

For the Quarter Ended September 30, 2013

In thousands, except per share data

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

| | Q112 | Q212 | Q312 | Q412 |
|---------------------------------|-----------|-----------|-----------|-----------|
| Data center services | \$ 39,938 | \$ 41,493 | \$ 42,139 | \$ 43,716 |
| Internet protocol (IP) services | 27,090 | 27,194 | 25,990 | 26,032 |
| Total | 67,028 | 68,687 | 68,129 | 69,748 |

| | Q113 | Q213 | Q313 |
|---------------------------------|-----------|-----------|-----------|
| Data center services | \$ 44,392 | \$ 45,580 | \$ 45,488 |
| Internet protocol (IP) services | 25,307 | 24,403 | 24,084 |
| Total | 69,699 | 69,983 | 69,572 |

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

| | Q112 | Q212 | Q312 | Q412 |
|----------------------|--------|--------|--------|--------|
| Data center services | 20,970 | 22,649 | 23,539 | 23,445 |
| IP services | 10,184 | 9,992 | 10,034 | 10,140 |
| Total | 31,154 | 32,641 | 33,573 | 33,585 |

| | Q113 | Q213 | Q313 |
|----------------------|--------|--------|--------|
| Data center services | 22,647 | 22,643 | 23,171 |
| IP services | 10,223 | 10,010 | 9,624 |
| Total | 32,870 | 32,653 | 32,795 |

Segment profit (1):

| | Q112 | Q212 | Q312 | Q412 |
|----------------------|-----------|-----------|-----------|-----------|
| Data center services | 18,968 | 18,844 | 18,600 | 20,271 |
| IP services | 16,906 | 17,202 | 15,956 | 15,892 |
| Total | \$ 35,874 | \$ 36,046 | \$ 34,556 | \$ 36,163 |

| | Q113 | Q213 | Q313 |
|----------------------|-----------|-----------|-----------|
| Data center services | 21,745 | 22,937 | 22,317 |
| IP services | 15,084 | 14,393 | 14,460 |
| Total | \$ 36,829 | \$ 37,330 | \$ 36,777 |

Segment margin (2):

| | Q112 | Q212 | Q312 | Q412 |
|----------------------|-------|-------|-------|-------|
| Data center services | 47.5% | 45.4% | 44.1% | 46.4% |
| IP services | 62.4% | 63.3% | 61.4% | 61.0% |
| Total | 53.5% | 52.5% | 50.7% | 51.8% |

| | Q113 | Q213 | Q313 |
|----------------------|-------|-------|-------|
| Data center services | 49.0% | 50.3% | 49.1% |
| IP services | 59.6% | 59.0% | 60.0% |
| Total | 52.8% | 53.3% | 52.9% |

ADJUSTED OPERATING EXPENSE (3)
Total operating costs and expenses (GAAP)

Total operating costs and expenses as % of revenue

| | Q112 | Q212 | Q312 | Q412 |
|---|----------|----------|----------|----------|
| Direct costs of network and sales, exclusive of depreciation and amortization | (31,154) | (32,641) | (33,573) | (33,585) |
| Stock-based compensation | (1,404) | (1,615) | (1,363) | (1,476) |
| Depreciation and amortization | (9,094) | (9,843) | (11,064) | (10,864) |
| Gain (loss) on disposal of property and equipment, net | 16 | 4 | - | 35 |
| Exit activities, restructuring and impairments | (43) | (645) | (124) | (610) |

Total operating costs and expenses as % of revenue

| | Q113 | Q213 | Q313 |
|---|----------|----------|----------|
| Direct costs of network and sales, exclusive of depreciation and amortization | (32,870) | (32,653) | (32,795) |
| Stock-based compensation | (1,637) | (1,741) | (1,709) |
| Depreciation and amortization | (11,437) | (12,744) | (13,537) |
| Gain (loss) on disposal of property and equipment, net | (3) | 2 | (4) |
| Exit activities, restructuring and impairments | (248) | (683) | (274) |

Adjusted operating expense (3) (non-GAAP)

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

| | Q112 | Q212 | Q312 | Q412 |
|---|-----------|-----------|-----------|-----------|
| Adjusted operating expense (non-GAAP) | \$ 23,641 | \$ 23,856 | \$ 22,089 | \$ 21,198 |
| Adjusted operating expense (non-GAAP) as % of revenue | 35.3% | 34.7% | 32.4% | 30.4% |

Adjusted operating expense (3) (non-GAAP)

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

| | Q113 | Q213 | Q313 |
|---|-----------|-----------|-----------|
| Adjusted operating expense (non-GAAP) | \$ 22,684 | \$ 23,263 | \$ 22,607 |
| Adjusted operating expense (non-GAAP) as % of revenue | 32.5% | 33.2% | 32.5% |

STOCK-BASED COMPENSATION EXPENSE SUMMARY

| | Q112 | Q212 | Q312 | Q412 |
|----------------------------------|----------|----------|----------|----------|
| Direct costs of customer support | \$ 250 | \$ 205 | \$ 234 | \$ 247 |
| Sales and marketing | 180 | 243 | 241 | 265 |
| General and administrative | 974 | 1,167 | 888 | 964 |
| Total | \$ 1,404 | \$ 1,615 | \$ 1,363 | \$ 1,476 |

| | Q113 | Q213 | Q313 |
|----------------------------------|----------|----------|----------|
| Direct costs of customer support | \$ 222 | \$ 329 | \$ 331 |
| Sales and marketing | 259 | 342 | 359 |
| General and administrative | 1,156 | 1,070 | 1,019 |
| Total | \$ 1,637 | \$ 1,741 | \$ 1,709 |

