

ROCKET FUEL INC.

FORM 8-K (Current report filing)

Filed 02/21/17 for the Period Ending 02/14/17

Address	2000 SEAPORT BLVD 4TH FL REDWOOD CITY, CA 94063
Telephone	650-595-1300
CIK	0001477200
Symbol	FUEL
SIC Code	7370 - Computer Programming, Data Processing, And
Industry	Advertising & Marketing
Sector	Consumer Cyclical
Fiscal Year	12/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported)

February 14, 2017

Rocket Fuel Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-36071
(Commission File Number)

30-0472319
(IRS Employer
Identification No.)

2000 Seaport Blvd.
Redwood City, CA 94063
(Address of principal executive offices, including zip code)

(650) 595-1300
(Registrant's telephone number, including area code)

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))
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Item 1.01 Entry into a Material Definitive Agreement.

On February 14, 2017, Rocket Fuel Inc. (the “Company”) entered into the Sixth Amendment (the “Sixth Amendment”) to its Second Amended and Restated Revolving Credit and Term Loan Agreement with certain lenders party thereto and Comerica Bank, as administrative agent, as amended from time to time. The Sixth Amendment provided for, among other things, (i) extending the revolving credit maturity date by one year to December 31, 2018, (ii) amending the definition of EBITDA to permit the addback of restructuring charges incurred during the first two quarters of fiscal year 2017, (iii) amending the minimum EBITDA financial covenant, (iv) increasing the minimum liquidity ratio financial covenant, (v) decreasing the limit for debt under capital leases in the debt covenant, (vi) reducing the amount of permitted capital expenditures per fiscal year and eliminating the ability to carry forward unutilized amounts to the next fiscal year, and (vi) amending the interest rates.

The foregoing description of the Sixth Amendment is qualified in its entirety by reference to the complete copy of the Sixth Amendment, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated under this Item 1.01 by reference.

Item 2.02. Results of Operations and Financial Condition.

On February 21, 2017, the Company issued a press release announcing its financial results for the three and twelve months ended December 31, 2016. The press release includes a discussion of certain non-GAAP financial measures as well as a reconciliation of such non-GAAP financial measures to the corresponding GAAP financial measures.

A copy of the press release is furnished herewith as Exhibit 99.1 and is incorporated under this Item 2.02 by reference.

The information set forth under this Item 2.02, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in any such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Sixth Amendment, dated as of February 14, 2017, to Second Amended and Restated Revolving Credit and Term Loan Agreement, dated as of December 31, 2014, as amended by that certain First Amendment thereto, dated as of March 13, 2015, as further amended by that certain Second Amendment thereto, dated as of March 10, 2016, as further amended by that certain Third Amendment thereto, dated as of June 21, 2016, as further amended by that certain Fourth Amendment thereto, dated as of September 15, 2016, and further amended by that certain Fifth Amendment thereto, dated as of December 29, 2016, by and among the Company, the lenders party thereto and Comerica Bank, as administrative agent for the lenders.
99.1	Press release announcing financial results dated February 21, 2017.

EXHIBIT INDEX

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99.1	Press release announcing financial results dated February 21, 2017.

**SIXTH AMENDMENT TO SECOND AMENDED AND RESTATED
REVOLVING CREDIT AND TERM LOAN AGREEMENT**

THIS SIXTH AMENDMENT TO SECOND AMENDED AND RESTATED REVOLVING CREDIT AND TERM LOAN AGREEMENT (“Amendment”) is made as of the 14th day of February, 2017, by and among Rocket Fuel Inc. (“Borrower”), the Lenders (as defined below) party hereto and Comerica Bank, as administrative agent for the Lenders (in such capacity, “Agent”).

RECITALS

A. Borrower has entered into that certain Second Amended and Restated Revolving Credit and Term Loan Agreement dated as of December 31, 2014, with Agent, the financial institutions from time to time signatory thereto (collectively, the “Lenders” and each, individually, a “Lender”) and Silicon Valley Bank, as Syndication Agent, as amended by that certain First Amendment to Second Amended and Restated Revolving Credit and Term Loan Agreement and Second Amendment to Security Agreement, dated as of March 13, 2015, by that certain Second Amendment to Second Amended and Restated Revolving Credit and Term Loan Agreement, dated as of March 10, 2016, by that certain Third Amendment to Second Amended and Restated Revolving Credit and Term Loan Agreement, dated as of June 21, 2016, by that certain Fourth Amendment to Second Amended and Restated Revolving Credit and Term Loan Agreement, dated as of September 15, 2016, and as further amended by that certain Fifth Amendment to Second Amended and Restated Revolving Credit and Term Loan Agreement, dated as of December 29, 2016 (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), under which the Lenders extended (or committed to extend) credit to Borrower, as set forth therein.

B. Borrower has requested that Agent and Lenders amend the Credit Agreement.

C. Agent and Lenders are willing to do so, but only on the terms and conditions set forth in this Amendment.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Borrower, Agent and Lenders agree as follows:

1. The following definitions in Section 1.1 of the Credit Agreement are hereby amended and restated in their entirety as follows:

“EBITDA” shall mean with respect to any fiscal period an amount equal to the sum of (a) Consolidated Net Income of the Borrower and its Subsidiaries for such fiscal period, plus (b) in each case to the extent deducted in the calculation of the Borrower’s Consolidated Net Income and without duplication, (i) depreciation and amortization for such period, plus (ii) income tax expense for such period, plus (iii) Consolidated Total Interest Expense paid or accrued during such period, plus (iv) non-cash expenses, losses or charges, including, without limitation, non-cash expenses, losses or charges associated with granting stock options or other convertible securities, including warrants, or related to employee benefit plans, plus (v) costs, fees and expenses in connection with Permitted Acquisitions to the

extent not exceeding \$500,000 in the aggregate for any single such acquisition, plus (vi) any other expenses, losses or charges otherwise agreed to by the Agent and the Majority Lenders, plus (vii) non-recurring restructuring expenses incurred in Fiscal Year ending December 31, 2017, in connection with severance expenses incurred during the fiscal quarters ending March 31, 2017 and June 30, 2017 in an aggregate amount not to exceed \$2,500,000, and minus, to the extent added in computing Consolidated Net Income, and without duplication, all extraordinary and non-recurring revenue and gains (including income tax benefits) for such period, all as determined in accordance with GAAP; provided, however, that notwithstanding the foregoing, “EBITDA” shall be determined on a pro forma basis for the period during which a Permitted Acquisition shall have occurred, giving effect to such Permitted Acquisition as if it occurred on the first day of the relevant period.”

