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4Q 2014 Financial Results

February 12, 2015

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Agenda

- **Corporate Overview**

- Business Highlights
- Macro Environment
- Quarterly Financial Summary
- Operating Highlights

- **Financial Review**

- 4Q 2014 Financial Performance
- 1Q & Full-Year 2015 Financial Guidance

- **Q&A**



David Brown



Kevin Carney

4Q 2014 Business Highlights

Repurchased \$10.8 million of stock as part of \$100 million buyback program

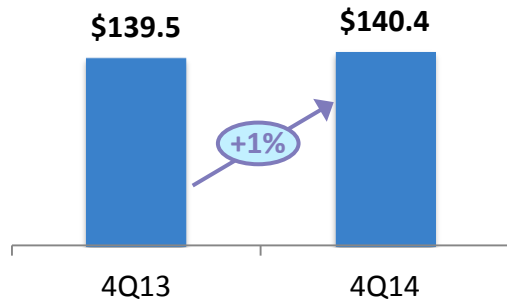
Signed partnership with Constant Contact

Made progress correcting issues in “DIY” and “DIFM” offerings setting stage for sequential quarterly revenue growth in 2Q15

Continued debt reduction

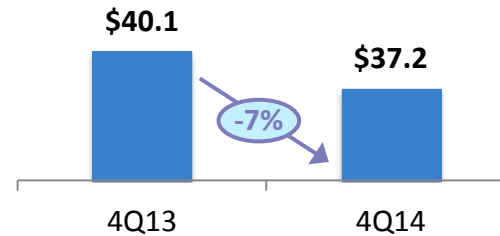
4Q 2014 Financial Highlights

Non-GAAP Revenue (\$mm)



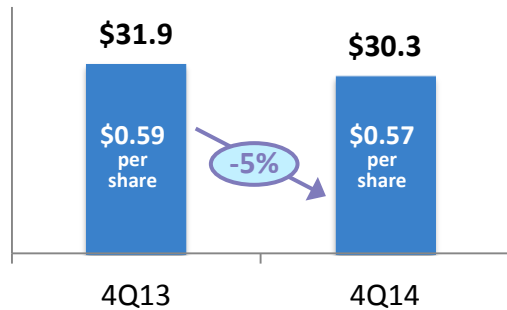
Above revenue guidance range

Adjusted EBITDA (\$mm)



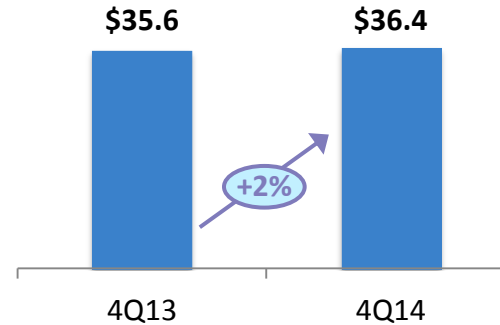
Represents 27% adjusted EBITDA margin

Non-GAAP Net Income (\$mm)



Met net income and EPS guidance range

Cash from Operations (\$mm)



4Q cash flow used for buyback & to repay debt

4Q 2014 Operating Highlights



Additions to Board of Directors

Timothy Cost

More than 30 years of organizational leadership and marketing and communication expertise from three decades as an executive at global brands like PepsiCo, BristolMyersSquibb, Kodak and Wyeth/Pfizer

