

# Reconciliations of Non-GAAP Financial Measures

**February 11, 2010**



# Non-GAAP Metrics Disclosure

- ❑ The Company believes that providing both GAAP and adjusted non-GAAP measures of its performance will provide meaningful supplemental information regarding its operational effectiveness and to enhance investors' overall understanding of the Company's current financial performance and prospects for the future. Management believes that investors benefit from seeing its results "through the eyes" of management in addition to the GAAP presentation.
- ❑ It is Management's belief that while not in accordance with or an alternative for GAAP, the adjusted information allows for greater transparency to supplemental information used by management in its financial and operational decision making.
- ❑ The adjusted information excludes items, such as amortization of intangible assets, impairment charges, depreciation, charges to consolidate and integrate recently acquired businesses and non-cash stock based compensation, and other non-cash charges that may have a material effect on the Company's net income and net income per share in accordance with GAAP.
- ❑ Management monitors these items to ensure that expenses are in line with expectations and that its GAAP results are correctly stated, but does not use them to measure the ongoing bottom line operating performance of the Company. Furthermore, the non-GAAP or adjusted information provided by the Company may be different from the non-GAAP or adjusted information provided by other companies.

# Reconciliation of GAAP and Non-GAAP Financial Measures

## For the Three and Six Months Ended, December 31, 2009 and 2008

(In 000's) Unaudited Results of Operations	For the Three Months Ended December 31,		For the Six Months Ended December 31,	
	2009	2008	2009	2008
Net income (loss)	\$ (68)	\$ (925)	\$ 100	\$ (2,047)
<b>Non-GAAP Adjustments:</b>				
Depreciation and amortization	204	138	411	274
Bad debt expense	94	(16)	139	(16)
Stock issued for services and expenses	126	(36)	211	27
Loss on equity method investment	-	(34)	-	163
Interest, net	174	80	385	103
Acquisition related costs, net of negotiated settlements (b)	37	60	41	131
<b>Adjusted Non-GAAP EBITDA (loss)</b>	<b>\$ 567</b>	<b>(733)</b>	<b>\$ 1,287</b>	<b>\$ (1,365)</b>

(In 000's) Unaudited pro-forma combined condensed financial statements	For the Three Months Ended December 31,		For the Six Months Ended December 31,	
	2009	2008	2009	2008
Net income (loss)	\$ (68)	(494)	\$ 100	\$ (4,044)
<b>Non-GAAP Adjustments:</b>				
Impairment of goodwill	-	-	-	2,370
Depreciation and amortization	204	259	411	516
Bad debt expense	94	52	139	111
Stock issued for services and expenses	126	20	211	116
Loss on equity method investment	-	-	-	197
Interest, net	174	107	385	158
Provision for income taxes	-	8	-	16
Acquisition related costs, net of negotiated settlements (b)	37	172	41	87
<b>Adjusted Pro Forma EBITDA (loss) (a)</b>	<b>\$ 567</b>	<b>124</b>	<b>\$ 1,287</b>	<b>\$ (473)</b>

(a) The unaudited pro-forma results of operations for the period ended December 31, 2009 and 2008, as though Prescient had been acquired as of July 1, 2008.

(b) Acquisition related costs are certain costs that were incurred during the period that were not capitalized. These costs include rents incurred on vacant corporate facilities and data centers, travel, training and costs to rebrand the combined Company.



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