“Revolving Credit Maturity Date” shall mean the earlier to occur of (i) December 31, 2018, and (ii) the date on which the Revolving Credit Aggregate Commitment shall terminate in accordance with the provisions of this Agreement.

2. Section 7.9(a) of the Credit Agreement is hereby amended and restated in its entirety as follows:

“(a) Minimum EBITDA. Borrower shall maintain EBITDA (for the consecutive twelve month period then ending) as of the last day of each fiscal quarter of not less than the amount set forth below opposite the applicable fiscal quarter ending date:

Fiscal Quarter Ending Date	Amount
December 31, 2016	\$10,000,000
March 31, 2017	\$10,000,000
June 30, 2017	\$12,500,000
September 30, 2017	\$13,000,000
December 31, 2017 and each fiscal quarter ending thereafter	\$15,000,000 ”

3. Section 7.9(b) of the Credit Agreement is hereby amended and restated in its entirety as follows:

“(b) Minimum Liquidity Ratio. Borrower shall maintain at all times, a Liquidity Ratio of not less than 1.00 to 1.00, and commencing on January 31, 2017 and thereafter, a Liquidity Ratio of not less than 1.10 to 1.00, tested as of the last day of each calendar month.”

4. Section 8.1(c) of the Credit Agreement is hereby amended and restated in its entirety as follows:

“(c) any Debt of the Borrower or any of its Subsidiaries incurred to finance the acquisition of fixed or capital assets, whether pursuant to a loan or a Capitalized Lease provided that both at the time of and immediately after giving effect to the incurrence thereof (i) no Default or Event of Default shall have occurred and be continuing, and (ii) the aggregate amount of all such Debt at any one time outstanding (including, without limitation, any Debt of the type described in this clause (c) which is set forth on Schedule 8.1 hereof) shall not exceed \$25,000,000, and any renewals or refinancings of such Debt;”

5. Section 8.9 of the Credit Agreement is hereby amended and restated in its entirety as follows:

“8.9 Limitation on Capital Expenditures .

Make or commit to make (by way of the acquisition of securities of a Person or otherwise) any expenditure in respect of the purchase or other acquisition of fixed or capital assets (excluding any such asset acquired in connection with normal replacement and maintenance programs properly charged to current operations) except for (a) Reinvestments of Net Proceeds from Asset Sales or Insurance Proceeds to the extent permitted under Section 4.8 hereof, (b) Capital Expenditures to the extent reimbursed by a landlord during the same period or financed by third party financing (for avoidance of doubt, excluding Advances made hereunder) permitted under the terms of this Agreement, and (c) Capital Expenditures the amount of which (excluding Capital Expenditures permitted under clause (b) of this Section 8.9) (x) in the Fiscal Year ending December 31, 2016 shall not exceed \$15,000,000, and (y) in the Fiscal Year ending December 31, 2017 and any Fiscal Year thereafter shall not exceed \$7,500,000.”

6. Schedule 1.1 to the Credit Agreement is hereby deleted in its entirety and replaced with Schedule 1.1 attached to this Amendment as Attachment 1 .
7. Existing Exhibit J (Form of Covenant Compliance Report) to the Credit Agreement is hereby deleted in its entirety and replaced with new Exhibit J attached to this Amendment as Attachment 2 .
8. This Amendment shall be effective (according to the terms hereof) on the date (the “Sixth Amendment Effective Date”) that Agent shall have received (i) executed facsimile or email counterparts of this Amendment, in each case duly executed and delivered by Agent, Lenders, Borrower, and Guarantors, with originals following promptly thereafter, and (ii) an amendment fee in the amount of 0.15% of the Revolving Credit Aggregate Commitment, to be shared pro rata among the Revolving Credit Lenders, based on their Revolving Credit Percentages.
9. Borrower and Guarantors hereby represent and warrant that, after giving effect to the amendments to the Credit Agreement contained herein, (a) the execution and delivery of this Amendment and the performance by Borrower and Guarantors of their obligations under the Credit Agreement, in each case as amended hereby, are within their corporate or limited liability powers, have been duly authorized, are not

in contravention of law applicable to such party or the terms of their articles of incorporation or bylaws or articles of organization or operating agreement, and do not require the consent or approval of any governmental body, agency or authority, and this Amendment and the Credit Agreement (as amended herein) will constitute the valid and binding obligations of such party, enforceable in accordance with its terms, except as enforcement thereof may be limited by applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance, ERISA or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (whether enforcement is sought in a proceeding in equity or at law), (b) the representations and warranties set forth in Article 6 of the Credit Agreement are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representation or warranty to the extent that it is already qualified or modified by materiality in the text thereof) on and as of the Amendment Effective Date (except to the extent such representations specifically relate to an earlier date), and (c) on and as of the Amendment Effective Date, after giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing.

