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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): May 2, 2013**

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**comScore, Inc.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-33520**  
(Commission  
File Number)

**54-1955550**  
(IRS Employer  
Identification No.)

**11950 Democracy Drive**  
**Suite 600**  
**Reston, Virginia 20190**  
(Address of principal executive offices, including zip code)

**(703) 438-2000**  
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02. Results of Operations and Financial Condition.**

Attached hereto as Exhibit 99.1 and incorporated by reference herein is financial information for comScore, Inc. (the “Company”) for the three month period ended March 31, 2013 as well as forward-looking statements relating to the second quarter ending June 30, 2013 and full year ending December 31, 2013 as presented in a press release issued on May 2, 2013.

The information in this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

**Item 9.01. Financial Statements and Exhibits****(d) Exhibits.**

| <u>Exhibit No.</u> | <u>Description</u>  |
|--------------------|---|
| 99.1               | Press release dated May 2, 2013 announcing first quarter 2013 financial results |



## EXHIBIT INDEX

| Exhibit No. | Description   |
|-------------|---|
| 99.1        | Press release dated May 2, 2013 announcing first quarter 2013 financial results |



## comScore, Inc. Reports First Quarter 2013 Results

### *Record Revenues and Free Cash Flow*

RESTON, VA - May 2, 2013 - [comScore, Inc.](#) (NASDAQ: SCOR), a leader in measuring the digital world, today announced financial results for the first quarter of 2013.

#### **First Quarter 2013**

comScore achieved record quarterly revenue of \$68.8 million, up 11% from a year ago; GAAP income before income taxes of \$0.2 million; and GAAP net loss of \$(2.0) million, or \$(0.06) per basic and diluted share.

Pro forma\* first quarter metrics were as follows:

- Revenues of \$67.5 million, up 12% from a year ago.
- Non-GAAP net income of \$8.0 million, up from \$7.5 million a year ago.
- Non-GAAP EPS was \$0.22 per diluted share, consistent with the prior year period.
- Record Free Cash Flow of \$16.9 million, up 57% from a year ago.
- Adjusted EBITDA of \$12.6 million, up from \$11.3 million a year ago.
- Adjusted EBITDA margin was 19% of revenues, similar to a year ago.
- On a constant currency basis revenues would have been \$0.2 million higher.

\* All amounts, including implied prior year Pro Forma amounts, reflect adjustments to exclude Non-Health Copy Testing and Configuration Manager products and are based on management's estimates of the revenues and results of operations of such products. Prior period amounts have been adjusted to reflect the same assumptions with respect to Non-Health Copy Testing and Configuration Manager products for the purposes of consistent presentation.

Dr. Magid Abraham, comScore's president and chief executive officer said, "We began 2013 on a strong note as we continue to build our leadership position as a real-time digital business analytics company. We achieved record revenues during the quarter. Our growth was driven by robust performance in our core Media Metrix suite of audience measurement products inclusive of our multi-platform offering, in addition to accelerated momentum in our validated Campaign Essentials (vCE) advertising analytics suite and in our Digital Analytix SAAS software. Our new customer activity was robust, as we added 62 customers and our revenue from new customers increased by 48% over the first quarter of 2012, on a pro forma basis. With strong execution, this success in the marketplace translated into a higher adjusted EBITDA margin and strong increases in adjusted EBITDA and Free Cash Flow.

"As recently announced, we are particularly pleased that we entered into a strategic partnership with Procter & Gamble on eGRP, measurement for Display and Online Video campaigns, leveraging our vCE capabilities. This is an important win and is a validation of vCE's product quality and marketplace momentum as the leading campaign measurement solution.

"Looking ahead, we expect to continue executing on our growth strategy focused on audience, advertising and digital business analytics. Our strong first quarter results, along with continued improvement in margins and strong cash flow generation, position us well for the remainder of 2013 and beyond."

