

**SEGMENT PROFIT (1) AND SEGMENT MARGIN (2)**
**Revenues:**

 Data center services  
 Internet protocol (IP) services  
 Total

**Direct costs of sales and services, exclusive of depreciation and amortization:**

 Data center services  
 IP services  
 Total

**Segment profit (1):**

 Data center services  
 IP services  
 Total

**Segment margin (2):**

 Data center services  
 IP services  
 Total

**CASH OPERATING EXPENSE (3)**
**Total operating costs and expenses (GAAP)**

Total operating costs and expenses as % of revenue

 Direct costs of sales and services, exclusive of depreciation and amortization  
 Depreciation and amortization  
 (Loss) gain on disposal of property and equipment, net  
 Exit activities, restructuring and impairments  
 Stock-based compensation  
 Acquisition costs  
 Strategic alternatives and related costs

**Cash operating expense (3) (non-GAAP)**

Cash operating expense (non-GAAP) as % of revenue

**STOCK-BASED COMPENSATION EXPENSE SUMMARY**

 Direct costs of customer support  
 Sales and marketing  
 General and administrative  
 Total

**ADJUSTED EBITDA (4)**
**Loss from operations (GAAP)**

 Depreciation and amortization  
 Loss (gain) on disposal of property and equipment, net  
 Exit activities, restructuring and impairments  
 Stock-based compensation  
 Acquisition costs  
 Strategic alternatives and related costs

