

Reconciliation of GAAP to Non-GAAP Financial Measures
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Non-GAAP revenue:				
Revenue (GAAP)	\$ 114,762	\$ 94,988	\$ 225,232	\$ 195,551
Acquisition-related and other deferred revenue	(532)	(207)	(998)	1,117
Non-GAAP revenue	<u>\$ 114,230</u>	<u>\$ 94,781</u>	<u>\$ 224,234</u>	<u>\$ 196,668</u>
Adjusted gross profit:				
Gross profit (GAAP)	\$ 65,205	\$ 52,873	\$ 127,951	\$ 113,509
Acquisition-related and other deferred revenue	(532)	(207)	(998)	1,117
Depreciation	2,433	2,013	4,838	3,871
Amortization of intangible assets	3,276	2,447	6,090	4,870
Stock-based compensation expense	1,216	866	2,450	1,873
Adjusted gross profit	<u>\$ 71,598</u>	<u>\$ 57,992</u>	<u>\$ 140,331</u>	<u>\$ 125,240</u>
Adjusted gross profit margin	62.7 %	61.2 %	62.6 %	63.7 %
Adjusted EBITDA:				
Net loss (GAAP)	\$ (3,318)	\$ (6,291)	\$ (4,926)	\$ (7,127)
Acquisition-related and other deferred revenue	(532)	(207)	(998)	1,117
Depreciation, asset impairment and loss on disposal of assets	6,868	4,581	13,018	8,790
Amortization of intangible assets	6,079	5,486	11,659	10,801
Interest expense, net	308	207	575	431
Income tax expense (benefit)	189	(1,830)	(1,515)	(2,341)
Litigation-related expense	—	168	2	4,845
Stock-based compensation expense	11,250	10,033	21,997	19,258
Acquisition-related expense	565	357	1,657	1,238
Adjusted EBITDA	<u>\$ 21,409</u>	<u>\$ 12,504</u>	<u>\$ 41,469</u>	<u>\$ 37,012</u>
Adjusted EBITDA margin	18.7 %	13.2 %	18.5 %	18.8 %
Non-GAAP total product development:				
Product development (GAAP)	\$ 18,084	\$ 15,941	\$ 36,061	\$ 30,782
Less: Loss on disposal and impairment of assets	202	—	801	—
Stock-based compensation expense	2,572	2,144	5,291	4,056
Non-GAAP total product development	<u>\$ 15,310</u>	<u>\$ 13,797</u>	<u>\$ 29,969</u>	<u>\$ 26,726</u>
Non-GAAP total product development as % of non-GAAP revenue:	13.4 %	14.6 %	13.4 %	13.6 %

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	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Non-GAAP total sales and marketing:				
Sales and marketing (GAAP)	\$ 29,823	\$ 28,030	\$ 58,774	\$ 54,021
Less: Amortization of intangible assets	2,803	2,847	5,569	5,739
Stock-based compensation expense	3,843	3,101	7,632	6,244
Non-GAAP total sales and marketing	<u>\$ 23,177</u>	<u>\$ 22,082</u>	<u>\$ 45,573</u>	<u>\$ 42,038</u>
Non-GAAP total sales and marketing as % of non-GAAP revenue:	20.3 %	23.3 %	20.3 %	21.4 %
	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Non-GAAP total general and administrative:				
General and administrative (GAAP)	\$ 20,037	\$ 16,819	\$ 38,900	\$ 37,748
Less: Loss on disposal and impairment of assets	1,482	—	2,002	20
Amortization of intangible assets	—	192	—	192
Acquisition-related expense	565	357	1,657	1,238
Litigation-related expense	—	168	2	4,845
Stock-based compensation expense	3,619	3,922	6,624	7,085
Non-GAAP total general and administrative	<u>\$ 14,371</u>	<u>\$ 12,180</u>	<u>\$ 28,615</u>	<u>\$ 24,368</u>
Non-GAAP total general and administrative as % of non-GAAP revenue:	12.6 %	12.9 %	12.8 %	12.4 %
	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Non-GAAP total operating expense:				
Operating expense (GAAP)	\$ 67,944	\$ 60,790	\$ 133,735	\$ 122,551
Less: Loss on disposal and impairment of assets	1,684	—	2,803	20
Amortization of intangible assets	2,803	3,039	5,569	5,931
Acquisition-related expense	565	357	1,657	1,238
Litigation-related expense	—	168	2	4,845
Stock-based compensation expense	10,034	9,167	19,547	17,385
Non-GAAP total operating expense	<u>\$ 52,858</u>	<u>\$ 48,059</u>	<u>\$ 104,157</u>	<u>\$ 93,132</u>
Non-GAAP total operating expense as % of non-GAAP revenue:	46.3 %	50.7 %	46.5 %	47.4 %
	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Non-GAAP operating income:				
Operating loss	\$ (2,739)	\$ (7,917)	\$ (5,784)	\$ (9,042)
Acquisition-related and other deferred revenue	(532)	(207)	(998)	1,117
Loss on disposal and impairment of assets	1,684	—	2,803	20
Amortization of intangible assets	6,079	5,486	11,659	10,801
Litigation-related expense	—	168	2	4,845
Stock-based compensation expense	11,250	10,033	21,997	19,258
Acquisition-related expense	565	357	1,657	1,238
Non-GAAP operating income	<u>\$ 16,307</u>	<u>\$ 7,920</u>	<u>\$ 31,336</u>	<u>\$ 28,237</u>
Non-GAAP operating margin	14.3 %	8.4 %	14.0 %	14.4 %