**First Quarter 2013 Pro Forma Supplemental Financial and Business Information\***  
(dollars in millions)

|                           | 1Q13    | 1Q12    | Change |
|---------------------------|---------|---------|--------|
| Subscription Revenue      | \$ 58.4 | \$ 50.7 | 15.2 % |
| Project Revenue           | \$ 9.1  | \$ 9.5  | (4.2)% |
| Existing Customer Revenue | \$ 59.5 | \$ 54.8 | 8.6 %  |
| New Customer Revenue      | \$ 8.0  | \$ 5.4  | 48.1 % |
| International Revenue     | \$ 20.2 | \$ 15.9 | 27.0 % |
| Customer Count            | 2,206   | 2,000   | 10.3 % |

\* Pro forma revenue and customer count amounts are adjusted to exclude the Company's Non-Health Copy Testing and Configuration Manager products. Prior period amounts have been adjusted to reflect the same assumptions with respect to Non-Health Copy Testing and Configuration Manager products for the purposes of consistent presentation.

**Financial Outlook**

comScore's expectations for the second quarter of 2013 are outlined in the table below:

|  |                                    |
|--|------------------------------------|
| GAAP revenue                           | \$65.5 million to \$68.0 million   |
| GAAP (loss) income before income taxes | (\$4.9) million to (\$2.6) million |
| Adjusted EBITDA**                      | \$10.5 million to \$12.0 million   |
| Estimated fully-diluted shares         | 36.0 million                       |

comScore has increased expectations for full year 2013, which reflects the disposition of the company's non-health copy-testing business and elimination of its configuration management activity during the first quarter, as outlined in the table below:

|  |                                    |
|--|------------------------------------|
| Non-GAAP pro forma revenue                           | \$275.5 million to \$283.5 million |
| Non-GAAP pro forma income (loss) before income taxes | (\$7.0) million to \$1.0 million   |
| Pro forma Adjusted EBITDA**                          | \$48.3 million to \$54.8 million   |
| Estimated fully-diluted shares                       | 36.1 million                       |

\*\* Reconciliations of GAAP to non-GAAP measures are set forth in the attachment to this press release.

Due to the high variability and difficulty in predicting certain items that affect GAAP net income, such as tax rates and stock price, comScore is unable to provide a complete reconciliation of adjusted EBITDA to net income (loss) on a forward-looking basis without unreasonable efforts. However, a reconciliation of forward-looking adjusted EBITDA to GAAP income (loss) before income taxes is set forth in the attachment to this press release.

Given the recent discussion regarding our non-health copy testing and configuration manager products, we are also providing non-GAAP pro forma revenue and pro forma adjusted EBITDA guidance reconciliations that exclude this business in the attachments to this press release.

## Conference Call Information

Management will provide commentary on the company's results in a conference call on Thursday, May 2 at 5:00 pm ET.

The conference call and replay can be accessed by telephone and webcast as follows:

**Call-in Number** : 888-679-8033, Pass code 25977376  
(International) 617-213-4846, Pass code 25977376

**Replay Number** : 888-286-8010, Pass code 16938043  
(International) 617-801-6888, Pass code 16938043

Webcast (live and replay): <http://ir.comscore.com/events.cfm>

## About comScore

comScore, Inc. (NASDAQ: SCOR) is a global leader in digital measurement and analytics, delivering insights on web, mobile and TV consumer behavior that enable clients to maximize the value of their digital investments. For more information, please visit [www.comscore.com/companyinfo](http://www.comscore.com/companyinfo).

## Non-GAAP Financial Measures

comScore reports all financial information required in accordance with generally accepted accounting principles (GAAP). comScore believes, however, that evaluating its ongoing operating results will be enhanced if it also discloses certain non-GAAP information because it is useful to understand comScore's performance, as it excludes non-cash and other charges that many investors believe may obscure comScore's on-going operating results.

For example, comScore uses non-GAAP net income, which excludes stock-based compensation, amortization of acquired intangible assets, impairment of intangible assets, impairment of marketable securities, costs from acquisitions, restructurings and other non-recurring items, the non-cash deferred tax provision, litigation and related settlement costs, and the purchase accounting impact on acquired deferred revenue. comScore reports non-GAAP EPS (diluted), which uses non-GAAP net income in lieu of GAAP net income in calculating earnings per share. Non-GAAP pro forma revenue excludes the estimated effects of revenue generated from non-health copy testing and configuration manager products. Adjusted pro forma EBITDA also excludes the estimated effects of operations related to non-health copy testing and configuration manager products.

