

INVESTOR METRICS 2017

| | Q1-16 | Q2-16 | Q3-16 | Q4-16 | Total | Q1-17 | Q2-17 | Q3-17 | Q4-17 | Total | |
|--|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Revenue (\$000s) ⁽¹⁾ | Service Revenue | \$69,106 | \$72,590 | \$78,871 | \$92,490 | \$313,057 | \$92,420 | \$102,685 | \$97,529 | \$118,638 | \$411,272 |
| | Store Revenue | \$5,555 | \$4,851 | \$4,703 | \$5,125 | \$20,234 | \$5,714 | \$4,763 | \$4,824 | \$5,414 | \$20,715 |
| | Insurance Revenue | \$4,511 | \$4,082 | \$4,050 | \$4,657 | \$17,300 | \$4,440 | \$4,393 | \$4,099 | \$4,453 | \$17,385 |
| | Mailing & Shipping Revenue | \$79,172 | \$81,523 | \$87,624 | \$102,272 | \$350,591 | \$102,574 | \$111,841 | \$106,452 | \$128,505 | \$449,372 |
| | Customized Postage Revenue | \$2,637 | \$2,467 | \$4,912 | \$3,599 | \$13,615 | \$2,442 | \$4,276 | \$8,588 | \$3,938 | \$19,244 |
| | Other Revenue | \$28 | \$23 | \$23 | \$25 | \$99 | \$24 | \$23 | \$22 | \$24 | \$93 |
| | Total Revenue | \$81,837 | \$84,013 | \$92,559 | \$105,896 | \$364,305 | \$105,040 | \$116,140 | \$115,062 | \$132,467 | \$468,709 |
| | Total Revenue (YoY % Change) | 86% | 74% | 79% | 52% | 70% | 28% | 38% | 24% | 25% | 29% |
| Mailing & Shipping Metrics ⁽²⁾ | Paid Customers (000s) ⁽³⁾ | 649 | 646 | 648 | 681 | 656 | 722 | 738 | 736 | 735 | 733 |
| | Paid Customers (YoY % Change) | 17% | 14% | 14% | 8% | 13% | 11% | 14% | 13% | 8% | 12% |
| | Revenue (\$000s) ⁽⁴⁾ | \$79,172 | \$81,523 | \$87,624 | \$102,272 | \$350,591 | \$102,574 | \$111,841 | \$106,452 | \$128,505 | \$449,372 |
| | Revenue (YoY % Change) | 84% | 72% | 78% | 52% | 70% | 30% | 37% | 21% | 26% | 28% |
| | Monthly ARPU ⁽⁵⁾ | \$40.65 | \$42.06 | \$45.05 | \$50.03 | \$44.52 | \$47.36 | \$50.51 | \$48.23 | \$58.28 | \$51.11 |
| | Monthly ARPU (YoY % Change) | 58% | 51% | 56% | 42% | 50% | 17% | 20% | 7% | 16% | 15% |
| | Postage Printed (\$000s) ⁽⁶⁾ | \$1,338,822 | \$1,303,737 | \$1,299,155 | \$1,576,376 | \$5,518,090 | \$1,470,614 | \$1,488,931 | \$1,406,310 | \$1,723,772 | \$6,089,627 |
| | Postage Printed (YoY % Change) | 142% | 138% | 137% | 53% | 106% | 10% | 14% | 8% | 9% | 10% |
| Financial Metrics ⁽⁷⁾ | Non-GAAP Gross Profit | \$67,640 | \$70,743 | \$76,307 | \$88,470 | \$303,160 | \$87,850 | \$97,496 | \$93,972 | \$111,938 | \$391,256 |
| | Non-GAAP Gross Margin | 82.7% | 84.2% | 82.4% | 83.5% | 83.2% | 83.6% | 83.9% | 81.7% | 84.5% | 83.5% |
| | Non-GAAP Operating Income | \$33,615 | \$37,140 | \$44,402 | \$54,643 | \$169,800 | \$50,013 | \$56,658 | \$55,132 | \$62,662 | \$224,464 |
| | Non-GAAP Operating Income (YoY % Change) | 170% | 121% | 117% | 88% | 115% | 49% | 53% | 24% | 15% | 32% |
| | Non-GAAP Adjusted Income | \$32,037 | \$35,303 | \$42,246 | \$49,221 | \$158,808 | \$33,248 | \$37,785 | \$49,757 | \$87,454 | \$208,244 |
| | Non-GAAP Adjusted Income (YoY % Change) | 163% | 111% | 111% | 75% | 106% | 4% | 7% | 18% | 78% | 31% |
| | Non-GAAP EPS | \$1.72 | \$1.94 | \$2.33 | \$2.73 | \$8.70 | \$1.83 | \$2.08 | \$2.68 | \$4.68 | \$11.33 |
| | Non-GAAP EPS (YoY % Change) | 139% | 100% | 104% | 74% | 96% | 7% | 7% | 15% | 71% | 30% |
| | Adjusted EBITDA ⁽⁸⁾ | \$34,750 | \$38,237 | \$45,558 | \$55,865 | \$174,411 | \$51,242 | \$58,059 | \$56,563 | \$64,053 | \$229,916 |
| | Adjusted EBITDA Margin | 42.5% | 45.5% | 49.2% | 52.8% | 47.9% | 48.8% | 50.0% | 49.2% | 48.4% | 49.1% |
| Adjusted EBITDA (YoY % Change) | 161% | 116% | 113% | 85% | 111% | 47% | 52% | 24% | 15% | 32% | |

(1) All revenue numbers are presented on a GAAP basis.

(2) Mailing and shipping metrics are for the mailing and shipping business only and exclude the customized postage business. See the Company's 10-K filings for further discussion.

(3) Mailing and shipping paid customers for the quarter is defined as the number of unique mailing and shipping customers that the Company earned revenue from during that quarter. Paid customers for the year is calculated as the average of the paid customers for the four quarters during that year. Paid customers include ShipStation customers as of Q3-14, ShipWorks customers as of Q4-14, Endicia customers as of Q4-15, and ShippingEasy customers as of Q3-16.

(4) Mailing and shipping revenue includes service, product and insurance revenue from mailing and shipping customers. Mailing and shipping revenue includes ShipStation, ShipWorks, Endicia, and ShippingEasy revenue as of the closing date of the acquisition.

(5) Mailing and shipping monthly ARPU for the quarter is calculated as [mailing and shipping revenue for the quarter] / [mailing and shipping paid customers for the quarter] / 3 months. Monthly ARPU for the year is calculated as [mailing and shipping revenue for the year] / [mailing and shipping paid customers for the year] / 12 months.

(6) Mailing and shipping postage printed includes postage printed by the Company's mailing and shipping customers using its solutions. Includes ShipStation as of Q3-14, ShipWorks as of Q4-14, Endicia as of the acquisition closing date, and ShippingEasy as of Q3-16. Beginning Q4-16, we updated our methodology for measuring the amount of mailing and shipping postage printed. Q1-16 through Q3-16 metrics have also been revised upwards using the updated methodology.

(7) All Financial Metrics are provided on a non-GAAP basis. Non-GAAP measures exclude (1) certain non-cash items such as stock-based compensation expense, contingent consideration charges, amortization of acquired intangibles and capitalized debt issuance costs and non-cash income tax adjustments and (2) certain non-recurring expenses such as asset write-offs, acquisition and integration related corporate development expenses and litigation settlements. For reconciliations of non-GAAP to GAAP, see the Company's prior 8-K filings as hyperlinked above or on subsequent pages.

(8) Non-GAAP Adjusted EBITDA is calculated as non-GAAP Operating Income plus depreciation and amortization contained in cost of sales and operating expenses less capital expenditures for the business. Calculation excludes capital expenditures on the Company owned corporate headquarters.

INVESTOR METRICS 2017 (Tax Adjusted⁹)