10. Except as specifically set forth herein, this Amendment shall not be deemed to amend or alter in any respect the terms and conditions of the Credit Agreement (including without limitation all conditions and requirements for Advances and any financial covenants), any of the Notes issued thereunder (except pursuant to the terms of this Amendment), or any of the other Loan Documents. Nor shall this Amendment constitute a waiver or release by Agent or Lenders of any right, remedy, Default or Event of Default under or a consent to any transaction not meeting the terms and conditions of the Credit Agreement, any of the Notes issued thereunder, or any of the other Loan Documents. Furthermore, this Amendment shall not affect in any manner whatsoever any rights or remedies of the Lenders or Agent with respect to any other non-compliance by Borrower or any Guarantor with the Credit Agreement, or the other Loan Documents, whether in the nature of a Default or Event of Default, and whether now in existence or subsequently arising, and shall not apply to any other transaction.
11. Borrower and Guarantors hereby reaffirm, confirm, ratify and agree to be bound by their covenants, agreements and obligations under the Credit Agreement and (as amended hereby) and any other Loan Documents previously executed and delivered by them, or executed and delivered in accordance with this Amendment. Each reference in the Loan Documents to "the Credit Agreement" shall be deemed to refer to the Credit Agreement as amended by this Amendment.
12. Borrower and Guarantors hereby acknowledge and agree that this Amendment and the amendments and consents contained herein do not constitute any course of dealing or other basis for altering any obligation of Borrower, Guarantors or any other Credit Party or any rights, privilege or remedy of Lenders under the Credit Agreement or any other Loan Document.
13. Unless otherwise defined to the contrary herein, all capitalized terms used in this Amendment shall have the meanings set forth in the Credit Agreement.

14. This Amendment may be executed in counterparts in accordance with Section 13.8 of the Credit Agreement.
15. This Amendment shall be construed in accordance with and governed by the laws of the State of California (without giving effect to conflict of laws principles).

(Remainder of page intentionally left blank.)

IN WITNESS WHEREOF , Agent, Lenders, Borrower, and Guarantors have each caused this Amendment to be executed by their respective duly authorized officers or agents, as applicable, all as of the date first set forth above.

COMERICA BANK , as Agent and a Lender

By: /s/ Dennis Rapoport

Name: Dennis Rapoport

Title: SVP

Signature Page to Sixth Amendment to Credit Agreement

SILICON VALLEY BANK , as a Lender

By: /s/ Trefor Bacon

Name: Trefor Bacon

Title: Vice President

Signature Page to Sixth Amendment to Credit Agreement

CITY NATIONAL BANK , as a Lender

By: /s/ Alan Jepsen

Name: Alan Jepsen

Title: SVP

Signature Page to Sixth Amendment to Credit Agreement

ROCKET FUEL INC. , as Borrower

By: /s/ Stephen Snyder

Name: Stephen Snyder

Title: Chief Financial Officer

Signature Page to Sixth Amendment to Credit Agreement

X PLUS TWO SOLUTIONS, LLC, as a Guarantor

By: /s/ Henrik Gerdes

Name: Henrik Gerdes

Title: Chief Financial Officer

X PLUS ONE SOLUTIONS, INC. , as a Guarantor

By: /s/ Henrik Gerdes

Name: Henrik Gerdes

Title: Chief Financial Officer

Signature Page to Sixth Amendment to Credit Agreement

Attachment 1

**Schedule 1.1
Applicable Margin Grid
Revolving Credit
(basis points per annum)**

Basis for Pricing	Level I	Level II	Level III
Pricing Liquidity*	≥ \$100,000,000	< \$100,000,000 and ≥ \$50,000,000	< \$50,000,000
Revolving Credit Eurodollar-based Rate Margin	300.0	325.0	350.0
Revolving Credit Base Rate Margin	200.0	225.0	250.0
Revolving Credit Facility Fee	37.5	37.5	37.5
Letter of Credit Fees (exclusive of facing fees)	300.0	325.0	350.0

* Definitions as set forth in the Credit Agreement.

Attachment 2

EXHIBIT J

FORM OF COVENANT COMPLIANCE REPORT

Please send all Required Reporting to:

Comerica Bank
411 W. Lafayette Ave., MC 3289
Detroit, Michigan 48226
Attention: Corporate Finance
Fax: (313) 222-9434

FROM: ROCKET FUEL INC.

The undersigned authorized Officer of ROCKET FUEL INC. (“Borrower”), hereby certifies that in accordance with the terms and conditions of that certain Second Amended and Restated Revolving Credit and Term Loan Agreement made as of the 31st day of December, 2014 (as amended, restated or otherwise modified from time to time, the “Credit Agreement”), by and among the financial institutions from time to time signatory thereto (each, individually, a “Lender,” and any and all such financial institutions collectively, the “Lenders”), Comerica Bank, as administrative agent for the Lenders (in such capacity, “Agent”), and Borrower, (i) Borrower is in complete compliance for the period ending _____ with [Section 7.9(b) and Section 7.9(c)(ii)] ¹ [all required covenants] ², except as noted below and (ii) all representations and warranties of Borrower stated in the Credit Agreement are true and correct in all material respects as of the date hereof (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects). Attached herewith are the required documents supporting the above certification. [The Officer further certifies that the attached financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) consistently applied from one period to the next except (i) as explained in an accompanying letter or footnotes and (ii) with respect to unaudited financial statements, for the absence of footnotes and subject to year-end adjustments.] ³

Please indicate compliance status by circling Yes/No under “Complies” or “Applicable” column.

<u>REPORTING COVENANTS</u> ⁴	<u>REQUIRED</u>	<u>COMPLIES</u>	
Audited Annual F/S	Annually, within 90 days	YES	NO
Company Prepared Monthly F/S	Monthly, within 30 days	YES	NO
Covenant Compliance Certificate (Liquidity Ratio and minimum Cash)	Monthly, within 30 days	YES	NO
Annual Covenant Compliance Certificate	Annually, within 90 days	YES	NO
Quarterly Covenant Compliance Certificate	Quarterly, for first three fiscal quarters, within 30 days	YES	NO
Borrowing Base Cert., A/R & A/P Agings	Monthly, within 30 days	YES	NO
Annual projections	60 days after FYE	YES	NO
Audit	Semi-annual	YES	NO
10-Q	Quarterly, within 45 days of fiscal quarter end	YES	NO
10-K	Annually, within 90 days of FYE	YES	NO
Pricing Liquidity	Amount: \$ _____	YES	NO

Applicable level on the pricing matrix on Schedule 1.1 ⁵ **Level** _____

¹ Include in monthly Covenant Compliance Reports delivered pursuant to Section 7.2(a)(ii).