John Guiliani

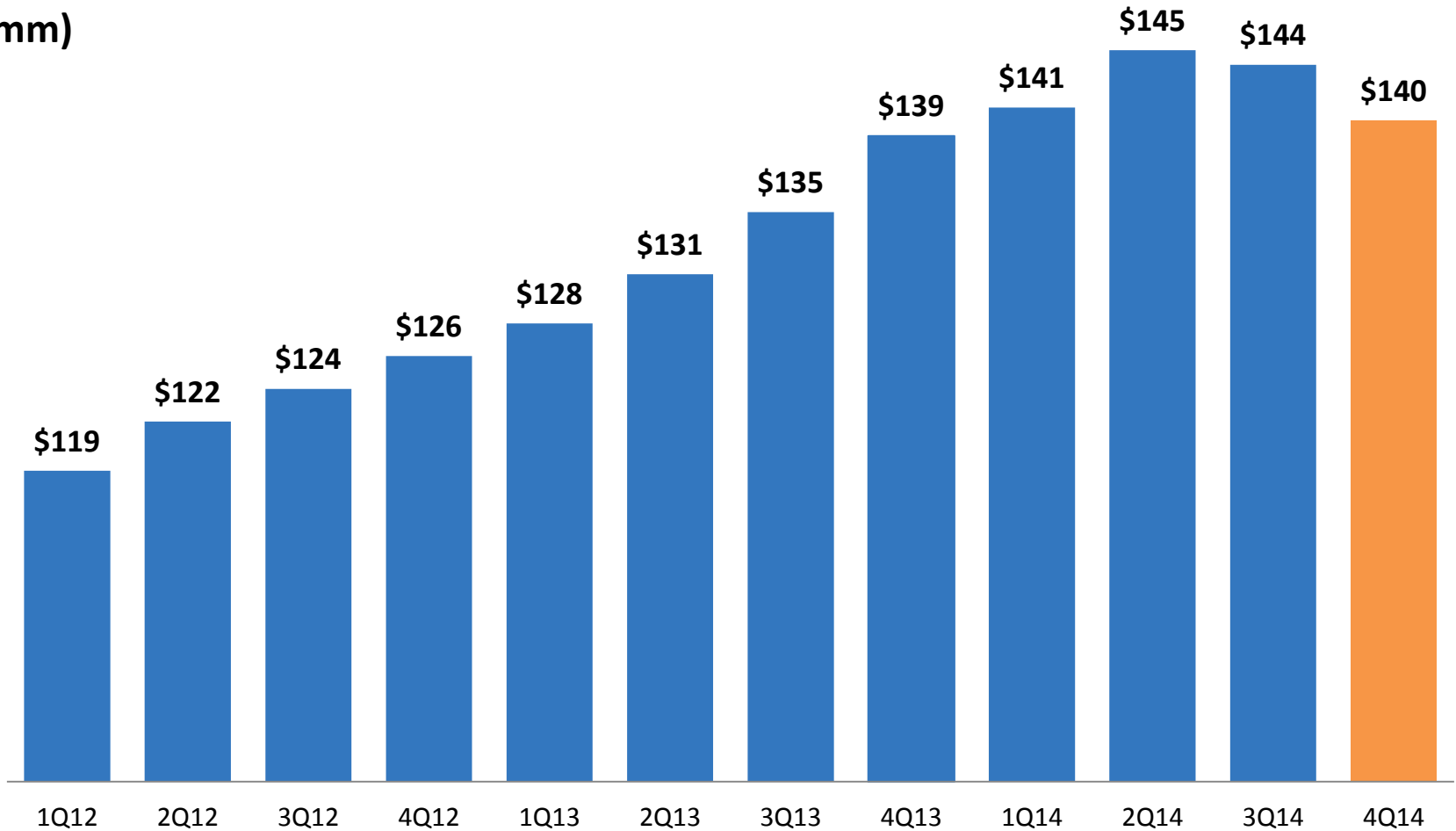
Deep domain expertise in the digital marketing industry, most recently as CEO of Conversant and Dotomi