| | Q1-16 | Q2-16 | Q3-16 | Q4-16 | Total | Q1-17 | Q2-17 | Q3-17 | Q4-17 | Total | |
|---|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Revenue (\$000s)⁽¹⁾ | Service Revenue | \$69,106 | \$72,590 | \$78,871 | \$92,490 | \$313,057 | \$92,420 | \$102,685 | \$97,529 | \$118,638 | \$411,272 |
| | Store Revenue | \$5,555 | \$4,851 | \$4,703 | \$5,125 | \$20,234 | \$5,714 | \$4,763 | \$4,824 | \$5,414 | \$20,715 |
| | Insurance Revenue | \$4,511 | \$4,082 | \$4,050 | \$4,657 | \$17,300 | \$4,440 | \$4,393 | \$4,099 | \$4,453 | \$17,385 |
| | Mailing & Shipping Revenue | \$79,172 | \$81,523 | \$87,624 | \$102,272 | \$350,591 | \$102,574 | \$111,841 | \$106,452 | \$128,505 | \$449,372 |
| | Customized Postage Revenue | \$2,637 | \$2,467 | \$4,912 | \$3,599 | \$13,615 | \$2,442 | \$4,276 | \$8,588 | \$3,938 | \$19,244 |
| | Other Revenue | \$28 | \$23 | \$23 | \$25 | \$99 | \$24 | \$23 | \$22 | \$24 | \$93 |
| | Total Revenue | \$81,837 | \$84,013 | \$92,559 | \$105,896 | \$364,305 | \$105,040 | \$116,140 | \$115,062 | \$132,467 | \$468,709 |
| | Total Revenue (YoY % Change) | 86% | 74% | 79% | 52% | 70% | 28% | 38% | 24% | 25% | 29% |
| Mailing & Shipping Metrics⁽²⁾ | Paid Customers (000s) ⁽³⁾ | 649 | 646 | 648 | 681 | 656 | 722 | 738 | 736 | 735 | 733 |
| | Paid Customers (YoY % Change) | 17% | 14% | 14% | 8% | 13% | 11% | 14% | 13% | 8% | 12% |
| | Revenue (\$000s) ⁽⁴⁾ | \$79,172 | \$81,523 | \$87,624 | \$102,272 | \$350,591 | \$102,574 | \$111,841 | \$106,452 | \$128,505 | \$449,372 |
| | Revenue (YoY % Change) | 84% | 72% | 78% | 52% | 70% | 30% | 37% | 21% | 26% | 28% |
| | Monthly ARPU ⁽⁵⁾ | \$40.65 | \$42.06 | \$45.05 | \$50.03 | \$44.52 | \$47.36 | \$50.51 | \$48.23 | \$58.28 | \$51.11 |
| | Monthly ARPU (YoY % Change) | 58% | 51% | 56% | 42% | 50% | 17% | 20% | 7% | 16% | 15% |
| | Postage Printed (\$000s) ⁽⁶⁾ | \$1,338,822 | \$1,303,737 | \$1,299,155 | \$1,576,376 | \$5,518,090 | \$1,470,614 | \$1,488,931 | \$1,406,310 | \$1,723,772 | \$6,089,627 |
| | Postage Printed (YoY % Change) | 142% | 138% | 137% | 53% | 106% | 10% | 14% | 8% | 9% | 10% |
| Financial Metrics⁽⁷⁾ | Non-GAAP Gross Profit | \$67,640 | \$70,743 | \$76,307 | \$88,470 | \$303,160 | \$87,850 | \$97,496 | \$93,972 | \$111,938 | \$391,256 |
| | Non-GAAP Gross Margin | 82.7% | 84.2% | 82.4% | 83.5% | 83.2% | 83.6% | 83.9% | 81.7% | 84.5% | 83.5% |
| | Non-GAAP Operating Income | \$33,615 | \$37,140 | \$44,402 | \$54,643 | \$169,800 | \$50,013 | \$56,658 | \$55,132 | \$62,662 | \$224,464 |
| | Non-GAAP Operating Income (YoY % Change) | 170% | 121% | 117% | 88% | 115% | 49% | 53% | 24% | 15% | 32% |
| | Non-GAAP Adjusted Income (Recast) ⁽⁹⁾ | \$21,118 | \$23,383 | \$28,099 | \$34,755 | \$107,356 | \$46,291 | \$52,608 | \$51,105 | \$58,239 | \$208,244 |
| | Non-GAAP Adjusted Income (YoY % Change) | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| | Non-GAAP EPS (Recast) ⁽⁹⁾ | \$1.13 | \$1.29 | \$1.55 | \$1.93 | \$5.88 | \$2.55 | \$2.90 | \$2.76 | \$3.11 | \$11.33 |
| | Non-GAAP EPS (YoY % Change) | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| | Adjusted EBITDA ⁽⁸⁾ | \$34,750 | \$38,237 | \$45,558 | \$55,865 | \$174,411 | \$51,242 | \$58,059 | \$56,563 | \$64,053 | \$229,916 |
| | Adjusted EBITDA Margin | 42.5% | 45.5% | 49.2% | 52.8% | 47.9% | 48.8% | 50.0% | 49.2% | 48.4% | 49.1% |
| Adjusted EBITDA (YoY % Change) | 161% | 116% | 113% | 85% | 111% | 47% | 52% | 24% | 15% | 32% | |

(1) All revenue numbers are presented on a GAAP basis.

(2) Mailing and shipping metrics are for the mailing and shipping business only and exclude the customized postage business. See the Company's 10-K filings for further discussion.

(3) Mailing and shipping paid customers for the quarter is defined as the number of unique mailing and shipping customers that the Company earned revenue from during that quarter. Paid customers for the year is calculated as the average of the paid customers for the four quarters during that year. Paid customers include ShipStation customers as of Q3-14, ShipWorks customers as of Q4-14, Endicia customers as of Q4-15, and ShippingEasy customers as of Q3-16.

(4) Mailing and shipping revenue includes service, product and insurance revenue from mailing and shipping customers. Mailing and shipping revenue includes ShipStation, ShipWorks, Endicia, and ShippingEasy revenue as of the closing date of the acquisition.

(5) Mailing and shipping monthly ARPU for the quarter is calculated as [mailing and shipping revenue for the quarter] / [mailing and shipping paid customers for the quarter] / 3 months. Monthly ARPU for the year is calculated as [mailing and shipping revenue for the year] / [mailing and shipping paid customers for the year] / 12 months.

(6) Mailing and shipping postage printed includes postage printed by the Company's mailing and shipping customers using its solutions. Includes ShipStation as of Q3-14, ShipWorks as of Q4-14, Endicia as of the acquisition closing date, and ShippingEasy as of Q3-16. Beginning Q4-16, we updated our methodology for measuring the amount of mailing and shipping postage printed. Q1-16 through Q3-16 metrics have also been revised upwards using the updated methodology.

(7) All Financial Metrics are provided on a non-GAAP basis. Non-GAAP measures exclude (1) certain non-cash items such as stock-based compensation expense, contingent consideration charges, amortization of acquired intangibles and capitalized debt issuance costs and non-cash income tax adjustments and (2) certain non-recurring expenses such as asset write-offs, acquisition and integration related corporate development expenses and litigation settlements. For reconciliations of non-GAAP to GAAP, see the Company's prior 8-K filings as hyperlinked above or on subsequent pages.

(8) Non-GAAP Adjusted EBITDA is calculated as non-GAAP Operating Income plus depreciation and amortization contained in cost of sales and operating expenses less capital expenditures for the business. Calculation excludes capital expenditures on the Company owned corporate headquarters.

(9) We adopted ASU 2016-09 in the first quarter of 2017. The impacts of adoption, such as the recognition of excess tax benefits for share-based awards that vested or settled in the quarter as a reduction to our provision for income taxes, have been reflected in our income statement for all periods in 2017. In order to provide comparable year-over-year results, non-GAAP income in all periods in fiscal year 2016 was adjusted for non-GAAP income taxes at the fiscal year 2016 GAAP effective tax rate of 35.7%, and non-GAAP income in all periods in fiscal year 2017 was adjusted for non-GAAP income taxes at the fiscal year 2017 GAAP effective tax rate of 6.0%.

Reconciliation of GAAP to Non-GAAP Financial Measures

All amounts in millions except per share or margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Intangible Amortization Expense | Executive Consulting Expenses | One-time Insurance Proceeds | Debt Amortization Expense | Income Tax Adjustments | Non-GAAP Amounts |
|--------------------------------------|-----------------|--|---------------------------------------|-------------------------------------|-----------------------------------|---------------------------------|---------------------------|---------------------|
| Cost of Revenues | \$79.23 | \$1.77 | \$- | \$- | \$- | \$- | \$- | \$77.45 |
| Research & Development | 46.21 | 9.03 | - | - | - | - | - | 37.17 |
| Sales & Marketing | 91.22 | 7.29 | - | - | - | - | - | 83.93 |
| General & Administrative | 88.55 | 22.73 | 15.99 | 6.00 | (1.86) | - | - | 45.68 |
| Total Expenses | 305.21 | 40.83 | 15.99 | 6.00 | (1.86) | - | - | 244.24 |
| Income (Loss) from Operations | 163.50 | (40.83) | (15.99) | (6.00) | 1.86 | - | - | 224.46 |
| Interest and Other Income (Loss) | (3.26) | - | - | - | - | (0.37) | - | (2.88) |
| Pre-Tax Income (Loss) | 160.25 | (40.83) | (15.99) | (6.00) | 1.86 | (0.37) | - | 221.58 |
| Benefit (Expense) for Income Taxes* | (9.65) | - | - | - | - | - | 3.69 | (13.34) |
| Adjusted Income (Loss) | 150.60 | (40.83) | (15.99) | (6.00) | 1.86 | (0.37) | 3.69 | 208.24 |
| On a diluted per share basis | \$8.19 | \$(2.22) | \$(0.87) | \$(0.33) | \$0.10 | \$(0.02) | \$0.20 | \$11.33 |
| Shares used in per share calculation | 18.39 | 18.39 | 18.39 | 18.39 | 18.39 | 18.39 | 18.39 | 18.39 |

* We adopted ASU 2016-09 in the first quarter of 2017. The impacts of adoption, such as the recognition of excess tax benefits for share-based awards that vested or settled in the quarter as a reduction to our provision for income taxes, have been reflected in our income statement for all periods in 2017. In order to provide comparable quarter-over-quarter results, Non-GAAP income in all periods in fiscal year 2017 was adjusted for Non-GAAP income taxes at the fiscal year 2017 GAAP effective tax rate of 6.0%.

