

Reconciliation of GAAP to Non-GAAP Measures
For the Three Months Ended March 31, 2012 and 2011
(unaudited, in thousands)

	Three Months Ended	
	March 31,	
	2012	2011
Revenue:	\$ 74,417	\$ 57,548
Acquisition-related deferred revenue adjustment	81	-
Non-GAAP revenue	<u>\$ 74,498</u>	<u>\$ 57,548</u>

	Three Months Ended	
	March 31,	
	2012	2011
Adjusted gross profit:		
Gross profit	\$ 43,804	\$ 32,865
Acquisition-related deferred revenue adjustment	81	-
Depreciation	1,585	1,490
Amortization of intangible assets	2,418	2,176
Stock-based compensation expense	689	298
Adjusted gross profit	<u>\$ 48,577</u>	<u>\$ 36,829</u>
Adjusted gross profit	65.2%	64.0%

	Three Months Ended	
	March 31,	
	2012	2011
Adjusted EBITDA:		
Net income (loss)	\$ 1,720	\$ (648)
Acquisition-related deferred revenue adjustment	81	-
Depreciation, asset impairment and loss on disposal of asset	3,227	3,124
Amortization of intangible assets	4,829	4,046
Interest expense, net	638	783
Income tax expense (benefit)	1,026	(539)
Litigation-related expense	360	320
Stock-based compensation expense	3,988	4,853
Acquisition-related expense	553	186
Adjusted EBITDA	<u>\$ 16,422</u>	<u>\$ 12,125</u>
Adjusted EBITDA margin	22.0%	21.1%

	Three Months Ended	
	March 31,	
	2012	2011
Non-GAAP total product development:		
Product Development	\$ 11,313	\$ 10,316
Less: Amortization of intangible assets	-	-
Stock-based compensation expense	1,062	980
Non-GAAP total product development:	<u>\$ 10,251</u>	<u>\$ 9,336</u>
Non-GAAP total product development as % of non-GAAP revenue:	13.8%	16.2%

**Reconciliation of GAAP to Non-GAAP Measures
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(unaudited, in thousands)**

	Three Months Ended March 31,	
	2012	2011
Non-GAAP total sales and marketing:		
Sales and marketing	\$ 16,806	\$ 12,794
Less: Amortization of intangible assets	2,411	1,870
Stock-based compensation expense	737	2,733
Non-GAAP total sales and marketing:	<u>\$ 13,658</u>	<u>\$ 8,191</u>
 Non-GAAP total sales and marketing as % of non-GAAP revenue:	 18.3%	 14.2%

	Three Months Ended March 31,	
	2012	2011
Non-GAAP total general and administrative:		
General and administrative	\$ 12,303	\$ 9,776
Less: Acquisition-related expense	553	186
Stock-based compensation expense	1,500	842
Litigation related expense	360	320
Non-GAAP total general and administrative:	<u>\$ 9,890</u>	<u>\$ 8,428</u>
 Non-GAAP total general and administrative as % of non-GAAP revenue:	 13.3%	 14.6%

	Three Months Ended March 31,	
	2012	2011
Non-GAAP total operating expenses:		
Operating expenses	\$ 40,422	\$ 32,886
Less: Amortization of intangible assets	2,411	1,870
Acquisition-related expense	553	186
Stock-based compensation expense	3,299	4,555
Litigation related expense	360	320
Non-GAAP total operating expenses:	<u>\$ 33,799</u>	<u>\$ 25,955</u>
 Non-GAAP total operating expenses as % of non-GAAP revenue:	 45.4%	 45.1%

	Three Months Ended March 31,	
	2012	2011
Non-GAAP operating income:		
Operating income (loss)	\$ 3,382	\$ (21)
Acquisition-related deferred revenue adjustment	81	-
Amortization of intangible assets	4,829	4,046
Stock-based compensation expense	3,988	4,853
Acquisition-related expense	553	186
Litigation related expense	360	320
Non-GAAP operating income	<u>\$ 13,193</u>	<u>\$ 9,384</u>
 Non-GAAP operating margin	 17.7%	 16.3%

Reconciliation of GAAP to Non-GAAP Measures
For the Three Months Ended March 31, 2012 and 2011
(unaudited, in thousands, except per share data)

	Three Months Ended	
	March 31,	
	2012	2011
Non-GAAP net income:		
Net income (loss)	\$ 1,720	\$ (648)
Acquisition-related deferred revenue adjustment	81	-
Amortization of intangible assets	4,829	4,046
Stock-based compensation expense	3,988	4,853
Acquisition-related expense	553	186
Litigation related expense	360	320
Loss on disposal of assets	178	397
Subtotal of tax deductible items	<u>9,989</u>	<u>9,802</u>
Tax impact of tax deductible items ⁽¹⁾	(3,996)	(3,921)
Tax expense resulting from applying effective tax rate ⁽²⁾	<u>(72)</u>	<u>(64)</u>
Non-GAAP net income	\$ 7,641	\$ 5,169
Non-GAAP net income per share - diluted	\$ 0.10	\$ 0.07
Weighted average shares - diluted	73,170	66,800
Weighted average effect of dilutive securities	-	3,811
Non-GAAP weighted average shares - diluted	<u>73,170</u>	<u>70,611</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	
	March 31,	
	2012	2011
Annualized on demand revenue per average on demand unit:		
On demand revenue	\$ 70,718	\$ 52,937
Acquisition-related deferred revenue adjustment	81	-
Non-GAAP on demand revenue	<u>\$ 70,799</u>	<u>\$ 52,937</u>
Ending on demand units	7,431	6,159
Average on demand units	7,366	6,113
Annualized on demand revenue per average on demand unit	<u>\$ 38.45</u>	<u>\$ 34.64</u>
Annual customer value of on demand revenue ⁽¹⁾	\$ 285,722	\$ 213,348
On demand customers	8,039	7,078

⁽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 on demand revenue per average non-GAAP on demand unit for the periods presented.