Rick Rudman

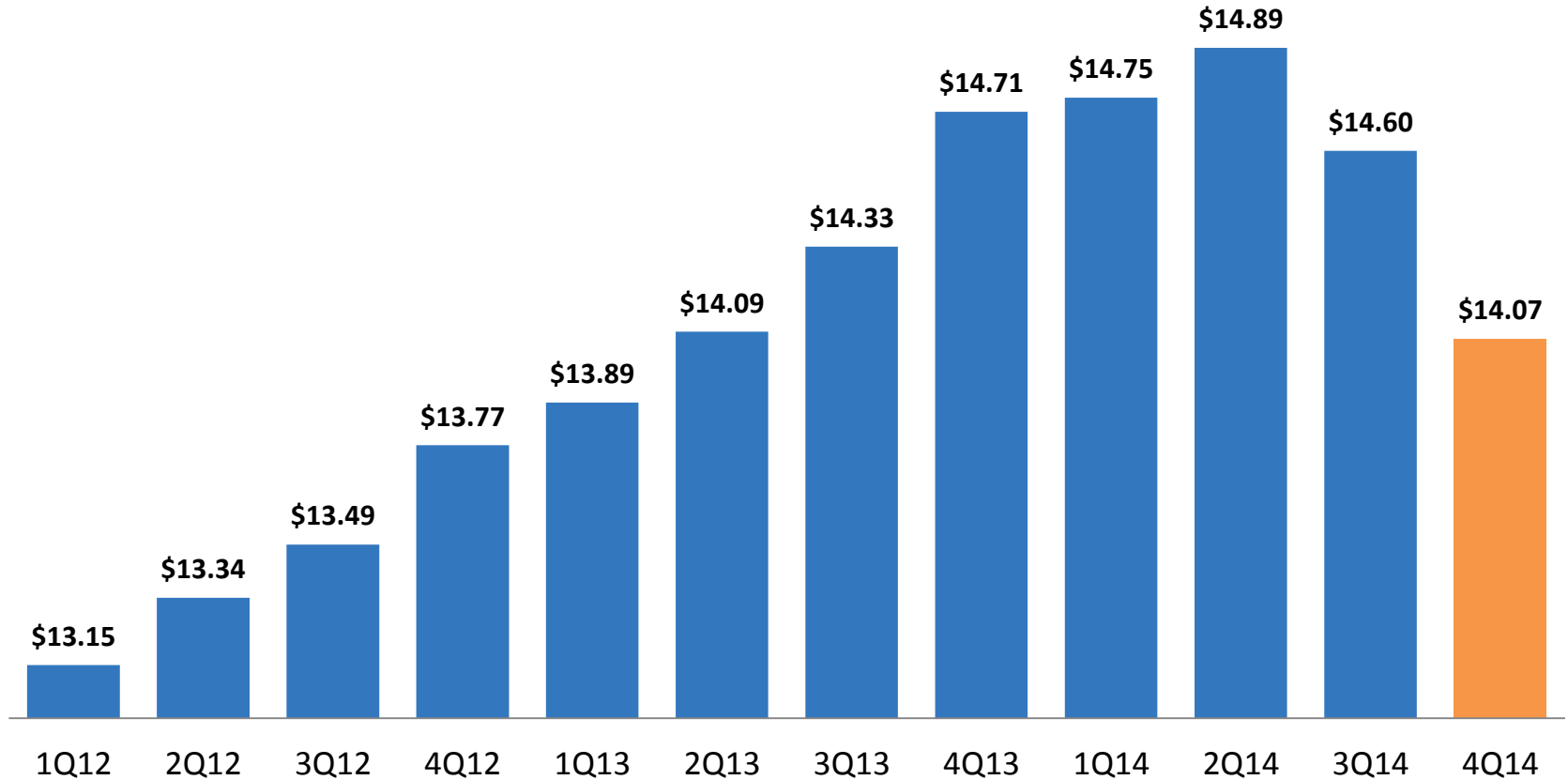
Public company experience and a keen understanding of customer's marketing needs as the founder and former CEO of Vocus

Non-GAAP Revenue

(\$mm)



