Reconciliation of GAAP to Non-GAAP Measures For the Three and Twelve Months Ended December 31, 2013 and 2012 (unaudited, in thousands)

	Three Months Ended December 31,					Twelve Months Ended December 31,				
		2013		2012		2013	ibei e	2012		
Non-GAAP revenue:										
Revenue (GAAP)	\$	95,519	\$	85,724	\$	377,022	\$	322,172		
Acquisition-related and other deferred revenue		922		3_		2,717		89		
Non-GAAP revenue	\$	96,441	\$	85,727	\$	379,739	\$	322,261		
		Three Mor Decem		,	Twelve Months Ended December 31,					
		2013		2012		2013		2012		
Adjusted gross profit:	•		•		•					
Gross profit (GAAP)	\$	58,013	\$	52,520	\$	228,701	\$	193,610		
Acquisition-related and other deferred revenue		922		3		2,717		89		
Depreciation		1,800		1,598		6,567		6,515		
Amortization of intangible assets		2,062		2,560		7,713		9,560		
Stock-based compensation expense		900		718		3,111		2,806		
Adjusted gross profit	\$	63,697	\$	57,399	\$	248,809	\$	212,580		
Adjusted gross profit margin		66.0%		67.0%		65.5%		66.0%		
	Three Months Ended December 31,			Twelve Months Ended December 31,						
	-	2013		2012	-	2013		2012		
Adjusted EBITDA:					-			_		
Net income (GAAP)	\$	2,178	\$	3,722	\$	20,692	\$	5,183		
Acquisition-related and other deferred revenue		922	•	3	•	2,717		89		
Depreciation, asset impairment and loss on disposal of asset		3,925		3,521		14,411		13,539		
Amortization of intangible assets		5,001		5,447		17,648		19,498		
Interest expense, net		228		426		1,427		2,160		
Income tax expense (benefit)		2,406		3,515		(210)		4,219		
Litigation-related expense		330		399		661		10,158		
Stock-based compensation expense		8,655		3,861		29,697		18,178		
Acquisition related expense		1,156		(94)		3,269		(350)		
Stock registration costs		1,100		7		0,200		675		
Adjusted EBITDA	\$	24,801	\$	20,807	\$	90,312	\$	73,349		
Adjusted EBITDA margin		25.7%		24.3%		23.8%		22.8%		
	Three Months Ended December 31,			Twelve Months Ended December 31,						
		2013		2012	-	2013		2012		
Non-GAAP total product development:										
Product development (GAAP)	\$	13,641	\$	12,852	\$	50,638	\$	48,177		
Less: Amortization of intangible assets	•	2	•	, -	•	3	•	, -		
Stock-based compensation expense		1,665		1,211		4,788		4,391		
Non-GAAP total product development:	\$	11,974	\$	11,641	\$	45,847	\$	43,786		
Non-GAAP total product development as % of non-GAAP revenue:		12.4%		13.6%		12.1%		13.6%		

Reconciliation of GAAP to Non-GAAP Measures For the Three and Twelve Months Ended December 31, 2013 and 2012 (unaudited, in thousands)

	Three Months Ended December 31,						onths Ended nber 31,	
	2013		2012		2013			2012
Non-GAAP total sales and marketing:								
Sales and marketing (GAAP)	\$	23,902	\$	19,806	\$	95,894	\$	76,992
Less: Amortization of intangible assets		2,939		2,887		9,935		9,938
Stock-based compensation expense		3,102		368		10,993		4,790
Non-GAAP total sales and marketing:	\$	17,861	\$	16,551	\$	74,966	\$	62,264
Non-GAAP total sales and marketing as % of non-GAAP revenue:		18.5%		19.3%		19.7%		19.3%
		Three Mon	nths Ended		Twelve Mor Decemi		onths Ended onber 31,	
		2013		2012		2013		2012

Non-GAAP total general and administrative:				
General and administrative (GAAP)	\$ 15,730	\$ 12,199	\$ 60,610	\$ 56,993
Less: Acquisition related expense	1,156	(94)	3,269	(350)
Stock-based compensation expense	2,988	1,564	10,805	6,191
Litigation related expense	330	399	661	10,158
Stock registration costs	-	7	-	675
Non-GAAP total general and administrative:	\$ 11,256	\$ 10,323	\$ 45,875	\$ 40,319
Non-GAAP total general and administrative as % of non-GAAP revenue:	11.7%	12.0%	12.1%	12.5%

