

	Q109	Q209	Q309	Q409	Q110	Q210	Q310	Q410
SEGMENT PROFIT (1) AND SEGMENT MARGIN (2)								
Revenues:								
Data center services	\$ 31,715	\$ 32,273	\$ 33,547	\$ 33,176	\$ 33,722	\$ 31,197	\$ 31,550	\$ 31,732
Internet protocol (IP) services	32,209	32,099	30,867	30,373	29,643	29,328	28,765	28,227
Total	\$ 63,924	\$ 64,372	\$ 64,414	\$ 63,549	\$ 63,365	\$ 60,525	\$ 60,315	\$ 59,959
Direct costs of network, sales and services, exclusive of depreciation and amortization:								
Data center services	23,281	24,165	24,450	23,065	23,043	19,784	20,405	19,529
IP services	12,384	12,414	12,047	11,210	11,042	11,479	11,162	10,979
Total	35,665	36,579	36,497	34,275	34,085	31,263	31,567	30,508
Segment profit (1):								
Data center services	8,434	8,108	9,097	10,111	10,679	11,413	11,145	12,203
IP services	19,825	19,685	18,820	19,163	18,601	17,849	17,603	17,248
Total	\$ 28,259	\$ 27,793	\$ 27,917	\$ 29,274	\$ 29,280	\$ 29,262	\$ 28,748	\$ 29,451
Segment margin (2):								
Data center services	26.6%	25.1%	27.1%	30.5%	31.7%	36.6%	35.3%	38.5%
IP services	61.6%	61.3%	61.0%	63.1%	62.8%	60.9%	61.2%	61.1%
Total	44.2%	43.2%	43.3%	46.1%	46.2%	48.3%	47.7%	49.1%
ADJUSTED OPERATING EXPENSE (3)								
Total operating costs and expenses (GAAP)	\$ 70,272	\$ 124,576	\$ 66,157	\$ 64,176	\$ 63,251	\$ 61,238	\$ 60,851	\$ 59,720
Total operating costs and expenses as % of revenue	109.9%	193.5%	102.7%	101.0%	99.8%	101.2%	100.9%	99.6%
Direct costs of network and sales, exclusive of depreciation and amortization								
Depreciation and amortization (4)	(8,036)	(11,937)	(8,292)	(8,366)	(8,753)	(7,992)	(8,580)	(8,644)
Impairments and restructuring (5)	(870)	(53,735)	-	(93)	(18)	(1,183)	-	(210)
Stock-based compensation expense	(2,056)	(1,308)	(1,071)	(1,178)	(991)	(1,444)	(1,114)	(1,080)
Executive transition (6)	(1,427)	-	-	-	-	-	-	-
Gain (loss) on disposals of property and equipment	-	-	(20)	(6)	(1)	(18)	13	(109)
Adjusted operating expense (3) (non-GAAP)	\$ 22,218	\$ 21,017	\$ 20,277	\$ 20,258	\$ 19,403	\$ 19,338	\$ 19,603	\$ 19,169
Adjusted operating expense (non-GAAP) as % of revenue	34.8%	32.6%	31.5%	31.9%	30.6%	32.0%	32.5%	32.0%
STOCK-BASED COMPENSATION EXPENSE SUMMARY								
Direct costs of customer support	\$ 254	\$ 288	\$ 215	\$ 216	\$ 175	\$ 195	\$ 181	\$ 204
Sales and marketing	372	368	362	293	256	270	263	155
General and administrative (6)	1,430	652	494	669	560	981	670	721
Total	\$ 2,056	\$ 1,308	\$ 1,071	\$ 1,178	\$ 991	\$ 1,446	\$ 1,114	\$ 1,080
ADJUSTED EBITDA (7)								
Income (loss) from operations (GAAP)	\$ (6,348)	\$ (60,204)	\$ (1,743)	\$ (627)	\$ 114	\$ (713)	\$ (536)	\$ 239
Stock-based compensation expense	2,056	1,308	1,071	1,178	991	1,446	1,114	1,080
Depreciation and amortization (4)	8,036	11,937	8,292	8,366	8,753	7,992	8,580	8,644
(Gain) loss on disposals of property and equipment	-	-	20	6	1	18	(13)	109
Impairments and restructuring (5)	870	53,735	-	93	18	1,183	-	210
Adjusted EBITDA (7) (non-GAAP)	\$ 4,614	\$ 6,776	\$ 7,640	\$ 9,016	\$ 9,877	\$ 9,926	\$ 9,145	\$ 10,282
Adjusted EBITDA Margin (8)(non-GAAP)	7.2%	10.5%	11.9%	14.2%	15.6%	16.4%	15.2%	17.1%