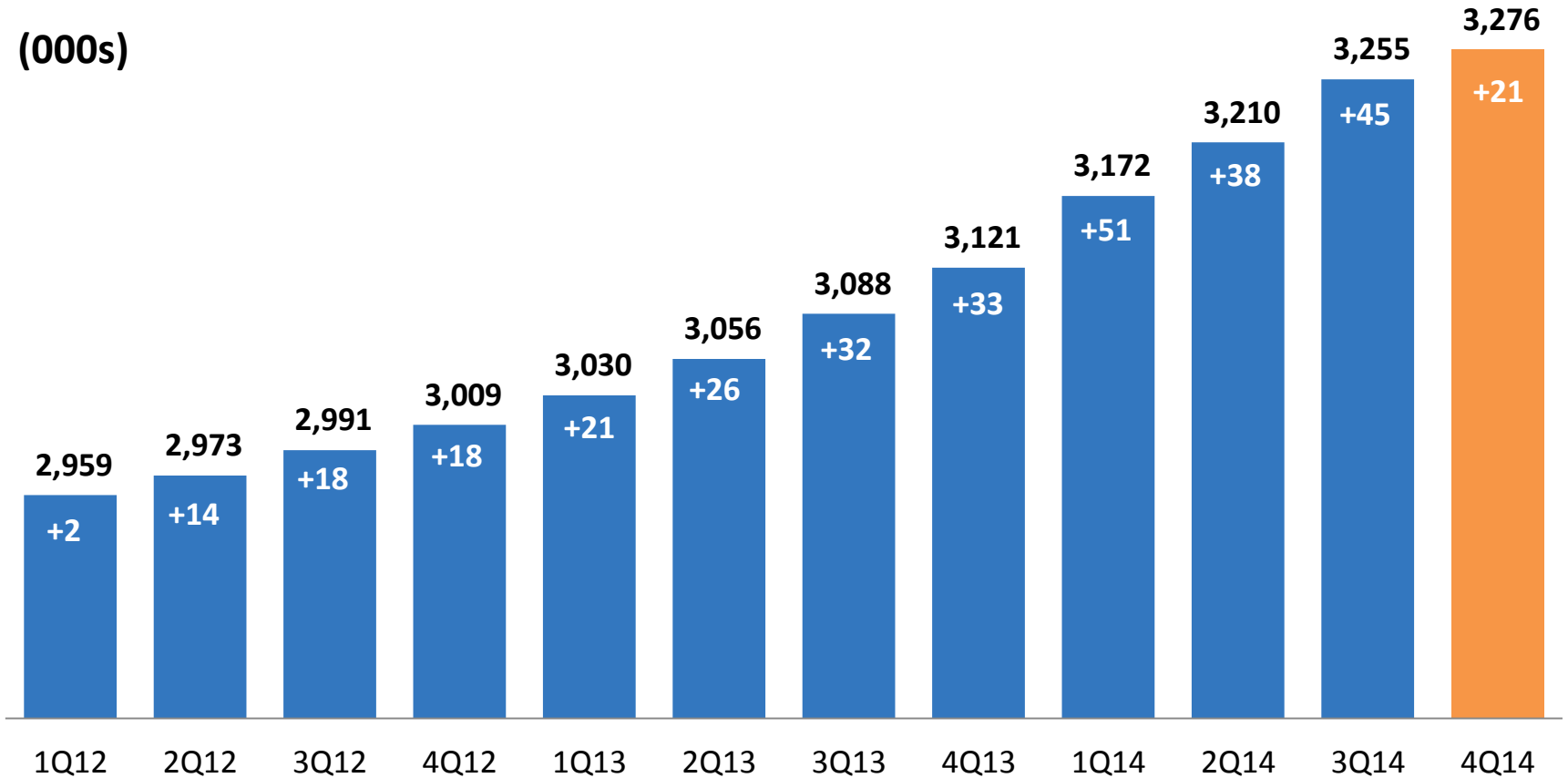
ARPU



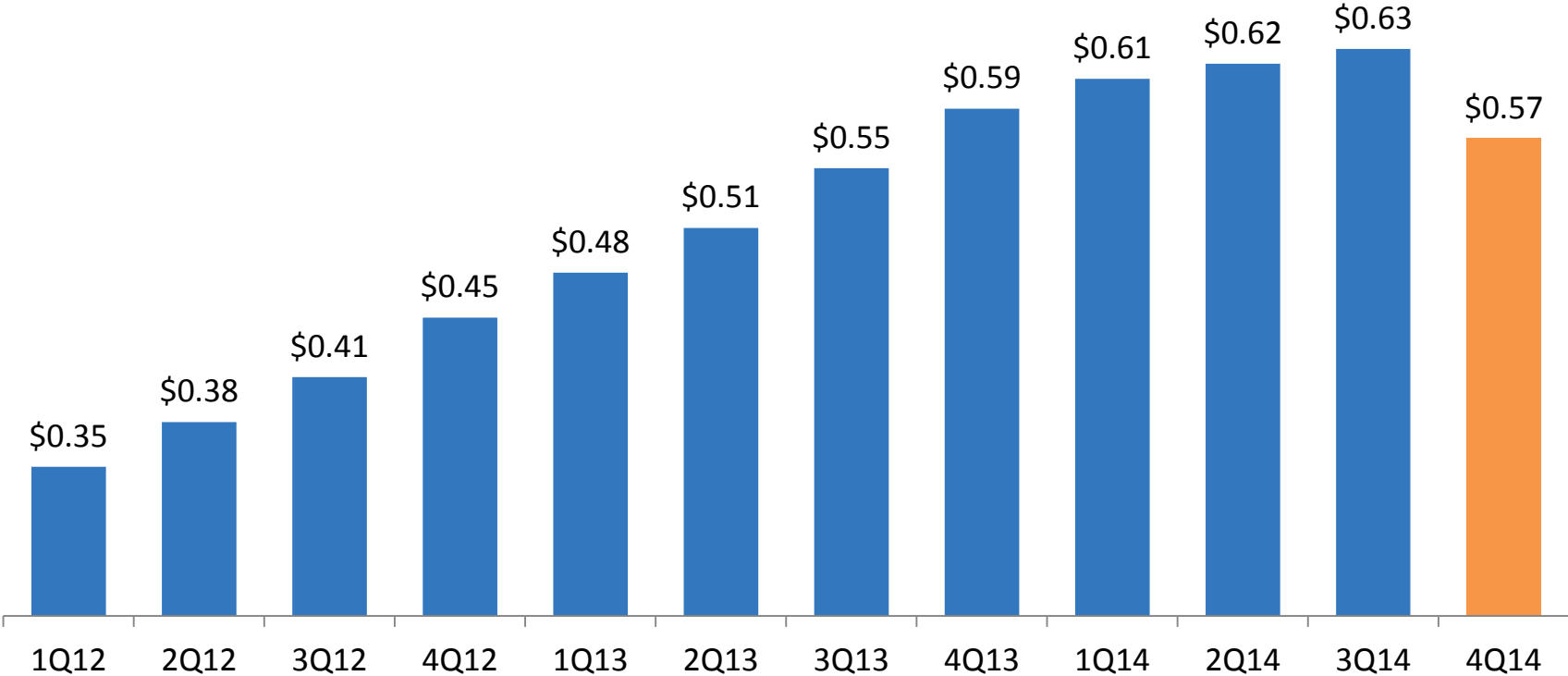
Note: ARPU is calculated as Non-GAAP subscription revenue divided by the average number of subscribers for the period divided into a monthly average. Our 3Q14 and 4Q14 ARPU reflect the impact the of the elimination of National Accounts and non-core domain related revenue.

