

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2012	2011	2012	2011
Revenue:	\$ 85,724	\$ 71,141	\$ 322,172	\$ 257,979
Acquisition related deferred revenue adjustment	3	186	89	706
Non-GAAP revenue	<u>\$ 85,727</u>	<u>\$ 71,327</u>	<u>\$ 322,261</u>	<u>\$ 258,685</u>
	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2012	2011	2012	2011
Adjusted gross profit:				
Gross profit	\$ 52,520	\$ 42,217	\$ 193,610	\$ 149,824
Acquisition related deferred revenue adjustment	3	186	89	706
Depreciation	1,598	1,615	6,515	6,052
Amortization of intangible assets	2,560	2,272	9,560	9,002
Stock-based compensation expense	718	586	2,806	1,655
Adjusted gross profit	<u>\$ 57,399</u>	<u>\$ 46,876</u>	<u>\$ 212,580</u>	<u>\$ 167,239</u>
Adjusted gross profit margin	67.0%	65.7%	66.0%	64.6%
	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2012	2011	2012	2011
Adjusted EBITDA:				
Net income (loss)	\$ 3,722	\$ 241	\$ 5,183	\$ (1,231)
Acquisition related deferred revenue adjustment	3	186	89	706
Depreciation, asset impairment and loss on disposal of asset	3,521	2,969	13,539	11,539
Amortization of intangible assets	5,447	4,720	19,498	18,006
Interest expense, net	426	669	2,160	2,868
Income tax expense (benefit)	3,515	405	4,219	(210)
Litigation-related expense	399	337	10,158	1,298
Stock-based compensation expense	3,861	6,388	18,178	22,618
Acquisition related (income) expense	(94)	(334)	(350)	865
Stock registration costs	7	-	675	-
Adjusted EBITDA	<u>\$ 20,807</u>	<u>\$ 15,581</u>	<u>\$ 73,349</u>	<u>\$ 56,459</u>
Adjusted EBITDA margin	24.3%	21.8%	22.8%	21.8%
	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2012	2011	2012	2011
Non-GAAP total product development:				
Product development	\$ 12,852	\$ 11,945	\$ 48,177	\$ 43,441
Less: Amortization of intangible assets	-	-	-	-
Stock-based compensation expense	1,211	1,251	4,391	4,594
Non-GAAP total product development:	<u>\$ 11,641</u>	<u>\$ 10,694</u>	<u>\$ 43,786</u>	<u>\$ 38,847</u>
Non-GAAP total product development as % of non-GAAP revenue:	13.6%	15.0%	13.6%	15.0%

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	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2012	2011	2012	2011
Non-GAAP total sales and marketing:				
Sales and marketing	\$ 19,806	\$ 18,762	\$ 76,992	\$ 63,775
Less: Amortization of intangible assets	2,887	2,448	9,938	9,004
Stock-based compensation expense	368	3,224	4,790	12,017
Non-GAAP total sales and marketing:	<u>\$ 16,551</u>	<u>\$ 13,090</u>	<u>\$ 62,264</u>	<u>\$ 42,754</u>
Non-GAAP total sales and marketing as % of non-GAAP revenue:	19.3%	18.4%	19.3%	16.5%
	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2012	2011	2012	2011
Non-GAAP total general and administrative:				

