

SSI Investments II Limited and Subsidiaries
Non-GAAP adjusted EBITDA
(Unaudited, In thousands)

	Trailing Twelve Months Ended January 31,	
	2011 Combined ⁽¹⁾	2010 Predecessor
Net (loss) income, as reported	(127,704)	71,368
Add: Interest expense, net	52,396	7,285
Add: Depreciation and amortization	3,974	4,564
Add: Amortization of intangible assets	74,202	8,245
Add: Provision for income taxes	(14,572)	23,561
EBITDA	(11,704)	115,023
Add: Stock-based compensation expense	25,941	6,300
Add: Restatement and restructuring expenses	-	-
Add: IP migration expense	(26)	(1)
Add: Other expense (income)	1,234	943
Add: Retention bonus	-	-
Add: Sponsor fees	1,023	-
Add: Management consulting fees	1,950	-
Add: Acquisition related expenses	37,702	-
Add: Fair value adjustments to prepaid commissions in purchase accounting	(8,757)	-
Add: Fair value adjustments to deferred revenue in purchase accounting	68,144	-
Non-GAAP adjusted EBITDA⁽²⁾	115,507	122,265

(1) The information presented for the trailing 12 months ended January 31, 2011 includes the results of operations for the period from February 1, 2010 to May 25, 2010 of the Predecessor and the results of operations for the period from May 26, 2010 to January 31, 2011 of the Successor. Although the presentation of these fiscal periods on an arithmetically combined-basis does not comply with generally accepted accounting principles in the United States (referred to hereafter as “non-GAAP”), the Company’s management believes it provides a meaningful method of comparing the current period to the prior period results.

(2) The non-GAAP adjusted EBITDA is a financial measurement that does not comply with generally accepted accounting principles in the United States. Non-GAAP adjusted EBITDA is calculated by adding to EBITDA certain items of expense and deducting from EBITDA certain items of income that the Company’s management believes are not indicative of the Company’s future operating performance including, among other things, merger and integration related expenses, stock-based compensation amortization and business realignment strategy charges. This non-GAAP financial measure is not in accordance with, or an alternative to, financial information prepared in accordance with GAAP and may not be comparable to similar non-GAAP financial measures used by other companies. This non-GAAP measure should not be considered in isolation from, or as a substitute for, the financial results prepared in accordance with GAAP. The Company’s management uses this measurement because it is required to be reported to certain of the Company’s investors, lenders and financial institutions regarding its operations, cash flows and ability to meet its future debt service, capital expenditures and working capital requirements.