



**Reconciliation of GAAP to Non-GAAP Measures**  
**For the Three and Six Months Ended June 30, 2014 and 2013**  
(unaudited, in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	2014	2013	2014	2013
Non-GAAP total sales and marketing:				
Sales and marketing (GAAP)	\$ 28,030	\$ 23,924	\$ 54,021	\$ 46,826
Less: Amortization of intangible assets	2,847	2,264	5,739	4,410
Stock-based compensation expense	3,101	2,004	6,244	5,205
Non-GAAP total sales and marketing:	<u>\$ 22,082</u>	<u>\$ 19,656</u>	<u>\$ 42,038</u>	<u>\$ 37,211</u>
Non-GAAP total sales and marketing as % of non-GAAP revenue:	23.3%	20.8%	21.4%	20.3%
	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	2014	2013	2014	2013
Non-GAAP total general and administrative:				
General and administrative (GAAP)	\$ 16,819	\$ 12,819	\$ 37,748	\$ 29,326
Less: Amortization of intangible assets	192	-	192	-
Acquisition related expense	357	(949)	1,238	1,825
Stock-based compensation expense	3,922	2,660	7,085	4,823
Litigation related expense	168	(353)	4,845	53
Non-GAAP total general and administrative:	<u>\$ 12,180</u>	<u>\$ 11,461</u>	<u>\$ 24,388</u>	<u>\$ 22,625</u>
Non-GAAP total general and administrative as % of non-GAAP revenue:	12.9%	12.1%	12.4%	12.3%
	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	2014	2013	2014	2013
Non-GAAP total operating expense:				
Operating expense (GAAP)	\$ 60,790	\$ 48,470	\$ 122,551	\$ 99,917
Less: Amortization of intangible assets	3,040	2,264	5,934	4,410
Acquisition related expense	357	(949)	1,238	1,825
Stock-based compensation expense	9,167	5,385	17,385	11,880
Litigation related expense	168	(353)	4,845	53
Non-GAAP total operating expense:	<u>\$ 48,058</u>	<u>\$ 42,123</u>	<u>\$ 93,149</u>	<u>\$ 81,749</u>
Non-GAAP total operating expense as % of non-GAAP revenue:	50.7%	44.6%	47.4%	44.6%
	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	2014	2013	2014	2013
Non-GAAP operating income:				
Operating income (loss) (GAAP)	\$ (7,917)	\$ 8,641	\$ (9,042)	\$ 10,811
Acquisition-related and other deferred revenue	(207)	-	1,117	2
Amortization of intangible assets	5,486	4,292	10,801	8,405
Stock-based compensation expense	10,033	6,061	19,258	13,306
Acquisition related expense	357	(949)	1,238	1,825
Litigation related expense	168	(353)	4,845	53
Non-GAAP operating income	<u>\$ 7,920</u>	<u>\$ 17,692</u>	<u>\$ 28,217</u>	<u>\$ 34,402</u>
Non-GAAP operating margin	8.4%	18.7%	14.3%	18.8%

**Reconciliation of GAAP to Non-GAAP Measures**  
**For the Three and Six Months Ended June 30, 2014 and 2013**  
(unaudited, in thousands except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Non-GAAP net income:				
Net income (loss) (GAAP)	\$ (6,291)	\$ 4,610	\$ (7,127)	\$ 5,628
Acquisition-related and other deferred revenue	(207)	-	1,117	2
Amortization of intangible assets	5,486	4,292	10,801	8,405
Stock-based compensation expense	10,033	6,061	19,258	13,306
Acquisition related expense	357	(949)	1,238	1,825
Litigation related expense	168	(353)	4,845	53
Loss on disposal of assets	-	270	20	273
Subtotal of tax deductible items	<u>15,837</u>	<u>9,321</u>	<u>37,279</u>	<u>23,864</u>
Tax impact of tax deductible items <sup>(1)</sup>	(6,335)	(3,728)	(14,912)	(9,546)
Tax expense resulting from applying effective tax rate <sup>(2)</sup>	<u>1,418</u>	<u>217</u>	<u>1,446</u>	<u>448</u>
Non-GAAP net income	<u>\$ 4,629</u>	<u>\$ 10,420</u>	<u>\$ 16,686</u>	<u>\$ 20,394</u>
Non-GAAP net income per share - diluted	\$ 0.06	\$ 0.14	\$ 0.21	\$ 0.27
Weighted average shares - diluted	77,283	75,781	77,004	75,665
Weighted average effect of dilutive securities	<u>912</u>	<u>-</u>	<u>1,016</u>	<u>-</u>
Non-GAAP weighted average shares - diluted	<u>78,195</u>	<u>75,781</u>	<u>78,020</u>	<u>75,665</u>

<sup>(1)</sup> 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.

<sup>(2)</sup> Represents adjusting to a normalized effective tax rate of 40%.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Annualized Non-GAAP on demand revenue per average on demand unit:				
On demand revenue (GAAP)	\$ 91,606	\$ 90,825	\$ 188,614	\$ 176,147
Acquisition-related and other deferred revenue	(207)	-	1,117	2
Non-GAAP on demand revenue	<u>\$ 91,399</u>	<u>\$ 90,825</u>	<u>\$ 189,731</u>	<u>\$ 176,149</u>
Ending on demand units	9,371	8,616	9,371	8,616
Average on demand units	9,328	8,580	9,241	8,455
Annualized Non-GAAP on demand revenue per average on demand unit	<u>\$ 39.19</u>	<u>\$ 42.34</u>	<u>\$ 41.06</u>	<u>\$ 41.67</u>
Annual customer value of on demand revenue <sup>(1)</sup>	\$ 367,249	\$ 364,801		

<sup>(1)</sup> 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.