Reconciliation of GAAP to Non-GAAP Financial Measures
For the Three Months Ended March 31, 2016 and 2015
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2016	2015
Non-GAAP revenue:		
Revenue (GAAP)	$ 128,383	$ 110,470
Acquisition-related and other deferred revenue	(343)	(466)
Non-GAAP revenue	$ 128,040	$ 110,004

	Three Months Ended March 31,	
	2016	2015
Adjusted gross profit:		
Gross profit (GAAP)[1]	$ 73,635	$ 62,908
Acquisition-related and other deferred revenue	(343)	(466)
Depreciation	2,692	2,405
Amortization of intangible assets	4,165	2,814
Headquarters relocation costs	584	—
Stock-based compensation expense	751	1,234
Adjusted gross profit	$ 81,484	$ 68,895
Adjusted gross profit margin	63.6 %	62.6 %

	Three Months Ended March 31,	
	2016	2015
Adjusted EBITDA:		
Net income (loss) (GAAP)	$ 2,996	$ (1,608)
Acquisition-related and other deferred revenue	(343)	(466)
Depreciation, asset impairment, and loss on disposal of assets	5,496	6,150
Amortization of intangible assets	7,111	5,580
Acquisition-related (income) expense	(57)	1,092
Interest expense, net	719	267
Income tax expense (benefit)	2,114	(1,704)
Litigation-related expense	—	2
Headquarters relocation costs	1,025	—
Stock-based compensation expense	8,391	10,747
Adjusted EBITDA	$ 27,452	$ 20,060
Adjusted EBITDA margin	21.4 %	18.2 %

	Three Months Ended March 31,	
	2016	2015
Non-GAAP total product development:		
Product development (GAAP)	$ 17,272	$ 17,977
Less: Asset impairment and loss on disposal of assets	—	599
Headquarters relocation costs	154	—
Stock-based compensation expense	1,449	2,719
Non-GAAP total product development	$ 15,669	$ 14,659
Non-GAAP total product development as % of non-GAAP revenue:	12.2 %	13.3 %

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	Three Months Ended March 31,	
	2016	2015
Non-GAAP total sales and marketing:		
Sales and marketing (GAAP)[1]	$ 32,199	$ 29,113
Less: Amortization of intangible assets	2,946	2,766
Headquarters relocation costs	170	—
Stock-based compensation expense	2,974	3,789
Non-GAAP total sales and marketing	$ 26,109	$ 22,558
Non-GAAP total sales and marketing as % of non-GAAP revenue:	20.4 %	20.5 %

	Three Months Ended March 31,	
	2016	2015
Non-GAAP total general and administrative:		
General and administrative (GAAP)[1]	$ 18,346	$ 18,336
Less: Asset impairment and loss on disposal of assets	—	(7)
Acquisition-related (income) expense	(57)	1,092
Litigation-related expense	—	2
Headquarters relocation costs	117	—
Stock-based compensation expense	3,217	3,005
Non-GAAP total general and administrative	$ 15,069	$ 14,244
Non-GAAP total general and administrative as % of non-GAAP revenue:	11.8 %	12.9 %

	Three Months Ended March 31,	
	2016	2015
Non-GAAP total operating expense:		
Operating expense (GAAP)[1]	$ 67,817	$ 65,953
Less: Asset impairment and loss on disposal of assets	—	1,119
Amortization of intangible assets	2,946	2,766
Acquisition-related (income) expense	(57)	1,092
Litigation-related expense	—	2
Headquarters relocation costs	441	—
Stock-based compensation expense	7,640	9,513
Non-GAAP total operating expense	$ 56,847	$ 51,461
Non-GAAP total operating expense as % of non-GAAP revenue:	44.4 %	46.8 %

	Three Months Ended March 31,	
	2016	2015
Non-GAAP operating income:		
Operating income (loss) (GAAP)	$ 5,818	$ (3,045)
Acquisition-related and other deferred revenue	(343)	(466)
Asset impairment and loss on disposal of assets	—	1,119
Amortization of intangible assets	7,111	5,580
Acquisition-related (income) expense	(57)	1,092
Litigation-related expense	—	2
Headquarters relocation costs	1,025	—
Stock-based compensation expense	8,391	10,747
Non-GAAP operating income	$ 21,945	$ 15,029
Non-GAAP operating margin	17.1 %	13.7 %

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For the Three Months Ended March 31, 2016 and 2015
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	Three Months Ended March 31,	
	2016	2015
Non-GAAP net income:		
Net income (loss) (GAAP)	$ 2,996	$ (1,608)
Non-GAAP adjustments:		
Acquisition-related and other deferred revenue	(343)	(466)
Asset impairment and loss on disposal of assets	—	1,119
Amortization of intangible assets	7,111	5,580
Acquisition-related (income) expense	(57)	1,092
Litigation-related expense	—	2
Headquarters relocation costs	1,025	—
Stock-based compensation expense	8,391	10,747
Subtotal of non-GAAP adjustments	16,127	18,074
Pro forma tax impact of non-GAAP adjustments[(2)]	(6,451)	(7,230)
Pro forma tax benefit (expense) resulting from applying effective tax rate[(3)]	70	(379)
Non-GAAP net income	$ 12,742	$ 8,857
Non-GAAP net income per share - diluted	$ 0.17	$ 0.11
Weighted average shares - basic	76,656	76,956
Weighted average effect of dilutive securities - non-GAAP	491	831
Non-GAAP weighted average shares - diluted	77,147	77,787

	Three Months Ended March 31,	
	2016	2015
Annualized non-GAAP on demand revenue per average on demand unit:		
On demand revenue (GAAP)	$ 123,411	$ 106,460
Acquisition-related and other deferred revenue	(343)	(466)
Non-GAAP on demand revenue	123,068	105,994
Ending on demand units	10,999	9,700
Average on demand units	10,783	9,630
Annualized non-GAAP on demand revenue per average on demand unit[(4)]	$ 48.10	$ 44.03
Non-GAAP on demand annual customer value[(5)]	$ 529,052	$ 427,091

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

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

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

(4) We define this metric as non-GAAP on demand revenue for the period presented, including pro forma on demand revenue for acquisitions acquired during the period, divided by average on demand units for the same period. For interim periods, the calculation is performed on an annualized basis. We calculate average on demand units as the average of the beginning and ending on demand units for each quarter in the period presented.

(5) 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.