

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

	Fiscal 2014					Fiscal 2015					Fiscal 2016				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
<b>Reconciliation of GAAP gross profit to non-GAAP gross profit</b>															
GAAP gross profit	\$ 24,149	\$ 22,908	\$ 11,416	\$ 17,349	\$ 75,822	\$ 23,379	\$ 23,264	\$ 22,219	\$ 20,804	\$ 89,667	\$ 24,491	\$ 28,425	\$ 30,404	\$ 30,804	\$ 114,124
Amortization of intangible assets	674	677	688	684	2,723	632	457	468	469	2,026	435	442	434	143	1,454
Non-GAAP gross profit	\$ 24,823	\$ 23,585	\$ 12,104	\$ 18,033	\$ 78,545	\$ 24,011	\$ 23,721	\$ 22,687	\$ 21,273	\$ 91,693	\$ 24,926	\$ 28,867	\$ 30,838	\$ 30,947	\$ 115,578
<b>Reconciliation of GAAP operating income (loss) to non-GAAP operating income (loss)</b>															
GAAP gross profit	\$ 24,149	\$ 22,908	\$ 11,416	\$ 17,349	\$ 75,822	\$ 23,379	\$ 23,264	\$ 22,219	\$ 20,804	\$ 89,667	\$ 24,491	\$ 28,425	\$ 30,404	\$ 30,804	\$ 114,124
Total operating expenses	22,133	22,162	22,025	21,155	87,475	21,138	20,755	20,955	21,846	84,694	20,761	21,089	21,338	21,841	85,029
GAAP operating income (loss)	\$ 2,016	\$ 746	\$ (10,609)	\$ (3,806)	\$ (11,653)	\$ 2,241	\$ 2,509	\$ 1,264	\$ (1,042)	\$ 4,973	\$ 3,730	\$ 7,336	\$ 9,066	\$ 8,963	\$ 29,095
Non-GAAP adjustments to operating income (loss):															
Amortization of intangible assets included in cost of revenues	674	677	688	684	2,723	632	457	468	469	2,026	435	442	434	143	1,454
Amortization of intangible assets included in operating expenses	108	107	103	102	420	38	25	26	25	114	24	-	-	-	24
Restructuring	-	-	1,715	551	2,266	58	-	-	1,322	1,380	-	-	-	-	-
Total non-GAAP adjustments to operating income (loss)	782	784	2,506	1,337	5,409	728	482	494	1,816	3,520	459	442	434	143	1,479
Non-GAAP operating income (loss)	\$ 2,798	\$ 1,530	\$ (8,103)	\$ (2,469)	\$ (6,244)	\$ 2,969	\$ 2,991	\$ 1,758	\$ 774	\$ 8,493	\$ 4,189	\$ 7,778	\$ 9,500	\$ 9,106	\$ 30,574
<b>Reconciliation of GAAP net income (loss) to non-GAAP net income (loss)</b>															
GAAP operating income (loss)	\$ 2,016	\$ 746	\$ (10,609)	\$ (3,806)	\$ (11,653)	\$ 2,241	\$ 2,509	\$ 1,264	\$ (1,042)	\$ 4,973	\$ 3,730	\$ 7,336	\$ 9,066	\$ 8,963	\$ 29,095
Other income (expense)	166	(170)	(134)	170	33	632	(348)	267	44	595	117	(449)	149	223	41
GAAP income (Loss) before income taxes	2,182	576	(10,743)	(3,636)	(11,621)	2,873	2,161	1,531	(998)	5,568	3,847	6,887	9,215	9,186	29,136
Provision (benefit) for income taxes	587	(12)	17,919	1,003	19,497	317	817	713	816	2,663	380	856	1,332	(17,468)	(14,900)
GAAP net income (loss)	\$ 1,595	\$ 588	\$ (28,662)	\$ (4,639)	\$ (31,118)	\$ 2,556	\$ 1,344	\$ 818	\$ (1,814)	\$ 2,905	\$ 3,467	\$ 6,031	\$ 7,883	\$ 26,654	\$ 44,036
Non-GAAP adjustments to net income (loss):															
Total non-GAAP adjustments to non-GAAP operating income (loss)	782	784	2,506	1,337	5,409	728	482	494	1,816	3,520	459	442	434	143	1,478
Valuation allowance on deferred tax assets and other non-cash adjustments related to tax assets	-	-	21,141	303	21,444	-	-	-	-	-	-	-	-	-	-
Income tax impact of change of valuation allowance on deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	(18,443)	(18,443)
Tax effect of non-GAAP adjustments to operating income (loss)	(282)	(281)	(877)	-	(1,440)	-	-	-	-	-	-	-	-	-	-
Non-GAAP net income (loss)	\$ 2,095	\$ 1,091	\$ (5,892)	\$ (2,999)	\$ (5,705)	\$ 3,284	\$ 1,826	\$ 1,312	\$ 2	\$ 6,425	\$ 3,926	\$ 6,473	\$ 8,317	\$ 8,354	\$ 27,071
Per share data:															
GAAP net income (loss) per diluted share	\$ 0.07	\$ 0.02	\$ (1.19)	\$ (0.19)	\$ (1.30)	\$ 0.11	\$ 0.06	\$ 0.03	\$ (0.07)	\$ 0.12	\$ 0.14	\$ 0.24	\$ 0.31	\$ 1.04	\$ 1.75
Non-GAAP net income (loss) per diluted share	\$ 0.09	\$ 0.05	\$ (0.24)	\$ (0.12)	\$ (0.24)	\$ 0.14	\$ 0.08	\$ 0.05	\$ 0.00	\$ 0.26	\$ 0.16	\$ 0.26	\$ 0.33	\$ 0.33	\$ 1.08
Shares used in non-GAAP diluted income per share calculation	24,159	24,220	24,132	24,048	23,958	24,257	24,285	24,352	24,446	24,375	24,597	24,927	25,282	25,514	25,153
<b>Reconciliation of net cash provided by operating activities to free cash flow</b>															
GAAP net cash provided by operating activities	(4,692)	(2,176)	(2,679)	8,912	(635)	(5,874)	(1,283)	9,505	(777)	1,571	499	12,721	20,881	11,584	45,685
Purchase of property and equipment	(2,193)	(230)	(377)	(2,992)	(5,792)	(502)	(541)	(322)	(481)	(1,846)	(610)	(1,918)	(821)	(650)	(3,999)
Free cash flow	\$ (6,885)	\$ (2,406)	\$ (3,056)	\$ 5,920	\$ (6,427)	\$ (6,376)	\$ (1,824)	\$ 9,183	\$ (1,258)	\$ (275)	\$ (111)	\$ 10,803	\$ 20,060	\$ 10,934	\$ 41,686

**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 related to certain deferred US tax assets and other non-cash adjustments.
- (c) Reflects a non-cash valuation allowance release related to certain deferred tax assets.