**Adjusted EBITDA (4) (non-GAAP)**
**Adjusted EBITDA Margin (5) (non-GAAP)**

	Q114	Q214	Q314	Q414	Q115	Q215	Q315	Q4315
<b>Revenues:</b>								
Data center services	\$ 58,283	\$ 61,395	\$ 61,640	\$ 61,305	\$ 59,098	\$ 59,422	\$ 58,622	\$ 59,012
Internet protocol (IP) services	23,678	22,673	23,027	22,958	21,688	21,010	19,696	19,744
Total	81,961	84,068	84,667	84,263	80,786	80,432	78,318	78,756
<b>Direct costs of sales and services, exclusive of depreciation and amortization:</b>								
Data center services	25,891	26,563	27,716	25,989	24,264	24,335	25,111	23,674
IP services	9,869	9,999	9,432	9,486	9,082	8,643	8,570	7,760
Total	35,760	36,562	37,148	35,475	33,346	32,978	33,681	31,434
<b>Segment profit (1):</b>								
Data center services	32,392	34,832	33,924	35,316	34,834	35,087	33,511	35,338
IP services	13,809	12,674	13,595	13,472	12,606	12,367	11,126	11,984
Total	\$ 46,201	\$ 47,506	\$ 47,519	\$ 48,788	\$ 47,440	\$ 47,454	\$ 44,637	\$ 47,322
<b>Segment margin (2):</b>								
Data center services	55.6%	56.7%	55.0%	57.6%	58.9%	59.0%	57.2%	59.9%
IP services	58.3%	55.9%	59.0%	58.7%	58.1%	58.9%	56.5%	60.7%
Total	<b>56.4%</b>	<b>56.5%</b>	<b>56.1%</b>	<b>57.9%</b>	<b>58.7%</b>	<b>59.0%</b>	<b>57.0%</b>	<b>60.1%</b>
<b>CASH OPERATING EXPENSE (3)</b>								
<b>Total operating costs and expenses (GAAP)</b>	<b>\$ 86,498</b>	<b>\$ 88,582</b>	<b>\$ 87,702</b>	<b>\$ 86,517</b>	<b>\$ 84,905</b>	<b>\$ 86,270</b>	<b>\$ 87,503</b>	<b>\$ 85,509</b>
Total operating costs and expenses as % of revenue	105.5%	105.4%	103.6%	102.7%	105.1%	107.3%	111.7%	108.6%
Direct costs of sales and services, exclusive of depreciation and amortization	(35,760)	(36,562)	(37,148)	(35,475)	(33,346)	(32,978)	(33,681)	(31,434)
Depreciation and amortization	(18,926)	(19,468)	(20,915)	(21,861)	(20,208)	(22,566)	(24,631)	(25,250)
(Loss) gain on disposal of property and equipment, net	-	(32)	-	(80)	15	(137)	(99)	(453)
Exit activities, restructuring and impairments	(1,384)	(1,561)	(56)	(1,518)	(265)	(59)	(920)	(1,033)
Stock-based compensation	(1,941)	(1,956)	(1,778)	(1,507)	(1,579)	(2,185)	(2,435)	(2,582)
Acquisition costs	(85)	-	-	-	-	-	-	-
Strategic alternatives and related costs	-	-	-	-	-	(36)	(852)	(245)
<b>Cash operating expense (3) (non-GAAP)</b>	<b>\$ 28,402</b>	<b>\$ 29,003</b>	<b>\$ 27,805</b>	<b>\$ 26,076</b>	<b>\$ 29,522</b>	<b>\$ 28,309</b>	<b>\$ 24,885</b>	<b>\$ 24,512</b>
Cash operating expense (non-GAAP) as % of revenue	34.7%	34.5%	32.8%	30.9%	36.5%	35.2%	31.8%	31.1%
<b>STOCK-BASED COMPENSATION EXPENSE SUMMARY</b>								
Direct costs of customer support	\$ 284	\$ 333	\$ 353	\$ 478	\$ 374	\$ 367	\$ 484	\$ 676
Sales and marketing	252	289	248	358	412	415	544	730
General and administrative	1,405	1,334	1,177	671	793	1,403	1,407	1,176
Total	<b>\$ 1,941</b>	<b>\$ 1,956</b>	<b>\$ 1,778</b>	<b>\$ 1,507</b>	<b>\$ 1,579</b>	<b>\$ 2,185</b>	<b>\$ 2,435</b>	<b>\$ 2,582</b>
<b>ADJUSTED EBITDA (4)</b>								
<b>Loss from operations (GAAP)</b>	<b>\$ (4,537)</b>	<b>\$ (4,514)</b>	<b>\$ (3,035)</b>	<b>\$ (2,254)</b>	<b>\$ (4,119)</b>	<b>\$ (5,838)</b>	<b>\$ (9,185)</b>	<b>\$ (6,753)</b>
Depreciation and amortization	18,926	19,468	20,915	21,861	20,208	22,566	24,631	25,250
Loss (gain) on disposal of property and equipment, net	-	32	-	80	(15)	137	99	453
Exit activities, restructuring and impairments	1,384	1,561	56	1,518	265	59	920	1,033
Stock-based compensation	1,941	1,956	1,778	1,507	1,579	2,185	2,435	2,582
Acquisition costs	85	-	-	-	-	-	-	-
Strategic alternatives and related costs	-	-	-	-	-	36	852	245
<b>Adjusted EBITDA (4) (non-GAAP)</b>	<b>\$ 17,799</b>	<b>\$ 18,503</b>	<b>\$ 19,714</b>	<b>\$ 22,712</b>	<b>\$ 17,918</b>	<b>\$ 19,145</b>	<b>\$ 19,752</b>	<b>\$ 22,810</b>
<b>Adjusted EBITDA Margin (5) (non-GAAP)</b>	<b>21.7%</b>	<b>22.0%</b>	<b>23.3%</b>	<b>27.0%</b>	<b>22.2%</b>	<b>23.8%</b>	<b>25.2%</b>	<b>29.0%</b>

**NORMALIZED NET INCOME (LOSS) (6) AND BASIC AND**
**DILUTED NORMALIZED NET INCOME (LOSS) PER SHARE (7)**
**Net loss (GAAP)**

	Q114	Q214	Q314	Q414	Q115	Q215	Q315	Q4315
Net loss (GAAP)	\$ (10,675)	\$ (11,185)	\$ (9,377)	\$ (8,257)	\$ (10,442)	\$ (12,534)	\$ (14,197)	\$ (11,269)
Exit activities, restructuring and impairments	1,384	1,561	56	1,518	265	59	920	1,033
Stock-based compensation	1,941	1,956	1,778	1,507	1,579	2,185	2,435	2,582
Acquisition costs	85	-	-	-	-	-	-	-
Strategic alternatives and related costs	-	-	-	-	-	36	852	245