² Include in quarterly and annual Covenant Compliance Reports delivered pursuant to Section 7.2(a)(iii).

³ Include in quarterly and annual Covenant Compliance Reports delivered pursuant to Section 7.2(a)(iii).

⁴ Include in quarterly and annual Covenant Compliance Reports delivered pursuant to Section 7.2(a)(iii).

⁵ Include in quarterly and annual Covenant Compliance Reports delivered pursuant to Section 7.2(a)(iii).

<u>REPORTING COVENANTS</u> ¹	<u>DESCRIPTION</u>	<u>APPLICABLE</u>	
Legal action which could reasonably be expected to have MAE	Notify promptly upon notice	YES	NO
Mergers & Acquisitions > \$5,000,000	10 – 90 days prior to date of acquisition closing	YES	NO
Cross default with other agreements	Notify promptly upon notice	YES	NO
> \$1,000,000		YES	NO
Judgment > \$1,000,000	Notify promptly upon notice	YES	NO

<u>FINANCIAL COVENANTS</u>	<u>REQUIRED</u>	<u>ACTUAL</u>	<u>COMPLIES</u>	
Minimum EBITDA (tested quarterly)	*	\$ _____	YES	NO
Minimum Liquidity Ratio (tested monthly)	**	_____ : _____	YES	NO
Minimum Cash on deposit with Agent or Lenders (tested as of the 15 th day of each month and the last day of each month)	\$ 30,000,000	\$ _____ (as of 15 th day of month) \$ _____ (as of last day of month)	YES	NO

<u>OTHER COVENANTS</u> ²	<u>REQUIRED</u>	<u>ACTUAL</u>	<u>COMPLIES</u>	
Permitted payments in lieu of fractional shares in connection with conversion or exercise of convertible securities	≤ \$1,000,000	\$ _____	YES	NO
Permitted payments in lieu of fractional shares in connection with stock dividends and splits	≤ \$1,000,000	\$ _____	YES	NO
Permitted Investments for loans to employees, officers and directors	≤ \$1,000,000	\$ _____	YES	NO
Permitted Investments by Borrower or a Guarantor to subsidiaries that are not Borrower or a Guarantor	≤ \$3,000,000	\$ _____	YES	NO
Permitted Investments for joint ventures	≤ \$250,000	\$ _____	YES	NO
Permitted Investments in connection with Guarantee Obligations	≤ \$1,000,000	\$ _____	YES	NO
Other Investments	≤ \$1,000,000	\$ _____	YES	NO
Capital Expenditures	***	\$ _____	YES	NO
Asset Sales, other than those permitted by any clause of Section 8.4 of the Credit Agreement other than clause (g)	≤ \$1,000,000	\$ _____	YES	NO
Amount of obligations secured by other liens pursuant to Section 8.2(i)	≤ \$1,000,000	\$ _____	YES	NO
Balance of corporate credit cards	≤ \$3,000,000	\$ _____	YES	NO
Other letters of credit	≤ \$1,000,000	\$ _____	YES	NO

¹ Include in quarterly and annual Covenant Compliance Reports delivered pursuant to Section 7.2(a)(iii).

² Include in quarterly and annual Covenant Compliance Reports delivered pursuant to Section 7.2(a)(iii).

Debt of Person that becomes a Subsidiary of Borrower after Effective Date (or assumed by Borrower or a Subsidiary in connection with Permitted Acquisition)	≤ \$1,000,000	\$ _____	YES	NO
Permitted Debt to finance acquisition of fixed/ capital assets	≤ \$25,000,000	\$ _____	YES	NO
Dominion of Funds – Cash on deposit with Agent or Lenders (tested as of the last day of each month)	\$30,000,001 – \$39,999,999	\$ _____	YES	NO
Additional Unsecured Debt	≤ \$1,000,000	\$ _____	YES	NO

*

Fiscal Quarter Ending Date	Amount
December 31, 2016	\$10,000,000
March 31, 2017	\$10,000,000
June 30, 2017	\$12,500,000
September 30, 2017	\$13,000,000
December 31, 2017 and each fiscal quarter ending thereafter	\$15,000,000

**

Month Ending Date	Liquidity Ratio
December 31, 2016	1.00:1.00
January 31, 2017 and each month ending thereafter	1.10:1.00

Fiscal Year Ending Date	Amount
December 31, 2016	\$15,000,000
December 31, 2017 and each Fiscal Year thereafter	\$7,500,000

Please Enter Below Comments Regarding Violations:

The Officer further acknowledges that at any time Borrower is not in compliance with all the terms set forth in the Credit Agreement, including, without limitation, the financial covenants, no credit extensions will be made.

Very truly yours,

Authorized Signer

Name:

Title:

Rocket Fuel Reports Financial Results for the Fourth Quarter and Full Year 2016

*Company Generates \$21 Million in Operating Cash Flow
and \$4.6 Million in Non-GAAP Free Cash Flow in the Full Year*

REDWOOD CITY, California - February 21, 2017 - Rocket Fuel Inc. (NASDAQ: FUEL), a leading Programmatic Marketing Platform provider, today announced financial results for the fourth quarter and fiscal year ended December 31, 2016 .

"2016 was a transformational year for Rocket Fuel. We sharpened our strategy to become the industry-leading predictive marketing platform, and reorganized the company to support our continued transformation into a SaaS company, selling both technology and services. We are excited to report that in the fourth quarter, we grew our revenue from platform solutions by 97% year over year," commented Randy Wootton, Chief Executive Officer.