Net Subscriber Growth

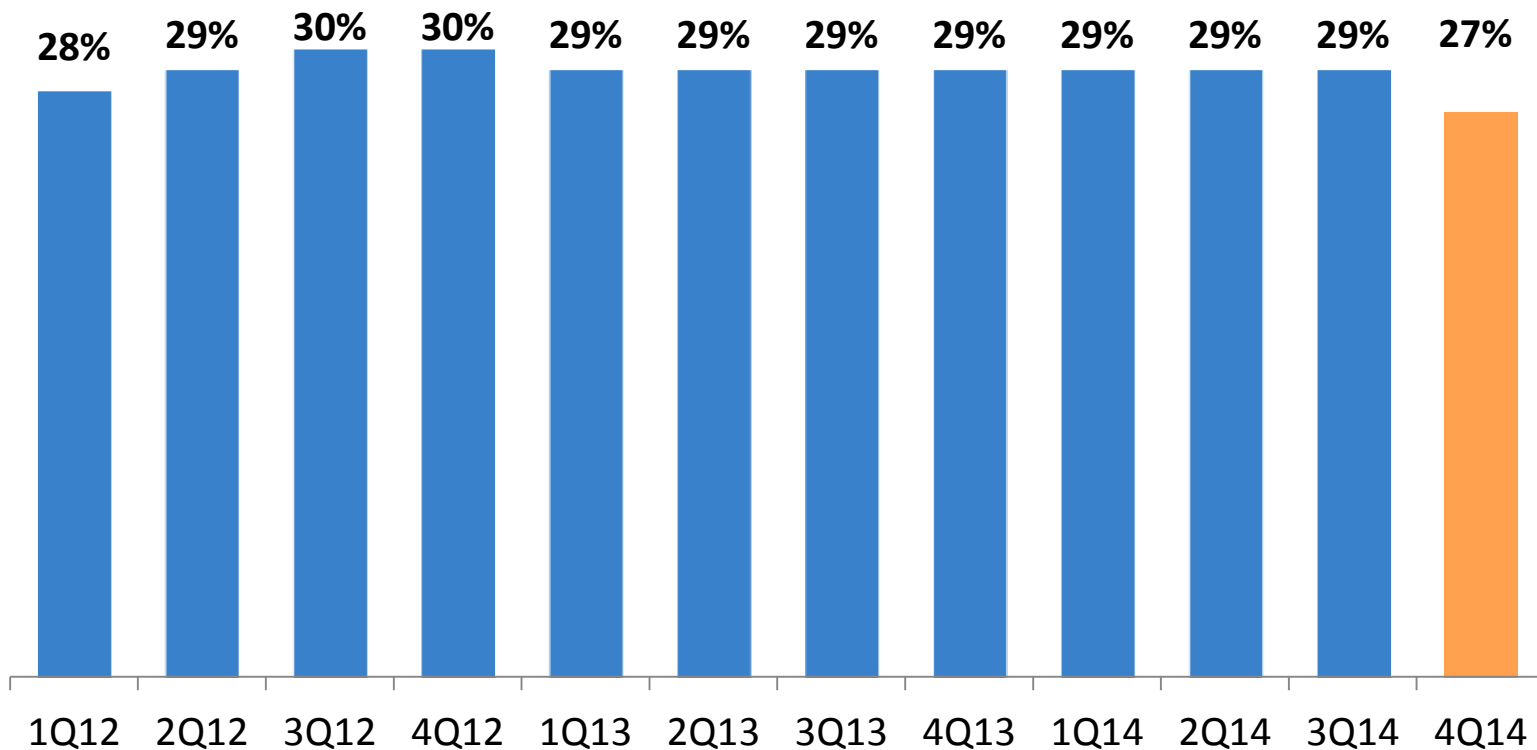
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Non-GAAP EPS



Adjusted EBITDA Margin



Full Year 2014 Non-GAAP Results

Revenue	\$570.1 mm
Income from Operations	\$147.8 mm
Adjusted EBITDA	\$161.9 mm
Net Income	\$130.8 mm
Diluted Net Income Per Share	\$2.41

4Q 2014 and Full Year GAAP Results

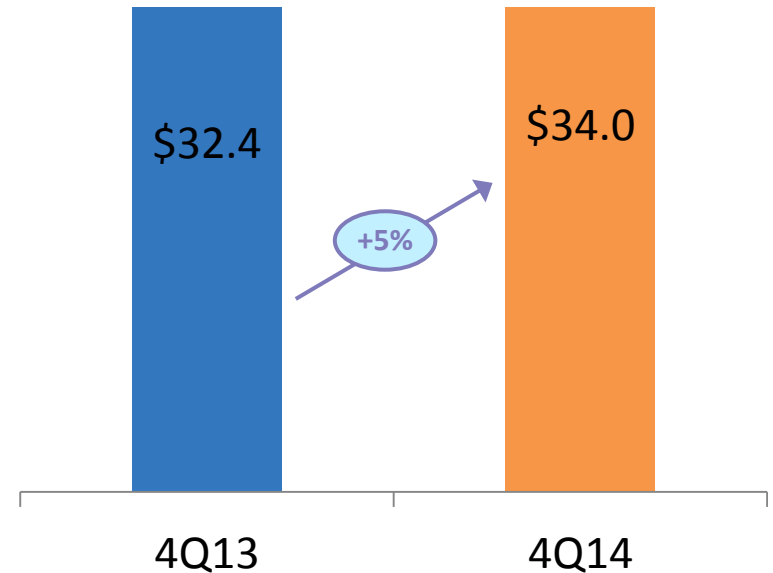
	<u>4Q 2014</u>	<u>2014</u>
Revenue	\$134.5 mm	\$543.9 mm
Gross Profit	\$85.8 mm	\$352.2 mm
Income from Operations	\$8.5 mm	\$37.7 mm
Net Loss	(\$8.7) mm	(\$12.5) mm
Diluted Net Loss Per Share	(\$0.17)	(\$0.24)