**Normalized net loss (6) (non-GAAP)**

	\$ (7,265)	\$ (7,668)	\$ (7,543)	\$ (5,232)	\$ (8,598)	\$ (10,254)	\$ (9,990)	\$ (7,409)
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Normalized net income allocable to participating securities (non-GAAP)

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**Net loss available to common stockholders (GAAP) (8)**

	\$ (10,675)	\$ (11,185)	\$ (9,377)	\$ (8,257)	\$ (10,442)	\$ (12,534)	\$ (14,197)	\$ (11,269)
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**Normalized net loss available to common stockholders (non-GAAP) (8)**

	\$ (7,265)	\$ (7,668)	\$ (7,543)	\$ (5,232)	\$ (8,598)	\$ (10,254)	\$ (9,990)	\$ (7,409)
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Weighted average shares outstanding used in per share calculation:

**Basic (GAAP)**

	51,027	51,045	51,063	51,159	51,336	51,579	51,699	51,727
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Participating securities (GAAP) (8)

	1,105	1,119	1,083	1,066	1,151	1,246	1,305	1,260
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**Diluted (GAAP)**

	51,027	51,045	51,063	51,159	51,336	51,579	51,699	51,727
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Add potentially dilutive securities

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Less dilutive effect of stock-based compensation under the treasury stock method

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**Normalized diluted shares (non-GAAP) (9)**

	51,027	51,045	51,063	51,159	51,336	51,579	51,699	51,727
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**Net loss per share (GAAP):**
**Basic and diluted**

	\$ (0.21)	\$ (0.22)	\$ (0.18)	\$ (0.16)	\$ (0.20)	\$ (0.24)	\$ (0.27)	\$ (0.22)
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**Normalized net loss per share (non-GAAP) (7):**
**Basic and diluted**

	\$ (0.14)	\$ (0.15)	\$ (0.15)	\$ (0.10)	\$ (0.17)	\$ (0.20)	\$ (0.19)	\$ (0.14)
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**Notes:**

(1) Segment profit is a non-GAAP measure and is segment revenues less direct cost of sales and services, exclusive of depreciation and amortization. Segment profit does not include direct costs of customer support, direct costs of amortization of acquired and developed technologies or any other depreciation or amortization associated with direct costs. A presentation of segment profit can be found in the attachment to our earnings press release, which is available on our website and furnished to the Securities and Exchange Commission.

(2) Segment margin is a non-GAAP measure and is segment profit as a percentage of segment revenues. A presentation of segment profit can be found in the attachment to our earnings press release, which is available on our website and furnished to the Securities and Exchange Commission.

(3) Cash operating expense is a non-GAAP measure and is operating expense defined by GAAP, less direct costs of sales and services, depreciation and amortization, (loss) gain on disposal of property and equipment, exit activities, restructuring and impairments, stock-based compensation and acquisition costs.

(4) Adjusted EBITDA is a non-GAAP measure and is loss from operations plus depreciation and amortization, gain (loss) on disposals of property and equipment, exit activities, restructuring and impairments and stock-based compensation. A reconciliation of Adjusted EBITDA to GAAP loss from operations can be found in the attachment to our earnings press release, which is available on our website and furnished to the Securities and Exchange Commission.

(5) Adjusted EBITDA margin is a non-GAAP measure and is adjusted EBITDA as a percentage of revenues.

(6) Normalized net loss is a non-GAAP measure and is net loss excluding restructuring and impairments, stock-based compensation and certain items that management considers non-recurring.

(7) Normalized net loss per share is a non-GAAP measure and is normalized net loss divided by basic and normalized diluted shares.

(8) Net loss and normalized net loss available to common stockholders are non-GAAP measures and exclude amounts allocated to unvested restricted stock awards, which, by definition, are participating securities. However, participating securities do not share in any net loss or normalized net loss.

(9) Normalized diluted shares is defined as diluted common shares outstanding used in GAAP net loss per share calculation, excluding the effect of stock-based compensation under the treasury stock method.