

Condensed Consolidated Statements of Operations
For the Three and Six Months Ended June 30, 2012 and 2011
(unaudited, in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Revenue:				
On demand	\$ 74,938	\$ 57,039	\$ 145,656	\$ 109,976
On premise	1,261	1,628	2,677	3,273
Professional and other	2,593	2,968	4,876	5,934
Total revenue	<u>78,792</u>	<u>61,635</u>	<u>153,209</u>	<u>119,183</u>
Cost of revenue ⁽¹⁾	<u>31,848</u>	<u>25,810</u>	<u>62,461</u>	<u>50,493</u>
Gross profit	46,944	35,825	90,748	68,690
Operating expense:				
Product development ⁽¹⁾	11,738	10,537	23,051	20,853
Sales and marketing ⁽¹⁾	18,588	14,510	35,394	27,304
General and administrative ⁽¹⁾	19,946	9,574	32,249	19,350
Total operating expense	<u>50,272</u>	<u>34,621</u>	<u>90,694</u>	<u>67,507</u>
Operating income (loss)	<u>(3,328)</u>	<u>1,204</u>	<u>54</u>	<u>1,183</u>
Interest expense and other, net	<u>(577)</u>	<u>(732)</u>	<u>(1,213)</u>	<u>(1,898)</u>
Income (loss) before income taxes	<u>(3,905)</u>	<u>472</u>	<u>(1,159)</u>	<u>(715)</u>
Income tax expense (benefit)	<u>(1,533)</u>	<u>190</u>	<u>(507)</u>	<u>(349)</u>
Net income (loss)	<u>\$ (2,372)</u>	<u>\$ 282</u>	<u>\$ (652)</u>	<u>\$ (366)</u>
Net income (loss) per share				
Basic	\$ (0.03)	\$ 0.00	\$ (0.01)	\$ (0.01)
Diluted	\$ (0.03)	\$ 0.00	\$ (0.01)	\$ (0.01)
Weighted average shares used in computing net income (loss) per share				
Basic	71,102	68,673	70,846	67,741
Diluted	71,102	72,012	70,846	67,741

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Cost of revenue	\$ 750	\$ 312	\$ 1,439	\$ 610
Product development	1,002	1,105	2,064	2,085
Sales and marketing	1,032	2,627	1,769	5,360
General and administrative	1,532	925	3,032	1,767
	<u>\$ 4,316</u>	<u>\$ 4,969</u>	<u>\$ 8,304</u>	<u>\$ 9,822</u>