

**RECONCILIATION OF GAAP TO NON-GAAP RESULTS**  
(In thousands, except per share amounts)  
(Unaudited)

	Fiscal 2015					Fiscal 2016					Fiscal 2017					Fiscal 2018			
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	YTD
<b>Reconciliation of GAAP gross profit to non-GAAP gross profit</b>																			
GAAP gross profit	\$ 23,379	\$ 23,264	\$ 22,219	\$ 20,804	\$ 89,667	\$ 24,491	\$ 28,425	\$ 30,404	\$ 30,804	\$ 114,124	\$ 28,447	\$ 33,621	\$ 30,660	\$ 43,973	\$ 136,701	\$ 47,531	\$ 50,891	\$ 43,634	\$ 142,056
Severance included in cost of revenues	-	-	-	-	-	-	-	-	-	-	136	53	138	77	404	-	21	-	21
Amortization of intangible assets	632	457	468	469	2,026	435	442	434	143	1,454	52	52	52	50	206	35	35	35	105
Non-GAAP gross profit	\$ 24,011	\$ 23,721	\$ 22,687	\$ 21,273	\$ 91,693	\$ 24,926	\$ 28,867	\$ 30,838	\$ 30,947	\$ 115,578	\$ 28,635	\$ 33,726	\$ 30,850	\$ 44,100	\$ 137,311	\$ 47,566	\$ 50,947	\$ 43,669	\$ 142,182
<b>Reconciliation of GAAP operating income (loss) to non-GAAP operating income (loss)</b>																			
GAAP gross profit	\$ 23,379	\$ 23,264	\$ 22,219	\$ 20,804	\$ 89,667	\$ 24,491	\$ 28,425	\$ 30,404	\$ 30,804	\$ 114,124	\$ 28,447	\$ 33,621	\$ 30,660	\$ 43,973	\$ 136,701	\$ 47,531	\$ 50,891	\$ 43,634	\$ 142,056
Total operating expenses	21,138	20,755	20,955	21,846	84,694	20,761	21,089	21,338	21,841	85,029	22,939	22,969	23,176	24,811	93,895	26,967	30,107	29,363	86,437
GAAP operating income (loss)	\$ 2,241	\$ 2,509	\$ 1,264	\$ (1,042)	\$ 4,973	\$ 3,730	\$ 7,336	\$ 9,066	\$ 8,963	\$ 29,095	\$ 5,508	\$ 10,652	\$ 7,484	\$ 19,162	\$ 42,806	\$ 20,564	\$ 20,784	\$ 14,271	\$ 55,619
Non-GAAP adjustments to operating income (loss):																			
Amortization of intangible assets included in cost of revenues	632	457	468	469	2,026	435	442	434	143	1,454	52	52	52	50	206	35	35	35	105
Amortization of intangible assets included in operating expenses	38	25	26	25	114	24	-	-	-	24	-	-	-	-	-	-	-	-	-
Restructuring	58	-	-	1,322	1,380	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Severance costs	-	-	-	-	-	-	-	-	-	-	284	173	206	586	1,249	-	360	-	360
Executive transition & search costs	-	-	-	-	-	-	-	-	-	-	-	230	125	46	401	422	236	236	894
Total non-GAAP adjustments to operating income (loss)	728	482	494	1,816	3,520	459	442	434	143	1,478	336	455	383	682	1,856	457	631	271	1,359
Non-GAAP operating income (loss)	\$ 2,969	\$ 2,991	\$ 1,758	\$ 774	\$ 8,493	\$ 4,189	\$ 7,778	\$ 9,500	\$ 9,106	\$ 30,573	\$ 5,844	\$ 11,107	\$ 7,867	\$ 19,844	\$ 44,662	\$ 21,021	\$ 21,415	\$ 14,542	\$ 56,978
<b>Reconciliation of GAAP net income (loss) to non-GAAP net income (loss)</b>																			
GAAP operating income (loss)	\$ 2,241	\$ 2,509	\$ 1,264	\$ (1,042)	\$ 4,973	\$ 3,730	\$ 7,336	\$ 9,066	\$ 8,963	\$ 29,095	\$ 5,508	\$ 10,652	\$ 7,484	\$ 19,162	\$ 42,806	\$ 20,564	\$ 20,784	\$ 14,271	\$ 55,619
