

Reconciliation of GAAP to Non-GAAP Measures
For the Three and Six Months Ended June 30, 2012 and 2011
(unaudited, in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Revenue:	\$ 78,792	\$ 61,635	\$ 153,209	\$ 119,183
Acquisition-related deferred revenue adjustment	2	244	83	244
Non-GAAP revenue	<u>\$ 78,794</u>	<u>\$ 61,879</u>	<u>\$ 153,292</u>	<u>\$ 119,427</u>
Adjusted gross profit:				
Gross profit	\$ 46,944	\$ 35,825	\$ 90,748	\$ 68,690
Acquisition-related deferred revenue adjustment	2	244	83	244
Depreciation, asset impairment and loss on disposal of asset	1,625	1,519	3,210	3,009
Amortization of intangible assets	2,363	2,231	4,781	4,407
Stock-based compensation expense	750	312	1,439	610
Adjusted gross profit	<u>\$ 51,684</u>	<u>\$ 40,131</u>	<u>\$ 100,261</u>	<u>\$ 76,960</u>
Adjusted gross profit margin	65.6%	64.9%	65.4%	64.4%
Adjusted EBITDA:				
Net income (loss)	\$ (2,372)	\$ 282	\$ (652)	\$ (366)
Acquisition-related deferred revenue adjustment	2	244	83	244
Depreciation, asset impairment and loss on disposal of asset	3,375	2,750	6,602	5,874
Amortization of intangible assets	4,685	4,491	9,514	8,537
Interest expense, net	578	732	1,216	1,515
Income tax expense (benefit)	(1,533)	190	(507)	(349)
Litigation-related expense	8,539	36	8,899	356
Stock-based compensation expense	4,316	4,969	8,304	9,822
Acquisition-related (income) expense	(237)	44	316	230
Adjusted EBITDA	<u>\$ 17,353</u>	<u>\$ 13,739</u>	<u>\$ 33,776</u>	<u>\$ 25,863</u>
Adjusted EBITDA margin	22.0%	22.2%	22.0%	21.7%
Non-GAAP total product development:				
Product development	\$ 11,738	\$ 10,537	\$ 23,051	\$ 20,853
Less: Amortization of intangible assets	1,092	-	-	2,985
Stock-based compensation expense	1,092	1,105	2,064	2,985
Non-GAAP total product development:	<u>\$ 10,736</u>	<u>\$ 9,432</u>	<u>\$ 20,987</u>	<u>\$ 18,768</u>
Non-GAAP total product development as % of non-GAAP revenue:	13.6%	15.2%	13.7%	15.7%

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(unaudited, in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Non-GAAP total sales and marketing:				
Sales and marketing	\$ 18,588	\$ 14,510	\$ 35,394	\$ 27,304
Less: Amortization of intangible assets	2,323	2,260	4,734	4,130
Stock-based compensation expense	1,032	2,627	1,769	5,360
Non-GAAP total sales and marketing:	<u>\$ 15,233</u>	<u>\$ 9,623</u>	<u>\$ 28,891</u>	<u>\$ 17,814</u>
Non-GAAP total sales and marketing as % of non-GAAP revenue:	19.3%	15.6%	18.8%	14.9%
Non-GAAP total general and administrative:				
General and administrative	\$ 19,946	\$ 9,574	\$ 32,249	\$ 19,350
Less: Acquisition-related (income) expense	(237)	44	316	230
Stock-based compensation expense	1,532	925	3,032	1,767
Litigation related expense	8,539	36	8,899	356
Non-GAAP total general and administrative:	<u>\$ 10,112</u>	<u>\$ 8,569</u>	<u>\$ 20,002</u>	<u>\$ 16,897</u>
Non-GAAP total general and administrative as % of non-GAAP revenue:	12.8%	13.8%	13.0%	14.2%
Non-GAAP total operating expense:				
Operating expense	\$ 50,272	\$ 34,621	\$ 90,694	\$ 67,507
Less: Amortization of intangible assets	2,323	2,260	4,734	4,130
Acquisition-related (income) expense	(237)	44	316	230
Stock-based compensation expense	3,566	4,657	6,865	9,212
Litigation related expense	8,539	36	8,899	356
Non-GAAP total operating expense:	<u>\$ 36,081</u>	<u>\$ 27,624</u>	<u>\$ 69,880</u>	<u>\$ 53,579</u>
Non-GAAP total operating expense as % of non-GAAP revenue:	45.8%	44.6%	45.6%	44.9%
Non-GAAP operating income:				
Operating income (loss)	\$ (3,328)	\$ 1,204	\$ 54	\$ 1,183
Acquisition-related deferred revenue adjustment	2	244	83	244
Amortization of intangible assets	4,685	4,491	9,514	8,537
Stock-based compensation expense	4,316	4,969	8,304	9,822
Acquisition-related (income) expense	(237)	44	316	230
Litigation related expense	8,539	36	8,899	356
Non-GAAP operating income	<u>\$ 13,977</u>	<u>\$ 10,989</u>	<u>\$ 27,170</u>	<u>\$ 20,372</u>
Non-GAAP operating margin	17.7%	17.8%	17.7%	17.1%

Reconciliation of GAAP to Non-GAAP Measures
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
Non-GAAP net income:				
Net income (loss)	\$ (2,372)	\$ 282	\$ (652)	\$ (366)
Acquisition-related deferred revenue adjustment	2	244	83	244
Amortization of intangible assets	4,685	4,491	9,514	8,537
Stock-based compensation expense	4,316	4,969	8,304	9,822
Acquisition-related (income) expense	(237)	44	316	230
Litigation related expense	8,539	36	8,899	356
Loss on disposal of assets	201	-	379	395
Subtotal of tax deductible items	17,506	9,784	27,495	19,584
Tax impact of tax deductible items ⁽¹⁾	(7,002)	(3,914)	(10,998)	(7,834)
Tax expense resulting from applying effective tax rate ⁽²⁾	29	1	(43)	(63)
Non-GAAP net income	<u>\$ 8,161</u>	<u>\$ 6,153</u>	<u>\$ 15,802</u>	<u>\$ 11,321</u>
Non-GAAP net income per share - diluted	\$ 0.11	\$ 0.09	\$ 0.22	\$ 0.16
Weighted average shares - diluted	71,102	72,012	70,846	67,741
Weighted average effect of dilutive securities	2,237	-	2,456	3,542
Non-GAAP weighted average shares - diluted	<u>73,339</u>	<u>72,012</u>	<u>73,302</u>	<u>71,283</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 (income) expense.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Annualized Non-GAAP on demand revenue per average on demand unit:				
On demand revenue	\$ 74,938	\$ 57,039	\$ 145,656	\$ 109,976
Acquisition-related deferred revenue adjustment	2	244	83	244
Non-GAAP on demand revenue	<u>\$ 74,940</u>	<u>\$ 57,283</u>	<u>\$ 145,739</u>	<u>\$ 110,220</u>
Ending on demand units	7,537	6,381	7,537	6,381
Average on demand units	7,484	6,270	7,425	6,191
Annualized Non-GAAP on demand revenue per average on demand unit	<u>\$ 40.05</u>	<u>\$ 36.54</u>	<u>\$ 39.26</u>	<u>\$ 35.61</u>
Annual customer value of on demand revenue ⁽¹⁾	\$ 301,857	\$ 233,162		

⁽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.