Ancestry.com Inc.
Reconciliation of Non-GAAP Financial Measures (Unaudited)

The Ancestry.com Inc. second quarter 2012 financial results conference call on July 25, 2012 includes the use of non-GAAP measures. Management believes that adjusted EBITDA and free cash flow are useful measures of operating performance because they exclude items that we do not consider indicative of our core performance. In the case of adjusted EBITDA, we adjust net income for such expenses as interest, income taxes, stock-based compensation and certain non-cash and non-recurring items. Free cash flow subtracts from adjusted EBITDA the capitalization of content databases, purchases of property and equipment and cash paid for income taxes and interest. However, these non-GAAP measures should be considered in addition to, not as a substitute for or superior to, net income and net cash provided by operating activities, or other financial measures prepared in accordance with GAAP. A reconciliation to net income, the most directly comparable GAAP measure, is set forth below.

Our management uses adjusted EBITDA and free cash flow as measures of operating performance; for planning purposes, including the preparation of our annual operating budget; to allocate resources to enhance the financial performance of our business; to evaluate the effectiveness of our business strategies; to provide consistency and comparability with past financial performance; to facilitate a comparison of our results with those of other companies; and in communications with our board of directors concerning our financial performance. We also use adjusted EBITDA and have used free cash flow as factors when determining the incentive compensation pool.

Ancestry.com Inc.
(in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Reconciliation of adjusted EBITDA and free cash flow to net income:				
Net income	$ 19,977	$ 16,557	$ 33,524	$ 25,528
Other expense, net	54	429	15	536
Income tax expense	9,381	9,470	15,951	14,602
Depreciation	3,606	3,188	7,153	6,452
Amortization	5,811	6,576	10,922	12,982
Stock-based compensation expense	4,056	2,201	7,003	3,926
Adjusted EBITDA	$ 42,885	$ 38,421	$ 74,568	$ 64,026
Capitalization of content databases	(7,538)	(4,204)	(12,678)	(9,951)
Purchases of property and equipment	(5,024)	(3,693)	(10,117)	(4,418)
Cash paid for interest	(83)	(111)	(200)	(226)
Cash paid for income taxes	(13,904)	(3,282)	(20,524)	(3,557)
Free cash flow	$ 16,336	$ 27,131	$ 31,049	$ 45,874