In addition, comScore believes that adjusted EBITDA is a useful measure for investors to use to evaluate its operating performance. Adjusted EBITDA comprises non-GAAP net income further adjusted to exclude the cash tax provision, depreciation, interest income (expense) net, and costs not associated with ongoing operations, such as acquisition, litigation and related settlement costs. A reconciliation of comScore's GAAP results to these non-GAAP measures is included in the financial tables accompanying this release.

The company believes that adjusted EBITDA is an important indicator of the company's operational strength and the performance of its business because it provides a link between profitability and operating cash flow. Adjusted EBITDA is also widely used by investors and analysts as a supplemental measure to evaluate the overall operating performance of companies in comScore's industry. comScore's management also uses adjusted EBITDA extensively as a measure of operating performance because it does not include the impact of items not directly resulting from its core operations. Moreover, the company's management uses the measure for planning purposes, to allocate resources and to evaluate the effectiveness of the company's business strategies and management's performance.

The company believes that excluding certain costs from non-GAAP net income, non-GAAP EPS, and adjusted EBITDA provides a meaningful indication to investors of the expected on-going operating performance of the company. Specifically as it relates to acquisitions and restructurings, the exclusion of these costs reflects the expected benefits realized or to be realized upon the integration of acquired entities into comScore, and the realized benefits of the restructurings.

comScore's management also uses free cash flow as a non-GAAP measure of the company's operating cash flow less cash expenditures for capital spending as a key indicator of the company's operating cash flow performance.

Whenever comScore uses such historical non-GAAP financial measures, it provides a reconciliation of historical non-GAAP financial measures to the most closely applicable GAAP financial measure. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these historical non-GAAP financial measures to their most directly comparable GAAP financial measure included in the financial tables accompanying this release. Although the company provides a reconciliation of historical non-GAAP financial measures, due to the high variability and difficulty in predicting



certain items that affect net income, such as tax rates and stock price, comScore is unable to provide a complete reconciliation of adjusted EBITDA to net income on a forward-looking basis without unreasonable efforts. However, a reconciliation of forward-looking adjusted EBITDA to GAAP income (loss) before income taxes is set forth in the attachment to this press release.

These non-GAAP financial measures do not reflect a comprehensive system of accounting, differ from GAAP measures with the same captions and may differ from non-GAAP financial measures with the same or similar captions that are used by other companies. The use of certain non-GAAP financial measures requires management to make estimates and assumptions regarding amounts of assets and liabilities and the amounts of revenue and expense during the reporting periods. Significant estimates and assumptions are inherent in the analysis and the measurement of certain elements of non-GAAP financial measures such as the impact of purchase accounting on acquired deferred revenue and the amortization of deferred contract costs associated with acquired deferred revenue. comScore bases its estimates on historical experience and assumptions that it believes are reasonable. Actual results could differ from those estimates.

### **Cautionary Statement**

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including, without limitation, comScore's expectations as to adoption of new products and services by customers; expectations about comScore's transformation to a real-time digital business analytics company; expectations regarding continued robust growth of the Media Metrix suite of products; expectations regarding continued growth of its customer base; expectations as to customer renewal rates; expectations regarding the customer reception, impact and financial benefits of certain products such as Digital Analytix and validated Campaign Essentials products; expectations regarding the effects of the divestiture of comScore's non-health copy testing and configuration manager products; expectations regarding our strategic partnership with Procter & Gamble; expectations and forecasts of future financial performance, including related growth rates and components thereof; and assumptions related to growth for the second quarter and full year of 2013. These statements involve risks and uncertainties that could cause our actual results to differ materially, including, but not limited to: comScore's ability to generate strong revenue and margin growth in future periods; comScore's ability to sell new or additional products and attract new customers, as well as longer sales cycles related to newer products such as validated Campaign Essentials, and Digital Analytix; comScore's ability to sell additional subscription-based products to customers; comScore's ability to sell additional products and services to existing customers; comScore's ability to divest or eliminate its non-health copy testing and configuration manager products ; and the volatility of quarterly results and expectations.

For a detailed discussion of these and other risk factors, please refer to comScore's Annual Report on Form 10-K for the period ended December 31, 2012 and from time to time other filings with the Securities and Exchange Commission (the "SEC"), which are available on the SEC's Web site ( <http://www.sec.gov> ).

Stockholders of comScore are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date such statements are made. comScore does not undertake any obligation to publicly update any forward-looking statements to reflect events, circumstances or new information after the date of this press release, or to reflect the occurrence of unanticipated events.