"Our fourth quarter and 2016 results demonstrate our continued ability to execute against our strategic priorities and deliver predictable financial results. As evidence, our non-GAAP net revenue came in at the high end of our guidance range, our Adjusted EBITDA was well above our guidance range and we delivered on our commitment to be free cash flow positive in Q4 and for the full year. We believe that we have taken the right steps to strengthen the company and stay on the leading edge of innovation in ad tech," concluded Wootton.

Financial Highlights for the Fourth Quarter of 2016

GAAP Revenue : \$124.8 million compared to \$125.4 million for the fourth quarter of 2015. Revenue derived from North America was \$101.8 million , flat with the fourth quarter last year. Revenue from outside North America was \$23.0 million , down 1% from last year. Platform Solutions revenue grew 97% year over year, increasing to 22% of revenue versus 11% last year. Media Services was 78% of revenue versus 89% last year.

Non-GAAP Net Revenue : \$61.2 million , compared to \$74.7 million for the fourth quarter of 2015.

GAAP Net Loss : \$(17.5) million , or \$(0.38) per share, compared to a net loss of \$(12.7) million , or \$(0.29) per share for the fourth quarter of 2015.

Non-GAAP adjusted EBITDA : \$6.5 million , compared to \$8.9 million in the fourth quarter of 2015.

GAAP Net Cash provided by Operating Activities : \$10.1 million , compared to \$2.1 million in the fourth quarter of 2015.

Non-GAAP Free Cash Flow : \$7.3 million , compared to \$1.8 million in the fourth quarter of 2015.

Top Customers: Revenue from top 50 customers was 59% of total revenue, compared to 46% in the fourth quarter of fiscal year 2015. Revenue from top 250 customers was 87% of total revenue, compared to 79% in the fourth quarter of fiscal year 2015.

Employee Headcount : 851 as of December 31, 2016 , down from 954 as of December 31, 2015 .

Financial Highlights for the Fiscal Year ended December 31, 2016

GAAP Revenue : \$456.3 million compared to \$461.6 million for the year ended December 31, 2015 .

Non-GAAP Net Revenue : \$252.1 million compared to \$272.5 million for the year ended December 31, 2015 .

GAAP Net Loss : \$(65.7) million , or \$(1.47) per share, inclusive of an aggregate \$8.1 million in restructuring and impairment charges, compared to a net loss of \$(210.5) million , or \$(4.95) per share, for the year ended December 31, 2015 , which included the impairment charges of goodwill.

Non-GAAP adjusted EBITDA : \$14.7 million , compared to \$0.1 million for the year ended December 31, 2015 .

GAAP Net Cash provided by Operating Activities : \$20.8 million , compared to \$4.5 million for the year ended December 31, 2015.

Non-GAAP Free Cash Flow : \$4.6 million , compared to cash outflows of \$(19.5) million for the year ended December 31, 2015.

Cash and Cash Equivalents : \$84.0 million as of December 31, 2016 , compared to \$78.6 million last year.

Financial Outlook for the First Quarter of 2017

For the first quarter of 2017, the Company expects a typical seasonality, and anticipates:

- Non-GAAP Net Revenue in the range of \$47 million to \$52 million,
- Non-GAAP adjusted EBITDA in the range of negative \$7 million to negative \$2 million .

The Company does not reconcile its forward-looking non-GAAP financial measures, net revenue and adjusted EBITDA, to the corresponding GAAP measures due to the high variability and difficulty in making accurate forecasts and projections in respect to the interplay between revenue and the corresponding margins. Our Media Services and Platform Solutions have different media margins and the pace of the transition of some of our business from Media Services to Platform Solutions, the pace of adoption, or activation of existing Platform Solutions customers, and the corresponding future margins cannot be reasonably predicted. The GAAP measure net income includes stock-based compensation expense that is impacted by future hiring and retention needs, and the future share price of Rocket Fuel's stock. Similarly, restructuring charges, which we exclude from our non-GAAP measure adjusted EBITDA, are impacted by future decisions and by actions involving our facilities that are difficult to predict. The actual amounts of these excluded items will have a significant impact on the Company's GAAP net income. Accordingly, reconciliations of these two forward-looking non-GAAP financial measures to the corresponding GAAP measures are not available without unreasonable effort.

Conference Call and Webcast Information

The Rocket Fuel fourth quarter and fiscal year 2016 teleconference and webcast is scheduled to begin at 2:00 PM Pacific Time on Tuesday, February 21, 2017. To participate on the live call, analysts and investors should dial 1-888-428-9507, or outside the U.S. 719-325-2108, at least ten minutes prior to the call. Rocket Fuel will also offer a live and archived webcast of the conference call, accessible from the "Investors" section of its website at www.rocketfuel.com.

Use of Non-GAAP Measures

We provide information relating to non-GAAP net revenue, non-GAAP adjusted EBITDA, non-GAAP adjusted net income (loss), non-GAAP operating expenses and non-GAAP free cash flow, which are financial measures that have not been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). These non-GAAP financial measures have been included in this press release, or discussed on our teleconference and webcast, because they are measures used by our management and board of directors to understand and evaluate our core operating

performance and trends, to prepare and approve our annual budget, and to develop short- and long-term operational plans.

We define non-GAAP net revenue as GAAP revenue less media costs. Media costs consist of costs for advertising impressions we purchase from advertising exchanges or other third parties. A limitation of non-GAAP net revenue is that it is a measure designed for internal purposes that may be unique to Rocket Fuel and may not enhance the comparability of Rocket Fuel's results to other companies in the same industry that have similar business arrangements but present the impact of media costs differently. Our management compensates for this limitation by also considering the comparable GAAP financial measures of revenue, media costs and other costs of revenue.

