

Reconciliation of GAAP to Non-GAAP Measures
For the Three and Twelve Months Ended December 31, 2014 and 2013
(unaudited, in thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
Non-GAAP revenue:				
Revenue (GAAP)	\$ 104,464	\$ 95,519	\$ 404,551	\$ 377,022
Acquisition-related and other deferred revenue	(290)	922	435	2,717
Non-GAAP revenue	<u>\$ 104,174</u>	<u>\$ 96,441</u>	<u>\$ 404,986</u>	<u>\$ 379,739</u>
	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
Adjusted gross profit:				
Gross profit (GAAP)	\$ 57,946	\$ 58,013	\$ 229,680	\$ 228,701
Acquisition-related and other deferred revenue	(290)	922	435	2,717
Depreciation	2,330	1,800	8,512	6,567
Amortization of intangible assets	2,860	2,062	10,712	7,713
Stock-based compensation expense	812	900	3,826	3,111
Adjusted gross profit	<u>\$ 63,658</u>	<u>\$ 63,697</u>	<u>\$ 253,165</u>	<u>\$ 248,809</u>
Adjusted gross profit margin	61.1%	66.0%	62.5%	65.5%
	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
Adjusted EBITDA:				
Net (loss) income (GAAP)	\$ 110	\$ 2,178	\$ (10,274)	\$ 20,692
Acquisition-related and other deferred revenue	(290)	922	435	2,717
Depreciation, loss on disposal and impairment of assets	5,377	3,925	19,288	14,411
Amortization of intangible assets	5,746	5,001	22,404	17,648
Interest expense, net	337	228	1,117	1,427
Income tax (benefit) expense	(2,209)	2,406	(6,333)	(210)
Litigation-related expense	31	330	4,915	661
Stock-based compensation expense	8,256	8,655	37,050	29,697
Acquisition-related expense	(111)	1,156	1,987	3,269
Adjusted EBITDA	<u>\$ 17,247</u>	<u>\$ 24,801</u>	<u>\$ 70,589</u>	<u>\$ 90,312</u>
Adjusted EBITDA margin	16.6%	25.7%	17.4%	23.8%
	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
Non-GAAP total product development:				
Product development (GAAP)	\$ 16,108	\$ 13,641	\$ 64,418	\$ 50,638
Less: Stock-based compensation expense	1,874	1,665	8,637	4,788
Non-GAAP total product development:	<u>\$ 14,234</u>	<u>\$ 11,976</u>	<u>\$ 55,781</u>	<u>\$ 45,850</u>
Non-GAAP total product development as % of non-GAAP revenue:	13.7%	12.4%	13.8%	12.1%

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	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2014	2013	2014	2013
Non-GAAP total sales and marketing:				
Sales and marketing (GAAP)	\$ 27,593	\$ 23,902	\$ 111,563	\$ 95,894
Less: Amortization of intangible assets	2,886	2,939	11,500	9,935
Stock-based compensation expense	2,948	3,102	12,966	10,993
Non-GAAP total sales and marketing:	<u>\$ 21,759</u>	<u>\$ 17,861</u>	<u>\$ 87,097</u>	<u>\$ 74,966</u>
Non-GAAP total sales and marketing as % of non-GAAP revenue:	20.9%	18.5%	21.5%	19.7%
	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2014	2013	2014	2013
Non-GAAP total general and administrative:				
General and administrative (GAAP)	\$ 16,011	\$ 15,730	\$ 69,202	\$ 60,610
Less: Amortization of intangible assets	-	-	192	-
Acquisition-related expense	(111)	1,156	1,987	3,269
Stock-based compensation expense	2,622	2,988	11,621	10,805
Litigation-related expense	31	330	4,915	661
Non-GAAP total general and administrative:	<u>\$ 13,469</u>	<u>\$ 11,256</u>	<u>\$ 50,487</u>	<u>\$ 45,875</u>
Non-GAAP total general and administrative as % of non-GAAP revenue:	12.9%	11.7%	12.5%	12.1%
	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2014	2013	2014	2013
Non-GAAP total operating expense:				
Operating expense (GAAP)	\$ 59,712	\$ 53,273	\$ 245,183	\$ 207,142
Less: Amortization of intangible assets	2,886	2,939	11,692	9,935
Acquisition-related expense	(111)	1,156	1,987	3,269
Stock-based compensation expense	7,444	7,755	33,224	26,586
Litigation-related expense	31	330	4,915	661
Non-GAAP total operating expense:	<u>\$ 49,462</u>	<u>\$ 41,093</u>	<u>\$ 193,365</u>	<u>\$ 166,691</u>
Non-GAAP total operating expense as % of non-GAAP revenue:	47.5%	42.6%	47.7%	43.9%
	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2014	2013	2014	2013
Non-GAAP operating income:				
Operating (loss) income (GAAP)	\$ (1,766)	\$ 4,740	\$ (15,503)	\$ 21,559
Acquisition-related and other deferred revenue	(290)	922	435	2,717
Amortization of intangible assets	5,746	5,001	22,404	17,648
Stock-based compensation expense	8,256	8,655	37,050	29,697
Acquisition-related expense	(111)	1,156	1,987	3,269
Litigation-related expense	31	330	4,915	661
Non-GAAP operating income	<u>\$ 11,866</u>	<u>\$ 20,804</u>	<u>\$ 51,288</u>	<u>\$ 75,551</u>
Non-GAAP operating margin	11.4%	21.6%	12.7%	19.9%