### **Contact:**

Kenneth Tarpey  
Chief Financial Officer  
comScore, Inc.  
(703) 438-2305  
[ktarpey@comscore.com](mailto:ktarpey@comscore.com)

**comScore, Inc.**  
**Condensed Consolidated Statements of Operations**  
**(unaudited)**  
**(in thousands, except share and per share data)**

|   | Three months ended March 31, |                 |
|---|------------------------------|-----------------|
|   | 2013                         | 2012            |
|   | (unaudited)                  |                 |
| <b>Revenues</b>   | \$ 68,848                    | \$ 62,275       |
| Cost of revenues (excludes amortization of intangible assets) (1)               | 22,554                       | 20,401          |
| Selling and marketing (1)   | 24,458                       | 21,345          |
| Research and development (1)  | 10,223                       | 8,036           |
| General and administrative (1)  | 9,012                        | 9,106           |
| Amortization of intangible assets   | 2,151                        | 2,320           |
| Gain on asset disposition   | (210)                        | —               |
| <b>Total expenses from operations</b>   | <b>68,188</b>                | <b>61,208</b>   |
| <b>Income from operations</b>   | <b>660</b>                   | <b>1,067</b>    |
| Interest and other (expense), net   | (164)                        | (198)           |
| Loss from foreign currency  | (340)                        | (263)           |
| <b>Income before income tax provision</b>                                       | <b>156</b>                   | <b>606</b>      |
| Income tax provision  | (2,179)                      | (1,077)         |
| <b>Net loss</b>   | <b>\$ (2,023)</b>            | <b>\$ (471)</b> |
| Net loss per common share:  |                              |                 |
| Basic   | \$ (0.06)                    | \$ (0.01)       |
| Diluted   | \$ (0.06)                    | \$ (0.01)       |
| Weighted-average number of shares used in per share calculation - common stock: |                              |                 |
| Basic   | 34,113,786                   | 32,889,119      |
| Diluted   | 34,113,786                   | 32,889,119      |

(1) Amortization of stock-based compensation is included in the line items above as follows:

|                            |          |          |
|----------------------------|----------|----------|
| Cost of revenues           | \$ 716   | \$ 551   |
| Selling and marketing      | \$ 2,813 | \$ 2,183 |
| Research and development   | \$ 614   | \$ 405   |
| General and administrative | \$ 856   | \$ 1,951 |

**comScore, Inc.**  
**Condensed Consolidated Balance Sheets**  
(dollars in thousands)

|   | March 31, 2013    | December 31,<br>2012 |
|---|-------------------|----------------------|
|   | (Unaudited)       | *                    |
| <b>Assets</b>   |                   |                      |
| Current assets:   |                   |                      |
| Cash and cash equivalents   | \$ 73,738         | \$ 61,764            |
| Accounts receivable, net of allowances of \$1,434 and \$1,117, respectively | 65,831            | 68,348               |
| Prepaid expenses and other current assets                                   | 8,466             | 8,877                |
| Deferred tax assets   | 10,045            | 9,940                |
| <b>Total current assets</b>   | <b>158,080</b>    | <b>148,929</b>       |
| Property and equipment, net   | 31,934            | 31,418               |
| Other non-current assets  | 643               | 414                  |
| Long-term deferred tax assets   | 9,915             | 12,065               |
| Intangible assets, net  | 38,033            | 40,759               |
| Goodwill  | 101,963           | 102,900              |
| <b>Total assets</b>   | <b>\$ 340,568</b> | <b>\$ 336,485</b>    |
| <b>Liabilities and Stockholders' Equity</b>                                 |                   |                      |
| Current liabilities:  |                   |                      |
| Borrowings under revolving credit facility                                  | \$ 3,846          | \$ —                 |
| Accounts payable  | 3,290             | 7,229                |
| Accrued expenses  | 20,990            | 24,409               |
| Deferred revenues   | 85,489            | 80,824               |
| Deferred rent   | 913               | 807                  |
| Deferred tax liabilities  | —                 | 17                   |
| Capital lease obligations   | 7,914             | 8,020                |
| <b>Total current liabilities</b>  | <b>122,442</b>    | <b>121,306</b>       |
| Deferred rent, long-term  | 11,148            | 10,096               |
| Deferred revenue, long-term   | 1,294             | 1,715                |
| Deferred tax liabilities, long-term   | —                 | 130                  |
| Capital lease obligations, long-term  | 7,186             | 6,478                |
| Other long-term liabilities   | 1,130             | 1,117                |
| <b>Total liabilities</b>  | <b>143,200</b>    | <b>140,842</b>       |
| Commitments and contingencies   |                   |                      |
| Stockholders' equity:   |                   |                      |
| Common stock  | 36                | 36                   |
| Additional paid-in capital  | 279,190           | 274,622              |
| Accumulated other comprehensive income                                      | 1,005             | 1,825                |
| Accumulated deficit   | (82,863)          | (80,840)             |
| <b>Total stockholders' equity</b>   | <b>197,368</b>    | <b>195,643</b>       |
| <b>Total liabilities and stockholders' equity</b>                           | <b>\$ 340,568</b> | <b>\$ 336,485</b>    |