General and administrative	\$ 12,199	\$ 10,195	\$ 56,993	\$ 40,798
Less: Acquisition related (income) expense	(94)	(334)	(350)	865
Stock-based compensation expense	1,564	1,327	6,191	4,352
Litigation related expense	399	337	10,158	1,298
Stock registration costs	7	-	675	-
Non-GAAP total general and administrative:	<u>\$ 10,323</u>	<u>\$ 8,865</u>	<u>\$ 40,319</u>	<u>\$ 34,283</u>
Non-GAAP total general and administrative as % of non-GAAP revenue:	12.0%	12.4%	12.5%	13.3%
	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2012	2011	2012	2011
Non-GAAP total operating expense:				
Operating expense	\$ 44,857	\$ 40,902	\$ 182,162	\$ 148,014
Less: Amortization of intangible assets	2,887	2,448	9,938	9,004
Acquisition related (income) expense	(94)	(334)	(350)	865
Stock-based compensation expense	3,143	5,802	15,372	20,963
Litigation related expense	399	337	10,158	1,298
Stock registration costs	7	-	675	-
Non-GAAP total operating expense:	<u>\$ 38,515</u>	<u>\$ 32,649</u>	<u>\$ 146,369</u>	<u>\$ 115,884</u>
Non-GAAP total operating expense as % of non-GAAP revenue:	44.9%	45.8%	45.4%	44.8%
	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2012	2011	2012	2011
Non-GAAP operating income (loss):				
Operating income (loss)	\$ 7,663	\$ 1,315	\$ 11,448	\$ 1,810
Acquisition related deferred revenue adjustment	3	186	89	706
Amortization of intangible assets	5,447	4,720	19,498	18,006
Stock-based compensation expense	3,861	6,388	18,178	22,618
Acquisition related (income) expense	(94)	(334)	(350)	865
Litigation related expense	399	337	10,158	1,298
Stock registration costs	7	-	675	-
Non-GAAP operating income	<u>\$ 17,286</u>	<u>\$ 12,612</u>	<u>\$ 59,696</u>	<u>\$ 45,303</u>
Non-GAAP operating margin	20.2%	17.7%	18.5%	17.5%

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2012	2011	2012	2011
Non-GAAP net income:				
Net income (loss)	\$ 3,722	\$ 241	\$ 5,183	\$ (1,231)
Acquisition related deferred revenue adjustment	3	186	89	706
Amortization of intangible assets	5,447	4,720	19,498	18,006
Stock-based compensation expense	3,861	6,388	18,178	22,618
Acquisition related (income) expense	(94)	(334)	(350)	865
Litigation related expense	399	337	10,158	1,298
Loss on disposal of assets	181	-	568	398
Stock registration costs	7	-	675	-
Subtotal of tax deductible items	<u>9,804</u>	<u>11,297</u>	<u>48,816</u>	<u>43,891</u>
Tax impact of tax deductible items ⁽¹⁾	(3,922)	(4,519)	(19,526)	(17,556)
Tax expense resulting from applying effective tax rate ⁽²⁾	<u>620</u>	<u>147</u>	<u>458</u>	<u>366</u>
Non-GAAP net income	<u>\$ 10,224</u>	<u>\$ 7,166</u>	<u>\$ 34,931</u>	<u>\$ 25,470</u>
Non-GAAP net income per share - diluted	\$ 0.14	\$ 0.10	\$ 0.47	\$ 0.36
Weighted average shares - diluted	74,960	72,287	74,002	68,480
Weighted average effect of dilutive securities	-	-	-	3,181
Non-GAAP weighted average shares - diluted	<u>74,960</u>	<u>72,287</u>	<u>74,002</u>	<u>71,661</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 December 31,		Twelve Months Ended December 31,	
	2012	2011	2012	2011
Annualized Non-GAAP on demand revenue per average on demand unit:				
On demand revenue	\$ 81,771	\$ 66,695	\$ 306,400	\$ 239,436
Acquisition related deferred revenue adjustment	3	186	89	706
Non-GAAP on demand revenue	\$ 81,774	\$ 66,881	\$ 306,489	\$ 240,142
Ending on demand units	8,113	7,302	8,113	7,302
Average on demand units	7,968	7,188	7,625	6,574
Annualized Non-GAAP on demand revenue per average on demand unit	\$ 41.05	\$ 37.22	\$ 40.20	\$ 36.53
Annual customer value of on demand revenue ⁽¹⁾	\$ 333,039	\$ 271,780		

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.

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