	Three Months Ended December 31,					Ended 1,		
		2013		2012	2013			2012
Non-GAAP total operating expense:			•					
Operating expense (GAAP)	\$	53,273	\$	44,857	\$	207,142	\$	182,162
Less: Amortization of intangible assets		2,939		2,887		9,935		9,938
Acquisition related expense		1,156		(94)		3,269		(350)
Stock-based compensation expense		7,755		3,143		26,586		15,372
Litigation related expense		330		399		661		10,158
Stock registration costs		-		7		-		675
Non-GAAP total operating expense:	\$	41,093	\$	38,515	\$	166,691	\$	146,369
Non-GAAP total operating expense as % of non-GAAP revenue:		42.6%		44.9%		43.9%		45.4%

		Three Months Ended December 31,					Twelve Months Ended December 31,				
	2013			2012	2013			2012			
Non-GAAP operating income:			-								
Operating income (GAAP)	\$	4,740	\$	7,663	\$	21,559	\$	11,448			
Acquisition-related and other deferred revenue		922		3		2,717		89			
Amortization of intangible assets		5,001		5,447		17,648		19,498			
Stock-based compensation expense		8,655		3,861		29,697		18,178			
Acquisition related expense		1,156		(94)		3,269		(350)			
Litigation related expense		330		399		661		10,158			
Stock registration costs		-		7		-		675			
Non-GAAP operating income	\$	20,804	\$	17,286	\$	75,551	\$	59,696			
Non-GAAP operating margin		21.6%		20.2%		19.9%		18.5%			

Reconciliation of GAAP to Non-GAAP Measures For the Three and Twelve Months Ended December 31, 2013 and 2012 (unaudited, in thousands, except per share data)

	Three Months Ended December 31,					Twelve Months Ended December 31,				
	2013		2012		2013			2012		
Non-GAAP net income:	<u> </u>									
Net income (GAAP)	\$	2,178	\$	3,722	\$	20,692	\$	5,183		
Acquisition-related and other deferred revenue		922		3		2,717		89		
Amortization of intangible assets		5,001		5,447		17,648		19,498		
Stock-based compensation expense		8,655		3,861		29,697		18,178		
Acquisition related expense		1,156		(94)		3,269		(350)		
Litigation related expense		330		399		661		10,158		
Loss on disposal of assets		4		181		314		568		
Stock registration costs		-		7		-		675		
Subtotal of tax deductible items		16,068	•	9,804		54,306		48,816		
Tax impact of tax deductible items ⁽¹⁾		(6,427)		(3,922)		(21,722)		(19,526)		
Tax expense resulting from applying effective tax rate ⁽²⁾		572		620		(8,403)		458		
Non-GAAP net income	\$	12,391	\$	10,224	\$	44,873	\$	34,931		
Non-GAAP net income per share - diluted	\$	0.16	\$	0.14	\$	0.59	\$	0.47		
Weighted average shares - diluted Weighted average effect of dilutive securities		77,108		74,960		76,187		74,002		
Non-GAAP weighted average shares - diluted		77,108		74,960		76,187		74,002		

⁽¹⁾ 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.

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

	December 31,					December 31				
	2013		2012		2013			2012		
Annualized Non-GAAP on demand revenue per average on demand unit: On demand revenue (GAAP) Acquisition-related and other deferred revenue	\$	92,081 922	\$	81,771 3	\$	362,312 2,717	\$	306,400 89		
Non-GAAP on demand revenue	\$	93,003	\$	81,774	\$	365,029	\$	306,489		
Ending on demand units Average on demand units		9,022 8,876		8,113 7,968		9,022 8,615		8,113 7,625		
Annualized Non-GAAP on demand revenue per average on demand unit	\$	41.91	\$	41.05	\$	56.50	\$	40.20		
Annual customer value of on demand revenue ⁽¹⁾	\$	378,131	\$	333,039						

⁽¹⁾ 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.