Reconciliation of GAAP to Non-GAAP Financial Measures

All amounts in millions except per share or margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Intangible Amortization Expense | Debt Amortization Expense | Income Tax Adjustments | Non-GAAP Amounts |
|--------------------------------------|---------------|----------------------------------|---------------------------------|---------------------------|------------------------|------------------|
| Cost of Revenues | \$20.87 | \$0.34 | \$- | \$- | \$- | \$20.53 |
| Research & Development | 12.02 | 1.98 | - | - | - | 10.04 |
| Sales & Marketing | 25.20 | 1.09 | - | - | - | 24.11 |
| General & Administrative | 22.87 | 3.75 | 4.00 | - | - | 15.12 |
| Total Expenses | 80.96 | 7.16 | 4.00 | - | - | 69.81 |
| Income (Loss) from Operations | 51.50 | (7.16) | (4.00) | - | - | 62.66 |
| Interest and Other Income (Loss) | (0.79) | - | - | (0.09) | - | (0.69) |
| Pre-Tax Income (Loss) | 50.72 | (7.16) | (4.00) | (0.09) | - | 61.97 |
| Benefit (Expense) for Income Taxes* | (10.52) | - | - | - | (6.79) | (3.73) |
| Adjusted Income (Loss) | 40.20 | (7.16) | (4.00) | (0.09) | (6.79) | 58.24 |
| On a diluted per share basis | \$2.15 | \$(0.38) | \$(0.21) | \$(0.00) | \$(0.36) | \$3.11 |
| Shares used in per share calculation | 18.70 | 18.70 | 18.70 | 18.70 | 18.70 | 18.70 |

* We adopted ASU 2016-09 in the first quarter of 2017. The impacts of adoption, such as the recognition of excess tax benefits for share-based awards that vested or settled in the quarter as a reduction to our provision for income taxes, have been reflected in our income statement for all periods in 2017. In order to provide comparable quarter-over-quarter results, Non-GAAP income in all periods in fiscal year 2017 was adjusted for Non-GAAP income taxes at the fiscal year 2017 GAAP effective tax rate of 6.0%.

Third Quarter 2017 GAAP to Non-GAAP Reconciliations (Tax Adjusted)*



Reconciliation of GAAP to Non-GAAP Financial Measures

All amounts in millions except per share or margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Intangible Amortization Expense | Executive Consulting Expenses | One-time Insurance Proceeds | Debt Amortization Expense | Income Tax Adjustments | Non-GAAP Amounts |
|--------------------------------------|---------------|----------------------------------|---------------------------------|-------------------------------|-----------------------------|---------------------------|------------------------|------------------|
| Cost of Revenues | \$21.53 | \$0.44 | \$- | \$- | \$- | \$- | \$- | \$21.09 |
| Research & Development | 12.04 | 2.34 | - | - | - | - | - | 9.70 |
| Sales & Marketing | 20.59 | 1.92 | - | - | - | - | - | 18.67 |
| General & Administrative | 25.24 | 6.64 | 4.00 | 6.00 | (1.86) | - | - | 10.47 |
| Total Expenses | 79.40 | 11.33 | 4.00 | 6.00 | (1.86) | - | - | 59.93 |
| Income (Loss) from Operations | 35.66 | (11.33) | (4.00) | (6.00) | 1.86 | - | - | 55.13 |
| Interest and Other Income (Loss) | (0.85) | - | - | - | - | (0.09) | - | (0.75) |
| Pre-Tax Income (Loss) | 34.81 | (11.33) | (4.00) | (6.00) | 1.86 | (0.09) | - | 54.38 |
| Benefit (Expense) for Income Taxes* | 11.41 | - | - | - | - | - | 14.69 | (3.27) |
| Adjusted Income (Loss) | 46.23 | (11.33) | (4.00) | (6.00) | 1.86 | (0.09) | 14.69 | 51.11 |
| On a diluted per share basis | \$2.49 | \$(0.61) | \$(0.22) | \$(0.32) | \$0.10 | \$(0.01) | \$0.79 | \$2.76 |
| Shares used in per share calculation | 18.55 | 18.55 | 18.55 | 18.55 | 18.55 | 18.55 | 18.55 | 18.55 |

* We adopted ASU 2016-09 in the first quarter of 2017. The impacts of adoption, such as the recognition of excess tax benefits for share-based awards that vested or settled in the quarter as a reduction to our provision for income taxes, have been reflected in our income statement for all periods in 2017. In order to provide comparable quarter-over-quarter results, Non-GAAP income in all periods in fiscal year 2017 was adjusted for Non-GAAP income taxes at the fiscal year 2017 GAAP effective tax rate of 6.0%.

Reconciliation of GAAP to Non-GAAP Financial Measures

All amounts in millions except per share or margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Intangible Amortization Expense | Debt Amortization Expense | Income Tax Adjustments | Non-GAAP Amounts |
|--------------------------------------|---------------|----------------------------------|---------------------------------|---------------------------|------------------------|------------------|
| Cost of Revenues | \$19.09 | \$0.45 | \$- | \$- | \$- | \$18.64 |
| Research & Development | 11.63 | 2.22 | - | - | - | 9.41 |
| Sales & Marketing | 22.28 | 1.97 | - | - | - | 20.31 |
| General & Administrative | 21.45 | 6.33 | 4.00 | - | - | 11.13 |
| Total Expenses | 74.45 | 10.97 | 4.00 | - | - | 59.48 |
| Income (Loss) from Operations | 41.69 | (10.97) | (4.00) | - | - | 56.66 |
| Interest and Other Income (Loss) | (0.77) | - | - | (0.09) | - | (0.68) |
| Pre-Tax Income (Loss) | 40.92 | (10.97) | (4.00) | (0.09) | - | 55.98 |
| Benefit (Expense) for Income Taxes* | (9.88) | - | - | - | (6.51) | (3.37) |
| Adjusted Income (Loss) | 31.04 | (10.97) | (4.00) | (0.09) | (6.51) | 52.61 |
| On a diluted per share basis | \$1.71 | \$(0.61) | \$(0.22) | \$(0.01) | \$(0.36) | \$2.90 |
| Shares used in per share calculation | 18.12 | 18.12 | 18.12 | 18.12 | 18.12 | 18.12 |

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Reconciliation of GAAP to Non-GAAP Financial Measures

All amounts in millions except per share or margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Intangible Amortization Expense | Debt Amortization Expense | Income Tax Adjustments | Non-GAAP Amounts |
|--------------------------------------|---------------|----------------------------------|---------------------------------|---------------------------|------------------------|------------------|
| Cost of Revenues | \$17.74 | \$0.55 | \$- | \$- | \$- | \$17.19 |
| Research & Development | 10.52 | 2.50 | - | - | - | 8.03 |
| Sales & Marketing | 23.15 | 2.31 | - | - | - | 20.84 |
| General & Administrative | 18.98 | 6.02 | 4.00 | - | - | 8.97 |
| Total Expenses | 70.39 | 11.37 | 4.00 | - | - | 55.03 |
| Income (Loss) from Operations | 34.65 | (11.37) | (4.00) | - | - | 50.01 |
| Interest and Other Income (Loss) | (0.85) | - | - | (0.09) | - | (0.76) |
| Pre-Tax Income (Loss) | 33.80 | (11.37) | (4.00) | (0.09) | - | 49.26 |
| Benefit (Expense) for Income Taxes* | (0.66) | - | - | - | 2.30 | (2.97) |
| Adjusted Income (Loss) | 33.14 | (11.37) | (4.00) | (0.09) | 2.30 | 46.29 |
| On a diluted per share basis | \$1.82 | \$(0.63) | \$(0.22) | \$(0.01) | \$0.13 | \$2.55 |
| Shares used in per share calculation | 18.17 | 18.17 | 18.17 | 18.17 | 18.17 | 18.17 |

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Annual 2017 GAAP to Non-GAAP Reconciliations



Reconciliation of GAAP to Non-GAAP Financial Measures

All amounts in millions except per share or margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Intangible Amortization Expense | Executive Consulting Expenses | One-time Insurance Proceeds | Debt Amortization | Income Tax Adjustments | Non-GAAP Amounts |
|--------------------------------------|---------------|----------------------------------|---------------------------------|-------------------------------|-----------------------------|-------------------|------------------------|------------------|
| Cost of Revenues | \$79.23 | \$1.77 | \$- | \$- | \$- | \$- | \$- | \$77.45 |
| Research & Development | 46.21 | 9.03 | - | - | - | - | - | 37.17 |
| Sales & Marketing | 91.22 | 7.29 | - | - | - | - | - | 83.93 |
| General & Administrative | 88.55 | 22.73 | 15.99 | 6.00 | (1.86) | - | - | 45.68 |
| Total Expenses | 305.21 | 40.83 | 15.99 | 6.00 | (1.86) | - | - | 244.24 |
| Income (Loss) from Operations | 163.50 | (40.83) | (15.99) | (6.00) | 1.86 | - | - | 224.46 |
| Interest and Other Income (Loss) | (3.26) | - | - | - | - | (0.37) | - | (2.88) |
| Pre-Tax Income (Loss) | 160.25 | (40.83) | (15.99) | (6.00) | 1.86 | (0.37) | - | 221.58 |
| Benefit (Expense) for Income Taxes | (9.65) | - | - | - | - | - | 3.69 | (13.34) |
| Adjusted Income (Loss) | 150.60 | (40.83) | (15.99) | (6.00) | 1.86 | (0.37) | 3.69 | 208.24 |
| On a diluted per share basis | \$8.19 | \$(2.22) | \$(0.87) | \$(0.33) | \$0.10 | \$(0.02) | \$0.20 | \$11.33 |
| Shares used in per share calculation | 18.39 | 18.39 | 18.39 | 18.39 | 18.39 | 18.39 | 18.39 | 18.39 |

Reconciliation of GAAP Net Income to Adjusted EBITDA

All amounts in millions except margin data

| | 12 Months ended Dec. 31 | |
|--|-------------------------|-----------------|
| | 2017 | 2016 |
| GAAP Net Income (Loss) | \$150.60 | \$75.23 |
| Depreciation and Amortization expense | \$21.44 | \$19.17 |
| Interest & Other Expense (Income), net | \$3.26 | \$3.25 |
| Income Tax Expense (Benefit), net | \$9.65 | \$41.74 |
| Stock-based Compensation Expense | \$40.83 | \$33.95 |
| Executive Consulting Expense | \$6.00 | \$ -- |
| One-time Insurance Proceeds | \$(1.86) | \$ -- |
| Non-Recurring Expenses | \$ -- | \$1.08 |
| Adjusted EBITDA | \$229.92 | \$174.41 |
| Adjusted EBITDA Margin | 49.1% | 47.9% |

