.1 %	61.1 %	63.4 %	62.5 %
	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2015	2014	2015	2014
Adjusted EBITDA:				
Net income (loss) (GAAP)	\$ 3,900	\$ 110	\$ (9,218)	\$ (10,274)
Acquisition-related and other deferred revenue	(545)	(290)	(2,157)	435
Depreciation, asset impairment, and loss on disposal of assets	5,415	5,377	44,385	19,288
Amortization of intangible assets	6,791	5,746	25,377	22,404
Acquisition-related expense	(188)	(111)	(1,841)	1,987
Interest expense, net	401	337	1,367	1,117
Income tax expense (benefit)	3,274	(2,209)	(3,846)	(6,333)
Litigation-related expense	—	31	2	4,915
Stock-based compensation expense	7,456	8,256	38,122	37,050
Adjusted EBITDA	<u>\$ 26,504</u>	<u>\$ 17,247</u>	<u>\$ 92,191</u>	<u>\$ 70,589</u>
Adjusted EBITDA margin	21.9 %	16.6 %	19.8 %	17.4 %
	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2015	2014	2015	2014
Product development (GAAP)	\$ 15,880	\$ 16,108	\$ 68,799	\$ 64,418
Less: Asset impairment and loss on disposal of assets	85	—	1,418	—
Stock-based compensation expense	1,535	1,874	8,585	8,637
Non-GAAP total product development	<u>\$ 14,260</u>	<u>\$ 14,234</u>	<u>\$ 58,796</u>	<u>\$ 55,781</u>
Non-GAAP total product development as % of non-GAAP revenue:	11.8 %	13.7 %	12.6 %	13.8 %

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	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2015	2014	2015	2014
Non-GAAP total sales and marketing:				
Sales and marketing (GAAP) ⁽⁴⁾	\$ 30,410	\$ 27,593	\$ 123,108	\$ 111,563
Less: Amortization of intangible assets	2,720	2,886	11,164	11,500
Stock-based compensation expense	2,246	2,948	12,996	12,966
Non-GAAP total sales and marketing	<u>\$ 25,444</u>	<u>\$ 21,759</u>	<u>\$ 98,948</u>	<u>\$ 87,097</u>
Non-GAAP total sales and marketing as % of non-GAAP revenue:	21.0 %	20.9 %	21.2 %	21.5 %
Non-GAAP total general and administrative:				
General and administrative (GAAP)	\$ 17,017	\$ 16,011	\$ 68,814	\$ 69,202
Less: Asset impairment and loss on disposal of assets	17	350	1,652	386
Amortization of intangible assets	—	—	—	192
Acquisition-related expense	(188)	(111)	(1,841)	1,987
Litigation-related expense	—	31	2	4,915
Stock-based compensation expense	2,896	2,622	12,495	11,621
Non-GAAP total general and administrative	<u>\$ 14,292</u>	<u>\$ 13,119</u>	<u>\$ 56,506</u>	<u>\$ 50,101</u>
Non-GAAP total general and administrative as % of non-GAAP revenue:	11.8 %	12.6 %	12.1 %	12.4 %
Non-GAAP total operating expense:				
Operating expense (GAAP) ⁽⁴⁾	\$ 63,307	\$ 59,712	\$ 281,522	\$ 245,183
Less: Asset impairment and loss on disposal of assets	102	350	23,871	386
Amortization of intangible assets	2,720	2,886	11,164	11,692
Acquisition-related expense	(188)	(111)	(1,841)	1,987
Litigation-related expense	—	31	2	4,915
Stock-based compensation expense	6,677	7,444	34,076	33,224
Non-GAAP total operating expense	<u>\$ 53,996</u>	<u>\$ 49,112</u>	<u>\$ 214,250</u>	<u>\$ 192,979</u>
Non-GAAP total operating expense as % of non-GAAP revenue:	44.6 %	47.1 %	45.9 %	47.7 %
Non-GAAP operating income:				
Operating income (loss) (GAAP)	\$ 7,575	\$ (1,766)	\$ (11,615)	\$ (15,503)
Acquisition-related and other deferred revenue	(545)	(290)	(2,157)	435
Asset impairment and loss on disposal of assets	102	350	23,871	386
Amortization of intangible assets	6,791	5,746	25,377	22,404
Acquisition-related expense	(188)	(111)	(1,841)	1,987
Litigation-related expense	—	31	2	4,915
Stock-based compensation expense	7,456	8,256	38,122	37,050
Non-GAAP operating income	<u>\$ 21,191</u>	<u>\$ 12,216</u>	<u>\$ 71,759</u>	<u>\$ 51,674</u>
Non-GAAP operating margin	17.5 %	11.7 %	15.4 %	12.8 %

