

Consolidated Statements of Operations
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2015	2014	2015	2014
Revenue:				
On demand	\$ 117,090	\$ 101,261	\$ 450,962	\$ 390,622
On premise	669	648	2,970	3,094
Professional and other	3,941	2,555	14,588	10,835
Total revenue	<u>121,700</u>	<u>104,464</u>	<u>468,520</u>	<u>404,551</u>
Cost of revenue ⁽¹⁾⁽²⁾	<u>50,818</u>	<u>46,518</u>	<u>198,613</u>	<u>174,871</u>
Gross profit	70,882	57,946	269,907	229,680
Operating expense:				
Product development ⁽¹⁾	15,880	16,108	68,799	64,418
Sales and marketing ⁽¹⁾⁽²⁾	30,410	27,593	123,108	111,563
General and administrative ⁽¹⁾	17,017	16,011	68,814	69,202
Impairment of identified intangible assets	—	—	20,801	—
Total operating expense	<u>63,307</u>	<u>59,712</u>	<u>281,522</u>	<u>245,183</u>
Operating income (loss)	7,575	(1,766)	(11,615)	(15,503)
Interest expense and other, net	<u>(401)</u>	<u>(333)</u>	<u>(1,449)</u>	<u>(1,104)</u>
Income (loss) before income taxes	7,174	(2,099)	(13,064)	(16,607)
Income tax expense (benefit)	<u>3,274</u>	<u>(2,209)</u>	<u>(3,846)</u>	<u>(6,333)</u>
Net income (loss)	<u>\$ 3,900</u>	<u>\$ 110</u>	<u>\$ (9,218)</u>	<u>\$ (10,274)</u>
Net income (loss) per share attributable to common shareholders				
Basic	\$ 0.05	\$ —	\$ (0.12)	\$ (0.13)
Diluted	\$ 0.05	\$ —	\$ (0.12)	\$ (0.13)
Weighted average shares used in computing net income (loss) per share attributable to common shareholders				
Basic	76,445	76,742	76,689	76,991
Diluted	77,055	77,565	76,689	76,991

⁽¹⁾ Includes stock-based compensation expense as follows:

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2015	2014	2015	2014
Cost of revenue	\$ 779	\$ 812	\$ 4,046	\$ 3,826
Product development	1,535	1,874	8,585	8,637
Sales and marketing	2,246	2,948	12,996	12,966
General and administrative	2,896	2,622	12,495	11,621
	<u>\$ 7,456</u>	<u>\$ 8,256</u>	<u>\$ 38,122</u>	<u>\$ 37,050</u>

⁽²⁾ Certain amounts in prior quarterly periods of 2015 have been reclassified to conform with current period presentation.