Reconciliation of GAAP to Non-GAAP Gross Profit and Gross Margin

All amounts in millions except margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Non-GAAP Amounts |
|-----------------------------------|-----------------|----------------------------------|------------------|
| Mailing and Shipping Gross Profit | \$386.23 | \$(1.77) | \$387.99 |
| Customized Postage Gross Profit | \$3.20 | (0.01) | \$3.21 |
| Total Gross Profit | \$389.48 | (1.77) | \$391.26 |
| Mailing and Shipping Gross Margin | 85.9% | (0.4%) | 86.3% |
| Customized Postage Gross Margin | 16.6% | (0.0%) | 16.7% |
| Total Gross Margin | 83.1% | (0.4%) | 83.5% |

Fourth Quarter 2017 GAAP to Non-GAAP Reconciliations

Reconciliation of GAAP to Non-GAAP Financial Measures

All amounts in millions except per share or margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Intangible Amortization Expense | Debt Amortization | Income Tax Adjustments | Non-GAAP Amounts |
|--------------------------------------|--------------|----------------------------------|---------------------------------|-------------------|------------------------|------------------|
| Cost of Revenues | \$20.87 | \$0.34 | \$- | \$- | \$- | \$20.53 |
| Research & Development | 12.02 | 1.98 | - | - | - | 10.04 |
| Sales & Marketing | 25.20 | 1.09 | - | - | - | 24.11 |
| General & Administrative | 22.87 | 3.75 | 4.00 | - | - | 15.12 |
| Total Expenses | 80.96 | 7.16 | 4.00 | - | - | 69.81 |
| Income (Loss) from Operations | 51.50 | (7.16) | (4.00) | - | - | 62.66 |
| Interest and Other Income (Loss) | (0.79) | - | - | (0.09) | - | (0.69) |
| Pre-Tax Income (Loss) | 50.72 | (7.16) | (4.00) | (0.09) | - | 61.97 |
| Benefit (Expense) for Income Taxes | (10.52) | - | - | - | (36.00) | 25.48 |
| Adjusted Income (Loss) | 40.20 | (7.16) | (4.00) | (0.09) | (36.00) | 87.45 |
| On a diluted per share basis | \$2.15 | \$(0.38) | \$(0.21) | \$(0.00) | \$(1.93) | \$4.68 |
| Shares used in per share calculation | 18.70 | 18.70 | 18.70 | 18.70 | 18.70 | 18.70 |

Reconciliation of GAAP Net Income to Adjusted EBITDA

All amounts in millions except margin data

Three Months ended Dec. 31

| | 2017 | 2016 |
|--|----------------|----------------|
| GAAP Net Income (Loss) | \$40.20 | \$29.03 |
| Depreciation and Amortization expense | \$5.39 | \$5.23 |
| Interest & Other Expense (Income), net | \$0.79 | \$0.70 |
| Income Tax Expense (Benefit), net | \$10.52 | \$11.72 |
| Stock-based Compensation Expense | \$7.16 | \$9.19 |
| Adjusted EBITDA | \$64.05 | \$55.87 |
| Adjusted EBITDA Margin | 48.4% | 52.8% |

Reconciliation of GAAP to Non-GAAP Gross Profit and Gross Margin

All amounts in millions except margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Non-GAAP Amounts |
|-----------------------------------|-----------------|----------------------------------|------------------|
| Mailing and Shipping Gross Profit | \$111.09 | \$(0.33) | \$111.43 |
| Customized Postage Gross Profit | \$0.50 | (0.00) | \$0.50 |
| Total Gross Profit | \$111.60 | (0.34) | \$111.94 |
| Mailing and Shipping Gross Margin | 86.4% | (0.3%) | 86.7% |
| Customized Postage Gross Margin | 12.7% | (0.0%) | 12.7% |
| Total Gross Margin | 84.2% | (0.3%) | 84.5% |

Third Quarter 2017 GAAP to Non-GAAP Reconciliations



Reconciliation of GAAP to Non-GAAP Financial Measures

All amounts in millions except per share or margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Intangible Amortization Expense | Executive Consulting Expenses | One-time Insurance Proceeds | Debt Amortization | Income Tax Adjustments | Non-GAAP Amounts |
|--------------------------------------|--------------|----------------------------------|---------------------------------|-------------------------------|-----------------------------|-------------------|------------------------|------------------|
| Cost of Revenues | \$21.53 | \$0.44 | \$- | \$- | \$- | \$ - | \$- | \$21.09 |
| Research & Development | 12.04 | 2.34 | - | - | - | - | - | 9.70 |
| Sales & Marketing | 20.59 | 1.92 | - | - | - | - | - | 18.67 |
| General & Administrative | 25.24 | 6.64 | 4.00 | 6.00 | (1.86) | - | - | 10.47 |
| Total Expenses | 79.40 | 11.33 | 4.00 | 6.00 | (1.86) | - | - | 59.93 |
| Income (Loss) from Operations | 35.66 | (11.33) | (4.00) | (6.00) | 1.86 | - | - | 55.13 |
| Interest and Other Income (Loss) | (0.85) | - | - | - | - | (0.09) | - | (0.75) |
| Pre-Tax Income (Loss) | 34.81 | (11.33) | (4.00) | (6.00) | 1.86 | (0.09) | - | 54.38 |
| Benefit (Expense) for Income Taxes | 11.41 | - | - | - | - | - | 16.03 | (4.62) |
| Adjusted Income (Loss) | 46.23 | (11.33) | (4.00) | (6.00) | 1.86 | (0.09) | 16.03 | 49.76 |
| On a diluted per share basis | \$2.49 | \$(0.61) | \$(0.22) | \$(0.32) | \$0.10 | \$(0.01) | \$0.86 | \$2.68 |
| Shares used in per share calculation | 18.55 | 18.55 | 18.55 | 18.55 | 18.55 | 18.55 | 18.55 | 18.55 |

Reconciliation of GAAP Net Income to Adjusted EBITDA

All amounts in millions except margin data

| | Three Months ended Sept. 30 | |
|--|-----------------------------|----------------|
| | 2017 | 2016 |
| GAAP Net Income (Loss) | \$46.23 | \$18.67 |
| Depreciation and Amortization expense | \$5.43 | \$5.14 |
| Interest & Other Expense (Income), net | \$0.85 | \$0.80 |
| Income Tax Expense (Benefit), net | (\$11.41) | \$12.12 |
| Stock-based Compensation Expense | \$11.33 | \$8.82 |
| Executive Consulting Expense | \$6.00 | \$ -- |
| One-time Insurance Proceeds | (\$1.86) | \$ -- |
| Adjusted EBITDA | \$56.56 | \$45.56 |
| Adjusted EBITDA Margin | 49.2% | 49.2% |

Reconciliation of GAAP to Non-GAAP Gross Profit and Gross Margin

All amounts in millions except margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Non-GAAP Amounts |
|-----------------------------------|--------------|----------------------------------|------------------|
| Mailing and Shipping Gross Profit | \$92.08 | \$(0.45) | \$92.53 |
| Customized Postage Gross Profit | 1.44 | (0.00) | 1.44 |
| Total Gross Profit | 93.53 | (0.44) | 93.97 |
| Mailing and Shipping Gross Margin | 86.5% | (0.4%) | 86.9% |
| Customized Postage Gross Margin | 16.7% | (0.0%) | 16.7% |
| Total Gross Margin | 81.3% | (0.4%) | 81.7% |

Second Quarter 2017 GAAP to Non-GAAP Reconciliations



Reconciliation of GAAP to Non-GAAP Financial Measures

All amounts in millions except per share or margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Intangible Amortization Expense | Debt Amortization | Income Tax Adjustments | Non-GAAP Amounts |
|--------------------------------------|--------------|----------------------------------|---------------------------------|-------------------|------------------------|------------------|
| Cost of Revenues | \$19.09 | \$0.45 | \$- | \$ - | \$- | \$18.64 |
| Research & Development | 11.63 | 2.22 | - | - | - | 9.41 |
| Sales & Marketing | 22.28 | 1.97 | - | - | - | 20.31 |
| General & Administrative | 21.45 | 6.33 | 4.00 | - | - | 11.13 |
| Total Expenses | 74.45 | 10.97 | 4.00 | - | - | 59.48 |
| Income (Loss) from Operations | 41.69 | (10.97) | (4.00) | - | - | 56.66 |
| Interest and Other Income (Loss) | (0.77) | - | - | (0.09) | - | (0.68) |
| Pre-Tax Income (Loss) | 40.92 | (10.97) | (4.00) | (0.09) | - | 55.98 |
| Benefit (Expense) for Income Taxes | (9.88) | - | - | - | 8.31 | (18.19) |
| Adjusted Income (Loss) | 31.04 | (10.97) | (4.00) | (0.09) | 8.31 | 37.79 |
| On a diluted per share basis | \$1.71 | \$(0.61) | \$(0.22) | \$(0.01) | \$0.46 | \$2.08 |
| Shares used in per share calculation | 18.12 | 18.12 | 18.12 | 18.12 | 18.12 | 18.12 |

Reconciliation of GAAP Net Income to Adjusted EBITDA

All amounts in millions except margin data

Three Months ended June 30

| | 2017 | 2016 |
|--|----------------|----------------|
| GAAP Net Income (Loss) | \$31.04 | \$14.29 |
| Depreciation and Amortization expense | \$5.40 | \$4.33 |
| Interest & Other Expense (Income), net | \$0.77 | \$0.87 |
| Income Tax Expense (Benefit), net | \$9.88 | \$9.80 |
| Stock-based Compensation Expense | \$10.97 | \$8.42 |
| Non-Recurring Expenses | \$ -- | \$0.52 |
| Adjusted EBITDA | \$58.06 | \$38.24 |
| Adjusted EBITDA Margin | 50.0% | 45.5% |