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	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Non-GAAP net income:				
Net loss (GAAP)	\$ (3,318)	\$ (6,291)	\$ (4,926)	\$ (7,127)
Tax deductible items:				
Acquisition-related and other deferred revenue	(532)	(207)	(998)	1,117
Amortization of intangible assets	6,079	5,486	11,659	10,801
Loss on disposal and impairment of assets	1,684	—	2,803	20
Stock-based compensation expense	11,250	10,033	21,997	19,258
Litigation-related expense	—	168	2	4,845
Acquisition-related expense	565	357	1,657	1,238
Subtotal of tax deductible items	<u>19,046</u>	<u>15,837</u>	<u>37,120</u>	<u>37,279</u>
Tax impact of tax deductible items ⁽¹⁾	(7,618)	(6,335)	(14,848)	(14,912)
Tax benefit resulting from applying effective tax rate ⁽²⁾	1,440	1,418	1,061	1,446
Non-GAAP net income	<u>\$ 9,550</u>	<u>\$ 4,629</u>	<u>\$ 18,407</u>	<u>\$ 16,686</u>
Non-GAAP net income per share - diluted	\$ 0.12	\$ 0.06	\$ 0.24	\$ 0.21
Weighted average shares - basic	76,799	77,283	76,877	77,004
Weighted average effect of dilutive securities - non-GAAP	607	912	850	1,016
Non-GAAP weighted average shares - diluted	<u>77,406</u>	<u>78,195</u>	<u>77,727</u>	<u>78,020</u>

⁽¹⁾ Reflects the removal of the tax benefit associated with the acquisition-related and other deferred revenue adjustment, amortization of intangible assets, loss on disposal and impairment of assets, stock-based compensation expense, litigation expense, and acquisition-related expense.

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Annualized non-GAAP on demand revenue per average on demand unit:				
On demand revenue (GAAP)	\$ 110,640	\$ 91,606	\$ 217,100	\$ 188,614
Acquisition-related and other deferred revenue	(532)	(207)	(998)	1,117
Non-GAAP on demand revenue	<u>110,108</u>	<u>91,399</u>	<u>216,102</u>	<u>189,731</u>
Ending on demand units	10,302	9,371	10,302	9,371
Average on demand units	10,001	9,328	9,816	9,241
Annualized non-GAAP on demand revenue per average on demand unit	<u>\$ 44.04</u>	<u>\$ 39.19</u>	<u>\$ 44.03</u>	<u>\$ 41.06</u>
Non-GAAP on demand annual customer value ⁽¹⁾	\$ 453,700	\$ 367,249		

⁽¹⁾ This metric represents management's estimate of the current annual run-rate value of on demand customer relationships. This metric is calculated by multiplying ending on demand units by annualized non-GAAP on demand revenue per average on demand unit for the periods presented.