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	<u>December 31,</u>		<u>December 31,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Non-GAAP net income:				
Net income (loss) (GAAP)	\$ 3,900	\$ 110	\$ (9,218)	\$ (10,274)
Tax deductible items:				
Acquisition-related and other deferred revenue	(545)	(290)	(2,157)	435
Asset impairment and loss on disposal of assets	102	350	23,871	386
Amortization of intangible assets	6,791	5,746	25,377	22,404
Acquisition-related expense	(188)	(111)	(1,841)	1,987
Litigation-related expense	—	31	2	4,915
Stock-based compensation expense	7,456	8,256	38,122	37,050
Subtotal of tax deductible items	<u>13,616</u>	<u>13,982</u>	<u>83,374</u>	<u>67,177</u>
Tax impact of tax deductible items ⁽¹⁾	(5,447)	(5,593)	(33,350)	(26,871)
Tax benefit (expense) resulting from applying effective tax rate ⁽²⁾	405	(1,369)	1,380	310
Non-GAAP net income	<u>\$ 12,474</u>	<u>\$ 7,130</u>	<u>\$ 42,186</u>	<u>\$ 30,342</u>
Non-GAAP net income per share - diluted	\$ 0.16	\$ 0.09	\$ 0.55	\$ 0.39
Weighted average shares - basic	76,445	76,742	76,689	76,991
Weighted average effect of dilutive securities - non-GAAP	610	823	611	725
Non-GAAP weighted average shares - diluted	<u>77,055</u>	<u>77,565</u>	<u>77,300</u>	<u>77,716</u>
	<u>Three Months Ended</u>		<u>Twelve Months Ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Annualized non-GAAP on demand revenue per average on demand unit:				
On demand revenue (GAAP)	\$ 117,090	\$ 101,261	\$ 450,962	\$ 390,622
Acquisition-related and other deferred revenue	(545)	(290)	(2,157)	435
Non-GAAP on demand revenue	<u>116,545</u>	<u>100,971</u>	<u>448,805</u>	<u>391,057</u>
Ending on demand units	10,568	9,560	10,568	9,560
Average on demand units	10,487	9,528	10,118	9,361
Annualized non-GAAP on demand revenue per average on demand unit	<u>\$ 44.45</u>	<u>\$ 42.39</u>		
Non-GAAP on demand annual customer value ⁽³⁾	\$ 469,748	\$ 405,248		

⁽¹⁾ Reflects the removal of the tax benefit associated with the acquisition-related and other deferred revenue adjustment, asset impairment and loss on disposal of assets, amortization of intangible assets, acquisition-related expense, litigation-related expense, and stock-based compensation expense.

⁽²⁾ Represents adjusting to a normalized effective tax rate of 40%.

⁽³⁾ This metric represents management's estimate of the current annual run-rate value of on demand customer relationships. This metric is calculated by multiplying ending on demand units by annualized non-GAAP on demand revenue per average on demand unit for the periods presented.

⁽⁴⁾ Certain amounts in prior quarterly periods of 2015 have been reclassified to conform with current period presentation.