Reconciliation of GAAP to Non-GAAP Gross Profit and Gross Margin

All amounts in millions except margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Non-GAAP Amounts |
|-----------------------------------|--------------|----------------------------------|------------------|
| Mailing and Shipping Gross Profit | \$96.32 | \$(0.44) | \$96.77 |
| Customized Postage Gross Profit | 0.72 | (0.00) | 0.72 |
| Total Gross Profit | 97.05 | (0.45) | 97.50 |
| Mailing and Shipping Gross Margin | 86.1% | (0.4%) | 86.5% |
| Customized Postage Gross Margin | 16.8% | (0.0%) | 16.8% |
| Total Gross Margin | 83.6% | (0.4%) | 83.9% |

First Quarter 2017 GAAP to Non-GAAP Reconciliations



Reconciliation of GAAP to Non-GAAP Financial Measures

All amounts in millions except per share or margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Intangible Amortization Expense | Debt Amortization | Income Tax Adjustments | Non-GAAP Amounts |
|--------------------------------------|--------------|----------------------------------|---------------------------------|-------------------|------------------------|------------------|
| Cost of Revenues | \$17.74 | \$0.55 | \$- | \$ - | \$- | \$17.19 |
| Research & Development | 10.52 | 2.50 | - | - | - | 8.03 |
| Sales & Marketing | 23.15 | 2.31 | - | - | - | 20.84 |
| General & Administrative | 18.98 | 6.02 | 4.00 | - | - | 8.97 |
| Total Expenses | 70.39 | 11.37 | 4.00 | - | - | 55.03 |
| Income (Loss) from Operations | 34.65 | (11.37) | (4.00) | - | - | 50.01 |
| Interest and Other Income (Loss) | (0.85) | - | - | (0.09) | - | (0.76) |
| Pre-Tax Income (Loss) | 33.80 | (11.37) | (4.00) | (0.09) | - | 49.26 |
| Benefit (Expense) for Income Taxes | (0.66) | - | - | - | 15.35 | (16.01) |
| Adjusted Income (Loss) | 33.14 | (11.37) | (4.00) | (0.09) | 15.35 | 33.25 |
| On a diluted per share basis | \$1.82 | \$(0.63) | \$(0.22) | \$(0.01) | \$0.84 | \$1.83 |
| Shares used in per share calculation | 18.17 | 18.17 | 18.17 | 18.17 | 18.17 | 18.17 |

Reconciliation of GAAP Net Income to Adjusted EBITDA

All amounts in millions except margin data

| | Three Months ended March 31 | |
|--|-----------------------------|----------------|
| | 2017 | 2016 |
| GAAP Net Income (Loss) | \$33.14 | \$13.24 |
| Depreciation and Amortization expense | \$5.23 | \$4.46 |
| Interest & Other Expense (Income), net | \$0.85 | \$0.87 |
| Income Tax Expense (Benefit), net | \$0.66 | \$8.11 |
| Stock-based Compensation Expense | \$11.37 | \$7.52 |
| Non-Recurring Expenses | \$ -- | \$0.56 |
| Adjusted EBITDA | \$51.24 | \$34.75 |
| Adjusted EBITDA Margin | 48.8% | 42.5% |

Reconciliation of GAAP to Non-GAAP Gross Profit and Gross Margin

All amounts in millions except margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Non-GAAP Amounts |
|-----------------------------------|--------------|----------------------------------|------------------|
| Mailing and Shipping Gross Profit | \$86.74 | \$(0.55) | \$87.28 |
| Customized Postage Gross Profit | 0.55 | (0.00) | 0.55 |
| Total Gross Profit | 87.30 | (0.55) | 87.85 |
| Mailing and Shipping Gross Margin | 84.6% | (0.5%) | 85.1% |
| Customized Postage Gross Margin | 22.5% | (0.1%) | 22.6% |
| Total Gross Margin | 83.1% | (0.5%) | 83.6% |

INVESTOR METRICS 2016

| | Q1 | Q2 | Q3 | Q4 | TOTAL | |
|---|--|-------------|-------------|-------------|-------------|-------------|
| Revenue (\$000s) ⁽¹⁾ | Service Revenue | \$69,106 | \$72,590 | \$78,871 | \$92,490 | \$313,057 |
| | Store Revenue | \$5,555 | \$4,851 | \$4,703 | \$5,125 | \$20,234 |
| | Insurance Revenue | \$4,511 | \$4,082 | \$4,050 | \$4,657 | \$17,300 |
| | Mailing & Shipping Revenue | \$79,172 | \$81,523 | \$87,624 | \$102,272 | \$350,591 |
| | Customized Postage Revenue | \$2,637 | \$2,467 | \$4,912 | \$3,599 | \$13,615 |
| | Other Revenue | \$28 | \$23 | \$23 | \$25 | \$99 |
| | Total Revenue | \$81,837 | \$84,013 | \$92,559 | \$105,896 | \$364,305 |
| | Total Revenue (YoY % Change) | 86% | 74% | 79% | 52% | 70% |
| Mailing & Shipping Metrics ⁽²⁾ | Paid Customers (000s) ⁽³⁾ | 649 | 646 | 648 | 681 | 656 |
| | Paid Customers (YoY % Change) | 17% | 14% | 14% | 8% | 13% |
| | Revenue (\$000s) ⁽⁴⁾ | \$79,172 | \$81,523 | \$87,624 | \$102,272 | \$350,591 |
| | Revenue (YoY % Change) | 84% | 72% | 78% | 52% | 70% |
| | Monthly ARPU ⁽⁵⁾ | \$40.65 | \$42.06 | \$45.05 | \$50.03 | \$44.52 |
| | Monthly ARPU (YoY % Change) | 58% | 51% | 56% | 42% | 50% |
| | Postage Printed (\$000s) ⁽⁶⁾ | \$1,338,822 | \$1,303,737 | \$1,299,155 | \$1,576,376 | \$5,518,090 |
| | Postage Printed (YoY % Change) | 142% | 138% | 137% | 53% | 106% |
| Financial Metrics ⁽⁷⁾ | Non-GAAP Gross Profit | \$67,640 | \$70,743 | \$76,307 | \$88,470 | \$303,160 |
| | Non-GAAP Gross Margin | 82.7% | 84.2% | 82.4% | 83.5% | 83.2% |
| | Non-GAAP Operating Income | \$33,615 | \$37,140 | \$44,402 | \$54,643 | \$169,800 |
| | Non-GAAP Operating Income (YoY % Change) | 170% | 121% | 117% | 88% | 115% |
| | Non-GAAP Adjusted Income | \$32,037 | \$35,303 | \$42,246 | \$49,221 | \$158,808 |
| | Non-GAAP Adjusted Income (YoY % Change) | 163% | 111% | 111% | 75% | 106% |
| | Non-GAAP EPS ⁽⁸⁾ | \$1.72 | \$1.94 | \$2.33 | \$2.73 | \$8.70 |
| | Non-GAAP EPS (YoY % Change) | 139% | 100% | 104% | 74% | 96% |
| | Adjusted EBITDA ⁽⁹⁾ | \$34,750 | \$38,237 | \$45,558 | \$55,865 | \$174,411 |
| | Adjusted EBITDA Margin | 42.5% | 45.5% | 49.2% | 52.8% | 47.9% |
| Adjusted EBITDA (YoY % Change) | 161% | 116% | 113% | 85% | 111% | |

(1) All revenue numbers are presented on a GAAP basis.

(2) Mailing and shipping metrics are for the mailing and shipping business only and exclude the customized postage business. See the Company's 10-K filings for further discussion.

(3) Mailing and shipping paid customers for the quarter is defined as the number of unique mailing and shipping customers that the Company earned revenue from during that quarter. Paid customers for the year is calculated as the average of the paid customers for the four quarters during that year. Paid customers include ShipStation customers as of Q3-14, ShipWorks customers as of Q4-14, Endicia customers as of Q4-15, and ShippingEasy customers as of Q3-16.

(4) Mailing and shipping revenue includes service, product and insurance revenue from mailing and shipping customers. Mailing and shipping revenue includes ShipStation, ShipWorks, Endicia, and ShippingEasy revenue as of the closing date of the acquisition.

(5) Mailing and shipping monthly ARPU for the quarter is calculated as [mailing and shipping revenue for the quarter] / [mailing and shipping paid customers for the quarter] / 3 months. Monthly ARPU for the year is calculated as [mailing and shipping revenue for the year] / [mailing and shipping paid customers for the year] / 12 months.

(6) Mailing and shipping postage printed includes postage printed by the Company's mailing and shipping customers using its solutions. Includes ShipStation as of Q3-14, ShipWorks as of Q4-14, Endicia as of the acquisition closing date, and ShippingEasy as of Q3-16. Beginning Q4-16, we updated our methodology for measuring the amount of mailing and shipping postage printed. Q1-16 through Q3-16 metrics have also been revised upwards using the updated methodology.

(7) All Financial Metrics are provided on a Non-GAAP basis. Non-GAAP measures exclude (1) certain non-cash items such as stock-based compensation expense, contingent consideration charges, amortization of acquired intangibles and capitalized debt issuance costs and non-cash income tax adjustments and (2) certain non-recurring expenses such as asset write-offs, acquisition and integration related corporate development expenses and litigation settlements. For reconciliations of Non-GAAP to GAAP, see the Company's prior 8-K filings as hyperlinked above or on subsequent pages.