We define non-GAAP adjusted EBITDA as GAAP net income (loss) before interest expense, other income (expense), net, income tax provision (benefit), depreciation and amortization expense (including amortization of capitalized software development expenses), stock-based compensation expense and related payroll taxes, acquisition and restructuring related expenses, and impairment charges. Non-GAAP adjusted EBITDA has a number of limitations, including the following: although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future and non-GAAP adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements; non-GAAP adjusted EBITDA is often considered an approximation of operating cash flow, but in our case excludes software development costs capitalized in a current period and excludes those costs as they are amortized over future periods; non-GAAP adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs; non-GAAP adjusted EBITDA does not consider the potentially dilutive impact of equity-based compensation; non-GAAP adjusted EBITDA does not reflect acquisition and restructuring related expenses, the expenses capitalized for internal-use software, tax and interest expenses that may represent payments reducing the cash available to us; and other companies, including those in our industry, may calculate non-GAAP adjusted EBITDA differently, which reduces its usefulness as a comparative measure. Because of these limitations, our management considers non-GAAP adjusted EBITDA alongside other financial performance measures, including cash flow metrics, net income (loss) and our other GAAP results.

We define non-GAAP adjusted net income (loss) as GAAP net income (loss) excluding stock-based compensation expense, amortization of intangible assets, impairment charges, acquisition and restructuring related expenses and the estimated tax impact of the foregoing items. A limitation of non-GAAP adjusted net income (loss) is that it is a measure that may be unique to Rocket Fuel and may not enhance the comparability of Rocket Fuel's results to other companies in the same industry that define adjusted net income (loss) differently. This measure may also exclude expenses that may have a material impact on Rocket Fuel's reported financial results. Our management compensates for these limitations by also considering the comparable GAAP financial measure of net income (loss).

We define non-GAAP operating expenses as GAAP total costs and expenses less media costs, depreciation and amortization expense (including amortization of capitalized software development costs), impairment charges, stock-based compensation expense and related payroll taxes, and acquisition and restructuring related expense. Non-GAAP operating expenses has a number of limitations, including the following: although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future and this measure does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements; non-GAAP operating expenses is often considered an approximation of operating cash flow, but in our case excludes software development costs capitalized in a current period and excludes those costs as they are amortized over future periods; non-GAAP operating expenses does not reflect changes in, or cash requirements for, our working capital needs; non-GAAP operating expenses does not consider the potentially dilutive impact of equity-based compensation; non-GAAP operating expenses does not reflect acquisition and restructuring related expenses, the expenses capitalized for internal-use software, tax and interest expenses that may represent payments reducing the cash available to us; and other companies, including those in our industry, may calculate non-GAAP operating expenses differently, which reduces its usefulness as a comparative measure. Because of these limitations, our management considers non-GAAP operating expenses alongside other financial performance measures, including total expenses, cash from operating activities and our other GAAP results.

In addition, we provide information about our non-GAAP free cash flow. We define non-GAAP free cash flow as the net cash provided by (or used in) operating activities less the cash used for purchases of property, equipment and software and for capitalized internal-use software development costs. A limitation of free cash flow is that it may be unique to Rocket Fuel and may not enhance the comparability of Rocket Fuel's results to other companies in the same industry that define free cash flow differently from us. This measure also does not represent the residual cash flow available to us for discretionary expenditures or investments because we have mandatory capital leases and debt service requirements that may have a material impact on Rocket Fuel's liquidity. Our management compensates for these limitations by also considering the comparable GAAP financial measure of net cash provided by (or used in) operating activities.

For a reconciliation of non-GAAP financial measures to the nearest comparable GAAP financial measures, see "Reconciliation from GAAP Revenue to Non-GAAP Net Revenue," "Reconciliation from GAAP Net Income (Loss) to Non-GAAP Adjusted EBITDA," "Reconciliation from GAAP Net Income (Loss) to Non-GAAP Adjusted Net Income (Loss)," "Reconciliation from GAAP Total Cost and Expenses to Non-GAAP Operating Expenses" and "Reconciliation from GAAP Net Cash Provided by (or Used in) Operating Activities to Non-GAAP Free Cash Flow" included in this press release.

These non-GAAP financial measures are not intended to be considered in isolation from, as substitutes for, or as superior to, the corresponding financial measures prepared in accordance with GAAP.

Cautions Regarding Forward-Looking Statements

This press release and the webcast of the same date contain forward-looking statements regarding future events and our future financial performance, including but not limited to expected progress against achieving our strategic imperatives; the value of our Moment Scoring technology; expectations regarding our platform solutions business and our media services business; expected changes in our revenue mix and shifts in margins; our sales and marketing execution and focus on high value accounts; our ability to improve and activate relationships with agencies and agency holding companies; our customer and supplier relationships; our operating expenses and cost structure; and expectations for first quarter non-GAAP net revenue and non-GAAP adjusted EBITDA, and financial goals for fiscal year 2017. Words such as "expect," "believe," "intend," "plan," "goal," "focus," "anticipate," and other similar words are also intended to identify forward-looking statements.

These forward-looking statements are subject to a number of risks and uncertainties that may cause actual results to differ materially from the results anticipated by such statements, including, without limitation: our limited operating history, particularly as a relatively new public company; fluctuations in our operating results, including but not limited to fluctuations due to seasonality; changes in customers; our history of losses; our access to capital on acceptable terms; our ability to achieve the expected benefits of our restructuring and operating efficiency plans; risks due to employee attrition and integration of new leadership and employees; risks associated with margin shifts in our business; our ability to adequately address competition; our ability to serve the needs of agencies and agency holding companies; and risks to our ability to make the right investment decisions with regard to new products, technology, infrastructure, sales strategies and strategic imperatives in our key markets, including international.

Additional factors that could cause actual results to differ materially from those anticipated by our forward-looking statements are under the caption "Risk Factors" in our Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 14, 2016 and in subsequent SEC filings. These forward-looking statements are made as of the date of this press release and the related webcast, and the Company expressly disclaims any obligation or undertaking to update the forward-looking statements contained herein or therein to reflect events that occur or circumstances that exist after the date on which the statements were made.