	Q109	Q209	Q309	Q409	Q110	Q210	Q310	Q410
NORMALIZED NET INCOME (LOSS) (9) AND BASIC AND DILUTED NORMALIZED NET INCOME (LOSS) PER SHARE (10)								
Net income (loss) (GAAP)	\$ (6,608)	\$ (60,645)	\$ (1,975)	\$ (497)	\$ (260)	\$ (1,271)	\$ (1,662)	\$ (429)
Stock-based compensation expense	2,056	1,308	1,071	1,178	991	1,446	1,114	1,080
Impairments and restructuring (5)	870	53,735	-	93	18	1,183	-	210
Additional impairments included in depreciation and amortization (4)(5)	-	4,134	-	-	-	-	-	-
Normalized net income (loss) (9)(non-GAAP)	\$ (3,682)	\$ (1,468)	\$ (904)	\$ 774	\$ 749	\$ 1,358	\$ (548)	\$ 861
Normalized net income allocable to participating securities (non-GAAP)	-	-	-	16	17	30	-	19
Net income (loss) available to common stockholders (GAAP) (11)	\$ (6,608)	\$ (60,645)	\$ (1,975)	\$ (497)	\$ (260)	\$ (1,271)	\$ (1,662)	\$ (429)
Normalized net income (loss) available to common stockholders (non-GAAP) (11)	\$ (3,682)	\$ (1,468)	\$ (904)	\$ 758	\$ 732	\$ 1,328	\$ (548)	\$ 842
Weighted average shares outstanding used in per share calculation:								
Basic (GAAP)	49,414	49,586	49,638	49,657	49,944	50,013	50,026	50,061
Participating securities (GAAP) (11)	874	1,203	1,126	1,081	1,193	1,132	1,118	1,103
Diluted (GAAP)	49,414	49,586	49,638	49,657	49,944	50,013	50,026	50,061
Add potentially dilutive securities	-	-	-	54	519	450	-	436
Less dilutive effect of stock-based compensation under the treasury stock method	-	-	-	(54)	(359)	(347)	-	(267)
Normalized diluted shares (non-GAAP) (12)	49,414	49,586	49,638	49,657	50,104	50,116	50,026	50,230
Net income (loss) per share (GAAP):								
Basic and diluted	\$ (0.13)	\$ (1.22)	\$ (0.04)	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.03)	\$ (0.01)
Normalized net income (loss) per share (non-GAAP) (10):								
Basic and diluted	\$ (0.07)	\$ (0.03)	\$ (0.02)	\$ 0.02	\$ 0.01	\$ 0.03	\$ (0.01)	\$ 0.02

Notes:

(1) Segment profit is defined as segment revenues less direct cost of network, sales and services, exclusive of depreciation and amortization for the segment, as presented in the notes to our financial statements filed with the United States Securities and Exchange Commission in Quarterly Reports on Form 10-Q and Annual Reports on Form 10-K. Segment profit does not include direct costs of customer support, direct costs of amortization of acquired technologies or any other depreciation or amortization associated with direct costs.

(2) Segment margin is defined as segment profit as a percentage of segment revenues.

(3) Adjusted operating expense is defined as operating expense defined by accounting principles generally accepted in the United States of America, or GAAP, less direct cost of network and sales, depreciation and amortization, impairments and restructuring, stock-based compensation expense and executive transition (6).

(4) Depreciation and amortization for the quarter ended June 30, 2009 included additional impairment charges of \$4,134 for acquired developed technology, as described in note (5) below.

(5) Impairments and restructuring for the quarter ended June 30, 2009 do not include impairment charges of \$4,134 for acquired developed technology. These impairment charges are included herein with the caption "Depreciation and amortization" and in our financial statements with the caption "Direct costs of amortization of acquired technologies."

(6) Executive transition represents costs associated with the succession of our president and chief executive officer during the quarter ended March 31, 2009 and includes \$1,227 in cash compensation and \$200 in professional services. Executive transition as used herein does not include stock-based compensation of \$815 presented with other stock-based compensation on this schedule (included within general and administrative stock-based compensation expense).

(7) Adjusted EBITDA is defined as income (loss) from operations plus stock-based compensation, depreciation and amortization, (gain) loss on disposal of property and equipment, and impairments and restructuring. During the three months ended June 30, 2009 we changed the definition of adjusted EBITDA to exclude other non-operating income (expenses). We have reclassified financial information for prior periods presented to conform to the current period presentation. This change had an immaterial impact on our adjusted EBITDA and adjusted EBITDA margin.

(8) Adjusted EBITDA margin is defined as adjusted EBITDA as a percentage of revenues.

(9) Normalized net income (loss) is defined as net income (loss) plus stock-based compensation, impairments and restructuring.

(10) Normalized net income (loss) per share is defined as normalized net income (loss) divided by basic and normalized diluted shares.

(11) Net income and normalized net income available to common stockholders excludes 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.

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