(8) Non-GAAP Adjusted EBITDA is calculated as Non-GAAP Operating Income plus depreciation and amortization contained in cost of sales and operating expenses less capital expenditures for the business. Calculation excludes capital expenditures on the Company owned corporate headquarters.

Annual 2016 GAAP to Non-GAAP Reconciliations (Tax Adjusted)*



Reconciliation of GAAP to Non-GAAP Financial Measures

All amounts in millions except per share or margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Intangible Amortization Expense | Acquisition Related Expenses | Debt Amortization Expense | Income Tax Adjustments | Non-GAAP Amounts |
|--------------------------------------|---------------|----------------------------------|---------------------------------|------------------------------|---------------------------|------------------------|------------------|
| Cost of Revenues | \$62.97 | \$1.83 | \$- | \$- | \$- | \$- | \$61.14 |
| Research & Development | 35.16 | 6.63 | - | - | - | - | 28.52 |
| Sales & Marketing | 78.83 | 7.19 | - | - | - | - | 71.64 |
| General & Administrative | 67.12 | 18.29 | 14.56 | 1.08 | - | - | 33.20 |
| Total Expenses | 244.08 | 33.95 | 14.56 | 1.08 | - | - | 194.50 |
| Income (Loss) from Operations | 120.22 | (33.95) | (14.56) | (1.08) | - | - | 169.80 |
| Interest and Other Income (Loss) | (3.25) | - | - | - | (0.37) | - | (2.87) |
| Pre-Tax Income (Loss) | 116.97 | (33.95) | (14.56) | (1.08) | (0.37) | - | 166.93 |
| Benefit (Expense) for Income Taxes* | (41.74) | - | - | - | - | 17.85 | (59.59) |
| Adjusted Income (Loss) | 75.23 | (33.95) | (14.56) | (1.08) | (0.37) | 17.85 | 107.33 |
| On a diluted per share basis | \$4.12 | \$(1.86) | \$(0.80) | \$(0.06) | \$(0.02) | \$0.98 | \$5.88 |
| Shares used in per share calculation | 18.25 | 18.25 | 18.25 | 18.25 | 18.25 | 18.25 | 18.25 |

* We adopted ASU 2016-09 in the first quarter of 2017. The impacts of adoption, such as the recognition of excess tax benefits for share-based awards that vested or settled in the quarter as a reduction to our provision for income taxes, have been reflected in our income statement for all periods in 2017. In order to provide comparable year-over-year results, Non-GAAP income in all periods in fiscal year 2016 was adjusted for Non-GAAP income taxes at the fiscal year 2016 effective tax rate of 35.7%.

Reconciliation of GAAP to Non-GAAP Financial Measures

All amounts in millions except per share or margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Intangible Amortization Expense | Debt Amortization Expense | Income Tax Adjustments | Non-GAAP Amounts |
|--------------------------------------|-----------------|--|---------------------------------------|---------------------------------|---------------------------|---------------------|
| Cost of Revenues | \$17.90 | \$0.48 | \$- | \$- | \$- | \$17.43 |
| Research & Development | 9.58 | 1.94 | - | - | - | 7.64 |
| Sales & Marketing | 19.12 | 1.87 | - | - | - | 17.25 |
| General & Administrative | 17.85 | 4.91 | 4.01 | - | - | 8.93 |
| Total Expenses | 64.45 | 9.19 | 4.01 | - | - | 51.25 |
| Income (Loss) from Operations | 41.44 | (9.19) | (4.01) | - | - | 54.64 |
| Interest and Other Income (Loss) | (0.70) | - | - | (0.09) | - | (0.60) |
| Pre-Tax Income (Loss) | 40.75 | (9.19) | (4.01) | (0.09) | - | 54.04 |
| Benefit (Expense) for Income Taxes* | (11.72) | - | - | - | 7.57 | (19.29) |
| Adjusted Income (Loss) | 29.03 | (9.19) | (4.01) | (0.09) | 7.57 | 34.75 |
| On a diluted per share basis | \$1.61 | \$(0.51) | \$(0.22) | \$(0.01) | \$0.42 | \$1.93 |
| Shares used in per share calculation | 18.03 | 18.03 | 18.03 | 18.03 | 18.03 | 18.03 |

* We adopted ASU 2016-09 in the first quarter of 2017. The impacts of adoption, such as the recognition of excess tax benefits for share-based awards that vested or settled in the quarter as a reduction to our provision for income taxes, have been reflected in our income statement for all periods in 2017. In order to provide comparable year-over-year results, Non-GAAP income in all periods in fiscal year 2016 was adjusted for Non-GAAP income taxes at the fiscal year 2016 effective tax rate of 35.7%.

Reconciliation of GAAP to Non-GAAP Financial Measures

All amounts in millions except per share or margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Intangible Amortization Expense | Debt Amortization | Income Tax Adjustments | Non-GAAP Amounts |
|--------------------------------------|-----------------|--|---------------------------------------|----------------------|---------------------------|---------------------|
| Cost of Revenues | \$16.73 | \$0.48 | \$- | \$- | \$- | \$16.25 |
| Research & Development | 9.11 | 1.92 | - | - | - | 7.19 |
| Sales & Marketing | 18.23 | 1.73 | - | - | - | 16.50 |
| General & Administrative | 16.90 | 4.70 | 3.99 | - | - | 8.22 |
| Total Expenses | 60.97 | 8.82 | 3.99 | - | - | 48.16 |
| Income (Loss) from Operations | 31.59 | (8.82) | (3.99) | - | - | 44.40 |
| Interest and Other Income (Loss) | (0.80) | - | - | (0.09) | - | (0.71) |
| Pre-Tax Income (Loss) | 30.79 | (8.82) | (3.99) | (0.09) | - | 43.69 |
| Benefit (Expense) for Income Taxes* | (12.12) | - | - | - | 3.48 | (15.60) |
| Adjusted Income (Loss) | 18.67 | (8.82) | (3.99) | (0.09) | 3.48 | 28.09 |
| On a diluted per share basis | \$1.03 | \$(0.49) | \$(0.22) | \$(0.01) | \$0.19 | \$1.55 |
| Shares used in per share calculation | 18.12 | 18.12 | 18.12 | 18.12 | 18.12 | 18.12 |

* We adopted ASU 2016-09 in the first quarter of 2017. The impacts of adoption, such as the recognition of excess tax benefits for share-based awards that vested or settled in the quarter as a reduction to our provision for income taxes, have been reflected in our income statement for all periods in 2017. In order to provide comparable year-over-year results, Non-GAAP income in all periods in fiscal year 2016 was adjusted for Non-GAAP income taxes at the fiscal year 2016 effective tax rate of 35.7%.

Reconciliation of GAAP to Non-GAAP Financial Measures

All amounts in millions except per share or margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Intangible Amortization Expense | Aquisition Related Expenses | Debt Amortization | Income Tax Adjustments | Non-GAAP Amounts |
|--------------------------------------|-----------------|--|---------------------------------------|-----------------------------------|----------------------|---------------------------|---------------------|
| Cost of Revenues | \$13.72 | \$0.45 | \$ - | \$ - | \$ - | \$ - | \$13.27 |
| Research & Development | 8.13 | 1.42 | - | - | - | - | 6.71 |
| Sales & Marketing | 20.08 | 1.86 | - | - | - | - | 18.22 |
| General & Administrative | 17.11 | 4.68 | 3.24 | 0.52 | - | - | 8.67 |
| Total Expenses | 59.05 | 8.42 | 3.24 | 0.52 | - | - | 46.87 |
| Income (Loss) from Operations | 24.97 | (8.42) | (3.24) | (0.52) | - | - | 37.14 |
| Interest and Other Income (Loss) | (0.87) | - | - | - | (0.09) | - | (0.78) |
| Pre-Tax Income (Loss) | 24.09 | (8.42) | (3.24) | (0.52) | (0.09) | - | 36.36 |
| Benefit (Expense) for Income Taxes* | (9.80) | - | - | - | - | 3.18 | (12.98) |
| Adjusted Income (Loss) | 14.29 | (8.42) | (3.24) | (0.52) | (0.09) | 3.18 | 23.38 |
| On a diluted per share basis | \$0.79 | \$(0.46) | \$(0.18) | \$(0.03) | \$(0.01) | \$0.17 | \$1.29 |
| Shares used in per share calculation | 18.19 | 18.19 | 18.19 | 18.19 | 18.19 | 18.19 | 18.19 |

* We adopted ASU 2016-09 in the first quarter of 2017. The impacts of adoption, such as the recognition of excess tax benefits for share-based awards that vested or settled in the quarter as a reduction to our provision for income taxes, have been reflected in our income statement for all periods in 2017. In order to provide comparable year-over-year results, Non-GAAP income in all periods in fiscal year 2016 was adjusted for Non-GAAP income taxes at the fiscal year 2016 effective tax rate of 35.7%.

