

Non-GAAP total general and administrative:				
General and administrative (GAAP)	\$ 15,730	\$ 12,199	\$ 60,610	\$ 56,993
Less: Acquisition related expense	1,156	(94)	3,269	(350)
Stock-based compensation expense	2,988	1,564	10,805	6,191
Litigation related expense	330	399	661	10,158
Stock registration costs	-	7	-	675
Non-GAAP total general and administrative:	<u>\$ 11,256</u>	<u>\$ 10,323</u>	<u>\$ 45,875</u>	<u>\$ 40,319</u>
Non-GAAP total general and administrative as % of non-GAAP revenue:	11.7%	12.0%	12.1%	12.5%

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2013	2012	2013	2012
Non-GAAP total operating expense:				
Operating expense (GAAP)	\$ 53,273	\$ 44,857	\$ 207,142	\$ 182,162
Less: Amortization of intangible assets	2,939	2,887	9,935	9,938
Acquisition related expense	1,156	(94)	3,269	(350)
Stock-based compensation expense	7,755	3,143	26,586	15,372
Litigation related expense	330	399	661	10,158
Stock registration costs	-	7	-	675
Non-GAAP total operating expense:	<u>\$ 41,093</u>	<u>\$ 38,515</u>	<u>\$ 166,691</u>	<u>\$ 146,369</u>
Non-GAAP total operating expense as % of non-GAAP revenue:	42.6%	44.9%	43.9%	45.4%

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2013	2012	2013	2012
Non-GAAP operating income:				
Operating income (GAAP)	\$ 4,740	\$ 7,663	\$ 21,559	\$ 11,448
Acquisition-related and other deferred revenue	922	3	2,717	89
Amortization of intangible assets	5,001	5,447	17,648	19,498
Stock-based compensation expense	8,655	3,861	29,697	18,178
Acquisition related expense	1,156	(94)	3,269	(350)
Litigation related expense	330	399	661	10,158
Stock registration costs	-	7	-	675
Non-GAAP operating income	<u>\$ 20,804</u>	<u>\$ 17,286</u>	<u>\$ 75,551</u>	<u>\$ 59,696</u>
Non-GAAP operating margin	21.6%	20.2%	19.9%	18.5%

Reconciliation of GAAP to Non-GAAP Measures
For the Three and Twelve Months Ended December 31, 2013 and 2012
(unaudited, in thousands, except per share data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2013	2012	2013	2012
Non-GAAP net income:				
Net income (GAAP)	\$ 2,178	\$ 3,722	\$ 20,692	\$ 5,183
Acquisition-related and other deferred revenue	922	3	2,717	89
Amortization of intangible assets	5,001	5,447	17,648	19,498
Stock-based compensation expense	8,655	3,861	29,697	18,178
Acquisition related expense	1,156	(94)	3,269	(350)
Litigation related expense	330	399	661	10,158
Loss on disposal of assets	4	181	314	568
Stock registration costs	-	7	-	675
Subtotal of tax deductible items	16,068	9,804	54,306	48,816
Tax impact of tax deductible items ⁽¹⁾	(6,427)	(3,922)	(21,722)	(19,526)
Tax expense resulting from applying effective tax rate ⁽²⁾	572	620	(8,403)	458
Non-GAAP net income	<u>\$ 12,391</u>	<u>\$ 10,224</u>	<u>\$ 44,873</u>	<u>\$ 34,931</u>
Non-GAAP net income per share - diluted	\$ 0.16	\$ 0.14	\$ 0.59	\$ 0.47
Weighted average shares - diluted	77,108	74,960	76,187	74,002
Weighted average effect of dilutive securities	-	-	-	-
Non-GAAP weighted average shares - diluted	<u>77,108</u>	<u>74,960</u>	<u>76,187</u>	<u>74,002</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

Twelve Months Ended

	December 31,		December 31,	
	2013	2012	2013	2012
Annualized Non-GAAP on demand revenue per average on demand unit:				
On demand revenue (GAAP)	\$ 92,081	\$ 81,771	\$ 362,312	\$ 306,400
Acquisition-related and other deferred revenue	922	3	2,717	89
Non-GAAP on demand revenue	<u>\$ 93,003</u>	<u>\$ 81,774</u>	<u>\$ 365,029</u>	<u>\$ 306,489</u>
Ending on demand units	9,022	8,113	9,022	8,113
Average on demand units	8,876	7,968	8,615	7,625
Annualized Non-GAAP on demand revenue per average on demand unit	<u>\$ 41.91</u>	<u>\$ 41.05</u>	<u>\$ 56.50</u>	<u>\$ 40.20</u>
Annual customer value of on demand revenue ⁽¹⁾	\$ 378,131	\$ 333,039		

⁽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.