ADJUSTED EBITDA (4)
Income (loss) from operations (GAAP)

| | Q112 | Q212 | Q312 | Q412 |
|--|-------|-------|--------|--------|
| Depreciation and amortization | 9,094 | 9,843 | 11,064 | 10,864 |
| (Gain) loss on disposal of property and equipment, net | (16) | (4) | - | (35) |
| Exit activities, restructuring and impairments | 43 | 645 | 124 | 610 |
| Stock-based compensation | 1,404 | 1,615 | 1,363 | 1,476 |

Income (loss) from operations (GAAP)

| | Q113 | Q213 | Q313 |
|--|--------|--------|--------|
| Depreciation and amortization | 11,437 | 12,744 | 13,537 |
| (Gain) loss on disposal of property and equipment, net | 3 | (2) | 4 |
| Exit activities, restructuring and impairments | 248 | 683 | 274 |
| Stock-based compensation | 1,637 | 1,741 | 1,709 |

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

| | Q112 | Q212 | Q312 | Q412 |
|-----------------------------------|-----------|-----------|-----------|-----------|
| Adjusted EBITDA (non-GAAP) | \$ 12,233 | \$ 12,190 | \$ 12,467 | \$ 14,964 |
| Adjusted EBITDA Margin (non-GAAP) | 18.3% | 17.7% | 18.3% | 21.5% |

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

| | Q113 | Q213 | Q313 |
|-----------------------------------|-----------|-----------|-----------|
| Adjusted EBITDA (non-GAAP) | \$ 14,145 | \$ 14,067 | \$ 14,170 |
| Adjusted EBITDA Margin (non-GAAP) | 20.3% | 20.1% | 20.4% |

For the Quarter Ended September 30, 2013
 In thousands, except per share data

| | Q112 | Q212 | Q312 | Q412 | Q113 | Q213 | Q313 |
|--|-----------------|-------------------|-------------------|-----------------|-------------------|-------------------|-------------------|
| NORMALIZED NET INCOME (LOSS) (6) AND BASIC AND DILUTED NORMALIZED NET INCOME (LOSS) PER SHARE (7) | | | | | | | |
| Net income (loss) (GAAP) | \$ 107 | \$ (1,997) | \$ (2,450) | \$ 21 | \$ (1,643) | \$ (3,702) | \$ (4,035) |
| Exit activities, restructuring and impairments | 43 | 645 | 124 | 610 | 248 | 683 | 274 |
| Stock-based compensation | 1,404 | 1,615 | 1,363 | 1,476 | 1,637 | 1,741 | 1,709 |
| Normalized net income (loss) (6) (non-GAAP) | \$ 1,554 | \$ 263 | \$ (963) | \$ 2,107 | \$ 242 | \$ (1,278) | \$ (2,052) |
| Normalized net income allocable to participating securities (non-GAAP) | 38 | 6 | - | 45 | 5 | - | - |
| Net loss available to common stockholders (GAAP) (8) | \$ 104 | \$ (1,997) | \$ (2,450) | \$ 21 | \$ (1,643) | \$ (3,702) | \$ (4,035) |
| Normalized net income (loss) available to common stockholders (non-GAAP) (8) | \$ 1,516 | \$ 257 | \$ (963) | \$ 2,062 | \$ 237 | \$ (1,278) | \$ (2,052) |
| Weighted average shares outstanding used in per share calculation: | | | | | | | |
| Basic (GAAP) | 50,336 | 50,453 | 50,572 | 50,606 | 50,771 | 50,856 | 50,882 |
| Participating securities (GAAP) (8) | 1,255 | 1,128 | 1,117 | 1,109 | 1,024 | 997 | 1,008 |
| Diluted (GAAP) | 51,033 | 50,453 | 50,572 | 51,227 | 50,771 | 50,856 | 50,882 |
| Add potentially dilutive securities | - | 709 | - | - | 873 | - | - |
| Less dilutive effect of stock-based compensation under the treasury stock method | (323) | (251) | - | (152) | (128) | - | - |
| Normalized diluted shares (non-GAAP) (9) | 50,710 | 50,911 | 50,572 | 51,075 | 51,516 | 50,856 | 50,882 |
| Net income (loss) per share (GAAP): | | | | | | | |
| Basic and diluted | \$ 0.00 | \$ (0.04) | \$ (0.05) | \$ 0.00 | \$ (0.03) | \$ (0.07) | \$ (0.08) |
| Normalized net income (loss) per share (non-GAAP) (7): | | | | | | | |
| Basic and diluted | \$ 0.03 | \$ 0.01 | \$ (0.02) | \$ 0.04 | \$ 0.00 | \$ (0.03) | \$ (0.04) |

Notes:

- (1) Segment profit is a non-GAAP measure and is segment revenues less direct cost of network, sales and services, exclusive of depreciation and amortization. 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. A presentation of segment profit can be found in the attachment to our third quarter 2013 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 third quarter 2013 earnings press release, which is available on our website and furnished to the Securities and Exchange Commission.
- (3) Adjusted operating expense is a non-GAAP measure and is operating expense defined by GAAP, less direct cost of network and sales, depreciation and amortization, impairments and restructuring and stock-based compensation expense.
- (4) Adjusted EBITDA is a non-GAAP measure and is income (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 third quarter 2013 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 income (loss) is a non-GAAP measure and is net income (loss) excluding restructuring and impairments, stock-based compensation and certain items that management considers non-recurring.
- (7) Normalized net income (loss) per share is a non-GAAP measure and is normalized net income (loss) divided by basic and normalized diluted shares.
- (8) Net income (loss) and normalized net income (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 income (loss) per share calculation, excluding the effect of stock-based compensation under the treasury stock method.