Cash Flow Generation

Cash from Operations (\$mm)



Free Cash Flow (\$mm)



Summary Balance Sheet

(\$mm)

	12/31/13	3/31/14	6/30/14	9/30/14	12/31/14
Cash	\$13.8	\$15.2	\$14.6	\$15.9	\$22.5
Accounts Receivable, net	\$17.1	\$20.6	\$19.6	\$20.6	\$16.9
Deferred Expenses	\$119.3	\$120.3	\$122.6	\$121.2	\$113.7
Debt (current & long-term)					
Term Loan	\$355.9	\$340.8	\$305.8	\$200.0	\$198.7
Revolver	–	\$9.0	\$9.0	\$109.0	\$94.0
Convertible Debt	\$258.8	\$258.8	\$258.8	\$258.8	\$258.8
Total Debt (Gross)	\$614.6	\$608.6	\$573.6	\$567.8	\$551.5
Less: Debt Discount (OID)	(\$51.5)	(\$49.0)	(\$46.4)	(\$47.0)	(\$44.2)
Total Debt (Net)	\$563.1	\$559.6	\$527.2	\$520.8	\$507.3
Deferred Revenue	\$395.4	\$407.7	\$406.8	\$405.4	\$402.7
Stockholders' Equity	\$170.0	\$174.2	\$180.9	\$189.6	\$174.1



4Q 2014 Financial Results

February 12, 2015

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Appendix

Reconciliation of GAAP to Non-GAAP Results

(in thousands, except for per share data) (unaudited)

	Three months ended December 31,		Twelve months ended December 31,	
	2014	2013	2014	2013
Reconciliation of GAAP revenue to non-GAAP revenue				
GAAP revenue	\$ 134,511	\$ 131,125	\$ 543,937	\$ 492,315
Fair value adjustment to deferred revenue	5,855	8,328	26,163	41,407
Non-GAAP revenue	\$ 140,366	\$ 139,453	\$ 570,100	\$ 533,722

Reconciliation of GAAP gross profit to non-GAAP gross profit	Three months ended December 31,	
	2014	2013
Gross profit	\$ 85,844	\$ 87,589
Fair value adjustment to deferred revenue	5,855	8,328
Fair value adjustment to deferred expense	215	333
Stock based compensation	500	440
Non-GAAP gross profit	\$ 92,414	\$ 96,690

Reconciliation of GAAP to Non-GAAP Results

(in thousands, except for per share data) (unaudited)

Reconciliation of GAAP operating income to non-GAAP operating income	Three months ended December 31,		Twelve months ended December 31,	
	2014	2013	2014	2013
GAAP operating income	\$ 8,506	\$ 6,363	\$ 37,663	\$ 10,241
Amortization of intangibles	11,563	16,117	60,719	67,833
Loss on sale of assets	—	—	—	135
Asset impairment	2,040	—	2,040	—
Stock based compensation	5,040	4,177	19,567	18,502
Restructuring charges	166	1,689	166	1,657
Corporate development	—	—	499	—
Fair value adjustment to deferred revenue	5,855	8,328	26,163	41,407
Fair value adjustment to deferred expense	215	333	1,027	1,561
Non-GAAP operating income	\$ 33,385	\$ 37,007	\$ 147,844	\$ 141,336
Reconciliation of GAAP operating margin to non-GAAP operating margin				
GAAP operating margin	6 %	5 %	7 %	2 %
Amortization of intangibles	9	12	11	13
Loss on sale of assets	—	—	—	—
Asset impairment	1	—	—	—
Stock based compensation	4	3	3	3
Restructuring charges	—	1	—	—
Corporate development	—	—	—	—
Fair value adjustment to deferred revenue	4	6	5	8
Fair value adjustment to deferred expense	—	—	—	—
Non-GAAP operating margin	24 %	27 %	26 %	26 %