Reconciliation of GAAP to Non-GAAP Financial Measures

All amounts in millions except per share or margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Intangible Amortization Expense | Non-Recurring Expenses | Debt Amortization | Income Tax Adjustments | Non-GAAP Amounts |
|--------------------------------------|--------------|----------------------------------|---------------------------------|------------------------|-------------------|------------------------|------------------|
| Cost of Revenues | \$14.62 | \$0.42 | \$ - | \$ - | \$ - | \$ - | \$14.20 |
| Research & Development | 8.34 | 1.36 | - | - | - | - | 6.98 |
| Sales & Marketing | 21.40 | 1.73 | - | - | - | - | 19.67 |
| General & Administrative | 15.26 | 4.01 | 3.32 | 0.56 | - | - | 7.38 |
| Total Expenses | 59.62 | 7.52 | 3.32 | 0.56 | - | - | 48.22 |
| Income (Loss) from Operations | 22.22 | (7.52) | (3.32) | (0.56) | - | - | 33.61 |
| Interest and Other Income (Loss) | (0.87) | - | - | - | (0.09) | - | (0.78) |
| Pre-Tax Income (Loss) | 21.35 | (7.52) | (3.32) | (0.56) | (0.09) | - | 32.84 |
| Benefit (Expense) for Income Taxes* | (8.11) | - | - | - | - | 3.61 | (11.72) |
| Adjusted Income (Loss) | 13.24 | (7.52) | (3.32) | (0.56) | (0.09) | 3.61 | 21.12 |
| On a diluted per share basis | \$0.71 | \$(0.40) | \$(0.18) | \$(0.03) | \$(0.01) | \$0.19 | \$1.13 |
| Shares used in per share calculation | 18.66 | 18.66 | 18.66 | 18.66 | 18.66 | 18.66 | 18.66 |

* We adopted ASU 2016-09 in the first quarter of 2017. The impacts of adoption, such as the recognition of excess tax benefits for share-based awards that vested or settled in the quarter as a reduction to our provision for income taxes, have been reflected in our income statement for all periods in 2017. In order to provide comparable year-over-year results, Non-GAAP income in all periods in fiscal year 2016 was adjusted for Non-GAAP income taxes at the fiscal year 2016 effective tax rate of 35.7%.

Annual 2016 GAAP to Non-GAAP Reconciliations



Reconciliation of GAAP to Non-GAAP Financial Measures

All amounts in millions except per share or margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Intangible Amortization Expense | Acquisition Related Expenses | Debt Amortization Expense | Income Tax Benefit (Expense) | Non-GAAP Amounts |
|--------------------------------------|---------------|----------------------------------|---------------------------------|------------------------------|---------------------------|------------------------------|------------------|
| Cost of Revenues | \$62.97 | \$1.83 | \$- | \$- | \$- | \$- | \$61.14 |
| Research & Development | 35.16 | 6.63 | - | - | - | - | 28.52 |
| Sales & Marketing | 78.83 | 7.19 | - | - | - | - | 71.64 |
| General & Administrative | 67.12 | 18.29 | 14.56 | 1.08 | - | - | 33.20 |
| Total Expenses | 244.08 | 33.95 | 14.56 | 1.08 | - | - | 194.50 |
| Income (Loss) from Operations | 120.22 | (33.95) | (14.56) | (1.08) | - | - | 169.80 |
| Interest and Other Income (Loss) | (3.25) | - | - | - | (0.37) | - | (2.87) |
| Pre-Tax Income (Loss) | 116.97 | (33.95) | (14.56) | (1.08) | (0.37) | - | 166.93 |
| Benefit (Expense) for Income Taxes* | (41.74) | - | - | - | - | (33.62) | (8.12) |
| Adjusted Income (Loss) | 75.23 | (33.95) | (14.56) | (1.08) | (0.37) | (33.62) | 158.81 |
| On a diluted per share basis | \$4.12 | \$(1.86) | \$(0.80) | \$(0.06) | \$(0.02) | \$(1.84) | \$8.70 |
| Shares used in per share calculation | 18.25 | 18.25 | 18.25 | 18.25 | 18.25 | 18.25 | 18.25 |

* For the 2016, the Company incurred approximately \$33.6 million in deferred income tax expense based on its GAAP income measures. In addition, the Company would have incurred an additional approximately \$14 million of deferred income tax expense based on its non-GAAP income measures.

Reconciliation of GAAP Net Income to Adjusted EBITDA

All amounts in millions except margin data

12 Months ended December 31

| | 2016 | 2015 |
|--|-----------------|----------------|
| GAAP Net Income (Loss) | \$75.23 | (\$4.20) |
| Depreciation and Amortization expense | \$19.17 | \$7.70 |
| Interest & Other Expense (Income), net | \$3.25 | (\$0.07) |
| Income Tax Expense (Benefit), net | \$41.74 | (\$1.37) |
| Stock-based Compensation Expense | \$33.95 | \$17.23 |
| Contingent Consideration Charge | \$ -- | \$46.09 |
| Non-Recurring Expenses | \$1.08 | \$17.22 |
| Adjusted EBITDA | \$174.41 | \$82.59 |
| Adjusted EBITDA Margin | 47.9% | 38.6% |

Reconciliation of GAAP to Non-GAAP Gross Profit and Gross Margin

All amounts in millions except margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Non-GAAP Amounts |
|-----------------------------------|---------------|----------------------------------|------------------|
| Mailing and Shipping Gross Profit | \$298.52 | \$(1.82) | \$300.34 |
| Customized Postage Gross Profit | 2.77 | (0.01) | 2.77 |
| Total Gross Profit | 301.33 | (1.83) | 303.16 |
| Mailing and Shipping Gross Margin | 85.1% | (0.5%) | 85.7% |
| Customized Postage Gross Margin | 20.3% | (0.0%) | 20.4% |
| Total Gross Margin | 82.7% | (0.5%) | 83.2% |

Fourth Quarter 2016 GAAP to Non-GAAP Reconciliations



Reconciliation of GAAP to Non-GAAP Financial Measures

All amounts in millions except per share or margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Intangible Amortization Expense | Debt Amortization Expense | Income Tax Benefit (Expense) | Non-GAAP Amounts |
|--------------------------------------|--------------|----------------------------------|---------------------------------|---------------------------|------------------------------|------------------|
| Cost of Revenues | \$17.90 | \$0.48 | \$- | \$- | \$- | \$17.43 |
| Research & Development | 9.58 | 1.94 | - | - | - | 7.64 |
| Sales & Marketing | 19.12 | 1.87 | - | - | - | 17.25 |
| General & Administrative | 17.85 | 4.91 | 4.01 | - | - | 8.93 |
| Total Expenses | 64.45 | 9.19 | 4.01 | - | - | 51.25 |
| Income (Loss) from Operations | 41.44 | (9.19) | (4.01) | - | - | 54.64 |
| Interest and Other Income (Loss) | (0.70) | - | - | (0.09) | - | (0.60) |
| Pre-Tax Income (Loss) | 40.75 | (9.19) | (4.01) | (0.09) | - | 54.04 |
| Benefit (Expense) for Income Taxes* | (11.72) | - | - | - | (6.90) | (4.82) |
| Adjusted Income (Loss) | 29.03 | (9.19) | (4.01) | (0.09) | (6.90) | 49.22 |
| On a diluted per share basis | \$1.61 | \$(0.51) | \$(0.22) | \$(0.01) | \$(0.38) | \$2.73 |
| Shares used in per share calculation | 18.03 | 18.03 | 18.03 | 18.03 | 18.03 | 18.03 |

* For the fourth quarter 2016, the Company incurred approximately \$6.9 million in deferred income tax expense based on its GAAP income measures. In addition, the Company would have incurred an additional approximately \$2 million of deferred income tax expense based on its non-GAAP income measures.

Reconciliation of GAAP Net Income to Adjusted EBITDA

All amounts in millions except margin data

| | Three Months ended Dec. 31 | |
|--|----------------------------|----------------|
| | 2016 | 2015 |
| GAAP Net Income (Loss) | \$29.03 | (\$0.07) |
| Depreciation and Amortization expense | \$5.23 | \$2.53 |
| Interest & Other Expense (Income), net | \$0.70 | \$0.35 |
| Income Tax Expense (Benefit), net | \$11.72 | (\$1.28) |
| Stock-based Compensation Expense | \$9.19 | \$8.12 |
| Contingent Consideration Charge | \$ -- | \$20.06 |
| Non-Recurring Expenses | \$ -- | \$0.47 |
| Adjusted EBITDA | \$55.87 | \$30.18 |
| Adjusted EBITDA Margin | 52.8% | 43.2% |

Reconciliation of GAAP to Non-GAAP Gross Profit and Gross Margin

All amounts in millions except margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Non-GAAP Amounts |
|-----------------------------------|--------------|----------------------------------|------------------|
| Mailing and Shipping Gross Profit | \$87.16 | \$(0.48) | \$87.63 |
| Customized Postage Gross Profit | 0.83 | (0.00) | 0.83 |
| Total Gross Profit | 87.99 | (0.48) | 88.47 |
| Mailing and Shipping Gross Margin | 85.2% | (0.5%) | 85.7% |
| Customized Postage Gross Margin | 23.0% | (0.0%) | 23.1% |
| Total Gross Margin | 83.1% | (0.5%) | 83.5% |

Third Quarter 2016 GAAP to Non-GAAP Reconciliations

Reconciliation of GAAP to Non-GAAP Financial Measures

All amounts in millions except per share or margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Intangible Amortization Expense | Debt Amortization | Income Tax Benefit (Expense) | Non-GAAP Amounts |
|--------------------------------------|---------------|----------------------------------|---------------------------------|-------------------|------------------------------|------------------|
| Cost of Revenues | \$16.73 | \$0.48 | \$- | \$- | \$- | \$16.25 |
| Research & Development | 9.11 | 1.92 | - | - | - | 7.19 |
| Sales & Marketing | 18.23 | 1.73 | - | - | - | 16.50 |
| General & Administrative | 16.90 | 4.70 | 3.99 | - | - | 8.22 |
| Total Expenses | 60.97 | 8.82 | 3.99 | - | - | 48.16 |
| Income (Loss) from Operations | 31.59 | (8.82) | (3.99) | - | - | 44.40 |
| Interest and Other Income (Loss) | (0.80) | - | - | (0.09) | - | (0.71) |
| Pre-Tax Income (Loss) | 30.79 | (8.82) | (3.99) | (0.09) | - | 43.69 |
| Benefit (Expense) for Income Taxes* | (12.12) | - | - | - | (10.67) | (1.45) |
| Adjusted Income (Loss) | 18.67 | (8.82) | (3.99) | (0.09) | (10.67) | 42.25 |
| On a diluted per share basis | \$1.03 | \$(0.49) | \$(0.22) | \$(0.01) | \$(0.59) | \$2.33 |
| Shares used in per share calculation | 18.12 | 18.12 | 18.12 | 18.12 | 18.12 | 18.12 |

*For the third quarter 2016, the Company incurred approximately \$10.7 million in deferred income tax expense based on its GAAP income measures. In addition, the Company would have incurred an additional approximately \$5 million of deferred income tax expense based on its Non-GAAP income measures.