\* Information derived from the audited Consolidated Financial Statements

**comScore, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
**(unaudited)**  
**(dollars in thousands)**

|   | Three months ended March 31, |                  |
|---|------------------------------|------------------|
|   | 2013                         | 2012             |
|   | (unaudited)                  |                  |
| <b>Operating activities:</b>  |                              |                  |
| Net loss  | \$ (2,023)                   | \$ (471)         |
| Adjustments to reconcile net loss to net cash provided by operating activities: |                              |                  |
| Depreciation  | 4,111                        | 3,420            |
| Amortization of intangible assets   | 2,151                        | 2,320            |
| Provision for bad debts   | 400                          | 221              |
| Stock-based compensation  | 4,999                        | 5,090            |
| Amortization of deferred rent   | 226                          | 36               |
| Deferred tax provision (benefit)  | 1,788                        | 933              |
| (Gain) Loss on asset disposal   | (210)                        | 31               |
| Changes in operating assets and liabilities:                                    |                              |                  |
| Accounts receivable   | 1,907                        | (1,389)          |
| Prepaid expenses and other current assets                                       | 16                           | (523)            |
| Accounts payable, accrued expenses, and other liabilities                       | (1,422)                      | (5,088)          |
| Deferred revenues   | 5,525                        | 6,754            |
| Deferred rent   | 952                          | —                |
| <b>Net cash provided by operating activities</b>                                | <b>18,420</b>                | <b>11,334</b>    |
| <b>Investing activities:</b>  |                              |                  |
| Proceeds from asset disposition, net  | 160                          | —                |
| Purchase of property and equipment  | (1,555)                      | (607)            |
| <b>Net cash used in investing activities</b>                                    | <b>(1,395)</b>               | <b>(607)</b>     |
| <b>Financing activities:</b>  |                              |                  |
| Proceeds from the exercise of common stock options                              | 39                           | 69               |
| Repurchase of common stock  | (6,682)                      | (5,413)          |
| Principal payments on capital lease obligations                                 | (2,211)                      | (1,618)          |
| Proceeds from financing arrangements  | 3,964                        | —                |
| <b>Net cash used in financing activities</b>                                    | <b>(4,890)</b>               | <b>(6,962)</b>   |
| Effect of exchange rate changes on cash   | (161)                        | 575              |
| Net increase in cash and cash equivalents                                       | 11,974                       | 4,340            |
| Cash and cash equivalents at beginning of period                                | 61,764                       | 38,071           |
| Cash and cash equivalents at end of period                                      | <b>\$ 73,738</b>             | <b>\$ 42,411</b> |

**Reconciliation of Revenue and Income before Income Taxes to Non-GAAP Revenue, non-GAAP Net Income and Adjusted EBITDA**  
(dollars in thousands, except per share amounts)