Reconciliation of GAAP to Non-GAAP Results

(in thousands, except for per share data) (unaudited)

Reconciliation of GAAP net loss to non-GAAP net income	Three months ended December 31,		Twelve months ended December 31,	
	2014	2013	2014	2013
GAAP net loss	\$ (8,734)	\$ (3,428)	\$ (12,458)	\$ (65,664)
Amortization of intangibles	11,563	16,117	60,719	67,833
Loss on sale of assets	—	—	—	135
Asset impairment	2,040	—	2,040	—
Stock based compensation	5,040	4,177	19,567	18,502
Income tax expense	11,885	1,846	21,544	21,327
Restructuring charges	166	1,689	166	1,657
Corporate development	—	—	499	—
Amortization of debt discounts and fees	2,746	2,785	10,932	5,431
Cash income tax expense (benefit)	(499)	37	(1,243)	(320)
Fair value adjustment to deferred revenue	5,855	8,328	26,163	41,407
Fair value adjustment to deferred expense	215	333	1,027	1,561
Loss on debt extinguishment	—	—	1,838	20,663
Gain on sale of equity method investment	—	—	—	(385)
Non-GAAP net income	\$ 30,277	\$ 31,884	\$ 130,794	\$ 112,147

Reconciliation of GAAP to Non-GAAP Results

Reconciliation of GAAP diluted net loss per share to non-GAAP diluted net income per share	Three months ended December 31,		Twelve months ended December 31,	
	2014	2013	2014	2013
Diluted shares:				
Basic weighted average common shares	51,295	49,770	50,290	48,947
Diluted stock options	1,623	3,305	2,727	2,993
Diluted restricted stock	342	826	554	803
Total diluted weighted average common shares	53,260	53,901	54,201	52,743
Diluted GAAP net loss per share	\$ (0.17)	\$ (0.07)	\$ (0.24)	\$ (1.34)
Diluted equity	0.01	0.01	0.01	0.10
Amortization of intangibles	0.23	0.30	1.12	1.30
Loss on sale of assets	—	—	—	—
Asset impairment	0.04	—	0.04	—
Stock based compensation	0.09	0.08	0.36	0.35
Income tax expense	0.22	0.03	0.40	0.40
Restructuring charges	—	0.03	—	0.03
Corporate development	—	—	0.01	—
Amortization of debt discounts and fees	0.05	0.05	0.20	0.10
Cash income tax expense (benefit)	(0.01)	—	(0.02)	(0.01)
Fair value adjustment to deferred revenue	0.11	0.15	0.48	0.79
Fair value adjustment to deferred expense	—	0.01	0.02	0.03
Loss on debt extinguishment	—	—	0.03	0.39
Gain on sale of equity method investment	—	—	—	(0.01)
Diluted Non-GAAP net income per share	\$ 0.57	\$ 0.59	\$ 2.41	\$ 2.13

Reconciliation of GAAP to Non-GAAP Results

(in thousands, except for per share data) (unaudited)

Reconciliation of Operating Cash Flow to Free Cash Flow	Three months ended December 31,		Twelve months ended December 31,	
	2014	2013	2014	2013
Operating cash flow	\$ 36,352	\$ 35,563	\$ 117,206	\$ 102,460
Less: Capital expenditures	(2,382)	(3,127)	(15,169)	(14,713)
Free cash flow	\$ 33,970	\$ 32,436	\$ 102,040	\$ 87,747

	Three months ended December 31,		Twelve months ended December 31,	
	2014	2013	2014	2013
Revenue				
Subscription	\$ 132,001	\$ 128,692	\$ 534,955	\$ 482,166
Professional services and other	2,510	2,433	8,982	10,149
Total	\$ 134,511	\$ 131,125	\$ 543,937	\$ 492,315
Stock based compensation				
Cost of revenue	\$ 500	\$ 440	\$ 2,045	\$ 1,839
Sales and marketing	1,168	985	4,816	4,399
Technology and development	765	670	3,125	2,811
General and administrative	2,607	2,082	9,581	9,453
Total	\$ 5,040	\$ 4,177	\$ 19,567	\$ 18,502