

## Non-GAAP Financial Measures

Regulation G, "Conditions for Use of Non-GAAP Financial Measures," and other provisions of the Securities Exchange Act of 1934, as amended, define and prescribe the conditions for use of certain non-GAAP financial information. We provide "Adjusted EBITDA," which is a non-GAAP financial measure. Adjusted EBITDA consists of net income before (a) interest income (expense), net; (b) income tax provision (benefit); (c) amortization of intangibles and impairment loss; (d) depreciation and amortization; and (e) share-based compensation expense related to stock options.

The Company believes this non-GAAP financial measure provides important supplemental information to management and investors. This non-GAAP financial measure reflects an additional way of viewing aspects of the Company's operations that, when viewed with the GAAP results and the accompanying reconciliation to corresponding GAAP financial measures, provides a more complete understanding of factors and trends affecting the Company's business and results of operations.

Management uses Adjusted EBITDA as a measurement of the Company's operating performance because it assists in comparisons of the Company's operating performance on a consistent basis by removing the impact of items not directly resulting from core operations. Internally, this non-GAAP measure is also used by management for planning purposes, including the preparation of internal budgets; for allocating resources to enhance financial performance; for evaluating the effectiveness of operational strategies; and for evaluating the Company's capacity to fund capital expenditures and expand its business. The Company also believes that analysts and investors use Adjusted EBITDA as a supplemental measure to evaluate the overall operating performance of companies in our industry. Additionally, lenders or potential lenders use Adjusted EBITDA to evaluate the Company's ability to repay loans.

This non-GAAP financial measure is used in addition to and in conjunction with results presented in accordance with GAAP and should not be relied upon to the exclusion of GAAP financial measures. Management strongly encourages investors to review the Company's consolidated financial statements in their entirety and to not rely on any single financial measure. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures having the same or similar names. In addition, the Company expects to continue to incur expenses similar to the non-GAAP adjustments described above, and exclusion of these items from the Company's non-GAAP measures should not be construed as an inference that these costs are unusual, infrequent or non-recurring.

The table below reconciles net income (loss) to Adjusted EBITDA for the periods presented:

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2008	2007*	2008	2007*
	(in thousands)		(in thousands)	
Net income (loss)	\$ (3,477)	\$ (5,498)	\$ (16,906)	\$ (3,597)
Interest (income) expense, net	(222)	(483)	(962)	(1,137)
Income tax provision (benefit)	(2,854)	(771)	(11,822)	538
Amortization of intangibles	398	2,099	4,958	8,350
Depreciation and amortization	1,001	599	3,674	1,469
EBITDA	(5,154)	(4,054)	(21,058)	5,623
Impairment loss on goodwill & intangibles	4,923	—	23,368	—
Share-based compensation	834	612	2,901	2,174
Adjusted EBITDA	\$ 603	\$ (3,442)	\$ 5,211	\$ 7,797

\*Includes \$3.9 million and \$4.5 million in charges recorded in the fourth quarter of 2007 and the full year 2007, respectively, resulting from the Company's agreement to settle the shareholder litigation.