|  | Three months ended March 31, |                  |
|--|------------------------------|------------------|
|  | 2013                         | 2012             |
|  | (unaudited)                  |                  |
| <b>Revenue</b>   | \$ 68,848                    | \$ 62,275        |
| Adjustment to exclude non-Health Copy-Testing and Configuration Manager products | (1,330)                      | (2,047)          |
| <b>Non-GAAP Revenue (1)</b>  | <u>\$ 67,518</u>             | <u>\$ 60,228</u> |
| <b>Income before income taxes</b>  | \$ 156                       | \$ 606           |
| Deferred tax benefit (provision)   | (1,788)                      | (933)            |
| Current cash tax benefit (provision)   | (391)                        | (144)            |
| <b>Net loss</b>  | (2,023)                      | (471)            |
| Amortization of intangible assets  | 2,151                        | 2,320            |
| Stock-based compensation   | 4,999                        | 5,090            |
| Costs related to acquisitions, restructuring and other non-recurring items       | 1,418                        | —                |
| Gain on ARS disposition  | (210)                        | —                |
| Adjustment to exclude non-Health Copy-Testing and Configuration Manager products | (170)                        | (323)            |
| Deferred tax (benefit) provision   | 1,788                        | 933              |
| <b>Non-GAAP net income (1)</b>   | 7,953                        | 7,549            |
| Current cash tax (benefit) provision   | 391                          | 144              |
| Depreciation   | 4,111                        | 3,420            |
| Interest Exp (income), net   | 179                          | 173              |
| <b>Adjusted EBITDA (1)</b>   | <u>\$ 12,634</u>             | <u>\$ 11,286</u> |
| Adjusted EBITDA margin (%)   | 19%                          | 19%              |
|  |                              |                  |
| EPS (diluted)  | \$ (0.06)                    | \$ (0.01)        |
| Non-GAAP EPS (diluted)   | \$ 0.22                      | \$ 0.22          |
|  |                              |                  |
| Weighted -average number of shares used in per share calculation - common stock  |                              |                  |
| GAAP EPS (diluted)   | 34,113,786                   | 32,889,119       |
| Non-GAAP EPS (diluted)   | 35,880,433                   | 34,664,255       |

(1) Amounts include adjustments to exclude Non-Health Copy Testing and Configuration Manager products and are based on management's estimates of the revenues and results of operations of such products.

**Reconciliation of GAAP Operating Cash Flow to Free Cash Flow**  
(dollars in thousands)

|   | Three months ended March 31, |                  |
|---|------------------------------|------------------|
|   | 2013                         | 2012             |
|   | (unaudited)                  |                  |
| Net cash provided by operating activities | \$ 18,420                    | \$ 11,334        |
| Purchase of property and equipment        | (1,555)                      | (607)            |
| Free cash flow                            | <u>\$ 16,865</u>             | <u>\$ 10,727</u> |

**First Quarter 2013 Supplemental Financial and Business Information**  
(dollars in millions)

|                           | 1Q13    | 1Q12    | Change |
|---------------------------|---------|---------|--------|
| Subscription Revenue      | \$ 59.4 | \$ 52.3 | 13.6 % |
| Project Revenue           | \$ 9.4  | \$ 10.0 | (6.0)% |
| Existing Customer Revenue | \$ 60.8 | \$ 56.2 | 8.2 %  |
| New Customer Revenue      | \$ 8.0  | \$ 6.1  | 31.1 % |
| International Revenue     | \$ 20.3 | \$ 16.2 | 25.3 % |
| Customer Count            | 2,206   | 2,022   | 9.1 %  |

**First Quarter 2013 Pro Forma Supplemental Financial and Business Information (1)**  
(dollars in millions)

|                           | 1Q13    | 1Q12    | Change |
|---------------------------|---------|---------|--------|
| Subscription Revenue      | \$ 58.4 | \$ 50.7 | 15.2 % |
| Project Revenue           | \$ 9.1  | \$ 9.5  | (4.2)% |
| Existing Customer Revenue | \$ 59.5 | \$ 54.8 | 8.6 %  |
| New Customer Revenue      | \$ 8.0  | \$ 5.4  | 48.1 % |
| International Revenue     | \$ 20.2 | \$ 15.9 | 27.0 % |
| Customer Count            | 2,206   | 2,000   | 10.3 % |

(1) Pro forma revenue and customer count amounts are adjusted to exclude the Company's Non-Health Copy Testing and Configuration Manager products.