Reconciliation of GAAP Net Income to Adjusted EBITDA

All amounts in millions except margin data

| | Three Months ended Sept. 30 | |
|--|-----------------------------|----------------|
| | 2016 | 2015 |
| GAAP Net Income (Loss) | \$18.67 | \$7.27 |
| Depreciation and Amortization expense | \$5.14 | \$1.64 |
| Interest & Other Expense (Income), net | \$0.80 | \$(0.05) |
| Income Tax Expense (Benefit), net | \$12.12 | \$5.77 |
| Stock-based Compensation Expense | \$8.82 | \$3.06 |
| Contingent Consideration Charge | \$ -- | \$1.92 |
| Non-Recurring Expenses | \$ -- | \$1.75 |
| Adjusted EBITDA | \$45.56 | \$21.36 |
| Adjusted EBITDA Margin | 49.2% | 41.3% |

Reconciliation of GAAP to Non-GAAP Gross Profit and Gross Margin

All amounts in millions except margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Non-GAAP Amounts |
|-----------------------------------|----------------|----------------------------------|------------------|
| Mailing and Shipping Gross Profit | \$74.86 | \$(0.47) | \$75.34 |
| Customized Postage Gross Profit | \$0.96 | \$(0.00) | \$0.96 |
| Total Gross Profit | \$75.83 | \$(0.48) | \$76.31 |
| Mailing and Shipping Gross Margin | 85.4% | (0.5%) | 86.0% |
| Customized Postage Gross Margin | 19.5% | (0.0%) | 19.5% |
| Total Gross Margin | 81.9% | (0.5%) | 82.4% |

Second Quarter 2016 GAAP to Non-GAAP Reconciliations



Reconciliation of GAAP to Non-GAAP Financial Measures

All amounts in millions except per share or margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Intangible Amortization Expense | Acquisition Related Expenses | Debt Amortization | Income Tax Benefit (Expense) | Non-GAAP Amounts |
|--------------------------------------|---------------|----------------------------------|---------------------------------|------------------------------|-------------------|------------------------------|------------------|
| Cost of Revenues | \$13.72 | \$0.45 | \$ - | \$ - | \$ - | \$ - | \$13.27 |
| Research & Development | 8.13 | 1.42 | - | - | - | - | 6.71 |
| Sales & Marketing | 20.08 | 1.86 | - | - | - | - | 18.22 |
| General & Administrative | 17.11 | 4.68 | 3.24 | 0.52 | - | - | 8.67 |
| Total Expenses | 59.05 | 8.42 | 3.24 | 0.52 | - | - | 46.87 |
| Income (Loss) from Operations | 24.97 | (8.42) | (3.24) | (0.52) | - | - | 37.14 |
| Interest and Other Income (Loss) | (0.87) | - | - | - | (0.09) | - | (0.78) |
| Pre-Tax Income (Loss) | 24.09 | (8.42) | (3.24) | (0.52) | (0.09) | - | 36.36 |
| Benefit (Expense) for Income Taxes* | (9.80) | - | - | - | - | (8.75) | (1.06) |
| Adjusted Income (Loss) | 14.29 | (8.42) | (3.24) | (0.52) | (0.09) | (8.75) | 35.30 |
| On a diluted per share basis | \$0.79 | \$(0.46) | \$(0.18) | \$(0.03) | \$(0.01) | \$(0.48) | \$1.94 |
| Shares used in per share calculation | 18.19 | 18.19 | 18.19 | 18.19 | 18.19 | 18.19 | 18.19 |

* For the second quarter 2016, the Company incurred approximately \$8.7 million in deferred income tax expense based on its GAAP income measures. In addition, the Company would have incurred an additional approximately \$5 million of deferred income tax expense based on its Non-GAAP income measures.

Reconciliation of GAAP Net Income to Adjusted EBITDA

All amounts in millions except margin data

Three Months ended June 30
2016 2015

| | | |
|--|----------------|----------------|
| GAAP Net Income (Loss) | \$14.29 | (\$10.43) |
| Depreciation and Amortization expense | \$4.33 | \$1.69 |
| Interest & Other Expense (Income), net | \$0.87 | (\$0.05) |
| Income Tax Expense (Benefit), net | \$9.80 | (\$4.74) |
| Stock-based Compensation Expense | \$8.42 | \$3.40 |
| Contingent Consideration Charge | \$ -- | \$13.60 |
| Non-Recurring Expenses | \$0.52 | \$14.24 |
| Adjusted EBITDA | \$38.24 | \$17.72 |
| Adjusted EBITDA Margin | 45.5% | 36.6% |

Reconciliation of GAAP to Non-GAAP Gross Profit and Gross Margin

All amounts in millions except margin data

GAAP Amounts Stock-Based Compensation Expense Non-GAAP Amounts

| | | | |
|-----------------------------------|----------------|-----------------|----------------|
| Mailing and Shipping Gross Profit | \$69.77 | \$(0.45) | \$70.22 |
| Customized Postage Gross Profit | \$0.51 | \$(0.00) | \$0.51 |
| Total Gross Profit | \$70.29 | \$(0.45) | \$70.74 |
| Mailing and Shipping Gross Margin | 85.6% | (0.6%) | 86.1% |
| Customized Postage Gross Margin | 20.8% | (0.1%) | 20.8% |
| Total Gross Margin | 83.7% | (0.5%) | 84.2% |

First Quarter 2016 GAAP to Non-GAAP Reconciliations



Reconciliation of GAAP to Non-GAAP Financial Measures

All amounts in millions except per share or margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Intangible Amortization Expense | Non-Recurring Expenses | Debt Amortization | Income Tax Benefit (Expense) | Non-GAAP Amounts |
|--------------------------------------|--------------|----------------------------------|---------------------------------|------------------------|-------------------|------------------------------|------------------|
| Cost of Revenues | \$14.62 | \$0.42 | \$ - | \$ - | \$ - | \$ - | \$14.20 |
| Research & Development | 8.34 | 1.36 | - | - | - | - | 6.98 |
| Sales & Marketing | 21.40 | 1.73 | - | - | - | - | 19.67 |
| General & Administrative | 15.26 | 4.01 | 3.32 | 0.56 | - | - | 7.38 |
| Total Expenses | 59.62 | 7.52 | 3.32 | 0.56 | - | - | 48.22 |
| Income (Loss) from Operations | 22.22 | (7.52) | (3.32) | (0.56) | - | - | 33.61 |
| Interest and Other Income (Loss) | (0.87) | - | - | - | (0.09) | - | (0.78) |
| Pre-Tax Income (Loss) | 21.35 | (7.52) | (3.32) | (0.56) | (0.09) | - | 32.84 |
| Benefit (Expense) for Income Taxes* | (8.11) | - | - | - | - | (7.31) | (0.80) |
| Adjusted Income (Loss) | 13.24 | (7.52) | (3.32) | (0.56) | (0.09) | (7.31) | 32.04 |
| On a diluted per share basis | \$0.71 | \$(0.40) | \$(0.18) | \$(0.03) | \$(0.01) | \$(0.39) | \$1.72 |
| Shares used in per share calculation | 18.66 | 18.66 | 18.66 | 18.66 | 18.66 | 18.66 | 18.66 |

* For the first quarter 2016, the Company incurred approximately \$7.3 million in deferred income tax expense based on its GAAP income measures. In addition, the Company would have incurred an additional approximately \$4 million of deferred income tax expense based on its Non-GAAP income measures.

Reconciliation of GAAP Net Income to Adjusted EBITDA

All amounts in millions except margin data

| | Three Months ended March 31 | |
|--|-----------------------------|----------------|
| | 2016 | 2015 |
| GAAP Net Income (Loss) | \$13.24 | (\$0.97) |
| Depreciation and Amortization expense | \$4.46 | \$1.84 |
| Interest & Other Expense (Income), net | \$0.87 | (\$0.32) |
| Income Tax Expense (Benefit), net | \$8.11 | (\$1.12) |
| Stock-based Compensation Expense | \$7.52 | \$2.64 |
| Contingent Consideration Charge | \$ -- | \$10.51 |
| Non-Recurring Expenses | \$0.56 | \$0.76 |
| Adjusted EBITDA | \$34.75 | \$13.33 |
| Adjusted EBITDA Margin | 42.5% | 30.3% |

Reconciliation of GAAP to Non-GAAP Gross Profit and Gross Margin

All amounts in millions except margin data

| | GAAP Amounts | Stock-Based Compensation Expense | Non-GAAP Amounts |
|-----------------------------------|----------------|----------------------------------|------------------|
| Mailing and Shipping Gross Profit | \$66.73 | \$(0.42) | \$67.15 |
| Customized Postage Gross Profit | \$0.47 | \$(0.00) | \$0.47 |
| Total Gross Profit | \$67.22 | \$(0.42) | \$67.64 |
| Mailing and Shipping Gross Margin | 84.3% | (0.5%) | 84.8% |
| Customized Postage Gross Margin | 17.8% | (0.0%) | 17.9% |
| Total Gross Margin | 82.1% | (0.5%) | 82.7% |