About Rocket Fuel

Rocket Fuel is a predictive marketing software company that uses artificial intelligence to empower agencies and marketers to anticipate people's need for products and services.

Headquartered in Redwood City, Calif., Rocket Fuel has more than 20 offices worldwide and trades on the NASDAQ Global Select Market under the ticker symbol "FUEL." Rocket Fuel, the Rocket Fuel logo, Moment Scoring, Advertising That Learns and Marketing That Learns are trademarks or registered trademarks of Rocket Fuel Inc. in the United States and other countries.

Investor Relations:

(650) 481-6082

ir@rocketfuel.com

Rocket Fuel Inc.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 31, 2016	December 31, 2015
Assets		
Current Assets:		
Cash and cash equivalents	\$ 84,024	\$ 78,560
Accounts receivable, net	125,755	124,998
Prepaid expenses	2,598	3,803
Other current assets	3,049	2,081
Total current assets	<u>215,426</u>	<u>209,442</u>
Property, equipment and software, net	49,561	82,781
Restricted cash	1,749	2,141
Intangible assets, net	34,874	50,919
Deferred tax assets, net	574	718
Other assets	517	1,053
Total assets	<u>\$ 302,701</u>	<u>\$ 347,054</u>
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	\$ 83,001	\$ 71,292
Accrued and other current liabilities	33,486	40,734
Deferred revenue	2,856	2,116
Current portion of capital leases	8,325	8,602
Current portion of debt	71,190	45,720
Total current liabilities	<u>198,858</u>	<u>168,464</u>
Debt - Less current portion	—	17,617
Capital leases - Less current portion	6,721	11,855
Deferred rent - Less current portion	9,121	14,042
Other liabilities	850	1,176
Total liabilities	<u>215,550</u>	<u>213,154</u>
Stockholders' Equity:		
Common stock	46	44
Additional paid-in capital	473,056	453,338
Accumulated other comprehensive loss	(925)	(151)
Accumulated deficit	(385,026)	(319,331)
Total stockholders' equity	<u>87,151</u>	<u>133,900</u>
Total Liabilities and Stockholders' Equity	<u>\$ 302,701</u>	<u>\$ 347,054</u>

Rocket Fuel Inc.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except loss per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
Revenue	\$ 124,830	\$ 125,401	\$ 456,263	\$ 461,637
Costs and expenses:				
Media costs	63,595	50,700	204,168	189,089
Other cost of revenue (1)	21,848	19,980	85,120	79,867
Research and development (1)	7,364	10,786	35,354	44,922
Sales and marketing (1)	28,985	39,831	131,099	166,140
General and administrative (1)	11,119	13,691	50,117	58,354
Impairment of goodwill	—	—	—	117,521
Restructuring	6,555	922	8,122	7,393
Total costs and expenses	139,466	135,910	513,980	663,286
Operating loss	(14,636)	(10,509)	(57,717)	(201,649)
Interest expense	1,115	1,090	4,466	4,563
Other (income) expense, net	1,304	803	2,387	3,112
Loss before income taxes	(17,055)	(12,402)	(64,570)	(209,324)
Income tax provision (benefit)	438	279	1,125	1,221
Net loss	\$ (17,493)	\$ (12,681)	\$ (65,695)	\$ (210,545)
Basic and diluted net loss per share attributable to common stockholders	\$ (0.38)	\$ (0.29)	\$ (1.47)	\$ (4.95)
Basic and diluted weighted-average shares used to compute net loss per share attributable to common stockholders	45,808	43,150	44,579	42,551

(1) Includes unaudited stock-based compensation expense as follows (in thousands):

	Three Months Ended December 31,		Year Ended December 31,	
	2016	2015	2016	2015
Other cost of revenue	\$ 432	\$ 408	\$ 1,978	\$ 1,975
Research and development	726	1,937	3,523	7,706
Sales and marketing	1,069	2,260	4,926	9,894
General and administrative	958	1,180	4,762	6,399
	\$ 3,185	\$ 5,785	\$ 15,189	\$ 25,974

Rocket Fuel Inc.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Operating Activities:				
Net loss	\$ (17,493)	\$ (12,681)	\$ (65,695)	\$ (210,545)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Impairment of goodwill	—	—	—	117,521
Depreciation and amortization	11,428	12,684	49,119	50,762
Impairment of long-lived assets	2,970	3,929	4,195	6,633
Accelerated amortization of leasehold improvements	7,889	—	14,948	—
Stock-based compensation	3,185	5,785	15,189	25,974
Deferred taxes	116	(379)	157	(379)
Other non-cash adjustments, net	1,687	384	4,404	1,499
Changes in operating assets and liabilities, net of effects of acquisition:				
Accounts receivable	(13,037)	(14,858)	(3,108)	9,275
Prepaid expenses and other assets	1,030	(764)	(70)	9,128
Accounts payable, accrued and other liabilities	20,214	11,374	14,616	(3,746)
Deferred rent	(7,227)	(3,868)	(13,722)	(3,184)
Deferred revenue	(700)	465	740	1,523
Net cash provided by operating activities	<u>10,062</u>	<u>2,071</u>	<u>20,773</u>	<u>4,461</u>
Investing Activities:				
Purchases of property, equipment and software	(387)	(715)	(5,419)	(11,512)
Business acquisition, net	—	—	—	(367)
Capitalized internal-use software development costs	(2,348)	(3,195)	(10,768)	(12,402)
Other investing activities	32	53	456	689
Net cash used in investing activities	<u>(2,703)</u>	<u>(3,857)</u>	<u>(15,731)</u>	<u>(23,592)</u>
Financing Activities:				
Proceeds from exercise of common stock options	5	16	239	940
Proceeds from ATM Offering, net of issuance costs	(96)	—	1,536	—
Proceeds from issuance of common stock from employee stock purchase plan	792	1,130	1,812	3,579
Tax withholdings related to net share settlements of restricted stock units	(246)	(458)	(1,266)	(1,432)
Repayment of capital lease obligations	(2,368)	(1,902)	(8,777)	(6,239)
Proceeds from debt facilities, net of debt issuance costs	—	—	31,350	(242)
Repayment of debt facilities	—	(1,500)	(24,000)	(6,000)
Net cash (used in) provided by financing activities	<u>(1,913)</u>	<u>(2,714)</u>	<u>894</u>	<u>(9,394)</u>
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(85)	(23)	(472)	29
Change in Cash and Cash Equivalents	5,361	(4,523)	5,464	(28,496)
Cash and Cash Equivalents—Beginning of period	78,663	83,083	78,560	107,056
Cash and Cash Equivalents—End of period	<u>\$ 84,024</u>	<u>\$ 78,560</u>	<u>\$ 84,024</u>	<u>\$ 78,560</u>

