

## Reconciliation of GAAP Earnings Per Share to Non-GAAP Earnings Per Share

### Non-GAAP Financial Measure

In addition to disclosing financial results calculated in accordance with U.S. generally accepted accounting principles, or GAAP, this table contains a reconciliation from GAAP to non-GAAP financial measure for the three months ended March 31, 2009 and 2008. The Company believes that the non-GAAP financial measure included in the table provides meaningful supplemental information to both management and investors that is indicative of the Company's core operating results. The Company believes this non-GAAP financial measure facilitates comparison of operating results across reporting periods, and uses this non-GAAP financial measure when evaluating its financial results, as well as for internal planning and forecasting purposes. This non-GAAP financial measure should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP.

The Company's effective tax rate for the three months ended March 31, 2009 increased to 44.2% from 2.1% for the three months ended March 31, 2008. The Company's effective tax rate for the three months ended March 31, 2009 differs from the statutory rate primarily due to the impact of stock-based compensation expense. In comparison, as of March 31, 2008, the Company maintained a valuation allowance against deferred tax assets, as the Company concluded it did not meet the "more likely than not" threshold required under SFAS No. 109 to reverse the valuation allowance. As a result, the income tax expense for the three months ended March 31, 2008 was primarily federal and state alternative minimum taxes and other state taxes.

Due to the Company's sustained profitability, the Company estimates its future effective tax rate to be approximately 44.2% of income before taxes. This rate is subject to the impact of nondeductible stock-based compensation expense offset by any tax deductions from disqualifying dispositions. The following table includes the Company's effective tax rate of 44.2% for the three months ended March 31, 2009 and assumes for comparison purpose the same effective tax rate for the three months ended March 31, 2008.

### Reconciliation of GAAP Earnings Per Share to Non-GAAP Earnings Per Share *(in thousands, except per share data)*

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008		
	GAAP EPS	GAAP EPS	Effective Tax Rate (1) Assumed 44.2%	Non-GAAP EPS
<b>Numerator:</b>				
Net Income	\$ 5,942	\$ 5,007		\$ 5,007
Adjustment to increase assumed effective tax rate to 44.2%	-	-	(2,152)	(2,152)
Net income	<u>\$ 5,942</u>	<u>\$ 5,007</u>		<u>\$ 2,855</u>
<b>Denominator:</b>				
Weighted average shares of common stock outstanding - basic	16,747	16,156		16,156
Dilutive effect of common equivalent shares	1,089	1,337		1,337
Weighted average shares of common stock outstanding - diluted	<u>17,836</u>	<u>17,493</u>		<u>17,493</u>
<b>Net income per share:</b>				
Basic	\$ 0.35	\$ 0.31		\$ 0.18
Diluted	<u>\$ 0.33</u>	<u>\$ 0.29</u>		<u>\$ 0.16</u>

(1) Assumes an effective tax rate of 44.2% for the three months ended March 31, 2008, as compared to our actual GAAP tax rate of 2.1% for such period.