Other income (expense)	632	(348)	267	44	595	117	(449)	149	223	40	(42)	258	36	240	492	259	(214)	218	263
GAAP income (Loss) before income taxes	2,873	2,161	1,531	(998)	5,568	3,847	6,887	9,215	9,186	29,135	5,466	10,910	7,520	19,402	43,298	20,823	20,570	14,489	55,882
Provision (benefit) for income taxes	317	817	713	816	2,663	380	856	1,332	(17,468)	(14,900)	114	2,622	1,756	8,604	13,096	4,442	2,895	2,921	10,258
GAAP net income (loss)	\$ 2,556	\$ 1,344	\$ 818	\$ (1,814)	\$ 2,905	\$ 3,467	\$ 6,031	\$ 7,883	\$ 26,654	\$ 44,035	\$ 5,352	\$ 8,288	\$ 5,764	\$ 10,798	\$ 30,202	\$ 16,381	\$ 17,675	\$ 11,568	\$ 45,624
Non-GAAP adjustments to net income (loss):																			
Total non-GAAP adjustments to non-GAAP operating income (loss)	728	482	494	1,816	3,520	459	442	434	143	1,478	336	455	383	682	1,856	457	631	271	1,359
Valuation allowance on deferred tax assets and other adjustments									(18,443)	(18,443)	(b)	-	-	-	-	-	-	-	-
Tax Reform														2,569	2,569				
Adj. to tax provision: discrete tax items and tax effect of non-GAAP adjustments	-	-	-	-	-	-	-	-	-	-	(901)	(948)	(491)	(432)	(2,772)	(344)	(912)	(448)	(1,704)
Non-GAAP net income (loss)	\$ 3,284	\$ 1,826	\$ 1,312	\$ 2	\$ 6,425	\$ 3,926	\$ 6,473	\$ 8,317	\$ 8,354	\$ 27,070	\$ 4,787	\$ 7,795	\$ 5,656	\$ 13,617	\$ 31,855	\$ 16,494	\$ 17,394	\$ 11,391	\$ 45,279
<b>Per share data:</b>																			
GAAP net income (loss) per diluted share	\$ 0.11	\$ 0.06	\$ 0.03	\$ (0.07)	\$ 0.12	\$ 0.14	\$ 0.24	\$ 0.31	\$ 1.04	\$ 1.75	\$ 0.21	\$ 0.32	\$ 0.22	\$ 0.42	\$ 1.17	\$ 0.67	\$ 0.72	\$ 0.47	\$ 1.86
Non-GAAP net income (loss) per diluted share	\$ 0.14	\$ 0.08	\$ 0.05	\$ 0.00	\$ 0.26	\$ 0.16	\$ 0.26	\$ 0.33	\$ 0.33	\$ 1.08	\$ 0.19	\$ 0.30	\$ 0.22	\$ 0.53	\$ 1.23	\$ 0.67	\$ 0.71	\$ 0.47	\$ 1.84
Shares used in non-GAAP diluted income per share calculation	24,257	24,285	24,352	24,446	24,375	24,597	24,927	25,282	25,514	25,153	25,833	25,906	25,932	25,819	25,919	24,483	24,442	24,466	24,551
<b>Reconciliation of net cash provided by operating activities to free cash flow</b>																			
GAAP net cash provided by operating activities	(5,874)	(1,283)	9,505	(777)	1,571	499	12,721	20,881	11,584	45,685	3,075	7,183	5,126	5,219	20,603	32,714	26,257	24,437	83,408
Purchase of property and equipment	(502)	(541)	(322)	(481)	(1,846)	(610)	(1,918)	(821)	(650)	(3,999)	(47)	(1,489)	(806)	(2,862)	(5,204)	(1,319)	(442)	(1,181)	(2,942)
Free cash flow	\$ (6,376)	\$ (1,824)	\$ 9,183	\$ (1,258)	\$ (275)	\$ (111)	\$ 10,803	\$ 20,060	\$ 10,934	\$ 41,686	\$ 3,028	\$ 5,694	\$ 4,320	\$ 2,357	\$ 15,399	\$ 31,395	\$ 25,815	\$ 23,256	\$ 80,466

**Notes:**

(a) Includes severance, facility lease termination and other costs associated with consolidating operations into the U.S. and management changes.

(b) Reflects a non-cash valuation allowance release related to certain deferred tax assets.