**Revenue and Reconciliation of Income (Loss) before Income Taxes to Adjusted EBITDA (Guidance)**  
(dollars in thousands)

Forecasted amounts for the three and twelve month periods ending June 30, 2013 and December 31, 2013 are based on the mid-points of the range of guidance provided herein and exclude the results of operations of the Non-Health Copy Testing and Configuration Manager products. The three and twelve month periods ending June 30, 2012 and December 31, 2012 have been adjusted to exclude the results of operations from the non-health copy-testing and configuration manager products.

|  | Three Months Ended June 30, |                 | Full Year December 31, |                  |
|--|-----------------------------|-----------------|------------------------|------------------|
|  | 2013                        | 2012 (1)        | 2013 (1)               | 2012 (1)         |
|  | (unaudited)                 |                 | (unaudited)            |                  |
| <b>Revenue</b>   | \$ 66,750                   | \$ 57,562       | \$ 279,500             | \$ 246,865       |
| <b>Income (loss) before income taxes</b>                                   | (3,750)                     | (4,731)         | \$ (3,000)             | (7,901)          |
| Amortization of acquired intangibles                                       | 2,000                       | 2,112           | 8,100                  | 8,311            |
| Impairment of intangible assets  | —                           | 1,241           | —                      | 1,241            |
| Stock-based compensation   | 7,300                       | 6,339           | 26,200                 | 24,896           |
| Costs related to acquisitions, restructuring and other non-recurring items | 1,400                       | 357             | 3,800                  | 1,437            |
| Depreciation   | 4,100                       | 3,502           | 15,500                 | 14,159           |
| Interest expense, net  | 200                         | 164             | 950                    | 658              |
| <b>Adjusted EBITDA</b>   | <u>\$ 11,250</u>            | <u>\$ 8,984</u> | <u>\$ 51,550</u>       | <u>\$ 42,801</u> |
| Adjusted EBITDA margin (%)   | 17%                         | 16%             | 18%                    | 17%              |

Estimated Q2 2013 and full year 2013 non-GAAP (Diluted) share count is 36.0M and 36.1M, respectively.

(1) Amounts include adjustments to exclude Non-Health Copy Testing and Configuration Manager products and are based on management's estimates of the revenues and results of operations of such products.

**Reconciliation of Revenue and Adjusted EBITDA to Pro Forma Revenue and Pro Forma Adjusted EBITDA (1)**  
(dollars in thousands)

|                            | Three Months Ended June 30, |  |           |             |  |           |
|----------------------------|-----------------------------|--|-----------|-------------|--|-----------|
|                            | 2013                        |  |           | 2012        |  |           |
|                            | As Reported                 | Adjustment to Exclude non-Health Copy Testing and Configuration Manager Products (3) | Adjusted  | As Reported | Adjustment to Exclude non-Health Copy Testing and Configuration Manager Products (3) | Adjusted  |
|                            |                             |  |           |             | (unaudited)  |           |
| Revenue                    | 66,750                      | —  | \$ 66,750 | \$ 60,291   | (2,729)  | \$ 57,562 |
| Adjusted EBITDA(2)         | 11,250                      | —  | \$ 11,250 | \$ 9,582    | (598)  | \$ 8,984  |
| Adjusted EBITDA margin (%) | 17%                         | n/a  | 17%       | 16%         | 22%  | 16%       |

|                            | Twelve Months Ended December 31, |  |            |             |  |            |
|----------------------------|----------------------------------|--|------------|-------------|--|------------|
|                            | 2013                             |  |            | 2012        |  |            |
|                            | As Reported                      | Adjustment to Exclude non-Health Copy Testing and Configuration Manager Products (3) | Adjusted   | As Reported | Adjustment to Exclude non-Health Copy Testing and Configuration Manager Products (3) | Adjusted   |
|                            |                                  |  |            |             | (unaudited)  |            |
| Revenue                    | \$ 280,830                       | (1,330)  | \$ 279,500 | \$ 255,193  | (8,328)  | \$ 246,865 |
| Adjusted EBITDA(2)         | \$ 51,720                        | (170)  | \$ 51,550  | \$ 44,373   | (1,572)  | \$ 42,801  |
| Adjusted EBITDA margin (%) | 18%                              | 13%  | 18%        | 17%         | 19%  | 17%        |

(1) Pro forma revenue and pro forma Adjusted EBITDA are adjusted to exclude the Company's Non-Health Copy Testing and Configuration Manager products.

(2) See reconciliation of Adjusted EBITDA.

(3) Adjustments to exclude Non-Health Copy Testing and Configuration Manager products are based on management's estimates of the revenues and results of operations of such products.