Rocket Fuel Inc.
UNAUDITED NON-GAAP MEASURES
(In thousands, except per share data)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Non-GAAP net revenue	\$ 61,235	\$ 74,701	\$ 252,095	\$ 272,548
Non-GAAP adjusted EBITDA	\$ 6,532	\$ 8,899	\$ 14,713	\$ 89
Non-GAAP adjusted net income (loss)	\$ (3,988)	\$ (1,847)	\$ (26,339)	\$ (41,079)
Non-GAAP adjusted net income (loss) per diluted share	\$ (0.09)	\$ (0.04)	\$ (0.59)	\$ (0.97)
Non-GAAP operating expenses	\$ 54,703	\$ 65,802	\$ 237,382	\$ 272,459
Non-GAAP free cash flow	\$ 7,327	\$ (1,839)	\$ 4,586	\$ (19,453)

Rocket Fuel Inc.
UNAUDITED RECONCILIATION FROM GAAP REVENUE TO NON-GAAP NET REVENUE
(In thousands)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Revenue	\$ 124,830	\$ 125,401	\$ 456,263	\$ 461,637
Less: Media costs	63,595	50,700	204,168	189,089
Non-GAAP net revenue	<u>\$ 61,235</u>	<u>\$ 74,701</u>	<u>\$ 252,095</u>	<u>\$ 272,548</u>

Rocket Fuel Inc.
UNAUDITED RECONCILIATION FROM GAAP NET LOSS TO NON-GAAP ADJUSTED EBITDA
(In thousands)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Net loss	\$ (17,493)	\$ (12,681)	\$ (65,695)	\$ (210,545)
Adjustments:				
Interest expense	1,115	1,090	4,466	4,563
Income tax provision (benefit)	438	279	1,125	1,221
Amortization of intangibles	3,765	4,127	16,045	18,380
Amortization of capitalized software	2,947	2,152	10,871	7,623
Depreciation	4,716	6,405	22,203	24,759
Stock-based compensation expense	3,185	5,785	15,189	25,974
Other (income) expense, net	1,304	803	2,387	3,112
Restructuring expense	6,555	922	8,122	7,393
Payroll tax expense related to stock-based compensation	—	17	—	88
Impairment of goodwill	—	—	—	117,521
Total adjustments	24,025	21,580	80,408	210,634
Non-GAAP adjusted EBITDA	\$ 6,532	\$ 8,899	\$ 14,713	\$ 89

Rocket Fuel Inc.
UNAUDITED RECONCILIATION FROM GAAP NET LOSS TO NON-GAAP ADJUSTED NET INCOME (LOSS)
(In thousands, except per share data)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Net loss	\$ (17,493)	\$ (12,681)	\$ (65,695)	\$ (210,545)
Stock-based compensation expense	3,185	5,785	15,189	25,974
Amortization of intangible assets	3,765	4,127	16,045	18,380
Restructuring expense	6,555	922	8,122	7,393
Tax impact of the above items	—	—	—	198
Impairment of goodwill	—	—	—	117,521
Non-GAAP adjusted net income (loss)	\$ (3,988)	\$ (1,847)	\$ (26,339)	\$ (41,079)
Basic and diluted net loss per share attributable to common stockholders	\$ (0.38)	\$ (0.29)	\$ (1.47)	\$ (4.95)
Non-GAAP adjusted net income (loss) per diluted share	\$ (0.09)	\$ (0.04)	\$ (0.59)	\$ (0.97)
Weighted average shares used in computing non-GAAP adjusted net income (loss) per diluted share	45,808	43,150	44,579	42,551

Rocket Fuel Inc.

**UNAUDITED RECONCILIATION FROM GAAP TOTAL COSTS AND EXPENSES TO NON-GAAP OPERATING EXPENSES
(In thousands)**

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
	Total costs and expenses	\$ 139,466	\$ 135,910	\$ 513,980
Less media costs	63,595	50,700	204,168	189,089
Adjustments:				
Amortization of intangibles	3,765	4,127	16,045	18,380
Amortization of capitalized software	2,947	2,152	10,871	7,623
Depreciation	4,716	6,405	22,203	24,759
Stock-based compensation expense	3,185	5,785	15,189	25,974
Restructuring expense	6,555	922	8,122	7,393
Payroll tax expense related to stock based compensation	—	17	—	88
Impairment of goodwill	—	—	—	117,521
Total adjustments	21,168	19,408	72,430	201,738
Non-GAAP operating expenses	\$ 54,703	\$ 65,802	\$ 237,382	\$ 272,459

Rocket Fuel Inc.

**UNAUDITED RECONCILIATION FROM CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES TO NON-GAAP FREE
CASH FLOW
(In thousands)**

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2016	2015	2016	2015
	Cash provided by operating activities	10,062	2,071	20,773
Less: Purchases of property, equipment and software	(387)	(715)	(5,419)	(11,512)
Less: Capitalized internal-use software development costs	(2,348)	(3,195)	(10,768)	(12,402)
Non-GAAP free cash flow	\$ 7,327	\$ (1,839)	\$ 4,586	\$ (19,453)