

Reconciliation of GAAP to Non-GAAP Measures
(in thousands except per share data)
(Unaudited)

	Three Months Ended	
	March 31,	
	2015	2014
Non-GAAP total product development:		
Product development (GAAP)	\$ 17,977	\$ 14,841
Less: Loss on impairment and disposal of assets	599	-
Stock-based compensation expense	2,719	1,912
Non-GAAP total product development:	<u>\$ 14,659</u>	<u>\$ 12,929</u>
Non-GAAP total product development as percent of non-GAAP revenue	13.3%	12.7%
	Three Months Ended	
	March 31,	
	2015	2014
Non-GAAP total sales and marketing:		
Sales and marketing (GAAP)	\$ 28,951	\$ 25,991
Less: Amortization of intangible assets	2,766	2,892
Stock-based compensation expense	3,789	3,143
Non-GAAP total sales and marketing:	<u>\$ 22,396</u>	<u>\$ 19,956</u>
Non-GAAP total sales and marketing as a percent of non-GAAP revenue	20.4%	19.6%
	Three Months Ended	
	March 31,	
	2015	2014
Non-GAAP total general and administrative:		
General and administrative (GAAP)	\$ 18,863	\$ 20,929
Less: Loss on impairment and disposal of assets	520	20
Litigation-related expense	2	4,677
Stock-based compensation expense	3,005	3,163
Acquisition-related expense	1,092	881
Non-GAAP total general and administrative:	<u>\$ 14,244</u>	<u>\$ 12,188</u>
Non-GAAP total general and administrative as a percent of non-GAAP	12.9%	12.0%
	Three Months Ended	
	March 31,	
	2015	2014
Non-GAAP total operating expense:		
Operating expense (GAAP)	\$ 65,791	\$ 61,761
Less: Loss on impairment and disposal of assets	1,119	20
Amortization of intangible assets	2,766	2,892
Litigation-related expense	2	4,677
Stock-based compensation expense	9,513	8,218
Acquisition-related expense	1,092	881
Non-GAAP total operating expense:	<u>\$ 51,299</u>	<u>\$ 45,073</u>
Non-GAAP total operating expense as a percent of non-GAAP revenue	46.6%	44.2%

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	Three Months Ended	
	March 31,	
	2015	2014
Non-GAAP operating income:		
Operating loss	\$ (3,045)	\$ (1,125)
Acquisition-related and other deferred revenue	(466)	1,324
Loss on impairment and disposal of assets	1,119	20
Amortization of intangible assets	5,580	5,315
Litigation-related expense	2	4,677
Stock-based compensation expense	10,747	9,225
Acquisition-related expense	1,092	881
Non-GAAP total operating income:	<u>\$ 15,029</u>	<u>\$ 20,317</u>
Non-GAAP total operating income as a percent of non-GAAP revenue	13.7%	19.9%
	Three Months Ended	
	March 31,	
	2015	2014
Non-GAAP net income:		
Net loss (GAAP)	\$ (1,608)	\$ (836)
Tax deductible items:		
Acquisition-related and other deferred revenue	(466)	1,324
Amortization of intangible assets	5,580	5,315
Loss on impairment and disposal of assets	1,119	20
Stock-based compensation expense	10,747	9,225
Litigation-related expense	2	4,677
Acquisition-related expense	1,092	881
Subtotal of tax deductible items	<u>18,074</u>	<u>21,442</u>
Tax impact of tax deductible items ⁽¹⁾	(7,230)	(8,577)
Tax expense resulting from applying effective tax rate ⁽²⁾	<u>(379)</u>	<u>28</u>
Non-GAAP net income	\$ 8,857	\$ 12,057
Non-GAAP net income per share - diluted	\$ 0.11	\$ 0.16
Weighted average shares - basic	76,956	76,722
Weighted average effect of dilutive securities - Non-GAAP	<u>831</u>	<u>746</u>
Non-GAAP weighted average shares - diluted	<u>77,787</u>	<u>77,468</u>

⁽¹⁾ Reflects the removal of the tax benefit associated with the amortization of intangible assets, stock-based compensation expense, acquisition-related deferred revenue adjustments and acquisition-related expense.

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

Reconciliation of GAAP to Non-GAAP Measures
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	Three Months Ended	
	March 31,	
	2015	2014
Annualized Non-GAAP on demand revenue per average on demand unit:		
On demand revenue (GAAP)	\$ 106,460	\$ 97,008
Less: Acquisition-related and other deferred revenue	(466)	1,324
Non-GAAP on demand revenue	<u>105,994</u>	<u>98,332</u>
Ending on demand units	9,700	9,285
Average on demand units	9,630	9,154
Annualized Non-GAAP on demand revenue per average on demand unit	<u>\$ 44.03</u>	<u>\$ 42.97</u>
Annual customer value of on demand revenue ⁽¹⁾	\$ 427,091	\$ 398,976

⁽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 the annualized Non-GAAP on demand revenue per average on demand unit for the periods presented.

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	Three Months Ended	
	March 31,	
	2015	2014
Non-GAAP Revenue:		
Total Revenue (GAAP)	\$ 110,470	\$ 100,563
Acquisition-related and other deferred revenue	(466)	1,324
Non-GAAP revenue	<u>\$ 110,004</u>	<u>\$ 101,887</u>
	Three Months Ended	
	March 31,	
	2015	2014
Adjusted gross profit:		
Gross profit (GAAP)	\$ 62,746	\$ 60,636
Acquisition-related and other deferred revenue	(466)	1,324
Depreciation	2,405	1,858
Amortization of intangible assets	2,814	2,423
Stock-based compensation expense	1,234	1,007
Adjusted gross profit	<u>\$ 68,733</u>	<u>\$ 67,248</u>
Adjusted gross profit margin	62.5%	66.0%
	Three Months Ended	
	March 31,	
	2015	2014
Adjusted EBITDA:		
Net loss (GAAP)	\$ (1,608)	\$ (836)
Acquisition-related and other deferred revenue	(466)	1,324
Depreciation	5,031	4,189
Loss on impairment and disposal of assets	1,119	20
Amortization of intangible assets	5,580	5,315
Interest expense, net	267	224
Income tax benefit	(1,704)	(511)
Litigation-related expense	2	4,677
Stock-based compensation expense	10,747	9,225
Acquisition-related expense	1,092	881
Adjusted EBITDA	<u>\$ 20,060</u>	<u>\$ 24,508</u>
Adjusted EBITDA margin	18.2%	24.1%