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(unaudited, in thousands except per share data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
Non-GAAP net income:				
Net (loss) income (GAAP)	\$ 110	\$ 2,178	\$ (10,274)	\$ 20,692
Tax deductible items:				
Acquisition-related and other deferred revenue	(290)	922	435	2,717
Amortization of intangible assets	5,746	5,001	22,404	17,648
Stock-based compensation expense	8,256	8,655	37,050	29,697
Acquisition-related expense	(111)	1,156	1,987	3,269
Litigation-related expense	31	330	4,915	661
Loss on disposal and impairment of assets	350	4	386	314
Subtotal of tax deductible items	<u>13,982</u>	<u>16,068</u>	<u>67,177</u>	<u>54,306</u>
Tax impact of tax deductible items ⁽¹⁾	(5,593)	(6,427)	(26,871)	(21,722)
Tax expense resulting from applying effective tax rate ⁽²⁾	<u>(1,369)</u>	<u>572</u>	<u>310</u>	<u>(8,403)</u>
Non-GAAP net income	<u>\$ 7,130</u>	<u>\$ 12,391</u>	<u>\$ 30,342</u>	<u>\$ 44,873</u>
Non-GAAP net income per share - diluted	\$ 0.09	\$ 0.16	\$ 0.39	\$ 0.59
Weighted average shares - diluted	77,565	77,108	76,991	76,187
Weighted average effect of dilutive securities	<u>-</u>	<u>-</u>	<u>725</u>	<u>-</u>
Non-GAAP weighted average shares - diluted	<u>77,565</u>	<u>77,108</u>	<u>77,716</u>	<u>76,187</u>

⁽¹⁾ Reflects the removal of the tax benefit associated with the amortization of intangible assets, stock-based compensation expense, acquisition-related deferred revenue adjustment and acquisition-related expense.

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	2014	2013
Annualized Non-GAAP on demand revenue per average on demand unit:				
On demand revenue (GAAP)	\$ 101,261	\$ 92,081	\$ 390,622	\$ 362,312
Acquisition-related and other deferred revenue	(290)	922	435	2,717
Non-GAAP on demand revenue	<u>\$ 100,971</u>	<u>\$ 93,003</u>	<u>\$ 391,057</u>	<u>\$ 365,029</u>
Ending on demand units	9,560	9,022	9,560	9,022
Average on demand units	9,528	8,876	9,361	8,615
Annualized Non-GAAP on demand revenue per average on demand unit	<u>\$ 42.39</u>	<u>\$ 41.91</u>	<u>\$ 41.78</u>	<u>\$ 42.37</u>
Annual customer value of on demand revenue ⁽¹⁾	\$ 405,248	\$ 378,131		

⁽¹⁾ This metric represents management's estimate for the current annual run-rate value of on demand customer relationships. This metric is calculated by multiplying ending on demand units times annualized Non-GAAP on demand revenue per average on demand unit for the periods presented.